بنك الدوحة
DOHA BANK

Innovation.
Performance.
Consistency.
MAKING AN IMPACT.

ANNUAL REPORT 2021

His Highness
Sheikh Hamad Bin Khalifa Al Thani
Father Emir

His Highness
Sheikh Tamim Bin Hamad Al Thani
Emir of the State of Qatar

GLOBAL PRESENCE IN
MAJOR FINANCIAL HUBS

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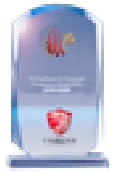
DOHA BANK **AWARDS**

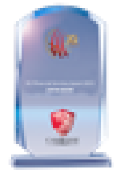
2021


First Bank Live In CEMEA with Smarter Stand-In Processing (STIP)
Visa


Best Digital Wallet App Qatar
International Business Magazine LLC


Best Trade Finance Provider
Global Finance

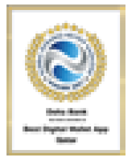

3G Excellence in Corporate Governance Award
Global Good Governance (3G) Awards


3G Financial Services Award Global Good Governance (3G) Awards
Global Good Governance (3G) Awards


Best Digital Payment App 'Doha Pay'
World Business Outlook Awards


Best Commercial Bank Qatar
World Business Outlook Awards


Faster Growing Mastercard Payment Gateway Services Partner in Qatar
Mastercard


Best Digital Wallet App Qatar
Global Business Review Magazine Award

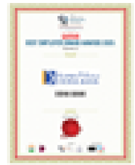

Best Digital Bank Qatar
World Economic Magazine Awards


Best CSR Bank-
Business Tabloid Banking & Finance Awards

2020


Best Trade Finance Bank
New Age Banking Summit Awards


Best Trade Finance Provider
Global Finance


Best Employer Brand Award
World HRD Congress


Best Digital Bank
Global Economics Awards


The Golden Peacock Global Award for Sustainability
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Outstanding Crisis Leadership – Community Award
Global Finance

2019


3G Financial Services Award
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Best Trade Finance Bank in Qatar
Global Banking & Finance


The BIZZ – World Business Leader Award
World Confederation of Businesses

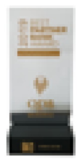

Best Customer Services & Alternative Banking Channels
World Union of Arab Bankers


Corporate & Investment Bank of the Year – Qatar
Asian Banking & Finance


Qatar Domestic Cash Management Bank of the Year
Asian Banking & Finance


The Golden Peacock Global Award for Corporate Governance
Institute of Directors


Best Talent Acquisition Team
LinkedIn

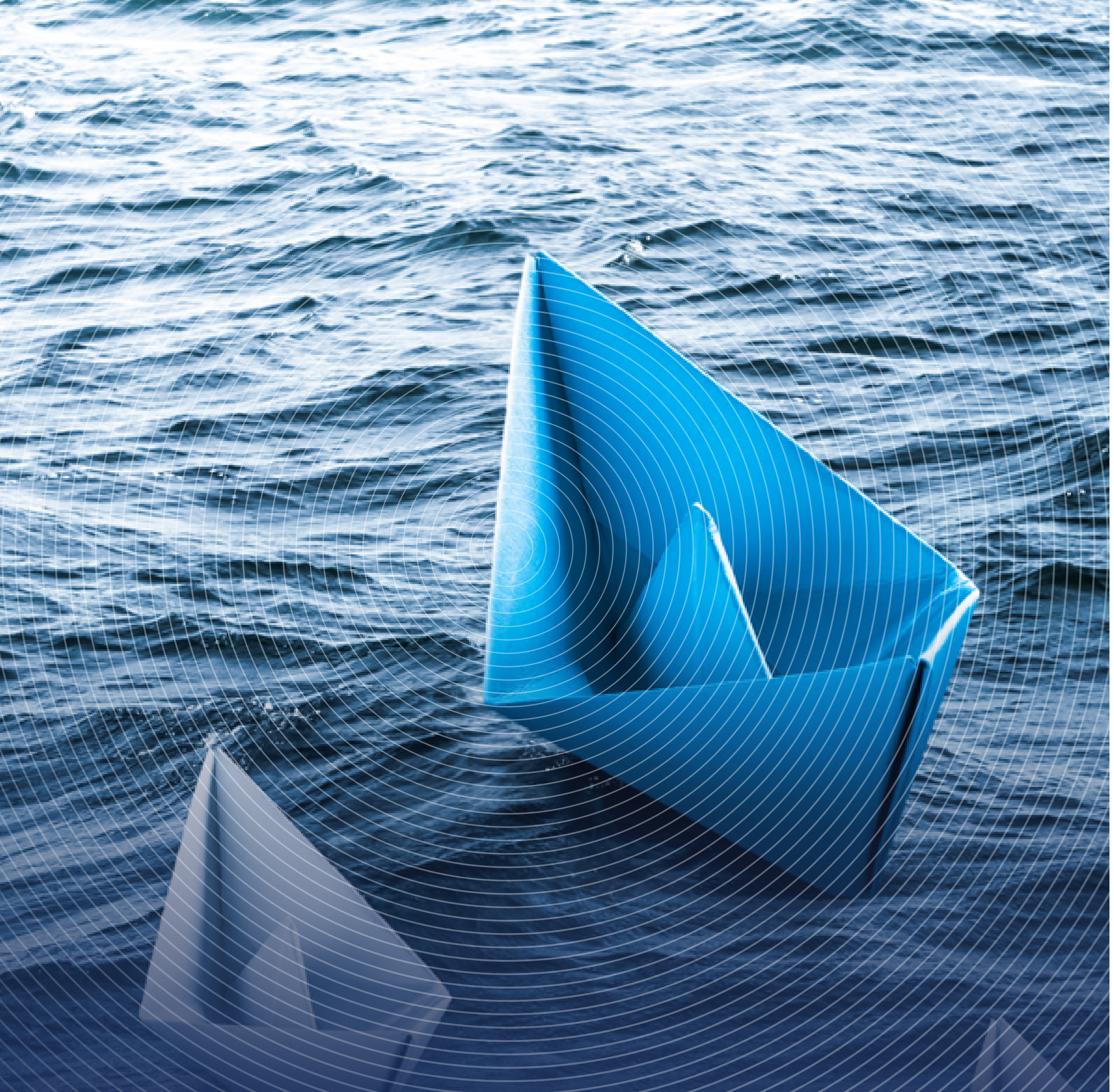

Best Partner Bank Award"
Qatar Development Bank

FINANCIAL **HIGHLIGHTS**

Key Figures	2017	2018	2019	2020	2021	Variance (%) ‹21 Vs ‹20
			Qatari Riyals Million			
Total Assets	93,495	96,132	108,208	103,540	101,103	-2.35%
Net Loans & Advances	59,804	59,844	65,784	65,450	62,667	-4.25%
Customer Deposits	59,468	55,785	58,464	55,054	50,356	-8.53%
Total Equity	14,807	12,733	13,318	13,795	14,256	3.34%
Total Revenues*	4,428	4,628	5,168	4,511	4,286	-4.99%
Net Profit	1,110	830	754	703	704	0.14%

* Total Revenues for 2019 restated

Key Ratios (%)	2017	2018	2019	2020	2021
Return on Shareholders Equity	9.52%	6.54%	5.96%	5.35%	5.20%
Return on Average Assets	1.21%	0.88%	0.74%	0.66%	0.69%
Total Capital Ratio	17.51%	17.01%	17.75%	19.75%	20.18%
Total Equity to Total Assets	15.80%	13.20%	12.30%	13.32%	14.10%
Net Loans to Total Assets	63.96%	62.25%	60.79%	63.21%	61.98%
Net Loans to Total Deposits	100.56%	107.28%	112.52%	118.88%	124.45%



STATEMENT OF **H.E. CHAIRMAN OF THE BOARD** THE GENERAL ASSEMBLY MEETING ON MARCH 23RD, 2022

In the Name of God, Most Gracious, Most Merciful,

Dear Shareholders,

Ladies & Gentlemen,

Al Salamu Alaykum...

On behalf of myself and the members of the Board of Directors (BOD), I would like to express my heartfelt gratitude for your participation in the Ordinary and Extraordinary General Assembly Meeting to discuss the topics on the agenda.

Please let me share with you the financial results of the bank for this year. According to the audited financial statements for the year 2021, the bank was able to achieve decent financial results, where the total assets stood at QR 101.1 billion, the net loans and advances was QR 62.7 billion, the total value of the investment portfolio was QR 25.1 billion, the total amount of customer deposits reached QR 50.4 billion, and the total amount of shareholders' equity stood at QR. 14.3 billion.

The income statement shows that the net profit at the end of the year amounted to QR 704 million, noting that the bank has created additional provisions for hedging purposes, which will strengthen the financial position of the bank for the coming years. Moreover, the average return on share stood at QR. 0.16 and the return on average shareholders' equity reached 5.2% and the return on average assets amounted to 0.69%. Based on these results, the BOD decided to present a recommendation at the AGM to distribute cash dividends to the shareholders at QR 0.075 per share.

We would like to express our gratitude to the bank's management and staff for their concerted efforts in overcoming the financial and business markets' crisis as a result of the COVID-19 pandemic in order to maintain business continuity and achieve positive results that benefit the bank's financial position.

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 Khaled Bin Khalifa Al-Thani, H.E. The Minister of Finance, Mr. Ali Bin Ahmed Al Kuwari, H.E. The Minister of Commerce and Industry, Sheikh Mohammed Bin Hamad Bin Qassim Al Thani, and H.E. The QCB Governor, Sheikh Bandar Bin Mohammed Bin Saud Al-Thani, and to all officials of Qatar Central Bank, the Ministry of Commerce and Industry, Qatar Financial Markets Authority and Qatar Exchange for their continued cooperation and support.

Many thanks and appreciation to all of our shareholders and customers for their confidence in the bank, and we look forward to continued growth and prosperity.

Fahad Bin Mohammad Bin Jabor Al-Thani

Chairman

THE BOARD OF **DIRECTORS**

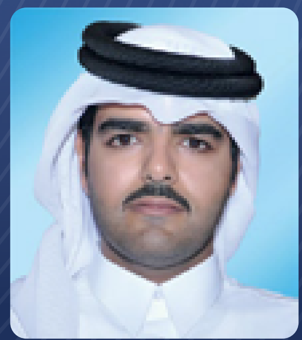
H.E. SHEIKH FAHAD BIN MOHAMMAD BIN JABOR AL THANI
Chairman
Representing Fahad Mohammad Jabor Holding Company

H.E. SHEIKH FALAH BIN JASSIM BIN JABOR AL THANI
Member of Board of Directors
Representing Jassim and Falah Trading and Contracting Co.

MR. AHMED ABDULLAH AHMED AL KHAL
Member of Board of Directors

MR. AHMED ABDUL RAHMAN YOUSEF OBEIDAN
Vice Chairman

H.E. SHEIKH ABDUL RAHMAN BIN MOHAMMAD BIN JABOR AL THANI
Managing Director



MR. NASSER KHALID NASSER ABDULLAH AL MESNAD
Independent Member

MR. NASSER MOHAMMED ALI AL MATHKOOR AL-KHALDI
Independent Member

MR. ABDULLA ALI ABDULRAHMAN AL-ABDULLA
Independent Member

EXECUTIVE MANAGEMENT

DR. R. SEETHARAMAN
CHIEF EXECUTIVE OFFICER

ALA AZMI MASOUD ABUMUGHLI
CHIEF WHOLESALE BANKING OFFICER

GUDNI STIHOLT ADALSTEINSSON
CHIEF TREASURY AND INVESTMENTS OFFICER

ANDRE LEON SNYMAN
CHIEF INTERNATIONAL BANKING OFFICER

PETER JOHN CLARK
CHIEF OPERATING OFFICER

SANJAY JAIN
ACTING CHIEF FINANCIAL OFFICER

TAHER ALAGHA
ACTING CHIEF RISK OFFICER

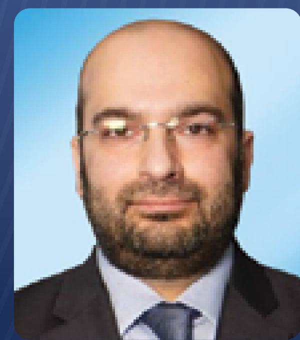
SH. MOHAMED FAHAD MJ AL THANI
ACTING CHIEF HUMAN RESOURCE OFFICER

SH. MOHAMED ABDULLA MJ AL THANI
CHIEF STRATEGY, CORPORATE PERFORMANCE AND MARKETING OFFICER

BRAIK ALI AL-MARRI
CHIEF RETAIL BANKING OFFICER

MOKHTAR ABDEL MONEM ELHENAWY
LEGAL ADVISOR & SECRETARY TO THE BOARD OF DIRECTORS

DR. MOHAMMAD OMAR ABDELAZIZ DAOUD
CHIEF INTERNAL AUDITOR



GHAUS BIN IKRAM
ACTING CHIEF COMPLIANCE OFFICER

INTERNATIONAL **NETWORK**

Mr. Andre Leon Snyman
Chief International
Banking Officer

Mrs. Najah S A Al Sulaiman
Chief Country Manager
Kuwait

Mr. Nelson Rajan Quadros
Acting Country Head
United Arab Emirates

Mr. Manish Mathur
Country Manager
India

Mr. Hilton Wood
Chief Representative
Australia

Mr. Kanji Shinomiya
Chief Representative
Japan

Mr. Young Joon Kwak
Chief Representative
South Korea

Mr. Peter Lo
Chief Representative
China

Vacant

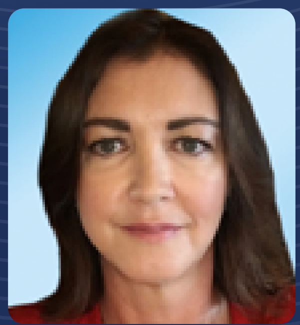
Chief Representative
Hong Kong

Mr. Nezih Akalan
Chief Representative
Turkey

Mr. Maik Gellert
Chief Representative
Germany

Mr. Richard Whiting
Chief Representative
United Kingdom

Mr. Venkatesh Nagoji
Chief Representative
Canada



Mrs. Annerie Visser
Chief Representative
South Africa

Mr. Ivan Lew Chee Beng
Chief Representative
Singapore

Mr. Ajay Sarker
Chief Representative
Bangladesh

Mr. Eranda Weerakoon
Chief Representative
Sri Lanka

Mr. Suraj Shahi
Chief Representative
Nepal

MANAGEMENT REPORT 2021

Global Economy

According to the International Monetary Fund (IMF), January 2022, global growth is expected to moderate from +5.9 percent in 2021, to +4.4 percent in 2022.

- Advanced economies growth is expected to moderate from +5.0 percent in 2021 to +3.9 percent in 2022.
- Emerging economies growth is expected to moderate from +6.5 percent in 2021 to +4.8 percent in 2022.

The emergence of new COVID variants could prolong the pandemic and induce renewed economic disruptions. Moreover, the supply chain disruptions, energy price volatility, and localized wage pressures mean uncertainty around inflation and policy paths is high.

Qatar Economy

According to the International Monetary Fund (IMF) World Economic Outlook for October 2021, the Qatar economy is expected to grow by +4.0 percent in 2022. Qatar's trade surplus is up by 170.6% in November 2021 (year-on-year), mainly from LNG exports. The State of Qatar ranked 17th globally in the Competitiveness Index according to the Global Competitiveness Yearbook for 2021. Qatar Budget 2022 has forecasted an expenditure of QR 204.3 billion for 2022, based on an average oil price of USD 55 per barrel. The Ministry of Finance states, that fifty percent of the expenditure will be made towards health, education, and infrastructure.

In April 2021, the Council of Ministers approved the Foreign Ownership Limit to be revised from 49% to 100% for listed companies on the Qatar Stock Exchange. In June 2021, Qatar Energy sold $12.5 billion in bonds in tranches of 5, 10, 20, and 30 years. This was the company's first bond transaction since 2006, and it was the largest bond transaction for the year originating from the emerging markets. Qatar Energy has initiated expansion of the North Field (NFE) and expects capacity to rise from the current 77 million tonnes per annum (MTPA) to 110 MTPA by 2025. The second phase, called the North Field South Project (NFS) is expected to take production from 110 MTPA to 126 MTPA by 2027. In relation to the FIFA World Cup 2022, more than 90% of the infrastructure is completed, and the final three stadiums were delivered in time for the hosting of the FIFA Arab Cup held in December 2021, where we witnessed Qatar placing third.

The normalization of relations between Qatar and its neighbors has helped to increase Qatar's non-oil economy during 2021, with the resumption of traveling corridors being reopened, which further led to an increase in tourism and participation for the number of exhibitions that occurred throughout the year. This should also continue to help towards revitalizing the real estate and hospitality sectors moving forward. Regionally, the boost to consumer and investor confidence should contribute positively to economic outcomes, particularly leading up to FIFA World Cup 2022 to be held in Doha.

Wholesale Banking Group

Wholesale Banking Group's (WBG) strategy is designed with the notion of prioritizing customer satisfaction and system digitization. Focusing on projects to enhance customer experience, WBG has begun building processes that allow clients to be up to date on the status of their requests. Further, the unit has consistently made progress in developing business in line with the risk appetite endorsed by the Bank's Board of Directors.

The success and resilience of its business divisions illustrate the effectiveness of the unit's strategy to counterbalance external shocks, economic cycles and shifting capital flows. The organization under WBG is now operated through following sectors/units:

- ✓ Trading & Manufacturing sector
- ✓ Services sector
- ✓ Commercial Banking sector (Previous SME)
- ✓ Corporate Finance and Advisory Unit
- ✓ Public Sector Unit (PSU)
- ✓ Contracting Financing sector
- ✓ Real Estate sector
- ✓ Global Transaction Banking & Innovation (GTB)
- ✓ Corporate Branches and Service Centers
- ✓ International Business Lending

Trading & Manufacturing, and Services, sectors offer a broad range of lending products including working capital finance, overdrafts, bill-discounting, term loans and project loans. Non-funded facilities include letters of credit and letters of guarantees for local and cross-border financing. The sectors also focus on credit monitoring to ensure superior asset quality and selectively establishing new relationships of high credit quality.

The Commercial Banking sector concentrates on profitable small-to-medium corporates. The operations are supported by strong digitization, transforming interaction with clients and guiding them on integration with new technologies and adapting to straight-through-processing (STP).

The Corporate Finance unit provides services to companies, conglomerates, family businesses, government related organizations, non-banking companies and international companies. The unit takes a holistic approach in serving clients, provides a bridge to connect with other units within the bank and other partner institutions in offering specialized services. The unit's qualified team, and their research-oriented approach, assist clients in seeking advice and raising capital for various requirements including, but not limited to, business expansion and reorganization. The unit has also been successful in sourcing liquidity for the bank and have leveraged the bank's balance sheet to serve its clients. Additionally, the team in association with their partner institutions looks at alternative sources of funds and risk distribution models to optimize the outcome for clients.

PSU provides support, services and banking solutions to government and semi-government institutions operating in Qatar. PSU has strong business relationships with entities of various economic sectors including aviation, hospitality, oil & gas, education, health, transportation and specializes in financing the development of infrastructure projects in line with Qatar's National Vision 2030. The bank is seeking to develop a greater share of the public sector financing market.

The Real Estate sector offers variety of products to meet individual and corporate needs, whether for the purchase of real estate, or the development of residential, commercial or hospitality projects. The sector works closely with leading regional and international institutions to ensure that the process of securing a mortgage is completed in an effective and timely manner. Doha Bank actively associates with selective large ticket real estate financing.

The Contracting sector focusses on financing the top tier contractors engaged in various infrastructure projects on selective basis. Historically, Doha Bank has largely contributed to the infrastructure development of the country through contracting financing.

Global Transaction Banking offers a comprehensive suite of cash & liquidity management, trade finance, supply chain and related advisory services. With an extensive network of branches & representative offices, the unit provides clients with customized solutions across geographies. Innovation is at the heart of Doha Bank; investments in technology and fintech partnerships ensure Doha Bank provides clients with a seamless experience. The GTB team comprises of experienced professionals with extensive experience in working capital products and solutions. The team works closely with our Wholesale Banking team across public sector, large corporates, contractors & commercial clients to deliver tailor-made, state-of-the-art solutions to our client segments.

The International Business Lending Unit coordinates all Wholesale Banking business initiated through UAE, Kuwait and India branches and the Head office. While their primary objective is to support the Wholesale banking business development in these locations, the unit also responsible for reviewing and recommending the corporate lending from these branches.

For protecting the asset quality, regular portfolio reviews are conducted, while a risk monitoring and distribution desk helps to manage industry and peak exposures for individual and group borrowers. Liability Management has also been institutionalized to support cost efficient fund-raising.

To support the initiative taken by State of Qatar to ease the short-term liquidity issues encountered by the private sector, Doha Bank actively participated in the "National Guarantee Program" in close coordination with Qatar Development Bank.

The program is intended to support critical short-term payments (e.g., salaries, rents of companies) in the private sector, which are registered in the wage protection system in the State of Qatar. Further, as per the Qatar Central Bank guidelines, Doha Bank has postponed the loan installments of clients falling under affected sectors and carried out an interest reduction in compliance with QCB instructions. This moratorium is due to expire 31 March 2022.

Treasury and Investments Group

The Treasury and Investments (T&I) Group has three overall functions: funding, sale of treasury products to our clients, and investment management of the bank's own fixed income and equity portfolio.

T&I continues to execute various strategies to widen and diversify sources of funding for the bank. The unit aims at keeping the cost of funding low while ensuring liquidity risk is being adequately managed. T&I also attracts deposits from variety of clients both domestically and abroad.

The bank competitively offers a broad range of products to customers including foreign exchange, money market, fixed income, mutual funds, equity brokerage and commodities, notably precious metals. The Global Markets platform provides clients an easy and seamless access to stock markets, foreign exchange and commodity markets via desktops and mobile devices.

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.

The investment portfolio plays a significant role in the bank's revenues and profitability. The focus has been on increasing holdings of high-quality sovereign debt to ensure stable flow of interest income and a ready source of liquidity. Doha Bank will continue to evolve and align its investment and liquidity management activity to meet the regulatory and prudential requirements.

T&I strives to optimize balance sheet usage. The asset and liability management team continue to assess the funding mix, managing cost of funds lower while increasing balance sheet size, to enhance profitability and ensure compliance with regulatory metrics. At the same time, we continue to review and develop our hedging strategies to manage interest rate risk.

International Banking Group

International Banking Group (IBG) covers Doha Bank's international operations, facilitates domestic & cross-border trade through its branches and representative offices spread across 17 countries. IBG is responsible for the overall relationship management with over 450 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 borrowings for the bank. The representative offices in Australia, Japan, South Korea, China, Hong Kong, Singapore, Bangladesh, Sri Lanka, Nepal, Turkey, Germany, United Kingdom, South Africa and Canada facilitate/liaise trade and infrastructure related transactions with Doha Bank's branches in Kuwait, UAE, India and Head Office in Qatar.

A network of a full-fledged branches in Kuwait (Kuwait City), UAE (Dubai and Abu Dhabi) and three branches in India (Mumbai, Kochi, and Chennai) offer corporate, retail, treasury, and foreign exchange services. The branches draw upon our network of representative offices to offer comprehensive trade finance products to domestic customers, while meeting the cross-border banking needs of clients.

Doha Bank's operations in India 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 in Mumbai, Chennai and Kochi.

The overseas expansion of the bank in line with the strategic vision of the Board is to have a worldwide operative presence to cater and serve the growing customer base in UAE, Kuwait and India with a synergy to the Qatar market. 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 companies. The international network aims to facilitate customers to conduct and optimize cross-border trade transactions between Qatar, UAE, Kuwait, India and other overseas countries.

To keep pace with global networking activities, in the wake of COVID pandemic, Doha Bank has organized various synergistic knowledge sharing sessions through various virtual client interactions across geographies in which it operates.

Retail Banking

The Retail Banking unit has focused on building a profitable and sustainable business to capitalise upon the high per capita income of the local population and the influx of expatriates into Qatar. The strategy continues to be customer-centric with an approach to sustaining market leadership through innovative products and providing the highest levels of customer service.

The bank's range of retail financial products and services includes transactional and deposit accounts, mortgages, personal loans, credit cards & insurance products. The main categories of products as under:

- ✓ Assets – Personal loan, auto loan, mortgage loan, loans against deposits, etc.
- ✓ Credit Cards & Payments, D-Payroll Cards, Remittances
- ✓ Liabilities – Current account, Savings account, Al Dana saving scheme with multiple product variants, salary scheme, payroll, time deposits, upfront deposits, recurring deposits.
- ✓ Bancassurance – Life insurance, general insurance

The Retail Banking targets both the Qatari and the large and diverse expatriate population by offering a wide range of products, multiple delivery channels and a particular focus on customer service. The bank's customer base comprises of Qatari nationals and Expatriates - approximately 62% of the Retail asset book is to its Qatari national customers.

Retail Banking group offers a wide range of products and services to its customers through diverse delivery channels such as branches, electronic branches, pay offices, mobile banking, internet banking, SMS banking, call centers, ATMs, kiosks, and digital wallet. Doha Bank is one of the first banks in Qatar to introduce phone banking, SMS banking, internet banking, mobile banking, D-Payroll cards, an E-commerce marketplace, face and voice recognition and WhatsApp chat service for customers.

Doha Bank has also upgraded Online Payment Gateway Services platform to MPGS (Mastercard Payment Gateway Services); Doha Bank's e-commerce customer base has reached total of 351 merchants as of 31 December 2021.

The unit's strategy has been geared to enhance operational efficiency, with core focus on transaction offloading, online fulfilment of services, enhancing online sourcing origination of products, rationalization of branches, and optimize the footprint through digital transformation.

Doha Bank's Digital Wallet Easy Pay provides customers with a convenient payment option. Easy Pay users can make QR code payments at selected merchants and send Person-2Person money transfers.

Retail Banking has completed the replacement of existing branch ATMs with multi-function ATMs and with the installation of the Bulk Cash Deposit ATMs, more cash and cheque deposit transactions are processed through ATMs. In the month of December 2021, 90% of all cash transactions (deposits and withdrawals) were processed through the bank's ATM network, whereas 37% of all cheque deposits were through the bank's ATM network. The Bank has also launched the Interactive Teller Machine (ITM) service to provide its customers with a new remote service channel and to support transaction offloading.

The core objective for monetizing branches has been strategically driving transaction offloading, which will reflect in enhanced ROI from branch operations - customers' migration to utilizing alternative networks for transactional banking. In this respect, the bank is continuously improving the services offered through online banking & mobile banking platforms.

Digital has been the main transaction processing channel for customers in December 2021, 88% of all comparable financial transactions were performed through Doha Bank's digital and self-service channels and in line with the bank's digital strategy; aimed towards providing better e-banking solutions, Doha Bank will continue investing in digital and adding new services for individuals and corporate customers.

The merchant acquiring business targets potential merchants with higher profits, big ticket size of purchases or where frequency of transactions is higher. The unit is planning to introduce Smart POS to be the pioneer in the market to enable most of the alternative payment solutions like NFC, Contactless, QR code, facial recognition, ECR integration and others. Majority of P.O.S machines deployed in the market are contactless enabled. Currently, the bank has 3,598 merchants as of December 2021. The unit continues to maintain a healthy relationship with existing clients as well as those who have corporate relationships with the bank.

The bank`s credit card acquisition strategy is to acquire high income customers including cross selling to Al Riyada & Private banking customers, introduction of segment specific value-added cards, welcome offers of iPhone & shopping vouchers.

The bank also offers comprehensive payroll solutions for corporate clients following a nation-wide direction by the QCB and the Ministry of Labour. The payroll card is issued to low-income workers pursuant to their respective company's request and can be used by the workers on all ATMs and POS machines. The bank currently provides payroll solutions for more than 285,000 workers from 3,150 employers. This has contributed to raising the bank's liability balances and has created new avenues for the bank to offer comprehensive insurance and remittance solutions.

Doha Bank has strategic investments in Doha Brokerage & Financial Services, a non-banking financial institution in India, and has also established a fully-owned insurance company – Sharq Insurance LLC. Doha Bank markets various insurance solutions to its retail and corporate customers for both general & life insurance through partners registered in Qatar. The distribution strategy depends primarily on the bancassurance team and cross sell to the bank's clientele.

To support its strategy of offering cross-border banking services to expatriates living in the State of Qatar, the bank has entered into collaboration agreements with BDO Uni Bank (Philippines), Exim Bank (Bangladesh), Habib Bank (Pakistan), Bank of Ceylon (Sri Lanka), Global IME Bank (Nepal), Banque due Caire (Egypt), Bank Negara (Indonesia) and Al Baraka Turk (Turkey). The bank also collaborates with Doha Brokerage and Financial Services (India) and Philippine National Bank (Philippines). Doha Bank's branches in India, and arrangements in Qatar, Kuwait, and UAE, will help to boost the NRI acquisition from the GCC corridor.

For the NRI segment, Doha Bank has launched new products in India such as Bancassurance and investment products in collaboration with Bajaj Allianz Life Insurance Company, home loans, mutual funds, forwards against Foreign Currency Non-Resident (FCNR), Foreign Exchange (FX) conversion tie-up, enhanced salary account products, Pre-Generated Kits (PGK) for customers.

Doha Bank has been proactive in its responses and was ranked among Qatar's top 10 most supportive brands to fight COVID-19 and has been instantly responsive to COVID-19 from the outset of the Virus outbreak and took proactive measures to keeping customers safe, while maintaining customer service levels. The bank is closely monitoring the situation and has activated its business continuity planning and other risk management practices to manage the potential business disruption the pandemic may have on its operations and financial performance.

This pandemic health crisis has created an opportunity for the bank to speed up initiatives pertaining to the digital transformation journey – e.g., encouraging customers to use alternative channels as opposed to physical visits to branches.

Retail Banking Group`s Distribution Channels

Retail Banking Group`s Distribution Channels as on 31.12.2021	
No. of Branches in Qatar	24 Conventional Branches
No. of E-Branches in Qatar	3 E-Branches in Qatar
No. of Branch Pay Offices	2 Branch Pay Offices
International Branches	6 Branches: Dubai, Abu Dhabi, Kuwait City, Mumbai, Kochi & Chennai
No of ATMs in Qatar	86 ATMs
No. of ITM in Qatar	1 ITM
Mobile ATM	1 Mobile ATM
Offshore ATMs	8 ATMs (2 in Dubai, 1 in Abu Dhabi, 2 in Kuwait and 3 in India)

Doha Bank Product Ranges, Special Packages, Schemes, and Campaigns

Accounts	Saving Schemes	Term Deposits
✓ Current Account	✓ Al Dana Savings	✓ Upfront Fixed Deposit
✓ Saving Account (Al Dana)	✓ Al Dana Young Saver	✓ Fixed Deposit
	✓ Flexi Save	✓ Smart Saving Deposit
	✓ Al Dana Savings Plans	✓ Call Account
	✓ Al Dana Family Account	✓ Al Jana

Loans	Special Packages	Cards
✓ Personal Loan	✓ Al Riyada Premium Banking	✓ VISA Infinite Privilege Metal Credit Card
✓ Personal Loan - Rental Loan	✓ Non-Resident Indian (NRI)	✓ VISA Al Riyada Infinite Metal Credit Card
✓ Auto Loan	✓ Non-Resident Sri Lankan (NRSL)	✓ Visa Signature cashback credit card
✓ Mortgage Loan	✓ Non-Resident Philippine (NRP)	✓ Visa signature credit card
✓ Loan against Deposit		✓ VISA Platinum Credit Card
✓ Loan against NRE Deposit		✓ LuLu Platinum MasterCard credit card
✓ IPO Loan		✓ VISA Corporate card solutions
✓ Overdraft Facility against Salary		✓ WPS Card
		✓ Mastercard Debit Card product suite

Scheme / Programs
✓ 0% Payment Plans
✓ Flexible instalment plans and fast cash plans.
✓ Contactless Payment - Just Tap & Go
✓ 3DS 2.0 compliant for online transactions
✓ Remittance on Credit Cards
✓ iPhone card campaign
✓ Doha Bank "The Entertainer" Mobile App
✓ My Book Qatar 2021 (Mastercard Offer)
✓ Doha Miles Loyalty Platform, Doha Miles Exchange program
✓ VOX & NOVO Cinema Ticket Offer
✓ Valet Parking, Travel Insurance, Credit Shield and Concierge Services
✓ Worldwide Airport Lounge Access

Private Banking

The Private Banking unit caters to high-net-worth individuals. Doha Bank has established a partnership with Bank of Singapore (BOS) to access their investment platform. The goal is asset creation and preservation. Clients are risk profiled using BOS methodology in order to establish a suite of matching products to cater for their needs.

The investment products offered include money markets, Investment Grade (IG) bonds, international equities, structured notes, global funds, ESG funds as well as ESG MSCI rated bonds. Through carefully established portfolios, Doha Bank can extend Lombard financing against existing assets.

Using the services of BOS, Doha Bank can offer estate planning, trust services and life insurance to our clients. The bank complements this offering by a Private Banking metal VISA card (by invitation only).

Sharq Insurance LLC

Sharq Insurance LLC, formerly known as Doha Bank Assurance Company LLC ('DBAC'), was established in 2007 as part of Doha Bank's strategy to create a "one-stop shop" financial services provider and offer general insurance products. The company is a wholly owned subsidiary of Doha Bank and is licensed / regulated by Qatar Financial Centre Regulatory Authority.

Sharq Insurance has been rated by Standard & Poor's as 'BBB' (counterparty credit and insurer financial strength) and is an ISO 9001:2015 certified company.

Sharq Insurance facilitates the management of general insurance risk protection to both commercial & personal line clients with comprehensive insurance solutions and provides hassle-free claims services. The company is supported by a panel of 'A' rated reinsurers to reduce "pay out" risks on large insurance claims. Sharq Insurance's clientele includes large Qatari corporations, as well as government institutions.

The company offers a wide range of insurance products, including contractors' all risks insurance, property and equipment insurance, public liability insurance, group medical and motor insurance. These products are marketed through a variety of distribution channels to bank/non-bank clients and insurance brokers, with Sharq Insurance's primary focus on the convergence of the bank's customer base through its risk advisory/product services.

In the coming years, Sharq Insurance will focus on building a unique brand, which will be an important component toward building consumer trust, loyalty & professional reputation as we expand further into marketplace.

In addition to providing a competitive customer value proposition, Sharq Insurance will also maintain focused efforts on its strong risk management framework, underwriting controls and capital adequacy as demonstrated by its ratings and ISO accreditation upgrade.

Islamic Banking

Islamic banking services have been discontinued in 2011 further to Qatar Central Bank (QCB) directive No. 313/273/2011 dated January 31, 2011 which prohibits conventional banks from entering 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 (ERMF) and is headed by a Chief Risk Officer (CRO). ERMF in Doha Bank sets out activities, tools, and techniques to ensure that all identified risks are understood, and appropriate measures are in place to monitor and recommend mitigations to appropriate committees or authorities. RMG consistently and continually monitors risks and processes across the organization to identify, assess, measure, manage and report on potential threats to concerned committees / authorities that could negatively impact the desired results of Bank's objectives. Risk Management policies, models, tools, and systems are regularly reviewed/revised to improve the framework and reflect market changes. CRO reports to the CEO, with a dotted line of reporting to Board Level 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.

Responsibility for risk management resides at all levels of the Bank, from the Board and the Executive Committee down through the organization to each business manager and risk specialist. These responsibilities are distributed so that risk/return decisions are taken at the most appropriate level, as close as possible to the business, and are subject to robust and effective review and challenge. The ERMF lays down a clear, consistent, comprehensive, and effective approach for the management of all risks. It also sets out the key activities required for all employees to operate Doha Bank risk and control environment, with specific requirements for key individuals, including the Chief Risk Officer (CRO) and Chief Executive Officer (CEO), and the overall governance framework designed to support its effective operation.

The Board has laid down the risk appetite thresholds for 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 quantitative thresholds for risk capacity and tolerance. Doha Bank has engaged qualified professionals, and has set out policies and procedures, limits, thresholds, authority levels, committees, review mechanism, controls, and accountabilities to manage risk through a common framework.

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 Executive Management Committee, Management Credit Committee, Investment Committee, Risk management Committee and Asset and Liability Committee. In addition, the Board level committees viz. Audit, Risk and Compliance Committee, reviews the observations and findings of internal audit, risk management, external auditors, compliance and the regulator's reports to take stock of the overall risk exposures across the organization in all spectrums of the business & support areas.

Over the last few years, new regulatory changes have been introduced to test the bank's ability to respond to severe stress conditions as well as bank's governance framework around capital planning, including Internal Capital Adequacy Assessment Process (ICAAP) & Stress Testing Framework as well as International Financial Reporting Standards (IFRS) - as per QCB guidelines.

The Bank prepares a comprehensive report on ICAAP with all its forms and tables according to the new guidelines based on the consolidated and audited financial statements as at 30th September of each year. Each year the Bank provides QCB with this report by 15th December. Based on this report, QCB reviews and assesses the additional capital charge approved for the following year which the bank is required to maintain along with the overall minimum limit of the Capital Adequacy Ratio (CAR) during the whole period.

The ICAAP encompasses 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 involves calculation of quantitative impact of these risks on capital adequacy of the bank. Furthermore, ICAAP includes capital planning and financial projections, defining and aligning risk appetite, stress testing & scenario analysis and defining the 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 such risks identified under Basel Pillar 2.

Further 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 started reporting Capital Adequacy Ratio in accordance, on a quarterly basis to QCB.

IMPLEMENTATION OF IFRS 9

IFRS 9 introduces a new impairment model which results in the early recognition of credit losses in contrast to the previous standard which required the recognition of losses when incurred. The accounting standard provides guidance in the following three areas;

01 Classification and Measurement of financial instruments

02 Impairment of financial statements

03 Hedging

Under the new model, the Bank is expected to maintain provisions against all financial assets that are debts in nature (including placements, investments, trade receivables, loans and advances and off-balance sheet items) upon initial recognition (i.e. day 1 of recording). This will also include healthy assets that are expected to be recoverable in full.

The QCB has issued its regulatory implementation guidelines of IFRS 9 with the instruction to the banks to regularly calculate Expected Credit Loss (ECL) and submit quarterly report on adopting IFRS 9 on the assets classified under stage 1 and stage 2 of the ECL model based on quarter end figures.

- ✓ IFRS 9 also requires extensive qualitative and quantitative disclosures around the expected loss model adopted by the Bank including the assumptions, inputs and techniques used for estimating the expected credit losses, the provision movement and additional credit risk disclosures.
- ✓ IFRS 9 requires the involvement of those charged with governance and senior management to ensure that the Bank has appropriate credit risk practices including an effective system of internal control, to determine adequate expected credit loss (ECL) allowances in accordance with IFRS 9 as well as the bank's stated policies and relevant QCB regulatory guidance.

RISKS MONITORED UNDER ERMF

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

Credit Risk

This refers to risk arising from the possibility 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 measuring and monitoring 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, considering the Board approved Risk Appetite, 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;
- ✓ Individual Obligor and 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;
- ✓ 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;
- ✓ Recommendation of an authority 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 an environment of checks and balances exist within the Bank;
- ✓ In order to take the bank to the next stage, to comply with IFRS 9 and Basel Accords, the Bank has engaged the vendor and procured the software; and has implemented the same.
- ✓ During the year, the Bank has initiated the upgrade of existing internal rating system of corporate lending with advance features of rating workflow and approval process with necessary portfolio reports for analysis. The Bank has also appointed one of the big four consulting firms to review the existing lending policies and practices and recommend improvements in having a robust, well-structured and well-integrated credit environment as the cornerstone of DB Credit Risk Management Infrastructure covering local and international operations to achieve the Bank's strategic goals more efficiently. The Bank has also implemented Risk Adjusted Return on Capital (RAROC) model for pricing its loans and advances.
- ✓ 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 authority structure and limits prior to facilities being committed to customers;
- ✓ Ensure completion of documentation and security creation through Credit Administration 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 with the Business Units at an early stage itself to take timely corrective steps so that the risk exposure is well contained at a manageable level and within the risk tolerance level.
- ✓ 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 proposals from risk perspective in light of portfolio performance and according to severity of the risk and recommend appropriate mitigations to book quality business.

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 always meets its obligations. The Treasury division works closely in conjunction with Market & Liquidity Risk Management (MLRM), and the business, to analyze and understand the underlying liquidity requirements. These parties are engaged in regular and frequent dialogue to understand changes in the bank's position arising from business activities and market circumstances.

ALCO, which meets regularly, sets the broad framework for Treasury to operate so that the Bank is always able 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 non-accessibility to wholesale funding markets. Moreover, any market disruption may also impact liquidity of marketable 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. In addition to the risk appetite limits, the ALCO also monitors the Liquidity coverage ratio (LCR), Net stable funding ratio (NSFR) and liquidity mismatch as key liquidity review parameters. Treasury has their own daily, weekly, monthly, and yearly liquidity blotters to know their maturity profile and fund planning. Liquidity stresses are also monitored through half yearly stress reports. The ALCO is informed of performance against the liquidity risk limits, via a weekly Liquidity Dashboard.

The Bank's approach to managing the liquidity risk is to ensure that it always has adequate funding from diverse sources. Diversification of the bank's depositor base, reducing dependence on large depositors for reducing concentration risk and maintaining a suitable mix of long, medium- and short-term 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 as noted above and forecasts to manage its liquidity risk positions.

The bank maintains sufficient 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's liquidity position is subjected to diverse stress scenarios in order to evaluate the impact of unlikely but potentiality plausible events on liquidity and regularly evaluated by ALCO. 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. Furthermore, QCB through its guidelines has mandated all the banks in Qatar to comply with LCR and NSFR.

In addition, the bank maintains the Funding Mix and Liquidity plan forecast for every quarter, which details how liquidity would be managed under stress events and the liquidity remedies the bank has planned for. Since nature of any such stress events cannot be ascertained in advance, the plans are designed to be flexible and hence provide various options that could be used during a liquidity crisis. Furthermore, the bank has also implemented an Asset-Liability Management system, which provides guidance on maturity mismatch and assist in LCR, NSFR, computations, etc. which aids towards the Bank's balance sheet management.

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

- ✓ Liquidity risk appetite
- ✓ Prudential Limits

- ✓ Stress testing
- ✓ Early warning Indicators
- ✓ Liquidity buffers

- ✓ Liquidity crises contingency plan

Market Risk

This is the risk of loss arising from unexpected changes in financial indicators, including interest rates, exchange rates, as well as equity and commodity prices. The bank has an active Management Information System (MIS) to keep the Management and the Investment Committee / ALCO informed about the changes in market risks and their effects on the bank's financial results. The prominent market risks affecting the bank are currency risk and interest rate risk, which are detailed below.

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 currency peg 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 exposures – including spot, swap, and forwards - are revalued daily.

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 of the bank. It is evaluated from two different perspectives: with respect to the Fixed Income Investment Portfolio of the bank, and with respect to the entire bank's assets and liabilities.

- **Interest Rate Risk of Fixed Income Portfolio** arises from fluctuating interest rates, which contribute to the change in the Fair Value of the Fixed Income Investment Portfolio of the Bank.

  The bank's bond portfolio is analyzed daily, and its interest rate risk is based on desired portfolio modified duration as considered appropriate by Investment Committee after evaluating the Market Rates movement and Dollar Duration (DV01). The bank keeps its portfolio duration within its risk appetite. The risk department analyzes each investment proposal separately, and 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 and regularly reports the hedge ratio to Investment Committee to decide upon the hedge adequacy and to keep the fair value of the portfolio within agreed limits.

- **Bank-wide Interest Rate Risk:** 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. The Market & Liquidity Risk (MLRM) unit regularly evaluates the Earnings at Risk (EAR) and Economic Value of Equity (EVE) and reports to ALCO, specifically during interest rate movements by US & local regulators and adjust the pricing of its Assets / Liabilities as considered appropriate. Since most of the bank's financial assets such as loans and advances contain an option to re-price and investments book is optimally hedged with regular Investment Committee supervision, majority of the bank's interest rate risk is circumvented. 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. The hedge ratios for Investment book and loan book repricing requirements is discussed appropriately in the Asset and Liability Committee and actioned as and when required. As of 31st Dec 2021, majority of the Foreign currency Advances and Borrowings, are linked to the London Interbank Offered Rates. The legacy LIBOR linked loans will be treated as per Phase 2 amendments of IBOR transition.

Additionally, Interest rate Risk on Banking Book Pillar 2 Capital Charge is required to be calculated for 200 bps change in interest rates for six different scenarios of interest rate movements and in line with NII (Net Interest Income) and EVE (Economic Value of Equity) approach as defined in the QCB circular on IRRBB of 2019. The Bank has implemented EAR and EVE in the bank's assets and liability management system. The bank measures, monitors and reports the EAR and EVE of the bank to the management in the ALCO as per the market movements and to the Board of Directors on a quarterly basis.

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 crisis 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. Internal stress testing framework is revised based on QCB requirements defined in the QCB circular (ICAAP) issued in March 2016 which includes enterprise wide stress testing and reverse stress testing.

Operational Risk

Operational Risk is the risk of loss arising from inadequate or failed internal processes, people, or systems, or from external events. The bank is exposed to many types of operational risk. These include:

- ✓ internal and external fraudulent activities;
- ✓ inadequate processes, controls or procedures or any breakdowns in them;

- ✓ failures in the key systems of the bank leading to disruption of services;
- ✓ an attempt by an external party to make a service or supporting infrastructure unavailable to its intended users;
- ✓ the risk of cyber-attacks which destabilise or destroy the Bank's information technology; and
- ✓ the risk of business disruption arising from events wholly or partially beyond the control, for example, natural disasters, acts of terrorism or utility failures etc. which may give rise to losses or reductions in service to customers and/or economic loss to the Group.

The operational risks that the Bank is exposed to continue to evolve and the bank endeavours to rapidly adapt to those changes to avoid the risk of losses.

The prime responsibility for the management of operational risk and compliance with the control requirements rests with the business and functional units where the risk arises. The bank has a well-defined operational risk framework and an independent operational risk function. It is responsible for establishing and maintaining the Operational Risk Management Framework and monitoring the level of operational losses and the effectiveness of the control environment. The Head of Operational Risk is a member of the Risk Management Committee and reports to the Chief Risk Officer. The 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.

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 closely monitors and reviews 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. There have been significant efforts to streamline operational risk management processes, procedures, and tools to provide more forward-looking risk insights and strengthen the control culture in the organization.

During 2017, the Operational Risk Management System (the "ORM System") was implemented to support operational risk identification and assessment, control evaluation, loss management, issue remediation, Key Risk Indicators (KRI) monitoring, and risk reporting activities. The system enabled the Bank to replace the manual and siloed operational risk management processes with a highly automated, efficient, and collaborative approach. The ORM System assists in gathering and transforming operational risk data into critical risk intelligence to strengthen decision-making process.

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 key steps in the management of operational risk are described as follows:

- ✓ Effective staff training, documented processes and 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 the bank to manage the bank-wide operational risk.
- ✓ Investigation and reporting of any risk event (losses, near misses and potential losses), which is used to help identify the root cause and lay down the corrective action plans to reduce the recurrence of risk events. Risk events are analysed to identify the root cause of incidents, reported, mitigated, and recorded on a central database and reported quarterly to the Board of Directors; and
- ✓ Preparation of a 'Control Risk Self-Assessment' across business and support units, including subsidiaries and overseas branches. The purpose of this assessment is to obtain a detailed understanding of inherent and residual risks through an evaluation of controls across the bank. The assessment enhances the bank's ability to decide as to the specific operational risk profiles for each of the business units as well as to identify corrective action points. The operational risk profile of each business unit is monitored on an ongoing basis.
- ✓ The bank has implemented a Key Risk Indicators programme to enable proactive monitoring of all the key risks across the Bank's processes. The bank has identified top Entity Level KRIs which are being monitored and reported to the Risk Management Committee monthly.

For the purpose of the Control Risk Self-Assessment, the bank categorizes operational risks into the following risk types:

- ✓ Origination and Execution Risk
- ✓ Fraud Risk
- ✓ Business Continuity Risk
- ✓ Regulatory Risk
- ✓ Information Security Risk
- ✓ Vendor Risk
- ✓ Financial Reporting and Recording Risk
- ✓ Staff Risk
- ✓ Transaction Processing Risk

The bank's blanket insurance policy adequately covers high severity losses and stress losses.

Business Continuity Management

Doha Bank has established a Business Continuity Management (BCM) Program to minimize service disruption and the potential impact on the bank, our customers, and our staff. Doha Bank is committed to ensure that all critical business activities and services are maintained at best possible level during and after disruptive incidents.

In Doha Bank, 'Availability and Continuity' principles are given at highest priority, and this is managed through Business Continuity Management policy and plans that is approved by our Board. Doha Bank maintains Business Continuity Plans, considering situations like, loss of services or infrastructure, denial of access, cyber-attack, pandemics, and regional crises. Our business continuity approach aims to ensure that our key banking operations will get maintained and continued at top degree. Also, our business continuity plans will ensure that our staff know their roles and responsibilities in the event of an unexpected incident and respond following a recognized practiced and agreed procedures.

In the event of a prolonged disruption to any of our business premises, our BCM provides an alternate work location facility (BCP Site), from where our banking services will be continued. Our office premises across the regions are equipped with alternative work locations. Doha Bank engaged a modern, tier 3 certified data centre facility as a Disaster Recovery (DR) site to ensure technological continuity is given importance in the Bank.

IT Disaster Recovery program is in place that define the responsibilities, actions, and procedures to recover production systems, communications, and IT network environments. Our data centers have uninterrupted power supplies (UPS), generators as protection from drops or loss of voltage from the power supplier. Our critical business premises have redundant power and network connectivity to ensure uninterrupted banking services are available to our customers.

Doha Bank's Business Continuity Readiness:

- ✓ Critical business processes and alternative sites readiness is validated through BCP mock drills.
- ✓ Business critical applications are validated as part of disaster recovery drills.
- ✓ The bank's staff are trained on business continuity and crisis management handling.
- ✓ Critical applications source codes are protected via escrow processes outside the country.
- ✓ The Emergency Communication tool is available to manage crisis communications.
- ✓ Business continuity related risks and gaps get discussed in management meeting for mitigation and remediations.
- ✓ Business Interruption insurance is obtained to protect the bank's loss of income against catastrophic events.

Information Security

Currently, one of the leading risks is posed by cyber-attacks. The bank may be a target of cyber-attacks which could jeopardize the sensitive information and financial transactions of the Bank, its clients, counterparties or customers, or cause disruption to systems performing critical functions. This could potentially have two impacts:

- ✓ Regulatory breaches which could result in fines and penalties; and
- ✓ significant reputational damage which could adversely affect customer and investor confidence in the bank.

The Information Security department is primarily responsible for identifying and assessing the risks and proposing mitigation for significant threats and vulnerabilities associated with the operation and use of information systems and the environments in which those systems operate. The unit drives the Information Security program in the bank by coordinating with various departments, committees, and stakeholders with the objective of achieving the fundamental principles of information security i.e. confidentiality, integrity, and availability of information.

However, to mitigate the above risks, the bank has taken various measures to secure the Bank's IT infrastructure. The key steps taken by the bank in this direction are as below:

- ✓ The unit has established a robust Information Security policy that provides detailed policies/ guidelines around the implementation of controls for the security of information systems
- ✓ Risk assessments of all the IT systems and processes are being carried out on regular basis. Additionally, all acquisition/ change in the procedures, systems etc. are subject to review of IS department to ensure that adequate information security controls are embedded.
- ✓ As mandated by the QCB, the Bank has actively participated in Cyber Security Maturity Assessment by Third Parties program and carried out periodic penetration testing and vulnerability assessment for all the bank's critical assets. In addition, the bank has completed a full-scale implementation of its Security Operations Centre to augment its Information Security monitoring activities. The bank has realigned the information Security Governance architecture across the Board for effective cyber and information risk management and initiated various security improvement programs within IT infrastructure and processes.
- ✓ Management and board level committees have been established to review and monitor the information security position of the bank. All control weaknesses/ non-compliances/ review observations are tracked and escalated to the committees on regular basis
- ✓ Regular information security training and awareness sessions are carried out for all bank staff. Information security training is part of the induction program of the bank where all new staff members are educated about their basic responsibilities with respect to information security. Further, IS team regularly circulate security guidelines to the staff and customers of the bank to protect against new threats
- ✓ The bank has laid out a roadmap to implement Information Security tools in order to enhance control and technology infrastructure to strengthen its ability to prevent, detect and respond to the ever increasing and sophisticated threat of cyber-attacks.
- ✓ The bank has acquired a comprehensive Cyber Security insurance policy.
- ✓ The bank is committed to comply with all the regulatory requirements (local and international) pertaining to Information Security as well as the industry standards such as ISO 20000, ISO 27001, PCI DSS etc.

OTHER RISKS

Strategic Risk

This risk can arise from adverse business decisions, poor implementation of decisions, absence of clearly defined strategic business directions 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.

Reputation Risk

It refers to potential negative publicity, public perception, or uncontrollable events to have an adverse impact on a bank's reputation. This could arise because of behavior, action or inaction, either by Doha Bank itself, our employees or those whom we are associated with. It could lead to lost revenue; increased operating, capital, or regulatory costs; or destruction of shareholder value. The bank has a zero tolerance for knowingly engaging in any business, activity or association where foreseeable reputational risk or damage has not been considered and mitigated.

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.

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.

Compliance Risk

Compliance Risk is the risk of regulatory sanctions, material financial loss or loss to the reputation the bank may suffer as a result of its failure to comply with laws and regulations applicable to its banking activities in jurisdictions where the bank is operating. Compliance risk is managed by Compliance Department that includes Compliance control unit, AML/CFT unit, FATCA & CRS and Anti Bribery and Corruption ("ABC"), and works independently and reports to the Audit, Compliance and Risk Committee and the Board of Directors.

Compliance, AML/CFT, FATCA & CRS and ABC units assist the Board of Directors and Executive management to manage Compliance and AML/CFT, FATCA & CRS and ABC risks associated with non-compliance to applicable laws and regulations in each jurisdiction by providing proper recommendations to enhance/ improve the internal controls procedures to mitigate Compliance, AML/CFT, FATCA & CRS and ABC risks, reviewing new products in terms of Compliance and AML/CFT, managing FATCA & CRS and ABC activities, developing and updating Compliance, AML/CFT, FATCA & CRS and ABC Policy & Procedures, filing of Suspicious Transaction Reports (STR's) with respective Regulatory Authorities in each jurisdiction, ensuring that there are respective Online, real-time, Interactive search and Offline Screenings as preventive and detective controls, have automated systems for monitoring transactions to identify suspicious transactions, ensuring that business units are doing proper Know Your Customer (KYC), Enhanced Due Diligence (EDD) and FATCA & CRS procedures, conducting AML Due Diligence for Correspondent relationships, conducting AML/CFT & Sanctions Enterprise Wide Risk Assessment, providing advisory services to business functions where required, Conducting Staff Trainings on Compliance, AML/CFT, FATCA & CRS and ABC issues on regular intervals.

The Compliance Department staff possesses relevant qualifications, experience, and skills to perform their day-to-day tasks. They have sound understanding of laws, regulations, banking activities and internal policy/procedures and keep themselves abreast with the new rules and regulations. They are being provided with necessary systems, tools, etc. to perform their duties and opportunities to attend necessary trainings/conferences to enhance their capabilities.

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 an in-house qualified team of legal advisors, in addition to local & international law firms on retainership basis, who are responsible for validating all the bank's agreements and pursue the cases filed by the bank against clients or external parties filed against Doha Bank. 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.

REMEDIAL ACCOUNT MANAGEMENT

Doha Bank has established a robust portfolio monitoring process by establishing a credit control unit to identify the early warning signs in customers' accounts. Based upon severity of the problem it is decided to transfer the account to Remedial Asset Management Unit to act jointly with business units to prevent further deterioration in Corporate or SME accounts. This includes facts finding, client's meetings and visits, negotiating rescheduling deals and settlement proposals with customers for special mentioned accounts recommended to downgrade to NPL and to ascertain the reasons for delinquency. The bank also has a disciplined and rigorous remedial account management process. Effective workout programs are critical to managing risk in the portfolio; it is important to segregate the workout function from the area that originated the credit. The objectives of this unit are as follows:

01 Revisit the bank's relationship with the borrower.

02 Analyze the financial and economic condition of the borrower and continuity of its future business prospects.

03 Proactively undertake restructuring and rescheduling of distressed loans.

04 Suggest appropriate measures to turnaround, restructure, rehabilitate with the objective of eventually upgrading delinquent accounts to save provision.

DEBT RECOVERY DEPARTMENT

Non-performing loans seriously affect profitability of the bank. Some borrowers do not follow discipline of payment of their loans and default, while others fail due to numerous reasons beyond their control. Profitability of the bank gets negatively impacted when loans become non-performing resulting in not only suspension of interest income but also forces to create loan loss provision from the income of the bank. Moreover, Non-Performing Loans (NPL) reflects badly on the image of the bank. Thus, recovery of difficult loans is a major concern for the bank. The Debt Recovery function of the bank handles non-performing loans/ portfolio with a clear objective to recover stuck-up loans and advances to contain NPL ratio and to increase the profitability through reversal of provision and suspended interest.

INTERNATIONAL RATING

Below is the summary of Doha Bank's rating from International Rating agencies as on 31st December 2021:

Rating Agency	Counter party LT	Counter party ST	Bank Deposits LT	Bank Deposits ST	Baseline Credit Assessment	Outlook
Moody's	A3	P-2	Baa1	P-2	Ba2	Stable
Rating Agency	**Issuer Default LT**	**Issuer Default ST**	**Support Rating**	**Support Rating Floor**	**Viability**	**Outlook**
Fitch	A[1]	F1[1]	1	A	BB	Stable

1. Fitch on 21/10/2021 placed Doha Bank as rating watch negative.

Information Technology

The Information Technology department (ITD) has supported the bank to deal with many challenges. The COVID-19 pandemic brought remote work into the fore and increased support to deliver changing business needs. The remote workforce created capacity and skillset challenges alongside an increasing demand on the business's core network infrastructure, a significant surge in user support requirements, and new security threats. Imminent tasks, which required swift action and follow-up support include:

Providing network connectivity outside the office

Ensuring a secure and stable connection between the end-users to maintain a reliable and optimal network infrastructure to facilitate the increased load and new demands.

Providing end-user support remotely

End-user support calls / requests saw a huge influx due to the unfamiliarity and lack of experience of new tools and capabilities.

Managing the additional security risks of working remotely

Remote access also requires additional risk preventive measures to ensure of data leakage, loss, or worse, theft / falling victim to the increased phishing and malware threats.

As part of the readiness exercise, ITD provided Virtual Private Network/Virtual Desktop Infrastructure (VPN/VDI) solution for the Work-From-Home (WFH) employees & vendor support to ensure progress without any roadblocks. The suppliers' risk assessment processes were revisited, assessed & updated.

To mitigate IT/Info-Security related risks, the team enhanced its IT security controls at an enterprise level.

The "new normal" created by the pandemic is changing the supervisory and regulatory landscape. Technology-driven issues, such as data privacy and data security, are now a central enterprise policy agenda; banks rely on gathering, processing, analyzing, and providing information to meet customer needs. Despite the constraints, ITD has been providing user support for "business as usual" activities whilst being instrumental in delivering projects which are focused on enhancing customer experience and driving Doha Bank towards digitalization.

Doha Bank's IT department is ISO 20000-2011 certified for its continuous compliance to global standards in IT Service Management. Doha Bank is the first organization in the GCC to have achieved the coveted ISO/IEC 20000 certification in 2007 and remains the only financial organization in Qatar towards best-in-class quality and compliance standards. Doha Bank has defined its policy for IT Service Management to adopt and adapt state-of-the-art technology, integrating with people and processes to support and improve all business processes. The certification validates not only how IT services are set up initially but also the ongoing procedures that are involved in providing the services, including how they are updated, managed, documented, etc. We are also in the process of upgrading our certification to ISO20000-2018.

As part of the usual support for operational activities, ITD has also delivered few key initiatives to business users and the enterprise:

- ✓ **Digital wallet** - DB EasyPay Wallet
- ✓ **eTradeonline** for Corporate customers
- ✓ **Robotic Process Automation (RPA) for back office**
- ✓ **Visa Customer Authentication Service (VCAS) – Visa 3D secure**
- ✓ **Loan Trust Receipt (LTR) workflow for Remittance**
- ✓ **Interactive Teller Machine (ITM)**
- ✓ **Moodys Credit Lens**
- ✓ **E-channel releases for Online and Mobile Banking**
- ✓ **Cobranded Credit Cards – Qatar Airways**
- ✓ **Disaster Recovery (DR) for critical applications/** services and branch networks initiated and testing done during the year.
- ✓ **IT Infrastructure upgrades**

Banking institutions, the world over will continue to experiment with technological innovations, invest on data analytics and related services. Particularly, in testing times, there is a great potential for growth and experimenting with various innovations. Doha Bank's technology centric 5-year strategic plan covers (not limited to) the following objectives to realize our goals:

- ✓ Integrated modern technical architectures & digital platforms
- ✓ RPA based process automation
- ✓ Global Delivery Centre : for IT & Back office
- ✓ Disaster Recovery, Business Continuity & IT Security
- ✓ Blockchain Capability
- ✓ Agility & Faster time to market for products & services

As part of the digital vision, Doha Bank will focus on building three main streams named below.

A Build Solid foundations

- ✓ Modular loosely coupled architecture
- ✓ Strong ownership of security integration and customer touch points
- ✓ Data driven automation by design
- ✓ Provision end to end managed cloud services
- ✓ Use of emerging technologies to accelerate customer experience

B Protect revenues and explore new opportunities

- ✓ Add intelligence and automation to every single service
- ✓ Master service design to superior customer experience
- ✓ Offer competitive pricing for emerging services
- ✓ Develop new product and service configurations (multi-bundling)
- ✓ Implement smart pricing and product engine

C Join Digital Ecosystem(s)

- ✓ Use open industry standards and open-source technologies
- ✓ Adopt open-banking principles
- ✓ Build platform and tools for partners (extranet)
- ✓ Attract Fintech and start-ups engagement and team up with regulators, where possible
- ✓ Blockchain capabilities

Various digital transformation and process reengineering projects/ initiatives are lined for completion in 2022.

The unit is cognizant about the need to reorganize existing KYC processes for customers to identify suitable products, assess lending risks, and devise the right sales and service strategy in addition to being compliant with the security standards and regulatory mandates. Newer technologies, services and products will have to be devised and released to customers to support changing business / market needs. ITD is fully aware that achieving greater operational efficiency with enhanced security and significant cost saving will remain the point of focus.

Human Resources

Human capital development and employee engagement have always been one of the key priorities for Doha Bank. Within 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. A synergic work environment is provided to foster employee loyalty development, engagement, and growth.

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 talent. Qatari career development has been given more focus with a view of grooming Qataris in the bank.

In previous years, Doha Bank's learning strategy has clearly communicated that learning is critical to the Bank's success. The bank uses interactive training programs to encourage learning and sharing of experiences and knowledge. The bank has made significant efforts to upgrade its online e-learning platform "Taeleem" which now includes courses across banking, business, technical and soft skills to align human capital development and learning strategies. The bank also enhanced it's fully responsive "smart device enabled" digital content in English and Arabic.

Doha Bank Toastmasters Club has been successfully running since its inception to support talent development through well-designed communication and leadership skills development program. The club has been awarded the Outstanding New Toastmasters Club title for its significant growth, remarkable participation, and involvement of its members in various capacities.

Equal Employment Opportunity and Diversity are key variables, which are woven into each step of the recruitment process at Doha Bank. Doha Bank's experienced recruitment team ensures through careful evaluation that well qualified and suitable candidates are selected for each role and team. To attract local as well as international talent and to 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 also applied.

One of the key achievements of Doha Bank over the years has been the high level of employee satisfaction. Doha Bank believes in creating an environment where employees enjoy working and strive towards excellence in every aspect of their roles. The key word for successful employee engagement is 'Association'. The bank believes that employee engagement is of high importance and mutually beneficial to employees as well as the Bank. Employees are encouraged to participate in events that are organized by the HR Department that require physical, emotional as well as intellectual involvement.

In line with Doha Bank's commitment to high performance and green banking, HR strives continuously to implement the latest electronic solutions by providing efficient online services; thereby increasing productivity and encouraging a paperless environment.

Leaders take an excellent leading role in creating and sustaining a supportive learning culture in Doha Bank. Annual training goals are set for employees to encourage continuous learning and development. Knowledge and learning skills of Doha Bank employees are the most important assets to realize its ambition. The bank continuously invests in the professional development of its employees and continues to strive for organizational excellence to successfully fulfill its goals and objectives.

Shareholders

In its commitment to its shareholders, the Bank engaged two liquidity providers (LP), which allows the bank to be the first listed company in MENA to have multiple LPs. The bank shares had below average liquidity and turnover over the past couple of years which caused the bank shares to get dropped from the QE Index in March 2021. Doha Bank engaged The Group Securities initially, and they started the LP activity on May 31, 2021, and have been in the market daily since. QNBFS commenced the LP activity on August 1, 2021 and has also been in the market daily since.

The Bank believed by adding LPs, this would create a tighter bid offer spread and this by default should increase/ enhance volume and turnover which should further lead to higher price discovery and thus increase the averages enough so that the bank shares are reconsidered and included the next QE Index rebalance.

During 2021, the Bank, Board of Directors and shareholders approved the Individual Ownership Limit to be revised from 2% to 5%. After earning all Regulatory approvals, the Limit was made effective October 2, 2021.

The Board of Directors, in their September 2021 meeting, also approved the revision of the Foreign Ownership Limit from 49% to 100%. This was based on the Council of Ministers approval in April 2021, whereby all listed companies on the Qatar Exchange – after earning all necessary Regulatory approvals and shareholder approvals will be made effective. Date of execution is expected during 2022.

Corporate Social Responsibility (CSR)

Doha Bank is one of the leading integrated financial institutions in the GCC and one of the most active advocates of Corporate Social Responsibility (CSR), constantly supporting environmental protection, engagement with community, stakeholder groups and sustainability practices. The Bank's inclusion in the FTSE4Good Emerging Index and its top ranking of listed companies in Qatar by ESG Invest reinforces its position as a global sustainability leader. The bank was further selected to be included in the MSCI QSE 20 ESG Index that was launched in November 2021. Building upon decades of strong commitment to environmental issues and community engagement, Doha Bank is the first financial institution in Qatar to issue an annual Sustainability Report explaining its approach to stakeholder engagement including the environment.

As a fundamental aspect of the Group's CSR Charter, the Bank strives to incorporate the values and ethics of sustainability into its everyday operations, in the use of environmentally efficient business practices and overall products and services that reduce the impact on the environment and in coordination with all sectors of the society to address the issues both in the local and global settings. This is one of the main reasons why Doha Bank has successfully won the 'Golden Peacock Global Award for Corporate Social Responsibility' for many years. This award is also in recognition of Doha Bank's society-driven initiatives like educational, health benefits and commitment to social causes, which has seen it introduce innovative products even during tough market conditions.

As a pioneer in raising awareness for environmental and climate change issues in Qatar, the Bank's vision is to lead the way as a Green Banking institution in encouraging account holders to opt for Paperless Banking, Green Accounts, and Green Mortgage loans. Alongside these products, the Bank has become the leading bank in Qatar and the Middle East for environmental advocacy through numerous CSR initiatives. Doha Bank is proactively hosting and conducting green-related activities to promote customer participation and engaging the society's eco-consciousness by encouraging them to go green and support the environment.

Doha Bank's ECO-Schools Programme is dedicated to the environment and encourages schools to proactively participate in the implementation of good environmental practices. The overall objective is to increase eco-consciousness and support children to become environmental advocates at a young age. The programme guides, assists, supports, and works with the student action teams within schools on their journey towards sustainability by providing a framework to help embed these principles into the heart of students. It offers flexibility, allows creativity, and encourages innovation on how the school plans to transform itself into becoming an eco-friendly institution.

The ECO-Schools Programme is an ideal way to deliver ECO-curricular activities for the next generation, which provides a creative learning environment for children to become resourceful, innovative, artistic, and proactive in saving the environment through various educational methods and approaches whether at school, home or society at large. The academic value gained from hands-on experimental learning will assist establishing valuable information as a simple step to make a big difference.

Participation in the ECO-Schools Programme for 2021 will be reviewed and awarded in the first half of 2022.

Part of the Bank's social responsibility is to support ambitious students and the youth in general. Doha Bank envisions the school children to become young leaders in promoting environmental awareness and the schools continuously endeavoring to become eco-friendly advocates for a better world by empowering them to make a difference for the environment and the society.

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 the first Qatari bank to sign up to United Nations (UN) Global Compact, a UN policy initiative encouraging businesses worldwide to adopt sustainable and socially responsible policies. The Bank is also one of the proactive supporters on 'Think Green, Live Green' Qatar Programme, in line with the 2030 Qatar Vision initiatives, while continuing to promote 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 environmental technologies and sustainable energy.

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. 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:

- ✓ Dedicated Green Bank Website
- ✓ ECO-Schools Programme
- ✓ Beach Clean-up
- ✓ Green Accounts and e-Statements
- ✓ Paperless Banking
- ✓ Green Banking Products include Green Mortgages
- ✓ Tree Planting activity
- ✓ Green Banking Task Force Committee
- ✓ ECO-Schools Committee
- ✓ Participation in Earth-related global event
- ✓ Annual Marathon - Al Dana Green Run
- ✓ Public Awareness Campaigns through ATMs
- ✓ Green Forms - electronic account opening form and submitted forms are directed to Direct Sales
- ✓ Recycling of Papers and waste
    - biodegradable and nonbiodegradable garbage is sorted through the entire operation of the bank.
    - All shredded papers and unusable empty cartons are separated for the recycle purpose.
    - The bank has a vendor who is responsible in collecting the recycle papers on a regular basis.
- ✓ Earth Hour
- ✓ Use of natural lighting, LED lights, power stabilizers, auto-shutters, etc.
    - Implemented LED lights only for all recent and ongoing projects.
    - Replacing old halogen bulbs to LED for energy saving.
    - Lighting control system which is reserving automatic switch off after office hours.
- ✓ BMS control system for HVAC and other mechanical system which is controlling and reserving the energy use.
- ✓ GSAS certification will be obtained for new building projects.

A dedicated Doha Green Bank website **(www.dohagreenbank.com)** is available, 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, Beach Cleaning campaign, Recycling and Waste Management programs. Promotional flyers and 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.

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, eliminating 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.

Doha Bank regularly conducts its 'Al Dana Green Run'. 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. People across age groups, nationalities and social backgrounds came forward enthusiastically to take part in the run. Participants included professionals, males and females from different age groups, sports enthusiasts, and members of various socio-cultural groups. The bank has hosted the event every year for 15 years, however in 2021, it was postponed due to COVID-19. The bank plans to resume hosting Al Dana Green Run in 2022, after receiving the necessary approvals required from local officials.

Doha Bank is keen to support all initiatives and social centers that have a positive impact on the lives of less fortunate in communities. As part of its commitment, the Bank provides financial assistance to leading non-profit organizations in Qatar, which has become an integral part of its social responsibility program. In continuation of its national and community role and commitment to its social responsibilities, Doha Bank made donations to support Qatar Charity's "Educate me!" initiative and to Qatar Red Crescent's campaign for Warm Winter.

CORPORATE **GOVERNANCE** FOR THE YEAR 2021

Introduction

As part of the compliance requirement of the Corporate Governance Code for listed companies and legal entities issued by Qatar Financial Markets Authority, and the instructions of Qatar Central Bank, Doha Bank as a Public Qatari Shareholding Company listed in Qatar Stock 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 is essential to assist it in achieving its goals in addition to improving its internal and external working environment, protecting stakeholders' interests, and distributing roles and responsibilities in an ideal way.

The bank was keen to enhance the corporate governance framework in accordance with the requirements of QFMA's Governance Code and QCB's Corporate Governance instructions through the following:

1. Updating and enhancing the policies and procedures' manuals of governance.
2. Updating and applying the Charter of the Board of Directors and the Board Committees.
3. Following the best practices adopted in Qatar in this regard.
4. Updating and enhancing the Articles of Association of the Company when needed.

As illustrated in this report, we at Doha Bank confirm our compliance with the requirements of the Law and Regulations of Qatar Financial Markets Authority and other relevant legislation, including the provisions of the Governance Code. The compliance assessment performed by the bank on 31 December 2021 has concluded that the bank has the procedures that ensure compliance with the Qatar Financial Market Authority Law and Regulations and other relevant legislation and that the bank is compliant with the provisions of the Code as on 31 December 2021.

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 has been published to the public through the Doha Bank website and will be available to shareholders before the Shareholders' 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:

Each Board Member's duties have been updated and defined in the 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 main objectives of the Board of Directors as stated in the approved Corporate Governance Policies' Manual of the bank:

1. To approve the bank's strategic plan and the main objectives and supervise their implementation:

   1.1 To develop and review the bank's overall strategy, primary action plans, and risks management policy, and to provide necessary guidance;

   1.2 To determine the bank's ideal capital structure, strategy and financial objectives, and approve annual budgets;

   1.3 To supervise the bank's capital expenditures and assets ownership and disposal;

   1.4 To identify the objectives and supervise the implementation, as well as the bank's overall performance;

   1.5 To approve and perform a periodic review to the bank's organizational structure in relation to the distribution of positions, roles, and powers in the bank, especially the internal control units;

   1.6 To approve the implementation procedures manual of the bank's strategy and objectives, which is prepared by the senior management and shall determine the methods and modalities of prompt communication with QFMA, other regulators, and other related parties in the governance process including appointing the Communication Officer; and

   1.7 To approve the bank's training and awareness annual plan, and to include governance orientation programs and training.

2. To develop and supervise the internal controls and regulations:

   2.1 To establish a written policy, which regulates exposures and rectifies potential exposures for each Board member, the senior management, and the shareholders including the misusing of the bank's assets and facilities and the misconduct resulting from dealing with related parties.

   2.2 To develop a full disclosure system, which ensures equity and transparency, prevents exposures and misusing the information that are not available to the public provided to include the principles to be followed when dealing with securities by the informed persons and determine trading ban periods for such persons in the bank's securities or any of the group's company in addition to prepare and update a list of the informed persons, and provide QFMA and the Stock Exchange with a copy of the same once approved or updated;

   2.3 To ensure the integrity of financial and accounting systems including financial reporting related regulations;

   2.4 To ensure the implementation and enforcement of appropriate controls to risk management through identifying the overall perception of the risks facing the company and discussing them with transparency; and

   2.5 To review the effectiveness of the bank's internal controls on annual basis.

3. To develop a specialized governance system to the bank, monitor its effectiveness, and amend as needed;

4. To develop clear and specific policies, standards, and procedures to the Board membership and put them into practice after being approved by the General Assembly;

5. To ensure that the bank's policies and procedures conform with the rules and regulations issued by the regulators and information of shareholders, creditors, and other stakeholders are disclosed properly;

6. To send invitations to all shareholders to attend the General Assembly meeting via legal methods. The invitation and the meeting announcement should include a sufficient summary on the General Assembly meeting agenda including the item related to discussing and approving the governance report;

7. To approve the nominations to senior management positions and their succession plan;

8. To develop a policy on dealing and cooperating with financial services, financial analysis, credit classification, etc. providers and other providers and specify related standards and indicators to ensure providing their services promptly and efficiently to all shareholders;

9. To develop necessary awareness programs to disseminate the culture of self-censorship and

risk management at the bank and to ensure that these are added to the bank's training plan;

10. To develop and approve a clear written policy which specifies how to determine the board's remuneration and the incentives and rewards of senior management and the bank staff in accordance to the principles of this code without any discrimination based on race, or gender, or religion and submit the same to the annual General Assembly for approval;
11. To develop a clear policy on contracting with the related parties and submit the same to the annual General Assembly for approval; and
12. To set out the performance assessment criteria of the Board members and senior management.
13. The Board shall be formed once elected, board committees shall be determined in the board's first meeting, and a resolution to nominate the chief of each committee and along with its competencies, duties, and powers to be issued.
14. Without prejudice to the General Assembly competencies, the Board shall handle all the necessary powers to manage the General Assembly and may assign some of its competencies to the Board committees and form one committee or more to perform specified duties provided that the resolution of its formation stipulates the nature of these duties.
15. The Board must avoid issuing general or open-ended delegations.
16. In addition, the Board approves the proposal of the Audit, Compliance and Risk Committee on the bank's internal controls provided to include the control mechanism, specify the duties and competencies of the bank's departments and sections and the provisions and procedures of accountability, and raise the staff awareness about the importance of self-censorship and internal controls.

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 financial position and income statements shall be signed by the Chairman, or the Managing Director and the CEO.

Review of the Performance of Board, Board Committees, and Executive Management

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

During 2021, the Board undertook the necessary assessments, and the results were as follows:

Assessed Party	Assessment Results
Board Members	The results of the performance assessment of the Board members is "meet expectation" in accordance with the Bank's performance assessment policy which includes: meetings held, attendance at meetings, discussions, work, recommendations, etc.
Board Committees	The results of the performance assessment of the Board Committees "meet expectation" in accordance with Bank's performance assessment policy which includes: meetings held, attendance at meetings, discussions, work, recommendations, etc.
Executive Management	The results of the performance assessment of the Executive Management is "satisfactory" in accordance with the bank's performance assessment policy.

Main Transactions that require Board Approval

Board authorities include, but not limited to, 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.

BOD's Tasks and Other 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.

Governance

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

Dismissal

A member who does not attend three consecutive meetings or five non-consecutive meetings shall be deemed as have resigned from his position, unless his reasons for absence are accepted by the Board, and the Board member may withdraw from the Board provided in proper time, otherwise shall be accountable to the Bank.

Passing of Board Resolutions by Circulation

From time to time Board Resolutions may be passed by circulation with the approval 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 have been amended to be in line with the Commercial Companies Law.

Nominations

The Bank has established a system to nominate Board Members. As per the Policies, 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 into place Corporate Governance Policies which include principles for guiding and training new Board Members, as well as the training plan.

Self-Assessment

Necessary templates and tools have been approved to perform an annual self-assessment by the Board.

Remuneration

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

BOARD COMPOSITION

The Board currently consists of eight out of nine members as per the Articles of Association, i.e. three executive members and five non-executive members, three of them are independent. The current term of the Board of Directors started on March 16th, 2020 and continues for a period of three years through election at the shareholders' Ordinary General Assembly, noting that in the first meeting of the Board of Directors for the year 2021 held on 08/02/2021, Sheikh Abdullah bin Mohammad bin Jabor Al Thani presented his resignation from the Board of Directors and, by extension, the Policies, Nominations, and Governance Committee. The Board approved the resignation in the same meeting.

Briefs of education and experience profile of each member of the current Board are depicted below:

Sheikh Fahad Bin Mohammad Bin Jabor Al Thani

Representing Fahad Mohammad Jabor Holding Company.

- Chairman
- Executive Board Member, Non-Independent
- Chairman of the Executive Committee: The Board of Directors is in the process of amending the composition of the Executive Committee during 2022
- Date of Appointment on Board: June 3, 1996 (acting in his own capacity) and March 6th, 2017 (acting as the company's representative)
- Education: Graduate of the Royal Academy, Sandhurst, UK
- Experience: He is considered as one of the most well-known of businessmen in Qatar and GCC
- Direct Ownership: 60,407,433 shares; i.e. 1.95% as at December 31, 2021 & 60,407,433 shares; i.e. 1.95% as at December 31, 2020
- Attendance: Attended six Board meetings

Mr. Ahmed Abdul Rehman Yousef Obeidan

- Vice Chairman
- Executive Board Member, Non-Independent
- Member in the Executive Committee
- Date of Appointment on Board: April 20, 1982
- Experience: Former member of Qatar Chamber of Commerce and Industry, Chairman of the Board of Directors of Adekhar Trading and Contracting Company, and General Manager of Alwaha Contracting & Trading Company
- Direct Ownership: 23,253,503 shares; i.e. 0.75% as at December 31, 2021 & 39, 218,580 shares; i.e. 1.26% as at December 31, 2020
- Attendance: Attended five Board meetings

Sheikh Abdul Rahman Bin Mohammad Bin Jabor Al Thani

- Managing Director
- Executive Board Member, Non-Independent
- Chairman of Policies, Nomination, and Governance Committee
- Member of the Executive Committee
- Date of Appointment on Board: December 21, 1978
- Education: Bachelor of Civil Engineering, Missouri University, USA
- Experience: He is considered as one of the most well-known of businessmen in Qatar and GCC
- Other Board Memberships: Chairman of the Board of Directors, Qatar Industrial Manufacturing Co.; Chairman of the Board of Directors, Qatari Oman Investment Company
- Direct Ownership: 35,263,400 shares; i.e. 1.14% as at December 31, 2021 & 35,263,400 shares; i.e. 1.14% as at December 31, 2020
- Attendance: Attended six Board meetings

Sheikh Falah Bin Jassim Bin Jabor Al-Thani

Representing Jassim and Falah Trading and Contracting Co.

- Board Member
- Non-Executive Board Member, Non-Independent
- Date of Appointment on Board: Feb 27, 2011
- Experience: Ex-Minister of Civil Service Affairs and Housing
- Other Board Membership: Chairman of Board of Directors, Alijarah Holding
- Direct Ownership: 31,004,660 shares; i.e. 1% as at December 31, 2021 & 31,004,660 shares; i.e. 1% as at December 31, 2020
- Attendance: Attended five Board meetings

Mr. Nasser Mohammad Ali Al Mathkoor Al Khaldi

- Board Member
- Non-Executive Board Member, Independent
- Member of the Audit, Compliance and Risk Committee
- Date of Appointment on Board: March 16, 2020
- Education: Bachelor's degree in Mechanical Engineering (Egypt), and Master's Degree in Engineering Management from The George Washington University
- Experience: CEO of Qatar Oman Investment Company
- Direct Ownership: 5,000,000 shares; 0.16% as at December 31, 2021 & 5,000,000 shares; 0.16% as at December 31, 2020
- Attendance: Attended six Board meetings

Mr. Ahmed Abdullah Al Khal

- Board Member
- Non-Executive Board Member, Non-Independent
- Member in Policies, Nominations and Governance Committee
- Date of Appointment on Board: March 3, 2014
- Education: Economics & Political Science
- Experience: He previously assumed the position of the Head of Economic Planning Section of the Ministry of Foreign Affairs, and he worked in the Ministry of Economy and as Ambassador to Germany and Japan.
- Direct Ownership: 25,507,610 shares; i.e. 0.82% as at December 31, 2021 & 25,507,610 shares; i.e. 0.82% as at December 31, 2020
- Attendance: Attended six Board meetings

Mr. Abdulla Ali Abdulrahman Al Abdulla

- Board Member
- Non-Executive Board Member, Independent Member
- Member in the Policies, Nominations and Governance Committee and the Audit, Compliance & Risk Committee
- Date of Appointment on Board: March 16, 2020
- Education: Bachelor's degree in Industrial Engineering from Bradley University, USA
- Experience: He held several previous administrative positions, including General Manager, Qatar Manufacturing Industries Company; Assistant Secretary General, Gulf Organization for Industrial Consulting; Director, Industrial Affairs at the Ministry of Industry
- Other Board Memberships: Member of the Board of Directors of Qatar Industrial Manufacturing Company, and Member of the Board of Directors of Qatar Oman Investment Company
- Direct Ownership: 4,000,000 shares; i.e. 0.13% as at December 31, 2021 & 7,500,000 shares; i.e. 0.24% as at December 31, 2020
- Attendance: Attended five Board meetings

Mr. Nasser Khaled Nasser Abdullah Al-Misnad

- Non-Executive Board Member, Independent Member
- Chairman of Audit, Compliance & Risk Committee
- Date of Appointment on Board: March 6, 2017
- Education: Bachelor's Degree of Political Science from Georgetown University in Qatar
- Experience: Vice President, Al Khor Holding Company and former Financial Analyst, Qatar Investment Authority
- Ownership: 200,000 shares; i.e. 0.01% as at December 31, 2021 & 200,000 shares; i.e. 0.01% as at December 31, 2020
- Attendance: Attended six Board meetings

Independent Board Member

The current composition of the Board includes three independent Board members who meet the requirements of QFMA's Corporate Governance Code and QCB's instructions. The independent member's ownership of Doha Bank's shares shouldn't exceed 0.25% of the bank's capital.

Board of Directors' 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

- Chairman of the Board should, through authorizing the concerned department/ staff, set a plan arranging a training program for the Members of the Board
- Representing the bank before other parties and judiciary
- Effectively and productively managing the bank, and act towards the achievement of the interest of the bank, partners, shareholders and stakeholders.
- Ensuring the effective and timely discussion of all main issues by the Board.
- Approving the Board's meeting agenda taking into consideration any issue raised by any member.
- Encouraging the members to collectively and effectively participate in the management of the Board's affairs ensuring that the Board's responsibilities are carried out in the interest of the bank.
- Making available all data and information and documents and records of the Bank, Board and Board Committees to the members of the Board.
- Finding channels to effectively communicate with the shareholders and pass on their opinions to the Board.
- Enabling the effective participation of the non-executive members, in particular, and instill the constructive relations between the executive and non-executive members.
- Keeping the members posted always on the implementation of the provisions of this Code, and the Chairman may authorize the Audit, Compliance and Risk Committee or others to do so.

Duties of the Vice Chairman

The Bank should appoint the Vice Chairman who shall assume the role of the Chairman in his absence. The Chairman may delegate some of his authorities to any Board member other than Vice 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 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, Nomination and Governance Committee.

Board Meetings

As per the Bank's Articles of Association, the Board Meetings are held at the Head Office or any other location inside Qatar as decided by the Chairman provided that the quorum is complete. The Board meets a minimum of six times during a financial year. The holding of the Board meetings is decided in accordance with the major events and the closure of a specific financial period. The Board met six times in 2021 as follows:

Meeting No.	Meeting Date
Meeting No. 1	08/02/2021
Meeting No. 2	05/04/2021
Meeting No. 3	31/05/2021
Meeting No. 4	27/07/2021
Meeting No. 5	26/09/2021
Meeting No. 6	28/11/2021

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 based on the Board Remuneration Policy*. It's worth noting that the Board was paid a total of QR 12/697 million in remuneration for the year 2020. As for the remuneration of the Board of Directors for the year 2021, the matter is still under study and is subject to the approval of the General Assembly Meeting of Shareholders during 2022.

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 to the Board. He was also appointed as a Secretary to the Company in 2007. He has more than 34 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 Company's Secretary meets all the requirements of the Code.

The Legal Advisor to the Board is also performing the duties of Company's Secretary and maintains all Board documentation and manages the overall processes related to Board meetings. The Company's Secretary reports directly to the Chairman, however, all members may use the Company's Secretary's services.

*Annex uploaded to the bank's website related to the Board Members Remuneration Policy

Chief Internal Auditor:

Mr. Mohammad Daoud

Mr. Mohammad Daoud has joined Doha Bank in 2012 as an Acting Head of Internal Audit Department. In 2016, he was appointed as a Head of Internal Audit Department. He has more than 29 years of experience in the field of banking and financial institutions before joining Doha Bank.

Mr. Mohammad Daoud has got a PhD. in finance.

Acting Chief Compliance Officer:

Mr. Ghaus Bin Ikram

Mr. Ghaus Bin Ikram has joined Doha Bank in 2007 as Head of AML/CFT Unit and was then appointed as Acting Chief Compliance Officer in 2020. He has more than 21 years of experience and has worked in several banks and financial institutions before joining Doha Bank.

Mr. Ghaus Bin Ikram holds a Master's Degree in Business Administration.

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:

Mr. Raghavan Seetharaman

Mr. 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 41 years during which he worked in a number of banks and institutions before joining Doha Bank.

Mr. R. Seetharaman has a Bachelor of Commerce Degree from India, and he is a Chartered Accountant. He is a recipient of multiple honorary doctorate degrees from leading universities of the world including three PhDs.

Chief Wholesale Banking Officer:

Mr. Ala Azmi Masoud Abumughli

Mr. Ala joined Doha Bank in 2019 as Assistant General Manager. He has more than 28 years of experience and has worked at a number of banks and financial institutions before joining Doha Bank.

Mr. Ala Azmi Masoud Abumughli holds a Bachelor's Degree in Business Administration.

Acting Chief Financial Officer:

Mr. Sanjay Jain

Mr. Sanjay Jain has joined Doha Bank in 2006 as a Manager in Group Finance. He has more than 31 years of experience and has worked at several financial institutions before joining Doha Bank. He was appointed as an Acting Chief Financial Officer during 2021.

Mr. Jain holds a Bachelor of Science Degree and he is a Fellow of the Institute of Chartered Accountants.

Chief Operating Officer:

Mr. Peter John Clark

Mr. Peter joined Doha Bank in 2019 as Chief Operating Officer. He has experience of more than 21 years as he worked in several banks and financial institutions before joining Doha Bank.

Mr. Peter holds a Bachelor's Degree in Electronic Engineering.

Chief Strategy, Corporate Performance & Marketing Officer:

Sheikh Mohamed Abdulla M.J. Al Thani

Sheikh Mohamed joined Doha Bank in 2019 as Chief Strategy, Corporate Performance & Marketing Officer. He has experience of more than 27 years and held several positions in the financial sector and other sectors before joining Doha Bank.

Sheikh Mohamed Fahad Al Thani holds a Bachelor's Degree in Science.

Acting Chief Human Resources Officer:

Sheikh Mohamed Fahad Mohamed Al Thani

Sheikh Mohamed Fahad Al Thani joined Doha Bank in 2013 as Head of Financing Unit. He has banking experience in several financial institutions. He held the position of Acting Head of HR Department in 2017.

Sheikh Mohamed Fahad Al Thani holds a Bachelor's Degree in Public Administration.

Chief Retail Banking Officer:

Mr. Braik Ali H S Al-Marri

Mr. Braik has joined Doha Bank in 2015 as Head of Branch Control Department. He has experience of more than 25 years as he worked in several financial and banking institutions before joining the bank. He has held the position of the Chief Retail Banking Officer since 2019.

Chief Treasury & Investment Officer:

Mr. Gudni Stiholt Adalsteinsson

Mr. Gudni joined Doha Bank in 2019 as Chief Treasury & Investment Officer. He has experience exceeding 23 years out of which 12 years were spent in several financial and banking institutions before joining the bank.

Mr. Gudni holds a Master's Degree in Business Administration.

Acting Chief International Banking Officer: Mr. Andre Leon Snyman

Mr. Snyman joined Doha Bank in 2015 as Chief Representative, South Africa Representative Office, and rose through the positions to Acting Chief International Banking Officer. He has banking experience of more than 22 years.

Mr. Snyman holds a Bachelor's Degree in Mathematics.

Acting Chief Risk Officer: Taher Alagha

Mr. Alagha joined Doha Bank in 2019 as Department Head of Credit Control & Risk Infrastructure. He has experience of more than 24 years in banking as he worked in several financial and banking institutions before joining the bank. He was appointed as the Acting Chief Risk Officer during December of 2021, succeeding the previous Chief Risk Officer, Mr. Abhik Goswami, who resigned from the bank during that month.

Mr. Taher holds an MBA.

Senior Management Remuneration

The bank adopts a policy, which regulates the process for assessing the performance of Senior Management based on the achievement of the bank's strategic goals. Based on the existing performance-based policy*, performance evaluation and the bank's results, the additional benefits and bonuses are set and approved by the Board. Total remuneration of the Senior Management for the performance of the year 2020 was QR 4,261,390 which was paid in 2021. The Senior Management Remuneration for 2021 will be determined and approved by the Board of Directors during 2022.

*Annex uploaded to the bank's website related to the Performance-based Remuneration Policy

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. The role of the Chairman and any other executive role in the bank may not be held together. The Chairman may not be a member of any of the Board Committees stipulated in QFMA's Governance Code.

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 conflict of interest policy within Governance policies in order to prevent any situation in which the objectivity and independence of the resolutions of the Board members or CEO or employees during the performance of their duties are affected by a personal or moral interest that he personally or one of his relatives or close friends cares about or when the performance of his job is affected by direct or indirect personal considerations, or by his knowledge of the information relating to the decision.

The Bank also adopted a policy to define guidelines and policies related to insider trading activities as Doha Bank shares are listed on the Qatar Exchange, and this policy is an extension of the confidentiality policy and applies to all employees and their families (first degree) and Board members who are familiar with the bank information before disclosing it.

Related Party Transactions

In general, any staff or Board member shall be considered as a related party upon carrying out commercial operations for Doha Bank with one of the family members or any business running by one of the family members.

Approvals of Related Party Transactions

All transactions with related parties are reviewed in advance by the bank's Board of Directors, and then major transactions are presented to the General Assembly for approval by a majority vote in the absence of related parties, in accordance with the requirements and instructions of the Qatar Financial Markets Authority.

Disclosure of Related Party Transactions

The bank discloses the important related parties and their transactions in its financial statements, and the Board of Directors, at least one week before the date of the General Assembly, shall submit a detailed statement of the transactions and dealings that the bank concludes with related parties.

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 QCB's instructions and QFMA regulations and leading governance practices.

The bank has three Board Committees as follows:

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

Audit, Compliance and Risk Committee

Membership

- Mr. Nasser Khalid Abdullah Al Misnad Independent Board Member (Chairman). He attended all the meetings of the Committee.
- Mr. Abdulla Ali Abdulrahman Al Abdulla Independent Board Member. He attended six meetings of the Committee.
- Mr. Nasser Mohammed Ali Al Mathkoor Al Khaldi Independent Board Member. He attended four meetings of the Committee.

It should be noted that Mr. Ahmed Abdulla Ahmed Al Khal was a member in the previous term of the Audit, Compliance and Risk Committee until 08/02/2021. He did not attend any of the Committee's meetings during 2021.

Meetings

Seven meetings were held during 2021, noting that only six meetings are required as per the Governance Code.

Roles and Responsibilities

- To review the bank's internal control system upon setting or updating it or when required, and then submit its relevant recommendations to the Board and execute the Board's assignments concerning the bank's internal controls.
- To supervise the financial and internal controls and the risk management especially the training programs prepared by the bank, and to ensure compliance with the best international auditing standards, and with the requirements of the International Financial Reporting Standards and the International Standards on Auditing.
- To review the bank's transactions with the relevant parties and their compliance with the relevant controls.
- To coordinate between the bank's Internal Audit Department and the external auditor.
- To check the accuracy of the figures, data and financial reports presented by the bank to the General Assembly.
- To study and review the reports and observations of the auditor on the bank's financial statements and follow up on what has been done about them.
- To consider the basis for hiring and nominating external auditors and ensuring their independence in the performance of their functions.
- To review the bank's financial and accounting policies and procedures and give relevant opinions and recommendations to the Board.
- To periodically develop and review the bank's policies on risk management, considering the bank's business, market variables, and the bank's investment and expansion trends.
- To review the bank's periodic risk reports and its management, and to submit them to the Board, with its recommendations, and prepare reports on specific risks based on the assignment of the Board or its Chairman.

- To hold a discussion with the external auditor and Senior Executive Management on the audit risks, primarily the appropriateness of accounting decisions and estimates, and present them to the Board for inclusion in the annual report.

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 also 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 and to get clarifications in this regard.

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 critical issues are reported to the Audit, Compliance & Risk Committee which in turn ensures taking the necessary actions towards the violations according to the approved whistleblowing policy.

Major Resolutions

Assigning Executive Management to:

- Complete the implementation of all recommendations issued by the Audit, Compliance and Risk Committee, and take all necessary measures to maintain compliance with the same.
- Fully comply with the requirements of the Governance Code, in particular the examination and evaluation of regulatory controls, the submission of reports on time and the rectification of all outstanding observations in the bank.
- Continue to monitor and assess the risks facing the bank in the international exposures and take the necessary measures to control the risks and protect the bank's rights.
- Follow up reports issued by the Internal Audit Department, Compliance Department, and Risk Department to rectify all the observations and gaps in the bank's departments and branches.
- Rectify all regulatory observations and gaps highlighted by the external auditor and establish adequate controls to prevent their recurrence.
- Conduct a comprehensive assessment of the bank's strategy for representative offices.
- Rectify all the AML/CFT observations made in the reports of the regulators/ the Internal Audit Department and the external auditor, whether in the Head Office or the overseas branches of the bank. The concerned departments must also be followed up on to ensure that the necessary corrective actions are taken in response to the observations.
- Issue instructions to concerned department heads to address all critical issues and gaps highlighted in the annual MLRO report.
- Follow up the bank's competent departments to complete the updating of all customer data, especially those related to AML/ CFT requirements.
- Rectify all observations contained in the reports issued by regulators, namely, Qatar Central Bank, Central Bank of Kuwait, Central Bank of the UAE and the Reserve Bank of India.
- Make the required efforts to improve the quality of the credit portfolio and address the credit concentration at the level of customer or his group as well as non-performing facilities, especially credit with large limits.
- Complete all aspects of the business continuity project for the bank and its overseas branches.
- Address gaps related to information security technology and cybersecurity framework,
as well as all other related risks.
- Discuss the Compliance Report of the subsidiary "Sharq Insurance Company" to assess the company's compliance with the issued legislations and instructions.

Remuneration

The total allowances of the Audit, Compliance and Risk Committee for 2021 was QAR 200,000, which is part of the remuneration of the Board of Directors.

Policies, Nomination & Governance Committee

Membership

- Sheikh Abdul Rahman Bin Mohammad Bin Jabor Al Thani Managing Director (Chairman). He attended all the Committee's meetings.
- Mr. Ahmed Abdullah Ahmed Al Khal Non-Executive Board Member (Member). He attended all the Committee's meetings.
- Mr. Abdullah Ali Abulrahman Al Abdulla Independent Board Member (Member).

He attended three meetings of the Committee.

It should be noted that Sheikh Abdullah Bin Mohammed Bin Jabor Al Thani was a member in the previous term of the Policies, Nomination & Governance Committee until 08/02/2021. He did not attend any meetings during 2021.

Meetings

Four meetings were held during 2021, noting that two meetings are required as per the Governance Code.

Major 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.

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.

Major Resolutions

- The Committee unanimously decided to assign the CEO to directly supervise the rectification of all control gaps and observations in the report on the bank's internal control systems and to submit a report to H.E. the Managing Director and Chairman of the Committee before 31/12/2021 confirming the rectification of all gaps and observations, provided that this report includes a statement of the gaps and observations and the classification of the such observations in terms of risk rating and concerned department.
- Approve (24) new and updated policies and procedures manuals for the bank, including (11) manuals for the Head Office and (13) manuals for overseas branches during the year 2021.
- The Committee unanimously approved the CEO's memo attached to the meeting agenda regarding improvement of P&P's documentation, review and approval Cycle.

Remuneration

The total allowances of the Policies, Nomination and Governance Committee for 2021 was QAR 90,000, which is part of the remuneration of the Board of Directors.

Executive Committee

The Board of Directors is in the process of amending the composition of the Executive Committee during 2022 in line with the latest relevant legislative amendments.

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 all the meetings.
- Sheikh Abdul Rahman Bin Mohammad Bin Jabor Al Thani Managing Director. 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 2021.

Major Roles and Responsibilities

- Review changes relating to Doha Bank's capital structure and significant changes to the management and control structure of the 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.

Major Resolutions

- Taking a credit decision regarding the facilities of some customers, and approving the recommendations of the Credit Committee to reschedule the facilities of some customers.

Approving the recommendations of the IT Department and the Tender Committee for an IT project valuing USD 5/213 million over a maximum of 3 years.

Remuneration

The total allowances of the Executive Committee for 2021 was QR 120,000, which is part of the remuneration of the Board of Directors.

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 Compliance, Legal Risks, Credit, Liquidity, Market, and Operational Risks;
- Overall compliance of the bank with rules and regulations;
- Internal Audit and External Audit recommendations and findings.

Internal Control Evaluation

The bank, through the Audit, Compliance and Risk Committee, reviews the internal control framework, and the Committee receives reports on internal controls in the bank's management, and then submits recommendations to the Board of Directors to evaluate them and to ensure that the internal control framework is applied in accordance with the management's authorities.

The bank's management has taken the below steps to ensure compliance with the Governance Code's requirements:

- Adopt and implement an internationally recognized framework for internal control, which is COSO framework.
- Perform scoping exercise to identify the significant accounts having material impact on financials and map these accounts to the various business processes to determine the processes that are in scope;
- Completed documentation such as Business Process understanding and Risk and Control Matrix for all the in scope processes;
- Assessed the design effectiveness of key controls;
- Issued management assessment on design and operating effectiveness of internal controls over financial reporting.

No major breach of control or internal control failure has taken place which has affected or may affect Bank's financial performance during 2021.

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 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 the 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 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.

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.

KPMG reviews and audits the bank's accounts since 2017 to date, including overseas branches' accounts (except India branches in 2021), Doha Bank Assurance Company's accounts in addition to investment fund accounts and periodic reports pertaining to QCB requirements. The external audit fee for 2021 was QAR 3,650,000.

We have received two quotations from two well-known auditing firms. These quotations were presented to the Ordinary General Assembly of shareholders and KPMG were selected to review the bank's accounts for 2021.

Material Disputes and Litigations

During the year 2021, no lawsuits were filed by/or against the bank group and its subsidiaries with a financial impact of more than 5% of the shareholders' equity.

Means of Communication with Shareholders

Doha Bank considers its shareholders as key stakeholders. Doha Bank has established a Shareholder Relations function and an Investor Relations function which are responsible for addressing shareholder queries. It is also responsible for communicating with any investors in the markets, and acts as a liaison between them, the bank management 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.

Whistleblowing

The bank has an established whistleblowing policy for detecting violations and breaches that may negatively affect the bank. According to this policy, if there are reports that prove their authenticity, the Audit, Compliance, and Risk Committee shall be informed of the material issues raised by whistleblowers in such reports under strict confidentiality and protection via an email accessible only by the Internal Audit Department's Head. Employees are encouraged to disclose any suspicions they have, and those suspicions are reviewed, investigated, and reported to the Audit, Compliance, and Risk Committee as needed. The bank's response is determined by the severity of the violation, and any recommendations made by the Audit, Compliance, and Risk Committee shall be approved by the Board of Directors.

On December 23, 2020, one report was received from an unidentified person via the reporting channel's dedicated email, and that whistleblower was contacted to obtain additional information in order to research, investigate, and make a decision about the report, and the report was transferred to the investigation in 2021. Another report about credit card transactions was received in 2021, the reporting party was verified, and there were no suspicious transactions. The customer was contacted through email on 02/12/2021, and the report was closed; no more correspondence from the customer has been received since that date.

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, including the Governance Report.

Access to Information

Doha Bank has a website 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. The bank has internal procedures allowing shareholders to obtain the company's documents and the relevant data, however shareholder register details are maintained by the Qatar Central Securities Depository Company.

Shareholders' Rights and Shareholders' Meetings

The bank's Articles of Association include provisions that ensure the shareholder's right to attend the General Assembly meetings and vote on the General Assembly's resolutions and 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. Each shareholder has the right to discuss the topics listed in the agenda of General Assembly and raise questions to the board members. 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, no natural or legal person may own, directly or indirectly, more than 5% of the bank's shares. The State of Qatar, the Qatar Foundation for Education, Science, and Community Development, funds affiliated with the General Retirement and Social Insurance Authority, the Qatar Investment Authority, and Qatar Holding Company, are exempt from the provisions of the maximum ownership limit.

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 competent government authorities. 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

The bank's Articles of Association include that each shareholder of the same class shall have equal right in the bank assets titles and the profits distributed according to the number of shares he owns. In addition, an Investor Relations Policy has been adopted, which highlights shareholder rights and procedures in dealing with shareholder voting, attendance, objection, communication, information access, and more.

Shareholders' Rights Concerning Board Members' Elections

After notifying 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 the bank's website, and then the Policies, 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 and the Bank's website before the General Assembly. After obtaining approval of the competent authorities, 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 Labor 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 has established a mechanism to protect shareholders' rights in the event that the bank enters into major transactions that may affect their interests or jeopardize their ownership of the bank's capital. In the event that the bank intends to conclude any transaction or group of related transactions aimed at acquiring, selling, leasing, exchanging or disposing (except for the creation of guarantees) of the bank's assets or the assets that the bank will acquire, or those transactions that would change the basic nature of the bank's business and whose total value exceeds 10% of the market value of the bank or the net asset value of the bank according to the latest announced financial statements, and in case that deal or deals would prejudice the ownership of the capital or might affect the interests and rights of shareholders in general and the minority shareholders in particular, the bank will present the matter to the General Assembly.

In the event the shareholders object to these deals, that objection must be recorded in the minutes of the General Assembly meeting, and that appropriate measures are taken to guarantee the rights of those shareholders.

According to the bank's Articles of Association, the minority who owns less than 10,000 shares of the bank's shares may nominate any of them for membership in the Board of Directors as a representative of the minority, provided that their combined ownership is at least 0.75% of the capital, which is the minimum percentage of ownership required to be nominated for membership on the Board.

Doha Bank confirms that there are no shareholder agreements regarding capital structure and shareholder equity.

Ownership of Shares

The ownership of Doha Bank's shares distributed by nationality as at 31 December, 2021 is as follows:

Nationality	No. of Shares	Percentage
Qatar	2,736,905,244	88.27%
GCC	59,782,684	1.93%
Arab countries	28,692,729	0.93%
Asia	8,566,789	0.28%
Europe	105,518,798	3.40%
Africa	1,288,443	0.04%
USA	131,946,870	4.25%
Other	27,765,463	0.90%
Total	3,100,467,020	100%

The number of shareholders reached 2,954 as at 31/12/2021. No shareholder possesses more than 5% of the Bank's shares except the State of Qatar (Qatar Investment Authority which owns directly and indirectly 17.15% of the shares and the General Retirement & Social Insurance Authority which owns 6.67%), as per bank's Articles of Association.

Stakeholder Rights

Doha Bank endeavors to maintain equitable and fair treatment of all its stakeholders. The bank does not discriminate against its stakeholders on the basis of race, gender, or religion, whether they are shareholders or individuals with a quality or interest in the bank, such as employees, customers, or others.

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. 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.

The bank is committed to protecting and respecting the rights of stakeholders, and each stakeholder has the right to request information pertaining to his or her interest, as long as his or her request is accompanied by proof of capacity. The bank is also committed to provide the requested information in a timely manner, as long as it does not jeopardize the interests of others. A mechanism has also been established to receive and assess complaints and communications relating to anything that affects the bank's interests, while protecting the complaint's or communication's confidentiality and the presenter's protection. Such complaints and communications shall be responded to within specific time frames.

Corporate Social Responsibility

Doha Bank is one of the leading integrated financial institutions in the GCC and one of the most active advocates of Corporate Social Responsibility (CSR), constantly supporting environmental protection, engagement with community, stakeholder groups and sustainability practices. The bank's inclusion in the FTSE4Good Emerging Index and its top ranking of listed companies in Qatar by ESG Invest reinforces its position as a global sustainability leader. The bank was further selected to be included in the MSCI QSE 20 ESG Index that was launched in November 2021. Building upon decades of strong commitment to environmental issues and community engagement, Doha Bank is the first financial institution in Qatar to issue an annual Sustainability Report explaining its approach to stakeholder engagement including the environment.

As a fundamental aspect of the Group's CSR Charter, the bank has become a pioneer in raising awareness for environmental and climate change issues in Qatar, the bank's vision is to lead the way as a Green Banking institution in encouraging account holders to opt for Paperless Banking. Alongside these products, the Bank has become the leading bank in Qatar and the Middle East for environmental advocacy through numerous CSR initiatives. Doha Bank is proactively hosting and conducting green-related activities to promote customer participation and engaging the society's eco-consciousness by encouraging them to go green and support the environment.

Doha Bank's ECO-Schools Programme is dedicated to the environment and encourages schools to proactively participate in the implementation of good environmental practices. The overall objective is to increase eco-consciousness and support children to become environmental advocates at a young age. The programme guides, assists, supports and works with the student action teams within schools on their journey towards sustainability by providing a framework to help embed these principles into the heart of students. It offers flexibility, allows creativity and encourages innovation on how the school plans to transform itself into becoming an eco-friendly institution.

Participation in the ECO-Schools Programme for 2021 will be reviewed and awarded in the first half of 2022.

Part of the bank's social responsibility is to support ambitious students and the youth in general. Doha Bank envisions the school children to become young leaders in promoting environmental awareness and the schools continuously endeavoring to become eco-friendly advocates for a better world by empowering them to make a difference for the environment and the society.

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 the first Qatari bank to sign up to United Nations (UN) Global Compact, a UN policy initiative encouraging businesses worldwide to adopt sustainable and socially responsible policies. The Bank is also one of the proactive supporters on 'Think Green, Live Green' Qatar Programme, in line with the 2030 Qatar Vision initiatives, while continuing to promote 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 environmental technologies and sustainable energy.

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:

- Dedicated Green Bank Website
- ECO-Schools Programme
- Beach Clean-up
- Green Accounts and e-Statements
- Paperless Banking
- Green Banking Products include Green Mortgages
- Tree Planting activity
- Green Banking Task Force Committee
- ECO-Schools Committee
- Participation in Earth-related global event
- Annual Marathon - Al Dana Green Run
- Public Awareness Campaigns through ATMs
- Green Forms - electronic account opening form and submitted forms are directed to Direct Sales
- Recycling of Papers and Waste
    - biodegradable and non-biodegradable garbage is sorted through the entire operation of the bank.
    - All shredded papers and unusable empty cartons are separated for the recycle purpose.
    - The bank has a vendor who is responsible in collecting the recycle papers on a regular basis.
- Earth Hour
- Use of natural lighting, LED lights, power stabilizers, auto-shutters, etc.
    - Implemented LED lights only for all recent and ongoing projects.
        - Replacing old halogen bulbs to LED for energy saving.
    - Lighting control system which is reserving automatic switch off after office hours.
    - BMS control system for HVAC and other mechanical system which is controlling and reserving the energy use.

A dedicated Doha Green Bank website (www.dohagreenbank.com) is available, 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, Beach Cleaning campaign, Recycling and Waste Management programs. Promotional flyers and 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.

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 systems and other office equipment when not in use, conserve water, carpooling, eliminating 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.

Doha Bank regularly conducts its 'Al Dana Green Run'. 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. People across age groups, nationalities and social backgrounds came forward enthusiastically to take part in the run. Participants included professionals, males and females from different age groups, sports enthusiasts, and members of various socio-cultural groups. The bank has hosted the event every year for 15 years. However in 2021, it was postponed due to COVID-19. The bank plans to resume hosting Al Dana Green Run in 2022, after receiving the necessary approvals required from local officials.

Doha Bank is keen to support all initiatives and social centers that have a positive impact on the lives of less fortunate in communities. As part of its commitment, the bank provides financial assistance to leading non-profit organizations in Qatar, which has become an integral part of its social responsibility program. In continuation of its national and community role and commitment to its social responsibilities, Doha Bank made donations to support Qatar Charity's "Educate me!" initiative and to Qatar Red Crescent's campaign for Warm Winter.

Social & Sports Activities Support Fund

Doha Bank has contributed an amount of QAR 17/576 million to the Social and Sports Activities Support Fund, which represents 2.5% of the bank's annual net profits for the year 2020 in line with Law No. 13 of 2008 amended by Law No. 8 of 2011. The bank's contribution towards the Social and Sports Activities Support Fund for the year 2021 will be determined after endorsing the results of the bank during 2022.

Bank Branches, Representative Offices and Subsidiaries

Domestically, Doha Bank's network inside Qatar includes a total of 24 branches, 3 e-branches, and 2 pay offices. The number of ATMs reached 96, of which 3 ATMs are in the UAE, 2 ATMs in Kuwait, and 3 ATMs in India. Globally, the bank has six overseas branches, Dubai and Abu Dhabi branches in UAE, a branch in Kuwait and three branches in India in Mumbai, Kochi and Chennai. Furthermore, we have fourteen representative offices located in Singapore, Turkey, Japan, China, United Kingdom, South Korea, Germany, Australia, Canada, Hong Kong, South Africa, Bangladesh, Sri Lanka and Nepal.

The bank also fully owns Doha Finance Limited Company and Doha Bank Securities Company, both of which are registered in Cayman Islands, in addition to Sharq Insurance Company, which is registered under Qatar Financial Center. Furthermore, the bank owns a 44.02% strategic stake in Doha Brokerage and Financial Services, an Indian brokerage firm specializing in brokerage and asset management.

Fahad Bin Mohammad Bin Jabor Al Thani
Chairman

INDEPENDENT LIMITED ASSURANCE REPORT

TO THE SHAREHOLDERS OF DOHA BANK (Q.P.S.C)

Report on Compliance with the Qatar Financial Markets Authority's Law and Regulations and Other Relevant Legislation including the Corporate Governance Code for Companies & Legal Entities Listed on the Main Market

In accordance with Article 24 of the Governance Code for Companies and Legal Entities Listed on the Main Market ("the Code") Issued by the Qatar Financial Markets Authority ("QFMA"), we were engaged by the Board of Directors of Doha Bank (Q.P.S.C.) ("the Bank") to carry out a limited assurance engagement over the Board of Directors' assessment of whether the Bank has a process in place to comply with QFMA's law and regulations and other relevant legislation and whether the Bank is in compliance with the requirements of the articles of the Code as at 31 December 2021.

Responsibilities of the Board of Directors

The Board of Directors of the Bank is responsible for preparing the Corporate Governance Report that covers the requirements of Article 4 of the Code. The Board of Directors provided their assessment whether the Bank has a process in place to comply with QFMA's law and regulations and other relevant legislation and the Bank's compliance with the articles of the Code' (the 'Statement'), which was shared with KPMG on 1 March 2022, and to be included as part of the annual Corporate Governance Report.

This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the Statement that is free from material misstatement, whether due to fraud or error.

The Board of Directors is responsible for ensuring that management and staff involved with the preparation of the Statement are properly trained, systems are properly updated and that any changes in reporting encompass all significant business units.

The Board of Directors is also responsible for compliance with all applicable laws and regulations applicable to activities of the Bank.

Our Responsibilities

Our responsibility is to examine the Statement prepared by the Bank and to issue a report thereon including an independent limited assurance conclusion based on the evidence obtained. We conducted our engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000, Assurance Engagements other than Audits or Reviews of historical financial Information issued by the International Auditing and Assurance Standards Board which requires that we plan and perform our procedures to obtain a meaningful level of assurance about whether the Statement is fairly presented, in all material respects, that the Bank has a process in place to comply with QFMA's law and regulations and other relevant legislation and whether the Bank is in compliance with the requirements of the articles of the Code as at 31 December 2021 as the basis for our limited assurance conclusion.

We apply International Standard on Quality Control 1 and accordingly maintain a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We have complied with the independence and other ethical requirements of the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

The procedures selected depend on our understanding of the Bank's compliance with the artilces of the Code and other engagement circumstances, and our consideration of areas where material non compliances are likely to arise.

In obtaining an understanding of the Bank's process for compliance with QFMA's law and regulations and other relevant legislation, and its compliance with articles of the Code and other engagement circumstances, we have considered the process used to prepare the Statement in order to design limited assurance procedures that are appropriate in the circumstances.

Our engagement included assessing the appropriateness of the Bank's process for compliance with QFMA's law and regulations and other relevant legislation, and its compliance with the articles of the Code, and evaluating the appropriateness of the methods and policies and procedures used in the preparation of the Statement.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Our limited assurance procedures do not involve assessing the qualitative aspects or effectiveness of the procedures adopted by the Board of Directors to comply with the requirements of the Code.

The procedures performed over the Statement include, but were not limited to:

- Examining the assessment completed by the Board of Directors to validate whether the Bank has a process in place to comply with QFMA's law and regulations and other relevant legislation including with the articles of the Code;
- Examining the supporting evidence provided by the Board of Directors to validate the Bank's compliance with the articles of the Code; and
- Conducting additional procedures as deemed necessary to validate the Bank's compliance with the Code (e.g. review governance policies, procedures and practices, etc.).

As part of this engagement, we have not performed any procedures by way of audit, review or verification of the Statement nor of the underlying records or other sources from which the Statement was extracted.

Other Information

The other information comprises the information to be included in the Bank's annual Corporate Governance Report which are expected to be made available to us after the date of this report. The Statement and our limited assurance report thereon will be included in the corporate governance report. When we read the Corporate Governance Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the Board of Directors.

Characteristics and limitations of the Statement

The Statement is prepared to meet the common needs of a broad range of users and may not, therefore, include every aspect of the information that each individual user may consider important in its own particular environment.

Non-financial performance information is subject to more inherent limitations than financial information, given the characteristics of the subject matter and the methods used for determining such information.

Because of the inherent limitations of certain qualitative criteria in the application of the relevant QFMA laws and relevant legislations including the Code, many of the procedures followed by entities to adopt governance and legal requirements depend on the personnel applying the procedure, their interpretation of the objective of such procedure, their assessment of whether the compliance procedure was implemented effectively, and in certain cases would not maintain an audit trail.

Criteria

The criteria for this engagement is an assessment of the process for compliance with QFMA's law and regulations and other relevant legislation and compliance with the articles of the Code.

Conclusion

Our conclusion has been formed on the basis of, and is subject to, the matters outlined in this report.

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

Based on our limited assurance procedures performed, nothing has come to our attention that causes us to believe that the Board of Directors' Statement does not present fairly, in all material respects*, that the Bank has a process in place to comply with QFMA's law and regulations and other relevant legislation and the Bank's compliance with the articles of the Code as at 31 December 2021.

Restriction of Use of Our Report

Our Report should not be regarded as suitable to be used or relied on by any party wishing to acquire rights against us other than the shareholders of the Bank and QFMA for any purpose or in any context. Any party other than the shareholders of the Bank and QFMA who obtains access to our report or a copy thereof and chooses to rely on our report (or any part thereof) will do so at its own risk. To the fullest extent permitted by law, we accept or assume no responsibility and deny any liability to any party other than the shareholders of the Bank and QFMA for our work, for this independent limited assurance report, or for the conclusions we have reached.

Our report is released to the shareholders of the Bank and QFMA on the basis that it shall not be copied, referred to or disclosed, in whole (save for the Bank's own internal purposes) or in part, without our prior written consent.

1 March 2022
Doha
State of Qatar

Gopal Balasubramaniam
KPMG
Auditor's Registration No.251
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Auditor's License No. 120153

*Annex uploaded to the Bank's website: Management Statement on compliance with QFMA's law and regulations and other relevant legislation including the Code

MANAGEMENT'S ASSESSMENT OF INTERNAL CONTROL OVER FINANCIAL REPORTING

General

The Board of Directors of Doha Bank Q.P.S.C. (the "Bank") and its consolidated subsidiaries (together "the Group") is responsible for establishing and maintaining adequate internal control over financial reporting ("ICOFR") as required by Qatar Financial Markets Authority ("QFMA"). Our internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the Group's consolidated financial statements for external reporting purposes in accordance with International Financial Reporting Standards ("IFRS"). ICOFR also includes our disclosure controls and procedures designed to prevent misstatements.

Risks in Financial Reporting

The main risks in financial reporting are that either the consolidated financial statements are not presented fairly due to inadvertent or intentional errors or the publication of consolidated financial statements is not done on a timely basis. A lack of fair presentation arises when one or more financial statement accounts or disclosures contain misstatements (or omissions) that are material. Misstatements are deemed material if they could, individually or collectively, influence economic decisions that users make on the basis of the consolidated financial statements.

To confine those risks of financial reporting, the Group has established ICOFR with the aim of providing reasonable but not absolute assurance against material misstatements. We have also assessed the design, implementation and operating effectiveness of the Group's ICOFR based on the criteria established in Internal Control Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO"). COSO recommends the establishment of specific objectives to facilitate the design and evaluate the adequacy of a control system. As a result, in establishing ICOFR, management has adopted the following financial statement objectives:

- Existence / Occurrence: assets and liabilities exist and transactions have occurred;
- Completeness: all transactions are recorded, account balances are included in the consolidated financial statements;
- Valuation / Measurement: assets, liabilities and transactions are recorded in the financial reports at the appropriate amounts;
- Rights and Obligations and ownership: rights and obligations are appropriately recorded as assets and liabilities; and
- Presentation and disclosures: classification, disclosure and presentation of financial reporting is appropriate.

However, any internal control system, including ICOFR, no matter how well designed and operated, can provide only reasonable, but not absolute assurance that the objectives of that control system are met. As such, disclosure controls and procedures or systems for ICOFR may not prevent all errors and fraud. Furthermore, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs.

Organization of the Internal Control System

Functions involved in the System of Internal Control over Financial Reporting

Controls within the system of ICOFR are performed by all business and support functions with an involvement in reviewing the reliability of the books and records that underlie the consolidated financial statements. As a result, the operation of ICOFR involves staff based in various functions across the organization.

Controls to Minimize the Risk of Financial Reporting Misstatement

The system of ICOFR consists of a large number of internal controls and procedures aimed at minimizing the risk of misstatement of the consolidated financial statements.
Such controls are integrated into the operating process and include those which:

- are ongoing or permanent in nature such as supervision within written policies and procedures or segregation of duties;
- operate on a periodic basis such as those which are performed as part of the annual consolidated financial statement preparation process;
- are preventative or detective in nature;
- have a direct or indirect impact on the consolidated financial statements themselves. Controls which have an indirect
- effect on the consolidated financial statements include entity level controls and Information Technology general controls such as system access and deployment controls whereas a control with a direct impact could be, for example, a reconciliation which directly supports a balance sheet line item; and
- feature automated and/or manual components. Automated controls are control functions embedded within system processes such as application enforced segregation of duty controls and interface checks over the completeness and accuracy of inputs. Manual internal controls are those operated by an individual or group of individuals such as authorization of transactions.

Measuring Design, Implementation and Operating Effectiveness of Internal Control

For the financial year 2021, the Group has undertaken a formal evaluation of the adequacy of the design, implementation and operating effectiveness of the system of ICOFR considering:

- The risk of misstatement of the consolidated financial statement line items, considering such factors as materiality and the susceptibility of the financial statement item to misstatement; and
- The susceptibility of identified controls to failure, considering such factors as the degree of automation, complexity, and risk of management override, competence of personnel and the level of judgment required.

These factors, in aggregate, determine the nature, timing and extent of evidence that management requires in order to assess whether the design, implementation and operating effectiveness of the system of ICOFR is effective. The evidence itself is generated from procedures integrated within the daily responsibilities of staff or from procedures implemented specifically for purposes of the ICOFR evaluation. Information from other sources also form an important component of the evaluation since such evidence may either bring additional control issues to the attention of management or may corroborate findings.

The evaluation has included an assessment of the design, implementation, and operating effectiveness of controls within various processes including Lending and Credit Risk (Corporate and Retail), Deposit Taking, Treasury (Hedging and Risk management and Investment Funding), Procure to Pay, Human Resources, Compliance, Trade Finance and General Ledger and Financial Reporting.

The evaluation also included an assessment of the design, implementation, and operating effectiveness of Entity Level Controls, Disclosures and Information Technology General Controls.

As a result of the assessment of the design, implementation, and operating effectiveness of ICOFR, management did not identify any material weaknesses and concluded that ICOFR is appropriately designed, implemented, and operated effectively as of 31 December 2021.

Sanjay Jain
Acting Chief Financial Officer

Raghavan Seetharaman
Chief Executive Officer

Abdul Rahman Bin Mohammad Bin Jabor Al Thani
Managing Director

INDEPENDENT REASONABLE ASSURANCE REPORT

TO THE SHAREHOLDERS OF DOHA BANK (Q.P.S.C.)

Report on Internal Controls over Financial Reporting

In accordance with Article 24 of the Governance Code for Companies and Legal entities Listed on the Main Market ("the Code") Issued by the Qatar Financial Markets Authority ("QFMA"), we were engaged by the Board of Directors of Doha Bank (Q.P.S.C.) ("the Bank") and its subsidiaries (together referred to as "the Group") to carry out a reasonable assurance engagement over the Board of Directors' description of the processes and internal controls and assessment of the suitability of the design, implementation and operating effectiveness of the Group's internal controls over financial reporting (the 'ICOFR') as at 31 December 2021 (the "Statement").

Responsibilities of the Board of Directors

The Board of Directors are responsible for fairly stating that the Statement is free from material misstatement and for the information contained therein.

The Statement, which was signed on behalf of the Board of Directors and shared with KPMG on 9 February 2022, and is to be included in the annual report of the Group, includes the following:

- the Board of Directors' assessment of the suitability of design, implementation and operating effectiveness of the ICOFR;
- the description of the process and internal controls over financial reporting for the processes of lending and credit risk management (corporate and retail), deposit taking, treasury and investments, trade finance, procure to pay, general ledger and financial reporting, information technology general controls, entity level controls, disclosure controls, compliance and human resources;
- designing, implementing and testing controls to achieve the stated control objectives;
- identification of control gaps and failures, how they are remediated, and procedures set to prevent such failures or to close control gaps; and
- planning and performance of the management's testing, and identification of the control deficiencies.

The Board of Directors is responsible for establishing and maintaining internal controls over financial reporting based on the criteria established in Internal Control – Integrated Framework (2013), issued by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO" or "COSO Framework").

This responsibility includes designing, implementing, maintaining and testing internal control relevant to the preparation and fair presentation of the Statement that is free from material misstatement, whether due to fraud or error. It also includes developing the control objectives in line with the COSO Framework; designing, implementing and testing controls to achieve the stated control objectives; selecting and applying policies, making judgments and estimates that are reasonable in the circumstances, and maintaining adequate records in relation to the appropriateness of the Group's ICOFR.

The Board of Directors is responsible for ensuring that management and staff involved with the preparation of the Statement are properly trained, systems are properly updated and that any changes in reporting encompass all significant business units.

The Board of Directors is also responsible for compliance with all applicable laws and regulations applicable to its activities.

Our Responsibilities

Our responsibility is to examine the Statement prepared by the Group and to issue a report thereon including an independent reasonable assurance conclusion based on the evidence obtained. We conducted our engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000, Assurance Engagements Other Than Audits or Reviews of Historical Financial Information issued by the International Auditing and Assurance Standards Board which requires that we plan and perform our procedures to obtain reasonable assurance about whether the Statement is fairly presented, in all material respects, in accordance with the control objectives set out therein.

We apply International Standard on Quality Control 1 and accordingly maintain a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We have complied with the independence and other ethical requirements of the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the Statement whether due to fraud or error.

Our engagement included assessing the appropriateness of the Group's ICOFR, and the suitability of the control objectives set out by the Group in preparing and presenting the Statement in the circumstances of the engagement. Furthermore, evaluating the overall presentation of the Statement, and whether the internal controls over financial reporting are suitably designed and implemented and are operating effectively as of 31 December 2021 based on the COSO Framework.

The procedures performed over the Statement include, but are not limited to, the following:

- Conducted inquiries with management of the Group to gain an understanding of the risk assessment and scoping exercise conducted by management;
- Examined the in-scope areas using materiality at the Group's consolidated financial statement level;
- Assessed the adequacy of the following:
  - Process level control documentation and related risks and controls as summarized in the Risk & Control Matrix ("RCM");

- Entity level controls documentation and related risks and controls as summarized in the RCM;
- Information Technology risks and controls as summarized in the RCM;
- Disclosure controls as summarized in the RCM.

- Obtained an understanding of the methodology adopted by management for internal control design and implementation testing;
- Inspected the walkthrough and design and implementation testing completed by management and conducted independent walkthrough testing, on a sample basis, as deemed necessary;
- Assessed the significance of any internal control weaknesses identified by management;
- Assessed the significance of any additional gaps identified through the procedures performed;
- Examined management plans for testing the operating effectiveness to evaluate the reasonableness of tests with respect to the nature, extent and timing thereof, and whether the testing responsibilities have been appropriately assigned;
- Examined the management's testing documents to assess whether the operating effectiveness testing of key controls has been performed by the management in accordance with the management testing plan; and
- Re-performed tests on key controls to gain comfort on the management testing of operating effectiveness.

As part of this engagement, we have not performed any procedures by way of audit, review or verification of the Statement nor of the underlying records or other sources from which the Statement was extracted.

Other information

The other information comprises the information to be included in the Group's annual report which is expected to be made available to us after the date of this report. The Statement and our reasonable assurance report thereon will be included in the annual report. When we read the annual report if we conclude that there is a material misstatement therein, we are required to communicate the matter to the Board of Directors.

Characteristics and limitations of the Statement

The Group's internal controls over financial reporting, because of their nature, may not prevent or detect all errors or omissions in processing or reporting transactions and consequently cannot provide absolute assurance that the control objectives will be met.

Historic evaluation of design, implementation and operating effectiveness of an internal control system may not be relevant to future periods if there is a change in conditions or that the degree of compliance with policies and procedures may deteriorate.

The Statement is prepared to meet the common needs of a broad range of users and may not, therefore, include every aspect of the information that each individual user may consider important in its own particular environment.

Criteria

The criteria for this engagement are the control objectives set out therein against which the design, implementation and operating effectiveness of the controls is measured or evaluated. The control objectives have been internally developed by the Group, based on the criteria established in the COSO Framework.

Conclusion

Our conclusion has been formed on the basis of, and is subject to, the matters outlined in this report.

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

In our opinion, based on the results of our reasonable assurance procedures, the Board of Directors' Statement fairly presents that the Group's internal controls over financial reporting are properly designed, implemented and are operating effectively in accordance with the COSO framework as at 31 December 2021.

Restriction of use of our Report

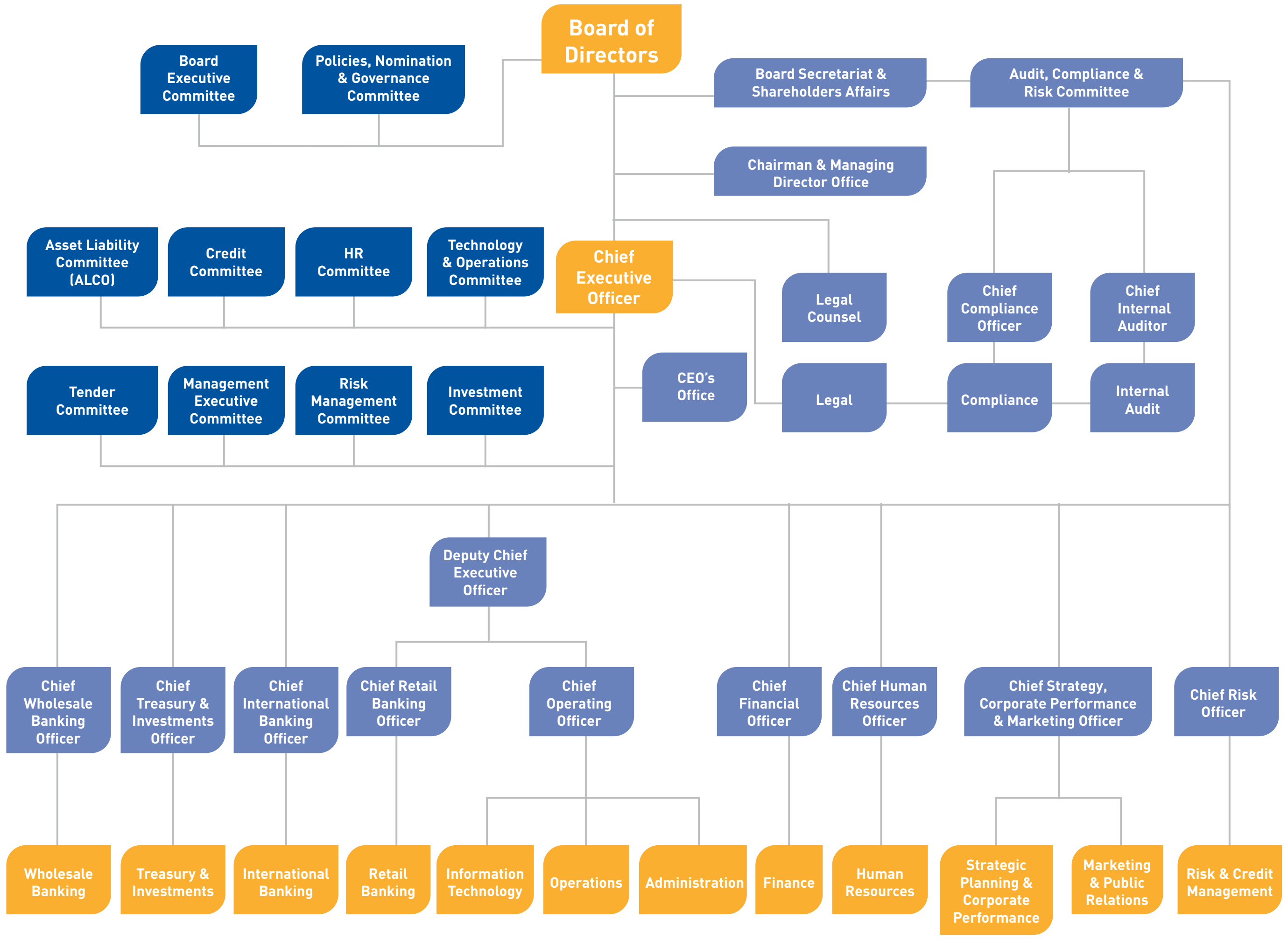
Our report should not be regarded as suitable to be used or relied on by any party wishing to acquire rights against us other than the shareholders of the Bank and QFMA for any purpose or in any context. Any party other than the shareholders of the Bank and QFMA who obtains access to our report or a copy thereof and chooses to rely on our report (or any part thereof) will do so at its own risk. To the fullest extent permitted by law, we accept or assume no responsibility and deny any liability to any party other than the shareholders of the Bank and QFMA for our work, for this independent reasonable assurance report, or for the conclusions we have reached.

Our report is released to the shareholders of the Bank and QFMA on the basis that it shall not be copied, referred to or disclosed, in whole (save for the Bank's own internal purposes) or in part, without our prior written consent.

1 March 2022
Doha
State of Qatar

Gopal Balasubramaniam
KPMG
Auditor's Registration No.251
Licensed by QFMA: External
Auditor's License No. 120153

ORGANISATIONAL STRUCTURE



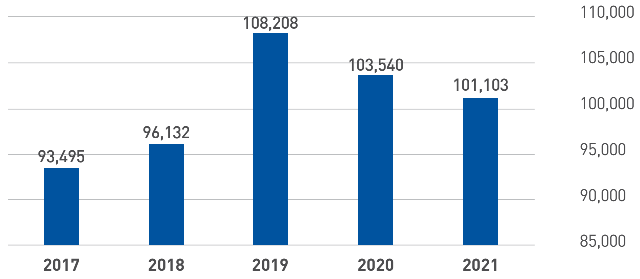
Note 1: Committees can be added as long as their roles are justified & well defined. Further guidance is presented in the EY governance report as part of Project Horizon

Note 2: The BOD is represented by HE the Managing Director and effectively the CEO will report to him on day to day basis as a representative of the Board

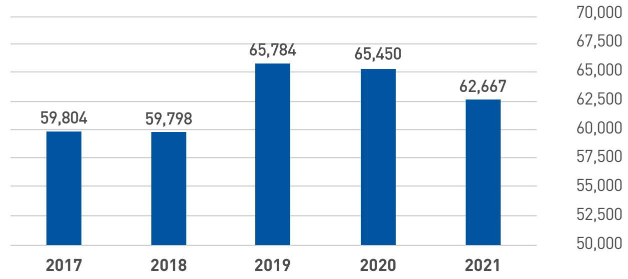
Note3: As the BOD has empowered HE the Managing Director to act on behalf of the Board, the Bank expect matters related to the control functions are addressed with their Excellences' as documented in the Delegation of Authority for these functions

FINANCIAL RESULTS

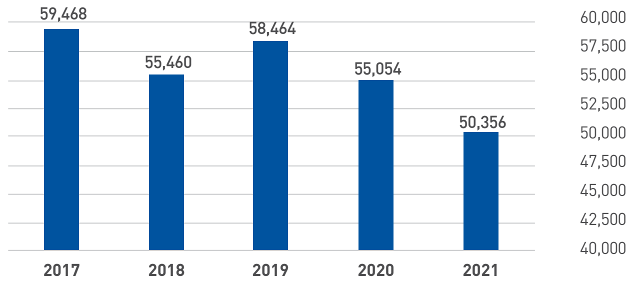
Total Assets
(QAR Million)



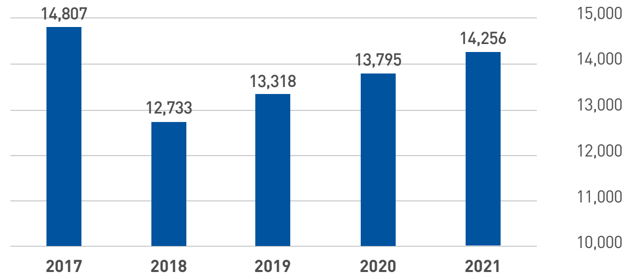
Net Loans and Advances
(QAR Million)



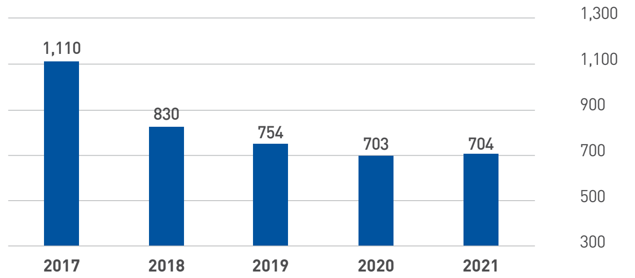
Total Deposits
(QAR Million)

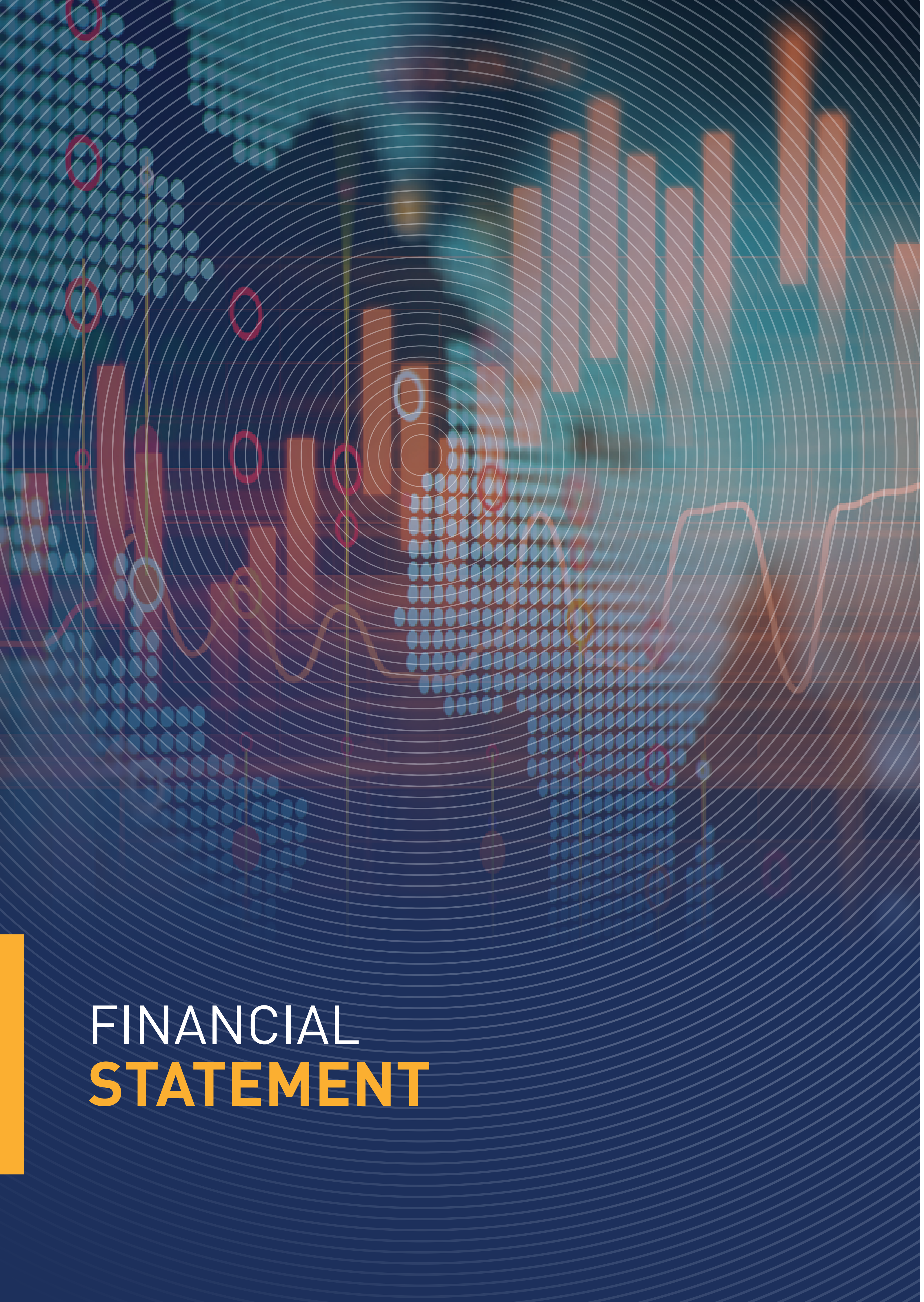


Total Equity
(QAR Million)



Net Profit
(QAR Million)





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

Opinion

We have audited the consolidated financial statements of Doha Bank (Q.P.S.C.) (the 'Bank') and its subsidiaries (together the 'Group'), which comprise the consolidated statement of financial position as at 31 December 2021, the consolidated statements of income, comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising significant accounting policies and other explanatory information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2021, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidate Financial Statements section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), together with the ethical requirements that are relevant to our audit of the Bank's consolidated financial statements in the State of Qatar, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Impairment of financial assets subject to credit risk

See Notes 3(g), 4(b), 5(a), 5(b), 8, 9, 10, 11, 14 and 19 to the consolidated financial statements.

The key audit matter	How the matter was addressed in our audit
We determined this to be a key audit matter because: • Impairment of financial assets subject to credit risk involves: - complex accounting requirements, including assumptions, estimates and judgements underlying the determination of impairment; - Expected Credit Loss ("ECL") modelling risk over methodology and design decisions; - susceptibility to management bias when making judgements to determine expected credit loss outcomes; and complex disclosure requirements. • The COVID-19 pandemic has significantly impacted management's determination of ECL. The assumptions regarding the economic outlook are more uncertain which increases the level of judgement required by the Group in calculating the ECL, and the associate audit risk. • The Group's financial assets, both on and off-balance sheet, subject to credit risk were QAR 116,647 million, as at 31 December 2021 (2020: QAR 121,199 million), hence a material portion of the consolidated statement of financial position. Furthermore, the net impairment recognized by the Group on these financial assets amounted to QAR 1,485 million, in the year ended 31 December 2021 (2020: QAR 1,365 million), hence a material portion of the consolidated statement of income.	Our audit procedures in this area included the following, among others: • Evaluating the appropriateness of the accounting policies adopted based on the requirements of IFRS 9, our business understanding and industry practice. • Confirming our understanding of management's processes, systems and controls implemented, including controls over ECL model development. • Identifying and testing the relevant controls. • Involving information technology audit (ITA) specialists to test IT systems and relevant controls. • Evaluating the reasonableness of management's key judgements and estimates made in ECL calculations, including selection of methods, models, assumptions and data sources in light of the impact of the COVID-19 pandemic. • Involving Financial Risk Management (FRM) specialists - to challenge significant assumptions / judgements relating to credit risk grading, significant increase in credit risk, definition of default, probability of default, macro-economic variables, and recovery rates, including the impact of the COVID-19 pandemic; and - for evaluating the appropriateness and testing the mathematical accuracy of ECL models applied. • Involving valuation specialists to evaluate the inputs, assumptions and techniques used by the valuers engaged by the Group for the valuation of real estate collateral, relating to the determination of ECL including the impact of the COVID-19 pandemic. • Assessing the completeness, accuracy and relevance of the input data used for ECL calculations. • Evaluating the reasonableness of and testing the post-model adjustments particularly in light of the volatility caused due to impact of the COVID-19 pandemic. • Performing detailed credit risk assessments of a sample of performing and non-performing loans and advances. • Assessing the adequacy of the Group's disclosures in relation to impairment of financial assets subject to credit risk by reference to the requirements of the relevant accounting standards.

Other Information

The Board of Directors is responsible for the other information. The other information comprises the information included in the Bank's annual report (the "Annual Report"), but does not include the Bank's consolidated financial statements and our auditor's report thereon. Prior to the date of this auditor's report, we obtained the report of the Board of Directors which forms part of the Annual Report, and the remaining sections of the Annual Report are expected to be made available to us after that date.

Our opinion on the consolidated financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we have obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Board of Directors for the Consolidated Financial Statements

The Board of Directors is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS, and for such internal control as the 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.

In preparing the consolidated financial statements, the Board of Directors is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue

as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

As required by the Qatar Commercial Companies Law No. 11 of 2015 and its related amendments, we also report that:

i) we have obtained all the information and explanations we considered necessary for the purposes of our audit:

ii) the Bank has maintained proper accounting records and its consolidated financial statements are in agreement therewith:

iii) we have read the report of the Board of Directors to be included in the Annual Report, and the financial information contained therein is in agreement with the books and records of the Bank:

iv) we are not aware of any violations of the applicable provisions of the Qatar Commercial Companies Law No. 11 of 2015 or the terms of the Bank's Articles of Association and any amendments thereto having occurred during the year which might have had a material effect on the Bank's consolidated financial position or performance as at and for the year ended 31 December 2021.

1 March 2022
Doha
State of Qatar

Gopal Balasubramaniam
KPMG
Auditor's Registration No.251
Licensed by QFMA: External Auditor's License No. 120153

Doha Bank Q.P.S.C.

Consolidated statement of financial position

As at 31 December 2021 **QAR '000s**

	Notes	2021	2020
ASSETS			
Cash and balances with central banks	8	**5,887,367**	6,895,185
Due from banks	9	**5,364,929**	3,673,577
Loans and advances to customers	10	**62,667,285**	65,450,036
Investment securities	11	**25,082,873**	24,667,333
Investment in an associate	12	**10,758**	10,176
Property, furniture and equipment	13	**689,273**	714,212
Other assets	14	**1,400,746**	2,129,753
TOTAL ASSETS		**101,103,231**	103,540,272
LIABILITIES			
Due to banks	15	**22,511,391**	23,036,764
Customer deposits	16	**50,355,949**	55,053,996
Debt securities	17	**1,891,734**	328,208
Other borrowings	18	**9,737,521**	8,217,193
Other liabilities	19	**2,350,683**	3,109,541
TOTAL LIABILITIES		**86,847,278**	89,745,702
EQUITY			
Share capital	20 (a)	**3,100,467**	3,100,467
Legal reserve	20 (b)	**5,094,607**	5,094,574
Risk reserve	20 (c)	**1,029,600**	849,600
Fair value reserve	20 (d)	**163,693**	152,992
Foreign currency translation reserve	20 (e)	**(65,550)**	(62,587)
Retained earnings		**933,136**	659,524
TOTAL EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE BANK		**10,255,953**	9,794,570
Instruments eligible as additional capital	20 (g)	**4,000,000**	4,000,000
TOTAL EQUITY		**14,255,953**	13,794,570
TOTAL LIABILITIES AND EQUITY		**101,103,231**	103,540,272

The consolidated financial statements were approved by the Board of Directors on 9 February 2022 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 37 form an integral part of these consolidated financial statements.

Doha Bank Q.P.S.C.

Consolidated income statement

For the year ended 31 December 2021 **QAR '000s**

	Notes	2021	2020
Interest income	21	**3,557,575**	3,743,770
Interest expense	22	**(972,390)**	(1,423,979)
Net interest income		**2,585,185**	2,319,791
Fee and commission income	23	**460,355**	416,434
Fee and commission expense	24	**(157,226)**	(112,094)
Net fee and commission income		**303,129**	304,340
Gross written premium		**42,580**	40,827
Premium ceded		**(18,263)**	(16,144)
Net claims paid		**(31,377)**	(21,446)
Net (loss) / income from insurance activities		**(7,060)**	3,237
Net foreign exchange gain	25	**153,622**	105,843
Net income from investment securities	26	**32,012**	183,677
Other operating income	27	**39,567**	20,221
		225,201	309,741
Operating income		**3,106,455**	2,937,109
Staff costs	28	**(466,905)**	(441,234)
Depreciation	13	**(105,100)**	(117,290)
Net impairment reversal / (loss) on investment securities		**14,918**	(34,680)
Net impairment loss on loans and advances to customers	10	**(1,419,481)**	(1,368,742)
Net impairment (loss) / reversal on other financial assets		**(80,422)**	38,299
Other expenses	29	**(303,911)**	(309,119)
		(2,360,901)	(2,232,766)
Profit before share of results of associate and tax		**745,554**	704,343
Share of results of associate	12	**765**	(50)
Profit before tax		**746,319**	704,293
Income tax expense	30	**(42,545)**	(1,269)
Profit		**703,774**	703,024
Earnings per share:			
Basic and diluted earnings per share (QAR)	31	**0.23**	0.16

The attached notes 1 to 37 form an integral part of these consolidated financial statements.

Doha Bank Q.P.S.C.

Consolidated statement of comprehensive income

For the year ended 31 December 2021 **QAR '000s**

	Note	2021	2020
Profit		**703,774**	703,024
Other comprehensive income			
Items that are or may be subsequently reclassified to income statement:			
Foreign currency translation differences for foreign operations		**(2,963)**	(3,741)
Movement in fair value reserve (debt instruments – IFRS 9):			
Net change in fair value	20 (d)	**(261,138)**	631,133
Net amount transferred to consolidated statement of income	20 (d)	**253,635**	(635,935)
		(10,466)	(8,543)
Items that will not be reclassified subsequently to statement of income			
Net change in fair value of equity investments designated at FVOCI (IFRS 9)	20 (d)	**18,204**	2,751
Total other comprehensive income / (loss)		**7,738**	(5,792)
Total comprehensive income		**711,512**	697,232

The attached notes 1 to 37 form an integral part of these consolidated financial statements.

Doha Bank Q.P.S.C.

Consolidated statement of changes in equity

For the year ended 31 December 2021 **QAR '000s**

	Total equity attributable to equity holders of the Bank								
	Share capital	Legal reserve	Risk reserve	Fair value reserve	Foreign exchange translation reserve	Retained earnings	**Total**	Instrument eligible as additional Tier 1 capital	**Total equity**
Balance at 1 January 2021 (Audited)	**3,100,467**	**5,094,574**	**849,600**	**152,992**	**(62,587)**	**659,524**	**9,794,570**	**4,000,000**	**13,794,570**
Total comprehensive income:									
Profit	-	-	-	-	-	**703,774**	**703,774**	-	**703,774**
Other comprehensive income	-	-	-	**10,701**	**(2,963)**	-	**7,738**	-	**7,738**
Total comprehensive income	-	-	-	**10,701**	**(2,963)**	**703,774**	**711,512**	-	**711,512**
Transfer to legal reserve	-	**33**	-	-	-	**(33)**	-	-	-
Transfer to risk reserve	-	-	**180,000**	-	-	**(180,000)**	-	-	-
Contribution to social and sports fund	-	-	-	-	-	**(17,594)**	**(17,594)**	-	**(17,594)**
Transactions with shareholders:									
Dividends paid	-	-	-	-	-	**(232,535)**	**(232,535)**	-	**(232,535)**
Balance at 31 December 2021	**3,100,467**	**5,094,607**	**1,029,600**	**163,693**	**(65,550)**	**933,136**	**10,255,953**	**4,000,000**	**14,255,953**

The Bank has proposed a distribution on the Tier 1 capital notes amounting to QAR 196.5 million for the year ended 31 December 2021 which is subject to approval of the QCB.

The attached notes 1 to 37 form an integral part of these consolidated financial statements.

Doha Bank Q.P.S.C.

Consolidated statement of changes in equity

For the year ended 31 December 2021 **QAR '000s**

	Total equity attributable to equity holders of the Bank								
	Share capital	Legal reserve	Risk reserve	Fair value reserve	Foreign exchange translation reserve	Retained earnings	Total	Instrument eligible as additional Tier 1 capital	Total equity
Balance at 1 January 2020 (Audited)	3,100,467	5,092,948	849,600	155,043	(58,846)	178,702	9,317,914	4,000,000	13,317,914
Total comprehensive income:									
Profit	-	-	-	-	-	703,024	703,024	-	703,024
Other comprehensive loss	-	-	-	(2,051)	(3,741)	-	(5,792)	-	(5,792)
Total comprehensive income	-	-	-	(2,051)	(3,741)	703,024	697,232	-	697,232
Transfer to legal reserve	-	1,626	-	-	-	(1,626)	-	-	-
Transfer to risk reserve	-	-	-	-	-	-	-	-	-
Distribution for Tier 1 capital notes	-	-	-	-	-	(203,000)	(203,000)	-	(203,000)
Contribution to social and sports fund	-	-	-	-	-	(17,576)	(17,576)	-	(17,576)
Transactions with shareholders:									
Dividends paid	-	-	-	-	-	-	-	-	-
Balance at 31 December 2020	3,100,467	5,094,574	849,600	152,992	(62,587)	659,524	9,794,570	4,000,000	13,794,570

The attached notes 1 to 37 form an integral part of these consolidated financial statements.

Consolidated statement of cash flows

For the year ended 31 December 2021 **QAR '000s**

	Notes	2021	2020
Cash flows from operating activities			
Profit before tax		**746,319**	704,293
Adjustments for:			
Net impairment loss on loans and advances to customers	10	**1,419,481**	1,368,742
Net impairment (reversal) / loss on investment securities		**(14,918)**	34,680
Net impairment charge / (reversal) on other financial assets		**80,422**	(38,299)
Depreciation	13	**105,100**	117,290
Amortisation of financing cost		**18,698**	24,995
Net Income from investment securities	26	**(7,751)**	(155,471)
(Profit) / loss on sale of property, plant and equipment		**(11)**	171
Share of results of an associate	12	**(765)**	50
Profit before changes in operating assets and liabilities		**2,346,575**	2,056,451
Change in due from banks		**(326,980)**	2,795,095
Change in loans and advances to customers		**1,303,632**	(3,283,569)
Change in other assets		**757,463**	(561,034)
Change in due to banks		**(525,373)**	(1,000,184)
Change in customer deposits		**(4,698,047)**	(3,409,837)
Change in other liabilities		**(861,088)**	277,281
Social and sports fund contribution		**(17,576)**	(18,848)
Income tax paid		**(39,978)**	(1,560)
Net cash used in operating activities		**(2,061,372)**	(3,146,205)
Cash flows (used in) / from investing activities			
Acquisition of investment securities		**(7,084,136)**	(5,064,170)
Proceeds from sale of investment securities		**6,701,384**	7,076,464
Acquisition of property, furniture and equipment	13	**(31,956)**	(48,335)
Proceeds from the sale of property, furniture and equipment		**13**	17
Net cash (used in) / from investing activities		**(414,695)**	1,963,976
Cash flows from financing activities			
Proceeds from other borrowings	18	**1,520,328**	1,358,144
Proceeds from / (repayment of) debt securities		**1,544,828**	(169,846)
Distribution on Tier 1 capital notes		**-**	(203,000)
Dividends paid		**(232,535)**	-
Net cash from financing activities		**2,832,621**	985,298
Net increase / (decrease) in cash and cash equivalents		**356,554**	(196,931)
Cash and cash equivalents as at 1 January		**7,001,746**	7,198,677
Cash and cash equivalents at 31 December	33	**7,358,300**	7,001,746
Operational cash flows from interest and dividend:			
Interest received		**3,554,742**	3,753,833
Interest paid		**934,837**	1,642,954
Dividends received		26	**24,261**	28,206

The attached notes 1 to 37 form an integral part of these consolidated financial statements.

Notes to the consolidated financial statements

As at and for the year ended 31 December 2021 **QAR '000s**

1. Reporting entity

Doha Bank Q. P. S. C. ("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 has 24 local branches, six overseas branches in the United Arab Emirates (Dubai & Abu Dhabi), State of Kuwait (Kuwait City), the Republic of India (one branch each in Mumbai, Kochi and Chennai) and representative offices in United Kingdom, Singapore, Turkey, China, Japan, South Korea, Germany, Australia, Hong Kong, Canada, Bangladesh, South Africa, Sri Lanka and Nepal. The consolidated financial statements for the year ended 31 December 2021 comprise the Bank and its subsidiaries (together referred to as "the Group").

The principal subsidiaries of the Group are as follows:

				Percentage of ownership	
Company's name	Country of incorporation	Company's capital	Company's activities	**2021**	2020
Sharq Insurance L.L.C.	Qatar	100,000	General Insurance	**100%**	100%
Doha Finance Limited	Cayman Island	182	Debt Issuance	**100%**	100%
DB Securities Limited	Cayman Island	182	Derivatives Transactions	**100%**	100%

The management is in the process of taking necessary actions needed to ensure full compliance with the requirements of Qatar Commercial Companies Law No.11 of 2015, whose certain provisions were subsequently amended by Law No. 8 of 2021, including amending the Articles of Association of the Group in the upcoming Extra Ordinary General Meeting, where necessary.

2. Basis of preparation

a) Statement of compliance

The consolidated financial statements of the Group ("consolidated financial statements") have been prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB").

b) Basis of measurement

The consolidated financial statements have been prepared on the historical cost basis except for the following financial assets that have been measured at fair value:

- Investment securities designated at fair value through profit or loss (FVTPL);
- Derivative financial instruments;
- Investment securities measured at FVTPL;
- Other financial assets designated at FVTPL;
- Investment securities measured at fair value through other comprehensive income ('FVOCI'); and
- Recognised financial assets and financial liabilities designated as hedged items in qualifying fair value hedge relationships to the extent of risks being hedged.

c) Functional and presentation currency

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

d) 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, and the accompanying disclosures, and the disclosure of contingent liabilities. 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

The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements, except as described in note 3(a).

a) New, amended standards and interpretations

The following amendments to standards, which became effective as of 1 January 2021, are relevant to the Group:

- Interest Rate Benchmark Reform - Phase 2, amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 (Effective on 1 January 2021)

The adoption of the above did not result in any changes to previously reported net profit or equity of the Group.

IBOR Transition

Effective from 1 January 2021, the Group has adopted Interest Rate Benchmark Reform – Phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16). These amendments provide practical relief from certain requirements in IFRS. These reliefs relate to modifications of financial instruments and lease contracts or hedging relationships triggered by placement of a benchmark interest rate in a contract with a new alternative benchmark rate.

If the basis for determining the contractual cash flows of a financial asset or financial liability measured at amortised cost changed as a result of interest rate benchmark reform, then the Group updated the effective interest rate of the financial asset or financial liability to reflect the change that is required by the reform. A change in the basis for determining the contractual cash flows is required by interest rate benchmark reform if the following conditions are met:

- the change is necessary as a direct consequence of the reform; and
- the new basis for determining the contractual cash flows is economically equivalent to the previous basis – i.e. the basis immediately before the change.

The Phase 2 amendments provide a series of temporary exceptions from certain hedge accounting requirements when a change required by interest rate benchmark reform occurs to a hedged item and/or hedging instrument that permits the hedging relationship to be continued without interruption. The Group applied the following reliefs as and when uncertainty arising from interest rate benchmark reform was no longer present with respect to the timing and amount of the interest rate benchmark based cash flows of the hedged item or hedging instrument:

- the Group amended the designation of a hedging relationship to reflect changes that were required by the reform without discontinuing the hedging relationship; and
- when a hedged item in a cash flow hedge was amended to reflect the changes that were required by the reform, the amount accumulated in the cash flow hedge reserve was deemed to be based on the alternative benchmark rate on which the hedged future cash flows are determined.

The Group applied the Phase 2 amendments retrospectively. However, in accordance with the exceptions permitted in the Phase 2 amendments, the Group has elected not to restate comparatives for the prior periods to reflect the application of these amendments. Since the Group had no transactions for which the benchmark rate had been replaced with an alternative benchmark rate as at 31 December 2020, there is no impact on opening equity balances as a result of retrospective application.

Standards issued but not yet effective

A number of standards and amendments to standards are issued but not yet effective and the Group has not adopted these in the preparation of these consolidated financial statements. The below standards may have an impact on the Group's consolidated financial statements, however, the Group is currently evaluating the impact of these new standards. The Group will adopt these new standards on the respective effective dates.

- Annual Improvements to IFRS Standards 2018-2020 (Effective on 1 January 2022)
- Reference to the Conceptual Framework (Amendments to IFRS 3) (Effective on 1 January 2022)
- Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16) (Effective on 1 January 2022)
- Classification of liabilities as current or non-current (Amendments to IAS 1) (Effective on 1 January 2023)
- IFRS 17 Insurance Contracts and amendments to IFRS 17 Insurance Contracts (Effective on 1 January 2023)
- Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2) (Effective on 1 January 2023)
- Definition of Accounting Estimates (Amendments to IAS 8) (Effective on 1 January 2023)
- Deferred tax related to assets and liabilities arising from a single transaction (Amendments to IAS 12) (Effective on 1 January 2023)
- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28) (Available for optional adoption / effective date deferred indefinitely)

b) Basis of consolidation

The consolidated financial statements comprise the financial statements of the Bank and its subsidiaries ("the Group") as at 31 December 2021. 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.

c) 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 is measured at fair value with the changes in fair value recognised in the income statement.

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 income statement.

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 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.

d) 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
		2021	2020	
Doha Brokerage and Financial Services Limited	India	**44.02%**	44.02%	Brokerage and asset management

e) 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 income statement.

f) 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.

g) Financial assets and financial liabilities

i) 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.

ii) Classification

Financial assets

On initial recognition, a financial asset is classified as measured at: amortised cost, FVOCI or FVTPL.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- The asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt instrument is measured at FVOCI only if it meets both of the following conditions and is not designated as at FVTPL:

- The asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in fair value in OCI. This election is made on an investment-by-investment basis.

All other financial assets are classified as measured at FVTPL.

In addition, on initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Business model assessment

The Group makes an assessment of the objective of a business model in which an asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- The stated policies and objectives for the portfolio and the operation of those policies in practice.
- How the performance of the portfolio is evaluated and reported to the Group's management;
- The risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- How managers of the business are compensated (e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected); and
- the frequency, volume and timing of sales in prior periods, the reasons for such sales and its expectations about future sales activity. However, information about sales activity is not considered in isolation, but as part of an overall assessment of how the Group's stated objective for managing the financial assets is achieved and how cash flows are realised.

Financial assets that are held for trading or managed and whose performance is evaluated on a fair value basis are measured at FVTPL because they are neither held to collect contractual cash flows nor held both to collect contractual cash flows and to sell financial assets.

Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest ("the SPPI test"), the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making the assessment, the Group considers contingent events that would change the amount and timing of cash flows, prepayment and extension terms, terms that limit the Group's claim to cash flows from specified assets and features that modify consideration of the time value of money. Instruments failing SPPI will be measured at FVTPL.

Reclassifications

Financial assets are not reclassified subsequent to their initial recognition, except in the period after the Group changes its business model for managing financial assets. The reclassification takes place from the start of the first reporting period following the change.

Financial liabilities

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

iii) 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.

Any cumulative gain/loss recognised in OCI in respect of equity investment securities designated as at FVOCI is not recognised in the consolidated income statement on derecognition of such securities.

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 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 expired.

iv) Modification of financial assets and liabilities

Financial assets

If the terms of a financial asset are modified, the Group evaluates whether the cash flows of the modified asset are substantially different. If the cash flows are substantially different, then the contractual rights to cash flows from the original financial asset are deemed to have expired. In this case, the original financial asset is derecognised and a new financial asset is recognised at fair value, and recalculates a new effective interest rate for the asset. The date of renegotiation is consequently considered to be the date of initial recognition for impairment calculation purpose, including for the purpose of determining whether a significant increase in credit risk has occurred.

If the cash flows of the modified asset carried at amortised cost are not substantially different, then the modification does not result in derecognition of the financial asset. In this case, the Group recalculates the gross carrying amount of the financial asset based on the revised cash flows of the financial assets and recognises the amount arising from adjusting the gross carrying amount as a modification gain or loss in the consolidated income statement. If such a modification is carried out because of financial difficulties of the borrower, then the gain or loss is presented together with impairment losses. In other cases, it is presented as interest income.

Financial liabilities

The Group derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in the consolidated income statement.

v) 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.

vi) 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.

vii) Identification and measurement of impairment

The Group recognises loss allowances for expected credit losses (ECL) on the following financial instruments that are not measured at FVTPL:

- Financial assets that are debt instruments; and
- Loan commitments and financial guarantee contracts.

No impairment loss is recognised on equity investments.

The Group measures loss allowances at an amount equal to lifetime ECL, except for the following, for which they are measured as 12-month ECL:

- debt investment securities that are determined to have low credit risk at the reporting date; and
- other financial instruments on which credit risk has not increased significantly since their initial recognition

12-month ECL are the portion of ECL that result from default events on financial instruments that are possible with the 12 months after the reporting date.

Measurement of ECL

ECL are a probability-weighted estimate of credit losses. They are measured as follows:

- Financial assets that are not credit-impaired at the reporting date: as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive);
- Financial assets that are credit-impaired at the reporting date: as the difference between the gross carrying amount and the present value of estimated future cash flows;
- Undrawn loan commitments: as the present value of the difference between the contractual cash flows that are due to the Group if the commitment is drawn down and the cash flows that the Group expects to receive; and
- Financial guarantee contracts: the expected payments to reimburse the holder less any amounts that the Group expects to recover.

Restructured financial assets

If the terms of a financial asset are renegotiated or modified or an existing financial asset is replaced with a new one due to financial difficulties of the borrower, then an assessment is made of whether the financial asset should be derecognised and ECL are measured as follows.

- If the expected restructuring will not result in derecognition of the existing asset, then the expected cash flows arising from the modified financial asset are included in calculating the cash shortfalls from the existing asset.
- If the expected restructuring will result in derecognition of the existing asset, then the expected fair value of the new asset is treated as the final cash flow from the existing financial asset at the time of its derecognition. This amount is included in calculating the cash shortfalls from the existing financial asset that are discounted from the expected date of derecognition to the reporting date using the original effective interest rate of the existing financial asset.

Credit-impaired financial assets

At each reporting date, the Group assesses whether financial assets carried at amortised cost and debt financial assets carried at FVOCI are credit impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- Significant financial difficulty of the borrower or issuer;
- A breach of contract such as a default or past due event;
- The restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;
- It is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
- The disappearance of an active market for a security because of financial difficulties.

h) 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.

i) 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, except for the financial assets which are classified to be measured at FVTPL.

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 and advances to customers are recorded after obtaining approvals from the QCB for such write-offs.

j) Investment securities

The 'investment securities' include:

- Debt investment securities measured at amortised cost. These are initially measured at fair value plus incremental direct transaction costs, and subsequently at their amortised cost using the effective interest method;
- Debt and equity investment securities mandatorily measured at FVTPL or designated as at FVTPL. These are measured at fair value with changes recognised immediately in profit or loss;
- Debt securities measured at FVOCI; and
- Equity investment securities designated as at FVOCI.

For debt securities measured at FVOCI, gains and losses are recognised in OCI, except for the following, which are recognised in profit or loss in the same manner as for financial assets measured at amortised cost:

- Interest income using the effective interest method;
- Expected credit losses and reversals; and
- Foreign exchange gains and losses.

When a debt security measured at FVOCI is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to consolidated income statement.

The Group elects to present in OCI changes in the fair value of certain investments in equity instruments that are not held for trading. The election is made on an instrument by instrument basis on initial recognition and is irrevocable. Gains and losses on such equity instruments are never subsequently reclassified to consolidated income statement, including on disposal. Impairment losses (and reversal of impairment losses) are not reported separately from other changes in fair value. Dividends, when representing a return on such investments, continue to be recognised in consolidated income statement, unless they clearly represent a recovery of part of the cost of the investment, in which case they are recognised in OCI. Cumulative gains and losses recognised in OCI are transferred to retained earnings on disposal of an investment.

k) 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 consolidated income statement.

For the purpose of evaluation of hedge effectiveness, the Group has applied relief required Interbank Offered Rate (IBOR) Reforms Phase 2 amendments.

Hedge Accounting

The general hedge accounting requirements of IFRS 9 retain the three types of hedge accounting mechanisms in IAS 39. However, greater flexibility has been introduced to the types of transactions eligible for hedge accounting, specifically broadening the types of instruments that qualify as hedging instruments and the types of risk components of non-financial items that are eligible for hedge accounting. In addition, the effectiveness test has been overhauled and replaced with the principle of an 'economic relationship'. Retrospective assessment of hedge effectiveness is no longer required. The Group has also elected to continue to apply the hedge accounting requirements of IAS 39 on adoption of IFRS 9.

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.

k) 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.

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. Land and capital work-in-progress are not depreciated.

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

Buildings	20 - 30 years
Leasehold improvements, furniture and equipment	3 - 10 years
Vehicles	5 - 8 years

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

l) 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.

m) 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.

n) 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.

o) 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.

p) 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 and other GCC 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.

q) 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.

r) Share capital and reserves

i) Share issue costs

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

ii) Dividends on ordinary shares and Tier 1 capital notes

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.

Coupons on Tier 1 capital notes are recognised in equity in the period in which they are approved by the QCB.

s) 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.

For the financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to their amortised cost (i.e. net of the expected credit loss provision). If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

Interest income on investment (debt) securities measured at FVOCI and measured at amortised cost is calculated using effective interest rate method and is also included in interest 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 fee and commission income, including account servicing fees, investment management fees, sales commission, placement fees and syndication fees, are recognised over time 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 over time on a straight-line basis over the commitment period. In case of these services, the control is considered to be transferred over time as the customer is benefited from these services over the tenure of the service period. Other fee 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 value of the consideration received and carrying amount of the investment securities.

Any cumulative gain/loss recognised in OCI in respect of equity investment securities designated as at FVOCI is not recognised in the consolidated income statement on derecognition of such 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 to receive income is established.

u) 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.

v) 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, adjusted for coupons declared on Tier 1 capital notes, by the weighted average number of ordinary shares outstanding during the year. 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.

w) 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.

x) 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.

y) Repossessed collateral

Repossessed collateral against settlement of customer debts are stated within the consolidated statement of financial position under "Other assets" at their acquired value net of allowance for impairment and allowance for depreciation.

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.

z) Comparatives

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

aa) Leases

At inception of a contract, the Group assesses whether a contract is, or contains, a lease based on if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The Group has decided to separate the lease and non-lease component in the underlying contracts based on their relative standalone prices.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any prepaid and accrued lease expenses. The right-of-use asset is subsequently depreciated using the straight-line method over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term. In addition, the right of-use asset is periodically reduced by impairment losses, if any, and is adjusted for extension in lease terms or cancellation of the leases.

The lease liability is initially measured at the present value of the lease payments which are discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate, which is based on the weighted average rate applied in the Group's principal markets adjusted for the nature of the asset, lease term, security and any other relevant assumptions. The lease liability is subsequently measured at amortised cost using the effective interest method. The finance cost incurred related to the lease liabilities is included in the 'interest expense' in the consolidated income statement.

The Group presents right-of-use assets in 'property and equipment' and lease liabilities in 'other liabilities' in the consolidated statement of financial position. The deferred tax impact, if any, is recognized in accordance with the relevant tax regulations and is accounted under IAS 12.

4. Financial risk management

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

b) 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 (b) (iii) to the consolidated financial statements disclose the geographical distribution of the Group's credit exposure.

i) 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 the situation warrants.

ii) Analysis of maximum exposure to credit risk before taking account of collateral held or other credit enhancements, net of impairment

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.

	2021	2020
Credit risk exposures relating to assets recorded on the statement of financial position are as follows:		
Balances with central banks	**5,364,029**	5,594,258
Due from banks	**5,364,929**	3,673,577
Loans and advances to customers	**62,667,285**	65,450,036
Investment securities – debt	**24,219,004**	24,161,021
Other assets	**1,117,994**	1,807,206
Total as at 31 December	**98,733,241**	100,686,098
Other credit risk exposures (gross of impairment) are as follows:		
Guarantees	**11,166,636**	12,392,098
Letters of credit	**2,940,328**	3,670,942
Unutilised credit facilities	**829,152**	1,093,753
Total as at 31 December	**14,936,116**	17,156,793
	113,669,357	117,842,891

iii) 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.

	2021				
	Qatar	Other GCC	Other Middle East	Rest of the World	Total
Balances with central banks	**5,066,163**	**250,549**	**-**	**47,317**	**5,364,029**
Due from banks	**1,672,157**	**1,025,333**	**1,015,730**	**1,651,709**	**5,364,929**
Loans and advances to customers	**54,362,573**	**4,847,875**	**263,794**	**3,193,043**	**62,667,285**
Investment securities - debt	**21,206,964**	**2,087,100**	**156,780**	**768,160**	**24,219,004**
Other assets	**1,061,822**	**6,198**	**-**	**49,974**	**1,117,994**
	83,369,679	**8,217,055**	**1,436,304**	**5,710,203**	**98,733,241**
	2020				
Balances with central banks	4,374,226	1,170,483	-	49,549	5,594,258
Due from banks	1,054,407	842,202	403,767	1,373,201	3,673,577
Loans and advances to customers	56,138,705	5,858,315	274,858	3,178,158	65,450,036
Investment securities - debt	21,710,412	1,497,081	269,726	683,802	24,161,021
Other assets	1,747,419	5,948		53,839	1,807,206
	85,025,169	9,374,029	948,351	5,338,549	100,686,098

	2021				
	Qatar	Other GCC	Other Middle East	Rest of the World	Total
Guarantees	**5,843,485**	**1,817,612**	**326,043**	**3,179,496**	**11,166,636**
Letters of credit	**2,148,534**	**79,723**	**281,584**	**430,487**	**2,940,328**
Unutilised credit facilities	**707,702**	**83,677**	**-**	**37,773**	**829,152**
	8,699,721	**1,981,012**	**607,627**	**3,647,756**	**14,936,116**
	2020				
Guarantees	6,786,241	2,273,281	146,519	3,186,057	12,392,098
Letters of credit	3,032,973	68,859	41,625	527,485	3,670,942
Unutilised credit facilities	875,877	169,037	-	48,839	1,093,753
	10,695,091	2,511,177	188,144	3,762,381	17,156,793

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.

	2021	2020
Funded and unfunded		
Government and related agencies	**36,236,092**	38,329,779
Industry	**1,070,343**	925,474
Commercial	**10,000,920**	10,599,716
Services	**18,415,687**	17,424,616
Contracting	**5,692,531**	5,223,118
Real estate	**18,110,044**	18,253,031
Personal	**7,648,155**	7,389,271
Others	**1,559,469**	2,541,093
Guarantees	**11,166,636**	12,392,098
Letters of credit	**2,940,328**	3,670,942
Unutilised credit facilities	**829,152**	1,093,753
	113,669,357	117,842,891

iv) Credit quality

The credit quality of financial assets is managed by the Group using internal and external credit risk ratings. The Group follows an internal risk rating mechanism linked to credit ratings published by international rating agencies. The Group endeavors continuously to improve upon the internal credit risk rating methodologies and credit risk management policies and practices to reflect the true underlying credit risk of the portfolio and the credit culture in the Group. All lending relationships are reviewed at least once in a year and more frequently in the case of non-performing assets.

The following table sets out information about the credit quality of financial assets, commitments and financial guarantees.

Cash and Balances with Central Banks (excluding Cash on Hand) and Due from Banks	2021 Stage 1	Stage 2	Stage 3	Total
Investment grade – Aaa to Baa3	**7,949,488**	**304,267**	**-**	**8,253,755**
Sub-investment grade – Ba1 to Ca3	**1,157,266**	**1,322,807**	**-**	**2,480,073**
Substandard	**-**	**-**	**-**	**-**
Doubtful	**-**	**-**	**-**	**-**
Loss	**-**	**-**	**-**	**-**
Loss allowance	**(4,444)**	**(426)**	**-**	**(4,870)**
Carrying amount	**9,102,310**	**1,626,648**	**-**	**10,728,958**

Cash and Balances with Central Banks (excluding Cash on Hand) and Due from Banks	2020 Stage 1	Stage 2	Stage 3	Total
Investment grade – Aaa to Baa3	8,328,524	-	-	8,328,524
Sub-investment grade – Ba1 to Ca3	328,083	613,243	-	941,326
Substandard	-	-	-	-
Doubtful	-	-	-	-
Loss	-	-	-	-
Loss allowance	(1,704)	(310)	-	(2,014)
Carrying amount	8,654,903	612,933	-	9,267,836

Loans and Advances to Customers	2021 Stage 1	Stage 2	Stage 3	Total
Investment grade – Aaa to Baa3	**22,798,699**	**1,586,387**	**-**	**24,385,086**
Sub-investment grade – Ba1 to Ca3	**20,134,188**	**17,286,429**	**-**	**37,420,617**
Substandard	**-**	**-**	**1,152,546**	**1,152,546**
Doubtful	**-**	**-**	**656,493**	**656,493**
Loss	**-**	**-**	**2,017,555**	**2,017,555**
Loss allowance	**(146,709)**	**(852,297)**	**(1,966,006)**	**(2,965,012)**
Carrying amount	**42,786,178**	**18,020,519**	**1,860,588**	**62,667,285**

Loans and Advances to Customers	2020 Stage 1	Stage 2	Stage 3	Total
Investment grade – Aaa to Baa3	24,794,926	1,319,852	-	26,114,778
Sub-investment grade – Ba1 to Ca3	20,542,188	18,026,279	-	38,568,467
Substandard	-	-	1,426,981	1,426,981
Doubtful	-	-	909,172	909,172
Loss	-	-	1,778,446	1,778,446
Loss allowance	(138,241)	(988,162)	(2,221,405)	(3,347,808)
Carrying amount	45,198,873	18,357,969	1,893,194	65,450,036

Investment Securities – debt	2021 Stage 1	Stage 2	Stage 3	Total
Investment grade – Aaa to Baa3	**22,999,679**	**-**	**-**	**22,999,679**
Sub-investment grade – Ba1 to Ca3	**1,025,129**	**181,550**	**-**	**1,206,679**
Substandard	**-**	**-**	**-**	**-**
Doubtful	**-**	**-**	**-**	**-**
Loss	**-**	**-**	**20,760**	**20,760**
Loss allowance	**(1,640)**	**-**	**(6,474)**	**(8,114)**
Carrying amount	**24,023,168**	**181,550**	**14,286**	**24,219,004**

Investment Securities – debt	2020 Stage 1	Stage 2	Stage 3	Total
Investment grade – Aaa to Baa3	22,873,793	-	-	22,873,793
Sub-investment grade – Ba1 to Ca3	944,427	332,799	-	1,277,226
Substandard	-	-	-	-
Doubtful	-	-	-	-
Loss	-	-	16,922	16,922
Loss allowance	(446)	-	(6,474)	(6,920)
Carrying amount	23,817,774	332,799	10,448	24,161,021

Loan commitments and financial guarantees	2021 Stage 1	Stage 2	Stage 3	Total
Investment grade – Aaa to Baa3	**7,218,577**	**620,044**	**-**	**7,838,621**
Sub-investment grade – Ba1 to Ca3	**3,493,712**	**2,757,140**	**-**	**6,250,852**
Substandard	**-**	**-**	**846,643**	**846,643**
Doubtful	**-**	**-**	**-**	**-**
Loss	**-**	**-**	**-**	**-**
Loss allowance	**(8,594)**	**(5,382)**	**(343,596)**	**(357,572)**
Carrying amount	**10,703,695**	**3,371,802**	**503,047**	**14,578,544**

Loan commitments and financial guarantees	2020 Stage 1	Stage 2	Stage 3	Total
Investment grade – Aaa to Baa3	8,550,224	613,017	-	9,163,241
Sub-investment grade – Ba1 to Ca3	3,625,701	3,661,627	-	7,287,328
Substandard	-	-	706,224	706,224
Doubtful	-	-	-	-
Loss	-	-	-	-
Loss allowance	(15,125)	(22,226)	(171,307)	(208,658)
Carrying amount	12,160,800	4,252,418	534,917	16,948,135

Collateral

The Group obtains collateral and other credit enhancements in the ordinary course of business from counterparties. On an overall basis, during the year there was no discernible deterioration in the quality of collateral held by the Group. In addition, there were no changes in collateral policies of the Group.

The collateral of the Bank aggregated to QAR 69,793 million as at 31 December 2021 based on valuations of these collaterals undertaken in line with the related internal approved policy of the Bank (2020: QAR 74,156 million). The value of the collateral held against credit-impaired loans and advances as at 31 December 2021 is QAR 2,429 million (2020: QAR 2,959 million). The Bank does however assume haircuts on these valuations for the purpose of provisioning / ECL calculations, which results in a fair value of QAR 35,776 million and QAR 1,241 million respectively as at 31 December 2021 (2020: QAR 38,160 million and QAR 1,501 million respectively).

Repossessed collateral

The Group's acquired properties held as collateral in settlement of debt has a carrying value of QAR 102 million as at 31 December 2021 (2020: QAR 102 million).

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 on loans and advances during the year was QAR 2,244 million (2020: QAR 3,978 million). Subsequent recoveries from such write offs are recognized on a cash basis.

v) Inputs, assumptions and techniques used for estimating impairment

Significant increase in credit risk

When determining whether the risk of default on a financial instrument has increased significantly since initial recognition, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis including internal credit risk grading system, external risk ratings, where available, delinquency status of accounts, credit judgement and, where possible, relevant historical experience. The Group may also determine that an exposure has undergone a significant increase in credit risk based on particular qualitative indicators that it considers are indicative of such and whose effect may not otherwise be fully reflected in its quantitative analysis on a timely basis.

In determining whether credit risk has increased significantly since initial recognition following criteria's are considered:

i. Two notches downgrade for ratings from Aaa to Baa or one notch downgrade for ratings from Ba to Caa
ii. Facilities restructured during previous twelve months
iii. Facilities overdue by 60 and 30 days as at the reporting date for corporate and retail loans respectively

The Bank continues to assess borrowers for other indicators of unlikeliness to pay, taking into consideration the underlying cause of any financial difficulty and whether it is likely to be temporary as a result of Covid-19 or longer term.

In response to the QCB support program the Bank has initiated a programme of payment relief for its impacted customers by deferring instalments. These payment reliefs are considered as short-term liquidity to address borrower cash flow issues. The relief offered to customers may indicate a SICR. However, the extension of these payment reliefs do not automatically trigger a SICR and a stage migration for the purposes of calculating ECL, as these are being made available to assist borrowers affected by the Covid-19 outbreak to resume regular payments.

The assessment of SICR and the calculation of ECL both incorporate forward-looking information. The Bank has performed historical correlation analysis and identified the key economic variables impacting credit risk and expected credit losses for each portfolio. These economic variables were tested for both direction of association and level of association with the Bank's own portfolio and market level default rates.

Credit risk grades

Credit risk grades are defined using qualitative and quantitative factors that are indicative of risk of default. These factors vary depending on the nature of the exposure and the type of borrower. Exposures are subject to on-going monitoring, which may result in an exposure being moved to a different credit risk grade.

Generating the term structure of Probability of Default (PD)

The Group employs statistical models to analyse the data collected and generate estimates of PD of exposures and how these are expected to change as a result of the passage of time. This analysis includes the identification and calibration of relationships between changes in default rates and changes in key macro-economic factors, across various geographies in which the Group has exposures.

Renegotiated financial assets

The contractual terms of a loan may be modified for a number of reasons, including changing market conditions, customer retention and other factors not related to a current or potential credit deterioration of the customer. An existing loan whose terms have been modified may be derecognised and the renegotiated loan recognised as a new loan at fair value. Where possible, the Group seeks to restructure loans rather than to take possession of collateral, if available. This may involve extending the payment arrangements and documenting the agreement of new loan conditions. Management continuously reviews renegotiated loans to ensure that all criteria are met and that future payments are likely to occur.

Definition of default

The Group considers a financial asset to be in default when:

- the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or
- the borrower is past due more than 90 days on any material credit obligation to the Group; or
- the borrower is rated 9 or 10.

In assessing whether a borrower is in default, the Group also considers indicators that are:

- quantitative – e.g. overdue status and non-payment on another obligation of the same issuer to the Group; and
- based on data developed internally and obtained from external sources.

Inputs into the assessment of whether a financial instrument is in default and their significance may vary over time to reflect changes in circumstances. The definition of default largely aligns with that applied by the Group for regulatory capital purposes.

Incorporation of forward looking information

Incorporating forward looking information increases the level of judgement as to how changes in these macroeconomic factors will affect the Expected Credit Loss (ECL) applicable to the stage 1 and stage 2 exposures which are considered as performing. The methodologies and assumptions involved, including any forecasts of future economic conditions, are reviewed periodically.

These economic variables and their associated impact on the PD, EAD and LGD vary by financial instrument. Forecasts of these economic variables (the "base economic scenario") are updated from the World economic outlook: IMF country data and economic forecast periodically published by Economic Intelligence Unit, which provide the best estimate view of the economy and commodity prices over the coming one to five years. The Bank also considers internal forecasts based on time series analysis for variables for which forecasts are not available. The macro-economic variable forecasts till remaining lifetime of the exposures post five years is obtained through time series analysis i.e. moving average/ mean reversion as applicable. The impact of these economic variables on the PD is obtained by using the merton-vasicek structural model for all the portfolio. Correlation analysis has been performed for selection of the key macro-economic variables based on the observed portfolio default rate.

The Group has performed an assessment of COVID-19 in light of the available guidance of the IFRS and QCB which has resulted in the changes to the expected credit loss methodology and judgements as at and for the year ended 31 December 2021.

The Bank has considered the effect the probable uncertainties due the pandemic through the stressed scenario construction and weights. The Bank has used latest economic forecasts published in October 2021, which includes the impact of economic contraction due to the pandemic followed by reasonable recovery. Hence, further stress on the Base scenario for including the effects of pandemic has not been considered. The cumulative probability of all the plausible downturn scenario considering the Base forecast as the starting point has been considered as the probability weight of the stressed scenario to address worries of further economic downturn due the re-emergence of pandemic and low demand.

The Bank has also given specific consideration to the relevant impact of COVID-19 on the qualitative and quantitative factors when determining the significant increase in credit risk and assessing the indicators of impairment for the exposures in potentially affected sectors. This has resulted in staging downgrade of certain exposures and recognition of relevant ECLs and impairment allowances.

In addition to the base economic scenario, the Bank's Credit risk team also provide other possible scenarios along with scenario weightings. The number of other scenarios used is set based on the analysis of each major product type to ensure plausible events are captured. The number of scenarios and their attributes are reassessed at each reporting date. At 1 January 2021 and 31 December 2021, for all portfolios the Bank concluded that three scenarios that appropriately captured the uncertainties in the macro-economic forecasts i.e. Base scenario: considering the published macro-economic forecasts, improved scenario and stressed scenario: considering the long term observed volatility in macro-economic forecast. The scenario weightings are determined by a combination of statistical analysis and expert credit judgement, taking in account the range of possible outcomes each chosen scenario is representative of. The scenario weights considered for the ECL calculation as of 31 December 2021 are Base Scenario: 65%, Improved Scenario: 10% and Stressed Scenario: 25% (2020: Base Scenario: 65%, Improved Scenario: 10% and Stressed Scenario: 25%). The assessment of SICR is performed based on credit risk assessment following QCB rule and management assessment under each of the base, and the other scenarios, multiplied by the associated scenario weightings. This determines whether the whole financial instrument is in Stage 1, Stage 2, or Stage 3 and hence whether 12-month or lifetime ECL should be recorded. Following this assessment, the Bank measures ECL as either a 12-month ECL (Stage 1), or lifetime ECL (Stages 2). These ECLs are determined by running each scenario through the relevant ECL model and multiplying it by the appropriate scenario weighting.

As with any economic forecasts, the likelihoods of the Base forecast are subject to a high degree of inherent uncertainty and therefore the actual outcomes may be significantly different to those projected. The Bank considers these forecasts to represent its best estimate of the possible outcomes and the scenarios are considered to be capturing the uncertainties in the Base forecast.

Economic variable assumptions

The most significant period-end assumptions used for the ECL estimate as at 31 December 2021 were Oil prices (2022: $75/Barrel, 2023: $65/ Barrel) and Private Sector Credit Concentration % (2022: 64.6%, 2023: 65.9%).

Measurement of ECL

The key inputs into the measurement of ECL are the term structure of the following variables:

- probability of default (PD);
- loss given default (LGD);
- exposure at default (EAD).

These parameters are generally derived from internally developed statistical models and other historical data. They are adjusted to reflect forward-looking information as described above.

PD estimates are estimates at a certain date, which are calculated based on statistical rating models. These statistical models are primarily based on internally compiled data comprising both quantitative and qualitative factors and are supplemented by external credit assessment data where available.

LGD is the magnitude of the likely loss if there is a default. The Group estimates LGD parameters based on a consistent rate for unsecured facilities and considers the impact of collateral for secured facilities.

Loss allowance

The table overleaf show the reconciliation from the opening to the closing balance of the loss allowance by class of financial instruments.

	2021			
	Stage 1	Stage 2	Stage 3	Total
Gross exposures subject to ECL – as at 31 December				
- Loans and advances to customers	42,932,887	18,872,816	3,826,594	65,632,297
- Investment securities (debt)	24,024,808	181,550	20,760	24,227,118
- Loan commitments and financial guarantees	10,712,289	3,377,184	846,643	14,936,116
- Due from banks and balances with central Banks	9,106,754	1,627,074	-	10,733,828
	86,776,738	24,058,624	4,693,997	115,529,359
Opening balance of ECL / impairment - as at 1 January				
- Loans and advances to customers	138,241	988,162	2,221,405	3,347,808
- Investment securities (debt)	8,904	42,433	6,474	57,811
- Loan commitments and financial guarantees	15,125	22,226	171,307	208,658
- Due from banks and balances with central Banks	1,704	310	-	2,014
	163,974	1,053,131	2,399,186	3,616,291
Net charge and transfers for the year (net of foreign currency translation)				
- Loans and advances to customers*	8,468	(135,865)	2,053,277	1,925,880
- Investment securities (debt)	2,182	(17,100)	-	(14,918)
- Loan commitments and financial guarantees	(6,531)	(16,844)	100,941	77,566
- Due from banks and balances with central Banks	2,740	116	-	2,856
	6,859	(169,693)	2,154,218	1,991,384
Write offs and other				
- Loans and advances to customers**	-	-	(2,308,676)	(2,308,676)
- Investment securities (debt)	-	-	-	-
- Loan commitments and financial guarantees**	-	-	71,348	71,348
- Due from banks and balances with central Banks	-	-	-	-
	-	-	(2,237,328)	(2,237,328)
Closing balance of ECL / impairment - as at 31 December				
- Loans and advances to customers	146,709	852,297	1,966,006	2,965,012
- Investment securities (debt)	11,086	25,333	6,474	42,893
- Loan commitments and financial guarantees	8,594	5,382	343,596	357,572
- Due from banks and balances with central Banks	4,444	426	-	4,870
	170,833	883,438	2,316,076	3,370,347

* stage 3 provision includes interest in suspense

** stage 3 provision includes a net transfer of provision from loans and advances to loan commitments and financial guarantees amounting to QAR 37.7 million (2020: QAR 56.3 million), transfer of provision from loan commitments and financial guarantee to loans and advances amounting to QAR 17.9 million (2020: 51.0 million) and transfer from other liability to loan commitments and financial guarantees amounting to QAR 59.2 million (2020: Nil)

	2020			
	Stage 1	Stage 2	Stage 3	Total
Gross exposures subject to ECL – as at 31 December				
- Loans and advances to customers	45,337,114	19,346,131	4,114,599	68,797,844
- Investment securities (debt)	23,818,220	332,799	16,922	24,167,941
- Loan commitments and financial guarantees	12,175,925	4,274,644	706,224	17,156,793
- Due from banks and balances with central Banks	8,656,607	613,243	-	9,269,850
	89,987,866	24,566,817	4,837,745	119,392,428
Opening balance of ECL / impairment - as at 1 January				
- Loans and advances to customers	144,711	1,425,438	3,559,422	5,129,571
- Investment securities (debt)	9,429	7,263	25,032	41,724
- Loan commitments and financial guarantees	17,595	101,148	125,543	244,286
- Due from banks and balances with central Banks	7,909	609	-	8,518
	179,644	1,534,458	3,709,997	5,424,099
Net charge and transfers for the year (net of foreign currency translation)				
- Loans and advances to customers*	(6,470)	(437,276)	2,695,986	2,252,240
- Investment securities (debt)	(525)	35,170	35	34,680
- Loan commitments and financial guarantees	(2,470)	(78,922)	40,508	(40,884)
- Due from banks and balances with central Banks	(6,205)	(299)	-	(6,504)
	(15,670)	(481,327)	2,736,529	2,239,532
Write offs and other				
- Loans and advances to customers**	-	-	(4,034,003)	(4,034,003)
- Investment securities (debt)	-	-	(18,593)	(18,593)
- Loan commitments and financial guarantees**	-	-	5,256	5,256
- Due from banks and balances with central Banks	-	-	-	-
	-	-	(4,047,340)	(4,047,340)
Closing balance of ECL / impairment - as at 31 December				
- Loans and advances to customers	138,241	988,162	2,221,405	3,347,808
- Investment securities (debt)	8,904	42,433	6,474	57,811
- Loan commitments and financial guarantees	15,125	22,226	171,307	208,658
- Due from banks and balances with central Banks	1,704	310	-	2,014
	163,974	1,053,131	2,399,186	3,616,291

* stage 3 provision includes interest in suspense

** stage 3 provision includes a transfer of provision from loans and advances to loan commitments and financial guarantees

c) 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.

The Group monitors its liquidity risk through two key ratios, the Liquidity Coverage Ratio (LCR) as per Basel III guidelines adopted by QCB to monitor the short term (30 days) resilience of the bank's liquidity and the Liquidity Ratio as per QCB's guidelines.

The Liquidity Coverage Ratio (LCR) computed as per Basel III guidelines adopted by QCB was 166.93% as at 31 December 2021 (31 December 2020: 99.61%).

The Liquidity Ratio (LR) computed as per QCB guidelines was 132.66% as at 31 December 2021 (31 December 2020: 122.68%).

i) 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 during the year were as follows:

	2021	2020
Average for the year	**124.95%**	126.39%
Maximum for the year	**132.66%**	137.28%
Minimum for the year	**114.94%**	120.13%

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	Less than 1 month	1-3 months	3 months – 1 year	Subtotal 1 year	Above 1 year	Undated
31 December 2021							
Cash and balances with central banks	**5,887,367**	**3,555,318**	**-**	**-**	**3,555,318**	**-**	**2,332,049**
Due from banks	**5,364,929**	**2,738,757**	**482,068**	**1,471,496**	**4,692,321**	**672,608**	**-**
Loans and advances to customers	**62,667,285**	**13,135,800**	**3,887,998**	**4,783,359**	**21,807,157**	**40,860,128**	**-**
Investment securities	**25,082,873**	**740,138**	**480,005**	**1,876,245**	**3,096,388**	**21,122,616**	**863,869**
Investment in an associate	**10,758**	**-**	**-**	**-**	**-**	**-**	**10,758**
Property, furniture and equipment	**689,273**	**-**	**-**	**-**	**-**	**-**	**689,273**
Other assets	**1,400,746**	**475,001**	**-**	**-**	**475,001**	**925,745**	**-**
Total	**101,103,231**	**20,645,014**	**4,850,071**	**8,131,100**	**33,626,185**	**63,581,097**	**3,895,949**
Due to banks	**22,511,391**	**12,638,690**	**6,169,981**	**1,672,234**	**20,480,905**	**2,030,486**	**-**
Customer deposits	**50,355,949**	**22,348,935**	**17,133,814**	**10,492,535**	**49,975,284**	**380,665**	**-**
Debt securities	**1,891,734**	**-**	**-**	**70,984**	**70,984**	**1,820,750**	**-**
Other borrowings	**9,737,521**	**-**	**43,698**	**2,877,597**	**2,921,295**	**6,816,226**	**-**
Other liabilities	**2,350,683**	**1,847,714**	**4,173**	**1,453**	**1,853,340**	**497,343**	**-**
Total equity	**14,255,953**	**-**	**-**	**-**	**-**	**-**	**14,255,953**
Total	**101,103,231**	**36,835,339**	**23,351,666**	**15,114,803**	**75,301,808**	**11,545,470**	**14,255,953**
Maturity gap	**-**	**(16,190,325)**	**(18,501,595)**	**(6,983,703)**	**(41,675,623)**	**52,035,627**	**(10,360,004)**

	Carrying amount	Less than 1 month	1-3 months	3 months – 1 year	Subtotal 1 year	Above 1 year	Undated
31 December 2020							
Cash and balances with central banks	6,895,185	4,755,275	-	-	4,755,275	-	2,139,910
Due from banks	3,673,577	1,361,280	665,214	1,322,545	3,349,039	324,538	-
Loans and advances to customers	65,450,036	1,278,723	3,261,826	7,652,802	12,193,351	53,256,685	-
Investment securities	24,667,333	258,409	101,409	1,996,197	2,356,015	21,809,675	501,643
Investment in an associate	10,176	-	-	-	-	-	10,176
Property, furniture and equipment	714,212	-	-	-	-	-	714,212
Other assets	2,129,753	758,213	20,997	15,928	795,138	1,334,615	-
Total	103,540,272	8,411,900	4,049,446	10,987,472	23,448,818	76,725,513	3,365,941
Due to banks	23,036,764	8,404,907	9,990,498	2,441,897	20,837,302	2,199,462	-
Customer deposits	55,053,996	23,805,310	14,599,698	11,881,141	50,286,149	4,767,847	-
Debt securities	328,208	-	-	256,462	256,462	71,746	-
Other borrowings	8,217,193	2,207,841	280,396	3,314,641	5,802,878	2,414,315	-
Other liabilities	3,109,541	3,098,372	2,367	3,434	3,104,173	5,368	-
Total equity	13,794,570	-	-	-	-	-	13,794,570
Total	103,540,272	37,516,430	24,872,959	17,897,575	80,286,964	9,458,738	13,794,570
Maturity gap	-	(29,104,530)	(20,823,513)	(6,910,103)	(56,838,146)	67,266,775	(10,428,629)

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

	Carrying amount	Up to 3 months	3 months – 1 year	Above 1 year
31 December 2021				
Guarantees	**11,166,636**	**3,469,174**	**4,667,798**	**3,029,664**
Letters of credit	**2,940,328**	**808,833**	**470,526**	**1,660,969**
Unutilised credit facilities	**829,152**	**607,184**	**204,895**	**17,073**
Total	**14,936,116**	**4,885,191**	**5,343,219**	**4,707,706**
31 December 2020				
Guarantees	12,392,098	4,054,387	4,116,187	4,221,524
Letters of credit	3,670,942	829,201	326,966	2,514,775
Unutilised credit facilities	1,093,753	554,728	423,515	115,510
Total	17,156,793	5,438,316	4,866,668	6,851,809

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	Gross undiscounted cash flows	Less than 1 month	1-3 months	3 months - 1 year	Above 1 year
31 December 2021						
Non-derivative financial liabilities						
Due to banks	**22,511,391**	**22,744,269**	**12,639,401**	**6,173,713**	**1,701,847**	**2,229,308**
Customer deposits	**50,355,949**	**50,475,481**	**22,354,926**	**17,171,267**	**10,558,678**	**390,610**
Debt securities	**1,891,734**	**2,078,355**	**-**	**-**	**71,301**	**2,007,054**
Other borrowings	**9,737,521**	**9,962,690**	**-**	**44,039**	**2,903,632**	**7,015,019**
Other liabilities	**1,807,746**	**1,807,746**	**1,807,746**	**-**	**-**	**-**
Total liabilities	**86,304,341**	**87,068,541**	**36,802,073**	**23,389,019**	**15,235,458**	**11,641,991**

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	Up to 1 year	Above 1 year
Derivative financial instruments (FX forwards):			
Outflow	**(5,692,947)**	**(5,692,947)**	**-**
Inflow	**5,682,460**	**5,682,460**	**-**
Derivative financial instruments (interest swaps):			
Outflow	**(506,958)**	**(506,958)**	**-**
Inflow	**34,566**	**34,566**	**-**

	Carrying amount	Gross undiscounted cash flows	Less than 1 month	1-3 months	3 months - 1 year	Above 1 year
31 December 2020						
Non-derivative financial liabilities						
Due to banks	23,036,764	23,132,060	8,407,082	9,994,883	2,474,162	2,255,933
Customer deposits	55,053,996	55,310,889	23,812,918	14,637,590	11,981,984	4,878,397
Debt securities	328,208	330,355	-	-	257,508	72,847
Other borrowings	8,217,193	8,302,739	2,208,922	280,753	3,343,283	2,469,781
Other liabilities	2,199,555	2,199,555	2,199,555	-	-	-
Total liabilities	88,835,716	89,275,598	36,628,477	24,913,226	18,056,937	9,676,958

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	Up to 1 year	Above 1 year
Derivative financial instruments (FX forwards):			
Outflow	(9,619,606)	(9,619,606)	-
Inflow	9,697,014	9,697,014	-
Derivative financial instruments (interest swaps):			
Outflow	(894,928)	(894,928)	-
Inflow	57,700	57,700	-

d) 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.

A fundamental reform of major interest rate benchmarks is being undertaken globally, including the replacement of some interbank offered rates (IBORs) with alternative nearly risk-free rates (referred to as 'IBOR reform'). The Group has exposures to IBORs on its financial instruments that will be replaced or reformed as part of these market-wide initiatives. There is uncertainty over the timing and the methods of transition in some jurisdictions that the Group operates in. The Group anticipates that IBOR reform will impact its risk management and hedge accounting.

i) 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.

ii) 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	**Less than 3 months**	**3-12 months**	**Above 1 year**	**Non-interest sensitive**
31 December 2021					
Cash and cash equivalents	**5,887,367**	**3,031,980**	**-**	**-**	**2,855,387**
Due from banks	**5,364,929**	**2,766,165**	**1,471,496**	**672,608**	**454,660**
Loans and advances to customers	**62,667,285**	**44,450,912**	**15,329,987**	**927,208**	**1,959,178**
Investment securities	**25,082,873**	**1,514,867**	**1,876,244**	**20,620,138**	**1,071,624**
Investment in an associate	**10,758**	**-**	**-**	**-**	**10,758**
Property, furniture and equipment	**689,273**	**-**	**-**	**-**	**689,273**
Other assets	**1,400,746**	**34,566**	**-**	**-**	**1,366,180**
Total	**101,103,231**	**51,798,490**	**18,677,727**	**22,219,954**	**8,407,060**
Due to banks	**22,511,391**	**8,846,462**	**4,549,831**	**8,846,709**	**268,389**
Customer deposits	**50,355,949**	**31,174,789**	**10,492,536**	**380,666**	**8,307,958**
Debt securities	**1,891,734**	**-**	**59,686**	**1,820,750**	**11,298**
Other borrowings	**9,737,521**	**9,456,428**	**148,747**	**115,244**	**17,102**
Other liabilities	**2,350,683**	**506,958**	**-**	**-**	**1,843,725**
Total equity	**14,255,953**	**-**	**-**	**4,000,000**	**10,255,953**
Total	**101,103,231**	**49,984,637**	**15,250,800**	**15,163,369**	**20,704,425**
Interest rate sensitivity gap	**-**	**1,813,853**	**3,426,927**	**7,056,585**	**(12,297,365)**
Cumulative interest rate sensitivity gap	**-**	**1,813,853**	**5,240,780**	**12,297,365**	**-**

			Repricing in:		
	Carrying amount	Less than 3 months	3-12 months	Above 1 year	Non-interest sensitive
31 December 2020					
Cash and cash equivalents	6,895,185	3,454,348	-	-	3,440,837
Due from banks	3,673,577	2,677,052	449,371	145,654	401,500
Loans and advances to customers	65,450,036	51,380,178	12,018,664	-	2,051,194
Investment securities	24,667,333	148,537	1,996,197	21,808,067	714,532
Investment in an associate	10,176	-	-	-	10,176
Property, furniture and equipment	714,212	-	-	-	714,212
Other assets	2,129,753	57,700	-	-	2,072,053
Total	103,540,272	57,717,815	14,464,232	21,953,721	9,404,504
Due to banks	23,036,764	18,022,709	2,715,011	2,199,463	99,581
Customer deposits	55,053,996	28,473,915	10,384,553	7,757,773	8,437,755
Debt securities	328,208	28,434	298,996	-	778
Other borrowings	8,217,193	7,926,913	273,113	-	17,167
Other liabilities	3,109,541	894,928	-	-	2,214,613
Total equity	13,794,570	-	-	4,000,000	9,794,570
Total	103,540,272	55,346,899	13,671,673	13,957,236	20,564,464
Interest rate sensitivity gap	-	2,370,916	792,559	7,996,485	(11,159,960)
Cumulative interest rate sensitivity gap	-	2,370,916	3,163,475	11,159,960	-

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	**10 bp parallel decrease**
Sensitivity of net interest income		
2021		
At 31 December	**9,284**	**(9,284)**
2020		
At 31 December	8,107	(8,107)

	10 bp parallel increase	10 bp parallel decrease
Sensitivity of reported equity to interest rate movements		
2021		
At 31 December	**22,483**	**(22,483)**
2020		
At 31 December	27,750	(27,750)

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.

Inter Bank Offered Rate (IBOR) Reforms

Overview

A major reform of major interest rate benchmarks is being undertaken globally, including the replacement of some interbank offered rates (IBORs) with alternative nearly risk-free rates (referred to as 'IBOR reform'). Interest Rate Benchmark Reform 'phase 1' amendments provided temporary relief from applying specific hedge accounting requirements to hedging relationships directly affected by IBOR reform. These reliefs should not generally cause hedge accounting to terminate prior to contracts being amended. However, any hedge ineffectiveness continued to be recorded in the statement of income.

Interest Rate Benchmark Reform - Phase 2 amendments have become effective from 1 January 2021. These reforms, address the effects of changes to contractual cash flows or hedging relationships arising from the replacement of an interest rate benchmark with an alternative benchmark rate. The IBOR reform phase 2 amendments address issues arising during interest rate benchmark reform (IBOR reform), including specifying when the 'phase 1' amendments will cease to apply, when hedge designations and documentation should be updated, and when hedges of the alternative benchmark rate or alternative reference rate (ARR) as the hedged risk are permitted.

The Group has exposures to IBORs on its financial instruments that have been and will be replaced or reformed as part of these market-wide initiatives. The Bank has established a cross-functional IBOR steering committee sponsored by the Executive Management which is evaluating the IBORs related exposure. The Steering committee is managing the transition activities to the alternative reference rates by engaging with various stakeholders to support an orderly transition and mitigating risks resulting from the transition. The Bank has in place detailed plans, to support the transition of the IBOR exposures prior to the Benchmark cessation. The Group has set up a methodical framework to monitor the progress of transition from IBORs to new benchmark rates by reviewing its exposure and contracts on a regular basis.

The majority of LIBOR and other Interbank Offer Rates are to be discontinued after 31 December 2021 and replaced with certain Alternative Benchmark Rates, with the exception of certain USD LIBOR rates where cessation is delayed until 30 June 2023. Given below are the USD and other foreign currency (except Qatari Riyal) exposures subject to IBOR/ARR and not subject to IBOR transition.

Total asset denominated in USD maturing before June 2023: QAR 5,287 million
Total asset denominated in USD maturing after June 2023: QAR 980 million
Total asset denominated in other foreign currency not subject to IBOR under transition: QAR 3,443 million

Total liabilities denominated in USD maturing before June 2023: QAR 16,800 million
Total liabilities denominated in USD maturing after June 2023: QAR 9,984 million
Total liabilities denominated in other foreign currency not subject to IBOR under transition: QAR 5,791 million

For this purpose, the hedge designation is amended only to make one or more of the following changes:

- designating an alternative benchmark rate as the hedged risk;
- updating the description of the hedged item.

The Group amends the description of the hedging instrument only if the following conditions are met:

- it makes a change required by IBOR reform by changing the basis for determining the contractual cash flows of the hedging instrument or using another approach that is economically equivalent to changing the basis for determining the contractual cash flows of the original hedging instrument; and
- the original hedging instrument is not derecognized.

The Group amends the formal hedge documentation by the end of the reporting period during which a change required by IBOR reform is made to the hedged risk, hedged item or hedging instrument. These amendments in the formal hedge documentation do not constitute the discontinuation of the hedging relationship or the designation of a new hedging relationship. If changes are made in addition to those changes required by IBOR reform described above, then the Group first considers whether those additional changes result in the discontinuation of the hedge accounting relationship. If the additional changes do not result in the discontinuation of the hedge accounting relationship, then the Group amends the formal hedge documentation for changes required by IBOR reform as mentioned above.

When the interest rate benchmark on which the hedged future cash flows had been based is changed as required by IBOR reform, for the purpose of determining whether the hedged future cash flows are expected to occur, the Group deems that the hedging reserve recognised in other comprehensive income for that hedging relationship is based on the alternative benchmark rate on which the hedged future cash flows will be based.

The Group has evaluated the extent to which its cash flow hedging relationships are subject to uncertainty driven by IBOR reform as at 31 December 2021. The Group's hedged items and hedging instruments continue to be indexed principally to LIBOR. These benchmark rates are quoted each day and the IBOR cash flows are exchanged with counterparties as usual. The Group's LIBOR cash flow hedging relationships extend beyond the anticipated cessation date for LIBOR.

The Group holds derivatives for risk management purposes, some of which are designated in hedging relationships. The interest rate and foreign exchange derivative instruments have floating legs that are indexed to various IBORs. Currently, the desired substitute rates are the Sterling Overnight Index Average (SONIA) for GBP LIBOR and Secured Overnight Financing Rate (SOFR) for USD LIBOR.

The Group's exposure to US dollar LIBOR designated in hedge accounting relationships at 31 December 2021 represents a notional amount of QAR 7 billion maturing in June 2023. The objective of the majority of these hedges and consistent with the overall interest rate risk management strategy of the Bank is to reduce fluctuations of the fair value of bonds purchased by the bank or its own issuances which pay a fixed rate and also reduce fluctuations from foreign exchange risk if these are denominated in another currency that is not QAR or USD. No immediate gain or loss recognized, for the financial instruments measured using amortised cost, where the effective interest rate to determine contractual cash flows may be impacted by the IBOR reform. Further, there was no impact on the lease liabilities where the discounted lease payments may be impacted by the IBOR reform.

iii) 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:

	2021	2020
Net foreign currency exposure:		
Pound Sterling	**91,043**	3,354
Euro	**3,942**	29,067
Kuwaiti Dinar	**28,064**	32,386
Japanese Yen	**949**	646
Other currencies	**565,512**	399,535

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	
	2021	2020
5% increase / (decrease) in currency exchange rate		
Pound Sterling	**4,552**	168
Euro	**197**	1,453
Kuwaiti Dinar	**1,403**	1,619
Japanese Yen	**47**	32
Other currencies	**28,276**	19,977

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 fair value through other comprehensive income and fair value through profit or loss.

The sensitivity analysis thereof is as follows:

	2021		2020	
	Effect on OCI	**Effect on income statement**	Effect on OCI	Effect on income statement
5% increase / (decrease) in Qatar Exchange	± 11,408	-	± 10,410	-
5% increase / (decrease) in Other than Qatar Exchange	± 1,113	-	± 1,152	-
	± 12,521	-	± 11,562	-

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.

e) 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.

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.

During the year, the Group activated its business continuity planning and developed response and recovery plans as part of five phases of its crisis management response to address the business disruption caused by the global pandemic on its operations and financial performance.

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.

f) Capital management

Regulatory capital

The Group's policy is to maintain a strong capital base so as to ensure investor, creditor and market confidence and to sustain future development of the business. The impact of the level of capital on shareholders' return is also recognised and the Group recognises the need to maintain a balance between the higher returns that might be possible with greater gearing and the advantages and security afforded by a sound capital position.

The Group and its individually regulated operations have complied with all externally imposed capital requirements throughout the year. The capital adequacy ratio of the Group is calculated in accordance with the Basel III Committee guidelines as adopted by the QCB.

The Group's regulatory capital position under Basel III and QCB regulations at 31 December was as follows:

	2021	2020
Common Equity Tier 1 Capital	**9,682,725**	9,379,037
Additional Tier 1 Capital	**4,000,000**	4,000,000
Additional Tier 2 Capital	**826,404**	825,583
Total Eligible Capital	**14,509,129**	14,204,620

Risk weighted assets

	2021 Basel III Risk weighted amount	2020 Basel III Risk weighted amount
Total risk weighted assets for credit risk	**65,884,441**	65,655,145
Risk weighted assets for market risk	**455,934**	499,559
Risk weighted assets for operational risk	**5,557,641**	5,753,553
Total risk weighted assets	**71,898,016**	71,908,257

	2021	2020
Regulatory capital	**14,509,129**	14,204,620
Common equity tier 1 (CET1) ratio	**13.47%**	13.04%
Tier 1 Capital Ratio	**19.03%**	18.61%
Total capital adequacy ratio	**20.18%**	19.75%

The minimum requirements for Capital Adequacy Ratio under Basel III as per QCB regulations for the year ended 31 December 2021 are as follows:

	CET 1 ratio without capital conservation buffer	CET 1 ratio including capital conservation buffer	Tier 1 capital ratio including capital conservation buffer	Total capital ratio including capital conservation buffer	Total capital including capital conservation buffer and domestic systematic important bank buffer	Total capital including conservation buffer, domestic systematic important bank buffer and ICAAP Pillar II capital charge
Actual	13.47%	13.47%	19.03%	20.18%	20.18%	20.18%
Minimum QCB limit	6.00%	8.50%	10.50%	12.50%	12.50%	13.50%

5. Use of estimates and judgements

a) 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.

i) Impairment allowances for credit losses

Assessment of whether credit risk on the financial assets has increased significantly since initial recognition and incorporation of forward looking information in the measurement of ECL, refer to note 4(b)(v).

ii) 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.

Where the fair values of financial assets and financial liabilities cannot be derived from active markets, they are determined using a variety of valuation techniques that include the use of mathematical models. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. The judgments include considerations of liquidity and model inputs such as correlation and volatility for longer dated derivatives.

b) Critical accounting judgement in applying the Group's accounting policies

i) Valuation of financial instruments

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.
- Level 3: 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.

ii) Fair value measurement

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

Quantitative disclosures fair value measurement hierarchy for financial assets and liabilities as at 31 December 2021:

	Date of valuation	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value:					
Investment securities measured at FVOCI	**31 Dec 2021**	**10,984,723**	**5,083,611**	**46,906**	**16,115,240**
Investment securities measured at FVTPL	**31 Dec 2021**	**7,160**	**-**	**6,359**	**13,519**
Derivative instruments:					
Interest rate swaps	**31 Dec 2021**	**-**	**34,566**	**-**	**34,566**
Forward foreign exchange contracts	**31 Dec 2021**	**-**	**25,492**	**-**	**25,492**
		10,991,883	**5,143,669**	**53,265**	**16,188,817**

Financial liabilities measured at fair value:					
Derivative instruments:					
Interest rate swaps	**31 Dec 2021**	**-**	**506,958**	**-**	**506,958**
Forward foreign exchange contracts	**31 Dec 2021**	**-**	**35,979**	**-**	**35,979**
		-	**542,937**	**-**	**542,937**

There have been no transfers between Level 1, level 2 and Level 3 fair value measurement during the year.

Fair value hierarchy for financial instruments measured at fair value as at 31 December 2020.

	Date of valuation	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value:					
Investment securities measured at FVOCI	31 Dec 2020	11,513,998	4,848,510	51,046	16,413,554
Investment securities measured at FVTPL	31 Dec 2020	20,239	-	34,940	55,179
Derivative instruments:					
Interest rate swaps	31 Dec 2020	-	57,700	-	57,700
Forward foreign exchange contracts	31 Dec 2020	-	92,466	-	92,466
		11,534,237	4,998,676	85,986	16,618,899

Financial liabilities measured at fair value:					
Derivative instruments:					
Interest rate swaps	31 Dec 2020	-	894,928	-	894,928
Forward foreign exchange contracts	31 Dec 2020	-	15,058	-	15,058
		-	909,986	-	909,986

During the reporting period 31 December 2021, there were no transfers between Level 1, Level 2 and Level 3 fair value measurements.

iii) Financial asset and liability classification

Assessment of the business model within which the assets are held and assessment of whether the contractual terms of the financial asset are solely payments of principal and interest on the principal amount outstanding. Refer to note 3 (g) for further information.

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

iii) 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.

iv) Impairment of investments debt securities

Assessment of whether credit risk on the financial asset has increased significantly since initial recognition and incorporation of forward-looking information in the measurement of ECL. Refer to note 4(b)(v) Inputs, assumptions and techniques used for estimating impairment of financial assets for more information.

v) 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.

vi) 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 centralised 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.

a) By operating segment

Details of each segment as of and for the year ended 31 December 2021 are stated below:

	2021					
	Corporate Banking	Retail Banking	Unallocated	Total	Insurance	Total
Net Interest income	2,411,276	173,909	-	2,585,185	-	2,585,185
Net income from insurance activities	-	-	-	-	(7,060)	(7,060)
Other income	315,272	172,815	39,567	527,654	676	528,330
Segmental revenue	2,726,548	346,724	39,567	3,112,839	(6,384)	3,106,455
Total expense				(1,005,430)	6,547	(998,883)
Net impairment loss on loans and advances to customers				(1,419,481)	-	(1,419,481)
Impairment reversal investment securities				14,918	-	14,918
Segmental profit				702,846	163	703,009
Share of results of the associate						765
Net profit						703,774
Other information						
Assets	87,962,316	4,954,113	7,977,386	100,893,815	198,658	101,092,473
Investments in an associate						10,758
Total						101,103,231
Liabilities	75,015,172	10,298,460	1,439,991	86,753,623	93,655	86,847,278
Contingent items	14,789,947	146,169		14,936,116	-	14,936,116

	2020					
	Corporate Banking	Retail Banking	Unallocated	Total	Insurance	Total
Net Interest income	2,111,897	207,894	-	2,319,791	-	2,319,791
Net income from insurance activities	-	-	-	-	3,237	3,237
Other income	440,603	153,118	20,221	613,942	139	614,081
Segmental revenue	2,552,500	361,012	20,221	2,933,733	3,376	2,937,109
Total expense				(835,368)	4,755	(830,613)
Net impairment loss on loans and advances to customers				(1,368,742)	-	(1,368,742)
Impairment reversal investment securities				(34,680)	-	(34,680)
Segmental profit				694,943	8,131	703,074
Share of results of the associate						(50)
Net profit						703,024
Other information						
Assets	88,286,738	5,303,023	9,739,150	103,328,911	201,185	103,530,096
Investments in an associate						10,176
Total						103,540,272
Liabilities	76,507,051	10,958,460	2,234,526	89,649,666	96,036	89,745,702
Contingent items	17,090,189	66,604		17,156,793	-	17,156,793

b) 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	Other GCC	India	Total
2021				
Net operating income	**2,871,954**	**211,946**	**22,555**	**3,106,455**
Net profit	**855,010**	**(150,106)**	**(1,130)**	**703,774**
Total assets	**97,199,966**	**3,228,233**	**675,032**	**101,103,231**
Total liabilities	**83,997,909**	**2,321,440**	**527,930**	**86,847,278**
2020				
Net operating income	2,809,190	103,751	24,168	2,937,109
Net profit	748,298	(46,893)	1,619	703,024
Total assets	98,218,411	4,498,715	823,146	103,540,272
Total liabilities	85,627,999	3,448,307	669,396	89,745,702

7. Financial assets and liabilities

a) 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			Fair Value through other comprehensive income		Amortised cost	Total carrying amount	Fair value
31 December 2021	**Debt**	**Equity**	**Derivatives**	**Debt**	**Equity**			
Cash and balances with central banks	-	-	-	-	-	**5,887,367**	**5,887,367**	**5,887,367**
Due from banks	-	-	-	-	-	**5,364,929**	**5,364,929**	**5,364,929**
Positive fair value of derivatives	-	-	**60,058**	-	-	-	**60,058**	**60,058**
Loans and advances to customers	-	-	-	-	-	**62,667,285**	**62,667,285**	**62,667,285**
Investment securities:								
Measured at fair FVOCI	-	-	-	**15,264,890**	**850,350**	-	**16,115,240**	**16,115,240**
Measured at fair FVTPL	-	**13,519**	-	-	-	-	**13,519**	**13,519**
Measured at amortised cost	-	-	-	-	-	**8,954,114**	**8,954,114**	**9,612,611**
Other assets	-	-	-	-	-	**1,057,936**	**1,057,936**	**1,057,936**
	-	**13,519**	**60,058**	**15,264,890**	**850,350**	**83,931,631**	**100,120,448**	**100,778,945**
Negative fair value of derivatives	-	-	**542,937**	-	-	-	**542,937**	**542,937**
Due to banks	-	-	-	-	-	**22,511,391**	**22,511,391**	**22,511,391**
Customer deposits	-	-	-	-	-	**50,355,949**	**50,355,949**	**50,355,949**
Debt securities	-	-	-	-	-	**1,891,734**	**1,891,734**	**1,891,734**
Other borrowings	-	-	-	-	-	**9,737,521**	**9,737,521**	**9,737,521**
Other liabilities	-	-	-	-	-	**1,256,641**	**1,256,641**	**1,256,641**
	-	-	**542,937**	-	-	**85,753,236**	**86,296,173**	**86,296,173**

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			Fair Value through other comprehensive income		Amortised cost	Total carrying amount	Fair value
31 December 2020	Debt	Equity	Derivatives	Debt	Equity			
Cash and balances with central banks	-	-	-	-	-	6,895,185	6,895,185	6,895,185
Due from banks	-	-	-	-	-	3,673,577	3,673,577	3,673,577
Positive fair value of derivatives	-	-	150,166	-	-	-	150,166	150,166
Loans and advances to customers	-	-	-	-	-	65,450,036	65,450,036	65,450,036
Investment securities:								
Measured at fair FVOCI	-	-	-	15,960,484	453,070	-	16,413,554	16,413,554
Measured at fair FVTPL	-	55,179	-	-	-	-	55,179	55,179
Measured at amortised cost	-	-	-	-	-	8,198,600	8,198,600	8,540,490
Other assets	-	-	-	-	-	1,657,040	1,657,040	1,657,040
	-	55,179	150,166	15,960,484	453,070	85,874,438	102,493,337	102,835,227
Negative fair value of derivatives	-	-	909,986	-	-	-	909,986	909,986
Due to banks	-	-	-	-	-	23,036,764	23,036,764	23,036,764
Customer deposits	-	-	-	-	-	55,053,996	55,053,996	55,053,996
Debt securities	-	-	-	-	-	328,208	328,208	328,208
Other borrowings	-	-	-	-	-	8,217,193	8,217,193	8,217,193
Other liabilities	-	-	-	-	-	1,679,961	1,679,961	1,679,961
	-	-	909,986	-	-	88,316,122	89,226,108	89,226,108

8. Cash and balances with central banks

	2021	2020
Cash	**523,338**	1,300,927
Cash reserve with QCB*	**2,297,254**	2,069,594
Cash reserve with other central banks*	**34,795**	70,316
Other balances with central banks	**3,031,980**	3,454,348
	5,887,367	6,895,185

*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

	2021	2020
Current accounts	**453,581**	399,436
Placements	**1,891,528**	1,480,484
Loans to banks	**3,023,611**	1,793,607
Interest receivable	**1,079**	2,064
Allowance for impairment	**(4,870)**	(2,014)
	5,364,929	3,673,577

10. Loans and advances to customers

a) By type

	2021	2020
Loans	**53,571,452**	54,462,315
Overdrafts	**11,781,274**	13,595,830
Bills discounted	**99,239**	190,370
Other*	**183,936**	554,021
(Note-i)	**65,635,901**	68,802,536
Less:		
Deferred profit	**(3,604)**	(4,692)
Expected credit losses of loans and advances to customers - Performing (Stage 1 and 2)	**(999,006)**	(1,126,403)
Allowance for impairment of loans and advances to customers - Non performing (Stage 3)	**(1,270,485)**	(1,423,990)
Interest in suspense	**(695,521)**	(797,415)
Net loans and advances to customers	**62,667,285**	65,450,036

a) By type

The aggregate amount of non-performing loans and advances to customers amounted QAR 3,827 million, which represents 5.83% of total loans and advances to customers (2020: QAR 4,115 million, 5.98% of total loans and advances to customers).

During the year, the Group has written-off fully provided non-performing loans amounting to QAR 2,244 million (2020: QAR 3,978 million) as per Qatar Central Bank circular no. 68/2011.

Specific impairment of loans and advances to customers includes QAR 695 million of interest in suspense (2020: QAR 797 million).

*This includes acceptances pertaining to trade finance amounting to QAR 98 million (2020: QAR 158 million).

Note-i:

	2021	2020
Government and related agencies	**9,741,641**	11,499,046
Corporate	**47,809,702**	49,450,751
Retail	**8,084,558**	7,852,739
	65,635,901	68,802,536

b) By industry

At 31 December 2021	**Loans**	**Overdrafts**	**Bills discounted**	**Other**	**Total**
Government and related agencies	**662,751**	**9,078,890**	**-**	**-**	**9,741,641**
Non-banking financial institutions	**1,736,632**	**51,299**	**-**	**-**	**1,787,931**
Industry	**1,027,623**	**10,284**	**91,000**	**1,297**	**1,130,204**
Commercial	**9,423,484**	**1,046,522**	**4,151**	**86,080**	**10,560,237**
Services	**8,425,164**	**305,847**	**169**	**215**	**8,731,395**
Contracting	**5,513,848**	**487,298**	**570**	**9,179**	**6,010,895**
Real estate	**18,752,983**	**369,894**	**-**	**-**	**19,122,877**
Personal	**7,700,849**	**383,509**	**200**	**-**	**8,084,558**
Others	**328,118**	**47,731**	**3,149**	**87,165**	**466,163**
	53,571,452	**11,781,274**	**99,239**	**183,936**	**65,635,901**
Less: Deferred profit					**(3,604)**
Net impairment of loans and advances to customers					**(2,965,012)**
					62,667,285

At 31 December 2020	Loans	Overdrafts	Bills discounted	Other	Total
Government and related agencies	761,433	10,737,613	-	-	11,499,046
Non-banking financial institutions	1,475,864	75,506	6,449	-	1,557,819
Industry	880,359	22,966	74,375	5,197	982,897
Commercial	10,005,099	1,073,473	66,937	111,891	11,257,400
Services	9,719,497	183,000	37,932	-	9,940,429
Contracting	4,888,214	614,298	4,414	40,273	5,547,199
Real estate	18,933,234	452,149	200	-	19,385,583
Personal	7,455,086	397,653	-	-	7,852,739
Others	343,529	39,172	63	396,660	779,424
	54,462,315	13,595,830	190,370	554,021	68,802,536
Less: Deferred profit					(4,692)
Net impairment of loans and advances to customers					(3,347,808)
					65,450,036

c) Movement in ECL / impairment loss on loans and advances to customers

	2021	2020
Balance at 1 January	**3,347,808**	5,129,571
Foreign currency translation	**3,360**	(1,843)
Net charge for the year	**2,040,681**	2,294,883
Recoveries on credit impaired loans during the year	**(118,161)**	(40,800)
Net impairment losses recorded during the year *	**1,922,520**	2,254,083
Written off/transfers during the year	**(2,308,676)**	(4,034,003)
Balance at 31 December	**2,965,012**	3,347,808

*The movement includes the effect of interest suspended on loans and advances to customers amounting to QAR 425.2 million during the year (2020: QAR 449.1 million).

The net impairment loss on loans and advances to customers in the income statement includes QAR 77.8 million recovery from the loans & advances previously written off (2020: QAR 434.4 million).

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

	Corporate lending			SME lending			Retail lending			Real estate mortgage lending			Total		
	Stage 1	**Stage 2**	**Stage 3**	**Stage 1**	**Stage 2**	**Stage 3**	**Stage 1**	**Stage 2**	**Stage 3**	**Stage 1**	**Stage 2**	**Stage 3**	**Stage 1**	**Stage 2**	**Stage 3**
	Performing		**Credit impaired**	**Performing**		**Credit impaired**	**Performing**		**Credit impaired**	**Performing**		**Credit impaired**	**Performing**		**Credit impaired**
Balance at 1 January 2021	82,089	791,904	1,713,089	1,148	35,416	86,571	23,030	45,096	362,938	31,974	115,746	58,807	138,241	988,162	2,221,405
Transfer between stages	(12,143)	(242,864)	244,335	(39)	(25,151)	25,190	(476)	(6,131)	6,607	(617)	(24,436)	25,053	(13,275)	(298,582)	301,185
Net charge for the year	(1,927)	96,978	1,768,236	162	(3,749)	12,115	10,320	5,928	61,998	13,188	63,560	27,904	21,743	162,717	1,870,253
Recoveries on credit impaired loans during the year	-	-	-	-	-	(1,077)	-	-	(60,936)	-	-	(5,665)	-	-	(118,161)
Net impairment losses recorded during the year	(14,070)	(145,886)	1,962,088	123	(28,900)	36,228	9,844	(203)	7,669	12,571	39,124	47,292	8,468	(135,865)	2,053,277
Written off/transfers during the year	-	-	(2,103,815)	-	-	(78,432)	-	-	(126,429)	-	-	-	-	-	(2,308,676)
Balance at 31 December 2021	68,019	646,018	1,571,362	1,271	6,516	44,367	32,874	44,893	244,178	44,545	154,870	106,099	146,709	852,297	1,966,006

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

	Corporate lending			SME lending			Retail lending			Real estate mortgage lending			Total		
	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3
	Performing		Credit impaired	Performing		Credit impaired	Performing		Credit impaired	Performing		Credit impaired	Performing		Credit impaired
Balance at 1 January 2020	92,949	1,292,248	3,046,517	1,628	33,387	117,566	16,515	48,034	350,163	33,619	51,769	45,176	144,711	1,425,438	3,559,422
Transfer between Stages	(21,231)	(549,862)	519,231	(253)	(1,559)	1,811	(1,479)	(7,049)	9,463	(1,892)	308	1,584	(24,855)	(558,162)	532,089
Net charge for the year	10,371	49,518	2,094,263	(227)	3,588	26,322	7,994	4,111	68,758	247	63,669	16,760	18,385	120,886	2,206,103
Recoveries on credit impaired loans during the year	-	-	(10,439)	-	-	(359)	-	-	(26,695)	-	-	(4,713)	-	-	(42,206)
Net impairment losses recorded during the year	(10,860)	(500,344)	2,603,055	(480)	2,029	27,774	6,515	(2,938)	51,526	(1,645)	63,977	13,631	(6,470)	(437,276)	2,695,986
Written off/ transfers during the year	-	-	(3,936,483)	-	-	(58,769)	-	-	(38,751)	-	-	-	-	-	(4,034,003)
Balance at 31 December 2020	82,089	791,904	1,713,089	1,148	35,416	86,571	23,030	45,096	362,938	31,974	115,746	58,807	138,241	988,162	2,221,405

11. Investment securities

The analysis of investment securities is detailed below:

	2021	2020
Investment Securities measured at FVOCI*	**15,974,891**	16,268,922
Investment Securities measured at FVTPL	**13,519**	55,179
Investment Securities measured at amortized cost	**8,894,822**	8,141,932
Interest receivable	**207,755**	208,220
	25,090,987	24,674,253
Net Impairment losses on investment securities measured at amortized cost	**(8,114)**	(6,920)
Total	**25,082,873**	24,667,333

*Includes QAR 34.8 million ECL on debt securities (2020: QAR 51.0 million)

**The Group has pledged State of Qatar Bonds amounting to QAR 3,582 million (2020: QAR 8,900 million) against repurchase agreements.

a) Fair Value Through Other Comprehensive Income

	2021		
	Quoted	**Unquoted**	**Total**
Equities	**803,444**	**46,906**	**850,350**
State of Qatar Debt Securities	**10,740,129**	**-**	**10,740,129**
Other Debt Securities	**4,384,412**	**-**	**4,384,412**
	15,927,985	**46,906**	**15,974,891**

b) Fair Value Through Profit or Loss

	2021		
	Quoted	**Unquoted**	**Total**
Equities	**-**	**-**	**-**
Mutual Funds and Equities	**7,160**	**6,359**	**13,519**
Other Debt Securities	**-**	**-**	**-**
	7,160	**6,359**	**13,519**

c) Amortised Cost

	2021		
	Quoted	**Unquoted**	**Total**
By Issuer			
State of Qatar Debt Securities	**8,246,561**	**-**	**8,246,561**
Other Debt Securities	**270,842**	**377,419**	**648,261**
Net impairment loss	**(8,101)**	**(13)**	**(8,114)**
	8,509,302	**377,406**	**8,886,708**
By Interest Rate			
Fixed Rate Securities	**8,509,302**	**377,406**	**8,886,708**
Floating Rate Securities	**-**	**-**	**-**
	8,509,302	**377,406**	**8,886,708**

a) Fair Value Through Other Comprehensive Income

	2020		
	Quoted	Unquoted	Total
Equities	402,024	51,046	453,070
State of Qatar Debt Securities	11,606,694	-	11,606,694
Other Debt Securities	4,209,158	-	4,209,158
	16,217,876	51,046	16,268,922

b) Fair Value Through Profit or Loss

	2020		
	Quoted	Unquoted	Total
Equities	4,669	-	4,669
Mutual Funds and Equities	13,633	34,940	48,573
Other Debt Securities	1,937	-	1,937
	20,239	34,940	55,179

c) Amortised Cost

	2020		
	Quoted	Unquoted	Total
By Issuer			
State of Qatar Debt Securities	7,500,920	-	7,500,920
Other Debt Securities	253,668	387,344	641,012
Net impairment loss	(6,902)	(18)	(6,920)
	7,747,686	387,326	8,135,012
By Interest Rate			
Fixed Rate Securities	7,747,686	387,326	8,135,012
Floating Rate Securities	-	-	-
	7,747,686	387,326	8,135,012

d) Movement in ECL / impairment losses on investment securities

	2021	2020
Balance at 1 January	6,920	25,387
Provision for impairment loss created during the year	1,194	126
Write off during the year	-	(18,593)
Balance at 31 December	**8,114**	6,920

12. Investment in an associate

	2021	2020
Balance at 1 January	10,176	10,478
Foreign currency translation	(183)	(252)
Share of results	765	(50)
Cash dividend	-	-
Balance at 31 December	**10,758**	10,176

The financial position and results of the associate based on management accounts, as at and for the year ended 31 December are as follows:

31 December	2021	2020
Total assets	68,089	52,978
Total liabilities	52,473	39,079
Total revenue	14,415	11,086
Profit / (loss)	1,738	(114)
Share of profit / (loss)	765	(50)

13. Property, furniture and equipment

	2021				
	Land and buildings	Leasehold improvements	Furniture and equipment	Vehicles	Total
Cost:					
Balance as at 1 January	1,061,494	204,832	557,610	12,647	1,836,583
Additions / transfers	29,005	1,434	31,447	2,299	64,185
Capitalization WIP	15,976	-	-	-	15,976
Disposals / write-off	-	(10)	(1,456)	-	(1,466)
	1,106,475	206,256	587,601	14,946	1,915,278
Depreciation:					
Balance at 1 January	425,001	179,516	509,440	8,414	1,122,371
Depreciation	70,247	10,170	23,695	988	105,100
Disposals / write-off		(10)	(1,456)	-	(1,466)
	495,248	189,676	531,679	9,402	1,226,005
Net Book Value as at 31 December 2021	611,227	16,580	55,922	5,544	689,273

	2020				
	Land and buildings	Leasehold improvements	Furniture and equipment	Vehicles	Total
Cost:					
Balance as at 1 January	974,924	201,845	541,539	12,360	1,730,668
Additions / transfers	45,240	2,987	16,851	1,497	66,575
Capitalization WIP	41,518	-	-	-	41,518
Disposals/Write-off	(188)	-	(780)	(1,210)	(2,178)
	1,061,494	204,832	557,610	12,647	1,836,583
Depreciation:					
Balance at 1 January	355,067	167,995	476,841	7,168	1,007,071
Depreciation	69,934	11,521	33,379	2,456	117,290
Disposals/Write-off	-	-	(780)	(1,210)	(1,990)
	425,001	179,516	509,440	8,414	1,122,371
Net Book Value as at 31 December 2020	636,493	25,316	48,170	4,233	714,212

The Group leases branches, ATM machines, vehicles and computer equipment. Information about leases for which the Group is a lessee is presented below.

	Land and buildings	Furniture and equipment	Vehicles	Total
At 31 December 2021				
Right-of-use asset at 1 January	**152,040**	**642**	**3,405**	**156,087**
Additions	**57,521**	**926**	**2,299**	**60,746**
Depreciation charge for the year	**(38,567)**	**(720)**	**(743)**	**(40,030)**
Balance at 31 December	**170,996**	**847**	**4,960**	**176,803**

	Land and buildings	Furniture and equipment	Vehicles	Total
At 31 December 2020				
Right-of-use asset at 1 January	141,960	1,354	4,686	148,000
Additions	45,212	616	869	46,697
Depreciation charge for the year	(35,132)	(1,328)	(2,150)	(38,610)
Balance at 31 December	152,040	642	3,405	156,087

14. Other assets

	2021	2020
Prepaid expenses	**41,181**	42,316
Repossessed collateral*	**102,381**	102,381
Positive fair value of derivatives (Note 34)	**60,058**	150,166
Deferred tax asset	**139,190**	177,850
Sundry debtors	**523**	52,857
Collateral margin	**891,179**	1,328,759
Others	**166,234**	275,424
	1,400,746	2,129,753

*This represents the value of the properties acquired in settlement of debts. The fair values of these properties as at 31 December 2021 are not materially different from the carrying values.

15. Due to banks

	2021	2020
Balances due to central banks	**-**	3,194,244
Current accounts	**259,743**	81,357
Short-term loan from banks	**17,034,053**	9,073,640
Repo borrowings	**5,208,949**	10,669,299
Interest payable	**8,646**	18,224
	22,511,391	23,036,764

16. Customer deposits

a) By type

	2021	2020
Current and call deposits	**9,572,294**	9,197,448
Saving deposits	**2,830,856**	2,957,812
Time deposits	**37,671,783**	42,654,395
Interest payable	**281,016**	244,341
	50,355,949	55,053,996

b) By sector

	2021	2020
Government and semi government agencies	**15,041,513**	20,136,392
Individuals	**11,373,288**	12,429,260
Corporates	**22,902,486**	21,330,838
Non-banking financial institutions	**757,646**	913,165
Interest payable	**281,016**	244,341
	50,355,949	55,053,996

17. Debt securities

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

	2021	2020
Senior guaranteed notes	**1,880,436**	327,430
Interest payable	**11,298**	778
	1,891,734	328,208

Note

During current year, the Group issued USD 510 million (2020: USD 63 million) and JPY 1.0 billion (2020: JPY 3.0 billion) senior unsecured debt under its updated EMTN programme. Interest on these ranges from 0.62% to 2.38% (2020: 0.35 %to 1.5%).

18. Other borrowings

	2021	2020
Term loan facilities	**9,720,419**	8,200,026
Interest payable	**17,102**	17,167
	9,737,521	8,217,193

Interest on these ranges from 0.72% to 1.79% (2020: 0.74% to 1.73%).

The table below shows the maturity profile of other borrowings.

	2021	2020
Up to 1 year	**2,930,639**	5,806,659
Between 1 and 3 years	**6,260,740**	2,410,534
More than 3 years	**546,142**	-
	9,737,521	8,217,193

19. Other liabilities

	2021	2020
Accrued expense payable	**65,964**	63,044
Provision for end of service benefits (note-i)	**147,963**	137,453
Staff provident fund	**41,508**	41,975
Tax payable	**3,713**	1,146
Negative fair value of derivatives (note 34)	**542,937**	909,986
Unearned income	**143,404**	129,632
Cash margins	**407,701**	389,962
Dividend payable	**31,472**	45,503
Unclaimed balances	**16,966**	13,245
Proposed transfer to social and sport fund	**17,594**	17,576
Lease liabilities (note-ii)	**177,230**	153,599
Allowance for Impairment for loan commitments and financial guarantees	**357,572**	208,658
Others*	**396,659**	997,762
Total	**2,350,683**	3,109,541

*This includes acceptances pertaining to trade finance amounting to QAR 98 million (2020: QAR 158 million).

Note-i

Provision for end of service benefits

	2021	2020
Balance at 1 January	**137,453**	143,039
Provision for the year	**20,455**	11,892
Provisions used during the year	**(9,944)**	(17,478)
Balance at 31 December	**147,963**	137,453

Note-ii

Lease liabilities include current and non-current liabilities amounting to QAR 11.1 million (2020: QAR 4.7 million) and QAR 166.1 million (2020: 148.9 million), respectively.

20. Equity

a. Share capital

	Ordinary shares	
	2021	2020
Authorised number of ordinary shares (in thousands)		
On issue at the beginning of the reporting year	**3,100,467**	3,100,467
On issue at 31 December	**3,100,467**	3,100,467

At 31 December 2021, the authorised share capital comprised 3,100,467 thousands ordinary shares (2020: 3,100,467 thousands). These instruments have a par value of QAR 1 (2020: QAR 1). 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 the Bank 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.

The Group has transferred QAR 180 million to its risk reserve during the year ended 31 December 2021 (2020: Nil).

d. Fair value reserve

This reserve comprises the fair value changes recognised on fair value through other comprehensive income (FVOCI) financial assets.

	Total 2021	Total 2020
Balance as at 1 January	**152,992**	155,043
Impact of revaluation	**(242,934)**	633,884
Reclassified to income statement	**253,635**	(635,935)
Net Movement during the Year	**10,701**	(2,051)
Balance as at 31 December *	**163,693**	152,992

*Includes net realised loss on equity investments classified as FVOCI.

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 7.5% of the paid up share capital amounting to QAR 232.5 million - QAR 0.075 per share for the year ended 31 December 2021 (2020: 7.5% of the paid up share capital amounting to QAR 232.5 million - QAR 0.075 per share) which is subject to approval at the Annual General Meeting of the shareholders.

g. Instrument eligible as additional capital

	2021	2020
Issued on 31 December 2013	**2,000,000**	2,000,000
Issued on 30 June 2016	**2,000,000**	2,000,000
	4,000,000	4,000,000

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.

21. Interest income

	2021	2020
Balance with central banks	**18,561**	12,237
Due from banks and non-banking financial institutions	**53,578**	63,736
Debt securities	**759,476**	858,280
Loans and advances to customers	**2,725,960**	2,809,517
	3,557,575	3,743,770

The amounts reported above include interest income, calculated using the effective interest method that relate to the following items:

	2021	2020
Financial assets measured at amortised cost	**3,108,645**	3,213,903
Financial assets measured at fair value	**448,930**	529,867
Total	**3,557,575**	3,743,770

22. Interest expense

	2021	2020
Due to banks	235,548	529,568
Customer deposits	699,000	874,923
Debt securities	34,959	15,619
Others	2,883	3,869
	972,390	1,423,979

Others represent interest expense related to leased assets.

23. Fee and commission income

	2021	2020
Credit related fees	36,326	54,543
Brokerage fees	1,744	1,346
Bank services fee	302,802	248,472
Commission on unfunded facilities	107,466	101,287
Others	12,018	10,786
	460,355	416,434

24. Fee and commission expense

	2021	2020
Bank fees	661	556
Card related fees	150,329	105,659
Others	6,236	5,879
	157,226	112,094

25. Net foreign exchange gain

	2021	2020
Dealing in foreign currencies	8,541	9,381
Revaluation of assets and liabilities	145,081	96,462
	153,622	105,843

26. Net income from investment securities

	2021	2020
Net gain from sale of investments measured at FVOCI	16,501	150,431
Dividend income	24,261	28,206
Changes in fair value of investment securities measured at FVTPL	(8,750)	5,040
	32,012	183,677

27. Other operating income

	2021	2020
Rental income	12,007	11,807
Others	27,560	8,414
	39,567	20,221

28. Staff costs

	2021	2020
Staff cost	439,658	423,404
Staff pension fund costs	5,150	4,869
End of service benefits	20,455	11,892
Training	1,642	1,069
	466,905	441,234

29. Other expenses

	2021	2020
Advertising	7,313	19,001
Professional fees	35,143	31,352
Communication and insurance	43,460	48,780
Board of Directors' remuneration	17,423	12,697
Occupancy and maintenance	35,658	31,925
Computer and IT costs	52,421	51,352
Printing and stationery	3,833	6,271
Travel and entertainment costs	1,088	1,595
Others	107,572	106,146
	303,911	309,119

30. Tax expense

	2021	2020
Current tax expense		
Current year	**3,881**	1,269
	3,881	1,269
Deferred tax expense		
Temporary differences	**38,664**	-
Income tax expense	**42,545**	1,269

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 coupons on Tier 1 capital notes) of the Bank by the weighted average number of ordinary shares in outstanding during the year:

	2021	2020
Profit for the year attributable to the equity holders of the Group	**703,774**	703,024
Deduct: Interest on Tier 1 capital notes	**-**	(203,000)
Net profit attributable to equity holders of the Group	**703,774**	500,024
Weighted average number of outstanding shares (in thousands)	**3,100,467**	3,100,467
Basic and diluted earnings per share (QAR)	**0.23**	0.16

Had the Group obtained QCB approval for the Tier 1 capital notes before the reporting period end, the earnings per share would have been as follows:

	2021	2020
Net profit attributable to equity holders of the Group	**703,774**	500,024
Deduct: Interest on Tier 1 capital notes subject to QCB approval	**(196,500)**	-
Adjusted net profit attributable to equity holders of the Group	**507,274**	500,024
Weighted average number of outstanding shares (in thousands)	**3,100,467**	3,100,467
Basic and diluted earnings per share (QAR)	**0.16**	0.16

The weighted average number of shares are as follows:

	2021	2020
In thousands of shares		
Weighted average number of shares at 31 December	**3,100,467**	3,100,467

32. Contingent liabilities and other commitments

	2021	2020
Contingent liabilities		
Unused facilities	**829,152**	1,093,753
Guarantees	**11,166,636**	12,392,098
Letters of credit	**2,940,328**	3,670,942
Others	**25,708**	59,694
	14,961,824	17,216,487
Other commitments		
Forward foreign exchange contracts	**5,656,968**	9,604,548
Interest rate swaps	**6,895,585**	6,604,533
	12,552,553	16,209,081
Total	**27,514,377**	33,425,568

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.

33. Cash and cash equivalents

	2021	2020
Cash and balances with central banks*	**3,555,318**	4,755,276
Due from banks and other financial institutions maturing within 3 months	**3,802,982**	2,246,470
	7,358,300	7,001,746

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

34. Derivatives

	Positive fair value	Negative fair value	Notional Amount	Notional / expected amount by term to maturity within 3 months	12 - 3 months	5-1 years	More than 5 years
At 31 December 2021:							
Derivatives held for trading:							
Forward foreign exchange contracts	**25,492**	**35,979**	**5,656,968**	**3,777,066**	**1,481,378**	**398,524**	**-**
Derivatives held for fair value hedges:							
Interest rate swaps	**34,566**	**506,958**	**6,895,585**	**844,687**	**109,245**	**2,710,368**	**3,231,285**
Total	**60,058**	**542,937**	**12,552,553**	**4,621,753**	**1,590,623**	**3,108,892**	**3,231,285**

	Positive fair value	Negative fair value	Notional Amount	Notional / expected amount by term to maturity within 3 months	12 - 3 months	5-1 years	More than 5 years
At 31 December 2020:							
Derivatives held for trading:							
Forward foreign exchange contracts	92,466	15,058	9,604,548	7,296,520	1,946,330	36,698	-
Derivatives held for fair value hedges:							
Interest rate swaps	57,700	894,928	6,604,533	-	182,075	3,096,590	3,325,868
Total	150,166	909,986	16,209,081	7,296,520	2,128,405	3,458,288	3,325,868

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:

	2021	2020
Assets:		
Loans and advances to customers	**1,727,319**	1,824,272
Liabilities:		
Customer deposits	**131,622**	669,281
Unfunded items:		
Contingent liabilities and other commitments	**551,807**	600,477
Other assets	**8,305**	8,305
Income statement items:		
Interest, commission and other income	**54,112**	57,078
Interest, commission and other expense	**15,882**	19,724

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

Key management personnel (including Board of Directors) compensation for the year comprised:

	2021	2020
Salaries and other benefits	**62,876**	51,597
End of service indemnity benefits and provident fund	**1,778**	1,298
	64,654	52,895

36. Impact of COVID-19

The coronavirus ("COVID-19") pandemic has spread across various geographies globally, causing disruption to business and economic activities. COVID-19 has brought about uncertainties in the global economic environment. The fiscal and monetary authorities, both domestic and international, have announced various support measures across the globe to counter possible adverse implications.

The Bank is closely monitoring the situation and has activated its business continuity planning and other risk management practices to manage the potential business disruption the COVID-19 outbreak may have on its operations and financial performance.

(a) Expected credit losses

The Bank has performed an assessment of COVID-19 which has resulted in changes to the expected credit loss methodology and valuation estimates and judgements as at and for the year ended 31 December 2021. These are disclosed in note 4(b)(v).

(b) Valuation estimates and judgements

The Bank has considered potential impacts of the current economic volatility in determination of the reported amounts of the Bank's financial and non-financial assets and these are considered to represent management's best assessment based on observable information. Markets however remain volatile and the recorded amounts remain sensitive to market fluctuations.

The impact of such uncertain economic environment is judgmental and the Bank will continue to reassess its position and the related impact on a regular basis.

As with any economic forecasts, the projections and likelihoods of the occurrence are subject to a high degree of inherent uncertainty and therefore the actual outcomes may be significantly different to those projected.

(c) Accounting for modified loans and advances

As part of QCB support program as detailed above, the Bank has deferred payments on lending facilities for those companies that qualify as affected sectors. The payment reliefs are considered as short-term liquidity support to address the borrowers' potential cash flow issues. The Bank has effected the payment reliefs by deferring the installments with no additional costs to be borne by the customer. The accounting impact of these changes in terms of the credit facilities has been assessed and accounted for in accordance with the requirements of IFRS 9 as a modification of loan arrangement in interest income.

(d) Accounting for zero rate repo facilities

The QCB has advised banks to extend new financing to affected sectors at reduced rates, which is to be supported by zero-cost repo facilities from QCB, and extended guarantees from the government of the State of Qatar to local banks to support these affected sectors. The benefit arising out of the zero rate repos was not considered to be material for the period.

37. Comparative information

Certain comparative information has been reclassified where necessary to preserve consistency with the presentation in the current period. However, such reclassifications did not have any effect on the statement of income or the consolidated equity of the Group for the comparative year.

Doha Bank Q.P.S.C.

FINANCIAL STATEMENTS OF THE PARENT
SUPPLEMENTARY INFORMATION TO THE FINANCIAL STATEMENTS

QAR '000s

Statement of Financial Position – Parent Bank

As at 31 December	2021	2020
ASSETS		
Cash and balances with central banks	**5,887,367**	6,895,185
Due from banks	**5,329,813**	3,619,175
Loans and advances to customers	**62,667,285**	65,450,036
Investment securities	**24,990,548**	24,617,229
Investment in subsidiary & an associate	**110,758**	110,176
Property, furniture and equipment	**689,157**	713,392
Other assets	**1,352,527**	2,077,622
TOTAL ASSETS	**101,027,455**	103,482,815
LIABILITIES		
Due to banks	**22,511,391**	23,036,764
Customer deposits	**50,378,757**	55,097,695
Debt securities	**1,891,734**	328,208
Other borrowings	**9,737,521**	8,217,193
Other liabilities	**2,257,102**	3,013,534
TOTAL LIABILITIES	**86,776,505**	89,693,394
EQUITY		
Share capital	**3,100,467**	3,100,467
Legal reserve	**5,080,853**	5,080,853
Risk reserve	**1,029,600**	849,600
Fair value reserves	**162,985**	151,973
Foreign currency translation reserve	**(65,550)**	(62,587)
Retained earnings	**942,595**	669,115
TOTAL EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE BANK	**10,250,950**	9,789,421
Instrument eligible as additional capital	**4,000,000**	4,000,000
TOTAL EQUITY	**14,250,950**	13,789,421
TOTAL LIABILITIES AND EQUITY	**101,027,455**	103,482,815

Income Statement – Parent Bank

QAR '000s

	2021	2020
Interest income	**3,557,575**	3,743,770
Interest expense	**(972,774)**	(1,425,150)
Net interest income	**2,584,801**	2,318,620
Fee and commission income	**460,355**	416,434
Fee and commission expense	**(157,226)**	(112,094)
Net fee and commission income	**303,129**	304,340
Net foreign exchange gain	**153,622**	105,843
Net income from investment securities	**31,824**	183,657
Other operating income	**39,463**	21,273
	224,909	310,773
Net operating income	**3,112,839**	2,933,733
Staff costs	**(454,758)**	(430,948)
Depreciation	**(104,396)**	(115,368)
Net impairment reversal / (loss) on investment securities	**14,918**	(34,680)
Net impairment loss on loans and advances to customers	**(1,419,481)**	(1,368,742)
Net impairment (loss) / reversal on other financial assets	**(80,422)**	38,299
Other expenses	**(323,309)**	(326,082)
	(2,367,448)	(2,237,521)
Profit before tax	**745,391**	696,212
Income tax expense	**(42,545)**	(1,269)
Profit	**702,846**	694,943

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