

An invitation to attend the Ordinary and Extra Ordinary General Assembly Meeting of Shareholders

The Board of Directors of Doha Bank (Q.P.S.C) is honored to invite the esteemed shareholders to attend the Ordinary and Extra Ordinary General Assembly Meetings of the Shareholders, which will be held at 06:30 PM on Monday 16/3/2020 in Head Office Tower – West Bay – floor no. (1). However, if the quorum required is not attained, a second meeting will be held on Monday 30/3/2020 at 05:30 PM at the same venue to look in:

Ordinary General Meeting's Agenda:

- Hearing the report of the Board of Directors on the Bank's activities and its financial position for the financial year ended on 31/12/2019 and discussing the Bank's future plan.
- To discuss and endorse the Board of Directors' report on Corporate Governance for the year 2019.
- To discuss and endorse Board of Director's remuneration policy, risk-based performance evaluation policy, dividend policy, related parties' transactions policy and policies, nomination and governance committee policy.
- Hearing the External Auditors' report on the balance sheet and the accounts presented by the Board of Directors for the financial year ended on 31/12/2019 and also hearing their reports on Internal Control over Financial Reporting and Compliance with Qatar Financial Markets Authority governance code for listed companies.
- To discuss and endorse the balance sheet and the profit & loss account for the financial year ended on 31/12/2019 and the Board of Directors' recommendation to carry forward the net profit after deductions to the following year.
- Discharging the Board of Directors from the responsibility for the year 2019 and determining their remuneration.
- To elect the members of Board of Directors for the next three years 2020, 2021 and 2022.
- Appointing the External Auditor for the financial year 2020 and determining their audit fees.

Extra Ordinary General Meeting's Agenda:

To approve the issuance of Additional Tier 1 (AT1) and/ or Tier II Capital Instruments amounting up to USD (1) one Billion either directly or through a Special Purpose Vehicle (SPV) as per the terms of the issue which shall include but not limited to the following:

- ✓ The issuances should qualify as Capital Instruments (AT1 or Tier II) as per Qatar Central Bank (QCB) terms and regulations.
- ✓ Issuance can be through a public issue and or a private placement, in local and / or international markets.
- ✓ To set up of a new EMTN program which complies with Capital Instrument issuance regulation. The program will be capped at USD (1) one Billion.
- ✓ The issuances can be in local or major foreign currencies
- ✓ Tier II issuance will not exceed USD 500.0 Mn (or its equivalent).
- ✓ The maturity of the Additional Tier 1 instrument shall be perpetual and that of Tier II to be limited to 10 years.
- ✓ To authorize the Board of Directors of Doha Bank and those authorized by the Board to determine all terms and conditions and take all necessary actions to execute these issuances after obtaining relevant approvals from Qatar Central Bank and other competent authorities.
- ✓ Delegation from EGM of Shareholders to the Board will be valid for 3 years.

Notes

- The invitation to attend the General Assembly Meeting of the shareholders was published earlier in the local newspapers.
- If unable to attend personally, the shareholder may nominate another shareholder as his proxy (other than board members) to attend the meeting. Proxy shall be submitted to Bank's official before commencement of the meeting in order to prove the capacity to attend. However; shares in possession of the nominated proxy should not in any way exceed 5% of the total shares i.e. (155,023,351) shares. In case the shareholder is a juridical person (company, establishment etc...), the attending representative should submit a written authorization for this effect duly signed and stamped by the company/establishment.
- Invitation to attend the meeting, balance sheet, income statement, Board of Directors report, External auditors report and corporate Governance report were posted on Doha bank's website "www.dohabank.com".

- A statement including the information stipulated by article [122] of the Commercial Companies Act issued by law No. (11) for year 2015 which contains charges, fees, cash loans, L/C or guarantees in addition to any tangible privileges and remunerations availed by the Chairman and every member of the Board of Directors, shall be placed for shareholders minimum one week prior to the general assembly meeting date in the Compliance Department located on the 24th floor of the bank's Head Office Tower at West Bay during the working hours.
- Shareholders are kindly requested to be in the meeting venue one hour prior to the meeting time to facilitate the registration.
- This invitation constitutes a legal announcement to all shareholders to attend the meeting without a need to send special invitation by mail according to commercial companies by law No. (11) for year 2015.

Board of Directors' Report for the Financial Year Ending 31st Dec, 2019

Every year Doha Bank continues the success journey of the previous years by achieving outstanding financial results as well as a commendable performance at the financial, organizational and service delivery levels. During 2019, most of the objectives defined in the bank's strategic plan and annual budget were successfully achieved. The bank enhanced and strengthened its financial position, achieved an impressive return on average shareholders' equity and average assets, and launched a wide range of innovative banking products and services particularly in the field of e-banking. The accomplishments also included recruitment of highly competent and experienced professionals at various key senior positions and optimization of domestic branches.

During the same year, the management concentrated on recruiting Qatari nationals who were enrolled in intensive training programs and were given the opportunities to gain international business banking skills and in-depth experience by joining bank's various branches and representative offices spread across the Globe.

Domestically, Doha Bank's network inside Qatar includes a total of 24 branches, 3 pay offices, 4 e-branches, and 100 ATMs out of which 3 ATMs are in the UAE, 2 ATMs in Kuwait and 3 ATMs in India. Globally, the bank has six branches: Dubai and Abu Dhabi branches in the UAE, a branch in Kuwait and three branches in India in Mumbai, Kochi and Chennai. Furthermore, the bank has 14 representative offices located in Singapore, Turkey, Japan, China, UK, South Korea, Germany, Australia, Canada, Hong Kong, South Africa, Bangladesh, Sri Lanka and Nepal.

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

In this connection, it is worth mentioning that India has significant bilateral trade relationships not only with Qatar and the GCC countries but also with all the global locations where Doha Bank has presence through its representative offices located around the world. This presence is enabling the bank to serve all the companies operating in these locations, capture investment opportunities and add more value to the shareholders.

With a view to strengthening the lending capacity and improving the competitive edge and prospects for achieving the strategic goals, Doha Bank during the past years enhanced its Tier 1 capital base and Capital Adequacy Ratio through the issuance of Tier 1 capital instruments amounting to QR 2 billion in each issuance (i.e. a total of QR 4 billion) qualifying as additional Tier 1 capital for Doha Bank in Qatar as per the terms and requirements of Qatar Central Bank.

In the Ordinary General Assembly Meeting held in 2016, the shareholders unanimously approved the issuance of Certificates of Deposit (CDs) within a program of up to USD 3 billion and Commercial Papers (CPs) within a program of up to USD 2 billion as per the salient features specified under each program. On 7/3/2018, the shareholders agreed to reduce the minimum amount per issuance from USD 50.0 million under the commercial paper (CP) program to USD 1.0 million. The shareholders also approved issuance of debt bonds within the bank's EMTN programme of USD 2 billion with the aim to diversify the funding sources and enhance the liquidity position of the bank.

On 06/03/2017, the Extraordinary General Meeting approved Board's recommendation to increase the bank's capital from QR 2,583,722,520 to QR 3,100,467,020 by way of offering 51,674,450 new ordinary shares for subscription to Doha Bank's shareholders and the holders of subscription rights at a price of QR (25) per share. On 12/07/2017, new shares were allotted to the shareholders who subscribed to the new shares and were listed at Qatar Exchange. On 16/06/2019, the nominal value of Doha Bank's share was split to QR 1 per share instead of QR 10, thus the total number of capital shares are now 3,100,467,020 shares.

Doha Bank continued to successfully implement the new accounting standard (IFRS 9) as directed by QCB wherein a conservative approach has been taken on identification of impairments from the current approach of 'incurred losses' to forward looking 'expected losses'.

In recognition of the bank's performance, Fitch Ratings has affirmed Doha Bank's Long-Term Issuer Default Rating (IDR) as 'A' with a Stable Outlook which recognize Doha Bank's sustainable business model in the current business environment.

The financial statements for the year 2019 showed that the total assets reached to QR 108.2 billion compared to QR 96.1 billion last year i.e. increase of QR 12 billion. Net loans and advances reached QR 65.8 billion compared to QR 59.8 billion registering an increase of 9.9%. The investment portfolio amounted to QR 26.6 billion, registering an increase of 28.1% as compared to the previous year. Customer deposits amounted to QR 58.5 billion compared to QR 55.8 in 2018, registering an increase of 4.8% and the total shareholder's equity stood at 13.3 billion. Income statement showed an increase in interest income for 7.5% as compared to last year to reach QR 4.2 billion, and a significant growth in operating income for 5.6% to reach QR 2.8 billion. It also shows that the Bank has achieved a net profit of QR 754 Mn compared

to QR 830 Mn in 2018 after taking significant loss provisions related to loans. The average return on share was QR 0.17 and the return on average shareholders' equity was 6% and the return on average assets was 0.74%.

Based on these results, the Board of Directors passed a resolution in its meeting held on 17th of February 2020 recommending the General Assembly of the Shareholders to carry forward the net profit after deductions to the following year.

Future Plan of the Bank:

In terms of the bank's future plan for the years 2019-2023, the plan included process re-engineering, digitization and automation in addition to developing the business intelligence process, analysis tools, delegation of authority and restructuring of branch network by merging some of them. It also entails the implementation of effective risk management strategies both locally and internationally, recruiting Qatari nationals, upgrading the level of performance by recruiting highly qualified and experienced personnel and focusing on specialized training programs at all functional levels. The plan also focuses on improving and developing Corporate Governance practices, re-structuring the business models and rendering state-of-the-art banking products and services with special emphasis on e-banking, cross-selling, and enhancing the financial position of the bank by increasing and diversifying the total assets and maintaining the highest level of efficiency in operational performance. The strategy also focuses on achieving continuous growth in the main income items, improving asset quality, diversifying income sources particularly the non-interest income and effectively monitoring and managing costs in line with the banking industry to optimize the cost of funding as well.

Products and Services:

The year 2019 witnessed the launch of many new advanced products and services and implementation of substantial modifications to the existing service offerings particularly the e-banking services with the objective of satisfying the needs of our valued customers from all walks of life in the Qatari society.

With a view to maintain the highest level of performance within the Retail Banking Group and facing the challenges in the market, we focused this year on strengthening the Retail Banking group by recruiting additional competent staff members with a solid experience in the retail business and quality customer services. The back-office operations in the branches were centralized. Al-Riyada Unit was also strengthened with professional bankers to provide better services to the VIP customers.

In 2011, Doha Bank unveiled the new corporate branding for its branches. The chosen design is meant to offer customer convenience, guaranteed smooth operation and high service standards. The design was implemented in 13 branches and is currently under implementation at the remaining branches.

In addition to the e-banking services provided through DBank (for example the DCardless banking service where the beneficiary can receive the transferred amount through Doha Bank's ATM network without using an ATM card, e-remittances, SMS service, telebanking, mobile-banking, Internet banking and e-branches) the bank also offered additional mobile banking services that allows users to access their bank accounts easily, make transfers among their own accounts or to other beneficiaries registered for this service, pay utility bills and credit card dues and recharge prepaid cards for both Ooredoo and Vodafone.

The new services offered through Mobile Banking application includes local funds transfers, D-Cardless withdrawals, Western Union money transfers, remittances through credit card and Click card reload, etc. During the year 2019, the bank also launched a new mobile application, Doha Bank My Book Qatar through which various vouchers are offered for dining, beauty and wellness, leisure activities, health services and many more. Additional services to the ATM network were implemented to benefit both Doha Bank and Ooredoo customers enabling them to make Ooredoo bill inquiries and payments through the network of Doha Bank's ATMs.

We have also concentrated on improving the information security systems of the bank to protect the users of our mobile banking services. New measures were introduced on our website where more effective security features were implemented to safeguard DBank service users. In this connection, Doha Bank launched an enhanced version of its mobile banking application, offering a host of new features and allowing customers to conduct their banking transactions more easily and efficiently. Security is the prime new feature in the new enhanced version of the application as users are offered the option to use their fingerprints or Facial ID to authenticate their identities and sign into mobile banking instead of entering a user ID and password.

Doha Bank also upgraded its card processing system in order to provide a quick and efficient service ensuring a better customer experience with enhanced safety measures through the "credit card fraud guard module" which is able to monitor fraudulent transactions and generate automatic alerts. In this connection, Doha Bank's IT network infrastructure has been upgraded to provide Doha Bank's customers with the highest levels of security. This enhanced the customer experience by getting round-the-clock secure

access to financial services through any ATM across the Globe easily and efficiently. Doha Bank has been awarded the coveted ISO 20000-2011 certification during this year for its continuous compliance with global standards for IT Service Management.

Doha Bank was the first to launch an online shopping portal in the Middle East through its Doha Soq shopping website. Since its launch to the public in 2007, this portal has been achieving an impressive success. Now, customers can easily purchase what they need online and pay electronically.

Doha Bank and Mastercard have continued the launch of a suite of new debit card products with innovative value-added services for its customers. The cards allow users to conduct contactless transactions using their debit cards. Doha Bank customers will also be able to carry out e-commerce transactions with the added security of Mastercard SecureCode® and QPAY (Qatar Central Bank Payment gateway system) using their Mastercard debit cards. With this card, the cardholders also enjoy unlimited access to VIP Lounges worldwide via Lounge Key airport, lifestyle concierge services, fine dining offers and earn Doha Miles.

Doha Bank also launched the Copa América 2019 campaign for credit and debit cards whereby four lucky customers with one companion for each winner received a free travel package to attend Qatari football team match at "Copa América 2019". The bank has also launched a salary transfer campaign providing customers the opportunity to win a brand-new Lexus LX570 when they transfer their salaries to Doha Bank.

The credit cards' Loyalty Scheme has also been enhanced and now cardholders are able to either redeem Doha Miles earned through usage of their credit cards instantly through the point-of-sale machines available at all participating commercial outlets or use these miles for purchasing air tickets. The bank continued the loyalty scheme "Doha Miles" which is designed to convert credit card spends locally and internationally into free miles of up to 40,000 miles which can be redeemed against free flights and hotel bookings.

The bank also offered complementary travel insurance each time the customer purchases air tickets using these cards. Those who hold Visa Platinum or Infinite credit cards got exclusive free access to the Oryx lounge at Hamad International Airport. The bank continued to offer additional benefits to Doha Bank Al-Riyada Visa Infinite credit cardholders and VIP customers. These benefits included a priority queue at the branches, loan approvals within 60 minutes, WhatsApp chat service support, free valet parking from Mr. Valet, free car wash at Hi-Wash station and a free cinema ticket for each purchased ticket in addition to other additional benefits at several stores and restaurants to ensure granting this segment of customers a more personalized and privileged treatment.

Doha Bank continued its co-branded credit card with Lulu Hypermarkets with special attractive privileges offered to the cardholders. The overwhelming response was a huge success since its launch in 2011 as large number of people obtained the card that became a unique card not only in Qatar but also across the GCC countries. The card generously rewards shoppers with a 5% saving on their purchases from Lulu stores throughout the year. During 2019, joint campaigns have been conducted in collaboration with Lulu whereby Lulu cardholders were given an additional redemption of 5% of the value of their purchases at Lulu centers during specific periods.

Doha Bank has launched its new Global Markets platform that enables easy and seamless access to global financial markets in a fast, secure and reliable way. By using the platform, Doha Bank customers can invest and trade in US and European stock markets, foreign exchange (FX) and commodities and monitor positions round the clock. The platform can also be accessed via desktops and mobiles through a secure login and allows users to trade with low commissions and manage their portfolio easily.

Commemorating the celebration of the 16th anniversary of Al Dana programme and the success it has made over the past years, we have restructured the rewards program during the year 2019 to be more attuned to the celebrations of 16th anniversary of this programme by focusing on the core customer strategy of 'Al Dana for Everyone' which meant that there was something for everyone. The programme included (529) rewards, including a cash prize of QR 2 million, and (12) cash prizes of QR 50,000 each on monthly basis and (365) monthly cash prizes of QR 2,000 each. Al Dana programme also included a cash prize of QR 1 million to Al-Riyada and private banking customers. Other cash prizes were also given to Al Dana Young Savers and senior customers. Cash prizes awarded to Al-Dana customers by the end of 2019 amounted to a total of QR 6.5 million.

During 2019, Doha Bank has entered into an agreement with Global IME Bank (GIBL), one of leading commercial banks in Nepal to offer on-the-go remittance solutions to Nepalese expatriates residing in Qatar. The bank has also partnered with Habib Bank Limited (HBL), one of the leading commercial banks in Pakistan to offer on-the-go remittance solutions to Pakistani expats residing in Qatar.

During the first quarter of 2019, Doha Bank completed 40 years of operations - a key milestone for the bank. On this occasion, the bank announced a campaign for its new and

existing customers by offering gold rewards. It has been an eventful journey over the past four decades where the customers were the center of focus behind our successful operations. As part of its 40th anniversary celebrations, the bank launched this campaign as our way of thanking our loyal customers for their continued support throughout the years.

We also re-launched the Personal Loan and Car Loan campaigns for 2019 with attractive benefits such as obtaining a low interest rate on personal loans starting from 4.5% annually with the possibility to postpone the loan installments for three non-consecutive months in the first year, and car loan customers getting an interest rate starting from 2.49% annually or a reducing interest rate of 4.65% with a comprehensive first-year insurance policy and roadside assistance. Personal and Car loan customers also have the opportunity to get a cashback of up to QR 5,000 with quick approval of these loans and other advantages under the terms and conditions of these two campaigns.

Through participation in career fairs, Doha Bank is committed to hiring the most competent individuals in the country. As part of its employee engagement efforts, the bank honored long-serving employees and organized various sporting activities involving the staff and their families.

As part of its commitment to societal interests, environmental sustainability and raising awareness on sustainability issues, Doha Bank was involved in various related activities throughout the year. On one hand, Doha Bank organized the 13th edition of "Al Dana Green Run" wherein a large number of residents attended the event. Doha Bank in cooperation with Qatar's Ministry of Municipality and Environment and Al Wakra Municipality organized a "Beach Clean-up" event at Al Wakrah beach. Earlier during the year, Doha Bank organized its annual ECO-School Programme awards that aims at recognizing the schools that played an active role in propagating the concept of eco-consciousness amongst students and demonstrated a high degree of innovation and creativity in successfully completing their green projects as part of the Programme. Doha Bank also joined hands with Hamad Medical Corporation's Blood Donor Unit to hold a blood donation drive at its headquarters in West Bay. In its continued support of Earth Hour global call, Doha Bank participated by switching off the lights at its headquarters and branches across Qatar.

Reinforcing its commitment to sustainability and social responsibility, Doha Bank, one of the largest commercial banks in Qatar signed last year the UN Global Compact, a UN policy initiative encouraging businesses worldwide to adopt sustainable and socially responsible policies. The Bank has made a cash donation to the Qatar Red Crescent Society and Qatar Cancer Society (QCS), sponsored the Al Ruwad Business Case Competition and sixth edition of Qatar International Agricultural Exhibition. Doha Bank has been selected in the FTSE4 Good emerging index due to its continued leadership in environmental, social and governance performance.

Awards:

Due to the strong financial position enjoyed by Doha Bank at the local, regional and global levels and its pioneering role in delivering innovative banking products and services which elevated the banking experience in Qatar to new horizons, the Bank was conferred with appreciation and recognition from a number of specialized institutions in the banking and financial sectors. In addition to the accolades awarded to the Bank in previous years, it was conferred with the "Golden Peacock Global Award for Excellence in Corporate Governance" by the Institute of Directors (IOD) India for the second consecutive year for Excellence in Corporate Governance, the "3G Financial Services Award 2019" award by Cambridge Financial Advisory, the "Best Trade Finance Bank in Qatar 2019" award by Global Finance Magazine.

Doha Bank has also won THE BIZZ Award at THE BIZZ EUROPE 2019 event by World Confederation of Businesses, the "US Dollar Payments Straight Through Processing Excellence Award" by Citibank. Doha Bank has also received the LinkedIn Talent Awards 2019 for 'Best Talent Acquisition Team in Qatar', the "Best Customer Service and Alternative Banking Channels" award by the World Union for Arab Bankers, the "Qatar Domestic Cash Management Bank of the Year" and "Corporate & Investment Bank of the Year - Qatar" awards by Asian Banking & Finance Magazine.

Acknowledgement:

The Board of Directors of Doha Bank would like to extend their sincere thanks and gratitude to H.H. the Emir, Sheikh Tamim Bin Hamad Al-Thani, H.E. the Prime Minister, Sheikh Khalid Bin Khalifa Al-Thani, the Minister of Finance, H.E. Mr. Ali Sherif Al-Emadi, the Minister of Commerce and Industry, H.E. Ali Bin Ahmed Al-Kuwari H.E. the Governor of Qatar Central Bank, Sheikh Abdullah Bin Saud Al-Thani and to all the officials of Qatar Central Bank, the Ministry of Commerce & Industry, Qatar Financial Markets Authority and Qatar Exchange for their continued cooperation and support.

The Board of Directors would also like to sincerely thank all the shareholders and customers in addition to the Bank's executive management and staff for their cooperation and efforts.

Fahad Bin Mohammed Bin Jabor Al-Thani
Chairman

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF DOHA BANK (Q.P.S.C.)

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Doha Bank (Q.P.S.C.) (the 'Bank') and its subsidiaries (together the 'Group'), which comprise the consolidated statement of financial position as at 31 December 2019, the consolidated statements of income, comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising significant accounting policies and other explanatory information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2019, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards ('IFRS') and the applicable provisions of Qatar Central Bank regulations ('QCB regulations').

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISA). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section in this audit report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the Bank's consolidated financial statements in the State of Qatar, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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 for 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.

Description of key audit matter	How the matter was addressed in our audit
Impairment of financial assets subject to credit risk - refer to notes 3(g), 4(b), 5(a), 5(b), 8, 9, 10, 11, 14 and 19 in the consolidated financial statements	
We determined this to be a key audit matter because: • Impairment of financial assets involves: - complex accounting requirements, including assumptions, estimates and judgements underlying the determination of impairment; - Expected Credit Loss ("ECL") modelling risk over methodology and design decisions; - susceptibility to management bias when making judgements to determine expected credit loss outcomes; and - complex disclosure requirements. • The Group's financial assets, both on and off-balance sheet, subject to credit risk were QAR 130,507	Our audit procedures in this area included the following, among others: • Evaluating the appropriateness of the accounting policies adopted based on the requirements of IFRS 9 and relevant QCB regulations, our business understanding and industry practice. • Confirming our understanding of management's processes, systems and controls implemented, including controls over ECL model development. • Identifying and testing the relevant controls. • Involving information risk management (IRM) specialists to test IT systems and relevant controls. • Evaluating the reasonableness of management's key judgements and estimates made in ECL calculations, including selection of methods, models, assumptions and data sources. • Involving Financial Risk Management (FRM) specialists o to challenge significant assumptions / judgements relating to credit risk grading, significant increase in credit risk, definition of default, probability of default, macro-economic variables, and recovery rates. o for evaluating the appropriateness and testing the mathematical accuracy of ECL models applied.

Description of key audit matter	How the matter was addressed in our audit
Impairment of financial assets subject to credit risk - refer to notes 3(g), 4(b), 5(a), 5(b), 8, 9, 10, 11, 14 and 19 in the consolidated financial statements	
million, as at 31 December 2019 (2018: QAR 122,484 million), hence a material portion of the consolidated statement of financial position. Furthermore, the net impairment recognized by the Group on these financial assets amounted to QAR 1,123 million, in the year ended 31 December 2019 (2018: QAR 864 million), which represents 148.9% (2018: 104.09%) of the net profit of the Group, hence a material portion of the consolidated statement of income.	• Involving valuation specialists to evaluate the inputs, assumptions and techniques used by the valuers engaged by the Group for the valuation of real estate collateral, relating to the determination of ECL. • Assessing the completeness, accuracy and relevance of the input data used for ECL calculations. • Evaluating the reasonableness of and testing the post-model adjustments. • Performing detailed credit risk assessment of a sample of performing and non-performing loans and advances. • Assessing the adequacy of the Group's disclosures in relation to impairment of financial assets by reference to the requirements of the relevant accounting standards and QCB regulations.

Other information

The Board of Directors is responsible for the other information. The other information comprises the information included in the Bank's annual report (the "Annual Report"), including the report of Board of Directors, but does not include the Bank's consolidated financial statements and our auditor's report thereon. Prior to the date of this auditor's report, we obtained the report of the Board of Directors, which forms part of the Annual Report, and the remaining sections of the Annual Report are expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we do 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 when it becomes available, 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 have 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 remaining sections of the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter with those charged with governance.

Responsibilities of the Board of Directors for the Consolidated Financial Statements

The Board of Directors is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS and QCB regulations, and for such internal control as the Board of Directors determines is necessary to enable the preparation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Board of Directors is 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 Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

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 ISA 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 ISA, we exercise professional judgement and maintain professional skepticism 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 override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are effective 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 Board of Directors.
- Conclude on the appropriateness of the Board of 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Board of Directors 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 the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and 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 the Board of Directors, 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.

Report on Other Legal and Regulatory Requirements

We have obtained all the information and explanations we considered necessary for the purposes of our audit. The Bank has maintained proper accounting records and its consolidated financial statements are in agreement therewith. We have read the report of the Board of Directors to be included in the Annual Report and the financial information contained therein is in agreement with the books and records of the Bank. We are not aware of any violations of the applicable provisions of the Qatar Central Bank Law No. 13 of 2012 and of the Qatar Commercial Companies Law No. 11 of 2015 or the terms of the Bank's Articles of Association and the amendments thereto, having occurred during the year which might have had a material effect on the Bank's consolidated financial position or performance as at and for the year ended 31 December 2019.

24 February 2020
Doha
State of Qatar

Gopal Balasubramaniam
Qatar Auditor's Registry Number 251
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CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2019

	2019 QAR'000	2018 QAR'000
ASSETS		
Cash and balances with central banks	5,803,844	7,586,122
Due from banks	7,756,944	6,238,998
Loans and advances to customers	65,784,258	59,844,059
Investment securities	26,560,585	20,727,215
Investment in an associate	10,478	10,510
Property, furniture and equipment	723,597	621,469
Other assets	1,568,719	1,104,038
TOTAL ASSETS	108,208,425	96,132,411
LIABILITIES		
Due to banks	24,036,948	19,528,535
Customer deposits	58,463,833	55,785,338
Debt securities	473,059	747,573
Other borrowings	6,859,049	4,844,137
Other liabilities	5,057,622	2,493,599
TOTAL LIABILITIES	94,890,511	83,399,182
EQUITY		
Share capital	3,100,467	3,100,467
Legal reserve	5,092,948	5,092,948
Risk reserve	849,600	137,200
Fair value reserve	155,043	(227,271)
Foreign currency translation reserve	(58,846)	(56,180)
Retained earnings	178,702	686,065
TOTAL EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE BANK	9,317,914	8,733,229
Instruments eligible as additional capital	4,000,000	4,000,000
TOTAL EQUITY	13,317,914	12,733,229
TOTAL LIABILITIES AND EQUITY	108,208,425	96,132,411

CONSOLIDATED INCOME STATEMENT

For The Year Ended 31 December 2019

	2019 QAR'000	2018 QAR'000
Interest income	4,216,670	3,920,755
Interest expense	(2,236,448)	(1,839,809)
Net interest income	1,980,222	2,080,946
Fee and commission income	520,703	489,682
Fee and commission expense	(126,607)	(102,050)
Net fee and commission income	394,096	387,632
Gross written premium	37,855	44,578
Premium ceded	(16,638)	(11,323)
Net claims paid	(98,463)	(39,978)
Net loss from insurance activities	(77,246)	(6,723)
Net foreign exchange gain	111,524	115,392
Net income / (loss) from investment securities	305,724	(9,843)
Other operating income	68,469	67,194
	485,717	172,743
Operating income	2,782,789	2,634,598
Staff costs	(493,291)	(496,325)
Depreciation	(121,840)	(90,059)
Net impairment reversal / (loss) on investment securities	260	(16,207)
Net impairment loss on loans and advances to customers	(1,161,537)	(951,683)
Net impairment reversal on other financial assets	38,113	103,699
Other expenses	(319,893)	(350,327)
	(2,058,188)	(1,800,902)
Profit before share of results of associate and tax	724,601	833,696
Share of results of associate	187	340
Profit before tax	724,788	834,036
Income tax reversal / (expense)	29,144	(3,814)
Profit	753,932	830,222
Earnings per share:		
Basic and diluted earnings per share (QAR)	0.17	0.20

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For The Year Ended 31 December 2019

	2019 QAR'000	2018 QAR'000
Profit	753,932	830,222
Other comprehensive income		
Items that are or may be subsequently reclassified to income statement:		
Foreign currency translation differences for foreign operations	(2,666)	(18,724)
Movement in fair value reserve (debt instruments - IFRS 9)		
Net change in fair value	714,850	12,766
Net amount transferred to consolidated statement of income	(341,475)	(7,276)
	370,709	(13,234)
Items that will not be reclassified subsequently to statement of income		
Net change in fair value of equity investments designated at FVOCI (IFRS 9)	8,939	47,367
Total other comprehensive income	379,648	34,133
Total comprehensive income	1,133,580	864,355

CONSOLIDATED STATEMENT OF CASH FLOWS

For The Year Ended 31 December 2019

	2019 QAR'000	2018 QAR'000
Cash flows from operating activities		
Profit before tax	724,788	834,036
Adjustments for:		
Net impairment loss on loans and advances to customers	1,161,537	951,683
Net impairment loss on investment securities	(260)	16,207
Net impairment losses on other financial assets	(38,113)	(103,699)
Depreciation	121,840	90,059
Amortisation of financing cost	14,630	13,141
Net Income / (loss) from investment securities	(270,097)	46,757
(Loss) / gain on sale of property, plant and equipment	40	(183)
Share of results of an associate	(187)	(340)
Profit before changes in operating assets and liabilities	1,714,178	1,847,661
Change in due from banks	(2,316,713)	132,999
Change in loans and advances to customers	(5,146,264)	(2,132,784)
Change in other assets	(464,681)	(325,619)
Change in due to banks	4,508,413	8,499,610
Change in customer deposits	2,678,495	(3,948,471)
Change in other liabilities	446,434	435,451
Social and sports fund contribution	(20,756)	(27,752)
Income tax paid	21,696	(29,606)
Net cash from operating activities	1,420,802	4,451,489
Cash flows from investing activities		
Acquisition of investment securities	(13,453,006)	(11,581,363)
Proceeds from sale of investment securities	8,272,339	8,264,137
Acquisition of property, furniture and equipment	(31,666)	(2,960)
Proceeds from the sale of property, furniture and equipment	135	195
Net cash used in investing activities	(5,212,198)	(3,319,991)
Cash flows from financing activities		
Proceeds from / (repayment of) other borrowings	2,014,912	(595,942)
(Repayment of) / proceeds from issue of debt securities	(274,514)	88,631
Distribution on Tier 1 capital notes	(220,000)	(220,000)
Dividends paid	(310,047)	(930,140)
Net cash used in financing activities	1,210,351	(1,657,451)
Net decrease in cash and cash equivalents	(2,581,045)	(525,953)
Cash and cash equivalents as at 1 January	9,779,722	10,305,675
Cash and cash equivalents at 31 December	7,198,677	9,779,722
Operational cash flows from interest and dividend:		
Interest received	4,166,727	3,878,639
Interest paid	2,142,581	1,731,955
Dividends received	35,627	36,914

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the Year Ended 31 December 2019

	Total equity attributable to equity holders of the Bank							Instrument eligible as additional Tier 1 capital QAR'000	Total equity QAR'000
	Share capital QAR'000	Legal reserve QAR'000	Risk reserve QAR'000	Fair value reserve QAR'000	Foreign currency translation reserve QAR'000	Retained earnings QAR'000	Total QAR'000		
Balance at 1 January 2019 (Audited)	3,100,467	5,092,948	137,200	(227,271)	(56,180)	686,065	8,733,229	4,000,000	12,733,229
Total comprehensive income:									
Profit	-	-	-	-	-	753,932	753,932	-	753,932
Other comprehensive income	-	-	-	382,314	(2,666)	-	379,648	-	379,648
Total comprehensive income	-	-	-	382,314	(2,666)	753,932	1,133,580	-	1,133,580
Transfer to legal reserve	-	-	-	-	-	-	-	-	-
Transfer to risk reserve	-	-	712,400	-	-	(712,400)	-	-	-
Distribution for Tier 1 capital notes	-	-	-	-	-	(220,000)	(220,000)	-	(220,000)
Contribution to social and sports fund	-	-	-	-	-	(18,848)	(18,848)	-	(18,848)
Transactions with shareholders:									
Dividends paid	-	-	-	-	-	(310,047)	(310,047)	-	(310,047)
Balance as at 31 December 2019	3,100,467	5,092,948	849,600	155,043	(58,846)	178,702	9,317,914	4,000,000	13,317,914

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the Year Ended 31 December 2018

	Total equity attributable to equity holders of the Bank							Instrument eligible as additional Tier 1 capital QAR'000	Total equity QAR'000
	Share capital QAR'000	Legal reserve QAR'000	Risk reserve QAR'000	Fair value reserve QAR'000	Foreign currency translation reserve QAR'000	Retained earnings QAR'000	Total QAR'000		
Balance at 1 January 2018 (Audited)	3,100,467	5,092,762	1,372,000	(67,555)	(13,451)	1,322,774	10,806,997	4,000,000	14,806,997
Effect of restatement	-	-	-	-	(24,005)	24,005	-	-	-
Balance at 1 January 2018 (restated)	3,100,467	5,092,762	1,372,000	(67,555)	(37,456)	1,346,779	10,806,997	4,000,000	14,806,997
Impact of adoption of IFRS 9	-	-	(1,372,000)	(212,573)	-	(182,654)	(1,767,227)	-	(1,767,227)
Restated balance at 1 January 2018	3,100,467	5,092,762	-	(280,128)	(37,456)	1,164,125	9,039,770	4,000,000	13,039,770
Total comprehensive income:									
Profit	-	-	-	-	-	830,222	830,222	-	830,222
Other comprehensive income	-	-	-	52,857	(18,724)	-	34,133	-	34,133
Total comprehensive income	-	-	-	52,857	(18,724)	830,222	864,355	-	864,355
Transfer to legal reserve	-	186	-	-	-				