

Doha Bank

**Investor Presentation
March 2022**



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1. Macroeconomic Update

Qatar State Budget for 2022⁽¹⁾ *shows strength*

Headlines

- Revenue is anticipated to reach QR196.0bn based on an average oil price of USD \$55 per barrel
- Expenditure is estimated at QR204.3bn
- The Budget deficit is estimated at QR8.3bn
- A total of QR74.0bn is allocated for Major Projects
- ❖ In line with existing plans and strategies, the State continues the work on development projects related to infrastructure, citizens' land development and public services.
- ❖ The State continues to prioritize investment in the education and healthcare sectors. This provision includes several projects and initiatives to enhance the quality of healthcare services being provided to the public.

".....it still reflects a continuation of adopting a conservative policy in revenue estimation to maintain fiscal balance and minimize the volatility of global energy prices on the State Budget."

H.E. Ali Bin Ahmed Al-Kuwari, Minister of Finance

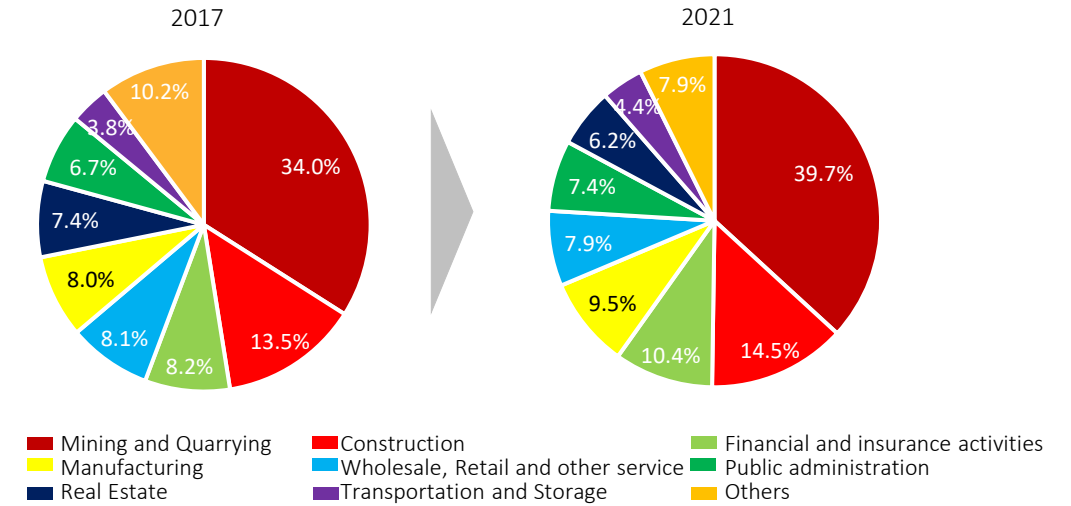
QATAR	QAR Billion										
	Fiscal			2021				Fiscal	Budget	Budget	Chg Pct
	2018	2019	2020	Q1	Q2	Q3	Q4	YTD 2021	2021	2022	Y-O-Y %
Total Revenue	207.9	214.7	171.2	45.2	50.0	46.9	-	142.1	160.1	196.0	22.4%
Oil & Gas	173.1	170.0	133.3	39.7	30.7	41.2		111.6	121.6	154.0	26.6%
Other Revenues	34.8	44.7	37.9	5.5	19.3	5.7		30.5	38.5	42.0	9.1%
Total Expenditure	192.8	208.4	182.4	45.0	46.0	46.0	-	137.0	194.7	204.3	4.9%
Salaries and Wages	55.7	61.4	58.0	14.4	15.1	14.2		43.7	57.9	58.5	1.0%
Other Current Expenditure	55.5	62.7	57.9	14.7	15.2	14.8		44.7	60.7	67.2	10.7%
Minor Capital Expenditures	3.8	4.1	3.5	0.9	0.8	0.7		2.4	4.0	4.6	15.0%
Major projects	77.8	80.2	63.0	15.0	14.9	16.3		46.2	72.1	74.0	2.6%
Balance Surplus/(Deficit)	15.1	6.3	(11.2)	0.2	4.0	0.9	-	5.1	(34.6)	(8.3)	-

Source (1) State Budget for the 2022 Fiscal Year, Ministry of Finance

Qatar from strength to strength..

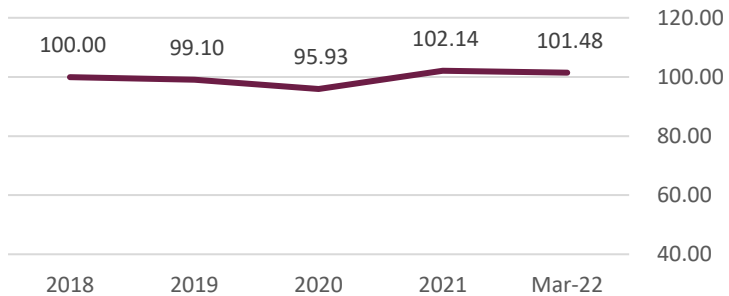
Qatar ⁽¹⁾	Feb-22	Dec-21	Chg Pct YTD
Purchasing Managers' Index ⁽²⁾	61.4	61.4	-
GDP ⁽³⁾ (current prices QAR Bn)		480.81	-
Total Population	2,826,286	2,677,001	+5.58%

Development of GDP composition (current prices) 2017-2021⁽⁴⁾

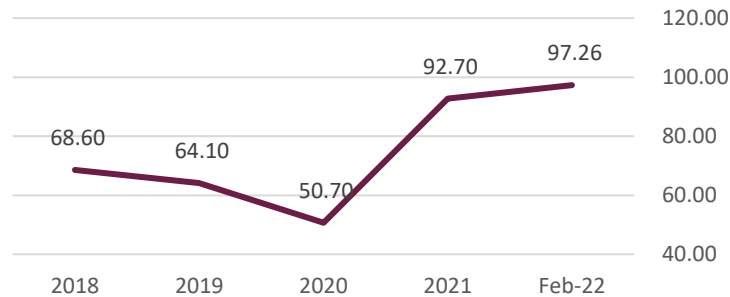


- Source 1) Qatar Planning and Statistics Authority,
Notes 2) Qatar Financial Centre PMI
3) GDP reflects 9M 2021

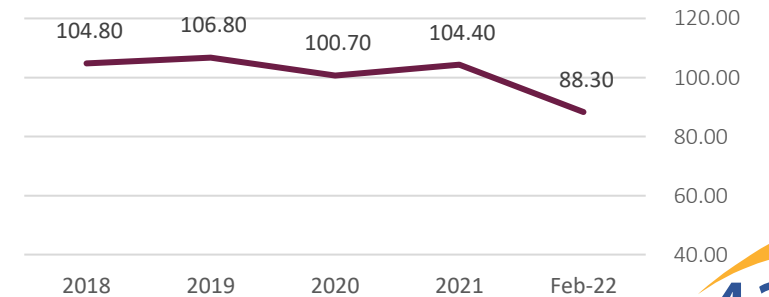
Consumer Price Index



Producer Price Index



Industrial Production Index

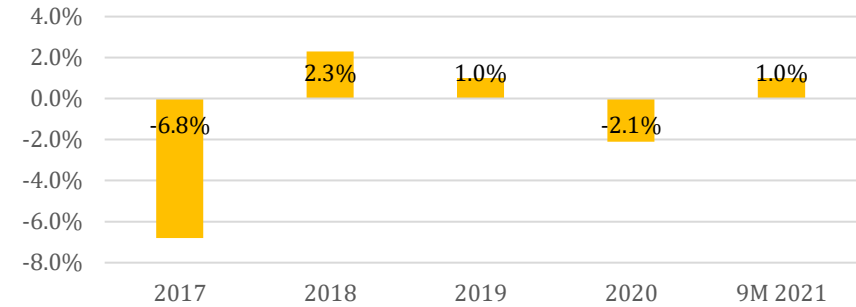


- Source 4) Qatar Planning and Statistics Authority, estimates as on date

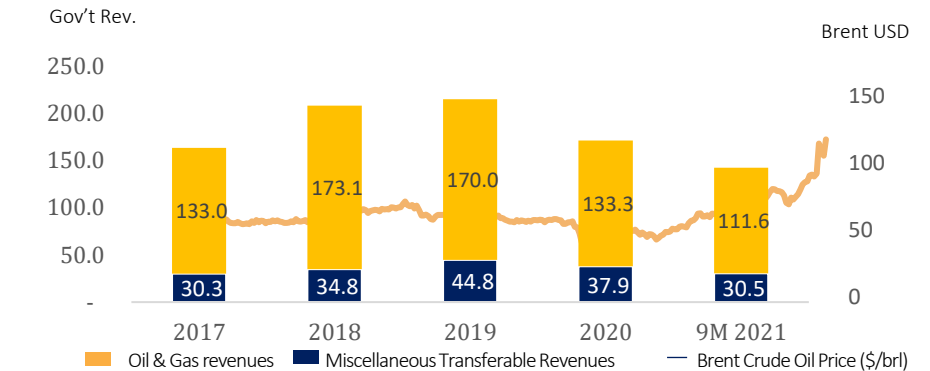
Stable economic position

Sovereign rating	Moody's Aa3/ S&P AA-/ Fitch AA-
Gas reserves ⁽¹⁾	Qatar has the 3 rd largest reserves of natural gas in the world, totaling 24.7 trillion cubic meters and Qatar is the 2 nd largest exporter of natural gas, totaling 106.1 billion cubic meters
Oil reserves ⁽¹⁾	25.2 billion barrels of proven oil reserves
Projected real GDP growth IMF ⁽⁴⁾ WEO	+3.9% in 2022 Vs 1.5% for 2021;
Inflation rate ⁽²⁾	+2%-3.5% for the period between 2021-2023
IMF ⁽⁴⁾ WEO	3.5% in 2022
Government fiscal position ⁽³⁾	Estimated fiscal deficit of QR8.3 billion in 2022
Significant future government & infrastructure spending:	FIFA World Cup 2022 – it is projected that the event will welcome a ' <i>total of cumulative</i> ' visitors of 1.2-1.5 million. 2030 Qatar National Vision 2030 Asian Games
Currency	Pegged to the US Dollar since 1980

Government fiscal surplus/ deficit (% nominal GDP)⁽²⁾



Government revenues (QR Bn)



Source:
Notes

(1) Ministry of Finance, 9-month data

➤ Oil & Gas revenue includes investment revenue transferred from Qatar Petroleum

(2) Brent Crude Oil monthly closing price: Bloomberg – 01 January 2017 – 31 March 2022

Sources
Notes

- (1) British Petroleum Statistical Review of World Energy July 2021
- (2) Qatar Planning and Statistics Authority, Qatar Economic Outlook
- (3) Qatar State Budget 2022
- (4) IMF April 2022 World Economic Outlook

2. Doha Bank overview

- Founded in 1979
- Listed on the Qatar Stock Exchange
- Full branch operations in Qatar, the UAE (Dubai & Abu Dhabi), India (Mumbai, Chennai & Kochi) and Kuwait
- Largest international network of representative offices among Qatari banks: China (Shanghai & Hong Kong), Canada, Turkey, Singapore, Germany, Japan, United Kingdom, South Korea, South Africa, Bangladesh, Australia, Sri Lanka and Nepal
- Brokerage and financial services associate in India
- Sharq Insurance Company, a 100% owned insurance company in Qatar
- Client base of more than 500,000 customers⁽¹⁾
- 24 Domestic Branches, 3 E-Branches / 2 Branch Pay Offices, 86 ATMs, 1 Mobile ATM and 1 Mobile ITM

Note (1) Salaried, non-salaried and under Wages Protection Scheme ("WPS")

Strong ratings profile underpinned by highly rated sovereign

Agency Category Ratings Outlook

Doha Bank

Moody's	Bank Deposit Ratings LT	Baa1	Stable
Fitch	Issuer Default Rating LT	A-	Stable

Qatar Sovereign

Moody's	Counter Party Risk LT	Aa3	Stable
Fitch	Issuer Default Rating LT	AA-	Stable
S&P	Counter Party Risk LT	AA-	Stable

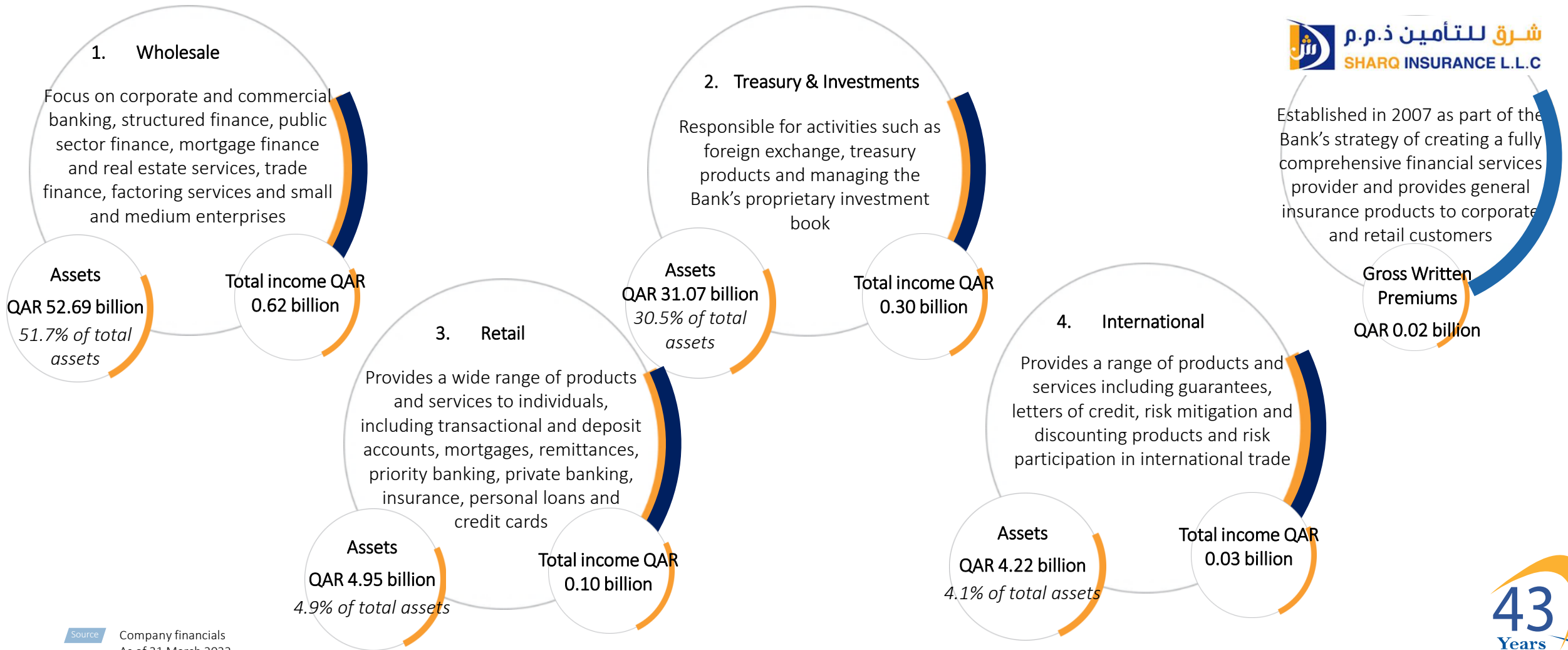
Note (2) Fitch on 19/04/2022 removed the Qatari banks from *rating watch negative (RWN)* and downgraded the banks by one notch ,respectively with a stable outlook



Key Credit Highlights



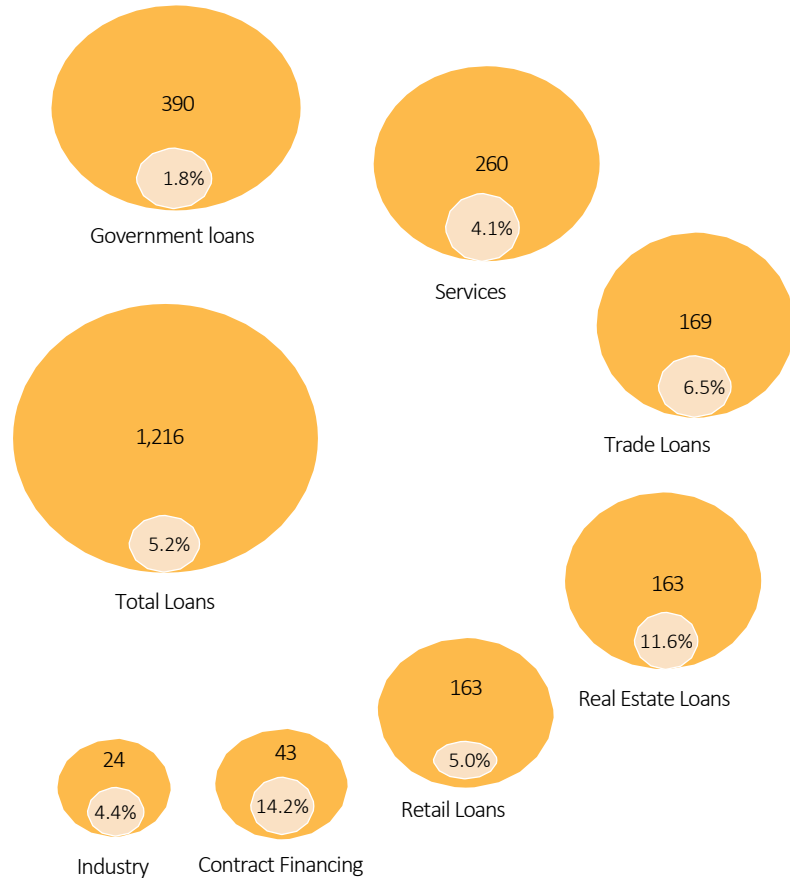
Doha Bank is structured in four Business Units and holds 100% of Sharq Insurance



Source: Company financials
As of 31 March 2022

Long-standing experience in lending into the key sectors of Qatar and good insights

Loan market size (QAR billion) 'major sectors' and Doha Bank market share (%)



Note Includes Non-Banking Financial Institution

● Doha Bank market share as of 31 March 2022

● Loan market size as of 31 March 2022

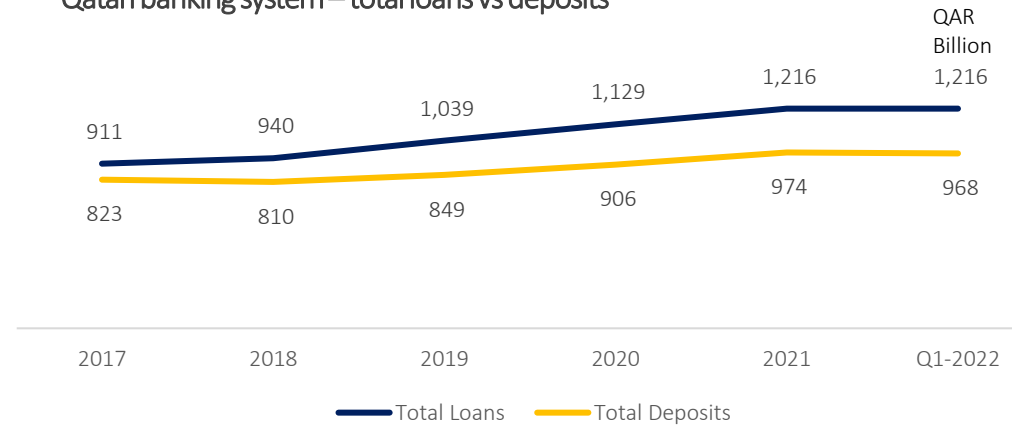
Source QCB Banks Monthly Statements

Historical Loan market size (QAR billion) 'major' sectors and Doha Bank market share (%)

	Q1-2022		2021		2020		2019		2018	
	System	DB	System	DB	System	DB	System	DB	System	DB
Government Loans	390	1.8%	399	2.4%	372	3.1%	334	2.2%	360	1.0%
Services	260	4.1%	257	4.1%	228	5.0%	209	5.6%	135	4.7%
Trade loans	169	6.5%	167	6.3%	151	7.5%	136	9.5%	73	16.1%
Real Estate Loans	163	11.6%	162	11.8%	154	12.6%	149	12.3%	147	12.4%
Retail loans	163	5.0%	161	5.0%	148	5.3%	138	6.1%	124	7.2%
Contract Financing	43	14.2%	44	13.8%	40	13.8%	37	27.2%	40	27.4%
Industry	24	4.4%	24	4.7%	25	3.9%	23	3.3%	22	3.2%
Total loans	1,216	5.2%	1,216	5.4%	1,129	6.1%	1,039	6.8%	911	6.9%

Source QCB Banks Monthly Statements

Qatari banking system – total loans vs deposits



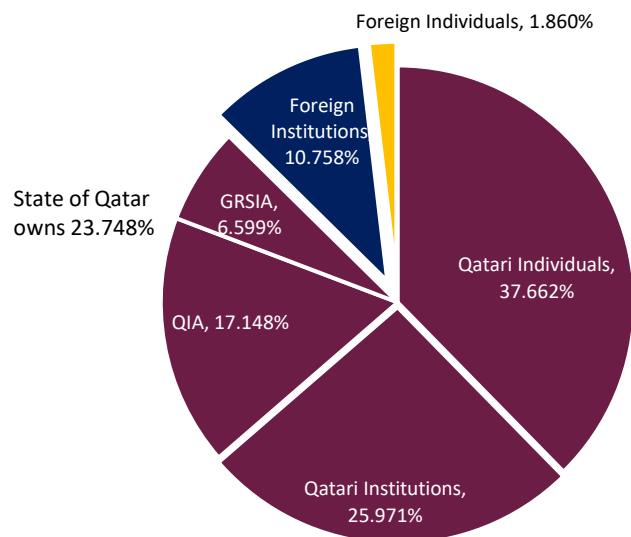
Source QCB Quarterly Statistics Bulletin

Doha Bank overview

Share price and market capitalization

	Date	Value
Last Price	31-Mar-22	2.580
52 Week High	14-Nov-21	3.217
52 Week Low	22-Apr-21	2.310
Current Market Capitalization	Qatari Riyals Mn	7,999
	USD Mn	2,197

Diversified shareholder base and strong support⁽¹⁾



(1) State of Qatar owns 23.748% shared by QIA 17.148% & 6.599% General Retirement Social Insurance Authority via the 'Civil Pension Fund'; Qatar Stock Exchange as on close 31 March 2022

Key Ratios	Q1-2022	2021	2020	2019	2018
Total equity to total asset	13.7%	14.1%	13.3%	12.3%	13.3%
Net loans to total asset	59.0%	61.8%	63.2%	60.8%	62.3%
Net loans to total deposit	110.2%	124.4%	118.8%	112.5%	107.3%
Non-performing loans	5.97%	5.83%	5.98%	5.81%	5.84%
Cost of Risk	1.23%	2.22%	2.09%	1.78%	1.59%
Cost to Income	28.0%	28.2%	29.5%	33.6%	35.6%
Net Interest Margins	2.59%	2.59%	2.25%	1.98%	2.24%
Risk Weighted Assets (QAR Mn)	71,923	71,898	71,908	79,287	77,173
CET1 Ratio	13.12%	13.47%	13.04%	11.53%	10.66%
Tier 1 Ratio	18.68%	19.03%	18.61%	16.58%	15.84%
Capital Adequacy Ratio	19.83%	20.18%	19.75%	17.75%	17.01%

The rise of DIGITAL transactions

- Digitization** → 88% transaction through digital/self-services
- Branch Model** → Increased digitization to enable shift in branch focus from Service to Sales center

Significant Growth in E-Commerce

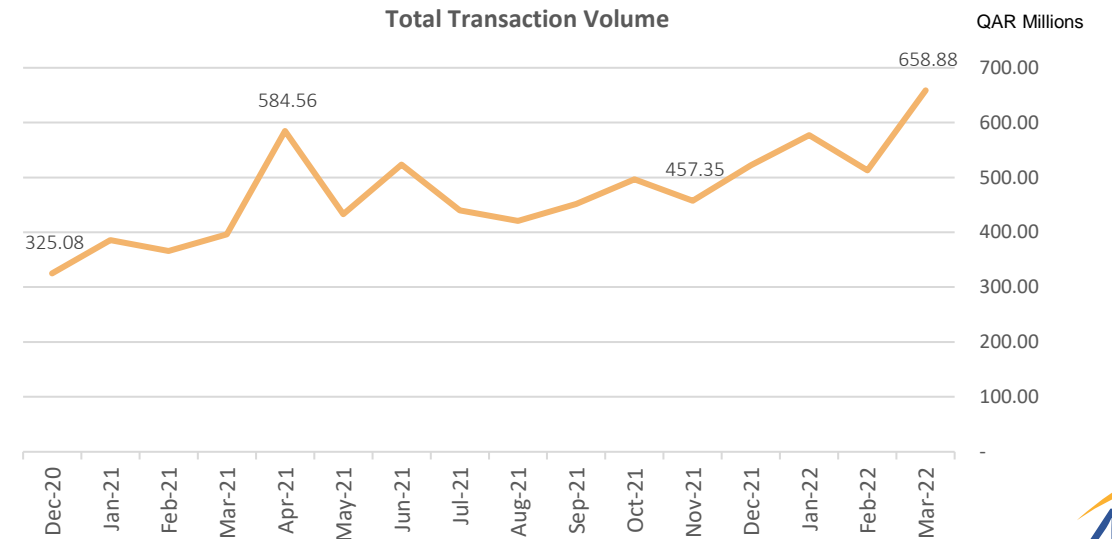
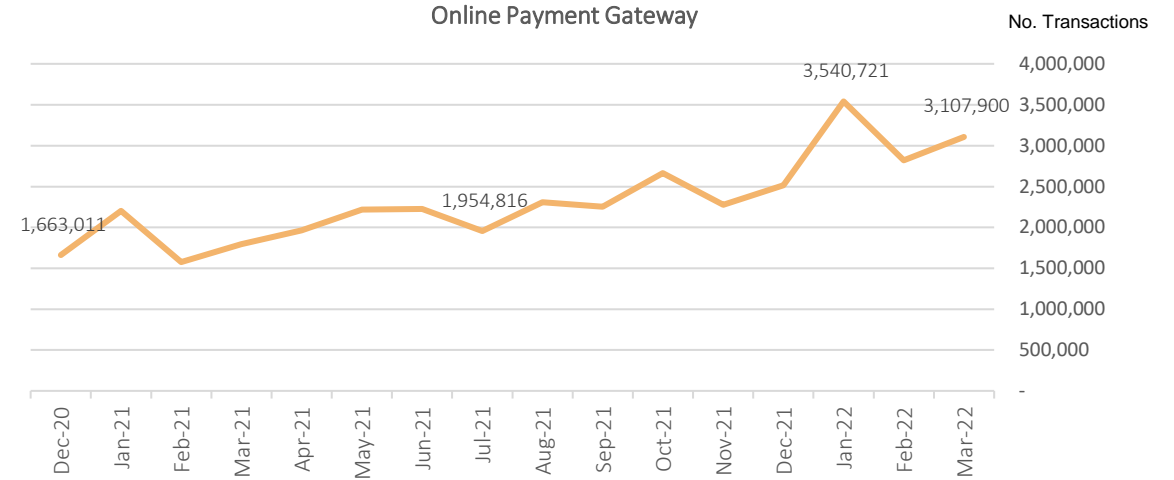
- Online Payment Gateway (OPG) 2022 YoY number of transactions has increased by 73%
- OPG transaction volumes in YoY has increased by 66%


Shift to Digital

- 88% of customer transactions are performed through digital and self-service channels (March 2022). The digital and self-service channels include Online/Mobile Banking, ATMs, Bulk Cash deposit and cheque deposit machines.
- 90% of all cash transactions are performed through ATMs Bulk Cash Deposit Machines and ITMs (Interactive Teller Machines).

Branch transaction off-loading

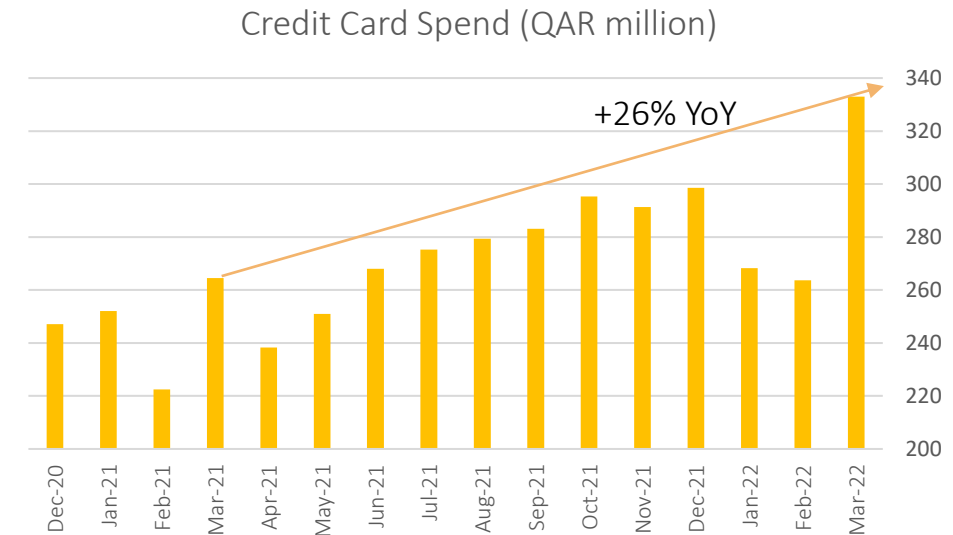
- Download IBAN Certificate, stamped and signed Account statements through Online and Mobile Banking
- Customers can update their KYC information through digital channels easily



Fee Income  Increased cards spend, e-comm spend, strong fee income

Innovative Payment Solutions

- Doha bank is the first bank in CEMEA region to implement Smarter STIP for DB VISA credit cards. Smarter STIP used advanced AI to deliver a more seamless experience for consumes when service disruption affects the network.
- Launched 'Doha Pay' – Doha Bank's Digital Wallet to offer QR Code Payments at selected merchants. And (P2P) Person 2 Person money transfers.
- Onboarded to Qatar Mobile Payment System (QMP)



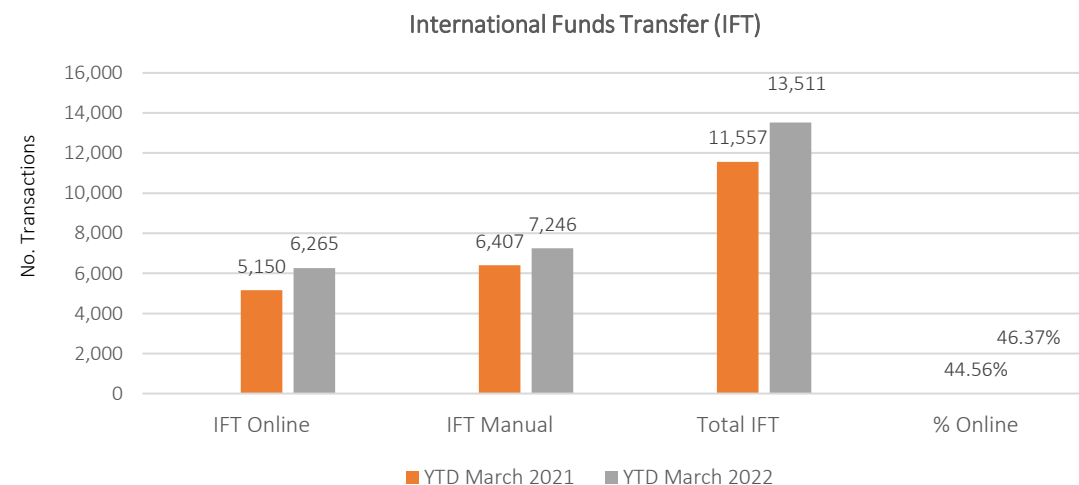
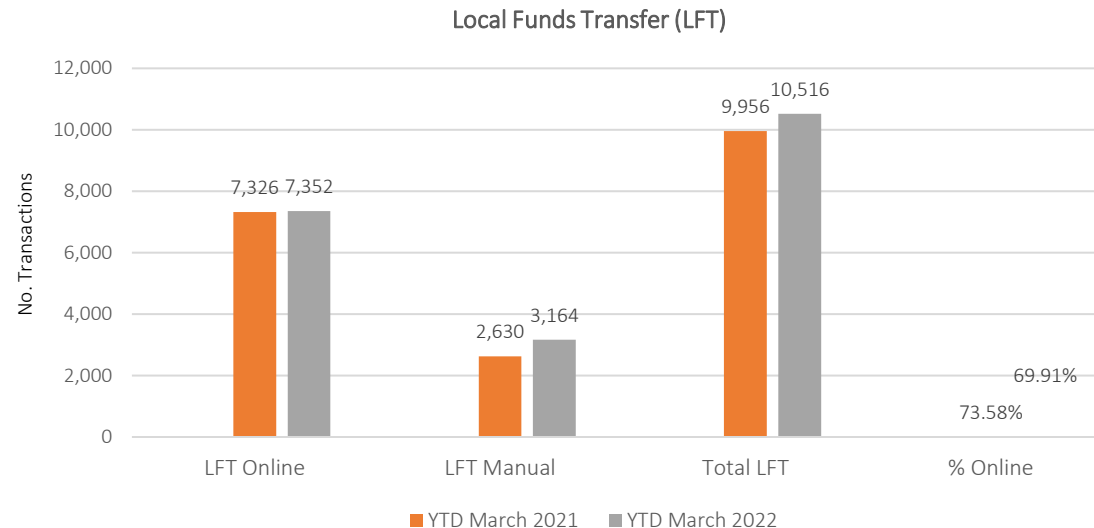
Wholesale Banking – Digitization update

Significant Growth in Online transactions

- Local Fund transfer – Online transaction ratio for Q1 2022 is 70%
- International Fund Transfer - Online transaction ratio has improved from 44% to 46% YoY.

Other Digitization updates

- E-Trade was rolled out in Q1 2022 after successfully completing the Pilot with a couple of clients. Several clients have been onboarded and they have started initiating their LC and LG transactions online.
- A few enhancements were rolled out on Tadbeer (electronic banking platform) in Q1 2022, such as availability of foreign currency accounts to initiate cross-border transfer, increase in transaction limits for client payments, etc.
- Remote Cheque Deposit proposition has been approved and is with the Procurement team for Vendor engagement. This will facilitate clients with an option of depositing cheques from the comfort of their office.
- Business case for SWIFT FileAct has been approved and is with the procurement team for vendor engagement.
- Several other initiatives are currently underway, aimed at automation, digitization and facilitating clients with end-to-end solutions around their Trade, Payments and Cash management requirements.



Doha Bank is committed to Environmental, Social and Governance (ESG) Sustainable Practices

Doha Bank began the publication of its annual sustainability disclosure statements from the year 2009.

Doha Bank sustainability reporting is guided by the Qatar Stock Exchange (QSE) ESG reporting methodology; since 2016.

Doha Bank has increased the scope of its reporting to include all required metrics from both GRI and QSE.

Doha Bank further supports the Ten Principles of the United Nations Global Compact on human rights, labor, environment and anticorruption.

It is important to note that Sustainability in our approach to business and to all stakeholders will be a journey that will lead to growth at Doha Bank over a much longer period and will continue to be so into the future as we build upon our growth trajectory as a domestic, regional and international institution.



We are a member of the GRI Community and support the mission of GRI to empower decision makers everywhere, through GRI Sustainability Reporting Standards and its multi-stakeholder network, to take action towards a more sustainable economy and world.



Achieved a score of 100% for the QSE *Sustainable Stock Exchanges* initiative for the years 2018 – 2021.

<http://qse.arabsustainability.com/>

Doha Bank was included in the MSCI QSE 20 ESG Index, launched in November 2021.



Doha Bank has been disclosing to the UNGC since 2017, and the COP meets the GC Active & GC Advanced criteria.

<https://www.unglobalcompact.org/what-is-gc/participants/132027-Doha-Bank-Q-P-S-C->



As on 19 November 2021, Doha Bank received an MSCI ESG Rating of BB.



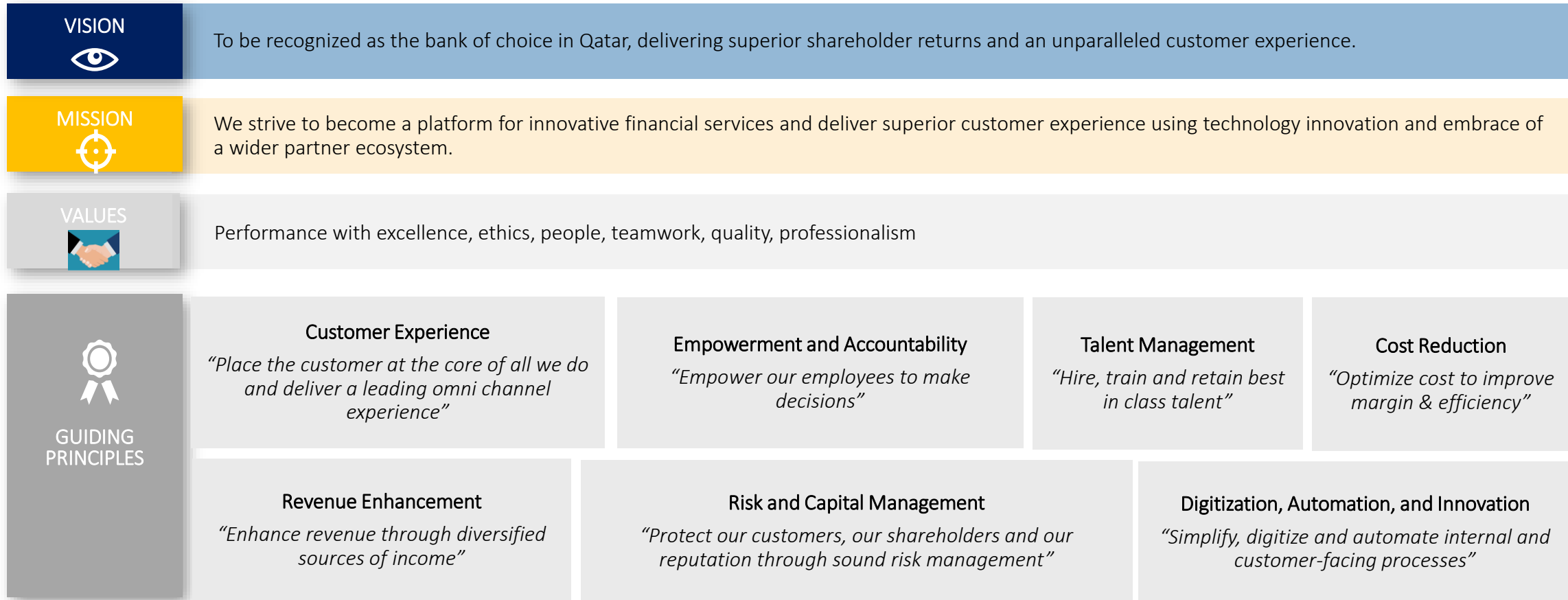
As on 20 December 2021, Doha Bank received a FTSE ESG Rating of 2.30 out of 5.

Doha Bank was the 1st listed company on the Qatar Stock Exchange to be included in the FTSE4Good Index in November 2018.

Disclaimer: FTSE Russell (the trading name of FTSE International Limited and Frank Russell Company) confirms that Doha Bank has been independently assessed according to the FTSE4Good criteria and has satisfied the requirements to become a constituent of the FTSE4Good Index Series. Created by the global index provider FTSE Russell, the FTSE4Good Index Series is designed to measure the performance of companies demonstrating strong Environmental, Social and Governance (ESG) practices. The FTSE4Good indices are used by a wide variety of market participants to create and assess responsible investment funds and other products.

Disclaimer: The use by Doha Bank of any MSCI ESG Research LLC or its affiliates ("MSCI") data, and the use of MSCI Logos, Trademarks, service marks or index names herein, do not constitute a sponsorship, endorsement, recommendation, or promotion of Doha Bank by MSCI. MSCI services and data are the property of MSCI or its information providers and are provided 'as-is' and without warranty. MSCI names and logos are trademarks or service marks of MSCI.

Doha Bank strategy – Transformation with a clear path to growth



3. Operational and Financial Highlights

Financial Summary

Profitability (QR Mn)	31-Mar-22	31-Mar-21	Chg Y/Y
Interest income	863	898	-3.9%
Interest Expense	(219)	(237)	-7.4%
Net Interest income	644	661	-2.7%
Fees and commission	81	73	10.9%
Foreign exchange gain	39	41	-5.7%
Income from investment securities	54	32	68.2%
Net income from insurance activities	2.3	0	503.9%
Other Income	6	16	-60.2%
Net Operating Income	826	823	0.3%
Staff Cost	(128)	(114)	12.5%
Non-Staff Cost	(103)	(105)	-1.3%
Net impairment loss	(191)	(223)	-14.5%
Tax	(2)	(2)	22.3%
Net Profit	401	380	5.6%

Comments

- ✓ Efficiently managing *Interest Expense* over the last two years has allowed the bank to have the lowest cost of funds amongst all our local peers
- ✓ *Net Operating Income* has been resilient and continuously improving.

Source Company financials

Assets and Liabilities (QR Mn)	31-Mar-22	31-Mar-21	Chg Y/Y
Total Assets	101,845	112,147	-9.2%
Loans and Advances	60,039	70,533	-14.9%
Investments	24,357	24,034	1.3%
Customer Deposits	54,480	63,672	-14.4%
Total Equity	13,978	13,958	0.1%

Capital	31-Mar-22	31-Mar-21	Chg Y/Y
RWA (QR Mn)	71,923	72,275	-0.5%
CET 1 Ratio (%)	13.12	13.00	0.9%
T1 Ratio (%)	18.68	18.53	0.8%
Total Capital Ratio (%)	19.83	19.69	0.7%

Minimum regulatory ratios for 2021: CET1: 8.50%, Tier1: 10.50%, Total Capital Ratio 12.50%, ICAAP 1.00%, Management buffer 0.50%

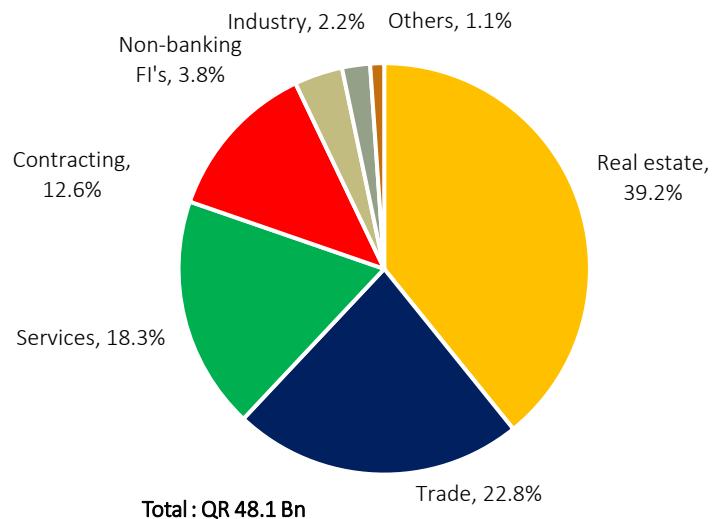
Comments

- ✓ CAR is strong and one of highest amongst local peers

Corporate Banking

Overview of the corporate banking loan book

March 2022

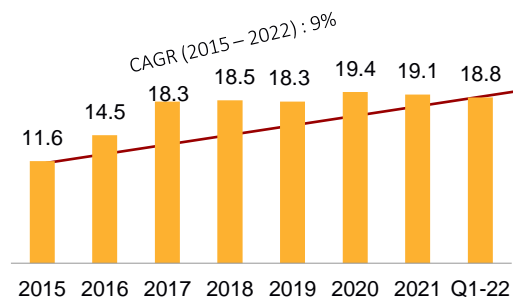


Comments

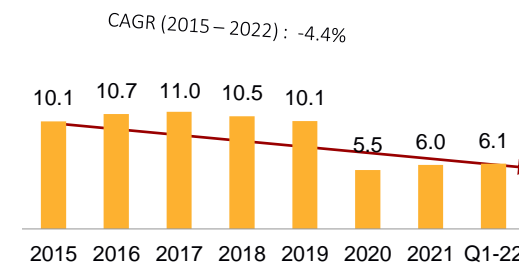
- ✓ A significant contributor to the total income of Doha Bank
- ✓ Evolved to be one of the core competencies of the bank and will be one of the major growth areas of the Bank
- ✓ Targets local and international companies
- ✓ Well diversified portfolio focused on private sector

Loans (QR Bn)

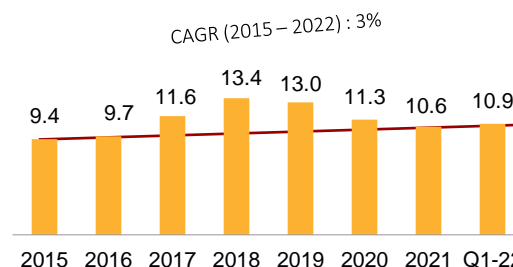
Real estate



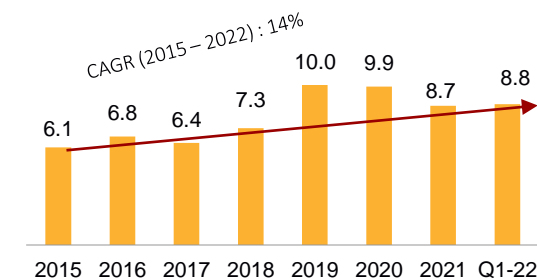
Contract financing



Trade

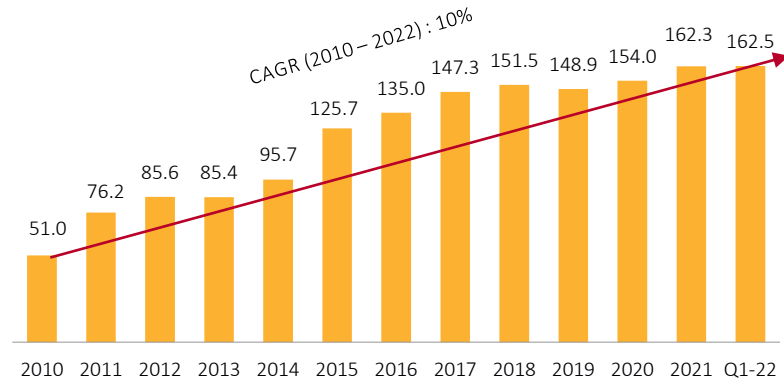


Services

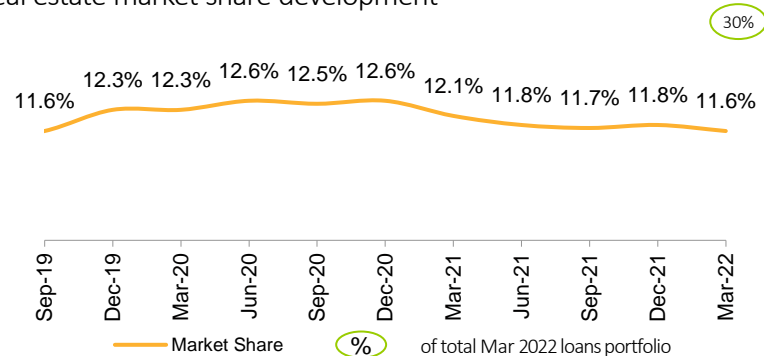


Real Estate

Qatar market real estate loans (QR Bn)



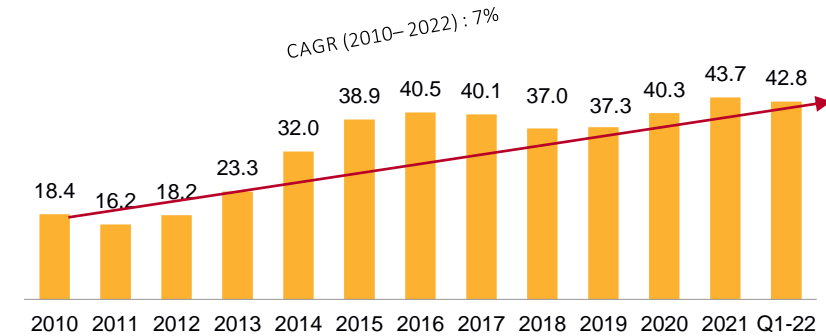
Real estate market share development



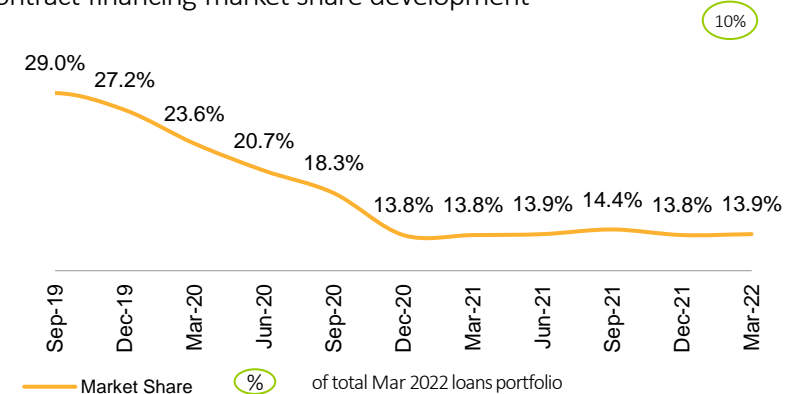
- ✓ Conservative regulatory environment with real estate lending limits well defined
- ✓ Loan portfolio is highly collateralized at circa 167%

Contract Finance

Qatar market contract financing loans (QR Bn)

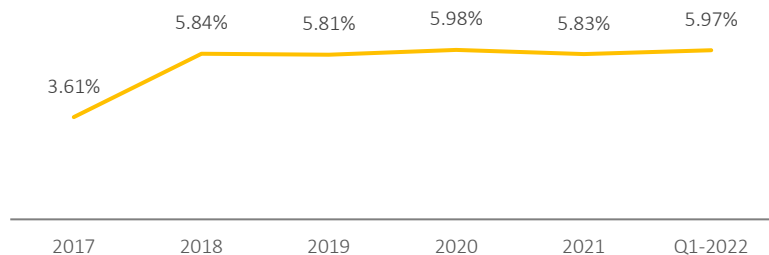


Contract financing market share development

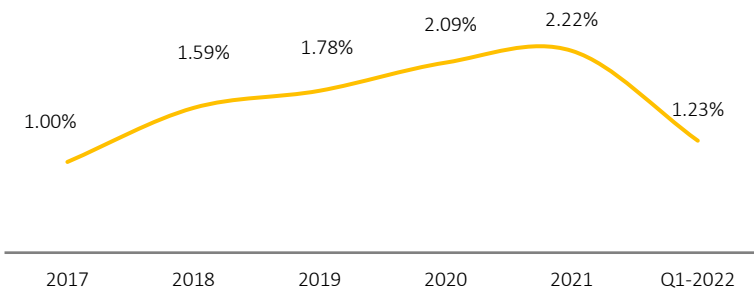


- ✓ Doha bank is working diligently to mitigate risks and reduce exposure to the sector of Contract Finance

NPL evolution

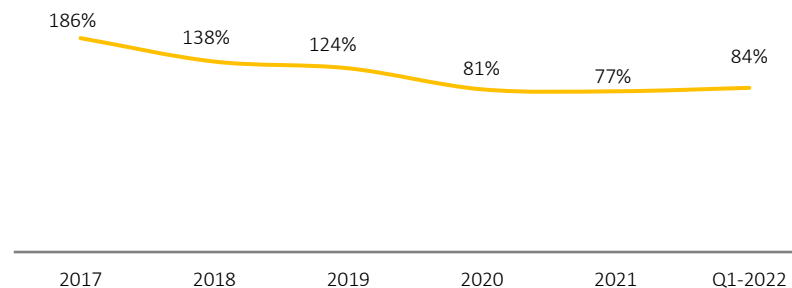


Cost of risk⁽¹⁾



Note (1) Includes expected credit losses (ECL) as per IFRS9 from 2018 onwards

Total Reserves⁽²⁾ for loans and advances divided by impaired loans



Note (2) Includes expected credit losses from 2018 onwards (2017 includes risk reserves)

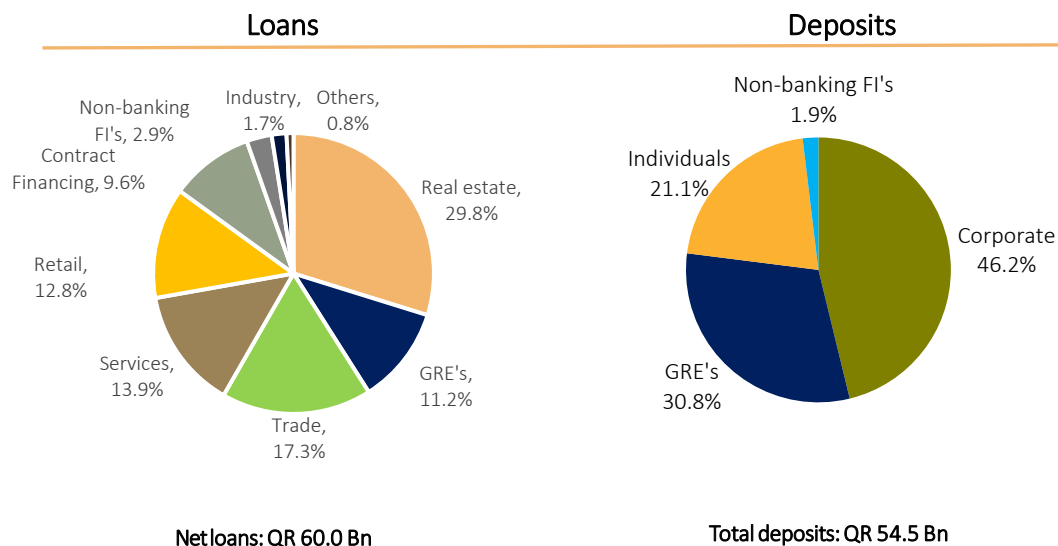
	Mar-2022 ⁽³⁾		
	Stage 1	Stage 2	Stage 3
Percentage on total loans	63.42%	30.61%	5.97%
Provision coverage	0.33%	4.63%	56.71%

	Mar-2021		
	Stage 1	Stage 2	Stage 3
Percentage on total loans	68.25%	26.08%	5.67%
Provision coverage	0.25%	5.20%	59.10%

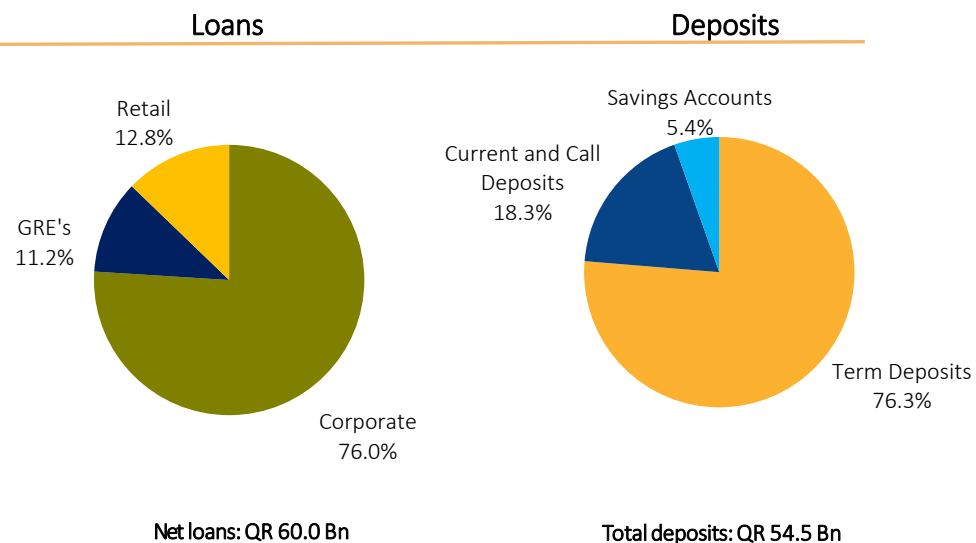
Note (3) Stage 3 provision includes interest in suspense

Diversified loans and deposits

By sector



By type



Comments

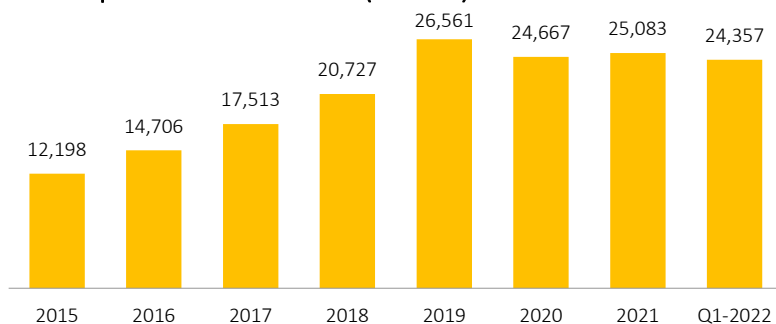
- ✓ Doha Bank consistently ensures it retains a diversified deposit and funding base to minimize concentration risks. The diversification is maintained by sourcing funding from several markets, products, tenors and currencies.
- ✓ Great emphasis is given to liquidity risk management with limits on reliance on short term funding and maintenance of portfolio of high-quality liquid assets.

Investment Book

Portfolio Overview

- Conservative investment philosophy
- Low hard limits for discretionary trading / investments
- Majority of the portfolio in local sovereign fixed income, Qatar 78.8% and Qatar banks 9.4%
- Fixed Income holdings – average purchase yield 3.60%, Bond average Duration – c.5.08 years/ Net Modified Duration – c.2.86 years
- Currently the portfolio contains QR 4.554 Bn of encumbered assets. The repo borrowings are at a weighted average cost of 1.07%
- Equity, AT1 and other fund exposures stands at QR 773.20 Mn + QR 23.762 Mn Mutual Funds
- Conservative investments limits linked to Tier 1 capital as per QCB; total investment 16.43%, total outside Qatar 11.41%, unlisted inside 0.20%, and unlisted outside 0.31%

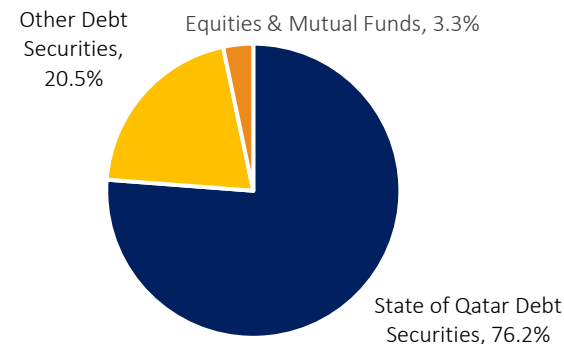
Investment portfolio – evolution (QR Mn)



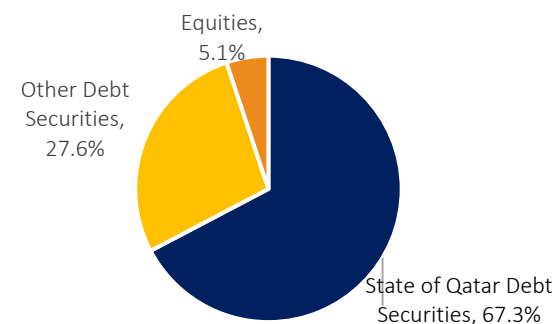
Source: Company financials
Note: As of 31 March 2022

Investment portfolio breakdown (%)

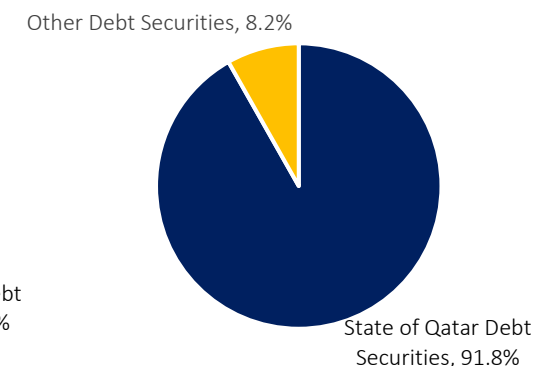
Total (QR 24,357 Mn)



FVOCI (QR 15,452 Mn)

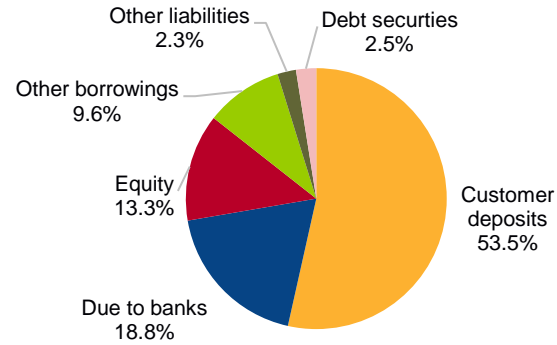


Amortized Cost (QR 8,887 Mn)



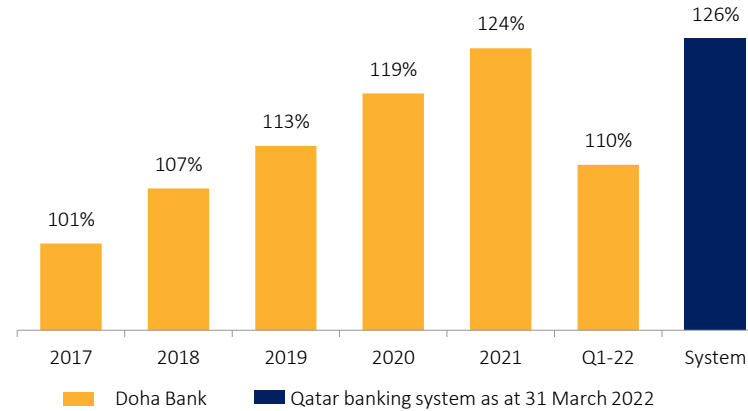
Liquidity and Capitalization

Funding mix

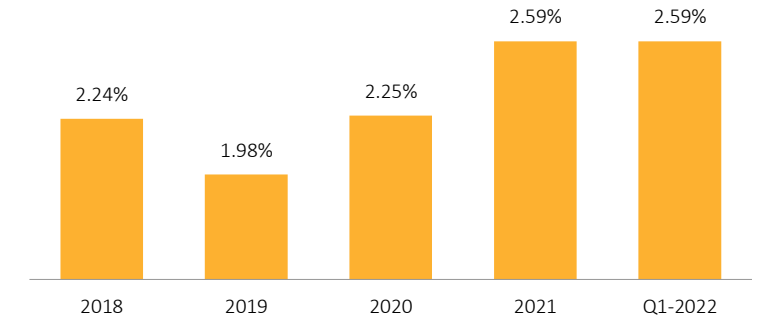


Total liabilities and equity: QR 101.8 Bn

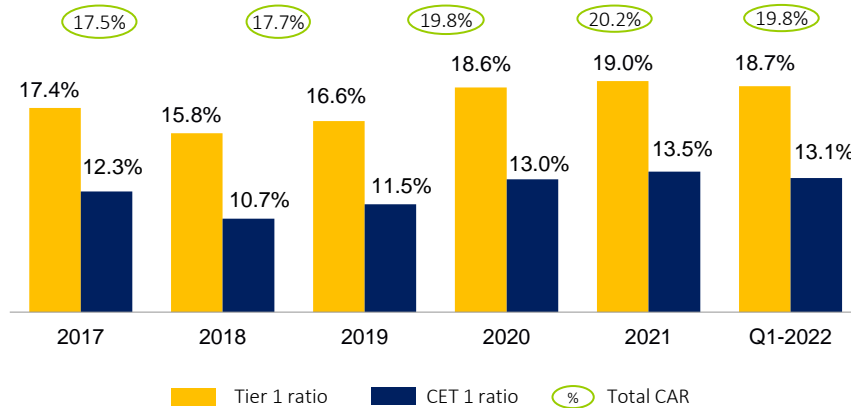
Loan to Deposit ratio (%)



Net Interest Margin



Evolution of capital ratios



Comments

- ✓ Doha Bank has a strong and stable funding base with a mixture of retail, wholesale, interbank, long-term borrowings.
- ✓ Doha Bank extended duration in Q1 with its first CHF 175mn bond issuance.
- ✓ The bank maintains holdings of QR21.0 Bn of State of Qatar bonds

Disclaimer

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

A copy of the bank's press release, financials and presentations can be viewed and downloaded from the bank's investor website at <https://qa.dohabank.com/investor/overview/>

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