

**DOHA BANK (Q.P.S.C.) -  
UNITED ARAB EMIRATES  
(UAE) BRANCH**

**Financial statements  
For the year ended 31 December 2025**

# **Doha Bank (Q.P.S.C.) - United Arab Emirates (UAE) Branches**

## **Financial statements For the year ended 31 December 2025**

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# Independent auditor's report

To the Directors of Doha Bank Q.P.S.C (the "Head office") in respect of its United Arab Emirates (UAE) Branch

## Report on the audit of the financial statements

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### Our opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Doha Bank Q.P.S.C – United Arab Emirates Branch (the "Branch") as at 31 December 2025, and its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards.

### What we have audited

The Branch's financial statements comprise:

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

### Basis for opinion

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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 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 Branch 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 financial statements of public interest entities and the ethical requirements that are relevant to our audit of the financial statements in the United Arab Emirates. We have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

PricewaterhouseCoopers Limited Partnership Dubai Branch  
Emaar Square, Building 5, PO Box 11987  
Dubai - United Arab Emirates  
T: +971 4 304 3100



## Independent auditor's report (Continued)

To the Directors of of Doha Bank Q.P.S.C (the "Head office") in respect of its United Arab Emirates (UAE) Branch

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### Our audit approach

#### Overview

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Key Audit Matters	Measurement of Expected credit losses ("ECL") on loans and advances to customers
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As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements. In particular, we considered where management 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 financial statements as a whole, taking into account the structure of the Branch, the accounting processes and controls, and the industry in which the Branch operates.

#### Key audit matters

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



## Independent auditor's report (Continued)

To the Directors of Doha Bank Q.P.S.C (the "Head office") in respect of its United Arab Emirates (UAE) Branch

### Our audit approach (continued)

#### Key audit matters (continued)

Key audit matter	How our audit addressed the key audit matter
<p><b>Measurement of Expected Credit Losses on loans and advances to customers</b></p> <p>We focused on the Expected Credit Losses ('ECL') for loans and advances to customers due to the materiality of these balances and the associated allowances for ECL. In addition, the compliance with IFRS in this area involves management judgement and is subject to a high degree of estimation uncertainty.</p> <p>As disclosed in note 5, the allowance for ECL for loans and advances to customers as at 31 December 2025 is AED 62,047 thousand and the charge in the statement of profit or loss amounted to AED 46,261 thousand.</p> <p>The Management exercise significant judgments and makes a number of assumptions in developing its ECL model which is determined as a function of the assessment of the Probability of Default ("PD"), determination of Loss Given Default ("LGD") and Exposure At Default ("EAD"), adjusted for the forward-looking information associated with the underlying funded exposures subject to ECL. In case of defaulted exposures, Management exercise judgment to evaluate and estimate the expected future cash flows for each exposure. This assessment guides decisions on whether to reschedule or restructure the exposure. This evaluation also takes into consideration the value of collateral securing these exposures. ECL overrides including staging overrides and overlays / underlays may also be recorded by Management using credit risk judgments where the assumptions and modelling techniques do not capture all the relevant risk factors. The Branch's' impairment policy under IFRS 9 is presented in Note 2 to the financial statements.</p> <p>We considered this as a key audit matter considering the exercise of significant judgement, estimates including use of forward-looking macroeconomic data and complex models, and as it has a material impact on the financial statements of the Branch.</p>	<p>We performed the following audit procedures on the computation and reasonableness of the ECL included in the Branch's financial statements for the year ended 31 December 2025:</p> <ul style="list-style-type: none"><li>• We obtained an understanding of the design and tested the operating effectiveness of the relevant controls established by the Branch and those operated centrally, including IT general controls and application controls, for the estimation of ECL including, calculation of days past due, periodic review of customer risk ratings and the process of preparation and review of credit proposals.</li><li>• For a sample of exposures, we checked the appropriateness of the Branch's application of the staging criteria, including the basis for movement between stages.</li><li>• We involved our internal experts to assess the following areas:<ul style="list-style-type: none"><li>- Evaluation of the appropriateness of the accounting policies adopted by the Branch based on the requirements of IFRS 9;</li><li>- Reasonableness and appropriateness of the methodology and assumptions used in calculation of various components of ECL modelling including the computation of Probability of Default (PD), Loss Given Default (LGD) and Exposure At Default (EAD) for the models selected for testing.</li><li>- Reasonableness of the key assumptions and judgements made by Management in assessing the definition of default, the application of Significant Increase in Credit Risk (SICR) and staging criteria, determining the historic and forward-looking information of macroeconomic data in estimating the ECL components and use of probability weighted scenarios.</li><li>- For a sample of exposures, ECL provisions were computed across different stages to assess mathematical integrity of the ECL computation.</li></ul></li><li>• We tested the completeness and the accuracy of the data used in the calculation of ECL.</li></ul>



## Independent auditor's report (Continued)

To the Directors of of Doha Bank Q.P.S.C (the "Head office") in respect of its United Arab Emirates (UAE) Branch

### Our audit approach (continued)

#### Key audit matters (continued)

Key audit matter	How our audit addressed the key audit matter
<b>Expected credit losses - Impairment on loans and advances to customers (continued)</b>	<ul style="list-style-type: none"><li>• We assessed, on a sample basis, that reported exceptions to policies and procedures, if any, as outlined in the Board risk appetite statement were approved by the Board at the Head office and the approval process was formally documented.</li><li>• For a sample of new / renewed corporate credit facilities, we checked that reported exceptions to limits, if any, as set out in the Board approved delegation of authority matrix, were approved by the Board at the Head office or its approved delegate and the approval process was formally documented.</li><li>• For a sample of Stage 3 corporate customers, we assessed: - the appropriateness of discounted cash flows, including the discount rates used and the probable scenario analysis; and - the robustness of the Branch's processes and controls with respect to the valuation and enforceability of collateral, including the underlying assumptions.</li><li>• We performed an independent credit assessment for a sample of wholesale customers, by assessing the quantitative and qualitative factors including assessments of the financial performance of the customers, the source of repayments and its history, and other relevant risk factors.</li><li>• We assessed the adequacy of the disclosures made in the Branch's financial statements around ECL as required by IFRS Accounting Standards.</li></ul>

### Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards and their preparation in compliance with the applicable provisions of the UAE Federal Decree-Law No. (6) of 2025, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Branch'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 management either intends to liquidate the Branch or to cease operations, or has no realistic alternative but to do so.

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



## Independent auditor's report (Continued)

To the Directors of of Doha Bank Q.P.S.C (the "Head office") in respect of its United Arab Emirates (UAE) Branch

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

Our objectives are to obtain reasonable assurance about whether the 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 financial statements.

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

- Identify and assess the risks of material misstatement of the 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.
- 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 Branch's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's 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 Branch'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 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 Branch to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.



## Independent auditor's report (Continued)

To the Directors of of Doha Bank Q.P.S.C (the "Head office") in respect of its United Arab Emirates (UAE) Branch

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period 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.

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### **Report on other legal and regulatory requirements**

Further, as required by the UAE Federal Decree-Law No. (6) of 2025, we report that we have obtained all the required information and explanations we considered necessary for the purpose of our audit.

PricewaterhouseCoopers Limited Partnership Dubai Branch  
30 March 2026

A handwritten signature in purple ink that reads 'Shireen'.

Shireen Sakr  
Registered Auditor Number: 5591  
Dubai, United Arab Emirates

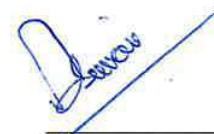
## Doha Bank (Q.P.S.C.) - United Arab Emirates (UAE) Branches

### Statement of financial position

		As at 31 December	
		2025	2024
		AED '000	AED '000
	Notes		
<b>Assets</b>			
Cash and balances with Central Bank of UAE	3	1,080,198	1,164,541
Due from Head Office and overseas branches	4	29,562	94,509
Due from banks and other financial institutions	10	314,588	933,115
Acceptances		-	73,460
Loans and advances	5	835,379	1,086,679
Investment securities	6	371,676	345,562
Deferred tax asset	7	857	857
Property and equipment	9	7,254	8,738
Other assets	8	20,171	20,100
<b>Total assets</b>		<b>2,659,685</b>	<b>3,727,561</b>
 <b>Liabilities and head office equity</b>			
<b>Liabilities</b>			
Due to Head Office and overseas branches	4	47,092	50,488
Due to banks and other financial institutions	10	55,095	679,505
Acceptances		-	73,460
Customers' deposits	11	2,156,366	2,517,614
Other liabilities	12	61,955	137,459
<b>Total liabilities</b>		<b>2,320,508</b>	<b>3,458,526</b>
 <b>Head office equity</b>			
Allocated capital	13	1,150,000	1,150,000
Statutory reserve	14	11,978	6,174
Fair value reserve	6	(17,391)	(29,492)
Accumulated losses		(805,410)	(857,647)
<b>Total head office equity</b>		<b>339,177</b>	<b>269,035</b>
<b>Total liabilities and head office equity</b>		<b>2,659,685</b>	<b>3,727,561</b>

  
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 Haig Sarkissian  
 Finance manager  
 30 March 2026



  
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 Steven Arakal  
 Operations Manager  
 30 March 2026

The Independent auditor's report is set out on page 1 to 6.  
 The attached notes on pages 12 to 67 form an integral part of the financial statements.

## Doha Bank (Q.P.S.C.) - United Arab Emirates (UAE) Branches

### Statement of profit or loss

	Notes	For the year ended 31 December	
		2025 AED '000	2024 AED '000
Interest income	15	171,964	232,614
Interest expense	16	(110,115)	(157,812)
<b>Net interest income</b>		<b>61,849</b>	<b>74,802</b>
Net fees and commission income	17	14,016	14,754
Other income	18	18,607	18,180
<b>Operating income</b>		<b>94,472</b>	<b>107,736</b>
Staff costs		(9,868)	(9,208)
Other operating expenses	19	(11,741)	(15,815)
Depreciation	9	(1,635)	(1,567)
<b>Total operating expenses</b>		<b>(23,244)</b>	<b>(26,590)</b>
<b>Net operating profit</b>		<b>71,228</b>	<b>81,146</b>
Net impairment allowance on loans and advances	5	(46,261)	(36,626)
Net impairment allowance on other financial assets	25	43,418	(5,219)
<b>Profit for the year before tax</b>		<b>68,385</b>	<b>39,301</b>
Tax expenses for the year	7,12	(10,344)	(3,504)
<b>Profit for the year</b>		<b>58,041</b>	<b>35,797</b>

The Independent auditor's report is set out on page 1 to 6.

The attached notes on pages 12 to 67 form an integral part of the financial statements.

## Doha Bank (Q.P.S.C.) - United Arab Emirates (UAE) Branches

### Statement of comprehensive income

	Notes	For the year ended 31 December	
		2025 AED '000	2024 AED '000
<b>Profit for the year</b>		<b>58,041</b>	35,797
<b><i>Other comprehensive income</i></b>			
<b>Items that are or may be subsequently reclassified to statement of income:</b>			
Net change in fair value through OCI	6	<b>12,103</b>	(1,015)
ECL on investment securities measured at fair value through OCI	6	<b>(2)</b>	9
Other comprehensive income/(loss) for the year		<b>12,101</b>	(1,006)
<b>Total comprehensive profit for the year</b>		<b>70,142</b>	34,791

The Independent auditor's report is set out on page 1 to 6.

The attached notes on pages 12 to 67 form an integral part of the financial statements.

## Doha Bank (Q.P.S.C.) - United Arab Emirates (UAE) Branches

### Statement of changes in Head Office equity

For the year ended 31 December 2025

	Allocated capital AED'000	Statutory Reserve AED'000	Fair value reserve AED'000	Accumulated Losses AED'000	Total AED'000
Balance at 1 January 2024	1,150,000	2,595	(28,486)	(889,865)	234,244
Profit for the year	-	3,579	-	32,218	35,797
Other comprehensive loss	-	-	(1,006)	-	(1,006)
<b>Total comprehensive loss for the year</b>	-	3,579	(1,006)	32,218	34,791
<b>Balance at 31 December 2024</b>	<u>1,150,000</u>	<u>6,174</u>	<u>(29,492)</u>	<u>(857,647)</u>	<u>269,035</u>
Profit for the year	-	5,804	-	52,237	58,041
Other comprehensive income	-	-	12,101	-	12,101
<b>Total comprehensive profit for the year</b>	-	5,804	12,101	52,237	70,142
<b>Balance at 31 December 2025</b>	<u><u>1,150,000</u></u>	<u><u>11,978</u></u>	<u><u>(17,391)</u></u>	<u><u>(805,410)</u></u>	<u><u>339,177</u></u>

The Independent auditor's report is set out on page 1 to 6.  
The attached notes on pages 12 to 67 form an integral part of the financial statements.

# Doha Bank (Q.P.S.C.) - United Arab Emirates (UAE) Branches

## Statement of cash flows

	Notes	For the year ended 31 December	
		2025 AED '000	2024 AED '000 Restated*
<b>Operating activities</b>			
Profit for the year before tax		68,385	39,301
<b>Adjustments for:</b>			
Depreciation	9	1,635	1,566
Loss on disposal of fixed asset		-	1,338
Finance cost	12	394	474
Change in fair value of FVOCI		(18,200)	15,924
Change in fair value for interest rate swap	8	(9,205)	(11,505)
Provision for interest rate swap	12	8,414	5,784
Net impairment allowance on loans and advances	5	46,261	36,626
Net impairment allowance on other financial assets	25	(43,418)	5,219
<b>Operating profit before changes in operating assets and liabilities</b>		<b>54,266</b>	<b>94,727</b>
Changes in operating assets and liabilities:			
Loans and advances		162,811	551,483
Due to Head Office after three months			(422,395)
Due from banks and other FI's over three months		202,015	128,431
Acceptances – assets		(73,460)	165,285
Other assets		2,371	630
Due to banks and other financial institutions		(624,410)	273,638
Acceptances – liabilities		73,460	(165,285)
Customer's deposits		(361,248)	477,392
Other liabilities		(40,004)	(8,889)
<b>Cash (used in) / generated from operations</b>		<b>(604,199)</b>	<b>1,095,017</b>
Income tax paid	7	(3,504)	-
<b>Net cash (used in) / generated from operating activities</b>		<b>(607,703)</b>	<b>1,095,017</b>
<b>Investing activities</b>			
Purchase of property and equipment	9	(151)	(29)
Purchase of investment securities	6	(7,916)	(73,840)
Proceeds from maturities of investments	6	-	7,386
<b>Net cash used in investing activities</b>		<b>(8,067)</b>	<b>(66,483)</b>
<b>Financing activity</b>			
Payment of lease liabilities	12	(1,804)	(3,217)
<b>Net cash used in financing activity</b>		<b>(1,804)</b>	<b>(3,217)</b>
<b>Net (decrease) / increase in cash and cash equivalents</b>		<b>(617,574)</b>	<b>1,025,317</b>
Cash and cash equivalents at 1 January	20	1,884,649	859,332
<b>Cash and cash equivalents at 31 December</b>	20	<b>1,267,075</b>	<b>1,884,649</b>

\*Refer to note 28 for details on the restatement of comparative figures.

The Independent auditor's report is set out on page 1 to 6.

The attached notes on pages 11 to 66 form an integral part of the financial statements.

# **Doha Bank (Q.P.S.C.) - United Arab Emirates (UAE) Branches**

## **Notes to the financial statements for the year ended 31 December 2025**

### **1 Activities**

The financial statements of Doha Bank (Q.P.S.C.) - United Arab Emirates (UAE) Branch (the “Branch”) relate to the activities of the branch of Doha Bank (Q.P.S.C.) (the “Head Office”) operating in the Emirate of Dubai. Doha Bank (Q.P.S.C.) is listed on the Doha Securities Market.

Doha Bank has been operating in the UAE through its branch under licence issued by the UAE Central Bank and is engaged in banking activities. Dubai branch was incorporated on 18 July 2007.

The registered address of the Branch is as follows:

- Dubai Branch - P.O. Box 125465, Dubai, United Arab Emirates

On 10 January 2024, the bank discontinued all of its operations at the Abu Dhabi Branch. The closure was in line with the bank’s strategic realignment and approved by the relevant regulatory authorities.

These financial statements reflect the activities of the Dubai Branch only and exclude all transactions, assets and liabilities of the Head Office and other branches of the Head Office outside United Arab Emirates.

The financial statements were authorised for issue by the Branch’s management on 30 March 2026.

### **2 Material accounting policies**

#### **2.1 New and revised IFRS Accounting Standards**

##### **2.1.a New and revised IFRS Accounting Standards adopted in these financial statements**

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

- Amendment to IAS 21 - lack of exchangeability –

The adoption of the above amendment to IFRS Standards did not have any material impact on the amounts recognized in prior and current periods and is not expected to significantly affect the future reporting periods. Other than the above, there are no other significant IFRS Accounting Standards, amendments or interpretations that were effective for the first time for the financial year beginning on or after 1 January 2025.

# **Doha Bank (Q.P.S.C.) - United Arab Emirates (UAE) Branches**

## **Notes to the financial statements for the year ended 31 December 2025**

### **2 Material accounting policies** (continued)

#### **2.1 New and revised IFRS Accounting Standards** (continued)

##### **2.1.b Standards issued but not yet effective**

- 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)
- Amendments to IAS 21 – translation to a hyper inflationary presentation currency (effective 1 January 2027)

The adoption of the above new standards and amendments to standards is not expected to have a material impact on the financial statements of the Branch. Management expect to adopt the above new standards and amendments from the date they become effective.

#### **2.2 Basis of preparation**

The financial statements of the Branch have been prepared in accordance with IFRS Accounting Standards and Interpretations (IFRIC) issued by the International Accounting Standards Board (IASB), and applicable requirements of the UAE Federal Decree-Law No. (6) of 2025. The Management have assessed the ability of the Branch to continue as a going concern and are satisfied that it has the resources to continue in business for the foreseeable future.

The ability of the Branch to continue as a going concern is dependent upon the continuity of the regulatory permit granted to continue in operations. The Branch has full regulatory permit for such purposes and also the support from their Head Office in Doha to fund ongoing liquidity requirements. Accordingly, these financial statements have been prepared on a going concern basis. The Branch is not a separate legal entity but meets the definition of a reporting entity under the conceptual framework of IFRS Accounting Standards.

The preparation of financial statements in conformity with IFRS Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Branch's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 2.17.

## **Doha Bank (Q.P.S.C.) - United Arab Emirates (UAE) Branches**

### **Notes to the financial statements for the year ended 31 December 2025**

(continued)

## **2 Material accounting policies (continued)**

### **2.3 Basis of measurement**

The financial statements are prepared under the historical cost basis except for derivative financial instruments which are carried at fair value through profit or loss (“FVTPL”) and investments in bonds that have been measured at fair value through other comprehensive income (‘FVOCI’).

### **2.4 Functional and presentation currency**

The financial statements have been presented in UAE Dirhams in thousands, which is the functional and presentation currency of the Branch, rounded to the nearest thousand except when otherwise stated.

### **2.5 Financial assets and financial liabilities**

#### **(i) Recognition and initial measurement**

The Branch initially recognizes loans and advances, and deposits on the date on which they are originated. All other financial assets and liabilities are initially recognized on the trade date, i.e. the date that the Branch 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 marketplace.

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**

The classification of financial instruments at initial recognition depends on their purpose and characteristics and the management’s intention in acquiring them.

## **Doha Bank (Q.P.S.C.) - United Arab Emirates (UAE) Branches**

### **Notes to the financial statements for the year ended 31 December 2025**

(continued)

#### **2 Material accounting policies (continued)**

##### **2.5 Financial assets and financial liabilities (continued)**

(ii) Classification (continued)

##### **Financial assets**

On initial recognition, a financial asset is classified as measured at: amortized cost, fair value through other comprehensive income (FVOCI) or fair value through profit or loss (FVTPL).

A financial asset is measured at amortized 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.

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 Branch 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 Branch may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized 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 Branch 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 branch' 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

## **Doha Bank (Q.P.S.C.) - United Arab Emirates (UAE) Branches**

### **Notes to the financial statements for the year ended 31 December 2025**

(continued)

#### **2 Material accounting policies (continued)**

##### **2.5 Financial assets and financial liabilities (continued)**

(ii) Classification (continued)

##### **Business model assessment (continued)**

- 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 Branch'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 Branch 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 Branch considers contingent events that would change the amount and timing of cash flows, prepayment and extension terms, terms that limit the Branch'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.

##### **Reclassifications**

Financial assets are not reclassified subsequent to their initial recognition, except in the period after the Branch 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 Branch classifies its financial liabilities at amortized cost.

## **Doha Bank (Q.P.S.C.) - United Arab Emirates (UAE) Branches**

### **Notes to the financial statements for the year ended 31 December 2025**

(continued)

#### **2 Material accounting policies** (continued)

##### **2.5 Financial assets and financial liabilities** (continued)

(ii) Classification (continued)

##### **Financial liabilities** (continued)

Financial liabilities at amortized cost

Other financial liabilities, including deposits and borrowings, are initially measured at fair value, net of transaction costs. Other financial liabilities are subsequently measured at amortized cost using the effective interest method.

The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The EIR is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

(iii) Derecognition

##### **Derecognition of financial assets**

The Branch derecognize a financial asset only when the contractual rights to the asset's cash flows expire (including expiry arising from a modification with substantially different terms), or when the financial asset and substantially all the risks and rewards of ownership of the asset are transferred to another entity. If the Branch neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Branch recognizes its retained interest in the asset and an associated liability for amounts it may have to pay. If the Branch retains substantially all the risks and rewards of ownership of a transferred financial asset, the Branch continues to recognize the financial asset and also recognizes a collateralised borrowing for the proceeds received.

In the case where the financial asset is derecognized, the loss allowance for ECL is remeasured at the date of derecognition to determine the net carrying amount of the asset at that date. The difference between this revised carrying amount and the fair value of the new financial asset with the new terms will lead to a gain or loss on derecognition. The new financial asset will have a loss allowance measured based on 12-month ECL except in the rare occasions where the new loan is considered to be originated credit impaired. This applies only in the case where the fair value of the new loan is recognized at a significant discount to its revised par amount because there remains a high risk of default which has not been reduced by the modification. The Branch monitor credit risk of modified financial assets by evaluating qualitative and quantitative information, such as if the borrower is in past due status under the new terms.

On derecognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset derecognized) and the sum of (i) the consideration received (including any new asset obtained less any new liability assumed) and (ii) any cumulative gain or loss that had been recognized in OCI is recognized in profit or loss.

## **Doha Bank (Q.P.S.C.) - United Arab Emirates (UAE) Branches**

### **Notes to the financial statements for the year ended 31 December 2025**

(continued)

#### **2 Material accounting policies (continued)**

##### **2.5 Financial assets and financial liabilities (continued)**

(iii) Derecognition (continued)

##### **Derecognition of financial liabilities**

The Branch derecognizes financial liabilities when, and only when, the branch' obligations are discharged, cancelled, or have expired. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in the income statement.

(iv) Modification of financial assets and liabilities

##### **Financial assets**

If the terms of a financial asset are modified, the Branch evaluate 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 derecognized and a new financial asset is recognized 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 amortized cost are not substantially different, then the modification does not result in derecognition of the financial asset. In this case, the Branch recalculates the gross carrying amount of the financial asset based on the revised cash flows of the financial assets and recognizes the amount arising from adjusting the gross carrying amount as a modification gain or loss in the 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 income.

##### **Financial liabilities**

The Branch derecognizes 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 recognized at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognized in the income statement.

## **Doha Bank (Q.P.S.C.) - United Arab Emirates (UAE) Branches**

### **Notes to the financial statements for the year ended 31 December 2025**

(continued)

#### **2 Material accounting policies (continued)**

##### **2.5 Financial assets and financial liabilities (continued)**

###### (v) Offsetting

Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position if, and only if, there is a legally enforceable right to set off the recognized amounts and there is an intention to settle on a net basis, or to realise the asset and settle the liability simultaneously. This is not generally the case with master netting agreements; therefore, the related assets and liabilities are presented gross in the statement of financial position.

###### (vi) Measurement principles

###### **Amortized cost measurement**

The amortized 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 recognized and the maturity amount, minus any reduction for impairment loss. Amortized 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**

For those assets and liabilities carried at fair value, the Branch measures fair value at each reporting date. 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 of a liability reflects its non-performance risk.

The fair value measurement of financial instruments 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 Branch uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

The fair value for financial instruments traded in active markets at the reporting date is based on their quoted market price in an active market for that instrument. An active market is one in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis. For all other financial instruments including instruments for which the market has become inactive, the fair value is determined by using appropriate valuation techniques. Valuation techniques include the fair value derived from recent arm's length transaction, comparison to similar instruments for which market observable prices exist, discounted cash flow method or other relevant valuation techniques commonly used by market participants. For investments in equity instruments where a reasonable estimate of fair value cannot be determined, the investment is carried at cost.

## **Doha Bank (Q.P.S.C.) - United Arab Emirates (UAE) Branches**

### **Notes to the financial statements for the year ended 31 December 2025**

(continued)

#### **2 Material accounting policies (continued)**

##### **2.5 Financial assets and financial liabilities (continued)**

(vi) Measurement principles (continued)

##### **Fair value measurement (continued)**

The fair value of a derivative financial instrument is the equivalent of the unrealised gain or loss from marking to market the derivative financial instrument, using relevant market rates.

All assets and liabilities for which fair value is measured are categorised and disclosed in the financial statements as follows:

- Level 1 - Traded in the active market based on closing bid price.
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable. Valuation is derived from recent arm's length transaction, comparison to similar instruments for which market observable prices exists.
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable. Valuation techniques include discounted cash flow method, book value method or other relevant valuation techniques commonly used by market participants.

(vii) Identification and measurement of impairment

The Branch recognizes 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.

The Branch 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.

##### **Measurement of ECL**

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

- Financial assets that are not credit-impaired at the reporting date: as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Branch expect to receive);

## **Doha Bank (Q.P.S.C.) - United Arab Emirates (UAE) Branches**

### **Notes to the financial statements for the year ended 31 December 2025**

(continued)

#### **2 Material accounting policies (continued)**

##### **2.5 Financial assets and financial liabilities (continued)**

(vii) Identification and measurement of impairment (continued)

##### **Measurement of ECL (continued)**

- Financial assets that are credit-impaired at the reporting date: as the difference between the gross carrying amount and the present value of estimated future cash flows.
- Undrawn loan commitments: as the present value of the difference between the contractual cash flows that are due to the Branch if the commitment is drawn down and the cash flows that the Branch expects to receive; and
- Financial guarantee contracts: the expected payments to reimburse the holder less any amounts that the Branch expects to recover.

The Branch also considers relevant regulatory requirements, in the context of the alignment of those requirements with IFRS, in the estimation of ECL in respect of Stage 3 exposures.

##### **Restructured 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 derecognized and ECL are measured as follows.

- If the expected restructuring will not result in derecognition of the existing asset, then the expected cash flows arising from the modified financial asset are included in calculating the cash shortfalls from the existing asset.
- If the expected restructuring will result in derecognition of the existing asset, then the expected fair value of the new asset is treated as the final cash flow from the existing financial asset at the time of its derecognition. This amount is included in calculating the cash shortfalls from the existing financial asset that are discounted from the expected date of derecognition to the reporting date using the original effective interest rate of the existing financial asset.

##### **Credit-impaired financial assets**

At each reporting date, the Branch assesses whether financial assets carried at amortized 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 Branch on terms that the Branch 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.

## **Doha Bank (Q.P.S.C.) - United Arab Emirates (UAE) Branches**

### **Notes to the financial statements for the year ended 31 December 2025**

(continued)

#### **2 Material accounting policies** (continued)

##### **2.5 Financial assets and financial liabilities** (continued)

(vii) Identification and measurement of impairment (continued)

##### **Credit-impaired financial assets** (continued)

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.

##### **2.6 Revenue recognition**

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

###### *Interest income and expense*

Interest income and expense for all interest-bearing financial instruments except at FVTPL, are presented in 'interest income' and 'interest expense' in the income statement on an accrual basis using the effective interest rates of the financial assets or financial liabilities to which they relate. Effective interest rate 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 amortized 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.

###### *Fees and commission income and expense*

Fees 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, investment management fees, sales commission, placement fees and syndication fees, are recognized 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 recognized 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 the services are received.

## **Doha Bank (Q.P.S.C.) - United Arab Emirates (UAE) Branches**

### **Notes to the financial statements for the year ended 31 December 2025**

(continued)

#### **2 Material accounting policies (continued)**

##### **2.7 Cash and cash equivalents**

Cash and cash equivalents consist of notes and coins on hand, due from banks including head office and overseas branches, and unrestricted balances with UAE Central Bank with original maturity of less than three months or less with insignificant credit risk net of due to banks including head office and overseas branches with original maturity not exceeding three months.

##### **2.8 Due from banks**

Due from banks and 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 amortized cost using the effective interest method.

The effective interest rate is the rate that exactly discounts estimated future cash flow through the expected life of the financial asset or liability.

##### **2.9 Investment securities**

The 'investment securities' include debt securities measured at FVOCI.

For debt securities measured at FVOCI, gains and losses are recognized in OCI, except for the following, which are recognized in profit or loss in the same manner as for financial assets measured at amortized 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 derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to statement of profit or loss.

##### **2.10 Property and equipment**

Property and equipment other than freehold land are stated at cost less accumulated depreciation and any accumulated impairment losses.

Subsequent expenditure is capitalised only when it is probable that the future economic benefits of the expenditure will flow to the Branch. Ongoing repairs and maintenance are expensed as incurred.

Any gain or loss on disposal of an item of property and equipment (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognized within other income in the statement of profit or loss.

# Doha Bank (Q.P.S.C.) - United Arab Emirates (UAE) Branches

## Notes to the financial statements for the year ended 31 December 2025

(continued)

### 2 Material accounting policies (continued)

#### 2.10 Property and equipment (continued)

Depreciation is provided on all property and equipment, other than freehold land, at rates calculated to write off the cost of each asset on a straight-line basis over its estimated useful lives and generally recognized in statement of profit and loss.

The assets residual values, useful lives and methods of depreciation are reviewed, and adjusted if appropriate, at each financial year end. The estimated useful lives of the assets for the calculation of depreciation are as follows:

Office equipment	5 years
Furniture and fixtures	7 years
Computer equipment	3 years
Motor vehicles	5 years
Right of use of assets	5 years

The carrying amounts of property and equipment are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the assets are written down to their recoverable amounts and the impairment loss is recognized in the statement of profit or loss.

#### 2.11 Taxation

Income tax expense comprises of current tax and deferred tax. Income tax expense is recognized in the statement of profit or loss except to the extent that it relates to items recognized directly in equity, or in statement of comprehensive income, in which case it is recognized in statement of comprehensive income.

Current tax comprises the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date by the tax laws and regulation issued by the Emirate of Dubai, and any adjustments to tax payable in respect of previous years.

Current tax assets and liabilities are offset only if certain criteria are met.

#### 2.12 Deferred tax

Deferred tax is recognized 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 recognized 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, associates and joint arrangements to the extent that the branch are able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

## **Doha Bank (Q.P.S.C.) - United Arab Emirates (UAE) Branches**

### **Notes to the financial statements for the year ended 31 December 2025** (continued)

#### **2 Material accounting policies** (continued)

##### **2.12 Deferred tax** (continued)

Deferred tax assets are recognized for unused tax losses, unused 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 used. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognize a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans of the branch.

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; such reductions are reversed when the probability of future taxable profits improves. Unrecognized deferred tax assets are reassessed at each reporting date and recognized to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the branch expect, at the reporting date, to recover or settle the carrying amount of its assets and liabilities. Deferred tax assets and liabilities are offset only if certain criteria are met.

##### **2.13 Provisions**

Provisions are recognized when the Branch has a present obligation (legal or constructive) arising from a past event, and the costs to settle the obligation are both probable and able to be reliably measured. Provisions are determined by discounting the expected future cash flows at a rate that reflects current market assessments of the time value of money and where appropriate, the risk specific to the liability.

##### **2.14 End of service benefits**

With respect to the branch' national employees, the Branch contributes to the pension scheme for UAE nationals under the UAE General Pension and Social Security law in accordance with Federal Law No. (7), 1999 for Pension and Social Security. This is a defined contribution pension plan and the branch's contributions are charged to the statement of profit or loss in the period to which they relate. In respect of this scheme, the Branch have an obligation to pay the fixed contributions as they fall due and no obligations exist to pay the future benefits.

## **Doha Bank (Q.P.S.C.) - United Arab Emirates (UAE) Branches**

### **Notes to the financial statements for the year ended 31 December 2025**

(continued)

#### **2 Material accounting policies (continued)**

##### **2.14 End of service benefits (continued)**

The Branch provides for end of services benefits to other employees based on an estimation of the amount of future benefit that employees have earned in return for their service until their retirement, subject to completion of minimum services period. The expected costs of these benefits are accrued over the period of employment and are not less than the liability arising under the UAE Labour Laws.

##### **2.15 Foreign currencies**

Foreign currency transactions are recorded at rates of exchange ruling at value dates of the transaction. All monetary assets and liabilities in foreign currencies outstanding at the year-end are translated into UAE Dirhams at rates of exchange ruling at the reporting date. The foreign currency gain or loss on monetary items is the difference between amortized cost in the functional currency at the beginning of the year, adjusted for effective interest and payments during the year, and amortized cost in foreign currency translated at the exchange rate at the end of the year. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair values are translated into UAE Dirhams using the spot exchange rate at the date the values were determined. Gains or losses on translation are included in the statement of profit or loss. Non-monetary assets and liabilities carried at cost are not re translated subsequent to their initial recognition. Any resultant gains or losses are taken to the statement of profit or loss.

##### **2.16 Contingent liability**

To meet the financial needs of customers, the Branch enter into various irrevocable commitments and contingent liabilities. These consist of financial guarantees, letters of credit and other undrawn commitments to lend. Even though these obligations may not be recognized on the statement of financial position, they do contain credit risk and are therefore part of the overall risk of the branch.

Letters of credit and guarantees (including standby letters of credit) commit the Branch to make payments on behalf of customers in the event of a specific act, generally related to the import or export of goods. Guarantees and standby letters of credit carry a similar credit risk to loans. For details, refer note 22.

##### **2.17 Use of estimates and judgements**

The Branch makes estimates and assumptions that affect the reported amounts of assets and liabilities within the next financial year and the resultant provisions and fair value. Estimates and judgments 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.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognized prospectively.

## **Doha Bank (Q.P.S.C.) - United Arab Emirates (UAE) Branches**

### **Notes to the financial statements for the year ended 31 December 2025**

(continued)

#### **2 Material accounting policies** (continued)

##### **2.17 Use of estimates and judgements** (continued)

###### (i) Income taxes/ deferred tax asset

The Branch is subject to income taxes in the Emirate of Dubai in addition to the Federal level Corporate Tax. There are certain transactions and calculations for which ultimate tax determination is uncertain during the ordinary course of business. The Branch recognizes liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

The basis used by management in determining the carrying values of loans and advances and the underlying risk therein are discussed below:

###### (ii) Financial asset 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.

###### (iii) Significant increase in credit risk

ECL are measured as an allowance equal to 12-month ECL for Stage 1 assets, or lifetime ECL for Stage 2 or Stage 3 assets. An asset moves to Stage 2 when its credit risk has increased significantly since initial recognition. IFRS 9 does not define what constitutes a significant increase in credit risk. In assessing whether the credit risk of an asset has significantly increased the Branch take into account qualitative and quantitative reasonable and supportable forward-looking information.

###### (iv) Models and assumptions used

The Branch uses various models and assumptions in measuring fair value of financial assets as well as in estimating ECLs. Judgement is applied in identifying the most appropriate model for each type of asset, as well as for determining the assumptions used in these models, including assumptions that relate to key drivers of credit risk. See note 2.5 (vii) for more details on ECL.

## **Doha Bank (Q.P.S.C.) - United Arab Emirates (UAE) Branches**

### **Notes to the financial statements for the year ended 31 December 2025**

(continued)

## **2 Material accounting policies (continued)**

### **2.17 Use of estimates and judgements (continued)**

- (v) Establishing groups of assets with similar credit risk characteristics

When ECLs are measured on a collective basis, the financial instruments are grouped on the basis of shared risk characteristics. Refer to note 2.5 (vii) for details of the characteristics considered in this judgement. The Branch monitors the appropriateness of the credit risk characteristics on an ongoing basis to assess whether they continue to be similar. This is required in order to ensure that should credit risk characteristics change there is an appropriate re-segmentation of the assets. This may result in new portfolios being created or assets moving to an existing portfolio that better reflects the similar credit risk characteristics of that Branches of assets. Re-segmentation of portfolios and movement between portfolios is more common when there is a significant increase in credit risk (or when that significant increase reverses) and so assets move from 12-month to lifetime ECLs, or vice versa, but it can also occur within portfolios that continue to be measured on the same basis of 12-month or lifetime ECLs but the amount of ECL changes because the credit risk of the portfolios differ.

### **2.18 Leases**

At inception of a contract the Branch assesses whether a contract is, or contains a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Branch use the definition of a lease in IFRS 16.

The Branch 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 Branch 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.

Rate implicit in the lease or, if that rate cannot be readily determined, the Branch's incremental borrowing rate, which is based on the weighted average rate applied in the Branch'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 income statement.

The Branch presents right-of-use assets in 'property and equipment' and lease liabilities in 'other liabilities' in the statement of financial position.

## **Doha Bank (Q.P.S.C.) - United Arab Emirates (UAE) Branches**

### **Notes to the financial statements for the year ended 31 December 2025**

(continued)

#### **2 Material accounting policies (continued)**

##### **2.19 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 recognized in the financial statements at fair value on the date that the guarantee was given, being the premium received. Subsequent to initial recognition, the Branch liabilities under such guarantees are measured at the higher of the initial measurement, less amortisation calculated to recognize 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.

##### **2.20 Derivatives**

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 statement of financial position. The Branch designates certain derivatives held for risk management as hedging instruments in qualifying hedging relationships through its Group.

##### **Derivative held for trading purposes**

The Branch derivative trading instruments include forward foreign exchange contracts. The Branch sells these derivatives to customers 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 statement of profit or loss.

##### **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 Branch 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 Branch enters into hedge relationships where the critical terms of the hedging instrument match exactly with the terms of the hedged item. The Branch 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 Branch uses the hypothetical derivative method to assess effectiveness. In

## **Doha Bank (Q.P.S.C.) - United Arab Emirates (UAE) Branches**

### **Notes to the financial statements for the year ended 31 December 2025**

(continued)

## **2 Material accounting policies (continued)**

### **2.20 Derivatives (continued)**

#### **Hedge accounting (continued)**

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 Branch 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 Branch 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.

#### *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 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 income statement as part of the recalculated effective interest rate of the item over its remaining life.

### **2.21 Impairment of non-financial assets**

The carrying amounts of the Branch 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 recognized.

## Doha Bank (Q.P.S.C.) - United Arab Emirates (UAE) Branches

### Notes to the financial statements for the year ended 31 December 2025

(continued)

#### 3 Cash and balances with Central Bank of UAE

	2025 AED '000	2024 AED '000
Cash on hand	9,690	5,667
Balances with the Central Bank of UAE		
- Current accounts	69	12,505
- Statutory cash reserve	43,434	56,369
- Placement with CBUAE	1,027,005	1,090,000
	<u>1,080,198</u>	<u>1,164,541</u>

Cash and balances with Central Bank of UAE are classified under stage 1 as per IFRS 9. Impairment on cash and balances with Central Bank of UAE has been measured on 12-month expected loss basis and reflects the short maturities of exposures. The Branch considers that these balances have low credit risk based on external credit ratings of the counterparties. Accordingly, the resulted ECL would be immaterial hence not recorded. For the year ended 31 December 2025, the interest range on the placement with CBUAE ranges between 3.65% to 4.40% (2024: 4.40% to 5.40%).

#### 4 Related party transactions

##### *Related party*

A party is considered to be related to the Branch if:

- The party, directly or indirectly through one or more intermediaries,
  - controls, is controlled by, or is under common control with, the Branch;
  - has an interest in the Branch that gives it significant influence over the Branch; or
  - has joint control over the Branch;
- The party is an associate.
- The party is a jointly controlled entity.
- The party is a member of the key management personnel of the Branch.
- The party is a close member of the family of key management personnel.
- The party is an entity that is controlled, jointly controlled, or significantly influenced by or for which significant voting power in such entity resides with, directly or indirectly, any key management personnel.
- The party is a post-employment benefit plan for the benefit of the employees of the Branch, or of any entity that is a related party of the Branch.

## Doha Bank (Q.P.S.C.) - United Arab Emirates (UAE) Branches

### Notes to the financial statements for the year ended 31 December 2025

(continued)

#### 4 Related party transactions (continued)

Related parties represent the Head Office and its branches, directors and key management personnel of the Head Office and its branches, and entities controlled, jointly controlled, or significantly influenced by such parties. The terms of these transactions are approved by the Head Office management.

The Branch maintains current accounts with the Head Office in Doha and other branches abroad and conducts banking transactions with them as part of its normal activities on terms approved by the head office management.

	2025 AED '000	2024 AED '000
<i>Due from Head Office and overseas branches:</i>		
Due within three months	<u>29,562</u>	<u>94,509</u>
<i>Due to Head Office and overseas branches:</i>		
Due within three months	<u>47,092</u>	<u>50,488</u>

No expected credit loss on due from Head Office and its branches as credit risk is very low.

Related party transactions, which arise in the ordinary course of business, included in the statement of profit or loss are as follows:

	2025 AED '000	2024 AED '000
<i>Transactions with Head Office and its branches</i>		
Interest income (Note 15)	2,029	5,569
Interest expense (Note 16)	721	12,034
Head Office charges (Note 19) *	3,000	5,000

\* Head Office charges are set based on the services provided by the respective functions.

Compensation of key management personnel is as follows:

	2025 AED '000	2024 AED '000
Salaries and other benefits	1,348	1,012
End of service benefits	<u>50</u>	<u>34</u>
	<u>1,398</u>	<u>1,046</u>

Loans and advances to Board of Directors of the Head Office granted on 16 November 2015 amounting to 2025 Nil (2024: AED 4,285 thousand) has an interest rate of 3.25% and pre-settled on 4 March 2025.

## Doha Bank (Q.P.S.C.) - United Arab Emirates (UAE) Branches

### Notes to the financial statements for the year ended 31 December 2025

(continued)

#### 5 Loans and advances

The composition of the loans and advances portfolio is as follows:

(a) *By type*

	2025 AED '000	2024 AED '000
Term loans	865,847	794,300
Overdrafts	25,501	8,648
Bills discounting	6,105	374,466
	<u>897,453</u>	<u>1,177,414</u>
<b>Less:</b>		
Expected credit losses (ECL) allowance on stage 1 and 2	(16,430)	(9,948)
Allowance for impairment of loans and advances on stage 3	(45,644)	(80,787)
	<u>(62,074)</u>	<u>(90,735)</u>
	<u>835,379</u>	<u>1,086,679</u>

An analysis of change in ECL allowances is as follows:

	Stage 1 AED '000	Stage 2 AED '000	Stage 3 AED '000	Total AED '000
ECL allowance at 1 January 2025	9,826	122	80,788	90,736
Net impairment charge / (reversal)	(6,847)	13,329	39,417	45,899
Interest in suspense	-	-	18,740	18,740
Recoveries	-	-	(54)	(54)
Amounts written off	-	-	(93,246)	(93,246)
<b>As at 31 December 2025</b>	<u>2,979</u>	<u>13,451</u>	<u>45,644</u>	<u>62,074</u>
	Stage 1 AED '000	Stage 2 AED '000	Stage 3 AED '000	Total AED '000
ECL allowance at 1 January 2024	1,648	16,774	23,241	41,663
Net impairment charge / (reversal)	8,178	(16,652)	45,140	36,666
Interest in suspense	-	-	12,446	12,446
Recoveries	-	-	(40)	(40)
Amounts written off	-	-	-	-
<b>As at 31 December 2024</b>	<u>9,826</u>	<u>122</u>	<u>80,787</u>	<u>90,735</u>

## Doha Bank (Q.P.S.C.) - United Arab Emirates (UAE) Branches

### Notes to the financial statements for the year ended 31 December 2025

(continued)

#### 5 Loans and advances (continued)

(a) *By type* (continued)

	2025 AED '000	2024 AED '000
<i>(a) Impairment allowance on loans and advances, net</i>		
Net impairment charge for the year	45,899	36,666
Recoveries during the year	(54)	(40)
Charges associated with Loans settlements	416	-
	<u>46,261</u>	<u>36,626</u>

(b) *By sector*

	2025 AED '000	2024 AED '000
Corporate lending	892,142	1,166,765
Retail lending	5,311	10,649
	<u>897,453</u>	<u>1,177,414</u>

(c) *By economic segment*

	2025 AED '000	2024 AED '000
Wholesale and retail trade	7,119	170,736
Services	624,288	583,166
Construction	138,132	134,092
Personal loans	5,311	10,649
Manufacturing	13,741	131,391
Government	108,862	147,380
	<u>897,453</u>	<u>1,177,414</u>

(d) *By geographic area*

	2025 AED '000	2024 AED '000
Within UAE	453,757	557,834
Outside UAE	443,696	619,580
	<u>897,453</u>	<u>1,177,414</u>

## Doha Bank (Q.P.S.C.) - United Arab Emirates (UAE) Branches

### Notes to the financial statements for the year ended 31 December 2025

(continued)

#### 5 Loans and advances (continued)

(e) *By currency*

	2025 AED '000	2024 AED '000
UAE Dirhams	258,358	352,338
US Dollars	620,350	812,278
Euro	18,745	12,798
	<u>897,453</u>	<u>1,177,414</u>

Set out below are the gross loans and advances by past due and non-past due balances:

	2025 AED '000	2024 AED '000
Impaired	66,784	143,829
Past due but not impaired	32,729	53,677
Neither past due nor impaired	797,940	979,908
	<u>897,453</u>	<u>1,177,414</u>

#### 6 Investment securities

The analysis of investment securities (Bonds) measured at FVOCI is detailed below:

	2025 AED '000	2024 AED '000
Investment securities	371,727	345,611
Impairment allowance	(51)	(49)
	<u>371,676</u>	<u>345,562</u>

	2025 AED '000	2024 AED '000
Opening balance as at 1 January	345,562	295,013
Purchases during the year	7,916	73,840
Disposals during the year	-	(7,376)
Changes in fair value	18,200	(15,924)
Movement in impairment (reversal)/charge	(2)	9
Closing balance as at 31 December	<u>371,676</u>	<u>345,562</u>

	2025 AED '000	2024 AED '000
By geographic area		
Within UAE	346,643	328,939
Outside UAE	25,033	16,623
	<u>371,676</u>	<u>345,562</u>

## Doha Bank (Q.P.S.C.) - United Arab Emirates (UAE) Branches

### Notes to the financial statements for the year ended 31 December 2025

(continued)

#### 6 Investment securities (continued)

##### (a) Fair value reserve

The reserve comprises of fair value changes recognized on fair value through other comprehensive income (FVOCI):

	2025 AED '000	2024 AED '000
Balance at 1 January	(29,492)	(28,486)
Impact of bonds revaluation	18,200	(15,924)
Impact of interest rate swap revaluation	(6,097)	14,909
ECL on investment at fair value through OCI	(2)	9
Balance at 31 December	<u>(17,391)</u>	<u>(29,492)</u>

The fair value reserve as of 31 December 2025 contains an ECL amount of AED 51 thousand (2024: AED 49 thousand), which consists of AED 51 thousand of Stage 1 ECL (2024: AED 49 thousand).

##### (b) Below table sets out the credit quality of investment securities

	2025 AED '000	2024 AED '000
Investment grade - Aaa to Baa3	<u>371,676</u>	<u>345,562</u>

#### 7 Taxation

On 9 December 2022, UAE Ministry of Finance (MoF) released Federal Decree Law No. (47) of 2022 on the Taxation of Corporations and Businesses, Corporate Tax Law (CT Law) to enact a new CT regime in the UAE. The new CT regime became effective for accounting periods beginning on or after 1 June 2023. As the Bank's accounting year ends on 31 December, the first tax period was the period from 1 January 2024 to 31 December 2024, with the respective tax return to be filed on or before 30 September 2025. The taxable income of the entities that are in scope for UAE CT purposes will be subject to the rate of 9% on taxable profits above AED 375,000.

## Doha Bank (Q.P.S.C.) - United Arab Emirates (UAE) Branches

### Notes to the financial statements for the year ended 31 December 2025

(continued)

#### 7 Taxation (continued)

	2025 AED '000	2024 AED '000
<b>Federal Corporate Tax</b>		
Profit before tax	68,385	39,301
Federal Corporate Tax Liability at Rate of 9% on profit above AED 375,000 (a)	6,131	3,504
Pillar Two Tax Charge of UAE branch (b)	4,213	-
Total tax expenses (c=a+b)	<u>10,344</u>	<u>3,504</u>
<b>Dubai Emirate Tax</b>		
Profit before tax	68,385	39,301
Less: Deductions under Dubai Law No. (1) of 2024	(116,412)	(17,578)
Add: Additions / Disallowance under Dubai Law No. (1) of 2024	85,097	74,039
Taxable Income	37,070	95,762
Tax losses carried forward	-	(95,762)
Adjustable Taxable income	37,070	-
Emirate Tax liability at rate of 20% (d)	7,417	-
Net payable for Dubai Emirate tax (d-c)	<u>-</u>	<u>-</u>

On 4 December 2024, the General Director of the Department of Finance, Dubai, issued Administrative Resolution No. 107 of 2024 (the "Resolution"), providing guidance on the implementation of Law No. (1) of 2024 with respect to the Tax on Foreign Banks Operating in the Emirate of Dubai, United Arab Emirates (UAE) (the "new Emirate Law"). And became effective on 9 December 2024. An annual tax rate of 20% is imposed on foreign banks on their taxable income. However, if the foreign bank pays corporate tax in accordance with UAE CT Law, the amount of corporate tax paid shall be granted as a deduction from its total tax liability. In case the foreign bank is subject to tax at a rate of 20%, the tax credit for UAE corporate tax may be provided as a deduction from the tax rate (i.e. 20% less 9%).

The effective tax rate for income tax is 15.13 % (2024: 8.90%) in line with UAE corporate tax regulations.

These tax losses are not available to be utilised against the UAE corporate income tax as they were incurred prior to the UAE corporate income tax regime being effective.

The UAE has implemented OECD Pillar II rules, including DMTT, effective 1 January 2025. In view of the evolving guidance, the Branch has recognised a provision in 2025 reflecting its current best estimate of potential exposure, subject to further clarification and Head office-level alignment.

## Doha Bank (Q.P.S.C.) - United Arab Emirates (UAE) Branches

### Notes to the financial statements for the year ended 31 December 2025

(continued)

#### 7 Taxation (continued)

Movements in the income tax payable during the year are as follows:

	2025 AED '000	2024 AED '000
Balance at 1 January	3,504	-
Provided during the year	10,344	3,504
Income tax paid	<u>(3,504)</u>	<u>-</u>
Balance at 31 December	<u>10,344</u>	<u>3,504</u>

Movements in the deferred tax asset during the year are as follows:

	2025 AED '000	2024 AED '000
Balance at 1 January	857	857
Reversal of DTA due to write-off impaired loans and advances		
Balance at 31 December	<u>857</u>	<u>857</u>

During the year ended 31 December 2025 and 31 December 2024, there are no temporary differences in the tax computation which would result to record movement in deferred tax asset.

#### 8 Other assets

	2025 AED '000	2024 AED '000
Positive fair value of interest rate swap	9,205	11,505
Accrued interest receivable	5,026	4,903
Advance payments	567	555
Positive fair value of forward foreign exchange contracts	(387)	404
Others	<u>5,760</u>	<u>2,733</u>
	<u>20,171</u>	<u>20,100</u>

**Doha Bank (Q.P.S.C.) - United Arab Emirates (UAE) Branches**

**Notes to the financial statements for the year ended 31 December 2025 (continued)**

**9 Property and equipment**

	Office equipment AED '000	Furniture and fixtures AED '000	Computer equipment AED '000	Motor vehicles AED '000	Right of use assets AED '000	Total AED '000
<b>Cost</b>						
At 1 January 2025	787	6,816	7,396	292	22,493	37,784
Additions	4	-	147	-	-	151
<b>At 31 December 2025</b>	<b>791</b>	<b>6,816</b>	<b>7,543</b>	<b>292</b>	<b>22,493</b>	<b>37,935</b>
<b>Depreciation:</b>						
At 1 January 2025	760	6,787	7,370	292	13,837	29,046
Charge for the year	10	13	31	-	1,581	1,635
<b>At 31 December 2025</b>	<b>770</b>	<b>6,800</b>	<b>7,401</b>	<b>292</b>	<b>15,418</b>	<b>30,681</b>
Net book value						
<b>At 31 December 2025</b>	<b>21</b>	<b>16</b>	<b>142</b>	<b>-</b>	<b>7,075</b>	<b>7,254</b>

**Doha Bank (Q.P.S.C.) - United Arab Emirates (UAE) Branches**

**Notes to the financial statements for the year ended 31 December 2025 (continued)**

**9 Property and equipment (continued)**

	Office equipment AED '000	Furniture and fixtures AED '000	Computer equipment AED '000	Motor vehicles AED '000	Right of use assets AED '000	Total AED '000
Cost						
At 1 January 2024	856	15,609	9,483	292	23,831	50,071
Additions	14	11	5	-	55	85
Disposals	(83)	(8,804)	(2,092)	-	(1,393)	(12,372)
At 31 December 2024	787	6,816	7,396	292	22,493	37,784
Depreciation:						
At 1 January 2024	834	15,575	9,446	292	12,311	38,458
Charge for the year	9	16	16	-	1,526	1,567
Disposals	(83)	(8,804)	(2,092)	-	-	(10,979)
At 31 December 2024	760	6,787	7,370	292	13,837	29,046
Net book value						
At 31 December 2024	27	29	26	-	8,656	8,738

## Doha Bank (Q.P.S.C.) - United Arab Emirates (UAE) Branches

### Notes to the financial statements for the year ended 31 December 2025

(continued)

#### 10 Due from banks / due to banks and other financial institutions

	2025 AED '000	2024 AED '000
<i>Due from banks</i>		
Placement with banks	245,996	908,978
Current account	68,601	24,218
Less: expected credit loss	(9)	(81)
	<u>314,588</u>	<u>933,115</u>

	2025 AED '000	2024 AED '000
<i>Due to banks</i>		
Time deposits	<u>55,095</u>	<u>679,505</u>
	<u>55,095</u>	<u>679,505</u>

#### 11 Customers' deposits

	2025 AED '000	2024 AED '000
<i>By type</i>		
Current accounts	128,460	89,261
Call accounts	3,706	18,624
Saving accounts	35,126	28,502
Term deposits	1,981,191	2,371,619
Margin deposits	7,883	9,608
	<u>2,156,366</u>	<u>2,517,614</u>

	2025 AED '000	2024 AED '000
<i>By sector</i>		
Corporate	2,073,059	2,389,343
Retail	83,307	128,271
	<u>2,156,366</u>	<u>2,517,614</u>

	2025 AED '000	2024 AED '000
<i>By currency</i>		
UAE Dirham	1,550,691	1,435,124
US Dollar	518,975	957,097
Others	86,700	125,393
	<u>2,156,366</u>	<u>2,517,614</u>

## Doha Bank (Q.P.S.C.) - United Arab Emirates (UAE) Branches

### Notes to the financial statements for the year ended 31 December 2025

(continued)

#### 11 Customers' deposits (continued)

Time/call deposits under lien as security for loans and advances (funded and unfunded) as at 31 December 2025 amounted to AED 54,684 (2024: AED 83,926). The interest rate on the deposits averaged 4.52 % in 2025 (2024: 4.77%) per annum.

#### 12 Other liabilities

	2025 AED '000	2024 AED '000
Allowance for impairment for loan commitments and financial guarantee (Note 25.a)	18,135	61,482
Interest payable	8,991	44,350
Lease liability (Note 12.1)	7,628	9,038
Negative fair value of derivatives	8,414	5,784
Staff related and other provisions	3,159	3,943
Provision for taxation (Note 7)	10,344	3,504
Accounts payable	1,129	2,192
Unearned commission	1	1,058
Others	4,154	6,108
	<u>61,955</u>	<u>137,459</u>

Staff related and other provision includes employees' end of service benefits and pension and national insurance.

##### 12.1 Lease liability

	2025 AED '000	2024 AED '000
At 1 January	9,038	11,781
Finance charge for the year	394	474
Payment made during the year	(1,804)	(1,824)
Write-off	-	(1,393)
Closing at 31 December	<u>7,628</u>	<u>9,038</u>

During the year ended 31 December 2025, the incremental borrowing rate used for calculation of lease liabilities is 5.7% (2024: 5.7%).

#### 13 Allocated capital

The assigned capital of the Branch from the Head Office as of 31 December 2025 is AED 1,150 million (2024: AED 1,150 million).

## Doha Bank (Q.P.S.C.) - United Arab Emirates (UAE) Branches

### Notes to the financial statements for the year ended 31 December 2025

(continued)

#### 14 Statutory reserve

As required by the UAE Federal Decree-Law No. (6) of 2025, as amended, 10% of the profit for the year is to be transferred to a statutory reserve. As such, transfers may be discontinued when the reserve equals 50% of the allocated capital. During the year the Branch generated profit of AED 58,041 (2024: profit of AED 35,797 thousand), therefore AED 5,804 thousand is transferred to the reserve (2024: 3,579 thousand). This reserve is not available for distribution, except under the circumstances stipulated by the Law.

#### 15 Interest income

	2025 AED '000	2024 AED '000
Loans and advances	100,091	165,346
Investment securities	15,819	14,186
Money market deposits	54,025	47,695
Head Office (note 4)	2,029	5,387
	<u>171,964</u>	<u>232,614</u>

#### 16 Interest expense

	2025 AED '000	2024 AED '000
Customers' deposits	94,801	108,250
Head Office (note 4)	721	12,034
Money market deposits	14,199	37,054
Finance cost (Note 12.1)	394	474
	<u>110,115</u>	<u>157,812</u>

#### 17 Net fees and commission income

	2025 AED '000	2024 AED '000
Advising charges	2,705	7,833
Commission income on letter of guarantee	5,004	463
Commission income on letters of credit	25	9
Management fees – loans	330	811
Others	5,952	5,638
	<u>14,016</u>	<u>14,754</u>

## Doha Bank (Q.P.S.C.) - United Arab Emirates (UAE) Branches

### Notes to the financial statements for the year ended 31 December 2025

(continued)

#### 18 Other income

	2025 AED '000	2024 AED '000
Recoveries of bad debts early written off	10,324	5,976
Derivative income	6,973	9,661
Foreign exchange gains	928	2,017
Others	382	526
	<u>18,607</u>	<u>18,180</u>

#### 19 Other operating expenses

	2025 AED '000	2024 AED '000
Legal and professional	3,888	7,595
Head Office charges (note 4)	3,000	5,000
Communication, and utilities and insurance	1,454	1,357
Others*	3,399	1,863
	<u>11,741</u>	<u>15,815</u>

The audit fee for the year ended 31 December 2025 is AED 289 thousand (2024: AED 285 thousand).

#### 20 Cash and cash equivalents

Cash and cash equivalents for the purpose of Statement of cash flows with original maturity less than three months, comprise the following:

	2025 AED '000	2024 AED '000 Restated
Cash and bank balances	9,690	5,667
Balances with Central Bank - current account	69	12,506
Due from Head Office and overseas branches	29,562	94,509
Statutory cash reserve with Central Bank of UAE	43,434	56,369
Due from banks and other financial institutions	259,502	676,086
Placement with CBUAE	1,027,005	1,090,000
	<u>1,369,262</u>	<u>1,935,137</u>
Less: Due to Head Office and overseas branches	(47,092)	(50,488)
Less: Due to banks and other financial institutions	(55,095)	-
Cash and cash equivalents	<u>1,267,075</u>	<u>1,884,649</u>

Cash and cash equivalents comprise cash on hand, central bank current account, due from banks and financial institutions, due from Head Office and branches abroad, certificate of deposits and other short-term liquid investments that are readily convertible to a known amount of cash which are subject to an insignificant risk of changes in value and have an original maturity of not more than 3 months less due to banks and due to Head Office and overseas branches which have a maturity of not more than 3 months. Refer to note 28.b for the details on restatement.

## Doha Bank (Q.P.S.C.) - United Arab Emirates (UAE) Branches

### Notes to the financial statements for the year ended 31 December 2025

(continued)

#### 21 Concentration of assets, liability, head office equity and off-balance sheet items

##### Geographic regions

	Assets AED '000	Liabilities & H.O equity AED '000	Off Balance sheet items AED '000
<b>2025</b>			
U.A.E	1,924,560	1,934,742	79,567
Other G.C.C countries	465,343	663,999	2,193
Rest of the world	269,782	60,944	203,192
Total	<u>2,659,685</u>	<u>2,659,685</u>	<u>284,952</u>

	Assets AED '000	Liabilities & H.O equity AED '000	Off Balance sheet items AED '000
<b>2024</b>			
U.A.E	2,313,939	2,664,596	152,276
Other G.C.C countries	583,000	277,909	2,243
Rest of the world	830,622	785,056	303,177
Total	<u>3,727,561</u>	<u>3,727,561</u>	<u>457,696</u>

#### 22 Commitments and contingent liabilities

The Branch's contractual amounts in respect of letters of credit, letters of guarantees and acceptances commit the Branch to make specified payments on behalf of customers and contingent upon the customer satisfying the terms of the contract. The contractual amounts represent the credit risks, assuming that the amounts are fully advanced guarantees are called for full amount following performance failure, and that any collateral or other security is of no value. However, the total contractual amount of commitments to extend credit does not necessarily represent future cash requirements as many of these commitments may expire or terminate without being funded.

The total outstanding contingent liabilities and commitments were as follows:

	2025 AED '000	2024 AED '000
Letters of guarantees	283,427	403,213
Letters of credit	1,375	53,195
Bills for collection	150	1,288
	<u>284,952</u>	<u>457,696</u>
<b>Other commitments (Note 23)</b>		
Forward foreign exchange contracts	674,264	99,183
Interest rate swap contracts	315,101	315,143
	<u>989,365</u>	<u>414,326</u>

## **Doha Bank (Q.P.S.C.) - United Arab Emirates (UAE) Branches**

### **Notes to the financial statements for the year ended 31 December 2025**

(continued)

#### **22 Commitments and contingent liabilities (continued)**

##### **Unused facilities**

Commitments to extend credit represent contractual commitments to make loans and revolving credits. Commitments generally have fixed expiry dates, or other termination clauses. Since commitments may expire without being drawn upon, the total contract amounts do not necessarily represent future cash requirements.

However, the potential credit loss is less than the total unused commitments since most commitments to extend credit are contingent upon customers maintaining specific standards. The Branch monitors the term to maturity of credit commitments because longer-term commitments generally have a greater degree of credit risk than shorter-term commitments.

##### **Contingent liability arising from litigations**

Where appropriate, the Branch recognizes a provision for liabilities when it is probable that an outflow of economic resources embodying economic benefits will be required and for which a reliable estimate can be made of the obligation. The Branch seeks to comply with all applicable laws and regulations but may be subject to regulatory actions and investigations from time to time, the outcome of which are generally difficult to predict and can be material. As at 31 December 2025, the Branch does not have contingent liability arising from litigation (2024: Nil).

#### **23 Derivative financial instruments**

In the normal course of its business, the Branch utilise derivative financial instruments to manage its exposure to fluctuations in interest and foreign exchange rates. Derivative financial instruments used include current forwards, futures, and options. During the year, the Branch only entered into forward foreign exchange contracts. Derivative transactions result, to varying degrees, in credit as well as market risks.

The Branch' measures of derivative related credit risk is the cost of replacing contracts at current market rates should the counterparty defaults on or prior to the settlement date and is limited to the positive fair value of instruments that are favourable to the Branch.

Market risk arises as interest and foreign exchange rates fluctuate affecting the value of a contract. For risk management purposes and to control these activities, the Branch has established appropriate procedures and limits approved by the Head Office.

The table below shows the fair values of derivative financial instruments, recorded as assets or liabilities, together with their contractual amounts. The contractual amount, recorded gross, is the amount of a derivative's underlying asset, reference rate or index and is the basis upon which changes in the value of derivatives are measured. The contractual amounts indicate the volume of transactions outstanding at the year end and are neither indicative of the market risk nor the credit risk.

## Doha Bank (Q.P.S.C.) - United Arab Emirates (UAE) Branches

### Notes to the financial statements for the year ended 31 December 2025

(continued)

#### 23 Derivative financial instruments (continued)

	2025			Maturity		
	Positive fair value AED '000	Negative fair value AED '000	Notional amounts AED '000	Less than 1 year AED '000	1 year to 5 years AED '000	More than 5 Years AED '000
<i>Derivatives</i>						
Interest rate Swap	9,205	(8,414)	315,101	-	-	315,101
Forward foreign exchange contracts	15	(402)	674,264	674,264	-	-

	2024			Maturity		
	Positive fair value AED '000	Negative fair value AED '000	Notional amounts AED '000	Less than 1 year AED '000	1 year to 5 years AED '000	More than 5 Years AED '000
<i>Derivatives</i>						
Interest rate Swap	11,505	(5,784)	315,143	-	-	315,143
Forward foreign exchange contracts	-	(404)	99,183	99,183	-	-

Forward foreign exchange contracts are contractual agreements to buy, sell or exchange a specified financial instrument at a specific price and date in the future. Forwards are customised contracts transacted in the over-the-counter market and are settled on a gross basis.

#### 24 Fair values of financial instruments

Derivative financial instruments and investment in bonds are measured on a fair value basis. Derivatives are categorized within level 2 of fair value hierarchy and the fair value of financial instruments (investment in bonds) measured at fair value through other comprehensive incomes are categorized as Level 1 in the fair value hierarchy.

Other financial assets and liabilities are stated at amortized cost. These include balances with Central Bank of UAE, acceptances, due from Head office and overseas branches, due from bank and other financial institutions, loans and advances, other assets (excluding derivative assets), due to head office and overseas branches, due to banks and financial institutions, customer deposits and other liabilities (excluding derivative liabilities). The fair values of these financial assets and liabilities are not materially different from their respective carrying values at 31 December 2025 since assets and liabilities are either short-term in nature or in the case of loans and advances and deposits, frequently re-priced.

#### 25 Risk management

The strategy of the Branch is to maintain a strong risk management culture and manage the risk/reward relationship within and across each of the Branch's major risk-based lines of business.

## **Doha Bank (Q.P.S.C.) - United Arab Emirates (UAE) Branches**

### **Notes to the financial statements for the year ended 31 December 2025**

(continued)

#### **25 Risk management (continued)**

The following sections describe the several risks inherent in the banking process, their nature and how they are managed.

##### **a. Credit risk**

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Branch manages credit risk by setting limits for individual borrowers and Branches of borrowers and for geographical and industry segments. The Branch also monitors credit exposures, and continually assesses the creditworthiness of counterparties. In addition, the Branch obtains security where appropriate; enters into master netting arrangements and collateral arrangements with counterparties and limits the duration of exposures.

The maximum exposure to credit risk, as at the reporting date, is represented by the carrying amount of each financial asset in the statement of financial position.

For details of the composition of the loans and advances portfolio refer to Note 5.

Concentrations of credit risk arise when a number of counterparties are engaged in similar business activities, or activities in the same geographic region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political, or other conditions. Concentrations of credit risk indicate the relative sensitivity of the Branch's performance to developments affecting a particular industry or geographic location.

The Head Office has an internal committee which is composed of competent professional staff responsible for the study and evaluation of the existing credit facilities of each customer of the Bank. This committee is required to identify any abnormal situations and difficulties associated with a customer's position, which might cause the debt to be classified as irregular, and to determine an appropriate provisioning level.

##### **Derivative financial instruments**

Credit risk in respect of derivative financial instruments is limited to those with positive fair values, as recorded in the statement of financial position.

##### **Maximum exposure and credit quality of financial instruments**

The Branch's balances with Central Bank of UAE, due from Head office, due from banks and other financial institution and other receivables are neither past due nor impaired. The credit risk exposures relating to contingencies amounts to AED 284,952 (2024: AED 457,696)- refer note 22.

##### **Inputs, assumptions, and techniques used for estimating impairment**

The IFRS 9 model was developed at the Head Office level and decision related to significant assumptions and techniques used for estimating impairment are carried out at the Head Office level with support from the Branch for relevant inputs.

## **Doha Bank (Q.P.S.C.) - United Arab Emirates (UAE) Branches**

### **Notes to the financial statements for the year ended 31 December 2025**

(continued)

#### **25 Risk management (continued)**

##### **a. Credit risk (continued)**

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

###### *Significant increase in credit risk*

When determining whether the risk of default on a financial instrument has increased significantly since initial recognition, the Branch 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 Branch 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.

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
- (iii) Facilities overdue by 60 and 30 days as at the reporting date for corporate and retail loans respectively.

###### *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 Branch 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 Branch has exposures.

## **Doha Bank (Q.P.S.C.) - United Arab Emirates (UAE) Branches**

### **Notes to the financial statements for the year ended 31 December 2025**

(continued)

#### **25 Risk management** (continued)

##### **a. Credit risk** (continued)

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

##### *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 derecognized and the renegotiated loan recognized as a new loan at fair value. Where possible, the Branch 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.

The accounts which are restructured due to credit reasons in past 12 months are classified under Stage 2 based on cooling-off period.

##### *Definition of default*

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

- the borrower is unlikely to pay its credit obligations to the Branch in full, without recourse by the Branch 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 branch; or
- the borrower is rated 9 or 10.

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

- quantitative – e.g. overdue status and non-payment on another obligation of the same issuer to the Branch; 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 Branch for regulatory capital purposes.

##### *Incorporation of forward-looking information*

Incorporating forward looking information increases the level of judgement as to how changes in these macroeconomic factors will affect the expected credit loss (ECL) applicable to the stage 1 and stage 2 exposures which are considered as performing. The methodologies and assumptions involved, including any forecasts of future economic conditions, are reviewed periodically.

## **Doha Bank (Q.P.S.C.) - United Arab Emirates (UAE) Branches**

### **Notes to the financial statements for the year ended 31 December 2025**

(continued)

#### **25 Risk management (continued)**

##### **a. Credit risk (continued)**

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

###### *Incorporation of forward-looking information (continued)*

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 Branch 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.

In addition to the base economic scenario, the branch’ 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 31 December 2025 and 31 December 2024, for all portfolios the Branch 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 account of the range of possible outcomes each chosen scenario is representative of. 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 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 Branch 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 Branch 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.

## **Doha Bank (Q.P.S.C.) - United Arab Emirates (UAE) Branches**

### **Notes to the financial statements for the year ended 31 December 2025**

(continued)

#### **25 Risk management (continued)**

##### **a. Credit risk (continued)**

##### **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

###### *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 Branch estimates LGD parameters based on the history of recovery rates of claims against defaulted counterparties. The LGD estimates consider the forecasted collateral value and recovery costs of any collateral that is integral to the financial asset.

EAD represents the expected exposure in the event of a default. The Branch derives the EAD from the current exposure to the counterparty and potential changes to the current amount allowed under the contract and arising from amortization. The EAD of a financial asset is its gross carrying amount at the time of default. For lending commitments, the EADs are potential future amounts that may be drawn under the contract, which are estimated based on historical observations and forward-looking forecasts. For financial guarantees, the EAD represents the amount of the guaranteed exposure when the financial guarantee becomes payable. EAD is determined by the exposure at reporting date.

##### **Loss allowance**

The following tables show reconciliations from the opening to the closing balance of the loss allowance by class of financial instruments.

## Doha Bank (Q.P.S.C.) - United Arab Emirates (UAE) Branches

### Notes to the financial statements for the year ended 31 December 2025

(continued)

#### 25 Risk management (continued)

##### a. Credit risk (continued)

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

##### Loss allowance (continued)

	Stage 1 AED '000	Stage 2 AED '000	Stage 3 AED '000	Total AED '000
<b>Exposures subject to ECL – as at 31 December 2025</b>				
Loans and advances to customers	802,697	27,973	66,783	897,453
Investment securities (debt)	371,727	-	-	371,727
Loan commitments and financial guarantees	240,196	11,912	32,844	284,952
Due from banks and balances with Central Bank	1,414,667	-	-	1,414,667
	<u>2,829,287</u>	<u>39,885</u>	<u>99,627</u>	<u>2,968,799</u>
<b>Opening balance of impairment – as at 1 January 2025</b>				
Loans and advances to customers	9,826	122	80,787	90,735
Investment securities (debt)	49	-	-	49
Loan commitments and financial guarantees	67	5,394	56,020	61,481
Due from banks and balances with Central Bank	81	-	-	81
	<u>10,023</u>	<u>5,516</u>	<u>136,807</u>	<u>152,346</u>
<b>Charge and net transfer between stages for the year (net of foreign exchange translation)</b>				
Loans and advances to customers	(6,847)	13,329	39,417	45,899
Investment securities (debt)	2	-	-	2
Loan commitments and financial guarantees	(30)	(5,391)	(25)	(5,446)
Due from banks and balances with Central Bank	(72)	-	-	(72)
Recoveries during the year	-	-	(54)	(54)
	<u>-6,947</u>	<u>7,938</u>	<u>39,338</u>	<u>40,329</u>
<b>Other adjustments</b>				
Loans and advances to customers - Write off	-	-	(93,246)	(93,246)
Loans and advances to customers - Interest in suspense	-	-	18,740	18,740
Investment securities (debt)	-	-	-	-
Loan commitments and financial guarantees	-	-	(37,900)	(37,900)
Due from banks and balances with Central Bank	-	-	-	-
	<u>-</u>	<u>-</u>	<u>(112,406)</u>	<u>(112,406)</u>
<b>Closing balance of impairment as at 31 December 2025</b>				
Loans and advances to customers	2,979	13,451	45,644	62,074
Investment securities (debt)	51	-	-	51
Loan commitments and financial guarantees	37	3	18,095	18,135
Due from banks and balances with Central Bank	9	-	-	9
	<u>3,076</u>	<u>13,454</u>	<u>63,739</u>	<u>80,269</u>

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## Doha Bank (Q.P.S.C.) - United Arab Emirates (UAE) Branches

### Notes to the financial statements for the year ended 31 December 2025

(continued)

#### 25 Risk management (continued)

##### a. Credit risk (continued)

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

##### Loss allowance (continued)

	Stage 1 AED '000	Stage 2 AED '000	Stage 3 AED '000	Total AED '000
Exposures subject to ECL – as at 31 December 2024				
Loans and advances to customers	980,581	53,019	143,814	1,177,414
Investment securities (debt)	345,562	-	-	345,562
Loan commitments and financial guarantees	363,430	22,219	72,047	457,696
Due from banks and balances with Central Bank	2,186,580	-	-	2,186,580
	<u>3,876,153</u>	<u>75,238</u>	<u>215,861</u>	<u>4,167,252</u>
Opening balance of impairment – as at 1 January 2024				
Loans and advances to customers	1,648	16,774	23,241	41,663
Investment securities (debt)	40	-	-	40
Loan commitments and financial guarantees	134	55	56,020	56,209
Due from banks and balances with Central Bank	-	143	-	143
	<u>1,822</u>	<u>16,972</u>	<u>79,261</u>	<u>98,055</u>
Charge and net transfer between stages for the year (net of foreign exchange translation)				
Loans and advances to customers	8,178	(16,652)	45,140	36,666
Investment securities (debt)	9	-	-	9
Loan commitments and financial guarantees	(67)	5,339	-	5,272
Due from banks and balances with Central Bank	81	(143)	-	(62)
Recoveries during the year	-	-	(40)	(40)
	<u>8,201</u>	<u>(11,456)</u>	<u>45,100</u>	<u>41,845</u>
Other adjustments				
Loans and advances to customers - Write off	-	-	-	-
Loans and advances to customers - Interest suspense	-	-	12,446	12,446
Investment securities (debt)	-	-	-	-
Loan commitments and financial guarantees	-	-	-	-
Due from banks and balances with Central Bank	-	-	-	-
	<u>-</u>	<u>-</u>	<u>12,446</u>	<u>12,446</u>
Closing balance of impairment as at 31 December 2025				
Loans and advances to customers	9,826	122	80,787	90,735
Investment securities (debt)	49	-	-	49
Loan commitments and financial guarantees	67	5,394	56,020	61,481
Due from banks and balances with Central Bank	81	-	-	81
	<u>10,023</u>	<u>5,516</u>	<u>136,807</u>	<u>152,346</u>

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## Doha Bank (Q.P.S.C.) - United Arab Emirates (UAE) Branches

### Notes to the financial statements for the year ended 31 December 2025

(continued)

#### 25 Risk management (continued)

##### a. Credit risk (continued)

###### Collateral and other credit enhancements

The amount and type of collateral required depends 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, securities, and charges over real estate properties and counter-guarantees.

Management monitors the market value of collateral on an on-going basis and requests additional collateral, when necessary, in accordance with underlying loan agreements. At 31 December 2025, the Branch held collateral with a fair value of AED 1,164,320 (2024: AED 1,302,254) against loans and advances.

Set out below are the collateral by impaired and non-impaired due balances:

	2025 AED '000	2024 AED '000
Impaired	97,641	124,785
Not impaired	1,066,679	1,177,469
	<u>1,164,320</u>	<u>1,302,254</u>

###### Impairment reserve under the Central Bank of UAE (CBUAE) guidance

Per the new credit risk management standards ('CRMS') issued by the CBUAE, Banks must ensure that the total provision corresponding to all Stage 1 and Stage 2 exposures is not less than 1.50% of the Credit Risk Weighted Assets as computed under the CBUAE capital regulations. Where the collective provisions held are lower, the shortfall may be held in a dedicated non-distributable balance sheet reserve called 'impairment reserve-general'. The amount held in the impairment reserve-general must be deducted from the capital base (Tier 1 capital for Banks) when computing the regulatory capital. The calculation process, methodology and results for provisions as at 31 December 2025 have been reviewed by the Branch risk department. The provision results have been presented at relevant governance forums and align with the Article 9 of the Credit Risk Management Regulation including accompanying Standards, Circular No. 3/2024 dated 25 July 2024 and Notice 4613/2025 dated 19 August 2025. The Branch has met all the requirements by the stipulated timelines.

The CBUAE has issued its IFRS 9 guidance addressing various implementation challenges and practical implications for Banks adopting IFRS 9 in the UAE ("the guidance"). Pursuant to clause 6.4 of the guidance, provision is not required to be transferred to impairment reserve as provision required under IFRS 9 is more than requirement under CBUAE requirement.

##### b. Liquidity risk

Liquidity is the on-going ability to accommodate maturing liabilities and deposit withdrawals; fund asset growth and business operations; and meet contractual obligations through unconstrained access to funding at reasonable market rates.

## Doha Bank (Q.P.S.C.) - United Arab Emirates (UAE) Branches

### Notes to the financial statements for the year ended 31 December 2025

(continued)

#### 25 Risk management (continued)

##### b. Liquidity risk (continued)

Liquidity risk is the risk that the Branch will encounter difficulty in raising funds to meet commitments associated with financial investments. Liquidity risk may also result from an inability to sell a financial asset quickly at close to its fair value. Liquidity risk can be caused by market disruptions or credit downgrades which may cause certain sources of funding to dry up immediately. To guard against this risk, the management has diversified funding sources and assets are managed with liquidity in mind and the management monitors liquidity on a daily basis. The Branch have support from Head office to meet their liquidity requirements. The table below presents the maturity profile of the undiscounted, contractual cash flows of the branch' financial liabilities.

	Within three months AED '000	Three months to one year AED '000	One year to five years AED '000	Total AED '000
<b>31 December 2025</b>				
Due to Head Office and overseas branches	47,092	-	-	47,092
Due to banks and other financial institutions	55,095	-	-	55,095
Acceptances	-	-	-	-
Customers deposits	1,359,792	796,574	-	2,156,366
Other liabilities	61,955	-	-	61,955
Total undiscounted liabilities	<u>1,523,934</u>	<u>796,574</u>	<u>-</u>	<u>2,320,508</u>
	Within three months AED '000	Three months to one year AED '000	One year to five years AED '000	Total AED '000
<b>31 December 2024</b>				
Due to Head Office and overseas branches	50,488	-	-	50,488
Due to banks and other financial institutions	365,641	339,451	-	705,092
Acceptances	-	73,460	-	73,460
Customers deposits	652,106	1,894,639	-	2,546,745
Other liabilities	81,700	-	9,038	90,738
Total undiscounted liabilities	<u>1,149,935</u>	<u>2,307,550</u>	<u>9,038</u>	<u>3,466,523</u>

Substantially all letters of credit and acceptances commitments expire within a period not exceeding one year, and as at 31 December 2025, 97% of the guarantees expire within one year (2024: 80%).

The table below summarises the maturity profile of the Branch' assets and liabilities. The maturities of assets and liabilities have been determined on the basis of the remaining period at the reporting date to the expected maturity date. The actual maturities may differ from the maturities shown below since the borrower may have the right to prepay obligations with or without prepayment penalties, and customers' deposits might have to be repaid on demand.

## Doha Bank (Q.P.S.C.) - United Arab Emirates (UAE) Branches

### Notes to the financial statements for the year ended 31 December 2025 (continued)

#### 25 Risk management (continued)

##### b. Liquidity risk (continued)

The maturity profile of the assets and liabilities net of ECL are as follows:

	Within three months AED '000	Three months to one year AED '000	One year to five years AED '000	Over Five years AED '000	On Demand AED '000	Total AED '000
<b>31 December 2025</b>						
Cash and balances with Central Bank of UAE	-	-	-	-	1,080,198	1,080,198
Due from Head Office and overseas branches	-	-	-	-	29,562	29,562
Due from banks and other financial institutions	245,987	-	-	-	68,601	314,588
Acceptances	-	-	-	-	-	-
Loans and advances	39,188	41,698	576,570	177,923	-	835,379
Investment securities	-	-	-	371,676	-	371,676
Deferred tax asset	-	-	-	-	857	857
Property and equipment	-	-	-	-	7,254	7,254
Other assets	20,171	-	-	-	-	20,171
<b>Total assets</b>	<b>305,346</b>	<b>41,698</b>	<b>576,570</b>	<b>549,599</b>	<b>1,186,472</b>	<b>2,659,685</b>
Due to Head Office and overseas branches	14,438	-	-	-	32,654	47,092
Due to banks and other financial institutions	55,095	-	-	-	-	55,095
Acceptances	-	-	-	-	-	-
Customers deposits	1,359,792	796,574	-	-	-	2,156,366
Other liabilities	61,955	-	-	-	-	61,955
<b>Total liabilities</b>	<b>1,491,280</b>	<b>796,574</b>	<b>-</b>	<b>-</b>	<b>32,654</b>	<b>2,320,508</b>

## Doha Bank (Q.P.S.C.) - United Arab Emirates (UAE) Branches

### Notes to the financial statements for the year ended 31 December 2025 (continued)

#### 25 Risk management (continued)

##### b. Liquidity risk (continued)

31 December 2024	Within three months AED '000	Three months to one year AED '000	One year to five years AED '000	Over five years AED '000	On Demand AED '000	Total AED '000
Cash and balances with Central Bank of UAE	-	-	-	56,369	1,108,172	1,164,541
Due from Head Office and overseas branches	-	-	-	-	94,509	94,509
Due from banks and other financial institutions	651,798	257,099	-	-	24,218	933,115
Acceptances	-	73,460	-	-	-	73,460
Loans and advances	282,679	244,127	559,873	-	-	1,086,679
Investment securities	-	-	-	345,562	-	345,562
Deferred tax asset	-	-	-	-	857	857
Property and equipment	-	-	-	-	8,738	8,738
Other assets	20,100	-	-	-	-	20,100
<b>Total assets</b>	<b>954,577</b>	<b>574,686</b>	<b>559,873</b>	<b>401,931</b>	<b>1,236,494</b>	<b>3,727,561</b>
Due to Head Office and overseas branches	-	-	-	-	50,488	50,488
Due to banks and other financial institutions	37,842	330,570	-	-	311,093	679,505
Acceptances	-	73,460	-	-	-	73,460
Customers deposits	648,829	1,868,785	-	-	-	2,517,614
Other liabilities	132,630	-	4,829	-	-	137,459
<b>Total liabilities</b>	<b>819,301</b>	<b>2,272,815</b>	<b>4,829</b>	<b>-</b>	<b>361,581</b>	<b>3,458,526</b>

##### c. Interest rate risk

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or the fair values of financial instruments. The Branch is exposed to interest rate risk as a result of mismatches of interest rate repricing of assets and liabilities. The Head Office has established limits on the interest rate gaps for stipulated periods. The Branch manages this risk by matching the repricing of assets and liabilities through risk management strategies. The sensitivity of the statement of profit and loss is the effect of the assumed changes in interest rates on the net interest income for one year, based on the floating rate financial assets and financial liabilities held at 31 December 2025. The table below summarises the Branch's exposure to interest rate risks. It includes the Branch' financial instruments at carrying amounts net of ECL, categorised by the earlier of contractual re pricing or maturity dates.

## Doha Bank (Q.P.S.C.) - United Arab Emirates (UAE) Branches

### Notes to the financial statements for the year ended 31 December 2025 (continued)

#### 25 Risk management (continued)

##### c. Interest rate risk (continued)

	Within three months AED '000	Three months to one year AED '000	Above one year AED '000	Non- interest sensitive AED '000	Total AED '000
<b>31 December 2025</b>					
Cash and balances with Central Bank of UAE	1,036,764	-	-	43,434	1,080,198
Due from Head Office and overseas branches	-	-	-	29,562	29,562
Due from banks and other financial institutions	314,588	-	-	-	314,588
Acceptances	-	-	-	-	-
Loans and advances	767,874	45,979	817	20,709	835,379
Investment securities	-	-	371,676	-	371,676
Deferred tax asset	-	-	-	857	857
Property and equipment	-	-	-	7,254	7,254
Other assets	-	-	-	20,171	20,171
<b>Total assets</b>	<b>2,119,226</b>	<b>45,979</b>	<b>372,493</b>	<b>121,987</b>	<b>2,659,685</b>
Due to Head Office and overseas branches	14,438	-	-	32,654	47,092
Due to banks and other financial institutions	55,095	-	-	-	55,095
Acceptances	-	-	-	-	-
Customers deposits	1,359,792	796,574	-	-	2,156,366
Other liabilities	-	-	-	61,955	61,955
Head Office equity	-	-	-	339,177	339,177
<b>Total liabilities and Head Office equity</b>	<b>1,429,325</b>	<b>796,574</b>	<b>-</b>	<b>433,786</b>	<b>2,659,685</b>
<b>Total interest rate sensitivity gap</b>	<b>689,901</b>	<b>(750,595)</b>	<b>372,493</b>	<b>(311,799)</b>	<b>-</b>
<b>Cumulative interest rate sensitivity gap</b>	<b>689,901</b>	<b>(60,694)</b>	<b>311,799</b>	<b>-</b>	<b>-</b>

## Doha Bank (Q.P.S.C.) - United Arab Emirates (UAE) Branches

### Notes to the financial statements for the year ended 31 December 2025 (continued)

#### 25 Risk management (continued)

##### c. Interest rate risk (continued)

	Within three months AED '000	Three months to one year AED '000	Above one year AED '000	Non- interest sensitive AED '000	Total AED '000
31 December 2024					
Cash and balances with Central Bank of UAE	1,108,172	-	-	56,369	1,164,541
Due from Head Office and overseas branches	-	-	-	94,509	94,509
Due from banks and other financial institutions	676,015	202,005	55,095	-	933,115
Acceptances	-	73,460	-	-	73,460
Loans and advances	282,679	244,127	559,873	-	1,086,679
Investment securities	-	-	-	345,562	345,562
Deferred tax asset	-	-	-	857	857
Property and equipment	-	-	-	8,738	8,738
Other assets	-	-	-	20,100	20,100
<b>Total assets</b>	<b>2,066,866</b>	<b>519,592</b>	<b>614,968</b>	<b>526,135</b>	<b>3,727,561</b>
Due to Head Office and overseas branches	-	-	-	50,488	50,488
Due to banks and other financial institutions	37,842	330,570	-	311,093	679,505
Acceptances	-	73,460	-	-	73,460
Customers deposits	648,829	1,868,785	-	-	2,517,614
Other liabilities	-	-	-	137,459	137,459
Head Office equity	-	-	-	269,035	269,035
<b>Total liabilities and Head Office equity</b>	<b>686,671</b>	<b>2,272,815</b>	<b>-</b>	<b>768,075</b>	<b>3,727,561</b>
Total interest rate sensitivity gap	1,380,195	(1,753,223)	614,968	(241,940)	
Cumulative interest rate sensitivity gap	1,380,195	(373,028)	241,940	-	

## Doha Bank (Q.P.S.C.) - United Arab Emirates (UAE) Branches

### Notes to the financial statements for the year ended 31 December 2025 (continued)

#### 25 Risk management (continued)

##### c. Interest rate risk (continued)

The following table reflect the effect of 25 basis points change in interest rates, with all other variables held constant on the profit and loss statement.

	2025 AED '000	2024 AED '000
All currencies	<u>779</u>	<u>605</u>

##### d. Currency risk

Currency risk represents the risk of change in the value of financial instruments due to changes in foreign exchange rates. The Head Office has set limits on positions by currencies, which are monitored daily. The Branch's assets are typically funded in the same currency as that of the business transacted in order to eliminate foreign exchange exposure. The Branch manages exposure to the effects of fluctuations in prevailing foreign currency exchange rates on its financial position and cash flows. At the end of the year, the Branch had the following significant net exposures denominated in foreign currencies:

	Euro AED '000	GBP AED '000	USD AED '000	Other AED '000	Total AED '000
<b>As at 31 December 2025</b>					
Assets and long positions	18,746	21	1,295,954	86,742	1,401,463
Liabilities, Head Office funds and short positions	<u>(18,743)</u>	<u>(21)</u>	<u>(1,293,655)</u>	<u>(86,699)</u>	<u>(1,399,118)</u>
<b>Net open position of the currencies</b>	<u>3</u>	<u>-</u>	<u>2,299</u>	<u>43</u>	<u>2,345</u>
<b>As at 31 December 2024</b>					
Assets and long positions	12,798	64	1,779,285	124,709	1,916,856
Liabilities, Head Office funds and short positions	<u>(12,793)</u>	<u>(65)</u>	<u>(1,781,262)</u>	<u>(125,187)</u>	<u>(1,919,307)</u>
<b>Net open position of the currencies</b>	<u>5</u>	<u>(1)</u>	<u>(1,977)</u>	<u>(478)</u>	<u>(2,451)</u>

## Doha Bank (Q.P.S.C.) - United Arab Emirates (UAE) Branches

### Notes to the financial statements for the year ended 31 December 2025

(continued)

#### 25 Risk management (continued)

##### d. Currency risk (continued)

The following table represents the Branch sensitivity to a percentage increase or decrease in the UAE Dirhams against the relevant foreign currencies with the exception of US Dollars since it is pegged to the UAE Dirhams. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and the impact of a reasonable possible movement in the exchange rates were as follows

Currency	Percentage	2025 AED '000	2024 AED '000
Euro	± 3%	±0	±0
GBP	± 3%	±0	±0
AUD	± 3%	±0	±0
KWD	± 3%	±0	±0
USD	± 3%	±69	±59
Other currencies	± 3%	±1	±14

##### e. Market risk

Market risk refers to the uncertainty of future earnings resulting from changes in interest rates, foreign exchange rates, market prices and volatilities. Due to the limited operations of the Branch in Dubai, U.A.E. (Retail and Corporate Banking) market risk exposure is measured by sensitivity analysis. There has been no change in Branch's exposure to market risk and the manner in which these risks are managed and measured.

The centralized Investment Committee at Head Office approves all the investment decision for the Branch. The performance of the portfolio is updated regularly to senior management including Assets Liability Committee ("ALCO) and investment committee by Financial Risk Management department at Head Office.

##### f. Operational risk

Operational risk is the risk of direct or indirect loss due to an event or action causing failure of technology, process infrastructure, personnel, and other risks having an operational risk impact.

The Branch seeks to minimize actual or potential losses from operational risk failures through the operations risk management department by having a framework of policies and procedures to control and manage risks. In addition, an independent internal audit function identifies, assesses, and submits reports on these risks.

## **Doha Bank (Q.P.S.C.) - United Arab Emirates (UAE) Branches**

### **Notes to the financial statements for the year ended 31 December 2025**

(continued)

#### **25 Risk management** (continued)

##### **f. Operational risk** (continued)

Other risks to which the Branch is exposed are regulatory risk, legal risk, and reputation risk. Regulatory risk is controlled through a framework of compliance policies and procedures. Legal risk is managed through the effective use of internal and external legal advisers. Reputational risk is controlled through the regular examination of issues that are considered to have reputational repercussions for the branch, with guidelines and policies being issued as appropriate.

#### **26 Capital management**

##### **Regulatory capital**

The Branch's objectives when managing capital, which is a broader concept than the 'equity' on the face of the statement of financial position are:

- To comply with the capital requirements set by the Central Bank of U.A.E;
- To safeguard the Branch's ability to continue as a going concern and increase the returns for the shareholders; and
- To maintain a strong capital base to support the development of its business.

The Central Bank of UAE ('CBUAE') supervises the Branch on a standalone basis, and therefore receives information on the capital adequacy of, and sets capital requirements for, the Branch as a whole. Effective from 2017, the capital is computed at the Branch level using the Basel III framework of the Basel Committee on Banking Supervision ('Basel Committee'), after applying the amendments advised by the CBUAE, within national discretion. The Basel III framework, like Basel II, is structured around three 'pillars': minimum capital requirements, supervisory review process and market discipline.

The Branch's regulatory capital is analysed into two tiers:

CET1 capital is the highest quality form of capital, comprising share capital, legal, statutory and other reserves, fair value reserve, retained earnings, after deductions for intangibles and other regulatory adjustments relating to items that are included in equity but are treated differently for capital adequacy purposes under 'CBUAE' guidelines.

Tier 2 capital comprises of collective provision which shall not exceed 1.25% of total credit risk weighted assets.

The CBUAE issued Basel III capital regulations, which came into effect from 1 February 2017 introducing minimum capital requirements at three levels, namely Common Equity Tier 1 ('CET1'), Additional Tier 1 ('AT1') and Total Capital. The minimum capital adequacy requirements as set out by the Central Bank are as follows:

## Doha Bank (Q.P.S.C.) - United Arab Emirates (UAE) Branches

### Notes to the financial statements for the year ended 31 December 2025

(continued)

#### 26 Capital management (continued)

##### Regulatory capital (continued)

Minimum common equity tier 1 (CET 1) ratio of 7% of risk weighted assets (RWAs).

- Minimum tier 1 ratio of 8.5% of RWAs.
- Total capital adequacy ratio of 10.5% of RWAs.
- Capital conservation buffer – 2.5% of RWAs.
- Countercyclical buffer – 0.00% of RWAs.

Capital adequacy and the use of regulatory capital are monitored on a regular basis by the branch' management, employing techniques based on the guidelines developed by the Basel Committee and the Central Bank of United Arab Emirates. The required information is filed with the regulators on a quarterly basis.

The UAE Central Bank issued Basel III capital regulation vide its notice no. CBUAE/BSN/N/2020/66 dated 7 January 2020 which was effective as at 31 December 2019 (as per the regulation, only Pillar II is applicable in December 2019 and the rest will be applicable from June 2020).

During the years ended 31 December 2025 and 2024, the Branch had complied in full with all its externally imposed capital requirements.

The branch' regulatory capital position at 31 December was as follows:

	2025 AED '000	2024 AED '000
<i><b>Tier 1 capital</b></i>		
Allocated capital	1,150,000	1,150,000
Statutory reserve	11,977	6,174
Accumulated loss	<u>(805,411)</u>	<u>(857,647)</u>
	<b>356,566</b>	298,527
Threshold deductions	-	-
Total CET1 after regulatory adjustments / Tier 1 capital	<b>356,566</b>	298,527
<i><b>Tier 2 capital</b></i>		
Collective impairment provision on loans and advances	<u>13,351</u>	<u>12,965</u>
Total capital base	<b>369,917</b>	<b>311,492</b>
<i><b>Risk-weighted assets</b></i>		
Credit risk	1,065,214	1,037,214
Market risk	104	495
Operational risk	<u>143,391</u>	<u>118,106</u>
Total risk-weighted assets	<b>1,208,709</b>	<b>1,155,815</b>
Capital adequacy ratio	<b>30.60%</b>	26.95%
Tier 1 capital to total risk-weighted assets	<b>29.50%</b>	25.83%

## **Doha Bank (Q.P.S.C.) - United Arab Emirates (UAE) Branches**

### **Notes to the financial statements for the year ended 31 December 2025**

(continued)

#### **26 Capital management** (continued)

##### ***Capital allocation***

The allocation of capital between specific operations and activities is, to a large extent, driven by optimisation of the return achieved on the capital allocated. The amount of capital allocated to each operation or activity is based primarily upon the regulatory capital. The process of allocating capital to specific operations and activities is undertaken independently of those responsible for the operation, by Risk and Credit Facility Department, and is subject to review by ALCO as appropriate.

Although maximisation of the return on risk-adjusted capital is the principal basis used in determining how capital is allocated within the Branch to particular operations or activities, it is not the sole basis used for decision making. Account also is taken of synergies with other operations and activities, the availability of management and other resources, and the fit of the activity with the branch' longer term strategic objectives. The Branch's policies in respect of capital management and allocation are reviewed regularly.

#### **27 Legal proceedings**

Litigation is a common occurrence in the banking industry due to the nature of the business undertaken. The Branch has proper controls and policies for managing legal claims. Once professional advice has been obtained and the amount of loss reasonably estimated, the Branch makes adjustments to account for any adverse effects which the claims may have on its financial standing. Based on the information available, no material adverse impact on the financial position of the Branch is expected to arise from legal claims as at 31 December 2025 other than to the extent already provided, hence no additional provision for any claim needs to be made in these financial statements.

#### **28 Comparative figures**

##### **Reclassification of "Statutory cash reserve with the Central Bank of the UAE" from operating activities to Cash and Cash Equivalents**

In prior periods, the Branch had classified changes in "Statutory cash reserve with the Central Bank of the UAE" within "Net cash generated from operating activities". According to the Central Bank of the UAE regulations, the Branch is allowed to draw on the cash reserve with the Central Bank of the UAE on any day up to 100%, while ensuring that, on average, it meets the reserve requirements over a 14-day reserve maintenance period. According to IAS 7 – Statement of cash flows, cash comprises cash on hand and demand deposits.

For the year ended 31 December 2025, the Branch has reassessed the nature of "Statutory cash reserve with the Central Bank of the UAE" and concluded that the balance is available on demand and meets the definition of cash as set out under IAS 7, and therefore should have been classified as cash and cash equivalents in the statement of cash flows. As such, the comparative figures in the statement of cash flows for the year ended 31 December 2024 have been restated in accordance with IAS 8 "Accounting policies, changes in accounting estimates and errors". There is no impact on the statement of financial position or statement of profit or loss as a result of this restatement.

## Doha Bank (Q.P.S.C.) - United Arab Emirates (UAE) Branches

### Notes to the financial statements for the year ended 31 December 2025

(continued)

#### 28 Comparative figures (continued)

- a. The impact of the restatements on the statement of cash flows for the year ended 31 December 2024 is as follows.

	31 December 2024		
	As previously reported AED'000	Impact of restatement AED'000	Restated AED'000
<b><i>Operating activities</i></b>			
Change in statutory cash reserve with Central Bank of UAE	(27,367)	27,367	-
Net cash generated from operating activities	1,067,650	27,367	1,095,017
Net change in cash and cash equivalents	997,950	27,367	1,025,317
Cash and cash equivalents at beginning of the year	830,330	29,002	859,332
Cash and cash equivalents at end of the year	1,828,280	56,369	1,884,649
Cash and cash equivalents at 1 January 2025	1,828,280	56,369	1,884,649

- b. The Branch has restated the balance as at 31 December 2024 for cash and cash equivalents in note 20 as follows:

	31 December 2024		
	As previously reported AED'000	Impact of restatement AED'000	Restated AED'000
Cash and bank balances	5,667	-	5,667
Balances with Central Bank - current account	12,506	-	12,506
Statutory cash reserve with Central Bank of UAE	-	56,369	56,369
Due from Head Office and overseas branches	94,509	-	94,509
Due from banks and other financial institutions	676,086	-	676,086
Placement with CBUAE	1,090,000	-	1,090,000
	1,878,768	56,369	1,935,137
Less: Due to Head Office and overseas branches	(50,488)	-	(50,488)
Cash and cash equivalents	1,828,280	56,369	1,884,649

## **Doha Bank (Q.P.S.C.) - United Arab Emirates (UAE) Branches**

### **Notes to the financial statements for the year ended 31 December 2025**

(continued)

#### **29 Subsequent events**

In line with regulatory expectations and ongoing risk monitoring practices, the Branch continues to assess the potential implications of recent geopolitical developments in the region since 28 February 2026.

Based on management's assessment, there has been no material impact on the Branch's operations, financial position, or risk profile as at the reporting date. The Branch's credit exposures, asset quality, and customer portfolio remain stable, with no significant adverse movements observed.

Liquidity and funding positions continue to be maintained within internal risk appetite and in compliance with applicable regulatory requirements, with no indication of material stress. The Branch will continue to closely monitor the evolving situation and take appropriate measures, where necessary, in line with its risk management framework and applicable regulatory guidance.

Other than the above matter the management is not aware of any other matter or circumstance arising since reporting date up to the date of this report, not otherwise dealt with in this financial statements.