

AL KHALIJ COMMERCIAL BANK (al khaliji) P.Q.S.C.

NOTICE TO THE ANNUAL GENERAL ASSEMBLY MEETING

The Board of Directors of Al Khalij Commercial Bank (al khaliji) P.Q.S.C., Doha – Qatar (the “Company” and/or “al khaliji”) is pleased to invite al khaliji’s shareholders to attend the Annual General Assembly Meeting (“AGM”) which will be held on Tuesday, 23 March 2021 at 05h30 p.m., Doha Time, to consider and approve the items on the following agenda. If the quorum is not met, the AGM meeting shall be deferred to Tuesday 30 March 2021 at 05h30 p.m., Doha Time.

In compliance with the instructions of the State of Qatar to prevent all forms of gathering, amid efforts to contain the spread of the Coronavirus (COVID-19) pandemic, the AGM meeting will be held electronically using Zoom application platform.

Agenda of the Annual General Assembly Meeting

- To review and endorse the Board of Directors' report on the Company's activities and its financial position for the year ended 31 December 2020 and the Company's future plans
- To review and endorse the External Auditor's Report on the Company's financial position and the accounts submitted by the Board of Directors for the year ended 31 December 2020
- To discuss and endorse the Company's financial statements and income statement for the year ended 31 December 2020
- To consider the profits appropriation policy and approve the proposal of the Board of Directors regarding the distribution of cash dividends in the ratio of 0.56% of the nominal value of the share i.e. QAR 0.056 per share for the year ended 31 December 2020
- To hear and discuss the External Auditor's report on the requirements of Article (24) of the Corporate Governance Code of Companies and Legal Entities Listed on Primary Market issued by Resolution No. (5) of 2016 of the Board of Directors of Qatar Financial Markets Authority (“QFMA”)
- To discuss and endorse the Corporate Governance Report for the year 2020 including the policy of remuneration and incentives of the Board and Senior Management and major transactions with related parties, if any
- To absolve the Board members from any liability and fix their remuneration for the financial year ended 31 December 2020
- To appoint the External Auditor of the Company for the financial year 2021 and fix their fees
- To extend the mandate of the Board of Directors of al khaliji with its current composition and members as elected in the General Meeting of Shareholders of al khaliji on 27 February 2018 until the Effective Date of the proposed Merger with Masraf Al Rayan; and

Please visit the Company's website www.alkhaliji.com to check the full details and supporting documents for the items above including audited financials, external auditor's reports and the Corporate Governance report

Clarification on Participation and voting procedures for the meeting

Shareholders intending to attend the meeting virtually are requested to visit the Company's headquarters in Lusail City, al khaliji Tower, Al Add Al Sharqi 69, Marina 40 starting from 4pm Doha Time on 23 March 2021 to register and receive the link to the virtual meeting. Shareholders may instead provide the following information and documents through an email by no later than Monday 22 March 2021 to the email address: investor-relations@alkhaliji.com and/or alphaqatar2020@gmail.com:

- Copy of Identification document (Qatar ID or passport)
 - Mobile number
 - NIN number
 - A copy of proxy and supporting documents for representatives of individuals and corporate entities
- and a Zoom application link will be sent electronically via email to those shareholders whose contact details are received. Based on the link, the shareholders will be required to register for the meeting on time (starting from 4:00pm Doha Time on 23 March 2021). Based on the completion of the registration process, the shareholder will be sent another link which will direct him/her to the virtual meeting room based on Zoom application platform.
- Registration process will start at 4:00 pm Doha Time on the date of the meeting i.e. Tuesday, 23 March 2021. Shareholders intending to attend this meeting can share their details earlier, so that they can join the registration process on time.

Attendees will be able to discuss the agenda items, address their questions, if any, to the Board of Directors or the External Auditor, virtually by sending their questions or comments in the chat box, available within the Zoom application, during the course of the meeting. As for the voting on the meeting's agenda items, a shareholder who has an objection on an item must raise their hand, using Zoom application's in built optionality, at the time of voting on the agenda item to express his/her objection. In the event that the shareholder does not raise his/her hand, this will be considered as an endorsement for the agenda item.

Notes:

- This invitation shall be deemed as a legal announcement to all shareholders without the need to send a special invitation by post according to Qatar's Commercial Companies Law No. (11) of 2015
- A statement that includes the information stipulated under Qatar's Commercial Companies Law including the amounts received by the Chairman and Directors of the Board as remuneration, fees, salaries, credit facilities, and benefits in kind, will be available for the shareholders review one week before the AGM in the Corporate Secretariat office on the 23rd floor of the Head Office located in 69 Al Add Al Sharqi Street, Marina 40, Al Khaliji Tower, Lusail City, Doha, State of Qatar.
- Only shareholders listed on the Qatar Exchange/Qatar Central Securities Depository's shares register issued upon the close of trading on the date of the AGM shall have the right to attend and vote
- A Shareholder may appoint a proxy in writing provided that the said proxy is not a member of the Board of Directors and not holding, in his capacity as a proxy, more than 5% of al khaliji's share capital, unless the Shareholder is a body corporate. Persons lacking capacity shall be represented by their legal representatives.
- Neither the distrainer nor the pledger shall have the right to attend the AGM nor shall either one vote on its resolutions, in accordance with Article (21) of the Company's Articles of Association and Article (164) of Qatar's Commercial Companies Law No (11) of 2015
- In the event of a failure to attain a quorum for the first AGM meeting, the proxies issued to attend the first meeting shall be considered valid and effective for any following meeting, unless they are expressly cancelled by the concerned Shareholder via a notice issued to the Company Secretary of al khaliji at least two days prior to the date of the meeting
- The resolutions of the AGM shall be adopted by way of a resolution requiring the consent of Shareholders representing two thirds of the shares represented at the meeting

For more information and to obtain a copy of the proxy, please visit the Company's website www.alkhaliji.com or call the following contact persons:

- Company Secretary: Tony Merhej, Tel: +974 44940478, email: tmerhej@alkhaliji.com
- Investor Relations: Eliane Abu Atmeh, Tel: +974 44940673, email: eatmeh@alkhaliji.com
- Senior Associate, Company Secretary: Rawan Kamal El-Efrangy, Tel: +974 44940401, email: ralefrangi@alkhaliji.com

Best Regards,

Board of Directors



Hamad Bin Faisal Bin Thani Al Thani
Chairman of the Board and Managing Director

Consolidated Financial Statements for the year ended 31 December 2020 together with the independent Auditor's report

Board of Directors Report and Chairman's Statement

It is my pleasure, on behalf of the esteemed Board of Directors, to present al khaliji's Board of Directors' annual report for the fiscal year ending on 31 December 2020.

2020 was, without doubt, a year like no other owing to the Coronavirus pandemic the ramifications of which had a major impact on the global economy and every aspect of daily life. Once the danger and infectious nature of the virus became apparent, governments across the globe hastened to impose necessary preventive measures to combat and contain its spread, imposing social distancing, prohibiting gatherings, in addition to widespread closures and curfews. These far-reaching measures had an adverse effect on most businesses, and key sectors of economies, slowing global trade and production output, and leading to sharp declines in the oil and gas price. As the situation unfolded, government intervention became essential, in the form of support programs and incentives, to counter the catastrophic effects of the pandemic.

In Qatar, the government mobilized all institutions to take the necessary measures to curb the propagation of the virus. The State set out clear guidance with regard to sanitary, social, educational, health, hospital and business activity, and has been proven to be highly capable and very successful in safeguarding its people and economy. Upon the directive of the Emir H. H. Sheikh Tamim bin Hamad Al Thani, financial and economic incentives, amounting to QAR 75 bn was provided to the private sector. A National Response Guarantee program allocated guarantees to local banks at an amount of QR3bn as a means of providing fast access financial assistance to the SME sector.

Almost a year ago, the IMF forecast growth of 3 percent for the world economy in 2020. Owing to the pandemic the latest indication is for expected growth of -4.4 percent, a much sharper contraction than the 2008 global financial crisis. The impacts have been somewhat muted in Qatar, which is expected to record a decline of 2% this year, however a rebound to growth of 2.5% GDP is anticipated for 2021.

al khaliji's performance remained strong despite the enormous challenges of 2020. The management and employees were resolute in overcoming these difficulties to ensure continuity of business, and service excellence, to our valued clients throughout the year. Our resilience plans proved to be robust and through a combination of careful resource planning, remote working, relocation of teams to offsite locations, continuous office sanitation schedules and efficient

ICT we managed to safeguard our employees and customers while mitigating service delays and maintaining operational efficiency. We were mindful of the many hurdles facing our clients and fully engaged with QCB programs to provide breathing space and financial assistance to the business community during this period. Furthermore, we continued to extend a helping hand to our community through our social responsibility initiatives.

al khaliji has proven itself to be competent during troubling times and has managed to increase its net profit and achieve selective balance sheet growth in 2020. Our success is primarily owing to our Qatar centric strategy, strong financial foundation, team commitment and loyal customer base. We are fortunate for the wise leadership and the well-established economy of the country.

Our results for the year ended December 31, 2020 are positive as well. We reported a net profit of QAR 683 million, which is 5.7% higher compared to QAR 646 million as at end 2019. Our Net Operating Income for 2020 reached QAR 1,43 million. Total Assets at QAR 56.5 billion were 5.1% higher, driven by 10% growth in Loans and Advances, which closed at 33.9 billion. Customer Deposits reached QAR 30.8 billion as at 31 December 2020, up by 5.4% during 2020. The bank increased its net impairment charge on financial assets by 107%, recording total net impairment charges of QAR 365 million for the year. The NPL ratio stood at 1.71% as at end 2020 compared to 1.86% as at 31 December 2019. The Bank's NPL ratio remains below the Qatari market average. Earnings per share grew by 6.2% to QAR 0.17 for 2020, compared to QAR 0.16 in 2019. The Bank's capital adequacy ratio was also well above regulatory requirements, closing at 19.4%.

Accounting and profit distribution policies adopted by the Bank during 2020 did not witness any fundamental adjustment, the basis of evaluation and estimates remained the same. As in previous years, the Bank has set the financial statements in accordance with International Financial Reporting Standards and relevant QCB instructions. In this regard, we recommend that the Net Profit be distributed according to the proposed form in the audited financial statements presented to the shareholders of this assembly for approval. The Board of Directors also recommends the general assembly to distribute a portion of the net profits in the form of cash dividends to the shareholders at the ratio of 5.6% of the par value of the share, i.e. at the rate of QAR 0.056 per share.

With the beginning of this new year, we offer the entire annual report for the fiscal year 2020, including the governance report, the final

and consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated statement of financial position of the Group as at 31 December 2020, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) and the applicable provisions of the Qatar Central Bank regulations.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of

audited financial statements and the reports of the external auditor, providing thus more details and additional disclosures that fit within the laws and regulations.

We now look to 2021 with great hope, eager to turn the old page and start anew in the Bank's journey in light of the merger agreement signed between al khaliji and Masraf Al Rayan. The stand of the Board of Directors is clear in terms of encouraging the shareholders to approve the merger. We do so because we believe in the importance of this historic deal and its contribution to the economic growth of The State of Qatar, its vision, and ambitions. Most of all, this deal is a testimony of our commitment to create a stronger banking system in Qatar, because the joint merged entity will produce a stronger institution that aims to hold a great deal of potential for our customers and create value for our shareholders.

Finally, I would like to extend my deepest appreciation, on behalf of the Board of Directors and the Bank, to His Highness Sheikh Tamim bin Hamad bin Khalifa Al Thani, Emir of the State of Qatar, and to His Highness the Father Emir Sheikh Hamad bin Khalifa Al Thani and His Excellency Sheikh Khalid bin Khalifa bin Abdulaziz Al Thani, the Prime Minister and Minister of Interior for their continuous support to the economy, companies and Qatari institutions. I wish to extend my gratitude to all the supervisory authorities to which the Bank is subject, starting with QCB represented by His Excellency the Governor Sheikh Abdulla bin Saoud Al Thani, Qatar Financial Markets Authority (QMFA), Qatar Stock Exchange (QSE) and the Ministry of Commerce and Industry (MOCI) for their enormous and unceasing support to the Bank. I would also like to express my sincere appreciation and gratitude to every employee at al khaliji, the GCEO and the Senior Management members for their dedication and their intense commitment to the Bank during this difficult year. Thank you for your dedication, for offering our customers the highest quality services and for not allowing the negative impact of COVID-19 affect your work. I end this by extending my sincere gratitude to the shareholders and to investors for their continued trust in us and in the Bank.



Sheikh Hamad Bin Faisal Bin Thani Al Thani
Chairman and Managing Director

INDEPENDENT AUDITORS' REPORT

To the Shareholders
Al Khalij Commercial Bank (al khaliji) P.Q.S.C.
Doha, Qatar
Report on the audit of consolidated financial statements

Opinion

We have audited the consolidated financial statements of Al Khalij Commercial Bank (al khaliji) P.Q.S.C. (the “Bank”) and its subsidiaries (collectively “the Group”), which comprise the consolidated statement of financial position as at 31 December 2020 and the consolidated income statement, the consolidated statement of comprehensive income, consolidated statement of changes in shareholders' equity

the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the consolidated financial statements in the State of Qatar, and we have fulfilled our other ethical responsibilities. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

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

We identified the following key audit matters:

Key audit matter	How the matter was addressed in our audit
Impairment of financial assets	
The Group's financial assets, both on and off balance sheet, amount to QAR 66.2 billion and QAR 65.5 billion as at 31 December 2020 and 2019 respectively. The expected credit loss (ECL) provision recognized for the year ended December 31, 2020 amounted to QR. 1.5 billion.	We have updated our understanding of the business process related to impairment of financial assets and assessed and tested the design and operating effectiveness of the relevant controls over data governance, methodologies, inputs and assumptions used by the Group in ECL model.
IFRS 9 is a complex accounting standard that requires considerable judgements, which were key in the development of models to measure expected credit losses on financial assets carried either at amortized cost or at FVOCI (debt instruments) The COVID-19 pandemic also significantly impacted management's judgment applied to determine the ECL. There is a risk that financial assets are impaired and inadequate impairment provisions are provided which are not in accordance with the requirements of IFRS 9 and the applicable provisions of Qatar Central Bank regulations. This has been exacerbated by the impact of the Covid 19 pandemic on the overall macroeconomic environment.	In addition, our work performed included the below procedures, among others on the Group's IFRS 9 ECL model <ul style="list-style-type: none">- For a selection of exposures, performed a detailed credit review and challenged the Group's staging and impairment allowance calculation.- Review and assessment of the appropriateness of the data, assumptions and methodologies used within the Bank's ECL model (PD, LGD, and EAD) and customer internal rating systems.- Assessment on whether significant increase in credit risk (SICR) indicators are present for the exposures subject to credit risk based on IFRS 9 and Qatar Central Banks guidance and the possible implications on the ECL staging and expected provisioning, including incorporating consideration of the economic disruptions caused by COVID 19.- Assessment of the ECL methodology, macroeconomic scenarios weightage (including scenario weightage adjustments for COVID-19), model validation/testing, including post model adjustments on a sample basis Further, we ensured that the component auditors of the Group's significant component have performed consistent audit procedures as details above, as applicable.
Financial assets might be inaccurate due to: <ul style="list-style-type: none">- The methodologies used to develop probability of default (PD); loss given default (LGD); and (exposure at default EAD) are inappropriate.- Inappropriate segmentation of portfolios is used to develop risk parameters.- The input and range of forward-looking scenarios are not representative of an appropriate range of possible outcomes.- Extrapolation techniques used to project scenarios and parameters (PD, LGD, and EAD) in future periods are inappropriate.- The methodology used to allocate a probability to each scenario is inappropriate or unsupported.- Significant increases (or reductions) in credit risk (movements between Stage 1, Stage 2 and Stage 3) are not completely or accurately identified on a timely basis.- Assumptions incorporated in the ECL model, especially scenarios arising from the Covid-19 pandemic, are not updated on a timely basis. Refer to the following notes of the consolidated financial statements:	We have assessed whether the related disclosures of this area are adequate in accordance with the requirements of International Financial Reporting Standards and Qatar Central Bank, as applicable.
<ul style="list-style-type: none">● Note 3 – Significant accounting policies on financial assets and financial liabilities● Note 4 – Financial risk management● Note 3(d) – Accounting and classification of financial assets and liabilities● Note 8 – Cash and balances with central bank● Note 9 – Due from banks● Note 10 – Loans and advances to customers● Note 11 – Investment securities	
IT systems and controls over financial reporting	
We identified IT systems and controls over financial reporting as an area of focus because the Bank's accounting and financial reporting systems are vitally dependent on complex technology. The extensive volume and variety of transactions processed daily raises a risk that automated accounting procedures and related internal controls are not accurately designed and operating effectively.	Our audit approach relies on automated controls and therefore procedures were designed to test access and controls over IT systems. Our audit procedures included: <ul style="list-style-type: none">● Obtain the understanding on IT applications relevant to financial reporting including the T24 Temenos core banking system, Treasury system, the Swift messaging and the infrastructure supporting these applications;● Testing the relevant automated input / processing and output controls relevant to business processes;● Testing the IT general controls relevant to automated controls and computer-generated information covering access security, program changes, data centre and network operations; and● Assessing accuracy and completeness of computer generated information relevant for the audit of financial statements.
A particular area of focus is related to logical access management and segregation of duties. The underlying principles are important because controls in these areas ensure that transactions processed in the application systems and the underlying data are appropriate, authorised and monitored. In particular, the incorporated relevant controls are essential to limit the potential for fraud and error in processing transactions in the system.	

Other information

The Board of Directors is responsible for the other information. The other information comprises the Board of Directors' report, Annual Corporate Governance Report and supplementary information which we received prior to the date of this auditor's report, and the remaining information of the annual report is expected to be made available to us after that date. The other information does not include the consolidated financial statements and our auditor's report thereon.

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

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

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

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

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS, applicable provisions of the Qatar Central Bank regulations, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditors' responsibilities for the audit of the consolidated financial statements

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by 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 Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

Report on other legal and regulatory requirements

Further, as required by the Qatar Commercial Companies Law, we are also of the opinion that proper books of account were maintained by the Group and the content of the directors' report are in agreement with the Group's consolidated financial statements. We have obtained all the information and explanations which we considered necessary for the purpose of our audit. To the best of our knowledge and belief and according to the information given to us, no contraventions of the applicable provisions of Qatar Central Bank Law, Qatar Commercial Companies Law and the Bank's Articles of Association were committed during the year which would materially affect the Group's financial position or financial performance.

Doha - Qatar
23rd February 2021

For Deloitte & Touche
Qatar Branch



Walid Slim
Partner
License No. 319
QFMA Auditor License No. 120156




Al Khalij Commercial Bank (al khaliji) P.Q.S.C.
Consolidated Statement of Financial Position
As at 31 December 2020

	31 December 2020 QAR'000	31 December 2019 QAR'000
Assets		
Cash and balances with central banks	2,573,025	2,182,051
Due from banks	6,876,277	7,753,118
Loans and advances to customers	33,904,851	30,816,745
Investment securities	12,499,833	12,354,930
Property and equipment	394,532	408,332
Intangible assets	91,587	132,936
Other assets	153,193	119,629
Total assets	56,493,298	53,767,741

Liabilities		
Due to banks	11,433,825	11,080,100
Certificate of deposits (CD) and commercial papers (CP)	1,119,715	1,197,624
Customer deposits	30,760,981	29,191,109
Other borrowings	1,902,731	1,718,713
Debt securities issued	2,597,759	2,628,606
Subordinated debt	111,833	102,089
Other liabilities	1,045,848	846,287
Total liabilities	48,972,692	46,764,528

Shareholders' equity		
Issued capital	3,600,000	3,600,000
Legal reserve	1,532,395	1,464,098
Risk reserve	495,195	306,662
Fair value and other reserve	313,353	168,122
Foreign currency translation reserve	(10,285)	(38,851)
Retained earnings	589,948	503,182
Total equity attributable to shareholders of the Bank	6,520,606	6,003,213
Instrument eligible as additional capital	1,000,000	1,000,000
Total equity	7,520,606	7,003,213
Total liabilities and equity	56,493,298	53,767,741

The consolidated financial statements have been approved by the Board of Directors on 27 January 2021 and signed on its behalf by:

		
Hamad Bin Faisal Bin Thani Al-Thani Chairman of the Board of Directors	Faisal Abdulla KH Al-Mana Director/ Chairperson of Audit Committee	Fahad Al Khalifa Group Chief Executive Officer

Al Khalij Commercial Bank (al khaliji) P.Q.S.C.
Consolidated Income Statement
For the year ended 31 December 2020

	2020 QAR'000	2019 QAR'000
Interest income	2,118,600	2,171,393
Interest expense	(846,506)	(1,191,686)
Net interest income	1,272,094	979,707

Fee and commission income	148,402	195,234
Fee and commission expense	(17,386)	(18,607)
Net fee and commission income	131,016	176,627

Foreign exchange gain	18,895	17,860
Income from investment securities	7,438	797
Other operating income	3,183	2,720
Net operating income	1,432,626	1,177,711

Staff costs	(165,543)	(170,139)
Depreciation and amortisation	(33,164)	(23,773)
Net impairment losses on loans and advances to customers	(359,727)	(193,289)
Net impairment losses on investment securities (debt)	(11,877)	(9,191)
Net impairment reversal on loan commitments and financial guarantees	13,005	26,217
Net impairment (losses) / reversal on due from banks	(6,071)	25
Other expenses	(171,391)	(135,258)
Profit before tax	697,858	672,303
Tax expense	(14,885)	(26,053)
Profit for the year	682,973	646,250

Earnings per share		
Basic and diluted earnings per share (QAR per share)	0.17	0.16
Weighted average number of shares outstanding	3,600,000,000	3,600,000,000

Al Khalij Commercial Bank (al khaliji) P.Q.S.C.
Consolidated Statement of Comprehensive Income
For the year ended 31 December 2020

	2020 QAR'000	2019 QAR'000
Profit for the year	682,973	646,250

Items that may be reclassified subsequently to Consolidated Income Statement		
Foreign currency translation differences for foreign operations	28,566	(6,087)

Movement in fair value reserve:		
Net change in fair value of debt instruments	156,555	139,954
Net amount transferred to consolidated income statement	6,545	7,694
Effective portion of changes in fair value of cash flow hedges	(20,507)	(25,306)

Items that will not be reclassified subsequently to Consolidated Income Statement		
Net change in fair value of equity investments designated at FVOCI	2,638	(117)

Other comprehensive income for the year	173,797	116,138
Total comprehensive income for the year	856,770	762,388