

Investor Presentation

March 2022

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.
- Any forward-looking statements made by or on behalf of Commercial Bank speak only as of the date they are made. Commercial Bank does not undertake to update forward-looking statements to reflect any changes in Commercial Bank's expectations with regard thereto or any changes in events, conditions or circumstances on which any such statement is based. The information, statements and opinions contained in this presentation do not constitute a public offer under any applicable legislation or an offer to sell or solicitation of an offer to buy any securities or financial instruments or any advice or recommendation with respect to such securities or other financial instruments.

Presenting Team



Mr. Joseph Abraham
Group Chief Executive Officer

Mr. Abraham has been the Chief Executive Officer of Commercial Bank since mid-2016 and has extensive banking experience across both developed and emerging markets. Mr Abraham also serves as Board Vice-Chairman of Alternatif Bank and is a member of the Boards of the National Bank of Oman and United Arab Bank.

Before joining Commercial Bank, Mr Abraham was Chief Executive Officer of ANZ Indonesia (Australia and New Zealand Banking Group) based in Jakarta, a position he served in from 2008 to 2016. Mr. Abraham graduated with an MBA from Stanford Business School and has worked in Indonesia, Singapore, Hong Kong, Ghana, the UK and India in various country and regional banking roles with a successful track record covering general management, corporate banking, strategy, product management as well as acquisitions and integrations.



Mr. Rehan Khan
EGM, Chief Financial Officer

Mr. Khan joined Commercial Bank as Chief Financial Officer in 2013 and has over 30 years banking experience, previously with HSBC working in London, India, Malaysia and Saudi Arabia.

Mr. Khan graduated from the London School of Economics with a bachelor's degree in economics, trained with KPMG in London and is a member of the Institute of Chartered Accountants in England and Wales. Mr. Khan is also a Director of Orient 1 Limited and CBQ Finance Limited.



Mr. Parvez Khan
EGM, Treasury, Investments & Strategy

Mr. Khan has over 25 years of experience in Treasury Capital Markets and Investment Banking.

Mr. Khan joined Commercial Bank in 1994, being initially responsible for setting up the Financial Services Business. Mr. Khan graduated from Aligarh Muslim University with a Bachelor of Science in Chemical Engineering and completed a Diploma in International Capital Markets from The New York Institute of Finance. In addition to his current role, Mr. Khan is also a Director of CBQ Finance.

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QATAR IN PERSPECTIVE

COMMERCIAL BANK: SUMMARY HIGHLIGHTS

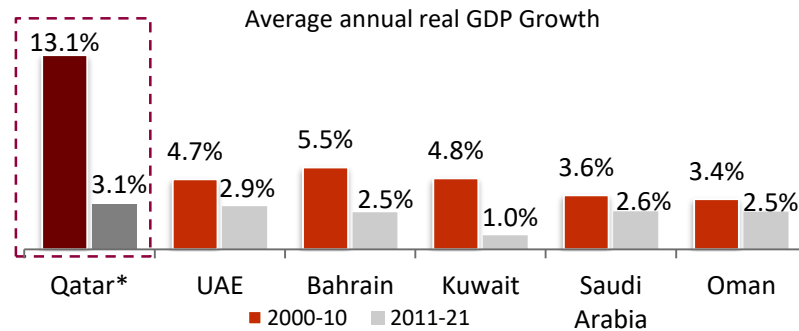
CONSOLIDATED FINANCIAL HIGHLIGHTS & PERFORMANCE

STANDALONE FINANCIAL PERFORMANCE

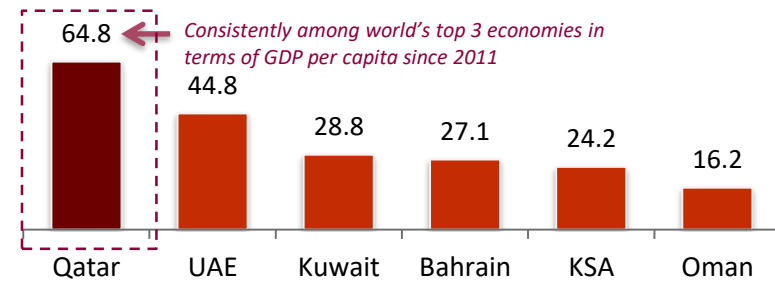
Qatar in Perspective – A Resilient and Well Diversified Economy...

Sovereign Rating: Aa3 / AA- / AA- (Moody's / S&P / Fitch)

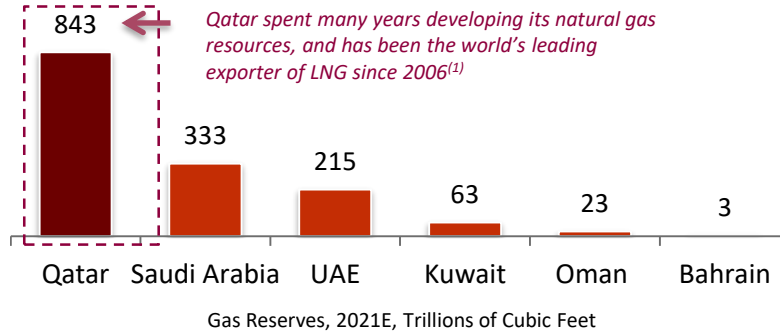
Attractive Economic Growth



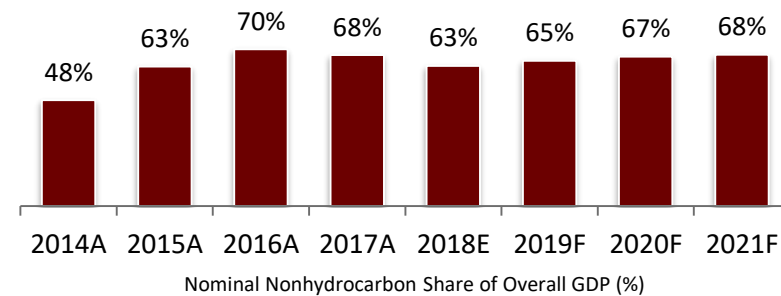
High GDP per Capita (2022 GDP per Capita, USD '000)



Deep Natural Resources



Well Diversified Economy, Positioned for Further Improvement



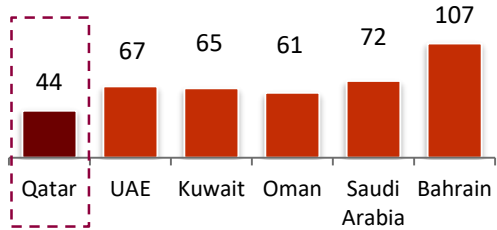
Source: International Monetary Fund, MCD Statistical Appendix October 2021; Oxford Economics; EIA (US Energy Information Administration)

(1) EIA (US Energy Information Administration 2021).

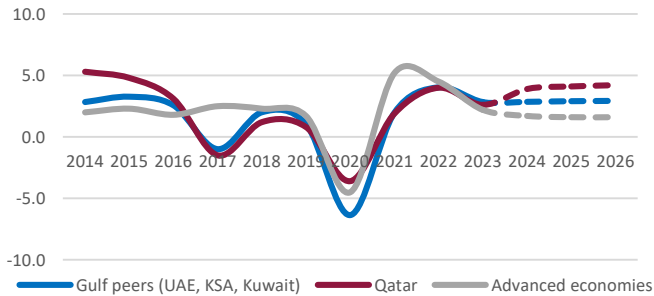
Notes: * Qatar's data reflect the national accounts based on 2018 constant prices. Data prior to 2011 are extrapolated by staff to harmonize the base year and will be revised once official data are released.

...With a Stable Business Environment, Supportive of Foreign Investments

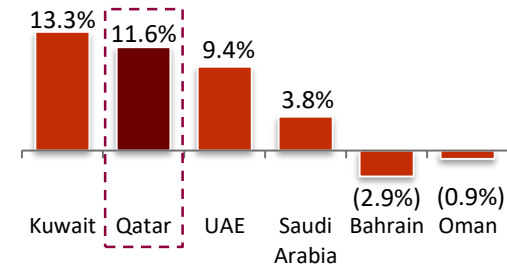
Fiscal Breakeven Oil Price (USD) – 2022F



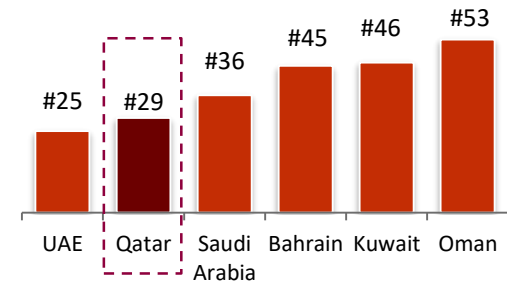
Qatar's GDP growth forecast to continue



Current Account Balance (% of GDP) – 2022F

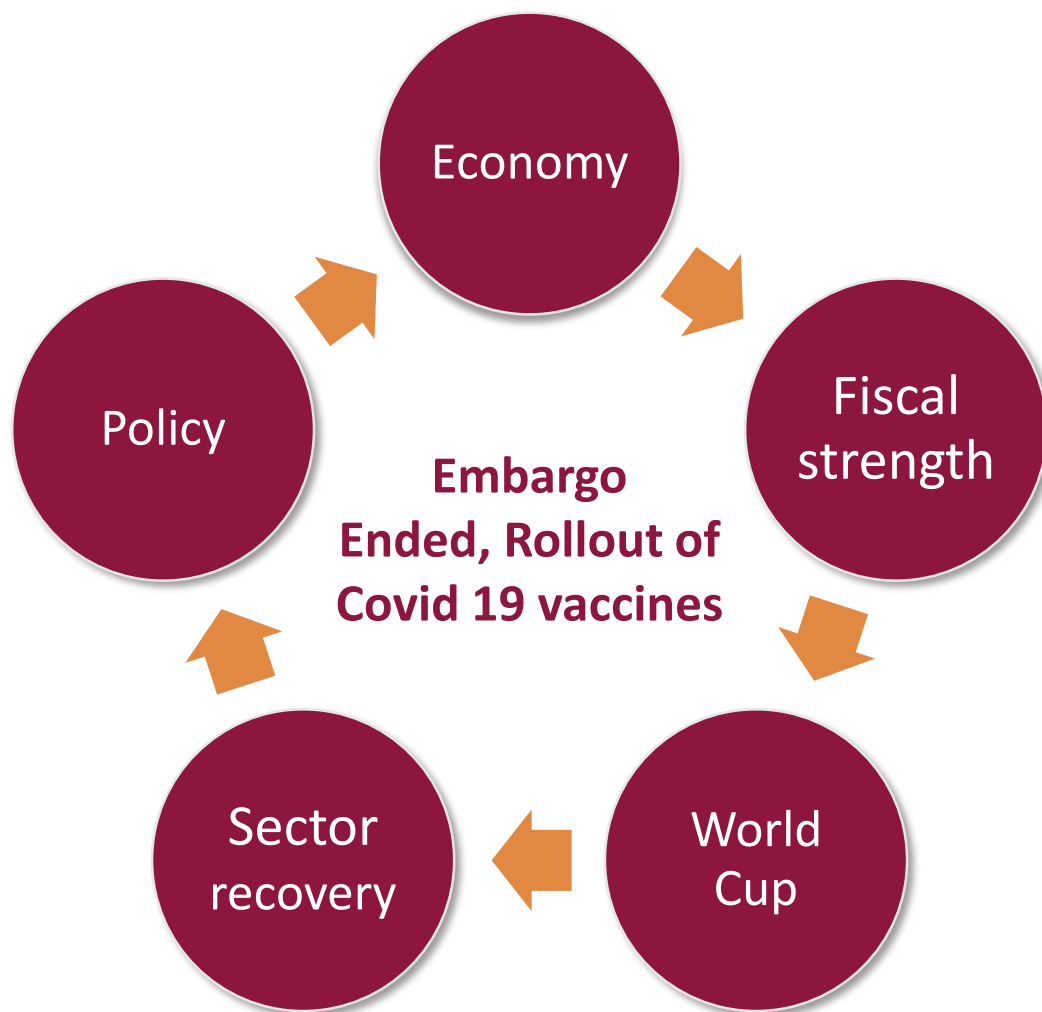


Highly Competitive Business-friendly Framework (2019 Global Competitiveness Report)



Source: International Monetary Fund, MCD Statistical Appendix October 2021; World Economic Forum, The Global Competitiveness Report.

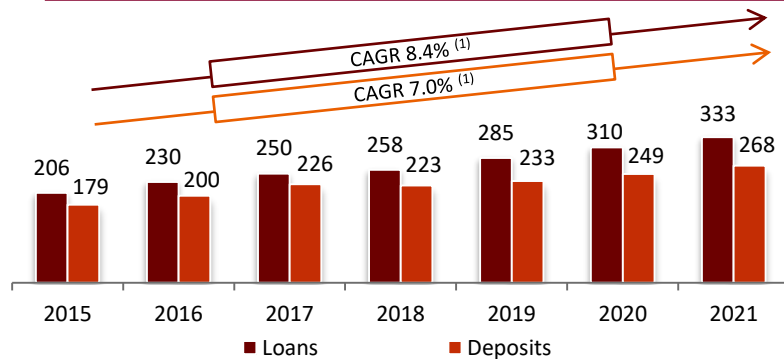
Qatar Outlook economy well positioned for 2022 and beyond



- **Qatar's GDP growth is forecast to recover quicker in 2022** (compared to Gulf peers) and return to its trend – with real GDP growth projected at 4.0 percent in 2022.
- IMF projects Qatar to **swiftly return to a current account surplus** in 2022 – with current account balance projected at 11.6% of GDP in 2022.
- **Multiple infrastructure projects** (e.g. World Cup 2022 stadiums, Qatar Rail, Lusail) **will continue to bolster the economy.**
- Qatar is one of the **world's largest LNG exporter.**
- Qatar Energy (QE), the state-run LNG producer, plans to increase production to **110 million tonnes per annum (mtpa) by 2025** from current's 77 mtpa via the Phase 1 North Field expansion (North Field East).
- The second phase (North Field South) will **further boost** Qatar's LNG production capacity to **126 mtpa by 2027**. These measures will secure Qatar's position as the **world's leading supplier of LNG.**

Qatar Has a Robustly Regulated Banking Sector Benefitting from Strong Government Support

Loan Book & Customer Deposit Growth (USDbn)



Strong Prudential Regulatory Framework

Capital	<ul style="list-style-type: none"> Minimum Basel III CAR 14.00%⁽²⁾ Identified as Domestic Systematically Important Bank
Liquidity	<ul style="list-style-type: none"> QCB reserve requirement 4.5% of total deposits A minimum LCR and NSFR ratio of 100% in line with Basel III requirements
Financing	<ul style="list-style-type: none"> Financing to real estate limit: 150% of shareholder's equity
Ownership	<ul style="list-style-type: none"> Law announced to increase permitted foreigner ownership up to 100% in certain listed banks
Provisioning	<ul style="list-style-type: none"> Risk reserve to be maintained at 2.5% of total loans and advances in addition to credit impairment losses and interest is suspense.

1. CAGR calculated from 31 December 2015 to 31 December 2021.

2. 14.00% includes an ICAAP buffer of 1%.

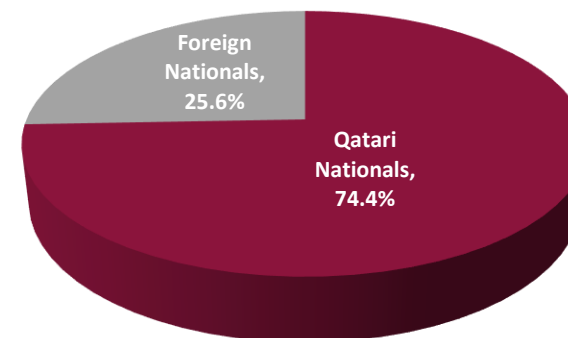
Qatari Banks Enjoy Strong Government Support

% Owned by Qatar Investment Authority



Masraf Al Rayan and Al Khaliji merged on 30 November 2021.

Commercial Bank Shareholding profile (20th February 2022)



Historical Government Support for the Banking Sector

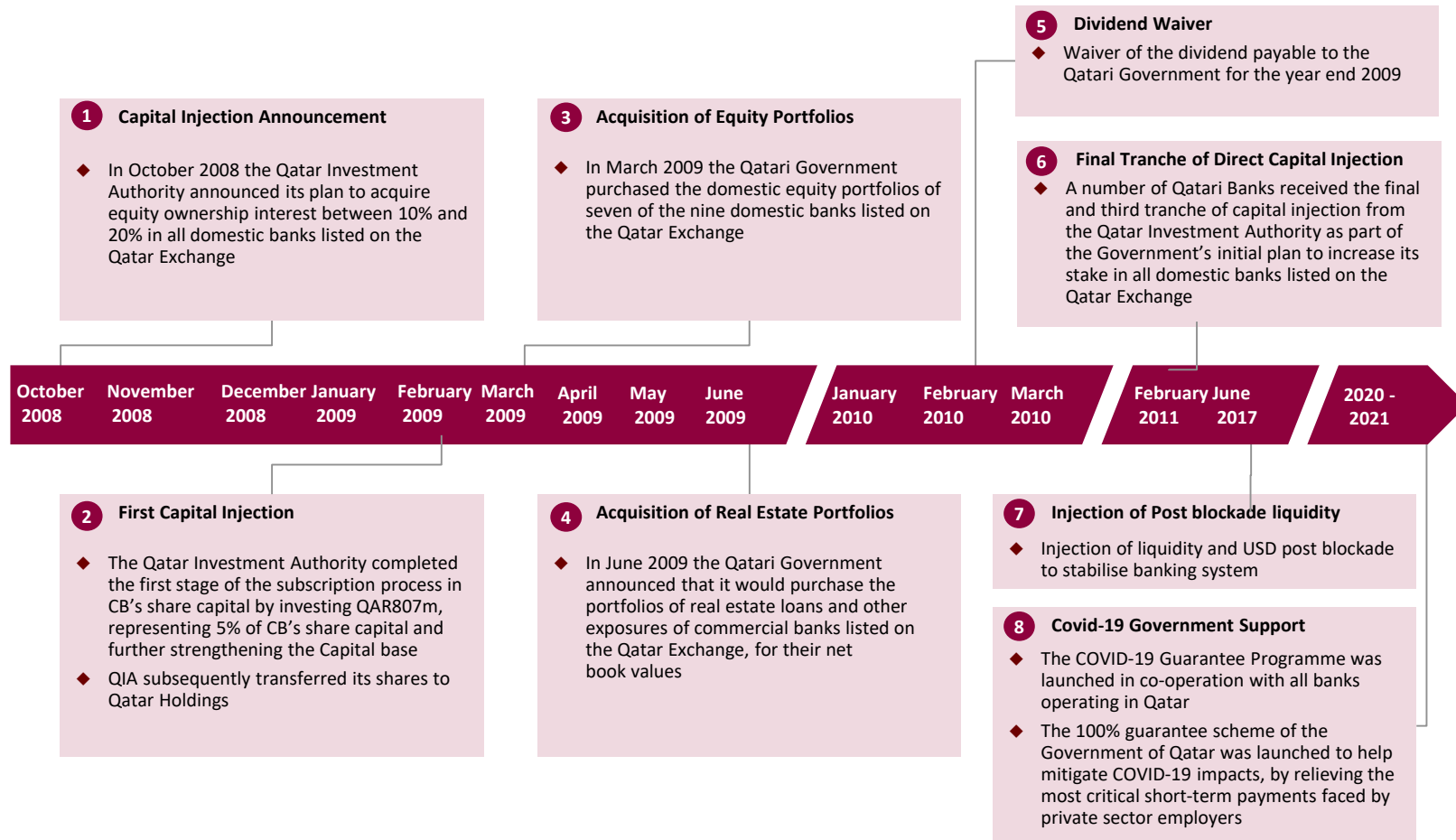


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CONSOLIDATED FINANCIAL HIGHLIGHTS & PERFORMANCE

STANDALONE FINANCIAL PERFORMANCE

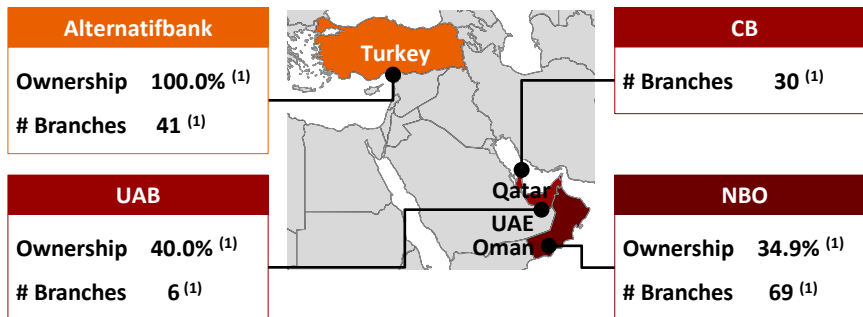


Commercial Bank Group Overview

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

- ◆ Established in 1974, Commercial Bank is Qatar’s 2nd largest conventional bank and 4th largest bank overall by assets, net loans and customers’ deposits.
- ◆ Enjoys a 7.9% ⁽¹⁾ market share of loans and 6.7% ⁽¹⁾ market share of deposits in Qatar
- ◆ Operates a network of 30 branches and an extensive ATM network of 173 machines in Qatar and is present in Turkey, Oman and UAE through its subsidiaries and associates Alternatif Bank, National Bank of Oman (“NBO”) and United Arab Bank (“UAB”)
- ◆ Strong capitalization with Basel III capital adequacy ratio of 18.1% ⁽¹⁾
- ◆ Focus on **sustainable controlled growth** in its core business, proactive management of risk, liquidity and capital and continuing improvement in the quality of its service to customers
- ◆ In the long term, **expansion strategy is a blend of strong organic growth in Qatar and international expansion through banking alliances**

A Diversified Geographical Footprint...

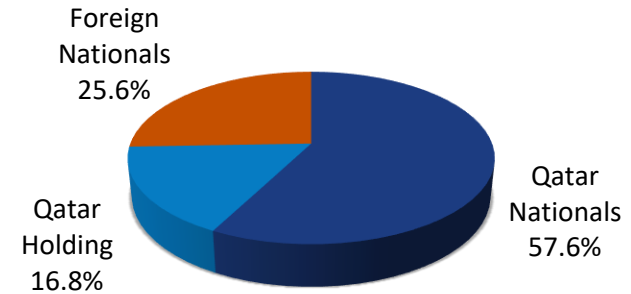


1. As of 31st December 2021

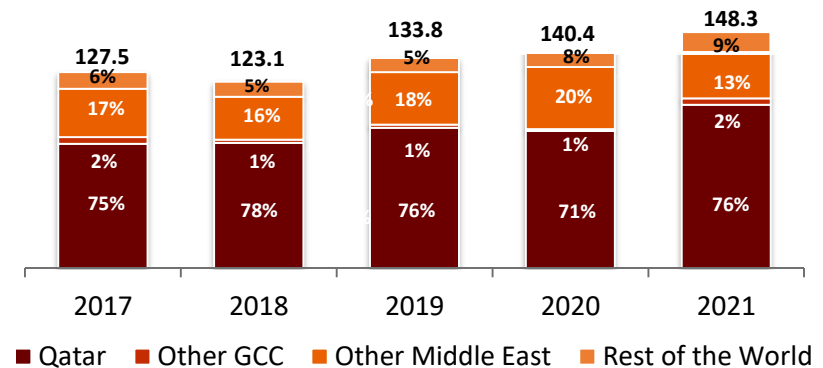
2. As of 20th February 2022

Source: Company Information.

Strong and Supportive Shareholding Structure ⁽²⁾

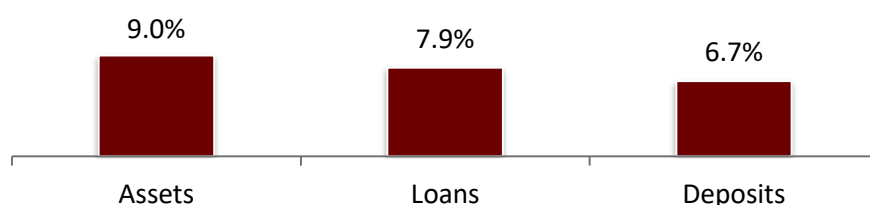


...That Has Been Evolving Over Time – Financial Assets (QAR billion)

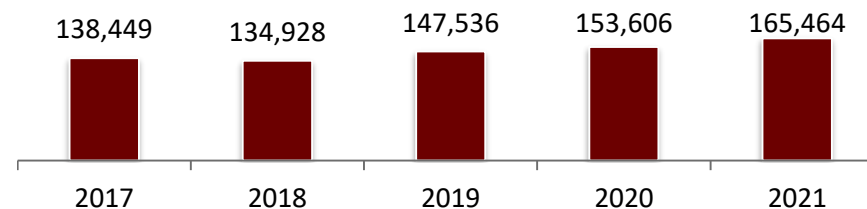


Commercial Bank is the Second Largest Conventional Bank and Fourth Largest Bank Overall in Qatar by Assets, Net Loans and Customers' Deposits

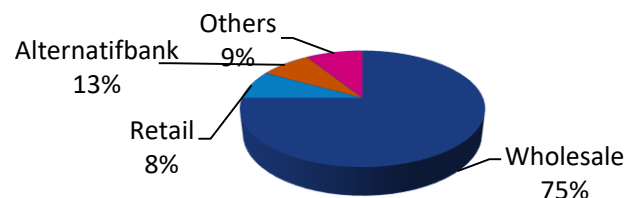
Leading Market Shares in Qatar (2021) ⁽¹⁾



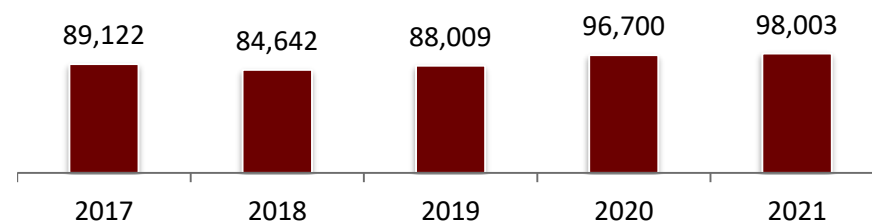
Total Assets (QAR million)



Total Assets Breakdown by Operating Segment (2021)



Loans and Advances to Customers (QAR million)



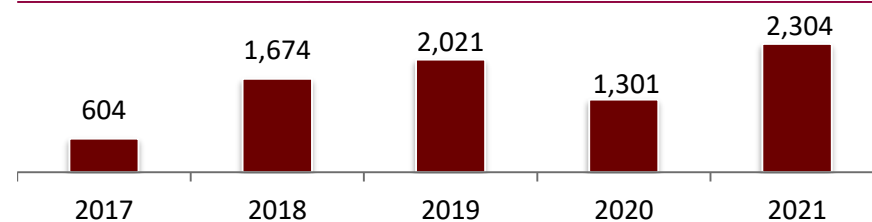
Commercial Bank Credit Ratings

Rating Agency	Foreign Currency Bank Deposits/IDR		Outlook	Date
	LT	ST		
S&P	BBB+	A-2	Stable	Jan 2022
Moody's	A3	Prime 2	Stable	Dec 2021
Fitch	A ⁽²⁾	F1 ⁽²⁾	Stable	Dec 2021

1. Based on listed Bank financial statements as of 31st December 2021.

2. Fitch Ratings has placed Qatari banks on Rating Watch Negative due to increasing reliance on external funding and recent rapid asset growth.

Net Profit (QAR million)



Key Strengths & Competitive Advantages

Strong Domestic Franchise; Leading Market Position	<ul style="list-style-type: none">◆ 2nd largest conventional bank and 4th largest overall in Qatar by assets, net loans, and customers' deposits, in operation since 1975◆ Strong corporate relationships across public and private sectors◆ Strong retail franchise with proven strength in retail banking, leading credit card provider◆ GDR Issue (first by Qatari bank), US\$5.0bn EMTN programme in place
Experienced and Stable Management with Proven Track Record	<ul style="list-style-type: none">◆ Committed and experienced senior management team◆ Prominent, influential and stable Board of Directors◆ Senior managers have significant banking (domestic and international) experience
Shareholder Support	<ul style="list-style-type: none">◆ Systemic importance to the Qatari banking sector given CB's scale◆ Qatar's Government holds a 16.8% stake in Commercial Bank through Qatar Holding◆ Identified as a Domestic Systematically Important Bank (DSIB)
Strong Financial Profile	<ul style="list-style-type: none">◆ Sustainable growth in core loan portfolio with good asset quality◆ Due to continued prudent provisioning on NPL customers, net provisions increased resulting to net cost of risk of 111 bps at Dec 2021 compared with 95 bps at Dec 2020.◆ Strong capitalization, CET1 2.7% above minimum, Tier 1 5.0% above minimum and total CAR 4.1% above minimum CAR required.
Diversified Footprint	<ul style="list-style-type: none">◆ Operates branches in Qatar and is present in Turkey, Oman and UAE through its subsidiaries and associates Alternatifbank, National Bank of Oman and United Arab Bank
Demonstrated Strong Execution of the 5-year strategic plan	<ul style="list-style-type: none">◆ In 2021, the Bank successfully executed the fifth and final year of its five-year strategic plan designed to reshape the business, build sustainable earnings, diversify risk and achieve growth. The strong execution of the 5-year plan has reflected in the Bank's strong financial profile and market leading digital transformation.



Leader in Digital Innovation Driving Customer Experience and Cost Benefits



Corporate

- Best Cash Management Bank (2016 – 2020) from The Asian Banker
- Best Transaction Bank in Qatar (2018-2020) from The Asian Banker
- Best Online Cash Management (2019, 2020) from Global Finance
- Best Trade Finance Service (2019 – 2021) from Global Finance
- Best Mobile Banking App (2021) from Global Finance

Retail

- The “Serving Business Owners” and the “Data Management and Security” awards in Private Banking and Wealth Management in Qatar for 2021 from Euromoney.
- Visa Global Service Quality Award 2020
- Best Retail Bank in Qatar (2017-2020) from The Asian Banker
- Best Consumer Digital Bank from Global Finance (2020)
- Best Online Product Offering from Global Finance (2020)
- Best Mobile Banking App from Global Finance (2021)
- Best Information Security and Fraud Management from Global Finance (2021)
- Best in Social Media Marketing and Services from Global Finance (2021)

Innovation Awards

- Most Innovative Customer Service Bank from International Finance Magazine (2021)
- Best Bank in Qatar from Global Finance (2021)
- Best Bank in Qatar from Euromoney (2021)
- Best in Social Media Engagement in the Middle East from The Asian Banker (2021)
- Best Performing Bank from The Banker (2020)
- Best Digital Bank from AsiaMoney (2020-2021)
- Most Innovative Digital Bank from International Finance (2020)
- Most Innovative Digital Bank from Global Finance (2020)

Our progress to date and next five year plan targets

Strategic intent		2016	2017-21 - 5 Year Plan Targets	2021	2022-26 Plan Targets
CET1	CET1 : CAR :	9.7% 15.2%	11.0% - 11.5% 16.0% - 16.5%	11.7% 18.1%	13.0% - 14.0% 18.5% - 19.0%
Risk Management	NPL : CoR :	5.0% 1.6%	4.0% - 4.5% 50 bps	4.7% 111bps	2.5% 60 - 80 bps
Reshape loan book	Gov/public sector: Real estate :	10% 28%	16% 20%	18% 19%	25% 16%
Cost to Income Ratio	Consolidated : Domestic :	45.7% 40.2%	35% 30%	24.1% 20.5%	< 20% < 17%
Return on Equity (ROE)	ROE:	2.7%	10%	10%	13% - 15%



Established credibility with the market: Analysts' upgrade to BUY rating and higher target Share Price demonstrates strong execution of Our 5-year plan

Company	Analyst	2017		2022	
		Recommendation	Target Price (QAR)	Recommendation	Target Price (QAR)
HSBC	Aybek Islamov	Underperform	2.7	Buy	9.0
Citi	Rahul Bajaj	Hold	2.65	Buy	8.2
QNB Capital	Shahan Keushgerian	Hold	3	Accumulate	7.995
Arqaam Capital	Jaap Meijer	Sell	2.8	Buy	7.5
EFG Hermes	Elena Sanchez	Hold	3.3	Buy	7.32
Goldman Sachs	Waleed Mohsin	Sell	2.8	Neutral	7.2
SICO Bahrain	Chiradeep Ghosh	Sell	3	Buy	6.9

Commercial Bank Share Price Movement



	Closing Price	Closing Price	Share Price Increase	Dividend per share - 2021	Total return	TSR
	12/31/2021	12/31/2020				
CB	6.75	4.40	2.35	0.16	2.51	57.0%

The subscribers to our January 2017 rights issue have seen a **total shareholder return of 305.7%** on their original investment in five years in terms of share price increase plus dividends.

CB closing share price is QAR 7.09 as of 7th March 2022.

Source: Qatar Stock Exchange, Analyst's Research

Please note that certain analysts will update their target price in Q1 2022 as part of their next update cycle



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Executive summary

Strategic Focus	Progress
 Results	<ul style="list-style-type: none"> • Net profit of QAR 2,304.3 million, up by 77.1% compared to the same period in 2020. • Normalized operating income of QAR 4,771.4 million, up by 12.4% (+20.4% on reported basis) • NIMs increased to 2.7% from 2.4% in 2020. • Operating profit of QAR 3,621.1 million, up by 15.3% as compared to 2020. • Total assets of QAR 165.5 billion, up by 7.7% . • “Best in Social Media Marketing & Services” award in the World from Global Finance. • “Best Mobile Banking App” award for Corporate in the Middle East from the Global Finance • “Best Cash Management and Transaction Bank” award in Qatar from the Asian Banker. • “Most Innovative Mobile Trading Application” award in Qatar from International Finance.
 Capital & Funding	<ul style="list-style-type: none"> • CET1, Tier 1 and Total Capital Ratios at 11.7%, 16.0% and 18.1%, respectively, as compared to 12.2%, 15.7% and 17.8% at Dec 2020. • Successfully issued a senior unsecured five-year bond for USD 700 million in May 2021. • Low cost deposits have increased by 5.1%, year-on-year.
 Reshaping Loan Book	<ul style="list-style-type: none"> • Consolidated loan book stood at QAR 98.0 billion, up 1.3% vs Dec 2020. • Focus remains on re-shaping profile of the lending book • Continued diversification of risk across a range of sectors including decreasing real estate exposure and increasing exposure to government and public sector. • Government sector exposure increased to 18% in Dec 2021 from 17% in Dec 2020.
 Provisioning	<ul style="list-style-type: none"> • NPL ratio increased to 4.7% at Dec 2021 from 4.3% at Dec 2020, while loan coverage ratio (including ECL) decreased to 97.4% as compared with 101.6% in Dec 2020. • Gross cost of risk at 129 bps in Dec 21 Vs 136 bps in Dec 20. • Due to continued prudent provisioning on NPL customers, net provisions increased resulting to net cost of risk of 111 bps at Dec 2021 compared with 95 bps at Dec 2020.
 Cost	<ul style="list-style-type: none"> • Normalized consolidated cost to income ratio decreased from 26.0% (reported 25.9%) in Dec 2020 to 24.1% (reported 29.0%) and in Qatar from 22.0% (reported 21.9%) in Dec 2020 to 20.5% (reported 26.0%).
 Subsidiaries & Associates	<ul style="list-style-type: none"> • Alternatif Bank reported net profit of TL 76.5m (QAR 23.7m), compared to a net profit of TL 105.6m in 2020. • NBO reported net profit of OMR 30.3m (CB’s share QAR 99.9m), up by 66.8% as compared to 2020. • UAB reported a net profit of AED 70.3m (CB’s share of QAR 27.9m), as compared to net loss of AED 667.3m in 2020.

Normalized numbers exclude the impact of fully hedged staff performance rights scheme. Due to accounting requirements, it results in a gross up of operating income and operating cost lines, so accordingly, the impact is removed to show the underlying trend of the results.

Strong execution of our 5-year plan – very strong domestic franchise

QAR million	FY 2016 (Reported)	FY 2017 (Reported)	FY 2018 (Reported)	FY 2019 (Normalized)	FY 2020 (Normalized)	FY 2021 (Normalized)	Variance (%) FY 2021 v FY 2016	Variance (%) FY 2021 v FY 2020
Operating Income	3,578	3,529	3,509	3,863	4,244	4,771	33.4%	12.4%
Costs	-1,636	-1,325	-1,173	-1,111	-1,103	-1,150	29.7%	-4.3%
Operating Profit	1,942	2,204	2,335	2,753	3,141	3,621	86.5%	15.3%
Net provisions	-1,394	-1,743	-836	-816	-1,024	-1,147	17.8%	-12.0%
Goodwill impairment	-	-	-	-	-591	-291	-	-50.8%
Associates Income	-46	148	181	107	-210	129	381.0%	161.5%
Net Profit	501	604	1,674	2,021	1,301	2,304	359.9%	77.1%
Lending Volume	77,797	89,122	84,642	88,009	96,698	98,003	26.0%	1.3%
Deposit Volume	70,926	77,633	71,786	76,297	75,790	81,958	15.6%	8.1%
NIM	2.2%	2.2%	2.1%	2.3%	2.4%	2.7%	0.5%	0.3%
C/I Ratio	45.7%	37.5%	33.4%	28.7%	26.0%	24.1%	21.6%	1.9%
NPL Ratio	5.0%	5.6%	5.6%	4.9%	4.3%	4.7%	0.3%	-0.4%
COR (bps) - gross	167	220	136	113	136	129	38	7
COR (bps) - net	164	203	107	87	95	111	53	-16
Coverage Ratio*	78.9%	81.0%	78.6%	82.1%	101.6%	97.4%	18.5%	-4.2%
ROAE	2.7%	3.0%	8.1%	9.7%	5.9%	10.0%	7.3%	4.1%
ROAA	0.4%	0.5%	1.2%	1.4%	0.9%	1.4%	1.0%	0.5%
CET 1	9.7%	11.2%	10.5%	11.1%	12.2%	11.7%	2.0%	-0.5%
Tier 1 ratio	13.1%	14.5%	14.0%	14.4%	15.7%	16.0%	2.9%	0.3%
CAR	15.2%	16.1%	15.5%	16.4%	17.8%	18.1%	2.9%	0.3%

*2018 onwards include ECL

Normalised is after removing the impact of IFRS 2 from costs and derivative income from operating income to show underlying business trend (see slide 22)



Group Financial Performance – For the year ended 31 December 2021

Group Profitability

QAR Million	FY 2021	FY 2020	%
Net interest income	3,702	3,100	19.4%
Non-interest income	1,399	1,137	23.1%
Total costs	(1,480)	(1,096)	-35.0%
Net provisions	(1,147)	(1,024)	-12.0%
Associates income (loss) & impairment	(162)	(801)	79.8%
Net profit	2,304	1,301	77.1%

Performance Ratios

	FY 2021	FY 2020
RoAE	10.0%	5.9%
RoAA	1.4%	0.9%
NIM	2.7%	2.4%

Consolidated Balance Sheet

QAR Million	FY 2021	FY 2020	%
Total assets	165,464	153,606	7.7%
Loans & advances	98,003	96,698	1.3%
Investment Securities	26,723	25,778	3.7%
Customer Deposits	81,958	75,790	8.1%
Total equity	24,073	22,170	8.6%

Capital

	FY 2021	FY 2020
RWA (QAR million)	116,430	115,534
Tier 1 ratio (Basel III)	16.0%	15.7%
Total Capital ratio (Basel III)	18.1%	17.8%



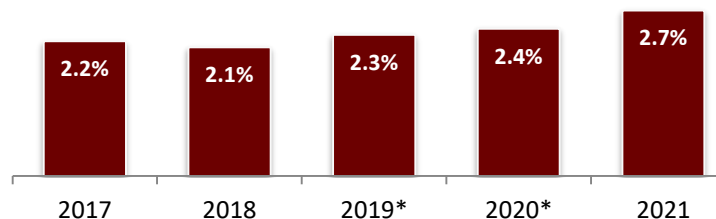
Earnings Performance – For the year ended 31 December 2021

Profitability

- ◆ Net interest income up by 19.4% to QAR 3,701.5 m in 2021 v 2020.
 - ◆ NIM increased to 2.7% in 2021 vs 2.4% in 2020.
 - ◆ Increase in margins mainly resulted from effective management of the cost of funding.
 - ◆ In Q4 2021, asset yield have started rising with the increase in interest rate.

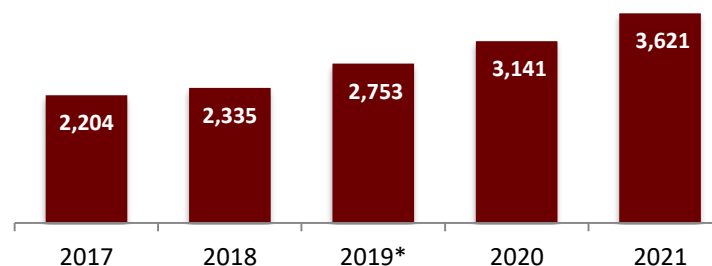
- ◆ Normalized non-interest income down by 7.4% to QAR 1,069.9m (+23.1% to QAR 1,399.2m on reported basis) in 2021 v 2020.
 - ◆ Normalized Net fee income and other income decreased by QAR 143.3 million due to COVID-19 impact.
 - ◆ However, Net fees and other income up by QAR 213.8m on reported basis mainly on account of the underlying hedge of the performance rights scheme due to the movement in CB share price.
 - ◆ Net income from investment activities increased by QAR 48.4m due to recovery in investment income in 2021.

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

Operating Profit



**Normalized*



Continuous income growth and cost efficiency further improves cost income ratio with a best in class employee share option scheme

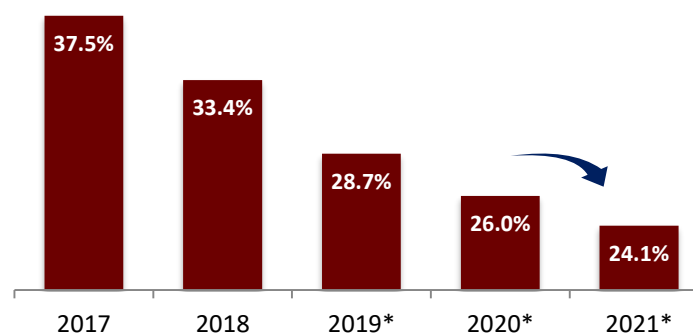
Operating Expenses

- ◆ Normalised cost to income ratio improved from 26.0% (actual reported 25.9%) in 2020 to 24.1% (actual reported 29.0%) mainly on account of growth in operating income by QAR 527.5m on normalized basis.
- ◆ Continued focus on digital processes and tight expense management.
- ◆ In Qatar, normalised Cost to Income Ratio improved from 22.0% (actual reported 21.9%) in 2020 to 20.5% (actual reported 26.0%) in 2021.

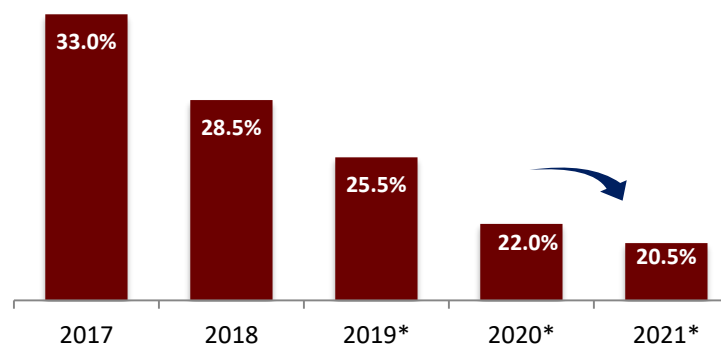
Employee Share option scheme

- ◆ The Bank introduced employee share option scheme in 2017 and has granted performance rights to employees including senior management.
- ◆ It has proved to be a successful retention scheme.
- ◆ The scheme has malice and claw back clauses.
- ◆ Performance rights are settled in cash.
- ◆ Based on IFRS 2, we account for the movement in share price under staff costs.
- ◆ As at 31 Dec 2021, staff costs include a cost of QAR 329.3m (31 Dec 2020 : credit of QAR 6.8m) with respect to performance rights. This is hedged and hence no impact to P&L.
- ◆ Payout during the year was QAR 128 million.
- ◆ CB share price was QAR 6.75 as at 31 Dec 2021 and has moved from QAR 4.40 as at 31 Dec 2020.

Cost to Income Ratio Consolidated



Cost to Income Ratio Domestic



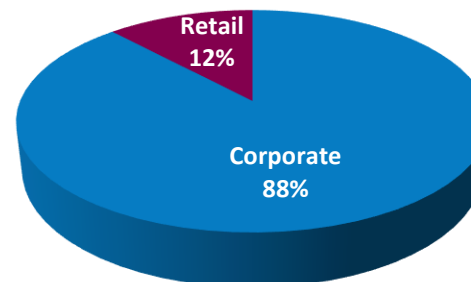
*Represents Normalized C/I ratio

Improved loan book structure

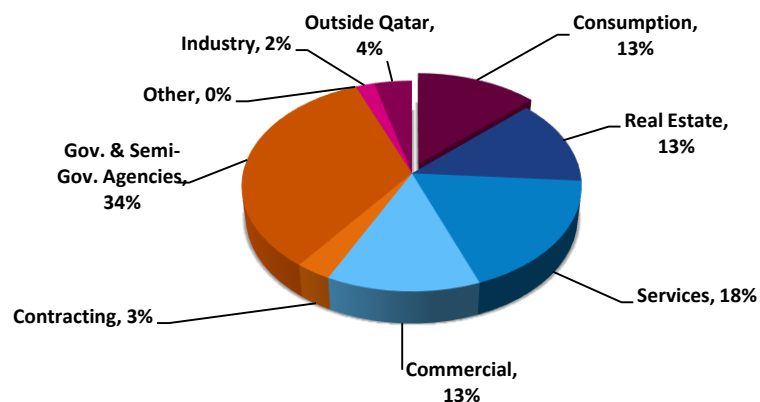
Summary

- ◆ Loans to customers at QAR 98.0 bn, grew by 1.3% v Dec 2020.
- ◆ Growth mainly in services, commercial and government & public sectors.
- ◆ Reduction in consumption and real estate sectors.
- ◆ Loan book diversified across sectors.
- ◆ Corporate customers represent 87.7% of total loan book
- ◆ Focus continues on improving market share in Government and Public sector.

Loan book breakdown by division – December 2021



Qatari banks credit facilities breakdown by sector – Dec 2021



Source: QCB

Loan book breakdown by sector – Dec 2021

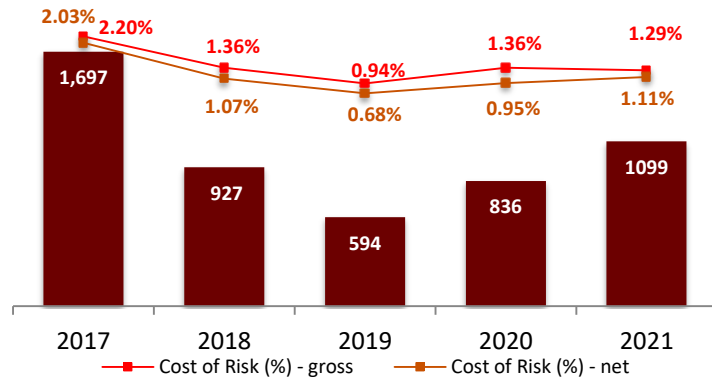
Sector	Dec-21	Dec-20	Dec-16
Govt and Public Sector	18%	17%	10%
Industry	8%	9%	7%
Commercial	17%	14%	12%
Services	28%	24%	18%
Contracting	4%	4%	10%
Real Estate	19%	21%	28%
Consumption	4%	7%	12%
Other	2%	4%	3%
	100%	100%	100%

Asset Quality – 31 December 2021: Prudent Approach on Provisioning

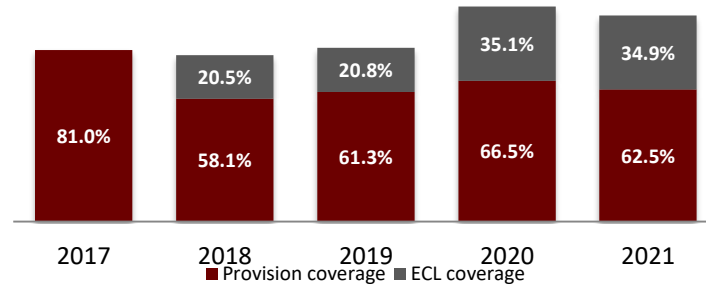
Summary

- ◆ Net impairment for loan loss of QAR 1,099.4m v QAR 836.4m in 2020.
 - ◆ QAR 896.5m for Wholesale
 - ◆ QAR 113.4m for Retail
 - ◆ QAR 89.5m for Alternatifbank
- ◆ NPL ratio increased to 4.7% as at 31 Dec 2021 from 4.3% as at 31 Dec 2020.
- ◆ Gross Cost of Risk reduced to 129 bps in 2021 Vs 136 bps in 2020 indicating a strong underlying loan book
- ◆ Loan coverage decreased to 97.4% v 101.6% in Dec 2020.
- ◆ 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 2.1 billion in Dec 2021 as compared to QAR 2.0 billion in Dec 2020.

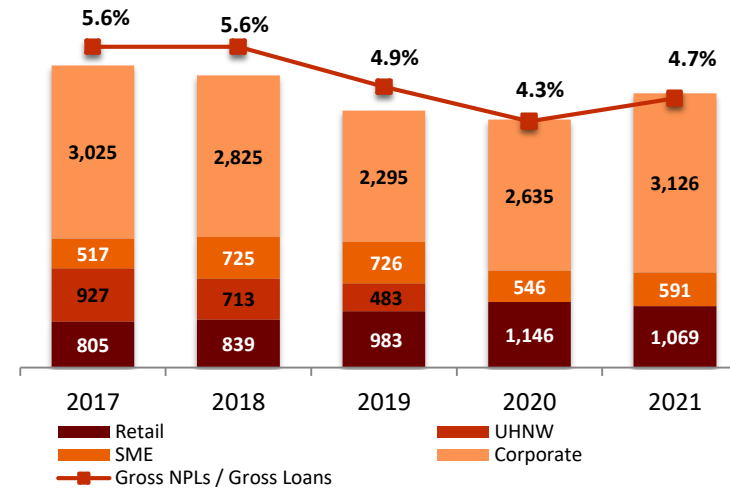
Net Provision for loan loss (QAR million)



Loan coverage ratio



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



Funding : Continue to build up diverse sources of funding

Summary

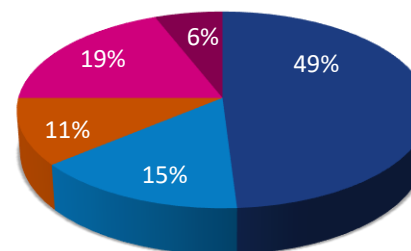
- ◆ Customers' deposits at QAR 82.0 bn, up by 8.1% vs Dec 2020 representing 49.5% of the total balance sheet
- ◆ Successfully issued a senior unsecured five-year bond for USD 700 million in May 2021.
- ◆ Well diversified funding mix
- ◆ Total equity represents 14.5% of funding mix

Debt issued and other borrowed funds

Issuance Type (QARm)	Dec-21	Dec-20
Subordinated Notes	720	1,095
EMTN	10,519	7,368
Senior Notes	231	201
Other loans (including CPs)	19,535	18,569
Total	31,005	27,233

Total funding mix – 31 December 2021

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



Commercial Bank credit ratings

Rating Agency	Foreign Ccy Deposits/IDR		Bank Strength	Outlook	Date
	LT	ST			
S&P	BBB+	A-2	bb+	Stable	Jan 22
Moody's	A3	Prime 2	ba1	Stable	Dec 21
Fitch	A*	F1*	bb+	Stable	Dec 21

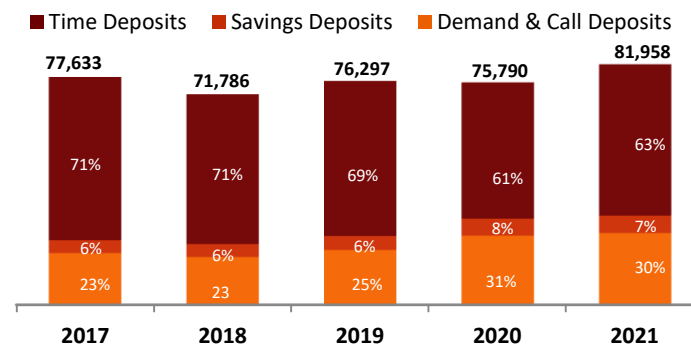
**Fitch Ratings has placed CB's long-term and short-term IDR on Rating Watch Negative. This reflects Qatari banking sector's increasing reliance on external funding and recent rapid asset growth.*

Well diversified deposit portfolio

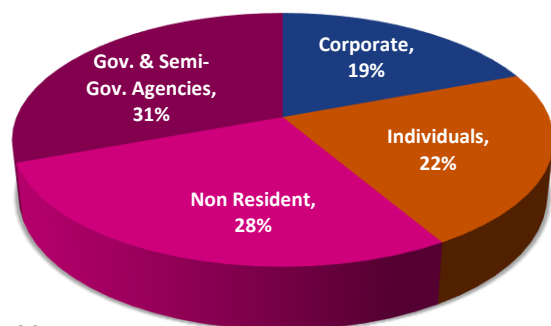
Summary

- ◆ Diversified deposit mix with Government and Semi-Government at 23.1% , corporate at 26.3% and individuals at 29.4%
- ◆ Current and Savings accounts deposit composition at 37.0% of the deposit base.
- ◆ The mix of Qatar non resident deposit is 21.2%.

Customer deposits (QAR million)

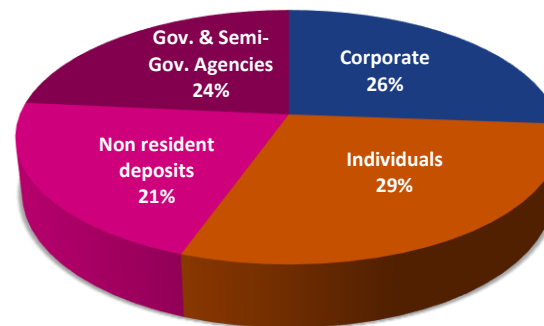


Qatari banks deposits breakdown by sector – Dec 2021



Source: QCB

Deposits by customer type – Dec 2021

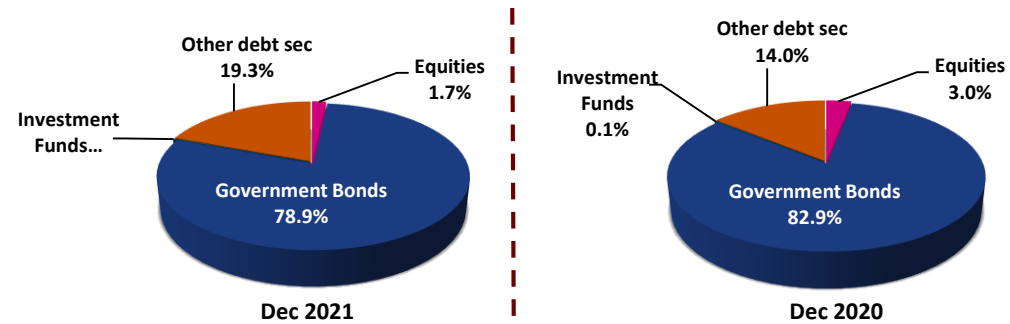


Investment Portfolio – 31 December 2021: High asset quality with 78.9% of the portfolio invested in HQLA Government Bonds

Summary

- ◆ Investment portfolio up by 3.7% to QAR 26.7bn vs Dec 2020
 - ◆ Investments in highly rated Sovereign Bonds provides stability to the portfolio and makes it less volatile.
- ◆ 78.9% Government Bonds
- ◆ 79.1% AAA+ to A- rated securities.

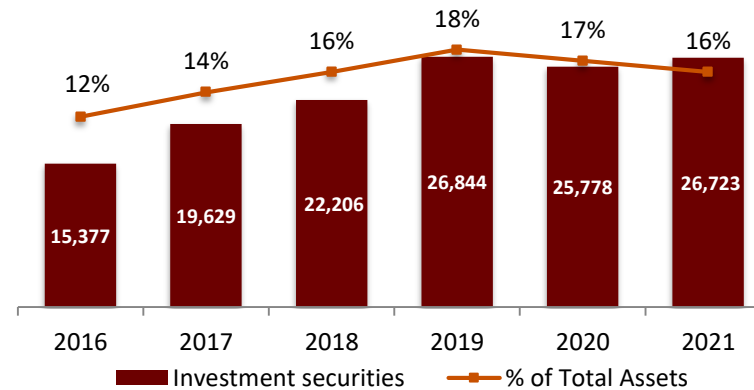
Investment portfolio – 30 Dec 2021 vs 30 Dec 2020



Investment portfolio by credit rating

Credit Rating	Portfolio Weight
AAA+ to A-	79%
BBB+ to BB-	8%
B+ to B-	6%
Unrated	7%

Investment portfolio evolution (QAR million)



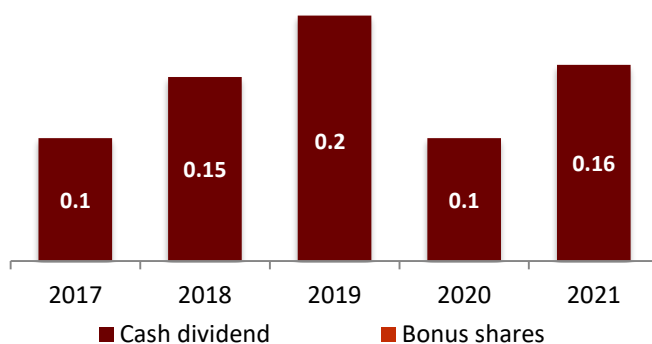
Capitalization Levels – 31 December 2021

Summary

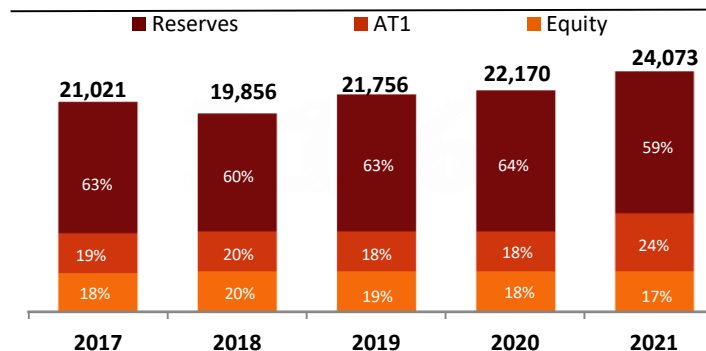
Total equity at QAR 24.1bn up by QAR 1.9bn from Dec 2020, due to:

- ◆ Increase in AT1 capital by QAR 1.8bn following the successful issuance of our first international AT1 of USD 500 million in March 2021.
- ◆ Increase in retained earnings by QAR 1.3bn on account of profits in 2021 adjusted by the dividends payment of 2020 and transfer to risk reserve QAR 0.1bn.
- ◆ Decrease in fair value reserve by QAR 0.6bn
- ◆ Increase in negative foreign currency translation reserve by QAR 0.6bn.
- ◆ Capital Adequacy Ratio at 18.1% (Basel III)

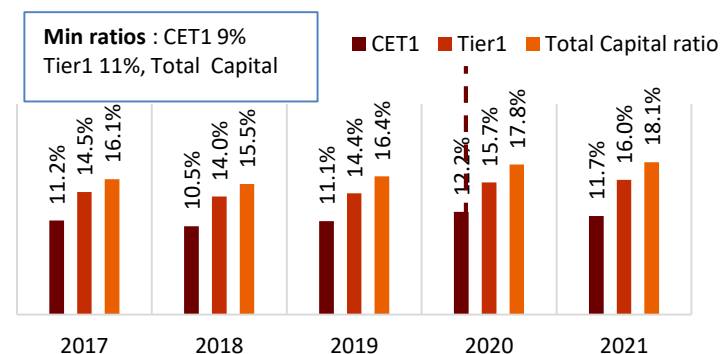
Dividend distribution per share (QAR)



Total equity (QAR million)



Capital Adequacy Ratio (Basel III)



Commercial Bank is committed to enhancing its Environmental, Social and Governance practices

- Formalised Sustainability Governance: Management-level Sustainability Committee established in 2021 with Board level oversight
- First bank in Qatar to introduce deferred bonuses for Executive Management with provisions for malus and clawback
- Mandatory bonus deferrals for Executive Management in performance rights
- New responsible customer communication and marketing policy and new anti-bribery and corruption policy in 2021
- Strong customer fraud and data security controls as attested by multiple independent review organizations
- One of the largest providers of loans to SMEs and sectors particularly affected by COVID-19 under National Response Guarantee Programme, with a significant share of the Government's allocation of QAR 5 billion towards the Programme



- Participant in QSE's voluntary ESG disclosure initiative
- Joint top of 2020 leaderboard with 100% disclosure against ESG performance indicators



Table of Contents

QATAR IN PERSPECTIVE

COMMERCIAL BANK: SUMMARY HIGHLIGHTS

CONSOLIDATED FINANCIAL HIGHLIGHTS & PERFORMANCE



STANDALONE FINANCIAL PERFORMANCE



Commercial Bank Financial Performance – Full year 31 December 2021 (Parent Bank)

Profitability

QAR Million	FY 2021	FY 2020	%
Net interest income	3,462	2,803	23.5%
Non-interest income	1,224	1,001	22.3%
Total costs	(1,199)	(876)	-36.8%
Net provisions	(1,323)	(1,489)	11.2%
Net profit	2,293	1,438	59.5%

Performance Ratios

	FY 2021	FY 2020
ROAE	10.1%	6.6%
ROAA	1.6%	1.1%
NIM	2.8%	2.5%

Balance Sheet

QAR Million	FY 2021	FY 2020	%
Total assets	153,107	137,183	11.6%
Loans & advances	90,022	84,939	6.0%
Investment Securities	25,518	23,175	10.1%
Customer Deposits	75,570	67,037	12.7%
Total equity	23,520	21,766	8.1%

Capital

	FY 2021	FY 2020
RWA (QAR million)	99,355	97,614
Tier 1 ratio	16.1%	16.5%
Total Capital ratio	17.3%	17.6%



Associates' Performance - 31 December 2021

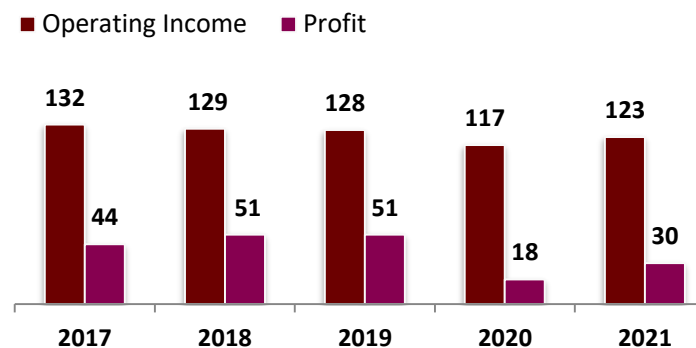
National Bank of Oman (NBO)

- ◆ Net profit after tax at OMR 30.3m, up by 66.8% as compared to 2020.
- ◆ Net operating income at OMR 123.4m, up by 5.5% from 2020.
 - ◆ Net interest income increased by 0.7% to OMR 91.6m.
 - ◆ Non-interest income up by 21.9% to OMR 31.8m.
- ◆ Net provisions decreased to OMR 24.0m from OMR 31.3m in 2020.

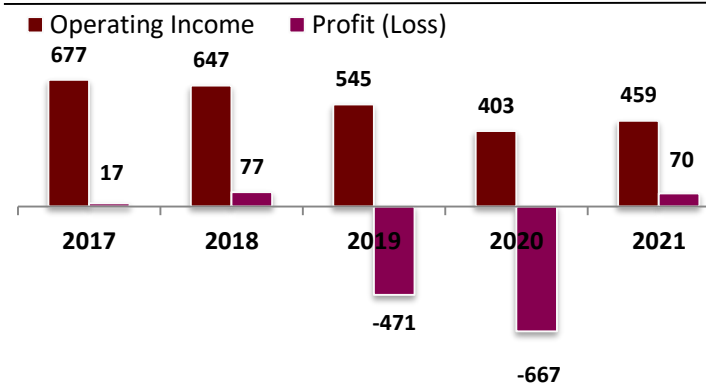
United Arab Bank (UAB)

- ◆ Net profit of AED 70.3m in 2021, as compared with net loss of AED 667.3m in 2020.
- ◆ Net operating income up by 13.8% to AED 458.5m v AED 402.9m in 2020.
 - ◆ Net interest income down by 2.3% to AED 286.7m.
 - ◆ Non-interest income up by 57.0% to AED 171.8m.
- ◆ Provisions decreased to AED 144.6m vs AED 808.1m in 2020.

NBO Performance (OMR million)



UAB Performance (AED million)



Alternatif Bank – Q4 21 Financials

Balance Sheet

(TRY m)	Dec 21	Sep 21	Dec 20	QoQ	YtD
Total Assets	50,685	38,842	36,886	30%	37%
Total Loans	27,882	24,219	23,577	15%	18%
Investments	8,730	6,371	5,273	37%	66%
Total Deposits	26,407	19,840	18,106	33%	46%
Shareholders Equity	2,672	2,549	2,434	5%	10%

- 37% YTD growth in asset (including currency impact) with **cautious and selective lending approach**
- **Fully hedged balance sheet** structure against depreciation of TRY
- **Optimizing loan book** through increasing share of TRY and floating rate loans
- Focus on decreasing **TL funding cost** and optimizing funding mix (increasing share of low ticket deposit, decreasing share of high cost borrowing, and proactive management of TL & FX cost of funding)
- **4x YoY increase** in digital customer acquisition as a result of Bank's investment into digital channels
- **Increasing coverage** through prudent provisioning of loan portfolio, total provision / NPL increased to 149%

- **66% QoQ increase in net profit** with higher trading gain and better NII.
- **Higher swap adjusted NIM** on quarterly basis following loan-deposit spread improvement.
- Increase in OPEX kept **below yearly inflation**.
- Higher provision expense mainly from loans classified as Stage 2 and **TL 55m general reserve**.
- **Better performance on asset quality** compared to sector with **0.6%** at year end (vs. Private Banks 4.7% and Foreign Banks 5.4%)
- Sizable **collection performance of TRY 700m** helped sustain NPL level at 2.33% (solo) and 2.85% (consolidated), considerably lower than sector (vs. Private Banks: 4.1%, Foreign Banks: 4.3%, Sector Avg: 3.4%)
- **Stage 2** ratio is 12.9% (Sep 2021), in line with Private Banks' average
- **Gradual improvement in bottom line** starting with Q2 and general reserve adjusted net profit realised as **TL 120m**.

Profitability

(TRY m)	Q3 21	Q4 21	QoQ	FY 20	FY 21	YoY
Net Interest Income	120	212	76%	552	579	5%
Net Fee&Comm. Income	45	53	19%	210	187	-11%
Trading & Other Income	-10	184	-	0	109	-
Operating Income	155	449	190%	762	876	15%
Operating Expense	-114	-135	19%	-403	-468	16%
Loan Loss Provision	-5	-175	-	-229	-252	10%
General Reserve	12	-52	-533%	-	-55	-
Income Tax Expense	-10	-22	132%	-24	-24	0%
Net Profit	38	64	66%	106	77	-27%



Thank you