



**Interim Condensed Consolidated Financial Statements**

**As at and for the three month period ended  
31 March 2021**

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

**Interim condensed consolidated financial statements  
As at and for the three month period ended 31 March 2021**

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

**Introduction**

We have reviewed the accompanying 31 March 2021 interim condensed consolidated financial statements of Doha Bank Q.P.S.C. (the 'Bank') and its subsidiaries (together the 'Group'), which comprise:

- the interim consolidated statement of financial position as at 31 March 2021;
- the interim consolidated income statement for the three month period ended 31 March 2021;
- the interim consolidated statement of comprehensive income for the three month period ended 31 March 2021;
- the interim consolidated statement of changes in equity for the three month period ended 31 March 2021;
- the interim consolidated statement of cash flows for the three month period ended 31 March 2021; and
- notes to the interim condensed consolidated financial statements.

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

**Scope of Review**

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

**Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the accompanying 31 March 2021 interim condensed consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34 and applicable provisions of the Qatar Central Bank regulations.

28 April 2021  
Doha  
State of Qatar



  
Gopal Balasubramaniam  
KPMG


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

Interim consolidated statement of financial position  
As at 31 March 2021

QAR '000s

	Notes	31 March 2021 Reviewed	31 March 2020 Reviewed	31 December 2020 Audited
<b>Assets</b>				
Cash and balances with central banks		6,345,470	5,520,315	6,895,185
Due from banks		8,773,699	7,213,703	3,673,577
Loans and advances to customers	7	70,532,759	65,324,326	65,450,036
Investment securities	8	24,033,528	25,192,105	24,667,333
Investment in an associate		10,160	9,887	10,176
Property, furniture and equipment	9	707,974	706,771	685,756
Other assets		1,743,577	2,449,854	2,158,209
<b>Total assets</b>		<b>112,147,167</b>	<b>106,416,961</b>	<b>103,540,272</b>
<b>Liabilities</b>				
Due to banks		21,861,784	27,159,118	23,036,764
Customer deposits		63,672,216	54,798,944	55,053,996
Debt securities	10	2,135,513	472,827	328,208
Other borrowings	11	8,514,515	7,361,740	8,217,193
Other liabilities		2,005,284	4,482,350	3,109,541
<b>Total liabilities</b>		<b>98,189,312</b>	<b>94,274,979</b>	<b>89,745,702</b>
<b>Equity</b>				
Share capital	12	3,100,467	3,100,467	3,100,467
Legal reserve		5,094,574	5,092,948	5,094,574
Risk reserve		849,600	849,600	849,600
Fair value reserve		168,920	(1,335,870)	152,992
Foreign currency translation reserve		(62,882)	(67,956)	(62,587)
Retained earnings		807,176	502,793	659,524
<b>Total equity attributable to shareholders of the Bank</b>		<b>9,957,855</b>	<b>8,141,982</b>	<b>9,794,570</b>
Instruments eligible as additional Tier 1 capital	13	4,000,000	4,000,000	4,000,000
<b>Total equity</b>		<b>13,957,855</b>	<b>12,141,982</b>	<b>13,794,570</b>
<b>Total liabilities and equity</b>		<b>112,147,167</b>	<b>106,416,961</b>	<b>103,540,272</b>

The interim condensed consolidated financial statements were approved by the Board of Directors on 28 April 2021 and were signed on its behalf by:

  
Fahad Bin Mohammad Bin Jabor Al Thani  
Chairman

  
Abdul Rahman Bin Mohammad Bin Jabor Al Thani  
Managing Director

  
Dr. Raghavan Seetharaman  
Group Chief Executive Officer

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

Doha Bank Q.P.S.C.

Interim consolidated income statement  
For the three month period ended 31 March 2021

QAR '000s

	Three month period ended	
	31 March 2021 Reviewed	31 March 2020 Reviewed
Interest income	898,027	1,030,890
Interest expense	(236,673)	(482,903)
<b>Net interest income</b>	<b>661,354</b>	<b>547,987</b>
Fee and commission income	110,359	121,970
Fee and commission expense	(37,248)	(32,080)
<b>Net fee and commission income</b>	<b>73,111</b>	<b>89,890</b>
Gross written premium	11,593	13,098
Premium ceded	(1,598)	(2,870)
Net claims paid	(9,609)	(6,085)
<b>Net income from insurance activities</b>	<b>386</b>	<b>4,143</b>
Net foreign exchange gain	41,115	27,949
Income from investment securities	31,854	70,090
Other operating income	15,542	4,889
	<b>88,511</b>	<b>102,928</b>
<b>Net operating income</b>	<b>823,362</b>	<b>744,948</b>
Staff costs	(113,721)	(116,312)
Depreciation	(26,454)	(29,514)
Net impairment reversal on investment securities	4,406	2
Net impairment loss on loans and advances to customers	(230,571)	(175,709)
Net impairment reversal / (loss) on other financial assets	3,304	(13,748)
Other expenses	(78,355)	(85,130)
	<b>(441,391)</b>	<b>(420,411)</b>
<b>Profit before tax</b>	<b>381,971</b>	<b>324,537</b>
Income tax expense	(1,784)	(446)
<b>Profit</b>	<b>380,187</b>	<b>324,091</b>
<b>Earnings per share</b>		
Basic and diluted earnings per share (QAR per share)	15 <b>0.12</b>	0.10



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

Interim consolidated statement of comprehensive income  
For the three month period ended 31 March 2021

QAR '000s

	Three month period ended	
	31 March 2021 Reviewed	31 March 2020 Reviewed
<b>Profit</b>	<b>380,187</b>	<b>324,091</b>
<b>Other comprehensive income</b>		
<b>Items that are or may be subsequently reclassified to income statement:</b>		
Foreign currency translation differences for foreign operations	(295)	(9,110)
<i>Movement in fair value reserve (debt instruments – IFRS 9):</i>		
Net change in fair value	(322,892)	(651,970)
Net amount transferred to consolidated statement of income	<b>324,198</b>	(741,323)
	<b>1,011</b>	(1,402,403)
<b>Items that will not be reclassified subsequently to statement of income</b>		
Net change in fair value of equity investments designated at FVOCI (IFRS 9)	<b>14,622</b>	(97,620)
<b>Other comprehensive income / (loss)</b>	<b>15,633</b>	(1,500,023)
<b>Total comprehensive income / (loss)</b>	<b>395,820</b>	<b>(1,175,932)</b>



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

Doha Bank Q.P.S.C.

Interim consolidated statement of changes in equity  
For the three month period ended 31 March 2021

QAR '000s

Equity attributable to shareholders of the Bank

	Share capital	Legal Reserve	Risk reserve	Fair value reserve	Foreign currency translation reserve	Retained earnings	Total	Instrument eligible as additional Tier 1 capital	Total equity
Balance at 1 January 2021 (Audited)	3,100,467	5,094,574	849,600	152,992	(62,587)	659,524	9,794,570	4,000,000	13,794,570
<i>Total comprehensive income:</i>									
Profit	-	-	-	-	-	380,187	380,187	-	380,187
Other comprehensive income / (loss)	-	-	-	15,928	(295)	-	15,633	-	15,633
Total comprehensive income / (loss)	-	-	-	15,928	(295)	380,187	395,820	-	395,820
<i>Transactions with shareholders:</i>									
Dividends paid (Note 14)	-	-	-	-	-	(232,535)	(232,535)	-	(232,535)
<b>Balance at 31 March 2021 (Reviewed)</b>	<b>3,100,467</b>	<b>5,094,574</b>	<b>849,600</b>	<b>168,920</b>	<b>(62,852)</b>	<b>807,176</b>	<b>9,957,855</b>	<b>4,000,000</b>	<b>13,957,855</b>
Balance at 1 January 2020 (Audited)	3,100,467	5,092,948	849,600	155,043	(58,846)	178,702	9,317,914	4,000,000	13,317,914
<i>Total comprehensive income:</i>									
Profit	-	-	-	-	-	324,091	324,091	-	324,091
Other comprehensive loss	-	-	-	(1,490,913)	(9,110)	-	(1,500,023)	-	(1,500,023)
Total comprehensive (loss) / income	-	-	-	(1,490,913)	(9,110)	324,091	(1,175,932)	-	(1,175,932)
<i>Transactions with shareholders:</i>									
Dividends paid (Note 14)	-	-	-	-	-	-	-	-	-
Balance at 31 March 2020 (Reviewed)	3,100,467	5,092,948	849,600	(1,335,870)	(67,956)	502,793	8,141,982	4,000,000	12,141,982

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

Doha Bank Q.P.S.C.

Interim consolidated statement of cash flows  
For the three month period ended 31 March 2021

QAR '000s

	Three month period ended		Year ended
	31 March 2021 Reviewed	31 March 2020 Reviewed	31 December 2020 Audited
<b>Cash flows from operating activities</b>			
Profit before tax	381,971	324,537	704,293
Adjustments for:			
Net impairment loss on loans and advances to customers	230,571	175,709	1,368,742
Net impairment (reversal) / loss on investment securities	(4,406)	(2)	34,680
Net impairment (reversal) / loss on other financial instruments	(3,304)	13,748	(38,299)
Depreciation	26,454	29,514	117,290
Amortisation of financing cost	5,107	3,707	24,995
Net income from investment securities	(21,869)	(57,243)	(155,471)
Loss / (profit) on sale of property, furniture and equipment	171	(26)	171
Share of results of an associate	-	-	50
<b>Profit before changes in operating assets and liabilities</b>	<b>614,695</b>	<b>489,944</b>	<b>2,056,451</b>
Change in due from banks	(1,000,829)	1,311,524	2,795,095
Change in loans and advances to customers	(5,329,419)	(1,012,971)	(3,283,569)
Change in other assets	414,632	(881,135)	(589,490)
Change in due to banks	(1,174,980)	3,122,170	(1,000,184)
Change in customer deposits	8,618,220	(3,664,889)	(3,409,837)
Change in other liabilities	(914,545)	933,759	277,281
Social and sports fund contribution	(17,576)	(18,848)	(18,848)
Income tax expense	-	-	(1,560)
<b>Net cash from / (used in) operating activities</b>	<b>1,210,198</b>	<b>279,554</b>	<b>(3,174,661)</b>
<b>Cash flows from investing activities</b>			
Acquisition of investment securities	(545,621)	(2,486,316)	(5,064,170)
Proceeds from sale of investment securities	1,221,645	2,421,719	7,076,464
Net acquisition of property, furniture and equipment	(633)	(12,688)	(19,879)
Proceeds from sale of property, furniture and equipment	4	26	17
<b>Net cash from / (used in) investing activities</b>	<b>675,395</b>	<b>(77,259)</b>	<b>1,992,432</b>
<b>Cash flows from financing activities</b>			
Proceeds from other borrowings	297,322	502,691	1,358,144
Proceeds from / (repayment of) debt securities	1,802,198	(232)	(169,846)
Distribution on Tier 1 capital notes	(203,000)	(220,000)	(203,000)
Dividends paid	(232,535)	-	-
<b>Net cash from financing activities</b>	<b>1,663,985</b>	<b>282,459</b>	<b>985,298</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>3,549,578</b>	<b>484,754</b>	<b>(196,931)</b>
Cash and cash equivalents at the beginning of the period/year	7,001,746	7,198,677	7,198,677
<b>Cash and cash equivalents at the end of the period / year</b>	<b>10,551,324</b>	<b>7,683,431</b>	<b>7,001,746</b>
<b>Operational cash flows from interest and dividend:</b>			
Interest received	878,081	1,038,729	3,753,833
Interest paid	283,922	526,316	1,642,954
Dividends received	9,985	12,847	28,206

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



## Doha Bank Q.P.S.C.

### Notes to the interim condensed consolidated financial statements As at and for the three month period ended 31 March 2021

#### 1. Reporting entity

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

Doha Bank is engaged in conventional banking activities and operates through its head office in Qatar (Doha) and has 24 local branches, six overseas branches in the United Arab Emirates (Dubai & Abu Dhabi), State of Kuwait, the Republic of India (one branch each in Mumbai, Kochi and Chennai) and representative offices in United Kingdom, Singapore, Turkey, China, Japan, South Korea, Germany, Australia, Hong Kong, Canada, Bangladesh, South Africa, Sri Lanka and Nepal. The interim condensed consolidated financial statements for the three month period ended 31 March 2021 comprises of the Bank and its subsidiaries (together referred to as "the Group").

The principal subsidiaries of the Group are as follows:

Company's name	Country of incorporation	Company's capital	Company's Activities	Percentage of ownership	
				31 March 2021	31 March 2020
Sharq Insurance L.L.C.	Qatar	100,000	General Insurance	100%	100%
Doha Finance Limited	Cayman Island	182	Debt Issuance	100%	100%
DB Securities Limited	Cayman Island	182	Derivatives Transactions	100%	100%

#### 2. Basis of preparation

##### (a) Statement of compliance

The interim condensed consolidated financial statements have been prepared in accordance with IAS 34, Interim Financial Reporting and the applicable provisions of the Qatar Central Bank ("QCB") regulations.

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

##### (b) Estimates and judgements

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

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

##### (c) Financial risk management

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

### **3. Significant accounting policies**

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

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

#### **a) New IFRS Standards adopted by the Group**

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

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

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

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

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

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

- Onerous Contracts – Cost of Fulfilling a Contract - Amendments to IAS 37 (Effective on 1 January 2022)
- Property, Plant and Equipment: Proceeds before Intended Use - Amendments to IAS 16 (Effective on 1 January 2022)
- Reference to the Conceptual Framework - Amendments to IFRS 3 (Effective on 1 January 2022)
- Annual Improvements to IFRS Standards 2018 – 2020 (Effective on 1 January 2022)
- Classification of Liabilities as Current or Non-current - Amendments to IAS 1 (Effective on 1 January 2023)
- IFRS 17 – “Insurance Contracts” (Effective on 1 January 2023)

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

## 4. Financial Risk Management

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

## (a) Exposure and related ECL movements

	31 March 2021 (Reviewed)				31 March 2020 (Reviewed)
	Stage 1	Stage 2	Stage 3	Total	Total
<b>Gross exposures subject to ECL – as at 31 March</b>					
- Loans and advances to customers	50,608,508	19,337,874	4,205,784	74,152,166	70,176,263
- Investment securities (debt)	23,008,789	298,698	17,032	23,324,519	24,682,217
- Loan commitments and financial guarantees	12,296,628	4,081,274	753,627	17,131,529	19,311,309
- Due from banks and balances with central Banks	12,486,281	1,958,900	-	14,445,181	12,052,735
	<b>98,400,206</b>	<b>25,676,746</b>	<b>4,976,443</b>	<b>129,053,395</b>	126,222,524
<b>Opening balance of ECL / impairment - as at 1 January</b>					
- Loans and advances to customers*	138,241	988,162	2,221,405	3,347,808	5,129,571
- Investment securities (debt)	8,904	42,433	6,474	57,811	41,724
- Loan commitments and financial guarantees	15,125	22,226	171,307	208,658	244,286
- Due from banks and balances with central Banks	1,704	310	-	2,014	8,518
	<b>163,974</b>	<b>1,053,131</b>	<b>2,399,186</b>	<b>3,616,291</b>	5,424,099
<b>Net charge and transfers for the period (net of foreign currency translation)</b>					
- Loans and advances to customers*	(10,652)	18,247	457,183	464,778	276,064
- Investment securities (debt)	(275)	(4,131)	-	(4,406)	(2)
- Loan commitments and financial guarantees	(1,069)	(5,864)	-	(6,933)	9,964
- Due from banks and balances with central Banks	986	2,643	-	3,629	(120)
	<b>(11,010)</b>	<b>10,895</b>	<b>457,183</b>	<b>457,068</b>	285,906
<b>Write offs and other during the period</b>					
- Loans and advances to customers*	-	-	(193,179)	(193,179)	(553,698)
- Investment securities (debt)	-	-	-	-	-
- Loan commitments and financial guarantees	-	-	11,287	11,287	-
- Due from banks and balances with central Banks	-	-	-	-	-
	-	-	<b>(181,892)</b>	<b>(181,892)</b>	(553,698)
<b>Closing balance of ECL / impairment - as at 31 March</b>					
- Loans and advances to customers*	127,589	1,006,409	2,485,409	3,619,407	4,851,937
- Investment securities (debt)	8,629	38,302	6,474	53,405	41,722
- Loan commitments and financial guarantees	14,056	16,362	182,594	213,012	254,250
- Due from banks and balances with central Banks	2,690	2,953	-	5,643	8,398
	<b>152,964</b>	<b>1,064,026</b>	<b>2,674,477</b>	<b>3,891,467</b>	5,156,307

\* stage 3 provision includes interest in suspense

**Notes to the interim condensed consolidated financial statements  
As at and for the three month period ended 31 March 2021**

QAR '000s

**5. Operating segments**

The Group organizes and manages its operations by 2 business segments, which comprise conventional banking and insurance activities.

**Conventional Banking**

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

**Insurance Activities**

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

Details of each segment as of and for the three month period ended 31 March 2021 and 31 March 2020 are stated below:

**For the three month period ended 31 March 2021**

	Conventional Banking			Total
	Corporate Banking	Retail Banking	Unallocated	
Net interest income	624,288	37,066	-	661,354
Net income on insurance activities	-	-	-	386
Net other operating income	106,369	40,003	15,542	(292)
Segmental revenue	730,657	77,069	15,542	94
Total expense				(2,305)
Net impairment loss on loans and advances to customers				(230,571)
Impairment reversal on investment securities				4,406
Net profit				(214,705)
<b>As at 31 March 2021</b>				
Assets	98,006,294	5,145,504	8,797,021	111,948,819
Investment in an associate	-	-	-	188,188
Total assets				112,137,007
Liabilities	85,749,222	11,249,016	1,105,409	98,103,647
Contingent items	17,063,467	68,062	-	17,131,529
				85,665
				-
				112,147,167
				98,189,312
				17,131,529

*Intra-group transactions are eliminated from this segmental information (Assets: QAR 129.6 million and Liabilities: QAR 29.6 million)*

Notes to the interim condensed consolidated financial statements  
As at and for the three month period ended 31 March 2021

QAR '000s

## 5. Operating segments (continued)

For the three month period ended 31 March 2020

	Conventional Banking			Total	Insurance	Total
	Corporate Banking	Retail Banking	Unallocated			
Net interest income	489,027	58,960	-	547,987	-	547,987
Net income on insurance activities	-	-	-	-	4,143	4,143
Net other operating income	150,255	37,230	4,889	192,374	444	192,818
Segmental revenue	639,282	96,190	4,889	740,361	4,587	744,948
Total expense				(243,057)	(2,093)	(245,150)
Net impairment loss on loans and advances to customers				(175,709)	-	(175,709)
Impairment loss on investment securities				2	-	2
Net profit				321,597	2,494	324,091
As at 31 December 2020						
Assets	88,525,339	5,064,422	9,739,150	103,328,911	201,185	103,530,096
Investment in an associate	-	-	-	-	-	10,176
Total assets						103,540,272
Liabilities	76,652,730	10,762,410	2,234,526	89,649,666	96,036	89,745,702
Contingent items	17,090,189	66,604	-	17,156,793	-	17,156,793

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

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

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

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

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

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

As at 31 March 2021, the Group held the following classes of financial instruments measured at fair value:

	Level 1	Level 2	Level 3	Total
<b>At 31 March 2021</b>				
<b>Financial assets measured at fair value:</b>				
Investment securities measured at FVOCI	10,847,291	4,848,510	50,445	15,746,246
Investment securities measured at FVTPL	46,897	-	35,193	82,090
<i>Derivative instruments:</i>				
Interest rate swaps	-	60,898	-	60,898
Forward foreign exchange contracts	-	15,075	-	15,075
	<u>10,894,188</u>	<u>4,924,483</u>	<u>85,638</u>	<u>15,904,309</u>
<b>Financial liabilities measured at fair value:</b>				
<i>Derivative instruments:</i>				
Interest rate swaps	-	536,503	-	536,503
Forward foreign exchange contracts	-	30,919	-	30,919
	<u>-</u>	<u>567,422</u>	<u>-</u>	<u>567,422</u>
	Level 1	Level 2	Level 3	Total
<b>At 31 December 2020</b>				
<b>Financial assets measured at fair value:</b>				
Investment securities measured at FVOCI	11,513,998	4,848,510	51,046	16,413,554
Investment securities measured at FVTPL	20,239	-	34,940	55,179
<i>Derivative instruments:</i>				
Interest rate swaps	-	57,700	-	57,700
Forward foreign exchange contracts	-	92,466	-	92,466
	<u>11,534,237</u>	<u>4,998,676</u>	<u>85,986</u>	<u>16,618,899</u>
<b>Financial liabilities measured at fair value:</b>				
<i>Derivative instruments:</i>				
Interest rate swaps	-	894,928	-	894,928
Forward foreign exchange contracts	-	15,058	-	15,058
	<u>-</u>	<u>909,986</u>	<u>-</u>	<u>909,986</u>

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

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

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

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

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

**7. Loans and advances to customers**

	<b>31 March 2021</b>	31 March 2020	31 December 2020
	<b>Reviewed</b>	Reviewed	Audited
Loans	54,680,154	57,382,732	54,462,315
Overdrafts	18,872,222	11,189,543	13,595,830
Bills discounted	139,998	334,060	190,370
Other*	464,514	1,280,320	554,021
	<b>74,156,888</b>	70,186,655	68,802,536
Deferred profit	(4,722)	(10,392)	(4,692)
ECL on loans and advances to customers (stage 1 & 2)	(1,133,998)	(1,649,245)	(1,126,403)
Net impairment on loans and advances to customers (Stage 3)	<u>(2,485,409)</u>	<u>(3,202,692)</u>	<u>(2,221,405)</u>
<b>Net loans and advances to customers*</b>	<b><u>70,532,759</u></b>	<b><u>65,324,326</u></b>	<b><u>65,450,036</u></b>

The aggregate amount of non-performing loans and advances to customers at 31 March 2021 amounted to QAR 4,206 million which represents 5.67% of total loans and advances to customers (31 March 2020: QAR 3,995 million, 5.69% of total loans and advances to customers; 31 December 2020: QAR 4,115 million, 5.98% of total loans and advances to customers).

During the period, the Group has written off fully provided non-performing loans amounting to QAR 182 million (31 March 2020: QAR 554 million, 31 December 2020: QAR 3,978 million) as per Qatar Central Bank circular no. 68/2011.

Net impairment of loans and advances includes QAR 879 million of interest in suspense (31 March 2020: QAR 925 million; 31 December 2020: QAR 797 million).

\*This includes acceptances pertaining to trade finance activities amounting to QAR 142 million (31 March 2020: QAR 1,110 million; 31 December 2020: QAR 158 million).

The net impairment loss on loans and advances to customers in the income statement includes QAR 94.6 million recovery from the loans & advances previously written off for the period ended 31 March 2021 (31 March 2020: QAR 4.3 million).

**8. Investment securities**

	<b>31 March 2021 Reviewed</b>	31 March 2020 Reviewed	31 December 2020 Audited
Investment securities measured at FVOCI	15,590,186	16,139,176	16,268,922
Investment securities measured at FVTPL	82,090	71,109	55,179
Investment securities measured at amortised cost	8,137,852	8,762,137	8,141,932
Interest receivable	230,303	245,037	208,220
	<b>24,040,431</b>	<b>25,217,459</b>	<b>24,674,253</b>
Net impairment losses on investment securities	(6,903)	(25,354)	(6,920)
	<b>24,033,528</b>	<b>25,192,105</b>	<b>24,667,333</b>

The Group has pledged State of Qatar Bonds amounting to QAR 7,125 million as at 31 March 2021 (31 March 2020: QAR 9,848 million; 31 December 2020: QAR 8,900 million) against repurchase agreements.

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

During the period ended 31 March 2021, the Group acquired assets with a cost of QAR 0.6 million (31 March 2020: QAR 4.2 million; 31 December 2020: QAR 20 million).

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

**10. Debt securities**

	<b>31 March 2021 Reviewed</b>	31 March 2020 Reviewed	31 December 2020 Audited
Senior guaranteed notes	2,133,777	471,831	327,430
Interest payable	1,736	996	778
	<b>2,135,513</b>	<b>472,827</b>	<b>328,208</b>

**Note:**

The Group has issued USD 563 million and JPY 3.0 billion as at 31 March 2021 (31 March 2020: USD 55 million and JPY 8.1 billion; 31 December 2020: USD 63 million and JPY 3.0 billion) senior unsecured debt under its updated EMTN programme.



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

**Notes to the interim condensed consolidated financial statements  
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QAR '000s

**11. Other borrowings**

	<b>31 March 2021 Reviewed</b>	31 March 2020 Reviewed	31 December 2020 Audited
Term loan facilities	8,501,700	7,325,150	8,200,026
Interest payable	12,815	36,590	17,167
	<u><b>8,514,515</b></u>	<u><b>7,361,740</b></u>	<u><b>8,217,193</b></u>

The table below shows the maturity profile of other borrowings:

	<b>31 March 2021 Reviewed</b>	31 March 2020 Reviewed	31 December 2020 Audited
Upto 1 year	3,362,685	5,075,565	5,806,659
Between 1 and 3 years	5,151,830	2,286,175	2,410,534
	<u><b>8,514,515</b></u>	<u><b>7,361,740</b></u>	<u><b>8,217,193</b></u>

**12. Share capital**

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

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

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

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

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

**14. Dividend**

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

Doha Bank Q.P.S.C.

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QAR '000s

15. Earnings per share

	<b>31 March 2021</b>	31 March 2020
	<b>Reviewed</b>	Reviewed
<b>Basic and diluted</b>		
Profit attributable to the shareholders of the Bank	<b>380,187</b>	324,091
Weighted average number of outstanding ordinary shares in thousands	<b>3,100,467</b>	3,100,467
Basic and diluted earnings per share (QAR)	<b>0.12</b>	0.10

16. Financial commitments and contingencies

	<b>31 March 2021</b>	31 March 2020	31 December 2020
	<b>Reviewed</b>	Reviewed	Audited
<b>(a) Contingent commitments</b>			
Guarantees	12,130,224	12,920,882	12,392,098
Letter of credit	4,385,904	4,472,731	3,670,942
Unused credit facilities	615,401	1,917,696	1,093,753
Others	61,715	50,720	59,694
	<u><b>17,193,244</b></u>	<u>19,362,029</u>	<u>17,216,487</u>
<b>(b) Other commitments</b>			
<i>Derivative financial instruments:</i>			
Forward foreign exchange contracts	6,429,443	10,097,921	9,604,548
Interest rate swaps	6,697,417	7,270,433	6,604,533
	<u><b>13,126,860</b></u>	<u>17,368,354</u>	<u>16,209,081</u>
<b>Total</b>	<u><b>30,320,104</b></u>	<u>36,730,383</u>	<u>33,425,568</u>

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

17. Cash and cash equivalents

	<b>31 March 2021</b>	31 March 2020	31 December 2020
	<b>Reviewed</b>	Reviewed	Audited
Cash and balances with central banks *	3,978,833	3,224,404	4,755,276
Due from banks up to 90 days	6,572,491	4,459,027	2,246,470
	<u><b>10,551,324</b></u>	<u>7,683,431</u>	<u>7,001,746</u>

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

**18. Related party transactions**

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

	<b>31 March 2021 Reviewed</b>	31 March 2020 Reviewed	31 December 2020 Audited
<b>Statement of financial position items</b>			
- Loans, advances and financing activities	1,793,587	1,808,866	1,824,272
- Deposits	555,485	714,245	669,281
- Contingent liabilities and other commitments	570,217	647,165	600,477
- Others assets	8,305	8,305	8,305
		<b>31 March 2021 Reviewed</b>	31 March 2020 Reviewed
<b>Statement of income and expenses items</b>			
- Interest and fee income		<b>13,631</b>	10,750
- Interest, fee and commission expenses		<b>5,775</b>	7,876
<b>Compensation to Board of Directors</b>			
- Salaries and other benefits		8,864	9,005
- End of service benefits and pension fund		-	406
		<b>8,864</b>	<b>9,411</b>

**19. Capital adequacy**

	<b>31 March 2021 Reviewed</b>	31 March 2020 Reviewed	31 December 2020 Audited
Common Equity Tier 1 Capital	9,395,083	7,647,418	9,379,037
Additional Tier 1 Capital	4,000,000	4,000,000	4,000,000
Additional Tier 2 Capital	834,604	906,159	825,583
<b>Total Eligible Capital</b>	<b>14,229,687</b>	<b>12,553,577</b>	<b>14,204,620</b>
<b>Risk Weighted Assets</b>	<b>72,274,803</b>	<b>77,727,540</b>	<b>71,908,257</b>
Total Capital Ratio	<b>19.69%</b>	16.15%	19.75%

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

- Minimum limit without Capital Conservation buffer is 10%; and
- Minimum limit including Capital Conservation buffer, ICAAP buffer and the applicable Domestic Systemically Important Bank ("DSIB") buffer is 12.5%.

**20. Impact of COVID-19**

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

**20. Impact of COVID-19 (continued)**

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

**(a) Expected credit losses**

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

**(b) Valuation estimates and judgements**

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

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

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

**(c) Accounting for modified loans and advances**

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

**(d) Accounting for zero rate repo facilities**

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

**21. Comparative information**

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