

IMPORTANT NOTICE

THE BASE OFFERING CIRCULAR MAY ONLY BE DISTRIBUTED TO PERSONS WHO ARE NON U.S. PERSONS (AS DEFINED IN REGULATION S UNDER THE U.S. SECURITIES ACT OF 1933 (THE "SECURITIES ACT")) ("REGULATION S")) ON AN OFFSHORE BASIS OUTSIDE OF THE UNITED STATES.

IMPORTANT: You must read the following notice before continuing. The following notice applies to the attached base offering circular following this page (the "**Base Offering Circular**"), whether received by email, accessed from an internet page or otherwise received as a result of electronic communication, and you are therefore advised to read this notice carefully before reading, accessing or making any other use of the Base Offering Circular. In reading, accessing or making any other use of the Base Offering Circular, you agree to be bound by the following terms and conditions and each of the restrictions set out in the Base Offering Circular, including any modifications made to them from time to time, each time you receive any information from BBG Sukuk Ltd (the "**Trustee**"), Dukhan Bank Q.P.S.C. (the "**Obligor**" or the "**Bank**"), the Arranger or the Dealers (each as defined in this document) as a result of such access.

RESTRICTIONS: NOTHING IN THIS ELECTRONIC TRANSMISSION CONSTITUTES AN OFFER TO SELL OR A SOLICITATION OF AN OFFER TO BUY THE CERTIFICATES (AS DEFINED IN THE ATTACHED BASE OFFERING CIRCULAR) IN THE UNITED STATES OR IN ANY JURISDICTION WHERE IT IS UNLAWFUL TO DO SO. ANY CERTIFICATES TO BE ISSUED HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE SECURITIES ACT, OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OF THE UNITED STATES OR OTHER JURISDICTION. THE CERTIFICATES MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED DIRECTLY OR INDIRECTLY WITHIN THE UNITED STATES OR TO, OR FOR, THE ACCOUNT OR BENEFIT OF U.S. PERSONS (AS DEFINED IN REGULATION S) EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES.

THE BASE OFFERING CIRCULAR MAY NOT BE FORWARDED OR DISTRIBUTED TO ANY OTHER PERSON WITHOUT THE PRIOR WRITTEN CONSENT OF THE ARRANGER AND THE DEALERS AND MAY NOT BE REPRODUCED IN ANY MANNER WHATSOEVER AND, IN PARTICULAR, MAY NOT BE FORWARDED TO ANY U.S. PERSON OR U.S. ADDRESS. ANY FORWARDING, DISTRIBUTION OR REPRODUCTION OF THE BASE OFFERING CIRCULAR IN WHOLE OR IN PART IS UNAUTHORISED. FAILURE TO COMPLY WITH THIS DIRECTIVE MAY RESULT IN A VIOLATION OF THE SECURITIES ACT OR THE APPLICABLE SECURITIES LAWS OF OTHER JURISDICTIONS. IF YOU HAVE GAINED ACCESS TO THIS TRANSMISSION CONTRARY TO ANY OF THE FOREGOING RESTRICTIONS, YOU ARE NOT AUTHORISED AND WILL NOT BE ABLE TO PURCHASE ANY OF THE CERTIFICATES DESCRIBED IN THE BASE OFFERING CIRCULAR.

ANY SECURITIES DESCRIBED IN THE BASE OFFERING CIRCULAR WHICH DO NOT CONSTITUTE "ALTERNATIVE FINANCE INVESTMENT BONDS" ("**AFIBS**") WITHIN THE MEANING OF ARTICLE 77A OF THE FINANCIAL SERVICES AND MARKETS ACT 2000 (REGULATED ACTIVITIES) ORDER 2001 (SI 2001/544), AS AMENDED, WILL REPRESENT INTERESTS IN A COLLECTIVE INVESTMENT SCHEME (AS DEFINED IN THE FINANCIAL SERVICES AND MARKETS ACT 2000, AS AMENDED (THE "**FSMA**")) WHICH HAS NOT BEEN AUTHORISED, RECOGNISED OR OTHERWISE APPROVED BY THE UNITED KINGDOM FINANCIAL CONDUCT AUTHORITY. ACCORDINGLY, THE BASE OFFERING CIRCULAR IS NOT BEING DISTRIBUTED TO, AND MUST NOT BE PASSED ON TO, THE GENERAL PUBLIC IN THE UNITED KINGDOM (THE "**UK**").

THE DISTRIBUTION IN THE UK OF THE BASE OFFERING CIRCULAR ANY PRICING SUPPLEMENT (AS DEFINED HEREIN) AND ANY OTHER MARKETING MATERIALS RELATING TO THE CERTIFICATES IS BEING ADDRESSED TO, OR DIRECTED AT: (A) IF THE DISTRIBUTION OF THE CERTIFICATES (WHETHER OR NOT SUCH CERTIFICATES ARE AFIBS) IS BEING EFFECTED BY A PERSON WHO IS NOT AN AUTHORISED PERSON UNDER THE FSMA, ONLY THE FOLLOWING PERSONS: (I) PERSONS WHO ARE INVESTMENT PROFESSIONALS AS DEFINED IN ARTICLE 19(5) OF THE FINANCIAL SERVICES AND MARKETS ACT 2000 (FINANCIAL PROMOTION) ORDER 2005 (THE "**FINANCIAL**

PROMOTION ORDER"); (II) PERSONS FALLING WITHIN ANY OF THE CATEGORIES OF A PERSON DESCRIBED IN ARTICLE 49 (HIGH NET WORTH COMPANIES, UNINCORPORATED ASSOCIATIONS, ETC.) OF THE FINANCIAL PROMOTION ORDER; AND (III) ANY OTHER PERSON TO WHOM IT MAY OTHERWISE LAWFULLY BE MADE IN ACCORDANCE WITH THE FINANCIAL PROMOTION ORDER; AND (B) IF THE CERTIFICATES ARE NOT AFIBS AND THE DISTRIBUTION IS EFFECTED BY A PERSON WHO IS AN AUTHORISED PERSON UNDER THE FSMA, ONLY THE FOLLOWING PERSONS: (I) PERSONS FALLING WITHIN ONE OF THE CATEGORIES OF INVESTMENT PROFESSIONAL AS DEFINED IN ARTICLE 14(5) OF THE FINANCIAL SERVICES AND MARKETS ACT 2000 (PROMOTION OF COLLECTIVE INVESTMENT SCHEMES) (EXEMPTIONS) ORDER 2001 (THE "**PROMOTION OF CISS ORDER**"); (II) PERSONS FALLING WITHIN ANY OF THE CATEGORIES OF A PERSON DESCRIBED IN ARTICLE 22 (HIGH NET WORTH COMPANIES, UNINCORPORATED ASSOCIATIONS, ETC.) OF THE PROMOTION OF CISS ORDER; AND (III) ANY OTHER PERSON TO WHOM IT MAY OTHERWISE LAWFULLY BE PROMOTED IN ACCORDANCE WITH THE PROMOTION OF CISS ORDER (ALL SUCH PERSONS TOGETHER BEING REFERRED TO AS "**RELEVANT PERSONS**").

FOR A MORE COMPLETE DESCRIPTION OF RESTRICTIONS ON OFFERS AND SALES, SEE "*SUBSCRIPTION AND SALE*".

THE BASE OFFERING CIRCULAR MUST NOT BE ACTED ON OR RELIED ON IN THE UK, BY PERSONS WHO ARE NOT RELEVANT PERSONS. ANY INVESTMENT OR INVESTMENT ACTIVITY TO WHICH THE BASE OFFERING CIRCULAR RELATES IS AVAILABLE ONLY TO RELEVANT PERSONS IN THE UK AND WILL BE ENGAGED IN ONLY WITH SUCH PERSONS.

CONFIRMATION OF YOUR REPRESENTATION: In order to be eligible to view the Base Offering Circular or make an investment decision with respect to the Certificates described therein, (1) each prospective investor in respect of the Certificates being offered outside of the United States in an offshore transaction pursuant to Regulation S must be a non-U.S. person (as defined in Regulation S) and outside of the United States and (2) each prospective investor in respect of the securities being offered in the UK must be a Relevant Person. By accepting this email and accessing, reading or making any other use of the Base Offering Circular, you shall be deemed to have represented to the Dealers (as defined in the Base Offering Circular) that (1) you have understood and agree to the terms set out herein, (2) you are a non-U.S. person (within the meaning of Regulation S) and are outside the United States, and are not acting for the account or benefit of any U.S. person, and the electronic mail (or email) address to which, pursuant to your request, the attached Base Offering Circular has been delivered by electronic transmission is not located in the United States, its territories and possessions or in any State of the United States or the District of Columbia (3) in respect of the Certificates being offered in the UK, you are (or the person you represent is) a Relevant Person, (4) you consent to delivery by electronic transmission, (5) you will not transmit the Base Offering Circular (or any copy of it or part thereof) or disclose, whether orally or in writing, any of its contents to any other person except with the consent of the Dealers and (6) you acknowledge that you will make your own assessment regarding any legal, taxation or other economic considerations with respect to your decision to subscribe for or purchase of any of the Certificates.

You are reminded that the Base Offering Circular has been delivered to you on the basis that you are a person into whose possession the Base Offering Circular may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located and you may not, nor are you authorised, to deliver or disclose the contents of the Base Offering Circular, electronically or otherwise, to any other person and in particular to any U.S. address. Failure to comply with this directive may result in a violation of the Securities Act or the applicable laws of other jurisdictions.

If you received the Base Offering Circular by email, you should not reply by email to this announcement. Any reply email communications, including those you generate by using the "Reply" function on your email software, will be ignored or rejected. If you receive the Base Offering Circular by email, your use of this email is at your own risk and it is your responsibility to take precautions to ensure that it is free from viruses and other items of a destructive nature.

The materials relating to any offering of Certificates under the Programme (as defined below) do not constitute, and may not be used in connection with, an offer or solicitation in any place where such offers or solicitations are not permitted by law. If a jurisdiction requires that the offering be made by a licensed broker or dealer and a Dealer or any affiliate of the relevant Dealer is a licensed broker or dealer in that

jurisdiction, the offering shall be deemed to be made by the relevant Dealer or such affiliate on behalf of the Trustee and the Bank in such jurisdiction.

Under no circumstances shall the Base Offering Circular constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful. Recipients of the Base Offering Circular who intend to subscribe for or purchase the Certificates are reminded that any subscription or purchase may only be made on the basis of the information contained in the Base Offering Circular.

The Arranger, the Dealers, the Delegate and the Agents (each as defined in the Base Offering Circular) have not independently verified the information contained in the Base Offering Circular. Accordingly, none of the Arranger, the Dealers, the Delegate, the Agents or any of their respective directors, affiliates, advisers or agents make any representation or warranty or accept any liability in relation to the information contained or incorporated by reference in the Base Offering Circular or for any other information provided by the Trustee or the Bank in connection with the programme described in the Base Offering Circular (the "**Programme**") nor is any responsibility or liability accepted by them as to the accuracy or completeness of the information contained in the Base Offering Circular or any responsibility for any acts or omissions of the Trustee, the Bank or any other person in connection with the Base Offering Circular or the issue and offering of trust certificates under the Programme. To the fullest extent permitted by law, none of the Arranger, the Dealers, their respective directors, affiliates, advisers and agents and the Delegate and the Agents accept any responsibility for the contents of the Base Offering Circular and accordingly each disclaims all and any liability whether arising in tort, contract or otherwise which it might otherwise have in respect of the Base Offering Circular.

The Base Offering Circular has been sent to you in an electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of electronic transmission and consequently none of the Arranger, the Dealers, the Trustee, the Bank, the Delegate, the Agents nor any person who controls or is a director, officer, employee or agent of any Arranger, Dealer, the Trustee, the Bank, the Delegate, the Agents nor any affiliate of any such person accepts any liability or responsibility whatsoever in respect of any difference between the Base Offering Circular distributed to you in electronic format and the hard copy version available to you on request from each Dealer.

The Base Offering Circular may not be distributed in the Kingdom of Saudi Arabia except to such persons as are permitted under the Rules on the Offer of Securities and Continuing Obligations issued by the Board of the Capital Market Authority of the Kingdom of Saudi Arabia pursuant to its resolution number 3-123-2017, dated 9/4/1439H (corresponding to 27 December 2017), as amended by its resolution number 3-6-2024 dated 5/7/1445H (corresponding to 17 January 2024).

The Capital Market Authority of the Kingdom of Saudi Arabia does not make any representation as to the accuracy or completeness of the Base Offering Circular, and expressly disclaims any liability whatsoever for any loss arising from, or incurred in reliance upon, any part of the Base Offering Circular. Prospective purchasers of the Certificates offered hereby should conduct their own due diligence on the accuracy of the information relating to the Certificates. If you do not understand the contents of the Base Offering Circular you should consult an authorised financial adviser.

The distribution of the Base Offering Circular in certain jurisdictions may be restricted by law. Persons into whose possession the Base Offering Circular comes are required by the Dealers, the Trustee and the Bank, to inform themselves about, and to observe, any such restrictions.



BBG SUKUK LTD

(incorporated in the Cayman Islands as an exempted company with limited liability)

U.S.\$2,000,000,000

Trust Certificate Issuance Programme

Under the U.S.\$2,000,000,000 trust certificate issuance programme (the "**Programme**") described in this base offering circular (the "**Base Offering Circular**"), BBG Sukuk Ltd (in its capacity as issuer and trustee, as applicable, the "**Trustee**"), subject to compliance with all relevant laws, regulations and directives, may from time to time issue trust certificates (the "**Certificates**") denominated in any currency agreed between the Trustee and the Dealers (as defined below). Certificates may only be issued in registered form. The maximum aggregate face amount of all Certificates from time to time outstanding under the Programme will not exceed U.S.\$2,000,000,000 (or its equivalent in other currencies, calculated as provided for in the Programme Agreement described herein), subject to increase as described herein.

The Certificates may be issued on a continuing basis to one or more of the Dealers specified under "*Overview of the Programme*" and any additional Dealer(s) appointed under the Programme from time to time by the Trustee and Dukhan Bank Q.P.S.C. (the "**Obligor**" or the "**Bank**") (each a "**Dealer**" and together, the "**Dealers**"), which appointment may be for a specific issue of Certificates or on an ongoing basis. References in this Base Offering Circular to the "**relevant Dealer(s)**" shall, in the case of an issue of Certificates being (or intended to be) subscribed for by more than one Dealer, be to all Dealers agreeing to subscribe to such Certificates.

The Certificates will be limited recourse obligations of the Trustee. An investment in Certificates issued under the Programme involves certain risks. For a discussion of the principal risk factors that may affect the ability of the Trustee to fulfil its obligations under the Certificates, see "*Risk Factors*".

Each Tranche (as defined in the terms and conditions of the Certificates (the "**Conditions**")) of Certificates will be constituted by: (i) an amended and restated master trust deed (the "**Master Trust Deed**") dated 7 August 2024 entered into by, *inter alios*, the Trustee, the Bank and Deutsche Trustee Company Limited as delegate of the Trustee (in such capacity, the "**Delegate**"); and (ii) a supplemental trust deed (each a "**Supplemental Trust Deed**") in relation to the relevant Tranche. Certificates of each Series confer on the holders of the Certificates from time to time (the "**Certificateholders**") the right to receive payments (as more particularly described herein) arising from the assets of a trust declared by the Trustee in relation to the relevant Series (the "**Trust**").

Application has been made to the London Stock Exchange plc (the "**London Stock Exchange**") for the Certificates issued under the Programme during the period of 12 months from the date of this Base Offering Circular to be admitted to the London Stock Exchange's International Securities Market (the "**ISM**"). The ISM is not a regulated market for the purposes of Regulation (EU) No. 600/2014 as it forms part of United Kingdom ("**UK**") domestic law by virtue of the European Union (Withdrawal) Act 2018 (the "**EUWA**") (the "**UK MiFIR**").

The ISM is a market designated for professional investors. Certificates admitted to trading on the ISM are not admitted to the Official List of the Financial Conduct Authority (the "FCA"). The London Stock Exchange has not approved or verified the contents of this Base Offering Circular.

References in this Base Offering Circular to the Certificates being "admitted to trading" (and all related references) shall mean that such Certificates have been admitted to trading on the ISM. The Programme provides that Certificates may be listed or admitted to trading, as the case may be, on such other or further stock exchanges or markets as may be agreed between the Trustee, the Bank and the relevant Dealer(s). The Trustee may also issue unlisted Certificates and/or Certificates not admitted to trading on any market. The applicable Pricing Supplement (as defined below) will state whether or not the relevant Certificates will be listed and/or admitted to trading and, if so, on which exchange the Certificates are to be listed.

This Base Offering Circular does not constitute a prospectus for the purposes of a listing or an admission to trading on any market in the UK which has been designated as a regulated market for the purposes of UK MiFIR and has not been approved by the FCA pursuant to the Official Listing of Securities, Prospectus and Transparency (Amendment etc.) (EU Exit) Regulations 2019.

This Base Offering Circular does not constitute a prospectus for the purposes of a listing or an admission to trading on any market in the European Economic Area (the "**EEA**") which has been designated as a regulated market for the purposes of the Markets in Financial Instruments Directive (Directive 2014/65/EU) (as amended, "**MiFID II**"), and has not been approved by the competent authority in any member state of the EEA pursuant to Regulation (EU) 2017/1129.

Investors should also note that the Certificates will be delisted from the ISM and/or any further stock exchanges following the occurrence of a Tangibility Event, see Condition 9(e) (*Dissolution at the Option of the Certificateholders (Tangibility Event Put Right)*).

Notice of the aggregate face amount of Certificates, profit (if any) payable in respect of such Certificates, the issue price of such Certificates and other information which is applicable to each Tranche of such Certificates will be set out in a pricing supplement (the "**Pricing Supplement**"), which with respect to Certificates to be admitted to trading on the ISM, will be delivered to the London Stock Exchange. Copies of the Pricing Supplement in relation to Certificates to be admitted to trading on the ISM will also be published on the website of the London Stock Exchange through a regulatory information service or may be published in such other manner permitted by the International Securities Market Rulebook effective as of 1 January 2021 (as may be modified and/or supplemented and/or restated from time to time, the "**ISM Rulebook**").

The Certificates have not been and will not be registered under the United States Securities Act of 1933 (the "**Securities Act**") or with any securities regulatory authority of any state or other jurisdiction of the United States. Subject to certain exceptions, the Certificates may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the Securities Act ("**Regulation S**")). For a description of certain restrictions on offers and sales of Certificates and on distribution of this Base Offering Circular, see "*Subscription and Sale*".

Each Series of Certificates will initially be represented by a global certificate in registered form (a "**Global Certificate**"). Global Certificates will be deposited on the relevant issue date with, and registered in the name of a nominee for, a common depositary (the "**Common Depositary**") on behalf of Euroclear Bank SA/NV ("**Euroclear**") and Clearstream Banking S.A. ("**Clearstream, Luxembourg**"). The provisions governing the exchange of interests in Global Certificates for definitive Certificates are described in "*Summary of Provisions relating to the Certificates while in Global Form*".

The Bank has been assigned a long-term rating of A with a stable outlook by Fitch Ratings Ltd. ("**Fitch**") and a long-term rating of A2 with a stable outlook by Moody's Investors Service Cyprus Ltd. ("**Moody's**"). The programme has been rated A by Fitch.

Fitch is established in the UK and is registered under Regulation (EU) No. 1060/2009 as it forms part of UK domestic law by virtue of the EUWA (the "**UK CRA Regulation**") and as such is included in the list of credit rating agencies published by the FCA on its website in accordance with the UK CRA Regulation. Fitch is not established in the European Economic Area (the "**EEA**") and has not applied for registration under Regulation (EC) No. 1060/2009 (as amended, the "**EU CRA Regulation**"). The ratings assigned by Fitch have been endorsed by Fitch Ratings Ireland Limited, which is established in the European Union (the "**EU**") and registered under the EU CRA Regulation, and such endorsement has not been withdrawn.

Moody's is established in the EU and is registered under the EU CRA Regulation. Moody's is not established in the UK and has not applied for registration under the UK CRA Regulation. The rating assigned by Moody's has been endorsed by Moody's Investors Services Limited, which is established in the UK and registered under the UK CRA Regulation.

Each of Fitch Ratings Ireland Limited and Moody's Investors Service Cyprus Limited are included in the list of credit rating agencies published by the European Securities and Markets Authority ("**ESMA**") on its website (at <https://www.esma.europa.eu/credit-rating-agencies/cra-authorisation>) in accordance with the EU CRA Regulation. Fitch and Moody's Investors Service Limited appear on the latest update of the list of registered credit rating agencies on the FCA's Financial Services Register. Certificates issued under the Programme may be rated or unrated. Where a Tranche of Certificates is rated, such rating will be disclosed in the applicable Pricing Supplement. A credit rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time by the assigning rating organisation.

A Series of Certificates to be issued under the Programme may be rated or unrated. Where a Series of Certificates is rated, such rating will be disclosed in the applicable Pricing Supplement and will not necessarily be the same as the rating applicable to the Programme. A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, change or withdrawal at any time by the assigning rating agency.

The transaction structure relating to the Certificates (as described in this Base Offering Circular) has been approved by the *Shari'a* Supervisory Board of Dukhan Bank Q.P.S.C. (the "**Shari'a Supervisory Board**") and the Global Shariah Supervisory Committee of Standard Chartered Bank, as in their view, being compliant with the principles of *Sharia* as applicable to the Trust Certificates, and as interpreted by them. Prospective Certificateholders should not rely on such approvals in deciding whether to make an investment in the Certificates and should consult their own *Shari'a* advisers as to whether the proposed transaction described in such approvals is in compliance with their individual standards of compliance with *Shari'a* principles. None of the Trustee, the Bank, the Arranger (as defined below), the Dealers, the Delegate or any of the Agents (as defined below) makes any representation as to the *Shari'a* compliance of the Certificates and/or any trading thereof (including, without limitation, any future trading of the Certificates on the secondary market) and none of the Trustee, the Bank, the Arranger or the Dealers shall be liable to any Certificateholder or any other person in respect thereof. Potential investors are reminded that, as with any *Shari'a* views, differences in opinion are possible and different *Shari'a* standards may be applied by different *Shari'a* boards.

Arranger

Standard Chartered Bank

Dealer

Standard Chartered Bank

The date of this Base Offering Circular is 7 August 2024.

IMPORTANT INFORMATION RELATING TO THE USE OF THIS BASE OFFERING CIRCULAR AND OFFERS OF CERTIFICATES GENERALLY

This Base Offering Circular comprises admission particulars for the purpose of the ISM Rulebook. This Base Offering Circular does not comprise a prospectus for the purposes of either Regulation (EU) 2017/1129 (the "**Prospectus Regulation**") or Regulation (EU) 2017/1129 as it forms part of UK domestic law by virtue of the EUWA (the "**UK Prospectus Regulation**"), and has not been approved as such by the competent authority in any member state of the EEA or by the FCA.

The Trustee and the Bank accept responsibility for the information contained in this Base Offering Circular and the applicable Pricing Supplement for each Series of Certificates issued under the Programme. To the best of the knowledge of the Trustee and the Bank (each having taken all reasonable care to ensure that such is the case), the information contained in this Base Offering Circular is in accordance with the facts and does not omit anything likely to affect the import of such information.

This Base Offering Circular should be read and construed together with any amendments or supplements hereto, with any information incorporated by reference herein and, in relation to any Tranche of Certificates, should be read and construed together with the applicable Pricing Supplement.

The language of this Base Offering Circular is English. Certain technical terms have been cited in their original language in order that the correct technical meaning may be ascribed to them under applicable law.

Any *Shari'a* non-compliant terminology or term used in this Base Offering Circular has been used to give the correct meaning to a particular definition or a clause and does not impact the *Shari'a* compliance nature of the Transaction Documents.

None of the Arranger, the Dealers, the Delegate, the Agents or any of their respective affiliates have authorised the whole or any part of this Base Offering Circular and none of them makes any representation or warranty (and no such representation or warranty is implied) or accepts any responsibility as to the accuracy or completeness of the information contained in this Base Offering Circular or any responsibility for any acts or omissions of the Trustee, the Bank or any other person in connection with this Base Offering Circular or the issue and offering of Certificates under the Programme.

No person has been authorised to give any information or to make any representation other than those contained in this Base Offering Circular in connection with the Programme or the issue or sale of the Certificates and, if given or made, such information or representation must not be relied upon as having been authorised by the Trustee, the Bank, the Arranger, the Dealers, the Delegate or the Agents (each as defined herein). Neither the delivery of this Base Offering Circular nor any offering or sale of the Certificates shall, under any circumstances, create any implication that there has been no change in the affairs of the Trustee or the Bank since the date hereof or the date upon which this Base Offering Circular has been most recently amended or supplemented, or that there has been no adverse change in the financial position of the Trustee or the Bank since the date hereof or the date upon which this Base Offering Circular has been most recently amended or supplemented or that any other information supplied in connection with the Programme is correct as at any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.

The distribution of this Base Offering Circular and the offering or sale of the Certificates in certain jurisdictions may be restricted by law. Persons into whose possession this Base Offering Circular comes are required by the Trustee, the Bank, the Arranger and the Dealers to inform themselves about and to observe any such restriction. The Certificates have not been and will not be registered under the Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States. Certificates may not be offered, sold or delivered within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S) except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws. Accordingly, the Certificates are being offered, sold or delivered only outside the United States in offshore transactions to non-U.S. persons in accordance with Regulation S. Each purchaser of the Certificates in making its purchase will be deemed to have made certain acknowledgements, representations and agreements. Prospective purchasers are hereby notified that the offer, sale or delivery of Certificates to it will be made in reliance on the exemption from the registration requirements of the Securities Act provided by Regulation S. For a description of certain restrictions on offers and sales of Certificates and on distribution of this Base Offering Circular, see "*Subscription and Sale*".

If a jurisdiction requires that the offering be made by a licensed broker or dealer and any of the Arranger or Dealers or any affiliate of the Arranger or Dealers is a licensed broker or dealer in that jurisdiction, the offering shall be deemed to be made by that Arranger or Dealer or such affiliate on behalf of the Trustee in such jurisdiction.

This Base Offering Circular does not constitute an offer of, or an invitation by or on behalf of the Trustee, the Bank, the Arranger or the Dealers to subscribe for, or purchase, any Certificates.

To the fullest extent permitted by law, none of the Arranger, the Dealers, the Delegate or the Agents accepts any responsibility for the contents of this Base Offering Circular or for any other statement made, or purported to be made, by the Arranger, the Dealers, the Delegate, the Agents or on its or their behalf in connection with the Trustee, the Bank or the issue and offering of the Certificates or any responsibility for any acts or omissions of the Trustee, the Bank or any other person in connection with this Base Offering Circular or the issue and offering of Certificates under the Programme. Each of the Arranger, the Dealers, the Delegate and the Agents accordingly disclaims all and any liability whether arising in tort or contract or otherwise which it might otherwise have in respect of this Base Offering Circular or any such statement. Neither this Base Offering Circular nor any other such statements are intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by any of the Trustee, the Bank, the Arranger, the Dealers, the Delegate or the Agents that any recipient of this Base Offering Circular or any other such statements should purchase the Certificates. Each potential purchaser of Certificates should determine for itself the relevance of the information contained in this Base Offering Circular and its purchase of Certificates should be based upon such investigation as it deems necessary. None of the Arranger, the Dealers, the Delegate or the Agents undertakes to review the financial condition or affairs of the Trustee or the Bank during the life of the arrangements contemplated by this Base Offering Circular, nor to advise any investor or potential investor in Certificates issued under the Programme of any information coming to the attention of any of the Arranger, the Dealers, the Delegate or the Agents.

Admission to trading on the ISM is not to be taken as an indication of the merits of the Trustee, the Bank or the Certificates. The Certificates may not be a suitable investment for all investors. Each potential investor in any Certificates must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor may wish to consider, either on its own or with the help of its financial and other professional advisers, whether it:

- (i) has sufficient knowledge and experience to make a meaningful evaluation of the relevant Certificates, the merits and risks of investing in the relevant Certificates and the information contained in this Base Offering Circular or any applicable supplement hereto;
- (ii) has access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the relevant Certificates and the impact such investment will have on its overall investment portfolio;
- (iii) has sufficient financial resources and liquidity to bear all of the risks of an investment in the relevant Certificates, including Certificates where the currency for any Dissolution Distribution Amount or Periodic Distribution Amount (each as defined herein) payments are different from the potential investor's currency;
- (iv) understands thoroughly the terms of the relevant Certificates and is familiar with the behaviour of any relevant indices and financial markets;
- (v) be able to evaluate the compliance of the Certificates and trading thereof with *Shari'a* principles (including, without limitation, their individual standards of compliance relating thereto); and
- (vi) is able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, profit rate and other factors that may affect its investment and its ability to bear the applicable risks.

The Certificates are complex financial instruments and such instruments may be purchased as a way to reduce risk or enhance yield with an understood, measured, appropriate addition of risk to their overall portfolios. A potential investor should not invest in Certificates unless it has the expertise (either alone or with the help of a financial adviser) to evaluate how the Certificates will perform under changing conditions,

the resulting effects on the value of such Certificates and the impact this investment will have on the potential investor's overall investment portfolio.

Legal investment considerations may restrict the ability of certain investors to make investments in Certificates. The investment activities of certain investors are subject to investment laws and regulations, or review or regulation by certain authorities. Each potential investor should have regard to the information set out in the "*Use of Proceeds*" section and should consult its legal advisers to determine whether and to what extent (i) Certificates are legal investments for it, (ii) Certificates can be used as collateral for various types of raising of funding or financing and (iii) other restrictions apply to its purchase or pledge of any Certificates by the investor.

The Certificates to which this Base Offering Circular relates may be illiquid and/or subject to restrictions on their resale. Prospective purchasers of the Certificates offered should conduct their own due diligence on the Certificates. If you do not understand the contents of this Base Offering Circular you should consult an authorised financial adviser.

No advice is given by the Trustee, the Bank, the Arranger, the Dealers, the Delegate or the Agents in respect of taxation or *Shari'a* matters relating to any Certificates or the legality of the purchase of the Certificates by an investor under any applicable law.

EACH PROSPECTIVE INVESTOR IS ADVISED TO CONSULT ITS OWN *SHARI'A* ADVISER, TAX ADVISER, LEGAL ADVISER AND BUSINESS ADVISER AS TO *SHARI'A*, TAX, LEGAL, BUSINESS AND RELATED MATTERS CONCERNING THE PURCHASE OF ANY CERTIFICATES.

STABILISATION

In connection with the issue of any Tranche, the Dealer or Dealers (if any) named as the stabilisation manager(s) (the "Stabilisation Manager(s)") (or persons acting on behalf of any Stabilisation Manager(s)) in the applicable Pricing Supplement may effect transactions with a view to supporting the market price of the Certificates at a level higher than that which might otherwise prevail. However, stabilisation may not necessarily occur. Any stabilisation action may begin on or after the issue date of the relevant Tranche and, if begun, may cease at any time, but it must end no later than the earlier of 30 days after the issue date of the relevant Tranche and 60 days after the date of the allotment of the relevant Tranche. Any stabilisation action must be conducted by the relevant Stabilisation Manager(s) (or persons acting on behalf of any Stabilisation Manager(s)) in accordance with all applicable laws and rules.

EU MIFID II PRODUCT GOVERNANCE/TARGET MARKET

The applicable Pricing Supplement in respect of any Certificates may include a legend entitled "MiFID II Product Governance", which will outline the target market assessment in respect of the Certificates and which channels for distribution of the Certificates are appropriate. Any person subsequently offering, selling or recommending the Certificates (a "**distributor**") should take into consideration the target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Certificates (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

A determination will be made in relation to each issue about whether, for the purpose of the MiFID Product Governance rules under EU Delegated Directive 2017/593 (the "**EU MiFID Product Governance Rules**"), any Dealer subscribing for any Certificates is a manufacturer in respect of such Certificates, but otherwise neither the Arranger nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the EU MiFID Product Governance Rules.

UK MIFIR PRODUCT GOVERNANCE/TARGET MARKET

The applicable Pricing Supplement in respect of any Certificates may include a legend entitled "UK MiFIR Product Governance" which will outline the target market assessment in respect of the Certificates and which channels for distribution of the Certificates are appropriate. Any distributor should take into consideration the target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the "**UK MiFIR Product Governance Rules**") is

responsible for undertaking its own target market assessment in respect of the Certificates (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

A determination will be made in relation to each issue about whether, for the purpose of the UK MiFIR Product Governance Rules, any Dealer subscribing for any Certificates is a manufacturer in respect of such Certificates, but otherwise neither the Arranger nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the UK MiFIR Product Governance Rules.

BENCHMARKS REGULATION

Profit and/or other amounts payable under the Certificates may be calculated by reference to certain reference rates. Any such reference rate may constitute a benchmark for the purposes of Regulation (EU) 2016/2011 (the "**Benchmarks Regulation**") or the Benchmarks Regulation as it forms part of UK domestic law by virtue of the EUWA (the "**UK Benchmarks Regulation**"). If any such reference rate does constitute such a benchmark, the Pricing Supplement will indicate whether or not the benchmark is provided by an administrator included in the register of administrators and benchmarks established and maintained by ESMA pursuant to Article 36 (Register of administrators and benchmarks) of the Benchmarks Regulation or the FCA pursuant to Article 36 (Register of administrators and benchmarks) of the UK Benchmarks Regulation. Administrators of certain benchmarks are not required to be registered by virtue of Article 2 of each of the Benchmarks Regulation and the UK Benchmarks Regulation and transitional provisions in the Benchmarks Regulation and the UK Benchmarks Regulation may have the result that the administrator of a particular benchmark is not required to appear in the register of administrators and benchmarks at the date of the Pricing Supplement. The registration status of any administrator under the Benchmarks Regulation and/or the UK Benchmarks Regulation is a matter of public record and, save where required by applicable law, the Trustee does not intend to update the applicable Pricing Supplement to reflect any change in the registration status of the administrator.

VOLCKER RULE

The Volcker Rule, which became effective on 1 April 2014, but was subject to a conformance period for certain entities that concluded on 21 July 2015, generally prohibits "banking entities" (which is broadly defined to include U.S. banks and bank holding companies and many non-U.S. banking entities, together with their respective subsidiaries and other affiliates) from (i) engaging in proprietary trading, (ii) acquiring or retaining an ownership interest in or sponsoring a "covered fund", and (iii) entering into certain relationships with "covered funds". The general effects of the Volcker Rule remain uncertain; any prospective investor in the Certificates and any entity that is a "banking entity" as defined under the Volcker Rule which is considering an investment in the Certificates should consult its own legal advisers and consider the potential impact of the Volcker Rule in respect of such investment. If investment by "banking entities" in the Certificates is prohibited or restricted by the Volcker Rule, this could impair the marketability and liquidity of such Certificates. No assurance can be made as to the effect of the Volcker Rule on the ability of certain investors subject thereto to acquire or retain an interest in the Certificates, and accordingly none of the Trustee, the Bank, the Arranger, the Dealers, the Delegate or the Agents, or any of their respective affiliates makes any representation regarding (a) the status of the Trustee under the Volcker Rule (including whether it is a "covered fund" for their purposes) or (b) the ability of any purchaser to acquire or hold the Certificates, now or at any time in the future.

NOTICE TO RESIDENTS IN THE UK

Any Certificates to be issued under the Programme which do not constitute "alternative finance investment bonds" ("**AFIBs**") within the meaning of Article 77A of the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001 (SI 2001/544), as amended, will represent interests in a collective investment scheme (as defined in the FSMA, which has not been authorised, recognised or otherwise approved by the FCA. Accordingly, any Certificates to be issued under the Programme must not be marketed in the UK to the general public and this Base Offering Circular is not being distributed to, and must not be passed on to, the general public in the UK.

The distribution in the UK of this Base Offering Circular, any applicable Pricing Supplement and any other marketing materials relating to the Certificates is being addressed to, or directed at: (A) if the distribution of the Certificates (whether or not such Certificates are AFIBs) is being effected by a person who is not an authorised person under the FSMA, only the following persons: (i) persons who are Investment Professionals as defined in Article 19(5) of the Financial Services and Markets Act 2000 (Financial

Promotion) Order 2005 (the "**Financial Promotion Order**"); (ii) persons falling within any of the categories of a person described in Article 49 (High net worth companies, unincorporated associations, etc.) of the Financial Promotion Order; and (iii) any other person to whom it may otherwise lawfully be made in accordance with the Financial Promotion Order; and (B) if the Certificates are not AFIBs and the distribution is effected by a person who is an authorised person under the FSMA, only the following persons: (i) persons falling within one of the categories of Investment Professional as defined in Article 14(5) of the Financial Services and Markets Act 2000 (Promotion of Collective Investment Schemes) (Exemptions) Order 2001 (the "**Promotion of CISs Order**"); (ii) persons falling within any of the categories of a person described in Article 22 (High net worth companies, unincorporated associations, etc.) of the Promotion of CISs Order; and (iii) any other person to whom it may otherwise lawfully be promoted in accordance with the Promotion of CISs Order.

Persons of any other description in the UK may not receive and should not act or rely on this Base Offering Circular, any applicable Pricing Supplement or any other marketing materials in relation to any Certificates.

Prospective investors in the UK in any Certificates are advised that all, or most, of the protections afforded by the UK regulatory system will not apply to an investment in such Certificates and that compensation will not be available under the UK Financial Services Compensation Scheme. Any prospective investor intending to invest in any investment described in this Base Offering Circular should consult its professional advisers and should ensure that it fully understands all the risks associated with making such an investment and that it has sufficient financial resources to sustain any loss that may arise from such investment.

NOTICE TO RESIDENTS OF THE KINGDOM OF BAHRAIN

In relation to investors in the Kingdom of Bahrain, Certificates issued in connection with this Base Offering Circular and related offering documents may only be offered in registered form to existing accountholders and accredited investors as defined by the Central Bank of Bahrain (the "**CBB**") in the Kingdom of Bahrain where such investors make a minimum investment of at least U.S.\$100,000 or any equivalent amount in any other currency or such other amount as the CBB may determine.

This Base Offering Circular does not constitute an offer of securities in the Kingdom of Bahrain pursuant to the terms of Article (81) of the Central Bank and Financial Institutions Law 2006 (decree Law No. 64 of 2006). This Base Offering Circular and related offering documents have not been and will not be registered as a prospectus with the CBB. Accordingly, no Certificates may be offered, sold or made the subject of an invitation for subscription or purchase, nor will this Base Offering Circular or any other related document or material be used in connection with any offer, sale or invitation to subscribe or purchase Certificates, whether directly or indirectly, to persons in the Kingdom of Bahrain, other than to accredited investors for an offer outside the Kingdom of Bahrain.

The CBB has not reviewed, approved or registered this Base Offering Circular or related offering documents and it has not in any way considered the merits of the Certificates to be offered for investment, whether in or outside the Kingdom of Bahrain. Therefore, the CBB assumes no responsibility for the accuracy and completeness of the statements and information contained in this Base Offering Circular and expressly disclaims any liability whatsoever for any loss howsoever arising from reliance upon the whole or any part of the content of this Base Offering Circular. No offer of Certificates will be made to the public in the Kingdom of Bahrain and this Base Offering Circular must be read by the addressee only and must not be issued, passed to or made available to the public generally.

NOTICE TO RESIDENTS OF SAUDI ARABIA

This document may not be distributed in the Kingdom except to such persons as are permitted under the Rules on the Offer of Securities and Continuing Obligations issued by the Capital Market Authority of the Kingdom of Saudi Arabia (the "**Capital Market Authority**").

The Capital Market Authority does not make any representation as to the accuracy or completeness of this document, and expressly disclaims any liability whatsoever for any loss arising from, or incurred in reliance upon, any part of this document. Prospective purchasers of the securities offered hereby should conduct their own due diligence on the accuracy of the information relating to the securities. If you do not understand the contents of this document, you should consult an authorised financial adviser.

NOTICE TO RESIDENTS IN THE CAYMAN ISLANDS

No invitation, whether directly or indirectly, may be made to the public in the Cayman Islands to subscribe for any Certificates to be issued under the Programme and this Base Offering Circular shall not be construed as an invitation to any member of the public of the Cayman Islands to subscribe for any Certificates issued under the Programme.

NOTICE TO RESIDENTS OF THE STATE OF KUWAIT

Unless all necessary approvals from the Kuwait Capital Markets Authority (the "**Kuwait CMA**") pursuant to Law No. 7 of 2010, and its executive bylaws (each as amended) (the "**CML Rules**"), together with the various resolutions, regulations, directives and instructions issued pursuant thereto, or in connection therewith (regardless of nomenclature) or any other applicable or regulation in the State of Kuwait, have been given in relation to the marketing of, and sale of, the Certificates (the "**Kuwait CMA Approval**"), the Certificates may not be offered for sale, nor sold, in the State of Kuwait.

This Base Offering Circular is not for general circulation to the public in the State of Kuwait nor will the Certificates be sold by way of a public offering in the State of Kuwait. In the event where the Certificates are intended to be purchased onshore in the State of Kuwait pursuant to a Kuwait CMA Approval, the same may only be so purchased through a licensed person duly authorised to undertake such activity pursuant to the CML Rules. Investors from the State of Kuwait acknowledge that the Kuwait CMA and all other regulatory bodies in the State of Kuwait assume no responsibility whatsoever for the contents of this Base Offering Circular and do not approve the contents thereof or verify the validity and accuracy of its contents. The Kuwait CMA, and all other regulatory bodies in the State of Kuwait, assume no responsibility whatsoever for any damages that may result from relying (in whole or in part) on the contents of this Base Offering Circular. Prior to purchasing any Certificates, it is recommended that a prospective holder of any Certificates seeks professional advice from its advisers in respect to the contents of this Base Offering Circular so as to determine the suitability of purchasing the Certificates.

NOTICE TO RESIDENTS IN MALAYSIA

Any Certificates to be issued under the Programme may not be offered for subscription or purchase and no invitation to subscribe for or purchase such Certificates in Malaysia may be made, directly or indirectly, and this Base Offering Circular or any document or other materials in connection therewith may not be distributed in Malaysia other than to persons falling within the categories set out in Part I of Schedule 6 or Section 229(1)(b), Part I of Schedule 7 or Section 230(1)(b), and Schedule 8 or Section 257(3), read together with Schedule 9 or Section 257(3) of the Capital Market and Services Act 2007 (the "**CMSA**") of Malaysia, as may be amended and/or varied from time to time and subject to any amendments to the applicable laws from time to time.

The Securities Commission of Malaysia shall not be liable for any non-disclosure on the part of the Trustee or the Bank and assumes no responsibility for the correctness of any statements made or opinions or reports expressed in this Base Offering Circular.

PRESENTATION OF FINANCIAL AND OTHER INFORMATION

Presentation of Financial Information

The Trustee is a special purpose company established in the Cayman Islands. No financial statements for any period have been prepared in respect of the Trustee. The Trustee has limited operating history and no material assets and will depend on receipt of payments from the Bank to make payments to Certificateholders. The Trustee was incorporated under the laws of the Cayman Islands on 30 April 2015 as an exempted company with limited liability and has limited operating history. Since the date of incorporation, no financial statements of the Trustee have been prepared. The Trustee is not required by Cayman Islands law, and does not intend, to publish audited financial statements or appoint any auditors.

This Base Offering Circular contains:

- the unaudited condensed consolidated interim financial statements of the Bank as at and for the three-month and six-month periods ended 30 June 2024 (with unaudited comparative financial information for the three-month and six-month periods ended 30 June 2023) together with certain explanatory notes thereto (the "**2024 Interim Financial Statements**");
- the audited consolidated financial statements of the Bank as at and for the financial year ended 31 December 2023 (with audited comparative financial information as at and for the year ended 31 December 2022) (the "**2023 Financial Statements**"); and
- the audited consolidated financial statements of the Bank as at and for the financial year ended 31 December 2022 (with audited comparative financial information as at and for the year ended 31 December 2021) (the "**2022 Financial Statements**").

In this Base Offering Circular, the 2023 Financial Statements and the 2022 Financial Statements are together referred to as the "**Annual Financial Statements**". The Annual Financial Statements and the 2024 Interim Financial Statements are together referred to as the "**Financial Statements**".

The Bank prepared the Annual Financial Statements in accordance with the Financial Accounting Standards ("**FAS**") issued by the Accounting and Auditing Organisation for Islamic Financial Institutions ("**AAOIFI**") as modified by the QCB, the *Shari'a* Rules and Principles as determined by the *Shari'a* Supervisory Board, related regulations of the QCB and applicable provisions of the Qatar Commercial Companies Law No. 11 of 2015, as amended by Law No. 8 of 2021. For matters which are not covered by the FAS issued by AAOIFI, the Bank uses guidance from the relevant International Financial Reporting Standards ("**IFRS**"). The 2024 Interim Financial Statements have been prepared in accordance with FAS 41 "*Interim Financial Reporting*" as issued by the AAOIFI and modified by the Qatar Central Bank. In line with the requirements of AAOIFI, for matters that are not covered by FAS, the Group uses guidance from the relevant IFRS accounting standards.

The 2024 Interim Financial Statements have been reviewed by PricewaterhouseCoopers - Qatar Branch ("**PwC**") in accordance with the International Standard on Review Engagements 2410 "*Review of interim financial information performed by the independent auditor of the entity*", as stated in PwC's review report relating to the 2024 Interim Financial Statements which is incorporated by reference into this Base Offering Circular.

The Annual Financial Statements have been audited by Ernst & Young (Qatar Branch) ("**EY**") in accordance with the International Standards on Auditing, as stated in their auditor's reports which are incorporated by reference into this Base Offering Circular.

The sources of the historical financial information included in this Base Offering Circular are as follows: save as specified otherwise, (i) in the case of the financial information as at and for the year ended 31 December 2023 and as at and for the year ended 31 December 2022, from the 2023 Financial Statements; (ii) in the case of the financial information as at and for the year ended 31 December 2021, from the 2022 Financial Statements; and (iii) in the case of the financial information as at 30 June 2024, and for the three-month and six-month periods ended 30 June 2024 and as at 30 June 2023 and for the three-month and six-month periods ended 30 June 2023, from the 2024 Interim Financial

Statements.

Reclassification of financial information as at and for the year ended 31 December 2022

Certain comparative figures as at and for the year ended 31 December 2022 have been reclassified in the 2023 Financial Statements, so that the financial information as at and for the years ended 31 December 2022 and 31 December 2023 were comparable. There was no impact on the net profit for the year ended 31 December 2022 or total equity as at ended 31 December 2022, and none of the items set out in the Consolidated Statement of Financial Position, the Consolidated Statement of Income and the Consolidated Statement of Changes in Equity has been reclassified. The reclassifications only affect items set out in Notes 4(c)(iv), 4(e)(iii), 6, 7, 21(a), 30, 31, 32, 35 and 39 to the 2022 Financial Statements. Please refer to the Annual Financial Statements for details.

Restatement of financial information for the year ended 31 December 2022

Earnings Per Share ("EPS") for the year ended 31 December 2022 has been re-stated in the 2023 Financial Statements to reflect the increase in number of shares due to share split for the purpose of listing in the QSE.

	As reported in the 2022 Financial Statements	As reported in the 2023 Financial Statements
	<i>QAR per share</i>	
Basic and diluted earnings per share (QAR per Share) for the year ended 31 December 2022	2.27	0.227

Reclassification of financial information as at and for the six-month period ended 30 June 2024

Certain comparative figures as at and for the six-month period ended 30 June 2023 have been reclassified in the 2024 Interim Financial Statements so that the financial information as at 30 June 2023 and 30 June 2024 were comparable. Total income is reported as after deduction of finance charges in the 2024 Interim Financial Statements.

In the Annual Financial Statements, the four operating segments were "Wholesale Banking", "Personal and Private Banking", "Treasury and Investments Division" and "Investment Banking and Asset Management". Financial results of FFC and FLC (each as defined herein below) were reported in "Wholesale Banking" and/or "Retail and Private Banking" segments and financial results of TFI were reported in "Investment Banking and Asset Management".

In the 2024 Interim Financial Statements, the four segments have become "Wholesale Banking", "Retail and Private Banking", "Treasury Investments Group" and "Subsidiaries". The three subsidiaries (i.e. FFC, FLC and TFI) are reported together under "Subsidiaries". In order to make financial information as at 30 June 2023 and 30 June 2024 comparable, the operating segments' comparative figures as at and for the six-month period ended 30 June 2023 have been reclassified based on the new segments.

Presentation of Other Information

In this Base Offering Circular, unless otherwise specified or the context otherwise requires, any reference to:

- "CAR" means capital adequacy ratio;
- "CAGR" means compound annual growth rate;
- "funding costs" means the finance cost and return to unrestricted investment account holders;
- "GCC" means the Gulf Co-operation Council, which comprises Bahrain, Kuwait, Oman, Qatar, Saudi Arabia and the UAE;

- **"GDP"** means Gross Domestic Product;
- **"Government"** means the government of Qatar;
- **"IMF"** means the International Monetary Fund;
- **"OPEC"** means the Organisation of Petroleum Exporting Countries;
- **"QAR", "riyals" and "Qatari riyals"** means the lawful currency for the time being of Qatar;
- **"Qatar"** means the State of Qatar;
- **"QCB"** means the Qatar Central Bank;
- **"QCB Law"** means the Law of the Qatar Central Bank and the Regulation of Financial Institutions (Law No. 13 of 2012);
- **"QFC"** means the Qatar Financial Centre;
- **"QFC Law"** means the Law of the Qatar Financial Centre (Law No. 7 of 2005) (as amended);
- **"QFCA"** means the Qatar Financial Centre Authority;
- **"QFCRA"** means the Qatar Financial Centre Regulatory Authority;
- **"QFMA"** means the Qatar Financial Markets Authority;
- **"QIA"** means the Qatar Investment Authority;
- **"QSE"** means the Qatar Stock Exchange;
- **"tcf"** means trillion cubic feet;
- **"UAE"** means the United Arab Emirates; and
- **"U.S.\$", "USD" or "U.S. dollars"** means the lawful currency for the time being of the United States.

Exchange rate and rounding

The riyal currently is, and since the mid-1980s has been, pegged to the U.S. dollar at a fixed exchange rate of 3.64 riyals per U.S. dollar and, accordingly, translations of amounts from riyals to U.S. dollars have been made at this exchange rate for all periods in this Base Offering Circular. Translations of amounts from riyals to U.S. dollars in this Base Offering Circular are solely for the convenience of the reader. Such translations should not be construed as representations that riyal amounts have been or could be converted into U.S. dollars at this or any other rate of exchange.

ALTERNATIVE PERFORMANCE MEASURES

This Base Offering Circular includes certain non-FAS and non-IFRS financial measures which the Bank uses in the analysis of its business and financial position, each of which constitutes an Alternative Performance Measure ("APM") as defined in the ESMA Guidelines on Alternative Performance Measures dated 5 October 2015. However, the Bank believes that these measures provide useful supplementary information to both investors and the Bank's management, as they facilitate the evaluation of company performance. The APMs are not measurements of the Bank's operating performance or liquidity under FAS or IFRS and should not be used instead of, or considered as alternatives to, any measures of performance or liquidity under FAS or IFRS. The APMs relate to the reporting periods described in this Base Offering Circular and are not intended to be predictive of future results. It is to be noted that, since not all companies calculate financial measurements in the same manner, these are not always comparable to measurements used by other companies. Accordingly, these financial measures should not be seen as a substitute for measures defined according to FAS and IFRS. Unless otherwise stated, the list below presents alternative performance measures, along with their reconciliation to the extent that such information is not defined according to FAS and IFRS and not included in the Bank's financial statements incorporated by reference into this Base Offering Circular:

- Return on average equity: Net Profit for the year/period of the Bank divided by average total equity¹ for the year/period with average total equity being calculated as a simple average of the opening and closing balances of total equity for the relevant year/period. The calculation for the 6-month period is based on the relevant annualised net profit. Average total equity¹ represents the average total equity calculated on a yearly basis.
- Return on average assets: Net Profit for the year/period of the Bank divided by average total assets for the year/period with average total assets being calculated as a simple average of the opening and closing balances of total assets for the relevant year/period. The calculation for the 6-month period is based on the relevant annualised net profit.
- CAR: Tier one capital as at the relevant year/period end plus tier two capital as at the relevant year/period end divided by risk weighted assets as at the year/period end. The CARs for the years ended 31 December 2021, 31 December 2022 and 31 December 2023 and six-month period ended 30 June 2024 were calculated in accordance with the Basel III guidelines issued by the QCB.
- Net financing assets to deposit ratio: Net financing assets as at the relevant year/period end divided by customer deposits (which include customer current accounts and quasi equity – participatory investment account²) as at the relevant year/period end.
- Cost to income ratio: For the years ended 31 December 2023, 2022 and 2021, sum of staff cost, depreciation and amortisation and other expenses for the relevant year divided by total income after deducting finance cost and return to unrestricted investment account holders for the relevant year. For the six-month period ended 30 June, sum of staff cost, depreciation and amortisation and other expenses for the relevant period divided by total income after deducting net profit attributable to quasi-equity for the relevant period.
- Net profit margin: For the years ended 31 December 2023, 2022 and 2021, it is calculated as net profit for the year divided by total income after deducting finance cost and return to unrestricted investment account holders for the relevant year. For the six-month period ended 30 June, it is calculated as net profit for the period divided by total income after deducting finance cost and net profit attributable to quasi-equity for the relevant period.
- Net financing assets to total assets ratio: Net financing assets as at the relevant year/period end divided by total assets as at the relevant year/period end.
- Non-performing financing ratio: Non-performing financing assets as at the relevant

¹ This line item was labelled as "Total Shareholder's Equity" in the 2022 Financial Statements.

² This line item was labelled as "Equity of Unrestricted Investment Account Holders" in the Annual Financial Statements.

year/period end divided by financing assets before allowance for impairment as at the relevant year/period end.

- Net operating income: For the years ended 31 December 2021, 2022 and 2023, it is calculated as total income less sum of return to unrestricted investment account holders, staff cost, depreciation and amortisation, other expenses and finance cost for the year. For the six-month period ended 30 June 2024, it is calculated by total income (which is net of finance costs) less the sum of net profit attributable to quasi-equity, staff cost depreciation and amortisation and other expenses for the relevant period.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This Base Offering Circular contains "forward-looking statements" – that is, statements related to future, not past, events. In this context, forward-looking statements often address the Bank's and the Group's expected future business and financial performance, and often contain words such as "expect", "anticipate", "intend", "may", "plan", "believe", "seek" or "will". Forward-looking statements by their nature address matters that are, to different degrees, uncertain. For the Group, particular uncertainties that could adversely affect its future results include: the behaviour of financial markets and macro-economic conditions, including fluctuations in interest, profit and exchange rates, commodity and equity prices and the value of financial assets; continued volatility and further deterioration of the capital markets; the commercial and consumer credit environment, including credit risks and, in particular, the impact of a higher level of credit defaults arising from adverse economic conditions, the impact of provisions and impairments and concentration of the Bank's portfolio of financing and investment assets; liquidity risks, including the ability of the Bank to meet its contractual and contingent cash flow obligations or the inability to fund its operations; the impact of laws and regulation (including any change thereto) and regulatory, investigative and legal actions; strategic actions, including acquisitions and future integration of acquired businesses and government policy affecting the Bank's business activities; future financial performance of the banking, financial services and Islamic finance industries; and numerous other matters of national, regional and global scale, including those of a political, economic, business and competitive nature. These uncertainties may cause the Bank's actual future results to be materially different than those expressed in its forward-looking statements. Although the Bank believes that the expectations, estimates and projections reflected in the Bank's forward-looking statements are reasonable, if one or more of the risks or uncertainties materialise, including those which the Bank has identified in this Base Offering Circular, or if any of the Bank's underlying assumptions prove to be incomplete or inaccurate, the Bank's actual future results of operations, performance or achievements may be materially different than those expressed or implied in its forward-looking statements.

The forward-looking statements in this Base Offering Circular speak only as at the date of this Base Offering Circular. Additional factors that could cause actual results, performance or achievements to differ materially include, but are not limited to, those discussed under "Risk Factors". Without prejudice to any requirements under applicable laws and regulations, the Bank expressly disclaims any obligation or undertaking to disseminate after the date of this Base Offering Circular any updates or revisions to any forward-looking statements contained herein to reflect any change in expectations thereof, or any change in events, conditions or circumstances on which any forward-looking statement is based.

CONTENTS

	Page
RISK FACTORS	1
DOCUMENTS INCORPORATED BY REFERENCE	31
STRUCTURE DIAGRAM AND CASH FLOWS.....	32
OVERVIEW OF THE PROGRAMME	36
TERMS AND CONDITIONS OF THE CERTIFICATES	45
SUMMARY OF PROVISIONS RELATING TO THE CERTIFICATES WHILE IN GLOBAL FORM	103
FORM OF PRICING SUPPLEMENT.....	106
USE OF PROCEEDS.....	120
DESCRIPTION OF THE TRUSTEE.....	121
DESCRIPTION OF DUKHAN BANK Q.P.S.C.....	123
RISK MANAGEMENT	140
MANAGEMENT AND EMPLOYEES.....	152
SELECTED FINANCIAL INFORMATION.....	162
OVERVIEW OF QATAR.....	168
OPERATING PERFORMANCE	178
THE QATAR BANKING SECTOR AND REGULATIONS.....	186
SUMMARY OF THE PRINCIPAL TRANSACTION DOCUMENTS.....	196
TAXATION	210
SUBSCRIPTION AND SALE	213
GENERAL INFORMATION.....	219

RISK FACTORS

Each of the Trustee and the Bank believes that the following factors may affect both the Trustee's ability to pay amounts owing under Certificates issued under the Programme and the Bank's ability to satisfy its obligations under the relevant Transaction Documents (as defined in the Conditions). If any of these factors occur, it would have the potential to materially adversely affect the Bank's business, results of operations, financial condition and prospects and thereby affect its ability to perform its obligations in respect of the relevant Transaction Documents.

Factors which each of the Trustee and the Bank believes may be material for the purpose of assessing the market risks associated with Certificates issued under the Programme are also described below.

Each of the Trustee and the Bank believes that the non-exhaustive list of factors described below represent the material risks inherent in investing in Certificates, but the inability of the Trustee to pay Periodic Distribution Amounts (as defined in the Conditions), Dissolution Distribution Amounts (as defined in the Conditions) or other amounts on or in connection with any Certificates may occur for other reasons which may not be considered significant risks by the Trustee and/or the Bank based on information currently available to them or which they may not currently be able to anticipate. Neither the Trustee nor the Bank represents that the statements below regarding the risks of holding any Certificates are exhaustive. Prospective investors should also read the detailed information set out elsewhere in this Base Offering Circular and reach their own views prior to making any investment decision. Words and expressions defined in the Conditions or "Summary of the Principal Transaction Documents" shall have the same meanings in this section.

RISKS RELATED TO THE TRUSTEE

The Trustee has limited operating history and no material assets and will depend on receipt of payments from the Bank to make payments to Certificateholders

The Trustee was incorporated under the laws of the Cayman Islands on 30 April 2015 as an exempted company with limited liability and has a limited operating history. The Trustee has not engaged, and will not engage, in any business activity other than the issuance of Certificates under the Programme, the acquisition of Trust Assets as described herein, acting in the capacity as Trustee, the issuance of shares in its capital and other related activities as required under the Transaction Documents. Because the Trustee is a Cayman Islands company, it may not be possible for Certificateholders to effect service of process on it outside the Cayman Islands. The Trustee's only material assets, which will be held on trust for Certificateholders, will be the Trust Assets in respect of each Series of Certificates issued, including the obligation of the Bank to make payments to the Trustee under the relevant Transaction Documents relating to each Series. Therefore, the Trustee is subject to the same risks that affect the Bank to the extent that those risks limit the Bank's ability to satisfy in full and on a timely basis its obligations under the Transaction Documents. The ability of the Trustee to pay amounts due on the Certificates is dependent upon receipt by the Trustee from the Bank of amounts to be paid pursuant to the relevant Transaction Documents, which may not be sufficient to meet all claims under the Certificates and the relevant Transaction Documents. See "—Risks relating to the Bank and its ability to fulfil its obligations under the Transaction Documents".

RISKS RELATING TO THE BANK AND ITS ABILITY TO FULFIL ITS OBLIGATIONS UNDER THE TRANSACTION DOCUMENTS

The Bank's business, financial condition, results of operations and prospects are and will continue to be affected by conditions in the global financial markets and by global economic conditions

The financial services industry generally prospers in periods of economic growth and stable geopolitical conditions and benefits from capital markets that are transparent, liquid and buoyant and experience positive investor sentiment. The Bank's business may be materially affected by conditions in the global financial markets and economic conditions or events throughout the world that are outside of its control, including, but not limited to: changes in interest rates, availability of credit, inflation rates, economic uncertainty, changes in laws (including laws relating to taxation), trade barriers, commodity prices, currency exchange rates and controls and other national and international political and economic circumstances (including wars, terrorist acts, security operations or sovereign debt restructurings).

These events/changes may lead the Bank to experience reductions in business activity, increased funding costs and funding pressures, decreased asset values, credit losses, write-downs and impairment charges and lower profitability. The Bank's performance may also be affected by future recovery rates on assets and the historical assumptions underlying asset recovery rates, which may not be as accurate given the market

volatility and disruption.

The performance of global debt and equity markets has also been volatile in recent years, reflecting the ongoing volatility in the macro-economic climate and political environment which has had, and which continues to have, a material adverse effect on the economies of the GCC states, including Qatar.

As a result of the foregoing, the Bank's business, financial condition, results of operations, liquidity and prospects could be adversely affected by conditions in the global and regional economy and financial markets and by global and regional economic conditions which may, in turn, affect the Bank's ability to perform its obligations under the relevant Transaction Documents and the Trustee's ability to perform its obligations under the Certificates.

The Bank could be adversely affected by the soundness or the perceived soundness of other financial institutions and counterparties, which could result in significant systemic liquidity problems, losses or defaults

Given the high level of interdependence between financial institutions, the Bank, like other financial institutions, is subject to the risk of deterioration of the commercial and financial soundness, or perceived soundness, of other financial services institutions. Within the financial services industry, the default of any one institution could lead to defaults by other institutions. Concerns about, or a default by, one institution could lead to significant liquidity problems, losses or defaults by other institutions, because the commercial and financial soundness of many financial institutions may be closely related as a result of their credit, trading, clearing or other relationships. Even the perceived lack of creditworthiness of, or questions about, a counterparty may lead to market-wide liquidity problems and losses or defaults by the Bank or by other institutions. This risk is sometimes referred to as "systemic risk" and may adversely affect financial intermediaries, such as clearing agencies, clearing houses, banks, securities firms and exchanges with whom the Bank interacts on a daily basis. Systemic risk could have a material adverse effect on the Bank's ability to raise new funding and on its business, financial condition, results of operations, liquidity and prospects.

Slower economic growth in the countries where the Bank operates could adversely impact the Bank

The economies of Qatar and the GCC countries are dependent on oil, gas and related industries, as well as the prices and quantities of these commodities. The Bank's financial performance has been and will remain closely linked to the rate of economic growth of Qatar and the other countries in which the Bank operates. Consequently, volatility in oil prices and deterioration in economic conditions in Qatar due to deterioration in oil, gas or related industries or due to other factors, or any deterioration in any other country where the Bank operates, could have a materially adverse effect on many of the Bank's customers, contractual counterparties and the Bank's business, financial condition, results of operations, liquidity and prospects.

Economic conditions in Qatar may deteriorate as a result of deterioration in oil, gas or related industries or due to other factors. Although over the past few years Qatar has tried to diversify away from oil and gas, the oil and gas sector accounted for 36.8 per cent. and 44.2 per cent. of Qatar's nominal GDP in the years ended 31 December 2021 and 31 December 2022, respectively. For the first nine months of 2023, the oil and gas sector accounted for 40.1 per cent. of Qatar's nominal GDP. Given oil, gas or related industries remain a significant sector in the economy of Qatar, any changes and/or fluctuation in oil prices could significantly affect the economy of Qatar.

Oil prices have been and are expected to remain volatile. By way of example, in January 2021, the Organisation of the Petroleum Exporting Countries ("OPEC") and Russia agreed to a slight easing of the oil production cuts by 500,000 barrels per day and in May 2021, the OPEC Reference Basket reached a monthly average of U.S.\$66.91. However, the rising tensions between Russia and NATO in connection with Ukraine at the beginning of 2022 and culminating in the Russia-Ukraine crisis that erupted in February 2022, and the ongoing conflict between Israel and Hamas, which started in 2023, have caused the oil price to fluctuate significantly. The oil price surged above U.S.\$100, for the first time since 2013, to U.S.\$128 per barrel in March 2022, before falling around June 2022 and ending the year at U.S.\$81.29. The weekly OPEC Reference Basket price has been in the range of U.S.\$70.77 per barrel and U.S.\$97.48 per barrel between 1 January 2023 and 28 June 2024.

Oil prices are expected to continue to fluctuate in the future in response to changes in many factors over which the Bank has no control, which include, but are not limited to:

- the effect of any pandemic on global economic activity and the demand for oil and gas;
- economic and political developments in oil producing regions, particularly in the Middle East and

in Eastern Europe;

- global and regional supply and demand, and expectations regarding future supply and demand, for oil products, especially in the case of an accelerated energy transition scenario;
- the ability of members of OPEC and other crude oil producing nations to agree upon and maintain specified global production levels and prices;
- the impact of international environmental regulations designed to reduce carbon emissions, for example, net zero targets;
- prices and availability of alternative fuels, global economic and political conditions, prices and availability of new technologies using alternative fuels;
- other actions taken by major crude oil producing or consuming countries; and
- global weather and environmental conditions.

In the past, Qatar has been able to partially offset lower hydrocarbon prices by increases in hydrocarbon production, but the future rate of growth in Qatar's hydrocarbon production is expected to slow down. Most of Qatar's oil fields are mature and oil production has been in decline since 2011. Additionally, the reserves at Al Shaheen, one of Qatar's most productive oil fields, were reduced in 2011 after drilling results led to a reserves reassessment. While Qatar was originally approaching the end of a 20-year development cycle for liquefied natural gas ("LNG") projects and LNG production was expected to plateau, with the lifting of moratorium on the development of new gas projects in the North Field, Qatar's LNG production is expected to increase again but the full completion of the North Field Expansion (as defined herein) is only expected to happen by 2030 (See "*Overview of Qatar – Economic Policy*").

Increases to oil prices and high inflation may have a negative impact on the Bank's corporate and individual customers. This, in turn, may have an adverse effect on the Bank's business, financial condition, results of operations and prospects. Further, any prolonged period of low or a decline in prices of natural gas, crude oil and other hydrocarbons may also have a significant adverse impact on the economy of Qatar and may also materially adversely impact Qatar's revenues and financial condition. Such effects would be likely to materially adversely affect the Bank by reducing the demand from its Qatari customers for financing and by adversely affecting the quality of its outstanding financing, thus potentially increasing its impairment losses and so reducing profitability. In addition, any reduction in Qatar's revenues would reduce the likelihood and/or extent of Government financial support being available to Qatari banks, including the Bank, should such support be needed in the future.

If these levels of market disruption and volatility continue or recur, the Bank may experience reductions in business activity, increased funding costs and funding pressures, decreased asset values, credit losses, write-downs and impairment charges, and lower profitability and cash flows. In addition, any reduction in Qatar's revenues would reduce the likelihood and/or extent of Government financial support being available to Qatari banks, including the Bank, should such support be needed in the future.

Qatar

The operations of the Bank are almost exclusively based in Qatar, which, being a relatively small economy, is heavily dependent on exports, in particular of oil and gas. Operations in Qatar accounted for 99.7 per cent. of the Bank's net income from financing activities for the year ended 31 December 2023, compared to 96.5 per cent. for the year ended 31 December 2022. In currency terms, 99.6 per cent. of the Bank's net income from financing activities for the year ended 31 December 2023 was denominated in Qatari riyal and U.S. dollars. The Qatari riyal has been pegged to the U.S. dollar at a fixed exchange rate since 1975. As a result, any volatility in the value of these currencies could have a material adverse effect on the Bank's business and results of operations.

Whilst Qatar's real GDP grew by 4.2 per cent. in 2022 and 1.6 per cent. in 2023, according to the IMF, the Government has, in the past, relied upon oil revenue and loans to finance its economic development and infrastructure projects. If economic conditions were to cause delays in key projects as a result of the unavailability of credit, the Government may need to draw on its sovereign wealth fund in order to finance these projects. Historically, the markets for petroleum products have been volatile and are likely to remain so in the future. A substantial deterioration in price or high volatility in international prices for oil and gas products in the future could adversely affect the Government's development strategy or its ability to both

continue to finance internal development projects and to continue to provide support to its commercial banking and real estate sectors. In the event these conditions persist, the Bank's business, financial condition, results of operations, liquidity and prospects are likely to be negatively affected.

The GCC

The economies of many GCC countries have expanded significantly in recent years, driven by revenues from oil and gas exports. The economies of GCC countries are dependent on oil, gas and related industries, as well as the prices and quantities of those commodities, and oil prices have experienced significant volatility in recent years. More recently, the rate of economic growth in the GCC's main export markets in Asia has slowed, notably in China. According to the IMF, *"a slowdown in China's growth would significantly reduce global oil prices and demand for GCC oil products. This would have a direct impact on lower oil GDP, but also impact non-oil GDP if it leads to a reprioritization of public spending (and spending by the sovereign wealth funds)"*.

In 2003, the GCC established a customs union, which became fully operational from 1 January 2015 and, while it is hoped that the creation of such union will assist in the establishment of free trade agreements with the European Union and the United States, there is no guarantee that these free trade agreements will be established.

If there is any sustained deterioration in the economies of these countries, failure to establish free trade agreements, and/or any major political upheaval, this could affect the economy of the GCC, which may have a material adverse effect on the Bank's business, financial condition, results of operations, liquidity and prospects.

Failure to comply with international sanctions could adversely affect the Bank

The Bank is required to comply with applicable anti-money laundering, counter-terrorism, financial, sanctions and other regulations in Qatar and other jurisdictions where it operates. These laws and regulations require the Bank, among other things, to adopt and enforce KYC/AML policies and procedures and to report suspicious and large transactions to the applicable regulatory authorities. The Bank has adopted KYC/AML policies and procedures and reviews them regularly in light of any relevant regulatory and market developments. The terms of legislation and other rules and regulations which establish sanctions regimes are often broad in scope and difficult to interpret.

Should the Bank or its associates in the future violate any existing or further European, United States or international sanctions or other applicable laws and regulations, penalties could include a prohibition or limitation on such company's ability to conduct business in certain jurisdictions or on the Bank's ability to access the international capital markets. Any such sanctions could have a material adverse effect on the Bank's business, financial condition, results of operations, liquidity and prospects. Moreover, to the extent the Bank fails or is perceived to fail to fully comply with applicable laws and regulations, the regulatory agencies to whom the Bank reports have the power and authority to impose substantial fines and other penalties on the Bank. In addition, the Bank's business and reputation could suffer if customers use the Bank for money laundering or other illegal or improper purposes. Qatar is classified by the Financial Action Task Force as a compliant jurisdiction.

The Bank is subject to the risk that liquidity may not always be readily available; this risk may be exacerbated by conditions in global financial markets

Liquidity risk is the risk that the Bank will be unable to meet its obligations, including funding commitments, as they fall due, which in turn could have a materially adverse effect on the Bank's business, financial condition, results of operations and prospects. The Bank has historically relied substantially on retail and corporate depositors to meet most of its funding needs. Such deposits are subject to fluctuation due to certain factors outside the Bank's control, such as any possible loss of confidence and competitive pressures, which could result in a significant outflow of deposits within a short period of time. In addition, as at 30 June 2024, the Bank's top 10 depositors constituted 39.4 per cent. of net financing assets and 38.5 per cent. of total customer deposits (which include customer current accounts and quasi equity – participatory investment accounts³) (see *"Concentration risks in the Bank's financing and deposit portfolio"*). Any unexpected withdrawals of such deposits could have a material impact on the Bank's liquidity as the Bank may need to seek more expensive sources of funding to meet its funding requirements, and no assurance can be made that the Bank will be able to obtain additional funding on commercially

³ It was labelled as "equity of unrestricted investment account holders" in the Annual Financial Statements.

reasonable terms as and when required or at all. Liquidity risk is inherent in banking operations and can be heightened by a number of enterprise specific factors, including over-reliance on a particular source of funding (including, for example, short-term and overnight funding), changes in credit ratings or market-wide phenomena such as market dislocation and major disasters. Credit markets worldwide experienced a severe reduction in liquidity and short-term funding during the global financial crisis and the availability of liquidity has continued to fluctuate, including as a result of the COVID-19 pandemic and more recently, as a result of the conflict between Russia and Ukraine and the conflict between Hamas and Israel.

Perception of counterparty risk between banks may increase significantly during a financial crisis and in the prevailing unstable macroeconomic climate, which could lead to a reduction in certain traditional sources of liquidity, such as the debt markets, asset sales and redemption of investments. The Bank's access to these traditional sources of liquidity has been, and may continue to be, restricted or available only at a higher cost and there can be no assurance that the Government will provide the level of support that it has historically provided, either to the Qatari banking sector generally or to the Bank in particular.

In addition, uncertainty or volatility in the capital and credit markets may limit the Bank's ability to refinance maturing liabilities with long-term funding and increase the cost of such funding. The availability to the Bank of any additional financing it may need will depend on a variety of factors, such as market conditions, the availability of credit generally and to borrowers in the financial services industry specifically, and the Bank's financial condition, credit ratings and credit capacity, as well as the possibility that customers or lenders could develop a negative perception of the Bank's financial prospects if, for example, the Bank incurs large losses, experiences significant deposit outflows or if the level of the Bank's business activity decreases. In particular, the Bank's access to funds may be impaired if regulatory authorities or rating agencies impose additional regulatory capital requirements or downgrade the Bank's credit ratings. If the Bank is unable to meet its liquidity needs through customer deposits or the inter-bank markets and is unable to refinance its outstanding indebtedness, it could have a negative effect on its financial condition, results of operations and prospects.

The Bank may be subject to increased capital requirements or standards due to new Governmental or regulatory requirements and changes in perceived levels of adequate capitalisation

Financial institutions have experienced, and may continue to experience, irregularity in the markets in which the Bank operates, increasing the capital requirements for the Bank's operations. It should be noted that, pursuant to QCB laws and regulations, the QCB is entitled to amend capital adequacy requirements at its sole discretion.

The Bank is currently required to maintain a total minimum CAR of 14.3 per cent. (including the capital conservation buffer, the Domestically Systemically Important Bank ("**DSIB**") buffer and the ICAAP Pillar II capital charge) ("**TCR**"), under the Basel Committee on Banking Supervision's ("**Basel Committee**") capital adequacy and liquidity requirements ("**Basel III**") as per QCB regulations.

A requirement to increase capital requirements may arise in the medium-term due to growth in the Bank's assets or a regulatory requirement to address inadequate capitalisation levels and perceptions of the agencies rating the Bank's debt. The Bank may also require additional capital in the future in the event that it experiences higher than expected losses in its operations or declines in asset quality resulting in higher than expected risk-weighted asset growth.

As at 30 June 2024, the Bank's TCR was 17.8 per cent., which was above the QCB requirement to maintain a minimum TCR of 14.3 per cent.

Under statutory reporting rules, banks in Qatar report their liquidity coverage ratios ("**LCR**"), net stable funding ratio ("**NSFR**") and loans to deposits ratio ("**LR**"). As at 30 June 2024, the Bank was in compliance with minimum QCB requirements for LCR, NSFR and LR. As at 30 June 2024, the Bank's LCR was 131.5 per cent., which was above the minimum QCB requirement for LCR of 100 per cent., the Bank's NSFR was 104.3 per cent., which was above the minimum QCB requirement for NSFR of 100 per cent. and the Bank's LR was 96.1 per cent., which was below the maximum QCB requirement for LR of 100 per cent.

The non-compliance by the Bank with the regulatory ratios set by the QCB could expose the Bank to potential liabilities and fines. While the Bank received a fine for non-compliance with the QCB ratio requirements in 2022 and 2023 (which has been accounted for under "Government fee and charges" in the Annual Financial Statements), the Bank has been actively undertaking efforts to comply with these requirements, including through the extension of the duration of its customer deposits beyond one year and increasing current account and savings account balances, while the Bank may also seek capital markets funding to address the shortfall, and as at 30 June 2024, the Bank was in compliance with QCB requirements

for LCR, NSFR and LR.

Requirements imposed by regulators, including capital adequacy requirements, are designed to ensure the integrity of the financial markets and to protect customers and other third parties with whom the Bank deals. These requirements are not designed to protect the holders of the Certificates. Consequently, these regulations may limit the Bank's activities, including its lending, and may increase the Bank's costs of doing business, or require the Bank to seek additional capital in order to maintain Qatari capital adequacy requirements or different varieties of funding to satisfy the Qatari liquidity requirements. In addition, a regulatory breach of guidelines in Qatar could expose the Bank to potential liability and other sanctions, including the loss of its general banking licence.

Additional capital, whether in the form of financing arrangements or additional equity, may not be available on attractive terms, or at all. Further, any such development may require the Bank to change how it conducts its business, including by reducing the risk and leverage of certain activities, or otherwise have an adverse impact on its business, the products and services it offers and the value of its assets. The Bank may become subject to mandatory guidelines and direct monitoring by the QCB should it fail to strengthen its capital position.

There can be no assurance that any of these alternative methods of raising capital would be successful in increasing the Bank's capital ratios sufficiently or within the timetable required. If the Bank is unable to increase its capital ratios sufficiently, its credit ratings may drop, its cost of funding may increase, which may have a material adverse effect on the Bank's business, financial condition, results of operations, liquidity and prospects.

The growth and diversification of the Bank's financing portfolio has increased its credit exposure and risk profile

Risks arising from adverse changes in the credit quality and recoverability of the Bank's financing portfolio, securities and amounts due from counterparties are inherent in a wide range of the Bank's businesses, principally in its financing and investment activities. Credit risks could also arise from a general further deterioration in local or global economic conditions, a deterioration in the market value, amount or type of collateral available or from systemic risks within these financial systems, which could affect the recoverability and value of the Bank's assets. The Bank's failure to maintain growth of its financing portfolio while maintaining the quality of its assets through effective risk management policies could lead to higher financing loss provisioning and result in higher levels of defaults and write-offs, which in turn could have a material adverse effect on the Bank's results of operations, business, financial condition, liquidity and prospects. See "Risk Management".

In March 2011, the QCB launched the Central Credit Bureau (the "Credit Bureau"), the purpose of which is to collate information about customers based in Qatar and their credit history. Banks and financial institutions in Qatar rely on the credit reports of the Credit Bureau to support their risk management decisions and to monitor the ongoing financial performance of their customers. However, as the availability of accurate and comprehensive financial and general credit information on individuals and small businesses in Qatar is limited, it is likely to be more difficult for the Bank to accurately assess the credit risk associated with such lending. As a result, retail and small business customers may be over-extended by virtue of other credit obligations of which the Bank is unaware. The Bank is therefore exposed to retail and small business credit risks that it may not be able to accurately assess and provide for. These factors may result in the Bank facing credit delinquencies in its customer financing portfolio. Although the Bank has policies to deal with problem financings, there can be no assurance that these policies will result in full or partial recovery of all amounts due.

If the Bank is unable to maintain the quality of its assets through effective risk management policies, this could lead to higher impairment losses and result in higher levels of defaults and write-offs, which in turn could have a material adverse effect on the Bank's business, financial condition, results of operations, liquidity and prospects.

The Bank is exposed to the possibility of declining property values in Qatar on the collateral supporting residential and commercial real estate lending

The Bank's financing assets as at 30 June 2024, 31 December 2023, 31 December 2022 and 31 December 2021 were QAR82.7 billion, QAR82.1 billion, QAR80.1 billion and QAR79.3 billion, respectively, of which real estate amounted to 30.0 per cent. or QAR24.8 billion, 28.7 per cent. or QAR23.6 billion, 26.7 per cent. or QAR21.4 billion and 25.3 per cent. or QAR20.0 billion, respectively. Economic and other factors could lead to a decrease in residential and commercial property prices and a contraction in the

residential funding and commercial funding market. This would have an impact on the value of any real estate collateral that has been taken by the Bank, as well as the Bank's profitability, which, in turn, could have a material adverse effect on the Bank's business, financial condition, results of operations, liquidity and prospects. These factors could also lead to a significant slowdown in the construction sector in Qatar. See *"– A recurrence of significant levels of inflation or a return to deflation, may impact the Bank's profitability"*.

Concentration risks in the Bank's financing and deposit portfolio

Concentrations in the financing and deposit portfolio of the Bank subject it to risks of default by the Bank's larger borrowers, from exposure to particular sectors and from withdrawal of large deposits. The financing portfolio of the Bank shows borrower and industry concentration.

The Bank's 10 largest private sector borrowers represented 19.9 per cent. of the Bank's financing assets at QAR82.7 billion as at 30 June 2024. As at 30 June 2024, the Bank's largest funded exposure to a private sector borrower was QAR2.3 billion, which constitutes 16.5 per cent. of its total regulatory capital (total regulatory capital being QAR13.9 billion as at 30 June 2024). In addition, as at 30 June 2024, Government financing contributed to 22.1 per cent. of the Bank's financing assets.

In terms of the industry concentration of the Bank's quasi equity portfolio, as at 30 June 2024, retail banking operation's quasi equity – participatory investment accounts accounted for 11.3 per cent., private banking operation's quasi equity – participatory investment accounts accounted for 32.6 per cent., corporate banking operation's quasi equity – participatory investment accounts accounted for 10.6 per cent. and Government Banking operations entities' quasi equity – participatory investment accounts accounted for 45.5 per cent. In terms of the Bank's investment portfolio concentration, as at 30 June 2024, investment in Qatar's sovereign sukuk accounted 73.0 per cent. of the Bank's total investment portfolio. In addition, as at 30 June 2024 the Bank's top 10 depositors constituted 38.5 per cent. of total customer deposits (which represent the sum of customer current accounts and quasi equity – participatory investment accounts).

A downturn in the fortunes of any of the Bank's depositors, the sectors in which they operate or the Qatar economy could have an adverse effect on the Bank's business, financial condition, results of operations, liquidity and prospects. See also *"The Bank is subject to the risk that liquidity may not always be readily available; this risk may be exacerbated by conditions in global financial markets"*.

Market conditions may increase the risk of financing activities being impaired and financing activity losses increasing

The Bank is exposed to the risk that borrowers may not repay on their financing activities according to their contractual terms. While the Bank may, in some circumstances, take collateral when providing loans, any collateral securing the payment of these activities may be insufficient, on a non-payment, to recover the Bank's loan losses. The Bank continuously reviews and analyses its financing portfolio and credit risks. The Bank's allowance for losses on financing activities is based on, among other things, its analysis of current and historical delinquency rates and the valuation of any underlying assets, as well as numerous other management assumptions. These internal analyses and assumptions may give rise to inaccurate predictions of credit performance (see *"Risk Management – Credit Risk"*). A material increase in financing activity losses would have a material adverse effect on the Bank's business, financial condition, results of operations, liquidity and prospects.

The Bank is a highly regulated entity and changes to applicable laws or regulations, the interpretation or enforcement of such laws or regulations or the failure to comply with such laws or regulations could have a material adverse effect on the Bank

The Bank is subject to a number of prudential and regulatory controls designed to maintain the safety and soundness of banks, ensure their compliance with economic and other objectives and limit their exposure to risk. These controls include Qatari laws and regulations, administrative actions and policies (particularly those of the QCB, the Qatar Financial Markets Authority ("QFMA") and the Qatar Stock Exchange ("QSE")), as well as the laws and regulations of the other countries in which the Bank operates. Relevant regulatory authorities may impose penalties and fines for any non-compliance with such controls. The Bank is subject to the following legal restrictions and QCB regulations, among others:

- total real estate financing may not exceed 150 per cent. of the Bank's capital and reserves;
- credit limit and total investments to a single customer group may not exceed 20 to 25 per cent. of the Bank's capital qualified base;

- credit limit for a major shareholder and its credit group may not exceed 10 per cent. of the Bank's capital and reserves;
- total investment and credit concentration in a single customer may not exceed 25 per cent. of the Bank's capital and reserves;
- concentration limits on total credit and other risk exposures to retail customers, banks, investments and country exposure;
- minimum CAR of 14.3 per cent. (include a capital conservation buffer of 1.5 per cent.) plus an additional charge of 0.5 per cent. as a DSIB and ICAAP Pillar II capital charge of 1.3 per cent. (as per Basel III guidelines adopted by the QCB);
- minimum liquidity adequacy ratio of 100 per cent. (liquid assets over current liabilities as defined by the QCB);
- application of the ICAAP (as per Basel III guidelines adopted by the QCB);
- credit to deposit ratio of 100 per cent.;
- fixed assets may not exceed 20 per cent. of the Bank's capital and reserves;
- mandatory cash reserve of 4.50 per cent. for resident's deposits and QAR deposits of non-residents of the Bank's total deposits. Foreign currency deposits of non-residents mandatory cash reserves vary based on the maturity of deposit;
- the QCB must approve investments in associates if the investment is greater than 20 per cent. of the share capital of that investee company;
- minimum LCR of 100 per cent. (as per Basel III guidelines adopted by the QCB);
- minimum NSFR of 100 per cent. (as per Basel III guidelines adopted by the QCB);
- maximum limits for the negative cumulative gaps for differences between assets and liabilities for currency exposure; and
- compliance with executive instructions on the development of the implementation instructions for Capital Adequacy Requirements - Pillars I & II in line with Basel III.

These regulations may limit the Bank's ability to increase its loan portfolio or raise capital. Any changes in these regulations may also increase the Bank's cost of doing business. It is expected that there will be an increase in regulations of financial institutions as evidenced by recent actions around the world. Increased regulations, changes in laws and regulations (such as Basel III) and the manner in which they are interpreted or enforced may have a material adverse effect on the Bank's business, results of operations and financial condition.

The QCB, the QFCRA and the QFMA are the three regulatory authorities tasked with regulating and supervising the monetary, banking and financial system, and the capital markets in Qatar. The Government issued the QCB Law, which is aimed at advancing the framework for financial regulation in Qatar and expanding the ambit of regulation to cover areas requiring new and enhanced financial regulation. It also lays the foundation for increased co-operation between the regulatory bodies (the QCB, the QFCRA and the QFMA) in Qatar. The QCB Law, amongst other matters, mandates the QCB to act as the competent supreme authority in framing the policies for the regulation and supervision of all financial services and markets in Qatari including the insurance sector. It also lays the foundation for increased co-operation between the regulatory and supervisory bodies in Qatar as they develop and apply regulatory and supervisory policy and implement international standards and best practices to deliver the objectives of the Qatar National Vision 2030.

Furthermore, the Bank is required to comply with applicable anti-money laundering and anti-terrorism laws and other regulations in Qatar and other jurisdictions where it has operations. In Qatar, the Bank must comply with the Anti-Money Laundering Law No. 20 of 2019 (as amended), Cabinet Resolution No. 41 of 2019 issuing the Executive Regulations in respect of the Anti-Money Laundering Law No. 20 of 2019 (as amended), and the QCB Instructions for Financial Institutions on Anti-Money Laundering and Combating Financing Terrorism, amongst others. To the extent the Bank may fail or be perceived to fail to comply fully

with applicable laws and regulations, the regulatory agencies to whom the Bank reports have the power and authority to impose significant fines and other penalties on the Bank. In addition, the Bank's business and reputation could suffer if customers use the Bank for money laundering or illegal or improper purposes.

The QCB does not always consult with industry participants prior to the introduction of new regulations and it is not always possible for the Bank to anticipate when a new regulation will be introduced. This creates a risk that the profitability of the Bank will be affected as a result of being unable to adequately prepare for regulatory changes introduced by the QCB. Furthermore, non-compliance with regulatory guidelines could expose the Bank to potential liabilities and fines.

The Bank's ability to achieve its strategic objectives could be impaired if it is unable to maintain or obtain required licences, permits, approvals and consents

In order to carry out and expand its business, the Bank needs to maintain or obtain a variety of licences, permits, approvals and consents from various regulatory, legal, administrative, tax and other authorities and agencies. The processes for obtaining these licenses, permits, consents and approvals are often lengthy, complex, unpredictable and costly. If the Bank is unable to maintain or obtain the relevant licenses, permits, consents and approvals, its ability to achieve its strategic objectives could be impaired, with a consequent adverse impact on the market value of the Certificates, the Trustee's and the Bank's ability to perform their respective obligations under the Transaction Documents to which they are a party and the Bank's business, financial condition, results of operations, liquidity and prospects.

The Bank may not be successful in implementing its growth strategy or penetrating new markets

The Bank selectively expands into new business and financial services product offerings as opportunities arise. This strategy exposes the Bank to a number of risks and challenges, including the possible failure to identify appropriate opportunities and offer attractive new products, failure to comply with new market and regulatory standards, and the need for hiring and retraining skilled personnel, each of which would have a potential adverse impact on the Bank's business, financial condition, results of operations, liquidity and prospects. In addition, the Bank may face increased costs in connection with its expansion strategy.

The Bank's growth strategy in the future may also involve strategic acquisitions and restructurings, partnerships, joint ventures and strategic business arrangements with other parties. These arrangements may not necessarily contribute to business growth and the Bank's profitability or may be unsuccessful. Furthermore, the Bank could experience difficulty in assimilating personnel, integrating operations and cultures and may not realise the anticipated synergies or efficiencies from such transactions. These difficulties could disrupt the Bank's ongoing business, distract its management and employees and increase its expenses.

A recurrence of significant levels of inflation or a return to deflation may impact the Bank's profitability

Qatar has experienced a mix of inflation and deflation in recent years, with deflation of 0.7 per cent. and 2.7 per cent. in 2019 and 2020, respectively and inflation of 2.3 per cent., 5.0 per cent. and 3.1 per cent. in 2021, 2022 and 2023, respectively (IMF). Although the Government and the QCB intend to continue to take measures through its monetary policy to ensure that inflation is stabilised, there can be no guarantee that the Government or the QCB will be able to achieve or maintain price stability and control inflation. The IMF also highlighted the risks relating to inflation and central bank policy, which in the IMF's 2023 Article IV Consultation with Qatar, it stated that "[a]mid high economic uncertainty and financial sector fragility, major central banks pause monetary policy tightening or pivot to loosen policy stance prematurely, de-anchoring inflation expectations, triggering a wage-price spiral and spillovers to financial markets".

Historically, inflation has increased staff and living expenses and any recurrence of higher levels of inflation in the future is likely to increase such expenses further. High inflation could also slow the ratio of economic growth and consumer spending in Qatar which would impact on the demand for financing from the Bank's customers. On the other hand, a return to a deflationary environment in Qatar could also impact the Bank's profitability by negatively affecting property values, which could have a negative effect on the real estate collateral which secures a large proportion of the Bank's customer advances. As a result, high rates of inflation or deflation could each have a material adverse effect on the Bank's business growth and profitability.

The Bank's financial condition and operating results could be affected by market risks

The Bank's business, financial condition, results of operations, liquidity and prospects could be affected by

market risks that are outside the Bank's control, including, amongst other things, prices of securities, profit and interest rates, currency exchange rates and investment and asset and liability management activities.

Fluctuations in interest rates could adversely affect the Bank's operations and financial condition in a number of different ways. An increase in interest rates generally may decrease the value of the Bank's fixed rate loans and raise the Bank's funding costs. Such an increase could also generally decrease the value of fixed rate debt securities in the Bank's securities portfolio. Volatility in interest rates may result in a repricing gap between the Bank's interest-rate sensitive assets and liabilities. As a result, the Bank may incur additional costs. See "*Risk Management — Market Risk*". Interest rates are sensitive to many factors beyond the Bank's control, including the policies of central banks, such as the QCB and the U.S. Federal Reserve Group, political factors and domestic and international economic conditions. Due to current fixed-rate pegging of the Qatari riyal to the U.S. dollar, changes in interest rates in the United States prompt changes in interest rates in Qatar and other GCC countries that also peg their currencies to the U.S. dollar. Changes in interest rates in Qatar do not automatically mirror changes in U.S. interest rates, but there tends to be a follow-on effect. Ultimately, there can be no assurance that the Bank will be able to protect itself from any adverse effects of a currency revaluation or future interest rate fluctuations, any of which could have a material adverse effect on the Bank's financial condition and results of operations.

The Bank's financial condition and operating results may also be affected by changes in the market value of the Bank's securities portfolio. The Bank's income from investment activities depends on numerous factors beyond its control, such as overall market trading activity, interest rate levels (as described above), fluctuations in currency exchange rates and general market volatility. See "*Risk Management – Market Risk*".

Although the Bank has risk management processes that review and monitor the market risk aspects of investment proposals and investment portfolios in accordance with QCB requirements and guidelines, including overall structure and investment limits, market price fluctuations may still adversely affect the value of the Bank's securities portfolio.

The Bank also engages in foreign currency transactions and maintains open currency positions in relation to the Qatari riyal and U.S. dollar, which give rise to currency risks. Although the Bank's foreign currency related risks are controlled by the Bank's market risk and structural risk management policies, future changes in currency exchange rates (including de-pegging of currencies to the U.S. dollar) may adversely affect the Bank's financial condition and results of operations.

Market fluctuations and volatility may adversely affect the value of the Bank's positions in certain securities and make it more difficult to assess the fair value of certain of its assets

Financial markets could be subject to significant stress conditions, with steep falls in perceived or actual asset values accompanied by a severe reduction in market liquidity. Moreover, market volatility and illiquidity made it difficult to value certain investment exposures. Valuations in future periods, reflecting then-prevailing market conditions, may result in significant changes in the fair values of the Bank's exposure. In addition, the value ultimately realised by the Bank may be materially different from the current or estimated fair value. Any of these factors could require the Bank to recognise valuation losses or realise impairment charges, any of which may adversely affect its business, financial condition, results of operations, liquidity and prospects.

The Bank's business may be adversely affected if the Qatari Riyal/U.S. dollar peg were to be removed or adjusted

The Bank maintains its accounts and reports its results in Qatari riyals. As at the date of this Base Offering Circular, the Qatari Riyal remains pegged to the U.S. dollar (U.S.\$1.00 = QAR3.64 and the QCB purchases the U.S. dollar at a fixed rate of QAR3.6385 and sells the U.S. dollar to banks operating in Qatar at a fixed rate of QAR3.6415). However, there is market risk relating to the possible de-pegging of the Qatari Riyal and various GCC currencies from the U.S. dollar, although it would depend on the level of open positions and exposure to the U.S. dollar of the Bank. The Bank's operations could be adversely impacted if Qatar (or any country where the Bank operates) should de-peg its currency. Ultimately, there can be no assurance that the Bank will be able to protect itself from any adverse effects of a currency

revaluation or the de-pegging from the U.S. dollar which could have a material adverse effect on the Bank's business, financial condition, results of operations, liquidity and prospects. Also, as a financial intermediary, the Bank is exposed to foreign exchange rate risk. The value of a foreign currency asset or liability will change due to changes in currency exchange rate as well as the possibility that the Bank may have to close out long or short open positions in a foreign currency at a loss due to an adverse movement in exchange rates.

Any open currency position is maintained within the limits set by the QCB. However, where the Bank is not effectively hedged, it is exposed to fluctuations in foreign exchange rates and any hedging activity may not in all cases protect the Bank against such risks. Adverse movements in foreign exchange rates may also adversely impact the revenues and financial condition of the Bank's depositors and financing customers which, in turn, may impact the Bank's deposit base and the quality of its financing exposures. Any volatility in foreign exchange rates, including the re-fixing of the Qatari riyal-U.S. dollar exchange rate, could have a material adverse effect on the Bank's financial condition and results of operations.

Increasing competition may have a material adverse effect on the Bank's results of operations

The Bank and its associates face high levels of competition for all of their products and services. The Bank competes with other Islamic and conventional domestic banks in Qatar. In addition to domestic banks, international banks are also increasing their presence in Qatar, either directly or through strategic investments, and compete with the Bank for its wholesale corporate and Government-related clients. According to the QCB, as at 31 December 2022, there were a total of 17 banks, including four conventional national banks, one specialised bank, four Islamic banks that operate according to Islamic *Shari'a* principles, seven branches of foreign banks and one representative office of a foreign bank. In addition to the existing retail banks in Qatar, more international banks are expected to commence business through the QFC, which would allow them to compete for large corporate and Government business (see "*The Qatar Banking Sector and Regulations – Banking System*").

The competitive nature of the Qatari banking market and the Bank's potential failure to continue to compete successfully may adversely impact the Bank's business, financial condition, results of operations, liquidity and prospects.

The Bank's compliance systems might not be fully effective

The Bank's ability to comply with all applicable legal restrictions and QCB regulations is largely dependent on its maintenance of compliance, audit and reporting systems and procedures, and its ability to attract and retain personnel qualified to manage and monitor such systems and procedures. The Bank cannot provide assurance that these systems and procedures are fully effective in all circumstances. The Bank is subject to extensive oversight by regulatory authorities, including regular examination activity. In addition, the Bank performs regular internal audits and employs an external firm to monitor and test its compliance systems. In the case of actual or alleged non-compliance with regulations, the Bank could be subject to investigations and judicial or administrative proceedings that may result in substantial penalties or civil lawsuits, including by customers for damages. Any of these could have a material adverse effect on the Bank's results of operations, business, financial condition, liquidity and prospects.

The Bank may not be able to recruit and retain qualified and experienced personnel which could have an adverse effect on its business and its ability to implement its growth strategy

The Bank's success and ability to maintain current business levels and sustain growth will depend, in part, on the Bank's ability to continue to recruit and retain qualified and experienced banking and management personnel. The Bank could face challenges in recruiting qualified personnel to manage its business. Additionally, if the Bank continues to grow, it will need to continue to increase its number of employees. While the Bank believes that it has effective staff recruitment, training and incentive programmes in place, the Bank's failure to recruit, train and/or retain necessary personnel, or, in the light of the Bank's focus on "*Qatarisation*", the shortage of qualified Qatari or other nationals prepared to relocate to Qatar, could have a material adverse effect on its business, financial condition, results of operations, liquidity and prospects.

The loss of key personnel may adversely affect the Bank's ability to implement its strategies

The Bank's future success and growth depends to a substantial degree on its ability to retain and motivate the Bank's senior management and other key personnel. The Bank depends especially on the efforts, skill, reputation and experience of its key senior management, as well as synergies among their diverse fields of expertise and knowledge. The loss of key personnel could delay or prevent the Bank's implementation of

its strategies. The Bank is not insured against losses that may be incurred in the event of the loss or dismissal of its key personnel.

The Bank's risk management policies and procedures may leave it exposed to unidentified or unanticipated risks

In the course of its business activities, the Bank is exposed to a variety of risks, the most significant of which are credit risk, market risk, liquidity risk, regulatory and legal risk, and operational risk. See "*Risk Management*". The Bank's risk management techniques may not be fully effective in mitigating its exposure in all market environments or against all types of risk, including risks that are unidentified or unanticipated. Some of the Bank's methods of managing risk are based upon its use of historical market behaviour. These methods may not predict future risk exposures, which could be significantly greater than historical measures indicate. There can be no assurance that the Bank's risk management and internal control policies and procedures will adequately control, or protect the Bank against, all credit and other risks. In addition, certain risks could be greater than the Bank's empirical data would otherwise indicate. The Bank also cannot guarantee that all of its staff will adhere to its policies and procedures.

The Bank is susceptible to, among other things, failure of internal processes or systems, unauthorised transactions by employees and operational errors, including clerical or record keeping errors, errors resulting from faulty computer or telecommunications systems, and fraud by employees or outsiders. See "*The Bank is subject to risks relating to its information technology systems*". The Bank's risk management and internal control capabilities are also limited by the information, tools and technologies available to the Bank. Any material deficiency in the Bank's risk management or other internal control policies or procedures may expose the Bank to significant credit, liquidity, market or operational risk, which may in turn have a material adverse effect on the Bank's business, financial condition, results of operations, liquidity and prospects.

The Bank has significant credit-related commitments and contingent items that may lead to potential losses

As part of its normal banking business, the Bank issues loan commitments, guarantees, letters of credit and other financial facilities, all of which are accounted for off the Bank's balance sheet until such time as they are actually funded or cancelled. Although these commitments are largely trade contingent and therefore off-balance sheet, they nonetheless subject the Bank to related credit and liquidity risks. Credit-related commitments are subject to the same credit approval terms and compliance procedures as loans and advances, and commitments to extend credit are contingent on customers maintaining required credit standards. While the Bank anticipates that only a portion of the Bank's obligations in respect of these commitments will be triggered, the Bank may become obligated to make payments in respect of a greater portion of such commitments, which could have a material adverse effect on the Bank's funding needs and credit risks.

A downgrade in the Bank's credit ratings could limit its ability to negotiate new loan facilities and/or access the debt capital markets and may increase its borrowing costs and/or adversely affect its relationship with creditors

The Bank's credit ratings, which are intended to measure its ability to meet its debt obligations as they mature, are an important factor in determining the Bank's cost of borrowing funds. The profit rates on the Bank's financings are partly dependent on its credit ratings. As at the date of this Base Offering Circular, the Bank's long-term local and foreign currency rating was assessed by Fitch at A with a stable outlook and by Moody's at A2 with a stable outlook. There is no assurance that the ratings will remain in effect for any given period of time or that the ratings will not be lowered or withdrawn entirely if circumstances in the future so warrant (including as a result of the Combination). A downgrade of the Bank's credit ratings, or being placed on a negative ratings watch, may increase its cost of borrowing and materially adversely affect its business, financial condition, results of operations, liquidity and prospects.

Actual or anticipated changes in the Bank's credit ratings or the credit ratings of the Certificates (if applicable) may affect the market value of the Certificates. In addition, ratings assigned to the Certificates (if applicable) may not reflect the potential impact of all risks related to the transaction, the market or any additional factors discussed in this Base Offering Circular and other factors may affect the value of the Certificates. A securities rating is not a recommendation to buy, sell or hold securities. Ratings may be subject to revision or withdrawal at any time by the assigning rating organisation and each rating should be evaluated independently of any other rating.

As at 30 June 2024, 38.8 per cent. of the Bank's financial assets were rated Aaa to Aa3 (of which 28.5 per

cent. represents Qatar Government Qatari riyal denominated sukuk). Any downgrading in the investments in the Bank's financial assets could adversely affect its results of operations.

The Bank is subject to risks relating to its information technology systems, including cyber risk

The Bank depends on its information technology systems to process a large number of transactions on an accurate and timely basis, and to securely store and process substantially all of the Bank's business and operating data. The proper functioning of the Bank's financial control, risk management, credit analysis and reporting, accounting, customer service and other information technology systems, as well as the communication networks between its branches and main data processing centres, are critical to the Bank's business and ability to compete effectively. The Bank's business activities would be materially disrupted if there were a partial or complete failure of any of its information technology systems or communications networks. Such failures can be caused by a variety of factors, many of which are wholly or partially outside the Group's control, including natural disasters, extended power outages, cyber-attacks, computer viruses and system malfunctions. The proper functioning of the Bank's information technology systems also depends on accurate and reliable data and other system inputs, which are subject to human errors.

Any failure or delay in recording or processing the Group's transaction data or any failure to comply with applicable data protection and privacy regulations could subject it to claims for losses and regulatory fines and penalties and could also materially adversely impact its reputation. Business organisations, such as the Group, are increasingly becoming targets for cyber-crime, particularly if those organisations retain personal information about many people. The Group is exposed to the risk that the personal data it controls could be wrongfully accessed, copied, used, altered and/or destroyed whether by employees or other third parties, or otherwise lost or disclosed or processed in breach of data protection regulations. If the Group or any of the third party service providers on which it relies fails to process, store or protect such personal data in a secure manner or if any such theft or loss of personal data were otherwise to occur, the Group could face liability under data protection laws. This could also result in damage to the Group's brand and reputation, the loss of new or renewal business and/or the Group incurring a large fine and could adversely affect the Bank's reputation, business, results of operations, financial condition and prospects.

The threat to the security of the Bank's information and customer data from cyber-attacks is real and continues to grow. Activists, rogue states and cyber criminals are among those targeting computer systems around the world. Risks to technology and cyber security change rapidly and require continued focus and investment. Given the increasing sophistication and scope of potential cyber-attacks, it is possible that future attacks may lead to significant breaches of security. Failure to adequately manage cyber security risk and continually review and update current processes in response to new threats could disrupt the Bank's business, result in the disclosure of confidential information, create significant financial and/or legal exposure and damage the Bank's reputation and/or brands, which could have a material adverse effect on its business, results of operations, financial condition and prospects and on its ability to perform its obligations in respect of Certificates issued under the Programme.

The Bank may not receive future support from the Government, or it may not receive future support that is commensurate with the support that it has received in the past

As at 30 June 2024, the Government directly and indirectly holds 43.26 per cent. of the Bank's issued and paid-up share capital. Although the Bank is partly owned by the Government, there is no guarantee that governmental support in the event of a crisis will happen, notwithstanding domestic banking industry during the global economic crisis received support from the Government and the Bank is holding a material amount of Government and Government-related entity deposits. The Government has no legal obligation to provide such support.

The Bank currently holds large Government and Government-related entity deposits, amounting to QAR38.9 billion as at 30 June 2024, QAR33.9 billion as at 31 December 2023, QAR35.3 billion as at 31 December 2022 and QAR27.1 billion as at 31 December 2021. As at 30 June 2024, 31 December 2023, 31 December 2022 and 31 December 2021, 46.0 per cent., 43.4 per cent., 47.4 per cent. and 35.1 per cent. of the Bank's total customer deposits (which represent the sum of customer current accounts and quasi equity – participatory investment accounts⁴) comprised Government and Government-related entity deposits, respectively (see "Concentration risks in the Bank's financing and deposit portfolio").

Any diversion in the Government's expenditure or investment could affect the amount of support received by the Bank from the Government and therefore impact the Bank's business, financial condition, results of

⁴ It was labelled as "equity of unrestricted investment account holders" in the Annual Financial Statements.

operations, liquidity and prospects.

The Bank is operating within a Shari'a environment which may impact its profitability and competitiveness due to a lack of Islamic financing products

As the Bank is governed by the *Shari'a* Supervisory Board, the range of products and services that it can offer might be limited compared to those offered by conventional banks. This factor may limit its ability to compete effectively with conventional banks for the business of customers who are not sensitive as to whether or not their banking arrangements are structured in a *Shari'a*-compliant manner.

Like some conventional financial products, the structure of Islamic financial products can include the financial institution offering the products by acquiring legal title to physical assets, including, for example, real estate, aircraft or ships. Whilst the risks associated with ownership of these products can be mitigated through contractual arrangements and the purchase of Islamic insurance (*takaful*), if the Bank is found to have financial liability arising from the ownership of assets comprising part of its offering of financial products, this could have a material adverse effect on the Bank's business, financial condition, results of operations, liquidity and prospects.

The Bank's financial statements are prepared in accordance with FAS issued by AAOIFI as modified by the QCB and, for matters not covered by those standards, IFRS and significant discretion is required to be exercised by management in the preparation of the Bank's financial statements

The Bank prepares its financial statements in accordance with the FAS issued by AAOIFI as modified by the QCB, the *Shari'a* Rules and Principles as determined by the Bank's *Shari'a* Supervisory Board, related regulations of the QCB and applicable provisions of the Qatar Commercial Companies Law No. 11 of 2015, as amended by Law No. 8 of 2021. For matters which are not covered by AAOIFI standards, the Bank uses guidance from the relevant IFRS. As a result, there may be significant differences between the Bank's financial statements as currently prepared and its financial statements if they had been prepared solely in accordance with IFRS and applicable Qatari laws and regulation.

Both AAOIFI standards and IFRS change from time to time and these changes may have a material effect on how the Bank reports its results of operations and financial position.

In accordance with applicable accounting standards, the Bank's management is required to make a number of significant accounting estimates, assumptions and judgements in preparing the Bank's financial statements. Many of these estimates, assumptions and judgements relate to determinations as to whether or not financing advances and financial assets should be impaired. In part, the judgements are based on observable market data and the Bank's historical experience of losses in relation to assets of the type concerned. In other cases, significantly greater levels of judgement are required. The Bank's management also uses significant discretion in determining the fair value of financial instruments, particularly in cases where there is no observable market data on which to base the determination, and in determining the useful lives of fixed assets, which in turn affects the annual depreciation charges on those assets. The Bank has established detailed policies and control procedures that are intended to ensure that these significant accounting estimates, assumptions and judgements are well controlled and applied consistently. In addition, the policies and procedures are intended to ensure that the process for changing methodologies occurs in an appropriate manner. Because of the uncertainty surrounding the Bank's estimates, assumptions and judgements, the Bank cannot guarantee that it will not be required to make changes in accounting estimates or restate prior period financial statements in the future.

From time to time, the Bank may be a defendant in various legal proceedings and may, from time to time, be subject to inspections by tax and other authorities

The Bank may, from time to time, be a defendant in legal proceedings in connection with and stemming from its business activities. The Bank may also, from time to time, be subject to inspections by tax and other authorities. However, the Bank is not able to predict the ultimate outcome of any of the claims currently pending against it or future claims or investigations that may be brought against it, which may be in excess of its existing reserves. Adverse outcomes in existing or future proceedings, claims or investigations could have a material adverse effect on the Bank's business, financial condition, results of operations or prospects and thereby affect the Bank's ability to perform its obligations under the Transaction Documents.

RISKS RELATING TO QATAR AND THE GCC REGION

Emerging markets such as Qatar and other GCC markets are subject to greater risks than more developed markets, and financial volatility in emerging markets could negatively impact the Bank's business

Generally, investment in emerging markets is only suitable for sophisticated investors who fully appreciate the significance of the risks involved in, and are familiar with, investing in emerging markets. Investors should also note that emerging markets such as Qatar and other GCC markets are subject to rapid change and that the information set forth in this Base Offering Circular may become outdated relatively quickly. Moreover, financial turmoil in any emerging market country tends to adversely affect confidence in other emerging market countries and cause investors to move their money to more developed markets. As has happened in the past, financial problems or an increase in the perceived risks associated with investing in emerging economies could dampen foreign investment in Qatar and the other GCC countries and adversely affect those economies. In addition, during such times, companies that operate in emerging markets can face liquidity constraints as foreign funding sources are withdrawn and this could also adversely affect the Bank's business and result in a decrease in the price of the Certificates.

Specific risks in Qatar and other GCC countries that could have a material adverse effect on the Bank's business, financial condition, results of operations and prospects include, without limitation, the following:

- the outbreak of pandemics (such as COVID-19);
- regional political instability, including government or military regime change, riots or other forms of civil disturbance or violence, including through acts of terrorism;
- military strikes or the outbreak of war or other hostilities involving nations in the region;
- a material curtailment of the industrial and economic infrastructure development that is currently underway across the MENA region;
- government intervention, including expropriation or nationalisation of assets or increased levels of protectionism;
- an increase in inflation and the cost of living;
- cancellation of contractual rights, expropriation of assets and/or inability to repatriate profits and/or dividends;
- increased government regulations, or adverse governmental activities, with respect to price, import and export controls, the environment, customs and immigration, capital transfers, foreign exchange and currency controls, labour policies and land and water use and foreign ownership;
- arbitrary, inconsistent or unlawful government action;
- changing tax regimes (e.g. VAT), including the imposition or increase of taxes in tax favourable jurisdictions such as Qatar;
- difficulties and delays in obtaining governmental and other approvals for operations or renewing existing ones;
- inability to repatriate profits or dividends and restrictions on the right to convert or repatriate currency or export assets; and
- potential adverse changes in laws and regulatory practices, including legal structures and tax laws.

There can be no assurance that either the economic performance of, or political stability in, the countries in which the Bank currently operates, or may in the future operate, can or will be sustained. Investors should note that a worsening of current financial market conditions, instability in certain sectors of the Qatari or regional economies or major political upheaval in Qatar or the MENA region could lead to decreased investor and consumer confidence, market volatility, economic disruption, and declines in real estate markets and, as a result, could have an adverse effect on the business, results of operations, financial condition and prospects of the Bank.

The Bank is subject to risks associated with political and economic conditions in Qatar and the Middle East

The majority of the Bank's current operations and interests are located in Qatar. The Bank's results of operations are, and will continue to be, generally affected by financial, economic and political developments in or affecting Qatar and the Middle East and, in particular, by the level of economic activity in Qatar and the Middle East which, in turn, is affected by the prevailing level of global crude oil prices. It is not possible to predict the occurrence of events or circumstances, such as war or hostilities, or the impact of such occurrences, and no assurance can be given that the Bank would be able to sustain the operation of its business if adverse political events or circumstances were to occur. A general downturn or instability in certain sectors in Qatar or the regional economy could have an adverse effect on the Bank's business, results of operations and financial condition.

Investors should also note that the Bank's business and financial performance could be adversely affected by political, economic or related developments both within and outside the Middle East because of interrelationships within the global financial markets.

While Qatar is seen as a relatively stable political environment, certain other jurisdictions in the Middle East are not and there is a risk that regional geopolitical instability could impact Qatar. Instability in the Middle East may result from a number of factors, including government or military regime change, civil unrest or terrorism. The unrest may range from public demonstrations to, in extreme cases, armed conflict (including the multinational conflict with Islamic State (also known as Daesh, ISIS or ISIL)) and the overthrow of existing leadership. Any of these incidents could increase political uncertainty across the region.

Moreover, the current conflict between Israel and Hamas in the Gaza Strip may also spill over, directly or indirectly to surrounding countries, such as Lebanon and Iran. Geopolitical events that directly or indirectly involve Qatar may have a material adverse effect on Qatar's economy, including the effect on Qatar's ability to engage in international trade and the destabilising effects on the oil and gas market.

On 5 June 2017, three GCC member states, namely the Kingdom of Saudi Arabia, the UAE, and Bahrain, together with Egypt, moved to cut diplomatic ties, trade, and transport links with Qatar (the "**Qatar Political Developments**"). The measures to do this included a closure of land, sea, and air access and withdrawal of ambassadors, residents, and visitors from those countries. Kuwait and Oman, the remaining two member states of the GCC, maintained ties with Qatar. Qatar was able to offset the reduced liabilities from GCC sources by increased inflows from government and related entities and thus, rebalance the funding profile of the Qatari banking system. While the restrictions were lifted in early 2021 and diplomatic ties have since been reinstated, there can be no assurance that restrictions might again be imposed on Qatar in the future, which could have a material adverse effect on the Bank and its subsidiaries' business, financial condition, results of operations or prospects in the future.

Any of the foregoing circumstances could have a material adverse effect on the political and economic stability of the Middle East and, in particular, could impact the numbers of businesses interested in doing business in Qatar and, consequently, could have a material adverse effect on the Bank's business, results of operations and financial condition.

The Qatar and GCC legal systems continue to develop and this may create an uncertain environment for investment and business activity

Qatar and many of the GCC countries are in various stages of developing their legal and regulatory institutions that are characteristic of more developed markets. As a result, procedural safeguards as well as formal regulations and laws may not be applied consistently. In some circumstances it may not be possible to obtain the legal remedies provided under the relevant laws and regulations in a timely manner. As the legal environment remains subject to continuous development, investors in Qatar and the GCC countries may face uncertainty as to the security of their investments. Any unexpected changes in the legal systems in Qatar and the GCC may have a material adverse effect on the rights of the Certificateholders or the investments that the Bank has made or may make in the future, which may in turn have a material adverse effect on the Bank's business, operating results, cash flows and financial condition.

The GCC may enter into monetary union

In March 2010, Qatar, Kuwait, Saudi Arabia and Bahrain unanimously elected Saudi Arabia's Monetary Agency Governor as the first chairman of the GCC Monetary Council, representing the latest advancement towards launching a single currency and laying the foundation for a GCC central bank. Discussions among

GCC countries are ongoing. Therefore, the possibility still exists that Bahrain, Kuwait, Saudi Arabia and Qatar will each abandon their respective national currencies. As yet there has been no announcement of an official timetable for the progression of monetary union or whether a GCC monetary union will indeed be implemented, and there are currently no details of new legislation or policies. If a single GCC currency is adopted, the necessary convergence of laws, policies and procedure will bring significant changes to the economic and political infrastructure in each of the GCC States. Certificateholders should, however, be aware that new legislation and any resulting shifts in policy and procedure in Qatar could affect the Bank's business, financial condition, results of operations, liquidity and prospects and its ability to perform its obligations in respect of the Transaction Documents to which it is a party and, in turn, affect the Trustee's ability to perform its obligations in respect of the Certificates.

There is no certainty as to how Qatari courts will construe or enforce such law in the event of a bankruptcy affecting the Bank

Qatar adopted bankruptcy and insolvency provisions (part of the Commercial Code No. 27 of 2006) (the "**Commercial Code**") (the "**Bankruptcy Provisions**"), which came into effect on 13 May 2007. The Bankruptcy Provisions are similar to those included in the Egyptian and most other GCC countries' laws and relate largely to the declaration of bankruptcy, its effects and its administration, and include conciliation to prevent bankruptcy. However, because the Bankruptcy Provisions are relatively untested by Qatari courts, there is no certainty as to how Qatari courts would construe or enforce the Bankruptcy Provisions in the event of a bankruptcy affecting the Bank. There can also be no assurance that a Qatari court would compel a bankruptcy administrator to perform any of the Bank's obligations under the Transaction Documents to which it is a party during an administration period. The Bankruptcy Provisions also enable Qatari courts to defer adjudication of a company's bankruptcy if the court decides that it is possible to improve that company's financial position during a period (such period to be specified by the court) or if judged to be in the interest of the national economy.

The QCB Law deals with interim administration and liquidation of the financial institutions licensed by the QCB. The QCB Law provides that the QCB may place a financial institution under interim administration or temporary management if such an institution is threatened with insolvency or at the request of such financial institution. The QCB as the interim administrator of the financial institution is entitled to take control of the assets of the financial institution and take such steps as required to protect the funds of the financial institution, the rights of the depositors, investors and customers. Following the conclusion of the interim administration, the governor of the QCB may decide to revoke the licence of the financial institution and develop a plan for the liquidation of its assets and obligations. Further, the QCB shall be responsible for the implementation and supervision of the execution of the liquidation plan. There are no specific guidelines in respect of how the QCB would administer the resolution of a failing bank in Qatar. There is no certainty as to if and how the QCB might exercise its powers of temporary management and control under the QCB Law (including putting a financial institution into liquidation) in relation to financial institutions experiencing financial difficulties.

The Cabinet of Qatar approved a draft law on corporate bankruptcy and prevention in April 2017 which is aimed at developing detailed regulations for corporate bankruptcy and prevention, taking into account international standards in this regard. It is not clear when this law may come into force.

If the Bank becomes subject to temporary management and control under the QCB Law and the Bank is put into liquidation (over other alternative options) by the QCB, the Certificateholders may lose all or part of their investment.

RISKS RELATING TO THE WAKALA ASSETS

Limitations relating to the indemnity provisions in the Purchase Undertaking and the Master Trust Deed

The Bank has undertaken in the Purchase Undertaking and the Master Trust Deed that, in relation to any Series:

- (i) if, at the time of delivery of an exercise notice in accordance with the provisions of the Purchase Undertaking, the Bank remains in actual or constructive possession, custody or control of all or any part of the relevant Wakala Assets, Certificateholder Put Right Wakala Assets or the Tangibility Event Put Right Wakala Assets, as the case may be; and
- (ii) if, following delivery of an exercise notice in accordance with the provisions of the Purchase Undertaking, the Bank fails to pay the relevant Exercise Price, Certificateholder Put Right Exercise Price or Tangibility Event Put Right Exercise Price, as the case may be, in accordance with the provisions of the Purchase Undertaking for any reason whatsoever, the Bank shall (as an independent,

severable and separately enforceable obligation) fully indemnify (on an after tax basis) the Trustee for the purpose of redemption in full of the then outstanding Certificates, Certificateholder Put Right Certificates or Tangibility Event Put Right Certificates in respect of which the exercise notice is delivered and, accordingly, the amount payable under any such indemnity claim will equal the relevant Exercise Price, Certificateholder Put Right Exercise Price or Tangibility Event Put Right Exercise Price, as the case may be.

Subject to the satisfaction of the conditions set out in (i) and (ii) of the above paragraph, if the Bank fails to pay the relevant Exercise Price, Certificateholder Put Right Exercise Price or Tangibility Event Put Right Exercise Price in accordance with the Purchase Undertaking, the Delegate (on behalf of the Certificateholders) may, subject to the matters set out in Condition 15 (*Enforcement and Exercise of Rights*) and the terms of the Master Trust Deed, seek to enforce, *inter alia*, the provisions of the Purchase Undertaking and the Master Trust Deed against the Bank. See further "*Risk Factors – Risk Factors relating to Enforcement*".

However, investors should note that, in the event that the Bank does not remain in actual or constructive possession, custody or control of all or any part of the relevant Wakala Assets comprising the Wakala Portfolio at the time of delivery of the exercise notice in accordance with the provisions of the Purchase Undertaking (for any reason whatsoever, including because the legal nature of such interest as the Bank may have in the Wakala Assets does not amount to actual or constructive possession, custody or control in the view of a court or arbitral tribunal), the condition in (i) as described above will not be satisfied and, therefore, no amounts will be payable by the Bank under the separate indemnity provisions. For the avoidance of doubt, no investigation has been or will be made by the Trustee, the Arranger, the Dealers or the Delegate or any of their respective affiliates as to whether the Bank is in or will remain in actual or constructive possession, custody or control of all or any part of the Wakala Assets comprising the Wakala Portfolio.

Accordingly, in such event, the Delegate (on behalf of the Certificateholders) may be required to establish that there has been a breach of contract by the Bank in order to prove for damages (also see "*Risk Factors relating to Enforcement – Claims for specific enforcement*"). Such breach of contract may be due to: (a) a breach by the Bank of the requirement to purchase the Trustee's rights, title, interest, benefits and entitlements in, to and under the relevant Wakala Assets, Certificateholder Put Right Wakala Assets or the Tangibility Event Put Right Wakala Assets, as the case may be, on the relevant Scheduled Dissolution Date or Dissolution Date pursuant to the provisions of the Purchase Undertaking; and/or (b) a breach by the Bank (acting in its capacity as Servicing Agent pursuant to the provisions of the Servicing Agency Agreement) of its undertaking to maintain actual or constructive possession, custody or control of all of the Wakala Assets during the Wakala Ownership Period.

As a result, the Delegate (on behalf of the Certificateholders) may not be able to recover, or may face significant challenges in recovering, an amount equal to the relevant Exercise Price, Certificateholder Put Right Exercise Price and Tangibility Event Put Right Exercise Price and, in turn, the amount payable to the Certificateholders upon redemption.

The occurrence of a Tangibility Event (including any resulting delisting from a stock exchange) may have a significant adverse effect on the liquidity and market value of the Certificates

If, at any time, the Tangibility Ratio falls below 33 per cent. (such event being a "**Tangibility Event**"), the Certificateholders will be notified that: (a) a Tangibility Event has occurred, together with an explanation of the reasons for, and evidence of, such occurrence; (b) as determined in consultation with the *Sharia* Supervisory Board of the Bank, the Certificates shall only be tradeable in accordance with the *Shari'a* principles of debt trading; (c) on the Tangibility Event Delisting Date (as defined in the Conditions), the Certificates will be delisted from any stock exchange (if any) on which the Certificates have been listed and/or admitted to trading; and (d) the Tangibility Event Put Right Period, during which period the holder of any Certificates shall have the option to require the redemption of all or any of its Certificates.

Upon receipt of such notice, the Certificateholders may elect to redeem all or any of their Certificates in accordance with the Conditions. Accordingly, a Tangibility Event may have a significant adverse effect on the liquidity and market value of the Certificates.

Ownership of Wakala Assets

The *Shari'a* analysis is as follows: an ownership interest in the Wakala Assets comprised within the relevant Wakala Portfolio should pass to the Trustee under the Master Purchase Agreement, as supplemented by the relevant Supplemental Purchase Agreement (together, the "**Purchase Agreement**"). The Trustee will declare a trust in respect of the Wakala Assets and the other Trust Assets in favour of the Certificateholders of the relevant Series pursuant to the Master Trust Deed, as supplemented by the relevant Supplemental Trust Deed. Accordingly, from a *Shari'a* perspective, Certificateholders should, through the ownership interest obtained by

the Trustee pursuant to the terms of the Purchase Agreement, have an undivided ownership interest in the relevant Wakala Assets.

Limited investigation and enquiry will be made and limited due diligence will be conducted in respect of any Wakala Assets. The Wakala Assets will be selected by the Bank and none of the Certificateholders, the Trustee, the Arranger, the Dealers, the Delegate or the Agents or any of their respective affiliates will have any ability to influence such selection. Only limited representations will be obtained from the Bank in respect of the Wakala Assets (such representations not forming part of the Trust Assets) and the precise terms or the nature of the Wakala Assets sold or held will not be disclosed (including whether there are any restrictions on transfer of, or any further obligations required to be performed by the Bank to give effect to the title in, such Wakala Assets). In addition, limited investigation has been or will be made as to whether any interest in any Wakala Assets may be transferred as a matter of the law governing the contracts (if any) underlying such Wakala Assets, the law of the jurisdiction where such Wakala Assets are located or any other relevant law and no investigation will be made by the Trustee, the Arranger, the Dealers to determine if any Purchase Agreement will have the effect of transferring a legal interest in the relevant Wakala Assets. No steps are intended to be taken to perfect the transfer of the title in any Wakala Assets to the Trustee with any relevant regulatory authority in Qatar or otherwise to give notice to, or obtain any acknowledgement of notification from, any lessee or obligor in respect thereof. Obligors and lessees may have rights of set off or counterclaim against the Bank in respect of such Wakala Assets. Therefore, Certificateholders shall not have any legal interest in any Wakala Assets which require perfection in order to legally transfer any ownership interest therein.

Further, although the *Shari'a* analysis is such that an ownership interest in the Wakala Assets should pass to the Trustee under the Purchase Agreement, the Certificateholders will not have any rights of enforcement as against the Wakala Assets and their rights are limited to enforcement against the Bank of its obligation to purchase all (or the applicable portion thereof, as the case may be) of the Wakala Assets pursuant to the terms of the Transaction Documents (see also "*Limitations relating to the indemnity provisions in the Purchase Undertaking and the Master Trust Deed*").

The Certificates may be an ownership interest for the purposes of the Volcker Rule

The Trustee may be deemed to be a "covered fund" for the purposes of the Volcker Rule. Further, the Certificates may constitute an "ownership interest" for the purposes of the Volcker Rule. As a result, the Volcker Rule may, subject to certain exemptions, prohibit certain banking institutions from, directly or indirectly, acquiring or retaining the Certificates. This prohibition may adversely affect the liquidity and market price of the Certificates. In addition, any entity that is a "banking entity" under the Volcker Rule and is considering an investment in the Certificates should consider the potential impact of the Volcker Rule in respect of such investment and on its portfolio generally.

RISKS RELATING TO THE CERTIFICATES

The Certificates are limited recourse obligations of the Trustee

The Certificates of a Series are not debt obligations of the Trustee, instead, each Certificate represents an undivided ownership interest in the Trust Assets relating to that Series. Recourse to the Trustee is limited to the Trust Assets of the relevant Series and the proceeds of the Trust Assets of the relevant Series are the sole source of payments on the Certificates of that Series. Upon the occurrence of a Dissolution Event, or in the case of any other dissolution pursuant to the Conditions, the sole rights of the Trustee and/or the Delegate (acting on behalf of the Certificateholders of the relevant Series of Certificates) will be against the Bank to perform its obligations under the Transaction Documents to which it is a party.

Certificateholders will have no recourse to any assets of the Trustee (other than the Trust Assets in the manner and to the extent contemplated by the Transaction Documents) the Delegate or any Agent or (to the extent that it fulfils all of its obligations under the Transaction Documents to which it is party) the Bank in respect of any shortfall in the expected amounts due on the Certificates. The Bank is obliged to make certain payments under the Transaction Documents to which it is a party directly to the Trustee, and the Trustee and/or the Delegate will have direct recourse against the Bank to recover such payments due to the Trustee pursuant to the Transaction Documents. In addition, no Certificateholder shall be entitled to proceed directly against the Trustee or the Bank unless the Delegate or the Trustee, as the case may be, having become bound so to proceed (i) fails to do so within 30 days or (ii) is unable for any reason (including by reason of an order of a court having competent jurisdiction) to do so, and in each case such failure or inability is continuing.

After enforcing or realising the rights in respect of the Trust Assets in respect of a Series of Certificates and distributing the net proceeds of such Trust Assets in accordance with Condition 5(b) (*Application of Proceeds from Trust Assets*), the Master Trust Deed and the Agency Agreement, the obligations of the Trustee and/or the

Delegate in respect of that Series of Certificates shall be satisfied and neither the Delegate nor any Certificateholder may take any further steps against the Trustee to recover any further sums in respect of the Certificates and the right to receive any such sums unpaid shall be extinguished. Furthermore, under no circumstances shall the Trustee, the Delegate or any Certificateholder have any right to cause the sale or other disposition of any of the Trust Assets other than as contemplated in the Purchase Undertaking and the sole right of the Trustee and the Delegate and, through the Delegate, the Certificateholders of the relevant Series of Certificates against the Bank shall be to enforce the obligation of the Bank under the Transaction Documents to which it is a party in accordance with the terms thereof. Accordingly, there can be no assurance that the proceeds of the realisation of, or enforcement with respect to, the Trust Assets (which, as described above, will only be by way of enforcing each of the Trustee's and the Bank's respective obligations under the Transaction Documents to which they are a party) will be sufficient to make all payments due in respect of the Certificates of the relevant Series.

The Certificates may be subject to early redemption

If the amount payable in respect of the Certificates of any Series is required to be increased to include additional amounts and/or the Bank is required to pay additional amounts pursuant to the Transaction Documents, in each case as a result of certain changes affecting taxation in a Relevant Jurisdiction, the Bank shall be entitled to require the Trustee to redeem all but not some only of the Certificates, upon giving notice in accordance with Condition 9(b) (*Early Dissolution for Taxation Reasons*). In addition, if so provided in the applicable Pricing Supplement, a Series may also be redeemed early at the option of the Bank pursuant to Condition 9(c) (*Dissolution at the Option of the Obligor (Optional Dissolution Right)*). Furthermore, the Certificates may be redeemed prior to their stated maturity on the occurrence of a Tangibility Event pursuant to Condition 9(e) (*Dissolution at the Option of the Certificateholders (Tangibility Event Put Right)*). The Trustee may also exercise its Clean Up (Call) Right to redeem the Certificates early (in whole but not in part) if 75 per cent. of the Certificates of the relevant Series then outstanding have been redeemed in accordance with Condition 9.

Any such early redemption feature of any Certificate is likely to limit its market value. During any period when the Bank elects to require the Trustee to redeem the Certificates (whether pursuant to Condition 9(b) (*Early Dissolution for Taxation Reasons*), Condition 9(c) (*Dissolution at the Option of the Obligor (Optional Dissolution Right)*) or the Certificateholders elect to require the redemption of the Certificates pursuant to Condition 9(e) (*Dissolution at the Option of the Certificateholders (Tangibility Event Put Right)*)), the market value of those Certificates generally will not rise substantially above the Dissolution Distribution Amount payable. This also may be true prior to any other Dissolution Date.

In the case of Certificates with an optional dissolution feature pursuant to Condition 9(c) (*Dissolution at the Option of the Obligor (Optional Dissolution Right)*), the Bank may (subject as aforesaid) elect to require the Trustee to redeem such Certificates when its cost of financing is lower than the Profit Rate on the Certificates. At those times, an investor generally would not be able to re-invest the redemption proceeds at an effective profit rate as high as the Profit Rate on the Certificates being redeemed and may only be able to do so at a significantly lower rate. Prospective investors should consider re-investment risk in light of other investments available at that time.

Investors must make their own determination as to Shari'a compliance

The Sharia Supervisory Board of the Bank and the Global Shariah Supervisory Committee of Standard Chartered Bank have each confirmed that the Transaction Documents are, in their view, compliant with the principles of *Shari'a* as applicable to, and interpreted by, them. However, there can be no assurance that the Transaction Documents or any issue and trading of Certificates will be deemed to be *Shari'a*-compliant by any other *Shari'a* board or *Shari'a* scholars or that they would deem the issue or trading of any Certificates (including, without limitation, any future trading of the Certificates on the secondary market) to be *Shari'a* compliant. None of the Trustee, the Bank, the Delegate, the Agents, the Arranger or the Dealers or any of their respective affiliates makes any representation as to the *Shari'a* compliance of any Certificates and/or any trading thereof (including, without limitation, any future trading of the Certificates on the secondary market), the Transaction Documents or the above pronouncements and prospective investors are reminded that, as with any *Shari'a* views, differences in opinion are possible and different *Shari'a* standards may be applied by different *Shari'a* boards. Potential investors should not rely on the above pronouncements in deciding whether to make an investment in the Certificates and are advised to obtain their own independent *Shari'a* advice as to whether the Transaction Documents and the issue and trading of any Certificates will comply with *Shari'a* principles (including, without limitation, their individual standards of compliance relating thereto and make their own determination as to the future tradability (including, without limitation, in compliance with *Shari'a* principles of debt trading) of the Certificates on any secondary market. Questions as to the *Shari'a* permissibility of the structure or the issue and the trading of the Certificates may limit the liquidity and adversely affect the market value of the Certificates.

In addition, none of the Delegate, the Agents, the Arranger or the Dealers or any of their respective affiliates will have any responsibility for monitoring or ensuring compliance with any *Shari'a* principles of debt trading nor shall it be liable to any Certificateholder or any other person in respect thereof. Furthermore, prospective investors are reminded that the enforcement of any obligations of any of the parties under the Transaction Documents would be, if in dispute, the subject of arbitration in London under the Arbitration Rules of the LCIA. In such circumstances, the arbitrator will first apply the governing law of the relevant Transaction Document in determining the obligations of the parties.

Shari'a requirements in relation to interest awarded by an arbitrator

In accordance with applicable *Shari'a* principles, each of the Trustee and the Delegate will waive all and any entitlement it may have to interest awarded in its favour in connection with any dispute under any of the Transaction Documents to which it is a party. Should there be any delay in the enforcement of a court or arbitral award against the Bank, interest may well accrue in respect of that delay and, as a result of the waiver referred to above, Certificateholders will not be entitled to receive any part of such interest. Certificateholders should note that the Trust Assets specifically exclude any rights which have been expressly waived by the Trustee in any of the Transaction Documents (which, to the extent applicable, would extend to any award of interest made in favour of the Trustee in respect of a dispute).

There can be no assurance as to the impact of a change in the laws governing the Certificates or the Transaction Documents

The structure of each issue of Certificates under the Programme is based on English law and the laws of Qatar and administrative practices in effect as at the date of this Base Offering Circular. No assurance can be given as to the impact of any possible judicial decision or change to English or Qatari law or administrative practices in any such jurisdiction after the date of the Base Offering Circular, nor can any assurance be given as to whether any such change could adversely affect the ability of the Bank to make payments under the Transaction Documents to which it is a party and/or the Trustee to make payments under any Series of Certificates, or the ability of the Trustee or the Bank to otherwise comply with their respective obligations under the Certificates and the Transaction Documents to which they are a party.

Certificates are subject to modification by a majority of the Certificateholders of a Series without the consent of all of the Certificateholders

The Master Trust Deed contains provisions for calling meetings of the Certificateholders (including by way of conference call or by use of a telephony or electronic platform or facility) to consider and vote upon matters affecting their interests generally. In addition, the Master Trust Deed contains provisions for obtaining written resolutions on matters relating to the Certificates from holders without calling a meeting. A written resolution signed by or on behalf of the holders of not less than 75 per cent. in aggregate face amount of the Certificates of the relevant Series for the time being outstanding shall, for all purposes, take effect as an Extraordinary Resolution.

In certain circumstances, where the Certificates are held in global form in the clearing systems, the Trustee, the Bank and the Delegate (as the case may be) will be entitled to rely upon:

- (a) where the terms of the proposed resolution have been notified to the Certificateholders through the relevant clearing system(s), approval of a resolution proposed by the Trustee, the Bank and the Delegate (as the case may be) given by way of electronic consents communicated through the electronic communications systems of the relevant clearing system(s) in accordance with their operating rules and procedures (in a form satisfactory to the Delegate) by or on behalf of the holders of not less than 75 per cent. in aggregate face amount of the Certificates of the relevant Series for the time being outstanding; and
- (b) where electronic consent is not being sought, consent or instructions given in writing directly to the Trustee, the Bank or the Delegate (as the case may be) (a) by accountholders in the clearing systems with entitlements to such global certificate or (b), where the accountholders hold such entitlement on behalf of another person, on written consent from or written instruction by the person for whom such entitlement is ultimately beneficially held (directly or via one or more intermediaries). For the purposes of establishing the entitlement to give any such consent or instruction, the Trustee, the Bank and the Delegate (as the case may be) shall be entitled to rely on any certificate or other document issued by, in the case of (a) above, Euroclear and Clearstream, Luxembourg and, in the case of (b) above, the relevant clearing system and the accountholder identified by the relevant clearing system for the purposes of (b) above.

A written resolution or an electronic consent as described above may be effected in connection with any matter affecting the interests of Certificateholders, including the modification of the Conditions, that would otherwise be required to be passed at a meeting of Certificateholders satisfying the special quorum in accordance with the provisions of the Master Trust Deed, and shall for all purposes take effect as an Extraordinary Resolution passed at a meeting of Certificateholders duly convened and held.

These provisions permit defined majorities to bind all of the Certificateholders of the relevant Series (including Certificateholders who did not attend or vote at the relevant meeting or, as the case may be, did not sign the written resolution or give their consent electronically, and including those Certificateholders who voted in a manner contrary to the majority).

The Master Trust Deed also provides that the Delegate may (or in the case of paragraph (b) below shall), without the consent or sanction of Certificateholders (a) agree to any modification of the Trust Deed (including the Conditions) or any of the other Transaction Documents that (in the opinion of the Delegate) is of a formal, minor or technical nature, or is made to correct a manifest error, (b) agree to any modification to the Trust Deed (including the Conditions) or any other Transaction Document to effect any Benchmark Amendments or Benchmark Replacement Conforming Changes (in the circumstances and as set out in Condition 8(c) (*Benchmark Discontinuation*)) or Condition 8(d) (*Benchmark Discontinuation (SOFR)*) respectively), or (c)(i) give its consent under the Transaction Documents and agree to any other modification of any provisions of the Trust Deed (including the Conditions) or any other Transaction Document or to any waiver or authorisation of any breach or proposed breach of any of the provisions of the Trust Deed or any of the other Transaction Documents or (ii) determine that any Dissolution Event or Potential Dissolution Event shall not be treated as such, provided in each case, save for in relation to Benchmark Amendments made in accordance with Condition 8(c) (*Benchmark Discontinuation*) or Benchmark Replacement Conforming Changes made in accordance with Condition 8(d) (*Benchmark Discontinuation (SOFR)*), that such modification, consent, waiver, authorisation or determination is in the opinion of the Delegate not materially prejudicial to the interests of the Certificateholders and not in contravention of any express direction by Extraordinary Resolution or request in writing by the holders of at least 20 per cent. of the aggregate face amount of the Certificates of the relevant Series then outstanding and, in the case of modifications referred to in paragraph (c)(i) above, other than in respect of a matter set out in paragraphs (i) to (x) of Condition 17(a) (*Meetings of Certificateholders, Modification and Waiver – Meetings of Certificateholders*). Any such modification, consent, waiver, authorisation or determination may be made on such terms and subject to such conditions (if any) as the Delegate may determine and shall be binding on the Certificateholders and shall be notified by the Trustee to the Certificateholders in accordance with Condition 20 (*Notices*) as soon as practicable thereafter.

The Delegate may request that the Certificateholders provide an indemnity and/or security and/or prefunding to its satisfaction

Pursuant to the Conditions and the Master Trust Deed, the Delegate may, in certain circumstances, request the Certificateholders to provide an indemnity and/or security and/or prefunding to its satisfaction before it takes any action on behalf of Certificateholders. The Delegate shall not be obliged to take any such actions if not indemnified and/or secured and/or prefunded to its satisfaction. Negotiating and agreeing to any indemnity and/or security and/or prefunding can be a lengthy process and may have an impact on when such actions can be taken.

Credit ratings assigned to the Bank and/or the Certificates are subject to ongoing evaluations and there can be no assurance that the ratings currently assigned to the Bank and/or the Certificates will not be downgraded

The Bank has been assigned a long-term rating of A with a stable outlook by Fitch and a long-term rating of A2 with a stable outlook by Moody's, respectively. The Certificates of each Series may be unrated or may be rated by one or more independent credit rating agencies who may also assign credit ratings to the Certificates. Any ratings of either the Bank or the Certificates may not reflect the potential impact of all the risks related to the structure, market, additional factors discussed in this Base Offering Circular and other factors that may affect the value of the Certificates. Nevertheless, real or anticipated changes in the Bank's credit ratings or the ratings of the Certificates generally may affect the market value of the Certificates.

In general, European regulated investors are restricted under the EU CRA Regulation from using credit ratings for regulatory purposes, unless such ratings are issued by a credit rating agency established in the EEA and registered under the EU CRA Regulation (and such registration has not been withdrawn or suspended, subject to transitional provisions that apply in certain circumstances). Such general restriction may also apply in the case of credit ratings issued by non-EEA credit rating agencies, unless the relevant credit ratings are endorsed by an EEA-registered credit rating agency or the relevant non-EEA third country rating agency is certified in accordance with the EU CRA Regulation (and such endorsement action or certification, as the case may be, has not been withdrawn or suspended, subject to transitional provisions that apply in certain circumstances). The list

of registered and certified credit rating agencies published by the ESMA on its website in accordance with the EU CRA Regulation is not conclusive evidence of the status of the relevant rating agency included in such list, as there may be delays between certain supervisory measures being taken against a relevant rating agency and the publication of the updated ESMA list.

Investors regulated in the UK are subject to similar restrictions under the UK CRA Regulation. As such, UK regulated investors are required to use for UK regulatory purposes ratings issued by a credit rating agency established in the UK and registered under the UK CRA Regulation. In the case of ratings issued by non-UK credit rating agencies, third country credit ratings can either be: (a) endorsed by a UK-registered credit rating agency; or (b) issued by a third country credit rating agency that is certified in accordance with the UK CRA Regulation. Note this is subject, in each case, to (a) the relevant UK registration, certification or endorsement, as the case may be, not having been withdrawn or suspended, and (b) transitional provisions that apply in certain circumstances.

If the status of the rating agency rating the Certificates changes, relevant regulated investors may no longer be able to use the rating for regulatory purposes in the EEA or the UK, as applicable, and the Certificates may have a different regulatory treatment. This may result in relevant regulated investors selling the Certificates which may impact the value of the Certificates and any secondary market.

Where a Tranche of Certificates is rated, limited information with respect to the credit rating agencies and ratings will be disclosed in the relevant Pricing Supplement. Certain information with respect to the credit rating agencies and ratings is set out on the cover page of this Base Offering Circular. A credit rating is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by its assigning credit rating agency at any time. Each rating should be evaluated independently of any other rating.

Interest or profit rate risks

Investment in Fixed Rate Certificates involves the risk that if market interest or profit rates subsequently increase above the Profit Rate paid on the Fixed Rate Certificates, this will adversely affect the value of the Fixed Rate Certificates.

Certificates with variable Profit Rates can be volatile investments. If they are structured to include multipliers or other leverage factors, or caps or floors, or any combination of those features or other similar related features, their market values may be even more volatile than those for securities that do not include those features.

The Certificates may be subject to exchange rate risks and exchange controls

Neither the Trustee nor the Bank has any control over factors that generally affect exchange rate risks, such as economic, financial and political events, and the supply and demand for applicable currencies. In recent years, exchange rates between certain currencies have been volatile and volatility between such currencies or with other currencies may be expected in future.

The Trustee will pay all amounts due on any Certificates, and the Bank will make any payments pursuant to the Transaction Documents to which it is a party, in the Specified Currency. If an investor's financial activities are denominated principally in a currency or currency unit (the "**Investor's Currency**") other than the Specified Currency, such investor may therefore bear certain exchange rate risks. These include the risks that: (i) exchange rates may significantly change (including changes due to devaluation of the Specified Currency or revaluation of the Investor's Currency); and (ii) authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls which could adversely affect an applicable exchange rate. Any appreciation in the value of the Investor's Currency relative to the Specified Currency would decrease: (a) the Investor's Currency-equivalent yield on the Certificates; (b) the Investor's Currency-equivalent value of the Dissolution Distribution Amount payable in respect of the Certificates; and (c) the Investor's Currency-equivalent market value of the Certificates.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate as well as the availability of a specified foreign currency at the time of any payment of any amounts on a Certificate. As a result, investors may receive less than expected, or no payment at all. Even if there are no actual exchange controls, it is possible that the Specified Currency for any particular Certificate would not be available at such Certificate's maturity.

A secondary market may not develop or be maintained for the Certificates

There is no assurance that a market for the Certificates of any Series will develop or, if it does develop, that it will provide the Certificateholders with liquidity of investment or that it will continue for the life of such

Certificates. Accordingly, a Certificateholder may not be able to find a buyer to buy its Certificates easily or at prices that will provide a desired yield. This is particularly the case should the Bank be in financial distress, which may result in any sale of the Certificates having to be at a substantial discount to their face amount or for Certificates that are especially sensitive to interest rate, currency or market risks, are designed for specific investment objectives or strategies or have been structured to meet the investment requirements of limited categories of investors. These types of Certificates generally would have a more limited secondary market and more price volatility than conventional debt securities. The market value of the Certificates may fluctuate and a lack of liquidity, in particular, can have a material adverse effect on the market value of the Certificates. Accordingly, the purchase of the Certificates is suitable only for investors who can bear the risks associated with a lack of liquidity in the Certificates and the financial and other risks associated with an investment in the Certificates. If a Tranche of Certificates is issued to a single investor or a limited number of investors, this may result in an event more illiquid or volatile market in such Certificates. An investor in Certificates must be prepared to hold the relevant Certificates for an indefinite period of time or until their maturity. Whilst an application has been made for certain Series to be issued under the Programme to be admitted for trading on the ISM, there can be no assurance that any such admission will occur or will enhance the liquidity of the Certificates of the relevant Series.

Certificates which have a denomination that is not an integral multiple of the minimum Specified Denomination may be illiquid and difficult to trade

In relation to any issue of Certificates which have a denomination consisting of the minimum Specified Denomination plus a higher integral multiple of another smaller amount, it is possible that the Certificates may be traded in amounts in excess of such minimum Specified Denomination that are not integral multiples of such minimum Specified Denomination. In such a case, a Certificateholder who, as a result of trading such amounts, holds a face amount of less than the minimum Specified Denomination, would need to purchase an additional amount of Certificates such that it holds an amount equal to at least the minimum Specified Denomination to be able to trade such Certificates. Certificateholders should be aware that Certificates which have a denomination that is not an integral multiple of the minimum Specified Denomination may be illiquid and difficult to trade.

A Certificateholder who holds an amount which is less than the minimum Specified Denomination in his account with the relevant clearing system at the relevant time may not receive a definitive Certificate in respect of such holding (should definitive Certificates be printed) and would need to purchase a face amount of Certificates such that its holding amounts to at least a Specified Denomination in order to be eligible to receive a definitive Certificate. If definitive Certificates are issued, holders should be aware that definitive Certificates which have a denomination that is not an integral multiple of the minimum Specified Denomination may also be illiquid and difficult to trade.

Certain benchmark rates, including EURIBOR, may be discontinued or reformed in the future

Reference rates and indices, including profit rate benchmarks, which are used to determine the amounts payable under financial instruments or the value of such financial instruments ("**Benchmarks**"), have, in recent years, been the subject of political and regulatory scrutiny as to how they are created and operated. This has resulted in regulatory reform and changes to existing Benchmarks, with further changes anticipated. These reforms and changes may cause a Benchmark to perform differently than it has done in the past or to be discontinued. Any change in the performance of a Benchmark or its discontinuation, could have a material adverse effect on any Certificates referencing or linked to such Benchmark.

Investors should be aware that, if a Benchmark were discontinued or otherwise unavailable, the profit rate on Floating Rate Certificates which reference such Benchmark will be determined for the relevant period by the fall-back provisions applicable to such Certificates set out in the Conditions. Where Screen Rate Determination not referencing SOFR or SONIA (each as defined below) is specified as the manner in which the Profit Rate in respect of Floating Rate Certificates is to be determined, the Conditions provide that the Profit Rate shall be determined by reference to the Relevant Screen Page (or its successor or replacement). In circumstances where such original Reference Rate is discontinued, neither the Relevant Screen Page, nor any successor or replacement may be available. Where such quotations are not available (as may be the case if the relevant banks are not submitting rates for the determination of such Reference Rate), the Profit Rate may ultimately revert to the Profit Rate applicable as at the last preceding Profit Rate Determination Date before the Reference Rate was discontinued. Uncertainty as to the continuation of the Reference Rate and the rate that would be applicable if the Reference Rate is discontinued may adversely affect the value of, and return on, the Floating Rate Certificates. Where the applicable Pricing Supplement specifies that Condition 8(c) (*Benchmark Discontinuation*) applies, the Conditions provide for certain fallback arrangements in the event that a Benchmark Event occurs, including if a public statement is made by the supervisor of the administrator of the relevant Reference Rate (or such component) that the relevant Reference Rate (or such component) is or will be (or is or

will be deemed by such supervisor to be) no longer representative of its relevant underlying market or the methodology to calculate such Reference Rate has materially changed.

Such fallback arrangements include the possibility that the Profit Rate could be set by reference to a Successor Rate or, failing which, an Alternative Reference Rate, with or without the application of an Adjustment Spread (as defined in the Conditions) and may include amendments to the Conditions, the Master Trust Deed and/or any other Transaction Document to ensure the proper operation of the Successor Rate, Alternative Reference Rate and/or Adjustment Spread, all as determined by an Independent Adviser, acting in good faith and following consultation with the Trustee and the Bank, or the Bank (acting in good faith and in a commercially reasonable manner), as applicable and without any requirement for the consent or sanction of the relevant Certificateholders. The application of an Adjustment Spread may result in the Certificates performing differently (which may include payment of a lower Profit Rate) than they would do if the original Reference Rate were to continue to apply in its current form. If no Adjustment Spread can be determined, a Successor Rate or Alternative Reference Rate may nonetheless be used to determine the Profit Rate. The use of a Successor Rate or Alternative Reference Rate to determine the Profit Rate is also likely to result in any Certificates initially linked to or referencing the relevant Reference Rate performing differently (which may include payment of a lower Profit Rate) than they would if the original Reference Rate were to continue to apply in its current form.

In addition, the market (if any) for Certificates linked to any such Successor Rate or Alternative Reference Rate may be less liquid than the market for Certificates linked to the original Reference Rate. Prospective investors should note that neither the Bank nor any Independent Adviser appointed pursuant to the Conditions shall, in the absence of wilful default, gross negligence or fraud have any liability whatsoever to the Delegate, the Principal Paying Agent, the Paying Agents, or the Certificateholders for any determination made by it pursuant to the Conditions. The choice of replacement benchmark is uncertain and could result in the use of risk free rates such as SOFR (see "*The market continues to develop in relation to risk free rates (including SONIA and SOFR) as reference rates for Floating Rate Certificates*" below) and/or in the replacement Benchmark being unavailable or indeterminable. In the case of Floating Rate Certificates which reference SOFR where Condition 8(d) (*Benchmark Discontinuation (SOFR)*) is specified as applicable in the applicable Pricing Supplement where the Bank determines that a SOFR Benchmark Event and its related Benchmark Replacement Date have occurred, a Benchmark Replacement (as determined in accordance with Condition 8(d) (*Benchmark Discontinuation (SOFR)*)) will replace the then-current Benchmark for all purposes relating to such Certificates in respect of all determinations on such date and for all determinations on all subsequent dates. Such Benchmark Replacement may result in the Certificates behaving differently (which may include payment of a lower Profit Rate).

Where ISDA Determination is specified as the manner in which the Profit Rate in respect of Floating Rate Certificates is to be determined, the Conditions provide that the Profit Rate in respect of the Certificates shall be determined by reference to the relevant Floating Rate Option in the 2006 ISDA Definitions or 2021 ISDA Definitions. Where the Floating Rate Option specified is an "IBOR" Floating Rate Option, the Profit Rate may be determined by reference to the relevant screen rate or the rate determined on the basis of quotations from certain banks. If the relevant IBOR is permanently discontinued and the relevant screen rate or quotations from banks (as applicable) are not available, the operation of these provisions may lead to uncertainty as to the Profit Rate that would be applicable, and may, adversely affect the value of, and return on, the Floating Rate Certificates.

Any of the above could have a material adverse effect on the value of and return on any such Certificates. Investors should consult their own independent advisers and make their own assessment about the potential risks imposed by the EU Benchmarks Regulation and/or UK Benchmarks Regulation and/or other related reforms or possible cessation or reform of certain reference rates in making any investment decision with respect to any Certificates linked to or referencing a benchmark.

The Bank may be unable to appoint an Independent Adviser or the Independent Adviser may not be able to determine a Successor Rate or Alternative Reference Rate in accordance with the Conditions

Where, in respect of any given Periodic Distribution Period, the Bank is unable to appoint an Independent Adviser or the Independent Adviser appointed by the Bank has failed to determine a Successor Rate or, failing which, an Alternative Reference Rate, prior to the relevant IA Determination Cut-Off Date, the Bank (acting in good faith and in a commercially reasonable manner following consultation with the Trustee) may determine a Successor Rate or, failing which, an Alternative Reference Rate and, in either case, an Adjustment Spread in accordance with the Conditions, **provided that** in respect of any subsequent Periodic Distribution Period it will continue to attempt to appoint an Independent Adviser in a timely manner before the next succeeding Profit Rate Determination Date and/or to determine a Successor Rate or Alternative Reference Rate to apply to the next succeeding and any subsequent Periodic Distribution Periods, as necessary.

If, following the occurrence of a Benchmark Event, no Successor Rate or Alternative Reference Rate is duly determined, the Profit Rate for the next succeeding Periodic Distribution Period will be equal to the Profit Rate last determined in relation to the Certificates in respect of the immediately preceding Periodic Distribution Period (through substituting, where applicable, the Margin or Maximum Profit Rate or Minimum Profit Rate relating to the relevant Periodic Distribution Period, in place of the Margin or Maximum Profit Rate or Minimum Profit Rate relating to that last preceding Periodic Distribution Period). This may result in Certificates linked to or referencing the relevant benchmark performing differently (which may include payment of a lower Profit Rate) than they would do if the relevant benchmark were to continue to apply, or if a Successor Rate or Alternative Reference Rate could be determined. If the Independent Adviser (or the Bank) fails to determine a Successor Rate or Alternative Reference Rate for the life of the relevant Certificates, the initial Profit Rate, or the Profit Rate for the last preceding Periodic Distribution Period, will continue to apply to maturity. This will result in the Floating Rate Certificates, in effect, becoming Fixed Rate Certificates. Due to the uncertainty concerning the availability of Successor Rates and Alternative Reference Rates, the involvement of an Independent Adviser and the potential for further regulatory developments there is a risk that the relevant fallback provisions may not operate as intended at the relevant time.

The market continues to develop in relation to risk free rates (including SONIA and SOFR) as reference rates for Floating Rate Certificates

Investors should be aware that the market continues to develop in relation to risk-free rates, such as the Sterling Overnight Index Average ("SONIA") and the Secured Overnight Financing Rate ("SOFR"), as reference rates in the capital markets for sterling or U.S. dollar bonds, as applicable, and their adoption as alternatives to the relevant interbank offered rates. In addition, market participants and relevant working groups are still exploring alternative reference rates based on risk-free rates, including various ways to produce term versions of certain risk-free rates (which seek to measure the market's forward expectation of an average of these reference rates over a designated term, as they are overnight rates) or different measures of such risk-free rates. For example, on 2 March 2020, the Federal Reserve Bank of New York, as administrator of SOFR, began publishing the SOFR Compounded Index and on 3 August 2020, the Bank of England, as the administrator of SONIA, began publishing the SONIA Compounded Index. The market or a significant part thereof may adopt an application of risk-free rates that differs significantly from that set out in the Conditions and used in relation to Certificates that reference such risk-free rates issued under this Programme. The Trustee may in the future also issue Certificates referencing SONIA or SOFR that differ materially in terms of profit determination when compared with any SONIA or SOFR-referenced Certificates issued by it under this Programme. The development of risk-free rates for the international debt capital markets could result in reduced liquidity or increased volatility, or could otherwise affect the market price of any Certificates that reference a risk-free rate issued under this Programme from time to time.

In addition, the manner of adoption or application of risk-free rates in the international debt capital markets may differ materially compared with the application and adoption of risk-free rates in other markets, such as the derivatives and loan markets. Investors should carefully consider how any mismatch between the adoption of such reference rates in the bond, sukuk, loan and derivatives markets may impact any hedging or other financial arrangements which they may put in place in connection with any acquisition, holding or disposal of Certificates referencing such risk-free rates.

The use of risk-free rates as reference rates in the international debt capital markets is nascent, and may be subject to change and development in terms of the methodology used to calculate such risk-free rates, the development of rates based on risk-free rates and the development and adoption of market infrastructure for the issuance and trading of sukuk referencing risk-free rates. In particular, investors should be aware that several different methodologies have been used in sukuk linked to such risk-free rates issued to date and no assurance can be given that any particular methodology, including the compounding formula in the Conditions, will gain widespread market acceptance. In addition, the methodology for determining any overnight rate index used to determine the Profit Rate in respect of certain Certificates could change during the life of such Certificates.

Certificates referencing risk-free rates may also have no established trading market when issued, and an established trading market may never develop or may not be very liquid. Market terms for sukuk referencing such risk-free rates, such as the spread over the index reflected in profit rate provisions, may evolve over time, and trading prices of such Certificates may be lower than those of later-issued indexed debt securities as a result. Further, if the relevant risk-free rates do not prove to be widely used in securities like the Certificates, the trading price of such Certificates linked to such risk-free rates may be lower than those of Certificates referencing indices that are more widely used. Investors in such Certificates may not be able to sell such Certificates at all or may not be able to sell such Certificates at prices that will provide them with a yield comparable to similar investments that have a developed secondary market, and may consequently suffer from increased pricing volatility and market risk.

Certain administrators of risk-free rates have published hypothetical and actual historical performance data. Hypothetical data inherently includes assumptions, estimates and approximations and actual historical performance data may be limited in the case of certain risk-free rates. Investors should not rely on hypothetical or actual historical performance data as an indicator of the future performance of such risk-free rates.

As such, investors should consider these matters when making their investment decision with respect to any Certificates which reference SONIA or SOFR.

Risk-free rates differ from interbank offered rates in a number of material respects and have a limited history

Risk-free rates may differ from interbank offered rates in a number of material respects, including (without limitation) by being backwards-looking in most cases, calculated on a compounded or weighted average basis, risk-free, overnight rates and, in the case of SOFR, secured, whereas such interbank offered rates (e.g. EURIBOR) are generally expressed on the basis of a forward-looking term, are unsecured and include a risk-element based on interbank financing. As such, investors should be aware that risk-free rates may behave materially differently to interbank offered rates as reference rates for the Certificates.

SONIA and SOFR, offered as alternatives to interbank offered rates, have a limited history. For that reason, future performance of such rates may be difficult to predict based on their limited historical performance. The level of such rates during the term of the Certificates may bear little or no relation to historical levels. Prior observed patterns, if any, in the behaviour of market variables and their relation to such rates such as correlations, may change in the future. For example, since publication of SOFR began, daily changes in SOFR have, on occasion, been more volatile than daily changes in comparable benchmarks or other market rates.

Furthermore, profit on Certificates which reference a backwards-looking risk-free rate is only capable of being determined immediately prior to the relevant Periodic Distribution Payment Date. It may be difficult for investors in Certificates which reference such risk-free rates to reliably estimate the amount of profit which will be payable on such Certificates, and some investors may be unable or unwilling to trade such Certificates without changes to their IT systems, both of which could adversely impact the liquidity of such Certificates. Further, in contrast to Certificates linked to interbank offered rates, if Certificates referencing backwards looking SONIA or SOFR become due and payable or are otherwise redeemed early on a date which is not a Periodic Distribution Date, the final Profit Rate payable in respect of such Certificates shall be determined by reference to a shortened period ending immediately prior to the date on which the Certificates become due and payable or are scheduled for redemption.

Any of the administrators of SONIA or SOFR may make changes that could change the value of SONIA or SOFR or discontinue SONIA or SOFR, respectively

As SONIA and SOFR are published and calculated by third parties based on data received from other sources, the Trustee and the Bank have no control over their determination, calculation or publication. There can be no guarantee that SONIA and/or SOFR will not be discontinued or fundamentally altered in a manner that is materially adverse to the interests of investors in Floating Rate Certificates linked to or which reference SONIA or SOFR (or that any applicable benchmark fallback provisions provided for in the Conditions will provide a rate which is economically equivalent for Certificateholders).

The Bank of England or the Federal Reserve Bank of New York (or their successors) as administrators of SONIA or SOFR, respectively, may make methodological or other changes that could change the value of these risk-free rates and/or indices, including changes related to the method by which such risk-free rates and/or indices are calculated, eligibility criteria applicable to the transactions used to calculate such rates and/or indices, or timing related to the publication of SONIA or SOFR. In addition, an administrator may alter, discontinue or suspend calculation or dissemination of SONIA or SOFR, in which case a fallback method of determining the profit rate on the Certificates will apply in accordance with the Conditions (see "— *Certain benchmark rates, including EURIBOR, may be discontinued or reformed in the future*").

An administrator has no obligation to consider the interests of Certificateholders when calculating, adjusting, converting, revising or discontinuing any such risk-free rate and/or index. If the manner in which such risk-free rate is calculated is changed, that change may result in a reduction of the amount of profit payable on such Certificates and the trading price of such Certificates.

RISK FACTORS RELATING TO ENFORCEMENT

Enforcement risk

Ultimately, the payments under the Certificates are dependent upon the Bank (in all capacities) making payments to the Trustee in the manner contemplated under the Transaction Documents to which they are a party. If the Bank (acting in any capacity) fails to make such payments, it may be necessary to bring an action against it to enforce its obligations and/or to claim damages, as appropriate, which may be costly and time consuming. Certain of the Transaction Documents are governed by English law, with an arbitral tribunal with its seat in London having jurisdiction to settle any disputes (or, subject to the exercise of an option to litigate given to certain parties, the courts of England and Wales are stated to have jurisdiction to settle any disputes). Notwithstanding that an arbitral award may be obtained from an arbitral tribunal in London or that a judgment may be obtained in an English court, there is no assurance that the Bank has, or would at the relevant time have, assets in the United Kingdom against which such arbitral award or judgment could be enforced.

Enforcing foreign arbitral awards and foreign judgements in Qatar

Under the relevant Transaction Documents and the Certificates, the parties have agreed that any dispute will, subject as provided in the paragraph below, be referred to arbitration under the Arbitration Rules of the LCIA. Qatar is a signatory to the New York Convention on Enforcement of Foreign Arbitral Awards of 1958 with effect from 30 March 2003. The enforcement of foreign arbitral awards in Qatar is presumed to be straightforward, however, a Qatari court may refuse enforcement of an arbitral award based on the grounds for such refusal as set out in the New York Convention and may consider the relevant dispute on its merits if the subject matter of the award is not compatible with mandatory provisions of Qatari law and public policy and morals in Qatar. The parameters of enforcement are starting to be tested more regularly in the courts.

Furthermore, in February 2017, Qatar enacted Law No. (2) of 2017 promulgating the Civil and Commercial Arbitration Law (the "**Arbitration Law**") which came into force in April 2017. Under Article 8 of the Arbitration Law, the court will dismiss any dispute between contracting parties which is required to be referred to arbitration pursuant to an arbitration agreement between the contracting parties. The respondent (in the dispute) is required to object to court proceedings before any other motion or statement of defence on the merits of the case is filed before the court.

Article 34 of the Arbitration Law states that an arbitration award is enforceable in Qatar regardless of the state in which such award was issued. Article 35 of the Arbitration Law specifies the limited grounds upon which the recognition and enforcement of an arbitral award may be refused irrespective of the location of the seat of arbitration, which are similar to those set out in the New York Convention on Enforcement of Foreign Arbitral Awards of 1958. The grounds on which recognition and enforcement of an arbitral award may be refused are as follows:

- (i) (1) a party to the arbitration agreement was, under the law applicable to it, under some incapacity or the agreement is not valid under the applicable law, (2) the party against whom the arbitral award was made was not provided with adequate notice of the appointment of the arbitrator or of the arbitration proceedings or was not given the opportunity to present its case, (3) the nature of the dispute fell outside the scope of the arbitration agreement, (4) the composition of the arbitral tribunal, the appointment of the arbitrators or arbitral tribunal or the arbitral proceedings were not in accordance with the law or agreement of the parties, or (5) the award has not become binding on the parties or has been set aside or suspended by the court of the country in which or under which the award was made; and
- (ii) (1) the subject matter of the dispute is not capable of settlement by arbitration under the law of the relevant jurisdiction; and (2) the recognition and enforcement of the award would be contrary to the public policy of the relevant country.

In relation to enforcement in Qatar of a judgment of a court in England, there is currently no treaty or convention for the reciprocal enforcement of judgments between Qatar on the one hand and England on the other. A judgment obtained from a court in England will be enforceable in Qatar subject to the provisions of Articles 379 and 380 of the Civil and Commercial Procedure Law, which provides, (i) in the case of Article 379, that judgments and orders pronounced in a foreign country may be ordered to be executed in Qatar upon the conditions determined in that country for the execution of Qatari judgments and orders; and (ii) in the case of Article 380, that an order for execution of a foreign judgment or order will not be made unless and until the following have been ascertained, that: (a) the judgment or order was delivered by a competent court of the foreign jurisdiction in question; (b) the parties to the action were properly served with notice of proceedings and properly represented; (c) the judgment or order is one that is capable of being executed by the successful party to the proceedings in conformity with the laws of the foreign jurisdiction in question; and (d) the foreign

judgment or order does not conflict with a previous judgment or order of a competent Qatari court and is not contrary to public policy or morality in Qatar.

A Qatari court would be entitled to call for textual evidence on the laws of England concerning the conditions that would be applicable for the execution of the judgment of a Qatari court in England and the Qatari court would then be entitled to execute the judgment of the English court upon those conditions. Accordingly, although a judgment obtained from a court in England would be admissible in evidence in any proceedings brought in Qatar to enforce such judgment, it would still be necessary to initiate proceedings in Qatar.

However, on 10 February 2022, it was reported in The Times of London that the Court of Cassation in Qatar (the "**Court of Cassation**") had refused to enforce a judgment issued by the English High Court. Although the Court of Cassation judgment has not yet been published, it is understood that the reason for the refusal by the Court of Cassation to enforce the English High Court judgment was on account of the fact that the claimant in that case failed to convince the court that there was reciprocity in England to allow for the enforcement of a Qatar court judgment or that there was no treaty or convention in place between Qatar and the United Kingdom for the reciprocal enforcement of court judgments. Although there is no general system of binding judicial precedent applied by the Qatari courts, given that this is a decision of the Court of Cassation, if the reasons for the judgment are confirmed in the written judgment it is likely that in future, the Qatari courts will follow this judgment.

As the Qatari legal system is based on a civil code, judicial precedents in Qatar have no binding effect on subsequent decisions. In addition, there is no formal system of reporting court decisions in Qatar. As a result, any experience with and knowledge of prior rulings of the Qatari courts may not be a reliable basis from which to predict decisions that Qatari courts may adopt in the future. These factors create greater uncertainty.

Waiver of sovereign immunity

The Bank (acting in any capacity) has waived its rights, if any, in relation to sovereign immunity. However, there can be no assurance as to whether such waivers of immunity from execution or attachment or other legal process by the Bank under the Transaction Documents to which it is a party are valid and binding under the laws of Qatar and applicable in Qatar.

Claims for specific enforcement

In the event that the Bank fails to perform its obligations under any Transaction Document to which it is a party, the potential remedies available to the Trustee and the Delegate include obtaining an order for specific enforcement of the relevant obligations or a claim for damages. There is no assurance that any court would order specific enforcement of a contractual obligation, as this is generally a matter for the discretion of the relevant court. The amount of damages which a court may award in respect of a breach will depend upon a number of possible factors, including an obligation on the Delegate to mitigate any loss arising as a result of the breach. No assurance is provided on the level of damages which a court may award in the event of a failure by the Bank to perform its obligations as set out in the Transaction Documents to which it is a party.

Considerations relating to the non-recognition of trusts under the laws of Qatar

The laws of Qatar do not recognise the concept of trust or beneficial interests. Accordingly, if a Qatari court were to consider the merits of a claim in respect of the Master Trust Deed and any Supplemental Trust Deed and Qatari law principles in doing so, there is no certainty that all of the terms of the Master Trust Deed or any Supplemental Trust Deed (each of which is governed by English law) would be enforced by the Qatari courts and the trust arrangements set out therein may be re-characterised as an agency arrangement by the Qatari courts.

ADDITIONAL RISK FACTORS

Emerging markets

Investors in emerging markets should be aware that emerging markets are subject to greater risks than more developed markets, including, in some cases, significant legal, economic and political risks. Accordingly, investors should exercise particular care in evaluating the risks involved and must decide for themselves whether, in light of those risks, their investment is appropriate. Generally, investment in emerging markets is only suitable for sophisticated investors who fully appreciate the significance of the risk involved. Investors should also note that emerging markets such as Qatar and other GCC markets are subject to rapid change and that the information set forth in this Base Offering Circular may become outdated relatively quickly. Moreover, financial turmoil in any emerging market country tends to adversely affect confidence in other emerging market countries and cause investors to move their money to more developed markets. As has happened in the past,

financial problems or an increase in the perceived risks associated with investing in emerging economies could dampen foreign investment in Qatar and the other GCC countries and adversely affect those economies. In addition, during such times, companies that operate in emerging markets can face liquidity constraints as foreign funding sources are withdrawn and this could also adversely affect the Group's business and result in a decrease in the price of the Certificates.

Legal investment considerations may restrict certain investments

The investment activities of certain investors are subject to investment laws and regulations, or the review of such laws and regulations by certain governmental or regulatory authorities. Each potential investor should consult its legal advisers to determine whether and to what extent: (i) the Certificates constitute legal investments for it; (ii) the Certificates can be used as collateral for various types of funding or financing; and (iii) other restrictions apply to any purchase or pledge of any Certificates by the investor. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of Certificates under any applicable risk-based capital or similar rules and regulations.

Change of tax law

Statements in this Base Offering Circular concerning the taxation of investors are of a general nature and are based upon current law and practice in the jurisdictions stated. Such law and practice is, in principle, subject to change, possibly with retrospective effect, and this could adversely affect investors.

In addition, any change in legislation or in practice in a relevant jurisdiction could adversely impact (i) the ability of the Trustee and the Bank to service the Certificates and (ii) the market value of the Certificates.

DOCUMENTS INCORPORATED BY REFERENCE

The following documents which have previously been published shall be incorporated in, and form part of, this Base Offering Circular:

- (a) the 2024 Interim Financial Statements, together with the review report thereon (an electronic copy of which is available at <https://www.dukhanbank.com/sites/default/files/ENDukhanBankFSQ22024finalsigned.pdf>);
- (b) the 2023 Financial Statements, together with the audit report thereon (an electronic copy of which is available at <https://www.dukhanbank.com/sites/default/files/DukhanBankFSYE2023English.pdf>); and
- (c) the 2022 Financial Statements, together with the audit report thereon (an electronic copy of which is available at <https://www.dukhanbank.com/sites/default/files/2023/pdf/ir/DukhanBank-ConsolidatedFS-31December2022%28English%29.pdf>).

(together, the "**Documents Incorporated by Reference**").

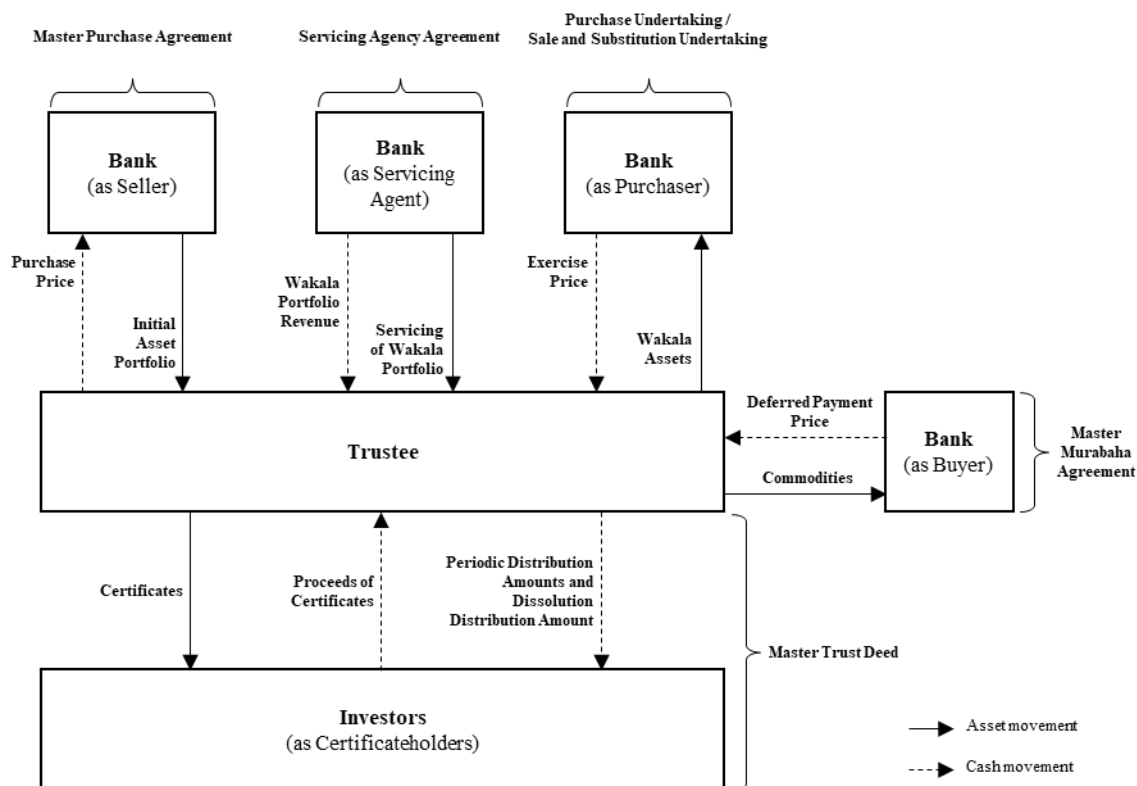
The Documents Incorporated by Reference shall be incorporated in, and form part of, this Base Offering Circular, save that any statement contained in a document which is incorporated by reference herein shall be modified or superseded for the purpose of this Base Offering Circular to the extent that a statement contained herein modifies or supersedes such earlier statement (whether expressly, by implication or otherwise). Any statement so modified or superseded shall not, except as so modified or superseded, constitute a part of this Base Offering Circular. Those parts of the Documents Incorporated by Reference which are not specifically incorporated by reference in this Base Offering Circular are either not relevant for prospective investors in the Certificates to be issued under the Programme or the relevant information is included elsewhere in this Base Offering Circular. Any documents themselves incorporated by reference in the Documents Incorporated by Reference shall not form part of this Base Offering Circular.

Copies of the Documents Incorporated by Reference may be obtained from the specified office of the Principal Paying Agent during usual business hours.

STRUCTURE DIAGRAM AND CASH FLOWS

Set out below is a simplified structure diagram and description of the principal cash flows underlying each Series issued. Potential investors are referred to the terms and conditions of the Certificates set out in "Terms and Conditions of the Certificates" and the detailed descriptions of the relevant Transaction Documents set out in "Summary of the Principal Transaction Documents" for a fuller description of certain cash flows and for an explanation of the meaning of certain capitalised terms used below.

Structure Diagram



Payments by the Certificateholders and the Trustee

On the Issue Date of each Tranche of Certificates, the Certificateholders will pay the issue price in respect of the Certificates (the "**Issue Price**") to the Trustee, which the Trustee will apply as follows:

- all or a portion of the Issue Price to the Bank (in its capacity as Seller) as the purchase price payable for the purchase from the Bank of all its rights, title, interests, benefits and entitlements, present and future, in, to and under certain assets (in the case of the first Tranche of the relevant Series of Certificates, the "**Initial Assets**" or, in the case of each subsequent Tranche of such Series, the "**Additional Assets**") which are further described below; and
- the remaining portion of the Issue Price (if any) (the "**Murabaha Investment Amount**") to purchase certain *Shari'a*-compliant commodities (the "**Commodities**") through the Trustee's commodity agent for the purpose of selling such Commodities to the Bank (in its capacity as Commodity Buyer) on a deferred payment basis for a deferred payment price comprised of the Murabaha Investment Amount together with the Murabaha Profit Amount specified in an offer notice (the "**Deferred Payment Price**") payable in instalments on each Periodic Distribution Date and the relevant Dissolution Date(s) pursuant to a murabaha contract (the "**Murabaha Contract**") (such sale of *Shari'a*-compliant commodities by the Trustee to the Commodity Buyer, the "**Commodity Murabaha Investment**"),

provided that:

- a portion of the Issue Price, as specified in the applicable Pricing Supplement, which shall be no less than 55 per cent., shall be used to purchase Financing Assets and/or the Tangible Part of any Tradable Sukuk comprising the Initial Assets or Additional Assets, as the case may be; and

- (ii) a portion of the Issue Price, as specified in the applicable Pricing Supplement, which shall be no more than 45 per cent., shall be used to purchase: (A) (to the extent applicable) the Intangible Part of any Tradable Sukuk comprising the Initial Assets or Additional Assets, as the case may be; and (B) any Commodities in connection with a Commodity Murabaha Investment.

In relation to a Series, the Initial Assets, if applicable, the Additional Assets and, if applicable, each Commodity Murabaha Investment and all other rights arising under or with respect thereto (including the right to receive payment of profit, rental, the Deferred Payment Price and any other amounts due in connection therewith) and, at any time, the Wakala Portfolio Principal Revenues (as defined below) standing to the credit of the Principal Collection Account (as defined below) on the relevant date, shall comprise the "**Wakala Portfolio**" in respect of such Series, and the Eligible Assets comprised in such Wakala Portfolio from time to time, the "**Wakala Assets**". The Bank (in its capacity as Seller) shall be required to represent on each date it sells any Initial Assets or Additional Assets to the Trustee that such assets are "**Eligible Assets**" (as defined in "*Summary of the Principal Transaction Documents*").

In this section:

"Intangible Part" means, in relation to any Tradable Sukuk, the portion of such Tradable Sukuk that does not comprise the Tangible Part of such Tradable Sukuk;

"Tangible Part" means, in relation to any Tradable Sukuk, the portion of such Tradable Sukuk corresponding to the Tangibility Requirement relating to such Tradable Sukuk;

"Tangibility Requirement" means, for a Tradable Sukuk, the minimum tangibility requirement (expressed as a percentage or fraction) that: (a) (i) is required to be satisfied on an ongoing basis during the tenor of such Tradable Sukuk following the issue date thereof; or (ii) if no such ongoing requirement applies, was required to be satisfied on the relevant issue date of such Tradable Sukuk, in each case, as detailed in the relevant legal documentation relating to such Tradable Sukuk as determined by the *Sharia* Supervisory Board of the Bank and (b) if no such requirement is detailed in the relevant legal documentation relating to such Tradable Sukuk, as otherwise determined by the *Sharia* Supervisory Board of the Bank;

"Tradable Sukuk" means sukuk or trust certificates which are tradable in accordance with AAOIFI *Shari'a* Standards, as interpreted by the *Sharia* Supervisory Board of the Bank.

Periodic Distribution Payments

In relation to a Series, the Servicing Agent will record: (a) all revenues from the Wakala Portfolio (including all profit, rental and other amounts (other than Wakala Portfolio Principal Revenues)) received in respect of the Wakala Assets and, if applicable, all instalments of the Murabaha Profit Amount comprising the Deferred Payment Price payable in respect of the Commodity Murabaha Investment (the "**Wakala Portfolio Income Revenues**") in a book-entry ledger account (the "**Income Collection Account**"); and (b) all revenues from the Wakala Portfolio in the nature of capital or principal received in respect of the Wakala Assets (the "**Wakala Portfolio Principal Revenues**" and, together with the Wakala Portfolio Income Revenues, the "**Wakala Portfolio Revenues**") in a book-entry ledger account (the "**Principal Collection Account**").

On each Wakala Distribution Determination Date, the Servicing Agent shall pay into the relevant Transaction Account amounts standing to the credit of the Income Collection Account (after deducting any amounts (i) payable to the Bank or any relevant third party in respect of any Liquidity Facility (as defined below) and (ii) payable in respect of any claims, actual losses, actual costs or expenses properly incurred or suffered by the Servicing Agent or other payments made by the Servicing Agent on behalf of the Trustee in providing the services to the Trustee pursuant to the Servicing Agency Agreement (the "**Servicing Agency Liabilities Amount**")), which is intended to fund an amount equal to the aggregate of the Periodic Distribution Amount and any other amounts payable by the Trustee under the Certificates of the relevant Series on the immediately following Periodic Distribution Date (the "**Required Amount**") and such Required Amount will be applied by the Trustee for that purpose.

In the event that the Wakala Portfolio Income Revenues are greater than the Required Amount (after deducting the amounts referred to above), the amount of any excess shall be credited by the Servicing Agent to a separate book-entry ledger account (the "**Reserve Account**"). If the amount standing to the credit of the Transaction Account on a Wakala Distribution Determination Date is insufficient to fund the Required Amount, the Servicing Agent shall apply amounts standing to the credit of the Reserve Account towards such shortfall, by paying an amount equal to such shortfall (or such lesser amount as is then standing to the credit of the Reserve Account) into the Transaction Account. If having applied such amounts from the Reserve Account, there remains a shortfall, the Bank may, in its sole discretion, either:

- (a) provide *Shari'a*-compliant funding to the Trustee itself; or
- (b) procure the provision to the Trustee of *Shari'a*-compliant funding from a third party to be paid to the Trustee,

in each case, in an amount equal to the shortfall remaining (if any) on terms that such funding is payable from Wakala Portfolio Income Revenues received in respect of a subsequent period or on the relevant Dissolution Date on which the Certificates of the relevant Series are redeemed in full (each a "**Liquidity Facility**").

Dissolution Payments

On the Payment Business Day prior to the relevant Scheduled Dissolution Date in relation to each Series:

- (a) the aggregate amounts of Deferred Payment Price then outstanding, if any, shall become immediately due and payable; and
- (b) the Trustee will have the right under the Purchase Undertaking to require the Bank to purchase all of its rights, title, interests, benefits and entitlements, present and future, in, to and under Wakala Assets at the relevant Exercise Price,

and such amounts are intended to fund the relevant Dissolution Distribution Amount payable by the Trustee under the Certificates of the relevant Series on the Scheduled Dissolution Date.

The Certificates in relation to any Series may be redeemed in whole or in part, as the case may be, prior to the relevant Scheduled Dissolution Date for the following reasons:

- (a) for taxation reasons;
- (b) if so specified in the applicable Pricing Supplement, at the option of the Bank on the relevant Optional Dissolution Date(s) specified in the applicable Pricing Supplement;
- (c) if so specified in the applicable Pricing Supplement, at the option of the Certificateholders on the relevant Certificateholder Put Right Date (s) specified in the applicable Pricing Supplement;
- (d) following a Dissolution Event;
- (e) upon the occurrence of a Tangibility Event, at the option of the Certificateholders; and
- (f) upon the exercise of the Clean Up (Call) Right.

In the case of each of paragraphs (a), (b) and (f) above, on the Payment Business Day prior to the relevant Dissolution Date:

- (i) the aggregate amounts (or the applicable portion thereof) of the Deferred Payment Price then outstanding, if any, shall become immediately due and payable; and
- (ii) the Bank will have the right under the Sale and Substitution Undertaking to require the Trustee to sell all (or the applicable portion thereof, as the case may be) of the Trustee's rights, title, interests, benefits and entitlements, present and future, in, to and under the Wakala Assets at the relevant Exercise Price or Optional Dissolution Exercise Price, as the case may be,

and such amounts are intended to fund the relevant Dissolution Distribution Amount payable by the Trustee under the Certificates of the relevant Series on the relevant Dissolution Date.

In the case of each of paragraphs (c), (d) and (e) above, such redemption of the Certificates shall be funded in a similar manner as for the payment of the relevant Dissolution Distribution Amount on the Scheduled Dissolution Date, whereby on (or, in the case of (c) and (e) above, the Payment Business Day prior to) the relevant Dissolution Date:

- (a) the aggregate amounts (or the applicable portion thereof) of Deferred Payment Price then outstanding, if any, shall become immediately due and payable; and
- (b) the Trustee having the right under the Purchase Undertaking to require the Bank to purchase all (or the applicable portion thereof, as the case may be) of its rights, title, interests, benefits and entitlements,

present and future, in, to and under the Wakala Assets at the relevant Exercise Price, Certificateholder Put Right Exercise Price or Tangibility Event Put Right Exercise Price, as the case may be.

Following payment of all amounts due and payable under the Certificates on any Dissolution Date upon which all (but not some only) of the Certificates of the relevant series are to be redeemed, the Servicing Agent shall be entitled to retain any amounts that remain standing to the credit of the Reserve Account for its own account as an incentive payment for its performance in acting as Servicing Agent.

For Shari'a reasons, the Optional Dissolution Right and the Certificateholder Put Right cannot both be specified as applicable in the applicable Pricing Supplement in respect of any single Series.

OVERVIEW OF THE PROGRAMME

The following overview does not purport to be complete and is taken from, and is qualified in its entirety by, the remainder of this Base Offering Circular and, in relation to the terms and conditions of any particular Tranche, the applicable Pricing Supplement. The Trustee and any relevant Dealer(s) may agree that Certificates shall be issued in a form other than that contemplated in the Terms and Conditions of the Certificates, in which event, if appropriate, a supplement to the Base Offering Circular will be published.

Words and expressions defined in "Terms and Conditions of the Certificates" and "Summary of Provisions relating to the Certificates while in Global Form" shall have the same meanings in this overview.

Bank	Dukhan Bank Q.P.S.C., incorporated in Qatar on 28 January 2008 as a Qatari shareholding company in its capacity as Seller pursuant to the Master Purchase Agreement, Obligor pursuant to the Master Purchase Agreement, Servicing Agent pursuant to the Servicing Agency Agreement and, in the case where not 100 per cent. of the Issue Price is invested in Wakala Assets, as Commodity Buyer pursuant to the Master Murabaha Agreement.
Group	The Bank and its subsidiaries and affiliates taken as a whole.
Trustee	BBG Sukuk Ltd, as issuer of the Certificates and as trustee for and on behalf of the Certificateholders, an exempted company with limited liability incorporated on 30 April 2015 in accordance with the Companies Act (As Revised) of the Cayman Islands and formed and registered in the Cayman Islands with company registration number 299416 with its registered office at c/o MaplesFS Limited, P.O. Box 1093, Queensgate House, Grand Cayman, KY1-1102, Cayman Islands. The Trustee has been incorporated solely for the purpose of participating in the transactions contemplated by the Transaction Documents to which it is a party.
Bank (LEI)	254900QN4LRSP4RV8D17.
Trustee (LEI)	549300URWP4TDNWJXN62.
Ownership of the Trustee	The authorised share capital of the Trustee is U.S.\$50,000 consisting of 50,000 shares of U.S.\$1.00 each, of which 250 shares are fully paid up and issued. The Trustee's entire issued share capital is held on trust by MaplesFS Limited under the terms of a trust for charitable purposes.
Administration of the Trustee	The affairs of the Trustee are managed by MaplesFS Limited, a licensed trust company in the Cayman Islands (the " Trustee Administrator "), with registered office at P.O. Box 1093, Queensgate House, Grand Cayman KY1-1102, Cayman Islands, who will provide, amongst other things, corporate administrative services, director services and act as share trustee for and on behalf of the Trustee pursuant to the amended and restated corporate services agreement dated 19 April 2023 (as amended and restated from time to time) made between the Trustee and the Trustee Administrator (the " Corporate Services Agreement ").
Arranger	Standard Chartered Bank, (the " Arranger ").
Dealers	Standard Chartered Bank and any other Dealer appointed from time to time either generally in respect of the Programme or in relation to a particular Tranche of Certificates.
Delegate	Deutsche Trustee Company Limited (the " Delegate "). In accordance with the Master Trust Deed, the Trustee will, <i>inter alia</i> , unconditionally and irrevocably appoint the Delegate to be its delegate and attorney and to exercise certain present and future rights, powers, authorities and discretions vested in the Trustee by

certain provisions of the Master Trust Deed in accordance with the terms of the Master Trust Deed. In addition, pursuant to the Master Trust Deed, certain powers will be vested solely in the Delegate.

Principal Paying Agent, Calculation Agent and Transfer Agent.....	Deutsche Bank AG, London Branch.
Registrar.....	Deutsche Bank Luxembourg S.A.
Programme Size	Up to U.S.\$2,000,000,000 (or its equivalent in other currencies) aggregate face amount of Certificates outstanding at any one time. The amount of the Programme may be increased in accordance with the terms of the Programme Agreement.
Method of Issue	The Certificates may be issued on a syndicated or non-syndicated basis. The specific terms of each Series will be recorded in the applicable Pricing Supplement.
Issuance in Series.....	Certificates will be issued in Series. Each Series may comprise one or more Tranches issued on different Issue Dates. The Certificates of each Series will have the same terms and conditions (which will be completed in the applicable Pricing Supplement) or terms and conditions which are the same in all respects save for the amount and date of the first payment of Periodic Distribution Amounts thereon and the date from which Periodic Distribution Amounts start to accrue.
Currencies	Certificates may be denominated in any currency (each a " Specified Currency ") agreed between the Trustee, the Bank and the relevant Dealer.
Maturities	The Certificates will have such maturities as may be agreed between the Trustee, the Bank and the relevant Dealer, subject to such minimum or maximum maturities as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the Trustee, the Bank or the Specified Currency.
Issue Price.....	Certificates may be issued at any price on a fully-paid basis, as specified in the applicable Pricing Supplement. The price and amount of Certificates to be issued under the Programme will be determined by the Trustee and the Bank and the relevant Dealer(s) at the time of issue in accordance with prevailing market conditions.
Denomination of Certificates	The Certificates will be issued in such denominations as may be agreed between the Trustee, the Bank and the relevant Dealer(s), save that (i) the minimum denomination of each Certificate will be such amount as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the Specified Currency; and (ii) unless otherwise permitted by such current laws and regulations, Certificates (including Certificates denominated in sterling) which have a maturity of less than one year and in respect of which the issue proceeds are to be accepted by the Trustee in the UK or whose issue otherwise constitutes a contravention of Section 19 of the FSMA will have a minimum denomination of £100,000 (or, if the Certificates are denominated in a currency other than sterling, the equivalent amount in such currency, as calculated on the Issue Date of such Series).
Status of the Certificates	The Certificates will represent an undivided ownership interest in the Trust Assets of the relevant Series and will be limited recourse obligations of the Trustee. The Certificates will constitute direct,

unconditional, unsubordinated and unsecured obligations of the Trustee and shall rank *pari passu* and without any preference or priority among themselves. In the event of the bankruptcy, insolvency, winding-up or dissolution of the Trustee, the payment obligations of the Trustee under the Certificates shall, save for such exceptions as may be provided by applicable legislation, rank at least equally with all other unsubordinated and unsecured obligations of the Trustee.

The payment obligations of the Bank (in any capacity) to the Trustee under the Transaction Documents to which it is a party are direct, unconditional, unsubordinated and (subject to the negative pledge provisions described in Condition 7 (*Negative Pledge*)) unsecured obligations of the Bank and shall, save for such exceptions as may be provided by applicable legislation and subject to the negative pledge provisions described in Condition 7 (*Negative Pledge*), at all times rank at least equally with all other unsecured and unsubordinated monetary obligations of the Bank, present and future

Trust Assets	The Trust Assets of the relevant Series will be (a) the cash proceeds of the issue of such Series of Certificates, pending application thereof in accordance with the terms of the Transaction Documents; (b) any and all of the rights, title, interest, benefits and entitlements, present and future of the Trustee, in, to and under the Wakala Portfolio; (c) any and all of the rights, title, interest, benefits and entitlements, present and future of the Trustee in, to and under the Transaction Documents (other than in relation to the Excluded Representations and the covenant given to the Trustee pursuant to clause 13.1 of the Master Trust Deed); (d) any and all moneys standing to the credit of the relevant Transaction Account from time to time; and (e) all proceeds of the foregoing listed (a) to (d) (the " Trust Assets ").
Periodic Distribution Amounts	Certificateholders are entitled to receive Periodic Distribution Amounts calculated on the basis specified in the Conditions and the applicable Pricing Supplement.
Fixed Rate Certificates	Fixed Rate Certificates will bear profit on their outstanding face amount at such fixed rate per annum and on such date or dates as may be agreed between the Trustee, the Bank and the relevant Dealer(s), calculated in accordance with such Day Count Fraction as may be agreed between the Trustee, the Bank and the relevant Dealer(s), each as more particularly described in Condition 8(a) (<i>Fixed Rate Certificates</i>).
Floating Rate Certificates.....	<p>Floating Rate Certificates will bear profit on their outstanding face amount at such floating rate per annum as may be determined:</p> <ul style="list-style-type: none"> (a) on the same basis as the floating rate under a notional profit rate swap transaction in the relevant Specified Currency governed by an agreement incorporating the 2006 ISDA Definitions or the 2021 ISDA Definitions (as published by the International Swaps and Derivatives Association, Inc., and as amended and updated as at the Issue Date of the first Tranche of the relevant Series of Certificates) plus or minus the applicable margin; or (b) on the basis of the relevant Reference Rate as adjusted for any applicable margin.

The margin (if any) relating to such floating rate will be agreed between the Trustee, the Bank and the relevant Dealer(s) for each Series of Floating Rate Certificates.

Such profit will be paid on such date or dates as may be agreed between the Trustee, the Bank and the relevant Dealer(s) and will be calculated on the basis of such Day Count Fraction as may be agreed between the Trustee, the Bank and the relevant Dealer(s).

Floating Rate Certificates may also have a maximum profit rate, a minimum profit rate or both.

See Condition 8(b) (*Floating Rate Certificates*).

Benchmark Discontinuation..... In the event that a Benchmark Event occurs, such that any profit rate (or any component part thereof) cannot be determined by reference to the original benchmark or screen rate (as applicable) specified in the applicable Pricing Supplement, then the Bank may (subject to certain conditions) be permitted to substitute such benchmark and/or screen rate (as applicable) with a successor, replacement or alternative benchmark and/or screen rate (with consequent amendment to the terms of such Series of Certificates and, potentially, the application of an Adjustment Spread (which could be positive, negative or zero)). See Condition 8(c) (*Benchmark Discontinuation*) for further information.

SOFR Benchmark Discontinuation In the event that a SOFR Benchmark Event occurs, such that the relevant benchmark (or any component part thereof) cannot be determined by reference to the original benchmark specified in the applicable Pricing Supplement, then the Bank may (subject to certain conditions) be permitted to substitute such benchmark with an alternative benchmark (with consequent amendment to the terms of such Series of Certificates). See Condition 8(d) (*Benchmark Discontinuation (SOFR)*) for further information.

Negative Pledge..... The Certificates will have the benefit of a negative pledge granted by the Bank in respect of itself and the Group as described in described in Condition 7 (*Negative Pledge*).

Cross-Default..... In respect of the Bank, the Certificates will have the benefit of a cross-default provision, as described in Condition 13 (*Dissolution Events*) and Condition 13 of the definition of "Obligor Event" corresponding thereto.

**Dissolution on the Scheduled
Dissolution Date.....** Unless the Certificates are previously redeemed or purchased and cancelled, the Trustee will redeem each Certificate at the relevant Dissolution Distribution Amount on the relevant Scheduled Dissolution Date specified in the applicable Pricing Supplement for such Series and the Trust in relation to the relevant Series will be dissolved by the Trustee following the payment of all such amounts in full.

Dissolution Distribution Amount... In relation to each Certificate of a Series, either:

- (a) the sum of:
 - (i) the outstanding face amount of such Certificate; and
 - (ii) any accrued but unpaid Periodic Distribution Amounts for such Certificate; or

	(b) such other amount specified in the applicable Pricing Supplement as being payable upon the relevant Dissolution Date.
Early Dissolution	<p>The Certificates may be redeemed, in whole or (to the extent specified in the Conditions and the applicable Pricing Supplement) in part, prior to the Scheduled Dissolution Date upon the:</p> <ul style="list-style-type: none"> (a) occurrence of a Tax Event; (b) exercise of an Optional Dissolution Right (if so specified in the applicable Pricing Supplement); (c) exercise of a Certificateholder Put Right (if so specified in the applicable Pricing Supplement); (d) exercise of a Tangibility Event Put Right; (e) exercise of a Clean Up (Call) Right; or (f) occurrence of a Dissolution Event, <p>in each case, at the relevant Dissolution Distribution Amount on the relevant Dissolution Date.</p>
Dissolution Events	<p>The Dissolution Events are described in Condition 13 (<i>Dissolution Events</i>). Following the occurrence of a Dissolution Event which is continuing, the Certificates of the relevant Series may be redeemed in full at an amount equal to the relevant Dissolution Distribution Amount on the relevant Dissolution Event Redemption Date and the Trust in relation to the relevant Tranche will be dissolved by the Trustee.</p>
Early Dissolution for Tax Reasons.	<p>Where the Trustee has or will become obliged to pay any additional amounts in respect of the Certificates pursuant to Condition 11 (<i>Taxation</i>), or the Bank has or will become obliged to pay any additional amounts in respect of amounts payable to the Trustee pursuant to the terms of any Transaction Document, as a result of a change in, or amendment to, the laws or regulations of any Relevant Jurisdiction or any change in the application or official interpretation of such laws or regulations, and such obligation cannot be avoided by the Trustee or the Bank, as applicable, taking reasonable measures available to it, the Bank may in its sole discretion require the Trustee to redeem the Certificates in whole, but not in part, on a Periodic Distribution Date (in the case of a Floating Rate Certificate) or at any time (in the case of a Fixed Rate Certificate) at the relevant Dissolution Distribution Amount, as more particularly described in Condition 9(b) (<i>Early Dissolution for Taxation Reasons</i>).</p>
Optional Dissolution Right.....	<p>If so specified in the applicable Pricing Supplement, the Bank may, in accordance with Condition 9(c) (<i>Dissolution at the Option of the Obligor (Optional Dissolution Right)</i>), require the Trustee to redeem the Certificates of the relevant Series, in whole or in part, as the case may be, at the relevant Dissolution Distribution Amount on any Optional Dissolution Date.</p> <p>If applicable to the relevant Series, the Optional Dissolution Date(s) will be specified in the applicable Pricing Supplement.</p>
Certificateholder Put Right.....	<p>If so specified in the applicable Pricing Supplement, Certificateholders may elect to redeem their Certificates on any Certificateholder Put Right Date(s) specified in the applicable Pricing Supplement at an amount equal to the relevant Dissolution</p>

	Distribution Amount in accordance with Condition 9(d) (<i>Dissolution at the Option of Certificateholders (Certificateholder Put Right)</i>).
Tangibility Event Put Right:.....	<p>Upon the occurrence of a Tangibility Event, Certificateholders may redeem all or part of a Series of Certificates in the circumstances set out in Condition 9(e) (<i>Dissolution at the Option of the Certificateholders (Tangibility Event Put Right)</i>). If, pursuant to such Condition, all of a Series of Certificates are redeemed, the Trust in respect of such Series of Certificates shall be dissolved.</p> <p>If a Tangibility Event occurs, the Certificates will be delisted from any stock exchange (if any) on which the Certificates have been listed and/or admitted to trading, see Condition 9(e) (<i>Dissolution at the Option of the Certificateholders (Tangibility Event Put Right)</i>).</p>
Clean Up (Call) Right:.....	<p>If 75 per cent. or more of the aggregate face amount of Certificates of a Series then outstanding have been redeemed pursuant to Condition 9, the Trustee shall, upon receipt of a duly completed Exercise Notice from the Bank pursuant to the Sale and Substitution Undertaking, on giving not less than 15 days' nor more than 60 days' notice to the Delegate and the Certificateholders in accordance with Condition 20 (<i>Notices</i>) (such notice to be given within 30 days of the relevant redemption or purchase, as the case may be), redeem all but not some only of the remaining outstanding Certificates, at their Dissolution Distribution Amount on the Clean Up Call Dissolution Date.</p>
Cancellation of Certificates held by the Bank and/or any of its Subsidiaries.....	<p>Pursuant to Condition 9(h) (<i>Purchases</i>), the Bank and/or any of its Subsidiaries may at any time purchase Certificates in the open market or otherwise. If the Bank wishes to cancel such Certificates purchased by it and/or any of its Subsidiaries, the Bank may do so in accordance with Condition 9(i) (<i>Cancellation</i>).</p>
Limited Recourse.....	<p>Each Certificate of a particular Series will represent an undivided ownership interest in the Trust Assets for such Series. No payment of any amount whatsoever shall be made in respect of the Certificates except to the extent that funds for that purpose are available from the relevant Trust Assets.</p> <p>Certificateholders have no recourse to any assets of the Trustee (other than the relevant Trust Assets) or the Delegate or any of their respective directors, officers, employees, agents, shareholders or affiliates in respect of any shortfall in the expected amounts from the relevant Trust Assets to the extent the relevant Trust Assets have been exhausted, following which all obligations of the Trustee shall be extinguished.</p> <p>See further Condition 4(b) (<i>Limited Recourse and Agreement of Certificateholders</i>).</p>
Form and Delivery of the Certificates.....	<p>The Certificates will be issued in registered form only. The Certificates will be represented on issue by beneficial interests in a global Certificate (the "Global Certificate"), which will be cleared through Euroclear Bank SA/NV ("Euroclear") and Clearstream Banking S.A. ("Clearstream, Luxembourg"), deposited with, and registered in the name of a nominee for, a common depository (the "Common Depository") for Euroclear and Clearstream. Ownership interests in the Global Certificate will be shown on, and transfers thereof will only be effected through, records maintained by Euroclear and Clearstream, Luxembourg (as applicable), and their respective participants. See the section entitled "<i>Summary of Provisions relating to the Certificates while in Global Form</i>". Certificates in definitive form evidencing holdings of Certificates</p>

("Definitive Certificates") will be issued in exchange for interests in the relevant Global Certificate only in certain limited circumstances.

Clearance and Settlement.....

Certificateholders must hold their interest in the relevant Global Certificate in book-entry form through Euroclear or Clearstream, Luxembourg. Transfers within and between each of Euroclear and Clearstream, Luxembourg will be in accordance with the usual rules and operating procedures of the relevant clearing system.

Withholding Tax.....

All payments in respect of the Certificates are to be made free and clear of, and without withholding, retention or deduction for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of any Relevant Jurisdiction, unless such withholding, retention or deduction is required by law. In such event, the Trustee has agreed to pay such additional amounts as shall result in receipt by the Certificateholders (after such withholding, retention or deduction) of such net amounts as would have been receivable by them had no such withholding, retention or deduction been required, subject to and in accordance with Condition 11 (*Taxation*).

Further, in accordance with the terms of the Master Trust Deed, the Bank has unconditionally and irrevocably undertaken to (irrespective of the payment of any fee), as a continuing obligation, in the event that the Trustee fails to comply with any obligation to pay additional amounts pursuant to Condition 11 (*Taxation*), pay to or to the order of the Delegate (for the benefit of the Certificateholders) such net amounts as are necessary so that the amount receivable by the Delegate (after any such withholding, retention or deduction) equals any and all additional amounts, required to be paid by it in respect of the Certificates pursuant to Condition 11 (*Taxation*).

The Transaction Documents provide that payments thereunder by the Bank shall be made without any withholding, retention or deduction for, or on account of, any present or future taxes, levies, imposts, duties, fees, assessments or other governmental charges of any nature, unless such withholding, retention or deduction is required by law and without set-off or counterclaim of any kind. If any such withholding, retention or deduction is required by law, the Transaction Documents provide for the payment by the Bank of all additional amounts as will result in the receipt by the Trustee or the Delegate, as applicable, of such net amounts as would have been receivable by it if no such withholding, retention or deduction had been made.

Listing and Admission to Trading .

Application has been made to the London Stock Exchange for the Certificates to be issued under the Programme to be admitted to trading on the ISM during the period of 12 months after the date hereof.

Certificates may be listed or admitted to trading, as the case may be, on other or further stock exchanges or markets agreed between the Trustee, the Bank and the relevant Dealer(s) in relation to the relevant Tranche.

The applicable Pricing Supplement will state whether or not the relevant Certificates are to be listed and/or admitted to trading and, if so, on which stock exchange and/or market.

Certificateholder Meetings.....

A summary of the provisions for convening meetings of Certificateholders to consider matters relating to their interests as

	such is set out in Condition 17 (<i>Meetings of Certificateholders, Modification and Waiver</i>).
Tax Considerations	See " <i>Taxation</i> " for a description of certain tax considerations applicable to the Certificates.
Governing Law and Dispute Resolution	<p>The Certificates and any non-contractual obligations arising out of or in connection with them shall be governed by, and construed in accordance with, English law.</p> <p>Each Transaction Document (other than the Master Purchase Agreement, each Supplemental Purchase Agreement and each sale agreement or new asset sale agreement entered into pursuant to the Purchase Undertaking or the Sale and Substitution Undertaking, as the case may be) and any non-contractual obligations arising out of or in connection with them will be governed by, and construed in accordance with, English law. In respect of any dispute under such Transaction Document, the Bank has agreed to arbitration in London under the Arbitration Rules of the LCIA.</p> <p>The Master Purchase Agreement, each Supplemental Purchase Agreement and each sale agreement entered into pursuant to the Purchase Undertaking or the Sale and Substitution Undertaking, as the case may be, will be governed by, and construed in accordance with, the laws of Qatar. In respect of any dispute under such Transaction Document, the Bank has agreed to arbitration in London under the Arbitration Rules of the LCIA.</p> <p>The Corporate Services Agreement and the Registered Office Terms will be governed by the laws of the Cayman Islands.</p>
Waiver of Immunity	Under each of the Transaction Documents, the Bank has explicitly acknowledged that its execution of such documents constitutes, and its exercise of its rights and performance of its obligations thereunder will constitute, private and commercial acts done and performed for private and commercial purposes (rather than an act in its or any other sovereign capacity) and has irrevocably and unconditionally waived with respect to any proceedings arising under the Conditions or any of such documents any sovereign or other immunity that it or its property, assets or revenues may have including (without limitation) from jurisdiction, suit, execution, attachment (whether in aid of execution, before judgment or otherwise) or other legal process or defence and has irrevocably and unconditionally consented to the giving of any relief or the issue of any process, including without limitation, the making, enforcement or execution against any of its property, assets or revenues whatsoever (irrespective of its use or intended use) of any order or judgment made or given in connection with any proceedings or Disputes.
Transaction Documents	The Transaction Documents in respect of a Series shall comprise the Master Trust Deed, each Supplemental Trust Deed, the Agency Agreement, the Master Purchase Agreement, each Supplemental Purchase Agreement, the Servicing Agency Agreement, the Purchase Undertaking, the Sale and Substitution Undertaking, each sale agreement entered into pursuant to the Purchase Undertaking or the Sale and Substitution Undertaking, as the case may be, and the Master Murabaha Agreement (together with all documents, notices of request to purchase, offer notices, acceptances, notices and confirmations delivered or entered into as contemplated by the Master Murabaha Agreement in connection with the relevant Series).

Ratings	<p>The Bank has been assigned long-term ratings of A with a stable outlook by Fitch and a long-term rating of A2 with a stable outlook by Moody's. The Programme has been rated A by Fitch.</p> <p>Qatar has been assigned a credit rating of AA with a stable outlook, Aa3 with a positive outlook and AA with a stable outlook, by Fitch, Moody's Deutschland GmbH and S&P Global Ratings UK Limited (S&P), respectively.</p> <p>Fitch is established in the UK and is registered under UK CRA Regulation and as such is included in the list of credit rating agencies published by the FCA on its website in accordance with the UK CRA Regulation. The rating assigned by Fitch is endorsed by Fitch Ratings Ireland Limited, which is registered under the EU CRA Regulation.</p> <p>Moody's is established in the European Union and is registered under the EU CRA Regulation and as such is included in the list of credit rating agencies published by the ESMA on its website in accordance with the EU CRA Regulation. The rating assigned by Moody's is endorsed by Moody's Investor Services Limited, which is established in the UK and registered under the UK CRA Regulation.</p> <p>Each of Moody's Deutschland GmbH and S&P is established in the European Union and is registered under the EU CRA Regulation and as such is included in the list of credit rating agencies published by the ESMA on its website in accordance with the EU CRA Regulation. The ratings assigned by Moody's Deutschland GmbH have been endorsed by Moody's Investor Services Limited, which is established in the UK and registered under the UK CRA Regulation. The rating assigned by S&P has been endorsed by S&P Global Ratings UK Limited, which is established in the UK and registered under the UK CRA Regulation.</p> <p>Where a Tranche of Certificates is to be rated, such rating will not necessarily be the same as the rating assigned to the Programme. Where a Tranche of Certificates is rated, the applicable rating(s) will be specified in the applicable Pricing Supplement. A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, change or withdrawal at any time by the assigning rating agency.</p>
Selling Restrictions	<p>There are restrictions on the offer, sale and transfer of the Certificates, including in the Cayman Islands, Dubai International Financial Centre, the EEA, Japan, Hong Kong, Kuwait, the Kingdom of Bahrain, the Kingdom of Saudi Arabia, Malaysia, Singapore, Qatar (including the Qatar Financial Centre), the United Arab Emirates (excluding the Dubai International Financial Centre), the UK and the United States of America. See "<i>Subscription and Sale</i>".</p>
United States Selling Restrictions ..	<p>Regulation S, Category 2.</p>
Use of Proceeds	<p>The net proceeds from the issue of each Tranche of Certificates will be applied by the Trustee pursuant to the terms of the relevant Transaction Documents: (a) towards the purchase from the Bank of all of its rights, title, interests, benefits and entitlements in, to and under the relevant Initial Assets or the relevant Additional Assets, as the case may be, pursuant to the relevant Purchase Agreement; and (b) if applicable, towards the purchase of Commodities to be sold to the Bank pursuant to the Master Murabaha Agreement.</p>

TERMS AND CONDITIONS OF THE CERTIFICATES

The following is the text of the terms and conditions that, subject to completion in accordance with the provisions of Part A of the applicable Pricing Supplement shall be applicable to the Certificates in definitive form (if any) issued in exchange for the Global Certificate representing each Series. Either (i) the full text of these terms and conditions together with the relevant provisions of Part A of the applicable Pricing Supplement or (ii) these terms and conditions as so completed (and subject to simplification by the deletion of non-applicable provisions), shall be endorsed on such definitive Certificates. All capitalised terms that are not defined in these Conditions will have the meanings given to them in Part A of the applicable Pricing Supplement. Those definitions will be endorsed on the definitive Certificates. References in the Conditions to "Certificates" are to the Certificates of one Series only, not to all Certificates that may be issued under the Programme.

BBG Sukuk Ltd (in its capacity as issuer and in its capacity as trustee, as applicable, the "**Trustee**") established a programme (the "**Programme**") for the issuance of trust certificates (the "**Certificates**") in a maximum aggregate face amount of U.S.\$2,000,000,000 (or the equivalent in other currencies calculated as described in the amended and restated programme agreement between the Trustee, Dukhan Bank Q.P.S.C. (the "**Bank**" or the "**Obligor**") and the Dealers named therein dated 7 August 2024 (the "**Programme Agreement**")), or such other maximum aggregate face amount as increased in accordance with the terms of the Programme Agreement.

The Certificates are constituted by an amended and restated master trust deed dated 7 August 2024 between, *inter alios*, the Trustee, the Obligor and Deutsche Trustee Company Limited (the "**Delegate**", which expression shall include all persons for the time being the delegate or delegates under the Master Trust Deed) (the "**Master Trust Deed**") as supplemented by a supplemental trust deed entered into on or before the date of issue of the relevant Certificates (the "**Issue Date**") in respect of the relevant Tranche (the "**Supplemental Trust Deed**" and, together with the Master Trust Deed, the "**Trust Deed**").

An amended and restated agency agreement (the "**Agency Agreement**") dated 7 August 2024 has been entered into in relation to the Certificates between, *inter alios*, the Trustee, the Obligor, the Delegate, Deutsche Bank AG, London Branch as principal paying agent (in such capacity, the "**Principal Paying Agent**"), calculation agent (together with any further or other calculation agents appointed from time to time in respect of the Certificates, in such capacity, the "**Calculation Agent**") and transfer agent (together with any further or other transfer agents appointed from time to time in respect of the Certificates, in such capacity, the "**Transfer Agent**") and Deutsche Bank Luxembourg S.A. as registrar (in such capacity, the "**Registrar**", and, together with the Principal Paying Agent and any further or other paying agents appointed from time to time in respect of the Certificates, the "**Paying Agents**"). The Paying Agents, the Calculation Agent, the Registrar and the Transfer Agent are together referred to in these Conditions as the "**Agents**". References to the Agents or any of them shall include their successors.

These terms and conditions (the "**Conditions**") include summaries of, and are subject to, the detailed provisions of: (i) the Trust Deed, which includes the form of Certificates referred to below, (ii) the Agency Agreement and (iii) the other Transaction Documents (as defined below). The Certificateholders are bound by, and are deemed to have notice of, all the provisions applicable to them in the Transaction Documents. The Pricing Supplement for the relevant Certificate (or the relevant provisions thereof) is set out in Part A of the Pricing Supplement attached to or endorsed on the relevant Certificate which complete these Conditions. References to the "**applicable Pricing Supplement**" are, unless otherwise stated, to Part A of the Pricing Supplement (or the relevant provisions thereof) attached to or endorsed on the relevant Certificate.

Copies of the Transaction Documents: (1) are available for inspection by Certificateholders from the specified office of the Principal Paying Agent during usual business hours; or (2) will, at the option of the Principal Paying Agent, be available by email at a Certificateholder's request (subject to provision of proof of holding satisfactory to the Principal Paying Agent and the Obligor), in each case, during normal business hours.

Each initial Certificateholder, by its acquisition and holding of its interest in a Certificate, shall be deemed to authorise and direct the Trustee, on behalf of the Certificateholders: (a) to apply the proceeds of the issue of the Tranche of Certificates in accordance with the terms of the Transaction Documents; and (b) to enter into, and perform its obligations under and in connection with, each Transaction Document to which it is a party, subject to the provisions of the Trust Deed and these Conditions.

1. Interpretation

Unless defined herein or the context otherwise requires, any capitalised words and expressions used but not defined herein shall have the meaning given to them in the Trust Deed and the Agency Agreement. In addition, for the purposes of these Conditions, the following expressions have the following meanings:

"Accountholder" means each person who is for the time being shown in the records of Euroclear or Clearstream, Luxembourg as entitled to a particular face amount of the Certificates (in which regard any certificate or other document issued by Euroclear or Clearstream, Luxembourg as to the face amount of such Certificates standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error);

"Authorised Signatory" has the meaning given to it in the Trust Deed;

"Broken Amount" means the amount specified as such in the applicable Pricing Supplement;

"Business Day" has the meaning given to it in Condition 8(j) (*Definitions*);

"Calculation Amount" means the amount specified as such in the applicable Pricing Supplement;

"Cancellation Notice" means a cancellation notice given pursuant to the terms of the Trust Deed and the Sale and Substitution Undertaking;

"Certificateholder" or **"holder"** has the meaning given to it in Condition 2 (*Form, Denomination and Title*);

"Certificateholder Put Exercise Notice" has the meaning given to it in Condition 9(d) (*Dissolution at the Option of Certificateholders (Certificateholder Put Right)*);

"Certificateholder Put Right" means the right exercisable by Certificateholders pursuant to Condition 9(d) (*Dissolution at the Option of Certificateholders (Certificateholder Put Right)*);

"Certificateholder Put Right Date" means, in relation to any exercise of the Certificateholder Put Right, the date(s) specified as such in the applicable Pricing Supplement and which must (if the Certificate is a Floating Rate Certificate) be a Periodic Distribution Date;

"Certificateholder Put Right Exercise Price" has the meaning given to it in the Purchase Undertaking;

"Clean Up Call Right" means the right specified in Condition 9(f) (*Dissolution at the Option of the Obligor (Clean Up Call Right)*);

"Clean Up Call Dissolution Date" has the meaning given to it in Condition 9(f) (*Dissolution at the Option of the Obligor (Clean Up Call Right)*);

"Corporate Services Agreement" means the amended and restated corporate services agreement entered into between the Trustee and the Trustee Administrator dated 19 April 2023 (as amended and restated from time to time);

"Day Count Fraction" has the meaning given to it in Condition 8(j) (*Definitions*);

"Deferred Payment Price" has the meaning given to it in the Master Murabaha Agreement;

"Delegation" has the meaning given to it in Condition 18(a) (*Delegation of Powers*);

"Delisting Notice" has the meaning given to it in Condition 9(e) (*Dissolution at the Option of the Certificateholders (Tangibility Event Put Right)*);

"Dispute" has the meaning given to it in Condition 23.2 (*Arbitration*);

"Dissolution Date" means, as the case may be:

- (a) the Scheduled Dissolution Date;
- (b) any Early Tax Dissolution Date;
- (c) any Optional Dissolution Date;
- (d) any Certificateholder Put Right Date;
- (e) any Tangibility Event Put Right Date;
- (f) any Clean Up Call Dissolution Date; or

(g) any Dissolution Event Redemption Date;

"Dissolution Distribution Amount" means, in relation to each Certificate:

(a) the sum of:

(i) the outstanding face amount of such Certificate; and

(ii) any accrued but unpaid Periodic Distribution Amounts for such Certificate; or

(b) such other amount specified in the applicable Pricing Supplement as being payable upon any Dissolution Date;

"Dissolution Event" has the meaning given to it in Condition 13 (*Dissolution Events*);

"Dissolution Event Redemption Date" has the meaning given to it in Condition 13 (*Dissolution Events*);

"Early Tax Dissolution Date" has the meaning given to it in Condition 9(b) (*Early Dissolution for Taxation Reasons*);

"Excluded Representations" means any representations given by the Obligor to the Trustee and/or the Delegate pursuant to the Transaction Documents, other than the representation provided by the Obligor (in its capacity as Servicing Agent) to the Trustee in Clause 3.2.1(v) of the Servicing Agency Agreement;

"Exercise Notice" means an exercise notice given pursuant to the terms of the Purchase Undertaking and/or the Sale and Substitution Undertaking, as the context so requires;

"Exercise Price" has the meaning given to it in the Purchase Undertaking or the Sale and Substitution Undertaking, as the context so requires;

"Extraordinary Resolution" has the meaning given to it in the Master Trust Deed;

"Fixed Amount" means the amount specified as such in the applicable Pricing Supplement;

"Fixed Rate Certificates" means a Series in respect of which Fixed Periodic Distribution Provisions is specified as applicable in the applicable Pricing Supplement;

"Floating Rate Certificates" means a Series in respect of which Floating Periodic Distribution Provisions is specified as applicable in the applicable Pricing Supplement;

"Group" means the Obligor and its Subsidiaries taken as a whole;

"Guarantee" means, in relation to any Indebtedness or Relevant Indebtedness of any person, any obligation of another person to pay such Indebtedness or Relevant Indebtedness following demand or claim on that person including (without limitation):

(a) any obligation to purchase such Indebtedness or Relevant Indebtedness;

(b) any obligation to extend financing, to purchase or subscribe shares or other securities or to purchase assets or services in order to provide funds for the payment of such Indebtedness or Relevant Indebtedness;

(c) any indemnity against the consequences of a default in the payment of such Indebtedness or Relevant Indebtedness; and

(d) any other agreement to be responsible for such Indebtedness or Relevant Indebtedness;

"Indebtedness" means any present or future indebtedness of any Person for or in respect of any money borrowed or raised including (without limitation) any borrowed money or liability arising under or in respect of any acceptance or acceptance credit or evidenced by any notes, bonds, debentures, debenture stock, loan stock or other securities or any monies raised under any transaction having the commercial effect of borrowing or raising money;

"ISDA" means the International Swaps and Derivatives Association, Inc.;

"ISDA Definitions" means (i) if **"2006 ISDA Definitions"** is specified in the applicable Pricing Supplement, the 2006 ISDA Definitions, as published by ISDA, as supplemented, amended and updated as at the Issue Date of the first Tranche of the Certificates or (ii) if **"2021 ISDA Definitions"** is specified in the applicable Pricing Supplement, the latest version of the 2021 ISDA Interest Rate Derivatives Definitions, including any Matrices referred to therein, as published by ISDA as at the Issue Date of the first Tranche of the Certificates;

"LCIA" means the London Court of International Arbitration;

"Liability" means any actual loss, actual damage, actual cost (excluding opportunity cost or loss and cost of funding), charge, claim, demand, expense, fee, judgment, action, proceeding or other liability whatsoever (including, without limitation, in respect of taxes) and including any value added tax or similar tax charged or chargeable in respect thereof and legal or other fees and expenses on a full indemnity basis, and references to **"Liabilities"** shall mean all of these;

"Master Murabaha Agreement" means the master murabaha agreement dated 7 August 2024 between the Trustee, the Obligor and the Delegate;

"Master Purchase Agreement" means the amended and restated master purchase agreement dated 7 August 2024 between the Trustee and the Obligor;

"Maximum Optional Dissolution Amount" means the amount specified as such in the applicable Pricing Supplement;

"Minimum Optional Dissolution Amount" means the amount specified as such in the applicable Pricing Supplement;

"Murabaha Instalment Profit Amount" has the meaning given to it in the Master Murabaha Agreement;

"Murabaha Profit Amount" has the meaning given to it in the Master Murabaha Agreement;

"Non-recourse Project Financing" means any financing of all or part of the costs of the acquisition, construction or development of any project, **provided that:** (i) any Security Interest given by the Obligor or the relevant Subsidiary, as the case may be, is limited solely to assets of the project, (ii) the person providing such financing expressly agrees to limit its recourse to the project financed and the revenues derived from such project as the principal source of payment for the monies advanced and (iii) there is no other recourse to the Obligor or the relevant Subsidiary, as the case may be, in respect of any default by any person under the financing;

"Obligor Event" has the meaning given to in Condition 13 (*Dissolution Events*).

"Optional Dissolution Date" means, in relation to any exercise of the Optional Dissolution Right, the date(s) specified as such in the applicable Pricing Supplement and which must (if the Certificate is a Floating Rate Certificate) be a Periodic Distribution Date;

"Optional Dissolution Exercise Price" has the meaning given to it in the Sale and Substitution Undertaking;

"Optional Dissolution Right" means the right exercisable by the Trustee upon instruction from the Obligor pursuant to Condition 9(c) (*Dissolution at the Option of the Obligor (Optional Dissolution Right)*);

"outstanding" shall have the meaning given to it in the Trust Deed;

"Periodic Distribution Amount" means the amount of profit payable to Certificateholders in accordance with Condition 8 (*Periodic Distribution Amounts*);

"Periodic Distribution Date" means the date(s) specified as such in the applicable Pricing Supplement;

"Periodic Distribution Period" means the period beginning on and including the Profit Commencement Date and ending on but excluding the first Periodic Distribution Date and each successive period beginning on and including a Periodic Distribution Date and ending on but excluding the next succeeding Periodic Distribution Date unless otherwise specified in the applicable Pricing Supplement;

"Permitted Security Interest" means:

- (a) any Security Interest securing any Relevant Indebtedness of a person existing at the time that such person is merged into, or consolidated with the Obligor or the relevant Subsidiary, as the case may be, **provided that** such Security Interest was not created in contemplation of such merger or consolidation and does not extend to any other assets or property of the Obligor or the relevant Subsidiary, as the case may be;
- (b) any Security Interest existing on any property or assets prior to the acquisition thereof by the Obligor or the relevant Subsidiary, as the case may be, **provided that** such Security Interest was not created in contemplation of such acquisition and does not extend to other assets or property of the Obligor or the relevant Subsidiary, as the case may be (other than proceeds of such acquired assets or property), and **provided that** the maximum amount of Relevant Indebtedness thereafter secured by such Security Interest does not exceed the purchase price of such property or the Relevant Indebtedness incurred solely for the purpose of financing the acquisition of such property; or
- (c) any renewal of or substitution for any Security Interest permitted by any of paragraphs (a) to (b) (inclusive) of this definition, **provided that** with respect to any such Security Interest the principal amount or face amount, as the case may be, secured has not increased and the Security Interest has not been extended to any additional assets (other than the proceeds of such assets);

"Person" means any individual, company, corporation, firm, partnership, joint venture, association, organisation, state or agency of a state or other entity, whether or not having separate legal personality;

"Potential Dissolution Event" means any condition, event or act which, with the giving of notice, lapse of time, declaration, demand, determination or fulfilment of any other applicable condition (or any combination of the foregoing), would constitute a Dissolution Event;

"Potential Obligor Event" means any condition, event or act which, with the giving of notice, lapse of time, declaration, demand, determination or fulfilment of any other applicable condition (or any combination of the foregoing), would constitute an Obligor Event;

"Principal Subsidiary" means, at any relevant time, a Subsidiary of the Obligor:

- (a) whose total assets (consolidated in the case of a Subsidiary which itself has Subsidiaries) or whose total income (consolidated in the case of a Subsidiary which itself has Subsidiaries) represent not less than 10 per cent. of the consolidated total assets, or, as the case may be, the consolidated total income of the Obligor and its Subsidiaries taken as a whole, all as calculated respectively by reference to the latest financial statements (consolidated or, as the case may be, unconsolidated) of the Subsidiary and the then latest audited consolidated financial statements of the Obligor, **provided that**, in the case of a Subsidiary acquired after the end of the financial period to which the then latest audited consolidated financial statements of the Obligor relate for the purpose of applying each of the foregoing tests, the reference to the Obligor's latest audited consolidated financial statements shall be deemed to be a reference to such financial statements as if such Subsidiary had been shown therein by reference to its then latest relevant financial statements, adjusted as deemed appropriate by the independent auditors of the Obligor for the time being after consultation with the Obligor; or
- (b) to which is transferred all or substantially all of the business, undertaking and assets of another Subsidiary which immediately prior to such transfer is a Principal Subsidiary, whereupon (A) in the case of a transfer by a Principal Subsidiary, the transferor Principal Subsidiary shall immediately cease to be a Principal Subsidiary and (B) the transferee Subsidiary shall immediately become a Principal Subsidiary, **provided that** on or after the date on which the relevant financial statements for the financial period current at the date of such transfer are published, whether such transferor Subsidiary or such transferee Subsidiary is or is not a Principal Subsidiary, shall be determined pursuant to the provisions of paragraph (a) above.

A certificate addressed to the Delegate signed by two directors of the Obligor certifying that in their opinion a Subsidiary is or was or is or was not at any particular time or throughout a specified period a Principal Subsidiary shall, in the absence of manifest error, be conclusive and binding on all parties and the Delegate shall be entitled to rely on such certificate without liability to any person.

"Profit Amount" means:

- (a) in respect of a Periodic Distribution Period, the amount of profit payable per Calculation Amount for that Periodic Distribution Period and which, in the case of Fixed Rate Certificates, and unless otherwise specified in the applicable Pricing Supplement, shall mean the Fixed Amount or Broken Amount specified in the applicable Pricing Supplement as being payable on the Periodic Distribution Date ending on the Periodic Distribution Period of which such Periodic Distribution Period forms part; and
- (b) in respect of any other period, the amount of profit payable per Calculation Amount for that period;

"Profit Basis" means the basis of profit calculation specified in the applicable Pricing Supplement;

"Profit Commencement Date" means the Issue Date or such other date as may be specified in the applicable Pricing Supplement;

"Profit Period Date" means each Periodic Distribution Date unless otherwise specified in the applicable Pricing Supplement;

"Profit Rate" means the profit rate payable from time to time in respect of the Certificates and that is either specified in the applicable Pricing Supplement or calculated in accordance with these Conditions;

"Profit Rate Determination Date" means, with respect to a Profit Rate and Periodic Distribution Period, the date specified as such in the applicable Pricing Supplement or, if none is so specified (a) the day falling two T2 Business Days prior to the first day of such Periodic Distribution Period, if the Specified Currency is euro (b) (where SOFR Benchmark is specified in the applicable Pricing Supplement as the Reference Rate and where Simple SOFR Average is specified as applicable in the applicable Pricing Supplement or where SOFR Lag, SOFR Observation Shift or SOFR Lockout is specified in the applicable Pricing Supplement to determine Compounded Daily SOFR or where Compounded SOFR Index is specified in the applicable Pricing Supplement) the fourth U.S. Government Securities Business Day prior to the last day of each Periodic Distribution Period, and (c) (where SOFR Benchmark is specified in the applicable Pricing Supplement as the Reference Rate and where SOFR Payment Delay is specified as applicable in the applicable Pricing Supplement to determine Compounded Daily SOFR) the Profit Period Date at the end of each Periodic Distribution Period, **provided that** the Profit Period Date with respect to the final Periodic Distribution Period will be the U.S. Government Securities Business Day immediately following the relevant SOFR Rate Cut-Off Date, save in all cases that if the Certificates become due and payable in accordance with Condition 9(g) (*Dissolution following a Dissolution Event*)), the final Profit Rate Determination Date shall, notwithstanding any Profit Rate Determination Date specified in the applicable Pricing Supplement, be deemed to be the date on which the Certificates became due and payable and the Profit Rate on the Certificates shall, for so long as the Certificates remain outstanding, be that determined on such date. In all cases, where the Reference Rate is either SOFR or SONIA, the Profit Rate Determination Date shall be a minimum of five Business Days prior to the Periodic Distribution Date to which it relates;

"Purchase Agreement" means the Master Purchase Agreement as supplemented by the applicable Supplemental Purchase Agreement;

"Purchase Undertaking" means the amended and restated purchase undertaking dated 7 August 2024 executed by the Obligor in favour of the Trustee and the Delegate;

"Record Date" has the meaning given to it in Condition 10(a) (*Method of Payment*);

"Reference Rate" means one of the following benchmark rates (specified in the applicable Pricing Supplement) in respect of the currency and period specified in the applicable Pricing Supplement:

- (a) EURIBOR;
- (b) KIBOR;
- (c) SHIBOR;
- (d) HIBOR;
- (e) CNH HIBOR;

- (f) KLIBOR;
- (g) SIBOR;
- (h) EIBOR;
- (i) TIBOR;
- (j) SAIBOR;
- (k) BBSW;
- (l) MIBOR;
- (m) PRIBOR;
- (n) QIBOR;
- (o) SOFR; or
- (p) SONIA;

"Register" has the meaning given to it in Condition 2 (*Form, Denomination and Title*);

"Relevant Date" has the meaning given to it in Condition 11 (*Taxation*);

"Relevant Financial Centre" means the financial centre specified as such in the applicable Pricing Supplement and, if no such financial centre is specified, the financial centre most closely connected with the relevant Reference Rate;

"Relevant Indebtedness" means: (i) any Indebtedness, other than Indebtedness incurred in connection with a Non-recourse Project Financing or a Securitisation, which is in the form of or represented by any bond, note, debenture, debenture stock, loan stock or other securities which for the time being are, or are intended to be or are capable of being, quoted, listed, dealt in or traded on any stock exchange, over-the-counter or other securities market and (ii) any Relevant Sukuk Obligation;

"Relevant Jurisdiction" means the Cayman Islands or State of Qatar or in each case any political subdivision or any authority or agency thereof or therein having power to tax;

"Relevant Powers" has the meaning given to it in Condition 18(a) (*Delegation of Powers*);

"Relevant Screen Page" means such page, section, caption, column or other part of a particular information service as may be specified in the applicable Pricing Supplement, or any successor or replacement page, section, caption, column or other part of a particular information service or such other information service, in each case, as may be nominated by the Person providing or sponsoring the information appearing there for the purpose of displaying rates or prices comparable to the Reference Rate;

"Relevant Sukuk Obligation" means any undertaking or other obligation, other than any undertaking or obligation incurred in connection with a Non-recourse Project Financing or a Securitisation, to pay any money raised in connection with the issue of trust certificates, whether or not in return for consideration of any kind, which for the time being are, or are intended to be or are capable of being, quoted, listed, dealt in or traded on any stock exchange, over-the-counter or other securities market;

"Relevant Time" means the time specified as such in the applicable Pricing Supplement;

"Required Amount" has the meaning given to it in the Servicing Agency Agreement;

"Sale and Substitution Undertaking" means the amended and restated sale and substitution undertaking dated 7 August 2024 executed by the Trustee in favour of the Obligor;

"Scheduled Dissolution Date" means the date specified as such in the applicable Pricing Supplement;

"Securitisation" means any securitisation of existing or future assets and/or revenues, **provided that:** (i) any Security Interest given by the Obligor or the relevant Subsidiary, as the case may be, in connection therewith is limited solely to the assets and/or revenues which are the subject of the

securitisation; (ii) each person participating in such securitisation expressly agrees to limit its recourse to the assets and/or revenues so securitised as the principal source of payment for the money advanced or payment of any other liability; and (iii) there is no other recourse to the Obligor or the relevant Subsidiary, as the case may be, in respect of any default by any person under the securitisation;

"Security Interest" means any mortgage, charge, pledge, lien or other security interest including, without limitation, anything analogous to any of the foregoing under the laws of any jurisdiction;

"Series" means a Tranche of Certificates together with any further Tranche or Tranches of Certificates which (a) are expressed to be consolidated and form a single series and (b) have the same terms and conditions or terms and conditions which are the same in all respects save for the amount and date of the first payment of Periodic Distribution Amounts (as defined herein) thereon and the Profit Commencement Date;

"Servicing Agency Agreement" means the amended and restated servicing agency agreement dated 7 August 2024 between the Trustee and the Servicing Agent;

"Servicing Agent" means the Obligor in its capacity as servicing agent pursuant to the Servicing Agency Agreement;

"Sharia Supervisory Board of the Bank" means the *Shari'a* supervisory board of Dukhan Bank Q.P.S.C.;

"Specified Currency" means the currency specified as such in the applicable Pricing Supplement or, if none is specified, the currency in which the Certificates are denominated;

"Specified Denominations" means the amount(s) specified as such in the applicable Pricing Supplement;

"SOFR Rate Cut-Off Date" means the date that is a number of U.S. Government Securities Business Days prior to the end of each Periodic Distribution Period, the Scheduled Dissolution Date or the relevant Dissolution Date on which all Certificates of the relevant Series shall be redeemed in full, as applicable, as specified in the applicable Pricing Supplement;

"Subsidiary" means any person: (i) in which another person (the parent) holds a majority of the voting rights; or (ii) of which the parent has the right to appoint or remove a majority of the board of directors; or (iii) of which the parent controls a majority of the voting rights, and includes any person which is a Subsidiary of a Subsidiary of the parent;

"Supplemental Purchase Agreement" has the meaning given to it in the Master Purchase Agreement;

"Tangibility Event" means, if, at any time, on or following the Issue Date of the first Tranche of a Series the Tangibility Ratio in respect of such Series falls below 33 per cent.;

"Tangibility Event Delisting Date" means the date falling 15 days following the Tangibility Event Put Right Date (or if such date is not a business day, the next following business day (being, for this purpose, a day on which each stock exchange on which the relevant Series of Certificates has been admitted to listing and/or trading is open for business)) and any relevant Certificates listed on more than one stock exchange shall have the same Tangibility Event Delisting Date across all relevant stock exchanges;

"Tangibility Event Notice" has the meaning given to it in the Servicing Agency Agreement;

"Tangibility Event Put Notice" has the meaning given to it in Condition 9(e) (*Dissolution at the Option of the Certificateholders (Tangibility Event Put Right)*);

"Tangibility Event Put Right" means the right exercisable by Certificateholders pursuant to Condition 9(e) (*Dissolution at the Option of the Certificateholders (Tangibility Event Put Right)*);

"Tangibility Event Put Right Date" shall be a date falling not less than 75 days following the expiry of the Tangibility Event Put Right Period;

"Tangibility Event Put Right Exercise Price" has the meaning given to it in the Purchase Undertaking;

"Tangibility Event Put Right Period" means the period of 30 days commencing on the date that a Delisting Notice is given;

"Tangibility Ratio" means in relation to a Series, the ratio of:

- (a) the aggregate Value of the Tangible Assets comprising the relevant Wakala Assets; to
- (b) the Wakala Portfolio Value,

in each case, relating to such Series;

"T2 Business Day" means any day on which T2 is open for the settlement of payments in euro;

"T2" means the real time gross settlement system operated by Eurosystem, or any successor or replacement system;

"Tax Event" has the meaning given to it in Condition 9(b) (*Early Dissolution for Taxation Reasons*);

"Tranche" means Certificates which are identical in all respects (including as to Issue Date, listing and admission to trading);

"Transaction Account" means, in relation to each Series, the non-interest bearing account maintained in London in the Trustee's name held with Standard Chartered Bank, details of which are specified in the applicable Pricing Supplement;

"Transaction Documents" means, in relation to each Series:

- (a) the Trust Deed;
- (b) any Declaration of Commingling of Assets;
- (c) the Agency Agreement;
- (d) the Purchase Agreement;
- (e) the Servicing Agency Agreement;
- (f) the Sale and Substitution Undertaking (together with each relevant sale agreement executed upon exercise of the Sale and Substitution Undertaking);
- (g) the Purchase Undertaking (together with each relevant sale agreement executed upon exercise of the Purchase Undertaking); and
- (h) the Master Murabaha Agreement (together with all documents, notices of request to purchase, offer notices, acceptances, notices and confirmations delivered or entered into as contemplated by the Master Murabaha Agreement in connection with the relevant Series),

each as may be amended, restated and/or supplemented from time to time;

"Trust" means, in respect of a Series, the trust created by the Trustee over the Trust Assets pursuant to the Trust Deed;

"Trustee Administrator" means MaplesFS Limited;

"Trust Assets" has the meaning given to it in Condition 5(a) (*Trust Assets*);

"Trustee Event" means any of the following events:

- (a) default is made in the payment of the Dissolution Distribution Amount on the date fixed for payment thereof or default is made in the payment of any Periodic Distribution Amount and, in the case of the Dissolution Distribution Amount on the due date for payment thereof, such default continues unremedied for a period of seven days and, in the case of a Periodic Distribution Amount, such default continues unremedied for a period of 14 days; or
- (b) the Trustee defaults in the performance or observance of or compliance with any of its other obligations or undertakings under these Conditions or the Transaction Documents to which it is a party and such default is incapable of remedy (in the opinion of the Delegate) or if capable of remedy (in the opinion of the Delegate) and is not remedied within 30 days after written notice of such default shall have been given by the Delegate to the Trustee; or

- (c) the Trustee repudiates any of these Conditions or the Transaction Document to which it is a party or does or causes to be done any act or thing evidencing an intention to repudiate any Transaction Document to which it is a party; or
- (d) at any time it is or will become unlawful or impossible for the Trustee (by way of insolvency or otherwise) to perform or comply with any or all of its obligations under these Conditions or the Transaction Documents to which it is a party or any of the obligations of the Trustee under these Conditions or the Transaction Documents to which it is a party are not or cease to be legal, valid, binding and enforceable; or
- (e) either: (a) the Trustee becomes insolvent or is unable to pay its debts as they fall due; (b) an administrator or liquidator of the whole or substantially the whole of the undertaking, assets and revenues of the Trustee is appointed (or application for any such appointment is made); (c) the Trustee takes any action for a readjustment or deferment of any of its obligations or makes a general assignment or an arrangement or composition with or for the benefit of its creditors or declares a moratorium in respect of any of its indebtedness or any guarantee of any indebtedness given by it; or (d) the Trustee ceases or threatens to cease to carry on all or substantially the whole of its business; or
- (f) an order or decree is made or an effective resolution is passed for the winding-up, liquidation or dissolution of the Trustee; or
- (g) any event occurs which under the laws of any relevant jurisdiction has an analogous effect to any of the events referred to in paragraphs (d), (e) or (f) above.

"U.S. Dollar Equivalent" means with respect to any amount denominated in a currency other than U.S. Dollars, at any time for the determination thereof, the amount of U.S. Dollars obtained by converting such other currency involved into U.S. Dollars at the spot rate for the purchase of U.S. Dollars with the applicable foreign currency as quoted by Reuters at approximately 11:00 a.m. (New York time) on the date not more than two Business Days prior to the date of determination.

"U.S. Government Securities Business Day" means any day except for a Saturday, a Sunday or a day on which the Securities Industry and Financial Markets Association recommends that the fixed income departments of its members be closed for the entire day for purposes of trading in U.S. government securities;

"Value" has the meaning given to it in the Servicing Agency Agreement;

"Wakala Assets" has the meaning given to it in the Servicing Agency Agreement;

"Wakala Portfolio" has the meaning given to it in the Servicing Agency Agreement;

"Wakala Portfolio Revenues" has the meaning given to it in the Servicing Agency Agreement; and

"Wakala Portfolio Value" has the meaning given to it in the Servicing Agency Agreement.

All references to the **"face amount"** of a Certificate shall be deemed to include, as applicable, the relevant Dissolution Distribution Amount, any additional amounts (other than relating to Periodic Distribution Amounts) which may be payable under Condition 11 (*Taxation*) and any other amount in the nature of face amounts payable pursuant to these Conditions.

All references to **"Periodic Distribution Amounts"** shall be deemed to include, as applicable, any additional amounts in respect of profit distributions which may be payable under Condition 11 (*Taxation*) and any other amount in the nature of a profit distribution payable pursuant to these Conditions.

All references to **"U.S.\$"** and **"U.S. dollars"** are to the lawful currency of the United States of America.

All references to **"ISDA"** and related terms are only included for the purposes of benchmarking.

2. **Form, Denomination and Title**

The Certificates are issued in registered form in the Specified Denomination(s) specified in the applicable Pricing Supplement. The Certificates may be Fixed Rate Certificates, Floating Rate

Certificates or a combination of the foregoing, depending upon the Profit Basis specified in the applicable Pricing Supplement.

Certificates are represented by registered certificates ("**Registered Certificates**") and, save as provided in Condition 3(a) (*Transfer of Certificates*), each Registered Certificate shall represent the entire holding of Certificates by the same holder.

Title to the Certificates shall pass by registration in the register that the Trustee shall procure to be kept by the Registrar outside the United Kingdom in accordance with the provisions of the Agency Agreement (the "**Register**"). Each Registered Certificate will be numbered serially with an identifying number which will be recorded on the relevant Registered Certificate and in the Register. Except as ordered by a court of competent jurisdiction or as required by law, the holder (as defined below) of any Certificate shall be deemed to be and may be treated as its absolute owner for all purposes whether or not it is overdue and regardless of any notice of ownership, trust or any interest in it, any writing on the Registered Certificate representing it or the theft or loss of such Registered Certificate and no person shall be liable for so treating the holder. The holder of a Certificate will be recognised by the Trustee as entitled to his Certificate free from any equity, set-off or counterclaim on the part of the Trustee against the original or any intermediate holder of such Certificate.

In these Conditions, "**Certificateholder**" or "**holder**" means the person in whose name a Certificate is registered.

*Upon issue, the Certificates will be represented by a Global Certificate which will be deposited with, and registered in the name of a nominee for, a common depositary for Euroclear Bank SA/NV ("**Euroclear**") and Clearstream Banking, S.A. ("**Clearstream, Luxembourg**"). Ownership interests in the Global Certificate will be shown on, and transfers thereof will only be effected through, records maintained by Euroclear or Clearstream, Luxembourg (as applicable), and their respective participants. These Conditions are modified by certain provisions contained in the Global Certificate.*

Except in certain limited circumstances, owners of interests in the Global Certificate will not be entitled to receive Registered Certificates representing their holdings of Certificates. See "Summary of Provisions relating to the Certificates while in Global Form".

References to Euroclear and Clearstream, Luxembourg shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system specified in the applicable Pricing Supplement.

3. **Transfers**

- (a) **Transfer of Certificates:** Subject to Condition 3(e) (*Closed Periods*), one or more Certificates may be transferred upon the surrender (at the specified office of the Registrar or any Transfer Agent) of the Registered Certificate representing such Certificates to be transferred, together with the form of transfer endorsed on such Certificate (or another form of transfer substantially in the same form and containing the same representations and certifications (if any), unless otherwise agreed by the Trustee) duly completed and executed and any other evidence as the Registrar or the relevant Transfer Agent may reasonably require. In the case of a transfer of part only of a holding of Certificates represented by one Registered Certificate, a new Registered Certificate shall be issued to the transferee in respect of the part transferred and a further new Registered Certificate in respect of the balance of the holding not transferred shall be issued to the transferor. In the case of a transfer of Certificates to a person who is already a holder of Certificates, a new Registered Certificate representing the enlarged holding shall only be issued against surrender of the Registered Certificate representing the existing holding. All transfers of Certificates and entries on the Register will be made subject to and in accordance with the detailed regulations concerning transfers of Certificates scheduled to the Agency Agreement. The regulations may be changed by the Trustee with the prior written approval of the Registrar and the Delegate or by the Registrar with the prior written approval of the Delegate, **provided that** any such change is not materially prejudicial to the interests of the Certificateholders. A copy of the current regulations will be made available by the Registrar to any Certificateholder upon request.
- (b) **Exercise of Early Dissolution Rights:** In the case of an exercise of the Obligor's or the Certificateholders' early dissolution right in respect of a holding of Certificates represented by a single Registered Certificate, a new Registered Certificate shall be issued to the holder to reflect the exercise of such early dissolution right or in respect of the balance of the holding

not redeemed. In the case of a partial exercise of an early dissolution right resulting in Certificates of the same holding having different terms, separate Registered Certificates shall be issued in respect of those Certificates of that holding that have the same terms. New Registered Certificates shall only be issued against surrender of the existing Certificates to the Registrar or any Transfer Agent.

- (c) **Delivery of New Registered Certificates:** Each new Registered Certificate to be issued pursuant to Condition 3(a) (*Transfer of Certificates*) or Condition 3(b) (*Exercise of Early Dissolution Rights*) shall be available for delivery within five business days (or such longer period as may be required to comply with any applicable fiscal or other regulations) of receipt of the form of transfer, Certificateholder Put Exercise Notice or Tangibility Event Put Right Exercise Notice, as the case may be, and surrender of the Registered Certificate for exchange. Delivery of the new Registered Certificate(s) shall be made at the specified office of the Transfer Agent or of the Registrar (as the case may be) to whom delivery of such form of transfer, Certificateholder Put Exercise Notice or Tangibility Event Put Right Exercise Notice, as the case may be, and surrender of such Registered Certificate shall have been made or, at the option of the holder making such delivery and surrender as aforesaid and as specified in the applicable form of transfer, Certificateholder Put Exercise Notice or Tangibility Event Put Right Exercise Notice or otherwise in writing, be mailed by uninsured post at the risk of the holder entitled to the new Registered Certificate to such address as may be so specified, unless such holder requests otherwise and pays in advance to the applicable Transfer Agent or the Registrar (as the case may be) the costs of such other method of delivery and/or such insurance or takaful as it may specify. In this Condition 3(c), "**business day**" means a day, other than a Saturday or a Sunday, on which banks are open for business in the place of the specified office of the applicable Transfer Agent or the Registrar (as the case may be).
- (d) **Transfers Free of Charge:** Transfers of Certificates and Registered Certificates on registration, transfer or exercise of an early dissolution right shall be effected without charge by or on behalf of the Trustee, the Obligor, the Registrar or the Transfer Agents, but upon payment by the transferee of any tax or other governmental charges that may be imposed in relation to such transfer (or the giving of such indemnity and/or security as the Registrar or the applicable Transfer Agent may require).
- (e) **Closed Periods:** No Certificateholder may require the transfer of a Certificate to be registered (i) during the period of 15 days prior to any date on which Certificates may be called for redemption pursuant to Condition 9(c) (*Dissolution at the Option of the Obligor (Optional Dissolution Right)*), (ii) after any such Certificate has been called for redemption, or (iii) during the period of seven days ending on (and including) any Record Date.

4. Status

- (a) **Status of Certificates:** The Certificates represent an undivided ownership interest in the Trust Assets of the relevant Series and are limited recourse obligations of the Trustee. The Certificates will constitute direct, unconditional, unsubordinated and unsecured obligations of the Trustee and shall rank *pari passu* and without any preference or priority among themselves. In the event of the bankruptcy, insolvency, winding-up or dissolution of the Trustee, the payment obligations of the Trustee under the Certificates shall, save for such exceptions as may be provided by applicable legislation, rank at least equally with all other unsubordinated and unsecured obligations of the Trustee.
- (b) **Limited Recourse and Agreement of Certificateholders:** Save as provided in this Condition 4(b), the Certificates do not represent an interest in, or obligation of, any of the Trustee, the Delegate or any of their respective affiliates.

The proceeds of the realisation of, or enforcement with respect to, the Trust Assets are the sole source of payments on the Certificates. Such proceeds may not be sufficient to make all payments due in respect of the Certificates. Certificateholders, by subscribing for or acquiring the Certificates, acknowledge and agree that notwithstanding anything to the contrary contained in these Conditions or any Transaction Document:

- (i) no payment of any amount whatsoever shall be made by the Trustee or the Delegate or any of their respective shareholders, directors, officers, employees or agents on their behalf except to the extent funds are available therefor from the relevant Trust Assets and no recourse shall be had for the payment of any amount due and owing hereunder

or under any Transaction Document, whether for the payment of any fee, indemnity or other amount hereunder or any other obligation or claim arising out of or based upon the Transaction Documents, against the Trustee or the Delegate to the extent the Trust Assets have been exhausted, following which all obligations of the Trustee shall be extinguished;

- (ii) the Trustee may not sell, transfer, assign or otherwise dispose of the Trust Assets to a third party, and may only realise its rights, title, interests, benefits and entitlements, present and future, in, to and under the Trust Assets in the manner expressly provided in the Transaction Documents;
- (iii) if the proceeds of the Trust Assets are insufficient to make all payments due in respect of the Certificates, Certificateholders will have no recourse to any assets of the Trustee (and/or its directors, officers, shareholders or corporate services providers in their capacity as such) (other than the Trust Assets in the manner and to the extent contemplated by the Transaction Documents), or the Trustee Administrator, the Delegate or any of their respective directors, officers, employees, agents, shareholders or affiliates, in each case in respect of any shortfall or otherwise;
- (iv) no Certificateholders will be able to petition for, institute or join with any other person in instituting proceedings for, the reorganisation, arrangement, liquidation, bankruptcy, winding-up or receivership or other proceedings under any bankruptcy or similar law against the Trustee, the Trustee Administrator, the Delegate or any of their respective directors, officers, employees, agents, shareholders or affiliates;
- (v) no recourse (whether by institution or enforcement of any legal proceedings or assessment or otherwise) in respect of any breaches of any duty, obligation or undertaking of the Trustee or the Delegate arising under or in connection with the Trust Deed and the Certificates by virtue of any customary law, statute or otherwise shall be had against any shareholder, officer, director, employee, agent or corporate service provider of the Trustee or the Delegate (as applicable) in their capacity as such. The obligations of the Trustee, the Trustee Administrator and the Delegate under the Transaction Documents are corporate or limited liability obligations of the Trustee, the Trustee Administrator or the Delegate (as applicable) and no personal liability shall attach to or be incurred by the officers or directors of the Trustee or the Delegate (as applicable) in their capacity as such, save in the case of the relevant party's wilful default or actual fraud. Reference in these Conditions to wilful default or actual fraud means a finding to such effect by a court of competent jurisdiction in relation to the conduct of the relevant party; and
- (vi) it shall not be entitled to claim or exercise any right of set-off, counterclaim, abatement or other similar remedy which it might otherwise have, under the laws of any jurisdiction, in respect of such Certificate. No collateral is or will be given for the payment obligations under the Certificates (without prejudice to the negative pledge provisions described in Condition 7 (*Negative Pledge*)).

Pursuant to the terms of the Transaction Documents, the Obligor is obliged to make certain payments directly to or to the order of the Trustee. Such payment obligations form part of the Trust Assets and the Trustee and the Delegate (failing which the Certificateholders pursuant to Condition 16(b) (*Realisation of Trust Assets*)) will thereby have direct recourse against the Obligor to recover payments due to the Trustee from the Obligor pursuant to such Transaction Documents notwithstanding any other provision of this Condition 4(b).

5. The Trust

- (a) **Trust Assets:** Pursuant to the Trust Deed, the Trustee holds the Trust Assets for each Series upon trust absolutely for and on behalf of the Certificateholders of such Series *pro rata* according to the face amount of Certificates held by each holder. The term "**Trust Assets**" in respect of each Series means the following:
 - (i) the cash proceeds of the issue of Certificates, pending application thereof in accordance with the terms of the Transaction Documents;

- (ii) any and all of the rights, title, interest, benefits and entitlements, present and future of the Trustee in, to and under the Wakala Portfolio;
- (iii) any and all of the rights, title, interest, benefits and entitlements, present and future of the Trustee in, to and under the Transaction Documents (other than in relation to the Excluded Representations and the covenant given to the Trustee pursuant to clause 17.1 of the Master Trust Deed);
- (iv) any and all moneys standing to the credit of the Transaction Account from time to time; and
- (v) all proceeds of the foregoing.

See "Summary of the Principal Transaction Documents" appearing elsewhere in this Base Offering Circular for more information on the Trust Assets and the Transaction Documents.

- (b) **Application of Proceeds from Trust Assets:** On each Periodic Distribution Date and on any Dissolution Date, the Principal Paying Agent shall apply the moneys standing to the credit of the relevant Transaction Account in the following order of priority (in each case only if and to the extent that payments of a higher priority have been made in full):
 - (i) *first*, (to the extent not previously paid) to the Delegate in respect of all amounts owing to it under the Transaction Documents in its capacity as Delegate (including any amounts owing to the Delegate in respect of its Appointees (as defined in the Master Trust Deed)) and to any receiver, manager or administrative receiver or any other analogous officer appointed in respect of the Trust by the Delegate in accordance with the Trust Deed, in each case as notified to the Trustee and the Obligor on or before such Periodic Distribution Date or Dissolution Date, as the case may be;
 - (ii) *second*, each Agent in respect of all amounts owing to such Agent on account of its fees, actual costs, charges and expenses and the payment or satisfaction of any liability properly incurred by such Agent pursuant to the Agency Agreement or the other Transaction Documents in its capacity as Agent;
 - (iii) *third*, only if such payment is made on a Periodic Distribution Date, in or towards payment *pari passu* and rateably of all Periodic Distribution Amounts due but unpaid;
 - (iv) *fourth*, only if such payment is made on a Dissolution Date, in or towards payment *pari passu* and rateably of the relevant Dissolution Distribution Amount; and
 - (v) *fifth*, only if such payment is made on a Dissolution Date on which all Certificates of the relevant Series are redeemed in full and **provided that** all amounts required to be paid in respect of such Certificates have been discharged in full, in payment of any residual amount to the Obligor in its capacity as Servicing Agent as an incentive payment for its performance as servicing agent under the Servicing Agency Agreement.
- (c) **Transaction Account:** The Trustee will establish a Transaction Account in respect of each Series on or before the relevant Issue Date. The Transaction Account shall be operated by the Principal Paying Agent on behalf of the Trustee and shall be the account into which the Obligor will deposit all amounts payable by it to the Trustee pursuant to the terms of the Transaction Documents.

6. Trustee Covenants

The Trustee covenants that, for so long as any Certificate is outstanding, it shall not (without the prior written consent of the Delegate):

- (a) incur any indebtedness in respect of financed, borrowed or raised money whatsoever (whether structured (or intended to be structured) in accordance with the principles of *Shari'a* or otherwise), or give any guarantee or indemnity in respect of any obligation of any person or issue any shares (or rights, warrants or options in respect of shares or securities convertible into or exchangeable for shares) except, in all cases, as contemplated in the Transaction Documents or any other documents entered into under the Programme;

- (b) secure any of its present or future indebtedness by any lien, pledge, charge or other security interest upon any of its present or future assets, properties or revenues (other than those arising by operation of law (if any) and other than under or pursuant to any of the Transaction Documents or any other documents entered into under the Programme);
- (c) sell, lease, transfer, assign, participate, exchange or otherwise dispose of, or pledge, mortgage, hypothecate or otherwise encumber (by security interest, lien (statutory or otherwise), preference, priority or other security agreement or preferential arrangement of any kind or nature whatsoever or otherwise) (or permit such to occur or suffer such to exist), any part of its interests in any of the Trust Assets except pursuant to any of the Transaction Documents or any other documents entered into under the Programme;
- (d) except as provided in Condition 17 (*Meetings of Certificateholders, Modification and Waiver*), amend or agree to any amendment of any Transaction Document or any other documents entered into under the Programme to which it is a party (other than in accordance with the terms thereof) or its constitutional documents;
- (e) except as provided in the Trust Deed, act as trustee in respect of any trust other than the Trust or in respect of any parties other than the Certificateholders;
- (f) have any subsidiaries or employees;
- (g) redeem or purchase any of its shares or pay any dividend or make any other distribution to its shareholders;
- (h) use the proceeds of the issue of the Certificates for any purpose other than as stated in the Transaction Documents or any other documents entered into under the Programme;
- (i) put to its directors or shareholders any resolution for, or appoint any liquidator for, its winding-up or any resolution for the commencement of any other bankruptcy or insolvency proceeding with respect to it; or
- (j) enter into any contract, transaction, amendment, obligation or liability other than, the Transaction Documents or any other documents entered into under the Programme to which it is a party or any permitted amendment or supplement thereto or as expressly contemplated, permitted or required thereunder or engage in any business or activity other than:
 - (i) as contemplated, provided for or permitted in the Transaction Documents or any other documents entered into under the Programme, as applicable;
 - (ii) the ownership, management and disposal of the Trust Assets as provided in the Transaction Documents or any other documents entered into under the Programme; and
 - (iii) such other matters which are incidental thereto.

7. Negative Pledge

The Obligor has, pursuant to the Purchase Undertaking, undertaken that, so long as any Certificate remains outstanding, the Obligor shall not, and shall procure that none of the Principal Subsidiaries will, create or have outstanding any Security Interest, other than a Permitted Security Interest, upon the whole or any part of its present or future undertaking, assets or revenues (including uncalled capital) to secure (i) any Relevant Indebtedness of the Obligor or (ii) any Guarantee (by the Obligor) of any Relevant Indebtedness of others without (a) at the same time or prior thereto according to the Certificates the same security as is created or subsisting to secure any such Relevant Indebtedness or any Guarantee in respect of such relevant Indebtedness; or (b) providing such other Security Interest for the Certificates as: (i) the Delegate shall in its absolute discretion deem not materially less beneficial to the interests of the Certificateholders; or (ii) as may be approved by Extraordinary Resolution of the Certificateholders.

In this Condition 7 (*Negative Pledge*):

"Guarantee" means, in relation to any Indebtedness or Relevant Indebtedness of any person, any obligation of another person to pay such Indebtedness or Relevant Indebtedness following demand or claim on that person including (without limitation):

- (a) any obligation to purchase such Indebtedness or Relevant Indebtedness;
- (b) any obligation to extend financing, to purchase or subscribe shares or other securities or to purchase assets or services in order to provide funds for the payment of such Indebtedness or Relevant Indebtedness;
- (c) any indemnity against the consequences of a default in the payment of such Indebtedness or Relevant Indebtedness; and
- (d) any other agreement to be responsible for such Indebtedness or Relevant Indebtedness;

"Indebtedness" means any present or future indebtedness of any person for or in respect of any money borrowed or raised including (without limitation) any borrowed money or liability arising under or in respect of any acceptance or acceptance credit or evidenced by any notes, bonds, debentures, debenture stock, loan stock or other securities or any monies raised under any transaction having the commercial effect of borrowing or raising money;

"Non-recourse Project Financing" means any financing of all or part of the costs of the acquisition, construction or development of any project, **provided that:** (i) any Security Interest given by the Bank or the relevant Principal Subsidiary, as the case may be, is limited solely to assets of the project, (ii) the person providing such financing expressly agrees to limit its recourse to the project financed and the revenues derived from such project as the principal source of repayment for the monies advanced and (iii) there is no other recourse to the Bank or the relevant Principal Subsidiary, as the case may be, in respect of any default by any person under the financing;

"Permitted Security Interest" means:

- (a) any Security Interest securing any Relevant Indebtedness of a person existing at the time that such person is merged into, or consolidated with the Bank or the relevant Principal Subsidiary, as the case may be, **provided that** such Security Interest was not created in contemplation of such merger or consolidation and does not extend to any other assets or property of the Bank or the relevant Principal Subsidiary, as the case may be;
- (b) any Security Interest existing on any property or assets prior to the acquisition thereof by the Bank or the relevant Principal Subsidiary, as the case may be, **provided that** such Security Interest was not created in contemplation of such acquisition and does not extend to other assets or property of the Bank or the relevant Principal Subsidiary, as the case may be (other than proceeds of such acquired assets or property), and **provided that** the maximum amount of Relevant Indebtedness thereafter secured by such Security Interest does not exceed the purchase price of such property or the Relevant Indebtedness incurred solely for the purpose of financing the acquisition of such property; or
- (c) any renewal of or substitution for any Security Interest permitted by any of paragraphs (a) to (b) (inclusive) of this definition, **provided that** with respect to any such Security Interest the principal amount secured has not increased and the Security Interest has not been extended to any additional assets (other than the proceeds of such assets);

"Relevant Indebtedness" means: (i) any Indebtedness, other than Indebtedness incurred in connection with a Non-recourse Project Financing or a Securitisation, which is in the form of, or represented or evidenced by, bonds, notes, debentures, loan stock or other securities which for the time being are, or are intended to be or are capable of being, quoted, listed, dealt in or traded on any stock exchange, over-the-counter or other securities market; and (ii) any Relevant Sukuk Obligation;

"Relevant Sukuk Obligation" means any undertaking or other obligation, other than any undertaking or obligation incurred in connection with a Non-recourse Project Financing or a Securitisation, to pay any money given in connection with the issue of certificates, whether or not in return for consideration of any kind, which for the time being are, or are intended to be or are capable of being, quoted, listed, dealt in or traded on any stock exchange, over-the-counter or other securities market;

"Securitisation" means any securitisation of existing or future assets and/or revenues, **provided that:** (i) any Security Interest given by the Bank or the relevant Principal Subsidiary, as the case may be, in connection therewith is limited solely to the assets and/or revenues which are the subject of the securitisation; (ii) each person participating in such securitisation expressly agrees to limit its recourse to the assets and/or revenues so securitised as the principal source of repayment for the money advanced or payment of any other liability; and (iii) there is no other recourse to the Bank or the relevant Principal Subsidiary, as the case may be, in respect of any default by any person under the securitisation;

"Security Interest" means any mortgage, charge, pledge, lien or other security interest including, without limitation, anything analogous to any of the foregoing under the laws of any jurisdiction; and

8. Periodic Distribution Amounts

(a) **Fixed Rate Certificates:** Each Fixed Rate Certificate bears profit on its outstanding face amount from, and including, the Profit Commencement Date at the rate per annum (expressed as a percentage) equal to the Profit Rate, such profit being payable in arrear on each Periodic Distribution Date.

(b) **Floating Rate Certificates:**

(i) *Periodic Distribution Amounts and Periodic Distribution Dates:* Each Floating Rate Certificate bears profit on its outstanding face amount from, and including, the Profit Commencement Date at the rate per annum (expressed as a percentage) equal to the Profit Rate, such profit being payable in arrear on each Periodic Distribution Date. The amount of profit payable shall be determined in accordance with Condition 8(g) (*Calculations*). Such Periodic Distribution Date(s) is/are either specified in the applicable Pricing Supplement as Specified Periodic Distribution Dates or, if no Specified Periodic Distribution Date(s) is/are specified in the applicable Pricing Supplement, **"Periodic Distribution Date"** shall mean each date which falls the number of months or other period specified in the applicable Pricing Supplement as the Periodic Distribution Period after the preceding Periodic Distribution Date or, in the case of the first Periodic Distribution Date, after the Profit Commencement Date.

(ii) *Business Day Convention:* If any date referred to in these Conditions that is specified to be subject to adjustment in accordance with a Business Day Convention would otherwise fall on a day that is not a Business Day, then, if the Business Day Convention specified is (A) the Floating Rate Business Day Convention, such date shall be postponed to the next day that is a Business Day unless it would thereby fall into the next calendar month, in which event (x) such date shall be brought forward to the immediately preceding Business Day and (y) each subsequent such date shall be the last Business Day of the month in which such date would have fallen had it not been subject to adjustment, (B) the Following Business Day Convention, such date shall be postponed to the next day that is a Business Day, (C) the Modified Following Business Day Convention, such date shall be postponed to the next day that is a Business Day unless it would thereby fall into the next calendar month, in which event such date shall be brought forward to the immediately preceding Business Day or (D) the Preceding Business Day Convention, such date shall be brought forward to the immediately preceding Business Day.

(iii) *Profit Rate for Floating Rate Certificates:* The Profit Rate in respect of Floating Rate Certificates for each Periodic Distribution Period shall be determined in the manner specified in the applicable Pricing Supplement and the provisions below relating to either ISDA Determination or Screen Rate Determination shall apply, depending upon which is specified in the applicable Pricing Supplement.

(A) ISDA Determination for Floating Rate Certificates

Where ISDA Determination is specified in the applicable Pricing Supplement as the manner in which the Profit Rate is to be determined, the Profit Rate for each Periodic Distribution Period shall be determined by the Calculation Agent as a rate equal to the relevant ISDA Rate. For the purposes of this paragraph (A) **"ISDA Rate"** for a Periodic Distribution Period means a rate equal to the Floating Rate that would be determined by the Calculation Agent

under a Swap Transaction under the terms of an agreement incorporating the ISDA Definitions and under which:

- (x) if the Pricing Supplement specifies either "**2006 ISDA Definitions**" or "**2021 ISDA Definitions**" as the applicable ISDA Definitions:
 - (1) the Floating Rate Option (as defined in the relevant ISDA Definitions) is as specified in the applicable Pricing Supplement;
 - (2) the Designated Maturity (as defined in the relevant ISDA Definitions), if applicable, is a period specified in the applicable Pricing Supplement;
 - (3) the relevant Reset Date (as defined in the relevant ISDA Definitions) is as specified in the applicable Pricing Supplement;
 - (4) if the specified Floating Rate Option is an Overnight Floating Rate Option (as defined in the relevant ISDA Definitions), Compounding is specified to be applicable in the applicable Pricing Supplement and:
 - (I) Compounding with Lookback is specified as the Compounding Method in the applicable Pricing Supplement, Lookback is the number of Applicable Business Days (as defined in the relevant ISDA Definitions) specified in the applicable Pricing Supplement;
 - (II) Compounding with Observation Period Shift is specified as the Compounding Method in the applicable Pricing Supplement, (a) Observation Period Shift is the number of Observation Period Shift Business Days (as defined in the relevant ISDA Definitions) specified in the applicable Pricing Supplement and (b) Observation Period Shift Additional Business Days (as defined in the relevant ISDA Definitions), if applicable, are the days specified in the applicable Pricing Supplement; or
 - (III) Compounding with Lockout is specified as the Compounding Method in the applicable Pricing Supplement, (a) Lockout is the number of Lockout Period Business Days (as defined in the relevant ISDA Definitions) specified in the applicable Pricing Supplement and (b) Lockout Period Business Days, if applicable, are the days specified in the applicable Pricing Supplement; and
 - (5) if the specified Floating Rate Option is an Index Floating Rate Option (as defined in the relevant ISDA Definitions) and Index Provisions are specified to be applicable in the applicable Pricing Supplement, the Compounded Index Method with Observation Period Shift shall be applicable and, (a) Observation Period Shift is the number of Observation Period Shift Business Days (as defined in the relevant ISDA Definitions) if applicable, specified in the applicable Pricing Supplement and (b) Observation Period Shift Additional Business Days (as defined in the relevant ISDA Definitions) are the days, if applicable, specified in the applicable Pricing Supplement);

- (6) references in the relevant ISDA Definitions to:
 - (I) "**Confirmation**" shall be deemed to be references to the applicable Pricing Supplement;
 - (II) "**Calculation Period**" shall be deemed to be references to the relevant Periodic Distribution Period;
 - (III) "**Termination Date**" shall be deemed to be references to the Scheduled Dissolution Date; and
 - (IV) "**Effective Date**" shall be deemed to be references to the Profit Commencement Date; and
- (y) if the Pricing Supplement specifies "**2021 ISDA Definitions**" as the applicable ISDA Definitions:
 - (1) Administrator/Benchmark Event shall be disappplied; and
 - (2) if the Temporary Non-Publication Fallback for any specified Floating Rate Option is specified to be "**Temporary Non-Publication Fallback –Alternative Rate**" in the Floating Rate Matrix of the 2021 ISDA Definitions, the reference to "**Calculation Agent Alternative Rate Determination**" in the definition of "**Temporary Non-Publication Fallback –Alternative Rate**" shall be replaced by "**Temporary Non-Publication Fallback –Previous Day's Rate**".

(B) Screen Rate Determination

- (I) Subject to Condition 8(c) (*Benchmark Discontinuation*), where Screen Rate Determination not referencing SOFR or SONIA is specified in the applicable Pricing Supplement as the manner in which the Profit Rate is to be determined:
 - (x) the Profit Rate for each Periodic Distribution Period will, subject as provided below, be either:
 - (1) the offered quotation; or
 - (2) the arithmetic mean of the offered quotations,

(expressed as a percentage rate per annum) for the Reference Rate (as specified in the applicable Pricing Supplement) which appears or appear, as the case may be, on the Relevant Screen Page at the Relevant Time on the Profit Rate Determination Date in question as determined by the Calculation Agent. If five or more of such offered quotations are available on the Relevant Screen Page, the highest (or, if there is more than one such highest quotation, one only of such quotations) and the lowest (or, if there is more than one such lowest quotation, one only of such quotations) shall be disregarded by the Calculation Agent for the purpose of determining the arithmetic mean of such offered quotations.
 - (y) If the Relevant Screen Page is not available, or if paragraph (x)(1) above applies and no such offered quotation appears on the Relevant Screen Page or if paragraph (x)(2) above applies and fewer than three such offered quotations appear on the Relevant Screen Page, in each case as at the Relevant Time, **provided that**, the Profit Rate cannot be determined in accordance with the foregoing provisions of this paragraph and subject to Condition 8(c) (*Benchmark*

Discontinuation) below, the Profit Rate shall be determined as at the last preceding Profit Rate Determination Date (though substituting, where a different Margin or Maximum Profit Rate or Minimum Profit Rate is to be applied to the relevant Periodic Distribution Period from that which applied to the last preceding Periodic Distribution Period, the Margin or Maximum Profit Rate or Minimum Profit Rate relating to the relevant Periodic Distribution Period, in place of the Margin or Maximum Profit Rate or Minimum Profit Rate relating to that last preceding Periodic Distribution Period).

- (II) Where Screen Rate Determination Referencing SOFR is specified in the applicable Pricing Supplement as the manner in which the Profit Rate is to be determined, the Profit Rate for each Periodic Distribution Period will, subject to Condition 8(c) (*Benchmark Discontinuation*) and as provided below, be equal to the relevant SOFR Benchmark plus or minus the Margin (if any, as indicated in the applicable Pricing Supplement), all as determined by the Calculation Agent on the relevant Profit Rate Determination Date. The "**SOFR Benchmark**" will be determined based on Simple SOFR Average, Compounded Daily SOFR or Compounded SOFR Index, as follows (subject in each case to Condition 8(c) (*Benchmark Discontinuation*)):
- (x) If Simple SOFR Average ("**Simple SOFR Average**") is specified in the applicable Pricing Supplement as the manner in which the SOFR Benchmark will be determined, the SOFR Benchmark specified in the applicable Pricing Supplement for each Periodic Distribution Period shall be the arithmetic mean of the SOFR reference rates for each day during the Periodic Distribution Period, as calculated by the Calculation Agent, and (i) for each day during the period which is not a U.S. Government Securities Business Day, the SOFR reference rate shall be deemed to be the SOFR reference rate on the immediately preceding U.S. Government Securities Business Day and (ii) where, if applicable and as specified in the applicable Pricing Supplement, the SOFR reference rate on the SOFR Rate Cut-Off Date shall be used for the days in the period from (and including) the SOFR Rate Cut-Off Date to (but excluding) the Profit Period Date.
- (y) If Compounded Daily SOFR ("**Compounded Daily SOFR**") is specified in the applicable Pricing Supplement as the manner in which the SOFR Benchmark will be determined, the SOFR Benchmark for each Periodic Distribution Period shall be equal to the compounded average of daily SOFR reference rates for each day during (x) where SOFR Lag, SOFR Payment Delay or SOFR Lockout is specified as applicable in the applicable Pricing Supplement to determine Compounded Daily SOFR, the relevant Periodic Distribution Period or (y) where SOFR Observation Shift is specified as applicable in the applicable Pricing Supplement to determine Compounded Daily SOFR, the SOFR Observation Period, in each case as calculated by the Calculation Agent in accordance with one of the formulas referenced below depending upon which is specified as applicable in the applicable Pricing Supplement.

(1) SOFR Lag:

$$\left(\prod_{i=1}^{d_o} \left(1 + \frac{SOFR_{i-xUSBD} \times n_i}{360} \right) - 1 \right) \times \frac{360}{d}$$

with the resulting percentage being rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with 0.000005 per cent. being rounded upwards) and where:

- (a) **"SOFRi-xUSBD"** for any U.S. Government Securities Business Day "i" in the relevant Periodic Distribution Period, is equal to the SOFR reference rate for the U.S. Government Securities Business Day falling the number of Lookback Days prior to that U.S. Government Securities Business Day "i";
- (b) **"Lookback Days"** means such number of U.S. Government Securities Business Days as specified in the applicable Pricing Supplement, which shall (unless otherwise agreed by the Calculation Agent) be no less than five U.S. Government Securities Business Days;
- (c) **"d"** means the number of calendar days in the relevant Periodic Distribution Period;
- (d) **"d_o"** for any Periodic Distribution Period, means the number of U.S. Government Securities Business Days in the relevant Periodic Distribution Period;
- (e) **"i"** means a series of whole numbers ascending from one to d_o, representing each relevant U.S. Government Securities Business Day from (and including) the first U.S. Government Securities Business Day in the relevant Periodic Distribution Period; and
- (f) **"n_i"** for any U.S. Government Securities Business Day "i" in the relevant Periodic Distribution Period, means the number of calendar days from (and including) such U.S. Government Securities Business Day "i" up to (but excluding) the following U.S. Government Securities Business Day.

(2) SOFR Observation Shift:

$$\left(\prod_{i=1}^{d_o} \left(1 + \frac{SOFR_i \times n_i}{360} \right) - 1 \right) \times \frac{360}{d}$$

with the resulting percentage being rounded, if necessary, to the nearest one hundred-thousandth of

a percentage point (with 0.000005 per cent. being rounded upwards) and where:

- (a) **"SOFR_i"** for any U.S. Government Securities Business Day "i" in the relevant SOFR Observation Period, is equal to the SOFR reference rate for that U.S. Government Securities Business Day "i";
- (b) **"SOFR Observation Period"** means, in respect of each Periodic Distribution Period, the period from (and including) the date falling the number of SOFR Observation Shift Days prior to the first day of the relevant Periodic Distribution Period to (but excluding) the date falling the number of SOFR Observation Shift Days prior to the Profit Period Date for such Periodic Distribution Period;
- (c) **"SOFR Observation Shift Days"** means the number of U.S. Government Securities Business Days as specified in the applicable Pricing Supplement, which shall (unless otherwise agreed by the Calculation Agent) be no less than five U.S. Government Securities Business Days;
- (d) **"d"** means the number of calendar days in the relevant SOFR Observation Period;
- (e) **"d_o"** for any SOFR Observation Period, means the number of U.S. Government Securities Business Days in the relevant SOFR Observation Period;
- (f) **"i"** means a series of whole numbers ascending from one to d_o, representing each U.S. Government Securities Business Day from (and including) the first U.S. Government Securities Business Day in the relevant SOFR Observation Period; and
- (g) **"n_i"** for any U.S. Government Securities Business Day "i" in the relevant SOFR Observation Period, means the number of calendar days from (and including) such U.S. Government Securities Business Day "i" up to (but excluding) the following U.S. Government Securities Business Day.

(3) SOFR Payment Delay:

$$\left(\prod_{i=1}^{d_o} \left(1 + \frac{SOFR_i \times n_i}{360} \right) - 1 \right) \times \frac{360}{d}$$

with the resulting percentage being rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with 0.000005 per cent. being rounded upwards) and where:

- (a) "**SOFR_i**" for any U.S. Government Securities Business Day "i" in the relevant Periodic Distribution Period, is equal to the SOFR reference rate for that U.S. Government Securities Business Day "i";
- (b) "**Periodic Distribution Date**" shall be the number of Periodic Distribution Delay Days following each Profit Period Date; **provided that** the Periodic Distribution Date with respect to the final Periodic Distribution Period will be the Scheduled Dissolution Date or the relevant Dissolution Date on which all Certificates of the relevant Series shall be redeemed in full;
- (c) "**Periodic Distribution Delay Days**" means the number of U.S. Government Securities Business Days as specified in the applicable Pricing Supplement, which shall (unless otherwise agreed by the Calculation Agent) be no less than five U.S. Government Securities Business Days;
- (d) "**d**" means the number of calendar days in the relevant Periodic Distribution Period;
- (e) "**d₀**" for any Periodic Distribution Period, means the number of U.S. Government Securities Business Days in the relevant Periodic Distribution Period;
- (f) "**i**" means a series of whole numbers ascending from one to do, representing each relevant U.S. Government Securities Business Day from (and including) the first U.S. Government Securities Business Day in the relevant Periodic Distribution Period; and
- (g) "**n_i**" for any U.S. Government Securities Business Day "i" in the relevant Periodic Distribution Period, means the number of calendar days from (and including) such U.S. Government Securities Business Day "i" up to (but excluding) the following U.S. Government Securities Business Day.

For the purposes of calculating Compounded Daily SOFR with respect to the final Periodic Distribution Period where SOFR Payment Delay is specified in the applicable Pricing Supplement, the SOFR reference rate for each U.S. Government Securities Business Day in the period from (and including) the SOFR Rate Cut-Off Date to (but excluding) the Scheduled Dissolution Date or the relevant Dissolution Date on which all Certificates of the relevant Series shall be redeemed in full, as applicable, shall be the SOFR reference rate in respect of such SOFR Rate Cut-Off Date.

(4) SOFR Lockout:

$$\left(\prod_{i=1}^{d_o} \left(1 + \frac{SOFR_i \times n_i}{360} \right) - 1 \right) \times \frac{360}{d}$$

with the resulting percentage being rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with 0.000005 per cent. being rounded upwards) and where:

- (a) "**SOFR_i**" for any U.S. Government Securities Business Day "i" in the relevant Periodic Distribution Period, is equal to the SOFR reference rate for that U.S. Government Securities Business Day "i", except that the SOFR for any U.S. Government Securities Business Day "i" in respect of the period from (and including) the SOFR Rate Cut-Off Date to (but excluding) the Profit Period Date for such Periodic Distribution Period shall be the SOFR reference rate in respect of such SOFR Rate Cut-Off Date;
 - (b) "**d**" means the number of calendar days in the relevant Periodic Distribution Period;
 - (c) "**d_o**" for any Periodic Distribution Period, means the number of U.S. Government Securities Business Days in the relevant Periodic Distribution Period;
 - (d) "**i**" means a series of whole numbers ascending from one to d_o, representing each relevant U.S. Government Securities Business Day from (and including) the first U.S. Government Securities Business Day in the relevant Periodic Distribution Period; and
 - (e) "**n_i**" for any U.S. Government Securities Business Day "i" in the relevant Periodic Distribution Period, means the number of calendar days from (and including) such U.S. Government Securities Business Day "i" up to (but excluding) the following U.S. Government Securities Business Day.
- (z) If Compounded SOFR Index ("**Compounded SOFR Index**") is specified as applicable in the applicable Pricing Supplement, the SOFR Benchmark for each Periodic Distribution Period shall be equal to the compounded average of daily SOFR reference rates for each day during the relevant SOFR Observation Period as calculated by the Calculation Agent as follows:

$$\left(\frac{SOFR Index_{End}}{SOFR Index_{Start}} - 1 \right) \times \left(\frac{360}{d_c} \right)$$

with the resulting percentage being rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with 0.000005 per cent. being rounded upwards) and where:

- (1) **"SOFR Index"**, in respect of a U.S. Government Securities Business Day, means the SOFR Index value as published on the SOFR Administrator's Website at the SOFR Index Determination Time on such U.S. Government Securities Business Day, **provided that:**
 - (a) if the value specified above does not appear and a Benchmark Event (or, if Condition 8(d) (*Benchmark Discontinuation (SOFR)*) applies, a SOFR Benchmark Transition Event and its related Benchmark Replacement Date) have not occurred, the **"Compounded SOFR Index"** shall be calculated on any Periodic Distribution Determination Date with respect to a Periodic Distribution Period, in accordance with the Compounded Daily SOFR formula described above in paragraph (B)(II)(y) above, and the term **"SOFR Observation Shift Days"** (unless otherwise agreed by the Calculation Agent) shall mean five U.S. Government Securities Business Days; or
 - (b) if the value specified above does not appear and a Benchmark Event (or, if Condition 8(d) (*Benchmark Discontinuation (SOFR)*) applies, a SOFR Benchmark Transition Event and its related Benchmark Replacement Date have occurred, the provisions set forth in Condition 8(c)(i) (*Benchmark Discontinuation*) or Condition 8(d) (*Benchmark Discontinuation (SOFR)*) shall apply as specified in the applicable Pricing Supplement;
- (2) **"SOFR Index_{End}"** means, in respect of a Periodic Distribution Period, the SOFR Index value on the date that is the number of SOFR Index_{End} Days specified in the applicable Pricing Supplement prior to the Profit Period Date for such Periodic Distribution Period (or in the final Periodic Distribution Period, the Scheduled Dissolution Date);
- (3) **"SOFR Index_{Start}"** means, in respect of a Periodic Distribution Period, the SOFR Index value on the date that is the number of SOFR Index_{Start} Days specified in the applicable Pricing Supplement prior to the first day of such Periodic Distribution Period;
- (4) **"SOFR Index Determination Time"** means, in respect of a U.S. Government Securities Business Day, approximately 3:00 p.m. (New York City time) on such U.S. Government Securities Business Day;
- (5) **"SOFR Observation Period"** means, in respect of a Periodic Distribution Period, the period from (and including) the date falling the number of SOFR

Observation Shift Days prior to the first day of the relevant Periodic Distribution Period to (but excluding) the date falling the number of SOFR Observation Shift Days prior to the Profit Period Date for such Periodic Distribution Period;

(6) **"SOFR Observation Shift Days"** means the number of U.S. Government Securities Business Days as specified in the applicable Pricing Supplement, which shall (unless otherwise agreed by the Calculation Agent) be no less than five U.S. Government Securities Business Days; and

(7) **"d_c"** means the number of calendar days in the applicable SOFR Observation Period.

(III) Where Screen Rate Determination Referencing SONIA is specified in the applicable Pricing Supplement as the manner in which the Profit Rate is to be determined:

(x) If SONIA Compounded Index Rate is specified in the applicable Pricing Supplement as being applicable, the Profit Rate for each Periodic Distribution Period will, subject to Condition 8(c) (*Benchmark Discontinuation*), be the SONIA Compounded Index Rate as follows, plus or minus (as indicated in the applicable Pricing Supplement) the Margin.

For the purposes of this paragraph (III)(x):

"SONIA Compounded Index Rate" means with respect to a Periodic Distribution Period, the rate of return of a daily compound profit investment during the Observation Period corresponding to such Periodic Distribution Period (with the daily Sterling overnight reference rate as reference rate for the calculation of profit) and will be calculated by the Calculation Agent on the Periodic Distribution Determination Date, as follows, and the resulting percentage will be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with 0.000005 per cent. being rounded upwards)

$$\left(\frac{SONIA \text{ Compounded Index}_{END}}{SONIA \text{ Compounded Index}_{START}} - 1 \right) \times \left(\frac{365}{d} \right)$$

provided, however, that and subject to paragraph (i) of Condition 8(c) (*Benchmark Discontinuation*), if the SONIA Compounded Index Value is not available in relation to any Periodic Distribution Period on the Relevant Screen Page for the determination of either or both of SONIA Compounded Index_{START} and SONIA Compounded Index_{END}, the Profit Rate shall be calculated for such Periodic Distribution Period on the basis of the SONIA Compounded Daily Reference Rate as set out in paragraph (III)(y) as if SONIA Compounded Daily Reference Rate with Observation Shift had been specified in the applicable Pricing Supplement and the **"Relevant Screen Page"** shall be deemed to be the **"Relevant Fallback Screen Page"** as specified in the applicable Pricing Supplement,

where:

"d" means the number of calendar days in the relevant Observation Period;

"London Business Day", means any day on which commercial banks are open for general business (including dealing in foreign exchange and foreign currency deposits) in London;

"Observation Period" means, in respect of a Periodic Distribution Period, the period from (and including) the date falling "p" London Business Days prior to the first day of such Periodic Distribution Period (and the first Observation Period shall begin on and include the date which is "p" London Business Days prior to the Issue Date) and ending on (but excluding) the date which is "p" London Business Days prior to the Periodic Distribution Date for such Periodic Distribution Period (or the date falling "p" London Business Days prior to such earlier date, if any, on which the Certificates become due and payable);

"p" means, for any Periodic Distribution Period the whole number specified in the applicable Pricing Supplement (or, if no such number is so specified, five London Business Days) representing a number of London Business Days;

"SONIA Compounded Index" means the index known as the SONIA Compounded Index administered by the Bank of England (or any successor administrator thereof);

"SONIA Compounded Index_{START}" means, in respect of a Periodic Distribution Period, the SONIA Compounded Index Value on the date falling "p" London Business Days prior to (i) the first day of such Periodic Distribution Period, or (ii) in the case of the first Periodic Distribution Period, the Issue Date;

"SONIA Compounded Index_{END}" means the SONIA Compounded Index Value on the date falling "p" London Business Days prior to (i) in respect of a Periodic Distribution Period, the Periodic Distribution Date for such Periodic Distribution Period, or (ii) if the Certificates become due and payable prior to the end of a Periodic Distribution Period, the date on which the Certificates become so due and payable; and

"SONIA Compounded Index Value" means in relation to any London Business Day, the value of the SONIA Compounded Index as published by authorised distributors on the Relevant Screen Page on such London Business Day or, if the value of the SONIA Compounded Index cannot be obtained from such authorised distributors, as published on the Bank of England's Website at www.bankofengland.co.uk/boeapps/database/ (or such other page or website as may replace such page for the purposes of publishing the SONIA Compounded Index) on such London Business Day.

- (y) If SONIA Compounded Daily Reference Rate is specified in the applicable Pricing Supplement as being applicable, the Profit Rate for each Periodic Distribution Period will, subject to Condition 8(c) (*Benchmark Discontinuation*), be equal to the SONIA Compounded Daily Reference Rate as follows, plus or minus (if any) (as indicated in the applicable Pricing Supplement) the Margin.

"SONIA Compounded Daily Reference Rate" means, in respect of a Periodic Distribution Period, the rate of return of

a daily compound profit investment (with the daily Sterling overnight reference rate as reference rate for the calculation of profit) and will be calculated by the Calculation Agent on the Periodic Distribution Determination Date, as follows, and the resulting percentage will be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with 0.000005 per cent. being rounded upwards),

$$\left[\prod_{i=1}^{d_o} \left(1 + \frac{SONIA_i \times n_i}{365} \right) - 1 \right] \times \frac{365}{d}$$

Where:

"London Business Day", **"Observation Period"** and **"p"** have the meanings set out under paragraph (III)(x) of Condition 8 (*Periodic Distribution Amounts*);

"d" is the number of calendar days in the relevant:

- (i) Observation Period where Observation Shift is specified in the applicable Pricing Supplement; or
- (ii) Periodic Distribution Period where Lag is specified in the applicable Pricing Supplement;

"d_o" is the number of London Business Days in the relevant:

- (i) Observation Period where Observation Shift is specified in the applicable Pricing Supplement; or
- (ii) Periodic Distribution Period where Lag is specified in the applicable Pricing Supplement;

"i" is a series of whole numbers from one to d_o, each representing the relevant London Business Day in chronological order from, and including, the first London Business Day in the relevant:

- (i) Observation Period where Observation Shift is specified in the applicable Pricing Supplement; or
- (ii) Periodic Distribution Period where Lag is specified in the applicable Pricing Supplement;

"n_i", for any London Business Day "i", means the number of calendar days from and including such London Business Day "i" up to but excluding the following London Business Day;

"SONIA_i" means, in relation to any London Business Day the SONIA reference rate in respect of:

- (i) that London Business Day "i" where Observation Shift is specified in the applicable Pricing Supplement; or
- (ii) the London Business Day (being a London Business Day falling in the relevant Observation Period) falling "p" London Business Days prior to the relevant London Business Day "i" where Lag is specified in the applicable Pricing Supplement; and

the **"SONIA reference rate"**, in respect of any London Business Day, is a reference rate equal to the daily SONIA

rate for such London Business Day as provided by the administrator of SONIA to authorised distributors and as then published on the Relevant Screen Page on the next following London Business Day or, if the Relevant Screen Page is unavailable, as published by authorised distributors on such London Business Day or, if SONIA cannot be obtained from such authorised distributors, as published on the Bank of England's Website at www.bankofengland.co.uk/boeapps/database/ (or such other page or website as may replace such page for the purposes of publishing the SONIA reference rate).

- (z) Subject to Condition 8(c) (*Benchmark Discontinuation*) where SONIA is specified as the Reference Rate in the applicable Pricing Supplement and either (i) SONIA Compounded Daily Reference Rate is specified in the applicable Pricing Supplement, or (ii) the SONIA Compounded Index Rate is specified in the applicable Pricing Supplement and paragraph (iii)(B)(III)(x) of Condition 8(b) (*Floating Rate Certificates*) applies, if, in respect of any London Business Day, the SONIA reference rate is not available on the Relevant Screen Page or Relevant Fallback Screen Page as applicable, (or as otherwise provided in the relevant definition thereof), such Reference Rate shall be:
 - (A) the Bank of England's Bank Rate (the "**Bank Rate**") prevailing at close of business on the relevant London Business Day; plus (ii) the mean of the spread of the SONIA reference rate to the Bank Rate over the previous five days on which the SONIA reference rate has been published, excluding the highest spread (or, if there is more than one highest spread, one only of those highest spreads) and lowest spread (or, if there is more than one lowest spread, one only of those lowest spreads) to the Bank Rate, or
 - (B) if such Bank Rate is not available, the SONIA reference rate published on the Relevant Screen Page (or as otherwise provided in the relevant definition thereof) for the first preceding London Business Day on which the SONIA reference rate was published on the Relevant Screen Page (or as otherwise provided in the relevant definition thereof), and, in each case, SONIA_i shall be interpreted accordingly.

If the Profit Rate cannot be determined in accordance with the foregoing provisions, but without prejudice to Condition 8(c) (*Benchmark Discontinuation*), the Profit Rate shall be (i) that determined as at the last preceding Periodic Distribution Determination Date (though substituting, where a different Margin or Maximum Profit Rate or Minimum Profit Rate is to be applied to the relevant Periodic Distribution Period from that which applied to the last preceding Periodic Distribution Period, the Margin or Maximum Profit Rate or Minimum Profit Rate relating to the relevant Periodic Distribution Period, in place of the Margin or Maximum Profit Rate or Minimum Profit Rate relating to that last preceding Periodic Distribution Period) or (ii) if there is no such preceding Periodic Distribution Determination Date, the initial Profit Rate which would have been applicable to such Series of Certificates for the first Periodic Distribution Period had the Certificates been in issue for a period equal in duration to the scheduled first Periodic Distribution Period but ending on (and excluding) the Profit Commencement Date (but applying the Margin and any Maximum Profit Rate or Minimum Profit Rate applicable to the first Periodic Distribution Period).

- (iv) *Linear Interpolation*: Where Linear Interpolation is specified as applicable in respect of a Periodic Distribution Period in the applicable Pricing Supplement, the Profit Rate for such Periodic Distribution Period shall be calculated by the Calculation Agent by straight line linear interpolation by reference to two rates based on the relevant Reference Rate (where Screen Rate Determination is specified as applicable in the applicable Pricing Supplement) or the relevant Floating Rate Option (where ISDA Determination is specified as applicable in the applicable Pricing Supplement), one of which shall be determined as if the Applicable Maturity were the period of time for which rates are available next shorter than the length of the relevant Periodic Distribution Period and the other of which shall be determined as if the Applicable Maturity were the period of time for which rates are available next longer than the length of the relevant Periodic Distribution Period, **provided however that**, if there is no rate available for the period of time next shorter or, as the case may be, next longer, then the Obligor (in consultation with an independent financial institution of international repute or an independent financial adviser with appropriate expertise appointed by the Obligor) shall determine such rate at such time and by reference to such sources as it determines appropriate.

"**Applicable Maturity**" means, (a) in relation to Screen Rate Determination, the period of time designated in the Reference Rate and (b) in relation to ISDA Determination, the Designated Maturity.

(c) **Benchmark Discontinuation:**

- (i) This Condition 8(c) shall apply unless Condition 8(d) (*Benchmark Discontinuation (SOFR)*) is specified as applicable in the applicable Pricing Supplement.
- (ii) Independent Adviser

Notwithstanding the other provisions of this Condition 8, if a Benchmark Event occurs in relation to the relevant Reference Rate specified in the applicable Pricing Supplement when any Profit Rate (or the relevant component part thereof) remains to be determined by reference to such Reference Rate, then the following provisions shall apply:

- (A) the Obligor shall use its reasonable endeavours to appoint, as soon as reasonably practicable, an Independent Adviser to determine no later than ten Business Days prior to the relevant Profit Rate Determination Date relating to the next succeeding Periodic Distribution Period (the "**IA Determination Cut-Off Date**"), a Successor Rate or, alternatively, if there is no Successor Rate, an Alternative Reference Rate and, in either case, an Adjustment Spread and any Benchmark Amendments (in accordance with paragraph (E) below) for the purposes of determining the Profit Rate (or the relevant component part thereof) applicable to the Certificates;
- (B) if a Successor Rate or, failing which, an Alternative Reference Rate (as applicable) is determined in accordance with the preceding provisions, such Successor Rate or, failing which, Alternative Reference Rate (as applicable) shall be the Reference Rate for each of the future Periodic Distribution Periods in respect of such Certificates (subject to the subsequent operation of, and to adjustment as provided in this paragraph (ii));
- (C) the Adjustment Spread (or the formula or methodology for determining the Adjustment Spread), shall be applied to the Successor Rate or the Alternative Reference Rate (as the case may be). If the Independent Adviser (following consultation with the Trustee and the Obligor) or the Obligor, as applicable, is unable to determine the quantum of, or a formula or methodology for determining, such Adjustment Spread, then the Successor Rate or Alternative Reference Rate (as applicable) will apply without an Adjustment Spread;
- (D) if (A) the Obligor is unable to appoint an Independent Adviser in accordance with this paragraph (ii); or (B) the Independent Adviser appointed by the Obligor fails to determine a Successor Rate or, failing which, an Alternative Reference Rate in accordance with this paragraph (ii) prior to the relevant IA

Determination Cut-Off Date, the Obligor (acting in good faith and in a commercially reasonable manner following consultation with the Trustee) may elect to determine the Successor Rate or, failing which, an Alternative Reference Rate (as applicable) and, in either case, an Adjustment Spread itself for the purposes of determining the Profit Rate (or the relevant component part thereof) applicable to the Certificates or, if applicable, any Benchmark Amendments, to ensure the proper operation of such Successor Rate or Alternative Reference Rate and/or (in either case) the applicable Adjustment Spread (with the relevant provisions in this paragraph (ii) applying *mutatis mutandis* to allow such determinations to be made by the Obligor without consultation with the Independent Adviser, by no later than five Business Days prior to the Profit Rate Determination Date relating to the next Periodic Distribution Period for which the Profit Rate (or any component part thereof) is to be determined by reference to the original Reference Rate. For the avoidance of doubt, this paragraph shall apply to the relevant next succeeding Periodic Distribution Period only and any subsequent Periodic Distribution Periods are subject to the subsequent operation of, and to adjustment as provided, in this paragraph (ii);

- (E) if any Successor Rate, Alternative Reference Rate or Adjustment Spread is determined in accordance with this paragraph (ii) and the Independent Adviser (following consultation with the Trustee and the Obligor) or the Obligor, as applicable, determines in good faith: (A) that amendments to these Conditions and/or any of the Transaction Documents (including, without limitation, amendments to the definitions of Day Count Fraction, Business Day, Business Day Convention, Profit Rate Determination Date or Relevant Screen Page) are necessary to ensure the proper operation of such Successor Rate, Alternative Reference Rate and/or Adjustment Spread (such amendments, the "**Benchmark Amendments**"); and (B) the terms of the Benchmark Amendments, then, at the direction and expense of the Obligor and subject to delivery of a notice and certificate in accordance with paragraph (F) below: (x) the Trustee and the Obligor shall vary these Conditions and/or any of the Transaction Documents to give effect to such Benchmark Amendments with effect from the date specified in such notice; and (y) the Delegate and the Agents shall (at the Obligor's expense), without any requirement for the consent or sanction of Certificateholders, be obliged to concur with the Trustee and the Obligor in effecting such Benchmark Amendments (including, *inter alia*, by the execution of a deed supplemental to or amending the Trust Deed), **provided that** neither the Delegate nor any Agent shall be obliged so to concur if doing so would impose, in its opinion, more onerous obligations upon it or expose it to any liability against which it is not adequately indemnified and/or secured and/or prefunded to its satisfaction or impose any additional duties, responsibilities or liabilities or reduce or amend its rights and/or the protective provisions afforded to it.
- (F) the Obligor shall promptly, following the determination of any Successor Rate, Alternative Reference Rate (as applicable) and the specific terms of any Benchmark Amendments, give notice to the Delegate, the Agents and, in accordance with Condition 20 (*Notices*), the Certificateholders confirming: (A) that a Benchmark Event has occurred; (B) the Successor Rate or Alternative Reference Rate (as applicable); (C) any applicable Adjustment Spread; and (D) the specific terms of the Benchmark Amendments (if any). Such notice shall be irrevocable and shall specify the effective date on which such changes take effect.

No later than notifying the Certificateholders of the same, the Obligor shall deliver to the Delegate, the Calculation Agent and the Paying Agents a certificate signed by two Authorised Signatories of the Obligor:

- (I) confirming: (1) that a Benchmark Event has occurred; (2) the Successor Rate or, as the case may be, the Alternative Reference Rate; (3) the applicable Adjustment Spread and (4) the specific terms

of the Benchmark Amendments (if any), in each case as determined in accordance with the provisions of this Condition 8(c); and

- (II) certifying that the Benchmark Amendments (if any) are necessary to ensure the proper operation of such Successor Rate or Alternative Reference Rate and (in either case) the applicable Adjustment Spread.

Each of the Delegate, the Trustee, the Calculation Agent and the Paying Agents shall be entitled to rely on such certificate (without liability to any person) as sufficient evidence thereof. The Successor Rate or Alternative Reference Rate and the Adjustment Spread and the Benchmark Amendments (if any) specified in such certificate will (in the absence of manifest error or bad faith in the determination of the Successor Rate or Alternative Reference Rate and the Adjustment Spread and the Benchmark Amendments (if any) and without prejudice to the Delegate's or the Trustee's or the Calculation Agent's or the Paying Agents' ability to rely on such certificate as aforesaid) be binding on the Obligor, the Trustee, the Delegate, the Calculation Agent, the Agents and the Certificateholders.

Notwithstanding any other provision of this Condition 8, if following the determination of any Successor Rate, Alternative Reference Rate, Adjustment Spread or Benchmark Amendments (if any), in the Calculation Agent's opinion there is any uncertainty between two or more alternative courses of action in making any determination or calculation under this Condition 8, the Calculation Agent shall promptly notify the Trustee and the Obligor thereof and the Trustee and the Obligor shall direct the Calculation Agent in writing as to which alternative course of action to adopt. If the Calculation Agent is not promptly provided with such direction, or is otherwise unable (other than due to its own gross negligence, wilful default or fraud) to make such calculation or determination for any reason, it shall notify the Trustee and the Obligor thereof and the Calculation Agent shall be under no obligation to make such calculation or determination and (in the absence of such gross negligence, wilful default or fraud) shall not incur any liability for not doing so;

- (G) if, following the occurrence of a Benchmark Event and in relation to the determination of the Profit Rate (or the relevant component thereof) on the next succeeding Profit Rate Determination Date, no Successor Rate or Alternative Reference Rate (as applicable) is determined pursuant to this provision, then the Profit Rate (applicable to the next succeeding Periodic Distribution Period shall be equal to the Profit Rate last determined in relation to the Certificates in respect of the immediately preceding Periodic Distribution Period (though substituting, where a different Margin or Maximum Profit Rate or Minimum Profit Rate is to be applied to the relevant Periodic Distribution Period from that which applied to the last preceding Periodic Distribution Period, the Margin or Maximum Profit Rate or Minimum Profit Rate relating to the relevant Periodic Distribution Period, in place of the Margin or Maximum Profit Rate or Minimum Profit Rate relating to that last preceding Periodic Distribution Period). If there has not been a first Periodic Distribution Date, the Profit Rate shall be determined using the Reference Rate last displayed on the relevant Screen Page prior to the relevant Profit Rate Determination Date. For the avoidance of doubt, this paragraph (G) shall apply to the relevant immediately following Periodic Distribution Period only and any subsequent Periodic Distribution Periods are subject to the subsequent operation of, and to adjustment as provided in, this Condition 8(c);
- (H) the Independent Adviser appointed pursuant to this paragraph (ii) shall act and make all determinations pursuant to this paragraph (ii) in good faith and in a commercially reasonable manner and the Independent Adviser shall act as an expert. In the absence of wilful default, gross negligence or fraud, neither the Independent Adviser nor the Obligor shall have any liability whatsoever to

the Paying Agents or the Certificateholders in connection with any determination made by it or, in the case of the Independent Adviser, for any advice given to the Obligor in connection with any determination made by the Obligor pursuant to this paragraph (ii);

- (I) without prejudice to the obligations of the Obligor under paragraphs (A), (B), (C), (D) and (E) above, the original Reference Rate and the fallback provisions provided for in paragraph (iii)(B) of Condition 8(b) (*Floating Rate Certificates*) will continue to apply unless and until a Benchmark Event has occurred; and
- (iii) The following defined terms shall have the meanings set out below for the purpose of this Condition 8(c):

"Adjustment Spread" means either (a) a spread (which may be positive, negative or zero), or (b) a formula or methodology for calculating a spread, in each case, to be applied to the Successor Rate or the Alternative Reference Rate (as the case may be) and is the spread, formula or methodology which:

- (a) in the case of a Successor Rate, is formally recommended, or formally provided as an option for parties to adopt, in relation to the replacement of the Reference Rate with the Successor Rate by any Relevant Nominating Body; or
- (b) (if no such recommendation has been made, or in the case of an Alternative Reference Rate) the Independent Adviser (following consultation with the Trustee and the Obligor) determines is customarily applied to the relevant Successor Rate or the Alternative Reference Rate (as the case may be) in international debt capital markets transactions to produce an industry-accepted replacement rate for the Reference Rate; or
- (c) (if the Independent Adviser (following consultation with the Trustee and the Obligor) determines that no such spread, formula or methodology is customarily applied) the Independent Adviser (following consultation with the Trustee and Obligor) determines is recognised or acknowledged as being the industry standard for over-the-counter derivative transactions which reference the Reference Rate, where such rate has been replaced by the Successor Rate or the Alternative Reference Rate (as the case may be); or
- (d) (if the Independent Adviser (following consultation with the Trustee and the Obligor) determines that there is no such industry standard) the Independent Adviser (following consultation with the Trustee and the Obligor) or the Obligor (as applicable) determines (acting in good faith and in a commercially reasonable manner) in their sole discretion to be appropriate, having regard to the objective, so far as is reasonably practicable in the circumstances and solely for the purposes of this sub-paragraph (d) only, of reducing or eliminating any economic prejudice or benefit (as the case may be) to the Certificateholders;

"Alternative Reference Rate" means an alternative benchmark or screen rate which the Independent Adviser (following consultation with the Trustee and Obligor) determines, in accordance with this paragraph (iii) of Condition 8(c) (*Benchmark Discontinuation – Reference Rate other than SOFR*), is customarily applied in international debt capital markets transactions for the purposes of determining rates of interest or profit (or the relevant component part thereof) in the same Specified Currency as the Certificates;

"Benchmark Amendments" has the meaning given to it in paragraph (ii)(E) of Condition 8(c) (*Benchmark Discontinuation – Reference Rate other than SOFR*);

"Benchmark Event" means the occurrence of one or more of the following events with respect to the then-current Reference Rate (including any daily published component used in the calculation thereof): (i) the relevant Reference Rate (or such component) ceasing to be published as a result of such benchmark ceasing to be

calculated or administered for a period of at least 5 Business Days or ceasing to exist; or (ii) a public statement or publication of information by the administrator of the relevant Reference Rate (or such component) that it has ceased or that it will cease publishing the relevant Reference Rate permanently or indefinitely (in circumstances where no successor administrator has been appointed that will continue publication of the relevant Reference Rate); or (iii) a public statement or publication of information by the supervisor of the administrator of the relevant Reference Rate (or such component), that the relevant Reference Rate (or such component) has been or will be permanently or indefinitely discontinued; or (iv) a public statement by the supervisor of the administrator of the relevant Reference Rate (or such component) as a consequence of which the relevant Reference Rate (or such component) will be prohibited from being used either generally, or in respect of the Certificates or that its use will be subject to restrictions or adverse consequences; or (v) a public statement by the supervisor of the administrator of the relevant Reference Rate (or such component) that the relevant Reference Rate (or such component) is or will be (or is or will be deemed by such supervisor to be) no longer representative of its relevant underlying market or the methodology to calculate such Reference Rate has materially changed; or (vi) it has become unlawful for the Obligor, the Trustee, the Calculation Agent or any Paying Agent or any other party to calculate any payments due to be made to any Certificateholder using the relevant Reference Rate; **provided that** the Benchmark Event shall be deemed to occur (a) in the case of paragraphs (ii) and (iii) above, on the date of the cessation of publication of the relevant Reference Rate (or such component) or the discontinuation of the relevant Reference Rate (or such component), as the case may be, (b) in the case of paragraph (iv) above, on the date of the prohibition of use of the relevant Reference Rate (or such component) and (c) in the case of paragraph (v) above, on the date with effect from which the relevant Reference Rate (or such component) will no longer be (or will be deemed by the relevant supervisor to no longer be) representative of its relevant underlying market and which is specified in the relevant public statement, and, in each case, not the date of the relevant public statement. The occurrence of a Benchmark Event shall be determined by the Trustee and the Obligor and promptly notified to the Delegate, the Calculation Agent and the Paying Agents. For the avoidance of doubt, neither the Delegate, the Calculation Agent nor the Paying Agents shall have any responsibility for making such determination;

"Financial Stability Board" means the organisation established by the Group of Twenty (G20) in April 2009;

"Independent Adviser" means an independent financial institution of international repute or an independent financial adviser of recognised standing with appropriate expertise appointed by the Trustee and the Obligor at the Obligor's expense;

"Relevant Nominating Body" means, in respect of a Reference Rate: (i) the central bank for the currency to which the Reference Rate relates, or any central bank or other supervisory authority which is responsible for supervising the administrator of the Reference Rate; or (ii) any working group or committee sponsored by, chaired or co-chaired by or constituted at the request of: (A) the central bank for the currency to which the Reference Rate relates; (B) any central bank or other supervisory authority which is responsible for supervising the administrator of the Reference Rate; (C) a group of the aforementioned central banks or other supervisory authorities; or (D) the Financial Stability Board or any part thereof;

"Successor Rate" means the rate that the Independent Adviser (in consultation with the Trustee and the Obligor) determines is a successor to or replacement of the Reference Rate which is formally recommended by any Relevant Nominating Body.

(d) **Benchmark Discontinuation (SOFR):**

This Condition 8(d) shall only apply where this Condition 8(d) is specified as applicable in the applicable Pricing Supplement.

- (A) If the Obligor or its designee determines on or prior to the relevant Reference Time that a SOFR Benchmark Event and its related Benchmark Replacement Date have occurred with respect to the then current Benchmark, the Benchmark Replacement

will replace the then-current Benchmark for all purposes relating to the Certificates in respect of all determinations on such date and for all determinations on all subsequent dates.

- (B) In connection with the implementation of a Benchmark Replacement, the Trustee and the Obligor or any of their respective designees will have the right to make Benchmark Replacement Conforming Changes from time to time. The Delegate and each of the Agents shall, at the direction and expense of the Obligor effect such consequential amendments to the Master Trust Deed, Agency Agreement and these Conditions as may be required to give effect to this Condition 8(d), **provided that** neither the Delegate nor any Agent shall be obliged so to concur if doing so would impose, in its opinion, more onerous obligations upon it or expose it to any liability against which it is not adequately indemnified and/or secured and/or prefunded to its satisfaction or impose any additional duties, responsibilities or liabilities or reduce or amend its rights and/or the protective provisions afforded to it. Certificateholders' consent shall not be required in connection with effecting any such changes, including the execution of any documents or any steps to be taken by any of the Delegate or the Agents (if required). Further, none of the Delegate, the Calculation Agent, the Paying Agents, the Registrars or the Transfer Agents shall be responsible or liable for any determinations, decisions or elections made by the Trustee and the Obligor with respect to any Benchmark Replacement or any other changes and shall be entitled to rely conclusively on any certifications provided to each of them in this regard.
- (C) Any determination, decision or election that may be made by the Trustee, the Obligor or any of their respective designees pursuant to this Condition 8(d), including any determination with respect to a tenor, rate or adjustment or of the occurrence or non-occurrence of an event, circumstance or date and any decision to take or refrain from taking any action or any selection (i) will be conclusive and binding absent manifest error, (ii) will be made in the sole discretion of the Trustee and the Obligor, and (iii) notwithstanding anything to the contrary in the documentation relating to the Certificates, shall become effective without consent from the holders of the Certificates or any other party.
- (D) The Obligor shall promptly, following the determination of any Benchmark Replacement, Benchmark Replacement Adjustment and the specific terms of any Benchmark Replacement Conforming Changes, determined under this Condition 8(d), give notice to the Certificateholders. Such notice shall be irrevocable and shall specify the effective date on which such changes take effect.

No later than notifying the Certificateholders of the same, the Obligor shall deliver to the Delegate, the Calculation Agent and the Paying Agents a certificate signed by two Authorised Signatories of the Obligor:

- (I) confirming: (1) that a SOFR Benchmark Event has occurred; (2) the relevant Benchmark Replacement and, (3) where applicable, any Benchmark Replacement Adjustment and/or the specific terms of any relevant Benchmark Replacement Conforming Changes, in each case as determined in accordance with the provisions of this Condition 8(d); and
- (II) certifying that the relevant Benchmark Replacement Conforming Changes are necessary to ensure the proper operation of such Benchmark Replacement and/or Benchmark Replacement Adjustment.

Each of the Delegate, the Trustee, the Calculation Agent and the Paying Agents shall be entitled to rely on such certificate (without liability to any person) as sufficient evidence thereof. The Benchmark Replacement, Benchmark Replacement Adjustment and/or the specific terms of any relevant Benchmark Discontinuation Conforming Changes (if any) specified in such certificate will (in the absence of manifest error or bad faith in the determination of the Benchmark Replacement, Benchmark Replacement Adjustment and/or the specific terms of any relevant Benchmark Replacement Conforming Changes (if any) and without prejudice to the Delegate's or the Trustee's or the Calculation Agent's or the Paying Agents' ability to rely on such certificate as aforesaid) be binding on the Obligor, the Trustee, the Delegate, the Calculation Agent, the Agents and the Certificateholders.

Notwithstanding any other provision of this Condition 8, if following the determination of any Benchmark Replacement, Benchmark Replacement Adjustment and the specific terms of any Benchmark Replacement Conforming Changes, in the Calculation Agent's opinion there is any uncertainty between two or more alternative courses of action in making any determination or calculation under this Condition 8(d), the Calculation Agent shall promptly notify the Trustee and the Obligor thereof and the Trustee and the Obligor shall direct the Calculation Agent in writing as to which alternative course of action to adopt. If the Calculation Agent is not promptly provided with such direction, or is otherwise unable (other than due to its own gross negligence, wilful default or fraud) to make such calculation or determination for any reason, it shall notify the Trustee and the Obligor thereof and the Calculation Agent shall be under no obligation to make such calculation or determination and (in the absence of such gross negligence, wilful default or fraud) shall not incur any liability for not doing so.

- (E) The following defined terms shall have the meanings set out below for the purpose of this Condition 8(d):

"Benchmark" means, initially, the relevant SOFR Benchmark specified in the applicable Pricing Supplement; **provided that** if the Obligor or its designee determines that a Benchmark Event and its related Benchmark Replacement Date have occurred with respect to the relevant SOFR Benchmark (including any daily published component used in the calculation thereof) or the then-current Benchmark, then **"Benchmark"** means the applicable Benchmark Replacement;

"Benchmark Replacement" means the first alternative set forth in the order below that can be determined by the Obligor or its designee as of the Benchmark Replacement Date:

- (a) the sum of:
 - (i) the alternate reference rate that has been selected or recommended by the Relevant Governmental Body as the replacement for the then-current Benchmark (including any daily published component used in the calculation thereof); and
 - (ii) the Benchmark Replacement Adjustment;
- (b) the sum of:
 - (i) the ISDA Fallback Rate; and
 - (ii) the Benchmark Replacement Adjustment; or
- (c) the sum of:
 - (i) the alternate reference rate that has been selected by the Obligor for the then-current Benchmark (including any daily published component used in the calculation thereof) giving due consideration to any industry-accepted reference rate as a replacement for the then-current Benchmark (including any daily published component used in the calculation thereof) for U.S. dollar-denominated Floating Rate Certificates at such time; and
 - (ii) the Benchmark Replacement Adjustment;

"Benchmark Replacement Adjustment" means the first alternative set forth in the order below that can be determined by the Obligor or any of their respective designees as of the Benchmark Replacement Date:

- (a) the spread adjustment, or method for calculating or determining such spread adjustment, (which may be a positive or negative value or zero) that has been selected or recommended by the Relevant Governmental Body for the applicable Unadjusted Benchmark Replacement;

- (b) if the applicable Unadjusted Benchmark Replacement is equivalent to the ISDA Fallback Rate, the ISDA Fallback Adjustment; or
- (c) the spread adjustment (which may be a positive or negative value or zero) that has been selected by the Obligor giving due consideration to any industry-accepted spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of the then-current Benchmark (including any daily published component used in the calculation thereof) with the applicable Unadjusted Benchmark Replacement for U.S. dollar-denominated Floating Rate Certificates at such time;

"Benchmark Replacement Conforming Changes" means, with respect to any Benchmark Replacement, any technical, administrative or operational changes (including changes to the timing and frequency of determining rates and making payments of profit, rounding of amounts or tenors, and other administrative matters) the Obligor or its designee decides may be appropriate to reflect the adoption of such Benchmark Replacement in a manner substantially consistent with market practice (or, if the Obligor or its designee decides that adoption of any portion of such market practice is not administratively feasible or if the Obligor or its designee determines that no market practice for use of the Benchmark Replacement exists, in such other manner as the Obligor or its designee determines is reasonably necessary);

"Benchmark Replacement Date" means the earliest to occur of the following events with respect to the then-current Benchmark (including any daily published component used in the calculation thereof):

- (a) in the case of paragraph (a) or (b) of the definition of "SOFR Benchmark Event", the later of:
 - (i) the date of the public statement or publication of information referenced therein; and
 - (ii) the date on which the administrator of the Benchmark permanently or indefinitely ceases to provide the Benchmark (or such component); or
- (b) in the case of paragraph (c) of the definition of "SOFR Benchmark Event", the date of the public statement or publication of information referenced therein.

For the avoidance of doubt, if the event giving rise to the Benchmark Replacement Date occurs on the same day as, but earlier than, the Reference Time in respect of any determination, the Benchmark Replacement Date will be deemed to have occurred prior to the Reference Time for such determination;

"designee" means a designee as selected and separately appointed by the Obligor in writing;

"ISDA Definitions" means the 2006 ISDA Definitions or 2021 ISDA Definitions published by the International Swaps and Derivatives Association, Inc. or any successor thereto, as amended or supplemented from time to time, or any successor definitional booklet for interest rate derivatives published from time to time;

"ISDA Fallback Adjustment" means the spread adjustment (which may be a positive or negative value or zero) that would apply for derivatives transactions referencing the ISDA Definitions to be determined upon the occurrence of an index cessation event with respect to the Benchmark;

"ISDA Fallback Rate" means the rate that would apply for derivatives transactions referencing the ISDA Definitions to be effective upon the occurrence of an index cessation date with respect to the Benchmark (including any daily published component used in the calculation thereof) for the applicable tenor excluding the applicable ISDA Fallback Adjustment;

"Reference Time" with respect to any determination of the Benchmark means (1) if the Benchmark is the SOFR Benchmark, the SOFR Determination Time (where Simple SOFR Average or Compounded Daily SOFR is specified as applicable in the applicable Pricing Supplement) or SOFR Index Determination Time (where Compounded SOFR Index is specified as applicable in the applicable Pricing Supplement), or (2) if the Benchmark is not the SOFR Benchmark, the time determined by the Obligor or its designee after giving effect to the Benchmark Replacement Conforming Changes;

"Relevant Governmental Body" means the Federal Reserve Board and/or the Federal Reserve Bank of New York, or a committee officially endorsed or convened by the Federal Reserve Board and/or the Federal Reserve Bank of New York or any successor thereto;

"SOFR Benchmark Event" means the occurrence of one or more of the following events with respect to the then-current Benchmark (including any daily published component used in the calculation thereof):

- (a) a public statement or publication of information by or on behalf of the administrator of the Benchmark (or such component) announcing that such administrator has ceased or will cease to provide the Benchmark (or such component), permanently or indefinitely, **provided that**, at the time of such statement or publication, there is no successor administrator that will continue to provide the Benchmark (or such component); or
- (b) a public statement or publication of information by the regulatory supervisor for the administrator of the Benchmark (or such component), the central bank for the currency of the Benchmark (or such component), an insolvency official with jurisdiction over the administrator for the Benchmark (or such component), a resolution authority with jurisdiction over the administrator for the Benchmark (or such component) or a court or an entity with similar insolvency or resolution authority over the administrator for the Benchmark, which states that the administrator of the Benchmark (or such component) has ceased or will cease to provide the Benchmark (or such component) permanently or indefinitely, **provided that**, at the time of such statement or publication, there is no successor administrator that will continue to provide the Benchmark (or such component); or
- (c) a public statement or publication of information by the regulatory supervisor for the administrator of the Benchmark announcing that the Benchmark is no longer representative;

"SOFR Benchmark Transition Event" means the occurrence of a SOFR Benchmark Event with respect to the then-current SOFR Benchmark;

"SOFR Determination Time" means approximately 3:00 p.m. (New York City time) on the immediately following U.S. Government Securities Business Day; and

"Unadjusted Benchmark Replacement" means the Benchmark Replacement excluding the Benchmark Replacement Adjustment.

- (e) **Entitlement to Profit:** Profit shall cease to accumulate in respect of any Certificate on any Dissolution Date or other due date for redemption in each case where such Certificate is, or is proposed to be, redeemed unless, upon due presentation of the Registered Certificate representing such Certificate, payment is improperly withheld or refused, in which event profit shall continue to accumulate in respect of such Certificate (both before and after judgment) in the manner provided in this Condition 8 to the earlier of (i) the Relevant Date; or (ii) the date on which the relevant Exercise Price, Optional Dissolution Exercise Price, Certificateholder Put Right Exercise Price or Tangibility Event Put Right Exercise Price, as applicable, has been paid and a sale agreement has been executed in accordance with the terms of the Purchase Undertaking or the Sale and Substitution Undertaking, as the case may be.

- (f) **Margin, Maximum Profit Rates/Minimum Profit Rates and Rounding:**
- (i) If any Margin is specified in the applicable Pricing Supplement (either (x) generally or (y) in relation to one or more Periodic Distribution Periods), an adjustment shall be made to all Profit Rates, in the case of (x), or the Profit Rates for the specified Periodic Distribution Periods, in the case of (y), calculated in accordance with Condition 8(b) (*Floating Rate Certificates*) by adding (if a positive number) or subtracting the absolute value (if a negative number) of such Margin, subject always to paragraph (ii) below.
 - (ii) If any Maximum Profit Rate or Minimum Profit Rate is specified in the applicable Pricing Supplement, then any Profit Rate shall be subject to such maximum or minimum, as the case may be.
 - (iii) For the purposes of any calculations required pursuant to these Conditions (unless otherwise specified), (x) all percentages resulting from such calculations shall be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with 0.000005 of a percentage point being rounded up), (y) all figures shall be rounded to seven significant figures (**provided that** if the eighth significant figure is a 5 or greater, the seventh significant figure shall be rounded up) and (z) all currency amounts that fall due and payable shall be rounded to the nearest unit of such currency (with half a unit being rounded up), save in the case of yen, which shall be rounded down to the nearest yen. For these purposes, "**unit**" means the lowest amount of such currency that is available as legal tender in the country or countries of such currency.
- (g) **Calculations:** The amount of profit payable per Calculation Amount in respect of any Certificate for any Periodic Distribution Period shall be equal to the product of the Profit Rate, the Calculation Amount specified in the applicable Pricing Supplement and the Day Count Fraction for such Periodic Distribution Period, unless a Profit Amount (or a formula for its calculation) is specified in the applicable Pricing Supplement as being applicable to such Periodic Distribution Period, in which case the amount of profit payable per Calculation Amount in respect of such Certificate for such Periodic Distribution Period shall equal such Profit Amount (or be calculated in accordance with such formula). Where any Periodic Distribution Period comprises two or more Periodic Distribution Periods, the amount of profit payable per Calculation Amount in respect of such Periodic Distribution Period shall be the sum of the Profit Amounts payable in respect of each of those Periodic Distribution Periods. In respect of any other period for which profit is required to be calculated, the provisions above shall apply save that the Day Count Fraction shall be for the period for which profit is required to be calculated.
- (h) **Publication of Profit Rates, Profit Amounts and Dissolution Distribution Amounts:** The Calculation Agent shall, as soon as practicable on each Profit Rate Determination Date, or such other time on such date as the Calculation Agent may be required to calculate any rate or amount, obtain any quotation or make any determination or calculation, determine such rate and calculate the Profit Amounts for the relevant Periodic Distribution Period, calculate the Dissolution Distribution Amount, obtain such quotation or make such determination or calculation, as the case may be, and cause the Profit Rate and the Profit Amounts for each Periodic Distribution Period and the relevant Periodic Distribution Date and, if required to be calculated, the relevant Dissolution Distribution Amount, to be notified to the Delegate, the Trustee, the Obligor, each of the Paying Agents, the Certificateholders, any other Calculation Agent appointed in respect of the Certificates that is to make a further calculation upon receipt of such information and, if the Certificates are listed and/or admitted to trading on a stock exchange and the rules of such exchange or other relevant authority so require, such exchange or other relevant authority as soon as possible after their determination but in no event later than (i) the commencement of the relevant Periodic Distribution Period, if determined prior to such time, in the case of notification to such exchange of a Profit Rate and Profit Amount, or (ii) in all other cases, the fourth Business Day after such determination. To the extent that the Calculation Agent is unable to notify a stock exchange or other relevant authority, the Calculation Agent shall notify the Obligor who shall perform such obligation. Where any Periodic Distribution Date or Profit Period Date is subject to adjustment pursuant to paragraph (ii) of Condition 8(b) (*Business Day Convention*), the Profit Amounts and the Periodic Distribution Date so published may subsequently be amended (or appropriate alternative arrangements made with the consent of the Delegate by way of adjustment) without notice in

the event of an extension or shortening of the Periodic Distribution Period. If the Certificates become due and payable under Condition 13 (*Dissolution Events*), the accrued profit and the Profit Rate payable in respect of the Certificates shall nevertheless continue to be calculated as previously in accordance with this Condition 8 but no publication of the Profit Rate or the Profit Amount so calculated need be made unless the Delegate otherwise requires.

- (i) **Determinations of Calculation Agent binding:** All communications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 8 by the Calculation Agent will (in the absence of wilful default, gross negligence, fraud or manifest or proven error) be binding on the Trustee, the Delegate, the Obligor, the Agents and all Certificateholders and (save in the absence of wilful default, gross negligence or fraud) no liability shall attach to the Calculation Agent in connection with the exercise or non-exercise by it of its powers, duties and discretions under this Condition 8.
- (j) **Definitions:** In these Conditions, unless the context otherwise requires, the following defined terms shall have the meanings set out below:

"Bloomberg Screen SOFRRATE Page" means the Bloomberg screen designated **"SOFRRATE"** or any successor page or service.

"Business Day" means:

- (i) in the case of a currency other than euro, and unless the applicable Pricing Supplement specifies that the Floating Rate Certificate Provisions apply and the Reference Rate is SOFR Benchmark or SONIA, a day (other than a Saturday or a Sunday) on which commercial banks and foreign exchange markets settle payments in such currency in London and each Business Centre (other than the T2) specified in the applicable Pricing Supplement;
- (ii) if the applicable Pricing Supplement specifies that the Floating Rate Certificate Provisions apply and the Reference Rate is SOFR Benchmark, day which is a U.S. Government Securities Business Day and is not a legal holiday in New York and is not a date on which banking institutions in those cities are authorised or required by law or regulation to be closed;
- (iii) if the applicable Pricing Supplement specifies that the Floating Rate Certificate Provisions apply and the Reference Rate is SONIA, any day on which commercial banks are open for general business (including dealing in foreign exchange and foreign currency deposits) in London;
- (iv) if the T2 is specified as a Business Centre in the applicable Pricing Supplement, a day on which the T2 is open; and
- (v) either (A) in the case of a currency other than euro, a day (other than a Saturday or a Sunday) on which commercial banks and foreign exchange markets settle payments in the principal financial centre for such currency or (B) in the case of euro, a day on which the T2 is operating (a **"T2 Business Day"**).

"Day Count Fraction" means, in respect of the calculation of an amount of profit on any Certificate for any period of time (from and including the first day of such period to but excluding the last) (whether or not constituting a Periodic Distribution Period or a Periodic Distribution Period, the **"Calculation Period"**):

- (i) if **"Actual/Actual"** or **"Actual/Actual – ISDA"** is specified in the applicable Pricing Supplement, the actual number of days in the Calculation Period divided by 365 (or, if any portion of that Calculation Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365);
- (ii) if **"Actual/365 (Fixed)"** is specified in the applicable Pricing Supplement, the actual number of days in the Calculation Period divided by 365;

- (iii) if "**Actual/365 (Sterling)**" is specified in the applicable Pricing Supplement, the actual number of days in the Calculation Period divided by 365 or, in the case of a Periodic Distribution Date falling in a leap year, 366;
- (iv) if "**Actual/360**" is specified in the applicable Pricing Supplement, the actual number of days in the Calculation Period divided by 360;
- (v) if "**30/360**", "**360/360**" or "**Bond Basis**" is specified in the applicable Pricing Supplement, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

Y₁ is the year, expressed as a number, in which the first day of the Calculation Period falls;

Y₂ is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

M₁ is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

M₂ is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

D₁ is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D₁ will be 30; and

D₂ is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31 and D₁ is greater than 29, in which case D₂ will be 30;

- (vi) if "**30E/360**" or "**Eurobond Basis**" is specified in the applicable Pricing Supplement, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

Y₁ is the year, expressed as a number, in which the first day of the Calculation Period falls;

Y₂ is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

M₁ is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

M₂ is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

D₁ is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D₁ will be 30; and

D₂ is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31, in which case D₂ will be 30;

- (vii) if "**30E/360 (ISDA)**" is specified in the applicable Pricing Supplement, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

Day Count Fraction

$$= \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

Y₁ is the year, expressed as a number, in which the first day of the Calculation Period falls;

Y₂ is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

M₁ is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

M₂ is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

D₁ is the first calendar day, expressed as a number, of the Calculation Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case D₁ will be 30; and

D₂ is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless (i) that day is the last day of February but not the Scheduled Dissolution Date or (ii) such number would be 31, in which case D₂ will be 30;

- (viii) if "**Actual/Actual-ICMA**" is specified in the applicable Pricing Supplement:
- (A) if the Calculation Period is equal to or shorter than the Determination Period during which it falls, the number of days in the Calculation Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Periods normally ending in any year; and
 - (B) if the Calculation Period is longer than one Determination Period, the sum of:
 - (x) the number of days in such Calculation Period falling in the Determination Period in which it begins divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Periods normally ending in any year; and
 - (y) the number of days in such Calculation Period falling in the next Determination Period divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Periods normally ending in any year

where:

"Determination Period" means the period from and including a Determination Date in any year to but excluding the next Determination Date;

"Determination Date" means the date(s) specified as such in the applicable Pricing Supplement or, if none is so specified, the Periodic Distribution Date(s);

"Reuters Page USDSOFR=" means the Reuters page designated **"USDSOFR="** or any successor page or service;

"SOFR" means, in respect of any U.S. Government Securities Business Day, the reference rate determined by the Calculation Agent in accordance with the following provision:

- (a) the Secured Overnight Financing Rate published at the SOFR Determination Time as such reference rate is reported on the Bloomberg Screen SOFRRATE Page; the Secured Overnight Financing Rate published at the SOFR Determination Time as such reference rate is reported on the Reuters Page USDSOFR=; or the Secured Overnight Financing Rate published at the SOFR Determination Time on the SOFR Administrator's Website;
- (b) if the reference rate specified in paragraph (a) above does not appear and a SOFR Benchmark Transition Event and its related Benchmark Replacement Date have not occurred, the SOFR reference rate shall be the reference rate published on the SOFR Administrator's Website for the first preceding U.S. Government Securities Business Day for which SOFR was published on the SOFR Administrator's Website; or
- (c) if the reference rate specified in paragraph (a) above does not appear and a SOFR Benchmark Transition Event and its related Benchmark Replacement Date have occurred, the provisions set forth in Condition 8(c) (*Benchmark Discontinuation – Reference Rate other than SOFR*) or Condition 8(d) (*Benchmark Discontinuation (SOFR)*) shall apply as specified in the applicable Pricing Supplement; and

"SOFR Administrator's Website" means the website of the Federal Reserve Bank of New York (currently, being <https://www.newyorkfed.org/markets/reference-rates/sofr-averages-and-index>), or any successor source.

- (k) **Calculation Agent:** The Trustee shall procure that there shall at all times be one or more Calculation Agents if provision is made for them in the applicable Pricing Supplement and for so long as any Certificate is outstanding. Where more than one Calculation Agent is appointed in respect of the Certificates, references in these Conditions to the Calculation Agent shall be construed as each Calculation Agent performing its respective duties under these Conditions. If the Calculation Agent is unable or unwilling to act as such, or if the Calculation Agent fails duly to establish the Profit Rate for a Periodic Distribution Period or to calculate any Profit Amount or any Dissolution Distribution Amount, as the case may be, or to comply with any other requirement, the Trustee shall (with the prior approval of the Delegate) appoint a leading bank or financial institution engaged in the inter-bank market (or, if appropriate, money, swap or over-the-counter index options market) that is most closely connected with the calculation or determination to be made by the Calculation Agent (acting through its principal London office or any other office actively involved in such market) to act as such in its place. The Calculation Agent may not resign its duties without a successor having been appointed as aforesaid.

9. Redemption and Dissolution of the Trust

- (a) **Dissolution on the Scheduled Dissolution Date:** Unless previously redeemed, or purchased and cancelled, in full, as provided below, each Certificate shall be finally redeemed at its Dissolution Distribution Amount on the Scheduled Dissolution Date specified in the applicable Pricing Supplement and, following the payment of all such amounts in full and the execution of a sale agreement pursuant to the Purchase Undertaking, the Trustee shall be bound to dissolve the Trust.
- (b) **Early Dissolution for Taxation Reasons:** If:
 - (i) the Trustee has or will on the occasion of the next payment due under the Certificates become obliged to pay additional amounts as described under Condition 11 (*Taxation*) as a result of any change in, or amendment to, the laws or regulations of any Relevant Jurisdiction or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the date on which agreement is reached to issue the first Tranche of the relevant Series, and (B) such obligation cannot be avoided by the Trustee taking reasonable measures available to it; or

- (ii) the Trustee has received notice from the Obligor that the Obligor has or will on the occasion of the next payment due under the Transaction Documents become obliged to pay additional amounts to the Trustee pursuant to the terms of any Transaction Document as a result of any change in, or amendment to, the laws or regulations of any Relevant Jurisdiction or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the date on which agreement is reached to issue the first Tranche of the relevant Series, and (B) such obligation cannot be avoided by the Obligor taking reasonable measures available to it,

(the occurrence of an event described in paragraph (i) of Condition 9(b) (*Early Dissolution for Taxation Reasons*) or (ii) being a "**Tax Event**"), the Trustee shall, upon receipt of a duly completed Exercise Notice from the Obligor in accordance with the Sale and Substitution Undertaking, on giving not less than the minimum period nor more than the maximum period of irrevocable notice specified in the applicable Pricing Supplement to the Delegate and the Certificateholders, redeem the Certificates in whole, but not in part, on any Periodic Distribution Date (if the Certificate is a Floating Rate Certificate) or at any time (if the Certificate is a Fixed Rate Certificate) (such dissolution date being an "**Early Tax Dissolution Date**"), at their Dissolution Distribution Amount, **provided that** no such notice of dissolution may be given earlier than 90 days prior to the earliest date on which the Trustee or the Obligor, as the case may be, would be obliged to pay such additional amounts were a payment in respect of the Certificates (in the case of the Trustee) or to the Trustee pursuant to any Transaction Document (in the case of the Obligor) then due.

Prior to the publication of any notice of dissolution pursuant to this Condition 9(b), the Trustee or the Obligor, as the case may be, shall deliver to the Delegate:

- (A) a certificate signed by two Authorised Signatories of the Trustee (in the case of paragraph (i) above) or the Obligor (in the case of paragraph (ii) above) stating that the obligation referred to in paragraph (i) or (ii) above, as the case may be, cannot be avoided by the Trustee or the Obligor, as the case may be, taking reasonable measures available to it; and
- (B) an opinion of independent legal or tax advisers of recognised standing to the effect that the Trustee or the Obligor, as the case may be, has or will become obliged to pay additional amounts as a result of such change or amendment,

and the Delegate shall be entitled to accept and rely on (without liability to any person) such certificate and opinion as sufficient evidence of the satisfaction of the conditions precedent set out in paragraph (i) above or, as the case may be, paragraph (ii) above, in which event it shall be conclusive and binding on Certificateholders.

Upon expiry of any such notice given in accordance with this Condition 9(b) and payment in full of the Dissolution Distribution Amount to Certificateholders, the Trustee shall be bound to dissolve the Trust.

(c) **Dissolution at the Option of the Obligor (Optional Dissolution Right):**

If Optional Dissolution Right is specified in the applicable Pricing Supplement, the Trustee shall, upon receipt of a duly completed Exercise Notice from the Obligor in accordance with the Sale and Substitution Undertaking, on giving not less than the minimum period nor more than the maximum period of irrevocable notice specified in the applicable Pricing Supplement to the Delegate and the Certificateholders, redeem the Certificates in whole or, if so specified in the applicable Pricing Supplement, in part on any Optional Dissolution Date. Any such redemption of Certificates shall be at their Dissolution Distribution Amount. Any such redemption or exercise must relate to Certificates of a face amount at least equal to the Minimum Optional Dissolution Amount to be redeemed specified in the applicable Pricing Supplement and no greater than the Maximum Optional Dissolution Amount to be redeemed specified in the applicable Pricing Supplement.

All Certificates in respect of which any such notice is given shall be redeemed on the date specified in such notice in accordance with this Condition 9(c).

In the case of a partial redemption, the notice to Certificateholders shall also specify the face amount of Certificates redeemed and the holder(s) of such Certificates to be redeemed, which shall have been redeemed in such place and in such manner as the Trustee and the Delegate deem appropriate, subject to compliance with any applicable laws and stock exchange or other relevant authority requirements.

If all (and not some only) of the Certificates are to be redeemed in accordance with this Condition 9(c), upon payment in full of the Dissolution Distribution Amount to all Certificateholders, the Trustee shall be bound to dissolve the Trust.

The Optional Dissolution Right and the Certificateholder Put Right may not both be specified in the applicable Pricing Supplement in respect of any Series.

(d) **Dissolution at the Option of Certificateholders (Certificateholder Put Right):**

If Certificateholder Put Right is specified in the applicable Pricing Supplement (unless prior to the giving of the relevant Certificateholder Put Exercise Notice (as defined below) the Trustee has given notice of redemption under Condition 9(b) (*Early Dissolution for Taxation Reasons*) or Condition 9(f) (*Dissolution at the Option of the Obligor (Clean Up Call Right)*), the Trustee shall, at the option of the holder of any Certificate, upon the holder of such Certificate giving not less than the minimum period nor more than the maximum period of notice specified in the applicable Pricing Supplement to the Trustee, redeem such Certificate on the Certificateholder Put Right Date at its Dissolution Distribution Amount. For the purposes thereof, the Trustee shall deliver to the Obligor a duly completed Exercise Notice in accordance with the provisions of the Purchase Undertaking. If the Certificates are to be redeemed in whole, but not in part, on any Certificateholder Put Right Date in accordance with this Condition 9(d), upon payment in full of the Dissolution Distribution Amount to all Certificateholders, the Trustee shall be bound to dissolve the Trust.

To exercise such right, the holder must deposit the Registered Certificate representing such Certificate(s) with the Registrar or any Transfer Agent at its specified office, together with a duly completed exercise notice (a "**Certificateholder Put Exercise Notice**") in the form obtainable from any Paying Agent, the Registrar or any Transfer Agent (as applicable) within the notice period. No Registered Certificate so deposited and right exercised may be withdrawn (except as provided in the Agency Agreement) without the prior consent of the Trustee.

The Certificateholder Put Right and the Optional Dissolution Right may not both be specified in the applicable Pricing Supplement in respect of any Series.

(e) **Dissolution at the Option of the Certificateholders (Tangibility Event Put Right):**

If a Tangibility Event occurs, upon receipt of a Tangibility Event Notice from the Obligor in accordance with the Servicing Agency Agreement, the Trustee shall promptly give notice to the Certificateholders and the Delegate (a "**Delisting Notice**") in accordance with Condition 20 (*Notices*) specifying:

- (i) that a Tangibility Event has occurred, together with an explanation of the reasons for, and evidence of, such occurrence;
- (ii) that, as determined in consultation with the *Sharia* Supervisory Board of the Bank, the Certificates should only be tradeable in accordance with the *Shari'a* principles of debt trading (such as the principle that debt is to be traded against tangible assets and/or eligible commodities on a spot settlement basis);
- (iii) that, on the Tangibility Event Delisting Date, the Certificates will be delisted from any stock exchange (if any) on which the Certificates have been listed and/or admitted to trading; and
- (iv) the Tangibility Event Put Right Period, during which period the holder of any Certificates shall have the right to require the redemption of all or any of its Certificates.

Upon receipt of the Delisting Notice, any Certificateholder may exercise its right within the Tangibility Event Put Right Period to require the redemption of all or any of its Certificates.

If any Certificateholder exercises its right to redeem its Certificates in accordance with this Condition 9(e), the Trustee shall deliver to the Obligor a duly completed Exercise Notice in accordance with the provisions of the Purchase Undertaking and redeem such Certificates on the Tangibility Event Put Right Date at their Dissolution Distribution Amount. If all (and not some only) of the Certificates are to be redeemed on any Tangibility Event Put Right Date in accordance with this Condition 9(e), upon payment in full of the Dissolution Distribution Amount to all Certificateholders, the Trustee shall be bound to dissolve the Trust.

To exercise such right, the holder must deposit the Registered Certificate representing such Certificate(s) with the Registrar or any Transfer Agent at its specified office, together with a duly completed exercise notice (a "**Tangibility Event Put Notice**") in the form obtainable from any Paying Agent, the Registrar or any Transfer Agent (as applicable) within the Tangibility Event Put Right Period. No Registered Certificate so deposited and right exercised may be withdrawn (except as provided in the Agency Agreement) without the prior consent of the Trustee.

For the avoidance of doubt neither the Delegate nor any Agent will have any responsibility for monitoring or ensuring compliance with any such *Shari'a* principles of debt trading referred to in (ii) above nor shall it be liable to any Certificateholder or any other person in respect thereof.

- (f) **Dissolution at the Option of the Obligor (Clean Up Call Right):** If 75 per cent. or more of the aggregate face amount of Certificates then outstanding have been redeemed or purchased pursuant to the operation of this Condition 9 (*Redemption and Dissolution of the Trust*), the Trustee shall, upon receipt of a duly completed Exercise Notice from the Obligor pursuant to the Sale and Substitution Undertaking, on giving not less than 15 days' nor more than 60 days' notice to the Delegate and the Certificateholders in accordance with Condition 20 (*Notices*) (such notice to be given within 30 days of the Tangibility Event Put Right Date or of the date of the relevant redemption or purchase), redeem the Certificates in whole, but not in part, at their Dissolution Distribution Amount on the date specified in such notice (such notice shall be irrevocable and shall oblige the Trustee to redeem the Certificates on such date (the "**Clean Up Call Dissolution Date**")).
- (g) **Dissolution following a Dissolution Event:** Upon the occurrence and continuation of a Dissolution Event, the Certificates may be redeemed at their Dissolution Distribution Amount. For the purposes thereof, the Trustee may deliver to the Obligor a duly completed Exercise Notice in accordance with the Purchase Undertaking and, following the payment of all such amounts in full, the Trustee shall dissolve the Trust, in each case subject to and as more particularly described in Condition 13 (*Dissolution Events*).
- (h) **Purchases:** Each of the Obligor and/or any Subsidiary of the Obligor may at any time purchase Certificates at any price in the open market or otherwise. Any Certificates held by the Obligor or any of the Obligor's Subsidiaries shall not entitle the holder to exercise any voting rights and shall not be deemed to be outstanding for the purposes of calculating quorums, meetings or for passing Extraordinary Resolutions for the purposes of Condition 17(a) (*Meetings of Certificateholders*).
- (i) **Cancellation:** All Certificates purchased by or on behalf of the Obligor or any of the Obligor's Subsidiaries may be surrendered for cancellation by surrendering the Registered Certificate representing such Certificates to the Registrar and by the Obligor delivering to the Trustee a duly completed Cancellation Notice in accordance with the terms of the Trust Deed. Any Certificates so surrendered, together with all Certificates that are redeemed in accordance with this Condition 9 (*Redemption and Dissolution of the Trust*) and/or Condition 13 (*Dissolution Events*), shall be cancelled forthwith and may not be held, reissued or resold and the obligations of the Trustee in respect of any such Certificates shall be discharged. If all (and not some only) of the Certificates are cancelled in accordance with this Condition 9(i), the Trustee shall be bound to dissolve the Trust.
- (j) **No other dissolution:** The Trustee shall not be entitled to redeem the Certificates or dissolve the Trust other than as provided in this Condition 9 (*Redemption and Dissolution of the Trust*) and Condition 13 (*Dissolution Events*). Upon payment in full of all amounts due in respect of the Certificates of any Series, the Trustee shall be bound to dissolve the Trust. Upon such dissolution, the Certificates shall cease to represent interests in the Trust Assets and no further amounts shall be payable, and the Trustee shall have no further obligations, in respect thereof.

10. **Payments**

- (a) **Method of Payment:** Payments of the Dissolution Distribution Amount shall be made against presentation and (if no further payment falls to be made in respect of the Certificates represented thereby) surrender of the relevant Registered Certificate at the specified office of any of the Transfer Agents or of the Registrar and in the manner provided below.

Payments of Periodic Distribution Amounts in respect of each Certificate shall be made to the person shown on the Register (or, in the case of a Certificate held by two or more persons, to the person whose name appears first in the Register) at the close of business on the fifteenth day before the due date for payment thereof (the "**Record Date**").

Payments of Periodic Distribution Amounts and the Dissolution Distribution Amount in respect of each Certificate shall be made in the Specified Currency by transfer to an account in the Specified Currency maintained by the payee with a bank in the principal financial centre for such currency or, in the case of euro, in a city in which banks have access to the T2, as notified by the holder to the specified office of the Registrar or any Transfer Agent before the Record Date.

If the amount being paid upon surrender of the relevant Registered Certificate is less than the Dissolution Distribution Amount of such Registered Certificate, the Registrar will annotate the Register with the amount of principal so paid and will (if so requested by the Trustee or a Certificateholder) issue a new Registered Certificate with a face amount equal to the remaining unpaid outstanding face amount. If the Periodic Distribution Amount being paid is less than the amount then due, the Registrar will annotate the Register with the amount so paid.

- (b) **Payments subject to Laws:** Payments are subject in all cases to (i) any fiscal or other laws and regulations applicable thereto in the place of payment, but without prejudice to the provisions of Condition 11 (*Taxation*) and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986 (the "**Code**") or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof or, any law implementing an intergovernmental approach thereto. No commission or expenses shall be charged to the Certificateholders in respect of such payments.
- (c) **Appointment of Agents:** The Principal Paying Agent, the Paying Agents, the Registrar, the Transfer Agents and the Calculation Agent initially appointed by the Trustee and the Obligor and their respective specified offices are listed below. The Principal Paying Agent, the Paying Agents, the Registrar, the Transfer Agents and the Calculation Agent act solely as agents of the Trustee and the Obligor and do not assume any obligation or relationship of agency or trust for or with any Certificateholder. The Trustee reserves the right at any time with the prior written approval of the Delegate to vary or terminate the appointment of the Principal Paying Agent, any other Paying Agent, the Registrar, any Transfer Agent or the Calculation Agent(s) and to appoint additional or other Paying Agents, Transfer Agents or Calculation Agent(s), **provided that** the Trustee shall at all times maintain (i) a Principal Paying Agent, (ii) a Registrar, (iii) a Transfer Agent, (v) one or more Calculation Agent(s) where these Conditions so require, (vi) a Paying Agent having a specified office in at least one major European city and (vii) such other agents as may be required by any stock exchange on which the Certificates may be listed and/or admitted to trading, in each case as approved by the Delegate.

Notice of any such change or any change of any specified office shall promptly be given by the Trustee to the Certificateholders.

- (d) **Payment only on a Payment Business Day:** If any date for payment in respect of any Certificate is not a Payment Business Day, the holder shall not be entitled to payment until the next following Payment Business Day, nor to any profit or other sum in respect of such postponed payment. In this Condition 10(d), "**Payment Business Day**" means a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are open for business in the place in which the specified office of the Registrar is located, in such jurisdictions as shall be specified as Financial Centres in the applicable Pricing Supplement and:
- (i) (in the case of a payment in a currency other than euro) where payment is to be made by transfer to an account maintained with a bank in the Specified Currency, on which

foreign exchange transactions may be carried on in the Specified Currency in the principal financial centre of the country of such Specified Currency; or

- (ii) (in the case of a payment in euro) which is a T2 Business Day.

11. Taxation

All payments in respect of the Certificates shall be made free and clear of, and without withholding, retention or deduction for, or on account of, any present or future taxes, levies, imposts, duties, fees, assessments or other charges or withholdings of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of any Relevant Jurisdiction, unless such withholding, retention or deduction is required by law ("**Taxes**"). In that event, the Trustee shall pay such additional amounts as shall result in receipt by the Certificateholders (after such withholding, retention or deduction) of such net amounts as would have been receivable by them had no such withholding, retention or deduction been required, except that no such additional amounts shall be payable in respect of any Certificate:

- (a) **Other connection:** held by or on behalf of, a holder who is liable to such taxes, levies, imposts, duties, fees, assessments or governmental charges in respect of such Certificate by reason of such holder having some connection with a Relevant Jurisdiction other than the mere holding of the Certificate; or
- (b) **Surrender more than 30 days after the Relevant Date:** in respect of which the Registered Certificate representing it is presented or surrendered for payment more than 30 days after the Relevant Date except to the extent that the holder of it would have been entitled to such additional amounts on presenting or surrendering such Registered Certificate for payment on the thirtieth day assuming that day to have been a Payment Business Day (in accordance with Condition 10(d) (*Payment only on a Payment Business Day*)).

Notwithstanding any other provision contained herein, any amounts to be paid by the Trustee on the Certificates will be paid net of any deduction or withholding imposed or required pursuant to Sections 1471 through 1474 of the Code, any current or future regulations or official interpretations thereof, any agreement entered into pursuant to Section 1471(b) of the Code, or any fiscal or regulatory legislation, rules or practices adopted pursuant to any intergovernmental agreement entered into in connection with the implementation of such Sections of the Code (or any law implementing such an intergovernmental agreement) (a "**FATCA Withholding Tax**"), and neither the Trustee, nor the Obligor nor any other person will be required to pay additional amounts on account of any FATCA Withholding Tax.

As used in these Conditions:

"Relevant Date" means, in respect of any Certificate, the date on which payment in respect of it first becomes due or (if any amount of the money payable is improperly withheld or refused) the date on which payment in full of the amount outstanding is made or (if earlier) the date seven days after that on which notice is duly given to the Certificateholders in accordance with Condition 20 (*Notices*) that, upon further presentation of the Registered Certificate representing such Certificate being made in accordance with these Conditions, such payment will be made, **provided that** payment is in fact made upon such presentation; and

References in these Conditions to "**Periodic Distribution Amounts**" and the "**Dissolution Distribution Amount**" shall be deemed to include any additional amounts that may be payable under this Condition 11 or any similar undertaking given in addition to or in substitution for it under the Trust Deed.

The Transaction Documents provide that payments thereunder by the Obligor shall be made without any withholding, retention or deduction for, or on account of, any present or future taxes, levies, imposts, duties, fees, assessments or other governmental charges of any nature, unless such withholding, retention or deduction is required by law and without set-off or counterclaim of any kind. If any such withholding, retention or deduction is required by law, the Transaction Documents provide for the payment by the Obligor of all additional amounts as will result in the receipt by the Trustee or the Delegate, as applicable, of such net amounts as would have been receivable by it if no such withholding, retention or deduction had been made.

Further, in accordance with the terms of the Master Trust Deed, the Obligor has unconditionally and irrevocably undertaken to (irrespective of the payment of any fee), as a continuing obligation, in the event that the Trustee fails to comply with any obligation to pay additional amounts pursuant to this

Condition 11, pay to or to the order of the Delegate (for the benefit of the Certificateholders) such net amounts as are necessary so that the amount receivable by the Delegate (after any such withholding, retention or deduction) equals any and all additional amounts, required to be paid by it in respect of the Certificates pursuant to this Condition 11.

12. **Prescription**

Claims against the Trustee for payment in respect of the Certificates shall be prescribed and become void unless made within 10 years (in the case of the Dissolution Distribution Amount), or five years (in the case of Periodic Distribution Amounts) from the appropriate Relevant Date in respect of them.

13. **Dissolution Events**

If, upon the occurrence of any of the following events (each a "**Dissolution Event**"):

- (a) default is made in the payment of the Dissolution Distribution Amount on the date fixed for payment thereof or default is made in the payment of any Periodic Distribution Amount on the due date for payment thereof and, in the case of the Dissolution Distribution Amount, such default continues unremedied for a period of seven days and, in the case of a Periodic Distribution Amount, such default continues unremedied for a period of 14 days; or
- (b) the Trustee defaults in the performance or observance of or compliance with any of its other obligations or undertakings under the Transaction Documents to which it is a party and such default is not capable of remedy (in the opinion of the Delegate) or (if capable of remedy (in the opinion of the Delegate)) is not remedied within 30 days after written notice of such default shall have been given to the Trustee by the Delegate; or
- (c) a Obligor Event occurs; or
- (d) the Trustee repudiates any Transaction Document to which it is a party or does or causes to be done any act or thing evidencing an intention to repudiate any Transaction Document to which it is a party; or
- (e) at any time it is or will become unlawful or impossible for the Trustee (by way of insolvency or otherwise) to perform or comply with any or all of its obligations under the Transaction Documents or any of the obligations of the Trustee under the Transaction Documents are not or cease to be legal, valid, binding and enforceable; or
- (f) either: (a) the Trustee becomes insolvent or is unable to pay its debts as they fall due; (b) an administrator or liquidator of the whole or substantially the whole of the undertaking, assets and revenues of the Trustee is appointed (or application for any such appointment is made); (c) the Trustee takes any action for a readjustment or deferment of any of its obligations or makes a general assignment or an arrangement or composition with or for the benefit of its creditors or declares a moratorium in respect of any of its indebtedness or any guarantee of any indebtedness given by it; or (d) the Trustee ceases or threatens to cease to carry on all or substantially the whole of its business; or
- (g) an order or decree is made or an effective resolution is passed for the winding up, liquidation or dissolution of the Trustee; or
- (h) any event occurs which under the laws of any relevant jurisdiction has an analogous effect to any of the events referred to in paragraphs (f) and (g) above,

provided, however, that in the case of the occurrence of any of the events described in paragraphs (b) and (e), the Delegate shall have certified in writing to the Bank that such event is, in its opinion, materially prejudicial to the interests of the holders of the Certificates, the Delegate shall (subject to it being indemnified and/or secured and/or prefunded to its satisfaction), subject to it having been notified in writing of the occurrence of such Dissolution Event, give notice in writing of the occurrence of such Dissolution Event to the Certificateholders in accordance with Condition 20 (*Notices*) with a request to such holders to indicate if they wish the Trust to be dissolved. If so requested in writing by the holders of at least 20 per cent. of the then aggregate face amount of the Series outstanding or if so directed by an Extraordinary Resolution of the Certificateholders (a "**Dissolution Request**") it shall (subject in each case to being indemnified and/or secured and/or prefunded to its satisfaction) give notice to the Trustee and the Bank of the Dissolution Request and, upon receipt of such notice, the Trustee shall exercise its

rights under the Purchase Undertaking, and the Trustee shall distribute to the Certificateholders the proceeds of the resultant sale and liquidation, together with any amounts of Wakala Portfolio Principal Revenues deposited in the Transaction Account by the Servicing Agent in accordance with clause 6.3 of the Servicing Agency Agreement and the Certificates shall be redeemed at the Dissolution Distribution Amount on the date specified in such notice (the "**Dissolution Event Redemption Date**") and the Trust shall be dissolved on the day after the last outstanding Certificate has been redeemed.

For the purposes of this Condition, a "**Obligor Event**" will occur if one or more of the following events occurs:

- (a) *Non-payment*: the Bank (acting in any capacity) fails to pay:
 - (i) any Wakala Portfolio Income Revenues, Required Amount or Murabaha Profit Amount as payable to the Trustee and the failure continues for a period of 14 days; or
 - (ii) any Exercise Price, Certificateholder Put Right Exercise Price, Tangibility Event Exercise Price or Optional Dissolution Exercise Price payable under the Purchase Undertaking or Sale and Substitution Undertaking or any Deferred Payment Price (other than the Murabaha Profit Amount component) payable under the Master Murabaha Agreement or the Wakala Portfolio Principal Revenues payable under clause 6.3 (*Payments*) of the Servicing Agency Agreement, in each case, as payable to the Trustee and the failure continues for a period of seven days; or
- (b) *Breach of other obligations*: the Bank, acting in any capacity defaults in the performance or observance of any of its covenants and/or obligations in relation to the Certificates or under the Transaction Documents to which it is a party (other than the Programme Agreement) and such default remains unremedied for a period of 30 days after written notice of such default shall have been given to the Bank by the Delegate (except where such default is, in the opinion of the Delegate, based on information received by the Delegate from the Bank and/or the Trustee (as applicable), not capable of remedy in which case no such notice of default shall be required); or
- (iii) *Cross-default*: any Indebtedness of the Bank or any of the Bank's Principal Subsidiaries (or any Guarantee given by any of them in respect of any Indebtedness) is not paid when due or, as the case may be, within any originally applicable grace period or any such Indebtedness becomes due and payable prior to its specified maturity (or, in the case of a Guarantee, is called) as a result of an event of default (however described) **provided, however, that** it shall not constitute a Obligor Event unless the aggregate amount (or its equivalent in U.S. dollars) of all such Indebtedness or Guarantees either alone or when aggregated with all other Indebtedness or Guarantees which shall remain unpaid or unsatisfied or is so declared or becomes due and payable or is called, or a creditor becomes entitled so to do, as the case may be, shall be more than U.S.\$10,000,000 (or its equivalent in any other currencies); or
- (c) *Winding up, etc.*: the Bank or any of the Bank's Principal Subsidiaries takes any corporate action or other steps are taken or legal proceedings are started (and such proceedings have not been discharged within 30 days and are not being actively contested in good faith) for its winding-up, nationalisation, dissolution, bankruptcy, administration or reorganisation (whether by way of voluntary arrangement, scheme of arrangement or otherwise) or for the appointment of a liquidator, receiver, administrator, administrative receiver, conservator, custodian, trustee or similar officer of it or of any substantial part or all of its revenues and assets, except for the purposes of and followed by a reconstruction, amalgamation, reorganisation, merger or consolidation: (i) on terms approved by an Extraordinary Resolution of the Certificateholders; or (ii) in the case of a Principal Subsidiary, whereby all or a substantial part of the undertaking and assets of the Principal Subsidiary are transferred to or otherwise vested in the Bank or another Subsidiary of the Bank; or
- (d) *Ceasing of business, etc.*: the Bank or any of the Bank's Principal Subsidiaries ceases to carry on the whole or a substantial part of its business except for the purposes of and followed by a reconstruction, amalgamation, reorganisation, merger or consolidation (i) on terms approved by an Extraordinary Resolution of the Certificateholders or (ii) in the case of a Principal Subsidiary, whereby all or a substantial part of the undertaking and assets of the Principal Subsidiary are transferred to or otherwise vested in the Bank or another Subsidiary of the Bank; or

- (e) *Insolvency, etc.*: the Bank or any of the Bank's Principal Subsidiaries is (or is deemed by a court or any applicable legislation to be) insolvent or bankrupt or unable to pay all or a material part of its debts as the same fall due, or stops, suspends or threatens to stop or suspend payment of all or a material part of its debts, or commences negotiations with its creditors as a whole or any one or more classes of its creditors with a view to the general readjustment or rescheduling of all or a material part of its debts or proposes or makes a general assignment for the benefit of or an arrangement or a composition or conciliation with its creditors in respect of such debts; or
- (f) *Expropriation, etc.*: any expropriation, execution, attachment, distress, sequestration or other similar legal process made pursuant to a court order or judgment or arising by virtue of any law or regulation affects the whole or a substantial part of the property of the Bank or any of the Bank's Principal Subsidiaries and is not discharged within 30 days; or
- (g) *Unsatisfied judgment*: the Bank or any of the Bank's Principal Subsidiaries fails to comply with or pay any sum which amount shall not be less than U.S.\$10,000,000 due from it under any final non-appealable judgment or any final non-appealable order made or given by any court of competent jurisdiction and such failure continues for a period of 30 days next following the service by the Delegate on the Bank of notice requiring the same to be paid/remedied; or
- (h) *Government intervention*: by or under the authority of any government or governmental body, (A) the management of the Bank or any of the Bank's Principal Subsidiaries is wholly or substantially displaced or the authority of the Bank or any of its Principal Subsidiaries in the conduct of its business is wholly or substantially curtailed or (B) all or a majority of the issued shares of the Bank or any of the Bank's Principal Subsidiaries or the whole or substantial part of their respective revenues or assets is seized, nationalised, expropriated or compulsorily acquired; or
- (i) *Unlawfulness*: the Bank repudiates any Transaction Document to which it is a party or at any time it is or becomes unlawful for the Bank (acting in any capacity) to perform or comply with any or all of its material obligations under or in respect of the Transaction Documents to which it is respectively a party or any of the material (in the opinion of the Delegate) obligations of the Bank (acting in any capacity) thereunder are not or cease to be legal, valid, binding and enforceable; or
- (j) *Security enforced*. any Security Interest present or future, created or assumed by the Bank or any of the Bank's Principal Subsidiaries in respect of all or a material part of the property, assets or revenues of the Bank or any of its Principal Subsidiaries, as the case may be, becomes enforceable and is enforced (including the taking of possession or the appointment of a receiver, administrative receiver, manager or other similar person); or
- (k) *Analogous event*: any event occurs which under the laws of Qatar has an analogous effect to any of the events referred to in paragraphs (e),(d), (g) and (i)

provided, however, that in the case of the occurrence of any of the events described in paragraphs (a), (b) or (k) or (in respect of a Principal Subsidiary only), (d) to (f) inclusive and (i), the Delegate shall have certified in writing to the Bank that such event is, in its opinion, materially prejudicial to the interests of the holders of the Certificates and the Bank has undertaken under the Master Trust Deed to forthwith notify the Trustee and the Delegate of any Obligor Event (and the steps, if any, being taken to remedy it) or of any Potential Obligor Event promptly upon becoming aware of its occurrence.

14. **Realisation of Trust Assets**

- (a) Neither the Trustee nor the Delegate shall be bound in any circumstances to take any action or step or institute any proceedings to enforce or to realise the relevant Trust Assets or take any action or step or institute any proceedings against the Obligor or (in the case of the Delegate) against the Trustee under any Transaction Document to which either of the Trustee or the Obligor is a party unless directed or requested to do so: (i) by an Extraordinary Resolution; or (ii) in writing by the holders of at least 20 per cent. of the aggregate face amount of the Series of Certificates for the time being outstanding and, in each case, only if it shall have been indemnified and/or secured and/or prefunded to its satisfaction against all Liabilities to which it may thereby render itself liable or which it may incur by so doing.

- (b) No Certificateholder shall be entitled to proceed directly against the Trustee or the Obligor unless the Delegate or the Trustee, as the case may be, having become bound so to proceed (i) fails to do so within a reasonable period or (ii) is unable for any reason (including by reason of an order of a court having competent jurisdiction) to do so, and in each case such failure or inability is continuing. Under no circumstances shall the Delegate or any Certificateholder have any right to cause the sale or other disposition of any of the relevant Trust Assets (other than as expressly contemplated in the Transaction Documents) and the sole right of the Delegate and the Certificateholders against the Trustee and the Obligor shall be to enforce the Trustee's and the Obligor's respective obligations under the Certificates and the Transaction Documents to which they are a party.
- (c) Condition 16(a) and Condition 16(b) are subject to this Condition 16(c). After enforcing or realising the Trust Assets in respect of the Certificates of the relevant Series and distributing the net proceeds thereof in accordance with Condition 5(b) (*Application of Proceeds from Trust Assets*), the obligations of the Trustee in respect of the Certificates shall be satisfied and no Certificateholder may take any further steps against the Trustee or the Delegate to recover any further sums in respect of the Certificates and the right to receive from the Trustee any such sums remaining unpaid shall be extinguished. In particular, no Certificateholder shall be entitled in respect thereof to petition or to take any other steps for the winding-up of the Trustee.

15. Enforcement and Exercise of Rights

15.1 Upon the occurrence of a Dissolution Event, to the extent any amount payable in respect of the Certificates has not been paid in full, the Trustee (or the Delegate, acting on behalf of the Trustee), (subject to it being indemnified and/or secured and/or prefunded to its satisfaction), may (acting for the benefit of the Certificateholders) take one or more of the following steps:

- (a) enforce the provisions of the Purchase Undertaking against the Bank and any other Transaction Document to which the Bank is a party; and/or
- (b) take such other steps as the Trustee or the Delegate (acting in the name and on behalf of the Trustee) may consider necessary to recover amounts due to the Certificateholders.

16. Realisation of Trust Assets

- (a) Neither the Trustee nor the Delegate shall be bound in any circumstances to take any action or step or institute any proceedings to enforce or to realise the relevant Trust Assets or take any action or step or institute any proceedings against the Obligor or (in the case of the Delegate) against the Trustee under any Transaction Document to which either of the Trustee or the Obligor is a party unless directed or requested to do so: (i) by an Extraordinary Resolution; or (ii) in writing by the holders of at least 20 per cent. of the aggregate face amount of the Series of Certificates for the time being outstanding and, in each case, only if it shall have been indemnified and/or secured and/or prefunded to its satisfaction against all Liabilities to which it may thereby render itself liable or which it may incur by so doing.
- (b) No Certificateholder shall be entitled to proceed directly against the Trustee or the Obligor unless the Delegate or the Trustee, as the case may be, having become bound so to proceed (i) fails to do so within a reasonable period or (ii) is unable for any reason (including by reason of an order of a court having competent jurisdiction) to do so, and in each case such failure or inability is continuing. Under no circumstances shall the Delegate or any Certificateholder have any right to cause the sale or other disposition of any of the relevant Trust Assets (other than as expressly contemplated in the Transaction Documents) and the sole right of the Delegate and the Certificateholders against the Trustee and the Obligor shall be to enforce the Trustee's and the Obligor's respective obligations under the Certificates and the Transaction Documents to which they are a party.
- (c) Condition 16(a) and Condition 16(b) are subject to this Condition 16(c). After enforcing or realising the Trust Assets in respect of the Certificates of the relevant Series and distributing the net proceeds thereof in accordance with Condition 5(b) (*Application of Proceeds from Trust Assets*), the obligations of the Trustee in respect of the Certificates shall be satisfied and no Certificateholder may take any further steps against the Trustee or the Delegate to recover any further sums in respect of the Certificates and the right to receive from the Trustee any such sums remaining unpaid shall be extinguished. In particular, no Certificateholder shall be entitled in respect thereof to petition or to take any other steps for the winding-up of the Trustee.

17. **Meetings of Certificateholders, Modification and Waiver**

- (a) **Meetings of Certificateholders:** The Trust Deed contains provisions for convening meetings (including by way of telephony or electronic platform or facility) of Certificateholders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution of a modification or abrogation of any of these Conditions or any provisions of the Trust Deed or any other Transaction Document. Such a meeting may be convened by the Trustee, the Obligor or the Delegate at any time, or by Certificateholders holding not less than 10 per cent. in aggregate face amount of the Certificates for the time being outstanding. The quorum for any meeting convened to consider an Extraordinary Resolution shall be one or more persons holding or representing in the aggregate more than 50 per cent. in aggregate face amount of the Certificates for the time being outstanding, or at any adjourned meeting one or more persons being or representing Certificateholders whatever the face amount of the Certificates held or represented, unless the business of such meeting includes consideration of proposals which would have the effect of: (i) modifying any date for payment in respect of the Certificates, (ii) reducing or cancelling or varying the method for calculating the face amount of, or any amount or premium payable or due in respect of, the Certificates, (iii) reducing the rate or rates of profit in respect of the Certificates or varying the method or basis of calculating the rate or rates or amount of profit or the basis for calculating any Profit Amount in respect of the Certificates (in each case, other than as provided for in these Conditions (including Conditions 8(c) (*Benchmark Discontinuation*) and 8(d) (*Benchmark Discontinuation (SOFR)*)) and the applicable Pricing Supplement), (iv) if a Minimum Profit Rate and/or a Maximum Profit Rate is as specified in the applicable Pricing Supplement, reducing any such Minimum Profit Rate and/or Maximum Profit Rate, (v) varying the currency of payment or denomination of the Certificates, (vi) modifying the provisions concerning the quorum required at any meeting of Certificateholders or the majority required to pass an Extraordinary Resolution, (vii) modifying or cancelling the payment obligations of the Obligor (in any capacity) and/or the Trustee under the Transaction Documents and/or the Certificates (as the case may be), (viii) amending any of the Obligor's or the Trustee's covenants included in the Transaction Documents, (ix) amending the priority of payments as described in Condition 5(b) (*Application of Proceeds from Trust Assets*), or (x) amending the above list, in which case the necessary quorum shall be one or more persons holding or representing in the aggregate not less than 75 per cent., or at any adjourned meeting not less than 25 per cent., in aggregate face amount of the Certificates for the time being outstanding. Any Extraordinary Resolution duly passed shall be binding on all Certificateholders (whether or not they were present and whether or not they voted at the meeting at which such resolution was passed). To be passed, an Extraordinary Resolution requires a majority in favour consisting of not less than 75 per cent. of the votes cast on a show of hands, or, if a poll is duly demanded, not less than 75 per cent. on such poll.

The Trust Deed provides that a resolution in writing signed by or on behalf of the holders of not less than 75 per cent. in aggregate face amount of the Certificates for the time being outstanding shall for all purposes be as valid and effective as an Extraordinary Resolution passed at a meeting of Certificateholders duly convened and held. Such a resolution in writing may be contained in one document or several documents in like form, each signed by or on behalf of one or more Certificateholders. Such a resolution in writing will be binding on all Certificateholders whether or not they participated in such resolution.

*For so long as the Certificates are represented by a Global Certificate, an Extraordinary Resolution may also be passed by Certificateholders giving electronic consent, **provided that** consent to such resolution is given through the relevant clearing system(s) (in a form satisfactory to the Delegate) by or on behalf of the holders of not less than 75 per cent. in aggregate face amount of the Certificates. See "Summary of Provisions relating to the Certificates while in Global Form".*

- (b) **Modification of the Trust Deed or any Transaction Document:** The Delegate may (but shall not be obliged to), without the consent or sanction of the Certificateholders, (i) agree to any modification of the Trust Deed (including these Conditions) or any other Transaction Document that is in its opinion of a formal, minor or technical nature or is made to correct a manifest error, (ii) (A) give its consent under the Transaction Documents and agree to any other modification of the Trust Deed (including these Conditions) or any other Transaction Document, or to any waiver or authorisation of any breach or proposed breach, of any of the provisions of the Trust Deed or the Transaction Documents or (B) determine that any Dissolution Event or Potential Dissolution Event shall not be treated as such, provided in the

case of paragraph (ii), that such modification, consent, waiver, authorisation or determination is in the opinion of the Delegate not materially prejudicial to the interests of the Certificateholders and is not in contravention of any express direction by Extraordinary Resolution or request in writing by the holders of at least 20 per cent. of the aggregate face amount of the Certificates of that Series then outstanding and, in the case of modifications under paragraph (ii)(A) above only, is other than in respect of a matter which requires a special quorum resolution (as defined in paragraph 7 of Schedule 3 to the Master Trust Deed). Any such modification, consent, waiver, authorisation or determination shall be binding on all Certificateholders and shall be notified by the Trustee to the Certificateholders in accordance with Condition 20 (*Notices*) as soon as practicable thereafter.

In addition, the Delegate shall be obliged to concur with the Trustee in effecting any Benchmark Amendments in the circumstances set out in Condition 8(c) (*Benchmark Discontinuation*) or any Benchmark Replacement Conforming Changes in the circumstances set out in Condition 8(d) (*Benchmark Discontinuation (SOFR)*) without the consent of the Certificateholders.

- (c) **Entitlement of the Delegate:** In connection with the exercise by it of any of its powers, trusts, authorities and discretions (including, without limitation, those referred to in this Condition 17), the Delegate shall have regard to the general interests of the Certificateholders as a class and shall not have regard to any interest arising from circumstances particular to individual Certificateholders (whatever their number) and, in particular, but without limitation, shall not have regard to the consequences of any such exercise for individual Certificateholders (whatever their number) resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory or any political sub-division thereof or taxing jurisdiction and the Delegate shall not be entitled to require, nor shall any Certificateholder be entitled to claim from the Trustee, the Delegate, the Obligor or any other person any indemnification or payment in respect of any tax consequence of any such exercise upon individual Certificateholders except in the case of the Trustee and the Obligor, to the extent already provided for in Condition 11 (*Taxation*).

18. Delegate

- (a) **Delegation of Powers:** The Trustee will in the Trust Deed irrevocably and unconditionally appoint the Delegate to be its delegate and attorney and in its name, on its behalf and as its act and deed, to execute, deliver and perfect all documents, and to exercise all of the present and future powers (including the power to sub-delegate), rights, authorities (including, but not limited to, the authority to request directions from any Certificateholders and the power to make any determinations to be made under the Transaction Documents) and discretions vested in the Trustee by the Trust Deed, that the Delegate may consider to be necessary or desirable in order to, upon the occurrence of a Dissolution Event or Potential Dissolution Event, and subject to its being indemnified and/or secured and/or prefunded to its satisfaction, exercise all of the powers, rights, authorities and discretions of the Trustee under the Purchase Undertaking and any of the other Transaction Documents and make such distributions from the relevant Trust Assets as the Trustee is bound to make in accordance with the Trust Deed (together, the "**Delegation**" of the "**Relevant Powers**"), **provided that:** (i) no obligations, duties, liabilities or covenants of the Trustee pursuant to the Trust Deed or any other Transaction Document shall be imposed on the Delegate by virtue of the Delegation; (ii) in no circumstances will such Delegation of the Relevant Powers result in the Delegate holding on trust or managing the relevant Trust Assets; and (iii) such Delegation of the Relevant Powers shall not include any duty, power, trust, right, authority or discretion to dissolve any of the trusts constituted by the Trust Deed following the occurrence of a Dissolution Event or Potential Dissolution Event or to determine the remuneration of the Delegate. The Trustee shall ratify and confirm all things done and all documents executed by the Delegate in the exercise of all or any of the Relevant Powers.

In addition to the Delegation of the Relevant Powers under the Trust Deed, the Delegate also has certain powers, rights, authorities and discretions which are vested solely in it from the date of the Master Trust Deed.

The appointment of a delegate by the Trustee is intended to be in the interests of the Certificateholders and does not affect the Trustee's continuing role and obligations as sole trustee.

- (b) **Indemnification:** The Trust Deed contains provisions for the indemnification of each of the Delegate and the Trustee in certain circumstances and for its relief from responsibility, including provisions relieving the Delegate from taking any action, step or proceeding unless indemnified and/or secured and/or prefunded to its satisfaction.
- (c) **No Liability:** The Delegate makes no representation and assumes no responsibility for the validity, sufficiency or enforceability of the obligations of the Obligor or the Trustee under the Transaction Documents to which each of the Obligor and the Trustee is a party and shall not under any circumstances have any liability or be obliged to account to Certificateholders in respect of any payments which should have been made by the Obligor or the Trustee but are not so made and shall not in any circumstances have any liability arising from the relevant Trust Assets other than as expressly provided in these Conditions or in the Trust Deed.
- (d) **Reliance on Certificates, Reports and/or Information:** The Delegate and the Trustee may consult with and/or rely and act on the opinion or advice of or a certificate, report or any information (whether or not addressed to the Delegate or the Trustee) obtained from any lawyer, valuer, banker, broker, accountant, surveyor, auctioneer, tax adviser, rating agency, insolvency official or other expert appointed by the Trustee, the Obligor, the Delegate or an Agent or otherwise and shall not be responsible for any Liability occasioned by so acting or relying notwithstanding that such advice, opinion or information may contain a cap or other limitation (monetary or otherwise) on the liability of any party and notwithstanding that the scope and/or basis of such advice, opinion, certificate or report may be limited by an engagement or similar letter or by the terms of the certificate or report itself and the Delegate or the Trustee shall not in any case be required to call for further evidence or be responsible for any Liability or inconvenience that may be occasioned by its failure to do so.
- (e) **Proper performance of duties:** Nothing shall, in any case in which the Trustee or the Delegate has failed to show the degree of care and diligence required of it as trustee, in the case of the Trustee (having regard to the provisions of the Trust Deed conferring on it any trusts, powers, authorities or discretions) or as delegate, in the case of the Delegate (having regard to the powers, rights, authorities and discretions conferred on it by the Trust Deed), respectively exempt the Trustee or the Delegate from or indemnify either of them against any liability which by virtue of any rule of law would otherwise attach to either of them in respect of any gross negligence, wilful default or actual fraud of which either of them may be guilty in relation to their own duties under the Trust Deed.
- (f) **Notice of Events:** Neither the Delegate nor the Trustee shall be bound to take any steps to ascertain whether any Dissolution Event or Potential Dissolution Event has happened and, until it shall have received express written notice to the contrary, it will be entitled to assume that no such event has happened (without any liability to Certificateholders or any other person for so doing).
- (g) **Delegate Contracting with the Trustee and the Obligor:** The Trust Deed contains provisions pursuant to which the directors or officers of a corporation acting as the Delegate may acquire, hold or dispose of any Certificates or other security (or any interest therein) of the Trustee or any other person, may enter into or be interested in any contract or transaction with any such person and may act on, or as depositary or agent for, any committee or body of holders of any securities of any such person, in each such case with the same rights as they would have had if the Delegate were not acting as Delegate and need not account for any profit made thereby or in connection therewith.

19. Replacement of Registered Certificates

If a Registered Certificate is lost, stolen, mutilated, defaced or destroyed, it may be replaced, subject to applicable laws, regulations and stock exchange or other relevant regulatory authority regulations, at the specified office of the Registrar or such other Paying Agent or Transfer Agent, as the case may be, as may from time to time be designated by the Trustee for the purpose and notice of whose designation is given to Certificateholders, in each case on payment by the claimant of the costs and expenses as may be incurred in connection therewith and on such terms as to evidence and indemnity as the Trustee may reasonably require (**provided that** such requirement is reasonable in light of prevailing market practice). Mutilated or defaced Registered Certificates must be surrendered before replacements will be issued.

20. **Notices**

Notices required to be given to the holders of Certificates shall be mailed to them by registered mail (airmail if overseas) at their respective addresses in the Register.

The Trustee shall also ensure that notices required to be given to the holders of the Certificates are duly given in a manner which complies with the rules and regulations of any listing authority, stock exchange and/or quotation system on which the Certificates are for the time being listed and/or admitted to trading including publication on the website of the relevant authority, relevant stock exchange and/or relevant quotation system if required by those rules or regulations. If in the opinion of the Delegate any such publication is not practicable, notice required to be given pursuant to these Conditions shall be validly given if published in another leading daily English language newspaper with general circulation in Europe. Any notices shall be deemed to have been given on the fourth weekday (being a day other than a Saturday or a Sunday) after the date of mailing (or on the date of publication, or, if so published more than once or on different dates, on the date of the first publication).

So long as the Certificates are represented by a Global Certificate and such Global Certificate is held on behalf of the Euroclear or Clearstream, Luxembourg, or any other clearing system, notices to the holders of the Certificates of that Series may be given by delivery of the relevant notice to that clearing system for communication by it to entitled accountholders in substitution for mailing as required by this Condition 20. Any such notice shall be deemed to have been given to the holders of the Certificates on the day on which the said notice was given to the Euroclear and/or Clearstream, Luxembourg and/or such other relevant clearing system.

21. **Further Issues**

In respect of any Series, the Trustee may from time to time without the consent of the Certificateholders create and issue further Certificates having the same terms and conditions as the outstanding Certificates of such Series or terms and conditions which are the same in all respects save for the date and amount of the first payment of the Periodic Distribution Amount and the date from which Periodic Distribution Amounts start to accrue and so that such further issue shall be consolidated and form a single Series with the outstanding Certificates of such Series. Any further Certificates which are to form a single Series with the outstanding Certificates previously constituted by the Trust Deed shall be constituted by a deed supplemental to the Trust Deed. References in these Conditions to the Certificates include (unless the context requires otherwise) any other certificates issued pursuant to this Condition and forming a single Series with the Certificates.

22. **Contracts (Rights of Third Parties) Act 1999**

No person shall have any right to enforce any term or condition of the Certificates under the Contracts (Rights of Third Parties) Act 1999 but this does not affect any right or remedy of any person which exists or is available apart from that Act.

23. **Governing Law and Dispute Resolution**

23.1 **Governing Law**

The Trust Deed (including these Conditions), the Agency Agreement and the Certificates and any non-contractual obligations arising out of or in connection with them are governed by, and shall be construed in accordance with, English law.

23.2 **Agreement to arbitrate**

Subject to Condition 23.3 any dispute, claim, difference or controversy arising out of relating to or having any connection with the Master Trust Deed (including these Conditions and the Certificates) (including any dispute as to their existence, validity, interpretation, performance, breach or termination or the consequences of their nullity of any of them or a dispute relating to any non-contractual obligations arising out of or in connection with them) (a "**Dispute**") shall be referred to and finally resolved by arbitration in accordance with the Arbitration Rules of the LCIA (the "**Rules**"), which Rules (as amended from time to time) are incorporated by reference into this Condition 23.2 (Governing Law and Dispute Resolution). For these purposes:

- (i) the seat of arbitration shall be London;

- (ii) there shall be three arbitrators, each of whom shall have no connection with any party thereto and shall be an attorney experienced in international securities transactions. The parties to the Dispute shall each nominate one arbitrator and both arbitrators in turn shall appoint a further arbitrator who shall be the chairman of the tribunal. In cases where there are multiple claimants and/or multiple respondents, the class of claimants jointly, and the class of respondents jointly, shall each nominate one arbitrator. If one party or both fails to nominate an arbitrator within the time limits specified by the Rules, such arbitrator(s) shall be appointed by the LCIA. If the party nominated arbitrators fail to nominate the third arbitrator within 15 days of the nomination of the second arbitrator, such arbitrator shall be appointed by the LCIA;
- (iii) the language of the arbitration shall be English.

23.3 **Option to litigate**

Notwithstanding Condition 23.2 (*Governing Law and Dispute Resolution – Agreement to arbitrate*) above the Delegate or, (only where permitted to take action in accordance with the terms of the Master Trust Deed) any Certificateholder, may, in the alternative, and at its sole discretion, by notice in writing to the Trustee and the Bank (as applicable):

- (i) within 28 days of service of a Request for Arbitration (as defined in the Rules); or
- (ii) in the event no arbitration has commenced,

require that a Dispute be heard by a court of law (a "**Notice to Litigate**"). If a Notice to Litigate is given, the Dispute to which such notice refers shall be determined in accordance with Condition 23.4 (*Governing Law and Dispute Resolution – Effect of exercise of option to litigate*) and subject as provided below, any arbitration commenced under Condition 23.2 (*Governing Law and Dispute Resolution – Agreement to arbitrate*) in respect of that Dispute will be terminated. Each of the parties to the terminated arbitration will bear its own costs in relation to the terminated arbitration.

If any Notice to Litigate is given after service of any request for arbitration in respect of any Dispute, the Delegate or, (only where permitted to take action in accordance with the terms of the Master Trust Deed) any Certificateholder, must promptly give notice to the LCIA and to any Tribunal (each as defined in the Rules) already appointed in relation to such Dispute that the Dispute will be settled by the courts. Upon receipt of such notice by the LCIA, the arbitration and any appointment of any arbitrator in relation to such Dispute will immediately terminate. Any such arbitrator will be deemed to be *functus officio*. The termination is without prejudice to:

- (iii) the validity of any act done or order made by that arbitrator or by the court in support of that arbitration before his appointment is terminated;
- (iv) his entitlement to be paid his proper fees and disbursements; and
- (v) the date when any claim or defence was raised for the purpose of applying any limitation bar or any similar rule or provision.

23.4 **Effect of exercise of option to litigate**

If a notice is issued pursuant to Condition 23.3 (*Governing Law and Dispute Resolution – Option to litigate*), the following provisions shall apply:

- (i) subject to paragraph (iii) below, the courts of England shall have exclusive jurisdiction to settle any Dispute and each of the Trustee and the Bank submits to the exclusive jurisdiction of such courts;
- (ii) each of the Trustee and the Bank agrees that the courts of England are the most appropriate and convenient courts to settle any Dispute and, accordingly, that it will not argue to the contrary; and
- (iii) this Condition 23 (*Governing Law and Dispute Resolution – Effect of exercise of option to litigate*) is for the benefit of the Delegate and the Certificateholders only. As a result, and notwithstanding paragraph(s) (i) and (ii) above, the Delegate or, but only

where it is permitted to take action in accordance with the terms of the Master Trust Deed, any Certificateholder, may take proceedings relating to a Dispute ("**Proceedings**") in any other courts with jurisdiction. To the extent allowed by law, the Delegate and the Certificateholders may take concurrent Proceedings in any number of jurisdictions.

23.5 **Process agent**

The Trustee agrees that the documents which start any Proceedings and any other documents required to be served in relation to those Proceedings may be served on it by being delivered to Maples and Calder at its registered office at 6th Floor, DUO, 280 Bishopsgate, London, EC2M 4RB, United Kingdom or, if different, its registered office for the time being or at any address of the Trustee in Great Britain at which process may be served on it in accordance with Part 34 of the Companies Act 2006. If such person is not or ceases to be effectively appointed to accept service of process on behalf of the Trustee, the Trustee shall appoint a further person in England to accept service of process on its behalf and, failing such appointment within 15 days, the Delegate shall be entitled to appoint such a person by written notice addressed to the Trustee and delivered to the Trustee or to the Specified Office of the Principal Paying Agent. Nothing in this Condition 23.5 (*Governing Law and Dispute Resolution – Process agent*) shall affect the right of any party to serve process in any other manner permitted by law. This Condition 23.5 (*Governing Law and Dispute Resolution – Process agent*) applies to Proceedings in England and to Proceedings elsewhere.

23.6 **Waiver of Interest**

- (i) Each of the Trustee, the Delegate and the Obligor has irrevocably agreed in the Trust Deed that no interest will be payable or receivable under or in connection with the Trust Deed and if it is determined that any interest is payable or receivable in connection with the Trust Deed by any of the Trustee, the Delegate or the Obligor, whether as a result of any arbitral or judicial award or by operation of any applicable law or otherwise, each such party has agreed to waive any rights it may have to claim or receive such interest and has agreed that if any such interest is actually received by it, it shall hold such amount in a suspense account and, in the case of the Obligor, deal with such amounts as directed by the *Sharia* Supervisory Board of the Bank and, in all other cases, promptly donate the same to a registered or otherwise officially recognised charitable organisation.
- (ii) For the avoidance of doubt, nothing in this Condition 23.6 (*Governing Law and Dispute Resolution – Waiver of Interest*) shall be construed as a waiver of rights in respect of Wakala Portfolio Revenues, Required Amounts, Periodic Distribution Amounts, Dissolution Distribution Amounts, Exercise Price, Certificateholder Put Right Exercise Price, Tangibility Event Put Right Exercise Price, Optional Dissolution Exercise Price, Deferred Payment Price, Murabaha Instalment Profit Amounts, Murabaha Profit Amounts or profit or principal of any kind howsoever described payable by the Obligor (in any capacity) or the Trustee (in any capacity) pursuant to the Transaction Documents and/or these Conditions, howsoever such amounts may be described or re-characterised by any court or arbitral tribunal.

SUMMARY OF PROVISIONS RELATING TO THE CERTIFICATES WHILE IN GLOBAL FORM

Initial Issue of Certificates

Each Tranche of Certificates will initially be represented by a Global Certificate in registered form. Global Certificates will be delivered on or prior to the issue date of the Tranche to a common depositary for Euroclear and Clearstream, Luxembourg (the "**Common Depositary**").

Upon registration of the Certificates in the name of any nominee for, and deposit of the Global Certificate with, a Common Depositary, Euroclear or Clearstream, Luxembourg will credit each subscriber with a face amount of Certificates equal to the face amount thereof for which it has subscribed and paid.

Certificates that are initially deposited with the Common Depositary may also be credited to the accounts of subscribers with other clearing systems through direct or indirect accounts with Euroclear and Clearstream, Luxembourg held by such other clearing systems. Conversely, Certificates that are initially deposited with any other clearing system may similarly be credited to the accounts of subscribers with Euroclear, Clearstream, Luxembourg or other clearing systems.

Relationship of Accountholders with Clearing Systems

For so long as any of the Certificates is represented by a Global Certificate held on behalf of Euroclear and/or Clearstream, Luxembourg, each person (other than Euroclear or Clearstream, Luxembourg) who is for the time being shown in the records of Euroclear or of Clearstream, Luxembourg as the holder of a particular face amount of such Certificates (in which regard any certificate or other document issued by Euroclear or Clearstream, Luxembourg as to the face amount of such Certificates standing to the account of any person shall be conclusive and binding for all purposes) shall be treated by the Trustee, the Delegate and their respective agents as the holder of such face amount of such Certificates for all purposes other than with respect to any payment on such face amount of such Certificates, for which purpose the registered holder of the relevant Global Certificate shall be treated by the Trustee, the Delegate and their respective agents as the holder of such face amount of such Certificates in accordance with and subject to the terms of the relevant Global Certificate and the expressions "**Certificateholder**" and "**holder**" and related expressions shall be construed accordingly.

Each of the persons shown in the records of Euroclear, Clearstream, Luxembourg or any other clearing system (an "**Alternative Clearing System**") as the holder of a Certificate represented by a Global Certificate must look solely to Euroclear, Clearstream, Luxembourg, or any such Alternative Clearing System (as the case may be) for his share of each payment made by the Trustee to the registered holder of the underlying Certificates, and in relation to all other rights arising under the Global Certificates, subject to and in accordance with the respective rules and procedures of Euroclear, Clearstream, Luxembourg or such Alternative Clearing System (as the case may be). Such persons shall have no claim directly against the Trustee in respect of payments due on the Certificates for so long as the Certificates are represented by such Global Certificate and such obligations of the Trustee will be discharged by payment to the registered holder of the underlying Certificates in respect of each amount so paid.

Exchange for Definitive Certificates

Interests in a Global Certificate will be exchangeable in whole but not in part (free of charge) for definitive Certificates of a particular Series only upon the occurrence of an Exchange Event. The Trustee will promptly give notice to the Certificateholders in accordance with Condition 20 (*Notices*) upon the occurrence of an Exchange Event. For these purposes, an "**Exchange Event**" will occur (i) if the Delegate has given notice in accordance with Condition 20 (*Notices*) that a Dissolution Event has occurred and is continuing or (ii) if the Trustee has been notified that both Euroclear and Clearstream, Luxembourg, have been closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or have announced an intention permanently to cease business or have in fact done so and, in any such case, no successor or alternative clearing system satisfactory to the Trustee is available or (iii) with the consent of the Trustee. In the event of an occurrence of an Exchange Event, any of the Trustee or Euroclear and/or Clearstream, Luxembourg, as the case may be, acting on the instructions of any holder of an interest in such Global Certificate may give notice to the Registrar requesting exchange. Any exchange shall occur no later than 15 days after the date of receipt of the first relevant notice by the Registrar.

For so long as any Certificate is represented by a Global Certificate held on behalf of Euroclear and/or Clearstream, Luxembourg, each person (other than Euroclear or Clearstream, Luxembourg) who is for the time being shown in the records of Euroclear or of Clearstream, Luxembourg (as the case may be) as the holder of a particular face amount of such Certificate (in which regard any certificate or other document issued by Euroclear

or Clearstream, Luxembourg (as the case may be) as to the face amount of such Certificate standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be treated as the holder of such face amount of such Certificate for all purposes other than with respect to any payment on such face amount of such Certificate, for which purpose the registered holder of the relevant Global Certificate shall be treated by the Trustee and their respective agents as the holder of such face amount of such Certificate in accordance with and subject to the terms of the relevant Global Certificate and the expressions "**Certificateholder**" and "**holder of Certificates**" and related expressions shall be construed accordingly.

Any reference herein to Euroclear and/or Clearstream, Luxembourg shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system specified in the applicable Pricing Supplement.

Amendment to Conditions

The Global Certificates contain provisions that apply to the Certificates that they represent, some of which modify the effect of the terms and conditions of the Certificates set out in this Base Offering Circular. The following is a summary of certain of those provisions:

Payments

All payments in respect of Certificates represented by a Global Certificate will be made (against surrender of that Global Certificate if no further payment falls to be made in respect of the Certificates) to, or to the order of, the person whose name is entered on the Register at the close of business on the record date, being the Clearing System Business Day immediately prior to the date for payment, where "**Clearing System Business Day**" means Monday to Friday inclusive, except 25 December and 1 January.

Meetings

For the purposes of any meeting of Certificateholders, the holder or any proxy or representative appointed by it will be treated as one person for the purposes of any quorum requirements of, or the right to demand a poll at, a meeting of Certificateholders and, in any such meeting as having one vote in respect of each integral currency unit of the Specified Currency of the Certificates.

Delegate's Powers

In considering the interests of Certificateholders while the Global Certificate is held on behalf of, or registered in the name of any nominee for, a clearing system, the Delegate may have regard to any information provided to it by such clearing system or its operator as to the identity (either individually or by category) of its accountholders with entitlements to the Global Certificate and may consider such interests, and treat such accountholders, as if such accountholders were the holders of the Certificates represented by the Global Certificate.

Optional Dissolution Right

If any early dissolution right of the Bank is exercised in respect of some but not all of the Certificates of any Series, the rights of accountholders with a clearing system in respect of the Certificates will be governed by the standard procedures of Euroclear, Clearstream, Luxembourg or any other clearing system (as the case may be).

Certificateholder Put Right and Tangibility Event Put Right

Any early dissolution right of the Certificateholders provided for in Condition 9(d) (*Dissolution at the Option of Certificateholders (Certificateholder Put Right)*) or Condition 9(e) (*Dissolution at the Option of the Certificateholders (Tangibility Event Put Right)*) of any Certificates while such Certificates are represented by a Global Certificate may be exercised by the holder of the Certificate(s) in accordance with the standard procedures of Euroclear, Clearstream, Luxembourg or any other clearing system (as the case may be).

Cancellation

Cancellation of any Certificate represented by a Global Certificate that is surrendered for cancellation (other than upon its redemption in full) will be effected by reduction in the aggregate face amount of the relevant Series of Certificates in the Register.

Notices

Notices required to be given in respect of the Certificates represented by a Global Certificate may be given by their being delivered (so long as this Global Certificate is held on behalf of Euroclear and Clearstream, Luxembourg or any other clearing system) to Euroclear, Clearstream, Luxembourg or such other clearing system, as the case may be, rather than by mailing as required by the Conditions, **provided that** such notices must also be given or published in a manner which complies with the rules and regulations of any listing authority, stock exchange, quotation system or other relevant authority on which the Certificates are for the time being listed or admitted to trading or quotation. Any such notice shall be deemed to have been given to the Certificateholders on the day on which the said notice was given to Euroclear and/or Clearstream, Luxembourg and/or such other relevant clearing system.

Notices to be given by any Certificateholder shall be in writing and given by lodging the same, together with the relevant Certificate or Certificates, with the Principal Paying Agent, and for so long as any Certificates held by a Certificateholder are represented by the Global Certificate, notices to be given by any Certificateholder may be given by such Certificateholder to the Principal Paying Agent through Euroclear and/or Clearstream, Luxembourg in such a manner as the Principal Paying Agent and Euroclear and/or Clearstream, Luxembourg may approve for this purpose.

Electronic Consent

While any Global Certificate is held on behalf of, and registered in the name of any nominee for a Common Depositary for, a clearing system, approval of a resolution proposed by the Trustee, the Bank or the Delegate (as the case may be) given by way of electronic consents communicated through the electronic communications systems of the relevant clearing system(s) in accordance with their operating rules and procedures by or on behalf of the holders of not less than 75 per cent. in aggregate face amount of the Certificates for the time being outstanding (an "**Electronic Consent**") shall, for all purposes (including matters that would otherwise require a special quorum resolution (as defined in paragraph 2.11 of Schedule 3 to the Master Trust Deed)), take effect as an Extraordinary Resolution passed at a meeting of Certificateholders duly convened and held, and shall be binding on all Certificateholders whether or not they participated in such Electronic Consent.

Further Issues

Pursuant to the Agency Agreement, the Principal Paying Agent shall arrange that, where a further Tranche is issued which is intended to form a single Series with an existing Tranche at a point after the Issue Date of the further Tranche, the Certificates of such further Tranche shall be assigned a common code and ISIN (if required) until such time as the Tranches are consolidated and form a single Series.

FORM OF PRICING SUPPLEMENT

The form of Pricing Supplement that will be issued in respect of each Tranche, subject only to the deletion of non-applicable provisions, is set out below:

Pricing Supplement

NO PROSPECTUS IS REQUIRED IN ACCORDANCE WITH REGULATION (EU) 2017/1129 AS IT FORMS PART OF UNITED KINGDOM ("UK") DOMESTIC LAW BY VIRTUE OF THE EUROPEAN UNION (WITHDRAWAL) ACT 2018 (THE "UK PROSPECTUS REGULATION") FOR THE ISSUE OF THE INSTRUMENTS DESCRIBED BELOW. THE UNITED KINGDOM FINANCIAL CONDUCT AUTHORITY HAS NEITHER APPROVED NOR REVIEWED ANY INFORMATION CONTAINED IN THIS PRICING SUPPLEMENT AND ANY INSTRUMENTS ISSUED PURSUANT TO THIS PRICING SUPPLEMENT ARE NOT COMPLIANT WITH THE UK PROSPECTUS REGULATION.

[MiFID II product governance/Professional investors and ECPs only target market – Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the Certificates has led to the conclusion that: (i) the target market for the Certificates is eligible counterparties and professional clients only, each as defined in Directive 2014/65/EU (as amended, "MiFID II"); and (ii) all channels for distribution of the Certificates to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Certificates (a "distributor") should take into consideration the manufacturer['s/s'] target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Certificates (by either adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate distribution channels.]

[UK MiFIR product governance/Professional investors and ECPs only target market – Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the Certificates has led to the conclusion that: (i) the target market for the Certificates is only eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook, and professional clients, as defined in Regulation (EU) No 600/2014 as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018 ("UK MiFIR"); and (ii) all channels for distribution of the Certificates to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Certificates (a "distributor") should take into consideration the manufacturer['s/s'] target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook is responsible for undertaking its own target market assessment in respect of the Certificates (by either adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate distribution channels.]

Any person making or intending to make an offer of the Certificates may only do so in circumstances in which no obligation arises for the Trustee, the Obligor or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or Section 85 of the FSMA or to supplement a prospectus pursuant to Article 23 of the Prospectus Regulation or Article 23 of the UK Prospectus Regulation, in each case, in relation to such offer.

[Date]

BBG SUKUK LTD

Legal Entity Identifier (LEI): 549300URWP4TDNWJXN62

Issue of [Aggregate Face Amount of Tranche] [Title of Certificates] (the "Certificates") [to be consolidated and form a single series with the existing] [Aggregate Face Amount of Tranche] [Title of Certificates] issued on [•] (the "Original Certificates")]⁵
under the U.S.\$2,000,000,000 Trust Certificate Issuance Programme

PART A – CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions of the Certificates set forth in the Base Offering Circular dated 7 August 2024 [and the supplement[s] to it dated [•] [and [•]] (the "Base Offering Circular"). This document constitutes the Pricing Supplement of the Certificates described herein and must be read in conjunction with the Base Offering Circular in order to obtain all the relevant information. The Base Offering Circular is available for viewing at the registered office of the Trustee

⁵ Include only for an issue of further Certificates in accordance with Condition 21 (*Further Issues*).

at c/o MaplesFS Limited, P.O. Box 1093, Queensgate House, Grand Cayman, KY1-1102, Cayman Islands and copies may be obtained from the specified office of the Principal Paying Agent, in each case during usual business hours.

The following alternative language applies if the first tranche of an issue which is being increased was issued under a base offering circular with an earlier date.

Terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions of the Certificates (the "**Conditions**") set forth in the Base Offering Circular dated [•] 2024 [and the supplement[s] to it dated [•] [and [•]] which are incorporated by reference in the Base Offering Circular dated [•] 2024 (the "**Base Offering Circular**"). This document constitutes the Pricing Supplement of the Certificates described herein and must be read in conjunction with the Base Offering Circular dated [current date] [and the supplement(s) to it dated [•]], in order to obtain all the relevant information, save in respect of the Conditions which are extracted from the Base Offering Circular dated [•] 2024 [and the supplement(s) to it dated [•]]. The Base Offering Circular is available for viewing at the registered office of the Trustee at c/o MaplesFS Limited, P.O. Box 1093, Queensgate House, Grand Cayman, KY1-1102, Cayman Islands and copies may be obtained from the specified office of the Principal Paying Agent, in each case during usual business hours.

1. Trustee: BBG Sukuk Ltd
Obligor: Dukhan Bank Q.P.S.C.
2. Series Number: [•]
 - (a) Tranche Number: [•]
 - (b) Date on which the Certificates will be consolidated and form a single Series: [The Certificates will be consolidated and form a single Series with *[identify earlier Tranche(s)]* on *[insert date/the Issue Date]*] [Not Applicable]
3. Specified Currency: [•]
4. Aggregate Face Amount: [•]
 - (a) Series: [•]
 - (b) Tranche: [•]
5. Issue Price: [•] per cent. of the Aggregate Face Amount [plus *[Specified Currency]* [•] in respect of [•] days of Periodic Distribution Amounts from (and including) *[the issue date of the Original Certificates]* to (but excluding) the Issue Date]⁶
6.
 - (a) Specified Denominations: [•]
 - (b) Calculation Amount: [•]
7.
 - (a) Issue Date: [•]
 - (b) Profit Commencement Date: [[•]/Issue Date]
8. Scheduled Dissolution Date: [•]
9. Profit Basis: [Fixed Rate Certificates/Floating Rate Certificates] (further particulars specified at paragraph [15]/[16] below)

⁶ Include only for an issue of further Certificates in accordance with Condition 21 (*Further Issues*).

10. Dissolution Basis: Dissolution at par
11. Change of Profit Basis: *[[Specify the date when any fixed to floating rate change occurs or cross refer to paragraphs 15 and 16 below and identify there]/Not Applicable]*
12. Put/Call Rights: [Not Applicable]
[Optional Dissolution Right]
[Certificateholder Put Right]
[(see paragraph [17/18] below)]
13. Status: Unsubordinated
14. Date of Trustee's board approval and date of Obligor's board approval for issuance of Certificates: [•] and [•], respectively

Provisions relating to profit payable

15. Fixed Periodic Distribution Provisions: [Applicable]/[Not Applicable]
- (a) Profit Rate(s): [•] per cent. per annum payable [annually/semi-annually/quarterly/monthly/[•]] in arrear on each Periodic Distribution Date
- (b) Periodic Distribution Date(s): [[•] in each year up to and including the Scheduled Dissolution Date, commencing on [•]/[•]]
- (c) Fixed Amount(s): [•] per Calculation Amount
- (d) Broken Amount(s): [[•] per Calculation Amount, payable on the Periodic Distribution Date falling [in/on] [•]/Not Applicable]
- (e) Day Count Fraction: [Actual/Actual]
[Actual/Actual – ISDA]
[Actual/365 (Fixed)]
[Actual/365 (Sterling)]
[Actual/360]
[30/360]
[360/360]
[Bond Basis]
[30E/360]
[Eurobond Basis]
[30E/360 (ISDA)]
[Actual/Actual – ICMA]

- (f) Determination Date(s): [[•] in each year/Not Applicable]
16. Floating Periodic Distribution Provisions: [Applicable]/[Not Applicable]
- (a) Periodic Distribution Period(s): [•]⁷
- [The end date of each Periodic Distribution Period shall be subject to adjustment in accordance with the Business Day Convention specified in paragraph [(e)] below/ Not subject to any adjustment]
- (b) Specified Periodic Distribution Dates: [•] in each year, commencing on [•][, subject to adjustment in accordance with the Business Day Convention set out in paragraph (e) below/, not subject to adjustment, as the Business Day Convention in (d) below is specified to be Not Applicable]
- (c) First Periodic Distribution Date [•][, subject to adjustment in accordance with the Business Day Convention specified in paragraph (e) below/, not subject to any adjustment]
- (d) Profit Period Date: [Not Applicable/[•]⁸]
- (e) Business Day Convention: [Floating Rate Business Day Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention] [Not Applicable]
- (f) Business Centre(s): [•] [Not Applicable]
- (g) Manner in which the Profit Rate and the Periodic Distribution Amount are to be determined: [Screen Rate Determination/ISDA Determination]
- (h) Party responsible for calculating the Profit Rate and the Periodic Distribution Amount (if not the Principal Paying Agent): [•] (the "**Calculation Agent**")
- (i) Screen Rate Determination not referencing SOFR or SONIA: [Applicable]/[Not Applicable]
- (i) Reference Rate: [•] month
- [EURIBOR/KIBOR/HIBOR/KLIBOR/EIBOR/SIBOR/TIBOR/SAIBOR/BBSW/BKBM/QIBOR/SOFR/SONIA]
- (ii) Profit Rate Determination Date(s): [•]

⁷ Periodic Distribution Periods should be specified explicitly where the Reference Rate is SOFR Benchmark and the SOFR Benchmark is Compounded Daily SOFR: SOFR Payment Delay.

⁸ Profit Period Dates should be specified explicitly where the Reference Rate is SOFR Benchmark and the SOFR Benchmark is Compounded Daily SOFR: SOFR Payment Delay.

- | | | |
|-------|----------------------------|-----|
| (iii) | Relevant Screen Page: | [•] |
| (iv) | Relevant Time: | [•] |
| (v) | Relevant Financial Centre: | [•] |
- (j) Screen Rate Determination Referencing SOFR [Applicable]/[Not Applicable]
- | | | |
|--------|------------------------------------|---|
| (i) | Profit Rate Determination Date(s): | [[•] U.S. Government Securities Business Days prior to each Periodic Distribution Period Date] ⁹ [The Periodic Distribution Period Date at the end of each Periodic Distribution Period; except in respect of the final Periodic Distribution Period, for which the Profit Rate Determination Date will be the SOFR Rate Cut-off Date] ¹⁰ |
| (ii) | SOFR Benchmark | [Not Applicable/Simple SOFR Average/Compounded Daily SOFR/Compounded SOFR Index] ¹¹ |
| (iii) | Compounded Daily SOFR: | [Not Applicable/SOFR Lag/SOFR Observation Shift/SOFR Payment Delay/SOFR Lockout] ¹² |
| (iv) | Lookback Days: | [Not Applicable/[•] U.S. Government Securities Business Day(s)] ¹³ |
| (v) | SOFR Observation Shift Days: | [Not Applicable/[•] U.S. Government Securities Business Day(s)] ¹⁴ |
| (vi) | Periodic Distribution Delay Days: | [Not Applicable/[•] U.S. Government Securities Business Day(s)] ¹⁵ |
| (vii) | SOFR Rate Cut-Off Date: | [Not Applicable/The day that is the [•] U.S. Government Securities Business Day(s) prior to the end of each Periodic Distribution Period] ¹⁶ |
| (viii) | SOFR Index _{Start} Days: | [Not Applicable/[•] U.S. Government Securities Business Day(s)] ¹⁷ |

⁹ To be included where the Reference Rate is SOFR Benchmark and the SOFR Benchmark is Compounded Daily SOFR: SOFR Observation Shift, SOFR Lockout or SOFR Lag.

¹⁰ Only applicable where the Reference Rate is SOFR Benchmark and the SOFR Benchmark is the Compounded Daily SOFR: SOFR Payment Delay.

¹¹ Only applicable where the Reference Rate is SOFR Benchmark.

¹² Only applicable in the case of Compounded Daily SOFR.

¹³ Only applicable in the case of SOFR Observation Shift or Compounded SOFR Index.

¹⁴ Only applicable in the case of SOFR Payment Delay.

¹⁵ Only applicable in the case of SOFR Payment Delay.

¹⁶ Only applicable in the case of Simple SOFR Average, Compounded Daily SOFR: SOFR Payment Delay or Compounded Daily SOFR: SOFR Lockout.

¹⁷ Only applicable in the case of Compounded SOFR Index.

- (ix) SOFR Index_{End} Days: [Not Applicable]/[•] U.S. Government Securities Business Day(s)]¹⁸
- (x) D: [365/360/[•]]¹⁹
- (xi) Fallback Provisions: [Paragraph (i) of Condition 8(c) (*Benchmark Discontinuation – Reference Rate other than SOFR*)]²⁰ [Condition 8(d) (*Benchmark Discontinuation (SOFR)*)]
- (k) Screen Rate Determination Referencing SONIA: [Applicable]/[Not Applicable]
- (i) Reference Rate: [SONIA Compounded Index Rate/SONIA Compounded Daily Reference Rate [with Observation Shift]/[with Lag] where "p" is: [*specify number*] London Business Days [*being no less than 5 London Business Days*]]
- (ii) Profit Rate Determination Date(s): The date which is ["p"] London Business Days prior to each Periodic Distribution Date²¹
- (iii) Relevant Screen Page: [[Bloomberg Screen Page: SONCINDX]²²/*see pages of authorised distributors for SONIA Compounded Index Rate*] or [Bloomberg Screen Page: SONIO/N Index]²³/*SONIA Compounded Daily Reference Rate as applicable*][•]
- (iv) Relevant Fallback Screen Page: [[Bloomberg Screen Page: SONIO/N Index]/*see pages of authorised distributors for SONIA Compounded Daily Reference Rate as applicable*][•]]²⁴
- (l) ISDA Determination: [Applicable]/[Not Applicable]
- (i) ISDA Definitions [2006 ISDA Definitions]/[2021 ISDA Definitions]
- (ii) Floating Rate Option: [•]²⁵
- (iii) Designated Maturity: [•]/[Not Applicable]
- (iv) Compounding: [Applicable/Not Applicable]

¹⁸ Only applicable in the case of Compounded SOFR Index.

¹⁹ "D" will normally be 360.

²⁰ To be included in all cases except where the parties have agreed, in respect of an issuance where the Reference Rate is SOFR Benchmark, to the inclusion of the Benchmark Discontinuation (SOFR) fallback provisions instead.

²¹ The Profit Rate Determination Date should match the last day of the Observation Period.

²² Where SONIA Compounded Index Rate applies.

²³ Where SONIA Compounded Daily Reference Rate applies.

²⁴ Only applicable in the case of SONIA Compounded Index Rate.

²⁵ Ensure this is a Floating Rate Option included in the Floating Rate Matrix (as defined in the 2021 ISDA Definitions) if 2021 ISDA Definitions selected.

(If not applicable, delete the remaining items of this paragraph)

- (v) [Compounding Method: [Compounding with Lookback
Lookback: [•] Applicable Business Days
[Compounding with Observation Period Shift
Observation Period Shift: [•] Observation Period Shift Business Days
Observation Period Shift Additional Business Days:
[•]/[Not Applicable]]
[Compounding with Lockout
Lockout: [•] Lockout Period Business Days
Lockout Period Business Days: [•]/[Applicable Business Days]]
- (vi) Index Provisions: [Applicable/Not Applicable]
(if not applicable, delete the remaining items of this paragraph)
- (vii) [Index Method: Compounded Index Method with Observation Period Shift
Observation Period Shift: [•] Observation Period Shift Business Days
Observation Period Shift Additional Business Days:
[•]/[Not Applicable]]
- (m) Margin(s): [+/-] [•] per cent. per annum
- (n) Linear Interpolation: [Not Applicable/Applicable – the Profit Rate for the [long/short] [first/last] Periodic Distribution Period shall be calculated using Linear Interpolation (*specify for each short or long periodic distribution period*)]
- (o) Maximum Profit Rate: [•] per cent. per annum
- (p) Minimum Profit Rate: [•] per cent. per annum
- (q) Day Count Fraction: [Actual/Actual]
[Actual/Actual – ISDA]
[Actual/365 (Fixed)]
[Actual/365 (Sterling)]
[Actual/360]
[30/360]

[360/360]

[Bond Basis]

[30E/360]

[Eurobond Basis]

[30E/360 (ISDA)]

[Actual/Actual – ICMA]

Provisions relating to dissolution

17. Notice periods for Condition 9(b) (*Early Dissolution for Taxation Reasons*): Minimum period: [15]/[•] days
Maximum period: [60]/[•] days
18. Optional Dissolution Right²⁶: [Applicable]/[Not Applicable]
- (a) Dissolution Distribution Amount: [As per Condition 1 (*Interpretation*)]/[•] per Calculation Amount]
- (b) Optional Dissolution Date(s): [•]
- (c) Notice period: Minimum period: [15]/[•] days
Maximum period: [60]/[•] days
- (N.B. When setting notice periods, the Trustee is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems (which require a minimum of five clearing system business days' notice for a call) and custodians, as well as any other notice requirements which may apply, for example, as between the Trustee and the Agent)*
- (d) Dissolution in part: [Applicable]/[Not Applicable]
- (e) If dissolution in part:
- (i) Minimum Optional [Not Applicable]/[•]
Dissolution Amount:
- (ii) Minimum Optional [Not Applicable]/[•]
Dissolution Amount:
19. Certificateholder Put Right: [Applicable]/[Not Applicable]
- (a) Dissolution Distribution Amount: [As per Condition 1 (*Interpretation*)]/[•] per Calculation Amount]
- (b) Certificateholder Put Right Date(s): [•]
- (c) Notice period: Minimum period: [15]/[•] days

²⁶ "Optional Dissolution Right" and "Certificateholder Put Right" may not both be specified as "Applicable" in the same Pricing Supplement.

Maximum period: [60]/[•] days

(N.B. When setting notice periods, the Trustee is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems (which require a minimum of 15 clearing system business days' notice for a put) and custodians, as well as any other notice requirements which may apply, for example, as between the Trustee and the Agent)

20. Dissolution Distribution Amount following redemption on the Scheduled Dissolution Date, on any Early Tax Dissolution Date, on any Tangibility Event Put Right Date, on any Clean Up Call Dissolution Date or following the occurrence of a Dissolution Event: [As per Condition 1 (*Interpretation*)]/[•] per Calculation Amount]

General provisions applicable to the Certificates

21. Form of Certificates: Registered Certificates:
- Registered in the name of [a nominee for a common depositary for Euroclear and Clearstream, Luxembourg]
- Global Certificate exchangeable for Certificates in definitive registered form in the limited circumstances specified in the Global Certificate
- Reg S Compliance Category 2; TEFRA not applicable
22. Financial Centre(s) relating to payment (Condition 10(d) (*Payment only on a Payment Business Day*)): [Not Applicable]/[•]

Provisions in respect of the Trust Assets

23. Series:
- (a) Tangible Asset Percentage: [•] per cent.
- (b) Intangible Asset Percentage: [Not Applicable]/[•] per cent.]
24. Trust Assets: Condition 5(a) (*Trust Assets*) applies
25. (a) Details of Transaction Account: BBG Sukuk Ltd Transaction Account No: [•] with [Deutsche Bank AG, London Branch] for Series No.: [•]
- (b) Supplemental Trust Deed: Supplemental Trust Deed dated [•] between the Trustee, the Obligor and the Delegate
- (c) Supplemental Purchase Agreement: Supplemental Purchase Agreement dated [•] between the Trustee and the Obligor

- | | | |
|-----|---|---|
| (d) | Declaration of Commingling of Assets: ²⁷ | [Declaration of Commingling of Assets dated [•] executed by the Trustee][Not Applicable] |
| (e) | [Notice of Request to Purchase and Offer Notice]: | [Notice of Request to Purchase dated [•] from the Obligor to the Trustee and Offer Notice dated [•] from the Trustee to the Obligor]/[Not Applicable] |

Signed on behalf of
BBG SUKUK LTD

By:
Duly authorised

Signed on behalf of
DUKHAN BANK Q.P.S.C.

By:
Duly authorised

²⁷ Include only for an issue of further Certificates in accordance with Condition 21 (*Further Issues*).

PART B – OTHER INFORMATION

1 Admission to Trading

- (a) Admission to trading: [Application [has been][is expected to be] made by the Trustee (or on its behalf) for the Certificates to be admitted to trading on [the London Stock Exchange's International Securities Market]/[•] with effect from [•]]Not applicable
- (b) Estimate of total expenses related to admission to trading: [•]

2 Ratings

Ratings: [The Certificates to be issued [are not rated] [have been/are expected to be] rated:

[[•]: [•]]

[[•]: [•]]

[[•]: [•]]

[Each of [•] and][•] is established in the European Economic Area and registered under Regulation (EC) No 1060/2009, as amended (the "**EU CRA Regulation**")]

[Each of [•] and][•] is not established in the European Economic Area and has not applied for registration under Regulation (EC) No. 1060/2009 (the "**EU CRA Regulation**"). The ratings [have been][are expected to be] endorsed by [•] in accordance with the EU CRA Regulation. [•] is established in the European Economic Area and registered under the EU CRA Regulation.]

[Each of [•] and][•] is not established in the European Economic Area and has not applied for registration under Regulation (EC) No. 1060/2009 (the "**EU CRA Regulation**"), but it is certified in accordance with the EU CRA Regulation.]

[Each of [•] and][•] is established in the UK and is registered under Regulation (EC) No. 1060/2009 as it forms part of UK domestic law by virtue of the EUWA (the "**UK CRA Regulation**").] [The ratings [have been][are expected to be] endorsed by [•] in accordance with the EU CRA Regulation. [•] is established in the European Economic Area and is registered under the EU CRA Regulation.]

[Each of [•] and][•] is not established in the UK and has applied for registration under Regulation (EC) No. 1060/2009 as it forms part of UK domestic law by virtue of the EUWA (the "**UK CRA Regulation**"), although notification of the corresponding

registration decision has not yet been provided by the relevant competent authority.]

[Each of [•] and][•] is not established in the UK and has not applied for registration under Regulation (EC) No. 1060/2009 as it forms part of UK domestic law by virtue of the EUWA (the "**UK CRA Regulation**") but is certified in accordance with the UK CRA Regulation.

3 Relevant Benchmark

Relevant Benchmark

[[EURIBOR]/*specify benchmark*] is provided by [*administrator legal name*]. As at the date hereof, [*administrator legal name*][appears]/[does not appear]] in the register of administrators and benchmarks established and maintained by ESMA pursuant to Article 36 (Register of administrators and benchmarks) of Regulation (EU) 2016/1011(the "**EU Benchmark Regulation**").]/[As far as the Trustee is aware, as at the date hereof, *specify benchmark* does not fall within the scope of Regulation (EU) 2016/1011 (the "**EU Benchmark Regulation**").]/[Not Applicable]

[[[EURIBOR]/*specify benchmark*] is provided by [*administrator legal name*]. [As at the date hereof, [*administrator legal name*][appears]/[does not appear]] in the register of administrators and benchmarks established and maintained by the Financial Conduct Authority pursuant to Article 36 of Regulation (EU) 2016/1011 as it forms part of UK domestic law by virtue of the EUWA (the "**UK Benchmarks Regulation**").]/[As far as the Trustee is aware, as at the date hereof, *specify benchmark* does not fall within the scope of Regulation (EU) 2016/1011 as it forms part of UK domestic law by virtue of the EUWA (the "**UK Benchmarks Regulation**")/the transitional provisions in Article 51 of the UK Benchmarks Regulation apply such that [*administrator legal name*] [is/are] not currently required to obtain authorisation or registration (or, if located outside the UK, recognition, endorsement or equivalence)].]

4 Interests of Natural and Legal Persons involved in the Issue

[Save for any fees payable to the [Managers/Dealer], so far as each of the Trustee and the Obligor is aware, no person involved in the issue of the Certificates has an interest material to the offer.]

[The [Managers] and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for, the Trustee or the Obligor and their affiliates in the ordinary course of business/[•]].

5 Use of Proceeds

- (a) Use of proceeds: [General corporate purposes]/[•]
- (b) Estimated amount of net proceeds: [•]

6 **Indication of profit or return** [•] per cent. per annum
(Fixed Rate Certificates only):

The indication of profit or return is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future profit or return.

7 Operational Information

- | | | |
|-----|--|--|
| (a) | ISIN Code: | [•]/[Until the Certificates are consolidated, become fungible with and form a single series with the Original Certificates, the Certificates will have the temporary ISIN [•]. After that, the Certificates will have the same ISIN as the Original Certificates, which is [•].] |
| (b) | Common Code: | [•]/[Until the Certificates are consolidated, become fungible with and form a single series with the Original Certificates, the Certificates will have the temporary Common Code [•]. After that, the Certificates will have the same Common Code as the Original Certificates, which is [•].] |
| (c) | FISN: | [[See/[[<i>include code</i>] ²⁸ , as updated, as set out on] the website of the Association of National Numbering Agencies ("ANNA") or alternatively sourced from the responsible national numbering agency that assigned the ISIN/Not Applicable/Not Available] |
| (d) | CFI: | [[See/[[<i>include code</i>] ²⁹ , as updated, as set out on] the website of ANNA or alternatively sourced from the responsible national numbering agency that assigned the ISIN/Not Applicable/Not Available] |
| (e) | Any clearing system(s) other than Euroclear Bank SA/NV, Clearstream Banking, S.A. and the relevant identification number(s): | [Not Applicable/give name(s), address(es) and number(s)] |
| (f) | Names and addresses of additional Paying Agent(s) (if any): | [•] |
| (g) | Delivery: | Delivery [against/free of] payment |
| (h) | Name and address of the Registrar(s): | [•] |

²⁸ The actual code should only be included where the Trustee is comfortable that it is correct.

²⁹ The actual code should only be included where the Trustee is comfortable that it is correct.

8 **Distribution**

- (a) Method of distribution: [Syndicated]/[Non-syndicated]
- (b) If syndicated, names of Managers: [•]/[Not Applicable]
- (c) Stabilisation Manager(s): [•]/[Not Applicable]
- (d) If non-syndicated, name of Dealer: [•]/[Not Applicable]

9 **Third Party Information**

[[•] has been extracted from [•]. The Trustee and the Obligor confirms that such information has been accurately reproduced and that, so far as it is aware, and is able to ascertain from information published by [•], no facts have been omitted which would render the reproduced information inaccurate or misleading.]/[Not Applicable].

USE OF PROCEEDS

The net proceeds from the issue of each Tranche of Certificates will be applied by the Trustee pursuant to the terms of the relevant Transaction Documents: (a) towards the purchase from the Bank of all of its rights, title, interests, benefits and entitlements in, to and under the relevant Initial Assets or the relevant Additional Assets, as the case may be, pursuant to the relevant Purchase Agreement; and (b) if applicable, towards the purchase of Commodities to be sold to the Bank pursuant to the Master Murabaha Agreement.

DESCRIPTION OF THE TRUSTEE

The Trustee

BBG Sukuk Ltd (the "**Trustee**"), an exempted company incorporated in the Cayman Islands with limited liability, was incorporated on 30 April 2015 under the Companies Act (As Revised) of the Cayman Islands with company registration number 299416. The registered office of the Trustee is at the offices of MaplesFS Limited, P.O. Box 1093, Queensgate House, Grand Cayman, KY1-1102, Cayman Islands with telephone number +1 345 945 7099.

The authorised share capital of the Trustee is U.S.\$50,000 divided into 50,000 ordinary shares of U.S.\$1.00 par value each, 250 of which have been issued. All of the issued shares (the "**Shares**") are fully-paid and are held by MaplesFS Limited as share trustee (in such capacity, the "**Share Trustee**") under the terms of a share declaration of trust (the "**Share Declaration of Trust**") under which the Share Trustee holds the Shares in trust until the Termination Date (as defined in the Share Declaration of Trust) and may only dispose or otherwise deal with the Shares in accordance with the Share Declaration of Trust. Prior to the Termination Date, the trust is an accumulation trust, but the Share Trustee has power to benefit Qualified Charities (as defined in the Share Declaration of Trust). It is not anticipated that any distribution will be made whilst any Certificates are outstanding. Following the Termination Date, the Share Trustee will wind up the trust and make a final distribution to charity. The Share Trustee has no beneficial interest in, and derives no benefit (other than its fee for acting as Share Trustee) from its holding of the Shares.

The Business of the Trustee

The objects for which the Trustee is established are set out in Clause 3 of its Memorandum of Association as registered or adopted on 30 April 2015.

The Trustee has limited operating history or prior business and will not have any substantial assets or liabilities other than in connection with the Certificates issued thus far under the Programme, and will not have any substantial liabilities other than in connection with the Certificates issued, and to be issued, under the Programme.

So long as any of the Certificates remain outstanding, the Trustee shall not incur any other indebtedness in respect of financed, borrowed or raised money whatsoever or engage in any business or activity (other than acquiring and holding assets in connection with the Certificates, issuing the Certificates and entering into related agreements and transactions as provided for in the Transaction Documents), or, *inter alia*, redeem any of its shares or pay any dividends or make any other distribution to its shareholders, have any subsidiaries or employees, purchase, own, lease or otherwise acquire any real property (including office premises or like facilities), consolidate or merge with any other person or convey or transfer its properties or assets substantially as an entity to any person (otherwise than as contemplated in the Transaction Documents) or issue any shares (other than such Shares as were in issue on the date hereof or as contemplated in the Transaction Documents).

The Trustee has, and will have, no significant assets other than the sum of U.S.\$250 representing the issued and paid-up share capital, such fees (as agreed) payable to it in connection with the issue of the Certificates and the acquisition of assets in connection with the Certificates, the bank account into which such paid-up share capital and fees are deposited and the Trust Assets. Save in respect of fees generated in connection with the issue of the Certificates, any related profits and proceeds of any deposits and investments made from such fees or from amounts representing the Trustee's issued and paid-up share capital, the Trustee does not expect to accumulate any surpluses.

The Certificates are the obligations of the Trustee alone and not the Share Trustee. Furthermore, they are not the obligations of, or guaranteed in any way by, MaplesFS Limited or any other party.

Restrictions on the Offer of the Certificates

No invitation, whether directly or indirectly, may be made to the public in the Cayman Islands to subscribe for the Certificates unless or until the Trustee is listed on the Cayman Islands Stock Exchange.

Financial Statements

Since the date of incorporation, no financial statements of the Trustee have been prepared. The Trustee is

not required by Cayman Islands law, and does not intend, to publish audited financial statements or appoint any auditors.

Directors of the Trustee

The directors of the Trustee are as follows:

<u>Name</u>	<u>Date of Birth</u>	<u>Principal Occupation</u>
Norbert Neijzen	28/07/1979	Regional Head Fiduciary, Middle East at Maples Fund Services (Middle East) Limited
Stacy Bodden	16/12/1976	Senior Vice President at MaplesFS Limited
Jamie Sanford	24/07/1992	Vice President at MaplesFS Limited

The business address of Norbert Neijzen is c/o Maples Fund Services (Middle East) Limited, Level 14, Burj Daman, Dubai International Financial Centre, P.O. Box 506734, Dubai, United Arab Emirates.

The business address of each of Jamie Sanford and Stacy Bodden is c/o MaplesFS Limited, P.O. Box 1093, Boundary Hall, Cricket Square, Grand Cayman, KY1-1102, Cayman Islands.

The Trustee's Articles of Association provide that the board of directors of the Trustee will consist of at least one director.

Conflicts

There are no potential conflicts of interest between the duties of the directors of the Trustee to the Trustee and their private interests or other duties.

The Trustee Administrator

MaplesFS Limited also acts as the administrator of the Trustee (in such capacity, the "**Trustee Administrator**"). The office of the Trustee Administrator serves as the general business office of the Trustee. Through the office, and pursuant to the terms of a corporate services agreement entered into between the Trustee and the Trustee Administrator (as amended from time to time) (the "**Corporate Services Agreement**"), the Trustee Administrator has agreed to perform in the Cayman Islands, the United Arab Emirates and/or such other jurisdiction as may be agreed by the parties from time to time various management functions on behalf of the Trustee and to provide certain clerical, administrative and other services until termination of the Corporate Services Agreement. The Trustee and the Trustee Administrator have also entered into a registered office agreement (the "**Registered Office Agreement**") for the provision of registered office facilities to the Trustee. In consideration of the foregoing, the Trustee Administrator receives various fees payable by the Trustee at rates agreed upon from time to time, plus expenses.

The terms of the Corporate Services Agreement and the Registered Office Agreement provide that either the Trustee or the Trustee Administrator may terminate such agreements upon the occurrence of certain stated events, including any breach by the other party of its obligations under such agreements. In addition, the Corporate Services Agreement and the Registered Office Agreement provide that either party shall be entitled to terminate such agreements by giving at least three months' notice in writing to the other party and, in the case of the Corporate Services Agreement, with a copy to any applicable rating agency.

The Trustee Administrator will be subject to the overview of the Trustee's board of directors.

The Trustee Administrator's principal office is P.O. Box 1093, Boundary Hall, Cricket Square, Grand Cayman, KY1-1102, Cayman Islands.

The directors of the Trustee are all employees or officers of the Trustee Administrator or an affiliate thereof.

DESCRIPTION OF DUKHAN BANK Q.P.S.C.

Overview

The Bank was incorporated in 2008, under the name Barwa Bank Q.P.S.C., with commercial registration number 38012 and began operations on 1 February 2009 as a full-service Islamic bank in Qatar. The Bank rebranded itself under the name of Dukhan Bank Q.P.S.C. in October 2020. The Bank's registered office is Al Majdimy Street, Lusail, Qatar and its telephone number is +974 4448 8888. As at 31 December 2023, the Bank was the third largest Islamic bank in Qatar by total assets, representing approximately 5.5 per cent. of total assets of all commercial banks in Qatar. The Bank also accounted for approximately 21.6 per cent. of Qatar's Islamic banks' assets as at 31 December 2023. The Bank listed its shares on Qatar Stock Exchange's main market on 21 February 2023 and its symbol is DUBK.

As at 30 June 2024, the Bank's shareholders included the General Retirement and Social Insurance Authority, which holds 24.55 per cent., the QIA through Qatar Holding LLC, which holds 6.96 per cent., the Military Pension Fund, which holds 11.75 per cent., Al Sanad Trading Co and related entities, which holds 10.08 per cent., Broog Trading Co, which holds 13.47 per cent. and other private shareholders who collectively hold 33.19 per cent. (see "*Competition and Competitive Strengths — Strong Governmental support and mutually beneficial partnership with the Government*" below for further details).

The Bank has experienced continued growth of its total assets and total income in recent years. The Bank's total assets were QAR114.2 billion, QAR114.4 billion, QAR106.3 billion and QAR 110.7 billion as at 30 June 2024, 31 December 2023, 31 December 2022 and 31 December 2021, respectively. Quasi Equity – Participatory Investment Accounts³⁰ were QAR68.7 billion, QAR61.6 billion and QAR66.3 billion and QAR71.2 billion, respectively as at 30 June 2024, 31 December 2023, 31 December 2022 and 31 December 2021, respectively. The Bank's total income³¹ was QAR3.3 billion and QAR2.9 billion for the six-month periods ended 30 June 2024 and 30 June 2023, respectively, and QAR6.1 billion, QAR4.5 billion and QAR4.1 billion, for the years ended 31 December 2023, 31 December 2022 and 31 December 2021, respectively. The Bank's net operating income (which represents total income for year or period, as the case may be, less the sum of net profit attributable to quasi-equity³², staff cost, depreciation and amortisation, other expenses and finance cost for the year or period, as the case may be) was QAR875.2 million and QAR832.9 million for the six-month periods ended 30 June 2024 and 30 June 2023, respectively, and QAR1.6 billion, QAR1.9 billion, and QAR2.1 billion for the years ended 31 December 2023, 31 December 2022 and 31 December 2021, respectively.

As at 30 June 2024, the Bank had a total of nine branches (including its headquarters) and 69 automatic teller machines ("ATMs") throughout Qatar, as well as electronic banking, internet, mobile and smartphone and telephone banking channels.

The Bank has the following principal areas of business:

- **Wholesale Banking** includes financing, deposits, trade finance, transaction banking and cash management with wholesale customers.
- **Retail Banking** provides retail customers with Islamic banking products and services (e.g. deposit accounts, savings accounts, consumer financing, credit and debit cards) which are distributed through the Bank's retail branches, head office, ATMs, electronic banking, internet, mobile and smartphone and telephone banking channels.
- **Private Banking** includes financings, deposits, wealth management, investment advisory, property advisory and other advisory, management services and other private banking product offering with private banking customers.
- **Treasury and Investments Group** undertakes the Bank's funding and asset and liability management activities, manages liquidity of the Bank, oversees proprietary investments, provides client coverage and services on foreign exchange and market risk solutions.

³⁰ It was labelled as "Equity of Unrestricted Investment Account Holders" in the Annual Financial Statements.

³¹ From 1 January 2024, "finance charges" are classified (i.e. deducted) as part of "total income" as reflected in both the 30 June 2024 and 30 June 2023 total income figures.

³² It was labelled as "return to unrestricted investment account holders" in the Annual Financial Statements.

The Bank also undertakes investment banking and asset management activities through the operation of its subsidiary, The First Investor P.Q.S.C., an Islamic investment bank, which provides a full range of investment banking products and financial advisory services that comply with *Shari'a* principles, including deal sourcing, structuring, valuations and advisory services, equity structuring, restructuring and placement, debt structuring, restructuring and placement including project finance, securitisation and sukuk, client portfolio management, structuring of liquidity products, structuring, marketing and management of open and closed ended funds, structuring, acquisition, placement and initial public offerings.

The Bank's successes have been internationally recognised, with the Bank receiving the Best Retail Bank (2024), Best Islamic Product Offering in MENA (2024), Best Mortgage/Home Finance Offering in MENA (2024), Best Multi-Channel Offering in MENA (2024), Excellence in Customer Centricity in MENA (2024), MENA Wealth Manager of the Year – Qatar (2024) Most Transformed Islamic Bank in Qatar (2023), MEED Best Private Bank – Qatar (2023), MEED Best Multi-Channel Offering (2023), MEED Excellence in Omni-Channel Integration (2023), MEED MENA Private Banker of the Year (2023), World's Best Islamic Private Bank (2023), Best Integrated Consumer Banking Site – Qatar (2023), Best Mobile Banking Adaptive Site – Qatar (2023), Best Mobile Banking Adaptive Site – Middle East (2023), MEED MENA Digital Bank of the Year (2022), MENA Most Innovative Bank of the Year, Best Private Bank - Qatar (2022), MEED Best Private Bank – Qatar (2022), MEED Best Multi-Channel Offering (2022), MEED Best Next-Generation Offering (2022), MEED Best Use of AI in Financial Services (2022), MEED Excellence in Omni Channel Integration (2022), MEED Outstanding Wealth Management Service for Affluent (2022), Global Finance World's Best Islamic Private Bank (2022), Global Finance in the Innovators Awards – Outstanding Innovation in Mobile Banking (2022), Global Finance Most Innovative Digital Bank (2021), Global Finance Best Consumer Digital Bank in Qatar (2021), Global Finance Best Integrated Consumer Banking Site (2021), Retail Banker International Trailblazer 'Highly Commended' in the Best Use of Machine Learning category (2021), Forbes Top 10 Unlisted Companies (2021), World Economic Magazine Award – best Corporate Digital Services Qatar (2021), World Economic Magazine Award – Best New Contactless Payment Platform Qatar (2021), International Finance Magazine – Best Digital Transformation Bank (2021), and International Finance Magazine – Best New Contactless Payment Platform (2021) – Dukhan Pay (D-Pay).

The Bank complies with the QCB requirement to maintain a total CAR in excess of 14.3 per cent. The Bank's TCR was 17.8 per cent. as at 30 June 2024, 17.2 per cent. at 31 December 2023, 18.3 per cent. as at 31 December 2022 and 18.4 per cent. as at 31 December 2021. The Bank's CET 1 capital was QAR11,658.5 million as at 30 June 2024, QAR11,213.3 million as at 31 December 2023, QAR10,770.2 million as at 31 December 2022 and QAR10,446.1 million as at 31 December 2021. The Bank's CET 1 ratio including capital conservation buffer was 14.6 per cent. as at 30 June 2024, 14.0 per cent. as at 31 December 2023, 14.7 per cent. as at 31 December 2022 and 14.7 per cent. as at 31 December 2021.

The Bank's *Shari'a* Supervisory Board ensures the Bank's compliance with *Shari'a* principles and is responsible for vetting the products and services offered by the Bank to its customers (see "*Management – Shari'a Supervisory Board*").

The Bank has long-term issuer ratings of A by Fitch with a stable outlook and A2 by Moody's with stable outlook.

History

The Bank, formally known as Barwa Bank Q.P.S.C. was incorporated in 2008 as a shareholding company in Qatar. The Bank provides various *Shari'a* compliant banking services, including investment and modes of financing such as *Murabaha*, *Ijara*, *Mudaraba*, *Musawama*, *Wakala* and *Istisna* agreements. The Bank holds a full Islamic banking licence issued and regulated by the QCB.

The Bank commenced operations in February 2009 with a paid-up capital of QAR 500 million. Significant milestones in the Bank's history include the acquisition of The First Investor P.Q.S.C. ("**TFI**") in December 2009 and First Finance Company P.Q.S.C. ("**FFC**") and First Leasing Company P.Q.S.C. ("**FLC**") in July 2010. These acquisitions were facilitated through share swaps, making them wholly-owned subsidiaries of the Bank.

In 2011, the Bank acquired the International Bank of Qatar's ("**IBQ**") Al Yusr Retail Business. The following year, the Bank introduced its Treasury and Investments Division³³ and Private Banking segment. In 2012, the Bank also launched its Debt Capital Markets segment and founded the TFI GCC Equity

³³ This is now called Treasury and Investment Group.

Opportunities Fund which invests in marketable equities and debt securities of entities having *Shari'a* compliant business models.

In 2019, the Bank merged with IBQ (the "**Combination**"), which was approved by the Boards of Directors and shareholders of both banks. and resulted in the dissolution of IBQ and the continuation of operations under the Bank's licences and legal registrations. IBQ was one of the oldest existing banks in Qatar and celebrated its 60th anniversary in 2016.

In October 2020, the Bank rebranded to trade under the name of Dukhan Bank Q.P.S.C. reflecting the strategic transformation and its focus on digitising core business processes. The Bank's new name was inspired by Dukhan city in West Qatar, symbolising economic prosperity and social growth.

Strategy

The Bank's mission

The Bank's vision is to be regarded as one of the world's leading Islamic financial services groups, acknowledged for its progressive ethos, excellent service, outstanding results and contribution to society.

The Bank's overall mission is to build long-lasting partnerships with customers while, at the same time, creating long-term value for its shareholders through the growth of profitable and sustainable businesses.

The Bank expects to achieve this mission through the following strategies:

Expansion of the Bank's Wholesale Banking business in Qatar

The Bank aims to enhance its established wholesale banking footprint through differentiated products and services which include, among other things, helping clients access global capital markets, sophisticated treasury products, investment banking or corporate finance advisory and a full range of *Shari'a* compliant financing options. In addition, the Bank seeks to leverage capital deployed through origination and syndication activities.

The Bank believes that by expanding its Wholesale Banking business, it will be better positioned to take advantage of the domestic opportunities presented by the implementation of the National Vision (see "*Overview of Qatar*"). In particular, bearing in mind Qatar's economic development strategy and the favourable investment climate, the Bank aims to finance a large share of the infrastructure projects planned to take place in the country going forward.

Selective and focused expansion of the Bank's Retail Banking segment

The Bank is targeting a selective and focused expansion of its Retail Banking segment where the return on assets is in line with targets set by the management. In particular, it wishes to increase and enhance its premium and private banking products and services to cater to its target market (being high net worth Qataris and expatriates) through a combination of excellent customer service and increased accessibility. Further, the Bank has rolled out a comprehensive ATM network, market leading internet services and call centres. The Bank also seeks to add to its wealth management capabilities by providing access to a wide spectrum of different asset classes, through products offered by the Bank and third-party offerings.

The Bank aims to become a leading institution in the GCC and MENA regions in Islamic financial markets

The Bank's strategy in respect of the Treasury and Investments Group is to become recognised by market counterparts for its innovative solutions through a comprehensive range of products, and to be the preferred choice for its clients. Through prudent liquidity management, the Bank seeks to strengthen its funding structure and deliver optimal funding costs. The Bank also aims to increase its sukuk trading capabilities to complement the Bank's Debt Capital Markets business. The Bank's Treasury and Investments Group's strategy also includes having a broad product offering across a wide range of assets classes and working closely with Private Banking and TFI to expand the Bank's asset and wealth management footprint.

Leveraging Synergies across the Subsidiaries

In order to maximise income opportunities and realise infrastructure efficiencies, wherever possible, the Bank seeks to exploit cross-selling opportunities across the Group, for example, cross-selling fee and commission generating products to corporate and private banking customers. Similarly, it seeks to realise

inherent economies of scale associated with common infrastructure, premises, Group-level support services, governance functions (Risk, Human Resources, Audit and Compliance) and migration to a common IT platform.

Maintaining a culture of service excellence and efficiency

The Bank has a customer centric approach and continues to invest in improving its customer experience proposition, with innovation at the forefront of its customer service model, whilst ensuring cost efficiencies. The Bank focuses on high service quality by providing an efficient and convenient service, unique customer experience and fully-fledged offerings covering key customer needs. Following the Combination, accessibility to the Bank has been further enhanced. It seeks to provide full omnichannel access experience and to further reduce customer waiting time, with real time responses supported by digital transformation.

Sustainability through liquidity growth

One of the Bank's key strategies is to ensure adequate funding and liquidity and to develop a sustainable cost of funds advantage, seizing opportunities to bolster its balance sheet. The Bank aims to achieve a balanced loan to deposit ratio by increasing customer deposits (in particular, current and savings account deposits) and expanding its private banking client base through a distinctive value proposition. It seeks to further lower its cost of funds as a way to fuel balance sheet growth and improve returns.

Capital management and allocation

Capital management and allocation is critical for all of the Bank's lending and investment decisions. The Bank manages its capital base to obtain an attractive return on capital while maintaining adequate buffers over regulatory requirements and ensuring future growth. The Bank aims to ensure an attractive return on capital by allocating capital to segments and products that offer the best risk adjusted return on equity. The Bank evaluates its capital requirements through various techniques such as demand forecasting and stress testing to ensure adequate buffers.

Digital transformation

The digitisation of many of the Bank's core business processes is a key strategic focus for the Bank. In the context of ever-evolving and rapidly changing customer demands and industry boundaries, in which traditional and non-financial competitors are embracing digital solutions to offer banking services through non-traditional distribution channels, the Bank's digital and data analytics strategy aims to improve returns on equity through a combination of customer acquisition, reductions in processing costs and reductions in impairment charges.

As part of its long-term strategy towards digital transformation, the Bank launched a mobile banking application and Point of Sale ("POS") product, which offers valued customers fully-fledged Islamic POS services with easy and convenient user friendly options. The Bank also implemented other digital initiatives including implementing Fitbit® contactless payment, Garmin Pay®, Samsung Wallet®, Apple Pay® and Google Pay®.

Personnel

The Bank recognises the contribution of its staff members to its long-term profitability and success. To this end, the Bank seeks to retain its key staff members, to periodically review their compensation and incentives and reward them in accordance with their performance. The Bank also remains focused on attracting talent to key new roles within the organisation through a competitive compensation structure, its investment in its people and its commitment to building inspiring career paths for staff especially local youth.

Competition and Competitive Strengths

Competition

The Bank is subject to competition in Qatar from both locally incorporated and foreign banks. The following factors highlight some of the competitive challenges faced by the Bank:

Increased competition from local and international banks in Qatar

According to the QCB, as at 31 December 2022, there were a total of 17 banks, including four Islamic banks, registered in Qatar, four conventional national banks, one specialised bank, seven local branches of

foreign banks and one representative office of a foreign bank. As at 31 December 2023, Qatar National Bank was the largest bank in Qatar and accounted for approximately 61.7 per cent. of the market share in terms of total loans and advances. Within the Islamic banking sector, as at 31 December 2023, the Bank was the third largest Islamic bank in Qatar and had a market share of approximately 22.5 per cent. in terms of total assets of Qatari Islamic banks, and its main competitors include Qatar Islamic Bank (which accounted for an estimated 35.5 per cent. of the total assets of Qatari Islamic banks), Masraf Al Rayan (which accounted for an estimated 31.4 per cent. of total assets of Qatari Islamic banks) and Qatar International Islamic Bank (which accounted for an estimated 10.7 per cent. of the total assets of Qatari Islamic banks).

In addition, the creation of the QFC by the Government also attracted new banks and financial institutions given its low-tax environment, 100 per cent. foreign ownership structure and profit repatriation. The QFC is targeting international institutions which have expertise in banking, insurance, asset management, financial advisory services and securities and derivatives dealing, as well as Islamic finance. Current licensees of the QFC include investment banks and multinational banks etc. (such as Bank of China, JPMorgan Chase Bank and Abu Dhabi Islamic Bank). While QFC registered banks are subject to restrictions on the local banking activities they are permitted to undertake and, as a result, they cannot conduct transactions with retail customers in Qatar, they would be competing with the Bank on other areas of business (such as asset management and corporate banking services).

Although local banks generally have stronger relationships with local customers, international banks and financial institutions may have greater resources and access to cheaper funding than local banks. International banks and financial institutions may also be able to leverage their international expertise and this may prove more attractive to key domestic companies and Governmental bodies as well as foreign companies operating in Qatar. To this extent, the Bank may be at a competitive disadvantage when competing against international banks and financial institutions in certain circumstances.

Competitive Strengths

Notwithstanding the competition faced by the Bank as discussed above, the Bank believes that it has a number of principal strengths which may offer it a competitive advantage, including the following:

Strong brand in Islamic banking

In Qatar, the Bank is one of the leading Islamic banks with a broad portfolio of consumer and wholesale products and well-established relationships with its client base. Further, following the Combination, the Bank acquired a rich history of deep relationships within Qatar through IBQ. Established as the "Ottoman Bank" in 1956, IBQ received various international and prestigious accolades, a testament to its position as one of Qatar's leading banks. The Bank has set up a domestic network of nine branches (including its headquarters) strategically located across Qatar. In addition, the Bank has been repeatedly recognised through awards in international and regional forums for its leading role in the Qatari banking industry (see "Overview" above).

The management believes that the Bank's strong position in consumer and wholesale banking enables the Bank to benefit from economies of scale and provides a strong platform for sustained profitability in the Qatari banking market. The management also believes that the Bank's market position and strong brand recognition throughout Qatar reflect the Bank's focus on high quality customer service, creation of innovative products and services and its established track record in both consumer and wholesale banking.

The Bank has maintained strict compliance with *Shari'a* principles in all of its financial transactions through the guidance of the *Shari'a* Supervisory Board. The *Shari'a* Supervisory Board is composed of scholars who are globally renowned in the field of commercial and financial Islamic transactions (see "*Management – Shari'a Supervisory Board*" below).

Strong Governmental support and mutually beneficial partnership with the Government

As at 30 June 2024, the Government directly and indirectly holds 43.26 per cent. of the Bank's issued and paid-up share capital (see "*Capital Structure*"). The Bank is partly owned by the Government and therefore the Bank would expect strong governmental support in the event of a crisis.

In recent years, the Government, through the QCB, has taken several steps to provide capital to support the domestic commercial banking sector and thereby ensure the general financial health of Qatar's banks (see "*The Qatar Banking Sector and Regulations – Banking System*"). This capitalisation process has enhanced the Bank's financial position and affirmed its ability to meet its goals and strategic plans. In addition, the Government and its related entities have also increased its deposit contributions (which represent the sum

of governmental deposits in (i) customer current accounts and (ii) equity of unrestricted investment account holders) from QAR5.1 billion as at 31 December 2011 to QAR33.9 billion as at 31 December 2023.

These Government actions have served to further strengthen the Bank's already strong capital base. A TCR of 17.8 per cent. (with a Tier 1 CAR including capital conservation buffer of 16.9 per cent.) as at 30 June 2024 indicates that the Bank is well positioned to take advantage of its planned strategies for growth.

The Bank's interaction with the Government also takes place through the provision of finance to the Government and Government-related entities. In particular, many Government controlled entities regularly engage the Bank in new business opportunities and have remained long standing clients of the Bank. Financing assets outstanding to the Government were QAR18.3 billion as at 30 June 2024 as compared to QAR17.8 billion as at 31 December 2023, QAR18.1 billion as at 31 December 2022 and QAR21.3 billion as at 31 December 2021. Similarly, the Bank's Qatar-linked investment securities were QAR12.2 billion as at 30 June 2024 as compared to QAR14.9 billion as at 31 December 2023, QAR16.9 billion as at 31 December 2022 and QAR17.3 billion as at 31 December 2021.

The financial and other support provided by the Government has helped to stabilise the Bank's performance in turbulent economic periods and to enhance customer and market confidence in the Bank. Although there can be no assurance that the Government will continue to support the Bank, the management believes that the Bank's relationship with the Government is unlikely to change in the foreseeable future.

Experienced management team and commitment to corporate governance

The Bank's Chairman, H.E. Sheikh Mohammad Bin Hamad Bin Jassim Al Thani, has extensive experience in the banking sector, including previous roles with international banks and financial institutions such as J.P. Morgan. In addition, he also held various posts in the Qatari quasi-governmental and private sector. Day-to-day management of the Bank is entrusted to the Acting Group Chief Executive Officer, Mr. Ahmed Hashem, who has held the role since January 2023. Mr. Ahmed Hashem has more than 19 years of experience in the banking sector and previously held a number of positions at the Bank, including Deputy Chief Executive Officer and Assistant General Manager of Wholesale Banking. Mr. Ahmed Hashem is assisted by an experienced management team including, amongst others, the Chief Business Development Officer, the Chief Operating Officer, the Treasurer and Chief Investment Officer and the Chief Financial Officer. The Board and senior management team have extensive knowledge and experience of the banking sector in Qatar and the MENA region and more generally, in leading international financial institutions.

The Bank's Board and Risk Management and Compliance Committee ("RMCC") set standards for a robust and effective corporate governance framework. The management believes that corporate governance is a matter of vital importance and a fundamental part of the business practices of the Bank. The combination of an existing team of highly experienced professionals, coupled with best practice corporate governance standards, positions the Bank well for future growth.

Full product offering to meet both retail and corporate client needs

The Bank offers customers a comprehensive range of customised Islamic products and services that meet the needs of both its individual and corporate clients.

Strong liquidity position with diverse funding sources

The Bank has access to diverse sources of funding. The Bank's assets are managed with liquidity in mind, in order to maintain a healthy balance of cash, cash equivalents and readily marketable securities. In addition, the Bank maintains a mandatory deposit with the QCB and has contingent funding facilities in place with the QCB.

The Bank's liquidity positions are monitored closely by the Treasurer and Chief Investment Officer of the Bank and both the Treasurer and the Chief Investment Officer and the Asset Liability Committee ("ALCO") have joint responsibility for managing liquidity risk and ensuring compliance with the QCB's liquidity ratio.

Capital Structure

As at 30 June 2024, the Bank's issued and paid-up share capital comprised 5,234.1 million ordinary shares with a nominal value of QAR1 each.

The Bank's major shareholder groups and their approximate shareholdings as at 30 June 2024 were as follows:

	As at 30 June 2024
	(%)
General Retirement and Social Insurance Authority.....	24.55
Military Pension Fund (Qatar).....	11.75
Qatar Holding LLC ⁽¹⁾	6.96
Al Sanad Trading Co and related entities.....	10.08
Broog Trading Co	13.47
Other private shareholders.....	33.19
Total	100.00

Note:

⁽¹⁾ Qatar Holding LLC is a direct subsidiary of QIA.

Dividends are recorded and paid subject to approval from the Bank's shareholders. For the year ended 31 December 2023, the Bank's shareholders approved a dividend of QAR831.3 million (representing a 16.0 per cent. cash dividend). For the six-month period ended 30 June 2024, the Bank's Board of Directors approved an interim dividend of QAR416.9 million (representing an 8.0 per cent. cash dividend).

Business Activities

The Bank has the following principal areas of business:

- **Wholesale Banking** includes financing, deposits, trade finance, transaction banking and cash management with wholesale customers.
- **Retail Banking** provides retail customers with Islamic banking products and services (e.g. deposit accounts, savings accounts, consumer financing, credit and debit cards) which are distributed through the Bank's retail branches, head office, ATMs, electronic banking, internet, mobile and smartphone and telephone banking channels.
- **Private Banking** includes financings, deposits, wealth management, investment advisory, property advisory and other advisory, management services and other private banking product offerings with private banking customers.
- **Treasury and Investments Group** undertakes the Bank's funding and asset and liability management activities, manages liquidity of the Bank, oversees proprietary investments, provides client coverage and services on foreign exchange and market risk solutions.

The Bank also undertakes investment banking and asset management activities through the operation of its subsidiary, TFI, an Islamic investment bank, which provides a full range of investment banking products and financial advisory services that comply with *Shari'a* principles including deal sourcing, structuring, valuations and advisory services, equity structuring, restructuring and placement, debt structuring, restructuring and placement including project finance, securitisation and sukuk, client portfolio management, structuring of liquidity products, structuring, marketing and management of open and closed ended funds, structuring, acquisition, placement and initial public offerings of private equities.

Overview

Set out below is summary information for the financial reporting segments for the years ended 31 December 2023, 31 December 2022 and 31 December 2021. For the purposes of financial reporting, the Bank's Retail Banking and Private Banking segments have been consolidated into the segment entitled "Personal and Private Banking" in the Annual Financial Statements. For further information, please see "Operating Performance".

Wholesale Banking: For the year ended 31 December 2023, the year ended 31 December 2022 and the year ended 31 December 2021, revenue attributable to Wholesale Banking was QAR2,874.3 million, QAR1,848.6 million and QAR1,795.4 million, respectively (47.2 per cent., 41.5 per cent. and 44.3 per cent. of the Bank's total revenue, respectively). For the year ended 31 December 2023, the year ended 31 December 2022 and the year ended 31 December 2021, reportable segment net profit attributable to Wholesale Banking was QAR456.0 million, QAR371.4 million and QAR752.3 million, respectively (35.0 per cent., 29.6 per cent. and 63.0 per cent. of the Bank's total net profit, respectively). As at 31 December 2023, 31 December 2022 and 31 December 2021, total assets attributable to Wholesale Banking amounted to QAR36.0 billion, QAR38.4 billion and QAR39.9 billion, respectively (31.5 per cent., 36.1 per cent. and

36.0 per cent. of the Bank's total assets, respectively).

Personal and Private Banking: For the year ended 31 December 2023, the year ended 31 December 2022 and the year ended 31 December 2021, revenue attributable to Personal and Private Banking was QAR2,231.0 million, QAR1,722.6 million and QAR1,511.9 million, respectively (36.6 per cent., 38.7 per cent. and 37.3 per cent. of the Bank's total revenue, respectively). For the year ended 31 December 2023, the year ended 31 December 2022 and the year ended 31 December 2021, reportable segment net profit or loss attributable to Personal and Private Banking was a net profit of QAR208.8 million, a net profit of QAR13.2 million and a net loss of QAR29.1 million, respectively (16.0 per cent., 1.1 per cent. and (2.4) per cent. of the Bank's total net profit, respectively). As at 31 December 2023, 31 December 2022 and 31 December 2021, total assets attributable to Personal and Private Banking amounted to QAR42.3 billion, QAR38.1 billion and QAR35.9 billion, respectively (37.0 per cent., 35.8 per cent. and 32.4 per cent. of the Bank's total assets, respectively).

Treasury and Investments Group: For the year ended 31 December 2023, the year ended 31 December 2022 and the year ended 31 December 2021, revenue attributable to Treasury and Investments Group was QAR981.7 million, QAR850.6 million and QAR729.7 million, respectively (16.1 per cent., 19.1 per cent. and 18.0 per cent. of the Bank's total revenue, respectively). For the year ended 31 December 2023, the year ended 31 December 2022 and the year ended 31 December 2021, reportable segment net profit attributable to Treasury and Investments Group was QAR634.4 million, QAR861.4 million and QAR503.6 million, respectively (48.7 per cent., 68.7 per cent. and 42.2 per cent. of the Bank's total net profit, respectively). As at 31 December 2023, 31 December 2022 and 31 December 2021, total assets attributable to Treasury and Investments Group amounted to QAR34.9 billion, QAR28.5 billion and QAR33.6 billion, respectively (30.5 per cent., 26.8 per cent. and 30.3 per cent. of the Bank's total assets, respectively).

Investment Banking and Asset Management: For the year ended 31 December 2023, the year ended 31 December 2022 and the year ended 31 December 2021, revenue attributable to Investment Banking and Asset Management was QAR7.6 million, QAR29.8 million and QAR13.4 million, respectively (0.1 per cent., 0.7 per cent. and 0.3 per cent. of the Bank's total revenue, respectively). For the year ended 31 December 2023, the year ended 31 December 2022 and the year ended 31 December 2021, reportable segment net profit or loss attributable to Investment Banking and Asset Management was a net profit of QAR3.0 million, a net profit of QAR7.2 million and a net loss of QAR33.4 million, respectively (0.2 per cent., 0.6 per cent. and (2.8) per cent. of the Bank's total net profit, respectively). As at 31 December 2023, 31 December 2022 and 31 December 2021, total assets attributable to Investment Banking and Asset Management amounted to QAR410.1 million, QAR414.4 million and QAR421.2 million, respectively (0.4 per cent., 0.4 per cent. and 0.4 per cent. of the Bank's total assets, respectively).

Wholesale Banking

The Wholesale Banking division includes two segments: Corporate Banking and Government and Institutional Banking.

Corporate Banking

Corporate Banking provides a full range of *Shari'a* compliant financial products and services to its corporate customers. Its primary activity is to lend to corporate entities, including small and medium sized enterprises ("SME"), by way of *Ijara*, *Murabaha*, *Musawama*, *Mudaraba*, *Istisna* and foreign trade finance products. Corporate Banking focuses primarily on financing to real estate, manufacturing, trading, contracting, conglomerates and SME sectors.

Corporate Banking's payment and cash management services allow corporates access to a diverse range of accounts and products such as payroll, salary card, bulk cheques and cash collection. In addition, Corporate Banking offers a full suite of *Shari'a* compliant trade financing products and the expertise to arrange, originate and participate in syndications and global capital markets transactions for large and sophisticated customers. Treasury and investment products are also offered to corporate clients to allow them to mitigate and manage their risk as well as to invest in a wide range of financial instruments.

This segment also aims to support the SME sector in Qatar by identifying and investing in high quality assets and, through its tie-up with Qatar Development Bank's "*Al Dameen Program*", which (as at 31 December 2023) secures 85.0 per cent. of the facility provided by the Bank to a particular obligor in the SME sector which, in turn, promotes SME growth.

Corporate Banking's principal products and services include the following financing arrangements:

Ijara

The form of *Ijara* offered by the Bank is a finance or capital lease which enables the Bank's corporate customers to acquire an asset through a leasing arrangement. Customers contract with the Bank to make lease payments for the use of an asset which the Bank purchases. At the end of the lease period, the ownership of the asset transfers to the customer. *Ijara* financing is provided predominantly to corporate customers for the purchase or lease of properties.

Murabaha

Murabaha offers customers the ability to acquire assets over a period of time consistent with their sources of income and their financial position. Under a *Murabaha* transaction, the Bank provides the customer with the money needed to purchase an asset for business use. The customer, in conjunction with the Bank, negotiates the purchase price of the asset with the seller. The Bank purchases the asset from the seller then sells it to the customer after adding an agreed profit amount and allows the customer to pay the full amount in instalments over a period of time.

Musawama

Musawama offers customers the ability to acquire assets when needed and to pay the purchase price plus profit in instalments over a period of time. In a *Musawama* transaction, the customer requests the Bank to purchase a certain asset or commodity from a third party. The price of the commodity is usually unknown to the customer. Upon acquiring the commodity, the Bank adds its profit amount and offers to sell it to the customer, who has the right to accept, refuse or negotiate the price. If accepted, the customer repays the total amount to the Bank in agreed instalments. *Musawama* is usually provided to finance local purchases including vehicles, real estate, machinery and equipment.

Murabaha and *Musawama* contracts are provided to corporate customers for the financing of, among other things, working capital and the purchase of plant and equipment.

Mudaraba

The Bank provides project financing or *Mudaraba* financing to customers in construction and project development industries in Qatar. The Bank may finance projects awarded to the contractor provided the project owner is a Government or quasi-Government entity, or other credit-worthy public companies. Projects financed under *Mudaraba* contracts are usually state infrastructure projects.

Istisna

In an *Istisna* financing, the Bank enters into a contract with the customer requesting the financing in order to execute a specific construction project such as a residential compound, office building, private residence or an apartment building.

As at 31 December 2023, the most popular financing methods for the Bank's corporate customers were *Murabaha* and *Ijarah*, which together represented 97.6 per cent. of the total Corporate Banking financing assets.

Government and Institutional Banking

The Government and Institutional Banking segment's target markets are governments, government-related entities and large institutions in Qatar and overseas. The focus of this segment is on attracting low cost funds for all business lines and employing those funds in high value assets. A number of debt capital markets initiatives have raised the Bank's profile and opened overseas markets such as the UK, Turkey, Saudi Arabia and the United Arab Emirates for Government and Institutional Banking.

Retail Banking

Retail Banking provides retail customers with Islamic banking products and services which, as at 30 June 2024, are distributed through the Bank's network of nine branches (including its head office) and 69 ATMs as well as electronic banking, internet, mobile and smartphone and telephone banking channels (see "*Branch Network and Product Distribution*"). The Retail Banking segment is composed of the three following functions:

- the Retail Sales, Service and Business Development function is responsible for managing customer

relationships and developing the Retail Banking business. Among other things, the team is in charge of financial planning, credit and debit cards section and the management of branches;

- the Operations and Support function is charged with branch and account operations and sales and service support (including call centre operations); and
- the Product Development and Property function is responsible for the development of products and projects to meet market requirements and to ensure quality standards during development and post-development stages.

As at 30 June 2024, Retail Banking had a total of more than 150,000 retail customers. Total customer deposits from Retail Banking as at 30 June 2024 amounted to QAR9.6 billion, representing 11.4 per cent. of the Bank's total customer deposits. Within these deposits, 64.5 per cent. (or QAR6.2 billion) are savings and current account type deposits.

The principal services and products offered to Retail Banking customers include:

- non-profit-earning demand deposit accounts (or "**current accounts**");
- profit-paying demand deposit accounts (or "**savings accounts**");
- the Faseel high profit savings account;
- the Jeelkum high profit savings account for minors;
- the Thara'a Savings Account;
- profit-paying term deposit accounts (with a minimum term of one month to a maximum term of 60 months);
- Prestige Banking services including an exclusive window for all Prestige Banking customers, dedicated Prestige Banking areas in all full-service branches and uniquely designed cards and cheque books;
- consumer financing services including the provision of financing for automobile, residential property, building material and share purchases through *Murabaha*, *Musawama*, *Istisna*, *Ijara* and *Musharaka* methods of financing; and
- electronic credit and debit cards (including Visa and MasterCard banking cards, "Classic", "Gold", "Platinum" "World" or "Infinite" credit cards and the Bank's "Smart Debit Cards").

The *Murabaha* sale is the most popular form of retail financing, representing 66.9 per cent. of total retail financing assets as at 31 December 2023. These financing products are used to finance the purchase of cars, homes and consumer household items. *Ijara* financing makes up approximately 32.6 per cent. of the retail financing portfolio as at 31 December 2023. *Musawama* and *Murabaha* financing is provided to retail customers for the purchase of consumer goods and investments including, amongst others, automobiles, other vehicles, white goods, furnishings and shares.

Private Banking

Private Banking aims to provide high-quality personalised service to its clients in Qatar and abroad who require comprehensive wealth management and banking solutions that are conducted according to *Shari'a* principles. It aims to provide high-quality personalised service to Ultra-High Net Worth Individuals ("**UHNWI**") or High Net Worth Individuals ("**HNWI**") with liquid assets, deposits, investments, credit exposure or credit turnover of QAR50-100 million and QAR10-50 million, respectively, key decision makers requiring a personal service with high levels of professionalism and privacy, including, but not limited to CEOs of banks, insurance companies and conglomerates, and other individuals requiring non-traditional banking services.

Private Banking comprises the following three core functions:

- the Sales and Advisory function is responsible for managing client relationships and includes front line staff such as relationship managers;
- the Client Support function is responsible for account operations, sales and service support; and

- the Product Development function is responsible for the development of products to meet customer needs and to ensure quality standards during development and post-development stages.

Private Banking offerings include all type of Islamic financing products, tailored to meet customer demands within Islamic financing structures, namely Commodity *Murabaha*, Trade *Murabaha*, Vehicle *Murabaha*, *Ijara*, *Istisna*, *Musawama* and *Wakala*.

In addition to these finance offerings, investment advisory, property advisory and management services are also offered. The services offered by the family office, which include wealth and tax planning, global concierge services and yacht search and administration, are also benefiting from ongoing development. In the future, the Bank is also seeking to offer offshore private banking services.

Treasury and Investments Group

The Treasury and Investments Group undertakes the Bank's funding and asset and liability management activities and overseas proprietary investments, whilst managing market risk. It has a fully-fledged treasury and investment platform. In this regard, the Treasury and Investments Group is focused on:

- managing liquidity and meeting funding requirements efficiently;
- providing foreign exchange services and pricing to customers and branches; and
- liaising with the Bank's customers on *Shari'a* compliant risk management solutions and treasury products.

The Treasury and Investments Group also engages in investments in, amongst other things, debt capital markets, equity capital markets (both in the GCC and internationally), alternative investments and structured products. The group also has limited investments in funds and private equity. In relation to capital markets, the Treasury and Investments Group's portfolio of listed securities is composed of both sukuk and regional or international equities.

With respect to debt capital markets, the principal activity undertaken is the arrangement of sukuk transactions. The Bank has acted as joint lead manager, book-runner and co-lead manager in a number of major GCC sovereign and supranational sukuk issuances as well as sukuk issuances by corporate, quasi-sovereigns and financial institutions.

The Treasury and Investments Group has sought to strengthen its risk and control function through quality control of the Treasury's transactions and independent monitoring by the Risk Management and Compliance Committee. Moreover, in relation to business management and human resources, additional products aimed at optimising returns have been added to the product panel of the Treasury including Islamic swaps, forwards and rate hedging solutions, and training programmes have been devised for each team member.

Subsidiaries

The following table outlines the principal subsidiaries of the Bank:

	Country of incorporation	Year of incorporation	Percentage of ownership As at 31 December		
			2022	2023	2024
The First Investor P.Q.S.C.....	Qatar	1999	100%	100%	100%
First Finance Company P.Q.S.C.....	Qatar	1999	100%	100%	100%
First Leasing Company P.Q.S.C.....	Qatar	2008	100%	100%	100%
BBG Sukuk Limited.....	Cayman Islands	2015	100%	100%	100%
BB Islamic Derivatives	Cayman Islands	2018	100%	100%	100%
Dukhan Tier-1 Sukuk Limited.....	Cayman Islands	2021	100%	100%	100%

The First Investor P.Q.S.C.

TFI is an Islamic investment bank with a share capital of QAR240 million. TFI provides a full range of investment banking products and services that comply with *Shari'a* principles. TFI is licensed by the QCB and provides specialised services and solutions to its clients through three core business segments:

Real Estate

TFI acts as adviser, arranger, structurer and fund manager in relation to real estate transactions for large

sovereign, institutional and HNWI's, real estate companies and corporations in Qatar and the wider MENA region. It provides full service strategic, financial, joint venture origination, corporate management, business planning and investment advice in a *Shari'a* compliant framework. TFI also manages several funds that invest in real estate in various regions across the globe.

Investment Banking

TFI provides a comprehensive advisory service to firms, HNWI's and other institutions across Qatar and the MENA region. TFI also provides advice to its clients on mergers and acquisitions, strategic alliances, and private equity and strategic investments.

Asset Management

TFI is a *Shari'a* compliant asset manager specialising in the management of public equity funds, structured products and discretionary investment portfolios in a bid to achieve long-term growth of capital and income through listed investments on behalf of regional and international institutions, as well as UHNWI's.

TFI's total revenues were QAR21.1 million, QAR32.9 million and QAR17.0 million for the year ended 31 December 2023, the year ended 31 December 2022 and the year ended 31 December 2021, respectively. TFI had net profit of QAR5.9 million, net profit of QAR8.8 million and net loss of QAR15.8 million for the year ended 31 December 2023, the year ended 31 December 2022 and the year ended 31 December 2021, respectively. TFI's total assets were QAR438.3 million, QAR433.8 million and QAR439.0 million as at 31 December 2023, 31 December 2022 and 31 December 2021, respectively.

First Finance Company P.Q.S.C.

FFC provides consumer finance services in compliance with *Shari'a* principles and is licensed by the QCB. The company offers a range of Islamic financing products in relation to the following:

- purchase of automobiles and heavy equipment;
- financing of household items and real estate;
- financing of SMEs; and
- other financing services which aim to contribute to Qatari social life (e.g. education, medical and travel).

FFC is seeking to refocus its financing book to ensure an appropriate balance between retail and SME or micro-enterprises as well as vehicle, real estate and other product financing. Its management are also seeking to bring services online and increase accessibility to the professional expatriate community in Qatar.

FFC's total revenues were QAR142.0 million, QAR131.0 million and QAR128.8 million for the year ended 31 December 2023, the year ended 31 December 2022 and the year ended 31 December 2021, respectively. FFC's net profit was QAR104.2 million, QAR97.0 million and QAR95.1 million for the year ended 31 December 2023, the year ended 31 December 2022 and the year ended 31 December 2021, respectively. FFC's total assets were QAR1.4 billion, QAR1.4 billion and QAR1.3 billion as at 31 December 2023, 31 December 2022 and 31 December 2021, respectively.

First Leasing Company P.Q.S.C.

FLC is a diversified Islamic leasing and asset-backed financing provider. FLC provides specialised services and solutions to clients through three core business segments:

- operating lease;
- financial lease; and
- sale and lease back.

FLC offers leasing and instalment payment solutions for a variety of assets and industries, including but not limited to: information technology; telecommunications; marine vessels and related assets; aircraft; manufacturing; office equipment; vehicle fleets; construction; healthcare; and real estate. FLC's total revenues were QAR22.3 million, QAR27.1 million and QAR19.1 million for the year ended 31 December

2023, the year ended 31 December 2022 and the year ended 31 December 2021, respectively. FLC's net profit was QAR10.4 million, QAR13.1 million and QAR8.4 million for the year ended 31 December 2023, the year ended 31 December 2022 and the year ended 31 December 2021, respectively. FLC's total assets were QAR322.9 million, QAR318.7 million and QAR298.7 million as at 31 December 2023, 31 December 2022 and 31 December 2021, respectively.

BBG Sukuk Limited

BBG Sukuk Limited was incorporated in the Cayman Islands in April 2015 with an authorised share capital of U.S.\$50,000. It was established as an exempted company with limited liability for the sole purpose of sukuk financing (issuance) for the benefit of the Bank.

BB Islamic Derivatives

BB Islamic Derivatives was incorporated in the Cayman Islands in June 2018. It was established to engage in derivative transactions on behalf of the Bank.

Dukhan Tier-1 Sukuk Limited

Dukhan Tier-1 Sukuk Limited was incorporated in the Cayman Islands in April 2021 with an authorised share capital of U.S.\$50,000. It was established for the issuance of sukuk eligible as capital on behalf of the Bank.

Investment in Associates and Joint Ventures

The following table outlines the Bank's investments in associates as at 31 December 2023 and 31 December 2022:

	Activity	Country of incorporation	Percentage of holding as at 31 December 2022	Total investment amount as at 31 December 2022 (QAR'000)	Percentage of holding as at 31 December 2023	Total investment amount as at 31 December 2023 (QAR'000)
Emdad Equipment Leasing Company	Machinery and equipment leasing					
Qatar W.L.L.		Qatar	39.2%	1	39.2%	1
Juman Village	Real estate	Saudi Arabia	27.4%	2,637	0.0%	-
Tanween W.L.L.	Real estate development management	Qatar	48.0%	61,473	48.0%	31,966

Emdad Equipment Leasing Company Qatar W.L.L. ("Emdad")

Emdad is an equipment and machinery leasing company in Qatar. The net book value of the Bank's investment in Emdad was QAR1,000 as at 31 December 2023 and QAR1,000 as at 31 December 2022.

As at 31 December 2023, Emdad's total assets was nil. This was due to liquidation filed by Emdad in 2023. As at 31 December 2022, Emdad's total assets was QAR68.9 million. For the financial years ended 31 December 2023 and 31 December 2022, the Bank recorded no net profit or loss from Emdad's operations.

Juman Village

Juman Village is a real estate company based in Saudi Arabia. Juman Village was disposed of during the year ended 31 December 2023, and a net gain of QAR1.4 million was recorded from the disposal.

Tanween W.L.L. ("Tanween")

Tanween is a real estate development management company in Qatar. The net book value of the Bank's investment in Tanween was QAR32.0 million as at 31 December 2023 and QAR61.5 million as at 31 December 2022.

As at 31 December 2023 and 31 December 2022, Tanween's total assets amounted to QAR79.3 million and QAR223.4 million, respectively. For the financial years ended 31 December 2023 and 31 December 2022,

the Bank had an annual share of results on net loss of QAR9.1 million and net profit of QAR1.8 million, respectively, from Tanween's operations.

Concentration of Risks of Financial Assets with Credit Risk Exposure by Industry Sector

The following table breaks down the Group's credit exposure at carrying amounts before taking into account collateral held or other credit enhancements, as categorised by the industry sectors of the Group's counterparties.

	Total exposure	
	As at 31 December	
	2022	2023
	(QAR'000)	
Funded and Unfunded		
Government.....	43,343,063	37,995,475
Industry and Manufacturing	2,516,715	2,158,090
Commercial.....	13,217,558	12,515,184
Financial services	6,039,376	16,242,816
Contracting.....	18,325,205	16,309,051
Real estate	21,028,893	22,674,268
Personal.....	13,432,502	15,429,753
Services and others.....	19,420,316	21,205,757
	137,323,628	144,530,394

Branch Network and Product Distribution

As at 30 June 2024, the Bank had a network of nine branches (including its head office) and 69 ATMs. The Bank is also a part of the Qatari National ATM and POS Switch network of shared ATMs, thereby broadening access to ATM banking for its customers through shared ATMs and other banks' ATMs.

The Bank also has a range of additional distribution channels available to customers as set out below.

- mobile and smartphone banking;
- internet banking;
- credit cards;
- telephone banking; and
- interactive voice response system.

The Bank also developed banking services on iPad or personal digital assistants and through virtual banking consultants.

Financial Investments

The following table presents a breakdown of the Bank's direct financial investments in securities:

	As at 31 December	
	2022	2023
	(QAR'000)	
Investments classified as held for trading:		
Equity-type investments	60,125	173,895
Debt-type investments.....	17,741	-
	77,866	173,895
Debt-type investments classified at amortised cost		
Fixed rate	19,005,684	18,500,627
Allowance for impairment.....	(7,657)	(6,795)
	18,998,027	18,493,832
Equity-type investments classified as fair value through equity	1,190,195	1,137,991
	20,266,088	19,805,718
Accrued profit income	165,472	165,646
Total	20,431,560	19,971,364

The Bank's financial investments are all currently classified as either "debt-type" or "equity-type" instruments.

Classification

Debt-type instruments are investments that have terms that provide fixed or determinable payments of profit and capital. Equity-type instruments are investments that do not exhibit features of debt-type instruments and include instruments that evidence a residual interest in the assets of an entity after deducting all of its liabilities.

Debt-type instruments

Investments in debt-type instruments are classified into the following categories:

- at amortised cost; and
- at fair value through income statement.

A debt-type investment is classified and measured at amortised cost only if the instrument is managed on a contractual yield basis or the instrument is not held for trading or designated at fair value through income statement.

Debt-type investments classified and measured at fair value through income statement include investments held for trading or designated at fair value through income statement. At inception, a debt-type investment managed on a contractual yield basis can only be designated at fair value through income statement if it eliminates an accounting mismatch that would otherwise arise on measuring the assets or liabilities or recognising the gains or losses on them on different bases.

Equity-type investments

Investments in equity type instruments are classified into the following categories:

- at fair value through income statement; and
- at fair value through equity.

Equity-type investments classified and measured at fair value through income statement include investments held for trading or designated at fair value through income statement.

An investment is classified as held for trading if acquired or originated principally for the purpose of generating a profit from short-term fluctuations in price or dealer's margin. Any investments that form part of a portfolio where there is an actual pattern of short-term profit taking are also classified as 'held for trading'.

Equity-type investments designated at fair value through income statement include investments which are managed and evaluated internally for performance on a fair value basis.

On initial recognition, the Bank makes an irrevocable election to designate certain equity instruments that are not designated at fair value through income statement to be classified as investments at fair value through equity.

Recognition and de-recognition

Investment securities are recognised at the trade date (i.e., the date that the Bank contracts to purchase or sell the asset or at which date the Bank becomes party to the contractual provisions of the instrument). Investment securities are de-recognised when the rights to receive cash flows from the financial assets have expired or where the Bank has transferred substantially all risks and rewards of ownership.

Measurement

Initial recognition

Investment securities are initially recognised at fair value plus transaction costs, except for transaction costs incurred to acquire investments at fair value through income statement (which are charged to consolidated income statement).

Subsequent measurement

Investments at fair value through income statement are re-measured at fair value at the end of each reporting period and the resultant re-measurement gains or losses are recognised in the consolidated income statement in the period in which they arise. Subsequent to the initial recognition, investments classified at amortised cost are measured at amortised cost using the effective profit method less any impairment allowance. All gains or losses arising from the amortisation process and those arising from de-recognition or impairment of the investments are recognised in the consolidated income statement.

With effect from the issuance of QCB circular number 13/2020, equity-type instruments classified as fair value through equity are not tested for impairment. Investments at fair value through equity are re-measured at their fair values at the end of each reporting period and the resultant gain or loss, arising from a change in the fair value of investments are recognised in the consolidated statement of changes in equity and presented in a separate fair value reserve within equity. The Group may elect to present in statement of changes in equity, changes in the fair value of certain investments in equity-type instruments that are not held for trading. The election is made on an instrument by instrument basis on initial recognition and is irrevocable. Gains and losses on such equity-type instruments are never subsequently reclassified to the consolidated income statement, including on disposal. However, cumulative gains and losses recognised in fair value reserve are transferred to retained earnings on disposal of an investment. Impairment losses (and reversal of impairment losses) are not reported separately from other changes in fair value. Dividends, when representing a return on such investments, continue to be recognised in the consolidated income statement, unless they clearly represent a recovery of part of the cost of the investment, in which case they are recognised in statement of changes in equity.

Whereas for debt type investments classified as fair value through equity, the cumulative gain or loss previously recognised in the consolidated statement of changes in equity is transferred to the consolidated statement of income.

Measurement principles

Amortised cost measurement

The amortised cost of a financial asset or liability is the amount at which the financial asset or liability is measured at initial recognition, minus capital repayments, plus or minus the cumulative amortisation using the effective profit method of any difference between the initial amount recognised and the maturity amount, minus any reduction for impairment. The calculation of the effective profit rate includes all fees and points paid or received that are an integral part of the effective profit rate.

Fair value measurement

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 Bank measures the fair value of quoted investments using the market closing bid price for that instrument. For investments where there is no quoted market price, a reasonable estimate of the fair value is determined by reference to the current market value of another instrument, which is substantially the same or is based on the assessment of future cash flows. The cash equivalent values are determined by the Group by discounting future cash flows at current profit rates for contracts with similar term and risk characteristics.

Impairment

Expected credit losses ("ECL") are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

Investment Properties

The carrying amount of investment property as of 31 December 2023 was QAR134.8 million (31 December 2022: QAR135.0 million). The fair value of the investment properties is not materially different from the carrying amount as of each of the reporting date.

Information Technology

The Bank has, from its inception, invested heavily in information technology and now has a state-of-the-

art suite of banking systems across most core banking functions. The Bank currently operates key third party software to support its different operating functions and provides a full suite of electronic and phone banking services. All customer interfaces are subjected to rigorous third party penetration testing prior to deployment and incorporate industry standard two-factor authentication to mitigate the risk of security breaches.

As part of its business continuity plan, the Bank maintains a back-up data centre in Doha which supports all critical systems. The Group has a disaster recovery policy and tests full and partial disaster recovery scenarios at regular intervals.

The Bank applies and deploys the highest security standards in order to protect the data for its omni channels and internet banking services.

Takaful (Islamic Insurance)

The Bank maintains insurance policies and coverage that it deems appropriate. This includes a financial institution's blanket bond covering standard risk including electronic equipment and professional indemnity cover. The Bank maintains standard property insurance for all premises. Electronic equipment is insured separately.

The Bank reviews insurance coverage on an ongoing basis and believes the coverage to be in accordance with industry practice in Qatar.

RISK MANAGEMENT

The Group is exposed to different types of risks in its normal course of business, including credit risk, liquidity risk, market risk (trading and non-trading), operational risk and information security risk. The Group's risk management philosophy is to control and optimise the risk-return profile of the Group. The core functions of the Group's risk management are to identify all key risks for the Group, measure these risks, mitigate risk where required and possible, manage the risk positions and determine capital allocations. The Group reviews its risk management policies and systems, if necessary, to align them with changes in markets, products and industry best practice.

The Group's aim is to achieve an appropriate balance between risk and return and minimise potential adverse effects on the Group's financial performance. The Group defines risk as the possibility of losses or profits foregone, which may be caused by internal or external factors.

Risk Management Team Composition



Credit Review Team Composition



Risk management structure

Board Supervision

The Board has overall responsibility for the establishment and oversight of the Group's risk management framework.

Risk Management and Compliance Committee

The RMCC has overall responsibility for the development of risk strategy, and implementing principles, frameworks, policies and limits.

Credit Committee ("CC")

The Board has delegated its authority to the CC to approve, sub-delegate, direct, monitor and review the Bank's financing activities, within specified limits. In addition, the CC is tasked with ensuring credit policies are adhered to and credit operations are conducted in the most effective manner possible.

The CC is the highest level of executive credit approval authority in the Group and is responsible for taking credit decisions and recommending credit policies and the future direction of the credit activities in the Group.

Asset Liability Committee

The ALCO is responsible for the overall balance sheet management of the Group. The ALCO sets guidelines for the overall management of the liquidity and profit rate risk. The ALCO also determines the borrowing and funding strategy (asset allocation) in order to maximise profit and minimise risk.

Operational Risk Committee ("ORC")

The ORC is responsible for managing and overseeing all aspects of operational risk in the Group and for the effective implementation of all operational policies and standards.

Group Internal Audit ("GIA")

Risk management processes are audited by the GIA which examines the adequacy of, and compliance with, the Group's risk management procedures, and conducts a specific audit of the Group Risk function itself as per the approved audit plan. The results obtained by the GIA are discussed with the management and final reports and recommendations are passed on to the Audit Committee.

Group Investment Committee ("GIC")

The GIC has oversight over the investment process of the Treasury and Investments Division and evaluates and discusses the Treasury and Investments Division's proposals and reviews the portfolios periodically. The GIC supports the Treasury and Investments Division in managing the Group's investable assets in a prudent and viable manner considering the Group's overall financial position.

Policies and standards

The Group's risk management principles are laid out in a series of corporate policies, standards, guidelines, directives and procedures, all of which are reviewed on a regular basis, if necessary, to maintain their relevance to the Group's current risk limits. The structure, limits, collateral requirements, ongoing management, monitoring and reporting of the Group's credit exposures are based on the following six inter-dependent process categories:

- setting risk appetite in line with strategic business objectives;
- identifying, measuring, mitigating (where necessary) and monitoring all material risks;
- setting parameters to keep the Group's risk profile within prescribed guidelines;
- monitoring the booked assets and assisting in structuring transactions;
- balancing of risk and return to optimum effect; and

- interpreting and demonstrating compliance with internal and external stakeholders' requirements and expectations.

Credit Risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group manages credit risk through diversification of investments, capital markets, lending and financing activities to avoid undue concentrations of credit risk with individuals or groups of customers in specific locations or businesses. It also obtains collaterals, when appropriate.

The Group seeks to manage and mitigate its credit exposure through several means, such as:

- structuring deals appropriately so as to have better control over the release of funds;
- adequate collateralisation by way of obtaining tangible and intangible security or assignments;
- diversification of the financing portfolio into several industries or sectors, geographical locations and products;
- credit checks on Qatar-based obligors or shareholders through the Government's Credit Bureau system and obtaining their credit exposures and limits through the QCB; and
- periodic reviews and monitoring the portfolio through an annual review at a relationship level.

The Group implemented Moody's Risk Analyst Rating System, in order to effectively monitor credit risk at an obligor's level on the Group's portfolio and align capital adequacy to such risks.

In order to minimise risk, the Group obtains collateral, when appropriate, depending on the perceived credit risk of the counterparty. Guidelines are implemented across all operating segments regarding the acceptability of types of collateral and valuation parameters. The management monitors the market value of collateral obtained in connection with the Group's lending activities, requests additional collateral in accordance with the underlying agreement and assesses the market value of the collateral obtained during its review of the adequacy of the provision for impairment losses.

The main types of collateral obtained are as follows:

- for securities lending – cash or securities;
- for commercial and corporate financing – mortgages over real estate properties, inventory, machinery and equipment, cash/margin or deposits and securities and, in the case of project financing, obtaining an assignment over the project proceeds, which is a confirmed repayment source (performance risk aside). Under Islamic financing structures, in many cases the underlying asset is actually transferred to the name of the Bank, although this may not always be so and instead a mortgage over the asset in favour of the Bank will be requested; and
- for retail financing – mortgages over residential property and securities.

Risk Rating Assessment

It is also the Group's policy to maintain accurate and consistent risk ratings across its credit portfolio. This focus on the applicable risks facilitates the comparison of credit exposures across all lines of business, geographic regions and products. The Group's risk rating grids are intended to provide a pre-set objective basis for making credit decisions and the Group's rating system is supported by a variety of financial analytics, combined with processed market information to provide the main inputs for the measurement of counterparty risk. All internal risk ratings are derived in accordance with the Group's rating policy and are assessed and updated regularly.

Retail

As part of the Group's credit policy for retail customers, online credit checks are made through the Credit Bureau. The Credit Bureau shows the full credit history and liability position of any potential application in order to ascertain if such applicants are on a blacklist maintained by the QCB. The Group extends financing on the basis of such checks, ensuring compliance with QCB guidelines on consumer credit and

salary assignments by any employer of the applicants.

In relation to retail financing, the client will normally be invited to a meeting to provide any required documents and information and to fill out the credit application form. Following this, the Retail Credit Department will carry out an in-depth analysis of the customer's bank statements, length of service, identification documents and any other reasonable checks it may deem necessary. Once a decision is reached, this will be checked by the Operations (Deal Recording) team and be communicated to the client.

Retail financing credit risk is further mitigated by securing the source of repayments from retail customers through an assignment of those customers' salaries to the Group. The salaries of those customers are deposited by their respective employers directly into their accounts with the Group. The Group then has a right of lien over salaries in the customers' accounts pending the collection of regular repayments of their liabilities with the Group.

Where salary assignments are not made in favour of the Group, financing is only provided against cash collateral deposited with the Group and pledged against the facility.

It is also the Group's policy to maintain accurate and consistent risk ratings across its credit portfolio. This focus on the applicable risks facilitates the comparison of credit exposures across all lines of business, geographic regions and products. The Group's risk rating grids provide a pre-set objective basis for making credit decisions and the Group's rating system is supported by a variety of financial analytics, combined with processed market information to provide the main inputs for the measurement of counterparty risk. All internal risk ratings are derived in accordance with the Group's rating policy and are assessed and updated regularly.

The Group has defined limits by counterparty, borrowing group, country, the Board, subsidiaries and affiliates. All exposures against these limits are monitored and any breach is monitored closely and reported to the appropriate body or applicable level. Classified accounts are also reported to the Board through the RMCC.

Non-retail (e.g. Wholesale Banking)

The credit approval process in respect of non-retail banking generally starts with a meeting between the client and a Bank representative to assess funding requirements, prepare a credit application, and to submit the application to the Credit Review team. The assessment stage involves the Credit Review Department analysing the client thoroughly by reviewing, among other things, its financial statements, business structure, facility structure, background of the owner/shareholder, industry risk, collateral offered, primary and (where applicable) secondary sources of repayment and credit checking through the Credit Bureau and QCB reporting systems. Based on these assessments, an independent assessment note is prepared by the relevant review team for the CC's review and decision. Upon receipt of the assessment note and business proposal, if applicable, the CC will take a decision if the financing is within its delegated authority (currently QAR250 million for new facilities to a single obligor). In the event that a single obligor's proposed facilities are above the CC's delegated authority, the proposal is then recommended to the Chairman of the Board who is authorised to approve such facilities on behalf of the Board. Such approvals by the Chairman are ratified in the next convened meeting of the Board.

Credit Risk Provisioning (impairment)

The Group's provisioning policies and procedures are established in accordance with the QCB's specific requirements. Individual financing facilities are categorised on a sliding scale into: (i) excellent; (ii) strong; (iii) good; (iv) satisfactory; (v) adequate; (vi) marginal; (vii) vulnerable; (viii) substandard; (ix) doubtful; and (x) loss. The latter three categories are non-performing classifications and require a provision against the outstanding facility (after taking into account collateral secured against the facility). Non-performing outstanding facilities are reviewed on an individual basis and classified accordingly as:

- *Substandard*: facilities with a due payment outstanding for more than 90 days (but less than 180 days), requiring a 20 per cent. provision against the unsecured portion of such facility;
- *Doubtful*: facilities with a due payment outstanding for more than 180 days (but less than 270 days), requiring a 50 per cent. provision against the unsecured portion of such facility; and
- *Loss*: facilities with a due payment outstanding for more than 270 days, requiring a 100 per cent. provision against the unsecured portion of such facility.

The Group prepares draft provisioning requirements annually based on the QCB's categories above, which

is submitted to the QCB in November of each year. The QCB has the authority to vary the draft provisions in consultation with the Group. The QCB's process of variation and consultation is applied in a consistent manner to all Qatari banks.

QCB also requires banks to calculate credit provisions as per IFRS requirements. Under IFRS, impairment is measured as the difference between the carrying amount of the financial assets and the present value of estimated cash flows discounted at the assets' original effective profit rate. Losses are recognised in the consolidated income statement and reflected in an allowance account. When a subsequent event causes the amount of impairment loss to decrease, the impairment loss is reversed through the consolidated income statement, to the extent of previously recognised impairment losses. The Group considers evidence of impairment for financial assets carried at amortised cost at both a specific asset and collective level. All individually significant financial assets are assessed for specific impairment. Those assets found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified. Financial assets that are not individually significant are collectively assessed for impairment by grouping assets together with similar risk characteristics.

QCB instructions require credit provisions to be the higher of provisioning calculated as per days past due criteria or as per IFRS.

The credit quality of financial assets is managed by the Group using internal credit ratings. All commercial credit risk exposures are risk rated using Moody's Risk Analyst risk rating system, recognised as an industry wide standard. The rating system is supported by a variety of financial analytics (quantitative factors) combined with processed market information as well as other qualitative factors to provide the main inputs for the measurement of counterparty risk. For corporate and commercial customers, the risk rating methodology utilises a 22-point scale (ranging from 1-10), based on quantitative and qualitative factors with 19 performing categories (1-7) and three relating to non-performing. The outcome of the risk rating process is intended to reflect counterparty credit quality and assist in determining suitable pricing commensurate with the associated risk.

Collections

- *Retail Collections:* the responsibility of the Credit & Collection Department is primarily to recover the Group's outstanding and overdue exposure in retail products from clients. Collections and recovery activities begin when a customer fails to pay the minimum due on the relevant due date or when the Group receives credible information that the customer has become jobless or is not contactable.
- *Wholesale Banking:* past due reports for clients and segments (including Corporate Banking and Government and Institutional Banking) are generated daily. These reports reflect past dues starting from the first day the instalment or payment is missed by the client. The reports are shared with the respective business teams and the relevant relationship managers carry out follow ups with their customers to ensure that the past dues are settled promptly.

The relevant credit review team gets involved in cases where past dues exceed the 30-day threshold. Where the delay is justified, due to the obligor having acceptable reasons for such delays (for example, delays from project paymasters due to no fault of the obligor), further time may be permitted to the obligor to settle their past dues. The matters may be escalated to higher authorised personnel by the credit review team in the case where past dues persist beyond 60-days, or the obligor is not able to provide justifiable reasons for the delay. Depending on the situation, suitable recommendations are made by a credit review team for action that seems most appropriate in each individual case.

Measurement of Expected Credit Loss ("ECL")

ECLs are recognised in three stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit

losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

The Group recognises loss allowances for ECL on the following financial instruments that are not measured at fair value through income statement:

- Financial assets that are debt instruments;
- Financial guarantee contracts issued; and
- Financing commitments issued.

With effect from the issuance of QCB circular number 13/2020, equity type instruments classified as fair value through equity are not tested for impairment.

The Group measures loss allowances at an amount equal to lifetime ECL, except for the following, for which they are measured as 12-month ECL:

- Debt investment securities that are determined to have low credit risk at the reporting date; and
- Other financial instruments on which credit risk has not increased significantly since their initial recognition.

12-month ECLs are the portion of ECL that result from default events on a financial instrument that are possible within the 12 months after the reporting date.

ECLs are a probability-weighted estimate of credit losses. They are measured as follows:

- *Financial assets that are not credit-impaired at the reporting date:* as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive);
- *Financial assets that are credit-impaired at the reporting date:* as the difference between the gross carrying amount and the present value of estimated future cash flows;
- *Undrawn financing commitments and letter of credit:* as the present value of the difference between the contractual cash flows that are due to the Group if the commitment is drawn down and the cash flows that the Group expects to receive; and
- *Financial guarantee contracts:* the expected payments to reimburse the holder less any amounts that the Group expects to recover.

The determination of the FAS 30 provision results from a two-step approach:

- Step 1: The facilities will have to be allocated to one of the three impairment stages by determining whether a significant increase in credit risk has occurred since initial recognition or whether the facility has been credit impaired.
- Step 2: The ECL is calculated i.e., 12-month ECL for all facilities in stage 1 and lifetime ECL for all facilities in stage 2. The facilities in stage 3 are covered by specific provisions as per QCB regulations.

Restructured financial assets

If the terms of a financial asset are renegotiated or modified or an existing financial asset is replaced with a new one due to financial difficulties of the borrower, then an assessment is made of whether the financial asset should be derecognised and ECL is measured as follows:

- if the expected restructuring will not result in derecognition of an existing asset, then the expected cash flows arising from the modified financial asset are included in calculating the cash shortfalls from existing assets; and

- if the expected restructuring will result in derecognition of an existing asset, then the expected fair value of the new asset is treated as the final cash flow from the existing financial asset at the time of its derecognition. The amount is included in calculating the cash shortfalls from the existing financial asset that are discounted from the expected date of derecognition to the reporting date.

Credit-impaired financial assets

At each reporting date, the Group assesses whether financial assets carried at amortised cost and debt financial assets carried at fair value through equity are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or past due event;
- the restructuring of a financing asset by the Group on terms that the Group would not consider otherwise;
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

In making an assessment of whether an investment in sovereign debt, other than that of the home country sovereign (i.e. Qatar), is credit-impaired, the Group considers the following factors:

- the market's assessment of creditworthiness as reflected in the bond yields;
- the rating agencies' assessments of creditworthiness; and

Any credit exposures to the Government, represented by the Ministry of Finance and QCB, are exempted from the application of ECL model as per QCB circular number 9/2017.

Presentation of allowance for ECL in the statement of financial position

Loss allowances for ECL are presented in the statement of financial position as follows:

- financial assets measured at amortised cost: as a deduction from the gross carrying amount of the assets;
- financing commitments and financial guarantee contracts: generally, as a provision;
- where a financial instrument includes both a drawn and an undrawn component, and the Group cannot identify the ECL on the loan commitment/off balance sheet component separately from those on the drawn component: the Group presents a combined loss allowance for both components. The amount is presented as a deduction from the gross carrying amount of the drawn component. Any excess of the loss allowance over the gross amount of the drawn components is presented as a provision in other liabilities; and
- debt instruments measured at fair value through equity: no loss allowance is recognised in the statement of financial position because the carrying amount of these assets is their fair value. However, the loss allowance is disclosed and is recognised in the fair value reserve.

Write-off

Financing assets and debt securities are written off (either partially or in full), subject to QCB approval, when there is no realistic prospect of recovery. This is generally the case when the Group determines that the borrower does not have assets or sources of income that could generate sufficient cash flows

to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

Risk Reserve

In addition to undertaking specific credit risk and impairment provisioning, the Group maintains a risk reserve in accordance with QCB requirements. In accordance with QCB regulations, a risk reserve should be created to cover contingencies on both public and private sector financing assets. The minimum risk reserve in respect of private sector financing assets is 2.5 per cent. of the Group's total private sector exposure (inside and outside Qatar) after the exclusion of the specific provisions and profit in suspense. Finance provided to, or secured by, the Ministry of Finance or finance against cash guarantees is excluded from gross direct finance. The use of the risk reserve is subject to the prior approval of the QCB.

For the year ended 31 December 2023, the appropriation made to risk reserve amounted to QAR56.7 million (31 December 2022: QAR91.7 million). As at 31 December 2023, the risk reserve balance was QAR1,487.1 million (31 December 2022: QAR1,430.4 million). The table below sets out the receivables and balances from financing activities and risk reserves of the Bank as at the dates indicated:

	As at 31 December	
	2022	2023
	(QAR'000)	
Risk Reserve percentage (%).....	2.5	2.5
Net receivables and balances from financing activities excluding Government financing and securities and cash collateralised facilities.....	57,215,080	59,483,080
Risk Reserve	1,430,377	1,487,077

Excessive Risk Concentration

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographic region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Group's performance to developments affecting a particular industry or geographical location.

In order to avoid excessive concentrations of risk, the Group's policies and procedures include specific guidelines to focus on maintaining a diversified portfolio, with limits set on geographic and industry sector exposures. Identified concentrations of credit risks are controlled and managed accordingly.

Liquidity Risk

Liquidity risk is the risk that the Group is unable to meet its obligations when they fall due as a result of factors including (but not limited to) customer deposits being withdrawn, cash requirements from contractual commitments or other cash outflows, such as debt maturities or margin calls for risk management instruments. Such outflows would deplete available cash resources for client financing, trading activities and investments. In extreme circumstances, a lack of liquidity could result in reductions in the consolidated statement of financial position and sales of assets, or potentially an inability to fulfil financing commitments.

The key measure used by the Group for managing liquidity risk is LCR, which is calculated as per Basel III guidelines adopted by the QCB. The Group's LCR as at 30 June 2024, 31 December 2023, 31 December 2022 and 31 December 2021 was 131.5 per cent., 100.0 per cent., 115.4 per cent. and 278.1 per cent., respectively.

Liquidity positions are monitored closely by the ALCO where the stringent ratio analysis carried out by the Market Risk Department ("MR") is presented. The MR also carries out a series of QCB prescribed stress test scenarios to test the liquidity of the Group.

Market Risk

Market risk is the risk that the Group's earnings or capital and its ability to meet business objectives will be adversely affected by changes in the level of volatility of market rates or prices such as profit rates,

equity prices and foreign exchange rates. The Group manages its market risks within the framework defined by the QCB. Overall authority for the management of market risks and ensuring compliance with this framework rests with the ALCO. The MR is responsible for the development of detailed risk management policies (subject to review and approval by the Board) and for the day-to-day review of their implementation. In addition, the Board sets risk limits based on a number of factors, including country-based exposure limits.

The Bank pays considerable attention to market risk. It uses appropriate models, in accordance with the standard market practice, to value its positions, and receives regular market information in order to regulate its market risk.

The Bank's trading market risk framework comprises the following elements:

- limits to ensure that risk takers do not exceed aggregate risk and concentration parameters set by the ALCO;
- independent MTM valuations and reconciliation of positions; and
- tracking of stop losses for trading positions on a timely basis.

The policies and procedures and the trading limits are set in the treasury product programme to ensure the smooth implementation of market risk policy in day to day operations.

In relation to the Group's trading portfolios, the principal tool used to measure market risk exposure is Value at Risk ("**VaR**"). The VaR of a portfolio is the estimated loss that will arise on the portfolio over a specified period of time from an adverse market movement with a specified confidence interval. VaR for equity portfolio is calculated on daily basis to assess the impact of adverse movement in the market on the Bank's portfolio.

The principal risk to which non-trading portfolios are exposed is profit rate risk, which is the risk of loss arising from fluctuations in the future cashflows or fair values of financial instruments because of a change in market profit rates. The Group manages profit rate risk principally through the monitoring of profit rate gaps and through risk management strategies. The ALCO is the monitoring body for compliance with these limits and is assisted by the Treasury and Investments Group in its day-to-day monitoring activities.

Separately, the Islamic Financial Services Board ("**IFSB**") issued a document on risk management guidelines for institutions (excluding insurance institutions) offering only Islamic Financial Services. These guidelines include sections on "Rate of Return Risk" and "Liquidity Risk" which the Group adheres to.

In particular, the Group identifies as key market risks the following:

Equity Risk

To mitigate equity risk the Group follows the approved treasury product programme and strictly follows the limits set by the QCB. Moreover, stress tests of the equity portfolio are performed by the MR and equity trading book value-at-risk calculations are generated on a daily basis using excel models.

Profit Rate Risk (sukuk portfolio)

The Group follows the approved treasury product programme based on, among other things, issuance size, ratings and sector limits. As a result, any deviation from the treasury product programme has to be approved by the MR and the GIC. In addition, management action triggers and stop losses are monitored by the MR which also carries out stress tests of the sukuk portfolio.

Foreign Exchange Risk

All traders follow the approved treasury product programme and the limits are monitored daily by the MR. Such internal limits are based on intra-day (followed by front and middle office) and overnight positions that are monitored by the MR.

Operational and Other Risks

Operational risk is defined as the risk of direct or indirect loss resulting from inadequate or failed processes, people and systems, infrastructure or from external factors other than credit, market and liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards of corporate behaviour. Key operational risk categories include clients, products and business practices, damage to physical assets and disaster management, information security risks and external frauds, execution and process management, and business disruptions or systems failures.

The Group mitigates these risks by producing and implementing the Operational Risk Management Framework (the "ORMF") across the Group. The ORMF codifies the Group's approach to identifying, measuring, managing, reporting, and controlling operational risk. The ORMF establishes a common understanding of operational risk and risk management, to promote consistent application of techniques and to capture relevant data. The ORMF also sets the basis of the Group's operational risk culture and applies to all areas of the Group, including subsidiaries in which the Group has management control.

In addition, the Group has developed over-arching standards for the management of operational risk in the following areas:

- requirements for the appropriate segregation of duties, including the independent authorisation of transactions;
- requirements for the reconciliation and monitoring of transactions;
- compliance with regulatory and legal requirements;
- documentation of controls and procedures;
- requirements for the periodic assessment of operational risks faced and the adequacy of controls;
- procedures to address the risks identified;
- requirements for the reporting of operational losses and proposed remedial action;
- development of contingency plans;
- training and professional development;
- ethical and business standards; and
- risk mitigation, including insurance where this is effective.

The Group is exposed to a number of other risks including organisation and regulatory risks. Organisation risk represents the aggregation of factors that may affect an organisation's human resources and cause negative effects (such as human error, attrition and employee family issues) which impact on the Group's ability to operate.

The strategy and framework for operational risk management is set by Board and implemented consistently across the Group. In addition, a dedicated and independent team led by the Head of Operational Risk is charged with the implementation of the ORMF. This team reports to the Chief Risk Officer of the Group. Each business unit also nominates a Unit Operational Risk Manager who acts as a single point of contact for the Head of Operational Risk regarding all operational risks for the respective business unit.

The Group has also developed an operational risk system to create a repository for all operational risk incidents, losses and near-miss events. There is a robust process for the reporting of issues, conducting of root cause analysis and implementing mitigation plans to avoid recurring issues.

Regulatory and Legal Compliance

Regulatory and legal risk is the risk of a negative impact on business activities, earnings or capital, regulatory relationships or reputation as a result of failure to comply with or a failure to adapt to current and changing regulations, law, industry codes or rules, regulatory expectations, or ethical standards.

The identification and assessment of regulatory risk includes formal risk assessment activities carried out across the organisation, both at the individual business and operational level and at the enterprise level. Risk is measured through the assessment of the impact of regulatory and organisational changes, the introduction of new products and services and the acquisition or development of new lines of business. It is also measured through the testing of the effectiveness of the controls established to ensure compliance with regulatory requirements.

Litigation

In the ordinary course of business, the Group is and may from time to time be subject to governmental, legal and arbitration proceedings. There are a number of debt collection cases that the Bank has instigated and the amount of recovery that is likely from these cases is difficult to predict with certainty. No material provision has been made as at the date of this Base Offering Circular regarding any outstanding legal proceedings against the Group. Procedurally, an annual review is conducted by the Legal Department to ascertain if provisioning is required for pending litigation and, if required, the estimated amount is communicated to the Finance division for the raising of the necessary provisions.

Capital Management/Adequacy

As at 30 June 2024, the Bank's Tier 1 capital ratio including capital conservation buffer was 16.9 per cent. and its combined total capital ratio including capital conservation buffer and DSIB buffer was 17.8 per cent. with total Tier 1 Capital at QAR13,479.3 million (in each case, calculated in accordance with the Basel III guidelines issued by the QCB).

The shareholders of the Bank have consistently maintained a strong level of capitalisation to support the business activities and development of the Bank. The following table shows the risk weighted values and capital charge for capital ratio purposes of the Bank as at 31 December 2021, 31 December 2022, 31 December 2023 and 30 June 2024:

	As at 31 December			As at 30 June
	2021	2022	2023	2024
	(QAR'000)			
Common equity tier 1 (CET 1) capital.....	10,446,133	10,770,179	11,213,280	11,658,531
Additional tier 1 capital	1,820,750	1,820,750	1,820,750	1,820,750
Tier 1 Capital	12,266,883	12,590,929	13,034,030	13,479,282
Tier 2 Capital	789,705	763,960	766,268	711,368
Total Eligible Capital⁽¹⁾.....	13,056,588	13,354,889	13,800,298	14,190,649
Total Risk Weighted Assets.....	70,985,325	73,065,442	80,138,998	79,805,701
Tier 1 Capital Ratio including capital conservation buffer (per cent.).....	17.3	17.2	16.3	16.9
Total Capital Ratio including capital conservation buffer, DSIB buffer and ICAAP pillar II capital charge	18.4	18.3	17.2	17.8

Note:

(1) This line item was labelled as "Total Regulatory Capital" in the Annual Financial Statements.

The assessment of the various capital adequacy risks across the group is carried out in conjunction with its ICAAP which is undertaken annually. The Bank's internal assessment process is carried out in the following six distinct stages:

- defining the Bank's vision and financial targets and formulating the Bank's risk appetite;
- formulating a capital and liquidity plan as well as a business plan for the next five years;
- formulating a group-wide recovery and resolution plan;
- evaluating material risks, calculating capital required and suggesting appropriate controls to mitigate risk;
- stress testing on current and projected risk profiles and calculating capital requirements in stress conditions; and

- presentation of the ICAAP and the yearly audit of the same by independent auditors.

Basel Capital Accords

Basel III

As at the date of this Base Offering Circular, the Bank is compliant with the revised Basel III (also referred to as Basel 3.1). To calculate the Risk Weighted Assets ("RWAs"), the Bank has adopted the standardised approach for credit risk, standardised approach with scalar effect for market risk and standardised approach for operational risk which is based on the Business Indicator Component (BIC) in accordance with Basel III guidelines adopted by the QCB. For the computation of its capital, the Bank has taken into consideration all the required regulatory deductions for investments in financial institutions, banks and takaful entities. As at 30 June 2024, the required CAR is 14.3 per cent., including ICAAP and DSIB charge under the Basel Committee Basel III requirements.

The Bank's total CAR was 17.8 per cent. as at 30 June 2024, 17.2 per cent. as at 31 December 2023, 18.3 per cent. as at 31 December 2022 and 18.4 per cent. as at 31 December 2021, which was above the QCB's requirement to maintain a minimum total CAR of 14.3 per cent. for the six-month period ended 30 June 2024, 14.3 per cent. for the year ended 31 December 2023, 14.4 per cent. for the year ended 31 December 2022 and 15.0 per cent. for the year ended 31 December 2021. The Bank's CET 1 Capital was QAR11,658.5 million as at 30 June 2024, QAR11,213.3 million as at 31 December 2023, QAR10,770.2 million as at 31 December 2022 and QAR10,446.1 million as at 31 December 2021. The Bank's CET 1 ratio, including capital conservation buffer, was 14.6 per cent. as at 30 June 2024, 14.0 per cent. as at 31 December 2023, 14.7 per cent. as at 31 December 2022 and 14.7 per cent as of 31 December 2021.

The Bank implemented the following internal procedures to comply with the QCB Basel III requirements:

- capital adequacy and the use of regulatory capital are monitored by the management on a regular basis following techniques based on guidelines developed by the Basel Committee and the QCB;
- Basel III returns, both at standalone and on a consolidated basis, are prepared by the enterprise risk management department housed under the RM; and
- the two complementary liquidity standards (LCR and NSFR) suggested under Basel III have been fully implemented and are regularly monitored by the ALCO.

MANAGEMENT AND EMPLOYEES

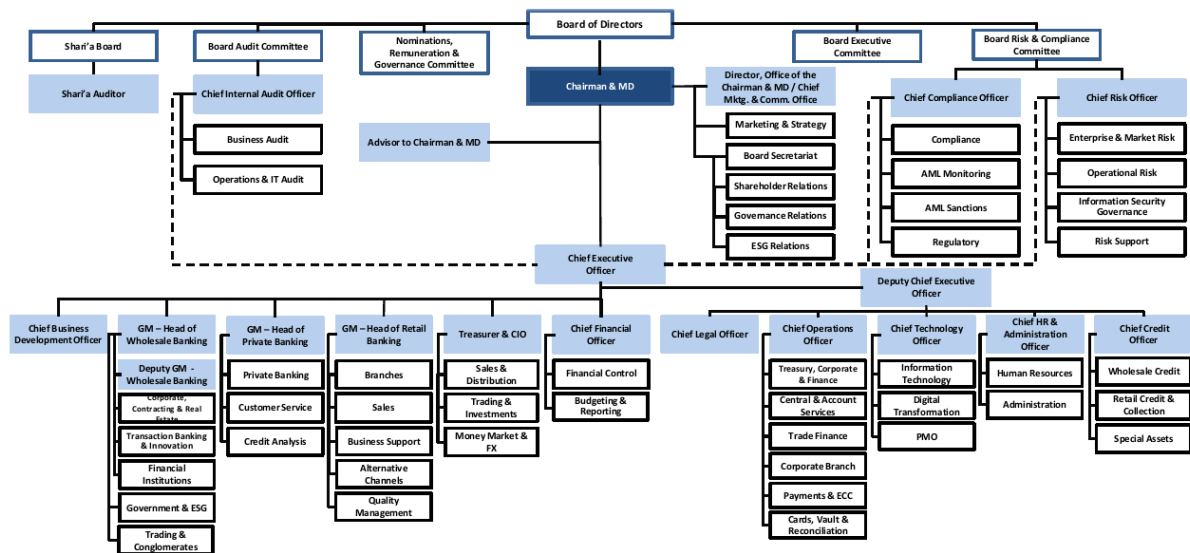
Management

The Bank is domiciled and registered in Qatar as an Islamic bank under the regulatory oversight of the QCB. This section sets out the Bank's organisational structure as at the date of this Base Offering Circular.

Operational and Corporate Governance Structure

The below diagram shows the Bank's operational and corporate governance structures.

Operational and Corporate Governance Structure:



The Board of Directors

The board of directors of the Bank (the "**Board**") is responsible for the overall direction, supervision and control of the Bank. The day-to-day management of the Bank is conducted by the Executive Committee and the CEO.

The principal role of the Board is to oversee the implementation of the Bank's strategic initiatives and its functions within the agreed framework in accordance with relevant statutory and regulatory structures. The Board meets at least six times a year.

On 25 January 2023, the constitutional general assembly meeting approved the appointment of the following members of the Board for a period of five years as stated in the Bank's articles of association:

Position	Name	Year of appointment	Date of birth
Chairman and Managing Director	H.E. Sheikh Mohammad Bin Hamad Bin Jassim Al-Thani	2008	04/07/1984
Vice Chairman	Mr. Abdulaziz Mohammed Hamad Al-Mana	2013	13/01/1980
Director	H.E. Sheikh Thani Bin Hamad Bin Khalifa Al-Thani	2020	16/01/1994
Director	Sheikh Jassim Bin Fahad Bin Jassim Al-Thani	2019	01/01/1977

Director	Sheikh Khalid Bin Hassan Bin Khalid Al-Thani	2019	05/01/1989
Director	Sheikh Abdulla Bin Fahad Bin Jassim Al-Thani	2024	18/06/1988
Director	Dr. Ahmad Mohammed Yousef Al-Mana	2019	10/06/1983
Director	Mr. Ahmad Abdulrazzaq Ahmad Al-Hashmi	2019	10/10/1984
Director	Mr. Ali Rashid Salem Rashid Al-Marri	2023	10/11/1973

Brief biographical information of each member of the Board is set out below.

H.E. Sheikh Mohammad Bin Hamad Bin Jassim Al-Thani, Chairman and Managing Director

H.E. Sheikh Mohammad Bin Hamad Bin Jassim Al Thani joined the Board as Chairman and Managing Director in 2008. He holds a bachelor's degree in Business Administration from the University of Lausanne (Switzerland). H.E. Sheikh Al Thani is currently also chairman of the Board of Directors of FFC, chairman of the Board of Directors of TFI and chairman of the Board of Directors of FLC.

Mr. Abdulaziz Mohammed Hamad Al-Mana, Vice Chairman

Mr. Abdulaziz Mohammed Hamad Al Mana joined the Board as Vice Chairman in 2013. He holds a bachelor's degree in Accounting from the University of California, Sacramento (USA). Mr. Al Mana is currently also a member of the Board of Directors of the United Development Company in Qatar.

H.E. Sheikh Thani Bin Hamad Bin Khalifa Al-Thani, Director

H.E. Sheikh Thani Bin Hamad Bin Khalifa Al-Thani joined the Board in 2020. He holds a bachelor's degree in Telecommunications Sciences from Northwestern University (Qatar).

Sheikh Jassim Bin Fahad Bin Jassim Al-Thani, Director

Sheikh Jassim Bin Fahad Bin Jassim Al-Thani joined the Board in 2019. He holds a military diploma from Qatar Armed Forces (Qatar).

Sheikh Khalid Bin Hassan Bin Khalid Al-Thani, Director

Sheikh Khalid Bin Hassan Bin Khalid Al-Thani joined the Board in 2019. He holds a bachelor's degree in Business Administration from Qatar University (Qatar).

Sheikh Abdulla Bin Fahad Bin Jassim Al-Thani, Director

Sheikh Abdulla Bin Fahad has been a member of the Board of Directors of Dukhan Bank since 2024. He obtained a bachelor's degree in Management and Economics from the European University in Switzerland. He also has experience in the Gulf Warehousing Company and is a member of its board of directors.

Dr. Ahmad Mohammed Yousef Al-Mana, Director

Dr. Ahmad Mohammed Yousef Al-Mana joined the Board in 2019. He holds a bachelor's degree in Law and a master's degree in International Commercial Law from Durham University (UK). He also holds a doctorate degree in International Commercial Law from the University of Paris (France).

Mr. Ahmad Abdulrazzaq Ahmad Al-Hashmi, Director

Mr. Ahmad Abdulrazzaq Ahmad Al-Hashmi joined the Board in 2019. He holds a master's degree in Business Administration from HEC Paris (France). Mr. Ahmad Abdulrazzaq Ahmad Al-Hashmi also works in the Ministry of Finance as the Director of Public Accounts and Treasury Department.

Mr. Ali Rashid Salem Rashid Al-Marri, Director

Mr. Ali Rashid Salem Rashid Al-Marri joined the Board in 2023. He is a representative of the General Retirement & Social Insurance Authority (Pension Fund). He holds a bachelor's degree in Law and *Shari'a* from Qatar University (Qatar) and a diploma in Accounting from Qatar Technical College (Qatar). He is currently the Director of Legal Affairs Department at the General Retirement and Social Insurance Authority.

Code of Conduct

The Bank's code of conduct (the "**Code**") covers the conduct of members of the Board. The Code binds signatories to the highest standards of professionalism and due diligence in the performance of their duties. It also covers conflicts of interest, disclosure and the confidentiality of insider information. Members of the Board are also bound by specific regulations relating to insider trading and are required to disclose details of their shareholdings in the Bank.

Certain members of the Board, their families and companies of which they are principal owners are customers of the Bank in the ordinary course of business. The transactions with these parties are made on the same terms, including profit rates, as those prevailing at the time for comparable transactions with unrelated parties and do not involve more than a normal amount of risk. See "*Selected Financial Information — Related Party Transactions*".

Senior Management

As at the date of this Base Offering Circular, the senior management includes:

Position	Name
Acting Group Chief Executive Officer	Ahmed Ishaq Hashem
Acting General Manager - Head of Wholesale Banking	Ahmad Abdulaziz Al-Amadi
General Manager - Head of Private Banking	Chaouki Hani Daher
General Manager - Head of Retail Banking	Abdulaziz Ahmed Al-Naema
Treasurer and Chief Investment Officer	Bashar Abdulrahim Jallad
Chief Business Development Officer	Sheikh Fahad Bin Hamad Al-Thani
Chief Financial Officer	Osama Ali Abu Baker
Chief HR and Administrative Officer	Abdullah Majed Al Malki
Acting Chief Operations Officer	Abeer Noaman Al-Emadi
Chief Technology Officer	Faisal Kriez
Chief Risk Officer	Nile Rabbani Awan
Chief Credit Officer	Farrukh Zaman
Chief Compliance Officer	Thamer S Abdalla
Chief Marketing and Communications Officer	Talal Ahmed Al-Khaja
Chief Internal Audit Officer	Noora Abdulrahman Al-Kuwari
Head of Legal	Imad Hameed El Chemaly

Brief biographical information of each member of the senior management is set out below.

Ahmed Ishaq Hashem, Acting Group Chief Executive Officer

Ahmed Ishaq Hashem was appointed the Bank's Acting Group Chief Executive Officer in January 2023. Mr. Hashem has over 19 years of banking expertise and previously held the positions of Assistant General Manager for Corporate Banking Services at the Bank, as well as the post of Deputy Head of Corporate Banking Services at IBQ before the merger with Barwa Bank that resulted in Dukhan Bank.

He has an executive master's degree in Leadership Sciences from Georgetown University (USA) and a bachelor's degree in Business Administration with a specialisation in Economics from Qatar University (Qatar). He is also a Qatar Leadership Centre (Qatar) graduate.

Ahmad Abdulaziz Al-Amadi, Acting General Manager - Head of Wholesale Banking

Ahmad Al-Amadi is the General Manager, Head of Wholesale Banking. Mr. Al-Amadi has over 15 years of experience in both the banking and corporate sectors and held the position of Business Manager-Corporate Banking for 4 years at HSBC, Qatar prior to joining Dukhan Bank in 2011. He holds a bachelor's in Business Administration from the American University of Sharjah (UAE).

Chaouki Hani Daher, General Manager - Head of Private Banking

Chaouki Daher is the General Manager, Head of Private Banking. Mr. Daher has more than 30 years of experience in Private Banking. He was responsible for the private banking division and wealth management as General Manager, Head of Private Banking & Wealth Management at IBQ, having joined IBQ in 1998 as an Assistant Relationship Manager in Private Banking and held senior managerial positions in the private banking business. Mr. Daher also served as secretary of the board of directors. Mr. Daher previously held a diplomatic position with The Ministry of Foreign Affairs and Emigrants in Lebanon. Mr. Daher was honoured as "Best Private Banker of the Year 2016" by The Banker Middle East and winner of MENA Private Banker of the Year 2022 by MENA Banking Excellence Award. He holds a bachelor's degree in Business Administration from the University of North Carolina (USA).

Abdulaziz Ahmed Al-Naema, General Manager - Head of Retail Banking

Abdulaziz Al-Naema was appointed as General Manager, Head of Retail Banking in July 2019. Mr. Al-Naema has more than 23 years of experience in the banking sector and joined the Bank in 2009 as a business and branch operations manager and served as the bank's Head of Branches prior to his appointment in his current role. Prior to joining the Bank, Mr. Al-Naema held several positions in Qatar National Bank and HSBC Bank. He holds a bachelor's degree from Qatar University (Qatar).

Bashar Abdulrahim Jallad, Treasurer and Chief Investment Officer

Bashar Abdulrahim Jallad was appointed as Treasurer and Chief Investment Officer in September 2012. Mr. Jallad has over 33 years of experience in the banking and financial markets. Before joining the Bank, he served as the Treasurer of Abu Dhabi Islamic Bank from 2008 and held various positions within Treasury & Financial Markets at the National Bank of Abu Dhabi. He holds a bachelor's degree in Finance from Hillsdale College, Michigan (USA).

Sheikh Fahad Bin Hamad Al-Thani, Chief Business Development Officer

Sheikh Fahad Bin Hamad Al-Thani is the Chief Business Development Officer. Sheikh Al-Thani has more than 15 years of experience in business development and banking. He worked for IBQ since November 2006 where he was responsible for managing Government relationships and strategically important corporate customers before joining the Bank following the Combination. He holds a bachelor's degree in Business Administration from the European University in Geneva (Switzerland).

Osama Ali Abu Baker, Chief Financial Officer

Osama Ali Abu Baker was appointed as Chief Financial Officer in April 2011. Mr. Abu Baker has over 28 years of experience in financial management, consulting and auditing. He previously held

positions at Qatar Real Estate Investment Company, Saipem International and Deloitte. He holds a bachelor's degree in Economics and Accounting from Yarmouk University (Jordan) and is a Certified Public Accountant under the jurisdiction of the state of Illinois (USA).

Abdullah Majed Al Malki, Chief HR and Administration Officer

Abdullah Al Malki was appointed as Chief HR and Administration Officer in August 2014. Mr. Al Malki has over 23 years of experience in the banking sector, human resources and administration. Prior to joining the Bank, Mr. Al Malki served as Director of Human Resources and Administration at the Qatar Development Bank before which he was responsible for the human resources department at Ras Gas Company Limited and Qatari Diar Real Estate Investment Company. He holds a bachelor's degree in Business Administration from Leeds Metropolitan University (UK).

Abeer Noaman Al-Emadi, Acting Chief Operations Officer

Abeer Noaman Al-Emadi was appointed as Acting Chief Operations Officer in May 2023. Ms. Al-Emadi has over 24 years of experience in banking operations, serving as Deputy Head of Operations and Head of Central Operations at International Bank of Qatar.

Faisal Kriez, Chief Technology Officer

Faisal Kriez was appointed as Chief Technology Officer in July 2024. Mr. Kriez has 23 years of extensive experience in technology and project management and joined the Bank from National Bank of Kuwait where he held the role of Assistant General Manager - Head of IT & PMO – International Banking at National Bank of Kuwait Group and led a team of IT & Project Managers across 11 countries. He holds a bachelor's degree in Computer Science from Coventry University (UK).

Nile Rabbani Awan, Chief Risk Officer

Nile Rabbani Awan was appointed as Chief Risk Officer in October 2011. Mr. Nile Rabbani Awan has over 31 years of banking experience in corporate/investment banking and risk management in both conventional as well as Islamic banking.

Prior to joining the Bank, Nile was the Deputy Chief Risk Officer at ABN AMRO Bank, UAE, and then the Chief Executive Officer of Compliance and Chief Risk Officer at Noor Islamic Bank, UAE. In addition to the Middle East, where he has spent almost 23 years, he also worked in Pakistan and Singapore. He holds a bachelor's degree in Computer Science from the University of Karachi (Pakistan) and a master's degree in Business Administration from Lahore University of Management Sciences (Pakistan).

Farrukh Zaman, Chief Credit Officer

Farrukh Zaman is the Chief Credit Officer. Mr. Zaman has over 37 years of credit and risk management experience in the banking sector. He served as Assistant General Manager – Head of Risk Management at IBQ since 2016 and joined the Bank following the Combination. He was previously at Bank of America for 16 years, where he headed the Credit Risk Department. He also spent 12 years at Mashreq Bank, Dubai in various senior positions. More recently, he was the Acting Head of Credit at Arab Bank. He holds a bachelor's degree in Science and Industrial Engineering from Oklahoma University (USA) and a master's degree in Business Administration from the University of Notre Dame (USA).

Thamer S Abdalla , Chief Compliance Officer

Thamer S Abdalla joined the Bank in 2009 and was appointed as Chief Compliance Officer in July 2011. Mr. Abdalla has over 22 years of experience in financial controlling, compliance, audit and risk management and previously held positions at Ernst & Young, Arab Bank, TFI, the Government and QCB. He holds a bachelor's degree in Business Administration from Yarmouk University (Jordan).

Talal Ahmed Al-Khaja, Chief Marketing & Communications Officer

Talal Ahmed Al-Khaja joined the Bank in 2009 and was appointed as Chief Marketing and Communications Officer in March 2013. Mr. Al-Khaja has over 20 years of experience in

administration, marketing, public relations and corporate governance. He holds a bachelor's degree in Information Science and Media from the Qatar University (Qatar). Under Mr. Al-Khaja's leadership, the Group's investor and shareholder relations department was established. Mr. Al Khaja is also the Secretary to the Board.

Noora Abdulrahman Al-Kuwari, Chief Internal Audit Officer

Noora Abdulrahman Al-Kuwari joined the Bank in 2008 and was appointed as the Chief Internal Audit Officer in 2016. Ms. Al-Kuwari has over 20 years of experience in internal audit, risk management, compliance and business management. Prior to joining the Bank, Ms. Al-Kuwari held several positions at Qatar Islamic Bank. In addition to her years of professional expertise, she holds a bachelor's degree in Business Administration from Qatar University (Qatar) and an executive master's degree in Leadership from Georgetown University (USA). She is also a graduate of the Qatar Leadership Center (Qatar).

Imad Hameed El Chemaly, Chief Legal Officer

Imad Hameed El Chemaly joined the Bank in 2008 and was appointed as Chief Legal Officer in April 2022. Mr. El Chemaly has over 29 years of legal experience. Previously, he was an Attorney at Law at Raphaël & Associés (formerly associated with Ernst & Young). He holds a Master of Laws degree from Northwestern University (USA) and a master's degree in Private Law from Saint Joseph University (Lebanon). He also holds a certificate in Business Administration from Instituto de Empresa (Spain).

The business address of each member of the Board and senior management is Al Majdimy Street, Lusail, Qatar. No member of either the Board or the senior management has any actual or potential conflict of interest between his duties to the Bank and his private interests and/or other duties.

Board Committees

The Bank has the following Board Committees:

Executive Committee

The Executive Committee is appointed by the Board to act on its behalf where timing is critical. The Executive Committee reviews all major functions of the Board and oversees the investment policies, strategies and programmes of the Bank and its subsidiaries and assists in formulating overall investment policies.

The Executive Committee is also involved in monitoring the performance of the Bank's operations on a monthly basis. It monitors and approves the annual budget, quarterly plans and executive management objectives. Furthermore, the committee considers the draft budgets prior to their submission to the Board, and reviews and takes decisions on financing and credit facilities within the framework of its powers to apply the Bank's credit rules, and on contributions to corporate capital within the terms of reference granted to them.

The Executive Committee also provides its opinion on the reports of classification of the Bank's financing and credit facilities to its customers and the proposed allocations to meet them. The committee prepares the reports for assessment and presentation of contributions to corporate capital to be presented to the Board and proposes amendments to the Bank's organisational and functional structure, regulations and systems, and it exercises any other powers granted to it under the Bank's internal policies.

The Executive Committee sets operating guidelines and reviews management's recommendations on financial and administrative matters. Additionally, the Executive Committee reviews the Bank's capital plan and advises the Board on significant financial policies and issues. The Executive Committee is also responsible for preparing and updating the Bank's strategy, structure and business plans.

Audit Committee

The Audit Committee examines the integrity of financial statements, financial reporting systems and

the disclosure control process. It also monitors the Bank's systems of internal accounting and financial controls, the internal audit function and the annual independent audit of the Bank's financial statements. The Audit Committee also reviews the legislative and regulatory amendments which could have an impact on the financial sector and the Bank.

The Audit Committee is also involved in carrying out activities that fall within its terms of reference, which includes, appointing an independent consultant and other consultants as such committee deems necessary to carry out the obligations and duties entrusted to it and ensuring the attendance of the Bank's officers at meetings, as appropriate. The committee also maintains an open channel of communication between the Board, the internal auditors and the independent auditors. The committee has unrestricted access to the members of the executive management and employees and to relevant information liaison personnel. The committee reviews and approves the executive management's proposals for the performance, appointment and remuneration of the external auditor, and in cooperation with the executive management, the committee approves the annual audit fees and conditions of appointment. Additionally, it reviews the policies for providing non-audit services by external auditors, and when necessary, reviews the framework prior to approving these services.

The Audit Committee also participates in the compensation, appointment, promotion or dismissal of the main internal auditor of the Bank and, if necessary, discussing with the external auditor the level of work of the internal auditor's role and function. The Audit Committee also reviews the effectiveness of the Bank's internal auditor's function and ensures that it has an appropriate position within the Bank, meeting in private with the chief internal auditor to discuss any matters that the committee or internal auditors believe should be discussed. The committee ensures that important findings and recommendations provided by the internal auditors and responses proposed by the Bank's management are received, discussed, and appropriate procedures are taken regarding them. It also reviews the proposed internal audit plan for the following year and ensures that such plan deals with the main aspects of risks and that there is coordination with the external auditors.

Nominations and Governance Committee

The Nominations and Governance Committee ensures the Board is appropriately constituted to meet its fiduciary obligations to shareholders. It also handles the nomination process, including nomination of the Board and senior management. The Nominations and Governance Committee further recommends to the Board any nomination in accordance with the approved policies and standards of the Bank, taking into account not to nominate any person previously convicted of a crime against honour and honesty.

The Nominations and Governance Committee also carries out an annual review of the requirements and skills of membership to the Board and prepares a description of the credentials and qualifications required for such membership, including determining the amount of time that a member must devote in order to perform his role as a director, reviewing the structure of the Board and providing recommendations to changes that can be made, identifying the strengths and weaknesses of the Board and making proposals to address these in line with the interests of the Bank. The Nominations and Governance Committee also submits an annual report to the Board which details the Board's performance, strengths, weaknesses and suggestions for improvements.

It also ensures, on an annual basis, compliance with requirements regarding independence of independent members of the Board and conflicts of interest if a Board member is a member of the board of directors of another company. The committee further adopts plans to fill vacancies for main positions, approves the human resources policies and procedures, supervises the preparation and application of the governance manual, reviews and updates, as necessary, coordinates with the Audit Committee to ensure compliance with the manual, provides the Board with reports and recommendations on the extent of compliance with the Bank's governance policies and submits its proposals to amend the manual, including the Board's composition, the number of its members and its committees in order to comply with best practices.

Remunerations Committee

The Remunerations Committee monitors and prepares the Bank's framework of remuneration and compensation of the Board and senior management. The Remunerations Committee is responsible for reviewing the compensation and remuneration policy of the Bank relating to the senior management's

salaries, bonus plans, salary increase, sales commission plans, long-term incentive plans, and any changes in the human resources policy and submitting its recommendations for approval by the Board.

Risk Management and Compliance Committee

The RMCC approves the Bank's overall risk management framework through the development of policies, internal controls and methods of risk management and compliance. The RMCC is involved in setting-up the Bank's risk management policies that are commensurate with the status and privacy of the Bank, the size and diversity of its activities and the nature of the risks it faces in accordance with the strategy approved by the Board. These policies include clear procedures for managing risks, specifying high ceilings for the exposure to risks, and a comprehensive system for monitoring risks on a regular basis. Such policies are reviewed on a periodic basis.

The RMCC ensures that the Bank adopts an effective policy and work procedures to monitor compliance with such policies, laws and supervisory instructions. The committee sets up preventive procedures to ensure compliance, in particular, with regard to the law, regulations and instructions for combating money laundering and terrorist financing, in addition it develops appropriate mechanisms for reporting any abuses and violations in a timely manner and holding those responsible accountable.

Furthermore, the RMCC provides the Board with periodic reports on the risks that the Bank faces, or may be exposed to, and any breaches of laws and regulations. It also monitors the executive management's adherence to the approved risk management policies and applicable laws and regulations. The RMCC further reviews reports received from the Risk Management Division, verifying the existence of a qualified cadre working independently on risk management in accordance with a clear risk management system that identifies, measures, controls and hedges all risks associated with banking activities and appropriate ways to reduce the level of risks and losses that may result from them, and retains the capital needed to address them.

In addition to the above committees, the following sub-committees operate at a senior management level:

- the CC;
- the GIC; and
- the ALCO.

For further discussion please see "*Risk Management – Risk Management Structure*".

Shari'a Supervisory Board

The *Shari'a* Supervisory Board is the ultimate authority on *Shari'a* compliance for the Bank. However, the *Shari'a* Supervisory Board has delegated to Bait al-Mashura Finance Consultations Company ("**BaM**") (see below) the primary functions of (i) reviewing the Bank's proposed transactions and activities and (ii) passing resolutions and issuing fatwas that approve or reject such proposed transactions or activities for compliance with Islamic *Shari'a* principles. BaM provides advice to all of the Bank's departments, as well as legal counsel and auditors, with regards to all of its business activities and also provides *Shari'a* compliance reports on a regular basis. In addition, BaM deals with enquiries received from local or international third parties, whether or not they are involved in the *Shari'a* compliant investment sector regarding the Bank's business.

The Bank is bound by the resolutions and fatwas of the *Shari'a* Supervisory Board and BaM. The *Shari'a* Supervisory Board, through BaM, may reject or suspend any activity or procedure of the Bank that is not compliant with *Shari'a* principles. If an investment is deemed to be non-*Shari'a* compliant, the Bank may be required to sell or otherwise dispose of its interest in such investment, with proceeds from such disposal to be donated to a designated charity acceptable to the Bank and the *Shari'a* Supervisory Board.

The *Shari'a* Supervisory Board, through BaM, continuously reviews the Bank's transactional procedures and policies to ensure adherence to *Shari'a* principles and the broader framework established by the fatwas of the *Shari'a* Supervisory Board to ensure that the Bank's activities and investments do not:

- constitute involvement in unlawful entertainment, such as casinos, gambling, cinema, music and pornographic materials;
- constitute involvement in hotels and leisure companies that provide any of the above products or services;
- exceed the Bank's debts and receivables beyond the Bank's assets as set out in its most recent balance sheet; or
- constitute any other activity deemed by the *Shari'a* Supervisory Board to be in contradiction of the *Shari'a* rules and principles.

The *Shari'a* Supervisory Board meets at least once a year.

As at the date of this Base Offering Circular, the members of the *Shari'a* Supervisory Board include:

Position	Name
Chairman of the <i>Shari'a</i> Supervisory Board	Sheikh Walid Bin Hadi
Member	Sheikh Osama Qais al-Derai'e
Member	Sheikh Esam al-Enezy

Brief biographical information of each member of the *Shari'a* Supervisory Board is set out below.

Sheikh Walid Bin Hadi, Chairman of the Shari'a Supervisory Board

Sheikh Walid Bin Hadi holds a master's and PhD in Islamic *Shari'a* and has served as a Judge at the *Shari'a* Court in Qatar. He is currently the head of the *Shari'a* supervisory board of Qinvest and serves on the *Shari'a* boards for several other Islamic finance organisations, such as Qatar Islamic Bank, Al Rayan Bank, Qatar International Islamic Bank, Qatar National Bank, European Finance House, Asian Finance House, Qatar-Syria International Bank and Arab Finance House. Sheikh Walid has authored several books and articles on various topics, including Islamic Faith, Hadith, Usul al Fiqh, Islamic Economy, Islamic Finance, and *Shari'a* Audit.

Sheikh Osama Qais al-Derai'e, Member of the Shari'a Supervisory Board

Sheikh Osama Qais al-Dereai'e holds a bachelor's degree in the Noble Hadith and its Sciences from the Islamic University of Madinah (Saudi Arabia), a master's degree from the International Islamic University of Malaysia (Malaysia), and a PhD from the University of Malaya (Malaysia). He is a member of the *Shari'a* boards of several companies in Qatar and abroad. Shiekh al-Dereai'e provides *Shari'a* compliance services to a diverse range of businesses, including real estate companies, merchant banks, commercial banks, finance companies, logistic companies, food and beverage entities, and many others. He actively contributes to the scientific community through his intellectual lectures, training sessions, and academic services in various areas of his interest, including Islamic economics and finance.

Sheikh Esam al-Enezy, Member of the Shari'a Supervisory Board

Sheikh Esam al-Enezy is a faculty member at Kuwait University (Kuwait) and has been a member of the *Shari'a* supervisory board at Investment House Company since 2005. He is also a member of the *Shari'a* advisory body of Boubyan Bank. Sheikh Esam has written several research papers on Islamic finance tools and the *Shari'a* agreement with contemporary banking activities. He earned his PhD in Jurisprudence from Jordan University (Jordan).

Bait al-Mashura

Bait al-Mashura ("**BaM**") reports directly to the *Shari'a* Supervisory Board and is responsible for monitoring the day-to-day operations of the Bank, ensuring that all activities, products and services are

conducted with and offered to customers on a *Shari'a* compliant basis.

To mitigate breaches of *Shari'a* principles, the Bank has implemented procedures that raise awareness and understanding of *Shari'a* principles amongst its employees. Further, new products and services are subjected to vetting of and approval by the *Shari'a* Supervisory Board for compliance with *Shari'a* principles before being released to the market. Should breaches of *Shari'a* principles occur, these are documented and policies and procedures are amended, if necessary, to ensure that the breaches identified do not recur. BaM supports this process through its regular audits and quarterly reviews of the various activities of the Bank.

Employees

Overview

As at 31 December 2023, the Bank had 583 employees compared to 590 employees as at 31 December 2022 and 562 employees as at 31 December 2021.

The Bank's human resources policies aim to ensure that its staffing requirements are met through the recruitment and development of talented individuals and the implementation of tailored training and development programmes, performance appraisals and reward systems.

End of Service Benefits and Pension Fund

The Group provides a contribution to the state administered retirement fund for Qatari employees in accordance with the Retirement and Pension Law No. 24 of 2002, which was repealed by law number 1 of 2022 issuing the Social Insurance Law. The resulting charge is included within "Staff Costs" under Note 27 of the 2023 Financial Statements. The Group has no further payment obligations once the contributions have been paid and such contributions are recognised for accounting purposes when they are due.

In addition, the Group also provides end of service benefits for employees in accordance with Qatari labour law relating to retirement and pensions and its human resource policy, wherever required. These unfunded charges are made by the Group on the basis of employee salary and years of service accrued at the date of the relevant statement of financial position (as set out in the financial statements).

Qatarisation

In common with all banks in Qatar, the Bank is required by the QCB to achieve a target of 20 per cent. of its employees being Qatari nationals, known as "Qatarisation" targets. Qatari nationals accounted for 30.3 per cent. of the Bank's employees as at 31 December 2023, compared to 30.2 per cent. as at 31 December 2022 and 28.5 per cent. as at 31 December 2021.

Zakah and Social Commitments

Zakah is directly borne by the Bank's shareholders. The Bank does not collect or pay Zakah on behalf of its shareholders, in accordance with its Articles of Association.

SELECTED FINANCIAL INFORMATION

The following tables set out in summary form the consolidated statement of financial position and income statement information relating to the Bank. Such information has been extracted from the Financial Statements, which have been incorporated by reference in, and form a part of, this Base Offering Circular. The financial information presented below should be read in conjunction with the Financial Statements, the notes thereto and other information contained in this Base Offering Circular.

The following tables set out selected consolidated financial information of the Bank, as extracted from the Financial Statements. The ratios included herein have been prepared based on management information and information in the Financial Statements. The Annual Financial Statements have been prepared in accordance with FAS issued by AAOIFI, as modified by QCB, the *Shari'a* Rules and Principles as determined by the *Shari'a* Supervisory Board, related regulations of the QCB and applicable provisions of the Qatar Commercial Companies Law No. 11 of 2015, as amended by Law No. 8 of 2021.

The 2024 Interim Financial Statements have been prepared in accordance with FAS 41 – Interim Financial Reporting issued by AAOIFI, as modified by QCB, the *Shari'a* Rules and Principles as determined by the *Shari'a* Supervisory Board, related regulations of the QCB and applicable provisions of the Qatar Commercial Companies Law No. 11 of 2015, as amended by Law No. 8 of 2021.

For matters which are not covered by AAOIFI standards, the Bank uses guidance from the relevant IFRS.

Consolidated Statement of Financial Position Data

	As at 31 December			As at 30 June
	2021	2022	2023	2024
	QAR'000			QAR'000
Assets.....				
Cash and balances with Qatar Central Bank	7,245,842	6,425,410	3,644,932	3,763,533
Due from banks.....	5,558,980	1,499,934	11,072,244	8,769,867
Financing assets	75,221,707	75,676,514	77,585,169	82,699,391
Investment securities	20,799,620	20,431,560	19,971,364	16,674,334
Investment in associates and joint ventures	62,557	64,111	31,967	33,412
Investment properties.....	135,254	135,021	134,787	134,671
Fixed assets	279,896	264,008	241,616	225,771
Intangible assets.....	992,182	913,714	835,247	796,013
Other assets.....	431,116	865,744	900,033	1,145,461
Total assets .	110,727,154	106,276,016	114,417,359	114,242,453
Due to banks	16,755,141	14,871,443	19,581,653	12,573,926
Customer current accounts	6,200,820	8,251,685	16,408,446	15,845,964
Other liabilities	2,559,225	2,523,315	2,120,263	2,356,740
Total liabilities.....	25,515,186	25,646,443	38,110,362	30,776,630
Quasi equity - participatory investment account⁽¹⁾	71,225,407	66,293,521	61,593,641	68,745,427
Share capital.....	5,234,100	5,234,100	5,234,100	5,234,100
Legal reserve	4,449,812	4,575,119	4,705,334	4,748,735
Treasury shares	(38,350)	(38,350)	(38,350)	(23,350)
Risk reserve	1,338,716	1,430,377	1,487,077	1,487,077
Fair value reserve	(27,098)	(131,351)	(121,015)	(91,091)
Cash flow hedge reserve.....	-	-	6,334	14,076
Foreign currency translation reserve.....	-	(2)	-	-
Other reserves	73,333	75,180	75,180	75,180
Retained earnings.....	1,135,207	1,37	1,543,855	1,454,828

	0,138			
Total equity attributable to owners of the Bank ⁽²⁾	12,165,720	12,515,211	12,892,515	12,899,555
Non-controlling interests.....	91	91	91	91
Sukuk eligible as additional capital.....	1,820,750	1,820,750	1,820,750	1,820,750
Total equity ⁽³⁾	13,986,561	14,336,052	14,713,356	14,720,396
Total liabilities, quasi-equity and equity ⁽⁴⁾	110,727,154	106,276,016	114,417,359	114,242,453

Notes:

- (1) This line item was labelled as "Equity of Unrestricted Investment Account Holders" in the Annual Financial Statements.
- (2) This line item was labelled as "Total equity attributable to equity holders of the Bank" in the Annual Financial Statements.
- (3) This line item was labelled as "Total shareholders' equity" in the 2022 Financial Statements.
- (4) This line item was labelled as "Total liabilities, equity of unrestricted investment account holders and shareholders' equity" in the 2022 Financial Statements, and "Total liabilities, equity of unrestricted investment account holders and equity" in the 2023 Financial Statements.

Consolidated Statement of Income Data

	For the year ended 31 December			For the six-month period ended 30 June	
	2021	2022	2023	2023	2024
		QAR '000		QAR '000	
Net income from financing activities.....	2,932,677	3,216,039	4,666,221	2,185,561	2,570,772
Net income from investing activities.....	682,276	755,538	957,297	416,346	558,003
Total net income from financing and investing activities.....	3,614,953	3,971,577	5,623,518	2,601,907	3,128,775
Fee and commission income.....	245,890	312,848	399,554	195,825	188,715
Fee and commission expense.....	(86,546)	(102,295)	(143,138)	(59,682)	(80,779)
Net fee and commission income.....	159,344	210,553	256,416	136,143	107,936
Net foreign exchange gain.....	169,548	223,460	130,933	74,955	36,238
Share of results of associates and joint ventures.....	(5,841)	1,847	(9,107)	(5,906)	1,445
Other income.....	112,468	44,087	92,810	61,707	11,288
Total income.....	4,050,472	4,451,524	6,094,570	2,868,806	3,285,682
Staff costs.....	(420,058)	(401,776)	(434,488)	(204,254)	(202,837)
Depreciation and amortisation.....	(135,984)	(133,589)	(135,384)	(69,186)	(58,335)
Other expenses.....	(226,343)	(214,979)	(237,498)	(90,332)	(142,338)
Finance cost.....	(77,105)	(227,898)	(932,945)	(433,168)	(468,409)
Total expenses.....	(859,490)	(978,242)	(1,740,315)	(796,940)	(871,919)
Net impairment loss on financing assets	(864,081)	(671,272)	(302,754)	(54,411)	(68,321)
Net impairment reversal/(loss) on due from banks.....	85	(11)	(963)	(188)	589
Net impairment reversal/(loss) on investment securities.....	(430)	6,206	862	1,020	(598)
Net impairment reversal/(loss) on investment in associates and joint ventures.....	(16,195)	(291)	—	—	—
Net impairment loss on fixed assets .	(10,160)	0	—	—	—
Net impairment reversal/(loss) on off balance sheet exposures subject to credit risk	18,523	5,733	(30,628)	(18,298)	(22,638)
Net profit for the year/period before tax and return to quasi-equity ⁽¹⁾	2,318,724	2,813,647	4,020,772	1,999,989	2,322,795
Net profit attributable to quasi-equity ⁽²⁾	(1,123,607)	(1,588,578)	(2,717,591)	(1,238,985)	(1,538,523)
Net profit for the year/period before tax...	1,195,117	1,255,069	1,303,181	761,004	784,272
Tax expense	(1,724)	(2,000)	(1,030)	(447)	(129)
Net profit for the year/period.....	1,193,393	1,253,069	1,302,151	760,557	784,143
Net profit for the year/period attributable to equity holders of the Bank.....	1,193,393	1,253,069	1,302,151	760,557	784,143
Net profit for the year/period attributable to non-controlling interests	—	—	—	—	—
Net profit for the year/period.....	1,193,393	1,253,069	1,302,151	760,557	784,143
Basic and diluted earnings per share (QAR per share).....	2.23	0.227 ⁽³⁾	0.237	0.139	0.144

Notes:

- (1) This line item was labelled as "Profit for the year before return to unrestricted investment account holders" and "Profit for the year before return to unrestricted investment account holders and tax" in the 2022 Financial Statements and the 2023 Financial Statements, respectively.
- (2) This line item was labelled as "Return to unrestricted investment account holders" in the Annual Financial Statements.
- (3) As re-stated in the 2023 Financial Statements. See "*Presentation of Financial Information and Other Information*".

Selected breakdown of sources of income

Net Income from financing activities

	For the year ended 31 December			For the six-month period ended 30 June	
	2021	2022	2023	2023	2024
		<i>QAR'000</i>		<i>QAR'000</i>	
Murabaha	2,528,736	2,792,885	4,142,514	1,935,327	2,314,370
Ijarah.....	179,590	197,565	256,994	122,483	124,719
Istisna	40,653	36,271	36,426	18,339	17,245
Musawama.....	96,396	93,732	102,766	48,337	56,833
Others.....	87,302	95,586	127,521	61,075	57,605
Total	2,932,677	3,216,039	4,666,221	2,185,561	2,570,772

Net Income from investing activities

	For the year ended 31 December			For the six-month period ended 30 June	
	2021	2022	2023	2023	2024
		<i>QAR'000</i>		<i>QAR'000</i>	
Coupon income from investment in debt-type instruments, net of amortisation	602,268	689,114	758,178	376,148	343,680
Income from inter-bank and Murabaha placements with Islamic banks.....	10,380	23,972	152,537	20,472	180,502
Dividend income.....	41,688	43,046	45,087	12,774	23,432
Net gain on sale of debt-type investments	22,832	3,123	308	(39)	1,461
Net gain / (loss) on sale of equity-type investments	6,471	(3,071)	(615)	618	1,649
Net fair value and capital (loss) / gain on investment securities carried as fair value through income statement.....	(1,363)	(646)	1,802	6,373	7,284
Other income	—	—	—	—	—
		755,53			
Total.....	682,276	8	957,297	416,346	558,003

Net Fee and Commission Income

	For the year ended 31 December			For the six-month period ended 30 June	
	2021	2022	2023	2023	2024
		<i>QAR'000</i>		<i>QAR'000</i>	
Management and other fee income	142,202	201,249	285,765	3,608	5,548
Commission income.....	101,556	110,746	113,541	192,217	182,767
Advisory fee income	945	811	217	—	400
Structuring fee and placement	373	—	—	—	—
Performance fee income	814	42	31	—	—
Fee and commission income.....	245,890	312,848	399,554	195,825	188,715
Commission expense	(86,546)	(102,295)	(143,138)	(59,682)	(80,779)
Net fee and commission income	159,344	210,553	256,416	136,143	107,936

Selected ratios

	As at and for the year ended 31 December			For the six-month period ended 30 June
	2021	2022	2023	2024
Return on average equity ⁽¹⁾	9.4%	8.7%	10.3%	12.2%
Return on average assets ⁽²⁾	1.2%	1.2%	1.2%	1.4%
Capital adequacy ratio ⁽³⁾	18.4%	18.3%	17.2%	18.4%
Net financing assets to deposit ratio ⁽⁴⁾	97.2%	101.5%	99.5%	97.8%
Cost to income ratio ⁽⁵⁾	27.5%	28.2%	33.0%	31.6%
Net profit margin ⁽⁶⁾	41.9%	47.0%	53.3%	61.3%
Net financing assets to total assets ratio ⁽⁷⁾	67.9%	71.2%	67.8%	72.4%
Non-performing financing ratio ⁽⁸⁾	4.2%	5.1%	5.4%	5.2%

Notes:

- (1) Net Profit for the year/period divided by average total equity for the year/period. In the case of the 30 June 2024 net profit, the same have been annualised on pro-rata basis. Average total equity is calculated as a simple average of the opening and closing balances of total equity for the relevant year/period. "Total equity" was labelled as "total shareholders' equity" in the 2022 Financial Statements.
- (2) Net Profit for the year/period divided by average total assets for the year/period. In the case of 30 June 2024 net profit, the same have been annualised on pro-rata basis. Average total assets is calculated as a simple average of the opening and closing balances of total assets for the relevant year/period.
- (3) Tier one capital as at the year/period end plus tier two capital as at the year end divided by RWAs as at the year/period end. The CAR for the years ended 31 December 2021, 31 December 2022 and 31 December 2023, and for the six-month period ended 30 June 2024 were calculated in accordance with the Basel III guidelines issued by the QCB.
- (4) Net financing assets as at the year/period end divided by customer deposits (which include customer current accounts and quasi equity – participatory investment accounts) as at the relevant year/period end. "Quasi equity – participatory investment accounts" was labelled as the "equity of unrestricted investment account holders" in the Annual Financial Statements.
- (5) For the years ended 31 December 2023, 2022 and 2021, it is calculated as sum of staff costs, depreciation and amortisation and other expenses for the year divided by total income after deducting finance cost and return to unrestricted investment account holders for the relevant year. For the six-month period ended 30 June, it is calculated sum of staff cost, depreciation and amortisation and other expenses for the relevant period divided by total income after deducting net profit attributable to quasi-equity for the relevant period.
- (6) For the years ended 31 December 2023, 2022 and 2021, it is calculated as net profit for the year divided by total income after deducting finance cost and return to unrestricted investment account holders for the relevant year. For the six-month period ended 30 June, it is calculated as net profit for the period divided by total income after deducting finance cost and net profit attributable to quasi-equity for the relevant period.
- (7) Net financing assets as at the relevant year/period end divided by total assets as at the relevant year/period end.
- (8) Non-performing financing assets as at the relevant year/period end divided by net financing assets before allowance for impairment as at the relevant year/period end.

Net operating income

The reconciliation of net operating income of the Bank to the nearest GAAP measure is as follows:

	31 December 2023	For the year ended 31 December 2022 QAR'000	31 December 2021
Total income.....	6,094,570	4,451,524	4,050,472
Staff costs:	(434,488)	(401,776)	(420,058)
Depreciation and amortisation.....	(135,384)	(133,589)	(135,984)
Other expenses.....	(237,498)	(214,979)	(226,343)
Finance cost.....	(932,945)	(227,898)	(77,105)
Return to unrestricted investment account holders.....	(2,717,591)	(1,558,578)	(1,123,607)
Net operating income	1,636,664	1,914,704	2,067,375

	For the six-month period ended 30 June 2024 QAR'000
Total income plus finance cost	3,285,682
Staff costs	(202,837)
Depreciation and amortisation	(58,335)
Other expenses	(142,338)
Finance cost	(468,409)
Net profit attributable to quasi-equity	(1,538,523)
Net operating income	875,240

Related party transactions

Certain related parties (principally the significant owners and entities over which the Group and the owners exercise significant influence, directors and executive management of the Group and entities which are jointly controlled by the Group) are customers of the Bank in the ordinary course of business. The transactions with these parties were made on substantially the same terms, including profit and commission rates and the requirements for collateral, as those prevailing at the same time for comparable transactions with unrelated parties and did not involve an amount of risk which was more than the amount of risk relating to such comparable transactions.

The following table demonstrates the Bank's related parties transactions as at and for the periods specified:

	As at and for the year ended 31 December 2021		
	Subsidiaries	Board of directors	Others
		QAR'000	
Assets			
Customer financing	—	5,464,360	—
Liabilities:			
Customer deposits	567,466	1,333,655	3,742,212
Off balance sheet items:			
Unfunded credit facilities	16,866	376,991	—
Consolidated income statement items:			
Profit income	—	189,393	—
Profit expense	10,951	29,190	43,481

	As at and for the year ended 31 December 2022		
	Subsidiaries	Board of directors	Others
		QAR'000	
Assets:			
Customer financing	1,898	7,645,186	—
Liabilities			
Customer deposits	674,342	893,236	4,197,609
Off balance sheet items:			
Unfunded credit facilities	6,197	464,894	—
Consolidated income statement items:			
Profit income	22	246,415	—
Profit expense	17,903	18,018	77,409

	As at and for the year ended 31 December 2023		
	Subsidiaries	Board of directors	Others
		QAR'000	
Assets:			
Customer financing	492	7,607,609	—
Liabilities:			
Customer deposits	678,684	815,958	4,444,562
Off balance sheet items:			
Unfunded credit facilities	9,685	451,393	—
Consolidated income statement items:			
Profit income	82	421,299	—
Profit expense	32,067	23,502	242,718

	As at and for the six-month period ended 30 June 2024		
	Subsidiaries	Board of directors	Others
		QAR'000	
Assets:			
Customer financing	2,532	7,527,903	-
Liabilities:			
Customer deposits	745,358	672,525	3,678,818
Off balance sheet items:			
Unfunded credit facilities	8,887	416,797	-

Key management personnel and their immediate relatives have transacted with the Group during the years ended 31 December 2021, 31 December 2022 and 31 December 2023 as follows:

	For the year ended 31 December		
	2021	2022	2023
		QAR'000	
Financing to key management personnel	8,946	10,827	28,462

Key management personnel compensation for the years ended 31 December 2021, 31 December 2022 and 31 December 2023 are set out as follows:

	For the year ended 31 December		
	2021	2022	2023
		QAR'000	
Short-term employee benefits	65,664	69,415	59,444
Post-employment benefits	6,114	5,551	6,735
Total	71,778	74,966	66,179

OVERVIEW OF QATAR

Introduction

Qatar has been one of the most resilient economies in the Middle East. Strong growth over many years has led to Qatar becoming one of the most prosperous countries in the world. According to the QCB, Qatar's GDP per capita stood at QAR293.3 thousand (U.S.\$80.5 thousand) in 2022. According to the IMF, Qatar's real GDP grew by 4.2 per cent. in 2022 and 1.6 per cent. in 2023. The World Bank forecasts real GDP growth of 2.1 per cent. in 2024. Much of Qatar's wealth is derived from its hydrocarbon resources.

Qatar has focused on diversifying its economy in an effort to reduce its historical dependence on oil and gas revenues. The construction and real estate sectors have recently made substantial contributions to Qatar's economic growth, and significant investments have been made to increase economic returns from, in particular, petrochemicals, financial services, infrastructure development and tourism. As a result, nominal GDP for the non-oil and gas sector grew at a CAGR of 12.7 per cent. between 2005 and 2022. Nominal GDP for the non-oil and gas sector reached QAR479.2 billion (U.S.\$131.6 billion), or 55.8 per cent. of Qatar's total nominal GDP, in 2022.

Qatar, which gained independence from the UK on 3 September 1971, was ruled by His Highness Sheikh Hamad Bin Khalifa Al-Thani from 27 June 1995 until 25 June 2013, on which date he handed power over to his fourth son, and the current Amir of Qatar, H. H. Sheikh Tamim Bin Hamad Bin Khalifa Al-Thani. During his reign, H.H. Sheikh Hamad implemented various initiatives designed to exploit Qatar's oil and gas resources in a responsible manner, thereby making rapid economic development and the construction of modern infrastructure possible in Qatar. During a period of rapid economic and social progress, Qatar has maintained its cultural and traditional values as an Arab and Islamic nation.

H.H. Sheikh Hamad also instituted a number of governmental reforms, including establishing a constitution that formally separates power among the executive, legislative and judicial branches. Qatar has also reformed its legal system to bring it in line with international laws, standards and practices. There is an organised set of institutions within Qatar that support growth in trade and commerce, both internally and externally, including the QFC, the QSE, and regulators, namely the QCB, the QFMA and the QFCRA. Qatar has strong ties with the West, notably the United States, which maintains a significant military presence in the country. Qatar is a member of, among other international organisations, the United Nations (the "UN") and the World Trade Organisation (the "WTO"). Qatar has low levels of corruption and has established the National Committee for Integrity and Transparency and the Administrative Control and Transparency Authority, which are each responsible for implementing its obligations as a member-state of the UN. Qatar is also a signatory to a number of other conventions and protocols. In addition to its memberships in international organisations, Qatar has hosted numerous economic, political and financial summits and conferences and, over the past several years, has become an important mediator in regional conflicts.

Geography

Qatar, which shares a land border as well as maritime boundaries with Saudi Arabia, and maritime boundaries with Bahrain, the UAE and Iran, extends over a relatively flat, barren peninsula covered with sand that is approximately 160 kilometres long, covering a total area of approximately 11,493 square kilometres. Doha, which is located on the east coast of the Qatar peninsula, is Qatar's capital city as well as its commercial, financial and cultural centre. Doha is also the location of Qatar's international airport and main port facility. Qatar's most important industrial cities are Ras Laffan Industrial City (located to the north of Doha) and Mesaieed Industrial City (located to the south of Doha).

Population

The Planning and Statistics Authority (the "PSA") estimated the total number of people in Qatar was 3.1 million as of 31 May 2024. This represents a 28.1 per cent. increase from the 2015 census population figure of 2.4 million. The 2020 census indicated that 41.7 per cent. of the total population resided in the capital city of Doha, with a further 29.0 per cent. residing in Al Rayyan. Non-Qatari nationals, primarily expatriate workers, make up the majority of the population in Qatar.

The official language of Qatar is Arabic, although English is widely spoken.

National Vision

In October 2008, Qatar's General Secretariat for Development Planning developed and published the Qatar National Vision 2030 (the "**National Vision**"). The National Vision defines broad future trends and long-term objectives for Qatar, providing the framework within which national strategies and implementation plans can be developed. Besides establishing the foundation for developing Qatar's future strategies and policies, the National Vision has also helped to strengthen the coordination among governmental agencies and integrate planning efforts for the Government, the private sector and civic organisations. The four cornerstones of the National Vision are human, social, economic and environmental development, in the context of which Qatar aims to balance: (i) modernisation and the preservation of traditions; (ii) the needs of the current generation and the needs of future generations; (iii) managed growth and uncontrolled expansion; (iv) the size and quality of the expatriate labour force; and (v) economic growth, social development and environmental management. The National Vision is to be achieved through a series of medium-term plans. The first plan, referred to as the National Development Strategy (NDS 2011-16), was released in March 2011 and in March 2018, the Second National Development Strategy (NDS 2018-2022) was launched. The Third National Development Strategy (NDS 2024-2030) plan was issued in January 2024 and marked the final phase of the National Vision 2030. Giving priority to competitiveness through investor and business friendly environments, enhancing innovation, and supporting institutional excellence while achieving a balance between sustainable growth and social cohesion.

Foreign Relations

Qatar has been a member of the WTO since 1996. In line with its commitment to the WTO, Qatar's policies are focused on the liberalisation of the economy and trade, the reduction of tariffs, as well as increasing and diversifying exports. In 2001, Qatar hosted the Fourth WTO Ministerial Conference, which launched the current round of trade negotiations known as the Doha Development Agenda.

Qatar is also a member of numerous international and multilateral organisations, including, among others, the UN (where Qatar was a non-permanent member of the UN Security Council for the 2006-2007 term, and has served as the president of the 66th session of the UN General Assembly), the League of Arab States, the Organisation of The Islamic Conference, UNESCO, the Multinational Investment Guarantee Agency, the IMF and the International Bank for Reconstruction and Development. Qatar was also a member of OPEC until January 2019.

On 23 December 2008, representatives of 11 gas-producing nations, including Qatar, Russia and Iran, signed an intergovernmental memorandum and charter formally establishing the Gas Exporter Countries Forum ("**GECF**"), which chose Doha as the future headquarters for its permanent secretariat. The GECF Secretary General commenced his duties in Doha in February 2010. The GECF Liaison Office, which facilitates the affairs of the GECF, is also based in Doha. The GECF's objectives include exchanging information on a broad range of issues such as new technologies, investment programmes, relations with natural gas consuming countries and environmental protection.

GCC Membership

Qatar is a member of the GCC, whose other members are Bahrain, Kuwait, the UAE, Oman and Saudi Arabia. In 2003, the GCC established a customs union under which Qatar applies a common customs tariff of 5.0 per cent. to most products, with a limited number of exceptions. In 2005, as part of the GCC, Qatar joined the Istanbul Cooperation Initiative, which is a North Atlantic Treaty Organisation initiative to enhance regional security in the broader Middle East.

In November 2016, GCC states executed the GCC Framework Agreement on Value Added Tax ("**VAT**"), which has already come into force in the UAE, Saudi Arabia, Oman and Bahrain and is expected to come into force in the other GCC states over the coming years. The tax will apply a single rate of 5.0 per cent. to a broad basket of goods and services, with likely exceptions including basic food items, healthcare and education. On 3 May 2017, the Qatari Council of Ministers approved the Qatar VAT law and its executive regulations which are expected to reflect the provisions of the GCC Framework Agreement. The Qatar VAT law and its executive regulations have not been published in the Official Gazette yet and as such they are not yet in force as of the date of this Base Offering

Circular.

Economic Policy

Qatar's primary economic objective has been to create a thriving investment climate that both encourages domestic investment and identifies positive opportunities for foreign investment. Qatar's current LNG production capacity is 77 million tonnes per annum ("**mtpa**") exceeding the production capacity in 2015 and 2022. However, Qatar is currently in the process of constructing a North Field expansion (the "**North Field Expansion**"), consisting of six new LNG trains, and the project is expected to increase LNG production by 85 per cent. to 142 mtpa. There are three phases in relation to the North Field Expansion. The first phase, North Field East, consists of four new trains and is expected to increase Qatar's LNG production from 77 to 110 mtpa, with first gas expected in 2025. The second phase, North Field South, will add two more trains and is expected to further boost LNG production to 126 mtpa, with first gas expected by 2027. The third phase, North Field West, is expected to raise LNG production to 142 mtpa, with first gas expected by 2030. The North Field Expansion will make innovative use of both carbon capture and renewable energy to minimise carbon emissions and enhance sustainability. Positive spill-overs from increased hydrocarbon production are expected by QNB to combine with diversification efforts and structural reforms to boost economic activity and spending in the manufacturing and services sectors.

Historically, Qatar's economy has been dependent on crude oil production. In the early 1990s, however, Qatar developed a multi-directional and fast-track strategy to accelerate the commercialisation of Qatar's substantial natural gas reserves as a means to diversify and ultimately modernise the economy. This strategy was implemented pursuant to a three-pronged approach, namely by developing LNG and gas-to-liquids ("GTL") for global export, pipeline gas for regional export markets, and by utilising gas for domestic petrochemical production and industrial consumption. In line with this strategy, Qatar has made large-scale investments across the entire value chain of LNG trains, tankers, and storage and receiving facilities, becoming a global leader in producing and exporting LNG.

Although Qatar is focused on ensuring optimal and sustainable development and commercialisation of the oil and gas sector, which continues to be the backbone of the economy, one of the cornerstones of Qatar's current economic policy is a commitment to diversify the overall economy so that Government revenues from the oil and gas sector are supplemented by an increased percentage of Government revenues from non-oil and gas-related activities. As set forth in the National Vision, Qatar's long-term economic objectives include developing its infrastructure and strengthening its private sector. In pursuit of these objectives Qatar has invested much of its expenditure into major construction projects such as railway, the Lusail real estate development (including Energy City), the Food Security Terminal (Strategic Silos), the Hamad International Airport, ports, roads, healthcare and education. Qatar's total public expenditure increased from QAR208.7 billion (U.S.\$57.3billion) for the fiscal year end 2022 to QAR211.4 billion (U.S.\$58.1 billion) for the fiscal year end 2023.

Qatar is also strengthening the private sector by undertaking regulatory reforms aimed at improving Qatar's business climate and creating an environment that will support enterprise creation, private competition and foreign direct investment, including through taking steps such as liberalising the telecommunications sector and creating special economic zones. In addition, Qatar has sought to increase the country's attractiveness to foreign direct investment by implementing laws that allow more foreign participation in the domestic economy. For example, the Government established the QFC, which enables global financial firms to operate in Qatar, although there are restrictions on such financial institutions dealing with retail customers.

In addition, on 13 December 2018, Law No. 24 of 2018 introduced a new income tax law (the "**Income Tax Law**") replacing the previous Law No. 21 of 2009. Under the Income Tax Law (which is applicable outside the QFC and retains most features and provisions from the previous law), taxable income in any taxable year is taxed at a flat tax rate of 10.0 per cent., except for certain oil and gas companies that will continue to be taxed at the previous rate of 35.0 per cent. (which the new law now also applies to agreements relating to petrochemical industries). This is part of a broad plan to diversify the Qatari economy to reduce reliance on the oil and gas sector, which accounted for approximately 44.2 per cent. of total nominal GDP in 2022. However, Qatari companies that are 100 per cent. owned by Qataris do not pay income tax.

In December 2018, the Excise Law No. 25 of 2018 (the "**Excise Law**") was introduced and came into effect on 1 January 2019. As of April 2024, the Excise Law applies to tobacco, energy drinks and goods of a special nature (including alcohol) at the rate of 100 per cent., and to carbonated drinks at the rate of 50 per cent.

In February 2019, the Foreign Investment Law No. 1 of 2019 (the "**Foreign Investment Law**") came into effect, which, in principle, removed the restriction on foreign investment to allow investments by non- Qataris in large sectors of the Qatari economy. The Minister of Commerce and Industry has discretion to approve an investment by a non-Qatari which exceeds 49 per cent. of the share capital of a company. The executive regulations relating to the Foreign Investment Law provide for the conditions and procedures for foreign investors to apply to exceed the 49 per cent. shareholding. However, the approval of such application is discretionary.

In June 2014, in its Annual Market Classification Review, MSCI Inc. upgraded Qatar from a "frontier market" to an "emerging market". This classification is among the criteria used by a large number of institutional investors and private equity funds to identify markets in which they can invest. According to MSCI Inc.'s 2023 Global Market Accessibility Review, Qatar has retained the "emerging market" classification.

Gross Domestic Product

Qatar's nominal GDP decreased by 3.8 per cent. in 2019, decreased by 18.1 per cent. in 2020 and increased by 24.5 per cent. in 2021 and 31.5 per cent in 2022 (based on preliminary estimates), principally as a result of changes in oil prices which impacts the hydrocarbon sector.

The following table sets forth certain information about Qatar's nominal GDP by economic sector and by percentage contribution to total nominal GDP for each of the three fiscal years ended 31 December 2020, 2021 and 2022.

	For the fiscal year ended					
	2020		2021		2022	
	(QAR in millions, except for percentages)					
	Value	%	Value	%	Value	%
Oil and gas sector	152,343	29.0	240,752	36.8	380,261	44.2
Non-oil and gas sector by activity:						
Financial and insurance activities.....	53,490	10.2	62,873	9.6	70,382	8.2
Real estate activities.....	39,585	7.5	38,163	5.8	44,020	5.1
Manufacturing ⁽²⁾	41,586	7.9	57,323	8.8	79,667	9.3
Construction.....	75,112	14.3	87,839	13.4	95,947	11.2
Wholesale and retail trade; repair of motor vehicles and motorcycles.....	44,069	8.4	47,671	7.3	54,617	6.4
Transport and storage.....	21,403	4.1	26 573	4.1	36,608	4.3
Accommodation and food service activities.....	4,739	0.9	5,922	0.9	7,135	0.8
Information and communication.....	9,566	1.8	10,288	1.6	11,438	1.3
Electricity, gas, steam and air conditioning supply; Water supply, sewerage, waste management and remediation activities.....	6,053	1.2	6,517	1.0	6,805	0.8
Agriculture, forestry and fisheries.....	1,781	0.3	1,951	0.3	2,201	0.3
Other services ⁽³⁾	75,930	14.4	94,926	10.4	70,899	8.1
Total non-oil and gas sector.....	373,314	71.0	413,473	63.2	479,179	55.8
Total nominal GDP.....	525,657	100.0	654,225	100.0	859,980	100.0

⁽¹⁾ The GDP figures are based on the latest available data from the PSA.

⁽²⁾ For purposes of calculating GDP, certain downstream activities generally associated with Qatar's oil and gas industry, such as the production and export of gas to liquids, petrochemicals, fertilisers, steel, aluminium, iron and metal coating, are included in the manufacturing sector as part of the non-oil and gas sector.

⁽³⁾ Includes professional, scientific and technical activities; administrative support service activities, public administration; compulsory social security, education, human health and social work activities, arts, entertainment and recreation; other service activities, activities of households as employers; undifferentiated goods and services producing activities of households for own use, financial services indirectly measured and import duties.

Source: PSA

The Economy of Qatar

Qatar is one of the most prosperous countries in the world, with a nominal GDP per capita of

QAR286.5 thousand (U.S.\$78.7 thousand) in 2023, compared to QAR293.4 thousand (U.S.\$80.6 thousand) in 2022 (IMF's World Economic Outlook). Much of Qatar's wealth is derived from its hydrocarbon resources. According to the U.S. Energy Information Administration, as of 1 January 2023, Qatar's proven reserves of crude oil amounted to approximately 25.2 billion barrels (including condensate) and approximately 843 trillion standard cubic feet of proven reserves of natural gas. Qatar had the third largest natural gas deposits after Iran and Russia (U.S. Energy Information Administration, March 2023).

In the early 1990s, Qatar developed a multi-directional and fast-track strategy to accelerate the commercialisation of its substantial natural gas reserves as a means to diversify and ultimately modernise Qatar's economy. In line with this strategy, Qatar has made large-scale investments across the entire value chain of LNG, including liquefaction trains, tankers, and storage and regasification facilities abroad. Qatar was the second largest exporter of LNG in 2023, and accounted for around 20 per cent. of overall global LNG trade in 2022, according to U.S. Energy Information Administration. Through its flagship North Field, Qatargas and RasGas LNG projects, Qatar has developed its LNG business through strategic partnerships with a number of the world's leading oil and gas companies, including ExxonMobil, Eni, Shell, TotalEnergies, Sinopec and ConocoPhillips. By investing across the entire LNG value chain, Qatar now enjoys meaningful cost advantages in the gas sector due to significant economies of scale and a low-cost structure. Qatar also has a good central geographic location for global shipping to all major gas consuming regions of the world and, based on contractual commitments, Qatari LNG is expected to be sold globally to customers in various regions, including Central and South America (Mexico and Argentina), Northwest Europe (the UK and Belgium), Western Europe (Italy, France and Spain), South Asia (India), East Asia (China, Malaysia, Thailand, South Korea, Japan and Taiwan) and the Middle East (UAE). Most of the LNG produced by Qatar's upstream ventures is sold under long-term take-or-pay agreements that provide certainty of volume offtake.

The decision to increase LNG output by 85 per cent. from 77 mtpa to approximately 142 mtpa by 2030 will help fuel Qatar's next phase of development. This increase in capacity will require substantial investments both onshore and offshore including the construction of six new LNG trains to process the gas. These new investments are expected to generate substantial multiplier effects on the wider economy, increasing demand for goods and services and driving the country's development in line with the Qatar National Vision 2030.

Qatar has also focused on developing and exploiting its natural gas resource base prudently beyond the LNG industry, implementing a downstream strategy driven by opportunities to add value to existing oil and gas production as well as the requirements of the domestic economy. QE developed pipeline gas both for regional export markets and for domestic petrochemicals and industrial consumption. In addition, QE is the majority shareholder in a number of industrial companies located primarily at Mesaieed Industrial City, which use natural gas as feedstock and/or fuel to produce various value-added products, such as petrochemicals and fertiliser, steel, iron, aluminium and metal coating, both for domestic consumption and for export.

In years where Qatar has experienced a budget surplus, Qatar has used its budget surpluses to diversify the economy through increased spending on infrastructure, social programmes, healthcare and education, which have modernised Qatar's economy. Qatar's economic growth has also enabled it to diversify its economy through domestic and international investment into different classes of assets. In 2005, Qatar established the QIA to propose and implement investments for Qatar's growing financial reserves, both domestically and abroad. The aim of the QIA is to strengthen the nation's economy through the diversification of asset classes across a wide range of geographies. Through the QIA, Qatar has made investments in private equity, the banking sector, real estate, publicly traded securities and alternative assets. With its growing portfolio of international and domestic long-term strategic investments, the QIA has continued to develop Qatar's economic diversification strategy while contributing to the nation's significant economic expansion. Qatar incurred budget deficits in 2015, 2016, 2017 and 2020 and turned to deficit financing, including the issuance of bonds, as a way of continuing its investments in its economy. Such deficits reflected Qatar's continued commitment to capital expenditure with respect to ongoing infrastructure projects combined with conservative oil prices. Qatar's budget has been in surplus in 2021, 2022 and 2023.

As a response to the 2008-2009 global financial crisis and as a supportive measure to preserve the general stability in Qatar's banking sector, Qatar has provided financial support to its financial sector.

During the first quarter of 2009 and in 2010 and 2011, the QIA began making direct capital injections into Qatar's commercial banking sector through the planned purchase in equity of ownership interests of up to 20.0 per cent. in all domestic banks listed on the QSE. In addition, on 9 March 2009, the Government declared that in order to further support Qatar's banking sector, Qatar would purchase a portion of the investment portfolios of seven of the nine domestic banks listed on the QSE. These purchases were completed on 22 March 2009 at a total purchase price of approximately QAR6.5 billion (U.S.\$1.8 billion). In an effort to further boost liquidity and encourage lending, in early September 2009, Qatar offered to buy a portion of the real estate portfolios and investments of nine domestic commercial banks at a sale price equivalent to the net book value of such portfolios and investments with a total ceiling amount of QAR15.5 billion (U.S.\$4.3 billion).

A previous diplomatic rift between Qatar and several countries in the region, was addressed in the Al-Ula Declaration, signed during the 41st Summit of the Cooperation Council for the Arab States of the Gulf in early January 2021. As a result, regional travel, trade and investment flows started to normalise, improving business conditions across the region.

Oil and Gas Sector

QE, which is wholly-owned by Qatar and represents Qatar's primary source of revenues, is responsible for all phases of the oil and gas industry in Qatar. The principal activities of QE and its subsidiaries and joint ventures cover exploration, drilling and production, storage and transport, and the marketing and sale of crude oil, condensates, pipeline gas, LNG, petrochemicals, GTL, steel, fertilisers and other products and services. QE conducts its operations and activities at various onshore and offshore locations, while certain hydrocarbon exploration activities and new projects are conducted under production sharing agreements with international oil and gas companies. QE's downstream strategy is driven by opportunities to add value to existing oil and gas production as well as the requirements of the domestic economy. QE is also the majority shareholder in a number of industrial companies located primarily at Mesaieed Industrial City, which use natural gas as feedstock and/or fuel to produce various value-added products, such as petrochemicals, fertilisers and steel, both for domestic consumption and export. Although oil-related activities currently account for a significant portion of QE's revenues and net cash flows, Qatar expects that the contribution of non-oil revenues to QE's net cash flow will steadily increase relative to other sources of income, with Qatar deriving a majority of its oil and gas revenue from the sale of LNG and other natural gas in 2011 as a result of its investment in the commercialisation of Qatar's substantial natural gas reserves. Crude oil and refined products sales, however, continue to remain significant.

QE's strategy is to continue to contribute to the diversification of Qatar's economy and Qatar's assets by leveraging QE's experience along with Qatar's vast hydrocarbon wealth, to generate long-term returns on investment in the international oil and gas industry. In line with this strategy, QE has invested outside Qatar in the oil and gas industry in foreign markets and has explored and evaluated various investment and acquisition opportunities that would further optimise the operations of QE as well as maximise the value of Qatar's hydrocarbon resources, including by expanding into downstream activities in the natural gas sector, so that Qatar has greater involvement and ownership in the entire LNG value chain.

Non-Oil and Gas Sector

In recent years, Qatar has invested heavily in diversifying its economy to reduce its historically high dependence on oil and gas revenues. The non-oil and gas sector of Qatar now contributes significantly to the overall economy of Qatar, contributing 55.8 per cent. of total nominal GDP in 2022, as compared to 40.4 per cent. in 2005. In the coming years, the absolute value of the non-oil and gas sector is expected to continue to grow along with the overall economy of Qatar. The relative contribution of the non-oil and gas sector to total nominal GDP as compared to the oil and gas sector has fluctuated in recent years largely due to volatile commodity prices. Within the non-oil and gas sector, the finance, business services, insurance, construction and real estate sectors made the largest contribution to total nominal GDP in 2022, as has been the case since 2006.

The following table sets forth the nominal and percentage contribution of the non-oil and gas sector to Qatar's total nominal GDP from 2020 to 2022.

Year end 31 December

	2020		2021		2022	
	Value	%	Value	%	Value	%
<i>(QAR in millions, except for percentages)</i>						
Non-oil and gas sector	373,314	71.0	413,473	63.2	479,179	55.8

Source: QCB

Qatar's Public

Finance General

Qatar experienced significant revenue growth and large budget surpluses from 2000 until 2014, driven primarily by the rapid development of its hydrocarbon sector. Following a budget surplus in 2019, Qatar experienced lower revenue and a budget deficit in 2020 but returned to a surplus in 2021, 2022 and 2023. Government revenues stood at QAR297.8 billion (U.S.\$80.6 billion) at the end of 2022 and at fell to QAR254.4 billion (U.S.\$68.9 billion) at the end of 2023. For the year ended 31 December 2023, there was an overall surplus of QAR43.1 billion (U.S.\$11.3 billion).

The Government's primary sources of budget revenues are oil and gas-related revenues generated by QE's activities. In 2023, this accounted for 83.1 per cent. of the total revenues. The Government's budget is formulated using a conservative estimate of the oil price per barrel for the relevant fiscal year which is, U.S.\$60 for the budget for the fiscal year ended 31 December 2024. The Ministry of Finance receives royalties and tax revenue on export sales of crude oil, refined products and gas products, including LNG and downstream products from QE and its joint venture partners. In addition to such export sale receipts, the Government receives a significant portion of QE's net income as miscellaneous transferables. The Government has other revenue sources including customs duties, taxes on the operations of foreign owned businesses and charges for certain services provided by the Government.

The principal items of Government expenditure are the development of Qatar's infrastructure, the wages and salaries of Government employees and principal and interest payments in respect of Government indebtedness (both internal and external). Other items of Government expenditure include the provision of social services such as healthcare, education and the pensions of former Government employees, as well as utilities, such as water, electricity and telephone services. In recent years, the Government has increased aggregate expenditures substantially as the Government has invested in the development of Qatar's physical infrastructure to meet the needs of its growing population and to develop Qatar into a trade centre and leading LNG exporter. Qatar's expenditure grew at a CAGR of 5.8 per cent. from the fiscal year ended 31 March 2008 to 31 December 2023, as the total expenditure increased to QAR211.4 billion (U.S.\$58.6 billion) in the fiscal year ended 31 December 2023 from QAR86.2 billion (U.S.\$23.7 billion) in the fiscal year ended 31 March 2008.

In years where Qatar has experienced a budget surplus, the Government has used the budget surplus for the purpose of investment both in Qatar and abroad. Investment of the surplus in Qatar has been focused on capital projects, particularly related to real estate development and transportation and social infrastructure. Investment outside Qatar has been focused primarily on securities and other capital market instruments, with Qatar acquiring stakes in leading international financial institutions and real estate holdings. These investments are administered by the QIA on the Government's behalf. A portion of the budget surplus has also been placed into stabilisation funds administered by the QIA. Education and health services are expected to be funded in future years by the interest derived from revenues of designated LNG trains currently being placed into dedicated stabilisation funds. The Government does not publish figures relating to the size, scope or performance of the portfolio of investments administered by the QIA.

Budget Policy and Process

Qatar's budget plays a central role in Qatar's economy and is a key tool in achieving the Government's economic development goals. Fiscal policy is considered to be the core of Qatar's general economic policy, which aims to utilise fully Qatar's economic resources to raise the standard of living in Qatar and to achieve sustainable development through cooperation between the private and public sectors. Governmental expenditure is considered by the Government to be a primary stimulant of economic activity, and consequently a facilitator of economic growth in Qatar.

Until 31 March 2015, the Government operated under a fiscal year running from 1 April to 31 March. From 1 January 2016, the Government changed to a calendar year budget (1 January to 31 December). Therefore, the Government operated under a shortened nine-month fiscal period from 1 April 2015 to 31 December 2015, and has issued budgets for full calendar years since then. Each year, the Budget Department of the Ministry of Finance supervises the preparation of ministerial and agency budgets for the following fiscal year. After approval by the Minister of Finance, the consolidated budget is submitted to the Council of Ministers for its approval (normally by 1 December in advance of the fiscal year, which commences on 1 January). The budget for capital projects is sent to the Advisory Council for discussion and the Advisory Council submits its recommendations to the Council of Ministers for approval. Thereafter, the budget is submitted to the Amir for his approval and, if approved, a decree implementing the budget is issued.

Along with the release of the budget, the Ministry of Finance publishes a circular regarding the preparation of Qatar's budget. The circular provides that the financial policy of Qatar focuses on achieving the highest value for money possible for Qatar's budgetary resources, ensuring appropriate allocation of resources to enable timely execution of projects, including infrastructure and public services projects, improving efficiency and cost savings in connection with government-related services, and stimulating private sector economic activity to increase growth and expand employment opportunities for Qatari nationals.

The following table sets forth the actual revenues, expenditure and overall surplus of the Government for the fiscal years ended 31 December 2021, 2022 and 2023.

	Fiscal year ended 31 December		
	2021	2022	2023
	(QAR in millions)		
Revenue:			
Oil, gas and investment revenues	156,342	253,209	211,344
Miscellaneous transferables	37,384	44,580	43,105
Total revenue	193,726	297,789	254,449
Expenditure:			
Wages and salaries	58,730	62,873	64,797
Current expenditure	60,906	70,496	71,062
Secondary capital	3,528	4,846	5,545
Major projects	68,972	70,527	69,948
Total expenditure	192,135	208,742	211,352
Surplus or Deficit	1,591	89,047	43,097

Source: Ministry of Finance and QCB citing the Ministry of Finance

Qatar's Indebtedness

The Government's total outstanding indebtedness as at 30 September 2023 was QAR338.5 billion (U.S.\$92.9 billion), with internal indebtedness of QAR160.9 billion (U.S.\$44.2 billion) or 47.5 per cent. of total indebtedness, and external indebtedness of QAR177.6 billion (U.S.\$48.8 billion), or 52.5 per cent. of total indebtedness. Total indebtedness as at 30 September 2023 constituted 39.3 per cent. of Qatar's total nominal GDP in third quarter of 2023.

A decision of the Council of Ministers, No. 17 of 2008 (as amended) established the Qatar Finance Policy Committee, which comprises senior government officials, including the Minister of Finance as chairman, a representative of QCB as deputy chairman, and representatives of the QIA and QP. Under its mandate, the State Finance Policy Committee (a) provides guidance to all government-related entities that seek to access the international capital markets and (b) coordinates debt offerings by Qatari issuers in order to increase liquidity and optimise borrowing costs for Qatari borrowers.

A decision of the Council of Ministers, No. 17 of 2008 (as amended) established the State Finance Policy Committee, which comprises senior government officials, including the Minister of Finance as chairman, a representative of QCB as deputy chairman, and representatives of the QIA and QE. Under its mandate, the State Finance Policy Committee (a) provides guidance to all government-related entities that seek to access the international capital markets and (b) coordinates debt offerings by Qatari issuers in order to increase liquidity and optimise borrowing costs for Qatari borrowers.

The following table sets forth the Government's direct indebtedness as at 31 December 2020, 2021 and

2022.

	As at 31 December ⁽¹⁾		
	2020	2021	2022
	(U.S.\$ in millions, except for percentages)		
Total internal indebtedness⁽²⁾	41,978	44,560	44,560
% of nominal GDP	29.1%	24.8%	18.9%
Total external indebtedness⁽³⁾	62,885	60,385	55,769
% of nominal GDP	43.5%	33.6%	23.6%
Total indebtedness	104,863	104,945	100,330
Total nominal GDP⁽²⁾	144,411	179,732	236,258
% of nominal GDP	72.6%	58.4%	42.5%

⁽¹⁾ Numbers presented on a calendar year basis.

⁽²⁾ Internal indebtedness means direct indebtedness of the Government incurred inside Qatar (excluding guarantees by the Government and short-term T-bills), regardless of the currency of denomination.

⁽³⁾ External indebtedness means direct indebtedness of the Government incurred by the Government outside Qatar (excluding guarantees by the Government), regardless of the currency of denomination. In relation to any euro-denominated indebtedness, indebtedness is in U.S. dollars using a Euro/U.S. dollar conversion rate of €1.00:U.S.\$1.12.

Source: Ministry of Finance

Qatar has never defaulted on any payment of principal, premium or interest on any of its internal or external indebtedness. In January 2024, Moody's changed the outlook on the Government to stable from positive and its long-term issuer and foreign currency senior unsecured debt ratings to "Aa2" from "Aa3". In April 2024, Fitch affirmed Qatar's long-term default rating and short-term default rating at "AA" and "F1+" respectively, citing its large sovereign net foreign assets, one of the world's highest ratios of GDP per capita, a flexible public finance structure and a favourable outlook for debt reduction. In November 2022, S&P upgraded Qatar's long-term sovereign credit rating to "AA/Stable" from "AA-" citing improvements in the Government's fiscal position. Qatar's short-term rating remains at "A-1+".

Monetary and Financial System of Qatar

The QCB, the QFCRA and the QFMA are the three regulatory authorities tasked with regulating and supervising the monetary, banking and financial system, and the capital markets in Qatar. The Government issued a new banking law (Law No. 13 of 2012) ("**Banking Law**") which is aimed at advancing the framework for financial regulation in Qatar and expanding the ambit of regulation to cover areas requiring new and enhanced financial regulation. It also lays the foundation for increased cooperation between the regulatory bodies in Qatar. The Banking Law, among other matters, mandates the QCB to act as the competent supreme authority in framing the policies for the regulation and supervision of all financial services and markets in Qatar, including the insurance sector which was previously regulated by the Ministry of Commerce and Industry.

The QCB formulates and implements monetary and exchange rate policies and is entrusted with the supervision of the banking system and non-bank financial institutions (including insurance companies). Its objectives include maintaining the stability of the riyal and its free convertibility to other currencies, the stability of commodity and service prices and the stability of the financial and banking system in Qatar. The QCB also acts as the primary supervisory authority and regulator for Qatar's commercial banks, and issues licences and consents to banking and financial services companies operating in Qatar. The QFCRA is an independent statutory body of the QFC that licenses and supervises banking, financial and insurance-related businesses that provide financial and advisory services in or from the QFC. The QFMA is the independent regulatory authority for Qatar's capital markets that regulates and supervises the QSE along with the securities industry and associated activities.

Qatar Central Bank

The QCB was established as an independent organisation in 1993 and operates in coordination with the Ministry of Finance, which currently has one of five seats on the board of directors. The QCB is tasked with maintaining both monetary and financial stability. Monetary stability refers to stable prices and currency, while financial stability refers mainly to supervision, support and development of the financial sector. The QCB is managed by a board of directors, which is chaired by its Governor. The board of directors includes the Deputy Governor of the QCB and at least three other members, including a representative from the Ministry of Finance and a representative from the Ministry of Commerce and Industry. See "*The Qatar Banking Sector and Regulations*". The diagram above outlines the organisational structure of the QCB.

Qatar Financial Centre

The QFC is a financial and business centre established by the Government in 2005 with a view to attracting international financial services institutions and multinational corporations to Doha in order to grow and develop the market for financial services in the region. Unlike other financial centres in the region, the QFC is an onshore financial and business environment.

The QFC comprises four primary bodies: the QFCA, the QFCRA, the QFC Civil and Commercial Court and the QFC Tribunal. The QFCA determines the commercial strategy of the QFC, while the QFCRA regulates, authorises, supervises and, when necessary, disciplines banking, securities, insurance and other financial businesses carried on in or from the QFC. The QFCRA also registers and supervises the directors and other designated officers of the businesses authorised by it. The QFCRA regulatory approach is modelled closely on that of the UK's Financial Conduct Authority. The QFC Civil and Commercial Court has jurisdiction over disputes arising within the QFC, and the QFC Tribunal hears appeals against decisions of the QFCRA. The QFCA, the Court and the Tribunal are all statutory independent bodies reporting to the Council of Ministers.

Firms operating under the QFC umbrella fall into two categories: those providing financial services, which are regulated activities and those engaged in non-regulated activities.

Monetary Policy

Currently, Qatar's monetary policy is formulated by the QCB to, among other things, regulate interest rates, maintain the stability of the riyal, and control inflation. See "*The Qatar Banking Sector and Regulations—Interest Rates*" and "*The Qatar Banking Sector and Regulations—Inflation*". While the QCB operates in coordination with the Ministry of Finance, it is independent from political interference in its management of monetary policy.

General Tax Authority

Qatar has established the General Tax Authority (the "GTA"), which is in charge of implementing all tax laws and improving tax compliance in the country. The GTA was established as a separate entity, under the supervision of the Ministry of Finance, and its establishment is in line with Qatar's plans to reduce the country's dependence on hydrocarbon resources.

The law establishing the GTA mandates the authority to implement all tax laws, establish all related bylaws, procedures and instructions and be responsible for their implementation, review and assess tax return forms and collect taxes from subject entities. It also mandates the GTA to represent Qatar in relevant international and regional organisations and at international conferences and events and sign tax agreements with other countries to encourage economic cooperation and joint investments.

OPERATING PERFORMANCE

The table below shows the total segmental revenue and segmental net profit / (loss) of each of the reporting segments for each of the years ended 31 December 2021, 31 December 2022 and 31 December 2023 as well as each reporting segment's total assets and total liabilities as at 31 December 2021, 31 December 2022 and 31 December 2023.

For the purposes of financial reporting, the Bank's Retail Banking and Private Banking segments are consolidated into the "Personal and Private Banking" reporting segments in the Annual Financial Statements.

	Wholesale Banking	Personal and Private Banking	Treasury and Investments Division	Investment Banking and Asset Management	Unallocated	Total
	<i>(QAR million)</i>					
As at/ For the year ended 31 December 2021						
Total segment revenue	1,795.4	1,511.9	729.7	13.4	—	4,050.5
Net impairment loss on financing assets	(284.7)	(579.4)	—	—	—	(864.1)
Net impairment reversal/(loss) on investment securities	—	—	0.1	(0.5)	—	(0.4)
Net impairment recovery from off balance sheet exposures subject to credit risk	18.5	—	—	—	—	18.5
Reportable segment net profit / (loss)	752.3	(29.1)	503.5	(33.4)	—	1,193.4
Reportable segment assets	39,871.1	35,883.8	33,558.9	421.2	992.2	110,727.2
Reportable segment liabilities	36,968.0	42,232.5	17,528.7	11.4	—	96,740.6
As at/ For the year ended 31 December 2022						
Total segment revenue	1,848.6	1,722.6	850.6	29.8	—	4,451.5
Net impairment losses on financing assets	(199.7)	(471.5)	—	—	—	(671.3)
Net impairment reversals on investment securities	—	—	5.6	0.6	—	6.2
Net impairment reversals from off balance sheet exposures subject to credit risk	5.7	—	—	—	—	5.7
Reportable segment net profit ⁽¹⁾	371.4	13.2	861.4	7.2	—	1,253.1
Reportable segment assets	38,413.5	38,075.1	28,459.3	414.4	913.7	106,276.1
Reportable segment liabilities	38,762.3	37,892.0	15,280.9	4.8	—	91,940.0
As at/For the year ended 31 December 2023						
Total segment revenue	2,874.3	2,231.0	981.7	7.6	—	6,094.6
Net impairment losses on financing assets	(190.1)	(112.6)	—	—	—	(302.8)
Net impairment reversals/(losses) on investment securities	—	—	0.9	(0.02)	—	0.9
Net impairment losses from off balance sheet exposures subject to credit risk	(30.6)	—	—	—	—	(30.6)
Reportable segment net profit	456.0	208.8	634.4	3	—	1,302.2
Reportable segment assets	36,014.8	42,287.1	34,870.0	410.1	835.2	114,417.4
Reportable segment liabilities	36,200.2	43,341.5	20,156.5	5.8	—	99,704.0

Notes:

- (1) This item has been reclassified between different segments in the 2023 Financial Statements. Please refer to the "Presentation of Financial and Other Information" and the Annual Financial Statements for more information. These figures have been extracted from the 2023 Financial Statements.

The table below shows the percentage contribution to the Bank's total segmental revenue and segmental net profit of each of the reporting segments for the year ended 31 December 2023 as well as the percentage contribution of each reporting segment to the Bank's total assets and total liabilities as at 31 December 2023.

	Wholesale Banking	Personal and Private Banking	Treasury and Investments Division	Investment Banking and Asset Management	Unallocated	Total
			(percentage)			
For the year ended 31 December 2023						
Total segment revenue.....	47.2	36.6	16.1	0.1	—	100
Net impairment losses on financing assets ...	62.8	37.2	—	—	—	100
Net impairment reversals/(losses) on investment securities	—	—	102.4	(2.4)	—	100
Net impairment recovery from off balance sheet exposures subject to credit risk.....	100	—	—	—	—	100
Reportable segment net profit	35.0	16.0	48.7	0.2	—	100
Reportable segment assets	31.5	37.0	30.5	0.4	0.7	100
Reportable segment liabilities	36.3	43.5	20.2	0.0	—	100

The table below shows the finance and investment income, net fee and commission income and reportable segment net profit of each of the reporting segments for the six-month periods ended 30 June 2024 and 30 June 2023, as well as each reporting segment's reportable segment assets as at 30 June 2024 and 30 June 2023.

Since 1 January 2024, the Bank has changed the composition of its reporting segments and they now comprise "Wholesale Banking", "Retail and Private Banking", "Treasury Investment Group" and "Subsidiaries". The comparative financial information as at and for the six-month period ended 30 June 2023 has also been reclassified in accordance with this presentation. See "Presentation of Financial and Other Information" section.

	Wholesale Banking	Retail and Private Banking	Treasury Investment Group	Subsidiaries	Unallocated	Total
	(QAR million)					
As at/for the six-month period ended 30 June 2024						
Finance and Investment income.....	1,346.1	1,158.5	553.2	70.9	-	3,128.8
Net fee and commission income	75.6	11.8	13.1	7.5	-	107.9
Reportable segment net profit.....	41.1	210.9	484.6	86.8	(39.2)	784.1
Reportable segment assets.....	39,965.0	41,759.5	29,209.6	2,211.3	1,097.1	114,242.5
As at/for the six-month period ended 30 June 2023						
Finance and Investment income.....	1,166.1	961.3	409.3	65.1	-	2,601.9
Net fee and commission income	88.2	28.0	14.7	5.1	-	136.1
Reportable segment net profit.....	329.0	134.2	265.6	71.0	(39.2)	760.6

	Wholesale Banking	Retail and Private Banking	Treasury Investment Group	Subsidiaries	Unallocated	Total
	(QAR million)					
Reportable segment assets	36,608.2	37,506.0	24,887.9	2,118.3	1,444.2	102,564.7

Set forth below is a brief discussion of the Bank's consolidated operating performance for the six-month period ended 30 June 2024 compared to the six-month period ended 30 June 2023 and for the year ended 31 December 2023 compared to the year ended 31 December 2022 and for the year ended 31 December 2022 compared to the year ended 31 December 2021.

Finance and investment income for the six-month period ended 30 June 2024 compared to the six-month period ended 30 June 2023

The Bank's finance and investment income increased by QAR526.9 million, or 20.2 per cent., to QAR3,128.8 million for the six-month period ended 30 June 2024 from QAR2,601.9 million for the six-month period ended 30 June 2023.

In terms of reporting segments:

- finance and investment income attributable to Wholesale Banking increased by QAR179.9 million, or 15.4 per cent., to QAR1,346.1 million for the six-month period ended 30 June 2024 from QAR1,166.1 million for the six-month period ended 30 June 2023. This increase was linked to an overall growth in net income from financing activities mainly on account of better yields and higher average volumes noted during the six-month period ended 30 June 2024 in comparison to the six-month period ended 30 June 2023;
- finance and investment income attributable to Retail and Private Banking increased by QAR197.3 million, or 20.5 per cent., to QAR1,158.5 million for the six-month period ended 30 June 2024 from QAR961.3 million for the six-month period ended 30 June 2023. This increase was linked to an overall growth in net income from financing activities mainly on account of better yields and higher average volumes noted during the six-month period ended 30 June 2024 in comparison to the six-month period ended 30 June 2023;
- finance and investment income attributable to the Treasury Investment Group increased by QAR143.9 million, or 35.2 per cent., to QAR553.2 million for the six-month period ended 30 June 2024 from QAR409.3 million for the six-month period ended 30 June 2023. This increase was linked to an overall growth in net income from investing activities mainly on account of higher average volumes noted during the six-month period ended 30 June 2024 in comparison to the six-month period ended 30 June 2023; and
- finance and investment income attributable to Subsidiaries increased by QAR5.8 million, or 8.9 per cent., to QAR70.9 million for the six-month period ended 30 June 2024 from QAR65.1 million for the six-month period ended 30 June 2023. This increase was mainly linked to an overall growth in FFC's net income from financing activities for the six-month period ended 30 June 2024 in comparison to the six-month period ended 30 June 2023.

Net fee and commission income for the six-month period ended 30 June 2024 compared to the six-month period ended 30 June 2023

The Bank's net fee and commission income decreased by QAR28.2 million, or 20.7 per cent., to QAR107.9 million for the six-month period ended 30 June 2024 from QAR136.1 million for the six-month period ended 30 June 2023.

In terms of reporting segments:

- net fee and commission income attributable to Wholesale Banking decreased by QAR12.7 million, or 14.4 per cent., to QAR75.6 million for the six-month period ended 30 June 2024 from QAR88.2 million for the six-month period ended 30 June 2023. This decline was mainly linked to lower fees and commission income from Government Banking business during the

six-month period ended 30 June 2024 in comparison to the six-month period ended 30 June 2023;

- net fee and commission income attributable to Retail and Private Banking decreased by QAR16.2 million, or 57.9 per cent., to QAR11.8 million for the six-month period ended 30 June 2024 from QAR28.0 million for the six-month period ended 30 June 2023. This decline was mainly linked to lower fees and commission income from Retail Banking business during the six-month period ended 30 June 2024 in comparison to the six-month period ended 30 June 2023;
- net fee and commission income attributable to the Treasury Investment Group decreased by QAR1.7 million, or 11.3 per cent., to QAR13.1 million for the six-month period ended 30 June 2024 from QAR14.7 million for the six-month period ended 30 June 2023. This decline was primarily linked to lower volumes of foreign exchange activities during the six-month period ended 30 June 2024 in comparison to the six-month period ended 30 June 2023; and
- net fee and commission income revenue attributable to Subsidiaries increased by QAR2.3 million, or 45.5 per cent., to QAR7.5 million for the six-month period ended 30 June 2024 from QAR5.1 million for the six-month period ended 30 June 2023. This increase is mainly linked to an overall growth in TFI's net fee and commission income for the six-month period ended 30 June 2024 in comparison to the six-month period ended 30 June 2023.

Net profit for the six-month period ended 30 June 2024 compared to the six-month period ended 30 June 2023

The Bank's net profit increased by QAR23.6 million, or 3.1 per cent., to QAR784.1 million for the six-month period ended 30 June 2024 from QAR760.6 million for the six-month period ended 30 June 2023.

In terms of reporting segments:

- reportable segment net profit attributable to Wholesale Banking decreased by QAR288.0 million, or 87.5 per cent., to QAR41.1 million for the six-month period ended 30 June 2024 compared to QAR329.0 million for the six-month period ended 30 June 2023. This decrease in segmental net profit was mainly due to higher impairment charges booked for the six-month period ended 30 June 2024 in comparison to the six-month period ended 30 June 2023. This was partially offset by growth in total income for the segment for the six-month period ended 30 June 2024 in comparison to the six-month period ended 30 June 2023;
- reportable segment net profit attributable to Retail and Private Banking increased by QAR76.7 million, or 57.2 per cent., to QAR210.9 million for the six-month period ended 30 June 2024 compared to QAR134.2 million for the six-month period ended 30 June 2023. This growth in segmental net profit was mainly due to higher impairment recoveries booked for the six-month period ended 30 June 2024 in comparison to the six-month period ended 30 June 2023, coupled with growth in total income for the segment on a year-on-year basis;
- reportable segment net profit attributable to the Treasury Investment Group increased by QAR219.1 million, or 82.5 per cent., to QAR484.6 million for the six-month period ended 30 June 2024 compared to QAR265.6 million for the six-month period ended 30 June 2023. This growth in segmental net profit was mainly due to higher total income for the six-month period ended 30 June 2024 in comparison to the six-month period ended 30 June 2023;
- reportable segment net profit attributable to Subsidiaries increased by QAR15.8 million, or 22.2 per cent., to QAR86.8 million for the six-month period ended 30 June 2024 compared to QAR71.0 million for the six-month period ended 30 June 2023. This growth is attributed to an overall growth in all the subsidiaries' net profit for the six-month period ended 30 June 2024 in comparison to the six-month period ended 30 June 2023.

Total segment revenue for the year ended 31 December 2023 compared to the year ended 31 December 2022

The Bank's total segment revenue increased by QAR1,643.1 million, or 36.9 per cent., to QAR6,094.6 million for the year ended 31 December 2023 from QAR4,451.5 million for the year ended 31 December

2022. This increase was primarily due to an increase in income from financing and investing activities, which contributed to the overall increase in revenue. Each of the Bank's reporting segments performed as follows:

- total segment revenue attributable to Wholesale Banking increased by QAR1,025.7 million, or 55.5 per cent., to QAR2,874.3 million for the year ended 31 December 2023 from QAR1,848.6 million for the year ended 31 December 2022. This increase was primarily due to an increase in total income from financing and investing activities by QAR928.1 million and an increase in net fee and commission income by QAR55.8 million for the year ended 31 December 2023, as compared to the year ended 31 December 2022;
- total segment revenue attributable to Personal and Private Banking increased by QAR508.4 million, or 29.5 per cent., to QAR2,231.0 million for the year ended 31 December 2023 from QAR1,722.6 million for the year ended 30 December 2022. This increase was primarily due to an increase in total income from financing and investing activities by QAR522.1 million for the year ended 31 December 2023, as compared to the year ended 31 December 2022;
- total segment revenue attributable to the Treasury and Investments Group increased by QAR131.1 million, or 15.4 per cent., to QAR981.7 million for the year ended 31 December 2023 from QAR850.6 million for the year ended 31 December 2022. This increase was primarily due to an increase in total income from financing and investing activities by QAR201.6 million for the year ended 31 December 2023, as compared to the year ended 31 December 2022; and
- total segment revenue attributable to Investment Banking and Asset Management decreased by QAR22.2 million, or 74.6 per cent., to QAR7.6 million for the year ended 31 December 2023 from QAR29.8 million for the year ended 31 December 2022. This decrease was primarily due to a decrease of other income by QAR 9.8 million and a loss from share of results of associates and joint ventures amounting to QAR 9.1 million for the year ended 31 December 2023, as compared to a profit from share of results of associates and joint ventures of QAR1.8 million for the year ended 31 December 2022.

Net profit for the year ended 31 December 2023 compared to the year ended 31 December 2022

The Bank's net profit for the year increased by QAR49.1 million, or 3.9 per cent., to QAR1,302.2 million for the year ended 31 December 2023 from QAR1,253.1 million for the year ended 31 December 2022. The increase in net profit for the year ended 31 December 2023 compared to the year ended 31 December 2022 could be largely attributable to the following:

- an increase in the Bank's total income by QAR1,643.1 million, or 36.9 per cent., to QAR6,094.6 million for the year ended 31 December 2023 from QAR4,451.5 million for the year ended 31 December 2022, which was attributable to an increase in the total net income from financing and investing activities by QAR1,651.9 million and an increase in net fee and commission income by QAR45.9 million;
- an increase in the Bank's total expenses by QAR762.1 million, or 77.9 per cent., to QAR1,740.3 million for the year ended 31 December 2023 from QAR978.2 million for the year ended 31 December 2022, which was attributable to an increase in finance cost by QAR705.1 million, an increase of staff costs by QAR32.7 million and an increase of other expenses by QAR22.5 million;
- a decrease of the Bank's net impairment losses by QAR326.2 million, or 49.4 per cent., to QAR333.5 million for the year ended 31 December 2023 from QAR659.6 million for the year ended 31 December 2022, which was attributable to a decrease in net impairment loss on financing assets by QAR368.5 million and an increase of net impairment loss on off balance sheet exposures subject to credit risk by QAR36.4 million; and
- an increase of the Bank's return to unrestricted investment account holders by QAR1,159.0 million, or 74.4 per cent., to QAR2,717.6 million for the year ended 31 December 2023 from QAR1,558.6 million for the year ended 31 December 2022.

In terms of reporting segments:

- net profit attributable to Wholesale Banking increased by QAR84.6 million, or 22.8 per cent., to QAR456.0 million for the year ended 31 December 2023 from QAR371.4 million for the year ended 31 December 2022. This was primarily due to an increase in segmental revenue compared to year ended 31 December 2022. The Wholesale Banking had net impairment losses on financing assets of QAR190.1 million for the year ended 31 December 2023 compared to QAR199.7 million for the year ended 31 December 2022, and net impairment losses from off balance sheet exposures subject to credit risk of QAR30.6 million for the year ended 31 December 2023 compared to net impairment reversals from off balance sheet exposures subject to credit risk of QAR5.7 million for the year ended 31 December 2022;
- net profit attributable to Personal and Private Banking increased by QAR195.6 million, or 1,484.6 per cent., to QAR208.8 million for the year ended 31 December 2023 from QAR13.2 million for the year ended 31 December 2022. This was primarily due to an increase in segmental revenue compared to the year ended 31 December 2022. The Personal and Private Banking Group had net impairment losses on financing assets of QAR112.6 million for the year ended 31 December 2023 compared to QAR471.6 million for the year ended 31 December 2022;
- net profit attributable to the Treasury and Investments Group decreased by QAR227.0 million, or 26.4 per cent., to QAR634.4 million for the year ended 31 December 2023 from QAR861.4 million for the year ended 31 December 2022. This was primarily due to higher funding cost compared to year ended 31 December 2022. The Treasury and Investments Group had net impairment reversals on investment securities of QAR0.9 million for the year ended 31 December 2023 compared to net impairment reversals on investment securities of QAR5.6 million for the year ended 31 December 2022; and
- net profit attributable to Investment Banking and Asset Management decreased by QAR4.2 million or 57.7 per cent., to QAR3.0 million for the year ended 31 December 2023 from QAR7.2 million for the year ended 31 December 2022. This was primarily due to an increase in segmental revenue compared to year ended 31 December 2022. The Investment Banking and Asset Management segment had net impairment losses on investment securities of QAR0.02 million for the year ended 31 December 2023 compared to net impairment reversals on investment securities of QAR0.6 million for the year ended 31 December 2022.

Total segment revenue for the year ended 31 December 2022 compared to the year ended 31 December 2021

The Bank's total segment revenue increased by QAR401.1 million, or 9.9 per cent., to QAR4.5 billion for the year ended 31 December 2022 from QAR4.1 billion for the year ended 31 December 2021. This increase was primarily due to an increase in the financing income which was largely due to increase in profit rates (mainly due to increase in QCB lending rate and margins post COVID-19 pandemic) and an increase in coupon income from investing, which contributed to the overall increase in revenue. Each of the Bank's reporting segments performed as follows:

- total segment revenue attributable to Wholesale Banking increased by QAR53.1 million, or 3.0 per cent., to QAR1,848.6 million for the year ended 31 December 2022 from QAR1,795.4 million for the year ended 31 December 2021. This increase was primarily due to an increase in total income from financing activities by QAR110.5 million and an increase in net fee and commission income by QAR28.8 million which offsets the decrease in the profit attributed from other income by QAR83.9 million for the year ended 31 December 2022;
- total segment revenue attributable to Personal and Private Banking increased by QAR210.7 million, or 13.9 per cent., to QAR1,722.6 million for the year ended 31 December 2022 from QAR1,511.9 million for the year ended 30 December 2021. This increase was primarily due to an increase in total income from financing activities by QAR172.8 million, an increase in foreign exchange gain by QAR11.6 million and an increase in net fee and commission income by QAR24.9 million for the year ended 31 December 2022;

- total segment revenue attributable to the Treasury and Investments Group increased by QAR120.9 million, or 16.6 per cent., to QAR850.6 million for the year ended 31 December 2022 from QAR729.7 million for the year ended 31 December 2021. This increase was primarily due to an increase in total income from investing activities by QAR76.3 million for the year ended 31 December 2022; and
- total segment revenue attributable to Investment Banking and Asset Management increased by QAR16.3 million, or 121.6 per cent., to QAR29.8 million for the year ended 31 December 2022 from QAR13.4 million for the year ended 31 December 2021. This increase was primarily due to an increase in other income by QAR14.3 million for the year ended 31 December 2022.

Net profit for the year ended 31 December 2022 compared to the year ended 31 December 2021

The Bank's net profit for the year increased by QAR59.7 million, or 5.0 per cent., to QAR1,253.1 million for the year ended 31 December 2022 from QAR1,193.4 million for the year ended 31 December 2021. The increase in net profit for the year ended 31 December 2022 compared to the year ended 31 December 2021 could be largely attributable to the following:

- an increase in the Bank's total income by QAR401.0 million, or 9.9 per cent., to QAR4,451.5 million for the year ended 31 December 2022 from QAR4,050.5 million for the year ended 31 December 2021. The increase in total income was attributable to an increase in the total net income from financing and investing activities by QAR356.6 million and an increase in net fee and commission income by QAR51.2 million for the year ended 31 December 2022, as compared to the year ended 31 December 2021;
- an increase in the Bank's total expenses by QAR118.7 million, or 13.8 per cent., to QAR978.2 million for the year ended 31 December 2022 from QAR859.5 million for the year ended 31 December 2021, which was mainly attributable to an increase in finance costs by QAR150.8 million, a decrease in staff costs by QAR18.3 million and a decrease in other expenses by QAR11.4 million for the year ended 31 December 2022, as compared to the year ended 31 December 2021; and
- an increase of the Bank's net return to unrestricted investment account holders by QAR435.0 million, or 38.7 per cent., to QAR1,558.6 million for the year ended 31 December 2022 from QAR1,123.6 million for the year ended 31 December 2021.

In terms of reporting segments:

- net profit attributable to Wholesale Banking decreased by QAR381.0 million, or 50.6 per cent., to QAR371.4 million for the year ended 31 December 2022 from QAR752.3 million for the year ended 31 December 2021. This was primarily due to an increase in funding cost for the segment compared to year ended 31 December 2021. The Wholesale Banking segment had net impairment losses on financing assets of QAR199.7 million for the year ended 31 December 2022 compared to QAR284.7 million for the year ended 31 December 2021, and net impairment reversals from off balance sheet exposures subject to credit risk of QAR5.7 million for the year ended 31 December 2022 compared to QAR18.5 million for the year ended 31 December 2021;
- net profit attributable to Personal and Private Banking amounted to QAR13.2 million for the year ended 31 December 2022 compared to net loss of QAR29.1 million for the year ended 31 December 2021. This was primarily due to an increase in funding cost for the segment compared to year ended 31 December 2021. The Personal and Private Banking segment had net impairment losses on financing assets of QAR471.6 million for the year ended 31 December 2022 compared to QAR579.4 million for the year ended 31 December 2021;
- net profit attributable to the Treasury and Investments Group increased by QAR357.8 million, or 71.0 per cent., to QAR861.4 million for the year ended 31 December 2022 from QAR503.6 million for the year ended 31 December 2021. This was primarily due to higher segment revenue compared to year ended 31 December 2021. The Treasury and Investments Group had

a net impairment recovery on investment securities of QAR5.6 million for the year ended 31 December 2022 compared to a net impairment recovery on investment securities of QAR0.1 million for the year ended 31 December 2021; and

- net profit attributable to Investment Banking and Asset Management was QAR7.2 million for the year ended 31 December 2022 compared to a net loss of QAR33.4 million for the year ended 31 December 2021. The Investment Banking and Asset Management segment had a net impairment recovery on investment securities of QAR0.6 million for the year ended 31 December 2022 compared to a net impairment loss on investment securities of QAR0.5 million for the year ended 31 December 2021.

Financial position

The Bank's total assets decreased by QAR0.2 billion, or 0.2 per cent., to QAR114.2 billion as at 30 June 2024 from QAR114.4 billion as at 31 December 2023, which was itself an increase by QAR8.1 billion, or 7.6 per cent., from QAR106.3 billion as at 31 December 2022, which was itself a decrease by QAR4.5 billion, or 4.0 per cent., from QAR110.7 billion as at 31 December 2021. The principal drivers of the increase in total assets as at 31 December 2023 compared with 31 December 2022 was an increase in due from banks by QAR9.6 billion and an increase in financing assets by QAR1.9 billion, offset by a decrease in cash and balances with Qatar Central Bank by QAR2.8 billion.

The Bank's total liabilities and participatory investment account³⁴ decreased by QAR0.2 billion, or 0.2 per cent., to QAR99.5 billion as at 30 June 2024 from QAR99.7 billion as at 31 December 2023, which was itself an increase by QAR7.8 billion, or 8.4 per cent., from QAR91.9 billion as at 31 December 2022, which was itself a decrease by QAR4.8 billion, or 5.0 per cent., from QAR96.7 billion as at 31 December 2021. The principal drivers of the increase in total liabilities and equity of unrestricted investment account holders as at 31 December 2023 compared with 31 December 2022 was a decrease in equity of unrestricted investment account holders by QAR4.7 billion, an increase in due to bank by QAR4.7 billion and an increase in customer current accounts of QAR8.2 billion. The principal driver of the decrease in total liabilities and equity of unrestricted investment account holders as at 31 December 2022 compared with as at 31 December 2021 was a decrease in equity of unrestricted investment account holders by QAR4.9 billion compensated by an increase in customer current accounts by QAR2.1 billion.

³⁴ This line item was labelled as "Equity of Unrestricted Investment Account Holders" in the Annual Financial Statements.

THE QATAR BANKING SECTOR AND REGULATIONS

Qatar Central Bank

In its supervisory capacity, the QCB oversees the activities of Qatar's commercial banks (both conventional and Islamic banks) and non-bank financial institutions (including insurance companies) with a view to minimising banking and financial risk in Qatar's financial sector. The QCB conducts regular inspections of commercial banks and non-bank financial institutions and reviews reports and other mandatory data submitted by commercial banks, including monthly capital adequacy compliance reports.

The QCB has implemented regulations regarding non-performing loans, large exposures, country risk, money market and foreign exchange accounts, credit ratios, fixed assets for banks' use, reserve requirements and banks' investments. The QCB has the authority to impose penalties in the event that banks fail to comply with these regulations. The QCB requires commercial banks to maintain a minimum reserve requirement of 4.5 per cent. and a CAR of 17.0 per cent. (including the capital conservation buffer, the highest applicable DSIB buffer and the ICAAP capital charge of 1.0 per cent.) in line with the "well-capitalised" level in the Basel III guidelines and above the guidelines minimum recommended level of 10.0 per cent. (excluding the capital conservation buffer). The QCB also requires each commercial bank to maintain a risk reserve balance of not less than 2.5 per cent. of the total amount of direct credit facilities provided by the bank and its subsidiaries as determined at the end of each year. Certain provisions and credit provided to the Ministry of Finance and credit secured by cash collateral are excluded from the calculation of the total amount of direct credit facilities for the purposes of determining the minimum risk reserve balance. A bank may not use any portion of its risk reserve amount without the prior approval of the QCB. Commercial banks are also required to have their annual accounts audited by the QCB's approved independent auditors and to obtain prior approval from the QCB to appoint senior management.

In January 2014, the QCB issued a circular to all commercial banks in Qatar (No. AR/2/2014) with instructions regarding the implementation of the QCB's Basel III requirements. This has been updated by a circular (No. 33/2022) dated 13 October 2022 which came into effect on 1 January 2024. The QCB's minimum recommended capital adequacy requirements under Basel III are currently 12.5 per cent. (including a capital conservation buffer of 2.5 per cent.). Furthermore, banks identified as DSIBs are subject to an additional buffer, as determined by the QCB for each identified DSIB. As part of the ICAAP (Pillar II) framework, QCB introduced the minimum ICAAP capital charge of 1.0 per cent., which constitutes part of the minimum capital requirement over and above the Pillar I minimum capital requirement.

The QCB also imposes certain exposure limits and credit controls on commercial banks. No more than 20.0 per cent. of any bank's capital and reserves may be extended to a single customer and their customer group in the form of credit facilities and no more than 25.0 per cent. of any commercial bank's capital and reserves may be extended to a single customer's group in the form of credit or investment facilities. Additionally, no customer and their customer group may borrow more than QAR3.0 billion (U.S.\$824.1 million) in aggregate from Qatar's commercial banks. Credit facilities extended to a single major shareholder's customer group in any bank cannot exceed 10.0 per cent. of that bank's capital and reserves. Credit facilities granted to a single country in the form of loans to customers or the government must not exceed 20.0 to 150.0 per cent. of the bank's capital and reserves depending on the category of country. The maximum real estate finance that can be granted to all customers should not exceed 150.0 per cent. of the bank's capital and reserves. In April 2011, the QCB introduced maximum limits for individual consumer loans secured against salaries. Qatari nationals are not permitted to borrow more than QAR2.0 million (U.S.\$549,450) with a maximum repayment period of six years. Expatriates are not permitted to borrow more than QAR0.4 million (U.S.\$109,890) with a maximum repayment period of four years. In relation to real estate finance made available to individuals against their salary, the total real estate finance must not exceed 70.0 per cent. of the value of the mortgaged property. The maximum period permitted for repayment of real estate finance is 20 years, including any grace period. The QCB regulations dictate that the maximum salary deductions, including instalments and other liabilities, is capped at 75 per cent. of the basic salary and social allowance for Qatari citizens, and capped at 50 per cent. of total salary for non-Qatari residents, **provided that** the salary and post retirement service dues are transferred to the bank offering the finance. In relation to financing provided to other types of borrowers, the finance must not exceed 60.0

per cent. of the value of the mortgaged property and that the maximum repayment period of that real estate finance is 15 years, including any grace period. QCB regulations also provide that these maximum limits may be increased to 70.0 per cent. and that the maximum period permitted for repayment be extended to 20 years, if cash is regularly transferred to the bank through a formal assignment of claims to cover the full instalment during the repayment period, including rents and other contractual incomes and revenues.

In 2010, the QCB also began the process of establishing the Qatar Credit Bureau in order to collect and make available consumer credit information to commercial banks. The Qatar Credit Bureau began operations in March 2011.

The QCB initiated single-factor stress testing of the portfolios of commercial banks in Qatar in 2010. The testing covers the broad areas of liquidity risk, credit risk, interest rate risk, foreign exchange risk and equity market risk. The results of these stress tests illustrate the possible impact of adverse financial conditions on a commercial bank's CAR or return on assets. Stress testing of commercial banks, on an aggregate basis, conducted by the QCB based on data for March 2010, suggested that neither the CAR nor the returns on assets of Qatar's commercial banks were significantly impaired.

In its Article IV Country Report for Qatar published in February 2024, the IMF concluded that the *"Banks are well-capitalized, liquid, and profitable". The report also highlighted that "banks' non-resident deposits fell by more than one-third from the recent peak, partially replaced by higher public sector domestic deposits, reducing vulnerabilities amid tight global financial conditions"*

The QCB also issues domestic currency and conducts bank clearing operations and settlements. The investment department of the QCB manages the investments of the QCB's financial reserves that are primarily in the form of securities issued or guaranteed by other governments with maturities of up to 10 years. These investments are maintained at a level at least equal to 100.0 per cent. of the riyals issued by the QCB at any time.

The QCB directive to close the Islamic branches of conventional banks was made with the aim of bringing in enhanced supervision, more financial stability, and also enhancing monetary policy tools for Islamic banks.

The following table sets forth the QCB's balance sheet data as at 31 December 2021 to 2023.

	As at 31 December		
	2021	2022	2023
	(QAR in millions, except as otherwise noted)		
Assets:			
Foreign assets:			
Gold.....	12,047.2	19,591.1	24,372.3
Foreign securities.....	109,401.4	131,774.1	133,654.3
Balances with foreign banks.....	26,135.6	15,468.3	23,815.2
IMF reserve position	517.4	492.2	392.9
SDR holdings	5,001.5	4,766.3	4,834.7
AMF Share	351.5	334.4	336.3
Total foreign assets.....	153,454.6	172,426.4	187,405.7
Balances with local banks.....	75,329.1	58,048.3	60,367.2
Other assets	46,148.8	58,998.8	50,738.3
Total assets	274,932.5	289,473.5	298,511.2
Liabilities:			
Reserve money:⁽¹⁾			
Currency issued.....	24,590.2	25,942.5	19,673.7
Required reserves.....	43,611.5	50,937.4	56,893.7
Deposits of local banks	38,303.5	22,009.6	18,052.3
Total reserve money	106,505.2	98,889.5	94,619.7
Government deposits.....	1,060.2	2,857.5	1,000.8
Capital and reserves.....	151,951.5	159,592.8	159,592.8
Revaluation account	7,159.2	3,945.4	6,491.5
Other liabilities.....	8,256.4	24,188.3	36,806.4
Total liabilities⁽²⁾.....	274,932.5	289,473.5	298,511.2

(1) Reserve requirements were QAR43.6 billion (U.S.\$12.0 billion), QAR 50.9 billion (U.S.\$14.0 billion) and QAR56.9 billion (U.S.\$15.6 billion) as at 31 December 2021, 2022 and 2023 respectively.

(2) Total liabilities is equal to the sum of Total Reserve Money, Government Deposits, Capital and Reserves, Reserve Revaluation and Other Liabilities.

Source: QCB

Interest Rates

Prior to 2000, the QCB imposed certain ceilings on the credit and deposit interest rates offered by commercial banks. The QCB removed these restrictions in order to further liberalise the financial sector. However, in April 2011 the QCB introduced a cap on interest rates that can be charged on personal loans of 1.5 per cent. over its benchmark lending rate and 1.0 per cent. per month for credit cards. Otherwise, Qatar's banking system is free from any form of interest rate ceilings.

The QCB utilises three different interest rates: a lending rate, a deposit rate and a reverse repo rate. The lending rate is used for the lending facility through which commercial banks can obtain liquidity from the QCB. The deposit rate is used for the deposit facility through which commercial banks can place deposits with the QCB. Both of these facilities may be rolled over to the next day, when transactions are executed electronically. The reverse repo rate is a pre-determined interest rate set by the QCB for reverse repo transactions entered into between the QCB and commercial banks. The overnight liquidity facility rate is used for overnight lending by the QCB to commercial banks.

Prior to July 2007, the QCB closely tracked the interest rates of the U.S. Federal Reserve Bank as the Qatari riyal is pegged to the U.S. dollar. However, the QCB did not deem it necessary to reduce interest rates to the same extent, or as quickly, as the U.S. Federal Reserve Bank on the last several occasions that the latter has reduced its interest rates. Since December 2016, the QCB began closely tracking the interest rates of the U.S. Federal Reserve Bank. During the United States' recent tightening cycle that started in 2022, the QCB hiked rates alongside the U.S. Federal Reserve, but not to the same extent, given that rate hikes started from a higher base and inflation dynamics in Qatar are different than in the United States. As at the date of this Base Offering Circular, the QCB overnight deposit rate is 5.75 per cent., its overnight lending rate is 6.25 per cent. and its repo rate is 6.0 per cent. reflecting the global trend of rising interest rates.

Currency

The Qatari riyal has been fixed to the U.S. dollar at a rate of QAR3.64 per U.S. dollar since 1980. It is one of the QCB's objectives to keep the riyal stable against the U.S. dollar. As the riyal is pegged to the U.S. dollar, the exchange rate of the riyal against other major currencies fluctuates in line with the movements of the exchange rate of the U.S. dollar against such currencies. The IMF's February 2024 Article IV report emphasised that, "*the exchange rate peg continues to represent a credible monetary anchor.*"

Inflation

CPI inflation in Qatar decreased by 0.9 per cent. in 2019 and 2.6 per cent. in 2020 and increased by 2.3 per cent. in 2021, 5.0 per cent. in 2022 and 3.1 per cent. in 2023. Housing, water, electricity and gas fell by 3.0 per cent. in 2019, 4.5 per cent. in 2020 and 5.1 per cent. in 2021 and increased by 6.4 per cent. in 2022 and 3.6 per cent. in 2023.

The following table sets forth the CPI and percentage change for the years ended 31 December 2021, 2022 and 2023.

Based on 2018 prices:	Consumer Price Index		
	2021	2022	2023
Food and beverages.....	102.90	107.05	108.52
Tobacco.....	246.00	246.00	246.00
Clothing and footwear.....	91.94	92.63	92.61
.....			
Housing, water, electricity and gas.....	87.96	93.58	96.97
Furnishings and household equipment.....	104.09	105.19	106.40
.....			

Based on 2018 prices:	Consumer Price Index		
	2021	2022	2023
Medical Services	101.32	98.29	99.10
Transportation	108.35	109.35	110.66
Communication	92.96	92.42	101.11
Recreation and culture.....	84.72	109.84	121.26
Education	110.52	111.21	116.89
Restaurants and hotels	107.18	108.56	106.36
Miscellaneous goods and services	106.82	108.60	108.74
General Price Index	98.78	103.71	106.85
Change (%)	2.31	4.99	3.03

Source: PSA

VAT

As at the date of this Base Offering Circular, Qatar does not impose VAT on the sale of goods and services. However, in November 2016, the GCC states executed the GCC Framework Agreement on VAT, which has been implemented in the UAE, Saudi Arabia and Bahrain and is expected to come into force in the other GCC states over the coming years. The tax will apply a single rate of 5.0 per cent. to a broad basket of goods and services. On 3 May 2017, the Qatari Council of Ministers approved the Qatar VAT law and its executive regulations, which are expected to reflect the provisions of the GCC Framework Agreement. The Qatar VAT law and its executive regulations have not yet been published in the Official Gazette and as such they are not yet in force. It is not clear when VAT may be introduced in Qatar.

The introduction of VAT in Qatar may impact the Bank negatively to the extent that it is unable to recover input VAT.

Withholding Taxes

On 11 December 2019, Qatar published the Income Tax Executive Regulations (the "**Executive Regulations**") relating to the Income Tax Law No. 24 of 2018 (the "**Income Tax Law**")

In line with Qatar's decision in November 2017 to join the OECD Inclusive Framework and align Qatar's tax rules with the emerging global consensus of shared international tax rules, the new Executive Regulations include provisions on such issues as the permanent establishment, definition and transfer pricing documentation requirements. Many domestic tax rules have also changed. The main changes introduced by the Income Tax Law and the Executive Regulations relate to:

- merger and amalgamation transactions;
- withholding tax sourcing rules and the refund process;
- loss carry-forward rules and Bad Debt deductions;
- capital gains tax (the "CGT"), including the deadline to file CGT tax returns;
- conditions to exempt Qatari shareholders and wholly/partially owned Qatari entities;
- administrative procedures, including registration, filing extensions and changes in accounting periods;
- head office and entertainment expense allowances;
- charitable contributions allowances, including zakat;
- thin capitalisation and other interest deductibility restrictions;

- tax paid-on-behalf of non-residents;
- deductibility of provisions, including end of service and leave provisions;
- fixed asset categories and accelerated depreciation rates;
- commissions paid to local agents;
- financial thresholds for filing a tax return;
- disclosures and attachments to the tax returns;
- process for conducting tax audits and assessments;
- objection and appeal processes;
- contract reporting procedures and associated penalties;
- anti-avoidance rules;
- related party disclosures and transfer pricing documentation requirements;
- methods of communication with the GTA, including through digital means; and
- instructions regarding the new electronic portal (Dhareeba).

On 2 February 2023, Qatar published amendments to the Income Tax Law by way of Law No. 11 of 2022. Law No. 11 of 2022 introduces changes that will impact the taxation and compliance obligations of taxpayers. The amendments decreed under Law No. 11 of 2022 encompass the scope of taxable activities, exemptions, noncompliance penalties, and powers of the General Tax Authority.

On 16 May 2023, Qatar published Council of Ministers Decision No. 3 of 2023, amending the Executive Regulations of the Income Tax Law. The amendments in the Executive Regulations include: (i) the expanded definition of permanent establishment in the Income Tax Law; (ii) a revised determination of taxable income for a permanent establishment; (iii) amendments to certain criteria for tax exemption; (iv) expanded powers of the General Tax Authority to collect information; and (v) new economic substance rules. The amended Executive Regulations are effective from 17 May 2023, the day after they were published in the Official Gazette.

No amendment is introduced on the withholding tax provisions in the Income Tax Law and Executive Regulations.

Money Supply

Since 2006, the money supply in Qatar has grown steadily, primarily as a result of significant increases in Government spending and an expansion of private sector credit, which has increased more than ten times within the period from 2007 to 2023. The expansion in private sector credit occurred despite the Government's implementation of a credit ratio and an increase in reserve requirements designed to moderate such credit expansion.

As of 31 December 2023, the narrow measure of money ("**M1**"), which comprises currency held by the public and deposits denominated in riyals of the private sector, government and semi-government institutions, decreased to QAR139.3 billion (U.S.\$38.2 billion), a 13.4 per cent. decrease from 31 December 2022. This led to a decrease of M1 domestic share in liquidity ("**M3**") to 17.0 per cent. in December 2023 compared to 19.5 per cent. in December 2022. As of 31 December 2023, currency in circulation decreased to QAR12.7 billion (U.S.\$3.5 billion) from QAR13.3 billion (U.S.\$3.6 billion) in December 2022. As of 31 December 2023, demand deposits decreased to QAR127.0 billion (U.S.\$34.7 billion) from QAR147.5 billion (U.S.\$40.5 billion) from December 2022. As of 31 December 2023, the broad measure of money ("**M2**"), which comprises M1 plus savings and time deposits denominated in riyals and foreign currency deposits of the private sector, government and semi-government institutions, increased to QAR722.7 billion (U.S.\$198.5 billion), an increase of 1.1 per cent. from the end of December 2022. Time deposits increased by 3.1 per cent. from the end of

December 2022 to QAR308.0 billion (U.S.\$84.6 billion) in December 2023. Foreign currency deposits increased by 8.0 per cent. from QAR255.0 billion (U.S.\$70.0 billion) in December 2022 to QAR275.5 billion (U.S.\$48.8. billion) in December 2023. Total quasi-money represented by time deposits and foreign currency deposits increased to QAR583.4 billion (U.S.\$160.2 billion) as of December 2023, a 5.4 per cent. increase from the end of December 2022.

The following table provides an overview of the money supply and sets forth certain liquidity indicators for Qatar as at 31 December 2021, 2022 and 2023.

	Foreign assets:		
	QCB		
	As at 31 December		
	2021	2022	2023
	<i>(QAR in millions, except as otherwise noted)</i>		
Assets ⁽¹⁾	153,508.0	172,479.9	201,784.5
Liabilities	(4,913.2)	(4,695.0)	(4,708.9)
QCB foreign assets (net)	148,594.8	167,784.9	197,075.6
Commercial banks:.....			
Assets	251,578.5	271,957.5	272,481.1
Liabilities	(716,923.1)	(668,543.2)	(657,601.4)
Commercial bank foreign assets (net)	(465,344.6)	(396,585.7)	(385,120.3)
Foreign assets (net).....	(316,749.8)	(228,800.8)	(188,044.7)
Domestic assets:			
Claims on Government:			
Claims ⁽²⁾	318,308.7	304,949.6	297,867.9
Deposits ⁽³⁾	(98,708.5)	(108,186.9)	(98,004.1)
Claims on Government (net)	219,600.2	196,762.7	199,863.8
Domestic credit: Claims on public enterprises ⁽⁴⁾	237,394.6	258,184.9	261,992.5
Claims on private sector ⁽⁵⁾	819,726.3	880,115.0	924,758.1
Total domestic credit.....	1,057,120.9	1,138,299.9	1,186,750.6
Other items (net)	(351,471.0)	(391,780.1)	(475,914.2)
Domestic assets (net)	925,250.1	943,282.5	910,700.2
Broad money:			
Money (M1):			
Currency in circulation.....	12,708.1	13,263.5	12,727.1
Demand deposits	135,611.3	147,488.8	126,523.9
Total money	148,319.4	160,752.3	139,251.0
Quasi-money:			
Savings and time deposits	282,466.2	298,751.2	307,919.0
Foreign currency deposits	177,714.7	254,978.3	275,485.5
Total quasi-money.....	460,180.9	553,729.5	583,404.5
Total broad money (M2)	608,500.3	714,481.8	722,655.5
Change (%):			
Foreign assets (net)	24.4	(27.8)	(17.8)
Domestic assets (net).....	8.3	2.0	(3.5)
Total broad money	1.4	17.4	1.1

Notes:

(1) Excludes the QCB's foreign currency deposits with local commercial banks.

(2) Includes Government borrowing on behalf of public enterprises in 2001.

(3) Includes foreign and local currency deposits.

(4) Non-financial sector enterprises with some Government ownership.

(5) Includes financial securities.

Sources: QCB and PSA

Liquidity

The QCB, on behalf of the Government, issues bonds, sukuk and T-bills to absorb domestic liquidity. As at 2 June 2024, Government domestic issuances included: QAR18.7 billion (U.S.\$5.1 billion) of T-bills denominated in local currency; QAR52.8 billion (U.S.\$14.5 billion) in sukuk and QAR64.5 billion (U.S.\$17.7 billion) in Government long-term bonds.

Banking System

Commercial Banks (Outside the QFC)

Commercial banks in Qatar consist of four conventional national banks, four Islamic banks that operate

according to Islamic *Shari'a* principles (including the Bank, which is 43.3 per cent. Government-owned as at 30 June 2024), one specialised bank, seven branches of foreign banks and one representative office.

The conventional national banks in Qatar are Qatar National Bank, Commercial Bank of Qatar, Doha Bank and Ahli Bank. The conventional banks accounted for 69.0 per cent. of total banking sector assets as at 31 December 2023.

One state-owned specialised bank, Qatar Development Bank accounted for 0.7 per cent. of the total assets in the banking sector as at 31 December 2023. Qatar Development Bank's main objective is to contribute to the development and diversification of economic and industrial investments in Qatar. Qatar Development Bank finances small and medium sized industrial projects and provides technical assistance and advice to industrialists for the implementation of their projects. Qatar Development Bank also provides consultancy services and financing for projects in the education, agriculture, fisheries, healthcare, animal resources and tourism sectors.

The Islamic banks in Qatar are Qatar Islamic Bank, Qatar International Islamic Bank, Masraf Al Rayan and the Bank. The Islamic banks account for 28.4 per cent. of market share by total assets as at 31 December 2023.

The seven foreign banks present in Qatar had a total of QAR37.1 billion (U.S.\$10.2 billion) in total assets as at 31 December 2023, equivalent to 1.9 per cent. of the total banking sector. The foreign banks in Qatar are Arab Bank, Bank Saderat Iran, BNP Paribas, HSBC, Mashreq Bank, Standard Chartered Bank and United Bank Limited.

Commercial banks are the primary financial institutions in Qatar, receiving deposits and providing credit and investment services, as well as foreign exchange and clearance services. The deposits made in Qatar's commercial banks are not insured as there is no deposit insurance scheme in Qatar.

There has recently been some consolidation in the Qatari banking sector. In April 2019, the Bank and IBQ announced the official completion of their legal merger. A further merger between Masraf Al Rayan and Al Khalij completed in November 2021.

In January 2024, Moody's changed the outlook on the Government to stable from positive and its long-term issuer and foreign currency senior unsecured debt ratings to "Aa2" from "Aa3". In April 2024, Fitch affirmed Qatar's long-term default rating and short-term default rating at "AA" and "F1+" respectively, citing its large sovereign net foreign assets, one of the world's highest ratios of GDP per capita, a flexible public finance structure and a favourable outlook for debt reduction. In November 2022, S&P upgraded Qatar's long-term sovereign credit rating to "AA/Stable" from "AA-" citing improvements in the Government's fiscal position. Qatar's short-term rating remains at "A-1+". There has been no change of S&P rating since November 2022.

The QCB requires commercial banks to maintain a total minimum CAR of 12.5 per cent. (including a capital conservation buffer but excluding the ICAAP capital charge) in accordance with the QCB's Basel III requirements. QCB had issued a circular in January 2014 introducing requirements in accordance with Basel III recommendations, which was updated by a circular (No. 33/2022) dated 13 October 2022, which has come into effect on 1 January 2024. Historically, commercial banks have complied with QCB capital adequacy requirements and, at the end of 2022, the average CAR of the sector was 19.3 per cent. compared with 19.2 per cent. in 2021, 18.8 per cent. in 2020 and 18.6 per cent. in 2019. At the end of 2022, Tier 1 average CAR for all banks was 18.1 per cent. compared with 18.0 per cent. in 2021, 17.6 per cent. in 2020 and 17.5 per cent. in 2019. As a result of challenging economic conditions, in May 2009, the QCB amended its methods for calculating its CAR. See "*Risk Factors—The Bank may be subject to increased capital requirements or standards due to new Governmental or regulatory requirements and changes in perceived levels of adequate capitalisation and may also need additional capital in the future due to worsening economic conditions*".

The QIA provided financial support to Qatar's financial sector as a response to the 2008-2009 global economic downturn and as a preventative measure to preserve the general stability of Qatar's banking sector. In late 2008 and early 2009, the QIA began making direct capital injections in Qatar's commercial banking sector through a plan to purchase equity ownership interests of up to 20.0 per cent. in all domestic banks listed on the QSE, excluding QNB. In line with the plan from 2009 through to

2011, the QIA through Qatar Holding LLC acquired equity positions ranging from 5.0 per cent. to 20 per cent. in various domestic banks, including the Commercial Bank, Qatar Islamic Bank, Ahli Bank and Doha Bank.

The amount of credit extended by commercial banks to the private sector grew at a CAGR of 7.5 per cent. from QAR646.7 billion (U.S.\$177.7 billion) at the end of 2019 to QAR863.8 billion (U.S.\$237.2 billion) at the end of 2023. As at 31 December 2023, consumer credit accounted for 20.6 per cent. of total private sector credit extended by commercial banks, while credit extended to other sectors amounted to: contractors & real estate, 19.7 per cent.; general trade, 21.1 per cent.; and other sectors, 38.6 per cent. of total private sector credit. In December 2023 compared with December 2022, the amount of consumer credit increased by 9.3 per cent., credit extended to the contractors & real estate sector decreased by 7.2 per cent., credit for general trade increased by 8.6 per cent. and credit to other sectors increased by 10.2 per cent.

The level of "non-performing" loans of all commercial banks was at 2.0 per cent. in 2020, increased to 2.4 per cent. in 2021 and increased to 3.7 per cent. in 2022. Under QCB regulations, non-performing loans are defined as those loans that meet one of the following conditions for at least three months: (i) the borrower is not able to meet its loan repayments and the loan is past due; (ii) other credit facilities of that borrower are past due; (iii) the existing credit limits granted to that borrower for its other credit facilities are not renewed; or (iv) a borrower exceeds its agreed credit limit by 10.0 per cent. or more without prior authorisation. Commercial banks in Qatar categorise non-performing loans into three groups: sub-standard, doubtful and bad. Sub-standard loans are those that have not performed for three or more months, doubtful loans are those that have not performed for six or more months, and bad loans are those that have not performed for nine or more months.

The following table summarises the CAR and the ratio of non-performing loans to total loans for the banking system as at 31 December 2020, 2021 and 2022.

	As at 31 December		
	2020	2021	2022
Capital adequacy ratio (%)	18.8	19.2	19.3
Non-performing loans/total loans (%)	2.0	2.4	3.7

Source: QCB

The following table sets out the distribution of commercial bank credit facilities as at 31 December 2021, 2022 and 2023.

	As at 31 December		
	2021	2022	2023
	(QAR in millions)		
Public Sector:			
Government.....	142,257.8	116,013.2	106,159.3
Government institutions	218,664.8	239,889.3	239,330.7
Semi-government institutions.....	18,729.8	18,295.5	22,661.8
Total public sector loans	379,652.4	374,198.1	368,151.7
Private sector:			
General trade	163,217.6	168,928.7	183,394.3
Contractors and Real Estate.....	202,943.3	227,049.9	210,714.9
Consumption	160,280.0	163,185.6	178,292.6
Other	240,379.9	264,404.1	291,395.9
Total private sector loans.....	766,820.8	823,568.3	863,797.7
Total domestic loans.....	1,146,473.2	1,197,766.3	1,231,949.5
Loans outside Qatar	69,969.3	58,257.3	55,985.1
Total loans.....	1,216,442.5	1,256,023.6	1,287,934.6

Source: QCB

Total commercial bank deposits grew at a CAGR of 3.8 per cent. from QAR849.1 billion (U.S.\$233.3

billion) at the end of 2019 to QAR985.9 billion (U.S.\$270.9 billion) at the end of 2023. As at 31 December 2023, deposits accounted for 50.1 per cent. of total commercial bank liabilities. Private sector deposits grew at a CAGR of 6.0 per cent. from 2019 to 2023. As at 31 December 2023, demand deposits accounted for 18.9 per cent. of total deposits, and time and savings deposits for 62.9 per cent. (the remaining 18.2 per cent. are the deposits of non-residents and are not classified according to their term). As at 31 December 2023, a total of 50.8 per cent. of deposits are local currency deposits and 31.0 per cent. are foreign currency (the remaining 18.2 per cent. are the deposits of non-residents and are not classified according to their currency).

The following table sets out the breakdown of commercial bank deposits as at 31 December 2021, 2022 and 2023.

	As at 31 December		
	2021	2022	2023
	(QAR in millions)		
Public Sector:			
By term and currency:			
In Qatari Riyal			
Demand deposits	31,094.1	32,455.9	29,217.5
Time and savings deposits	133,409.2	153,402.1	151,025.9
In foreign currencies.....			
Demand deposits	18,612.8	30,617.1	22,094.6
Time and savings deposits	105,559.4	131,863.6	140,295.7
By sector:			
Government	97,648.3	105,329.4	97,003.3
Government institutions	151,648.7	194,705.3	192,611.4
Semi-government institutions	39,378.5	48,304.0	53,019.0
Total public sector deposits	288,675.5	348,338.6	342,633.6
Private sector:			
By term and currency:			
In Qatari Riyal			
Demand deposits	111,236.8	120,413.4	102,550.3
Time and savings deposits	207,231.5	207,932.3	218,363.7
In foreign currencies.....			
Demand deposits	23,619.4	26,641.8	32,528.7
Time and savings deposits	62,677.3	103,221.4	110,855.4
By sector:			
Personal	219,268.3	228,818.2	246,382.9
Companies and institutions	185,496.7	229,390.6	217,915.1
Total private sector deposits	404,765.0	458,208.9	464,298.1
Total deposits:			
By currency:			
In Qatari Riyal	482,971.6	514,203.7	501,157.4
In foreign currencies	210,468.9	292,343.8	305,774.2
By term:			
Total demand deposits	184,563.1	210,128.2	186,391.1
Total time deposits	508,877.4	596,419.4	620,540.7
Non-resident deposits	280,669.0	192,595.2	179,051.9
Total deposits	974,109.5	999,142.8	985,983.7

Source: QCB

The total assets of commercial banks grew at a CAGR of 6.2 per cent. from 2019 to 2023. Domestic credit is the largest component of total assets and grew at a CAGR of 6.3 per cent. from 2019 to 2023. This strong credit growth spanned the private and public sectors and was driven by rapid economic growth, increasing private consumption and large allocations in government spending for major development projects.

The increase in the domestic investments of commercial banks has grown at a CAGR of 9.3 per cent. from the end of 2019 to the end of 2023. Domestic investments increased by 3.3 per cent. in the 12 months to 31 December 2023 to QAR264.0 billion (U.S.\$72.5 billion). Correspondingly, their share of total assets stabilised at 13.4 per cent. at the end of 2022 and remained at 13.4 per cent. at the end of 2023.

The following table sets forth the consolidated balance sheets of Qatari commercial banks as at 31 December 2021, 2022 and 2023.

As at 31 December

	2021	2022	2023
	(QAR in millions)		
Assets:			
Reserves:			
Cash	11,882.2	12,679.0	6,946.6
Balances with the QCB	81,201.5	72,473.1	74,727.9
Foreign assets:			
Cash	9,257.1	7,747.5	5,956.9
Claims on foreign banks.....	110,235.9	139,735.3	128,259.6
Foreign credit	69,969.3	58,257.3	55,985.1
Foreign investments	57,621.8	61,514.2	72,781.1
Domestic Assets:			
Due from Banks in Qatar.....	62,811.9	45,223.5	70,277.6
Domestic Credit	1,146,473.2	1,197,766.3	1,231,949.5
Domestic Investments	239,428.9	255,686.1	264,040.6
Fixed assets	7,464.9	8,225.2	8,376.6
Other Assets	26,579.8	40,957.0	40,548.1
Total assets.....	1,827,420.9	1,904,967.6	1,969,348.0
Liabilities:			
Foreign Liabilities:			
Non-resident deposits.....	280,669.0	192,595.2	179,051.9
Due to foreign banks	350,691.8	403,396.7	413,928.9
Debt securities.....	81,415.7	69,443.5	65,476.2
Other Liabilities	4,146.7	3,107.7	
Domestic Liabilities:			
Resident deposits.....	693,440.5	806,547.5	806,931.8
Due to domestic banks	61,907.8	47,385.8	81,975.5
Due to QCB.....	32,697.8	14,937.4	17,742.9
Debt securities.....	1,739.7	1,305.0	1,735.8
Margins	2,976.9	2,958.5	3,202.0
Capital accounts	172,932.9	183,245.1	190,673.8
Provisions.....	34,450.4	44,081.8	51,739.2
Other liabilities.....	110,351.7	135,963.4	157,745.6
Total liabilities.....	1,827,420.9	1,904,967.6	1,969,348.0

Source: QCB

SUMMARY OF THE PRINCIPAL TRANSACTION DOCUMENTS

The following is a summary of certain provisions of the principal Transaction Documents and is qualified in its entirety by reference to the detailed provisions of the principal Transaction Documents. Copies of the Transaction Documents will be available for inspection and/or collection (including by means of email distribution) at the offices of the Principal Paying Agent (as defined in the Conditions). Words and expressions defined elsewhere in this Base Offering Circular shall have the same meanings in this section.

Master Purchase Agreement, as supplemented by each Supplemental Purchase Agreement

The Master Purchase Agreement will be entered into on 7 August 2024 between the Trustee (in its capacity as purchaser, the "**Purchaser**") and the Bank (in its capacity as seller, the "**Seller**") and will be governed by the laws of Qatar. A Supplemental Purchase Agreement between the same parties will be entered into on the Issue Date of each Tranche and will also be governed by laws of Qatar.

Pursuant to each Supplemental Purchase Agreement, the Seller will irrevocably and unconditionally sell, transfer and assign to the Purchaser, and the Purchaser will purchase from the Seller all of: (i) (on the issue date of the first Tranche of a Series) the relevant Initial Assets and (ii) (on each date on which any additional Certificates are issued) the relevant Additional Assets, in each case, together with all of the Seller's rights, title, interests, benefits and entitlements, present and future, in, to and under such Initial Assets or Additional Assets, as the case may be.

Servicing Agency Agreement

The Servicing Agency Agreement will be entered into on 7 August 2024 between the Trustee and the Bank (in its capacity as servicing agent, the "**Servicing Agent**") and will be governed by English law.

Pursuant to the Servicing Agency Agreement, the Trustee will appoint the Servicing Agent to service the Wakala Portfolio relating to each Series. In particular, the Servicing Agent will, in relation to each Series, undertake to perform, amongst other things, the following services (the "**Services**") on behalf of the Trustee, during the Wakala Ownership Period:

- (a) it will service the Wakala Portfolio in accordance with the wakala services schedule (the "**Wakala Services Schedule**") (the form of which is set out in the Schedule to the Servicing Agency Agreement), which shall be completed by the Servicing Agent at the time of issue of the first Tranche of the relevant Series upon receipt from the Trustee of the relevant Supplemental Purchase Agreement;
- (b) if the Trustee issues an Additional Tranche, it shall as soon as practicable after such issuance amend the Wakala Services Schedule for that Series to take into account the issuance of such Additional Tranche;
- (c) it shall ensure that, at all times on or following the Issue Date of the first Tranche of a Series, the Tangibility Ratio of such Series shall be more than 50 per cent. and if, at any time, the Tangibility Ratio falls:
 - (i) to 50 per cent. or less (but is 33 per cent. or more), the Servicing Agent shall take any and all steps as may be required by the *Sharia* Supervisory Board of Dukhan Bank Q.P.S.C. to ensure such Tangibility Ratio is restored to more than 50 per cent. within the time period determined by the *Sharia* Supervisory Board of Dukhan Bank Q.P.S.C.; and
 - (ii) below 33 per cent. (such event, being a "**Tangibility Event**"), within 10 business days of the Servicing Agent becoming aware of the occurrence of the Tangibility Event, the Servicing Agent shall send a Tangibility Event Notice notifying the Trustee and the Delegate of such occurrence and requesting the Trustee to promptly deliver a notice to the Certificateholders (a "**Delisting Notice**") in accordance with Condition 20 (*Notices*), specifying:
 - (A) that a Tangibility Event has occurred, together with an explanation of the reasons for, and evidence of, such occurrence;

- (B) that, as determined in consultation with the *Sharia* Supervisory Board of Dukhan Bank Q.P.S.C., the Certificates should only be tradeable in accordance with the *Shari'a* principles of debt trading (such as the principle that debt is to be traded against tangible assets and/or eligible commodities on a spot settlement basis);
 - (C) that, on the Tangibility Event Delisting Date, the Certificates will be delisted from any stock exchange (if any) on which the Certificates have been listed and/or admitted to trading; and
 - (D) the Tangibility Event Put Right Period, during which period any Certificateholder shall have the right to require the redemption of all or any of its Certificates.
- (d) if at any time there are Wakala Portfolio Principal Revenues standing to the credit of the Principal Collection Account, to the extent that the Bank has Eligible Assets available for sale to the Trustee, the Servicing Agent may notify the Trustee:

that there are amounts standing to the credit of the Principal Collection Account which can be used by the Trustee for the purposes of purchasing the Eligible Assets as selected by the Bank (the "**New Wakala Assets**") (for a purchase price not greater than the Value of such Eligible Assets) (the "**New Wakala Asset Purchase Price**"); and
- (e) of the details and Value of the New Wakala Assets;
- (f) it shall do all acts and things (including execution of such documents, issue of notices and commencement of any proceedings) that it considers (and without the need for the consent of the Trustee) reasonably necessary to ensure the assumption of, and compliance with, by each Asset Obligor, its covenants, undertakings and other obligations under the Asset Contract(s) to which it is a party in accordance with the terms thereof and applicable law;
- (g) it shall discharge or procure the discharge of all obligations to be discharged by the Bank (in whatever capacity) in respect of all Asset Contracts relating to the Wakala Assets of each Series, it being acknowledged that the Servicing Agent may appoint one or more agents to discharge these obligations on its behalf;
- (h) it shall pay on behalf of the Trustee any costs, expenses, losses and taxes which would otherwise be payable by the Trustee as a result of the Trustee's ownership of the Wakala Portfolio, and such actual costs, expenses, actual losses and taxes shall be reimbursed in accordance with the terms of the Servicing Agency Agreement;
- (i) it shall use all reasonable endeavours to ensure the timely receipt of all Wakala Portfolio Revenues (if any), ensure proceeds of insurance (if any) be credited into the Principal Collection Account, investigate non-payment of Wakala Portfolio Revenues and generally make all reasonable efforts to collect or enforce the collection of such Wakala Portfolio Revenues as and when the same shall become due, given that the Wakala Portfolio Income Revenues in respect of each Wakala Distribution Period are expected to be equal to the expected return to be generated by the Wakala Portfolio on a periodic basis and shall record such Wakala Portfolio Revenues in the Collection Accounts in accordance with the terms of the Servicing Agency Agreement;
- (j) it shall maintain the Collection Accounts in accordance with the terms of the Servicing Agency Agreement;
- (k) it shall obtain all necessary licences, authorisations and consents in connection with any of the Wakala Assets and its obligations under or in connection with the Servicing Agency Agreement;
- (l) if any Wakala Asset comprised in the Wakala Portfolio of the relevant Series ceases to be an Eligible Asset (the occurrence of such event or circumstance being an "**Impaired Wakala Asset Event**"), it shall: (i) notify the Trustee of such event and provide details of the relevant Impaired Wakala Assets; and (ii) notify the Trustee of the availability (if any and as identified by the Bank), together with all necessary details, of any Eligible Assets available for the purpose of replacing the relevant Impaired Wakala Asset(s);

- (m) it shall use its best endeavours to ensure that all Wakala Assets comprising the Wakala Portfolio are insured in accordance with the terms of the relevant Asset Contracts; and
- (n) it shall carry out any incidental matters relating to any of the above.

The Servicing Agent shall provide the Services in accordance with all applicable laws and regulations and with the degree of skill and care that it would exercise in respect of its own assets and shall service the Wakala Portfolio relating to each Series in accordance with AAOFI *Shari'a* Standards as interpreted by the *Sharia* Supervisory Committee of Dukhan Bank Q.P.S.C..

Upon receipt of the notification from the Servicing Agent referred to in paragraph (d) above, the Trustee may pay, or procure the payment by the Servicing Agent of, the New Wakala Asset Purchase Price to, or to the order of, the Bank against the sale, transfer, assignment and conveyance to, or for the benefit of, the Trustee of all of the Bank's rights, title, interests, benefits and entitlements in, to and under the New Wakala Assets subject to the execution, and pursuant to and on the terms, of a Supplemental Purchase Agreement in the form set out in the Master Purchase Agreement. Such New Wakala Assets so acquired by or on behalf of the Trustee shall form part of the Wakala Portfolio, in respect of which the Bank shall provide certain representations and warranties on the date of such acquisition as set out in the Master Purchase Agreement.

The payment of the New Wakala Asset Purchase Price referred to above shall be effected by the creation of a ledger entry by the Servicing Agent (on behalf of the Trustee) debiting the amount of the New Wakala Asset Purchase Price from the Principal Collection Account which shall satisfy in full the Trustee's obligation under the relevant provision of the Servicing Agency Agreement.

The Servicing Agent will undertake, in relation to each Series, that: (a) it shall not take any steps during the Wakala Ownership Period that will result in the Wakala Portfolio not comprising any Wakala Assets at any time; and (b) it shall at all times during the Wakala Ownership Period maintain actual or constructive possession, custody or control of all of the Wakala Assets comprising the Wakala Portfolio.

The parties to the Servicing Agency Agreement will agree and confirm that the Servicing Agent shall have no investment agency responsibilities (including any discretionary investment responsibilities with respect to monies received by it pursuant to the Transaction Documents or any discretionary substitution of a Wakala Asset), and shall not undertake any investment activities, in each case with respect to its appointment as agent of the Trustee under the Servicing Agency Agreement and is not permitted to trade in the Wakala Assets.

The Servicing Agent shall be entitled to receive a fee for acting as Servicing Agent which will comprise a fixed fee of U.S.\$100 (the receipt and adequacy of which will be acknowledged by the Servicing Agent under the Servicing Agency Agreement) and may also receive incentive payments as described below.

In relation to each Series, the Servicing Agent will maintain the Income Collection Account, the Principal Collection Account and the Reserve Account in its books (each of which shall be denominated in the Specified Currency) in which all Wakala Portfolio Revenues will be recorded. All Wakala Portfolio Revenues in relation to each Series will be recorded:

- (a) to the extent that any such amounts comprise Wakala Portfolio Income Revenues, in the Income Collection Account; and
- (b) to the extent that any such amounts comprise Wakala Portfolio Principal Revenues, in the Principal Collection Account.

Amounts standing to the credit of the Income Collection Account relating to each Series will be applied by the Servicing Agent on each "**Wakala Distribution Determination Date**" (being the Payment Business Day immediately preceding each Periodic Distribution Date under the Certificates of the relevant Series) in the following order of priority:

- (a) *first*, in payment to the Bank or any relevant third party of any amounts advanced by it to the Trustee by way of a Liquidity Facility;
- (b) *second*, in payment to the Servicing Agent of any due but unpaid Servicing Agency Liabilities Amounts in respect of the Wakala Distribution Period ending immediately before the immediately following "**Wakala Distribution Date**" (being the date which corresponds with the relevant

Periodic Distribution Date under the Certificates of the relevant Series) and (if applicable) any Servicing Agency Liabilities Amounts for any previous Wakala Distribution Period that remain unpaid;

- (c) *third*, in payment into the relevant Transaction Account of an amount equal to the lesser of the Required Amount payable on the immediately following Periodic Distribution Date and the balance of the Income Collection Account; and
- (d) *fourth*, in the case of any amounts still standing to the credit of the Income Collection Account immediately following payment of all of the above amounts by debiting from the Income Collection Account and crediting to the Reserve Account such amounts.

If, there is a shortfall on a Wakala Distribution Determination Date (after payment into the Transaction Account of the relevant amount as described above) between (i) the amount standing to the credit of the Transaction Account; and (ii) the Required Amount payable on the immediately following Periodic Distribution Date (the difference between such amounts being referred to as a "**Shortfall**"), amounts standing to the credit of the Reserve Account (if any) shall be applied by the Servicing Agent by payment into the Transaction Account on that Wakala Distribution Determination Date of an amount equal to the Shortfall (or such lesser amount as is then standing to the credit of the Reserve Account). If, following payment of amounts standing to the credit of the Reserve Account as described above, a Shortfall remains on any Wakala Distribution Determination Date, the Bank may either (A) provide *Shari'a*-compliant funding to the Trustee itself, or (B) procure the provision to the Trustee of *Shari'a*-compliant funding from a third party, in each case, to the extent necessary to ensure that the Trustee receives, on each Wakala Distribution Determination Date, the Required Amount payable by it in accordance with the Conditions of the relevant Series on the immediately following Periodic Distribution Date, by payment of the same into the Transaction Account and on terms that such funding is to be settled (i) from Wakala Portfolio Income Revenues, or (ii) on the relevant Dissolution Date (such funding in relation to a Series, a "**Liquidity Facility**").

The Servicing Agent will be entitled to deduct amounts standing to the credit of the Reserve Account at any time during the Wakala Ownership Period and to use such amounts for its own account, **provided that** such amounts shall be repaid by it if so required to fund a Shortfall.

The Servicing Agent will agree in the Servicing Agency Agreement that all payments by it under the Servicing Agency Agreement must be made in the Specified Currency and without any withholding, retention or deduction for, or on account of, any taxes unless required by law and without set-off or counterclaim of any kind. If there is any such withholding, retention or deduction, the Servicing Agent will pay all additional amounts as will result in the receipt by the Trustee of such net amounts as would have been receivable by it if no withholding, retention or deduction had been made.

The Servicing Agent will undertake in the Servicing Agency Agreement that any payment obligations of the Servicing Agent under the Servicing Agency Agreement will be direct, unconditional, unsubordinated and unsecured obligations of the Servicing Agent and shall (save for such exceptions as may be provided by applicable legislation), rank at least *pari passu* with all other present and future unsecured and unsubordinated obligations of the Bank.

Purchase Undertaking

The Purchase Undertaking will be executed as a deed on 7 August 2024 by the Bank in favour of the Trustee and the Delegate, and will be governed by English law.

In relation to each Series, the Bank will irrevocably grant to the Trustee and the Delegate (in each case, for and on behalf of the Certificateholders) each of the following rights:

- (a) **provided that** a Dissolution Event has occurred and is continuing, to require the Bank to purchase on the Dissolution Event Redemption Date all of the Trustee's rights, title, interests, benefits and entitlements in, to and under the Wakala Assets comprised in the Wakala Portfolio applicable to such Series at the Exercise Price specified in the relevant Exercise Notice;
- (b) to require the Bank to purchase, on the Scheduled Dissolution Date, all of the Trustee's rights, title, interests, benefits and entitlements in, to and under the Wakala Assets comprised in the Wakala Portfolio applicable to such Series at the Exercise Price specified in the relevant Exercise Notice;

- (c) **provided that** (i) Certificateholder Put Right is specified as applicable in the applicable Pricing Supplement (and Optional Dissolution Right is specified as not applicable in each applicable Pricing Supplement) and (ii) one or more Certificateholders have exercised the Certificateholder Put Right in accordance with the Conditions, to require the Bank to purchase on the Certificateholder Put Right Date all of the Trustee's rights, title, interests, benefits and entitlements, present and future, in, to and under the Certificateholder Put Right Wakala Assets at the Certificateholder Put Right Exercise Price specified in the relevant Exercise Notice;
- (d) **provided that** (i) a Tangibility Event has occurred and (ii) one or more Certificateholders have exercised the Tangibility Event Put Right in accordance with the Conditions, to require the Obligor to purchase on the Tangibility Event Put Right Date all of the Trustee's rights, title, interests, benefits and entitlements, present and future, in, to and under the Tangibility Event Put Right Wakala Assets at the Tangibility Event Put Right Exercise Price specified in the relevant Exercise Notice; and
- (e) **provided that** the Trustee has received notice, or otherwise becomes aware, of the occurrence of an Impaired Wakala Asset Event in accordance with the terms of the Purchase Undertaking or the Servicing Agency Agreement, to require the Bank to sell, transfer, assign and convey to the Trustee on the relevant Replacement Date all of the Bank's rights, title, interests, benefits and entitlements, present and future, in, to and under the New Wakala Assets against the assignment, sale, transfer and conveyance to the Bank of all of the Trustee's rights, title, interests, benefits and entitlements, present and future, in, to and under the Impaired Wakala Assets, subject to certain conditions set out in the Purchase Undertaking,

in each case, on an "as is" basis but free and clear of any adverse claim (without any warranty express or implied and if any warranty is implied by law, it shall be excluded to the fullest extent permitted by law) and otherwise on the terms and subject to the conditions of the Purchase Undertaking.

Following payment in full of the Exercise Price, the Certificateholder Put Right Exercise Price or the Tangibility Event Put Right Exercise Price, as the case may be, in accordance with the Purchase Undertaking (or an indemnity equal to the Exercise Price, the Certificateholder Put Right Exercise Price or the Tangibility Event Put Right Exercise Price, as the case may be), the Bank undertakes to enter into a Sale Agreement with the Trustee.

The Bank will covenant and undertake in the Purchase Undertaking that:

- (a) if, at the time of delivery of an Exercise Notice in accordance with the provisions of the Purchase Undertaking, Dukhan Bank Q.P.S.C. remains in actual or constructive possession, custody or control of all or any part of the Wakala Assets comprising the Wakala Portfolio, the Certificateholder Put Right Wakala Assets or the Tangibility Event Put Right Wakala Assets, as the case may be; and
- (b) if, following delivery of an Exercise Notice in accordance with the provisions of the Purchase Undertaking, the relevant Exercise Price, Certificateholder Put Right Exercise Price or Tangibility Event Put Right Exercise Price, as the case may be, is not paid in accordance with the provisions of the Purchase Undertaking for any reason whatsoever,

the Bank shall (as an independent, severable and separately enforceable obligation) fully indemnify (on an after tax basis) the Trustee for the purpose of redemption in full of the outstanding Certificates or the relevant Certificates to be redeemed on the Certificateholder Put Right Date or the Tangibility Event Put Right Date, as the case may be, and, accordingly, the amount payable under any such indemnity claim will equal the relevant Exercise Price, the Certificateholder Put Right Exercise Price or the Tangibility Event Put Right Exercise Price, as the case may be. Payment of an amount equal to the relevant Exercise Price, the Certificateholder Put Right Exercise Price or the Tangibility Event Put Right Exercise Price, as the case may be, into the Transaction Account in accordance with the Purchase Undertaking shall evidence the acceptance and conclusion of the transfer and conveyance of the Trustee's title, rights, interests, benefits and entitlements, present and future, in, to and under the Wakala Assets comprising the Wakala Portfolio, the Certificateholder Put Right Wakala Assets or the Tangibility Event Put Right Wakala Assets, as the case may be.

The Bank will agree in the Purchase Undertaking that all payments by it under the Purchase Undertaking must be made in the Specified Currency and without any withholding, retention or deduction for, or on account of, any taxes unless required by law and without set-off or counterclaim of any kind. If there is any such withholding, retention or deduction, the Bank will pay all additional amounts as will result in the receipt by the Trustee of such net amounts as would have been receivable by it if no withholding, retention or deduction had been made.

The Bank will undertake in the Purchase Undertaking that any payment obligations of the Bank under the Purchase Undertaking are and will be direct, unconditional, unsubordinated and (subject to the negative pledge provisions described in Condition 7 (*Obligor Negative Pledge*)) unsecured obligations of the Bank and shall (save for such exceptions as may be provided by applicable legislation), rank at least *pari passu* with all other present and future unsubordinated and unsecured obligations of the Bank from time to time outstanding.

Sale and Substitution Undertaking

The Sale and Substitution Undertaking will be executed as a deed on 7 August 2024 by the Trustee in favour of the Bank and will be governed by English law.

In relation to each Series, the Trustee will irrevocably grant to the Bank each of the following rights:

- (a) **provided that** a Tax Event has occurred, to require the Trustee to sell, assign, transfer and convey to the Bank on the Early Tax Dissolution Date specified in the relevant Exercise Notice all of the Trustee's rights, title, interests, benefits and entitlements, present and future, in, to and under the Wakala Assets comprised in the Wakala Portfolio applicable to such Series at the Exercise Price specified in the relevant Exercise Notice;
- (b) **provided that** Optional Dissolution Right is specified as applicable in each applicable Pricing Supplement (and Certificateholder Put Right is specified as not applicable in each applicable Pricing Supplement), to require the Trustee to sell, assign, transfer and convey to the Bank on the Optional Dissolution Date all of the Trustee's rights, title, interests, benefits and entitlements, present and future, in, to and under the Optional Dissolution Wakala Assets at the Optional Dissolution Exercise Price specified in the relevant Exercise Notice, **provided that** the Optional Dissolution Wakala Assets are of a Value which is not greater than the aggregate face amount of the Optional Dissolution Certificates less the Optional Dissolution Proportion of the aggregate amount of Deferred Payment Price (which, for such purpose shall exclude all Murabaha Profit Amounts forming part of such Deferred Payment Price) then outstanding (if any);
- (c) following delivery of the Registered Certificate(s) representing the cancelled Certificates to the Registrar for cancellation pursuant to Condition 9(i) (*Cancellation*), to require the Trustee to assign, transfer and convey to the Bank on the cancellation date all of the Trustee's rights, title, interests, benefits and entitlements, present and future, in, to and under the cancellation Wakala Assets subject to certain conditions (including no Dissolution Event or Tangibility Event has occurred and is continuing) set out in the Sale and Substitution Undertaking;
- (d) at its discretion, to require the Trustee to assign, transfer and convey to the Bank on the substitution date all of the Trustee's rights, title, interests, benefits and entitlements, present and future, in, to and under, the substituted Wakala Assets against the sale, assignment, transfer and conveyance to the Trustee of all of Bank's rights, title, interests, benefits and entitlements, present and future, in, to and under, the new Wakala Assets subject to certain conditions set out in the Sale and Substitution Undertaking; and
- (e) if 75 per cent. or more of the aggregate face amount of Certificates of such Series then outstanding have been redeemed pursuant to Condition 9, to require the Trustee to sell, assign, transfer and convey to the Bank on the Clean Up Call Dissolution Date all of the Trustee's rights, title, interests, benefits and entitlements, present and future, in, to and under the Wakala Assets comprised in the Wakala Portfolio applicable to such Series at the Exercise Price specified in the relevant Exercise Notice,

in each case, on an "as is" basis but free and clear of any adverse claim (without any warranty express or implied and if any warranty is implied by law, it shall be excluded to the fullest extent permitted by law) and otherwise on the terms and subject to the conditions of the Sale and Substitution Undertaking.

Master Murabaha Agreement

The Master Murabaha Agreement will be entered into on 7 August 2024 between the Trustee (in its capacity as seller, the "**Commodity Seller**"), the Bank (in its capacity as buyer, the "**Commodity Buyer**") and the Delegate and will be governed by English law.

Pursuant to the Master Murabaha Agreement, and in connection with each relevant Tranche of Certificates, the Commodity Seller may enter into a Commodity Murabaha Investment with the Commodity Buyer using a portion of the issue proceeds of the relevant Tranche (being no more than 45 per cent. of the aggregate issue price of the Certificates of that Tranche). In accordance with the Master Murabaha Agreement, on receipt of a duly completed Notice of Request to Purchase from the Commodity Buyer, the Commodity Seller (acting through the Commodity Agent) may purchase the relevant Commodities on the relevant Issue Date from a commodity supplier on a spot basis at the relevant Commodity Purchase Price.

Upon completion of the purchase of the Commodities by the Commodity Seller and the Commodity Seller gaining title thereto and (actual or constructive) possession thereof, the Commodity Seller may deliver to the Commodity Buyer a duly completed Offer Notice (with a copy to the Commodity Agent and the Delegate) by no later than 1.00 p.m. (London time) (or such other time as may be agreed in writing by the Commodity Buyer and the Commodity Seller) on the relevant Issue Date.

Provided that the Commodity Buyer has received the Offer Notice delivered to it in accordance with the terms of the Master Murabaha Agreement and wishes to enter into a Murabaha Contract, the Commodity Buyer will accept the terms of, countersign and deliver to the Commodity Seller such Offer Notice and purchase the relevant Commodities acquired by the Commodity Seller for the relevant Deferred Payment Price (to be paid in the amounts and on the dates as specified in the Offer Notice, as may be adjusted in accordance with the terms of the Master Murabaha Agreement), in each case no later than 2.00 p.m. (London time) (or such other time as may be agreed between the Commodity Buyer and the Commodity Seller) on the relevant Issue Date.

As soon as the Commodity Buyer has accepted the Commodity Seller's offer by countersigning the relevant Offer Notice, a Murabaha Contract shall be created between the Commodity Seller and the Commodity Buyer upon the terms of the Offer Notice and incorporating the terms and conditions set out in the Master Murabaha Agreement and ownership (including, without limitation, the right of ownership from a *Shari'a* perspective) of and, upon the Commodity Buyer obtaining actual or constructive possession of the relevant Commodities, all risks in and to the relevant Commodities shall immediately pass to and be vested in the Commodity Buyer, together with all rights and obligations relating thereto.

The Commodity Buyer will agree in the Master Murabaha Agreement that all payments by it under the Master Murabaha Agreement must be made in the Specified Currency and without any withholding, retention or deduction for, or on account of, any taxes unless required by law and without set-off or counterclaim of any kind and, in such case, the Commodity Buyer will pay all additional amounts as will result in the receipt by the Commodity Seller of such net amounts as would have been receivable by it if no withholding, retention or deduction had been made.

The Commodity Buyer has undertaken in the Master Murabaha Agreement that any payment obligations of the Commodity Buyer under the Master Murabaha Agreement will be direct, unconditional, unsubordinated and (subject to the negative pledge provisions described in Condition 7 (*Obligor Negative Pledge*)) unsecured obligations of the Commodity Buyer and shall (save for such exceptions as may be provided by applicable legislation), rank at least *pari passu* with all other present and future unsubordinated and unsecured obligations of the Commodity Buyer.

Trust Deed

The Master Trust Deed will be entered into on 7 August 2024 between, *inter alios*, the Bank, the Trustee and the Delegate and will be governed by English law. A Supplemental Trust Deed between the same parties shall be entered into on the Issue Date of each Tranche and shall also be governed by English law.

Upon issue of a Series of Certificates, the Master Trust Deed as supplemented by each relevant Supplemental Trust Deed shall together constitute the Trust declared by the Trustee in relation to such Series (the Master Trust Deed as supplemented by each relevant Supplemental Trust Deed for each Series being referred to herein as the "**Trust Deed**").

The Trust Assets in respect of each Series shall comprise:

- (a) the cash proceeds of the issue of Certificates, pending application thereof in accordance with the terms of the Transaction Documents;
- (b) any and all of the rights, title, interest, benefits and entitlements, present and future of the Trustee in, to and under the Wakala Portfolio;
- (c) any and all of the rights, title, interest, benefits and entitlements, present and future of the Trustee in, to and under the Transaction Documents (other than in relation to the Excluded Representations and the covenant given to the Trustee pursuant to clause 13.1 of the Master Trust Deed);
- (d) any and all moneys standing to the credit of the Transaction Account from time to time; and
- (e) all proceeds of the foregoing.

Pursuant to the relevant Trust Deed, the Trustee will, in relation to each Series of Certificates, amongst other things, hold the relevant Trust Assets on trust absolutely for the Certificateholders of such Series *pro rata* according to the face amount of Certificates held by each Certificateholder and act as trustee in respect of the Trust Assets, distribute the income from the Trust Assets and perform its duties in accordance with the provisions of the relevant Trust Deed.

Pursuant to the Master Trust Deed, the Trustee will, by way of security for the performance of all covenants, obligations and duties of the Trustee to the Certificateholders under the relevant Trust Deed, irrevocably and unconditionally appoint the Delegate to be its delegate and attorney and in its name, on its behalf and as its act and deed to:

- (a) execute, deliver and perfect all documents; and
- (b) exercise all of the present and future powers (including the power to sub-delegate), rights, authorities (including, but not limited to, the authority to request directions from any Certificateholders and the power to make any determinations to be made under the Transaction Documents) and discretions vested in the Trustee by the Trust Deed and the Certificates,

that the Delegate may consider to be necessary or desirable in order to, upon the occurrence of a Dissolution Event or Potential Dissolution Event, and subject to its being indemnified and/or secured and/or prefunded to its satisfaction, (i) exercise all of the rights, powers, authorities and discretions of the Trustee under the Purchase Undertaking and any of the other Transaction Documents and (ii) make such distributions from the relevant Trust Assets as the Trustee is bound to make in accordance with the Conditions and the Trust Deed (together the "**Delegation**" of the "**Relevant Powers**"), **provided that** (a) no obligations, duties, liabilities or covenants of the Trustee pursuant to the Trust Deed or any other Transaction Document shall be imposed on the Delegate by virtue of the Delegation; (b) in no circumstances will such Delegation of the Relevant Powers result in the Delegate holding on trust or managing the Trust Assets; and (c) such Delegation of the Relevant Powers shall not include any duty, power, trust, right, authority or discretion to dissolve any of the trusts constituted by the Trust Deed following the occurrence of a Dissolution Event or Potential Dissolution Event or to determine the remuneration of the Delegate. The Trustee has undertaken in the Master Trust Deed to ratify and confirm all things done and all documents executed by the Delegate in the exercise of all or any of its powers pursuant to the Delegation.

The Delegation is to be made by the Trustee to the Delegate for the benefit of the Delegate and the Certificateholders, subject to the terms of the Conditions and the Trust Deed.

In addition to the Delegation of the Relevant Powers, certain powers, rights, authorities and discretions under the Master Trust Deed will be vested solely in the Delegate, including, amongst other things, the power to convene and conduct meetings at the request of Certificateholders, to determine whether a certain event is, in its opinion, materially prejudicial to the interests of the Certificateholders so as to qualify as a Trustee Event or Obligor Event, and the powers set out in Condition 13 (*Dissolution Events*) to decide,

pursuant to the provisions therein, whether the Certificates should become immediately due and payable subject to and in accordance with Condition 13 (*Dissolution Events*) and the power to consent to certain types of amendments to any Transaction Document or the memorandum and articles of association of the Trustee, in each case as more particularly described in the Master Trust Deed.

The Bank has covenanted and undertaken in the Master Trust Deed, among other things, as follows:

- (a) that it shall forthwith notify the Delegate and the Trustee in writing of any Dissolution Event (and the steps, if any, being taken to remedy it) and/or Potential Dissolution Event and Tangibility Event (and provide a description of such Tangibility Event), in each case promptly upon becoming aware of its occurrence.
- (b) The Bank has acknowledged in the Master Trust Deed that the Obligor Events applicable to it are set out in full in the Conditions, that it is fully aware of and understands the terms thereof and that the occurrence thereof and that the occurrence of an Obligor Event shall constitute a Dissolution Event for the purposes of the Conditions.

The Bank will covenant and undertake in the Master Trust Deed that:

- (a) if, at the time of delivery of an Exercise Notice in accordance with the provisions of the Purchase Undertaking, Dukhan Bank Q.P.S.C. remains in actual or constructive possession, custody or control of all or any part of the Wakala Assets comprising the Wakala Portfolio, the Certificateholder Put Right Wakala Assets or the Tangibility Event Put Right Wakala Assets, as the case may be; and
- (b) if, following delivery of an Exercise Notice in accordance with the provisions of the Purchase Undertaking, the relevant Exercise Price, Certificateholder Put Right Exercise Price or Tangibility Event Put Right Exercise Price, as the case may be, is not paid in accordance with the provisions of the Purchase Undertaking for any reason whatsoever,

the Bank shall (as an independent, severable and separately enforceable obligation) fully indemnify (on an after tax basis) the Trustee for the purpose of redemption in full of the outstanding Certificates, the Certificateholder Put Right Certificates or the Tangibility Event Put Right Certificates, as the case may be, and, accordingly, the amount payable under any such indemnity claim will equal the relevant Exercise Price, the Certificateholder Put Right Exercise Price or the Tangibility Event Put Right Exercise Price, as the case may be.

Payment of an amount equal to the Exercise Price, the Certificateholder Put Right Exercise Price or the Tangibility Event Put Right Exercise Price, as the case may be, into the Transaction Account in accordance with the Purchase Undertaking shall (i) evidence the acceptance by the Bank of the Exercise Notice delivered in accordance with the provisions of the Purchase Undertaking and the conclusion of the transfer of the Trustee's title, rights, interests, benefits and entitlements in, to and under the Wakala Assets comprising the Wakala Portfolio, the Certificateholder Put Right Wakala Assets or the Tangibility Event Put Right Wakala Assets, as the case may be, and (ii) constitute full discharge of the obligation of the Bank to pay the Exercise Price, the Certificateholder Put Right Exercise Price or the Tangibility Event Put Right Exercise Price, as the case may be, to the Trustee (for the benefit of the Certificateholders).

The Bank will covenant and undertake in the Master Trust Deed that if, in relation to a Murabaha Contract, the outstanding Deferred Payment Price is not paid on the relevant Dissolution Date in accordance with the provisions of the Master Murabaha Agreement for any reason whatsoever, The Bank shall (as an independent, severable and separately enforceable obligation) fully indemnify (on an after tax basis) the Trustee for the purpose of redemption of the outstanding Certificates of such Series, and the amount payable under any such indemnity claim will equal the Deferred Payment Price.

In addition, in the event that the Trustee fails to comply with any obligation to pay additional amounts pursuant to Condition 11 (*Taxation*), the Bank has covenanted and undertaken in the Master Trust Deed that it will unconditionally and irrevocably (irrespective of the payment of any fee), as a continuing obligation, pay to or to the order of the Delegate (for the benefit of the Certificateholders) such net amounts as are necessary so that the amount receivable by the Delegate (after any such withholding, retention or deduction for or on account of tax) equals any and all additional amounts required to be paid by it in respect of the Certificates pursuant to Condition 11 (*Taxation*).

If and to the extent the Trustee has exercised its rights under Condition 21 (*Further Issues*) to issue additional Certificates in respect of a Series, on the date of issue of such additional Certificates, the Trustee will execute a Declaration of Commingling of Assets for and on behalf of the holders of the existing Certificates and the holders of such additional Certificates so created and issued, declaring that the Additional Assets (as defined in the relevant Declaration of Commingling of Assets) and the Wakala Assets comprised in the Wakala Portfolio as in existence immediately prior to the creation and issue of the additional Certificates and, if applicable, each Commodity Murabaha Investment made pursuant to the Master Murabaha Agreement (and all rights arising under or with respect thereto) in respect of the relevant Series, are commingled and shall collectively comprise part of the Trust Assets for the benefit of the holders of the existing Certificates and the holders of such additional Certificates as tenants in common *pro rata* according to the face amount of Certificates held by each Certificateholder, in accordance with the Master Trust Deed.

Agency Agreement

The Agency Agreement will be entered into on 7 August 2024 in relation to the Certificates between, amongst others, the Trustee, the Bank the Delegate, the Principal Paying Agent and the Registrar. The Agency Agreement will govern the arrangements between the Trustee and the agents named therein for the issuance of Certificates and the making of payments in respect thereof. The Agency Agreement will be governed by English law.

Shari'a Compliance

Each Transaction Document to which it is a party provides that each of BBG Sukuk Ltd and Dukhan Bank Q.P.S.C. agrees that it has accepted the *Shari'a*-compliant nature of the Transaction Documents to which it is a party and, to the extent permitted by law, further agrees that:

- (a) it shall not claim that any of its obligations under the Transaction Documents to which it is a party (or any provision thereof) is *ultra vires* or not compliant with the principles of *Shari'a*;
- (b) it shall not take any steps or bring any proceedings in any forum to challenge the *Shari'a* compliance of the Transaction Documents to which it is a party; and
- (c) none of its obligations under the Transaction Documents to which it is a party shall in any way be diminished, abrogated, impaired, invalidated or otherwise adversely affected by any finding, declaration, pronouncement, order or judgment of any court, tribunal or other body that the Transaction Documents to which it is a party are not compliant with the principles of *Shari'a*.

For these purposes:

"Asset Contract(s)" means a Financing Contract and/or any other contract(s), agreement(s), or document(s) evidencing or otherwise related to or associated with a Wakala Asset, as the case may be;

"Asset Obligor" means a Lessee, an Other Tangible Asset Obligor and/or any other person that is a party to an Asset Contract (other than the Bank or any party acting on behalf of the Bank) who is obliged to make payments thereunder, as the context so requires;

"Certificateholder Put Right Exercise Price" means, in relation to each relevant Series, an amount equal to the aggregate of:

- (a) the aggregate face amount of the relevant Certificates to be redeemed on the Certificateholder Put Right Date; plus
- (b) an amount equal to all accrued and unpaid Periodic Distribution Amounts (if any) relating to the relevant Certificates; plus
- (c) if all of the Certificates of such Series are being redeemed in full, to the extent not previously satisfied in accordance with the Servicing Agency Agreement, an amount equal to the sum of any outstanding (i) amounts payable in respect of any Liquidity Facility; and (ii) due but unpaid Servicing Agency Liabilities Amounts; plus

- (d) without double counting or duplication, if all of the Certificates of such Series are being redeemed in full, to the extent not previously satisfied, an amount representing any amounts payable by the Trustee (in any capacity) under the Transaction Documents to which it is a party (including but not limited to all amounts due but unpaid to the Delegate pursuant to Condition 5(b)(i) (*Application of Proceeds from Trust Assets*) **provided that**, in the case of any amounts payable pursuant to Condition 5(b)(i), the Obligor has received notification from the Delegate of such amounts by not later than the third Business Day prior to the date on which the Exercise Notice is delivered); plus
- (e) without double counting or duplication, any other amounts payable in relation to the relevant Certificates as specified in the applicable Pricing Supplement; less
- (f) if a Commodity Murabaha Investment forms part of the relevant Series, the applicable portion of the aggregate amounts of Deferred Payment Price outstanding on the Certificateholder Put Right Date which has been paid into the Transaction Account in accordance with the terms of the Master Murabaha Agreement;

"Designated Area" means:

- (a) the investment areas designated in the State of Qatar where, pursuant to the Decision of the Council of Ministers No. 28 of 2020 issued pursuant to Law No.16 of 2018, as may be amended or supplemented from time to time, or any relevant resolution or decision issued pursuant thereto from time to time, a non-Qatari person may have a right of ownership or own a renewable 99 year usufruct right over the relevant real estate; and
- (b) any other real estate in the State of Qatar, from time to time, in respect of which the Trustee may own freehold title or a usufruct right under the laws of the State of Qatar;

"Eligible Asset" means a Financing Asset or an Other Tangible Asset:

- (a) in respect of which: (i) the Bank is generating cashflows under the related Asset Contract(s) relating to an activity which does not conflict with the principles of *Shari'a*; and (ii) the relevant Asset Obligor under the related Asset Contract(s) is not in breach of its payment obligations in respect of that Asset Contract;
- (b) which has been acquired or originated and is held or owned by or on behalf of the Seller in a manner consistent with its usual credit and origination and/or investment policies;
- (c) in respect of which the obligations contained in the related Asset Contract(s) entered into by the Asset Obligor thereof constitute legal, valid, binding and (subject to the laws of bankruptcy and other laws affecting enforceability generally) enforceable obligations of the Asset Obligor under the governing law of that Asset Contract and any related transaction documents and in the jurisdiction in which such Asset Obligor is located;
- (d) in respect of which the Seller is entitled to receive all payments due or proceeds of sale (as the case may be) under the relevant Financial Assets or Other Tangible Assets;
- (e) in respect of which there has not occurred any acceleration or analogous event under the related Asset Contract(s);
- (f) in respect of which there has not occurred any event of default (howsoever described), which is subsisting, acceleration, total loss, destruction, expropriation or analogous event; and
- (g) which is being sold, assigned and/or transferred, as applicable, by the Seller to the Purchaser in accordance with the terms set out in the Master Purchase Agreement and all applicable laws;

"Exercise Price" means, in relation to each Series, an amount equal to the aggregate of:

- (a) the aggregate face amount of the Certificates then outstanding on the relevant Dissolution Date; plus
- (b) an amount equal to all accrued and unpaid Periodic Distribution Amounts (if any) relating to such Certificates; plus

- (c) to the extent not previously satisfied in accordance with the Servicing Agency Agreement, an amount equal to the sum of any outstanding (i) amounts payable in respect of any Liquidity Facility; and (ii) due but unpaid Servicing Agency Liabilities Amounts; plus
- (d) without double counting or duplication, to the extent not previously satisfied, an amount representing any amounts payable by the Trustee (in any capacity) under the Transaction Documents (including but not limited to all amounts due but unpaid to the Delegate pursuant to Condition 5(b)(i) (*Application of Proceeds from Trust Assets*) **provided that**, in the case of any amounts payable pursuant to Condition 5(b)(i), the Obligor has received notification from the Delegate of such amounts by not later than the third Business Day prior to the date on which the Exercise Notice is delivered); plus
- (e) without double counting or duplication, any other amounts payable on redemption of the Certificates as specified in the applicable Pricing Supplement; less
- (f) if a Commodity Murabaha Investment forms part of the relevant Series, the aggregate amounts of Deferred Payment Price outstanding on the relevant Dissolution Date which have been paid into the Transaction Account in accordance with the terms of the Master Murabaha Agreement;

"Financing Asset" means a Real Estate Financing Asset or a Non-Real Estate Financing Asset, as the case may be;

"Financing Contract" means a Real Estate Financing Contract or a Non-Real Estate Financing Contract, as the case may be;

"Lessee" means a Real Estate Financing Lessee or a Non-Real Estate Financing Lessee, as the case may be;

"Non-Real Estate Financing Asset" means a tangible asset, other than a Real Estate Financing Asset or any Restricted Vehicles, in relation to which the Bank or any person on its behalf has entered into a Non-Real Estate Financing Contract (and includes all rights, titles, interests, benefits and entitlements, present and future, of the Non-Real Estate Financing Lessor under such Non-Real Estate Financing Contract);

"Non-Real Estate Financing Contract" means (a) an ijara contract entered into by the Bank or any person on its behalf (the **"Non-Real Estate Financing Lessor"**) and another person (the **"Non-Real Estate Financing Lessee"**) pursuant to which the Non-Real Estate Financing Lessor leases a tangible asset (other than a real estate asset or any Restricted Vehicles) to the Non-Real Estate Financing Lessee, and in respect of which lease payments are due from the Non-Real Estate Financing Lessee to the Non-Real Estate Financing Lessor, including any other agreements or documents associated with that contract; or (b) any arrangement similar in economic effect to that described in item (a) (and the terms "Non-Real Estate Financing Lessor" and "Non-Real Estate Financing Lessee" shall be construed accordingly);

"Optional Dissolution Exercise Price" means, in relation to each relevant Series, an amount equal to the aggregate of:

- (a) the aggregate face amount of the relevant Certificates to be redeemed on the Optional Dissolution Date; plus
- (b) an amount equal to all accrued and unpaid Periodic Distribution Amounts (if any) relating to the relevant Certificates; plus
- (c) if all of the Certificates of such Series are being redeemed in full, to the extent not previously satisfied in accordance with the Servicing Agency Agreement, an amount equal to the sum of any outstanding (i) amounts payable in respect of any Liquidity Facility; and (ii) due but unpaid Servicing Agency Liabilities Amounts; plus
- (d) without double counting or duplication, if all of the Certificates of such Series are being redeemed in full, to the extent not previously satisfied, an amount representing any amounts payable by the Trustee (in any capacity) under the Transaction Documents to which it is a party (including but not limited to all amounts due but unpaid to the Delegate pursuant to Condition 5(b)(i) (*Application of Proceeds from Trust Assets*) **provided that**, in the case of any amounts payable pursuant to

Condition 5(b)(i), the Bank has received notification from the Delegate of such amounts by not later than the third Business Day prior to the date on which the Exercise Notice is delivered); plus

- (e) without double counting or duplication, any other amounts payable on redemption of the relevant Certificates as specified in the applicable Pricing Supplement; less
- (f) if a Commodity Murabaha Investment forms part of the relevant Series, the applicable portion of the aggregate amounts of Deferred Payment Price outstanding on the Optional Dissolution Date which has been paid into the Transaction Account in accordance with the terms of the Master Murabaha Agreement;

"Other Tangible Asset" means any tradable (including from a *Shari'a* perspective) *Shari'a* compliant income-generating asset (including, without limitation, any tradable sukuk), other than (i) a Financing Asset; (ii) equity security; (iii) any real estate asset not located in a Designated Area; or (iv) any Restricted Vehicle, that has associated with it underlying tangible assets or asset portfolios and is originated, held or owned by the Seller in accordance with AAOFI *Shari'a* Standards as interpreted by *Sharia* Supervisory Committee of Dukhan Bank Q.P.S.C.;

"Real Estate Financing Asset" means a real estate asset located in a Designated Area (excluding the cities of Makkah and Medina) in relation to which the Bank or any person on its behalf has entered into a Real Estate Financing Contract (and includes that Real Estate Financing Contract and all rights, title, interests, benefits and entitlements, present and future, of the Real Estate Financing Lessor under such Real Estate Financing Contract);

"Real Estate Financing Contract" means (a) an ijara contract entered into by the Bank or any person on its behalf (the **"Real Estate Financing Lessor"**) and another person (the **"Real Estate Financing Lessee"**) pursuant to which the Real Estate Financing Lessor leases a real estate asset located in a Designated Area to the Real Estate Financing Lessee, and in respect of which payments are due from the Real Estate Financing Lessee to the Real Estate Financing Lessor, including any other agreements or documents associated with that contract; or (b) any arrangement similar in economic effect to that described in item (a) (and the terms **"Real Estate Financing Lessor"** and **"Real Estate Financing Lessee"** shall be construed accordingly);

"Restricted Vehicles" means an asset comprising a vehicle which, pursuant to Law No. (19) of 2007 as amended by Qatar Law No. 16 of 2015, may not be registered in the name of a foreign entity;

"Tangibility Event Put Right Exercise Price" means, in relation to each relevant Series, an amount equal to the aggregate of:

- (a) the aggregate face amount of the Tangibility Event Put Right Certificates; plus
- (b) an amount equal to all accrued and unpaid Periodic Distribution Amounts (if any) relating to the Tangibility Event Put Right Certificates; plus
- (c) if all of the Certificates of a Series are being redeemed, to the extent not previously satisfied in accordance with the Servicing Agency Agreement, an amount equal to the sum of any outstanding (i) amounts payable in respect of any Liquidity Facility; and (ii) due but unpaid Servicing Agency Liabilities Amounts; plus
- (d) without double counting or duplication, if all of the Certificates of such Series are being redeemed, to the extent not previously satisfied, an amount representing any amounts payable by the Trustee (in any capacity) under the Transaction Documents (including but not limited to all amounts due but unpaid to the Delegate pursuant to Condition 5(b)(i) (*Application of Proceeds from Trust Assets*) **provided that**, in the case of any amounts payable pursuant to Condition 5(b)(i), the Obligor has received notification from the Delegate of such amounts by not later than the third Business Day prior to the date on which the Exercise Notice is delivered); plus
- (e) without double counting or duplication, any other amounts payable in relation to the Tangibility Event Put Right Certificates as specified in the applicable Pricing Supplement; less
- (f) if a Commodity Murabaha Investment forms part of the relevant Series, the Tangibility Event Put Right Proportion of the aggregate amounts of Deferred Payment Price outstanding on the

Tangibility Event Put Right Date which has been paid into the Transaction Account in accordance with the terms of the Master Murabaha Agreement;

"Wakala Distribution Period" means, in relation to a Series, the period beginning on (and including) the Issue Date of the first Tranche of such Series and ending on (but excluding) the first Wakala Distribution Date and each successive period beginning on (and including) a Wakala Distribution Date and ending on (but excluding) the next succeeding Wakala Distribution Date, each such period also being a Periodic Distribution Period; and

"Wakala Ownership Period" means, in relation to each Series, the period commencing on the Issue Date of the first Tranche of such Series and ending on the date on which all of the Certificates of that Series are redeemed in full.

TAXATION

The following is a general description of certain Qatar, the Cayman Islands and certain other tax considerations relating to the Certificates. It does not purport to be a complete analysis of all tax considerations relating to the Certificates, whether in those jurisdictions or elsewhere, nor does it address the considerations that are dependent on individual circumstances. Prospective purchasers of Certificates should consult their own tax advisers as to which countries' tax laws could be relevant to acquiring, holding and disposing of Certificates and receiving payments under the Certificates and the consequences of such actions under the tax laws of those countries. This summary is based upon the law as in effect on the date of this Base Offering Circular and is subject to any change in law that may take effect after such date.

Cayman Islands

The following is a discussion on certain Cayman Islands tax consequences of an investment in the Certificates. The discussion is a general summary of present law, which is subject to prospective and retroactive change. It is not intended as tax advice, does not consider any investor's particular circumstances and does not consider tax consequences other than those arising under Cayman Islands law.

Under existing Cayman Islands laws, payments on Certificates to be issued will not be subject to taxation in the Cayman Islands and no withholding will be required on the payments to any holder of the Certificates, nor will gains derived from the disposal of the Certificates be subject to Cayman Islands income or corporation tax. The Cayman Islands currently has no income, corporation or capital gains tax and no estate duty, inheritance or gift tax.

The Trustee has received an undertaking from the Governor in Cabinet of the Cayman Islands, pursuant to the Tax Concessions Act (As Revised) of the Cayman Islands, that for a period of 20 years from 9 June 2015 no law which is enacted in the Cayman Islands imposing any tax to be levied on profits, income, gains or appreciation shall apply to the Trustee or its operations and, in addition, that no tax to be levied on profits, income, gains or appreciations or which is in the nature of estate duty or inheritance tax shall be payable on or in respect of the shares, debentures or other obligations (which includes the Certificates) of the Trustee or by way of the withholding in whole or part of any relevant payment as defined in the Tax Concessions Act (As Revised). No capital or stamp duties are levied in the Cayman Islands on the issue or redemption of Certificates. However, an instrument transferring title to any Certificates, if brought to or executed in the Cayman Islands, would be subject to Cayman Islands stamp duty. An annual registration fee is payable by the Trustee to the Cayman Islands Registrar of Companies which is calculated by reference to the face amount of its authorised capital. At current rates, this annual registration fee is U.S.\$1,006.10. The foregoing is based on current law and practice in the Cayman Islands and this is subject to change therein.

Qatar

This general description of taxation in Qatar is based upon: (a) Law No. 24 of 2018 on Income Tax (the "**Qatar Tax Law**") which has recently replaced Law No. 21 of the year 2009 on income tax; (b) the Cabinet Resolution No. 39 of 2019 issuing the Executive Regulations of Qatar Tax Law (the Executive Regulations of the Income Tax Law issued in June 2011 under the Previous Qatar Tax Law (the "**Current Executive Regulations**")); (c) Circular No. 14 of 2019 and other circulars issued by the General Tax Authority; (d) the published practices that have been adopted and applied by the General Tax Authority in Qatar (previously the Qatar Taxes Department and Public Revenues and Taxes Department), each as in effect on the date of this Base Offering Circular. This general description is subject to any subsequent change in Qatar Tax Law, regulations and practice that may come into force after such date.

Under the Qatar Tax Law, tax is imposed on income derived from a source in Qatar. Income derived from a source in Qatar includes gross income arising from an activity carried on in Qatar, contracts wholly or partially performed in Qatar and real estate situated in Qatar and gross income from shares in companies resident in Qatar including capital gains arising on the disposal of such shares. The gross income of Qatari natural persons resident in Qatar, including their shares in the profits of legal entities, is exempt from Qatar tax as is the capital gains (i) on the disposal of real estate and securities derived by natural persons, **provided that** the real estate and securities so disposed of do not form part of the assets of a taxable activity and (ii) arising from the revaluation of assets that are used as in-kind contribution to the capital of another shareholding company resident in Qatar provided these shares are at nominal value and are not sold for five years. Natural or legal persons deemed subject to income tax in Qatar will either pay tax at the standard

rate of 10 per cent. on the net taxable income or the tax will be withheld at source from the gross payment to be made.

A withholding tax applies to certain payments made to "non-residents" (as defined in the Qatar Tax Law) in respect of activities not connected with a permanent establishment in Qatar. Particularly, the Qatar Tax Law specifies a withholding tax rate of 5 per cent. on payments of interest or profit. The Executive Regulations provide for certain exemptions to withholding tax on interest or profit payments. These exemptions are: (i) interest or profit on deposits in banks in Qatar; (ii) interest or profit on bonds and securities issued by Qatar and public authorities, establishments, corporations and companies owned wholly or partly by Qatar; (iii) interest or profit on transactions, facilities and loans or financings with banks and financial institutions; and (iv) interest or profit paid by a permanent establishment in Qatar to the head office or to an entity related to the head office outside Qatar.

The provisions of the Qatar Tax Law and the Executive Regulations apply to profit payments made under Islamic financial instruments (including sukuk and certificates).

The profit payments received by the Trustee from the Bank, acting in any capacity, under the Purchase Undertaking, the Sale and Substitution Undertaking, the Servicing Agency Agreement or Master Murabaha Agreement, will be exempt from withholding tax, under (iii) above, on the basis that the Bank qualifies as a "bank and financial institution".

There is no stamp duty, capital gains tax or sales tax applicable in Qatar (however, unless specifically exempt under the Qatar Tax Law, gains of a capital nature are treated as income and taxed at the same rate as income).

Foreign Account Tax Compliance Act

Pursuant to certain provisions of the U.S. Internal Revenue Code of 1986, commonly known as FATCA, a foreign financial institution (as defined by FATCA) may be required to withhold on certain payments it makes ("**foreign pass thru payments**") to persons that fail to meet certain certification, reporting, or related requirements. The Trustee may be a foreign financial institution for these purposes. A number of jurisdictions have entered into, or have agreed in substance to, intergovernmental agreements with the United States to implement FATCA ("**IGAs**"), which modify the way in which FATCA applies in their jurisdictions. Under the provisions of IGAs as currently in effect, a foreign financial institution in an IGA jurisdiction would generally not be required to withhold under FATCA or an IGA from payments that it makes. Certain aspects of the application of the FATCA provisions and IGAs to instruments such as Certificates, proposed regulations have been issued that provide that including whether withholding would ever be required pursuant to FATCA or an IGA with respect to payments on instruments such as Certificates, are uncertain and may be subject to change. Even if withholding would be required pursuant to FATCA or an IGA with respect to payments on instruments such as Certificates, such withholding would not apply prior to the date that is two years after the date on which final regulations defining foreign pass thru payments are published in the U.S. Federal Register. In the preamble to the proposed regulations, the U.S. Treasury Department indicated that taxpayers may rely on these proposed regulations until the issuance of final regulations. Additionally, Certificates characterised as debt (or which are not otherwise characterised as equity and have a fixed term) for U.S. federal tax purposes that are issued on or prior to the date that is six months after the date on which final regulations defining foreign pass thru payments are filed with the U.S. Federal Register generally would be grandfathered for purposes of FATCA withholding unless materially modified after such date. However, if additional Certificates (as described under "*Terms and Conditions of the Certificates— Condition 21 (Further Issues)*") that are not distinguishable from previously issued Certificates are issued after the expiration of the grandfathering period and are subject to withholding under FATCA, then withholding agents may treat all Certificates, including the Certificates offered prior to the expiration of the grandfathering period, as subject to withholding under FATCA. Holders should consult their own tax advisers regarding how these rules may apply to their investment in the Certificates. In the event any withholding would be required pursuant to FATCA or an IGA with respect to payments on the Certificates, no person will be required to pay additional amounts as a result of the withholding.

The proposed financial transactions tax (FTT)

On 14 February 2013, the European Commission published a proposal (the "**Commission's Proposal**") for a Directive for a common FTT in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria,

Portugal, Slovenia and Slovakia (the "**participating Member States**"). However, Estonia has since stated that it will not participate.

The Commission's Proposal has very broad scope and could, if introduced, apply to certain dealings in Certificates (including secondary market transactions) in certain circumstances. The issuance and subscription of Certificates should, however, be exempt.

Under the Commission's Proposal the FTT could apply in certain circumstances to persons both within and outside of the participating Member States. Generally, it would apply to certain dealings in Certificates where at least one party is a financial institution, and at least one party is established in a participating Member State. A financial institution may be, or be deemed to be, "established" in a participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a participating Member State.

However, the FTT proposal remains subject to negotiation between the participating Member States. It may therefore be altered prior to any implementation, the timing of which remains unclear. Additional EU Member States may decide to participate.

Prospective holders of Certificates are advised to seek their own professional advice in relation to the FTT.

SUBSCRIPTION AND SALE

The Dealers have, in an amended and restated programme agreement dated 7 August 2024 (such programme agreement as modified and/or supplemented and/or restated from time to time, the "**Programme Agreement**"), agreed with the Trustee and the Bank a basis upon which they or any of them may from time to time agree to purchase Certificates.

In accordance with the terms of the Programme Agreement, each of the Trustee and the Bank has agreed to reimburse the Dealers for certain of their expenses in connection with the establishment and any future update of the Programme and the issue of Certificates under the Programme and to indemnify the Dealers against certain liabilities incurred by them in connection therewith.

The Dealers are entitled in certain circumstances to be released and discharged from their obligations under the Programme Agreement prior to the Issue Date of the relevant issue of the Certificates, including in the event that certain conditions precedent are not delivered or met to their satisfaction on the relevant Issue Date. In this situation, the issuance of the Certificates may not be completed. Investors will have no rights against the Trustee, the Bank or the Dealers in respect of any expense incurred or loss suffered in these circumstances.

United States

Each Dealer has acknowledged and agreed that the Certificates have not been and will not be registered under the Securities Act and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S.

Each Dealer has represented and agreed that, and each further Dealer appointed under the Programme will be required to represent and agree that, it has not offered or sold the Certificates and each Dealer has agreed that, and each further Dealer appointed under the Programme will be required to agree that, it will not offer or sell any Certificates (i) as part of their distribution at any time or (ii) otherwise until 40 days after the completion of the distribution of all Certificates of the Tranche of which such Certificates are a part, within the United States or to, or for the account or benefit of, U.S. persons.

The Certificates are being offered and sold outside the United States to non-U.S. persons in reliance on Regulation S.

Each Dealer has also agreed that, at or prior to confirmation of sale of Certificates, it will have sent to each distributor, dealer or person receiving a selling concession, fee or other remuneration that purchases Certificates from it during the distribution compliance period a confirmation or notice to substantially the following effect:

"The Securities covered hereby have not been and will not be registered under the U.S. Securities Act of 1933 (the "**Securities Act**"), and may not be offered, sold or delivered within the United States or to, or for the account or benefit of, U.S. persons (i) as part of their distribution at any time or (ii) otherwise until 40 days after the completion of the distribution of the Securities as determined and certified by the relevant Dealer, in the case of a non-syndicated issue, or the Lead Manager, in the case of a syndicated issue, and except in either case in accordance with Regulation S under the Securities Act. Terms used above have the meanings given to them by Regulation S."

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it, its affiliates or any persons acting on its or their behalf have not engaged and will not engage in any directed selling efforts with respect to any Certificate, and it and they have complied and will comply with the offering restrictions requirement of Regulation S.

In addition, until 40 days after the commencement of the offering of the Certificates, an offer or sale of the Certificates within the United States by a dealer that is not participating in the offering may violate the registration requirements of the Securities Act.

Public Offer Selling Restriction under the Prospectus Regulation

In relation to each Member State of the EEA (each, a "**Member State**"), each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not made and will not make an offer of Certificates which are the subject of the offering contemplated by this Base Offering Circular as completed by the applicable Pricing Supplement in relation thereto to the public in that Member State except that it may make an offer of such Certificates to the public in that Member State:

- (a) at any time to any legal entity which is a qualified investor as defined in the Prospectus Regulation;
- (b) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Regulation), subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Trustee and the Bank for any such offer; or
- (c) at any time in any other circumstances falling within Article 1(4) of the Prospectus Regulation,

provided that no such offer of Certificates referred to in paragraphs (a) to (c) above shall require the Trustee, the Bank or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation.

For the purposes of this provision, the expression "**an offer of Certificates to the public**" in relation to any Certificates in any Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Certificates to be offered so as to enable an investor to decide to purchase or subscribe for the Certificates.

UK

Public Offer Selling Restriction under the UK Prospectus Regulation

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not made and will not make an offer of Certificates which are the subject of the offering contemplated by this Base Offering Circular as completed by the applicable Pricing Supplement in relation thereto to the public in the UK except that it may make an offer of such Certificates to the public in the UK:

- (a) at any time to any legal entity which is a qualified investor as defined in Article 2 of the UK Prospectus Regulation;
- (b) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in Article 2 of the UK Prospectus Regulation) in the UK, subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Trustee and the Bank for any such offer; or
- (c) at any time in any other circumstances falling within section 86 of the FSMA,

provided that no such offer of Certificates referred to in paragraphs (a) to (c) above shall require the Trustee, the Bank or any Dealer to publish a prospectus pursuant to Section 85 of the FSMA or supplement a prospectus pursuant to Article 23 of the UK Prospectus Regulation.

For the purposes of this provision, the expression "**an offer of Certificates to the public**" in relation to any Certificates means the communication in any form and by any means of sufficient information on the terms of the offer and the Certificates to be offered so as to enable an investor to decide to purchase or subscribe for the Certificates.

Other regulatory restrictions

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

- (a) in relation to any Certificates which have a maturity of less than one year: (a) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business; and (b) it has not offered or sold and will not

offer or sell any Certificates other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or as agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the Certificates would otherwise constitute a contravention of Section 19 of the FSMA by the Trustee;

- (b) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of any Certificates in circumstances in which Section 21(1) of the FSMA does not apply to the Trustee or the Bank; and
- (c) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Certificates in, from or otherwise involving the UK.

State of Qatar (including the Qatar Financial Centre)

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or delivered and will not offer, sell or deliver, directly or indirectly, any Certificates in Qatar (including the Qatar Financial Centre), except (i) in compliance with all applicable laws and regulations of Qatar (including the Qatar Financial Centre); and (ii) through persons or corporate entities authorised and licensed to provide investment advice and/or engage in brokerage activity and/or trade in respect of foreign securities in Qatar (including the Qatar Financial Centre).

Each Dealer acknowledges, and each further Dealer appointed under the Programme will be required to acknowledge that this Base Offering Circular (i) has not been, and will not be, registered with or approved by the Qatar Financial Markets Authority, the Qatar Central Bank, the Qatar Stock Exchange or the Qatar Financial Centre Regulatory Authority and may not be publicly distributed in the State of Qatar (including the Qatar Financial Centre); (ii) is intended for the original recipient only and must not be provided to any other person; and (iii) is not for general circulation in the State of Qatar (including the Qatar Financial Centre) and may not be reproduced or used for any other purpose.

Japan

The Certificates have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended; the "FIEA"). Accordingly, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not, directly or indirectly, offered or sold Certificates, and will not, directly or indirectly, offer or sell any Certificates in Japan or to, or for the benefit of, any resident of Japan (as defined under Item 5, Paragraph 1, Article 6 of the Foreign Exchange and Foreign Trade Act (Act No. 228 of 1949, as amended)), or to others for re-offering or resale, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEA and any other applicable laws, regulations and ministerial guidelines of Japan.

State of Kuwait

Each Dealer has represented and agreed that the Certificates have not been and will not be offered, marketed and/or sold by it in the State of Kuwait, except through a licenced person duly authorised to undertake such activity pursuant to Law No. 7 of 2010 Concerning the Establishment of the Capital Markets Authority and Regulating of Securities Activities and its executive bylaws (each as amended) (the "CML Rules") and unless all necessary approvals from the Kuwait Capital Markets Authority pursuant to the CML Rules, together with the various resolutions, regulations, directives and instructions issued pursuant thereto or in connection therewith (regardless of nomenclature or type), or any other applicable law or regulation in the State of Kuwait, have been given in respect of the offering, marketing and/or sale of the Certificates.

Singapore

Each Dealer has acknowledged that this Base Offering Circular has not been and will not be registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered or sold any Certificates or caused such Certificates to be made the subject of an

invitation for subscription or purchase, and will not offer or sell such Certificates or cause such Certificates to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Base Offering Circular or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of such Certificates, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor (as defined in Section 4A of the Securities and Futures Act 2001 of Singapore, as modified and amended from time to time ("the SFA") pursuant to Section 274 of the SFA or (ii) to an accredited investor (as defined in Section 4A of the SFA) pursuant to and in accordance with the conditions specified in Section 275 of the SFA.

Hong Kong

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

- (a) it has not offered or sold and will not offer or sell in Hong Kong by means of any document any Certificates other than (a) to "**professional investors**" as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong (the "**SFO**") and any rules made thereunder, or (b) in other circumstances which do not result in the document being a "**prospectus**" as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong (the "**C(WUMP)O**") or which do not constitute an offer to the public within the meaning of the C(WUMP)O; and
- (b) it has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Certificates which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to the Certificates which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the SFO and any rules made under the SFO.

Kingdom of Saudi Arabia

No action has been or will be taken in the Kingdom that would permit a public offering of the Certificates. Any Saudi Investor who acquires any Certificates pursuant to an offering should note that the offer of Certificates is a private placement under Article 8 of the "Rules on the Offer of Securities and Continuing Obligations" as issued by the CMA resolution number 3-123-2017 dated 27 December 2017, as amended by CMA resolution number 3-6-2024 dated 5/7/1445H (corresponding to 17 January 2024), (the "**KSA Regulations**"), made through a capital market institution licensed to carry out arranging activities by the CMA and following a notification to the CMA under Article 10 of the KSA Regulations.

The Certificates may thus not be advertised, offered or sold to any person in the Kingdom other than to "institutional and qualified clients" under Article 8(a)(1) of the KSA Regulations or by way of a limited offer under Article 9, or as otherwise required or permitted by, the KSA Regulations. Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that any offer of Certificates made by it to a Saudi Investor will be made in compliance with Article 10 and either Article 8(a)(1) or Article 9 of the KSA Regulations.

Each offer of Certificates shall not therefore constitute a "public offer", an "exempt offer" or a "parallel market offer" pursuant to the KSA Regulations, but is subject to the restrictions on secondary market activity under Article 14 of the KSA Regulations.

United Arab Emirates (excluding the Dubai International Financial Centre)

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that the Certificates to be issued under the Programme have not been and will not be offered, sold or publicly promoted or advertised by it in the United Arab Emirates (excluding the Dubai International Financial Centre) other than in compliance with any laws applicable in the United Arab Emirates (excluding the Dubai International Financial Centre) governing the issue, offering and sale of securities.

Dubai International Financial Centre

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered and will not offer the Certificates to be issued under the Programme to any person in the Dubai International Financial Centre unless such offer is:

- (a) an "**Exempt Offer**" in accordance with the Markets Rules (MKT Module) of the Dubai Financial Services Authority (the "**DFSA**") rulebook; and
- (b) made only to persons who meet the Professional Client criteria set out in Rule 2.3.3 of the Conduct of Business Module of the DFSA rulebook.

Kingdom of Bahrain

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered or sold, and will not offer or sell any Certificates except on a private placement basis to persons in the Kingdom of Bahrain who are "accredited investors".

For this purpose, an "**accredited investor**" means:

- (a) an individual holding financial assets (either singly or jointly with a spouse) of U.S.\$1,000,000 or more (excluding that person's principal place of residence);
- (b) a company, partnership, trust or other commercial undertaking which has financial assets available for investment of not less than U.S.\$1,000,000;
- (c) a government, supranational organisation, central bank or other national monetary authority or a state organisation whose main activity is to invest in financial instruments (such as a state pension fund); or
- (d) any other entity which is an "accredited investor" as defined in the Central Bank of Bahrain Rulebook.

Cayman Islands

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not made and will not make any offer or invitation (whether directly or indirectly) to the public in the Cayman Islands to subscribe for any Certificates.

Malaysia

Each Dealer has acknowledged, and each further Dealer appointed under the Programme will be required to acknowledge, that this Base Offering Circular has not been registered as a prospectus with the Securities Commission of Malaysia under the CMSA. Accordingly, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that the Certificates have not been and will not be offered, sold or delivered, and no invitation to subscribe for or purchase the Certificates has been or will be made, directly or indirectly, nor may any document or other material in connection therewith be distributed in Malaysia, other than to persons falling within any one of the categories of persons specified under Part I of Schedule 6 or Section 229(1)(b), Part I of Schedule 7 or Section 230(1)(b), and Schedule 8 or Section 257(3), read together with Schedule 9 or Section 257(3) of the CMSA, subject to any law, order, regulation or official directive of the Central Bank of Malaysia, the Securities Commission of Malaysia and/or any other regulatory authority from time to time.

General

These selling restrictions may be modified by the agreement of the Trustee, the Bank and the Dealers following a change in a relevant law, regulation or directive. Any such modification will be set out in the applicable Pricing Supplement issued in respect of the issue of Certificates to which it relates or in a supplement to this Base Offering Circular.

Each Dealer has agreed, and each further Dealer appointed under the Programme will be required to agree, that it will (to the best of its knowledge and belief) comply in all material respects with all applicable

securities laws and regulations in force in any jurisdiction in which it purchases, offers, sells or delivers Certificates or possesses or distributes this Base Offering Circular and neither the Trustee, the Bank, the Delegate nor any of the other Dealers shall have any responsibility therefor.

None of the Trustee, the Bank, the Delegate and the Dealers represents that (i) Certificates may at any time lawfully be sold in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to any exemption available thereunder, or assumes any responsibility for facilitating any such sale; or (ii) any action has been, or will be taken in any jurisdiction that would permit a public offering of any Certificates, or possession or distribution of this Base Offering Circular or any other offering material or any applicable Pricing Supplement, in any country or jurisdiction where action for that purpose is required.

GENERAL INFORMATION

Admission to Trading

Application has been made to the London Stock Exchange for Certificates issued under the Programme during the 12 months from the date of this Base Offering Circular to be admitted to trading on the ISM. The ISM is not a regulated market within the meaning of MiFID II or UK MiFIR. The ISM is a market designated for professional investors. Certificates admitted to trading on the ISM are not admitted to the Official List of the Financial Conduct Authority. The London Stock Exchange has not approved or verified the contents of this Base Offering Circular.

Certificates may also be issued on the basis that they will not be admitted to listing, trading and/or quotation by any competent authority, stock exchange and/or quotation system or that they will be admitted to listing, trading and/or quotation by such other or further competent authorities, stock exchanges and/or quotation systems as may be agreed with the Trustee and the Bank.

Legal Entity Identifier

The Trustee's legal entity identifier (LEI) code is 549300URWP4TDNWJXN62. The Bank's legal entity identifier (LEI) code is 254900QN4LRSP4RV8D17.

Authorisation

The update of the Programme and the issuance of Certificates thereunder was duly authorised by a resolution of the Board of Directors of the Trustee dated 6 August 2024. Each of the Trustee and the Bank has obtained or will obtain from time to time all necessary consents, approvals and authorisations in connection with the update of the Programme and the issue and performance of the Certificates and the entry into and performance of the Transaction Documents to which it is a party. The entry into the Transaction Documents to which it is a party was authorised by a resolution of the board of directors of the Bank dated 15 July 2024 and a resolution of the shareholders of the Bank dated 20 March 2024.

Significant or Material Change

There has been no significant change in the financial performance or financial position of the Bank or the Group since 30 June 2024 and there has been no material adverse change in the prospects of the Bank or the Group since 31 December 2023.

There has been no significant change in the financial performance or financial position, or material adverse change in the prospects of the Trustee since the date of its incorporation.

Litigation

None of the Trustee, the Bank or any other member of the Group is or has been involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Trustee or the Bank is aware) in the 12 months preceding the date of this Base Offering Circular which may have or has had in the recent past significant effects on the financial position or profitability of the Trustee, the Bank or the Group.

Website

Other than in relation to the documents which are deemed to be incorporated by reference (see "*Documents Incorporated by Reference*"), the information on the websites to which this Base Offering Circular refers does not form part of this Base Offering Circular.

Clearing Systems

Certificates are expected to be accepted for clearance through the Euroclear and Clearstream, Luxembourg (which are the entities in charge of keeping the records). The Common Code, the International Securities Identification Number (ISIN) and (where applicable) the identification number for any other relevant clearing system for each Tranche of Certificates will be set out in the applicable Pricing Supplement.

The address of Euroclear is 1 Boulevard du Roi Albert II, B-1210 Brussels, Belgium and the address of Clearstream, Luxembourg is 42 Avenue JF Kennedy, L-1855 Luxembourg. The address of any alternative clearing system will be specified in the Pricing Supplement. The address of any alternative clearing system will be specified in the applicable Pricing Supplement.

Documents Available

For the period of 12 months following the date of this Base Offering Circular, copies of the following documents (and English translations where the documents in question are not in English) will, when published, be available inspection from the registered office of the Trustee and from the specified office of the Principal Paying Agent for the time being in London (or upon receipt of satisfactory proof of holding, delivered via email):

- (a) the Master Trust Deed;
- (b) the constitutional documents of the Trustee and the Bank;
- (c) the 2023 Financial Statements and the 2022 Financial Statements;
- (d) the Interim Financial Statements; and
- (e) this Base Offering Circular together with any supplement to this Base Offering Circular or further Base Offering Circular.

The documents listed above will also be available on <https://www.dukhanbank.com/>.

Independent Auditors

The independent auditors of the Bank for the years ended 31 December 2022 and 2023 were Ernst & Young (Qatar Branch) of P.O Box 164, Building No. 36, T-03 Abdulla Bin Thani Street, Doha Design District, Msheireb Downtown, Doha, Qatar. Ernst & Young (Qatar Branch) is a firm registered with the Ministry of Commerce and Industry. EY has audited in accordance with International Standards on Auditing, and rendered unmodified audit reports on the Bank's consolidated financial statements as at and for the years ended 31 December 2022 and 31 December 2023.

The current independent auditor of the Bank is PricewaterhouseCoopers – Qatar Branch of P.O.Box: 6689, Doha, Qatar, who have reviewed the 2024 Interim Financial Statements which are incorporated by reference in this Base Offering Circular.

The 2024 Interim Financial Statements incorporated by reference into this Base Offering Circular have been reviewed by PricewaterhouseCoopers – Qatar Branch in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of the 2024 Interim Financial Statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable PricewaterhouseCoopers – Qatar Branch to obtain assurance that they would become aware of all significant matters that might be identified in an audit. Accordingly, their report dated 15 July 2024 relating to the 2024 Interim Financial Statements appearing therein states that they did not audit and they did not express an opinion on such unaudited financial statements. Therefore, the degree of reliance on their report on such information should be restricted in light of the limited nature of the review procedures applied.

Since the date of its incorporation, no financial statements of the Trustee have been prepared. The Trustee is not required by Cayman Islands law, and does not intend, to publish audited financial statements.

Cayman Islands Data Protection

The Trustee has certain duties under the Data Protection Act (As Revised) of the Cayman Islands (the "DPA") based on internationally accepted principles of data privacy.

Prospective investors should note that, by virtue of making investments in the Certificates and the associated interactions with the Trustee and its affiliates and/or delegates, or by virtue of providing the

Trustee with personal information on individuals connected with the investor (for example directors, trustees, employees, representatives, shareholders, investors, clients, beneficial owners or agents) such individuals may be providing the Trustee and its affiliates and/or delegates (including, without limitation, the Trustee Administrator) with certain personal information which constitutes personal data within the meaning of the DPA. The Trustee shall act as a data controller in respect of this personal data and its affiliates and/or delegates, such as the Trustee Administrator, may act as data processors (or data controllers in their own right in some circumstances).

For further information on the application of the DPA to the Trustee, please refer to the Privacy Notice (a copy of which may be requested from the Trustee Administrator by email at dubai@maples.com), which provides an outline of investors' data protection rights and obligations as they relate to the investment in the Certificates. Oversight of the DPA is the responsibility of the Ombudsman's office of the Cayman Islands. Breach of the DPA by the Trustee could lead to enforcement action by the Ombudsman, including the imposition of remediation orders, monetary penalties or referral for criminal prosecution.

Dealers transacting with the Bank

Certain of the Dealers and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform services for, the Bank and its affiliates in the ordinary course of business for which they have received, and for which they may in the future receive, fees.

In addition, in the ordinary course of their business activities, the Dealers and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank financings) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of the Trustee, the Bank and their affiliates, including, without limitation, the Certificates. Certain of the Dealers or their affiliates that have a financing relationship with the Trustee, the Bank and their affiliates may routinely hedge their credit exposure to the Trustee, the Bank and their respective affiliates consistent with their customary risk-management policies. Typically, such Dealers and their affiliates would hedge such exposure by entering into transactions which consist of either the credit default swaps arrangements or the creation of trading positions in securities, including potentially any Certificates issued under the Programme. Any such trading positions could adversely affect future trading prices of Certificates issued under the Programme. The Dealers and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, trading positions in such securities and instruments.

THE TRUSTEE

BBG Sukuk Ltd
c/o MaplesFS Limited
P.O. Box 1093
Queensgate House
Grand Cayman
KY1-1102
Cayman Islands

THE BANK AND OBLIGOR

Dukhan Bank Q.P.S.C.
Al Majdimy Street
Lusail
Qatar
P.O. Box 27778

DELEGATE

Deutsche Trustee Company Limited
21 Moorfields
London EC2Y 9DB
United Kingdom

**PRINCIPAL PAYING AGENT AND
TRANSFER AGENT**

Deutsche Bank AG, London Branch
21 Moorfields
London EC2Y 9DB
United Kingdom

REGISTRAR

Deutsche Bank Luxembourg S.A.
2 Boulevard Konrad Adenauer
L-1115 Luxembourg
Luxembourg

INDEPENDENT AUDITORS

For the period beginning 1 January 2024

PricewaterhouseCoopers – Qatar Branch
P.O.Box 6689
Doha
Qatar

For the Financial Years Ending 31 December 2022 and 2023

Ernst & Young (Qatar Branch)
Building No. 36
P.O. Box 164
T-03 Abdulla Bin Thani Street
Doha Design District
Msheireb Downtown
Doha

LEGAL ADVISERS

To the Trustee as to Cayman Islands law

Maples and Calder (Dubai) LLP
14th Floor, Burj Daman Building
Al Mustaqbal Street
Dubai International Financial Centre
P.O. Box 119980
Dubai
United Arab Emirates

To the Bank as to English law

Simmons & Simmons Middle East LLP

ICD Brookfield Place, Level 17
Dubai International Financial Centre
Dubai
United Arab Emirates

To the Bank as to laws of Qatar

Al Tamimi & Co

Tornado Tower, 19th Floor Majlis
Al Taawoon Street
PO Box 23442

To the Arranger and Dealers as to English law

Clifford Chance LLP

ICD Brookfield Place, Level 32
Dubai International Financial Centre
P.O. Box 9380
Dubai
United Arab Emirates

To the Delegate as to English law

Clifford Chance LLP

10 Upper Bank Street
London E14 5JJ
United Kingdom

ARRANGER

Standard Chartered Bank

7th Floor Building One, Gate Precinct
Dubai International Financial Centre
P.O. Box 999
Dubai
United Arab Emirates

DEALER

Standard Chartered Bank

7th Floor Building One, Gate Precinct
Dubai International Financial Centre
P.O. Box 999
Dubai
United Arab Emirates