

**AHLI BANK Q.P.S.C.**  
**BASEL PILLAR III DISCLOSURES**  
**31 DECEMBER 2025**

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

Key metrics: KM1

QAR 000's		T	T-2	T-4		
		31-Dec-25	30-Sep-25	30-Jun-25	31-Mar-25	31-Dec-24
<b>Available capital (amounts)</b>						
1	Common Equity Tier 1 (CET1)	6,961,475	7,365,424	7,108,331	6,934,876	6,723,474
1a	Fully loaded ECL accounting model	-	-	-	-	-
2	Tier 1	8,053,475	8,457,424	8,200,331	8,026,876	7,815,474
2a	Fully loaded ECL accounting model Tier 1	-	-	-	-	-
3	Total capital	8,053,475	8,457,424	8,200,331	8,026,876	7,815,474
3a	Fully loaded ECL accounting model total capital	8,569,448	8,970,307	8,704,715	8,511,952	8,273,147
<b>Risk-weighted assets (amounts)</b>						
4	Total risk-weighted assets (RWA)	43,771,289	43,282,538	42,592,551	41,110,159	38,954,823
<b>Risk-based capital ratios as a percentage of RWA</b>						
5	Common Equity Tier 1 ratio (%)	15.90%	17.02%	16.69%	16.87%	17.26%
5a	Fully loaded ECL accounting model Common Equity Tier 1 (%)	-	-	-	-	-
6	Tier 1 ratio (%)	18.40%	19.54%	19.25%	19.53%	20.06%
6a	Fully loaded ECL accounting model Tier 1 ratio (%)	-	-	-	-	-
7	Total capital ratio (%)	18.40%	19.54%	19.25%	19.53%	20.06%
7a	Fully loaded ECL accounting model total capital ratio (%)	19.58%	20.73%	20.44%	20.71%	21.24%
<b>Additional CET1 buffer requirements as a percentage of RWA</b>						
8	Capital conservation buffer requirement (2.5% from 2019) (%)	2.5%	2.5%	2.5%	2.5%	2.5%
9	Countercyclical buffer requirement (%)	0.0%	0.0%	0.0%	0.0%	0.0%
10	Bank G-SIB and/or D-SIB additional requirements (%)	0.0%	0.0%	0.0%	0.0%	0.0%
11	Total of bank CET1 specific buffer requirements (%) (row 8 + row 9 + row 10)	2.5%	2.5%	2.5%	2.5%	2.5%
12	CET1 available after meeting the bank's minimum capital requirements (%)	7.4%	8.5%	8.2%	8.4%	8.8%
<b>Basel III leverage ratio</b>						
13	Total Basel III leverage ratio exposure measure	63,579,412	63,226,587	59,993,565	59,168,155	65,253,265
14	Basel III leverage ratio (%) (row 2 / row 13)	12.67%	13.38%	13.67%	13.57%	11.98%
<b>Liquidity Coverage Ratio</b>						
15	Total HQLA	10,881,974	10,135,646	8,351,608	8,321,893	8,022,333
16	Total net cash outflow	8,852,204	5,818,967	3,841,775	2,471,139	3,443,589
17	LCR ratio (%)	122.93%	174.18%	217.39%	336.76%	232.96%
<b>Net Stable Funding Ratio</b>						
18	Total available stable funding	37,684,844	36,373,399	36,178,085	37,672,410	35,965,740
19	Total required stable funding	36,671,298	36,093,549	35,273,144	34,400,725	33,393,682
20	NSFR ratio	102.76%	100.78%	102.57%	109.51%	107.70%

## **Bank risk management approach: OVA**

### **Overview**

Ahli Bank Q.P.S.C. (ABQ) faces various financial and non-financial risks in its business and operations, including capital, credit, liquidity, market (banking book), compliance, legal and operational risks. In order to manage these risks, ABQ has developed procedures (Risk Policies and Procedures) designed to ensure that appropriate risk governance is exercised at several levels of ABQ, including the Board of Directors, the Group Executive Committees, the Senior Management team and through various management committees.

ABQ's Risk Policies and Procedures document the framework for the identification and measurement of a much wider array of risk types as set out above, prescribe appropriate risk limitations, monitor and record the incidence of such risks on an ongoing basis and prescribe appropriate remedial action. ABQ has established a risk management framework, which is reviewed on an annual basis. At the same time, ABQ maintains its compliance with Basel III and other regulatory guidelines.

### **Risk Management Framework**

Risk is inherent in ABQ's activities, but it is managed through a process of established mechanisms that identify, assess, monitor and control those risks. The success of ABQ's risk management framework is focused largely on encouraging pre-determined roles and responsibilities from the Board of Directors, down to the various executive managers, senior managers and individual employees. This process of risk management is critical to ABQ's continuing profitability and sustainability, and each individual within ABQ is accountable for the risk exposures relating to his or her responsibilities in accordance with the "three lines of defense" principle. ABQ uses a robust internal risk rating to assess corporate credits, as well as risk-based decision-making processes to drive allocation, utilisation and management of capital resources. These tools and techniques provide the Risk Committee and the Board of Directors with the ability to control risk appetite, capital allocations and the active monitoring of strategic targets.

ABQ uses a leading asset-liability management and liquidity management solution to help optimise the management of the balance sheet and ensure that risk monitoring and controls are of the highest standards.

Operational risk management has been enhanced with further implementation of data security systems, continuous training and awareness, improved business continuity infrastructure and disaster recovery sites. The same risk governance impetus is scheduled to continue in line with the continued implementation of ABQ's business strategy.

ABQ strategic risk management function has responsibility for portfolio management, enterprise risk standards, asset/liability risk management, liquidity and market risk management, risk systems, projects, Internal Capital Adequacy Assessment Process (ICAAP) and regulatory relationships. Enterprise risk management standards are established in order to direct the overall internal control and governance activities, including risk model validations, and the establishment of relevant policies in relation to principle risks and overall risk classification.

## **Risk Measurement Systems**

The Group's risks are measured using a method which reflects both the expected loss likely to arise in normal circumstances and unexpected losses, which are an estimate of the ultimate actual loss based on statistical models. The models make use of probabilities derived from historical experience, adjusted to reflect the economic environment. The Group also runs worst case scenarios that would arise in the event that extreme events which are unlikely to occur do, in fact, occur.

Monitoring and controlling risks is primarily performed based on limits established by the Group. These limits reflect the business strategy and market environment of the Group as well as the level of risk that the Group is willing to accept, with additional emphasis on selected industries. In addition, the Group monitors and measures the overall risk bearing capacity in relation to the aggregate risk exposure across all risk types and activities.

Information compiled from all the business departments is examined and processed in order to analyse, control and identify early risks. This information is presented and explained to the Board of Directors and the Executive Committee.

The report includes aggregate credit exposure, credit metric forecasts, hold limit exceptions, VaR, liquidity ratios and risk profile changes. On a monthly basis, detailed reporting of industry, customer and geographic risks takes place. Senior management assesses the appropriateness of the allowance for impairment on a quarterly basis.

For all levels throughout the Group, specifically tailored risk reports are prepared and distributed in order to ensure that all business departments have access to necessary and up-to-date information.

Frequent briefing is given to the senior management and all other relevant members of the Group on the utilization of market limits, analysis of VaR, proprietary investments and liquidity, plus any other risk developments.

## **Board and Management Committees for Risk Management**

An overview of ABQ's Risk and Compliance Committee structure is set out below. The committees are further organised into committees at the Board of Directors level and at the management level.

### **Board of Directors**

The Board of Directors of ABQ heads ABQ's governance structure. ABQ's Board Risk and Compliance Committee evaluates and oversees ABQ's risk. The Board of Directors, in its entirety, takes responsibility for all aspects of ABQ's risk management, including the management of credit, market and operational risks, however, there are separate independent bodies responsible for managing and monitoring risks.

### **Executive Committee**

The Executive Committee has overall responsibility for the development of the risk strategy and implementing principles, frameworks, policies and limits. It is responsible for the fundamental risk issues and managing and monitoring relevant risk decisions.

## **Risk Management Department**

The Risk Management Department is responsible for implementing and maintaining risk related procedures to ensure an independent control process. It is also responsible for monitoring compliance with risk principles, policies and limits, across the Group. Each business department is responsible for the independent control of risks, including monitoring the risk of exposures against limits and the assessment of risks of new products and structured transactions. This function also ensures the complete capture of the risks in risk measurement and reporting systems.

The risk management function ensures that:

- Risk policies, procedures, and methodologies are tailored in a manner that is in line with the regulatory guidelines and is consistent with the risk appetite of the Bank.
- The overall business strategy and business activities conducted within the Bank are consistent with the risk appetite approved by the Board.
- Appropriate risk management architecture and systems are developed and implemented for the Bank.
- Adequate monitoring of portfolios' risks and limitations across the Bank.

The risk management function relies on the competence, experience, and dedication of its professional staff for performing the above-mentioned activities. Furthermore, the Board of Directors/Board approved Committee and Executive Management Team/ ALCO/ Credit Committee are involved in overseeing the establishment of various risk processes and provide periodic oversight and guidance of the risk management function. The risk management processes are subject to additional scrutiny by independent internal and external auditors, and the Bank's regulators, with periodic reporting to the Board.

The Risk Management Department shall make its recommendations under the supervision of the Risk and Compliance Committee. These recommendations are reviewed by the Board, which adopts the main risk management policies at least once every year.

The Risk Management Department shall identify, analyse, evaluate, accept, measure, manage, and control all financial and non-financial risks that may have a negative impact on the performance and reputation of the Bank. The main risks associated with the business of the Bank are represented in the credit, operational, and market risks, which include foreign currency exchange, interest rates, stock prices, and liquidity, in addition to the operational risks, and reputation-related risks.

The Operational Risk Committee approves, on an annual basis, the self-assessment process for the operational risks arising to execute the various banking businesses in the Bank. The Committee shall conduct a periodic follow-up and provide the appropriate controls, if necessary, in light of the nature and quality of these risks and their frequency and causes.

Risk Management monitors internal and external fraud attempts, and investigates and recommends a course of action for additional measures for fraud risk mitigation.

Information Security acts to identify, monitor, and manage potential information security or technology risks, whether internal or external, with the goal of mitigating or minimising their negative or adverse impact.

### **The Asset-Liability Committee**

The committee regularly holds its meetings over the year and shall be responsible for managing the assets and liabilities of the Bank and complying with and following up the approved liquidity policy.

### **Special Assets Committee**

The Committee is responsible for Special Assets, being assets of the Bank, which require monitoring and control in order to prevent loss, ensure recovery, restructuring, collection or legal actions. The Committee is responsible for ensuring that recovery actions are taken with respect to all special assets and that the applicable regulatory requirements for provisioning on special assets are implemented in accordance with regulatory requirements and internal policies.

### **Credit Committee**

The Committee holds regular monthly meetings to review the Corporate Banking, Retail Banking, and Private Banking exposures and to discuss the Corporate Banking Pipeline. Approvals on facilities take place by circulation, while any exception or elevations are discussed during the committee meetings. The Committee exerts all possible efforts to ensure the quality of the Bank's assets and mitigate the risks inherited in the ending business.

### **Investment Committee**

The Committee regularly holds its meetings over the year and is responsible for reviewing the investment strategy of the Bank to ensure maximising the assets return, while maintaining the boundaries within the regulatory requirements.

### **Operations Risk Committee**

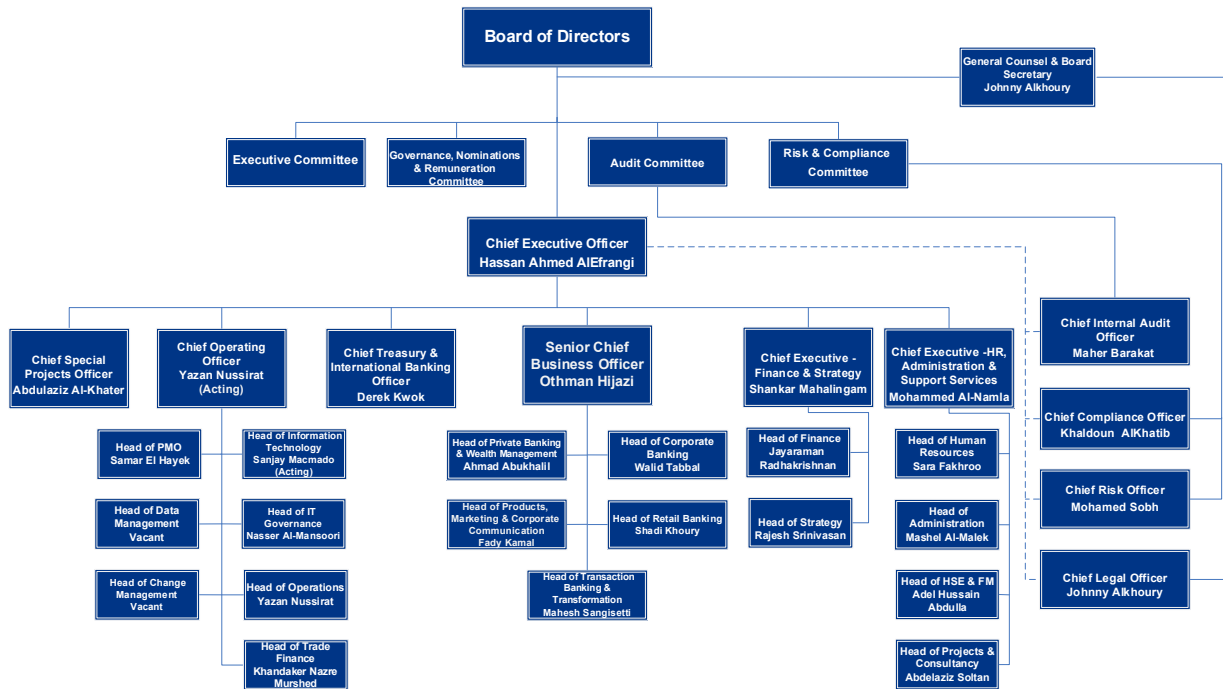
The Committee holds meetings on a quarterly basis to review the Operational Risk incidents and the required action plan to rectify it. The Committee is also responsible for the Disaster Recovery Plan and follow-up for the required procedures to keep the Disaster recovery site ready for any unanticipated risks.

### **Treasury**

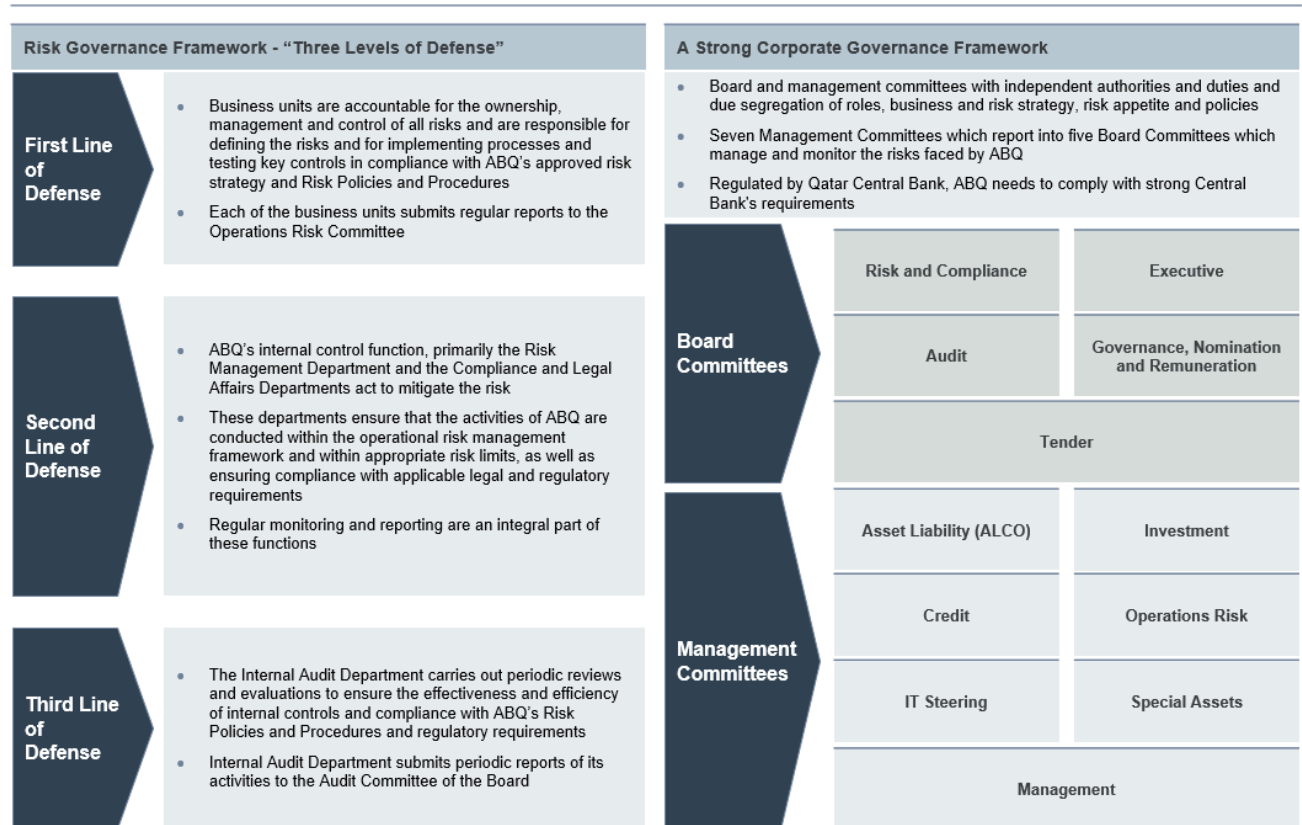
Treasury is responsible for managing the Group's assets and liabilities and the overall financial structure, as laid down by the Asset Liability Committee (ALCO) from time to time

### **Internal Audit**

Risk management processes throughout the Group are audited annually by the Internal Audit function that examines both the adequacy of the procedures and the Group's compliance with the procedures. Internal Audit discusses the results of all assessments with management, and reports its findings and recommendations to the Audit Committee



## Stringent Risk Management and Corporate Governance



## **Risk Appetite**

The overall business strategy and business activities conducted within the Bank are consistent with the risk appetite approved by the Board. The Bank's Risk Department is constantly focused on the market dynamics and related risks and adapts, to any changes and trends by amending the Bank's risk-based approach and policies, and procedures. A main approach to managing risks is through our annual review and update of the Bank's risk appetite through renewing and updating the Bank's "Risk Appetite Framework", to cover changes in the market risk factors, whether systematic or specific to the Bank's existing and /or new products. The Bank's risk policies on a wider scale include credit risk, market risk, operation risk, and fraud risk, and the risk-related policies have been renewed and updated to cope with the local market, address the latest regulatory amendments, as well as add new guidelines to match with the Bank's overall risk appetite.

## **Stress Testing**

Following the principles set out in the Basel III Accord by the Basel Committee on Banking Supervision, ABQ has in place an advanced framework for stress testing, which is wholly integrated with ABQ's decision making process based on the Basel III principles. The key components of the ABQ stress testing framework emphasise the use of stress testing and integration within ABQ's risk governance, the methodologies being applied at each level of testing, the scenarios being used at each level of testing and stress testing of specific risks and products of ABQ.

Stress testing and scenario analysis are key tools in day-to-day risk management. They provide useful insight into the specific vulnerabilities and risk characteristics of a particular portfolio or business unit. In addition, stress testing is a core aspect of the risk appetite calibration process linking bottom-up business plans and top-down Board appetite and capacity. Various emerging risks in the short-term could pose a threat to strategic goals. Stress tests and scenario analysis probe the loss potential of plausible downturn scenarios. The impact on the credit outlook and market risk factors are calibrated and the potential volatility in ABQ's earnings and capital adequacy are quantified. In addition, scenarios and stress testing are also used to assess the capital and liquidity adequacy of the Bank as required by local regulators, and for internal risk management purposes. Scenario analysis is essential in strategic and financial planning purposes.

ABQ's stress tests take into account a range of scenarios across ABQ's business and its written policies and procedures for the stress tests are sufficiently granular for the purposes of Basel III and in line with QCB regulations. The stress-testing framework at ABQ covers all of the risks under Pillars I and II of Basel III, with special emphasis on risk materiality.

## **Expected Credit Loss**

In accordance with IFRS 9 guidelines for determining applicable credit impairment losses, the methodology incorporates forward-looking indicators in both the assessment of whether the credit risk of an instrument has increased significantly since its initial recognition and the measurement of expected credit loss (ECL). The Bank formulates a 'base case' view of the future direction of relevant economic variables as well as a representative range of other possible forecast scenarios. This process involves developing additional economic scenarios and considering the relative probabilities of each outcome.

External information includes economic data and forecasts published by governmental and the International Monetary Fund (IMF), and selected private-sector and academic forecasters.

### **Credit Risk Mitigation**

ABQ has set up a framework for credit risk mitigation as a means towards reducing credit risk in an exposure, at facility level, by a safety net of tangible and realizable securities including approved third-party guarantees and/or insurance. Examples of the types of Credit Risk Mitigation (CRM) include netting agreements, collateral and security, guarantees and other non-contractual support. ABQ ensures that all documentation is binding on all parties and is legally enforceable. ABQ also ensures that all the documents are reviewed by appropriate authority and have appropriate legal opinions to verify and ensure its enforceability. ABQ has historically implemented a conservative credit policy. ABQ believes that its conservative approach to lending ensures that there is an adequate spread of the risk through a diverse product range and customer base (by industry and obligor type). ABQ also believes that its conservative credit policy promotes the application of effective credit risk limits in its business, while providing adequate returns on the risk that is on par with the management's expectations. The Bank's effective monitoring of its risk, together with a conservative internal risk rating system and a timely recovery strategy, further augments ABQ's approach to risk mitigation.

**Overview of Risk Weighted Assets (RWA): OV1**

QAR 000's		(a)		Minimum capital requirements (CET 1)
		RWA		
		31 Dec 2025	31 Dec 2024	31 Dec 2025
1	Credit risk (excluding counterparty credit risk)	39,613,207	35,138,523	4,951,651
2	Of which: standardised approach (SA)	39,613,207	35,138,523	4,951,651
3	Of which: foundation internal ratings-based (F-IRB) approach	-	-	-
4	Of which: supervisory slotting approach	-	-	-
5	Of which: advanced internal ratings-based (A-IRB) approach	-	-	-
6	Counterparty credit risk (CCR)	101,284	61,972	12,661
7	Of which: standardised approach for counterparty credit risk	101,284	61,972	12,661
8	Of which: Internal Model Method (IMM)	-	-	-
9	Of which: other CCR	-	-	-
10	Credit valuation adjustment (CVA)	135,841	67,924	16,980
11	Equity positions under the simple risk weight approach	-	-	-
12	Equity investments in funds – look-through approach	-	-	-
13	Equity investments in funds – mandate-based approach	-	-	-
14	Equity investments in funds – fall-back approach	-	-	-
15	Settlement risk	-	-	-
16	Securitisation exposures in banking book	-	-	-
17	Of which: securitisation internal ratings-based approach (SEC-IRBA)	-	-	-
18	Of which: securitisation external ratings-based approach (SEC-ERBA), including internal assessment approach (IAA)	-	-	-
19	Of which: securitisation standardised approach (SEC-SA)	-	-	-
20	Market risk	18,430	46,476	2,304
21	Of which: standardised approach (SA)	18,430	46,476	2,304
22	Of which: internal model approaches (IMA)	-	-	-
23	Capital charge for switch between trading book and banking book	-	-	-
24	Operational risk	3,902,527	3,639,928	487,816
25	Amounts below the thresholds for deduction (subject to 250% risk weight)	-	-	-
26	Floor adjustment	-	-	-
27	<b>Total (1 + 6 + 10 + 11 + 12 + 13 + 14 + 15 + 16 + 20 + 23 + 24 + 25 + 26)</b>	<b>43,771,289</b>	<b>38,954,823</b>	<b>5,471,411</b>

**Composition of capital: DIS25**

**Composition of regulatory capital: CC1**

		31-Dec-25	b
		Amounts	Source based on reference numbers/letters of the balance sheet under the regulatory scope of consolidation
	<b>Common Equity Tier 1 capital: instruments and reserves</b>		
1	Directly issued qualifying common share (and equivalent for non-joint stock companies) capital plus related stock surplus	2,551,146	Letters of the balance sheet under the regulatory scope of consolidation
2	Retained earnings	1,367,620	Letters of the balance sheet under the regulatory scope of consolidation
3	Accumulated other comprehensive income (and other reserves)	3,042,710	Letters of the balance sheet under the regulatory scope of consolidation
4	Common share capital issued by subsidiaries and held by third parties (amount allowed in group CET1 capital)	-	
5	<b>Common Equity Tier 1 capital before regulatory adjustments</b>	<b>6,961,476</b>	
	<b>Common Equity Tier 1 capital: regulatory adjustments</b>		
7	Prudent valuation adjustments	-	
8	Goodwill (net of related tax liability)	-	a minus d
9	Other intangibles other than mortgage servicing rights (MSR) (net of related tax liability)	-	b minus e
10	Deferred tax assets (DTA) that rely on future profitability, excluding those arising from temporary differences (net of related tax liability)	-	
11	Cash flow hedge reserve	-	
12	Shortfall of provisions to expected losses	-	
13	Securitisation gain on sale (as set out in [CAP30.14])	-	
14	Gains and losses due to changes in own credit risk on fair valued liabilities	-	
15	Defined benefit pension fund net assets	-	
16	Investments in own shares (if not already subtracted from paid-in capital on reported balance sheet)	-	
17	Reciprocal cross-holdings in common equity	-	
18	Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued share capital (amount above 10% threshold)	-	

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19	Significant investments in the common stock of banking, financial and insurance entities that are outside the scope of regulatory consolidation (amount above 10% threshold)	-	
20	MSR (amount above 10% threshold)	-	c minus f minus 10% threshold
21	DTA arising from temporary differences (amount above 10% threshold, net of related tax liability)	-	
22	Amount exceeding the 15% threshold	-	
23	Of which: significant investments in the common stock of financials	-	
24	Of which: MSR	-	
25	Of which: DTA arising from temporary differences	-	
26	National specific regulatory adjustments	-	
27	Regulatory adjustments applied to Common Equity Tier 1 capital due to insufficient Additional Tier 1 and Tier 2 capital to cover deductions	-	
28	<b>Total regulatory adjustments to Common Equity Tier 1 capital</b>	-	
29	<b>Common Equity Tier 1 capital (CET1)</b>	<b>6,971,476</b>	
	<b>Additional Tier 1 capital: instruments</b>		
30	Directly issued qualifying additional Tier 1 instruments plus related stock surplus	<b>1,092,000</b>	i
31	Of which: classified as equity under applicable accounting standards		
32	Of which: classified as liabilities under applicable accounting standards	1,092,000	Letters of the balance sheet under the regulatory scope of consolidation
34	Additional Tier 1 instruments (and CET1 instruments not included in row 5) issued by subsidiaries and held by third parties (amount allowed in group additional Tier 1 capital)		
36	<b>Additional Tier 1 capital before regulatory adjustments</b>	<b>1,092,000</b>	
	<b>Additional Tier 1 capital: regulatory adjustments</b>		
37	Investments in own additional Tier 1 instruments	-	
38	Reciprocal cross-holdings in additional Tier 1 instruments	-	
39	Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued common share capital of the entity (amount above 10% threshold)	-	
40	Significant investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation	-	
41	National specific regulatory adjustments	-	
42	Regulatory adjustments applied to additional Tier 1 capital due to insufficient Tier 2 capital to cover deductions	-	
43	<b>Total regulatory adjustments to additional Tier 1 capital</b>	-	
44	<b>Additional Tier 1 capital (AT1)</b>	<b>1,092,000</b>	

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45	<b>Tier 1 capital (T1 = CET1 + AT1)</b>	<b>8,053,476</b>	
	<b>Tier 2 capital: instruments and provisions</b>		
46	Directly issued qualifying Tier 2 instruments plus related stock surplus	-	
48	Tier 2 instruments (and CET1 and AT1 instruments not included in rows 5 or 34) issued by subsidiaries and held by third parties (amount allowed in group Tier 2)	-	
50	Provisions	515,973	Letters of the balance sheet under the regulatory scope of consolidation
51	<b>Tier 2 capital before regulatory adjustments</b>	<b>515,973</b>	
	<b>Tier 2 capital: regulatory adjustments</b>		
52	Investments in own Tier 2 instruments	-	
53	Reciprocal cross-holdings in Tier 2 instruments and other TLAC liabilities	-	
54	Investments in the capital and other TLAC liabilities of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued common share capital of the entity (amount above 10% threshold)	-	
54a	Investments in the other TLAC liabilities of banking, financial and insurance entities that are outside the scope of regulatory consolidation and where the bank does not own more than 10% of the issued common share capital of the entity: amount previously designated for the 5% threshold but that no longer meets the conditions (for G-SIBs only)	-	
55	Significant investments in the capital and other TLAC liabilities of banking, financial and insurance entities that are outside the scope of regulatory consolidation (net of eligible short positions)	-	
56	National specific regulatory adjustments	-	
57	<b>Total regulatory adjustments to Tier 2 capital</b>	<b>-</b>	
58	<b>Tier 2 capital</b>	<b>515,973</b>	
59	<b>Total regulatory capital (= Tier 1 + Tier2)</b>	<b>8,569,449</b>	
60	<b>Total risk-weighted assets</b>	<b>43,771,289</b>	
	<b>Capital adequacy ratios and buffers</b>		
61	<b>Common Equity Tier 1 capital (as a percentage of risk-weighted assets)</b>	<b>15.90%</b>	
62	<b>Tier 1 capital (as a percentage of risk-weighted assets)</b>	<b>18.40%</b>	
63	<b>Total capital (as a percentage of risk-weighted assets)</b>	<b>19.58%</b>	
64	<b>Institution-specific buffer requirement (capital conservation buffer plus countercyclical buffer requirements plus higher loss absorbency requirement, expressed as a percentage of risk-weighted assets)</b>	<b>19.58%</b>	
65	Of which: capital conservation buffer requirement	8.50%	

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66	Of which: bank-specific countercyclical buffer requirement	10.50%	
67	Of which: higher loss absorbency requirement	12.50%	
68	<b>Common Equity Tier 1 capital (as a percentage of risk-weighted assets) available after meeting the bank's minimum capital requirements</b>	7.40%	
	<b>National minima (if different from Basel III)</b>		
69	National minimum Common Equity Tier 1 capital adequacy ratio (if different from Basel III minimum)	6.00%	
70	National minimum Tier 1 capital adequacy ratio (if different from Basel III minimum)	10.50%	
71	National minimum Total capital adequacy ratio (if different from Basel III minimum)	12.50%	
	<b>Amounts below the thresholds for deduction (before risk-weighting)</b>		
72	Non-significant investments in the capital and other TLAC liabilities of other financial entities	-	
73	Significant investments in the common stock of financial entities	-	
74	MSR (net of related tax liability)	-	
75	DTA arising from temporary differences (net of related tax liability)	-	
	<b>Applicable caps on the inclusion of provisions in Tier 2 capital</b>		
76	Provisions eligible for inclusion in Tier 2 capital in respect of exposures subject to standardised approach (prior to application of cap)	515,973	
77	Cap on inclusion of provisions in Tier 2 capital under standardised approach	515,973	
78	Provisions eligible for inclusion in Tier 2 capital in respect of exposures subject to internal ratings-based approach (prior to application of cap)	-	
79	Cap for inclusion of provisions in Tier 2 capital under internal ratings-based approach	-	

**Capital distribution constraints: DIS26**

**Capital distribution constraints: CDC**

		a	b
		<b>CET1 capital ratio that would trigger capital distribution constraints (%)</b>	<b>Current CET1 capital ratio (%)</b>
1	CET1 minimum requirement plus capital buffers ( <u>not</u> taking into account CET1 capital used to meet other minimum regulatory capital/ TLAC ratios)	8.50%	15.90%
2	CET1 capital plus capital buffers (taking into account CET1 capital used to meet other minimum regulatory capital/ TLAC ratios)	8.50%	15.90%

**Asset encumbrance: DIS31**

**Asset encumbrance: ENC**

	a	b	c	d
	<b>Encumbered assets</b>	<b>[Optional]</b> Central bank facilities	<b>Unencumbered assets</b>	<b>Total</b>
Cash and balances with central bank*	<b>1,567,183</b>	-	<b>2,080,271</b>	<b>3,647,454</b>
Due from banks	-	-	<b>7,243,916</b>	<b>7,243,916</b>
Loans and advances to customers	-	-	<b>39,598,554</b>	<b>39,598,554</b>
Investment Securities	<b>1,131,180</b>	-	<b>10,401,704</b>	<b>11,532,884</b>
Property and equipment	-	-	<b>484,476</b>	<b>484,476</b>
Other assets	-	-	<b>187,871</b>	<b>187,871</b>
<b>Total Assets</b>	<b>2,698,363</b>	-	<b>59,996,792</b>	<b>62,695,155</b>

\*This represents the mandatory cash reserve on deposits maintained with Qatar Central Bank.

## **Credit risk: DIS40**

### **General qualitative information about credit risk: CRA**

#### **Credit risk**

The credit quality of financial assets is managed by the Group using internal and external credit risk ratings. The Group follows an internal obligor risk rating (ORR) mechanism for grading relationships across its credit portfolio. The Group utilises a ten-scale credit rating system of which rating 1-7 relate to performing and 8-10 relate to non-performing. Within performing, ORR 1 to 4 represents investment grade, ORR 5 to 6 represents sub-investment grade and ORR 7 represent watchlist. ORR 8 to 10 represents sub-standard, doubtful and loss respectively. All credits are assigned a rating in accordance with the defined criteria. The Group endeavors continuously to improve upon the internal credit risk rating methodologies and credit risk management policies and practices to reflect the true underlying credit risk of the portfolio and the credit culture in the Group. All lending relationships are reviewed at least once in a year and more frequently in the case of non-performing assets.

The Group obtains collateral and other credit enhancements in ordinary course of business from counterparties. On an overall basis, during the year there was no discernible deterioration in the quality of collateral held by the Group. In addition, there were no changes in collateral policies of the Group. Management monitors the market value of collateral and will request additional collateral in accordance with the underlying agreement. The amount and type of collateral required depends on an assessment of the credit risk of the counterparty.

#### **Significant increase in credit risk**

When determining whether the risk of default on a financial instrument has increased significantly since initial recognition, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis including internal credit risk grading system, external risk ratings, where available, delinquency status of accounts, credit judgement and, where possible, relevant historical experience. The Group may also determine that an exposure has undergone a significant increase in credit risk based on particular qualitative indicators that it considers are indicative of such and whose effect may not otherwise be fully reflected in its quantitative analysis on a timely basis.

In determining whether credit risk has increased significantly since initial recognition following criteria's are considered:

- i. Two grades downgrade for ratings from Aaa to Baa or one notch downgrade for ratings from Ba to Caa.
- ii. Facilities restructured during previous twelve months
- iii. Facilities overdue by 45 days as applicable as at reporting date

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

In order to minimise credit risk, the Group has tasked its credit management committee to develop and maintain the Group's credit risk grading to categorise exposures according to their degree of risk of default. The Group's credit risk grading framework comprises ten categories. The credit rating information is based on a range of data that is determined to be predictive of the risk of default and applying experienced credit judgement. The nature of the exposure and type of borrower are taken into account in the analysis. Credit risk grades are defined using qualitative and quantitative factors that are indicative of risk of default.

#### Credit risk grades

Credit risk grades are defined using qualitative and quantitative factors that are indicative of risk of default. These factors vary depending on the nature of the exposure and the type of borrower. Exposures are subject to on-going monitoring, which may result in an exposure being moved to a different credit risk grade.

The Group considers a financial asset to be in default when:

- The borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or
- The borrower is past due more than 90 days on any material credit obligation to the Group; or
- The borrower is internally rated 8, 9 or 10.

In assessing whether a borrower is in default, the Group also considers indicators that are:

- Quantitative – e.g., overdue status and non-payment on another obligation of the same issuer to the Group; and
- Based on data developed internally and obtained from external sources.

Inputs into the assessment of whether a financial instrument is in default and their significance may vary over time to reflect changes in circumstances. The definition of default largely aligns with that applied by the Group for regulatory capital purposes.

Incorporating forward looking information increases the level of judgement as to how changes in these macroeconomic factors will affect the Expected Credit Loss (ECL) applicable to the Stage 1 and Stage 2 exposures which are considered as performing. The methodologies and assumptions involved, including any forecasts of future economic conditions, are reviewed periodically.

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

a) Core features of policies and processes for, and an indication of the extent to which the Bank makes use of, on- and off-balance sheet netting.

Not Applicable.

b) Core features of policies and processes for collateral evaluation and management.

The Bank, in the ordinary course of financing activities, holds collateral as security to mitigate credit risk in financing. Collaterals mostly include customer deposits and other cash deposits, highly rated sovereign securities issues in major currencies, financial guarantees, local and international equities listed in major indexes, real estate and other property and equipment. The collateral is held mainly against commercial and consumer financing and managed against relevant exposures related to financing. Enforceability, value and the volatility of the value of the asset, and the liquidity of the assets are the key considerations for the eligible collaterals. The fair value of collateral is based on valuation performed by the independent experts, quoted prices in regulated exchanges and the common valuation techniques. Valuation methods and valuation frequencies complies with relevant regulatory rules. Experts have used various approaches in determining the fair value of real estate collateral including market comparable approach based on recent actual sales or discounted cash flow approach taking into account risk adjusted discount rates, rental yields and terminal values.

c) Information about market or credit risk concentrations under the credit risk mitigation instruments used (i.e. by guarantor type, collateral and credit derivative providers).

It is essential to manage credit risk mitigation through the use of collateral, guarantees, credit structures and the protection of the Bank's position through proper use of the appropriate credit documentation; collateral, security and other support and legal documentation. Concentrations must be taken into account when accepting collateral or security assets which might be highly correlated to the exposure that it is securing.

The Bank seeks to manage its credit risk exposure through diversification of its financing to ensure there is no undue concentration of risks to individuals or groups of customers in specific geographical locations or economic sectors, which is achieved through Risk Appetite thresholds,

**Credit Risk Mitigation**

The credit risk exposure in respect of a debtor, counterparty or other obligor is mitigated or reduced by taking various types of collateral. Every effort is made to ensure that any collateral provided by a potential client is perfected in accordance with local legal requirements before credit is provided against that collateral. Such collateral is also maintained in a secure format, and valuations are undertaken as required during the lifetime of the credit exposure.

The Bank has historically implemented a conservative credit policy. The Bank also believes that its conservative credit policy promotes the application of effective credit risk limits in its business, while providing adequate returns on the risk that is on par with the management's expectations. The Bank's

effective monitoring of its risk, together with a conservative internal risk rating system and a timely recovery strategy, further strengthens Bank's belief that it adequately meets and exceeds all regulatory limits and guidelines to which its business is subject.

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

a) Names of the external credit assessment institutions (ECAIs) and export credit agencies (ECAs) used by the bank, and the reasons for any changes over the reporting period;

Moody's and other internationally reputed rating agencies

b) The asset classes for which each ECAI or ECA is used;

Externally rated corporates, banks and other institutions

d) The alignment of the alphanumerical scale of each agency used with risk buckets (except where the relevant supervisor publishes a standard mapping with which the bank has to comply).

**Credit Quality of assets: CR1**

		a	b	c	d	e	f	g
		Gross carrying values of		Allowances/ impairments	Of which ECL accounting provisions for credit losses on SA exposures		Of which ECL accounting provisions for credit losses on IRB exposures	Net values  (a+b-c)
		Defaulted exposures	Non-defaulted exposures		Allocated in regulatory category of Specific	Allocated in regulatory category of General		
1	Loans	1,221,141	41,285,148	2,907,735	988,200	1,919,535	-	39,598,554
2	Investments and due from banks	-	18,365,245	5,359	-	5,359	-	18,359,886
3	Off-balance sheet exposures	-	2,793,383	18,511	-	18,511	-	2,774,872
<b>4</b>	<b>Total</b>	<b>1,221,141</b>	<b>61,443,776</b>	<b>2,931,605</b>	<b>988,200</b>	<b>1,943,405</b>	-	<b>60,733,312</b>

**Changes in the stock of defaulted financings and debt securities: CR2**

		A
1	<b>Defaulted loans and debt securities at end of the previous reporting period</b>	1,099,921
2	Loans and debt securities that have defaulted since the last reporting period	122,106
3	Returned to non-defaulted status	-
4	Amounts written off	886
	<b>Defaulted loans and debt securities at end of the reporting period</b>	<b>1,221,141</b>

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

		a	b	c	d
		Exposures unsecured: carrying amount	Exposures secured by collateral	Exposures secured by financial guarantees	Exposures secured by credit derivatives
1	Loans	2,333,183	31,243,543	8,179,178	-
2	Debt securities	-	-	-	-
<b>3</b>	<b>Total</b>	<b>2,333,183</b>	<b>31,243,543</b>	<b>8,179,178</b>	-

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

		a	b	c	d	e
		Exposures before CCF and CRM		Exposures post- CCF and post-CRM	RWA and RWA density	
Asset classes		On-balance sheet amount	Off-balance sheet amount	On-balance & off Balance sheet amount	RWA	RWA density
1	Sovereigns and their central banks	13,526,830	35,084	11,032,222	1,126,849	10.2%
2	Non-central government public sector entities	-	52,839	40,070	20,035	50.0%
3	Multilateral development banks	-	-	-	-	-
4	Banks	3,610,853	453,979	3,840,813	1,509,937	39.3%
	Of which: securities firms and other financial institutions	-	-	-	-	0
5	Covered bonds	-	-	-	-	0
6	Corporates	21,021,579	8,350,054	22,656,257	22,722,370	100.3%
	Of which: securities firms and other financial institutions	-	-	-	-	-
	Of which: specialised lending	-	-	-	-	-
7	Subordinated debt, equity and other capital	1,021,672	-	1,021,672	1,736,843	170.0%
8	Retail	9,648,375	386,800	8,351,269	7,673,807	91.9%
9	Real estate	7,761,207	-	7,113,442	4,688,220	65.9%
	Of which: general RRE	-	-	-	-	-
	Of which: IPRRE	-	-	-	-	-
	Of which: general CRE	-	-	-	-	-
	Of which: IPCRE	-	-	-	-	-

	Of which: land acquisition, development and construction	-	-	-	-	-
10	Defaulted exposures	247,240	-	247,039	161,133	65.2%
11	Other assets	1,813,341	-	1,813,342	1,401,448	77.3%
12	<b>Total</b>	<b>58,651,098</b>	<b>9,278,755</b>	<b>56,116,126</b>	<b>41,040,641</b>	<b>73.1%</b>

### Market risks: DIS50

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

Market risk is the risk that the Group's earnings or capital, or its ability to meet business objectives, will be adversely affected by changes in the level of volatility of market rates or prices such as interest rates commodities prices, foreign exchange rates and equity prices.

The Group manages its market risks within the regulatory framework of limits defined by the Qatar Central Bank. Setting the internal framework for the management of market risks and ensuring compliance with this methodology is the responsibility of the Asset and Liability Committee (ALCO) which consists of senior management including members of the Risk management function. The Group is exposed to interest rate risk created as a result of assets and liabilities mismatch or off-balance sheet instruments that mature or reprice over a given period.

Both interest rate gaps and foreign exchange rate fluctuations are managed within the prescribed board limits. All risk exposures are monitored and reported on a daily basis to senior management and any breaches are escalated immediately. In addition, all trading activity is continuously being monitored at ALCO level.

The Bank, as part of the conservative policy for managing the market risks, applies conservative limits and restrictions in order to harmonise with the investment and trading portfolio and to be compatible with the business development needs and market conditions.

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

		a
		Capital requirement in standardised approach
1	General interest rate risk	-
2	Equity risk	-
3	Commodity risk	-
4	Foreign exchange risk	<b>18,430</b>
5	Credit spread risk – non-securitisations	-
6	Credit spread risk – securitisations (non-correlation trading portfolio)	-
7	Credit spread risk – securitisation (correlation trading portfolio)	-
8	Default risk – non-securitisations	-
9	Default risk – securitisations (non-correlation trading portfolio)	-
10	Default risk – securitisations (correlation trading portfolio)	-
11	Residual risk add-on	-
12	<b>Total</b>	<b>18,430</b>

**Operational risk: DIS60**

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

Operational Risk is the loss resulting from inadequate or failed internal processes, people and systems or from external events. The Bank manages its Operational Risk primarily through the Board approved Operational Risk Framework (ORF) consisting of the Operational Risk Policy (ORP) and the Operational Risk Committee (ORC), which has representation across all departments. The Bank utilizes a Basel III compliant approach known as ‘Operational Risk Self-Assessment’ (ORSA) process to assess, document and report the operational risks encountered in the course of normal business activity.

The ORC approves the ORSA every two years and reviews operational risks faced by various functions in the Bank on a regular basis throughout the year to track the status of open risks and pursuing appropriate controls wherever necessary. Furthermore both compliance and internal audit perform independent periodic reviews to assess adequacy of check and controls at any given point in time.

The Bank has a robustly documented Business Continuity Plan (BCP) and Disaster Recovery Plan (DRP). These documents outline the procedures to be followed in a disaster scenario. The BCP aims to establish the level of impact upon the Bank’s business activity of having to operate from a different site in the event of an emergency or natural disaster. This includes access to critical computer systems, connectivity to local area network, database servers, internet, intranet and e-mails etc. This is a well-established process and takes place periodically throughout the year. The completion of DR & BCP is signed off by all

concerned departments to confirm tests were successfully carried out by them as well as a report circulated to all ORC members for their comments and reference.

Operations Risk Committee holds quarterly meetings to review the Operational Risk incidents and the required action plan to rectify them. The Committee is also responsible for the Disaster Recovery Plan and follow-up for the required procedures to keep the Disaster recovery site ready for any unanticipated risks.

The operational risk weighted assets as at 31 December 2025 were QAR 3,903 million and capital charge was QAR 312 million.

### **Interest rate risk in the banking book: DIS70**

#### **IRRBB risk management objectives and policies: IRRBBA**

Interest Rate Risk in banking book (IRRBB) Interest rate risk is the risk where changes in market interest rates affect a bank's financial position. Changes in interest rates impact a bank's earnings through changes in its Net Interest Income (NII). Changes in interest rates also impact a bank's Economic Value of Equity (EVE) or Net Worth through changes in the economic value of its rate sensitive assets, liabilities and off-balance sheet positions. The interest rate risk, when viewed from these two perspectives, is known as 'earnings perspective' and 'economic value perspective', respectively. The Bank measures and controls IRRBB using both Earnings Perspective (measured using Traditional Gap Analysis) and Economic Value Perspective (measured using Duration Gap Analysis). These methods involve bucketing of rate sensitive assets (RSA) and rate sensitive liabilities (RSL), including off-balance sheet items, based on the maturity/re-pricing dates.

The Bank classifies an asset/liability as rate sensitive if:

- i. Within the time interval under consideration, there is a cash flow.
- ii. The interest rate resets / re-prices contractually during the interval.
- iii. QCB changes the interest rates in cases where interest rates are administered. Significant portion of non-maturing deposits (Current Account and Saving Account) is bucketed in "Under 1 Mth". Non-rate sensitive liabilities and assets primarily comprise of capital, reserves and surplus, other liabilities, cash and balances with QCB, current account balances with banks, fixed assets and other assets."

Interest rate risk is managed principally through monitoring interest rate gaps and by having pre-approved limits for repricing bands. ALCO is the monitoring body for compliance with these limits and is assisted by Treasury in its day-to-day monitoring activities

Overall non-trading interest rate risk positions are managed by Group Treasury, which uses investment securities, advances to banks, deposits from banks and derivative instruments to manage the overall position arising from the Group's non-trading activities.

The Bank has policies in place for Interest Rate Risk management as a part of the ALM and market risk policies. The broad overview is as follows:

**Sources of Risk** - The Bank has identified the following sources of interest rate risk:

- Re-pricing risk
- Basis value risk

**Key metrics** – Ahli Bank has adopted the following metrics to quantify interest rate risks:

- Interest rate re-pricing gap

**Limit structures** – The bank has established the following limit:

- Maximum re-pricing gap

**Monitoring** - The Market Risk team provides structural gap analysis (including stressed gap analysis) reports to ALCO on a monthly basis.

**Quantitative information on IRRBB: IRRBB1**

In reporting currency	ΔEVE		ΔNII	
	T	T-2	T	T-2
Parallel up	-80,181	-155,431	-	-
Parallel down	-144,402	-	-213,325	-197,544
Steeper	-125,514	-186,174		
Flattener	-31,496	-		
Short rate up	0	-		
Short rate down	-85,695	-64,222		
<b>Maximum</b>	-144,402	-186,174	-213,325	-197,544
<b>Period</b>	<b>T</b>		<b>T-1</b>	
<b>Tier 1 capital</b>	8,053,476		8,200,331	

**Leverage ratio: DIS80**

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

QAR 000's		31-Dec-25
		a
1	Total consolidated assets as per published financial statements	62,695,155
2	Adjustment for investments in banking, financial, insurance or commercial entities that are consolidated for accounting purposes but outside the scope of regulatory consolidation	-
3	Adjustment for securitised exposures that meet the operational requirements for the recognition of risk transference	-
4	Adjustments for temporary exemption of central bank reserves (if applicable)	-
5	Adjustment for fiduciary assets recognised on the balance sheet pursuant to the operative accounting framework but excluded from the leverage ratio exposure measure	-
6	Adjustments for regular-way purchases and sales of financial assets subject to trade date accounting	-
7	Adjustments for eligible cash pooling transactions	-
8	Adjustments for derivative financial instruments	-
9	Adjustment for securities financing transactions (ie repurchase agreements and similar secured lending)	-
10	Adjustment for off-balance sheet items (ie conversion to credit equivalent amounts of off balance sheet exposures)	-
11	Adjustments for prudent valuation adjustments and specific and general provisions which have reduced Tier 1 capital	-
12	Other adjustments	884,257
<b>13</b>	<b>Leverage ratio exposure measure</b>	<b>63,579,412</b>

**Leverage ratio common disclosures: LR2**

		a
QAR 000's		31 Dec 2025
<b>On-balance sheet exposures</b>		
1	On-balance sheet exposures (excluding derivatives and securities financing transactions (SFTs), but including collateral)	58,823,719
2	(Asset amounts deducted in determining Basel III Tier 1 capital)	-
3	<b>Total on-balance sheet exposures (excluding derivatives and SFTs) (sum of rows 1 and 2)</b>	<b>58,823,719</b>
<b>Derivative exposures</b>		
4	Replacement cost associated with all derivatives transactions (where applicable net of eligible cash variation margin and/or with bilateral netting)	27,514
5	Add-on amounts for PFE associated with all derivatives transactions	195,438
6	Gross-up for derivatives collateral provided where deducted from the balance sheet assets pursuant to the operative accounting framework	-
7	(Deductions of receivables assets for cash variation margin provided in derivatives transactions)	-
8	(Exempted CCP leg of client-cleared trade exposures)	-
9	Adjusted effective notional amount of written credit derivatives	-
10	(Adjusted effective notional offsets and add-on deductions for written credit derivatives)	-
11	<b>Total derivative exposures (sum of rows 4 to 10)</b>	<b>222,953</b>
<b>Securities financing transaction exposures</b>		
12	Gross SFT assets (with no recognition of netting), after adjustment for sale accounting transactions	-
13	(Netted amounts of cash payables and cash receivables of gross SFT assets)	-
14	CCR exposure for SFT assets	-
15	Agent transaction exposures	-
16	<b>Total securities financing transaction exposures (sum of rows 12 to 15)</b>	<b>-</b>
<b>Other off-balance sheet exposures</b>		
17	Off-balance sheet exposure at gross notional amount	4,532,740
18	(Adjustments for conversion to credit equivalent amounts)	-
19	<b>Off-balance sheet items (sum of rows 17 to 18)</b>	<b>4,532,740</b>
<b>Capital and total exposures</b>		
20	<b>Tier 1 capital</b>	<b>8,053,475</b>
21	<b>Total exposures (sum of rows 3, 11, 16 and 19)</b>	<b>63,579,412</b>
<b>Leverage ratio</b>		
25	Basel III leverage ratio	12.67%

## **Liquidity: DIS85**

### **Liquidity risk management: LIQA**

Liquidity risk is the risk that the Group is unable to meet its obligations when they fall due as a result of e.g. customer deposits being withdrawn, cash requirements from contractual commitments, or other cash outflows, such as debt maturities or margin calls for derivatives etc. Such outflows would deplete available cash resources for client lending, trading activities and investments. In extreme circumstances, lack of liquidity could result in reductions in the consolidated statement of financial position and sales of assets, or potentially an inability to fulfil lending commitments. The risk that the Group will be unable to do so is inherent in all banking operations and can be affected by a range of institution-specific and market-wide events including, but not limited to, credit events, merger and acquisition activity, systemic shocks and natural disasters.

Management of liquidity risk is the risk that the Group will be unable to meet its funding requirements. Liquidity risk can be caused by market disruptions or a credit downgrade which may cause certain sources of funding to dry up immediately. To guard against this risk, the management has diversified funding sources and assets are managed with liquidity in mind, maintaining a healthy balance of cash, cash equivalents and readily marketable securities. The Group's Asset and Liability Committee (ALCO) monitors the maturity profile on an overall basis with ongoing liquidity monitoring by the Treasury.

ABQ operates a funding strategy to meet the objectives of the Group Liquidity Risk Policy and Statement of Risk Appetite whilst meeting the requirements for current and projected budget and regulatory requirements. Treasury actively manages a diversified funding structure by sourcing funding across a range of tenors, product types, geographies, currencies, counterparty and customer types. This approach enables the Bank to maintain overall funding levels through a range of operating conditions.

### **Liquidity risk mitigation techniques**

Liquidity risk is actively managed to forecast requirements to meet its obligations under normal and stressed conditions. Risks are mitigated via its diversified funding strategy to meet obligations under most expected scenarios, along with the maintenance of a buffer of High Quality Liquid Assets (HQLA) and other readily marketable securities that can be drawn upon to manage requirements during stress conditions.

Liquidity risk can materialise as a result of firm-specific, industry-wide and market-wide liquidity events which may lead to cash outflows and may disrupt the availability of existing sources of funding. Stress testing of the potential events enables ABQ to identify key risk drivers, as well as provide an indication of the performance of liquid asset buffers held to help mitigate risks.

ABQ also maintains a Contingency Funding Plan that details its plan of action in emergency and stress situations. The plan defines the roles and responsibilities, procedures and immediate actions that would be taken in response to a stress event, to ensure that ABQ continues to meet its obligations. Customised measurement tools or metrics that assess the structure of the bank's balance sheet or that project cash flows and future liquidity positions, taking into account off-balance sheet risks which are specific to that bank. In addition to regulatory liquidity metrics, ABQ monitors a number of internal metrics as part of a broader liquidity Key Risk Indicator (KRI) framework. These metrics include maturity mismatch projections, measurements of areas of key concentrations by counterparty type, geography, product type, etc.

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

QAR 000s	31-Dec-25	
	Total Unweighted Value	Total Weighted Value
<b>High-Quality Liquid Assets</b>		
Total high-quality liquid assets (HQLA)	11,026,126	10,881,974
<b>Cash Outflows</b>		
Retail deposits and deposits from small business customers, of which:		
Less stable deposits	10,701,726	424,206
Unsecured wholesale funding, of which:		
Non-operational deposits	12,160,012	9,435,752
Additional requirements, of which:		
Outflows related to derivative exposures and other collateral requirements	1,483	1,483
Credit and liquidity facilities	149,639	23,616
Other contractual funding obligations	17,530	17,530
Other contingent funding obligations	6,457,722	587,620
<b>Total Cash Outflows</b>	<b>29,488,112</b>	<b>10,490,206</b>
<b>Cash Inflows</b>		
Inflows from fully performing exposures	2,636,633	1,638,002
Other cash inflows	-	-
<b>Total Cash Inflows</b>	<b>2,636,633</b>	<b>1,638,002</b>
<b>Total HQLA</b>		<b>10,881,974</b>
<b>Total Net Cash Outflows</b>		<b>8,852,204</b>
<b>Liquidity Coverage Ratio (%)</b>		<b>122.93%</b>

**Net Stable Funding Ratio (NSFR): LIQ 2**

(In currency amount)		a	b	c	d	e
		Unweighted value by residual maturity				Weighted value
		No maturity	< 6 months	6 months to < 1 year	≥ 1 year	
<b>Available stable funding (ASF) item</b>						
1	Capital:					
2	Regulatory capital	-	-	-	8,458,315	8,458,315
3	Other capital instruments	-	-	-	1,943,406	1,943,406
4	Retail deposits and deposits from small business customers:					
5	Stable deposits	3,178,935	6,342,988	-	-	8,570,230
6	Less stable deposits	-	13,133,376	4,118,448	-	9,846,207
7	Wholesale funding:					
8	Operational deposits	-	-	-	5,058,190	4,149,555
9	Other wholesale funding	-	-	-	4,033,132	4,717,132
10	Liabilities with matching interdependent assets					
11	Other liabilities:					
12	NSFR derivative liabilities				-	
13	All other liabilities and equity not included in the above categories	9,734,312	-	-	-	-
14	<b>Total ASF</b>					<b>37,684,844</b>
<b>Required stable funding (RSF) item</b>						
15	Total NSFR high-quality liquid assets (HQLA)	1,243,278	33,284	200,000	21,059	667,297
16	Deposits held at other financial institutions for operational purposes	1,089,165	-	365,809	-	347,203
17	Performing loans and securities:					
18	Performing loans to financial institutions secured by Level 1 HQLA	-	-	-	-	-
19	Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to financial institutions	-	-	-	-	-
20	Performing loans to non-financial corporate clients, loans to retail and small business customers, and loans to sovereigns, central banks and PSEs, of which:	7,497,567	1,745,480	2,581,717	25,599,012	26,984,057
21	With a risk weight of less than or equal to 35% under the Basel II standardised approach for credit risk	-	-	-	-	-
22	Performing residential mortgages, of which:					
23	With a risk weight of less than or equal to 35% under the Basel II standardised approach for credit risk	-	-	-	2,938,076	1,909,750
24	Securities that are not in default and do not qualify as HQLA, including exchange-traded equities	-	-	-	2,170,120	1,844,602
25	Assets with matching interdependent liabilities					

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26	Other assets:	3,235,559	-	-	4,225,277	3,813,381
27	<i>Physical traded commodities, including gold</i>					
28	<i>Assets posted as initial margin for derivative contracts and contributions to default funds of central counterparties</i>					
29	<i>NSFR derivative assets</i>					
30	<i>NSFR derivative liabilities before deduction of variation margin posted</i>					
31	<i>All other assets not included in the above categories</i>					
32	Off-balance sheet items	2,576,108	1,553,532	6,335,706	-	1,104,619
<b>33</b>	<b>Total RSF</b>					<b>36,670,909</b>
<b>34</b>	<b>Net Stable Funding Ratio (%)</b>					<b>102.76%</b>

## **REMA Remuneration policy (REMA)**

### Governance

Ahli Bank has set in place a Remuneration Policy applicable to all Employees. This policy is reviewed by the HR department and the control function (where applicable) and approved by the Governance, Nomination and Remuneration Committee on behalf of the Board of Directors. The Bank ensure additional transparency by quarterly reporting to QCB and reporting of Annual Report and Remuneration Report to GNR (Governance, Nomination & Remuneration Committee) & QCB.

The GNR committee reviews all remuneration policy and procedure changes recommended by the CEO, together with all matters relating to remuneration of employees. The Bank's Risk committee may (where appropriate or required) be involved in the assessment of the Remuneration and incentive structure with regards the bank's Risks.

### Remuneration Breakdown

The five basic components of remuneration in Ahli Bank:

- i. Fixed Pay (Basic Salary, Statutory Bonus)
- ii. Social Allowances
- iii. Benefits (Housing, Transportation)
- iv. Variable Pay (Annual Performance Bonus)
- v. Pensions (End of Service Pay)

Job Evaluation and resultant grade of individual, based on role and position, determine fixed Pay. The percentage balance between Fixed and Variable Pay is fundamental to the 'Performance Characteristics or Profile' of the Bank, and may be reviewed by the GNR and recommended to the Board if required. It may be uniform across all employees or the Board may decide that certain positions or groups of Employees should be remunerated with a different percentage of Fixed and Variable.

Variable Pay is the Bank's performance based remuneration and is intended to motivate and reward high performers who contribute significantly to sustainable results for the Bank, perform according to set expectations and generally create value (Customers, Income, Operational, Technology, & People).

There are two types of variable remuneration:

- i. Annual Performance Bonus: This is based on the Employee's Annual Objectives and Performance Appraisal, set against a backdrop of overall company performance for one year. This system is intended to measure how well both Employees and the Company do against the Annual Targets set as part of the Budget Planning process.
- ii. Sales Incentives: Sales Incentives or Commission Plans are designed to directly link Sales Performance with Reward. This system encourages Salesmen to do more business, to deliver increased volume. Sales Incentives or Commission Based Remuneration may increase Risk as it encourages 'Volume over Quality', 'Short-term over Long-term', and 'Short-cuts over Best Practice'. Currently, Ahli Bank does not operate Sales Incentive or Commission Based Reward schemes.

The GNR reviews and approves the incentive schemes for the coming year. The Bonus pool is approved once per year based on the recommendations of the CEO. Percentages of Variable to Fixed remuneration may be reported to the GNR for all Employee grades.

The bank has controls in place to ensure that the payment of bonuses is in accordance with any guidelines set by the Board of Directors, and any applicable QCB regulations. These controls may be subject to annual review by the Auditors.

#### Performance Management

During an annual performance and appraisal interview, the Employee and Manager review and document the previous year's performance and set the new objectives for the coming year. There may be decisions to change the Employee's fixed salary (Cost of Living, Merit or Salary Adjustment) at this time, based on Employee's evaluation. Employees of the Bank have Annual Performance Objectives in place that support department and organization goals. Employee's Performance is formally appraised by their Manager, and reviewed by the Manager's Manager.

#### Reward Strategy

The Bank's Reward Strategy is set by HR and the CEO and agreed by the GNR. It determines and defines the direction in which 'Total Rewards' should progress in order to support the Business Strategy. It states the ideas, the initiatives, how they will help the business and the pace of implementation.

Performance-based pay is set to reflect the Bank’s Financial results, the relevant department and the individual’s performance. However, other criteria other than financial results is considered when determining the individual’s bonus; e.g. Upholding Company Values, Compliance with Regulations, Upholding Company regulations, Policy and Procedures and so on.

Material Risk Takers and Control Functions

The Bank identifies two categories of Employees to which this remuneration policy applies:

- i. Control Function Employees – Compliance, Audit, Risk and legal department employees.
- ii. Material Risk Takers – Employees whose work entails their taking business Risks on behalf of the Bank. This includes investments and credit.

In both cases, the Bank ensures that these Employees are remunerated for delivering the best performance in their specific roles and that the promise of Performance Bonus does not compromise there:

- i. Objectivity and independence in the case of control functions.
- ii. Decision-making and Risk taking in the case of Material Risk Takers.

**Remuneration awarded during the financial year (REM1)**

Executive Management Remuneration is agreed between the CEO and the GNR committee. Once it is agreed but before it is paid, the Bank seeks QCB approval, at least two weeks in advance of the intended payment.

Executive Management are paid greater remuneration for their ability to steer the Bank away from Risk and towards profit. They tend to have greater responsibility and impact on strategic direction, the longer-term success, the management of business risk and the final financial position at year-end.

	<b><u>Remuneration - Key management personnel</u></b>	Total
1	Salaries and benefits	32,788,448
2	Post-employment benefits	5,237,344
	<b><u>Total</u></b>	38,025,792

**CCR 5 Composition of collateral for CCR exposure**

The Bank does not have any collateral allocation for credit derivatives exposures

**CCR6 Credit derivatives exposures**

The Bank does not have any credit derivatives exposures

**SEC Securitisation**

The Bank does not have any securitisation exposure in its banking and trading book

**REM2 Special payments**

Bank does not pay any special payments (i.e. guaranteed bonuses, sing-on awards or severance payments) to its Senior Managers or other material risk takers.

**REM3 Deferred remuneration**

Bank does not have any deferred or retained remuneration for its Senior Managers or other material risk takers.