IMPORTANT NOTICE

THE ATTACHED BASE PROSPECTUS IS AVAILABLE ONLY TO INVESTORS WHO ARE NOT U.S. PERSONS (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT") ("REGULATION S")) AND ARE LOCATED OUTSIDE THE UNITED STATES IN ACCORDANCE WITH REGULATION S.

IMPORTANT: You must read the following before continuing. The following applies to the attached Base Prospectus following this page whether received by email, accessed from an internet page or otherwise received as a result of electronic communication, and you are therefore advised to read this page carefully before reading, accessing or making any other use of the attached Base Prospectus. In reading, accessing or making any other use of the attached Base Prospectus, you agree to be bound by the following terms and conditions and each of the restrictions set out in the attached Base Prospectus, including any modifications to them from time to time each time you receive any information from the Issuers, the Guarantor or the Dealers, (each as defined in the attached Base Prospectus) as a result of such access.

NOTHING IN THIS ELECTRONIC TRANSMISSION CONSTITUTES AN OFFER OF SECURITIES FOR SALE OR A SOLICITATION OF AN OFFER TO BUY THE NOTES (AS DEFINED IN THE ATTACHED BASE PROSPECTUS) IN THE UNITED STATES OR ANY OTHER JURISDICTION WHERE IT IS UNLAWFUL TO DO SO. THE NOTES HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE SECURITIES ACT, OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES OR OTHER JURISDICTION, AND THE NOTES MAY NOT BE OFFERED OR SOLD, DIRECTLY OR INDIRECTLY, WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS (AS DEFINED IN REGULATION S) EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND APPLICABLE STATE OR LOCAL SECURITIES LAWS.

THE ATTACHED BASE PROSPECTUS MAY NOT BE FORWARDED OR DISTRIBUTED TO ANY OTHER PERSON AND MAY NOT BE REPRODUCED IN ANY MANNER WHATSOEVER AND, IN PARTICULAR, MAY NOT BE FORWARDED TO ANY U.S. PERSON OR U.S. ADDRESS. ANY FORWARDING, DISTRIBUTION OR REPRODUCTION OF THE ATTACHED BASE PROSPECTUS DOCUMENT IN WHOLE OR IN PART IS UNAUTHORISED. FAILURE TO COMPLY WITH THIS DIRECTIVE MAY RESULT IN A VIOLATION OF THE SECURITIES ACT OR THE APPLICABLE LAWS OF OTHER JURISDICTIONS. IF YOU HAVE GAINED ACCESS TO THIS TRANSMISSION CONTRARY TO ANY OF THE FOREGOING RESTRICTIONS, YOU ARE NOT AUTHORISED AND WILL NOT BE ABLE TO PURCHASE ANY OF THE NOTES DESCRIBED IN THE ATTACHED BASE PROSPECTUS.

Confirmation of your representation: In order to be eligible to view the attached Base Prospectus or make an investment decision with respect to the securities that may be offered, prospective investors must be non-U.S. persons (as defined in Regulation S) and located outside the United States. The attached Base Prospectus is being sent to you at your request, and by accessing the attached Base Prospectus you shall be deemed to have represented to each of the Issuers, the Guarantor and the Dealers that (1) (a) you are not a U.S. Person (within the meaning of Regulation S) and (b) you will purchase any securities that may be offered in an offshore transaction (within the meaning of Regulation S) and the electronic mail address that you gave us and to which this email has been delivered is not located in the United States, its territories and possessions, any State of the United States or the District of Columbia, (2) you consent to delivery of such Base Prospectus by electronic transmission and (3) if you are a Hong Kong purchaser, your business involves the acquisition and disposal, or the holding, of securities (whether as principal or as agent) and you fall within the category of persons described as "professional investors" under the Securities and Futures Ordinance (Cap. 571) of Hong Kong and its relevant rules. You are reminded that the attached Base Prospectus has been delivered to you on the basis that you are a person into whose possession the attached Base Prospectus may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located and you may not, nor are you authorised to, deliver the attached Base Prospectus to any other person. The materials relating to this offering do not constitute, and may not be used in connection with, an offer or solicitation in any place where offers or solicitations are not permitted by law.

The attached Base Prospectus is only being distributed to and is only directed at (i) persons who are outside the United Kingdom or (ii) investment professionals falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended, the "**Order**") and (iii) high net

worth entities and other persons to whom it may lawfully be communicated, falling within Article 49(2)(a) to (d) of the Order (all such persons in (i), (ii) and (iii) above together being referred to as "**relevant persons**"). The attached Base Prospectus is only available to and is only directed at relevant persons. Any person who is not a relevant person should not act or rely on this document or any of its contents.

The attached Base Prospectus has been sent to you in electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of electronic transmission and consequently none of the Issuers, the Guarantor or the Dealers nor any person who controls them nor any director, officer, employee or agent of them or affiliate of any such person accepts any liability or responsibility whatsoever in respect of any difference between the attached Base Prospectus distributed to you in electronic format and the hard copy version available to you on request from the Issuers, the Guarantor or the Dealers. Any reply e-mail communications, including those you generate by using the "reply" function on your e-mail software, will be ignored or rejected. You are responsible for protecting against viruses and other destructive items. Your use of this e-mail is at your own risk, and it is your responsibility to take precautions to ensure that it is free from viruses and other items of a destructive nature.

None of the Dealers nor any of their respective directors, affiliates, advisers or agents accepts any responsibility whatsoever for the contents of the attached Base Prospectus or for any statement made therein in connection with the Issuers, the Guarantor or the Programme (as defined in the attached Base Prospectus). The Dealers and their respective directors, affiliates, advisers and agents accordingly each disclaims all and any liability whether arising in tort, contract or otherwise which they might otherwise have in respect of such document or any such statement. No representation or warranty, express or implied, is made by any of the Dealers or their respective directors, affiliates, advisers or agents as to the accuracy, completeness, verification or sufficiency of the information set out in the attached Base Prospectus and neither the Dealers nor any of their respective directors, affiliates, advisers or agents makes any representation or warranty or accepts any responsibility for any acts or omissions of the Issuers, the Guarantor or any other person in connection with the Issuers, the Guarantor, the attached Base Prospectus, the Programme or the issue or offering of any Notes under the Programme.

The distribution of the attached Base Prospectus in certain jurisdictions may be restricted by law. Persons into whose possession the Base Prospectus comes are required by the Issuers, the Guarantor and the Dealers, to inform themselves about, and to observe, any such restrictions.

BASE PROSPECTUS

THE COMMERCIAL BANK (P.S.Q.C.)

a Qatari shareholding company incorporated in the State of Qatar
and

CBQ FINANCE LIMITED

(an exempted company limited by shares incorporated in Bermuda under the Companies Act 1981 of Bermuda)
guaranteed by (in the case of Notes issued by CBQ Finance Limited)

THE COMMERCIAL BANK (P.S.Q.C.)

a Qatari shareholding company incorporated in the State of Qatar

U.S.$5,000,000,000
Euro Medium Term Note Programme

Under the U.S.$5,000,000,000 Euro Medium Term Note Programme (the "**Programme**") described in this base prospectus (the "**Base Prospectus**"), each of CBQ Finance Limited and The Commercial Bank (P.S.Q.C.) (each an "**Issuer**" and together the "**Issuers**") may from time to time issue senior notes (the "**Senior Notes**") and/or any subordinated notes (the "**Subordinated Notes**" and, together with the Senior Notes, the "**Notes**") guaranteed by (in the case of Notes issued by CBQ Finance Limited) The Commercial Bank (P.S.Q.C.) (the "**Guarantor**" or the "**Bank**") denominated in any currency agreed by the relevant Issuer, the Guarantor (if applicable) and the relevant Dealer(s). Any Notes issued under the Programme on or after the date of this Base Prospectus are issued subject to the provisions described herein.

This Base Prospectus has been approved by the Central Bank of Ireland (the "**CBI**") as competent authority under Regulation (EU) 2017/1129 (the "**Prospectus Regulation**"). The CBI only approves this Base Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Such approval should not be considered as an endorsement of the Issuers, the Guarantor or the quality of the Notes. Investors should make their own assessment as to the suitability of investing in the Notes. Application will be made to the Irish Stock Exchange plc trading as Euronext Dublin ("**Euronext Dublin**") for any Notes issued within 12 months of the date of this Base Prospectus under the Programme to be admitted to the official list of Euronext Dublin (the "**Official List**") and trading on its regulated market (the "**Regulated Market**"). The Regulated Market is a regulated market for the purposes of Directive 2014/65/EU (as amended, "**MiFID II**"). Such approval relates only to the Notes which are to be admitted to trading on a regulated market for the purposes of MiFID II and/or which are to be offered to the public in any Member State of the European Economic Area (the "**EEA**"). References in this Base Prospectus to Notes being "**listed**" (and all related references) shall mean that such Notes have been admitted to trading on the regulated market of Euronext Dublin and have been admitted to the Official List. This Base Prospectus is valid for 12 months. The obligation to supplement this Base Prospectus in the event of a significant new factor, material mistake or material inaccuracy does not apply when this Base Prospectus is no longer valid.

Notice of the aggregate nominal amount of Notes, interest (if any) payable in respect of Notes and the issue price of Notes and certain other information which is applicable to each Tranche of Notes will be set out in a final terms document (the "**Final Terms**") which, with respect to Notes to be listed on Euronext Dublin will be delivered to the Central Bank of Ireland and Euronext Dublin.

The Notes have not been nor will be registered under the United States Securities Act of 1933, as amended (the "**Securities Act**"), nor with any securities regulatory authority of any state or other jurisdiction of the United States and the Notes may not be offered or sold within the United States or to, or for the account or benefit of, U.S. Persons (as defined in Regulation S under the Securities Act ("**Regulation S**")) except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Accordingly, Notes may be offered or sold solely to persons who are not U.S. Persons (as defined in Regulation S) outside the United States in reliance on Regulation S. Each purchaser of the Notes is hereby notified that the offer and sale of Notes to it is being made in reliance on the exemption from the registration requirements of the Securities Act provided by Regulation S.

The credit ratings in this Base Prospectus have been issued by Moody's Investors Service Cyprus Ltd. ("**Moody's**"), Fitch Ratings Ltd ("**Fitch**") and S&P Global Ratings Europe Limited ("**S&P**"). Each of Moody's and S&P is established in the European Economic Area (the "**EEA**") and registered under the Regulation (EU) No. 1060/2009 on credit rating agencies, as amended (the "**EU CRA Regulation**"). As such, each of Moody's and S&P is included in the list of credit rating agencies published by the European Securities and Markets Authority on its website (at https://www.esma.europa.eu/supervision/credit-rating-agencies/risk) in accordance with the EU CRA Regulation. The rating S&P has assigned is endorsed by S&P Global Ratings UK Limited, which is established in the UK and registered under Regulation (EU) No 1060/2009 on credit rating agencies as it forms part of domestic law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018 (the "**UK CRA Regulation**"). The rating Moody's has assigned is endorsed by Moody's Investors Service Limited, which is established in the United Kingdom and registered under the UK CRA Regulation. Fitch is established in the United Kingdom and registered under the UK CRA Regulation. Each of Fitch, S&P Global Ratings UK Limited and Moody's Investors Service Limited appears on the latest update of the list of registered credit rating agencies (as of 1 July 2021) on the UK Financial Conduct Authority's (the "**FCA**") Financial Services Register. The rating Fitch has assigned is endorsed by Fitch Ratings Ireland Limited, which is established in the EEA and registered under the EU CRA Regulation. The Guarantor's long term credit rating is assessed by Moody's at "A3", Fitch at "A" and S&P at "BBB+". The Guarantor has a short-term credit rating of "P-2" from Moody's, "F1" from Fitch and "A-2" from S&P. The Programme has been rated "A3" by Moody's, "A" by Fitch and "BBB+" by S&P. Tranches of Notes may be rated or unrated. Where a Tranche of Notes is rated, the applicable rating(s) will be specified in the applicable Final Terms. Whether or not each credit rating applied for in relation to a relevant Tranche of Notes will be issued by a credit rating agency established in the EEA or the United Kingdom and registered under the EU CRA Regulation or the UK CRA Regulation will be disclosed in the Final Terms. In general, EEA and United Kingdom regulated investors are restricted from using a rating for regulatory purposes if such rating is not issued by a credit rating agency established in the EEA or the United Kingdom and registered under the EU CRA Regulation or the UK CRA Regulation. A rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time by the assigning rating agency.

Interest or other amounts payable under the Notes may be calculated by reference to certain benchmarks. Details of the administrators of such benchmarks, including details of whether or not, as at the date of this Base Prospectus, each such administrator's name appears on the register of administrators and benchmarks established and maintained by the European Securities and Markets Authority ("**ESMA**") ("**ESMA Benchmarks Register**") pursuant to Article 36 of Regulation (EU) 2016/1011 (the "**Benchmarks Regulation**") are set out in the section entitled "*Important Notices - Benchmarks Regulation*" on page iv of this Base Prospectus.

Investing in Notes issued under the Programme involves certain risks. The principal risk factors that may affect the abilities of the Issuers and the Guarantor to fulfil their respective obligations under the Notes are discussed under "Risk Factors".

DEALERS

Al Khaliji
Barclays
BofA Securities
Commerzbank
Deutsche Bank
J.P. Morgan
Morgan Stanley
QNB Capital
Société Générale Corporate & Investment Banking
The Commercial Bank
ANZ
BNP PARIBAS
Citigroup
Credit Suisse
HSBC
Mizuho Securities
MUFG
SMBC Nikko
Standard Chartered Bank
UBS Investment Bank

7 July 2021

IMPORTANT NOTICES

This Base Prospectus comprises a base prospectus for the purposes of Article 8 of the Prospectus Regulation. Each of the Issuers and the Guarantor accepts responsibility for the information contained in this Base Prospectus and declares that the information contained in this Base Prospectus is, to the best of its knowledge, in accordance with the facts and contains no omission likely to affect its import.

Each Tranche (as defined herein) of Notes will be issued on the terms set out herein under "*Terms and Conditions of the Notes*" (the "**Conditions**") as completed by the applicable Final Terms or amended and/or supplemented in a separate prospectus specific to such Tranche (the "**Drawdown Prospectus**") as described under "*Final Terms and Drawdown Prospectuses*". In the case of a Tranche of Notes which is the subject of a Drawdown Prospectus, each reference in this Base Prospectus to information being specified or identified in the applicable Final Terms shall be read and construed as a reference to such information being specified or identified in the relevant Drawdown Prospectus unless the context requires otherwise. This Base Prospectus must be read and construed together with any amendments or supplements hereto and with any information incorporated by reference herein and, in relation to any Tranche of Notes which is the subject of Final Terms, must be read and construed together with the applicable Final Terms. Notes issued by an Issuer are obligations solely of that Issuer (the "**Relevant Issuer**").

The Issuers and the Guarantor have confirmed to the Dealers named under "*Subscription and Sale*" that this Base Prospectus contains all information which is (in the context of the Programme, the issue, offering and sale of the Notes and the guarantee of the Notes) material; that such information is true and accurate in all material respects and is not misleading in any material respect; that any opinions, predictions or intentions expressed herein are honestly held or made and are not misleading in any material respect; that this Base Prospectus does not omit to state any material fact necessary to make such information, opinions, predictions or intentions (in the context of the Programme, the issue, offering and sale of the Notes and the guarantee of the Notes) not misleading in any material respect; and that all proper enquiries have been made to verify the foregoing.

No person has been authorised to give any information or to make any representation not contained in or not consistent with this Base Prospectus or any other document entered into in relation to the Programme or any information supplied by any Issuer or the Guarantor or such other information as is in the public domain and, if given or made, such information or representation should not be relied upon as having been authorised by any Issuer, the Guarantor or any Dealer.

Neither the Dealers nor any of their respective affiliates have authorised the whole or any part of this Base Prospectus and none of them makes any representation or warranty or accepts any responsibility as to the accuracy or completeness of the information contained in this Base Prospectus or for any acts or omissions of the Issuers, the Guarantor or any other person in connection with the Issuers, the Guarantor, this Base Prospectus, the Programme or the issue or offering of any Notes thereunder. Neither the delivery of this Base Prospectus nor any Final Terms nor the offering, sale or delivery of any Note shall, in any circumstances, create any implication that the information contained in this Base Prospectus is true subsequent to the date hereof or the date upon which this Base Prospectus has been most recently amended or supplemented or that there has been no adverse change, or any event reasonably likely to involve any adverse change, in the prospects or financial or trading position of the Issuers or the Guarantor since the date thereof or, if later, the date upon which this Base Prospectus has been most recently amended or supplemented or that any other information supplied in connection with the Programme is correct at any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same. No Dealer will be responsible for, or for investigating, any matter which is the subject of any statement, representation, warranty or covenant of any Issuer or the Guarantor (if applicable) contained in any of the Notes or any other agreement or document relating to any of the Notes, or for the execution, legality or effectiveness thereof.

The distribution of this Base Prospectus and any Final Terms and the offering, sale and delivery of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Base Prospectus or any Final Terms comes are required by the Issuers, the Guarantor and the Dealers to inform themselves about and to observe any such restrictions. For a description of certain restrictions on offers, sales and deliveries of Notes and on the distribution of this Base Prospectus or any Final Terms and other offering material relating to the Notes, see "*Subscription and Sale*". In particular, Notes have not been and will not be registered under the Securities Act and Bearer Notes (as defined in "*Forms of the Notes*") are subject to

U.S. tax law requirements. Subject to certain exceptions, Notes may not be offered, sold, delivered within the United States or to or for the account or benefit of U.S. persons.

Neither this Base Prospectus nor any Final Terms constitutes an offer or an invitation to subscribe for or purchase any Notes and should not be considered as a recommendation by any Issuer, the Guarantor, the Dealers or any of them that any recipient of this Base Prospectus or any Final Terms should subscribe for or purchase any Notes. Each recipient of this Base Prospectus or any Final Terms shall be taken to have made its own investigation and appraisal of the condition (financial or otherwise) of the Issuers and the Guarantor.

The maximum aggregate principal amount of Notes outstanding and guaranteed at any one time under the Programme will not exceed U.S.$5,000,000,000 (and for this purpose, any Notes denominated in another currency shall be translated into U.S. dollars at the date of the agreement to issue such Notes (calculated in accordance with the provisions of the Dealer Agreement as defined under "*Subscription and Sale*")). The maximum aggregate principal amount of Notes which may be outstanding and guaranteed at any one time under the Programme may be increased from time to time, subject to compliance with the relevant provisions of the Dealer Agreement as defined under "*Subscription and Sale*".

In this Base Prospectus, unless otherwise specified, references to a "**Member State**" are references to a Member State of the European Economic Area, references to "**QAR**" and "**Qatari riyals**" are to the lawful currency of the State of Qatar ("**Qatar**"), all references to "**$**", "**U.S.$**", "**USD**", "**dollars**" and "**U.S. dollars**" are to U.S. dollars, the lawful currency of the United States of America, all references to "**RO**" and "**Omani rials**" are to the lawful currency of the Sultanate of Oman, all references to "**AED**" or "**United Arab Emirates dirhams**" are to the lawful currency of the United Arab Emirates, all references to "**TL**" or "**Turkish lira**" are to the lawful currency of the Republic of Turkey, all references to "**CNY**" and "**Renminbi**" are to the lawful currency of the People's Republic of China (the "**PRC**") (which for the purposes of this Base Prospectus excludes the Hong Kong Special Administrative Region, the Macau Special Administrative Region and Taiwan) and references to "**EUR**" or "**euro**" are to the currency introduced at the start of the third stage of European economic and monetary union, and as defined in Article 2 of Council Regulation (EC) No 974/98 of 3 May 1998 on the introduction of the euro, as amended.

The language of this Base Prospectus is English. Certain legislative references and technical terms have been cited in their original language in order that the correct technical meaning may be ascribed to them under applicable law.

Certain figures included in this Base Prospectus have been subject to rounding adjustments; accordingly, figures shown for the same category presented in different tables may vary slightly and figures shown as totals in certain tables may not be an arithmetic aggregation of the figures which precede them.

This Base Prospectus has been prepared on the basis that any offer of Notes in any Member State of the EEA (each, a "**Member State**") will be made pursuant to an exemption under the Prospectus Regulation from the requirement to publish a prospectus for offers of Notes. Accordingly any person making or intending to make an offer in that Member State of Notes which are the subject of an offering contemplated in this Base Prospectus as completed by Final Terms or a Drawdown Prospectus in relation to the offer of those Notes may only do so in circumstances in which no obligation arises for the Relevant Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation, in each case, in relation to such offer. Neither the Issuers, the Guarantor nor any Dealer have authorised, nor do they authorise, the making of any offer of Notes in circumstances in which an obligation arises for the Relevant Issuer or any Dealer to publish or supplement a prospectus for such offer.

In connection with the issue of any Tranche of Notes, the Dealer or Dealers (if any) named as the Stabilisation Manager(s) (or persons acting on behalf of any Stabilisation Manager(s)) in the relevant subscription agreement or, as the case may be, Drawdown Prospectus may effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, stabilisation action may not necessarily occur. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the relevant Tranche of Notes is made and, if begun, may cease at any time, but it must end no later than the earlier of 30 days after the issue date of the relevant Tranche of Notes and 60 days after the date of the allotment of the relevant Tranche of Notes. Any stabilisation action or over-allotment must be

conducted by the Stabilisation Manager(s) (or persons acting on behalf of the Stabilisation Manager(s)) in accordance with all applicable laws and rules.

PRIIPS / IMPORTANT – EEA RETAIL INVESTORS

If the applicable Final Terms in respect of any Notes include a legend entitled "*Subscription and Sale - Prohibition of Sales to EEA Retail Investors*", the Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (the "**EEA**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or (ii) a customer within the meaning of Directive (EU) 2016/97 (the "**Insurance Distribution Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 . Consequently, no key information document required by Regulation (EU) No 1286/2014 (the "**EU PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the EU PRIIPs Regulation.

PRIIPS / IMPORTANT – UK RETAIL INVESTORS

If the applicable Final Terms in respect of any Notes includes a legend entitled "*Prohibition of Sales to UK Retail Investors*", the Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom (the "**UK**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (the "**EUWA**"); or (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 (the "**FSMA**") and any rules or regulations made under the FSMA which were relied on immediately before exit day to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or (iii) not a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA. Consequently no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law by virtue of the EUWA (the "**UK PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

EU MIFID II PRODUCT GOVERNANCE / TARGET MARKET

The Final Terms in respect of any Notes may include a legend entitled "*EU MiFID II Product Governance*" which will outline the target market assessment in respect of the Notes and which channels for distribution of the Notes are appropriate. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

A determination will be made in relation to each issue about whether, for the purpose of the MiFID Product Governance rules under EU Delegated Directive 2017/593 (the "**EU MiFID Product Governance Rules**"), any Dealer subscribing for any Notes is a manufacturer in respect of such Notes, but otherwise neither the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the EU MiFID Product Governance Rules.

UK MIFIR PRODUCT GOVERNANCE / TARGET MARKET

The Final Terms in respect of any Notes may include a legend entitled "**UK MiFIR Product Governance**" which will outline the target market assessment in respect of the Notes and which channels for distribution of the Notes are appropriate. Any distributor should take into consideration the target market assessment; however, a distributor subject to the UK MiFIR Product Governance Rules is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the target market assessment) and determining appropriate distribution channels. A determination will be made in relation

to each issue about whether, for the purpose of the UK MiFIR product governance rules set out in the FCA Handbook Product Intervention and Product Governance Sourcebook (the "**UK MiFIR Product Governance Rules**"), any Dealer subscribing for any Notes is a manufacturer in respect of such Notes, but otherwise neither the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the UK MiFIR Product Governance Rules.

BENCHMARKS REGULATION

Interest and/or other amounts payable under the Notes may be calculated by reference to certain benchmarks. Details of the administrators of such benchmarks, including details of whether or not, as at the date of this Base Prospectus, each such administrator's name appears on the ESMA Benchmarks Register, are set out below.

Benchmark	Administrator	Administrator appears on ESMA Benchmarks Register?
EURIBOR (Euro interbank offered rate)	European Money Markets Institute	Yes, European Money Markets Institute is authorised under Article 34 of the EU Benchmarks Regulation.
LIBOR (London interbank offered rate) (including AUD LIBOR and JPY LIBOR)	ICE Benchmark Administration Limited	No.
SHIBOR (Shanghai interbank offered rate)	National Interbank Funding Centre	No.
HIBOR (Hong Kong interbank offered rate)	Treasury Markets Association of Banks	No.
SIBOR (Singapore interbank offered rate)	ABS Benchmarks Administration Co Pte Ltd	Yes, ABS Benchmarks Administration Co Pte Ltd has equivalence under Article 30 of the EU Benchmarks Regulation.
EIBOR (Emirates interbank offered rate)	UAE Central Bank	No.
SAIBOR (Saudi Arabian interbank offered rate)	Refinitiv Benchmark Services (UK) Limited	Yes, Refinitiv Benchmark Services (UK) Limited is authorised under Article 34 of the EU Benchmarks Regulation.
BBSW (Bank Bill Swap rate)	ASX Benchmarks Limited	Yes, ASX Benchmarks Limited has equivalence under Article 30 of the EU Benchmarks Regulation.
PRIBOR (Prague interbank offered rate)	Czech Financial Benchmark Facility s.r.o.	Yes, Czech Financial Benchmark Facility s.r.o. is authorised under Article 34 of the EU Benchmarks Regulation.
TRLIBOR or TRYLIBOR (Turkish lira interbank offered rate)	Banks Association of Turkey	No.
TIBOR (Tokyo interbank offered rate)	JBA TIBOR Administration	No.

Benchmark	Administrator	Administrator appears on ESMA Benchmarks Register?
KIBOR (Karachi interbank offered rate)	Central Bank of Pakistan	No.
KLIBOR (Kuala Lumpur interbank offered rate)	Bank Negara Malaysia	No.

As at the date of this Base Prospectus, the administrators of LIBOR, SHIBOR, HIBOR, EIBOR, BBSW, TRLIBOR or TRYLIBOR, TIBOR, KIBOR or KLIBOR are not included in the ESMA Benchmarks Register of administrators under Article 36 of the EU Benchmarks Regulation. As far as the Bank is aware, the transitional provisions in Article 51 of the EU Benchmarks Regulation apply, such that ICE Benchmark Administration Limited, the National Interbank Funding Centre, the Treasury Markets Association of Banks, the UAE Central Bank, ASX Limited, the Banks Association of Turkey, JBA TIBOR Administration, the Central Bank of Pakistan and the Bank Negara Malaysia are not currently required to obtain authorisation/registration (or, if located outside the European Union, recognition, endorsement or equivalence).

NOTICE TO RESIDENTS OF THE KINGDOM OF SAUDI ARABIA

This document may not be distributed in the Kingdom of Saudi Arabia except to such persons as are permitted under the Rules on the Offer of Securities and Continuing Obligations issued by the Saudi Arabian Capital Market Authority (the "**CMA**").

The CMA does not make any representation as to the accuracy or completeness of this document, and expressly disclaims any liability whatsoever for any loss arising from, or incurred in reliance upon, any part of this document. Prospective purchasers securities offered hereby should conduct their own due diligence on the accuracy of the information relating to the securities. If you do not understand the contents of this document, you should consult an authorised financial adviser.

PRODUCT CLASSIFICATION PURSUANT TO SECTION 309B OF THE SECURITIES AND FUTURES ACT (CHAPTER 289)

THE APPLICABLE FINAL TERMS IN RESPECT OF ANY NOTES MAY INCLUDE A LEGEND ENTITLED "SINGAPORE SECURITIES AND FUTURES ACT PRODUCT CLASSIFICATION" WHICH WILL STATE THE PRODUCT CLASSIFICATION OF THE NOTES PURSUANT TO SECTION 309B(1) OF THE SECURITIES AND FUTURES ACT (CHAPTER 289) OF SINGAPORE, AS MODIFIED OR AMENDED FROME TIME TO TIME (THE "**SFA**"). THE ISSUER WILL MAKE A DETERMINATION AND, PRIOR TO MAKING ANY OFFERING OF NOTES IN SINGAPORE, PROVIDE THE APPROPRIATE WRITTEN NOTIFICATION TO "RELEVANT PERSONS" (AS DEFINED IN SECTION 309A(1) OF THE SFA) IN RELATION TO EACH ISSUE ABOUT THE CLASSIFICATION OF THE NOTES BEING OFFERED FOR PURPOSES OF SECTION 309B(1)(A) AND SECTION 309B(1)(C) OF THE SFA.

NOTICE TO RESIDENTS OF THE KINGDOM OF BAHRAIN

In relation to investors in the Kingdom of Bahrain, Notes issued in connection with this Base Prospectus and related offering documents must only be offered in registered form to existing accountholders and accredited investors (each as defined by the Central Bank of Bahrain ("**CBB**")) in the Kingdom of Bahrain where such investors make a minimum investment of at least U.S.$100,000 or any equivalent amount in other currency or such other amount as the CBB may determine.

This Base Prospectus does not constitute an offer of securities in the Kingdom of Bahrain pursuant to the terms of Article (81) of the Central Bank and Financial Institutions Law 2006 (decree Law No. 64 of 2006). This Base Prospectus and related offering documents have not been and will not be registered as a prospectus with the CBB. Accordingly, no securities may be offered, sold or made the subject of an invitation for subscription or purchase nor will this Base Prospectus or any other related document or material be used in connection with any offer, sale or invitation to subscribe or purchase securities, whether directly or indirectly, to persons in the Kingdom of Bahrain, other than to accredited investors for an offer outside the Kingdom of Bahrain.

The CBB has not reviewed, approved or registered this Base Prospectus or related offering documents and it has not in any way considered the merits of the Notes to be offered for investment, whether in or outside the Kingdom of Bahrain. Therefore, the CBB assumes no responsibility for the accuracy and completeness of the statements and information contained in this Base Prospectus and expressly disclaims any liability whatsoever for any loss howsoever arising from reliance upon the whole or any part of the content of this Base Prospectus. No offer of securities will be made to the public in the Kingdom of Bahrain and this Base Prospectus must be read by the addressee only and must not be issued, passed to, or made available to the public generally.

NOTICE TO RESIDENTS OF QATAR

The Notes will not be offered, sold or delivered, at any time, directly or indirectly, in Qatar (including the Qatar Financial Centre) in a manner that would constitute a public offering. This Base Prospectus has not been and will not be reviewed or approved by or registered with the Qatar Central Bank, the Qatar Stock Exchange, the Qatar Financial Centre Regulatory Authority or the Qatar Financial Markets Authority in accordance with their regulations or any other regulations in Qatar (including the Qatar Financial Centre). The Notes are not and will not be traded on the Qatar Stock Exchange. The Notes and interests therein do not constitute debt financing in Qatar (including the Qatar Financial Centre) under the Commercial Companies Law No. (11) of 2015 or otherwise under the laws of Qatar (including the Qatar Financial Centre).

ALTERNATIVE PERFORMANCE MEASURES

A number of the financial measures presented by the Bank in this Base Prospectus are not defined in accordance with International Financial Reporting Standards ("**IFRS**"). However, the Bank believes that these measures provide useful supplementary information to both investors and the Bank's management, as they facilitate the evaluation of company performance. It is to be noted that, since not all companies calculate financial measurements in the same manner, these are not always comparable to measurements used by other companies. Accordingly, these financial measures should not be seen as a substitute for measures defined according to IFRS. Unless otherwise stated, the list below presents alternative performance measures, along with their reconciliation to the extent that such information is not defined according to IFRS and not included in the Bank's financial statements incorporated by reference into this Base Prospectus:

- *Capital adequacy ratio*: Tier one capital as at period / year end plus tier two capital as at period / year end divided by risk weighted assets as at period / year end. The capital adequacy ratios as at 31 December 2020 and 31 December 2019 were calculated in accordance with the Basel III guidelines as issued by the QCB;

- *Loans and advances to customers to deposit ratio*: Loans and advances to customers as at period / year end divided by customer deposits as at period / year end;

- *Non-performing loan ratio*: Non-performing loans and advances to customers as at period / year end divided by gross loans and advances to customers as at period / year end; and

- *Liquidity coverage ratio*: Stock of high-quality liquid assets divided by net cash outflows over the next 30 calendar days.

SUBORDINATED NOTES

Subordinated Notes are complex financial instruments and are of high risk and are not a suitable or appropriate investment for all investors. In some jurisdictions, regulatory authorities have adopted or published laws, regulations or guidance with respect to the offer or sale of securities such as the Subordinated Notes to retail investors. There are risks inherent in the holding of the Subordinated Notes, including the risks in relation to their subordination and the circumstances in which Noteholders may suffer loss as a result of holding the Subordinated Notes. See "*Risk Factors – Risks Relating to the Notes - The Subordinated Notes are subordinated to most of the Relevant Issuer's and Guarantor's (where the Relevant Issuer is CBQ Finance Limited) liabilities*" for a discussion of certain considerations to be taken into account in connection with an investment in the Subordinated Notes.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

Some statements in this Base Prospectus may be deemed to be "**forward-looking statements**". Forward-looking statements include statements concerning the Issuers' and the Guarantor's plans, objectives, goals, strategies and future operations and performance and the assumptions underlying these forward-looking statements. When used in this Base Prospectus, the words "anticipates", "estimates", "expects", "believes", "intends", "plans", "aims", "seeks", "may", "will", "should" and any similar expressions generally identify forward-looking statements. These forward-looking statements are contained in the sections entitled "*Risk Factors*", "*Description of CBQ Finance Limited" and "Description of The Commercial Bank (P.S.Q.C.)"* and other sections of this Base Prospectus. The Issuers and the Guarantor have based these forward-looking statements on the current view of its management with respect to future events and financial performance. Although the Issuers and the Guarantor believe that the expectations, estimates and projections reflected in its forward-looking statements are reasonable, if one or more of the risks or uncertainties materialise, including those identified below or which the Issuers and the Guarantor has otherwise identified in this Base Prospectus, or if any of the Issuer and the Guarantor's underlying assumptions prove to be incomplete or inaccurate, the Issuer and the Guarantor's actual results of operation may vary from those expected, estimated or predicted. Investors are therefore strongly advised to read the sections "*Risk Factors*", "*Description of CBQ Finance Limited", "Description of The Commercial Bank (P.S.Q.C.)"* and "*Banking Industry and Banking Regulation in Qatar*", which include a more detailed description of the factors that might have an impact on the Issuers and the Guarantor's business development and on the industry sector in which the Issuers and the Guarantor operate.

The risks and uncertainties referred to above include:

- macro-economic and financial market conditions (and changes thereof) and, in particular, the global financial crisis;
- credit risks, including the impact of a higher level of credit defaults arising from adverse economic conditions, the impact of provisions and impairments and concentration of the Issuers' and the Guarantor's portfolio of financing and investing assets;
- the effects of, and changes in laws, regulations or governmental policy affecting the Issuers' and the Guarantor's business activities;
- removal or adjustment of the peg between the U.S. dollar and the Qatari riyal;
- liquidity risks, including the inability of the Issuers and the Guarantor to meet their contractual and contingent cash flow obligations or the inability to fund its operations; and
- changes in interest rates and other market conditions.

Additional factors that could cause actual results, performance or achievements to differ materially include, but are not limited to, those discussed under "*Risk Factors*".

These forward-looking statements speak only as at the date of this Base Prospectus. Without prejudice to any requirements under applicable laws, the Issuers and the Guarantor expressly disclaim any obligation or undertaking to disseminate after the date of this Base Prospectus any updates or revisions to any forward-looking statements contained herein to reflect any change in expectations thereof or any change in events, conditions or circumstances on which any forward-looking statement is based.

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OVERVIEW OF THE PROGRAMME

Words and expressions defined in the "Terms and Conditions of the Notes" below or elsewhere in this Base Prospectus have the same meanings in this overview. This overview must be read as an introduction to this Base Prospectus and any decision to invest in the Notes should be based on a consideration of the Base Prospectus as a whole, including any documents incorporated by reference. This overview does not purport to be complete and is taken from, and is qualified in its entirety by the remainder of this Base Prospectus and, in relation to the terms and conditions of each Tranche of Notes, the applicable Final Terms. This overview constitutes a general description of the Programme for the purposes of Article 25(1) of Commission Delegated Regulation (EU) No. 2019/980.

Issuers:	CBQ Finance Limited (LEI: 213800FNEMX56U9OHK56). The Commercial Bank (P.S.Q.C.) (LEI: 2138004FUUD4I7X8H721).
Guarantor (in relation to Notes issued by CBQ Finance Limited only):	The Commercial Bank (P.S.Q.C.).
Risk Factors:	Investing in Notes issued under the Programme involves certain risks. The principal risk factors that may affect the abilities of the Issuers and the Guarantor to fulfil their respective obligations under the Notes are discussed under "*Risk Factors*" below.
Dealers:	Al Khalij Commercial Bank (al khaliji) P.Q.S.C., Australia and New Zealand Banking Group Limited, Barclays Bank PLC, BNP Paribas, Citigroup Global Markets Limited, Commerzbank Aktiengesellschaft, Credit Suisse International, Deutsche Bank AG, London Branch, HSBC Bank plc, J.P. Morgan Securities plc, Merrill Lynch International, Mizuho International plc, Morgan Stanley & Co. International plc, MUFG Securities EMEA plc, QNB Capital LLC, SMBC Nikko Capital Markets Limited, Société Générale, Standard Chartered Bank, The Commercial Bank (P.S.Q.C.) and UBS AG London Branch and any other Dealer appointed from time to time by the Issuers and the Guarantor either generally in respect of the Programme or in relation to a particular Tranche of Notes.
Fiscal Agent:	BNP Paribas Securities Services, Luxembourg Branch.
Final Terms or Drawdown Prospectus:	Notes issued under the Programme may be issued either (1) pursuant to this Base Prospectus and associated Final Terms or (2) pursuant to a Drawdown Prospectus. The terms and conditions applicable to any particular Tranche of Notes will be the Terms and Conditions of the Notes as supplemented, amended and/or replaced to the extent described in the relevant Drawdown Prospectus or, as the case may be, completed by the applicable Final Terms.
Listing and Trading:	Applications have been made for Notes to be admitted during the period of twelve months after the date hereof to listing on the Official List of Euronext Dublin and to trading on the Regulated Market.
Clearing Systems:	Euroclear Bank SA/NV ("**Euroclear**") and/or Clearstream Banking S.A. ("**Clearstream, Luxembourg**") and/or, in relation to any Tranche of Notes, any other clearing system as may be specified in the applicable Final Terms.
Initial Programme Amount:	Up to U.S.$5,000,000,000 (or its equivalent in other currencies) aggregate principal amount of Notes outstanding and guaranteed at any one time.
Issuance in Series:	Notes will be issued in Series. Each Series may comprise one or more Tranches issued on different issue dates. The Notes of each Series will all be subject to identical terms, except that the issue date and the amount of the first payment of interest may be different in respect of

different Tranches. The Notes of each Tranche will all be subject to identical terms in all respects save that a Tranche may comprise Notes of different denominations.

Forms of Notes:

Notes may be issued in bearer form or in registered form.

Each Tranche of Bearer Notes will initially be in the form of either a Temporary Global Note or a Permanent Global Note, in each case as specified in the applicable Final Terms. Each Global Note will be deposited on or around the relevant issue date with a depositary or a common depositary for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system. Each Temporary Global Note will be exchangeable for a Permanent Global Note or, if so specified in the applicable Final Terms, for Definitive Notes. If the TEFRA D Rules are specified in the applicable Final Terms as applicable, certification as to non-U.S. beneficial ownership will be a condition precedent to any exchange of an interest in a Temporary Global Note or receipt of any payment of interest in respect of a Temporary Global Note. Each Permanent Global Note will be exchangeable for Definitive Notes in accordance with its terms. Definitive Notes will, if interest-bearing, have Coupons attached and, if appropriate, a Talon for further Coupons.

Each Tranche of Registered Notes will be in the form of either Individual Note Certificates or a Global Registered Note, in each case as specified in the applicable Final Terms. Each Global Registered Note will be deposited on or around the relevant issue date with a depositary or a common depositary for Euroclear and/ or Clearstream, Luxembourg and/or any other relevant clearing system and registered in the name of a nominee for such depositary and will be exchangeable for Individual Note Certificates in accordance with its terms.

Currencies:

Subject to any applicable legal or regulatory restrictions, any currency agreed between the Relevant Issuer and relevant Dealer.

Status of the Senior Notes:

The Senior Notes will constitute direct, unconditional, unsubordinated and (subject to the provisions of Condition 5 (*Negative Pledge*)) unsecured obligations of the Relevant Issuer and will rank *pari passu* among themselves and (save for certain obligations required to be preferred by law) equally with all other unsecured obligations (other than subordinated obligations, if any) of the Relevant Issuer from time to time outstanding.

Status and subordination of the Subordinated Notes:

The Subordinated Notes will constitute direct, conditional (as described in Condition 4(b) (*Status of the Subordinated Notes*)) and unsecured obligations of the Relevant Issuer. Payments in respect of the Subordinated Notes will be subordinated as described in Condition 4(b) (*Status of the Subordinated Notes*).

Status of the Guarantee (in relation to Notes issued by CBQ Finance Limited only):

Subject to Clause 4.7 (*Status*) of the Deed of Guarantee, the Guarantor has in the Deed of Guarantee unconditionally and irrevocably guaranteed the due and punctual payment of all sums from time to time payable by CBQ Finance Limited in respect of the Notes. Subject to Clause 4.7 (*Status*) of the Deed of Guarantee, the Guarantee of the Notes constitutes direct, general and unconditional obligations of the Guarantor which will at all times rank at least *pari passu* with all other present and future unsecured obligations of the Guarantor, save for such obligations as may be preferred by provisions of law that are both mandatory and of general application.

Issue Price:	Notes may be issued at any price and on a fully paid basis, as specified in the applicable Final Terms. The price and amount of Notes to be issued under the Programme will be determined by the Issuers, the Guarantor and the relevant Dealer(s) at the time of issue in accordance with prevailing market conditions.
Maturities:	The Notes will have such maturities as may be agreed between the Relevant Issuer and relevant Dealer, subject to such minimum or maximum maturities as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the relevant Issuer or the relevant Specified Currency. Where Notes have a maturity of less than one year and either (a) the issue proceeds are received by the Relevant Issuer in the United Kingdom or (b) the activity of issuing the Notes is carried on from an establishment maintained by the Relevant Issuer in the United Kingdom, such Notes must: (i) have a minimum redemption value of £100,000 (or its equivalent in other currencies) and be issued only to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses; or (ii) be issued in other circumstances which do not constitute a contravention of section 19 of the Financial Services and Markets Act 2000 ("**FSMA**") by the Relevant Issuer.
Redemption:	Notes may be redeemable at par or at such other Redemption Amount as may be specified in the applicable Final Terms.
Optional Redemption:	Notes may be redeemed before their stated maturity at the option of the Issuers (either in whole or in part) and/or the Noteholders to the extent (if at all) specified in the applicable Final Terms.
Tax Redemption:	Except as described in "*Optional Redemption*" above, early redemption will only be permitted for tax reasons as described in Condition 9(b) (*Redemption for tax reasons*).
Interest:	Notes may be interest-bearing or non-interest bearing. Interest (if any) may accrue at a fixed rate or a floating rate and the method of calculating interest may vary between the issue date and the maturity date of the relevant Series.
Denominations:	No Notes may be issued under the Programme with a minimum denomination of less than EUR100,000 (or its equivalent in another currency). Subject thereto, Notes will be issued in such denominations as may be specified in the applicable Final Terms, subject to compliance with all applicable legal and/or regulatory and/or central bank requirements.
Negative Pledge:	The Senior Notes will have the benefit of a negative pledge as described in Condition 5 (*Negative Pledge*).
Cross Default:	The Senior Notes will have the benefit of a cross default as described in Condition 13 (*Events of Default*).
Taxation:	All payments in respect of the Notes will be made free and clear of withholding taxes of Bermuda, in relation to CBQ Finance Limited, and Qatar, in relation to the Bank, unless the withholding is required by law. In that event, the Relevant Issuer or Guarantor (where the Relevant

	Issuer is CBQ Finance Limited) will (subject as provided in Condition 12 (*Taxation*)) pay such additional amounts as will result in the Noteholders receiving such amounts as they would have received in respect of such Notes had no such withholding been required.
Governing Law:	English law.
Enforcement of Notes in Global Form:	In the case of Global Notes, individual investors' rights against the Issuers will be governed by a Deed of Covenant dated on or around 7 July 2021, a copy of which will be available for inspection at the specified office of the Fiscal Agent.
Ratings:	The Bank's long term credit rating is assessed by Moody's at "A3", Fitch at "A" and S&P at "BBB+". The Bank has a short-term credit rating of "P-2" from Moody's, "F1" from Fitch and "A-2" from S&P. The Programme has been rated "A3" by Moody's, "A" by Fitch and "BBB+" by S&P. The rating of certain Series of Notes to be issued under the Programme may be specified in the applicable Final Terms. A rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time by the assigning rating agency.
Selling Restrictions:	For a description of certain restrictions on offers, sales and deliveries of Notes and on the distribution of offering material in, the United States of America, the United Kingdom, the EEA, Qatar (including the Qatar Financial Centre), Japan, the Kingdom of Saudi Arabia, Singapore, the United Arab Emirates (excluding the Dubai International Financial Centre), the Dubai International Financial Centre, the Kingdom of Bahrain, Bermuda and Hong Kong, see "*Subscription and Sale*" on page 130.

RISK FACTORS

Prospective investors should read the entire Base Prospectus. Words and expressions defined in the "Terms and Conditions of the Notes" below or elsewhere in this Base Prospectus have the same meanings in this section.

An investment in the Notes involves a number of risks. Prospective investors should carefully consider the following information on the principal risks, together with the other information contained in this Base Prospectus, before investing in the Notes. Any of the risks described below, or additional risks not currently known to the Bank or that the Bank currently deems immaterial, could have a significant or material adverse effect on the business, financial condition, results of operations or prospects of the Bank and result in a corresponding decline in the market price of the Notes. Investors could lose all or a substantial part of their investment.

Risks Relating to the Macro Economic Environment

Risks relating to the emergence of the novel coronavirus COVID-19

The outbreak of communicable diseases on a global scale may affect investment sentiment and result in sporadic volatility in global capital markets. The COVID-19 outbreak is currently having an indeterminable adverse impact on the world economy. COVID-19 was first identified in Wuhan, Hubei Province, China in late 2019.

Since then it has spread rapidly, infecting a large number of people and causing a substantial number of deaths around the world leading the World Health Organisation to declare the outbreak a global pandemic on 11 March 2020. Many of these affected countries, including Qatar, have been significantly impacted and have experienced high levels of deaths connected with COVID-19. In response, most affected countries have introduced restrictions on travel and on the freedom of movement of people. These measures, while aimed to slow the spread of the virus, have significantly reduced economic activity in many countries around the world. To address these factors many governments have introduced significant support programmes for qualifying citizens and businesses.

It remains unclear how long the restrictions will remain in place and what their ultimate impact will be on global and local economies, as well as on the price of oil. The economic impact of COVID-19 has already included, and may continue to result in, significant volatility in financial markets and reduced global liquidity and investment, and it may lead to lower economic growth in the Gulf Cooperation Council countries ("**GCC**") and globally.

In response to the impact of COVID-19 on their domestic economies, various governments around the world, including the government of Qatar (see "*Banking Industry and Banking Regulation in Qatar - Qatari Banking Sector – Response to COVID-19*"), have announced fiscal stimulus packages and numerous central banks have cut interest rates. Specifically, on 3 March 2020, the U.S. Federal Reserve cut its target range for the federal funds rate by 0.5 per cent. to between 1.00 and 1.25 per cent. and, on 15 March 2020, the range was cut further to between 0 to 0.25 per cent. Given the peg of the Qatar Riyal to the U.S. dollar, the Qatar Central Bank (the "**QCB**") also undertook similar action and cut its key rates. These and any future changes in these rates or changes in fiscal stimulus packages or QCB measures more generally could reduce liquidity and adversely impact the Bank's financing costs, if the Bank is unable to pass these increased costs on to its customers.

On 22 March 2020, the QCB issued a circular to banks operating in Qatar requiring such banks to agree to postpone the repayment of loan instalments and interest due on such instalments for a period of six months. The period for postponement was extended in a circular dated 29 September 2020 to December 2020, in a circular dated 15 December 2020 to 15 June 2021 and in a circular dated 18 April 2021 to 30 September 2021. A substantial amount of the Bank's business involves providing credit and other financial services to individuals, corporates, industries or governments that may be detrimentally impacted by COVID-19 and low oil prices (see "- *Slower economic growth in the countries where the Bank, its subsidiaries and its associates operate could adversely impact the Bank*" below). In addition, concerns remain as to whether these policy tools will counter anticipated macro-economic risks and a prolongation of the outbreak could significantly adversely affect economic growth, affect specific industries or countries or affect the Bank's employees and business operations in affected countries.

All of these factors have the potential to impact the Bank's assessment of its expected credit losses and may therefore result in significantly increased impairment losses in future periods, at least until Qatar and other economies to which it is exposed recover from the effects of COVID-19 restrictions and low oil prices. Whilst the direct and indirect impact of the COVID-19 outbreak remains uncertain, there can be no assurance that such impairment losses will not significantly increase for future periods, which in turn could have an adverse effect on the Bank's business, financial condition, results of operations or prospects.

In the event these conditions persist, the Bank's business, financial condition, results of operations, liquidity and prospects are likely to be negatively affected.

Slower economic growth in the countries where the Bank, its subsidiaries and its associates operate could adversely impact the Bank

The Bank's total loans and advances to customers were QAR 96.7 billion as at 31 December 2020 and QAR 88.0 billion as at 31 December 2019. The growth in the Bank's assets and loan portfolio over the past several years is due in large part to the rapid growth of the Qatar economy and the economies of the GCC countries where the Bank operates. The economies of Qatar and the GCC countries are dependent on oil, gas and related industries, as well as the prices and quantities of these commodities. The Bank's financial performance has been and will remain closely linked to the rate of economic growth of Qatar and the other GCC countries in which the Bank, its subsidiaries and its associates operate. Any deterioration in economic conditions in Qatar or the GCC could materially adversely affect many of the Bank's borrowers and contractual counterparties.

Economic conditions in Qatar may deteriorate as a result of deterioration in oil, gas or related industries or due to other factors, including a financial crisis (such as the global financial crisis which started in 2007) and the spread of COVID-19, which will cause significant uncertainty and viability in the financial markets globally and regionally, (see *"- Risks relating to the emergence of the novel coronavirus COVID-19"* above). Although over the past few years Qatar has tried to diversify away from oil and gas, the oil and gas sector contributed 81.5 per cent. and 83.3 per cent. to the annual revenues of Qatar in the years ended 31 December 2017 and 31 December 2018, respectively. According to preliminary estimates for 2019, the oil and gas sector contributed 79.2 per cent. to the annual revenue for the year ended 31 December 2019. The volatility in global crude oil prices can be seen by the fact that (the Organisation of the Petroleum Exporting Countries ("**OPEC**") Reference Basket annual average crude oil price was over U.S.$100 per barrel for the period 2011 to 2013, falling to U.S.$65.11 per barrel in January 2020 and to U.S.$17.64 per barrel in April 2020, before recovering to U.S.$50.24 as at 31 December 2020) may potentially adversely affect economic activity.

In response to the decreasing demand for oil as a result of the spread of COVID-19 (see *"- Risks relating to the emergence of the novel coronavirus COVID-19"* above), OPEC officials proposed a plan to the OPEC countries and other non-OPEC countries, including Russia, to reduce global production by 1.5 per cent. However, the parties were unable to reach agreement and the three-year partnership between OPEC and major non-OPEC providers was terminated as a result. On 7 March 2020, Saudi Arabia announced that it would raise oil output and discount its oil price in April 2020. As a result of the above factors, the OPEC Reference Basket prices fell significantly from U.S.$48.35 on 6 March 2020 to U.S.$34.72 on 9 March 2020, a decrease of 28.2 per cent. In April 2020, the OPEC Reference Basket price had fallen further to U.S.$17.64 per barrel, an 18-year low.

A series of meetings took place on 9 April 2020 and 12 April 2020 between OPEC and non-OPEC oil producing countries participating in the Declaration of Cooperation, which culminated in an agreement to reduce their overall oil production in stages between 1 May 2020 and 30 April 2022. During the initial two-month period beginning 1 May 2020, it was agreed that production would be reduced by a total of 9.70 million barrels a day, followed by a six month period starting 1 July 2020 during which production would be reduced by a total of 7.68 million barrels a day and followed by a subsequent 16 month period between 1 January 2021 and 30 April 2022 during which production would be reduced by a total of 5.76 million barrels a day. However, there can be no assurance that the agreement will be implemented by all relevant parties or achieve its stated goals or what effect the agreement will have on oil prices in the short to medium term.

The significant fluctuations in international oil prices, particularly if they remain low for an extended period, may impact the Bank in a number of ways, including through: (i) its exposure to customers whose businesses are directly or indirectly, reliant on oil revenue and who become unable to service their debt; (ii) reduced liquidity as deposits from government and government-related entities are withdrawn as these depositors are impacted by low oil prices; and (iii) the impact of low oil prices and the COVID-19 restrictions on Qatar's economy and the consequent impact on the Bank's wholesale and retail customers.

The business, results of operations and financial condition of the Bank have been materially adversely affected by these trends and may be further materially adversely affected by a continuation of the unfavourable economic conditions in the other countries of the GCC and emerging markets generally as well as by United States, European and international trading market conditions and/or related factors.

If these levels of market disruption and volatility continue or recur, the Bank may experience reductions in business activity, increased funding costs and funding pressures, decreased asset values, credit losses, write-downs and

impairment charges, and lower profitability and cash flows. See "- *Risks Relating to the Bank - The Bank's investment and loan portfolios and deposit base are spread geographically in Qatari riyal, U.S. dollars and Turkish lira*" and "- *Risks Relating to the Bank - The Bank's loan portfolios and deposit base are in various economic sectors related to industry oil, gas, petrochemical, utilities and others, government and semi-government institutions, real estate, commercial and services companies, with the highest concentration of gross loans outstanding (not including impairments) in the real estate sector*".

Qatar

Operations in Qatar accounted for 111.9 per cent. (due to net losses reported by affiliates outside of Qatar) of the Bank's consolidated net profit for the year ended 31 December 2020, compared to 95.5 per cent. for the year ended 31 December 2019. Qatar, being a relatively small economy, is heavily dependent on exports, in particular of oil and gas. According to the International Monetary Fund ("**IMF**"), Qatar's real GDP is projected to increase by 2.5 per cent. in 2021. In addition, the Government of Qatar (the "**Government**") has, in the past, relied upon oil revenue and loans to finance its economic development and infrastructure projects. If current economic conditions cause delays in key projects as a result of the unavailability of credit, the Government may need to draw on its sovereign wealth fund in order to finance these projects. Moreover, the Qatar economy is highly dependent upon its oil and gas revenue. Historically the markets for petroleum products have been volatile and are likely to remain so in the future. A substantial deterioration in price or high volatility in international prices for oil and gas products in the future could adversely affect the Government's development strategy or its ability to continue to both finance internal development projects and to continue to provide support to its commercial banking and real estate sectors. In the event these conditions persist, the Bank's business, financial condition, results of operations, liquidity and prospects are likely to be negatively affected.

Oman

For the year ended 31 December 2020, 4.6 per cent. of the Bank's consolidated net profit was generated from the operations of National Bank of Oman ("**NBO**") in Oman. As at 31 December 2020, the Bank had a 34.9 per cent. ownership interest in NBO. On 3 June 2021, the Bank announced a public offer to acquire an additional 15.2 per cent. of NBO's share capital, which would increase the Bank's shareholding from 34.9 per cent. to 50.1 per cent. (see "*Description of the Commercial Bank (P.Q.S.C.) – History and Corporate Structure - History*"). According to the IMF, Oman's real GDP is projected to contract by 0.5 per cent. in 2021. In addition, His Majesty Sultan Qaboos bin Said Al Said had focused successfully on widespread economic and political reform since taking power in 1970, resulting in significantly increased stability and economic growth in the country. However, with his passing on 10 January 2020 and the appointment of the new Sultan Haitham bin Tariq, there can be no assurance that such stability and growth will continue. Any deterioration in the economic conditions in Oman could have a material adverse effect on NBO. See "- *Risks Relating to Qatar, Turkey and other GCC markets - Emerging markets such as Qatar, Turkey and other GCC markets are subject to greater risks than more developed markets, and financial volatility in emerging markets could negatively impact the Bank's business*".

Turkey

For the year ended 31 December 2020, operations of Alternatifbank A.S. ("**Alternatif Bank**") contributed a net profit of QAR 57.5 million to the Bank's consolidated net profit, representing 4.4 per cent of the Bank's total net profit. As at 31 December 2020, the Bank had a 100 per cent. ownership interest (directly or indirectly) in Alternatif Bank. According to the IMF, Turkey's real GDP is projected to increase by 6 per cent. in 2021. However, there is no guarantee that GDP growth will continue and any decrease in GDP growth could impact the Bank's results of operations. Any deterioration in the economic conditions in Turkey could have a material adverse effect on Alternatif Bank. See "- *Risks Relating to Qatar, Turkey and other GCC markets - Emerging markets such as Qatar, Turkey and other GCC markets are subject to greater risks than more developed markets, and financial volatility in emerging markets could negatively impact the Bank's business*".

The United Arab Emirates

For the year ended 31 December 2020, operations of United Arab Bank P.J.S.C. ("**UAB**") in the United Arab Emirates (the "**UAE**") contributed a net loss of QAR 272.4 million. As at 31 December 2020, the Bank had a 40.0 per cent. ownership interest in UAB. UAB reported a net loss in 2020 due to higher provisions on its non-performing loans portfolio. According to the IMF, real GDP is projected to increase by 1.3 per cent. in 2021. However, there is no guarantee that GDP growth will continue and any decrease in GDP growth could impact the Bank's results of operations. Any deterioration in the economic conditions in the UAE could have a material adverse effect on UAB. See "- *Risks Relating to Qatar, Turkey and other GCC markets - Emerging markets such as Qatar, Turkey and other*

GCC markets are subject to greater risks than more developed markets, and financial volatility in emerging markets could negatively impact the Bank's business".

The Bank may be affected by instability in the Middle East, North Africa and Turkey

Certain countries within the Middle East and North Africa ("**MENA**") region have experienced heightened levels of political instability, civil unrest and violence since January 2011. There can be no assurance that such political instability in the MENA region will not escalate in the future and affect hitherto stable countries such as Qatar, that political instability will not spread to additional countries in the MENA region, that further violent activities will not occur or that the governments of the MENA region will be successful in maintaining domestic order and stability. This uncertainty and unrest may result in credit becoming more expensive for certain countries where the Bank operates.

Additionally, the 2013 acquisition of the subsidiary Alternatif Bank in Turkey exposes the Bank to geopolitical risk in Turkey (see "- *Risks relating to Qatar, Turkey and other GCC markets*"). As at 31 December 2020, Alternatif Bank comprised 10.5 per cent. of the total assets and 12.1 per cent. of the total liabilities of the Bank.

Risks Relating to CBQ Finance Limited and the Guarantee

CBQ Finance Limited will depend on receipt of payments from the Bank to make payments to holders of the Notes

CBQ Finance Limited's principal purpose is to provide funding, through the international capital markets, to the Bank. Therefore, CBQ Finance Limited's ability to fulfil its obligations under the Notes is entirely dependent on the Bank's performance. If the financial condition of any Group company were to deteriorate, and to the extent that funds were not available to CBQ Finance Limited, holders of the Notes could suffer direct and materially adverse consequences including insufficient coupon payments on the Notes and if a liquidation or bankruptcy of CBQ Finance Limited were to occur, loss by the holders of the Notes of all or a part of their investment.

The Notes issued by CBQ Finance Limited are guaranteed by the Bank and the proceeds of each issuance are made available to the Guarantor pursuant to one or more loan agreements whereby the Bank is obligated to make payments to CBQ Finance Limited that match the payment obligations of CBQ Finance Limited under the Notes. As CBQ Finance Limited does not have any business operations, CBQ Finance Limited will be entirely dependent on the Bank to service its payment obligations under the Notes. Therefore, CBQ Finance Limited's ability to fulfil its payment obligations under the Notes is entirely dependent on the Bank's performance, and thus CBQ Finance Limited is subject to all the risks to which the Bank is subject, to the extent that such risks could limit the Bank's ability to satisfy in full and on a timely basis its obligations under the Guarantee of the Notes. See "*Risk Factors - Risks Relating to the Bank*" for a further description of certain of these risks.

Risks Relating to the Bank

The Bank is subject to the risk that liquidity may not always be readily available; this risk may be exacerbated by conditions in global financial markets

Liquidity risk is the risk that the Bank will be unable to meet its obligations, including funding commitments, as they fall due. This risk is inherent in banking operations and can be heightened by a number of enterprise-specific factors, including over-reliance on a particular source of funding (including, for example, short-term and overnight funding), changes in credit ratings or market-wide phenomena such as market dislocation and major disasters.

The Bank's liquidity management focuses on maintaining a diverse and appropriate funding strategy for its operations, monitoring and managing the maturity dates of its debts and carefully monitoring its undrawn commitments and contingent liabilities towards customers. However, there can be no assurance that the Bank's ability to access sources of liquidity will not be constrained to the point where it, like other banks, may have to source greater amounts of shorter-term funding, such as funding sources with a term of one to three months and overnight funding, with a consequent reduction in long-term liquidity and an increase in funding costs. Like other Qatari banks, the Bank is also dependent on the Government's support to increase liquidity when required. Although the Government has supported the domestic banking industry during the global economic crisis, there can be no assurance that the Government will provide any additional support to the Bank and the domestic banking industry if another major economic disruption were to occur in the future. The QCB provides liquidity to the Qatari banks via the repo where the banks can repo all Qatari bonds they have with the QCB for up to one month. At the same time, the QCB provides liquidity in terms of inter-bank placements to the system.

In common with other banks in Qatar, the Bank has historically relied substantially on corporate and retail depositors to meet most of its funding needs as access to other funding sources has been limited. Such customer deposits are subject to fluctuation due to certain factors outside the Bank's control, such as any possible loss of confidence and competitive pressures, which could result in a significant outflow of deposits within a short period of time. As at 31 December 2020, 87.4 per cent. of the Bank's total liabilities (which includes due to banks, debt securities, customer deposits, other borrowings and other liabilities) had remaining maturities of one year or less or were payable on demand.

In addition, the Bank is reliant on certain large customer deposits from a limited group of corporate customers. As at 31 December 2020, the top two depositors accounted for 7.6 per cent. of total customer deposits and the top 20 depositors for 35.1 per cent. of total customer deposits. The majority of the top 20 depositors are Government bodies or other public sector companies. If a substantial portion of the Bank's depositors withdraw their demand deposits or do not roll over their time deposits upon maturity, the Bank may need to seek more expensive sources of funding to meet its funding requirements, and no assurance can be made that the Bank will be able to obtain additional funding on commercially reasonable terms as and when required or at all. The Bank's inability to refinance or replace such deposits with alternative funding could adversely affect the Bank's liquidity and financial condition and funding cost. The Bank's alternative sources of wholesale funding are subject to certain restrictions.

The availability to the Bank of any additional financing it may need will depend on a variety of factors, such as market conditions, the availability of credit generally and to borrowers in the financial services industry specifically, and the Bank's financial condition, credit ratings and credit capacity, as well as the possibility that customers or lenders could develop a negative perception of the Bank's financial prospects if, for example, the Bank incurs large losses, experiences significant deposit outflows or if the level of the Bank's business activity decreases. In particular, the Bank's access to funds may be impaired if regulatory authorities or rating agencies impose additional regulatory capital requirements or downgrade the Bank's debt ratings. If the Bank is unable to meet its liquidity needs, through customer deposits or the interbank markets and is unable to refinance its outstanding indebtedness, it could have a negative effect on its financial condition, results of operations and prospects.

The Bank may be subject to increased capital requirements or standards due to new governmental or regulatory requirements and changes in perceived levels of adequate capitalisation, and may also need additional capital in the future in the event of worsening economic conditions, which capital may be difficult to obtain

The Bank will be required to maintain a total minimum capital adequacy ratio of 10 per cent., a capital conservation buffer of 2.5 per cent., an additional charge of 0.5 per cent. as a domestic systemically important bank ("**DSIB**") and the international capital adequacy assessment process capital charge of 1.0 per cent. under the Basel Committee on Banking Supervision's (the "**Basel Committee**") proposed capital adequacy and liquidity requirements ("**Basel III**").

A requirement to increase capital requirements may arise in the medium term due to growth in the Bank's assets or a regulatory requirement to address inadequate capitalisation levels and perceptions of the agencies rating the Bank's debt. The Bank may also require additional capital in the future in the event that it experiences higher than expected losses in its operations or declines in asset quality resulting in higher than expected risk-weighted asset growth.

As at 31 December 2020, the Bank's Capital Adequacy Ratio ("**CAR**") was 17.8 per cent., which was above the QCB requirement to maintain a minimum CAR of 14.0 per cent. (which includes a capital conservation buffer of 2.5 per cent., an additional charge of 0.5 per cent. as a DSIB, and the international capital adequacy assessment process capital charge of 1.0 per cent., as per Basel III guidelines adopted by the QCB).

As at the date of this Base Prospectus, under statutory reporting, banks in Qatar report their Liquidity Coverage Ratio ("**LCR**"), and during the "observation period" from 2014 to 2018, Qatari banks were also expected to report their Net Stable Funding Ratio ("**NSFR**") and Leverage Ratio ("**LR**"). As at 31 December 2020, the Bank was in compliance with minimum QCB requirements for LCR and LR and as at the date of this Base Prospectus, the Bank is in compliance with minimum QCB requirements for LCR and LR. From 1 January 2018, all banks in Qatar were expected to be in compliance with NSFR of 100 per cent. The Bank is not currently in compliance with NSFR and, as reported to the QCB, the Bank is undertaking efforts to comply by extending duration of its customer deposits beyond one year and increasing current account and saving account balances. At the same time, the Bank may also seek capital markets funding to address the shortfall.

Although the Bank takes an active approach in the management of its capital requirements and has successfully raised regulatory capital in the past, the Bank may need to obtain additional capital in the future. Such capital may not be available on attractive terms, or at all. Further, any such development may expose the Bank to additional costs and liabilities requiring it to change how it conducts its business, including by reducing the risk and leverage of certain

activities, or otherwise have a negative impact on its business, the products and services it offers and the value of its assets.

If the Bank is unable to increase its capital ratios sufficiently, its credit ratings may drop, its cost of funding may increase, and its share price may decline.

The growth and diversification of the Bank's loan portfolio has increased its credit exposure and risk profile

As a result of the growth in the Bank's loan portfolio in recent years, the Bank's credit exposure has increased significantly. The Bank intends to continue to grow and diversify its loan portfolio in Qatar, the GCC and Turkey. This growth will require continual monitoring by management of portfolio credit quality. See "*Risk Management*".

Since 21 March 2011, Qatar has had an operational central credit bureau (the "**Bureau**") which collates information about customers and their credit history. The Bureau is intended to help support sustainable growth of credit in Qatar, relying on customer data and risk-based methodologies; it provides the QCB and the banking sector with analytical data to support the implementation of advanced techniques in risk management as outlined in the "Basel II" accord. This is intended to help to reduce the risk of higher loan loss, however, there can be no assurance that this will be able to reduce the risk of loan loss provisioning.

Any failure by the Bank to maintain the quality of its assets while maintaining growth of its loan portfolio through effective risk management policies could lead to higher loan loss provisioning and result in higher levels of defaults and write-offs, which in turn could have a material adverse effect on the Bank's financial condition or results of operations.

The Bank's gross loans and advances to customers, as at 31 December 2020 and 31 December 2019, was QAR 100.0 billion and QAR 90.9 billion, respectively, of which real estate related financing amounted to 20.5 per cent., or QAR 20.5 billion, and 20.9 per cent., or QAR 19.0 billion, respectively. An economic down-turn and other factors could lead to contraction in the residential mortgage and commercial lending market and to further decreases in residential and commercial property prices. This in turn could have an impact on the profitability, assets and revenues of the Bank.

Market fluctuations and volatility may adversely affect the value of the Bank's positions and make it more difficult to assess the fair value of certain of its assets

Valuations of bonds, equities and other securities that the Bank holds in future periods, reflecting then-prevailing market conditions, may result in significant changes in the fair values of the Bank's investment exposure. In addition, the value ultimately realised by the Bank may be materially different from the current or estimated fair value of such investments. Any of these factors could require the Bank to recognise further valuation losses or realise impairment charges, any of which may adversely affect its business, financial condition, results of operations, liquidity and/or prospects.

The Bank's investment and loan portfolios and deposit base are spread geographically in Qatari riyal, U.S. dollars and Turkish lira

The Bank's investment and loan portfolios and deposit base are concentrated in Qatar, Turkey and Asia, in Qatari riyals, U.S. dollars and Turkish lira. The investment portfolio mainly consists of Qatari government and Turkish government securities. The Bank's customer deposits constituted 57.7 per cent. of total liabilities, or QAR 75.8 billion, as at 31 December 2020, and 72.8 per cent. of these customer deposits were concentrated in Qatar and other GCC countries. The Bank's loans and advances to customers constituted 63.0 per cent. of total assets, or QAR 96.7 billion as at 31 December 2020, and 77.7 per cent. of these loans and advances to customers were concentrated in Qatar and other GCC countries. Amounts due from banks constituted 6.8 per cent. of total assets, or QAR 10.4 billion as at 31 December 2020, and 11.4 per cent. of these amounts were due from banks located in Qatar and other GCC countries. The Bank's investment securities constituted 16.8 per cent. of total assets, or QAR 25.8 billion as at 31 December 2020. The Bank's investments in securities principally comprise bonds issued by the Government. See "*Banking Industry and Banking Regulation in Qatar — Qatar — Qatari Banking Sector*". In the event of any deterioration in general economic conditions in Qatar or the GCC or the failure of the Bank to manage effectively its risk concentrations could have a material adverse effect on the Bank's business, results of operations and financial condition.

The Bank's investments and loan portfolio are concentrated, in terms of currencies, in Qatar riyals, U.S. dollars and Turkish lira. The total value of the Bank's Qatar riyal denominated assets was QAR 95.3 billion as at 31 December 2020, or 69.5 per cent. of total assets, on a standalone basis. The total value of the Bank's U.S. dollar denominated

assets was the equivalent of QAR 35.1 billion as at 31 December 2020, or 25.6 per cent. of total assets, on standalone basis. Any volatility in the values of these currencies could have a material adverse effect on the Bank's business, results of operations and financial condition.

The Bank's loan portfolios and deposit base are in various economic sectors related to industry oil, gas, petrochemical, utilities and others, government and semi-government institutions, real estate, commercial and services companies, with the highest concentration of gross loans outstanding (not including impairments) in the real estate sector

The Bank's loan portfolio, as well as the economies of Qatar and the GCC, includes loans to various economic sectors related to industry, government and semi-government, real estate, commercial and services. Many of the Bank's corporate customers engage in the production and/or export of oil and gas, or provide related businesses and services (such as construction services) to the oil and gas industry. See "*-Risks Relating to the Macro Economic Environment - Slower economic growth in the countries where the Bank, its subsidiaries and its associates operate could adversely impact the Bank - Qatar*". As at 31 December 2020, 20.5 per cent. of the Bank's gross loans and advances to customers outstanding (not including impairments) were in the real estate sector. A prolonged and material downturn in hydrocarbon demand, the Qatari real estate sector and/or prices will slow economic growth and may negatively affect the businesses of many of the Bank's customers and may result in reduced profits, liquidity and cash flow, a fall in loan growth and asset values, and an increase in loan defaults.

The Bank could be negatively affected by the soundness or the perceived soundness of other financial institutions and counterparties, which could result in significant systemic liquidity problems, losses or defaults

The Bank is subject to the risk of deterioration in the commercial and financial soundness, or perceived soundness, of other financial services institutions. Within the financial services industry the default of any one institution could lead to defaults by other institutions. Concerns about, or a default by, one institution could lead to significant liquidity problems, losses or defaults by other institutions, because the commercial and financial soundness of many financial institutions may be closely related as a result of their credit, trading, clearing or other relationships. Even the perceived lack of creditworthiness of, or questions about, a counterparty may lead to market-wide liquidity problems and losses or defaults by the Bank or by other institutions. This risk is sometimes referred to as "systemic risk" and may adversely affect financial intermediaries, such as clearing agencies, clearing houses, banks, securities firms and exchanges with whom the Bank interacts on a daily basis. Systemic risk could have a material adverse effect on the Bank's ability to raise new funding and on its business, financial condition, results of operations, liquidity and/or prospects.

The Bank could be negatively affected by an inability to recruit qualified Qatari personnel

The Bank is guided in its human resources decisions by the Government's recommended policy that 20 per cent. of the Bank's total staff are Qatari nationals. While the Bank believes that it has effective staff recruitment, training and incentive programmes in place, the Bank's failure to recruit, train and/or retain necessary personnel or the shortage of qualified Qatari nationals could have a material adverse effect on its business, financial condition and results of operations.

The Bank is a regulated entity and changes to applicable laws or regulations or in the interpretation or enforcement of such laws or regulations or any failure by the Bank to comply with such laws or regulations could have a material adverse effect on the Bank

The Bank is subject to a number of prudential and regulatory controls designed to maintain the safety and soundness of banks, ensure their compliance with economic and other objectives and limit their exposure to risk. These regulations include Qatari laws and regulations (particularly those of the QCB, the Qatar Financial Markets Authority ("**QFMA**") and the Qatar Stock Exchange (the "**QSE**")), as well as the laws and regulations of the other countries in which the Bank operates. The Bank is subject to many legal restrictions and QCB regulations. For instance, the Bank's total real estate financing may not exceed 150 per cent. of the Bank's capital and reserves, its credit limit to a single customer group may not exceed 20 per cent. of its capital and reserves, its credit limit for a major shareholder and its credit group may not exceed 10 per cent. of the Bank's capital and reserves, its total investment and credit concentration in a single customer may not exceed 25 per cent. of the Bank's capital and reserves and it must monitor concentration limits on total credit and other risk exposures to retail customers, banks, investments and country exposure. In terms of capital adequacy, the Bank must maintain a minimum CAR of 14 per cent. (as per Basel III guidelines adopted by the QCB), and a minimum liquidity adequacy ratio of 100 per cent. (liquid asset over current liability as defined by QCB) whilst applying the Internal Capital Adequacy Assessment Process (ICAAP) (as per Basel III guidelines adopted by the QCB). In addition, the Bank must maintain a credit to deposit ratio of 100 per cent. maximum, a minimum liquidity coverage ratio of 100 per cent. and a minimum net stable funding ratio of 100 per

cent. (in each case as per the Basel III guidelines adopted by the QCB), while ensuring that it imposes maximum limits for the negative cumulative gaps for any differences between assets and liabilities for currency exposure, together with remaining in compliance with executive instructions on the development of the implementation instructions for Capital Adequacy Requirements - Pillar 1 & 2 in line with Basel III. The Bank's fixed assets may also not exceed 20 per cent. of the Bank's capital and reserves and the Bank must ensure that it maintains a required reserve of 4.50 per cent. of the Bank's total deposits. The QCB must also approve the Bank's investments in associates if the investment is greater than 20 per cent. of the share capital of that investee company.

These regulations may limit the Bank's ability to increase its loan portfolio or raise capital. Any changes in these regulations may also increase the Bank's cost of doing business. It is expected that there will be an increase in regulations of financial institutions as evidenced by recent actions around the world. Increased regulations, changes in laws and regulations (such as Basel III) and the manner in which they are interpreted or enforced may have a material adverse effect on the Bank's business, results of operations and financial condition.

The Government issued a banking law (Law No. (13) of 2012 (the "**Banking Law**")), which is aimed at advancing the framework for financial regulation in Qatar and expanding the ambit of regulation to cover areas requiring new and enhanced financial regulation. It also lays the foundation for increased co-operation between the regulatory bodies (the QCB, the Qatar Financial Centre Regulatory Authority ("**QFCRA**") and the QFMA) in Qatar. The Banking Law, amongst other matters, mandates the QCB to act as the competent supreme authority in framing the policies for the regulation and supervision of all financial services and markets in Qatar including the insurance sector.

The QCB does not always consult with industry participants prior to the introduction of new regulations, and it is not always possible for the Bank to anticipate when a new regulation will be introduced. This creates a risk that the profitability of the Bank will be affected as a result of being unable to adequately prepare for regulatory changes introduced by the QCB. Furthermore, non-compliance with regulatory guidelines could expose the Bank to potential liabilities and fines.

The Bank may not be able to manage its growth strategy effectively, which could impact its profitability

The Bank cannot assure prospective investors that it will be able to manage its growth effectively. Challenges that may result from strategic investments or acquisitions include the Bank's ability to finance strategic investments or acquisitions, control strategic investments or newly established entities or acquisitions in line with its strategy and its ability to assess the value, strengths and weaknesses of investment or acquisition candidates. From an operational perspective, there is no assurance that the Bank will be able to align its current information technology ("**IT**") systems adequately with those of the Group, manage efficiently the operations and employees of expanding businesses, manage a growing number of entities without over-committing management or losing key personnel and maintain its existing customer base. In addition to this, it must ensure that its risk management policy is aligned effectively in relation to the enlarged Group.

The Bank cannot ensure that it will be able to adequately address these concerns, which could prevent the Bank from achieving its strategic objectives and could also have a material adverse effect on the Bank's business, results of operations and financial condition.

A recurrence of rising inflation may impact the Bank's profitability

Year on year inflation in Qatar was projected at 3.7 per cent. for 2020 and recorded at 0.1 per cent. for 2019, as set out in the International Monetary Fund's Concluding Statement of the 2019 Article IV Consultation with Qatar. This trend of rising inflation is projected by the International Monetary Fund ("**IMF**") to continue in the future albeit at a lower rate. Historically, inflation has increased staff and living expenses and any recurrence of higher levels of inflation in the future is likely to increase such expenses further. High inflation could slow the rate of economic growth and consumer spending in Qatar, which could have a material adverse effect on the Bank's business growth and the profitability of the Bank.

The Bank's financial condition and operating results could be affected by market risks

The Bank's financial condition and operating results could be affected by market risks that are outside the Bank's control, including, without limitation, volatility in interest rates, prices of securities and currency exchange rates.

Fluctuations in interest rates could adversely affect the Bank's operations and financial condition in a number of different ways. An increase in interest rates generally may decrease the value of the Bank's fixed rate loans and raise the Bank's funding costs. Such an increase could also generally decrease the value of fixed rate debt securities in the Bank's securities portfolio. Volatility in interest rates may result in a repricing gap between the Bank's interest-rate

sensitive assets and liabilities. As a result, the Bank may incur additional costs. See "*Risk Management - Market Risk - Derivatives*". Interest rates are sensitive to many factors beyond the Bank's control, including the policies of central banks, such as the QCB, the Central Bank of Turkey and the U.S. Federal Reserve Group, political factors and domestic and international economic conditions. Due to current fixed-rate pegging of the Qatari riyal to the U.S. dollar, changes in interest rates in the United States prompt changes in interest rates in Qatar and other GCC countries that also peg their currencies to the U.S. dollar. Changes in interest rates in Qatar do not automatically mirror changes in U.S. interest rates, but there tends to be a follow-on effect. Furthermore, there is market risk relating to the possible de-pegging of various GCC currencies from the U.S. dollar, although it would depend on the level of open positions and exposure to the U.S. dollar of the Bank, its subsidiaries and its associates. The Bank's operations could be negatively impacted if Qatar (or any GCC country where the Bank or its associates operate) should de-peg its currency. Ultimately, there can be no assurance that the Bank will be able to protect itself from any adverse effects of a currency revaluation or future interest rate fluctuations or any de-pegging from the U.S. dollar, all of which could have a material adverse effect on the Bank's financial condition and results of operations.

The Bank's financial condition and operating results may also be affected by changes in market value of the Bank's securities portfolio. The Bank's income from securities operations depends on numerous factors beyond its control, such as overall market trading activity, interest rate levels, fluctuations in currency exchange rates and general market volatility. Although the Bank has risk management processes that review and monitor the market risk aspects of investment proposals and investment portfolios, including overall structure and investment limits, market price fluctuations may still adversely affect the value of the Bank's securities portfolio. See "*Risk Management - Market Risk*".

The Bank also engages in foreign currency transactions and maintains open currency positions in relation to the Qatari riyal and U.S. dollar, which give rise to currency risks. Although the Bank's foreign currency related risks are controlled by the Bank's market risk and structural risk management policies, future changes in currency exchange rates (including de-pegging of currencies to the U.S. dollar) may adversely affect the Bank's financial condition and results of operations.

Increasing competition may have a material adverse effect on the Bank's results of operations

The Bank, its subsidiaries and its associates face high levels of competition for all of their products and services. The Bank competes with other domestic banks in Qatar. In addition to domestic banks, international banks also operate in Qatar, either directly or through strategic investments, and compete with the Bank for its wholesale corporate and government clients. As at 31 December 2020, there were a total of 17 banks registered in Qatar outside the Qatar Financial Centre ("**QFC**"). In addition to the existing retail banks in Qatar, more international banks may commence business through the QFC, which would allow them to compete for large corporate and government business (see "*Banking Industry and Banking Regulation in Qatar — Qatari Banking Sector — International Banks*"). The competitive nature of the Qatar market and the Bank's potential failure to continue to compete successfully may adversely impact the Bank's business. Increased competition in Turkey and GCC countries where the Bank's subsidiaries and its associates currently operate could result in similar competition for the Bank's subsidiaries and its associates.

The Bank's risk management policies and procedures may leave it exposed to unidentified or unanticipated risks

In the course of its business activities, the Bank is exposed to a variety of risks, the most significant of which are credit risk, market risk, liquidity risk and operational risk. See "*Risk Management*". While the Bank believes it has implemented the appropriate policies, systems and processes to control and mitigate these risks, investors should note that any failure to adequately control these risks could result in adverse effects on the Bank's financial condition, results of operations and reputation.

The Bank's risk management techniques may not be fully effective in mitigating its exposure in all market environments or against all types of risk, including risks that are unidentified or unanticipated. Some of the Bank's methods of managing risk are based upon its use of historical market behaviour. These methods may not predict future risk exposures, which could be significantly greater than historical measures indicate. Other risk management methods depend upon evaluation of information regarding the markets in which the Bank operates, its clients or other matters that are publicly available or information otherwise accessible to the Bank. This information may not be accurate, complete, up-to-date or properly evaluated in all cases. There can be no assurance that the Bank's risk management and internal control policies and procedures will adequately control, or protect the Bank against, all credit and other risks. In addition, certain risks could be greater than the Bank's empirical data would otherwise indicate. The Bank also cannot guarantee that all of its staff will adhere to its policies and procedures.

The Bank has also devoted substantial resources to developing its operational risk management ("**ORM**") policies and procedures, and expects to continue to do so in the future. Nonetheless, as for other financial institutions, the Bank is susceptible to, among other things, failure of internal processes or systems, unauthorised transactions by employees and operational errors, including clerical or record keeping errors, errors resulting from faulty computer or telecommunications systems, and fraud by employees or outsiders. The Bank's risk management and internal control capabilities are also limited by the information, tools and technologies available to the Bank. Any material deficiency in the Bank's risk management or other internal control policies or procedures may expose the Bank to significant credit, liquidity, market or operational risk, which may in turn have a material adverse effect on the Bank's business, results of operations and financial condition. Notwithstanding anything in this risk factor, this risk factor should not be taken as implying that the Bank will be unable to comply with its obligations as a company with securities admitted to the Official List of Euronext Dublin.

The Bank's interests in its associate banks may not be aligned with the interests of the shareholders or the directors (other than those directors appointed by the Bank) on the boards which control the associate banks

Part of the Bank's growth strategy has been to expand its presence in the GCC by making strategic investments in existing banking businesses. The Bank has significant minority interests in NBO, a bank registered and operating in Oman, and in UAB, a bank registered and operating in the UAE.

As the Bank does not exercise control over its associates, the Bank may have differences in views with other shareholders or the boards of directors which control the associate banks whose interests could be adverse to those of the Bank. In addition, if the associates do not align their respective strategies and operations with those of the Bank, the Bank may not be able to achieve the benefits anticipated by the investments or recover the Bank's investments.

The Bank has significant credit-related commitments and contingent items that may lead to potential losses

As part of its normal banking business, the Bank issues loan commitments, guarantees, letters of credit and other financial facilities, all of which are accounted for off the Bank's balance sheet until such time as they are actually funded or cancelled. Although these commitments are largely trade contingent and therefore off-balance sheet, they nonetheless subject the Bank to related credit and liquidity risks. Credit-related commitments are subject to the same credit approval terms and compliance procedures as loans and advances, and commitments to extend credit are contingent on customers maintaining required credit standards. While the Bank anticipates that only a portion of the Bank's obligations in respect of these commitments will be triggered, the Bank may become obligated to make payments in respect of a greater portion of such commitments, which could have a material adverse effect on the Bank's funding needs and credit risks. As at 31 December 2020, the Bank had QAR 24.5 billion in such contingent liabilities.

A downgrade in the Bank's credit ratings could limit its ability to negotiate new loan facilities or access the debt capital markets and may increase its borrowing costs and/or adversely affect its relationship with creditors

The Bank's credit ratings, which are intended to measure its ability to meet its debt obligations as they mature, are an important factor in determining the Bank's cost of borrowing funds. The interest rates of the Bank's borrowings are partly dependent on its credit ratings. As of the date of this Base Prospectus, the Bank's long-term local and foreign currency rating was assessed by Moody's at "A3", Fitch at "A" and S&P at "BBB+". The Bank has short-term credit ratings of "P-2" from Moody's, "F1" from Fitch and "A-2" from S&P. A downgrade of the Bank's credit ratings may increase its cost of borrowing and materially adversely affect its results of operations.

A downgrade of the Bank's credit ratings may also limit its or its subsidiaries' ability to raise capital. Moreover, actual or anticipated changes in the Bank's credit ratings or the credit ratings of the Notes (if applicable) generally may affect the market value of the Notes. In addition, ratings assigned to the Notes (if applicable) may not reflect the potential impact of all risks related to the transaction, the market or any additional factors discussed in this Base Prospectus and other factors may affect the value of the Notes. A securities rating is not a recommendation to buy, sell or hold securities. Ratings may be subject to revision or withdrawal at any time by the assigning rating organisation and each rating should be evaluated independently of any other rating.

Fluctuations in foreign exchange rates may adversely affect the Bank's profitability

The Bank maintains its accounts, and reports its results, in Qatari riyals. The Qatari riyal has been pegged at a fixed exchange rate of QAR 3.64 to the U.S. dollar since 1975. The Bank is exposed to the potential impact of any alteration to, or abolition of, this foreign exchange peg. Also, as a financial intermediary, the Bank is exposed to foreign exchange rate risk. This risk includes the possibility that the value of a foreign currency asset or liability will change

due to changes in currency exchange rates as well as the possibility that the Bank may have to close out any long or short open position in a foreign currency at a loss, due to an adverse movement in exchange rates. The Bank generally employs cross-currency forwards, options and swaps to match the currencies of its assets and liabilities. Any open currency position is maintained within the limits set by the QCB. However, where the Bank is not so hedged, the Bank is exposed to fluctuations in foreign exchange rates and any such hedging activity may not in all cases protect the Bank against such risks.

Adverse movements in foreign exchange rates may also negatively impact the revenues and financial condition of the Bank's depositors and borrowers, which in turn may impact the Bank's deposit base and the quality of its exposures to certain borrowers. Any volatility in foreign exchange rates, including the re-fixing of the Qatari riyal-U.S. dollar exchange rate, could have a material adverse effect on the Bank's business, results of operations and financial condition.

From time to time, the Bank, its subsidiaries and its associates may be a defendant in various legal proceedings and may, from time to time, be subject to inspections by tax and other authorities

The Bank, its subsidiaries and its associates may, from time to time, be a defendant in legal proceedings in connection with and stemming from its business activities. The Bank may also, from time to time, be subject to inspections by tax and other authorities. However, the Bank is not able to predict the ultimate outcome of any of the claims currently pending against it or future claims or investigations that may be brought against it, which may be in excess of its existing reserves. Adverse outcomes in existing or future proceedings, claims or investigations could have a material adverse effect on the Bank's business, financial condition, results of operations or prospects and thereby affect the Bank's ability to perform its obligations under the Notes.

Risks Relating to Qatar, Turkey and other GCC markets

Emerging markets such as Qatar, Turkey and other GCC markets are subject to greater risks than more developed markets, and financial volatility in emerging markets could negatively impact the Bank's business

Generally, investment in emerging markets is only suitable for sophisticated investors who fully appreciate the significance of the risks involved in, and are familiar with, investing in emerging markets. Investors should also note that emerging markets such as Qatar, Turkey and other GCC markets are subject to rapid change and that the information set forth in this Base Prospectus may become outdated relatively quickly. Moreover, financial turmoil in any emerging market country tends to adversely affect confidence in other emerging market countries and cause investors to move their money to more developed markets. As has happened in the past, financial problems or an increase in the perceived risks associated with investing in emerging economies could dampen foreign investment in Qatar, Turkey and the other GCC countries and adversely affect those economies. In addition, during such times, companies that operate in emerging markets can face liquidity constraints as foreign funding sources are withdrawn and this could also adversely affect the Group's business and result in a decrease in the price of the Notes.

Specific risks in Qatar, Turkey and other GCC countries that could have a material adverse effect on the Group's business, financial condition, results of operations and prospects include, without limitation, the following: regional political instability, including government or military regime change, riots or other forms of civil disturbance or violence, including through acts of terrorism; military strikes or the outbreak of war or other hostilities involving nations in the region; a material curtailment of the industrial and economic infrastructure development that is currently underway across the MENA region; government intervention, including expropriation or nationalisation of assets or increased levels of protectionism; an increase in inflation and the cost of living; cancellation of contractual rights, expropriation of assets and/or inability to repatriate profits and/or dividends; increased government regulations, or adverse governmental activities, with respect to price, import and export controls, the environment, customs and immigration, capital transfers, foreign exchange and currency controls, labour policies and land and water use and foreign ownership; arbitrary, inconsistent or unlawful government action; changing tax regimes, including the imposition or increase of taxes in tax favourable jurisdictions such as Qatar; difficulties and delays in obtaining governmental and other approvals for operations or renewing existing ones; inability to repatriate profits or dividends and restrictions on the right to convert or repatriate currency or export assets; and potential adverse changes in laws and regulatory practices, including legal structures and tax laws.

There can be no assurance that either the economic performance of, or political stability in, the countries in which the Group currently operates or may in the future operate can or will be sustained. Investors should note that a worsening of current financial market conditions, instability in certain sectors of the Qatari or regional economies or major political upheaval in Qatar or the MENA region could lead to decreased investor and consumer confidence, market

volatility, economic disruption, and declines in real estate markets and, as a result, could have an adverse effect on the business, results of operations, financial condition and prospects of the Group.

The Turkish lira has fluctuated significantly against the U.S. dollar in recent years, For example, the Turkish lira depreciated from TL 3.7652 per U.S. dollar as at 2 January 2018 to TL 6.8798 per U.S. dollar as at 13 August 2018, due to market volatility and tensions with the United States. In connection with the volatility of the Turkish lira, on 13 August 2018, the Central Bank of Turkey introduced Turkish lira and foreign exchange liquidity management measures in order to support financial stability and sustain the effective functioning of markets. As at 31 December 2020 the Turkish lira exchange rate was TL 7.42999 per U.S. dollar. Significant fluctuations in the value of the Turkish lira against foreign currencies, in particular the U.S. dollar and the euro, could have a material adverse effect on the Bank's business, financial condition and results of operations.

Qatar is located in a region that is subject to ongoing geopolitical, political and security concerns

Although Qatar has historically enjoyed domestic political stability and good international relations, Qatar is located in a region that is strategically important and parts of this region are experiencing or have, at times, experienced political instability, geopolitical and diplomatic tensions, domestic turmoil and violence, and armed conflict. For example, there have been significant political changes in Tunisia and Egypt, armed conflicts in Iraq, Libya and Syria, an ongoing civil war in Yemen, an escalation in the Israeli-Palestinian conflict as well as the multinational conflict with the Islamic State, and protests and related activities in a number of other countries in the region. These recent and ongoing developments, along with terrorist acts, acts of maritime piracy and other forms of instability in the region, that may or may not directly involve Qatar, could have a material adverse effect on Qatar's economy, which may in turn have a material adverse effect on the Bank's business, operating results, cash flows and financial condition.

Relations between Qatar and certain of its neighbours in the Middle East and North Africa have in the past also become strained. For example, on 5 June 2017, Saudi Arabia, the UAE, Egypt and Bahrain announced the severing of diplomatic ties with Qatar (the "**Blockade**"). Although diplomatic ties were restored on 4 January 2021, the Blockade, which included a sudden and unprecedented closure of sea and air routes with Qatar and a closure of the land border between Qatar and Saudi Arabia (Qatar's only land border), placed significant pressure on Qatar's financial system and the Qatari riyal. This led, among other things, to significant outflows from non-resident and private sector customer deposits and immediately following the imposition of the restrictions, deposits amounting to nearly U.S.$20 billion were withdrawn from the Qatari banking system.

The Blockade is not the first time a diplomatic crisis has led to increased tensions between Qatar and other GCC countries and there can be no assurance that diplomatic relations will be maintained or that restrictions will not be re-imposed on Qatar in the future. A prolonged trade and travel embargo could have a material adverse impact on the economy and political environment in Qatar, which may in turn have a material adverse effect on the Bank's business, operating results, cash flows and financial condition.

The Qatar, Turkey and GCC legal systems continue to develop and this may create an uncertain environment for investment and business activity

Qatar, Turkey and many of the GCC countries are in various stages of developing their legal and regulatory institutions that are characteristic of more developed markets. As a result, procedural safeguards as well as formal regulations and laws may not be applied consistently. In some circumstances it may not be possible to obtain the legal remedies provided under the relevant laws and regulations in a timely manner. As the legal environment remains subject to continuous development, investors in Qatar, Turkey and the GCC countries may face uncertainty as to the security of their investments. Any unexpected changes in the legal systems in Qatar, Turkey and the GCC may have a material adverse effect on the rights of holders of the Notes or the investments that the Bank has made or may make in the future, which may in turn have a material adverse effect on the Bank's business, operating results, cash flows and financial condition.

Qatar has a relatively new insolvency law and there is no certainty as to how Qatari courts will construe or enforce such law in the event of a bankruptcy affecting the Bank

The provisions of Qatar's bankruptcy and insolvency provision (part of the Commercial Code No. 27 of 2006) (the "**Bankruptcy Law**"), which came into effect on 13 May 2007. The Bankruptcy Law provisions are similar to those included in the Egyptian and most other GCC laws and relate largely to the declaration of bankruptcy, its effects and its administration, and include conciliation to prevent bankruptcy. However, because the Bankruptcy Law is relatively new and untested by Qatari courts, there is no certainty as to how Qatari courts would construe or enforce the Bankruptcy Law in the event of a bankruptcy affecting the Group. There can also be no assurance that a Qatari court

would compel a bankruptcy administrator to perform any of the Bank's obligations under the Notes during an administration period. The Bankruptcy Law also enables Qatari courts to defer adjudication of a company's bankruptcy if the court decides that it is possible to improve that company's financial position during a period (such period to be specified by the court) or if judged to be in the interest of the national economy. Similarly, given the lack of precedent, there is no certainty as to if and how the QCB might exercise its powers of temporary management and control under the Banking Law (including putting a financial institution into liquidation) in relation to financial institutions experiencing financial difficulties.

The Qatar Cabinet approved a draft law on corporate bankruptcy and prevention in April 2017 which is aimed at developing detailed regulations for corporate bankruptcy and prevention taking into account international standards in this regard. It is not clear when this law may come into force.

Risks Relating to Notes denominated in Renminbi

A description of risks which may be relevant to an investor in Notes denominated in Renminbi ("**Renminbi Notes**") are set out below.

Renminbi is not freely convertible and there are significant restrictions on the remittance of Renminbi into and out of the PRC which may adversely affect the liquidity of Renminbi Notes

Renminbi is not freely convertible at present. The government of the PRC (the "**PRC Government**") continues to regulate conversion between Renminbi and foreign currencies, including the Hong Kong dollar.

However, there has been significant reduction in control by the PRC Government in recent years, particularly over trade transactions involving import and export of goods and services as well as other frequent routine foreign exchange transactions. These transactions are known as current account items.

On the other hand, remittance of Renminbi into and out of the PRC for the settlement of capital account items, such as capital contributions, debt financing and securities investment is generally only permitted upon obtaining specific approvals from, or completing specific registrations or filings with, the relevant authorities on a case-by-case basis and is subject to a strict monitoring system. Regulations in the PRC on the remittance of Renminbi into and out of the PRC for settlement of capital account items are being adjusted from time to time to match the policies of the PRC Government.

Although the People's Bank of China ("**PBoC**") has implemented policies improving accessibility to Renminbi to settle cross-border transactions in the past, there is no assurance that the PRC Government will continue to gradually liberalise control over cross-border remittance of Renminbi in the future, that the schemes for Renminbi cross-border utilisation will not be discontinued or that new regulations in the PRC will not be promulgated in the future which have the effect of restricting or eliminating the remittance of Renminbi into or out of the PRC. Despite the Renminbi internationalisation pilot programme and efforts in recent years to internationalise the currency, there can be no assurance that the PRC Government will not impose interim or long-term restrictions on the cross-border remittance of Renminbi. In the event that funds cannot be repatriated out of the PRC in Renminbi, this may affect the overall availability of Renminbi outside the PRC and the ability of the Issuer to source Renminbi to finance its obligations under Notes denominated in Renminbi.

There is only limited availability of Renminbi outside the PRC, which may affect the liquidity of the Renminbi Notes and the ability of the Issuer and Guarantor to source Renminbi outside the PRC to service Renminbi Notes

As a result of the restrictions by the PRC Government on cross-border Renminbi fund flows, the availability of Renminbi outside the PRC is limited.

While the PBoC has entered into agreements (the "**Settlement Arrangements**") on the clearing of Renminbi business with financial institutions (the "**Renminbi Clearing Banks**") in a number of financial centres and cities, including but not limited to Hong Kong; has established the Cross-Border Inter-Bank Payments System (CIPS) to facilitate cross-border Renminbi settlement, and is further in the process of establishing Renminbi clearing and settlement mechanisms in several other jurisdictions, the current size of Renminbi denominated financial assets outside the PRC is limited.

There are restrictions imposed by PBoC on Renminbi business-participating banks in respect of cross-border Renminbi settlement, such as those relating to direct transactions with PRC enterprises. Furthermore, Renminbi business participating banks do not have direct Renminbi liquidity support from PBoC, although PBoC has gradually allowed participating banks to access the PRC's onshore inter-bank market for the purchase and sale of Renminbi. The

Renminbi Clearing Banks only have limited access to onshore liquidity support from PBoC for the purpose of squaring open positions of participating banks for limited types of transactions and are not obliged to square for participating banks any open positions resulting from other foreign exchange transactions or conversion services. In cases where the participating banks cannot source sufficient Renminbi through the above channels, they will need to source Renminbi from outside the PRC to square such open positions.

Although it is expected that the offshore Renminbi market will continue to grow in depth and size, its growth is subject to many constraints as a result of PRC laws and regulations on foreign exchange. There is no assurance that new PRC regulations will not be promulgated or the Settlement Arrangements will not be terminated or amended in the future which will have the effect of restricting availability of Renminbi outside the PRC. The limited availability of Renminbi outside the PRC may affect the liquidity of the Renminbi Notes. To the extent the Issuer is required to source Renminbi in the offshore market to service its Renminbi Notes, there is no assurance that the Issuer will be able to source such Renminbi on satisfactory terms, if at all.

Investment in the Renminbi Notes is subject to exchange rate risks

The value of Renminbi against other foreign currencies fluctuates from time to time and is affected by changes in the PRC and international political and economic conditions as well as many other factors. The PBoC has in recent years implemented changes to the way it calculates the Renminbi's daily mid-point against the U.S. dollar to take into account market-maker quotes before announcing such daily mid-point. This change, and others that may be implemented, may increase the volatility in the value of the Renminbi against foreign currencies. All payments of interest and principal will be made in Renminbi with respect to the Renminbi Notes unless otherwise specified. As a result, the value of these Renminbi payments may vary with the changes in the prevailing exchange rates in the marketplace. If the value of Renminbi depreciates against another foreign currency, the value of the investment made by a holder of the Renminbi Notes in that foreign currency will decline.

Investment in the Renminbi Notes is subject to currency risk

If the Issuer or Guarantor is not able, or it is impracticable for it, to satisfy its obligation to pay interest and principal on the Renminbi Notes as a result of Renminbi Inconvertibility, Renminbi Non-transferability or Renminbi Illiquidity (each, as defined in the Conditions), the Issuer or Guarantor shall be entitled prior to the due date for payment, to settle any such payment in U.S. Dollars on the due date at the U.S. Dollar Equivalent (as defined in the Conditions) of any such interest or principal, as the case may be.

An investment in Renminbi Notes is subject to interest rate risks

The PRC Government has gradually liberalised its regulation of interest rates in recent years. Further liberalisation may increase interest rate volatility. In addition, the interest rate for Renminbi in markets outside the PRC may significantly deviate from the interest rate for Renminbi in the PRC as a result of foreign exchange controls imposed by PRC law and regulations and prevailing market conditions.

As Renminbi Notes may carry a fixed interest rate, the trading price of the Renminbi Notes will consequently vary with the fluctuations in Renminbi interest rates. If holders of the Renminbi Notes try to sell their Renminbi Notes before their maturity, they may receive an offer lower than the amount they have invested.

Payments with respect to the Renminbi Notes may be made only in the manner designated in the Renminbi Notes

All payments to investors in respect of the Renminbi Notes will be made solely: (i) for so long as the Renminbi Notes are represented by global certificates held with the common depositary for Clearstream Banking S.A. ("**Clearstream, Luxembourg**") and Euroclear Bank SA/NV ("**Euroclear**") or any alternative clearing system, by transfer to a Renminbi bank account maintained in Hong Kong; (ii) for so long as the Renminbi Notes are represented by global certificates lodged with a sub-custodian for or registered with the Central Moneymarkets Unit ("**CMU**"), by transfer to a Renminbi bank account maintained in Hong Kong in accordance with prevailing CMU rules and procedures; or (iii) for so long as the Renminbi Notes are in definitive form, by transfer to a Renminbi bank account maintained in Hong Kong in accordance with prevailing rules and regulations. The Issuer cannot make payment by any other means (including in any other currency or by transfer to a bank account in the PRC).

Gains on the transfer of the Renminbi Notes may become subject to income taxes under PRC tax laws

Under the *PRC Enterprise Income Tax Law*, the *PRC Individual Income Tax Law* and the relevant implementing rules, as amended from time to time, any gain realised on the transfer of Renminbi Notes by non-PRC resident enterprise or individual Holders may be subject to PRC enterprise income tax ("**EIT**") or PRC individual income tax ("**IIT**") if

such gain is regarded as income derived from sources within the PRC. The *PRC Enterprise Income Tax Law* levies EIT at the rate of 20 per cent. of the PRC-sourced gains derived by such non-PRC resident enterprise from the transfer of Renminbi Notes but its implementation rules have reduced the EIT rate to 10 per cent. The *PRC Individual Income Tax Law* levies IIT at a rate of 20 per cent. of the PRC-sourced gains derived by such non-PRC resident or individual Holder from the transfer of Renminbi Notes.

However, uncertainty remains as to whether the gain realised from the transfer of Renminbi Notes by non-PRC resident enterprise or individual Holders would be treated as income derived from sources within the PRC and thus become subject to EIT or IIT. This will depend on how the PRC tax authorities interpret, apply or enforce the *PRC Enterprise Income Tax Law*, the *PRC Individual Income Tax Law* and the relevant implementing rules. According to the arrangement between the PRC and Hong Kong, for avoidance of double taxation, Holders who are residents of Hong Kong, including enterprise Holders and individual Holders, will not be subject to EIT or IIT on capital gains derived from a sale or exchange of the Notes.

Therefore, if enterprise or individual Holders which are non-PRC residents are required to pay PRC income tax on gains derived from the transfer of Renminbi Notes, unless there is an applicable tax treaty between PRC and the jurisdiction in which such non-PRC enterprise or individual Holders of Renminbi Notes reside that reduces or exempts the relevant EIT or IIT, the value of their investment in Renminbi Notes may be materially and adversely affected.

Risks Relating to the Notes

Certain benchmark rates, including LIBOR and EURIBOR, may be discontinued or reformed in the future - including phasing-out of LIBOR after 31 December 2021 or 30 June 2023.

The London Interbank Offered Rate ("**LIBOR**"), the Euro Interbank Offered Rate ("**EURIBOR**") and other interest rate or other types of rates and indices which are deemed to be benchmarks are the subject of ongoing national and international regulatory discussions and proposals for reform. Some of these reforms are already effective whilst others are still to be implemented. These reforms may cause such benchmarks to perform differently than in the past, to disappear entirely, or have other consequences which cannot be predicted. Any such consequence could have a material adverse effect on any Notes referencing such a benchmark.

Regulation (EU) No. 2016/1011, as amended (the "**EU Benchmarks Regulation**") applies, subject to certain transitional provisions, to the provision of benchmarks, the contribution of input data to a benchmark and the use of a benchmark, within the EU. Regulation (EU) No. 2016/1011 as it forms part of domestic law of the United Kingdom by virtue of the EUWA (the "**UK Benchmarks Regulation**") applies to the provision of benchmarks, the contribution of input data to a benchmark and the use of a benchmark, within the United Kingdom.

The EU Benchmarks Regulation and/or the UK Benchmarks Regulation, as applicable, could have a material impact on any Notes linked to LIBOR, EURIBOR or another benchmark rate or index, in particular, if the methodology or other terms of the benchmark are changed in order to comply with the terms of the EU Benchmarks Regulation and/or UK Benchmarks Regulation, as applicable, and such changes could (amongst other things) have the effect of reducing or increasing the rate or level, or affecting the volatility of the published rate or level, of the benchmark. More broadly, any of the international, national or other proposals for reform, or the general increased regulatory scrutiny of benchmarks, could increase the costs and risks of administering or otherwise participating in the setting of a benchmark and complying with any such regulations or requirements. Such factors may have the effect of discouraging market participants from continuing to administer or contribute to certain "benchmarks," trigger changes in the rules or methodologies used in certain "benchmarks" or lead to the discontinuance or unavailability of quotes of certain "benchmarks".

As an example of such benchmark reforms, the United Kingdom Financial Conduct Authority announced on 27 July 2017 that it would no longer persuade or compel banks to submit rates for the calculation of the LIBOR benchmark after 2021 and confirmed on 5 March 2021 that most LIBOR benchmark tenors would cease or cease to be representative benchmarks from 31 December 2021 or (in the case of certain tenors of USD LIBOR only) from 30 June 2023. On 5 March 2021, the administrator for LIBOR (the ICE Benchmark Administration or IBA) similarly announced that it would cease the publication of the relevant LIBOR settings on 31 December 2021 or 30 June 2023, unless the FCA exercises its proposed new powers (which are included in the current UK Financial Services Bill as proposed amendments to the UK Benchmarks Regulation) to require the IBA to continue publishing such LIBOR settings using a changed methodology (also known as a "synthetic" basis). Such announcements indicate that LIBOR will not continue in its current form and the United Kingdom Financial Conduct Authority announcement of 5 March 2021 indicated that it is currently contemplating that any "synthetic" basis, if adopted, would be limited to a small number of currencies and settings.

On 21 September 2017, the European Central Bank announced that it would be part of a new working group tasked with the identification and adoption of a "risk free overnight rate" which can serve as a basis for an alternative to current benchmarks used in a variety of financial instruments and contracts in the euro area. The euro risk free-rate working group for the euro area has published a set of guiding principles and high level recommendations for fallback provisions in, amongst other things, new euro denominated cash products (including bonds) referencing EURIBOR. The guiding principles indicate, amongst other things, that continuing to reference EURIBOR in relevant contracts (without robust fallback provisions) may increase the risk to the euro area financial system. On 11 May 2021, the euro risk-free rate working group published its recommendations on EURIBOR fallback trigger events and fallback rates.

The elimination of LIBOR or any other benchmark, or changes in the manner of administration of any benchmark, could require or result in an adjustment to the interest calculation provisions of the Conditions (as further described in Condition 5.2(c) (Interest on Floating Rate Notes – Benchmark Replacement) or result in adverse consequences to holders of any Notes linked to such benchmark (including Floating Rate Notes whose interest rates are linked to LIBOR, EURIBOR or any other such benchmark that is subject to reform). Furthermore, even prior to the implementation of any changes, uncertainty as to the nature of alternative reference rates and as to potential changes to such benchmark may adversely affect such benchmark during the term of the relevant Notes, the return on the relevant Notes and the trading market for securities (including the Notes) based on the same benchmark.

The Conditions provide for certain fallback arrangements in the event that a published benchmark, such as LIBOR, (including any page on which such benchmark may be published (or any successor service)) becomes unavailable, unlawful or unrepresentative, including the possibility that the rate of interest could be set by reference to a successor rate or an alternative reference rate and that such successor rate or alternative reference rate may be adjusted (if required) in accordance with the recommendation of a relevant governmental body or in order to reduce or eliminate, to the extent reasonably practicable in the circumstances, any economic prejudice or benefit (as applicable) to investors arising out of the replacement of the relevant benchmark, although the application of such adjustments to the Notes may not achieve this objective. Any such changes may result in the Notes performing differently (which may include payment of a lower interest rate) than if the original benchmark continued to apply. In certain circumstances the ultimate fallback of interest for a particular Interest Period may result in the rate of interest for the last preceding Interest Period being used.

This may result in the effective application of a fixed rate for Floating Rate Notes based on the rate which was last observed on the Relevant Screen Page. In addition, due to the uncertainty concerning the availability of successor rates and alternative reference rates and the involvement of an Independent Adviser (as defined in the Conditions), the relevant fallback provisions may not operate as intended at the relevant time.

Any such consequences could have a material adverse effect on the value of and return on any such Notes.

Investors should consult their own independent advisers and make their own assessment about the potential risks imposed by the EU Benchmarks Regulation or UK Benchmarks Regulation reforms or possible cessation or reform of certain reference rates in making any investment decision with respect to any Notes linked to or referencing a benchmark.

The Subordinated Notes are subordinated to most of the Relevant Issuer's and Guarantor's (where the Relevant Issuer is CBQ Finance Limited) liabilities

If in the case of any particular Tranche of Notes the Final Terms provides that the Notes are subordinated obligations of the Relevant Issuer and the Guarantor (where the Relevant Issuer is CBQ Finance Limited) and the Relevant Issuer or the Guarantor (where the Relevant Issuer is CBQ Finance Limited) is declared insolvent and a winding up is initiated, it will be required to pay the holders of senior debt and meet its obligations to all its other creditors (including unsecured creditors but excluding any obligations in respect of subordinated debt) in full before it can make any payments on the relevant Notes. If this occurs, the Relevant Issuer and the Guarantor (where the Relevant Issuer is CBQ Finance Limited) may not have enough assets remaining after these payments to pay amounts due under the relevant Notes.

Subordinated Notes are complex financial instruments and are of high risk and are not a suitable or appropriate investment for all investors. In some jurisdictions, regulatory authorities have adopted or published laws, regulations or guidance with respect to the offer or sale of securities such as the Subordinated Notes to retail investors. There are risks inherent in the holding of the Subordinated Notes, including the risks in relation to their subordination and the circumstances in which Noteholders may suffer loss as a result of holding the Subordinated Notes.

Notes issued at a substantial discount or premium

The market values of securities issued at a substantial discount or premium from their principal amount tend to fluctuate more in relation to general changes in interest rates than do prices for conventional interest-bearing securities. Generally, the longer the remaining term of the securities, the greater the price volatility as compared to conventional interest-bearing securities with comparable maturities.

Potential conflicts of interest

Where the Bank acts as the Calculation Agent or the Calculation Agent is an affiliate of the Bank, potential conflicts of interest may exist between the Calculation Agent and Noteholders, including with respect to certain determinations and judgements that the Calculation Agent may make pursuant to the Conditions that may influence the amount receivable on the Notes.

Risks Relating to the Market Generally

Investment in the Notes involves the risk that subsequent changes in market interest rates may adversely affect the value of the Notes.

Credit ratings may not reflect all risks

One or more independent credit rating agencies may assign credit ratings to the Notes. The ratings may not reflect the potential impact of all risks related to the structure, market, additional factors discussed in this Base Prospectus and other factors that may affect the value of the Notes. A securities rating is not a recommendation to buy, sell or hold securities. Ratings may be subject to revision or withdrawal at any time by the assigning rating organisation and each rating should be evaluated independently of any other rating.

In general, European and United Kingdom regulated investors are restricted under the CRA Regulation or the UK CRA Regulation from using credit ratings for regulatory purposes, unless such ratings are issued by a credit rating agency established in the EEA or the United Kingdom and registered under the CRA Regulation or the UK CRA Regulation (and such registration has not been withdrawn or suspended, subject to transitional provisions that apply in certain circumstances). Such general restriction will also apply in the case of credit ratings issued by non-EEA or non-UK credit rating agencies, unless the relevant credit ratings are endorsed by a EEA-registered or UK-registered credit rating agency or the relevant non-EEA and non-UK rating agency is certified in accordance with the CRA Regulation or the UK CRA Regulation (and such endorsement action or certification, as the case may be, has not been withdrawn or suspended, subject to transitional provisions that apply in certain circumstances). If the status of the rating agency rating the Notes changes, European and United Kingdom regulated investors may no longer be able to use the rating for regulatory purposes and the Notes may have a different regulatory treatment. This may result in European and United Kingdom regulated investors selling the Notes which may impact the value of the Notes and any secondary market. The list of registered and certified rating agencies published by the ESMA on its website in accordance with the CRA Regulation or the list of registered and certified rating agencies published by the FCA on its website in accordance with UK CRA Regulation is not conclusive evidence of the status of the relevant rating agency being included in such list as there may be delays between certain supervisory measures being taken against a relevant rating agency and publication of an updated ESMA list. Limited information with respect to the credit rating agencies and ratings will be disclosed in the relevant Final Terms. Certain information with respect to the credit rating agencies and ratings is set out on the cover page of this Base Prospectus. A credit rating is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by its assigning credit rating agency at any time. Each rating should be evaluated independently of any other rating.

It may be difficult to enforce arbitration awards and foreign judgments against the Bank

In the event that proceedings are brought against the Bank in Qatar, the Qatari courts would, in accordance with their normal practice, enforce the contractual terms of the Notes (including the contractual choice of a governing law other than Qatari law to govern the Notes, **provided that**, this would not apply to any provision of that law which Qatari courts held to be contrary to any mandatory provision of Qatari law or to public order or morality in Qatar). Qatari courts have consistently enforced commercial interest obligations computed in accordance with the terms of the relevant agreement. It is, however, uncertain whether the Qatari courts would enforce the payment of interest on interest, or the payment of accrued interest which exceeds the amount of the principal sum.

There is currently no treaty or convention for the reciprocal enforcement of judgments between Qatar on the one hand and England on the other. A judgment obtained from a court in England will be enforceable in Qatar subject to the provisions of Articles 379 and 380 of Law No. (13) of 1990 (the "**Civil and Commercial Procedure Law**"), which

provides, in the case of Article 379, that judgments and orders pronounced in a foreign country may be ordered to be executed in Qatar upon the conditions determined in that country for the execution of Qatari judgments and orders and provides, in the case of Article 380, that an order for execution of a foreign judgment or order will not be made unless and until the following have been ascertained, that: (i) the judgment or order was delivered by a competent court of the foreign jurisdiction in question; (ii) the parties to the action were properly served with notice of proceedings and properly represented; (iii) the judgment or order is one that is capable of being executed by the successful party to the proceedings in conformity with the laws of the foreign jurisdiction in question; and (iv) the foreign judgment or order does not conflict with a previous judgment or order of a competent Qatari court and is not contrary to public policy or morality in Qatar.

A Qatari court would be entitled to call for textual evidence on the laws of England concerning the conditions that would be applicable for the execution of the judgment of a Qatari court in England and the Qatari court would then be entitled to execute the judgment of the English court upon those conditions. Accordingly, although a judgment obtained from a court in England would be admissible in evidence in any proceedings brought in Qatar to enforce such judgment it would still be necessary to initiate proceedings in Qatar.

In accordance with their normal practice, Qatari courts would uphold the choice of arbitration as a dispute resolution method. However, this would be subject to the same qualifications as are stated above with regard to choice of law and a Qatari court may not accept that its own jurisdiction had been excluded by any provision providing that the submission to any particular jurisdiction was exclusive.

Qatar is a party to the Convention on the Recognition and Enforcement of Foreign Arbitral Awards adopted by the United Nations Conference on International Commercial Arbitration on 10 June 1958 (the "**New York Convention**"), with effect from 30 March 2003. The United Kingdom is also a party to the New York Convention and therefore an arbitration award made in England should be enforceable in Qatar in accordance with the terms of the New York Convention. The interpretation and application of the New York Convention provisions by the Qatar courts and the enforcement of foreign arbitration awards by the Qatar courts in accordance with the New York Convention is developing. The parameters of enforcement are starting to be tested more regularly in the courts.

Furthermore, in February 2017, Qatar enacted Law No. (2) of 2017 promulgating the Civil and Commercial Arbitration Law (the "**Arbitration Law**") which came into force in April 2017. The Arbitration Law addresses the enforcement of arbitration awards. Article 34 of the Arbitration Law states that an arbitration award is enforceable in Qatar regardless of the state in which such award was issued. The Arbitration Law sets out limited grounds for refusing to enforce an arbitration award issued in any state. The grounds are similar to those set out in the New York Convention. While courts tend to be pro-enforcement, the jurisprudence is still evolving as the Arbitration Law is still in its infancy.

These factors create greater uncertainty and there is a risk that a foreign arbitration award rendered in connection with the Notes may be refused enforcement by the courts in Qatar.

INFORMATION INCORPORATED BY REFERENCE

The following information shall be deemed to be incorporated in, and to form part of, this Base Prospectus:

1. The terms and conditions of the Notes contained in the Base Prospectus dated 14 July 2020, pages 33 to 62 (inclusive) (https://www.cbq.qa/EN/AboutUs/For-Investors/Documents/CBQ%20EMTN%202020%20-%20Base%20Prospectus%20-%20FINAL.pdf)

2. The terms and conditions of the Notes contained in the Base Prospectus dated 11 July 2019, pages 34 to 63 (inclusive) (https://www.ise.ie/debt_documents/Base%20Prospectus_643a4292-3f8e-40b2-9424-8235e5c1aa97.PDF);

3. the terms and conditions of the Notes contained in the Base Prospectus dated 8 May 2018, pages 34 to 59 (inclusive) (https://www.ise.ie/debt_documents/Base%20Prospectus_74fd09ae-04be-4396-bab3-5da0c895365e.PDF);

4. the terms and conditions of the Notes contained in the Base Prospectus dated 13 April 2017, pages 32 to 58 (inclusive) (http://www.ise.ie/debt_documents/Base%20Prospectus_9d5ad81a-a8bb-47c9-8400-ee63b0e0dc6c.PDF);

5. the terms and conditions of the Notes contained in the Base Prospectus dated 16 December 2015, pages 33 to 59 (inclusive) (http://ise.ie/debt_documents/Base%20Prospectus_71ef5322-b0d3-4397-a4f6-813f6a7fbb7d.PDF);

6. the terms and conditions of the Notes contained in the Base Prospectus dated 10 June 2014, pages 32 to 57 (inclusive) (http://www.ise.ie/debt_documents/Base%20Prospectus_27eb357a-fc58-48eb-ad07-b86b53456cfe.PDF);

7. the audited consolidated financial statements (including the independent auditor's report thereon and notes thereto) of The Commercial Bank (P.S.Q.C.) in respect of the year ended 31 December 2019 (the "**2019 Financial Statements**") (http://www.cbq.qa/EN/AboutUs/For-Investors/Financial-highlights/Documents/CBQ%202019%20-%20FS%20English%20signed.pdf);

8. the audited consolidated financial statements (including the independent auditor's report thereon and notes thereto) of The Commercial Bank (P.S.Q.C.) in respect of the year ended 31 December 2020 (the "**2020 Financial Statements**" and, together with the 2019 Financial Statements, the "**Annual Financial Statements**") (https://www.cbq.qa/EIMG/EML/Docs/CBQFS2020EN.pdf);

9. the unaudited interim condensed consolidated financial statements (including the independent auditor's review report thereon and notes thereto) of The Commercial Bank (P.S.Q.C.) in respect of the three months ended 31 March 2021 (the "**Interim Financial Statements**") (https://www.cbq.qa/EIMG/EML/Docs/CBQ%20FS%20and%20Report%20-%20Q1%202021%20(EN).pdf);

10. the audited financial statements (including the independent auditor's report thereon and notes thereto) of CBQ Finance Limited in respect of the year ended 31 December 2019 (the "**CBQ Finance 2019 Financial Statements**") (http://www.cbq.qa/EIMG/EML/CBQ%20Finance%202019%20Signed%20FS.pdf); and

11. the audited financial statements (including the independent auditor's report thereon and notes thereto) of CBQ Finance Limited in respect of the year ended 31 December 2020 (the "**CBQ Finance 2020 Financial Statements**" and**,** together with the CBQ Finance 2019 Financial Statements, the "**CBQ Finance Financial Statements**") (https://www.cbq.qa/EIMG/EML/Docs/CBQ%20Finance%202020%20Signed%20FS.pdf).

Copies of the documents specified above may be inspected, free of charge, at the Specified Office of the Fiscal Agent.

Any information contained in any of the documents specified above which is not incorporated by reference in this Base Prospectus is either not relevant to investors or is covered elsewhere in this Base Prospectus.

FINAL TERMS AND DRAWDOWN PROSPECTUSES

In this section the expression "*necessary information*" means, in relation to any Tranche of Notes, the information necessary to enable investors to make an informed assessment of the assets and liabilities, financial position, profits and losses and prospects of the Relevant Issuer and the Guarantor and of the rights attaching to the Notes and the reasons for the issuance and its impact on the Relevant Issuer and the Guarantor. In relation to the different types of Notes which may be issued under the Programme the Issuers and the Guarantor have included in this Base Prospectus all of the necessary information except for information relating to the Notes which is not known at the date of this Base Prospectus and which can only be determined at the time of an individual issue of a Tranche of Notes.

Any information relating to the Notes which is not included in this Base Prospectus and which is required in order to complete the necessary information in relation to a Tranche of Notes will be contained either in the applicable Final Terms or in a Drawdown Prospectus. Such information will be contained in the applicable Final Terms unless any of such information constitutes a significant new factor relating to the information contained in this Base Prospectus in which case such information, together with all of the other necessary information in relation to the relevant series of Notes, may be contained in a Drawdown Prospectus.

For a Tranche of Notes which is the subject of Final Terms, those Final Terms will, for the purposes of that Tranche only, complete this Base Prospectus and must be read in conjunction with this Base Prospectus. The terms and conditions applicable to any particular Tranche of Notes which is the subject of Final Terms are the Conditions as completed to the extent described in the applicable Final Terms.

The terms and conditions applicable to any particular Tranche of Notes which is the subject of a Drawdown Prospectus will be the Conditions as supplemented, amended and/or replaced to the extent described in the relevant Drawdown Prospectus. In the case of a Tranche of Notes which is the subject of a Drawdown Prospectus, each reference in this Base Prospectus to information being specified or identified in the applicable Final Terms shall be read and construed as a reference to such information being specified or identified in the relevant Drawdown Prospectus unless the context requires otherwise.

The Issuers and the Guarantor will, in the event of any significant new factor, material mistake or material inaccuracy relating to information included in this Base Prospectus which is capable of affecting the assessment of any Notes, prepare a supplement to this Base Prospectus or publish a new Base Prospectus for use in connection with any subsequent issue of Notes.

FORMS OF THE NOTES

Bearer Notes

Each Tranche of Notes in bearer form ("**Bearer Notes**") will initially be in the form of either a temporary global note in bearer form (the "**Temporary Global Note**"), without interest coupons, or a permanent global note in bearer form (the "**Permanent Global Note**"), without interest coupons, in each case as specified in the applicable Final Terms. Each Temporary Global Note or, as the case may be, Permanent Global Note (each a "**Global Note**") will be deposited on or around the issue date of the relevant Tranche of the Notes with a common depository for Euroclear and/or Clearstream, Luxembourg.

In the case of each Tranche of Bearer Notes, the applicable Final Terms will also specify whether United States Treasury Regulation §1.163-5(c)(2)(i)(C) (or any successor United States Treasury regulation section, including without limitation, successor regulations issued in accordance with Internal Revenue Service Notice 2012-20 or otherwise in connection with the United States Hiring Incentives to Restore Employment Act of 2010) (the "**TEFRA C Rules**") or United States Treasury Regulation §1.163-5(c)(2)(i)(D) (or any successor United States Treasury regulation section, including without limitation, successor regulations issued in accordance with Internal Revenue Service Notice 2012-20 or otherwise in connection with the United States Hiring Incentives to Restore Employment Act of 2010) (the "**TEFRA D Rules**") are applicable in relation to the Notes or that neither the TEFRA C Rules nor the TEFRA D Rules are applicable.

Temporary Global Note exchangeable for Permanent Global Note

If the applicable Final Terms specifies the form of Notes as being "Temporary Global Note exchangeable for a Permanent Global Note", then the Notes will initially be in the form of a Temporary Global Note which will be exchangeable, in whole or in part, for interests in a Permanent Global Note, without interest coupons, not earlier than 40 days after the issue date of the relevant Tranche of the Notes upon certification as to non-U.S. beneficial ownership. No payments will be made under the Temporary Global Note unless exchange for interests in the Permanent Global Note is improperly withheld or refused. In addition, interest payments in respect of the Notes cannot be collected without such certification of non-U.S. beneficial ownership.

Whenever any interest in the Temporary Global Note is to be exchanged for an interest in a Permanent Global Note, the Relevant Issuer shall procure (in the case of first exchange) the delivery of a Permanent Global Note to the bearer of the Temporary Global Note or (in the case of any subsequent exchange) an increase in the principal amount of the Permanent Global Note in accordance with its terms against:

(i) presentation and (in the case of final exchange) presentation and surrender of the Temporary Global Note to or to the order of the Fiscal Agent; and

(ii) receipt by the Fiscal Agent of a certificate or certificates of non-U.S. beneficial ownership.

The principal amount of Notes represented by the Permanent Global Note shall be equal to the aggregate of the principal amounts specified in the certificates of non-U.S. beneficial ownership **provided**, **however**, **that** in no circumstances shall the principal amount of Notes represented by the Permanent Global Note exceed the initial principal amount of Notes represented by the Temporary Global Note.

If:

(1) the Permanent Global Note has not been delivered or the principal amount thereof increased by 5.00 p.m. (London time) on the seventh day after the bearer of the Temporary Global Note has requested exchange of an interest in the Temporary Global Note for an interest in a Permanent Global Note; or

(2) the Temporary Global Note (or any part thereof) has become due and payable in accordance with the Terms and Conditions of the Notes or the date for final redemption of the Temporary Global Note has occurred and, in either case, payment in full of the amount of principal falling due with all accrued interest thereon has not been made to the bearer of the Temporary Global Note in accordance with the terms of the Temporary Global Note on the due date for payment,

then the Temporary Global Note (including the obligation to deliver a Permanent Global Note) will become void at 5.00 p.m. (London time) on such seventh day (in the case of paragraph (1) above) or at 5.00 p.m. (London time) on such due date (in the case of paragraph (2) above) and the bearer of the Temporary Global Note will have no further

rights thereunder (but without prejudice to the rights which the bearer of the Temporary Global Note or others may have under the deed of covenant dated on or around 7 July 2021 (the "**Deed of Covenant**")).

The Permanent Global Note will become exchangeable, in whole but not in part only and at the request of the bearer of the Permanent Global Note, for Bearer Notes in definitive form ("**Definitive Notes**"):

(1) on the expiry of such period of notice as may be specified in the Final Terms; or

(2) at any time, if so specified in the Final Terms; or

(3) if the Final Terms specifies "in the limited circumstances described in the Permanent Global Note", then if either of the following events occurs:

    (i) Euroclear or Clearstream, Luxembourg or any other relevant clearing system is closed for business for a continuous period of 14 days (other than by reason of legal holidays) or announces an intention permanently to cease business; or

    (ii) any of the circumstances described in Condition 13 (*Events of Default*) occurs.

Whenever the Permanent Global Note is to be exchanged for Definitive Notes, the Relevant Issuer shall procure the prompt delivery (free of charge to the bearer) of such Definitive Notes, duly authenticated and with Coupons and Talons attached (if so specified in the Final Terms), in an aggregate principal amount equal to the principal amount of Notes represented by the Permanent Global Note to the bearer of the Permanent Global Note against the surrender of the Permanent Global Note to or to the order of the Fiscal Agent within 30 days of the bearer requesting such exchange.

If:

(1) Definitive Notes have not been duly delivered by 5.00 p.m. (London time) on the thirtieth day after the bearer has requested exchange of the Permanent Global Note for Definitive Notes; or

(2) the Permanent Global Note was originally issued in exchange for part only of a Temporary Global Note representing the Notes and such Temporary Global Note becomes void in accordance with its terms; or

(3) the Permanent Global Note (or any part thereof) has become due and payable in accordance with the Terms and Conditions of the Notes or the date for final redemption of the Permanent Global Note has occurred and, in either case, payment in full of the amount of principal falling due with all accrued interest thereon has not been made to the bearer in accordance with the terms of the Permanent Global Note on the due date for payment,

then the Permanent Global Note (including the obligation to deliver Definitive Notes) will become void at 5.00 p.m. (London time) on such thirtieth day (in the case of paragraph (1) above) or at 5.00 p.m. (London time) on the date on which such Temporary Global Note becomes void (in the case of paragraph (2) above) or at 5.00 p.m. (London time) on such due date (paragraph (3) above) and the bearer of the Permanent Global Note will have no further rights thereunder (but without prejudice to the rights which the bearer of the Permanent Global Note or others may have under the Deed of Covenant).

Temporary Global Note exchangeable for Definitive Notes

If the applicable Final Terms specifies the form of Notes as being "Temporary Global Note exchangeable for Definitive Notes", then the Notes will initially be in the form of a Temporary Global Note which will be exchangeable, in whole or in part, for Definitive Notes not earlier than 40 days after the issue date of the relevant Tranche of the Notes upon certification as to non-U.S. beneficial ownership. Interest payments in respect of the Notes cannot be collected without such certification of non-U.S. beneficial ownership.

Whenever the Temporary Global Note is to be exchanged for Definitive Notes, the Relevant Issuer shall procure the prompt delivery (free of charge to the bearer) of such Definitive Notes, duly authenticated and with Coupons and Talons attached (if so specified in the applicable Final Terms), in an aggregate principal amount equal to the principal amount of the Temporary Global Note to the bearer of the Temporary Global Note against the surrender of the Temporary Global Note to or to the order of the Fiscal Agent within 30 days of the bearer requesting such exchange.

If:

(1) Definitive Notes have not been duly delivered by 5.00 p.m. (London time) on the thirtieth day after the bearer has requested exchange of the Temporary Global Note for Definitive Notes; or

(2) the Temporary Global Note (or any part thereof) has become due and payable in accordance with the Terms and Conditions of the Notes or the date for final redemption of the Temporary Global Note has occurred and, in either case, payment in full of the amount of principal falling due with all accrued interest thereon has not been made to the bearer in accordance with the terms of the Temporary Global Note on the due date for payment,

then the Temporary Global Note (including the obligation to deliver Definitive Notes) will become void at 5.00 p.m. (London time) on such thirtieth day (in the case of paragraph (1) above) or at 5.00 p.m. (London time) on such due date (in the case of paragraph (2) above) and the bearer of the Temporary Global Note will have no further rights thereunder (but without prejudice to the rights which the bearer of the Temporary Global Note or others may have under the Deed of Covenant).

For the avoidance of doubt, if Notes are to be issued with a minimum Specified Denomination and in integral multiples of another smaller amount in excess thereof as specified in the applicable Final Terms, the Notes cannot be represented on issue by a Temporary Global Note exchangeable for Definitive Notes.

Permanent Global Note exchangeable for Definitive Notes

If the applicable Final Terms specifies the form of Notes as being "Permanent Global Note exchangeable for Definitive Notes", then the Notes will initially be in the form of a Permanent Global Note which will be exchangeable in whole, but not in part, for Definitive Notes:

(1) on the expiry of such period of notice as may be specified in the applicable Final Terms; or

(2) at any time, if so specified in the applicable Final Terms; or

(3) if the applicable Final Terms specifies "in the limited circumstances described in the Permanent Global Note", then if either of the following events occurs:

    (i) Euroclear or Clearstream, Luxembourg or any other relevant clearing system is closed for business for a continuous period of 14 days (other than by reason of legal holidays) or announces an intention permanently to cease business; or

    (ii) any of the circumstances described in Condition 13 (*Events of Default*) occurs.

Whenever the Permanent Global Note is to be exchanged for Definitive Notes, the Relevant Issuer shall procure the prompt delivery (free of charge to the bearer) of such Definitive Notes, duly authenticated and with Coupons and Talons attached (if so specified in the Final Terms), in an aggregate principal amount equal to the principal amount of Notes represented by the Permanent Global Note to the bearer of the Permanent Global Note against the surrender of the Permanent Global Note to or to the order of the Fiscal Agent within 30 days of the bearer requesting such exchange.

If:

(1) Definitive Notes have not been duly delivered by 5.00 p.m. (London time) on the thirtieth day after the bearer has requested exchange of the Permanent Global Note for Definitive Notes; or

(2) the Permanent Global Note (or any part thereof) has become due and payable in accordance with the Terms and Conditions of the Notes or the date for final redemption of the Permanent Global Note has occurred and, in either case, payment in full of the amount of principal falling due with all accrued interest thereon has not been made to the bearer in accordance with the terms of the Permanent Global Note on the due date for payment,

then the Permanent Global Note (including the obligation to deliver Definitive Notes) will become void at 5.00 p.m. (London time) on such thirtieth day (in the case of paragraph (1) above) or at 5.00 p.m. (London time) on such due date (paragraph (2) above) and the bearer of the Permanent Global Note will have no further rights thereunder (but

without prejudice to the rights which the bearer of the Permanent Global Note or others may have under the Deed of Covenant).

For the avoidance of doubt, Notes will only be issued with a minimum Specified Denomination and in integral multiples of another smaller amount in excess thereof if the applicable Final Terms specifies "in the limited circumstances described in the Permanent Global Note".

Terms and Conditions applicable to the Notes

The terms and conditions applicable to any Definitive Note will be endorsed on that Note and will consist of the terms and conditions set out under "*Terms and Conditions of the Notes*" and the provisions of the applicable Final Terms which complete those terms and conditions.

The terms and conditions applicable to any Note in global form will differ from those terms and conditions which would apply to the Note were it in definitive form to the extent described under "*Summary of Provisions Relating to the Notes while in Global Form*".

Legend concerning United States persons

In the case of any Tranche of Bearer Notes having a maturity of more than 1 year and to which the TEFRA D Rules are applicable, the Notes in global form, the Notes in definitive form and any Coupons and Talons appertaining thereto will bear a legend to the following effect:

> "Any United States person who holds this obligation will be subject to limitations under the United States income tax laws, including the limitations provided in Sections 165(j) and 1287(a) of the Internal Revenue Code."

Registered Notes

Each Tranche of Registered Notes will be in the form of either individual Note Certificates in registered form ("**Individual Note Certificates**") or global Notes in registered form (a "**Global Registered Note**"), in each case as specified in the applicable Final Terms.

Each Global Registered Note will be deposited on or around the relevant issue date with a depositary or a common depositary for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system and registered in the name of a nominee for such depositary and will be exchangeable for Individual Note Certificates in accordance with its terms.

If the applicable Final Terms specifies the form of Notes as being "Individual Note Certificates", then the Notes will at all times be in the form of Individual Note Certificates issued to each Noteholder in respect of their respective holdings.

If the applicable Final Terms specifies the form of Notes as being "Global Registered Note exchangeable for Individual Note Certificates", then the Notes will initially be in the form of a Global Registered Note which will be exchangeable in whole, but not in part, for Individual Note Certificates:

(1) on the expiry of such period of notice as may be specified in the applicable Final Terms; or

(2) at any time, if so specified in the applicable Final Terms; or

(3) if the applicable Final Terms specifies "in the limited circumstances described in the Global Registered Note", then if either of the following events occurs:

    (i) Euroclear or Clearstream, Luxembourg or any other relevant clearing system is closed for business for a continuous period of 14 days (other than by reason of legal holidays) or announces an intention permanently to cease business; or

    (ii) any of the circumstances described in Condition 13 (*Events of Default*) occurs.

Whenever the Global Registered Note is to be exchanged for Individual Note Certificates, the Relevant Issuer shall procure that Individual Note Certificates will be issued in an aggregate principal amount equal to the principal amount of the Global Registered Note within five business days of the delivery, by or on behalf of the registered holder of the Global Registered Note to the Registrar of such information as is required to complete and deliver such Individual

Note Certificates (including, without limitation, the names and addresses of the persons in whose names the Individual Note Certificates are to be registered and the principal amount of each such person's holding) against the surrender of the Global Registered Note at the specified office of the Registrar.

Such exchange will be effected in accordance with the provisions of the Agency Agreement and the regulations concerning the transfer and registration of Notes scheduled thereto and, in particular, shall be effected without charge to any holder, but against such indemnity as the Registrar may require in respect of any tax or other duty of whatsoever nature which may be levied or imposed in connection with such exchange.

If:

(1) Individual Note Certificates have not been delivered by 5.00 p.m. (London time) on the thirtieth day after they are due to be issued and delivered in accordance with the terms of the Global Registered Note; or

(2) any of the Notes represented by a Global Registered Note (or any part of it) has become due and payable in accordance with the Terms and Conditions of the Notes or the date for final redemption of the Notes has occurred and, in either case, payment in full of the amount of principal falling due with all accrued interest thereon has not been made to the holder of the Global Registered Note in accordance with the terms of the Global Registered Note on the due date for payment,

then, at 5.00 p.m. (London time) on such thirtieth day (in the case of paragraph (1) above) or at 5.00 p.m. (London time) on such due date (in the case of paragraph (2) above) each person shown in the records of Euroclear and/or Clearstream, Luxembourg (or any other relevant clearing system) as being entitled to interest in the Notes shall acquire the right under the Deed of Covenant to enforce against the Relevant Issuer, the Relevant Issuer's obligations to the holder in respect of the Notes represented by the Global Registered Note, including the obligation of the Relevant Issuer to make all payments when due at any time in respect of such Notes as if such Notes had been duly presented and (where required by the Conditions) surrendered on the due date in accordance with the Conditions. Each Accountholder shall acquire such right without prejudice to the rights which the holder may have under the Global Registered Note and the Deed of Covenant. Notwithstanding such right that each Accountholder may acquire under the Deed of Covenant, payment to the holder in respect of any Notes represented by the Global Registered Note shall constitute a discharge of the Relevant Issuer's obligations to the extent of any such payment and nothing in the Deed of Covenant shall oblige the Relevant Issuer to make any payment under the Notes to or to the order of any person other than the holder.

Terms and Conditions applicable to the Notes

The terms and conditions applicable to any Individual Note Certificate will be endorsed on that Individual Note Certificate and will consist of the terms and conditions set out under "*Terms and Conditions of the Notes*" below and the provisions of the applicable Final Terms which complete those terms and conditions.

The terms and conditions applicable to any Global Registered Note will differ from those terms and conditions which would apply to the Note were it in definitive form to the extent described under "*Summary of Provisions Relating to the Notes while in Global Form*".

SUMMARY OF PROVISIONS RELATING TO THE NOTES WHILE IN GLOBAL FORM

Clearing System Accountholders

In relation to any Tranche of Notes represented by a Global Note in bearer form, references in the Terms and Conditions of the Notes to "Noteholder" are references to the bearer of the relevant Global Note which, for so long as the Global Note is held by a depositary or a common depositary, will be that depositary or common depositary.

In relation to any Tranche of Notes represented by a Global Registered Note, references in the Terms and Conditions of the Notes to "Noteholder" are references to the person in whose name such Global Registered Note is for the time being registered in the Register which, for so long as the Global Registered Note is held by or on behalf of a depositary or a common depositary for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system, will be that depositary or common depositary or a nominee for that depositary or common depositary.

Conditions applicable to Global Notes

Each Global Note and Global Registered Note will contain provisions which modify the Terms and Conditions of the Notes as they apply to the Global Note or Global Registered Note. The following is a summary of certain of those provisions:

Payments: All payments in respect of the Global Note or Global Registered Note which, according to the Terms and Conditions of the Notes, require presentation and/or surrender of a Note, Note Certificate or Coupon will be made against presentation and (in the case of payment of principal in full with all interest accrued thereon) surrender of the Global Note or Global Registered Note to or to the order of any Paying Agent and will be effective to satisfy and discharge the corresponding liabilities of the Issuers in respect of the Notes. On each occasion on which a payment of principal or interest is made in respect of the Global Note, the Relevant Issuer shall procure that the payment is noted in a schedule thereto.

Payment Business Day: In the case of a Global Note, or a Global Registered Note, shall be, if the currency of payment is euro, any day which is a TARGET Settlement Day and a day on which dealings in foreign currencies may be carried on in each (if any) Additional Financial Centre; or, if the currency of payment is not euro, any day which is a day on which dealings in foreign currencies may be carried on in the Principal Financial Centre of the currency of payment and in each (if any) Additional Financial Centre.

Payment Record Date: Each payment in respect of a Global Registered Note will be made to the person shown as the Holder in the Register at the close of business (in the relevant clearing system) on the Clearing System Business Day before the due date for such payment (the "**Record Date**") where "**Clearing System Business Day**" means a day on which each clearing system for which the Global Registered Note is being held is open for business.

Exercise of put option: In order to exercise the option contained in Condition 9(e) (*Redemption at the option of Noteholders*) the bearer of the Permanent Global Note or the holder of a Global Registered Note must, within the period specified in the Conditions for the deposit of the relevant Note and put notice, give written notice of such exercise to the Fiscal Agent specifying the principal amount of Notes in respect of which such option is being exercised. Any such notice will be irrevocable and may not be withdrawn.

Partial exercise of call option: In connection with an exercise of the option contained in Condition 9(c) (*Redemption at the option of the Issuer*) in relation to some only of the Notes, the Permanent Global Note or Global Registered Note may be redeemed in part in the principal amount specified by the Relevant Issuer in accordance with the Conditions and the Notes to be redeemed will not be selected as provided in the Conditions but in accordance with the rules and procedures of Euroclear and Clearstream, Luxembourg (to be reflected in the records of Euroclear and Clearstream, Luxembourg as either a pool factor or a reduction in principal amount, at their discretion).

Notices: Notwithstanding Condition 19 (*Notices*), while all the Notes are represented by a Permanent Global Note (or by a Permanent Global Note and/or a Temporary Global Note) or a Global Registered Note and the Permanent Global Note is (or the Permanent Global Note and/or the Temporary Global Note are), or the Global Registered Note is, deposited with a depositary or a common depositary for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system, notices to Noteholders may be given by delivery of the relevant notice to Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system and, in any case, such notices shall be deemed to have been given to the Noteholders in accordance with Condition 19 (*Notices*) on the date of delivery to Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system.

TERMS AND CONDITIONS OF THE NOTES

The following is the text of the terms and conditions which, as completed by the applicable Final Terms, will be endorsed on each Note in definitive form issued under the Programme. The terms and conditions applicable to any Note in global form will differ from those terms and conditions which would apply to the Note were it in definitive form to the extent described under "Summary of Provisions Relating to the Notes while in Global Form".

1. **Introduction**

(a) *Programme*: CBQ Finance Limited ("**CBQ Finance**") and The Commercial Bank (P.S.Q.C.) (the "**Bank**", and in its capacity as issuer, the "**Issuer**", and together with CBQ Finance, the "**Issuers**") have established a Euro Medium Term Note Programme (the "**Programme**") for the issuance of up to U.S.$5,000,000,000 in aggregate principal amount of notes (the "**Notes**"). The relevant Issuer of a Series shall be as specified in the applicable Final Terms. Notes issued by CBQ Finance are guaranteed by The Commercial Bank (P.S.Q.C.) (the "**Guarantor**").

(b) *Final Terms*: Notes issued under the Programme are issued in series (each a "**Series**") and each Series may comprise one or more tranches (each a "**Tranche**") of Notes. Each Tranche is the subject of a final terms (the "**Final Terms**") which completes these terms and conditions (the "**Conditions**"). The terms and conditions applicable to any particular Tranche of Notes are these Conditions as completed by the applicable Final Terms. In the event of any inconsistency between these Conditions and the applicable Final Terms, the applicable Final Terms shall prevail.

(c) *Agency Agreement*: The Notes are the subject of an amended and restated issue and paying agency agreement dated on or around 7 July 2021 (the "**Agency Agreement**") between the Issuers, the Guarantor, BNP Paribas Securities Services, Luxembourg Branch as fiscal agent (the "**Fiscal Agent**", which expression includes any successor fiscal agent appointed from time to time in connection with the Notes), BNP Paribas Securities Services, Luxembourg Branch as registrar (the "**Registrar**", which expression includes any successor registrar appointed from time to time in connection with the Notes), the paying agents named therein (together with the Fiscal Agent, the "**Paying Agents**", which expression includes any successor or additional paying agents appointed from time to time in connection with the Notes) and the transfer agents named therein (together with the Registrar, the "**Transfer Agents**", which expression includes any successor or additional transfer agents appointed from time to time in connection with the Notes). In these Conditions references to the "**Agents**" are to the Paying Agents and the Transfer Agents and any reference to an "**Agent**" is to any one of them.

(d) *Deed of Guarantee*: The Notes are the subject of a deed of guarantee dated on or around 7 July 2021 (the "**Deed of Guarantee**") entered into by the Guarantor.

(e) *Deed of Covenant:* The Notes may be issued in bearer form ("**Bearer Notes**"), or in registered form ("**Registered Notes**"). Registered Notes are constituted by a deed of covenant dated on or around 7 July 2021 (the "**Deed of Covenant**") entered into by the Issuers.

(f) *The Notes*: All subsequent references in these Conditions to "Notes" are to the Notes which are the subject of the applicable Final Terms. Copies of the applicable Final Terms are available for viewing at the registered offices of the Issuer and the Principal Paying Agent and copies may be obtained from such offices.

(g) *Summaries*: Certain provisions of these Conditions are summaries of the Agency Agreement, the Deed of Guarantee and the Deed of Covenant and are subject to their detailed provisions. Noteholders and the holders of the related interest coupons, if any, (the "**Couponholders**" and the "**Coupons**", respectively) are bound by, and are deemed to have notice of, all the provisions of the Agency Agreement, the Deed of Guarantee and the Deed of Covenant applicable to them. Copies of the Agency Agreement, the Deed of Guarantee and the Deed of Covenant are available for inspection by Noteholders during normal business hours at the Specified Offices of each of the Agents, the initial Specified Offices of which are set out below.

(h) *Guarantee*: Where Notes are issued by The Commercial Bank (P.S.Q.C.), references in these Conditions to Guarantor and Guarantee are not applicable.

2. **Interpretation**

(a) *Definitions*: In these Conditions the following expressions have the following meanings:

"**Accrual Yield**" has the meaning given in the applicable Final Terms;

"**Additional Business Centre(s)**" means the city or cities specified as such in the applicable Final Terms;

"**Additional Financial Centre(s)**" means the city or cities specified as such in the applicable Final Terms;

"**Adjustment Spread**" means either (a) a spread (which may be positive, negative or zero) or (b) a formula or methodology for calculating a spread, in each case to be applied to the Successor Rate or the Alternative Reference Rate (as applicable) and is the spread, formula or methodology which:

(a) in the case of a Successor Rate, is formally recommended in relation to the replacement of the relevant Reference Rate with the Successor Rate by any Relevant Nominating Body; or

(b) in the case of a Successor Rate for which no such recommendation has been made or in the case of an Alternative Reference Rate, the Independent Adviser (in consultation with the Bank) or the Bank (acting in good faith and in a commercially reasonable manner) (as applicable) determines is customarily applied to the Successor Rate or Alternative Reference Rate in international debt capital markets transactions to produce an industry-accepted replacement rate for the relevant Reference Rate; or

(c) if the Independent Adviser (in consultation with the Bank) or the Bank (acting in good faith and in a commercially reasonable manner) (as applicable) determines that no such spread is customarily applied, the spread, formula or methodology which the Independent Adviser (in consultation with the Bank) or the Bank (acting in good faith and in a commercially reasonable manner) in its discretion (as applicable) determines is recognised or acknowledged as being the industry standard for over-the-counter derivative transactions which reference the relevant Reference Rate where such rate has been replaced by the Successor Rate or Alternative Reference Rate (as applicable);

"**Alternative Reference Rate**" means the rate (and related alternative screen page or source, if available) that the Independent Adviser (in consultation with the Bank) or the Bank (acting in good faith and in a commercially reasonable manner) (as applicable) determines is customarily applied in international debt capital markets transactions for the purposes of determining Rates of Interest (or the relevant component part thereof) in respect of Notes denominated in the Specified Currency and of a comparable duration to the relevant Interest Period or, if the Independent Adviser (in consultation with the Bank) or the Bank (acting in good faith and in a commercially reasonable manner) (as applicable) determines that there is no such rate, such other rate as the Independent Adviser (in consultation with the Bank) or the Bank (acting in good faith and in a commercially reasonable manner) (as applicable) determines in its discretion is most comparable to the relevant Reference Rate;

"**Benchmark Event**" means:

(i) the relevant Reference Rate has ceased to be published on the Relevant Screen Page as a result of such benchmark ceasing to be calculated or administered or be published for at least five Business Days; or

(ii) a public statement by the administrator of the relevant Reference Rate that the relevant Reference Rate is (or will be deemed by such administrator to be) no longer representative of its relevant underlying market; or

(iii) a public statement by the supervisor of the administrator of the relevant Reference Rate that it has ceased or that it will cease publishing such Reference Rate permanently or indefinitely (in circumstances where no successor administrator has been appointed that will continue publication of such Reference Rate); or

(iv) a public statement by the supervisor of the administrator of the relevant Reference Rate that such Reference Rate has been or will be permanently or indefinitely discontinued; or

(v) a public statement by the supervisor of the administrator of the relevant Reference Rate that means that Reference Rate will be prohibited from being used generally; or

(vi) it has become unlawful for the Calculation Agent or the Issuer to calculate any payments due to be made to any Noteholder using the relevant Reference Rate;

provided that, (x) in the case of (ii) the Benchmark Event shall occur on the date with effect from which the relevant Reference Rate will no longer be (or will be deemed by the relevant administrator to no longer be) representative of its relevant underlying market and which is specified in the relevant public statement; and (y) in the case of sub-paragraphs (iii), (iv) and (v), the Benchmark Event shall occur on the date of the cessation of publication of the relevant Reference Rate, the discontinuation of the relevant Reference Rate, or the prohibition of use of the relevant Reference Rate, as the case may be, and, in each case, not the date of the relevant public statement;

"**Business Day**" means:

(a) in relation to any sum payable in euro, a TARGET Settlement Day and a day on which commercial banks and foreign exchange markets settle payments generally in each (if any) Additional Business Centre;

(b) in relation to any sum payable in a currency other than euro or Renminbi, a day on which commercial banks and foreign exchange markets settle payments generally in Luxembourg, in the Principal Financial Centre of the relevant currency and in each (if any) Additional Business Centre; and

(c) in relation to any sum payable in Renminbi, a day (other than a Saturday, Sunday or public holiday) on which commercial banks and foreign exchange markets in Hong Kong are generally open for business and settlement of Renminbi payments in Hong Kong;

"**Business Day Convention**", in relation to any particular date, has the meaning given in the applicable Final Terms and, if so specified in the applicable Final Terms, may have different meanings in relation to different dates and, in this context, the following expressions shall have the following meanings:

(a) "**Following Business Day Convention**" means that the relevant date shall be postponed to the first following day that is a Business Day;

(b) "**Modified Following Business Day Convention**" or "**Modified Business Day Convention**" means that the relevant date shall be postponed to the first following day that is a Business Day unless that day falls in the next calendar month in which case that date will be the first preceding day that is a Business Day;

(c) "**Preceding Business Day Convention**" means that the relevant date shall be brought forward to the first preceding day that is a Business Day;

(d) "**FRN Convention**", "**Floating Rate Convention**" or "**Eurodollar Convention**" means that each relevant date shall be the date which numerically corresponds to the preceding such date in the calendar month which is the number of months specified in the applicable Final Terms as the Specified Period after the calendar month in which the preceding such date occurred **provided**, **however**, **that**:

(i) if there is no such numerically corresponding day in the calendar month in which any such date should occur, then such date will be the last day which is a Business Day in that calendar month;

(ii) if any such date would otherwise fall on a day which is not a Business Day, then such date will be the first following day which is a Business Day unless that day falls in the next calendar month, in which case it will be the first preceding day which is a Business Day; and

(iii) if the preceding such date occurred on the last day in a calendar month which was a Business Day, then all subsequent such dates will be the last day which is a Business Day in the calendar month which is the specified number of months after the calendar month in which the preceding such date occurred; and

(e) "**No Adjustment**" means that the relevant date shall not be adjusted in accordance with any Business Day Convention;

"**Calculation Agent**" means the Fiscal Agent or such other Person specified in the applicable Final Terms as the party responsible for calculating the Rate(s) of Interest and Interest Amount(s);

"**Calculation Amount**" has the meaning given in the applicable Final Terms;

"**Coupon Sheet**" means, in respect of a Note, a coupon sheet relating to the Note;

"**Day Count Fraction**" means, in respect of the calculation of an amount for any period of time (the "**Calculation Period**"), such day count fraction as may be specified in these Conditions or the applicable Final Terms and:

(a) if "**Actual/Actual (ICMA)**" is so specified, means:

(i) where the Calculation Period is equal to or shorter than the Regular Period during which it falls, the actual number of days in the Calculation Period divided by the product of (1) the actual number of days in such Regular Period and (2) the number of Regular Periods in any year; and

(ii) where the Calculation Period is longer than one Regular Period, the sum of:

(A) the actual number of days in such Calculation Period falling in the Regular Period in which it begins divided by the product of (1) the actual number of days in such Regular Period and (2) the number of Regular Periods in any year; and

(B) the actual number of days in such Calculation Period falling in the next Regular Period divided by the product of (1) the actual number of days in such Regular Period and (2) the number of Regular Periods in any year;

(b) if "**Actual/Actual (ISDA)**" is so specified, means the actual number of days in the Calculation Period divided by 365 (or, if any portion of the Calculation Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365);

(c) if "**Actual/365 (Fixed)**" is so specified, means the actual number of days in the Calculation Period divided by 365;

(d) if "**Actual/360**" is so specified, means the actual number of days in the Calculation Period divided by 360;

(e) if "**30/360**" is so specified, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows

$$\text{Day Count Fraction} = \frac{[360x(Y_2 - Y_1)] + [30x(M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

"**Y_1**" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"**Y_2**" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"**M_1**" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"**M_2**" is the calendar month, expressed as number, in which the day immediately following the last day included in the Calculation Period falls;

"**D_1**" is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D_1 will be 30; and

"**D_2**" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31 and D_1 is greater than 29, in which case D_2 will be 30";

(f) if "**30E/360**" or "**Eurobond Basis**" is so specified, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction } = \frac{[360x(Y_2 - Y_1)] + [30x(M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

"**Y_1**" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"**Y_2**" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"**M_1**" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"**M_2**" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"**D_1**" is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D_1 will be 30; and

"**D_2**" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31, in which case D_2 will be 30; and

(g) if "**30E/360 (ISDA)**" is so specified, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction } = \frac{[360x(Y_2 - Y_1)] + [30x(M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

"**Y_1**" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"**Y_2**" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"**M_1**" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"**M_2**" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"**D_1**" is the first calendar day, expressed as a number, of the Calculation Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case D_1 will be 30; and

"**D_2**" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless (i) that day is the last day of February but not the Maturity Date or (ii) such number would be 31, in which case D_2 will be 30,

provided, however, that in each such case the number of days in the Calculation Period is calculated from and including the first day of the Calculation Period to but excluding the last day of the Calculation Period;

"**Early Redemption Amount (Tax)**" means, in respect of any Note, its principal amount or such other amount as may be specified in the applicable Final Terms;

"**Early Termination Amount**" means, in respect of any Note, its principal amount or such other amount as may be specified in, or determined in accordance with, these Conditions or the applicable Final Terms;

"**Extraordinary Resolution**" has the meaning given in the Agency Agreement;

"**Final Redemption Amount**" means, in respect of any Note, its principal amount or such other amount as may be specified in the applicable Final Terms;

"**First Interest Payment Date**" means the date specified in the applicable Final Terms;

"**Fixed Coupon Amount**" has the meaning given in the applicable Final Terms;

"**Guarantee**" means, in relation to any Indebtedness of any Person, any obligation of another Person to pay such Indebtedness including (without limitation):

(a) any obligation to purchase such Indebtedness;

(b) any obligation to lend money, to purchase or subscribe shares or other securities or to purchase assets or services in order to provide funds for the payment of such Indebtedness;

(c) any indemnity against the consequences of a default in the payment of such Indebtedness; and

(d) any other agreement to be responsible for such Indebtedness;

"**Guarantee of the Notes**" means the guarantee of the Notes given by the Guarantor in the Deed of Guarantee;

"**Holder**", in the case of Bearer Notes, has the meaning given in Condition 3(b) (*Title to Bearer Notes*) and, in the case of Registered Notes, has the meaning given in Condition 3(d) (*Title to Registered Notes*);

"**Indebtedness**" means any indebtedness of any Person for money borrowed or raised including (without limitation) any indebtedness for or in respect of:

(a) amounts raised by acceptance under any acceptance credit facility;

(b) amounts raised under any note purchase facility;

(c) the amount of any liability in respect of leases or hire purchase contracts which would, in accordance with applicable law and generally accepted accounting principles, be treated as finance or capital leases;

(d) the amount of any liability in respect of any purchase price for assets or services the payment of which is deferred for a period in excess of 60 days; and

(e) amounts raised under any other transaction (including, without limitation, any forward sale or purchase agreement) having the commercial effect of a borrowing;

"**Independent Adviser**" means an independent financial institution of international repute or an independent financial adviser with appropriate expertise appointed by the Bank at its own expense under Condition 7(i);

"**Interest Amount**" means, in relation to a Note and an Interest Period, the amount of interest payable in respect of that Note for that Interest Period;

"**Interest Commencement Date**" means the Issue Date of the Notes or such other date as may be specified as the Interest Commencement Date in the applicable Final Terms;

"**Interest Determination Date**" has the meaning given in the applicable Final Terms;

"**Interest Payment Date**" means the First Interest Payment Date and any date or dates specified as such in the applicable Final Terms and, if a Business Day Convention is specified in the applicable Final Terms:

(a) as the same may be adjusted in accordance with the relevant Business Day Convention; or

(b) if the Business Day Convention is the FRN Convention, Floating Rate Convention or Eurodollar Convention and an interval of a number of calendar months is specified in the applicable Final Terms as being the Specified Period, each of such dates as may occur in accordance with the FRN Convention, Floating Rate Convention or Eurodollar Convention at such Specified Period of calendar months following the Interest Commencement Date (in the case of the first Interest Payment Date) or the previous Interest Payment Date (in any other case);

"**Interest Period**" means each period beginning on (and including) the Interest Commencement Date or any Interest Payment Date and ending on (but excluding) the next Interest Payment Date;

"**Interest Rate Protection Agreement**" means, in respect of any Person, any interest rate swap agreement, interest rate option agreement, interest rate cap agreement, interest rate collar agreement, interest rate floor agreement or other similar agreement or arrangement designed to protect such Person against fluctuations in interest rates;

"**ISDA Definitions**" means the 2006 ISDA Definitions (as amended and updated as at the date of issue of the first Tranche of the Notes of the relevant Series (as specified in the applicable Final Terms) as published by the International Swaps and Derivatives Association, Inc.);

"**Issue Date**" has the meaning given in the applicable Final Terms;

"**Margin**" has the meaning given in the applicable Final Terms;

"**Material Subsidiary**" means at any relevant time a Subsidiary of the Issuer or the Guarantor:

(a) whose total assets or gross revenues (or, where the Subsidiary in question prepares consolidated financial statements, whose total consolidated assets or gross consolidated revenues, as the case may be) represents not less than 10 per cent. of the total consolidated assets or the gross consolidated revenues of the Issuer and its Subsidiaries or, as the case may be, the Guarantor and its Subsidiaries, all as calculated by reference to the then latest audited financial statements (or consolidated accounts, as the case may be) of such Subsidiary and the then latest audited consolidated financial statements of the Issuer or the Guarantor; or

(b) to which is transferred all or substantially all of the assets and undertakings of a Subsidiary which immediately prior to such transfer is a Material Subsidiary;

"**Maturity Date**" has the meaning given in the applicable Final Terms;

"**Maximum Redemption Amount**" has the meaning given in the applicable Final Terms;

"**Minimum Redemption Amount**" has the meaning given in the applicable Final Terms;

"**Non-recourse Project Financing**" means any financing of all or part of the costs of the acquisition, construction or development of any project, **provided that** (i) any Security Interest given by the Issuer, the Guarantor, or the relevant Material Subsidiary of the Issuer or the Guarantor is limited solely to assets of the project, (ii) the Person or Persons providing such financing expressly agrees to limit their recourse to the project financed and the revenues derived from such project as the principal source of repayment for the moneys advanced and (iii) there is no other recourse to the Issuer, the Guarantor, or the relevant Material Subsidiary of the Issuer or the Guarantor in respect of any default by any Person under the financing;

"**Noteholder**", in the case of Bearer Notes, has the meaning given in Condition 3(b) (*Title to Bearer Notes*) and, in the case of Registered Notes, has the meaning given in Condition 3(d) (*Title to Registered Notes*);

"**Optional Redemption Amount (Call)**" means, in respect of any Note, its principal amount or such other amount as may be specified in the applicable Final Terms;

"**Optional Redemption Amount (Put)**" means, in respect of any Note, its principal amount or such other amount as may be specified in the applicable Final Terms;

"**Optional Redemption Date (Call)**" has the meaning given in the applicable Final Terms;

"**Optional Redemption Date (Put)**" has the meaning given in the applicable Final Terms;

"**Participating Member State**" means a Member State of the European Communities which adopts the euro as its lawful currency in accordance with the Treaty;

"**Payment Business Day**" means:

(a) if the currency of payment is euro, any day which is:

(i) a day on which banks in the relevant place of presentation are open for presentation and payment of bearer debt securities and for dealings in foreign currencies; and

(ii) in the case of payment by transfer to an account, a TARGET Settlement Day and a day on which dealings in foreign currencies may be carried on in each (if any) Additional Financial Centre; or

(b) if the currency of payment is not euro or Renminbi, any day which is:

(i) a day on which banks in the relevant place of presentation are open for presentation and payment of bearer debt securities and for dealings in foreign currencies; and

(ii) in the case of payment by transfer to an account, a day on which dealings in foreign currencies may be carried on in the Principal Financial Centre of the currency of payment and in each (if any) Additional Financial Centre;

(c) if the currency of payment is Renminbi, a day (other than a Saturday, Sunday or public holiday) on which commercial banks and foreign exchange markets in Hong Kong are generally open for business and settlement of Renminbi payments in Hong Kong.

"**Permitted Reorganisation**" means:

(a) any disposal by any Subsidiary of the whole or a substantial part of its business, undertaking or assets to the Issuer or the Guarantor or any wholly owned Subsidiary of the Issuer or the Guarantor;

(b) any amalgamation, consolidation or merger of a Subsidiary with any other Subsidiary or any other wholly owned Subsidiary of the Issuer or the Guarantor; or

(c) any amalgamation, consolidation, restructuring, merger or reorganisation on terms previously approved by an Extraordinary Resolution of Noteholders;

"**Permitted Security Interest**" means:

(a) any Security Interest created or outstanding with the approval of an Extraordinary Resolution;

(b) any Security Interest arising by operation of law, provided either that such Security Interest is discharged within 30 days of arising or does not materially impair the business of the Issuer, the Guarantor or, as the case may be, a Subsidiary of the Issuer or the Guarantor and has not been enforced against the assets to which it attaches;

(c) any Security Interest granted by a Subsidiary of the Issuer or the Guarantor in favour of the Issuer or the Guarantor, as the case may be;

(d) any Security Interest on assets or property existing at the time the Issuer, the Guarantor or, as the case may be, a Subsidiary of the Issuer or the Guarantor acquired such assets or property **provided that** such Security Interest was not created in contemplation of such acquisition and does not extend to other assets or property (other than proceeds of such acquired assets or property), **provided that** the maximum amount of Indebtedness thereafter secured by such Security Interest does not exceed

the purchase price of such assets or property or the Indebtedness incurred solely for the purpose of financing the acquisition of such assets or property;

(e) any Security Interest created in connection with any Non-recourse Project Financing;

(f) any renewal of or substitution for any Security Interest permitted by any of the preceding clauses (a) through (e), **provided that** with respect to any such Security Interest incurred pursuant to this clause (f), the principal amount secured has not increased and the Security Interest has not been extended to any additional property (other than the proceeds of such property);

(g) any Security Interest created in connection with a transaction in which the Issuer, the Guarantor or, as the case may be, a Subsidiary of the Issuer or the Guarantor, either: (i) sells securities to another party and the Issuer, the Guarantor or, as the case may be, that Subsidiary of the Issuer or the Guarantor has the right to repurchase those securities (or equivalent securities) from such other party at a future date; or (ii) purchases securities from another party and such party has the right to repurchase those securities (or equivalent securities) from the Issuer, the Guarantor or, as the case may be, that Subsidiary of the Issuer or the Guarantor at a future date arising in the ordinary course of banking transactions, **provided that** the Security Interest is limited to the assets which are the subject of the relevant transaction; or

(h) any Security Interest upon, or with respect to, any present or future business, undertakings, assets or revenues of the Issuer, the Guarantor or any Subsidiary of the Issuer or of the Guarantor, including any uncalled capital or any part thereof, which is created in connection with any Relevant Indebtedness whereby the payment obligations in connection therewith are secured on a segregated pool of assets (any such Relevant Indebtedness, a "**Covered Bond**") **provided that** the aggregate then-existing balance sheet value of the business, undertakings, assets or revenues subject to such Security Interest, when aggregated with any and all existing Security Interests of the Issuer, the Guarantor or any Subsidiary of the Issuer or the Guarantor, as the case may be, in each case created in respect of: (i) Covered Bonds that are Relevant Indebtedness; and (ii) any other secured Relevant Indebtedness does not, on the date of the relevant issuance, exceed 15 per cent. of the consolidated total assets of the Guarantor (as shown in the then most recent audited consolidated financial statements of the Guarantor);

"**Person**" means any individual, company, corporation, firm, partnership, joint venture, association, organisation, state or agency of a state or other entity, whether or not having separate legal personality;

"**Principal Financial Centre**" means, in relation to any currency, the principal financial centre for that currency **provided**, **however**, **that**:

(a) in relation to euro, it means the principal financial centre of such Member State of the European Communities as is selected (in the case of a payment) by the payee or (in the case of a calculation) by the Calculation Agent; and

(b) in relation to New Zealand dollars, it means either Wellington or Auckland as is selected (in the case of a payment) by the payee or (in the case of a calculation) by the Calculation Agent;

"**Put Option Notice**" means a notice which must be delivered to a Paying Agent by any Noteholder wanting to exercise a right to redeem a Note at the option of the Noteholder;

"**Put Option Receipt**" means a receipt issued by a Paying Agent to a depositing Noteholder upon deposit of a Note with such Paying Agent by any Noteholder wanting to exercise a right to redeem a Note at the option of the Noteholder;

"**Rate of Interest**" means the rate or rates (expressed as a percentage per annum) of interest payable in respect of the Notes specified in the applicable Final Terms or calculated or determined in accordance with the provisions of these Conditions and/or the applicable Final Terms;

"**Redemption Amount**" means, as appropriate, the Final Redemption Amount, the Early Redemption Amount (Tax), the Optional Redemption Amount (Call), the Optional Redemption Amount (Put), the Early Termination Amount or such other amount in the nature of a redemption amount as may be specified in the applicable Final Terms;

"**Reference Banks**" has the meaning given in the applicable Final Terms or, if none, four major banks selected by the Calculation Agent in the market that is most closely connected with the Reference Rate;

"**Reference Price**" has the meaning given in the applicable Final Terms;

"**Reference Rate**" means one of the following benchmark rates as specified in the applicable Final Terms in respect of the currency and period specified in the applicable Final Terms:

(a) Euro-Zone interbank offered rate ("**EURIBOR**");

(b) London interbank bid rate ("**LIBID**");

(c) London interbank offered rate ("**LIBOR**");

(d) London interbank mean rate ("**LIMEAN**");

(e) Shanghai interbank offered rate ("**SHIBOR**");

(f) Hong Kong interbank offered rate ("**HIBOR**");

(g) Singapore interbank offered rate ("**SIBOR**");

(h) Emirates interbank offered rate ("**EIBOR**");

(i) Saudi Arabia interbank offered rate ("**SAIBOR**");

(j) Australia Bank Bill Swap ("**BBSW**");

(k) Australian dollar LIBOR ("**AUD LIBOR**")

(l) Japanese Yen LIBOR ("**JPY LIBOR**");

(m) Prague interbank offered rate ("**PRIBOR**");

(n) Turkish lira interbank offered rate ("**TRLIBOR**" or "**TRYLIBOR**");

(o) Tokyo interbank offered rate ("**TIBOR**");

(p) Karachi interbank offered rate ("**KIBOR**"); and

(q) Kuala Lumpur interbank offered rate ("**KLIBOR**");

"**Regular Period**" means:

(a) in the case of Notes where interest is scheduled to be paid only by means of regular payments, each period from and including the Interest Commencement Date to but excluding the first Interest Payment Date and each successive period from and including one Interest Payment Date to but excluding the next Interest Payment Date;

(b) in the case of Notes where, apart from the first Interest Period, interest is scheduled to be paid only by means of regular payments, each period from and including a Regular Date falling in any year to but excluding the next Regular Date, where "**Regular Date**" means the day and month (but not the year) on which any Interest Payment Date falls; and

(c) in the case of Notes where, apart from one Interest Period other than the first Interest Period, interest is scheduled to be paid only by means of regular payments, each period from and including a Regular Date falling in any year to but excluding the next Regular Date, where "**Regular Date**" means the day and month (but not the year) on which any Interest Payment Date falls other than the Interest Payment Date falling at the end of the irregular Interest Period.

"**Relevant Date**" means, in relation to any payment, whichever is the later of (a) the date on which the payment in question first becomes due and (b) if the full amount payable has not been received in the Principal

Financial Centre of the currency of payment by the Fiscal Agent on or prior to such due date, the date on which (the full amount having been so received) notice to that effect has been given to the Noteholders;

"**Relevant Financial Centre**" has the meaning given in the applicable Final Terms;

"**Relevant Indebtedness**" means any Indebtedness which is in the form of or represented by any bond, note, debenture, debenture stock, loan stock, certificate or other instrument which is, or is capable of being, listed, quoted or traded on any stock exchange or in any securities market (including, without limitation, any over-the-counter market);

"**Relevant Nominating Body**" means, in respect of a reference rate:

(a) the central bank, reserve bank, monetary authority or any similar institution for the currency to which the reference rate relates, or any central bank or other supervisory authority which is responsible for supervising the administrator of the reference rate; or

(b) any working group or committee sponsored by, chaired or co-chaired by or constituted at the request of:

    (i) the central bank, reserve bank, monetary authority or any similar institution for the currency to which the reference rate relates;

    (ii) any central bank or other supervisory authority which is responsible for supervising the administrator of the reference rate;

    (iii) a group of the aforementioned central banks or other supervisory authorities;

    (iv) the International Swaps and Derivatives Association, Inc. or any part thereof; or

    (v) the Financial Stability Board or any part thereof;

"**Relevant Screen Page**" means the page, section or other part of a particular information service (including, without limitation, Reuters) specified as the Relevant Screen Page in the applicable Final Terms, or such other page, section or other part as may replace it on that information service or such other information service, in each case, as may be nominated by the Person providing or sponsoring the information appearing there for the purpose of displaying rates or prices comparable to the Reference Rate;

"**Relevant Time**" has the meaning given in the applicable Final Terms;

"**Reserved Matter**" means any proposal to change any date fixed for payment of principal or interest in respect of the Notes, to reduce the amount of principal or interest payable on any date in respect of the Notes, to alter the method of calculating the amount of any payment in respect of the Notes or the date for any such payment, to change the currency of any payment under the Notes, to change the quorum requirements relating to meetings or the majority required to pass an Extraordinary Resolution or to amend the terms of the Deed of Guarantee (in each case, other than as permitted pursuant to these Conditions);

"**Security Interest**" means any mortgage, charge, pledge, lien or other security interest including, without limitation, anything analogous to any of the foregoing under the laws of any relevant jurisdiction;

"**Specified Currency**" has the meaning given in the applicable Final Terms;

"**Specified Denomination(s)**" has the meaning given in the applicable Final Terms;

"**Specified Office**" has the meaning given in the Agency Agreement;

"**Specified Period**" has the meaning given in the applicable Final Terms;

"**Subsidiary**" means, in relation to any Person (the "**first Person**") at any particular time, any other Person (the "**second Person**") whose affairs and policies the first Person controls or has the power to control, whether by ownership of share capital, contract, the power to appoint or remove members of the governing body of the second Person or otherwise;

"**Successor Rate**" means the reference rate (and related alternative screen page or source, if available) which is formally recommended by any Relevant Nominating Body as a successor to or replacement of the relevant Reference Rate;

"**Talon**" means a talon for further Coupons;

"**TARGET2**" means the Trans-European Automated Real-Time Gross Settlement Express Transfer payment system which utilises a single shared platform and which was launched on 19 November 2007;

"**TARGET Settlement Day**" means any day on which TARGET2 is open for the settlement of payments in euro;

"**Treaty**" means the Treaty establishing the European Communities, as amended; and

"**Zero Coupon Note**" means a Note specified as such in the applicable Final Terms;

(b) *Interpretation*: In these Conditions:

(i) if the Notes are Zero Coupon Notes, references to Coupons and Couponholders are not applicable;

(ii) if Talons are specified in the applicable Final Terms as being attached to the Notes at the time of issue, references to Coupons shall be deemed to include references to Talons;

(iii) if Talons are not specified in the applicable Final Terms as being attached to the Notes at the time of issue, references to Talons are not applicable;

(iv) any reference to principal shall be deemed to include the Redemption Amount, any additional amounts in respect of principal which may be payable under Condition 12 (*Taxation*), any premium payable in respect of a Note and any other amount in the nature of principal payable pursuant to these Conditions;

(v) any reference to interest shall be deemed to include any additional amounts in respect of interest which may be payable under Condition 12 (*Taxation*) and any other amount in the nature of interest payable pursuant to these Conditions;

(vi) references to Notes being "**outstanding**" shall be construed in accordance with the Agency Agreement;

(vii) if an expression is stated in Condition 2(a) (*Definitions*) to have the meaning given in the applicable Final Terms, but the applicable Final Terms gives no such meaning or specifies that such expression is "Not Applicable" then such expression is not applicable to the Notes; and

(viii) any reference to the Agency Agreement or the Deed of Guarantee shall be construed as a reference to the Agency Agreement or the Deed of Guarantee, as the case may be, as amended and/or supplemented up to and including the Issue Date of the Notes.

3. **Form, Denomination, Title and Transfer**

(a) *Bearer Notes:* Bearer Notes are in the Specified Denomination(s) with Coupons and, if specified in the applicable Final Terms, Talons attached at the time of issue. In the case of a Series of Bearer Notes with more than one Specified Denomination, Bearer Notes of one Specified Denomination will not be exchangeable for Bearer Notes of another Specified Denomination.

(b) *Title to Bearer Notes:* Title to Bearer Notes and the Coupons will pass by delivery. In the case of Bearer Notes, "**Holder**" means the holder of such Bearer Note and "**Noteholder**" and "**Couponholder**" shall be construed accordingly.

(c) *Registered Notes:* Registered Notes are in the Specified Denomination(s), which may include a minimum denomination specified in the applicable Final Terms and higher integral multiples of a smaller amount specified in the applicable Final Terms.

(d) *Title to Registered Notes:* The Registrar will maintain the register in accordance with the provisions of the Agency Agreement. A certificate (each, a "**Note Certificate**") will be issued to each Holder of Registered

Notes in respect of its registered holding. Each Note Certificate will be numbered serially with an identifying number which will be recorded in the Register. In the case of Registered Notes, "**Holder**" means the person in whose name such Registered Note is for the time being registered in the Register (or, in the case of a joint holding, the first named thereof) and "**Noteholder**" shall be construed accordingly.

(e) *Ownership:* The Holder of any Note or Coupon shall (except as otherwise required by law) be treated as its absolute owner for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any other interest therein, any writing thereon or, in the case of Registered Notes, on the Note Certificate relating thereto (other than the endorsed form of transfer) or any notice of any previous loss or theft thereof) and no Person shall be liable for so treating such Holder. No person shall have any right to enforce any term or condition of any Note under the Contracts (Rights of Third Parties) Act 1999.

(f) *Transfers of Registered Notes:* Subject to paragraphs (i) (*Closed periods*) and (j) (*Regulations concerning transfers and registration*) below, a Registered Note may be transferred upon surrender of the relevant Note Certificate, with the endorsed form of transfer duly completed, at the Specified Office of the Registrar or any Transfer Agent, together with such evidence as the Registrar or (as the case may be) such Transfer Agent may reasonably require to prove the title of the transferor and the authority of the individuals who have executed the form of transfer; **provided**, **however**, **that** a Registered Note may not be transferred unless the principal amount of Registered Notes transferred and (where not all of the Registered Notes held by a Holder are being transferred) the principal amount of the balance of Registered Notes not transferred are Specified Denominations. Where not all the Registered Notes represented by the surrendered Note Certificate are the subject of the transfer, a new Note Certificate in respect of the balance of the Registered Notes will be issued to the transferor.

(g) *Registration and delivery of Note Certificates:* Within five business days of the surrender of a Note Certificate in accordance with paragraph (f) (*Transfers of Registered Notes*) above, the Registrar will register the transfer in question and deliver a new Note Certificate of a like principal amount to the Registered Notes transferred to each relevant Holder at its Specified Office or (as the case may be) the Specified Office of any Transfer Agent or (at the request and risk of any such relevant Holder) by uninsured first class mail (airmail if overseas) to the address specified for the purpose by such relevant Holder. In this paragraph, "**business day**" means a day on which commercial banks are open for general business (including dealings in foreign currencies) in the city where the Registrar or (as the case may be) the relevant Transfer Agent has its Specified Office.

(h) *No charge:* The transfer of a Registered Note will be effected without charge by or on behalf of the Issuer or the Registrar or any Transfer Agent but against such indemnity as the Registrar or (as the case may be) such Transfer Agent may require in respect of any tax or other duty of whatsoever nature which may be levied or imposed in connection with such transfer.

(i) *Closed periods:* Noteholders may not require transfers to be registered during the period of 15 days ending on the due date for any payment of principal or interest in respect of the Registered Notes.

(j) *Regulations concerning transfers and registration:* All transfers of Registered Notes and entries on the Register are subject to the detailed regulations concerning the transfer of Registered Notes scheduled to the Agency Agreement. The regulations may be changed by the Issuer with the prior written approval of the Registrar. A copy of the current regulations will be mailed (free of charge) by the Registrar to any Noteholder who requests in writing a copy of such regulations.

(k) *Senior Notes or Subordinated Notes:* These Notes are either Senior Notes or Subordinated Notes depending upon the status specified in the applicable Final Terms.

4. **Status and Guarantee**

(a) *Status of the Senior Notes*

The Senior Notes constitute direct, unconditional, unsubordinated and (subject to the provisions of Condition 5 (*Negative Pledge*)) unsecured obligations of the Issuer and rank *pari passu* among themselves and (save for certain obligations required to be preferred by law) equally with all other unsecured obligations (other than subordinated obligations, if any) of the Issuer from time to time outstanding.

(b) *Status of the Subordinated Notes*

The Subordinated Notes constitute direct, conditional (as described below) and unsecured obligations of the Issuer and rank *pari passu* among themselves.

The payment obligations of the Issuer in respect of the Subordinated Notes (whether on account of principal, interest or otherwise) will be subordinated to all unsubordinated payment obligations of the Issuer in the manner described below but will rank *pari passu* with all other subordinated payment obligations of the Issuer which do not rank or are not expressed by their terms to rank junior to the payment obligations under the Subordinated Notes and in priority to all claims of shareholders of the Issuer. The rights of the holders of Subordinated Notes against the Issuer are subordinated in right of payment to the claims of all Senior Creditors of the Issuer and accordingly payments in respect of the Subordinated Notes (whether on account of principal, interest or otherwise) by the Issuer are conditional upon the Issuer being solvent at the time of such payment and no payment shall be payable by the Issuer in respect of the Subordinated Notes except to the extent that the Issuer could make such payment and any other payment required to be made to a creditor in respect of indebtedness which ranks or is expressed to rank *pari passu* with the Subordinated Notes and still be solvent immediately thereafter. For this purpose the Issuer shall be solvent if (i) it is able to pay its debts as they fall due and (ii) its assets exceed its liabilities, and the "**Senior Creditors**" shall mean creditors of the Issuer (including depositors) other than creditors in respect of indebtedness where, by the terms of such indebtedness, the claims of the holders of that indebtedness rank or are expressed to rank *pari passu* with, or junior to, the claims of the Noteholders.

Each holder of a Subordinated Note unconditionally and irrevocably waives any right of set-off, counterclaim, abatement or other similar remedy which it might otherwise have, under the laws of any jurisdiction, in respect of such Note. No collateral is or will be given for the payment obligations under the Subordinated Notes and any collateral that may have been or may in the future be given in connection with other indebtedness of the Issuer shall not secure the payment obligations under the Subordinated Notes.

(c) *Guarantee of the Notes*: Subject to Clause 4.7 (*Status*) of the Deed of Guarantee, the Guarantor has in the Deed of Guarantee unconditionally and irrevocably guaranteed the due and punctual payment of all sums from time to time payable by CBQ Finance in respect of the Notes. Subject to Clause 4.7 (*Status*) of the Deed of Guarantee, the Guarantee of the Notes constitutes direct, general and unconditional obligations of the Guarantor which will at all times rank at least *pari passu* with all other present and future unsecured obligations of the Guarantor, save for such obligations as may be preferred by provisions of law that are both mandatory and of general application.

5. **Negative Pledge**

This Condition 5 (*Negative Pledge*) only applies to Senior Notes.

So long as any Note remains outstanding, the Issuer and the Guarantor shall not, and the Issuer and the Guarantor shall procure that none of their Material Subsidiaries will, create or permit to subsist any Security Interest upon the whole or any part of its present or future undertaking, assets or revenues (including any uncalled capital) to secure any Relevant Indebtedness or Guarantee of Relevant Indebtedness, other than a Permitted Security Interest, without (a) at the same time or prior thereto securing the Notes equally and rateably therewith or (b) providing such other security for the Notes as may be approved by an Extraordinary Resolution (as defined in the Agency Agreement).

Nothing in this Condition 5 (*Negative Pledge*) shall prevent the Issuer, the Guarantor or, as the case may be, a Subsidiary of the Issuer or the Guarantor from creating or permitting to subsist a Security Interest upon a defined or definable pool of its assets including, but not limited to, receivables (not representing all of the assets of the Issuer, the Guarantor or any Subsidiary of the Issuer or the Guarantor as the case may be) (the "**Secured Assets**") which is or was created pursuant to any securitisation or like arrangement in accordance with established market practice (whether or not involving itself as the issuer of any issue of asset backed securities) and whereby all payment obligations in respect of the Indebtedness of any Person or under any guarantee of or indemnity in respect of the Indebtedness of any other Person, as the case may be, secured on, or on an interest in, the Secured Assets are to be discharged solely from the Secured Assets (or solely from (i) the Secured Assets and (ii) assets of a Person other than the Issuer, the Guarantor or any Subsidiary of the Issuer or the Guarantor).

6. **Fixed Rate Note Provisions**

(a) *Application:* This Condition 6 (*Fixed Rate Note Provisions*) is applicable to the Notes only if the Fixed Rate Note Provisions are specified in the applicable Final Terms as being applicable.

(b) *Accrual of interest:* The Notes bear interest from the Interest Commencement Date at the Rate of Interest payable in arrear on each Interest Payment Date, **provided that** if the Specified Currency is Renminbi and any Interest Payment Date falls on a day which is not a Business Day, the Interest Payment Date will be the next succeeding Business Day unless it would thereby fall in the next calendar month in which event the Interest Payment Date shall be brought forward to the immediately preceding Business Day, and subject as provided in Condition 10 (*Payments - Bearer Notes*). Each Note will cease to bear interest from the due date for final redemption unless, upon due presentation, payment of the Redemption Amount is improperly withheld or refused, in which case it will continue to bear interest in accordance with this Condition 6 (*Fixed Rate Note Provisions*) (as well after as before judgment) until whichever is the earlier of (i) the day on which all sums due in respect of such Note up to that day are received by or on behalf of the relevant Noteholder and (ii) the day which is seven days after the Fiscal Agent has notified the Noteholders that it has received all sums due in respect of the Notes up to such seventh day (except to the extent that there is any subsequent default in payment).

(c) *Fixed Coupon Amount:* The amount of interest payable in respect of each Note for any Interest Period shall be the relevant Fixed Coupon Amount, **provided that** if the Specified Currency is Renminbi, the Fixed Coupon Amount shall be calculated by multiplying the product of the Rate of Interest and the Calculation Amount by the Day Count Fraction and rounding the resultant figure to the nearest CNY0.01 (CNY0.005 being rounded upwards) and, if the Notes are in more than one Specified Denomination, shall be the relevant Fixed Coupon Amount in respect of the relevant Specified Denomination.

(d) *Calculation of interest amount:* The amount of interest payable in respect of each Note for any period for which a Fixed Coupon Amount is not specified shall be calculated by applying the Rate of Interest to the Calculation Amount, multiplying the product by the relevant Day Count Fraction, rounding the resulting figure to the nearest sub-unit of the Specified Currency (half a sub-unit being rounded upwards) and multiplying such rounded figure by a fraction equal to the Specified Denomination of such Note divided by the Calculation Amount. For this purpose a "**sub-unit**" means, in the case of any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, in the case of euro, means one cent.

(e) *Renminbi account*: All payments in respect of any Note or Coupon in Renminbi will be made solely by credit to a registered Renminbi account maintained by or on behalf of the payee at a bank in Hong Kong in accordance with applicable laws, rules, regulations and guidelines issued from time to time (including all applicable laws and regulations with respect to the settlement of Renminbi in Hong Kong).

(f) *Renminbi Currency Event*: If the Specified Currency of the Notes is Renminbi and an Renminbi Currency Event, as determined by the Issuer acting in good faith, exists on a date for payment of any principal or interest (in whole or in part) in respect of any Note, Receipt or Coupon, the Issuer's obligation to make a payment in Renminbi under the terms of the Notes may be replaced by an obligation to pay such amount (in whole or in part) in the Relevant Currency and converted using the Spot Rate for the relevant Determination Date as promptly notified to the Issuer and the Paying Agents. Upon the occurrence of an Renminbi Currency Event, the Issuer shall give notice as soon as practicable to the Noteholders in accordance with Condition 19 (*Notices*) stating the occurrence of the Renminbi Currency Event, giving details thereof and the action proposed to be taken in relation thereto. In such event, any payment of U.S. dollars will be made by transfer to a U.S. dollar denominated account maintained by the payee with, or by a U.S. dollar denominated cheque drawn on, a bank in New York City; and the definition of "**Payment Business Day**" shall mean any day which (subject to Condition 14 (*Prescription*)) is a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in: (A) in the case of Notes in definitive form only, the relevant place of presentation; and (B) London and New York City.

For the purpose of this Condition 6 (*Fixed Rate Note Provisions*):

"**Determination Business Day**" means, for the purposes of the Renminbi Notes, a day (other than a Saturday, Sunday or public holiday) on which commercial banks are open for general business (including dealings in foreign exchange) in Hong Kong and New York City;

"**Determination Date**" means the day which is two Determination Business Days before the due date of the relevant payment under the Notes, other than where the Issuer properly determines that a Renminbi Currency Event has occurred at any time during the period from and including 10:01 a.m. (Hong Kong time) on the second Determination Business Day preceding the original due date to and including 11:59 p.m. (Hong Kong time) on the original due date, in which case the "**Determination Date**" will be the Determination Business Day immediately following the date on which the determination of the occurrence of a Renminbi Currency Event has been made;

"**Governmental Authority**" means any de facto or de jure government (or any agency or instrumentality thereof), court, tribunal, administrative or other governmental authority or any other entity (private or public) charged with the regulation of the financial markets (including the central bank) of Hong Kong;

"**Relevant Currency**" means United States dollars;

"**Renminbi Currency Events**" means any one of Renminbi Illiquidity, Renminbi Non-Transferability and Renminbi Inconvertibility;

"**Renminbi Illiquidity**" means the general Renminbi exchange market in Hong Kong becomes illiquid as a result of which the Issuer cannot obtain sufficient Renminbi in order to satisfy its obligation to pay interest or principal (in whole or in part) in respect of the Notes, as determined by the Issuer acting in good faith and in a commercially reasonable manner following consultation with two independent foreign exchange dealers of international repute active in the Renminbi exchange market in Hong Kong;

"**Renminbi Inconvertibility**" means the occurrence of any event that makes it impossible for the Issuer to convert any amount due in respect of the Notes into Renminbi on any payment date in the general Renminbi exchange market in Hong Kong, other than where such impossibility is due solely to the failure of the Issuer to comply with any law, rule or regulation enacted by any Governmental Authority (unless such law, rule or regulation is enacted after the Issue Date of the first Tranche of the relevant Series and it is impossible for the Issuer, due to an event beyond its control, to comply with such law, rule or regulation);

"**Renminbi Non-Transferability**" means the occurrence of any event that makes it impossible for the Issuer to deliver Renminbi between accounts inside Hong Kong or from an account inside Hong Kong to an account outside Hong Kong (including where the Renminbi clearing and settlement system for participating banks in Hong Kong is disrupted or suspended), other than where such impossibility is due solely to the failure of the Issuer to comply with any law, rule or regulation enacted by any Governmental Authority (unless such law, rule or regulation is enacted after the Issue Date of the first Tranche of the relevant Series and it is impossible for the Issuer, due to an event beyond its control, to comply with such law, rule or regulation); and

"**Spot Rate**" means the spot CNY/U.S.$ exchange rate for the purchase of U.S. dollars with Renminbi in the over-the-counter Renminbi exchange market in Hong Kong for settlement in two Determination Business Days, as determined by the Calculation Agent at or around 11.00 a.m. (Hong Kong time) on the Determination Date, on a deliverable basis by reference to Reuters Screen Page TRADCNY3, or if no such rate is available, on a non-deliverable basis by reference to Reuters Screen Page TRADNDF. If neither rate is available, the Calculation Agent shall determine the Spot Rate at or around 11:00 a.m. (Hong Kong time) on the Determination Date as the most recently available CNY/U.S. dollar official fixing rate for settlement in two Determination Business Days reported by the State Administration of Foreign Exchange of the PRC, which is reported on the Reuters Screen Page CNY=SAEC. Reference to a page on the Reuters Screen means the display page so designated on the Reuter Monitor Money Rates Service (or any successor service) or such other page as may replace that page for the purpose of displaying a comparable currency exchange rate.

"**U.S. Dollar Equivalent**" means the Renminbi amount converted into U.S. dollars using the Spot Rate for the relevant Determination Date promptly notified to the Issuer and the Paying Agents.

All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 6(f) (*Fixed Rate Note Provisions – Renminbi Currency Event*) by the Calculation Agent, will (in the absence of wilful default, bad faith or manifest error) be binding on the Issuer, the Agents and all relevant Noteholders.

7. **Floating Rate Note Provisions**

(a) *Application:* This Condition 7 (*Floating Rate Note Provisions*) is applicable to the Notes only if the Floating Rate Note Provisions are specified in the applicable Final Terms as being applicable.

(b) *Accrual of interest:* The Notes bear interest from the Interest Commencement Date at the Rate of Interest payable in arrear on each Interest Payment Date, subject as provided in Condition 10 (*Payments - Bearer Notes*). Each Note will cease to bear interest from the due date for final redemption unless, upon due presentation, payment of the Redemption Amount is improperly withheld or refused, in which case it will continue to bear interest in accordance with this Condition (as well after as before judgment) until whichever is the earlier of (i) the day on which all sums due in respect of such Note up to that day are received by or on behalf of the relevant Noteholder and (ii) the day which is seven days after the Fiscal Agent has notified the Noteholders that it has received all sums due in respect of the Notes up to such seventh day (except to the extent that there is any subsequent default in payment).

(c) *Screen Rate Determination:* If Screen Rate Determination is specified in the applicable Final Terms as the manner in which the Rate(s) of Interest is/are to be determined, the Rate of Interest applicable to the Notes for each Interest Period will be determined by the Calculation Agent on the following basis:

(i) if the Reference Rate is a composite quotation or customarily supplied by one entity, the Calculation Agent will determine the Reference Rate which appears on the Relevant Screen Page as of the Relevant Time on the relevant Interest Determination Date;

(ii) if Linear Interpolation is specified as applicable in respect of an Interest Period in the applicable Final Terms, the Rate of Interest for such Interest Period shall be calculated by the Calculation Agent by straight-line linear interpolation by reference to two rates which appear on the Relevant Screen Page as of the Relevant Time on the relevant Interest Determination Date, where:

(A) one rate shall be determined as if the Relevant Period were the period of time for which rates are available next shorter than the length of the relevant Interest Period; and

(B) the other rate shall be determined as if the Relevant Period were the period of time for which rates are available next longer than the length of the relevant Interest Period;

provided, **however**, **that** if no rate is available for a period of time next shorter or, as the case may be, next longer than the length of the relevant Interest Period, then the Calculation Agent shall determine such rate at such time and by reference to such sources as it determines appropriate acting reasonably and in good faith;

(iii) in any other case, the Calculation Agent will determine the arithmetic mean of the Reference Rates which appear on the Relevant Screen Page as of the Relevant Time on the relevant Interest Determination Date;

(iv) if, in the case of (i) above, such rate does not appear on that page or, in the case of (iii) above, fewer than two such rates appear on that page or if, in either case, the Relevant Screen Page is unavailable, the Calculation Agent will:

(A) request the principal Relevant Financial Centre office of each of the Reference Banks to provide a quotation of the Reference Rate at approximately the Relevant Time on the Interest Determination Date to prime banks in the Relevant Financial Centre interbank market in an amount that is representative for a single transaction in that market at that time; and

(B) determine the arithmetic mean of such quotations; and

(v) subject to Condition 7(i) (*Benchmark Replacement*) below, if fewer than two such quotations are provided as requested, the Calculation Agent will determine the arithmetic mean of the rates (being the nearest to the Reference Rate, as determined by the Calculation Agent) quoted by major banks in the Principal Financial Centre of the Specified Currency, selected by the Calculation Agent, at approximately 11.00 a.m. (local time in the Principal Financial Centre of the Specified Currency) on the first day of the relevant Interest Period for loans in the Specified Currency to leading European banks for a period equal to the relevant Interest Period and in an amount that is representative for a single transaction in that market at that time,

and the Rate of Interest for such Interest Period shall be the sum of the Margin and the rate or (as the case may be) the arithmetic mean so determined; **provided**, **however**, **that** if the Calculation Agent is unable to determine a rate or (as the case may be) an arithmetic mean in accordance with the above provisions in relation to any Interest Period, and **provided further that** such failure is not due to the occurrence of a Benchmark

Event, the Rate of Interest applicable to the Notes during such Interest Period will be the sum of the Margin and the rate or (as the case may be) the arithmetic mean last determined in relation to the Notes in respect of a preceding Interest Period.

(d) *ISDA Determination:* If ISDA Determination is specified in the applicable Final Terms as the manner in which the Rate(s) of Interest is/are to be determined, the Rate of Interest applicable to the Notes for each Interest Period will be the sum of the Margin and the relevant ISDA Rate where "**ISDA Rate**" in relation to any Interest Period means a rate equal to the Floating Rate (as defined in the ISDA Definitions) that would be determined by the Calculation Agent under an interest rate swap transaction if the Calculation Agent were acting as Calculation Agent for that interest rate swap transaction under the terms of an agreement incorporating the ISDA Definitions and under which:

(i) the Floating Rate Option (as defined in the ISDA Definitions) is as specified in the applicable Final Terms;

(ii) the Designated Maturity (as defined in the ISDA Definitions) is a period specified in the applicable Final Terms;

(iii) the relevant Reset Date (as defined in the ISDA Definitions) is either (A) if the relevant Floating Rate Option is based on the London inter-bank offered rate (LIBOR) for a currency, the first day of that Interest Period or (B) in any other case, as specified in the applicable Final Terms; and

(iv) if Linear Interpolation is specified as applicable in respect of an Interest Period in the applicable Final Terms, the Rate of Interest for such Interest Period shall be calculated by the Calculation Agent by straight-line linear interpolation by reference to two rates based on the relevant Floating Rate Option, where:

(A) one rate shall be determined as if the Designated Maturity were the period of time for which rates are available next shorter than the length of the relevant Interest Period; and

(B) the other rate shall be determined as if the Designated Maturity were the period of time for which rates are available next longer than the length of the relevant Interest Period

provided, **however**, **that** if there is no rate available for a period of time next shorter than the length of the relevant Interest Period or, as the case may be, next longer than the length of the relevant Interest Period, then the Calculation Agent shall determine such rate at such time and by reference to such sources as it determines appropriate acting reasonably and in good faith.

(e) *Maximum or Minimum Rate of Interest:* If any Maximum Rate of Interest or Minimum Rate of Interest is specified in the applicable Final Terms, then the Rate of Interest shall in no event be greater than the maximum or be less than the minimum so specified.

(f) *Calculation of Interest Amount:* The Calculation Agent will, as soon as practicable after the time at which the Rate of Interest is to be determined in relation to each Interest Period, calculate the Interest Amount payable in respect of each Note for such Interest Period. The Interest Amount will be calculated by applying the Rate of Interest for such Interest Period to the Calculation Amount, multiplying the product by the relevant Day Count Fraction, rounding the resulting figure to the nearest sub-unit of the Specified Currency (half a sub-unit being rounded upwards) and multiplying such rounded figure by a fraction equal to the Specified Denomination of the relevant Note divided by the Calculation Amount. For this purpose a "**sub-unit**" means, in the case of any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, in the case of euro, means one cent.

(g) *Publication:* The Calculation Agent will cause each Rate of Interest and Interest Amount determined by it, together with the relevant Interest Payment Date, and any other amount(s) required to be determined by it together with any relevant payment date(s) to be notified to the Paying Agents and in the case of each competent authority, stock exchange and/or quotation system (if any) by which the Notes have then been admitted to listing, trading and/or quotation, upon request of the Issuer, as soon as practicable after such determination but (in the case of each Rate of Interest, Interest Amount and Interest Payment Date) in any event not later than the first day of the relevant Interest Period. Notice thereof shall also promptly be given to the Noteholders. The Calculation Agent will be entitled to recalculate any Interest Amount (on the basis of the foregoing provisions) without notice in the event of an extension or shortening of the relevant Interest Period. If the Calculation Amount is less than the minimum Specified Denomination the Calculation Agent

shall not be obliged to publish each Interest Amount but instead may publish only the Calculation Amount and the Interest Amount in respect of a Note having the minimum Specified Denomination.

(h) *Notifications etc:* All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of this Condition by the Calculation Agent will (in the absence of manifest error) be binding on the Issuer, the Guarantor, the Paying Agents, the Noteholders and the Couponholders and (subject as aforesaid) no liability to any such Person will attach to the Calculation Agent in connection with the exercise or non-exercise by it of its powers, duties and discretions for such purposes.

(i) *Benchmark Replacement*

Notwithstanding the provisions above in this Condition 7, if the Bank (in consultation, to the extent practicable, with the Calculation Agent or such other person specified in the relevant Final Terms as the party responsible for calculating the Rate of Interest and Interest Amounts) determines that a Benchmark Event has occurred in relation to a Reference Rate when any Rate of Interest (or the relevant component part thereof) remains to be determined by reference to such Reference Rate, then the following provisions shall apply:

(i) the Bank shall use reasonable endeavours to appoint an Independent Adviser as soon as reasonably practicable to determine a Successor Rate or, alternatively, if the Independent Adviser determines that there is no Successor Rate, an Alternative Reference Rate and, in either case, an Adjustment Spread no later than three Business Days prior to the Interest Determination Date relating to the next succeeding Interest Period (the "**Interest Period Determination Cut-off Date**") for the purposes of determining the Rate of Interest applicable to the Notes for all future Interest Periods (subject to the operation of this Condition 7(i) in its entirety);

(ii) if the Bank is unable to appoint an Independent Adviser, or the Independent Adviser appointed by it fails to determine a Successor Rate or, failing which, an Alternative Reference Rate, and (in either case) an Adjustment Spread, prior to the Interest Period Determination Cut-off Date in accordance with subparagraph (i) above, then the Bank (acting in good faith and in a commercially reasonable manner) may determine a Successor Rate or, if the Bank determines that there is no Successor Rate, an Alternative Reference Rate and, in either case, an Adjustment Spread for the purposes of determining the Rate of Interest applicable to the Notes for all future Interest Periods (subject to the operation of this Condition 7(i) in its entirety); **provided**, **however**, **that** if this subparagraph (ii) applies and the Bank is unable or unwilling to determine a Successor Rate or, failing which, an Alternative Reference Rate, prior to the Interest Determination Date relating to the next succeeding Interest Period in accordance with this subparagraph (ii), the Rate of Interest applicable to such Interest Period shall be equal to the Rate of Interest last determined in relation to the Notes in respect of the immediately preceding Interest Period and if there has not been a first Interest Payment Date, the Rate of Interest shall be the initial Rate of Interest (though substituting, where a different Margin is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period for which the Rate of Interest was determined, the Margin relating to the relevant Interest Period, in place of the Margin relating to that last preceding Interest Period). For the avoidance of doubt, if this subparagraph (ii) applies and the Bank is unable or unwilling to determine a Successor Rate or, failing which, an Alternative Reference Rate, prior to the Interest Determination Date relating to the next succeeding Interest Period in accordance with this subparagraph (ii), this subparagraph (ii) shall apply to the relevant next succeeding Interest Period only and any subsequent Interest Periods are subject to the operation of this Condition 7(i) in its entirety;

(iii) if a Successor Rate or an Alternative Reference Rate is determined in accordance with the preceding provisions, such Successor Rate or Alternative Reference Rate (as applicable) and the applicable Adjustment Spread shall be the Reference Rate for all future Interest Periods (subject to the operation of this Condition 7(i) in its entirety);

(iv) the Adjustment Spread (or the formula for determining the Adjustment Spread) shall be applied to the Successor Rate or the Alternative Reference Rate (as the case may be). If, however, the Independent Adviser (in consultation with the Bank) or the Bank (acting in good faith and in a commercially reasonable manner) (as applicable) is unable to determine, prior to the Interest Determination Date relating to the next succeeding Interest Period, the quantum of, or a formula or methodology for determining, such Adjustment Spread, then such Successor Rate or Alternative Reference Rate (as applicable) will apply without an Adjustment Spread;

(v) if the Independent Adviser or the Bank (as the case may be) determines a Successor Rate or an Alternative Reference Rate and, in each case, the applicable Adjustment Spread, in accordance with the above provisions, the Independent Adviser (in consultation with the Bank) or the Bank (acting in good faith and in a commercially reasonable manner) may also specify changes to these Conditions, including to the Day Count Fraction, Relevant Screen Page, Business Day Convention, Business Day, Interest Determination Date, Interest Payment Dates and/or the definition of Reference Rate or Adjustment Spread applicable to the Notes (and in each case, related provisions and definitions), and the method for determining the fallback rate in relation to the Notes, in order to ensure the proper operation of such Successor Rate or Alternative Reference Rate and/or (in either case) the applicable Adjustment Spread (as applicable) and the Bank shall, subject to giving notice thereof in accordance with Condition 7(i)(vii), without any requirement for the consent or approval of the Noteholders, vary these Conditions and/or the Agency Agreement to give effect to such changes with effect from the date specified in such notice, which changes shall apply to the Notes for all future Interest Periods (subject to the operation of this Condition 7(i) in its entirety);

(vi) an Independent Adviser appointed pursuant to this Condition 7(i) shall act in good faith and subject as aforesaid (in the absence of fraud), shall have no liability whatsoever to the Bank, the Calculation Agent or Noteholders for any determination made by it or for any advice given to the Bank in connection with any determination made by the Bank pursuant to this Condition 7(i). No Noteholder consent shall be required in connection with effecting the Successor Rate or the Alternative Reference Rate (as applicable), any Adjustment Spread or such other changes pursuant to subparagraph (v), including for the execution of any documents, amendments or other steps by the Bank or the Calculation Agent (if required);

(vii) the Bank shall promptly, following the determination of any Successor Rate, Alternative Reference Rate or Adjustment Spread, give notice thereof and of any changes pursuant to subparagraph (v) above to the Calculation Agent, Paying Agents and the Noteholders in accordance with Condition 19 (*Notices*);

8. Zero Coupon Note Provisions

(a) *Application:* This Condition 8 (*Zero Coupon Note Provisions*) is applicable to the Notes only if the Zero Coupon Note Provisions are specified in the applicable Final Terms as being applicable.

(b) *Late payment on Zero Coupon Notes:* If the Redemption Amount payable in respect of any Zero Coupon Note is improperly withheld or refused, the Redemption Amount shall thereafter be an amount equal to the sum of:

(i) the Reference Price; and

(ii) the product of the Accrual Yield (compounded annually) being applied to the Reference Price on the basis of the relevant Day Count Fraction from (and including) the Issue Date to (but excluding) whichever is the earlier of (i) the day on which all sums due in respect of such Note up to that day are received by or on behalf of the relevant Noteholder and (ii) the day which is seven days after the Fiscal Agent has notified the Noteholders that it has received all sums due in respect of the Notes up to such seventh day (except to the extent that there is any subsequent default in payment).

9. Redemption and Purchase

(a) *Scheduled redemption*: Unless previously redeemed, or purchased and cancelled, the Notes will be redeemed at their Final Redemption Amount on the Maturity Date, subject as provided in Condition 10 (*Payments - Bearer Notes*).

(b) *Redemption for tax reasons:* The Notes may be redeemed at the option of the Issuer in whole, but not in part:

(i) at any time (if the Floating Rate Note Provisions are specified in the applicable Final Terms as being not applicable); or

(ii) on any Interest Payment Date (if the Floating Rate Note Provisions are specified in the applicable Final Terms as being applicable), on giving not less than 30 nor more than 60 days' notice to the Noteholders (which notice shall be irrevocable), at their Early Redemption Amount (Tax), together with interest accrued (if any) to the date fixed for redemption, if:

(A) (1) the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 12 (*Taxation*) as a result of any change in, or amendment to, the laws or regulations of Bermuda or Qatar as applicable or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations (including a holding by a court of competent jurisdiction), which change or amendment becomes effective (or, in the case of application or official interpretation, is announced) on or after the date of issue of the first Tranche of the Notes and (2) such obligation cannot be avoided by the Issuer taking reasonable measures available to it; or

(B) (1) the Guarantor has or (if a demand was made under the Guarantee of the Notes) would become obliged to pay additional amounts as provided or referred to in Condition 12 (*Taxation*) or in the Deed of Guarantee or the Guarantor has or will become obliged to make any such withholding or deduction as is referred to in Condition 12 (*Taxation*) or in the Deed of Guarantee from any amount paid by it to the Issuer in order to enable the Issuer to make a payment of principal or interest in respect of the Notes, in either case as a result of any change in, or amendment to, the laws or regulations of Qatar or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations (including a holding by a court of competent jurisdiction), which change or amendment becomes effective on or after the date of issue of the first Tranche of the Notes, and (2) such obligation cannot be avoided by the Guarantor taking reasonable measures available to it,

provided, **however**, **that** no such notice of redemption shall be given earlier than:

(1) where the Notes may be redeemed at any time, 90 days prior to the earliest date on which the Issuer or the Guarantor would be obliged to pay such additional amounts or the Guarantor would be obliged to make such withholding or deduction if a payment in respect of the Notes were then due or (as the case may be) a demand under the Guarantee of the Notes were then made; or

(2) where the Notes may be redeemed only on an Interest Payment Date, 60 days prior to the Interest Payment Date occurring immediately before the earliest date on which the Issuer or the Guarantor would be obliged to pay such additional amounts or the Guarantor would be obliged to make such withholding or deduction if a payment in respect of the Notes were then due or (as the case may be) a demand under the Guarantee of the Notes were then made.

Prior to the publication of any notice of redemption pursuant to this paragraph, the Issuer shall deliver or procure that there is delivered to the Fiscal Agent a certificate signed by two directors of the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred. Upon the expiry of any such notice as is referred to in this Condition 9(b) (*Redemption for tax reasons*), the Issuer shall be bound to redeem the Notes in accordance with this Condition 9(b) (*Redemption for tax reasons*).

(c) *Redemption at the option of the Issuer:* If the Call Option is specified in the applicable Final Terms as being applicable, the Notes may be redeemed at the option of the Issuer in whole or, if so specified in the applicable Final Terms, in part on any Optional Redemption Date (Call) at the relevant Optional Redemption Amount (Call) on the Issuer giving not less than 30 nor more than 60 days' notice to the Noteholders (which notice shall be irrevocable and shall oblige the Issuer to redeem the Notes or, as the case may be, the Notes specified in such notice on the relevant Optional Redemption Date (Call) at the Optional Redemption Amount (Call) plus accrued interest (if any) to such date).

(d) *Partial redemption:* If the Notes are to be redeemed in part only on any date in accordance with Condition 9(c) (*Redemption at the option of the Issuer*), in the case of Bearer Notes, the Notes to be redeemed shall be selected by the drawing of lots in such place as the Fiscal Agent approves and in such manner as the Fiscal Agent considers appropriate, subject to compliance with applicable law, the rules of each competent authority, stock exchange and/or quotation system (if any) by which the Notes have then been admitted to listing, trading and/or quotation and the notice to Noteholders referred to in Condition 9(c) (*Redemption at the option of the Issuer*) shall specify the serial numbers of the Notes so to be redeemed, and, in the case of Registered Notes,

each Note shall be redeemed in part in the proportion which the aggregate principal amount of the outstanding Notes to be redeemed on the relevant Optional Redemption Date (Call) bears to the aggregate principal amount of outstanding Notes on such date. If any Maximum Redemption Amount or Minimum Redemption Amount is specified in the applicable Final Terms, then the Optional Redemption Amount (Call) shall in no event be greater than the maximum or be less than the minimum so specified.

(e) *Redemption at the option of Noteholders:* If the Put Option is specified in the applicable Final Terms as being applicable, the Issuer shall, at the option of the Holder of any Note redeem such Note on the Optional Redemption Date (Put) specified in the relevant Put Option Notice at the relevant Optional Redemption Amount (Put) together with interest (if any) accrued to such date. In order to exercise the option contained in this Condition 9(e) (*Redemption at the option of Noteholders*), the Holder of a Note must, not less than 30 nor more than 60 days before the relevant Optional Redemption Date (Put), deposit with any Paying Agent such Note together with all unmatured Coupons relating thereto and a duly completed Put Option Notice in the form obtainable from any Paying Agent. The Paying Agent with which a Note is so deposited shall deliver a duly completed Put Option Receipt to the depositing Noteholder. No Note, once deposited with a duly completed Put Option Notice in accordance with this Condition 9(e) (*Redemption at the option of Noteholders*), may be withdrawn; **provided**, **however**, **that** if, prior to the relevant Optional Redemption Date (Put), any such Note becomes immediately due and payable or, upon due presentation of any such Note on the relevant Optional Redemption Date (Put), payment of the redemption moneys is improperly withheld or refused, the relevant Paying Agent shall mail notification thereof to the depositing Noteholder at such address as may have been given by such Noteholder in the relevant Put Option Notice and shall hold such Note at its Specified Office for collection by the depositing Noteholder against surrender of the relevant Put Option Receipt. For so long as any outstanding Note is held by a Paying Agent in accordance with this Condition 9(e) (*Redemption at the option of Noteholders*), the depositor of such Note and not such Paying Agent shall be deemed to be the Holder of such Note for all purposes.

(f) *No other redemption:* The Issuer shall not be entitled to redeem the Notes otherwise than as provided in paragraphs (a) to (e) above.

(g) *Early redemption of Zero Coupon Notes:* Unless otherwise specified in the applicable Final Terms, the Redemption Amount payable on redemption of a Zero Coupon Note at any time before the Maturity Date shall be an amount equal to the sum of:

(i) the Reference Price; and

(ii) the product of the Accrual Yield (compounded annually) being applied to the Reference Price from (and including) the Issue Date to (but excluding) the date fixed for redemption or (as the case may be) the date upon which the Note becomes due and payable.

Where such calculation is to be made for a period which is not a whole number of years, the calculation in respect of the period of less than a full year shall be made on the basis of such Day Count Fraction as may be specified in the Final Terms for the purposes of this Condition 9(g) (*Early redemption of Zero Coupon Notes*) or, if none is so specified, a Day Count Fraction of 30E/360.

(h) *Purchase:* The Issuer, the Guarantor or any of their respective Subsidiaries may at any time purchase Notes in the open market or otherwise and at any price **provided that** all unmatured coupons are purchased therewith, and such Notes may be held, resold or, at the option of the Issuer, the Guarantor or any of their respective Subsidiaries, as the case may be, surrendered to the Paying Agent for cancellation.

(i) *Cancellation:* All Notes so redeemed or purchased by the Issuer, the Guarantor or any of their respective Subsidiaries and any unmatured Coupons attached to or surrendered with them shall be cancelled and may not be reissued or resold.

10. **Payments - Bearer Notes**

This Condition 10 (*Payments - Bearer Notes*) is only applicable to Bearer Notes.

(a) *Principal:* Payments of principal shall be made only against presentation and (**provided that** payment is made in full) surrender of Bearer Notes at the Specified Office of any Paying Agent outside the United States by cheque drawn in the currency in which the payment is due on, or by transfer to an account denominated in that currency (or, if that currency is euro, any other account to which euro may be credited or transferred) and maintained by the payee with, a bank in the Principal Financial Centre of that currency.

(b) *Interest:* Payments of interest shall, subject to paragraph (h) below, be made only against presentation and (**provided that** payment is made in full) surrender of the appropriate Coupons at the Specified Office of any Paying Agent outside the United States in the manner described in paragraph (a) above.

(c) *Payments in New York City:* Payments of principal or interest may be made at the Specified Office of a Paying Agent in New York City if (i) the Issuer has appointed Paying Agents located outside the United States and its possessions with the reasonable expectation that such Paying Agents will be able to make payment of the full amount of the interest on the Notes in the currency in which the payment is due when due, (ii) payment of the full amount of such interest at the offices of all such Paying Agents is illegal or effectively precluded by exchange controls or other similar restrictions and (iii) payment is permitted by applicable United States law.

(d) *Payments subject to fiscal laws:* Save as provided in Condition 12 (*Taxation*), payments will be subject in all cases to any other applicable fiscal or other laws and regulations in the place of payment or other laws and regulations to which the Issuer or the Guarantor or their respective Agents agree to be subject and neither the Issuer nor the Guarantor will be liable for any taxes or duties of whatever nature imposed or levied by such laws, regulations or agreements.

(e) *Deductions for unmatured Coupons:* If the applicable Final Terms specifies that the Fixed Rate Note Provisions are applicable and a Bearer Note is presented without all unmatured Coupons relating thereto:

(i) if the aggregate amount of the missing Coupons is less than or equal to the amount of principal due for payment, a sum equal to the aggregate amount of the missing Coupons will be deducted from the amount of principal due for payment; **provided**, **however**, **that** if the gross amount available for payment is less than the amount of principal due for payment, the sum deducted will be that proportion of the aggregate amount of such missing Coupons which the gross amount actually available for payment bears to the amount of principal due for payment;

(ii) if the aggregate amount of the missing Coupons is greater than the amount of principal due for payment:

(A) so many of such missing Coupons shall become void (in inverse order of maturity) as will result in the aggregate amount of the remainder of such missing Coupons (the "**Relevant Coupons**") being equal to the amount of principal due for payment; **provided**, **however**, **that** where this sub-paragraph would otherwise require a fraction of a missing Coupon to become void, such missing Coupon shall become void in its entirety; and

(B) a sum equal to the aggregate amount of the Relevant Coupons (or, if less, the amount of principal due for payment) will be deducted from the amount of principal due for payment; **provided**, **however**, **that**, if the gross amount available for payment is less than the amount of principal due for payment, the sum deducted will be that proportion of the aggregate amount of the Relevant Coupons (or, as the case may be, the amount of principal due for payment) which the gross amount actually available for payment bears to the amount of principal due for payment.

Each sum of principal so deducted shall be paid in the manner provided in paragraph (a) above against presentation and (**provided that** payment is made in full) surrender of the relevant missing Coupons.

(f) *Unmatured Coupons void*: If the applicable Final Terms specifies that this Condition 10(f) (*Unmatured Coupons void*) is applicable or that the Floating Rate Note Provisions are applicable, on the due date for final redemption of any Note or early redemption in whole of such Note pursuant to Condition 9(b) (*Redemption for tax reasons*), Condition 9(e) (*Redemption at the option of Noteholders*), Condition 9(c) (*Redemption at the option of the Issuer*) or Condition 13 (*Events of Default*), all unmatured Coupons relating thereto (whether or not still attached) shall become void and no payment will be made in respect thereof.

(g) *Payments on business days:* If the due date for payment of any amount in respect of any Bearer Note or Coupon is not a Payment Business Day in the place of presentation, the Holder shall not be entitled to payment in such place of the amount due until the next succeeding Payment Business Day in such place and shall not be entitled to any further interest or other payment in respect of any such delay.

(h) *Payments other than in respect of matured Coupons:* Payments of interest other than in respect of matured Coupons shall be made only against presentation of the relevant Bearer Notes at the Specified Office of any Paying Agent outside the United States (or in New York City if permitted by paragraph (c) above).

(i) *Partial payments:* If a Paying Agent makes a partial payment in respect of any Bearer Note or Coupon presented to it for payment, such Paying Agent will endorse thereon a statement indicating the amount and date of such payment.

(j) *Exchange of Talons:* On or after the maturity date of the final Coupon which is (or was at the time of issue) part of a Coupon Sheet relating to the Bearer Notes, the Talon forming part of such Coupon Sheet may be exchanged at the Specified Office of the Fiscal Agent for a further Coupon Sheet (including, if appropriate, a further Talon but excluding any Coupons in respect of which claims have already become void pursuant to Condition 14 (*Prescription*)). Upon the due date for redemption of any Bearer Note, any unexchanged Talon relating to such Note shall become void and no Coupon will be delivered in respect of such Talon.

(k) *Renminbi denominated Bearer Notes*: Notwithstanding the above Conditions 10(a) to 10(j), all payments in respect of Bearer Notes denominated in Renminbi shall be made solely by credit to a registered Renminbi account maintained by or on behalf of the payee at a bank in Hong Kong in accordance with applicable laws, rules, regulations and guidelines issued from time to time (including all applicable laws and regulations with respect to the settlement of Renminbi in Hong Kong).

11. **Payments - Registered Notes**

This Condition 11 (*Payments - Registered Notes*) is only applicable to Registered Notes.

(a) *Principal:* Payments of principal shall be made by cheque drawn in the currency in which the payment is due drawn on, or, upon application by a Holder of a Registered Note to the Specified Office of the Fiscal Agent not later than the fifteenth day before the due date for any such payment, by transfer to an account denominated in that currency (or, if that currency is euro, any other account to which euro may be credited or transferred) and maintained by the payee with, a bank in the Principal Financial Centre of that currency (in the case of a sterling cheque, a town clearing branch of a bank in the City of London) and (in the case of redemption) upon surrender (or, in the case of part payment only, endorsement) of the relevant Note Certificates at the Specified Office of any Paying Agent.

(b) *Interest:* Payments of interest shall be made by cheque drawn in the currency in which the payment is due drawn on, or, upon application by a Holder of a Registered Note to the Specified Office of the Fiscal Agent not later than the fifteenth day before the due date for any such payment, by transfer to an account denominated in that currency (or, if that currency is euro, any other account to which euro may be credited or transferred) and maintained by the payee with, a bank in the Principal Financial Centre of that currency (in the case of a sterling cheque, a town clearing branch of a bank in the City of London) and (in the case of interest payable on redemption) upon surrender (or, in the case of part payment only, endorsement) of the relevant Note Certificates at the Specified Office of any Paying Agent.

(c) *Payments subject to fiscal laws:* Save as provided in Condition 12 (*Taxation*), payments will be subject in all cases to any other applicable fiscal or other laws and regulations in the place of payment or other laws and regulations to which the Issuer or the Guarantor or their respective Agents agree to be subject and neither the Issuer nor the Guarantor will be liable for any taxes or duties of whatever nature imposed or levied by such laws, regulations or agreements.

(d) *Payments on business days:* Where payment is to be made by transfer to an account, payment instructions (for value the due date, or, if the due date is not Payment Business Day, for value the next succeeding Payment Business Day) will be initiated and, where payment is to be made by cheque, the cheque will be mailed (i) (in the case of payments of principal and interest payable on redemption) on the later of the due date for payment and the day on which the relevant Note Certificate is surrendered (or, in the case of part payment only, endorsed) at the Specified Office of a Paying Agent and (ii) (in the case of payments of interest payable other than on redemption) on the due date for payment. A Holder of a Registered Note shall not be entitled to any interest or other payment in respect of any delay in payment resulting from (A) the due date for a payment not being a Payment Business Day or (B) a cheque mailed in accordance with this Condition 11 (*Payments - Registered Notes*) arriving after the due date for payment or being lost in the mail.

(e) *Partial payments:* If a Paying Agent makes a partial payment in respect of any Registered Note, the Issuer shall procure that the amount and date of such payment are noted on the Register and, in the case of partial payment upon presentation of a Note Certificate, that a statement indicating the amount and the date of such payment is endorsed on the relevant Note Certificate.

(f) *Record date:* Each payment in respect of a Registered Note will be made to the person shown as the Holder in the Register at the opening of business in the place of the Registrar's Specified Office on the fifteenth day before the due date for such payment (the "**Record Date**"). Where payment in respect of a Registered Note is to be made by cheque, the cheque will be mailed to the address shown as the address of the Holder in the Register at the opening of business on the relevant Record Date.

(g) *Renminbi denominated Registered Notes*: Notwithstanding the above Conditions 11(a) to 11(f), all payments in respect of Registered Notes denominated in Renminbi shall be made solely by credit to a registered Renminbi account maintained by or on behalf of the payee at a bank in Hong Kong, details of which appear on the Register on the fifth business day before the due date for payment in accordance with applicable laws, rules, regulations and guidelines issued from time to time (including all applicable laws and regulations with respect to the settlement of Renminbi in Hong Kong).

12. **Taxation**

(a) *Gross up:* All payments of principal and interest in respect of the Notes and the Coupons by or on behalf of the Issuer and all payments under the Guarantee by or on behalf of the Guarantor shall be made free and clear of, and without withholding or deduction for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of Bermuda or Qatar or any political subdivision therein or any authority therein or thereof having power to tax, unless the withholding or deduction of such taxes, duties, assessments, or governmental charges is required by law. In that event, the Issuer or (as the case may be) the Guarantor shall pay such additional amounts as will result in receipt by the Noteholders and the Couponholders after such withholding or deduction of such amounts as would have been received by them had no such withholding or deduction been required, except that no such additional amounts shall be payable in respect of any Note or Coupon:

(i) held by or on behalf of a Holder which is liable to such taxes, duties, assessments or governmental charges in respect of such Note or Coupon by reason of its having some connection with the jurisdiction by which such taxes, duties, assessments or charges have been imposed, levied, collected, withheld or assessed other than the mere holding of the Note or Coupon; or

(ii) where the relevant Note or Coupon or Note Certificate is presented or surrendered for payment more than 30 days after the Relevant Date except to the extent that the Holder of such Note or Coupon would have been entitled to such additional amounts on presenting or surrendering such Note or Coupon or Note Certificate for payment on the last day of such period of 30 days.

(b) *Taxing jurisdiction:* If the Issuer or the Guarantor becomes subject at any time to any taxing jurisdiction other than Bermuda or Qatar respectively, references in these Conditions to Bermuda or Qatar shall be construed as references to Bermuda or (as the case may be) Qatar and/or such other jurisdiction.

13. **Events of Default**

(a) *Events of Default for Senior Notes:* This Condition 13(a) (*Events of Default for Senior Notes*) only applies to Senior Notes.

If any one or more of the following events (each an "**Event of Default**") shall occur and be continuing:

(i) default is made in the payment of any principal or interest due in respect of the Notes or any of them and the default continues for a period of at least seven days in the case of principal or at least 14 days in the case of interest; or

(ii) the Issuer or Guarantor fails to perform or observe any of its other obligations under the Conditions or the Guarantee of the Notes and (except in any case where the failure is incapable of remedy when no such continuation or notice as is hereinafter mentioned will be required) the failure continues for the period of 30 days next following the service by a Noteholder on the Issuer and the Guarantor of written notice requiring the same to be remedied; or

(iii) (i) any Indebtedness of the Issuer, the Guarantor or any of their respective Material Subsidiaries is not paid when due or (as the case may be) within any originally applicable grace period, (ii) any such Indebtedness becomes due and payable prior to its stated maturity by reason of default (however described) or (iii) the Issuer, the Guarantor or any of their Material Subsidiaries fails to pay when due or (as the case may be) within any originally applicable grace period any amount payable by it under any Guarantee of any Indebtedness, **provided that** each such event shall not constitute an Event of Default unless the aggregate amount of all such Indebtedness, either alone or when aggregated with all other Indebtedness in respect of which such an event shall have occurred and be continuing, shall be more than U.S.$15,000,000 (or its equivalent in any other currency or currencies); or

(iv) one or more final non-appealable judgments or final non-appealable orders for the payment of any sum in excess of U.S.$15,000,000 is rendered by any court of competent jurisdiction against the Issuer, the Guarantor or any of their respective Material Subsidiaries and continues unsatisfied and unstayed within the timeframe set down in that judgment or order for such payment; or

(v) any order is made by any competent court or resolution passed for the winding up or dissolution of the Issuer, the Guarantor or any of their respective Material Subsidiaries, save in connection with a Permitted Reorganisation; or

(vi) the Issuer, the Guarantor or any of their respective Material Subsidiaries ceases or threatens to cease to carry on the whole or a substantial part of its business, save in connection with a Permitted Reorganisation, or the Issuer, the Guarantor or any of their respective Material Subsidiaries stops or threatens to stop payment of, or is unable to, or admits inability to, pay, its debts (or any class of its debts) as they fall due, or is deemed unable to pay its debts pursuant to or for the purposes of any applicable law, or is adjudicated or found bankrupt or insolvent; or

(vii) (i) court or other formal proceedings are initiated against the Issuer, the Guarantor or any of their respective Material Subsidiaries under any applicable liquidation, insolvency, composition, reorganisation or other similar laws, or an application is made (or documents filed with a court) for the appointment of an administrative or other receiver, manager, administrator or other similar official, or an administrative or other receiver, manager, administrator or other similar official is appointed, in relation to the Issuer, the Guarantor or any of their respective Material Subsidiaries or, as the case may be, in relation to the whole or a substantial part of the undertaking or assets of any of them, or an encumbrancer takes possession of the whole or a substantial part of the undertaking or assets of any of them, or a distress, execution, attachment, sequestration or other process is levied, enforced upon, sued out or put in force against the whole or a substantial part of the undertaking or assets of any of them and (ii) in any case (other than the appointment of an administrator) is not discharged within 30 days unless such proceedings are actively contested in good faith; or

(viii) the Issuer, the Guarantor or any of their respective Material Subsidiaries initiates or consents to judicial proceedings relating to itself under any applicable liquidation, insolvency, composition, reorganisation or other similar laws (including the obtaining of a moratorium) or makes a conveyance or assignment for the benefit of, or enters into any composition or other arrangement with, its creditors generally (or any class of its creditors) or any meeting is convened to consider a proposal for an arrangement or composition with its creditors generally (or any class of its creditors) save in connection with a Permitted Reorganisation; or

(ix) any event occurs which under the laws of Bermuda or Qatar or any other relevant jurisdiction has an analogous effect to any of the events referred to in paragraphs (v) to (viii) above; or

(x) at any time it is or becomes unlawful for the Issuer or the Guarantor to perform or comply with any or all of its obligations under or in respect of the Notes, the Deed of Guarantee or any of the obligations of the Issuer or the Guarantor thereunder are not or cease to be legal, valid, binding or enforceable; or

(xi) by or under the authority of any government, (i) the management of the Issuer, the Guarantor or any of their respective Material Subsidiaries is wholly or substantially displaced or the authority of the Issuer, the Guarantor or any of their respective Material Subsidiaries in the conduct of its business is wholly or substantially curtailed or (ii) all or a majority of the issued share capital of the Issuer, the

Guarantor or any of their respective Material Subsidiaries or the whole or a substantial part of its revenues or assets are seized, nationalised, expropriated or compulsorily acquired,

then any Noteholder may give written notice to the Issuer and the Guarantor at the specified office of the Fiscal Agent, effective upon the date of receipt thereof by the Fiscal Agent, that such Note is due and payable, whereupon the same shall become forthwith due and payable at its principal amount, together with accrued interest (if any) to the date of repayment without presentation, demand, protest or other notice of any kind.

(b) *Events of Default for Subordinated Notes:* This Condition 13(b) (*Events of Default for Subordinated Notes*) only applies to Subordinated Notes.

(i) If default is made in the payment of any principal or interest due under the Notes or any of them and the default continues for a period of seven days in the case of principal and 14 days in the case of interest, any Noteholder may institute proceedings in the case of CBQ Finance in Bermuda (but not elsewhere) and in the case of The Commercial Bank (P.S.Q.C.) in Qatar (but not elsewhere) for the dissolution and liquidation of the Issuer.

(ii) If default is made in any payment due under the Guarantee of the Notes and the default continues for a period of 14 days, any Noteholder may institute proceedings in Qatar (but not elsewhere) for the dissolution and liquidation of the Guarantor.

(iii) If any one or more of the following events shall occur and be continuing:

(A) any order is made by any competent court or resolution passed for the winding up or dissolution of the Issuer or the Guarantor save for the purposes of reorganisation on terms previously approved by an Extraordinary Resolution of Noteholders; or

(B) any event occurs which under the laws of Bermuda or Qatar or any other jurisdiction has an analogous effect to any of the events referred to in paragraph (i) above,

then any Noteholder may give written notice to the Issuer and the Guarantor at the specified office of the Fiscal Agent, effective upon the date of receipt thereof by the Fiscal Agent, that such Note is due and payable, whereupon the same shall, subject to Condition 4 (*Status and Guarantee*), become forthwith due and payable at its principal amount, together with accrued interest (if any) to the date of repayment without presentation, demand, protest or other notice of any kind.

(iv) No remedy against the Issuer or the Guarantor other than petitioning for the winding up or liquidation of the Issuer and/or the Guarantor, as the case may be, and the proving or claiming in any dissolution and liquidation of the Issuer or the Guarantor shall be available to the Noteholders whether for the recovering of amounts owing in respect of the Notes or in respect of any breach by the Issuer or the Guarantor of any other obligation, condition or provision binding on it under the Notes or the Deed of Guarantee.

14. Prescription

Claims for principal in respect of Bearer Notes shall become void unless the relevant Bearer Notes are presented for payment within ten years of the appropriate Relevant Date. Claims for interest in respect of Bearer Notes shall become void unless the relevant Coupons are presented for payment within five years of the appropriate Relevant Date. Claims for principal and interest on redemption in respect of Registered Notes shall become void unless the relevant Note Certificates are surrendered for payment within ten years of the appropriate Relevant Date.

15. Replacement of Notes and Coupons

If any Note, Note Certificate or Coupon is lost, stolen, mutilated, defaced or destroyed, it may be replaced at the Specified Office of the Fiscal Agent, in the case of Bearer Notes, or the Registrar, in the case of Registered Notes (and, if the Notes are then admitted to listing, trading and/or quotation by any competent authority, stock exchange and/or quotation system which requires the appointment of a Paying Agent or Transfer Agent in any particular place, the Paying Agent or Transfer Agent having its Specified Office in the place required by such competent authority, stock exchange and/or quotation system), subject to all applicable laws and competent authority, stock exchange and/or quotation system requirements, upon payment by the claimant of the expenses incurred in connection with such replacement and on such terms as to evidence, security,

indemnity and otherwise as the Issuer may reasonably require. Mutilated or defaced Notes, Note Certificates or Coupons must be surrendered before replacements will be issued.

16. **Agents**

In acting under the Agency Agreement and in connection with the Notes and the Coupons, the Agents act solely as agents of the Issuer and the Guarantor and do not assume any obligations towards or relationship of agency or trust for or with any of the Noteholders or Couponholders.

The initial Agents and their initial Specified Offices are listed below. The initial Calculation Agent (if any) is specified in the applicable Final Terms. The Issuer and the Guarantor reserve the right at any time to vary or terminate the appointment of any Agent and to appoint a successor fiscal agent or registrar or Calculation Agent and additional or successor paying agents; **provided**, **however**, **that***:*

(a) the Issuer and the Guarantor shall at all times maintain a fiscal agent and, in the case of Registered Notes, a registrar; and

(b) if a Calculation Agent is specified in the applicable Final Terms, the Issuer and the Guarantor shall at all times maintain a Calculation Agent; and

(c) if and for so long as the Notes are admitted to listing, trading and/or quotation by any competent authority, stock exchange and/or quotation system which requires the appointment of a Paying Agent and/or a Transfer Agent in any particular place, the Issuer and the Guarantor shall maintain a Paying Agent and/or a Transfer Agent having its Specified Office in the place required by such competent authority, stock exchange and/or quotation system.

Notice of any change in any of the Agents or in their Specified Offices shall promptly be given to the Noteholders.

17. **Meetings of Noteholders; Modification and Waiver**

(a) *Meetings of Noteholders*: The Agency Agreement contains provisions for convening meetings of Noteholders to consider matters relating to the Notes, including the modification of any provision of these Conditions. Any such modification may be made if sanctioned by an Extraordinary Resolution. Such a meeting may be convened by the Issuer and the Guarantor (acting together) and shall be convened by them upon the request in writing of Noteholders holding not less than one-tenth of the aggregate principal amount of the outstanding Notes. The quorum at any meeting convened to vote on an Extraordinary Resolution will be one or more Persons holding or representing one more than half of the aggregate principal amount of the outstanding Notes or, at any adjourned meeting, one or more Persons being or representing Noteholders whatever the principal amount of the Notes held or represented; **provided**, **however**, **that** Reserved Matters may only be sanctioned by an Extraordinary Resolution passed at a meeting of Noteholders at which one or more Persons holding or representing not less than half or, at any adjourned meeting, half of the aggregate principal amount of the outstanding Notes form a quorum. Any Extraordinary Resolution duly passed at any such meeting shall be binding on all the Noteholders and Couponholders, whether present or not.

In addition, a resolution in writing signed by or on behalf of all Noteholders who for the time being are entitled to receive notice of a meeting of Noteholders will take effect as if it were an Extraordinary Resolution. Such a resolution in writing may be contained in one document or several documents in the same form, each signed by or on behalf of one or more Noteholders.

(b) *Modification:* The Fiscal Agent and the Issuer may agree, without the consent of the Noteholders or the Couponholders, to:

(i) any modification (other than in respect of a Reserved Matter) of the Notes, the Coupons, the Deed of Guarantee, the Deed of Covenant or the Agency Agreement which is not prejudicial to the interests of the Noteholders or Couponholders; or

(ii) any modification of the Notes, the Coupons, the Deed of Guarantee, the Deed of Covenant or the Agency Agreement which is of a formal, minor or technical nature or is made to correct a manifest error or to comply with mandatory provisions of the law.

Any such modification shall be binding on the Noteholders and the Couponholders and any such modification shall be notified to the Noteholders and the Couponholders in accordance with Condition 19 (*Notices*) as soon as practicable thereafter.

18. **Further Issues**

The Issuer may from time to time, without the consent of the Noteholders or the Couponholders, create and issue further notes having the same terms and conditions as the Notes in all respects (or in all respects except for the first payment of interest) so as to form a single series with the Notes.

19. **Notices**

(a) *Bearer Notes:* Notices to the Holders of Bearer Notes shall be valid if published in a leading English language daily newspaper published in London (which is expected to be the *Financial Times*) or, if such publication is not practicable, in a leading English language daily newspaper having general circulation in Europe. Any such notice shall be deemed to have been given on the date of first publication (or if required to be published in more than one newspaper, on the first date on which publication shall have been made in all the required newspapers). Couponholders shall be deemed for all purposes to have notice of the contents of any notice given to the Holders of Bearer Notes.

(b) *Registered Notes:* Notices to the Holders of Registered Notes shall be sent to them by first class mail (or its equivalent) or (if posted to an overseas address) by airmail at their respective addresses on the Register or if such publication is not practicable, in a leading English language daily newspaper having general circulation in Europe. Any such notice shall be deemed to have been given on the fourth day after the date of mailing.

20. **Currency Indemnity**

If any sum due from the Issuer in respect of the Notes or the Coupons or any order or judgment given or made in relation thereto has to be converted from the currency (the "**first currency**") in which the same is payable under these Conditions or such order or judgment into another currency (the "**second currency**") for the purpose of (a) making or filing a claim or proof against the Issuer, (b) obtaining an order or judgment in any court or other tribunal or (c) enforcing any order or judgment given or made in relation to the Notes, the Issuer shall indemnify each Noteholder, on the written demand of such Noteholder addressed to the Issuer and delivered to the Issuer or to the Specified Office of the Fiscal Agent, against any loss suffered as a result of any discrepancy between (i) the rate of exchange used for such purpose to convert the sum in question from the first currency into the second currency and (ii) the rate or rates of exchange at which such Noteholder may in the ordinary course of business purchase the first currency with the second currency upon receipt of a sum paid to it in satisfaction, in whole or in part, of any such order, judgment, claim or proof.

This indemnity constitutes a separate and independent obligation of the Issuer and shall give rise to a separate and independent cause of action.

21. **Rounding**

For the purposes of any calculations referred to in these Conditions (unless otherwise specified in these Conditions), (a) all percentages resulting from such calculations will be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with 0.000005 per cent. being rounded up to 0.00001 per cent.), (b) all United States dollar amounts used in or resulting from such calculations will be rounded to the nearest cent (with one half cent being rounded up), (c) all Japanese Yen amounts used in or resulting from such calculations will be rounded downwards to the next lower whole Japanese Yen amount, and (d) all amounts denominated in any other currency used in or resulting from such calculations will be rounded to the nearest two decimal places in such currency, with 0.005 being rounded upwards.

22. **Governing Law and Jurisdiction**

(a) *Governing law*: The Notes and any non-contractual obligations arising out of or in connection with the Notes are governed by and shall be construed in accordance with English law.

(b) *Arbitration*: Subject to Condition 22(c) (*Option to litigate*), any dispute arising out of or in connection with the Notes or the Deed of Covenant (including a dispute regarding the existence, validity or termination of the Notes or the Deed of Covenant, any non-contractual obligations arising out of or in connection with the Notes or the Deed of Covenant or the consequences of their nullity) (a "**Dispute**") shall be referred to and finally

resolved by arbitration in accordance with the Rules of the London Court of International Arbitration (the "**Rules**"), which Rules (as amended from time to time) are incorporated by reference into this Condition 22(b) (*Arbitration*), by a tribunal of arbitrators (or a sole arbitrator if the parties to the Dispute so agree) appointed in accordance with the Rules. The number of arbitrators shall be three. The Claimant (or Claimants jointly) shall nominate one arbitrator for appointment by the LCIA. The Respondent (or Respondents jointly) shall nominate one arbitrator for appointment by the LCIA. The LCIA shall appoint the presiding arbitrator. The seat, or legal place, of any arbitration shall be London, England. The language of any arbitral proceedings shall be English. For the purposes of arbitration pursuant to this Condition 22(b) (*Arbitration*), the parties waive any right of application to determine a preliminary point of law or appeal on a point of law under sections 45 and 69 of the Arbitration Act 1996.

(c) *Option to litigate*: Notwithstanding Condition 22(b) (*Arbitration*), any Noteholder may, in the alternative and at its sole discretion, by notice in writing to the Bank within 28 days of service of a Request for Arbitration (as defined in the Rules) or in the event no arbitration is commenced, require that such Dispute be heard by a court of law. If the Noteholder gives such notice, the Dispute to which the notice refers shall be determined in accordance with Conditions 22(d) (*English courts*) and 22(e) (*Rights of the Noteholders to take proceedings outside England*). If any of the Noteholders elect for litigation, the parties shall take the steps necessary to terminate any arbitration relating to the Dispute (as described below). Each of the parties to the terminated arbitration will bear its own costs in relation thereto. If any notice to terminate the arbitration in accordance with this Condition 22(c) (*Option to litigate*) is given after service of any Request for Arbitration in respect of any Dispute, the Noteholder must also promptly give notice to the LCIA and to any Tribunal (each as defined in the Rules) already appointed in relation to the Dispute that such Dispute will be settled by the courts. Upon receipt of such notice by the LCIA, the arbitration and any appointment of any arbitrator in relation to such Dispute will immediately terminate. Any such arbitrator will be deemed to be *functus officio*. The termination is without prejudice to (a) the validity of any act done or order made by that arbitrator or by the court in support of that arbitration before his appointment is terminated; (b) his entitlement to be paid his proper fees and disbursements; and (c) the date when any claim or defence was raised for the purpose of applying any limitation bar or any similar rule or provision.

(d) *English courts*: Subject to Condition 22(e) (*Rights of the Noteholders to take proceedings outside England*), in the event that notice pursuant to Condition 22(c) (*Option to litigate*) is issued, the English courts shall have exclusive jurisdiction to settle any Dispute. The Issuer and the Guarantor agree that the English courts are the most appropriate and convenient courts to settle any Dispute, submit to the exclusive jurisdiction of such courts, and accordingly no party will argue to the contrary.

(e) *Rights of the Noteholders to take proceedings outside England*: Condition 22(d) (*English courts*) is for the benefit of the Noteholders only. As a result, notwithstanding Condition 22(d) (*English courts*), any Noteholder may take proceedings relating to a Dispute ("**Proceedings**") in any other courts with jurisdiction. To the extent allowed by law, Noteholders may take concurrent Proceedings in any number of jurisdictions.

(f) *Process agent*: The Issuer and the Guarantor agree that the documents which start any proceedings and any other documents required to be served in relation to those proceedings may be served on them by being delivered to Law Debenture Corporate Services Limited, at its registered office at 8th Floor, 100 Bishopsgate, London EC2N 4AG, United Kingdom. If such person is not or ceases to be effectively appointed to accept service of process on behalf of the Issuer or the Guarantor, the Issuer or the Guarantor shall, on the written demand of any Noteholder addressed and delivered to the Issuer, the Guarantor or to the Specified Office of the Fiscal Agent appoint a further person in England to accept service of process on its behalf and, failing such appointment within 15 days, any Noteholder shall be entitled to appoint such a person by written notice addressed to the Issuer and the Guarantor and delivered to the Issuer, the Guarantor or to the Specified Office of the Fiscal Agent. The Issuer and the Guarantor each agrees that failure by a process agent to notify them of any process will not invalidate process. Nothing in this paragraph shall affect the right of any Noteholder to serve process in any other manner permitted by law. This Condition 22(f) (*Process agent*) applies to Proceedings in England and to Proceedings elsewhere.

FORM OF FINAL TERMS

The Final Terms in respect of each Tranche of Notes will be substantially in the following form, duly completed to reflect the particular terms of the relevant Notes and their issue.

[**PRIIPS REGULATION - PROHIBITION OF SALES TO EEA RETAIL INVESTORS -** The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("**EEA**"). For these purposes, a "**retail investor**" means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of (EU) Directive 2014/65 (as amended, "**MiFID II**"); (ii) a customer within the meaning of Directive (EU) 2016/97 (the "**Insurance Distribution Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Regulation (EU) 2017/1229 (the "**Prospectus Regulation**"). Consequently no key information document required by Regulation (EU) No 1286/2014 (the "**PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.][1]

[PROHIBITION OF SALES TO UK RETAIL INVESTORS – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom ("**UK**"). For these purposes, a "**retail investor**" means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("**EUWA**"); (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 (the "**FSMA**") and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or (iii) not a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA. Consequently no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law by virtue of the EUWA (the "**UK PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.][2]

[**MIFID II PRODUCT GOVERNANCE / PROFESSIONAL INVESTORS AND ECPS ONLY TARGET MARKET -** Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in (EU) Directive 2014/65 (as amended, "**MiFID II**"); and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the manufacturer['s/s'] target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate distribution channels.]

[UK MIFIR PRODUCT GOVERNANCE / PROFESSIONAL INVESTORS AND ECPS ONLY TARGET MARKET – Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is only eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook ("**COBS**"), and professional clients, as defined in Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the [European Union (Withdrawal) Act 2018 ("**EUWA**")]/[EUWA] ("**UK MiFIR**"); and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the manufacturer['s/s'] target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the "**UK MiFIR Product Governance Rules**") is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate distribution channels.]

[**Singapore Securities and Futures Act Product Classification –** Solely for the purposes of its obligations pursuant to sections 309B(1) of the Securities and Futures Act (Chapter 289) of Singapore, as modified or amended from time

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[1] Include where Part B item 6(vi) of the Final Terms specifies "Applicable".

[2] Include where Part B item 6(vii) of the Final Terms specifies "Applicable".

to time (the "**SFA**"), the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA) that the Notes are ["prescribed capital markets products"]/[capital markets products other than "prescribed capital markets products"] (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018) and ["**Excluded Investment Products**"]/["**Specified Investment Products**"] (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).]

Final Terms dated [•]

[CBQ Finance Limited/The Commercial Bank (P.S.Q.C.)]
Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes]
[Guaranteed by The Commercial Bank (P.S.Q.C.)]
under the U.S.$5,000,000,000
Euro Medium Term Note Programme

PART A - CONTRACTUAL TERMS

[Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the "**Conditions**") set forth in the base prospectus dated 7 July 2021 [and the supplemental base prospectus dated [•] which [together] constitute[s] a base prospectus (the "**Base Prospectus**") for the purposes of Regulation (EU) 2017/1129 (the "**Prospectus Regulation**"). This document constitutes the Final Terms of the Notes described herein [for the purposes of the Prospectus Regulation] and must be read in conjunction with the Base Prospectus. Full information on the Issuer[, the Guarantor] and the offer of the Notes described herein is only available on the basis of the combination of these Final Terms and the Base Prospectus. The Base Prospectus [and these Final Terms] [is] [are] available for viewing on the website of Euronext Dublin (https://live.euronext.com/) and during normal business hours at the offices of the Issuer[, the Guarantor] and the Principal Paying Agent and copies may be obtained from such offices].

[The following alternative language applies if the first tranche of an issue that is being increased was issued under a base prospectus with an earlier date.]

[Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the "**Conditions**") set forth in the base prospectus dated [•] [and the supplemental prospectus dated [•]] which are incorporated by reference into the base prospectus dated 7 July 2021 [and the supplemental prospectus dated [•]], which [together] constitute[s] a base prospectus] (the "**Base Prospectus**") for the purposes Regulation (EU) 2017/1129 (the "**Prospectus Regulation**"). This document constitutes the applicable Final Terms of the Notes described herein [for the purposes of the Prospectus Regulation] and must be read in conjunction with the Base Prospectus. Full information on the Issuer[, the Guarantor] and the offer of the Notes described herein is only available on the basis of the combination of these Final Terms and the Base Prospectus. The Base Prospectus [and these Final Terms] [is] [are] available for viewing on the website of Euronext Dublin (https://live.euronext.com/) and during normal business hours at the offices of the Issuer[, the Guarantor] and the Principal Paying Agent and copies may be obtained from such offices].

1.	(i)	Issuer:	[CBQ Finance Limited/The Commercial Bank (P.S.Q.C.)]
	[(ii)	Guarantor:	The Commercial Bank (P.S.Q.C.)]
2.	(i)	Series Number:	[•]
	(ii)	Tranche Number:	[•]
	(iii)	Date on which the Notes will be consolidated and form a single Series:	[•]/Not Applicable/ The Notes shall be consolidated, form a single series and be interchangeable for trading purposes with the [•] on [[•]/the Issue Date/the date that is 40 days after the Issue date/exchange of the Temporary Global Note for interests in the Permanent Global Note, as referred to in paragraph 21 below [which is expected to occur on or about [•]].]
3.	Specified Currency or Currencies:		[•]
4.	Aggregate Nominal Amount:		[•]

	(i)	Series:	[•]
	(ii)	Tranche:	[•]
5.	Issue Price:		[•] per cent. of the Aggregate Nominal Amount [plus accrued interest from [*insert date*]]
6.	(i)	Specified Denominations:	[•]
	(ii)	Calculation Amount:	[•]
7.	(i)	Issue Date:	[•]
	(ii)	Interest Commencement Date:	[Issue Date/Not Applicable]
8.	Maturity Date:		[•]
9.	Interest Basis:		[[•] per cent. Fixed Rate] [[LIBOR/LIBID/LIMEAN/EURIBOR/KIBOR/SHIBOR/HIBOR/KLIBOR/TRLIBOR or TRYLIBOR/SIBOR/EIBOR/TIBOR/SAIBOR/AUD LIBOR/BBSW/JPY LIBOR/PRIBOR] +/- [•] per cent. Floating Rate] [Zero Coupon] (further particulars specified in paragraph [15]/[16]/[17] below)
10.	Redemption/Payment Basis:		[Subject to any purchase and cancellation or early redemption, the Notes will be redeemed on the Maturity Date at 100 per cent. of their nominal amount]
11.	Put/Call Options:		[Investor Put] [Issuer Call] [(further particulars specified in paragraph [18]/[19] below)] [Not Applicable]
12.	[(i)]	Status of the Notes:	[Senior/Subordinated]
	[(ii)]	Status of the Guarantee:	[Senior/Subordinated]
	[(iii)]	[Date [Board] approval for issuance of Notes [and Guarantee] [respectively]] obtained:	[•] [and [•], respectively]

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

13.	**Fixed Rate Note Provisions**		[Applicable/Not Applicable]
	(i)	Rate[(s)] of Interest:	[•] per cent. per annum [payable [annually/semi-annually/quarterly/monthly/*other (specify)*] in arrear]
	(ii)	Interest Payment Date(s):	[•] in each year up to and including the Maturity Date
	(iii)	Fixed Coupon Amount[(s)]:	[•] per Calculation Amount

	(iv)	Broken Amount(s):	[•] per Calculation Amount, payable on the Interest Payment Date falling [in/on] [•] / [Not Applicable]
	(v)	Day Count Fraction:	[30/360 / Actual/Actual (ICMA/ISDA) / Actual/365 (Fixed) / Actual/360 / 30E/360]
	(vi)	[Determination Dates:	[[•] in each year / [Not Applicable]]
14.	**Floating Rate Note Provisions**		[Applicable/Not Applicable]
	(i)	Interest Period(s):	[•]
	(ii)	Specified Period:	[•]
	(iii)	Specified Interest Payment Dates:	[•][, subject to adjustment in accordance with the Business Day Convention set out in (v) below /, not subject to adjustment, as the Business Day Convention set out in (v) below is specified to be Not Applicable]
	(iv)	First Interest Payment Date:	[•]
	(v)	Business Day Convention:	[Floating Rate Convention/Following Business Day Convention/ Modified Following Business Day Convention/ Preceding Business Day Convention / Not Applicable]
	(vi)	Additional Business Centre(s):	[•]
	(vii)	Manner in which the Rate(s) of Interest is/are to be determined:	[Screen Rate Determination/ISDA Determination]
	(viii)	Party responsible for calculating the Rate(s) of Interest and/or Interest Amount(s) (if not the Fiscal Agent):	[[•] shall be the Calculation Agent]
	(ix)	Screen Rate Determination:	
		• Reference Rate:	[•] [•] [LIBOR/LIBID/LIMEAN/EURIBOR/KIBOR/SHIBOR /HIBOR/KLIBOR/TRLIBOR or TRYLIBOR/SIBOR/EIBOR/TIBOR/SAIBOR/AUD LIBOR/BBSW/JPY LIBOR/PRIBOR]
		• Interest Determination Date(s):	[•]
		• Relevant Screen Page:	[•]
		• Relevant Time:	[•]
		• Relevant Financial Centre:	[•]
		• Reference Banks:	[•]
	(x)	ISDA Determination:	
		• Floating Rate Option:	[•]
		• Designated Maturity:	[•]

		• Reset Date:	[•]
	(xi)	Linear Interpolation:	[Not Applicable / Applicable - the Rate of Interest for the [long/short] [first/last] Interest Period shall be calculated using Linear Interpolation]
	(xii)	Margin(s):	[+/-][•] per cent. per annum
	(xiii)	Minimum Rate of Interest:	[•] per cent. per annum
	(xiv)	Maximum Rate of Interest:	[•] per cent. per annum
	(xv)	Day Count Fraction:	[30/360 / Actual/Actual (ICMA/ISDA) / Actual/365 (Fixed) / Actual/360 / 30E/360]
15.	**Zero Coupon Note Provisions**		[Applicable/Not Applicable]
	(i)	Accrual Yield:	[•] per cent. per annum
	(ii)	Reference Price:	[•]
	(iii)	Day Count Fraction in relation Early Redemption Amount:	[30/360 / Actual/Actual (ICMA/ISDA) / Actual/365 (Fixed) / Actual/360 / 30E/360]

PROVISIONS RELATING TO REDEMPTION

16.	**Call Option**		[Applicable/Not Applicable]
	(i)	Optional Redemption Date(s):	[•]
	(ii)	Optional Redemption Amount(s) of each Note:	[•] per Calculation Amount
	(iii)	If redeemable in part:	
		(a) Minimum Redemption Amount:	[•] per Calculation Amount
		(b) Maximum Redemption Amount	[•] per Calculation Amount
	(iv)	Notice period:	[•]
17.	**Put Option**		[Applicable/Not Applicable]
	(i)	Optional Redemption Date(s):	[•]
	(ii)	Optional Redemption Amount(s) of each Note:	[•] per Calculation Amount
	(iii)	Notice period:	[•]
18.	**Final Redemption Amount of each Note:**		[•] per Calculation Amount
19.	**Early Redemption Amount**		[Applicable/Not Applicable]
	(i)	Early Redemption Amount payable on redemption for taxation reasons or on event of default:	[•] per Calculation Amount
	[(ii)	Unmatured Coupons void:	[Applicable/Not Applicable]]

GENERAL PROVISIONS APPLICABLE TO THE NOTES

20.	**Form of Notes:**	**[Bearer Notes:** [Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes on [•] days' notice/at any time/in the limited circumstances specified in the Permanent Global Note] [Temporary Global Note exchangeable for Definitive Notes on [•] days' notice] [Permanent Global Note exchangeable for Definitive Notes on [•] days' notice/at any time/in the limited circumstances specified in the Permanent Global Note]] **[Registered Notes** Global Registered Note exchangeable for Individual Note Certificates on [•] days' notice/at any time/in the limited circumstances described in the Global Registered Note. In relation to any Notes issued with a denomination of U.S.$200,000 (or equivalent) and integral multiples of U.S.$1,000 (or equivalent), the Permanent Global Note representing such Notes shall only be exchangeable to Definitive Notes in the limited circumstances of (1) closure of the International Central Securities Depository; (2) default of the Issuer; and (3) exchange of the option of the Issuer due to adverse tax consequences.]
21.	Additional Financial Centre(s):	[Not Applicable/[•]]
22.	Talons for future Coupons to be attached to Definitive Notes (and dates on which such Talons mature):	[Yes/No]

DISTRIBUTION

23.	(i)	Method and distribution:	[Syndicated / Non-syndicated]
	(ii)	If syndicated, names and addresses of Managers and underwriting commitments:	[Not Applicable/[•]]
	(iii)	Date of [Subscription] Agreement:	[•]
24.	If non-syndicated, name and address of Dealer:		[Not Applicable/*give name and address*]
25.	U.S. Selling Restrictions:		[Reg. S Compliance Category]; *(In the case of Bearer Notes)* - [TEFRA C/TEFRA D/TEFRA not applicable] *(In the case of Registered Notes)* - Not Applicable

[LISTING AND ADMISSION TO TRADING APPLICATION]

These Final Terms comprise the final terms required for admission to trading on Euronext Dublin of the Notes described herein pursuant to the U.S.$5,000,000,000 Euro Medium Term Note Programme of CBQ Finance Limited and The Commercial Bank (P.S.Q.C.).

RESPONSIBILITY

The Issuer [and the Guarantor] accept[s] responsibility for the information contained in these Final Terms. [Each of the] [The] Issuer [and the Guarantor(s)] declare[s] that having taken all reasonable care to ensure that such is the case, the information contained in these Final Terms is, to the best of its knowledge, in accordance with the facts and contains no omission likely to affect their import.

Signed on behalf of CBQ Finance Limited:

By: .....
Duly authorised

[Signed on behalf of The Commercial Bank (P.S.Q.C.):

By: .....
Duly authorised]

PART B - OTHER INFORMATION

1. **LISTING**

(i)	Listing and Admission to trading	[Application [has been]/[is expected to be] made by the Issuer (or on its behalf) to Euronext Dublin for the Notes to be listed on the Official List and admitted to trading on its regulated market with effect from [•].]
(ii)	Estimate of total expenses related to listing and admission to trading	[•]

2. **RATINGS**

Ratings:	The Notes to be issued [have been]/[are expected to be]/[will not be] rated: [S&P: [•]] [Moody's: [•]] [[Other]: [•]] [[•] is established in the EEA and registered under Regulation (EU) No 1060/2009, as amended (the "**CRA Regulation**").][[•] appears on the latest update of the list of registered credit rating agencies (as of [insert date of most recent list]) on the ESMA website http://www.esma.europa.eu.]. [The rating [•] has given to the Notes is endorsed by [•], which is established in the United Kingdom and registered under Regulation (EU) No 1060/2009 (as amended) as it forms part of domestic law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018 (the "**UK CRA Regulation**").]

3. [**INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE/OFFER**]

Save as discussed in "*Subscription and Sale*", so far as the Issuer is aware, no person involved in the offer of the Notes has an interest material to the offer. The [Managers/Dealers] and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for, the Issuer [and the Guarantor] and [its/their] affiliates in the ordinary course of business.

4. [***Fixed Rate Notes only – YIELD***]

Indication of yield:	[•]

5. [***Floating Rate Notes only - HISTORIC INTEREST RATES***

Details of historic [LIBOR/LIBID/LIMEAN/EURIBOR/KIBOR/SHIBOR/HIBOR/KLIBOR/ TRLIBOR or TRYLIBOR/SIBOR/EIBOR/TIBOR/SAIBOR/AUD LIBOR/BBSW/JPY LIBOR/PRIBOR] rates can be obtained from [Reuters].]

6. **OPERATIONAL INFORMATION**

(i)	ISIN:	[•]

(ii)	Other Codes:	Common Code: [•] [FISN: [[See/[[ ], as updated, as set out on] the website of the Association of National Numbering Agencies (ANNA) or alternatively sourced from the responsible National Numbering Agency that assigned the ISIN/Not Applicable/Not Available]] [CFI: [[See/[[ ], as updated, as set out on] the website of the Association of National Numbering Agencies (ANNA) or alternatively sourced from the responsible National Numbering Agency that assigned the ISIN/Not Applicable/Not Available]]
(iii)	Any clearing system(s) other than Euroclear Bank SA/NV and Clearstream Banking S.A. and the relevant identification number(s):	[Not Applicable/*give name(s) and number(s)*]
(iv)	Delivery:	Delivery [against/free of] payment
(v)	Names and addresses of additional Paying Agent(s) (if any):	[•]
(vi)	Prohibition of Sales to EEA Retail Investors:	[Applicable/Not Applicable]
(vii)	Prohibition of Sales to UK Retail Investors:	[Applicable/Not Applicable]
(viii)	Estimated Net Proceeds:	[·]

USE OF PROCEEDS

The net proceeds from each issue of Notes will be applied by the Issuers for the general corporate purposes of the Group, which includes making a profit.

SELECTED FINANCIAL INFORMATION

Unless otherwise stated, the financial information in the Base Prospectus has been derived from, and should be read in conjunction with, and is qualified in its entirety by reference to the Annual Financial Statements and the Interim Financial Statements of the Bank and its subsidiaries. The Annual Financial Statements are prepared in accordance with IFRS and the applicable provisions of QCB regulations. CBQ Finance Financial Statements are prepared in accordance with IFRS. The Interim Financial Statements are prepared in accordance with IAS 34 Interim Financial Reporting and the applicable provisions of QCB regulations. In respect of the Interim Financial Statements, Ernst & Young – (Qatar Branch) have applied limited procedures in accordance with the International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Auditor of the Entity". As such, Ernst & Young – (Qatar Branch) did not audit and they do not express any audit opinion on the Interim Financial Statements. Accordingly, the degree of reliance on their report on such information should be restricted in light of the limited nature of the review procedures applied.

The following table sets forth selected financial information of the Bank as at and for the years ended 31 December 2020 and 31 December 2019 and as at and for the three-month period ended 31 March 2021 (alongside the comparative data for the three-month period ended 31 March 2020), derived from the Annual Financial Statements and the Interim Financial Statements.

	As at and for the year ended 31 December		As at and for the three-month period ended 31 March (Unaudited)	
	2020	**2019**	**2021**	**2020**
	(QAR millions, other than percentages and number of full time employees)			
Consolidated income statement highlights				
Net interest income	3,100	2,963	856	809
Net fee and commission income, net (losses)/income from investment securities, net foreign exchange gain and other operating income	1,137	1,383	305	98
Net operating income	4,237	4,347	1,161	907
Profit for the year/period	1,301	2,021	603	402
Consolidated statement of financial position highlights				
Total assets	153,606	147,536	163,080	146,404
Cash and balances with central banks	8,279	6,075	12,304	5,848
Loans and advances to customers	96,698	88,009	99,387	88,773
Investment securities	25,778	26,844	25,452	26,204
Investment in associates and a joint arrangement	3,117	4,021	3,135	3,717
Customer deposits	75,790	76,297	81,839	77,364
Adjusted total equity[1]	21,170	21,156	23,030	20,669
Profitability				
Cost/income[2]	25.9%	28.3%	31.5%	19.5%
Return on average assets[3]	0.9%	1.4%	0.4%	0.3%
Return on adjusted average equity[4]	6.1%	9.8%	2.7%	1.9%
Capital				
Capital adequacy ratio	17.8%	16.4%	18.3%	16.6%
Adjusted total equity/total assets	13.8%	14.3%	14.1%	14.1%
Liquidity & business indicators				
Loans and advances to customers/total assets	63.0%	59.7%	60.9%	61.0%
Liquid assets/total assets[5]	12.2%	12.5%	16.0%	12.3%
Number of full-time employees	2,304	2,320	2,285	2,367

1 Fair value reserve was deducted from total equity for the purposes of this table.
2 Cost (staff cost, depreciation, amortisation of intangible assets and other expenses) to net operating income.
3 Profit for the year/period divided by average assets (simple average of total assets at the beginning and at the end of each reporting period divided by two).
4 Profit for the year/period divided by average adjusted total equity (simple average of adjusted total equity at the beginning and at the end of each reporting period divided by two).
5 Cash and balances with central banks and due from banks divided by total assets.

DESCRIPTION OF CBQ FINANCE LIMITED

Date of Incorporation and legal form

CBQ Finance Limited is an exempted company limited by shares incorporated in Bermuda under the Companies Act 1981 on 5 November 2009 (with registration number 43669), under the name CBQ Finance Limited.

The issued share capital of CBQ Finance Limited is comprised of 1,000 common shares of U.S.$1.00 each. CBQ Finance Limited is a wholly owned subsidiary of the Bank.

The rights of the Bank as a shareholder in CBQ Finance Limited are contained in the bye-laws of CBQ Finance Limited and CBQ Finance Limited will be managed in accordance with those bye-laws and with the provisions of Bermudian law.

Registered Office

The registered office of CBQ Finance Limited is at Victoria Place, 5th Floor, 31 Victoria Street, PO Box HM 1624, Hamilton HM 10, Bermuda.

Purpose and Business Activity

The principal objects of CBQ Finance Limited are unrestricted and, as set out in its Memorandum of Association, CBQ Finance Limited has the following powers:

- the powers of a natural person;
- subject to the provisions of Section 42 of the Companies Act 1981 of Bermuda, the power to issue preference shares which at the option of the holders thereof are liable to be redeemed;
- the power to purchase its own shares in accordance with the provisions of Section 42A of the Companies Act 1981 of Bermuda; and
- the power to acquire its own shares to be held as treasury shares in accordance with the provisions of Section 42B of the Companies Act 1981 of Bermuda.

CBQ Finance Limited is organised as a special purpose entity and consequently does not have any employees or own any physical assets. CBQ Finance Limited has been established to raise capital for the Bank by the issue of debt instruments.

CBQ Finance Limited does not engage in any activities other than those incidental to: (i) its registration as an exempted company; (ii) the authorisation of the offering and issue of debt instruments to which it is or will be a party; (iii) the ownership of such interests and other assets referred to herein; (iv) the other matters contemplated in this Base Prospectus or any other Base Prospectus related to the offering and issue of debt instruments to which it is or will be a party; (v) the authorisation and execution of the other documents referred to in this Base Prospectus or any other Base Prospectus related to the offering and issue of debt instruments, to which it is or will be a party; and (vi) other matters which are incidental or ancillary to those activities.

CBQ Finance Limited does not have subsidiaries or non-executive directors.

Management

The Directors of CBQ Finance Limited and their respective business addresses and principal activities are as follows:

Name	Position(s)
Mr. Joseph Abraham	Group Chief Executive Officer of the Bank
Mr. Rehan Ahmed Khan	Executive General Manager and Chief Financial Officer of the Bank

Name	Position(s)
Mr. Parvez Khan	Executive General Manager, Investments and Strategy

Their business address is at The Commercial Bank (P.S.Q.C.), Head Office, Commercial Bank Plaza, Al Dafna Area, P.O. Box 3232, Doha, Qatar.

There are no potential conflicts of interest between the private interests or other duties of the Directors listed above and their duties to CBQ Finance Limited.

The Corporate Services Provider and Secretary of CBQ Finance Limited is Ocorian Services (Bermuda) Limited whose registered office is at Victoria Place, 5th Floor, 31 Victoria Street, PO Box HM 1624, Hamilton HM 10, Bermuda.

CBQ Finance Limited, the Bank and the Corporate Services Provider have entered into a corporate services agreement (the "**Corporate Services Agreement**") on 10 November 2009 pursuant to which the Corporate Services Provider agreed to provide certain administrative services to CBQ Finance Limited. The Corporate Services Agreement is governed by Bermuda law.

Pursuant to the terms of the Corporate Services Agreement, either CBQ Finance Limited or the Corporate Services Provider may, on not less than three months' prior written notice, terminate the Corporate Services Agreement, **provided that** either CBQ Finance Limited or, as the case may be, the Corporate Services Provider, may terminate the Corporate Services Agreement forthwith by written notice on the occurrence of certain events of default by the other party.

The latest annual financial statement of CBQ Finance Limited was issued for the period from 1 January 2020 to 31 December 2020.

Independent Auditors

The financial statements of CBQ Finance Limited for the years ended 31 December 2020 and 31 December 2019, incorporated by reference in this Base Prospectus, have been audited by Ernst & Young – (Qatar Branch), independent auditors, as stated in their reports incorporated by reference herein.

The regisered office of Ernst & Young – (Qatar Branch) is Level 24, Al Gassar Tower, West Bay, P.O. Box 164, Doha, Qatar.

DESCRIPTION OF THE COMMERCIAL BANK (P.S.Q.C.)

Registered Office

The registered office of the Bank is at Commercial Bank Plaza, Al Dafna Area, P.O. Box 3232, Doha, Qatar. Its telephone number is +974 4449 0000.

Date of Incorporation and Legal Form

The Bank was incorporated on 28 December 1974 as a Qatar Shareholding Company under Emiri Decree No. (73) of 1974. The Bank's commercial registration number is 150 and its place of registration is Doha.

The issued share capital of the Bank as at 31 December 2020 was QAR 4,047,253,750 divided into 4,047,253,750 shares with a nominal value of QAR 1 each. With effect from 9 June 2019, the shares of the Bank were split pursuant to a decision of the QFMA and the number of shares as of such date were 4,047,253,750 shares with a nominal value of QAR 1 each.

The Bank was formerly known as The Commercial Bank of Qatar (Q.S.C.) until May 2015 when its name was changed to The Commercial Bank (P.S.Q.C.).

Purpose and Areas of Business

The objects of the Bank as set out in its Memorandum of Association are to carry out all types of banking business. To achieve its goal, the Bank may do the following:

- carry out either for its own account or for a third party, and either in Qatar or abroad, all banking business: discounting, borrowing, lending, opening letters of credit, opening current and fixed period accounts, accepting deposits and similar matters, dealing with securities, shares, bills and bonds, cash, precious metals and jewellery;

- carry out foreign exchange business, brokerage (commission), storage, import, subscription to shares of companies and establish, draw, accept or endorse or dispose in any other way of bills and bonds, drafts, bills of lading and any other negotiable bonds or commercial papers;

- issue guarantees, mortgage real properties and securities, provide insurance on goods and have or obtain the right of disposal as deemed necessary of all movable or immovable properties or any rights or franchises as the Bank deems necessary or suitable to the nature of its business, and register them in its name in the respective registration departments and exploit them directly or by way of leasing or any other way;

- practise the activity of marketing insurance products, within the QCB's issued guidelines and instructions in this respect and as these instructions are amended from time to time;

- in general, carry out for its own account or for the account of others any business which is normally carried out or which may be carried out by banks and financial establishments and carry out all the transactions and sign all the contracts and take all actions it deems necessary and suitable for achieving and facilitating the achievement of its objects; and

- have interests in corporations practising an activity similar to its activities or which may assist it in realising its objects in Qatar or abroad. The Bank may also participate in any manner in such corporations, merge with them, or purchase them.

The Bank carries on business principally in four geographic markets:

- in Qatar, the Bank operates a banking business under the name "The Commercial Bank (P.S.Q.C.)";

- in Turkey, a subsidiary of the Bank, Alternatif Bank, operates a banking business. As at 31 December 2020, the Bank had a 100 per cent. ownership interest (directly or indirectly) in Alternatif Bank;

- in Oman, an associated company of the Bank, NBO, operates a banking business. As at 31 December 2020, the Bank had a 34.9 per cent. ownership interest in NBO; and

- in the UAE, an associated company of the Bank, UAB, operates a banking business. As at 31 December 2020, the Bank had a 40 per cent. ownership interest in UAB.

The Bank's presence in these international markets, through its interests in Alternatif Bank, NBO and UAB, has enabled it to actively foster strategic alliances with these banks to ensure that available synergies and regional coverage opportunities are optimised.

In Qatar, the Bank has three main business segments:

- **Wholesale and International Banking**, which provides a broad range of conventional commercial banking services and products to large and medium sized enterprises, including corporate lending, trade finance, syndicated loans, customer deposits, letters of credit and guarantees to domestic and international customers and financial institutions. Financial information attributable to the Wholesale and International Banking segment in this Base Prospectus shall comprise financial information relating to the wholesale banking segment as set forth in the 2020 Financial Statements;

- **Retail Banking**, which provides a broad range of conventional retail banking services and products to personal customers in Qatar, including current and deposit accounts, mortgage lending, personal and vehicle loans and credit and other card services; in addition, Retail Banking has responsibility for the provision of commercial banking and wealth management, private banking and credit facilities banking services to small and medium sized enterprises in Qatar. Orient 1 Limited, which also sits within the Bank's Retail Banking segment, owns and manages an exclusive Diners Club franchise which provides credit card services; and

- **Treasury and Investments**, which manages the funding and liquidity requirements of the Bank, provides the suite of treasury products supporting the needs of retail and wholesale customers and operates as one of the leading Qatari banks in GCC Fixed Income, Treasury and Foreign Exchange.

In addition, as at 31 December 2020, the Bank has one smaller investment in Qatar, a 50 per cent. ownership interest in Massoun Insurance Services L.L.C., which provides insurance brokerage services to corporate and retail customers.

As part of its overall strategy, the Bank remains open to: (i) synergistic acquisitions of companies and disposal of investments; and (ii) finance opportunities for Group entities, which may include the provision of a guarantee.

Overview

The Bank is one of the leading commercial banks in Qatar, offering a wide range of corporate and retail banking services and products to its customers in Qatar. The Bank has been profitable and has paid dividends to its shareholders in each financial year since its incorporation. According to information publicly available on the website of the QCB in relation to Qatar's banking sector, as at 31 December 2020 the Bank was the third largest bank incorporated in Qatar based on total assets (9.1 per cent. of all assets of banks operating in Qatar), loans and other advances (14.7 per cent. of all loans and advances of banks operating in Qatar), total deposits (8.4 per cent. of total deposits of banks operating in Qatar) and profit for the year (QAR 1.3 billion for the year ended 31 December 2020). It also had the fourth largest market capitalisation among all Qatari banks as at 31 December 2020 according to information publicly available on the website of the QCB in relation to Qatar's banking sector.

Since its incorporation in 1974, the Bank has become, through organic growth and strategic investments in other banks in Turkey and the GCC, a regional banking group with a strong presence in Qatar, Turkey and, through its associates, NBO and UAB, a significant presence in Oman and a developing presence in the UAE, respectively.

Independent Auditors

The 2020 Financial Statements and the 2019 Financial Statements of the Bank, as incorporated by reference in this Base Prospectus, have been audited by Ernst & Young – (Qatar Branch), independent auditors, as stated in their reports incorporated by reference herein.

The registered office of Ernst & Young – (Qatar Branch) is Level 24 Al Gassar Tower West Bay, P.O. Box 164 Doha Qatar. The Interim Financial Statements, as incorporated by reference herein, have been reviewed in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" by Ernst & Young – (Qatar Branch), independent auditors, as stated in their review report incorporated by reference herein.

Equity

In accordance with Article 6 of the Bank's articles of association, no person or corporate body shall own at any time more than 5 per cent., directly or indirectly, of the total shares in the Bank, with the exception of: (i) Qatar Investment Authority ("**QIA**"), Qatar Holding LLC ("**Qatar Holding**") or any of their subsidiaries; and (ii) a custodian or depository bank holding shares in respect of an offering of global depositary receipts. As at 31 December 2020, 79.7 per cent. of the total number of shares in the Bank were held by Qatari nationals (whether individuals or entities) and 20.3 per cent. of such shares were held by foreign investors.

Strategy

The Bank's overall long-term strategic goal is to build one of the most profitable banks in the Middle East region by utilising its existing capital efficiently and returning value to shareholders by way of dividends and share price appreciation. In late 2016, the Group Chief Executive Officer of the Bank, Joseph Abraham, outlined a five-year strategic plan with a number of key focus areas. These include de-risking legacy assets, diversifying the portfolio and proactively managing high-risk investments. The current five-year strategic plan will continue until December 2021. It is anticipated that a new five-year strategic plan will be prepared in 2021 in respect of the period from 2022 to 2026. The Bank remains focused on maintaining costs at current levels and enhancing the "one team one culture" environment across the Bank. The Bank plans to deepen digital leadership through end-to-end process automation, launch new technological products and to become a market leader for compliance and good governance. The Bank's focus is to achieve a region wide alliance with closer integration of risk protocols and business strategy for sustainable earnings across the Bank, Alternatif Bank, UAB and NBO.

To achieve this goal, the Bank continues to focus on improving the profitability of its Wholesale and International Banking business in Qatar, driving for profitable growth in market share in its Retail Banking business in Qatar, diversifying revenue stream and optimising the return on capital from its foreign investments:

1. *Continue to focus on improving the profitability of the Wholesale and International Banking business in Qatar*

   The Bank has a strong position in the wholesale banking market in Qatar and, as the second largest conventional bank in Qatar (according to publicly available information on the website of the QCB relating to Qatar's banking sector) will continue to consolidate this position. The focus on improving the profitability of this segment involves a drive to diversify the Bank's revenue sources away from lending towards a broader share of revenue sources (including trade finance, treasury and cash management, through greater collaboration with the Treasury and Investments division); diversifying the Bank's asset portfolio so that there is less risk concentration and improving the Bank's risk-adjusted pricing and return on capital from this segment. For example, as at 31 December 2020, the loan book breakdown by economic sector had loans and advances to real estate at 20.5 per cent., a decrease of 0.4 per cent. from 20.9 per cent. as at 31 December 2019, services at 24.5 per cent., a decrease of 2.6 per cent. from 27.1 per cent. as at 31 December 2019, and contractor financing at 3.7 per cent., decrease of 0.4 per cent. from 4.1 per cent. as at 31 December 2019. This strategy also involves a drive for an increased and profitable share of the large Government and Government-related business segment in Qatar. As at 31 December 2020, loans and advances to Government and Government-related institutions was 17.3 per cent. of the total loan book, an increase of 0.8 per cent. from 16.5 per cent. as at 31 December 2019.

2. *Drive for profitable growth in market share in the Retail Banking business in Qatar*

   The Bank has invested in developing a competitive value proposition for Retail Banking customers which focuses on high-quality products and services delivered efficiently through a variety of channels. The Retail Banking segment focuses on developing its market share amongst Qatari nationals and high net worth and affluent expatriates in Qatar. The Retail Banking segment is also

responsible for increasing the Bank's profitability from a strong market share position in the small business segment through development of a broader commercial and wealth management product portfolio.

3. *Optimise the Bank's return on capital from foreign investments*

The Bank has consistently pursued the development of synergies and return on capital from its foreign investments and is intent on increasing the Bank's share of profits earned outside of Qatar. Since its acquisition of the strategic stakes in Alternatif Bank, NBO and UAB, it has fostered a strategic alliance that has resulted in additional value creation through co-operation in the areas of product development, IT platforms, risk management and operating models and has allowed multi-market client servicing across the Qatar, UAE, Oman and Turkey markets. The actual and prospective return on the capital invested in associated companies is periodically reviewed to promote shareholder value.

The Bank intends to continue driving local profitability and generating regional revenue opportunities for the UAE and Oman, and capturing trade and investment flows between the GCC and Turkey as part of its strategy for Alternatif Bank.

With the acquisition of Alternatif Bank in 2013, the Bank made its first acquisition of a majority stake in a foreign bank in a country that is both strategically aligned and culturally relevant to Qatar and to the Middle East region. With consolidated assets of TL 36.9 billion as at 31 December 2020, Alternatif Bank holds around 1 per cent. market share of the banking sector in Turkey. The Bank's intention is to develop and execute a medium-term strategy with respect to Alternatif Bank that generates an acceptable return on capital to the shareholders of the Bank whilst leveraging, where possible, the knowledge, expertise, products and operating model of the Bank to Alternatif Bank's advantage in the markets in which it operates.

In addition, on 3 June 2021 the Bank offered existing shareholders of NBO the option to sell their shares to the Bank with the intention to acquire an additional 15.2 per cent. stake which will increase the Bank's shareholding from 34.9 per cent. to 50.1 per cent. in NBO. With total assets of OMR 3.6 billion as at 31 December 2020, NBO is the third-largest bank in Oman with a 10 per cent. market share in terms of total assets. The Bank aims to enhance shareholder value and promote development of NBO as it will move from an associate to a subsidiary of the Bank following successful completion of the offer.

History and Corporate Structure

History

The Bank was the first wholly private sector commercial bank in Qatar.

The Bank's corporate business (now referred to as Wholesale and International Banking) was initially developed on two key areas of focus: public sector financing and to a lesser extent the financing of small and medium sized enterprises ("**SMEs**"). The Bank has continued to participate in such financings and also has recently begun to focus on higher margin business with SMEs (now through its Retail Banking segment) and with large and mid-sized private corporate customers in Qatar and trade finance.

During the 1990s, the Bank enhanced its reach in Retail Banking and in particular through its credit card business. To enhance its franchise, the Bank overhauled and expanded its branch network. As a result, its network gradually evolved to include a combination of full service branches, satellite branches, kiosks and automatic telling machines ("**ATMs**").

In July 2005, the Bank acquired a 34.85 per cent. stake in NBO, a publicly listed company in Oman, just under the 35 per cent. maximum shareholding allowed for any one shareholder under Central Bank of Oman ("**CBO**") regulations. The total purchase price paid was RO 124 million (approximately U.S.$330 million). The Bank's shareholding in NBO was increased to 34.90 per cent. in March 2010. As at 31 December 2020, NBO had a market capitalisation of approximately RO 260.2 million (approximately U.S.$675.7 million) according to publicly available information on the website of the Muscat Securities Exchange.

In December 2007, the Bank acquired a 34.70 per cent. interest in UAB. By March 2008, the Bank had increased that interest to 40 per cent. through share purchases in the market. The total purchase price paid was AED 2.2 billion (approximately U.S.$598 million).

In September 2010, the Bank and Qatar Insurance Company Q.S.P.C. ("**QIC**") formed a joint venture company in Qatar called Massoun Insurance Services LLC ("**Massoun**"). Massoun acts as a broker and provides a range of tailored insurance products designed to cater to differing customer needs and offers insurance solutions to customers of the Bank in Qatar. Massoun was set up to facilitate the Bank's objective of offering a wide range of insurance products specifically tailored to the needs of each of its customer segments within retail and wholesale banking. As at 31 December 2020, the Bank maintained a 50 per cent. shareholding in Massoun.

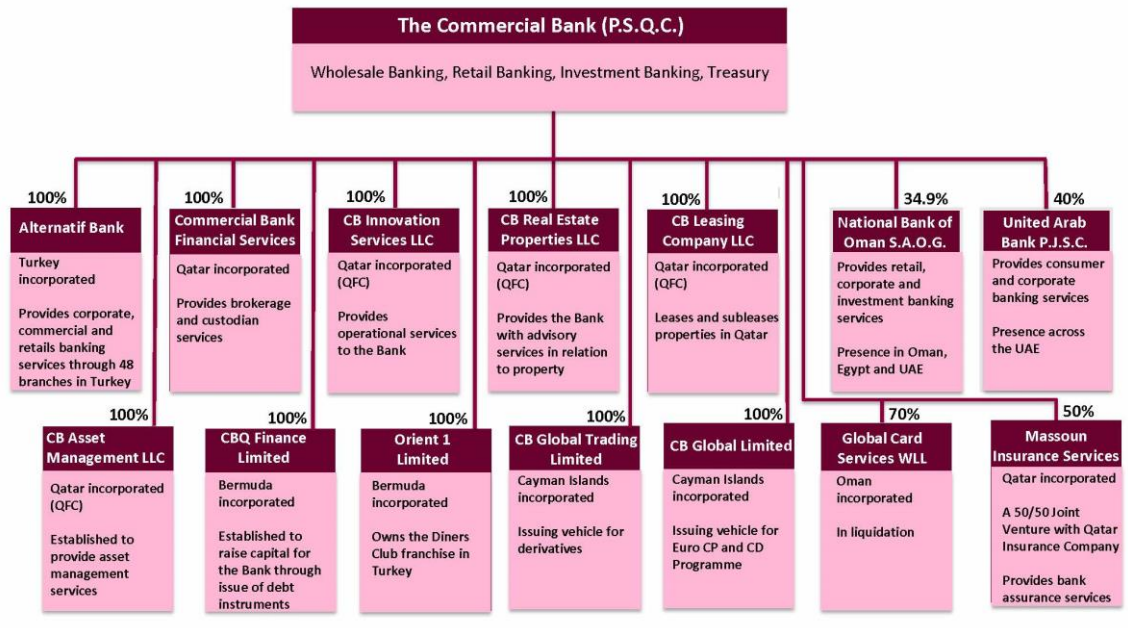
On 18 July 2013, the Bank acquired 70.84 per cent. of the ordinary shares and voting interest in Alternatif Bank and obtained control of Alternatif Bank. The Bank subsequently acquired an additional equity interest of 3.40 per cent. on 27 September 2013. Further interest was acquired following a squeeze out process and the remaining shareholding followed the exercise of a put option which was completed in December 2016, increasing the total equity interest of the Bank in Alternatif Bank (directly or indirectly) to 100 per cent. The Bank paid a total consideration of QAR 1,790 million (approximately U.S.$492 million) and recognised goodwill of QAR 405 million (approximately U.S.$111 million) on acquisition.

On 3 June 2021, the Bank announced a public offer to acquire an additional 15.2 per cent. of NBO's share capital, which would increase the Bank's shareholding from 34.9 per cent. to 50.1 per cent. While the Bank's shareholding in NBO is limited by CBO regulations which prevent any one shareholder from holding more than 35 per cent. of an Omani entity, the Bank has obtained regulatory approval to increase the stake in line with the announcement made in June 2021. The Bank's offer opened on 10 June 2021 and closes on 11 July 2021 and is subject to acceptance by a minimum of 15.2 per cent. of NBO's shareholders. Upon successful completion of the offer, NBO will become a subsidiary of the Bank.

If the minimum acceptance threshold of 15.2 per cent. is met, the Bank shall pay the offer price on 14 July 2021. Upon successful completion of the offer, NBO will become a subsidiary of the Bank. Completion of the offer will result in the formation of a stronger banking institution that the management of the Bank envisages should become more competitive, both locally and regionally. By completing the offer, the Bank aims to enhance shareholder value and promote the development of NBO.

Corporate Structure

The Bank's corporate structure as at 31 December 2020 is as follows:



Each of NBO and UAB is an associate of the Bank as the Bank does not control these entities. The Bank appoints four of NBO's 11 board members and four of UAB's nine board members. The Bank's share of profits or losses in each of these associates is recognised in the Bank's income statement and its share of the movements in the associates' fair value reserves is recognised in total equity in the Bank's consolidated statement of financial position.

Business Activities

Wholesale and International Banking

For the year ended 31 December 2020, the Bank's Wholesale and International Banking segment accounted for 65.6 per cent. of the Bank's consolidated segmental revenue. As at 31 December 2020, the total assets in the Wholesale and International Banking segment were QAR 134.2 billion equal to 87.4 per cent. of the Bank's consolidated total assets. Deposits by wholesale and international banking customers amounted to QAR 50.7 billion, or 66.9 per cent. of the Bank's consolidated customer deposits as at 31 December 2020. Financial information attributable to the Wholesale and International Banking segment in this Base Prospectus comprises the financial information relating to the wholesale banking segment as set out in the 2020 Financial Statements.

Through Wholesale and International Banking, the Bank offers a comprehensive range of financial services to corporate businesses and government and public sector entities in Qatar, as well as international companies investing, trading or implementing projects in Qatar. These services include commercial banking, transaction banking, cash management, forex and treasury, investment banking, corporate finance and advisory services through state-of-the-art channels. Wholesale and International Banking works closely with the Retail Banking and Private Banking units, through the 'CB@Work' department in Retail Banking. A key strategic focus is to enhance the total relationship value for each customer within all business portfolios.

The Wholesale and International Banking segment generates a large portion of the Bank's customer deposits, both domestic and international customers, and also assists the Treasury and Investments division in raising medium-term loan funding from banks and financial institutions across the world, and expanding corporate deposit relationships with multinational companies, regional sovereign wealth funds, asset managers, and other non-banking financial institutions.

The Bank works closely with its subsidiaries and associated companies (Alternatif Bank in Turkey, UAB in the UAE and NBO in Oman) to exploit credit and trade finance and other cross-border business

opportunities throughout the GCC and the wider region and to implement a co-ordinated financial institutions strategy across the Group, in line with their shared business objectives.

The Bank's Wholesale and International Banking segment now has five principal divisions: Domestic Corporate Banking, Government and Public Sector Relations, Transaction Banking, International Banking and Financial Institutions. Each of these divisions is described further below.

Domestic Corporate Banking

Domestic Corporate Banking provides a broad range of products and services principally to locally organised businesses and multinational companies in Qatar. It focuses on customers in industry, contracting, real estate, hospitality, health, services and trading as well as on high net worth individuals and the service companies that many of these individuals own in Qatar. Through this division, the Bank is active in Qatar's infrastructure and contract finance sector, and is a major issuer of guarantees for large projects in Qatar. The Bank has an expanding client list of foreign multinational companies operating in Qatar, and interacts regularly with embassies and trade promotion agencies in Qatar.

Government and Public Sector Relations

The Government and Public Sector Relations division is focused principally on Government and semi-Government entities with significant state ownership operating in Qatar. Most of the companies involved in the Qatar oil and gas industry and utilities and infrastructure sectors are covered by this division. The Bank also participates in syndicated project financings and provides trade finance services in this segment.

Transaction Banking

The Transaction Banking division focuses on cash management and trade finance (including letters of credit and guarantees) services for the corporate customers of the Bank across the Wholesale, International and Enterprise units. The Bank also provides services such as security trustee, facility agent, security agent and account bank in connection with the Bank's syndicated loan business. The Bank's service quality and consistently high performance in international funds transfer activities were recognised by multiple awards.

In 2020, the Bank received an award for "Best Cash Management in Qatar" for the fifth year in a row, "Best Transaction Bank in Qatar" for the second year in a row and "Best Retail Bank in Qatar" from the Asian Banker. The Bank also received an award for "Best Online Cash Management Services", "Best Trade Finance Services" for the second year in a row, "Best Mobile Banking App", "Best Consumer Digital Bank", "Best Online Product Offerings", "Most Innovative Digital Bank" and "Best in Social Media Marketing and Services" from Global Finance in 2020. Additionally, the Bank received the "Most Innovative Digital Bank" award in Qatar for 2020 from International Finance, "Best Digital Bank" from Asiamoney, "Social Responsibility Award" from Arab Media Forum, "Excellence in Leadership" Award in the Middle East from Euromoney, "Innovation in Digital Banking" Award in the Middle East and "Best Performing Bank" Award in Qatar from The Banker and the Finance Monthly Magazine's CFO Award.

International Banking

The International Banking division provides a range of corporate banking services principally to companies domiciled globally, focusing mainly on GCC countries and Turkey. The products and services offered include syndication, contractor finance facilities, operating accounts, e-banking solutions and working capital facilities.

Financial Institutions

The Financial Institutions division acts as a focal point for business relationships with banks and other financial institutions. With a large and established network of international banking partners, the Bank has arrangements to facilitate and support its corporate and retail clients' business needs worldwide. It is also well positioned to assist global banks with all their banking needs in Qatar. The Financial Institutions division supports the Bank's Treasury and Investments division in diversifying the Bank's funding sources and arranging bilateral and syndicated loan funding for the Bank.

Former Islamic Business

In light of the February 2011 QCB Circular (the "**QCB Circular**") restricting conventional banks from offering Islamic financial services, the Bank has discontinued its offerings of Islamic financial services and has consolidated and is running down its legacy Islamic Term Finance business. The QCB requested the closure of all deposit accounts held with the Bank on an Islamic profit sharing basis by 31 December 2011. The Bank has complied with that instruction, either by acquiring mandates from customers to open non-Islamic accounts with the Bank or to transfer the deposit to an Islamic bank. The Bank's customers were also offered the option to prepay existing Islamic facilities by taking out a new non-Islamic loan with the Bank. There has been no material impact to the Bank's deposit portfolio as a result of these changes. The QCB has allowed the Bank to retain existing Islamic facilities until maturity if the customers have elected not to transfer such facilities to an Islamic bank. The Bank therefore retains an Islamic loan portfolio, which continues to be phased out by maturity or prepayment.

Retail Banking

For the year ended and as at 31 December 2020, the Bank's Retail Banking segment accounted for 33.9 per cent. of the Bank's consolidated segmental revenue and 8.3 per cent. of the Bank's assets. The Bank's Retail Banking segment offers deposit accounts, personal loans, equity loans, vehicle loans, home loans, wealth management services, credit cards and other everyday banking products, with a particular focus on customers in the affluent and high net worth segments. As of 31 December 2020, the Bank's distribution network consisted of 28 full service branches and an extensive ATM network of over 170 machines. The Retail Banking business, which incorporates the SME Business sector, is a repeat, multi-award winner of the Best Retail Bank award in Qatar by The Asian Banker and well recognised for being an innovative market leader, using technology and digital channels to give it this edge.

The principal Retail Banking products and services offered by the Bank include:

Deposit and transactional accounts

The Bank offers customers a range of term deposit accounts of different maturities and yields as well as savings and current accounts. As at 31 December 2020, the Bank had QAR 25.1 billion of retail deposits from customers, representing 33.1 per cent. of the Bank's total customer deposits. Accounts are principally held in Qatari riyals.

The Bank was the first in Qatar to offer an expatriate new arrival account package. 'Life in Qatar' offers services such as instant access to bank accounts, concierge amenities and loans on arrival in Qatar. This service has since been expanded, with the Bank partnering with Qatar Visa Centres in multiple countries around the world, and bank accounts provided for incoming expatriates due to start work in the country. This is a digitally enabled service starting outside of the country, leveraging technology for a seamless service and the Bank is the only bank in Qatar able to offer this service.

The Bank has since continued to innovate with partnerships and new propositions to help its customers with their transactional banking needs and also initiatives such as "My Goals" to encourage healthy saving habits. The "My Goals" is an award winning digital service to help customers plan their goals and save for them all created through a mobile app.

Personal and vehicle loans

As at 31 December 2020, personal loans of QAR 7.4 billion represented 7.4 per cent. of the Bank's gross loans and advances to customers.

Personal loans are extended in Qatari riyals. The Qatar operational credit bureau was launched in March 2011 and provides information on customer credit exposure, to facilitate the Bank's credit scoring process that the Bank undertakes in respect of its customers and potential customers. Typical loans advanced to retail customers have terms of four years and are based on variable interest rates. For Qatari nationals, local rules restrict personal loans based solely on salary income to terms of 72 months, limits of QAR 2 million, and dictate that a salaried customer's monthly debt service must not exceed 75 per cent. of a Qatari national's basic monthly salary including social allowance. For expatriates, local rules restrict personal loans to terms of 48 months, limits of QAR 400,000 (but provided that, in the case of government employees only, any amount exceeding this up to a maximum of QAR 1 million shall be secured by holding such employee's

service gratuity as security) and dictate that a salaried customer's monthly debt service must not exceed 50 per cent. of an expatriate's monthly salary.

In 2011, the QCB issued guidelines in relation to loans secured by salaries, that the maximum interest or return for Qatari nationals and expatriates should not exceed QCB's lending rate plus 1.5 per cent. As a direct result, the Bank had limited lending to the low income expatriate segment where the maximum fees chargeable do not compensate for the potential risks involved.

Vehicle loans are extended for the purchase of cars and are extended on a similar basis to personal loans. The Bank had QAR 302.3 million in vehicle loans outstanding as at 31 December 2020, on a standalone basis. The maximum term of a vehicle loan is four years for expatriates and six years for Qatari nationals. A 20 per cent. down payment is required for expatriates where the sole source of payment is the relevant customer's salary. As with personal loans, a salary assignment is required unless the customer services the loan with other proven sources of regular income, for example rental income. For expatriate customers, vehicle loans are secured through registration of the vehicle in the joint names of the Bank and the applicant. In addition to the interest income generated by vehicle loans, the Bank also generates commission income through the sale of third party vehicle-related insurance.

Mortgages

The residential mortgage market in Qatar has grown significantly in recent years due to the launch of landmark developments and the opening to investment by expatriate residents in Qatar in residential projects specifically targeted at expatriates such as The Pearl and Lusail. The Bank provides mortgages for the purchase of land, houses and apartments. It also offers equity release schemes to its customers.

The maximum loan to value ("**LTV**") ratio for properties purchased by salaried customers is 70 per cent., while the LTV for high net worth individuals is 60 per cent. as required by the QCB mandate. The mortgage finance tenor offered by the Bank is up to 20 years, but there has historically been a tendency for many Qataris to repay their mortgage loans early, generating early settlement fees for the Bank. Rates on mortgage loans offered by the Bank are variable. The Bank's mortgage business is restricted in part by the QCB's real estate lending limit of 150 per cent. of the Bank's Tier 1 Capital and reserves.

Credit, debit and pay cards

The Bank has a prominent position in Qatar as a provider of credit cards, debit cards and pay cards. The Bank offers a range of credit and debit cards, including a range of premium and super-premium Visa and MasterCard cards. The Bank also has Diners Club franchise rights for Turkey.

The Bank continues to develop and launch new and innovative products. In line with changing trends and consumer behaviour, the Bank also targeted growth in the online shopping sector in 2020.

The Bank was one of the first banks in Qatar to launch the comprehensive contactless payment system comprising of contactless credit cards, debit cards and point of sale ("**POS**") terminals. Since its launch in 2018, the Bank has issued over 350,000 contactless cards and now has over 1,600 POS terminals, which processed over 10 million contactless POS transactions in 2020.

Pay cards are cards issued on the prime credit card platform at the request of employers as a payroll management tool and pursuant to the Qatar Wage Protection System. Employers upload employee pay cheques to these cards which can then be used at merchant locations and in ATMs to withdraw cash against the amount credited. Employees with lower bracket earnings had historically had difficulty opening bank accounts in Qatar, and employers have often paid them in cash. Employers also pay the Bank for every transfer of credit by the employer to the pay card. Pay card holders do not hold accounts with the Bank and are not extended any credit facilities by the Bank.

In 2020, the Bank launched the CB Household PayCard, a specific banking solution that helped customers with household staff, to pay them using digital transfers and provision of a debit card. The staff member, driver, maid or farm staff can now operate within the banking world and conduct their own payments and international transfers through a mobile app.

The Bank continues to play a key role in Qatar's merchant acquiring business and has forged ahead with a fully integrated electronic cash register payment system with retailers. The Bank also launched "CB Pay

for Merchants" a unique QR code-based payments acceptance solution to help merchants with remote payment acceptance.

Private Banking and Brokerage Services

The Bank has a Private Banking services segment to cater to the needs of the high net worth customers (defined as those with total assets of QAR 10 million and above). The Bank also has an investment services subsidiary, Commercial Bank Financial Services (L.L.C.) ("**CBFS**"), which provides direct access to the QSE and offers brokerage services to its clients for instruments traded on the QSE. This subsidiary, which is wholly owned by the Bank, is a licensed brokerage house in Qatar and is QFMA regulated. CBFS allows its clients to trade directly on the Qatar Exchange via numerous channels anywhere and anytime. The market share of the Bank's brokerage business grew to nearly 12.3 per cent. of the total traded value of stocks and bonds on the QSE in 2019.

Sadara Premium Banking

Sadara Premium Banking provides affluent Qatari and expatriate customers with a premium service. Qatari nationals and expatriates with a total footprint (i.e., assets plus liabilities) in excess of QAR 500,000 or salaries in excess of QAR 35,000 and QAR 50,000 per month, respectively, are eligible and qualify for Sadara services. Discrete personalised personal banking services, including wealth management solutions, through the Bank's dedicated Sadara lounges in branches. Sadara customers have differentiated and advantageous services compared to standard customers.

Physical Distribution Channels

In Qatar, as at 31 December 2020 the Bank had a country-wide network of 28 retail branches, four of which have dedicated corporate suites, as well as a network of over 170 ATMs. Branch presence is important in the Qatari banking sector because of the cultural importance placed on face-to-face meetings and because of the frequent reliance on significant cash deposits and withdrawals. As part of the Bank's aim to develop an increasing proportion of affluent and high net worth individuals in its customer base, the Bank strategically sites its branches in residential, retail and commercial developments frequented by these target groups. The distribution channel is supported by over 500 customer-facing staff who develop and maintain relationships with employers, acquire new customers and provide loans and credit cards by personalised meetings at customers' homes or offices. The Bank also has a call centre in Doha with Arabic and English speaking agents. The call centre system has an IVR (interactive voice response) platform that offers customers access to their accounts 24 hours a day, seven days a week. An online appointment booking system was introduced for business customers in response to COVID-19's social distancing requirements. This initiative was enthusiastically welcomed by customers and continues to help businesses pre-book their visits to branches and get served on priority.

Digital Banking

The Bank provides digital services through Internet Banking and Mobile Banking platforms that offer 24 hours, seven days a week access to customers to facilitate real time transactions, bill payments, payment of credit cards, remittances and account transfer facilities.

The Bank's market leading mobile banking application software is one of Qatar's most frequently downloaded financial application softwares and offers instant account opening, digital mobile cheque deposits, real time transactions, remittances, utilities and credit card bill payments and account transfers. Through this service, the Bank has expanded its digital banking services by providing award winning services in international remittances. The Bank has 60-second remittance capabilities to over 30 countries, including India, Philippines, Sri Lanka, Pakistan, Bangladesh, Nepal Turkey, Jordan, the UK and Europe allowing customers to send faster payments to accounts and has cash pick up services for the Philippines, Bangladesh and Nepal, reducing reliance on other traditional methods.

The Bank has been a leader in innovation and changing the payment ecosystem within Qatar and have introduced contactless card payment technology. In 2020, the Bank launched its own Mobile Wallet allowing customers to use Mobile phones to perform 'Tap n Pay' transactions on Contactless POS machines. Innovating rapidly to support customers during COVID-19, the Bank introduced CB Smart Payroll and Household PayCard services. These innovations allow corporates and home business owners to remit money internationally on behalf of their employees.

The Bank's commitment and innovation in the digital banking space has been recognised and in 2020, the Bank was presented with the following awards: "The Best Digital Deposit Product of the Year 2020" by The Asian Banker; "Best Mobile Banking Application" in Qatar award by International Finance Magazine; "Most Innovative Digital Bank" in Qatar award by International Finance Magazine; The Banker Award for "Innovation in Digital Banking in the Middle East 2020"; "Best Consumer Digital Bank in Qatar" and "Most Innovative Digital Bank in Qatar"; and "Best Mobile Banking app in Qatar" awards by Global Finance Middle East 2020.

Orient 1 Limited

The Bank's wholly owned subsidiary, Orient 1 Limited, has the exclusive right to provide Diners Club credit card services in Turkey.

Enterprise Banking

Enterprise Banking provides a comprehensive range of products and value-added services to support small and medium enterprises ("**SMEs**"). The Bank's focus on Enterprise Banking is in line with the Qatar Government's National Vision 2030, which identifies SMEs as one of the key constituent of the country's economic diversification and future growth. Enterprise Banking is increasingly focused on transactional banking and digital transformation, aligned to the Bank's strategy dominating the transaction banking space. Additionally, the Bank also partners with Qatar Development Bank to deliver multiple initiatives which extends investment and working capital facilities to economically-viable SMEs and makes credit more accessible.

Alternatif Bank

On 18 July 2013, the Bank acquired 70.84 per cent. of the ordinary shares and voting interest in Alternatif Bank and obtained control of Alternatif Bank. This initial stake was increased on 27 September 2013 when the Bank acquired an additional equity interest of 3.40 per cent., increasing the Bank's total equity interest in Alternatif Bank to 74.24 per cent. In 2015 the Bank increased its stake to 75 per cent. through the purchase of residual public holdings through a squeeze out process and the acquisition of the remaining shareholding was completed in December 2016, following the exercise of a put option, which increased the total equity interest of the Bank in Alternatif Bank (directly or indirectly) to 100 per cent. The acquisition was an important step in the Bank's strategy to expand its footprint in retail and corporate banking outside the GCC region and provides a suitable entry point into a key strategic market with strong growth prospects and fast-expanding banking sector.

Established in 1991, Alternatif Bank's business largely focuses on the provision of corporate and commercial banking services and products. The main product offerings include trade finance instruments, short and mid-term working capital financing, cash management solutions and bancassurance, and more recently project-based financing. Alternatif Bank also has treasury operations. Since 2008, Alternatif Bank has also been active in the retail banking sector, which includes providing services to individuals such as deposit accounts, consumer loans, mortgages and investment products, amongst others. As part of its long term strategy, Alternatif Bank plans to leverage digital capabilities and strategic partnerships to grow its footprint selectively in the retail market.

As at 31 December 2020, Alternatif Bank operates through a network of 44 branches across 19 cities in Turkey as well as through alternative distribution channels, including online channels. Alternatif Bank has two major subsidiaries, namely Alternatif Finansal Kiralama AŞ ("**Alternatif Lease**") and Alternatif Yatırım Menkul Değerler A.Ş. ("**Alternatif Invest**"). Alternatif Lease provides products and services in contract-based leasing activities in Turkey. Alternatif Invest provides security brokerage and corporate finance services to institutional and private clients in Turkey. It also manages mutual funds and provides sectoral and company research services in Turkey. The majority of the customer base of both Alternatif Lease and Alternatif Invest is in Turkey.

The Bank's total assets as at 31 December 2020 stood at QAR 153.6 billion, which includes QAR 16.2 billion of assets from Alternatif Bank. The Bank's consolidated loans and advances to customers were QAR 96.7 billion at 31 December 2020, which included QAR 11.6 billion of loans and advances made by Alternatif Bank. The Bank's consolidated customer deposits stood at QAR 75.8 billion at 31 December 2020, of which Alternatif Bank contributed QAR 8.9 billion.

Alternatif Bank reported net profit for the year ended 31 December 2020 of TL 105.6 million (QAR 57.5 million) compared to TL 156.0 million (QAR 100.1 million) for the year ended 31 December 2019. Total assets as at 31 December 2020 were TL 36.9 billion (QAR 18.2 billion) compared to TL 26.1 billion (QAR 16 billion) as at 31 December 2019 and loans and advances to customers as at 31 December 2020 stood at TL 23.6 billion (QAR 11.6 billion) compared to TL 18.9 billion (QAR 11.5 billion) as at 31 December 2019. Customer deposits in Turkish lira also increased from TL 15.8 billion (QAR 9.7 billion) as at 31 December 2019 to TL 18.1 billion (QAR 8.9 billion) as at 31 December 2020.

Treasury and Investments

The Treasury and Investments division is responsible for asset-liability management, capital and financial market investments, trading and treasury sales. The division manages the overall funding and liquidity requirements of the Bank. This includes management of operational and strategic liquidity requirements, as well as accessing the international debt capital markets for funding needs. Management believes that the Bank proactively manages its funding base in a cost efficient manner while ensuring the balance sheet is managed in accordance with the expectations of rating agencies, regulators, the Board of Directors and shareholders. The Treasury and Investments division seeks to maintain a stable cost of funding, managing the duration of the Bank's liabilities in a volatile interest rate environment while seeking diversification of funding channels together with maintaining key liquidity ratios and related business regulatory ratios above the minimum ratios required by the Qatar Central Bank.

The Treasury and Investments division is responsible for managing the Bank's investments in capital markets to achieve superior and stable returns. The Treasury and Investments division aims to provide strong revenue through interest income and capital gains whilst ensuring a liquidity buffer for the Bank by focusing on liquid diversified investments. The investment emphasis remains on active portfolio management to optimise returns and ensure effective risk management by flexible asset allocation, hedging, and duration management. All investments are carried out in line with the Bank's strategy and risk appetite set by the Board.

The Treasury Sales unit provides a full suite of products to the Bank's customers, supporting their needs with regards to managing and hedging their foreign exchange, interest rate exposures and other asset classes. The Treasury and Investments division continues to grow its footprint as one of the leading market-makers in regional rates, fixed income, treasury securities and FX markets, and in providing market access to corporates and institutions. The Treasury and Investments division continues to expanded its capacity to support client needs by adding digital execution capabilities and risk management solutions, both domestically as well as cross-border, demonstrating the ability to provide seamless client solutions across multiple geographies.

The Bank has a well-diversified funding profile. As at 31 December 2020, customers' deposits constituted 57.7 per cent. of the Bank's total liabilities, followed by due to banks at 15.2 per cent.

The Bank also raises money through the international capital markets and has access to a pool of unencumbered and liquid securities that it can access to meet liquidity needs, in addition to its cash balances and placements with central banks.

The Bank does from time to time buy back its own debt in the open market.

Commercial Bank Financial Services

The Bank created an investment and merchant banking division on 1 June 2011, and these activities were subsequently merged into the business services covered by the Treasury and Investments division and its subsidiary Commercial Bank Financial Services (previously Commercial Bank Investment Services).

Investments in associates

NBO

In July 2005, the Bank acquired a 34.85 per cent. stake in NBO, a publicly listed company in Oman. The shareholding in NBO was increased to 34.90 per cent. in March 2010. The Bank is the single largest shareholder of NBO; Omani government pension funds and other Omani governmental agencies hold a further 24 per cent. in aggregate of the shares in NBO. The total purchase price paid was RO 127 million (approximately U.S.$330 million). On 3 June 2021, the Bank announced a public offer to acquire an

additional 15.2 per cent. of NBO's share capital, which would increase the Bank's shareholding from 34.9 per cent. to 50.1 per cent. (see "*Description of the Commercial Bank (P.Q.S.C.) – History and Corporate Structure - History*").

The Bank maintains four members of the 11-member NBO board.

As at 31 December 2020, NBO had five principal business segments: retail banking, corporate banking, investment banking, treasury and Islamic banking; 60 branches in Oman and two branches in the UAE.

As at 31 December 2020, NBO increased its loans and advances to customers to RO 2.9 billion and customers' deposits remained stable at RO 2.5 billion as at 31 December 2020, compared to the position as at 31 December 2019. Operating income was down by RO 11.4 million to RO 117.0 million for the year ended 31 December 2020, from RO 128.3 million for the year ended 31 December 2019. NBO's net profit decreased by 64.7 per cent. to RO 18.1 million in the year ended 31 December 2020 from RO 51.4 million in the same period in 2019. NBO's total assets were RO 3.6 billion as at 31 December 2020 and its loans and advances to customers were RO 2.9 billion as at 31 December 2020.

UAB

In December 2007, the Bank acquired a 34.7 per cent. interest in UAB, a listed company in the UAE which was founded in 1975, and subsequently increased its interest to 40.0 per cent. by purchasing shares on the open market. The aggregate purchase price paid was AED 2.2 billion (U.S.$598.9 million). UAB has two principal business segments: wholesale banking and retail banking. As at 31 December 2020, it had 7 branches in Abu Dhabi, Dubai, Al Ain, Sharjah, Ajman and Ras Al Khaimah.

Other Investments

Massoun Insurance Services LLC

In September 2010, the Bank established a joint venture company, Massoun Insurance Services LLC, with QIC, the largest insurance company in Qatar. Massoun, in which as at 31 December 2020, the Bank had a 50 per cent. shareholding, has an issued and paid-up capital of QAR 5 million, and carries on insurance broking and insurance agency services in Qatar.

Information Technology and Back-office Services

The Bank's Information Technology ("**IT**") department is responsible for the Bank's IT strategy and planning and all related technical services throughout the Bank, both internal and external. The Operations team is responsible for a collective IT and Project Management strategy across the Bank. Across each of the Bank, UAB, NBO and Alternatif Bank, an independent IT division operates while the Bank aims to build a collaborative and standardised IT and Project Management framework that leverages IT assets and resources across the Group. The IT strategy is focused on providing reliable and available information and systems to its customers and employees in a secure environment. It also assesses the Bank's future operational needs and develops and implements new IT systems to meet them, in each case with reference to the Bank's overall technology strategy, with the primary aim of delivering efficient cost-effective systems.

The Bank's IT strategy also focuses on innovation and transformation of the Bank, and by doing so, also enhances the services and the tools that IT provides to the Bank's customers.

For the Bank's customers, the IT department focuses on providing a convenient and efficient banking service, offering a full range of digital banking channels, including ATMs, internet banking, mobile banking, cash deposit machines, trade portals and telephone banking. For its internal business, the IT department focuses on providing effective methods and processes for promoting and delivering services to its customers.

In terms of security and reliability of service, the Bank has implemented a disaster and recovery site on remote premises that can be activated when required, to ensure that critical systems and data continue to be fully operational and to provide essential services to its customers. The Bank carries out daily and other periodic data back-ups which are stored at a location in Qatar away from its head office.

Additionally, the Bank sends a copy of its critical systems and data to a location in the United Kingdom in compliance with QCB instructions. The Bank also carries out annual intrusion tests on its IT network and key applications with the assistance of an external vendor who performs continuous remote intrusion

monitoring on the Bank's behalf, providing the Bank with a daily activity report. There is no evidence of successful intrusion attempts to date.

Cyber-security has become an increasingly important consideration for financial institutions, including the Bank. The quantity of sensitive information stored by financial institutions, which includes extensive personal information of its customers, makes them potential targets of cyber-attacks. In common with other financial institutions, the Bank recognises the need to protect itself from the threat to security of its information and customer data from cyber-attacks. Cyber-security is a core part of the Bank's mission and the Bank continues to be an innovator and leader through the implementation of world class cyber security controls and processes as certified by payment card industry data security standard (PCI-DSS) and through its compliance with QCB instructions for managing cyber risk.

Property

The Bank's land and buildings portfolio, including Commercial Bank Plaza, the Bank's head office, had a net carrying value of QAR 2,259.5 million as at 31 December 2020. The principal property assets as at 31 December 2020 are as follows:

Name/Address	Tenure	Use
Commercial Bank Plaza, West Bay, Doha	Freehold	Bank headquarters; partly sub-let
Grand Hamad Street Branch, Doha	Freehold	Branch and office use
Hamad Al Kabeer (HAK)	Freehold	Office use
Rayyan	Freehold	Branch and office use
Salwa (Salata)	Freehold	Branch
Bin Omran	Freehold	Branch
Ummlakba…	Freehold	Branch and office use
D Ring Road	Freehold	Branch and office use
Kharayitiat	Freehold	Branch
Al Maseela	Freehold	Branch
Al Khor	Freehold	Branch
Airport	Freehold	Branch
Mesaeed	Leasehold	Branch
Al Ruwais	Freehold	Branch
Industrial Area Land	Freehold	Land only
Le Boulevard, Al Sadd, Doha	Freehold	Branch, partly sublet
Wakra	Freehold	Branch and office use

The Bank owns 14 of its branch buildings, while the rest are typically leased for three-year terms and the Bank has options for renewal.

Competition

The Qatari banking sector currently comprises 17 banks (outside the QFC), including five conventional banks, four Islamic banks, one specialised development bank owned by the State of Qatar and seven local branches of foreign banks. The foreign bank branches focus mainly on trade finance, foreign currency operations and state-related business. Foreign bank participation in public sector financing has had a significant effect on margins in this area leading the Bank to focus on other higher margin areas. The Qatari banking market is becoming increasingly competitive and challenging.

Qatar's foreign banks compete for the same business as the local banks but operate under certain restrictions.

The lending limits of foreign banks are based on their local capital base. However, foreign banks have traditionally obtained guarantees from their head offices when credits exceed their legal lending limits. Some foreign multinational banks have started to increase their presence in the fast-developing Qatar market, and some have, and plan to, set up offices in the QFC and target the financing of big infrastructure projects. The QFC may continue to attract new banks given the low-tax environment, with a 10 per cent. charge on profits and the fact that 100 per cent. foreign ownership and profit repatriation are permitted. The QFC is targeting global institutions relevant to the energy sector and other key sectors of Qatar's economy and which have expertise in banking, insurance, asset management, financial advisory services, securities derivatives dealing and Islamic finance. Institutions registered with the QFC fall into two categories: 'regulated activities' (essentially financial services) and 'non-regulated' activities (activities in support of financial services). QFC-registered banks are currently subject to clear restrictions on their local banking activities and, as a result, they cannot open full service branches and cannot deal with retail customers in Qatar. See "*Banking Industry and Banking Regulation in Qatar*". The Bank believes that the presence of

new banks adds another dimension of competition from foreign institutions that are often more experienced in the banking industry and able to offer more sophisticated products and services. More new institutions are expected in the QFC, which will ultimately expand the market, encourage competition, drive new technology and help develop the banking sector.

The Bank's principal competitors in Qatar include Qatar National Bank (Q.P.S.C.) and Doha Bank Q.P.S.C.

RECENT DEVELOPMENTS

The Bank reported net profit of QAR 602.7 million for the three-month-period ended 31 March 2021 as compared to QAR 402.1 million for the same period in 2020, an increase of 49.9 per cent. This increase was primarily attributable to no impairment on associates as well as net profit from associates as compared to net loss. In addition, net operating income remained strong.

Net operating income of the Bank increased by 28.0 per cent. to QAR 1,160.8 million for the three-month-period ended 31 March 2021, up from QAR 907.0 million achieved in the same period in 2020 due to higher net interest income and net non-interest income. Net interest income for the Bank increased by 5.9 per cent. to QAR 856.0 million for the three-month-period ended 31 March 2021 compared to QAR 808.7 million achieved in the same period in 2020 mainly due to proactive management of the cost of funding.

Net non-interest income (consisting of net fees and commission income, net foreign exchange gain, net income/(losses) from investment securities and other operating income) increased by 210.2 per cent. to QAR 304.8 million for the three-month-period ended 31 March 2021 compared with QAR 98.2 million for the same period in 2020. This increase was primarily attributable to the recovery of trading and investment income following the unprecedented volatility in global markets due to the COVID-19 pandemic in the first quarter of 2020.

Total operating expenses (consisting of staff costs, depreciation, amortisation of intangible assets and other expenses) increased by 107.3 per cent. to QAR 365.9 million for the three-month-period ended 31 March 2021, compared with QAR 176.5 million for the same period in 2020. Cost increases were primarily driven by increased staffing costs due to accounting of performance rights granted to staff in accordance with IFRS 2. The performance rights represent a contingent right to receive a cash payment by referencing the value of Bank shares during a specified period of time.

The Bank's net impairment losses on loans and advances to customers increased by 12.9 per cent. to QAR 212.5 million for the three month period ended 31 March 2021 from QAR 188.2 million for the three month period ended 31 March 2020. The Bank's non-performing loan ratio decreased to 4.2 per cent. as at 31 March 2021 compared to 5.0 per cent. as at 31 March 2020. The increase in net impairment losses on loans and advances to customers was mainly on account of higher provisioning in respect of non-performing loans and advances to customers.

The Bank's total assets stood at QAR 163.1 billion as at 31 March 2021 compared to QAR 146.4 billion as at 31 March 2020, an increase of 11.4 per cent. The total asset increase was driven primarily by increases in loans and advances to customers, which increased by 12.0 per cent. to QAR 99.4 billion as at 31 March 2021 compared with QAR 88.8 billion as at 31 March 2020. The increase was largely due to increases in loans and advances to customers in the government and public and consumption sectors.

The Bank's investment securities decreased by 2.9 per cent. to QAR 25.5 billion as at 31 March 2021 compared with QAR 26.2 billion as at 31 March 2020. The decrease was mainly due to maturities in Government bonds. The Bank's customer deposits increased by 5.8 per cent. to QAR 81.8 billion as at 31 March 2021, compared with QAR 77.4 billion as at 31 March 2020. Current, call and savings deposits have increased by 24.9 per cent. to QAR 31.7 billion as at 31 March 2021 compared to QAR 25.4 billion as at 31 March 2020 as a result of the various cash management initiatives and digital products that the Bank offers.

MANAGEMENT

Board of Directors

The board of directors (the "**Board**") is responsible for the overall direction, supervision and control of the Bank. The Board has delegated responsibility for overall executive management to the Bank's Senior Managers (as defined below) team under the leadership of the Group Chief Executive Officer ("**GCEO**"). The principal role of the Board is to oversee implementation of the Bank's strategic initiatives and its functioning within the agreed framework in accordance with relevant statutory and regulatory structures.

The Board meets regularly at least six times a year (during 2020, the Board met eight times). The Board is composed of nine members elected by the General Assembly through secret ballot. Each director (each a "**Director**") holds his position for three years and may be elected more than once unless the Director fails to fulfil any of the conditions set forth in relevant statutory and regulatory structures. The Board can convene on the invitation of its Chairman at the request of at least two members. At least five Directors are required to attend for there to be a quorate Board meeting. An absent Director may appoint another Director to represent and vote for him in his absence (**provided that** each Director may represent only one other Director). Decisions of the Board are made by majority votes of those present (in person or by proxy) at the meeting. In the event of a split decision, the Chairman holds the casting vote.

As at the date of this Base Prospectus, the Board is comprised of nine members listed below:

Name	Position(s)	Year of first appointment	Year of expiration of appointment
Sh. Abdullah bin Ali bin Jabor Al Thani	Chairman	1990	2022
Alfardan Investments, represented by Mr. Hussain Ibrahim Alfardan	Vice Chairman	2020	2022
H.E. Abdul Rahman Bin Hamad Al Attiyah	Member	2014	2022
Mr. Omar Hussain Alfardan	Managing Director	2002	2022
Sh. Faisal bin Fahad bin Jassim Al Thani	Director	2017	2022
Mr. Mohamed Ismail Mandani Al-Emadi	Director	2017	2022
H.E. Mr. Saleh Abdullah Mohamed Al-Ibrahim Al Mannai	Director	2017	2022
QIC, represented by HE Mr. Khalaf Ahmed Al Mannai	Director	2017	2022
HE. Mr. Bader Omar AlDafa	Director	2020	2022

The business address of each of the Directors is Commercial Bank Plaza, Al Dafna Area, P.O. Box 3232, Doha, Qatar.

There are no potential conflicts of interest between the private interests or other duties of the Directors of the Bank listed above and their duties to the Bank. QIC last changed its representative to the Board in 2018.

Biographies

Sh. Abdullah bin Ali bin Jabor Al Thani, Chairman

Sheikh Abdullah has served on the Board of the Bank since 1990, was appointed Deputy Chairman in July 1999 and Chairman in March 2014. He is Chairman of the Board Executive Committee ("**BEC**"). He is also Vice Chairman of NBO, a member of NBO's Executive Nomination Remuneration Committee, a director of UAB, Chairman of the UAB Board Risk Committee, and owner of Vista Trading Company.

Alfardan Investments, represented by Mr. Hussain Ibrahim Alfardan, Vice Chairman

Alfardan Investments is a member of the Board since joining in 2020 and is represented by Mr. Hussain Alfardan, the Vice Chairman and former Managing Director of the Bank, having served as Managing Director of the Bank from its establishment in 1975 until 2017. He is a member of the BEC and Chairman of the Board Remuneration, Nomination and Governance Committee ("**BRNGC**"). He is the Chairman of Alfardan Group, the Vice Chairman of Gulf Publishing and Printing Company, a director of QIC and Chairman of their Investment Committee and Vice Chairman of the Qatar Businessmen Association.

H.E. Mr. Abdul Rahman Bin Hamad Al Attiyah, Member

Mr. Al Attiyah joined the Board in 2014. He is a member of the Board Risk Committee ("**BRC**") and the BEC. He is Vice President of the Board of Trustees of the Arab Thought Forum - Amman, Jordan and is

the owner and chairman of the Mawten Trading Company. Mr. Al Attiyah has been awarded the State Award of Appreciation. His record of involvements in the public sector include acting as the former Secretary General of the Cooperation Council for the Arab States of the Gulf, former Undersecretary of the Foreign Ministry, former Ambassador for Qatar to Saudi Arabia, France, Italy, Greece, Yemen, Switzerland and Djibouti, former permanent representative for Qatar to the United Nations and other international organisations in Geneva, Rome and Paris, and currently serves as State Minister for Qatar.

Mr. Omar Hussain Alfardan, Managing Director

Mr. Omar Alfardan joined the Board in 2002. He is the Managing Director of the Bank and a member of the BEC and the BRNGC, Vice Chairman of UAB, Chairman of the UAB Governance and Remuneration Committee and Chairman of Alternatif Bank. He is President and Chief Executive Officer of Alfardan Group and its affiliates in Qatar and Oman and a director of Alfardan Jewellery, Alfardan Investment and Alfardan Marine Services in Qatar. Mr. Alfardan is a director of Qatar Red Crescent Society and an advisory board member of the Qatar Financial Centre Authority.

Sh. Faisal bin Fahad bin Jassim Al Thani, Director

Sh. Faisal is an independent director who joined the Board in 2017. Sh. Al Thani is Chairman of the BACC. Sh. Faisal is Chairman of Alwataniya International Holding Company (Q.C.S.C.), a director of United Development Company and Aamal Company (Q.P.S.C). He is also Chairman of Qatar Petroleum Society, Al Namma Real Estate and Capstone Real Estate.

Mr. Mohammed Ismail Mandani Al Emadi, Director

Mr. Al Emadi is an independent director who joined the Board in 2014. He is Chairman of the BRC and a member of BRNGC. He is a director of NBO and a member of the NBO Board Credit Committee, a director of Alternatif Bank, Chairman of Alternatif Bank Board Risk Committee and a member of Alternatif Board Credit Committee. Mr. Al Emadi joined the Bank in 1983 as Head of Operations and also served as Deputy General Manager for three years. He is the former Managing Director of the Qatar Cinema & Film Distribution Company. He has previously served as Director of Qatar Real Estate Investment Company and a director of the Mannai Corporation Company, Qatar Shipping Company and the Doha Securities Market (now the Qatar Stock Exchange).

H.E. Saleh Abdullah Mohamed Al Ibrahim Al Mannai, Director

H.E. Saleh Abdullah Mohamed Al Ibrahim Al Mannai is a non-independent director who joined the Board in 2017. H.E. Al Mannai is a member of the BACC. He is a Member of the Shura Council, a Director of Al Dar for Exchange Works and a Director and proprieter of Qatar Marble & Islamic Mosaic Co. and Ampex.

Qatar Insurance Company (QIC), represented by HE Mr. Khalaf Ahmed Al Mannai

QIC is a member of the Board since joining in 2017 and QIC is represented by HE Mr. Khalaf Ahmed Al Mannai who is a member of the BRC. HE Mr Al Mannai is Undersecretary of the Ministry of Finance, Chairman of OQIC, a director of QIC, and a Member of the Administrative Committee of Al Aqsa and Al Quds Funds "Islamic Development Bank" Jeddah.

HE. Mr. Bader Omar Al Dafa

HE. Mr. Bader Omar Al Dafa is an independent director who joined the Board in 2020. HE. Al Dafa is a member of the BACC and the Executive Director of the Global Dryland Alliance. HE Mr. Al Dafa has served as Undersecretary General of the United Nations, Executive Secretary of the Economic and Social Commission for Western Asia (ESCWA) and Ambassador for Qatar to the United States and various other countries.

Senior Management

In addition to the executive Board members, the day-to-day management of the Bank's business is conducted by the following senior managers (the "**Senior Managers**") who are considered relevant to establishing that the Bank has the appropriate expertise and experience for the management of its business.

Name	Position(s)
Mr. Joseph Abraham	Group Chief Executive Officer
Mr. Rehan Khan	Executive General Manager and Chief Financial Officer
Dr. Leonie Lethbridge	Executive General Manager and Chief Operating Officer
Mr. Parvez Khan	Executive General Manager, Treasury and Investment
Ms. Rana Salatt	Executive General Manager and Chief Internal Audit Officer
Mr. Raju Buddhiraju	Executive General Manager and Head of Wholesale Banking
Mr. Fahad Badar	Executive General Manager, International Banking
Mr. Hussein Al-Abdulla	Executive General Manager and Chief Marketing Officer
Mr. Khalifa Al Rayes	Executive General Manager, Public Sector and Deputy Head of Wholesale Banking
Mr. Amit Sah	Executive General Manager and Consumer Banking
Mr. Paul Gossiaux	Executive General Manager and Chief Risk Officer
Mr. Abdulla Al Fadli	Senior Assistant General Manager and Chief Compliance Officer
Sheikh Jassim Saud Al Thani	Senior Assistant General Manager and Chief Human Capital Officer
Ms. Marie Therese Lebbos Auger	Head of Corporate Affairs and Company Secretary

The business address for each of the Senior Managers is Commercial Bank Plaza, Al Dafna Area, P.O. Box 3232, Doha, Qatar.

There are no potential conflicts of interest between the private interests or other duties of the Senior Managers listed above and their duties to the Bank.

Biographies

Mr. Joseph Abraham, GCEO

Mr. Abraham has over 30 years of banking experience, with experience in both developed and emerging markets. Before joining the Bank, he had served as Chief Executive Officer of Australia and New Zealand (ANZ) Banking Group Indonesia since 2008. Mr. Abraham graduated with an MBA from Stanford Business School and has worked in Indonesia, Singapore, Hong Kong, Ghana, the United Kingdom and India in various banking roles and has a successful track record covering general management, corporate banking, strategy, product management as well as acquisitions and integrations. Mr. Abraham is a board director of UAB, NBO and Alternatif Bank. Mr. Abraham currently serves as Vice Chairman on the board of Alternatif Bank.

Mr. Rehan Khan, Executive General Manager and Chief Financial Officer

Mr. Khan joined the Bank in September 2013 from the Saudi British Bank, where he was the Chief Financial Officer for four and a half years. Prior to this, Mr. Khan worked for HSBC in London, India and Malaysia. Mr Khan trained with KPMG in London and is a member of the Institute of Chartered Accountants of England and Wales. Mr. Khan is a director of CBQ Finance Limited, Orient 1 Limited, CB Leasing Company LLC and CB Real Estate Properties LLC.

Dr. Leonie Lethbridge, Executive General Manager and Chief Operating Officer

Dr. Lethbridge has over 30 years of professional experience, with experience in both developed and emerging markets. Before joining the Bank, Dr. Lethbridge had undertaken leadership roles including as Chief Executive Officer of ANZ Royal Bank and as Asia region Chief Operating Officer of ANZ Banking Group, as well as in various other banking and finance roles. Dr. Lethbridge currently serves as a director on the board of Alternatif Bank and is the Chairperson of the BACC. Dr. Lethbridge is a director of CB Asset Management LLC, CB Leasing Company LLC, CB Innovation Services LLC and CB Real Estate Properties LLC.

Mr. Parvez Khan, Executive General Manager, Investments and Strategy

Mr. Khan joined the Bank in 1994 and currently serves as Executive General Manager and Head of Treasury, Investments and Strategy. Mr. Khan has over 23 years of experience in the field of capital markets and investment banking. Mr. Khan is presently responsible for investments, developing strategy and driving growth initiatives. Mr. Khan has expertise in regional asset management, capital and debt markets.

Ms. Rana Salatt, Executive General Manager and Chief Internal Audit Officer

Mrs. Salatt joined the Bank in 1996 as a graduate trainee in Retail Banking. Mrs. Salatt now holds the role of Executive General Manager and Chief Internal Audit Officer. She has served as Executive General

Manager and Chief Risk Officer from 2013 until 2017. Prior to this, Mrs. Salatt was appointed as Assistant General Manager and Head of Risk Controls in 2011, Head of Credit Control in 2009, Head of Client Relations in 2008 and Head of Credit Administration and Control in 2005. Mrs. Salatt has over 20 years of banking experience in Internal Audit, Retail and Risk.

Mr. Raju Buddhiraju, Executive General Manager and Head of Wholesale Banking

Mr. Buddhiraju has been the Executive General Manager and Head of Wholesale Banking of the Bank for the last five years and has extensive banking experience in various countries and regions including the Middle East. He is also a director of Orient 1 Limited and a director of Alternatif Bank. Before joining the Bank, Mr. Buddhiraju worked at Dubai Islamic Bank in Dubai and in Arab National Bank in Saudi Arabia. Prior to that, he worked at Citibank in several senior roles in India, Singapore, Hungary and Poland for over thirteen years. Mr. Buddhiraju graduated from the Indian School of Mines (IIT) in Petroleum Engineering and has an MBA from the Indian Institute of Management, Calcutta, India. He completed the Executive Program in Marketing Strategy for Senior Managers in Kellogg School of Management, Northwestern University, USA.

Mr. Fahad Badar, Executive General Manager, International Banking

Mr. Badar joined the Bank as a graduate in 2000, rising up in his career to the position of EGM, Government & International Banking in 2011. Mr. Badar is a seasoned banker with over 20 years of banking experience at the Bank, having successfully held several key roles including EGM Wholesale Banking and EGM Government Sector and International Banking, as well as other senior positions in Retail Banking and Operations across the Bank. Currently as EGM, International Banking at the Bank he has the responsibility of the Bank's international lending and financial institutions relationships. Mr. Badar is director of National Bank of Oman and director of United Arab Bank. Mr Badar holds an MBA from Durham University, UK and a Bachelor's in Banking & Finance from Bangor University, UK.

Mr. Hussein Al-Abdulla, Executive General Manager and Chief Marketing Officer

Mr Al-Abdulla joined the Bank in July 2017 as Executive General Manager, Chief Marketing Officer. Mr. Al-Abdulla holds a degree in Business Administration and Management (2007) from University of Qatar and a Masters in digital transformation from the University of Plymouth in the UK. Prior to joining the Bank, Mr. Al-Abdulla served as General Manager of Personal Banking (2012-2017) in Barwa Bank in Doha and, prior to that, held various roles during his 13 years with HSBC Bank Middle East in Qatar including head of retail.

Mr. Khalifa Al-Rayes, Executive General Manager, Government, Public Sector and Deputy Head of Wholesale Banking

Mr. Al-Rayes currently holds the position of Executive General Manager of Government and Public Sector and Deputy Head of Wholesale Banking. Since joining the Bank in 2005 as Head of Branches, Mr. Al-Rayes has held several senior management positions and enjoyed working in every capacity. Prior to joining the Bank, Mr. Al-Rayes worked as General Manager, Assistant to the General Manager and Sales Manager at Gulf Air Airlines in Qatar, Germany and the United Arab Emirates. Mr. Al-Rayes graduated in March 1989 from the University of Denver in Denver, Colorado, USA where he obtained a Bachelor of Science degree in Business Administration.

Mr. Amit Sah, Executive General Manager and Head of Retail Banking

Mr. Sah joined the Bank in 2016 as Executive General Manager and Head of Retail Banking. Mr. Sah has over thirty years of experience in the financial services sector. He has worked across multiple functions and held senior positions with Citibank in India, Thailand, Russia and the United Kingdom. Mr. Sah has a Bachelor of Engineering from the Indian Institute of Technology, and an MBA from the Indian Institute and Management, Ahmedabad, India. Mr. Sah is a director of CB Asset Management LLC.

Mr. Paul Gossiaux, EGM and Chief Risk Officer

Mr. Gossiaux joined the Bank in 2010 and is currently Executive General Manager and Chief Risk Officer. Prior to that, Mr. Gossiaux was the Chief Credit Officer as well as Head of Credit for International Banking and Public Sector lending. Prior to joining the Bank, Mr. Gossiaux was Head of Credit Risk for the Business Support and Recoveries group of Barclays Bank SA in Madrid, a director in the Leveraged and Structured

Finance Credit Risk Management team of Deutsche Bank in London and an Executive Director in the Leveraged and Structured Finance Credit Risk Control team of UBS Investment Bank in London. Mr. Gossiaux holds an MIA degree from Columbia University (New York), School of International and Public Affairs and Russian Institute, and a BA degree from Fordham University (New York). Mr. Gossiaux is a director of Alternatif Bank and CB Asset Management LLC.

Mr. Abdulla Al-Fadli, Senior AGM and Chief Compliance Officer

Mr. Al-Fadli has over 17 years of experience in Qatar. Prior to his appointment as Chief Compliance Officer, Mr. Al-Fadli held various management roles at Qatar National Bank, Barwa Bank and United Development Company. Mr. Al-Fadli holds a Masters of Business Administration degree from Hull University in the United Kingdom. In 2019, Mr. Al-Fadli graduated from the Executive Leaders Program at the Qatar Leadership Center. In addition to his role, Mr. Al-Fadli is acting Money Laundering Reporting Officer for the Bank and a director of CB Asset Management LLC and in charge of other subsidiaries' compliance.

Sh. Jassim Saud Al Thani, Senior AGM and Chief Human Capital Officer

Sheikh Jassim joined the Bank in 2018 from North Oil Company where he was heading the Public Relations and Communications. He holds a specialised Masters in Strategic Business Unit Management degree from HEC Paris and a bachelor's degree in Computer Science Engineering from University of Qatar. Sheikh Jassim has extensive experience leading human resources functions including management of human resources operations and Nationalisation in Maersk Oil Qatar and partnering with major business units in Maersk Oil in Denmark.

Ms. Marie Therese Lebbos Auger, Head of Corporate Affairs and Company Secretary

Ms. Auger is a French qualified lawyer with over 20 years of corporate and commercial law expertise across Europe, Africa, the Middle East and the GCC. Prior to joining the Bank, Ms. Auger was General Counsel and Secretary for the Board of Directors at Qatar Cool. Her experience includes providing general counsel and guidance on legal implications of all matters. Some of her accomplishments include managing the first complex antitrust litigation case of its kind in Qatar. Before Qatar Cool, Ms. Auger was Group Head of Legal Webcor Group - Geneva/Beirut, dealing directly with the Chairman of the Board and the CEO. At Webcor Group, Ms. Auger directed all legal affairs of the parent company and its subsidiaries in Switzerland, Holland, Italy, Belgium, Lebanon, Singapore, Argentina, Angola, Mozambique, Namibia and South Africa. Ms. Auger holds a master's degree in International Economic Law from the University of Paris XIII and has been recognised in the Legal 500 General Counsel Power list for the Middle East.

Employees

The total number of the Bank's and its subsidiaries' full-time employees as at 31 December 2020 was 2,304 compared to 2,320 as at 31 December 2019. The Bank is committed to the training and development of new and existing staff in order to ensure that the Bank continues to be supported by the skills required for its planned growth. The training approach on development of individual skills focusses on providing on the job training and in house training from employees who are experts in their field.

The Bank's development programmes encourage more women to enter the workforce and are designed to provide women with the skills required to succeed in business. Enhancing the opportunities available for Qatari nationals through our Leadership and Sponsorship programmes will assist the Bank to succeed in developing Qatar's human capital in support of the Qatar National Vision 2030 and the Bank strives to enhance the services and support for Qatari women. As at 31 December 2020, Qatari nationals comprised 33.5 per cent. of the Bank's employees, as compared with 32.1 per cent. of the Bank's employees as at 31 December 2019.

RISK MANAGEMENT

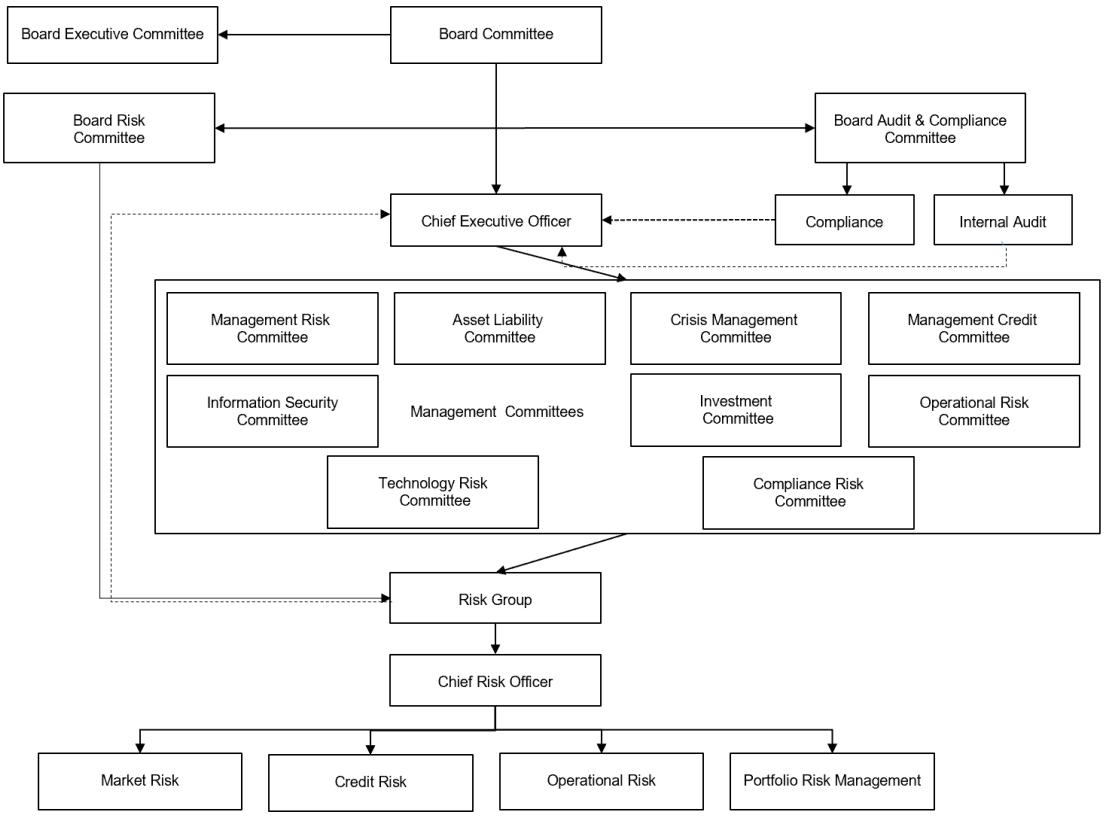
Overview

The principal risks facing the Bank's business are credit risk, liquidity risk, market risk (including foreign exchange risk, interest rate risk and profit rate risk) and operational risk (including regulatory and legal risks). The Bank's risk management policies and procedures are designed to identify and analyse these risks, prescribe appropriate risk limitations, monitor the level and incidence of such risks on an ongoing basis and prescribe appropriate remedial action. The Bank has an established risk management framework.

As part of its strategic investment in NBO and UAB, the Bank regularly discusses risk management practices with the management of NBO and UAB, with a view to implementing standardised best practices across the Bank, NBO and UAB.

Additionally, the Bank has developed a formal risk governance and oversight approach with respect to its banking subsidiary, Alternatif Bank, consistent with the risk management framework adopted across the Group. The Bank's management has devolved the responsibility for Alternatif Bank decision making and risk management to the Alternatif Bank board of directors. The Alternatif Bank board of directors currently comprises seven representatives of the Bank. Required processes are in place to meet QCB requirements on reporting and limit management on a consolidated basis.

An overview of the Bank's risk management structure is set out below:



The following guiding principles apply to all of the Bank's risk management activities:

- *Approval*: All business activities which commit the Bank to deliver risk sensitive products and any business proposals require approval by authorised individuals or committees, prior to commitment.
- *Independence*: Clear separation between commercial and risk management functions.
- *Transparency*: The Bank's risk management structures, policies and procedures are transparent, and are based on consistent principles, in written form, and are communicated throughout the Bank.

- *One obligor total*: Approval authority is determined by the total exposure to a borrower, taking into account all other entities that form a coherent group with that borrower based on shareholdings and/or management control.

- *Committee*: Decisions regarding policy, product, portfolio, large or high risk exposures are taken by an appropriate committee.

- *Approval Authority*: Authorities are delegated by the Board, through the Bank's GCEO, and reflect the delegate's (committee or individual) level of expertise and seniority.

- *Business responsibility*: Business segments are responsible for selection of clients and for managing all of the business activities with such clients within approved limits. Risk appetite is controlled through the Bank's risk limit structures at Bank, business segment and portfolio levels.

Risk Committees

The Bank's governance structure is headed by the Board. The Board evaluates risk in co-ordination with the GCEO, the BRC, the BEC and the BACC, and various other management committees.

The Board has overall responsibility for risk management in the Bank. The Board has established a number of Board committees and management committees to co-ordinate day-to-day risk management. These committees are responsible for formulating the Bank's risk management policies, while the implementation of such policies is carried out by the Risk Group, headed by the Chief Risk Officer.

Board Committees

The Board has established committees which are delegated to undertake specific responsibilities and are authorised to act on behalf of the Board. There are four Board Committees: the BRC, BEC, BACC and BRNGC. The BRC is comprised of three Board members and is responsible for all aspects of the Bank's risk management, including, but not limited to, credit, interest rate, liquidity, operational, strategic and reputational risks. The BRC also reviews policies on all risk issues and maintains oversight of all Bank risks through the Management Risk Committee (the "**MRC**"). The BRC is required to meet at least four times a year and two members of the committee comprise a quorum. This should include the Chairman or his designate. The BRC met a total of six times during 2020. The BEC is comprised of four Board members and, in a risk management context, has responsibility for evaluating and approving certain credit facilities and for approving the Bank's investment activities within authorised limits set by QCB guidelines and the Board's internal risk and exposure limits. The BEC is required to meet at least 12 times a year and three members of the committee comprise a quorum. The BEC met a total of 29 times during 2020. The BACC is comprised of three Board members and is responsible for overseeing the quality and integrity of the accounting, auditing, internal control and financial reporting practices of the Bank as well as setting forth compliance and Anti-Money Laundering and Combating Financing of Terrorism ("**AML/CFT**") requirements, and defining criteria and control mechanisms for all activities involving Bank-wide related risks. The BACC is required to meet at least six times a year with two members of the committee comprising a quorum. The BACC met a total of 12 times in 2020. The Board Remuneration, Nomination and Governance Committee ("**BRNGC**") is comprised of three Board members and is responsible for evaluating the Bank's compensation and remuneration framework for Board Members, Executive Management and staff, based on the long-term performance and objectives of the Bank. The Committee is also responsible for recommending Board Members' and Executive Management appointments and conducting the annual self-assessment of the Board and Board Committee's performance. In addition, the Committee is primarily responsible for attending to issues relating to governance. The BRNGC is required to meet at least two times a year with two members of the committee comprising a quorum. The BRNGC met a total of five times during 2020.

Management Committees

Day-to-day risk management is overseen by nine management committees, the MRC, the Management Credit Committee (the "**MCC**"), the Asset Liability Committee ("**ALCO**"), the Investment Committee (the "**ICO**"), the Crisis Management Committee (the "**CMC**"), the Operational Risk Committee (the "**ORC**"), the Information Security Committee (the "**ISC**"), the Technology Risk Committee (the "**TRC**") and the Compliance Risk Committee (the "**CRC**"). The Chief Risk Officer, or a nominated senior deputy on behalf of the Chief Risk Officer, sits on all nine management committees, whose other members are made up from

various members of senior management. The nine management committees report directly to the GCEO or Board designated subcommittee.

MRC

The MRC is the highest management authority on all risk related issues of the Bank. The MRC provides reports on all risk policy and portfolio issues of the Bank and reports to the BRC:

- recommending risk policies and related standards, methodologies, tools, systems, practices and procedures used in managing the Bank's risks;
- recommending portfolio level exposures, risk exposures and limits;
- ratifying new product proposals; and
- monitoring and reviewing all aspects dealing with regulatory and legal compliance at the Bank.

The MRC meets at least eight times a year, or more frequently if the need arises. The MRC comprises the Chief Risk Officer (Chair), Group Chief Executive Officer, Head of Retail and Enterprise Banking, Head of Wholesale Banking, Head of International Banking, Chief Operating Officer, Head of Investments and Strategy, Head of Treasury, Chief Finance Officer and Head of Human Capital.

A quorum is established when five of the voting members are present. It must always include the Chairman of the MRC.

The Chairman of the MRC may, from time to time, invite one or more guests to attend the MRC meetings, if required.

MCC

The MCC is a management committee principally responsible for reviewing all applications for credit facilities (as presented by the Board from time to time) and approving such applications in line with the Bank's business strategy. For better efficiency, the Bank folded the ambit of the Special Assets Management Committee, which was previously responsible for the active management of the Bank's special assets (which are categorised as assets which require extensive monitoring and control in order to minimise risk, prevent losses, maximise recoveries and restore profits through rehabilitation, restructuring, workout, collection or legal actions) into the MCC to better manage the oversight of the vulnerable names in the loan portfolio.

Other key functions of the MCC are:

- where appropriate and where its mandate is insufficient, to recommend applications for credit facilities to the BEC or the Board for approval;
- to ensure a high standard of asset quality and corporate governance;
- to ensure consistent, profitable growth of assets and management of credit risk;
- to expand the credit portfolio with a view to achieving the strategic lending objectives of the Bank as agreed by the Board;
- to establish and oversee subordinate Credit Committees in respect of the Business divisions as appropriate, along with their members and Terms of Reference;
- to ensure risk-taking activities are in line with the Board-approved risk appetite and established limits, as well as the Bank's goals, objectives, and operating plan, consistent with applicable capital, liquidity, and other requirements;
- to ensure an effective risk assessment process is in place, addressing emerging credit risks at an early stage to develop and implement appropriate strategies to mitigate risks before they have an adverse effect on the Bank's safety and soundness, or financial condition;

- to ensure compliance with supervisory regulations, loan-related laws, the Bank's lending policies and credit underwriting guidelines; and
- to ensure minimisation of impairment and maximisation of recoveries across the banking book.

Meetings of the MCC are held mostly on a weekly basis or as required, with the Bank's Chief Risk Officer (or designated alternate) serving as Chairperson of the committee.

ALCO

ALCO is a management committee which is a decision making body for developing policies relating to all asset and liabilities management matters (including but not limited to balance sheet structure, funding, pricing, hedging and capital). Under the overall risk management framework, ALCO is a key component of risk management within the Bank.

Assets and liabilities are to be managed with the objective of maximising shareholder value, enhancing profitability, and protecting the Bank from facing adverse consequences arising from extreme changes in market conditions and failure to comply with regulatory guidelines.

The key functions of ALCO are:

- overseeing the implementation of, liquidity risk and interest rate risk policies and making decisions on strategic direction;
- formulating policies and strategies on the balance sheet structure;
- formulating policies on, liquidity risk and interest rate risk;
- ensuring liquidity risk and interest rate risks are identified, assessed and measured, controlled and mitigated, monitored and managed;
- ensuring balance sheet management related regulatory ratios are complied with; and
- ensuring adequate liquidity and capital for the Bank's business.

In carrying out these key functions, ALCO:

- reviews economic reports and forecasts;
- reviews the Bank's liquidity position and funding mix;
- reviews the Bank's balance sheet structure, evaluates the risk exposure and assesses its potential impact on the profit and loss statement;
- reviews interest rate trends, yields, cost of funds and margins; and
- makes decisions on changes in strategic direction leading to changes in balance sheet composition to achieve a desired structure including:
    - asset allocation strategies;
    - buying and selling of assets, changing liability structure and mix, balance sheet growth, structure and maturity, and hedging;
    - formulating policy guidelines on limits of exposure to liquidity risk;
    - approving transfer pricing between business segments; and
    - ensuring regulatory ratios are managed.

Meetings are held once a month or more frequently if necessary. Membership of ALCO is determined by the GCEO and may be altered depending upon business exigencies. The current membership comprises the

Chief Financial Officer (Chairperson), Head of Retail and Enterprise Banking, Head of Wholesale Banking, Head of International Banking, Head of Investments and Strategy, Head of Risk Infrastructure, Head of Treasury, the Head of Liability Management and Desk Head, ALM and Money Market.

The Chief Financial Officer serves as the Chairperson of ALCO. In his absence, the Head of Treasury chairs the meeting. The Head of Capital Management and ALM acts as the secretary and is a non-voting member. The GCEO may co-opt other members, as required. A quorum is established when three out of five ALCO members that are Executive Management Committee members are present. Approval on all matters requires a decision by a majority vote.

In critical situations and, in the absence of other ALCO members, a minimum of two ALCO members are permitted to deal with extreme volatile operating conditions and such actions need to be ratified by the appropriate Board committees by immediate circulation.

ICO

The ICO is the decision making committee for the Bank's investment activities, with a view to optimising returns, ensuring that the Bank's investment book provides a liquidity buffer for the Bank and mitigates market risk attached to the Bank's investment.

The Bank's investments are managed with the objective of maximising shareholder value, and enhancing profitability on an agreed risk return basis within the constraints imposed by regulatory guidelines promulgated by the QCB.

The key functions of the ICO are to:

- approve investment strategy;
- provide strategic direction for the Bank's investment activities;
- review of the Bank's investment portfolio and its performance;
- approve new investments by the Bank;
- approve limits relating to investment product types and their concentration;
- review economic reports and forecasts;
- decide asset allocation strategies;
- set overall direction and approval criteria for purchase and sale of the Bank's investments; and
- review and recommend investment policy.

Meetings of the ICO are required to be held at least on quarterly basis or more frequently as required, with the Bank's Group Chief Executive Officer serving as Chairperson.

CMC

The CMC is responsible for crisis management including prevention, planning, testing, evaluation and maintenance to mitigate and minimise the consequences. The CMC shall during normal operations:

- provide oversight to the development, maintenance and testing of crisis management and business continuity plans and facilities;
- agree the crisis management and business continuity policy for the Bank;
- provide direction and prioritisation to crisis management and business continuity activities during 'day-to-day' business operational activity;

- review the current status on crisis management and business continuity capability and the issues associated with it, and provide direction and prioritisation on activities to address those issues and any deficiency in the Bank's crisis management and business continuity capability;

- ensure that crisis management and business continuity is considered as part of strategic business decisions;

- promote crisis management and business continuity awareness and education across the Bank;

- ensure crisis management and business continuity planning, maintenance and testing responsibilities are clearly assigned and understood within the business areas;

- review and agree the strategic crisis management assessment and planning information;

- review crisis management and business continuity exercise reports and ensure any actions are prioritised and progressed; and

- ensure maintenance of crisis management and business continuity requirements for systems, facilities and services, are conducted by the business areas in-line with business changes.

A quorum is established when half of the voting members are present. The Chairman of the CMC or deputy chairman, Chief Operating Officer and a member from the risk group is required. Decisions are taken based on simple majority.

ORC

The ORC oversees and facilitates implementation of the Operational Risk Management Framework in the Bank. The resolution of operational risk issues generally involves more than one unit in the Bank and hence a cross functional team is required to address these issues effectively.

ISC

The ISC ensures that executive management has the oversight required to manage cyber risks in alignment with risk appetite, regulatory and governmental mandates.

TRC

The TRC oversees and facilitates the implementation of a technology risk management framework in the Bank. The impacts of technology risk issues are generally felt across more than one unit in the Bank and hence a cross functional team is required to address these issues effectively.

CRC

The CRC facilitates and has oversight over the implementation of the compliance and financial crimes risk management framework in the Bank including the AML/CTF, Sanctions and Fraud controls. The resolution of Compliance and Financial Crimes Control ("**Compliance and FCC**") issues generally involve more than one unit in the Bank and hence a cross functional team is required to address these issues effectively.

The key responsibilities of the CRC include:

- overseeing and facilitating the implementation of the compliance and financial crimes risk management framework in the Bank including the AML/CTF, sanctions and fraud controls;

- reviewing and making recommendations for the approval of the BACC, the Compliance and FCC related policies including the AML/CTF, sanctions and fraud;

- reviewing and approving development and implementation of Compliance and FCC methodologies and tools including the AML/CTF, sanctions and fraud controls;

- reviewing and monitoring the resolution of the Compliance and FCC critical issues including the AML/CTF, sanctions and fraud, and ensuring appropriate mitigation of the compliance risk exposures;

- ensuring customers' risk based rating methodology, KYC data mapping, quality of customers' data is adequately and efficiently maintained and implemented as per the regulatory requirements;
- ensuring that a strong Compliance and FCC management culture exists throughout the whole organisation including the AML/CTF, sanctions and fraud;
- reviewing and recommending prioritisation of agreed actions for mitigation of risks or approving risk acceptance proposals from strategic business units; and
- reviewing external and internal audit reports of the Compliance and FCC functions including the AML/CTF, sanctions and fraud, and ensuring appropriate actions are taken to address the issues highlighted in these reports.

Meetings of the CRC to discuss the compliance agenda are held every month.

Risk Group

The Risk Group works closely with the Bank's business segments to support their activities, while safe-guarding the risk profile of the Bank. The Risk Group provides an independent review of credit facilities, making an assessment of the proposed credit conclusion and risk rating. The Risk Group implements the overarching policies formulated by the Board and management committees and oversees compliance by the business segments with such policies.

The Risk Group is headed by the Chief Risk Officer. The role of the Chief Risk Officer is to enable business growth while safeguarding the risk profile of the Bank. The role's key responsibilities include:

- maintaining oversight of the Bank's corporate credit portfolio to ensure early identification and management of problem accounts;
- recommending a risk management limit and cap structure that ensures quality commercial credit growth in support of approved business plans;
- establishing risk management policies, standards and practices for the approval, measurement, reporting, monitoring and analysis of risk;
- delivering a risk management culture that promotes sound analysis, judgement, flexibility, efficiency and balance between risk and reward;
- recommending exceptions to risk management policies as required;
- reporting all policy exceptions and requesting additional approval on policy exceptions determined to be material; and
- monitoring market developments and advising the Bank of issues which require action.

The Risk Group's primary objectives include:

- ensuring adherence/compliance of individual and portfolio performance to agreed terms and policies;
- instituting prudent control mechanisms (processes and systems);
- approving commercial and consumer credit transactions within its delegated authority;
- ensuring compliance with local legal and regulatory guidelines;
- maintaining the primary relationship with local regulators with respect to risk-related issues; and
- Basel III implementation and considering its impact. As at the date of this Base Prospectus, the Bank has implemented Basel III as mandated by the QCB.

Credit Risk

Credit risk is the risk that a counterparty will fail to discharge its financial obligations to the Bank and will cause the Bank to incur a financial loss. Credit risk is the most important risk for the Bank's business; management therefore carefully manages its exposure to credit risk. Credit risk is attributed to both on-balance sheet financial instruments such as loans, overdrafts, debt securities and other bills, investments and acceptances and credit equivalent amounts related to off-balance sheet financial instruments.

The Bank's approach to credit risk management preserves the independence and integrity of risk assessment, while being integrated into the business management processes. Policies and procedures, which are communicated throughout the Bank, guide the day-to-day management of credit exposure and are an integral part of the business. In relation to Wholesale Banking and SME customer credit risk, the Bank has implemented Moody's Risk Analysis ("**MRA**") system, which is an internal rating platform whereby all corporate customers to whom credit facilities have been extended are assigned a performing customer risk rating ranging from 1 to 7 (plus modifiers) for performing obligors. The MRA system assigns a customer risk rating to a customer based on a number of quantitative and qualitative factors relating to that customer, such as its historical spreads, financial projections, management quality, the industry in which it operates and its standing within that industry. The rating scale also helps determine loan loss provisions, credit pricing decisions and decisions on the composition of the portfolio.

Single obligor lending exposure (for non-governmental borrowers) is limited to 20 per cent. of the Bank's capital base. The credit risk department ("**CRD**") is responsible for the approval of individual credits within its delegated authority, the development of industry and product credit policies, and monitoring, controlling and diversifying credit risk. CRD provides the foundation for sound credit underwriting and portfolio risk management that conforms to the Bank's activities, strategic objectives and its economic and competitive environment.

The Bank places a high degree of importance on clearly written, well distributed and readily accessible policies, procedures and communication of risk issues across the Bank.

The Bank's risk rating framework consists of the establishment of the credit risk rating of the obligor as well as a recovery rating to reflect the degree of collateralisation.

Wherever appropriate, the Bank seeks to obtain collateral or other forms of security to mitigate credit risk. The principal collateral types for loans and advances include mortgages over residential and commercial properties and charges over financial instruments such as debt securities and equities. Longer-term finance and lending to corporate entities tends to be secured, while revolving individual credit facilities are often unsecured. In addition, the Bank will seek to obtain additional collateral in the event that loans or advances become impaired. Collateral held as security for financial assets other than loans and advances is determined by the nature of the instrument. Debt securities, treasury and other eligible bills are generally unsecured, with the exception of asset-backed securities and similar instruments, which are secured by portfolios of financial instruments.

The Bank's credit policies are also structured to ensure that the Bank is not over-exposed to a given client, industry sector or geographic area.

As at 31 December 2020 and 31 December 2019, the percentage breakdown by economic sector of the Bank's gross loans and advances outstanding (not including impairment) was as set out below.

Economic Sector	**As at 31 December**		**As at 31 December**	
	2020	**2019**	**2020**	**2019**
	(QAR thousands)		*%*	
Industry	8,744,189	8,192,341	8.7	9.0
Non Banking financial institutions	931,943	889,305	0.9	1.0
Government and related agencies[(1)]	17,281,688	15,043,939	17.3	16.5
Real Estate	20,503,897	19,002,021	20.5	20.9
Commercial	14,087,952	11,771,123	14.1	12.9
Services	24,494,557	24,616,992	24.6	27.1
Personal	7,416,667	6,414,003	7.4	7.1
Contracting	3,708,763	3,761,738	3.7	4.1
Others	2,838,832	1,231,739	2.8	1.4
	100,008,488	**90,923,201**	**100**	**100**

(1) "**Government**" means state ministries and organisations, and entities which are fully owned by Qatar, such as the Ministry of Economy and Commerce. "**Semi-Government**" means entities which are owned 50 per cent. or more by Qatar, such as Qatar Airways, Ooredoo and Qatar Steel.

(2) Percentage figures are subject to rounding adjustments.

Note 10 to the 2020 Financial Statements provides further information on the Bank's loan portfolio as at 31 December 2020 and 2019, including a breakdown of the portfolio by type of loan and details of impairment charges.

The Bank's non-performing loans and advances to customers ("**NPL**") ratio (gross NPLs as a percentage of gross loans and advances to customers) was 4.3 per cent., as at 31 December 2020, compared with 4.9 per cent., as at 31 December 2019. The Bank's loan loss reserves (i.e. the Bank's allowance for impairment of loans and advances to customers, expected credit losses on loans and advances to customers and risk reserves) as a percentage of gross NPLs as at 31 December 2019 was 113.8 per cent., and as at 31 December 2020, increased to 148.7 per cent. The increase in loan loss reserves was as a result of an increase in risk reserve. As at 31 December 2020, the expected credit losses on loans and advances to customers amounted to QAR 1,521.0 million, an increase of QAR 586.4 million from QAR 934.6 million as at 31 December 2019.

Restructuring policies and practices are based on indicators or criteria that, in the judgement of local management, indicate that payment will most likely continue. These policies are kept under continuous review. Following restructuring, a previously overdue customer account is reset to a normal status and managed together with other similar accounts as non-impaired. The accounts which are restructured due to credit reasons in the past 12 months will be classified under stage 2 under IFRS 9.

Write-offs and transfer of loans and advances to customers of the Bank amounted to QAR 450.5 million for the year ended 31 December 2020. After obtaining QCB approval, the Bank has since transferred the excluded accounts as off-balance sheet items. The Bank is still in the process of pursuing enforcement/legal action to recover the relevant outstanding amounts.

Corporate Credit Risk

Overview

The Wholesale Banking business' client relationship staff and business managers are primarily accountable for managing corporate credit risk and, in conjunction with the Risk Group, for establishing and maintaining appropriate risk limits and risk management procedures.

The Bank's risk charter provides for a system of checks and balances in relation to the extension of corporate credit, including:

- an independent risk management function;
- multiple credit approvers in accordance with the Bank's delegated limits of credit approval authority; and
- an independent internal audit function.

Authority to extend or approve credit facilities is granted to individuals based upon a consistent set of standards of experience, judgment and ability in accordance with the Bank's credit approval policies to date. Individual credit approval authorities are delegated by the Board through the GCEO.

Before any credit facility can be extended it must be approved by at least two authorised persons, one of whom must be from the business segment and one from the Bank's Risk Group. It is the primary responsibility of the relationship manager to ensure the integrity of the credit process, the proper documentation of the credit decision and to manage credit quality.

General lending principles

When considering a request for any proposed corporate lending, considerations which are taken into account by the relationship managers include:

- the integrity of the borrower, including completing "know your customer" checks and obtaining references and credit rating references and business ability;
- the purpose of the loan;
- the amount of the loan;
- the borrower's ability to repay and the source of the repayment monies;
- the duration of the lending and its appropriateness to the proposition;
- the security that is being offered (which may include cash cover, stocks and shares, property or guarantees) **provided that** its value is stable and determinable, it is capable of being readily realised and it has a value in excess of the facilities being provided; and
- pricing.

The relationship manager is responsible for ensuring that continuing conditions of approval are observed and any covenants are complied with and, on the occasion of reviewing an account, that specific confirmation of compliance is made in applications to any higher sanctioning authority.

Every extension of corporate credit must be reviewed at least annually and approved by at least two authorised officers, one of whom must be from the business segment and one from the Bank's Risk Group.

In relation to term loans offered by the Bank (with an original maturity of more than one year), the Bank requires that all credit requests be supported by financial projections including cash flows over the loan life. Typically such loans contain financial covenants and triggers allowing the Bank to accelerate the loan or take other remedial action, in the event of a covenant violation.

Credit-related commitments

The Bank treats guarantees (other than non-financial guarantees) and standby letters of credit as carrying the same credit risk as loans. Documentary and commercial letters of credit, on the other hand, are required to be collateralised by the underlying shipments of goods to which they relate and therefore carry less risk than a direct loan. Commitments to extend credit represent unused portions of authorisations to extend credit in the form of loans, guarantees or letters of credit. With respect to credit risk on commitments to extend credit, the Bank is potentially exposed to loss in an amount equal to the total unused commitments. The likely amount of loss, however, is less than the total unused commitments, as most commitments to extend credit are contingent upon customers maintaining specific credit standards. The Bank monitors the term to maturity of credit commitments as longer-term commitments generally have a greater degree of credit risk than shorter-term commitments.

Specific and Exceptional Risks

The Risk Group is required to be consulted in relation to certain types of credit exposures which involve market, franchise or reputational risks or which require specialised industry or product expertise. Such types of risks include bridge facility commitments, where the primary source of refinancing or repayment is dependent on the successful completion of a transaction dependent on external financing or market conditions such as a syndicated loan, issuance of public debt or equity, or asset sales, or mezzanine and subordinated financings, non-recourse financings secured by subordinated debt or any other obligations that would result in the Bank taking an inferior position to other lenders (other than statutory legal priorities) or have other than a senior debt claim in bankruptcy, which may result in a higher degree of loss for the Bank.

These risks must be addressed and credit approval sought at the appropriate level. It is the responsibility of the relationship manager and the Corporate Credit Risk department to determine if a transaction falls into any of these categories, and, if warranted, to propose for approval accordingly.

Remedial Management

The Bank's aim is to ensure that any sign of deterioration in asset quality is promptly recognised and remedial action initiated. For corporate and commercial accounts, the relationship manager has direct responsibility for knowing the condition of each of the customers within his or her portfolio. In addition, various reports covering daily excess positions, dormancy and loan instalment delinquency must be examined as appropriate on a daily, weekly or monthly basis.

The Bank's early alert process focuses on credits where there exists a higher potential for deterioration, and where a higher than normal level of relationship management and action is required in order to protect the interests of the Bank. It establishes a consistent approach to problem recognition and remedial action. Any obligor may be placed on to the early alert list if circumstances warrant it including, for example, industry alert, deteriorating financial position, credit events or management alert.

The relevant business segment is primarily responsible for promptly identifying problems, and placing credits on the early alert list. Responsibility for the remedial management of such facilities is assigned to a designated relationship manager.

Facilities are reviewed at the early alert meeting led by the MCC and decisions whether to downgrade or exit are documented in the minutes.

The Bank individually assesses each loan for impairment and makes provisions for NPLs in accordance with IFRS and QCB guidelines. Note 4b to the 2020 Financial Statements provides details of the Bank's loan impairments as at 31 December 2020 and 2019.

Every effort is made to recover the full amount of principal, interest (profit and income), fees and related expenses, even after losses have been taken. When all recovery possibilities have been exhausted, a proposal may be made to discontinue further collection efforts. The approval of the GCEO is required for any such discontinuance and any approval is required to be documented in the credit file. Compromise settlements, moratoria and collections other than cash or exchange of assets all require approval at the same level as the original loan. The Chief Financial Officer is required to be advised of any non-accrual, write-offs and recoveries.

Retail Credit Risk Overview

Risk management for retail credit risk is the joint responsibility of the Risk Group and the Bank's Retail Banking segment.

Generally, retail risks are more homogenous in nature and much of the risk management is done at the product programme level as opposed to an individual credit-by-credit analysis. All retail products are documented under a product programme developed by the business segment, outlining the credit criteria.

The Retail Credit Risk department supports the Retail Banking segment in the management of retail portfolios by ensuring that the whole credit cycle is carefully considered and fully documented. A major part of the role is to safeguard the overall integrity of the portfolios and ensure that there is a balance between risk and reward.

Portfolio management is an integral part of the credit process that enables the Retail business to limit concentrations, reduce volatility and achieve optimum earnings.

Specific responsibilities of the Retail Credit Risk department include:

- credit origination and underwriting;
- managing and maintaining retail risk policy and ensuring consistency of standards;
- reviewing and renewing all consumer lending on an annual programme basis;
- developing portfolio monitoring standards;
- maintaining and analysing data on portfolio behaviour, including leading indicators on the levels of delinquency, provisions and write-offs;

- developing scorecards and standards; and
- assisting in the development of a systematic approach to collections.

Approval authority is based on the size of the product programme in question and whether it is a new programme or a renewal. Generally, smaller programmes and certain reviews may be approved by combinations of individuals from the Retail Credit Risk department and from the Retail Banking segment. New, larger programmes must be approved by the MRC.

All other consumer loans which are not part of a product programme, or are exceptions to the approved criteria for a product programme, require the approval of a minimum of two credit signatures, one from the Retail Banking segment and one from the Risk Group.

Credit Origination

In the Retail Banking segment product programmes constitute the basis of virtually all credit to customers. Each programme has a specific target customer segment and risk acceptance criteria are set on a programme by programme basis.

Product programmes are subject to review should there be material changes regarding delinquency levels and bad debt charges.

Product Programme and Approval

Each product programme is reviewed and approved by the relevant business segment, the Retail Credit Risk department and in some cases by the MRC. The product programmes are also reviewed by other areas, such as legal, finance and the operational risk department. In addition, the Bank's market risk function reviews any new products, campaigns and the implementation of process systems for financial and market risk exposures. The Head of the Retail Credit Risk department is responsible for ensuring that the risks associated with a particular product are addressed, and mitigants are put in place.

All lending decisions are made by reference to criteria prescribed for the relevant products.

Lending Criteria

The Bank's policy is to maintain a balanced retail portfolio and avoid retail product concentrations. This is monitored and reported to the MRC.

Prior to releasing a facility in whole or in part, the relevant business segment is required to ensure that all conditions stipulated in the relevant product programme have been complied with and any exceptions are approved at the appropriate level.

Both the relevant business segment and the Retail Credit Risk department are required to monitor limits at individual product, counterparty and portfolio level as specified in the relevant product programme.

Approval Process

The majority of individual personal loan, vehicle loan and credit card credit applications are credit scored utilising scorecards which have been developed in conjunction with Experian, the global consumer lending analytics business. Approval decisions are based solely on that score in all cases where there are no policy exceptions. Where there are exceptions, these are individually approved by at least two authorised officers, one of whom must be a credit officer from the Retail Credit Risk department.

In the case of mortgage loans, all individual applications are individually approved by at least two authorised officers, one of whom must be a credit officer from the Retail Credit Risk department.

A credit officer is one who has been granted a specific level of authority to approve extension of credit on the basis of experience, proven ability and specific duties and responsibilities.

Authorities are required to be clearly documented in relation to the responsibility for, or approval of, credit facilities, introduction or changes to policy, products and procedures, write-offs or any other matter. The manager delegating the responsibility is required to retain appropriate records.

Credit authority is granted to named individuals by way of a credit authority letter which sets out the level of authorities they have been delegated and terms and conditions for their usage. Existing authorities lapse and new authorities are required to be granted when an individual changes his job. Existing authorities delegated by the outgoing jobholder will continue to be valid for the new jobholder until, and unless, amended. Credit approvers are required to ensure that all the credit transactions are approved within the spirit, as well as the letter, of all applicable laws, regulatory controls and policy requirements.

All those delegating credit authority are responsible for monitoring the way in which the delegated officers are exercising their authority.

Collection Management

The early detection of potential problematic accounts is central to the Bank's remedial management. The Bank has rigorous collection procedures in place for retail credits. The objective of the collection phase is to minimise net losses, delinquencies and provisions.

Each business segment has established policies and procedures. These include detailed standards for monitoring and reviewing delinquent customers and must be in full compliance with legal and regulatory requirements.

Each business segment determines, based on account history, the appropriate point in delinquency when it makes sense to commence collection activity on an account from a cost benefit standpoint. The Risk Group provides guidance to the business segments on the approach to be adopted in respect of the restructuring, extension and work-out of problem credits.

Only after all possible recovery avenues have been exhausted are accounts passed on to the legal department for recovery through litigation. Provisions in each case are made based on the prevailing circumstances, the value of any security and the prospects of full or partial recovery. The creation of provisions for doubtful debts is mandated to a large degree by the QCB.

Note 4b to the 2020 Financial Statements provides information on the Bank's customer loans, advances and financing which were past due but not impaired at 31 December 2020 and 2019.

Credit Administration and Control

Ongoing administration of the credit portfolio is an essential part of the credit process, which controls the extension and maintenance of credit. The Credit Administration department supports and monitors the lending activities of the Wholesale and Retail Banking segments and maintenance of all credit limits. The main role of the Credit Administration department is to ensure that credit policies and risk administration processes are carefully adhered to. In addition, the Credit Administration department ensures that all facility and security documentation relating to the Bank's exposure are properly completed and securely maintained as the department also acts as custodian for all security documents for the Bank.

The Monitoring and Control department seeks to maintain the quality of the assets through the continuous monitoring of corporate accounts for overdue status and exceptions and through the periodic evaluation of collateral and security. The Monitoring and Control department generates and circulates various monitoring and exception reports. Furthermore, the responsibilities include authorisation of disbursements under approved facilities, reporting of limit breaches and efficient management of retail risk processes related to the issuance of obligation and clearance letters to retail customers. The risk management department is also responsible for reporting customer provisions and exposure details to the QCB in accordance with QCB guidelines.

Liquidity Risk

Liquidity is the ongoing ability to accommodate liability maturities, fund asset growth and meet other contractual obligations in a timely and cost effective fashion. The Bank's liquidity management involves maintaining sufficient and diverse funding capacity and other sources of cash to meet its obligations to mitigate against fluctuations in asset and liability levels arising from unanticipated events or market turbulence. The primary objective of liquidity risk management, over which ALCO has oversight, is to provide a planning mechanism for unanticipated changes in the demand or needs for liquidity created by customer behaviour or abnormal market conditions. ALCO emphasises the maximisation and preservation of customer deposits and other funding sources. ALCO also monitors levels, trends and significant changes

in deposit rates. Deposit marketing plans are regularly reviewed for consistency with the liquidity policy requirements as deposits comprise the Bank's principal source of funding. ALCO has in place a contingency plan, which is periodically reviewed.

The Bank's ability to raise wholesale and/or long term funding at competitive costs is directly impacted by its credit ratings, which are as follows:

- Moody's: Long Term A3; Short Term P-2 and baseline credit assessment ba1, with stable outlook.
- Fitch: Long Term A, Short Term F1 and viability rating bb+, with stable outlook.
- S&P: Long Term BBB+, Short Term A-2 and stand-alone credit profile (SACP) bb+ with stable outlook.

The Bank has a senior unsecured debt rating of "A3" and a subordinated debt rating of "Baa3" from Moody's. The Bank also has senior unsecured debt rating of "BBB+". Sources of liquidity are regularly reviewed by ALCO to maintain a wide diversification by currency, geography, provider, product and term.

The following table sets out the maturity profile of the Bank's major assets and liabilities. The contractual maturities of assets and liabilities have been determined on the basis of the remaining period at the balance sheet date to the contractual maturity date. They do not take account of the effective maturities as indicated by the Bank's deposit retention history and the availability of liquid funds. Management monitors the maturity profile to ensure that adequate liquidity is maintained.

	As at 31 December 2020							
	Carrying amount	**On Demand / within 1 month**	**1-3 months**	**3 months —1 year**	**Subtotal 1 year**	**1-5 years**	**More than 5 years**	**No maturity**
Cash and balances with central banks	8,278,537	2,890,659	-	-	2,890,659	-	-	5,387,878
Due from banks	10,401,014	5,564,842	1,458,600	2,962,451	9,985,893	415,121	-	-
Loans and advances to customers	96,698,098	10,788,017	2,576,137	10,300,869	23,665,023	19,250,983	53,782,092	-
Investment securities	25,778,211	7,191	461,789	2,527,467	2,996,447	11,154,389	10,808,777	818,598
Investment in associates and a joint arrangement	3,116,557	-	-	-	-	-	-	3,116,557
Property and equipment and all other assets	9,333,298	2,602,763	402,291	-	3,005,054	2,995,151	-	3,333,093
Total	**153,605,715**	**21,853,472**	**4,898,817**	**15,790,787**	**42,543,076**	**33,815,644**	**64,590,869**	**12,656,126**
Due to banks	20,006,985	9,806,955	4,469,548	5,274,050	19,550,553	203,048	253,384	-
Customer deposits	75,789,543	44,038,234	13,707,994	13,857,373	71,603,601	4,185,942	-	-
Debt securities	13,107,134	182,463	2,040,317	3,490,996	5,713,776	6,030,537	1,362,821	-
Other borrowings	14,125,676	216,320	2,205,732	7,959,518	10,381,570	3,512,158	231,948	-
Other liabilities	8,405,896	4,321,852	953,528	2,315,979	7,591,359	814,537	-	-
Total	**131,435,234**	**58,565,824**	**23,377,119**	**32,897,916**	**114,840,859**	**14,746,222**	**1,848,153**	**-**
Difference	**22,170,481**	**(36,712,352)**	**(18,478,302)**	**(17,107,129)**	**(72,297,783)**	**19,069,422**	**62,742,716**	**12,656,126**

Off-balance sheet items

The dates of the contractual amounts of the Bank's off-balance sheet financial instruments that commit it to extend credit to customers and other facilities are summarised in the table below. Financial guarantees are included based on the earliest contractual maturity date and capital commitments for the acquisition of buildings and equipment are also summarised in the table below.

	As at 31 December 2020		
	Less than 1 Year	**More than 1 Year**	**Total**
		(QAR thousands)	
Loan commitments	1,914,115	2,551,019	4,465,134
Guarantees and other financial facilities	8,339,842	11,740,402	20,080,244
Capital commitments	127,548	-	127,548
Total	**10,381,505**	**14,291,421**	**24,672,926**

Market Risk

The Bank is exposed to market risk, which is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The Bank faces a range of market risks including currency risk, interest rate risk, equity price risk and other price risks. Each of these is described in more detail below. The Bank separates exposures to market risk into trading portfolios.

The Bank's proprietary investments are managed according to the Bank's internal investment policy, which has been approved by the Board and drafted in accordance with QCB guidelines. The Bank's trading activities are conducted by its Treasury and Investments and Commercial Bank Financial Services divisions. These activities are subject to guidelines and policies. The Bank employs several techniques to measure and control its risk taking activities including sensitivity analysis and position limits.

The maximum limit of the Bank's total proprietary investment portfolios is restricted to 25 per cent. of the Bank's capital and reserves as per QCB guidelines. Investment policy is reviewed by the Board annually and day to day limits are independently monitored by the Risk Group. Investment decisions are driven by the investment strategy, which is developed by the business with oversight and approval by ALCO and the Board.

As part of the management of market risk, the Bank may implement hedging strategies, such as interest rate swaps to hedge interest rate sensitivity, where the selected hedging instrument and strategy depend on the type of interest rate and the nature of the cash flow of the hedged item. The major measurement techniques used to measure and control market risk are outlined below.

Value at Risk

The Bank applies a 'value at risk' methodology (the "**VaR**") to its trading portfolios to estimate the market risk of positions held and the maximum losses expected, based upon a number of assumptions for various changes in market conditions. The Bank's trading portfolio includes available-for-sale financial investments and equity instruments held for trading. Other than local and GCC equity securities, the Bank does not actively trade in these instruments. The Board sets limits on the value of risk that may be accepted for the Bank, which is monitored on a daily basis by the Bank's Market Risk Segment.

VaR is a statistically based estimate of the potential loss on the current portfolio from adverse market movements. It expresses the 'maximum' amount the Bank might lose, but only to a certain level of confidence (99 per cent.). There is therefore a specified statistical probability (1 per cent.) that actual loss could be greater than the VaR estimate. The VaR model assumes a certain 'holding period' until positions can be closed (10 days). It also assumes that market moves occurring over this holding period will follow a similar pattern to those that have occurred over 10-day periods in the past. The Bank's assessment of past movements is based on data for the past five years. The Bank applies these historical changes in rates, prices, indices, etc. directly to its current positions - a method known as historical simulation. Actual outcomes are monitored regularly to test the validity of the assumptions and parameters/factors used in the VaR calculation.

Stress tests

Stress tests provide an indication of the potential size of losses that could arise in extreme conditions. The stress tests carried out by the Bank's risk management department cover credit, market, liquidity and capital stresses under 14 different scenarios on a semi-annual basis in June and December every year. The results of the stress tests are reviewed by senior management in each business segment and by the Board.

Foreign Currency Risk

Foreign currency risk is the risk of loss that results from changes in foreign exchange rates. The Bank's exposure to foreign currency risk mainly relates to currencies other than U.S. dollar as it is currently pegged to Qatari riyal, and is strictly controlled by market risk and structural risk management policies which govern the maximum trading and exposure limits that are permitted.

The tables below set out the Bank's currency exposure as at 31 December 2020 and 31 December 2019, on a standalone basis.

As at 31 December 2020

	Qatari Riyals	**U.S. Dollars**	**Euro**	**Pounds Sterling**	**Other Currencies**	**Total**
On balance sheet			*(amounts expressed in thousand QAR)*			
Assets	95,285,437	35,143,868	2,130,339	307,882	4,315,435	137,182,961
Liabilities and total equity	(76,747,603)	(51,037,417)	(4,413,723)	(606,152)	(4,378,066)	(137,182,961)
Net Currency Position	**18,537,834**	**(15,893,549)**	**(2,283,384)**	**(298,270)**	**(62,631)**	-

As at 31 December 2019

	Qatari Riyals	U.S. Dollars	Euro	Pounds Sterling	Other Currencies	Total
On balance sheet		*(amounts expressed in thousand QAR)*				
Assets	90,936,209	33,048,491	2,806,542	304,757	4,473,969	131,569,968
Liabilities and total equity	(83,674,401)	(41,554,016)	(3,120,860)	(804,610)	(2,416,081)	(131,569,968)
Net Currency Position	**7,261,808**	**(8,505,525)**	**(314,318)**	**(499,853)**	**2,057,888**	**-**

Note 4d (iii) to the 2020 Financial Statements contains a foreign exchange rate movement sensitivity analysis as at 31 December 2020 and 2019.

Interest Rate Risk

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate because of changes in market interest rates. The Bank is exposed to both these risks. The Board sets limits on the level of mismatch of interest rate re-pricing that may be undertaken, which is monitored daily by the Bank's Treasury and Investments division.

The asset and liabilities management process, managed through ALCO, is used to manage interest rate risk associated with non-trading financial instruments, principally loans and advances to customers and customer deposits. Interest rate risk represents the most significant market risk exposure of non-trading financial instruments. The Bank's goal is to manage interest rate sensitivity so that movements in interest rates do not adversely affect its net interest income.

The Bank's risk measures include monitoring of limits by the Market Risk department, maturity profile analysis, duration gap management, earning sensitivity scenarios and interest rate scenarios. Risk is further mitigated through the re-pricing of assets and liabilities based on decisions taken by ALCO.

Equity Price Risk

Equity price risk arises from the change in fair values of investments. The Bank manages equity price risk according to its internal investment policy, which has been approved by the Board and drafted in accordance with QCB guidelines. Trading activities are subject to strict guidelines and policies. The Bank employs several techniques to measure and control activities, including sensitivity analysis and position limits. Investment policy is reviewed by the Board annually and day-to-day limits are independently monitored by the Market Risk department. Investment decisions are driven by the investment strategy, under IC oversight and approved by the Board. Note 4d (iii) to the 2020 Financial Statements contains a price movement sensitivity analysis as at December 2020 and December 2019.

Other Price Risk

The Bank manages some of its customers' investments either directly or in the form of investment portfolios. The management of these investments by the Bank could lead to legal, moral and operational risks. Accordingly, the Bank takes necessary measures to control these risks.

Management of clients' investment portfolios is guided by the terms and conditions recorded in written agreements signed by the respective clients. These portfolios are primarily invested in fixed income, capital guaranteed or coupon paying structures. Proper records for such portfolios are maintained in accordance with QCB guidelines and standard accounting practices. The operations of these portfolios are reviewed annually by external auditors to identify any lapses in regulatory compliance, as well as by the Bank's Internal Risk Audit function.

Derivatives

In the ordinary course of the Bank's business, the Bank enters into a range of transactions that involve derivative instruments. The positions accumulated from customer activity are always passed on to other entities in the market and the Bank does not carry open positions. The Bank also enters into derivative transactions in order to hedge the currency, interest rate and cash flow risks as part of its asset and liabilities management activities. This hedging may be in respect of specific financial instruments, forecasted transactions or strategic hedging against overall balance sheet exposures. Note 36 to the 2020 Financial Statements contains further information on the Bank's derivative exposures at 31 December 2020 and 2019.

*Operational Risk Management ("**ORM**")*

Operational risk is the risk of a direct or indirect loss resulting from the inadequacy or failure of internal processes, people and systems or from external events. The Bank endeavours to minimise operational losses by ensuring that effective infrastructure controls, systems and individuals are in place throughout the organisation. The MRC co-ordinates the Bank's operational risk policy.

The Bank's ORM strategy, developed by the MRC, is in line with the Basel Committee on Banking Supervision requirements, including Basel III, and regulations issued by the QCB. It provides for identification, measurement, implementation and reporting of operational risks and allocates ORM responsibilities. The Bank's managers at all levels are accountable for managing the operational risks within their direct areas of responsibility and all policies are reviewed regularly, at least annually. Operational risks are embedded in both management of day-to-day business practice and also with respect to new project activities. ORM staff liaise with support segments (for example, the internal audit segment) and external parties (for example, regulators) and also seek to raise intra-Bank awareness of ORM issues.

The Bank's ORM is divided into three areas: policy setting (for which the MRC is responsible), execution (which is addressed at management level) and verification (which is the responsibility of internal auditors). At the policy setting level, any deviations from the ORM are addressed and compliance with regulatory requirements is reviewed. At the execution level, the Chief Risk Officer heads the Risk Group in implementing policies and ensuring that a coherent risk management culture prevails in the Bank. Finally, ORM staff verify and report on standards within the Bank, deal with any training and benchmarking requirements, assist the business segments in interpreting ORM policy and addresses matters of best practices and governance.

The main procedures used to reduce operational risks include:

- the establishment and implementation of bank policies and procedures, including the recording of any approval granted for any deviation from these;
- the audit of bank operations and transactions consummated; the use of confidentiality clauses and software licensing;
- the implementation of measures ensuring information protection and limited access to informational systems under an information security management system;
- the implementation of measures ensuring physical security of the premises and valuables of the Bank and access control (including the careful safekeeping of all vital records in digital format or under fire resistant storage);
- the clear segregation of duties and access to information, including the appointment of nominated owners of information with corresponding accountability provisions;
- the use of operational database reporting of any incidents, including near miss incidents; the management of crises and business continuity in the event of disruption; and
- the reduction of employee related risks, including establishing criteria for employee hiring, screening and staff training and development.

Key risk indicators have been instituted across the Bank at business segment and divisional level and these act as early warning indicators to alert business owners in order for necessary action to be taken to mitigate the risk. The established threats and vulnerabilities dashboard has been enhanced and is pending release. The established threats and vulnerabilities dashboard represents known risks that the Bank may be exposed to for which the Risk Group monitors, seeks business stakeholder updates and tracks to closure.

Reputational risk is another major risk facing financial institutions. The Bank measures complaints on a monthly basis through the use of risk management indicators. The Bank does not, however, set aside a capital charge for such purposes.

The ORM segment also implements a risk self-assessment process, which is managed at the Executive General Manager level and which covers all of the Bank's products. This involves a process of systematic monitoring, whereby material operational risks are addressed under the guidance of the ORM segment,

while new products have to undergo an operational risk application process on an *ad hoc* basis prior to becoming operative.

Regulatory and Legal Compliance

Regulatory and legal risk is the risk of losses occurring due to regulatory or legal action that invalidates or otherwise precludes performance by the Bank or the counterparty under the terms of its contractual agreements. The Bank seeks to mitigate this risk through the use of properly reviewed standardised documentation and appropriate legal advice in relation to its non-standardised documentation.

All employees are required to comply not just with the letter but also the spirit of all relevant legal and regulatory requirements and of the Bank's business standards. Business segments are required to consult and co-ordinate with legal counsel and/or compliance officers about the launch of any new product or any significant feature changes to ensure compliance with local laws and regulations.

The Retail Credit Risk segment co-operates with the local compliance segment in monitoring activities to ensure ongoing policy and legal compliance of credit related activities.

Confidentiality & Data Protection

The Bank is under a duty of confidentiality to all of its customers and takes the greatest care to respect the confidentiality of customer information. Unless legally permitted, no customer information is disclosed to third parties or, within the Bank, to different companies or branches in other countries.

Compliance Risk Management

Compliance risk is the risk to reputation, earnings or capital arising from the violation or failure to comply with laws, regulations, policies, practices and ethical standards.

The Bank has established an independent compliance and financial crimes control ("**FCC**") function which ensures the implementation of local regulatory and statutory requirements. The compliance segment co-ordinates the establishment of corporate governance practices, the implementation of proper disclosure standards, adherence to best practices and the management of conflicts of interest. It also works closely with the anti-money laundering and counter financing of terrorism ("**AML/CFT**") segment.

The compliance function performs its duties in accordance with local regulations, the Basel Committee on Banking Supervision requirements and FATF recommendations.

The Bank has a process in place for line management to ensure that all compliance risks are being monitored, and that any breaches are promptly identified. A further check is provided by the compliance function to periodically satisfy itself that the monitoring conducted by the business is performed effectively.

*Anti-Money Laundering and Counter financing of Terrorism ("**AML/CFT**")*

Money laundering is the process by which criminals attempt to hide and disguise the true origin and ownership of the proceeds of their criminal activities. The term "money laundering" is also used in relation to the financing of terrorist activity (where the funds may, or may not, originate from crime).

The Bank has established standards that require its businesses be covered by a written AML and CFT programme that provides for policies, procedures and internal controls to effect compliance with applicable laws.

The Bank has implemented strict customer due diligence policies and procedures and business segments are precluded from establishing a new business relationship until all the relevant parties to the relationship have been identified. The Bank has also established a programme of compliance awareness training for staff and has complied with the requirements of the QCB.

The Bank has established an AML/CFT Risk Appetite and Tolerance policy setting up limits for dealing with high risk customers and jurisdictions. These limits are monitored on a monthly basis at meetings of the Compliance Risk Committee and Board Audit and Compliance Committee.

*Know Your Customer ("**KYC**")*

The Bank's KYC policies, procedures and internal controls are designed to:

- verify customer identification evidence confirming the identity of and obtaining sufficient information on customers in order to be able to identify the ultimate beneficial owner and to conclude that they are reputable and involved in legitimate business activities and not "listed" in sanction and warning lists applicable in Qatar, UN, OFAC and EU;
- establish the reason for the relationship, a clear understanding of the purpose of the account and the nature of the customer's business or employment, including the position held;
- determine that sources of wealth/funds are derived from legitimate sources;
- determine the anticipated volume and level of activity to be conducted across the account;
- maintain the necessary information and documents to satisfy regulatory and best practice requirements;
- prevent accounts being opened or transactions processed until the personal or commercial identity of the individual or legal entity opening the account has been established and verified;
- ensure all beneficial owners of any account, power of attorney holders, or trustees are also checked;
- ensure that where any outstanding identity verifications (individual and commercial) cannot be resolved the relevant accounts are reported to the compliance and FCC for appropriate decision and action;
- ensure that accounts are reviewed and reported if it is suspected that the account is funded or the account holders are involved in any illegitimate income/activity;
- ensure that accounts can only be opened after face to face meetings and that customers are subject to interview and identify verification; and
- ensure that no account should be opened or retained if there is any evidence of the account being used for any type of "Alternative Remittances", for example, the Hawala remittance system.

The Bank's KYC procedures form a fundamental part of its AML/CFT-Weapons of Mass Destruction Proliferation ("**WMDP**") internal control regime. The procedures are intended to reduce the risk of accounts being used for money laundering or terrorist financing and to help identify suspicious transactions. They are also intended to protect the Bank against financial crimes like fraud and other reputational risks. The Bank's KYC procedures always require customer identification (evidence of identity and address) and, depending on the risk associated with an account, they may also extend to a more detailed due diligence about the customer and the business.

The Bank's AML and CFT strategy is defined by a set of key principles:

- *Culture*: Promote an AML and CFT culture within the Bank;
- *Engagement*: Co-ordinate action between all branches, divisions, business segments and subsidiaries to ensure proper implementation of the KYC policies;
- *Technology*: Enhance AML/CFT detection and monitoring processes by utilising modern technologies;
- *Effectiveness*: Maintain an effective system of control for assessing the AML and CFT- WMDP programme;
- *KYC*: Sound KYC policy to enable the Bank to form a reasonable belief that it knows the true identity of each customer, while implementing a risk based approach for clients; and

- *Training*: Maintain a robust training programme to ensure that the Bank's employees recognise their AML/CFT responsibilities under the prevailing AML/CFT laws.

Further, the Bank conducts an independent audit, through the Internal Audit department, of the written AML, CFT - WMDP and other FCC compliance programme by testing specific compliance functions and evaluating pertinent management information systems. The audit aims to assist management in identifying areas of weakness or areas where there is a need for enhancements or stronger control.

Customer Acceptance Policy

The Bank policy for acceptance of new customers takes into consideration their activity, related accounts, and any other relevant indicators. The policy includes adequate investigation of customers in accordance with their associated risk. The investigation is carried out according to the following general rules:

- the Bank does not open accounts or deal with customers of unknown identity or which have fictitious or unreal names;
- staff should identify and verify the customer's and actual beneficiary's identity whether the customer is a natural or juridical person;
- staff should apply due diligence procedures for customers and actual beneficiaries in each of the following cases:
    - establishing a continuous business relationship with new customers;
    - a customer making a casual transaction (or several transactions that seem to be related) for an amount exceeding QAR 50,000 or its equivalent in foreign currencies; and
    - where the Bank has any suspicion in respect of the accuracy or adequacy of the information obtained in relation to the customer's identity;
- the Bank should not enter into a business relationship or execute any transactions before applying due diligence procedures stipulated in these instructions;
- the Bank may postpone the verification of the customer's identity until after the establishment of the business relationship, **provided that** the verification takes place as soon as possible for low risk customers, that this postponement is necessary for business requirements and provided there is sufficient control of AML and CFT risks;
- where the Bank enters into a business relationship with the customer and cannot complete the verification procedures, the Bank should terminate this relationship and consider notifying the Qatari Financial Information Unit immediately as stipulated below; and
- the Bank should maintain valid customer identification information, as well as conduct an update to customer due diligence every one, two, and three years for high, medium and low risk customers, respectively, at a minimum. In the event of any doubt about the identity information or about the customer himself, the Bank will conduct enhanced due diligence. The Bank should also obtain a declaration from the customer declaring the actual beneficiary and informing the Bank of any change in his/her personal data, and an undertaking that he/she shall provide the Bank with the relevant supporting documents.

Basel III

As at 31 December 2020, the Bank is in compliance with Basel III as implemented by the QCB, having adopted the Standardised Approach for credit risk, the Basic Indicator approach for operational risk and the Standardised Approach for market risk. Compliance methodology with regard to Pillar II risks and the Internal Capital Adequacy Assessment Process under Basel III is being implemented as mandated by the QCB.

The Bank is monitoring risk adjusted profitability on a transaction by transaction basis. This methodology is planned to be gradually increased to portfolio levels. In parallel to the regulatory approaches, the Bank

is evaluating the gradual adoption of an economic capital regime so as to reflect its portfolio risks more accurately.

The Bank uses an enterprise-wide risk management philosophy. A risk appetite statement reflecting the Bank's profile by linking the business strategy with coherent forward-looking risks factors is under process.

Following implementation of Basel III by the QCB and in order to ensure continued compliance with the requirements of QCB, the Bank has established a Basel III Steering Committee with representation from each of the Risk, Finance, Treasury and Investments and IT departments.

As at the date of this Base Prospectus, under statutory reporting, banks in Qatar report the LCR, and under the "observation period" the NSFR and LR and the periodic reporting requirements of the QCB in relation to such ratios (see "*Risk Factors – Risks Relating to the Bank - The Bank may be subject to increased capital requirements or standards due to new governmental or regulatory requirements and changes in perceived levels of adequate capitalisation, and may also need additional capital in the future in the event of worsening economic conditions, which capital may be difficult to obtain"*).

As at 31 December 2020, the Bank's results were satisfactory with its CAR standing at 17.8 per cent. and above the QCB requirements of a minimum CAR of 14 per cent.

The Bank completed its first international Additional Tier 1 Capital issuance in March 2021 by issuing U.S.$500,000,000 unsecured perpetual non call five-year instruments (the "**2021 AT1 Instrument**") in accordance with Basel III rules and regulations and QCB instructions. In addition to the 2021 AT1 Instrument, the Bank previously issued Additional Tier 1 Capital in February 2016 by issuing QAR 2.0 billion unsecured perpetual non-cumulative unlisted Tier 1 instruments and in December 2013 by issuing QAR 2.0 billion unsecured perpetual non-cumulative unlisted Tier 1 instruments (the "**AT1 Instruments**") in accordance with Basel III rules and regulations and QCB instructions. The Bank's prior Additional Tier 1 Capital issuance in December 2013 of QAR 2.0 billion unsecured perpetual non-cumulative unlisted Tier 1 instruments was the first such issue in Qatar and in the Middle East under the Basel III regulations. The 2021 AT1 Instrument and AT1 Instruments rank junior to all unsubordinated payment obligations of the Bank, including depositors, and to all subordinated payment obligations of the Bank which rank, or are expressed to rank, senior to the claims in respect of the 2021 AT1 Instrument and the AT1 Instruments, *pari passu* to all current and future subordinated obligations of the Bank which rank, or are expressed to rank, *pari passu* with claims in respect of the 2021 AT1 Instrument or the AT1 Instruments and senior to the rights and claims of holders of the issued ordinary shares of the Bank and all payment obligations of the Bank in respect of its other Common Equity Tier 1 Capital. The 2021 AT1 Instrument and the AT1 Instruments have no fixed redemption date and the Bank is only able to redeem the instruments in limited circumstances, namely regulatory/tax redemption and other general redemption conditions, that would ordinarily be expected to be seen in such instruments, solely at the Bank's discretion and subject to the QCB's approval. The Bank may be required to write-off the 2021 AT1 Instrument or the AT1 Instruments if a "loss absorption" event is triggered.

Internal Audit

The Bank has its own Internal Audit department which reports directly to the Board, through the BACC, in order to ensure its independence. Its mandate and authority are derived from the Internal Audit Charter, which has been approved by the BACC and ratified by the Board. The Chief Internal Audit Officer is nominated by the BACC and submits periodic reports directly to the BACC and other senior management.

The responsibilities and scope of the Internal Audit department function are to assess the adequacy, effectiveness and efficiency of the control structure across all parts of the Bank and to report to management and the BACC where it identifies weaknesses which are not properly resolved by the relevant businesses. The audit work undertaken by the Internal Audit department assesses both the adequacy of the underlying controls to manage and mitigate key risks, and also the adequacy of adherence to those controls, including compliance with external laws and regulations.

Additionally, the Internal Audit department is also tasked with: (i) performing a scheduled audit of branches, departments, divisions, products, processes, systems, procedures and controls in conformity with the annual audit plan agreed with and approved by the BACC; (ii) performing independent assessments of the quality of the Bank's various credit portfolios; and (iii) providing consulting services to the Bank's Executive Management and businesses such as special reviews of new projects, systems, applications,

outsourced facilities, and policies and procedures. The Internal Audit department also assists with investigations and other assignments at the request of either the BACC or the Bank's senior management. A credit review team exists within the Internal Audit department to perform independent assessment of the quality of the Bank's various credit portfolios.

BANKING INDUSTRY AND BANKING REGULATION IN QATAR

Qatar

Unless otherwise indicated, information in this section has been derived from QCB publications and the QFC annual report and website.

Qatari Banking Sector

Overview

As at 31 December 2019, the Qatari banking sector (outside the QFC) comprised 17 banks, including five conventional commercial banks, four exclusively Islamic banks, one development bank and branches or subsidiaries of seven foreign banks focusing mainly on trade finance, foreign currency operations and state-related business. On 21 April 2019, the QCB issued its final approval in respect of a merger between International Bank of Qatar (P.Q.S.C.) and Barwa Bank (P.Q.S.C.) therefore reducing the number of banks to 17 banks. According to QCB estimates, as at 31 December 2019, Qatar National Bank (Q.P.S.C.) ("**QNB**"), which is 50 per cent. Government owned, had a market share of approximately 65.3 per cent. of total loans and advances. As at 31 December 2019, Qatar, the domestic banking sector's biggest customer, was the single largest shareholder in QNB with a 50 per cent. stake.

According to QCB estimates, the Bank is the second largest conventional commercial bank in Qatar with an approximate market share of 8.5 per cent. of the total assets of the Qatar banking market as at 31 December 2019, followed by three smaller commercial banks (Ahli Bank Q.P.S.C., Doha Bank P.Q.S.C. and Al Khalij Commercial Bank (al khaliji) P.S.Q.C.). In addition to the commercial banks, Qatar Development Bank was established by the Government in 1997 with the aim of playing an active role in economic and industrial development by promoting and financing small and medium-sized industrial projects.

Qatar is also served by four exclusively Islamic banks (outside the QFC): Qatar Islamic Bank (Q.P.S.C.), Qatar International Islamic Bank (Q.P.S.C.)., Masraf Al Rayan (Q.P.S.C.) and Barwa Bank (P.Q.S.C.).

Based on QCB figures, as at 31 December 2019, the Qatar commercial banking system had total assets (conventional and Islamic) of QAR 1,550.0 billion compared to QAR 1,418.0 billion as at 31 December 2018. Total Qatari bank deposits as at 31 December 2019 stood at QAR 849.0 billion, compared to QAR 810.3 billion as at 31 December 2018 and total loans and advances were QAR 1,039 billion as at 31 December 2019 compared to QAR 940.4 billion as at 31 December 2018.

Commercial Banks

The commercial banks in Qatar are building retail banking and investment banking capabilities to generate future returns. Most have also invested in the development of staff skills and upgraded management information systems, enabling them to improve the quality of service they provide to their clients. After Government, semi-Government and corporate clients, the consumer market remains the key lending focus. Consumer loans are customarily tied to salary transfers from bank-approved institutions and repayments are ensured by direct deduction, under standing orders, from monthly salary credits. The Qatar retail banking market is becoming increasingly competitive and challenging, with all banks expanding their retail banking operations.

The amount of credit extended by commercial banks to the private sector in Qatar grew by 19.5 per cent. in 2019 and was QAR 646,708 million as at 31 December 2019. According to the QCB Quarterly Statistical Bulletin (March 2020), as at 31 December 2019, credit extended to the real estate sector amounted to 22.8 per cent. of total private sector credit extended by commercial banks, while credit extended to the general trading sector and credit classified as "consumption" amounted to 20.4 per cent. and 21.2 per cent. of total private sector credit, respectively. During 2019, according to the QCB, the amount of credit extended to the real estate reduced by 1.7 per cent. while the amount of credit extended to the general trade and consumption sectors grew by 57.3 per cent. and 7.9 per cent., respectively, while there was not much movement on general trade.

On 30 June 2020 Al Khalij Commercial Bank (Al khaliji) P.S.Q.C. and Masraf Al Rayan (Q.P.S.C.) announced the potential merger between the two banks and they subsequently announced the entry into of

the merger agreement on 7 January 2021, which is conditional on, amongst other things, regulatory and internal approvals.

International Banks

Qatar's foreign banks compete for the same business as local banks but operate under certain restrictions. The lending limits of foreign banks are based on their local capital base. However, the foreign banks have traditionally obtained guarantees from their head offices when credits exceed their legal lending limits.

Some of the foreign multinational banks have started to increase their presence in the Qatar market and some have established offices in the QFC and are targeting the financing of major infrastructure projects. Other international banks often take part in transactions in Qatar on a cross border basis.

Bank Expansion

Going forward, it is expected that the number of banks operating in Qatar will increase further as more foreign banks are expected to establish a presence in the QFC. Qatari banks are seeking to expand overseas in an effort to diversify away from the domestic market.

Qatar Financial Centre ("QFC")

The QFC commenced operations on 1 May 2005, under Law No. (7) of 2005, in order to attract international financial institutions and multinational firms to Qatar in order to grow and develop the market for financial services in the region. The QFC is targeting global institutions relevant to the energy sector and other key sectors of Qatar's economy and which have expertise in banking, insurance, asset management, financial advisory services, securities and derivatives dealing, and Islamic finance. Unlike other financial centres in the region, the QFC is an onshore financial and business environment. QFC provides a low-tax environment, with a 10 per cent. charge on local source business profits effective 1 January 2010 and 100 per cent. foreign ownership and profit repatriation are both permitted. QFC companies in which Qataris own at least 90 per cent. of the share capital may elect to be charged at the concessionary rate of 0 per cent. subject to the payment of a concessionary rate charge determined by the value of the share capital.

The QFC comprises: the Qatar Financial Centre Authority ("**QFCA**"), the QFCRA, the QFC Civil and Commercial Court and the QFC Tribunal. The QFCA determines the commercial strategy of the QFC and is responsible for legislation and compliance matters relating to the QFC legal environment. The QFCRA regulates, authorises, supervises and, when necessary, disciplines banking, securities, insurance and other financial businesses carried on in, or from, the QFC. The QFCRA also registers and supervises the directors and other designated officers of the businesses authorised by it. The QFCRA's regulatory approach is modelled closely on that of the United Kingdom's Financial Conduct Authority. The QFC Civil and Commercial Court has jurisdiction over civil and commercial disputes arising between: (i) entities established within the QFC; (ii) employees or contractors employed by entities established in the QFC and the employing entity; (iii) QFC entities and residents of Qatar; and (iv) QFC institutions and entities established in the QFC. The QFC Civil and Commercial Court will also take into account the expressed accord of the parties that the court should have jurisdiction. The QFC Tribunal hears appeals against decisions of the QFCRA, the QFCA and other QFC institutions. The Qatar International Court and Dispute Resolution Centre offers international arbitration and mediation services. The QFCA, the QFCRA, the QFC Civil and Commercial Court and the QFC Tribunal are all statutory independent bodies reporting to the Council of Ministers.

Firms operating under the QFC umbrella fall into two categories: (i) those providing financial services, which are regulated activities; and (ii) those engaged in non-regulated activities. QFC-registered banks are currently subject to restrictions on their local banking activities and, as a result, they cannot open full service branches or deal with retail customers in Qatar. All QFC firms must apply to the QFCA for a business licence to conduct a permitted activity in, or from, the QFC. Firms planning to conduct regulated activities also need to apply to the QFCRA for authorisation. The operations of the Company Registration Office are handled by the QFCA.

Financial institutions licensed by the QFCRA as banking business firms are authorised to conduct banking business including, among other things, deposit taking and providing credit facilities. Under the QFC licensing policy, such institutions are currently prohibited from conducting retail banking with, or on behalf of, retail customers unless they obtain authorisation from the QFCRA. Financial institutions authorised by

the QFCRA as investment management and advisory firms will be authorised to conduct activities such as dealing in investments (as agent), managing investments and providing custody services, amongst other things, depending on the scope of the authorisations.

Government involvement in the Qatar Commercial Banking Sector

The Government has in the past taken steps to increase liquidity in its domestic commercial banking sector.

For example, in October 2008, the QIA announced its plan to acquire equity ownership interests of between 10 per cent. and 20 per cent. in all domestic banks listed on the QSE. To that end, in February 2009, the Bank announced an allocation and sale of 5 per cent. of its ordinary shares to the QIA. The QIA subsequently transferred its interest in the Bank to an associated company, Qatar Holding, and Qatar Holding subsequently increased its holding in the Bank's ordinary shares to approximately 16.83 per cent.

In addition, in March 2009, the Government assisted the banking sector by purchasing the domestic equity portfolios of seven of the nine domestic banks listed on the QSE. The Bank sold its entire portfolio of Qatar equity securities, which had a net book value of QAR 937.9 million to the Government, which paid QAR 417.8 million in cash and provided a five-year bond of QAR 520.1 million, which carried a coupon of 5.5 per cent., as part consideration for the value of the securities sold.

Additionally, in June 2009, the Government announced that it would purchase the portfolios of real estate loans and other assets of commercial banks listed on the QSE. The Government offered to purchase the portfolios at their net book values. The Bank sold real estate loans and advances and other related exposures to the Government with a net book value of QAR 3,043 million. The Government paid QAR 188 million in cash and provided QAR 2,855 million in Government bonds in consideration for the assets sold.

On 17 January 2011, the Bank received funds from Qatar Holding in subscription for a further issue of shares in the capital of the Bank. The issue involved the placement of 20,620,530 additional ordinary shares at a price of QAR 78.30 per share, being the price at which previous placements to Qatar Holding have been made and increased Qatar Holding's shareholding in the Bank to 16.67 per cent. The placement was ratified at the General Assembly of the Shareholders held on 21 February 2011 and the new shares were issued thereafter. The new shares issued were not entitled to a dividend in respect of the 2010 financial year only.

Interest rates

The QCB utilises three different interest rates: a lending rate, a deposit rate and a repo rate. The lending rate applies to the lending facility through which commercial banks can obtain liquidity from the QCB. The deposit rate applies to the deposit facility through which commercial banks can place deposits with the QCB. Both of these facilities may be rolled over to the next day, when transactions are executed electronically. The repo rate is a pre-determined interest rate set by the QCB for repo transactions entered into between the QCB and commercial banks. Additionally, an overnight liquidity facility rate applies to overnight lending by the QCB to commercial banks.

Prior to July 2007, the QCB closely tracked the interest rates of the U.S. Federal Reserve as the Qatari riyal is pegged to the U.S. dollar. However, the QCB has not deemed it necessary to change interest rates to the same extent, or as quickly, as the U.S. Federal Reserve on all occasions, particularly in recent years. On 16 March 2020, taking into account the enduring domestic and international macroeconomic developments triggered by the COVID-19 outbreak, the QCB reduced the interest rates and as at the date of this Base Prospectus, the QCB overnight deposit rate is 1.0 per cent., its overnight lending rate is 2.50 per cent. and its repo rate is 1.0 per cent.

Response to COVID-19

The QCB has issued a number of circulars to banks as a result of the COVID-19 outbreak. The QCB has requested all banks to review and activate their business continuity plans and to evaluate such plans according to how the pandemic evolves and the potential business risks arising as a result to ensure that there are no significant interruptions to their businesses. The QCB has also required banks operating in Qatar to postpone the repayment of loan instalments and interest due on such instalments for a period of six months with effect from 16 March 2020 for impacted sectors and without imposing any delay fees or impacting the credit rating of such customers. During this postponement period, interest/return shall be calculated at a rate of 2.5 per cent. Furthermore, a national guarantee programme was announced to support

the private sector whereby banks operating in Qatar will benefit from a 100% guarantee from the Government of Qatar (acting through Qatar Development Bank) for financing provided to the private sector to enable them to pay salaries and rent payment. This guarantee programme applies to entities in all sectors of the economy (except for real estate) which are wholly private owned which have been economically impacted by the COVID-19 outbreak. The funding should cover up to six months of salaries and rent payments with a maximum funding limit of QAR7.5 million (U.S.$2.06 million) in respect of each application. The funding is repayable over a maximum of three years. The Government through Qatar Development Bank will cover the interest payments up to a rate of 1.5 per cent. for the first six months of such funding and at 1 per cent. + the QCB lending rate for the following six months. The interest for the remaining two years of the funding shall be borne by the customer at a rate not exceeding 2 per cent. + QCB lending rate. Furthermore, the QCB has allocated QAR 50 billion (approximately USD13.74 billion) repurchase window at a zero interest rate for the purposes of providing liquidity to banks to enable them to commit to reducing the interest/return rate for customers who benefit from the relief measures announced by the government.

Banking Regulation in Qatar

The QCB was established under Decree Law No. (15) of 1993 to assume the role of the Qatar Monetary Authority. This Decree Law was later replaced by Decree Law No. (33) of 2006 concerning the QCB and subsequently by Law No. (13) of 2012. A seven member board includes the governor, the deputy governor, at least five directors, two of which represent the Ministry of Commerce and Industry and the Ministry of Finance. QCB's jurisdiction includes not only banks but also foreign exchange houses, investment companies, finance houses and insurance companies. QCB's main objective towards its monetary policy is to ensure the stability of the exchange rate of the Qatari riyal, the stability of commodity prices and the prices of services and financial and banking stability. QCB exercises close prudential control and supervision of the banking sector in Qatar.

The main exposure restrictions imposed by the QCB are set out below:

Capital

Capital adequacy

- Basel III minimum ratio is 10 per cent. with an additional 2.5 per cent. conservation buffer and an additional DSIB charge (as applicable).
- For credit and market risk the standardised approach is followed.
- For operational risk, the basic indicator approach is followed.
- The Bank is subject to a CAR imposed by, and calculated in accordance with, regulations of the QCB. In January 2014, the QCB published Basel III reporting guidelines for the purposes of calculating CAR and Qatari banks are, as at the date of this Base Prospectus, regulated in accordance with Basel III compliance (such requirements include the maintenance of a minimum CAR 14.0 per cent., including a 2.5 per cent. conservation buffer and an additional DSIB charge (as applicable). See "- *Basel III*" below.

Credit and concentration

The below customer concentration limits were published in September 2013 in the 15th edition of the QCB instructions (the "**QCB Instructions**").

- The maximum limit for a single customer may not exceed 20 per cent. of a bank's capital and reserves. The maximum limit for any shareholder who owns 5 per cent. or more of a bank's share capital either directly or through his minor children or spouse or through the companies in which they own 50 per cent. or more of the shares may not exceed 10 per cent. of a bank's capital and reserves. The maximum limit of the total investments in, and credit concentration to, a single customer is 25 per cent. of a bank's capital and reserves.
- The total real estate financing risk of a bank may not exceed 150 per cent. of its capital and reserves.

Country risk limits

The following information relating to country risk limits comes from the QCB Circular 49/2015.

QCB Category	Definitions	Maximum Country Limit
1	Countries carrying risk weight "zero"	150 per cent. of Capital & Reserves (Tier I)
2	Countries carrying risk weight 20 per cent. to 50 per cent.	75 per cent. of Capital & Reserves (Tier I)
3	Countries carrying risk weight above 100 per cent.	50 per cent. of Capital & Reserves (Tier I)
4	Countries subject to transfer risk	20 per cent. of Capital & Reserves (Tier I)

Financing for trading securities

- Pursuant to the QCB Instructions, financing the subscription in initial public offerings, capital increase and offerings for companies to be listed on the QSE may not exceed two-thirds of the disclosed value of the purchased securities.

Financing to members of the board of a bank

- Credit to an individual board member and his credit group may not exceed 7 per cent. of a bank's capital and reserves.
- The total credit granted to board members and their credit groups may not exceed 35 per cent. of a bank's capital and reserves.

Investments

The following information relating to investment limits to capital and reserves comes from the QCB Instructions.

Investment Limits

Description	Percentage to Capital and Reserves
Limit of total securities portfolio for the two types of securities (equity instruments and debt instruments)	25%
Limit of total securities outside Qatar	15%
Limit of total unlisted securities:	
inside Qatar:	10%
outside Qatar:	5%
Limit of investments in a single company without exceeding the total risk exposure (investment and credit) specified by QCB per customer or financial institution.	5%

Debt instruments issued or guaranteed by the Government or those issued by the QCB and those debt instruments issued by national banks licensed by the QCB are exempt from the above limits.

Dealings in Foreign Exchange and Money Market Instruments for Banks

- A comprehensive policy is required to be set by the board of directors (or head offices of foreign banks) determining the bank's objectives of dealing in foreign exchange, derivatives and money

market instruments, and setting the administrative, executive and supervisory principles, controls and procedures concerning the bank's dealings with derivatives and instruments. The board of directors (or head office) is required, when approving, adopting and following up such policy, to be fully aware of and take into account the nature of operations and their derivatives portfolio and risks in terms of credit risk, market risk, liquidity risk, operational risk and legal risk.

- Banks are required to set internal ceilings when dealing in the foreign exchange and money market as a percentage of their equity capital or total assets. Accordingly, the QCB is required to be informed of such ceilings.

- The Bank's executive management and the concerned departments are required to set detailed policies, procedures and controls in order to arrange the implementation of such operations, taking into account the separation between the setting delegations and missions, determining the responsibilities and duties, and determining and organising registration of transactions and accounting entries on the one hand, and processing the activities of the dealing room and treasury on the other hand.

Classification of banks and financial institutions by the QCB

First category

- Includes banks and financial institutions which are rated not less (for long-term obligations) than A3 (Moody's), A- (S&P) or equivalent and national banks in the GCC countries (onshore banks), **provided that** their rating is not less than Baa2 or equivalent.

Second category

- Includes banks and financial institutions, which are rated lower than the rating of the first category, **provided that** they are not less than Baa2 (Moody's) or BBB (S&P) or equivalent.

Third category

- Includes banks and financial institutions in countries that have restrictions for transferring foreign currencies, and which have a rating less than that of the second category or their CAR is less than the established minimum limit according to Basel II committee recommendation.

Banking ratios and indicators set by the QCB

Pursuant to the QCB Instructions, the following ratios have been set with respect to commercial banks in Qatar:

Liquidity ratio

- A bank must maintain a minimum liquidity ratio of 100 per cent.

Credit ratio

- A bank's total credit ratio may not exceed 90 per cent.

Overdraft to credit facilities

- Overdraft facilities may not exceed 30 per cent. of a bank's total credit facilities.

Foreign currency assets and liability ratio

- A bank must maintain a minimum ratio of foreign currency assets to foreign currency liabilities of 100 per cent.

Fixed assets to assets

- A bank's fixed assets may not exceed 20 per cent. of its capital and reserves.

Monetary policy

Required reserve

The QCB requires each commercial bank to maintain a minimum reserve with the QCB equal to 4.5 per cent. of the bank's total deposits. This percentage is calculated on the basis of the average daily total deposits balance during the period from the 16th day of each month to the 12th day of the following month.

The QCB also requires each commercial bank to maintain a risk reserve from its net profit of not less than 2 per cent. of the total amount of its direct credit facilities. This figure is calculated according to each bank's consolidated balance sheet, after deduction of the specific provisions, suspended interests and deferred profits for Islamic banks, with the exception of credit facilities extended to the Ministry of Finance, credit facilities guaranteed by the Ministry of Finance and credit facilities secured by cash collateral (with a lien on cash deposits).

Monetary and financial regulation in Qatar

The QCB, the QFCRA and the QFMA are the three regulatory authorities tasked with regulating and supervising the monetary, banking and financial system and the capital markets in Qatar. In January 2013, the Government passed the Banking Law (Law No (13) of 2012) which is aimed at advancing the framework for financial regulation in Qatar and expanding the ambit of regulation to cover areas requiring new and enhanced financial regulation. It also lays the foundation for increased co-operation between the different regulatory bodies in Qatar. The Banking Law, amongst other matters, mandates the QCB to act as the supreme competent authority in framing the policies for the regulation and supervision of all financial services and markets in Qatar, including the insurance sector, which was previously regulated by the Ministry of Commerce and Industry.

The QCB formulates and implements monetary and exchange rate policies and is entrusted with the supervision of the banking system and non-bank financial institutions (including insurance companies). Its objectives include maintaining the stability and free convertibility to other currencies of the Qatari riyal, the stability of commodity and service prices and the stability of the financial and banking system in Qatar. The QCB also acts as the primary supervisory authority and regulator for Qatar's commercial banks, and issues licences and consents to banking and financial services companies operating in Qatar. The QFCRA is an independent statutory body of the QFC that licenses and supervises banking, financial and insurance related businesses that provide financial and advisory services in, or from, the QFC. The QFMA is the independent regulatory authority for Qatar's domestic capital markets with responsibility for regulating and supervising the QSE along with the securities industry and associated activities.

Foreign investment

Foreign investment in Qatari banks (excluding banks in the QFC) is not permitted, save with a specific permission from the Council of Ministers. This restriction does not apply to Qatari banks listed on the QSE, where the maximum permitted holding for foreign investors in companies listed on the QSE was increased to 49 per cent. (previously being 25 per cent.).

Limits on remuneration to Directors

In February 2014, the QCB issued a circular to all national banks in Qatar setting the maximum amount of bonuses payable to board members. The maximum annual bonus payable to the Chairman of the board shall not exceed QAR 2 million and in respect of other board members, this should not exceed QAR 1.5 million. In the event that a board member sits on any of the committees of the board, payments for such committee role should not exceed QAR 0.5 million. In August 2015, the new Commercial Companies Law No (11) of 2015 was issued which limits the remuneration to board members of shareholding companies to a maximum of 5 per cent. of the net profit after deducting the legal reserve and distributing dividends of not less than 5 per cent. of the paid up share capital of the company.

Other regulations in Qatar

Article 26 of the Labour Law, being Law No. (14) of 2004, provides that the percentage of non-Qatari to Qatari workers in every sector of work shall be defined by a Ministerial decision. Resolution No. (11) of 1997 deals with "Qatarisation" and **provided that** across all sectors of the economy, including the private sector, a minimum of 20 per cent. of the workforce must be Qatari nationals. As at 31 December 2020,

Qatari nationals comprised 33.5 per cent. of the Bank's employees, as compared with 32.1 per cent. of the Bank's employees as at 31 December 2019. See "*Management - Employees*".

Basel III

The QCB published Basel III reporting guidelines in January 2014 with which Qatari banks are required to comply.

The QCB issued circulars to the Bank on 6 January 2014 (which were effective on publication) which provided guidance on preparation and reporting under Basel III. This guidance included requirements to maintain:

- a minimum CAR of 14.0 per cent. (which includes a 2.5 per cent. capital conservation buffer);
- a minimum LCR and NSFR target of 70 per cent. for 2015, to be increased by 10 per cent. in each year so as to reach 100 per cent. in 2019; and
- a minimum leverage ratio of 3 per cent.

The QCB guidelines also included a requirement to prepare CAR, LCR, NSFR and leverage ratios on both a standalone and consolidated basis. Additionally, in relation to the LCR, where Qatari banks have concentrations in currencies other than QAR and USD, there is also a requirement to prepare the LCR for such currencies. All ratios that are prepared must be reviewed and certified by the relevant banks' external auditors on a quarterly basis, with LCR, NSFR and LR to be reported to the QCB on a monthly basis and CAR to be reported to the QCB on a quarterly basis.

As at the date of this Base Prospectus, the Bank is in compliance with each of the above QCB Basel III minimum ratios and the periodic reporting requirements of the QCB in relation to such ratios (other than NSFR, see "*Risk Factors – Risks Relating to the Bank - The Bank may be subject to increased capital requirements or standards due to new governmental or regulatory requirements and changes in perceived levels of adequate capitalisation, and may also need additional capital in the future in the event of worsening economic conditions, which capital may be difficult to obtain)*".

As at January 2016, banks which are classified as DSIBs, which includes the Bank, are required to calculate their DSIBs Buffer as per the Basel III requirements.

RELATED PARTY TRANSACTIONS

The Bank enters into banking transactions in the normal course of business with NBO, UAB, each of the members of the Board (or companies in which they have a significant interest), each of the members of senior management (as set out in *"Description of The Commercial Bank (P.S.Q.C.)" "Management - Senior Management"*) (or companies in which they have a significant interest) and certain other senior managers of the Bank, identified as such for the purposes of its financial statement disclosure (together, the "**Relevant Senior Managers**") who have the ability to exercise significant influence over the Bank's financial or operational divisions (as defined under IAS 24 *Related Party Disclosures*). These transactions include loans and advances, trade finance (letters of credit and guarantees), foreign currency transactions, current accounts and deposit takings, for members of the Board and the Relevant Senior Managers and to the companies in which they have a significant interest. For the associate companies, NBO and UAB, the transactions include two way inter-bank transactions (placements and deposits, money market, foreign exchange transactions and trade), loans and standby loan facilities. A significant portion of the loans and advances and other credit facilities to members of the Board and to the companies in which they have a significant interest are secured by tangible collateral or personal guarantees. The pricing of such transactions is primarily based on the banker/customer relationship and prevailing market rates. Loans to Relevant Senior Managers are generally granted at staff rates which are normally below the prevailing market rates and are within entitlement amounts specified by the Bank.

The following table sets out the balances of these transactions as at and for the periods specified.

	As at and for the year ended 31 December	
	2020	**2019**
	(QAR thousands)	
Board members		
Loans, advances and financing activities[1]	1,435,891	1,176,839
Deposits	1,150,952	798,857
Contingent liabilities and other commitments	73,214	3,722
Interest and fee income	52,200	25,835
Interest paid on deposits accounts of board members	19,959	8,532
Remuneration	18,500	18,500
Associated and joint arrangement companies		
Due from banks	145,814	309,400
Due to banks	155,476	10,610
Deposits	8,274	9,951
Contingent liabilities	1,472,211	745,942
Interest paid to Associates	1,402	4,725
Senior management of the bank		
Remuneration and other benefits[3]	47,864	110,941
Loans and advances	5,634	5,156

(1) A significant portion of the loans, advances and financing activities' balances at 31 December 2020 and 31 December 2019 with the members of the board and the companies in which they have significant influence are secured against tangible collateral or personal guarantees. Moreover, the loans, advances and financing activities are performing satisfactorily honouring all obligations.

(2) Remuneration and other benefits include cost for performance rights amounting to QAR 1.62 million for the year ended 31 December 2020 and QAR 71.7 million for the year ended 31 December 2019.

Under QCB guidelines, loans and advances extended to a member of the Board (including his "credit group" and all his family members) may not exceed 7 per cent. of the Bank's capital and reserves and the aggregate loans and advances extended to members of the Board (and their credit groups and family members) as a whole may not exceed 35 per cent., of the Bank's capital reserves. Any loan and advance extended to a member of the Board (or his credit group or family members) is required to be secured fully. Permitted security includes a cash guarantee covering the entire outstanding balance of the credit facility, an irrevocable, unconditional bank guarantee from an internationally rated bank and security over shares (other than shares in the company of which the Board member is a director), real estate or land (excluding the private residence of the Board member or his relatives). Loans and advances extended to relatives of Board members (i.e., father, mother, brother and sister) may not exceed in aggregate 20 per cent. of the Bank's capital and reserves. The related Board member is not permitted to participate in the decision of whether to extend the loan or advance to his relative.

QCB prohibits any preferential treatment in the conditions of granting loans or in the applicable interest rate payable by a member of the Board. Board approval or the approval of the Board Executive Committee

of the Board is required when granting or renewing any loan facility extended to a member of the Board or his credit group.

TAXATION

The following is a general description of certain Bermudian, Qatari and European Union tax considerations relating to the Notes. It does not purport to be a complete analysis of all tax considerations relating to the Notes, whether in those countries or elsewhere. Prospective purchasers of Notes should consult their own tax advisers as to which countries' tax laws could be relevant to acquiring, holding and disposing of Notes and receiving payments of interest, principal and/or other amounts under the Notes and the consequences of such actions under the tax laws of those countries. This summary is based upon the law as in effect on the date of this Base Prospectus and is subject to any change in law that may take effect after such date.

Bermuda

At the date of this Base Prospectus, there is no Bermuda income, corporation or profits tax, withholding tax, capital gains tax, capital transfer tax, estate duty or inheritance tax payable by CBQ Finance Limited or its shareholders, other than shareholders ordinarily resident in Bermuda, as a consequence of owning shares in CBQ Finance Limited. CBQ Finance Limited will not be subject to stamp duty on the issue, transfer or redemption of its shares.

CBQ Finance Limited has obtained an undertaking from the Minister of Finance of Bermuda under the Exempted Undertakings Tax Protection Act 1966, as amended, that, in the event of there being enacted in Bermuda any legislation imposing tax computed on profits or income or computed on any capital asset, gain or appreciation, or any tax in the nature of estate duty or inheritance tax, such tax shall not until March 31, 2035, be applicable to CBQ Finance Limited or to any of its operations, or to the shares, debentures or other obligations of CBQ Finance Limited except insofar as such tax applies to persons ordinarily resident in Bermuda and holding such shares, debentures or other obligations of CBQ Finance Limited, which includes any land in Bermuda leased or let to CBQ Finance Limited.

CBQ Finance Limited is liable to pay the Bermuda Government an annual government fee based on its authorised share capital.

Qatar

*The following is a summary of the principal Qatari tax consequences of ownership of the Notes by beneficial owners who or which are not incorporated in or residents of Qatar for Qatari tax purposes and do not conduct business activities in Qatar ("**Non-Qatari Holders**"). This summary of taxation in Qatar is based upon (i) the tax law of Qatar, (ii) the executive regulations thereunder and (iii) the practice that has been adopted and is applied by the Income Tax department of the Ministry of Finance, each as in effect on the date of this Base Prospectus. The views expressed in this summary are subject to any subsequent change in Qatari law, regulations and practice that may come into effect as of such date.*

Under current Qatari law, taxes are levied on a taxpayer's income arising from activities within Qatar, including tax on profits realised on any contract implemented in Qatar. In this respect, Article 9(2) of the Income Tax Law No 24 of 2018 (the "**Income Tax Law**") provides:

"Subject to the provisions of tax agreements, royalties, interest, commissions and payments for services carried out wholly or partly in the State and paid to non-residents in consideration for activities not pertaining to a permanent establishment in the State shall be subject to a final 5 per cent. Withholding tax of the gross amount as specified in the executive regulations."

The Income Tax Law and the Executive Regulations provide that any payment of interest and fees made in relation to bonds issued by a Qatari corporate entity will be subject to withholding tax. However, the Executive Regulations provide for certain exemptions to such application of withholding tax. In particular, paragraph 2 of Article 21.4 of the Executive Regulations provides that interest on bonds and securities issued by Qatar and public authorities, establishments and corporations owned wholly or partly by Qatar shall not be subject to withholding tax. As the Issuers are partly owned by Qatar, any payment by the Issuers of interest or principal payable under any Notes or (in the case of the Guarantor) under the guarantee of any Notes issued by CBQ Finance Limited would fall within one of the exemptions.

If the Issuers which are presently partly owned by Qatar cease to be partly owned by Qatar, the exemption at paragraph 2 of Article 21.4 of the Executive Regulations will cease to apply and interest payments by the Issuers will be subject to withholding tax. However, The Commercial Bank (P.S.Q.C.) (whether in its capacity as Issuer or Guarantor) would benefit from an exemption under paragraph 3 of Article 21.4 of the

Executive Regulations which provides that interest on transactions, facilities and loans with banks and financial institutions shall not be subject to withholding tax. Similarly, CBQ Finance Limited would benefit from the exemption in paragraph 3 of Article 21.4 of the Executive Regulations provided the interest payments are being made to a bank or financial institution.

However, the Issuers and the Guarantor (if applicable) have agreed that all payments of principal and interest in respect of the Notes will be made free and clear of withholding taxes payable in Qatar and the Issuers and Guarantor (if applicable) will be required to pay additional amounts in respect of any such withholding or deduction imposed by or on behalf of Qatar in certain circumstances, including where an exemption is no longer available.

No Qatari stamp duty will be imposed on Non-Qatari Holders of the Notes either upon the issuance of the Notes or upon a subsequent transfer of the Notes.

Capital gains of the Non-Qatari Holders will not be subject to tax in Qatar.

Foreign Account Tax Compliance Act

Pursuant to certain provisions of U.S. Internal Revenue Code of 1986, commonly known as FATCA, a "foreign financial institution" (as defined by FATCA) may be required to withhold on certain payments it makes ("**foreign passthru payments**") to persons that fail to meet certain certification, reporting or related requirements. The Issuers are foreign financial institutions for these purposes. A number of jurisdictions (including Bermuda and Qatar) have entered into, or have agreed in substance to, intergovernmental agreements with the United States to implement FATCA ("**IGAs**"), which modify the way in which FATCA applies in their jurisdictions. Under the provisions of IGAs as currently in effect, a foreign financial institution in an IGA jurisdiction would generally not be required to withhold under FATCA or an IGA from payments that it makes. Certain aspects of the application of the FATCA provisions and IGAs to instruments such as Notes, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to payments on instruments such as Notes, are uncertain and may be subject to change. Even if withholding would be required pursuant to FATCA or an IGA with respect to payments on instruments such as Notes, such withholding would not apply prior to the date that is two years after the date on which final regulations defining foreign passthru payments are published in the U.S. Federal Register, and Notes characterised as debt (or which are not otherwise characterised as equity and have a fixed term) for U.S. federal tax purposes and that are issued on or prior to the date that is six months after the date on which final regulations defining foreign passthru payments are filed with the U.S. Federal Register generally would be grandfathered for purposes of FATCA withholding unless materially modified after such date. However, if additional Notes (as described under "*Terms and Conditions of the Notes - Further Issues*") that are not distinguishable from previously issued Notes are issued after the expiration of the grandfathering period and are subject to withholding under FATCA, then withholding agents may treat all Notes, including the Notes offered prior to the expiration of the grandfathering period, as subject to withholding under FATCA. Noteholders should consult their own tax advisers regarding how these rules may apply to them.

The proposed financial transactions tax ("FTT")

On 14 February 2013, the European Commission published a proposal (the "**Commission's proposal**") for a Directive for a common FTT in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (each, other than Estonia, a "**participating Member State**"). However, Estonia has since stated that it will not participate.

The Commission's proposal has very broad scope and could, if introduced, apply to certain dealings in the Notes (including secondary market transactions) in certain circumstances. The issuance and subscription of Notes should, however, be exempt.

Under the Commission's proposal, the FTT could apply in certain circumstances to persons both within and outside of the participating Member States. Generally, it would apply to certain dealings in the Notes where at least one party is a financial institution, and at least one party is established in a participating Member State. A financial institution may be, or be deemed to be, "established" in a participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a participating Member State.

However, the FTT proposal remains subject to negotiation between the participating Member States. It may therefore be altered prior to any implementation, the timing of which remains unclear. Additional EU Member States may decide to participate.

Prospective holders of the Notes are advised to seek their own professional advice in relation to the FTT.

SUBSCRIPTION AND SALE

Notes may be sold from time to time by the Issuers to any one or more of Al Khalij Commercial Bank (al khaliji) P.Q.S.C., Australia and New Zealand Banking Group Limited, Barclays Bank PLC, BNP Paribas, Citigroup Global Markets Limited, Commerzbank Aktiengesellschaft, Credit Suisse International, Deutsche Bank AG, London Branch, HSBC Bank plc, J.P. Morgan Securities plc, Merrill Lynch International, Mizuho International plc, Morgan Stanley & Co. International plc, MUFG Securities EMEA plc, QNB Capital LLC, SMBC Nikko Capital Markets Limited, Société Générale, Standard Chartered Bank, The Commercial Bank (P.S.Q.C.) and UBS AG London Branch (in its capacity as Dealer) (the "**Dealers**"). The arrangements under which Notes may from time to time be agreed to be sold by the Issuers to, and purchased by, Dealers are set out in an amended and restated dealer agreement dated on or around 7 July 2021 (the "**Dealer Agreement**") and made between the Issuers, the Guarantor and the Dealers. Any such agreement will, *inter alia*, make provision for the form and terms and conditions of the relevant Notes, the price at which such Notes will be purchased by the Dealers and the commissions or other agreed deductibles (if any) payable or allowable by the Issuers in respect of such purchase. The Dealer Agreement makes provision for the resignation or termination of appointment of existing Dealers and for the appointment of additional or other Dealers either generally in respect of the Programme or in relation to a particular Tranche of Notes.

The Dealers and their respective affiliates are full service financial institutions engaged in various activities, which may include sales and trading, commercial and investment banking, advisory, investment management, investment research, principal investment, hedging, market making, brokerage and other financial and non-financial activities and services. Certain of the Dealers and their respective affiliates have provided, and may in the future provide, a variety of these services to the issuer and to persons and entities with relationships with the issuer, for which they received or will receive customary fees and expenses.

United States of America

Regulation S Category 2; TEFRA D or TEFRA C as specified in the applicable Final Terms or neither if TEFRA is specified as not applicable in the applicable Final Terms.

The Notes and the Guarantee have not been and will not be registered under the Securities Act and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from the registration requirements of the Securities Act.

The Notes are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. Treasury regulations. Terms used in this paragraph have the meanings given to them by the United States Internal Revenue Code of 1986 and Treasury regulations thereunder.

Each Dealer has agreed, and each further Dealer appointed under the Programme will be required to agree, that, except as permitted by the Dealer Agreement, it will not offer, sell or deliver the Notes and the Guarantee, (a) as part of their distribution at any time or (b) otherwise, until 40 days after the completion of the distribution or, in the case of an issue of Notes on a syndicated basis, the relevant lead manager, of all Notes of the Tranche of which such Notes are a part, within the United States or to, or for the account or benefit of, U.S. persons, and that it will have sent to each dealer to which it sells Notes and the Guarantee during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Notes and the Guarantee within the United States or to, or for the account or benefit of, U.S. persons.

In addition, until 40 days after commencement of the offering of any series of Notes and the Guarantee, an offer or sale of Notes or the Guarantee within the United States any a dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act.

Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

Prohibition of Sales to EEA Retail Investors

Unless the applicable Final Terms in respect of any Notes specifies "Prohibition of Sales to EEA Retail Investors" as "Not Applicable", each Dealer has represented and agreed, and each further Dealer appointed

under the Programme will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by this Base Prospectus as completed by the applicable Final Terms in relation thereto to any retail investor in the EEA. For the purposes of this provision:

(a) the expression "**retail investor**" means a person who is one (or more) of the following:

(i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "**MiFID II**");

(ii) a customer within the meaning of Directive (EU) 2016/97, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or;

(iii) not a qualified investor as defined in the Prospectus Regulation; and

(b) the expression an "**offer**" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes.

If the applicable Final Terms in respect of any Notes specifies "*Prohibition of Sales to EEA Retail Investors*" as "Not Applicable", in relation to each Member State of the EEA, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not made and will not make an offer of Notes which are the subject of the offering contemplated by this Base Prospectus as completed by the applicable Final Terms in relation thereto to the public in that Member State except that it may make an offer of such Notes to the public in that Member State:

(1) at any time to any legal entity which is a qualified investor as defined in the Prospectus Regulation;

(2) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Regulation) subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or

(3) at any time in any other circumstances falling within Article 1(4) of the Prospectus Regulation.

provided that no such offer of Notes referred to in paragraphs (1) to (3) above shall require the relevant Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation.

For the purposes of this provision, the expression "**an offer of Notes to the public**" in relation to any Notes in any Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes and the expression "**Prospectus Regulation**" means Regulation (EU) 2017/1129.

United Kingdom

Prohibition of Sales to UK Retail Investors

Unless the applicable Final Terms in respect of any Notes specifies "Prohibition of Sales to UK Retail Investors" as "Not Applicable", each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by this Base Prospectus as completed by the applicable Final Terms in relation thereto to any retail investor in the UK. For the purposes of this provision:

(a) the expression "**retail investor**" means a person who is one (or more) of the following:

(i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("**EUWA**");

(ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would

not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or

(iii) not a qualified investor as defined in Article 2 of the UK Prospectus Regulation; and

(b) the expression an "**offer**" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes.

If the applicable Final Terms in respect of any Notes specifies "Prohibition of Sales to UK Retail Investors" as "Not Applicable", each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not made and will not make an offer of Notes which are the subject of the offering contemplated by this Base Prospectus as completed by the applicable Final Terms in relation thereto to the public in the United Kingdom except that it may make an offer of such Notes to the public in the United Kingdom:

(1) at any time to any legal entity which is a qualified investor as defined in Article 2 of the UK Prospectus Regulation;

(2) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in Article 2 of the UK Prospectus Regulation) in the United Kingdom subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or

(3) at any time in any other circumstances falling within section 86 of the FSMA,

provided that no such offer of Notes referred to in (1) to (3) above shall require the Issuer or any Dealer to publish a prospectus pursuant to section 85 of the FSMA or supplement a prospectus pursuant to Article 23 of the UK Prospectus Regulation.

For the purposes of this provision, the expression "**an offer of Notes to the public**" in relation to any Notes means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes and the expression "**UK Prospectus Regulation**" means Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA.

Other UK Regulatory Restrictions

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

(1) in relation to any Notes which have a maturity of less than one year, (i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business; and (ii) it has not offered or sold and will not offer or sell the Notes other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or as agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the Notes would otherwise constitute a contravention of Section 19 of the FSMA by the Issuers;

(2) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of the Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuers or the Guarantor; and

(3) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Notes in, from or otherwise involving the United Kingdom.

Qatar (including the Qatar Financial Centre)

This Base Prospectus is not intended to constitute an offer, sale or delivery of bonds or other debt financing instruments under the laws of the Qatar (including the Qatar Financial Centre). The Notes have not been

and will not be registered with the QSE, the QFCRA, the Qatar Financial Markets Authority, the QCB or with any other authority pursuant to any laws, regulations and rules in Qatar. The Notes and interests therein do not constitute debt financing in Qatar under the Commercial Companies Law No. (11) of 2015 or any other laws of Qatar. Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or delivered and will not offer, sell or deliver, directly or indirectly, any Notes in Qatar, except: (a) in compliance with all applicable laws and regulations of Qatar (including the Qatar Financial Centre); and (b) through persons or corporate entities authorised and licensed to provide investment advice and/or engage in brokerage activity and/or trade in respect of foreign debt financing instruments in Qatar.

Japan

The Notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended, the "**FIEA**"). Accordingly, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it will not, directly or indirectly, offer or sell any Notes in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan including any corporation or other entity organised under the laws of Japan), or to others for re-offering or resale, directly or indirectly, in Japan or to, or for the benefit of, a resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEA and any other relevant laws and regulations of Japan.

Kingdom of Saudi Arabia

No action has been or will be taken in the Kingdom of Saudi Arabia that would permit a public offering of the Notes. Any investor in the Kingdom of Saudi Arabia or who is a Saudi person (a "**Saudi Investor**") who acquires any Notes pursuant to an offering should note that the offer of Notes is a private placement under Article 9 or Article 10 of the "Rules on the Offer of Securities and Continuing Obligations" as issued by the Board of the Capital Market Authority (the "**CMA**") resolution number 3-123-2017 dated 27 December 2017 as amended (the "**KSA Regulations**"), made through an authorised person licensed to carry out arranging activities by the CMA and following a notification to the CMA under Article 11 of the KSA Regulations.

The Notes may thus not be advertised, offered or sold to any person in the Kingdom of Saudi Arabia other than to sophisticated investors under Article 9 of the KSA Regulations or by way of a limited offer under Article 10 of the KSA Regulations or as otherwise required by the KSA Regulations. Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that any offer of Notes to a Saudi Investor will be made in compliance with the KSA Regulations.

Each offer of Notes shall not therefore constitute a "public offer", an "exempt offer" or a "parallel market offer" pursuant to the KSA Regulations, but is subject to the restrictions on secondary market activity under the KSA Regulations. Any Saudi Investor who has acquired Notes pursuant to a private placement under Article 9 or Article 10 of the KSA Regulations may not offer or sell those Notes to any person unless the offer or sale is made in compliance with the restrictions on secondary market activity under the KSA Regulations.

Singapore

Each Dealer has acknowledged, and each further Dealer appointed under the Programme will be required to acknowledge, that this Base Prospectus has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered or sold any Notes or caused such Notes to be made the subject of an invitation for subscription or purchase and will not offer or sell such Notes or cause such Notes to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute this Base Prospectus or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of such Notes, whether directly or indirectly, to any person in Singapore other than: (i) to an institutional investor (as defined in Section 4A of the SFA) pursuant to Section 274 of the SFA; (ii) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA; or

(iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provisions of the SFA.

Where the Notes are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

(1) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or

(2) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities or securities-based derivatives contracts (each term as defined in Section 2(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Notes pursuant to an offer made under Section 275 of the SFA except:

(1) to an institutional investor or to a relevant person, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;

(2) where no consideration is or will be given for the transfer;

(3) where the transfer is by operation of law;

(4) as specified in Section 276(7) of the SFA; or

(5) as specified in Regulation 37A of the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018.

United Arab Emirates (excluding the Dubai International Financial Centre)

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that the Notes to be issued under the Programme have not been and will not be offered, sold or publicly promoted or advertised by it in the United Arab Emirates other than in compliance with any laws applicable in the United Arab Emirates governing the issue, offering or sale of securities.

Dubai International Financial Centre

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered and will not offer the Notes to be issued under the Programme to any person in the Dubai International Financial Centre unless such offer is:

(1) an "**Exempt Offer**" in accordance with the Markets Rules (MKT Module) of the Dubai Financial Services Authority (the "**DFSA**") rulebook; and

(2) made only to persons who meet the Professional Client criteria set out in Rule 2.3.3 of the DFSA Conduct of Business Module of the DFSA rulebook.

Kingdom of Bahrain

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered or sold, and will not offer or sell, any Notes, except on a private placement basis to persons in the Kingdom of Bahrain who are "accredited investors".

For this purpose, an "**accredited investor**" means:

(1) an individual holding financial assets (either singly or jointly with a spouse) of U.S.$1,000,000 or more, excluding that person's principal place of residence;

(2) a company, partnership, trust or other commercial undertaking which has financial assets available for investment of not less than U.S.$1,000,000; or

(3) a government, supranational organisation, central bank or other national monetary authority or a state organisation whose main activity is to invest in financial instruments (such as a state pension fund).

Bermuda

Securities may be offered or sold in Bermuda only in compliance with the provisions of the Investment Business Act 2003, the Exchange Control Act 1972 and related regulations of Bermuda which regulate the sale of securities in Bermuda. In addition, specific permission is required from the Bermuda Monetary Authority (the "**BMA**"), pursuant to the provisions of the Exchange Control Act 1972 and related regulations, for all issuances and transfers of securities of Bermuda companies, other than in cases where the BMA has granted a general permission. The BMA, in its policy dated 1 June 2005, provides that, in respect of a Bermuda company, which does not have any equity securities (an equity security is defined as a share issued by a Bermuda company which entitles the holder to vote for or appoint one or more directors or a security which by its terms is convertible into a share which entitles the holder to vote for or appoint one or more directors) listed on an appointed stock exchange (which CBQ Finance Limited does not), general permission is given for the issue and subsequent transfer of any securities, other than equity securities, from and/or to a non-resident of Bermuda.

The BMA and the Registrar of Companies accept no responsibility for the financial soundness of any proposal or for the correctness of any of the statements made or opinions expressed in this Base Prospectus or in any base prospectus supplement.

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not invited and will not invite members of the public in Bermuda to subscribe for or purchase the Notes, that it has not and will not offer the Notes for subscription, sale or transfer in Bermuda or to, or for the account of, persons resident in Bermuda and that it has complied, and will comply, with all applicable provisions of, the Companies Act 1981 of Bermuda, the Investment Business Act 2003 of Bermuda and any other relevant legislation of Bermuda with respect to anything done by it in relation to the Notes in, from or otherwise involving Bermuda.

Although incorporated and registered in Bermuda, CBQ Finance Limited has been classified as non-resident in Bermuda for Bermuda exchange control purposes by the BMA. Accordingly, CBQ Finance Limited may convert currency (other than Bermudian currency) held for its account to any other currency and transfer such currency from Bermuda without legal restriction.

Additionally, non-Bermudian persons may not carry on or engage in any trade or business in Bermuda unless such persons are authorised to do so under applicable Bermuda legislation. Engaging in the activity of offering or marketing the interests being offered in Bermuda to persons in Bermuda may be deemed to be carrying on business in Bermuda.

Hong Kong

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

(1) it has not offered or sold and will not offer or sell in Hong Kong by means of any document, any Notes, except for Notes which are "structured products" as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong (the "**SFO**"), other than: (i) to "professional investors" as defined in the SFO and any rules made under the SFO; or (b) in other circumstances which do not result in the document being a "prospectus" as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong (the "**C(WUMP)O**") or which do not constitute an offer to the public within the meaning of the C(WUMP)O; and

(2) it has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, in each case whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Notes, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Notes which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the SFO and any rules made under the SFO.

General

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has complied and will comply with all applicable laws and regulations in each country or jurisdiction in which it purchases, offers, sells or delivers Notes or possesses, distributes or publishes the Base Prospectus, any Drawdown Prospectus or any Final Terms or any related offering materials, or any other offering material relating to the Notes. These selling restrictions may be modified by the agreement of the Issuers, the Guarantor and the Dealers following a change in a relevant law, regulation or directive. No representation is made that any action has been taken in any jurisdiction that would permit a public offering of any of the Notes, or possession or distribution of the Base Prospectus or any other offering material or any Final Terms, in any country or jurisdiction where action for that purpose is required. If a jurisdiction requires that any offering be made by a licensed broker or dealer and a Dealer or any affiliate of that Dealer is a licensed broker in that jurisdiction, the offering shall be deemed to be made by that Dealer or such affiliate on behalf of the Issuers and Guarantor in such jurisdiction. Other persons into whose hands this Base Prospectus or any Final Terms comes are required by the Issuers, the Guarantor and the Dealers to comply will all applicable laws and regulations in each country or jurisdiction in or from which they purchase, offer, sell or deliver Notes or possess, distribute or publish this Base Prospectus or any Final Terms or any related offering material, in all cases at their own expense.

GENERAL INFORMATION

1. **Dealers Transacting with the Bank**

Certain of the Dealers and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial transactions with, and may perform services to the Bank and/or the Bank's affiliates in the ordinary course of business. They have received, or may in the future receive, customary fees and commissions for these transactions. In the ordinary course of their business activities, the Dealers and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of the Bank or the Bank's affiliates. Certain of the Dealers or their affiliates that have a lending relationship with the Bank routinely hedge their credit exposure to the Bank consistent with their customary risk management policies. Typically, such Dealers and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in securities, including potentially the Notes. Any such short positions could adversely affect future trading prices of Notes. The Dealers and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

2. **Authorisation**

The update of, and the issue of further Notes under, the Programme was authorised by a board resolution dated 4 July 2021 in relation to CBQ Finance Limited and a board resolution dated 10 March 2021 in relation to the Bank. CBQ Finance Limited and the Bank have obtained or will obtain from time to time all necessary consents, approvals and authorisations in connection with the issue and performance of the Notes and the giving of the guarantee relating to them (where the Relevant Issuer is CBQ Finance Limited).

3. **Legal and Arbitration Proceedings**

There are no governmental, legal or arbitration proceedings, (including any such proceedings which are pending or threatened, of which CBQ Finance Limited or the Bank are aware), which may have, or have had during the 12 months prior to the date of this Base Prospectus, a significant effect on the financial position or profitability of CBQ Finance Limited or the Bank and its consolidated subsidiaries taken as a whole.

4. **Significant/Material Change**

Save as disclosed in "*Risk Factors - Risks Relating to the Macro Economic Environment - Risks relating to the emergence of the novel coronavirus COVID-19*", since 31 December 2020 there has been no material adverse change in the prospects of the Bank and since 31 March 2021, there has been no significant change in the financial performance or financial position of the Bank and its consolidated subsidiaries taken as a whole. Since 31 December 2020, there has been no material adverse change in the prospects of CBQ Finance Limited nor any significant change in the financial performance or financial position of CBQ Finance Limited.

5. **Independent Auditors**

From the period beginning on 1 January 2018, the Bank has appointed Ernst & Young – (Qatar Branch), independent auditors, to audit the Bank's consolidated financial statements. The 2020 Financial Statements and the 2019 Financial Statements of the Bank, incorporated by reference in this Base Prospectus, have been audited by Ernst & Young – (Qatar Branch), independent auditors, as stated in their reports incorporated by reference herein. The Interim Financial Statements of the Bank, incorporated by reference in this Base Prospectus, have been reviewed by Ernst & Young – (Qatar Branch), independent auditors, as stated in their review report incorporated by reference herein. The financial statements of CBQ Finance Limited for the years ended 31 December 2020 and 31 December 2019, incorporated by reference in this Base Prospectus, have been audited by Ernst & Young – (Qatar Branch), independent auditors, as stated in their reports incorporated by

reference herein. The registered office of Ernst & Young – (Qatar Branch) is Level 24 Al Gassar Tower West Bay, P.O. Box 164 Doha Qatar. Ernst & Young – (Qatar Branch) are public accountants registered to practise as auditors with the Ministry of Economy and Commerce in Qatar.

6. **Sources and bases of information**

CBQ Finance Limited and the Bank confirm that the information sourced from the Government websites, the QCB, the QSE, the Economist Intelligence Unit, the Central Bank of the United Arab Emirates and the CBO has been accurately reproduced and, so far as CBQ Finance Limited and the Bank are aware and have been able to ascertain from that published information, no facts have been omitted which would render the reproduced information inaccurate or misleading.

7. **Documents on Display**

For the period of 12 months following the date of this Base Prospectus, copies of the following documents will, when published, be available for viewing on the website of the Bank (https://www.cbq.qa/EN/IR/Pages/IR-Prospectus.aspx):

(a) the Memorandum of Association of CBQ Finance Limited and Articles of Association of the Bank;

(b) the Annual Financial Statements and the Interim Financial Statements of the Bank;

(c) the financial statements of CBQ Finance Limited for the years ended 31 December 2020 and 31 December 2019;

(d) the Agency Agreement;

(e) the Deed of Guarantee;

(f) the Deed of Covenant; and

(g) the Programme Manual (which contains the forms of the Notes in global and definitive form).

8. **Clearing of the Notes**

The Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg. The appropriate common code and the International Securities Identification Number in relation to the Notes of each Tranche will be specified in the applicable Final Terms.

9. **Websites**

The Bank's website is http://www.cbq.qa. Other than in relation to the documents which are deemed to be incorporated by reference (see "*Information Incorporated by Reference*"), the information on the websites to which this Base Prospectus refers do not form part of this Base Prospectus. Any website referred to in this document has not been scrutinised or approved by the CBI.

10. **Arthur Cox**

Arthur Cox Listing Services Limited is acting solely in its capacity as listing agent for the Issuer in relation to the Notes and is not itself seeking admission of the Notes to the Official List of Euronext Dublin or to trading on the regulated market of Euronext Dublin for the purposes of the Prospectus Regulation.

11. **Legal Entity Identifier codes**

The Legal Entity Identifier ("**LEI**") code of the Bank is 2138004FUUD4I7X8H721 and the LEI code of the Issuer is 213800FNEMX56U9OHK56

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REGISTERED OFFICES OF THE ISSUERS

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