

Ahli Bank Q.P.S.C.

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

**FOR THE THREE MONTH PERIOD ENDED
31 MARCH 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 (the "Group") as at 31 March 2024, comprising of the interim consolidated statement of financial position as at 31 March 2024, and the related interim consolidated statement of income, interim consolidated statement of comprehensive income, interim consolidated statement of changes in equity and interim consolidated statement of cash flows for the three month period then ended, and the related explanatory notes.

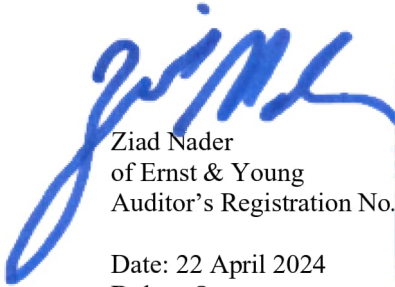
The Board of Directors is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with IAS 34 Interim Financial Reporting ("IAS 34"). Our responsibility is to express a conclusion on these interim condensed consolidated financial statements 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: 22 April 2024
Doha - Qatar



Ahli Bank Q.P.S.C.

INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2024

		31 March 2024 QR'000 (Reviewed)	31 March 2023 QR'000 (Reviewed)	31 December 2023 QR'000 (Audited)
ASSETS				
Cash and balances with central bank		1,805,025	1,943,287	1,855,428
Due from banks		14,144,639	2,302,601	14,760,032
Loans and advances to customers	7	34,408,250	36,723,525	34,753,943
Investment securities	8	8,400,418	8,233,313	8,381,744
Property and equipment		220,372	225,568	222,997
Other assets		340,793	389,153	490,025
TOTAL ASSETS		59,319,497	49,817,447	60,464,169
LIABILITIES				
Due to banks and central bank		13,332,185	3,853,611	15,001,235
Customer deposits		30,631,705	30,673,514	29,644,983
Debt securities		5,459,362	5,451,379	5,489,434
Other borrowings		1,461,230	1,460,220	1,461,745
Other liabilities		627,920	731,112	621,992
TOTAL LIABILITIES		51,512,402	42,169,836	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	(33,416)	(45,307)	(37,294)
Retained earnings		1,420,227	1,356,285	1,861,790
TOTAL EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE BANK		6,715,095	6,555,611	7,152,780
Instruments eligible for additional capital	6	1,092,000	1,092,000	1,092,000
TOTAL EQUITY		7,807,095	7,647,611	8,244,780
TOTAL LIABILITIES AND EQUITY		59,319,497	49,817,447	60,464,169

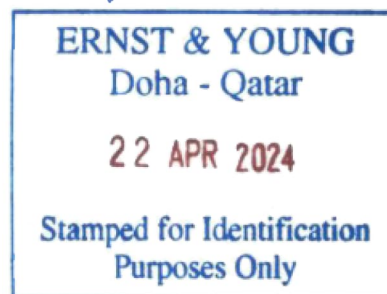
These interim condensed consolidated financial statements were approved by the Board of Directors on 22 April 2024 and were signed on its behalf by:



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



Hassan Ahmed Alefrangi
Chief Executive Officer



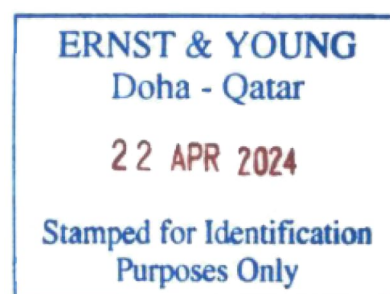
The attached notes 1 to 14 form an integral part of these interim condensed consolidated financial statements.

Ahli Bank Q.P.S.C.

INTERIM CONSOLIDATED STATEMENT OF INCOME

For the three month period ended 31 March 2024

	<i>Three months ended 31 March</i>	
	<i>2024</i> <i>QR'000</i> <i>(Reviewed)</i>	<i>2023</i> <i>QR'000</i> <i>(Reviewed)</i>
Interest income	905,043	703,812
Interest expense	(472,165)	(385,269)
NET INTEREST INCOME	432,878	318,543
Fee and commission income	34,491	43,784
Fee and commission expense	(1,123)	(1,304)
NET FEE AND COMMISSION INCOME	33,368	42,480
Foreign exchange gain	5,989	7,087
Loss on investment securities	(7,518)	(11,041)
Other operating income	459	766
	(1,070)	(3,188)
TOTAL OPERATING INCOME	465,176	357,835
Staff costs	(47,911)	(46,828)
Depreciation	(6,338)	(6,904)
Net (impairment) / reversal on investment securities	(560)	427
Net impairment loss on loans and advances to customers	(138,886)	(68,731)
Net (impairment) / reversal on other financial assets	(2,788)	1,992
Impairment on repossessed collateral	(9,000)	-
Other expenses	(41,629)	(33,195)
	(247,112)	(153,239)
PROFIT FOR THE PERIOD	218,064	204,596
Earnings per share (QR) (Note 9)	0.077	0.072



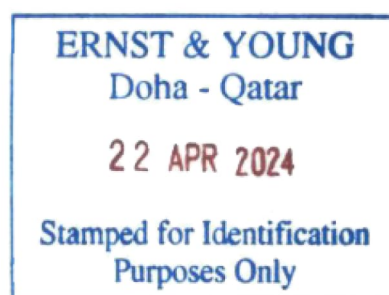
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Ahli Bank Q.P.S.C.

INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the three month period ended 31 March 2024

	<i>Three months ended 31 March</i>	
	<i>2024</i> <i>QR'000</i> <i>(Reviewed)</i>	<i>2023</i> <i>QR'000</i> <i>(Reviewed)</i>
Profit for the period	<u>218,064</u>	<u>204,596</u>
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	<u>3,878</u>	<u>226</u>
Other comprehensive income for the period	<u>3,878</u>	<u>226</u>
Total comprehensive income for the period	<u>221,942</u>	<u>204,822</u>



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

Ahli Bank Q.P.S.C.

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the three month period ended 31 March 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	-	-	-	-	204,596	204,596	-	204,596
Other comprehensive income	-	-	-	226	-	226	-	226
Total comprehensive income for the period	-	-	-	226	204,596	204,822	-	204,822
<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 31 March 2023 (<i>Reviewed</i>)	<u>2,551,146</u>	<u>1,940,379</u>	<u>753,108</u>	<u>(45,307)</u>	<u>1,356,285</u>	<u>6,555,611</u>	<u>1,092,000</u>	<u>7,647,611</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	-	-	-	-	218,064	218,064	-	218,064
Other comprehensive income	-	-	-	3,878	-	3,878	-	3,878
Total comprehensive income for the period	-	-	-	3,878	218,064	221,942	-	221,942
<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 31 March 2024 (<i>Reviewed</i>)	<u>2,551,146</u>	<u>2,024,030</u>	<u>753,108</u>	<u>(33,416)</u>	<u>1,420,227</u>	<u>6,715,095</u>	<u>1,092,000</u>	<u>7,807,095</u>

ERNST & YOUNG
Doha - Qatar

22 APR 2024

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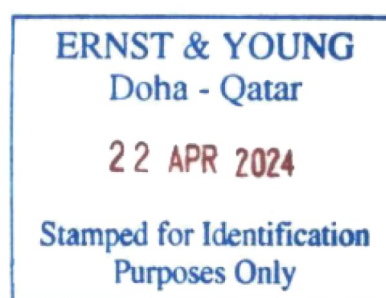
The attached notes 1 to 14 form an integral part of these interim condensed consolidated financial statements.

INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

For the three month period ended 31 March 2024

	<i>Three months ended 31 March</i>	
	<i>2024</i>	<i>2023</i>
<i>Note</i>	<i>QR'000</i>	<i>QR'000</i>
	<i>(Reviewed)</i>	<i>(Reviewed)</i>
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit for the period	218,064	204,596
<i>Adjustments for:</i>		
Net impairment loss on loans and advances to customers	138,886	68,731
Net impairment / (reversal) of impairment on investment securities	560	(427)
Net impairment / (reversal) of impairment on other financial assets	2,788	(1,992)
Depreciation	6,338	6,904
Net loss on investment securities	13,137	17,531
Impairment on repossessed collateral	9,000	-
<i>Profit before changes in operating assets and liabilities</i>	388,773	295,343
Change in due from central bank	(74,993)	(51,628)
Change in due from banks	(4,464,890)	(546,000)
Change in loans and advances to customers	206,807	(2,760,023)
Change in other assets	140,232	9,016
Change in due to banks and central bank	(1,669,050)	(134,705)
Change in customer deposits	986,722	1,719,830
Change in other liabilities	7,815	14,926
Net cash used in operating activities	(4,478,584)	(1,453,241)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of investment securities	(819,552)	(156,360)
Proceeds from sale or maturity of investment securities	791,059	245,573
Net acquisition of property and equipment	(3,713)	(2,286)
Net cash flows (used in) / from investing activities	(32,206)	86,927
CASH FLOWS USED IN FINANCING ACTIVITIES		
Net proceeds from other borrowings and debt securities	(30,587)	(29,070)
Dividends paid	(637,787)	(510,229)
Dividends paid on Tier 1 capital instruments	(21,840)	(21,840)
Net cash used in financing activities	(690,214)	(561,139)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(5,201,004)	(1,927,453)
Cash and cash equivalents as at 1 January	8,866,106	3,986,191
CASH AND CASH EQUIVALENTS AT 31 MARCH	3,665,102	2,058,738
<i>Cash and cash equivalents comprise:</i>		
Cash and balances with Central Bank (i)	462,305	611,537
Due from banks with original maturity less than three months	3,202,797	1,447,201
Total	3,665,102	2,058,738

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



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

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 31 March 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

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 three month period ended 31 March 2024 were authorised for issue in accordance with a resolution of the Board of Directors on 22 April 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 three month period ended 31 March 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>31 March 2024</i>				<i>31 March</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	28,453,398	7,289,314	904,104	36,646,816	38,633,094
- Investment securities (Debt)	8,201,990	-	-	8,201,990	8,034,264
- Loan commitments and financial guarantees	1,942,763	135,653	-	2,078,416	1,561,625
- Due from banks	13,978,372	174,976	-	14,153,348	2,303,309
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	3,193	138,959	(38,442)	103,710	87,373
- Investment securities (Debt)	560	-	-	560	(427)
- Loan commitments and financial guarantees	450	(2,337)	-	(1,887)	(1,689)
- Due from banks	2,139	2,536	-	4,675	(303)
	6,342	139,158	(38,442)	107,058	84,954
Closing balance - at 31 March					
- Loans and advances to customers	317,376	1,172,603	748,588	2,238,567	1,909,569
- Investment securities (Debt)	13,441	-	-	13,441	11,001
- Loan commitments and financial guarantees	9,491	2,049	-	11,540	10,458
- Due from banks	5,916	2,792	-	8,708	708
	346,224	1,177,444	748,588	2,272,256	1,931,736

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

<i>Rating grade</i>	<i>31 March 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-	3,222,685	6,218,020	184,187	2,301,134
A+ to A-	1,789,849	1,180,647	407,446	8,943,703
BBB to BBB-	24,471,285	676,636	1,286,285	2,907,661
BB+ to B-	6,216,621	126,687	200,499	850
CCC to C	42,272	-	-	-
Total	35,742,712	8,201,990	2,078,417	14,153,348

<i>Rating grade</i>	<i>31 March 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-	852,843	6,235,352	249,600	21,356
A+ to A-	1,535,738	1,149,394	114,232	2,079,299
BBB to BBB-	27,084,447	523,220	1,051,297	191,484
BB+ to B-	8,079,084	126,298	146,198	11,170
CCC to C	153,121	-	298	-
Total	37,705,233	8,034,264	1,561,625	2,303,309

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

	<i>31 March 2024 QR'000 (Reviewed)</i>	<i>31 March 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>31 March 2024 QR'000 (Reviewed)</i>	<i>31 March 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>3,878</u>	<u>226</u>	<u>8,239</u>
At the end of the period / year	<u>(33,416)</u>	<u>(45,307)</u>	<u>(37,294)</u>

6 INSTRUMENTS ELIGIBLE FOR ADDITIONAL CAPITAL

	<i>31 March 2024 QR'000 (Reviewed)</i>	<i>31 March 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>31 March 2024 QR'000 (Reviewed)</i>	<i>31 March 2023 QR'000 (Reviewed)</i>	<i>31 December 2023 QR'000 (Audited)</i>
Gross loans and advances to customers	36,299,774	38,314,058	36,429,104
Impairment of loans and advances to customers	<u>(2,238,567)</u>	<u>(1,909,569)</u>	<u>(2,134,857)</u>
Interest receivable	<u>34,061,207</u> 347,043	<u>36,404,489</u> 319,036	<u>34,294,247</u> 459,696
Net loans and advances to customers	<u>34,408,250</u>	<u>36,723,525</u>	<u>34,753,943</u>

The total non-performing loans and advances to customers at 31 March 2024 amounted to QR 904,104 thousand, representing 2.49% 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 164,424 thousand as of 31 March 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>31 March 2024 QR'000 (Reviewed)</i>	<i>31 March 2023 QR'000 (Reviewed)</i>	<i>31 December 2023 QR'000 (Audited)</i>
Investment securities measured at FVOCI	779,936	797,216	776,163
Investment securities measured at FVTPL	200,466	198,647	218,303
Investment securities measured at amortised cost	7,366,457	7,180,811	7,322,460
Gross investments securities	8,346,859	8,176,674	8,316,926
Less: impairment losses on investment securities	(13,441)	(11,001)	(12,881)
	8,333,418	8,165,673	8,304,045
Interest receivable on investment securities (Debt instruments)	67,000	67,640	77,699
	8,400,418	8,233,313	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 31 March</i>	
	<i>2024 (Reviewed)</i>	<i>2023 (Reviewed)</i>
Profit for the period – QR'000	218,064	204,596
Less: Dividend paid for Tier 1 capital instruments – QR'000	(21,840)	(21,840)
	196,224	182,756
Weighted average number of shares	2,551,146,170	2,551,146,170
Earnings per share (QR)	0.077	0.072

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>31 March 2024 (Reviewed)</i>				
Derivative assets held for risk management	-	27,156	-	27,156
Investment securities (FVTPL/FVOCI)	925,926	54,476	-	980,402
	<u>925,926</u>	<u>81,632</u>	<u>-</u>	<u>1,007,558</u>
Derivative liabilities held for risk management	-	21,670	-	21,670
	<u>-</u>	<u>21,670</u>	<u>-</u>	<u>21,670</u>
<i>31 March 2023 (Reviewed)</i>				
Derivative assets held for risk management	-	12,483	-	12,483
Investment securities (FVTPL/FVOCI)	936,042	59,821	-	995,863
	<u>936,042</u>	<u>72,304</u>	<u>-</u>	<u>1,008,346</u>
Derivative liabilities held for risk management	-	5,929	-	5,929
	<u>-</u>	<u>5,929</u>	<u>-</u>	<u>5,929</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 31 March 2024 and 31 March 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 7,268,793 thousand as at 31 March 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>31 March</i> <i>2024</i> <i>QR'000</i> <i>(Reviewed)</i>	<i>31 March</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)	11,825,850	12,544,601	11,390,830
Guarantees	6,592,560	7,261,384	6,649,651
Letters of credit	344,598	585,692	416,667
	<u>18,763,008</u>	<u>20,391,677</u>	<u>18,457,148</u>
<i>Other commitments:</i>			
Forward foreign exchange contracts	5,931,411	2,958,747	7,985,062
	<u>5,931,411</u>	<u>2,958,747</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>31 March 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	46,476	386,402	432,878
Net fee, commission and other income	20,443	11,855	32,298
Total segment operating income	66,919	398,257	465,176
Other material non-cash items:			
Net reversal of impairment / (impairment losses)	(377)	(150,857)	(151,234)
Reportable segment profit	25,537	192,527	218,064
Reportable segment assets	7,551,119	51,768,378	59,319,497
Reportable segment liabilities	17,859,986	33,652,416	51,512,402

12 SEGMENT INFORMATION (CONTINUED)

<i>31 March 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	54,910	263,633	318,543
Net fee, commission and other income	24,699	14,593	39,292
Total segment operating income	79,609	278,226	357,835
Other material non-cash items:			
Net reversal of impairment / (impairment losses)	(2,295)	(64,017)	(66,312)
Reportable segment profit	38,535	166,061	204,596
Reportable segment assets	7,514,325	42,303,122	49,817,447
Reportable segment liabilities	17,562,849	24,606,987	42,169,836

* 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>31 March 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	34,033	-	34,668	-
Liabilities:				
Customer deposits	4,574,828	1,110,924	3,585,668	1,582,737
Unfunded items:				
Letters of guarantee, letters of credit, commitments and indirect credit facilities	16,715	-	16,842	-

13 RELATED PARTIES (CONTINUED)

	<i>Three months period ended 31 March 2024 (Reviewed)</i>		<i>Three months period ended 31 March 2023 (Reviewed)</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>
	Income statement items:			
Interest and fee and commission income	498	-	1,126	-
Interest and fee and commission expense	56,360	22,143	32,785	19,279
Board of Directors' remuneration	4,345	-	3,125	-

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>31 March 2024 QR' 000 (Reviewed)</i>	<i>31 December 2023 QR' 000 (Audited)</i>
Other loans	<u>5,271</u>	<u>4,983</u>

Key management personnel compensation comprised:

	<i>Three months period ended</i>	
	<i>31 March 2024 QR' 000 (Reviewed)</i>	<i>31 March 2023 QR' 000 (Reviewed)</i>
Salaries and short-term employee benefits	16,740	16,207
Post employment benefits	<u>3,914</u>	<u>5,352</u>
	<u>20,654</u>	<u>21,559</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>31 March 2024 QR'000 (Reviewed)</i>	<i>31 March 2023 QR'000 (Reviewed)</i>	<i>31 December 2023 QR'000 (Audited)</i>
Common Equity Tier 1 (CET) Capital	6,715,095	6,351,014	6,493,153
Additional Tier 1 Capital	1,092,000	1,092,000	1,092,000
Additional Tier 2 Capital	<u>431,469</u>	<u>454,788</u>	<u>453,455</u>
Total Eligible Capital	8,238,564	7,897,802	8,038,608
Risk Weighted Assets	<u>36,910,178</u>	<u>38,313,914</u>	<u>38,201,972</u>
Total Capital Adequacy Ratio (%)	<u>22.32%</u>	<u>20.61%</u>	<u>21.04%</u>