



BASEL 3 Pillar III Disclosures

DOHA BANK

31 December 2023

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Overview & Basis of Preparation

The following information is compiled in terms of the requirements of the Central Bank of Qatar and the disclosures presented as part of this document is in line with disclosure template provided by Basel Committee of Banking Supervision in DIS 10 dates 11/11/2021 and QCB circular 6/2022 dated 08/01/2022.

The period of reporting is for the year ending 31 December 2023 including comparative information (where applicable) and to be read in conjunction with the Financial Statements for the period ended 31 December 2023.

Capital Adequacy, Risk Management Overview and Key Prudential Metrics and RWA

Capital Adequacy (KM1)

Available capital (amounts)		T	T-2	T-4
		Dec-23	Jun-23	Dec-22
1	Common Equity Tier 1 (CET1)	10,134,433	9,742,372	9,748,817
1 a	Fully loaded ECL accounting model			
2	Tier 1	14,134,433	13,742,372	13,748,817
2 a	Fully loaded ECL accounting model Tier 1			
3	Total capital	15,032,846	14,589,934	14,588,612
3 a	Fully loaded ECL accounting model total capital			
	Risk-weighted assets (amounts)			
4	Total risk-weighted assets (RWA)	78,093,980	73,850,173	73,174,661
4 a	Total risk-weighted assets (pre-floor)			
	Risk-based capital ratios as a percentage of RWA			
5	CET1 ratio (%)	12.98%	13.19%	13.32%
5 a	Fully loaded ECL accounting model CET1 (%)	12.98%	13.19%	13.32%
5 b	CET1 ratio (%) (pre-floor ratio)			
6	Tier 1 ratio (%)	18.10%	18.61%	18.79%
6 a	Fully loaded ECL accounting model Tier 1 ratio (%)	18.10%	18.61%	18.79%
6 b	Tier 1 ratio (%) (pre-floor ratio)			
7	Total capital ratio (%)	19.25%	19.76%	19.94%
7 a	Fully loaded ECL accounting model total capital ratio (%)	19.25%	19.76%	19.94%
7 b	Total capital ratio (%) (pre-floor ratio)			
	Additional CET1 buffer requirements as a percentage of RWA			

8	Capital conservation buffer requirement (2.5% from 2019) %	2.50%	2.50%	2.50%
9	Countercyclical buffer requirement (%)	0%	0%	0%
10	Bank D-SIB additional requirements (%)	0%	0%	0%
11	Total of bank CET1 specific buffer requirements (%) (row 8 + row 9 + row 10)	2.50%	2.50%	2.50%
12	CET1 available after meeting the bank's minimum capital requirements (%)	4.48%	4.69%	4.82%
	Basel III leverage ratio			
13	Total Basel III leverage ratio exposure measure	118,440,313	113,384,754	119,544,430
14	Basel III leverage ratio (%) (including the impact of any applicable temporary exemption of central bank reserves) (2/13)	11.93%	12.16%	11.58%
14 a	Fully loaded ECL accounting model Basel III leverage ratio (including the impact of any applicable temporary exemption of central bank reserves) (%)			
14 b	Basel III leverage ratio (%) (excluding the impact of any applicable temporary exemption of central bank reserves)	11.93%	12.16%	11.58%
	Liquidity Coverage Ratio (LCR)			
15	Total high-quality liquid assets (HQLA)	18,758,467	17,323,053	16,606,096
16	Total net cash outflow	13,256,046	12,278,731	8,242,567
17	LCR ratio (%)	141.51%	141.08%	201.47%
	Net Stable Funding Ratio (NSFR)			
18	Total available stable funding	49,648,329	48,234,612	51,622,131
19	Total required stable funding	67,754,643	61,888,499	64,533,706
20	NSFR ratio	73.28%	77.94%	79.99%

Risk Management Overview (OVA)

The Bank periodically identifies key risk events, which may significantly impair Bank's operations ability to achieve its strategic objectives. Based on the impact of the events, their likelihood of

occurrence and the existing internal controls of mitigation, the Bank identifies the level of material risks in the form of high, medium and low risks.

Based on its study the following table provides a summary of material risks:

Risk Type	Materiality	Rationale
Credit Risk	HIGH	• Detailed credit analysis is conducted for financing facilities that involves thorough analysis of client's financial statements, cash flow projections, debt levels, liquidity, profitability, and asset quality. • Regularly monitoring the performance of corporate clients and conducting credit reviews to identify deteriorating credit conditions thus allowing the bank to take appropriate and timely mitigants. • Setting prudent lending limits, defining appropriate risk-adjusted pricing, and implementing effective collateral and security mechanisms.
Market Risk	MEDIUM	The Board of Directors (BoD) hold ultimate responsibility for risk management, setting the Bank's market risk appetite and tolerance levels. They ensure effective management of market risk exposures and oversee the implementation of robust risk frameworks, policies, and controls to align with regulatory requirements and business objectives. The Asset Liability Committee (ALCO) reviews and recommends market risk exposure limits and monitors interest rate risk metrics and exposures. The Risk Management Committee (RMC) oversees market risk management, plays a critical role in the Internal Capital Adequacy Assessment Process (ICAAP), and ensures alignment with the bank's broader risk strategy. The Investment Committee (IC) oversees the bank's investment portfolio, ensuring alignment with investment policies, strategies, and risk limits, while also reviewing performance and optimizing investment decisions. Together, these committees support a comprehensive and effective market risk management framework. The Risk Management Division (RMD) oversees the bank's daily risk management, ensuring risks stay within defined limits. It maintains independent oversight,

Risk Type	Materiality	Rationale
		separate from business lines. RMD identifies, assesses, measures, and reports all material risks, coordinating with relevant departments. It also ensures robust documentation of risk methodologies and assumptions, covering identified risks in the ICAAP. Market & Liquidity Risk Management (MLRD), a sub-function within RMD, monitors market, interest rate, currency, and liquidity risks. MLRD oversees the banking and trading book, conducts due diligence on investment proposals, and reports to the Investment Committee. It provides critical management information on liquidity risk, interest rate risk, stress testing, regulatory ratios, and concentration risk, supporting effective asset and liability management. Ultimately, RMD contributes to a comprehensive risk framework aligned with QCB guidelines.
Operational Risk	LOW	• The key elements determining the operational risk position within the Bank include people, process, system, and external factors. • The Bank undertakes periodic review of processes through operational risk management tools.
Credit Concentration Risk	MEDIUM	As part of managing concentration risk, Doha Bank has an approved Policy to this effect, wherein the Economic Sector limits are defined & monitored. Significant recent settlement of MoF drawings have distorted the concentration levels. However, bank has implemented measures to reduce the concentration and redirected lending to relatively unbanked sectors.
Liquidity Risk	MEDIUM	The bank's liquidity risk management focuses on maintaining ample, diversified funding and unencumbered high-quality liquid asset (HQLA) portfolio, thereby ensuring liquidity and funding risk remains within approved appetite levels and mitigates depositor concentration risk. To address unexpected liquidity pressures, the bank developed a Contingency Funding Plan (CFP),

Risk Type	Materiality	Rationale
		enabling effective responses to sudden adverse changes. Liquidity stress testing is integral to risk management, assessing resilience against market shocks, economic downturns, and funding disruptions. These stress tests refine contingency strategies and bolster financial stability. The Board of Directors (BoD) and Executive Management oversee liquidity risk, supported by a Liquidity Risk Management Framework covering short, medium, and long-term funding. The Asset and Liability Committee (ALCO) sets policies and contingency plans. The Market, Liquidity, and Risk Department (MLRD) identifies, measures, monitors, and reports liquidity risk, conducts stress tests, and guides Treasury on necessary actions. The bank maintains a robust Liquidity Management Policy, ensuring adherence to guidelines. As of September 31, 2023, its Liquidity Coverage Ratio (LCR) was 141.51%, exceeding the 100% requirement. A minimum of \$2 billion in unencumbered HQLA is always mandated to cover sudden liquidity needs. The Liquidity Contingency Plan ensures rapid response to potential crises. MLRD monitors liquidity risk against set limits, reporting breaches to ALCO. The bank strengthens funding stability through long-term funding. Strong relationships with major Qatari institutions—including government entities, agencies, and the private sector—support a stable deposit base.
Interest Rate Risk in the Banking Book	HIGH	Doha Bank Group's IRRBB Policy establishes its governance framework for managing interest rate risk from assets and liabilities that re-price at different times. This policy provides standardized guidelines across the Group to identify, measure, monitor, report, and control all material IRRBB sources. It ensures the bank maintains an appropriate level of exposure to interest rate fluctuations, mitigating potential adverse effects on profitability and shareholder value. The policy also defines clear risk tolerance limits and integrates effective risk management practices, supporting a disciplined and strategic approach to IRRBB. Framework is built on three key components: defining risk appetite in terms of Net Interest Income (NII) and Economic Value of Equity, implementing a structured

Risk Type	Materiality	Rationale
		risk management process, and maintaining robust internal systems and infrastructure to comprehensively manage IRRBB. The Bank defines its IRRBB risk appetite in the Risk Appetite Statement, balancing the impact of interest rates on earnings and EVE. It sets risk tolerance for earnings at risk and EVE risk, ensuring exposures align with its capacity to manage interest rate fluctuations. The Bank integrates this approach into its budget and strategy, with escalation procedures for potential breaches of internal limits. Worst-case changes in EVE or NII are continuously monitored, reported with predefined actions if thresholds are exceeded. These limits, captured within the Risk Appetite Statement, support effective interest rate risk management through structured metrics and governance. The Board of Directors (BOD) holds ultimate responsibility for managing IRRBB, delegating its management to the Asset Liability Committee (ALCO). ALCO, an executive committee, assists the Board in overseeing the bank's asset and liability management activities. It monitors compliance with established interest rate gap limits and receives day-to-day support from the Group Treasury. The bank's Market Risk and Liquidity Department (MLRD) is responsible for developing detailed IRRBB policies, which are subject to ALCO approval. MLRD plays a crucial role in managing interest rate risk by performing interest rate sensitivity analyses, reporting findings to ALCO, and ensuring compliance with established risk limits. Additionally, MLRD conducts daily assessments of the fixed-income bond portfolio, analyzing modified duration to evaluate exposure to interest rate fluctuations. Each investment proposal undergoes a thorough risk assessment, where potential interest rate risks are identified and mitigated before submission to the Investment Committee for final review and approval. This structured approach strengthens the bank's ability to proactively manage this risk.
Reputation Risk	LOW (Group Level)	It refers to potential negative publicity, public perception, or uncontrollable events to have an adverse impact on a bank's reputation. This could arise because of behavior, action or inaction, either by Doha Bank itself, our employees or those whom we are associated with. It could lead to lost revenue; increased

Risk Type	Materiality	Rationale
		operating, capital, or regulatory costs; or destruction of shareholder value. The bank has a zero tolerance for knowingly engaging in any business, activity or association where foreseeable reputational risk or damage has not been considered and mitigated. This risk could arise from poor customer service delivery, a high incidence of customer complaints, non-adherence to regulations, imposition of penalties and adverse publicity in the media. The bank has established customer service units and call centers to monitor the services rendered through its delivery points and undertakes timely corrective measures. The Risk Management Committee provides bank wide oversight on reputational risk, sets policy and monitors material risks that could have negative reputational consequences. At the business level and across its subsidiaries, overseas branches and representative offices, the relevant Senior Management is responsible for the management of reputational risk in their respective business / functional operations.
Business & Strategic Risk	VERY LOW (Group Level)	• The bank has implemented risk management measures, including the establishment of short-term and long-term plans for specific departments. These activities involve analysis of the actual versus target positions, deviations, financial and non-financial goals, as well as major internal and external challenges encountered in achieving the set targets. • The bank has governance frameworks and communication channels to oversee risk management activities. • The bank has implemented risk assessment processes to identify potential strategic risks. • The bank develops and monitors risk appetite and tolerance levels to ensure alignment with the bank's overall strategy. • The bank conducts scenario analysis and stress testing to assess the impact of potential strategic risks on the bank's capital and operations. • The bank has a performance management system encompassing objectives, Key Performance Indicators (KPIs), and targets, facilitating in their implementations.

OV1 – Overview of RWA

		T	T-1	T
		a	b	c
		RWA		Minimum Capital Requirement
		Dec-23	Jun-23	Dec-23
1	Credit risk (excluding counterparty credit risk)	68,307,740	65,382,947	9,221,545
2	Of which: standardised approach (SA)	68,307,740	65,382,947	9,221,545
3	Of which: foundation internal ratings-based (F-IRB) approach			
4	Of which: supervisory slotting approach			

5	Of which: advanced internal ratings-based (A-IRB) approach			
6	Counterparty credit risk (CCR)	829,381	512,778.49	111,966.47
7	Of which: standardised approach for counterparty credit risk	829,381	512,778	111,966
8	Of which: IMM			
9	Of which: other CCR			
10	Credit valuation adjustment (CVA)	2,515,581	1,480,955	339,603
11	Equity positions under the simple risk weight approach and the internal model method during the five-year linear phase-in period			
12	Equity investments in funds – look-through approach			
13	Equity investments in funds – mandate-based approach			
14	Equity investments in funds – fall-back approach			
15	Settlement risk			
16	Securitisation exposures in banking book	-	-	-
17	Of which: securitisation IRB approach (SEC-IRBA)			
18	Of which: securitisation external ratings-based approach (SEC-ERBA), including internal assessment approach (IAA)			
19	Of which: securitisation standardised approach (SEC-SA)			
20	Market risk	602,250	634,464	81,304
21	Of which: standardised approach (SA)	602,250	634,464	81,304
22	Of which: internal model approach (IMA)			
23	Capital charge for switch between trading book and banking book			
24	Operational risk	5,839,029	5,839,029	788,269
25	Amounts below the thresholds for deduction (subject to 250% risk weight)	-	-	-
26	Aggregate capital floor applied			

2 7	Floor adjustment (before application of transitional cap)			
2 8	Floor adjustment (after application of transitional cap)			
2 9	Total (1 + 6 + 10 + 11 + 12 + 13 + 14 + 15 + 16 + 20 + 23 + 24 + 25 + 28)	78,093,980	73,850,173	10,542,687

Composition of Capital and TLAC

CC1 - Composition of regulatory own funds

Common Equity Tier 1 (CET1) capital: instruments and reserves		Dec-23	Dec-22
1	Directly issued qualifying common shares	3,100,467	3,100,467
2	Retained earnings	700,247	548,936
3	Accumulated other comprehensive income (and other reserves)	4,917,968	4,880,890
3a	Funds for general banking risk	1,416,600	1,312,600
4	Directly issued capital subject to phase-out from CET1 (only applicable to non-stock companies)		

5	Minority interests (amount allowed in consolidated CET1)		
6	Common Equity Tier 1 (CET1) capital before regulatory adjustments	10,135,282	9,842,893
Common Equity Tier 1 (CET1) capital: regulatory adjustments			
7	Additional value adjustments (negative amount)		
8	Intangible assets (net of related tax liability) (negative amount)		
9	Other intangibles other than mortgage servicing rights (net of related tax liability)		
10	Deferred tax assets that rely on future profitability, excluding those arising from temporary differences (net of related tax liability)	849	94,076
11	Cash flow hedge reserves		
12	Securitisation gain on sale		
13	Gains and losses due to changes in own credit risk on fair valued liabilities		
14	Defined benefit pension fund net assets		
15	Investments in own shares (if not already subtracted from paid-in capital on reported balance sheet)		
16	Reciprocal crossholdings in common equity		
17	Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued share capital (amount above 10% threshold)		
18	Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued share capital (amount above 10% threshold)		
19	Deferred tax assets arising from temporary differences (amount above 10% threshold, net of related tax liability)		
20	Amount exceeding 15% threshold		
21	Of which: significant investments in the common stock of financials		
22	Of which: deferred tax assets arising from temporary difference		
23	QCB specific regulatory adjustments		

24	Total regulatory adjustments to Common Equity Tier 1 (CET1)	849	94,076
25	Common Equity Tier 1 (CET1) capital	10,134,433	9,748,817
Additional Tier 1 (AT1) capital: instruments			
26	Directly issued qualifying Additional Tier 1 instruments plus related stock surplus	4,000,000	4,000,000
27	Of which: classified as equity under applicable accounting standards	4,000,000	4,000,000
28	Of which: classified as liabilities under applicable accounting standards		
29	Directly issued capital instruments subject to phase-out from additional Tier 1		
30	Additional Tier 1 instruments (and CET1 instruments not included in row 5) issued by subsidiaries and held by third parties (amount allowed in AT1)		
31	Of which: instruments issued by subsidiaries subject to phase-out		
32	Additional Tier 1 (AT1) capital before regulatory adjustments	4,000,000	4,000,000
Additional Tier 1 (AT1) capital: regulatory adjustments			
33	Investments in own additional Tier 1 instruments		
34	Investments in capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation		
35	Significant investments in the common stock of banking, financial and insurance entities that are outside the scope of regulatory consolidation		
36	QCB specific regulatory adjustments		
37	Total regulatory adjustments to Additional Tier 1 (AT1) capital	0	0
38	Additional Tier 1 (AT1) capital	4,000,000	4,000,000
39	Tier 1 capital (T1 = CET1 + AT1)	14,134,433	13,748,817
Tier 2 (T2) capital: instruments			
40	Directly issued qualifying Tier 2 instruments plus related stock surplus		
41	Directly issued capital instruments subject to phase-out from Tier 2		

42	Tier 2 instruments (and CET1 and AT1 instruments not included in rows 5 or 34) issued by subsidiaries and held by third parties (amount allowed in group Tier 2		
43	of which: instruments issued by subsidiaries subject to phase out		
44	Provisions	898,413	839,795
45	Tier 2 (T2) capital before regulatory adjustments	898,413	839,795
46	Tier 2 (T2) capital: regulatory adjustments		
47	Investments in own Tier 2 instruments		
48	Investments in capital, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued common share capital of the entity (amount above 10% threshold)		
49	Significant investments in the capital and other TLAC liabilities of banking, financial and insurance entities that are outside the scope of regulatory consolidation (net of eligible short positions)		
50	QCB specific regulatory adjustments		
51	Total regulatory adjustments to Tier 2 (T2) capital	0	0
52	Tier 2 (T2) capital	898,413	839,795
53	Total capital (TC = T1 + T2)	15,032,846	14,588,612
54	Total Risk exposure amount	78,093,980	73,174,661
55	Capital ratios and buffers		
56	Common Equity Tier 1 (as a percentage of total risk exposure amount)	12.98%	13.32%
57	Tier 1 (as a percentage of total risk exposure amount)	18.10%	18.79%
58	Total capital (as a percentage of total risk exposure amount)	19.25%	19.94%
59	Institution specific buffer requirement (capital conservation buffer plus countercyclical buffer requirements plus higher loss absorbency requirement, expressed as a percentage of risk-weighted assets)	2.50%	2.50%
60	of which: capital conservation buffer requirement	2.50%	2.50%

61	Of which: bank-specific countercyclical buffer requirement	0%	0%
62	Of which: higher loss absorbency requirement (e.g. DSIB)	0%	0%
63	Common Equity Tier 1 available to meet buffers (as a percentage of risk exposure amount)	4.48%	4.82%
64	The QCB Minimum Capital Requirement		
65	Common Equity Tier 1 minimum ratio	8.50%	8.50%
66	Tier 1 minimum ratio	10.50%	10.50%
67	Total capital minimum ratio	13.50%	13.50%

CC2 - Reconciliation of regulatory capital to balance sheet

	a	b	c
	Balance sheet as in published financial statements	Under regulatory scope of consolidation	Reference to Financial Statements
	As at period-end-Dec-23	As at period-end-Dec-23	
Assets			
Cash and balances with central banks	4,842,101	4,842,101	8
Due from banks	5,496,929	5,496,929	9
Loans and advances to customers	58,009,676	58,009,676	10
Investment securities	30,386,048	30,386,048	11
Other assets	1,891,010	1,891,010	12

Investment in an associate	10,224	10,224	13
Property, furniture and equipment	619,229	619,229	14
Total assets	101,255,217	101,255,217	
Liabilities			
Due to banks	23,908,269	23,908,269	15
Customers deposits	51,572,773	51,572,773	16
Debt securities	2,588,373	2,588,373	17
Other borrowings	5,928,455	5,928,455	18
Other liabilities	2,813,326	2,813,326	19
Total liabilities	86,811,196	86,811,196	
Shareholders' equity			
Share capital	3,100,467	3,100,467	20 (a)
Legal reserve	5,110,152	5,110,152	20 (b)
Risk reserve	1,416,600	1,416,600	20 (c)
Fair value reserve	(86,452)	(86,452)	20 (d)
Foreign currency translation reserve	(82,249)	(82,249)	20 (e)
Retained earnings	985,503	985,503	
Instruments eligible as additional Tier 1 capital	4,000,000	4,000,000	20 (g)
Total shareholders' equity	14,444,021	14,444,021	

Leverage Ratio

LR2: Leverage ratio common disclosure template

		Dec-2023	Jun-2023	Dec-2022
On-balance sheet exposures				
1	On-balance sheet exposures (excluding derivatives and securities financing transactions (SFTs), but including collateral)	85,764,819	92,241,069	96,550,633
2	Gross-up for derivatives collateral provided where deducted from balance sheet assets pursuant to the operative accounting framework			
3	(Deductions of receivable assets for cash variation margin provided in derivatives transactions)	(816,069)	(222,717)	(91,675)
4	(Adjustment for securities received under securities financing transactions that are recognised as an asset)			
5	(Specific and general provisions associated with on-balance sheet exposures that are deducted from Basel III Tier 1 capital)			
6	(Asset amounts deducted in determining Basel III Tier 1 capital and regulatory adjustments)	(849)	(48,090)	(94,076)
7	Total on-balance sheet exposures (excluding derivatives and SFTs) (sum of rows 1 to 6)	84,947,901	91,970,261	96,364,882
Derivative exposures				
8	Replacement cost associated with all derivatives transactions (where applicable net of eligible cash variation margin and/or with bilateral netting)	1,406,336	1,156,813	1,127,530
9	Add-on amounts for potential future exposure associated with all derivatives transactions	261,459	231,252	221,463
10	(Exempted central counterparty (CCP) leg of client-cleared trade exposures)	-	-	-
11	Adjusted effective notional amount of written credit derivatives	-	-	-

12	(Adjusted effective notional offsets and add-on deductions for written credit derivatives)	-	-	-
13	Total derivative exposures (sum of rows 8 to 12)	1,667,795	1,388,065	1,348,993
Securities financing transaction exposures				
14	Gross SFT assets (with no recognition of netting), after adjustment for sale accounting transactions	13,354,778	-	-
15	(Netted amounts of cash payables and cash receivables of gross SFT assets)	-	-	-
16	Counterparty credit risk exposure for SFT assets	1,357,885	-	-
17	Agent transaction exposures	-	-	-
18	Total securities financing transaction exposures (sum of rows 14 to 17)	14,712,663	-	-
Other off-balance sheet exposures				
19	Off-balance sheet exposure at gross notional amount	24,909,276	24,396,001	26,297,337
20	(Adjustments for conversion to credit equivalent amounts)	(7,797,322)	(4,369,573)	(4,466,782)
21	(Specific and general provisions associated with off-balance sheet exposures deducted in determining Tier 1 capital)			
22	Off-balance sheet items (sum of rows 19 to 21)	17,111,954	20,026,428	21,830,555
Capital and total exposures				
23	Tier 1 capital	14,135,282	13,790,462	13,842,893
24	Total exposures (sum of rows 7, 13, 18 and 22)	118,440,313	113,384,754	119,544,430
Leverage ratio				
25	Basel III leverage ratio (including the impact of any applicable temporary exemption of central bank reserves)	11.93%	12.16%	11.58%
25a	Basel III leverage ratio (excluding the impact of any applicable temporary exemption of central bank reserves)	11.93%	12.16%	11.58%
26	National minimum leverage ratio requirement	3.00%	3.00%	3.00%
27	Applicable leverage buffers	8.93%	9.16%	8.58%

Liquidity Ratios

LIQA – Liquidity risk management

Liquidity risk is the bank's potential inability to meet its financial obligations as they become due. This inherent banking risk demands proactive planning and management to ensure financial stability. The Treasury division, collaborating with the Market & Liquidity Risk Department (MLRD) and business units, continuously assesses liquidity needs by monitoring evolving market conditions and business activities. The Asset and Liability Committee (ALCO) regularly convenes to establish the framework for Treasury operations, ensuring all liquidity commitments are met.

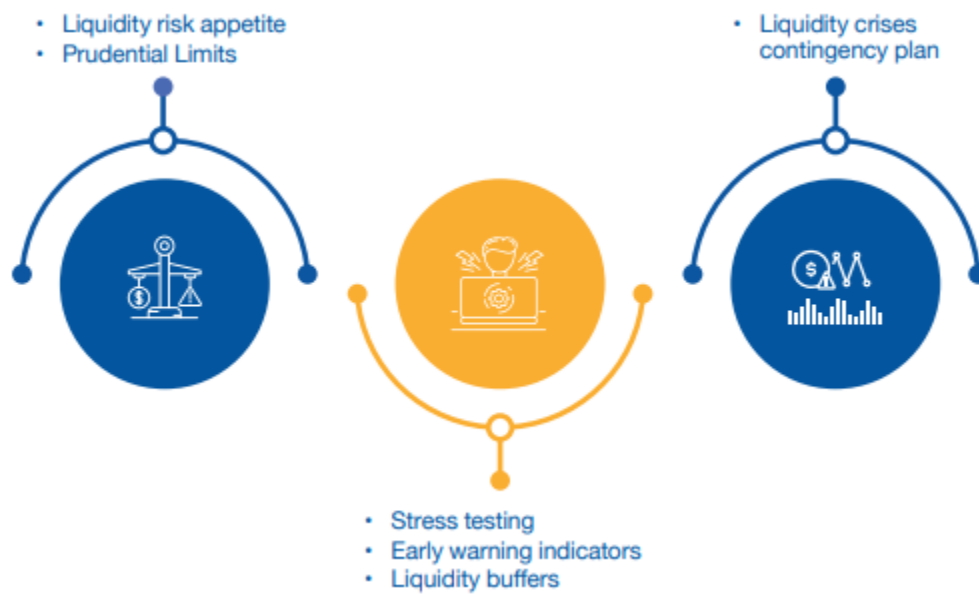
During crises, liquidity pressures may arise due to higher funding costs, limited access to wholesale markets, or market disruptions affecting liquid assets. To mitigate these risks, Doha Bank employs a comprehensive Liquidity Management Framework, setting risk appetite limits and benchmarks while monitoring key metrics, including the Liquidity Coverage Ratio (LCR), Net Stable Funding Ratio (NSFR), and liquidity mismatches. Treasury maintains liquidity maturity profile and fund planning, alongside stress tests to assess liquidity buffers under various scenarios. Performance against liquidity limits is reported to ALCO through Liquidity Dashboard.

The bank ensures diverse funding sources and depositor base to minimize concentration risks, maintaining an optimal mix of long, medium, and short-term deposits. It holds sufficient high-quality liquid assets (HQLA) for swift liquidity generation when needed. The liquidity policy mandates a dedicated liquid asset pool for crisis scenarios, which undergoes stress testing based on historical and hypothetical events to refine liquidity strategies. Strict compliance with Qatar Central Bank (QCB) guidelines on LCR and NSFR is maintained.

Additionally, the Bank prepares quarterly Funding Mix and Liquidity Plans which outline liquidity management under stress scenarios, ensuring its operation readiness. An Asset-Liability Management (ALM) system is integrated to monitor maturity mismatches, enhance regulatory computations, and optimize balance sheet management.

Additionally, the bank prepares quarterly Funding Mix and Liquidity Plans, outlining liquidity management under stress scenarios while ensuring flexibility for crisis response. An Asset-Liability Management (ALM) system is integrated to monitor maturity mismatches, enhance regulatory computations, and optimize balance sheet management.

The tools under bank's Liquidity risk framework could be summarized as below:



LIQ1 – Liquidity Coverage Ratio (LCR)

		a	b
		Total unweighted value	Total weighted value
High-quality liquid assets			
1	Total HQLA	19,218,032	18,758,467
Cash outflows			
2	Retail deposits and deposits from small business customers, of which:	10,587,112	900,324
3	Stable deposits	-	-
4	Less stable deposits	10,587,112	900,324
5	Unsecured wholesale funding, of which:	26,392,166	17,000,424
6	Operational deposits (all counterparties) and deposits in networks of cooperative banks	-	-
7	Non-operational deposits (all counterparties)	26,392,166	17,000,424
8	Unsecured debt	-	-
9	Secured wholesale funding		
10	Additional requirements, of which:	3,308,947	258,861
11	Outflows related to derivative exposures and other collateral requirements		
12	Outflows related to loss of funding on debt products	3,308,947	258,861
13	Credit and liquidity facilities		
14	Other contractual funding obligations	866,058	866,058
15	Other contingent funding obligations	10,281,915	960,152
16	TOTAL CASH OUTFLOWS	51,436,198	19,985,819
Cash inflows			
17	Secured lending (eg reverse repos)	-	-
18	Inflows from fully performing exposures	8,718,033	6,190,775
19	Other cash inflows	538,998	538,998
20	TOTAL CASH INFLOWS	9,257,031	6,729,773
			Total adjusted value
21	Total HQLA		18,758,467
22	Total net cash outflows		13,256,046
23	Liquidity Coverage Ratio (%)		141.51%

LIQ 2 – Net Stable Funding Ratio (NSFR)

		a	b	c	d	e
		Unweighted value by residual maturity				Weighted Value
		No Maturity	< 6 months	6 months to < 1 year	≥ 1 year	
Available stable funding (ASF) item						
1	Capital:	14,367,817	-	-	-	14,367,817
2	Regulatory capital	10,367,817	-	-	-	10,367,817
3	Other capital instruments	4,000,000	-	-	-	4,000,000
4	Retail deposits and deposits from small business customers:	6,502,782	3,421,122	911,331	-	9,543,826
5	Stable deposits	-	-	-	-	-
6	Less stable deposits	6,502,782	3,421,122	911,331	-	9,543,826
7	Wholesale funding:	4,570,971	27,958,181	8,889,494	7,318,576	25,736,686
8	Operational deposits	-	-	-	-	-
9	Other wholesale funding	4,570,971	27,958,181	8,889,494	7,318,576	25,736,686
10	Liabilities with matching interdependent assets	-	-	-	-	-
11	Other liabilities:	-	-	26,208,241	-	-
12	NSFR derivative liabilities		-	-	-	
13	All other liabilities and equity not included in the above categories	-	-	26,208,241	-	-
14	Total ASF	25,441,570	31,379,303	36,009,065	7,318,576	49,648,329
Required stable funding (RSF) item						
15	Total NSFR high-quality liquid assets (HQLA)	3,785,684	3,567,275	709,500	12,195,044	1,157,353
16	Deposits held at other financial institutions for operational purposes	-	-	-	-	-
17	Performing loans and securities:	-	11,325,300	3,937,289	44,800,333	44,296,515
18	Performing loans to financial institutions secured by Level 1 HQLA	-	-	-	-	-
19	Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured	-	4,043,037	761,431	-	987,171

	performing loans to financial institutions					
20	Performing loans to non-financial corporate clients, loans to retail and small business customers, and loans to sovereigns, central banks and PSEs, of which:	-	7,282,263	3,175,858	43,533,094	42,232,190
21	With a risk weight of less than or equal to 35% under the Basel II standardised approach for credit risk	-	-		-	-
22	Performing residential mortgages, of which:	-	-	-	-	-
23	With a risk weight of less than or equal to 35% under the Basel II standardised approach for credit risk	-	-	-	-	
24	Securities that are not in default and do not qualify as HQLA, including exchange-traded equities	-	-	-	1,267,239	1,077,153
25	Assets with matching interdependent liabilities	-	-	-	-	-
26	Other assets:	816,069	-	20,392,299	-	21,085,957
27	Physical traded commodities, including gold	-	-	-	-	
28	Assets posted as initial margin for derivative contracts and contributions to default funds of central counterparties		-	-	-	
29	NSFR derivative assets	-	-	1,374,877	-	1,374,877
30	NSFR derivative liabilities before deduction of variation margin posted		-	5,403	-	5,403
31	All other assets not included in the above categories	816,069	-	19,012,018	-	19,705,677
32	Off-balance sheet items	-	5,614,478	2,516,511	-	1,214,818
33	Total RSF	4,601,753	20,507,053	27,555,599	56,995,377	67,754,643
34	Net Stable Funding Ratio (%)					73.28%

Credit Risk

CRA – General qualitative information about credit risk

Doha Bank has established a robust framework for credit risk management, which includes clearly defined roles and responsibilities for credit risk management functions. The bank has implemented strong internal controls and comprehensive risk mitigation strategies to ensure compliance with regulations and align its business model with best practices in risk management. This framework determines the credit risk profiles and appropriate business models for the organization, considering factors such as the type of credit (i.e., loans, trade credit, or credit derivatives), risk exposures within the credit portfolio, risk appetite, and targeted market segments.

Doha Bank's credit risk management (CRM) encompasses other several key characteristics essential for effective risk management. These characteristics includes:

- (a) Establishment of credit limits and collateral requirements.
- (b) Regular analysis of changes in creditworthiness.
- (c) Ongoing monitoring of the credit portfolio's performance.
- (d) Evaluation of risk mitigation strategies.
- (e) Utilizing quantitative models and analytical tools to assess credit risk, performing stress testing, and conducting scenario analysis to understand potential credit risk exposures under different economic conditions.
- (f) Utilizing a risk-based pricing tool (RAROC) to Optimize profitability vs capital requirement by appropriately price the facilities based on the corresponding credit risk profile.

CR1 – Credit quality of assets

		a	b	c	d	e	f	g
		Gross carrying values of		Allowances/impairments	Of which ECL accounting provisions for credit losses on standardised approach exposures		Of which ECL accounting provisions for credit losses on IRB exposures	Net values
		Defaulted exposures	Non-defaulted exposures		Allocated in regulatory category of Specific	Allocated in regulatory category of General		(a+b-c)
1	Loans	4,549,890	57,245,824	3,786,038	3,786,038			58,009,676
2	Debt Securities & Due from Banks	23,701	39,400,073	29,904	29,904			39,393,870
3	Loan Commitments & Financial Gtees	724,674	12,266,594	556,200	556,200			12,435,068
4	Total	5,298,265	108,912,491	4,372,142	3,253,397	1,118,745		109,838,614

CR2 – Changes in stock of defaulted loans and debt securities

	a
1 Defaulted loans and debt securities at end of the previous reporting period	3,981,030
2 Loans and debt securities that have defaulted since the last reporting period	1,370,408
3 Returned to non-defaulted status	(36,688)
4 Amounts written off	(950,660)
5 Other changes	189,560
6 Defaulted loans and debt securities at end of the reporting period)1+2+3+4+5)	4,553,650

CRB: Additional disclosure related to the credit quality of assets

- **The scope and definitions of past due and impaired exposures:** Bank considers an exposure past due for more than 90 days as impaired unless additional information proves it otherwise.
- **Description of methods used for determining impairments:** Doha Bank utilizes various methods to determine impairment, ensuring recognition of potential losses on underlying assets. These methods include:
 - (a) Probability of Default (PD) Model: PD models assess the likelihood of borrowers defaulting on their obligations. These models utilize statistical techniques and factors such as financial ratios, credit scores, and industry-specific data to estimate the Probability of Default within a specific timeframe.
 - (b) Loss Given Default (LGD) Models: LGD models estimate the potential loss that may be incurred if a borrower default. These models consider factors such as collateral value, recovery rates, and potential losses through bankruptcy proceedings or distressed asset sales.
 - (c) Scenario Analysis: Doha Bank analyzes various scenarios, including adverse economic conditions, to assess the potential impact on the loan portfolio. This helps determine impairment that may arise from a deterioration in asset quality under specific stress scenarios.
- **The Bank's own definition of a restructured exposure:** A loan in respect of which the Bank, has agreed to modify / amend the original terms and conditions of a loan or credit facility due to the financial distress of the borrower which would have not been considered in the normal course.
- **Geographic analysis of credit quality assets:** Doha Bank has implemented distinct risk rating models tailored for different jurisdictions (India, Kuwait & UAE) to effectively capture the specific risk elements associated with each location. These models have been designated to accurately assess the potential impact of location-related impediments on the Bank's risk profile.
- **Industry analysis of credit quality assets:** Doha Bank has implemented distinct risk rating models tailored for different industries (Corporate finance, SME, contracting finance, Real

Estate & HNWI) to effectively capture the specific risk elements associated with respective Industry. These models have been designated to accurately assess the potential impact of Industry-related impediments on the Bank's risk profile.

- **Exposures by Industry and related ECL/Provision:** Reports in place.
- **Exposures by Country and related ECL/Provision:** Reports in place.
- **Ageing analysis of days for past due credit risk exposures:** Reports in place.

CR3 – Credit risk mitigation techniques – overview

		a	b	c	d	e
		Exposures unsecured: carrying amount	Exposures to be secured	Exposures secured by collateral	Exposures secured by financial guarantees	Exposures secured by credit derivatives
1	Loans	4,502,086	56,073,176	52,877,940	66,089	
2	Debt securities & Due from Banks	-	29,555,293	29,555,293	-	
3	Total	4,502,086	85,628,469	82,433,233	66,089	
4	Of which defaulted	729,384	3,824,266	1,126,668	21,387	

CRD – Qualitative disclosures on banks' use of external credit ratings under the standardised approach for credit risk

- **Names of the External Credit Assessment Institutions (ECAIs) and Export Credit Agencies (ECAs) used by the bank over the reporting period:** Moody's, Fitch, S&P, Capital Intelligence and other internationally reputed rating agencies.
- **The asset classes for which each ECAI or ECA is used:** Externally rated corporates, banks, and other institutions
- **The alignment of the alphanumerical scale of each agency used with risk buckets (except where the relevant supervisor publishes a standard mapping with which the bank must comply):** Refer to the QCB mapping table for rating equivalents presented under (DIS40-CRA) on page 26.

CR4 – Standardised approach – credit risk exposure and credit risk mitigation (CRM) effects

	Asset classes	a	b	c	d	e	f
		Exposures before CCF and CRM		Exposures post-CCF and CRM		RWA and RWA density	
		On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount	RWA	RWA density
1	Sovereigns and their central banks	28,895,783	143,365	28,895,783	143,365	375,685	1.3%
2	Public sector entities	744,751	-	744,751	-	148,236	19.9%
3	Multilateral development banks	-	-	-	-	-	-
4	Banks	8,721,610	2,653,644	8,077,699	2,653,644	5,534,600	51.6%
5	Securities firms						-
6	Corporates	30,368,736	4,618,530	28,564,834	4,344,189	31,597,647	96.0%
7	Regulatory retail portfolios	27,758,010	49,309	26,914,974	49,309	25,799,665	95.7%
8	Secured by residential property						-
9	Secured by commercial real estate						-
10	Equity	897,450	-	897,450	-	1,085,378	120.9%
11	Past-due loans	1,979,564	136,083	1,956,134	136,083	2,139,461	102.3%
12	Higher-risk categories						-
13	Other assets	2,050,448	-	2,050,448	-	1,627,069	79.4%
14	Total	101,416,350	7,600,931	98,102,072	7,326,590	68,307,740	64.8%

CR5 – Standardised approach – exposures by asset classes and risk weights

Risk Weight	0%	20%	35%	50%	75%	100%	150%	Other s	Total Exposure (Post CCF and CRM)
Asset Class									
Sovereigns and their central banks	28,079,791	554,197	-	280,628	-	124,531	-	-	29,039,147
Public sector entities	3,573	741,178	-	-	-	-	-	-	744,751
Multilateral development banks	-	-	-	-	-	-	-	-	-
Banks	-	2,549,919	-	6,357,952	-	1,779,135	44,337	-	10,731,343
Securities firms	-	-	-	-	-	-	-	-	-
Corporates	-	487,199	-	1,402,571	-	31,019,253	-	-	32,909,023
Regulatory retail portfolios	-	-	-	-	4,658,471	22,305,812	-	-	26,964,283
Secured by residential property	-	-	-	-	-	-	-	-	-
Secured by commercial real estate	-	-	-	-	-	-	-	-	-
Equity	-	-	-	-	-	741,263	46,353	109,834	897,450
Past-due loans	-	-	-	995,347	-	7,037	1,089,833	-	2,092,217
Higher-risk categories	-	-	-	-	-	-	-	-	-
Other assets	500,453	-	-	-	-	1,461,910	-	88,085	2,050,448
Total	28,583,817	4,332,492	-	9,036,498	4,658,471	57,438,941	1,180,523	197,919	105,428,662

Market Risk

MRA: Qualitative disclosure requirements related to market risk

The Bank faces market risks from fluctuations in market prices impacting the fair value or future cash flows of financial instruments. These include interest rate, currency, equity, and commodity risks, driven by general and specific market movements, volatility, and regulatory requirements. Market risk is managed through a structured framework that segregates trading and non-trading portfolios, ensuring proper governance, oversight, and mitigation.

Market risk management authority rests with the Asset-Liability Committee (ALCO), which oversees policies, strategies, and risk appetite. The Market and Liquidity Risk Department (MLRD) is critical in developing, implementing, and monitoring risk limits per Qatar Central Bank (QCB) guidelines. The bank follows a comprehensive governance structure, including a Treasury and Investment Manual, Financial Risk Policy, and Hedging Policy. These define exposure limits, stop-loss thresholds, and sensitivity measures like Value at Risk (VaR) and duration analysis. Regular reports on market risk exposure and portfolio performance are submitted to senior management, ALCO, and the Investment Committee.

Group Treasury and MLRD actively monitor market risk exposure, ensuring compliance with pre-approved risk limits and proper execution of hedging strategies. Interest rate risk is managed by tracking interest rate gaps and implementing repricing gap limits, with ALCO overseeing compliance. Sensitivity analysis is regularly conducted to assess the impact of market fluctuations on financial assets and liabilities, using standard and bespoke scenarios.

The Bank employs stress testing and scenario analysis to quantify potential risks and ensure resilience against adverse market conditions. Escalation mechanisms are in place to promptly address breaches in risk thresholds, keeping the bank's exposure within predefined risk tolerance. Robust risk measurement models and regulatory compliance are integral to the overall risk management framework, reinforcing transparency and efficiency in market risk oversight.

MR1: Market risk under the standardised approach

		Capital requirement in standardized approach
1	General interest rate risk	-
2	Equity risk	5,318
3	Commodity risk	-
4	Foreign exchange risk	42,862
5	Credit spread risk – non-securitisations	-
6	Credit spread risk – securitisations (non-correlation trading portfolio)	-
7	Credit spread risk – securitisation (correlation trading portfolio)	-
8	Default risk – non-securitisations	-
9	Default risk – securitisations (non-correlation trading portfolio)	-
10	Default risk – securitisations (correlation trading portfolio)	-
11	Residual risk add-on	-
12	Total	48,180

Interest Rate Risk in The Banking Book

IRRBB – IRRBB risk management objectives and policies

The Bank calculates IRRBB capital requirements under Pillar 2 in accordance the guidelines issued by the Qatar Central Bank (QCB) under Circular Number 24/2019, which serves as an addendum to the existing ICAAP framework issued under Circular Number 19/2016.

Bank actively manages interest rate risk in its banking book (IRRBB) to safeguard financial stability against market fluctuations. IRRBB impacts net interest income (NII) and economic value of equity (EVE) due to mismatches in the repricing of assets and liabilities. A negatively gapped banking book faces risks from rising interest rates, while a positively gapped book is vulnerable to declining rates. The Bank assesses IRRBB through prescribed interest rate shock scenarios, including yield curve shifts and changes in short- and long-term rates, ensuring a comprehensive evaluation of economic and earnings impact. The worst-case impact between EVE and NII outcomes is used to determine Pillar 2 capital charge. For non-maturing deposits (CASA), the Bank conducts behavioral analysis and distributes balances into time buckets per Qatar Central Bank (QCB) guidelines to enhance risk analysis.

Governance and oversight of IRRBB are managed by the Asset Liability Committee (ALCO), which supervises compliance with interest rate gap limits and is supported by Group Treasury for day-to-day monitoring. The Market & Liquidity Risk Department (MLRD) develops policies reviewed and approved by ALCO, ensuring a structured monitoring and reporting process.

The bank also incorporated the IRRBB in the bank risk appetite framework and established the risk appetite limit for the maximum interest rate risk the bank is willing to accept. The approved risk appetite limit has both the NII and EVE based measures to monitor and control the IRRBB risks. Separate limits for NII and EVE are in place with an escalation threshold to enable timely risk mitigation actions. The IRRBB based risk limits will be reviewed annually to be consistent with nature, size, complexity, and adequacy of the bank as well as its ability to manage the risk. Any hedging activity including the use of new instruments and/ or the new hedging strategies will be assessed to ensure to manage the IRRBB risk are within the risk appetite of the bank.

To hedge interest rate risk arising from the investment book, Doha Bank employs various risk mitigation techniques such as stress testing and scenario analysis. This approach ensures hedging strategies remain effective in different market conditions, reinforcing financial stability. Additionally, the Bank applies six prescribed interest rate shock scenarios for EVE and two for NII, following QCB's standardized IRRBB approach. A robust governance structure, including periodic policy updates and comprehensive stress

testing, ensures resilience against adverse interest rate movements while supporting sustainable growth.

In reporting currency (QAR 000)	Δ EVE		Δ NII	
Period	T	T-1	T	T-1
Parallel up	-	(51,837)	(212,305)	(306,537)
Parallel down	(208,428)	(74,892)	(417,388)	(500,726)
Steepener	(107,321)	(204,969)		
Flattener	(210,869)	(211,005)		
Short rate up	(31,424)	(110,612)		
Short rate down	(96,191)	(115,502)		
Maximum	(417,388)	(500,726)		
Period	T		T-1	
Tier 1 capital	13,718,132		13,121,725	

Operational Risk

ORA: Operational risk disclosure requirements

Operational risk is defined as the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events.

Operational Risk Management

The Bank has a well-defined Operational Risk Management Framework and an independent operational risk function. The operational risk function's mandate is to act as a second line of defense to establish and strengthen the operational risk management approach, standards, and culture.

The business units and support functions are responsible for managing the risk of losses from the day-to-day operations of the bank. It is the responsibility of business units and support functions for identifying, assessing, mitigating, and reporting major operational risks posed to the Bank. The Operational Risk Management Framework provides necessary guidance to improve operational risk assessment, awareness, understanding and accountability across the Bank.

The Bank has in place a risk appetite statement that is in line with its risk objectives and its overall business objectives. The risk appetite has been set and approved by the Board. The risk appetite is defined via metrics and thresholds and is monitored on a periodic basis to ensure that the operational risk exposures are within the approved operational risk appetite.

Identification and Assessment of operational risk

Due to the inherent nature of operational risk, the bank is exposed to many types of operational risk which cannot be eliminated, however, can be mitigated and managed. These include:

- ✓ internal and external fraudulent activities.
- ✓ inadequate processes, controls or procedures or any breakdowns in them.
- ✓ failures in the key systems of the bank leading to disruption of services.
- ✓ an attempt by an external party to make a service or supporting infrastructure unavailable to its intended users.
- ✓ the risk of business disruption arising from events wholly or partially beyond the control, for example, natural disasters, acts of terrorism or utility failures

etc. which may give rise to losses or reductions in service to customers and/or economic loss to the Bank.

The operational risks that the Bank is exposed to continue to evolve and the bank endeavors to rapidly adapt to those changes to avoid the risk of losses. The prime responsibility for the management of operational risk and compliance with the control requirements rests with the business units and support functions where the risk arises.

The key steps in the management of operational risk are described as follows:

✓ Effective staff training, documented processes and procedures with appropriate controls to safeguard assets and records, regular reconciliation of accounts and transactions, process of introducing new products and change initiatives, reviews of outsourcing activities, segregation of duties, financial management and reporting are some of the measures adopted by the bank to manage the bank-wide operational risk.

✓ Preparation of "Risk and Control Self Assessment" across business units and support functions, including subsidiaries and overseas branches. The purpose of this assessment is to obtain a detailed understanding of inherent and residual risks through an evaluation of controls across the bank. The assessment enhances the bank's ability to decide on the specific operational risk profiles for each of the business units as well as to identify corrective action plans. The bank categorizes operational risks into the following risk types:

- ✓ Origination and Execution Risk
- ✓ Fraud Risk
- ✓ Business Continuity Risk
- ✓ Regulatory Risk
- ✓ Vendor Risk
- ✓ Financial Reporting and Recording Risk
- ✓ Staff Risk
- ✓ Transaction Processing Risk

✓ Investigation and reporting of any risk event (losses, near misses and potential losses), which is used to help identify the root cause and lay down the corrective action plans to reduce the recurrence of risk events. Risk events are reported periodically to the Risk Management Committee and to the Audit Compliance and Risk Committee; and

✓ The bank has implemented a Key Risk Indicators program to enable proactive monitoring of all the key risks across the Bank's processes. The bank has identified top

Entity Level KRIs which are being monitored and reported to the Risk Management Committee and to the Audit Compliance and Risk Committee on a quarterly basis.

Governance and Oversight

The Risk Management Committee oversees the implementation of an effective risk management framework that encompasses appropriate systems, practices, policies, and procedures to ensure the effectiveness of risk identification, measurement, assessment, reporting, and monitoring within the Bank. The bank has detailed policies and procedures and operational risk management tools that are periodically reviewed and updated to ensure a robust risk and internal control culture in the bank.

The bank closely monitors and reviews the various recommendations issued by the Basel Committee on 'Sound Practices for the Management and Supervision of Operational Risk' for implementation. The bank continues to invest in risk management and mitigation strategies, such as a robust control infrastructure, business continuity management or through risk transfer mechanisms such as insurance and outsourcing.

The Bank uses Operational Risk Management System (the "ORM System") to manage operational risk identification and assessment, recording loss data, control evaluation, issue remediation and follow up, Key Risk Indicators (KRI) monitoring and risk reporting activities.

The ORM system can be leveraged to the business units and support functions within the first line of defense thus enhancing alignment of roles and responsibilities between the first and second lines of defense.

In addition, the Internal Audit department carries out an independent assessment of the actual functioning of the overall Operational Risk Management Framework and its implementation in the business units and support functions of the bank.

Internal Control Framework

The management of controls is achieved with the businesses and functions working together to successfully identify and manage issues and activities. The bank uses a 3 Lines of Defense Model to ensure that any critical issues are promptly identified, reported and remediated by the senior management of the bank. The Three Lines of Defense (Control) is established to ensure effective control:

First Line (FLOD) – All businesses, Operations and Technology form the First Line of Defense. They are accountable for Doha Bank returns of P&L and responsibility for ownership of major operations, systems and processes fundamental to the operation of the Bank.

Second Line (SLOD) – Risk, Compliance, Legal, and Finance form the Second Line of Defense. Responsible for Oversight, Monitoring and Assessment of the risk profile. They

are empowered by the Board to independently challenge the First Line of Defense to ensure their responsibilities are carried out effectively.

Third Line (TLOD) – Audit (Internal and external) forms the Third Line of Defense. They provide independent assurance to the Board and Executive Management over the effectiveness of governance, risk management and control in both the first and second line of defense.