

Ahli Bank Q.P.S.C.

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

**FOR THE SIX MONTH PERIOD ENDED
30 JUNE 2024**

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INDEPENDENT AUDITOR'S REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS TO THE BOARD OF DIRECTORS OF AHLI BANK Q.P.S.C.

Introduction

We have reviewed the accompanying interim condensed consolidated financial statements of Ahli Bank Q.P.S.C. (the "Bank") and its subsidiaries (together referred to as the "Group") as at 30 June 2024, comprising of the interim consolidated statement of financial position as at 30 June 2024, and the related interim consolidated statement of income and interim consolidated statement of comprehensive income for the three and six month periods then ended, and interim consolidated statement of changes in equity and interim consolidated statement of cash flows for the six month period then ended, and the related explanatory notes.

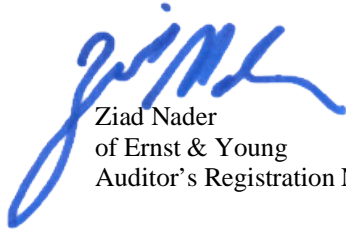
The Board of Directors is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with IAS 34 Interim Financial Reporting ("IAS 34"). Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34.



Ziad Nader
of Ernst & Young
Auditor's Registration No. 258

Date: 17 July 2024
Doha - Qatar



Ahli Bank Q.P.S.C.

INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2024

| | | 30 June 2024 QR'000 (Reviewed) | 30 June 2023 QR'000 (Reviewed) | 31 December 2023 QR'000 (Audited) |
|--|---|---|---|--|
| ASSETS | | | | |
| Cash and balances with central bank | | 1,887,365 | 2,146,721 | 1,855,428 |
| Due from banks | | 13,350,169 | 5,036,951 | 14,760,032 |
| Loans and advances to customers | 7 | 34,322,399 | 35,075,816 | 34,753,943 |
| Investment securities | 8 | 9,258,231 | 8,111,383 | 8,381,744 |
| Property and equipment | | 214,603 | 224,250 | 222,997 |
| Other assets | | 363,467 | 403,503 | 490,025 |
| TOTAL ASSETS | | 59,396,234 | 50,998,624 | 60,464,169 |
| LIABILITIES | | | | |
| Due to banks and central bank | | 12,887,067 | 5,011,994 | 15,001,235 |
| Customer deposits | | 30,877,577 | 30,523,540 | 29,644,983 |
| Debt securities | | 5,493,280 | 5,485,297 | 5,489,434 |
| Other borrowings | | 1,460,949 | 1,460,219 | 1,461,745 |
| Other liabilities | | 700,696 | 714,163 | 621,992 |
| TOTAL LIABILITIES | | 51,419,569 | 43,195,213 | 52,219,389 |
| EQUITY | | | | |
| Share capital | 4 | 2,551,146 | 2,551,146 | 2,551,146 |
| Legal reserve | | 2,024,030 | 1,940,379 | 2,024,030 |
| Risk reserve | | 753,108 | 753,108 | 753,108 |
| Fair value reserve | 5 | (28,792) | (44,649) | (37,294) |
| Retained earnings | | 1,585,173 | 1,511,427 | 1,861,790 |
| TOTAL EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE BANK | | 6,884,665 | 6,711,411 | 7,152,780 |
| Instruments eligible for additional capital | 6 | 1,092,000 | 1,092,000 | 1,092,000 |
| TOTAL EQUITY | | 7,976,665 | 7,803,411 | 8,244,780 |
| TOTAL LIABILITIES AND EQUITY | | 59,396,234 | 50,998,624 | 60,464,169 |

These interim condensed consolidated financial statements were approved by the Board of Directors on 17 July 2024 and were signed on its behalf by:



Sh. Faisal Bin Abdul-Aziz Bin Jassem Al Thani
Chairman



Hassan Ahmed Alefrangi
Chief Executive Officer

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Doha - Qatar

17 JUL 2024

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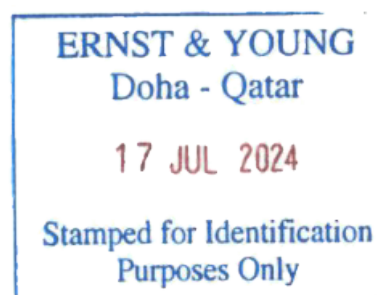
The attached notes 1 to 14 form an integral part of these interim condensed consolidated financial statements.



INTERIM CONSOLIDATED STATEMENT OF INCOME

For the three and six month periods ended 30 June 2024

| | <i>Three months ended</i> | | <i>Six months ended</i> | |
|--|---------------------------|-------------------|-------------------------|-------------------|
| | <i>30 June</i> | | <i>30 June</i> | |
| | <i>2024</i> | <i>2023</i> | <i>2024</i> | <i>2023</i> |
| | <i>QR'000</i> | <i>QR'000</i> | <i>QR'000</i> | <i>QR'000</i> |
| | <i>(Reviewed)</i> | <i>(Reviewed)</i> | <i>(Reviewed)</i> | <i>(Reviewed)</i> |
| Interest income | 851,166 | 764,106 | 1,756,209 | 1,467,918 |
| Interest expense | (467,974) | (450,327) | (940,139) | (835,596) |
| NET INTEREST INCOME | 383,192 | 313,779 | 816,070 | 632,322 |
| Fee and commission income | 37,830 | 34,714 | 72,321 | 78,498 |
| Fee and commission expense | (1,103) | (1,368) | (2,226) | (2,672) |
| NET FEE AND COMMISSION INCOME | 36,727 | 33,346 | 70,095 | 75,826 |
| Foreign exchange gain | 13,891 | 9,181 | 19,880 | 16,268 |
| Gain / (loss) on investment securities | 2,552 | 9,179 | (4,966) | (1,862) |
| Other operating income | 1,019 | 799 | 1,478 | 1,565 |
| | 17,462 | 19,159 | 16,392 | 15,971 |
| TOTAL OPERATING INCOME | 437,381 | 366,284 | 902,557 | 724,119 |
| Staff costs | (45,491) | (45,764) | (93,402) | (92,592) |
| Depreciation | (6,322) | (6,731) | (12,660) | (13,635) |
| Net (impairment) / reversal on investment securities | (9,759) | 117 | (10,319) | 544 |
| Net impairment loss on loans and advances to customers | (167,566) | (126,358) | (306,452) | (195,089) |
| Net reversal / (impairment) on other financial assets | 1,162 | 29 | (1,626) | 2,021 |
| Impairment on repossessed collateral | - | - | (9,000) | - |
| Other expenses | (44,459) | (32,435) | (86,088) | (65,630) |
| | (272,435) | (211,142) | (519,547) | (364,381) |
| PROFIT FOR THE PERIOD | 164,946 | 155,142 | 383,010 | 359,738 |
| Earnings per share (QR) (Note 9) | 0.065 | 0.061 | 0.142 | 0.132 |

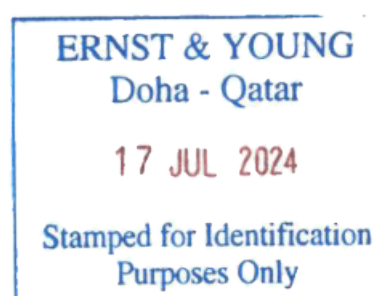


The attached notes 1 to 14 form an integral part of these interim condensed consolidated financial statements.

INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the three and six month periods ended 30 June 2024

| | <i>Three months ended</i> | | <i>Six months ended</i> | |
|---|---------------------------|-------------------|-------------------------|-------------------|
| | <i>30 June</i> | | <i>30 June</i> | |
| | <i>2024</i> | <i>2023</i> | <i>2024</i> | <i>2023</i> |
| | <i>QR'000</i> | <i>QR'000</i> | <i>QR'000</i> | <i>QR'000</i> |
| | <i>(Reviewed)</i> | <i>(Reviewed)</i> | <i>(Reviewed)</i> | <i>(Reviewed)</i> |
| Profit for the period | 164,946 | 155,142 | 383,010 | 359,738 |
| Other comprehensive income for the period | | | | |
| Items that will be reclassified subsequently to income statement | | | | |
| Net change in fair value of debt instruments classified as FVOCI | 4,624 | 658 | 8,502 | 884 |
| Other comprehensive income for the period | 4,624 | 658 | 8,502 | 884 |
| Total comprehensive income for the period | 169,570 | 155,800 | 391,512 | 360,622 |



Ahli Bank Q.P.S.C.

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six month period ended 30 June 2024

| | Share capital QR'000 | Legal reserve QR'000 | Risk reserve QR'000 | Fair value reserve QR'000 | Retained earnings QR'000 | Total equity attributable to equity holders of the Bank QR'000 | Instruments eligible for additional capital QR'000 | Total equity QR'000 |
|--|----------------------------|----------------------------|---------------------------|---------------------------------|--------------------------------|---|--|---------------------------|
| Balance as at 1 January 2023 (<i>Audited</i>) | 2,551,146 | 1,940,379 | 753,108 | (45,533) | 1,683,758 | 6,882,858 | 1,092,000 | 7,974,858 |
| Total comprehensive income for the period: | | | | | | | | |
| Profit for the period | - | - | - | - | 359,738 | 359,738 | - | 359,738 |
| Other comprehensive income | - | - | - | 884 | - | 884 | - | 884 |
| Total comprehensive income for the period | - | - | - | 884 | 359,738 | 360,622 | - | 360,622 |
| <u>Contributions by and distributions to equity holders:</u> | | | | | | | | |
| Dividends paid (Note 4b) | - | - | - | - | (510,229) | (510,229) | - | (510,229) |
| Total contributions and distributions to equity holders | - | - | - | - | (510,229) | (510,229) | - | (510,229) |
| Dividends paid on Tier 1 capital instruments | - | - | - | - | (21,840) | (21,840) | - | (21,840) |
| Balance at 30 June 2023 (<i>Reviewed</i>) | <u>2,551,146</u> | <u>1,940,379</u> | <u>753,108</u> | <u>(44,649)</u> | <u>1,511,427</u> | <u>6,711,411</u> | <u>1,092,000</u> | <u>7,803,411</u> |
| Balance as at 1 January 2024 (<i>Audited</i>) | 2,551,146 | 2,024,030 | 753,108 | (37,294) | 1,861,790 | 7,152,780 | 1,092,000 | 8,244,780 |
| Total comprehensive income for the period: | | | | | | | | |
| Profit for the period | - | - | - | - | 383,010 | 383,010 | - | 383,010 |
| Other comprehensive income | - | - | - | 8,502 | - | 8,502 | - | 8,502 |
| Total comprehensive income for the period | - | - | - | 8,502 | 383,010 | 391,512 | - | 391,512 |
| <u>Contributions by and distributions to equity holders:</u> | | | | | | | | |
| Dividends paid (Note 4b) | - | - | - | - | (637,787) | (637,787) | - | (637,787) |
| Total contributions and distributions to equity holders | - | - | - | - | (637,787) | (637,787) | - | (637,787) |
| Dividends paid on Tier 1 capital instruments | - | - | - | - | (21,840) | (21,840) | - | (21,840) |
| Balance at 30 June 2024 (<i>Reviewed</i>) | <u>2,551,146</u> | <u>2,024,030</u> | <u>753,108</u> | <u>(28,792)</u> | <u>1,585,173</u> | <u>6,884,665</u> | <u>1,092,000</u> | <u>7,976,665</u> |

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INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

For the six month period ended 30 June 2024

| | <i>Six months ended 30 June</i> | |
|---|---|---|
| | <i>2024</i> <i>QR'000</i> <i>(Reviewed)</i> | <i>2023</i> <i>QR'000</i> <i>(Reviewed)</i> |
| <i>Note</i> | | |
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Profit for the period | 383,010 | 359,738 |
| <i>Adjustments for:</i> | | |
| Net impairment loss on loans and advances to customers | 306,452 | 195,089 |
| Net impairment / (reversal) of impairment on investment securities | 10,319 | (544) |
| Net impairment / (reversal) of impairment on other financial assets | 1,626 | (2,021) |
| Depreciation | 12,660 | 13,635 |
| Net loss on investment securities | 12,218 | 9,152 |
| Impairment on repossessed collateral | 9,000 | - |
| <i>Profit before changes in operating assets and liabilities</i> | 735,285 | 575,049 |
| Change in due from central bank | (166,377) | (100,836) |
| Change in due from banks | (4,510,422) | (1,093,369) |
| Change in loans and advances to customers | 125,092 | (1,238,672) |
| Change in other assets | 117,557 | (5,335) |
| Change in due to banks and central bank | (2,114,168) | 1,023,677 |
| Change in customer deposits | 1,232,594 | 1,569,857 |
| Change in other liabilities | 78,619 | (323) |
| Net cash (used in) / from operating activities | (4,501,820) | 730,048 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Purchase of investment securities | (2,279,028) | (25,275) |
| Proceeds from sale or maturity of investment securities | 1,388,506 | 245,573 |
| Net acquisition of property and equipment | (4,266) | (7,699) |
| Net cash flows (used in) / from investing activities | (894,788) | 212,599 |
| CASH FLOWS USED IN FINANCING ACTIVITIES | | |
| Net proceeds from other borrowings and debt securities | 3,050 | 4,848 |
| Dividends paid | (637,787) | (510,229) |
| Dividends paid on Tier 1 capital instruments | (21,840) | (21,840) |
| Net cash used in financing activities | (656,577) | (527,221) |
| NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS | (6,053,185) | 415,426 |
| Cash and cash equivalents as at 1 January | 8,866,106 | 3,986,191 |
| CASH AND CASH EQUIVALENTS AT 30 JUNE | 2,812,921 | 4,401,617 |
| <i>Cash and cash equivalents comprise:</i> | | |
| Cash and balances with Central Bank (i) | 453,262 | 766,066 |
| Due from banks with original maturity less than three months | 2,359,659 | 3,635,551 |
| Total | 2,812,921 | 4,401,617 |

(i) Excludes the mandatory cash reserve requirement by Qatar Central Bank.

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1 LEGAL STATUS AND PRINCIPAL ACTIVITIES

Ahli Bank Q.P.S.C. (the “Bank”) was incorporated in the State of Qatar in 1983 as a public shareholding company under the Emiri Decree No. 40 of 1983. The Bank is engaged in commercial and retail banking services and operates through its registered Head Office located at Suhaim Bin Hamad Street, Al Sadd Area in Doha (P.O. Box 2309, Doha, State of Qatar) and eleven branches established in the State of Qatar.

The principal subsidiaries of the Bank are as follows:

| <i>Company's Name</i> | <i>Country of incorporation</i> | <i>Company's capital</i> | <i>Company's activities</i> | <i>Percentage of ownership 30 June 2024</i> | <i>Percentage of ownership 31 December 2023</i> |
|-------------------------------|---------------------------------|--------------------------|-----------------------------|---|---|
| Ahli Brokerage Company L.L.C. | Qatar | QR 50 million | Brokerage | 100 | 100 |
| ABQ Finance Limited | Cayman Islands | US \$ 1 | Debt issuance | 100 | 100 |
| ABQ Innovative L.L.C. | Qatar | QR 1 million | Consultancy services | 100 | - |

The Bank and its subsidiaries are together referred to as the “Group”, throughout these interim condensed consolidated financial statements.

The interim condensed consolidated financial statements of Ahli Bank Q.P.S.C. for the six month period ended 30 June 2024 were authorised for issue in accordance with a resolution of the Board of Directors on 17 July 2024.

2 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICIES**Basis of preparation**

The interim condensed consolidated financial statements of the Group are prepared in accordance with International Accounting Standard (“IAS”) 34, *Interim Financial Reporting* and have been presented in Qatari Riyals thousands (QR'000) unless otherwise mentioned, which is the Group's functional and presentation currency.

The preparation of this interim condensed consolidated financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

The significant judgments made by the management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended 31 December 2023. All material intra-group balances, transactions, income and expenses and profits and losses resulting from intra-group transactions are eliminated on consolidation.

The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual consolidated financial statements and should be read in conjunction with the annual consolidated financial statements of the Group for the year ended 31 December 2023. In addition, results for the six month period ended 30 June 2024 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2024.

New standards, interpretations and amendments adopted by the Group

The accounting policies used in the preparation of these interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2023, except for the adoption of new standards effective as of 1 January 2024.

The following amendments to the existing standards have been applied by the Group in preparation of these interim condensed consolidated financial statements. The adoption of the below amendments to existing standards did not result in changes to previously reported net profit or equity of the Group, but they may result in additional disclosures at year end.

2 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICIES (CONTINUED)**New standards, interpretations and amendments adopted by the Group (continued)**

| <i>Description</i> | <i>Effective from</i> |
|--|-----------------------|
| Supplier Finance Arrangements - Amendments to IAS 7 and IFRS 7 | 1 January 2024 |
| Amendments to IFRS 16: Lease Liability in a Sale and Leaseback | 1 January 2024 |
| Amendments to IAS 1: Classification of Liabilities as Current or Non-current | 1 January 2024 |
| Non-current Liabilities with Covenants – Amendments to IAS 1 | 1 January 2024 |

These amendments had no impact on the interim condensed consolidated financial statements of the Group.

Amendments issued but not yet effective

| | |
|---|-----------------------|
| Lack of Exchangeability – Amendments to IAS 21 | 1 January 2025 |
| Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28) | Deferred indefinitely |

The Group is currently evaluating the impact of this amendment. The Group will adopt it when the amendment becomes effective.

Climate-related matters

The Group considers climate-related matters in accounting judgements, estimates and assumptions, where appropriate. This assessment includes a wide range of possible impacts on the Group due to both physical and transition risks. Most climate-related risks are expected to impact over a term that is generally longer than the contractual maturity of most exposures, nonetheless climate-related matters increase the uncertainty in estimates and assumptions underpinning certain items in the financial statements. Currently, climate-related risks do not have a significant impact on measurement, though the Group is closely monitoring relevant changes and developments. The items and considerations that are most directly impacted by climate-related matters include useful life of property and equipment, impairment of non-financial assets, expected credit losses and fair value measurement, among others.

3 FINANCIAL RISK MANAGEMENT

The Group's financial risk management objectives and policies are consistent with those disclosed in the consolidated financial statements for the year ended 31 December 2023.

| | <i>30 June 2024</i> | | | | <i>30 June</i> |
|---|----------------------------------|----------------------------------|----------------------------------|--------------------------------|-------------------------------|
| | <i>Stage 1</i> <i>QR' 000</i> | <i>Stage 2</i> <i>QR' 000</i> | <i>Stage 3</i> <i>QR' 000</i> | <i>Total</i> <i>QR' 000</i> | <i>2023</i> <i>QR' 000</i> |
| Exposure subject to ECL | | | | | |
| - Loans and advances to customers | 28,413,843 | 7,283,570 | 1,009,964 | 36,707,377 | 37,126,948 |
| - Investment securities (Debt) | 8,992,553 | - | - | 8,992,553 | 7,900,522 |
| - Loan commitments and financial guarantees | 1,951,807 | 223,527 | - | 2,175,334 | 2,322,080 |
| - Due from banks | 13,001,872 | 353,871 | - | 13,355,743 | 5,039,331 |
| Opening balance – as at 1 January | | | | | |
| - Loans and advances to customers | 314,183 | 1,033,644 | 787,030 | 2,134,857 | 1,822,196 |
| - Investment securities (Debt) | 12,881 | - | - | 12,881 | 11,428 |
| - Loan commitments and financial guarantees | 9,041 | 4,386 | - | 13,427 | 12,147 |
| - Due from banks | 3,777 | 256 | - | 4,033 | 1,011 |
| | 339,882 | 1,038,286 | 787,030 | 2,165,198 | 1,846,782 |
| Charge for the period (net) | | | | | |
| - Loans and advances to customers | 20,968 | 237,587 | (8,434) | 250,121 | 228,936 |
| - Investment securities (Debt) | 10,319 | - | - | 10,319 | (544) |
| - Loan commitments and financial guarantees | (326) | 411 | - | 85 | (3,390) |
| - Due from banks | (553) | 2,094 | - | 1,541 | 1,369 |
| | 30,408 | 240,092 | (8,434) | 262,066 | 226,371 |
| Closing balance - at 30 June | | | | | |
| - Loans and advances to customers | 335,151 | 1,271,231 | 778,596 | 2,384,978 | 2,051,132 |
| - Investment securities (Debt) | 23,200 | - | - | 23,200 | 10,884 |
| - Loan commitments and financial guarantees | 8,715 | 4,797 | - | 13,512 | 8,757 |
| - Due from banks | 3,224 | 2,350 | - | 5,574 | 2,380 |
| | 370,290 | 1,278,378 | 778,596 | 2,427,264 | 2,073,153 |

3 FINANCIAL RISK MANAGEMENT (CONTINUED)**Credit quality assessments**

| <i>Rating grade</i> | <i>30 June 2024</i> | | | |
|---------------------|--|---|--|-----------------------------------|
| | <i>Loans and advances to customers QR' 000</i> | <i>Investment securities (Debt) QR' 000</i> | <i>Loan commitments and financial guarantees QR' 000</i> | <i>Due from banks QR' 000</i> |
| AAA to AA- | 3,049,815 | 6,731,673 | 190,903 | 2,019,252 |
| A+ to A- | 1,833,841 | 1,276,793 | 366,407 | 8,364,012 |
| BBB to BBB- | 24,562,171 | 676,219 | 1,357,710 | 2,972,393 |
| BB+ to B- | 6,209,232 | 307,868 | 260,314 | 86 |
| CCC to C | 42,354 | - | - | - |
| Total | 35,697,413 | 8,992,553 | 2,175,334 | 13,355,743 |

| <i>Rating grade</i> | <i>30 June 2023</i> | | | |
|---------------------|--|---|--|-----------------------------------|
| | <i>Loans and advances to customers QR' 000</i> | <i>Investment securities (Debt) QR' 000</i> | <i>Loan commitments and financial guarantees QR' 000</i> | <i>Due from banks QR' 000</i> |
| AAA to AA- | 3,218,539 | 6,151,527 | 305,636 | 381,996 |
| A+ to A- | 1,573,226 | 1,099,965 | 124,953 | 4,198,061 |
| BBB to BBB- | 25,649,376 | 522,635 | 1,678,589 | 339,003 |
| BB+ to B- | 5,616,234 | 126,395 | 212,605 | 120,272 |
| CCC to C | 155,028 | - | 298 | - |
| Total | 36,212,403 | 7,900,522 | 2,322,081 | 5,039,332 |

4 SHARE CAPITAL AND DIVIDENDS PAID**4 a) Share capital**

| | <i>30 June 2024 QR'000 (Reviewed)</i> | <i>30 June 2023 QR'000 (Reviewed)</i> | <i>31 December 2023 QR'000 (Audited)</i> |
|---|---|---|--|
| <i>Authorised</i> Ordinary shares of QR 1 each | 2,551,146 | 2,551,146 | 2,551,146 |

Qatar Investment Authority holds 47.71% of the ordinary shares of the Bank with the remaining shares held by members of the public and institutions (52.29%).

4 b) Dividends paid

During the period, the Bank paid a cash dividend of QR 0.25 per share amounting to QR 637,787 thousand (2023: QR 0.20 per share totaling to QR 510,229 thousand).

5 FAIR VALUE RESERVE

| | <i>30 June 2024 QR'000 (Reviewed)</i> | <i>30 June 2023 QR'000 (Reviewed)</i> | <i>31 December 2023 QR'000 (Audited)</i> |
|---|---|---|--|
| At the beginning of the period / year | (37,294) | (45,533) | (45,533) |
| Net change in fair value during the period / year | <u>8,502</u> | <u>884</u> | <u>8,239</u> |
| At the end of the period / year | <u>(28,792)</u> | <u>(44,649)</u> | <u>(37,294)</u> |

6 INSTRUMENTS ELIGIBLE FOR ADDITIONAL CAPITAL

| | <i>30 June 2024 QR'000 (Reviewed)</i> | <i>30 June 2023 QR'000 (Reviewed)</i> | <i>31 December 2023 QR'000 (Audited)</i> |
|----------------------------|---|---|--|
| Issued on 17 February 2021 | <u>1,092,000</u> | <u>1,092,000</u> | <u>1,092,000</u> |

The Group had issued regulatory Tier I capital notes totalling to QR 1.092 billion during 2021. These notes are perpetual, subordinated, unsecured and have been priced at a fixed rate for the first five years and shall be re-priced thereafter. The notes carry no maturity date and have been classified as additional Tier 1 capital. The dividend is discretionary and is non-cumulative.

7 LOANS AND ADVANCES TO CUSTOMERS

Loans and advances to customers comprise:

| | <i>30 June 2024 QR'000 (Reviewed)</i> | <i>30 June 2023 QR'000 (Reviewed)</i> | <i>31 December 2023 QR'000 (Audited)</i> |
|---|---|---|--|
| Gross loans and advances to customers | 36,314,991 | 36,762,825 | 36,429,104 |
| Impairment of loans and advances to customers | <u>(2,384,978)</u> | <u>(2,051,132)</u> | <u>(2,134,857)</u> |
| Interest receivable | <u>33,930,013</u> 392,386 | <u>34,711,693</u> 364,123 | <u>34,294,247</u> 459,696 |
| Net loans and advances to customers | <u>34,322,399</u> | <u>35,075,816</u> | <u>34,753,943</u> |

The total non-performing loans and advances to customers at 30 June 2024 amounted to QR 1,009,964 thousand, representing 2.78% of the gross loans and advances (31 December 2023: QR 914,084 thousand representing 2.51% of the gross loans and advances to customers).

Interest in suspense of QR 138,549 thousand as of 30 June 2024 (31 December 2023: QR 240,145 thousand) is, for the purpose of the Qatar Central Bank regulatory requirements, included in the above impairment allowance amount.

8 INVESTMENT SECURITIES

| | <i>30 June 2024 QR'000 (Reviewed)</i> | <i>30 June 2023 QR'000 (Reviewed)</i> | <i>31 December 2023 QR'000 (Audited)</i> |
|--|---|---|--|
| Investment securities measured at FVOCI | 784,448 | 797,768 | 776,163 |
| Investment securities measured at FVTPL | 277,476 | 210,343 | 218,303 |
| Investment securities measured at amortised cost | 8,132,940 | 7,039,073 | 7,322,460 |
| Gross investments securities | 9,194,864 | 8,047,184 | 8,316,926 |
| Less: impairment losses on investment securities | (23,200) | (10,884) | (12,881) |
| | 9,171,664 | 8,036,300 | 8,304,045 |
| Interest receivable on investment securities (Debt instruments) | 86,567 | 75,083 | 77,699 |
| | 9,258,231 | 8,111,383 | 8,381,744 |

9 EARNINGS PER SHARE

Basic earnings per share are calculated by dividing the profit for the period by the weighted average number of shares in issue during the period.

| | <i>Three months ended 30 June</i> | | <i>Six months ended 30 June</i> | |
|--|---------------------------------------|----------------------------|-------------------------------------|----------------------------|
| | <i>2024 (Reviewed)</i> | <i>2023 (Reviewed)</i> | <i>2024 (Reviewed)</i> | <i>2023 (Reviewed)</i> |
| Profit for the period – QR'000 | 164,946 | 155,142 | 383,010 | 359,738 |
| Less: Dividend paid for Tier 1 capital instruments | - | - | (21,840) | (21,840) |
| | 164,946 | 155,142 | 361,170 | 337,898 |
| Weighted average number of shares | 2,551,146,170 | 2,551,146,170 | 2,551,146,170 | 2,551,146,170 |
| Earnings per share (QR) | 0.065 | 0.061 | 0.142 | 0.132 |

There were no potentially dilutive shares outstanding at any time during the period, therefore, the diluted earnings per share is equal to the basic earnings per share.

10 FINANCIAL INSTRUMENTS - CARRYING AMOUNT, FAIR VALUES AND FAIR VALUE HIERARCHY

The Group measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements.

Level 1: Quoted market price (unadjusted) in an active market for an identical instrument.

Level 2: Other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly; and

Level 3: Techniques which use inputs which have a significant effect on the recorded fair value that are based on unobservable market data.

10 FINANCIAL INSTRUMENTS - CARRYING AMOUNT, FAIR VALUES AND FAIR VALUE HIERARCHY (CONTINUED)**10 a) Financial instruments measured at fair value – fair value hierarchy**

The table below analyses financial instruments measured at fair value at the end of the reporting period, by the level in the fair value hierarchy into which the fair value measurement is categorised:

| | <i>Level 1</i> <i>QR'000</i> | <i>Level 2</i> <i>QR'000</i> | <i>Level 3</i> <i>QR'000</i> | <i>Total</i> <i>QR'000</i> |
|---|---------------------------------|---------------------------------|---------------------------------|-------------------------------|
| <i>30 June 2024 (Reviewed)</i> | | | | |
| Derivative assets held for risk management | - | 25,174 | - | 25,174 |
| Investment securities (FVTPL/FVOCI) | 1,007,574 | 54,350 | - | 1,061,924 |
| | <u>1,007,574</u> | <u>79,524</u> | <u>-</u> | <u>1,087,098</u> |
| Derivative liabilities held for risk management | - | 43,703 | - | 43,703 |
| | <u>-</u> | <u>43,703</u> | <u>-</u> | <u>43,703</u> |
| | <i>Level 1</i> <i>QR'000</i> | <i>Level 2</i> <i>QR'000</i> | <i>Level 3</i> <i>QR'000</i> | <i>Total</i> <i>QR'000</i> |
| <i>30 June 2023 (Reviewed)</i> | | | | |
| Derivative assets held for risk management | - | 16,899 | - | 16,899 |
| Investment securities (FVTPL/FVOCI) | 948,336 | 59,775 | - | 1,008,111 |
| | <u>948,336</u> | <u>76,674</u> | <u>-</u> | <u>1,025,010</u> |
| Derivative liabilities held for risk management | - | 2,501 | - | 2,501 |
| | <u>-</u> | <u>2,501</u> | <u>-</u> | <u>2,501</u> |
| <i>31 December 2023 (Audited)</i> | | | | |
| Derivative assets held for risk management | - | 178,791 | - | 178,791 |
| Investment securities (FVTPL/FVOCI) | 934,696 | 59,770 | - | 994,466 |
| | <u>934,696</u> | <u>238,561</u> | <u>-</u> | <u>1,173,257</u> |
| Derivative liabilities held for risk management | - | 101 | - | 101 |
| | <u>-</u> | <u>101</u> | <u>-</u> | <u>101</u> |

During the periods ended 30 June 2024 and 30 June 2023 and year ended 31 December 2023, there were no transfers between Level 1 and Level 2 fair value measurements, and no transfers into and out of Level 3 fair value measurements.

Financial instruments not measured at fair value

Fair value of investment securities measured at amortised cost amounting to QR 8,056,364 thousand as at 30 June 2024 (31 December 2023: QR 7,245,538 thousand), is derived using level 1 fair value hierarchy.

11 CONTINGENT LIABILITIES, GUARANTEES AND OTHER COMMITMENTS

| | <i>30 June</i> <i>2024</i> <i>QR'000</i> <i>(Reviewed)</i> | <i>30 June</i> <i>2023</i> <i>QR'000</i> <i>(Reviewed)</i> | <i>31 December</i> <i>2023</i> <i>QR'000</i> <i>(Audited)</i> |
|--|---|---|--|
| <i>Contingent liabilities:</i> | | | |
| Unused credit facilities (cancellable and non-cancellable) | 11,927,669 | 13,170,579 | 11,390,830 |
| Guarantees | 6,309,552 | 6,983,276 | 6,649,651 |
| Letters of credit | 354,083 | 556,714 | 416,667 |
| | <u>18,591,304</u> | <u>20,710,569</u> | <u>18,457,148</u> |
| <i>Other commitments:</i> | | | |
| Forward foreign exchange contracts | 3,325,236 | 2,052,802 | 7,985,062 |
| | <u>3,325,236</u> | <u>2,052,802</u> | <u>7,985,062</u> |

11 CONTINGENT LIABILITIES, GUARANTEES AND OTHER COMMITMENTS (CONTINUED)**Unused credit facilities**

Commitments to extend credit represent contractual commitments to fund loans and revolving credits. Commitments generally have fixed expiry dates or other termination clauses. Since commitments may expire without being drawn upon, the total contract amounts do not necessarily represent future cash requirements.

Guarantees and letters of credit

Letters of credit and guarantees commit the Group to make payments on behalf of customers contingent upon their failure to perform under the terms of contracts with third parties. Guarantees and standby letters of credit carry the same risk as loans. Credit guarantees can be in the form of irrevocable letters of credits, advance payment guarantees and endorsements liabilities from bills rediscounted.

12 SEGMENT INFORMATION

For management reporting purposes, the Group is organised into two major operating segments:

| | |
|---|--|
| Retail banking, private banking and wealth management | Principally handling individual customers' deposit and current accounts, providing consumer loans, residential mortgages, overdrafts, credit cards and fund transfer facilities. Private banking and wealth management represents servicing high net worth individuals through a range of investment products, funds, credit facilities, trusts and alternative investments. |
| Corporate banking, treasury, investments and brokerage subsidiary | Principally handling loans and other credit facilities, and deposit and current accounts for corporate and institutional customers and providing money market, trading and treasury services, as well as management of the Group's funding. This includes the brokerage activities of the wholly owned subsidiary, Ahli Brokerage Company L.L.C. |

Management monitors the operating results of the operating segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss.

Segment information for the period is as follows:

| <i>30 June 2024 (Reviewed)</i> | <i>Retail & private banking and wealth management QR'000</i> | <i>Corporate banking, treasury, investments and brokerage subsidiary QR'000</i> | <i>Total QR'000</i> |
|--------------------------------------|--|---|-------------------------|
| Net interest income | 90,229 | 725,841 | 816,070 |
| Net fee, commission and other income | 40,802 | 45,685 | 86,487 |
| Total segment operating income | <u>131,031</u> | <u>771,526</u> | <u>902,557</u> |
| Other material non-cash items: | | | |
| Net impairment losses | (56,022) | (271,375) | (327,397) |
| Reportable segment (loss) / profit | <u>(8,552)</u> | <u>391,562</u> | <u>383,010</u> |
| Reportable segment assets | <u>7,328,149</u> | <u>52,068,085</u> | <u>59,396,234</u> |
| Reportable segment liabilities | <u>18,203,049</u> | <u>33,216,520</u> | <u>51,419,569</u> |

12 SEGMENT INFORMATION (CONTINUED)

| <i>30 June 2023 (Reviewed)</i> | <i>Retail & private banking and wealth management QR'000</i> | <i>Corporate banking, treasury, investments and brokerage subsidiary QR'000</i> | <i>Total QR'000</i> |
|--------------------------------------|--|---|-------------------------|
| Net interest income | 106,827 | 525,495 | 632,322 |
| Net fee, commission and other income | 44,212 | 47,585 | 91,797 |
| Total segment operating income | 151,039 | 573,080 | 724,119 |
| Other material non-cash items: | | | |
| Net impairment losses | (1,007) | (191,517) | (192,524) |
| Reportable segment profit | 72,119 | 287,619 | 359,738 |
| Reportable segment assets | 7,565,583 | 43,433,041 | 50,998,624 |
| Reportable segment liabilities | 17,476,101 | 25,719,112 | 43,195,213 |

* There is no inter-group transactions in the above segmental information.

* The Group operates only within the State of Qatar.

13 RELATED PARTIES

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions. Related parties include entities over which the Group exercises significant influence, major shareholders, directors, and key management personnel of the Group.

The Group enters into transactions with major shareholders, directors and key management personnel of the Group, and entities controlled, jointly controlled, or significantly influenced by such parties. All the loans, advances, and financing activities to related parties are given at market rates and these are performing and free of any allowance for possible credit losses.

The balances of related parties included in the interim condensed consolidated financial statements are as follows:

| | <i>30 June 2024 (Reviewed)</i> | | <i>31 December 2023 (Audited)</i> | |
|---|---|---------------------------------|---|---------------------------------|
| | <i>Board of Directors QR' 000</i> | <i>Shareholders QR' 000</i> | <i>Board of Directors QR' 000</i> | <i>Shareholders QR' 000</i> |
| Assets: | | | | |
| Loans and advances to customers | 34,177 | - | 34,668 | - |
| Liabilities: | | | | |
| Customer deposits | 4,850,132 | 1,110,924 | 3,585,668 | 1,582,737 |
| Unfunded items: | | | | |
| Letters of guarantee, letters of credit, commitments and indirect credit facilities | 16,502 | - | 16,842 | - |

13 RELATED PARTIES (CONTINUED)

| | <i>Six months period ended</i> | | <i>Six months period ended</i> | |
|---|--------------------------------|---------------------|--------------------------------|---------------------|
| | <i>30 June 2024</i> | | <i>30 June 2023</i> | |
| | <i>(Reviewed)</i> | | <i>(Reviewed)</i> | |
| | <i>Board of</i> | <i>Shareholders</i> | <i>Board of</i> | <i>Shareholders</i> |
| | <i>Directors</i> | | <i>Directors</i> | |
| | <i>QR' 000</i> | <i>QR' 000</i> | <i>QR' 000</i> | <i>QR' 000</i> |
| Income statement items: | | | | |
| Interest and fee and commission income | 877 | - | 1,980 | - |
| Interest and fee and commission expense | 128,951 | 38,593 | 94,617 | 44,525 |
| Board of Directors' remuneration | 8,690 | - | 6,250 | - |

Transactions with key management personnel

Key management personnel (other than Board of Directors) and their immediate relatives have transacted with the Group during the period / year as follows:

| | <i>30 June</i> | <i>31 December</i> |
|-------------|-------------------|--------------------|
| | <i>2024</i> | <i>2023</i> |
| | <i>QR' 000</i> | <i>QR' 000</i> |
| | <i>(Reviewed)</i> | <i>(Audited)</i> |
| Other loans | <u>5,504</u> | <u>4,983</u> |

Key management personnel compensation comprised:

| | <i>Six months period ended</i> | |
|---|--------------------------------|---------------------|
| | <i>30 June 2024</i> | <i>30 June 2023</i> |
| | <i>QR' 000</i> | <i>QR' 000</i> |
| | <i>(Reviewed)</i> | <i>(Reviewed)</i> |
| Salaries and short-term employee benefits | 20,792 | 21,050 |
| Post employment benefits | <u>4,028</u> | <u>5,501</u> |
| | <u>24,820</u> | <u>26,551</u> |

14 CAPITAL ADEQUACY RATIO

As per Qatar Central Bank regulations, the Group has calculated the below ratios in accordance with Basel III guidelines. The revised BASEL III guidelines are effective from 01 January 2024. The Group's minimum QCB regulatory limit, including the Capital Conservation Buffer (2.5%) and the applicable Domestic Systemically Important Bank ("DSIB") Buffer and the ICAAP Pillar II capital charge, is 13.89% for 2024.

The table below summarises the composition of prevailing regulatory capital and the ratios of the Group. The Group and the individual entities within it complied with the externally imposed capital requirements to which they are subject to:

| | <i>30 June</i> | <i>30 June</i> | <i>31 December</i> |
|------------------------------------|-------------------|-------------------|--------------------|
| | <i>2024</i> | <i>2023</i> | <i>2023</i> |
| | <i>QR'000</i> | <i>QR'000</i> | <i>QR'000</i> |
| | <i>(Reviewed)</i> | <i>(Reviewed)</i> | <i>(Audited)</i> |
| Common Equity Tier 1 (CET) Capital | 6,884,665 | 6,351,673 | 6,493,153 |
| Additional Tier 1 Capital | 1,092,000 | 1,092,000 | 1,092,000 |
| Additional Tier 2 Capital | <u>457,803</u> | <u>457,469</u> | <u>453,455</u> |
| Total Eligible Capital | 8,434,468 | 7,901,142 | 8,038,608 |
| Risk Weighted Assets | <u>38,899,314</u> | <u>38,375,493</u> | <u>38,201,972</u> |
| Total Capital Adequacy Ratio (%) | <u>21.68%</u> | <u>20.59%</u> | <u>21.04%</u> |