



## GOVERNANCE REPORT

# 2019

THERE'S SO MUCH  
TO LOOK FORWARD TO



His Highness  
**Sheikh Hamad Bin Khalifa Al-Thani**  
Father Emir



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

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# CORPORATE GOVERNANCE REPORT FOR THE YEAR 2019

## 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 the Bank 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.

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

As illustrated in this report, we at Doha Bank confirm our compliance with the requirements of Corporate Governance code issued by Qatar Financial Markets Authority and the instructions issued by Qatar Central Bank. The compliance assessment performed by the bank on 31 December 2019 has concluded that the bank complies with Qatar Financial Markets Authority's Governance Code and related regulations including provisions of the Governance Code, except the following:

- **Article (6) – Board Composition:** The bank received QCB's approval for two independent members only. However, the board's new composition includes three independent members based on the procedures taken so far (2020-2022).
- **Article (18) – The Board Committees:** The Chief of Audit Committee is not considered as independent in accordance to the Governance Code issued by Qatar Financial Markets Authority. The bank will take into account that the Committee Chief is an independent member when reforming the committee after the General Assembly meeting in March 2020 and approving the board's new composition.

Moreover, there are no penalties imposed on the bank for the non – compliance with the Governance Code's instructions or provisions.

KPMG, the external auditor of the Bank has issued a limited assurance report (page 22) on the management assessment on compliance with the QFMA's relevant regulations including the Code as of 31 December 2019.

# BOARD OF DIRECTORS & 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 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:

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

Each Board Member's duties have been updated and defined in 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 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 programmes 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. 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 programmes 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 audit committee's proposal 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 2019, the Board undertook the necessary assessments, and the results were as follows:

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

**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.

**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.

**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.

**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.





# BOARD COMPOSITION

The Board currently consists of nine members, i.e. 4 executive members and 5 non-executive members, two of them are independent. The current term of the Board of Directors started on March 6th, 2017 and continues for a period of three years through election at the shareholders' Ordinary General Assembly.

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

## **Sheikh Fahad Bin Mohammad Bin Jabor Al Thani Representing Fahad Mohammad Jabor Holding Company.**

- Chairman
- Executive, Non-Independent
- Chairman of the Executive Committee
- 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 businessmen in Qatar and GCC
- Other Board Memberships: Deputy Chairman at Al Khaleej Takaful Group
- Ownership: 62,008,420 shares; i.e. 2% as at December 31, 2019 & 5,986,786 shares; i.e. 1.93% as at December 31, 2018
- Attendance: Attended six Board meetings

## **Mr. Ahmed Abdul Rehman Yousef Obeidan**

- Vice Chairman
- Executive, 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
- Ownership: 39,345,084 shares; i.e. 1.27% as at December 31, 2019 & 5,741,858 shares; i.e. 1.85% as at December 31, 2018
- Attendance: Attended five Board meetings

## **Sheikh Abdul Rahman Bin Mohammad Bin Jabor Al Thani**

- Managing Director
- Executive, Non-Independent

- Chairman of Policies, Nomination, and Governance Committee and 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 businessmen in Qatar and GCC
- Other Board Memberships: Chairman of the Board of Directors of Qatar Industrial Manufacturing Co.; Chairman of the Board of Directors of Qatari Oman Investment Company
- Ownership: 35,263,400 shares; i.e. 1.14% as at December 31, 2019 & 6,026,340 shares; i.e. 1.94% as at December 31, 2018
- Attendance: Attended six Board meetings

## **Sheikh Abdulla Mohammad Jabor Al-Thani**

- Board Member
- Non-Executive, Non-Independent
- Chairman of Audit, Compliance, and Risk Committee
- Date of Appointment on Board: April 20, 1982
- Experience: A businessman managing a group of privately held companies, and a former Chairman of the Board of Directors and Board member in other public shareholding companies' boards.
- Ownership: 23,255,500 shares; i.e. 0.75% as at December 31, 2019 & 2,325,350 shares; i.e. 0.75% as at December 31, 2018
- Attendance: Attended four Board meetings

## **Sheikh Falah Bin Jassim Bin Jabor Al-Thani representative of Jassim and Falah Trading and Contracting Co.**

- Board Member
- Executive, Non-Independent
- Member of Executive Committee
- 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, National Leasing Holding
- Ownership: 31,004,660 shares; i.e. 1% as at December 31, 2019 & 3,100,466 shares; i.e. 1% as at December 31, 2018
- Attendance: Attended four Board meetings

## **Mr. Hamad Mohammad Hamad Abdullah Al Mana**

- Board Member
- Non-Executive, Non-Independent
- Member of the Nomination, Governance, Policies and Remuneration Committee

- Date of Appointment on Board: April 13, 1999
- Education: Bachelor's Degree
- Experience: Vice Chairman, Mohammed Hamad Al Mana Group of Companies
- Other Board Memberships: Board Member of Qatar General Insurance & Re-insurance Company as well as Qatar Navigation Company;
- Ownership: 23,256,510 shares; 0.75% as on December 31, 2019 & 2,325,651 shares; i.e. 0.75% as at December 31, 2018
- Attendance: Attended six Board meetings

### Mr. Ahmed Abdullah Al Khal

- Board Member
- Non-Executive, Non-Independent
- Member in Policies, Nomination 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.
- Ownership: 25,507,610 shares; i.e. 0.82% as on December 31, 2019 & 2,482,075 shares; i.e. 0.8% as at December 31, 2018
- Attendance: Attended five Board meetings

### Mr. Ali Ibrahim Abdullah Al-Malki

- Non-Executive, Independent Member
- Member in Audit, Compliance & Risk Committee
- Date of Appointment on Board: March 6, 2017
- Education: Bachelor of Science Degree in Aviation Administration
- Experience: Businessman
- Ownership: 1,233,780 shares; i.e. 0.04% as on December 31, 2019 & 123,378 shares; i.e. 0.04% as on December 31, 2018
- Attendance: Attended six Board meetings

### Mr. Nasser Khaled Nasser Abdullah Al-Misnad

- Non-Executive, Independent Member
- Member in Audit, Compliance & Risk Committee, and Policies, Nomination and Governance Committee
- Date of Appointment on Board: March 6, 2017
- Education: Bachelor's Degree of Political Science from George Town University in Qatar
- Experience: Vice President, Al Khor Holding Company and former Financial Analyst in Qatar Investment Authority
- Ownership: 200,000 shares; i.e. 0.01% as on December 31, 2019 & 20,000 shares; i.e. 0.01% as on December 31, 2018
- Attendance: Attended five Board meetings

## Independent Board Members

The current composition of the Board includes two 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 Members Responsibilities

Each Board members responsibilities 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 with 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 Committee or others to do so.

## Duties of the Vice Chairman

The Bank should appoint 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 concerns which have not or cannot be resolved through contact with the Chairman, MD and the CEO or if such contact is not appropriate.

- Act as a supplier to the Board for the communication of shareholder concerns when other channels of communication are inappropriate.
- Any additional responsibility entrusted by the Board/ Board Chairman.
- Be collectively responsible for the Board decisions and actions.
- Participate in various Committees including the Audit, Compliance and Risk Committee & Policies, 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 (once every two months at least). 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 2019 as follows:

Meeting No.	Meeting Date
Meeting No. (1)	27/01/2019
Meeting No. (2)	06/03/2019
Meeting No. (3)	30/04/2019
Meeting No. (4)	12/06/2019
Meeting No. (5)	15/09/2019
Meeting No. (6)	04/12/2019

## 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. The total remuneration of the Board for the year 2018 was QR 14.9 million, including the allowances paid to the members for attending the meetings of the Board and Board Committees. The remuneration of the Board for the year 2019 will be determined and then approved in the General Assembly Meeting of Shareholders during 2020.

## 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 32 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.

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.

**Chief Compliance Officer:  
Mr. Jamal Al Sholy**

Mr. Jamal Al Sholy has joined Doha Bank in 1997 as Head of the Internal Audit Department and in 2002 he has become Chief Compliance Officer to date. He has more than 39 years of experience, and he worked in external audit before joining the bank. The Compliance Department includes the Compliance Control Unit and the AML/CTF Unit. Chief Compliance Officer works independently from the Executive Management and reports directly to the Board of Directors.

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

**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 27 years of experience in the field of banking and financial institutions before joining Doha Bank.

Mr. Mohammad Daoud has got a PhD in Finance.

## **Executive Management**

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

**Chief Executive Officer:  
Dr. Raghavan Seetharaman**

Dr. R. Seetharaman has joined Doha Bank in 2002 as Assistant General Manager. In 2007, he was appointed as CEO of the bank. He has an extensive experience of more than 39 years during which he worked in a number of banks and institutions before joining Doha Bank, including Bank Muscat.

Dr. R. Seetharaman has a Bachelor of Commerce 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 Risk Officer: Mr. Khalid Latif**

Mr. Khalid Latif has joined Doha Bank in 1990 and has held several positions since then. He has more than 36 years of experience and has worked for several years in the banking sector and other sectors in Pakistan before joining the bank.

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

**Chief Wholesale Banking Officer:  
Mr. Ala Azmi Masoud Abumughli**

Mr. Ala joined Doha Bank in 2019 as Assistant General Manager. He has more than 26 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 of Business Administration.

**Chief Financial Officer: Mr. David Challinor**

Mr. David Challinor has joined Doha Bank in 2008 as Head of Group Finance. He has more than 25 years of experience and has worked at several financial institutions in Australia before joining Doha Bank.

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

**Chief Operating Officer:  
Mr. Peter John Clark**

Mr. Peter joined Doha Bank in 2019 as Chief Operating Officer. He has experience of more than 19 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 25 years and held several positions in the financial sector and other sectors before joining Doha Bank.

Sheikh Mohamed Abdulla M.J. 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 Human Resources 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 a Head of Branch Control Department. He has experience of more than 23 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 in 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 21 years out of which 12 years spent in several financial and banking institutions before joining the bank.

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

## **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 performance assessment 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 2018 was QR 4,649,403 which was paid in 2019. The Senior Management Remuneration for 2019 will be determined and approved by the Board of Directors during 2020.

## **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 interests 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**

The staff or board member shall disclose the related party transactions and shall obtain a written approval from the bank's Executive Committee. Regarding the board members, the related parties shall be disclosed and discussed during the board meeting in the absence of the concerned member, and the related parties' transaction shall be made available to shareholders before the General Assembly Meeting in accordance with the Commercial Companies Law.

## **Disclosure of Related Party Transactions**

The bank's policy prohibits the Chairman, board members and executive managers from carrying out any selling or buying transactions for the bank's shares during the period set by Qatar Exchange and even publishing financial statements to the public, knowing that no related party has concluded any transactions in the prohibition periods during the year.

# 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, & Governance Committee
- Executive Committee

## Audit, Compliance and Risk Committee

### Membership:

- Sheikh Abdulla Mohammad Bin Jabor Al Thani – Non-Executive Board Member (Chairman). He attended all the meetings of the Committee.
- Mr. Ali Ibrahim Abdullah Al Malky – Independent Board Member. He attended all the meetings.
- Mr. Nasser Khalid Abdullah Al Misnad – Independent Board Member. He attended all the meetings of the Committee.

### Meetings:

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

### Roles and Responsibilities:

Reviewing the bank's internal control system upon setting or updating it or when required, and then submitting its relevant recommendations to the Board and executing 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 opinion and recommendation 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 Bank has approved a whistle-blowing policy to encourage the Bank's employees to detect/ disclose any violations that may adversely affect the Bank. The critical issues are then reported to the Audit, Compliance & Risk Evaluation Committee which in turn ensures taking the necessary actions to rectify the violations. There has been no conflict between the Committee's recommendations and the Board's resolutions or any other issues of material impact during the year 2019.

### Major Resolutions:

Assigning Executive Management to:

- Fully comply with the requirements of the Governance Code, in particular the examination and evaluation of regulatory controls and the submission of reports on time.
- 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.
- 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.
- Follow up customers to get tax declaration forms, submit progress reports as well as update the relevant policies and procedures manuals to meet FATCA requirements.
- 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.
- Fully comply with the IFRS (9) requirements in accordance with QCB's instructions, and to estimate the expected credit losses.
- 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.

### Remuneration:

The total allowances of the Audit, Compliance and Risk Committee for 2019 was QR 315,000, which is part of the remuneration of the Board of Directors mentioned under the Board Remuneration section.

## 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. Hamad Mohammad Hamad Al Mana – Non-Executive Board Member (Member). He attended three meetings of the committee.
- Mr. Ahmed Abdullah Hamad Al Khal – Non-Executive Board Member (Member). He attended all the meetings of the committee.

### Meetings:

Four meetings were held during the year, 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:

- Approve (32) new and updated policies and procedures manuals for the bank's Head Office, including (10) manuals on governance frameworks, as well as 37 manuals for overseas branches during the year 2019.
- Consider restructuring the membership of the Policies, Nomination and Governance Committee.

#### Remunerations:

The total allowances of the Policies, Nomination and Governance Committee for 2019 was QR 180,000, which is part of the remuneration of the Board of Directors mentioned under the Board Remuneration section.

### Executive Committee

#### Membership:

- Sheikh Fahad Bin Mohammad Bin Jabor Al Thani – Chairman of the Board of Directors (Committee Chairman). He attended all the Committee meetings.
- Mr. Ahmed Abdul Rehman Yousef Obeidan – Vice Chairman. He attended all the meetings.
- Sheikh Abdul Rahman Bin Mohammad Bin Jabor Al Thani – Managing Director. He attended all the committee meetings.
- Sheikh Falah Bin Jassim Bin Jabor Al Thani – Executive Board Member. He didn't attend any of the Committee's meetings.

#### Meetings:

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

#### Major Roles and Responsibilities:

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

#### Major Resolutions:

- Approving the recommendations of the Credit Committee to grant LCs to some customers, as well as approving the recommendations of the IT Department and the Bidding Committee for some projects ranging from QR 10 million to QR 80 million.

#### Remuneration:

The total allowances of the Executive Committee for 2019 was QR 135,000, which is part of the remuneration of the Board of Directors mentioned under the Board Remuneration section.



# 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 2019.

## 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 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, 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 2019 to date, including overseas branches' accounts, Doha Bank Assurance Company's accounts in addition to investment fund accounts and periodic reports pertaining to QCB requirements. The external audit fee for 2019 was QR 2,700,000.

We have received a number of quotations from 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 2019.

## Disputes and Litigations:

The number of lawsuits filed with value of QR. 30 million and above during 2019 are four lawsuits.

## 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 and the Chairman of the Board.

## DISCLOSURE AND SHAREHOLDERS RIGHTS

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

## Disclosure Duty

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

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

## Access to Information

Doha Bank has a web site through which all information about the Bank is published, such as the annual and quarterly financial statements and the Board of Directors' Report and the Corporate Governance Report in addition to the Annual Report and any other information relating to the management of the Bank and the Board of Directors and the products, services and branches of the Bank. 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, the number of shares which the proxy possesses in this capacity may not exceed 5% of the Bank's share capital except in the case where the proxy represents the State of Qatar (Qatar Investment Authority).

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.

## 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 is a Qatari public shareholding company with a capital of QR 3,100,467.020 divided into 3,100,467.020 ordinary nominal shares, at a value of QR (1) per share, listed on Qatar Exchange. With the exception of what is owned by the government, institutions, companies, and governmental agencies, which may buy and own up to 20% of the Bank's share capital, any natural or legal person neither shall possess more than 2% of the bank's shares nor less than 100 shares, with the exception of ownership by way of inheritance. The Extraordinary General Assembly may approve the registration of a number of shares, not exceeding 20% of the share capital, in the name of a trusted depositary agent in the event of a capital increase through the issuance of global depositary receipts. The investment funds shall be considered as a single investment group, regardless of their number, if each is managed by one natural or judicial person, or if the founder in each is a natural or judicial person. In these two cases, the investment group shall not own more than 2% of the capital shares. Foreigners, on the other hand, may invest in the shares of the bank up to 49% of the issued capital. Doha Bank hereby confirms that there are no shareholder agreements related to capital structuring and the exercise of shareholder rights.

### Ownership of Shares:

The ownership of Doha Bank's shares distributed by nationality as at December 31, 2019 is as follows:

Nationality	No. of Shares	Percentage
Qatar	2,724,730,734	87.87%
GCC	76,188,690	2.46%
Arab countries	39,022,583	1.26%
Asia	8,549,583	0.28%
Europe	104,468,098	3.37%
Africa	1,215,191	0.04%
USA	123,133,436	3.97%
Other	23,158,705	0.75%
<b>Total</b>	<b>3,100,467,020</b>	<b>100%</b>

The number of shareholders reached 3,195 as at 31/12/2019. No shareholder possesses more than 2% of the Bank's shares except Qatar Investment Authority (the Government of State of Qatar) which owns directly and indirectly 17.15% of the shares as per bank's Articles of Association.

## STAKEHOLDER RIGHTS

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

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

## BANK BRANCHES, REPRESENTATIVE OFFICES AND SUBSIDIARIES

Domestically, Doha Bank's network inside Qatar includes a total of 24 branches, 4 e-branches, and 3 pay offices. The number of ATMs reached 100 ATMs of which 3 ATMs in UAE, 2 ATMs in Kuwait, and 3 ATMs in India. Globally, the bank has six 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, UK, South Korea, Germany, Australia, Canada, Hong Kong, South Africa, Bangladesh, Sri Lanka and Nepal.

The Bank also fully owns Doha Bank Assurance Company, and has a strategic share of 44.02% of the capital of one of the Indian brokerage companies, which was later re-named as Doha Brokerage and Financial Services and positioned to practice brokerage and asset management businesses.

### Fahad Bin Mohammad Bin Jabor Al Thani Chairman

**GLOBAL PRESENCE  
WITH A STRONG  
BANKING EXPERIENCE  
FROM QATAR  
TO THE GLOBE**



# INDEPENDENT LIMITED ASSURANCE REPORT

To the Shareholders of Doha Bank (Q.P.S.C)

## Report on Compliance with the Qatar Financial Markets Authority's Governance Code for Companies & Legal Entities Listed on the Main Market

In accordance with Article 24 of the Governance Code for Companies 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 Director's assessment of compliance of the Bank with QFMA's law and relevant legislations including the Code as at 31 December 2019.

## Responsibilities of the Board of Directors

The Board of Directors of the Bank is responsible for preparing the corporate governance report that covers at the minimum the requirements of Article 4 of the Code. The Board of Directors provided its 'Report on compliance with QFMA's law and relevant legislations including the Code' (the 'Statement'), which was shared with KPMG on 17 February 2020, which is 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.

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 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. That standard 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, in accordance with the Code, 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 Parts A and B of the Code of Ethics for Professional Accountants, including independence, issued by the International Ethics Standards Board for Accountants, 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 Code and other engagement circumstances, and our consideration of areas where material misstatements are likely to arise.

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

Our engagement included assessing the appropriateness of the Bank's compliance with QFMA's law and relevant legislations including the Code, and evaluating the appropriateness of the methods, policies and procedures, and models 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 are not limited to:

- Reviewed the assessment completed by the Board of Directors to validate the Bank's compliance with QFMA's law and relevant legislations including the Code;
- Reviewed supporting evidence provided by the Board of Directors to validate the Bank's compliance with QFMA's law and relevant legislations including the Code; and
- Conducted additional procedures as deemed necessary to validate the Bank's compliance with QFMA's law and relevant legislations including 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 is 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.

## Criteria

The criteria for this engagement is assessment of compliance with QFMA's law and relevant legislations including 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, the Bank's compliance with QFMA's law and relevant legislations including the Code as at 31 December 2019.

## Emphasis of Matter

We draw attention to the introduction section of the Bank's Governance Report for the year 2019, which describes how the Bank is not in compliance with Articles 6 and 18 of the Code. Our conclusion is not modified in respect of this matter.

## 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.

24 February 2020  
Doha  
State of Qatar

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

# 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 the 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) and the applicable provisions of Qatar Central Bank regulations (QCB regulations). 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 functions and infrastructure functions with an involvement in reviewing the reliability of the books and records that underlie the 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 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 2019, 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, Premiums, Compliance 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 December 31, 2019.

David Challinor  
Chief Financial Officer

Dr. Raghavan Seetharaman  
Group Chief Executive Officer

# 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 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 "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 ("ICOFR") as at 31 December 2019 (the "Statement").

### Responsibilities of the Board of Directors

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

The Statement, signed by the Group Chief Executive Officer, which was shared with KPMG on 17 February 2020, is to be included in the annual report of the Group and includes:

- 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 (Corporate and Retail), Deposit Taking, Treasury (Hedging and Risk management and Investment Funding), Procure to Pay, Human Resources, Premiums, Compliance, General Ledger, Financial Reporting, Entity Level Controls, Disclosures and Information Technology General Controls;
- 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. That standard 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 Parts A and B of the Code of Ethics for Professional Accountants, including independence, issued by the International Ethics Standards Board for Accountants, 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 2019 based on the COSO Framework. Reasonable assurance is less than absolute assurance.

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;
- Examined 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 the 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 operating effectiveness of management testing.

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. We have not obtained the other information to be included in the 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 are measured or evaluated. The control objectives have been internally developed by the Group, based on the criteria established in the COSO Framework.

## Conclusions

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 ICOFR was properly designed and implemented and is operating effectively as at 31 December 2019.

## 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.

24 February 2020  
Doha  
State of Qatar

Gopal Balasubramaniam  
KPMG  
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