

Ahli Bank Q.P.S.C.

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

**FOR THE SIX MONTH PERIOD ENDED
30 JUNE 2023**

CONTENTS	Page(s)
Independent auditor's review report	1
INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS	
Interim consolidated statement of financial position	2
Interim consolidated statement of income	3
Interim consolidated statement of comprehensive income	4
Interim consolidated statement of changes in equity	5
Interim consolidated statement of cash flows	6
Notes to the interim condensed consolidated financial statements	7 – 16

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") for the period ended 30 June 2023, comprising of the interim consolidated statement of financial position as at 30 June 2023, and the related interim consolidated statements of income and comprehensive income for the three and six month periods ended 30 June 2023, 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.

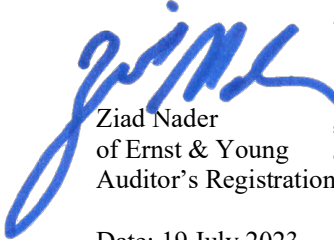
The Board of Directors is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with IAS 34 Interim Financial Reporting ("IAS 34"). Our responsibility is to express a conclusion on these interim condensed consolidated financial statements 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: 19 July 2023
Doha - Qatar



Ahli Bank Q.P.S.C.

INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2023

		30 June 2023 QR'000 (Reviewed)	30 June 2022 QR'000 (Reviewed)	31 December 2022 QR'000 (Audited)
Notes				
ASSETS				
		2,146,721	2,782,733	1,806,925
		5,036,951	3,136,224	3,768,484
	7	35,075,816	34,343,852	34,032,233
	8	8,111,383	8,436,080	8,339,404
		224,250	238,144	230,186
		403,503	267,266	398,169
TOTAL ASSETS		50,998,624	49,204,299	48,575,401
LIABILITIES				
		5,011,994	6,919,339	3,988,316
		30,523,540	26,749,503	28,953,683
		5,485,297	5,477,024	5,481,161
		1,460,219	1,639,563	1,459,508
		714,163	845,318	717,875
TOTAL LIABILITIES		43,195,213	41,630,747	40,600,543
EQUITY				
	4	2,551,146	2,551,146	2,551,146
		1,940,379	1,863,200	1,940,379
		753,108	753,108	753,108
	5	(44,649)	(46,946)	(45,533)
		1,511,427	1,361,044	1,683,758
TOTAL EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE BANK		6,711,411	6,481,552	6,882,858
Instruments eligible for additional capital	6	1,092,000	1,092,000	1,092,000
TOTAL EQUITY		7,803,411	7,573,552	7,974,858
TOTAL LIABILITIES AND EQUITY		50,998,624	49,204,299	48,575,401

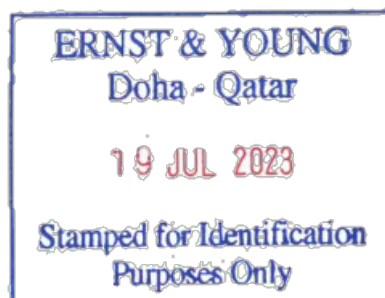
These interim condensed consolidated financial statements were approved by the Board of Directors on 19 July 2023 and were signed on its behalf by:



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



Hassan Ahmed Alefrangi
Chief Executive Officer

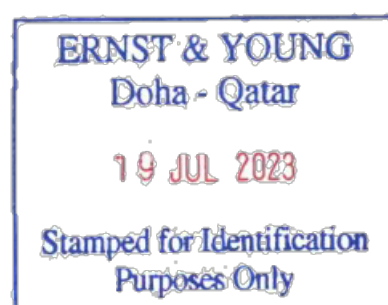


The attached notes 1 to 14 form an integral part of these interim condensed consolidated financial statements.

INTERIM CONSOLIDATED STATEMENT OF INCOME

For the three and six month period ended 30 June 2023

	<i>Three months ended 30 June</i>		<i>Six months ended 30 June</i>	
	<i>2023 QR'000 (Reviewed)</i>	<i>2022 QR'000 (Reviewed)</i>	<i>2023 QR'000 (Reviewed)</i>	<i>2022 QR'000 (Reviewed)</i>
Interest income	764,106	440,977	1,467,918	840,544
Interest expense	(450,327)	(155,350)	(835,596)	(308,818)
NET INTEREST INCOME	313,779	285,627	632,322	531,726
Fee and commission income	34,714	44,734	78,498	88,014
Fee and commission expense	(1,368)	(1,395)	(2,672)	(1,971)
NET FEE AND COMMISSION INCOME	33,346	43,339	75,826	86,043
Foreign exchange gain	9,181	16,418	16,268	31,727
Gain / (loss) on investment securities	9,179	(12,847)	(1,862)	8,195
Other operating income	799	918	1,565	1,996
	19,159	4,489	15,971	41,918
TOTAL OPERATING INCOME	366,284	333,455	724,119	659,687
Staff costs	(45,764)	(43,711)	(92,592)	(87,801)
Depreciation	(6,731)	(7,958)	(13,635)	(15,572)
Net reversal on investment securities	117	45	544	488
Net impairment loss on loans and advances to customers	(126,358)	(111,298)	(195,089)	(159,316)
Net reversal / (impairment) on other financial assets	29	(905)	2,021	(3,008)
Other expenses	(32,435)	(30,320)	(65,630)	(63,718)
	(211,142)	(194,147)	(364,381)	(328,927)
PROFIT FOR THE PERIOD	155,142	139,308	359,738	330,760
Earnings per share (QR) (Note 9)	0.061	0.055	0.132	0.121

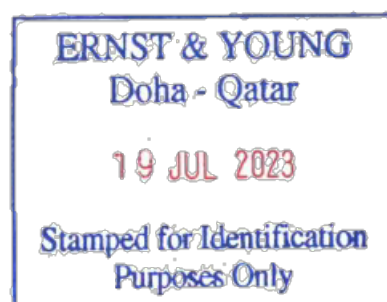


The attached notes 1 to 14 form an integral part of these interim condensed consolidated financial statements.

INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six month period ended 30 June 2023

	<i>Three months ended</i> <i>30 June</i>		<i>Six months ended</i> <i>30 June</i>	
	<i>2023</i> <i>QR'000</i> <i>(Reviewed)</i>	<i>2022</i> <i>QR'000</i> <i>(Reviewed)</i>	<i>2023</i> <i>QR'000</i> <i>(Reviewed)</i>	<i>2022</i> <i>QR'000</i> <i>(Reviewed)</i>
Profit for the period	<u>155,142</u>	<u>139,308</u>	<u>359,738</u>	<u>330,760</u>
Other comprehensive (loss) / 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>658</u>	<u>(32,158)</u>	<u>884</u>	<u>(55,533)</u>
Other comprehensive income / (loss) for the period	<u>658</u>	<u>(32,158)</u>	<u>884</u>	<u>(55,533)</u>
Total comprehensive income for the period	<u>155,800</u>	<u>107,150</u>	<u>360,622</u>	<u>275,227</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 six month period ended 30 June 2023



	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 2022 (<i>Audited</i>)	2,429,663	1,863,200	753,108	8,587	1,538,056	6,592,614	1,092,000	7,684,614
Total comprehensive income for the period:								
Profit for the period	-	-	-	-	330,760	330,760	-	330,760
Other comprehensive loss	-	-	-	(55,533)	-	(55,533)	-	(55,533)
Total comprehensive income for the period	-	-	-	(55,533)	330,760	275,227	-	275,227
<u>Contributions by and distributions to equity holders:</u>								
Bonus shares issued (Note 4a)	121,483	-	-	-	(121,483)	-	-	-
Dividends paid (Note 4b)	-	-	-	-	(364,449)	(364,449)	-	(364,449)
Total contributions and distributions to equity holders	121,483	-	-	-	(485,932)	(364,449)	-	(364,449)
Dividends paid on Tier 1 capital instruments	-	-	-	-	(21,840)	(21,840)	-	(21,840)
Balance at 30 June 2022 (<i>Reviewed</i>)	<u>2,551,146</u>	<u>1,863,200</u>	<u>753,108</u>	<u>(46,946)</u>	<u>1,361,044</u>	<u>6,481,552</u>	<u>1,092,000</u>	<u>7,573,552</u>
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>

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 six month period ended 30 June 2023

		<i>Six months ended 30 June</i>	
	<i>Note</i>	<i>2023 QR'000 (Reviewed)</i>	<i>2022 QR'000 (Reviewed)</i>
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit for the period		359,738	330,760
<i>Adjustments for:</i>			
Net impairment loss on loans and advances to customers		195,089	159,316
Net reversal of impairment on investment securities		(544)	(488)
Net (reversal) / impairment on other financial assets		(2,021)	3,008
Depreciation		13,635	15,572
Net loss / (gain) on investment securities		9,152	(2,331)
<i>Profit before changes in operating assets and liabilities</i>		575,049	505,837
Change in due from central bank		(100,836)	61,708
Change in due from banks		(1,093,369)	-
Change in loans and advances to customers		(1,238,672)	(933,598)
Change in other assets		(5,335)	(37,117)
Change in due to banks and central bank		1,023,677	3,670,491
Change in customer deposits		1,569,857	(1,175,416)
Change in other liabilities		(323)	16,991
Net cash flows from operating activities		730,048	2,108,896
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of investment securities		(25,275)	(713,072)
Proceeds from sale or maturity of investment securities		245,573	837,736
Net acquisition of property and equipment		(7,699)	(18,538)
Net cash flows from investing activities		212,599	106,126
CASH FLOWS USED IN FINANCING ACTIVITIES			
Net proceeds from other borrowings and debt securities		4,848	(1,291,624)
Dividends paid	4 (b)	(510,229)	(364,449)
Dividends paid on Tier 1 capital instruments		(21,840)	(21,840)
Net cash used in financing activities		(527,221)	(1,677,913)
NET INCREASE IN CASH AND CASH EQUIVALENTS		415,426	537,109
Cash and cash equivalents as at 1 January		3,986,191	4,185,176
CASH AND CASH EQUIVALENTS AT 30 JUNE		4,401,617	4,722,285
<i>Cash and cash equivalents comprise:</i>			
Cash and balances with Central Bank (i)		766,066	1,586,061
Due from banks with original maturity less than three months		3,635,551	3,136,224
Total		4,401,617	4,722,285

(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 30 June 2023</i>	<i>Percentage of ownership 31 December 2022</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 six month period ended 30 June 2023 were authorised for issue in accordance with a resolution of the Board of Directors on 19 July 2023.

2 BASIS OF PREPARATION AND SIGNIFICANT 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 2022. 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 2022. In addition, results for the six month period ended 30 June 2023 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2023.

Significant accounting policies

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 2022, except for the adoption of new standards effective as of 1 January 2023.

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 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**Significant accounting policies (continued)**

<i>Description</i>	<i>Effective from</i>
IFRS 17 Insurance Contracts	1 January 2023
Definition of Accounting Estimate (Amendments to IAS 8)	1 January 2023
Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2)	1 January 2023
Deferred tax related to assets and liabilities arising from a single transaction (Amendments to IAS 12)	1 January 2023

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

Amendments Issued but not yet Effective

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.

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 2022.

	<i>30 June 2023</i>				<i>30 June 2022</i>
	<i>Stage 1</i>	<i>Stage 2</i>	<i>Stage 3</i>	<i>Total</i>	
	<i>QR' 000</i>	<i>QR' 000</i>	<i>QR' 000</i>	<i>QR' 000</i>	<i>QR' 000</i>
Exposure subject to ECL					
- Loans and advances to customers	29,818,098	6,394,305	914,545	37,126,948	35,934,359
- Investment securities (Debt)	7,900,522	-	-	7,900,522	8,203,094
- Loan commitments and financial guarantees	2,130,553	191,527	-	2,322,080	3,313,280
- Due from banks	4,735,394	303,937	-	5,039,331	3,137,355
Opening balance – as at 1 January					
- Loans and advances to customers	239,347	789,688	793,161	1,822,196	1,387,899
- Investment securities (Debt)	11,428	-	-	11,428	12,039
- Loan commitments and financial guarantees	10,947	1,200	-	12,147	8,852
- Due from banks	506	505	-	1,011	489
	262,228	791,393	793,161	1,846,782	1,409,279
Charge for the period (net)					
- Loans and advances to customers	29,613	198,902	422	228,937	202,608
- Investment securities (Debt)	(544)	-	-	(544)	(488)
- Loan commitments and financial guarantees	(3,867)	477	-	(3,390)	2,366
- Due from banks	353	1,016	-	1,369	642
	25,555	200,395	422	226,372	205,128
Closing balance - at 30 June					
- Loans and advances to customers	268,960	988,590	793,583	2,051,133	1,590,507
- Investment securities (Debt)	10,884	-	-	10,884	11,551
- Loan commitments and financial Guarantees	7,080	1,677	-	8,757	11,218
- Due from banks	859	1,521	-	2,380	1,131
	287,783	991,788	793,583	2,073,154	1,614,407

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

<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

<i>Rating grade</i>	<i>30 June 2022</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-	992,685	6,639,417	379,304	30,638
A+ to A-	1,314,297	536,404	252,237	2,230,095
BBB to BBB-	26,905,343	901,265	2,264,087	734,445
BB+ to B-	5,627,439	126,008	417,652	142,177
CCC to C	182,948	-	-	-
Total	35,022,712	8,203,094	3,313,280	3,137,355

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

	<i>30 June 2023 QR'000 (Reviewed)</i>	<i>30 June 2022 QR'000 (Reviewed)</i>	<i>31 December 2022 QR'000 (Audited)</i>
Authorised			
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%).

Bonus issues

No bonus shares were issued in 2023 (2022: one share for every twenty shares held by the ordinary shareholders, 121,483,151 ordinary shares).

4 b) Dividends paid

During the period, the Bank paid a cash dividend of QR 0.20 per share amounting to QR 510,229 thousand (2022: QR 0.15 per share totaling to QR 364,449 thousand).

5 FAIR VALUE RESERVE

	<i>30 June 2023 QR'000 (Reviewed)</i>	<i>30 June 2022 QR'000 (Reviewed)</i>	<i>31 December 2022 QR'000 (Audited)</i>
At the beginning of the period / year	(45,533)	8,587	8,587
Net change in fair value during the period / year	<u>884</u>	<u>(55,533)</u>	<u>(54,120)</u>
At the end of the period / year	<u>(44,649)</u>	<u>(46,946)</u>	<u>(45,533)</u>

6 INSTRUMENTS ELIGIBLE FOR ADDITIONAL CAPITAL

	<i>30 June 2023 QR'000 (Reviewed)</i>	<i>30 June 2022 QR'000 (Reviewed)</i>	<i>31 December 2022 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 2023 QR'000 (Reviewed)</i>	<i>30 June 2022 QR'000 (Reviewed)</i>	<i>31 December 2022 QR'000 (Audited)</i>
Gross loans and advances to customers	36,762,825	35,745,563	35,561,553
Impairment of loans and advances to customers	<u>(2,051,132)</u>	<u>(1,590,507)</u>	<u>(1,822,196)</u>
	34,711,693	34,155,056	33,739,357
Interest receivable	<u>364,123</u>	<u>188,796</u>	<u>292,876</u>
Net loans and advances to customers	<u>35,075,816</u>	<u>34,343,852</u>	<u>34,032,233</u>

The total non-performing loans and advances to customers at 30 June 2023 amounted to QR 914,545 thousand, representing 2.49% of the gross loans and advances (31 December 2022: QR 915,653 thousand representing 2.57% of the gross loans and advances to customers).

Interest in suspense of QR 219,047 thousand as of 30 June 2023 (31 December 2022: QR 192,592 thousand) is, for the purpose of the Qatar Central Bank regulatory requirements, included in the above impairment allowance amount.

8 INVESTMENT SECURITIES

	30 June 2023 QR'000 (Reviewed)	30 June 2022 QR'000 (Reviewed)	31 December 2022 QR'000 (Audited)
Investment securities measured at FVOCI	797,768	1,105,168	869,900
Investment securities measured at FVTPL	210,343	233,135	223,176
Investment securities measured at amortised cost	7,039,073	7,034,192	7,181,405
Gross investments securities	8,047,184	8,372,495	8,274,481
Less: impairment losses on investment securities	(10,884)	(11,551)	(11,428)
	8,036,300	8,360,944	8,263,053
Interest receivable on investment securities (debt instruments)	75,083	75,136	76,351
	8,111,383	8,436,080	8,339,404

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.

	Three months ended 30 June		Six months ended 30 June	
	2023 (Reviewed)	2022 (Reviewed)	2023 (Reviewed)	2022 (Reviewed)
Profit for the period – QR'000	155,142	139,308	359,738	330,760
Less: Dividend paid for Tier 1 capital instruments	-	-	(21,840)	(21,840)
	155,142	139,308	337,898	308,920
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)	0.061	0.055	0.132	0.121

	Three months ended 30 June		Six months ended 30 June	
	2023 (Reviewed)	2022 (Reviewed)	2023 (Reviewed)	2022 (Reviewed) Restated
Qualifying shares at the beginning of the period	2,551,146,170	2,429,663,019	2,551,146,170	2,429,663,019
Bonus shares issued during the period	-	121,483,151	-	121,483,151
Qualifying weighted average shares at the end of the period	2,551,146,170	2,551,146,170	2,551,146,170	2,551,146,170

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 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 QR'000</i>	<i>Level 2 QR'000</i>	<i>Level 3 QR'000</i>	<i>Total 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>Level 1 QR'000</i>	<i>Level 2 QR'000</i>	<i>Level 3 QR'000</i>	<i>Total QR'000</i>
<i>30 June 2022 (Reviewed)</i>				
Derivative assets held for risk management	-	946	-	946
Investment securities (FVTPL/FVOCI)	1,261,902	76,401	-	1,338,303
	<u>1,261,902</u>	<u>77,347</u>	<u>-</u>	<u>1,339,249</u>
Derivative liabilities held for risk management	-	12,055	-	12,055
	<u>-</u>	<u>12,055</u>	<u>-</u>	<u>12,055</u>
<i>31 December 2022 (Audited)</i>				
Derivative assets held for risk management	-	18,854	-	18,854
Investment securities (FVTPL/FVOCI)	1,022,691	70,385	-	1,093,076
	<u>1,022,691</u>	<u>89,239</u>	<u>-</u>	<u>1,111,930</u>
Derivative liabilities held for risk management	-	2,357	-	2,357
	<u>-</u>	<u>2,357</u>	<u>-</u>	<u>2,357</u>

During the periods ended 30 June 2023 and 30 June 2022 and year ended 31 December 2022, 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 6,928,478 thousand as at 30 June 2023 (31 December 2022: QR 7,070,112 thousand), is derived using level 1 fair value hierarchy.

11 CONTINGENT LIABILITIES, GUARANTEES AND OTHER COMMITMENTS

	30 June 2023 QR'000 (Reviewed)	30 June 2022 QR'000 (Reviewed)	31 December 2022 QR'000 (Audited)
<i>Contingent liabilities:</i>			
Unused credit facilities (cancellable and non-cancellable)	13,170,579	12,158,125	12,714,869
Guarantees	6,983,276	8,406,442	7,706,667
Letters of credit	556,714	597,865	596,458
	20,710,569	21,162,432	21,017,994
<i>Other commitments:</i>			
Forward foreign exchange contracts	2,052,802	2,207,007	1,433,067

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.

12 SEGMENT INFORMATION (CONTINUED)

Segment information for the period is as follows:

	<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>
30 June 2023 (Reviewed)			
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
	<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>
30 June 2022 (Reviewed)			
Net interest income	99,268	432,458	531,726
Net fee, commission and other income	41,186	86,775	127,961
Total segment operating income	140,454	519,233	659,687
Other material non-cash items:			
Net reversal of impairment / (impairment losses)	407	(162,243)	(161,836)
Reportable segment profit	67,456	263,304	330,760
Reportable segment assets	7,550,731	41,653,568	49,204,299
Reportable segment liabilities	16,271,145	25,359,602	41,630,747

* 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 consolidated financial statements are as follows:

	30 June 2023 (Reviewed)		31 December 2022 (Audited)	
	Board of Directors QR' 000	Shareholders QR' 000	Board of Directors QR' 000	Shareholders QR' 000
Assets:				
Loans and advances to customers	31,364	-	13,357	-
Liabilities:				
Customer deposits	3,830,746	1,547,389	2,335,753	1,535,302
Unfunded items:				
Letters of guarantee, letters of credit, commitments and indirect credit facilities	26,162	-	28,775	-
	For the six month period ended 30 June 2023 (Reviewed)		For the six month period ended 30 June 2022 (Reviewed)	
	Board of Directors QR' 000	Shareholders QR' 000	Board of Directors QR' 000	Shareholders QR' 000
Income statement items:				
Interest and fee and commission income	1,980	-	15,508	-
Interest and fee and commission expense	94,617	44,525	20,911	11,179
Board of Directors' remuneration	6,250	-	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:

	30 June 2023 QR' 000 (Reviewed)	31 December 2022 QR' 000 (Audited)
Other loans	5,484	5,584

Key management personnel compensation comprised:

	For the Six month period ended	
	30 June 2023 QR' 000 (Reviewed)	30 June 2022 QR' 000 (Reviewed)
Salaries and short-term employee benefits	21,050	19,846
Post employment benefits	5,501	5,603
	26,551	25,449

14 CAPITAL ADEQUACY RATIO

As per Qatar Central Bank regulations, the Group has calculated the below ratios in accordance with Basel III guidelines. 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 2023.

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 2023 QR'000 (Reviewed)</i>	<i>30 June 2022 QR'000 (Reviewed)</i>	<i>31 December 2022 QR'000 (Audited)</i>
Common Equity Tier 1 (CET) Capital	6,351,673	6,150,792	6,350,788
Additional Tier 1 Capital	1,092,000	1,092,000	1,092,000
Additional Tier 2 Capital	457,469	453,182	456,091
Total Eligible Capital	7,901,142	7,695,974	7,898,879
Risk Weighted Assets	38,375,493	38,200,347	38,491,554
	20.59%	20.15%	20.52%