



PRESS RELEASE

The Commercial Bank (P.S.Q.C.)
Financial Results
For The Six Months Ended
30 June 2025

The Commercial Bank (P.S.Q.C.) reports six months 2025 Net Profit before Pillar Two Taxes of QAR 1,374.2 million

Key Highlights

- Net Profit after Tax of QAR 1,261.4 million.
- Net Profit before the impact of Pillar Two Taxes of QAR 1,374.2 million with strong operating income from our core businesses.
- Total Assets of QAR 182.1 billion, up by 13.2% from June 2024.
- Loans and Advances to Customers of QAR 103.8 billion.
- Customer Deposits of QAR 83.5 billion, up by 8.2% from June 2024.
- Strong Capital Adequacy Ratio at 17.2%.
- Total Equity of QAR 26.3 billion, up by 4.4% from June 2024.
- Moody's affirms Commercial Banks credit rating at "A2" with Stable outlook.
- Fitch affirms Commercial Banks credit rating at "A" with Stable outlook.
- Largest issuance by a Qatari bank of local currency QAR 500 million Bonds with a coupon rate of 4.90%.
- The Board of Directors approved at its meeting held on 22 May 2025 a Share Buyback plan to purchase up to 10% of the Bank's fully paid-up issued shares, subject to regulatory approvals. In light of this and the pipeline of loan growth it was decided not to distribute an interim dividend for the period ended 30 June 2025.

Doha, Qatar, 16 July 2025:

The Commercial Bank (P.S.Q.C.) (the "Bank"), its subsidiaries and associates ("Group") announced today its financial results for the six months ended 30 June 2025.

The Group reported a Net Profit before Pillar Two Tax of QAR 1,374.2 million for the six months ended 30 June 2025 as compared to QAR 1,571.0 million for H1 2024. The 12.5% variance was primarily due to an increased loss from Alternatif Bank by QAR 104.2 million and long-term incentive scheme (LTIS) related changes of QAR 35.9 million. If normalized for the LTIS related changes, the adjusted Net Profit before Pillar Two Tax for H1 2025 would be QAR 1,410.1 million. Excluding these items the core operating income remains strong supported by combination of both higher lending and incremental fees and other income.

Due to the likely implementation of the Global Minimum Top-up Tax of 15% (Base Erosion and Profit Shifting - BEPS Pillar Two Tax), a tax charge of QAR 112.9 million was deducted. Overall, these items resulted in a decrease in reported Net Profit after Tax of QAR 1,261.4 million compared to QAR 1,571.0 million in the same period last year.

Sheikh Abdulla bin Ali bin Jabor Al Thani, Chairman, said,

“In the first half of 2025, Commercial Bank has accelerated progress across the core pillars of our five-year strategy, delivering measurable impact in digital innovation, client experience, and operational efficiency. As we enter the final stretch of our 2022–2026 plan, our focus remains on disciplined execution, delivering sustainable value, and deepening our alignment with Qatar National Vision 2030. We remain fully committed to supporting the country’s economic ambitions while continuing to raise the bar in service excellence, innovation, and long-term shareholder returns.”

Mr. Omar Hussain Alfardan, Vice Chairman and Managing Director, said,

“Commercial Bank sustained strong momentum in H1 2025, with major credit rating agencies reaffirming their ratings, reflecting continued confidence in the Bank’s capital strength, liquidity, and profitability. In May, the Board of Directors approved a Share Buyback plan of up to 10% of the Bank’s fully paid-up issued shares, subject to regulatory approval. This strategic initiative reflects our focus on enhancing shareholder value, capital efficiency, and superior returns on equity.

In June, we further diversified our funding base through a successful QAR 500 million senior unsecured bond issuance under our EMTN programme. We also advanced our digital leadership with the launch of a new Corporate Mobile Banking App and were recognised by International Finance as “Best Mobile Banking App – Qatar 2025”. Sustainability remains a core priority, with a focus on a number of sustainability initiatives, as we continue to deliver long-term value to clients and stakeholders.”

Mr. Joseph Abraham, Group Chief Executive Officer, commented,

“Commercial Bank delivered a strong performance in the first half of 2025, reflecting disciplined execution of our strategy and a continued focus on long-term value creation. The Bank reported a consolidated Net Profit after tax of QAR 1,261.4 million, driven by strong

growth in fee and other income, higher dividends from investments and improved contribution from associates.

Our strategic focus on diversifying income streams continues to yield results, with total fee and other income increasing year-on-year, supported by robust performance in transaction banking, growing cards portfolio, enhanced wealth management, and well managed investments portfolio. This helped offset pressure on net interest income to an extent, which was impacted from a downwards interest rate revisions. Meanwhile, our subsidiary in Turkey, Alternatif Bank, reported a loss of QAR 107.1 million, primarily reflecting the impact of hyperinflationary accounting and market volatility.

We remain focused on optimising the balance sheet, achieving a 13.2% increase in total assets. Further, we continue to grow our low-cost deposits, which increased by 10.2% year on year, reflecting our efforts to diversify funding sources and strengthen balance sheet resilience. Our capital position remains robust, with a CET1 ratio of 12.5% and a Capital Adequacy Ratio of 17.2% as we continue to support growth while maintaining prudent capital levels in line with our guidance.

Looking ahead, we are committed to delivering value for our stakeholders by executing on our strategic priorities, advancing sustainable finance, and supporting Qatar's National Vision 2030. Our performance in six months 2025 reinforces our ability to adapt, innovate, and grow in a dynamic regional and global environment."

Key indicators of the financial results for the half year ended 30 June 2025 were as follows:

Financial Highlights

QAR million	June 2025	June 2024	Change %
Total Assets	182,064.2	160,795.3	13.2%
Loans and Advances to Customers	103,787.6	92,104.9	12.7%
Customer Deposits	83,538.6	77,198.8	8.2%
Total Equity	26,317.0	25,212.2	4.4%
Net Operating Income	2,248.1	2,492.7	-9.8%
Operating Expenses	(689.0)	(570.7)	20.7%
Operating Profit	1,559.2	1,922.0	-18.9%
Net Provisions	(295.3)	(426.9)	-30.8%
Share of Results of Associates	195.5	158.2	23.6%
Net Monetary Losses Due to Hyperinflation	(71.7)	(80.4)	-10.8%
Income Tax Expense	(13.5)	(2.0)	-583.9%
Net Profit Before BEPS Pillar Two Taxes	1,374.2	1,571.0	-12.5%
BEPS Pillar Two Taxes	(112.9)	-	-100.0%
Net Profit after Tax	1,261.4	1,571.0	-19.7%

Key Performance Indicators	June 2025	June 2024
Cost to Income Ratio	30.6%	22.9%
Cost of Risk – COR (bps) – gross	77	97
Cost of Risk - COR (bps) – net	50	64
Non-Performing Loan (NPL) Ratio	5.5%	5.9%
Loan Coverage Ratio*	87.9%	110.7%
Common Equity Tier 1 (CET 1) Ratio	12.5%	12.3%
Capital Adequacy Ratio (CAR)	17.2%	17.2%

* Including ECL

Balance sheet: Total Assets as at 30 June 2025 reached QAR 182.1 billion, an increase of 13.2% from 30 June 2024. This is mainly driven by an increase in loans and advances to customers and an increase in investment securities. The investment securities increased by 26.0% to reach QAR 35.8 billion, with the Bank investing in high-quality market securities supporting the moves to lock in yields. The loans and advances to customers increased to QAR 103.8

billion, up by 12.7% due to higher corporate, government & public sector, retail borrowings and acceptances.

Debt securities rose to QAR 11.4 billion as the Bank diversified its funding sources. Furthermore, customer deposits is at QAR 83.5 billion as we focused on reducing high cost of funding, while growing low-cost deposits by 10.2%, which represents 42.1% of the total customer deposits mix.

Income statement: Commercial Bank reported a consolidated Net Profit after Tax of QAR 1,261.4 million for the six months ended 30 June 2025, which includes a BEPS Pillar Two Tax charge of QAR 112.9 million and a reported loss of QAR 107.1 million for the period from our subsidiary in Turkey, Alternatif Bank.

The net interest income was impacted by lower interest income and higher funding costs. Despite this, the Group saw a growth in non-interest income, which rose 1.9%, driven by higher fee and commission-based income.

The Group's reported H1 2025 cost-to-income ratio increased to 30.6% due to lower operating income and higher cost increases coming from Turkey, as well as Bank's continued investment in people, digital innovation and service proposition. Further, the lower expenses in H1 2024 were also attributed to decreased staff related LTIS costs, a consequence of IFRS 2 due to the decline in share price.

Net provisions declined 30.8%, supported by a combination of recoveries and reversals and strong performance was evident by associates whose contributions improved by 23.6%.

Credit quality: As of 30 June 2025, the ratio of non-performing loans to gross loans stood at 5.5%, compared to 5.9% as of 30 June 2024. In H1 2025, the Group's net loan provisions decreased to QAR 244.1 million, down from QAR 293.7 million in H1 2024. As of 30 June 2025, Loan Coverage Ratio is 87.9%. This approach underscores our ongoing focus on maintaining asset quality and reinforcing our commitment to long-term financial sustainability.

Capital ratios: The Group's Common Equity Tier 1 (CET 1) Ratio as at 30 June 2025 reached 12.5%. The Capital Adequacy Ratio (CAR) as at 30 June 2025 stood at 17.2%, underlining strong capital accretion. These ratios are higher than the regulatory minimum requirements of the Qatar Central Bank and Basel III requirements.

BEPS Pillar Two Taxes

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').

The Group has accrued for BEPS Pillar Two Taxes with effect from 1 January 2025 based on the applicable rules under Base Erosion and Profit Shifting (BEPS) Pillar Two Anti Global Base Erosion ("GloBE") Rules. The Rules have multiple mechanisms that aim to ensure that qualified multinational enterprises maintain a minimum effective tax rate of 15% calculated based on the excess taxable profits in every jurisdiction in which The Commercial Bank operates. The incremental impact of these new taxes amounted to QAR 112.9 million for the six months ended 30 June 2025 (six-month period ended 30 June 2024: Nil).

Commercial Bank Share Buyback

The Board of Directors approved at its meeting held on 22 May 2025 a Share Buyback plan to purchase up to 10% of the Bank's fully paid-up issued shares. This decision aligns with the Bank's strategy focused on strong return on equity, high quality and superior earnings. The program is pending regulatory approval, with an announcement to follow once approvals are in place.

The Share Buyback plan will commence after obtaining the necessary regulatory approvals from the Qatar Central Bank (QCB) and Qatar Financial Markets Authority (QFMA).

Credit ratings highlight the Bank's robust resilience

Commercial Bank's credit ratings remain strong, with Moody's and Fitch affirming the credit ratings at A2 and A respectively. The summary of ratings are as follows:

- S&P: A- / Stable / A-2
- Moody's: A2 / Stable / P-1
- Fitch: A / Stable / F1

These ratings reflect continued confidence in the Bank's financial strength, underpinned by solid capitalization, liquidity, and profitability, as well as the stable operating environment in Qatar. They also acknowledge the potential for sovereign support if ever required.

The consistency across agencies reinforces Commercial Bank's credibility and strategic position, providing a strong platform for long-term value creation.

Diversified funding sources

In June, Commercial Bank issued a QAR 500 million Senior-Unsecured Bond under its EMTN programme. The Bonds, with a 4.9% coupon and three-year tenor, are listed on Euronext Dublin.

The Bank continues to proactively diversify its funding sources to support its growth initiatives and enhance liquidity. It remains focused on securing competitive, sustainable financing options that align with its long-term strategy, further strengthening its financial position and capacity to meet the evolving needs of its customers and stakeholders.

Reinforcing our commitment to sustainability

Commercial Bank remains fully aligned with Qatar National Vision 2030 and the country's environmental and climate strategy. Building on recent milestones in green financing and ESG performance, the Bank continues to embed sustainability into its operations, funding strategy, and risk framework. As part of its long-term vision, Commercial Bank is committed to driving sustainable growth while creating lasting value for clients, communities, and shareholders.

Empowering innovation, talent, and community impact

Commercial Bank continues to advance its position as a leading innovator and purpose-driven organization in Qatar through a range of strategic initiatives launched in early 2025:

- **Pioneering digital banking services:**
The Bank has been recognized with "Best Mobile Banking App – Qatar 2025" from the prestigious awarding body, International Finance.
- **All-new Corporate Mobile Banking App:**
The Bank unveiled its all-new Corporate Mobile Banking App, setting a new standard for business banking in the region. This state-of-the-art mobile app has been redesigned to transform how corporate clients manage their financial operations by delivering unprecedented speed, security, and convenience through their smartphones.
- **Best in-class Straight Through Processing:**
Commercial Bank was recognized by J.P. Morgan for "Best-in-Class Straight Through Processing (STP) Rates" in Payments and Commercial & Treasury Messages -



reaffirming its commitment to customer-centric financial solutions. The Bank continues to play a key role in advancing Qatar's financial landscape and enhancing the client experience.

About Commercial Bank

Commercial Bank, incorporated in 1974 as the first private bank in the country, celebrates its 50th anniversary this year. It stands as one of Qatar's leading financial institutions, with a profitable track record since its inception, and is the second-largest conventional bank in Qatar. Today, the Bank continues to play a pivotal role in driving innovation and raising banking service standards across the region through investment in new technology, a strong customer focus, and prudent management.

For further information, visit: [Investor Relations | Commercial Bank of Qatar \(cbq.qa\)](#)

For investor-related queries, please contact CB Investor Relations team on ir@cbq.qa