



**Condensed Consolidated Interim Financial Statements**

**30 September 2021**

**Doha Bank Q.P.S.C.**

**Condensed Consolidated Interim Financial Statements  
30 September 2021**

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**Independent auditor's report on review of condensed consolidated interim financial statements to the Board of Directors of Doha Bank Q.P.S.C.**

**Introduction**

We have reviewed the accompanying 30 September 2021 condensed consolidated interim financial statements of Doha Bank Q.P.S.C. (the 'Bank') and its subsidiaries (together the 'Group'), which comprise:

- the condensed consolidated statement of financial position as at 30 September 2021;
- the condensed consolidated income statement for the three and nine month periods ended 30 September 2021;
- the condensed consolidated statement of comprehensive income for the three and nine month periods ended 30 September 2021;
- the condensed consolidated statement of changes in equity for the nine month period ended 30 September 2021;
- the condensed consolidated statement of cash flows for the nine month period ended 30 September 2021; and
- notes to the condensed consolidated interim financial statements.

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

**Scope of Review**

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

**Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the accompanying 30 September 2021 condensed consolidated interim financial statements are not prepared, in all material respects, in accordance with IAS 34.

26 October 2021  
Doha  
State of Qatar



  
Gopal Balasubramaniam  
KPMG

Qatar Auditor's Registry Number 251  
Licensed by QFMA: External Auditor's  
License No. 120153

Doha Bank Q.P.S.C.

Condensed consolidated statement of financial position  
As at 30 September 2021

QAR '000

	Notes	30 September 2021 Reviewed	30 September 2020 Reviewed	31 December 2020 Audited
<b>Assets</b>				
Cash and balances with central banks		6,102,309	9,468,433	6,895,185
Due from banks		5,826,422	4,963,940	3,673,577
Loans and advances to customers	7	64,835,924	63,133,554	65,450,036
Investment securities	8	24,526,313	25,419,409	24,667,333
Investment in an associate		10,002	10,132	10,176
Property, furniture and equipment	9	682,487	675,847	685,756
Other assets		1,436,738	2,785,393	2,158,209
<b>Total assets</b>		<b>103,420,195</b>	<b>106,456,708</b>	<b>103,540,272</b>
<b>Liabilities</b>				
Due to banks		15,803,311	25,760,407	23,036,764
Customer deposits		59,891,274	55,822,297	55,053,996
Debt securities	10	1,913,575	866,818	328,208
Other borrowings	11	8,981,731	7,046,757	8,217,193
Other liabilities		2,378,061	3,195,967	3,109,541
<b>Total liabilities</b>		<b>88,967,952</b>	<b>92,692,246</b>	<b>89,745,702</b>
<b>Equity</b>				
Share capital	12	3,100,467	3,100,467	3,100,467
Legal reserve		5,094,574	5,092,948	5,094,574
Risk reserve		849,600	849,600	849,600
Fair value reserve		154,197	(164,695)	152,992
Foreign currency translation reserve		(65,391)	(64,078)	(62,587)
Retained earnings		1,318,796	950,220	659,524
<b>Total equity attributable to shareholders of the Bank</b>		<b>10,452,243</b>	<b>9,764,462</b>	<b>9,794,570</b>
Instruments eligible as additional Tier 1 capital	13	4,000,000	4,000,000	4,000,000
<b>Total equity</b>		<b>14,452,243</b>	<b>13,764,462</b>	<b>13,794,570</b>
<b>Total liabilities and equity</b>		<b>103,420,195</b>	<b>106,456,708</b>	<b>103,540,272</b>

The condensed consolidated interim financial statements were approved by the Board of Directors on 26 October 2021 and were signed on its behalf by:

  
Fahad Bin Mohammad Bin Jabor Al Thani  
Chairman  
26 OCT 2021

  
Abdul Rahman Bin Mohammad Bin Jabor Al Thani  
Managing Director



  
Dr. Raghavan Peetharaman  
Group Chief Executive Officer

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

Doha Bank Q.P.S.C.

Condensed consolidated income statement  
For the three and nine month periods ended 30 September 2021

QAR '000

Note	Three month period ended		Nine month period ended	
	30 September 2021 Reviewed	September 2020 Reviewed	30 September 2021 Reviewed	September 2020 Reviewed
Interest income	913,049	930,745	2,686,077	2,866,288
Interest expense	(246,792)	(300,472)	(750,755)	(1,164,538)
<b>Net interest income</b>	<b>666,257</b>	<b>630,273</b>	<b>1,935,322</b>	<b>1,701,750</b>
Fee and commission income	119,625	107,249	336,865	329,528
Fee and commission expense	(40,447)	(28,344)	(114,931)	(82,683)
<b>Net fee and commission income</b>	<b>79,178</b>	<b>78,905</b>	<b>221,934</b>	<b>246,845</b>
Gross written premium	9,558	8,774	32,725	32,632
Premium ceded	1,152	1,263	(2,035)	(3,068)
Net claims paid	(7,597)	(6,158)	(25,098)	(17,685)
<b>Net income from insurance activities</b>	<b>3,113</b>	<b>3,879</b>	<b>5,592</b>	<b>11,879</b>
Net foreign exchange gain	38,476	16,057	115,256	75,715
Income from investment securities	(13,430)	48,491	40,034	139,128
Other operating income	5,578	4,131	25,501	11,977
	<b>30,624</b>	<b>68,679</b>	<b>180,791</b>	<b>226,820</b>
<b>Net operating income</b>	<b>779,172</b>	<b>781,736</b>	<b>2,343,639</b>	<b>2,187,294</b>
Staff costs	(117,670)	(107,039)	(346,244)	(336,241)
Depreciation	(25,833)	(28,067)	(77,085)	(86,190)
Net impairment reversal / (loss) on investment securities	409	7,388	9,890	(44,156)
Net impairment loss on loans and advances to customers	(289,709)	(293,351)	(821,572)	(680,651)
Net impairment reversal / (loss) on other financial assets	12,023	2,379	22,185	(14,562)
Other expenses	(80,825)	(91,864)	(235,200)	(252,856)
	<b>(501,605)</b>	<b>(510,554)</b>	<b>(1,448,026)</b>	<b>(1,414,656)</b>
<b>Profit before tax</b>	<b>277,567</b>	<b>271,182</b>	<b>895,613</b>	<b>772,638</b>
Income tax expense	(109)	(379)	(3,806)	(1,120)
<b>Profit</b>	<b>277,458</b>	<b>270,803</b>	<b>891,807</b>	<b>771,518</b>
<b>Earnings per share</b>				
Basic and diluted earnings per share (QAR per share)	15 <b>0.09</b>	0.09	<b>0.29</b>	0.25



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

Doha Bank Q.P.S.C.

Condensed consolidated statement of comprehensive income  
For the three and nine month periods ended 30 September 2021

QAR '000

Note	Three month period ended		Nine month period ended	
	30 September 2021 Reviewed	30 September 2020 Reviewed	30 September 2021 Reviewed	30 September 2020 Reviewed
<b>Profit</b>	<b>277,458</b>	270,803	<b>891,807</b>	771,518
<b>Other comprehensive income</b>				
<b>Items that are or may be subsequently reclassified to income statement:</b>				
Foreign currency translation differences for foreign operations	26	3,918	(2,804)	(5,232)
<i>Movement in fair value reserve (debt instruments):</i>				
Net change in fair value	(50,188)	127,919	(247,828)	440,007
Net amount transferred to consolidated statement of income	34,390	38,008	212,354	(747,606)
	(15,772)	169,845	(38,278)	(312,831)
<b>Items that will not be reclassified subsequently to statement of income</b>				
Net change in fair value of equity investments designated at FVOCI	8,964	39,306	36,679	(12,139)
<b>Other comprehensive (loss) / income</b>	<b>(6,808)</b>	209,151	<b>(1,599)</b>	(324,970)
<b>Total comprehensive income</b>	<b>270,650</b>	479,954	<b>890,208</b>	446,548

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Doha Bank Q.P.S.C.

Condensed consolidated statement of changes in equity  
For the nine month period ended 30 September 2021

QAR '000

Equity attributable to shareholders of the Bank

	Share capital	Legal Reserve	Risk reserve	Fair value reserve	Foreign currency 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
<i>Total comprehensive income:</i>									
Profit	-	-	-	-	-	891,807	891,807	-	891,807
Other comprehensive loss	-	-	-	1,205	(2,804)	-	(1,599)	-	(1,599)
Total comprehensive loss	-	-	-	1,205	(2,804)	891,807	890,208	-	890,208
<i>Transactions with shareholders:</i>									
Dividends paid (Note 14)	-	-	-	-	-	(232,535)	(232,535)	-	(232,535)
<b>Balance at 30 September 2021 (Reviewed)</b>	<b>3,100,467</b>	<b>5,094,574</b>	<b>849,600</b>	<b>154,197</b>	<b>(65,391)</b>	<b>1,318,796</b>	<b>10,452,243</b>	<b>4,000,000</b>	<b>14,452,243</b>
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
<i>Total comprehensive income:</i>									
Profit	-	-	-	-	-	771,518	771,518	-	771,518
Other comprehensive loss	-	-	-	(319,738)	(5,232)	-	(324,970)	-	(324,970)
Total comprehensive income	-	-	-	(319,738)	(5,232)	771,518	446,548	-	446,548
<i>Transactions with shareholders:</i>									
Dividends paid (Note 14)	-	-	-	-	-	-	-	-	-
<b>Balance at 30 September 2020 (Reviewed)</b>	<b>3,100,467</b>	<b>5,092,948</b>	<b>849,600</b>	<b>(164,695)</b>	<b>(64,078)</b>	<b>950,220</b>	<b>9,764,462</b>	<b>4,000,000</b>	<b>13,764,462</b>

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

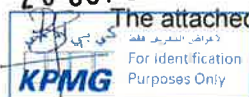
Doha Bank Q.P.S.C.

Condensed consolidated statement of cash flows  
For the nine month period ended 30 September 2021

QAR '000

	Nine month period ended		Year ended
	30 September 2021	30 September 2020	31 December 2020
Note	Reviewed	Reviewed	Audited
<b>Cash flows from operating activities</b>			
Profit before tax	895,613	772,638	704,293
Adjustments for:			
Net impairment loss on loans and advances to customers	821,572	680,651	1,368,742
Net impairment (reversal) / loss on investment securities	(9,890)	44,156	34,680
Net impairment (reversal) / loss on other financial instruments	(22,185)	14,562	(38,299)
Depreciation	77,085	86,190	117,290
Amortisation of financing cost	14,692	19,639	24,995
Net gain on disposal of investment securities (Profit) / loss on sale of property, furniture and equipment	(19,188)	(115,301)	(155,471)
Share of results of an associate	(13)	(22)	171
	-	-	50
<b>Profits before changes in operating assets and liabilities</b>	<b>1,757,686</b>	<b>1,502,513</b>	<b>2,056,451</b>
Change in due from banks	(760,544)	2,525,159	2,795,095
Change in loans and advances to customers	(236,930)	(285,919)	(3,283,569)
Change in other assets	721,471	(1,216,674)	(589,490)
Change in due to banks	(7,233,453)	1,723,459	(1,000,184)
Change in customer deposits	4,837,278	(2,641,536)	(3,409,837)
Change in other liabilities	(506,970)	584,376	277,281
Social and sports fund contribution	(17,576)	(18,848)	(18,848)
Income tax paid	(1,254)	(1,560)	(1,560)
<b>Net cash (used in) / from operating activities</b>	<b>(1,440,292)</b>	<b>2,170,970</b>	<b>(3,174,661)</b>
<b>Cash flows from investing activities</b>			
Acquisition of investment securities	(5,093,333)	(4,733,622)	(5,064,170)
Proceeds from sale of investment securities	5,264,810	5,626,551	7,076,464
Net acquisition of property, furniture and equipment	(31,451)	(9,005)	(19,879)
Proceeds from sale of property, furniture and equipment	13	22	17
<b>Net cash from investing activities</b>	<b>140,039</b>	<b>883,946</b>	<b>1,992,432</b>
<b>Cash flows from financing activities</b>			
Proceeds from other borrowings	764,538	187,708	1,358,144
Proceeds from / (repayment of) issue of debt securities	1,570,675	374,120	(169,846)
Distribution on Tier 1 capital notes	(203,000)	(220,000)	(203,000)
Dividends paid	(232,535)	-	-
<b>Net cash from financing activities</b>	<b>1,899,678</b>	<b>341,828</b>	<b>985,298</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>			
	<b>599,425</b>	<b>3,396,744</b>	<b>(196,931)</b>
Cash and cash equivalents at the beginning of the period / year	<b>7,001,746</b>	<b>7,198,677</b>	<b>7,198,677</b>
<b>Cash and cash equivalents at the end of the period / year</b>	<b>7,601,171</b>	<b>10,595,421</b>	<b>7,001,746</b>
	17		
<b>Operational cash flows from interest and dividend:</b>			
Interest received	2,672,997	2,868,628	3,753,833
Interest paid	746,745	1,310,968	1,642,954
Dividends received	20,846	23,827	28,206

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



**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 Doha (Qatar) and has 24 local branches, six overseas branches in the United Arab Emirates (Dubai & Abu Dhabi), State of Kuwait, 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 condensed consolidated interim financial statements for the nine month period ended 30 September 2021 comprises of the Bank and its subsidiaries (together referred to as "the Group").

The principal subsidiaries of the Group are as follows:

Company's name	Country of incorporation	Company's capital	Company's activities	Percentage of ownership	
				30 September 2021	30 September 2020
Sharq Insurance L.L.C (formerly Doha Bank Assurance Company 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%

**2. Basis of preparation****(a) Statement of compliance**

The condensed consolidated interim financial statements have been prepared in accordance with IAS 34, Interim Financial Reporting.

The condensed consolidated interim financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Group's annual consolidated financial statements as at and for the year ended 31 December 2020. The results for the nine month period ended 30 September 2021 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2021.

**(b) Estimates and judgements**

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

In preparing the condensed consolidated interim financial information, significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that were applied to the consolidated financial statements as at and for the year ended 31 December 2020.

**(c) Financial risk management**

The Group's financial risk management objectives and policies are consistent with those disclosed in the consolidated financial statements as at and for the year ended 31 December 2020.

**3. Significant accounting policies**

The accounting policies and methods of computation adopted in the preparation of the condensed consolidated interim financial statements are the same as those followed in the preparation of the Group's consolidated financial statements as at and for the year ended 31 December 2020, except as noted below:

During the period, the following IFRS Standards and amendments to IFRS Standards have been applied by the Group in preparation of these condensed consolidated interim financial statements. The adoption of the below IFRS Standards and amendments to IFRS Standards did not result in changes to previously reported net profit or equity of the Group.

**a) New IFRS Standards adopted by 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)

**Interest Rate Benchmark Reform – Phase 2 amendments**

Effective from 1 January 2021, the Group has implemented Interest Rate Benchmark Reform - Phase 2 amendments which address issues that might affect financial reporting as a result of the reform of an interest rate benchmark, including 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 amendments provide practical relief from certain requirements in IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 relating to changes in the basis for determining contractual cash flows of financial assets, financial liabilities and lease liabilities and hedge accounting.

The amendments require an entity to account for a change in the basis for determining the contractual cash flows of a financial asset or financial liability that is required by interest rate benchmark reform by updating the effective interest rate of the financial asset or financial liability. In addition it provides certain exceptions to hedge accounting requirements.

The Group is in discussion with counterparties in relation to exposure to cash flow and fair value hedges and non-derivative financial assets and liabilities linked to Inter Bank Offered Rate maturing beyond the year 2021. Management is running a project on the Group's transition activities and preparedness for adopting alternate reference rates and continues to engage with various stakeholders to support an orderly transition and to mitigate the risks resulting from the transition.

**b) IFRS Standards and amendments issued but not yet effective**

- Onerous Contracts – Cost of Fulfilling a Contract - Amendments to IAS 37 (Effective on 1 January 2022)
- Property, Plant and Equipment: Proceeds before Intended Use - Amendments to IAS 16 (Effective on 1 January 2022)
- Reference to the Conceptual Framework - Amendments to IFRS 3 (Effective on 1 January 2022)
- Annual Improvements to IFRS Standards 2018 – 2020 (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" (Effective on 1 January 2023)

The Group is currently evaluating the impact of these new IFRS Standards. The Group will adopt these new IFRS Standards on their effective dates.

## 4. Financial Risk Management

The Group's financial risk management objectives and policies are consistent with those disclosed in the consolidated financial statements as at and for the year ended 31 December 2020, except as discussed in note 20.

## (a) Exposure and related ECL movements

	30 September 2021 (Reviewed)				30 September 2020 (Reviewed)
	Stage 1	Stage 2	Stage 3	Total	Total
<b>Gross exposures subject to ECL – as at 30 September</b>					
- Loans and advances to customers	44,925,994	19,422,791	3,985,401	68,334,186	67,358,737
- Investment securities (debt)	23,434,221	224,795	19,536	23,678,552	24,918,398
- Loan commitments and financial guarantees	12,096,399	3,550,531	834,009	16,480,939	17,511,195
- Due from banks and balances with central Banks	10,268,651	1,007,806	-	11,276,457	13,846,897
	<b>90,725,265</b>	<b>24,205,923</b>	<b>4,838,946</b>	<b>119,770,134</b>	123,635,227
<b>Opening balance of ECL / impairment - as at 1 January</b>					
- Loans and advances to customers*	138,241	988,162	2,221,405	3,347,808	5,129,571
- Investment securities (debt)	8,904	42,433	6,474	57,811	41,724
- Loan commitments and financial guarantees	15,125	22,226	171,307	208,658	244,286
- Due from banks and balances with central Banks	1,704	310	-	2,014	8,518
	<b>163,974</b>	<b>1,053,131</b>	<b>2,399,186</b>	<b>3,616,291</b>	5,424,099
<b>Net charge and transfers for the period (net of foreign currency translation)</b>					
- Loans and advances to customers*	(16,120)	101,134	1,262,078	1,347,092	1,018,237
- Investment securities (debt)	529	(10,419)	-	(9,890)	44,156
- Loan commitments and financial guarantees	(6,245)	(8,165)	(10,469)	(24,879)	6,975
- Due from banks and balances with central Banks	927	1,767	-	2,694	6,276
	<b>(20,909)</b>	<b>84,317</b>	<b>1,251,609</b>	<b>1,315,017</b>	1,075,644
<b>Write offs and other transfers during the period</b>					
- Loans and advances to customers*	-	-	(1,196,638)	(1,196,638)	(1,922,625)
- Investment securities (debt)	-	-	-	-	(18,558)
- Loan commitments and financial guarantees	-	-	28,467	28,467	(3,345)
- Due from banks and balances with central Banks	-	-	-	-	-
	-	-	<b>(1,168,171)</b>	<b>(1,168,171)</b>	(1,944,528)
<b>Closing balance of ECL / impairment - as at 30 September</b>					
- Loans and advances to customers*	122,121	1,089,296	2,286,845	3,498,262	4,225,183
- Investment securities (debt)	9,433	32,014	6,474	47,921	67,322
- Loan commitments and financial guarantees	8,880	14,061	189,305	212,246	247,916
- Due from banks and balances with central Banks	2,631	2,077	-	4,708	14,794
	<b>143,065</b>	<b>1,137,448</b>	<b>2,482,624</b>	<b>3,763,137</b>	4,555,215

\* stage 3 provision includes interest in suspense

**Notes to the condensed consolidated interim financial statements  
As at and for the nine month period ended 30 September 2021**

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**5. Operating segments**

The Group organizes and manages its operations by 2 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 facilities and deposits to corporate customers. It also undertakes funding and centralized risk management activities through borrowings, issue of debt securities, use of derivatives for risk management purposes and investing in liquid assets such as short term placements and corporate and government debt securities.
- Retail Banking provides a diversified range of products and services to individuals. The range includes loans, credit cards, deposits and other transactions with retail customers.

**Insurance Activities**

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

Details of each segment as of and for the nine month period ended 30 September 2021 and 30 September 2020 are stated below:  
**For the nine month period ended 30 September 2021**

	Conventional Banking				Total
	Corporate Banking	Retail Banking	Unallocated	Insurance	
Net interest income	1,801,936	133,386	-	-	1,935,322
Net income on insurance activities	-	-	-	5,592	5,592
Net other operating income	248,889	127,896	25,501	439	402,725
Segmental revenue	2,050,825	261,282	25,501	6,031	2,343,639
Total expense				(6,362)	(640,150)
Net impairment loss on loans and advances to customers				-	(821,572)
Impairment reversal on investment securities				-	9,890
Profit for the period				(331)	891,807
<b>As at 30 September 2021</b>					
Assets	90,003,783	5,003,898	8,221,534	180,978	103,410,193
Investment in an associate	-	-	-	-	10,002
Total assets					103,420,195
Liabilities	76,587,075	10,736,026	1,557,454	87,397	88,967,952
Contingent items	16,350,901	130,038	-	-	16,480,939
Intra-group transactions are eliminated from this segmental information (Assets: QAR 136 million and Liabilities: QAR 36 million)					

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5. Operating segments (continued)

For the nine month period ended 30 September  
2020

	Conventional Banking				Total
	Corporate Banking	Retail Banking	Unallocated	Insurance	
Net interest income	1,525,802	175,948	-	-	1,701,750
Net income on insurance activities	-	-	-	11,879	11,879
Net other operating income	321,863	139,277	11,977	548	473,665
Segmental revenue	1,847,665	315,225	11,977	12,427	2,187,294
Total expense				(5,934)	(690,969)
Net impairment loss on loans and advances to customers					(680,651)
Impairment loss on investment securities					(44,156)
Profit for the period				6,493	771,518
As at 31 December 2020					
Assets	88,525,339	5,064,422	9,739,150	201,185	103,530,096
Investment in an associate	-	-	-	-	10,176
Total assets					103,540,272
Liabilities	76,652,730	10,762,410	2,234,526	96,036	89,745,702
Contingent items	17,090,189	66,604	-	-	17,156,793

**6. Fair value of financial instruments****Fair value hierarchy**

All financial instruments for which fair value is recognised or disclosed are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 - Quoted market prices in an active market (that are unadjusted) for identical assets or liabilities

Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For financial instruments that are recognised at fair value on a recurring basis, the Group determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

As at 30 September 2021, the Group held the following classes of financial instruments measured at fair value:

	Level 1	Level 2	Level 3	Total
<b>At 30 September 2021</b>				
<b>Financial assets measured at fair value:</b>				
Investment securities measured at FVOCI	10,460,442	5,076,010	46,816	15,583,268
Investment securities measured at FVTPL	45,907	-	6,346	52,253
<i>Derivative instruments:</i>				
Interest rate swaps	-	86,941	-	86,941
Forward foreign exchange contracts	-	10,051	-	10,051
	<u>10,506,349</u>	<u>5,173,002</u>	<u>53,162</u>	<u>15,732,513</u>
<b>Financial liabilities measured at fair value:</b>				
<i>Derivative instruments:</i>				
Interest rate swaps	-	607,715	-	607,715
Forward foreign exchange contracts	-	40,007	-	40,007
	<u>-</u>	<u>647,722</u>	<u>-</u>	<u>647,722</u>
	Level 1	Level 2	Level 3	Total
<b>At 31 December 2020</b>				
<b>Financial assets measured at fair value:</b>				
Investment securities measured at FVOCI	11,513,998	4,848,510	51,046	16,413,554
Investment securities measured at FVTPL	20,239	-	34,940	55,179
<i>Derivative instruments:</i>				
Interest rate swaps	-	57,700	-	57,700
Forward foreign exchange contracts	-	92,466	-	92,466
	<u>11,534,237</u>	<u>4,998,676</u>	<u>85,986</u>	<u>16,618,899</u>
<b>Financial liabilities measured at fair value:</b>				
<i>Derivative instruments:</i>				
Interest rate swaps	-	894,928	-	894,928
Forward foreign exchange contracts	-	15,058	-	15,058
	<u>-</u>	<u>909,986</u>	<u>-</u>	<u>909,986</u>

During the reporting period ended 30 September 2021, there were no transfers between Level 1 and Level 2 fair value measurements.

**6. Fair value of financial instruments (continued)****Valuation techniques**

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.

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.

**7. Loans and advances to customers**

	<b>30 September 2021 Reviewed</b>	30 September 2020 Reviewed	31 December 2020 Audited
Loans	<b>53,949,944</b>	56,701,410	54,462,315
Overdrafts	<b>14,074,469</b>	10,155,716	13,595,830
Bills discounted	<b>103,448</b>	189,144	190,370
Other*	<b>210,067</b>	317,698	554,021
	<b>68,337,928</b>	67,363,968	68,802,536
Deferred profit	<b>(3,742)</b>	(5,231)	(4,692)
ECL on loans and advances to customers (stage 1 & 2)	<b>(1,211,417)</b>	(1,443,777)	(1,126,403)
Net impairment on loans and advances to customers (Stage 3)	<b>(2,286,845)</b>	(2,781,406)	(2,221,405)
<b>Net loans and advances to customers*</b>	<b>64,835,924</b>	63,133,554	65,450,036

The aggregate amount of non-performing loans and advances to customers at 30 September 2021 amounted to QAR 3,985 million which represents 5.83% of total loans and advances to customers (30 September 2020: QAR 3,794 million, 5.63% of total loans and advances to customers; 31 December 2020: QAR 4,115 million, 5.98% of total loans and advances to customers).

During the period, the Group has written off fully provided non-performing loans amounting to QAR 1,164 million (out of which QAR 261 million is subject to regulatory approval) (30 September 2020: QAR 1,923 million, 31 December 2020: QAR 3,978 million) as per Qatar Central Bank circular no. 68/2011.

Net impairment of loans and advances includes QAR 828 million of interest in suspense (30 September 2020: QAR 946 million; 31 December 2020: QAR 797 million).

\*This includes acceptances pertaining to trade finance activities amounting to QAR 128 million (30 September 2020: QAR 151 million; 31 December 2020: QAR 158 million).

The net impairment loss on loans and advances to customers in the consolidated statement of income includes QAR 148.5 million recovery from the loans & advances previously written off for the period ended 30 September 2021 (30 September 2020: QAR 29.8 million).

**8. Investment securities**

	<b>30 September 2021</b>	30 September 2020	31 December 2020
	<b>Reviewed</b>	Reviewed	Audited
Investment securities measured at FVOCI	<b>15,435,355</b>	16,872,141	16,268,922
Investment securities measured at FVTPL	<b>52,253</b>	78,177	55,179
Investment securities measured at amortised cost	<b>8,824,136</b>	8,235,267	8,141,932
Interest receivable	<b>221,472</b>	241,331	208,220
	<b>24,533,216</b>	25,426,916	24,674,253
Net impairment losses on investment securities	<b>(6,903)</b>	(7,507)	(6,920)
	<b>24,526,313</b>	25,419,409	24,667,333

The Group has pledged State of Qatar Bonds amounting to QAR 3,688 million as at 30 September 2021 (30 September 2020: QAR 8,357 million; 31 December 2020: QAR 8,900 million) against repurchase agreements.

**9. Property, furniture and equipment****Acquisitions and disposals**

During the period ended 30 September 2021, the Group acquired assets with a cost of QAR 31.3 million (30 September 2020: QAR 5.9 million; 31 December 2020: QAR 20 million).

Asset disposals made by the Group during the period ended 30 September 2021 amounted to QAR 1.2 million (30 September 2020: QAR 1.5 million, 31 December 2020: QAR 2.2 million), at original cost.

**10. Debt securities**

	<b>30 September 2021</b>	30 September 2020	31 December 2020
	<b>Reviewed</b>	Reviewed	Audited
Senior guaranteed notes	<b>1,913,220</b>	865,747	327,430
Interest payable	<b>355</b>	1,071	778
	<b>1,913,575</b>	866,818	328,208

*Note:*

The Group has issued USD 510 million and JPY 2.0 billion as at 30 September 2021 (30 September 2020: USD 200 million and JPY 4 billion; 31 December 2020: USD 63 million and JPY 3.0 billion) senior unsecured debt under its updated EMTN programme. Interest on these ranges from 0.35% to 2.38% (30 Sep 2020: 0.35% to 2.57%, 31 December 2020: 0.35% to 1.50%)



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**11. Other borrowings**

	<b>30 September 2021 Reviewed</b>	30 September 2020 Reviewed	31 December 2020 Audited
Term loan facilities	<b>8,964,631</b>	7,027,326	8,200,026
Interest payable	<b>17,100</b>	19,431	17,167
	<b><u>8,981,731</u></b>	<u>7,046,757</u>	<u>8,217,193</u>

Interest on these ranges from 0.63% to 1.62% (30 September 2020: 0.81% to 1.72%, 31 December 2021: 0.74% to 1.73%).

The table below shows the maturity profile of other borrowings:

	<b>30 September 2021 Reviewed</b>	30 September 2020 Reviewed	31 December 2020 Audited
Upto 1 year	<b>3,444,075</b>	4,512,070	5,806,659
Between 1 and 3 years	<b>4,991,561</b>	2,534,687	2,410,534
More than 3 years	<b>546,095</b>	-	-
	<b><u>8,981,731</u></b>	<u>7,046,757</u>	<u>8,217,193</u>

**12. Share capital**

	<b>30 September 2021 Reviewed</b>	30 September 2020 Reviewed	31 December 2020 Audited
Authorised number of ordinary shares (in thousands)	<b><u>3,100,467</u></b>	<u>3,100,467</u>	<u>3,100,467</u>
(Nominal value of ordinary shares QAR 1 each)			
Issued and paid up capital (in thousands of Qatar Riyals)	<b><u>3,100,467</u></b>	<u>3,100,467</u>	<u>3,100,467</u>

All shares are of the same class and carry equal voting rights.

**13. Instrument eligible as additional tier 1 capital**

	<b>30 September 2021 Reviewed</b>	30 September 2020 Reviewed	31 December 2020 Audited
Issued on 31 December 2013	<b>2,000,000</b>	2,000,000	2,000,000
Issued on 30 June 2015	<b>2,000,000</b>	2,000,000	2,000,000
	<b><u>4,000,000</u></b>	<u>4,000,000</u>	<u>4,000,000</u>

The Group has issued regulatory Tier 1 capital notes totaling to QAR 4 billion. These notes are perpetual, subordinated, unsecured and each has been priced at a fixed interest 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.

**14. Dividend**

The Board of Directors' proposal of a 7.5% cash dividend amounting to QAR 233 million for the year ended 31 December 2020 (2019: Nil), was approved at the Annual General Assembly held on 15 March 2021.

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15. Earnings per share

	Three month period ended		Nine month period ended	
	30 September 2021 Reviewed	30 September 2020 Reviewed	30 September 2021 Reviewed	30 September 2020 Reviewed
<b>Basic and diluted</b>				
Profit attributable to the shareholders of the Bank	277,458	270,803	891,807	771,518
Weighted average number of outstanding ordinary shares in thousands	3,100,467	3,100,467	3,100,467	3,100,467
Basic & diluted earnings per share (QAR)	0.09	0.09	0.29	0.25

16. Financial commitments and contingencies

	30 September 2021 Reviewed	30 September 2020 Reviewed	31 December 2020 Audited
<b>(a) Contingent commitments</b>			
Guarantees	11,747,886	12,681,436	12,392,098
Letter of credit	4,002,892	3,996,082	3,670,942
Unused credit facilities	730,161	833,677	1,093,753
Others	159,870	80,468	59,694
	<u>16,640,809</u>	<u>17,591,663</u>	<u>17,216,487</u>
<b>(b) Other commitments</b>			
<i>Derivative financial instruments:</i>			
Forward foreign exchange contracts	5,717,454	6,639,456	9,604,548
Interest rate swaps	6,764,421	6,595,247	6,604,533
	<u>12,481,875</u>	<u>13,234,703</u>	<u>16,209,081</u>
<b>Total</b>	<u>29,122,684</u>	<u>30,826,366</u>	<u>33,425,568</u>

The derivative instruments are reflected at their fair value and are presented under other commitments at their notional amount.

17. Cash and cash equivalents

	30 September 2021 Reviewed	30 September 2020 Reviewed	31 December 2020 Audited
Cash and balances with central banks *	3,646,958	7,381,330	4,755,276
Due from banks up to 90 days	3,954,213	3,214,091	2,246,470
	<u>7,601,171</u>	<u>10,595,421</u>	<u>7,001,746</u>

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

**18. Related party transactions**

The Group enters into transactions, arrangements and agreements involving member of the Board of Directors and their related concern in the ordinary course of business at commercial interest and commission rates. The balances with related parties and transactions with related parties at the end of the reporting period were as were as follows:

	<b>30 September 2021 Reviewed</b>	30 September 2020 Reviewed	31 December 2020 Audited
<b>Statement of financial position items</b>			
- Loans, advances and financing activities	<b>1,743,917</b>	1,814,967	1,824,272
- Deposits	<b>371,257</b>	666,527	669,281
- Contingent liabilities and other commitments	<b>548,010</b>	592,252	600,477
- Others assets	<b>8,305</b>	8,305	8,305
	<b>Three month period ended 30 September 2021 Reviewed</b>	30 September 2020 Reviewed	<b>Nine month period ended 30 September 2021 Reviewed</b>
<b>Statement of income and expenses items</b>			
- Interest and fee income	<b>13,414</b>	13,229	<b>40,770</b>
- Interest, fee and commission expenses	<b>549</b>	1,175	<b>13,415</b>
	<b>Compensation to Board of Directors</b>		
- Salaries and other benefits	<b>8,598</b>	8,535	<b>25,926</b>
- End of service benefits and pension fund	-	(813)	-
	<b>8,598</b>	<b>7,722</b>	<b>25,926</b>

**19. Capital adequacy**

	<b>30 September 2021 Reviewed</b>	30 September 2020 Reviewed	31 December 2020 Audited
Common Equity Tier 1 Capital	<b>9,377,009</b>	8,819,919	9,379,037
Additional Tier 1 Capital	<b>4,000,000</b>	4,000,000	4,000,000
Additional Tier 2 Capital	<b>826,313</b>	860,996	825,583
<b>Total Eligible Capital</b>	<b>14,203,322</b>	<b>13,680,915</b>	<b>14,204,620</b>
<b>Risk Weighted Assets</b>	<b>71,699,066</b>	<b>74,418,387</b>	<b>71,908,257</b>
Total Capital Ratio	<b>19.81%</b>	18.38%	19.75%

The minimum total Capital Adequacy Ratio requirements under Basel III as per QCB Requirements is as follows:

- Minimum limit without Capital Conservation buffer is 10%; and
- Minimum limit including Capital Conservation buffer, ICAAP buffer and the applicable Domestic Systemically Important Bank ("DSIB") buffer is 13.5%.

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**20. 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 uncertainties caused by COVID-19, and the volatility in oil prices have required the Bank to update the inputs and assumptions used for the determination of expected credit losses ("ECLs"). ECLs were estimated based on a range of forecast economic conditions as at that date and considering that the situation is fast evolving, the Bank has considered the impact of higher volatility in the forward-looking macro-economic factors, when determining the severity and likelihood of economic scenarios for ECL determination.

**(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, 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 fee or commission 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.

**(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.

**21. 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 consolidated statement of income or the consolidated statement of equity of the Group for the comparative period / year.