



**The Commercial Bank (P.S.Q.C.)
PILLAR III Disclosure
30 June 2024
For
QCB Circular 6/2022**

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1- Introduction and basis of preparation

The Basel Committee on Banking Supervision (BCBS) Basel 3 capital adequacy framework consists of three pillars. Pillar 1 provides a framework for measuring minimum capital requirements for credit, market and operational risks faced by banks. Pillar 2 allows banks and supervisors to take a view on whether the bank should hold additional capital to cover the three Pillar 1 risk types and/or to cover other risks. Pillar 3 requires banks to publish a range of disclosures, mainly covering risk, capital, leverage, liquidity and remuneration.

This report provides Pillar 3 disclosures for The Commercial Bank (P.S.Q.C.) and its subsidiaries together referred to as "CBQ" or the "Bank" or the "Group".

CBQ is considered a Domestic Systemically Important Bank (D-SIB) under Central Bank laws/regulations and is required to comply with the Standards and Guidance re Capital Adequacy in the Qatar. Capital and other regulatory information of the Bank as at December 2023 are provided in the annual financial statements.

Pillar 3 disclosure report has been prepared in accordance with Qatar Central Bank Pillar 3 disclosure requirements as stipulated in Standards and Guidance re Capital Adequacy in Qatar.

The Pillar 3 disclosures are to be read in conjunction with the Financial Statements for the period ended 30 June 2024.

2- Overview of Basel 3 requirements

Basel requirements are structured around three 'pillars' which are outlined below:

Pillar 1 - deals with maintenance of minimum regulatory capital calculated for three major components of risk that a bank faces: credit risk, market risk and operational risk. Other risks are not considered fully quantifiable at this stage;

Pillar 2 - allows banks and supervisors to take a view on whether the bank should hold additional capital to cover the three Pillar 1 risk types or to cover other risks. A bank's own internal models and assessments support this process. The second pillar deals with the regulatory response to the first pillar giving regulators much-improved tools over those available to them under Pillar1. It also provides a framework for dealing with all the other risks a bank may face such as systemic risk, concentration risk, strategic risk, reputational risk, liquidity risk and legal risk which the accord combines under the title of residual risk. This risk and capital assessment is commonly referred to as the Internal Capital Adequacy Assessment Process (ICAAP);

Pillar 3 - covers external communication of risk and capital information by banks as specified in the Basel rules. The aim of Pillar 3 is to provide a consistent and comprehensive disclosure framework by requiring institutions to disclose details on the scope of application, capital, risk exposures, risk assessment processes, capital adequacy, liquidity and funding position and leverage of the institution. It must be consistent with how the senior management including the board assess and manage the risks of the institution.

KM1: Key Capital and Leverage metrics (at consolidated group level)

	(Thousands of Qatari Riyals)	a	b
		June 30 2024	December 31 2023
Available capital (amounts)			
1	Common Equity Tier 1 (CET1)	16,335,064	12,922,360
1a	Fully loaded ECL accounting model	16,335,064	12,922,360
2	Tier 1	20,790,792	17,064,023
2a	Fully loaded ECL accounting model Tier 1	20,790,792	17,064,023
3	Total capital	22,731,415	18,100,039
3a	Fully loaded ECL accounting model total capital	22,731,415	18,100,039
Risk-weighted assets			
4	Total risk-weighted assets (RWA)	131,861,115	121,274,479
Risk-based capital ratios as a percentage of RWA			
5	Common Equity Tier 1 ratio (%)	12.4%	10.7%
5a	Fully loaded ECL accounting model CET1 (%)	12.4%	10.7%
6	Tier 1 ratio (%)	15.8%	14.1%
6a	Fully loaded ECL accounting model Tier 1 ratio (%)	15.8%	14.1%
7	Total capital ratio (%)	17.2%	14.9%
7a	Fully loaded ECL accounting model total capital ratio (%)	17.2%	14.9%
Additional CET1 buffer requirements as a percentage of RWA			
8	Capital conservation buffer requirement	2.5%	2.5%
9	Countercyclical buffer requirement	0.0%	0.0%
10	Bank D-SIB additional requirements	0.5%	0.5%
11	Total of bank CET1 specific buffer requirements	3.0%	3.0%
12	CET1 available after meeting the bank's minimum capital requirements	6.4%	4.7%
Basel III leverage ratio			
13	Total leverage ratio measure	180,433,945	180,711,426
14	Leverage ratio (%) (row 2/row 13)	11.5%	9.4%
15	Total HQLA	24,247,337	25,561,020
16	Total net cash outflow	17,388,802	9,667,251
17	LCR (%)	139.4%	264.4%
Net Stable Funding Ratio			
18	Total available stable funding	104,352,035	102,433,249
19	Total required stable funding	102,184,153	104,863,363
20	NSFR (%)	102.1%	97.7%

OV1: Overview of risk weighted assets (RWA)

The following table presents an overview of our RWA and the related minimum capital requirements by risk type.

	(Thousands of Qatari Riyals)	a	b	d
		RWA		Minimum capital requirement
		June 30 2024	December 31 2023	June 30 2024
1	Credit risk (excluding counterparty credit risk)	109,502,407	108,336,923	10,950,241
2	Of which: standardised approach (SA)	109,502,407	108,336,923	10,950,241
3	Of which: foundation internal ratings-based (F-IRB) approach	-	-	
4	Of which: supervisory slotting approach	-	-	
5	Of which: advanced internal ratings-based (A-IRB) approach	-	-	
6	Counterparty credit risk (CCR)	543,284	894,465	54,328
7	Of which: Standardised approach for counterparty credit risk	339,097		33,910
8	Of which: Internal Model Method (IMM)	-	-	
9	Of which other CCR	204,186	894,465	20,419
10	Credit valuation adjustment (CVA)	543,284	873,763	54,328
11	Equity positions in banking book under market-based approach	-	-	-
12	Equity investments in funds – look-through approach	-	-	-
13	Equity investments in funds – mandate-based approach	-	-	-
14	Equity investments in funds – fall-back approach	1,354,176	-	135,418
15	Settlement risk	-	-	-
16	Securitisation exposures in banking book	-	-	-
17	Of which: securitisation internal ratings-based approach (SEC-IRBA)	-	-	
18	Of which: securitisation external ratings-based approach (SEC-ERBA), including internal assessment approach	-	-	
19	Of which Standardized approach (SEC-SA)	-	-	
20	Market risk	11,649,199	2,274,999	1,164,920
21	Of which: Standardized approach (SA)	11,649,199	2,274,999	1,164,920
22	Of which: Internal model approaches (IMA)	-	-	
23	Capital charge for switch between trading book and banking book	-	-	
24	Operational risk	8,268,766	8,894,329	826,877
28	Floor adjustment (after application of transitional cap)			
29	Total	131,861,115	121,274,479	13,186,112

CCA: Main features of regulatory capital instruments

		Equity Shares	QAR 2 Bn Additional Tier 1	QAR 2 Bn Additional Tier 1	USD 500 Mn Additional Tier 1
1	Issuer	The Commercial Bank (P.S.Q.C.)			
2	Unique identifier (eg CUSIP, ISIN or Bloomberg identifier for private placement)	CBQK / QA0007227752	Private Placement	Private Placement	XS2293694662
3	Governing law(s) of the instrument	Qatar Laws	Qatar Law	Qatar Law	English Law
Regulatory treatment					
4	Transitional arrangement rules (i.e. grandfathering)	CET1	Additional Tier 1	Additional Tier 1	Additional Tier 1
5	Post-transitional arrangement rules (i.e. grandfathering)	CET1	Additional Tier 1	Additional Tier 1	Additional Tier 1
6	Eligible at solo/group/group and solo	Group and Solo	Group and Solo	Group and Solo	Group and Solo
7	Instrument type (types to be specified by each jurisdiction)	Ordinary shares	Perpetual Additional Tier 1 Capital Notes	Perpetual Additional Tier 1 Capital Notes	Perpetual Additional Tier 1 Capital Notes
8	Amount recognised in regulatory capital	4,047,254	2,000,000	2,000,000	1,820,000
9	Nominal amount of instrument	4,047,254	2,000,000	2,000,000	1,820,000
9a	Issue price	4,047,254	2,000,000	2,000,000	1,820,000
10	Accounting classification	Equity	Instruments eligible for additional capital		
11	Original date of issuance	NA	30-Dec-13	1-Feb-16	3-Mar-21
12	Perpetual or dated	Perpetual	Perpetual	Perpetual	Perpetual
13	Original maturity date	NA	30-Dec-19	31-Dec-21	3-Mar-26
14	Issuer call subject to prior supervisory approval	NA	Yes	Yes	Yes
15	Optional call date, contingent call dates and redemption amount	NA	30 Dec 2025 Redemption amount: Prevailing Principal Amount	31 Dec 2027 Redemption amount: Prevailing Principal Amount	3 Mar 2026 Redemption amount: Prevailing Principal Amount
16	Subsequent call dates, if applicable	NA	NA	NA	NA
Coupons / dividends					
17	Fixed or floating dividend/coupon	NA	Fixed	Fixed	Fixed
19	Coupon rate and any related index	Vaiable	5.15%	4.94%	4.50%
19	Existence of a dividend stopper	NA	Yes	Yes	Yes
20a	Fully discretionary, partially discretionary or mandatory (in terms of timing)	Full Discretionary	NA	NA	NA
20b	Fully discretionary, partially discretionary or mandatory (in terms of amount)	Full Discretionary	Full Discretionary	Full Discretionary	Full Discretionary
21	Existence of step-up or other incentive to redeem	NA	No	No	No
22	Non-cumulative or cumulative	Non-cumulative	Non-cumulative	Non-cumulative	Non-cumulative
23	Convertible or non-convertible	NA	Convertible	Convertible	Convertible
24	Writedown feature	NA	Yes	Yes	Yes
28	If temporary write-own, description of writeup mechanism	NA	NA	NA	NA
28a	Type of subordination	NA	Subordinated (Additional Tier 1 Capital)		
29	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument in the insolvency creditor hierarchy of the legal entity concerned).	NA	Ranks junior to all Senior Obligations; Ranks in priority only to all Junior Obligations, Ranks senior to equity shares		
30	Non-compliant transitioned features	NA	NA	NA	NA
31	If yes, specify non-compliant features	NA	MR3	NA	NA

CC1: Composition of Capital

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

	a	b	c
	30 June 2024	31 December 2023	Source based on reference numbers/letters of the balance sheet under the regulatory scope of consolidation
Common Equity Tier 1 capital: instruments and reserves			
1			
Directly issued qualifying common share (and equivalent for non-joint stock companies) capital plus related stock surplus	4,047,254	4,047,254	(a)
2			
Retained earnings	4,561,706	1,716,706	
3			
Accumulated other comprehensive income (and other reserves)	10,695,302	10,190,589	(b)
4			
<i>Directly issued capital subject to phase-out from CET1 (only applicable to non-joint stock companies)</i>	-	-	
5			
Common share capital issued by third parties (amount allowed in group CET1)	-	-	
6			
Common Equity Tier 1 capital before regulatory deductions	19,304,262	15,954,549	
Common Equity Tier 1 capital regulatory adjustments			
7			
Prudent valuation adjustments	-	-	
8			
Goodwill (net of related tax liability)	(753,199)	(740,287)	
9			
Other intangibles other than mortgage servicing rights (net of related tax liability)	-	-	
10			
Deferred tax assets that rely on future profitability, excluding those arising from temporary differences (net of related tax liability)	(68,060)	(34,524)	
11			
Cash flow hedge reserve	38,603	157,777	
12			
Shortfall of provisions to expected losses	-	-	
13			
Securitisation gain on sale (as set out in paragraph 36 of Basel III securitisation framework)	-	-	
14			
Gains and losses due to changes in own credit risk on fair valued liabilities	-	-	
15			
Defined benefit pension fund net assets	-	-	
16			
Investments in own shares (if not already subtracted from paid-in capital on reported balance sheet)	(1,114,988)	(1,139,524)	
17			
Reciprocal cross-holdings in common equity	-	-	
18			
Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued share capital (amount above 10% threshold)	-	-	
19			
Significant investments in the common stock of banking, financial and insurance entities that are outside the scope of regulatory consolidation (amount above 10% threshold)	(1,071,554)	(1,275,631)	
20			
Mortgage servicing rights (amount above 10% threshold)	-	-	
21			
Deferred tax assets arising from temporary differences (amount above 10% threshold, net of related tax liability)	-	-	
25			
Of which: deferred tax assets arising from temporary differences	-	-	
26			
National specific regulatory adjustments	-	-	
27			
Regulatory adjustments applied to Common Equity Tier 1 due to insufficient Additional Tier 1 and Tier 2 to cover deductions	-	-	
28			
Total regulatory adjustments to Common Equity Tier 1	(2,969,198)	(3,032,189)	
29			
Common Equity Tier 1 capital (CET1)	16,335,064	12,922,360	
Additional Tier 1 capital: instruments			
30			
Directly issued qualifying Additional Tier 1 instruments plus related stock surplus	5,820,000	5,820,000	(c)
31			
Of which: classified as equity under applicable accounting standards	5,820,000	5,820,000	(c)
32			
Of which: classified as liabilities under applicable accounting standards	-	-	
33			
<i>Directly issued capital instruments subject to phase-out from additional Tier 1</i>	-	-	
34			
Additional Tier 1 instruments (and CET1 instruments not included in row 5) issued by subsidiaries and held by third parties (amount allowed in AT1)	-	-	
35			
<i>Of which: instruments issued by subsidiaries subject to phase-out</i>	-	-	
36			
Additional Tier 1 capital before regulatory adjustments	5,820,000	5,820,000	

Additional Tier 1 capital: regulatory adjustments			
37	Investments in own additional Tier 1 instruments	-	-
38	Reciprocal cross-holdings in additional Tier 1 instruments	-	-
39	Investments in capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation	-	(295,865)
40	Significant investments in the common stock of banking, financial and insurance entities that are outside the scope of regulatory consolidation	(1,364,272)	(1,382,472)
41	National specific regulatory adjustments	-	-
42	Regulatory adjustments applied to additional Tier 1 due to insufficient Tier 2 to cover deductions	-	-
43	Total regulatory adjustments to additional Tier 1 capital	(1,364,272)	(1,678,337)
44	Additional Tier 1 capital (AT1)	4,455,728	4,141,663
45	Tier 1 capital (T1= CET1 + AT1)	20,790,792	17,064,023
Tier 2 capital: instruments and provisions			
46	Directly issued qualifying Tier 2 instruments plus related stock surplus	-	-
47	<i>Directly issued capital instruments subject to phase-out from Tier 2</i>	-	-
48	Tier 2 instruments (and CET1 and AT1 instruments not included in rows 5 or 34) issued by subsidiaries and held by third parties (amount allowed in group Tier 2)	-	148,629
49	<i>Of which: instruments issued by subsidiaries subject to phase-out</i>	-	148,629
50	Provisions	1,399,289	1,376,314
51	Tier 2 capital before regulatory adjustments	1,399,289	1,524,944
Tier 2 capital: regulatory adjustments			
52	Investments in own Tier 2 instruments	-	-
53	Reciprocal cross-holdings in Tier 2 instruments and other TLAC liabilities	-	(488,928)
54	Investments in capital and other TLAC liabilities of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued common share capital of the entity (amount above 10% threshold)	-	-
55	Significant investments in the capital and other TLAC liabilities of banking, financial and insurance entities that are outside the scope of regulatory consolidation (net of eligible short positions)	-	-
56	National specific regulatory adjustments	541,334	-
57	Total regulatory adjustments to Tier 2 capital	541,334	(488,928)
58	Tier 2 capital (T2)	1,940,624	1,036,015
59	Total regulatory capital (TC = T1 + T2)	22,731,415	18,100,039
60	Total risk-weighted assets	131,861,115	121,274,479
Capital ratios and buffers			
61	Common Equity Tier 1 (as a percentage of risk-weighted assets)	12.39%	10.66%
62	Tier 1 (as a percentage of risk-weighted assets)	15.77%	14.07%
63	Total capital (as a percentage of risk-weighted assets)	17.24%	14.92%
64	Institution specific buffer requirement (capital conservation buffer plus countercyclical buffer requirements plus higher loss absorbency requirement, expressed as a percentage of risk-weighted assets)	3.0%	3.0%
65	Of which: capital conservation buffer requirement	2.5%	2.5%
66	Of which: bank-specific countercyclical buffer requirement	0.0%	0.0%
67	Of which: higher loss absorbency requirement (DSIB)	0.5%	0.5%
68	Common Equity Tier 1 (as a percentage of risk-weighted assets) available after meeting the bank's minimum capital requirement.	6.4%	4.7%
National minima (if different from Basel III)			
69	National Common Equity Tier 1 minimum ratio (if different from Basel III minimum)	-	-
70	National Tier 1 minimum ratio (if different from Basel III minimum)	-	-
71	National total capital minimum (if different from Basel III minimum)	-	-
Amounts below the thresholds for deduction (before risk weighting)			
72	Non-significant investments in the capital and other TLAC liabilities of other financial entities	-	-
73	Significant investments in common stock of financial entities	-	-
74	Mortgage servicing rights (net of related tax liability)	-	-
75	Deferred tax assets arising from temporary differences (net of related tax liability)	-	-
Applicable caps on the inclusion of provisions in Tier 2			
76	Provisions eligible for inclusion in Tier 2 in respect of exposures subject to standardised approach (prior to application of cap)	5,935,557	6,093,467
77	Cap on inclusion of provisions in Tier 2 under standardised approach	1,399,289	1,376,314
78	Provisions eligible for inclusion in Tier 2 in respect of exposures subject to internal ratings-based approach (prior to application of cap)	-	-
79	Cap for inclusion of provisions in Tier 2 under internal ratings-based approach	-	-

CC2: Regulatory capital balance sheet

The following table shows the reconciliation between balance sheet prepared for published financial statements with that prepared for regulatory reporting. The amount shown under the regulatory scope of consolidation is not a RWA measure; it is based on an accounting measure and cannot be directly reconciled to other disclosures in this report which are prepared applying Basel 3 rules.

Regulatory capital balance sheet	30-Jun-24		
	Balance sheet as in Report to Shareholders	Under regulatory scope of consolidation	Reference
Assets			
Cash and balances with central banks	7,732,565	7,732,565	
Due from banks	19,290,281	19,290,281	
Loans and advances to customers	87,444,647	87,444,647	
<i>Of which: acceptances treated as off-balance sheet exposure</i>	4,660,288	4,660,288	
Investment securities	28,418,672	28,418,672	
Investment in associates and a joint arrangement	3,490,094	3,490,094	
Property and equipment	3,104,928	3,104,928	
Intangible assets	71,392	71,392	
Other assets	6,582,446	6,582,446	
Total Assets	160,795,313	160,795,313	
Liabilities			
Due to banks	16,075,883	16,075,883	
Customer deposits	77,198,806	77,198,806	
Debt securities	9,319,471	9,319,471	
Other borrowings	22,979,553	22,979,553	
Other liabilities	10,009,358	10,009,358	
Total Liabilities	135,583,071	135,583,071	
Equity			
Share capital	4,047,254	4,047,254	(a)
Legal reserve	10,217,123	10,217,123	(b)
General reserve	26,500	26,500	(b)
Risk reserve	2,274,574	2,274,574	(b)
Foreign currency translation reserve	(2,548,003)	(2,548,003)	(b)
Other reserves	1,249,088	1,249,088	(b)
Revaluation reserve	1,202,965	1,202,965	
Retained earnings	4,603,622	4,603,622	
TOTAL EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE BANK	19,392,239	19,392,239	
Non-controlling interests	3	3	
Instruments eligible for additional capital (Included in AT1)	5,820,000	5,820,000	(c)
TOTAL EQUITY	25,212,242	25,212,242	
TOTAL LIABILITIES AND EQUITY	160,795,313	160,795,313	

CR1: Credit quality of assets

The following table presents a comprehensive view of the credit quality of our on- and off-balance sheet assets.

As at June 30, 2024

	QAR'000	a	b	c	d	e	f	g
		Gross carrying values of		Allowances/ impairments	Of which ECL accounting provisions for credit losses on SA exposures		Of which ECL accounting provisions for credit losses on IRB exposures	Net values (a+b-c)
		Defaulted exposures	Non-defaulted exposures		Allocated in regulatory category of General	Allocated in regulatory category of Specific		
1	Loans	5,752,894	92,722,316	6,370,275	2,061,602	4,308,673	-	92,104,935
2	Debt Securities	-	24,985,772	48,000	48,000	-	-	24,937,772
3	Off-Balance Sheet exposures	195,280	32,089,551	228,922	56,541	172,381	-	32,055,909
4	Total	5,948,174	149,797,639	6,647,197	2,166,143	4,481,054	-	149,098,616

As at December 31, 2023

	QAR'000	a	b	c	d	e	f	g
		Gross carrying values of		Allowances/ impairments	Of which ECL accounting provisions for credit losses on SA exposures		Of which ECL accounting provisions for credit losses on IRB exposures	Net values (a+b-c)
		Defaulted exposures	Non-defaulted exposures		Allocated in regulatory category of General	Allocated in regulatory category of Specific		
1	Loans	5,652,358	91,778,810	5,940,758	1,963,164	3,977,594	-	91,490,410
2	Debt Securities	-	29,711,263	57,160	57,160	-	-	29,654,103
3	Off-Balance Sheet exposures	201,592	23,841,546	204,839	33,070	171,769	-	23,838,299
4	Total	5,853,950	145,331,619	6,202,757	2,053,394	4,149,363	-	144,982,812

CR2: Changes in stock of defaulted loans and debt securities

		30 June 2024	31 December 2023
1	Defaulted loans and debt securities at end of the previous reporting period	5,652,358	5,045,602
2	Loans and debt securities that have defaulted since the last reporting period	105,900	1,540,222
3	Returned to non-defaulted status	-	-
4	Amounts written off	(2,126)	(875,604)
5	Other changes	(3,238)	(57,862)
6	Total	5,752,894	5,652,358

CR3: Credit risk mitigation techniques - overview

As at June 30, 2024

	QAR'000	a	b	c	d	e	f	g
	Asset Classes	Exposures unsecured: carrying amount	Exposures secured by collateral	Exposures secured by collateral, of which: secured amount	Exposures secured by financial guarantees	Exposures secured by financial guarantees, of which: secured amount	Exposures secured by credit derivatives	Exposures secured by credit derivatives, of which: secured amount
1	Loans	44,913,601	42,790,393	10,845,837	-	-	-	-
2	Debt securities	24,491,127	-	-	-	-	-	-
3	Total	69,404,728	42,790,393	10,845,837	-	-	-	-

CR4: Standardized approach – credit risk exposure and credit risk mitigation (CRM) effects

The following table provides the effect of CRM on the calculation of capital requirements under the standardized approach. It presents on-balance sheet and off-balance sheet exposures before and after credit conversion factors (CCF) and CRM as well as associated RWA and RWA density by asset classes. As noted in CRD, the external ratings of the counterparty is relied on to determine the prescribed regulatory risk weight to be assigned.

As at June 30, 2024

QAR'000	Asset Classes	a		b		c		d		e		f	
		Exposures before CCF and CRM		Exposures post-CCF and CRM		RWA and RWA density							
		On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount	RWA	RWA density						
1	Sovereigns and Central Bank	31,458,109	3,167,222	31,458,109	833,673	3,266,090	10.1%						
2	Qatar Government Entities and Domestic Public Sector Entities (PSEs)	8,506,082	2,446,781	8,496,754	1,254,364	2,739,541	28.1%						
3	Multilateral development banks	109,200	910,000	109,200	91,000	-	-						
4	Claims on Banks Of which: securities firms and other financial institutions	20,771,087	4,482,668	20,740,565	3,681,121	12,630,874	51.7%						
5	Covered bonds	-	-	-	-	-	-						
6	Corporates	43,894,187	24,183,959	31,020,667	13,475,713	44,175,163	99.3%						
7	Equity investments, subordinated debt and other capital	2,399,985	-	2,399,985	-	6,587,514	274.5%						
8	Retail	12,713,916	2,479,087	11,451,065	333,325	10,650,349	90.4%						
9	Residential Real Estate Exposure	499,531	35,937	483,353	16,863	214,062	42.8%						
10	Commercial Real Estate Exposure	17,625,675	188,585	16,475,625	77,088	16,065,659	97.1%						
11	Loans for Land Acquisition, Development and Construction	-	-	-	-	-	-						
12	Past-due loans/Defaulted Loans	1,498,199	8,360	1,264,726	8,006	1,067,868	83.9%						
13	Real Estate Exposures arising from counterparty defaults	3,864,821	-	3,864,821	-	6,819,124	176.4%						
14	Other assets	7,896,420	-	7,894,181	-	6,640,341	84.1%						
15	Total	151,237,211	37,902,599	135,659,049	19,771,154	110,856,583	71.3%						

CR5: Standardized approach – exposures by asset classes and risk weights

The following table presents the breakdown of credit risk exposures under the standardized approach by asset classes and risk weight.

As at June 30, 2024

	Risk weight	a	b	c	d	e	f	g	h	i	j
		0%	20%-49%	50% - 74%	75% - 99%	100% - 149%	150%	188%	250%	Others	Total credit exposures amount (post CCF and post-CRM)
1	Sovereigns	28,913,458	-	224,470	-	3,153,855	-	-	-	-	32,291,782
2	Claims on Qatar Government Entities and Domestic Public Sector Entities (PSEs)	4,272,036	-	5,479,082	-	-	-	-	-	-	9,751,118
3	Multilateral Development Banks (MDBs)	200,200	-	-	-	-	-	-	-	-	200,200
4	Claims on Banks	-	12,790,398	4,113,856	-	7,453,925	63,506	-	-	-	24,421,686
5	Claims on Corporates	-	-	289,781	1,097,409	43,083,361	25,829	-	-	-	44,496,380
6	Retail	-	54,353	-	4,416,587	7,313,450	-	-	-	-	11,784,389
7	Claims secured by Residential property	-	409,795	62,344	10,634	17,444	-	-	-	-	500,216
8	Claims secured by Commercial real estate	-	-	2,539,175	5,633,279	8,380,259	-	-	-	-	16,552,713
10	Past-due loans	-	-	451,293	-	779,876	41,564	-	-	-	1,272,732
11	Equity Investments	-	-	-	-	-	495,789	-	1,795,862	108,334	2,399,985
12	Real Estate Exposures arising from counterparty defaults	-	-	-	-	488,473	-	3,376,347	-	-	3,864,821
14	Other assets	1,253,840	-	-	-	6,640,341	-	-	-	-	7,894,181
15	Total	34,639,534	13,254,545	13,160,000	11,157,909	77,310,984	626,688	3,376,347	1,795,862	108,334	155,430,203

CCRA: Qualitative disclosure related to counterparty credit risk

Counterparty Credit Risk (CCR) is the risk that the counterparty to a transaction could default before the final settlement. The value of derivative transactions will change with fluctuations in factors such as interest rates, foreign exchange rates, equities or commodities. The Group is exposed to CCR from its sales, trading and balance sheet management activities. CCR is managed through the Counterparty Credit Risk Policy and methodology framework.

The Bank primarily engages in derivative transaction for hedging of risks. The limits on CCR and related transaction is closely associated with the hedging requirements of the Bank in space of Profit rate and foreign exchange transactions.

Bank policies are in place to reduce CCR risk by having International Swaps and Derivatives Association (ISDA) Master Agreement or equivalent agreements in place with as many counterparties as possible; the Bank prefers to deal with counterparties through a clearing house to minimize CCR. Counterparty limits are in place for all derivatives counterparties and limits are set considering counterparty risk profile. In line with the International Accounting Standard (IAS) 32 principles, the Group's balance sheet will present assets and liabilities on a net basis provided there is a legally enforceable right to set off assets and liabilities, and the Group intends to settle on a net basis or realise the asset and liability simultaneously.

CCR1: Analysis of counterparty credit risk (CCR) exposure by approach

The following table provides a comprehensive view of the methods used to calculate counterparty credit risk exposures and the main parameters used within each method, if applicable. Refer to CCR 8 for our central counterparty clearing house exposures. Figures below reflect both house and client trades.

As at June 30, 2024

	QAR'000	a	b	c	d	e	f
		Replacement Cost	Potential future exposure	EEPE	Alpha used for computing regulatory EAD	EAD post-CRM ¹	RWA ²
1	SA-CCR (for derivatives)	439,362	309,172		1.4	1,047,947	339,097
2	Internal Model Method (for derivatives and SFTs)						
3	Simple Approach for credit risk mitigation (for SFTs)						
4	Comprehensive Approach for credit risk mitigation (for SFTs)						
5	VaR for SFTs						
6	Total						339,097

CCR2: Credit valuation adjustment (CVA) capital charge

The following table presents a breakdown of the CVA capital charge by advanced and standardized approaches.

As at June 30, 2024

QAR'000	a	b
	EAD post-CRM	RWA
Total portfolios subject to the Advanced CVA capital charge		
1 (i) VaR component (including the 3x multiplier)		
2 (ii) Stressed VaR component (including the 3x multiplier)		
3 All portfolios subject to the Standardized CVA capital Charge	1,636,085	541,852
4 Total subject to the CVA capital charge	1,636,085	541,852

CCR3: Standardized approach – CCR exposures by regulatory portfolio and risk weights

The following table presents a breakdown of counterparty credit risk exposures calculated according to the standardized approach by portfolio and risk weight.

As at June 30, 2024

risk weight	a	b	c	d	e	f	g	h	j
Regulatory portfolio QAR'000	0%	20%	30%	50%	75%	100%	150%	Others	Total credit exposure
Sovereigns	-	-	-	-	-	-	-	-	-
Qatar Government Entities and Domestic Public Sector Entities (PSEs)	-	-	-	-	-	-	-	-	-
Multilateral Development Banks (MDBs)	-	-	-	-	-	-	-	-	-
Banks	-	18,523	835,509	2,778	-	-	-	162,684	1,019,494
Corporates	-	-	-	15,168	-	13,286	-	-	28,453
Regulatory retail portfolio	-	-	-	-	-	-	-	-	-
Secured by residential property	-	-	-	-	-	-	-	-	-
Secured by commercial real estate	-	-	-	-	-	-	-	-	-
Other retail loans	-	-	-	-	-	-	-	-	-
Past-due loans	-	-	-	-	-	-	-	-	-
Equity Investments	-	-	-	-	-	-	-	-	-
Real Estate Exposures	-	-	-	-	-	-	-	-	-
Unrated Sukuk	-	-	-	-	-	-	-	-	-
Other assets	-	-	-	-	-	-	-	-	-
Total	-	18,523	835,509	17,945	-	13,286	-	162,684	1,047,947

MR3: Market risk under simplified standardized approach

The following table presents the components of the capital requirement under the standardized approach for market risk.

		a	b	c	d
		Outright products	Options		
			Simplified approach	Delta-plus method	Scenario approach
	QAR'000				
1	Interest rate risk	53,569	-	-	-
2	Equity risk	866,902	-	-	-
3	Foreign exchange risk	8,947	-	-	-
4	Commodity risk	3,201	-	-	-
5	Securitisation		-	-	-
6	Total	932,619	-	-	-

LIQ1: Liquidity Coverage Ratio (LCR)

The LCR is designed to promote short-term resilience of the 30 calendar day liquidity profile, by ensuring that banks have sufficient HQLA to meet potential outflows in a stressed environment.

		a	b
		Total unweighted value (average)	Total weighted value (average)
As at June 30, 2024			
High-quality liquid assets			
1	Total HQLA	25,027,188	24,247,337
Cash outflows			
2	Retail deposits and deposits from small business customers, of which:		
3	Stable deposits	21,661,401	1,614,804
4	Less stable deposits	968,320	290,496
5	Unsecured wholesale funding, of which:		
6	Operational deposits (all counterparties) and deposits in networks of cooperative banks		
7	Non-operational deposits (all counterparties)	34,640,033	20,562,699
8	Unsecured debt		
9	Secured wholesale funding	0	0
10	Additional requirements, of which:		
11	Outflows related to derivative exposures and other collateral requirements	257,408	257,408
12	Outflows related to loss of funding of debt products		
13	Credit and liquidity facilities	0	0
14	Other contractual funding obligations		
15	Other contingent funding obligations	21,184,824	5,151,723
16	TOTAL CASH OUTFLOWS		27,877,130
Cash inflows			
17	Secured lending (eg reverse repo)		
18	Inflows from fully performing exposures	10,782,567	10,488,328
19	Other cash inflows		
20	TOTAL CASH INFLOWS		10,488,328
		Total adjusted value	
		30 June 2024	31 December 2023
21	Total HQLA	24,247,337	25,561,020
22	Total net cash outflows	17,388,802	9,667,251
23	Liquidity coverage ratio (%)	139.4%	264.4%

LIQ2: Net Stable Funding Ratio (NSFR)

	a	b	c	d	e
	Unweighted value by residual maturity				Weighted value
As at June 30, 2024	No maturity*	<6 months	6 months to <1 year	≥1 year	
Available stable funding (ASF) item					
1 Capital:					25,124,262
2 <i>Regulatory capital</i>	25,124,262	-	-	-	25,124,262
3 <i>Other capital instruments</i>	-	-	-	-	-
4 Retail deposits and deposits from small business customers:					20,953,101
5 <i>Stable deposits</i>	66,850	3,849,556	3,662,949	13,212,997	20,034,417
6 <i>Less stable deposits</i>	189,929	1,624,860	22,580	-	918,684
7 Wholesale funding:					54,181,731
8 <i>Operational deposits</i>	-	-	-	-	-
9 <i>Other wholesale funding</i>	3,921,921	24,488,497	7,039,198	37,487,587	54,181,731
10 Liabilities with matching interdependent assets					
11 Other liabilities:					4,092,940
12 <i>NSFR derivative liabilities</i>			2,303,304		
13 <i>All other liabilities and equity not included in the above categories</i>	-	-	31,501,928	-	4,092,940
14 Total ASF					104,352,034
Required stable funding (RSF) item					
15 Total NSFR high-quality liquid assets (HQLA)		16,008,236	2,725,490	17,034,522	5,248,633
16 Deposits held at other financial institutions for operational purposes					
17 Performing loans and securities:					75,903,497
18 <i>Performing loans to financial institutions secured by Level 1 HQLA</i>	-	-	-	-	
19 <i>Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to financial institutions</i>	-	-	1,675,863	1,438,124	2,276,056
20 <i>Performing loans to non-financial corporate clients, loans to retail and small business customers, and loans to sovereigns, central banks and PSEs, of which:</i>					
21 <i>With a risk weight of less than or equal to 35% under the Basel II standardised approach for credit risk</i>	-	-	-	-	-
25 Assets with matching interdependent liabilities					
26 Other assets:					17,526,269
27 <i>Physical traded commodities, including gold</i>	-				-
28 <i>Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs</i>					-
29 <i>NSFR derivative assets</i>			MR3		-
30 <i>NSFR derivative liabilities before deduction of variation margin posted</i>			166,607		166,607
31 <i>All other assets not included in the above categories</i>	-	-	17,359,662	-	17,359,662
32 Off-balance sheet items			20,304,114	-	3,505,754
33 Total RSF					102,184,153
34 Net Stable Funding Ratio (%)					102.12%

As at December 31, 2023

Total ASF	102,433,247
Total RSF	104,863,363
Net Stable Funding Ratio (%)	97.68%

LR1: Summary comparison of accounting assets vs leverage ratio exposure

		30-Jun-24
1	Total consolidated assets as per published financial statements	160,221,766
2	Adjustments for investments in banking, financial, insurance or commercial entities that are consolidated for accounting purposes but outside the scope of regulatory consolidation	(4,372,073)
3	Adjustment for securitised exposures that meet the operational requirements for the recognition of risk transference	
4	Adjustments for temporary exemption of central bank reserves (if applicable)	
5	Adjustment for fiduciary assets recognised on the balance sheet pursuant to the operative accounting framework but excluded from the leverage ratio exposure measure	-
6	Adjustments for regular-way purchases and sales of financial assets subject to trade date accounting	
7	Adjustments for eligible cash pooling transactions	
8	Adjustments for derivative financial instruments	1,865,764
9	Adjustment for securities financing transactions (ie repos and similar secured lending)	-
10	Adjustments for off-balance sheet items (ie conversion to credit equivalent amounts of off-balance sheet exposures)	22,718,488
11	Adjustments for prudent valuation adjustments and specific and general provisions which have reduced Tier 1 capital	
12	Other adjustments	-
13	Leverage ratio exposure measure	180,433,945

LR2: Leverage ratio common disclosure template

		30-Jun-24	31-Dec-23
On-balance sheet exposures			
1	On-balance sheet exposures (excluding derivatives and securities financing transactions (SFTs), but including collateral)	154,066,229	154,262,881
2	(Asset amounts deducted in determining Basel III Tier 1 capital)	(4,372,073)	(4,868,303)
3	Total on-balance sheet exposures (excluding derivatives and SFTs) (sum of row 1 and 2)	149,694,156	149,394,578
Derivative exposures			
4	Replacement cost associated with <i>all</i> derivatives transactions (where applicable net of eligible cash variation margin and/or with bilateral netting)	573,547	882,633
5	Add-on amounts for PFE associated with <i>all</i> derivatives transactions	543,284	1,768,228
6	Gross-up for derivatives collateral provide where deducted from the balance sheet assets pursuant to the operative accounting framework	-	-
7	(Deductions of receivable assets for cash variation margin provided in derivatives transactions)	-	-
8	(Exempted CCP leg of client-cleared trade exposures)	-	-
9	Adjusted effective notional amount of written credit derivatives	-	-
10	(Adjusted effective notional offsets and add-on deductions for written credit derivatives)	-	-
11	Total derivative exposures (sum of rows 4 to 10)	1,116,831	2,650,861
Securities financing transactions			
12	Gross SFT <i>assets</i> (with no recognition of netting), after adjusting for sale accounting transactions	6,155,537	9,230,758
13	(Netted amounts of cash payables and cash receivables of gross SFT assets)	-	-
14	CCR exposure for SFT assets	-	-
15	Agent transaction exposures	-	-
16	Total securities financing transaction exposures (sum of rows 12 to 15)	6,155,537	9,230,758
Other off-balance sheet exposures			
17	Off-balance sheet exposure at gross notional amount	37,902,599	30,770,388
18	(Adjustments for conversion to credit equivalent amounts)	(15,184,111)	(13,135,623)
19	Off-balance sheet items (sum of rows 17 and 18)	22,718,488	17,634,765
Capital and total exposures			
20	Tier 1 capital	20,790,792	17,064,023
21	Total exposures (sum of rows 3, 11, 16 and 19)	180,433,945	180,711,426
Leverage ratio			

ENC – Asset Encumbrance

An asset shall be treated as encumbered if it has been pledged or if it is subject to any form of arrangement to secure, collateralize or credit enhance any transaction from which it cannot be freely withdrawn. The encumbered assets represent balances held as liquidity and cash reserve requirements with the Central Bank and funds placed with other entities that were pledged for credit support.

ASSETS	Encumbered	Unencumbered	Total
Cash and balances with central banks	4,019,597	-	7,732,565
Due from banks	1,365,369	17,924,912	19,290,281
Loans and advances to customers	-	92,104,935	92,104,935
Investment securities	6,870,000	21,548,672	28,418,672
Investment in associates and a joint arrangement	-	3,490,094	3,490,094
Property and equipment	-	3,104,928	3,104,928
Intangible assets	-	71,392	71,392
Other assets	-	6,582,446	6,582,446
TOTAL ASSETS	12,254,966	144,827,379	160,795,313