ANNUAL REPORT
2015

بنك الدوحة
DOHA BANK

His Highness
Sheikh Tamim Bin Hamad Bin Khalifa Al-Thani

Emir of the State of Qatar

CONTENTS

AWARDS & RECOGNITION

Doha Bank has been recognized by various professional institutions for its consistent and strong financial performance as well as its innovative banking products and services. Doha Bank's international expansion strategy has also been identified as one of the key factors of its success and recognized by the Awarding institutions. The awards stand testament to the commitment of Doha Bank to ensure continuous improvement in its product and service quality as well as offer the best possible customer service.

Few of the key awards received in 2015 are as below:

Best Regional Commercial Bank – 2015
Banker Middle East

Best Commercial Bank Middle East - 2015
Global Banking & Finance Review

Best GCC Bank with Overseas network - 2015
Global Banking & Finance Review

Bank of the Year - Qatar
Arabian Business - ITP Group

The Bizz - World Business leader
World Confederation of Business

Environmental award
The Arab Organization for Social Responsibility

Golden Peacock Global Excellence in Corporate Governance
Institute of Directors

2015

Best Regional Commercial Bank
Banker Middle East

2015

Best Commercial Bank
Middle East - Global Banking
& Finance Review

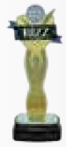
2015

Best GCC Bank with
Overseas network - Global Banking
& Finance Review

2015

Bank of the Year - Qatar
Arabian Business - ITP Group

2015



The Bizz - World Business leader
World Confederation of Business

2015

Environmental Award
The Arab Organisation
for Social Responsibility

2015

Golden Peacock Global
Excellence in Corporate Governance
Institute of Directors

2015

Localization in Kuwait branch
Board of Ministers of labor - GCC

2015

Best Web/Mobile Banking services
Banker Middle East
Product Awards

2015

Best Saving Account
Banker Middle East
Product Awards

2015

Best Co-branded Credit card
Banker Middle East
Product Awards

2015

Best Forex
Banker Middle East
Product Awards

2014

Best Trade Finance Offering
Banker Middle East

2014

Best Bank in Qatar
IAIR Awards

2014

Best Regional Commercial Bank
Banker Middle East

2014

Best Commercial Bank
Middle East - Global Banking
& Finance Review

2014

Golden Peacock Global
Award for Sustainability
Institute of Directors

2014

Environmental Award
The Arab Organisation
for Social Responsibility

2014

Best Corporate Account
Banker Middle East

2014

Best SME Card
Banker Middle East

2014

Best Domestic Trade & Finance
in Qatar - Asian Banking
& Finance Awards

2014

Best Retail Bank in Qatar
The Asian Banker

2014

Golden Peacock Global Award for
Corporate Social Responsibility 2014
Institute of Directors

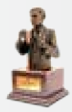
2014

The Bizz 2014 - Beyond Success Award
World Confederation of Businesses

2013

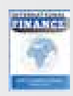
Best Regional Commercial Bank
In The Middle East

2013



Bank of The Year
The Banker

2013



Best Commercial Bank
in Qatar

2013

Golden Peacock Global
Award for Sustainability
Institute of Directors

GLOBAL NETWORK

- Qatar
- Abu Dhabi
- Dubai
- Frankfurt
- Hong Kong
- Istanbul
- Johannesburg
- Kuwait
- London
- Mumbai
- Seoul
- Shanghai
- Sharjah
- Singapore
- Sydney
- Tokyo
- Toronto

FINANCIAL HIGHLIGHTS

Key Financials (QAR Million)	2010	2011	2012	2013	2014	2015	Growth % '15 Vs '14
Total Assets	47,230	52,744	55,212	66,970	75,518	83,309	10.3%
Net Loans & Advances	26,547	31,028	33,775	41,109	48,559	55,615	14.5%
Customer Deposits	30,822	31,699	34,401	42,522	45,947	52,767	14.8%
Total Equity	6,034	7,081	7,551	11,271	11,293	13,207	17.0%
Total Revenues	3,264	2,945	3,095	3,208	3,517	3,674	4.5%
Net Profit	1,054	1,241	1,305	1,313	1,359	1,374	1.1%

Key Ratios (%)	2010	2011	2012	2013	2014	2015
Return on Average Shareholders' Equity	21.4%	22.0%	20.6%	17.9%	16.5%	16.1%
Return on Average Assets	2.26%	2.48%	2.42%	2.18%	1.93%	1.73%
Total Capital Ratio	13.57%	13.22%	13.59%	15.90%	15.03%	15.73%
Total Equity to Total Assets	12.78%	13.43%	13.68%	16.83%	14.95%	15.9%
Net Loans to Total Assets	56.21%	58.83%	61.17%	61.38%	64.30%	66.8%
Net Loans to Total Deposits	86.13%	97.88%	98.18%	96.68%	105.68%	105.4%

CHAIRMAN'S MESSAGE

On behalf of myself and the members of the Board of Directors (BOD), I would like to thank you all on this occasion for attending this meeting. I would also like to extend my sincere thanks to the BOD and the Executive Management for the achievements accomplished during the year 2015 in the midst of fierce competition in the market and the challenges and difficulties faced by capital markets worldwide.

No doubt that the challenges faced by Capital markets in this region due to the recent substantial decline in oil prices in addition to the political events experienced in the middle east has adversely affected all economic sectors including the banking sector and it will increase the pressure on banks' performance during 2016 and 2017. Due to the wise leadership of His Highness, Sheikh Tamim Bin Hamad Al-Thani, The Emir of Qatar, we trust that Qatar has all the tools and capabilities to overcome these problems and difficulties and we look forward to the launching of many development projects in the coming years that will reflect positively on the performance of the banking industry in Qatar in general and of Doha Bank in particular.

By the end of year 2015, we achieved extraordinary growth rates in all financial indicators. The total assets rose by 10.3% reaching to QR 83.3 billion, total portfolio of loans and advances rose by 14.5%, total customers' deposits rose by 14.8% and the total shareholders' equity reached to QR 13.2 billion. We also achieved a growth rate of 1% in net profit whereas the net profit achieved by the end of the year was QR 1,374 million compared to QR 1,359 million in 2014. These robust results were reflected in strong performance ratios particularly the return on average shareholders' equity and the return on average assets which were 16.1% and 1.73% respectively.

We are currently in the process of revising the bank's three-year strategic plan 2016 – 2018 which will incorporate some amendments to the bank's business strategy especially with regards to the activities of overseas branches and representative offices across the world. The future plan of the bank includes implementation of an effective Risk Management strategy both at local and international fronts, recruiting Qatari nationals, enhancing the levels of staff performance by recruiting highly experienced and qualified human resources, improving banking services delivery channels, upgrading the level of Corporate Governance in the bank, diversifying its income sources and strengthening the financial position with a view to achieving the highest level of effective operational performance.

In June 2015, Doha Bank enhanced its Tier 1 capital base and Capital Adequacy Ratio, strengthened its lending capacity and improved its competitive edge and prospects for achieving its strategic goals through the issuance of Tier 1 capital instruments for the second time amounting to QR 2 billion qualifying as additional Tier 1 capital for Doha Bank in Qatar as per the terms and requirements of Qatar Central Bank. The first QR 2 billion issuance of similar instruments was carried out at the end of 2013.

We also improved bank's Corporate Governance system whereby we approved the Corporate Governance Policy Manual in addition to the policies and procedures manual on the roles, responsibilities and terms of reference of the Board of Directors, the BOD committees, and the Executive Management committees in addition to code of ethics. This only complements our efforts to enhance the internal controls in the bank, promote the concepts of transparency and disclosure, improve shareholders relations and protect the rights of stakeholders. Our report on Corporate Governance for the year 2015 has been made available to you that reflects Corporate Governance standards followed by the Bank.

Finally, on behalf of the Board of Directors and myself, I would like to extend my sincere thanks and gratitude to H.H. The Emir, Sheikh Tamim Bin Hamad Al-Thani, H.E. The Prime Minister, Sheikh Abdullah Bin Nasser Al-Thani, H.E. The Minister of Finance, Mr. Ali Sharif El-Emadi, H.E. The Minister of Economy & Commerce, Sheikh Ahmed Bin Jassim Bin Mohammad Al-Thani, and H.E. The QCB Governor, Sheikh Abdullah Bin Saoud Al-Thani, H.E. The Deputy QCB Governor, Sheikh Fahad Bin Faisal Al-Thani, and to all officials of Qatar Central Bank, the Ministry of Economy and Commerce, Qatar Financial Markets Authority and Qatar Exchange for their continued cooperation and support.

Many thanks and appreciation to all the shareholders, customers for their confidence in the bank and to the Executive Management and all staff of the bank for their continuous cooperation and efforts which led to achieving impressive results for Doha Bank.

Sheikh Fahad Bin Mohammad Bin Jabor Al-Thani

Chairman

BOARD OF **DIRECTORS**

Sheikh Fahad Bin Mohammad Bin Jabor Al Thani
Chairman of the Board of Directors

Graduate of the Royal Academy, Sandhurst, UK

Board Member, Al Khaleej Takaful Group

Sheikh Abdul Rahman Bin Mohammad Bin Jabor Al Thani
Managing Director

Chairman of the Board of Directors, Qatar Industrial Manufacturing Co.
Board Member, National Leasing Holding
Chairman of the Board of Directors Qatar Oman Investment Company "State of Qatar representative"

Mr. Ahmed Abdul Rahman Yousuf Obaidan
Vice Chairman

General Manager, Al Waha Contracting & Trading Est.

Sheikh Abdulla Bin Mohamed Bin Jabor Al Thani
Board Member

Chairman of the Board of Directors Al Khaleej Takaful Group

Sheikh Falah Bin Jassim Bin Jabor Bin Mohammad Al Thani - Representative of Jassim and Falah Trading and Contracting Co.
Board Member

Chairman of the Board of Directors National Leasing Holding

Mr. Ahmed Abdullah Ahmed Al Khal
Board Member

Businessman

Mr. Hamad Mohammed Hamad Abdulla Al Mana
Board Member

Vice Chairman, Al Mana Group
Board Member, Qatar General Insurance & Reinsurance Co.
Board Member, Qatar Navigation Co

EXECUTIVE MANAGEMENT

Dr. R. Seetharaman
Chief Executive Officer

Sheikh Mohamed Abdulla Mohamed Jabor Al Thani
Head of Human Resources

Mr. David Challinor
Head of Group Finance

Mr. Yousuf Hashim Abdullah Al Yousuf
Executive Manager
Relationship Management &
Islamic Portfolio

Mr. Abdullah Asadi
Head of CRM &
Shareholders Affairs

Mr. Krishnan C.K
Acting Head of
Wholesale Banking

Mr. Khalid Alnaama
Head of Public Sector

Mr. David Whitcroft
Head of Treasury & Investments

Mr. Hassan Ali Kamal
Corporate Branch Manager

Mr. Maher Ahmed Ali Ahmed
Main Branch Manager

Mr. Khalid Latif
Head of Credit Risk
Management

Mr. Ganesan Ramakrishna
Head of International
Banking

Mr. Neil Buckley
Head of Technology
& Operations

Mr. Ahmed Ali Al-Hanzab
Head of Administration

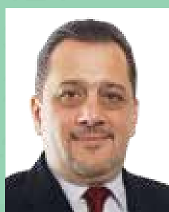
Mr. John Hackwood
Acting Head of Retail Banking

Mr. Braik Ali Al-Marri
Head of Al Riyada Unit
& Private Banking

THE ADVISORS OF THE BOARD

Mr. Mokhtar Abdel Monem Elhenawy
Legal Advisor & Secretary
to the Board of Directors

Mr. Jamal Eddin H. Al Sholy
Head of Compliance



Mr. Samer Fares Dababneh
Chief Internal Auditor

INTERNATIONAL BANKING OFFICES

Mr. G. Pattabiraman
Country Manager
India Branch

Mr. Ahmed Yusuf Ahmed Al Mehza
Chief Country Manager
Kuwait Branch

Mr. Alaga Raja
Head of Abu Dhabi Branch

Mr. Richard Whiting
Chief Representative
United Kingdom
Representative Office

Mr. Nael Zahi Rashed El - Zagha
Acting Head of Dubai Branch

Mr. Savio Ansylem Pereira
Manager
Sharjah
Representative Office

Mr. Hilton Wood
Chief Representative
Australia
Representative Office

Mr. Kanji Shinomiya
Chief Representative
Japan
Representative Office

Mr. Young Joon Kwak
Chief Representative
South Korea
Representative Office

Mr. Peter Lo
Chief Representative
China
Representative Office

Mr. M. Sathyamurthy
Deputy Head -
International Banking
Singapore
Representative Office

Mr. Venkatesh Nagoji
Chief Representative
Canada
Representative Office

Mr. Andre Leon Snyman
Chief Representative
South Africa
Representative Office

Mr. Ivan Lew Chee Beng
Chief Representative
Hong Kong
Representative Office

Mr. Nezih Akalan
Chief Representative
Turkey
Representative Office

Mr. Maik Gellert
Chief Representative
Germany
Representative Office

MANAGEMENT REPORT

Board Members

GLOBAL ECONOMY

According to the International Monetary Fund (IMF) 2015 Outlook, global economic growth was revised down to 3.1% and 3.6% for 2015 and 2016 respectively. Advanced economies are expected to grow by 2% in 2015 and 2.2% in 2016 respectively. Emerging economies are expected to grow by 4% in 2015 and 4.5% in 2016 respectively. The decline in growth this year reflects a slowdown in emerging markets, partially offset by a modest pickup in activity in advanced economies—particularly in the Euro area. The decline in growth in emerging markets and developing economies is on account of weaker growth in oil exporters; a slowdown in China, as the pattern of growth becomes less reliant on investment; and a weaker outlook for exporters of other commodities, including in Latin America, following price declines.

Financial stability in advanced economies has improved, but risks have moved towards emerging economies. Emerging and developing economies are experiencing their fifth consecutive year of slowing economic growth, which is one of the key factors behind the increased risks to global financial stability. As the Federal Reserve (Fed) begins to normalize its monetary policy, a smooth implementation will be critical to avoid disruptions of market liquidity, in both advanced and emerging market economies. Clear communication and attention to liquidity developments across markets will be important to avoid disruptions in market liquidity in both advanced and emerging market economies. Central banks should take into account the effects on market liquidity when conducting monetary policy. Systematic market liquidity has a challenge for adjusting to new equilibrium in markets and the wider global economy.

The persistency in low oil prices has impacted the economic growth of the Gulf Cooperation Council (GCC) countries. Saudi Arabia, United Arab Emirates (UAE) and Qatar have already initiated fiscal reforms on account of low oil prices and other GCC countries are expected to bring in similar measures. The banking sector is expected to face challenging times ahead both in deposit mobilization and in lending. The liquidity conditions which had remained difficult on account of low oil prices may further get impacted if GCC monetary policies follow monetary tightening in response to Fed rate hikes. It is expected that GCC monetary policies will delicately balance between the Fed rate hike and low oil prices.

DOMESTIC TREND

Qatar is one of the largest LNG exporters in the world, with the mining and quarrying sector accounting for close to 50% of real Gross Domestic Product (GDP) in 2015. According to Ministry of Development Planning and Statistics (MDPS) in Qatar, the country's economic growth is expected to be 4.3% in 2016. The current account surplus is expected to shrink by 3.9% of nominal GDP in 2016. Qatar has budgeted for revenues of QAR 156 billion and expenditures of QAR 202.5 billion in 2016 - the shortfall is expected to be covered by local and international debt issues. The State of Qatar's budget for 2016 has earmarked expenditure for health, education and infrastructure. Major infrastructure expenditures amounting to QAR 50.6 billion would include railways, the new Doha port, several large roadways and the expansion of electricity, water and sewage networks. Amidst low oil prices, Qatar's non- hydrocarbon diversification will continue in 2016. It is foreseen that the overall fiscal balance will register its first deficit in 15 years, which is estimated at about 4.8% of GDP.

In Qatar's banking sector, lending growth was more than 15% in 2015. Retail, real estate and contract financing were the main drivers of growth in 2015. Private sector loans grew by close to 23% in 2015 while deposit growth was more than 8% in the same year. In 2016, deposits from public sector are expected to decline on account of liquidity tightening. Qatari banks have widened their funding base on account of weak domestic funding.

Qatar was ranked 14th in the 'Global Competitiveness Report 2015-16', according to World Economic Forum and reclaims top spot as region's most competitive economy.

WHOLESALE BANKING GROUP

The Wholesale Banking Group's (WSB) strategy is shaped around its clients' fast changing needs, which has put digitization of services on top of the priority list in the year 2015. As a result, WSB has lined up many projects to ensure better customer service as well as turnaround time. A new Lead Management System is being launched, which cross-connects the international operations and representations with the functional business units for making cross-selling more effective and efficient. To support, our corporate client's repetitive operations, WSB has automated salary payments.

Despite tight liquidity in the domestic market and in the UAE, WSB has grown its assets stronger than most peers. All business divisions have performed well including Factoring, which has proven to fulfill its promising start and delivered its forecasted contribution to the business' profitability.

The continuing success of Wholesale Banking and the resilience of our business divisions illustrate the effectiveness of our strategy to successfully counterbalance external shocks, economic cycles and shifting capital flows.

The organization under WSB has been reformed into four lean divisions

- Corporate and Commercial Banking
- SME Banking
- Corporate and Structured Finance
- Transaction Banking

Corporate and Commercial Banking offers a broad range of lending products including working capital finance, overdrafts, bill-discounting and term loans. Non-funded facilities include advance payment guarantees, performance and retention bonds, Letters of Credit and Letters of Guarantees for cross-border financing. As the growth engine for the bank, WSB follows a proven and well-balanced growth strategy, responding to market challenges with flexibility and an enhanced spread of advisory capabilities. WSB focuses its attention on effective credit monitoring in order to ensure superior asset quality, and, selectively establishing new relationships with prominent local and international companies.

The Small-and-Medium Enterprise (SME) banking has shifted its portfolio towards medium-sized enterprises

Doha Bank supports SMEs through Al Dhameen Guarantee program of Qatar Development Bank

where credit risk is considered lower and the non-interest related returns are higher due to a larger wallet. To address the root challenges and barriers to SMEs, there is a growing need for 'Digitization' and 'Consultant Banking'. Digitization will help transform the interaction with clients, guiding them on how to integrate new technologies and adapting straight-through-processing (STP). Consultant-Banking is backed by partnerships with world-class consultants on liquidity and working capital management, managing operating expenses, establishing a reliable financial reporting and Management Information System. These support the SMEs to successfully compete, develop and expand with profitable growth. SME also launched 'Portfolio risk' product in a tie-up with QDB to address the needs of the customers.

Corporate Finance provides services for large-cap and mid-cap corporates, governments and financial sponsors. The division successfully closed a number of transactions as mandated lead arranger both within the GCC and internationally by leveraging on Doha Bank's international footprint. Corporate Finance's highly qualified team takes a holistic and research driven approach to the raising of capital for clients and has the ability to effectively leverage the bank's balance sheet. Additionally, the team uses alternative sources of funds and risk distribution models to optimize the outcome for the client.

Transaction Banking incorporates services and financing throughout the trade cycle including payments, payroll, collections, reporting and liquidity management services. Under Transaction Banking, the bank has virtually grouped Payments, Cash Management Services, Factoring, Treasury Sales, Trade Finance and Supply Chain Financing Solutions. Doha Bank has improved and expanded its corporate on-line banking and introduced a series of new cash management services to its clients. WSB also launched cash management services in overseas locations through its strategically placed overseas branches.

Uncertainties in the macro-economic environment and a broad range of challenges will reflect on the agenda in 2016 and beyond. One of the most important threat faced by WSB is the possibility that the budget deficits of the largest economies within GCC will affect government spending and private consumption, which potentially can result in weakening credit qualities. For protecting the asset quality, regular portfolio reviews are being done. A risk distribution desk will also help to manage industry and peak exposures for individual borrowers. Liability management has also been institutionalized to support cost efficient fund raising.

RETAIL BANKING GROUP

Retail Banking Group (RBG) has one of the largest retail footprint in Qatar with 30 branches, 21 pay-offices including e-branches, more than 125 ATMs and 2 active mobile banking units. RBG had a challenging, yet successful year in 2015, due to new products, existing product enhancements, and continuous developments for enhancing the customer experience.

Challenges such as liquidity crunch, declining oil prices, rising interest rates, restructuring & reorganization of oil and the gas industries, price led competition in the local market and favorable exchanges for south Asian currencies has challenged conventional wisdom of the retail business. Amidst this challenging environment, RBG has shown a relatively strong performance in 2015, through some of the most unique and competitive 'First in Qatar' initiatives launched during the year. Few of the major initiatives include – 'Apple iWatch Banking' Application, Tablet Banking, Loan against cross border deposits, loan against cross border mortgages, 'Loans Top-up' initiative, loan installment postponement automation, 'Win Your Loan Back', 'Win Your Salary', and multiple car loan promotions with leading dealers in the market.

The initiatives have not only re-invigorated the sales channels, but also helped RBG post a robust growth in a fiercely competitive market. On the liabilities front, our flagship Al Dana product completed its 12th year of continuous journey in 2015 and entered its 13th year in 2016, with attractive prize schemes and innovative marketing. Customers from across sections of society have won prizes, reposing utmost confidence in Doha Bank, and Al Dana posted significant growth in portfolio during the year. With innovative product positioning and enhancements, RBG has contributed towards reduction in the cost of funds, thereby impacting the bottom-line of the bank. RBG has also registered an impressive growth in CASA balances.

CEO Dr. R. Seetharaman with members of Doha Bank's executive team at the launch of Al Dana Savings Scheme's 2015 campaign

On the liability front, RBG plans ahead to meet the liability crunch, curb the rising interest rates and build a stable and long term deposit base with its latest series of 'high-interest', 'fixed-rate' long term deposits. The Al Jana series 6, which offers customers a variety of benefits and a fixed rate of interest across multiple currencies including QAR, USD, AED and KWD, assures its customers of a guaranteed return on their money.

A 'Wealth Connect' session was initiated by Doha Bank, which aims to help customers in understanding effective wealth management as well as how Doha Bank can help the customers in effectively managing their wealth. Doha Bank's Chief Executive Officer (CEO) dedicates an hour each month when he answers the dedicated phone line and responds to existing and new customers directly. This activity is in addition to the existing 'Customer Connect' and 'Business Connect' sessions being held every month.

The credit card business throughout the year has continued to shine with an impressive growth. New card issuances increased significantly with the launch of Al Asriya Credit card (Qatar's first ladies card) on Women's International Day – this card comes with a range of benefits, seasonal promotions and campaigns. In addition to National Day Offers, Doha bank enhanced its customer experience with cash back offers, fee waivers, Platinum card upgrade and Thank You rewards program. For the mass affluent segment, 0% Interest offers were introduced - the payment plans were extended to cover 23 merchants, spread over 100 locations offering installment payments on everything from home appliances to holiday packages. In addition, the dining program with over 40 offers is now a hallmark feature of the cards department at Doha Bank.

Doha Bank launched 'Al Asriya' - Qatar's first and only ladies banking package which provides ladies specific savings account and credit card

In support of Qatar's 'Wage Protection System', Doha Bank equipped itself to support the system, which went live on November 2nd 2015. Significant number of accounts have been opened since then.

Doha Sooq's new online shopping website was launched at the beginning of March 2015. It has remained at the top of its segment in the market as Qatar's first & only online shopping site offered by a bank. The website was revamped and more than 15 new merchants are active on the site. The daily offers and deals impact sales, transaction volume and total orders received. To enhance customer experience, Doha Bank has also introduced a new payment method to the Doha Sooq portal and credit card payment system, where customers can now pay through their bank's debit card. RBG recently launched its mobile friendly Doha Sooq website to further enhance its customers' experience. Marking a distinct position within Qatar's e-commerce ecosystem, Doha Bank has ensured continuous development of its Payment Gateway solution. Doha Bank's key relationship with 'Q Tickets' has also crossed 1 million ticket-sales in 2015 by catapulting its brand-equity to a higher level.

With the commencement of Tablet based account opening service, Doha Bank agents are now able to remotely initiate the account opening process and digitally capture supporting documents from the customers' location of convenience. This service has greatly assisted in reducing the customer on-boarding time. In addition to remote initiation, automation of account opening processes has also enabled the branches to service account opening within 30 minutes. Customers can walk away with an instant account number, debit card and SMS alert registration within this time frame and are able to instantly register for online and mobile banking service using their debit card. To render Omni-channel experience and to expand the reach of services beyond the traditional banking, a new enhanced version of mobile / tablet banking application was released during the year for Qatar and overseas markets, giving customers the convenience to stay connected while staying secure.

Doha Bank has entered into a strategic alliance with China Union Pay to accept China Union Pay cards across Doha Bank ATMs & POS network. Doha Bank also had an event presided by China Union Pay international President and CEO and attended by a delegation of senior bank officials from China.

Doha Bank continued to improve its current branch layout and outlook. RBG inaugurated a new Chamber of commerce e-branch in December 2015. Retail continues its expansion plans in UAE with the inauguration of a new Musafah e-branch in Abu Dhabi.

RBG's marketing team continued to lead transformation across all four markets (Qatar, UAE, Kuwait and India) with a focus on digitization and online leads management. The scope also covered the convergence of offline and online media to ensure the highest return on investment in terms of business generation and brand building. The team's focus is on enhancing the search engine ranking, search related marketing, re-targeting initiatives, geo-fencing efforts, Google display, comparative advertising and leads engines, and creating avenues on social platforms for digital dominance. RBG has run several events and road shows, which were geared to increase customer interaction and activation, such as the 'Instant Personal Loan Road Show' at City Center and the 'Al Dana' public draws. The team also built rapport with clients during the 'Corporate Suhoor' and other retail events.

On the customer service front, RBG has ensured enhanced complaint management resolution with a general Key Performance Indicator (KPI) of 2 days and periodic root cause analysis. The customer service team ensures daily reporting of service standards at branches along with their turnaround time (TAT) with the help of Q-Matic data. The 'Welcome call' process has been initiated to improve the onboarding process along with a segmented approach and a random calling for VIP customer satisfaction with branch services. On social media messaging, Doha Bank has scored a benchmark of 3 minutes response rate, which is considered as a key breakthrough.

In testament to its superior products and services, Doha Bank has received 'Best Savings Account', 'Best Web/ Mobile Banking Services', 'Best Co-Branded Credit Card', 'Best Home Finance' and 'Best Credit Management' awards from The Banker Middle East.

Dr. R. Seetharaman, CEO along with the senior management team on the occasion of winning The Banker Middle East Product Awards 2015

TREASURY AND INVESTMENTS GROUP

The Treasury and Investments (T&I) Group provides a broad range of financial risk management services and treasury and investment products to its customers. Products include foreign exchange, money market, fixed income, mutual funds, equity brokerage, commodities and notably precious metals.

T&I continues to focus on improving all aspects of its client servicing ethos through a dedicated and skilled sales team with diverse knowledge of both local and international markets. It remains T&I's main objective to be a trusted partner in providing corporate risk management solutions in currency, commodities and interest rate products.

T&I continues to actively manage the Bank's liquidity and securities portfolio held for compliance with statutory and regulatory requirements. The unit focuses on optimization of yield on the overall portfolio while maintaining appropriate portfolio duration.

The Bank's financial investment philosophy remains prudent and cautious. In Fixed Income, T&I's efforts and focus has been on increasing holdings of Sovereign debt, issued by the State of Qatar including Treasury Bills. Doha Bank will continue to evolve and align its investment and liquidity management activity to accommodate the requirements of Basel III.

In recognition of its superior services related to Forex, Doha Bank was awarded the 'Best Forex' award at the Banker Middle East product awards.

Doha Bank was named 'Best Regional Commercial Bank' at The Banker Middle East Industry Awards 2015

INTERNATIONAL BANKING GROUP

International Banking Group (IBG) covers Doha Bank's international operations, facilitates substantial cross-border trade and is responsible for the overall relationship management with over 800 financial institutions worldwide. As part of its operations, IBG arranges loans and participates in syndicated loans to financial institutions across all the strategic international locations. IBG also supports the bank's funding resources and treasury management by arranging cost effective term loan borrowings for the bank. IBG offers trade advisory services with intent to provide continuous and effective advice to companies engaged in the business of Imports/Exports with cost efficient, appropriate risk-mitigation and trade finance solutions. The Representative Offices in Australia, Japan, Korea, China, Hong Kong, Singapore (South East Asia), Turkey, Germany (Central Europe), United Kingdom, South Africa, Sharjah (United Arab Emirates - UAE) and Canada cover all relevant trade and infrastructure related transactions with the partner countries of Qatar, Kuwait, India and the UAE. During the year 2015, the bank has established its new Representative Office in Johannesburg, South Africa to support the bilateral trade between Qatar, GCC and the African continent.

The establishment of a full-fledged branch in Dubai (UAE) in 2007, in Kuwait during 2008, one more branch in Abu Dhabi (UAE) in 2012 and a new branch in Mumbai (India) in 2014 has strengthened the full-fledged branch network across the GCC & India. These branches offer the entire range of Wholesale, Retail, Treasury and Foreign Exchange besides Trade Finance products and services to the domestic customers. The branches also meet the cross border banking needs of the Doha Bank customers in these countries.

Doha Bank commenced its operations in India to pave the way for the Bank to support all Non-Resident Indian expatriates in the GCC countries with the best-in-class solutions including remittance solutions through all its existing branches. During the year 2015, the Bank completed the acquisition of the India operations of HSBC Bank Oman S.A.O.G. and accordingly the two branches of HSBC Bank Oman S.A.O.G. in Mumbai and Kochi in India bringing the total overseas branches count of Doha Bank to 6. These branches have become branches of Doha Bank in India with effect from 1st April 2015 with all the required regulatory approvals in both the countries. The inauguration ceremony of India Operations held in April 2015 was well attended by several high-profile dignitaries, businessmen and ambassadors including H.E. Ali Sharif Al Emadi, the Honorable Minister of Finance, State of Qatar; H.E. Sheikh Abdullah Bin Saoud Al-Thani, the Governor of Qatar Central Bank; and the Honorable Shri Suresh Prabhu, Minister of Railways, Government of India.

Doha Bank became the first Qatari Bank to establish a full-scale banking operation in India

The overseas expansion of the Bank is in line with the strategic vision of the Board to have a pan-GCC operative presence to cater and serve the growing customer base across GCC. The Representative Offices complement Doha Bank's existing branch network both within and outside Qatar by better understanding the various international markets, thus enabling enhanced customer experience with globalized expertise for GCC companies. The international network aims to facilitate customers to conduct and optimize cross-border trade transactions between Qatar, Kuwait, UAE, India and other overseas countries. The network also helps to better understand the activities of large international companies in the GCC mainly engaged in the infrastructure projects.

In line with the vision of the Board of Directors to expand the Bank's overseas operation, the Bank constantly assesses the potential opportunities to expand the bank's operations globally in select countries. Doha Bank also organized various knowledge sharing sessions, roadshows and forums across Qatar, India, UAE, Kuwait and Japan in 2015; Topics included 'Bilateral Opportunities between India, Qatar and Gulf Co-operation Council (GCC)', 'Economic Integration towards a Borderless World', 'Japan Electronics Technology Forum for Sustainable Development of Qatar', 'Synergetic Opportunities between Emerging Asia and the GCC', 'Opportunities in Qatar' and 'Best place to do business is Qatar'.

DOHA BANK ASSURANCE

Doha Bank Assurance Company LLC (DBAC) was established in 2007 as a 100% owned subsidiary of Doha Bank. The strategic vision of the company is to provide our clients with a wide range of services to meet their holistic financial needs. Doha Bank was the first GCC bank to establish a fully-owned insurance subsidiary. With authorization from the Qatar Financial Centre Regulatory Authority, the company is licensed to underwrite all lines of general insurance business (including Fire, Engineering, Marine, Liability, Motor, Travel, Medical and Personal Accident). DBAC provides insurance advisory services and financial protection for all corporate entities, as well as individuals.

Effectively showcasing its robust risk control framework & solid underwriting profits coupled with DBAC's extremely strong capital adequacy, S&P upgraded DBAC's financial rating to 'BBB+/Stable' in 2015. In addition, DBAC also successfully renewed its ISO 9001 certification.

DBAC bears testimony to the fact that it has established itself as one of the preferred general insurance risk carriers for leading corporates in Qatar and is steadily expanding its footprint (with both Bank & non-Bank clientele). The company is empanelled by leading enterprises in Qatar as an approved insurance vendor.

DBAC hosted a knowledge-sharing session for its institutional clients in collaboration with its specialized financial lines insurance partner, AIG. The event aimed at providing Doha Bank's clients with a greater understanding of Directors' and Officers' (D&O) liability exposures, while highlighting insurance solutions that are best suited to address these risks.

Doha Bank Assurance Company joined hands with AIG to host a knowledge-sharing session for its institutional clients

ISLAMIC BANKING

Islamic banking services have been discontinued in 2011 further to QCB directive No. 313/273/2011 dated January 31, 2011 which prohibits conventional banks from entering into any new Islamic banking business. Doha Bank's management has decided to keep the Islamic portfolio until maturity as per the Islamic sharia contract.

RISK MANAGEMENT GROUP

Doha Bank's Risk Management Group (RMG) operates through an enterprise-wide risk management framework. RMG consistently and continually monitors risks and processes across the organization to identify, assess, measure, manage and report on potential threats that could impact the achievement of Bank's objectives to optimize its risk management framework. Risk Management policies, models, tools and systems are regularly reviewed to improve the framework and reflect market changes. RMG reports to the CEO, with a dotted line reporting to Audit Compliance and Risk committee, which in turn reports to the Board of Directors of the Bank. The RMG is also independently empowered to escalate issues directly to the Board and Audit, Risk and Compliance Committee.

The Board has laid down the risk appetite of the Bank since the Board and the Executive Management are ultimately responsible for all the risks assumed by the Bank. The risk appetite framework sets out the qualitative and quantitative thresholds for risk capacity and tolerance. The risk strategy seeks to balance the risk profile against sustainable returns to achieve the business goals of the Bank. Doha Bank has engaged qualified professionals, and has set policies and procedures, limits, thresholds, authority levels, committees, review mechanism, controls and accountabilities to manage risk through a common framework.

Doha Bank Board members along with CEO, Dr. R. Seetharaman address shareholders at the Bank's 2015 Annual General Meeting

Implementation of the Risk Management framework is entrusted to a highly competent team and is controlled and implemented through various senior level management committees chaired by the CEO - mainly in Credit, Operational Risk, Investment and Asset and Liability Committees. In addition, the Board level committees viz. Audit, Risk and Compliance Committee, reviews the observations and findings of internal auditors, external auditors, compliance and the regulators to prevent deviations.

Risk Management Committees:

A number of committees / Task Force have been established to manage various risks in an efficient and objective manner and these include:

- Executive Management committee
- Management Credit Committee
- Asset and Liability committee (ALCO)
- Risk Management committee
- Operational Risk committee
- Retail Credit committee

It is also important to note the following major regulatory changes during 2015, which covered the bank's ability to respond to severe stress scenarios as well as bank's governance framework around capital planning.

Implementation of Capital and Recovery planning framework:

QCB through its Circular 84 / 2014 instructed all the Domestic Systemically Important Banks (DSIB) in Qatar to place credible recovery actions that could be implemented to restore the DSIB's businesses to a stable and sustainable condition in the event of severe stress. In preparing recovery plans, DSIB's are not expected to rely on public funding available from QCB or from other authorities in case of severe stress or default. QCB also instructed all the banks in the country to put in place sound capital planning processes and develop detailed, comprehensive, and forward looking capital plans that are proportionate to the bank's profile and complexity. Doha Bank submitted its first recovery plan to QCB during 2015.

Basel III: QCB has outlined detailed instructions for Basel III Capital Adequacy calculations in accordance with the rules of Basel Committee on Banking Supervision (BCBS). The bank has adopted Basel III framework and accordingly started reporting Capital Adequacy Ratio on a quarterly basis to QCB.

The Bank also submits a detailed ICAAP document covering quantitative impact of various identified risks in the balance sheet. The ICAAP encompassed internal assessment of material risks such as Liquidity risk, Interest rate risk, Country risk, Credit concentration risk, Sector concentration risk, Counterparty credit risk, Residual risk, Strategic risk and Reputational risk. The assessment also involved calculation of quantitative impact of these risks on capital adequacy of the bank. Furthermore, ICAAP included capital planning and projections, defining and aligning risk appetite, stress testing & scenario analysis and defining risk universe for the bank. Considering the nature of operations of the Bank and the material risks, a comprehensive assessment of capital was conducted to determine the level of extra capital required to meet risks identified under Pillar 2.

The major risks associated with the banking business have been discussed in detail in the following sections:

Strategic Risk: This risk can arise from adverse business decisions, poor implementation of decisions, absence of clearly defined strategic business direction and goals; failure to have adequate product programs, inadequate preparations for continuity of business should disaster strike, and incorrect assessment of external factors. The Bank has mitigated these risks by implementing a well-defined strategy and growth plans. In addition, the Bank's Disaster Recovery Plan (DRP) has been well-documented, and detailed manuals have been made available to the employees. The employees are regularly updated on the developments through ongoing training, education and system updates.

Reputation Risk: It is the possibility for negative perception of the Bank's reputation, which could result in significant loss of income or severe implications on market capitalization or customer base. This could be a direct adverse response by stakeholders to the actions or inaction of the Bank or its officials.

This risk could arise from poor customer service delivery, a high incidence of customer complaints, non-adherence to regulations, imposition of penalties and adverse publicity in the media. The Bank has established customer service units and call centers to monitor the services rendered through its delivery points and undertakes timely corrective measures. Additionally, the Bank has a robust Compliance Department, which is responsible for monitoring stringent compliance on all regulatory provisions stipulated by the QCB and other regulatory authorities, wherever applicable. The department also creates awareness of the related regulatory circulars among staff and provides guidance on business decisions that could have regulatory implications.

The Executive Management Committee provides Bank-wide oversight on reputational risk, sets policy and monitors material risks that could have negative reputational consequences. At the business level and across its subsidiaries, overseas branches and representative offices, the relevant Senior Management is responsible for the management of reputational risk in their respective business / functional operations.

Legal Risk: Legal risk is the possibility of loss resulting from the Bank's failure to comply with local laws, breach of ethical standards and contractual obligations with counterparties or customers. The Bank also faces the risk of litigation due to unenforceable contracts with vendors, counterparties or regulators.

The Bank maintains a qualified team of legal advisors, in addition to a couple of International Law firms on the panel, who are responsible for validating all the Bank's agreements. They also review the legal implications of standard / specific documents for all the Bank's products and services that are being offered to customers and counter parties.

Credit Risk: This refers to risk arising from the potential that an obligor is either unwilling to honor his/her obligation or has become unable to meet such obligation, which leads to economic loss to the bank or the possibility of losses associated with diminution in the credit quality of borrowers or counter parties and/or in the value of the collateral held by the Bank as security.

Identification, measurement and management of risk are strategic priorities for the Bank and its credit risk is managed by a thorough and well-structured credit assessment process complemented with appropriate collaterals wherever necessary and continuous monitoring of the advances at account and portfolio levels.

Although the overall responsibility for managing the risks at macro level lies with the Board, the responsibility for identifying risk in Bank's credit exposure is entrusted to the Management Credit Committee. The Management Credit Committee shall review and decide on the following:

- The extent to which the Bank should assume credit risk, taking into account the capital base, the Bank's ability to absorb losses, the risk-reward ratio, probability of default etc;
- The credit portfolio, including concentration trends, provisions, quality of portfolio and requirements vis-à-vis credit strategy and risk appetite;
- Portfolio concentration limits against Regulatory and Internal Limits set for counterparties, industry sectors, geographic regions, foreign country or class of countries, and classes of security;
- Business strategies to ensure consistency with the Bank's business/growth plan and other asset/liability management considerations;
- Significant delinquent credits (watch list and under settlement accounts) and follow up actions taken to safeguard the interests of the Bank;
- Adequacy of loan loss provisioning requirements;
- Establishment of an authorization structure and limits for the approval and renewal of credit facilities;
- Detailed credit policies, procedures and guidelines, proper segregation of duties, well defined authority matrix for credit approval and periodic audit and examinations by internal and external auditors to ensure that a rigorous environment of checks and balances exist within the Bank.

Credit Risk Management (CRMD) Structure:

The CRMD function is independent of the business functions. Such functions include policy formulation, underwriting and limit setting, exposure and exception monitoring, reporting, custody and monitoring of documentation, input of credit limits, classification of advances, remedial asset management, recovery of delinquent loan and determination of provision requirements.

The key objectives of CRMD are to ensure:

- Bank-wide credit risks are identified, assessed, mitigated (wherever possible), monitored and reported on a continuous basis at customer and portfolio level;
- The Bank's exposure is within the risk appetite limits established and approved by the Board of Directors, which covers group and single obligor limits, borrower ratings, portfolio analysis, counter party limits and concentration of the limits to effectively measure and manage its credit risk;
- Review and assessment of credit exposures in accordance with the authorization structure and limits prior to facilities being committed to customers;
- Ensure completion of documentation and security creation as per approval terms before release of credit facilities to the clients.
- Monitoring the concentration of exposure to industry sectors, geographic locations and counter parties;
- Proactive and dynamic monitoring of the accounts as to the quality of the assets and to spot any adverse features/warning signs which can eventually lead to deterioration in the recovery prospects.
- Engage the Business Units at an early stage itself to take corrective steps so that the exposure does not become unmanageable.
- Review of compliance with exposure limits agreed for counter parties, industries and countries, on an ongoing basis, and review of limits in accordance with the risk management strategy and market trends;
- Prior to launching of new products, vetting the business proposals from risk perspective especially in light of delinquent reports.

Also, the Bank has a well-established Remedial Unit under the supervision of the Credit Risk Department. The primary responsibility of the unit is to adopt corrective action on delinquent credits so as to recover the bank dues.

Project finance deal between Doha Bank and Leighton Contracting supports the construction of KAHRAMAA's QR2.2 billion Water Security Mega Reservoirs Project in Rawdat Rashed

Liquidity Risk: Liquidity risk can be defined as the potential inability of the Bank to meet its maturing obligations.

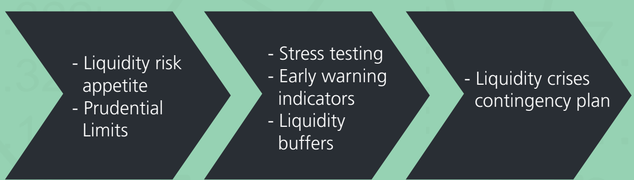
Liquidity risk is inherent in banking operations and liquidity planning and management are necessary to ensure that the Bank meets its obligations at all times. The Treasury division, in conjunction with other departments, manages the liquidity on a daily basis. ALCO, which meets weekly, sets the broad framework for Treasury to operate so that the Bank is always in a position to meet its financial commitments. During crisis, the bank's ability to manage liquidity requirements could be impacted due to increased cost of funds or accessibility to wholesale funding. The market disruption could impact liquidity of investments. Doha bank has a comprehensive Liquidity Management framework for managing the liquidity risk. The framework sets the group's risk appetite for liquidity risk by setting limits and benchmarks.

The Bank's approach to manage the liquidity risk is to ensure that it has adequate funding from diverse sources at all times. Diversification of the Bank's depositor base, reducing dependence on large depositors for reducing concentration risk and maintaining a suitable mix of deposits including low-cost deposits are some of the measures that the Bank is regularly taking to maintain a suitable deposit base. The Bank relies on many quantitative indicators to manage its liquidity risk positions.

The Bank maintains high quality liquid assets, which can be liquidated at short notice to raise cash, if required. The bank's liquidity policy requires the bank to maintain a pool of liquid assets which can be accessed at the time of liquidity crises. The Bank also has in place credit lines with several international banks to make funds available in case of need. The Bank's liquidity position is subjected to diverse stress scenarios in order to evaluate the impact of unlikely but potentiality plausible events on liquidity. Scenarios are based both on historical and hypothetical events. The results obtained from such stress testing provide meaningful input when defining target liquidity risk positions.

In addition, the Bank maintains a Contingency Liquidity plan, which details how liquidity stress events would be managed during a crisis situation. Since nature of any such event cannot be ascertained in advance, the plans are designed to be flexible and hence provide various options that could be used during liquidity crisis situation. The bank has also implemented an Asset-Liability Management system, which provides further guidance towards the Bank's balance sheet management.

The tools under Bank's Liquidity risk framework could be summarized as below:



QCB through its guidelines issued in 2014 and 2015 has mandated all the banks in Qatar to comply with Liquidity coverage ratio (LCR) and Net stable funding ratio (NSFR). Doha Bank ensured compliance with LCR and NSFR ratio implementation in line with QCB instructions.

Market Risk: This is the risk of loss arising from unexpected changes in financial indicators, including interest rates, exchange rates, bonds, equities and commodity prices. Bank has an active Management Information System (MIS) to keep the Management and Investment Committees informed about the changes in market risk on the investments book. The prominent risks affecting the Bank are currency, interest rate and equity price risk.

Currency Risk: The major foreign currency to which the Bank is exposed is the US Dollar. The established parity between the US Dollar and Qatari Riyal substantially reduces this risk unless the parity between the two currencies is revised or removed altogether. To control currency exposures, the Bank has the following measures in place:

- Intraday and overnight limits have been set up for each currency;
- Stop loss limits have been setup for Foreign Exchange proprietary trading;
- Currency exposure is monitored daily;
- Currency gap analysis is produced at month end – it includes forward purchases and sales;
- A report on total foreign currency assets and liabilities excluding contingent exposure is produced daily;
- Transaction limits have been set up for foreign exchange dealers to avoid excess exposure; the limits are monitored on online real time basis.
- All outstanding Foreign Exchange exposure - including spot, swap and forwards - is revalued daily.

GCF conference hosted by Doha Bank focused on the need to close development gaps by promoting equitable and inclusive growth

Interest Rate Risk: This risk largely arises due to the probability of changes in interest rates, which may affect the value of financial instruments or future profitability. The Bank is exposed to interest rate risk as a result of mismatches or gaps in the quantum of Assets and Liabilities and Off-Balance Sheet instruments that mature or re-price in a given period. Since most of the Bank's financial assets such as loans and advances contain an option to re-price, majority of the bank's interest rate risk is hedged naturally due to simultaneous re-pricing of deposits and loans.

Further, the Bank manages the interest rate risk by matching the re-pricing of the assets and liabilities through various means and by operating within the set gap limits. Foreign currency loans are linked to the London Interbank Offered Rates (LIBOR – which is among the most common of benchmark interest rate indexes used to make adjustments to adjustable rate mortgage) and are re-priced regularly to reduce the inherent interest rate risks.

The Bank's fixed-income bond portfolio is analyzed daily, to assess the interest rate risk based on its portfolio modified duration Bank keeps its portfolio duration within its risk appetite. The risk department analyzes each investment proposal separately; potential market risks are identified and mitigated before placing the proposal for Investment Committee review and approval. The Bank's hedging policy sets the framework to be followed for hedging the interest rate risk if certain thresholds are triggered.

Stress testing: Bank wide stress tests form an integral part of the risk review process and provide sufficient insight into the financial health and risk profile of the bank. Stress tests also provide early warning signs of potential threats to the Bank's capital. Doha Bank adopts a comprehensive stress testing framework in line with QCB instructions. The stress testing policy of the Bank is aligned to risk appetite and works towards regulatory and internal stress test models. The internal models supplement the regulatory models and measure impact of changes in macroeconomic indicators on various parameters including but not limited to:

- Asset quality during crises
- Concentration risk
- Liquidity risk including Liquidity buffers
- Interest rate risk
- Market risk in investments
- Currency risk
- Collateral coverage under falling real estate prices scenario
- Regulatory ratios under crises situations

In particular the bank measures the impact of different stress scenarios on its capital adequacy ratio, net interest margin, profit after tax, return on assets, liquidity asset ratio and additional liquidity requirements.

The stress testing process is regular, detailed and uses both plausible and severe scenarios. The results of these stress tests are shared with ALCO on monthly basis and QCB on semiannual basis. In case the ALCO finds that the impact falls beyond the risk appetite of the bank, appropriate amendments are made to the business plans / strategy.

Operational Risk: Operational Risk is the risk of loss arising from inadequate or failed internal processes, people and systems, or from external events. The Bank has detailed policies and procedures and Operational Risk Management tools that are regularly updated to ensure a robust internal control mechanism for the Bank. The Bank is closely reviewing the various recommendations issued by the Basel Committee on 'Sound Practices for the Management and Supervision of Operational Risk' for implementation. The Bank continues to invest in risk management and mitigation strategies, such as a robust control infrastructure, business continuity management or through risk transfer mechanisms such as insurance and outsourcing.

Doha Bank entered into a strategic partnership with UnionPay to become the first issuer of UnionPay cards in Qatar

The Bank has a well-defined operational risk framework and an independent operational risk function. The Head of Operational Risk is a member of the Operational Risk Management Committee and reports to the Head of Risk Management. The Operational Risk Management Committee oversees the implementation of an effective risk management framework that encompasses appropriate systems, practices, policies and procedures to ensure the effectiveness of risk identification, measurement, assessment, reporting and monitoring within the group.

In addition, the Internal Audit department carries out an independent assessment of the actual functioning of the overall Operational Risk Management Framework. Each business segment must implement an operational risk process which is consistent with the requirements of this framework.

The process of Operational Risk Management includes the following steps:

- Effective staff training, documented processes/ procedures with appropriate controls to safeguard assets and records, regular reconciliation of accounts and transactions, process of introducing new products, reviews of outsourcing activities, information system security, segregation of duties, financial management and reporting are some of the measures adopted by Doha Bank to manage the Bank-wide operational risk;
- Reporting of any risk event (losses, near misses and potential losses), which is used to help identify where process and control requirements are needed to reduce the recurrence of risk events.

Risk events are analyzed, reported, mitigated, recorded on a central database and reported quarterly to the Board of Directors;

- Introduction of a bottom-up 'Control Risk Self-Assessment' across business and support units including subsidiaries and overseas branches. This approach results in detailed understanding of inherent and residual risks with evaluation of controls across the Bank. Therefore, it enhances the determination of specific operational risk profile for the business units while corrective action points are captured and the changes on the operational risk profile is monitored on an ongoing basis. Doha Bank categorizes Operational Risks into the following risk types for self-assessment process:
  - Origination and Execution Risk
  - Fraud Risk
  - Business Continuity Risk
  - Regulatory Risk
  - Information Security Risk
  - Vendor Risk
  - Financial Reporting and recording Risk
  - Staff Risk, and
  - Transaction Processing Risk
  - The Bank's blanket insurance policy adequately covers high severity losses and stress losses.

Doha Bank CEO Dr. R. Seetharaman giving the keynote address at the Euro Money Qatar Conference held in December 2015

INTERNATIONAL RATING

Below is the summary of Doha Bank's rating from International Rating agencies:

Standard & Poor's	Moody's	Capital Intelligence	Fitch
Long Term A- Short Term A-2 Outlook- Stable	Long-Term: A2 CR Assessment: A1(cr)/Prime-1(cr) Outlook - Stable	Long-Term: A Short-Term: A2 Financial Strength - A Outlook - Positive	Long-Term: IDR: A+ Viability Rating: bbb Outlook – FC – Stable

International Rating Agencies maintained the usual strong ratings during the year 2015, recognizing the Bank's strength and performance.

- Fitch Ratings upgraded the Foreign Currency Long-term – Issuer Default Rating (LT - IDR) of Doha Bank from A to A+ in recognition of all positive factors with 'Stable' Outlook during their review and recognized bank's ability to generate strong and stable profits, sound liquidity and adequate capitalization.
- S&P, reaffirmed Doha Bank's ratings and opined that Doha Bank's ratings reflected its good market position, sound financial performance, good capitalization levels and high systematic importance;
- Moody's, confirmed Doha Bank's existing ratings and mentioned that rating captured the Bank's well-established franchise in Qatar, high earnings-generating capacity, high profitability levels, solid capitalization and liquidity metrics;
- Capital Intelligence reaffirmed their existing rating on the Bank's foreign currency and financial strength ratings at 'A', recognizing Doha Bank's strong domestic franchise and growing international network, improved loss reserve coverage and sound profitability.

INFORMATION TECHNOLOGY

The Bank's Information Technology (IT) division has been a major contributor in aligning people, process and technology to bring major transformation in the way the Bank works. The division is responsible for developing the Bank's IT strategy and delivery of all related services to employees and customers. To support customer needs better, the Bank has undertaken several transformational initiatives through innovation and latest technology trends in the banking industry.

Doha Bank has incorporated technology as an innovation driver to provide state-of-the-art products and services to its customers and has leveraged on Information Technology for efficiency and effectiveness of banking services delivery. Since Doha Bank believes in technology being the key driver for enhanced and improved service delivery to the customers, the Bank has been continuously keeping its technology up-to-date in order to ensure best in class technology in place. Doha Bank has been a pioneer and renowned as prime mover of banking technology and has provided its customers with several innovative products and 'first' in the country.

In line with its strategy, the Bank has embarked upon Digital Transformation projects to improve customer services and drive them towards self-service Omni channels. As part of this Digital Transformation, Doha Bank believes in mobility and has re-launched its Mobile Banking application with enhanced banking services and complete new user experience, and multi-platform support. The new Mobile Banking application provides host of new services like payment of school fees, request for cheque book, payment of utility bills, etc. Other than Mobile Banking, Doha Bank has also released Tablet Banking, which provides an omni-channel experience. Irrespective of the channel i.e. Mobile or Tablet or Desktop, customer will have the same experience and services with same look and feel. In addition to the above, as part of the Digital Transformation journey, Doha Bank has become the first bank in Qatar to launch Apple iWatch Banking for its customers. The Apple iWatch Banking works along with Mobile Banking and offers host of services. The list of services offered though iWatch Banking are Account Summary, ATM/Branch Locators, Exchange Rates, etc. This is a unique offering by Doha Bank and this is one of another 'First' in the country. Doha Bank has also launched it for its UAE and Kuwait customers.

Doha Bank has also pioneered in automating its account opening process and reduced the complete process turnaround time to less than 30 minutes as against an average of 5 to 7 working days until the customer receives the Debit Card and PIN. With the automation of the new process, post account opening, a Debit card as well as PIN are delivered to the customer immediately and the customer can start using his Debit Card immediately on the ATMs and POS after a quick activation. Doha Bank also launched its newly re-designed eCommerce Portal – Doha Sooq with responsive design and additional features. As a part of the Digital Transformation and to provide omni-channel experience, the Doha Sooq offers the customers the same experience on their Mobile and Tablets as well.

As part of the Doha Bank's International expansion strategy to other countries, Doha Bank initiated operations in India. To facilitate the same, IT was able to implement Core Banking System along with all peripheral systems like Debit Cards, SWIFT, NEFT/RTGS, remittance from Doha to India, etc, in record time.

Doha Bank has extended its successful and wide network of multiple correspondent banking partner/relationship in multiple countries to provide Doha Bank customers to remit their funds online and real-time into their home country bank account. To further enhance this product, Doha Bank has added its own presence as full-fledged branch operation in India into e-remittance network to offer its NRI customers to manage both sides of the corridor. Doha Bank also enhanced security whereby its customers will require One Time Password (e-OTP) to add any beneficiary to their accounts. This is to enhance overall STP process and reduce the total turn-around time.

Doha Bank is supported by highly efficient and qualified IT resources for delivery of technology projects and to support its architecture to maximize availability, scalability, reliability, security and manageability. Doha Bank's Information Security Management System (ISMS) ensures the confidentiality, integrity and availability of the information assets of the Bank through the implementation of various controls and processes of global standards. The network and security architecture is built to ensure maximum security covering end point security solutions, application firewalls, intrusion prevention systems and virtual private network with encryption of its internal and external communication networks. Doha Bank has resilience in its network to ensure high-availability and auto-failovers for continuity and uninterrupted delivery of services.

Doha Bank was the first organization in the GCC to have achieved the ISO/IEC 20000 certification for its IT Service Management System in 2007. As part of this journey, IT Processes were recertified regularly by relevant authorities against ISO 20000-1: 2011 standards. Doha Bank is also proud to be the only financial institution in the country to be accredited with the same. To further enhance the services to the customers, Doha Bank is implementing IT Infrastructure Library (ITIL) structured solution to manage change processes, Incident Management, Problem Management, Service Catalog, Remote Control, Contract Management and Service Level Agreement Management.

As part of its Green initiatives, the Bank continues its drive toward ensuring that all systems and technologies that are implemented have lesser carbon footprint, lesser carbon emission and low energy consumption. In line with this, many initiatives have been taken up internally like printers consolidation, duplex printing to reduce papers usage as well as automatic systems to switch off internal systems to consume less power and energy.

The Bank has provided its customers with different channels in terms of e-banking and m-banking, ATMs, Online Cash Deposit Machines, Cheque Deposit Machines using the latest technology solutions to perform their day to day banking anywhere and anytime with fully secured solutions. This has been the key differentiator and has given the Bank an edge over its competitors. Further to the strong technology foundation that the Bank has laid over the last decade for providing world-class banking solutions, it is now focused towards more effective real-time services to its customers by way of providing new banking services through new channels of distribution and also by enhancing the internal services allowing the Bank to better serve its customers.

Beside the above initiatives, Doha Bank has also finalized its next three years IT Strategy in order to ensure a step change in bringing technology based services for our customer base across our local and international presence. The IT Strategy has a major focus on common customer experience towards digital advantage as well as providing major banking products as self-service based proposition. There are several new initiatives which will be 'first in the region'. It also covers major system enhancements, upgrades and new solution implementation. To this effect, Doha Bank has declared its next three years as 'Years of Digitization' to bring about change and transform the banking dynamics in the country.

Doha Bank became the first bank in Qatar to introduce 'Tablet Banking'

HUMAN RESOURCES

Human capital development and employee engagement have been the key priorities in the bank. Within the corporate guidelines, every business partner is responsible for People Management within the unit - professional support is provided by the Human Resources (HR) department of the bank.

The success of Doha Bank over the years has been its employees. Doha Bank believes in creating an environment in which its employees enjoy working and striving towards excellence in every aspect of their roles.

Doha Bank is highly committed to Qatarization, which is a prominent aspect of its corporate objective. With a view of grooming future leaders amongst the Qatari nationals, the Bank implemented various initiatives, designed various programs and strengthened on the existing initiatives to attract and retain Qatari resources. Qatari Career Development has been given more focus with a view of grooming Qataris in the bank.

Equal Employment Opportunity and Diversity are key variables, which are woven into each step of the recruitment process at Doha Bank. Proper planning and evaluation will lead to hiring the right person for the role and team. To attract talent from the region and strengthen employee branding, the bank uses recruitment channels such as Doha Bank's Career Website, Advertisements, Internal Referrals, Overseas Recruitment Drives, Social Network / Media. For assessment of a good quality and high potential candidate, Psychometric Testing skills are applied.

Doha Bank was one of the main participants in a career fair organized by Education City featuring leading Qatari universities

The key word for successful employee engagement is 'Association'. The bank strongly believes employee engagement is of high importance for mutual success. Employees should attribute to the organization physically, emotionally and intellectually. The bank sponsored several social activities such as Knowledge Sharing sessions, Business Quiz, Sports Activities, Blood Donation drive, Recognition Awards and Long Service Awards.

HR strives continuously to implement new electronic technology solutions to increase efficiency in HR services, not only to cut down on time and provide online services, but also encourage a paperless environment.

There was an inspiring vision in 2015 for learning; Doha Bank's learning strategy clearly communicates that learning is critical to the bank's success. Leaders take an excellent leading role in creating and sustaining a supportive learning culture in Doha Bank. The bank uses training programs to create meeting places for exchange of experience and networks for managers from different Business Units and cultural background and to offer opportunities for benchmarking to the outside world. Knowledge and Learning Skills of Doha Bank Employees are the most important assets to realize its ambition.

E-learning has been a great platform for Doha Bank staff development, supporting 'anytime' learning. Doha Bank has been able to achieve over 26,000 hours of learning from a world class banking content provider. During this year, the key focus was on effective training in areas of Anti-Money Laundering (AML), Compliance, Corporate Governance, Operational Risk, Customer Service and Sales Skills development. In 2015, the bank ensured adequate resources are allocated for learning in terms of a dedicated state-of-art Training Academy. In addition, the bank gets support from internal specialists to share knowledge, involving other valued learning partners i.e. QFBA, CNAQ, Qatar university, and many international training companies.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

Since its early days, Doha Bank has taken great pride in being a dynamic entity with strong values and a customer-centric approach and has sustained them over a period of time. The Bank's functional model with Social, Environmental, and Business goals, contributing towards the welfare of the community has always been a welcomed approach. Doha Bank continues to be one of the pioneers of 'Green Banking' in the State of Qatar. The Bank has sustained its position with utmost care for public welfare and social consciousness.

Doha Bank's ECO-Schools Programme (www.eco-schools.com.qa website) is dedicated to the environment which encourages schools of any discipline; whether pre-school primary, secondary, and collegiate, universities, Arabic schools etc. to proactively participate in the implementation of good environmental practices, reduction of carbon footprint, increase eco-consciousness and support children to become environmental advocates at a young age. With the ECO-Schools Programme, the Bank is committed to provide a platform for schools to contribute to the socio-environmental improvement and intellectual development of the human society. Apart from Qatar, Doha Bank has expanded and continues to nurture the ECO-Schools Programme in the UAE; i.e. Dubai, Abu Dhabi as well as in Kuwait.

Doha Bank's annual ECO-Schools Programme Awards aim to recognise schools that demonstrate a commitment to sustainable practices

Doha Bank now looks forward to a promising future, with better banking experiences for its customers, better returns for its shareholders and an even more progressive and prosperous environment for its employees. Doha Bank, as one of the main pillars supporting sustainable development in Qatar, was also recognized as one of the proactive supporters on Clean and Green Qatar Programme, School Exhibition for Arabic Schools in coordination with Ministry of Education, Climate Change - School Competition in coordination with Qatar Petroleum DG/HSE, promoting the ECO-Schools Programme to schools in the State of Qatar. Green activities provide a venue for building global awareness, cooperation and participation of international organizations and companies specialized in environment technologies and sustainable energy. It is important to note that Doha Bank is the first and only bank in Qatar to publish its Sustainability Report in compliance with Global Reporting Initiative (GRI) Standards every year.

The Board of Directors of Doha Bank has reiterated their continued support for environmental development, which will eventually support the development drive in the country as a whole. Doha Bank also looks forward to increasing its role in preserving the environment and supporting the endeavors of other national organizations aimed at curbing the deterioration of environmental systems and preserving the changing as well as the unchanging resources.

Doha Bank maintains a well-defined Environmental Policy with the principles of 'Reduce, Reuse and Recycle'.

Doha Bank has reached out to the larger community through its long standing CSR activities where it is committed to raise awareness on environmental issues and focus on the economic challenges facing the world and the region. Some of the Initiatives to support the State of Qatar's 'Go Green Qatar' are:


Doha Bank hosted a tree planting event at its Dukhan branch to raise awareness on the role of trees in biodiversity conservation

- Dedicated Green Bank Website
- ECO-Schools Programme
- Beach Clean-up
- Green Accounts and e-Statements, Environment-friendly and Biodegradable Credit Cards, Paperless Banking
- Green Banking Task Force Committee
- Participation in Earth-related global event
- Annual Marathon - Al Dana Green Run
- Public Awareness Campaigns through ATMs
- Green Forms
- Green System for Auto-shutdown of PCs
- Recycling of Papers
- Use of LED lights, power stabilizers, auto-shutters, etc.


Doha Bank staff participated in the 2015 Dubai Marathon

A dedicated Doha Green Bank website (www.dohagreenbank.com) is available on the internet showing the Bank's various initiatives taken, planned activities, projects, products and services. It also includes other environment-related articles and video clips. Planned activities are lined up such as Tree Planting, Adopt-a-Beach campaign, Recycling and Waste Management programs. Promotional flyers, brochures were designed with a catchy phrase, "GO Green with Doha Bank! It's simply the right thing to do!" to convey its message to the public and gain joint-effort cooperation amongst various sectors of the society for a better world.

For a second successive year, Doha Bank was honored by the Arab Organization for Social Responsibility with its prestigious 'Environmental Award'

Doha Bank was awarded the "Golden Peacock Global Award for Corporate Social Responsibility" for demonstrating outstanding commitment to social welfare and environmental protection

Doha Bank has taken various proactive measures in addressing global warming and its ramifications. It is propagating energy saving as a corporate habit. The Bank encourages ideas from staff on energy savings and suitably rewards them. Doha Bank is committed to being a carbon neutral entity. The departments at the Bank were encouraged to practice energy efficiency in their respective premises by switching off the lights, air conditioning system and other office equipment when not in use, conserve water, carpooling, eliminate usage of non-biodegradable materials, encourage recycling and proper waste disposal and buying of fair-traded and environment-friendly goods. These are small steps that will make a big difference.

ECO-consciousness is integrated into Doha Bank's daily operations through knowledge sharing, paperless banking and awareness campaigns on social responsibility to gradually instill the value of 'green culture' within the organization. The Electronic Banking products and services of Doha Bank greatly help reduce paper usage/wastage, reduce carbon footprint and encourage customers to be environmentally-conscious of their activities. Social Responsibility initiatives focuses on seminars, knowledge sharing and awareness; support for cultural events, e-Newsletters, educational visits, charitable donations and similar activities.

During 2015, Doha Bank continued its efforts of knowledge sharing by conducting sessions in Qatar, Kuwait, India and Japan. Doha Bank also actively participated in the Annual IMF meeting held in Lima, Peru.
Doha Bank was also awarded with the 'Environmental Award' from The Arab Organization for Social Responsibility during 2015.

Doha Bank conducted its 11th annual 'Al Dana Green Run' in January 2016. More than 5000 people participated in the event, breaking all previous records. People across age groups, nationalities and social background came forward enthusiastically to take part in the 3Km run. Participants included professionals, males and females from different age groups, sports enthusiasts and members of various socio-cultural groups. The 'Al Dana Green Run' is one of the Bank's major campaigns, which is aimed to raise awareness and motivate people to become advocates of environmental issues as they go about their daily lives.

Green Banking Awards: The Leading Bank in Every Domain

- Environmental Award - The Arab Organization for Social Responsibility – 2015, 2014
- Golden Peacock Global Excellence in Corporate Governance - 2015
- Golden Peacock Global Award for Sustainability – Institute of Directors – 2014, 2013, 2012, 2011, 2010
- Golden Peacock Global Award for CSR – Institute of Directors – 2014, 2013, 2012, 2011
- Certificate of Merit - Ministry of Environment 2013
- Best Corporate Social Responsibility Programme in the Middle East 2013 - EMEA Finance
- Excellence Award for the Best Corporate CSR Programme by a Bank in Qatar 2012 - The Arab Organization for Social Responsibility
- Green Systems Implementation of the Year - Arab Technology Awards 2010 - Arabian Computer News
- Best Environmental Leadership Award 2010 - Qatar Today
- Best Public Awareness Campaign Award 2010 - Qatar Today
- Best Public Awareness Campaign Green Award 2009 - Qatar Today
- Best Green Bank 2008 - Banker Middle East
- Best Internet Banking Service in Middle East 2008 - Banker Middle East

GOVERNANCE REPORT

FOR THE YEAR 2015

JOHANNESBURG

OVERVIEW

As part of the compliance requirement of the Corporate Governance code for listed companies issued by Qatar Financial Markets Authority, and the instructions of Qatar Central Bank, Doha Bank as a Qatari shareholding company listed on the Qatar Exchange is required to disclose the extent to which it complies with the provisions of the code. Doha Bank believes that applying a proper corporate governance framework and principles is essential to assist the Bank in achieving its goals with a high performance level in addition to improving its internal and external working environment, protecting stakeholders' interests and distributing roles and responsibilities in an ideal way.

During the year, the Bank was keen to enhance the corporate governance framework by applying the corporate governance policies and procedures' manuals and adopting best practices. This report summarizes Doha Bank's governance processes for 2015 in accordance with the disclosure requirements of QFMA and QCB as illustrated below.

BOARD OF DIRECTORS AND BOARD COMMITTEES

Roles and Responsibilities:

The Board of Directors is responsible for the stewardship of the Bank and for providing effective leadership and supervision of Doha Bank's business, whilst growing value in a profitable and sustainable manner.

The roles and responsibilities of the Board are defined in the Board Charter. The Board Charter shall be published to the public through the Doha Bank website and will be available to shareholders before the Shareholder's meeting. The Board's roles and responsibilities are compliant with the requirements of the Governance Code of QFMA and QCB, and cover the following areas:

- Strategy
- Governance
- Compliance
- Risk Management
- Authorities and Delegations
- Internal and External Audit
- Board Committees
- Board Code of Conduct
- Board Composition
- Board Meetings
- Board Membership Requirements

Each Board Member's duties have been updated and defined in Job Descriptions prepared for this purpose. Moreover, each Board Member is also required to provide sufficient time to perform his duties. Currently, time commitments are not contractually set but are understood by all Directors.

The following are the general roles and responsibilities of the Board of Directors as stated in the approved Corporate Governance Policies' Manual:

- Delegate the authority to the Managing Director to oversee the CEO of Doha Bank to implement Board directives and resolutions. The Board shall define the jurisdiction and duties of both the Managing Director and the CEO, their responsibilities and the mechanism of their reporting to the Chairman and the Board.
- Approve Doha Bank's organization structure, authorities delegated to the Board Committees and Executive Management, financial commitments in excess of delegated authorities to the Board Committees and Executive Management, the remuneration and bonus policy of the CEO and staff recommended by the relevant Board Committee, the strategic initiatives including new business initiatives and key investments and divestitures, and periodically approve the Bank's polices and procedures' manuals. The Board shall also approve the annual Doha Bank budget, the Board Committees' recommendations, and the appointment of the CEO and senior staff of the Bank including the compliance and reporting officers and the Head of Internal Audit.
- Approve the Bank's strategy and work on developing the strategic plan and business objectives on a periodic basis and whenever necessary.
- Create Board committees and set their authorities and duties, and annually evaluate the work of the Board Committees, including the Audit, Compliance and Risk Committee, Executive Committee, Nomination and Governance Committee, Policy, Development and Remuneration Committee, etc.
- Call the Ordinary and Extraordinary General Assembly for convention, and approve the agenda of both meetings, and submit recommendations to the General Assembly to approve the proposed cash dividends, the remuneration of the Chairman and the Board members, the appointment of the External Auditor, the capital increase, the amendment of the Bank's Articles of Association, and other issues as stated in the Commercial Companies' Law.
- Monitor the financial performance of the Bank and its subsidiaries, and meet with the External Auditor to learn about any existing substantial problems and work on resolving them.
- Discuss with the Audit, Compliance and Risk Committee matters related to internal audit, AML/CTF issues, QCB reports, external audit, and financial statements.
- Ensure that Doha Bank maintains adequate levels of capital and reserves, according to sound commercial principles and banking regulations.
- Make enquiries about potential problems that come to the Board's attention and follow up until the Board is satisfied that the management is addressing the issues appropriately.
- Supervise and ensure the implementation of proper internal control systems, mainly through the Audit, Compliance and Risk Committee, and monitor

operations and assess Doha Bank's performance and management of risks, and ensure that necessary and adequate financial and human resources are in place to achieve Doha Bank's goals and objectives.

- Oversee the overall corporate governance of Doha Bank. Review and approve governance policies (including policies on conflict of interest and insider trading), principles recommended by the Executive Management and external consultants, and the Code of Ethics.
- Review the Bank's policies, directly or through a delegated committee, periodically to ensure that they are adequate, suitable and in line with the internal business changes and the external macro-economic factors.
- Delegate the authority to the CEO of Doha Bank to implement Board directives and resolutions. The Board shall define the jurisdiction and duties delegated to the CEO who should report to the Chairman and the Board.
- Ensure that Doha Bank is in compliance with its Articles of Association and applicable international and local laws and regulations including QCB regulations. Receive and review any legal cases brought against the Bank periodically.
- Provide shareholders with timely information to be able to take decisions in the general assembly. Ensure the fair treatment of all shareholders within the same class in accordance with the law. Ensure that a transparent process of stakeholder relations is in place including procedures for disclosures and communication, and assume responsibilities towards shareholders and other stakeholders and related parties within Doha Bank and the community at large.
- Assist management in addressing related entities' issues brought forward by respective Board representatives.
- Appoint independent advisors to assist the Board in their activities. The Board should receive adequate funding from Doha Bank for independent advisors and the related administrative expenses.

Financial Statements

The financial statements are prepared by the Executive Management. The Board shall review and assess Doha Bank's Financial Statements and other releases prior to announcement to shareholders. The balance sheet and income statement shall be signed by the Chairman or the Managing Director and CEO.

Review of the Board and Board Committees' Performance

The Board undertakes ongoing self-assessment (through the Nomination and Governance Committee) and an annual review of the Board as a whole, the Board Committees and individual Board members.

Main Transactions that Require Board Approval:

Board authorities include approval of the following transactions:

- Credit facilities with values above the authorized limits set for the Board Executive Committee.
- Credit limits for countries and correspondent banks.
- Investments with values above the authorized limits set for the Board Executive Committee.
- Annual budget of the bank.
- Expenses above the authorized limits set for the Board Executive Committee.

Credit facilities granted to the Board members and their families.

Other Board Practices and Duties:

Consultancy: The Board may consult at the Bank's expense any independent expert or consultant. It is permitted for the Board Members to obtain professional advice at the cost of the Bank with the approval of the Board.

Access to documentation: As defined in the Board Charter, Board Members shall have full and immediate access to information, documents, and records pertaining to the Bank. The Bank's Executive Management shall provide the Board and its committees with all requested documents and information pertaining to Board decisions.

Nominations: the Bank has established a system for the nomination/appointment of Board Members. As per the Nomination and Governance Committee's roles and responsibilities, the committee should consider terms, qualifications and experience required for a nominee to take an active role as a Board Member. Hence, the committee will determine the standards necessary to elect any new Board Member.

Training Programs: the Bank has put in place Corporate Governance Policies which include principles for guiding and training new Board Members. The Bank has enrolled Board Members in a training course on Corporate Governance during the year.

Governance: the Board will be continuously updated on governance practices through the Management and the Board Nomination and Governance Committee.

Dismissal: Members who do not attend Board meetings on a regular basis without an acceptable excuse may be removed in accordance with Doha Bank's Articles of Association.

Self-Assessment: Templates and tools have been approved to perform an annual self-assessment by the Board.

Remuneration: the Board estimates the Executive Management's remunerations based on the Bank's overall performance and on the extent to which the goals stated in the Bank's strategy are achieved.

Passing of Board Resolutions by Circulation: From time to time Board Resolutions may be passed by circulation with the approval of the majority of the Board Members in writing and submitted to the Board of Directors for endorsement in the following meeting. With regard to such resolutions passed by circulation, the Bank's Articles of Association are under amendment to be in line with the new Commercial Companies Law.

Board Composition

The Board currently consists of seven members:

- Chairman;
- Vice Chairman;
- Managing Director;
- 4 Non-Executive directors including one independent member who meets QFMA's requirements.

Briefs of each Board Member's education and experience profile are depicted below:

Sheikh Fahad Bin Mohammad Bin Jabor Al Thani

Chairman
Chairman of the Executive Committee
Date of Appointment on Board: June 3, 1996
Education/ Experience: Graduate of the Royal Academy, Sandhurst, UK
Other Board Memberships: Board Member at Al Khaleej Takaful Group
Ownership: 4,339,753 shares; i.e. 1.68% as at December 31, 2015 & 4,339,753 shares as at December 31, 2014
Attendance: Attended six Board meetings

Mr. Ahmed Abdul Rehman Yousef Obeidan

Vice Chairman
Member in the Executive Committee
Date of Appointment on Board: April 20, 1982
Education/ Experience: General Manager, Al Waha Contracting & Trading Est.
Ownership: 4,306,203 shares; i.e. 1.67% as at December 31, 2015 & 4,306,203 shares as at December 31, 2014
Attendance: Attended six Board meetings

Sheikh Abdul Rahman Bin Mohammad Bin Jabor Al Thani

Managing Director
Chairman of Policies, Development and Remuneration committee and Chairman of Nomination and Governance committee
Member in the Executive Committee
Date of Appointment on Board: December 21, 1978
Education/ Experience: Bachelor of Civil Engineering, Missouri University, USA
Other Board Memberships: Chairman of the Board of Directors, Qatar Industrial Manufacturing Co.; Chairman of the Board of Directors, Qatari Oman Investment Company (State of Qatar representative); and Board Member, National Leasing Holding.
Ownership: 4,988,617 shares; i.e. 1.93% as at December 31, 2015 & 4,988,617 shares as at December 31, 2014
Attendance: Attended six Board meetings

Sheikh Abdulla Mohamed Jabor Al-Thani

Non-Executive Board Member
Chairman of Audit, Compliance and Risk Committee
Member in the Nomination and Governance Committee
Date of Appointment on Board: April 20, 1982
Other Board Memberships: Chairman of Al Khaleej Takaful Group
Ownership: 1,937,792 shares; i.e. 0.75% as at December 31, 2015 & 1,937,792 shares as at December 31, 2014
Attendance: Attended three Board meetings

Mr. Ahmed Abdullah Al Khal

Non-Executive and Independent Board Member (as per QFMA's requirements)
Member in the Policies, Development and Remuneration Committee and the Audit, Compliance and Risk Committee
Date of Appointment on Board: March 3, 2014
Education: Economics & Political Science
Experience: Businessman
Ownership: 1,939,993 shares; i.e. 0.75% as at December 31, 2015 & 1,939,993 shares as at December 31, 2014
Attendance: Attended five Board meetings

Mr. Hamad Mohammed Hamad Abdullah Al Mana

Non-Executive Board Member
Member in the Nomination and Governance Committee
Date of Appointment on Board: April 13, 1999
Other Board Memberships: Vice Chairman, Mohammad Hamad Al Mana Group Companies;
Board Member, Qatar General Insurance & Re Insurance Co.; Board Member, Qatar Navigation Co.; Board Member, Arab Qatari Co. for Dairy Products
Ownership: 4,058,901 shares; 1.57% as at December 31, 2015 & 4,058,901 shares as at December 31, 2014
Attendance: Attended five Board meetings

Sheikh Falah Bin Jassim Bin Jabor Al-Thani
Representative of Jassim and Falah Trading and Contracting Co.

Non-Executive Board Member
Member in the Policies & Procedures, Development and Remuneration Committee and the Executive Committee
Date of Appointment on Board: Feb 27, 2011
Experience: Ex-Minster of Civil Service Affairs and Housing
Other Board Membership : Chairman of Board of Directors, National Leasing Holding
Ownership: 2,583,722 shares; i.e. 1% as at December 31, 2015 & 2,583,722 shares as at December 31, 2014
Attendance: Attended six Board meetings

The current term of the Board of Directors started on March 03, 2014 for a period of three years through election at the AGM.

Independent Board Member

The current composition of the Board includes one independent Board member who meets QFMA's requirements but doesn't meet QCB's requirements. This is due to the fact that the Board members have been involved in the stewardship of the Bank over previous terms, apart from the current market and social conditions. Hence, the ownership of this member at the time of his nomination to the Board does not exceed the number of shares required for membership of the Board of Directors.

Fiduciary Responsibilities

Each Board member owes the Bank by employing diligence, loyalty and integrity in support of the Bank's overall vision and in line with the Board Charter and the Bank's Code of Ethics. Board members act on an informed basis in the best interest of the Bank and in fulfillment of their responsibilities to the Bank. Board members therefore have the required knowledge, experience and skills.

Duties of the Chairman of the Board

The role of the Chairman is to lead Doha Bank towards achieving its strategic goals and to provide its shareholders with sustainable gains. The Chairman also leads the Board and oversees that it is fully functioning in accordance with its mission and approves the agenda of all the board meetings. Additionally, he discusses with Board members recommendations, improvements, strategic initiatives, annual budgets, and new available investment opportunities and he ensures that the Board has performed its assigned duties. He also periodically discusses general bank issues with the members, ensures that there is a mechanism for evaluating board members, and communicates with shareholders. He may delegate specific duties to the Board Members, Board Committees, Managing Director and CEO as he deems fit. The Chairman also coordinates regularly with the CEO to avail the necessary financial and human resources to achieve the Bank's goal, whilst monitoring performance periodically through the CEO.

Duties of the Vice Chairman

The holder of this position shall assume the role of the Chairman in his absence. He works closely with the Chairman in developing and overseeing the execution of the Bank's strategies. Additionally, he shall undertake other responsibilities as delegated by the Chairman.

Duties of the Managing Director

- Supervise the implementation of the Board resolutions in accordance with Doha Bank's strategy and objectives.
- Oversee that the Board receives timely, accurate and complete information to enable sound decision-making, effective monitoring and advising.
- Sign/ countersign (endorse) correspondence, reports, contracts or other documents on behalf of Doha Bank.
- Supervise the implementation of strategic initiatives and investments within the level of authority delegated by the Board.
- Approve investments, credit facilities and expenditures within the level of authority delegated by the Board.
- Oversee the implementation of key initiatives within Doha Bank in coordination with the CEO and Executive Management.
- Provide the Board and the Board Committees with the required reports and disclosures in a timely manner for review and approval.
- Update the Board with periodic reports on Doha Bank's performance and activities.
- Participate in various board-level committees.
- Any additional responsibility entrusted to him by the Board/ the Chairman of the Board.

Duties of the Non-Executive/ Independent Board Member

- Work actively on providing information required for the Board to undertake its activities as stipulated in the Board of Directors' Terms of Reference.
- Assist in Doha Bank's strategic planning and business planning processes and constructively challenge and develop strategic proposals.
- Review Doha Bank's performance periodically and scrutinize the performance of management in achieving agreed goals and objectives.
- Review the integrity of financial information and monitor that financial controls and systems of risk management are robust and defensible.
- Spearhead the development of Doha Bank's Corporate Governance policies and monitor compliance to the same.
- Assist the Board to properly attend to the External Auditor's report.
- Oversee that Bank and Shareholder interests are maintained, especially in conflict of interest situations between executive members and other members.
- Be available to shareholders if they have concerns which have not or cannot be resolved through contact with the Chairman, MD and the CEO or if such contact is not appropriate.
- Act as a supplier to the Board for the communication of shareholder concerns when other channels of communication are inappropriate.
- Any additional responsibility entrusted by the Board/ Board Chairman.
- Be collectively responsible for the Board decisions and actions.
- Participate in various Committees including the Audit, Compliance and Risk Committee, Policies, Development and Remuneration and Nomination and Governance Committee.

Board Meetings

The Board meets based on the invitation of the Chairman or two members of the Board. Each Board meeting has an agenda which is submitted to all members prior to the meeting giving enough time for preparation purposes. As per the Board Charter, the Board meets a minimum of 6 times a year. The Board met a total of six times in 2015, last meeting was held on 22nd December 2015.

Board Remuneration

At the end of each year prior to the General Assembly meeting, the proposed remuneration for Board members and the Chairman is made available to the shareholders for discussion and approval. Additionally, other benefits provided to Board members are reviewed by the Qatar Central Bank and the External Auditors, and subsequently sent to Qatar Central Bank and thereafter presented to the shareholders for approval.

Departments Reporting to the Board

- Legal Advisor and Secretary to the Board: Mr. Mukhtar Al Henawy

  Mr. Mukhtar Al Henawy has joined Doha Bank in 2002 as Legal Advisor reporting to the Board. He was also appointed as a Secretary to the Board in 2007. He has more than 28 years of experience, and he worked at law firms before joining the bank.

  Mr. Mukhtar obtained a Bachelor's Degree in Law from Ain Shams University in 1987 and a Diploma in Law in 1988. It is in Doha Bank's view that the Board Secretary meets all the requirements of the Code.

  The Board Secretary maintains all Board documentation and manages the overall processes related to board meetings. The Board Secretary reports directly to the Chairman, however, all members may use the secretary's services.

- Head of Compliance Department: Mr. Jamal Al Sholy

  Mr. Jamal Al Sholy has joined Doha Bank in 1997 as Head of the Internal Audit Department and in 2002 he has become Head of the Compliance Department to date. He has more than 34 years of experience, and he worked in external audit before joining the bank. The Compliance Department includes the Compliance Control Unit and the AML/CTF Unit. Head of Compliance works independently from the Executive Management and reports to the Board of Directors.

  Mr. Jamal holds a Bachelor's Degree in Accounting and Business Administration from the University of Jordan, 1981.

- Head of Internal Audit Department: Mr. Samer Dababneh

  Mr. Samer Dababneh has joined Doha Bank in 1998 to work as an Internal Auditor, and in 2012, he became Head of the Internal Audit Department. He has more than 24 years of experience and he worked in the field of banking and financial institutions before joining Doha Bank.

  Mr. Dababneh is a holder of a Master of Commerce degree and is a Certified Bank Auditor and has a Certification in Risk Management Assurance (CRMA).

EXECUTIVE MANAGEMENT

Doha Bank's Executive Management consists of the CEO, his assistants and the heads of the executive departments. Following are the profiles of the CEO and the department heads, noting that none of them is a holder of Doha Bank shares.

Chief Executive Officer: Dr. Raghavan Seetharaman

Dr. R. Seetharaman has joined Doha Bank in 2002 as Assistant General Manager. In 2007, he was appointed as CEO of the bank. He has an extensive experience of more than 35 years during which he worked in a number of banks and institutions before joining Doha Bank, including Bank Muscat, Oman Aviation, Price Waterhouse Coopers, and other institutions.

Dr. R. Seetharaman holds a Bachelor's Degree in Commerce from India, and he is a Chartered Accountant and holds multiple doctorates including two PhDs.

Head of Credit Risk Management: Mr. Khalid Latif

Mr. Khalid Latif has joined Doha Bank in 1990 and has held several positions since then. He has more than 32 years of experience and has worked for several years in the banking sector and other sectors in Pakistan before joining the bank.

Mr. Latif holds a Master's Degree in Business Administration from Pakistan.

Head of Treasury & Investment Group: Mr. David Whitcroft

Mr. Whitcroft has joined Doha Bank in 2015 as Head of Treasury and Investment. He has more than 19 years of experience and has worked in several financial and banking institutions before joining the bank.

Mr. David Whitcroft holds a Post Graduate Diploma in Actuarial Science from London.

Head of Wholesale Banking Group: Mr. Dag Reichel

Mr. Dag Reichel has joined Doha Bank in 2010 as Head of Wholesale Banking Department. He has 20 years of experience and has worked at a number of institutions and banks before joining Doha Bank.

Mr. Reichel holds a Master's Degree in Business Administration from Germany.

Head of Group Finance: Mr. David Challinor

Mr. David Challinor has joined Doha Bank in 2008 as Head of Group Finance. He has more than 21 years of experience and has worked at several financial institutions in Australia before joining Doha Bank.

Mr. Challinor holds a Bachelor's Degree in Economics from England, and he is a member of the Institute of Chartered Accountants in England and Wales.

Head of Technology & Operations Group: Mr. Neil Buckley

Mr. Neil Buckley has joined Doha Bank in 2014 as Head of Technology & Operations. He has more than

22 years of experience and has worked at several financial institutions and technology firms before joining Doha Bank.

Mr. Buckley holds a Bachelor of Science degree in Mathematics.

Acting Head of Retail Banking Group: Mr. John Hackwood
Mr. John Hackwood has joined Doha Bank in 2014 as Head of the Marketing & Business Development Unit. He was appointed as Acting Head of Retail Banking Group in 2015. He has more than 33 years of experience and has worked at several banks and financial institutions.

Mr. Hackwood holds a Bachelor of Science degree and a Diploma in Marketing.

Head of International Banking Group: Mr. Ganesan Ramakrishnan
Mr. Ganesan Ramakrishnan has joined Doha Bank in 2005 as Executive Manager. In 2014, he was appointed as Head of International Banking Group. Mr. Ganesan has more than 34 years of experience and has worked in the field of banking and external audit before joining the bank.

Mr. Ganesan holds a Bachelor of Science degree from India, and he is a Member of Chartered Accountants, India.

Head of Human Resources Group: Sheikh Mohamed Abdulla Mohamed Jabor Al Thani
Sheikh Mohamed Abdulla Al Thani has joined Doha Bank in 2015 as Head of the Human Resources Group. He has more than 23 years of experience and has held several positions in the financial sector and other sectors before joining Doha Bank.

Sheikh Mohamed Abdulla Al Thani holds a Bachelor of Science degree.

Senior Management Remuneration
The Bank has adopted a policy which regulates the process for assessing the performance of Senior Management according to strategic goals. Based on the performance assessment and the Bank's results the additional benefits and bonuses are set. With regard to salaries, the Bank has adopted a salary scale which is approved by the Board.

Separation of Positions of Chairman and CEO
The Chairman and CEO duties and responsibilities are separated in the Bank and each position has clearly defined roles and responsibilities under its own Job Description.

Conflict of Interest and Insider Trading
Doha Bank has set in place several controls to prevent conflict of interest situations from occurring. Specifically, the Bank has adopted a related party policy under Corporate Governance policies. Related party transactions are approved by the Board based on materiality. As per Commercial Companies Law, if a Board Member has a conflict of interest related to a certain transaction, he shall not participate in the Board meeting at the time of taking a decision on the transaction and shall not participate in the issuance of a resolution if it is passed to him by circulation. It is also worth noting that the Bank has adopted a conflict of interest policy which must be complied with by all employees of the Bank.

Currently, monitoring and controlling insider trading are done by Qatar Exchange directly. A policy on insider trading has been adopted by the Bank.

Related Party Transactions
A person/ entity is considered to be a related party to Doha Bank if:

- A member of board of the bank or the subsidiaries;
- A member of the Executive Management of Doha Bank;
- Owns 10% or more of the voting shares in Doha Bank of its affiliated companies;
- Is a relative to the fourth degree of any person of 1 to 3;
- Is a Company in which individuals described in 1 to 4 own jointly or individually 20% or more of its voting share, or a Director or a key Officer of such a company.
- Is an affiliated company of Doha Bank.

Approval of Related Party Transactions
All transactions with related parties require the prior review of the Board. Furthermore as per QFMA requirements, the related party transactions shall be approved through a General Assembly Meeting, whereby a majority vote is required in the absence of the related party.

Disclosure of Related Party Transactions
During the year, the Bank has engaged with companies belonging to members of the Board of Directors. The Bank has dealt with these companies in accordance with the Bank's internal policy for dealing with related parties. These transactions were disclosed at the General Assembly Meeting of the Bank held on March 4, 2015 and approved by shareholders during the General Assembly. Any new transactions shall be disclosed in the following General Assembly.

With regard to trading in the Bank's shares, we would like to note that the Bank's policy prevents the Chairman, Board Members and Executive Management from concluding any deals to buy or sell the Bank's shares during the period specified by Qatar Exchange and until announcing financial statements to the public.

BOARD COMMITTEES

Board Committees are established to assist the Board of Directors in conducting their duties. Each committee has developed Terms of Reference that define the committee's roles and responsibilities in accordance with QFMA regulations and leading governance practices. Doha Bank has been unable to fulfill the requirement of having a majority of members being independent in

Policies, Development and Remuneration Committee, and independent members in Nomination and Governance Committee. Doha Bank will consider changes in the composition of these committees in the future taking social facts into consideration.

The Bank has four Board committees as follows:

- Audit, Compliance and Risk Committee
- Nomination and Governance Committee
- Policies, Development and Remuneration Committee
- Executive Committee

Audit, Compliance and Risk Committee

Membership:
Sheikh Abdulla Mohammad Bin Jabor Al Thani – Non-Executive Board Member (Chairman). He attended all the Committee meetings.

Mr. Ahmed Abdullah Al Khal – Non-Executive and Independent Board Member (as per QFMA's requirements). He attended five meetings.

Mr. Khalid Abdel Aziz Al Baker – Independent Member and not a Bank employee. He attended all the Committee meetings.

Meetings: Nine meetings were held during the year, noting that only six meetings are required as per the Governance Code.

Roles and Responsibilities: The Committee is responsible for reviewing the financial statements, the work of external and internal auditors, the internal control environment, the compliance with regulations and laws and the management of risk at the Bank. The Audit Committee may seek independent professional advice for risk management and may hire consultants to assist it in performing its functions, and exercising its powers and responsibilities soundly. The Committee discusses with the external auditors the nature, scope and efficiency of the undertaken audits in accordance with International Audit Standards and International Financial Reporting Standards, and it also ensures the independence and objectivity of the external auditors by collecting information from them on their relationship with the bank, including the non-auditing services.

The Committee also reviews the annual and quarterly financial statements and inspects the Bank's annual report and the notes contained therein, and in the other related control reports. It also reviews the important financial and accounting reports, including the complex cases and the unusual operations and the areas that require a high level of diligence and good judgment.

The Committee considers the effectiveness of the Bank's risk management and internal control over annual, interim and regulatory financial reporting and other regulatory reporting, including information technology security. It also seeks clarifications from the management and the internal and external auditors as to whether the financial and operational controls are adequate and effective. The Committee ensures that the financial statements and the issued reports are in compliance with the accounting standards and practices accepted by QCB and QFMA, and with the listing regulations enforced by QE, as well as the disclosure rules and any other requirements governing the preparation of financial reports.

The Committee meets regularly during the year to discuss the reports of the Internal Audit Department, the Compliance Department and Risk Management in addition to the reports issued by the External Auditors and QCB's inspection reports.

The Committee also reviews the quotations submitted by the external auditors for auditing the Bank's accounts every year and submits recommendations thereof to the Board of Directors to select the most suitable auditor or to renew the term of the current auditor so as to submit a Board recommendation to the General Assembly of Shareholders.

The Bank has approved a whistle-blowing policy to encourage the Bank's employees to detect/ disclose any violations that may adversely affect the Bank. The critical issues are then reported to the Audit, Compliance & Risk Evaluation Committee which in turn ensures taking the necessary actions to rectify the violations. There has been no conflict between the Committee's recommendations and the Board's resolutions or any other issues of material impact during the year 2015.

Nomination and Governance Committee

Membership:
Managing Director (Chairman of Committee) and 2 Non-Executive Board Members (Members)

Sheikh Abdul Rahman Bin Mohammad Bin Jabor Al Thani – Managing Director (Chairman). He attended the Committee's meeting.

Sheikh Abdulla Mohammad Bin Jabor Al Thani – Non-Executive Board Member. He attended the Committee's meeting.

Mr. Hamad Mohammed Hamad Abdullah Al Mana – Non-Executive Board Member. He attended the Committee's meeting.

Meetings: One meeting was held as per the Governance Code requirements.

Roles and Responsibilities: The Committee reviews the nominations for the Board of Directors' membership and monitors the adherence to corporate governance principles at Doha Bank. It also identifies and nominates new members for the Board who have the ability to make sound decisions on behalf of the bank and shareholders. The Committee takes into account the availability of a sufficient number of potential candidates who can perform their duties as Board Members. It also assesses their skills, knowledge and experience as well as their professional, technical, and academic qualifications and their personality. The Committee evaluates the candidates for the membership of the Board based on criteria including integrity, insight, acquired experience and the ability to devote sufficient time to manage the Bank's affairs.

Policies, Development and Remuneration Committee

Membership:
Sheikh Abdul Rahman Bin Mohammad Bin Jabor Al Thani – Managing Director (Chairman). He attended all the Committee meetings.

Sheikh Falah Bin Jassim Bin Jabor Al Thani – Non-Executive Board Member. He attended all the Committee meetings.

Mr. Ahmed Abdullah Al Khal – Non-Executive and Independent Board Member (as per QFMA's requirements). He attended all the Committee meetings.

Meetings: Two meetings were held as per the Governance Code requirements.

Roles and Responsibilities: The Committee approves the Bank's policies and strategies, and reviews the remuneration framework for the Executive Management and the Board. The Committee is also responsible for drawing up the general policy of bonuses and benefits of the Board of Directors, CEO and Senior Executives based on the achievement of the Bank's long-term strategic goals. The Committee also reviews the pay scale and other employment benefits of the Bank's employees and makes recommendations to the Board of Directors for approval. The allowances and benefits of the Chairman, Board Members and Board Committees are presented to the shareholders at the General Assembly Meeting at the end of each financial year for approval.

Executive Committee

Membership:
Sheikh Fahad Bin Mohammad Bin Jabor Al Thani – Chairman of the Board of Directors (Committee Chairman). He attended all the Committee meetings.

Mr. Ahmed Abdul Rehman Yousef Obeidan – Vice Chairman. He attended three meetings.

Sheikh Abdul Rahman Bin Mohammad Bin Jabor Al Thani – Managing Director. He attended all Committee meetings.
Sheikh Falah Bin Jassim Bin Jabor Al Thani – Non-Executive Board Member. He attended all the Committee meetings.

Meetings: The required number of meetings as per the Code is at least four times a year, or whenever requested by the Committee Chairman. Four meetings were held during the year.

Roles and Responsibilities:

- Review changes relating to Doha Bank's capital structure and significant changes to the management and control structure of Doha Bank, recommend to the Board for approval.
- Facilitate the effective supervision and overall control of the business of the Bank by receiving and reviewing overall customer credit, inter-group and investment exposures.
- Approve credit facilities above the authorized limit set for management up to the Executive Committee limit delegated by the Board of Directors.
- Review credit proposals above the Executive Committee limit and provide recommendations on reviewed proposals to the Board of Directors.
- Recommend to the Board of Directors appropriate action pertaining to the impaired indebtedness cases or obligation above the delegated limit.
- Review on a quarterly basis the status of pending litigation matters.
- Approve purchase and expenditure for amounts within the limit delegated to the Committee by the Board of Directors.
- Approve donations for charity activities and corporate social responsibility expenditures on a case-by-case basis in line with the delegated limits to the Committee as approved by the Board of Directors and the corporate social responsibility strategy.
- Review and approve strategic and commercial investments within the Committee's delegation.
- Oversee the performance of strategic investments by periodically receiving reports from management and reporting to the Board.

INTERNAL CONTROL, COMPLIANCE, RISK MANAGEMENT AND INTERNAL AUDIT

Internal Control

The general objective of the internal controls procedures of Doha Bank is to safeguard assets and capital and to ensure the reliability of Doha Bank's and its subsidiaries' financial recordkeeping. Doha Bank has adopted a process of internal controls that allow Management to detect errors in procedures or financial recordkeeping. Doha Bank's internal control framework includes the establishment of strong finance, risk management, compliance and internal audit departments which support in establishing a strong internal control framework.

The Internal Control Framework is overseen by the Audit, Compliance and Risk Committee. The Internal Audit, Compliance and Risk Departments respectively provide periodic reports to the Audit, Compliance and Risk Committee on:

The major risks associated with the banking business related to Strategic, Reputation, Compliance, Legal, Credit, Liquidity, Market, and Operational Risks;
Overall compliance of the Bank with rules and regulations;

Internal Audit and External Audit recommendations and findings.

The Board of Directors has approved policies related to Internal Audit Department, Compliance Department and Risk Management Department.

Compliance

The main responsibility of the Compliance Department at the Bank is to assist the Board and Bank's Executive Management in managing and controlling the Compliance risks efficiently and to protect the Bank from financial losses "if any" due to failure of compliance. Compliance risks include risk of legal/regulatory sanctions, material financial loss, or loss of reputation. Compliance also assists the Board of Directors and Executive Management in improving the internal controls procedures that will mitigate Compliance, AML and Anti–Terrorist Financing (ATF) risks. Moreover, Compliance acts as a liaison between the Bank and the respective regulators and updates management with new laws and regulations.

Internal Audit

The Bank has an independent Internal Audit Department that reports to the Board of Directors through the Audit, Compliance and Risk Evaluation Committee on a periodic basis. The Internal Audit is carried out by operationally independent, appropriately trained and competent staff. The Internal Audit employees have access to all the Bank's activities, documents and reports that are needed to accomplish their missions. The Internal Audit team does not perform any activities in relation to Bank's daily regular activities and all their bonuses and benefits are directly determined by the Board of Directors.

The Internal Audit Department operates in accordance with an Audit Plan that is approved by the Audit, Compliance and Risk Evaluation Committee. This plan includes a review and evaluation of the internal control systems of the various branches and departments of the Bank.

Risk Management

The Bank has consistently and continually monitored risks and processes across the organization to identify, assess, measure, manage and report on opportunities and threats that could impact the achievement of the Bank's objectives. The Board and the Executive Management are ultimately responsible for all the risks assumed by the Bank. They seek to balance the risk profile against sustainable returns to achieve the business goals of the Bank. The Board has engaged qualified professionals and has set policies and procedures, risk limits, organizational framework, committees, authority levels and accountability.

Implementation of the Risk Management Framework is entrusted to a highly competent team and is controlled and implemented through various senior level management committees chaired by the Chief Executive Officer covering Credit, Investment, operational risk, and Asset & Liability Management.

INTERNAL CONTROL ASSESSMENT

The Board receives periodic reports on the internal control framework from Senior Management and control functions such as Internal Audit, Compliance and Risk Management. Such reports are assessed and scrutinized by the Board to ensure that the internal control framework is being implemented according to management prerogatives. The Board views that the current processes adopted for internal control by the Board and Senior Management are robust for Doha Bank's operations.

No major breach of control or internal control failure has taken place which has affected or may affect Bank's financial performance during 2015.

EXTERNAL AUDIT

Annually, the external account auditors are appointed by the General Assembly of Shareholders based on a recommendation submitted by the Board of Directors. The Bank takes into consideration the instructions of the regulatory authorities related to the appointment of external auditors in terms of the number of times for the appointment of any auditor. The Board of Directors also takes QCB's prior approval for the nomination of an external auditor/more than one external auditor for the approval of the General Assembly of Shareholders. After choosing an external auditor by the General Assembly of Shareholders, an engagement letter is signed between the two parties. Under this engagement, the external auditor shall be required to comply with the best professional standards and exert the necessary professional due diligence upon conducting any audit assignment, and to inform the regulatory authorities in the event of the failure of the Bank (the Board) to take appropriate actions towards the material issues that have been raised by them. The external auditor also reviews the balance sheet and profit & loss accounts.

Ernst & Young review and audit the Bank's accounts since 2012 to date, including the Islamic activities, overseas branches' accounts, Doha Bank Assurance Company's accounts in addition to investment fund accounts and periodic reports pertaining to QCB requirements. The external audit fee for 2015 was QR 835,000 in addition to an amount of QR 1.225 million for other assignments.

We have received three quotations from three well-known auditing firms. These quotations were presented to the Ordinary General Assembly of shareholders and Ernst & Young were selected to review the bank's accounts for 2015.

MEANS OF COMMINICATION WITH SHAREHOLDERS:

Doha Bank considers its shareholders as key stakeholders. Doha Bank has established a Shareholder

Relations function which is responsible for addressing shareholder queries. It is also responsible for communicating with any investors in the markets, and acts as a liaison between them and the Chairman of the Board.

DISCLOSURE AND SHAREHOLDERS RIGHTS

Doha Bank strives to provide shareholders with sufficient data to analyze Doha Bank performance and to take decisions on Board Member elections and other matters such as dividends Doha Bank ensures that its assembly meetings and the mechanism for voting adopted is in accordance with commercial companies' law. Doha Bank can provide general information such as financial statements, articles of association and by-laws of the Bank to its shareholders.

Disclosure Duty

Doha Bank adheres to all the disclosure requirements issued by Qatar Financial Markets' Authority, where the Bank discloses all its financial information and any activities carried out by the Bank in a transparent manner to its shareholders and the public through Qatar Exchange and the local newspapers and the Bank's website. The Bank's Board is keen to ensure that all information is accurate, correct and not misleading. The Corporate Governance Report contains details on the composition of the Board of Directors as well as information about the Board Members and the Board Committees.

Doha Bank confirms that all financial statements are prepared in accordance with the International Financial Reporting Standards and the relevant QCB regulations, and that the external auditor of the Bank prepares its reports in accordance with the International Standards on Auditing (ISA) after obtaining all the necessary information, evidences and confirmations and following the appropriate audit procedures. The Bank has provided the shareholders with all the interim and annual financial reports.

Access to Information

Doha Bank has a web site through which all information about the Bank is published, such as the annual and quarterly financial statements and the Board of Directors' Report and the Corporate Governance Report in addition to the Annual Report and any other information relating to the management of the Bank and the Board of Directors and the products, services and branches of the Bank.

Shareholders' Rights and Shareholders' Meetings

The Bank's Articles of Association include provisions that ensure the shareholders' right to attend the General Assembly meetings. The General Assembly shall meet at the invitation of the Board of Directors at least once a year at the time and place determined by the Board of Directors after the approval of the Commercial Affairs Department at the Ministry of Economy and Commerce. The Assembly should be convened within four months as of the end of the financial year of the Bank. The Board may call the General Assembly for convention whenever necessary, but it should call for a meeting if such a request has been submitted for serious reasons by the auditor or by a number of shareholders holding not less than 10% of the capital within fifteen days as of the date of the request. The Extraordinary General Assembly may be convened based upon an invitation from the Board of Directors itself, but the Board should also call for such a meeting if requested to do so by a number of shareholders holding at least 25% of the Bank's share capital.

Equitable Treatment of Shareholders

According to the Bank's Articles of Association, each shareholder shall have the right to vote on the General Assembly's resolutions and shall have a number of votes equal to the number of his shares. Minors and incompetent shareholders shall be represented by their legal proxies at the meeting.

Voting at the General Assembly shall take place by raising hands or as decided by the General Assembly. Voting must be by secret ballot if the decision relates to the election of the Board members, or their dismissal or initiating legal procedures against them; or if the Chairman of the Board of Directors or a number of shareholders comprising at least one tenth of the voters present at the meeting so request.

Proxy for attending the General Assembly is permissible, but it is stipulated that the proxy must be a shareholder and it should be private and confirmed in writing. Moreover, a shareholder may not appoint one of the Board Members to attend the meetings of the General Assembly on his behalf.

Under all circumstances, the number of shares which the proxy possesses in this capacity may not exceed 5% of the Bank's share capital except in the case where the proxy represents Qatar Investment Authority.

Shareholders' Rights Concerning Board Members' Elections

After obtaining the approval of the competent regulatory authorities, the Bank shall announce that nominations are open for the membership of the Board of Directors in the local newspapers, and then the Nomination & Governance Committee, after the closure of the nomination period, shall study the applications received from shareholders. All information on the nominees may be obtained by shareholders by visiting the Bank before the General Assembly. After obtaining approval from the Qatar Central Bank and the Ministry of Economy and Commerce, these names shall be submitted to the Ordinary General Assembly of Shareholders to elect new Board Members from the nominees. The Bank's Articles of Association gives shareholders the right to vote on the Assembly's resolutions and also on the nominees for Board membership, pursuant to Commercial Companies Law No. (11) of 2015 which refers to QFMA's Governance Code with regard to public shareholding companies.

Shareholders' Rights Concerning Dividend Distribution

The Board of Directors shall propose the distribution of dividends to the General Assembly every year according to the Bank's policy for dividend distribution as approved by the Board of Directors under the governance policy and the Bank's Articles of Association. The Articles of Association of the Bank allow the distribution of dividends to the shareholders after deducting 10% of the net profit of the bank to be appropriated for the legal reserve. The General Assembly may suspend this deduction once the reserve reaches 100% of the paid up capital. But if this reserve becomes less than the mentioned percentage, then the deduction should be resumed until the reserve reaches that percentage. The legal reserve may not be distributed to the shareholders except in the cases permitted by the Qatari Commercial Companies Law and after obtaining the approval of Qatar Central Bank. Upon a proposal from the Board of Directors, the General Assembly may annually decide to deduct a portion of the net profits to the optional reserve account. This reserve may be used as deemed fit by the General Assembly. A portion of the profits as determined by the General Assembly shall be deducted to meet the obligations imposed on the company by virtue of the Labour Law. The remaining profit amount shall then be distributed to the shareholders or shall be brought forward to the next year, based upon a proposal from the Board of Directors and subject to the approval of the General Assembly.

Shareholders' Rights and Major Transactions

Doha Bank is a Qatari shareholding company with a capital of QR 2,583,722,520 divided into 258,372,252 ordinary nominal shares, at a value of QR (10) per share, listed on Qatar Exchange. With the exception of Qatar Holding "The Government of Qatar", which owns 16.68% of the shares, any natural or legal person neither shall possess more than 2% of the bank's shares nor less than 100 shares, with the exception of ownership by way of inheritance. However, Qatar Investment Authority may buy and own up to 20% of the Bank's share capital. The Extraordinary General Assembly may approve the registration of a number of shares, not exceeding 20% of the share capital, in the name of a trusted depositary agent in the event of a capital increase through the issuance of global depositary receipts. The investment funds shall be considered as a single investment group, regardless of their number, if each is managed by one natural or judicial person, or if the founder in each is a natural or judicial person. In these two cases, the investment group shall not own more than 2% of the capital shares. Foreigners, on the other hand, may invest in the shares of the bank up to 49% of the issued capital. Doha Bank hereby confirms that there are no shareholder agreements related to capital structuring and the exercise of shareholder rights, and there is nothing stated in the Bank's Articles of Association on minority rights.

Ownership of Shares:

The ownership of Doha Bank's shares distributed by nationality as at December 31, 2015 is as follows:

Nationality	No. of Shares	Percentage
Qatar	225,270,067	87.19%
GCC	10,921,787	4.23%
Arab countries	2,760,800	1.07%
Asia	4,753,156	1.84%
Europe	6,552,915	2.54%
Africa	89,017	0.03%
USA	6,709,716	2.60%
Other	1,314,794	0.50%
TOTAL	**258,372,252**	**100%**

The number of shareholders reached 3252 as at 31/12/2015. The Government of Qatar, represented by Qatar Holding, owns 16.68% of the shares. No shareholders possess more than 2% of the Bank's shares as per the Bank's Articles of Association.

STAKEHOLDER RIGHTS

Doha Bank endeavors to maintain equitable and fair treatment of all its stakeholders. To enhance ethical conduct by the Bank's employees, each employee must abide by Doha Bank's Code of Ethics which stipulates ethical principles that each employee must demonstrate. Any breaches of ethical conduct are investigated and, as appropriate, disciplinary and corrective action is taken. Moreover, Doha Bank has established a whistle-blowing policy, whereby employees can report concerns without fear of retribution. Such concerns are reviewed and, as necessary, investigated and reported to the Audit, Compliance and Risk Committee.

It is also worth noting, that Doha Bank has standardized its processes related to compensation and assessment of employees by adopting a performance appraisal scheme and a staff compensation and benefits structure.

Bank branches, representative office and subsidiaries

Domestically, Doha Bank's network inside Qatar includes a total of 30 branches, 11 e-branches, and 10 pay offices. Globally, the bank has six branches, Dubai and Abu Dhabi branches in UAE, a branch in Kuwait and three branches in India. Furthermore, we have twelve representative offices located in Singapore, Turkey, Japan, China, UK, South Korea, Germany, Australia, Canada, Hong Kong, South Africa and the Emirate of Sharjah (UAE).

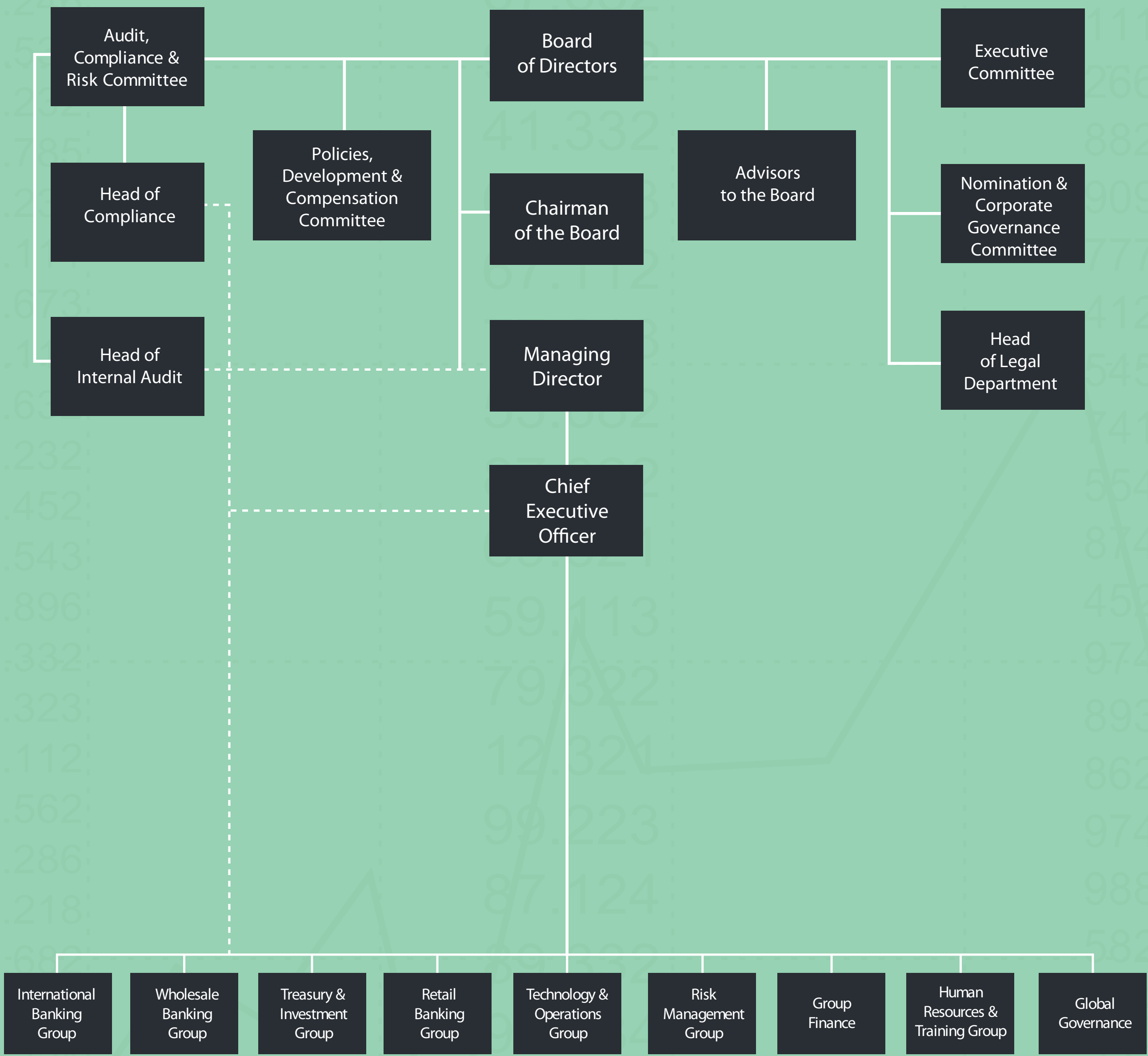
The Bank also owns Doha Bank Assurance Company which is fully owned by Doha Bank and has a strategic share of 44.02% of the capital of one of the Indian brokerage companies which was later re-named as Doha Brokerage and Financial Services and positioned to practice brokerage and asset management businesses. The Bank owns also Doha Finance Limited, registered in the Cayman Islands and primarily used for debt issuance on behalf of the Bank.

Sheikh Fahad Bin Mohammad Bin Jabor AlThani
Chairman

INDIA
(MUMBAI & KOCHI)

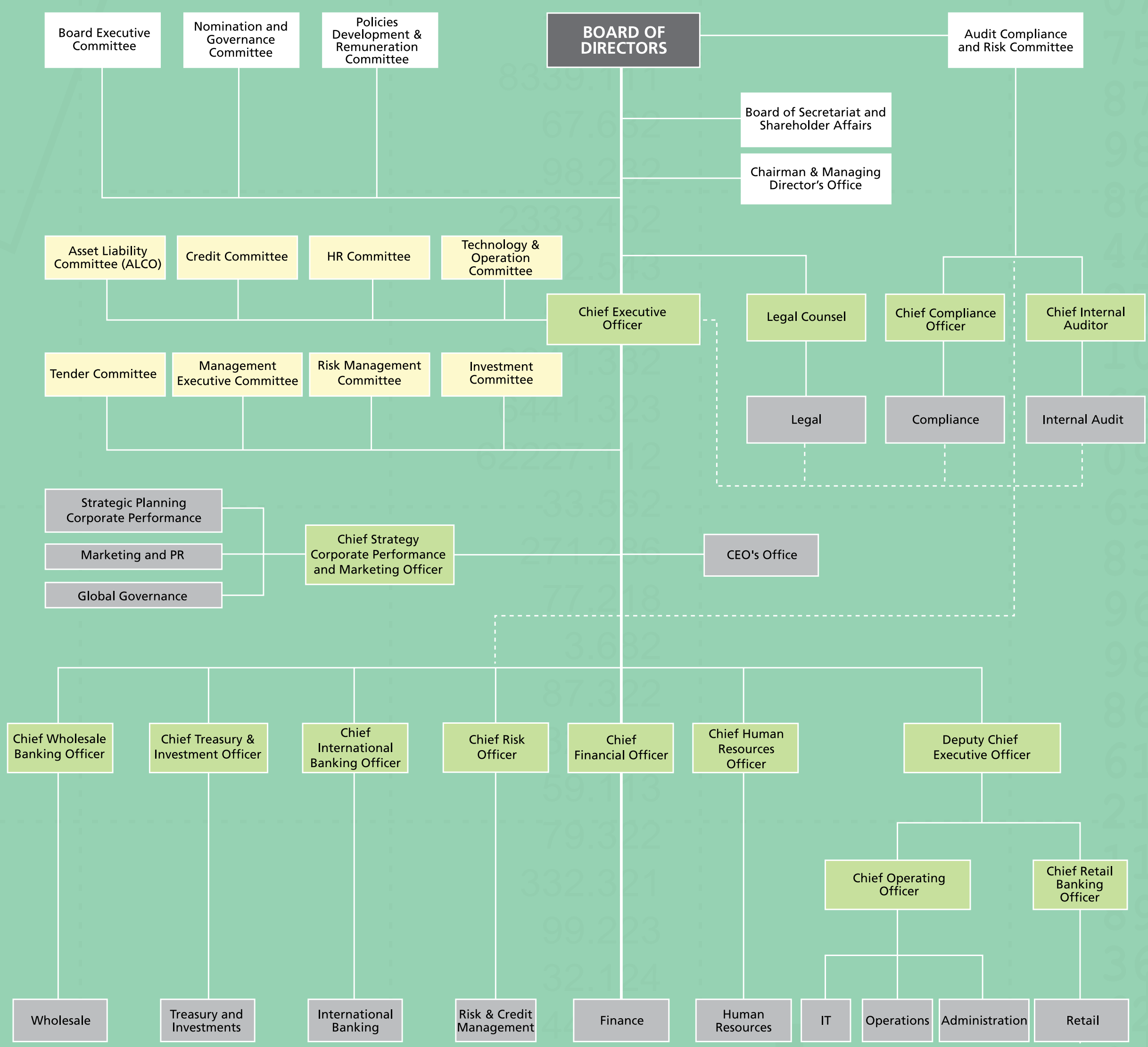
MANAGEMENT STRUCTURE, DIVISIONAL PRODUCTS AND SERVICES

(as at 31st December 2015)



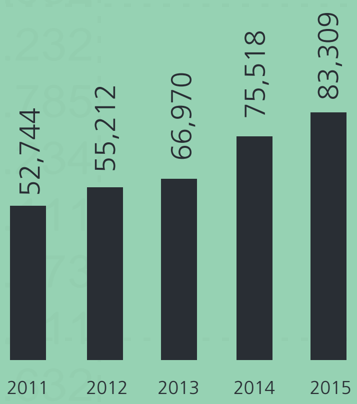
DOHA BANK'S NEW MANAGEMENT STRUCTURE

Accepting the need to change owing to the external and internal factors, Doha Bank is embarking on a transformation journey encompassing improved organizational structure, operating model, governance structure as well as essential areas of attention. On this journey, Doha Bank's new Organizational Structure was approved in 2016 and the implementation of the same is in progress.

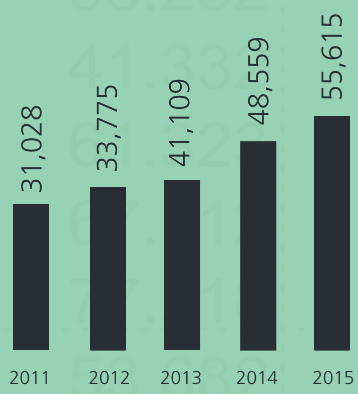


FINANCIAL RESULTS

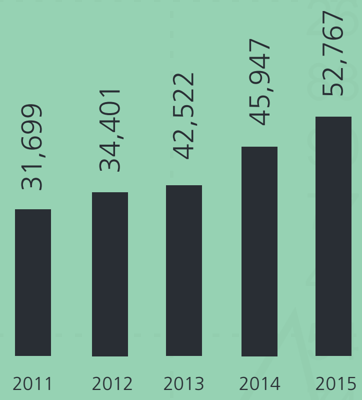
TOTAL ASSETS
(QAR Million)



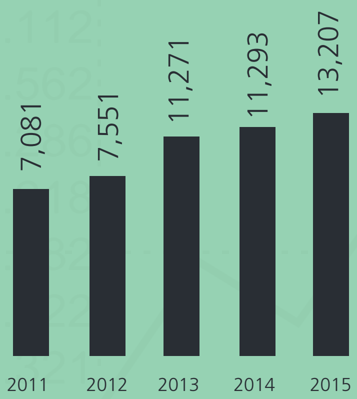
NET LOANS & ADVANCES
(QAR Million)



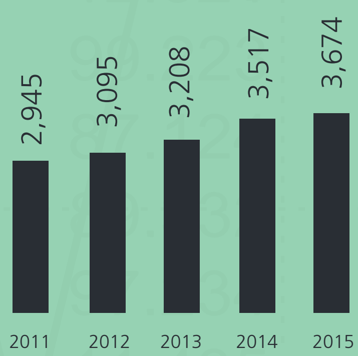
CUSTOMER DEPOSITS
(QAR Million)



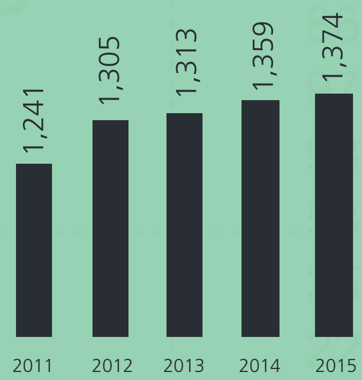
TOTAL EQUITY
(QAR Million)



TOTAL REVENUE
(QAR Million)



NET PROFIT
(QAR Million)



INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF DOHA BANK Q.S.C.

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF DOHA BANK Q.S.C.

Report on the consolidated financial statements

We have audited the accompanying consolidated financial statements of Doha Bank Q.S.C. (the 'Bank') and its subsidiaries (the 'Group'), which comprise the consolidated statement of financial position as at 31 December 2015, and the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Board of Directors' responsibility for the consolidated financial statements

The Board of Directors is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards and the applicable provisions of Qatar Central Bank regulations, and for such internal control as board of directors determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by board of directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Group as of 31 December 2015, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards and the applicable provisions of Qatar Central Bank regulations.

Report on other legal and regulatory matters

We have obtained all the information and explanations which we considered necessary for the purpose of our audit. We further confirm that the financial information included in the Annual Report of the Board of Directors is in agreement with the books and records of the Group and that we are not aware of any contravention by the Bank of its Articles of Association, the applicable provisions of Qatar Central Bank Law No.13 of 2012 and of the Qatar Commercial Companies Law No. 11 of 2015 during the financial year that would materially affect its activities or its financial position.

Firas Qoussous
Ernst & Young
Qatar Auditors' Registry No. 236

Date: 24 January 2016
Doha

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2015

	Notes	2015 QAR'000	2014 QAR'000
ASSETS			
Cash and balances with central banks	8	**3,562,821**	3,303,651
Due from banks	9	**10,385,414**	12,246,782
Loans and advances to customers	10	**55,615,185**	48,558,521
Investment securities	11	**12,198,232**	9,855,718
Investment in an associate	12	**8,908**	9,244
Property, furniture and equipment	13	**785,787**	761,011
Other assets	14	**752,766**	782,635
TOTAL ASSETS		**83,309,113**	75,517,562
LIABILITIES			
Due to banks	15	**8,776,130**	12,794,735
Customer deposits	16	**52,766,613**	45,946,575
Debt securities	17	**2,587,728**	2,582,478
Other borrowings	18	**3,452,534**	727,681
Other liabilities	19	**2,518,809**	2,173,340
TOTAL LIABILITIES		**70,101,814**	64,224,809
EQUITY			
Share capital	20 (a)	**2,583,723**	2,583,723
Legal reserve	20 (b)	**4,316,950**	4,313,177
Risk reserve	20 (c)	**1,292,000**	1,140,000
Fair value reserves	20 (d)	**(269,676)**	(57,574)
Foreign currency translation reserve	20 (e)	**(19,825)**	(10,595)
Proposed dividend	20 (f)	**775,117**	1,033,489
Retained earnings		**529,010**	290,533
TOTAL EQUITY ATTRIBUTABLE TO SHAREHOLDERS OF THE BANK		**9,207,299**	9,292,753
Instrument eligible as additional capital	20 (g)	**4,000,000**	2,000,000
TOTAL EQUITY		**13,207,299**	11,292,753
TOTAL LIABILITIES AND EQUITY		**83,309,113**	75,517,562

These consolidated financial statements were approved by the Board of Directors on 24 January 2016 and were signed on its behalf by:

Fahad Bin Mohammad Bin Jabor Al Thani
Chairman

Abdul Rahman Bin Mohammad Bin Jabor Al Thani
Managing Director

Dr. Raghavan Seetharaman
Group Chief Executive Officer

The attached notes 1 to 38 form an integral part of these consolidated financial statements

CONSOLIDATED INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2015

	Notes	**2015 QAR'000**	2014 QAR'000
Interest income	21	**2,842,175**	2,507,235
Interest expense	22	**(794,570)**	(565,953)
Net interest income		**2,047,605**	1,941,282
Fee and commission income	23	**503,096**	522,264
Fee and commission expense	24	**(6,551)**	(6,222)
Net fee and commission income		**496,545**	516,042
Gross written premium		**88,294**	107,081
Premium ceded		**(35,108)**	(49,169)
Net claims paid		**(26,263)**	(36,361)
Net income from insurance activities		**26,923**	21,551
Foreign exchange gain	25	**97,541**	97,145
Income from investment securities	26	**69,541**	221,573
Other operating income	27	**73,428**	62,033
		240,510	380,751
Net operating income		**2,811,583**	2,859,626
Staff costs	28	**(520,524)**	(523,489)
Depreciation	13	**(81,800)**	(83,575)
Impairment loss on investment securities	11	**(109,652)**	(30,174)
Net impairment loss on loans and advances to customers	10	**(293,169)**	(439,149)
Other expenses	29	**(428,327)**	(413,043)
		(1,433,472)	(1,489,430)
Share of results of the associate	12	**168**	42
Profit for the year before tax		**1,378,279**	1,370,238
Tax expense	30	**(4,569)**	(11,580)
Profit for the year		**1,373,710**	1,358,658
Earnings per share			
Basic earnings per share (QAR per share)	31	**4.66**	4.79
Diluted earnings per share (QAR per share)	31	**4.66**	4.79

The attached notes 1 to 38 form an integral part of these consolidated financial statements

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2015

	Notes	**2015 QAR'000**	2014 QAR'000
Profit for the year		**1,373,710**	1,358,658
Other comprehensive income:			
Other comprehensive income to be reclassified to profit or loss in subsequent periods:			
Foreign currency translation differences for foreign operations		**(9,230)**	(5,948)
Net change in fair value of available-for-sale investment securities	20	**(212,102)**	(14,219)
Net other comprehensive loss to be reclassified to profit or loss in subsequent periods		**(221,332)**	(20,167)
Items not to be reclassified to profit or loss in subsequent periods		**-**	-
Other comprehensive loss		**(221,332)**	(20,167)
Total comprehensive income for the year		**1,152,378**	1,338,491

The attached notes 1 to 38 form an integral part of these consolidated financial statements

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2015

	Equity attributable to shareholders of the Bank									
	Share capital QAR' 000	**Legal reserve QAR'000**	**Risk reserve QAR'000**	**Fair value reserves QAR'000**	**Foreign currency translation reserve QAR'000**	**Proposed dividend QAR'000**	**Retained earnings QAR'000**	**Total QAR'000**	**Instrument eligible as additional capital QAR'000**	**Total equity QAR'000**
Balance as at 1 January 2015	2,583,723	4,313,177	1,140,000	(57,574)	(10,595)	1,033,489	290,533	9,292,753	2,000,000	**11,292,753**
Total comprehensive income for the year:										
Profit for the year	-	-	-	-	-	-	1,373,710	1,373,710	-	**1,373,710**
Other comprehensive income	-	-	-	(212,102)	(9,230)	-	-	(221,332)	-	**(221,332)**
Total comprehensive income for the year	-	-	-	(212,102)	(9,230)	-	1,373,710	1,152,378	-	**1,152,378**
Transfer to legal reserve	-	3,773	-	-	-	-	(3,773)	-	-	**-**
Transfer to risk reserve	-	-	152,000	-	-	-	(152,000)	-	-	**-**
Distribution for Tier 1 Capital notes	-	-	-	-	-	-	(170,000)	(170,000)	-	**(170,000)**
Issuance of additional tier 1 capital instruments (Note 20 g)	-	-	-	-	-	-	-	-	2,000,000	**2,000,000**
Contribution to social and sports fund							(34,343)	(34,343)		**(34,343)**
Dividends paid (Note 20 f)	-	-	-	-	-	(1,033,489)	-	(1,033,489)	-	**(1,033,489)**
Proposed dividends (Note 20 f)	-	-	-	-	-	775,117	(775,117)	-	-	**-**
Balance as at 31 December 2015	**2,583,723**	**4,316,950**	**1,292,000**	**(269,676)**	**(19,825)**	**775,117**	**529,010**	**9,207,299**	**4,000,000**	**13,207,299**

	Equity attributable to shareholders of the Bank									
	Share capital QAR' 000	Legal reserve QAR'000	Risk reserve QAR'000	Fair value reserves QAR'000	Foreign currency translation reserve QAR'000	Proposed dividend QAR'000	Retained earnings QAR'000	Total QAR'000	Instrument eligible as additional capital QAR'000	Total equity QAR'000
Balance as at 1 January 2014	2,583,723	4,311,133	960,650	(43,355)	(4,647)	1,162,675	300,724	9,270,903	2,000,000	11,270,903
Total comprehensive income for the year:										
Profit for the year	-	-	-	-	-	-	1,358,658	1,358,658	-	1,358,658
Other comprehensive income	-	-	-	(14,219)	(5,948)	-	-	(20,167)		(20,167)
Total comprehensive income for the year	-	-	-	(14,219)	(5,948)	-	1,358,658	1,338,491	-	1,338,491
Transfer to legal reserve	-	2,044	-	-	-	-	(2,044)	-	-	-
Transfer to risk reserve	-	-	179,350	-	-	-	(179,350)	-	-	-
Interest on Tier 1 Capital notes							(120,000)	(120,000)		(120,000)
Contribution to social and sports fund	-	-	-	-	-	-	(33,966)	(33,966)	-	(33,966)
Dividends paid	-	-	-	-	-	(1,162,675)	-	(1,162,675)	-	(1,162,675)
Proposed dividends (Note 20 f)	-	-	-	-	-	1,033,489	(1,033,489)	-	-	-
Balance as at 31 December 2014	2,583,723	4,313,177	1,140,000	(57,574)	(10,595)	1,033,489	290,533	9,292,753	2,000,000	11,292,753

The attached notes 1 to 38 form an integral part of these consolidated financial statements

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2015

	Notes	2015 QAR'000	2014 QAR'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit for the year before tax		**1,378,279**	1,370,238
Adjustments for:			
Net impairment loss on loans and advances to customers	10	**293,169**	439,149
Impairment loss on investment securities	11	**109,652**	30,174
Depreciation	13	**81,800**	83,575
Amortisation of financing cost		**7,180**	6,647
Net gain on investment securities	26	**(30,673)**	(185,349)
Profit on sale of property, plant and equipment		**597**	-
Share of results of the associate	12	**(168)**	(42)
Profit before changes in operating assets and liabilities		**1,839,836**	1,744,392
Change in due from banks		**(554,000)**	(1,939,338)
Change in loans and advances to customers		**(7,198,263)**	(8,709,320)
Change in other assets		**25,303**	(10,538)
Change in due to banks		**(4,018,605)**	5,074,954
Change in customer deposits		**6,820,038**	3,424,086
Change in other liabilities		**131,770**	561,452
Social & sports fund contribution		**(33,966)**	(32,816)
Income tax paid		**(22,823)**	(11,614)
Net cash used in operating activities		**(3,010,710)**	101,258
Cash flows from investing activities			
Acquisition of investment securities		**(10,587,113)**	(8,380,613)
Proceeds from sale of investment securities		**7,954,022**	10,772,456
Acquisition of property, furniture and equipment	13	**(77,326)**	(85,160)
Proceeds from the sale of property, furniture and equipment		**745**	45
Acquisition of foreign branches, net of cash		**17,416**	-
Net cash (used in) from investing activities		**(2,692,256)**	2,306,728
Cash flows from financing activities			
Proceeds from issuance of instrument eligible as additional capital	20	**2,000,000**	-
Proceeds from other borrowings	18	**2,717,673**	272,493
Distribution on Tier 1 capital notes		**(120,000)**	(120,000)
Dividends paid		**(1,033,489)**	(1,162,675)
Net cash from financing activities		**3,564,184**	(1,010,182)
Net increase in cash and cash equivalents		**(2,138,782)**	1,397,804
Cash and cash equivalents as at 1 January		**9,696,183**	8,298,379
Cash and cash equivalents at 31 December	33	**7,557,401**	9,696,183
Interest received		**2,433,661**	2,586,596
Interest paid		**709,946**	554,607
Dividends received		**38,868**	36,224

The attached notes 1 to 38 form an integral part of these consolidated financial statements

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AT 31 DECEMBER 2015

1. REPORTING ENTITY

Doha Bank Qatari Public Shareholding Company ("Doha Bank" or the "Bank") is an entity domiciled in the State of Qatar and was incorporated on 15 March 1979 as a Joint Stock Company under Emiri Decree No. 51 of 1978. The commercial registration of the Bank is 7115. The address of the Bank's registered office is Doha Bank Tower, Corniche Street, West Bay, P.O. Box 3818, Doha, Qatar.

Doha Bank is engaged in conventional banking activities and operates through its head office in Qatar (Doha) and 30 local branches, six overseas branches in the United Arab Emirates (Dubai & Abu Dhabi), State of Kuwait, the Republic of India (two branches in Mumbai and one branch in Kochi) and representative offices in United Kingdom, Singapore, Turkey, China, Japan, South Korea, Germany, Australia, Hong Kong, United Arab Emirates (Sharjah), Canada and South Africa. In addition, the Bank owns 100% of the issued share capital of Doha Bank Assurance Company L.L.C., an insurance company registered under Qatar Financial Centre and Doha Finance Limited, a special purpose vehicle set up for the issuance of debt. The consolidated financial statements for the year ended 31 December 2015 comprise the Bank and its subsidiaries (together referred to as "the Group").

The principal subsidiaries of the Group are as follows:

Company's name	Country of incorporation	Company's capital (QAR'000)	Company's activities	Percentage of ownership 2015	Percentage of ownership 2014
Doha Bank Assurance Company L.L.C	Qatar	100,000	General Insurance	100%	100%
Doha Finance Limited	Cayman Island	182	Debt Issuance	100%	100%

The consolidated financial statements for the year ended 31 December 2015 were authorized for issue in accordance with a resolution of the Board of Directors on 24 January 2016.

2. BASIS OF PREPARATION

Statement of compliance
The consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and the applicable provisions of Qatar Central Bank ("QCB") regulations.

Basis of preparation
The consolidated financial statements have been prepared on the historical cost basis except for the derivative financial instruments, financial assets held for trading and available-for-sale financial assets that have been measured at fair value. In addition, the carrying values of recognised assets that are hedged items in fair value hedges, and otherwise carried at amortised cost, are adjusted to record changes in fair value attributable to the risk that are being hedged.

Functional and presentation currency
These consolidated financial statements are presented in Qatari Riyals ("QAR"), which is the Group's functional and presentation currency. Except as otherwise indicated, financial information presented in QAR has been rounded to the nearest thousand.

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

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

Information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the consolidated financial statements are described in note 5.

3. SIGNIFICANT ACCOUNTING POLICIES

New and amended standards and interpretations adopted by the Group
The accounting policies adopted in the preparation of the consolidated financial statements are consistent with those of the previous financial year, except for the following new and amended IFRS recently issued by the IASB and International Financial Reporting Interpretations Committee ("IFRIC") interpretations effective as of 1 January 2015 :

Amendments to IAS 19 Defined Benefits Plans: Employee Contributions
IAS 19 requires an entity to consider contributions from employees or third parties when accounting for defined benefit plans. Where the contributions are linked to service, they should be attributed to periods of service as a negative benefit. These amendments clarify that, if the amount of the contributions is independent of the number of years of service, an entity is permitted to recognise such contributions as a reduction in the service cost in the period in which the service is rendered, instead of allocating the contributions to the periods of service. This amendment is effective for annual periods beginning on or after 1 July 2014. This amendment is not relevant to the Group, since none of the entities within the Group has defined benefit plans with contributions from employees or third parties.

Annual Improvement Cycle: 2010-2012
With the exception of the improvement relating to IFRS 2 Share-based Payment applied to share-based payment transactions with a grant date on or after 1 July 2014, all other improvements are effective for accounting periods beginning on or after 1 July 2014. These improvements include:

- IFRS 2 Share-based Payment

This improvement is applied prospectively and clarifies various issues relating to the definitions of performance and service conditions which are vesting conditions. This improvement is not relevant to the Group, since none of the entities within the Group offer share based payment schemes.

- IFRS 3 Business Combinations

The amendment is applied prospectively and clarifies that all contingent consideration arrangements classified as liabilities (or assets) arising from a business combination should be subsequently measured at fair value through profit or loss whether or not they fall within the scope of IAS 39. This is consistent with the Group's current accounting policy and, thus, this amendment did not impact the Group's accounting policy.

- IFRS 8 Operating Segments

The amendments are applied retrospectively and clarify that:
a) An entity must disclose the judgements made by management in applying the aggregation criteria in paragraph 12 of IFRS 8, including a brief description of operating segments that have been aggregated and the economic characteristics (e.g., sales and gross margins) used to assess whether the segments are 'similar'.

b) The reconciliation of segment assets to total assets is only required to be disclosed if the reconciliation is reported to the chief operating decision maker, similar to the required disclosure for segment liabilities.

This amendment is not applicable to the Group as the Group has not aggregated any of its segments. As disclosed in note 6, the Group only has 2 segments i.e. banking and insurance segments which are presented separately in these consolidated financial statements.

- IAS 16 Property, Plant and Equipment and IAS 38 Intangible Assets

The amendment is applied retrospectively and clarifies in IAS 16 and IAS 38 that the asset may be revalued by reference to observable data by either adjusting the gross carrying amount of the asset to market value or by determining the market value of the carrying value and adjusting the gross carrying amount proportionately so that the resulting carrying amount equals the market value. In addition, the accumulated depreciation or amortisation is the difference between the gross and carrying

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2015

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)
Annual Improvement Cycle: 2010-2012 (Continued)

amounts of the asset. This amendment did not have any impact to the Group as the Group does not revalue its Property, Plant and Equipment and does not have any intangible assets.

- IAS 24 Related Party Disclosures

The amendment is applied retrospectively and clarifies that a management entity (an entity that provides key management personnel services) is a related party subject to the related party disclosures. In addition, an entity that uses a management entity is required to disclose the expenses incurred for management services. This amendment is not relevant for the Group as it does not receive any management services from other entities.

Annual Improvements 2011-2013 Cycle
These improvements are effective from 1 July 2014 and the Group has applied these amendments for the first time in these interim condensed consolidated financial statements. They include:

- IFRS 3 Business Combinations

The amendment is applied prospectively and clarifies for the scope exceptions within IFRS 3 that:
• Joint arrangements, not just joint ventures, are outside the scope of IFRS 3
• This scope exception applies only to the accounting in the financial statements of the joint arrangement itself
The Group and neither of its entities is a joint arrangement, and thus this amendment is not relevant for the Group and its subsidiaries.

- IFRS 13 Fair Value Measurement

The amendment is applied prospectively and clarifies that the portfolio exception in IFRS 13 can be applied not only to financial assets and financial liabilities, but also to other contracts within the scope of IAS 39. This is not applicable as the Group does not apply the portfolio exception in IFRS 13.

- IAS 40 Investment Property

The description of ancillary services in IAS 40 differentiates between investment property and owner-occupied property (i.e., property, plant and equipment). The amendment is applied prospectively and clarifies that IFRS 3, and not the description of ancillary services in IAS 40, is used to determine if the transaction is the purchase of an asset or a business combination. The Group does not own any investment properties and hence this amendment is not applicable.

Standards issued but not yet effective
The standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Group's financial statements are disclosed below. The Group intends to adopt these standards, if applicable, when they become effective.

Topic

IFRS 9 Financial Instruments	1 January 2018
IFRS 14 Regulatory Deferral Accounts	1 January 2016
IFRS 15 Revenue from Contracts with Customers	1 January 2018
IFRS 16 Leases	1 January 2019
Amendments to IFRS 11 Joint Arrangement: Accounting for acquisition of interest	1 January 2016
Amendments to IAS 16 and IAS 38: Clarification of acceptable methods of depreciation and amortisation	1 January 2016
Amendments to IAS 27: Equity method in separate financial statements	1 January 2016

The Group is assessing the impact of implementation of these standards.

Basis of consolidation
The consolidated financial statements comprise the financial statements of the Bank and its subsidiaries ("the Group") as at 31 December 2015. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns

When the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of income and consolidated statement of other comprehensive income from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of Other Comprehensive Income ("OCI") are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. These consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

Business combinations and goodwill
Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, which is measured at acquisition date fair value, and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred and included in administrative expenses.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of IAS 39 Financial Instruments: Recognition and Measurement, is measured at fair value with the changes in fair value recognised in the statement of profit or loss.

Goodwill is initially measured at cost (being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests) and any previous interest held over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AT 31 DECEMBER 2015

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)
Business combinations and goodwill (Continued)

acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill has been allocated to a cash-generating unit (CGU) and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

Associates
Associates are entities over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but not control or joint control over those policies.

Investments in associates are accounted for by the equity method of accounting and are initially recognised at cost including transaction costs directly related to acquisition of investment in associate.

The Group's share of its associate's post-acquisition profits or losses is recognised in the consolidated income statement; its share of post-acquisition movements in equity is recognised in reserves. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

Intergroup gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. Intergroup losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

The Group's share of the results of associates is based on financial statements and adjusted to conform to the accounting policies of the Group. Intergroup gains on transactions are eliminated to the extent of the Group's interest in the investee. Intergroup losses are also eliminated unless the transaction provides evidence of impairment in the asset transferred.

The consolidated financial statements of the Group include the associate stated below:

Company Name	Country of incorporation and operation	Ownership Interest (%)		Principal activity
		2015	2014	
Doha Brokerage and Financial Services Limited	India	**44.02%**	44.02%	Brokerage and assets management

Foreign currency

Foreign currency transactions and balances
Foreign currency transactions that are transactions denominated, or that require settlement in a foreign currency are translated into the respective functional currencies of the operations at the spot exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated into the functional currency at the spot exchange rate at that date. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated into the functional currency at the spot exchange rate at the date that the fair value was determined. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

Foreign currency differences resulting from the settlement of foreign currency transactions and arising on translation at period end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Foreign operations
The results and financial position of all the Group's entities that have a functional currency different from the presentation currency are translated into the presentation currency as follows:
- assets and liabilities for each statement of financial position presented are translated at the closing rate at the reporting date;
- income and expenses for each income statement are translated at average exchange rates; and
- all resulting exchange differences are recognised in other comprehensive income.

Exchange differences arising from the above process are reported in shareholders' equity as 'foreign currency translation reserve'.

On consolidation, exchange differences arising from the translation of the net investment in foreign entities, and of borrowings and other currency instruments designated as hedges of such investments, are taken to 'Other comprehensive income'. When a foreign operation is disposed of, or partially disposed of, such exchange differences are recognised in the consolidated income statement as part of the gain or loss on sale.

Financial assets and financial liabilities

Recognition and initial measurement
All financial assets and liabilities are initially recognised on the trade date, i.e., the date that the Group becomes a party to the contractual provisions of the instrument. This includes "regular way trades": purchases or sales of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the market place.

A financial asset or financial liability is measured initially at fair value plus, for an item not at fair value through profit or loss, transaction costs that are directly attributable to its acquisition or issue.

Classification
The classification of financial instruments at initial recognition depends on their purpose and characteristics and the management's intention in acquiring them.

Financial assets
At inception a financial asset is classified in one of the following categories:
- loans and receivables;
- held to maturity
- available-for-sale ; or
- Fair value through profit of loss

Financial liabilities
The Group has classified and measured its financial liabilities at amortised cost.

Derecognition
The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or when it transfers the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all the risks and rewards of ownership and it does not retain control of the financial asset. Any interest in transferred financial assets that qualify for derecognition that is created or retained by the Group is recognised as a separate asset or liability in the statement of financial position. On derecognition of a financial asset, the difference between the carrying amount of the asset and consideration received including any new asset obtained less any new liability assumed is recognised in profit or loss.

The Group enters into transactions whereby it transfers assets recognised on its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets or a portion of them. If all or substantially all risks and rewards are retained, then the transferred assets are not

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AT 31 DECEMBER 2015

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)
Derecognition (Continued)

derecognised. Transfers of assets with retention of all or substantially all risks and rewards include, for example, securities lending and repurchase transactions.

In transactions in which the Group neither retains nor transfers substantially all the risks and rewards of ownership of a financial asset and it retains control over the asset, the Group continues to recognise the asset to the extent of its continuing involvement, determined by the extent to which it is exposed to changes in the value of the transferred asset. The transferred asset is derecognised if it meets the derecognition criteria. An asset or liability is recognised for the servicing contract, depending on whether the servicing fee is more than adequate (asset) or is less than adequate (liability) for performing the servicing.

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled or expire.

Offsetting
Financial assets and liabilities are offset and the net amount presented in the consolidated statement of financial position when, and only when, the Group has a currently enforceable legal right to set off the recognised amounts and it intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Measurement principles

Amortised cost measurement
The amortised cost of a financial asset or liability is the amount at which the financial asset or liability is measured at initial recognition, minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between the initial amount recognised and the maturity amount, minus any reduction for impairment loss. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees that are integral part of the effective interest rate.

Fair value measurement
Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The fair value for financial instruments traded in active markets at the reporting date is based on their quoted market price or dealer price quotations (bid price for long positions and ask price for short positions), without any deduction for transaction costs.

For the financial instruments that are not traded in an active market, the fair value is determined by using appropriate valuation techniques. Valuation techniques include the discounted cash flow method, comparison with similar instruments for which market observable prices exist, options pricing models, credit models and other relevant valuation models.

The fair value of investments in mutual funds and portfolios whose units are unlisted are measured at the net asset value provided by the fund manager.

The foreign currency forward contracts are measured based on observable spot exchange rates, the yield curves of the respective currencies as well as the currency basis spreads between the respective currencies. All contracts are fully cash collateralised, thereby eliminating both counterparty and the Group's own credit risk.

The fair value of unquoted derivatives is determined by discounted cash flows. For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained in note 5.

Identification and measurement of impairment
The Group assesses at each reporting date whether there is any objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is impaired when objective evidence demonstrates that a loss event has occurred after the initial recognition of the assets, and that the loss event has an impact on the future cash flows of the assets that can be estimated reliably.

Objective evidence that financial assets including equity securities are impaired can include significant financial difficulty of the borrower or issuer, default or delinquency by a borrower, restructuring of a loan or advance by the Group on terms that the Group would not otherwise consider, indications that a borrower or issuer will enter bankruptcy, the disappearance of an active market for a security, or other observable data relating to a group of assets such as adverse changes in the payment status of borrowers or issuers in the group, or economic conditions that correlate with defaults in the group.

The Group considers evidence of impairment loss for loans and advances to customers and held-to-maturity investment securities at both a specific asset and collective level. All individually significant loans and advances to customers and held-to-maturity investment securities are assessed for specific impairment. All individually significant loans and advances to customers and held-to-maturity investment securities found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified. Loans and advances to customers and held-to-maturity investment securities that are not individually significant are collectively assessed for impairment by grouping together loans and advances to customers and held-to-maturity investment securities with similar risk characteristics.

Impairment losses on assets carried at amortised cost are measured as the difference between the carrying amount of the financial asset and the present value of estimated future cash flows discounted at the asset's original effective interest rate. Impairment losses are recognised in profit or loss and reflected in an allowance account against loans and advances to customers.

In assessing collective impairment, the Group uses historical experience and credit rating in addition to the assessed inherent losses which are reflected by the economic and credit conditions for each identified portfolio.

For listed equity investments, generally a decline in the market value by 20% from cost or more, or for a continuous period of 9 months or more, are considered to be indicators of impairment.

Impairment losses on available-for-sale investment securities are recognised by transferring the cumulative loss that has been recognised in other comprehensive income to profit or loss as a reclassification adjustment. The cumulative loss that is reclassified from other comprehensive income to profit or loss is the difference between the acquisition cost, net of any principal repayment and amortisation, and the current fair value, less any impairment loss previously recognised in profit or loss.

Impairment losses recognised in the consolidated income statement on equity instruments are not recycled through the consolidated income statement. In case of debt instruments, if in a subsequent period, the fair value of a debt instrument classified as available-for-sale increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in consolidated income statement, the impairment loss is reversed through the consolidated income statement.

Cash and cash equivalents
Cash and cash equivalents include notes and coins on hand, unrestricted balances held with central banks and highly liquid financial assets with maturities of three months or less from the acquisition date that are subject to an insignificant risk of changes in their fair value, and are used by the Group in the management of its short-term commitments.

Cash and cash equivalents are carried at amortised cost in the consolidated statement of financial position.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AT 31 DECEMBER 2015

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)
Cash and cash equivalents (Continued)

Due from banks and loans and advances to customers
Due from banks and loans and advances to customers are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and that the Group does not intend to sell immediately or in the near term.

Due from banks and loans and advances to customers are initially measured at the transaction price which is the fair value plus incremental direct transaction costs, and subsequently measured at their amortised cost using the effective interest method.

Write-off of loans and advances to customers
Loans and advances to customers (and the related impairment allowance accounts) are normally written off, either partially or in full, when there is no realistic prospect of recovery. Where loans are secured, this is generally after receipt of any proceeds from the realisation of security. In circumstances where the net realisable value of any collateral has been determined and there is no reasonable expectation of further recovery, write-off may be earlier. All write- offs of loans are recorded after obtaining approvals from QCB for such write-offs.

Investment securities
Subsequent to initial recognition investment securities are accounted for depending on their classification as either held-to-maturity, fair value through profit or loss or available-for-sale.

Held-to-maturity financial assets
Held-to-maturity investments are non-derivative assets with fixed or determinable payments and fixed maturity that the Group has the positive intent and ability to hold to maturity, and which were not designated as at fair value through profit or loss or as available-for-sale. Held-to-maturity investments are carried at amortised cost using the effective interest method.

Fair value through profit or loss
The Group has classified its investments as held for trading where such investments are managed for short-term profit taking or designated certain investments as fair value through profit or loss. Fair value changes on these investments are recognised immediately in profit or loss.

Available-for-sale financial assets
Available-for-sale investments are non-derivative investments that are designated as available-for-sale or are not classified as another category of financial assets. Where the fair value is not reliably available, unquoted equity securities are carried at cost less impairment, and all other available-for-sale investments are carried at fair value.

Interest income is recognised in profit or loss using the effective interest method. Dividend income is recognised in profit or loss when the Group becomes entitled to the dividend. Foreign exchange gains or losses on available-for-sale debt security investments are recognised in the consolidated income statement.

Other fair value changes are recognised in other comprehensive income until the investment is sold or impaired, where upon the cumulative gains and losses previously recognised in consolidated statement of comprehensive income are reclassified to consolidated income statement.

Derivatives

Derivatives held for risk management purposes and hedge accounting
Derivatives held for risk management purposes include all derivative assets and liabilities that are not classified as trading assets or liabilities. Derivatives held for risk management purposes are measured at fair value on the consolidated statement of financial position. The Group designates certain derivatives held for risk management as well as certain non-derivative financial instruments as hedging instruments in qualifying hedging relationships. On initial designation of the hedge, the Group formally documents the relationship between the hedging derivative instruments and hedged items, including the risk management objective and strategy in undertaking the hedge, together with the method that will be used to assess the effectiveness of the hedging relationship. The Group makes an assessment, both at the inception of the hedge relationship as well as on an ongoing basis, as to whether the hedging instruments are expected to be highly effective in offsetting the changes in the fair value or cash flows of the respective hedged items during the period for which the hedge is designated, and whether the actual results of each hedge are within a range of 80-125 percent. The Group makes an assessment for a cash flow hedge of a forecast transaction, as to whether the forecast transaction is highly probable to occur and presents an exposure to variations in cash flows that could ultimately affect profit or loss. These hedging relationships are discussed below.

Fair value hedges
When a derivative is designated as the hedging instrument in a hedge of the change in fair value of a recognised asset or liability or a firm commitment that could affect profit or loss, changes in the fair value of the derivative are recognised immediately in consolidated income statement together with changes in the fair value of the hedged item that are attributable to the hedged risk. If the hedging derivative expires or is sold, terminated, or exercised, or the hedge no longer meets the criteria for fair value hedge accounting, or the hedge designation is revoked, then hedge accounting is discontinued prospectively. Any adjustment up to that point to a hedged item, for which the effective interest method is used, is amortised to consolidated income statement as part of the recalculated effective interest rate of the item over its remaining life.

Other non-trading derivatives
When a derivative is not held for trading, and is not designated in a qualifying hedge relationship, all changes in its fair value are recognised immediately in consolidated income statement.

Derivatives held for trading purposes
The Group's derivative trading instruments includes forward foreign exchange contracts. The Group sells these derivatives to customers in order to enable them to transfer, modify or reduce current and future risks. These derivative instruments are fair valued as at the end of reporting date and the corresponding fair value changes is taken to the consolidated income statement.

Property and equipment

Recognition and measurement
Items of property and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditures that are directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the assets to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located and capitalised borrowing costs.

Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment. When parts of an item of property or equipment have different useful lives, they are accounted for as separate items of property and equipment.

The gain or loss on disposal of an item of property and equipment is determined by comparing the proceeds from disposal with the carrying amount of the item of property and equipment, and is recognised in other income/other expenses in profit or loss.

Subsequent costs
The cost of replacing a component of an item of property or equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of property and equipment are recognised in profit or loss as incurred.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AT 31 DECEMBER 2015

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)
Subsequent costs (Continued)

Depreciation
Depreciable amount is the cost of property and equipment, or other amount substituted for cost, less its residual value.

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each part of an item of property and equipment since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset and is based on cost of the asset less its estimated residual value. Leased assets under finance leases are depreciated over the shorter of the lease term and their useful lives. Land and capital work-in-progress are not depreciated.

The estimated useful lives for the current and comparative years are as follows:

Buildings	20 years
Leasehold improvements, furniture and equipment	3-7 years
Vehicles	5 years

Depreciation methods, useful lives and residual values are reassessed at each reporting date and adjusted prospectively, if appropriate.

Impairment of non-financial assets
The carrying amounts of the Group's non-financial assets, other than deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Provisions
A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

Onerous contracts
A provision for onerous contracts is recognised when the expected benefits to be derived by the Group from a contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Group recognises any impairment loss on the assets associated with that contract.

Financial guarantees
Financial guarantee contracts are contracts that require the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument. Such financial guarantees are given to banks, financial institutions and other bodies on behalf of customers to secure loans, overdrafts and other banking facilities.

Financial guarantees are initially recognised in the financial statements at fair value on the date that the guarantee was given, being the premium received. Subsequent to initial recognition, the Group's liabilities under such guarantees are measured at the higher of the initial measurement, less amortisation calculated to recognise in the statement of income any fee income earned over the period, and the best estimate of the expenditure required settling any financial obligation arising as a result of the guarantees at the reporting date.

Employee benefits
The Group provides for end of service benefits in accordance with the employment policies of the Group. The provision is calculated on the basis of the individual's final salary and period of service at the reporting date. This provision is included in other provisions within other liabilities.

With respect to Qatari employees, the Group makes a contribution to the Qatari Pension Fund calculated on a percentage of the employees' salaries, in accordance with the Retirement and Pension Law No. 24 of 2002. The Group's obligations are limited to these contributions.

With respect to expatriate employees, the Group makes a contribution to the Provident Fund calculated on a percentage of the employees' salaries, in accordance with the Group policy and procedures. The Group's obligations are limited to these contributions.

Short-term employee benefits
Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Share capital and reserves

Share issue costs
Incremental costs directly attributable to the issue of an equity instrument are deducted from the initial measurement of the equity instruments.

Dividends on ordinary shares
Dividends on ordinary shares are recognised in equity in the period in which they are approved by the Group's shareholders. Dividends for the year that are declared after the date of the consolidated statement of financial position are dealt with in the subsequent events note.

Revenue recognition
Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

Interest income and expense
For all financial instruments measured at amortised cost and interest bearing financial assets classified as available -for-sale and fair value through profit or loss, interest income or expense is recorded using the effective interest rate, which is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or a short period, where appropriate, to the net carrying amount of the financial assets or financial liabilities. Interest that is 90 days or more overdue is excluded from income. Interest on impaired loans and advances and other financial assets is not recognised in consolidated statement of income.

Premium on insurance
Premium on insurance contracts are recognized as revenue (earned premiums) proportionately over the period of coverage. The portion of premium received on in-force contracts that relates to unexpired risks at the reporting date is reported as unearned premium liability on a 1/365 days basis.

Fees and commission income and expense
Fees and commission income and expense that are integral to the effective interest rate of a financial asset or liability are included in the measurement of the effective interest rate.

Other fees and commission income, including account servicing fees, sales commission and syndication fees, are recognised as the related services are performed. When a loan commitment is not expected to result in the draw-down of a loan, the related loan commitment fees are recognised on a straight-line basis over the commitment period. Other fees and commission expense relate mainly to transaction and service fees, which are expensed as the services are received.

Income from investment securities
Gains or losses on the sale of investment securities are recognised in profit or loss as the difference between fair

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)
Revenue recognition (Continued)

value of the consideration received and carrying amount of the investment securities.

Income from held to maturity investment securities is recognised based on the effective interest rate method.

Dividend income
Dividend income is recognised when the right toreceive income is established.

Tax expense
Tax expense comprises current and deferred tax. Current tax and deferred tax are recognised in profit or loss except to the extent that it relates to items recognised directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.
Taxes are calculated based on applicable tax laws or regulations in the countries in which the Group operates. The provision for deferred taxation is made based on the evaluation of the expected tax liability. Currently there is no corporate tax applicable to the bank in the State of Qatar. However, corporate tax is applicable on foreign branches operating outside the State of Qatar and to one subsidiary in the Qatar Financial Center.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- temporary differences related to investments in subsidiaries to the extent that it is probable that they will not reverse in the foreseeable future; and
- temporary differences arising on the initial recognition of goodwill

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities against current tax assets, and they relate to taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Earnings per share
The Group presents basic and diluted earnings per share (“EPS”) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Group by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

Segment reporting
An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group’s other components, whose operating results are reviewed regularly by the chief operating decision maker to make decisions about resources allocated to each segment and assess its performance, and for which discrete financial information is available.

Fiduciary activities
Assets held in a fiduciary capacity are not treated as assets of the Group and accordingly are not part of the consolidated statement of financial position.

Repossessed collateral
Repossessed collaterals against settlement of customers’ debts are stated within the consolidated statement of financial position under “Other assets” at their acquisition value net of allowance for impairment, if any.

According to QCB instructions, the Group should dispose of any land and properties acquired against settlement of debts within a period not exceeding three years from the date of acquisition although this period can be extended after obtaining approval from QCB.

Comparatives
Except when a standard or an interpretation permits or requires otherwise, all amounts are reported or disclosed with comparative information.

Parent bank financial information
Statement of financial position and income statement of the Parent bank as disclosed in Note 37 are prepared following the same accounting policies as mentioned above except for investment in subsidiaries, associates which are not consolidated and carried at cost.

4. FINANCIAL RISK MANAGEMENT

Introduction and overview
Risk is inherent in the Group’s activities but it is managed through a process of ongoing identification, measurement and monitoring subject to risk limits and other controls. The key risks Group is exposed are to credit risk, liquidity risk, operational risk and market risk, which includes trading and non-trading risks. The independent risk control process does not include business risks such as changes in the environment, technology and industry. They are monitored through the Group’s strategic planning process.

The Board of Directors is ultimately responsible for identifying and controlling risks; however, there are separate independent bodies such as the risk management department, internal audit committee, the credit committee, assets and liabilities committee responsible for managing and monitoring those risks.

Monitoring and controlling risks are primarily performed based on limits established by the Group. These limits reflect the business strategy and market environment of the Group as well as the level of risk that the Group is willing to accept.

As part of its overall risk management, the Group also uses derivatives and other instruments to manage exposures resulting from changes in interest rates, foreign currencies, equity risks, credit risks, and exposures arising from forecast transactions. The risk profile is assessed before entering into hedge transactions, which are authorized by the appropriate level of authority within the Group.

The Group applies an internal methodology to estimate the market risk of positions held and the maximum losses expected, based upon a number of assumptions for various changes in market conditions. The Group has a set of limits of risks that may be accepted, which are monitored on a daily basis.

There has been no change to the Group’s exposure to market risks or the manner in which it manages and measures the risk.

The risks arising from financial instruments to which the Group

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AT 31 DECEMBER 2015

4. FINANCIAL RISK MANAGEMENT (CONTINUED)
Introduction and overview (Continued)

is exposed are financial risks, which include credit risk, liquidity risk, market risks and operational risk.

Credit risk
Credit risk is the risk that the Group will incur a loss because its customers or counterparties fail to discharge their contractual obligations in accordance with the agreed terms. Credit risk makes up the largest part of the Group's risk exposure; therefore, the Group carefully manages its exposure to credit risk. Credit risk is attributed to financial instruments such as balance with central banks, due from banks, loans and advances to customers, debt securities and other bills, certain other assets and credit equivalent amounts related to off-balance sheet financial instruments.

Note 10 to the consolidated financial statements disclose the distribution of the loans and advances to customers by economic sectors. Note 4 to the consolidated financial statements disclose the geographical distribution of the Group's credit exposure.

Credit risk measurement
All credit policies are reviewed and approved by the Risk Management Department and the Board of Directors. The Risk Management team centrally approves all significant credit facilities and limits for all corporate, treasury and capital markets, financial institutions and SME clients of the Group. Such approvals are carried out in pursuance to a set of delegated Credit authority limits and in accordance with the Group's approved credit policy.

Furthermore, all credit facilities are independently administered and monitored by the Credit Control Department.

The Group further limits risk through diversification of its assets by geography and industry sectors. Credit exposure is controlled by counterparty limits that are reviewed and approved by the risk management committee annually. The Group also follows the guidelines issued by Qatar Central Bank with regard to the granting of loans which limits exposure to counterparties.

The amount and type of collateral required depend on an assessment of the credit risk of the counterparty. Guidelines are implemented regarding the acceptability of types of collateral and valuation parameters.

Whenever possible, loans are secured by acceptable forms of collateral in order to mitigate credit risk. The amount and type of collateral required depend on an assessment of the credit risk of the counterparty. Guidelines are implemented regarding the acceptability of types of collateral and valuation parameters. The main types of collateral obtained are cash, mortgages, local and international equities, financial guarantees and other tangible securities. The collaterals are held mainly against commercial and consumer loans and are managed against relevant exposures at their net realizable values.

The Group has a credit administration process that ensures compliance with terms of approval, documentation and continuous review to ensure quality of credit and collaterals. While securities such as listed equities are valued regularly, credit policy mandates securities obtained by way of legal mortgage over real estate to be valued at least once in 3 years or more frequently if situation warrants.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AT 31 DECEMBER 2015

4. FINANCIAL RISK MANAGEMENT (CONTINUED)
Credit Risk Measurement (Continued)

Analysis of maximum exposure to credit risk before taking account of collateral held or other credit enhancements

The table below represents credit risk exposure to the Group, without taking account of any collateral held or other credit enhancements attached. For assets recorded on the statement of financial position, the exposures set out below are based on the net carrying amounts as reported in the consolidated statement of financial position

	2015 QAR'000	2014 QAR'000
Credit risk exposures relating to assets recorded on the statement of financial position are as follows:		
Balances with central banks	**3,086,661**	2,780,878
Due from banks	**10,385,414**	12,246,782
Loans and advances to customers	**55,615,185**	48,558,521
Investment securities - debt	**10,839,918**	8,950,522
Other assets	**592,098**	623,016
Total as at 31 December	**80,519,276**	73,159,719
Other credit risk exposures are as follows:		
Guarantees	**23,335,322**	20,231,382
Letters of Credit	**3,058,478**	3,058,424
Unutilised credit facilities	**7,253,819**	9,533,640
Total as at 31 December	**33,647,619**	32,823,446
	114,166,895	105,983,165

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AT 31 DECEMBER 2015

4. FINANCIAL RISK MANAGEMENT (CONTINUED)
Credit Risk (Continued)

Analysis of concentration of risks of financial assets with credit risk exposure

Geographical sectors
The following table breaks down the Group's credit exposure based on carrying amounts without taking into account any collateral held or other credit support, as categorized by geographical region. The Group has allocated exposures to regions based on the country of domicile of its counterparties.

	Qatar QAR'000	Other GCC QAR'000	Other Middle East QAR'000	Rest of the World QAR'000	2015 Total QAR'000
Balances with central banks	**2,151,468**	**930,017**	**-**	**5,176**	**3,086,661**
Due from banks	**4,618,031**	**751,402**	**2,123,727**	**2,892,254**	**10,385,414**
Loans and advances to customers	**40,684,291**	**9,172,837**	**865,264**	**4,892,793**	**55,615,185**
Investment securities - debt	**9,199,503**	**1,175,666**	**52,534**	**412,215**	**10,839,918**
Other assets	**547,992**	**31,849**	**-**	**12,257**	**592,098**
	57,201,285	**12,061,771**	**3,041,525**	**8,214,695**	**80,519,276**

	Qatar QAR'000	Other GCC QAR'000	Other Middle East QAR'000	Rest of the World QAR'000	2014 Total QAR'000
Balances with central banks	1,971,159	809,574	-	145	2,780,878
Due from banks	4,942,250	1,255,394	7,943	6,041,195	12,246,782
Loans and advances to customers	36,204,841	8,433,196	474,076	3,446,408	48,558,521
Investment securities - debt	7,706,441	873,614	-	370,467	8,950,522
Other assets	577,162	39,752	-	6,102	623,016
	51,401,853	11,411,530	482,019	9,864,317	73,159,719

	Qatar QAR'000	Other GCC QAR'000	Other Middle East QAR'000	Rest of the World QAR'000	2015 Total QAR'000
Guarantees	**13,107,032**	**4,575,860**	**464,719**	**5,187,711**	**23,335,322**
Letters of Credit	**1,578,788**	**516,986**	**138,987**	**823,717**	**3,058,478**
Unutilised credit facilities	**5,557,620**	**1,670,281**	**-**	**25,918**	**7,253,819**
	20,243,440	**6,763,127**	**603,706**	**6,037,346**	**33,647,619**

	Qatar QAR'000	Other GCC QAR'000	Other Middle East QAR'000	Rest of the World QAR'000	2014 Total QAR'000
Guarantees	11,620,967	4,522,258	93,653	3,994,504	20,231,382
Letters of Credit	1,771,159	310,225	221,622	755,418	3,058,424
Unutilised credit facilities	8,767,007	766,633	-	-	9,533,640
	22,159,133	5,599,116	315,275	4,749,922	32,823,446

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AT 31 DECEMBER 2015

4. FINANCIAL RISK MANAGEMENT (CONTINUED)
Credit Risk (Continued)

Industry sectors

The following table breaks down the Group's credit exposure based on the carrying amounts, before taking into account collateral held or other credit enhancements, as categorized by the industry sectors of the Group's counterparties.

	Gross exposure 2015, QAR'000	Gross exposure 2014 QAR'000
Funded and unfunded		
Government and related agencies	**15,793,933**	14,755,565
Industry	**3,061,313**	2,341,117
Commercial	**9,220,553**	8,810,728
Services	**20,169,835**	18,406,815
Contracting	**9,042,053**	7,519,278
Real estate	**11,536,185**	9,752,113
Personal	**10,374,915**	10,129,399
Others	**1,320,489**	1,444,704
Guarantees	**23,335,322**	20,231,382
Letters of credit	**3,058,478**	3,058,424
Unutilised credit facilities	**7,253,819**	9,533,640
	114,166,895	105,983,165

Credit risk exposure
The tables below presents an analysis of financial assets by rating agency designation based on ratings published by external rating agencies

	2015 QAR'000	2014 QAR'000
Equivalent grades		
Sovereign (State of Qatar)	**12,267,995**	11,892,636
AAA to AA-	**2,405,828**	1,947,248
A+ to A-	**6,164,453**	5,959,708
BBB+ to BBB-	**3,254,344**	2,005,035
BB+ to B-	**1,470,186**	2,122,561
Below B-	**26,122**	25,423
Unrated (equivalent internal grading)	**88,577,967**	82,030,554
	114,166,895	105,983,165

Unrated exposure represents credit facilities granted to corporations and individuals who do not have external credit ratings. Also, the ratings used by the Group are in line with the ratings and definitions published by the international rating agencies

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AT 31 DECEMBER 2015

4. FINANCIAL RISK MANAGEMENT (CONTINUED)
Credit Risk (Continued)

Credit quality for class of assets
The table below shows the credit quality by class of asset for consolidated statement of financial position lines, based on the Group's credit rating system.

	Loans and advances to customers		*Due from banks*		*Investment securities– debt*	
	2015 QAR'000	2014 QAR'000	**2015 QAR'000**	2014 QAR'000	**2015 QAR'000**	2014 QAR'000
Neither past due nor impaired (low risk):						
Standard monitoring	**52,284,944**	46,146,806	**10,385,414**	12,246,782	**10,777,394**	8,855,722
Special monitoring	**89,734**	134,324	-	-	-	-
	52,374,678	46,281,130	**10,385,414**	12,246,782	**10,777,394**	8,855,722
Past due but not impaired						
Standard monitoring	**888,650**	628,188	**-**	-	**-**	-
Special monitoring	**2,520,728**	1,864,702	-	-	-	-
	3,409,378	2,492,890	-	-	-	-
Impaired						
Substandard	**287,388**	224,694	**-**	-	**79,556**	112,997
Doubtful	**303,755**	210,002	**-**	-	**-**	-
Loss	**1,290,101**	1,125,190	-	-	**-**	-
	1,881,244	1,559,886	**-**	-	**79,556**	112,997
Less: Impairment allowance-specific	**(1,926,652)**	(1,642,728)	**-**	-	**(17,032)**	(18,197)
Less: Impairment allowance-collective	**(123,463)**	(132,657)	-	-	-	-
	(2,050,115)	(1,775,385)	**-**	-	**(17,032)**	(18,197)
Carrying amount – net	**55,615,185**	48,558,521	**10,385,414**	12,246,782	**10,839,918**	8,950,522
Investment securities - debt						
Held to maturity	-	-	-	-	**5,738,356**	4,541,449
Held for Trading	-	-	-	-	**5,328**	31,278
Available for sale	-	-	-	-	**5,113,266**	4,395,992
Less: Impairment allowance	-	-	-	-	**(17,032)**	(18,197)
Carrying amount – net	-	-	-	-	**10,839,918**	8,950,522
Total carrying amount	**55,615,185**	48,558,521	**10,385,414**	12,246,782	**10,839,918**	8,950,522

Impaired loans and advances to customers and investment in debt securities
Individually impaired loans and advances to customers and investment debt securities for which the Group determines that there is objective evidence of impairment and it does not expect to collect all principal and interest due according to the contractual terms of the loan/investment security agreements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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4. FINANCIAL RISK MANAGEMENT (CONTINUED)
Credit Risk (Continued)

Loans and advances to customers past due but not impaired

Past due but not impaired loans and advances to customers are those for which contractual interest or principal payments are past due, but the Group believes that impairment is not appropriate on the basis of the level of security/collateral available and/or the stage of collection of amounts owed to the Group.

	2015 QAR'000	2014 QAR'000
Up to 30 days	**443,883**	1,198,157
31 to 60 days	**726,897**	331,298
61 – 90 days	**2,238,598**	963,435
Gross	**3,409,378**	2,492,890

Rescheduled loans and advances to customers
Restructuring activities include extended payment arrangements, approved external management plans, modification and deferral of payments. Restructuring policies and practices are based on indicators or criteria that, in the judgement of local management, indicate that payment will most likely continue. These policies are kept under continuous review. Restructuring is most commonly applied to term loans – in particular, customer finance loans.

Collateral
The determination of eligible collateral and the value of collateral are based on QCB regulations and are assessed by reference to market price or indexes of similar assets.

The Group has collateral in the form of blocked deposits, pledge of shares or legal mortgage against the past dues loans and advances to customers.

The aggregate collateral in respect to the past due but not impaired loans are QAR 3,021 million as of 31 December 2015 (2014: QAR 4,093 million).

The aggregate collateral in respect to the loans and advances to customers are QAR 43,651 million as of 31 December 2015 (2014: QAR 35,539 million)

Repossessed collateral
As at 31 December 2015, the Group had assets by taking possession of collateral held as security amounting to QAR Nil (2014: QAR 31.4 million).

Repossessed properties are sold as soon as practicable, with the proceeds used to reduce the outstanding indebtedness. Repossessed property is classified in the consolidated statement of financial position within other assets.

Write-off policy
The Group writes off a loan or an investment debt security balance, and any related allowances for impairment losses, when Group Credit determines that the loan or security is uncollectible and after QCB approval.

This determination is made after considering information such as the occurrence of significant changes in the borrower's/issuer's financial position such that the borrower/issuer can no longer pay the obligation, or that proceeds from collateral will not be sufficient to pay back the entire exposure. For smaller balance standardized loans, write-off decisions are generally based on a product-specific past due status. The amount written off during the year was QAR130 million (2014: QAR 12 million).

Liquidity risk
Liquidity risk is the risk that an institution will be unable to meet its net funding requirements. Liquidity risk can be caused by market disruptions or credit downgrades, which may cause certain sources of funding to cease immediately. Ultimate responsibility for liquidity risk management rests with the board of directors, which has built an appropriate liquidity risk management framework for the management of the Group's short, medium and long-term funding and liquidity management requirements. To mitigate this risk, the Group has diversified funding sources and assets are managed with liquidity in mind, in order to maintain a healthy balance of cash, cash equivalents and readily marketable securities.

Exposure to liquidity risk
The key measure used by the Group for managing liquidity risk is the ratio of net liquid assets to deposits from customers. For this purpose net liquid assets are considered as including cash and cash equivalents and investment grade debt securities for which there is an active and liquid market less any deposits from banks, debt securities, other borrowings and commitments maturing within the next month. A similar, but not identical, calculation is used to measure the Group's compliance with the liquidity limit established by the Group's lead regulator, QCB.

Details of the reported Group ratio of net liquid assets to deposits from customers at the reporting date and during the year were as follows:

At 31 December	2015	2014
Average for the year	**105.85%**	118.55%
Maximum for the year	**114.49%**	132.65%
Minimum for the year	**91.58%**	108.40%

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AT 31 DECEMBER 2015

4. FINANCIAL RISK MANAGEMENT (CONTINUED)
Liquidity Risk (Continued)
Exposure to liquidity risk (Continued)

Maturity analysis of assets and liabilities

The table below summarizes the maturity profile of the Group's assets and liabilities based on contractual maturity dates. The contractual maturities of assets and liabilities have been determined on the basis of the remaining period at the reporting date to the contractual maturity date, and do not take account of the effective maturities as indicated by the Group's deposit retention history and the availability of liquid funds. The Group routinely monitors assets and liabilities maturity profiles to ensure adequate liquidity is maintained.

	Carrying amount QAR'000	Less than 1 month QAR'000	1-3 months QAR'000	3 months – 1 year QAR'000	Subtotal 1 year QAR'000	Above 1 year QAR'000	Undated QAR'000
31 December 2015							
Cash and balances with central banks	3,562,821	1,327,949	71,663	-	1,399,612	-	2,163,209
Due from banks	10,385,414	6,092,966	764,429	2,038,001	8,895,396	1,490,018	-
Loans and advances to customers	55,615,185	14,412,618	5,037,509	5,365,768	24,815,895	30,799,290	-
Investment securities	12,198,232	1,475,304	171,425	601,334	2,248,063	8,591,854	1,358,315
Investment in an associate	8,908	-	-	-	-	-	8,908
Property, furniture and equipment	785,787	-	-	-	-	-	785,787
Other assets	752,766	752,766	-	-	752,766	-	-
Total	83,309,113	24,061,603	6,045,026	8,005,103	38,111,732	40,881,162	4,316,219
Due to banks	8,776,130	7,014,908	36,416	1,500,827	8,552,151	223,979	-
Customer deposits	52,766,613	23,564,382	20,577,129	8,405,134	52,546,645	219,968	-
Debt securities	2,587,728	-	-	772,736	772,736	1,814,992	-
Other borrowings	3,452,534	-	250,077	26,301	276,378	3,176,156	-
Other liabilities	2,518,809	2,518,809	-	-	2,518,809	-	-
Total equity	13,207,299	-	-	-	-	-	13,207,299
Total	83,309,113	33,098,099	20,863,622	10,704,998	64,666,719	5,435,095	13,207,299
Maturity gap	-	(9,036,496)	(14,818,596)	(2,699,895)	(26,554,987)	35,446,067	(8,891,080)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AT 31 DECEMBER 2015

4. FINANCIAL RISK MANAGEMENT (CONTINUED)
Liquidity Risk (Continued)
Exposure to liquidity risk (Continued)
Maturity analysis of Assets and Liabilities (Continued)

	Carrying amount QAR'000	Less than 1 month QAR'000	1-3 months QAR'000	3 months – 1 year QAR'000	Subtotal 1 year QAR'000	Above 1 year QAR'000	Undated QAR'000
31 December 2014							
Cash and balances with central banks	3,303,651	1,106,447	161,224	74,269	1,341,940	-	1,961,711
Due from banks	12,246,782	5,181,748	3,172,495	3,490,965	11,845,208	401,574	-
Loans and advances to customers	48,558,521	15,549,869	2,986,291	6,386,268	24,922,428	23,636,093	-
Investment securities	9,855,718	624,743	599,786	116,626	1,341,155	7,609,366	905,197
Investment in an associate	9,244	-	-	-	-	-	9,244
Property, furniture & equipment	761,011	-	-	-	-	-	761,011
Other assets	782,635	782,635	-	-	782,635	-	-
Total	75,517,562	23,245,442	6,919,796	10,068,128	40,233,366	31,647,033	3,637,163
Due to banks	12,794,735	10,770,650	905,976	1,118,109	12,794,735	-	-
Customer deposits	45,946,575	23,490,615	16,275,671	6,019,956	45,786,242	160,333	-
Debt securities	2,582,478	-	-	-	-	2,582,478	-
Other borrowings	727,681	-	-	363,531	363,531	364,150	-
Other liabilities	2,173,340	2,173,340	-	-	2,173,340	-	-
Total equity	11,292,753	-	-	-	-	-	11,292,753
Total	75,517,562	36,434,605	17,181,647	7,501,596	61,117,848	3,106,961	11,292,753
Maturity gap	-	(13,189,163)	(10,261,851)	2,566,532	(20,884,482)	28,540,072	(7,655,590)

The table below summarises contractual expiry dates of the Group's contingent liabilities:

	Carrying amount QAR'000	Upto 3 months QAR'000	3 months - 1 year QAR'000	1-5 years QAR'000	Above 5 years QAR'000
31 December 2015					
Guarantees	**23,335,322**	**6,448,671**	**6,996,870**	**9,813,447**	**76,334**
Letters of credit	**3,058,478**	**1,804,203**	**534,976**	**718,113**	**1,186**
Unutilised credit facilities	**7,253,819**	**2,405,384**	**2,667,334**	**1,907,909**	**273,192**
Total	**33,647,619**	**10,658,258**	**10,199,180**	**12,439,469**	**350,712**
31 December 2014					
Guarantees	20,231,382	5,429,942	6,788,447	7,457,221	555,772
Letters of credit	3,058,424	1,971,715	981,462	104,060	1,187
Unutilised credit facilities	9,533,640	3,826,124	4,193,420	1,514,096	-
Total	32,823,446	11,227,781	11,963,329	9,075,377	556,959

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AT 31 DECEMBER 2015

4. FINANCIAL RISK MANAGEMENT (CONTINUED)
Liquidity Risk (Continued)
Exposure to liquidity risk (Continued)
Maturity analysis of Assets and Liabilities (Continued)

The table below summarises the maturity profile of the Group's financial liabilities and derivatives at 31 December based on contractual undiscounted repayment obligations:

	Carrying amount QAR'000	Gross undiscounted cash flows QAR'000	Less than 1 month QAR'000	1-3 months QAR'000	3 months-1 year QAR'000	1-5 years QAR'000	More than 5 years QAR'000
31 December 2015							
Non-derivative financial liabilities							
Due to banks	**8,776,130**	**8,811,137**	**7,025,439**	**36,580**	**1,521,104**	**228,014**	-
Customer deposits	**52,766,613**	**52,939,903**	**23,574,427**	**20,623,206**	**8,502,451**	**239,819**	-
Debt securities	**2,587,728**	**2,680,721**	-	**19,907**	**832,900**	**1,827,914**	-
Other borrowings	**3,452,534**	**3,527,670**	-	**260,431**	**55,571**	**3,211,668**	-
Other liabilities	**2,498,743**	**2,498,743**	**2,498,743**	-	-	-	-
Total liabilities	**70,081,748**	**70,458,174**	**33,098,609**	**20,940,124**	**10,912,026**	**5,507,415**	-

Derivative financial instruments:
Generally, forward foreign exchange contracts are settled on a gross basis and interest rate swaps are settled on a net basis.

	Total QAR'000	Up to 1 Year QAR'000	1-5 years QAR'000	More than 5 years QAR'000
Derivative financial instruments:				
Outflow	**(11,037,704)**	**(8,699,367)**	**(2,338,337)**	-
Inflow	**11,046,514**	**8,719,070**	**2,327,444**	-

	Carrying amount QAR'000	Gross undiscounted cash flows QAR'000	Less than 1 month QAR'000	1-3 months QAR'000	3 months-1 year QAR'000	1-5 years QAR'000	More than 5 years QAR'000
31 December 2014							
Non-derivative financial liabilities							
Due to banks	12,794,735	12,864,039	10,775,981	921,969	1,166,089	-	-
Customer deposits	45,946,575	46,026,875	23,500,578	16,296,489	6,045,480	184,328	-
Debt securities	2,582,478	2,755,237	-	18,974	58,249	2,678,014	-
Other borrowings	727,681	734,579	-	1,761	367,931	364,887	-
Other liabilities	2,120,654	2,120,654	2,120,654	-	-	-	-
Total liabilities	64,172,123	64,501,384	36,397,213	17,239,193	7,637,749	3,227,229	-

Derivative financial instruments:
Generally, forward foreign exchange contracts are settled on a gross basis and interest rate swaps are settled on a net basis.

	Total QAR'000	Up to 1 Year QAR'000	1-5 years QAR'000	More than 5 years QAR'000
Derivatives financial instruments :				
Outflow	(5,570,435)	(5,570,435)	-	-
Inflow	5,553,945	5,553,945	-	-

4. FINANCIAL RISK MANAGEMENT (CONTINUED)

Market risks
The Group takes on exposure to market risks, which is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risks arise from open positions in interest rate, currency and equity products, all of which are exposed to general and specific market movements and changes in the level of volatility of market rates or prices such as interest rates, credit spreads, foreign exchange rates and equity prices. The Group separates exposures to market risk into either trading or non-trading portfolios.

The market risks arising from trading and non-trading activities are concentrated in Group Treasury and monitored by Market Risk team. Regular reports are submitted to the Board of Directors and ALCO

Management of market risks
Overall authority for market risk is vested in ALCO. Financial Risk Management department is responsible for the development of detailed market risk management policies (subject to review and approval by ALCO) and for the day-to-day review and monitoring.

The Group has adopted a detailed policy framework drafted in accordance with the Qatar Central Bank guidelines for governing investments portfolio including proprietary book. The governance structure includes policies including Treasury and Investment manual, Financial Risk policy and Hedging policy, etc. These policies define the limit structure along with the risk appetite under which the investment activities are undertaken. The limits structure focuses on total investment limits which in accordance with QCB guidelines are 70% of Group's capital and reserves along with various sub limits such as position and stop loss limits for trading activities. The policies also define various structured sensitivity limits such as VaR and duration for different asset classes within the investment portfolio. The performance of the portfolio against these limits is updated regularly to senior management including ALCO and investment committee.

Investment Committee approve all the investment decision for the Group. Financial Risk Management department is vested with the responsibility of measuring, monitoring risk and reporting risk in the portfolio.

Exposure to interest rate risk
The principal risk to which the banking and trading portfolios are exposed is the risk of loss from fluctuations in the future cash flows or fair values of financial instruments because of a change in market interest rates. Interest rate risk is managed principally through monitoring interest rate gaps and by having pre-approved limits for repricing bands. ALCO is the monitoring body for compliance with these limits and is assisted by Group Treasury in its day-to-day monitoring activities.

A summary of the Group's interest rate gap position on banking and trading portfolios is as follows:

		Repricing in:			
	Carrying amount QAR'000	**Less than 3 months QAR'000**	**3-12 months QAR'000**	**1-5 years QAR'000**	**Non-interest sensitive QAR'000**
31 December 2015					
Cash and cash equivalents	3,562,821	-	-	-	3,562,821
Due from banks	10,385,414	9,792,531	584,301	6,471	2,111
Loans and advances to customers	55,615,185	24,065,496	5,169,713	23,781,982	2,597,994
Investment securities	12,198,232	1,646,790	601,334	8,591,793	1,358,315
Investment in an associate	8,908	-	-	-	8,908
Property, furniture and equipment	785,787	-	-	-	785,787
Other assets	752,766	-	-	-	752,766
	83,309,113	35,504,817	6,355,348	32,380,246	9,068,702
Due to banks	8,776,130	7,107,334	1,500,827	-	167,969
Customer deposits	52,766,613	30,464,855	8,405,134	219,968	13,676,656
Debt securities	2,587,728	772,736	-	1,814,992	-
Other borrowings	3,452,534	3,452,534	-	-	-
Other liabilities	2,518,809	-	-	-	2,518,809
Total equity	13,207,299	-	-	-	13,207,299
	83,309,113	41,797,459	9,905,961	2,034,960	29,570,733
Interest rate sensitivity gap	-	(6,292,642)	(3,550,613)	30,345,286	(20,502,031)
Cumulative interest rate sensitivity gap	-	(6,292,642)	(9,843,255)	20,502,031	-

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4. FINANCIAL RISK MANAGEMENT (CONTINUED)
Market Risk (Continued)
Exposure to Interest risk (Continued)

		Repricing in:			
	Carrying amount QAR'000	Less than 3 months QAR'000	3-12 months QAR'000	1-5 years QAR'000	Non-interest sensitive QAR'000
31 December 2014					
Cash and cash equivalents	3,303,651	448,505	74,269	-	2,780,877
Due from banks	12,246,782	9,206,808	2,937,449	-	102,525
Loans and advances to customers	48,558,521	20,920,544	5,734,801	19,778,149	2,125,027
Investment securities	9,855,718	1,224,529	116,626	7,614,630	899,933
Investment in an associate	9,244	-	-	-	9,244
Property, furniture and equipment	761,011	-	-	-	761,011
Other assets	782,635	-	-	-	782,635
	75,517,562	31,800,386	8,863,145	27,392,779	7,461,252
Due to banks	12,794,735	11,549,714	1,118,109	-	126,912
Customer deposits	45,946,575	25,387,828	6,019,956	160,333	14,378,458
Debt securities	2,582,478	773,273	-	1,809,205	-
Other borrowings	727,681	636,643	91,038	-	-
Other liabilities	2,173,340	-	-	-	2,173,340
Total equity	11,292,753	-	-	-	11,292,753
	75,517,562	38,347,458	7,229,103	1,969,538	27,971,463
Interest rate sensitivity gap	-	(6,547,072)	1,634,042	25,423,241	(20,510,211)
Cumulative interest rate sensitivity gap	-	(6,547,072)	(4,913,030)	20,510,211	-

Sensitivity analysis
The management of interest rate risk against interest rate gap limits is supplemented by monitoring the sensitivity of the Group's financial assets and liabilities to various standard and non-standard interest rate scenarios. Standard scenarios that are considered on a monthly basis include a 100 basis points (bp) parallel fall or rise in all yield curves worldwide and a 10 bp rise or fall in the greater than 12-month portion of all yield curves. An analysis of the Group's sensitivity to an increase or decrease in market interest rates, assuming no asymmetrical movement in yield curves and a constant financial position, is as follows:

	10 bp parallel increase QAR'000	**10 bp parallel decrease QAR'000**
Sensitivity of net interest income		
2015 At 31 December	**(6,293)**	**6,293**
2014 At 31 December	(6,547)	6,547

	10 bp parallel increase QAR'000	**10 bp parallel decrease QAR'000**
Sensitivity of reported equity to interest rate movements		
2015 At 31 December	**(12,100)**	**12,100**
2014 At 31 December	(12,393)	12,393

Overall non-trading interest rate risk positions are managed by Group Treasury, which uses investment securities, advances to banks, deposits from banks and derivative instruments to manage the overall position arising from the Group's non-trading activities.

Exposure to other market risks

Currency risk
The Group is exposed to fluctuations in foreign currency exchange rates. The Board of Directors sets limits on the level of exposure by currency, and in total for both overnight and intra-day positions, which are monitored daily. The Group had the following significant net exposures

Net foreign currency exposure:	2015 QAR'000	2014 QAR'000
Pound Sterling	7,785	-
Euro	11,310	136,487
Kuwaiti Dinar	515,578	6,101
Japanese Yen	58	4,665
Other currencies	384,162	516,157

Foreign currency sensitivity analysis
The following table details the Group's sensitivity to a percentage increase or decrease in the Qatari Riyals against the relevant foreign currencies except for US Dollars which is pegged to the Qatari Riyal. The sensitivity analysis includes only outstanding foreign currency denominated items and the impact of a change in the exchange rates are as follows:

	Increase / (decrease) in profit or loss	
	2015 QAR'000	2014 QAR'000
5% increase / (decrease) in currency exchange rate		
Pound Sterling	389	-
Euro	565	6,824
Kuwaiti Dinar	25,779	305
Japanese Yen	3	233
Other currencies	19,208	25,807

Equity price risk
Equity price risk is the risk that the fair value of equities decreases as a result of changes in the equity indices and individual stocks. The equity price risk exposure arises from equity securities classified as available-for-sale and fair value through profit or loss.

The Group is also exposed to equity price risk and the sensitivity analysis thereof is as follows:

	2015		2014	
	Effect on OCI QAR'000	Effect on income statement QAR'000	Effect on OCI QAR'000	Effect on income statement QAR'000
5% increase / (decrease) in Qatar Exchange	± 35,566	-	± 16,491	-
5% increase / (decrease) in Other than Qatar Exchange	± 24,575	± 634	± 23,264	± 281
	± 60,141	± 634	± 39,755	± 281

The above analysis has been prepared on the assumption that all other variables such as interest rate, foreign exchange rate, etc. are held constant and is based on historical correlation of the equity securities to the relevant index. Actual movement may be different from the one stated above.

Operational risks
Operational risk is the risk of loss arising from inadequate or failed internal processes, people and systems, or from external events. The Group has detailed policies and procedures that are regularly updated to ensure a robust internal control mechanism. The Group closely reviews the various recommendations issued by the Basel Committee on 'Sound Practices for the Management and Supervision of Operational Risk' for implementation. The Group continues to invest in risk management and mitigation strategies, such as a robust control infrastructure, business continuity management or through risk transfer mechanisms such as insurance and outsourcing.

The Group has a well-defined Operational Risk Management Framework and an independent operational risk function. The Operational Risk Management Committee oversees the implementation of an effective risk management framework that encompasses appropriate systems, practices, policies and procedures to ensure the effectiveness of risk identification, measurement, assessment, reporting and monitoring within the group.

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AT 31 DECEMBER 2015

4. FINANCIAL RISK MANAGEMENT (CONTINUED)
Operational Risk (Continued)

In addition, the Internal Audit department carries out an independent assessment and provides assurance of the actual functioning of the overall Operational Risk Management Framework.

The Group manages operational risk based on a framework that enables the determination of operational risk profile of business units and how it relates to risk measurement, risk mitigation and priorities.

A number of techniques are applied to effectively manage the operational risk across the Group. These include:

- Effective staff training, documented processes/procedures with appropriate controls to safeguard assets and records, regular reconciliation of accounts and transactions, introduction process of new products, reviews of outsourcing activities, information system security, segregation of duties, financial management and reporting are some of the measures adopted by the Group to manage Group-wide operational risk;
- Reporting of any operational risk event, which is used to help identify where process and control requirements are needed to reduce the recurrence of risk events. Risk events are analyzed, reported, mitigated, recorded on a central database and reported quarterly to the Board of Directors; and
- Introduction of a bottom-up 'Control Risk Self-Assessment' across business and support units including subsidiaries and overseas branches. This approach results in detailed understanding of inherent and residual risks with evaluation of controls across the Group. Therefore, it enhances the determination of specific operational risk profile for the business and support units while corrective action points are captured and the changes of the operational risk profile are monitored on an ongoing basis.

Capital management

Regulatory capital
The Group maintains an actively managed capital base to cover the risks inherent in 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 the Qatar Central Bank.

The primary objective of the Group's capital management is to ensure that the Group complies with externally imposed capital requirements and that the Group maintains strong credit ratings and healthy capital ratios in order to support its business and to maximizes shareholders' value.

The Group manages its capital structure and makes adjustment to it in light of changes in economic conditions and the risk characteristics of its activities. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividend payment to shareholders or issue capital securities.

	2015 QAR'000	2014 QAR'000
Common Equity Tier 1 Capital	**8,327,067**	8,049,896
Additional Tier 1 Capital	**4,000,000**	2,000,000
Additional Tier 2 Capital	**278,118**	237,338
Total Eligible capital	**12,605,185**	10,287,234

Risk weighted assets

	2015 Basel III Risk weighted amount QAR'000	2014 Basel III Risk weighted amount QAR'000
Total risk weighted assets for credit risk	**73,132,247**	62,402,588
Risk weighted assets for market risk	**2,414,429**	1,709,337
Risk weighted assets for operational risk	**4,605,490**	4,343,993
	80,152,166	68,455,918

	2015 QAR'000	2014 QAR'000
Risk weighted assets	**80,152,166**	68,455,918
Total eligible capital	**12,605,185**	10,287,234
Risk weighted assets as a percentage of total eligible capital		
Capital adequacy ratio	**15.73%**	15.03%

The Bank has followed QCB Basel III capital adequacy ratio ("CAR") with effect from 1 January 2015 in accordance with QCB regulations.

The minimum accepted CAR under QCB Basel III requirements are as follows:

- Minimum limit without Capital Conservation Buffer is 10%
- Minimum limit including Capital Conservation Buffer is 12.5%

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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5. USE OF ESTIMATES AND JUDGEMENTS

Key sources of estimation uncertainty
The Group makes estimates and assumptions that affect the reported amounts of assets and liabilities. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Impairment allowances for credit losses
Assets accounted for at amortised cost are evaluated for impairment on a basis described in accounting policy.

The specific counterparty component of the total allowances for impairment applies to financial assets evaluated individually for impairment and is based upon management's best estimate of the present value of the cash flows that are expected to be received. In estimating these cash flows, management makes judgements about counterparty's financial situation and the net realisable value of any underlying collateral. Each impaired asset is assessed on its merits, and the workout strategy and estimate of cash flows considered recoverable are independently approved by the Credit Risk function. Minimum impairment on specific counter parties is determined based on the QCB regulations.

Collectively assessed impairment allowances cover credit losses inherent in portfolios of loans and advances to customers and investment securities measured at amortised cost with similar credit risk characteristics when there is objective evidence to suggest that they contain impaired financial assets, but the individual impaired items cannot yet be identified. In assessing the need for collective loss allowances, management considers factors such as credit quality, portfolio size, concentrations and economic factors. In order to estimate the required allowance, assumptions are made to define the way inherent losses are modelled and to determine the required input parameters, based on historical experience and current economic conditions. The accuracy of the allowances depends on the estimates of future cash flows for specific counterparty allowances and the model assumptions and parameters used in determining collective allowances.

Determining fair values
The determination of fair value for financial assets and liabilities for which there is no observable market price requires the use of valuation techniques as described in accounting policy. For financial instruments that trade infrequently and have little price transparency, fair value is less objective, and requires varying degrees of judgement depending on liquidity, concentration, uncertainty of market factors, pricing assumptions and other risks affecting the specific instrument.

Critical accounting judgements in applying the Group's accounting policies
The Group's accounting policy on fair value measurements is discussed in the significant accounting policies section.

The Group measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements.

- Level 1: Quoted market price unadjusted in an active market for an identical instrument.
- Level 2: Valuation techniques based on observable inputs, either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques where all significant inputs are directly or indirectly observable from market data.
- Level3: Valuation techniques using significant unobservable inputs. This category includes all instruments where the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments where significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

Fair values of financial assets and financial liabilities that are traded in active markets are based on quoted market prices or dealer price quotations. For all other financial instruments the Group determines fair values using valuation techniques.

Valuation techniques include net present value and discounted cash flow models, comparison to similar instruments for which market observable prices exist. Assumptions and inputs used in valuation techniques include risk-free and benchmark interest rates, credit spreads and other premium used in estimating discount rates, bond and equity prices, foreign currency exchange rates, equity and equity index prices and expected price volatilities and correlations. The objective of valuation techniques is to arrive at a fair value determination that reflects the price of the financial instrument at the reporting date that would have been determined by market participants acting at arm's length.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AT 31 DECEMBER 2015

5. USE OF ESTIMATES AND JUDGEMENTS (CONTINUED)

Fair value measurement
The following table provides the fair value measurement hierarchy of the Group's assets and liabilities.

Quantitative disclosures fair value measurement hierarchy for assets and liabilities as at 31 December 2015:

	Date of valuation	Level 1 QAR'000	Level 2 QAR'000	Level 3 QAR'000	Total QAR'000
Assets measured at fair value:					
Available-for-sale investment securities	31 Dec 2015	5,264,799	1,131,313	-	6,396,112
Investment securities classified as held for trading	31 Dec 2015	16,697	-	-	16,697
Derivative instruments:					
Interest rate swaps	31 Dec 2015	-	5,158	-	5,158
Forward foreign exchange contracts	31 Dec 2015	-	23,718	-	23,718
		5,281,496	1,160,189	-	6,441,685
Assets for which fair values are disclosed (note 7)					
Cash and balances with central banks	31 Dec 2015	-	-	3,562,821	3,562,821
Due from banks	31 Dec 2015	-	-	10,385,414	10,385,414
Loans and advances to customers	31 Dec 2015	-	-	55,615,185	55,615,185
Held to maturity investment securities	31 Dec 2015	4,120,943	1,729,028	-	5,849,971
Other Assets	31 Dec 2015	-	-	592,098	592,098
Liabilities measured at fair value:					
Derivative instruments:					
Interest rate swaps	31 Dec 2015	-	15,635	-	15,635
Forward foreign exchange contracts	31 Dec 2015	-	4,431	-	4,431
		-	20,066	-	20,066
Liabilities for which fair values are disclosed (note 7)					
Due to banks	31 Dec 2015	-	-	8,776,130	8,776,130
Customer deposits	31 Dec 2015	-	-	52,766,613	52,766,613
Debt securities	31 Dec 2015	2,620,025	-	-	2,620,025
Other borrowings	31 Dec 2015	-	-	3,452,534	3,452,534
Other liabilities	31 Dec 2015	-	-	1,434,666	1,434,666

There have been no transfers between Level 1 and Level 3 fair value measurement during the year.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AT 31 DECEMBER 2015

5. USE OF ESTIMATES AND JUDGEMENTS (CONTINUED)
Fair value measurement (CONTINUED)

Fair value hierarchy for financial instruments measured at fair value as at 31 December 2014:

	Date of valuation	Level 1 QAR'000	Level 2 QAR'000	Level 3 QAR'000	Total QAR'000
Assets measured at fair value:					
Available-for-sale investment securities	31 Dec 2014	4,089,030	1,141,749	-	5,230,779
Investment securities classified as held for trading	31 Dec 2014	36,541	-	-	36,541
Derivative instruments:					
Interest rate swaps	31 Dec 2014	-	11,977	-	11,977
Forward foreign exchange contracts	31 Dec 2014	-	26,152	-	26,152
		4,125,571	1,179,878	-	5,305,449
Assets for which fair values are disclosed (note 7)					
Cash and balances with central banks	31 Dec 2014	-	-	3,303,651	3,303,651
Due from banks	31 Dec 2014	-	-	12,246,782	12,246,782
Loans and advances to customers	31 Dec 2014	-	-	48,558,521	48,558,521
Held to maturity investment securities	31 Dec 2014	2,398,264	2,215,313	-	4,613,577
Other Assets	31 Dec 2014		-	623,016	623,016
Liabilities measured at fair value:					
Derivative instruments:					
Interest rate swaps	31 Dec 2014	-	10,044	-	10,044
Forward foreign exchange contracts	31 Dec 2014	-	42,642	-	42,642
		-	52,686	-	52,686
Liabilities for which fair values are disclosed (note 7)					
Due to banks	31 Dec 2014	-	-	12,794,735	12,794,735
Customer deposits	31 Dec 2014	-	-	45,946,575	45,946,575
Debt securities	31 Dec 2014	2,646,854	-	-	2,646,854
Other borrowings	31 Dec 2014	-	-	727,681	727,681
Other liabilities	31 Dec 2014	-	-	1,273,911	1,273,911

During the reporting period 31 December 2014, there were no transfers between Level 1 and Level 3 fair value measurements.

All unquoted available for sale equity investments amounting to QAR 61.3 million (2014: QAR 61.1 million) are recorded at cost since the fair value cannot be reliably measured.

Financial asset and liability classification
The Group's accounting policies provide scope for assets and liabilities to be designated at inception into different accounting categories in certain circumstances:

- in classifying financial assets or liabilities as trading, the Group has determined that it meets the description of trading assets and liabilities set out in accounting policies.
- in designating financial assets at fair value through profit or loss, the Group has determined that it has met one of the criteria for this designation set out in accounting policies.
- in classifying financial assets as held-to-maturity, the Group has determined that it has both the positive intention and ability to hold the assets until their maturity date as required by accounting policies.

Details of the Group's classification of financial assets and liabilities are given in Note 7.

Qualifying hedge relationships
In designating financial instruments in qualifying hedge relationships, the Group has determined that it expects the hedges to be highly effective over the period of the hedging relationship.

In accounting for derivatives as fair value hedges, the Group has determined that the hedged interest rate exposure relates to highly probable future cash flows.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AT 31 DECEMBER 2015

5. USE OF ESTIMATES AND JUDGEMENTS (CONTINUED)

Impairment of investments in equity and debt securities
Investments in equity and debt securities are evaluated for impairment on the basis described in the significant accounting policies section.

Going concern
The Group's management has made an assessment of its ability to continue as a going concern and is satisfied that it has the resources to continue in business for the foreseeable future. Furthermore, management is not aware of any material uncertainties that may cast significant doubt upon the Group's ability to continue as a going concern. Therefore, the financial statements continue to be prepared on the going concern basis.

Useful lives of property and equipment
The Group's management determines the estimated useful life of property and equipment for calculating depreciation. This estimate is determined after considering the expected usage of the asset, physical wear and tear, technical or commercial obsolescence.

6. OPERATING SEGMENTS
The Group organizes and manages its operations by two business segments, which comprise conventional banking and insurance activities.

Conventional Banking
- Corporate Banking provides a range of product and service offerings to business and corporate customers including funded and non funded credit facilitates deposits to corporate customers. It also undertakes funding and centralized risk management activities through borrowings, issue of debt securities, use of derivatives for risk management purposes and investing in liquid assets such as short term placements and corporate and government debt securities.
- Retail Banking provides a diversified range of products and services to individuals. The range includes loans, credit cards, deposits and other transactions with retail customers.

Insurance Activities
Insurance activities to customers include effecting contracts of insurance, carrying out contracts of insurance, arranging deals in investments and advising on investments.

Details of each segment as of and for the year ended 31 December 2015 are stated below:

	2015					
	Corporate Banking QAR'000	Retail Banking QAR'000	Unallocated QAR'000	Total QAR'000	Insurance QAR'000	Total QAR'000
Interest/similar income	2,414,442	427,733	-	2,842,175	-	**2,842,175**
Net income from insurance activities	-	-	-	-	26,923	**26,923**
Other income	481,325	174,407	73,428	729,160	7,895	**737,055**
Segmental revenue	2,895,767	602,140	73,428	3,571,335	34,818	**3,606,153**
Net impairment loss on loans and advances to customers	(230,641)	(62,528)	-	(293,169)	-	**(293,169)**
Impairment loss on investment securities	(107,682)	-	-	(107,682)	(1,970)	**(109,652)**
Segmental profit				**1,361,671**	**11,871**	**1,373,542**
Share of results of associates						**168**
Net profit for the year						**1,373,710**
Other information						
Assets	70,096,449	7,916,107	5,023,461	83,036,017	264,188	**83,300,205**
Investments in an associate	-	-	-	-	-	**8,908**
Total						**83,309,113**
Liabilities	58,628,806	10,579,332	782,521	69,990,659	111,155	**70,101,814**
Contingent items	33,471,992	175,627	-	33,647,619	-	**33,647,619**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AT 31 DECEMBER 2015

6. OPERATING SEGMENTS (CONTINUED)

Insurance Activities (CONTINUED)

	2014					
	Corporate Banking QAR'000	Retail Banking QAR'000	Unallocated QAR'000	Total QAR'000	Insurance QAR'000	Total QAR'000
Interest/similar income	2,110,953	396,282	-	2,507,235	-	2,507,235
Net income from insurance activities	-	-	-	-	21,551	21,551
Other income	648,986	152,340	85,611	886,937	9,856	896,793
Segmental revenue	2,759,939	548,622	85,611	3,394,172	31,407	3,425,579
Net impairment loss on loans and advances to customers	(371,782)	(67,367)	-	(439,149)	-	(439,149)
Impairment loss on investment securities	(30,174)	-	-	(30,174)	-	(30,174)
Segmental profit				1,348,399	10,217	1,358,616
Share of results of associates						42
Net profit for the year						1,358,658
Other information						
Assets	62,782,728	7,284,329	5,159,854	75,226,911	281,407	75,508,318
Investments in an associate	-	-	-	-	-	9,244
Total						75,517,562
Liabilities	54,218,518	9,383,256	485,919	64,087,693	137,116	64,224,809
Contingent items	32,458,791	364,655	-	32,823,446	-	32,823,446

Geographical areas

The following table shows the geographic distribution of the Group's operating income based on the geographical location of where the business is booked by the Group.

	Qatar QAR'000	**Other GCC QAR'000**	**India QAR'000**	**Total QAR'000**
2015				
Net operating income	**2,507,704**	**293,025**	**10,854**	**2,811,583**
Net profit	**1,298,516**	**75,830**	**(636)**	**1,373,710**
Total assets	**73,692,350**	**9,292,462**	**324,301**	**83,309,113**
Total liabilities	**61,913,681**	**8,031,429**	**156,704**	**70,101,814**
2014				
Net operating income	2,622,523	233,053	4,050	2,859,626
Net profit	1,326,848	30,997	813	1,358,658
Total assets	67,548,017	7,881,693	87,852	75,517,562
Total liabilities	57,533,071	6,689,970	1,768	64,224,809

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AT 31 DECEMBER 2015

7. FINANCIAL ASSETS AND LIABILITIES

Accounting classifications and fair values

The table below sets out the carrying amounts and fair values of the Group's financial assets and financial liabilities:

	Fair value through profit or loss QAR'000	Held to maturity QAR'000	Loans and receivables QAR'000	Available-for-sale QAR'000	Other amortised cost QAR'000	Total carrying amount QAR'000	Fair value QAR'000
31 December 2015							
Cash and balances with central banks	-	-	3,562,821	-	-	3,562,821	3,562,821
Due from banks	-	-	10,385,414	-	-	10,385,414	10,385,414
Positive fair value of derivatives	28,876	-	-	-	-	28,876	28,876
Loans and advances to customers	-	-	55,615,185	-	-	55,615,185	55,615,185
Investment securities:							
Measured at fair value	16,697	-	-	6,457,373	-	6,474,070	6,474,070
Measured at amortised cost	-	5,724,162	-	-	-	5,724,162	5,849,971
Other Assets	-	-	-	-	592,098	592,098	592,098
	45,573	5,724,162	69,563,420	6,457,373	592,098	82,382,626	82,508,435
Negative fair value of derivatives	20,066	-	-	-	-	20,066	20,066
Due to banks	-	-	-	-	8,776,130	8,776,130	8,776,130
Customer deposits	-	-	-	-	52,766,613	52,766,613	52,766,613
Debt securities	-	-	-	-	2,587,728	2,587,728	2,620,025
Other borrowings	-	-	-	-	3,452,534	3,452,534	3,452,534
Other liabilities	-	-	-	-	1,434,666	1,434,666	1,434,666
	20,066	-	-	-	69,017,671	69,037,737	69,070,034

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AT 31 DECEMBER 2015

7. FINANCIAL AND ASSET LIABILITIES (CONTINUED)
Accounting classifications and fair Values (CONTINUED)

	Fair value through profit or loss QAR'000	Held to maturity QAR'000	Loans and receivables QAR'000	Available-for-sale QAR'000	Other amortised cost QAR'000	Total carrying amount QAR'000	Fair value QAR'000
31December 2014							
Cash and balances with central banks	-	-	3,303,651	-	-	3,303,651	3,303,651
Due from banks	-	-	12,246,782	-	-	12,246,782	12,246,782
Positive fair value of derivatives	38,129	-	-	-	-	38,129	38,129
Loans and advances to customers	-	-	48,558,521	-	-	48,558,521	48,558,521
Investment securities:			-				
Measured at fair value	36,541	-	-	5,291,922	-	5,328,463	5,328,463
Measured at amortised cost	-	4,527,255	-	-	-	4,527,255	4,613,577
Other Assets	-	-	-	-	623,016	623,016	623,016
	74,670	4,527,255	64,108,954	5,291,922	623,016	74,625,817	74,712,139
Negative fair value of derivatives	52,686	-	-	-	-	52,686	52,686
Due to banks	-	-	-	-	12,794,735	12,794,735	12,794,735
Customer deposits	-	-	-	-	45,946,575	45,946,575	45,946,575
Debt securities	-	-	-	-	2,582,478	2,582,478	2,646,854
Other borrowings	-	-	-	-	727,681	727,681	727,681
Other liabilities	-	-	-	-	1,273,911	1,273,911	1,273,911
	52,686	-	-	-	63,325,380	63,378,066	63,442,442

Investment securities – unquoted equity securities at cost
The above table includes to QAR 61.3 million (2014 : QAR 61.1 million) at 31 December 2015 of unquoted equity investments in both the carrying amount and fair value columns that were measured at cost and for which disclosure of fair value was not provided because their fair value was not considered to be reliably measureable.

8. CASH AND BALANCES WITH CENTRAL BANKS

	2015 QAR'000	2014 QAR'000
Cash	**476,160**	522,773
Cash reserve with QCB*	**2,042,869**	1,823,312
Cash reserve with other central banks*	**120,341**	138,399
Other balances with central banks	**923,451**	819,167
	3,562,821	3,303,651

*Cash reserve with QCB and other central banks are mandatory reserves that are not available for use in the Group's day to day operations.

9. DUE FROM BANKS

	2015 QAR'000	2014 QAR'000
Current accounts	**468,556**	1,219,227
Placements	**4,995,184**	5,775,869
Loans to banks	**4,921,674**	5,251,686
	10,385,414	12,246,782

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AT 31 DECEMBER 2015

10. LOANS AND ADVANCES TO CUSTOMERS

	2015 QAR'000	2014 QAR'000
Loans	**51,679,322**	43,594,456
Overdrafts	**4,517,287**	5,383,469
Bills discounted	**328,339**	268,333
Other loans*	**1,158,228**	1,129,784
(Note-i)	**57,683,176**	50,376,042
Less :		
Deferred profit	**(17,876)**	(42,136)
Specific impairment of loans and advances to customers	**(1,926,652)**	(1,642,728)
Collective impairment allowance	**(123,463)**	(132,657)
Net loans and advances to customers	**55,615,185**	48,558,521

The aggregate amount of non-performing loans and advances to customers amounted QAR 1,881.2 million, which represents 3.26% of total loans and advances to customers (2014: QAR 1,559.9 million, 3.10% of total loans and advances to customers).

During the year, the Group has written-off fully provided non-performing loans amounting to QAR 111.2 million (2014: Nil) as per Qatar Central Bank circular no. 68/2011.

Specific impairment of loans and advances to customers includes QAR 368.7 million of interest in suspense (2014: QAR 290.5 million).

*This includes acceptances pertaining to trade finance amounting to QAR 716.8 million (2014: QAR 565.2 million)..

Note-i:

	2015 QAR'000	2014 QAR'000
Government and related agencies	**3,557,633**	5,010,198
Corporate	**43,225,569**	34,744,184
Retail	**10,899,974**	10,621,660
	57,683,176	50,376,042

By industry

At 31 December 2015	Loans QAR'000	Overdrafts QAR'000	Bills discounted QAR'000	Other loans QAR'000	Total QAR'000
Government and related agencies	2,597,853	943,855	-	15,925	3,557,633
Non-banking financial institutions	2,306,255	186,137	-	-	2,492,392
Industry	2,713,233	64,567	82,179	5,551	2,865,530
Commercial	7,769,002	846,409	109,388	645,325	9,370,124
Services	5,749,818	288,621	52,035	10,899	6,101,373
Contracting	8,525,823	1,237,616	49,726	241,193	10,054,358
Real estate	11,234,959	302,620	23,277	26,389	11,587,245
Personal	10,160,182	549,257	124	190,411	10,899,974
Others	622,197	98,205	11,610	22,535	754,547
	51,679,322	4,517,287	328,339	1,158,228	57,683,176
Less: Deferred profit					(17,876)
Specific impairment of loans and advances to customers					(1,926,652)
Collective impairment allowance					(123,463)
					55,615,185

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AT 31 DECEMBER 2015

10. LOANS AND ADVANCES TO CUSTOMERS (CONTINUED)
By industry (CONTINUED)

At 31 December 2014	Loans QAR'000	Overdrafts QAR'000	Bills discounted QAR'000	Other loans QAR'000	Total QAR'000
Government and related agencies	2,809,656	2,171,724	-	28,818	5,010,198
Non-banking financial institutions	1,177,548	-	-	-	1,177,548
Industry	2,329,700	45,636	31,958	4,622	2,411,916
Commercial	7,439,046	788,316	108,094	489,219	8,824,675
Services	2,984,720	208,445	67,285	32,424	3,292,874
Contracting	6,900,630	1,077,334	44,129	373,835	8,395,928
Real estate	9,214,058	538,704	200	43,940	9,796,902
Personal	10,038,219	465,676	520	117,245	10,621,660
Others	700,879	87,634	16,147	39,681	844,341
	43,594,456	5,383,469	268,333	1,129,784	50,376,042
Less: Deferred profit					(42,136)
Specific impairment of loans and advances to customers					(1,642,728)
Collective impairment allowance					(132,657)
					48,558,521

Movement in impairment loss on loans and advances to customers

	2015 QAR'000	2014 QAR'000
Balance at 1 January	**1,775,385**	1,230,158
Foreign currency translation	**(2,476)**	(1,580)
Provisions made during the year	**539,228**	626,131
Recoveries during the year	**(132,046)**	(76,199)
Net allowance for impairment during the year*	**407,182**	549,932
Written off/transfers during the year	**(129,976)**	(3,125)
Balance at 31 December	**2,050,115**	1,775,385

*The movement includes the effect of interest suspended on loans and advances to customers as per QCB regulations amounting to QAR 113.9 million during the year (2014: QAR 110.8 million).

Reconciliations of the allowance for impairment losses for loans and advances to customers, by class, is as follows:

	Corporate lending QAR'000	**SME lending QAR'000**	**Retail lending QAR'000**	**Real Estate Mortgage lending QAR'000**	**Total QAR'000**
Balance at 1 January	**1,274,387**	**53,622**	**365,996**	**81,380**	**1,775,385**
Foreign currency translation	**(1,829)**	**-**	**(647)**	**-**	**(2,476)**
Provisions made during the year	**410,214**	**20,482**	**102,407**	**6,125**	**539,228**
Recoveries during the year	**(99,367)**	**(1,422)**	**(29,276)**	**(1,981)**	**(132,046)**
Written off/transfers during the year	**(49,980)**	**(3,937)**	**(76,059)**	**-**	**(129,976)**
Balance at 31 December 2015	**1,533,425**	**68,745**	**362,421**	**85,524**	**2,050,115**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AT 31 DECEMBER 2015

10. LOANS AND ADVANCES TO CUSTOMERS (CONTINUED)
Movement in impairment loss on loans and advances to customers (CONTINUED)

	Corporate lending QAR'000	SME lending QAR'000	Retail lending QAR'000	Real Estate Mortgage lending QAR'000	Total QAR'000
Balance at 1 January	887,159	22,369	266,714	53,916	1,230,158
Foreign currency translation	(585)	-	(995)	-	(1,580)
Provisions made during the year	409,502	34,871	128,438	53,320	626,131
Recoveries during the year	(19,864)	(3,515)	(34,122)	(18,698)	(76,199)
Written off during the year	(1,825)	(103)	5,961	(7,158)	(3,125)
Balance at 31 December 2014	1,274,387	53,622	365,996	81,380	1,775,385

11. INVESTMENT SECURITIES

The analysis of investment securities is detailed below:

	2015 QAR'000	2014 QAR'000
Available-for-sale	**6,656,781**	5,400,523
Investment securities classified as held for trading	**16,697**	36,541
Held to maturity*	**5,738,356**	4,541,449
	12,411,834	9,978,513
Impairment losses	**(213,602)**	(122,795)
Total	**12,198,232**	9,855,718

*The Group has pledged State of Qatar Bonds amounting to QAR 2,829 million (2014: QAR 136 million) against repurchase agreements.

Available-for-sale

	2015		2014	
	Quoted QAR'000	**Unquoted QAR'000**	Quoted QAR'000	Unquoted QAR'000
Equities	**1,349,144**	**70,166**	819,520	70,048
State of Qatar debt securities	**2,119,273**	**1,129,283**	1,622,610	1,131,616
Other debt securities	**1,862,680**	**2,030**	1,631,633	10,133
Mutual funds	**124,205**	**-**	114,963	-
Less: Impairment losses	**(190,503)**	**(8,905)**	(99,696)	(8,905)
Total	**5,264,799**	**1,192,574**	4,089,030	1,202,892

Fixed rate securities and floating rate securities amounted to QAR 5,100 million and QAR 10 million respectively as of 31 December 2015 (2014: QAR 4,219 million and QAR 173 million respectively).

Investment securities classified as held for trading
The investment securities classified as held for trading comprise of quoted bonds amounted to QAR 5.3 million and quoted equities amounted to QAR 11.4 million (2014: QAR 31.3 million and QAR 5.2 million respectively).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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11. INVESTMENT SECURITIES (CONTINUED)

Held to maturity

	2015		2014	
	Quoted QAR'000	Unquoted QAR'000	Quoted QAR'000	Unquoted QAR'000
-By issuer				
State of Qatar debt securities	**2,943,952**	**1,710,820**	1,687,635	1,744,891
Other debt securities	**1,065,376**	**18,208**	572,508	536,415
Less: Impairment losses	**(14,194)**	-	(14,194)	-
Total	**3,995,134**	**1,729,028**	2,245,949	2,281,306
-By interest rate				
Fixed rate securities	**3,970,364**	**1,729,028**	2,217,278	2,281,306
Floating rate securities	**38,964**	**-**	42,865	-
Less: Impairment losses	**(14,194)**	**-**	(14,194)	-
Total	**3,995,134**	**1,729,028**	2,245,949	2,281,306

The fair value of held-to-maturity investments amounted to QAR 5,850 million at 31 December 2015 (2014: QAR 4,614 million).

Movement in impairment losses on investment securities

	2015 QAR'000	2014 QAR'000
Balance at 1 January	**122,795**	177,545
Provision for impairment loss during the year	**109,652**	30,174
Transferred to consolidated income statement on disposal	**(18,845)**	(84,924)
Balance at 31 December	**213,602**	122,795

12. INVESTMENT IN AN ASSOCIATE

	2015 QAR'000	2014 QAR'000
Balance at 1 January	**9,244**	9,382
Foreign currency translation	**(439)**	(180)
Share of results	**168**	42
Cash dividend	**(65)**	-
Balance at 31 December	**8,908**	9,244

The financial position and results of the associates based on audited financial statements, as at and for the year ended 31 December is as follows:

31 December	2015 QAR'000	2014 QAR'000
Total assets	**31,903**	38,356
Total liabilities	**16,690**	17,355
Total revenue	**9,038**	9,969
Net profit	**382**	95
Share of net profit	**168**	42

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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13. PROPERTY, FURNITURE AND EQUIPMENT

	Land and buildings QAR'000	Leasehold improvements QAR'000	Furniture and equipment QAR'000	Vehicles QAR'000	Total QAR'000
At 31 December 2015					
Cost:					
Balance at 1 January	**768,420**	**146,586**	**417,237**	**12,536**	**1,344,779**
Additions/ transfers	**61,672**	**9,856**	**35,596**	**794**	**107,918**
Disposals	**(8,992)**	**(13)**	**(3,276)**	**(1,399)**	**(13,680)**
	821,100	**156,429**	**449,557**	**11,931**	**1,439,017**
Depreciation:					
Balance at 1 January	**162,743**	**109,593**	**300,375**	**11,057**	**583,768**
Depreciation	**32,927**	**11,976**	**36,239**	**658**	**81,800**
Disposals	**(8,112)**	**(8)**	**(3,058)**	**(1,160)**	**(12,338)**
	187,558	**121,561**	**333,556**	**10,555**	**653,230**
Net Book Value	**633,542**	**34,868**	**116,001**	**1,376**	**785,787**

	Land and buildings QAR'000	Leasehold improvements QAR'000	Furniture and equipment QAR'000	Vehicles QAR'000	Total QAR'000
At 31 December 2014					
Cost:					
Balance at 1 January	768,420	130,306	349,036	12,740	1,260,502
Additions/Transfers	-	16,598	68,221	341	85,160
Disposals	-	(318)	(20)	(545)	(883)
	768,420	146,586	417,237	12,536	1,344,779
Depreciation:					
Balance at 1 January	130,947	97,305	261,968	10,811	501,031
Depreciation	31,796	12,606	38,407	766	83,575
Disposals	-	(318)	-	(520)	(838)
	162,743	109,593	300,375	11,057	583,768
Net Book Value	605,677	36,993	116,862	1,479	761,011

14. OTHER ASSETS

	2015 QAR'000	2014 QAR'000
Interest receivable	**185,125**	136,611
Prepaid expenses	**109,306**	99,819
Repossessed collaterals*	**-**	31,415
Positive fair value of derivatives (Note 34)	**28,876**	38,129
Deferred tax asset	**51,521**	30,150
Sundry debtors	**22,023**	1,266
Others	**355,915**	445,245
	752,766	782,635

*This represents the value of the properties acquired in settlement of debts which are stated at their acquisition value.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AT 31 DECEMBER 2015

15. DUE TO BANKS

	2015 QAR'000	2014 QAR'000
Balances due to central banks	**375,141**	196,912
Current accounts	**179,272**	582,740
Certificate of deposits	**-**	400,000
Short-term loan from banks	**5,828,771**	11,508,709
Repo borrowings	**2,392,946**	106,374
	8,776,130	12,794,735

16. CUSTOMER DEPOSITS

By type

	2015 QAR'000	2014 QAR'000
Current and call deposits	**10,885,356**	12,047,947
Saving deposits	**2,502,901**	2,330,511
Time deposits	**39,378,356**	31,568,117
	52,766,613	45,946,575

By sector

	2015 QAR'000	2014 QAR'000
Government and semi government agencies	**21,696,932**	16,970,410
Individuals	**10,429,439**	9,383,256
Corporates	**17,571,977**	17,356,088
Non-banking financial institutions	**3,068,265**	2,236,821
	52,766,613	45,946,575

17. DEBT SECURITIES

The Group has issued subordinated debt notes and senior guaranteed notes as follows:

	2015 QAR'000	2014 QAR'000
Subordinated debt notes (a)	**772,736**	772,092
Senior guaranteed notes (b)	**1,814,992**	1,810,386
	2,587,728	2,582,478

Note (a)
On 12 December 2006, the Group issued US$ 340 million subordinated floating rate step up notes at a nominal value of US$ 100,000 per note. The notes mature in 2016 and carry interest at three months US$ LIBOR plus 1.32% per annum payable.

Note (b)
On 14 March 2012, the Group issued US$ 500 million senior guaranteed notes at 98.964% of the nominal value. The notes have a minimum nominal denomination of US$ 200,000. The notes mature in 2017 and carry interest at fixed rate of 3.50% payable semi-annually.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AT 31 DECEMBER 2015

18. OTHER BORROWINGS

	2015 QAR'000	2014 QAR'000
Term loan facility	**3,452,534**	727,681

The table below shows the maturity profile of other borrowings.

	2015 QAR'000	2014 QAR'000
Up to 1 year	**276,378**	363,531
Between 1 and 3 years	**3,176,156**	364,150
	3,452,534	727,681

19. OTHER LIABILITIES

	2015 QAR'000	2014 QAR'000
Interest payable	**214,633**	130,009
Accrued expense payable	**84,505**	95,161
Provision for end of service benefits (Note-i)	**216,122**	193,505
Staff provident fund	**99,524**	89,324
Tax payable	**25,884**	22,866
Negative fair value of derivatives (Note 34)	**20,066**	52,686
Unearned income	**70,108**	59,187
Cash margins	**297,284**	275,061
Dividend payable	**39,704**	41,207
Unclaimed balances	**9,755**	10,352
Proposed transfer to social and sport fund	**34,343**	33,966
Others*	**1,406,881**	1,170,016
Total	**2,518,809**	2,173,340

*This includes acceptances pertaining to trade finance amounting to QAR 716.8 million (2014: QAR 565.2 million).

Note-i
Provision for end of service benefits

	2015 QAR'000	2014 QAR'000
Balance at 1 January	**193,505**	171,864
Provision for the year	**39,467**	38,292
Provisions used during the year	**(16,850)**	(16,651)
Balance at 31 December	**216,122**	193,505

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AT 31 DECEMBER 2015

20. EQUITY

a. Share capital

	Ordinary shares	
	2015	2014
In thousands of shares		
On issue at the beginning of the reporting period	**258,372**	258,372
On issue at 31 December	**258,372**	258,372

At 31 December 2015, the authorised share capital comprised 258,372 thousands ordinary shares (2014:258,372 thousands). These instruments have a par value of QAR 10. All issued shares are fully paid.

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Group.

b. Legal reserve
In accordance with Qatar Central Bank's Law No. 13 of 2012, 10% of the net profit for the year is required to be transferred to legal reserve until the legal reserve equals 100% of the paid up capital. This reserve is not available for distribution except in circumstances specified in the Qatar Commercial Companies' Law No. 11 of 2015 and is subject to the approval of QCB.

The legal reserve includes share premium received on issuance of new shares in accordance with Qatar Commercial Companies Law 11 of 2015.

c. Risk reserve
In accordance with the Qatar Central Bank regulations, a minimum requirement of 2.5% of the net loans and advances to customers except for facilities granted to Government, is required as risk reserve to cover any contingencies.

For the year ended 31 December 2015 the Group has transferred QAR 152 million (2014: QAR 179 million) into the risk reserve which is 2.5% of the net loans and advances to customers except for facilities granted to Government.

d. Fair value reserves
This reserve comprises the fair value changes recognised on available-for-sale financial assets.

	2015 QAR'000	2014 QAR'000
Balance at 1 January	**(57,574)**	(43,355)
Net unrealized (loss) gain on available-for-sale investment securities	**(296,132)**	65,816
Reclassified to consolidated statement of Income	**84,030**	(80,035)
Net change in fair value of available – for – sale investment securities	**(212,102)**	(14,219)
Balance at 31 December	**(269,676)**	(57,574)

e. Foreign currency translation reserve
The translation reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations.

f. Proposed dividend
The Board of Directors of the Group has proposed a cash dividend of 30% of paid up share capital amounting to QAR 775.1 million - QAR 3.00 per share (2014: 40% of paid up share capital amounting to QAR 1,033.5 million - QAR 4.00 per share) which is subject to approval at the Annual General Meeting of the shareholders.

g. Instrument eligible as additional capital

	2015 QAR'000	2014 QAR'000
Issued on 31 December 2013	**2,000,000**	2,000,000
Issued on 30 June 2015	**2,000,000**	-
	4,000,000	2,000,000

The Group has issued regulatory Tier I capital notes totaling to QAR 4 billion. These notes are perpetual, subordinated, unsecured and each has been priced at a fixed rate for the first six years and shall be re-priced thereafter. The coupon is discretionary and the event on non-payment is not considered as an event of default. The notes carry no maturity date and have been classified under Tier 1 capital.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AT 31 DECEMBER 2015

21. INTEREST INCOME

	2015 QAR'000	2014 QAR'000
Balance with central banks	**6,701**	10,551
Due from banks and non-banking financial institutions	**117,930**	121,637
Debt securities	**383,163**	365,499
Loans and advances to customers	**2,334,381**	2,009,548
	2,842,175	2,507,235

22. INTEREST EXPENSE

	2015 QAR'000	2014 QAR'000
Due to banks	**110,545**	74,539
Customer deposits	**607,625**	414,787
Debt securities	**76,400**	76,627
	794,570	565,953

23. FEE AND COMMISSION INCOME

	2015 QAR'000	2014 QAR'000
Credit related fees	**139,749**	157,239
Brokerage fees	**586**	668
Bank services fee	**212,134**	175,732
Commission on unfunded facilities	**136,420**	172,802
Others	**14,207**	15,823
	503,096	522,264

24. FEE AND COMMISSION EXPENSE

	2015 QAR'000	2014 QAR'000
Bank fees	**1,314**	1,123
Others	**5,237**	5,099
	6,551	6,222

25. FOREIGN EXCHANGE GAIN

	2015 QAR'000	2014 QAR'000
Dealing in foreign currencies	**21,439**	19,300
Revaluation of assets and liabilities	**76,102**	77,845
	97,541	97,145

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AT 31 DECEMBER 2015

26. INCOME FROM INVESTMENT SECURITIES

	2015 QAR'000	2014 QAR'000
Net gains on investment securities	**30,673**	185,349
Dividend income	**38,868**	36,224
	69,541	221,573

27. OTHER OPERATING INCOME

	2015 QAR'000	2014 QAR'000
Recoveries from the loans and advances previously written-off	**35,196**	27,407
Rental income	**12,903**	13,300
Others	**25,329**	21,326
	73,428	62,033

28. STAFF COSTS

	2015 QAR'000	2014 QAR'000
Staff cost	**465,692**	470,894
Staff pension fund costs	**11,369**	11,183
End of service benefits	**39,467**	38,292
Training	**3,996**	3,120
	520,524	523,489

29. OTHER EXPENSES

	2015 QAR'000	2014 QAR'000
Advertising	**36,355**	34,528
Professional fees	**28,391**	27,103
Communication and insurance	**49,038**	46,636
Board of Directors' remuneration	**15,339**	17,109
Occupancy and maintenance	**89,695**	79,956
Computer and IT costs	**29,069**	29,552
Printing and stationary	**14,695**	14,457
Travel and entertainment costs	**8,269**	7,466
Others	**157,476**	156,236
	428,327	413,043

30. TAX EXPENSE

	2015 QAR'000	2014 QAR'000
Current tax expense		
Current year	**25,701**	24,367
Adjustments for prior years	**100**	(455)
	25,801	23,912
Deferred tax expense		
Temporary differences	**(21,232)**	(12,332)
	(21,232)	(12,332)
Income tax expense reported in the statement of income	**4,569**	11,580

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AT 31 DECEMBER 2015

31. BASIC AND DILUTED EARNINGS PER SHARE
Earnings per share of the Group is calculated by dividing profit for the year attributable to the equity holders (further adjusted for interest expense on tier 1capital notes) of the Bank by the weighted average number of ordinary shares in outstanding during the year:

	2015 QAR'000	2014 QAR'000
Profit for the year attributable to the equity holders of the Group	**1,373,710**	1,358,658
Deduct : Interest on Tier 1 capital notes	**(170,000)**	(120,000)
Net profit attributable to equity holders of the Group	**1,203,710**	1,238,658
Weighted average number of outstanding shares	**258,372**	258,372
Earnings per share (QAR)	**4.66**	4.79

The weighted average number of shares has been calculated as follows:

	2015	2014
In thousands of shares		
Weighted average number of shares at 1 January	**258,372**	258,372
Weighted average number of shares at 31 December	**258,372**	258,372

32. CONTINGENT LIABILITIES AND OTHER COMMITMENTS

	2015 QAR'000	2014 QAR'000
Contingent liabilities		
Unused facilities	**7,253,819**	9,533,640
Guarantees	**23,335,322**	20,231,382
Letters of credit	**3,058,478**	3,058,424
Others	**579,598**	491,547
Total	**34,227,217**	33,314,993
Other commitments		
Forward foreign exchange contracts	**11,017,638**	5,527,793
Interest rate swaps	**949,275**	746,508
Total	**11,966,913**	6,274,301

Unused facilities
Commitments to extend credit represent contractual commitments to make loans and revolving credits. The majority of these expire within a year. Since commitments may expire without being drawn upon, the total contractual amounts do not necessarily represent future cash requirements.

Guarantees and Letters of credit
Guarantees and letters of credit commit the Group to make payments on behalf of customers in the event of a specific event. Guarantees and standby letters of credit carry the same credit risk as loans.

Lease commitments
The Group has entered into commercial leases on certain buildings. These leases have an average duration between three and five years. There are no restrictions placed upon the Group by entering into these leases.

Future minimum lease payments under non-cancellable leases as at December 31 are as follow:

	2015 QAR'000	2014 QAR'000
Less than one year	**22,198**	15,651
Between one and five years	**20,944**	18,869
More than five years	**3,820**	5,216
	46,962	39,736

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AT 31 DECEMBER 2015

33. CASH AND CASH EQUIVALENTS

	2015 QAR'000	2014 QAR'000
Cash and balances with central banks	**1,399,611**	1,341,940
Due from banks and other financial institutions maturing within 3 months	**6,157,790**	8,354,243
	7,557,401	9,696,183

*Cash and balances with Central banks do not include the mandatory cash reserve.

34. DERIVATIVES

At 31 December 2015:	Positive fair value QAR'000	Negtive fair value QAR'000	Notional amount QAR'000	Notional / expected amount by term to maturity within 3 months QAR'000	3 - 12 months QAR'000	1-5 years QAR'000	More than 5 years QAR'000
Derivatives held for trading:							
Forward foreign exchange contracts	**23,718**	**4,431**	**11,017,638**	**5,661,317**	**3,030,820**	**2,325,501**	**-**
Derivatives held for fair value hedges:							
Interest rate swaps	**5,158**	**15,635**	**949,275**	**-**	**-**	**232,692**	**716,583**

At 31 December 2014:	Positive fair value QAR'000	Negative fair value QAR'000	Notional amount QAR'000	Notional / expected amount by term to maturity within 3 months QAR'000	3 - 12 months QAR'000	1-5 years QAR'000	More than 5 years QAR'000
Derivatives held for trading:							
Forward foreign exchange contracts	26,152	42,642	5,527,793	4,854,157	673,636	-	-
Derivatives held for fair value hedges:							
Interest rate swaps	11,977	10,044	746,508	-	29,132	183,532	533,844

35. RELATED PARTIES

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions, Related parties include entities over which the Group exercises significant influence, major shareholders, directors and key management personnel of the Group. The Group enters into transactions, arrangements and agreements involving directors, senior management and their related concerns in the ordinary course of business at commercial interest and commission rates.

The related party transactions and balances included in these consolidated financial statements are as follows:

	2015 Board of directors QAR'000	2015 Others QAR'000	2014 Board of directors QAR'000	2014 Others QAR'000
Assets:				
Loans and advances to customers	**1,280,508**	**-**	1,033,716	-
Liabilities:				
Customer deposits	**404,306**	**4,723**	428,893	1,033
Unfunded items:				
Contingent Liabilities and other commitments	**931,377**	**-**	998,929	-
Other assets	**8,305**	**-**	3,650	-
Income statement items:				
Interest , commission and other income	**35,022**	**-**	25,658	-
Interest, commission and other expense	**6,698**	**270**	10,027	234

No impairment losses have been recorded against balances outstanding during the period with key management personnel.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AT 31 DECEMBER 2015

35. RELATED PARTIES (CONTINUED)

Key management personnel compensation for the year comprised:

	2015 QAR'000	2014 QAR'000
Salaries and other benefits	**61,394**	58,742
End of service indemnity benefits and provident	**7,685**	7,403
	69,079	66,145

36. BUSINESS COMBINATION

On 1 April 2015, the Group acquired the business of HSBC Bank Oman S.A.O.G.'s Mumbai and Kochi branches which specialise in corporate and retail Banking. The acquisition has been accounted for using the acquisition method.

The consolidated financial statements include the results of these branches for the nine month period from the acquisition date. The fair values of the identifiable assets and liabilities of HSBC Bank Oman S.A.O.G.'s Mumbai and Kochi branches as at the date of acquisition were:

	Fair value recognised on acquisition QAR'000
ASSETS	
Property, furniture and equipment	30,649
Cash and balances with central banks	5,026
Due from banks	86,956
Loans and advances to customers	425
Investment securities	17,919
Other assets	7,140
	148,115
LIABILITIES	
Customer deposits	71,075
Other liabilities	2,086
	73,161
Total identifiable net assets at fair value	74,954
Gain on bargain purchase arising on acquisition	(388)
PURCHASE CONSIDERATION TRANSFERRED	**74,566**
Analysis of cash flows on acquisition:	
Net cash acquired with the branches	91,982
Cash paid	(74,566)
Net cash flows on acquisition (included in cash flows from investing activities)	**17,416**

37. COMPARATIVES

Certain comparative amounts presented for 2014 have been reclassified where necessary to comply with the 2015 amounts in order to conform with the current year's financial statement. However, such reclassifications did not have any effect on the consolidated profit, other comprehensive income or the total consolidated equity for the comparative year.

The table below details the effects of the reclassification on the statement of financial position:

	As previously reported QAR'000	*Effect of reclassification QAR'000*	*After reclassification QAR'000*
Cash and balances with central banks	3,706,541	(402,890)	**3,303,651**
Investment securities	**9,452,828**	**402,890**	**9,855,718**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AT 31 DECEMBER 2015

38. FINANCIAL STATEMENTS OF THE PARENT

SUPPLEMENTARY INFORMATION TO THE FINANCIAL STATEMENTS

Statement of Financial Position – Parent Bank

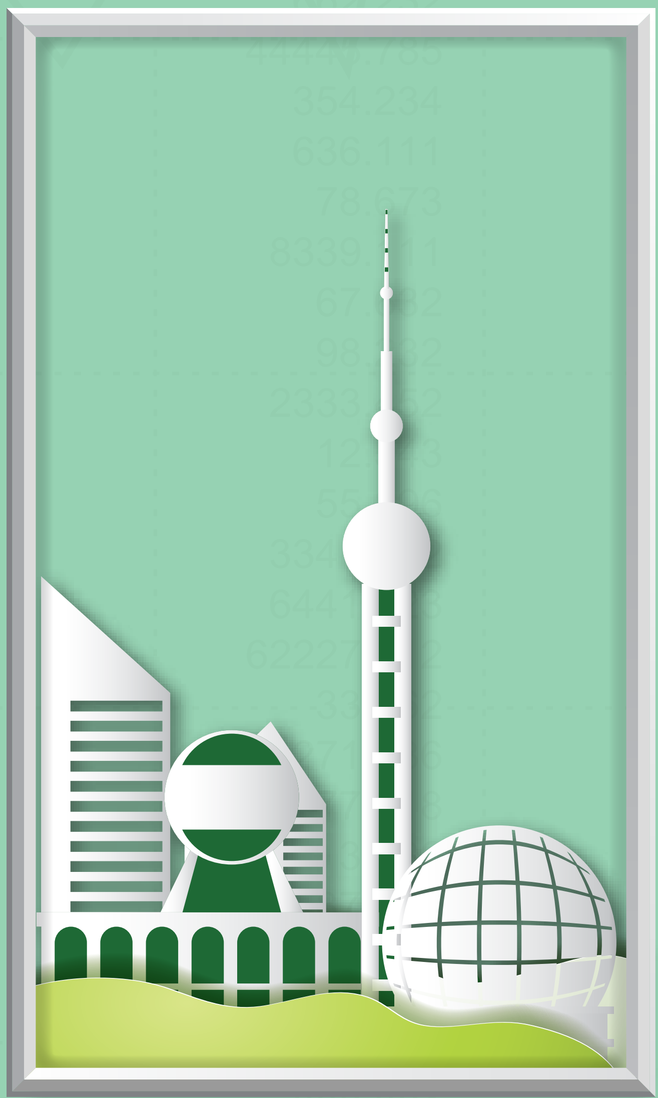
As at 31 December	2015 QAR'000	2014 QAR'000
ASSETS		
Cash and balances with central banks	**3,562,821**	3,303,651
Due from banks	**10,330,715**	12,152,721
Loans and advances to customers	**55,615,185**	48,558,521
Investment securities	**12,198,968**	9,864,806
Investment in an associate	**8,908**	9,244
Property, furniture and equipment	**785,461**	760,532
Other assets	**692,672**	692,858
TOTAL ASSETS	**83,194,730**	75,342,333
LIABILITIES		
Due to banks	**8,776,130**	12,794,735
Customer deposits	**52,803,580**	45,952,676
Debt securities	**2,587,728**	2,582,478
Other borrowings	**3,452,534**	727,681
Other liabilities	**2,420,492**	2,036,301
TOTAL LIABILITIES	**70,040,464**	64,093,871
EQUITY		
Share capital	**2,583,723**	2,583,723
Legal reserve	**4,305,737**	4,304,339
Risk reserve	**1,292,000**	1,140,000
Fair value reserves	**(266,667)**	(57,695)
Foreign currency translation reserve	**(19,825)**	(10,595)
Proposed dividend	**775,117**	1,033,489
Retained earnings	**484,181**	255,201
TOTAL EQUITY ATTRIBUTABLE TO SHAREHOLDERS OF THE BANK	**9,154,266**	9,248,462
Instrument eligible as additional capital	**4,000,000**	2,000,000
TOTAL EQUITY	**13,154,266**	11,248,462
TOTAL LIABILITIES AND EQUITY	**83,194,730**	75,342,333

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AT 31 DECEMBER 2015

38. FINANCIAL STATEMENTS OF THE PARENT
SUPPLEMENTARY INFORMATION TO THE FINANCIAL STATEMENTS
(CONTINUED)

Income Statement – Parent Bank

For the year ended 31 December	2015 QAR'000	2014 QAR'000
Interest income	**2,842,175**	2,507,235
Interest expense	**(795,248)**	(566,113)
Net interest income	**2,046,927**	1,941,122
Fee and commission income	**503,096**	522,264
Fee and commission expense	**(6,551)**	(6,222)
Net fee and commission income	**496,545**	516,042
Foreign exchange gain	**97,541**	97,145
Income from investment securities	**68,432**	218,415
Other operating income	**70,787**	59,086
	236,760	374,646
Net operating income	**2,780,232**	2,831,810
Staff costs	**(509,044)**	(511,973)
Depreciation and amortisation	**(81,602)**	(83,363)
Impairment loss on investment securities and due from banks	**(107,682)**	(30,174)
Net impairment loss on loans and advances to customers	**(293,169)**	(439,149)
Other expenses	**(437,757)**	(408,254)
	(1,415,254)	(1,472,913)
Profit for the year before tax	**1,364,978**	1,358,897
Tax expense	**(3,307)**	(10,498)
Profit for the year	**1,361,671**	1,348,399



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CONTACT DIRECTORY

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Chief Executive Officer
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Legal Advisor & Secretary
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Head of Compliance
Compliance
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Chief Internal Auditor
Internal Audit
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Head of Treasury & Investments
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Head Treasury
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Head of Operations
Technology & Operations
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Head of Administration
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Head of Human Resources
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Head of International Banking
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Head of Public Sector
Wholesale Banking
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Head of CRM & Shareholders affairs
Wholesale Banking
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Acting Head of Retail Banking
Tel: 40154748
Fax: 40154756

Mr. Braik Ali HS Al-Marri
Head of Al RIyada Unit and Private Banking
Tel: 40154773
Fax: 40154776

RISK MANAGEMENT GROUP
Mr. Khalid Latif
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Head of Credit Risk Management
Risk Management
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Fax: 40155770

Mr. Yousuf Hashim Abdulla Al Yousuf
Executive Manager
Relationship Management &
Islamic Portfolio
Tel: 40155887
Fax: 40154702

DOHA BANK ASSURANCE COMPANY
Mr. Brett Graeme Pennington
Executive Manager
Head of Insurance
Tel: 44257549
Fax: 44357582

DOHA BANK BRANCH DIRECTORY
LOCAL BRANCHES

Main Branch (202)
P.O Box 3818
Tel:44456600
Fax:44416631, 44456837
Telex: 4534-DOHBNK
Swift: DOHA QA QA

Mushaireb (203)
P.O Box: 2822
Tel: 44025342, 43, 44
Fax: 44025335 / 44025336
Telex: 4825- DBMSB DH
Swift: DOHBQAQAMSB

Museum (204)
P.O Box: 32311
Tel: 40153152 / 53
Fax:40153150
Telex: 4534-DOHBNK
Swift: DOHA QA QA

New Souq Area (205)
Relocated in Museum Branch

Central Market (206)
P.O Box: 3818
Tel: 40153191 - 96
Fax: 40153186
Swift: DOHB QA QA

City Center (210)
P.O Box 31490
Tel: 44115038 , 39 , 41, 42
Fax: 44115018
Swift: DOHB QA QA

West Bay (211)
P.O Box: 9818
Tel: 40153101 / 09
Fax: 40153100
Telex:4883-DBBAY DH
Swift: DOHB QA QA

Al Kheratiyat (212)
P.O Box: 8212
Tel:44783397/8
Fax: 44783326 / 44780618
Telex: 5051 DOHB QA QA
Swift: DOHB QA QA

Bin Omran (213)
P.O Box: 8646
Tel: 44875031/3/4
Fax: 44874670

C-Ring Road (215)
P.O Box:3846
Tel:44659419/20/21
Fax:44659288
Telex: 4534
Swift: DOHB QA QA

New Gharafah Br. (216)
P.O Box: 31636
Tel.: 40153371-375 / 378
Fax: 40153380

Najma (218)
P.O. Box 23449
Tel: 44270575 / 44250576
Fax: 44270595

Handasa (219)
P.O Box 31430
Tel: 44371843, 44375148
Fax: 44371330

D-Ring Road (220)
P.O Box 31420
Tel: 44257649, 50 , 51
Fax: 44257646

Old Airport Br. (221)
P.O Box 22714
Tel: 44257667, 44257669
Fax:44257657
Swift: DOHA QA QA

Corporate Br. (222)
P.O Box 3818
Tel: 40155750, 51 , 54
Fax:40155745
Swift: DOHA QA QA

Al Mirqab (225)
P.O Box: 8120
Tel: 40153266 / 67
Fax: 40153264

Salwa Road (226)
P.O. Box: 2176
Tel: 44682180/1
Fax: 44681768
Telex: 4744-DBSWA DH
Swift: DOHB QA QA SRB

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Tel: 44606941 / 2 / 3
Fax:44606175

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P.O Box: 47277
Tel: 40153253 / 54
Fax:40153250

Abu Samra (229)
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Tel:44715634 / 44715623
Fax: 44715618 / 31

Dukhan (230)
P.O Box: 100188
Tel: 40153312 to 3317
Fax: 44711090
Telex: 4210-DBDKN DH
Swift: DOHB QA QA DKB

Al Khor (231)
P.O Box: 60660
Tel: 44722916 / 15
Fax: 44722157
Swift: DOHB QA QA

Umm Salal (232)
P.O Box: 2389
Tel: 44257403 / 05 / 06
Fax: 44172010
Swift: DOHB QA QA

Ras Laffan (233)
P.O Box: 31660
Tel: 44748665 / 66
Fax: 44748664
Telex: 4825- DBMSB DH
Swift: DOHB QA QA

Al Ruwais (235)
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Tel: 44731378
Fax: 44731372
Swift: DOHB QA QA

Wakra (237)
P.O Box: 19727
Tel: 40153177 / 78
Fax: 40153185
Swift: DOHB QA QA

Mesaieed (240)
P.O Box: 50111
Tel: 44771984/5
Fax: 44770639
Telex: 4164 DBUSB DH
Swift: DOHB QA QA USB

Al Rayyan (260)
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Tel: 44257135 / 36
Fax: 44119471
Swift: DOHB QA QA

Aswaq Moaither (261)
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Tel: 44818075, 76 , 78
Fax: 44818079
Swift: DOHB QA QA

Aspire(263)
P.O Box: 22082
Tel: 44144942, 45
Fax: 44144947
Swift: DOHB QA QA

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QP, Pay Office, Dukhan	+974 44712298	+974 44712660
Umm Baab, Dukhan	+974 44712236	+974 44712678
QPost - Main	+974 44839210 / 55734474	+974 44839157
QPost - Teyseer	+974 44621299 / 66011474	+974 44621552
QPost - Muntaza	+974 44352894 / 66746771	+974 44354284
Woqood	+974 44114374 / 66743509	+974 44114372
Pakistan Embassy	+974 44176196	+974 44176196

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Lulu Gharafa	+974 44780659 / 77866470	+974 44780615
Al Muntazah - DBAC	+974 44437264 / 55068768	+974 44434178
Parco Mall	+974 40153126 / 66881383	+974 40153130
Lulu Al Khor	+974 40153128 / 66545149	+974 44726147
Abu Hamour	+974 44509259 / 55667310	+974 44509259
QP Al Handasa	+974 44375738 / 66603646	+974 44376022
Payroll Card Center	+974 44420726 / 55023789	+974 44420632
Chamber of Commerce (D Ring Rd.)	+974 44674515	+974 44674035

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