

# Dividend Distribution Policy

01-01-POL-003

December 2025

Version 4.0



## Table of Contents

<b>I. Policies Manual Summary Profile and Approval.....</b>	<b>3</b>
<b>II. Policy .....</b>	<b>5</b>
<b>1. Commercial Bank Principles of Dividend Distribution .....</b>	<b>5</b>
<b>2. Dividend Distribution Guidelines .....</b>	<b>6</b>
<b>Regulatory Compliance .....</b>	<b>7</b>
<b>III. Abbreviations .....</b>	<b>8</b>

## I. Policies Manual Summary Profile and Approval

<b>Strategic Business Unit (SBU)</b>	Corporate Affairs
<b>Policy Name</b>	Distribution Dividend Policy
<b>Policy Reference</b>	01-01-POL-003

Revision History				
Revision Number	Issue Date	Amendment Description	Date Effective	Next Revision Date
1.0	November 2018	To adopt a new Dividend Distribution Policy in compliance and in accordance with the QFMA Corporate Governance Code for Companies and Legal Entities Listed on the Main Market issued on 15 May 2017.		
2.0	November 2022	Change of Board Policy & Strategy Committee to Board Executive Committee.		
3.0	January 2025	Amendment to reflect updates to the Articles of Association regarding interim dividends		January 2026
4.0	December 2025	Amendment to align with Articles of Association	December 2025	December 2026

Reviewers		
Authorized Reviewer	Date	Signature(s)
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Approval		
Authorized Approver	Date	Signature(s)
Board of Directors	08/12/2025	<i>Abdulla Al Thani</i> <i>Jabor Al Thani</i> <i>A. H. Al Attiyah</i> <i>ijalothman</i> <i>Bader Omar Al Safa</i> <i>Salem Khalaf Al Mann</i> <i>Mohammed Almosallam</i> <i>Tariq Al Malki</i> <i>Hussain Omar Alfardan</i>

## II. Policy

### 1. Commercial Bank Principles of Dividend Distribution

1.1 Shareholders shall be informed of the Bank's dividend distribution policy contained in this Policy during the General Assembly and reference shall be made to it in the Board report.

1.2 The Bank's principles of dividend distribution are set by the AOA (AOA 60 to 65) and in line with the CCL:

1.2.1 10% of the Bank's net profits shall be deducted annually and appropriated for the legal reserve account (AOA 60).

1.2.1.1 The General Assembly may suspend such deduction if the reserve reaches 100% of the paid capital. Should the legal reserve become less than the said percentage, the deduction shall be resumed until such reserve reaches that percentage (AOA 60).

1.2.1.2 The legal reserve may not be distributed to the shareholders, however it shall be permissible to use what exceeds the paid capital to distribute dividends to the shareholders up to 5% in the years during which the Bank's profits do not allow the provision of such limit, pursuant to the provisions of the QCB Law and the regulations issued in this regard (AOA 60).

1.2.2 The General Assembly may, upon the recommendation of the Board, deduct part of the Bank's net profits for an optional reserve account, to be used for the purposes determined by the General Assembly (AOA 61).

1.2.3 A portion of the net profits shall be distributed to shareholders, amounting to at least 5% of the paid-up capital after deducting the legal and optional reserves. (AOA 64).

1.2.4 The Board may in its sole and absolute authority determine the distribution of interim dividends subject to obtaining the approval of the QCB and the requirement of the QFMA (AOA 64).

1.2.5 After the deduction of depreciation and reserves and the dividend distributed in accordance with 1.2.3 above, a percentage not exceeding 5% of the Bank's net profits shall be allocated to the remuneration of the Board members (AOA 65).

1.2.6 The remainder of profits shall be distributed as additional dividend to shareholders, or shall be brought forward, upon recommendation of the Board to the next year, or shall be allocated for setting up an extraordinary reserve fund or sinking fund (AOA 65).

- 1.2.7 Shareholders shall be entitled to their share of profits once a resolution is issued by the General Assembly in the place and time set by the Board as per the rules and regulations applied by QFMA and the financial market where the shares are listed (AOA 64).
- 1.2.8 The dividends approved by the General Assembly for distribution, whether they be in cash or bonus shares shall be given, as of right, to share owners who are listed in the register kept at the depository at the end of trading session the day on which the General Assembly is convened.
- 1.2.9 The Bank shall build a cash reserve to support bonus shares to shareholders (if any) taking into consideration the dividend payout ratio

## 2. Dividend Distribution Guidelines

2.1 The Bank's management shall consider the following factors before presenting a dividend distribution plan to the Board:

- 2.1.1 Cash flow constraints: It is not obligatory on the Bank to distribute full profits to shareholders. The Bank shall keep sufficient cash for its operational requirements before dividend distribution.
- 2.1.2 Lenders' constraints: the Bank shall satisfy the financial requirement of lenders, if any.
- 2.1.3 Legal constraints: Any legal reserves required under the law shall be reserved before distributing the dividend.
- 2.1.4 Future Investment Plan: Investment plans of the Bank shall be considered and sufficient cash shall be retained before dividend distribution unless it has been decided to fund the investment through additional share capital or bank financing.
- 2.1.5 Capital adequacy: The Bank's CET1, Tier 1 and total Capital Adequacy Ratio shall be considered. The Bank shall ensure adequate profit retention to meet its target levels of capital adequacy over time.

2.2 After taking into consideration all the parameters in 2.1 above, other relevant external and internal factors, The Bank's Group Chief Executive Officer and Chief Financial Officer shall make recommendations to the Bank's Board for the Board's consideration and approval.

2.3 The Board will present its recommendation on the dividend distribution at the Bank's General Assembly for shareholders' approval.

2.4 The dividend shall be declared as a dividend for each share held.

2.5 After being approved by shareholders at the General Assembly, the Bank shall make appropriate disclosures as required under QFMA, QCB, and QSE regulations and CCL.

### **Regulatory Compliance**

The Policy is prepared taking into consideration the laws and regulations in the State of Qatar, which includes QCB Law and Regulation of Financial Institutions issued by virtue of Law No. 13 of 2012; Qatar Central Bank (QCB) Instructions to Banks; QCB Corporate Governance Instructions issued under Circular No. 25/2022; QFMA Governance Code for Companies & Legal entities Listed on the Main Market issued by the QFMA's Board pursuant to Decision No. (5) of 2025, published in the Official Gazette Issue No. (21) Dated 17 August 2025 (the QFMA Corporate Governance Code); QFMA Board Decision No. (7) of 2023 issuing rules in respect of the distribution in dividends for companies listed in the financial markets and published in the Official Gazette Issue No. (1) of 2024 (as amended by QFMA Board Decision No. (5) of 2024 published in the Official Gazette No. (9) of 2024; Qatar Exchange (QSE) Regulations, and Commercial Companies Law (CCL) No. 11 of 2015 as amended by Law No. 08 of 2021. The Policy has also been developed in line with the Bank's Articles of Association (AOA).

### III. Abbreviations

<b>Abbreviation</b>	<b>Meaning</b>
<b>General Assembly</b>	The Bank's annual general meeting convened pursuant to applicable regulations and law
<b>AOA</b>	Articles of Association of the Bank
<b>CCL</b>	Commercial Companies Law
<b>BOD or the Board</b>	Board of Directors
<b>QCB</b>	Qatar Central Bank
<b>QCB Law</b>	Law No. (13) of 2012
<b>QSE</b>	Qatar Stock Exchange
<b>QFMA</b>	Qatar Financial Markets Authority
<b>The Bank</b>	Commercial Bank