

Doha Bank (Q.P.S.C)

Interim condensed consolidated
financial information

30 June 2022

Doha Bank Q.P.S.C.
Interim condensed consolidated financial information

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Review report on the interim condensed consolidated financial information to the board of directors of Doha Bank Q.P.S.C.

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of Doha Bank Q.P.S.C. (the “Parent”) and its subsidiaries (together “the Group”) as at 30 June 2022 and the related interim condensed consolidated income statement and statement of comprehensive income for the three month and six month periods then ended, and the related statements of changes in equity and cash flows for the six month period then ended and other explanatory notes. Management is responsible for the preparation and presentation of this interim condensed consolidated financial information in accordance with International Accounting Standard 34, ‘Interim Financial Reporting’ (‘IAS 34’) as issued by the International Accounting Standard Board (IASB). Our responsibility is to express a conclusion on this interim condensed consolidated financial information based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, ‘Review of interim financial information performed by the independent auditor of the entity’. A review of interim financial information 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 interim condensed consolidated financial information is not prepared, in all material respects, in accordance with IAS 34.

For and on behalf of PricewaterhouseCoopers - Qatar Branch
Qatar Financial Market Authority registration number 120155

Waleed Tahtamouni
Auditor’s registration number 370
Doha, State of Qatar
27 July 2022



Doha Bank Q.P.S.C.

(All amounts are expressed in 000' Qatari Riyals unless otherwise stated)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2022

	Notes	30 June 2022 (Unaudited)	31 December 2021 Audited	30 June 2021 (Unaudited)
Assets				
Cash and balances with central banks		5,554,823	5,887,367	4,554,847
Due from banks	7	6,561,577	5,364,929	6,847,089
Loans and advances to customers	8	60,740,925	62,667,285	72,168,912
Investment securities	9	24,372,096	25,082,873	23,571,908
Investment in an associate		10,132	10,758	10,001
Property, furniture and equipment		672,689	689,273	692,507
Other assets		1,114,857	1,400,746	1,470,061
Total assets		99,027,099	101,103,231	109,315,325
Liabilities				
Due to banks	10	16,870,138	22,511,391	22,532,168
Customers deposits		53,691,975	50,355,949	59,112,823
Debt securities	11	2,516,567	1,891,734	1,924,785
Other borrowings	12	9,706,980	9,737,521	9,089,359
Other liabilities		2,329,909	2,350,683	2,474,597
Total liabilities		85,115,569	86,847,278	95,133,732
Equity				
Share capital	13	3,100,467	3,100,467	3,100,467
Legal reserve		5,094,607	5,094,607	5,094,574
Risk reserve		1,029,600	1,029,600	849,600
Fair value reserve		(408,062)	163,693	161,031
Foreign currency translation reserve		(74,162)	(65,550)	(65,417)
Retained earnings		1,169,080	933,136	1,041,338
Total equity attributable to shareholders of the Bank		9,911,530	10,255,953	10,181,593
Instruments eligible as additional Tier 1 capital	14	4,000,000	4,000,000	4,000,000
Total equity		13,911,530	14,255,953	14,181,593
Total liabilities and equity		99,027,099	101,103,231	109,315,325

The interim condensed consolidated financial information was approved by the Board of Directors on 27 July 2022 and was signed on its behalf by:



Fahad Bin Mohammad Bin Jabor Al Thani
Chairman



Abdul Rahman Bin Mohammad Bin Jabor Al Thani
Managing Director



Gudni Stiholt Adalsteinsson
Acting Chief Executive Officer



Independent auditors' review report is set out on page 1.
The attached notes 1 to 21 form part of this interim condensed consolidated financial information.

Doha Bank Q.P.S.C.

(All amounts are expressed in 000' Qatari Riyals unless otherwise stated)

INTERIM CONDENSED CONSOLIDATED INCOME STATEMENT

For the three and six-month period ended 30 June 2022

	Note	Three months ended 30 June		Six months ended 30 June	
		2022 (Unaudited)	2021 (Unaudited)	2022 (Unaudited)	2021 (Unaudited)
Interest income		900,578	875,001	1,763,396	1,773,028
Interest expense		(304,339)	(267,290)	(523,459)	(503,963)
Net interest income		596,239	607,711	1,239,937	1,269,065
Fee and commission income		144,550	106,881	271,043	217,240
Fee and commission expense		(50,648)	(37,236)	(96,028)	(74,484)
Net fee and commission income		93,902	69,645	175,015	142,756
Gross written premium		12,781	11,574	24,714	23,167
Premium ceded		(2,938)	(1,589)	(3,729)	(3,187)
Net claims paid		(8,429)	(7,892)	(17,240)	(17,501)
Net income from insurance activities		1,414	2,093	3,745	2,479
Net foreign exchange gain		36,252	35,665	75,038	76,780
(Loss) / income from investment securities		(20,446)	21,610	33,127	53,464
Other operating income		4,711	4,381	10,897	19,923
		20,517	61,656	119,062	150,167
Net operating income		712,072	741,105	1,537,759	1,564,467
Staff costs		(125,145)	(114,853)	(253,117)	(228,574)
Depreciation		(25,785)	(24,798)	(51,284)	(51,252)
Net impairment reversal on investment securities		18,478	5,075	26,302	9,481
Net impairment loss on loans and advances to customers		(247,122)	(301,292)	(436,366)	(531,863)
Net impairment reversal / (loss) on other financial assets		5,795	6,858	(3,382)	10,162
Other expenses		(74,740)	(76,020)	(152,733)	(154,375)
		(448,519)	(505,030)	(870,580)	(946,421)
Profit before tax		263,553	236,075	667,179	618,046
Income tax expense		(19)	(1,913)	(2,200)	(3,697)
Profit for the period		263,534	234,162	664,979	614,349
Earnings per share					
Basic and diluted earnings per share (QR per share)	16	0.08	0.08	0.21	0.20



Independent auditors' review report is set out on page 1.

The attached notes 1 to 21 form part of this interim condensed consolidated financial information.

Doha Bank Q.P.S.C.

(All amounts are expressed in 000' Qatari Riyals unless otherwise stated)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the three and six-month period ended 30 June 2022

	Three months ended 30 June		Six months ended 30 June	
	2022 (Unaudited)	2021 (Unaudited)	2022 (Unaudited)	2021 (Unaudited)
Profit for the period	263,534	234,162	664,979	614,349
Other comprehensive income				
Items that are or may be subsequently reclassified to income statement:				
Foreign currency translation differences for foreign operations	(6,649)	(2,535)	(8,612)	(2,830)
<i>Movement in fair value reserve (debt instruments):</i>				
Net change in fair value	(716,130)	125,252	(1,228,432)	(197,640)
Net amount transferred to consolidated income statement	440,898	(146,234)	686,262	177,964
	(281,881)	(23,517)	(550,782)	(22,506)
Items that will not be reclassified Subsequently to statement of income				
Net change in fair value of equity investments designated at FVOCI	(48,274)	13,093	(29,585)	27,715
Other comprehensive (loss) / income	(330,155)	(10,424)	(580,367)	5,209
Total comprehensive (loss) / income	(66,621)	223,738	84,612	619,558



Independent auditors' review report is set out on page 1.

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Doha Bank Q.P.S.C.

(All amounts are expressed in 000' Qatari Riyals unless otherwise stated)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six-month period ended 30 June 2022

	Equity attributable to shareholders of the Bank							Instrument eligible as additional Tier 1 capital	Total equity
	Share capital	Legal Reserve	Risk reserve	Fair value reserve	Foreign currency translation reserve	Retained earnings	Total		
Balance at 1 January 2022 (Audited)	3,100,467	5,094,607	1,029,600	163,693	(65,550)	933,136	10,255,953	4,000,000	14,255,953
<i>Total comprehensive income:</i>									
Profit for the period	-	-	-	-	-	664,979	664,979	-	664,979
Other comprehensive loss	-	-	-	(571,755)	(8,612)	-	(580,367)	-	(580,367)
Total comprehensive (loss) / income	-	-	-	(571,755)	(8,612)	664,979	84,612	-	84,612
Distribution for Tier 1 Capital notes	-	-	-	-	-	(196,500)	(196,500)	-	(196,500)
<i>Transactions with shareholders:</i>									
Dividends for the year 2021 (Note 15)	-	-	-	-	-	(232,535)	(232,535)	-	(232,535)
Balance at 30 June 2022 (Unaudited)	3,100,467	5,094,607	1,029,600	(408,062)	(74,162)	1,169,080	9,911,530	4,000,000	13,911,530
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 for the period	-	-	-	-	-	614,349	614,349	-	614,349
Other comprehensive income / (loss)	-	-	-	8,039	(2,830)	-	5,209	-	5,209
Total comprehensive income / (loss)	-	-	-	8,039	(2,830)	614,349	619,558	-	619,558
<i>Transactions with shareholders:</i>									
Dividends for the year 2020 (Note 15)	-	-	-	-	-	(232,535)	(232,535)	-	(232,535)
Balance at 30 June 2021(Audited)	3,100,467	5,094,574	849,600	161,031	(65,417)	1,041,338	10,181,593	4,000,000	14,181,593



Independent auditors' review report is set out on page 1.

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Doha Bank Q.P.S.C.

Notes to the interim condensed consolidated financial information
(All amounts are expressed in 000' Qatari Riyals unless otherwise stated)

INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

For the six-month period ended

	Note	For the six-month period ended	
		2022 (Unaudited)	2021 (Unaudited)
Cash flows from operating activities			
Profit before tax		667,179	618,046
<i>Adjustments for:</i>			
Net impairment loss on loans and advances to customers		436,366	531,863
Net impairment reversal on investment securities		(26,302)	(9,481)
Net impairment loss / (reversal) on other financial assets		3,382	(10,162)
Depreciation		51,284	51,252
Amortisation of financing cost		9,879	10,249
Net income from investment securities		(6,492)	(36,772)
Profit on sale of property, furniture and equipment		-	(13)
Profit before changes in operating assets and liabilities		1,135,296	1,154,982
Change in due from banks		(2,009,820)	(1,579,158)
Change in loans and advances to customers		1,472,280	(7,241,864)
Change in other assets		285,889	688,148
Change in due to banks		(5,641,253)	(504,596)
Change in customers deposits		3,336,026	4,058,827
Change in other liabilities		(28,663)	(474,316)
Social and sports fund contribution		(17,594)	(17,576)
Income tax paid		(3,732)	(1,175)
Net cash flows used in operating activities		(1,471,571)	(3,916,728)
Cash flows from investing activities			
Acquisition of investment securities		(4,294,028)	(2,396,928)
Proceeds from sale of investment securities		4,466,470	3,546,820
Acquisition of property, furniture and equipment		(1,965)	(2,120)
Proceeds from sale of property, furniture and equipment		-	13
Net cash flows generated from investing activities		170,477	1,147,785
Cash flows from financing activities			
(Repayment) / proceeds from other borrowings		(30,541)	872,166
Proceeds from debt securities		614,954	1,586,328
Distribution on Tier 1 capital notes		(196,500)	(203,000)
Dividends paid		(232,535)	(232,535)
Net cash flows generated from financing activities		155,378	2,022,959
Net decrease in cash and cash equivalents		(1,145,716)	(745,984)
Cash and cash equivalents at the beginning of the period		7,358,300	7,001,746
Cash and cash equivalents at the end of the period	18	6,212,584	6,255,762
Operational cash flows from interest and dividend:			
Interest received		1,775,497	1,783,661
Interest paid		621,131	527,773
Dividends received		26,635	16,692



Independent auditors' review report is set out on page 1.
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Doha Bank Q.P.S.C.

Notes to the interim condensed consolidated financial information

(All amounts are expressed in 000' Qatari Riyals unless otherwise stated)

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 information for the six month period ended 30 June 2022 comprises of the Bank and its subsidiaries (together referred to as “the Group”).

The principal subsidiaries of the Group are as follows:

Company’s name	Country of incorporation	Company’s capital	Company’s Activities	Percentage of ownership	
				30 June 2022	30 June 2021
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 information have been prepared in accordance with IAS 34, Interim Financial Reporting.

The interim condensed consolidated financial information does not contain all information and disclosures required in the consolidated financial statements, and should be read in conjunction with the Group’s consolidated financial statements as at 31 December 2021. The accounting policies adopted in the preparation of the interim condensed consolidated financial information are consistent with those followed in the preparation of the Group’s consolidated financial statements for the year ended 31 December 2021 except for the adoption of new and amended standards as set out in note 3. The results for the six-month period ended 30 June 2022 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2022.

(b) Estimates and judgements

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

In preparing the 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 2021.

(c) Basis of measurement

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

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

Doha Bank Q.P.S.C.

Notes to the interim condensed consolidated financial information

(All amounts are expressed in 000' Qatari Riyals unless otherwise stated)

(d) Functional and presentation currency

The interim condensed consolidated financial information is presented in Qatari Riyals (“QR”), which is the Group’s functional and presentation currency, unless otherwise indicated.

(e) 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 2021.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and methods of computation adopted in the preparation of the interim condensed consolidated financial information are the same as those followed in the preparation of the Group’s consolidated financial statement as at and for the year ended 31 December 2021, except as noted below:

(a) New standards, amendments and interpretations effective from 1 January 2022

- Property, Plant and Equipment: Proceeds before intended use – Amendments to IAS 16
- Reference to the Conceptual Framework – Amendments to IFRS 3
- Onerous Contracts – Cost of Fulfilling a Contract Amendments to IAS 37
- Annual Improvements to IFRS Standards 2018–2020

During the period, the above IFRS Standards and amendments to IFRS Standards have been applied by the Group in preparation of this interim condensed consolidated financial information. The adoption of the above IFRS Standards and amendments to IFRS Standards did not have any impact on the amounts recognized in prior and current periods and are not expected to significantly affect the future reporting periods.

(b) New standards, amendments and interpretations issued but not effective from 1 January 2022

- IFRS 17 Insurance Contracts
- Classification of Liabilities as Current or Non-current – Amendments to IAS 1
- Disclosure of Accounting Policies – Amendments to IAS 1 and IFRS Practice Statement 2
- Definition of Accounting Estimates – Amendments to IAS 8
- Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to IAS 12
- Sale on contribution of assets between an investor and its associate or joint venture – Amendments to IFRS 10 and IAS 28, deferred indefinitely.

The above new accounting standards and interpretations have been published that are not mandatory for 30 June 2022 reporting periods and have not been early adopted by the Group. These standards are currently in process of being assessed by the management of the Group to consider any implication in the current or future reporting periods and on foreseeable future transactions.

Doha Bank Q.P.S.C.

Notes to the interim condensed consolidated financial information
(All amounts are expressed in 000' Qatari Riyals unless otherwise stated)

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 2021.

(a) Exposure and related ECL movements

	30 June 2022 (Unaudited)				30 June 2021 (Unaudited)
	Stage 1	Stage 2	Stage 3	Total	Total
Gross exposures subject to ECL – as at 30 June					
- Loans and advances to customers	41,096,880	19,324,709	3,823,412	64,245,001	75,557,948
- Investment securities (debt)	23,392,492	-	23,301	23,415,793	22,856,527
- Loan commitments and financial guarantees	10,442,121	3,765,690	797,636	15,005,447	16,530,452
- Due from banks and balances with central Banks	9,518,528	2,056,085	-	11,574,613	10,887,780
	84,450,021	25,146,484	4,644,349	114,240,854	125,832,707
Opening balance of ECL / impairment - as at 1 January					
- Loans and advances to customers*	146,709	852,297	1,966,006	2,965,012	3,347,808
- Investment securities (debt) **	11,086	25,333	6,474	42,893	57,811
- Loan commitments and financial guarantees	8,594	5,382	343,596	357,572	208,658
- Due from banks and balances with central Banks	4,444	426	-	4,870	2,014
	170,833	883,438	2,316,076	3,370,347	3,616,291
Net charge and transfers for the period (net of foreign currency translation)					
- Loans and advances to customers*	(30,044)	115,663	557,907	643,526	960,741
- Investment securities (debt) **	(969)	(25,333)	-	(26,302)	(9,481)
- Loan commitments and financial guarantees	(246)	1,433	-	1,187	(14,413)
- Due from banks and balances with central Banks	704	1,491	-	2,195	4,251
	(30,555)	93,254	557,907	620,606	941,098
Write offs and other during the period					
- Loans and advances to customers*	-	-	(104,462)	(104,462)	(919,513)
- Investment securities (debt) **	-	-	-	-	-
- Loan commitments and financial guarantees	-	-	(1,061)	(1,061)	19,353
- Due from banks and balances with central Banks	-	-	-	-	-
	-	-	(105,523)	(105,523)	(900,160)
Closing balance of ECL / impairment - as at 30 June					
- Loans and advances to customers*	116,665	967,960	2,419,451	3,504,076	3,389,036
- Investment securities (debt) **	10,117	-	6,474	16,591	48,330
- Loan commitments and financial guarantees	8,348	6,815	342,535	357,698	213,598
- Due from banks and balances with central Banks	5,148	1,917	-	7,065	6,265
	140,278	976,692	2,768,460	3,885,430	3,657,229

* stage 3 provision balance includes interest in suspense and the net charge includes interest suspended on loans and advances to customers amounting to QR 176 million (30 June 2021: QR 284 million).

** This balance includes expected credit loss on investment in debt securities accounted at FVOCI and amortized cost.

Doha Bank Q.P.S.C.

Notes to the interim condensed consolidated financial information

(All amounts are expressed in 000' Qatari Riyals unless otherwise stated)

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 businesses 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.

Information regarding the results, assets and liabilities of each reportable segment is included below. Performance is measured based on segment profit, assets and liabilities, as included in the internal management reports that are reviewed by the Assets and Liabilities Committee (ALCO) committee. Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments.

Details of each segment as of and for the six-month period ended 30 June 2022 and 30 June 2021 are stated below:

For the six-month period ended 30 June 2022 (unaudited)

	Conventional Banking			Total	Insurance	Total
	Corporate Banking	Retail Banking	Unallocated			
Net interest income	1,157,964	81,973	-	1,239,937	-	1,239,937
Net income on insurance activities	-	-	-	-	3,745	3,745
Net other operating income / (loss)	160,703	122,674	10,897	294,274	(197)	294,077
Segmental revenue	1,318,667	204,647	10,897	1,534,211	3,548	1,537,759
Total expenses				(455,531)	(3,803)	(459,334)
Net impairment loss on loans and advances to customers				(436,366)	-	(436,366)
Net impairment reversal on investment securities				26,302	-	26,302
Net impairment loss on other financial instruments				(3,382)	-	(3,382)
Net profit / (loss)				665,234	(255)	664,979

Doha Bank Q.P.S.C.

Notes to the interim condensed consolidated financial information
(All amounts are expressed in 000' Qatari Riyals unless otherwise stated)

5. OPERATING SEGMENTS (CONTINUED)

For the six month period ended
30 June 2021 (unaudited)

	Conventional Banking					Insurance	Total
	Corporate Banking	Retail Banking	Unallocated	Total			
Net interest income	1,185,816	83,249	-	1,269,065	-	-	1,269,065
Net income on insurance activities	-	-	-	-	2,479	-	2,479
Net other operating income / (loss)	178,911	94,389	19,923	293,223	(300)	-	292,923
Segmental revenue	1,364,727	177,638	19,923	1,562,288	2,179	-	1,564,467
Total expenses				(434,370)	(3,528)	-	(437,898)
Net impairment loss on loans and advances to customers				(531,863)	-	-	(531,863)
Net reversal on investment securities				9,481	-	-	9,481
Net reversal on other financial instruments				10,162	-	-	10,162
Net profit / (loss)				615,698	(1,349)	-	614,349

As at 30 June 2022 (unaudited)

	Conventional Banking					Insurance	Total
	Corporate Banking	Retail Banking	Unallocated	Total			
Assets	86,594,599	4,898,164	7,342,369	98,835,132	181,835	-	99,016,967
Investment in an associate	-	-	-	-	-	-	10,132
Total assets	86,594,599	4,898,164	7,342,369	98,835,132	181,835	-	99,027,099
Liabilities	73,001,933	10,579,921	1,440,060	85,021,914	93,655	-	85,115,569
Contingent liabilities	14,376,275	629,172	-	15,005,447	-	-	15,005,447

As at 31 December 2021 (audited)

Assets	87,962,316	4,954,113	7,977,386	100,893,815	198,658	-	101,092,473
Investment in an associate	-	-	-	-	-	-	10,758
Total assets	87,962,316	4,954,113	7,977,386	100,893,815	198,658	-	101,103,231
Liabilities	75,015,172	10,298,460	1,439,991	86,753,623	93,655	-	86,847,278
Contingent liabilities	14,789,947	146,169	-	14,936,116	-	-	14,936,116

Intra-group transactions are eliminated from this segmental information as at 30 June 2022 as follows: Assets: QR 125 million and Liabilities: QR 25 million (31 December 2021: Assets: QR 122.9 million and liabilities QR 22.9 million).

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(All amounts are expressed in 000' Qatari Riyals unless otherwise stated)

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 price (unadjusted) in an active market for an identical instrument.

Level 2 - Valuation techniques based on observable inputs, either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques where all significant inputs are directly or indirectly observable from market data.

Level 3 - Valuation techniques using significant unobservable inputs. This category includes all instruments where the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments where significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

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.

Financial investments classification

As at 30 June 2022, the Group held the following classes of financial instruments measured at fair value:

	Level 1	Level 2	Level 3	Total
At 30 June 2022 (Unaudited)				
Financial assets measured at fair value:				
Investment securities measured at FVOCI	10,400,482	4,830,760	46,534	15,277,776
Investment securities measured at FVTPL	34,384	-	-	34,384
<i>Derivative instruments:</i>				
Interest rate swaps	-	303,971	-	303,971
Forward foreign exchange contracts	-	37,749	-	37,749
	10,434,866	5,172,480	46,534	15,653,880
Financial liabilities measured at fair value:				
<i>Derivative instruments:</i>				
Interest rate swaps	-	71,049	-	71,049
Forward foreign exchange contracts	-	96,330	-	96,330
	-	167,379	-	167,379
	Level 1	Level 2	Level 3	Total
At 31 December 2021 (Audited)				
Financial assets measured at fair value:				
Investment securities measured at FVOCI	10,984,723	5,083,611	46,906	16,115,240
Investment securities measured at FVTPL	7,160	-	6,359	13,519
<i>Derivative instruments:</i>				
Interest rate swaps	-	34,566	-	34,566
Forward foreign exchange contracts	-	25,492	-	25,492
	10,991,883	5,143,669	53,265	16,188,817
Financial liabilities measured at fair value:				
<i>Derivative instruments:</i>				
Interest rate swaps	-	506,958	-	506,958
Forward foreign exchange contracts	-	35,979	-	35,979
	-	542,937	-	542,937

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(All amounts are expressed in 000' Qatari Riyals unless otherwise stated)

6. FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)

	Level 1	Level 2	Level 3	Total
At 30 June 2021 (Unaudited)				
Financial assets measured at fair value:				
Investment securities measured at FVOCI	10,450,609	4,823,510	50,414	15,324,533
Investment securities measured at FVTPL	59,785	-	19,099	78,884
<i>Derivative instruments:</i>				
Interest rate swaps	-	73,867	-	73,867
Forward foreign exchange contracts	-	10,843	-	10,843
	10,510,394	4,908,220	69,513	15,488,127
Financial liabilities measured at fair value:				
<i>Derivative instruments:</i>				
Interest rate swaps	-	631,807	-	631,807
Forward foreign exchange contracts	-	29,163	-	29,163
	-	660,970	-	660,970

There have been no transfers between level 1 and level 2 during the periods ended 30 June 2022 and 2021 and the year ended 31 December 2021.

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. DUE FROM BANKS

	30 June 2022 (Unaudited)	31 December 2021 (Audited)	30 June 2021 (Unaudited)
Current accounts	498,025	453,581	618,569
Placements	2,841,966	1,891,528	3,440,149
Loans to banks	3,225,791	3,023,611	2,791,966
Interest receivable	2,860	1,079	2,670
Allowance for ECL	(7,065)	(4,870)	(6,265)
	6,561,577	5,364,929	6,847,089

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8. LOANS AND ADVANCES TO CUSTOMERS

	30 June 2022 (Unaudited)	31 December 2021 (Audited)	30 June 2021 (Unaudited)
Loans	54,313,842	53,571,452	54,089,550
Overdrafts	9,651,427	11,781,274	20,866,980
Bills discounted	72,211	99,239	124,651
Other*	210,685	183,936	480,901
	64,248,165	65,635,901	75,562,082
Deferred profit	(3,164)	(3,604)	(4,134)
ECL on loans and advances to customers (stage 1 & 2)	(1,084,625)	(999,006)	(1,144,028)
Net impairment on loans and advances to customers (Stage 3)	(1,571,648)	(1,270,485)	(1,466,045)
Interest in suspense	(847,803)	(695,521)	(778,963)
Net loans and advances to customers	60,740,925	62,667,285	72,168,912

The aggregate amount of non-performing loans and advances to customers at 30 June 2022 amounted to QR 3,823 million which represents 5.95% of total loans and advances to customers (31 December 2021: QR 3,827 million, 5.83% of total loans and advances to customers; 30 June 2021: QR 4,264 million, 5.64% of total loans and advances to customers).

During the period, the Group has written off fully provided non-performing loans amounting to QR 82.4 million (31 December 2021: QR 2,244 million ; 30 June 2021: QR 920 million) as per Qatar Central Bank circular no. 68/2011.

*This includes acceptances pertaining to trade finance activities amounting to QR 140 million (31 December 2021: QR 98 million; 30 June 2021: QR 166 million).

The net impairment loss on loans and advances to customers in the income statement includes QR 30.1 million recovery from the loans & advances previously written off for the period ended 30 June 2022 (30 June 2021: QR 143.8 million).

9. INVESTMENT SECURITIES

	30 June 2022 (Unaudited)	31 December 2021 (Audited)	30 June 2021 (Unaudited)
Investment securities measured at FVOCI	15,138,684	15,974,891	15,187,279
Investment securities measured at FVTPL	34,384	13,519	78,884
Investment securities measured at amortised cost	9,001,108	8,894,822	8,114,078
Interest receivable	205,994	207,755	198,576
	24,380,170	25,090,987	23,578,817
Net impairment losses (ECL) on investment securities	(8,074)	(8,114)	(6,909)
	24,372,096	25,082,873	23,571,908

The Group has pledged State of Qatar bonds amounting to QR 4,614 million as at 30 June 2022 (30 June 2021: QR 4,301 million; 31 December 2021: QR 3,582 million) against repurchase agreements.

10. DUE TO BANKS

	30 June 2022 (Unaudited)	31 December 2021 (Audited)	30 June 2021 (Unaudited)
Current accounts	299,283	259,743	84,326
Short-term loan from banks	10,251,083	17,034,053	16,664,776
Repo borrowings	6,304,644	5,208,949	5,773,484
Interest payable	15,128	8,646	9,582
	16,870,138	22,511,391	22,532,168

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11. DEBT SECURITIES

	30 June 2022 (Unaudited)	31 December 2021 (Audited)	30 June 2021 (Unaudited)
Senior guaranteed notes	2,504,151	1,880,436	1,913,576
Interest payable	12,416	11,298	11,209
	2,516,567	1,891,734	1,924,785

Note:

The Group has issued USD 500 million, JPY 1.0 billion and CHF 175 million as at 30 June 2022 (31 December 2021: USD 510 million and JPY 1.0 billion; 30 June 2021: USD 510 million and JPY 2.0 billion) senior unsecured debt under its updated EMTN programme.

The maturities of senior guarantees notes ranged from 2 years to 5 years years (31 December 2021: 3 years to 6 years; 30 June 2021: 2 years to 5 years) and carries average borrowing costs of 0.47% up to 2.38% per annum (31 December 2021: 0.62% up to 2.38% per annum; 30 June 2021: 0.35% up to 2.38% per annum).

12. OTHER BORROWINGS

	30 June 2022 (Unaudited)	31 December 2021 (Audited)	30 June 2021 (Unaudited)
Term loan facilities	9,688,660	9,720,419	9,073,711
Interest payable	18,320	17,102	15,648
	9,706,980	9,737,521	9,089,359

The table below shows the maturity profile of other borrowings:

	30 June 2022 (Unaudited)	31 December 2021 (Audited)	30 June 2021 (Unaudited)
Upto 1 year	6,474,842	2,930,639	2,826,525
Between 1 and 3 years	2,685,914	6,260,740	5,716,823
More than 3 years	546,224	546,142	546,011
	9,706,980	9,737,521	9,089,359

The term loan facilities carry average borrowing costs of 1.57% up to 2.79% per annum (31 December 2021: 0.72% up to 1.79% per annum, 31 June 2021: 0.65% up to 1.68% per annum) as maturities is covered in the above table any ways.

13. SHARE CAPITAL

	30 June 2022 (Unaudited)	31 December 2021 (Audited)	30 June 2021 (Unaudited)
Authorised number of ordinary shares (in thousands) (Nominal value of ordinary shares QR 1 each)	3,100,467	3,100,467	3,100,467
Issued and paid up capital (in thousands of Qatar Riyals)	3,100,467	3,100,467	3,100,467

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

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14. INSTRUMENT ELIGIBLE AS ADDITIONAL TIER 1 CAPITAL

	30 June 2022 (Unaudited)	31 December 2021 (Audited)	30 June 2021 (Unaudited)
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
	4,000,000	4,000,000	4,000,000

On 31 December 2013, the Group has issued regulatory Tier I capital notes totaling to QR 2 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.

On 30 June 2015, the Group has issued regulatory Tier I capital notes totaling to QR 2 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.

15. DIVIDEND

The Board of Directors' proposal of a 7.5% cash dividend amounting to QR 232.5 million for the year ended 31 December 2021 (2020: QR 232.5 million), was approved at the Annual General Assembly held on 23 March 2022.

16. EARNINGS PER SHARE

	Three months ended 30 June		Six months ended 30 June	
	2022 (Unaudited)	2021 (Unaudited)	2022 (Unaudited)	2021 (Unaudited)
Basic and diluted				
Profit attributable to the shareholders of the Bank	263,553	234,162	664,979	614,349
Weighted average number of outstanding ordinary shares in thousands	3,100,467	3,100,467	3,100,467	3,100,467
Basic and diluted earnings per share (QR)	0.08	0.08	0.21	0.20

17. FINANCIAL COMMITMENTS AND CONTINGENCIES

	30 June 2022 (Unaudited)	31 December 2021 (Audited)	30 June 2021 (Unaudited)
(a) Contingent commitments			
Guarantees	10,901,126	11,166,636	11,794,100
Letter of credit	3,282,347	2,940,328	3,847,569
Unused credit facilities	821,974	829,152	888,783
	15,005,447	14,936,116	16,530,452
(b) Other commitments			
<i>Derivative financial instruments:</i>			
Forward foreign exchange contracts	6,896,150	5,656,968	6,353,468
Interest rate swaps	7,844,667	6,895,585	6,707,977
	14,740,817	12,552,553	13,061,445
Total	29,746,264	27,488,669	29,591,897

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

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18. CASH AND CASH EQUIVALENTS

	30 June 2022 (Unaudited)	31 December 2021 (Audited)	30 June 2021 (Unaudited)
Cash and balances with central banks *	3,113,157	3,555,318	1,822,699
Due from banks up to 90 days	3,099,427	3,802,982	4,433,063
	6,212,584	7,358,300	6,255,762

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

19. RELATED PARTY TRANSACTIONS

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

	30 June 2022 (Unaudited)	31 December 2021 (Audited)	30 June 2021 (Unaudited)
Statement of financial position items			
- Loans, advances and financing activities	1,657,284	1,727,319	2,203,203
- Deposits	186,438	131,622	423,435
- Contingent liabilities and other commitments	491,503	551,807	587,558
- Others assets	-	8,305	8,305

	30 June 2022 (Unaudited)	30 June 2021 (Unaudited)
Statement of income and expenses items		
- Interest and fee income	20,525	27,356
- Interest, fee and commission expenses	3,030	12,866
Compensation to Board of Directors		
- Salaries and other benefits	16,595	17,328

20. CAPITAL ADEQUACY

	30 June 2022 (Unaudited)	31 December 2021 (Audited)	30 June 2021 (Unaudited)
Common Equity Tier 1 Capital	9,110,058	9,682,725	9,384,055
Additional Tier 1 Capital	4,000,000	4,000,000	4,000,000
Additional Tier 2 Capital	831,060	826,404	816,104
Total Eligible Capital	13,941,118	14,509,129	14,200,159
Risk Weighted Assets	72,508,105	71,898,016	70,992,923
Total Capital Ratio	19.23%	20.18%	20.00%

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%.

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21. POTENTIAL IMPACT OF ECONOMIC UNCERTAINTIES

The group has has considered potential impact of current econommc uncertainties in the inputs for the forward looking macro economic factors and have used following forward looking factors while determining the ECL.

(a) Expected credit losses

The uncertainties caused by the current economic uncertainties and the volatility in oil prices have required the Group 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, the Bank has considered the impact of higher volatility in the forward-looking macro-economic factors, including following, when determining the severity and likelihood of economic scenarios for ECL determination

	30 June 2022 (Unaudited)	31 December 2021 (Audited)	30 June 2021 (Unaudited)
Brent Crude oil average price range (USD/Barrel)	USD 51 to 71	USD 51 to 71	USD 40 to 60
Private Sector Credit Concentration	65.9%	65.9%	67.7%

The following weightings were assigned to each macro-economic scenario:

	30 June 2022 (Unaudited)	31 December 2021 (Audited)	30 June 2021 (Unaudited)
Improved case	10%	10%	10%
Base case	65%	65%	65%
Stressed case	25%	25%	25%

The Group has considered the potential impacts of the current economic volatility in determination of the reported amounts of the 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 Group is closely monitoring the situation and has activated its business continuity planning and other risk management practices to manage the potential business disruption due to current economic uncertainties and the continuing COVID-19 impact may have on its operations and financial performance.

(b) Accounting for modified loans and advances

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

(c) 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.