



**The Commercial Bank (P.S.Q.C.)**  
**INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
**30 June 2022**

## INDEPENDENT AUDITOR'S REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS TO THE BOARD OF DIRECTORS OF THE COMMERCIAL BANK (P.S.Q.C.)

### Introduction

We have reviewed the accompanying interim condensed consolidated financial statements of The Commercial Bank (P.S.Q.C.) (the "Bank") and its subsidiaries (the "Group") as at 30 June 2022, comprising of the interim consolidated statement of financial position as at 30 June 2022 and the related interim consolidated statements of income and comprehensive income for the three months and six months period ended 30 June 2022, the related interim consolidated statement of changes in equity and interim consolidated statement of cash flows for the six months period then ended, and the related explanatory notes.

The Board of Directors is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with IAS 34 Interim Financial Reporting ("IAS 34"). Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

### Scope of review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34.

  
Ahmed Sayed  
of Ernst & Young  
Auditor's Registration No. 326

Date: 24 July 2022  
Doha



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

INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2022



QAR '000s

	Notes	30-Jun-2022 Reviewed	30-Jun-2021 Reviewed	31-Dec-2021 Audited
<b>ASSETS</b>				
Cash and balances with central banks		13,869,452	13,520,156	17,915,385
Due from banks		19,584,777	10,293,223	10,942,011
Loans and advances to customers	7	101,240,050	100,588,112	98,003,163
Investment securities	8	29,358,952	25,278,742	26,722,691
Investment in associates and a joint arrangement	9	2,966,433	3,194,965	2,961,240
Property and equipment		2,920,006	3,098,189	2,753,339
Intangible assets		66,420	133,740	75,375
Other assets		6,386,967	5,995,060	6,090,977
<b>TOTAL ASSETS</b>		<b>176,393,057</b>	<b>162,102,187</b>	<b>165,464,181</b>
<b>LIABILITIES</b>				
Due to banks	10	22,383,425	20,072,854	17,776,904
Customer deposits	11	89,330,995	82,339,982	81,958,484
Debt securities	12	11,638,259	12,099,814	15,285,788
Other borrowings	13	17,315,444	15,197,777	15,718,753
Other liabilities		11,383,507	8,229,575	10,651,030
<b>TOTAL LIABILITIES</b>		<b>152,051,630</b>	<b>137,940,002</b>	<b>141,390,959</b>
<b>EQUITY</b>				
Share capital	14	4,047,254	4,047,254	4,047,254
Legal reserve		9,878,568	9,874,610	9,875,823
General reserve		26,500	26,500	26,500
Risk reserve		2,131,459	2,124,736	2,131,459
Fair value reserve		(241,606)	466,936	392,230
Foreign currency translation reserve		(2,678,435)	(2,444,672)	(2,845,211)
Other reserves		769,056	617,998	684,027
Revaluation reserve		1,009,844	1,287,569	1,018,411
Retained earnings		3,578,783	2,341,245	2,922,719
<b>TOTAL EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE BANK</b>		<b>18,521,423</b>	<b>18,342,176</b>	<b>18,253,212</b>
Non-controlling interests		4	9	10
Instruments eligible for additional capital		5,820,000	5,820,000	5,820,000
<b>TOTAL EQUITY</b>		<b>24,341,427</b>	<b>24,162,185</b>	<b>24,073,222</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>176,393,057</b>	<b>162,102,187</b>	<b>165,464,181</b>

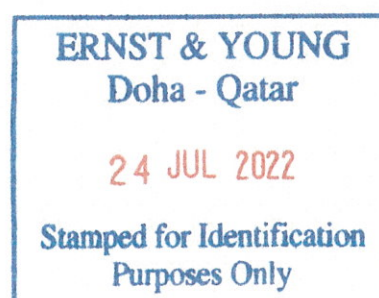
The interim condensed consolidated financial statements were approved by the Board of Directors on 24 July 2022 and were signed on its behalf by:

  
 \_\_\_\_\_  
 Sheikh Abdulla Bin Ali Bin Jabor Al Thani  
 Chairman

  
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 Sheikh Faisal Bin Fahad Bin Jassim Al Thani  
 Member

  
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 Mr. Joseph Abraham  
 Group Chief Executive Officer

The attached notes 1 to 21 form an integral part of these interim condensed consolidated financial statements.



**The Commercial Bank (P.S.Q.C.)**
**INTERIM CONSOLIDATED STATEMENT OF INCOME**  
**FOR THE THREE AND SIX MONTHS ENDED 30 JUNE 2022**


QAR '000s

	Notes	Three months ended		Six months ended	
		30-Jun-2022 Reviewed	30-Jun-2021 Reviewed	30-Jun-2022 Reviewed	30-Jun-2021 Reviewed
Interest income		1,776,407	1,503,706	3,278,551	2,961,651
Interest expense		(773,997)	(580,787)	(1,322,350)	(1,182,687)
<b>Net interest income</b>		<b>1,002,410</b>	<b>922,919</b>	<b>1,956,201</b>	<b>1,778,964</b>
Fee and commission income		315,864	338,829	741,960	695,128
Fee and commission expense		(136,101)	(92,783)	(251,650)	(183,327)
<b>Net fee and commission income</b>		<b>179,763</b>	<b>246,046</b>	<b>490,310</b>	<b>511,801</b>
Net foreign exchange gain		135,349	46,207	215,645	66,665
Net (losses) / income from investment securities		(32,856)	30,010	(83,389)	39,242
Other operating income		25,431	39,593	58,487	48,949
<b>Net operating income</b>		<b>1,310,097</b>	<b>1,284,775</b>	<b>2,637,254</b>	<b>2,445,621</b>
Staff costs	16	(126,262)	(241,506)	(381,514)	(475,735)
Depreciation		(60,420)	(54,620)	(112,957)	(107,981)
Amortization of intangible assets		(20,694)	(14,609)	(34,837)	(29,409)
Other expenses		(69,534)	(64,029)	(132,276)	(127,532)
<b>Operating expenses</b>		<b>(276,910)</b>	<b>(374,764)</b>	<b>(661,584)</b>	<b>(740,657)</b>
<b>Operating profit</b>		<b>1,033,187</b>	<b>910,011</b>	<b>1,975,670</b>	<b>1,704,964</b>
Net impairment losses on investment securities		(785)	(599)	(769)	(1,356)
Net impairment losses on loans and advances to customers	5	(265,619)	(202,767)	(501,807)	(415,247)
Net impairment (losses) / reversals on other financial assets		(3,512)	(9,451)	33,836	(6,733)
Other provision		16,945	(7,539)	(60,149)	(21,254)
		780,216	689,655	1,446,781	1,260,374
Net monetary losses due to hyperinflation		(4,047)	-	(69,237)	-
<b>Profit before share of results of associates and a joint arrangement</b>		<b>776,169</b>	<b>689,655</b>	<b>1,377,544</b>	<b>1,260,374</b>
Share of results of associates and a joint arrangement		59,672	35,844	106,375	63,225
<b>Profit before tax</b>		<b>835,841</b>	<b>725,499</b>	<b>1,483,919</b>	<b>1,323,599</b>
Income tax (expense) / credit		(40,571)	(986)	(51,570)	3,656
<b>Profit for the period</b>		<b>795,270</b>	<b>724,513</b>	<b>1,432,349</b>	<b>1,327,255</b>
<b>Attributable to:</b>					
Equity holders of the bank		795,270	724,512	1,432,349	1,327,254
Non-controlling interests		-	1	-	1
<b>Profit for the period</b>		<b>795,270</b>	<b>724,513</b>	<b>1,432,349</b>	<b>1,327,255</b>
<b>Basic/diluted earnings per share (QAR)</b>	17	<b>0.20</b>	<b>0.18</b>	<b>0.35</b>	<b>0.33</b>

The attached notes 1 to 21 form an integral part of these interim condensed consolidated financial statements.



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

INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE THREE AND SIX MONTHS ENDED 30 JUNE 2022



QAR '000s

	Three months ended		Six months ended	
	30-Jun-2022 Reviewed	30-Jun-2021 Reviewed	30-Jun-2022 Reviewed	30-Jun-2021 Reviewed
<b>Profit for the period</b>	<b>795,270</b>	<b>724,513</b>	<b>1,432,349</b>	<b>1,327,255</b>
<b>Other comprehensive (loss) / income for the period:</b>				
<b>Items that are, or may be subsequently reclassified to profit or loss:</b>				
Foreign currency translation differences from foreign operation	(240,157)	(53,441)	(1,865,539)	(209,565)
Share of other comprehensive loss of investment in associates and a joint arrangement	(60,178)	17,935	(77,169)	4,873
Net movement in cash flow hedges-effective portion of changes in fair value	438,103	(85,639)	493,858	4,503
Net change in fair value of investments in debt securities designated at FVOCI :				
Net change in fair value	(404,271)	164,492	(754,559)	(300,162)
Net amount transferred to interim consolidated statement of income	-	-	(5)	(46)
<b>Items that may not be subsequently reclassified to profit or loss:</b>				
Net change in fair value of equity investments designated at FVOCI	(297,750)	(22,835)	(293,292)	(255,345)
Share of other comprehensive income of investment in associates and a joint arrangement	(9,963)	8,923	(2,669)	12,812
Revaluation on land and buildings	(34,869)	-	(8,567)	-
Hyperinflation impact	343,136	-	2,032,315	-
<b>Other comprehensive (loss) / income for the period</b>	<b>(265,949)</b>	<b>29,435</b>	<b>(475,627)</b>	<b>(742,930)</b>
<b>Total comprehensive income for the period</b>	<b>529,321</b>	<b>753,948</b>	<b>956,722</b>	<b>584,325</b>
<b>Attributable to:</b>				
Equity holders of the bank	529,321	753,948	956,722	584,324
Non-controlling interests	-	-	-	1
<b>Total comprehensive income for the period</b>	<b>529,321</b>	<b>753,948</b>	<b>956,722</b>	<b>584,325</b>

The attached notes 1 to 21 form an integral part of these interim condensed consolidated financial statements.



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

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE SIX MONTHS ENDED 30 JUNE 2022



QAR '000s

Notes	Share Capital	Legal Reserve	General Reserve	Risk Reserve	Fair Value Reserve	Foreign Currency Translation Reserve	Other Reserves	Revaluation Reserve	Retained Earnings	Total Equity Attributable to Equity Holders of the Bank	Non-Controlling Interests	Instruments Eligible for Additional Capital	Total Equity
<b>Balance as at 1 January 2022</b>	4,047,254	9,875,823	26,500	2,131,459	392,230	(2,845,211)	684,027	1,018,411	2,922,719	18,253,212	10	5,820,000	24,073,222
Profit for the period	-	-	-	-	-	-	-	-	1,432,349	1,432,349	-	-	1,432,349
Other comprehensive (loss) / income	-	-	-	-	(633,836)	166,776	-	(8,567)	-	(475,627)	-	-	(475,627)
<b>Total comprehensive income for the period</b>	-	-	-	-	(633,836)	166,776	-	(8,567)	1,432,349	956,722	-	-	956,722
Transfer to legal reserve	-	2,745	-	-	-	-	-	-	(2,745)	-	-	-	-
Net movement in risk reserves	-	-	-	-	-	-	-	-	-	-	-	-	-
Dividend for instruments eligible for additional capital	-	-	-	-	-	-	-	-	(40,950)	(40,950)	-	-	(40,950)
Net movement in other reserves	-	-	-	-	-	-	85,029	-	(85,029)	-	-	-	-
<b>Contributions by and distributions to equity holders of the bank:</b>													
Dividends for the year 2021	15	-	-	-	-	-	-	-	(647,561)	(647,561)	-	-	(647,561)
<b>Total contributions by and distributions to equity holders of the bank</b>	-	-	-	-	-	-	-	-	(647,561)	(647,561)	-	-	(647,561)
Net movement in non-controlling interests	-	-	-	-	-	-	-	-	-	-	(6)	-	(6)
<b>Balance as at 30 June 2022</b>	4,047,254	9,878,568	26,500	2,131,459	(241,606)	(2,678,435)	769,056	1,009,844	3,578,783	18,521,423	4	5,820,000	24,341,427

Notes	Share Capital	Legal Reserve	General Reserve	Risk Reserve	Fair Value Reserve	Foreign Currency Translation Reserve	Other Reserves	Revaluation Reserve	Retained Earnings	Total Equity Attributable to Equity Holders of the Bank	Non-Controlling Interests	Instruments Eligible for Additional Capital	Total Equity
<b>Balance as at 1 January 2021</b>	4,047,254	9,871,972	26,500	2,037,236	1,000,301	(2,235,107)	557,273	1,287,569	1,577,474	18,170,472	9	4,000,000	22,170,481
Profit for the period	-	-	-	-	-	-	-	-	1,327,254	1,327,254	1	-	1,327,255
Other comprehensive loss	-	-	-	-	(533,365)	(209,565)	-	-	-	(742,930)	-	-	(742,930)
<b>Total comprehensive loss for the period</b>	-	-	-	-	(533,365)	(209,565)	-	-	1,327,254	584,324	1	-	584,325
Transfer to legal reserve	-	2,638	-	-	-	-	-	-	(2,638)	-	-	-	-
Net movement in risk reserves	-	-	-	87,500	-	-	-	-	(87,500)	-	-	-	-
Expenses on issue of Instrument for additional Tier 1 capital	-	-	-	-	-	-	-	-	(7,895)	(7,895)	-	-	(7,895)
Issue of Instrument additional Tier 1 Capital	-	-	-	-	-	-	-	-	-	-	-	1,820,000	1,820,000
Net movement in other reserves	-	-	-	-	-	-	60,725	-	(60,725)	-	-	-	-
<b>Contributions by and distributions to equity holders of the bank:</b>													
Dividends for the year 2020	15	-	-	-	-	-	-	-	(404,725)	(404,725)	-	-	(404,725)
<b>Total contributions by and distributions to equity holders of the bank</b>	-	-	-	-	-	-	-	-	(404,725)	(404,725)	-	-	(404,725)
Net movement in non-controlling interests	-	-	-	-	-	-	-	-	-	-	(1)	-	(1)
<b>Balance as at 30 June 2021</b>	4,047,254	9,874,610	26,500	2,124,736	466,936	(2,444,672)	617,998	1,287,569	2,341,245	18,342,176	9	5,820,000	24,162,185

The attached notes 1 to 21 form an integral part of these interim condensed consolidated financial statements.

24 JUL 2022

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Purposes Only

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

INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE SIX MONTHS ENDED 30 JUNE 2022



QAR '000s

	Six months ended		Year ended
	30-Jun-2022 Reviewed	30-Jun-2021 Reviewed	31-Dec-2021 Audited
<b>Cash flows from operating activities</b>			
Profit before tax	1,483,919	1,323,599	2,312,859
<i>Adjustments for:</i>			
Net impairment losses on loans and advances to customers	501,807	415,247	1,099,419
Net impairment losses on investment securities	769	1,356	2,377
Net impairment (reversals) / losses on other financial assets	(33,836)	6,733	(22,485)
Depreciation	112,957	107,981	213,354
Amortization of intangible assets and transaction costs	52,533	54,428	94,971
Net loss / (income) on investment securities	121,205	(29,528)	(14,999)
Net monetary losses due to hyperinflation	69,237	-	-
Other provisions	60,149	21,254	67,226
Loss on disposal of property and equipment	-	-	13,373
Impairment on Investment in an associate	-	-	291,000
Share of results of associates and a joint arrangement	(106,375)	(63,225)	(129,254)
<b>Operating profit before working capital changes</b>	<b>2,262,365</b>	<b>1,837,845</b>	<b>3,927,841</b>
<i>Working capital changes</i>			
Change in due from banks	(4,361,970)	(2,456,637)	(1,238,892)
Change in loans and advances to customers	(5,446,398)	(6,062,387)	(8,437,435)
Change in other assets	(432,692)	(117,551)	(579,760)
Change in due to banks	4,726,274	239,419	(2,255,294)
Change in customer deposits	8,910,292	8,001,234	11,434,631
Change in other liabilities	1,055,153	(35,791)	3,046,088
Contribution to social and sports fund	(57,606)	(32,530)	(32,530)
<b>Net cash flows from operating activities</b>	<b>6,655,418</b>	<b>1,373,602</b>	<b>5,864,649</b>
<b>Cash flows from investing activities</b>			
Acquisition of investment securities	(5,715,531)	(4,150,280)	(8,981,399)
Dividend received from associates and a joint arrangement	21,346	2,500	2,500
Proceeds from sale/maturity of investment securities	1,910,656	3,164,108	5,278,171
Acquisition of property and equipment and intangible assets	(172,635)	(87,115)	(200,589)
Proceeds from the sale of property and equipment and other assets	4,660	1,421	173
<b>Net cash flows used in investing activities</b>	<b>(3,951,504)</b>	<b>(1,069,366)</b>	<b>(3,901,144)</b>
<b>Cash flows from financing activities</b>			
Proceeds from issue of debt securities	551,198	5,825,315	8,831,102
Repayment of debt securities	(3,997,010)	(6,534,268)	(6,642,025)
Repayment of other borrowings	(3,612,273)	(3,474,592)	(9,841,975)
Proceeds from other borrowings	5,509,238	5,013,937	12,308,391
Payment of lease liabilities	(54,140)	(38,310)	(105,160)
Proceeds from issue of additional Tier 1 note	-	1,820,000	1,820,000
Payment on coupon of instrument eligible for additional Tier 1 Capital	(40,950)	-	(263,950)
Dividends paid (note 15)	(647,561)	(404,725)	(404,725)
<b>Net cash flows (used in) / from financing activities</b>	<b>(2,291,498)</b>	<b>2,207,357</b>	<b>5,701,658</b>
<b>Net increase in cash and cash equivalents</b>	<b>412,416</b>	<b>2,511,593</b>	<b>7,665,163</b>
Effect of exchange rate fluctuation	637,941	393,963	773,956
Cash and cash equivalents as at 1 January	18,961,085	10,521,966	10,521,965
<b>Cash and cash equivalents at the end of the period / year (Note 19)</b>	<b>20,011,442</b>	<b>13,427,522</b>	<b>18,961,084</b>
<b>Net cash flows from interest and dividend:</b>			
Interest paid	1,217,526	1,274,154	2,808,966
Interest received	3,630,579	2,831,509	5,355,351
Dividend received	37,816	9,714	3,664

The attached notes 1 to 21 form an integral part of these interim condensed consolidated financial statements.



**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 interim condensed 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.

The principal subsidiaries of the Group are as follows:

<u>Name of subsidiary</u>	<u>Country of incorporation</u>	<u>Capital of the subsidiary</u>	<u>Activity of the subsidiary</u>	<u>Percentage of ownership</u>	
				<u>30 Jun 2022</u>	<u>30 Jun 2021</u>
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%

**2- BASIS OF PREPARATION****(a) Statement of compliance**

The accompanying interim condensed consolidated financial information is prepared in accordance with IAS 34 - "Interim Financial Reporting". This interim condensed consolidated financial information should be read in conjunction with the 2021 annual consolidated financial statements of the Group.

The interim condensed consolidated financial statements do not include all the information and disclosures required for full consolidated financial statements prepared in accordance with International Financial Reporting Standards. The results for the six months ended 30 June 2022 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2022.

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

**3- SIGNIFICANT ACCOUNTING POLICIES**

Except as described below, the accounting policies applied in these interim condensed consolidated financial statements are the same as those applied in the last annual consolidated financial statements as at 31 December 2021.

**(a) New standards, amendments and interpretations :**

The Group has adopted the following new and amended International Accounting Standards/International Financial Reporting Standards as of 1 January 2022: The adoption of the below did not result in changes to previously reported net profit or equity of the Group.

**Description**

COVID-19-Related Rent Concessions beyond 30 June 2021 (Amendment to IFRS 16)

Onerous Contracts – Cost of Fulfilling a Contract (Amendments to IAS 37)

Annual Improvements to IFRS Standards 2018 – 2020

Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16)

Reference to the Conceptual Framework (Amendments to IFRS 3)

**Standard Issued but not yet Effective**

Classification of Liabilities as Current or Non-current (Amendments to IAS 1) 1 January 2023

IFRS 17 Insurance Contracts and amendments to IFRS 17 Insurance Contracts 1 January 2023

Definition of Accounting Estimate (Amendments to IAS 8) 1 January 2023

Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2) 1 January 2023

Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12) 1 January 2023

Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28) Deferred indefinitely



### 3- SIGNIFICANT ACCOUNTING POLICIES (continued)

#### 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%.

With the effect from 30 June 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	Conversion Factors
30 June 2021	547.48	1.79
31 December 2021	686.95	1.42
31 March 2022	843.64	1.16
30 June 2022	977.90	1.00

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.

Pursuant to IAS 21 'The effects of changes in Foreign Exchange Rates' the Bank as Group has not restated its comparatives as previous reporting was already in a stable currency.

The cumulative impact for the adjustment of the historical carrying values of non-monetary assets, liabilities and various item of equity for the previous years is amounting to QAR 1.3 billion reflected through other comprehensive income.

#### 4- ESTIMATES AND JUDGMENTS

The spread of coronavirus ("COVID-19") pandemic has severely impacted various economies globally, causing disruption to business and economic activities. This has resulted in a global economic slowdown with uncertainties in the economic environment. Global stock markets have also experienced great volatility and a significant weakening. Governments and central banks have responded with monetary and fiscal interventions to stabilize economic conditions.

The Group is actively monitoring the COVID 19 situation and in response to this outbreak CBQ, has activated its business continuity plan and various other risk management practices to manage the potential business disruption on its operations and financial performance.

In preparing the interim condensed consolidated financial statements, significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were impacted by the potential impacts of the current economic volatility in determination of the reported amounts of the Group's financial and non-financial assets and these are considered to represent management's best assessment based on available or observable information. Markets however remain volatile and the recorded amounts remain sensitive to market fluctuations.

The Bank has performed an assessment of oil prices volatility and COVID-19 in line with the available guidance of Qatar Central Bank ('QCB') and IFRS which has resulted in the following changes to the expected credit loss methodology and valuation estimates and judgements as at and for the period ended 30 June 2022:

##### a) Expected credit losses

For the reporting period end 30 June 2022, the Group has updated inputs and assumptions used for the determination of expected credit losses ("ECLs") in response to uncertainties caused by COVID 19. ECLs were estimated based on a range of forecast economic conditions as at that date. The Group has considered the impact of higher volatility in the forward-looking macro-economic factors, when determining the severity and likelihood of economic scenarios for ECL determination and will continue to review the same for the upcoming quarters.

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.

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

	<b>30 Jun 2022 Reviewed</b>	30 Jun 2021 Reviewed	31 Dec 2021 Audited
Average oil prices	<b>\$102/bbl</b>	\$65/bbl	\$73/bbl
GDP growth	<b>3.3%</b>	3.6%	3.6%

The Bank also continues to review its Loss Given Default assumptions and has made adjustments to the same. The aforementioned values of macro-economic factors have been further overlaid by applying conservative scenario weightings as follows:

	<b>30 Jun 2022 Reviewed</b>	30 Jun 2021 Reviewed	31 Dec 2021 Audited
Upside Case	<b>0%</b>	0%	0%
Base Case	<b>65%</b>	55%	65%
Downside Case	<b>35%</b>	45%	35%

As the COVID-19 situation continues to evolve, these estimates may be reassessed and adjusted in future.



#### **4- ESTIMATES AND JUDGMENTS (continued)**

##### **a) Expected credit losses (continued)**

The Group has given specific consideration to the relevant impact of COVID-19 on the qualitative and quantitative factors when determining the significant increase in credit risk and assessing the indicators of impairment for the exposures in potentially affected sectors. To this extent the Bank has elevated the near term PDs resulting in higher recognition of relevant ECLs and impairment allowances as disclosed in to the interim condensed consolidated financial statements.

The Group has deferred repayments of certain customers for a temporary period. In line with the forbearance measures in the respective jurisdictions. In accordance with IASB guidance, this forbearance does not automatically trigger a significant increase in credit risk and a stage migration for the purpose of calculating expected credit losses, as these are measures are being made available to assist borrowers affected by COVID-19 outbreak to resume regular payments. For this period, the Group will continue to monitor borrower's performance against the likelihood of repayments.

In addition to the assumptions outlined above, the Group continues to closely monitor the potential repayment risk impact of COVID-19 on affected industry sectors.

##### **b) Accounting for modified financing assets**

The Group has allowed delayed repayments of certain customers in line with the QCB instructions issued to local banks in Qatar. The modification loss on these loans was not considered to be material for the period.

##### **c) Zero rated repo facility by QCB**

QCB has issued zero rated repo facilities to the local banks in Qatar in order to support the banks liquidity who are extending loans to affected sectors at reduced rates and guarantees from the government of the State of Qatar. The benefit arising out of the zero rate repos was not considered to be material for the period.

**5- FINANCIAL RISK MANAGEMENT**

The Group's financial risk management objectives and policies are consistent with those disclosed in the consolidated financial statements as at and for the year ended 31 December 2021, except as mentioned in note 4

**Exposures and Movement in ECL**

Exposure (Carrying Value) Subject to ECL	30-Jun-2022 (Reviewed)			Total	31-Dec-2021 (Audited)
	Stage1	Stage2	Stage3		Total
Due from banks and balances with central banks	26,843,318	2,695,997	-	<b>29,539,315</b>	22,576,025
Loans and advances to customers	84,635,998	16,037,967	4,797,175	<b>105,471,140</b>	101,506,379
Investment Securities (Debt)	25,195,568	343,486	-	<b>25,539,054</b>	23,296,978
Loan Commitments and Financial Guarantees	21,588,717	3,971,681	241,712	<b>25,802,110</b>	23,656,269

**Movement in ECL**

Opening Balance as at 1 January 2022	30-Jun-2022 (Reviewed)			Total	31-Dec-2021 (Audited)
	Stage1	Stage2	Stage3		Total
Due from banks and balances with central banks	23,569	58,673	-	<b>82,242</b>	87,485
Loans and advances to customers	221,716	1,450,367	2,989,970	<b>4,662,053</b>	4,396,622
Investment Securities (Debt)	38,484	13,122	-	<b>51,606</b>	49,278
Loan Commitments and Financial Guarantees	86,785	54,375	26,433	<b>167,593</b>	160,883
	<b>370,554</b>	<b>1,576,537</b>	<b>3,016,403</b>	<b>4,963,494</b>	4,694,268

**ECL Charge for the Period (net)**

Due from banks and balances with central banks	243	(19,641)	-	<b>(19,398)</b>	(5,027)
Loans and advances to customers*	34,392	68,132	501,972	<b>604,496</b>	1,278,812
Investment Securities (Debt)	1,597	(828)	-	<b>769</b>	2,377
Loan Commitments and Financial Guarantees	(14,712)	(8,845)	9,119	<b>(14,438)</b>	(17,458)
	<b>21,520</b>	<b>38,818</b>	<b>511,091</b>	<b>571,429</b>	1,258,704

**Write offs / Transfer**

Due from banks and balances with central banks	-	-	-	-	-
Loans and advances to customers	-	-	(281,335)	<b>(281,335)</b>	(837,654)
Investment Securities (Debt)	-	-	-	-	-
Loan Commitments and Financial Guarantees	-	-	422	<b>422</b>	-
	-	-	<b>(280,913)</b>	<b>(280,913)</b>	(837,654)

**Exchange differences**

Due from banks and balances with central banks	(828)	-	-	<b>(828)</b>	(216)
Loans and advances to customers	1,018	(6,352)	(26,964)	<b>(32,298)</b>	(175,727)
Investment Securities (Debt)	(508)	-	-	<b>(508)</b>	(49)
Loan Commitments and Financial Guarantees	(4,299)	5,313	(6,974)	<b>(5,960)</b>	24,168
	<b>(4,617)</b>	<b>(1,039)</b>	<b>(33,938)</b>	<b>(39,594)</b>	(151,824)

**Closing Balance as at 30 June 2022**

Due from banks and balances with central banks	22,984	39,032	-	<b>62,016</b>	82,242
Loans and Advances to Customers	257,126	1,512,147	3,183,643	<b>4,952,916</b>	4,662,053
Investment Securities (Debt)	39,573	12,294	-	<b>51,867</b>	51,606
Loan Commitments and Financial Guarantees	67,774	50,843	29,000	<b>147,617</b>	167,593
	<b>387,457</b>	<b>1,614,316</b>	<b>3,212,643</b>	<b>5,214,416</b>	4,963,494

\* Includes interest suspended and recoveries on previously written off loans amounting to QAR 73.1 million and QAR 29.6 million respectively (30 June 2021: QAR 94.1 million and QAR 4.6 million respectively).

**5- FINANCIAL RISK MANAGEMENT (continued)**

**Exposures and Movement in ECL**

	<b>30-Jun-2021 (Reviewed)</b>			<b>Total</b>
	<b>Stage1</b>	<b>Stage2</b>	<b>Stage3</b>	
<b>Exposure (Carrying Value) Subject to ECL</b>				
Due from banks and balances with central banks	15,464,964	2,936,398	-	<b>18,401,362</b>
Loans and advances to customers	84,188,517	15,757,809	4,296,374	<b>104,242,700</b>
Investment Securities (Debt)	22,126,054	379,267	-	<b>22,505,321</b>
Loan Commitments and Financial Guarantees	19,648,635	3,381,794	260,446	<b>23,290,875</b>
<b>Movement in ECL</b>				
<b>Opening Balance as at 1 January 2021</b>				
Due from banks and balances with central banks	23,961	63,524	-	<b>87,485</b>
Loans and advances to customers	281,049	1,239,905	2,875,668	<b>4,396,622</b>
Investment Securities (Debt)	35,166	14,112	-	<b>49,278</b>
Loan Commitments and Financial Guarantees	89,665	47,673	23,545	<b>160,883</b>
	<b>429,841</b>	<b>1,365,214</b>	<b>2,899,213</b>	<b>4,694,268</b>
<b>ECL Charge for the Period (net)</b>				
Due from banks and balances with central banks	(2,378)	5,083	-	<b>2,705</b>
Loans and advances to customers	50,090	78,371	385,545	<b>514,006</b>
Investment Securities (Debt)	1,926	(570)	-	<b>1,356</b>
Loan Commitments and Financial Guarantees	(4,291)	6,277	2,042	<b>4,028</b>
	<b>45,347</b>	<b>89,161</b>	<b>387,587</b>	<b>522,095</b>
<b>Write offs / Transfer</b>				
Due from banks and balances with central banks	-	-	-	-
Loans and advances to customers	-	-	(35,700)	<b>(35,700)</b>
Investment Securities (Debt)	-	-	-	-
Loan Commitments and Financial Guarantees	-	-	-	-
	<b>-</b>	<b>-</b>	<b>(35,700)</b>	<b>(35,700)</b>
<b>Exchange differences</b>				
Due from banks and balances with central banks	(70)	-	-	<b>(70)</b>
Loans and advances to customers	(956)	(21,814)	(36,179)	<b>(58,949)</b>
Investment Securities (Debt)	(27)	-	-	<b>(27)</b>
Loan Commitments and Financial Guarantees	(1,887)	(38)	(469)	<b>(2,394)</b>
	<b>(2,940)</b>	<b>(21,852)</b>	<b>(36,648)</b>	<b>(61,440)</b>
<b>Closing Balance as at 30 June 2021</b>				
Due from banks and balances with central banks	21,513	68,607	-	<b>90,120</b>
Loans and Advances to Customers	330,183	1,296,462	3,189,334	<b>4,815,979</b>
Investment Securities (Debt)	37,065	13,542	-	<b>50,607</b>
Loan Commitments and Financial Guarantees	83,487	53,912	25,118	<b>162,517</b>
	<b>472,248</b>	<b>1,432,523</b>	<b>3,214,452</b>	<b>5,119,223</b>

**6- SEGMENT INFORMATION**

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:

30 June 2022 (Reviewed)	Qatar Operations				Unallocated and Intra - group transactions	Total
	Wholesale Banking	Retail Banking	Others	International		
Net interest income	1,321,651	419,108	590	217,370	(2,518)	1,956,201
Net fee, commission and other income	184,141	361,661	25,912	75,103	34,236	681,053
<b>Segmental revenue</b>	<b>1,505,792</b>	<b>780,769</b>	<b>26,502</b>	<b>292,473</b>	<b>31,718</b>	<b>2,637,254</b>
Net impairment losses on investment securities	(225)	-	-	(544)	-	(769)
Net impairment loss on loans and advances to customers and other financial assets	(390,433)	(74,204)	-	(3,334)	-	(467,971)
<b>Segmental profit</b>	<b>829,120</b>	<b>462,908</b>	<b>(76,337)</b>	<b>58,888</b>	<b>51,395</b>	<b>1,325,974</b>
Share of results of associates and a joint arrangement	-	-	1,186	105,189	-	106,375
<b>Net profit for the period</b>	<b>829,120</b>	<b>462,908</b>	<b>(75,151)</b>	<b>164,077</b>	<b>51,395</b>	<b>1,432,349</b>
<b>Other information</b>						
Loans and advances to customers	84,604,638	8,631,837	-	8,003,575	-	101,240,050
Investments in associates and a joint arrangement	-	-	6,629	2,959,804	-	2,966,433
Assets (other than above)	58,804,453	1,460,840	303,905	5,084,694	6,532,682	72,186,574
						176,393,057
Customer deposits	57,192,520	25,747,680	-	7,142,024	(751,229)	89,330,995
Liabilities (other than above)	54,824,341	3,732,096	261,422	4,998,276	(1,095,500)	62,720,635
						152,051,630
Contingent liabilities	19,747,740	1,700,433	560,000	3,793,937	-	25,802,110

Intra-group transactions are eliminated from this segmental information (Assets: QAR 6,864 million, Liabilities: QAR 4,790 million).

30 June 2021 (Reviewed)	Qatar Operations				Unallocated and Intra - group transactions	Total
	Wholesale Banking	Retail Banking	Others	International		
Net interest income	1,282,796	384,528	210	114,604	(3,174)	1,778,964
Net fee, commission and other income	323,849	277,715	20,923	10,113	34,057	666,657
<b>Segmental revenue</b>	<b>1,606,645</b>	<b>662,243</b>	<b>21,133</b>	<b>124,717</b>	<b>30,883</b>	<b>2,445,621</b>
Net impairment losses on investment securities	(1,450)	-	-	94	-	(1,356)
Net impairment loss on loans and advances to customers and other financial assets	(371,622)	(17,845)	-	(32,513)	-	(421,980)
<b>Segmental profit</b>	<b>893,072</b>	<b>401,407</b>	<b>(12,486)</b>	<b>(13,844)</b>	<b>(4,119)</b>	<b>1,264,030</b>
Share of results of associates and a joint arrangement	-	-	898	62,327	-	63,225
<b>Net profit for the period</b>	<b>893,072</b>	<b>401,407</b>	<b>(11,588)</b>	<b>48,483</b>	<b>(4,119)</b>	<b>1,327,255</b>
<b>Other information</b>						
Loans and advances to customers	79,334,344	11,104,181	-	10,149,587	-	100,588,112
Investments in associates and a joint arrangement	-	-	6,350	3,188,615	-	3,194,965
Assets (other than above)	41,660,789	1,532,589	503,629	5,501,016	9,121,087	58,319,110
						162,102,187
Customer deposits	49,394,197	25,372,745	-	8,011,805	(438,765)	82,339,982
Liabilities (other than above)	46,750,636	1,982,773	332,549	6,575,656	(41,594)	55,600,020
						137,940,002
Contingent liabilities	17,725,551	511,245	560,000	4,494,079	-	23,290,875

Intra-group transactions are eliminated from this segmental information (Assets: QAR 2,978 million, Liabilities: QAR 1,714 million).

**7- LOANS AND ADVANCES TO CUSTOMERS**

Loans and advances to customers comprises:	<b>30-Jun-2022</b>	30-Jun-2021	31-Dec-2021
	<b>Reviewed</b>	Reviewed	Audited
Loans	90,337,738	87,311,721	85,370,349
Overdrafts	8,716,819	13,116,118	10,692,164
Bills discounted	203,573	146,416	72,395
Bankers acceptances	6,216,553	3,672,799	5,375,400
	<u>105,474,683</u>	<u>104,247,054</u>	<u>101,510,308</u>
Deferred profit	(3,543)	(4,354)	(3,929)
	<u>105,471,140</u>	<u>104,242,700</u>	<u>101,506,379</u>
Accrued interest	721,826	1,161,391	1,158,837
Allowance for impairment of loans and advances to customers*	(3,183,643)	(3,189,334)	(2,989,971)
ECL on loans and advances to customers	(1,769,273)	(1,626,645)	(1,672,082)
<b>Net loans and advances to customers</b>	<b><u>101,240,050</u></b>	<b><u>100,588,112</u></b>	<b><u>98,003,163</u></b>

The aggregate amount of non-performing loans and advances to customers as at 30 June 2022 amounted to QAR 4,797 million which represents 4.5% of total loans and advances to customers (30 June 2021: QAR 4,296 million, 4.1% of total loans and advances to customers; 31 December 2021: QAR 4,786 million, 4.7% of total loans and advances to customers).

\*Allowance for impairment includes QAR 606 million of interest in suspense (30 June 2021: QAR 960 million; 31 December 2021: QAR 611 million).

**8- INVESTMENT SECURITIES**

Investment securities comprise the following	<b>30-Jun-2022</b>	30-Jun-2021	31-Dec-2021
	<b>Reviewed</b>	Reviewed	Audited
Fair value through other comprehensive income (FVOCI)	5,809,219	6,052,204	5,983,964
Fair value through profit & loss (FVTPL)	2,466,906	2,246,383	2,753,589
Amortized cost (AC)	20,698,601	16,805,581	17,688,500
Accrued interest	384,226	174,574	296,638
<b>Total</b>	<b><u>29,358,952</u></b>	<b><u>25,278,742</u></b>	<b><u>26,722,691</u></b>

The carrying value of investment securities pledged under Repurchase agreements (REPO) is QAR 12,168 million (30 June 2021: QAR 10,904 million; 31 December 2021: QAR 8,123 million).

Expected Credit losses of debt securities measured at FVOCI and AC amounted to QAR 51.9 million at 30 June 2022 (30 June 2021: QAR 50.6 million and 31 December 2021: QAR 51.6 million).

**9- INVESTMENT IN ASSOCIATES AND A JOINT ARRANGEMENT**

For the reporting period ended 30 June 2022, percentage of ownership for the investment in associates and a joint arrangement was same as reported as at and for the year ended 31 December 2021. At 30 June 2022, the Bank has recorded investment in associates and a joint arrangement based on management accounts.

**10- DUE TO BANKS**

	<b>30-Jun-2022</b> <b>Reviewed</b>	30-Jun-2021 Reviewed	31-Dec-2021 Audited
Balances due to central banks	2,421,972	3,339,919	3,038,156
Current accounts	994,304	335,093	528,442
Placement with banks	9,229,036	9,077,022	6,564,929
Repurchase agreements with banks	9,717,417	7,250,349	7,631,743
Accrued interest	20,696	70,471	13,634
<b>Total</b>	<b><u>22,383,425</u></b>	<b><u>20,072,854</u></b>	<b><u>17,776,904</u></b>

**11- CUSTOMER DEPOSITS**

	<b>30-Jun-2022</b> <b>Reviewed</b>	30-Jun-2021 Reviewed	31-Dec-2021 Audited
Current and call deposits	29,442,756	26,186,145	24,400,462
Saving deposits	6,110,927	5,932,653	5,901,947
Time deposits	53,527,207	49,991,712	51,418,229
Accrued interest	250,105	229,472	237,846
<b>Total</b>	<b><u>89,330,995</u></b>	<b><u>82,339,982</u></b>	<b><u>81,958,484</u></b>



**12- DEBT SECURITIES**

	<b>30-Jun-2022</b> Reviewed	30-Jun-2021 Reviewed	31-Dec-2021 Audited
EMTN Unsecured Programme – Senior Unsecured Notes	10,250,382	9,766,800	10,469,133
Senior Notes	159,827	290,011	230,111
Subordinated Notes	727,154	721,276	716,589
Others	434,542	1,267,783	3,816,156
Accrued interest	66,354	53,944	53,799
<b>Total</b>	<b>11,638,259</b>	<b>12,099,814</b>	<b>15,285,788</b>

The table below shows the maturity profile of debt securities:

	<b>30-Jun-2022</b> Reviewed	30-Jun-2021 Reviewed	31-Dec-2021 Audited
Up to 1 year	3,184,846	1,738,755	4,575,164
Between 1 and 3 years	2,139,694	2,571,955	3,630,309
Over 3 years	6,313,719	7,789,104	7,080,315
<b>Total</b>	<b>11,638,259</b>	<b>12,099,814</b>	<b>15,285,788</b>

**13- OTHER BORROWINGS**

	<b>30-Jun-2022</b> Reviewed	30-Jun-2021 Reviewed	31-Dec-2021 Audited
Bilateral loans	4,898,694	5,532,956	4,736,538
Syndicated loans	8,691,049	6,443,871	6,891,794
Others	3,560,488	3,155,871	3,998,153
Accrued interest	165,213	65,079	92,268
<b>Total</b>	<b>17,315,444</b>	<b>15,197,777</b>	<b>15,718,753</b>

The table below shows the maturity profile of other borrowings:

	<b>30-Jun-2022</b> Reviewed	30-Jun-2021 Reviewed	31-Dec-2021 Audited
Up to 1 year	6,396,216	10,860,221	7,177,394
Between 1 and 3 years	3,845,566	1,264,204	2,233,117
Over 3 years	7,073,662	3,073,352	6,308,242
<b>Total</b>	<b>17,315,444</b>	<b>15,197,777</b>	<b>15,718,753</b>

**14- EQUITY**

**Share capital**

	<b>30-Jun-2022</b> Reviewed	30-Jun-2021 Reviewed	31-Dec-2021 Audited
Authorised number of ordinary shares	4,047,253,750	4,047,253,750	4,047,253,750
Nominal value of ordinary shares (QAR)	1	1	1
<b>Issued and paid up capital (in thousands of Qatar Riyals)</b>	<b>4,047,254</b>	<b>4,047,254</b>	<b>4,047,254</b>

**15- DIVIDEND**

A cash dividend of 16% for the year 2021 (2020: 10% cash dividend), was approved at the Annual General Assembly held on 16 March 2022 (2021: 10 March 2021) and distributed to shareholders.

**16- STAFF COSTS**

Staff costs include a cost of QAR 85.4 million (30 June 2021 : QAR 161.7 million) with respect to performance rights.

**17- EARNINGS PER SHARE**

Earnings per share of the Group is calculated by dividing profit for the period attributable to the equity holders of the Bank by the weighted average number of ordinary shares in issue during the period:

	Three months ended		Six months ended	
	30-Jun-2022 Reviewed	30-Jun-2021 Reviewed	30-Jun-2022 Reviewed	30-Jun-2021 Reviewed
<b>Basic and diluted</b>				
Profit attributable to the equity holders of the bank	795,270	724,512	1,432,349	1,327,254
Weighted average number of outstanding ordinary shares in thousands	4,047,254	4,047,254	4,047,254	4,047,254
<b>Basic/diluted earnings per share (QAR)</b>	<u>0.20</u>	<u>0.18</u>	<u>0.35</u>	<u>0.33</u>

**18- CONTINGENT LIABILITIES AND OTHER COMMITMENTS**

**a- Contingent liabilities**

	30-Jun-2022 Reviewed	30-Jun-2021 Reviewed	31-Dec-2021 Audited
Unutilized credit facilities	3,788,932	3,047,623	2,433,180
Guarantees	18,527,741	17,614,695	18,178,171
Letters of credit	3,485,437	2,628,557	3,044,918
<b>Total</b>	<u>25,802,110</u>	<u>23,290,875</u>	<u>23,656,269</u>

**b- Other commitments**

	30-Jun-2022 Reviewed	30-Jun-2021 Reviewed	31-Dec-2021 Audited
Derivative financial instruments	74,845,806	77,819,499	75,769,456
Capital commitments	370,618	341,553	315,200
<b>Total</b>	<u>75,216,424</u>	<u>78,161,052</u>	<u>76,084,656</u>

**19- CASH AND CASH EQUIVALENTS**

	30-Jun-2022 Reviewed	30-Jun-2021 Reviewed	31-Dec-2021 Audited
Cash and balances with central banks *	9,020,836	9,470,827	12,760,381
Due from banks up to 90 days	10,990,606	3,956,695	6,200,703
	<u>20,011,442</u>	<u>13,427,522</u>	<u>18,961,084</u>

\* Cash and balances with central banks exclude the mandatory cash reserve.

**20- VALUATION OF FINANCIAL INSTRUMENTS**

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:

30-Jun-2022 (Reviewed)	Level 1	Level 2	Level 3	Carrying amount
Derivative assets	-	712,923	-	712,923
Investment securities	2,580,388	5,622,335	73,402	8,276,125
	<u>2,580,388</u>	<u>6,335,258</u>	<u>73,402</u>	<u>8,989,048</u>
Derivative liabilities	-	835,501	-	835,501
	<u>-</u>	<u>835,501</u>	<u>-</u>	<u>835,501</u>
31-Dec-2021 (Audited)	Level 1	Level 2	Level 3	Carrying amount
Derivative assets	-	873,873	-	873,873
Investment securities	2,228,265	6,485,572	23,716	8,737,553
	<u>2,228,265</u>	<u>7,359,445</u>	<u>23,716</u>	<u>9,611,426</u>
Derivative liabilities	-	710,720	-	710,720
	<u>-</u>	<u>710,720</u>	<u>-</u>	<u>710,720</u>

There were no changes in the Group's valuation process, valuation techniques, and type of inputs used in the fair value measurement during the period.

**21- RELATED PARTY DISCLOSURE**

The Group carries out various transactions with subsidiaries, associates and joint arrangement companies, members of the Board of Directors, the executive management or companies in which they have significant interest or any other parties of important influence in the Group's financial or operating decisions. The balances at the reporting date with these accounts were as follows:

	<b>30-Jun-2022</b> <b>Reviewed</b>	<b>30-Jun-2021</b> <b>Reviewed</b>	<b>31-Dec-2021</b> <b>Audited</b>
<b>Board members of the Bank</b>			
Loans, advances and financing activities (a)	1,698,494	1,448,641	1,639,417
Deposits	1,452,100	1,220,520	1,620,662
Contingent liabilities and other commitments	12,608	72,024	2,653
Interest and fee income received	60,528	26,281	56,413
Interest paid on deposits	22,831	4,965	9,925
Remuneration	-	-	18,500
<b>Associates and joint arrangement companies</b>			
Due from banks	146,724	145,600	145,600
Due to banks	16,925	30,481	22,087
Deposits	4,608	6,821	6,660
Contingent liabilities	20,575	15,855	13,849
Interest paid to associates	94	79	97
<b>Senior management of the bank</b>			
Remuneration and other benefits (b)	22,392	21,093	41,698
Loans and advances	6,985	5,741	4,747

(a) A significant portion of the loans, advances and financing activities' balance at 30 June 2022 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.

(b) In addition to the above remuneration and other benefits, employees of the bank including senior management has been granted performance rights. At 30 June 2022, cost for performance rights for senior management was QAR 47.1 million (30 June 2021: QAR 71.1 million and 31 December 2021: QAR 170.7 million).