

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

**CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2025**

Draft subject to QCB approval

# Doha Bank Q.P.S.C.

Consolidated financial statements

As at and for the year ended 31 December 2025

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Draft subject to QCB approval



# Independent auditor's report to the shareholders of Doha Bank Q.P.S.C.

## REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

### Our opinion

In our opinion, the consolidated financial statements presents fairly, in all material respects, the consolidated financial position of Doha Bank Q.P.S.C. ("the Parent" or "the Bank") and its subsidiaries (together the "Group") as at 31 December 2025 and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with the IFRS Accounting Standards.

### What we have audited

The Group's consolidated financial statements comprise:

- The consolidated statement of financial position as at 31 December 2025;
- The consolidated statement of income for the year then ended;
- The consolidated statement of comprehensive income for the year then ended;
- The consolidated statement of changes in equity for the year then ended;
- The consolidated statement of cash flows for the year then ended; and
- The notes to the consolidated financial statements, comprising material accounting policy information and other explanatory information.

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### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report.

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

### Independence

We are independent of the Group in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code) as applicable to audits of consolidated financial statements of public interest entities and the ethical requirements that are relevant to our audit of the consolidated financial statements in the State of Qatar. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code and the ethical requirements in the state of Qatar.

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### Our audit approach

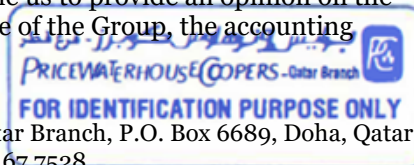
#### Overview

#### Key audit matter | **Impairment on loans and advances and off balance sheet facilities to customers**

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the consolidated financial statements. In particular, we considered where Directors made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the consolidated financial statements as a whole, taking into account the structure of the Group, the accounting processes and controls, and the industry in which the Group operates.

PricewaterhouseCoopers - Qatar Branch, P.O. Box 6689, Doha, Qatar  
T: +974 4419 2777, F: +974 4467 7528



# Independent auditor's report to the shareholders of Doha Bank Q.P.S.C. (continued)

## Key audit matters

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

Key audit matter	How our audit addressed the key audit matter
<p><b>Impairment on loans and advances and off balance sheet facilities to customers</b></p> <p>Impairment allowances represent the Directors' best estimate of the losses arising from credit risk and particularly from loans and advances and off balance sheet facilities to customers. As described in the material accounting policies to the consolidated financial statements, impairment losses have been determined in accordance with IFRS 9.</p> <p>We focused on this area because the Directors make complex and subjective judgements over both amount and timing of recognition of impairment, such as:</p> <ul style="list-style-type: none"> <li>Determining criteria for significant increase in credit risk.</li> <li>Choosing appropriate models and assumptions for the measurement of Expected Credit Losses (ECL) including Probability of Default (PD), Loss Given Default (LGD), and Exposure at Default (EAD).</li> <li>Establishing the relative weighting of forward-looking scenarios for each type of product/market and the associated ECL.</li> <li>Establishing groups of similar assets for the purpose of measuring the ECL.</li> <li>Determining disclosure requirements in accordance with the IFRS 9.</li> </ul> <p>Further, loans and advances and off balance sheet facilities to customers are material within the overall context of the consolidated financial statements.</p> <p>The Group's gross loans and advances to customers that are subject to credit risk, include loans and advances to customers amounting to QR 73,325 million, and off-balance sheet facilities amounting to QR 17,586 million as at 31 December 2025, as disclosed in note 10 and note 32 to the consolidated financial statements.</p>	<p>Our audit procedures in relation to this key audit matter included the following:</p> <ul style="list-style-type: none"> <li>Assessed and tested on a sample basis the design and operating effectiveness of the relevant key controls around origination and approval of loans and advances and off balance sheet facilities, monitoring of credit exposures, and impairment calculation.</li> <li>Evaluated the appropriateness of the Group's impairment provisioning policy in accordance with the requirements of IFRS 9.</li> <li>Engaged our own internal experts to independently assess the reasonableness of the ECL methodology developed and applied by Directors including model risk parameters (PD, LGD, and EAD), forward-looking information, associated weighting, and staging analysis.</li> <li>Obtained an understanding of and compared inputs used in the ECL calculation to the observable data sets.</li> <li>Tested a sample of loans and advances and off balance sheet facilities to customers to determine the appropriateness and application of staging criteria.</li> <li>Obtained an understanding of the methodology adopted to identify and calculate individual impairment allowance for stage 3 exposures, and tested a sample of such exposures against the methodology.</li> <li>Obtained samples of the latest available credit reviews and checked that they include appropriate assessment and documentation of borrowers' ability to meet repayment obligations (principal, interest, and commission).</li> <li>Evaluated the adequacy of the consolidated financial statements disclosures to determine if they were in accordance with IFRS 9 and QCB regulations.</li> </ul>

Information on the credit risk and the Group's credit risk management is provided in note 4 to the consolidated financial statements.

## Independent auditor's report to the shareholders of Doha Bank Q.P.S.C. (continued)

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### *Other information*

The Directors are responsible for the other information. The other information comprises the Board of Directors' report (but does not include the consolidated financial statements and our auditor's report thereon), which we obtained prior to the date of this auditor's report, and the annual report, which is expected to be made available to us after that date.

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

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

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

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

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### *Responsibilities of the Directors and those charged with governance for the consolidated financial statements*

The Directors are responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS Accounting Standards and with the requirements of the Qatar Commercial Companies Law number 11 of 2015, as amended by Law number 8 of 2021 and QCB regulations, and for such internal control as the Directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance are responsible for overseeing the Group's financial reporting process.

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### *Auditor's responsibilities for the audit of the consolidated financial statements*

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

## Independent auditor's report to the shareholders of Doha Bank Q.P.S.C. (continued)

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### *Auditor's responsibilities for the audit of the consolidated financial statements (continued)*

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the Group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the Group audit. We remain solely responsible for our audit opinion.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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



## Independent auditor's report to the shareholders of Doha Bank Q.P.S.C. (continued)

### REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Further, as required by the Qatar Commercial Companies Law number 11 of 2015, as amended by Law number 8 of 2021, we report that:

- We have obtained all the information we considered necessary for the purpose of our audit;
- The Bank has maintained proper books of account and the consolidated financial statements are in agreement therewith;
- The financial information included in the Board of Directors' report is in agreement with the books and records of the Bank; and
- Nothing has come to our attention, which causes us to believe that the Bank has breached any of the applicable provisions of the Qatar Commercial Companies Law number 11 of 2015, as amended by Law number 8 of 2021, or of its Articles of Association, which would materially affect the reported results of its operations or its consolidated financial position as at 31 December 2025.

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

**[Date]**





**Doha Bank Q.P.S.C.****CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

As at 31 December 2025

	Notes	2025 QR'000	2024 QR'000
<b>Assets</b>			
Cash and balances with central banks	8	5,988,804	5,887,697
Due from banks	9	7,118,100	6,842,893
Loans and advances to customers	10	67,722,141	60,983,523
Investment securities	11	36,782,324	34,204,591
Insurance contract assets		13,633	19,052
Other assets	12	2,105,601	1,768,912
Investment in an associate	13	10,567	10,440
Property, furniture and equipment	14	424,024	529,935
<b>Total assets</b>		<b>120,165,194</b>	<b>110,247,043</b>
<b>Liabilities and equity</b>			
<b>Liabilities</b>			
Due to banks	15	25,045,346	30,650,927
Customers deposits	16	57,740,427	50,851,776
Debt securities	17	9,569,591	3,832,221
Other borrowings	18	9,017,303	7,396,660
Insurance contract liabilities		51,068	54,723
Other liabilities	19	3,046,637	2,642,522
<b>Total liabilities</b>		<b>104,470,372</b>	<b>95,428,829</b>
<b>Equity</b>			
Share capital	20 (a)	3,100,467	3,100,467
Legal reserve	20 (b)	5,112,077	5,110,152
Risk reserve	20 (c)	1,628,600	1,451,600
Fair value reserve	20 (d)	370,393	(115,847)
Foreign currency translation reserve	20 (e)	(92,541)	(86,296)
Retained earnings		1,575,826	1,358,138
<b>Net equity attributable to shareholders of the Bank</b>		<b>11,694,822</b>	<b>10,818,214</b>
Instruments eligible as additional Tier 1 capital	20 (g)	4,000,000	4,000,000
<b>Total equity</b>		<b>15,694,822</b>	<b>14,818,214</b>
<b>Total liabilities and equity</b>		<b>120,165,194</b>	<b>110,247,043</b>

The consolidated financial statements were approved by the Board of Directors on 19<sup>th</sup> January 2026 and were signed on its behalf by:

  
Abdulrahman Bin Fahad Bin Faisal Al Thani  
Group Chief Executive Officer

  
Fahad Bin Mohammad Bin Jabor Al Thani  
Chairman

  
Abdul Rahman Bin Mohammad Bin Jabor Al Thani  
Managing Director

The attached notes 1 to 36 form integral part of these consolidated financial statements.  
Independent auditors' report is set out on pages 1-5.



**Doha Bank Q.P.S.C.****CONSOLIDATED STATEMENT OF INCOME**

For the year ended 31 December 2025

	Notes	2025 QR'000	2024 QR'000
Interest income	21	6,084,836	6,357,391
Interest expense	22	(4,117,400)	(4,365,627)
<b>Net interest income</b>		<b>1,967,436</b>	<b>1,991,764</b>
Fee and commission income	23	740,872	674,287
Fee and commission expense	24	(327,956)	(272,352)
<b>Net fee and commission income</b>		<b>412,916</b>	<b>401,935</b>
Insurance revenue		83,531	76,550
Insurance service expense		(35,890)	(36,290)
Net expense from reinsurance contracts held		(42,539)	(37,051)
<b>Insurance service results</b>		<b>5,102</b>	<b>3,209</b>
Net foreign exchange gain	25	122,029	139,727
Net income from investment securities	26	88,167	94,801
Other operating income	27	27,779	22,842
		<b>237,975</b>	<b>257,370</b>
<b>Net operating income</b>		<b>2,623,429</b>	<b>2,654,278</b>
Staff costs	28	(601,022)	(560,617)
Depreciation	14	(70,895)	(80,296)
Net reversal / (impairment loss) on investment securities		246	(17,004)
Net impairment loss on loans and advances to customers	10	(738,035)	(702,028)
Net reversal / (impairment loss) on other financial facilities		103,763	(67,521)
Other expenses	29	(386,042)	(369,221)
<b>Total expenses and impairment</b>		<b>(1,691,985)</b>	<b>(1,796,687)</b>
<b>Profit before share of results of an associate and tax</b>		<b>931,444</b>	<b>857,591</b>
Share of results of an associate		759	679
<b>Profit before tax</b>		<b>932,203</b>	<b>858,270</b>
Income tax expense	30	(12,552)	(6,814)
<b>Profit for the year</b>		<b>919,651</b>	<b>851,456</b>
<b>Earnings per share:</b>			
Basic and diluted earnings per share (QR per share)	31	<b>0.30</b>	<b>0.27</b>



The attached notes 1 to 36 form integral part of these consolidated financial statements.  
Independent auditors' report is set out on pages 1-5.

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME****For the year ended 31 December 2025**

	Notes	2025 QR'000	2024 QR'000
<b>Profit for the year</b>		<b>919,651</b>	<b>851,456</b>
<b>Other comprehensive income / (loss)</b>			
<b>Items that are or may be subsequently reclassified to consolidated statement of income:</b>			
Foreign currency translation differences for foreign operations		(6,245)	(4,047)
Movement in fair value reserve (debt instruments):			
Net change in fair value of debt instruments designated at FVOCI	20 (d)	1,045,889	(648,685)
Net amount transferred to consolidated statement of income	20 (d)	(584,146)	595,197
		<u>455,498</u>	<u>(57,535)</u>
<b>Items that will not be reclassified subsequently to consolidated statement of income</b>			
Net change in fair value of equity investments designated at FVOCI	20 (d)	24,497	24,093
<b>Total other comprehensive income / (loss)</b>		<u>479,995</u>	<u>(33,442)</u>
<b>Total comprehensive income</b>		<u><b>1,399,646</b></u>	<u><b>818,014</b></u>



The attached notes from 1 to 36 form an integral part of these consolidated financial statements  
Independent auditors' report is set out on pages 1-5.

# Doha Bank Q.P.S.C.

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2025

	Share capital QR'000	Legal reserve QR'000	Risk reserve QR'000	Fair value reserve QR'000	Foreign exchange translation reserve QR'000	Retained earnings QR'000	Total QR'000	Instrument eligible as additional Tier 1 capital QR'000	Total equity QR'000
Balance at 1 January 2025	3,100,467	5,110,152	1,451,600	(115,847)	(86,296)	1,358,138	10,818,214	4,000,000	14,818,214
<i>Total comprehensive income / (loss) for the year:</i>									
Profit for the year	-	-	-	-	-	919,651	919,651	-	919,651
Other comprehensive income / (loss)	-	-	-	486,240	(6,245)	-	479,995	-	479,995
Total comprehensive income / (loss) for the year	-	-	-	486,240	(6,245)	919,651	1,399,646	-	1,399,646
Transfer to legal reserve	-	1,925	-	-	-	(1,925)	-	-	-
Transfer to risk reserve	-	-	177,000	-	-	(177,000)	-	-	-
Distribution of Tier 1 Capital notes	-	-	-	-	-	(190,000)	(190,000)	-	(190,000)
Contribution to social and sports fund	-	-	-	-	-	(22,991)	(22,991)	-	(22,991)
<i>Transactions with shareholders:</i>									
Dividends for the year 2024 (Note 20 (f))	-	-	-	-	-	(310,047)	(310,047)	-	(310,047)
Balance at 31 December 2025	3,100,467	5,112,077	1,628,600	370,393	(92,541)	1,575,826	11,694,822	4,000,000	15,694,822
Balance at 1 January 2024	3,100,467	5,110,152	1,416,600	(86,452)	(82,249)	985,503	10,444,021	4,000,000	14,444,021
<i>Total comprehensive (loss) / income for the year:</i>									
Profit for the year	-	-	-	-	-	851,456	851,456	-	851,456
Other comprehensive loss	-	-	-	(29,395)	(4,047)	-	(33,442)	-	(33,442)
Total comprehensive (loss) / income for the year	-	-	-	(29,395)	(4,047)	851,456	818,014	-	818,014
Transfer to risk reserve	-	-	35,000	-	-	(35,000)	-	-	-
Distribution of Tier 1 Capital notes	-	-	-	-	-	(190,000)	(190,000)	-	(190,000)
Contribution to social and sports fund	-	-	-	-	-	(21,286)	(21,286)	-	(21,286)
<i>Transactions with shareholders:</i>									
Dividends for the year 2023 (Note 20 (f))	-	-	-	-	-	(232,535)	(232,535)	-	(232,535)
Balance at 31 December 2024	3,100,467	5,110,152	1,451,600	(115,847)	(86,296)	1,358,138	10,818,214	4,000,000	14,818,214

The Group has proposed a distribution on the Tier 1 Capital Notes amounting to QR 190 million for the year ended 31 December 2025 which is subject to approval of the QCB and the Group has paid QR 190 million of 2024 in 2025.

The attached notes from 1 to 36 form an integral part of these consolidated financial statements.  
Independent auditors' report is set out on pages 1-5.



**CONSOLIDATED STATEMENT OF CASH FLOWS**

For the year ended 31 December 2025

	Notes	2025 QR'000	2024 QR'000
<b>Cash flows from operating activities</b>			
Profit before tax		932,203	858,270
<i>Adjustments for:</i>			
Net impairment loss on loans and advances to customers	10	738,035	702,028
Net (reversal) / impairment loss on investment securities		(246)	17,004
Net (reversal) / impairment loss on other financial facilities		(103,763)	67,521
Depreciation	14	70,895	80,296
Amortisation of financing cost		24,143	16,121
Dividend income		(40,888)	(58,572)
Net income from investment securities	26	(47,279)	(36,229)
(Loss) / profit on sale of property, furniture and equipment		2,437	(194)
Share of results of an associate	13	(759)	(679)
<b>Cash flows before changes in operating assets and liabilities</b>		<b>1,574,778</b>	<b>1,645,566</b>
Change in due from banks and balances with central banks		(133,816)	(3,128,092)
Change in loans and advances to customers		(7,398,951)	(3,863,712)
Change in other assets		(331,270)	45,646
Change in due to banks		(5,605,581)	6,742,658
Change in customers deposits		6,888,651	(720,997)
Change in other liabilities		424,170	110,323
Social and sports fund contribution		(21,286)	(19,237)
Income tax paid		(6,301)	1,524
<b>Net cash flows (used in) / generated from operating activities</b>		<b>(4,609,606)</b>	<b>813,679</b>
<b>Cash flows form investing activities</b>			
Acquisition of investment securities		(6,348,548)	(12,479,374)
Proceeds from sale of investment securities		4,304,453	8,650,445
Acquisition of property, furniture and equipment	14	(30,540)	(23,886)
Dividend received		40,888	58,572
Proceeds from the sale of property, furniture and equipment		76,820	264
<b>Net cash flows used in investing activities</b>		<b>(1,956,927)</b>	<b>(3,793,979)</b>
<b>Cash flows from financing activities</b>			
Repayment from other borrowings		(2,085,577)	(3,265,745)
Proceed from other borrowings		3,706,220	4,733,950
Repayment from debt securities		-	(756,891)
Proceeds from debt securities		5,713,227	1,984,618
Payment of lease liabilities		(24,792)	(29,629)
Distribution on Tier 1 capital notes		(190,000)	(190,000)
Dividends paid		(310,047)	(232,535)
<b>Net cash flows generated from financing activities</b>		<b>6,809,031</b>	<b>2,243,768</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>		<b>242,498</b>	<b>(736,532)</b>
Cash and cash equivalents at 1 January		3,900,032	4,636,564
<b>Cash and cash equivalents at 31 December</b>	34	<b>4,142,530</b>	<b>3,900,032</b>
<b>Operational cash flows from interest and dividend:</b>			
Interest received		6,042,097	6,389,915
Interest paid		4,103,627	4,341,784
Dividends received		40,888	58,572

Non cash item disclosure:

Total addition to right of use assets and corresponding additions to lease liabilities amounted to QR 12.4 million as at 31 December 2025 (2024: QR 5 million).

The attached notes from 1 to 36 form an integral part of these consolidated financial statements.

Independent auditors' report is set out on pages 1-5.

# Doha Bank Q.P.S.C.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

### 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 14 local branches, 2 Corporate Service Center and 1 Corporate Branch. Internationally, the Bank has four overseas branches, 1 each in the United Arab Emirates and State of Kuwait, and 2 branches in the Republic of India, with representative offices in Bangladesh, China, Japan, Nepal, Singapore, South Africa, Turkey, and United Kingdom.

The consolidated financial statements for the year ended 31 December 2025 comprise 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	
				2025	2024
Sharq Insurance L.L.C.	Qatar	100,000	General Insurance	100%	100%
Doha Finance Limited	Cayman Island	182	Debt Issuance	100%	100%
DB Securities Limited	Cayman Island	182	Derivatives Transactions	100%	100%

The consolidated financial statements of the Group for the year ended 31 December 2025 were authorized for issuance in accordance with the resolution of the Board of Directors on 19<sup>th</sup> January 2026.

### 2 BASIS OF PREPARATION

#### (a) Statement of compliance

The consolidated financial statements of the Group ("consolidated financial statements") have been prepared in accordance with IFRS Accounting Standards issued by the International Accounting Standards Board ("IASB"), including Interpretations issued by IFRS Interpretations Committee ("IFRS IC") applicable to the entities reporting under IFRS Accounting Standards.

The Group presents its consolidated statement of financial position broadly in the order of liquidity. An analysis regarding recovery or settlement of assets/liabilities within twelve months after the end of the reporting date ("current") and more than twelve months after the reporting date ("non-current") is presented in Note 4 (c).

#### (b) Basis of measurement

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

- Investment securities designated at fair value through profit or loss ("FVTPL");
- Derivative financial instruments 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 and cashflow hedge relationships to the extent of risks being hedged.

#### (c) Functional and presentation currency

The consolidated financial statements are presented in Qatari Riyals ("QR"), which is the Group's presentation currency, unless otherwise indicated. Financial information presented in QR has been rounded to the nearest thousand. Items included in the consolidated financial statement of each of the subsidiaries are measured using the currency of the primary economic environment in which the subsidiary operates.

**2 BASIS OF PREPARATION (CONTINUED)****(d) Use of estimates and judgments**

The preparation of the consolidated financial statements in conformity with IFRS Accounting 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, and the accompanying disclosures, and the disclosure of contingent liabilities. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected. Information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the consolidated financial statements are described in note 5.

**3 MATERIAL ACCOUNTING POLICIES**

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

**(a) New, amended standards and interpretations**

During the period, the below IFRS Accounting Standards and amendments to IFRS Accounting Standards have been applied by the Group in preparation of these consolidated financial statements. The below were effective from 1 January 2025:

- Lack of exchangeability – amendment to IAS 21

The adoption of the above IFRS Standards and amendments to IFRS Standards did not have any material impact on the amounts recognized in prior and current periods and are not expected to significantly affect the future reporting periods.

**International Tax Reform – Pillar Two Model Rules – Amendments to IAS 12**

On March 27, 2025, Law #22 of 2024 was published in the Official Gazette of Qatar introducing an Income Inclusion Rule (IIR) and a Domestic Minimum Top-Up Tax (DMTT) for fiscal years starting on or after January 1, 2025. The legislation closely aligns with the OECD GloBE Model Rules. It is stated (article 23 of Law #22) that it shall be interpreted and applied consistently with the OECD GloBE Model Rules, the related Commentary and the Agreed Administrative Guidance. The GloBE Model Rules and Commentary allow optionality for jurisdictions in relation to certain design features. For Qatar the chosen options will be clarified in the forthcoming Executive Regulations, which are expected to be issued in due course.

GloBE Model Rules provide for an Exclusion for the MNE Groups in the initial phases of their international activity, outlined in Article 9.3 of the GloBE Model Rules in relation to the UTPR. Application of Article 9.3 in the context of a Qualified DMTT is outlined in article 118.51 of the Commentary. It provides three options for the implementation of Article 9.3, including option 1 - non adoption, and options 2 and 3, which provide for adoption of the Exclusion with different variations. Law #22 of 2024 doesn't specify which option will be implemented in Qatar, and this is expected to be clarified in the forthcoming Regulations. If option 2 or option 3 will be adopted in Qatar, the Group will be eligible for the Exclusion since the conditions for this Exclusion are met:

- The MNE Group is not located in more than 6 jurisdictions
- The net book value of tangible assets across all jurisdictions other than the "reference jurisdiction" does not exceed EUR 50 million

The Group needs to register for Pillar 2 purposes in the relevant jurisdictions, and has been complying with filing and other requirements as applicable in each jurisdiction. Further, foreign subsidiaries may subject to DMTT in their respective jurisdictions, or to IIR in Qatar. Management has performed a high-level impact assessment based on the draft CbCR for FY 2025, including consideration of the Transitional Country-by-Country Reporting (CbCR) Safe Harbour Rules. Based on this assessment, UAE and Kuwait are not expected to meet the Safe Harbours, and DMTT tax consequences are expected to arise in UAE and Kuwait.

The Group continues to monitor further the GloBE developments in Qatar and the other relevant jurisdictions, including the issuance of Executive Regulations, which may affect future tax calculations and compliance obligations



**3 MATERIAL ACCOUNTING POLICIES (CONTINUED)****(a) New, amended standards and interpretations (continued)****Standards issued but not yet effective**

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

- Amendment to the classification and measurement of financial instruments – Amendment to IFRS 9 and IFRS 7 (effective 1 January 2026)
- Annual Improvements to IFRS Accounting Standards – Volume 11 (effective 1 January 2026)
- Contracts Referencing Nature-dependent Electricity - Amendments to IFRS 9 and IFRS 7 (effective 1 January 2026)
- IFRS 18, presentation and disclosure in the financial statements (effective 1 January 2027)
- IFRS 19 subsidiaries without public accountability: disclosure (effective 1 January 2027)
- Sale or contribution of assets between an investor and its associate or joint venture – Amendment to IFRS 10 and IAS 28 (deferred indefinitely)

**(b) Basis of consolidation**

The consolidated financial statements comprise the financial statements of the Bank and its subsidiaries ("the Group") as at 31 December 2024. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns

When the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of income and consolidated statement of other comprehensive income from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of Other Comprehensive Income ("OCI") are attributed to the shareholders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. These consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

**(c) Associates**

Associates are entities over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but not control or joint control over those policies.

Investments in associates are accounted for by the equity method of accounting and are initially recognised at cost including transaction costs directly related to acquisition of investment in associate.

**3 MATERIAL ACCOUNTING POLICIES (CONTINUED)****(c) Associates (continued)**

The Group's share of its associate's post-acquisition profits or losses is recognised in the consolidated income statement; its share of post-acquisition movements in equity is recognised in reserves. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

Intergroup gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. Intergroup losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

The Group's share of the results of associates is based on financial statements and adjusted to conform to the accounting policies of the Group. Intergroup gains on transactions are eliminated to the extent of the Group's interest in the investee. Intergroup losses are also eliminated unless the transaction provides evidence of impairment in the asset transferred.

The consolidated financial statements of the Group include the associate stated below:

Company's name	Country of incorporation and operation	Ownership interest %		Principal activity
		2025	2024	
Doha Brokerage and Financial Services Limited	India	35.29%	38.48%	Brokerage and asset management

**(d) Foreign currency***Foreign currency transactions and balances*

Foreign currency transactions that are transactions denominated, or that require settlement in a foreign currency are translated into the respective functional currencies of the operations at the spot exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated into the functional currency at the spot exchange rate at that date. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated into the functional currency at the spot exchange rate at the date that the fair value was determined. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

Foreign currency differences resulting from the settlement of foreign currency transactions and arising on translation at period end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in income statement.

Changes in the fair value of investment securities denominated in a foreign currency classified as measured at FVOCI are analysed between translation differences resulting from changes in the amortised cost of the security and other changes in the carrying amount of security. Translation differences related to changes in amortised cost are recognised in the consolidated income statement, and other changes in the carrying amount are recognised in other comprehensive income.

Translation differences on non-monetary financial assets, such as equity instruments classified as measured at FVOCI are included in other comprehensive income.

**3 MATERIAL ACCOUNTING POLICIES (CONTINUED)****(d) Foreign operations (continued)***Foreign operations*

The results and financial position of all the Group's entities that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each statement of financial position presented are translated at the closing rate at the reporting date;
- income and expenses for each income statement are translated at average exchange rates; and
- all resulting exchange differences are recognised in other comprehensive income.

Exchange differences arising from the above process are reported in shareholders' equity as 'foreign currency translation reserve'.

When a foreign operation is disposed of, or partially disposed of when control is not retained, such exchange differences are recognised in the consolidated income statement as part of the gain or loss on sale.

When the settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely in the foreseeable future, foreign exchange gains and losses arising from such a monetary item are considered to form part of the net investment in the foreign operation and are recognised in other comprehensive income, and presented in the foreign currency translation reserve in equity.

On consolidation, exchange differences arising from the translation of the net investment in foreign entities, and of borrowings and other currency instruments designated as hedges of such investments, are taken to 'Other comprehensive income'. When a foreign operation is disposed of, or partially disposed of, such exchange differences are recognised in the consolidated income statement as part of the gain or loss on sale.

**(e) Financial assets and financial liabilities****(i) Recognition and initial measurement**

All financial assets and liabilities are initially recognised on the trade date, i.e., the date that the Group becomes a party to the contractual provisions of the instrument. This includes "regular way trades": purchases or sales of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the market place.

A financial asset or financial liability is measured initially at fair value plus, for an item not at fair value through profit or loss, transaction costs that are directly attributable to its acquisition or issue.

**(ii) Classification****Financial assets**

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

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

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

**3 MATERIAL ACCOUNTING POLICIES (CONTINUED)****(e) Financial assets and financial liabilities (continued)***(ii) Classification (continued)*

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

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

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

All other financial assets are classified as measured at FVTPL.

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

**Business model assessment**

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

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

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

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

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

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

**3 MATERIAL ACCOUNTING POLICIES (CONTINUED)****(e) Financial assets and financial liabilities (continued)****(ii) Classification (continued)****Reclassifications**

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

**Financial liabilities**

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

**(iii) Derecognition****Financial assets**

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or when it transfers the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all the risks and rewards of ownership and it does not retain control of the financial asset.

Any interest in transferred financial assets that qualify for derecognition that is created or retained by the Group is recognised as a separate asset or liability in the statement of financial position.

On derecognition of a financial asset, the difference between the carrying amount of the asset and consideration received including any new asset obtained less any new liability assumed is recognised in profit or loss.

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

The Group enters into transactions whereby it transfers assets recognised on its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets or a portion of them. If all or substantially all risks and rewards are retained, then the transferred assets are not derecognised. Transfers of assets with retention of all or substantially all risks and rewards include, for example, securities lending and repurchase transactions.

In transactions in which the Group neither retains nor transfers substantially all the risks and rewards of ownership of a financial asset and it retains control over the asset, the Group continues to recognise the asset to the extent of its continuing involvement, determined by the extent to which it is exposed to changes in the value of the transferred asset. The transferred asset is derecognised if it meets the derecognition criteria. An asset or liability is recognised for the servicing contract, depending on whether the servicing fee is more than adequate (asset) or is less than adequate (liability) for performing the servicing.

**Financial liabilities**

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled or expired.

**3 MATERIAL ACCOUNTING POLICIES (CONTINUED)****(e) Financial assets and financial liabilities (continued)***(iv) Modification of financial assets and liabilities***Financial assets**

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

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

**Financial liabilities**

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

*(v) Offsetting*

Financial assets and liabilities are offset and the net amount presented in the consolidated statement of financial position when, and only when, the Group has a currently enforceable legal right to set off the recognised amounts and it intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Income and expenses are presented on a net basis only when permitted under IFRS, or for gains and losses arising from a group of similar transactions such as in the Group's trading activity.

*(vi) Measurement principles***Amortised cost measurement**

The amortised cost of a financial asset or liability is the amount at which the financial asset or liability is measured at initial recognition, minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between the initial amount recognised and the maturity amount, minus any reduction for impairment loss. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees that are integral part of the effective interest rate.

**Fair value measurement**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The fair value for financial instruments traded in active markets at the reporting date is based on their quoted market price or dealer price quotations (bid price for long positions and ask price for short positions), without any deduction for transaction costs.



**3 MATERIAL ACCOUNTING POLICIES (CONTINUED)****(e) Financial assets and financial liabilities (continued)***(vi) Measurement principles (continued)*

For the financial instruments that are not traded in an active market, the fair value is determined by using appropriate valuation techniques. Valuation techniques include the discounted cash flow method, comparison with similar instruments for which market observable prices exist, options pricing models, credit models and other relevant valuation models.

The fair value of investments in mutual funds and portfolios whose units are unlisted are measured at the net asset value provided by the fund manager.

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

The fair value of unquoted derivatives is determined by discounted cash flows. For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained in note 5.

*(vii) Identification and measurement of impairment*

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

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

No impairment loss is recognised on equity investments.

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

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

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

For corporate overdrafts and credit card facilities that include both a loan and an undrawn commitment component, the Group measures ECL not less than a 12 months period. These facilities do not have a fixed term or repayment structure and are managed on a revolving basis. The Group can cancel them with immediate effect but this contractual right is not enforced in the normal day-to-day management, but only when the Group becomes aware of an increase in credit risk at the facility level. This longer period is estimated taking into account the credit risk management actions that the Group expects to take, and that serve to mitigate ECL. These include a reduction in limits, cancellation of the facility and/or turning the outstanding balance into a loan with revised repayment terms.

The Group applies three-stage approach to measure expected credit losses (ECL) on financial assets carried at amortised cost and debt instruments classified as FVOCI. Assets migrate through the following three stages based on the changes in credit quality since initial recognition.

**Stage 1: 12 months ECL - not credit impaired** Stage 1 includes financial assets on initial recognition and that do not have a significant increase in credit risk since the initial recognition or that have low credit risk. For these assets, ECL are recognised on the gross carrying amount of the asset based on the expected credit losses that result from default events that are possible within 12 months after the reporting date. Interest is computed on the gross carrying amount of the asset.

**Stage 2: Lifetime ECL - not credit impaired** Stage 2 includes financial assets that have had a significant increase in credit risk (SICR) since initial recognition but that do not have objective evidence of impairment. For these assets, lifetime ECL are recognised, but interest is still calculated on the gross carrying amount of the asset. Lifetime ECL are the expected credit losses that result from all possible default events over the expected life of the financial instrument.

**(e) Financial assets and financial liabilities (continued)**

Stage 3: Lifetime ECL - credit impaired Stage 3 includes financial assets that have objective evidence of impairment at the reporting date. For these assets, lifetime ECL are recognised.

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

- When discounting future cash flows, the original effective interest rate or an approximation thereof is used for most financial assets.

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

- ## Credit-impaired financial assets

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

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

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

## Financial guarantee contracts held

The Group assesses whether a financial guarantee contract held is an integral element of a financial asset that is accounted for as a component of that instrument or is a contract that is accounted for separately. If the Group determines that the guarantee is an integral element of the financial asset, then the Group considers the effect of the protection when measuring the fair value of the financial asset and when measuring ECL.

**3 MATERIAL ACCOUNTING POLICIES (CONTINUED)****(f) Cash and cash equivalents**

Cash and cash equivalents include notes and coins on hand, unrestricted balances held with central banks and highly liquid financial assets with maturities of three months or less from the acquisition date that are subject to an insignificant risk of changes in their fair value, and are used by the Group in the management of its short-term commitments.

Cash and cash equivalents are carried at amortised cost in the consolidated statement of financial position.

**(g) Due from banks**

Due from banks are financial assets which are mainly money market placements with fixed or determinable payments and fixed maturities that are not quoted in an active market. Money market placements are not entered into with the intention of immediate or short-term resale. Due from banks are initially measured at cost, being the fair value of the consideration given. Following the initial recognition, due from banks are stated at amortised cost.

**(h) Loans and advances to customers**

Loans and advances to customers are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and that the Group does not intend to sell immediately or in the near term.

Loans and advances to customers are initially measured at the transaction price, which is the fair value plus incremental direct transaction costs, and subsequently measured at their amortised cost using the effective interest rate method, except for the financial assets which are classified to be measured at FVPL, which are measured at fair value with changes recognized immediately in the consolidated income statement. Following the initial recognition, loans and advances are stated at the amortised cost.

*Write-off of loans and advances to customers*

Loans and advances to customers (and the related impairment allowance accounts) are normally written off, either partially or in full, when there is no realistic prospect of recovery. Where loans are secured, this is generally after receipt of any proceeds from the realisation of security. In circumstances where the net realisable value of any collateral has been determined and there is no reasonable expectation of further recovery, write-off may be earlier. All write-offs of loans and advances to customers are recorded after obtaining approvals from the QCB for such write-offs.

**(i) Investment securities**

The 'investment securities' include:

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

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

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

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



**3 MATERIAL ACCOUNTING POLICIES (CONTINUED)****(i) Investment securities (continued)**

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

**(j) Derivatives***Derivatives held for risk management purposes and hedge accounting*

Derivatives held for risk management purposes include all derivative assets and liabilities that are not classified as trading assets or liabilities. Derivatives held for risk management purposes are measured at fair value on the consolidated statement of financial position. The Group designates certain derivatives held for risk management as hedging instruments in qualifying hedging relationships.

On initial designation of the hedge, the Group formally documents the relationship between the hedging derivative instruments and hedged items, including the risk management objective and strategy in undertaking the hedge, together with the method that will be used to assess the effectiveness of the hedging relationship. The Group makes an assessment, both at the inception of the hedge relationship as well as on an ongoing basis, as to whether the hedging instruments are expected to be highly effective in offsetting the changes in the fair value or cash flows of the respective hedged items during the period for which the hedge is designated, and whether the actual results of each hedge are within a range of 80-125 percent. The Group makes an assessment for a cash flow hedge of a forecast transaction, as to whether the forecast transaction is highly probable to occur and presents an exposure to variations in cash flows that could ultimately affect consolidated income statement.

**Hedge accounting**

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

Hedge effectiveness is determined at the inception of the hedge relationship, and through periodic prospective effectiveness assessments, to ensure that an economic relationship exists between the hedged item and hedging instrument. For hedges of Interest Rate Swaps, the Group enters into hedge relationships where the critical terms of the hedging instrument match exactly with the terms of the hedged item. The Group therefore performs a qualitative assessment of effectiveness. If changes in circumstances affect the terms of the hedged item such that the critical terms no longer match exactly with the critical terms of the hedging instrument, the Group uses the hypothetical derivative method to assess effectiveness. In hedges of Interest Rate Swaps, ineffectiveness may arise if the rate of interest changes from what was originally estimated, or if there are changes in the credit risk of the Bank or the derivative counterparty.

The Group enters into interest rate swaps that have similar critical terms as the hedged item, such as reference rate, reset dates, payment dates, maturities and notional amount. The Group does not hedge 100% of its exposure, therefore the hedged item is identified as a proportion of the outstanding exposure up to the notional amount of the swaps. As all critical terms matched during the year, there is an economic relationship. Hedge ineffectiveness in relation to the interest rate swaps was negligible for 2025 and 2024.

**3 MATERIAL ACCOUNTING POLICIES (CONTINUED)****(j) Derivatives (continued)****Hedge accounting (continued)***Fair value hedges*

When a derivative is designated as the hedging instrument in a hedge of the change in fair value of a recognised asset or liability or a firm commitment that could affect profit or loss, changes in the fair value of the derivative are recognised immediately in consolidated income statement together with changes in the fair value of the hedged item that are attributable to the hedged risk. If the hedging derivative expires or is sold, terminated, or exercised, or the hedge no longer meets the criteria for fair value hedge accounting, or the hedge designation is revoked, then hedge accounting is discontinued prospectively. Any adjustment up to that point to a hedged item, for which the effective interest method is used, is amortised to consolidated income statement as part of the recalculated effective interest rate of the item over its remaining life.

*Cash flow hedges*

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in the consolidated statement of comprehensive income and accumulated under the heading of cash flow hedging reserve. The gain or loss relating to the ineffective portion is recognised in consolidated income statement, and is included in the other income line item. Amounts previously recognised in the consolidated statement of comprehensive income and accumulated in equity are reclassified to consolidated statement of income in the periods when the hedged item affects in the recognition of a non-financial assets or a non-financial liability, the gains and losses previously recognised in consolidated statement of comprehensive income and accumulated in equity are transferred from equity and included in the initial measurement of the cost of the non-financial asset or non-financial liability.

Hedge accounting is discontinued when the Group revokes the hedging relationship, when the hedging instrument expires or is sold, terminated, or exercised, or when it no longer qualifies for hedge accounting. Any gain or loss recognised in the consolidated statement of comprehensive income and accumulated in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in the consolidated statement of profit or loss. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in equity is recognised immediately in the consolidated statement of income.

*Other non-trading derivatives*

When a derivative is not held for trading, and is not designated in a qualifying hedge relationship, all changes in its fair value are recognised immediately in consolidated income statement.

*Derivatives held for trading purposes*

The Group's derivative trading instruments includes forward foreign exchange contracts. The Group sells these derivatives to customers in order to enable them to transfer, modify or reduce current and future risks. These derivative instruments are fair valued as at the end of reporting date and the corresponding fair value changes is taken to the consolidated income statement.

**(k) Property, furniture and equipment***Recognition and measurement*

Items of property, furniture and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditures that are directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the assets to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located and capitalised borrowing costs.



**3 MATERIAL ACCOUNTING POLICIES (CONTINUED)****(k) Property, furniture and equipment (continued)**

Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment. When parts of an item of property, furniture or equipment have different useful lives, they are accounted for as separate items of property, furniture and equipment.

The gain or loss on disposal of an item of property, furniture and equipment is determined by comparing the proceeds from disposal with the carrying amount of the item of property, furniture and equipment, and is recognised in other income/other expenses in profit or loss.

*Subsequent costs*

The cost of replacing a component of an item of property, furniture or equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of property, furniture and equipment are recognised in profit or loss as incurred.

*Depreciation*

Depreciable amount is the cost of property, furniture and equipment, or other amount substituted for cost, less its residual value.

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each part of an item of property, furniture and equipment since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset and is based on cost of the asset less its estimated residual value. Land and capital work-in-progress are not depreciated.

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

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

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

**(l) Impairment of non-financial assets**

The carrying amounts of the Group's non-financial assets, other than deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

**(m) Provisions**

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

**(n) Onerous contracts**

A provision for onerous contracts is recognised when the expected benefits to be derived by the Group from a contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Group recognises any impairment loss on the assets associated with that contract.



**3 MATERIAL ACCOUNTING POLICIES (CONTINUED)****(o) Financial guarantees**

Financial guarantee contracts are contracts that require the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument. Such financial guarantees are given to banks, financial institutions and other bodies on behalf of customers to secure loans, overdrafts and other banking facilities.

Financial guarantees are initially recognised in the financial statements at fair value on the date that the guarantee was given, being the premium received. Subsequent to initial recognition, the Group's liabilities under such guarantees are measured at the higher of the initial measurement, less amortisation calculated to recognise in the statement of income any fee income earned over the period, and the best estimate of the expenditure required settling any financial obligation arising as a result of the guarantees at the reporting date.

**(p) Employee benefits****Defined benefit plan**

The Group provides for end of service benefits in accordance with the employment policies of the Group. The provision is calculated on the basis of the individual's final salary and period of service at the reporting date. This provision is included in other provisions within other liabilities.

**Defined contribution plan**

With respect to Qatari and other GCC employees, the Group makes a contribution to the Qatari Pension Fund calculated on a percentage of the employees' salaries, in accordance with the Retirement and Pension Law No. 24 of 2002. The Group's obligations are limited to these contributions.

In addition, in accordance with the provisions of IAS 19, management carries out an exercise to assess the present value of its obligations at the reporting date, using the projected unit credit method, in respect of employees' end of service benefits payable under Qatar Laws and policies of the Group. The expected liability at the date of leaving the service is discounted to net present value using an appropriate discount rate based on management's assumption of average annual increment/promotion costs. The present value of the obligation as at 31 December 2024 is not materially different from the provision computed in accordance with the Qatar Labour Law.

**(q) Short-term employee benefits**

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

**(r) Share capital and reserves****(i) Share issue costs**

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

**(ii) Dividends on ordinary shares and Tier 1 capital notes**

Dividends on ordinary shares are recognised in equity in the period in which they are approved by the Group's shareholders. Dividends for the year that are declared after the date of the consolidated statement of financial position are dealt with in the subsequent events note.

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

**3 MATERIAL ACCOUNTING POLICIES (CONTINUED)****(s) Revenue recognition**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

*Interest income and expense*

For all financial instruments measured at amortised cost, interest income or expense is recorded using the effective interest rate, which is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or a short period, where appropriate, to the net carrying amount of the financial assets or financial liabilities.

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

Interest income on investment (debt) securities measured at FVOCI and measured at amortised cost is calculated using effective interest rate method and is also included in interest income.

*Insurance revenue*

The insurance revenue for the period is the amount of expected premium receipts allocated to the period. The Group allocates the expected premium receipts to each period of insurance contract services on the basis of the passage of time. The impact of seasonality is not considered material in relation to recording the insurance revenue.

Insurance revenue is adjusted to allow for policyholders' default on expected premium receipts. The default probability is derived from IFRS 9 Expected Loss Model.

Insurance service expenses

Insurance service expenses include the following:

- a. incurred claims for the period.
- b. other incurred directly attributable expenses.
- c. insurance acquisition cash flows amortization.
- d. changes that relate to past service – changes in the FCF relating to the LIC.
- e. changes that relate to future service – changes in the FCF that result in onerous contract losses or reversals of those losses.

The Group presents insurance income on net basis, which also includes financial performance of groups of reinsurance contracts held on a net basis in net income (expenses) from reinsurance contracts held, comprising the following amounts:

- a. reinsurance expenses;
- b. incurred claims recovery;
- c. other incurred directly attributable insurance service expenses;
- d. effect of changes in risk of reinsurer non-performance;
- e. changes relating to past service (i.e. adjustments to incurred claims).

Reinsurance expenses are recognised similarly to insurance revenue. The amount of reinsurance expenses recognised in the reporting period depicts the transfer of received insurance contract services at an amount that reflects the portion of ceding premiums that the Group expects to pay in exchange for those services. For groups of reinsurance contracts held measured under the PAA, the Group recognises reinsurance expenses based on the passage of time over the coverage period of a group of contracts.

**3 MATERIAL ACCOUNTING POLICIES (CONTINUED)****(s) Revenue recognition (continued)**Insurance finance income or expenses

Insurance finance income or expenses comprise the change in the carrying amount of the groups of insurance contracts respectively arising from:

- a. the effect of the time value of money and changes in the time value of money; and
- b. the effect of financial risk and changes in financial risk.

*Fee and commission income and expense*

Fee and commission income and expense that are integral to the effective interest rate of a financial asset or liability are included in the measurement of the effective interest rate.

Other fee and commission income, including account servicing fees, sales commission, placement fees and syndication fees, are recognised over time as the related services are performed. When a loan commitment is not expected to result in the draw-down of a loan, the related loan commitment fees are recognised over time on a straight-line basis over the commitment period. In case of these services, the control is considered to be transferred over time as the customer is benefited from these services over the tenure of the service period. Other fee and commission expense relate mainly to transaction and service fees, which are expensed as the services are received.

*Income from investment securities*

Gains or losses on the sale of investment securities are recognised in profit or loss as the difference between fair value of the consideration received and carrying amount of the investment securities.

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

Income from investment securities measured at amortised cost is recognised based on the effective interest rate method.

*Dividend income*

Dividend income is recognised when the right to receive income is established.

**(t) Tax expense**

Tax expense comprises current and deferred tax. Current tax and deferred tax are recognised in profit or loss except to the extent that it relates to items recognised directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Taxes are calculated based on applicable tax laws or regulations in the countries in which the Group operates. The provision for deferred taxation is made based on the evaluation of the expected tax liability. Currently there is no corporate tax applicable to the Bank in the State of Qatar. However, corporate tax is applicable on foreign branches operating outside the State of Qatar and to one subsidiary in the Qatar Financial Center.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- temporary differences related to investments in subsidiaries to the extent that it is probable that they will not reverse in the foreseeable future; and
- temporary differences arising on the initial recognition of goodwill.

**3 MATERIAL ACCOUNTING POLICIES (CONTINUED)****(t) Tax expense (continued)**

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities against current tax assets, and they relate to taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

**(u) Earnings per share**

The Group presents basic and diluted earnings per share ("EPS") data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Group, adjusted for coupons declared on Tier 1 capital notes, by the weighted average number of ordinary shares outstanding during the year. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

**(v) Segment reporting**

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components, whose operating results are reviewed regularly by the chief operating decision maker to make decisions about resources allocated to each segment and assess its performance, and for which discrete financial information is available.

**(w) Repossessed collateral**

Repossessed collateral against settlement of customer debts are stated within the consolidated statement of financial position under "Other assets" at their acquired value net of allowance for impairment. The repossessed collateral are not to be used in the Bank's operations.

According to QCB instructions, the Group should dispose of any land and properties acquired against settlement of debts within a period not exceeding three years from the date of acquisition although this period can be extended after obtaining approval from QCB.

**(x) Funds management**

The Group is licensed by the Qatar Central Bank as founder for an exchange traded fund which is listed on the Qatar Stock Exchange. The financial statements of this entity is not included in these consolidated financial statements except when the Group controls the entity. Information about the Group's funds management is set out in note 36.

**(y) Appropriations for instruments eligible for additional capital**

Appropriations for instruments eligible for additional capital are treated as dividends.

**(z) Leases**

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

**3 MATERIAL ACCOUNTING POLICIES (CONTINUED)****(z) Leases (continued)**

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

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

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

**4 FINANCIAL RISK MANAGEMENT****(a) Introduction and overview**

Risk is inherent in the Group's activities but it is managed through a process of ongoing identification, measurement and monitoring subject to risk limits and other controls. The key risks Group is exposed are to credit risk, liquidity risk, operational risk, insurance risk and market risk, which includes trading and non-trading risks. The independent risk control process does not include business risks such as changes in the environment, technology and industry. They are monitored through the Group's strategic planning process.

The Board of Directors is ultimately responsible for identifying and controlling risks; however, there are separate independent bodies such as the risk management department, internal audit committee, the credit committee, assets and liabilities committee responsible for managing and monitoring those risks.

Monitoring and controlling risks are primarily performed based on limits established by the Group. These limits reflect the business strategy and market environment of the Group as well as the level of risk that the Group is willing to accept.

As part of its overall risk management, the Group also uses derivatives and other instruments to manage exposures resulting from changes in interest rates, foreign currencies and exposures arising from forecast transactions. The risk profile is assessed before entering into hedge transactions, which are authorized by the appropriate level of authority within the Group.

The Group applies an internal methodology to estimate the market risk of positions held and the maximum losses expected, based upon a number of assumptions for various changes in market conditions. The Group has a set of limits of risks that may be accepted, which are monitored on a daily basis.

There has been no change to the Group's exposure to market risks or the manner in which it manages and measures the risk.

The risks arising from financial instruments to which the Group is exposed are financial risks, which include credit risk, liquidity risk, insurance risks, market risks and operational risk.

**(b) Credit risk**

Credit risk is the risk that the Group will incur a loss because its customers or counterparties fail to discharge their contractual obligations in accordance with the agreed terms. Credit risk makes up the largest part of the Group's risk exposure; therefore, the Group carefully manages its exposure to credit risk. Credit risk is attributed to financial instruments such as balance with central banks, due from banks, loans and advances to customers, debt securities and other bills, certain other assets and credit equivalent amounts related to off-balance sheet financial instruments.



**4 FINANCIAL RISK MANAGEMENT (CONTINUED)****(b) Credit risk (continued)**

Note 10 to the consolidated financial statements disclose the distribution of the loans and advances to customers by economic sectors. Note 4 (b) (iii) to the consolidated financial statements disclose the geographical distribution of the Group's credit exposure.

**(i) Credit risk measurement**

All credit policies are reviewed and approved by the Risk Management Department and the Board of Directors. The Risk Management team centrally approves all significant credit facilities and limits for all corporate, treasury and capital markets, financial institutions and SME clients of the Group. Such approvals are carried out in pursuance to a set of delegated Credit authority limits and in accordance with the Group's approved credit policy.

Furthermore, all credit facilities are independently administered and monitored by the Credit Control Department.

The Group further limits risk through diversification of its assets by geography and industry sectors. Credit exposure is controlled by counterparty limits that are reviewed and approved by the risk management committee annually. The Group also follows the guidelines issued by Qatar Central Bank with regard to the granting of loans which limits exposure to counterparties.

The amount and type of collateral required depend on an assessment of the credit risk of the counterparty. Guidelines are implemented regarding the acceptability of types of collateral and valuation parameters.

Whenever possible, loans are secured by acceptable forms of collateral in order to mitigate credit risk. The amount and type of collateral required depend on an assessment of the credit risk of the counterparty. Guidelines are implemented regarding the acceptability of types of collateral and valuation parameters. The main types of collateral obtained are cash, mortgages, local and international equities, financial guarantees and other tangible securities. The collaterals are held mainly against commercial and consumer loans and are managed against relevant exposures at their net realizable values.

The Group has a credit administration process that ensures compliance with terms of approval, documentation and continuous review to ensure quality of credit and collaterals. While securities such as listed equities are valued regularly, credit policy mandates securities obtained by way of legal mortgage over real estate to be valued at least once in 2 years or more frequently if the situation warrants. The quality of collateral has remained the same.

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

The table below represents credit risk exposure to the Group at carrying amounts, without taking account of any collateral held or other credit enhancements attached. For assets recorded on the statement of financial position, the exposures set out below are based on the net carrying amounts as reported in the consolidated statement of financial position.

	2025 QR'000	2024 QR'000
<b>Credit risk exposures relating to assets recorded on the statement of financial position are as follows:</b>		
Balances with central banks	5,519,781	5,404,041
Due from banks	7,118,100	6,842,893
Loans and advances to customers	67,722,141	60,983,523
Investment securities – debt	35,845,018	33,358,659
Insurance contract assets	13,633	19,052
Other assets	1,932,764	1,602,878
<b>Total as at 31 December</b>	<b>118,151,437</b>	<b>108,211,046</b>
<b>Other credit risk exposures (gross of impairment) are as follows:</b>		
Guarantees	10,962,231	11,602,583
Letters of credit	2,457,209	1,035,921
Unutilised credit facilities	4,166,720	1,595,530
<b>Total as at 31 December</b>	<b>17,586,160</b>	<b>14,234,034</b>
	<b>135,737,597</b>	<b>122,445,080</b>



**4 FINANCIAL RISK MANAGEMENT (CONTINUED)**
**(b) Credit risk (continued)**

(iii) *Analysis of concentration of risks of financial assets with credit risk exposure*

**Geographical sectors**

The following table breaks down the Group's credit exposure based on carrying amounts without taking into account any collateral, held or other credit support, as categorized by geographical region. The Group has allocated exposures to regions based on the country of domicile of its counterparties.

31 December 2025	Qatar QR'000	Other GCC QR'000	Other Middle East QR'000	Rest of the world QR'000	Total QR'000
Balances with central banks	4,056,885	1,445,855	-	17,041	5,519,781
Due from banks	744,900	1,202,631	2,340,264	2,830,305	7,118,100
Loans and advances to customers	58,853,213	6,591,530	228,015	2,049,383	67,722,141
Investment securities – debt	27,301,079	8,106,195	-	437,744	35,845,018
Insurance contract assets	13,633	-	-	-	13,633
Other assets	1,890,614	18,339	-	23,811	1,932,764
	<u>92,860,324</u>	<u>17,364,550</u>	<u>2,568,279</u>	<u>5,358,284</u>	<u>118,151,437</u>

31 December 2024	Qatar QR'000	Other GCC QR'000	Other Middle East QR'000	Rest of the world QR'000	Total QR'000
Balances with central banks	4,146,204	1,238,801	-	19,036	5,404,041
Due from banks	559,696	2,067,037	2,217,828	1,998,332	6,842,893
Loans and advances to customers	53,641,472	5,176,367	204,556	1,961,128	60,983,523
Investment securities – debt	25,631,490	7,223,083	-	504,086	33,358,659
Insurance contract assets	19,052	-	-	-	19,052
Other assets	1,543,308	23,125	-	36,445	1,602,878
	<u>85,541,222</u>	<u>15,728,413</u>	<u>2,422,384</u>	<u>4,519,027</u>	<u>108,211,046</u>

31 December 2025	Qatar QR'000	Other GCC QR'000	Other Middle East QR'000	Rest of the world QR'000	Total QR'000
Guarantees	5,293,289	1,609,233	499,498	3,560,211	10,962,231
Letters of credit	1,280,039	85,154	492,314	599,702	2,457,209
Unutilised credit facilities	3,953,040	35,916	-	177,764	4,166,720
	<u>10,526,368</u>	<u>1,730,303</u>	<u>991,812</u>	<u>4,337,677</u>	<u>17,586,160</u>

31 December 2024	Qatar QR'000	Other GCC QR'000	Other Middle East QR'000	Rest of the world QR'000	Total QR'000
Guarantees	5,378,511	2,490,865	570,708	3,162,499	11,602,583
Letters of credit	825,887	36,345	70,579	103,110	1,035,921
Unutilised credit facilities	1,450,202	24,991	-	120,337	1,595,530
	<u>7,654,600</u>	<u>2,552,201</u>	<u>641,287</u>	<u>3,385,946</u>	<u>14,234,034</u>

**4 FINANCIAL RISK MANAGEMENT (CONTINUED)**
**(b) Credit risk (continued)**

(iii) *Analysis of concentration of risks of financial assets with credit risk exposure (continued)*

**Industry sectors**

The following table breaks down the Group's credit exposure based on the carrying amounts, before taking into account collateral held or other credit enhancements, as categorized by the industry sectors of the Group's counterparties.

	2025 QR'000	2024 QR'000
<i>Funded and unfunded</i>		
Government and related agencies	45,198,436	39,551,214
Industry	2,330,731	2,051,293
Commercial	10,674,133	10,442,919
Services	23,203,905	21,948,746
Contracting	6,185,307	5,822,724
Real estate	21,017,369	19,496,985
Personal	7,151,271	6,779,610
Others	2,390,285	2,117,555
Guarantees	10,962,231	11,602,583
Letters of credit	2,457,209	1,035,921
Unutilised credit facilities	4,166,720	1,595,530
	<b>135,737,597</b>	<b>122,445,080</b>

(iv) *Credit quality*

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

**Internal ratings**

	Internal credit rating	External credit rating *
<b>Bank internal credit rating as at 31 December 2025</b>		
Investment grade	1 to 4	AAA to BAA3
Sub investment grade	5 to 8	BA1 to CA3
Credit impaired (Substandard, Doubtful and loss)	9 to 10	D
<b>Bank internal credit rating as at 31 December 2024</b>		
Investment grade	1 to 4	AAA to BAA3
Sub investment grade	5 to 8	BA1 to CA3
Credit impaired (Substandard, Doubtful and loss)	9 to 10	D

\* or equivalent internal rating as per Moody's



# Doha Bank Q.P.S.C.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

### 4 FINANCIAL RISK MANAGEMENT (CONTINUED)

#### (b) Credit risk (continued)

(iv) Credit quality (continued)

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

	2025			
	Stage 1	Stage 2	Stage 3	Total
	QR'000	QR'000	QR'000	QR'000
Cash and balances with central banks (excluding cash on hand) and due from banks				
Investment grade - Aaa to Baa3	8,612,961	-	-	8,612,961
Sub-investment grade – Ba 1 to Ca3	4,034,463	1,233	-	4,035,696
Substandard	-	-	-	-
Doubtful	-	-	-	-
Loss	-	-	19,873	19,873
Loss allowance	(11,211)	-	(19,438)	(30,649)
Carrying amount	12,636,213	1,233	435	12,637,881

	2024			
	Stage 1	Stage 2	Stage 3	Total
	QR'000	QR'000	QR'000	QR'000
Cash and balances with central banks (excluding cash on hand) and due from banks				
Investment grade - Aaa to Baa3	8,034,218	-	-	8,034,218
Sub-investment grade – Ba 1 to Ca3	4,218,617	980	-	4,219,597
Substandard	-	-	-	-
Doubtful	-	-	-	-
Loss	-	-	20,184	20,184
Loss allowance	(7,627)	-	(19,438)	(27,065)
Carrying amount	12,245,208	980	746	12,246,934

	2025			
	Stage 1	Stage 2	Stage 3	Total
	QR'000	QR'000	QR'000	QR'000
Loans and advances to customers				
Investment grade -Aaa to Baa3	17,627,203	759,427	-	18,386,630
Sub-investment grade - Ba 1 to Ca3	31,963,934	18,134,594	-	50,098,528
Substandard	-	-	37,333	37,333
Doubtful	-	-	383,614	383,614
Loss	-	-	4,416,999	4,416,999
Loss allowance	(366,470)	(1,536,498)	(3,697,995)	(5,600,963)
Carrying amount	49,224,667	17,357,523	1,139,951	67,722,141



# Doha Bank Q.P.S.C.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

### 4 FINANCIAL RISK MANAGEMENT (CONTINUED)

#### (b) Credit risk (continued)

(iv) Credit quality (continued)

	2024			
	Stage 1	Stage 2	Stage 3	Total
	QR'000	QR'000	QR'000	QR'000
Loans and advances to customers				
Investment grade -Aaa to Baa3	14,134,799	867,411	-	15,002,210
Sub-investment grade - Ba 1 to Ca3	28,085,406	18,235,474	-	46,320,880
Substandard	-	-	11,152	11,152
Doubtful	-	-	60,634	60,634
Loss	-	-	4,847,772	4,847,772
Loss allowance	(242,417)	(1,337,688)	(3,679,020)	(5,259,125)
Carrying amount	41,977,788	17,765,197	1,240,538	60,983,523

	2025			
	Stage 1	Stage 2	Stage 3	Total
	QR'000	QR'000	QR'000	QR'000
Investment securities - debt				
Investment grade - Aaa to Baa3	35,845,833	-	-	35,845,833
Sub-investment grade - Ba 1 to Ca3	-	-	-	-
Substandard	-	-	-	-
Doubtful	-	-	-	-
Loss	-	-	27,414	27,414
Loss allowance	(4,718)	-	(27,414)	(32,132)
Carrying amount	35,841,115	-	-	35,841,115

	2024			
	Stage 1	Stage 2	Stage 3	Total
	QR'000	QR'000	QR'000	QR'000
Investment securities - debt				
Investment grade - Aaa to Baa3	33,319,592	-	-	33,319,592
Sub-investment grade - Ba 1 to Ca3	39,844	-	-	39,844
Substandard	-	-	-	-
Doubtful	-	-	-	-
Loss	-	-	27,398	27,398
Loss allowance	(4,965)	-	(27,398)	(32,363)
Carrying amount	33,354,471	-	-	33,354,471

	2025			
	Stage 1	Stage 2	Stage 3	Total
	QR'000	QR'000	QR'000	QR'000
Loan commitments and financial guarantees				
Investment grade - Aaa to Baa3	12,387,259	98,075	-	12,485,334
Sub-investment grade - Ba1 to Ca3	3,137,276	1,392,589	-	4,529,865
Substandard	-	-	2,511	2,511
Doubtful	-	-	-	-
Loss	-	-	568,450	568,450
Loss allowance	(5,647)	(1,799)	(438,159)	(445,605)
Carrying amount	15,518,888	1,488,865	132,802	17,140,555

**4 FINANCIAL RISK MANAGEMENT (CONTINUED)**
**(b) Credit risk (continued)**
*(iv) Credit quality (continued)*

	2024			
	Stage 1	Stage 2	Stage 3	Total
	QR'000	QR'000	QR'000	QR'000
Loan commitments and financial guarantees				
Investment grade - Aaa to Baa3	8,498,059	70,630	-	8,568,689
Sub-investment grade - Ba1 to Ca3	3,518,038	1,482,682	-	5,000,720
Substandard	-	-	74,246	74,246
Doubtful	-	-	-	-
Loss	-	-	590,379	590,379
Loss allowance	(4,082)	(70,676)	(504,298)	(579,056)
Carrying amount	12,012,015	1,482,636	160,327	13,654,978

**Collateral**

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

The Group's collateral are substantially based in Qatar. The collateral of the Group aggregated to QR 69,228 million as at 31 December 2025 based on valuations of these collaterals undertaken in line with the related internal approved policy of the Group (2024: QR 63,991 million). The value of the collateral held against credit-impaired loans and advances as at 31 December 2025 is QR 4,617 million (2024: QR 4,177 million). The Group does however assume haircuts on these valuations for the purpose of provisioning / ECL calculations, which results in a fair value of QR 30,702 million and QR 1,769 million respectively as at 31 December 2025 (2024: QR 35,551 million and QR 1,804 million respectively).

The Group has total gross loans and advances, including off balance sheet loan commitments, amounting to QR 9,577 million (2024: QR 11,199 million) in which the expected credit losses is nil due to the full coverage of collateral against the exposure.

The Group hold collateral and other credit enhancements against certain of its credit exposures. The following table sets out the principal types of collateral held against different types of financial assets.

	Percentage of exposure that is subject to collateral requirements	
	2025	2024
<b>Principle type of collateral held</b>		
Cash	3.6%	2.1%
Mortgage	92.3%	95.2%
Local and international equities	0.1%	0.1%
Financial guarantees	4.0%	2.6%

Mortgage collateral on loan and advances including off balance sheet loan commitments

The following tables stratify credit exposures from mortgage loans and advances to retail customers, including off balance sheet loan commitments, by ranges of loan-to-value (LTV) ratio. The LTV ratio is calculated as the gross on balance sheet carrying amount of the loan and any off-balance sheet loan commitment at the balance sheet date divided by the value of collateral.



**4 FINANCIAL RISK MANAGEMENT (CONTINUED)**
**(b) Credit risk (continued)**
*(iv) Credit quality (continued)*

The methodologies for obtaining property collateral values vary, but are typically determined through a combination of professional appraisals. The valuation of the collateral included in the table below consists of first degree mortgages. Valuations must be updated on a regular basis and, as minimum, at intervals of 3 years. For the credit impaired loans, the value of collateral is based on the most recent appraisals.

LTV Ratio	2025		
	Gross carrying amount / notional amount		
	Stage 1 QR'000	Stage 2 QR'000	Stage 3 QR'000
Up to 100%	43,024,651	17,046,564	2,404,952
More than 100%	7,195,752	3,566,057	2,785,751
<b>Total</b>	<b>50,220,403</b>	<b>20,612,621</b>	<b>5,190,703</b>

LTV Ratio	2024		
	Gross carrying amount / notional amount		
	Stage 1 QR'000	Stage 2 QR'000	Stage 3 QR'000
Up to 100%	37,131,303	18,173,948	2,617,093
More than 100%	6,422,671	2,805,010	2,602,005
<b>Total</b>	<b>43,553,974</b>	<b>20,978,958</b>	<b>5,219,098</b>

**Reposessed collateral**

The Group's acquired properties held as collateral in settlement of debt has a carrying value of QR 106 million as at 31 December 2025 (2024: QR 134 million). The total income derived from the renting reposessed collateral amounted to QR 4.6 million for the year ended 31 December 2025 (2024: QR 4.6 million)

**Write-off policy**

The Group writes off a loan or an investment debt security balance, and any related allowances for impairment losses, when Group Credit determines that the loan or security is uncollectible and after QCB approval.

This determination is made after considering information such as the occurrence of significant changes in the borrower's/issuer's financial position such that the borrower/issuer can no longer pay the obligation, or that proceeds from collateral will not be sufficient to pay back the entire exposure. For smaller balance standardized loans, write-off decisions are generally based on a product-specific past due status. The amount written off on loans and advances during the year was QR 882.1 million (2024: QR 99.5 million). Subsequent recoveries from such write offs are recognized on a cash basis.

*(v) Inputs, assumptions and techniques used for estimating impairment*
**Significant increase in credit risk**

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



**4 FINANCIAL RISK MANAGEMENT (CONTINUED)****(b) Credit risk (continued)***(v) Inputs, assumptions and techniques used for estimating impairment (continued)*

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

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

For corporate exposure, the Group has considered historical information over a period of 5 years and judged that there is no correlation between significant increase in the risk of a default occurring and financial assets on which payment are more than 30 days past due, the historical evidence identify such correlation when payments are more than 60 days past due.

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

*Credit risk grades*

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

*Generating the term structure of Probability of Default (PD)*

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

*Renegotiated financial assets*

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

*Definition of default*

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

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

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

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

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

**4 FINANCIAL RISK MANAGEMENT (CONTINUED)****(b) Credit risk (continued)***(v) Inputs, assumptions and techniques used for estimating impairment (continued)**Incorporation of forward looking information*

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

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

The Group has considered the effect the probable economic uncertainties through the stressed scenario construction and weights. The cumulative probability of all the plausible downturn scenario considering the Base forecast as the starting point has been considered as the probability weight of the stressed scenario to address worries of further economic downturn and low demand. Markets however remain volatile and the recorded amounts remain sensitive to market fluctuations. The Group is closely monitoring the situation and has its business continuity planning ongoing to manage the potential business disruption due to current economic uncertainties.

In addition to the base economic scenario, the Group's Credit risk team also provide other possible scenarios along with scenario weightings. The number of other scenarios used is set based on the analysis of each major product type to ensure plausible events are captured. The number of scenarios and their attributes are reassessed at each reporting date. At 1 January 2025 and 31 December 2025, for all portfolios the Group concluded that three scenarios that appropriately captured the uncertainties in the macro-economic forecasts i.e. Base scenario: considering the published macro-economic forecasts, improved scenario and stressed scenario: considering the long term observed volatility in macro-economic forecast. The scenario weightings are determined by a combination of statistical analysis and expert credit judgement, taking in account the range of possible outcomes each chosen scenario.

The scenario weights considered for the ECL calculation as of 31 December 2025 are Base Scenario: 70% Improved Scenario: 15% and Stressed Scenario: 15% (2024: Base Scenario: 70%, Improved Scenario: 15% and Stressed Scenario: 15%).

The assessment of SICR is performed based on credit risk assessment following QCB rule and management assessment under each of the base, and the other scenarios, multiplied by the associated scenario weightings. This determines whether the whole financial instrument is in Stage 1, Stage 2, or Stage 3 and hence whether 12-month or lifetime ECL should be recorded. Following this assessment, the Group measures ECL as either a 12-month ECL (Stage 1), or lifetime ECL (Stages 2). These ECLs are determined by running each scenario through the relevant ECL model and multiplying it by the appropriate scenario weighting.

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

**4 FINANCIAL RISK MANAGEMENT (CONTINUED)**
**(b) Credit risk (continued)**

(v) *Inputs, assumptions and techniques used for estimating impairment (continued)*

*Economic variable assumptions*

The most significant period-end assumptions used for the ECL estimate as at 31 December 2025 were Oil prices (2025: \$71/Barrel, 2024: \$81/ Barrel) and Private Sector Credit Concentration (2025: 68.2%, 2024: 69.6%). These variables are used in tandem due to their independent nature and analysing the variables together ensures a comprehensive assessment of potential risks and their impact on ECL.

The below table shows the economic variable assumptions used for each scenario

<b>Oil prices &amp; Private Sector Credit Concentration - MEV</b>	<b>2025</b>	<b>2024</b>
	<b>QR'000</b>	<b>QR'000</b>
Base Scenario	<u>2,799,768</u>	<u>2,633,254</u>
Improved Scenario	<u>2,627,262</u>	<u>2,435,867</u>
Stressed Scenario	<u>3,183,196</u>	<u>3,589,941</u>

The Group has calculated ECL for wholesale borrowers at an individual financial instrument level and portfolio level for retail borrowers.

The below table shows the current and projected economic variable assumptions used

	<b>2025</b>	<b>2024</b>
<b>Oil prices (USD per Barrel)</b>		
2024	<b>71.44</b>	80.7
2025	<b>82.66</b>	79.6
2026	<b>72.72</b>	81.2
2027	<b>90.91</b>	84.6
2028	<b>68.54</b>	81.7
5-years average	<b>77.25</b>	81.6
	<b>2025</b>	<b>2024</b>
<b>Private sector credit concentration (in %)</b>		
2024	<b>68.2%</b>	69.6%
2025	<b>69.0%</b>	68.2%
2026	<b>69.2%</b>	69.0%
2027	<b>69.2%</b>	69.2%
2028	<b>69.0%</b>	69.2%
5-years average	<b>68.9%</b>	69.0%

The Group has calculated ECL for wholesale borrowers at an individual financial instrument level and portfolio level for retail borrowers.

**Sensitivity Analysis**

The Group has performed a sensitivity analysis on how ECL on the credit portfolio will change if the key assumptions used to calculate ECL change by a certain percentage. These variations are applied simultaneously to each probability weighted scenarios used to compute the expected credit losses. In reality there will be interdependencies between the various economic inputs and the exposure to sensitivity will vary across the economic scenarios.



**4 FINANCIAL RISK MANAGEMENT (CONTINUED)****(b) Credit risk (continued)***(v) Inputs, assumptions and techniques used for estimating impairment (continued)*

The following sensitivity table shows the reported provision for ECL based on the probability weighted scenarios and what the provision for ECL would be assuming a 100% weighting is applied to the base case scenario and to the stressed scenario (with all other assumptions, including customer risk grades, held constant).

	2025 QR'000	2024 QR'000
100% Base Case, loss allowance would be higher / (lower) by	(31,638)	(116,894)
100% Upside Case, loss allowance would be higher / (lower) by	(204,145)	(304,280)
100% Downside Case, loss allowance would be higher / (lower) by	351,789	849,784

If 1% of the stage 1 gross exposure from loans and credit commitments (calculated on a 12 month ECL) was reflected in Stage 2 (calculated on a lifetime ECL) the provision for ECL would increase by QR 31.2 million.

*Measurement of ECL*

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

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

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

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

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

# Doha Bank Q.P.S.C.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

### 4 FINANCIAL RISK MANAGEMENT (CONTINUED)

#### (b) Credit risk (continued)

(v) *Inputs, assumptions and techniques used for estimating impairment (continued)*

#### Loss allowance

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

	2025			
	Stage 1	Stage 2	Stage 3	Total
	QR'000	QR'000	QR'000	QR'000
<b>Gross exposures subject to ECL - as at 31 December</b>				
Loans and advances to customers	49,591,137	18,894,021	4,837,946	73,323,104
Investment securities (debt)	35,845,833	-	27,414	35,873,247
Loan commitments and financial guarantees	15,524,535	1,490,664	570,961	17,586,160
Due from banks and balances with central Banks	12,647,424	1,233	19,873	12,668,530
	<b>113,608,929</b>	<b>20,385,918</b>	<b>5,456,194</b>	<b>139,451,041</b>
<b>Opening balance of ECL / impairment - as at 1 January</b>				
Loans and advances to customers	242,417	1,337,688	3,679,020	5,259,125
Investment securities (debt)	4,965	-	27,398	32,363
Loan commitments and financial guarantees	4,082	70,676	504,298	579,056
Due from banks and balances with central Banks	7,627	-	19,438	27,065
	<b>259,091</b>	<b>1,408,364</b>	<b>4,230,154</b>	<b>5,897,609</b>
<b>Net charge and transfers for the year (net of foreign currency translation)</b>				
Loans and advances to customers*	124,053	198,810	900,758	1,223,621
Investment securities (debt)***	(247)	-	16	(231)
Loan commitments and financial guarantees	1,565	(68,877)	(66,100)	(133,412)
Due from banks and balances with central Banks	3,584	-	-	3,584
	<b>128,955</b>	<b>129,933</b>	<b>834,674</b>	<b>1,093,562</b>
<b>Write offs and other</b>				
Loans and advances to customers	-	-	(881,783)	(881,783)
Investment securities (debt)	-	-	-	-
Loan commitments and financial guarantees	-	-	(39)	(39)
Due from banks and balances with central Banks	-	-	-	-
	<b>-</b>	<b>-</b>	<b>(881,822)</b>	<b>(881,822)</b>
<b>Closing balance of ECL / impairment - as at 31 December</b>				
Loans and advances to customers**	366,470	1,536,498	3,697,995	5,600,963
Investment securities (debt)	4,718	-	27,414	32,132
Loan commitments and financial guarantees	5,647	1,799	438,159	445,605
Due from banks and balances with central Banks	11,211	-	19,438	30,649
	<b>388,046</b>	<b>1,538,297</b>	<b>4,183,006</b>	<b>6,109,349</b>

\* Stage 3 provision balance includes net interest suspended on loans and advances to customers amounting to QR 379 million.

\*\* Stage 3 provision includes a net transfer of provision from loan and commitment and financial guarantee to loans and advances amounting to QR Nil

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



# Doha Bank Q.P.S.C.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

### 4 FINANCIAL RISK MANAGEMENT (CONTINUED)

#### (b) Credit risk (continued)

##### Loss allowance (continued)

There were no significant transfers between stages during the year.

	2024			
	Stage 1 QR'000	Stage 2 QR'000	Stage 3 QR'000	Total QR'000
Gross exposures subject to ECL - as at 31 December				
Loans and advances to customers	42,220,204	19,102,885	4,919,559	66,242,648
Investment securities (debt)	33,359,436	-	27,398	33,386,834
Loan commitments and financial guarantees	12,016,097	1,553,312	664,625	14,234,034
Due from banks and balances with central Banks	12,252,835	980	20,184	12,273,999
	<u>99,848,572</u>	<u>20,657,177</u>	<u>5,631,766</u>	<u>126,137,515</u>
Opening balance of ECL / impairment - as at 1 January				
Loans and advances to customers	92,255	999,945	2,693,838	3,786,038
Investment securities (debt)	4,895	306	3,760	8,961
Loan commitments and financial guarantees	8,735	5,880	541,585	556,200
Due from banks and balances with central Banks	1,609	5,120	14,214	20,943
	<u>107,494</u>	<u>1,011,251</u>	<u>3,253,397</u>	<u>4,372,142</u>
Net charge and transfers for the year (net of foreign currency translation)				
Loans and advances to customers*	150,162	337,743	1,054,029	1,541,934
Investment securities (debt)***	70	(306)	17,106	16,870
Loan commitments and financial guarantees	(4,653)	64,796	(12,638)	47,505
Due from banks and balances with central Banks	6,018	(5,120)	11,756	12,654
	<u>151,597</u>	<u>397,113</u>	<u>1,070,253</u>	<u>1,618,963</u>
Write offs and other				
Loans and advances to customers	-	-	(68,847)	(68,847)
Investment securities (debt)	-	-	6,532	6,532
Loan commitments and financial guarantees	-	-	(24,649)	(24,649)
Due from banks and balances with central Banks	-	-	(6,532)	(6,532)
	<u>-</u>	<u>-</u>	<u>(93,496)</u>	<u>(93,496)</u>
Closing balance of ECL / impairment - as at 31 December				
Loans and advances to customers**	242,417	1,337,688	3,679,020	5,259,125
Investment securities (debt)	4,965	-	27,398	32,363
Loan commitments and financial guarantees	4,082	70,676	504,298	579,056
Due from banks and balances with central Banks	7,627	-	19,438	27,065
	<u>259,091</u>	<u>1,408,364</u>	<u>4,230,154</u>	<u>5,897,609</u>

\* stage 3 provision balance includes net interest suspended on loans and advances to customers amounting to QR 372 million.

\*\* stage 3 provision includes a net transfer of provision from loan and commitment and financial guarantee to loans and advances amounting to QR 29 million.

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





**4 FINANCIAL RISK MANAGEMENT (CONTINUED)****(c) Liquidity risk**

Liquidity risk is the risk that an institution will be unable to meet its net funding requirements. Liquidity risk can be caused by market disruptions or credit downgrades, which may cause certain sources of funding to cease immediately. Ultimate responsibility for liquidity risk management rests with the Board of Directors, which has built an appropriate liquidity risk management framework for the management of the Group's short, medium and long-term funding and liquidity management requirements. To mitigate this risk, the Group has diversified funding sources and assets are managed with liquidity in mind, in order to maintain a healthy balance of cash, cash equivalents and readily marketable securities.

**(i) Exposure to liquidity risk**

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

The Liquidity Coverage Ratio (LCR) computed as per Basel III guidelines adopted by QCB was 203.81% as at 31 December 2025 (2024: 167.55%).

Draft subject to QCB approval



# Doha Bank Q.P.S.C.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

### 4 FINANCIAL RISK MANAGEMENT (CONTINUED)

#### (c) Liquidity risk (continued)

##### (i) Exposure to liquidity risk (continued)

#### Maturity analysis of assets and liabilities

The table below summarizes the maturity profile of the Group's assets and liabilities based on contractual maturity dates. The contractual maturities of assets and liabilities have been determined on the basis of the remaining period at the reporting date to the contractual maturity date, and do not take account of the effective maturities as indicated by the Group's deposit retention history and the availability of liquid funds. The Group routinely monitors assets and liabilities maturity profiles to ensure adequate liquidity is maintained.

	Carrying amount QR'000	Less than 1 month QR'000	1-3 months QR'000	3 months- 1 year QR'000	Subtotal 1 year QR'000	Above 1 year QR'000
<b>31 December 2025</b>						
Cash and balances with central banks	5,988,804	2,188,313	-	-	2,188,313	3,800,491
Due from banks	7,118,100	1,388,184	575,201	1,782,008	3,745,393	3,372,707
Loans and advances to customers	67,722,141	8,920,284	2,025,315	5,218,464	16,164,063	51,558,078
Investment securities	36,782,324	561,167	65,196	3,938,458	4,564,821	32,217,503
Insurance contract assets	13,633	13,633	-	-	13,633	-
Other assets	2,105,601	2,105,601	-	-	2,105,601	-
Investment in an associate	10,567	-	-	-	-	10,567
Property, furniture and equipment	424,024	-	-	-	-	424,024
<b>Total</b>	<b>120,165,194</b>	<b>15,177,182</b>	<b>2,665,712</b>	<b>10,938,930</b>	<b>28,781,824</b>	<b>91,383,370</b>
Due to banks	25,045,346	7,133,152	7,221,072	57,001	14,411,225	10,634,121
Customers deposits	57,740,427	21,396,228	15,854,092	15,147,631	52,397,951	5,342,476
Debt securities	9,569,591	-	1,938,811	-	1,938,811	7,630,780
Other borrowings	9,017,303	-	182,075	610,033	792,108	8,225,195
Insurance contract liabilities	51,068	-	-	-	-	51,068
Other liabilities	3,046,637	-	-	-	-	3,046,637
Total equity	15,694,822	-	-	-	-	15,694,822
<b>Total</b>	<b>120,165,194</b>	<b>28,529,380</b>	<b>25,196,050</b>	<b>15,814,665</b>	<b>69,540,095</b>	<b>50,625,099</b>
<b>Maturity gap</b>		<b>(13,352,198)</b>	<b>(22,530,338)</b>	<b>(4,875,735)</b>	<b>(40,758,271)</b>	<b>40,758,271</b>

# Doha Bank Q.P.S.C.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

### 4 FINANCIAL RISK MANAGEMENT (CONTINUED)

#### (c) Liquidity risk (continued)

(i) Exposure to liquidity risk (continued)

#### Maturity analysis of assets and liabilities (continued)

	Carrying amount QR'000	Less than 1 month QR'000	1-3 months QR'000	3 months- 1 year QR'000	Subtotal 1 year QR'000	Above 1 year QR'000
31 December 2024						
Cash and balances with central banks	5,887,697	2,255,394	-	-	2,255,394	3,632,303
Due from banks	6,842,893	2,724,371	531,821	2,143,335	5,399,527	1,443,366
Loans and advances to customers	60,983,523	8,145,881	2,405,091	4,835,976	15,386,948	45,596,575
Investment securities	34,204,591	460,128	70,194	2,039,436	2,569,758	31,634,833
Insurance contract assets	19,052	19,052	-	-	19,052	-
Other assets	1,768,912	1,768,912	-	-	1,768,912	-
Investment in an associate	10,440	-	-	-	-	10,440
Property, furniture and equipment	529,935	-	-	-	-	529,935
Total	110,247,043	15,373,738	3,007,106	9,018,747	27,399,591	82,847,452
Due to banks	30,650,927	11,016,577	9,756,913	1,737,951	22,511,441	8,139,486
Customers deposits	50,851,776	16,549,990	13,613,703	16,027,492	46,191,185	4,660,591
Debt securities	3,832,221	-	-	-	-	3,832,221
Other borrowings	7,396,660	-	2,112,070	1,820,750	3,932,820	3,463,840
Insurance contract liabilities	54,723	-	-	-	-	54,723
Other liabilities	2,642,522	-	-	-	-	2,642,522
Total equity	14,818,214	-	-	-	-	14,818,214
Total	110,247,043	27,566,567	25,482,686	19,586,193	72,635,446	37,611,597
Maturity gap	-	(12,192,829)	(22,475,580)	(10,567,446)	(45,235,855)	45,235,855



**4 FINANCIAL RISK MANAGEMENT (CONTINUED)****(c) Liquidity risk (continued)***(i) Exposure to liquidity risk (continued)***Maturity analysis of assets and liabilities (continued)**

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

	Carrying amount QR'000	Up to 3 months QR'000	3 months – 1 year QR'000	Above 1 year QR'000
<b>31 December 2025</b>				
Guarantees	10,962,231	3,586,532	5,704,713	1,670,986
Letters of credit	2,457,209	923,418	723,867	809,924
Unutilised credit facilities	4,166,720	669,362	1,088,546	2,408,812
<b>Total</b>	<b>17,586,160</b>	<b>5,179,312</b>	<b>7,517,126</b>	<b>4,889,722</b>
	Carrying amount QR'000	Up to 3 months QR'000	3 months – 1 year QR'000	Above 1 year QR'000
<b>31 December 2024</b>				
Guarantees	11,602,583	2,658,022	6,446,231	2,498,330
Letters of credit	1,035,921	272,962	347,996	414,963
Unutilised credit facilities	1,595,530	704,104	576,099	315,327
<b>Total</b>	<b>14,234,034</b>	<b>3,635,088</b>	<b>7,370,326</b>	<b>3,228,620</b>

Assets available to meet all of the liabilities and to cover outstanding loan commitments include cash, items in the course of collection, loans and advances to banks and loans and advances to customers. Letter of guarantee are as per contractual terms and in the event of default may be payable on demand and therefore are current in nature.

**4 FINANCIAL RISK MANAGEMENT (CONTINUED)****(c) Liquidity risk (continued)****(i) Exposure to liquidity risk (continued)****Maturity analysis of assets and liabilities (continued)**

The table below summarises the maturity profile of the Group's financial liabilities and derivatives at 31 December based on contractual undiscounted repayment obligations:

	Carrying amount QR'000	Gross undiscounted cash flows QR'000	Less than 1 month QR'000	1-3 months QR'000	3 months -1 year QR'000	Above 1 year QR'000
<b>31 December 2025</b>						
<b>Non-derivative financial liabilities</b>						
Due to banks	25,045,346	26,153,133	7,622,437	7,262,027	254,275	11,014,394
Customers deposits	57,740,427	58,220,227	21,427,835	15,969,925	15,447,673	5,374,794
Debt securities	9,569,591	11,086,236	-	1,938,811	-	9,147,425
Other borrowings	9,017,303	9,681,050	42,055	191,379	634,831	8,812,785
Insurance contract liabilities	51,068	51,068	51,068	-	-	-
Other liabilities	2,651,097	2,651,097	2,651,097	-	-	-
<b>Total liabilities</b>	<b>104,074,832</b>	<b>107,842,811</b>	<b>31,794,492</b>	<b>25,362,142</b>	<b>16,336,779</b>	<b>34,349,398</b>

Derivative financial instruments:

Generally, forward foreign exchange contracts are settled on a gross basis and interest rate swaps are settled on a net basis.

	Total QR'000	Up to 1 year QR'000	Above 1 year QR'000
<b>Derivative financial instruments (FX forwards):</b>			
Outflow	2,878,260	2,878,260	-
Inflow	5,925,959	5,925,959	-
<b>Derivative financial instruments (interest swaps):</b>			
Outflow	1,022,377	1,022,377	-
Inflow	384,098	384,098	-

**4 FINANCIAL RISK MANAGEMENT (CONTINUED)****(c) Liquidity risk (continued)****(i) Exposure to liquidity risk (continued)****Maturity analysis of assets and liabilities (continued)**

The table below summarises the maturity profile of the Group's financial liabilities and derivatives at 31 December based on contractual undiscounted repayment obligations:

	Carrying amount QR'000	Gross undiscounted cash flows QR'000	Less than 1 month QR'000	1-3 months QR'000	3 months -1 year QR'000	Above 1 year QR'000
31 December 2024						
Non-derivative financial liabilities						
Due to banks	30,650,927	32,067,190	11,032,958	9,804,580	1,830,664	9,398,988
Customers deposits	50,851,776	51,393,602	16,570,263	13,710,690	16,432,585	4,680,064
Debt securities	3,832,221	4,315,674	-	-	-	4,315,674
Other borrowings	7,396,660	7,996,860	-	2,140,967	1,843,642	4,012,251
Insurance contract liabilities	54,723	54,723	54,723	-	-	-
Other liabilities	2,315,750	2,315,750	2,315,750	-	-	-
Total liabilities	95,102,057	98,143,799	29,973,694	25,656,237	20,106,891	22,406,977

## Derivative financial instruments:

Generally, forward foreign exchange contracts are settled on a gross basis and interest rate swaps are settled on a net basis.

	Total QR'000	Up to 1 year QR'000	Above 1 year QR'000
Derivative financial instruments (FX forwards):			
Outflow	4,703,588	4,703,588	-
Inflow	2,478,916	2,478,916	-
Derivative financial instruments (interest swaps):			
Outflow	1,217,521	1,217,521	-
Inflow	124,799	124,799	-



**4 FINANCIAL RISK MANAGEMENT (CONTINUED)****(d) Market risks**

The Group takes on exposure to market risks, which is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risks arise from open positions in interest rate, currency and equity products, all of which are exposed to general and specific market movements and changes in the level of volatility of market rates or prices such as interest rates, credit spreads, foreign exchange rates and equity prices. The Group separates exposures to market risk into either trading or non-trading portfolios.

The market risks arising from trading and non-trading activities are concentrated in Group Treasury and monitored by Market Risk team. Regular reports are submitted to the Board of Directors and ALCO.

*(i) Management of market risks*

Overall authority for market risk is vested in ALCO. Financial Risk Management department is responsible for the development of detailed market risk management policies (subject to review and approval by ALCO) and for the day-to-day review and monitoring.

The Group has adopted a detailed policy framework drafted in accordance with the Qatar Central Bank guidelines for governing investments portfolio including proprietary book. The governance structure includes policies including Treasury and Investment manual, Financial Risk policy and Hedging policy, etc. These policies define the limit structure along with the risk appetite under which the investment activities are undertaken. The limit's structure focuses on total investment limits which in accordance with QCB guidelines are 70% of Group's capital and reserves along with various sub limits such as position and stop loss limits for trading activities. The policies also define various structured sensitivity limits such as VaR and duration for different asset classes within the investment portfolio. The performance of the portfolio against these limits is updated regularly to senior management including ALCO and investment committee.

Investment Committee approve all the investment decision for the Group. Financial Risk Management department is vested with the responsibility of measuring, monitoring risk and reporting risk in the portfolio.



**4 FINANCIAL RISK MANAGEMENT (CONTINUED)****(d) Market risks (continued)****(ii) Exposure to interest rate risk**

The principal risk to which the banking and trading portfolios are exposed is the risk of loss from fluctuations in the future cash flows or fair values of financial instruments because of a change in market interest rates. Interest rate risk is managed principally through monitoring interest rate gaps and by having pre-approved limits for repricing bands. ALCO is the monitoring body for compliance with these limits and is assisted by Group Treasury in its day-to-day monitoring activities. A summary of the Group's interest rate gap position on banking and trading portfolios is as follows:

Repricing in:

	Carrying Amount QR'000	Less than 3 months QR'000	3-12 months QR'000	Above 1 year QR'000	Non- interest sensitive QR'000
<b>31 December 2025</b>					
Cash and balances with central banks	5,988,804	1,235,368	-	-	4,753,436
Due from banks	7,118,100	3,856,195	796,282	50,981	2,414,642
Loans and advances to customers	67,722,141	56,059,456	505,247	3,904,459	7,252,979
Investment securities	36,782,324	208,635	3,980,550	31,246,537	1,346,602
Insurance contract assets	13,633	-	-	-	13,633
Other assets	2,105,601	-	-	-	2,105,601
Investment in an associate	10,567	-	-	-	10,567
Property, furniture and equipment	424,024	-	-	-	424,024
<b>Total</b>	<b>120,165,194</b>	<b>61,359,654</b>	<b>5,282,079</b>	<b>35,201,977</b>	<b>18,321,484</b>
Due to banks	25,045,346	23,307,859	1,663,296	-	74,191
Customers deposits	57,740,427	36,724,995	14,695,912	6,319,520	-
Debt securities	9,569,591	3,534,511	-	6,035,080	-
Other borrowings	9,017,303	8,835,228	182,075	-	-
Insurance contract liabilities	51,068	-	-	-	51,068
Other liabilities	3,046,637	-	-	-	3,046,637
<b>Total equity</b>	<b>15,694,822</b>	<b>-</b>	<b>-</b>	<b>4,000,000</b>	<b>11,694,822</b>
<b>Total</b>	<b>120,165,194</b>	<b>72,402,593</b>	<b>16,541,283</b>	<b>16,354,600</b>	<b>14,866,718</b>
<b>Interest rate sensitivity gap</b>	<b>-</b>	<b>(11,042,939)</b>	<b>(11,259,204)</b>	<b>18,847,377</b>	<b>3,454,766</b>
<b>Cumulative interest rate sensitivity gap</b>	<b>-</b>	<b>(11,042,939)</b>	<b>(22,302,143)</b>	<b>(3,454,766)</b>	<b>-</b>

# Doha Bank Q.P.S.C.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT

For the year ended 31 December 2025

### 4 FINANCIAL RISK MANAGEMENT (CONTINUED)

#### (d) Market risks (continued)

##### (ii) Exposure to interest rate risk (continued)

	Carrying amount QR'000	Less than 3 months QR'000	3-12 months QR'000	Above 1 year QR'000	Non- interest sensitive QR'000
31 December 2024					
Cash and balances with central banks	5,887,697	1,771,822	-	-	4,115,875
Due from banks	6,842,893	3,212,353	696,030	55,095	2,879,415
Loans and advances to customers	60,983,523	53,524,656	617,781	717,516	6,123,570
Investment securities	34,204,591	25,930	2,100,602	31,243,140	834,919
Insurance contract assets	19,052	-	-	-	19,052
Other assets	1,768,912	-	-	-	1,768,912
Investment in an associate	10,440	-	-	-	10,440
Property, furniture and equipment	529,935	-	-	-	529,935
Total	110,247,043	58,534,761	3,414,413	32,015,751	16,282,118
Due to banks	30,650,927	27,798,436	2,127,913	724,578	-
Customers deposits	50,851,776	30,192,657	15,205,858	5,366,492	86,769
Debt securities	3,832,221	-	-	3,832,221	-
Other borrowings	7,396,660	2,160,867	493,605	4,691,703	50,485
Insurance contract liabilities	54,723	-	-	-	54,723
Other liabilities	2,642,522	-	-	-	2,642,522
Total equity	14,818,214	-	-	4,000,000	10,818,214
Total	110,247,043	60,151,960	17,827,376	18,614,994	13,652,713
Interest rate sensitivity gap	-	(1,617,199)	(14,412,963)	13,400,757	2,629,405
Cumulative interest rate sensitivity gap	-	(1,617,199)	(16,030,162)	(2,629,405)	-



**4 FINANCIAL RISK MANAGEMENT (CONTINUED)****(d) Market risks (continued)***(ii) Exposure to interest rate risk (continued)***Sensitivity analysis**

The management of interest rate risk against interest rate gap limits is supplemented by monitoring the sensitivity of the Group's financial assets and liabilities to various standard and non-standard interest rate scenarios. Standard scenarios that are considered on a monthly basis include a 100 basis points (bp) parallel fall or rise in all yield curves worldwide and a 10 bp rise or fall in the greater than 12-month portion of all yield curves. An analysis of the Group's sensitivity to an increase or decrease in market interest rates, assuming no asymmetrical movement in yield curves and a constant financial position, is as follows:

	10 bp parallel increase	10 bp parallel decrease
<b>Sensitivity of net interest income</b>		
At 31 December 2025	<b>20,804</b>	<b>(20,804)</b>
At 31 December 2024	17,361	(17,361)

Overall non-trading interest rate risk positions are managed by Group Treasury, which uses investment securities, advances to banks, deposits from banks and derivative instruments to manage the overall position arising from the Group's non-trading activities.

*(iii) Exposure to other market risks***Currency risk**

The Group is exposed to fluctuations in foreign currency exchange rates. The Board of Directors sets limits on the level of exposure by currency, and in total for both overnight and intra-day positions, which are monitored daily. The Group had the following significant net exposures:

	2025 QR'000	2024 QR'000
Net foreign currency exposure:		
Pound Sterling	13,639	39,946
Euro	69,824	15,576
Kuwaiti Dinar	5,908	151,754
Japanese Yen	73,857	152,902
Other currencies	264,190	137,955

**Foreign currency sensitivity analysis**

The following table details the Group's sensitivity to a percentage increase or decrease in the Qatari Riyals against the relevant foreign currencies except for US Dollars which is pegged to the Qatari Riyal. The sensitivity analysis includes only outstanding foreign currency denominated items and the impact of a change in the exchange rates are as follows:

	Increase in profit or loss	
	2025 QR'000	2024 QR'000
5% increase in currency exchange rate		
Pound Sterling	682	1,997
Euro	3,491	779
Kuwaiti Dinar	295	7,588
Japanese Yen	3,693	7,645
Other currencies	13,210	6,898

**4 FINANCIAL RISK MANAGEMENT (CONTINUED)****(d) Market risks (continued)***(iii) Exposure to other market risks***Equity price risk**

Equity price risk is the risk that the fair value of equities decreases as a result of changes in the equity indices and individual stocks. The equity price risk exposure arises from equity securities classified as fair value through other comprehensive income and fair value through profit or loss.

The sensitivity analysis thereof is as follows:

	2025		2024	
	Effect on OCI QR'000	Effect on income statement QR'000	Effect on OCI QR'000	Effect on income statement QR'000
5% increase / (decrease) in Qatar Exchange	± 17,542	-	± 20,036	-
5% increase / (decrease) in Other than Qatar Exchange	± 790	-	± 1,596	-
	± 18,332	-	± 21,632	-

The above analysis has been prepared on the assumption that all other variables such as interest rate, foreign exchange rate, etc. are held constant and is based on historical correlation of the equity securities to the relevant index. Actual movement may be different from the one stated above.

**(e) Operational risks**

Operational risk is the risk of loss arising from inadequate or failed internal processes, people and systems, or from external events. The Group has detailed policies and procedures that are regularly updated to ensure a robust internal control mechanism. The Group closely reviews the various recommendations issued by the Basel Committee on 'Sound Practices for the Management and Supervision of Operational Risk' for implementation. The Group continues to invest in risk management and mitigation strategies, such as a robust control infrastructure, business continuity management or through risk transfer mechanisms such as insurance and outsourcing.

The Group has a well-defined Operational Risk Management Framework and an independent operational risk function. The Operational Risk Management Committee oversees the implementation of an effective risk management framework that encompasses appropriate systems, practices, policies and procedures to ensure the effectiveness of risk identification, measurement, assessment, reporting and monitoring within the group.

In addition, the Internal Audit department carries out an independent assessment and provides assurance of the actual functioning of the overall Operational Risk Management Framework.

The Group manages operational risk based on a framework that enables the determination of operational risk profile of business units and how it relates to risk measurement, risk mitigation and priorities.

The Group has its business continuity plan and developed response and recovery plans as part of five phases of its crisis management response to address the business disruption on its operations and financial performance.

A number of techniques are applied to effectively manage the operational risk across the Group. These include:

- Effective staff training, documented processes/procedures with appropriate controls to safeguard assets and records, regular reconciliation of accounts and transactions, introduction process of new products, reviews of outsourcing activities, information system security, segregation of duties, financial management and reporting are some of the measures adopted by the Group to manage Group-wide operational risk;
- Reporting of any operational risk event, which is used to help identify where process and control requirements are needed to reduce the recurrence of risk events. Risk events are analyzed, reported, mitigated, recorded on a central database and reported quarterly to the Board of Directors; and

**4 FINANCIAL RISK MANAGEMENT (CONTINUED)****(e) Operational risks (contibued)**

- Introduction of a bottom-up 'Control Risk Self-Assessment' across business and support units including subsidiaries and overseas branches. This approach results in detailed understanding of inherent and residual risks with evaluation of controls across the Group. Therefore, it enhances the determination of specific operational risk profile for the business and support units while corrective action points are captured and the changes of the operational risk profile are monitored on an ongoing basis.

**(f) Insurance risk**

The principal risk the Group faces under insurance contracts is that the actual claims payments or the timing thereof, differ from expectations. This is influenced by the frequency of claims, severity of claims, actual claims paid and subsequent development of long-term claims. Therefore, the objective of the Group is to ensure that sufficient reserves are available to cover these liabilities.

**Frequency and amounts of claims**

The frequency and amounts of claims can be affected by several factors. The Group underwrites mainly motor, fire and general accident, medical, marine and aviation risks. These are regarded as short-term insurance contracts as claims are normally advised and settled within one year of the insured event taking place. The Group actively manages and pursues early settlements of claims to reduce its exposure to unpredictable developments. This helps to mitigate insurance risk.

**Fire and general accident Property**

For property insurance contracts the main risks are fire and business interruption. These contracts are underwritten by reference to the replacement value of the properties and contents insured. The cost of rebuilding properties and obtaining replacement contents and the time taken to restart operations which leads to business interruptions are the main factors that influence the level of claims. The Group has obtained necessary reinsurance covers to limit losses from individual claims.

**Motor**

For motor contracts the main risks are claims for death and bodily injury and the replacement or repair of vehicles. The Group has reinsurance cover for such claims to limit losses for any individual claim exceeding QR 500,000. The level of court awards for deaths and to injured parties and the replacement costs of and repairs to motor vehicles are the key factors that influence the level of claims.

**Marine**

For marine insurance the main risks are loss or damage to marine hull and accidents resulting in the total or partial loss of cargoes. The underwriting strategy for the marine and aviation class of business is to ensure that policies are well diversified in terms of vessels and shipping routes covered. The Group has obtained necessary reinsurance covers to limit losses from individual claims.

**Reinsurance risk**

Similar to other insurance companies, in order to minimize financial exposure arising from large insurance claims, the Group, in the normal course of business, enters into arrangements with other parties for reinsurance purposes. Such reinsurance arrangements provide for greater diversification of business, allow management to control exposure to potential losses arising from large risks, and provide additional capacity for growth. A significant portion of the reinsurance is affected under treaty, facultative and excess of loss reinsurance contracts.

To minimize its exposure to significant losses from reinsurer insolvencies, the Group evaluates the financial condition of its reinsurers and monitors concentrations of credit risk arising from similar geographic regions, activities or economic characteristics of the reinsurers.

**Concentration risk**

The Group's insurance risk relates to policies written in the State of Qatar only.





**4 FINANCIAL RISK MANAGEMENT (CONTINUED)****(f) Insurance risk (continued)****Sources of uncertainty in the estimation of future claim payments**

Claims on general insurance contracts are payable on a claims-occurrence basis. The Group is liable for all insured events that occurred during the term of the contract, even if the loss is discovered after the end of the contract term. As a result, an element of the claims provision relates to incurred but not reported claims (IBNR) which are settled over a short to medium term period.

There are several variables that affect the amount and timing of cash flows from these contracts, these mainly relate to the inherent risks of the business activities carried out by individual contract holders and the risk management procedures adopted. The compensation paid on these contracts is the monetary awards granted for the loss suffered by the policy holders or third parties (for third party liability covers).

The estimated cost of claims includes direct expenses to be incurred in settling claims, net of the expected subrogation values and other recoveries. The Group takes all reasonable steps to ensure that it has appropriate information regarding its claims exposures. However, given the uncertainty in establishing claims provisions, it is likely that the final outcome will prove to be different from the original liability established. The liability for these contracts comprises a provision for IBNR and a provision for reported claims not yet paid as at the statement of financial position date.

In calculating the estimated cost of unpaid claims (both reported and not), the Group's estimation techniques are a combination of loss-ratio-based estimates (where the loss ratio is defined as the ratio between the ultimate cost of insurance claims and insurance premiums earned in a particular financial year in relation to such claims) and an estimate based upon actual claims experience using predetermined formula where greater weight is given to actual claims experience as time passes.

**(g) Capital management****Regulatory capital**

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

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

The Group has complied with all its covenants from its financing arrangements wherever applicable.

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

	2025 QR'000	2024 QR'000
Common Equity Tier 1 Capital	11,123,323	10,417,572
Additional Tier 1 Capital	4,000,000	4,000,000
Additional Tier 2 Capital	975,571	908,629
<b>Total Eligible Capital</b>	<b>16,098,894</b>	<b>15,326,201</b>

**4 FINANCIAL RISK MANAGEMENT (CONTINUED)****(g) Capital management (continued)****Risk weighted assets**

	2025 QR'000	2024 QR'000
Total risk weighted assets for credit risk	78,045,644	72,690,285
Risk weighted assets for market risk	1,646,546	990,893
Risk weighted assets for operational risk	4,817,518	4,739,863
<b>Total risk weighted assets</b>	<b>84,509,708</b>	<b>78,421,041</b>

	2025 QR'000	2024 QR'000
Regulatory capital	16,098,894	15,326,201
Common equity tier 1 (CET1) ratio	13.16%	13.28%
Tier 1 Capital Ratio	17.90%	18.38%
Total capital adequacy ratio	19.05%	19.54%

The minimum requirements for Capital Adequacy Ratio under Basel III as per QCB regulations are as follows:

	CET 1 ratio without capital conservation buffer	CET 1 ratio including capital conservation buffer	Tier 1 capital ratio including capital conservation buffer	Total capital ratio including Capital conservation buffer	Total capital including capital conservation buffer and domestic systematic important bank buffer	Total capital including conservation buffer, domestic systematic important bank buffer and ICAAP Pillar II capital charge
<b>31 December 2025</b>						
Actual	13.16%	13.16%	17.90%	19.05%	19.05%	19.05%
Minimum QCB limit	6.00%	8.50%	10.50%	12.50%	12.50%	13.50%
<b>31 December 2024</b>						
Actual	13.28%	13.28%	18.38%	19.54%	19.54%	19.54%
Minimum QCB limit	6.00%	8.50%	10.50%	12.50%	12.50%	13.50%

**5 USE OF ESTIMATES AND JUDGEMENTS****(a) Key sources of estimation uncertainty**

The Group makes estimates and assumptions that affect the reported amounts of assets and liabilities. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

*(i) Impairment allowances for credit losses*

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

*(ii) Determining fair values*

The determination of fair value for financial assets and liabilities for which there is no observable market price requires the use of valuation techniques as described in accounting policy. For financial instruments that trade infrequently and have little price transparency, fair value is less objective, and requires varying degrees of judgement depending on liquidity, concentration, uncertainty of market factors, pricing assumptions and other risks affecting the specific instrument.

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

**(b) Critical accounting judgement in applying the Group's accounting policies***(i) Valuation of financial instruments*

The Group's accounting policy on fair value measurements is discussed in the material accounting policies section.

The Group measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements.

- Level 1: Quoted market price (unadjusted) in an active market for an identical instrument.
- Level 2: Valuation techniques based on observable inputs, either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques where all significant inputs are directly or indirectly observable from market data.
- Level 3: Valuation techniques using significant unobservable inputs. This category includes all instruments where the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments where significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

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.

**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.

**5 USE OF ESTIMATES AND JUDGEMENTS (CONTINUED)****(b) Critical accounting judgement in applying the Group's accounting policies (continued)***(i) Valuation of financial instruments (continued)*

The objective of valuation techniques is to arrive at a fair value measurement that reflects the price that would be received to sell the asset or paid to transfer the liability in an orderly transaction between market participants at the measurement date.

The Group uses widely recognized valuation models to determine the fair value of common and simple financial instruments, such as interest rate and currency swaps, that uses only observable market data and require little management judgment and estimation. Observable prices or model inputs are usually available in the market for listed debt and equity securities, exchange-traded derivatives and simple OTC derivatives such as interest rate swaps. The availability of observable market prices and model inputs reduces the need for management judgment and estimation and also reduces the uncertainty associated with determining fair values. The availability of observable market prices and inputs varies depending on the products and markets and is prone to changes based on specific events and general conditions in the financial markets.

The fair value for financial instruments that are not actively traded is determined using valuation techniques which maximise the use of observable market prices. Valuation techniques include:

- The use of market standard discounting methodologies; and
- Other valuation techniques widely used and accepted by market participants.

<b>Instruments</b>	<b>Balance sheet category</b>	<b>Includes</b>	<b>Valuation</b>
Non asset backed debt securities	Investment securities	State and other government bonds, corporate bonds and commercial paper	Valued using observable market prices, which are source from independent pricing services, broker quotes or inter-dealer prices.
Equity product	Investment securities	Equity securities	Valued using industry standard models based on observable parameters such as stock prices, dividends, volatilities and interest rates.
Interest rate products	Derivatives	Interest rate derivatives	Industry standard valuation models provided by independent pricing services are used to calculate the expected future value of payments by products, which is discounted back to present value. The model's interest rate inputs are benchmarked against an active quoted interest rates in the swap, bond, future markets. Interest rate volatilities are sourced from brokers and consensus data providers.
Forward foreign exchange (FX products)	Derivatives	FX swap, FX forward contracts, FX options	Derived from market inputs pricing providers using industry standards models.

**5 USE OF ESTIMATES AND JUDGEMENTS (CONTINUED)****(b) Critical accounting judgement in applying the Group's accounting policies (continued)***(i) Valuation of financial instruments (continued)*

The Group values investment in equity classified as level 3 using similar market valuation approach and comparable financial information.

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.

*(ii) Fair value measurement*

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

Quantitative disclosures fair value measurement hierarchy for financial assets and liabilities as at 31 December 2025:

	Date of valuation	Level 1 QR'000	Level 2 QR'000	Level 3 QR'000	Total QR'000
<b>Financial assets measured at fair value:</b>					
Investment securities measured at FVOCI					
Equities	31 Dec 2025	783,971	-	65,125	849,096
State of Qatar debt securities	31 Dec 2025	16,637,393	1,655,339	-	18,292,732
Other debt securities	31 Dec 2025	12,742,452	-	-	12,742,452
Investment securities measured at FVTPL					
Mutual funds and equities	31 Dec 2025	88,210	-	-	88,210
Derivative instruments:					
Interest rate swaps	31 Dec 2025	-	1,022,377	-	1,022,377
Forward foreign exchange contracts	31 Dec 2025	-	41,152	-	41,152
		<u>30,252,026</u>	<u>2,718,868</u>	<u>65,125</u>	<u>33,036,019</u>
<b>Financial liabilities measured at fair value:</b>					
Derivative instruments:					
Interest rate swaps	31 Dec 2025	-	384,098	-	384,098
Options	31 Dec 2025	-	47	-	47
Forward foreign exchange contracts	31 Dec 2025	-	11,395	-	11,395
		<u>-</u>	<u>395,540</u>	<u>-</u>	<u>395,540</u>

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

**5 USE OF ESTIMATES AND JUDGEMENTS (CONTINUED)****(b) Critical accounting judgement in applying the Group's accounting policies (continued)***(ii) Fair value measurement (continued)*

Quantitative disclosures fair value measurement hierarchy for financial assets and liabilities as at 31 December 2024:

	Date of valuation	Level 1 QR'000	Level 2 QR'000	Level 3 QR'000	Total QR'000
<i>Financial assets measured at fair value:</i>					
Investment securities measured at FVOCI					
Equities	31 Dec 2024	770,324	-	46,093	816,417
State of Qatar debt securities	31 Dec 2024	13,899,504	1,668,260	-	15,567,764
Other debt securities	31 Dec 2024	11,963,507	-	-	11,963,507
Investment securities measured at FVTPL					
Mutual funds and equities	31 Dec 2024	29,515	-	-	29,515
Derivative instruments:					
Interest rate swaps	31 Dec 2024	-	1,217,521	-	1,217,521
Forward foreign exchange contracts	31 Dec 2024	-	9,753	-	9,753
		<u>26,662,850</u>	<u>2,895,534</u>	<u>46,093</u>	<u>29,604,477</u>
<i>Financial liabilities measured at fair value:</i>					
Derivative instruments:					
Interest rate swaps	31 Dec 2024	-	124,799	-	124,799
Forward foreign exchange contracts	31 Dec 2024	-	201,973	-	201,973
		<u>-</u>	<u>326,772</u>	<u>-</u>	<u>326,772</u>

During the reporting period 31 December 2025 and 31 December 2024, there were no transfers between Level 1, Level 2 and Level 3 fair value measurements.

Under level 3, the Group has designated FVOCI investments in a small portfolio of unlisted equity securities of non banking financial institution.

The Group chose this presentation alternative because the investments were made for strategic purposes rather than with a view to profit on a subsequent sale, and there are no plans to dispose of these investments in the short or medium term.

The Management assumes that the fair value of financial assets and liabilities carried at amortised cost are equal to the carrying value, hence, not included in the fair value hierarchy table, except for investment securities carried at amortised cost for which the fair value amounts to QR 4,340 million (2024: QR 5,350 million), which is derived using level 1 fair value hierarchy.

*(iii) Financial asset and liability classification*

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

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

*(iv) Qualifying hedge relationships*

In designating financial instruments in qualifying hedge relationships, the Group has determined that it expects the hedges to be highly effective over the period of the hedging relationship.

In accounting for derivatives as fair value hedges, the Group has determined that the hedged interest rate exposure relates to highly probable future cash flows.



**5 USE OF ESTIMATES AND JUDGEMENTS (CONTINUED)****(b) Critical accounting judgement in applying the Group's accounting policies (continued)***(v) ECL / Impairment of investments in debt securities*

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

*(vi) Going concern*

The Group's management has made an assessment of its ability to continue as a going concern and is satisfied that it has the resources to continue in business for the foreseeable future. Furthermore, management is not aware of any material uncertainties that may cast significant doubt upon the Group's ability to continue as a going concern. Therefore, the financial statements continue to be prepared on the going concern basis.

*(vii) Useful lives of property, furniture and equipment*

The Group's management determines the estimated useful life of property, furniture and equipment for calculating depreciation. This estimate is determined after considering the expected usage of the asset, physical wear and tear, technical or commercial obsolescence.

*(viii) Impairment of non-financial assets*

The Group assesses whether there are any indicators of impairment for all non-financial assets at each reporting date. All non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable. When value in use calculations are undertaken, management must estimate the expected future cash flows from the asset and choose a suitable discount rate in order to calculate the present value of those cash flows.

**6 OPERATING SEGMENTS**

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

**Conventional Banking**

- Corporate Banking provides a range of product and service offerings to business and corporate customers including funded and non-funded credit facilities deposits to corporate customers. It also undertakes funding and centralised risk management activities through borrowings, issue of debt securities, use of derivatives for risk management purposes and investing in liquid assets such as short-term placements and corporate and government debt securities.
- Retail Banking provides a diversified range of products and services to individuals. The range includes loans, credit cards, deposits and other transactions with retail customers.
- Unallocated assets, liabilities and revenue are related to certain central functions and non-core business operations like common property, furniture and equipment, cash functions, development projects related to payables ect.

**Insurance Activities**

Insurance activities to customers include effecting contracts of insurance, carrying out contracts of insurance.

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



# Doha Bank Q.P.S.C.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

### 6 OPERATING SEGMENTS (CONTINUED)

#### (a) By operating segment

Details of each segment as of and for the year ended 31 December 2025 are stated below:

	2025					
	Corporate Banking QR'000	Retail Banking QR'000	Unallocated QR'000	Total QR'000	Insurance QR'000	Total QR'000
Net interest income	1,608,506	358,930	-	1,967,436	-	1,967,436
Net income from insurance activities	-	-	-	-	5,102	5,102
Net other operating income / (loss)	413,993	209,336	27,779	651,108	(217)	650,891
Net operating income	2,022,499	568,266	27,779	2,618,544	4,885	2,623,429
Total expenses	(608,912)	(470,507)	-	(1,079,419)	8,908	(1,070,511)
Net reversal on investment securities	246	-	-	246	-	246
Net (impairment loss) / reversal on loans and advances to customers	(742,873)	4,838	-	(738,035)	-	(738,035)
Net reversal on other financial facilities	103,763	-	-	103,763	-	103,763
<b>Segmental profit</b>	<b>774,723</b>	<b>102,597</b>	<b>27,779</b>	<b>905,099</b>	<b>13,793</b>	<b>918,892</b>
Share of results of an associate						759
<b>Profit for the year</b>						<b>919,651</b>
<b>Other information</b>						
Assets	106,654,680	4,694,169	8,532,062	119,880,911	273,716	120,154,627
Investment in an associate						10,567
<b>Total assets</b>						<b>120,165,194</b>
Liabilities	90,838,810	12,249,315	1,313,239	104,401,364	69,008	104,470,372
Contingent liabilities	17,397,129	189,031	-	17,586,160	-	17,586,160

Intra-group transactions are eliminated from this segmental information as at 31 December 2025 as follows: Assets: QR 164 million and Liabilities: QR 64 million (2024: Assets: QR 173.0 million and Liabilities: QR 73.0 million).



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## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

### 6 OPERATING SEGMENTS (CONTINUED)

#### (a) By operating segment (continued)

	2024					
	Corporate Banking QR'000	Retail Banking QR'000	Unallocated QR'000	Total QR'000	Insurance QR'000	Total QR'000
Net interest income	1,747,077	244,687	-	1,991,764	-	1,991,764
Net income from insurance activities	-	-	-	-	3,209	3,209
Net other operating income	379,870	255,476	22,842	658,188	1,117	659,305
Net operating income	2,126,947	500,163	22,842	2,649,952	4,326	2,654,278
Total expenses	(624,242)	(400,130)	-	(1,024,372)	7,424	(1,016,948)
Net impairment loss on of investment securities	(17,004)	-	-	(17,004)	-	(17,004)
Net impairment loss / (reversal) on loans and advances to customers	(706,894)	4,866	-	(702,028)	-	(702,028)
Net impairment loss on other financial facilities	(67,521)	-	-	(67,521)	-	(67,521)
Segmental profit	711,286	104,899	22,842	839,027	11,750	850,777
Share of results of an associate						679
Profit for the year						851,456
Other information						
Assets	97,683,914	4,085,512	8,205,596	109,975,022	261,581	110,236,603
Investment in an associate	-	-	-	-	-	10,440
Total assets						110,247,043
Liabilities	82,565,152	11,367,611	1,423,634	95,356,397	72,432	95,428,829
Contingent liabilities	14,128,968	105,066	-	14,234,034	-	14,234,034



**6 OPERATING SEGMENTS (CONTINUED)****(b) Geographical areas**

The following table shows the geographic distribution of the Group's operating income based on the geographical location of where the business is booked by the Group.

	<b>Qatar QR'000</b>	<b>Other GCC QR'000</b>	<b>India QR'000</b>	<b>Total QR'000</b>
<b>2025</b>				
Net operating income	<u>2,478,674</u>	<u>123,816</u>	<u>20,939</u>	<u>2,623,429</u>
Net profit	<u>843,798</u>	<u>71,984</u>	<u>3,869</u>	<u>919,651</u>
Total assets	<u>113,787,400</u>	<u>5,666,748</u>	<u>711,046</u>	<u>120,165,194</u>
Total liabilities	<u>99,200,439</u>	<u>4,716,206</u>	<u>553,727</u>	<u>104,470,372</u>
	<b>Qatar QR'000</b>	<b>Other GCC QR'000</b>	<b>India QR'000</b>	<b>Total QR'000</b>
<b>2024</b>				
Net operating income	<u>2,498,248</u>	<u>133,696</u>	<u>22,334</u>	<u>2,654,278</u>
Net profit	<u>776,231</u>	<u>69,485</u>	<u>5,740</u>	<u>851,456</u>
Total assets	<u>104,233,564</u>	<u>5,315,035</u>	<u>698,444</u>	<u>110,247,043</u>
Total liabilities	<u>90,449,927</u>	<u>4,439,995</u>	<u>538,907</u>	<u>95,428,829</u>

**7 FINANCIAL ASSETS AND LIABILITIES****(a) Accounting classifications and fair values**

The table below sets out the carrying amounts and fair values of the Group's financial assets and financial liabilities.

	Fair value through profit or loss			Fair Value through other comprehensive income		Amortised cost	Total carrying amount	Fair value
	Debt QR'000	Equity QR'000	Derivatives QR'000	Debt QR'000	Equity QR'000	QR'000	QR'000	QR'000
<b>31 December 2025</b>								
Cash and balances with central banks	-	-	-	-	-	5,988,804	5,988,804	5,988,804
Due from banks	-	-	-	-	-	7,118,100	7,118,100	7,118,100
Positive fair value of derivatives	-	-	1,063,576	-	-	-	1,063,576	1,063,576
Loans and advances to customers	-	-	-	-	-	67,722,141	67,722,141	67,722,141
Investment securities:								
Measured at fair FVOCI	-	-	-	31,338,784	849,096	-	32,187,880	32,187,880
Measured at fair FVTPL	-	88,210	-	-	-	-	88,210	88,210
Measured at amortised cost	-	-	-	-	-	4,506,234	4,506,234	4,506,234
Insurance contract assets	-	-	-	-	-	13,633	13,633	13,633
Other assets	-	-	-	-	-	869,188	869,188	869,188
	-	88,210	1,063,576	31,338,784	849,096	86,218,100	119,557,766	119,557,766
Negative fair value of derivatives	-	-	395,540	-	-	-	395,540	395,540
Due to banks	-	-	-	-	-	25,045,346	25,045,346	25,045,346
Customers deposits	-	-	-	-	-	57,740,427	57,740,427	57,740,427
Debt securities	-	-	-	-	-	9,569,591	9,569,591	9,569,591
Other borrowings	-	-	-	-	-	9,017,303	9,017,303	9,017,303
Insurance contract liabilities	-	-	-	-	-	51,068	51,068	51,068
Other liabilities	-	-	-	-	-	1,959,030	1,959,030	1,959,030
	-	-	395,540	-	-	103,382,765	103,778,305	103,778,305

# Doha Bank Q.P.S.C.

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### 7 FINANCIAL ASSETS AND LIABILITIES (CONTINUED)

#### (a) Accounting classifications and fair values (continued)

The table below sets out the carrying amounts and fair values of the Group's financial assets and financial liabilities.

	Fair value through profit or loss			Fair Value through other comprehensive income		Amortised cost QR'000	Total carrying amount QR'000	Fair value QR'000
	Debt QR'000	Equity QR'000	Derivatives QR'000	Debt QR'000	Equity QR'000			
31 December 2024								
Cash and balances with central banks	-	-	-	-	-	5,887,697	5,887,697	5,887,697
Due from banks	-	-	-	-	-	6,842,893	6,842,893	6,842,893
Positive fair value of derivatives	-	-	1,227,274	-	-	-	1,227,274	1,227,274
Loans and advances to customers	-	-	-	-	-	60,983,523	60,983,523	60,983,523
Investment securities:								
Measured at fair FVOCI	-	-	-	27,797,713	816,417	-	28,614,130	28,614,130
Measured at fair FVTPL	-	29,515	-	-	-	-	29,515	29,515
Measured at amortised cost	-	-	-	-	-	5,560,946	5,560,946	5,364,049
Insurance contract assets	-	-	-	-	-	19,052	19,052	19,052
Other assets	-	-	-	-	-	375,604	375,604	375,604
	-	29,515	1,227,274	27,797,713	816,417	79,669,715	109,540,634	109,343,737
Negative fair value of derivatives	-	-	326,772	-	-	-	326,772	326,772
Due to banks	-	-	-	-	-	30,650,927	30,650,927	30,650,927
Customers deposits	-	-	-	-	-	50,851,776	50,851,776	50,851,776
Debt securities	-	-	-	-	-	3,832,221	3,832,221	3,832,221
Other borrowings	-	-	-	-	-	7,396,660	7,396,660	7,396,660
Insurance contract liabilities	-	-	-	-	-	54,723	54,723	54,723
Other liabilities	-	-	-	-	-	1,712,022	1,712,022	1,712,022
	-	-	326,772	-	-	94,498,329	94,825,101	94,825,101





**8 CASH AND BALANCES WITH CENTRAL BANKS**

	2025 QR'000	2024 QR'000
Cash	469,023	483,656
Cash reserve with QCB*	3,740,383	3,557,380
Cash reserve with other central banks*	60,026	74,839
Other balances with central banks	1,719,372	1,771,822
	<u>5,988,804</u>	<u>5,887,697</u>

\* Cash reserve with QCB and other central banks are mandatory reserves that are not available for use in the Group's day to day operations.

**9 DUE FROM BANKS**

	2025 QR'000	2024 QR'000
Current accounts	549,434	315,819
Placements	937,687	2,288,125
Loans to banks	5,660,416	4,261,077
Interest receivable	1,212	4,937
Impairment / Allowance for expected credit losses	(30,649)	(27,065)
	<u>7,118,100</u>	<u>6,842,893</u>

**10 LOANS AND ADVANCES TO CUSTOMERS****(a) By type**

	2025 QR'000	2024 QR'000
Loans	66,835,899	59,845,845
Overdrafts	6,071,845	6,078,313
Acceptances	292,008	214,306
Bills discounted	6,775	5,604
Other	118,430	100,667
	<u>73,324,957</u>	<u>66,244,735</u>
(Note-i)		
Less:		
Deferred profit	(1,853)	(2,087)
Expected credit losses on performing loans and advances to customers - (Stage 1 and 2)	(1,902,968)	(1,580,105)
Allowance for impairment on non performing loans and advances to customers - (Stage 3)	(2,627,885)	(2,630,246)
Interest in suspense	(1,070,110)	(1,048,774)
<b>Net loans and advances to customers</b>	<u>67,722,141</u>	<u>60,983,523</u>

The aggregate amount of non-performing loans and advances to customers amounted QR 4,837 million which represents 6.60% of total loans and advances to customers (2024: QR 4,919 million, which represents 7.43% of total loans and advances to customers).

During the year, the Group has written-off fully provided non-performing loans amounting to QR 882.1 million (2024: QR 99.5 million) as per Qatar Central Bank circular no. 68/2011 and in line with IFRS Accounting Standards requirements.



**10 LOANS AND ADVANCES TO CUSTOMERS (CONTINUED)****(a) By type (continued)**

Note-i:

	2025 QR'000	2024 QR'000
Government and related agencies	6,470,258	4,049,732
Corporate	59,047,503	54,786,885
Retail	7,807,196	7,408,118
	<u>73,324,957</u>	<u>66,244,735</u>

**(b) By industry**

	Loans QR'000	Overdrafts QR'000	Bills discounted QR'000	Other QR'000	Total QR'000
<b>At 31 December 2025</b>					
Government and related agencies	3,862,406	2,607,852	-	-	6,470,258
Non-banking financial institutions	1,226,230	125,259	-	-	1,351,489
Industry	617,603	19,260	4,045	811	641,719
Commercial	10,270,961	1,089,253	1,556	288,392	11,650,162
Services	14,857,046	371,382	1,174	-	15,229,602
Contracting	5,958,673	791,686	-	524	6,750,883
Real estate	22,632,652	306,519	-	-	22,939,171
Personal	7,173,822	633,374	-	-	7,807,196
Others	236,506	127,260	-	120,711	484,477
	<u>66,835,899</u>	<u>6,071,845</u>	<u>6,775</u>	<u>410,438</u>	<u>73,324,957</u>

Less: Deferred profit	(1,853)
Net impairment of loans and advances to customers including interest in suspense	<u>(5,600,963)</u>
	<u>67,722,141</u>

	Loans QR'000	Overdrafts QR'000	Bills discounted QR'000	Other QR'000	Total QR'000
<b>At 31 December 2024</b>					
Government and related agencies	1,014,605	3,035,127	-	-	4,049,732
Non-banking financial institutions	691,392	102,200	-	-	793,592
Industry	296,829	23,982	1,787	415	323,013
Commercial	10,143,755	1,059,955	2,648	201,165	11,407,523
Services	13,816,327	242,319	493	3,740	14,062,879
Contracting	5,454,634	896,946	-	8,987	6,360,567
Real estate	20,986,747	311,160	-	-	21,297,907
Personal	7,076,558	331,560	-	-	7,408,118
Others	364,998	75,064	676	100,666	541,404
	<u>59,845,845</u>	<u>6,078,313</u>	<u>5,604</u>	<u>314,973</u>	<u>66,244,735</u>

Less: Deferred profit	(2,087)
Net impairment of loans and advances to customers including interest in suspense	<u>(5,259,125)</u>
	<u>60,983,523</u>

**10 LOANS AND ADVANCES TO CUSTOMERS (CONTINUED)****(c) Movement in ECL / impairment loss on loans and advances to customers**

	2025 QR'000	2024 QR'000
Balance at 1 January	5,259,125	3,786,038
Foreign currency translation	(7,379)	(5,750)
Net charge for the year	1,262,450	1,603,964
Recoveries on credit impaired loans during the year	(31,450)	(56,280)
Net impairment losses recorded during the year	1,231,000	1,547,684
Written off/transfers during the year	(881,783)	(68,847)
<b>Balance at 31 December</b>	<b>5,600,963</b>	<b>5,259,125</b>

The movement includes the effect of interest suspended on loans and advances to customers amounting to QR 379 million during the year (2024: QR 372 million).

The net impairment loss on loans and advances to customers in the income statements includes QR 114 million recovery from the loans and advances previously written off for the year ended 31 December 2025 (2024: QR 474 million).

Draft subject to QCB approval



**10 LOANS AND ADVANCES TO CUSTOMERS (CONTINUED)****(d) Movement in impairment loss on loans and advances to customers- sector wise**

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

	Corporate lending			SME lending			Retail lending			Real estate mortgage lending			Total		
	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3
	QR'000	QR'000	QR'000	QR'000	QR'000	QR'000	QR'000	QR'000	QR'000	QR'000	QR'000	QR'000	QR'000	QR'000	QR'000
	Performing		Credit impaired	Performing		Credit impaired	Performing		Credit impaired	Performing		Credit impaired	Performing		Credit impaired
2025															
Balance at 1 January 2025	62,616	1,179,691	2,785,569	116	22,739	91,217	12,708	9,628	40,777	166,977	125,630	761,457	242,417	1,337,688	3,679,020
Transfer between stages	(2,130)	(12,199)	14,329	(8)	(508)	516	(8)	(508)	516	(79)	(237)	316	(2,225)	(13,452)	15,677
Net charge for the year	141,699	200,907	566,138	(2)	(912)	24,585	(5,709)	(1,540)	13,471	(9,710)	13,807	312,337	126,278	212,262	916,531
Recoveries on credit impaired loans during the year	-	-	(6,836)	-	-	(7,118)	-	-	(11,061)	-	-	(6,435)	-	-	(31,450)
Net impairment losses / (recoveries) recorded during the year	139,569	188,708	573,631	(10)	(1,420)	17,983	(5,717)	(2,048)	2,926	(9,789)	13,570	306,218	124,053	198,810	900,758
Written off / transfers during the year	-	-	(788,750)	-	-	(82,627)	-	-	(10,406)	-	-	-	-	-	(881,783)
Balance at 31 December 2025	<u>202,185</u>	<u>1,368,399</u>	<u>2,570,450</u>	<u>106</u>	<u>21,319</u>	<u>26,573</u>	<u>6,991</u>	<u>7,580</u>	<u>33,297</u>	<u>157,188</u>	<u>139,200</u>	<u>1,067,675</u>	<u>366,470</u>	<u>1,536,498</u>	<u>3,697,995</u>

**10 LOANS AND ADVANCES TO CUSTOMERS (CONTINUED)****(d) Movement in impairment loss on loans and advances to customers- sector wise**

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

	Corporate lending			SME lending			Retail lending			Real estate mortgage lending			Total		
	Stage 1 QR'000	Stage 2 QR'000	Stage 3 QR'000 Credit impair- ment	Stage 1 QR'000	Stage 2 QR'000	Stage 3 QR'000 Credit impair- ment	Stage 1 QR'000	Stage 2 QR'000	Stage 3 QR'000 Credit impair- ment	Stage 1 QR'000	Stage 2 QR'000	Stage 3 QR'000 Credit impair- ment	Stage 1 QR'000	Stage 2 QR'000	Stage 3 QR'000 Credit impair- ment
	Planning			Planning			Planning			Planning			Planning		
2024															
Balance at 1 January 2024	50,112	894,838	2,378,520	217	17,014	129,201	9,509	12,044	162,537	32,417	76,049	23,580	92,255	999,945	2,693,838
transfer between stages	(14,009)	(63,337)	(80,009)	(111)	(7,183)	(31,661)	(1,843)	414	(86,388)	15,963	70,106	256,600	-	-	58,542
Net charge for the year	26,513	348,190	538,351	10	12,908	9,535	5,042	(2,830)	21,922	118,597	(20,525)	481,959	150,162	337,743	1,051,767
Recoveries on credit impaired loans during the year	-	-	(11,754)	-	-	(14,844)	-	-	(29,000)	-	-	(682)	-	-	(56,280)
Net impairment losses / (recoveries) recorded during the year	12,504	284,853	446,588	(101)	5,725	(36,970)	3,199	(2,416)	(93,466)	134,560	49,581	737,877	150,162	337,743	1,054,029
Written off/transfers during the year	-	-	(39,539)	-	-	(1,014)	-	-	(28,294)	-	-	-	-	-	(68,847)
Balance at 31 December 2024	<u>62,616</u>	<u>1,179,691</u>	<u>2,785,569</u>	<u>116</u>	<u>22,739</u>	<u>91,217</u>	<u>12,708</u>	<u>9,628</u>	<u>40,777</u>	<u>166,977</u>	<u>125,630</u>	<u>761,457</u>	<u>242,417</u>	<u>1,337,688</u>	<u>3,679,020</u>

**11 INVESTMENT SECURITIES**

The analysis of investment securities is detailed below:

	2025 QR'000	2024 QR'000
Investment Securities measured at FVOCI (a)	31,884,280	28,347,688
Investment Securities measured at FVTPL (b)	88,210	29,515
Investment Securities measured at amortised cost (c)	4,503,198	5,547,368
Interest receivable	334,865	308,195
	<u>36,810,553</u>	<u>34,232,766</u>
Net impairment losses (ECL) on investment securities measured at amortised cost	(28,229)	(28,175)
Total	<u>36,782,324</u>	<u>34,204,591</u>

The ECL on debt securities at FVOCI as at 31 December 2025 amounted to QR 3.9 million (2024: QR 4.2 million).

The Group has pledged State of Qatar Bonds amounting to QR 12,436 million (2024: QR 12,232 million) against repurchase agreements. The Counter party to the repo arrangements have recourse to the transferred assets only.

Investment securities at FVOCI with a carrying value of QR 25,955 million (2024: QR 24,605 million) have been designated in a fair value hedging arrangement through interest rate swap derivative.

**(a) Fair Value Through Other Comprehensive Income**

	2025		
	Quoted QR'000	Unquoted QR'000	Total QR'000
Equities	783,971	65,125	849,096
State of Qatar debt securities	18,292,732	-	18,292,732
Other debt securities	12,742,452	-	12,742,452
	<u>31,819,155</u>	<u>65,125</u>	<u>31,884,280</u>
	2024		
	Quoted QR'000	Unquoted QR'000	Total QR'000
Equities	770,324	46,093	816,417
State of Qatar debt securities	15,567,764	-	15,567,764
Other debt securities	11,963,507	-	11,963,507
	<u>28,301,595</u>	<u>46,093</u>	<u>28,347,688</u>

**(b) Fair Value Through Profit or Loss**

	2025		
	Quoted QR'000	Unquoted QR'000	Total QR'000
Mutual funds and equities	88,210	-	88,210
	<u>88,210</u>	<u>-</u>	<u>88,210</u>
	2024		
	Quoted QR'000	Unquoted QR'000	Total QR'000
Mutual funds and equities	29,515	-	29,515
	<u>29,515</u>	<u>-</u>	<u>29,515</u>



**11 INVESTMENT SECURITIES (continued)****(c) Amortised Cost**

	2025		
	Quoted QR'000	Unquoted QR'000	Total QR'000
<b>By Issuer</b>			
State of Qatar debt securities	3,983,136	-	3,983,136
Other debt securities	402,001	118,061	520,062
Net impairment loss	(28,229)	-	(28,229)
	<u>4,356,908</u>	<u>118,061</u>	<u>4,474,969</u>
<b>By Interest rate</b>			
Fixed rate securities	4,356,908	118,061	4,474,969
Floating rate securities	-	-	-
	<u>4,356,908</u>	<u>118,061</u>	<u>4,474,969</u>
2024			
	Quoted QR'000	Unquoted QR'000	Total QR'000
<b>By Issuer</b>			
State of Qatar debt securities	5,070,788	-	5,070,788
Other debt securities	336,318	140,262	476,580
Net impairment loss	(28,172)	(3)	(28,175)
	<u>5,378,934</u>	<u>140,259</u>	<u>5,519,193</u>
<b>By Interest rate</b>			
Fixed rate securities	5,378,934	140,259	5,519,193
Floating rate securities	-	-	-
	<u>5,378,934</u>	<u>140,259</u>	<u>5,519,193</u>

**(d) Movement in ECL / impairment losses on investment securities**

	2025 QR'000	2024 QR'000
Balance at 1 January	28,175	5,062
Provision for impairment loss created during the year	54	16,581
Transferred during the year	-	6,532
Balance at 31 December	<u>28,229</u>	<u>28,175</u>

The ECL for corporate bonds amounting to QR 0.8 million as at 31 December 2025 (2024: QR 0.7 million).

**12 OTHER ASSETS**

	2025 QR'000	2024 QR'000
Prepaid expenses	65,248	30,497
Reposessed collateral*	105,868	134,091
Positive fair value of derivatives (note 34)	1,063,576	1,227,274
Deferred tax asset	1,721	1,446
Sundry debtors	7,883	527
Collateral margin	474,295	233,414
Others	387,010	141,663
	<u>2,105,601</u>	<u>1,768,912</u>

\* This represents the value of the properties acquired in settlement of debts. The fair values of these properties as at 31 December 2025 are not materially different from the carrying values.

**13 INVESTMENT IN AN ASSOCIATE**

	2025 QR'000	2024 QR'000
Balance at 1 January	10,440	10,224
Foreign currency translation	(501)	(288)
Cash dividend	(131)	(175)
Share of results	759	679
Balance at 31 December	10,567	10,440

Name of the Company	Associates/Joint venture	Country	Company's Activities	Ownership %	
				2025	2024
Doha Brokerage and Financial Services	Associate	India	Brokerage and asset management	35.29%	38.48%

The financial position and results of the associate based on the latest audited financial statement for the year ended 31 March are as follows:

	2025 QR'000	2024 QR'000
<b>31 December</b>		
Total assets	93,664	91,229
Total liabilities	71,325	71,746
Total revenue	17,996	17,035
Profit	2,151	1,765
Share of profit	759	679

**14 PROPERTY, FURNITURE AND EQUIPMENT**

	Land and buildings QR'000	Leasehold improvements QR'000	Furniture and equipment QR'000	Vehicles QR'000	Work in progress QR'000	Total QR'000
<b>Cost:</b>						
Balance as at 1 January 2025	1,152,464	191,916	610,380	13,335	7,113	1,975,208
Additions / transfers	10,270	942	13,686	2,167	15,881	42,946
Disposals / write-off	(126,556)	(1,232)	(8,220)	(2,155)	-	(138,163)
<b>Balance at 31 December 2025</b>	<b>1,036,178</b>	<b>191,626</b>	<b>615,846</b>	<b>13,347</b>	<b>22,994</b>	<b>1,879,991</b>
<b>Depreciation:</b>						
Balance as at 1 January 2025	683,517	174,416	575,560	11,780	-	1,445,273
Depreciation for the year	52,918	4,559	12,373	1,045	-	70,895
Disposals / write-off	(48,494)	(934)	(10,717)	(56)	-	(60,201)
<b>Balance at 31 December 2025</b>	<b>687,941</b>	<b>178,041</b>	<b>577,216</b>	<b>12,769</b>	<b>-</b>	<b>1,455,967</b>
<b>Net Book Value</b>						
<b>Balance at 31 December 2025</b>	<b>348,237</b>	<b>13,585</b>	<b>38,630</b>	<b>578</b>	<b>22,994</b>	<b>424,024</b>

**14 PROPERTY, FURNITURE AND EQUIPMENT (continued)**

	Land and buildings QR'000	Leasehold improvements QR'000	Furniture and equipment QR'000	Vehicles QR'000	Work in progress QR'000	Total QR'000
Cost:						
Balance as at 1 January 2024	1,179,187	212,603	603,858	15,130	11,437	2,022,215
Additions / transfers	4,968	8,693	14,706	490	(4,324)	24,533
Disposals / write-off	(31,691)	(29,380)	(8,184)	(2,285)	-	(71,540)
Balance at 31 December 2024	1,152,464	191,916	610,380	13,335	7,113	1,975,208
Depreciation:						
Balance as at 1 January 2024	625,049	199,138	567,972	10,827	-	1,402,986
Depreciation for the year	58,468	4,621	16,068	1,139	-	80,296
Disposals / write-off	-	(29,343)	(8,480)	(186)	-	(38,009)
Balance at 31 December 2024	683,517	174,416	575,560	11,780	-	1,445,273
Net Book Value						
Balance at 31 December 2024	468,947	17,500	34,820	1,555	7,113	529,935

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

	Land and buildings QR'000	Furniture and equipment QR'000	Vehicles QR'000	Total QR'000
<b>At 31 December 2025</b>				
Right-of-use asset at 1 January	133,901	115	959	134,975
Additions / disposal	10,134	106	2,168	12,408
Depreciation charge for the year	(22,545)	(117)	(810)	(23,472)
Balance at 31 December	121,490	104	2,317	123,911
	Land and buildings QR'000	Furniture and equipment QR'000	Vehicles QR'000	Total QR'000
At 31 December 2024				
Right-of-use asset at 1 January	189,150	28	3,898	193,076
Additions / disposal	(28,795)	332	(2,099)	(30,562)
Depreciation charge for the year	(26,454)	(245)	(840)	(27,539)
Balance at 31 December	133,901	115	959	134,975

**15 DUE TO BANKS**

	2025 QR'000	2024 QR'000
Current accounts	74,191	316,570
Short-term loan from banks	5,862,082	13,083,519
Repo borrowings	18,922,910	17,073,045
Interest payable	186,163	177,793
	<b>25,045,346</b>	<b>30,650,927</b>



**16 CUSTOMERS DEPOSITS****(a) By type**

	2025 QR'000	2024 QR'000
Current and call deposits	10,990,097	9,680,873
Saving deposits	2,744,833	2,478,583
Time deposits	43,596,485	38,232,049
Interest payable	409,012	460,271
	<u>57,740,427</u>	<u>50,851,776</u>

**(b) By sector**

	2025 QR'000	2024 QR'000
Government and semi government agencies	25,550,350	19,086,854
Individuals	12,882,151	11,756,951
Corporates	16,323,101	17,220,666
Non-banking financial institutions	2,575,813	2,327,034
Interest payable	409,012	460,271
	<u>57,740,427</u>	<u>50,851,776</u>

**17 DEBT SECURITIES**

The Group has issued senior guaranteed unsecured debt notes as follows:

	2025 QR'000	2024 QR'000
Senior guaranteed notes	9,451,071	3,787,647
Interest payable	118,520	44,574
	<u>9,569,591</u>	<u>3,832,221</u>

Notes:

The Group has issued USD 2,470 million and QR 500 million as at 31 December 2025 (2024: USD 1,045 million) senior unsecured debt under its updated EMTN programme.

The maturities of senior guarantees notes ranged from 2 years to 5 years (2024: 3 years to 5 years) and carries average fixed borrowing costs of 2.38% up to 5.25% per annum (2024: 2.38% up to 5.25% per annum).

The table below shows movement of the debt securities issued by the Group as at the end of the reporting period:

	2025 QR'000	2024 QR'000
Balance as at 1 January	3,832,221	2,588,373
Issuances / revaluation during the year	5,689,138	1,984,618
Net repayments / amortization	(70,288)	(785,344)
Interest payable	118,520	44,574
	<u>9,569,591</u>	<u>3,832,221</u>



**17 DEBT SECURITIES (continued)**

The table below shows the maturity profile of the debt securities outstanding as at the end of the reporting period.

	2025 QR'000	2024 QR'000
<b>Years of maturity</b>		
2026	1,938,811	1,833,640
2027	710,076	164,941
2028	500,000	-
2029	1,809,046	1,833,640
2030	2,807,362	-
2031	1,804,296	-
<b>Total</b>	<b>9,569,591</b>	<b>3,832,221</b>

**18 OTHER BORROWINGS**

	2025 QR'000	2024 QR'000
Term loan facilities	8,953,495	7,315,568
Interest payable	63,808	81,092
	<b>9,017,303</b>	<b>7,396,660</b>

The term loan facilities are mainly denominated in USD and carry average borrowing costs of 2.50% up to 5.25% per annum (2024: 5.12% up to 6.39% per annum).

The table below shows movement of the debt securities issued by the Group as at the end of the reporting period:

	2025 QR'000	2024 QR'000
Balance as at 1 January	7,396,660	5,928,455
Additions during the year	4,616,595	4,733,950
Net repayments / amortization	(3,059,760)	(3,346,837)
Interest payable	63,808	81,092
	<b>9,017,303</b>	<b>7,396,660</b>

The table below shows the maturity profile of other borrowings outstanding at the end of the reporting period

	2025 QR'000	2024 QR'000
Up to 1 year	792,108	3,039,459
Between 1 and 3 years	8,225,195	4,357,201
More than 3 years	-	-
	<b>9,017,303</b>	<b>7,396,660</b>

The table below shows the maturity profile of the other borrowings outstanding as at the end of the reporting period.

	2025 QR'000	2024 QR'000
<b>Years of maturity</b>		
2025	-	2,991,160
2026	792,108	177,765
2027	5,189,218	4,227,735
2028	3,035,977	-
<b>Total</b>	<b>9,017,303</b>	<b>7,396,660</b>

**19 OTHER LIABILITIES**

	2025 QR'000	2024 QR'000
Accrued expense payable	57,359	71,921
Provision for end of service benefits (note-i)	181,324	173,137
Staff provident fund	29,532	31,073
Tax payable	20,479	14,228
Negative fair value of derivatives (note 34)	395,540	326,772
Unearned income	116,067	147,348
Cash margins	576,000	456,380
Dividend payable	13,238	17,254
Unclaimed balances	10,814	7,415
Proposed transfer to social and sport fund	22,991	21,286
Lease liabilities (note-ii)	139,401	147,696
Allowance for impairment for loan commitments and financial guarantees	445,605	579,056
Due in relation to acceptance	292,008	214,306
Sundry creditors	216,301	215,840
Others	529,978	218,810
<b>Total</b>	<b>3,046,637</b>	<b>2,642,522</b>

**Note-i – Provision for end of service benefits**

Movement of provision for end of service benefits was as follows:

	2025 QR'000	2024 QR'000
Balance at 1 January	173,137	160,840
Provision for the year	27,893	27,838
Provisions used during the year	(19,706)	(15,541)
<b>Balance at 31 December</b>	<b>181,324</b>	<b>173,137</b>

**Note ii – Lease liabilities**

The table below shows the maturity profile of lease liabilities:

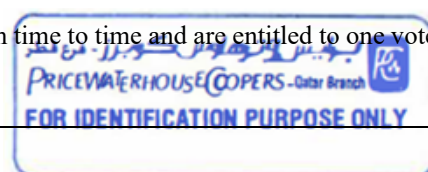
	2025 QR'000	2024 QR'000
Upto 1 year	24,279	22,348
Above 1 year	115,122	125,348
<b>Total</b>	<b>139,401</b>	<b>147,696</b>

**20 EQUITY****(a) Share capital**

	<b>Ordinary shares</b>	
	2025 QR'000	2024 QR'000
<b>Authorised number of ordinary shares (in thousands)</b>		
On issue at the beginning of the reporting year	3,100,467	3,100,467
On issue at 31 December	3,100,467	3,100,467

At 31 December 2025, the authorised share capital comprised 3,100,467 thousand ordinary shares (2024: 3,100,467 thousand ordinary shares). These instruments have a par value of QR 1 (2024: QR 1). All issued shares are fully paid.

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Group.





**20 EQUITY (continued)****(b) Legal reserve**

In accordance with Qatar Central Bank's Law number 13 of 2012, 10% of the net profit for the year is required to be transferred to legal reserve until the legal reserve equals 100% of the paid up capital. This reserve is not available for the Bank for distribution except in circumstances specified in the Qatar Commercial Companies' Law number 11 of 2015, as amended by Law number 8 of 2021 and is subject to the approval of QCB.

The legal reserve includes share premium received on issuance of new shares in accordance with Qatar Commercial Companies Law number 11 of 2015, as amended by Law number 8 of 2021.

**(c) Risk reserve**

In accordance with the Qatar Central Bank regulations, a minimum requirement of 2.5% of the net loans and advances to customers, except for facilities granted to Government, is required as risk reserve to cover any contingencies.

The Group has transferred QR 177 million to its risk reserve during the year ended 31 December 2025 (2024: QR 35 million).

**(d) Fair value reserve**

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

	Fair value through other comprehensive income QR'000	Cash flow hedge QR'000	Total QR'000
Balance as at 1 January	(115,847)	-	(115,847)
Impact of revaluation	1,070,386	-	1,070,386
Reclassified to income statement	(584,146)	-	(584,146)
Net movement during the year	486,240	-	486,240
<b>Balance as at 31 December 2025 *</b>	<b>370,393</b>	<b>-</b>	<b>370,393</b>
	Fair value through other comprehensive income QR'000	Cash flow hedge QR'000	Total QR'000
Balance as at 1 January	(86,452)	-	(86,452)
Impact of revaluation	(624,592)	-	(624,592)
Reclassified to income statement	595,197	-	595,197
Net movement during the year	(29,395)	-	(29,395)
<b>Balance as at 31 December 2024 *</b>	<b>(115,847)</b>	<b>-</b>	<b>(115,847)</b>

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

**(e) Foreign currency translation reserve**

The translation reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations.

**(f) Proposed Dividend**

The Board of Directors of the Group has proposed a cash dividend of 15% of the paid up share capital amounting to QR 465 million – QR 0.15 per share for the year ended 31 December 2025 (2024: 10% of the paid up share capital amounting to QR 310 million – QR 0.10 per share) which is subject to approval at the Annual General Meeting of the shareholders.

**20 EQUITY (CONTINUED)****(g) Instrument eligible as additional capital**

	2025 QR'000	2024 QR'000
Issued on 31 December 2013	2,000,000	2,000,000
Issued on 30 June 2015	2,000,000	2,000,000
	<u>4,000,000</u>	<u>4,000,000</u>

On 31 December 2013, the Group has issued regulatory Tier I capital notes totaling to QR 2 billion. On 30 June 2015, the Group has issued another series of 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 repriced thereafter. The coupon is discretionary, non-cumulative 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. The Bank might be required to write-off the Note, if a "loss absorption" event is triggered. These Notes have been classified within total equity as per IAS 32: Financial Instruments – Classification. These notes are redeemable solely at the discretion of the Bank.

**21 INTEREST INCOME**

	2025 QR'000	2024 QR'000
Balance with central banks	59,296	41,311
Due from banks and non-banking financial institutions	483,322	312,165
Debt securities	1,732,836	1,820,344
Loans and advances to customers	3,809,382	4,183,571
	<u>6,084,836</u>	<u>6,357,391</u>

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

	2025 QR'000	2024 QR'000
Financial assets measured at amortised cost	4,652,561	4,880,033
Financial assets measured at fair value	1,432,275	1,477,358
Total	<u>6,084,836</u>	<u>6,357,391</u>

**22 INTEREST EXPENSE**

	2025 QR'000	2024 QR'000
Due to banks & other borrowings	1,831,580	1,881,500
Customers deposits	2,012,794	2,337,799
Debt securities	268,941	143,508
Others	4,085	2,820
	<u>4,117,400</u>	<u>4,365,627</u>

Others represent interest expense related to leased assets.

**23 FEE AND COMMISSION INCOME**

	2025 QR'000	2024 QR'000
Credit related fees	99,594	95,468
Brokerage fees	875	358
Bank services fee	505,031	447,573
Commission on unfunded facilities	75,759	102,924
Others	59,613	27,964
	<u>740,872</u>	<u>674,287</u>

**24 FEE AND COMMISSION EXPENSE**

	2025 QR'000	2024 QR'000
Bank fees	795	336
Card related fees	316,481	258,611
Others	10,680	13,405
	<u>327,956</u>	<u>272,352</u>

**25 NET FOREIGN EXCHANGE GAIN**

	2025 QR'000	2024 QR'000
Dealing in foreign currencies	8,299	9,852
Revaluation of assets and liabilities	113,730	129,875
	<u>122,029</u>	<u>139,727</u>

**26 NET INCOME FROM INVESTMENT SECURITIES**

	2025 QR'000	2024 QR'000
Net gain from sale of investments measured at FVOCI	38,938	32,975
Dividend income	40,888	58,572
Changes in fair value of investment securities measured at FVTPL	8,341	3,254
	<u>88,167</u>	<u>94,801</u>

**27 OTHER OPERATING INCOME**

	2025 QR'000	2024 QR'000
Rental income	8,496	12,181
Others	19,283	10,661
	<u>27,779</u>	<u>22,842</u>

**28 STAFF COSTS**

	2025 QR'000	2024 QR'000
Staff cost	560,607	521,188
Staff pension fund costs	11,060	10,214
End of service benefits	27,893	27,838
Training	1,462	1,377
	<u>601,022</u>	<u>560,617</u>

**29 OTHER EXPENSES**

	2025 QR'000	2024 QR'000
Advertising	59,459	20,211
Professional fees*	54,296	74,491
Legal Expenses	9,637	19,863
Communication and insurance	36,896	37,113
Board of Directors' remuneration	22,500	22,500
Occupancy and maintenance	14,155	31,569
Computer and IT costs	61,985	61,225
Printing and stationery	3,053	2,964
Travel and entertainment costs	5,934	5,827
Others	118,127	93,458
	<b>386,042</b>	<b>369,221</b>

**\* Includes Audit fees**

Total statutory audit fees for the year amounted to QR 2 million (2024: QR 1.5 million), while other assurance services and other services amounted to QR 0.6 million (2024: QR 0.6 million) and QR 1.4 million (2024: QR 1.7 million) respectively. Total consideration for the services provided by auditors for the year amounted to QR 4.1 million (2024: 3.8 million).

**30 TAX EXPENSE**

	2025 QR'000	2024 QR'000
<b>Current tax expense</b>		
Current year	12,552	6,814
<b>Deferred tax expense</b>		
Reversal of deferred tax on account of write off loans	-	-
<b>Income tax expense</b>	<b>12,552</b>	<b>6,814</b>

**31 BASIC AND DILUTED EARNINGS PER SHARE**

Earnings per share of the Group is calculated by dividing profit for the year attributable to the shareholders (further adjusted for coupons on Tier 1 capital notes) of the Group by the weighted average number of ordinary shares in outstanding during the year:

	2025 QR'000	2024 QR'000
Profit for the year attributable to the shareholders of the Group	919,651	851,456
Deduct: Interest on Tier 1 capital notes	-	-
Net profit attributable to shareholders of the Group	919,651	851,456
Weighted average number of outstanding shares (in thousands)	3,100,467	3,100,467
Basic and diluted earnings per share (QR)	0.30	0.27

**31 BASIC AND DILUTED EARNINGS PER SHARE (continued)**

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

	2025 QR'000	2024 QR'000
Net profit attributable to shareholders of the Group	919,651	851,456
Deduct: Interest on Tier 1 capital notes subject to QCB approval	(190,000)	(190,000)
Adjusted net profit attributable to shareholders of the Group	729,651	661,456
Weighted average number of outstanding shares (in thousands)	3,100,467	3,100,467
Basic and diluted earnings per share (QR)	0.24	0.21

The weighted average number of shares are as follows:

	2025	2024
<b>In thousands of shares</b>		
Weighted average number of shares at 31 December	3,100,467	3,100,467

**32 CONTINGENT LIABILITIES AND OTHER COMMITMENTS**

	2025 QR'000	2024 QR'000
<b>Contingent liabilities</b>		
<b>Off balance sheet facilities</b>		
Guarantees	10,962,231	11,602,583
Letters of credit	2,457,209	1,035,921
Unused facilities	4,166,720	1,595,530
	17,586,160	14,234,034
<b>Other commitments</b>		
<i>Derivative financial instruments:</i>		
Forward foreign exchange contracts	8,970,995	7,557,831
Interest rate swaps	27,363,465	23,593,464
	36,334,460	31,151,295
<b>Total</b>	53,920,620	45,385,329

**Derivative financial instruments:**

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

**Unused facilities**

Commitments to extend credit represent contractual commitments to make loans and revolving credits. The majority of these expire within a year. Since commitments may expire without being drawn upon, the total contractual amounts do not necessarily represent future cash requirements.

**Guarantees and Letters of credit**

Guarantees and letters of credit commit the Group to make payments on behalf of customers in the event of a specific event. Guarantees and standby letters of credit carry the same credit risk as loans.

**Lawsuits held against the Bank**

In the opinion of the Group's management and the legal advisors, the level of provisions against these cases are sufficient to meet the obligations related to these cases at the end of the year.



**33 CASH AND CASH EQUIVALENTS**

	2025 QR'000	2024 QR'000
Cash and balances with central banks*	2,188,395	2,360,576
Due from banks and other financial institutions maturing within 3 months	1,954,135	1,539,456
	<u>4,142,530</u>	<u>3,900,032</u>

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

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**34 DERIVATIVES**

				Notional / expected amount by term to maturity			
	Positive fair value QR'000	Negative fair value QR'000	Notional Amount QR'000	within 3 months QR'000	3 -12 months QR'000	1-5 years QR'000	More than 5 years QR'000
At 31 December 2025:							
Derivatives held for trading:							
Forward foreign exchange contracts	41,152	11,395	8,951,916	7,274,941	1,676,975	-	-
Options	47	47	19,079	19,079	-	-	-
	41,199	11,442	8,970,995	7,294,020	1,676,975	-	-
Derivatives held for fair value hedges:							
Interest rate swaps	1,022,377	384,098	27,363,465	307,707	500,706	14,308,281	12,246,771
Total	1,063,576	395,540	36,334,460	7,601,727	2,177,681	14,308,281	12,246,771

	Positive fair value QR'000	Negative fair value QR'000	Notional Amount QR'000	Notional / expected amount by term to maturity			
				within 3 months QR'000	3 -12 months QR'000	1-5 years QR'000	More than 5 years QR'000
At 31 December 2024:							
Derivatives held for trading:							
Forward foreign exchange contracts	9,753	201,973	7,557,831	5,660,490	1,456,637	440,704	-
Derivatives held for fair value hedges:							
Interest rate swaps	1,217,521	124,799	23,593,464	-	-	433,521	23,159,943
Total	1,227,274	326,772	31,151,295	5,660,490	1,456,637	874,225	23,159,943

**35 RELATED PARTIES**

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions, Related parties include entities over which the Group exercises significant influence, major shareholders, Directors and key management personnel of the Group. The Group enters into transactions, arrangements and agreements involving Directors, senior management and their related concerns in the ordinary course of business at arm's length commercial interest and commission rates and with collateral requirements.

The related party transactions and balances included in these consolidated financial statements are as follows:

	2025		
	Associate QR'000	Board of directors QR'000	Key management QR'000
<b>Assets:</b>			
Loans and advances to customers	-	1,121,307	19,571
Investment in an associate	10,567	-	-
<b>Liabilities:</b>			
Customers deposits	-	578,769	7,503
<b>Unfunded items:</b>			
Contingent liabilities and other commitments	-	60,523	-
<b>Income statement items:</b>			
Interest, commission and other income	-	54,049	545
Interest, commission and other expense	-	13,237	211
Share of results	759	-	-
	2024		
	Associate QR'000	Board of directors QR'000	Key management QR'000
<b>Assets:</b>			
Loans and advances to customers	-	1,014,069	6,784
Investment in an associate	10,440	-	-
<b>Liabilities:</b>			
Customers deposits	-	487,884	8,909
<b>Unfunded items:</b>			
Contingent liabilities and other commitments	-	47,978	-
<b>Income statement items:</b>			
Interest, commission and other income	-	66,456	246
Interest, commission and other expense	-	16,883	278
Share of results	679	-	-

The Group does not have loans and advances given to any associates or to shareholders holding more than 5% of the shares. The expected credit losses on loans and advances to key management personnel and Board of directors are insignificant.

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

	2025 QR'000	2024 QR'000
Salaries and other benefits	71,066	69,067
End of service indemnity benefits and provident fund	2,283	2,686
	73,349	71,753

### 36 FUND MANAGEMENT

The Group is licensed by the Qatar Central Bank as founder for an exchange traded fund which is listed on the Qatar Stock Exchange.

As part of the Group's investment activities, the Group, as Founder holds investments totaling QR 25.6 million or 6.02% (2024: QR 25.1 million or 5.99%) of the QE INDEX ETF (QETF). The financial statements of these funds are not consolidated with the financial statements of the Group as these funds have no recourse to the general assets of the Group and the Group has no recourse to the assets of the funds. However, the Group's share of equity in these funds is included in the investment securities of the Group.

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## FINANCIAL STATEMENTS OF THE PARENT

## SUPPLEMENTARY INFORMATION TO THE FINANCIAL STATEMENTS

## Statement of financial position - Bank

	2025 QR'000	2024 QR'000
<b>Assets</b>		
Cash and balances with central banks	5,988,800	5,887,428
Due from banks	7,021,531	6,780,365
Loans and advances to customers	67,722,141	60,983,523
Investment securities	36,683,641	34,097,295
Other assets	2,105,093	1,769,802
Investment in subsidiary and in an associate	110,567	110,440
Property, furniture and equipment	423,233	529,628
<b>Total assets</b>	<b>120,055,006</b>	<b>110,158,481</b>
<b>Liabilities and equity</b>		
<b>Liabilities</b>		
Due to banks	25,045,346	30,650,927
Customers deposits	57,795,583	50,915,182
Debt securities	9,569,591	3,832,221
Other borrowings	9,017,303	7,396,660
Other liabilities	3,037,069	2,634,426
<b>Total liabilities</b>	<b>104,464,892</b>	<b>95,429,416</b>
<b>Equity</b>		
Share capital	3,100,467	3,100,467
Legal reserve	5,080,853	5,080,853
Risk reserve	1,628,600	1,451,600
Fair value reserve	373,248	(111,226)
Foreign currency translation reserve	(92,541)	(86,296)
Retained earnings	1,499,487	1,293,667
<b>Net equity attributable to shareholders of the Bank</b>	<b>11,590,114</b>	<b>10,729,065</b>
Instruments eligible as additional capital	4,000,000	4,000,000
<b>Total equity</b>	<b>15,590,114</b>	<b>14,729,065</b>
<b>Total liabilities and equity</b>	<b>120,055,006</b>	<b>110,158,481</b>

## FINANCIAL STATEMENTS OF THE PARENT (CONTINUED)

## SUPPLEMENTARY INFORMATION TO THE FINANCIAL STATEMENTS (CONTINUED)

## Income statement - Bank

	2025 QR'000	2024 QR'000
Interest income	6,084,836	6,357,391
Interest expense	(4,119,194)	(4,367,592)
<b>Net interest income</b>	<b>1,965,642</b>	<b>1,989,799</b>
Fee and commission income	740,872	674,287
Fee and commission expense	(327,956)	(272,352)
<b>Net fee and commission income</b>	<b>412,916</b>	<b>401,935</b>
Net foreign exchange gain	122,029	139,727
Net income from investment securities	88,167	94,801
Other operating income	29,790	23,690
	<b>239,986</b>	<b>258,218</b>
<b>Net operating income</b>	<b>2,618,544</b>	<b>2,649,952</b>
Staff costs	(587,785)	(546,034)
Depreciation	(70,038)	(80,166)
Net reversal / (impairment loss) on investment securities	246	(17,004)
Net impairment loss on loans and advances to customers	(738,035)	(702,028)
Net reversal / (impairment loss) on other financial facilities	103,763	(67,521)
Other expenses	(410,415)	(392,478)
Total expenses and impairment	<b>(1,702,264)</b>	<b>(1,805,231)</b>
<b>Profit before tax</b>	<b>916,280</b>	<b>844,721</b>
Income tax expense	(11,181)	(5,694)
<b>Profit for the year</b>	<b>905,099</b>	<b>839,027</b>