

Board of Directors' Report for the Financial Year Ending 31st Dec, 2020

Doha Bank continued its strategy that it started years ago, which contributed to maintaining its outstanding levels of performance despite the challenges faced by the world, starting from the global crises and then the Covid-19 pandemic. The strategy also enabled the bank to achieve commendable performance on the financial, organizational and service delivery fronts. During 2020, the bank managed to achieve most of the goals that were set in the bank's strategy and budget. During 2020, most of the objectives defined in the bank's strategic plan and annual budget were successfully achieved. The bank enhanced and strengthened its financial position, achieved an impressive return on average shareholders' equity and average assets, and launched a wide range of innovative banking products and services particularly in the field of e-banking. The accomplishments also included recruitment of highly competent and experienced professionals at various key senior positions and optimization of domestic branches.

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

Domestically, Doha Bank's network inside Qatar includes a total of 24 branches, 3 pay offices, 4 e-branches, and 96 ATMs out of which 3 ATMs are in the UAE, 2 ATMs in Kuwait and 3 ATMs in India. Globally, the bank has six branches: Dubai and Abu Dhabi branches in the UAE, a branch in Kuwait and three branches in India in Mumbai, Kochi and Chennai. Furthermore, the bank has 14 representative offices located in Singapore, Turkey, Japan, China, UK, South Korea, Germany, Australia, Canada, Hong Kong, South Africa, Bangladesh, Sri Lanka and Nepal.

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

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

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

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

16/06/2019, the nominal value of Doha Bank's share was split to QR 1 per share instead of QR 10, thus the total number of capital shares are now 3,100,467,020 shares.

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

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

The financial statements for the year 2020 showed that the total assets reached to QR 103.5 billion. Net loans and advances reached QR 65.5 billion. The investment portfolio amounted to QR 24.7 billion. Customer deposits amounted to QR 55.1 billion and the total shareholder's equity reached 13.8 billion. Income statement showed that net interest income stood at QR 2.3 billion with an increase of 17.1%, and that operating income reached QR 3 billion. It also shows that the Bank has achieved a net profit of QR 703 Mn at the end of 2020 compared to QR 754 Mn in 2019 after taking significant loss provisions related to loans. The earning per share was QR 0.16 and the return on average shareholders' equity was 5.3% and the return on average assets was 0.66%.

Based on these results, the Board of Directors passed a resolution in its meeting held on 8th of February 2021 recommending the General Assembly of the Shareholders to approve the distribution of cash dividends for QR (0.075) per share.

Future Plan of the Bank:

In terms of the bank's future plan for the years 2021-2025, the plan focuses on strategic guiding principles of Customer Experience, Empowerment & Accountability, Talent Management, Cost Reduction, Revenue Enhancement, Risk & Capital Management, and Digitization & Automation. Doha Bank's strategy entails the implementation of transformation initiatives, new customer value propositions, new business model for its international operations, effective risk management strategy, recruiting Qatari nationals, upgrading the level of performance by recruiting highly qualified and experienced personnel, focusing on specialized training programs at all functional levels, and ESG practices. Besides bank's core priorities, the plan focuses on 'building for future' including changes in its business and operating models, new revenue streams, improving brand health, rendering state-of-the-art digital banking products and services, and to be at forefront of technological innovations. The strategy also stresses on achieving continuous growth in the main income items, improving asset quality, diversifying income sources particularly the non-interest income and effectively monitoring and managing costs in line with the banking industry to optimize the cost of funding as well.

Products and Services:

As you know, the economic situation that the world is witnessing due to the coronavirus pandemic and the measures taken by most countries of the world to confront the rapid spread of the presents an alarming health crisis that the world is grappling with, which has negatively affected humanity and the global economy.

Doha Bank has instantly taken all possible immediate proactive measures to respond to the coronavirus situation and keep customers safe, while maintaining the expected customer service

levels. This has created a pressing opportunity for the bank to speed up all initiatives on the digital transformation journey which earned the bank a position as one of the most influential brands by an independent research conducted by Stat IPSOS. This came as a result of the bank's upbeat concentration on delivering digital services through all alternative channels while encouraging customers to replace their physical visits to a Doha Bank branches. This was highly enticed through major digital activation campaign reinforced with customer incentives to speed up the penetration for digital services and increased usage with a whopping 63% increase in active users and 27% increase in financial transactions on digital channels in 2019-2020.

On the digital vanguard, Doha Bank has rolled out in 2020 the face and voice biometric features on the mobile app, brought the expediency of downloading IBAN certificates, transaction receipts, activating credit cards and generating card PINs, updating personal information through mobile and online banking and additionally downloading e-statements through online banking.

Correspondingly, in efforts to enhance the overall customer experience Doha Bank has launched a new complaints management solution; for resolving all inquiries at all customer touchpoints effectively with enhanced TATs. With a strong customer focus, we uninterruptedly drove on directing customer surveys to enhance the overall performance of our digital channels reflected in our latest overall satisfaction rating for Doha Bank mobile apps at 4.7/5 on both the Apple store and Google Play.

Also, this year Doha Bank continued to focus its efforts on expanding its payment gateway business through customer acquisitions with a 97% increase in number of transactions and 405% for transaction volumes year on year.

2020 marked another major milestone for the bank with the launch of Doha Bank Easy Pay Wallet with which customers can enjoy quick, safe, and seamless payments by adding their Doha Bank Credit or Debit Cards to their Doha Easy Pay App. Customers can download Doha Easy Pay App from the Apple Store or the Google Play Store which enables them to perform payments for their retail purchases by simply scanning the QR Code. In addition, Doha Easy Pay also enables the users to make fund transfers to beneficiaries instantly by linking their Doha Bank Debit Card to Doha Easy Pay wallet.

Correspondingly, with an overarching objective on enhancing the transaction-based processing and delivering a digital first banking experience we put extensive efforts on customer education and support and branch transaction offloading echoed in an 88% of cash deposit volumes including corporate clients, conducted on Doha Bank cash deposit machines in 2020.

With a view to maintain the highest level of performance within the Retail Banking Group and in efforts to deliver personalized services mainly to Doha Bank affluent segment, Doha Bank has been delivering a suite of the best banking products and services and exceptional bancassurance products with the leading insurance provider MetLife which made the bank the winner of the "Highest Number of Issued Policies" Award by MetLife in the entire Gulf region for 2020. This is certainly owed to the confidence and regard customers have for Doha Bank as their preferred bank and trusted leading financial institution in Qatar. Equally, as a gesture of gratitude for their loyalty, Doha Bank continues to reward its loyal customers with Al Riyada relationship rewards up to 50k Doha Miles as loyalty points when they sign up for Al Riyada products.

This year Doha Bank has been keen on delivering more exciting campaigns for customers with valuable perks and rewards. Marking the 17th anniversary of Al Dana Saving Program and its achievements and success stories, Doha Bank has launched the Al Dana 2020 Scheme which run until 31st January 2021 and offered a wide array of valuable cash prizes featuring a mega draw of QAR 2.5 Million for one winner as well as 2 special draws' of QAR 1 Million each for two winners. Besides, Doha Bank Al Dana customers were entitled to other unique rewards including, QAR 100,000 for 12 winners each, QAR 10,000 for 76 winners each, and QAR 5,000 for 366 winners each.

This year Doha Bank has awarded the lucky winner of the salary transfer campaign launched earlier in 2019, the Lexus LX570. The salary transfer campaign was bundled with a host of benefits which feature an amazing collection of privileges across all product categories includes competitive range of personal finance options at preferential rates with loan repayment holidays and credit cards benefits catering to the customer's lifestyle needs.

This year also Doha Bank has extended the personal loan campaign cashback up to QAR 5,000 to enhance the customer acquisitions and buyouts and offered digital loan campaigns through digital channels for existing customer top ups with 20k Doha Miles rewards.

In 2020, Doha Bank was one of the Receiving Banks for the QLM IPO whereby customers were able to get financing at branches or simply subscribing for IPO through Doha Bank Online and Mobile Banking Applications.

In efforts to maintain the leadership position for card usage and issuance in the market, Doha Bank has launched the new VISA metal card with a wide range of luxurious privileges. The Al Riyada Visa Infinite and Private Banking Visa Infinite contactless metal cards brought about a wealth of exclusive travel, lifestyle, shopping, and insurance benefits to Doha Bank's high-value banking customers. Also, the bank launched the new LuLu Platinum Mastercard Credit Card which is offered free of charge for the first year and offers a world of benefits and privileges which entail up to 5% savings on Shopping in the form of LuLu points, supplementary card issued free for life and exclusive lifestyle and travel benefits globally.

With globally e-commerce sales on the rise, we have rolled out two major successful e-commerce campaigns both on credit and debit cards. Doha Bank has offered customers a 5% cashback upon using their MasterCard Debit cards for online purchases and up to 10,000 Doha Miles per month on VISA credit on their online spends. The step came in synch with the Qatari government directives to curb the spread of the Coronavirus disease (COVID-19), advising people to perform financial transactions using cashless and contactless payment methods.

Also the bank continued to offer value to customers through multiple partnership with Talabat, Mr. Valet, Entertainer, MBQ and miles exchange with Blue Salon Mazoon rewards.

This is addition to multiple promotion on contactless campaigns, LuLu 10% promotions, card acquisition campaigns with iPhone giveaways and many others such as school fee payments and 0% installment schemes.

To enhance the fee and commission-based business the bank continued to roll out multiple campaigns for remittances to India, Bangladesh, Nepal and Pakistan with a 24% year on year growth in overall International Money Transfers and place continued efforts to extend our correspondent banking relationships.

Building on its service excellence, Doha Bank strived to provide our Wholesale Banking customers with channels, products, services and solutions to cater to their banking requirements with utmost ease and convenience-all in the most secured manner. As part of this endeavor Doha Bank launched this year its Local, International and Bulk Funds Transfer digital service for its Wholesale Banking customers. The Local and International Funds Transfer service offers Doha Bank's Wholesale Banking customers the chance to process transactions to any beneficiary in local or international Banks through its online banking portal, while benefiting from a 25% discount on transfer charges. The online bulk Local Funds Transfer service provides Wholesale Banking customers with the convenience of processing payments to multiple beneficiaries at the same time through Doha Bank Corporate Online Banking Portal and without having to seek the branch's assistance. This in addition to the release of the cheque book request through Tadbeer platform which offers Cash Management Services to Doha Bank Wholesale Banking customers and contributes to their company's operational efficiency, promotes reduction in operating cost through and facilitates better accounting and reconciliation with focus on liquidity optimization, with Doha Bank Tadbeer platform our Wholesale Banking customers can also execute their Utility Bill payments and Payroll payments for their employees with no hassle.

Also, in light of the market impact due to the COVID-19 outbreak, Doha Bank has rolled the National Response Guarantee Program to facilitate financing of emergency salary and rental fee requirements of affected SME businesses. Later during the year, Doha Bank observed that SMEs cash flows may be impacted and decided to extend support to borrowers under SME segment by postponement upon request up to 90 days of their installments under term loan and payments under LTR/ STPF facilities falling due up to 30th June 20 as per QCB instructions, another postponement was implemented for impacted borrowers upon request up to 90 days up to 15th Dec during 2020. Doha Bank extended the support to the impacted borrowers under SME segment during 2021 as well, by providing further postponement upon request up to 15th June 21. Bank will not charge penal interest and fee for the same.

Also the bank has conducted a series of webinars discussing Synergistic Opportunities for bilateral relationships and trade Prevailing between Qatar and many countries which include Singapore, Hong Kong, Japan, Korea, Turkey, India, Bangladesh and more with emphasis also on cyber security ad digital acceleration.

As investor confidence returns and with the growing popularity of investor webinars, Doha Bank, as part of its webinar series, showcased also the 'QETF', Qatar's first conventional exchange traded fund (ETF) and one of the GCC's largest ETFs. The bank has invited the Qatar Stock Exchange, Aventicum Capital Management Qatar (ACMQ) and Credit Suisse Asset Management Index Solutions to present to the investment community on passive investments, ETFs and the QETF.

Building on its efforts in the field of Corporate Social Responsibility (CSR), Doha Bank, has also contributed this year 1000 tablets in support of the E-learning initiative launched by Qatar Charity as part of its "Our Good for Our People" campaign. This step aims to help students in need to resume their education online, in light of the Qatari government's decision to suspend public and private schools and universities due to the pandemic earlier this year. In addition, Doha Bank has contributed QAR 2 million in donations to the Qatar Charity's project designated to providing quarantined migrant workers in the Industrial Area with food and medical supplies. The step comes in light of the Supreme Committee for Crisis Management's decision to conduct necessary medical examinations for the coronavirus for workers. Also, the bank contributed QAR

300,000 in donations to the “Lebanon in Our Hearts” fundraising campaign organized by the Regulatory Authority for Charitable Activities (RACA) in cooperation with Qatar Charity (QC) and the Qatar Red Crescent Society (QRCS) in support of the Lebanese people, following the huge explosion that struck the port of Beirut.

Awards:

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

Doha Bank has also won “The Best Employer Brand Awards” by World HRD Congress, the “Best Trade Finance Bank” by New Age Banking Summit Awards.

Acknowledgement:

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

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



Fahad Bin Mohammad Bin Jabor Al-Thani
Chairman