



بنك الدوحة
DOHA BANK



Investor Presentation
April 2020

Disclaimer by Doha Bank

Our discussion may include forward-looking predictions and or expectations.

While these forward-looking statements represent our current judgment on what the future holds for the bank, they are subject to risks and uncertainties that could cause actual results to differ materially.

You are cautioned not to place undue reliance on these forward-looking statements, which reflect our opinions only as of the date of this presentation.

Please keep in mind that we are not obligating ourselves to revise or publicly release the results of any revision to these forward-looking statements considering new information or future events.

Throughout the discussion, we will attempt to present some important factors relating to our business that may affect our predictions.

A copy of our press release and financials can be viewed and downloaded on the bank's website at Dohabank.qa/investor

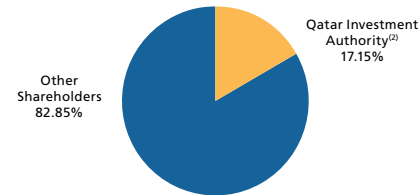
Key highlights

- Incorporated in 1979, Doha Bank is the third largest local conventional bank by assets in Qatar with a market share of approximately 6.7%⁽¹⁾ and assets totaling QR 106.4bn
- Doha Bank has a strong domestic franchise with a retail footprint which includes 24 local branches, 7 e-branches including pay offices and around 90 ATMs as of 31 March 2020
- Doha Bank has one of the largest international networks of the Qatari banks through branches located in UAE (Dubai and Abu Dhabi), Kuwait and India (Mumbai , Chennai & Kochi) and representative offices in Singapore, Turkey, Japan, China, United Kingdom, South Korea, Germany, Australia, Hong Kong, Canada, South Africa, Bangladesh, Sri Lanka and Nepal
- Doha Bank, leveraging its network, has a strong market presence in contract financing (24% market share), trade loans (8% market share) and real estate (12% market share) and has been fast growing (9% net loans CAGR since 2009)
- The bank operates principally through four business groups: Wholesale Banking, Retail Banking, International Banking and Treasury & Investments
- Doha Bank's Long-Term Deposit Rating was assessed at Baa1 by Moody's and Long-Term Issuer Default Rating (IDR) at A by Fitch

Strong international footprint



Diversified shareholder base and strong support



Largest international network of representative offices among Qatari banks

Positioned strategically in select business lines including contract financing, trade finance, real estate and retail

Source: Company information, Doha Bank estimates based on public information and QCB data
Note: 1. Measured as a percentage of the aggregate assets of the banking sector in Qatar as at 31 March 2020
 2. Qatar Central Securities Depository, major shareholders list.

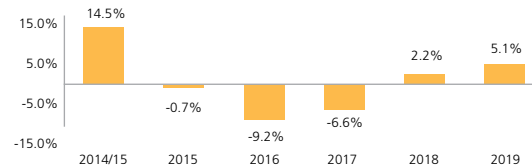
Qatar Economy

Stable economic situation

Sovereign rating:	A (Stable) by Fitch / Aa3 (Stable) by Moody's
Gas reserves:	Qatar has the 3 rd largest reserves of natural gas in the world ⁽²⁾
Oil reserves:	25.2 billion barrels of proven oil reserves ⁽²⁾
Current account balance:	Deficit of 1.9% in 2020 ⁽¹⁾ and 1.8% in 2021 ⁽¹⁾ of nominal GDP
Forecasted real GDP growth:	-4.3% in 2020 ⁽¹⁾ and 5.0% in 2021 ⁽¹⁾
Population:	2.79 million as at 31 March 2020 ⁽⁴⁾
GDP per capita:	With US\$70,736 in 2020 Qatar is one of the wealthiest countries in the world ⁽⁵⁾
Government fiscal position:	Estimated fiscal surplus of QR0.50 billion in 2020 ⁽³⁾
Significant future government & infrastructure spending:	Significant investments in the run up to hosting the 2022 FIFA World Cup and achieving the 2030 Qatar National Vision (e.g. gas projects, airport, rail, infrastructure, housing)
Currency:	Pegged to the U.S. dollar since 1980

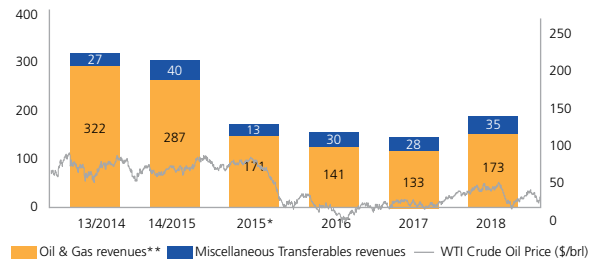
- Source:**
1. IMF World Economic Outlook Database (April 2020)
 2. British Petroleum Statistical Review of World Energy (June 2019)
 3. Qatar Budget 2020
 4. Qatar monthly statistics - Planning and Statistics Authority (March 2020)
 5. Statista (November 2019)

Government fiscal surplus/deficit (% of GDP)



Source: QCB annual reports & QCB Quarterly Statistic Bulletins
Note: The above data until 2014/15 is for the fiscal year from 1 April – 31 March
 Estimated fiscal surplus of QR0.50 billion in 2020

Government revenues (QR Bn)

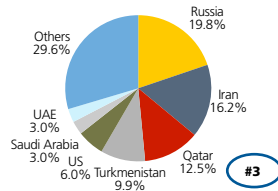


Source: Government revenues: QCB annual reports / WTI Crude oil Price: Bloomberg – 31 March 2020
Note: * Preliminary data covers 9 months (1/4- 31/12/2015) where the period has been extended as per Law No. (2) for the year 2015 for amending the fiscal year to a calendar year.
 ** Oil & Gas Revenue includes investment revenue transferred from Qatar Petroleum.

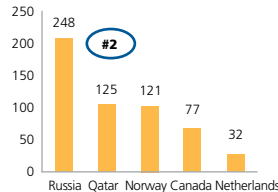
Qatar enjoys one of the highest GDP per capita at US\$ 70,736 in 2020⁽⁵⁾ and has a strong historic economic growth

3rd largest reserves and 2nd largest exporter of natural gas

Natural gas reserves (2018)

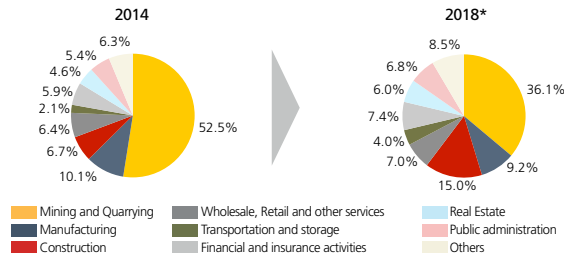


Export of natural gas in 2018 (cubic meters bn)



Source: British Petroleum Statistical Review of World Energy (June 2019)

Development of GDP composition 2014–2018*



Source: QCB Quarterly Statistical Bulletin – December 2019
Note: * Preliminary estimates

Qatar Mega-projects and stand-alone projects

Infrastructure projects in Qatar

- FIFA World Cup Football Stadiums (2020)
- Musheireb Properties - Musheireb Downtown Doha (2020)
- QP - Bul Hanine Field Redevelopment Project (2021)
- ASHGAL – Expressway Program (2022)
- ASHGAL - Local Roads & Drainage Program (2022)
- HIA – Steering Committee (2022)
- Qatar University Expansion (2023)
- UDC - Pearl Qatar (2024)
- LREDC - Lusail Development (2025)
- QatarGas - North Field Gas Expansion (2025)
- NPP - Hamad Port (2025)
- QFZA - Qatar Economic Zone (2025)
- Kahramaa - Water Security Mega Reservoirs (2025)
- QRAIL - Qatar Integrated Rail Project (2026)

These 14 mega-projects are expected to have cost c.USD\$227 Bn

Source: MEED Projects 16.01.2020

2022 FIFA World Cup

- '2022 FIFA World Cup' is expected to draw around half a million visitors, circa 19% of Qatar's current population

Source: Business Monitor International, research reports

Upcoming projects and economic development have attracted an influx of expatriate labor and benefited the economy

Financial Summary Highlights

Highlights

- ✓ Total assets amounted to QR 106.4 billion as at 31 March 2020 showing an increase of 10.5%.
- ✓ Net loans and advances reached QR 65.3 billion as at 31 March 2020 with an increase of 11.3%.
- ✓ The investment portfolio amounted to QR 25.2 billion, registering an increase of 4.0%.
- ✓ Customer deposits stood at QR 54.8 billion as at 31 March 2020, an increase of 0.6%.
- ✓ The total shareholder's equity by end of March 2020 reached to QR 12.1 billion showing a decrease of 5.8%
- ✓ The Net Interest income grew by 11.2% as compared to last year to reach QR 548 million.
- ✓ The Net Operating income stood at QR 749 million with an increase of 17.9%
- ✓ The bank's cost to income ratio has come down to 30.8% in the first quarter as compared to 35.7% for the same period last year.
- ✓ The bank has increased the impairment provision to QR 180 million, an increase of 50.1% as compared to last year resulting in high total provision coverage (including ECL of 121%)
- ✓ The bank has transferred QR 712 million to risk reserve in 2019 which has enhanced all capital ratios
- ✓ The bank's NPL ratio remains relatively stable
- ✓ The bank's capital adequacy ratios stand stronger with CET1 9.8%, T1 15.0% and the total CAR at 16.2%

Note: The above figures are as at and for the period ended 31 March 2020 with a year and year growth unless otherwise specifically mentioned.

Comments

The strategic transformation program that the Bank has embarked on in 2019 is progressing well. We have achieved few critical milestones and as we accelerate the transformation journey, we will be working on more exciting initiatives. In view of Covid-19, the economic dynamics are evolving at unprecedented speed and we are carefully analyzing and evaluating the situation and will re-align our transformation efforts with evolving external factors. Some of the key achievements we have successfully implemented include Biometric Authentication including Face & Voice recognition, Digital customer requests, Online Local and International fund transfers for corporate customers, digitization of some of the internal workflows. Across the five year plan, we will maintain a focus on improved asset quality, diversification, customer experience and digital innovation as key market differentiator for Doha Bank.

Profitability (QR Mn)

	Chg Y/Y	Q1 2020	Q1 2019
Interest Income	2.6%	1,043	1,017
Interest Expense	-5.5%	(495)	(524)
Net Interest Income	11.2%	548	493
Fees and Commissions	-10.1%	90	100
Foreign Exchange Gain	2.3%	28	27
Income from Investment Securities	-	70	(1)
Net Income from Insurance Activities	-	4	1
Other Income	-41.4%	9	16
Staff Cost	1.0%	(116)	(115)
Non Staff Cost	2.5%	(115)	(112)
Provision	46.5%	(194)	(132)
Tax	-101.5%	(0.4)	30
Net Profit	5.4%	324	307

Assets and Liabilities (QR Mn)

	Chg Y/Y	31-Mar-20	31-Mar-19
Total Assets	10.5%	106,417	96,330
Loans and Advances	11.3%	65,324	58,685
Investments	4.0%	25,192	24,233
Customer Deposits	0.6%	54,799	54,459
Total Equity	-5.8%	12,142	12,888

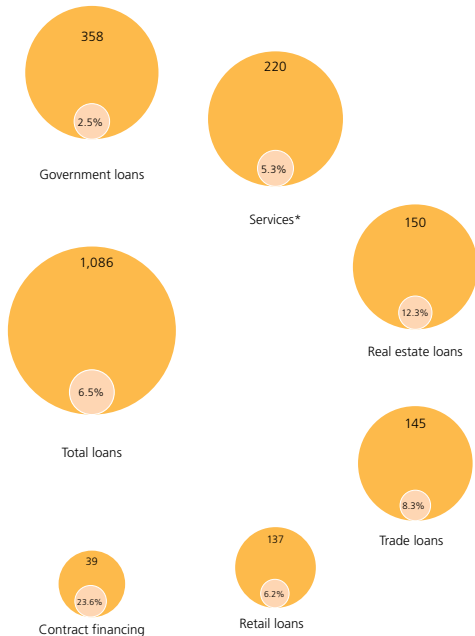
Capital

	31-Mar-20	31-Mar-19
RWA (QR 'Mn)	77,728	77,464
CET 1 Ratio (%)	9.84%	10.77%
T1 Ratio (%)	14.98%	15.93%
Total Capital Ratio (%)	16.15%	17.10%

Minimum ratios at March 2020: CET1 8.50%, Tier1 10.50%, Total Capital Ratio 12.50%, ICAAP 1.00%

Banking Sector

Loan market size (QR Bn) and Doha Bank market share (%)

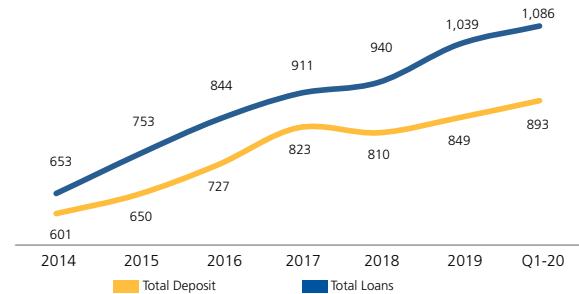


* Includes Non-Banking Financial Institution

● Doha Bank market share as of 31 March 2020

● Loan market size as of 31 March 2020

Qatari banking system – Total Loans Vs Deposits (QR Bn)

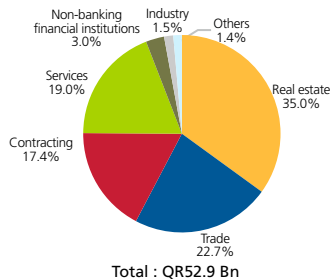


Source: QCB banks' monthly statements and annual reports

Comments- Market Share

- Actively working to mitigate risks associated to real estate and finance in GCC
- Loan portfolio remains diversified
- Representative offices strategically located globally in key locations
- We maintain a Strong brand recognition in Qatar and internationally
- First to introduce many innovative products and services in Qatar
- Majority of the Board members belong to the ruling 'Al Thani' family

Overview of the corporate banking loan book – March 2020

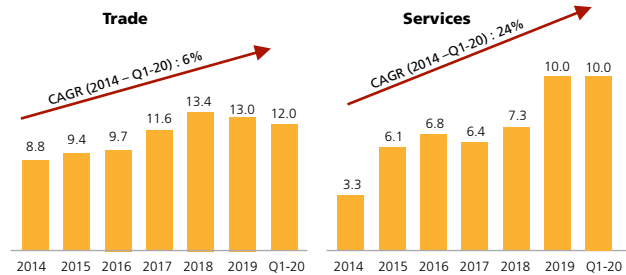
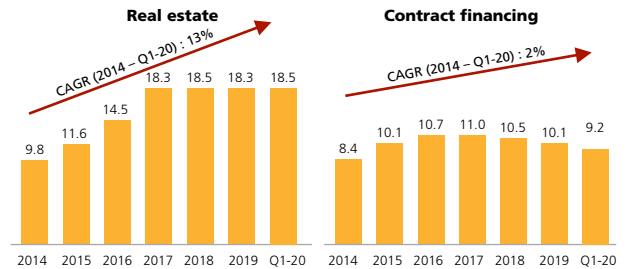


Source: Company information

Comments:

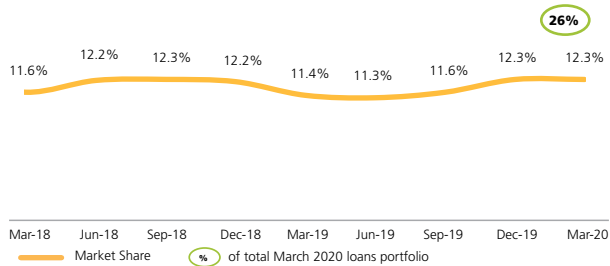
- A significant contributor to the total income of Doha Bank
- Evolved to be one of the core competencies of the bank and will be one of the major growth areas of the Bank
- Targets local and international companies
- Well diversified portfolio focused on private sector

Loans (QR Bn)



Source: Company information

Real estate market share development

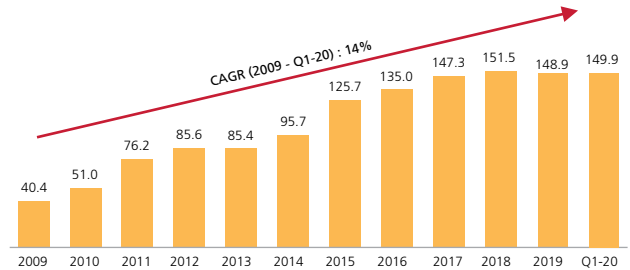


Source: Company information and QCB data

Comments:

- Conservative regulatory environment with real estate lending limits well defined
- Loan portfolio is highly collateralized at circa 167%

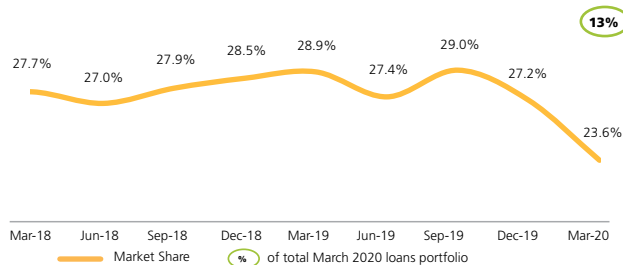
Qatari market real estate loans (QR Bn)



Source: QCB banks' monthly statements and annual reports

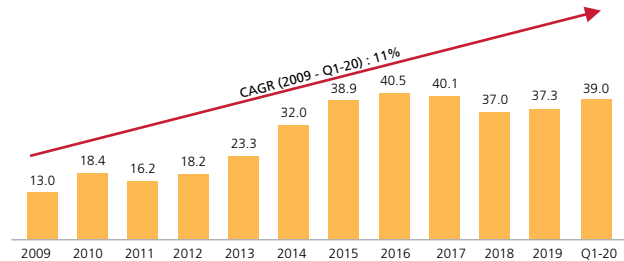


Contract financing market share development



Source: Company information and QCB data

Qatari market contract financing loans (QR Bn)



Source: QCB banks' monthly statements and annual reports

Comments:

- Doha Bank's high market share benefits from strong relations with key contractors through Doha Bank representative offices (eg. Turkey, South Korea, Japan, Germany)
- Doha bank is looking to reduce its market

Comments:

- The contract financing sector is set to benefit from planned infrastructure spending in Qatar as well as the '2022 FIFA World Cup'

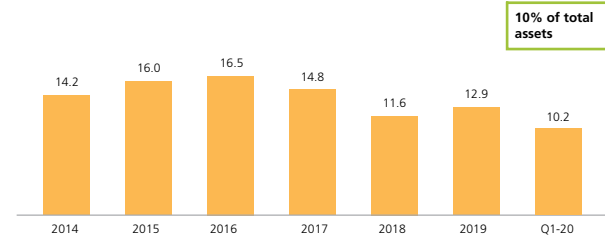
International Presence

Timeline of international expansion

- 2005: Doha Bank established a representative office in Dubai
- 2006: Representative offices in Singapore and Turkey commenced operations
- 2007: First full branch outside of Qatar – in Dubai (upgraded from a representative office to a branch). Representative offices were established in Japan and China
- 2008: Kuwait branch was established. Representative offices in the United Kingdom and South Korea were established
- 2011: Representative offices were established in Abu Dhabi and Germany
- 2012: A representative office was opened in Australia. Abu Dhabi representative office was upgraded to a full branch
- 2013: Representative offices were established in Hong Kong & Canada
- 2014: Opened a branch in Mumbai, India and first e-branch in Dubai
- 2015: Acquired 2 new branches in India (Mumbai & Kochi) from HSBC Oman and a representative office opened in South Africa
- 2016: Representative office was established in Bangladesh
- 2018: Commencement of Chennai Branch. Representative Office established in Sri Lanka and Nepal.

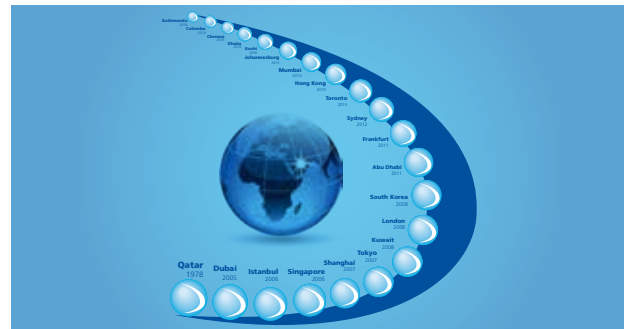
Source: Company information

International asset evolution (QR Bn)



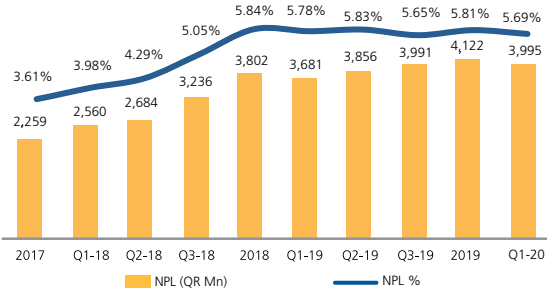
Source: Company information

Increasing international reach



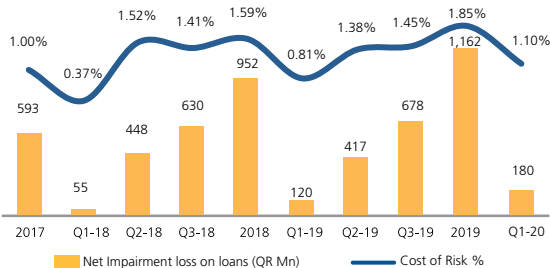
Source: Company information

NPL evolution



Source: Company information

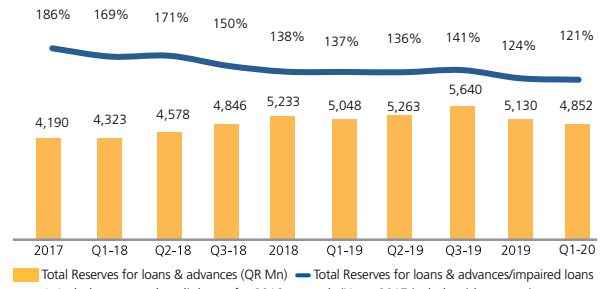
Net impairment loss on loans and cost of risk*



* Includes expected credit losses (ECL) as per IFRS 9 from 2018 onwards

Source: Company information

Total Reserves* for loans & advances divided by impaired loans



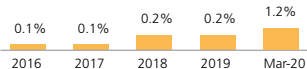
* Includes expected credit losses for 2018 onwards (Note: 2017 includes risk reserves)

Source: Company information

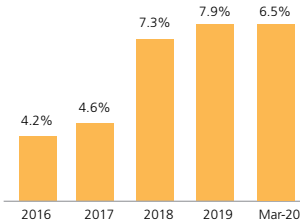


Credit Quality in Doha Bank's Core Businesses and by Geography

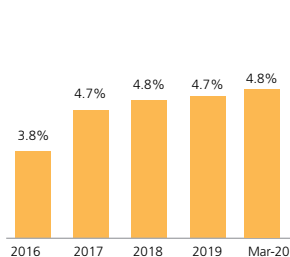
Real estate NPL ratio



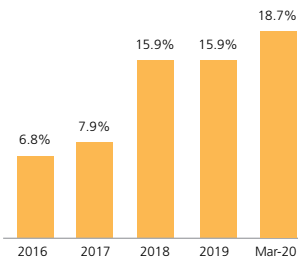
Corporate NPL ratio



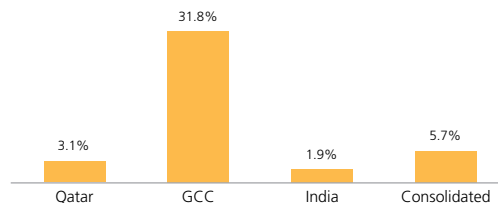
Retail NPL ratio



Contracting NPL ratio



NPL per geographical location – March 2020



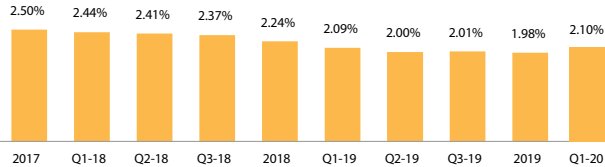
Comments:

- Real estate NPL % has marginally increased
- GCC branches showing significantly high NPL%
- High Corporate and Contracting NPL % mainly attributable to exposure from GCC branches
- Qatar operation's NPL% remains low

Source: Company information

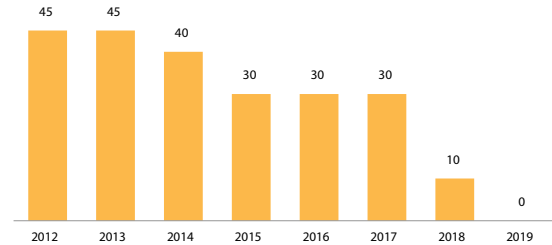
Historically a Very High Dividend Yield...

Net Interest margin %



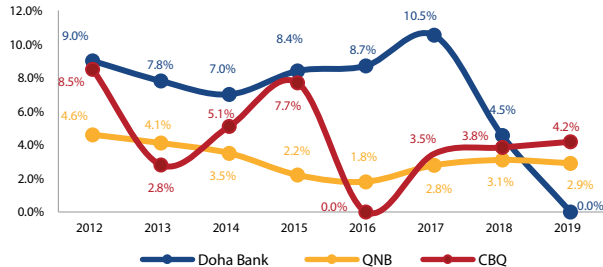
Source: Company information

Cash dividend (%)



Source: Company information

Dividend yield



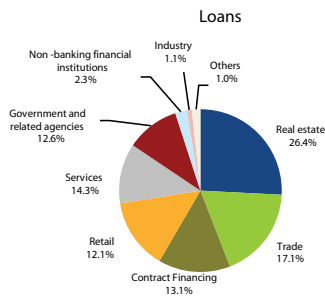
Source: Company information & Bank's Annual Financial Statements

Comments:

- Historically high dividend yield as compared to competitors
- 2018 Dividend reduced in order to enhance capital ratios
- 2019 Board of Director's decided to withhold the dividend to enhance the bank's capital ratios by increasing the risk reserves.

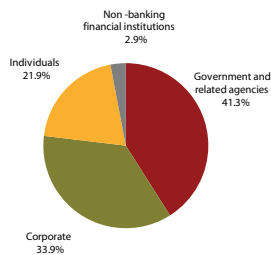
Diversified Loans and Deposits

By sector –March 2020



Total loans: QR65.3 Bn

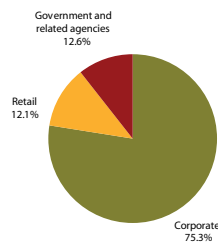
Deposits



Total deposits: QR54.8 Bn

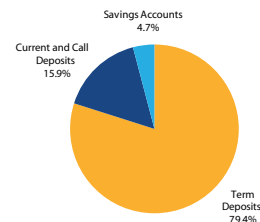
By type – March 2020

Loans



Total loans: QR65.3 Bn

Deposits



Total deposits: QR54.8 Bn

Comments:

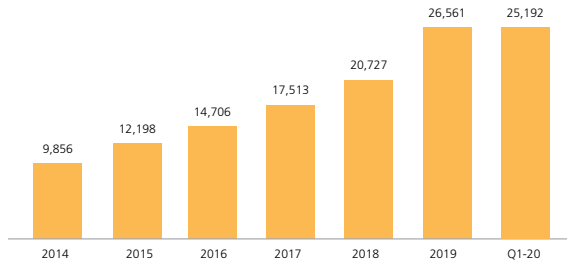
- Doha Bank has maintained a very well diversified loan mix
- Doha Bank consistently ensures it retains a diversified deposit and funding base to minimize concentration risks
- Qatar Central Bank (QCB) imposes certain credit concentration limits on regulated banks in Qatar and the Bank follows QCB's credit concentration policy
- Those credit concentration limits impose restrictions such as single obligor limits as well as restrictions on real estate lending

Source: Company information

Portfolio overview

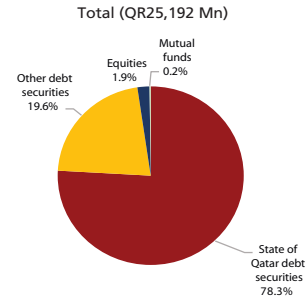
- Conservative investment philosophy
- Low hard limits for discretionary trading / investments
- Majority of portfolio in local sovereign fixed income
- Fixed Income holdings – average purchase yield 3.74%, Bond average Duration – c.5.03 years/ Net Modified Duration – c. 2.45 years
- Portfolio repo-able to the extent liquidity is needed; currently c.QR12.3 Bn at weighted average cost of 1.90%
- Equity and other fund exposures reduced by QR 1.3 Bn, since 2015. Remains QR 384 Mn equity + QR 140 Mn Perp exposure
- Conservative investments limits linked to Tier 1 capital as per QCB
- Investment portfolios are re-classified and re-measured post adoption of IFRS 9 with effect from 1 January 2018

Investment portfolio (QRmn)

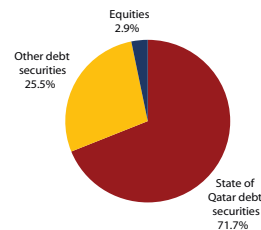


Source: Figures are sourced from Annual Reports and Quarterly Financials

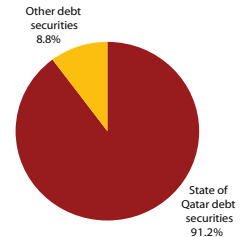
Investment portfolio – split by type – March 2020 (%)



FVOCI (QR16,308 Mn)

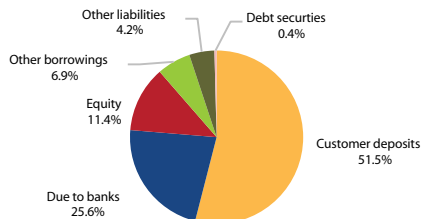


Amortized Cost (QR8,813 Mn)



Liquidity and Capitalization

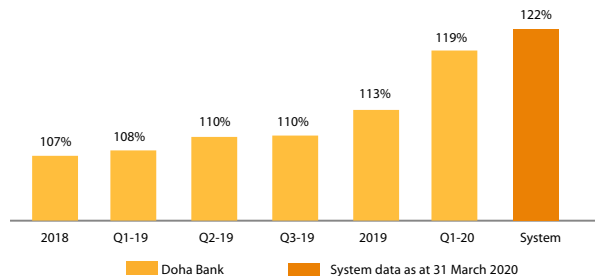
Funding mix – March 2020



Total liabilities and equity: QR106.4 Bn

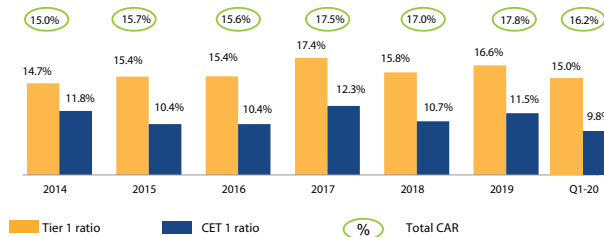
Source: Company information

Loan to Deposit ratio (%) – March - 2020



Source: Company information

Evolution of tier 1 and capital adequacy ratio



Source: Company information
Note: 2014 onwards based on Basel III

Comments:

- Doha Bank has a diverse funding profile including a mixture of retail, wholesale, interbank, long term liabilities and shareholder funds
- The bank maintains holdings of QR19.7 Bn of State of Qatar bonds

Doha Bank Credit Ratings

Rating Agency	Category	Ratings
Moody's	Counter Party Risk Assessment LT	A3
	Counter Party Risk Assessment ST	P-2
	Bank Deposit Ratings LT	Baa1
	Bank Deposit Ratings ST	P-2
	Baseline Credit Assessment	ba2
	Outlook	Stable
Rating Agency	Category	Ratings
Fitch	Issuer Default Rating LT	A
	Issuer Default Rating ST	F1
	Support Rating	1
	Viability	bb
	Outlook	Stable

Doha Bank Strategy - Transformation with a Clear Path to Future Growth

VISION



To be recognized as the bank of choice in Qatar, delivering superior shareholder returns and an unparalleled customer experience

MISSION



We strive to become a platform for innovative financial services and deliver superior customer experience through the use of technology innovation and embrace of a wider partner ecosystem

GUIDING PRINCIPLES



Customer Experience

"Place the customer at the core of all we do and deliver a leading omni channel experience"

Empowerment and Accountability

"Empower our employees to make decisions"

Talent Development

"Hire, train and retain best in class talent"

Cost Reduction

"Optimize cost to improve margin"

Revenue Enhancement

"Enhance revenue through diversified sources of income"

Risk and Capital Management

"Protect our customers, our shareholders and our reputation through sound risk management"

Process Reengineering, Digitization and Automation

"Simplify, digitize and automate internal and customer facing processes"

Source: Company information

Hesham Kalla

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