

Board of Directors' Report for the Financial Year Ending 31st Dec, 2021

Despite the global challenges, beginning with global crises and then Covid-19, Doha Bank continued the success journey of the previous years by maintaining outstanding financial results as well as a commendable performance at the financial, organizational and service delivery levels. During 2021, 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. Focusing on risk and capital management, implementing advanced technology to provide customer-centric solutions, employing highly qualified and experienced professionals at various key senior positions, and optimizing the domestic branch network were also among the accomplishments.

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, 2 pay offices, 3 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 Doha Brokerage and Financial Services, which is an Indian Brokerage Company 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 focused on enhancing 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 on 15/3/2021, the shareholders unanimously approved the issuance of debt bonds within the bank's EMTN programme of USD 2 billion that were previously approved by the General Assembly meeting dated 7/3/2018 with the aim to diversify the funding sources and enhance the liquidity position of the bank.

The financial statements for the year 2021 showed that the total assets reached to QR 101.1 billion. Net loans and advances reached QR 62.7 billion. The investment portfolio amounted to QR 25.1 billion. Customer deposits amounted to QR 50.4 billion and the total shareholder's equity reached 14.3 billion. Income statement showed that net interest income reached QR 2.6 billion with an increase of 11.4%, and that operating income reached QR 3.1 billion. It also shows that the Bank has achieved a net profit of QR 704 Mn at the end of 2021 after taking additional extraordinary provision during the year for more caution. The earning per share was QR 0.16 and

the return on average shareholders' equity was 5.2% and the return on average assets was 0.69%.

Based on these results, the Board of Directors passed a resolution in its meeting held on 9th of February 2022 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:

Doha Bank has maintained its position as one of the key players in Qatar's banking industry. This has been achieved through bank's strategy, which encompass seven strategic guiding principles and 5R model. Doha Bank will continue focusing on customer experience enhancement, revenue optimization and cost reduction opportunities. In addition to this, we understand that geopolitical, macro-economic and other global changes can have impact on industry and bank's operating environment; accordingly, risk and capital management will also remain one of the core attention areas for bank. Considering the rapid evolution to technological landscape, Doha Bank is considering automation, digitization and innovation at the heart of its strategy. We will continue embracing emerging technologies to build customer-centric solutions. Moreover, our culture inspires empowerment, accountability and talent development, which along with our values will drive bank's progress towards better future.

As the financial services industry stands at an inflection point, and several disruptive forces such as digitization, competitive pressure, and fast evolving regulations are enforcing a bigger change; Doha Bank remains fully committed towards its customers, shareholders, people and larger society.

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 continued to take 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 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 continued major digital activation campaign reinforced with customer incentives to speed up the penetration for digitals services and increased usage with a whopping 100% increase in active users and 42% increase in financial transactions on digital channels in 2020-2021.

On the digital vanguard, Doha Bank has rolled out 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 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 google store and google play. Also, this year Doha Bank continued to focus its efforts on expanding its payment gateway business through customer acquisitions.

In 2021, the bank continued to enhance its Doha 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. Users have responded well to Doha Easy Pay, and the number of customers who have downloaded the app has surpassed 27,000 by December 2021.

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 2021.

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.

This year Doha Bank has been keen on delivering more exciting campaigns for customers with valuable perks and rewards. Marking the Qatar National Day and the 18th anniversary of Al Dana Saving Program and its achievements and success stories, Doha Bank has launched the Al Dana 2021 Scheme which run until 31st January 2022 and offered a wide array of valuable cash prizes featuring a mega draw of QAR 1 Million for one winner as well as 2 special draws’ of QAR 100 Thousand each for two winners. Besides, Doha Bank Al Dana customers were entitled to other unique rewards including, QAR 10,000 for 20 winners each and QAR 5,000 for 20 winners each.

In 2021, Doha Bank launched a number of campaigns 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. The bank also 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, in addition to rewards to attract new Qatari customers by enabling them to avail personal loans with a 2.5% interest rate and a 6-month grace period for repayment if their loans are transferred to Doha Bank. This is in addition to the car loan campaign, which provides free comprehensive insurance for the first year with an interest rate of 1.99%.

In efforts to maintain the leadership position for card usage and issuance in the market, and after launching the new VISA metal card with a wide range of luxurious privileges, Doha Bank has worked to provide and increase the value offered to customers by introducing new products such as Visa Signature and Visa Platinum to attract new customers, as well as an innovative cashback card offer that gives customers 10% cashback on all cash shopping categories. The bank also launched a selection of corporate card solutions. The bank continued to engage card customers in several acquisition and spending campaigns, including the iPhone giveaways and loan campaign, in addition to entering into a wide range of business partnerships with a number of merchants and online mobile applications, including 51-East, Fox and Novo cinemas, and the Doha Bank ENTERTAINER application. This is in addition to the contactless payment campaigns with Doha Bank credit cards.

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 multiple digital services. A number of new products and services were introduced to help our corporate customers achieve greater success, including new ATMs that allow customers to deposit large amounts of cash and cheques without having to visit a branch. 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. In order to provide customers with an automated reconciliation tool, the bank started to send account statements electronically using Secure File Transfer Protocol. Electronic forms for Cash management and Trade were put in production, facilitating clients with easier execution of their transaction applications.

Also, in light of the market impact due to the COVID-19 outbreak, the bank focused on the shift from brick to click and in line with the Country's strategic vision, made significant progress in terms of moving paper transactions to electronic mode. There has been a sizeable increase in Online penetration whereby the online transaction ratio increased from 63% to 74% for Local funds transfer and from 29% to 45% for International funds transfer. A new Tariff of charges was implemented for the Wholesale Banking customers.

Also the bank has conducted a series of Client Interactions on Payments and Cash Management Innovation via internet and partnered with Visa, NCR Corporation and Progress Soft Qatar to provide its clients with insights into the emerging trends and technological advancements in the Banking industry. Due to Covid-19, the bank also rolled the National Response Guarantee Program in partnership with QDB to facilitate financing of emergency salary and rental fee requirements of affected Sectors.

On the CSR front, Doha Private Banking sponsored youth development programs with the International Center for Sports Security (ICSS) to promote employment and career development with a positive community impact. Seven trainees living in Qatar and abroad were sponsored by Doha Private Banking to work on various projects: house of international sports, global digital community, development of COVID-19 protocols on sporting activities, guide for policy makers on the security of major sporting events, tools for exchange of information, child protection &

Save the Dream. The bank also held a blood donation drive in partnership with Hamad Medical Corporation, supported the breast cancer awareness month initiatives, and participated in the Ministry of Municipality and Environment's beach clean-up and tree planting activities. In addition, the bank donated cash aid to support Qatar Charity's "Educate Me... Let the Hope Continues" campaign which is expected to benefit 8,000 students inside Qatar and orphaned students in 11 countries around the world. Furthermore, the bank contributed QAR 200,000 to Qatar Red Crescent Society (QRCS) in donations to support the seventh edition of its annual 'Warm Winter' campaign aimed at providing essential needs during the cold winter months to refugees and displaced people from conflict-ridden countries.

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 "Best Trade Finance Bank" by Global Finance, the "3G Financial Services Award" award, and the "Best Digital Wallet" and "Best Digital Wallet App Qatar" awards by Global Business Review and International Business Magazine. The bank also received the "Best Digital Bank in Qatar" by World Economic Magazine, the "Best Commercial Bank in Qatar" at the World Business Outlook Awards, and the "Triumph Award" at Bizz AMEA awards for Doha Bank's triumph in the areas of technology and sustainable development. In addition, Mastercard has recognized Doha Bank as the fastest growing Mastercard Payment Gateway Services (MPGS) partner, thus acknowledging the bank's leading efforts in accelerating the adoption and use of digital payments in the country.

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 Bin Ahmed Al Kuwari, the Minister of Commerce and Industry, H.E. Sheikh Mohammed Bin Hamad Bin Qassim Al Thani, H.E. the Governor of Qatar Central Bank, Sheikh Bandar Bin Mohammed 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