



Annual Report

Redefining Our Direction,
Strengthening Our Future

20 25



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His Highness
Sheikh Tamim Bin Hamad Al Thani
Amir of the State of Qatar



His Highness
Sheikh Hamad Bin Khalifa Al Thani
Father Amir

About Commercial Bank

Incorporated in 1974 as the first private bank in the country, Commercial Bank is today one of the leading financial institutions in Qatar with a profitable track record since inception. We continue to play an important role in driving innovation and raising service standards in banking across the region through our investment in new technology, a clear focus on customers and prudent management.

Our country-wide network a strong physical presence of 27 locations, which remains a cornerstone of Commercial Bank's distribution approach, supported by 313 ATMs. Commercial Bank is listed on the Qatar Exchange and was the first Qatari bank to list its Global Depository Receipts on the London Stock Exchange. The Bank's bond issuances are listed on the Irish Stock Exchange and the Swiss Exchange (SIX).

Commercial Bank is committed to supporting the development of Qatar's economy and its long-term sustainability, in line with the goals of the economic pillar of Qatar National Vision 2030. This commitment is underpinned by a clear strategic plan enabled by three pillars: technology and innovation, digital excellence, and talent, teamwork, and culture.

Expanding its geographical footprint, Commercial Bank is 100% owner of Alternatif Bank in Turkey and has strategic partnerships with the National Bank of Oman (NBO) and United Arab Bank (UAB). The Bank has 34.9% ownership in NBO and 39.9% in UAB.

These strategic alliances enable Commercial Bank to offer integrated services across the region, including cross-border services for corporate banking and capital markets, trade services for Corporate Banking customers, private banking services and syndicated loans in all our alliance markets.

Our continual investment in technology and people, together with our strong capital base, provides a solid foundation for further growth. Commercial Bank has a robust financial position, with total assets of QAR 192.9 billion and Net profit of QAR 2,204.9 million as at and for the year ended 31 December 2025. The Bank enjoys strong credit ratings of 'A' rating with a Stable outlook by Fitch, and 'A-' rating with a stable outlook by S&P and 'A2' rating with a Stable outlook by Moody's.

True to our pioneering origins and history of success, we are dedicated to supporting Qatar's economic development and social infrastructure through Corporate Social Responsibility programmes and sponsorship of various events, which help to raise Qatar's profile internationally.

Our business segments

Wholesale Banking: Provides a range of conventional commercial and investment banking services and products to large, medium and small enterprises, including corporate lending, trade finance, syndicated loans, deposits, letter of credit and guarantees.

Retail Banking: Provides a full suite of conventional retail banking services and products to retail customers in Qatar, including current and deposit accounts, wealth management, mortgage lending, personal and vehicle loans and credit card and other card services.

Subsidiaries

Alternatif Bank: A fully owned subsidiary in Turkey providing its customers in the corporate, commercial, and retail banking segments with high value products, services, and solutions. Alternatif Bank has a wide distribution of branches in Turkey and works closely with its counterparts in Commercial Bank to implement best international practice and continue to realise synergies.

Commercial Bank Financial Services LLC: A fully owned subsidiary that provides direct access to the Qatar Exchange, online trading, and brokerage services.

CBQ Finance Limited: A fully owned subsidiary incorporated in Bermuda and organised as a special purpose entity established to raise capital for Commercial Bank by issue of debt instruments.

CB Global Trading Limited: A fully owned subsidiary incorporated in Cayman Islands, an issuing vehicle for derivatives.

CB Innovation Services LLC: A fully owned subsidiary incorporated in Qatar under the Qatar Financial Centre Authority providing the Bank with operations management services.

CB Asset Management LLC: A fully owned subsidiary incorporated in Qatar under the Qatar Financial Centre Authority established to provide asset management services.

CB Real Estate Properties LLC: A fully owned subsidiary incorporated in Qatar under the Qatar Financial Centre Authority providing the Bank with advisory services in relation to property.

CB Leasing Company LLC: A fully owned subsidiary incorporated in Qatar under the Qatar Financial Centre Authority that leases and subleases properties in Qatar.

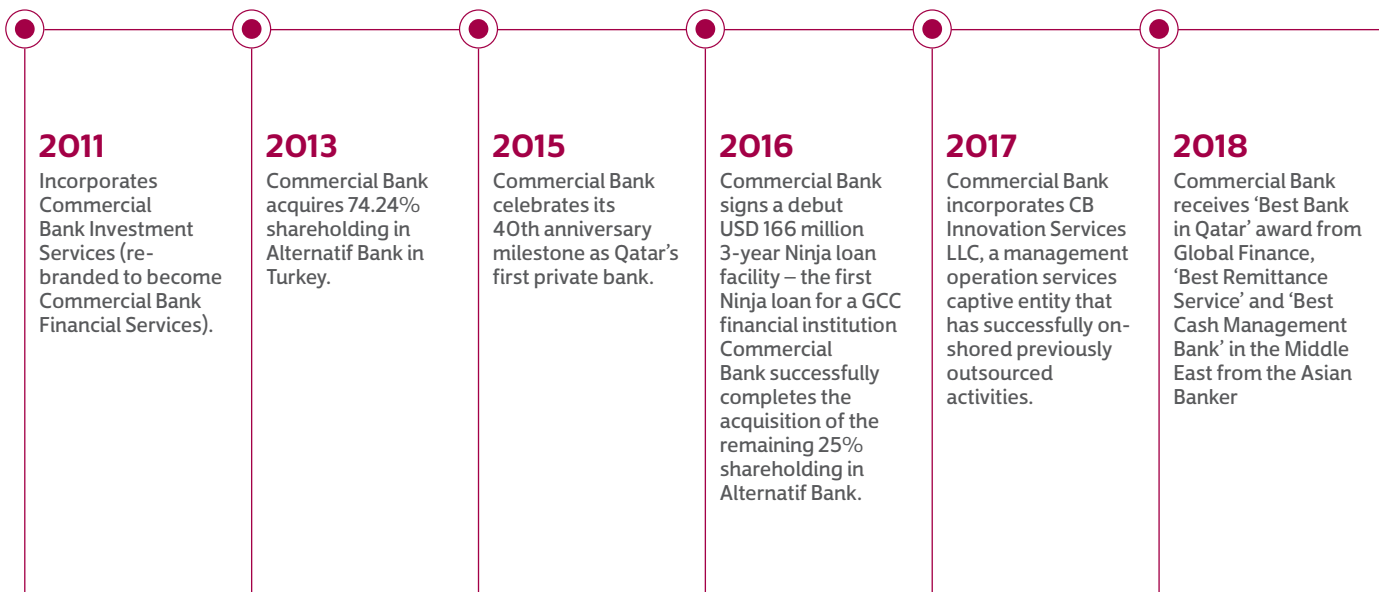
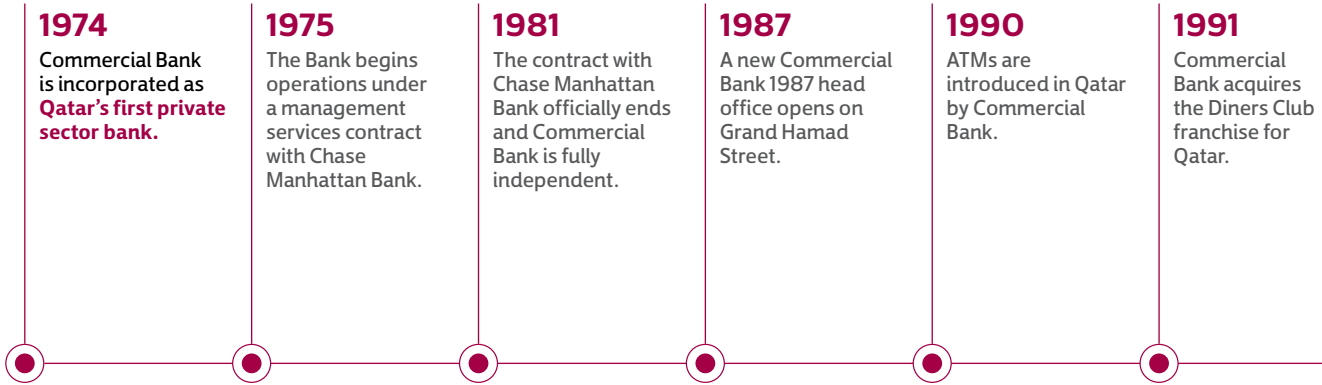
Associates and a Joint Venture

National Bank of Oman (S.A.O.G.): Established in 1973 and operates via five main segments: retail banking, corporate banking, investment banking, treasury and international banking, and Islamic banking. National Bank of Oman's shares are listed on the Muscat Stock Exchange (MSX).

United Arab Bank (P.J.S.C.): Established in 1975 and provides corporate banking, retail banking, trade finance, SME banking and treasury services. United Arab Bank is headquartered in Sharjah and its shares are listed on the Abu Dhabi Securities Exchange (ADX).

Massoun Insurance Services LLC: A joint arrangement entity that provides tailored corporate and personal insurance products to the Bank's customers.

Business at a Glance



1992

Point-of-sale machines are introduced in Qatar by Commercial Bank.

1997

A dedicated Customer Call Centre is established.

2005

Commercial Bank forms a strategic alliance with National Bank of Oman.

2006

Commercial Bank signs an agreement to become the title sponsor for the Qatar Masters Golf Tournament.

2008

First Qatari bank to list GDRs on the London Stock Exchange.

2009

2009 Commercial Bank Plaza, the new headquarters of Commercial Bank, is opened on 13 May 2009 by H E Sheikh Hamad bin Jassim bin Jaber Al-Thani, Prime Minister and Minister for Foreign Affairs of Qatar.



2025

Commercial Bank launches its new **2026-2030 strategy**, to deliver safe, sustainable profitability. Commercial Bank welcomes new Group CEO, Stephen Moss.

2019

Commercial Bank embraces a new era of digitization by launching 'CB Fawri', 'CB Wallet', and 'SWIFT GPI'. Commercial Bank successfully upgrades its Mobile App and widens its digital infrastructure.

2020

Commercial Bank launches a number of digital firsts such as CB Household Worker PayCard; CB Smart Payroll; CB Pay; and CB Pay for Merchants. The Bank also receives more than 12 prestigious awards from international and regional awarding bodies and shines in innovation and digital banking.

2021

Spearheading the digital innovation scene in the country, and more particularly in the financial and banking sector, Commercial Bank achieved the "Best Bank" award in Qatar from two renowned awarding bodies, Global Finance and Euromoney.

2022

During the year of the World Cup, Commercial Bank wins the 'Bank of the Year' award from The Banker.

2023

Commercial Bank's advanced payment solutions enabled the first cashierless store to open in Qatar.

2024

2024 Commercial Bank celebrates its **50th golden anniversary**.

Forward Looking Statements

This document contains certain forward-looking statements with respect to certain plans and current goals and expectations of Commercial Bank and its associated companies relating to their future financial condition and performance.

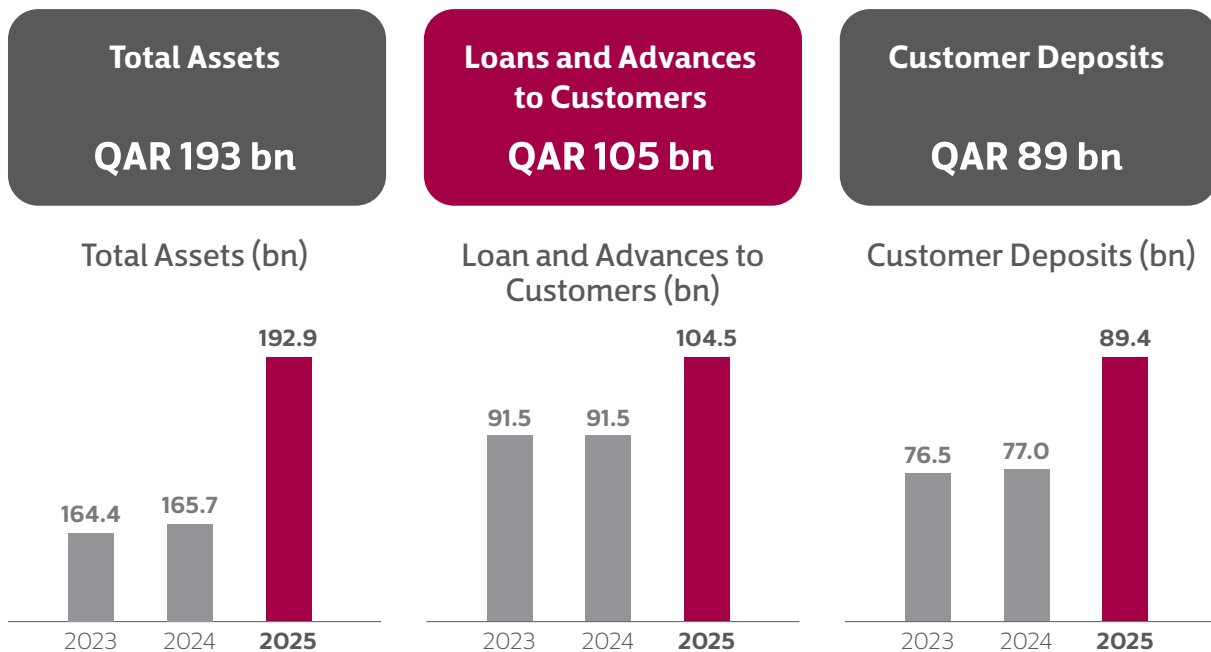
These forward-looking statements do not relate only to historical or current facts. By their nature forward-looking statements involve risk and uncertainty because they relate to future events and circumstances including a number of factors which are beyond Commercial Bank's control.

As a result, Commercial Bank's actual future results may differ materially from the plans, goals and expectations set forth in Commercial Bank's forward-looking statements.

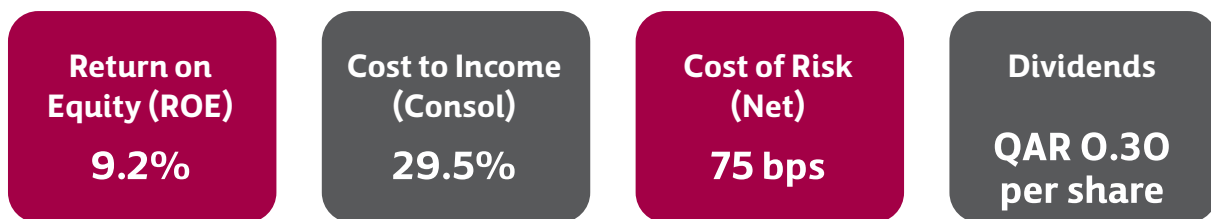
Any forward-looking statements made by or on behalf of Commercial Bank are made in the context of the time of publication of this report. Commercial Bank does not undertake to update forward looking statements to reflect any changes in Commercial Bank's expectations with regard to any changes in events, conditions or circumstances on which any such statement is based.

The information, statements and opinions contained in this presentation do not constitute a public offer under any applicable legislation, or an offer to sell or solicitation of an offer to buy any securities or financial instruments or any advice, or recommendation with respect to such securities or other financial instruments.

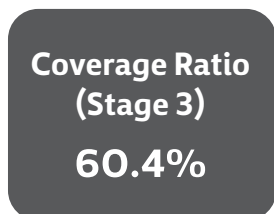
Key Financial Highlights



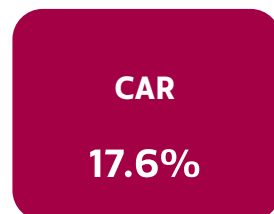
Profitability



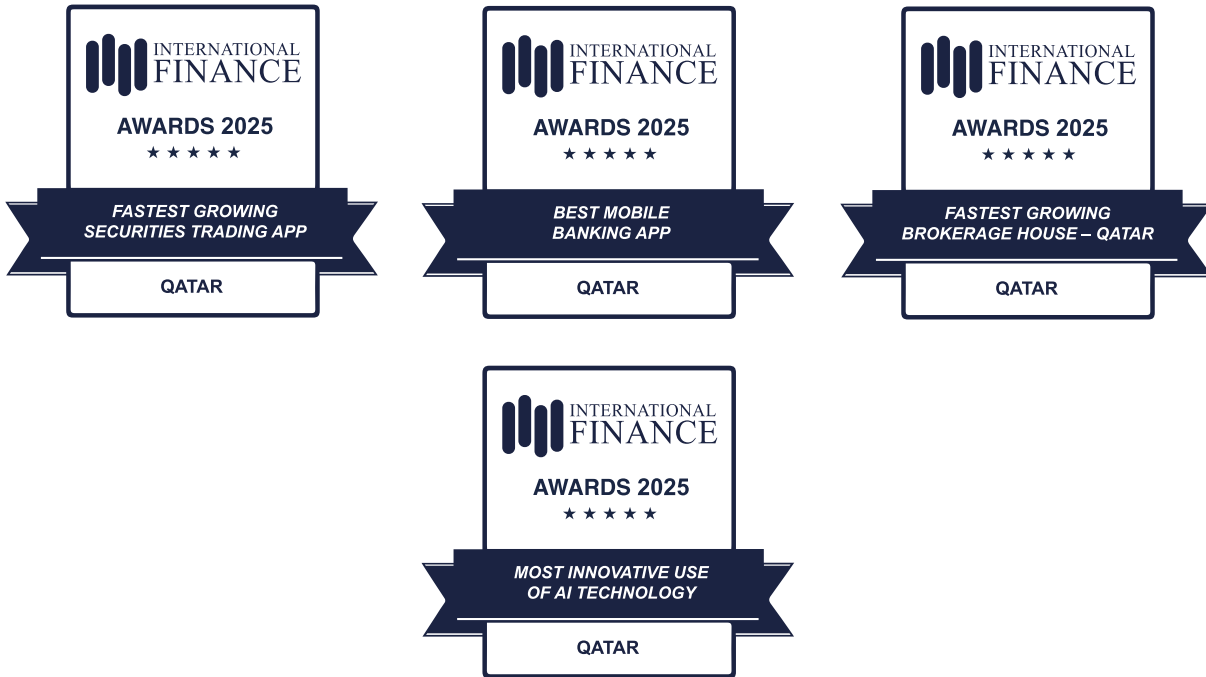
Asset Quality



Capital



Highlights of Commercial Bank 2025 Awards



Best in-class Straight Through Processing (STP) rates

J.P.Morgan

TAB Global
MIDDLE EAST & AFRICA AWARDS 2025

BEST TRANSACTION BANK IN QATAR

TAB Global
MIDDLE EAST & AFRICA AWARDS 2025

BEST REGIONAL CASH MANAGEMENT BANK IN THE MIDDLE EAST

TAB Global
MIDDLE EAST & AFRICA AWARDS 2025

BEST HOME LOAN FINANCING IN QATAR

TAB Global
MIDDLE EAST & AFRICA AWARDS 2025

BEST HOME LOAN FINANCING IN THE MIDDLE EAST



GLOBAL FINANCE

Best Online Payment Solution
 (Consumer - Global)



GLOBAL FINANCE

Best online payments Solution
 (Consumer - Middle East)



GLOBAL FINANCE

Best Consumer Digital Bank
 in Middle East



GLOBAL FINANCE

Best In Transformation
 (Consumer - Middle East)



GLOBAL FINANCE

Best In Transformation
 (Consumer - Qatar)



GLOBAL FINANCE

Best Information Security
 and Fraud Management
 (Consumer- Qatar)



GLOBAL FINANCE

Best Online Payments Solution
 (Consumer - Qatar)



GLOBAL FINANCE

Best Digital-Only Bank
 (Consumer - Qatar)



GLOBAL FINANCE

Best Digital Bank
 (Consumer - Qatar)

Board of Directors



Sheikh Abdulla bin Ali bin Jabor Al Thani
Chairman



Mr. Omar Hussain Alfardan
Vice Chairman and Managing Director
(Representing Al Gassar Capital)



HE Mr. Abdul Rahman Bin Hamad Al Attiyah
Member



Sheikh Jabor Bin Abdulla Bin Ali Al Thani
Member
(Representing Vista Trading)



Mr. Ibrahim Jassim Al-Othman
Member



HE. Mr. Bader Omar Al Dafa
Member



Mr. Mohd Ismail Mandani Al Emadi
Member



Mr. Salem Khalaf Al Mannai
Member
(Representing Qatar Insurance
Company)



Mr. Tariq Ahmad Al Malki Al Jehani
Member



Mr. Mohammed Yaser Al Mosallam
Member



Mr. Hussain Omar Alfardan
Member
(Representing Alfardan Investment
Company)

“

Commercial Bank will continue to provide its unwavering support in the development process of the financial sector and broader national development objectives in line with the Qatar National Vision 2030 to build a knowledge-based, private sector-led, and sustainable economy.

”

Abdulla Bin Ali Bin Jabor Al Thani
Chairman



Chairman's Message

I am pleased to present to you Commercial Bank's Annual Report for the year ended on 31 December 2025. The global economy remained resilient in 2025, with the technology sector and especially AI playing a key role in driving growth. Despite international challenges, global inflation broadly declined in 2025, and major central banks moved towards a gradual easing of monetary policy, with a downward trend in interest rates from their peaks in 2023 and 2024.

Thanks to its wise economic policy and despite a volatile international environment, Qatar continues to showcase great resilience and reinforce its track record of a safe haven for international capital. Qatar's GDP growth is projected at around 2.4% in 2025 and is very well positioned for 2026 and the longer term, supported by significantly increased LNG production as a result of continued investments in the North Field gas expansion, and strategies to diversify the economy to ensure sustainable development. Qatar has maintained strong sovereign ratings of AA, AA and Aa2 from Fitch, Standard & Poor's and Moody's respectively. These ratings confirm the strength and stability of the Qatari economy, which further increases the country's attractiveness to foreign investments and contributes to reducing the cost of borrowing for the country and the institutions operating within it.

Qatar's budget for 2025 provides substantial financial support to strategic sectors, including trade and industry, research and innovation, tourism, digital transformation, and information technology, while the Government continues to accelerate the enhancements to Qatar's business environment to drive sustainable economic growth. The launch of the Third National Development Strategy (NDS3) outlines a set of ambitious targets, including an average economic GDP growth of 4%, attracting US \$100 billion in foreign direct investment, and leadership in business and digital competitiveness by 2030.

Commercial Bank will continue to provide its unwavering support in the development process of the financial sector and broader national development objectives in line with the Qatar National Vision 2030 to build a knowledge-based, private sector-led, and sustainable economy.

On behalf of the Board of Directors, I would like to express our thankfulness and gratitude for the visionary leadership

of His Highness the Amir Sheikh Tamim Bin Hamad Al Thani. Under the leadership of His Highness, Qatar is well positioned to continue its successful development path and growth trajectory. I also want to convey our appreciation for the guidance and support we have received from His Excellency the Prime Minister and Minister of the Foreign Affairs and His Excellency the Governor of Qatar Central Bank.

In April 2025, the Vice-Chairman, Mr. Hussain Ibrahim Alfardan stepped down from the Board of Directors. Since the founding of Commercial Bank in 1974, he has played a central role in shaping who we are, from our earliest ambitions as Qatar's first private bank, to the respected institution we have become today. Mr. Hussain Ibrahim Alfardan's values, leadership and belief in the potential of our people and our country has touched every part of Commercial Bank and he leaves behind an extraordinary legacy.

Following Mr. Hussain Ibrahim Alfardan's retirement, Mr. Omar Hussain Alfardan was appointed Vice Chairman and Managing Director of Commercial Bank, and we were pleased to welcome Mr. Hussain Omar Alfardan as the new representative of Alfardan Investment Company. In August 2025, we welcomed Mr. Stephen Moss as Group CEO and Commercial Bank is well positioned to build on its strong foundations and advance into the next phase of its strategy.

Commercial Bank, its subsidiaries and associates announced its financial results for the full year ended on 31 December 2025, and the Board of Directors has recommended a cash dividend payout of QAR 0.30, subject to regulatory approval and approval at the Annual General Assembly on 16 March 2026. I would like to thank the Board of Directors for their continued guidance, our employees for their hard work, our customers for their loyalty, and our shareholders for their support.



Abdulla Bin Ali Bin Jabor Al Thani
Chairman

“

In relation to our core businesses, Retail and Wealth continue to deliver good and consistent returns. Despite a challenging year, our Wholesale lending book continued to grow, whilst we also continued our focus on Transaction Banking services.

”

Omar Hussain Alfardan

Vice-Chairman & Managing Director



Vice-Chairman & Managing Director Message

In 2025, Commercial Bank delivered resilient, balanced and sustainable operating profit growth, with positive contributions from all our entities. We strengthened our franchise through enhanced customer propositions, expanded fee-based income streams, and value-added services. In parallel, we advanced targeted innovation and capability building, while reinforcing our long-term commitment to sustainability and development of national talent.

In relation to our core businesses, Retail and Wealth continue to deliver good and consistent returns. Despite a challenging year, our Wholesale lending book continued to grow, whilst we also continued our focus on Transaction Banking services.

The Group reported a consolidated net profit after tax of QAR 2,204.9 million for the year ended 31 December 2025, which includes a BEPS Pillar Two tax charge of QAR 179.4 million.

Net interest income increased by 2.9% to QAR 3,413.9 million, and the Group continued to grow core net fee and commission-based income, with fees and other income increasing by 10.8% to QAR 1,372.2 million. Gross provisions increased by 78.2% to QAR 1,905.1 million as we continued to build provisions for the remedial and managed-risk portfolio. Net provisions were QAR 1,193.3 million, supported by strong recoveries which increased by 18.3% to QAR 711.8 million.

We continue to work closely with our Associates, and our share of the results of Associates continued to outperform with a growth rate of 23.2% to QAR 406.4 million. Performance at Alternatif Bank in Turkey improved at operating profit level.

Total assets at 31 December 2025 reached QAR 192.9 billion, an increase of 16.4% from 31 December 2024. This was mainly driven by an increase in loans and advances to customers and an increase in investment securities. Customer deposits increased to QAR 89.4 billion, as we focus on reducing high cost of funding. Our low-cost deposits grew by 4.5%, which represent 37.0% of the total customer deposits mix. The Group's Common Equity Tier 1 (CET 1) Ratio at 31 December 2025 was 12.2% and Capital Adequacy Ratio (CAR) increased to 17.6%, which are higher than the regulatory minimum requirements of the Qatar Central Bank and Basel III requirements.

In 2026 we will enter a new phase of our strategy focusing on building a stronger, sustainably profitable bank through continuous innovation and effective risk, compliance, capital and cost management.

Finally, I would like to close by thanking our customers, partners, employees and shareholders for their continued commitment and support.



Omar Hussain Alfardan

Vice-Chairman & Managing Director

“

Through Digital, we are enhancing onboarding, client servicing, and cross-channel engagement. We plan to maintain our strong position in digital adoption with a continued focus on personalisation, seamless mobile journeys, and integrated servicing across Wholesale and Retail banking.

”

Stephen Moss

Group Chief Executive Officer



Group Chief Executive Officer's Message

Since joining Commercial Bank in August 2025, my focus as Group CEO has been engaging with clients, employees, regulators, and shareholders to shape the next phase of our strategy for the period covering 1 January 2026 to 31 December 2030.

We announced the details and priorities of the next phase of our strategy on our results call on 26 January. Our vision remains clear: to be Qatar's banking partner of choice, creating long-term value for our customers, our people, and our shareholders.

To realize this vision, we have set a clear ambition to build a stronger, more balanced, and sustainably profitable Bank. This means a more balanced business between retail and wholesale, a focus on generating more fee income and capital-light growth, and a business overall that can deliver consistent returns across the cycle.

Our strategy is supported and enabled by three pillars: Technology & Innovation; Digital; and Talent, Teamwork & Culture.

Our Technology & Innovation initiatives will see us modernise our technology which will support speed, scalability, and efficiency across our business.

Through Digital, we are enhancing onboarding, client servicing, and cross-channel engagement. We plan to maintain our strong position in digital adoption with a continued focus on personalisation, seamless mobile journeys, and integrated servicing across Wholesale and Retail banking.

Through Talent, Teamwork & Culture, we are strengthening our analytics capabilities, AI tools, and talent base, whilst reinforcing a performance-driven culture based on clear accountability, collaboration, and execution.

As we look ahead, the next phase of our strategy is focused on reshaping Commercial Bank into a more capital-efficient and customer deposit-anchored institution. We are sharpening our focus on growth opportunities among Qataris, SMEs, and affluent clients, while targeting sustainable shareholder returns and dividends.

Delivering the next phase of our strategy will require disciplined execution and strong teamwork. Building on more than five decades of heritage and a strong customer franchise, Commercial Bank is well positioned to deliver safe, sustainable profitability; long-term value for all of our stakeholders; and to continue to support Qatar's economic growth.



Stephen Moss
Group Chief Executive Officer

Executive Management



Mr. Stephen Moss
Group Chief Executive Officer



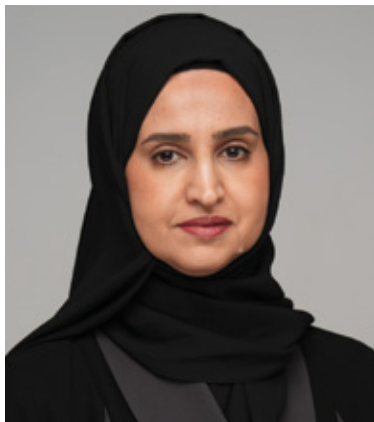
Mr. Khalifa Al Rayes
EGM, Chief Human Capital Officer



Mr. Fahad Badar
EGM, Chief Wholesale and
International Banking Officer



Mr. Parvez Khan
EGM, Treasury & Strategy



Ms. Rana Salatt
EGM, Chief Internal Audit Officer



Mr. Shahnawaz Rashid
EGM, Retail Banking



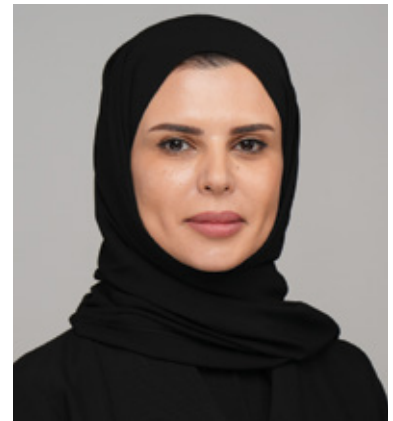
Mr. Antonio Gámez Munoz
EGM, Chief Risk Officer



Mr. Noman Ali
EGM, Chief Financial Officer & Chief Sustainability Officer



Mr. Abdulla Ahmed Al-Fadli
EGM, Chief Compliance Officer



Ms. Eiman Al Naemi
EGM, Chief of Communications and Marketing Officer



Mr. Ayman Gharib
EGM, Chief Legal Officer



Mr. Aimen Kallala
AGM, Strategy & Analytics



Mr. Mahesh Muzumdar
Acting Chief Operating Officer

Our Strategy

Our strategy for long-term, safe and sustainable growth

The Bank has announced its next phase of strategy for 2026–2030, which is designed to turn its strong foundations into sustainable growth, setting out a clear framework to deliver safe, sustainable profitability.

The strategy is built on disciplined credit underwriting, provisioning, capital efficiency, and continuous innovation, and aims to build a stronger, more balanced and sustainably profitable franchise, with a resilient business mix and a focus on core client segments.



Vision

To be Qatar's banking partner of choice, creating long term value for our customers, our people and our shareholders



Ambition

Build a stronger, sustainably profitable bank through continuous innovation and disciplined risk, compliance, capital and cost management



STRATEGIC PRIORITIES

RETAIL

- Accelerate growth in Qatari customer segments
- Maintain leadership in expat segment
- Protect the strength of core retail businesses, including cards, employee banking and remittances
- Deepen retail and wealth relationships

WHOLESALE

- Focus lending growth on higher-return customer segments and high growth sectors
- Continue to invest in transaction banking proposition
- Rebalance revenue mix toward capital-light, fee-based income
- Workout legacy exposures

Improve capital efficiency through deployment of capital into higher return business and management of our property portfolio

Diversify funding mix supported by a strong low-cost deposit base and disciplined liquidity management

Maintain strict cost discipline with positive jaws from 2027

Target a normalized, sustainable net Cost of Risk from 2028 onwards, and good trajectory for stage 2 ratio reduction

Continue to invest in our digital capabilities, AI, innovation and our people

To realize the vision and to deliver on the ambitions, the Bank has identified a set of strategic priorities that will guide execution across the Group.

Retail Banking

In Retail Banking, the Bank will build on its established strengths while broadening its focus across our ambition. The Bank maintains a strong position in the expat segment, cards, and employee banking, and will continue to protect and develop from our position.

At the same time, the strategy focuses on:

- Accelerating growth in Qatari customer segments, with particular emphasis on affluent and Private Banking clients
- Deepening wealth and advisory relationships through the expansion of digital wealth tools and solutions
- Enhancing cross-sell and product penetration, leveraging the existing client base across lending, remittances, insurance, and savings

Retail business will remain a consistent engine of value, and a platform for digital-led growth going forward.

Wholesale Banking

In Wholesale Banking, the Bank aims to deliver more capital-efficient and cross-sell-driven growth, with a focus on improving risk-adjusted returns.

Strategic priorities include:

- Growing activity in higher-return segments, with a focus on mid-corporates and SMEs, where demand and risk-adjusted returns remain attractive
- Deepening relationships with GREs and top-tier corporates, positioning the Bank as a key partner for lending, foreign exchange, and cash management solutions
- Scaling fee-based income, particularly in Transaction Banking, Trade Finance, and Treasury
- Continuing the resolution of legacy exposures, supporting an improvement in the overall risk profile of the portfolio

Our Strategy continued

Strategy delivery enabled by three strategic levers

Delivery of the Group’s strategy will be built on three key strategic enablers, each of which continues to be a focus area for investment.

- **Technology & innovation** remains a priority, with ongoing enhancements to core banking platforms, strengthen data and infrastructure foundations to support scalability, speed, and operational efficiency across the Group.
- **Digital** delivery will further enhance across customer onboarding, servicing, and cross-channel engagement. The Group will continue to build on its strong position in digital adoption in Qatar, with a focus on further push the personalisation, mobile journeys, and integrated servicing.
- **Talent, Teamwork & Culture** development will simplify the organization to enhance speed and accountability. This includes continued investment in future-critical skills including data science and artificial intelligence, while reinforcing a values-driven performance culture focused on accountability, collaboration, and execution.

Accelerating our AI Journey to Create Value Across the Bank

AI is one of the most powerful enablers of our strategy and an area where the Bank is moving early and with intent.

The Bank launched its AI initiatives in 2022 with a clear plan: to build foundational capabilities, pilot high-impact use cases, and scale adoption in a way that delivers measurable business value. We have invested in foundational capabilities including data architecture and GPU compute and have strengthened our internal AI platforms.

What’s Next

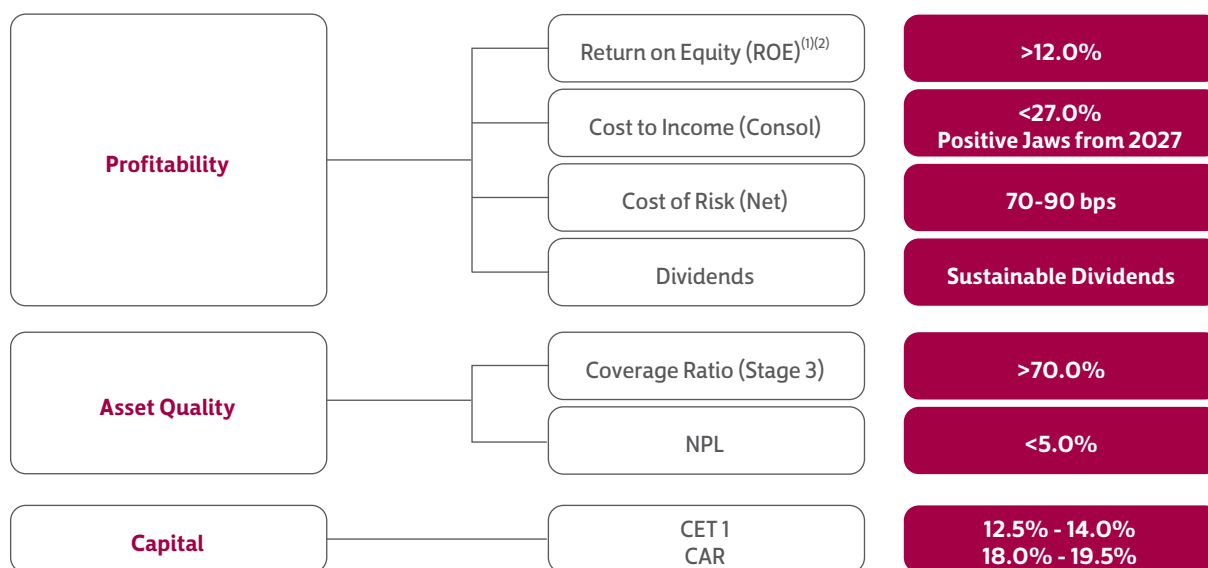
We have identified AI products with measurable value potential across four core drivers - and will prioritize them by strategic fit and quantifiable impact, and executional feasibility:

Operating income uplift	Using AI to identify and serve the right customers better with the right products at the right time (incl. cross / up-sell and next-best actions)
CX enhancement	Deploying AI assistants to increase personalization across engagements (incl. customer-facing conversational interfaces)
Process efficiency	Automating key operational workflows such as document processing, credit operations to improve speed, accuracy, and productivity at scale
Risk & compliance strengthening	Embedding AI in credit, fraud, and compliance processes to enhance detection, reduce manual effort, and proactively manage risk

Together these AI initiatives will help us to unlock income opportunities, reduce our cost to income ratio and strengthen our risk management.

Summary of key consolidated targets for 2030

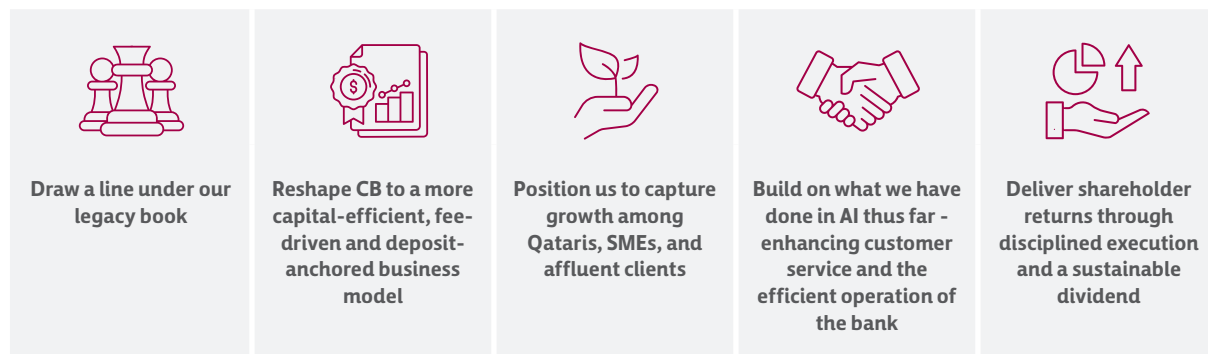
The Bank aims to deliver safe, sustainable profitability, supported by strong risk and capital management discipline, and the targets outlined below reflect this objective and are aligned with the Group’s strategy.



(1) Excluding Additional Tier 1 (AT1) Notes, post deducting AT1 coupon payment
 (2) Qatar introduced the BEPS Pillar Two Global Minimum Top-up Tax effective 1 January 2025. Implementation regulations were issued by the General Tax Authority on 12 February 2026, while detailed compliance and administrative provisions are still awaited. The above ROE target is before any potential Pillar Two tax impact.

Delivering the Next Phase

From 2026 to 2030, we will focus on five clear strategic outcomes — each of which is designed to building a stronger, more resilient, and sustainably profitable Commercial Bank:



Deliver Safe, Sustainable Profitability

Together, these actions will ensure the Bank’s commitment to delivering safe, sustainable profitability and long-term value for all stakeholders.

Management Review of Operations

FINANCE

Financial Results

The Group reported net profit before Pillar Two tax of QAR 2,384.4 million, compared with QAR 3,032.1 million for the year ended 31 December 2024. Core income momentum remained positive, with net interest income increasing by 2.9% and fees and other income rising by 10.8%, supported by continued balance sheet growth.

The year-on-year decline in profit primarily reflected higher net provisions, increased operating expenses, including movements related to the IFRS 2 long-term incentive scheme (LTIS), and a reported loss of QAR 144.7 million from the Group's Turkish subsidiary, including the impact of hyperinflation accounting.

The Bank accrued a tax charge of QAR 179.4 million in respect to the BEPS Pillar Two Global Minimum Top-up Tax, based on the legislative amendments effective from 1 January 2025. As a result, the Bank's reported Net Profit after Tax was QAR 2,204.9 million. The related regulations on implementation were issued by the General Tax Authority on 12 February 2026.

Across the core businesses, Retail and Wealth Banking continued to deliver stable and consistent performance, with retail lending growing by 4.8% year on year. In Wholesale Banking, the lending book expanded, alongside continued focus on Transaction Banking services.

The Group's associates continued to perform well, with their contribution increasing by 23.2%, reflecting ongoing collaboration and progress in the execution of their respective strategies.

Disciplined execution and continued balance-sheet resilience

Total Assets and Funding

At 31 December 2025, total assets increased by 16.4% year on year to QAR 192.9 billion, reflecting continued balance sheet growth.

Loans and advances to customers increased to QAR 104.5 billion, including an increase in trade-related acceptances. Excluding the impact of acceptances, underlying loan growth was approximately 5.7%, driven primarily by growth in Wholesale Banking, across government and public sector entities as well as corporates. Retail lending also continued to demonstrate positive momentum, increasing by 4.8% year on year.

Customer deposits increased by 16.2% to QAR 89.4 billion at 31 December 2025, primarily driven by growth in time deposits, as well as current and savings accounts. Low-cost deposits increased by 4.5% year on year, reflecting continued efforts to diversify funding sources and strengthen balance sheet resilience.

Capital

The Group's capital position remained strong. Total CAR increased to 17.6% in FY 2025, from 17.2% in FY 2024, primarily reflecting the impact of Additional Tier 1 capital, including lower regulatory deductions. These ratios are higher than the regulatory minimum requirements of the Qatar Central Bank and Basel III requirements.

Steady operating profit growth, with positive contributions from all entities

Net Operating Income

The Group's net operating income increased by 5.1% year on year for the year ended 31 December 2025, supported by growth in net interest income, net fees and commission income, and investment income. This increase was partially offset by lower foreign exchange income, reflecting balance sheet management strategies during the year.

Net interest income increased by 2.9% year on year, which was mainly driven by higher income from investments in debt securities. Net interest margin was maintained at 2.2%, reflecting competitive funding conditions and repricing dynamics between assets and liabilities.

Non-interest income increased year on year, supported by growth in core net fees and commission-based income. Retail Banking fees benefited from higher activity in cards, wealth management, and remittances, while Wholesale Banking fees were driven primarily by cash management and payments. In addition, income from investment securities increased during the year, supporting overall income diversification.

Operating Expenses

Total operating expenses increased at the Group level year on year, primarily reflecting higher staff-related costs, continued investment in technology and automation, and increased operating expenses from the Group's operations in Turkey.

Net Provisions for Impairment Losses

Net provisions increased to QAR 1,193.3 million for the year ended 31 December 2025, compared with QAR 467.2 million in the prior year. Provisions on loans to customers increased as the Group continued to build provisions during 2025, consistent with management's approach to strengthening coverage, particularly in the second half of the year.

This increase was partially offset by recoveries of approximately QAR 700.0 million, reflecting continued focus on remedial and recovery activities.

Financial summary

Financial Position (QAR million)	2025	2024	Change %
Total Assets	192,912.7	165,677.8	16.4%
Loans and Advances to Customers	104,547.5	91,480.0	14.3%
Customer Deposits	89,445.4	77,006.8	16.2%
Total Equity	27,013.5	26,353.6	2.5%

Financial Performance (QAR million)	2025	2024	Change %
Net Interest Income	3,413.9	3,317.2	2.9%
Net Fees, Commission and Other Income	1,372.2	1,238.8	10.8%
Operating Expenses	(1,411.2)	(1,273.2)	(10.8%)
Operating Profit	3,375.0	3,282.9	2.8%
Net Provisions	(1,193.3)	(467.2)	(155.4%)
Share of Results of Associates	406.4	329.7	23.2%
Net Monetary Losses Due to Hyperinflation	(131.2)	(131.8)	0.4%
Income Tax (Expense) / Credit	(72.4)	18.4	(493.0%)
Net Profit Before BEPS Pillar Two Taxes	2,384.4	3,032.1	(21.4%)
BEPS Pillar Two Taxes	(179.4)	-	(100.0%)
Net Profit after Tax	2,204.9	3,032.1	(27.3%)

Management Review of Operations continued

WHOLESALE BANKING, INTERNATIONAL CORPORATES & FINANCIAL INSTITUTIONS

Overview and Strategic Direction

Commercial Bank's Wholesale Banking division delivers a comprehensive suite of financial products and advanced banking solutions to local corporates, government and public-sector entities, international corporates, multinationals, and financial institutions. which includes a broad range of corporate finance, transaction banking, cash management, trade finance, treasury solutions, advisory services, and investment banking products.

As part of the next phase of our strategy for 2026-2030, in Wholesale Banking, the Bank aims to deliver more capital-efficient and cross-sell-driven growth, with a focus on improving risk-adjusted returns. Strategic priorities include:

- Focus lending growth on higher-return customer segments and high growth sectors
- Continue to invest in transaction banking proposition
- Rebalance revenue mix toward capital-light, fee-based income
- Workout legacy exposures

Wholesale Banking serves all corporate and financial institution segments through dedicated teams that provide innovative, tailored solutions. The department maintains strong, long standing relationships with leading Qatari businesses, supported by consistent service excellence, customized financial offerings, and the adoption of modern digital technologies.

The Bank, together with its subsidiary Alternatif Bank in Turkey, and its associated banks United Arab Bank in the UAE, and National Bank of Oman in the Sultanate of Oman, collaborates across the Group to strengthen cross border capabilities and supports shared business objectives.

Business performance

In 2025, Wholesale Banking remained a significant contributor to the Bank's revenues and selective asset growth with a prudent risk management framework and maintaining emphasis on asset quality.

Key focus areas during the year included:

- Selective asset growth combined with proactive de-risking
- Ongoing focus on government and public sector assets
- Strengthening asset quality and deepening profitable client relationships
- Securing new mandates from government and public sector entities through tailored offerings
- Diversification of revenue streams with increased emphasis on sustainable longer-term fee-based income
- Maintaining strong momentum in Transaction Banking driven by innovation and digital adoption

Wholesale Banking worked closely with Retail Banking and Treasury & Investment teams to deliver comprehensive, value-added solutions across customer segments, including wealth management, cards, payments and ecommerce, employee payroll accounts, insurance, vehicle loans, and treasury and foreign exchange products.

The above focus areas also resulted in early action on the implementation of our strategy which will continue to be the focus of Wholesale Banking.

Domestic Corporate Banking

Domestic Corporate Banking provides a full suite of banking solutions to corporate clients operating in Qatar, including large corporates, mid-market companies, contractors, ultra-high net worth, and government and public sector entities. The unit delivers customized financing solutions such as medium- to long-term loans, working capital facilities, and project-specific financing across multiple industries.

In 2025, Domestic Corporate Banking continued to enhance client experience and service quality through process improvements and innovative solutions. The focus remained on organic growth and the adoption of state-of-the-art technologies to reduce paper-based transactions, improve turnaround times, and deliver efficient digital banking solutions to corporate customers.

Enterprise Banking/SME Banking

Small and Medium Enterprises (SMEs) are a vital contributor to Qatar's economy and a key focus area for Wholesale Banking. The Bank works closely with SME customers to deliver industry-specific solutions supported by financial, technical, and digital capabilities, built on a comprehensive understanding of customer needs.

During 2025, Wholesale Banking continued to strengthen its relationship management model and promote the use of digital self-service channels. These platforms enabled SME customers to manage cash flows more effectively and transact securely and efficiently. The Bank remained committed to supporting SMEs in alignment with Qatar National Vision 2030.

Customer growth in this segment was driven by targeted initiatives, including:

- Dedicated SME relationship teams across customer segments
- Streamlined account opening and onboarding processes
- Expanded digitization of products and services
- Launch of the first in Qatar Corporate Digital Account opening
- Introduction of new products and solutions such as Lending against POS

Through its dedicated Enterprise Banking team, Commercial Bank supported over 20,000+ active SME customers in 2025 and continued to record strong year-on-year acquisition. Enterprise Banking maintained a leading share of transaction volumes in the local market, servicing customers through innovative digital channels and dedicated service centers nationwide.

As part of the Bank's digital transformation initiatives, Enterprise Banking rolled out additional solutions aimed at enhancing convenience and accessibility. Strategic partnerships and knowledge-sharing initiatives further supported SME customers by providing tools and insights to support sustainable business growth.

Transaction Banking

In 2025, Transaction Banking continued to focus on innovation, digitization, and enhancing client experience. The Bank expanded and strengthened its offerings across host-to-host connectivity, point-of-sale solutions, payment gateways, CB Pay for merchants, remote cheque deposit, and corporate internet and mobile banking with a comprehensive 360-degree account view.

The Bank's digitization efforts continued to receive external recognition from independent agencies such as Global Finance and Euromoney. Digital adoption remained high, with over 90% of payments, 99% of salary transactions, and 96% of trade transactions conducted through digital channels.

Collaboration with FinTech partners progressed across multiple solutions, including escrow services, acquiring, buy-now-pay-later (BNPL), and digital wallets, supporting the delivery of integrated and innovative customer solutions.

Key developments in 2025 included:

- Launch of a mobile Corporate Trade Portal enabling remote inquiry and authorization of trade transactions
- Introduction of a simplified digital account opening platform enabling new to bank clients to open accounts in under 30 minutes
- Enhanced MIS reporting and API based connectivity supporting real time payments and account updates for entities such as Qpost and Kahramaa

These initiatives demonstrate Bank's strategy of continuing to invest in Transaction Banking and will remain the key focus in future years.

Trade Finance Performance

For the year ending 31 December 2025, Transaction Banking delivered strong performance in its trade finance portfolio:

- Guarantee throughput increased from QAR 4,555 million (2024) to QAR 5,078 million (2025)
- Letter of Credit throughput rose significantly from QAR 4,045 million to QAR 13,055 million

Management Review of Operations continued

- Acceptances outstanding increased from QAR 541 million to QAR 8,179 million
- Guarantees outstanding grew from QAR 10,769 million to QAR 11,510 million
- Trade loans outstanding increased from QAR 1,510 million to QAR 1,976 million

Trade transaction volumes continued to grow steadily, driven by an increase in both import and export activity. At the same time, our market share among Qatari banks has strengthened

International Banking

In 2025, the International Banking unit continued to play an important role in delivering correspondent banking services, cross-border corporate lending, and a range of Wholesale Banking products. The client base included financial institutions, large corporates, sovereign-related entities, non-bank financial institutions, and ultra-high-net-worth family offices outside Qatar.

The unit maintained a disciplined approach to cross-border activities, with a focus on diversification and prudent risk management. Key areas of contribution included trade finance flows, correspondent banking relationships, and select cross-border lending opportunities aligned with the Bank's risk appetite.

Collaboration with alliance bank partners continued to be a core element of the Bank's international strategy, supporting credit related transactions, correspondent banking services, and broader cross border initiatives.

Collaboration with Alliance bank partners continued to be a core element for the Bank's international strategy, supporting credit-related transactions, correspondent banking services and other cross-border initiatives. These partnerships supported synergies across the Commercial Bank Group and added value to the Bank's international business activities.

International Banking also supported the Bank's funding activities during the year by leveraging global relationships in coordination with the Treasury function, contributing to bilateral and syndicated transactions, as well as treasury and corporate deposit relationships.

RETAIL BANKING

Overview and Strategic Direction

The Retail Banking franchise remains a cornerstone of Commercial Bank's growth strategy, delivering world-class customer experiences across every stage of the customer journey.

As part of the next phase of our strategy for 2026-2030, in Retail Banking, the Bank will build on its established strengths while broadening its focus across our ambition. The Bank maintains a strong position in the expat segment, cards, and employee banking, and will continue to protect and develop from our position. Strategic priorities include:

- Accelerate growth in Qatari customer segments
- Maintain leadership in expat segment
- Protect the strength of core retail businesses, including cards, employee banking and remittances
- Deepen retail and wealth relationships

Our growth-oriented strategy provides seamless, intuitive, and personalized banking experiences through an integrated ecosystem that combines digital engagement, flagship branches, CB Premium Lounges, and proactive relationship management.

With a comprehensive portfolio of core banking products including current and savings accounts, deposits, loans, credit cards, insurance, and wealth management services, we deliver high quality banking to individuals while consistently focusing on value creation, convenience, and trust.

Advanced data analytics and AI-driven insights continue to play a critical role in understanding customer behavior and preferences. By leveraging real-time data across channels, we personalize offerings, anticipate customer needs, and deliver timely, relevant solutions. This persistent focus on customer-centricity, supports our vision to become **"The Most Innovative Retail Bank in Qatar."**

Retail Banking is aligned with the Bank's overarching strategy, with a strong emphasis on earnings quality, exceptional client experience, creativity and innovation, robust risk and compliance culture, and a people-centric organizational mindset. Together, these focus areas shape our decision-making, performance management, and long-term sustainable growth.

The sections below provide details of various initiatives undertaken during 2025 delivering early actions on delivering the Retail strategy and will continue achieving the above strategic priorities of the Bank for the Retail business.

Business Performance

Retail Banking continued to be a significant contributor to the Bank's overall financial performance in 2025.

The balance sheet demonstrated exceptional resilience and strength, despite prevailing market dynamics. This growth was supported by disciplined risk management, targeted acquisition strategies, and enhanced engagement across priority customer segments.

Transforming Our Distribution Network: A Journey of Innovation and Customer-Centricity

We continued improving the distribution network of 28 locations, integrating branches, CB Premium Lounges, and technology-enabled self-service points. This evolving network remains a critical pillar of our customer-centric approach.

Traditional Branches and ATM Network

Traditional branches serve as trusted centers for complex financial needs and personalized advisory services. Our physical presence is complemented by an extensive network of 313 ATMs strategically located across Qatar providing a wide range of services, including cash transactions, transfers, and cheque deposits, with many locations offering additional self-service capabilities.

Our distribution strategy is designed around the customer by providing digital channels for speed and convenience, complemented by physical locations for advice-led, higher-value interactions and complex servicing. Enhancements to the lifecycle journey through appointment-based servicing significantly reduced wait times and delivered more predictable, value-driven experiences. These improvements were complemented by branch digitization initiatives that reduced paper usage, improved operational efficiency, and supported the Bank's sustainability agenda.

CB Premium Lounges

For affluent and high-net-worth customers, CB Premium Lounges offer a dedicated environment for personalized engagement where Relationship Managers provide tailored solutions across the full suite, fostering strong, long-term client relationships. We will continue to improve the CB Premium Lounge experiences to provide best customer experience and enhance Retail and Wealth relationships.

Self-Service and Convenience

Self-service banking remains a key enabler of scale and accessibility with select locations now providing extended availability, including 24/7 access, allowing customers to complete essential transactions independently while enabling staff to focus on advisory engagements.

Data-Driven Insights and AI Enablement

A defining element of our transformation is the deployment of live data feeds and AI-driven insights. By analyzing customer behavior across branch interactions, mobile app usage, and card transactions, we deliver timely and relevant offers, including targeted credit cards, loans, and insurance solutions. These capabilities have driven improved customer outcomes and sustainable revenue growth.

Remote service was further enhanced through CB Video Relationship Manager within the CBQ Mobile App, enabling customers to complete applications, exchange documents, and receive advisory support through a secure virtual channel.

Customer Acquisition

During 2025, the Bank strengthened multiple acquisition channels through digital onboarding, instant account fulfillment, and streamlined processes.

Our enhanced CB@Work proposition and exclusive sales platform positioned Commercial Bank as a leading originator of Expatriate and Qatari salary accounts, with cards playing a central role in driving acquisition. This will continue to support achieving our strategic priorities and will remain our area of focus for 2026 and future years.

Retail Internet and Mobile Banking

Digital banking adoption continued to accelerate, with over 98% of financial transactions now conducted through automated channels. Throughout 2025, the Bank continued to enhance the CBQ Mobile App and Internet Banking services, introducing new features and improving functionality. The CBQ Mobile App and Internet Banking platforms offer a comprehensive suite of services, including international remittances, bill payments, transfers, and account management.

CB Remittance remains one of our most popular offerings, enabling instant transfers to select countries in under 60 seconds. Partnerships with Western Union expanded reach across African regions, while bundled remittance package for

Management Review of Operations continued

frequent users and free transfers for first-time customers, improved affordability and strengthened customer loyalty.

Market-first innovations included the launch of the world's first geofencing-enabled branch appointment token issuance feature, investment account opening and wealth services via the app, and advanced fraud protection tools such as CB Direct Notifications and CBsafe ID.

In addition, the Bank launched Qatar's first Metaverse-enabled Auto Marketplace, allowing customers to explore vehicles, book test drives, and apply for auto loans through an immersive digital experience.

Customer satisfaction with the Mobile Banking App remains exceptionally high, with a Net Promoter Score (NPS) of 86.

Cards & Payments

Commercial Bank is at the forefront of digital payments innovation, delivering secure, scalable, and customer-centric solutions.

Key initiatives included:

- **Visa and Mastercard Click to Pay** for fast, tokenized online checkout
- **Himyan Debit Card**, the default card, supporting national payment initiatives
- **Visa Commercial Pay** for corporate and SME virtual payments
- **Visa Alias Directory** enabling payments using mobile numbers or email

Himyan Card Innovations

The Bank reinforced national payment initiatives by setting the Himyan Debit Card as the default card and launching multiple Himyan projects,:

- Himyan Tokenization for secure online payments
- Himyan Premium Card with enhanced benefits
- WPS Himyan Card for salary payments
- Himyan Debit Card with Avios rewards

A major milestone was the launch of Face Pay, a biometric payment solution using facial recognition, reinforcing CBQ's security-first approach to innovation.

The Bank also expanded the Visa Installments Solution (VIS) to point-of-sale transactions nationwide, offering flexible

payment options at checkout and improved merchant conversion.

Credit Cards Growth and Engagement

In 2025, the Bank strengthened credit card acquisition and engagement through automated lifecycle journeys and a fully digital application process that can be completed in under ten seconds. Early Month-on-Book activation campaigns and curated merchant partnerships significantly improved activation and usage.

The above initiatives demonstrate our focus on strengthening further our Cards franchise and to remain the leading Bank in Cards business.

Wealth Management

The Wealth Management value proposition continued to evolve during the year, driven by ongoing investment in technological platforms that deliver a best-in-class advisory experience to our valued clients. Our team continues to be at the heart of this growth journey as we build lasting relationships with our client base supported by in-house research, thematic portfolios and tailored advisory solutions. Over the course of the year, our agility allowed us to adapt effectively and navigate the evolving macroeconomic landscape successfully. Our strategic distribution partnerships with leading global asset managers enabled us to access innovative products from both regional and international markets, enhancing our ability to serve and expand our client base throughout the year.

With robust growth in assets under management and increased portfolio penetration across all segments, the Wealth Management value proposition offering continues to be a core pillar of our services in line with our strategy, complementing our robust Retail Banking franchise.

Commercial Bank Financial Services (CBFS)

CBFS, a wholly owned subsidiary regulated by QFMA, continued to strengthen Commercial Bank's presence on the Qatar Stock Exchange. CBFS offers brokerage, margin financing, asset management, and liquidity provision services.

The company commenced market-making activities and maintained a strong position in margin trading, supported by continued investment in digital trading platforms and mobile applications.

TREASURY AND INVESTMENTS

The Commercial Bank's Treasury and Investments Department is responsible for asset-liability management, capital and financial market investments, trading, and treasury sales. The Department manages the overall funding and liquidity requirements of the Bank. This includes management of operational and strategic liquidity requirements, as well as accessing the international debt capital markets for funding needs.

Departmental functions

Proactive management allows the Bank to manage its funding base in a cost-efficient manner while ensuring its balance sheet is managed in accordance with the expectations of rating agencies, regulators, the Board of Directors and shareholders. The department's Treasury and Investments function has been instrumental in maintaining a stable cost of funding, managing the duration of the Bank's liabilities in a volatile interest rate environment, seeking diversification of funding channels, and maintaining key liquidity ratios and related business regulatory ratios as required by the Qatar Central Bank.

The department's investments function is engaged in managing the Bank's investments in capital markets to achieve superior and stable returns. It continued to provide strong revenue generation in 2025 whilst ensuring a liquidity buffer for the Bank by focusing on liquid and diversified investments. Its goal in 2026 is to maintain returns momentum in a challenging geopolitical and macroeconomic backdrop. The investment emphasis remains on active portfolio management to optimize returns and ensure effective risk management by flexible asset allocation, hedging, and duration management.

Treasury Sales

The Treasury Sales unit provides a full suite of products to the Bank's customers, supporting their needs with regards to managing and hedging their foreign exchange, interest rate exposures and other asset classes. Commercial Bank Treasury and Investments department continues to grow its footprint as a leading market-maker in the regional rates, fixed income, treasury securities, and FX markets, and in providing market access to corporates and institutions.

In 2025, Commercial Bank Treasury and Investments expanded its capacity to support client needs by adding digital execution capabilities and risk management solutions, both domestically as well as cross-border, demonstrating its ability to provide seamless client solutions across multiple geographies.

Treasury is also actively engaged with Commercial Bank's subsidiary in Turkey – Alternatif Bank to provide end-to-end origination, structuring, negotiation, and execution.

RISK MANAGEMENT

Effective risk management is integral to the day-to-day operations and long-term sustainability of Commercial Bank. Within the Bank's corporate governance framework, the Board of Directors has overall responsibility for overseeing a sound risk governance structure, supported by a strong risk culture, a clearly articulated Risk Appetite Statement, and clearly defined roles and responsibilities across risk management and control functions.

The Bank's risk governance framework is based on the **Three Lines of Defense** model:

- **First Line of Defense** – Business and support functions are responsible for the ownership and day-to-day management of risks arising from their activities, including the operation of effective controls, compliance with approved policies and procedures, and the timely identification, escalation, and remediation of risk issues.
- **Second Line of Defense** – Risk Management and Compliance functions establish and maintain risk management frameworks, policies, methodologies, and standards, and provide independent oversight and constructive challenge to ensure risks remain within the approved risk appetite and regulatory requirements.
- **Third Line of Defense** – Internal Audit provides independent and objective assurance to senior management and the Board on the adequacy and effectiveness of the Bank's governance, risk management, compliance arrangements, and internal control environment.

Management Review of Operations continued

During 2025, the Bank continued to strengthen its risk management capabilities through enhancements to risk platforms, a refreshed risk-balanced performance scorecard, and a more structured approach to managing the cost of risk. In 2026, the Bank plans to further enhance its risk framework through the implementation of an integrated Governance, Risk and Compliance (GRC) solution, strengthened Asset-Liability Management, and the continued embedding of targeted risk frameworks across key risk domains.

Credit Risk

Credit risk is managed through clearly defined credit policies and formal approval standards applicable across all lending activities. Portfolio-specific standards incorporate assessments of obligor quality, income capacity, repayment sources, acceptable terms, collateral coverage, and documentation requirements.

The Bank assesses the financial integrity and repayment capacity of borrowers and counterparties. Collateral security is generally obtained for business lending, except for government entities, major banks, and highly rated corporate counterparties. Risk rating models are applied across Corporate and Retail portfolios to promote consistency and discipline in credit decision-making.

Non-Financial Risk

The Bank has established a comprehensive Non-Financial Risk (NFR) Framework to ensure the effective identification, assessment, monitoring, and mitigation of non-financial risks across the organization. The scope of the function covers a broad range of risk categories, including Operational Risk, Conduct Risk, Compliance Risk, Legal Risk, Technology and Cyber Risk, and Third-Party Risk. These risks are managed in an integrated manner to safeguard the Bank's financial performance, reputation, operational resilience, and regulatory standing.

The key objectives of the Non-Financial Risk function are to:

- Maintain a robust internal control environment across the organization.
- Ensure a consistent and integrated approach to the identification, assessment, and management of non-financial risks.
- Promote transparency, timely escalation, and effective resolution of risk issues.

- Strengthen operational resilience and business continuity preparedness.
- Foster a strong risk culture based on accountability and proactive risk management.

Market Risk

Market Risk represents potential losses arising from movements in market factors and is managed by the Market Risk Department under the oversight of the Management Risk Committee. Exposures across the Trading Book, Banking Book, and counterparty activities are monitored within the Risk Appetite Framework using metrics such as Value-at-Risk (VaR), Earnings-at-Risk (EaR), Economic Value of Equity (EVE), and DV01. Market risk exposures are reported regularly to the Management Risk Committee and the Asset and Liability Committee.

Liquidity and Funding Management

The Bank follows a balanced liquidity management strategy through the combined use of liquid asset holdings and diversified funding sources. Key elements include:

- Measurement of liquidity requirements using multiple approaches and indicators.
- Maintenance of adequate high-quality liquid assets to meet regulatory and stressed scenario requirements.
- Establishment of committed credit lines.
- Maintenance of a formal Contingency Funding Plan reviewed periodically by the Asset and Liability Committee.

Board Risk Oversight

Risk oversight is supported by two principal Board Committees:

- **Board Risk and Compliance Committee (BRCC)** – The BRCC oversees the bank's overall risk profile, appetite and strategy across financial, non-financial, compliance and cyber security.
- **Board Executive Committee (BEC)** – Responsible for approving credit facilities within delegated authority.

Overall, the Bank's risk governance framework aligns with global best practices, the recommendations of the Basel Committee on Banking Supervision, and the guidelines of the Qatar Central Bank, ensuring the Bank remains well positioned to manage risks arising from its evolving business activities.

MARKETING

The Marketing Department collaborates with the Bank's business units to deliver targeted, segment-based campaigns grounded in market research, customer insights, and return-on-investment analysis. Working across the organization, Marketing supports a wide range of products and services, including wholesale banking solutions such as corporate lending, trade finance, cash management, and treasury services, as well as retail banking offerings such as deposits, cards, and personal financing, as well as digital banking solutions tailored to different customer segments. The Department also manages sponsorships, key corporate events, and CSR programmes, ensuring consistent brand positioning and communication across traditional and digital channels.

Following a national vision

For the 2025 National Day celebrations, the visual concept pays tribute to the pride, heritage, and unity of Qatar, combining symbols of national strength and maritime legacy with the modern skyline, including the prominent presence of Commercial Bank Plaza, reflecting the nation's continued growth and progress.

Additionally, in October, we came together at Commercial Bank Plaza for our annual Breast Cancer Awareness event, uniting colleagues in support of a cause that touches countless lives.

Commercial Bank continued to play a pivotal role in the world of Corporate Social Responsibility by giving back during the Holy Month of Ramadan. The Bank distributed iftar to the less fortunate and partnered with Qatar Charity to host "Iftar Jawa". The Bank also partnered with the Center for Empowerment and Elderly Care (Ehsan) and hosted a Suhour event for the elderly. Lastly, the Bank also expanded its range of initiatives to celebrate Garangao with a series of school visits and branch festivities where gifts were distributed to kids.

Social Media

We prioritized communicating our services and digital innovations in a clear, simple, and humanised way. By creating relatable content, we reinforced the Bank's role as a trusted guide and leader in digital banking.

Highlights include:

- **CBSafe – "If It's Weird in Real Life":** A campaign translating common online scam tactics into real-life scenarios, raising awareness of rising digital fraud threats and empowering customers to stay alert.
- **CBSafe Explainers:** Educational carousels and videos breaking down different scam types and showcasing the CBSafe ID solution. Content included scam alerts, animated "Would you fall for this?" scenarios, and anatomy of scam explainers.
- **CB Alpha Trader:** A series of explainer videos simplifying key investment concepts while highlighting the CB Alpha Trader app.
- **Influencer Content:** Influencer-led content supporting the CB Golden Draw campaign to drive awareness and participation.
- **Corporate Banking – Success Stories:** A corporate banking success series showcasing how our tailored solutions support the growth and expansion of enterprise clients.

We also spotlighted the people and culture behind the Bank:

- **Nationalisation Content:** A mix of informational and story-led videos featuring Qatari employees, showcasing career growth, workplace culture and work-life balance.

People & Culture: Content around the "Young Bankers and Young Investors" programmes, along with the "Little Employees".

Management Review of Operations continued

HUMAN CAPITAL

In 2025, Commercial Bank continued to strengthen its Human Capital initiatives, focusing on sustained development, operational consistency, aligned with organizational objectives and Nationalization priorities, while fostering stronger relationships with both internal and external stakeholders.

- Human Capital continued to strategically source & recruit key individuals with optimized access to local & global talent, ensuring contribution to the Bank's strategic priorities and overall success.
- Nationalization initiatives focused on developing national talent through a combination of attraction, retention, and growth strategies. In 2025, Commercial Bank pioneered a career fair in collaboration with the Ministry of Labor, alongside a dedicated social media campaign, while expanding the Bank's National sponsorship program to include children of Qatari mothers, as supported by government and educational institutions. These efforts contributed to achieving the highest nationalization level in the past five years, reaching 38.34%.
- Learning and development initiatives focused on strengthening leadership and professional capabilities through structured programs, partnerships with local and international institutions, and continued access to story-based e-learning modules. A total of 8,982 national learning hours were delivered through programs such as the Barzan Leadership Program, Pearl Program, and Kawader Malia, in partnership with J.P. Morgan, as well as internal and external university collaborations. Commercial Bank also became the first bank in Qatar and the MENA region to partner with PMI as an Authorized Training Partner (ATP).

Looking ahead, Human Capital is committed to continuous improvement and innovation to support the evolving needs of the workforce and the Bank.

OPERATIONS

As Commercial Bank marked its 50th anniversary, 2025 was a year of significant operational advancement and digital transformation. Building upon the Bank's sustained investment in client experience, digital capabilities, and technology infrastructure, the year delivered meaningful progress in how the Bank enables its business lines to serve clients more effectively.

In 2025, the Bank continued to strengthen its digital infrastructure: delivering an all-new Corporate Mobile Banking platform that sets a new standard for business banking capabilities in the region; enabling the first 24/7 USD Cross Border Transfers in Qatar through collaboration with Citi and integration of cutting-edge clearing technology. The flexibility of our operating model continues to enable rapid innovation and enhanced service delivery.

Scalable infrastructure supporting growing client engagement

The Bank's technology infrastructure continued to demonstrate its ability to support increasing digital adoption. Daily average logins to mobile banking increased by approximately 20% year-on-year, with the platform maintaining high availability and performance throughout. This scalability ensures that business lines can confidently expand their digital service offerings knowing the underlying systems can accommodate growing transaction volumes and client activity.

Operational excellence and process automation

Continued investment in straight-through processing and system integration delivered measurable improvements in operational efficiency. The Bank received Citi's prestigious Straight Through Processing Excellence Award in recognition of exceptional performance in executing commercial and treasury transfers with an STP rate above 99%, ensuring transfers are completed automatically with zero operational risk and faster turnaround times for clients. These capabilities enable business lines to offer enhanced service propositions while reducing manual intervention and processing costs.

Ongoing investments in strategic innovation capability

Commercial Bank strategy is to continue to invest in digital solutions to provide customers with convenient, fast, and efficient products and services. Key components to the strategy include a highly capable and diverse team, an agile delivery process, a scalable technology infrastructure protected by strong cyber security capability, and continued investment in data and digital capabilities.

Data & Artificial Intelligence

Commercial Bank continued to advance its artificial intelligence capabilities in 2025, delivering impactful operational outcomes through the deployment of AI solutions developed by the Bank's in-house Data Lab team. AI-enabled Intelligent Character Recognition automated the processing of a wide range of documents including customer onboarding, trade finance, and loan applications, contributing to significant operational savings. The Smart Email solution, built using Large Language Models and Retrieval-Augmented Generation, now provides AI-generated response suggestions for a large portion of customer emails, reducing average response times and enhancing the customer experience. The Bank also deployed automated Machine Learning solutions to predict customer interest in banking products, enabling more relevant and timely offerings across credit cards and other retail products.

To ensure secure, on-premises AI development in compliance with regulatory requirements, the Bank deployed its own GPU cluster. This infrastructure is currently running several large language models that will enable Agentic AI use cases, while providing full control over data security, model performance, and governance. This strategic investment, made proactively in early 2022, has accelerated the Bank's AI research and development capabilities.

The Bank completed the go-live of its enterprise Data Lakehouse in 2025, establishing a unified data infrastructure that enables flexible big data processing, access, and analytical capabilities across the organization. Complementing this, the Bank's real-time Data Streaming platform, now powers multiple operational use cases including real-time fraud prevention, automated compliance notifications, and event-based customer engagement such as travel insurance prompts and personalized service reminders. This streaming infrastructure forms the backbone for the Bank's future Agentic AI capabilities, enabling AI systems to respond to events and trigger actions in real time across multiple channels.

Together, these foundational investments position the Bank to expand intelligent automation, predictive analytics, and hyper-personalization across its operations and customer services.

Corporate Governance

COMMERCIAL BANK'S CORPORATE GOVERNANCE REFLECTS OUR COMMITMENT TO COMPLY WITH LOCAL REGULATIONS AND INTERNATIONALLY ACCEPTED STANDARDS INCLUDING TRANSPARENT DISCLOSURE FOR THE BEST INTERESTS OF OUR STAKEHOLDERS.

Corporate Governance framework

The Board understands that sound Corporate Governance principles and practices are fundamental to maintaining the trust of its stakeholders, which is also critical in business growth, sustainability and profitability. The Board is committed to implement the corporate governance principles of justice, equality among stakeholders without discrimination, transparency and disclosure, while upholding the values of corporate social responsibility and acting in the public interest of Commercial Bank and stakeholders over their personal interests, as well as performing their duties, tasks and functions in good faith, integrity, honour and sincerity. The implementation of these principles is driven by a qualified Board aided by a seasoned and experienced Executive Management team. The Board ensures that the Bank adheres to these Corporate Governance principles in its day-to-day activities at all times. Refer to "Board of Directors" section in the Annual Corporate Governance Report for further information. Commercial Bank's Code of Conduct provides a clear statement of our conduct expectations and ethical values, supported by our conduct and ethics standards. Refer to "Code of Conduct" section in the Annual Corporate Governance Report for further information. Our governance includes a committee structure and a comprehensive set of corporate policies which are

developed, reviewed and approved by the Board, the respective Board Committees, and the board of directors of the Bank's subsidiaries, in accordance with their respective responsibilities and levels of authority. Refer to "Board of Directors" and "Board Committees" sections in the Annual Corporate Governance Report for further information. The Board of Directors regularly reviews compensation and benefits to ensure we pay fairly and competitively, reward high performers, and link incentive payments to the overall performance of the Bank. The Board of Directors also focuses on risk management by considering:

- The mix between salary and incentives;
- The balance between profit, risk and the time horizons associated with those risks;
- Linking a portion of senior employees' bonuses directly to the long-term performance of Commercial Bank, and to shareholders' interests;
- Align with global best practices.

Refer to "Directors' Remuneration", "Executive Management Remuneration", "Directors Remuneration Policy" and "Remuneration Policy Principles" sections in the Annual Corporate Governance Report for further information.

The main rules, procedures and practical application of Commercial Bank's governance are contained in the Bank's Corporate Governance Charter, Board of Directors Charter and Board Committees Charter. These charters reflect Commercial Bank's long-standing ethical governance practices and the regulatory requirements mandated by:

- instructions issued by the Qatar Central Bank on 30 August 2022 by virtue of Circular No. 25/2022 (QCB Corporate Governance Instructions);
- the Commercial Companies Law promulgated by Law No. 11 of 2015, as amended by Law No.8 of 2021 (CCL); and
- QFMA's Board Decision No. (5) of 2025 Concerning the Issuance of Governance Code for Listed Companies (New QFMA Corporate Governance Code)

These charters also follow the recommendations of international best practice for Corporate Governance developed by leading international frameworks.

Complying with rules and regulations

We fully adhere to the principles set out in the QCB Corporate Governance Instructions and to the provisions of the Corporate Governance Code issued pursuant to Decision No. (5) of 2016 by QFMA as at 31 December 2025.

During 2025, the New QFMA Corporate Governance Code was issued, granting listed companies a one-year grace period for its compliance. The Bank is in the process to align its governance framework, policies, and practices with the requirements of the New Corporate Governance Code and will continue to implement the remaining requirements within the permitted transition period.

The detailed Annual Corporate Governance Report 2025 is an attachment to this Annual Report, forms an integral part of it, and is presented to shareholders for approval at the Bank's AGM. The Annual Corporate Governance Report 2025 can also be viewed on Commercial Bank's website at www.cbq.qa.

Sustainability

Sustainability at Commercial Bank

Sustainability forms an integral part of Commercial Bank's approach, and supports its commitment to Qatar National Vision 2030. Sustainability considerations at the Bank are embedded across governance, risk management, operations and stakeholder management.

Operational footprint

The Bank continues to focus on managing the environmental impact of its own operations. In alignment with the National Environment and Climate Change Strategy, the Bank has set a target to reduce greenhouse gas (GHG) emissions associated with its Scope 1 and Scope 2 operations by 25% by 2030, compared to a 2021 baseline.

Initiatives supporting this goal include:

- Installation of solar panels at selected branches
- Adoption of energy-efficient LED lighting and energy management systems
- Progressive transition of fleet vehicles to electric models
- Increased digitization to reduce paper and resource use

Sustainable Finance

In line with its Sustainable Finance Framework, the Bank has identified an eligible portfolio of green assets to support environmentally beneficial projects aligned with national development priorities.

Commercial Bank's inaugural CHF 225 million Green Bond represents a significant milestone in mobilizing capital toward environmentally beneficial projects. Proceeds have been allocated towards eligible projects, including renewable energy, clean transportation, green buildings and sustainable water and waste management. The Bank will continue to allocate capital toward eligible sustainability projects in accordance with its Sustainable Finance Framework and applicable standards.

Disclosure and Transparency

Commercial Bank is committed to transparent and quality sustainability disclosures. Our sustainability reporting aligns with the Qatar Stock Exchange ESG guidance and is continuously enhanced to improve depth, consistency, and comparability.

Employees and Community

Our employees are central to the Bank's ability to deliver on its objectives and maintain an effective governance and risk culture. The Bank's people approach focuses on attracting, developing, and retaining talent, while promoting a respectful, inclusive, and supportive working environment.

The Bank invests in employee development through structured learning programs, leadership development initiatives and role-specific training aligned with business needs and regulatory requirements.

Community engagement remains an important part how the Bank operates and creates impact. The Bank supports initiatives that contribute to financial inclusion, community development, and social well-being, in line with national priorities and its role as a responsible corporate participant in Qatar.

Consolidated Financial Statements

31 December 2025



Independent Auditor's Report

To the Shareholders of The Commercial Bank (P.S.Q.C.)

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of The Commercial Bank P.S.Q.C. (the 'Bank') and its subsidiaries (together the 'Group'), which comprise the consolidated statement of financial position as at 31 December 2025, the consolidated statements of income, comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising material accounting policies and other explanatory information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2025, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), as applicable to audits of the financial statements of public interest entities, together with the ethical requirements that are relevant to our audit of the Bank's consolidated financial statements in the State of Qatar, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Impairment of loans and advances to customers	
See Notes 4(b) and 10 to the consolidated financial statements.	
The key audit matter	How the matter was addressed in our audit
<p>We focused on this area because:</p> <ul style="list-style-type: none"> of the significance of loans and advances representing 54.2% of total assets. impairment of loans and advances involves: <ul style="list-style-type: none"> complex estimates and judgement over both timing and recognition of impairment including susceptibility to management bias; use of statistical models and methodologies for determination of expected credit losses. The Group exercises significant judgments and makes a number of assumptions in developing its ECL models which is determined as a function of the assessment of the probability of default ("PD"), loss given default ("LGD"), and exposure at default ("EAD") associated with the underlying financial assets; and 	<p>Our audit procedures, amongst others, to address the significant risks associated with impairment on loans and advances included:</p> <ul style="list-style-type: none"> Evaluating the appropriateness of the accounting policies adopted based on the requirements of IFRS 9, our business understanding, and industry practice. Confirming our understanding of management's processes, systems and controls implemented, including controls over expected credit loss ("ECL") model development. <p>Controls testing</p> <p>We performed process walkthroughs to identify the key systems, applications and controls used in the ECL processes. We tested the relevant General IT controls over key systems associated with the ECL process. Key aspects of our control testing involved the following:</p>

Independent Auditor's Report continued

Report on the Audit of the Consolidated Financial Statements (continued)

Key Audit Matters (continued)

Impairment of loans and advances to customers (continued)	
See Notes 4(b) and 10 to the consolidated financial statements.	
The key audit matter	How the matter was addressed in our audit
<ul style="list-style-type: none"> - complex disclosure requirements regarding credit quality of the portfolio including explanation of key judgments and material inputs used in determination of expected credit losses. • the need to measure ECLs on an unbiased forward-looking basis incorporating a range of economic conditions. Significant management judgment is applied in determining the economic scenarios used and the probability weighting applied to them; and adjustments to the ECL model results are made by management to address known impairment model limitations or emerging trends or risks. 	<ul style="list-style-type: none"> • Testing the design and operating effectiveness of the key controls over the credit rating approvals and monitoring process as part of the credit risk assessment for both performing and non-performing loans; • Testing the design and operating effectiveness of the key controls over the completeness and accuracy of the key inputs and assumption elements into the IFRS 9 ECL models; • Testing controls over the modelling process, including governance over model monitoring, validation and approval; • Testing key controls relating to selection and implementation of material economic variables; and • Testing controls over the governance and assessment of model outputs and authorisation and review of post model adjustments and management overlays including selection of economic scenarios and the probability weights applied to them. <p>Test of details</p> <p>Key aspects of our testing involved:</p> <ul style="list-style-type: none"> • Sample testing over key inputs and assumptions impacting ECL calculations including economic forecasts to confirm the accuracy of information used; • Re-performing key aspects of the Group's significant increase in credit risk ("SICR") determinations and selecting samples of financial instruments to determine whether SICR was appropriately identified; • Re-performing key elements of the Group's model calculations and assessing performance results for accuracy; and • Selecting a sample of post model adjustments and management overlays in order to assess the reasonableness of the adjustments by challenging key assumptions, testing the underlying calculation and testing any relevant inputs being used. <p>Use of specialists</p> <p>For the relevant portfolios examined, we have involved KPMG specialists to assist us in assessing associated IT system controls and challenging key management assumptions used in determining expected credit losses. Key aspects include:</p> <ul style="list-style-type: none"> • Involving our information technology specialists to test controls over the associated IT systems.

Independent Auditor's Report continued

Report on the Audit of the Consolidated Financial Statements (continued)

Key Audit Matters (continued)

Impairment of loans and advances to customers <small>(continued)</small>	
See Notes 4(b) and 10 to the consolidated financial statements.	
The key audit matter	How the matter was addressed in our audit
	<ul style="list-style-type: none"> • Involving our credit risk specialists in: <ul style="list-style-type: none"> - evaluating the appropriateness of the Groups' ECL methodologies (including the staging criteria used); - re-performing the calculations of certain components of the ECL model (including the staging criteria); - evaluating the appropriateness of the Group's methodology for determining the economic scenarios used and the probability weighting applied to them; and - evaluating the overall reasonableness of the management economic forecast by comparing it to external market data and our understanding of the underlying sector and macroeconomic trends. <p>Disclosures</p> <ul style="list-style-type: none"> • Evaluating the adequacy of the Group's disclosure in relation to use of significant estimates and judgment and credit quality of loans and advances by reference to the requirements of the relevant accounting standards.

Other Information

The Board of Directors is responsible for the other information. The other information comprises the information included in the Bank's Annual Report, but does not include the consolidated financial statements and our auditor's report thereon. The Annual report is expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we do not, and will not, express any form of assurance conclusion thereon as part of our engagement to audit the consolidated financial statements. We have performed assurance engagements on the internal controls over financial reporting and the Bank's compliance with the provisions of the Qatar Financial Markets Authority's Governance Code for Listed Companies that forms part of the other information and have provided separate assurance practitioner's conclusions thereon that will be included within the other information.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements, or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

Responsibilities of Board of Directors for the Consolidated Financial Statements

The Board of Directors is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS Accounting Standards, and for such internal control as the Board of Directors determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Independent Auditor's Report

continued

Report on the Audit of the Consolidated Financial Statements (continued)

Responsibilities of Board of Directors for the Consolidated Financial Statements (continued)

In preparing the consolidated financial statements, the Board of Directors is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

Independent Auditor's Report continued

Report on the Audit of the Consolidated Financial Statements (continued)

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements (continued)

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

As required by the Qatar Commercial Companies Law No. 11 of 2015, whose certain provisions were subsequently amended by Law No. 8 of 2021 ("amended QCCL"), we also report that:

- i. We have obtained all the information and explanations we considered necessary for the purposes of our audit.
- ii. The Bank has maintained proper accounting records and its consolidated financial statements are in agreement therewith.
- iii. The report of the Board of Directors is expected to be made available to us after the date of this auditor's report.
- iv. We are not aware of any violations of the applicable provisions of the amended QCCL or the terms of the Bank's Articles of Association having occurred during the year which might have had a material effect on the Bank's consolidated financial position or performance as at and for the year ended 31 December 2025.



Gopal Balasubramaniam

KPMG

Qatar Auditor's Registry Number 251

Licensed by QFMA: External

Auditor's License No. 120153

Doha - State of Qatar

Date: 18 February 2026

Consolidated Statement of Financial Position

As at	Notes	31 December 2025	31 December 2024*
QAR '000s			
ASSETS			
Cash and balances with central banks	8	11,986,007	7,306,830
Due from banks	9	22,812,296	20,705,383
Loans and advances to customers	10	104,547,534	91,480,008
Investment securities	11	40,299,364	33,228,625
Investment in associates and a joint arrangement	12	4,523,156	3,659,348
Property and equipment	13	3,161,657	2,925,460
Intangible assets	14	100,289	112,927
Other assets	15	5,482,416	6,259,265
TOTAL ASSETS		192,912,719	165,677,846
LIABILITIES			
Due to banks	16	22,099,955	20,840,281
Customer deposits	17	89,445,384	77,006,817
Debt securities	18	13,302,742	10,734,890
Other borrowings	19	27,359,106	24,729,655
Other liabilities	20	13,692,041	6,012,609
TOTAL LIABILITIES		165,899,228	139,324,252
EQUITY			
Share capital	21	4,047,254	4,047,254
Legal reserve	21	10,270,416	10,203,933
General reserve	21	26,500	26,500
Risk reserve	21	2,274,574	2,274,574
Fair value reserve	21	(298,442)	(557,990)
Cash flow hedge reserve	21	(2,863)	(6,127)
Foreign currency translation reserve	21	(2,815,492)	(2,464,328)
Other reserves	21	1,775,318	1,420,600
Revaluation reserve	21	995,636	1,116,316
Employee incentive phantom scheme shares	21	(1,114,988)	(1,114,988)
Retained earnings		5,985,575	5,587,847
TOTAL EQUITY ATTRIBUTABLE TO SHAREHOLDERS OF THE BANK		21,143,488	20,533,591
Instruments eligible for Additional Tier 1 capital	21	5,820,000	5,820,000
TOTAL EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE BANK		26,963,488	26,353,591
Non-controlling interests		50,003	3
TOTAL EQUITY		27,013,491	26,353,594
TOTAL LIABILITIES AND EQUITY		192,912,719	165,677,846

*Please refer to Note 13a of the consolidated financial statements, for details of the restatement of comparative figures for property and equipment, intangible assets and the revaluation reserve.

The consolidated financial statements were approved by the Board of Directors on 18 January 2026 and were signed on its behalf by:



Omar Hussain Ibrahim Alfardan
Vice Chairman and Managing Director



Mohamad Ismail Mandani Al Emadi
Board Member



Stephen Moss
Group Chief Executive Officer

The attached notes 1 to 40 form an integral part of these consolidated financial statements.

Consolidated Statement of Income

QAR '000s

For the year ended 31 December	Notes	2025	2024
Interest income	24	9,675,474	9,452,945
Interest expense	25	(6,261,551)	(6,135,720)
Net interest income		3,413,923	3,317,225
Fee and commission income	26	1,866,820	1,611,754
Fee and commission expense	27	(778,825)	(719,826)
Net fee and commission income		1,087,995	891,928
Net foreign exchange loss	28	(145,018)	(94,248)
Net income from investment securities	29	285,317	261,673
Other operating income	30	143,912	179,465
Net operating income		4,786,129	4,556,043
Staff costs	31	(773,418)	(633,207)
Depreciation	13	(234,473)	(221,579)
Amortization of intangible assets	14	(23,057)	(51,447)
Other expenses	32	(380,217)	(366,960)
Operating expenses		(1,411,165)	(1,273,193)
Operating profit		3,374,964	3,282,850
Net impairment losses on loans and advances to customers	10	(892,869)	(330,371)
Net impairment reversals on investment securities		2,195	22,037
Net impairment (losses) / reversals on other financial assets		(43,945)	97,278
Other provisions		(258,711)	(256,108)
		2,181,634	2,815,686
Net monetary losses due to hyperinflation		(131,244)	(131,761)
Profit before share of results of associates and a joint arrangement		2,050,390	2,683,925
Share of results of associates and a joint arrangement	12	406,388	329,739
Profit before tax		2,456,778	3,013,664
Income tax (expense) / credit	33	(251,834)	18,407
Profit for the year		2,204,944	3,032,071
Attributable to:			
Equity holders of the Bank		2,204,944	3,032,071
Non-controlling interests		-	-
Profit for the year		2,204,944	3,032,071
Earnings per share			
Basic/Diluted earnings per share (QAR)	34	0.50	0.71

The attached notes 1 to 40 form an integral part of these consolidated financial statements.

Consolidated Statement of Comprehensive Income

For the year ended 31 December	Note	2025	QAR '000s 2024*
Profit for the year		2,204,944	3,032,071
Other comprehensive income for the year:			
Items that are, or will be subsequently reclassified to profit or loss:			
Foreign currency translation differences from foreign operations	22	(824,834)	(612,139)
Effect of hyperinflation impact		473,670	866,340
Share of other comprehensive income of investment in associates and a joint arrangement	22	32,485	5,690
Net movement in cashflow hedge reserve:			
- Net movement in cash flow hedges-effective portion of changes in fair value	22	3,264	37,140
- Net amount transferred to consolidated statement of income	22	-	120,703
Net change in fair value of investments in debt securities at FVOCI:			
- Net change in fair value	22	191,604	(175,842)
- Net amount transferred to consolidated statement of income	22	156	(132)
Items that will not be subsequently reclassified to profit or loss:			
Net change in fair value of equity investments at FVOCI	22	(42,337)	4,963
Share of other comprehensive income of investment in associates and a joint arrangement	22	70,620	(2,296)
Gain on revaluation on land and buildings		-	5,227
Other comprehensive (loss) / income for the year		(95,372)	249,654
Total comprehensive income for the year		2,109,572	3,281,725
Attributable to:			
Equity holders of the Bank		2,109,572	3,281,725
Non-controlling interests		-	-
Total comprehensive income for the year		2,109,572	3,281,725

*Please refer to Note 13a of the consolidated financial statements, for details of the restatement of comparative figures for property and equipment, intangible assets and the revaluation reserve.

The attached notes 1 to 40 form an integral part of these consolidated financial statements.

Consolidated Statement of Changes in Equity

For the year ended 31 December 2025	Notes	Share Capital	Legal Reserve	General Reserve	Risk Reserve	Fair Value Reserve	Cash Flow Hedge Reserve	Foreign Currency Translation Reserve
Balance as at 1 January 2025		4,047,254	10,203,933	26,500	2,274,574	(557,990)	(6,127)	(2,464,328)
Profit for the year		-	-	-	-	-	-	-
Other comprehensive income / (loss)	22	-	-	-	-	252,528	3,264	(351,164)
Total comprehensive income for the year		-	-	-	-	252,528	3,264	(351,164)
Transfer to legal reserve	21	-	66,483	-	-	-	-	-
Transfer to retained earnings upon disposal of FVOCI equity investments		-	-	-	-	7,020	-	-
Dividend for instruments eligible for Additional Tier 1 Capital		-	-	-	-	-	-	-
Net movement in reserves		-	-	-	-	-	-	-
Net movement in the Employee incentive phantom scheme shares		-	-	-	-	-	-	-
Provision for Sports and Social Activities Support Fund	23	-	-	-	-	-	-	-
Dividends for the year 2024	21	-	-	-	-	-	-	-
Net movement in non-controlling interests		-	-	-	-	-	-	-
Balance as at 31 December 2025		4,047,254	10,270,416	26,500	2,274,574	(298,442)	(2,863)	(2,815,492)

The attached notes 1 to 40 form an integral part of these consolidated financial statements.

QAR '000s

Other Reserves	Revaluation Reserve	Employees Incentive Phantom Scheme Shares	Retained Earnings	Total Equity Attributable to Shareholders of the Bank	Instruments Eligible for Additional Tier 1 Capital	Total Equity Attributable to Equity Holders of the Bank	Non-Controlling Interests	Total Equity
1,420,600	1,116,316	(1,114,988)	5,587,847	20,533,591	5,820,000	26,353,591	3	26,353,594
-	-	-	1,921,224	1,921,224	283,720	2,204,944	-	2,204,944
-	-	-	-	(95,372)	-	(95,372)	-	(95,372)
-	-	-	1,921,224	1,825,852	283,720	2,109,572	-	2,109,572
-	-	-	(66,483)	-	-	-	-	-
-	-	-	(7,020)	-	-	-	-	-
-	-	-	-	-	(283,720)	(283,720)	-	(283,720)
354,718	(120,680)	-	(234,038)	-	-	-	-	-
-	-	-	57,830	57,830	-	57,830	-	57,830
-	-	-	(59,609)	(59,609)	-	(59,609)	-	(59,609)
-	-	-	(1,214,176)	(1,214,176)	-	(1,214,176)	-	(1,214,176)
-	-	-	-	-	-	-	50,000	50,000
1,775,318	995,636	(1,114,988)	5,985,575	21,143,488	5,820,000	26,963,488	50,003	27,013,491

Consolidated Statement of Changes in Equity continued

For the year ended 31 December 2024	Notes	Share Capital	Legal Reserve	General Reserve	Risk Reserve	Fair Value Reserve	Cash Flow Hedge Reserve	Foreign Currency Translation Reserve
Balance as at 1 January 2024*		4,047,254	10,024,432	26,500	2,274,574	(390,373)	(163,970)	(2,718,529)
Profit for the year		-	-	-	-	-	-	-
Other comprehensive (loss) / income	22	-	-	-	-	(167,617)	157,843	254,201
Total comprehensive income for the year		-	-	-	-	(167,617)	157,843	254,201
Transfer to legal reserve	21	-	179,501	-	-	-	-	-
Dividend for instruments eligible for Additional Tier 1 Capital		-	-	-	-	-	-	-
Net movement in reserves		-	-	-	-	-	-	-
Net movement in the Employee incentive phantom scheme shares		-	-	-	-	-	-	-
Provision for Sports and Social Activities Support Fund	23	-	-	-	-	-	-	-
Dividends for the year 2023	21	-	-	-	-	-	-	-
Net movement in non-controlling interests		-	-	-	-	-	-	-
Balance as at 31 December 2024*		4,047,254	10,203,933	26,500	2,274,574	(557,990)	(6,127)	(2,464,328)

*Please refer to Note 13a of the consolidated financial statements, for details of the restatement of comparative figures for property and equipment, intangible assets and the revaluation reserve.

The attached notes 1 to 40 form an integral part of these consolidated financial statements.

									QAR '000s
Other Reserves	Revaluation Reserve	Employees Incentive Phantom Scheme Shares	Retained Earnings	Total Equity Attributable to Shareholders of the Bank	Instruments Eligible for Additional Tier 1 Capital	Total Equity Attributable to Equity Holders of the Bank	Non-Controlling Interests	Total Equity	
1,137,954	1,111,089	(1,139,524)	4,347,343	18,556,750	5,820,000	24,376,750	3	24,376,753	
-	-	-	2,748,351	2,748,351	283,720	3,032,071	-	3,032,071	
-	5,227	-	-	249,654	-	249,654	-	249,654	
-	5,227	-	2,748,351	2,998,005	283,720	3,281,725	-	3,281,725	
-	-	-	(179,501)	-	-	-	-	-	
-	-	-	-	-	(283,720)	(283,720)	-	(283,720)	
282,646	-	-	(282,646)	-	-	-	-	-	
-	-	24,536	41,916	66,452	-	66,452	-	66,452	
-	-	-	(75,802)	(75,802)	-	(75,802)	-	(75,802)	
-	-	-	(1,011,814)	(1,011,814)	-	(1,011,814)	-	(1,011,814)	
-	-	-	-	-	-	-	-	-	
1,420,600	1,116,316	(1,114,988)	5,587,847	20,533,591	5,820,000	26,353,591	3	26,353,594	

Consolidated Statement of Cash Flows

QAR '000s

For the year ended 31 December	Notes	2025	2024
Cash flows from operating activities			
Profit before tax		2,456,778	3,013,664
Adjustments for:			
Net impairment losses on loans and advances to customers	10 c	892,869	330,371
Net impairment reversals on investment securities	4b (viii)	(2,195)	(22,037)
Net impairment losses / (reversals) on other financial assets	4b (viii)	43,945	(97,278)
Depreciation	13	234,473	221,579
Amortization of intangible assets and transaction costs		69,565	99,361
Net income from investment securities	29	(27,269)	(30,837)
Other provisions		258,711	256,108
(Gain) / Loss on disposal of property and equipment		(25,015)	768
Net monetary losses due to hyperinflation		131,244	131,761
Share of results of associates and a joint arrangement	12	(406,388)	(329,739)
Operating profit before working capital changes		3,626,718	3,573,721
Working capital changes			
Change in due from banks		(2,219,128)	(3,435,282)
Change in loans and advances to customers		(7,194,317)	(766,507)
Change in other assets		564,218	(138,797)
Change in due to banks		1,761,057	1,954,846
Change in customer deposits		13,106,386	1,064,544
Change in other liabilities		(880,708)	(4,428,278)
Contribution to social and sports fund		(75,802)	(75,257)
Cash from / (used in) operations		8,688,424	(2,251,010)
Income tax paid		-	(14,560)
Net cash flows from / (used in) operating activities		8,688,424	(2,265,570)
Cash flows from investing activities			
Acquisition of investment securities		(16,097,675)	(13,557,821)
Dividend received from associates and a joint arrangement		51,490	47,093
Proceeds from sale/maturity of investment securities		8,566,658	10,807,371
Investment in associate - right issue participation		(405,985)	-
Acquisition of property and equipment and intangible assets		(218,446)	(189,262)
Proceeds from the sale of property and equipment and other assets		217,665	4,462
Net cash flows (used in) investing activities		(7,886,293)	(2,888,157)

The attached notes 1 to 40 form an integral part of these consolidated financial statements.

Consolidated Statement of Cash Flows continued

		QAR '000s	
For the year ended 31 December	Notes	2025	2024
Cash flows from financing activities			
Proceeds from issue of debt securities	18	5,900,421	5,364,990
Repayment of debt securities	18	(3,508,481)	(2,471,279)
Repayment of other borrowings	19	(3,482,140)	(9,812,520)
Proceeds from other borrowings	19	5,952,236	9,317,130
Payment of lease liability		(135,578)	(143,350)
Payment on coupon of instrument eligible for additional Tier 1 Capital		(283,720)	(283,720)
Dividends paid	21	(1,214,176)	(1,011,814)
Net cash flows from financing activities		3,228,562	959,437
Net increase / (decrease) in cash and cash equivalents		4,030,693	(4,194,290)
Effect of exchange rate fluctuation		946,326	(574,870)
Cash and cash equivalents as at 1 January		10,857,362	15,626,522
Cash and cash equivalents at the end of the year	36	15,834,381	10,857,362
Net cash flows from interest and dividend from operating activities:			
Interest paid		6,110,358	6,205,986
Interest received		9,461,670	9,339,976
Dividend received		258,048	230,836

The attached notes 1 to 40 form an integral part of these consolidated financial statements.

Notes to the Consolidated Financial Statements

As at and for the year ended 31 December 2025

QAR '000s

1. REPORTING ENTITY

The Commercial Bank (P.S.Q.C.) (the "Bank") is an entity domiciled in the State of Qatar and was incorporated in 1974 as a public shareholding company under Emiri Decree No.73 of 1974. The commercial registration number of the Bank is 150. The address of the Bank's registered office is PO Box 3232, Doha, State of Qatar. The consolidated financial statements of the Bank comprise the Bank and its subsidiaries (together referred to as the "Group"). The Group is primarily engaged in conventional banking, brokerage services and the credit card business and operates through its head office, branches and subsidiaries.

Legal subsidiaries of the Group are as follows:

Name of subsidiary	Country of incorporation	Capital of the subsidiary	Activity of the subsidiary	Percentage of ownership	
				2025	2024
Alternatifbank A.S.	Turkey	TRY 2,213,740,000	Banking services	100%	100%
Commercial Bank Financial Services L.L.C.	Qatar	QAR 700,000,000	Brokerage services	100%	100%
CBQ Finance Limited	Bermuda	US\$ 1,000	Debt issuance for the Bank	100%	100%
CB Global Trading Limited	Cayman Islands	US\$ 1	Financial services	100%	100%
CB Innovation Services L.L.C.	Qatar	QAR 3,640	Management services	100%	100%
CB Asset Management L.L.C.	Qatar	QAR 50,000,000	Wealth Management	100%	100%
CB Leasing Company L.L.C.	Qatar	QAR 50,000,000	Leasing	100%	100%
CB Real Estate Properties L.L.C.	Qatar	QAR 1,000	Advisory services	100%	100%

Sondook Fund LLC

During the year, the Group launched a money market fund and invested in units in the fund that it manages and consolidates, with a value of QAR 50 million. Additional units were then subscribed by external investors and are presented as non-controlling interests amounting to QAR 50 million in the consolidated financial statements as at 31 December 2025.

2. BASIS OF PREPARATION

(a) Statement of compliance

The consolidated financial statements have been prepared in accordance with IFRS Accounting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB").

The Group presents its consolidated statement of financial position broadly in the order of liquidity. An analysis regarding recovery or settlement of assets/liabilities within twelve months after the end of the reporting date ("current") and more than twelve months after the reporting date ("non-current") is presented in Note 4(c) (iii).

(b) Basis of measurement

The consolidated financial statements have been prepared on the historical cost basis except for the following assets and liabilities that are measured at fair value:

- derivative financial instruments;
- investments measured at fair value through profit or loss ('FVTPL');

Notes to the Consolidated Financial Statements continued

As at and for the year ended 31 December 2025

QAR '000s

2. BASIS OF PREPARATION (continued)

(b) Basis of measurement (continued)

- other financial assets designated at fair value through profit or loss ('FVTPL');
- financial investment measured at fair value through other comprehensive income ('FVOCI');
- land and buildings;
- the carrying values of recognized assets and liabilities that are hedged items in quantifying fair value hedges, and otherwise carried at amortized cost, are adjusted to record changes in fair value attributable to the risks that are being hedged;
- Staff cost related to IFRS 2; and
- Non-financial assets acquired in settlement of loans and advances.

(c) Functional and presentation currency

These consolidated financial statements are presented in Qatari Riyals ("QAR"), which is the Bank's functional and presentation currency. Except as otherwise indicated, financial information presented in QAR has been rounded to the nearest thousand.

(d) Use of estimates and judgments

The preparation of the consolidated financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected.

Information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognized in the consolidated financial statements are described in Note 5.

3. MATERIAL ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements, and have been applied consistently by the Group entities.

(a) New standards, amendments and interpretations

New standards, amendments and interpretations issued and effective

Lack of Exchangeability – Amendments to IAS 21

Effective from
1 January 2025

The adoption of this amendment did not have significant impact on the consolidated financial statements.

Notes to the Consolidated Financial Statements continued

As at and for the year ended 31 December 2025

QAR '000s

3. MATERIAL ACCOUNTING POLICIES (continued)

(a) New standards, amendments and interpretations (continued)

New standards, amendments and interpretations issued but not yet effective

The Group is currently evaluating the impact of these amendments and will adopt them when the amendments become effective, where applicable

Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7	1 January 2026
Annual Improvements to IFRS Accounting Standards – Volume 11	1 January 2026
Power Purchase Agreements – Amendments to IFRS 9 and IFRS 7	1 January 2026
IFRS 18, Presentation and Disclosure in Financial Statements	1 January 2027
IFRS 19, Subsidiaries without Public Accountability: Disclosures	1 January 2027
Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28)	Deferred indefinitely

(b) Basis of consolidation

(i) Business combination

For acquisitions meeting the definition of a business under IFRS 3, the acquisition method of accounting is used as at the acquisition date, which is the date on which control is transferred to the Group.

The Group measures goodwill at the acquisition date as follows:

- The fair value of the consideration transferred; plus
- The recognised amount of any non-controlling interest in the acquiree; plus if the business combination is achieved in stages, the fair value of the existing equity interest in the acquiree; less
- The net recognised amount (generally fair value) of the identifiable assets acquired, including any assets which the acquiree has not previously recognized, and liabilities assumed.

When this total is negative, a bargain purchase gain is recognised immediately in the consolidated statement of income.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in the consolidated statement of income.

Costs related to the acquisition, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date; any gains or losses arising from such re-measurement are recognised in profit or loss.

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in accordance with IFRS 9 either in profit or loss or as a change to other comprehensive income. Contingent consideration that is classified as equity is not re-measured, and its subsequent settlement is accounted for within equity.

Notes to the Consolidated Financial Statements continued

As at and for the year ended 31 December 2025

QAR '000s

3. MATERIAL ACCOUNTING POLICIES (continued)

(b) Basis of consolidation (continued)

(i) Business combination (continued)

The excess of the consideration transferred of any non-controlling interest and the acquisition-date fair value of any previous equity interest over the fair value of the identifiable net assets acquired is recorded as goodwill. If the total of consideration transferred, non-controlling interest recognised and previously held interest measured is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in the consolidated statement of income.

Transaction costs are expensed as incurred, except if they are related to the issue of debt or equity securities.

(ii) Non-controlling interests (NCI)

In accordance with IFRS 3, for each business combination, the acquirer can measure, at the acquisition date, components of NCI in the acquired business that represent ownership interests and entitle its holders to a proportionate share of the entity's net assets in the event of liquidation at either:

- (a) fair value on the acquisition date; or
- (b) the present ownership instruments' proportionate share in the recognised amounts of the acquiree's identifiable net assets.

NCI is measured only on initial recognition. The Group measures NCI at fair value, including its share of goodwill.

(iii) Subsidiaries

Subsidiaries are entities controlled by the Group. The Group 'controls' an investee if it is exposed to, or has rights to, variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date when control ceases.

The accounting policies of subsidiaries are consistent with the accounting policies adopted by the Group.

(iv) Transactions eliminated on consolidation

The carrying amount of the Group's investment in each subsidiary and the equity of each subsidiary are eliminated on consolidation. All significant intra-group balances, transactions and unrealised income and expenses (except for foreign currency transaction gains or losses) arising from intra-group transactions are eliminated on consolidation. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

Notes to the Consolidated Financial Statements continued

As at and for the year ended 31 December 2025

QAR '000s

3. MATERIAL ACCOUNTING POLICIES (continued)

(b) Basis of consolidation (continued)

(v) Associates and joint arrangements

Associates and joint arrangements are entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights.

Investments in associates and joint arrangements are accounted for by the equity method of accounting and are initially recognised at cost (including transaction costs directly related to acquisition of investment in associates and joint arrangement). The Group's investment in associates and joint arrangements includes goodwill (net of any accumulated impairment loss) identified on acquisition.

The Group's share of its associates' and joint arrangement's post-acquisition profits or losses is recognised in the consolidated statement of income and its share of post-acquisition reserve movements is recognised in reserves. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment net of impairment losses (if any). When the Group's share of losses in an associates and joint arrangements equals or exceeds its interest in the associates and joint arrangements, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associates and joint arrangement.

For preparation of the consolidated financial statements, equal accounting policies for similar transactions and other events in similar circumstances are used.

Associates' financial statements are being prepared using similar accounting policies and period end as the Bank.

(vi) Funds management

The Group manages and administers assets held in unit trusts and other investment vehicles on behalf of investors. The financial statements of these entities are not included in these consolidated financial statements except when the Group controls the entity. Information about the Group's funds management is set out in Note 38.

(c) Foreign currency

(i) Foreign currency transactions and balances

Foreign currency transactions that require settlement in a foreign currency are translated into the respective functional currencies of the operations at the spot exchange rates at the date of the transactions.

Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated into the functional currency at the spot exchange rate at that date. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated into the functional currency at the spot exchange rate at the date that the fair value was determined. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

Foreign currency differences resulting from the settlement of foreign currency transactions and arising on translation at period end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss except for the foreign currency differences resulting from the translation of the qualifying cash flow hedges to the extent that the hedges are effective, which are recognized in the other comprehensive income.

Notes to the Consolidated Financial Statements continued

As at and for the year ended 31 December 2025

QAR '000s

3. MATERIAL ACCOUNTING POLICIES (continued)

(c) Foreign currency (continued)

(ii) Foreign operations

The results and financial position of all the Group's entities that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- Assets and liabilities for each statement of financial position presented are translated at the closing rate at the reporting date;
- Income and expenses for each statement of income are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and
- All resulting exchange differences are recognised in other comprehensive income.

Exchange differences arising from the above process are reported in equity and NCI as 'foreign currency translation reserve'.

When the Group has any foreign operation that is in its entirety, or partially disposed of, such that control is lost, such exchange differences are reclassified to the consolidated statement of income as part of the gain or loss on sale. Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

When the settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely in the foreseeable future, foreign exchange gains and losses arising from such a monetary item are considered to form part of the net investment in the foreign operation and are recognised in other comprehensive income, and presented in the foreign exchange translation reserve in equity.

(d) Financial assets and financial liabilities

(i) Recognition and initial measurement

The Group initially recognises loans and advances to customers, due from / to banks, customer deposits, debt securities and other borrowings on the date at which they are originated. All other financial assets and liabilities are initially recognised on the trade date at which the Group becomes a party to the contractual provisions of the instrument. The financial assets and financial liabilities are initially measured at fair value, plus any directly attributable transaction costs for items not classified to be measured at FVTPL.

(ii) Classification

Financial assets

On initial recognition, a financial asset is classified as measured at: amortised cost, FVOCI or FVTPL.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- The asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

Notes to the Consolidated Financial Statements continued

As at and for the year ended 31 December 2025

QAR '000s

3. MATERIAL ACCOUNTING POLICIES (continued)

(d) Financial assets and financial liabilities (continued)

(ii) Classification (continued)

A debt instrument is measured at FVOCI only if it meets both of the following conditions and is not designated as at FVTPL:

- The asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in fair value in OCI. This election is made on an investment-by-investment basis.

All other financial assets are classified as measured at FVTPL.

In addition, on initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI or at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Business model assessment

The Group makes an assessment of the objective of a business model in which an asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- The stated policies and objectives for the portfolio and the operation of those policies in practice.
- How the performance of the portfolio is evaluated and reported to the Group's management;
- The risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- How managers of the business are compensated; and
- The frequency, volume and timing of sales in prior periods, the reasons for such sales and its expectations about future sales activity.

Financial assets that are held for trading or managed and whose performance is evaluated on a fair value basis are measured at FVTPL because they are neither held to collect contractual cash flows nor held both to collect contractual cash flows and to sell financial assets.

Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as profit margin.

Notes to the Consolidated Financial Statements continued

As at and for the year ended 31 December 2025

QAR '000s

3. MATERIAL ACCOUNTING POLICIES (continued)

(d) Financial assets and financial liabilities (continued)

(ii) Classification (continued)

Assessment whether contractual cash flows are solely payments of principal and interest (continued)

In assessing whether the contractual cash flows are solely payments of principal and interest ("the SPPI test"), the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making the assessment, the Group considers contingent events that would change the amount and timing of cash flows, prepayment and extension terms, terms that limit the Group's claim to cash flows from specified assets and features that modify consideration of the time value of money.

Reclassifications

Financial assets are not reclassified subsequent to their initial recognition, except in the period after the Group changes its business model for managing financial assets. The reclassification takes place from the start of the first reporting period following the change.

Financial liabilities

The Group has classified and measured its financial liabilities at amortized cost.

(iii) Derecognition

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or when it transfers the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all the risks and rewards of ownership and it does not retain control of the financial asset. Any interest in transferred financial assets that qualify for derecognition that is created or retained by the Group is recognised as a separate asset or liability. On derecognition of a financial asset, any cumulative gain / loss recognized in OCI as well as the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset transferred), and consideration received (including any new asset obtained less any new liability assumed) is recognized in profit or loss, except in case of equity securities, where such gain or loss may be reclassified within equity.

A financial asset (in whole or in part) is derecognised where:

- the rights to receive cash flows from the asset have expired;
- the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of ownership or (b) when it has neither transferred nor retained substantially all the risks and rewards and it has retained control over the asset, the Group continues to recognise the asset to the extent of its continuing involvement, determined by the extent to which it is exposed to changes in the value of the transferred asset.

The Group enters into transactions whereby it transfers assets recognised, but retains either all or substantially all of the risks and rewards of the transferred assets or a portion of them. If all or substantially all risks and rewards are retained, then the transferred assets are not derecognised. Transfers of assets with retention of all or substantially all risks and rewards include, for example, securities lending and repurchase transactions.

Notes to the Consolidated Financial Statements continued

As at and for the year ended 31 December 2025

QAR '000s

3. MATERIAL ACCOUNTING POLICIES (continued)

(d) Financial assets and financial liabilities (continued)

(iii) Derecognition (continued)

When assets are sold to a third party with a concurrent total rate of return swap on the transferred assets, the transaction is accounted for as a secured financing transaction similar to repurchase transactions as the Group retains all or substantially all the risks and rewards of ownership of such assets.

In transactions in which the Group neither retains nor transfers substantially all the risks and rewards of ownership of a financial asset and it retains control over the asset, the Group continues to recognise the asset to the extent of its continuing involvement, determined by the extent to which it is exposed to changes in the value of the transferred asset.

In certain transactions the Group retains the obligation to service the transferred financial asset for a fee. The transferred asset is derecognised if it meets the derecognition criteria. An asset or liability is recognised for the servicing contract, depending on whether the servicing fee is more than adequate (asset) or is less than adequate (liability) for performing the servicing.

The Group derecognises a financial liability when its contractual obligations are discharged, cancelled or expired.

(iv) Modification of financial assets and liabilities

Financial Assets

If the terms of a financial asset are modified, the Group evaluates whether the cash flows of the modified asset are substantially different. If the cash flows are substantially different, then the contractual rights to cash flows from the original financial asset are deemed to have expired. In this case, the original financial asset is derecognised and a new financial asset is recognised at fair value, and recalculates a new effective interest rate for the asset. The date of renegotiation is consequently considered to be the date of initial recognition for impairment calculation purpose, including for the purpose of determining whether a significant increase in credit risk has occurred.

If the cash flows of the modified asset carried at amortised cost are not substantially different, then the modification does not result in derecognition of the financial asset. In this case, the Group recalculates the gross carrying amount of the financial asset based on the revised cash flows of the financial assets and recognises the amount arising from adjusting the gross carrying amount as a modification gain or loss in the consolidated statement of income. If such a modification is carried out because of financial difficulties of the borrower, then the gain or loss is presented together with impairment losses. In other cases, it is presented as interest income.

Financial Liabilities

The Group derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in the consolidated statement of income.

Notes to the Consolidated Financial Statements continued

As at and for the year ended 31 December 2025

QAR '000s

3. MATERIAL ACCOUNTING POLICIES (continued)

(d) Financial assets and financial liabilities (continued)

(v) Offsetting

Financial assets and liabilities are offset and the net amount presented in the consolidated statement of financial position when, and only when, the Group has a legal right to set off the recognised amounts and it intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Income and expenses are presented on a net basis only when permitted under IFRS, or for gains and losses arising from a group of similar transactions such as in the Group's trading activity.

(vi) Measurement principles

- **Amortized cost measurement**

The amortised cost of a financial asset or liability is the amount at which the financial asset or liability is measured at initial recognition, minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between the initial amount recognised and the maturity amount, minus any reduction for impairment loss. The calculation of effective interest rate includes all fees paid or received that are an integral part of the effective interest rate (EIR).

- **Fair value measurement**

'Fair value' is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Group has access at that date. The fair value of a liability reflects its non-performance risk.

When available, the Group measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as active if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

If there is no quoted price in an active market, the Group recognises any change in the fair value, when they have reliable indicators to support such a change. In such instances the Group may use valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

The fair value of investments in mutual funds and portfolios whose units are unlisted are measured at the net asset value adjusted for market characteristics reported as at the end of the reporting period.

The best evidence of the fair value of a financial instrument at initial recognition is normally the transaction price – i.e. the fair value of the consideration given or received. If the Group determines that the fair value at initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on a valuation technique that uses only data from observable markets, then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value at initial recognition and the transaction price. Subsequently, that difference is recognized in profit or loss on an appropriate basis over the life of the instrument but no later than when the valuation is wholly supported by observable market data or the transaction is closed out.

Notes to the Consolidated Financial Statements continued

As at and for the year ended 31 December 2025

QAR '000s

3. MATERIAL ACCOUNTING POLICIES (continued)

(d) Financial assets and financial liabilities (continued)

(vi) Measurement principles (continued)

- **Fair value measurement** (continued)

If an asset or a liability measured at fair value has a bid price and an ask price, then the Group measures assets and long positions at a bid price and liabilities and short positions at an ask price.

Portfolios of financial assets and financial liabilities that are exposed to market risk and credit risk that are managed by the Group on the basis of the net exposure to either market or credit risk are measured on the basis of a price that would be received to sell a net long position (or paid to transfer a net short position) for a particular risk exposure. Those portfolio-level adjustments are allocated to the individual assets and liabilities on the basis of the relative risk adjustment of each of the individual instruments in the portfolio.

The fair value of a demand deposit is not less than the amount payable on demand, discounted from the first date on which the amount could be required to be paid.

The Group recognises transfers between levels of the fair value hierarchy as of the end of the reporting period during which the change has occurred.

(vii) Expected credit losses (ECL) / Impairment

The Group recognises loss allowances for expected credit losses (ECL) on the following financial instruments that are not measured at FVTPL:

- Balances with central banks and due from banks
- Financial assets that are debt instruments;
- Loans and advances to customers; and
- Loan commitments and financial guarantee contracts.

No impairment loss is recognised on equity investments.

The Group measures loss allowances at an amount equal to lifetime ECL, except for the following, for which they are measured as 12-month ECL:

- debt investment securities that are determined to have low credit risk at the reporting date; and
- other financial instruments on which credit risk has not increased significantly since their initial recognition

12-month ECL are the portion of ECL that result from default events on financial instruments that are possible within the 12 months after the reporting date.

The Group applies three-stage approach to measure expected credit losses (ECL) on financial assets carried at amortised cost and debt instruments classified as FVOCI. Assets migrate through the following three stages based on the change in credit quality since initial recognition.

Notes to the Consolidated Financial Statements continued

As at and for the year ended 31 December 2025

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3. MATERIAL ACCOUNTING POLICIES (continued)

(d) Financial assets and financial liabilities (continued)

(vii) Expected credit losses (ECL) / Impairment (continued)

Stage 1: 12 months ECL - not credit impaired Stage 1 includes financial assets on initial recognition and that do not have a significant increase in credit risk since the initial recognition or that have low credit risk. For these assets, ECL are recognised on the gross carrying amount of the asset based on the expected credit losses that result from default events that are possible within 12 months after the reporting date. Interest is computed on the gross carrying amount of the asset.

Stage 2: Lifetime ECL - not credit impaired Stage 2 includes financial assets that have had a significant increase in credit risk (SICR) since initial recognition but that do not have objective evidence of impairment. For these assets, lifetime ECL are recognised, but interest is still calculated on the gross carrying amount of the asset. Lifetime ECL are the expected credit losses that result from all possible default events over the expected life of the financial instrument.

Stage 3: Lifetime ECL - credit impaired Stage 3 includes financial assets that have objective evidence of impairment at the reporting date. For these assets, lifetime ECL are recognised.

Measurement of ECL

The key inputs into the measurement of ECL are:

- Probability of default ("PD") - the Probability of default is an estimate of the likelihood of default over a given time horizon.
- Exposure at default ("EAD") - The exposure at default is an estimate of the exposure at a future default date, considering expected changes in the exposure after the reporting date.
- Loss given default ("LGD") - The loss given default is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, including from the realization of any collateral. It is usually expressed as a percentage of the EAD.

ECL are a probability-weighted estimate of credit losses. They are measured as follows:

- Financial assets that are not credit-impaired at the reporting date: as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive);
- Financial assets that are credit-impaired at the reporting date: as the difference between the gross carrying amount and the present value of estimated future cash flows;
- Undrawn loan commitments: as the present value of the difference between the contractual cash flows that are due to the Group if the commitment is drawn down and the cash flows that the Group expects to receive; and
- Financial guarantee contracts: the expected payments to reimburse the holder less any amounts that the Group expects to recover.

Notes to the Consolidated Financial Statements continued

As at and for the year ended 31 December 2025

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3. MATERIAL ACCOUNTING POLICIES (continued)

(d) Financial assets and financial liabilities (continued)

(vii) Expected credit losses (ECL) / Impairment (continued)

Restructured financial assets

If the terms of a financial asset are renegotiated or modified or an existing financial asset is replaced with a new one due to financial difficulties of the borrower, then an assessment is made of whether the financial asset should be derecognised and ECL are measured as follows:

- If the expected restructuring will not result in derecognition of the existing asset, then the expected cash flows arising from the modified financial asset are included in calculating the cash shortfalls from the existing asset.
- If the expected restructuring will result in derecognition of the existing asset, then the expected fair value of the new asset is treated as the final cash flow from the existing financial asset at the time of its derecognition. This amount is included in calculating the cash shortfalls from the existing financial asset that are discounted from the expected date of derecognition to the reporting date using the original effective interest rate of the existing financial asset.

Credit-impaired financial assets

At each reporting date, the Group assesses whether financial assets carried at amortised cost and debt financial assets carried at FVOCI are credit impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- Significant financial difficulty of the borrower or issuer;
- A breach of contract such as a default or past due event such as 90 days past due on any material credit obligation to the Group;
- The restructuring of a loan or advance by the Group due to credit concerns on terms that the Group would not consider otherwise;
- It is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
- The disappearance of an active market for a security because of financial difficulties.

Financial guarantee contracts held

The Group assesses whether a financial guarantee contract held is an integral element of a financial asset that is accounted for as a component of that instrument or is a contract that is accounted for separately. If the Group determines that the guarantee is an integral element of the financial asset, then the Group considers the effect of the protection when measuring the fair value of the financial asset and when measuring ECL.

(e) Cash and cash equivalents

Cash and cash equivalents include notes and coins on hand, unrestricted balances held with central banks and highly liquid financial assets with original maturities of three months or less from the acquisition date that are subject to an insignificant risk of changes in their fair value and are used by the Group in the management of its short-term commitments. Cash and cash equivalents also include amounts due from banks and with an original maturity of 90 days or less. Cash and cash equivalents are carried at amortised cost in the consolidated statement of financial position.

Notes to the Consolidated Financial Statements continued

As at and for the year ended 31 December 2025

QAR '000s

3. MATERIAL ACCOUNTING POLICIES (continued)

(f) Due from banks

Due from banks are financial assets which are mainly money market placements with fixed or determinable payments and fixed maturities that are not quoted in an active market. Money market placements are not entered into with the intention of immediate or short-term resale. Due from banks are initially measured at cost, being the fair value of the consideration given. Following the initial recognition, due from banks are stated at amortised cost.

(g) Loans and advances to customers

Loans and advances to customers are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and that the Group does not intend to sell immediately or in the near term.

Loans and advances to customers are initially measured at the transaction price, which is the fair value plus incremental direct transaction costs, and subsequently measured at their amortised cost using the effective interest rate method, except for the financial assets which are classified to be measured at FVTPL, which are measured at fair value with changes recognised immediately in the consolidated statement of income.

(h) Investment securities

The investment securities' include:

- Debt investment securities measured at amortised cost; these are initially measured at fair value plus incremental direct transaction costs, and subsequently at their amortised cost using the effective interest method;
- Debt and equity investment securities mandatorily measured at FVTPL or designated as at FVTPL; these are at fair value with changes recognised immediately in profit or loss;
- Debt securities measured at FVOCI; and
- Equity investment securities designated at FVOCI.

For debt securities measured at FVOCI, gains and losses are recognised in OCI, except for the following, which are recognised in profit or loss in the same manner as for financial assets measured at amortised cost:

- Interest income using the effective interest method;
- Expected credit losses and reversals; and
- Foreign exchange gains and losses

When a debt security measured at FVOCI is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to consolidated statement of income.

The Group elects to present in OCI changes in the fair value of certain investments in equity. The election is made on an instrument by instrument basis on initial recognition and is irrevocable. Gains and losses on such equity instruments are never subsequently reclassified to consolidated statement of income, including on disposal. Impairment losses (and reversal of impairment losses) are not reported separately from other changes in fair value. Dividends, when representing a return on such investments, continue to be recognised in consolidated statement of income, unless they clearly represent a recovery of part of the cost of the investment, in which case they are recognised in OCI. Cumulative gains and losses recognised in OCI are transferred to retained earnings on disposal of an investment.

Notes to the Consolidated Financial Statements continued

As at and for the year ended 31 December 2025

QAR '000s

3. MATERIAL ACCOUNTING POLICIES (continued)

(i) Derivatives

Derivatives are initially recognised, and subsequently measured at fair value with transaction costs taken directly to the consolidated statement of profit or loss. The fair value of a derivative is the equivalent of the unrealised gain or loss from marking to market the derivative or using valuation techniques, mainly discounted cash flow models.

The method of recognising the resulting fair value gains or losses depends on whether the derivative is held for trading, or is designated as a hedging instrument and, if so, the nature of the risk being hedged.

Derivatives held for risk management purposes and hedge accounting

Derivatives held for risk management purposes include all derivative assets and liabilities that are not classified as trading assets or liabilities. Derivatives held for risk management purposes are measured at fair value. The Group designates certain derivatives held for risk management as well as certain non-derivative financial instruments as hedging instruments in qualifying hedging relationships.

On initial designation of the hedge, the Group formally documents the relationship between the hedging derivative instrument(s) and hedged item(s), including the risk management objective and strategy in undertaking the hedge, together with the method that will be used to assess the effectiveness of the hedging relationship. The Group makes an assessment, both at the inception of the hedge relationship as well as on an ongoing basis, as to whether the hedging instrument(s) is (are) expected to be highly effective in offsetting the changes in the fair value or cash flows of the respective hedged item(s) during the period for which the hedge is designated, and on an ongoing basis. The Group makes an assessment for a cash flow hedge of a forecast transaction, as to whether the forecast transaction is highly probable to occur and presents an exposure to variations in cash flows that could ultimately affect the consolidated statement of income.

"The general hedge accounting requirements of IFRS 9 retain the three types of hedge accounting mechanisms in IAS 39. However, greater flexibility has been introduced to the types of transactions eligible for hedge accounting, specifically broadening the types of instruments that qualify as hedging instruments and the types of risk components of non-financial items that are eligible for hedge accounting. In addition, the effectiveness test has been overhauled and replaced with the principle of an 'economic relationship'. Retrospective assessment of hedge effectiveness is no longer required.

Fair value hedges

When a derivative is designated as the hedging instrument in a hedge of the change in fair value of a recognised asset or liability or a firm commitment that could affect statement of income, changes in the fair value of the derivative are recognised immediately in statement of income together with changes in the fair value of the hedged item that are attributable to the hedged risk. If the hedging derivative expires or is sold, terminated, or exercised, or the hedge no longer meets the criteria for fair value hedge accounting, or the hedge designation is revoked, then hedge accounting is discontinued prospectively. Any adjustment up to that point to a hedged item, for which the effective interest method is used, is amortised to statement of income as part of the recalculated effective interest rate of the item over its remaining life.

Notes to the Consolidated Financial Statements continued

As at and for the year ended 31 December 2025

QAR '000s

3. MATERIAL ACCOUNTING POLICIES (continued)

(i) Derivatives (continued)

Cash flow hedges

When a derivative is designated as the hedging instrument in a hedge of the variability in cash flows attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction that could affect statement of income, the effective portion of changes in the fair value of the derivative is recognized in other comprehensive income in the hedging reserve. The amount recognised in other comprehensive income is reclassified to statement of income as a reclassification adjustment in the same period as the hedged cash flows affect statement of income, and in the same line item in the statement of comprehensive income. Any ineffective portion of changes in the fair value of the derivative is recognised immediately in statement of income. If the hedging derivative expires or is sold, terminated, or exercised, or the hedge no longer meets the criteria for cash flow hedge accounting, or the hedge designation is revoked, then hedge accounting is discontinued prospectively. In a discontinued hedge of a forecast transaction the cumulative amount recognised in other comprehensive income from the period when the hedge was effective is reclassified from equity to statement of income as a reclassification adjustment when the forecast transaction occurs and affects statement of income. If the forecast transaction is no longer expected to occur, then the balance in other comprehensive income is reclassified immediately to statement of income as a reclassification adjustment.

Amounts accumulated in equity are reclassified to profit or loss in the periods when the hedged item affects profit or loss (for example, when the forecast sale that is hedged takes place).

Other derivatives

Group has trading and non-trading derivatives which consists of forwards, swaps, interest rate swaps, credit and equity derivatives. Trading derivatives are sold by the Group to customers in order to enable them to transfer, modify or reduce current and future risks. These derivative instruments are fair valued as at the end of reporting date and the corresponding fair value changes is taken to the consolidated statement of income.

When a derivative is not held for trading, and is not designated in a qualifying hedge relationship, all changes in its fair value are recognised immediately in the consolidated statement of income.

(j) Property and equipment

(i) Recognition and measurement

Items of property and equipment are initially measured at cost and subsequently at cost less accumulated depreciation and accumulated impairment losses, if any, except for land and building which are subsequently measured at fair value through reserves. Capital work in progress is stated at cost, net of accumulated impairment losses, if any.

Revaluations of freehold land and buildings are carried out by an independent valuer every 5 years. Net surpluses arising on revaluation are credited to a revaluation reserve, except that a revaluation increase is recognised as income to the extent that it reverses a revaluation decrease of the same asset previously recognised as an expense. A decrease as a result of a revaluation is recognised as an expense, except that it is charged directly against any related revaluation surplus to the extent that the decrease does not exceed the amount held in the revaluation surplus in respect of that same asset. On disposal the related revaluation surplus is credited to retained earnings.

Cost includes expenditures that are directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the assets to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located and capitalised borrowing costs.

Notes to the Consolidated Financial Statements continued

As at and for the year ended 31 December 2025

QAR '000s

3. MATERIAL ACCOUNTING POLICIES (continued)

(j) Property and equipment (continued)

(i) Recognition and measurement (continued)

Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When parts of an item of property or equipment have different useful lives, they are accounted for as separate items (major components) of property and equipment.

The gain or loss on disposal of an item of property and equipment is determined by comparing the proceeds from disposal with the carrying amount of the item of property and equipment, and is recognised in other income/other expenses in profit or loss.

(ii) Subsequent costs

The cost of replacing a component of an item of property or equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of property and equipment are recognised in consolidated statement of income as incurred.

(iii) Depreciation

The depreciable amount is the cost of property and equipment, or other amount substituted for cost, less its residual value.

Depreciation is recognised in consolidated statement of income on a straight-line basis over the estimated useful lives of each part of an item of property and equipment since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset and is based on cost of the asset less its estimated residual value. Land and Capital work in progress are not depreciated.

The estimated useful lives for the current and comparative years are as follows:

Buildings	20 - 30 years
Leasehold improvements	6 - 10 years
Furniture and equipment	3 - 8 years
Motor vehicles	5 years

(iv) Right-of-use assets (Leases)

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Group applies a single recognition and measurement approach for all leases, except for short-term leases less than 12 months and leases of low-value assets (USD 5,000 or less). The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Notes to the Consolidated Financial Statements continued

As at and for the year ended 31 December 2025

QAR '000s

3. MATERIAL ACCOUNTING POLICIES (continued)

(j) Property and equipment (continued)

(iv) Right-of-use assets (Leases) (continued)

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

Right of use assets	2 - 40 years
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At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date. Right-of-use assets are subject to impairment in line with the policy for the impairment of non-financial assets.

The carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments or a change in the assessment of an option to purchase the underlying asset.

(k) Impairment of goodwill and intangible assets

(i) Goodwill

Goodwill arises on the acquisition of subsidiaries and represents the excess of the consideration transferred over the Group's interest in net fair value of the net identifiable assets, liabilities and contingent liabilities of the acquiree and the fair value of the non-controlling interest in the acquiree. Goodwill is measured at cost less impairment.

Goodwill impairment reviews are undertaken annually or more frequently if events or changes in circumstances indicate a potential impairment. The carrying value of goodwill is compared to the recoverable amount of the CGU, which is the higher of value in use and the fair value less costs of disposal. Any impairment is recognised immediately as an expense and is not subsequently reversed.

(ii) Intangible assets

The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

Notes to the Consolidated Financial Statements continued

As at and for the year ended 31 December 2025

QAR '000s

3. MATERIAL ACCOUNTING POLICIES (continued)

(k) Impairment of goodwill and intangible assets (continued)

(ii) Intangible assets (continued)

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the consolidated statement of income as the expense category that is consistent with the function of the intangible assets.

The estimated useful economic life of intangible assets with finite lives are:

Brand	Up to 19 years
Internally developed software and others	5 years

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis. Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the consolidated statement of income when the asset is derecognised.

(l) Impairment of non-financial assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

The Group's corporate assets do not generate separate cash inflows and are utilised by more than one CGU. Corporate assets are allocated to CGUs on a reasonable and consistent basis and tested for impairment as part of the testing of the CGU to which the corporate asset is allocated.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date, for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Notes to the Consolidated Financial Statements continued

As at and for the year ended 31 December 2025

QAR '000s

3. MATERIAL ACCOUNTING POLICIES (continued)

(m) Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

(n) Financial guarantee contract and loan commitments

Financial guarantees are contracts that require the Group to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the terms of a debt instrument and the guarantees may become payable on demand. Financial guarantee liabilities are recognised initially at their fair value, and this initial fair value is amortised over the life of the financial guarantee. The financial guarantee liability is subsequently carried at the higher of this amortised amount and the present value of any expected payment when a payment under the guarantee has become probable.

(o) Employee benefits

Defined contribution plans

The Bank provides for its contribution to the State administered retirement fund for Qatari employees in accordance with the retirement law, and the resulting charge is included in staff cost in the consolidated statement of income. The Bank has no further payment obligations once the contributions have been paid. The contributions are recognised in the consolidated statement of income, when they are due.

Defined benefit plan

The Bank makes provision for end of service benefits payable to its expatriate employees on the basis of the employees' length of service in accordance with the employment policy of the Bank and the applicable provisions of the Labour Law. This provision is included in other provisions as part of other liabilities in the consolidated statement of financial position. The expected costs of these benefits are accrued over the period of employment.

Alternatifbank, under Turkish Labour Law, is required to pay termination benefits to each employee who has completed at least one year of service and whose employment is terminated without due cause, is called up for military service, dies or who retires. There are certain transitional provisions relating to length of service prior to retirement. The amount payable consists of one month's salary subject to a maximum threshold per employee for each year of service. There are no agreements for pension commitments other than the legal requirement as explained above. The liability is not funded, as there is no funding requirement.

Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Share-based payments

Employees (including senior management) of the Bank receive remuneration in the form of share-based payments, whereby employees are granted share appreciation rights, which are settled in cash (cash settled transactions).

Notes to the Consolidated Financial Statements continued

As at and for the year ended 31 December 2025

QAR '000s

3. MATERIAL ACCOUNTING POLICIES (continued)

(o) Employee benefits (continued)

Share-based payments (continued)

The cost of cash settled transactions is measured at fair value at the grant date using the Black Scholes model, further details of which are given in Note 20. The fair value is measured initially and at each reporting date up to and including the settlement date, with changes in fair value recognised in employee benefits expense Note 31. The fair value is expensed over the period until the vesting date with recognition of a corresponding liability.

(p) Share capital and reserves

(i) Share issue costs

Incremental costs directly attributable to the issue of an equity instrument are deducted from the initial measurement of the equity instruments.

(ii) Dividends on ordinary shares

Dividends on ordinary shares are recognised in equity in the period in which they are approved by the Bank's equity holders.

(q) Interest income and expense

Interest income and expense are recognised in the consolidated statement of income using the effective interest rate method. The effective interest rate is the rate that exactly discounts the estimated future cash payments and receipts through the expected life of the financial asset or liability (or, where appropriate, a shorter period) to the carrying amount of the financial asset or liability. When calculating the effective interest rate, the Group estimates future cash flows considering all contractual terms of the financial instrument, but not expected credit losses.

For the financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to their amortised cost (i.e. net of the expected credit loss provision). If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

The calculation of the effective interest rate includes all transaction costs and fees paid or received that are an integral part of the effective interest rate.

Transaction costs include incremental costs that are directly attributable to the acquisition or issue of a financial asset or liability.

Interest income and expense include:

- Interest on financial assets and financial liabilities measured at amortised cost calculated on an effective interest rate basis;
- The effective portion of fair value changes in qualifying hedging derivatives designated in cash flow hedges of variability in interest cash flows, in the same period that the hedged cash flows affect interest income / expense;
- The ineffective portion of fair value changes in qualifying hedging derivatives designated in cash flow hedges of interest rate risk; and
- Fair value changes in qualifying derivatives, including hedge ineffectiveness, and related hedged items in fair value hedges of interest rate risk.

Notes to the Consolidated Financial Statements continued

As at and for the year ended 31 December 2025

QAR '000s

3. MATERIAL ACCOUNTING POLICIES (continued)

(q) Interest income and expense (continued)

Interest income on investment (debt) securities measured at FVOCI and measured at amortised cost is calculated using effective interest rate method and is also included in interest income.

(r) Fee and commission income and expense

Fees and commission income and expense that are integral to the effective interest rate on a financial asset or liability are included in the measurement of the effective interest rate.

Other fees and commission income, including account servicing fees, investment management fees, sales commission, placement fees and syndication fees, are recognised as the related services are performed. When a loan commitment is not expected to result in the draw-down of a loan, the related loan commitment fees are recognised on a straight-line basis over the commitment period. Other fees and commission expense relate mainly to transaction and service fees, which are expensed as the services are received.

(s) Income from investment securities

Gains or losses on the disposal of investment securities are recognised in profit or loss as the difference between fair value of the consideration received and carrying amount of the investment securities.

Unrealised gains or losses on fair value changes from remeasurement of investment securities classified as held for trading or designated as fair value through profit or loss are recognised in consolidated statement of income.

Any cumulative gain/loss recognised in OCI in respect of equity investment securities designated as at FVOCI is not recognised in the consolidated statement of income on derecognition of such securities.

(t) Dividend income

Dividend income is recognised when the right to receive dividend income is established.

(u) Income tax expenses

Taxes are calculated based on tax laws and regulations in the countries in which the Group operates. Tax is recognized based on an evaluation of the expected tax charge/credit. Income tax and deferred tax are mainly arising from Alternatifbank operations. The parent company operations inside Qatar are not subject to income tax except certain subsidiaries operations, which are subject to tax as per the General Tax Authority and Qatar Financial Centre Authority tax regulations.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled based on laws that have been enacted at the reporting date. Tax expenses are recognized in profit or loss, except to the extent these are pertaining to the items presented in OCI.

(v) Earnings per share

The Bank presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary equity holders of the Bank, further adjusted for the dividend appropriation for instruments eligible for additional Tier 1 Capital, if any, by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary equity holders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

Notes to the Consolidated Financial Statements continued

As at and for the year ended 31 December 2025

QAR '000s

3. MATERIAL ACCOUNTING POLICIES (continued)

(w) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker is the person or group that allocates resources to and assesses the performance of the operating segments of an entity. The Group has determined the Chief Executive Officer of the Bank as its chief operating decision maker.

(x) Fiduciary activities

The Group acts as fund manager and in other fiduciary capacities that result in the holding or placing of assets on behalf of individuals, corporate and other institutions. These assets and income arising thereon are excluded from these consolidated financial statements, as they are not assets of the Group.

(y) Repossessed collateral

Repossessed collateral represents real estate and other collateral acquired against settlement of customer debts and are recorded within the consolidated statement of financial position under "Other assets".

Repossessed collaterals are recognized at their fair value. According to Qatar Central Bank (QCB) instructions, the Group should dispose of any land and properties acquired against settlement of debts for Qatar operations within a period not exceeding three years from the date of acquisition although this period can be extended after obtaining approval from QCB.

(z) Appropriations for Instruments Eligible for Additional Tier 1 Capital

Appropriations for Instruments Eligible for Additional Tier 1 Capital are treated as dividends.

(aa) Adoption of IAS 29 - Hyperinflation accounting

IAS 29 "Financial Reporting in Hyperinflationary Economies" requires that the financial statements of an entity whose functional currency is that of a hyperinflationary economy be stated in the measuring unit currency at the reporting period end. IAS 29 provides certain qualitative and quantitative guidelines to determine the existence of a hyperinflationary economy. Accordingly, hyperinflation shall be deemed to exist where the last three years' cumulative inflation approaches or exceeds 100%.

From 1 April 2022, the Turkish economy is considered to be hyperinflationary in accordance with the criteria in IAS 29. This requires purchasing power adjustment to the carrying values of the non-monetary assets and liabilities and to items in the consolidated statement of comprehensive income with respect to subsidiaries of the Group operating in Turkey.

On the application of IAS 29, the Bank used the conversion factor derived from the consumer price index ("CPI") in Turkey. The CPIs and corresponding conversion factors are since 2005 when Turkey previously ceased to be considered hyperinflationary.

The index and corresponding conversion factors are as follows:

	CPI
31 December 2024	2,684.55
31 December 2025	3,513.87

Notes to the Consolidated Financial Statements continued

As at and for the year ended 31 December 2025

QAR '000s

3. MATERIAL ACCOUNTING POLICIES (continued)

(aa) Adoption of IAS 29 - Hyperinflation accounting (continued)

Adjustment for prior periods:

Adjustment of the historical carrying values of non-monetary assets and liabilities and the various items of equity from their date of acquisition or inclusion in the consolidated statement of financial position to the end of the reporting period to reflect the changes in purchasing power of the currency caused by inflation, according to the indices published by the Turkish Statistical Institute. The cumulative impact for previous years had been reflected through other comprehensive income.

Adjustment for current periods:

Monetary assets and liabilities are not restated because they are already expressed in terms of the monetary unit current. Non-monetary assets and liabilities are restated by applying the relevant index from the date of acquisition or initial recording and are subject to impairment assessment with the guidance in the relevant IFRS. The components of shareholders' equity are restated by applying the applicable general price index from the dates when components were contributed or otherwise arose.

All items in the statement of income are restated by applying the relevant conversion factors, except for restatement of certain specific income statement items which arise from the restatement of non-monetary assets and liabilities like amortization and gain or loss on sale of fixed assets.

The gain or loss on the net monetary position is the result of the effect of general inflation and is the difference resulting from the restatement of non-monetary assets, liabilities, shareholders' equity and income statement items. The gain or loss on the net monetary position is included in the statement of income.

(ab) Comparatives

Except when a standard or an interpretation permits or requires otherwise, all amounts are reported or disclosed with comparative information.

4. FINANCIAL RISK MANAGEMENT

a) Introduction and overview

The Group's business involves taking risks in a targeted manner and managing them professionally. The core functions of the Group's risk management are to identify all key risks for the Group, measure these risks, manage the risk positions and determine capital allocations. The Group regularly reviews its risk management policies and systems to reflect changes in markets, products and best market practice.

The Group's aim is to achieve an appropriate balance between risk and return and minimise potential adverse effects on the Group's financial performance. The Group defines risk as the possibility of losses or profits foregone, which may be caused by internal or external factors.

Notes to the Consolidated Financial Statements continued

As at and for the year ended 31 December 2025

QAR '000s

4. FINANCIAL RISK MANAGEMENT (continued)

(a) Introduction and overview (continued)

Financial instruments

Financial instruments comprise the Group's financial assets and liabilities. Financial assets include cash and balances with central banks, due from banks, loans and advances, investment securities, derivative financial assets and certain other assets and financial liabilities include customer deposits, borrowings under repurchase agreements and interbank takings, debt issued and other borrowed funds, derivative financial liabilities and certain other liabilities. Financial instruments also include rights and commitments included in off-balance sheet items.

Note 3(d) describes the accounting policies followed by the Group in respect of recognition and measurement of the key financial instruments and their related income and expense.

Risk management

The Group derives its revenue from assuming and managing customer risk for profit. Through a robust governance structure, risk and return are evaluated to produce sustainable revenue, to reduce earnings volatility and increase shareholder value. The most important types of risk are credit risk, liquidity risk, market risk and operational risk. Credit risk reflects the possible inability of a customer to meet his/her repayment or delivery obligations. Market risk, which includes foreign currency, interest rate risks and other price risks, is the risk of fluctuation in asset and commodity values caused by changes in market prices and yields. Liquidity risk results in the inability to accommodate liability maturities and withdrawals, fund asset growth or otherwise meet contractual obligations at reasonable market rates. Operational risk is the potential for loss resulting from events involving people, processes, technology, legal issues, external events or execution or regulatory issues.

Risk and other committees

The governance structure of the Group is headed by the Board of Directors. The Board of Directors evaluates risk by engaging with the Group Chief Executive Officer (GCEO) and Chief Risk Officer along with the following Board and Management Committees:

- 1) Board Risk and compliance Committee (BRCC), is responsible for all aspects of Risk Management across the Group including but not restricted to credit risk, market risk, operational risk and cyber security risk. The BRCC maintains oversight of enterprise-wide risks through the Management Risk Committee (MRC), the GCEO, and the Chief Risk Officer, and provides risk management directives through the GCEO and the Chief Risk Officer. Further, the BRCC is responsible for setting forth compliance and Anti-Money Laundering, and Combating Financing of Terrorism (AML/CFT) requirements, criteria and control mechanisms for all activities involving Bank-wide related risks.
- 2) The Board Audit Committee (BAC) is responsible for assisting the Board in fulfilling its responsibilities relating to oversee the quality and integrity of the accounting, auditing, internal control and financial reporting practices of the Bank.
- 3) The Board Executive Committee (BEC) is responsible for approving credit facilities and major investments within Board-approved limits. Further, the BEC is responsible for approving strategies, plans, budgets/objectives and policies, procedures and systems as well as reviewing the performance of the Bank.

Notes to the Consolidated Financial Statements continued

As at and for the year ended 31 December 2025

QAR '000s

4. FINANCIAL RISK MANAGEMENT (continued)

(a) Introduction and overview (continued)

Risk and other committees (continued)

- 4) Board Remuneration, Nomination & Governance Committee (BRNGC) is responsible for evaluating the Bank's compensation and remuneration framework for Board Members, Executive Management and staff, based on the long-term performance and objectives of the Bank. The Committee is also responsible for recommending Board Members' appointments and re-nomination for election by the General Assembly, recommending Executive Management appointments, supervising the training of the Board Members with regard to corporate governance of the Bank, and conducting the annual self-assessment of the Board and Board Committees' performance. In addition, the Committee is primarily responsible for attending to issues relating to governance. The BRNGC is also responsible for oversight of the Bank's sustainability strategy and performance (ESG).

The Group Chief Executive Officer (GCEO) is supported by a number of internal management committees in the day-to-day management of the Bank. During 2025, the Board approved a revised management committee framework and reporting structure, aligned with international best practice. While the Board of Directors retains ultimate responsibility for the oversight of risk identification and control, independent committees and functions are in place to manage and monitor risks on an ongoing basis.

(b) Credit risk

Credit risk is defined as the potential that a borrower or counterparty will fail to meet its obligations in accordance with agreed terms. The goal of credit risk management is to maximize the Group's risk-adjusted rate of return by maintaining credit risk exposure within acceptable parameters. Loans and advances are the largest sources of credit risk for the Group. Other sources of credit risk exist throughout the activities of the Group, including investments in the banking book and in the trading book. The Group also faces credit risk (or counterparty risk) in various financial instruments other than loans, including: acceptances, interbank transactions, trade financing, foreign exchange transactions, derivative instruments, and in the extension of commitments and guarantees, as well as the settlement of transactions. The Group maintains well defined, written policies and procedures for identifying, measuring, monitoring, and controlling credit risk, governing credit-granting activities in conformance with the risk appetite and limits defined by the Board. All extensions of credit are made on an arm's length basis in accordance with the Group's credit-granting approval process by a combination of authorized individuals, groups or credit committees, depending on the size and nature of the credit, who have the experience, knowledge and background to exercise prudent judgement in assessing, approving and managing credit risks.

(i) Credit risk measurement

1. Loans and advances

The Group's aim is to maintain a sound asset portfolio by optimizing its loan mix. This is being achieved through a strategy of reducing exposure to non-core client relationships while selectively targeting economic sectors that are core to the overall business strategy. In addition, the Group intends to diversify risk by increasing the size of the consumer portfolio comprising of consumer loans, vehicle loans, credit cards and residential mortgages. In measuring credit risk of loan and advances to customers and to banks, the Group reflects three components (i) the 'probability of default' by the client or counterparty on its contractual obligations; (ii) current exposures to the counterparty and its likely potential future exposure, from which the Group derive the 'exposure at default'; and (iii) the likely recovery ratio on the defaulted obligations (the 'loss given default').

Notes to the Consolidated Financial Statements continued

As at and for the year ended 31 December 2025

QAR '000s

4. FINANCIAL RISK MANAGEMENT (continued)

(b) Credit risk (continued)

(i) Credit risk measurement (continued)

1. Loans and advances (continued)

- (i) The Group assesses the probability of default of individual counterparties using internal rating tools tailored to the various categories of counterparty. They combine statistical analysis along with the business relationship officers and credit risk officers assessment and are independently validated. Clients of the Group are segmented based on a 10-point rating scale (22 notches including modifiers) for the corporate book and product based application scores for the retail book. The Group's rating scale reflects the range of default probabilities defined for each rating class. This means that, in principle, the probability of default changes with the migration of ratings. The rating tools are kept under review and upgraded as necessary.
- (ii) Exposure at default is based on the amounts the Group expects to be owed at the time of default. For example, for a loan this is the carrying value. For a commitment, the Group includes any amount already drawn plus the further amount that may have been drawn by the time of default, should it occur. For undrawn facilities, the Group applies credit conversion factors that are prescribed by Qatar Central Bank and are aligned to Bank of International Settlements (BIS) guidelines.
- (iii) Loss given default or loss severity represents the Group's expectation of the extent of loss on a claim should default occur. It is expressed as percentage loss per unit of exposure and typically varies by type of counterparty, type and seniority of claim and availability of collateral or other credit mitigation.

2. Debt securities and other bills

For debt securities and other bills, external ratings are used by Treasury for managing the credit risk exposures. The investments in those securities and bills are viewed as a way to improve the overall asset quality, enhance yield and provide a readily available source to meet the funding requirement.

(ii) Risk limit control and mitigation policies

Portfolio diversification

Portfolio diversification is an overriding principle, therefore, the credit policies are structured to ensure that the Group is not over exposed to a given client, industry sector or geographic area. To avoid excessive losses if any single counterparty is unable to fulfil its payment obligations, large exposure limits have been established per credit policy following the local regulations. Limits are also in place to manage exposures to a particular country or sector. These risks are monitored on an ongoing basis and subject to an annual or more frequent review, when considered necessary.

Notes to the Consolidated Financial Statements continued

As at and for the year ended 31 December 2025

QAR '000s

4. FINANCIAL RISK MANAGEMENT (continued)

(b) Credit risk (continued)

(ii) Risk limit control and mitigation policies (continued)

Collateral

In order to proactively respond to credit deterioration, the Group employs a range of policies and practices to mitigate credit risk.

The most traditional of these is the taking of security for funds advanced, which is common practice. The Group implements guidelines on the acceptability of specific classes of collateral or credit risk mitigation. The principal collateral types for loans and advances are:

- Mortgages over properties;
- Lending against lien marked deposits;
- Charges over business assets such as premises, inventory and accounts receivable;
- Charges over financial instruments such as debt securities and equities.

Longer-term finance and lending to corporate entities are generally secured; working capital credit facilities are generally unsecured. In addition, in order to minimize the credit loss, the Group will seek additional collateral from the counterparty as soon as impairment indicators are noticed.

Collateral held as security for financial assets other than loans and advances is determined by the nature of the instrument. Debt securities, treasury and other eligible bills are generally unsecured, with the exception of asset-backed securities and similar instruments, which are secured by portfolios of financial instruments.

Credit-related commitments

The primary purpose of these instruments is to ensure that funds are available to a customer as required. Guarantees and standby letters of credit carry the same credit risk as loans. Documentary and commercial letters of credit – which are written undertakings by the Group on behalf of a customer authorizing a third party to draw drafts on the Group up to a stipulated amount under specific terms and conditions – are collateralized by the underlying shipments of goods to which they relate and therefore carry less risk than a direct loan.

Commitments to extend credit represent unused portions of authorizations to extend credit in the form of loans, guarantees or letters of credit. With respect to credit risk on commitments to extend credit, the Group is potentially exposed to loss in an amount equal to the total unused commitments. However, the likely amount of loss is less than the total unused commitments, as most commitments to extend credit are contingent upon customers maintaining specific credit standards. The Group monitors the term to maturity of credit commitments because longer-term commitments generally have a greater degree of credit risk than shorter-term commitments.

Credit risk arising from derivative financial instruments is, at any time, limited to those with positive fair values, as at the reporting date. With gross-settled derivatives, the Group is also exposed to a settlement risk, being the risk that the Group honors its obligation but the counterparty fails to deliver the counter-value.

Notes to the Consolidated Financial Statements continued

As at and for the year ended 31 December 2025

QAR '000s

4. FINANCIAL RISK MANAGEMENT (continued)

(b) Credit risk (continued)

(iii) Maximum exposure to credit risk

	2025	2024
Credit risk exposures relating to assets recorded on the consolidated statement of financial position are as follows:		
Balances with central banks	10,723,222	5,972,061
Due from banks	22,812,296	20,705,383
Loans and advances to customers	104,547,534	91,480,008
Investment securities - debt	39,085,259	31,904,099
Other assets	1,464,098	1,977,278
Total as at 31 December	178,632,409	152,038,829
Other credit risk exposures are as follows:		
Guarantees	15,538,956	16,451,572
Letters of credit	3,537,370	3,383,398
Unutilized credit facilities	14,231,368	15,765,695
Total as at 31 December	33,307,694	35,600,665
	211,940,103	187,639,494

The above table represents a worse-case scenario of net credit risk exposure to the Group.

(iv) Concentration of risks of financial assets with credit risk exposure

Geographical sectors

The following table breaks down the Group's credit exposure at their net carrying amounts, as categorized by geographical region. For this table, the Group has allocated exposures to regions based on the country of domicile of its counterparties.

2025	Qatar	Other GCC	Other Middle east	Rest of the world	Total
Balances with central banks	9,049,420	-	1,673,802	-	10,723,222
Due from banks	1,984,636	7,940,210	4,870,064	8,017,386	22,812,296
Loans and advances to customers	91,660,042	1,263,356	9,795,839	1,828,297	104,547,534
Investment securities - debt	33,575,815	1,508,148	2,703,247	1,298,049	39,085,259
Other assets	1,116,874	-	347,224	-	1,464,098
	137,386,787	10,711,714	19,390,176	11,143,732	178,632,409

Notes to the Consolidated Financial Statements continued

As at and for the year ended 31 December 2025

QAR '000s

4. FINANCIAL RISK MANAGEMENT (continued)

(b) Credit risk (continued)

(iv) Concentration of risks of financial assets with credit risk exposure (continued)

Geographical sectors (continued)

2024	Qatar	Other GCC	Other Middle east	Rest of the world	Total
Balances with central banks	4,782,668	-	1,189,393	-	5,972,061
Due from banks	5,552,360	4,323,723	4,308,086	6,521,214	20,705,383
Loans and advances to customers	82,954,936	319	7,783,233	741,520	91,480,008
Investment securities - debt	26,837,438	2,014,391	2,314,824	737,446	31,904,099
Other assets	1,811,994	-	165,284	-	1,977,278
	121,939,396	6,338,433	15,760,820	8,000,180	152,038,829

2025	Qatar	Other GCC	Other Middle east	Rest of the world	Total
Guarantees	9,576,520	795,900	441,321	4,725,215	15,538,956
Letters of credit	2,914,881	-	11,108	611,381	3,537,370
Unutilized credit facilities	13,050,617	27	251,794	928,930	14,231,368
	25,542,018	795,927	704,223	6,265,526	33,307,694

2024	Qatar	Other GCC	Other Middle east	Rest of the world	Total
Guarantees	8,547,045	582,552	267,697	7,054,278	16,451,572
Letters of credit	2,637,948	-	2,808	742,642	3,383,398
Unutilized credit facilities	14,646,827	-	185,066	933,802	15,765,695
	25,831,820	582,552	455,571	8,730,722	35,600,665

Notes to the Consolidated Financial Statements continued

As at and for the year ended 31 December 2025

QAR '000s

4. FINANCIAL RISK MANAGEMENT (continued)

(b) Credit risk (continued)

(iv) Concentration of risks of financial assets with credit risk exposure (continued)

Industry sectors

An industry sector analysis of the Group's financial assets and contingent liabilities, is as follows:

	2025	2024
Funded		
Government	52,400,901	38,889,265
Government agencies	14,204,154	12,493,551
Industry	7,537,072	6,457,017
Commercial	21,186,205	15,723,204
Services	50,307,941	44,186,594
Contracting	1,327,099	1,619,992
Real estate	19,301,778	20,136,136
Consumers	10,039,821	9,871,626
Other sectors	2,327,438	2,661,444
Total funded	178,632,409	152,038,829
Un-funded		
Government institutions & semi government agencies	3,328,764	3,031,261
State of Qatar debt securities	13,406,180	15,895,370
Commercial and others	16,572,750	16,674,034
Total un-funded	33,307,694	35,600,665
Total	211,940,103	187,639,494

(v) Credit Quality

The credit quality of financial assets is managed by the Group using internal and external credit risk ratings. The Group follows an internal obligor risk rating (ORR) mechanism for grading relationships across its credit portfolio. The Group utilises a ten-scale credit rating system with positive and negative modifiers, giving a total scale range of 22, of which 19 (with positive and negative modifiers) relate to performing and three to non-performing. Within performing, ORR 1 to 4- represents investment grade, ORR 5+ to 7+ represents sub-investment grade and 7 and 7- represent watch list. ORR 8 to 10 represents sub-standard, doubtful and loss respectively. All credits are assigned a rating in accordance with the defined criteria. The Group endeavors continuously to improve upon the internal credit risk rating methodologies and credit risk management policies and practices to reflect the true underlying credit risk of the portfolio and the credit culture in the Group. All lending relationships are reviewed at least once in a year and more frequently in the case of non-performing assets.

Notes to the Consolidated Financial Statements continued

As at and for the year ended 31 December 2025

QAR '000s

4. FINANCIAL RISK MANAGEMENT (continued)

(b) Credit risk (continued)

(v) Credit Quality (continued)

The following table sets out information about the credit quality of financial assets, commitments and financial guarantees.

Cash and Balances with Central Banks (Excluding Cash on Hand) and Due from Banks	2025			
	Stage 1	Stage 2	Stage 3	Total
Investment grade - ORR 1 to 4	23,604,329	-	-	23,604,329
Sub-investment grade - ORR 5 to 7	7,771,433	2,133,955	-	9,905,388
Substandard - ORR 8	-	-	-	-
Doubtful - ORR 9	-	-	-	-
Loss - ORR 10	-	-	-	-
Total - Gross	31,375,762	2,133,955	-	33,509,717
Loss allowance	(68,722)	(26,465)	-	(95,187)
	31,307,040	2,107,490	-	33,414,530
Accrued Interest				120,988
Carrying amount				33,535,518

Loans and advances to Customers	2025			
	Stage 1	Stage 2	Stage 3	Total
Investment grade - ORR 1 to 4	48,732,686	54,294	-	48,786,980
Sub-investment grade - ORR 5 to 7	37,592,387	16,647,920	-	54,240,307
Substandard - ORR 8	-	-	3,920,009	3,920,009
Doubtful - ORR 9	-	-	920,253	920,253
Loss - ORR 10	-	-	1,809,837	1,809,837
Total - Gross	86,325,073	16,702,214	6,650,099	109,677,386
Loss allowance	(195,684)	(1,730,544)	(4,016,345)	(5,942,573)
	86,129,389	14,971,670	2,633,754	103,734,813
Accrued Interest				812,721
Carrying amount				104,547,534

Notes to the Consolidated Financial Statements continued

As at and for the year ended 31 December 2025

QAR '000s

4. FINANCIAL RISK MANAGEMENT (continued)

(b) Credit risk (continued)

(v) Credit Quality (continued)

Investment Securities - Debt	2025			Total
	Stage 1	Stage 2	Stage 3	
Investment grade - ORR 1 to 4	33,690,791	167,575	-	33,858,366
Sub-investment grade - ORR 5 to 7	3,303,018	65,591	-	3,368,609
Substandard - ORR 8	-	-	-	-
Doubtful ORR 9	-	-	-	-
Loss - ORR 10	-	-	-	-
Total - Gross	36,993,809	233,166	-	37,226,975
Loss allowance	(30,710)	(1,929)	-	(32,639)
	36,963,099	231,237	-	37,194,336
Accrued interest				612,211
Carrying amount				37,806,547

Loan Commitments and financial Guarantees	2025			Total
	Stage 1	Stage 2	Stage 3	
Investment grade - ORR 1 to 4	16,277,147	9,718	-	16,286,865
Sub-investment grade - ORR 5 to 7	15,623,789	1,331,919	-	16,955,708
Substandard - ORR 8	-	-	4,383	4,383
Doubtful ORR 9	-	-	-	-
Loss - ORR 10	-	-	60,738	60,738
Total - Gross	31,900,936	1,341,637	65,121	33,307,694
Loss allowance	(29,969)	(27,121)	(62,612)	(119,702)
Carrying amount	31,870,967	1,314,516	2,509	33,187,992

Notes to the Consolidated Financial Statements continued

As at and for the year ended 31 December 2025

QAR '000s

4. FINANCIAL RISK MANAGEMENT (continued)

(b) Credit risk (continued)

(v) Credit Quality (continued)

	2024			
Cash and Balances with Central Banks (Excluding Cash on Hand) and Due from Banks	Stage 1	Stage 2	Stage 3	Total
Investment grade - ORR 1 to 4	19,296,714	-	-	19,296,714
Sub-investment grade - ORR 5 to 7	5,104,454	2,289,124	-	7,393,578
Substandard - ORR 8	-	-	-	-
Doubtful - ORR 9	-	-	-	-
Loss - ORR 10	-	-	-	-
Total - Gross	24,401,168	2,289,124	-	26,690,292
Loss allowance	(30,717)	(17,591)	-	(48,308)
	24,370,451	2,271,533	-	26,641,984
Accrued Interest				35,460
Carrying amount				26,677,444

	2024			
Loans and advances to Customers	Stage 1	Stage 2	Stage 3	Total
Investment grade - ORR 1 to 4	39,940,308	77,066	-	40,017,374
Sub-investment grade - ORR 5 to 7	31,337,111	18,232,804	-	49,569,915
Substandard - ORR 8	-	-	2,459,215	2,459,215
Doubtful - ORR 9	-	-	851,820	851,820
Loss - ORR 10	-	-	2,565,843	2,565,843
Total - Gross	71,277,419	18,309,870	5,876,878	95,464,167
Loss allowance	(222,408)	(1,504,871)	(3,102,389)	(4,829,668)
	71,055,011	16,804,999	2,774,489	90,634,499
Accrued Interest				845,509
Carrying amount				91,480,008

Notes to the Consolidated Financial Statements continued

As at and for the year ended 31 December 2025

QAR '000s

4. FINANCIAL RISK MANAGEMENT (continued)

(b) Credit risk (continued)

(v) Credit Quality (continued)

Investment Securities - Debt	2024			Total
	Stage 1	Stage 2	Stage 3	
Investment grade - ORR 1 to 4	24,117,766	1,777,223	-	25,894,989
Sub-investment grade - ORR 5 to 7	3,765,852	59,565	-	3,825,417
Substandard - ORR 8	-	-	-	-
Doubtful ORR 9	-	-	-	-
Loss - ORR 10	-	-	-	-
Total - Gross	27,883,618	1,836,788	-	29,720,406
Loss allowance	(30,478)	(4,607)	-	(35,085)
	27,853,140	1,832,181	-	29,685,321
Accrued interest				449,864
Carrying amount				30,135,185

Loan Commitments and financial Guarantees	2024			Total
	Stage 1	Stage 2	Stage 3	
Investment grade - ORR 1 to 4	20,341,952	49,522	-	20,391,474
Sub-investment grade - ORR 5 to 7	13,557,774	1,572,203	-	15,129,977
Substandard - ORR 8	-	-	11,459	11,459
Doubtful ORR 9	-	-	-	-
Loss - ORR 10	-	-	67,755	67,755
Total - Gross	33,899,726	1,621,725	79,214	35,600,665
Loss allowance	(35,037)	(16,335)	(72,269)	(123,641)
Carrying amount	33,864,689	1,605,390	6,945	35,477,024

Collateral

The determination of eligible collateral is based on QCB regulations and are assessed by reference to market price or indices of similar assets.

The Group has collateral in the form of blocked deposits, pledge of shares or legal mortgage against loans and advances to customers. Aggregate collateral for stage 1 as at 31 December 2025 is QAR 51,070 million (2024: QAR 45,627 million), stage 2 QAR 11,008 million (2024: QAR 12,602 million) and stage 3 QAR 2,202 million (2024: QAR 2,591 million).

Notes to the Consolidated Financial Statements continued

As at and for the year ended 31 December 2025

QAR '000s

4. FINANCIAL RISK MANAGEMENT (continued)

(b) Credit risk (continued)

(vi) Repossessed collateral

During the year, the Group acquired ownership of land and building by taking possession of collateral held as security for an amount of QAR 485 million (2024: QAR 134.6 million).

Repossessed properties proceeds are used to reduce the outstanding indebtedness and are sold as soon as practicable. Repossessed property is classified in the consolidated statement of financial position within other assets.

(vii) Write-off policy

Financial assets are written off (either partially or in full) when there is no reasonable expectation of recovering a financial asset in its entirety or a portion thereof. This is generally the case when the Group determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. This assessment is carried out at the individual asset level. Recoveries of amounts previously written off are recognised when the cash is received or cash receipt is virtually certain. Financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due. Write-offs are subject to regulatory approvals, if any. The amount written off / transferred during the year was QAR 372 million (2024: QAR 2.3 billion).

(viii) Inputs, assumptions and techniques used for estimating impairment

Significant increase in credit risk

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

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

- i) Two 'absolute' notches downgrade for ratings better than Rating Grade 5 at the time of origination and one 'absolute' notch rating downgrade for other rated customers.
- ii) Facilities restructured for credit reasons during previous twelve months.
- iii) Facilities overdue by 30 days as at the reporting date in case of Retail Products and overdue by 60 days for corporate customers.

Credit risk grades

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

Notes to the Consolidated Financial Statements continued

As at and for the year ended 31 December 2025

QAR '000s

4. FINANCIAL RISK MANAGEMENT (continued)

(b) Credit risk (continued)

(viii) Inputs, assumptions and techniques used for estimating impairment (continued)

Generating the term structure of Probability of Default (PD)

The Group employs its own database of default history to model estimates of PD for respective ratings that are used in credit decision making. Yearly transition matrices are developed to capture the rating migration of borrowers and yearly PDs are calculated through-the-cycle (TTC) PD. In order to transform the TTC PD to point in time, a credit index calculated over the passage of time based upon minimizing the sum of the squared differences between the TTC PD and Point-in-time (PIT) PD matrix elements. This analysis includes the identification and calibration of relationships between changes in default rates and changes in key macro-economic factors, across various geographies in which the Group has exposures.

Rescheduled/ Renegotiated financial assets

The contractual terms of a loan may be modified for a number of reasons, including changing market conditions, customer retention and other factors not related to a current or potential credit deterioration of the customer. This may involve extending the payment arrangements and documenting the agreement of new loan conditions. Management continuously reviews renegotiated loans to ensure that all criteria are met and that future payments are likely to occur.

The accounts which are restructured for credit reasons in the past 12 months will be classified under stage 2.

Definition of default

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

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

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

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

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

Notes to the Consolidated Financial Statements continued

As at and for the year ended 31 December 2025

QAR '000s

4. FINANCIAL RISK MANAGEMENT (continued)

(b) Credit risk (continued)

(viii) Inputs, assumptions and techniques used for estimating impairment (continued)

Measurement of ECL

The key inputs into the measurement of ECL are the term structure of the following variables:

- probability of default (PD);
- loss given default (LGD); and
- exposure at default (EAD).

These parameters are generally derived from internally developed statistical models and other historical data. They are adjusted to reflect forward-looking information as described above.

PD estimates are estimates at a certain date, which are calculated based on statistical rating models. These statistical models are primarily based on internally compiled data comprising both quantitative and qualitative factors.

LGD is the magnitude of the likely loss if there is a default. The Group has applied LGD factors based on the type of collateral available and has used the LGD floors that are prescribed by QCB for certain collateral types. LGD estimation includes:

- 1) Cure Rate: Defined as the ratio of accounts which have fallen to default and have managed to move backward to the performing accounts.
- 2) Recovery Rate: Defined as the ratio of liquidation value to market value of the underlying collateral at the time of default would also account for expected recovery rate from a general claim on the individual's assets for the unsecured portion of the exposure.
- 3) Discounting Rate: Defined as the opportunity cost of the recovery value not being realized on the day of default adjusted for time value.

EAD represents the expected exposure in the event of a default. The Group derives the EAD from the current exposure to the counterparty and potential changes to the current amount allowed under the contract including amortization. The EAD of a financial asset is its gross carrying amount.

For lending commitments and financial guarantees, the EAD includes the amount drawn, as well as potential future amounts that may be drawn under the contract, which are estimated based on historical observations and forward-looking forecasts.

Incorporation of forward-looking information

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

The assessment of Significant Increase in Credit Risk (SICR) and the calculation of ECL both incorporate forward-looking information. The Group has performed historical analysis and identified the key economic variables impacting credit risk and expected credit losses for each portfolio.

Notes to the Consolidated Financial Statements continued

As at and for the year ended 31 December 2025

QAR '000s

4. FINANCIAL RISK MANAGEMENT (continued)

(b) Credit risk (continued)

(viii) Inputs, assumptions and techniques used for estimating impairment (continued)

Incorporation of forward-looking information (continued)

The Group employs statistical models to incorporate macro-economic factors on historical default rates. In the case that none of the macro-economic parameters are statistically significant or the results of forecasted PDs are too deviated from the present forecast of the economic conditions, qualitative PD overlay is used by management based on portfolio analysis.

These economic variables and their associated impact on the PD, EAD and LGD vary by financial instrument. Expert judgement has also been applied in this process. Forecasts of these economic variables (the 'base economic scenario') are based on available information and include mean reversion approaches for long-term forecasts. The impact of these economic variables on the PD has been determined by performing statistical regression analysis.

In addition to the base economic scenario, other possible scenarios are assessed along with scenario weightings. The number of other scenarios used is set based on the analysis of each major product type to ensure non linearities are captured. At 31 December, the Group concluded that three scenarios appropriately captured non linearities for all portfolios. The scenario weightings are determined by a combination of statistical analysis and expert credit judgement, taking account of the range of possible outcomes each chosen scenario is representative of. The assessment of SICR is performed using the lifetime PD under each of the base, and other scenarios, multiplied by the associated scenario weighting, along with qualitative and backstop indicators. This determines whether the whole financial instrument is in Stage 1, Stage 2 or Stage 3 and hence whether 12-month or lifetime ECL should be recorded. Following this assessment, the Group measures ECL as either a probability weighted 12 month ECL (Stage 1), or a probability weighted lifetime ECL (Stages 2 and 3).

These probability-weighted ECLs are determined by running each scenario through the relevant ECL model and multiplying it by the appropriate scenario weighting (as opposed to weighting the inputs). As with any economic forecasts, the projections and likelihoods of occurrence are subject to a high degree of inherent uncertainty and therefore the actual outcomes may be significantly different to those projected. The Group considers these forecasts to represent its best estimate of the possible outcomes.

Predicted relationships between the key indicators and default and loss rates on various portfolios of financial assets have been developed based on analyzing historically data estimate of expected credit losses. In reality there will be interdependencies between the various economic inputs and the exposure to sensitivity will vary across the economic scenarios.

The ECL models have been updated through adjustments in the methods of scenario construction and the underlying weightages assigned to these scenarios. The forward-looking factor (here Credit Index or CI) used is determined from the observed historical default rates of the specific portfolios. The credit index is used to forecast expected point-in-time probabilities of default for the credit portfolio of the Bank.

Notes to the Consolidated Financial Statements continued

As at and for the year ended 31 December 2025

QAR '000s

4. FINANCIAL RISK MANAGEMENT (continued)

(b) Credit risk (continued)

(viii) Inputs, assumptions and techniques used for estimating impairment (continued)

Incorporation of forward-looking information (continued)

For the purpose of estimation of ECL, following assumptions were used:

	2025	2024
Average oil prices	\$68.2/bbl	\$72/bbl
GDP growth	2.4%	2.0%

For the purpose of estimation of ECL, following assumptions were used:

	2025	2024
Upside Case	15%	15%
Base Case	70%	70%
Downside Case	15%	15%

Other forward-looking considerations not otherwise incorporated within the above scenarios, such as the impact of any regulatory, legislative or political changes, have also been considered, but are not deemed to have a material impact and therefore no adjustment has been made to the ECL for such factors. This is reviewed and monitored for appropriateness on a quarterly basis.

The table below shows the loss allowance on loans and advances to customers assuming each forward-looking scenario (e.g. base, upside and downside) was weighted 100% instead of applying scenario probability weights across the three scenarios.

	2025	2024
100% Base Case, loss allowance would be higher/ (lower) by	3,488	(5,682)
100% Upside Case, loss allowance would be higher/ (lower) by	(76,601)	(139,415)
100% Downside Case, loss allowance would be higher/ (lower) by	60,324	176,341

These estimates are based on comparisons performed at 31 December.

Notes to the Consolidated Financial Statements continued

As at and for the year ended 31 December 2025

QAR '000s

4. FINANCIAL RISK MANAGEMENT (continued)

(b) Credit risk (continued)

(viii) Inputs, assumptions and techniques used for estimating impairment (continued)

Movement in ECL	2025			
	Stage 1	Stage 2	Stage 3	Total
Opening Balance as at 1 January 2025				
Due from banks and balances with central banks	30,717	17,591	-	48,308
Loans and advances to customers	222,408	1,504,871	3,102,389	4,829,668
Investment Securities (Debt)	30,478	4,607	-	35,085
Loan Commitments and Financial Guarantees	35,037	16,335	72,269	123,641
	318,640	1,543,404	3,174,658	5,036,702
ECL Charge for the Period (net)				
Due from banks and balances with central banks	38,094	8,874	-	46,968
Loans and advances to customers	(27,244)	235,041	1,310,842	1,518,639
Investment Securities (Debt)	483	(2,678)	-	(2,195)
Loan Commitments and Financial Guarantees	(4,628)	5,533	(3,928)	(3,023)
	6,705	246,770	1,306,914	1,560,389
Write offs / Transfer				
Due from banks and balances with central banks	-	-	-	-
Loans and advances to customers	-	-	(372,127)	(372,127)
Investment Securities (Debt)	-	-	-	-
Loan Commitments and Financial Guarantees	-	-	-	-
	-	-	(372,127)	(372,127)
Exchange differences				
Due from banks and balances with central banks	(89)	-	-	(89)
Loans and advances to customers	520	(9,368)	(24,759)	(33,607)
Investment Securities (Debt)	(251)	-	-	(251)
Loan Commitments and Financial Guarantees	(440)	5,253	(5,729)	(916)
	(260)	(4,115)	(30,488)	(34,863)
Closing Balance as at 31 December 2025				
Due from banks and balances with central banks	68,722	26,465	-	95,187
Loans and Advances to Customers*	195,684	1,730,544	4,016,345	5,942,573
Investment Securities (Debt)	30,710	1,929	-	32,639
Loan Commitments and Financial Guarantees	29,969	27,121	62,612	119,702
	325,085	1,786,059	4,078,957	6,190,101

*Allowance for impairment of loans and advances to customers includes QAR 958 million of interest in suspense (2024: QAR 777 million). During the year, the Bank has recorded modification loss related to the loans and advances amounting to QAR 155 million (2024: Nil).

Notes to the Consolidated Financial Statements continued

As at and for the year ended 31 December 2025

QAR '000s

4. FINANCIAL RISK MANAGEMENT (continued)

(b) Credit risk (continued)

(viii) Inputs, assumptions and techniques used for estimating impairment (continued)

Movement in ECL	2024			Total
	Stage 1	Stage 2	Stage 3	
Opening Balance as at 1 January 2024				
Due from banks and balances with central banks	43,475	19,006	-	62,481
Loans and advances to customers	183,563	1,779,601	3,977,594	5,940,758
Investment Securities (Debt)	51,808	5,352	-	57,160
Loan Commitments and Financial Guarantees	23,778	9,292	171,769	204,839
	302,624	1,813,251	4,149,363	6,265,238
ECL Charge for the Period (net)				
Due from banks and balances with central banks	(12,711)	(1,415)	-	(14,126)
Loans and advances to customers	46,819	(315,486)	1,393,433	1,124,766
Investment Securities (Debt)	(21,292)	(745)	-	(22,037)
Loan Commitments and Financial Guarantees	9,755	6,919	(99,826)	(83,152)
	22,571	(310,727)	1,293,607	1,005,451
Write offs / Transfer				
Due from banks and balances with central banks	-	-	-	-
Loans and advances to customers	-	-	(2,258,811)	(2,258,811)
Investment Securities (Debt)	-	-	-	-
Loan Commitments and Financial Guarantees	-	-	-	-
	-	-	(2,258,811)	(2,258,811)
Exchange differences				
Due from banks and balances with central banks	(47)	-	-	(47)
Loans and advances to customers	(7,974)	40,756	(9,827)	22,955
Investment Securities (Debt)	(38)	-	-	(38)
Loan Commitments and Financial Guarantees	1,504	124	326	1,954
	(6,555)	40,880	(9,501)	24,824
Closing Balance as at 31 December 2024				
Due from banks and balances with central banks	30,717	17,591	-	48,308
Loans and Advances to Customers	222,408	1,504,871	3,102,389	4,829,668
Investment Securities (Debt)	30,478	4,607	-	35,085
Loan Commitments and Financial Guarantees	35,037	16,335	72,269	123,641
	318,640	1,543,404	3,174,658	5,036,702

Notes to the Consolidated Financial Statements continued

As at and for the year ended 31 December 2025

QAR '000s

4. FINANCIAL RISK MANAGEMENT (continued)

(c) Liquidity risk

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

(i) Management of liquidity risk

The management of liquidity risk is governed by the Group's liquidity policy. The primary objective of liquidity risk management; over which ALCO has oversight, is to provide a planning mechanism for unanticipated changes in the demand or needs for liquidity created by customer behavior or abnormal market conditions. ALCO emphasizes the maximization and preservation of customer deposits and other funding sources. ALCO also monitors deposit rates, levels, trends and significant changes. Deposit marketing plans are regularly reviewed for consistency with the liquidity policy requirements. ALCO has in place a contingency plan, which is periodically reviewed. The Group's ability to raise wholesale and/or long term funding at competitive costs is directly impacted by the Bank's credit ratings, which are as follows:

Moody's: Long Term A2, Short Term P1, financial strength ba1 and outlook Stable.

Fitch : Long Term A, Short Term F1, financial strength bb+ and outlook Stable.

Standard & Poor's: Long Term A-, Short Term A2, financial strength bbb- and outlook stable

(ii) Exposure to liquidity risk

The key measure used by the Group for managing liquidity risk is the ratio of net liquid assets to deposits from customers. For this purpose, net liquid assets are considered as including cash and cash equivalents and investment grade debt securities for which there is an active and liquid market less any deposits from banks, debt securities, other borrowings and commitments maturing within the next month. A similar, but not identical, calculation is used to measure the Group's compliance with the liquidity limit established by the Group's lead regulator, QCB under the heading 'Liquidity coverage ratio' (LCR). The average liquidity coverage ratio maintained by the Group as at 31 December 2025 is 248.7% (2024: 270.1%), as against the minimum requirement of 100% for the year ended 31 December 2025 (100% for 31 December 2024) as per QCB regulations.

Notes to the Consolidated Financial Statements continued

As at and for the year ended 31 December 2025

QAR '000s

4. FINANCIAL RISK MANAGEMENT (continued)

(c) Liquidity risk (continued)

(iii) Maturity analysis

The following table sets out the maturity profile of the Group's assets and liabilities. The contractual maturities of assets and liabilities have been determined on the basis of the remaining period at 31 December to the contractual maturity date and do not take account of the effective maturities as indicated by the Group's deposit retention history and the availability of liquid funds. Management monitors the maturity profile to ensure that adequate liquidity is maintained.

	Carrying amount	Demand / within 1 month	1-3 months	3 months – 1 year	Subtotal 1 year	1-5 years	More than 5 years	No Maturity
2025								
Cash and balances with central banks	11,986,007	5,858,241	-	-	5,858,241	-	-	6,127,766
Due from banks	22,812,296	8,767,098	4,785,683	7,591,262	21,144,043	1,668,253	-	-
Loans and advances to customers	104,547,534	12,340,806	3,990,571	17,742,639	34,074,016	18,157,571	52,315,947	-
Investment securities	40,299,364	322,057	424,489	4,401,689	5,148,235	13,690,968	20,246,056	1,214,105
Investment in associates and a joint arrangement	4,523,156	-	-	-	-	-	-	4,523,156
Property and equipment and all other assets	8,744,362	442,063	833,893	75,634	1,351,590	160,470	-	7,232,302
Total	192,912,719	27,730,265	10,034,636	29,811,224	67,576,125	33,677,262	72,562,003	19,097,329
Due to banks	22,099,955	8,042,657	3,183,442	4,280,215	15,506,314	6,588,629	-	5,012
Customer deposits	89,445,384	47,041,362	15,218,875	22,666,037	84,926,274	4,490,030	-	29,080
Debt securities	13,302,742	858,512	477,393	3,908,666	5,244,571	7,896,745	161,426	-
Other borrowings	27,359,106	399,678	1,065,384	10,191,332	11,656,394	15,063,021	639,691	-
Other liabilities	13,692,041	3,781,834	1,277,013	7,680,722	12,739,569	952,472	-	-
Total	165,899,228	60,124,043	21,222,107	48,726,972	130,073,122	34,990,897	801,117	34,092
Difference	27,013,491	(32,393,778)	(11,187,471)	(18,915,748)	(62,496,997)	(1,313,635)	71,760,886	19,063,237

Notes to the Consolidated Financial Statements continued

As at and for the year ended 31 December 2025

QAR '000s

4. FINANCIAL RISK MANAGEMENT (continued)

(c) Liquidity risk (continued)

(iii) Maturity analysis (continued)

	Carrying amount	Demand / within 1 month	1-3 months	3 months – 1 year	Subtotal 1 year	1-5 years	More than 5 years	No Maturity
2024								
Cash and balances with central banks	7,306,830	1,800,726	-	-	1,800,726	-	-	5,506,104
Due from banks	20,705,383	9,814,510	2,707,655	6,991,404	19,513,569	1,191,814	-	-
Loans and advances to customers	91,480,008	7,281,335	5,134,596	4,883,145	17,299,076	21,341,815	52,839,117	-
Investment securities	33,228,625	727,879	1,041,737	3,646,108	5,415,724	14,053,600	12,433,077	1,326,224
Investment in associates and a joint arrangement	3,659,348	-	-	-	-	-	-	3,659,348
Property and equipment and all other assets	9,297,652	744,478	1,120,823	164,309	2,029,610	102,639	-	7,165,403
Total	165,677,846	20,368,928	10,004,811	15,684,966	46,058,705	36,689,868	65,272,194	17,657,079
Due to banks	20,840,281	5,354,367	9,131,427	4,952,504	19,438,298	1,396,124	-	5,859
Customer deposits	77,006,817	43,256,280	13,232,871	17,418,702	73,907,853	3,098,138	-	826
Debt securities	10,734,890	823,387	326,526	2,406,969	3,556,882	6,047,425	1,130,583	-
Other borrowings	24,729,655	71,094	560,125	3,096,504	3,727,723	21,001,932	-	-
Other liabilities	6,012,609	4,740,250	675,847	586,302	6,002,399	10,210	-	-
Total	139,324,252	54,245,378	23,926,796	28,460,981	106,633,155	31,553,829	1,130,583	6,685
Difference	26,353,594	(33,876,450)	(13,921,985)	(12,776,015)	(60,574,450)	5,136,039	64,141,611	17,650,394

Notes to the Consolidated Financial Statements continued

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QAR '000s

4. FINANCIAL RISK MANAGEMENT (continued)

(c) Liquidity risk (continued)

(iv) Maturity analysis (financial liabilities)

The table below summarizes the maturity profile of the Group's financial liabilities at 31 December based on contractual undiscounted repayment obligations.

2025	Carrying amount	Gross undiscounted cash flows	Less than 1 month	1-3 months	3 months – 1 year	1-5 years	More than 5 years
Non-derivative financial liabilities							
Due to banks	22,099,955	22,843,179	8,302,460	3,294,735	4,428,735	6,817,249	-
Customer deposits	89,445,384	92,127,634	48,442,976	15,689,580	23,367,256	4,627,822	-
Debt securities	13,302,742	15,499,536	743,199	557,152	3,940,967	9,357,950	900,268
Other borrowings	27,359,106	28,544,694	502,081	1,959,479	10,121,201	15,112,815	849,118
Other liabilities	13,692,041	13,692,041	3,781,834	1,277,013	7,680,722	952,472	-
Total liabilities	165,899,228	172,707,084	61,772,550	22,777,959	49,538,881	36,868,308	1,749,386
2024	Carrying amount	Gross undiscounted cash flows	Less than 1 month	1-3 months	3 months – 1 year	1-5 years	More than 5 years
Non-derivative financial liabilities							
Due to banks	20,840,281	22,160,386	5,607,647	9,936,333	5,161,076	1,455,330	-
Customer deposits	77,006,817	79,579,431	44,650,246	13,692,738	18,032,381	3,204,066	-
Debt securities	10,734,890	12,775,912	823,387	363,166	2,496,773	7,930,250	1,162,336
Other borrowings	24,729,655	25,238,034	349,342	448,829	2,997,257	21,442,606	-
Other liabilities	6,012,609	6,012,609	4,740,250	675,847	586,302	10,210	-
Total liabilities	139,324,252	145,766,372	56,170,872	25,116,913	29,273,789	34,042,462	1,162,336

Notes to the Consolidated Financial Statements continued

As at and for the year ended 31 December 2025

QAR '000s

4. FINANCIAL RISK MANAGEMENT (continued)

(c) Liquidity risk (continued)

(v) Off-balance sheet items

The table below summarizes contractual expiry dates of the Group's off - financial position financial instruments:

2025	Below 1 Year	Above 1 Year	Total
Unutilized credit facilities	12,071,210	2,160,158	14,231,368
Guarantees	9,012,938	10,063,388	19,076,326
Capital commitments	167,501	-	167,501
Total liabilities	21,251,649	12,223,546	33,475,195
2024	Below 1 Year	Above 1 Year	Total
Unutilized credit facilities	9,664,603	6,101,092	15,765,695
Guarantees	10,949,447	8,885,523	19,834,970
Capital commitments	118,011	-	118,011
Total liabilities	20,732,061	14,986,615	35,718,676

(d) Market risk

The Group takes exposure to market risk, which is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risks arise from open positions in interest rate, currency and equity products, all of which are exposed to general and specific market movements and changes in the level of volatility of market rates or prices such as interest rates, credit spreads, foreign exchange rates and equity prices. The Group separates exposures to market risk into either trading or non-trading portfolios and by product type.

The market risks arising from trading and non-trading activities are concentrated in Group Treasury and monitored by two teams separately. Regular reports are submitted to the Board of Directors and heads of each business unit.

Trading portfolios include those positions arising from market-making transactions where the Group acts as principal with clients or with the market.

Non-trading portfolios primarily arise from the interest rate management of the entity's retail and commercial banking assets and liabilities. Non-trading portfolios also consist of foreign exchange and sovereign bond investments.

Notes to the Consolidated Financial Statements continued

As at and for the year ended 31 December 2025

QAR '000s

4. FINANCIAL RISK MANAGEMENT (continued)

(d) Market risk (continued)

(i) Management of market risks

Overall authority for market risk is vested in ALCO. Group Market Risk is responsible for the development of detailed risk management policies (subject to review and approval by ALCO) and for the day-to-day review of their implementation.

The Group's proprietary investments are managed according to the Group's internal investment policy, which has been approved by the Board of Directors and drafted in accordance with the Qatar Central Bank guidelines. The Group's trading activities are conducted by Treasury and Investments Division. These activities are subject to business line guidelines and policies. The Group employs several techniques to measure and control activities including sensitivity analysis, position limits and risk based limits.

Investment proposals are approved at the Investment Committee and decisions driven by the investment strategy, which is developed by the business line under ALCO oversight and approved by the Board.

(ii) Exposure to interest rate risk

The principal risk to which financial instruments are exposed is the risk of loss from fluctuations in the future cash flows or fair values of financial instruments because of a change in market interest rates. Interest rate risk is managed principally through monitoring interest rate gaps and by having pre-approved limits for repricing bands. ALCO is the monitoring body for compliance with these limits and is assisted by Group Treasury in its day-to-day monitoring activities.

The Group takes on exposure to the effects of fluctuations in the prevailing levels of market interest rates on both its fair value and cash flow risks. Interest margins may increase as a result of such changes but may reduce losses in the event that unexpected movements arise. The Board sets limits on the level of mismatch of interest rate repricing that may be undertaken, which is monitored daily by Group Treasury.

The Asset and Liability Management ("ALM") process, managed through ALCO, is used to manage interest rate risk associated with financial instruments. Interest rate risk represents the most significant market risk exposure to the Group's financial instruments.

The Group's goal is to manage interest rate sensitivity so that movements in interest rates do not adversely affect net interest income. Interest rate risk is measured as the potential volatility to the net interest rate income caused by changes in market interest rates. The Group typically manages the interest rate risk of its financial instruments by segmenting these assets and liabilities into two broad portfolios: non-discretionary and discretionary. The non-discretionary portfolio consists of the Group's customer driven loans and deposit positions and securities required to support regulatory requirements. To manage the resulting interest rate sensitivity of the Group's non-discretionary portfolio, the Group uses a discretionary portfolio of securities, long dated deposits, inter-bank takings and placements, and when warranted, derivatives. Strategically positioning the discretionary portfolio, the Group largely manages the interest rate sensitivity in the non-discretionary portfolio.

Notes to the Consolidated Financial Statements continued

As at and for the year ended 31 December 2025

QAR '000s

4. FINANCIAL RISK MANAGEMENT (continued)

(d) Market risk (continued)

(ii) Exposure to interest rate risk (continued)

The following table summarizes the interest sensitivity position at year end, by reference to the re-pricing period or maturity of the Group's assets and liabilities.

A summary of the Group's interest rate gap position is as follows:

2025	Repricing in:					Non-interest sensitive	Effective interest rate %
	Carrying amount	Less than 3 months	3-12 months	1-5 years	More than 5 years		
Cash and balances with central banks	11,986,007	5,821,140	-	-	-	6,164,867	
Due from banks	22,812,296	9,916,294	7,583,452	1,658,967	-	3,653,583	3.70%
Loans and advances to customers	104,547,534	37,893,590	55,961,386	2,127,988	72,410	8,492,160	7.52%
Investment securities	40,299,364	1,197,657	4,860,423	13,321,525	19,705,654	1,214,105	5.20%
Investment in associates and a joint arrangement	4,523,156	-	-	-	-	4,523,156	
Property and equipment and all other assets	8,744,362	-	-	-	-	8,744,362	
	192,912,719	54,828,681	68,405,261	17,108,480	19,778,064	32,792,233	-
Due to banks	(22,099,955)	(10,662,618)	(4,406,363)	(6,504,126)	-	(526,848)	5.20%
Customer deposits	(89,445,384)	(44,217,458)	(22,666,037)	(4,490,029)	-	(18,071,860)	4.32%
Debt securities	(13,302,742)	(1,207,960)	(4,004,775)	(7,927,915)	(142,647)	(19,445)	3.57%
Other borrowings	(27,359,106)	(2,072,397)	(10,053,183)	(14,486,906)	(637,000)	(109,620)	3.96%
Other liabilities	(13,692,041)	-	-	-	-	(13,692,041)	
Equity	(27,013,491)	-	-	-	-	(27,013,491)	
	(192,912,719)	(58,160,433)	(41,130,358)	(33,408,976)	(779,647)	(59,433,305)	-
Interest rate sensitivity gap	-	(3,331,752)	27,274,903	(16,300,496)	18,998,417	(26,641,072)	-
Cumulative Interest rate sensitivity gap	-	(3,331,752)	23,943,151	7,642,655	26,641,072	-	-

Notes to the Consolidated Financial Statements continued

As at and for the year ended 31 December 2025

QAR '000s

4. FINANCIAL RISK MANAGEMENT (continued)

(d) Market risk (continued)

(ii) Exposure to interest rate risk (continued)

A summary of the Group's interest rate gap position is as follows:

2024	Repricing in:						Non-interest sensitive	Effective interest rate %
	Carrying amount	Less than 3 months	3-12 months	1-5 years	More than 5 years			
Cash and balances with central banks	7,306,830	1,739,376	-	-	-	5,567,454	-	
Due from banks	20,705,383	6,837,593	9,308,683	1,189,757	-	3,369,350	3.96%	
Loans and advances to customers	91,480,008	36,836,222	52,025,544	1,920,362	91,865	606,015	8.09%	
Investment securities	33,228,625	2,352,790	4,783,882	12,767,437	11,960,519	1,363,997	5.29%	
Investment in associates and a joint arrangement	3,659,348	-	-	-	-	3,659,348	-	
Property and equipment and all other assets	9,297,652	-	-	-	-	9,297,652	-	
	165,677,846	47,765,981	66,118,109	15,877,556	12,052,384	23,863,816	-	
Due to banks	(20,840,281)	(14,558,333)	(4,791,795)	(1,278,709)	-	(211,444)	5.46%	
Customer deposits	(77,006,817)	(40,350,393)	(17,418,702)	(3,098,138)	-	(16,139,584)	4.62%	
Debt securities	(10,734,890)	(1,148,747)	(2,603,153)	(5,964,832)	(998,636)	(19,522)	2.55%	
Other borrowings	(24,729,655)	(1,559,670)	(17,258,794)	(5,822,908)	-	(88,283)	5.41%	
Other liabilities	(6,012,609)	-	-	-	-	(6,012,609)	-	
Equity	(26,353,594)	-	-	-	-	(26,353,594)	-	
	(165,677,846)	(57,617,143)	(42,072,444)	(16,164,587)	(998,636)	(48,825,036)	-	
Interest rate sensitivity gap	-	(9,851,162)	24,045,665	(287,031)	11,053,748	(24,961,220)	-	
Cumulative Interest rate sensitivity gap	-	(9,851,162)	14,194,503	13,907,472	24,961,220	-	-	

Notes to the Consolidated Financial Statements continued

As at and for the year ended 31 December 2025

QAR '000s

4. FINANCIAL RISK MANAGEMENT (continued)

(d) Market risk (continued)

(ii) Exposure to interest rate risk (continued)

Sensitivity analysis

The management of interest rate risk against interest rate gap limits is supplemented by monitoring the sensitivity of the Group's financial assets and liabilities to various standard and non-standard interest rate scenarios. Standard scenarios that are considered on a monthly basis include a 25 basis point (bp) parallel fall or rise in all yield curves worldwide and a 25 bp rise or fall in the greater than 12-month portion of all yield curves. An analysis of the Group's sensitivity to an increase or decrease in market interest rates, assuming no asymmetrical movement in yield curves and a constant financial position, is as follows:

Sensitivity of net interest income	25 bp parallel increase	25 bp parallel decrease
2025		
At 31 December	22,764	(22,764)
Average for the year	25,724	(25,724)

2024		
At 31 December	28,684	(28,684)
Average for the year	23,649	(23,649)

Sensitivity to reported Fair value reserve in equity of interest rate movements	25 bp parallel increase	25 bp parallel decrease
2025		
At 31 December	4,983	(4,983)
Average for the year	4,829	(4,829)

2024		
At 31 December	4,921	(4,921)
Average for the year	4,989	(4,989)

Interest rate movements affect reported equity in the following ways:

- Retained earnings arising from increases or decreases in net interest income and the fair value changes reported in profit or loss; and
- Fair value reserves arising from increases or decreases in fair values of debt securities which are reported directly in other comprehensive income.

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

Notes to the Consolidated Financial Statements continued

As at and for the year ended 31 December 2025

QAR '000s

4. FINANCIAL RISK MANAGEMENT (continued)

(d) Market risk (continued)

(ii) Exposure to other market risks – non-trading portfolios

Foreign currency transactions

The Group monitors any concentration risk in relation to any individual currency in regard to the translation of foreign currency transactions and monetary assets and liabilities. The table shows the net foreign currency exposure by major currencies at the end of the reporting period along with the sensitivities if there were to be a change in the currency exchange rate.

Net foreign currency exposure:	2025	2024
Pound Sterling	(10,902)	(15,809)
Euro	(47,990)	(243,808)
USD	(31,639,400)	(36,101,882)
TRY	(1,779)	762,899
Other currencies	8,765,616	3,429,502
	Increase (decrease) in profit or loss	
5% increase in currency exchange rate	2025	2024
Pound Sterling	(545)	(790)
Euro	(2,400)	(12,190)
USD	(1,581,970)	(1,805,094)
TRY	(89)	38,145
Other currencies	435,254	171,475

Open exchange position in other currencies represents Group's investment in associates and a joint arrangement denominated in OMR and AED.

Notes to the Consolidated Financial Statements continued

As at and for the year ended 31 December 2025

QAR '000s

4. FINANCIAL RISK MANAGEMENT (continued)

(d) Market risk (continued)

(ii) Exposure to other market risks – non-trading portfolios (continued)

Equity price risk

Equity price risk, is the risk that the fair values of equities decrease as a result of changes in the levels of equity indices and the value of individual stocks. The effect on equity due to a reasonably possible change in equity indices, with all other variables held constant, is as follows:

The Group is also exposed to equity price risk and the sensitivity analysis there of is as follows:

	Change in equity price (%)	2025	2024
Increase / (decrease) in total comprehensive income:			
Qatar Exchange	10%	109,184	121,432

The above analysis has been prepared on the assumption that all other variables such as interest rate, foreign exchange rate, etc. are held constant and is based on historical correlation of the equity securities to the relevant index. Actual movement may be different from the one stated above and is subject to impairment assessment at the end of each reporting period.

(e) Operational risks

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the Group's involvement with financial instruments, including processes, personnel, technology and infrastructure, and from external factors other than credit, market and liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards of corporate behavior.

The Group's objective is to manage operational risk so as to balance the avoidance of financial losses and damage to the Group's reputation with overall cost effectiveness and to avoid control procedures that restrict initiative and creativity.

The primary responsibility for the development and implementation of controls to address Operational risk is assigned to senior management within each business unit. This responsibility is supported by the development of overall Group standards for the management of operational risk in the following areas:

- requirements for appropriate segregation of duties, including the independent authorization of transactions;
- requirements for the reconciliation and monitoring of transactions;
- compliance with regulatory and other legal requirements;
- documentation of controls and procedures;
- requirements for the periodic assessment of operational risks faced, and the adequacy of controls and procedures to address the risks identified;
- requirements for the reporting of operational losses and proposed remedial action;
- development of contingency plans;
- training and professional development;
- ethical and business standards; and
- risk mitigation, including insurance where this is effective.

Notes to the Consolidated Financial Statements continued

As at and for the year ended 31 December 2025

QAR '000s

4. FINANCIAL RISK MANAGEMENT (continued)

(f) Capital management

Regulatory capital

The Group's policy is to maintain a strong capital base so as to ensure investor, creditor and market confidence and to sustain future development of the business. The adequacy of the Group's capital is monitored using, among other measures, the rules and ratios established by the Basel Committee on Banking Supervision and adopted by Qatar Central Bank in supervising the Group.

The primary objectives of the Group's capital management are to ensure that the Group complies with externally imposed capital requirements and that the Group maintains strong credit ratings and healthy capital ratios in order to support its business and to maximise shareholders' value. The Group and its individually regulated operations have complied with all externally imposed capital requirements throughout the period. The Capital Adequacy Ratio (CAR) of the Group is calculated in accordance with the Basel Committee guidelines as adopted by Qatar Central Bank (QCB). From 1st January 2024 QCB adopted new Basel III reforms for CAR calculations.

The Group's regulatory capital position under Basel III QCB regulations as at 31 December was as follows:

	Basel III 2025	Basel III 2024
Common Equity Tier 1 (CET 1) Capital	16,135,326	16,183,136
Additional Tier 1 Capital	5,153,439	4,449,398
Tier 1 Capital	21,288,765	20,632,534
Tier 2 Capital	1,967,496	1,953,282
Total Eligible Capital	23,256,261	22,585,816
Risk Weighted Assets for Credit Risk	121,556,747	111,209,759
Risk Weighted Assets for Market Risk	1,679,363	12,175,343
Risk Weighted Assets for Operational Risk	8,649,273	8,268,766
Total Risk Weighted Assets	131,885,383	131,653,868
	2025	2024
CET 1 Ratio	12.2%	12.3%
Tier 1 Capital Ratio	16.1%	15.7%
Total Capital Ratio	17.6%	17.2%

Notes to the Consolidated Financial Statements continued

As at and for the year ended 31 December 2025

QAR '000s

4. FINANCIAL RISK MANAGEMENT (continued)

(f) Capital management (continued)

The minimum requirements for Capital Adequacy Ratio under Basel III for the Group as per QCB regulations are as follows:

	Without Capital Conservation Buffer	Capital conservation buffer	Additional DSIB charge	ICAAP Capital Charge	Total
Minimum limit for CET 1 ratio	6.0%	2.5%	0.5%	0.0%	9.0%
Minimum limit for Tier 1 capital ratio	8.0%	2.5%	0.5%	0.0%	11.0%
Minimum limit for Total capital ratio	10.0%	2.5%	0.5%	1.5%	14.5%

5. USE OF ESTIMATES AND JUDGMENTS

(a) Key sources of estimation uncertainty

The Group makes estimates and assumptions that affect the reported amounts of assets and liabilities. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

(i) Allowances for credit losses

Assessment of whether credit risk on the financial assets has increased significantly since initial recognition and incorporation of forward looking information in the measurement of ECL, refer to note 4(b)(viii).

(ii) Determining fair values

The determination of fair value for financial assets and liabilities for which there is no observable market price requires the use of valuation techniques as described in the accounting policy. For financial instruments that trade infrequently and have little price transparency, fair value is less objective, and requires varying degrees of judgement depending on liquidity, concentration, uncertainty of market factors, pricing assumptions and other risks affecting the specific instrument.

Where the fair values of financial assets and financial liabilities cannot be derived from active markets, they are determined using a variety of valuation techniques that include the use of mathematical models. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. The judgments include considerations of liquidity and model inputs such as correlation and volatility for longer dated derivatives.

(iii) Useful life of intangible assets

The Group's management determines the estimated useful life of its intangible assets for calculating amortization. This estimate is determined after considering the expected economic benefits from the use of intangible assets.

Notes to the Consolidated Financial Statements continued

As at and for the year ended 31 December 2025

QAR '000s

5. USE OF ESTIMATES AND JUDGMENTS (continued)

(a) Key sources of estimation uncertainty (continued)

(iv) Fair value of land and buildings

The fair value of land and building is determined by valuations from external professional real estate valuers using recognized valuation techniques and the principles of IFRS 13 "Fair Value Measurement".

(b) Critical accounting judgements in applying the Group's accounting policies

(i) Valuation of financial instruments

The Group's accounting policy on fair value measurements is discussed in the significant accounting policies section.

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: Inputs that are quoted market prices (unadjusted) in active markets for identical instruments.
- Level 2: Inputs other than quoted prices included within Level 1 that are observable either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques in which all significant inputs are directly or indirectly observable from market data.
- Level 3: Inputs that are unobservable. This category includes all instruments for which the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are value based on quoted prices for similar instruments for which significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

Fair values of financial assets and financial liabilities that are traded in active markets are based on quoted market prices or dealer price quotations. For all other financial instruments, the Group determines fair values using valuation techniques. Valuation techniques include net present value and discounted cash flow models and comparison to similar instruments for which market observable prices exist.

Notes to the Consolidated Financial Statements continued

As at and for the year ended 31 December 2025

QAR '000s

5. USE OF ESTIMATES AND JUDGMENTS (continued)

(b) Critical accounting judgements in applying the Group's accounting policies (continued)

(i) Valuation of financial instruments (continued)

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:

	Level 1	Level 2	Level 3	Carrying amount
2025				
Derivative assets	-	444,970	-	444,970
Investment securities	10,518,477	973,348	77,604	11,569,429
	10,518,477	1,418,318	77,604	12,014,399
Derivative liabilities	-	453,124	-	453,124
	-	453,124	-	453,124
	Level 1	Level 2	Level 3	Carrying amount
2024				
Derivative assets	-	498,274	-	498,274
Investment securities	8,545,353	709,638	95,516	9,350,507
	8,545,353	1,207,912	95,516	9,848,781
Derivative liabilities	-	976,377	-	976,377
	-	976,377	-	976,377

There have been no transfers between level 1 and level 2

Reconciliation of level 3 investments are as follows:

	2025	2024
Balance at 1 January	95,516	100,284
Cost movement	(14,936)	(4,504)
Profit and loss movement	(2,976)	(264)
Balance at 31 December	77,604	95,516

(ii) Financial asset and liability classification

Assessment of the business model within which the assets are held and assessment of whether the contractual terms of the financial asset are solely payments of principal and interest on the principal amount outstanding. Refer to note 3 (d) (ii) for further information.

Notes to the Consolidated Financial Statements continued

As at and for the year ended 31 December 2025

QAR '000s

5. USE OF ESTIMATES AND JUDGMENTS (continued)

(b) Critical accounting judgements in applying the Group's accounting policies (continued)

(iii) Qualifying hedge relationships

In designating financial instruments in qualifying hedge relationships, the Group has determined that it expects the hedges to be highly effective over the period of the hedging relationship.

(iv) Impairment of investments in equity and debt securities

Assessment of whether credit risk on the financial asset has increased significantly since initial recognition and incorporation of forward-looking information in the measurement of ECL. Refer to note 4 (b) (viii) Inputs, assumptions and techniques used for estimating impairment of financial assets for more information.

(v) Goodwill impairment

Goodwill is tested annually for impairment; assets are grouped together into smallest group of assets that generates cash inflows from continuing use that is largely independent of the cash inflows of other assets or Cash Generating Units (CGUs). Goodwill arising from a business combination is allocated to the CGU which is expected to benefit from the synergies of the combination.

The 'recoverable amount' of an asset or CGU is the greater of its value in use and its fair value less costs to sell. 'Value in use' is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognized if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment losses are recognized in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

(vi) Leases - Estimating the incremental borrowing rate

The Group uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group 'would have to pay', which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Group estimates the IBR using observable inputs (such as market interest rates).

(vii) Going concern

The Group's management has made an assessment of the Group's ability to continue as a going concern and is satisfied that the Group has resources to continue in the business for the foreseeable future. Furthermore, the management is not aware of any material uncertainties that may cast significant doubt upon the Group's ability to continue as a going concern. Therefore, the financial statements continue to be prepared on the going concern basis.

Notes to the Consolidated Financial Statements continued

As at and for the year ended 31 December 2025

QAR '000s

6. OPERATING SEGMENTS

The Group organises and manages its operations through four main business segments, as described below, which are the Group's strategic business units. For each strategic business units, the Group management committee reviews internal management reports on at least a quarterly basis. The strategic business units offer different products and services and are managed separately because they require different strategies.

Qatar operations:

1. **Wholesale Banking** provides an extensive range of conventional funded and non-funded credit facilities, demand and time deposit services, currency exchange facilities, interest rate swaps and other derivative trading services, loan syndication and structured financing services to corporate, commercial and multinational customers. Money market funds and proprietary investment portfolio are also managed by this operating segment.
2. **Retail Banking** provides personal current, savings, time and investment account services, credit card and debit card services, consumer and vehicle loans, residential mortgage services, custodial services to retail and individual customers and brokerage services provided by Commercialbank Financial Services L.L.C. wholly owned subsidiary operating in Qatar.

3. International:

Alternatif Bank: A subsidiary that provides banking services through its branch network in Turkey. Alternatif bank also has its subsidiaries. The Group reported Abank group result under this operating segment.

Investment in associates includes strategic investments in the National Bank of Oman in the Sultanate of Oman and United Arab Bank in the United Arab Emirates.

All Associates and joint arrangement Companies are accounted for under the equity method.

4. Unallocated, Intra - group transactions and others

Unallocated assets, liabilities and revenues are related to certain central functions and non-core business operations. (For example, Group headquarters, common property & equipment, cash functions and net of intra-group transactions).

Management monitors the results of the operating segments separately to make decisions about resource allocation and performance assessment. Transfer prices between operating segments are on an arm's length basis.

Others include subsidiaries and joint arrangement operating in Qatar.

Notes to the Consolidated Financial Statements continued

As at and for the year ended 31 December 2025

QAR '000s

6. OPERATING SEGMENTS (continued)

(a) By operating segment

Segment assets and liabilities comprise operating assets and liabilities which are directly handled by the operating segment and income or expenses are attributed with the assets and liabilities' ownership. The following table summarizes performance of the operating segments:

2025	Qatar Operations			Unallocated and Intra-group transactions	Total
	Wholesale Banking	Retail Banking	International		
Net interest income	1,939,464	1,066,695	408,601	(837)	3,413,923
Net fee, commission and other income	474,853	756,665	3,831	136,857	1,372,206
Segmental revenue	2,414,317	1,823,360	412,432	136,020	4,786,129
Net Impairment losses on investment securities	2,912	-	(717)	-	2,195
Net impairment loss on loans and advances to customers and other financial assets	(833,485)	(73,501)	(29,828)	-	(936,814)
Segmental profit	1,172,620	1,122,756	(144,615)	(352,205)	1,798,556
Share of results of associates and a joint arrangement	-	-	404,759	1,629	406,388
Net profit for the year	1,172,620	1,122,756	260,144	(350,576)	2,204,944
Other information					
Loans and advances to customers	85,203,696	12,890,773	6,453,065	-	104,547,534
Investments in associates and a joint arrangement	-	-	4,514,457	8,699	4,523,156
Assets (other than above)	72,896,231	1,997,442	4,707,729	4,240,627	83,842,029
					192,912,719
Customer deposits	56,590,001	29,274,128	3,701,271	(120,016)	89,445,384
Liabilities (other than above)	68,013,168	1,037,177	5,888,368	1,515,131	76,453,844
					165,899,228
Contingent items	28,571,384	1,456,892	3,279,418	-	33,307,694

Intra-group transactions are eliminated from this segmental information (Assets: QAR 4,754 million, Liabilities: QAR 1,237 million).

Notes to the Consolidated Financial Statements continued

As at and for the year ended 31 December 2025

QAR '000s

6. OPERATING SEGMENTS (continued)

(a) By operating segment (continued)

2024	Qatar Operations				Unallocated and Intra-group transactions	Total
	Wholesale Banking	Retail Banking	International			
Net interest income	1,945,437	1,049,514	328,185	(5,911)	3,317,225	
Net fee, commission and other income	117,275	763,231	(72,151)	430,463	1,238,818	
Segmental revenue	2,062,712	1,812,745	256,034	424,552	4,556,043	
Net impairment reversal on investment securities	22,146	-	(109)	-	22,037	
Net impairment loss on loans and advances to customers and other financial assets	(172,177)	(126,383)	65,467	-	(233,093)	
Segmental profit	1,571,139	1,134,967	(85,195)	81,421	2,702,332	
Share of results of associates and a joint arrangement	-	-	327,325	2,414	329,739	
Net profit for the year	1,571,139	1,134,967	242,130	83,835	3,032,071	
Other information						
Loans and advances to customers	74,310,180	12,497,454	4,672,374	-	91,480,008	
Investments in associates and a joint arrangement	-	-	3,651,029	8,319	3,659,348	
Assets (other than above)	60,091,440	2,280,845	4,134,774	4,031,431	70,538,490	
					165,677,846	
Customer deposits	46,917,434	26,433,381	3,778,348	(122,346)	77,006,817	
Liabilities (other than above)	56,726,387	1,271,666	3,144,325	1,175,057	62,317,435	
					139,324,252	
Contingent items	30,392,787	1,673,340	3,534,538	-	35,600,665	

Intra-group transactions are eliminated from this segmental information (Assets: QAR 4,994 million, Liabilities: QAR 1,765 million).

Notes to the Consolidated Financial Statements continued

As at and for the year ended 31 December 2025

QAR '000s

6. OPERATING SEGMENTS (continued)

(b) By geography

Consolidated statement of financial position	Qatar	Other GCC countries	Other Middle East	Europe	North America	Rest of the world	Total
2025							
Cash and balances with central banks	10,275,464	-	1,710,543	-	-	-	11,986,007
Due from banks	2,094,497	7,897,055	4,844,063	2,533,567	1,518,967	3,924,147	22,812,296
Loans and advances to customers	91,660,042	1,263,355	9,795,841	507,047	-	1,321,249	104,547,534
Investment securities	34,698,642	1,518,991	2,704,444	435,450	256,753	685,084	40,299,364
Investment in associates and a joint arrangement	8,698	4,514,458	-	-	-	-	4,523,156
Property and equipment and all other assets	7,957,172	-	787,190	-	-	-	8,744,362
Total assets	146,694,515	15,193,859	19,842,081	3,476,064	1,775,720	5,930,480	192,912,719
Due to banks	1,545,992	3,425,462	4,425,283	5,605,625	2,949	7,094,644	22,099,955
Customer deposits	76,441,599	2,538,022	3,645,377	4,623,043	1,139,729	1,057,614	89,445,384
Debt securities	-	-	71,261	13,231,481	-	-	13,302,742
Other borrowings	8,629,773	7,287,824	641,658	4,024,661	-	6,775,190	27,359,106
Other liabilities	12,875,402	-	816,639	-	-	-	13,692,041
Equity	26,170,327	-	843,164	-	-	-	27,013,491
Total liabilities and equity	125,663,093	13,251,308	10,443,382	27,484,810	1,142,678	14,927,448	192,912,719

Notes to the Consolidated Financial Statements continued

As at and for the year ended 31 December 2025

QAR '000s

6. OPERATING SEGMENTS (continued)

(b) By geography (continued)

Consolidated statement of income	Qatar	Other GCC countries	Other Middle East	Europe	North America	Rest of the world	Total
Year ended 31 December 2025							
Net interest income	4,199,696	(128,984)	777,190	(1,004,843)	53,445	(482,581)	3,413,923
Net fee, commission and other income	1,140,051	124,801	96,945	2,137	-	8,272	1,372,206
Net operating income	5,339,747	(4,183)	874,135	(1,002,706)	53,445	(474,309)	4,786,129
Staff cost	(611,957)	-	(161,461)	-	-	-	(773,418)
Depreciation	(214,035)	-	(20,438)	-	-	-	(234,473)
Amortization of intangible assets	-	-	(23,057)	-	-	-	(23,057)
Impairment loss on investment securities	2,912	-	(717)	-	-	-	2,195
Net impairment loss on loans and advances to customers	(860,040)	-	(32,829)	-	-	-	(892,869)
Net impairment losses on other financial assets	(46,945)	-	3,000	-	-	-	(43,945)
Other Provision	(242,519)	-	(16,192)	-	-	-	(258,711)
Other expenses	(276,014)	-	(104,203)	-	-	-	(380,217)
Profit before net monetary loss and share of results of associates and a joint arrangement	3,091,149	(4,183)	518,238	(1,002,706)	53,445	(474,309)	2,181,634
Net monetary losses due to hyperinflation	-	-	(131,244)	-	-	-	(131,244)
Share of results of associates and a joint arrangement	1,629	404,759	-	-	-	-	406,388
Profit for the year before tax	3,092,778	400,576	386,994	(1,002,706)	53,445	(474,309)	2,456,778
Income tax expenses	(181,957)	-	(69,877)	-	-	-	(251,834)
Net profit for the year	2,910,821	400,576	317,117	(1,002,706)	53,445	(474,309)	2,204,944

Notes to the Consolidated Financial Statements continued

As at and for the year ended 31 December 2025

QAR '000s

6. OPERATING SEGMENTS (continued)

(b) By geography (continued)

Consolidated statement of financial position	Qatar	Other GCC countries	Other Middle East	Europe	North America	Rest of the world	Total
2024							
Cash and balances with central banks	6,056,104	-	1,250,726	-	-	-	7,306,830
Due from banks	5,578,406	4,316,378	4,300,175	1,634,771	2,265,123	2,610,530	20,705,383
Loans and advances to customers	82,955,076	319	7,783,118	668,189	-	73,306	91,480,008
Investment securities	28,060,629	2,024,089	2,314,337	281,563	131,604	416,403	33,228,625
Investment in associates and a joint arrangement	8,319	3,651,029	-	-	-	-	3,659,348
Property and equipment and all other assets	8,303,447	-	994,205	-	-	-	9,297,652
Total assets	130,961,981	9,991,815	16,642,561	2,584,523	2,396,727	3,100,239	165,677,846
Due to banks	1,924,192	2,432,961	6,305,661	5,947,790	3,828	4,225,849	20,840,281
Customer deposits	64,678,569	1,680,089	3,769,874	3,440,862	1,668,868	1,768,555	77,006,817
Debt securities	-	-	37,859	10,697,031	-	-	10,734,890
Other borrowings	2,354,334	8,282,234	431,623	4,648,202	-	9,013,262	24,729,655
Other liabilities	5,716,108	-	296,501	-	-	-	6,012,609
Equity	25,332,288	-	1,021,306	-	-	-	26,353,594
Total liabilities and equity	100,005,491	12,395,284	11,862,824	24,733,885	1,672,696	15,007,666	165,677,846

Notes to the Consolidated Financial Statements continued

As at and for the year ended 31 December 2025

QAR '000s

6. OPERATING SEGMENTS (continued)

(b) By geography (continued)

Consolidated statement of income	Qatar	Other GCC countries	Other Middle East	Europe	North America	Rest of the world	Total
Year ended 31 December 2024							
Net interest income	3,936,864	(316,479)	771,829	(674,714)	(59,189)	(341,086)	3,317,225
Net fee, commission and other income	1,098,104	125,974	10,042	2,473	439	1,786	1,238,818
Net operating income	5,034,968	(190,505)	781,871	(672,241)	(58,750)	(339,300)	4,556,043
Staff cost	(492,353)	-	(140,854)	-	-	-	(633,207)
Depreciation	(209,862)	-	(11,717)	-	-	-	(221,579)
Amortization of intangible assets	(26,990)	-	(24,457)	-	-	-	(51,447)
Impairment loss on investment securities	22,146	-	(109)	-	-	-	22,037
Net impairment loss on loans and advances to customers	(394,076)	-	63,705	-	-	-	(330,371)
Net impairment losses on other financial assets	95,516	-	1,762	-	-	-	97,278
Other Provision	(253,071)	-	(3,037)	-	-	-	(256,108)
Other expenses	(251,089)	-	(115,871)	-	-	-	(366,960)
Profit before share of results of associates and a joint arrangement	3,525,189	(190,505)	551,293	(672,241)	(58,750)	(339,300)	2,815,686
Net monetary losses due to hyperinflation	-	-	(131,761)	-	-	-	(131,761)
Share of results of associates and a joint arrangement	2,414	327,325	-	-	-	-	329,739
Profit for the year before tax	3,527,603	136,820	419,532	(672,241)	(58,750)	(339,300)	3,013,664
Income tax expenses	(2,703)	-	21,110	-	-	-	18,407
Net profit for the year	3,524,900	136,820	440,642	(672,241)	(58,750)	(339,300)	3,032,071

Notes to the Consolidated Financial Statements continued

As at and for the year ended 31 December 2025

QAR '000s

7. FINANCIAL ASSETS AND LIABILITIES

Accounting classifications and fair values

The table below sets out the carrying amounts and fair values of the Group's financial assets and financial liabilities:

Consolidated statement of financial position	Fair value through Profit or loss		Fair value through other comprehensive income		Amortised Cost	Fair value
	Debt instruments	Equity instruments	Debt instruments	Equity instruments		
2025						
Cash and balances with central banks	-	-	-	-	11,986,007	11,986,007
Due from banks	-	-	-	-	22,812,296	22,812,296
Loans and advances to customers	-	-	-	-	104,547,534	104,547,534
Investment securities	1,303,840	117,329	9,229,466	1,097,041	28,551,688	40,299,364
Other Assets	-	-	-	-	1,995,031	1,995,031
	1,303,840	117,329	9,229,466	1,097,041	169,892,556	181,640,232
Due to banks	-	-	-	-	22,099,955	22,099,955
Customer deposits	-	-	-	-	89,445,384	89,445,384
Debt securities	-	-	-	-	13,302,742	13,302,742
Other borrowings	-	-	-	-	27,359,106	27,359,106
Other Liabilities	-	-	-	-	13,692,041	13,692,041
	-	-	-	-	- 165,899,228	165,899,228

Notes to the Consolidated Financial Statements continued

As at and for the year ended 31 December 2025

QAR '000s

7. FINANCIAL ASSETS AND LIABILITIES (continued)

Accounting classifications and fair values (continued)

The table below sets out the carrying amounts and fair values of the Group's financial assets and financial liabilities:

Consolidated statement of financial position	Fair value through Profit or loss		Fair value through other comprehensive income		Amortised Cost	Fair value
	Debt instruments	Equity instruments	Debt instruments	Equity instruments		
2024						
Cash and balances with central banks	-	-	-	-	7,306,830	7,306,830
Due from banks	-	-	-	-	20,705,383	20,705,383
Loans and advances to customers	-	-	-	-	91,480,008	91,480,008
Investment securities	1,796,528	105,003	6,318,695	1,219,522	23,788,877	33,228,625
Other Assets	-	-	-	-	2,395,707	2,395,707
	1,796,528	105,003	6,318,695	1,219,522	145,676,805	155,116,553
Due to banks	-	-	-	-	20,840,281	20,840,281
Customer deposits	-	-	-	-	77,006,817	77,006,817
Debt securities	-	-	-	-	10,734,890	10,734,890
Other borrowings	-	-	-	-	24,729,655	24,729,655
Other Liabilities	-	-	-	-	6,012,609	6,012,609
	-	-	-	-	139,324,252	139,324,252

Management considers that the carrying amounts of Group's financial assets and liabilities do not materially differ from their fair values as at the year-end.

8. CASH AND BALANCES WITH CENTRAL BANKS

	2025	2024
Cash	1,262,785	1,334,769
Cash reserve with central banks *	5,491,280	4,744,820
Other balances with central banks	5,231,580	1,227,223
	11,985,645	7,306,812
Accrued interest	362	18
	11,986,007	7,306,830

* The cash reserve with central banks is a mandatory reserve and is not available for use in the Group's day to day operations.

Notes to the Consolidated Financial Statements continued

As at and for the year ended 31 December 2025

QAR '000s

9. DUE FROM BANKS

	2025	2024
Current accounts	4,733,270	3,957,582
Placements	11,069,631	9,509,231
Loans to banks	6,983,956	7,251,436
	22,786,857	20,718,249
Accrued interest	120,626	35,442
Allowance for impairment of due from banks	(95,187)	(48,308)
	22,812,296	20,705,383

10. LOANS AND ADVANCES TO CUSTOMERS

(a) By type

	2025	2024
Loans	92,182,950	86,168,526
Overdrafts	8,919,959	8,590,469
Bills discounted	83,706	101,010
Bankers acceptances	8,492,160	606,015
	109,678,775	95,466,020
Deferred profit	(1,389)	(1,853)
	109,677,386	95,464,167
Accrued interest	812,721	845,509
Allowance for impairment of loans and advances to customers - Stage 3**	(4,016,345)	(3,102,389)
ECL on loans and advances to customers - Stage 1 and 2	(1,926,228)	(1,727,279)
Net loans and advances to customers*	104,547,534	91,480,008

*The aggregate amount of non-performing loans and advances to customers amounted QAR 6,650 million which represents 6.1% of total loans and advances to customers (2024: QAR 5,877 million 6.2% of total loans and advances to customers).

**Allowance for impairment of loans and advances to customers includes QAR 958 million of interest in suspense (2024: QAR 777 million).

Notes to the Consolidated Financial Statements continued

As at and for the year ended 31 December 2025

QAR '000s

10. LOANS AND ADVANCES TO CUSTOMERS (continued)

(b) By sector

2025	Loans	Overdrafts	Bills discounted	Bankers acceptances	Total
Government and related agencies	14,869,488	5,936,422	-	-	20,805,910
Non-banking financial institutions	350,552	18,062	-	289,754	658,368
Industry	7,361,502	83,073	-	23,169	7,467,744
Commercial	15,564,666	246,171	22,490	4,917,573	20,750,900
Services	22,455,476	449,024	10,712	3,200,517	26,115,729
Contracting	1,446,003	191,243	50,505	61,146	1,748,897
Real estate	20,414,525	107,287	-	-	20,521,812
Personal	8,567,581	1,882,097	-	-	10,449,678
Others	1,153,157	6,580	-	-	1,159,737
	92,182,950	8,919,959	83,707	8,492,159	109,678,775
Accrued interest					812,721
Less: Deferred profit					(1,389)
Allowance for impairment of loans and advances to customers					(4,016,345)
ECL on loans and advances to customers					(1,926,228)
					(5,131,241)
Net loans and advances to customers					104,547,534
2024	Loans	Overdrafts	Bills discounted	Bankers acceptances	Total
Government and related agencies	10,885,873	5,576,628	-	-	16,462,501
Non-banking financial institutions	302,243	23,851	-	-	326,094
Industry	6,252,446	27,700	-	37,937	6,318,083
Commercial	14,670,384	246,781	29,048	275,478	15,221,691
Services	21,689,383	655,545	9,183	69,521	22,423,632
Contracting	1,592,101	204,753	62,779	215,891	2,075,524
Real estate	21,239,480	79,904	-	-	21,319,384
Personal	8,450,382	1,766,835	-	-	10,217,217
Others	1,086,234	8,472	-	7,188	1,101,894
	86,168,526	8,590,469	101,010	606,015	95,466,020
Accrued interest					845,509
Less: Deferred profit					(1,853)
Allowance for impairment of loans and advances to customers					(3,102,389)
ECL on loans and advances to customers					(1,727,279)
					(3,986,012)
Net loans and advances to customers					91,480,008

Notes to the Consolidated Financial Statements continued

As at and for the year ended 31 December 2025

QAR '000s

10. LOANS AND ADVANCES TO CUSTOMERS (continued)

(c) Movement in allowance for impairment of loans and advances to customers

	2025	2024
Balance at 1 January	4,829,668	5,940,758
Allowance made during the year	1,918,929	1,331,157
Recoveries / reversals during the year	(400,290)	(206,391)
Net allowance for impairment during the year *	1,518,639	1,124,766
Written off / transferred during the year	(372,127)	(2,258,811)
Exchange differences	(33,607)	22,955
Balance at 31 December	5,942,573	4,829,668

*This includes net interest suspended during the year QAR 291 million (2024: QAR 449 million) as per QCB regulations.

Net impairment losses on loans and advances to customers

	2025	2024
Gross allowance made during the year	1,918,929	1,331,157
Less: Recoveries / reversals during the year	(400,290)	(206,391)
	1,518,639	1,124,766
Less: Interest suspended during the year	(290,574)	(449,060)
Less: Recoveries on previously written off loans	(490,196)	(345,335)
Modification loss during the year	155,000	-
	892,869	330,371

11. INVESTMENT SECURITIES

	2025	2024
Fair value through other comprehensive income (FVOCI)	10,173,654	7,476,589
Fair value through profit & loss (FVTPL)	1,395,775	1,873,918
Amortised cost (AC)	28,117,724	23,428,254
	39,687,153	32,778,761
Accrued interest	612,211	449,864
	40,299,364	33,228,625

The carrying value of investment securities pledged under repurchase agreements (REPO) is QAR 9,544 million (2024: QAR 5,685 million).

Expected credit loss of QAR 20 million (2024: QAR 35 million), pertaining to FVOCI debt securities is part of fair value reserve in equity.

Notes to the Consolidated Financial Statements continued

As at and for the year ended 31 December 2025

QAR '000s

11. INVESTMENT SECURITIES (continued)

(a) Fair value through other comprehensive income

	2025		
	Quoted	Unquoted	Total
Equities	1,091,843	5,199	1,097,042
State of Qatar debt securities*	4,392,214	-	4,392,214
Debt and other securities*	4,684,398	-	4,684,398
Total	10,168,455	5,199	10,173,654
	2024		
	Quoted	Unquoted	Total
Equities	1,214,323	5,199	1,219,522
State of Qatar debt securities*	3,120,782	-	3,120,782
Debt and other securities*	3,136,285	-	3,136,285
Total	7,471,390	5,199	7,476,589

* Fixed rate securities and floating rate securities amounted to QAR 7,084 million and QAR 1,993 million respectively (2024: QAR 4,387 million and QAR 1,870 million respectively).

(b) Fair value through profit & loss

	2025		
	Quoted	Unquoted	Total
Equities	30,309	68,006	98,315
State of Qatar debt securities	103,115	-	103,115
Debt and other securities	617,388	558,209	1,175,597
Investment funds	9,877	8,871	18,748
Total	760,689	635,086	1,395,775

Equities classified as fair value through profit or loss include equity instruments arising from market making activities undertaken by a subsidiary licensed by the Qatar Financial Market Authority. The Group does not undertake market making activities in relation to the Bank's own shares. For the year ended 31 December 2025, net fair value losses of QAR 75.2 thousand (2024: gains QAR 3.2 thousand) arising from these equity instruments were recognised in the consolidated statement of income.

Notes to the Consolidated Financial Statements continued

As at and for the year ended 31 December 2025

QAR '000s

11. INVESTMENT SECURITIES (continued)**(b) Fair value through profit & loss** (continued)

	2024		Total
	Quoted	Unquoted	
Equities	8,880	76,507	85,387
Debt and other securities	1,185,184	583,730	1,768,914
Investment funds	10,228	9,389	19,617
Total	1,204,292	669,626	1,873,918

(c) Amortised Cost

By Issuer	2025		Total
	Quoted	Unquoted	
State of Qatar debt securities	25,567,262	-	25,567,262
Debt and other securities	2,301,719	248,743	2,550,462
Total	27,868,981	248,743	28,117,724

By Interest Rate	2025		Total
	Quoted	Unquoted	
Fixed rate securities	27,609,756	248,743	27,858,499
Floating rate securities	259,225	-	259,225
Total	27,868,981	248,743	28,117,724

By Issuer	2024		Total
	Quoted	Unquoted	
State of Qatar debt securities	20,990,560	-	20,990,560
Debt and other securities	2,362,858	74,836	2,437,694
Total	23,353,418	74,836	23,428,254

By Interest Rate	2024		Total
	Quoted	Unquoted	
Fixed rate securities	23,286,332	74,836	23,361,168
Floating rate securities	67,086	-	67,086
Total	23,353,418	74,836	23,428,254

Notes to the Consolidated Financial Statements continued

As at and for the year ended 31 December 2025

QAR '000s

12. INVESTMENT IN ASSOCIATES AND A JOINT ARRANGEMENT

The Group's investment in associates and a joint arrangement are as follows:

Name of the Entity	Classification	Country	Activities	Ownership %		Price per share (QAR)
				2025	2024	
National Bank of Oman SAOG ('NBO')	Associate	Oman	Banking	34.9%	34.9%	3.61
United Arab Bank PJSC ('UAB')	Associate	UAE	Banking	39.9%	40.0%	1.29
Massoun Insurance Services L.L.C	Joint venture	Qatar	Insurance brokerage	50.0%	50.0%	Not Listed
					2025	2024
Total assets					79,608,157	70,838,125
Total liabilities					66,145,490	61,037,110
Operating income					2,337,873	2,034,386
Net profit					1,101,006	898,106
Total comprehensive income					1,384,571	901,959
Share of results					406,388	329,739

Management have concluded the recoverable amount of the associates to be higher than the carrying value.

Notes to the Consolidated Financial Statements continued

As at and for the year ended 31 December 2025

QAR '000s

13. PROPERTY AND EQUIPMENT

	Land and buildings	Right of use assets	Leasehold improvements	Furniture and equipment	Motor vehicles	Capital work in progress	Total
Cost							
Balance at 1 January 2024 (Note (a))	2,189,508	604,783	103,404	1,590,457	55,397	558,360	5,101,909
Additions / transfers	248,946	26,750	2,265	109,199	2,451	(237,418)	152,193
Revaluation on land & buildings	5,227	-	-	-	-	-	5,227
Disposals	-	(313)	(814)	(957)	(2,665)	-	(4,749)
Exchange differences	20,768	(396)	(3,387)	(7,912)	(8,992)	-	81
Balance at 31 December 2024 (Note (a))	2,464,449	630,824	101,468	1,690,787	46,191	320,942	5,254,661
Balance at 1 January 2025	2,464,449	630,824	101,468	1,690,787	46,191	320,942	5,254,661
Additions / transfers	16,259	551,913	577	79,536	469	75,117	723,871
Disposals	(182,416)	(6,026)	(5,596)	(2,960)	(43,820)	-	(240,818)
Exchange differences	(20,752)	(18,642)	2,511	3,224	4,983	-	(28,676)
Balance at 31 December 2025	2,277,540	1,158,069	98,960	1,770,587	7,823	396,059	5,709,038
Accumulated depreciation							
Balance at 1 January 2024	226,327	336,894	94,335	1,403,460	7,169	-	2,068,185
Depreciation for the year	31,855	94,035	2,375	86,643	6,671	-	221,579
Disposals	-	(1,721)	(709)	(716)	(703)	-	(3,849)
Impairment loss for the year	-	55,668	-	-	-	-	55,668
Exchange differences	(539)	(622)	(1,379)	(4,440)	(5,402)	-	(12,382)
Balance at 31 December 2024	257,643	484,254	94,622	1,484,947	7,735	-	2,329,201
Balance at 1 January 2025	257,643	484,254	94,622	1,484,947	7,735	-	2,329,201
Depreciation for the year	34,987	100,008	2,172	94,382	2,924	-	234,473
Disposals	(2,669)	(3,706)	(4,464)	(2,467)	(14,103)	-	(27,409)
Exchange differences	(304)	1,336	1,890	549	7,645	-	11,116
Balance at 31 December 2025	289,657	581,892	94,220	1,577,411	4,201	-	2,547,381
Net carrying amounts							
Balance at 31 December 2024 (Note (a))	2,206,806	146,570	6,846	205,840	38,456	320,942	2,925,460
Balance at 31 December 2025	1,987,883	576,177	4,740	193,176	3,622	396,059	3,161,657
Right of use asset pertains to the following:						2025	2024
Land and buildings						576,177	146,570

Notes to the Consolidated Financial Statements continued

As at and for the year ended 31 December 2025

QAR '000s

13. PROPERTY AND EQUIPMENT (continued)

Note (a)

During 2025, the Group identified that the impact of the revaluation of land and buildings related to one of its subsidiaries had been partially duplicated in the Group's consolidated financial statements in prior years, and had resulted in an overstatement of property and equipment and the revaluation reserve. The Group has corrected this duplication by restating the affected line items for the prior periods. The affected line items in the consolidated statements of financial position as at 1 January 2024 and 31 December 2024, and the consolidated statement of comprehensive income for the year ended 31 December 2024, have been adjusted to reflect the corrected amounts in the following manner:

- As at 1 January 2024 in the consolidated statement of financial position, property and equipment and the revaluation reserve were previously reported at QAR 3,062.8 million and QAR 1,140.2 million, respectively. An adjustment of QAR 29.1 million was recorded to both balances, resulting in restated balances of QAR 3,033.7 million for property and equipment and QAR 1,111.1 million for the revaluation reserve. As a result the total assets decreased from QAR 164,376.3 million to QAR 164,347.2 million, total equity decreased from QAR 24,405.8 million to QAR 24,376.7 million and total liabilities and equity decreased from QAR 164,376.3 million to QAR 164,347.2 million.
- As at 31 December 2024 in the consolidated statement of financial position, property and equipment and the revaluation reserve were previously reported at QAR 3,085.0 million and QAR 1,251.5 million, respectively. An adjustment of QAR 135.2 million was recognised, resulting in restated balances of QAR 2,949.9 million for property and equipment and QAR 1,116.3 million for the revaluation reserve. As a result, the total assets decreased from QAR 165,812.9 million to QAR 165,677.8 million, total equity decreased from QAR 26,488.7 million to QAR 26,353.6 million and total liabilities and equity decreased from QAR 165,812.9 million to QAR 165,677.8 million.
- For the year ended 31 December 2024 in the consolidated statement of comprehensive income, the reported gain on revaluation on land and buildings was reported as QAR 111.3 million. An adjustment of QAR 106.1 million was recorded, resulting in a decrease in the gain on revaluation on land and building of QAR 5.2 million. As a result, the other comprehensive income for the year decreased from QAR 355.7 million to QAR 249.7 million and the total comprehensive income for the year decreased from QAR 3,387.8 million to QAR 3,281.7 million.

Furthermore, as at 31 December 2024, in the consolidated statement of financial position, an amount of QAR 24.4 million was reclassified from property and equipment to intangible assets. This reclassification was made to reflect the nature of certain items that meet the definition of intangible assets under IAS 38, which resulted in a decrease in the restated balances of the property and equipment to QAR 2,925.5 million.

The restatement and reclassification had no impact on the Group's basic and diluted earnings per share and no impact on the Group's operating, investing, or financing cash flows for the year ended 31 December 2024.

Notes to the Consolidated Financial Statements continued

As at and for the year ended 31 December 2025

QAR '000s

14. INTANGIBLE ASSETS

	Goodwill	Brand	Customer relationship	Core deposit	Internally developed software	Total
Cost						
Balance at 1 January 2024	2,534	33,095	370,935	83,231	77,705	567,500
Acquisitions*	-	-	-	-	88,229	88,229
Impairment during the year (Note 32)	-	-	-	-	(28)	(28)
Exchange differences	(422)	2,456	-	-	(4,408)	(2,374)
Balance at 31 December 2024	2,112	35,551	370,935	83,231	161,498	653,327
Balance at 1 January 2025	2,112	35,551	370,935	83,231	161,498	653,327
Acquisitions	-	-	-	-	46,488	46,488
Exchange differences	(373)	(4,423)	-	-	(49,710)	(54,506)
Balance at 31 December 2025	1,739	31,128	370,935	83,231	158,276	645,309
Amortisation						
Balance at 1 January 2024	-	20,198	370,935	83,231	30,726	505,090
Amortisation during the year	-	3,634	-	-	47,813	51,447
Exchange differences	-	(1,874)	-	-	(14,263)	(16,137)
Balance at 31 December 2024	-	21,958	370,935	83,231	64,276	540,400
Balance at 1 January 2025	-	21,958	370,935	83,231	64,276	540,400
Amortisation during the year	-	4,409	-	-	18,648	23,057
Exchange differences	-	(2,386)	-	-	(16,051)	(18,437)
Balance at 31 December 2025	-	23,981	370,935	83,231	66,873	545,020
Net carrying amounts						
Balance at 31 December 2024	2,112	13,593	-	-	97,222	112,927
Balance at 31 December 2025	1,739	7,147	-	-	91,403	100,289

Impairment testing for CGU containing goodwill

The Group performed its annual impairment test in accordance with its accounting policy and performed a sensitivity analysis of the underlying assumptions used in the value-in-use calculations. The recoverable amounts of cash-generating units were higher than the carrying amounts.

*Includes reclassifications as explained in Note 13a.

Notes to the Consolidated Financial Statements continued

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QAR '000s

15. OTHER ASSETS

	2025	2024
Accrued income	9,304	7,310
Prepaid expenses	116,958	89,931
Accounts receivable	691,276	1,141,655
Repossessed collateral	3,433,752	3,767,293
Positive fair value of derivatives (note 37)	444,970	498,274
Clearing cheques	137,413	274,115
Deferred tax assets (note 33)	53,633	96,265
Others	595,110	384,422
Total	5,482,416	6,259,265

16. DUE TO BANKS

	2025	2024
Balances due to central banks	1,421,019	894,568
Current accounts	526,943	217,429
Placement with banks	11,000,214	14,731,759
Repurchase agreements with banks	8,968,486	4,759,249
Accrued interest	183,293	237,276
Total	22,099,955	20,840,281

17. CUSTOMER DEPOSITS

	2025	2024
Current and call deposits	26,464,307	25,744,025
Saving deposits	6,376,915	5,685,232
Time deposits	55,799,212	44,937,332
Accrued interest	804,950	640,228
Total	89,445,384	77,006,817

Notes to the Consolidated Financial Statements continued

As at and for the year ended 31 December 2025

QAR '000s

17. CUSTOMER DEPOSITS (continued)

	2025	2024
Government	10,144,524	7,976,858
Government and semi government agencies	15,752,471	15,982,195
Individuals	25,334,326	23,895,868
Corporate	31,799,459	21,767,687
Non-banking financial institutions	5,609,654	6,743,981
	88,640,434	76,366,589
Accrued interest	804,950	640,228
Total	89,445,384	77,006,817

18. DEBT SECURITIES

	2025	2024
EMTN unsecured Programme – Senior unsecured notes *	11,034,302	9,243,192
Senior Notes*	82,863	30,879
Others**	2,055,327	1,364,905
Accrued interest	130,250	95,914
Total	13,302,742	10,734,890

The following table provides the breakdown of the Debt Securities as at close of 31 December 2025.

Instrument	Issuer	Issued amount	Issued on	Maturity	Coupon
EMTN - Senior Notes	CBQ Finance Ltd	USD 700 million *	May-21	May-26	Fixed Rate 2%
	CBQ Finance Ltd	NZD 36 million *	Aug-21	Aug-31	BKBM + 1.38%
	CBQ Finance Ltd	NZD 32 million *	Sep-21	Sep-31	BKBM + 1.36%
	CBQ Finance Ltd	QAR 429 million *	Mar-23	Mar-26	Fixed Rate 5.85%
	CBQ Finance Ltd	CNY 710 million *	Mar-24	Mar-29	Fixed Rate 3.54%
	CBQ Finance Ltd	USD 750 million *	Mar-24	Mar-29	Fixed Rate 5.38%
	CBQ Finance Ltd	CHF 225 million *	Oct-24	Oct-27	Fixed Rate 1.72%
	CBQ Finance Ltd	USD 10 million *	Mar-25	Mar-30	SOFR + 3.36%
	CBQ Finance Ltd	QAR 500 million *	Jun-25	Jun-28	Fixed Rate 4.9%
	CBQ Finance Ltd	USD 300 million *	Jul-25	Jul-30	SOFR + 3.87%
	CBQ Finance Ltd	USD 600 million *	Sep-25	Sep-30	Fixed Rate 4.62%
Senior Notes	Alternatifbank	TL 300 million	Aug-24	Aug-26	Fixed Rate 42.5%

* Issued for and Guaranteed by the Bank

** Others include certificate of deposits issued by the Bank.

Notes to the Consolidated Financial Statements continued

As at and for the year ended 31 December 2025

QAR '000s

18. DEBT SECURITIES (continued)

Movement in debt securities are analysed as follows:

	2025	2024
Balance at 1 January	10,734,890	7,899,400
Additions	5,900,421	5,364,990
Repayments	(3,508,481)	(2,471,279)
Amortization of discount and transaction cost	(4,927)	3,153
Accrued interest	35,423	48,126
Exchange difference	145,416	(109,500)
Balance at 31 December	13,302,742	10,734,890

The table below shows the maturity profile of debt securities:

	2025	2024
Up to 1 year	5,244,571	3,607,795
Between 1 and 3 years	1,031,507	3,004,362
Over 3 years	7,026,664	4,122,733
Total	13,302,742	10,734,890

Notes to the Consolidated Financial Statements continued

As at and for the year ended 31 December 2025

QAR '000s

19. OTHER BORROWINGS

	2025	2024
Bilateral loans	12,332,286	11,159,510
Syndicated loans	9,870,345	9,970,404
Others	4,952,087	3,401,472
Accrued interest	204,388	198,269
Total	27,359,106	24,729,655

Movement in other borrowings are as follows:

	2025	2024
Balance at 1 January	24,729,655	26,266,888
Additions	5,952,236	9,317,130
Repayments	(3,482,140)	(9,812,520)
Amortization of discount and transaction cost	51,434	44,761
Accrued interest	6,119	(237,652)
Exchange difference	101,802	(848,952)
Balance at 31 December	27,359,106	24,729,655

The table below shows the maturity profile of other borrowings:

	2025	2024
Up to 1 year	11,656,394	3,819,580
Between 1 and 3 years	10,851,966	11,017,973
Over 3 years	4,850,746	9,892,102
Total	27,359,106	24,729,655

Notes to the Consolidated Financial Statements continued

As at and for the year ended 31 December 2025

QAR '000s

20. OTHER LIABILITIES

	2025	2024
Accrued expense payable	148,978	399,465
Provident & pension fund (Note i)	205,678	184,705
Negative fair value of derivatives (Note 37)	453,124	976,377
Unearned income	359,570	231,350
Cash margins	572,069	617,294
Accounts payable	533,404	358,938
Board of Directors' remuneration (Note 39)	25,500	25,500
Provision for sports and social support fund (Note 23)	59,609	75,802
Dividend payable	10,885	15,741
Managers' cheque and payment order	42,429	71,271
Unclaimed balances	8,224	24,499
Due for trade acceptances	8,492,160	606,014
Lease liabilities (Note ii)	548,584	147,043
Employees' benefit liability (Note 31 (a) and Note iii)	16,085	31,816
Income tax accrued / payable	212,293	21,179
Others	1,883,747	2,101,974
Net impairment losses on loan commitments and financial guarantees (Note 4)	119,702	123,641
Total	13,692,041	6,012,609

(i) Provident & pension fund

	Provident fund (a)	Pension fund (b)	Total 2025	Total 2024
Balance at 1 January	184,515	1,129	185,644	179,774
Provision made during the year (note 31)	12,219	32,590	44,809	29,781
Earnings of the fund	1,711	2,878	4,589	6,215
Provident fund – staff contribution	5,847	582	6,429	5,995
Transferred to state retirement fund authority	(2,255)	(13,316)	(15,571)	(17,713)
Payment during the year	(9,610)	(8,633)	(18,243)	(19,089)
Exchange difference	(1,979)	-	(1,979)	(258)
Balance at 31 December	190,448	15,230	205,678	184,705

(a) The provident fund includes the Group's obligations for end of service benefits to employees in accordance with the applicable regulations and the employment contracts.

(b) Pension fund contributions in respect of the national staff are paid to the State administered retirement fund at the end of each month. The Group has no further payment obligations once the contributions have been paid. The contributions are recognized when they are due.

Notes to the Consolidated Financial Statements continued

As at and for the year ended 31 December 2025

QAR '000s

20. OTHER LIABILITIES (continued)

(ii) Lease liabilities

The table below shows the maturity profile of lease liabilities:

	2025	2024
Up to 1 year	135,441	122,273
Above 1 year	413,143	24,770
Total	548,584	147,043

(iii) Employees' benefit liability

The Bank has granted share appreciation rights to employees including senior management, in lieu of deferred bonus as approved by the BRNGC. Share appreciation rights represent a contingent right to receive a cash payment by referencing to the value of Bank shares during a specified period of time. These share appreciation rights do not provide any entitlement to receive Bank shares, voting rights or dividends associated with them. The fair value was estimated using the Black Scholes model, considering the terms and conditions upon which the performance rights were granted. Share appreciation rights will be settled in cash.

a. The following table summarises information about share appreciation rights outstanding as at 31 December 2025:

Year	Outstanding
2018	11,691,117
2020	89,389,769
2021	20,463,207
2022	10,403,332

b. Movement during the year as follows:

	2025		2024	
	Number of rights	Weighted average strike price	Number of rights	Weighted average strike price
At 1 January	138,271,591	5.47	142,454,874	5.69
Granted during the year	-	0.00	-	0.00
Exercised during the year	(6,324,166)	6.06	-	0.00
Forfeited/cancelled/expired during the year	-	0.00	(4,183,283)	6.06
At 31 December	131,947,425	5.76	138,271,591	5.47

Notes to the Consolidated Financial Statements continued

As at and for the year ended 31 December 2025

QAR '000s

20. OTHER LIABILITIES (continued)

(iii) Employees' benefit liability (continued)

b. Movement during the year as follows: (continued)

	2025		2024	
	Max	Min	Max	Min
Expected volatility (%)	19.52%	19.50%	21.08%	21.08%
Dividend yield (%)	8.97%	7.89%	7.15%	6.57%
Risk - free int. rate (%)	3.53%	3.37%	4.21%	4.18%
Vesting period	3 years		3 years	
Share price (QAR)	4.2		4.3	

21. EQUITY

(a) Share capital

The issued, subscribed and paid up share capital of the Bank is QAR 4,047,253,750 (2024: QAR 4,047,253,750) divided into 4,047,253,750 (2024: 4,047,253,750) ordinary shares of QAR 1 each (2024: QAR 1 each).

	2025	2024
Authorized number of ordinary shares	4,047,253,750	4,047,253,750
Nominal value of ordinary shares (QAR)	1	1
Issued and paid up capital (in thousands of Qatar Riyals)	4,047,254	4,047,254

At 31 December 2025, the authorized share capital comprised 4,047,254 thousand ordinary shares (2024: 4,047,254 thousand).

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at shareholders' Annual/Extra-ordinary General meeting of the Bank.

Notes to the Consolidated Financial Statements continued

As at and for the year ended 31 December 2025

QAR '000s

21. EQUITY (continued)

(b) Legal reserve

The legal reserve of Commercial Bank and Alternatifbank are QAR 9,763 million (2024: QAR 9,763 million) and QAR 489 million (2024: QAR 427 million) respectively.

In accordance with Qatar Central Bank Law No 13 of 2012, 10% of the net profit of the Group for the year is required to be transferred to legal reserve. Share premium collected from the issuance of new shares and sale of treasury shares is also transferred to legal reserve. Transfer to legal reserve from net profit is mandatory until the legal reserve equals 100% of the paid up capital. This reserve is not available for distribution except in circumstances specified in Qatar Commercial Companies Law No 11 of 2015 and is subject to pre-approval from QCB.

In accordance with the Turkish Commercial code, an entity is required to transfer 5% of net profit until the legal reserve is equal to 20% of issued and fully paid up share capital. Rate for transfer to legal reserve goes up to 10% of net profit allocated for distribution excluding the first 5% of the allocated profit. Share premium and proceeds from cancelled shares, if any net of related expenses are also transferred to legal reserve.

(c) General reserve

As per the Bank's Articles of Association, the general reserve may only be used in accordance with a resolution from the General Assembly upon the Board of Directors recommendation and after obtaining Qatar Central Bank approval.

(d) Risk reserve

In accordance with QCB regulations, a risk reserve should be maintained and created to cover contingencies on both the public and private sector financing assets, with a minimum requirement of 2.50% of the total loans and advances of the Group inside and outside Qatar after the exclusion of the credit impairment losses and interest in suspense. The finance provided to/or secured by the Ministry of Finance or finance against cash guarantees is excluded from the gross direct finance. During the year QAR Nil (2024: QAR Nil) was transferred to the risk reserve account.

Notes to the Consolidated Financial Statements continued

As at and for the year ended 31 December 2025

QAR '000s

21. EQUITY (continued)

(e) Fair value reserve

The fair value reserve arises from the revaluation of the investment securities through FVOCI and change of post acquisition fair value reserve of its associates and a joint arrangement.

	Fair value Through Other Comprehensive Income	Associates	Total
Balance as at 1 January 2025	(528,455)	(29,535)	(557,990)
Net change in fair value			
- on equity securities	(42,337)	-	(42,337)
- on debt securities	191,604	-	191,604
Net amount transferred to statement of income	156	-	156
Share of other comprehensive income of investment in associates and a joint arrangement	-	103,105	103,105
Net movement during the year	149,423	103,105	252,528
Transfer to retained earnings upon disposal of FVOCI equity investments	7,020	-	7,020
Balance as at 31 December 2025	(372,012)	73,570	(298,442)
Balance as at 1 January 2024	(357,444)	(32,929)	(390,373)
Net change in fair value			
- on equity securities	4,963	-	4,963
- on debt securities	(175,842)	-	(175,842)
Net amount transferred to statement of income	(132)	-	(132)
Share of other comprehensive income of investment in associates and a joint arrangement	-	3,394	3,394
Net movement during the year	(171,011)	3,394	(167,617)
Transfer to retained earnings upon disposal of FVOCI equity investments	-	-	-
Balance as at 31 December 2024	(528,455)	(29,535)	(557,990)

Notes to the Consolidated Financial Statements continued

As at and for the year ended 31 December 2025

QAR '000s

21. EQUITY (continued)**(f) Cash flow hedge reserve**

Cash flow hedge reserve, which comprises the portion of the gain or loss on a hedging instrument in a cash flow hedge that is determined to be an effective hedge.

	2025	2024
Balance as at 1 January	(6,127)	(163,970)
Transfer to consolidated statement of income	-	37,140
Net movement in effective portion of Cash Flow hedges	3,264	120,703
Net movement during the year	3,264	157,843
Balance as at 31 December	(2,863)	(6,127)

(g) Foreign currency translation reserve

The translation reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations.

(h) Other reserves

This includes the Group's share of profit from investment in associates and a joint arrangement, net of cash dividend received, as required by QCB regulations as follows:

	2025	2024
Balance as at 1 January	1,420,600	1,137,954
Share of result of associates and a joint arrangement	406,388	329,739
Dividend from associates and a joint arrangement	(51,670)	(47,093)
Net movement	354,718	282,646
Balance as at 31 December	1,775,318	1,420,600

(i) Proposed dividend

The Board of Directors has proposed a cash dividend of 30% for the year 2025 (2024: 30% cash dividend). This proposal is subject to approval at the Annual General Assembly.

(j) Dividends

A cash dividend of 30% for the year 2024 (2023: 25% cash dividend), was approved at the Annual General Assembly held on 20 March 2025 and distributed to shareholders.

Notes to the Consolidated Financial Statements continued

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QAR '000s

21. EQUITY (continued)

(k) Revaluation reserve

This represents the surplus on revaluation of land and buildings that are used in Group's operations and is not available for distribution until the related assets have been disposed off or used.

(l) Employee incentive phantom scheme shares

Employee incentive phantom scheme shares represents the shares held by SPVs. These entities hold employee incentive phantom scheme shares on behalf of the Bank in order to hedge the referenced equity price exposure associated with the cash settled share-based employee benefit scheme being run by the Group.

These SPVs are not legally owned by the Group. However, IFRS 10 consolidation assessment has led the Group to recognize the underlying phantom scheme shares in the consolidated financial statements.

The underlying shares are not legally owned by the Bank and does not possess voting right associated with these shares.

(m) Instruments eligible for Additional Tier 1 Capital

In December 2013; the Bank raised regulatory tier 1 capital of QAR 2 billion by issuing unsecured perpetual non-cumulative unlisted Tier 1 notes. The coupon payments are discretionary and non-cumulative. On a call date of 31 December 2025, the interest rates on the notes have been agreed at 6.20% (previous rate 5.15%) and thereafter to be reset at a prevailing sixth year mid-swap rate plus margin every sixth year.

In February 2016; the Bank raised regulatory tier 1 capital of QAR 2 billion by issuing unsecured perpetual non-cumulative unlisted Tier 1 notes. The coupon payments are discretionary and non-cumulative. On the first call date of 31 December 2021, the interest rates on the notes have been agreed at 4.941% (previous rate 6%) and thereafter to be reset at a prevailing sixth year mid-swap rate plus margin every sixth year which will be at 29 February 2028.

In March 2021, the Bank raised additional regulatory tier 1 capital of USD 500 million (equivalent to QAR 1.82 billion) by issuing unsecured perpetual non-cumulative listed Tier 1 notes. The coupon payments are discretionary and non-cumulative and priced at a fixed rate of 4.5% per annum, payable half yearly until the first reset date and thereafter to be reset every five years at the relevant reset reference rate plus the margin converted from an annual to a semi-annual rate in accordance with market conditions. The first reset date will be 3 March 2026.

The Notes are ranked junior to the Bank's existing unsubordinated obligations including existing subordinated debt and depositors, pari passu to all current and future subordinated obligations and senior to the ordinary shares issued by the Bank.

The Notes have no fixed redemption date and the Bank can only redeem the Notes in the limited circumstance as mentioned in the term sheet i.e. regulatory / tax redemption and other general redemption conditions solely at the Bank's discretion. The Bank might be required to write-off the proposed Capital issue, if a "loss absorption" event is triggered. These notes have been classified under equity.

Notes to the Consolidated Financial Statements continued

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QAR '000s

22. OTHER COMPREHENSIVE INCOME

	2025	2024
Net change in fair value of investments in debt securities at FVOCI :		
Positive change in fair value	231,345	23,530
Negative change in fair value	(39,741)	(199,372)
Net change in fair value	191,604	(175,842)
Net amount transferred to consolidated statement of income*	156	(132)
Foreign currency translation differences for foreign operation	(824,834)	(612,139)
Effect of hyperinflation impact	473,670	866,340
Share of other comprehensive income of associates and a joint arrangement	32,485	5,690
Net movement in cash flow hedge reserves	3,264	157,843
	(123,655)	241,760
Net changes in fair value of equity investments designated at FVOCI	(42,337)	4,963
Share of other comprehensive income of associates and a joint arrangement	70,620	(2,296)
Gain on revaluation on land and buildings	-	5,227
Total other comprehensive (loss) / income	(95,372)	249,654

*Net amount transferred to profit or loss includes a positive change in fair value of QAR 263 thousand (2024: QAR 120 thousand) and a negative change in fair value of QAR 107 thousand (2024: QAR 252 thousand).

23. CONTRIBUTION TO PROVISION FOR SPORTS AND SOCIAL ACTIVITIES SUPPORT FUND

Pursuant to Law No. 13 of 2008, the Bank made an appropriation of QAR 59.6 million (2024: QAR 75.8 million) from retained earnings for its contribution to the Social and Sports Activities Support Fund of Qatar. This amount represents 2.5% of the net profit of the Group for the year ended 31 December 2025.

24. INTEREST INCOME

	2025	2024
Loans and advances to customers	7,065,316	7,161,153
Debt securities	1,745,658	1,426,804
Amounts deposited with banks	568,733	647,949
Amounts deposited with central banks	295,767	217,039
	9,675,474	9,452,945

The amounts reported above include interest income, calculated using the effective interest method, that relate to financial assets measured at amortized cost QAR 9,164.3 million (2024 : QAR 8,967.3 million) and at fair value QAR 511.1 million (2024: QAR 485.6 million).

Notes to the Consolidated Financial Statements continued

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QAR '000s

25. INTEREST EXPENSE

	2025	2024
Customer deposits	3,650,593	3,671,068
Debt securities	505,763	303,409
Other borrowings	1,022,379	1,204,133
Interest expense on lease liabilities	5,770	4,461
Due to Banks	1,077,046	952,649
	6,261,551	6,135,720

26. FEE AND COMMISSION INCOME

	2025	2024
Loans and advances	580,351	422,542
Credit and debit card fees	804,582	768,410
Indirect credit facilities	107,834	125,490
Banking and other operations	374,053	295,312
	1,866,820	1,611,754

27. FEE AND COMMISSION EXPENSE

	2025	2024
Credit and debit card fees	607,854	548,376
Brokerage services	20,449	23,466
Others	150,522	147,984
	778,825	719,826

28. NET FOREIGN EXCHANGE LOSS

	2025	2024
Dealing in foreign currencies and revaluation of spot assets	(145,018)	(94,248)

29. NET INCOME FROM INVESTMENT SECURITIES

	2025	2024
Net gain on disposal of investment securities measured at fair value	5,022	6,073
Net change in Fair-value of investment securities	22,247	24,764
Dividend income	258,048	230,836
	285,317	261,673

Notes to the Consolidated Financial Statements continued

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QAR '000s

30. OTHER OPERATING INCOME

	2025	2024
Rental income	96,014	107,353
Net derivative fair value	34,209	73,040
Other income	13,689	(928)
	143,912	179,465

31. STAFF COSTS

	2025	2024
Salary and benefits (Note (a))	699,950	578,136
Health care and medical insurance expenses	25,798	22,228
Staff end of services and pension fund contribution (Note 20 (i))	44,809	29,781
Training and education	2,861	3,062
	773,418	633,207

Note (a): Salary and benefits include a credit of QR 15.7 million (2024: a credit of QAR 69.1 million) with respect to share appreciation rights due to decline in the market value.

32. OTHER EXPENSES

	2025	2024
Marketing and advertisement	26,995	31,365
Professional fees	31,289	19,247
Communication, utilities and insurance	63,863	54,204
Board of Directors' remuneration	25,500	25,500
Occupancy, IT consumables and maintenance	94,668	84,522
Travel and related costs	2,009	2,400
Printing and stationery	6,105	5,662
Outsourcing service costs	43,572	35,811
Others	86,216	108,249
	380,217	366,960

Notes to the Consolidated Financial Statements continued

As at and for the year ended 31 December 2025

QAR '000s

33. INCOME TAX

	2025	2024
Profit before tax	2,456,778	3,013,664
Current income tax (expense) / credit	(72,399)	18,407
Profit before Pillar Two Tax	2,384,379	3,032,071
Pillar Two Tax - Qatar	(179,435)	-
Profit for the year	2,204,944	3,032,071

The components of income tax expense for the years ended 31 December 2025 and 2024 are as follows:

	2025	2024
Current income tax	197,943	15,378
Deferred tax	53,891	(33,785)
	251,834	(18,407)
Profit before tax	2,456,778	3,013,664
Less: Profit not subject to tax	(46,793)	(2,812,276)
Profit subject to tax	2,409,985	201,388
Effective tax rate	10.45%	-9.14%
Tax calculated based on the current tax rate (Effective Rate)	251,834	(18,407)
Income not subject to taxation	75,606	53,468
Expenses not deductible for taxation	(125,143)	(58,866)
Adjustments related to prior years	49,537	5,398
Income tax expense/(credit)	251,834	(18,407)

Notes to the Consolidated Financial Statements continued

As at and for the year ended 31 December 2025

QAR '000s

33. INCOME TAX (continued)

Movement in Deferred Tax Balances

31 December 2025	Recognized in				Deferred tax	
	Net balances at 1 January	Income Statement	OCI	Exchange difference	Net	Asset/(liability)
Property and Equipment	27,173	(43,393)	-	23,740	7,520	7,521
Provisions	23,381	2,224	-	(4,317)	21,288	21,286
Derivatives and investment securities	11,485	25,814	(1,140)	(4,170)	31,989	31,989
Unearned Revenue	(2,557)	(9,264)	-	1,221	(10,600)	(10,600)
Tax losses carried forward	1	-	-	-	1	-
Others	36,782	(29,272)	-	(4,075)	3,435	3,437
	96,265	(53,891)	(1,140)	12,399	53,633	53,633

31 December 2024	Recognized in				Deferred tax	
	Net balances at 1 January	Income Statement	OCI	Exchange difference	Net	Asset/(liability)
Property and Equipment	(12,868)	10,196	28,449	1,396	27,173	27,173
Provisions	61,875	(30,422)	-	(8,072)	23,381	23,380
Derivatives and investment securities	-	4,063	7,719	(297)	11,485	11,485
Unearned Revenue	2,090	(4,638)	-	(9)	(2,557)	(2,557)
Tax losses carried forward	1	-	-	-	1	-
Others	(16,574)	54,586	-	(1,230)	36,782	36,784
	34,524	33,785	36,168	(8,212)	96,265	96,265

Impact of Pillar Two Legislation

The Group is subject to the global minimum top-up tax under Pillar Two tax legislation. The top-up tax relates to the Group's operations in the State of Qatar ('Qatar').

On 27 March 2025, Qatar published in the Official Gazette, Law No. 22 of 2024 amending specific provisions of the Income Tax Law promulgated under Law No. 24 of 2018 by introducing Domestic Minimum Top-up Tax ('DMTT') and Income Inclusion Rule ('IIR') with a minimum effective tax rate of 15%. The amendments are effective from 1 January 2025 and the related regulations on implementation were issued by the General Tax Authority on 12th February 2026. The detailed regulations with respect to compliance and administrative provisions are still awaited. The Group also operates in Turkey where it benefits from safe harbors, and hence not subjected to Pillar Two top-up tax.

The Group recognised a current tax expense of QAR 179.4 million related to the top-up tax for the year ended 31 December 2025 (31 December 2024: Nil).

Notes to the Consolidated Financial Statements continued

As at and for the year ended 31 December 2025

QAR '000s

34. EARNINGS PER SHARE

Earnings per share for the Group is calculated by dividing profit for the year attributable to equity holders of the Bank, further adjusted for the dividend appropriation for instruments eligible for additional Tier 1 Capital, by the weighted average number of ordinary shares in issue during the year adjusted for the employee incentive phantom scheme shares.

	2025	2024
Basic/Diluted		
Profit for the year attributable to the equity holders of the Bank	2,204,944	3,032,071
Less: Dividend on Instrument eligible for Additional Tier 1 Capital	(283,720)	(283,720)
Profit for EPS calculation	1,921,224	2,748,351
Weighted average number of outstanding shares in thousands (Note 21 (a))	4,047,254	4,047,254
Less: Employee incentive phantom scheme shares	(192,765)	(192,765)
	3,854,489	3,854,489
Basic/Diluted earnings per share (QAR)	0.50	0.71

35. CONTINGENT LIABILITIES AND CAPITAL COMMITMENTS

	2025	2024
a) Contingent liabilities		
Unutilized credit facilities	14,231,368	15,765,695
Guarantees	15,538,956	16,451,572
Letters of credit	3,537,370	3,383,398
Total	33,307,694	35,600,665
b) Capital commitments		
Total	167,501	118,011

Unutilized credit facilities

Commitments to extend credit represent contractual commitments to make loans and revolving credits. The total contractual amounts do not necessarily represent future cash requirements, since commitments may expire without being drawn upon.

Guarantees and letters of credit

Guarantees and letters of credit make the group liable to make payments on behalf of customers in the specific event. Guarantees and standby letters of credit carry the same credit risk as loans.

Notes to the Consolidated Financial Statements continued

As at and for the year ended 31 December 2025

QAR '000s

36. CASH AND CASH EQUIVALENTS

	2025	2024
Cash and balances with central banks *	6,494,365	2,561,992
Due from banks up to 90 days	9,340,016	8,295,370
	15,834,381	10,857,362

*Cash and balances with central banks exclude the mandatory cash reserve.

37. DERIVATIVES

In the ordinary course of business the Group enters into various types of transactions that involve derivative financial instruments. Derivatives are financial instruments that derive their value from the price of underlying items such as equities, bonds, interest rates, foreign exchange, credit spreads, commodities and equity or other indices. Derivatives enable users to increase, reduce or alter exposure to credit or market risks. Derivative financial instruments include forwards, futures, swaps and options. These transactions are primarily entered with banks and financial institutions.

Forwards represent commitments to purchase foreign and/or domestic currencies, including non-deliverable spot transactions (i.e. the transaction is net settled). Forward rate agreements are individually negotiated interest rate futures that call for a cash settlement at a future date for the difference between a contracted rate of interest and the current market rate, based on a notional principal amount.

Swaps represent currency, interest rate swaps that are commitments to exchange one set of cash flows for another. Swaps result in an economic exchange of cashflows arising out of currencies or interest rates (for example, fixed rate for floating rate) or a combination of all these (i.e., cross-currency interest rate swaps). No exchange of principal takes place, except for certain cross currency swaps.

Options are contractual agreements that convey the right, but not the obligation, to either buy or sell a specific amount of a commodity or financial instrument at a fixed price, either at a fixed future date or at any time within a specified period.

The Group's credit risk represents the potential loss if counterparties fail to fulfil their obligation. This risk is monitored on an ongoing basis with reference to the current fair value, notional amount of the contracts and the liquidity of the market. To control the level of credit risk taken, the Group assesses counterparties using the same techniques as for its lending activities.

The Bank maintains strict control limits on net open derivative positions, i.e. the difference between purchase and sale contracts, by both amount and term. At any one time the amount subject to credit risk is limited to the current fair value of instruments that are favourable to the bank (i.e. assets) which in relation to derivatives is only a small fraction of the contract or notional values used to express the volume of instruments outstanding. This credit risk exposure is managed as part of the overall lending limits with customers, together with potential exposures from market movements. Collateral or other security is not usually obtained for credit risk exposures on these instruments, except where the bank requires margin deposits from counter-parties.

Notes to the Consolidated Financial Statements continued

As at and for the year ended 31 December 2025

QAR '000s

37. DERIVATIVES (continued)

Derivatives held for trading

The Group uses derivatives, not designated in a qualifying hedge relationship, to manage its exposure to foreign currency, interest rate and credit risks or initiates positions with the expectation of profiting from favourable movement in prices, rates or indices. The instruments used mainly include interest rate and currency swaps and forward contracts. All changes in fair value of derivatives held for trading are recognised immediately in profit or loss.

Other derivatives include, total return swaps and others which are not held to manage exposures mentioned above. Where a derivative is not designated in a qualifying hedging relationship, then all changes in its fair value are recognised immediately in profit or loss.

Derivatives held as fair value hedge

The Group uses derivative financial instruments for hedging purposes as part of its asset and liability management strategy by taking offsetting positions in order to reduce its own exposure to fluctuations in foreign exchange and interest rates. The Group uses interest rate swaps to hedge against the changes in fair value arising from specifically identified interest bearing assets. The Group uses forward foreign exchange contracts and currency swaps to hedge against specifically identified currency risks.

Derivatives held as cash flow hedge

The Group uses forward contracts/cross currency swaps to hedge the foreign currency risk arising from its financial instruments. The Group has substantially matched the critical terms of the derivatives to have an effective hedge relationship.

	Positive fair value	Negative fair value	Notional amount	within 3 months	3-12 months	1-5 years	More than 5 years
At 31 December 2025:							
Derivatives held for trading:							
Interest rate swaps	201,046	181,403	6,233,816	-	1,963,808	2,998,010	1,271,998
Forward foreign exchange contracts	37,809	169,983	11,529,597	5,614,497	5,865,100	50,000	-
Other derivatives	107,148	96,943	8,854,753	4,437,893	4,232,612	147,848	36,400
Derivatives held for fair value hedges:							
Interest rate swaps	93,901	-	764,400	182,000	-	182,000	400,400
Derivatives held for cash flow hedges:							
Cross currency swaps & others	4,925	-	533,424	-	-	390,777	142,647
Interest rate swaps	141	4,795	483,003	67,790	296,581	118,632	-
Total	444,970	453,124	28,398,993	10,302,180	12,358,101	3,887,267	1,851,445

Notes to the Consolidated Financial Statements continued

As at and for the year ended 31 December 2025

QAR '000s

37. DERIVATIVES (continued)

	Positive fair value	Negative fair value	Notional amount	within 3 months	3-12 months	1-5 years	More than 5 years
At 31 December 2024:							
Derivatives held for trading:							
Interest rate swaps	91,045	76,518	2,248,302	123,516	36,498	1,950,584	137,704
Forward foreign exchange contracts	255,919	851,589	19,983,881	6,891,384	10,837,341	1,766,099	489,057
Other derivatives	29,695	47,387	5,554,573	2,426,443	3,095,203	32,927	-
Derivatives held for fair value hedges:							
Interest rate swaps	121,615	-	946,400	-	-	-	946,400
Derivatives held for cash flow hedges:							
Cross currency swaps & others	-	718	838,632	36,400	-	354,059	448,173
Interest rate swaps	-	165	133,809	41,172	20,586	72,051	-
Total	498,274	976,377	29,705,597	9,518,915	13,989,628	4,175,720	2,021,334

At 31 December 2025, the Group held the following derivatives as hedging instruments:

Cash Flow Hedges:	Hedged item	Description	Currency	Hedging instrument	
				Notional in currency	Average Rate
Interest Rate Swaps	Deposit	Floating for fixed	TRY	5,700,000,000	38.4%
Cross Currency Swaps	Bond Issuance	NZD to USD	USD	48,043,480	2.3%
			NZD	68,000,000	4.5%
		CNY to USD	USD	98,501,665	5.5%
			CNY	710,000,000	3.5%
Fair value Hedges:					
Interest Rate Swaps	Govt Bonds	Fixed for floating	USD	210,000,000	2.83%

38. FUND MANAGEMENT

As at the end of the reporting date, the Group holds QAR 2,554 million (2024: QAR 1,448 million) worth of international investment securities on behalf of its customers. Out of this amount, investment securities with a value of QAR 2,417 million (2024: QAR 1,448 million) are held with an international custody and settlement house. The remaining investment securities are held with the financial institutions through whom the securities were purchased. These financial institutions are industry leaders in their respective fields. The Group has established maximum limits for such holding with each financial institution according to its risk management policy. Fee and commission income earned from funds management for 2025 is QAR 44.8 million (2024: QAR 23.1 million).

Notes to the Consolidated Financial Statements continued

As at and for the year ended 31 December 2025

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39. RELATED PARTIES

Related 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 or operational decisions. Related parties of the Group include Board members, close family members of the Board members, entities which are controlled, jointly controlled or significantly influenced by the Board members, subsidiaries, associates, joint ventures and key management personnel of the Group. Key management personnel comprise those executive committee members "EXCO" of the Group who are involved in the strategic planning, decision making and controlling the activities of the Group, directly or indirectly. The terms of these transactions are approved by the Group's management and are made on terms agreed by the Board of Directors.

A significant portion of the loans, advances and financing activities' balance at 31 December 2025 and 31 December 2024 with the members of the Board and the companies in which they have significant influence are secured against tangible collateral or personal guarantees. Moreover, the loans, advances and financing activities are performing satisfactorily honoring all obligations.

	2025	2024
Board members of the bank		
- Loans, advances and financing activities	1,540,464	1,557,630
- Deposits	614,387	773,357
- Contingent liabilities and other commitments	3,510	5,337
- Interest and fee income	70,212	94,766
- Interest paid on deposits accounts of board members	25,462	26,509
- Remuneration (Note 32)	25,500	25,500
Associates and joint arrangement companies		
Due from banks	77,148	6,808
Due to banks	184,360	1,740
Deposits	1,308	7,126
Contingent liabilities	8,976	20,997
- Interest earned from associates	550	13
- Interest paid to associates	1,384	5,888
Key management of the bank		
- Remuneration and other benefits*	55,911	52,842
- Loans and advances	10,578	7,684

* In addition to the above remuneration and other benefits, employees of the Group including senior management have been granted share appreciation rights. At 31 December 2025, the cost for share appreciation rights for senior management was credit of QAR 5.2 million (2024: cost of QAR 19.9 million).

40. COMPARATIVE FIGURES

Certain prior year amounts have been reclassified for better presentation in order to conform with the current year presentation.

Supplementary Information

Financial Statements of the Parent

QAR '000s

(a) Statement of Financial Position – Parent

As at 31 December	2025	2024
ASSETS		
Cash and balances with central banks	10,275,466	6,056,104
Due from banks	21,664,469	20,488,775
Loans and advances to customers	97,824,062	86,354,559
Investment securities	39,359,711	31,994,500
Investment in associates and a joint arrangement and subsidiaries	8,042,054	6,925,849
Property and equipment	2,610,153	2,587,312
Other assets	4,958,644	5,701,182
TOTAL ASSETS	184,734,559	160,108,281
LIABILITIES		
Due to banks	20,844,426	19,949,551
Customer deposits	85,908,485	73,341,684
Debt securities	13,314,779	10,686,852
Other borrowings	22,526,713	21,702,069
Other liabilities	12,307,733	5,970,952
TOTAL LIABILITIES	154,902,136	131,651,108
EQUITY		
Share capital	4,047,254	4,047,254
Legal reserve	9,763,430	9,763,430
General reserve	26,500	26,500
Risk reserve	2,340,332	2,340,332
Fair value reserve	(225,563)	(482,982)
Cash flow hedge reserve	4,925	(718)
Foreign currency translation reserve	(560,671)	(813,068)
Other reserves	1,725,318	1,370,601
Revaluation reserve	995,636	995,636
Retained earnings	5,895,262	5,390,188
TOTAL EQUITY ATTRIBUTABLE TO SHARE HOLDERS OF THE BANK	24,012,423	22,637,173
Instruments eligible for Additional Tier 1 Capital	5,820,000	5,820,000
TOTAL EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE BANK / TOTAL EQUITY	29,832,423	28,457,173
TOTAL LIABILITIES AND EQUITY	184,734,559	160,108,281

Supplementary Information

Financial Statements of the Parent continued

QAR '000s

(b) Statement of Income – Parent

For the year ended 31 December	2025	2024
Interest income	7,588,602	7,639,745
Interest expense	(4,625,669)	(4,696,816)
Net interest income	2,962,933	2,942,929
Fee and commission income	1,627,008	1,139,018
Fee and commission expense	(741,015)	(682,766)
Net fee and commission income	885,993	456,252
Net foreign exchange (losses) / gain	(5,918)	61,964
Net income from investment securities	280,737	261,053
Other operating income	109,450	146,208
Net operating income	4,233,195	3,868,406
Staff costs	(365,042)	(286,330)
Depreciation	(144,328)	(139,214)
Amortization and impairment of intangible assets	-	(26,990)
Net impairment reversals on investment securities	2,928	22,146
Net impairment (losses) on loans and advances to customers	(860,494)	(394,001)
Net impairment (losses) / reversals on other financial assets	(46,760)	95,572
Other provisions	(242,519)	(197,403)
Other expenses	(509,769)	(448,895)
Profit for the year	2,067,211	2,493,291

Accounting Policies for Financial Information of the Parent

The statement of financial position and income statement of the Parent bank are prepared using the same accounting policies followed for the consolidated financial statements except for investment in subsidiaries, which are not consolidated.

Basel Pillar 3 Disclosures

31 December 2025

Basel Pillar 3 Disclosures

Commercial Bank publishes its Basel Pillar 3 Disclosure Report separately in accordance with the requirements of Qatar Central Bank and the Basel III framework issued by the Basel Committee on Banking Supervision.

The Bank's Pillar 3 disclosures demonstrate its commitment to full regulatory compliance, robust transparency and disciplined risk management practices, consistent with supervisory expectations and internationally recognized Basel standards.

Pillar 3 represents a core component of the Basel III capital adequacy framework and is intended to strengthen market discipline through the provision of comprehensive, consistent and comparable public disclosures. It enables stakeholders to assess the Bank's risk profile, capital adequacy, leverage and liquidity position, thereby supporting an informed evaluation of its financial resilience, capital strength and risk governance practices.

The Bank's Pillar 3 disclosures are prepared in accordance with Qatar Central Bank regulatory requirements and are presented on a consolidated basis. They provide detailed qualitative and quantitative information on risk exposures, capital structure and regulatory ratios, and complement the audited consolidated financial statements. Accordingly, the Pillar 3 report should be read in conjunction with the financial statements and the risk management disclosures included in this Annual Report.

Pillar 3 Framework

The Pillar 3 framework focuses on transparent external communication of risk and capital information and operates alongside:

- **Pillar 1**, which sets out minimum regulatory capital requirements for credit, market and operational risks;
- **Pillar 2**, which establishes the supervisory review process and assesses whether the Bank should hold additional capital to cover risks captured under Pillar 1 and other material risks; and
- **Pillar 3**, which prescribes the external disclosure requirements relating to risk, capital, leverage and liquidity in accordance with the Basel framework.



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