



# **The Commercial Bank (P.S.Q.C.)**

## **Financial Results**

**For the year ended 31 December 2024**

## Forward Looking Statements

- This presentation and subsequent discussion may contain 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 but also represent Commercial Bank's expectations and beliefs concerning future events. By their nature forward-looking statements involve known and unknown risks 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 or performance may differ materially from the plans, goals and expectations expressed or implied in such statements.
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- **ECONOMY AND FIVE-YEAR PLAN TARGETS**
- CONSOLIDATED HIGHLIGHTS AND PERFORMANCE
- SUBSIDIARY PERFORMANCE



# Qatar Outlook economy well positioned for 2025 and beyond



- Qatar continues to be one of the **world's largest LNG exporter**. In 2024, the largest exporters of LNG were USA, followed by **Qatar** and then by Australia.
- **Economic activity continues** to be supported by investments in the **North Field gas expansion, new infrastructure projects, and robust growth across logistics, manufacturing, tourism and trade**.
- The North Field gas expansion plans to **increase Qatar's LNG output to 110 million tonnes per annum (mtpa) by 2025 and thereafter to 126 mtpa by 2027**. A further expansion plan was unveiled to **boost the LNG output to 142 mtpa by 2030**.
- Qatar laid foundation on **\$6 billion Ras Laffan petrochemical project**, Middle East's **largest ethane cracker** and capacity to produce 2.1 million mt/year of ethylene, to begin production in 2026.
- Qatar is set to become the **world's largest exporter of urea** by ramping up production from a current **6 mtpa to 12.4 mtpa by 2030**.
- Qatar announced launch of **Simaisma project worth QR 20 billion (\$5.5 billion)**. The project will span over **8 million square meters**, featuring a **7 km waterfront** that stretches over Qatar's eastern coastline.
- **Qatar's GDP growth** is projected at **≈2 percent** in 2025, aligning with the near-term economic goals outlined in **Qatar National Vision 2030**, the country is also pursuing long-term strategies to **diversify its economy and ensure sustainable development**.
- Qatar's 2024 budget reported an approx. **surplus of QR 4.7 billion** for the first nine months of the year.
- 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.
- Qatar launched Third National Development Strategy (NDS3) which outlines a set of ambitious targets, including an average **economic growth of 4%**, the attraction of **US\$100 billion in foreign direct investment and leadership in business and digital competitiveness** by 2030.
- Qatar has launched the Qatar National Manufacturing Strategy 2024-2030, which includes **15 key initiatives** encompassing **60 projects to support strategic industries** such as aluminium, plastics, advanced food, medicine, chemicals and others. The strategy aims for a **3.1% CAGR** in the manufacturing sector by 2030.
- Qatar aims to elevate its **non-hydrocarbon sector's contribution to GDP** with a **CAGR of 3.4%** by 2030.
- Fitch Ratings has **upgraded** Qatar's Long-Term Foreign-Currency Issuer Default Rating (IDR) to **'AA'** from **'AA-'**, with Stable outlook.
- Moody's had **raised the country's credit rating from (Aa3) to (Aa2)** with a stable outlook, while Standard & Poor's **affirmed the country's credit rating at (AA)** with a stable outlook.
- Qatar had announced **additional infrastructure projects worth QR70 billion (\$19.2 billion)** in late 2023.

## Our progress to date and next five-year plan targets

Strategic Intent		2016 Actual	5 Year 2021 Targets	2021 Actual	5 Year 2026 Targets	2024 Guidance	2024 Actual	2025 Guidance
Capital Ratio	CET1 :	9.7%	11.0% - 11.5%	11.7%	13.0% - 14.0%	11.5% - 12.0%	12.3%	13.0% - 13.5%
	CAR :	15.2%	16.0% - 16.5%	18.1%	18.5% - 19.0%	16.5% - 17.0%	17.2%	17.5% - 18.5%
Risk Management	NPL :	5.0%	4.0% - 4.5%	4.7%	2.5%	5.4% - 5.9%	6.2%	5.5% - 6.0%
	CoR :	164 bps	50 bps	111 bps	60 - 80 bps	120 - 135 bps	36 bps (Gross 102 bps)	80 - 100 bps (Gross 115 - 130 bps)
Reshape loan book	Gov/public sector :	10%	16%	18%	25%	18% - 20%	17%	18% - 20%
	Real estate :	28%	20%	19%	16%	18% - 20%	22%	18% - 20%
Cost to Income Ratio <sup>(1)</sup>	Consolidated :	45.7%	35%	24.1%	< 20%	< 26%	29.1% <sup>(1)</sup>	< 26%
	Domestic :	40.2%	30%	20.5%	< 17%	< 21%	23.4% <sup>(1)</sup>	< 23%
Return on Equity (ROE) <sup>(2)</sup>	ROE :	2.7%	10%	10.0%	13% - 15%	12.5% - 13.0%	11.9%	10% - 11% <sup>(4)</sup>
	<sup>(3)</sup> ROE :	-	-	12.7%	16% - 18%	16.0% - 17.0%	15.4%	13% - 14% <sup>(4)</sup>

(1) The cost to income ratio for FY 2024 is presented excluding performance scheme impact to show actual underlying business trend

(2) Total average equity (annualized)

(3) Excluding Additional Tier 1 (AT1)







(4) The 2025 guidance reflects ROE post BEPS Pillar II impact



- ECONOMY AND FIVE YEAR PLAN TARGETS
- **CONSOLIDATED HIGHLIGHTS AND PERFORMANCE**
- SUBSIDIARY PERFORMANCE



# Executive Summary

Strategic Focus	Progress
 <b>Results</b>	<ul style="list-style-type: none"><li>• Net profit of QAR 3,032.1 million, up by 0.7% compared to 2023.</li><li>• Turkey reported a loss of QAR 85.2 million in 2024 after hyperinflationary accounting.</li><li>• Total assets of QAR 165.8 billion, up by 0.9% from December 2023.</li><li>• Loans and advances to customers remained stable at QAR 91.5 billion.</li><li>• Customer deposits of QAR 77.0 billion, up by 0.6% from December 2023.</li><li>• Strong capital adequacy ratio at 17.2% (post adjusting for proposed dividends).</li><li>• Total equity of QAR 26.5 billion, up by 8.5% from December 2023.</li><li>• S&amp;P affirmed Commercial Bank's rating at A-/Stable/A-2.</li><li>• Awarded with the prestigious "Best Green Financing Initiative" award and "Sustainable and Green Bank of the Year in Qatar" award from the Asian Banker.</li></ul>
 <b>Capital &amp; Funding</b>	<ul style="list-style-type: none"><li>• CET1, Tier 1 and Total Capital Ratios at 12.3%, 15.7% &amp; 17.2% respectively, as compared to 10.6%, 14.1% and 14.9% at December 2023.</li><li>• Successful issuance of US Dollar denominated international bond of a total size USD 750 million.</li><li>• Successful issuance of largest ever Green CHF-denominated bond from Qatar raising total of CHF 225 million at a coupon rate of 1.7075%.</li></ul>
 <b>Reshaping Loan Book</b>	<ul style="list-style-type: none"><li>• Consolidated loan book stood at QAR 91.5 billion as at 31 December 2024, remaining stable compared to the position as at 31 December 2023.</li><li>• Focus remains on re-shaping the profile of the lending book.</li><li>• Continued diversification of risk across a range of sectors including focus on increasing exposure to government and public sector.</li></ul>
 <b>Provisioning</b>	<ul style="list-style-type: none"><li>• Non-performing loan (NPL) ratio at 6.2% at 31 December 2024 compared with 5.9% at 31 December 2023.</li><li>• Loan coverage ratio (including ECL) stood at 82.2% as at 31 December 2024.</li><li>• Net cost of risk decreased to 36 bps compared to 105 bps in 2023 due to strong recoveries. Gross cost of risk decreased to 102 bps in 2024 from 144 bps in 2023.</li></ul>
 <b>Costs</b>	<ul style="list-style-type: none"><li>• Consolidated cost to income ratio reached 27.9% in 2024 from 26.2% in 2023, mainly on account of lower operating income driven by Alternatif Bank and the Bank's continued investment in technology to enhance operational infrastructure and service propositions to support business growth.</li><li>• In Qatar, cost to income ratio reached to 23.9% in 2024 from 22.5% in 2023.</li></ul>
 <b>Subsidiary &amp; Associates</b>	<ul style="list-style-type: none"><li>• Alternatif Bank reported net loss of TL 790.9 million (QAR 85.2 million) in 2024 compared to a net profit of TL 467.5 million (QAR 83.6 million) in 2023. The results were impacted by the hyperinflation accounting amounted to TL 1,178.2 million (QAR 131.8 million) in 2024 and TL 2,349.0 million (QAR 335.0 million) in 2023.</li><li>• Associates strong execution of their strategic plan resulted in solid profit share in 2024.</li></ul>



## Financial Progress

	Reported			Excluding LTIP <sup>(1)</sup>		
	FY 2024	FY 2023	Variance FY 2024 v FY 2023 (%)	FY 2024	FY 2023	Variance FY 2024 v FY 2023 (%)
Net Operating Income	4,556	5,489	(17.0%)	4,620	5,559	(16.9%)
Costs	(1,273)	(1,441)	11.6%	(1,342)	(1,354)	0.9%
Operating Profit	3,283	4,049	(18.9%)	3,278	4,205	(22.1%)
Net Provisions <sup>(2)</sup>	(467)	(917)	49.1%	(467)	(917)	49.1%
Share of Associates' Results	330	294	12.1%	330	294	12.1%
Net Monetary Loss due to Hyperinflation	(132)	(335)	60.7%	(132)	(335)	60.7%
Tax	18	(80)	122.9%	18	(80)	122.9%
Net Profit	3,032	3,010	0.7%	3,027	3,166	(4.4%)
Lending Volume <sup>(3)</sup>	91,480	91,490	(0.0%)	91,480	91,490	(0.0%)
Deposit Volume <sup>(4)</sup>	77,007	76,541	0.6%	77,007	76,541	0.6%
Net Interest Margin (NIM)	2.4%	2.8%	(0.4%)	2.4%	2.8%	(0.4%)
Cost/Income Ratio (Consolidated)	27.9%	26.2%	(1.7%)	29.1%	24.4%	(4.7%)
Cost/Income (Domestic)	23.9%	22.5%	(1.4%)	23.4%	20.9%	(2.5%)
Cost of Risk - COR (bps) – gross	102	144	42	102	144	42
Cost of Risk - COR (bps) – net	36	105	69	36	105	69
Non-Performing Loan (NPL) Ratio	6.2%	5.9%	(0.3%)	6.2%	5.9%	(0.3%)
Loan Coverage Ratio <sup>(2)</sup>	82.2%	105.1%	(22.9%)	82.2%	105.1%	(22.9%)
Common Equity Tier 1 (CET 1) Ratio	12.3%	10.6%	1.7%	12.3%	10.6%	1.7%
Capital Adequacy Ratio (CAR)	17.2%	14.9%	2.3%	17.2%	14.9%	2.3%

(1) Excluding LTIP table shows the figure after removing the impact of share option scheme, to show actual underlying business trend.

(2) Includes ECL

(3) Net loans and advances to customers

(4) Deposit volumes include current and call deposits, saving deposits, time deposits and accrued interest





## Movement in Loans and Advances

Key Movements	31 December 2024 (QAR m)	31 December 2023 (QAR m)	Movement Dec 24 vs Dec 23 (QAR m)	Movement Dec 24 vs Dec 23 (%)
Corporate & International	74,857	76,471	(1,614)	-2.1%
Retail	11,950	10,727	1,223	11.4%
Alternatif Bank Net Lending	4,672	4,292	381	8.9%
<b>Net Loans and Advances to customers</b>	<b>91,480</b>	<b>91,490</b>	<b>(10)</b>	<b>0.0%</b>

- The loans and advances to customers remained stable during the year.
- We continue to focus and grow the Retail book which improved by 11.4%.
- In addition, at Alternatif Bank, the lending's have improved by 8.9%.



## Group Financial Performance – Reported year ended 31 December 2024

### Group Profitability

QAR Million	FY 2024	FY 2023	%
Net interest income	3,317	3,867	-14.2%
Non-interest income	1,239	1,622	-23.6%
Total costs	(1,273)	(1,441)	11.6%
Net provisions	(467)	(917)	49.1%
Share of associates' results	330	294	12.1%
Non-cash net monetary loss	(132)	(335)	60.7%
Tax	18	(80)	122.9%
<b>Net profit after tax</b>	<b>3,032</b>	<b>3,010</b>	<b>0.7%</b>

### Performance Ratios

	FY 2024	FY 2023
Return on Average Equity (ROAE) <sup>(1)(3)</sup>	11.9%	12.3%
Return on Average Assets (ROAA)	1.8%	1.8%
NIM	2.4%	2.8%

(1) Including AT1

(2) Calculated in accordance with Qatar Central Bank (QCB) regulations

(3) Total average equity (annualized)

### Consolidated Balance Sheet

QAR Million	Dec-24	Dec-23	%
Total assets	165,813	164,376	0.9%
Loans and advances	91,480	91,490	0.0%
Investment securities	33,229	30,762	8.0%
Customer deposits	77,007	76,541	0.6%
Total equity	26,489	24,406	8.5%

### Capital

QAR Million	Dec-24	Dec-23
RWA (QAR million) <sup>(2)</sup>	131,092	121,274
CET 1 ratio (Basel III)	12.3%	10.6%
Total capital ratio (Basel III)	17.2%	14.9%



# Leader in Digital Innovation Driving Customer Experience and Cost Benefits



## Corporate

- Best Trade Finance Service (2019 – 23) from Global Finance
- Best Bank for Corporate Banking in Qatar from Euromoney (2022)
- Best Integrated Corporate Banking Site from Global Finance (2022)
- Market Leader in Qatar in Corporate Banking from Euromoney Digital Rankings (2022)
- Best Leading Corporate for Investor Relations in Qatar from MEIRA Annual Conference & Awards (2022)
- The Most Innovative Mobile Trading App award in Qatar by International Finance (2023)
- The Fastest Growing Brokerage House award in Qatar by International Finance (2023)
- The Best Digital Bank for Trade Finance Services award in Qatar by Global Finance (2023)
- The Best Corporate Mobile Banking App award in the Middle East by Global Finance (2023)
- The Best Card Payment Service POS/ATM award in Qatar by International Finance (2024)
- Sustainable and Green Bank of the Year in Qatar from the Asian Banker (2024)
- Best Green Financing Initiative from the Asian Banker (2024)

## Retail

- Best in Social Media Marketing and Services from Global Finance (2021-22)
- Best Online Deposit, Card and Investment Product Offerings from Global Finance (2022)
- Best User Experience (UX) Design from Global Finance (2022)
- Best Open Banking APIs from Global Finance (2022)
- Market Leader in Qatar in Digitals Solutions from Euromoney Digital Rankings (2022)
- Best Mobile Banking App from International Finance (2023)
- The Best Consumer Mobile Banking App award in Qatar by Global Finance (2023)
- Best Mobile Banking App and Best Remittance Service award in the Middle East by MEED (2024)
- Fastest Growing Credit Card Issuer award in Qatar by International Finance (2024)
- Best Mobile Banking App and Best Mobile Banking in Qatar award from Global Finance (2024)

## Innovation

- The Most Outstanding Innovation in Fraud Detection award in the world from Global Finance (2022)
- Most Innovate Mobile Trading App from International Finance (2021-2022)
- Best Bank in Qatar from Global Finance (2019, 2021-22)
- Best in Social Media Engagement in the Middle East from The Asian Banker (2021)
- Bank of the Year in Qatar from The Banker (2022)
- Best Customer Service Initiative from International Finance (2023)
- Most Innovative Mobile Banking App in the world from Global Finance (2023)
- The Most Innovative Bank award in the Middle East by World Finance (2023)
- Best Remittance Service award in the Middle East by MEED (2024)
- Best Digital Bank in the Middle East by World Finance (2024)

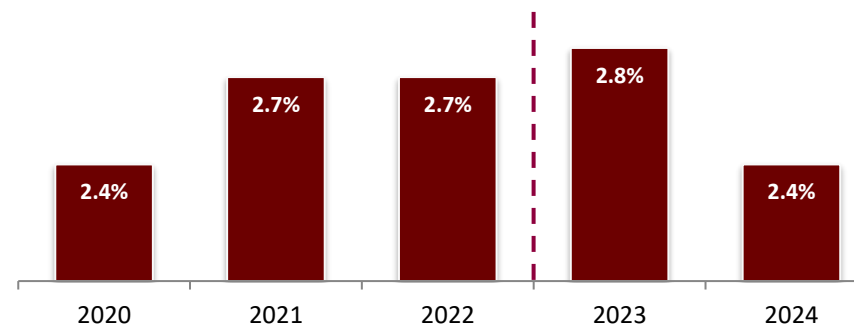


# Earnings Performance – Year ended 31 December 2024

## Profitability

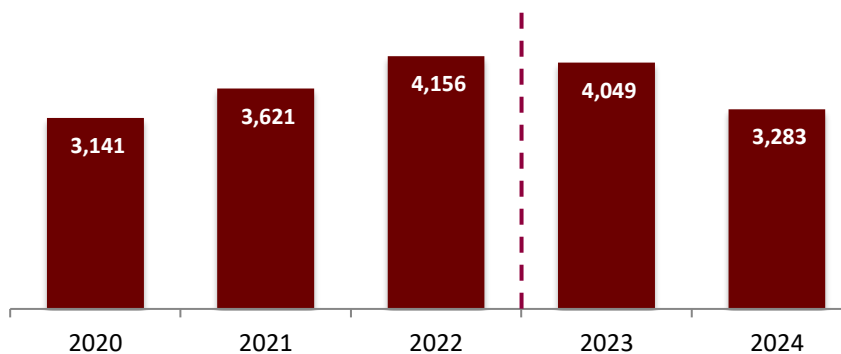
- ◆ Net interest income for the period was QAR 3,317.2 million.
  - ◆ Net interest margin at 2.4% for FY 2024.
  - ◆ The drop in NIM was mainly driven by higher cost of funding and one-off interest in suspense adjustment. Excluding the one-off impact, the adjusted NIM would have been 2.6% for FY 2024.
- ◆ Non-interest income for the period was QAR 1,238.8 million
  - ◆ The overall decrease in non-interest income was mainly due to reduced FX and trading income.

## Net interest margin



Net interest income as a % of average interest earning assets, including (i) Loans and advances to customers (ii) bonds and (iii) loans to other credit institutions (iv) other interest earning assets

## Operating Profit (QAR million)

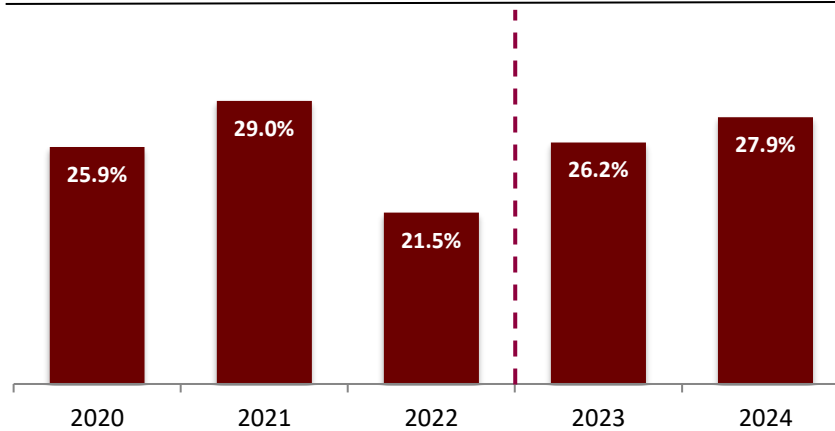


# Cost to income ratio increased due to lower operating income from Turkey as well as Bank's continued investment in digital innovation and service proposition

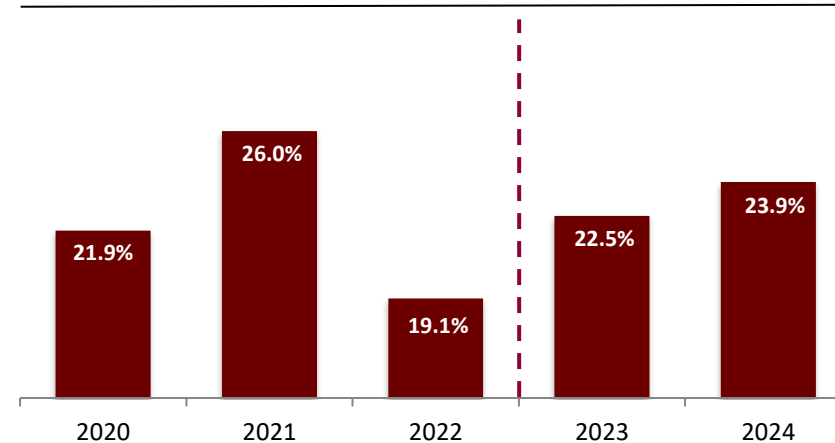
## Operating Efficiency

- ◆ Cost to income ratio increased to 27.9% in FY 2024 from 26.2% in FY 2023.
- ◆ The increase in the ratio is mainly on account of significantly lower operating income from Turkey as well as one-off interest income adjustment in CB parent.
- ◆ In Qatar, cost to income ratio increased to 23.9% in FY 2024 from 22.5% in FY 2023.
- ◆ The Bank continues to focus on digital processes, technology along with tight expense management.

## Cost to Income Ratio Consolidated



## Cost to Income Ratio Domestic



# Retail portfolio and performance on the rise, delivering strong growth

## Summary

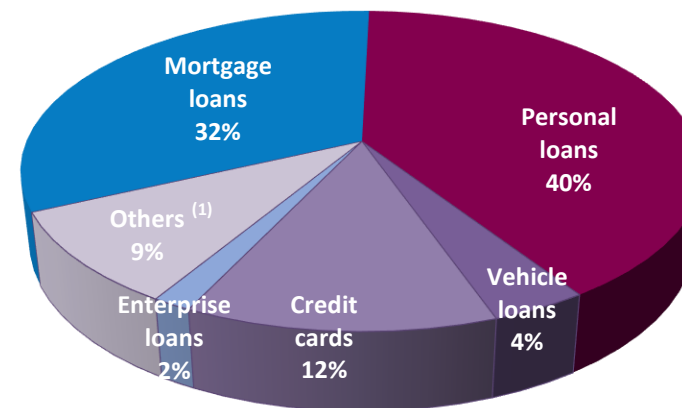
### Portfolio

- ◆ The retail portfolio<sup>(2)</sup> improved by 11.4% to QAR 12.0 billion, representing 13.1% of overall bank's loan book.
- ◆ The increase is supported by growth in personal loans, vehicle loans, mortgage loans and balances from cards.
- ◆ Qatari acquisition doubled over the same period last year and remains a key focus area for 2025, within overall customer acquisition strategy.

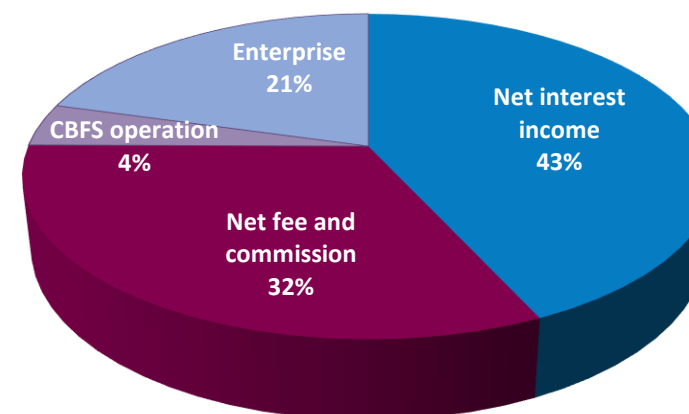
### Performance

- ◆ Retail operating income for FY 2024 has grown up to 40% of CB revenues.
- ◆ Retail fee revenues for FY 2024 are up 14% y-o-y leveraging on cards, wealth sales, remittance fx, brokerage fees and insurance products.

## Retail book breakdown by division – December 2024



## Key retail income drivers



Notes:

(1) Others include overdrafts, term, trade and margin related loans

(2) Retail loans above excludes Enterprise

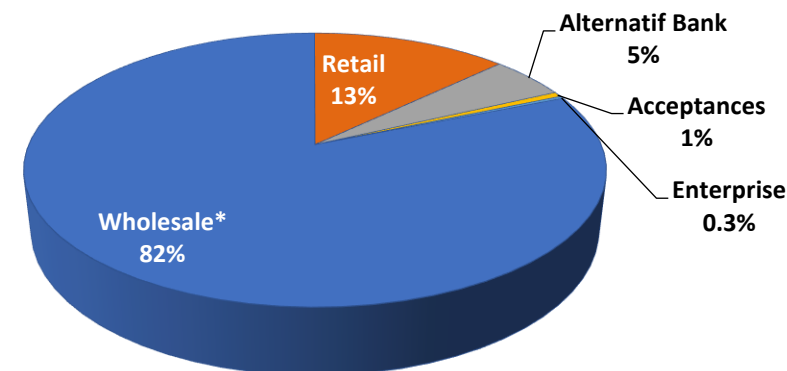


# Loan book structure

## Summary

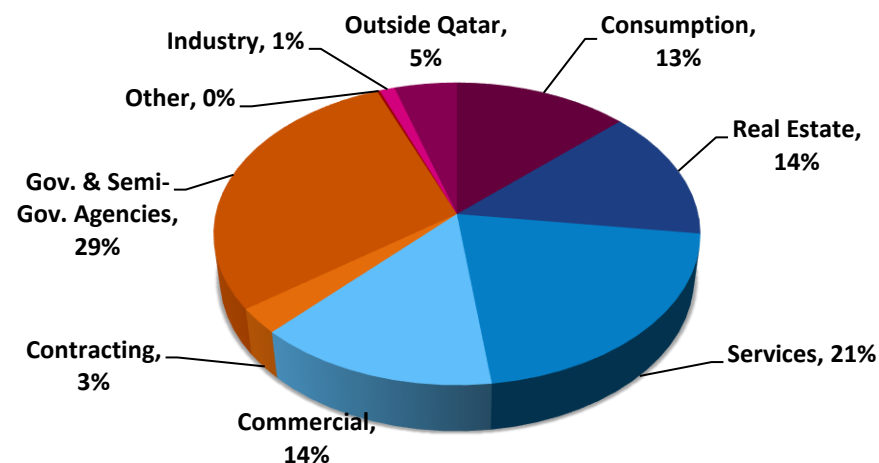
- ◆ Loans and advances to customers remained stable at QAR 91.5 billion.
- ◆ Focus continues on diversifying loans and improving market share in Government and Public sector.

## Loan book split - December 2024



\*Wholesale includes Corporate and international loans as well as government and public sector loans including MoF overdraft

## Qatari banks credit facilities breakdown by sector – November 2024



Source: QCB

## Loan book breakdown by sector – December 2024

Sector	Dec-24	Dec-23	Dec-16
Govt and Public Sector	17%	15%	10%
Industry	7%	7%	7%
Commercial	16%	17%	12%
Services	23%	26%	18%
Contracting	2%	3%	10%
Real Estate	22%	21%	28%
Consumption	11%	9%	12%
Others*	2%	2%	3%
	<b>100%</b>	<b>100%</b>	<b>100%</b>

\*Others include non-banking financial institutions

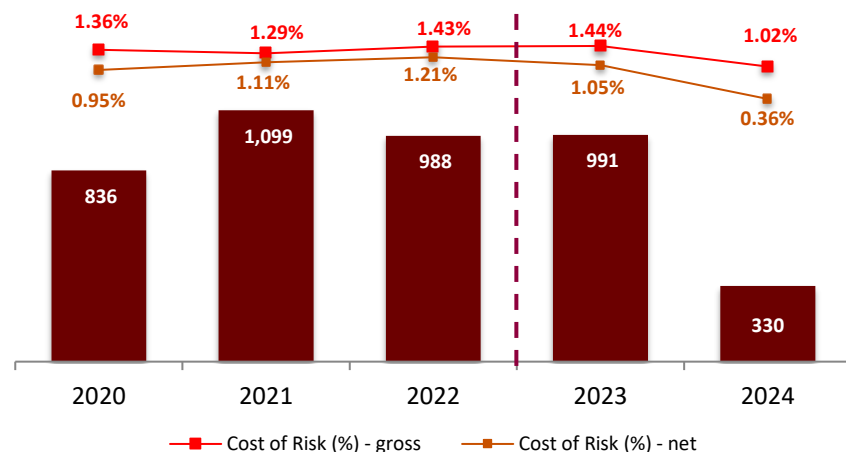


# Asset Quality – 31 December 2024: Continued Prudent Approach on Provisioning

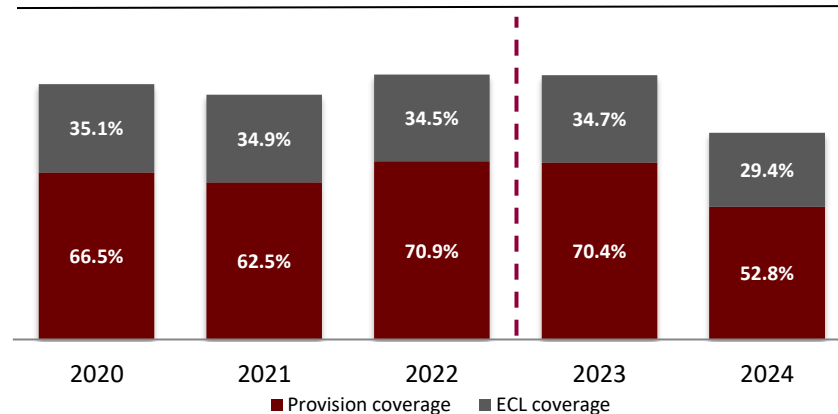
## Summary

- ◆ Net provision charge for loans and NPLs of QAR 330.4 million vs QAR 990.7 million in FY 2023.
  - ◆ QAR 218.5 million for Corporate
  - ◆ QAR 175.6 million for Retail
  - ◆ QAR 63.7 million provision reversal for Alternatif Bank
- ◆ NPL ratio stood at 6.2% as at 31 December 2024 from 5.9% as at 31 December 2023.
- ◆ Net Cost of Risk decreased to 36 bps in FY 2024 Vs 105 bps in FY 2023.
- ◆ Loan coverage stood at 82.2% in December 2024.
- ◆ Risk reserve maintained at 2.5% of total loans and advances in addition to credit impairment losses and interest in suspense. Risk reserve stands at QAR 2.3 billion as at 31 December 2024.

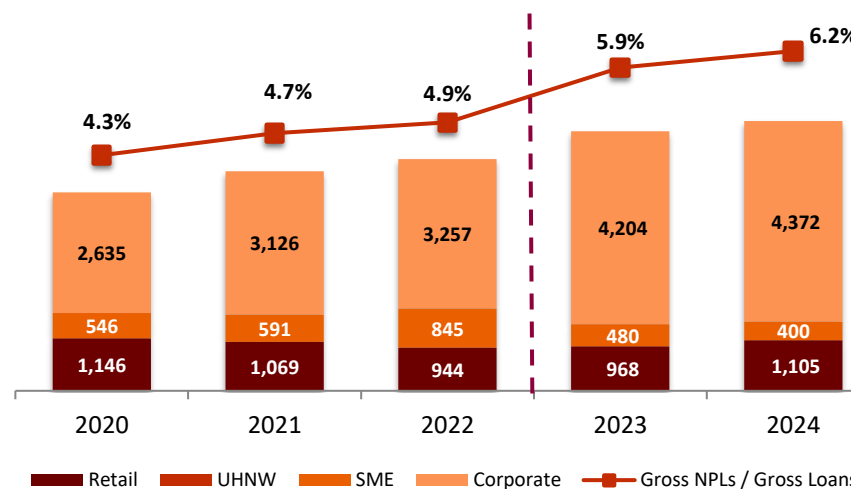
## Net Provision Charge for Loans and NPLs (QAR million)



## Loan coverage ratio



## Non-performing loan ('NPL') ratio (90 day basis)





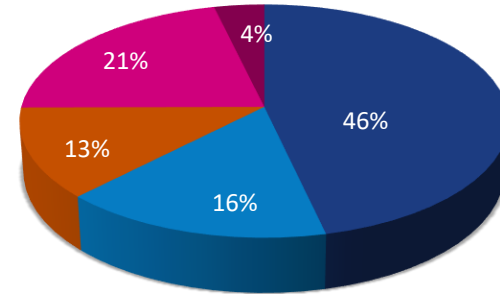
## Funding : Continue to build up diverse sources of funding

### Summary

- ◆ Customers' deposits at QAR 77.0 billion, up by 0.6% vs December 2023 representing 46.4% of the total balance sheet.
- ◆ Well diversified funding mix
- ◆ Total equity represents 16.0% of funding mix.

### Total funding mix – 31 December 2024

- Customers' Deposits
- Total Shareholders' Equity
- Due to Banks and Financial Institutions
- Debt Securities & Other borrowings
- Other Liabilities



### Debt issued and other borrowed funds

Issuance Type (QAR m)	Dec-24	Dec-23
EMTN	9,339	6,948
Senior Notes	31	48
Subordinated Notes	-	731
Other loans <sup>(1)</sup>	26,095	26,439
<b>Total</b>	<b>35,465</b>	<b>34,166</b>

### Commercial Bank credit ratings

Rating Agency	Credit ratings		Bank Strength	Outlook	Date
	LT	ST			
Moody's	A2	P-1	ba1	Stable	Jun 24
Fitch	A	F1	bb+	Stable	Jun 24
S&P	A-	A-2	bbb-	Stable	Nov 24

(1) Other loans includes CP, Bilateral loans, Syndicated loans and Other related loans

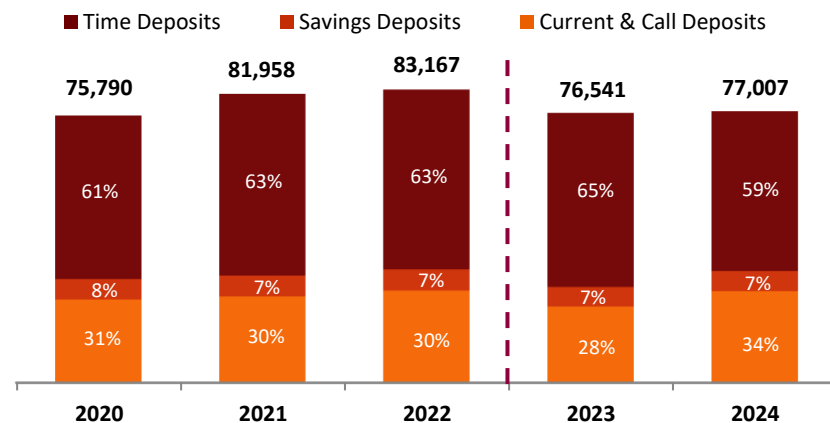


# Well diversified deposit portfolio

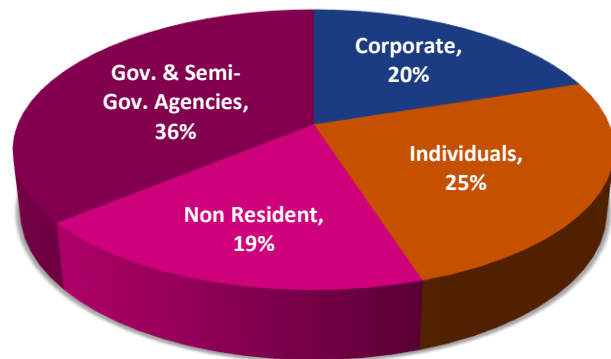
## Summary

- ◆ Diversified deposit mix with Government and Semi-Government at 31%, corporate at 23% and individuals at 31%.
- ◆ Current and Savings accounts deposit composition at 41% of the deposit base (compared to 35% in 2023).
- ◆ The mix of Qatar non-resident deposit is 15%.

## Customer deposits (QAR million)

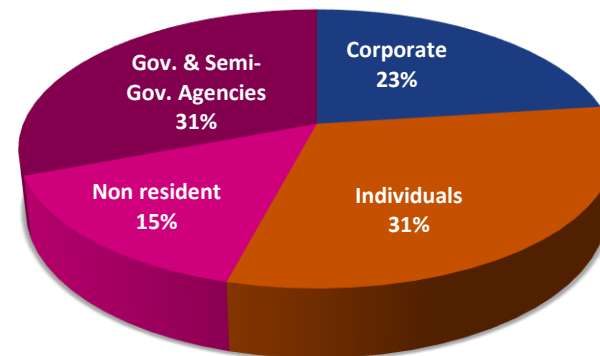


## Qatari banks deposits breakdown by sector – November 2024



Source: QCB

## Deposits by customer type – December 2024

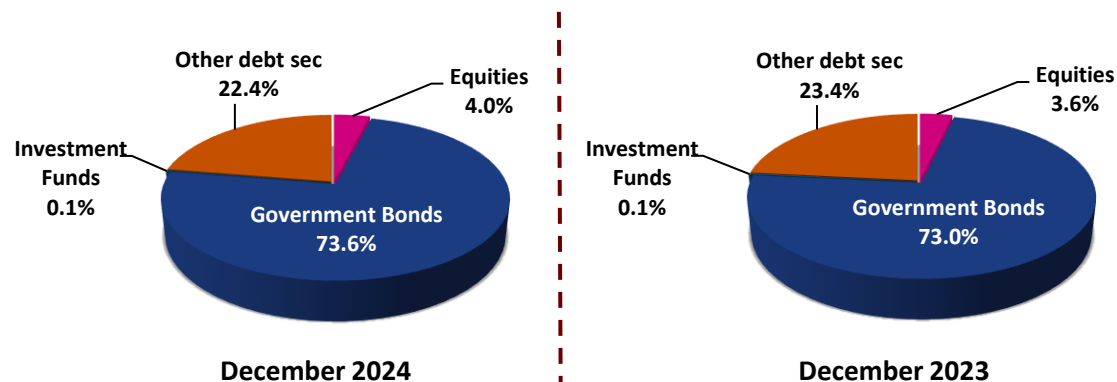


# Investment Portfolio – 31 December 2024: High asset quality with 73.6% of the portfolio invested in HQLA Government Bonds

## Summary

- ◆ Investment portfolio at QAR 33.2 billion at December 2024, compared to QAR 30.8 billion at December 2023.
- ◆ Investments in highly rated Sovereign Bonds provides stability to the portfolio and makes it less volatile.
- ◆ 73.6% Government Bonds.
- ◆ 85.5% AAA+ to A- rated securities.

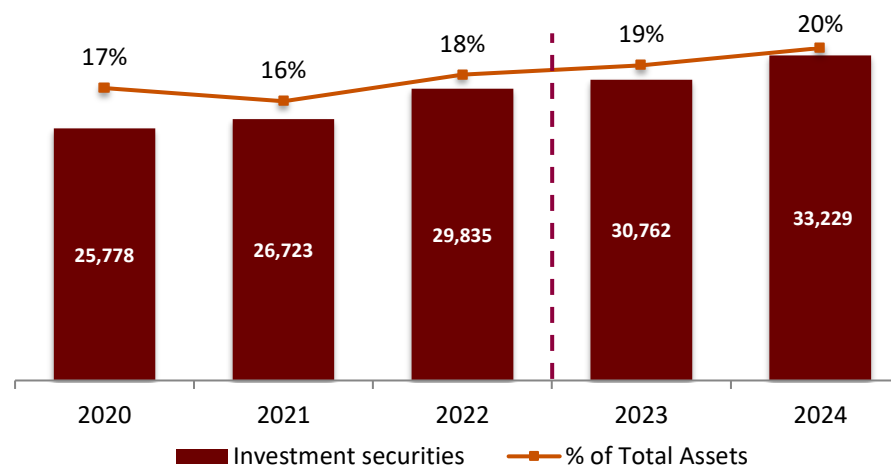
## Investment portfolio – 31 Dec 24 vs 31 Dec 23



## Investment portfolio by credit rating

Credit Rating	Portfolio Weight
AAA+ to A-	85.5%
BBB+ to BB-	3.7%
B+ to B-	1.2%
Unrated	9.6%

## Investment portfolio evolution (QAR million)



# Capitalization Levels – 31 December 2024

## Summary

- During the year, movement in Capital Adequacy Ratio (CAR) is as follows:

**CAR as at 31 December 2023** **14.9%**

### Movements:

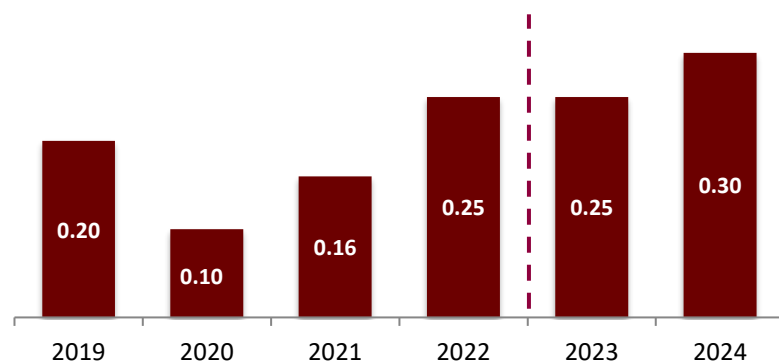
Increase due to capitalisation of YE 2023 profits, YE 2024 profits less pay outs **1.1%**

Others includes increase in reserve balances **1.2%**

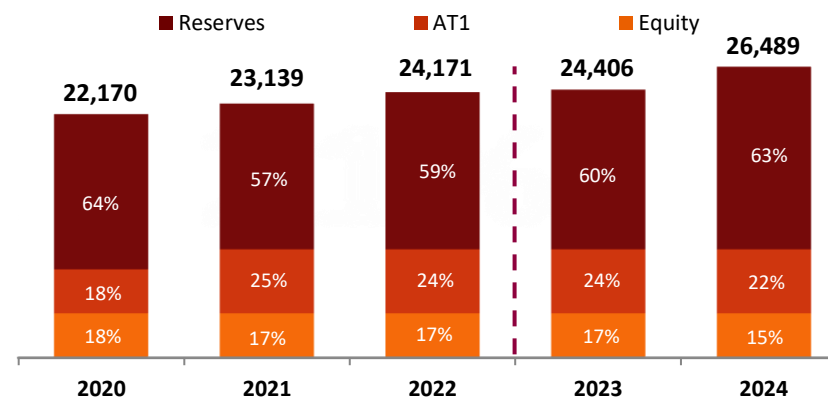
**CAR as at 31 December 2024** **17.2%**

- The directors have declared dividend of QAR 0.30 per share for approval at AGM.

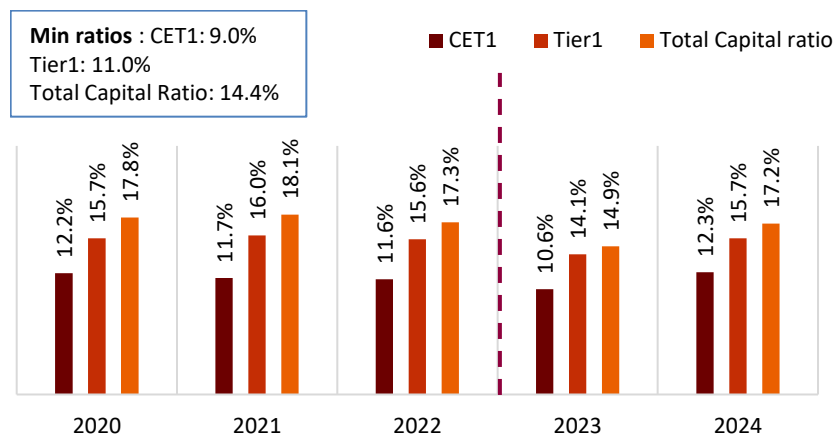
## Dividend distribution per share (QAR)



## Total Equity (QAR million)



## Capital Adequacy Ratio (Basel III)



## Commercial Bank Financial Performance – Year ended 31 December 2024 (CB Domestic)

### Profitability

QAR Million	Reported			Excluding LTIP		
	FY 2024	FY 2023	%	FY 2024	FY 2023	%
Net interest income	2,989	3,528	-15.3%	2,989	3,528	-15.3%
Non-interest income	992	1,220	-18.7%	1,375	1,177	16.8%
Operating income	3,981	4,748	-16.2%	4,364	4,706	-7.3%
Total costs	(953)	(1,069)	10.8%	(1,023)	(982)	-4.2%
Operating profit	3,028	3,680	-17.7%	3,341	3,724	-10.3%
Net provisions	(530)	(886)	40.3%	(530)	(886)	40.3%
Net profit	2,496	2,791	-10.6%	2,809	2,835	-0.9%

### Performance Ratios

	FY 2024	FY 2023
ROAA	1.6%	1.7%
NIM	2.3%	2.7%
Cost to income	23.9%	22.5%

### Balance Sheet

QAR Million	Dec-24	Dec-23	Var %
Total assets	160,098	158,393	1.2%
Loans and advances	86,808	87,199	-0.4%
Investment securities	34,490	30,678	12.4%
Customer deposits	73,228	73,550	-0.4%
Total equity	28,571	25,363	12.7%

### Capital

QAR Million	Dec-24	Dec-23
RWA (QAR million)	122,076	110,241
CET 1 ratio (Basel III)	11.4%	10.6%
Total Capital Ratio (Basel III)	15.7%	14.9%



# Commercial Bank's ESG Achievements, Strategy, Governance and Reporting

## Selected ESG Highlights/ Achievements

Sustainability Strategy is integrated with core principles, including Sustainable Finance, Financial Inclusion, SME Support, D&I, Environmental Impact of Operations

Issued debut Green Bond (Swiss Franc) for CHF 225 Mn for 3 years at a coupon rate of 1.7075% following strong demand from a range of institutional investors. The issue was the largest ever CHF Green bond issued in Qatar, the largest CHF issuance out of Qatar since January 2013, and the largest CHF Green bond issued out of CEEMEA since 2021

MSCI ESG rating of 'A' (upgraded from 'BBB' in August 2024)

Formal sustainability governance & Reporting: Management-level Sustainability Committee with Board-level oversight

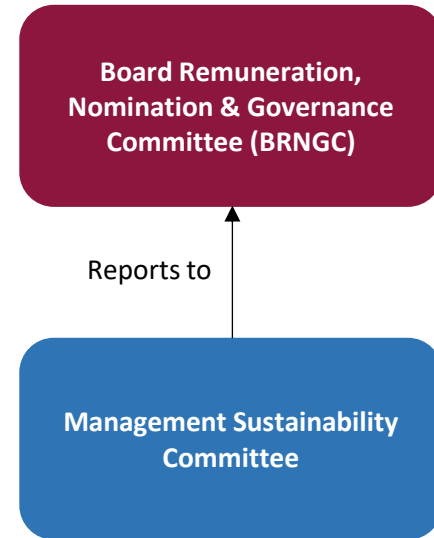
ESG risk assessment criteria on lending and investment

Remuneration linked to ESG

Signatory to UN Global Compact

Commercial Bank has launched its Sustainable Finance Framework in Dec 2023, which received a Second Party Opinion from Sustainalytics

## Governance and Reporting Structure



- Provides oversight of sustainability strategy and performance
- Reviews and recommends Annual Sustainability Reporting for Board approval

- Reviews and recommends for approval of the BRNGC, the Bank's sustainability strategy and commitments
- Assesses the Bank's sustainability related risks and opportunities
- Recommends priority sustainability-related initiatives for implementation within the Bank
- Monitors the Bank's sustainability performance against the Bank's sustainability strategy



# Commercial Bank's Sustainable Finance Framework (SFF) (1/2)

Commercial Bank's Sustainable Finance Framework is aligned with the International Capital Market Association (ICMA) Green Bond Principles (GBP) 2021, Social Bond Principles (SBP) 2023, and Sustainability Bond Guidelines (SBG) 2021 and Loan Market Association (LMA) Green Loan Principles (GLP) 2023 and Social Loan Principles (SLP) 2023

Use of Proceeds	<p><b>Eligible Green Categories</b></p> <ul style="list-style-type: none"> <li>Renewable Energy</li> <li>Clean Transportation</li> <li>Green Buildings</li> <li>Energy Efficiency</li> <li>Sustainable Water and Wastewater Management</li> <li>Pollution Prevention and Control</li> </ul>	<p><b>Eligible Social Categories</b></p> <ul style="list-style-type: none"> <li>Employment Generation, and Programs Designed to Prevent and/or Alleviate Unemployment Stemming from Socio-economic Crises</li> <li>Food Security and Sustainable Food Systems</li> <li>Access to Essential Services (Healthcare and Education)</li> <li>Affordable Basic Infrastructure</li> </ul>	<p>Maximum 3-year look-back period</p> <p>2 years look – forward period</p>
<p><b>Key Responsibilities of Commercial Bank's Sustainable Finance Working Group</b></p>			
Project Evaluation & Selection	<ul style="list-style-type: none"> <li>• <b>Convene</b> at least twice each year</li> <li>• <b>Ratify</b> Eligible Sustainable Projects</li> <li>• Ensure that all Eligible Sustainable projects are thoroughly <b>assessed</b> per CB' s ESG risk management policy             <ul style="list-style-type: none"> <li>▪ CB's ESG Risk Management scorecard segments customers into <b>Low, Medium</b> and <b>High</b> based on the Customer's exposure to ESG impacts and risks</li> </ul> </li> <li>• <b>Regular monitoring</b> of asset pool, replacing ineligible projects with eligible ones</li> <li>• Facilitate <b>regular reporting</b> and manage <b>future updates of Framework</b></li> <li>• Ensure that the approval of Eligible Sustainable Projects will follow the Company's existing approval processes</li> </ul>		
Management of Proceeds	<ul style="list-style-type: none"> <li>• Proceeds will be deposited in Commercial Bank's <b>general funding accounts</b> and <b>earmarked</b> for allocation towards the Eligible Sustainable Projects using the Sustainable Finance Register</li> <li>• Any proceeds temporarily unallocated will be invested according to the <b>Bank's standard liquidity policy in cash or cash equivalents, e.g., deposits with Central Bank or other government securities.</b></li> </ul>		
Reporting	<ul style="list-style-type: none"> <li>• On an annual basis until full allocation, Commercial Bank will publish an <b>allocation report and impact report</b></li> <li>• Commercial Bank intends to engage a <b>third party reviewer to provide an annual assessment on the alignment of the allocation of funds</b> with the Framework's criteria</li> </ul>		



# Commercial Bank's Sustainability Finance Framework (SFF) (2/2)

## Second Party Opinion

Commercial Bank's Sustainable Finance Framework has a Second Party Opinion from Sustainalytics



Alignment with the GBP, SBP, SBG, GLP and SLP



**Credible** and **impactful** and aligns with the four core components of GBP 2021, SBP 2023, SBG 2021, GLP 2023 and SLP 2023

- Use of Proceeds – **aligned with GBP / GLP**
- Project Evaluation and Selection – **in line with market practice**
- Management of Proceeds - **in line with market practice**
- Reporting – **aligned with market practice**

Alignment with Commercial Bank's Sustainability Strategy



- Framework is **aligned** with the Bank's overall sustainability efforts and initiatives and will **further its action on key environmental priorities**
- Commercial Bank has **adopted sufficient measures to identify, monitor and mitigate various risks** associated with the proposed use of proceeds.

Contribution to Sustainability: Expected Impacts



- The instruments issued under the Framework are expected to help **advance the UN SDGs 2, 3, 4, 6, 7, 8, 11 and 12**
- Commercial Bank's financing of district cooling in Qatar is expected to **contribute to the country's climate-related targets**



*On a periodical basis, Commercial Bank will also engage a third-party reviewer to provide an assessment on the alignment of the allocation of funds with the Framework's criteria to provide timely and transparent information.*





# Commercial Bank's Sustainable Finance Framework Categories

## Use of Proceeds

### Eligible Green Categories

**Renewable Energy**  
Production, transmission and storage of energy (and manufacture of dedicated components) from: **Solar, Wind, Hydropower** (power density > 5W/m<sup>2</sup> or <100gCO<sub>2</sub>e/kWh), **Bioenergy** (<100gCO<sub>2</sub>e/kWh, sustainable or waste feedstock only), **Green hydrogen**

**Clean Transportation**  
Acquisition, operation and maintenance of low carbon vehicles:  
✓ **Passenger and public transportation** (under 50gCO<sub>2</sub>/p-km up to 2025, and 0gCO<sub>2</sub>/km thereafter)  
✓ **Freight transportation** (under 25gCO<sub>2</sub>/t-km up till 2030, 21gCO<sub>2</sub>/tkm from 2030 up to 2050)  
Projects supporting the deployment of EVs including **charging infrastructure**

**Green Buildings**  
Acquisition, development, construction and refurbishment of buildings that belong to the **top 15% in terms of energy efficiency** of their local market or are certified: **LEED "Gold"** or above and **BREEAM "Excellent"** or above, **GSAS "3-4 stars"** or above, **Estidama "4 Pearl"** or above

**Energy Efficiency**  
Projects that **reduce energy consumption** by at least **20%**, including: **District cooling systems**, Investment in smart energy grids, energy meters, energy management systems, smart cities and energy efficient equipment for buildings including LED lighting and HVAC  
*Activities that result in lock in of fossil fuel technologies will be excluded*

**Sustainable Water and Wastewater management**

- **Water and wastewater treatment plants (WWTP)** including reuse of WWTP effluents and Sewer and pumping stations
- **Water recycling and reuse projects**, water saving systems, technologies and water metering
- **Water desalination projects** running on reverse osmosis technology with a carbon intensity of less than 100gCO<sub>2</sub>e/kWh over the residual asset life

**Pollution Prevention and Control**  
Projects related to construction, upgrades and renovation of facilities for collection, sorting, processing and conversion and treatment of waste

### Eligible Social Categories

**Employment Generation, and programs designed to prevent and/or alleviate unemployment stemming from socioeconomic crises**  
Financing and/or refinancing of loans to Micro, Small and Medium Enterprises (MSME) and microfinance clients impacted by external factors, with a consequently negative impact on employment generation or retention  
*Target Populations: MSMEs affected by pandemics and natural disasters; and Female-owned MSMEs and female entrepreneurs*

**Food Security**  
Access to adequate food and meeting nutrition needs, including investment in infrastructure and facilities such as warehouses to provide adequate storage, improve food conservation or improve connectivity in the food chain to reduce food losses  
Increasing agricultural productivity and resilient agricultural practices that support smallholder farmers  
*Target Population: General population*

**Access to Essential Services**  
Projects that **expand access to public, not-for-profit, free or subsidised healthcare and education**  
*Target Population: General population, including those lacking access to essential services*

**Affordable Basic Infrastructure**  
Affordable basic infrastructure that provides / expands access to rural and urban needs for Clean drinking water; Sanitation including sewerage systems  
*Target Population: General population*

**Lookback period: 3 years**

**Proceeds of each Issuance under this framework will be fully allocated within 2 years**

**Exclusion Criteria:** Coal or gas fired power generation and distribution assets; Coal mining and transportation; Fossil fuel-related exploration and distribution; Conflict minerals; Extractive industries and mining; Military Contracting and Weapons ; Nuclear power generation and distribution asset; Activities involving modern slavery, or forced labour; Payday loans; Adult Entertainment



- ECONOMY AND FIVE YEAR PLAN TARGETS
- CONSOLIDATED HIGHLIGHTS AND PERFORMANCE
- **SUBSIDIARY PERFORMANCE**



## Alternatifbank Results – Year ended 31 December 2024

### Balance Sheet

TL million	Dec-24	Dec-23	YoY
<b>Assets</b>			
Cash and Balances with Central Bank	12,151	9,900	23%
Due from Banks	4,820	3,086	56%
Loans and Advances	45,394	34,758	31%
Investment Securities	18,779	16,521	14%
All Other Assets	10,972	6,535	68%
<b>Total Assets</b>	<b>92,116</b>	<b>70,800</b>	<b>30%</b>
<b>Liabilities &amp; Equity</b>			
Due to banks	12,553	6,037	108%
Customer deposits	36,708	24,229	52%
Other Borrowed Funds	28,739	28,852	0%
Other Liabilities	2,880	3,592	-20%
Shareholders Equity	11,236	8,090	39%
<b>Total Liabilities and Equity</b>	<b>92,116</b>	<b>70,800</b>	<b>30%</b>

### Profitability

TL million	FY 2024	FY 2023	YoY
Operating Income	2,291	5,580	-59%
Operating Expense	(2,654)	(2,170)	22%
Net Provisions	552	(111)	-599%
Profit Before Tax	189	3,300	-94%
Income Tax Expense	198	(483)	-141%
Net Monetary Loss	(1,178)	(2,349)	-50%
<b>Net (Loss) / Profit</b>	<b>(791)</b>	<b>467</b>	<b>-269%</b>

### Alternatifbank of Turkey

- ◆ Operating income at TL 2,291m as of FY 2024 reflects a drop of 59%.
- ◆ Net provisions decreased by **TL 663 m** vs FY 2023.
- ◆ YoY Increase in OPEX at 22% well below yearly inflation (44.4%).
- ◆ The net monetary losses due to hyperinflation is **TL 1.2 bn**.
- ◆ FY 2024 **Net Attributable Loss** at **TL 791 m**.
- ◆ Positive effect of IAS 29 on equity is **TL 3.1 bn up by 39% vs FY 2023**.



# Q&A

