



# Investor Presentation **Q1 2023**

Transformation  
**Through Innovation**

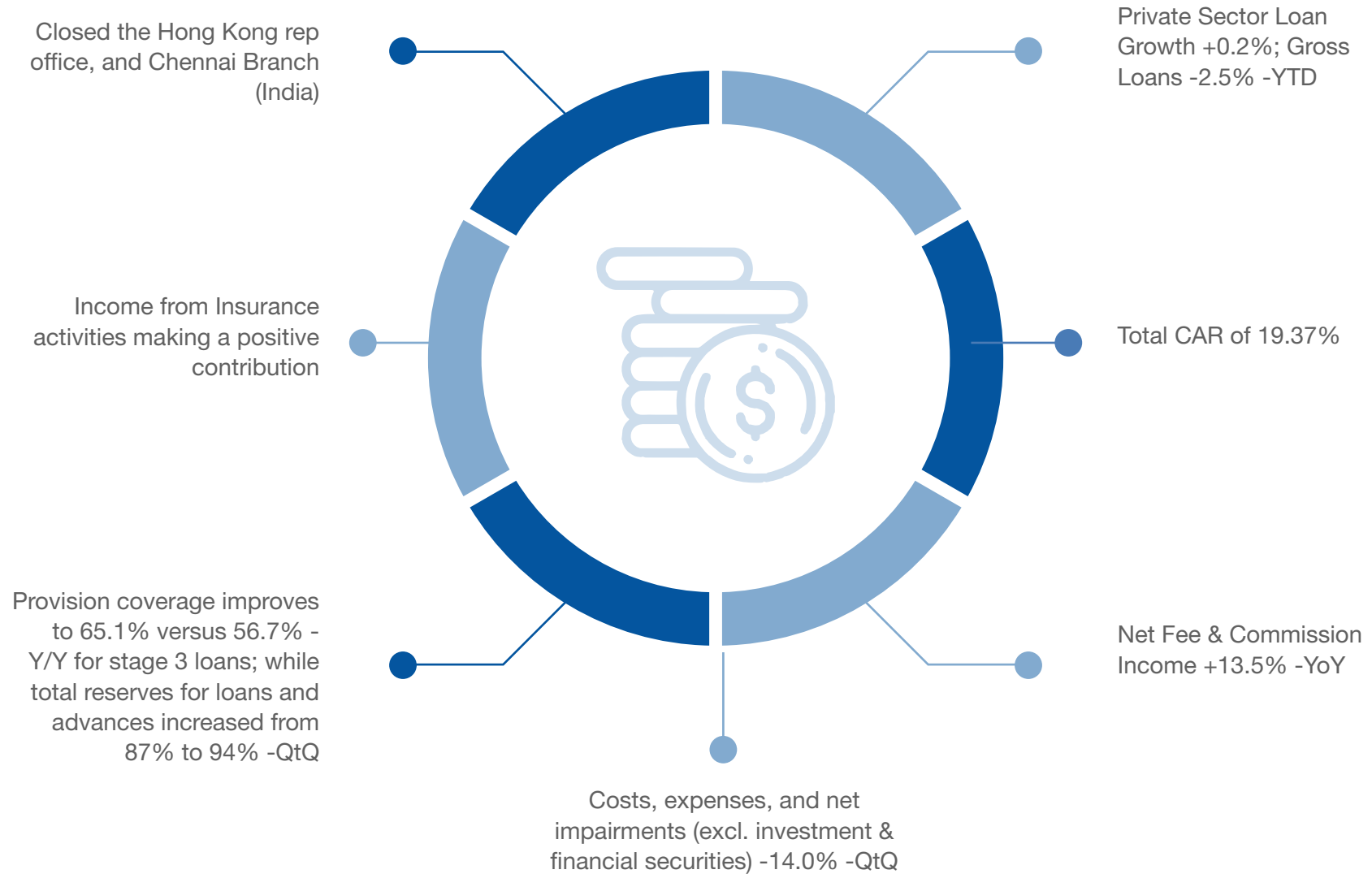
# Investor Presentation

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# OPERATIONAL AND FINANCIAL HIGHLIGHTS





# PERFORMANCE SCORECARD

	Guidance for 2023	(A) Q1 2023	Update / Guidance for 2023	2023-2027 5-year Strategy
Capital Adequacy Ratio	18.50-19.00%	19.37%	18.50-19.00%	Maintain min. 17%
Net Loan Growth	Net 3-5% Pvt. 5%	YTD Net -2.5% / Pvt. +0.2%	Net 3-5% Pvt. 5%	3-5% p.a.
Net Interest Margin	2.25%	2.10%	2.10% (+/- 5-10bps)	2.50%
Cost of Funds	Top 3 locally	Currently 4 <sup>th</sup>	Top 3 locally	Top 3 locally
Non-performing loans	6.00%	6.58%	c.6.00%	4.5-5%
Cost of Risk	1.60%	1.38%	1.60%	120-130bps
Cost of Income	<30%	35.5%	c.<35%	<25%
Return on Equity	7.00%	6.40%	c.7.00%	12-14%

# DOHA BANK OVERVIEW

1

Founded in 1979

2

Full branch operations in Qatar, the UAE, India and Kuwait

3

Largest international network: China, Canada, Turkey, Singapore, Germany, Japan, United Kingdom, South Korea, South Africa, Bangladesh, Australia, Sri Lanka and Nepal

4

Listed on the Qatar Stock Exchange

5

Brokerage and financial services associate in India

6

Sharq Insurance Company, a 100% owned insurance company in Qatar

7

Client base of more than 422,000 active customers<sup>(1)</sup>

8

20 Domestic Branches and 1 Corporate Branch, 3 E-Branches / 2 Branch Pay Offices, 85 ATMs, 1 Mobile ATM and 1 Mobile ITM



## Largest international network of representative offices among Qatari banks:

1. Qatar
2. Dubai - UAE
3. Abu Dhabi - UAE
4. Kuwait City - Kuwait
5. Mumbai - India
6. Kochi - India
7. London - UK
8. Frankfurt - Germany
9. Istanbul - Turkey
10. Singapore
11. Shanghai - China
12. Seoul - S. Korea
13. Tokyo - Japan
14. Sydney - Australia
15. Toronto - Canada
16. Johannesburg - South Africa
17. Dhaka - Bangladesh
18. Colombo - Sri Lanka
19. Kathmandu - Nepal

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

# STRONG RATINGS PROFILE UNDERPINNED BY HIGHLY RATED SOVEREIGN

Agency	Category	Ratings	Outlook
<b>Doha Bank</b>			
Moody's	Bank Deposit Ratings LT	Baa1	Stable
Fitch <sup>(1)</sup>	Issuer Default Rating LT	A-	Positive
<b>Qatar Sovereign</b>			
Moody's	Counter Party Risk LT	Aa3	Positive
Fitch <sup>(2)</sup>	Issuer Default Rating LT	AA-	Positive
S&P	Counter Party Risk LT	AA	Stable

**Note:**

(1) Fitch upgrades from stable to positive 06.04.2023

(2) Fitch upgrades from stable to positive 28.03.2023



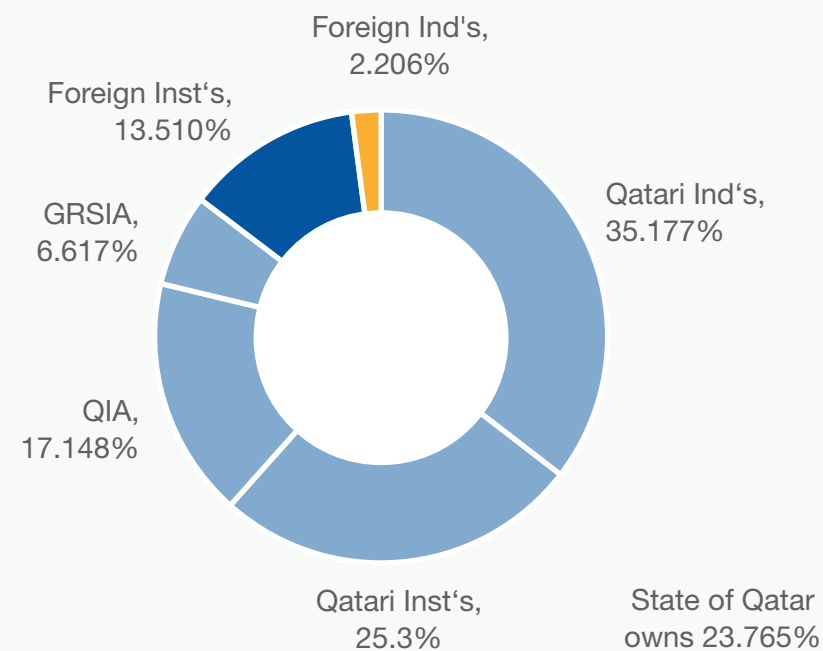
# SHARE PERFORMANCE AND DIVERSIFIED SHAREHOLDER BASE

## Share price and market capitalization

	Date	Value
Last Price	31-Mar-23	1.629
52 Week High	10-May-22	2.850
52 Week Low	16-Mar-22	1.528
Current Market Capitalization	Qatari Riyals Mn	5,051
	USD Mn	1,387

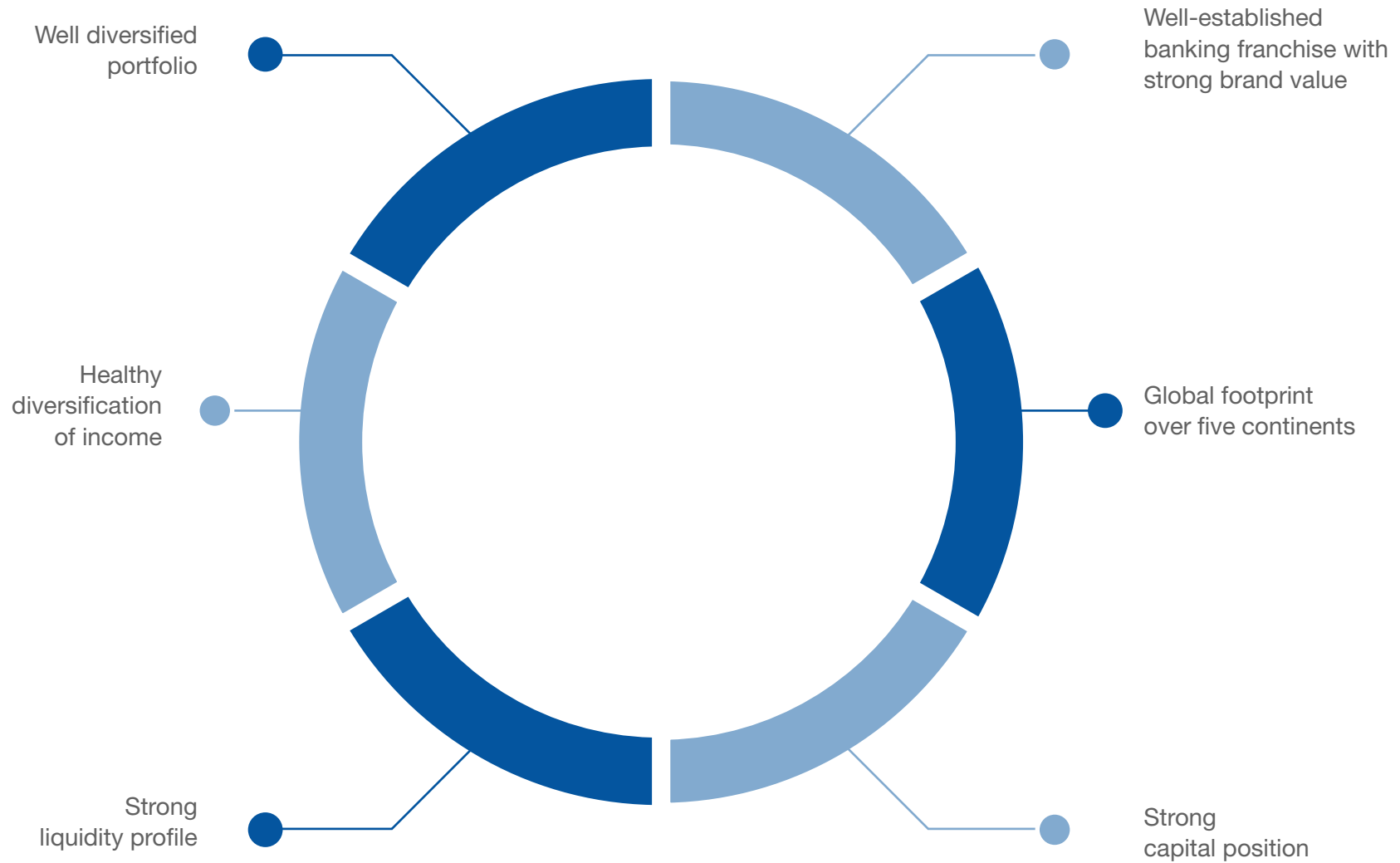
**Note:** (1) State of Qatar owns 23.765% shared by the Qatar Investment Authority 17.148% & 6.617% by the General Retirement Social Insurance Authority via the 'Civil Pension Fund', as of 31 March 2023

## Diversified shareholder base and strong support<sup>(1)</sup>





# DOHA BANK AT A GLANCE



# DOHA BANK IS STRUCTURED IN FOUR BUSINESS UNITS AND HOLDS 100% OF SHARQ INSURANCE

## Wholesale

Focus on corporate and commercial banking, structured finance, public sector finance, mortgage finance and real estate services, trade finance, factoring services and small and medium enterprises

### Assets:

QAR 50.28 billion  
52.01% of total assets

### Total Income:

QAR 0.83 billion

## Treasury & Investments

Responsible for activities such as foreign exchange, treasury products and managing the Bank's proprietary investment book

### Assets:

QAR 31.36 billion  
32.44% of total assets

**Total income:** QAR 0.35 billion

## Retail

Provides a wide range of products and services to individuals, including transactional and deposit accounts, mortgages, remittances, priority banking, private banking, insurance, personal loans and credit cards

### Assets:

QAR 4.54 billion  
4.70% of total assets

**Total Income:** QAR 0.13 billion

## International

Provides a range of products and services including guarantees, letters of credit, risk mitigation and discounting products and risk participation in international trade

### Assets:

QAR 4.65 billion  
4.81% of total assets

**Total Income:** QAR 0.09 billion



Established in 2007 as part of the Bank's strategy of creating a fully comprehensive financial services provider and provides general insurance products to corporate and retail customers

### Gross Written Premiums:

QAR 0.02 billion

# FINANCIAL SUMMARY

Profitability (QR Mn)	Mar-23	Mar-22	Chg Y/Y
Interest income	1,270	863	47.2%
Interest Expense	(778)	(219)	255.3%
Net Interest income	492	644	-23.6%
Fees and commission	92	81	13.5%
Foreign exchange gain	27	39	-30.1%
Income from investment securities	16	54	-70.9%
Net income from insurance activities	5	2	110.9%
Other Income	7	6	11.4%
Net Operating Income	638	826	-22.7%
Staff Cost	(126)	(128)	-1.3%
Non-Staff Cost	(100)	(103)	-3.3%
Net impairment losses	(185)	(191)	-2.7%
Tax	(18)	(2)	705.9%
Net Profit	209	401	-48.0%

Assets and Liabilities (QR Mn)	Mar-23	Mar-22	Chg Y/Y
Total Assets	96,648	101,845	-5.1%
Loans and Advances	56,650	60,039	-5.6%
Investments	25,034	24,357	2.8%
Customer Deposits	48,567	54,480	-10.9%
Total Equity	13,882	13,978	-0.7%

Capital	Mar-23	Mar-22	Chg Y/Y
RWA (QR Mn)	74,574	71,923	3.7%
CET 1 Ratio (%)	12.86%	13.12%	-1.9%
T1 Ratio (%)	18.23%	18.68%	-2.4%
Total Capital Ratio (%)	19.37%	19.83%	-2.3%

**Minimum regulatory ratios for 2023:** CET1: 8.50%, Tier1: 10.50%, Total Capital Ratio 12.50%, ICAAP 1.00%, Management buffer 0.50%

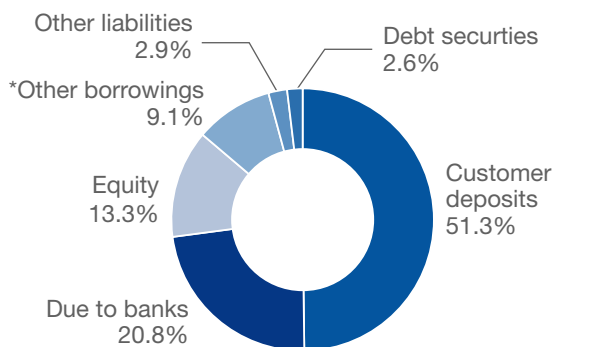
## Comments

- Net fee & commission income and FX represents 57% of the net profit
- Net Impairment loss on loans and advances down -2.7%

## Comments

- RWA slightly higher year on year. The bank to be very selective, while still targeting Public Sector and GREs
- Investment securities book remains healthy, and we are always monitoring for opportunities

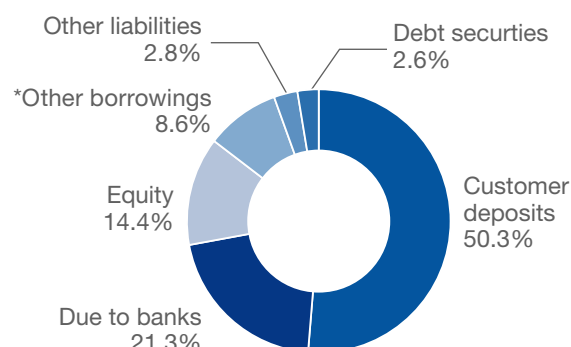
# FUNDING MIX



31 December 2022

Total liabilities and equity: QR 101.1 Bn

\*Other borrowings include syndicated and bilateral borrowings



31 March 2023

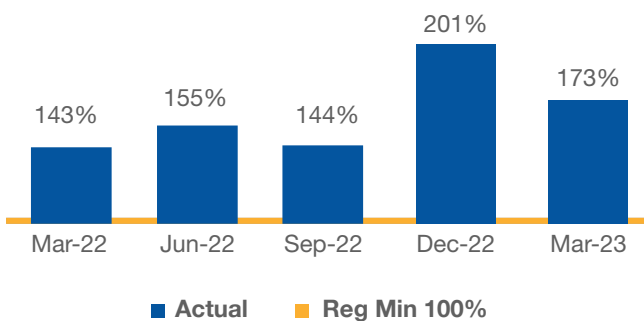
Total liabilities and equity: QR 96.6 Bn

\*Other borrowings include syndicated and bilateral borrowings

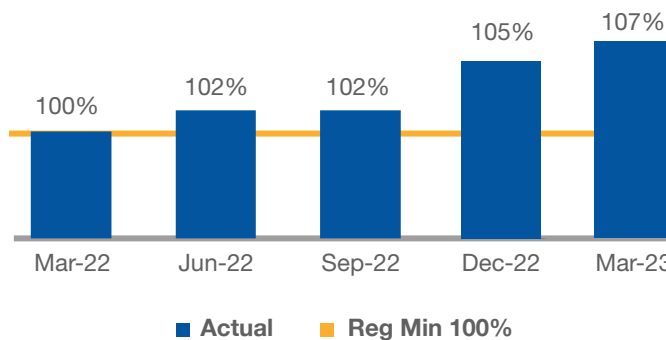
## Comments

- The FY23 funding plan incorporates:
  - Issuance(s) to extend duration
  - Increase customer deposits to reduce reliance on short-term money market deposits
  - Increase CASA
  - Reduction in non-resident funding in line with QCB guidance.

## Liquidity Coverage Ratio



## Loan Deposit Ratio



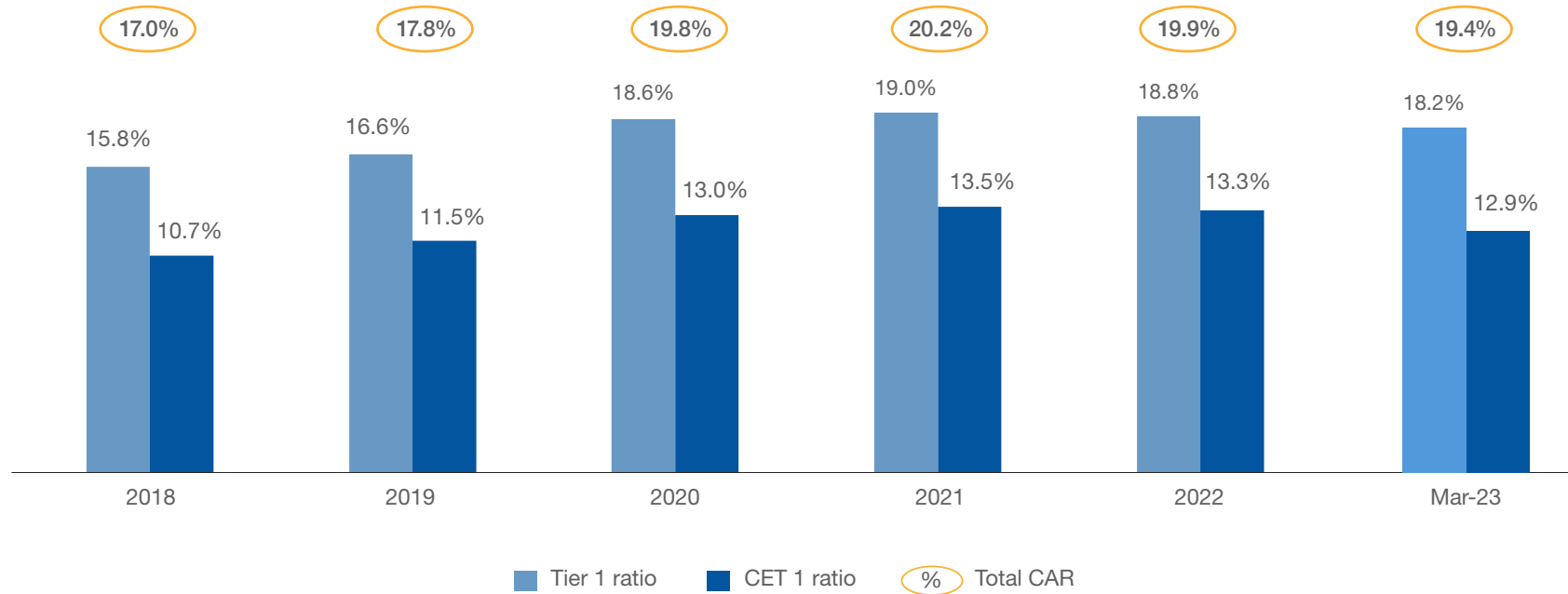
## Comments

- The banks LCR well above the regulatory minimum of 100%
  - Unencumbered assets at Head Office of QAR 15.25 billion

Source: Company financials as of 31 March 2023

# CAPITALIZATION

## Evolution of Capital Ratios



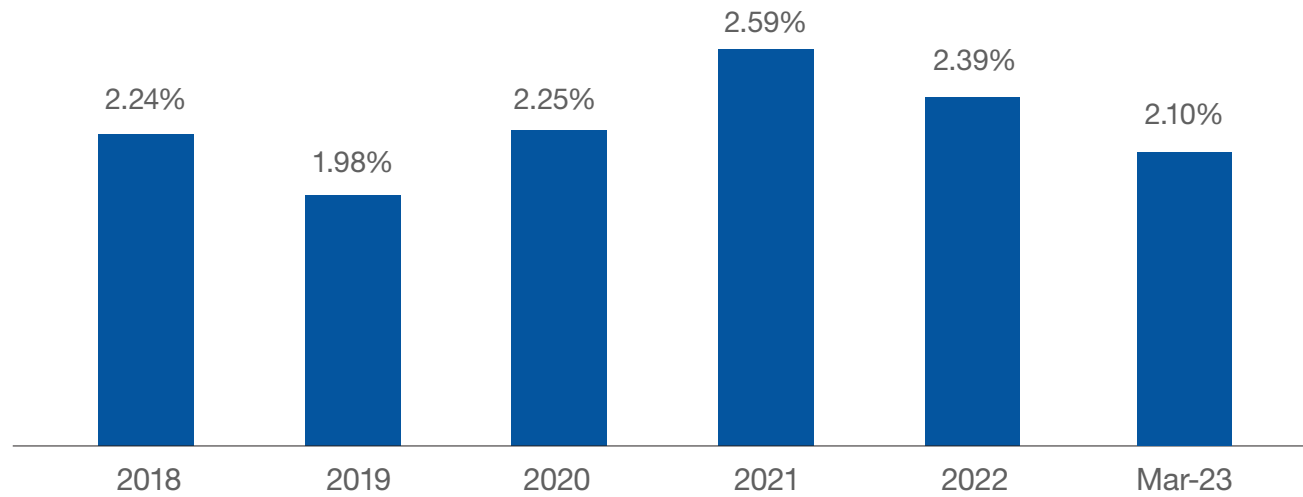
**Minimum regulatory ratios for 2023:**  
 CET1: 8.50%, Tier1: 10.50%, Total Capital Ratio 12.50%, ICAAP 1.00%, Management buffer 0.50%

### Comments

- Current capital position strong
- CAR expected to remain strong in the short to medium term given the credit growth projections, without the need for further capital raising.

Source: Company financials as of 31 March 2023

# NET INTEREST MARGIN

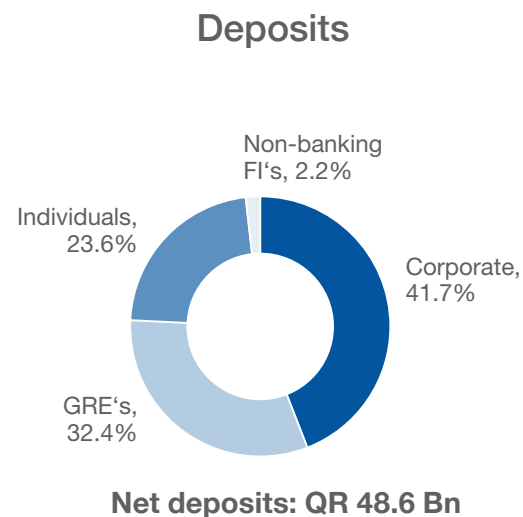
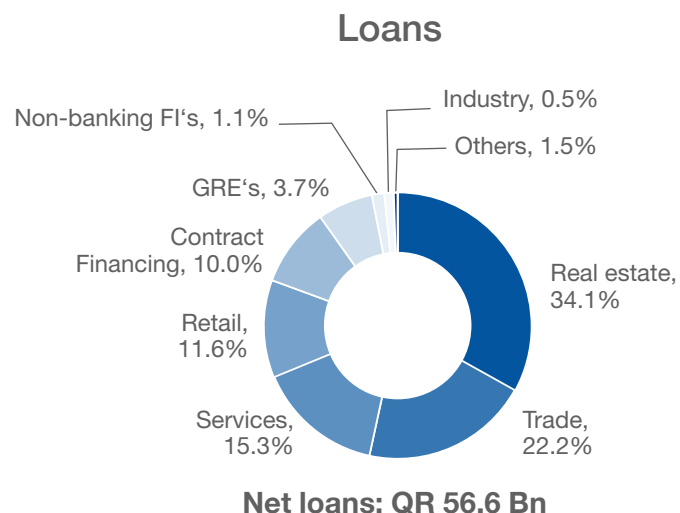


## Comments

- In FY2022 investor call, the original guidance for NIM for FY2023 was stated to be c.2.25%, if rates continue to rise this will cause the bank to revise guidance.

# DIVERSIFIED LOANS AND DEPOSITS

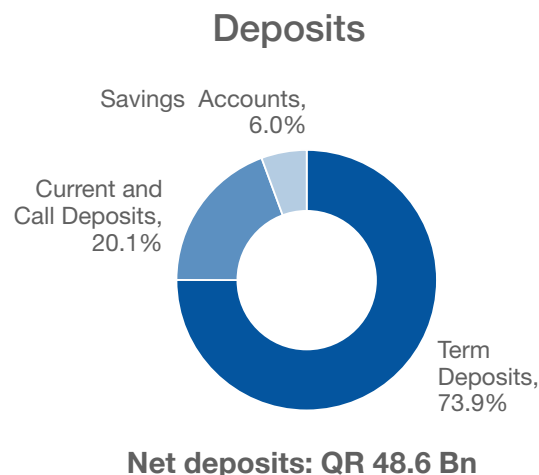
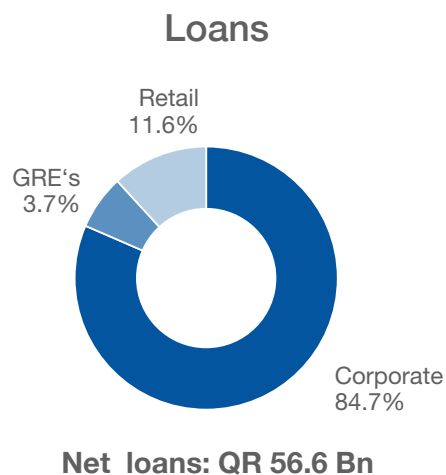
## By Sector



### Comments Loans

- A significant contributor to the total income of Doha Bank
- Growth to come from GREs/ PSU and Private Sector in particular Services and Trade

## By Type



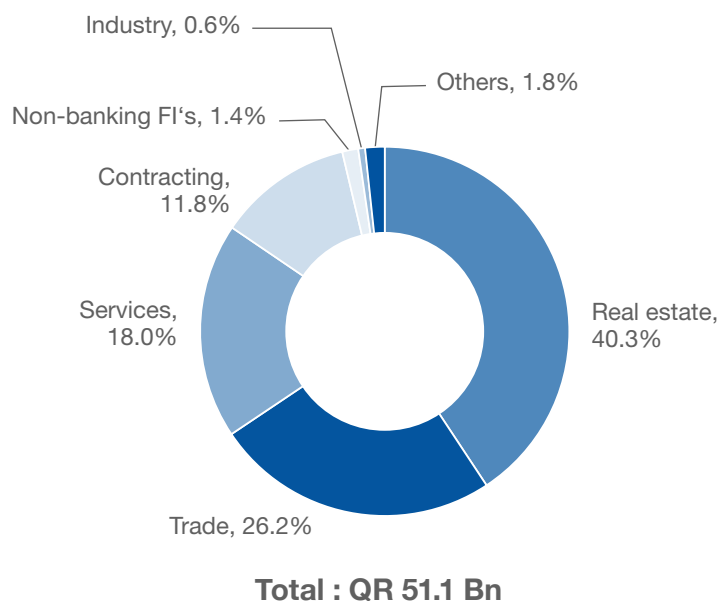
### Comments Deposits

- Doha Bank consistently ensures it retains a diversified deposit base to minimize concentration risk
- Great emphasis is given to liquidity risk management



# WHOLESALE BANKING

## Overview of the corporate banking loan book March 2023

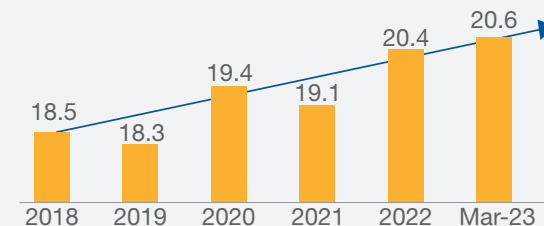


### Comments

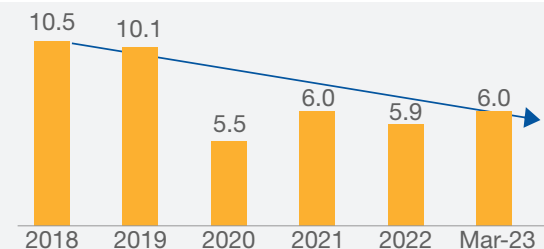
- In line with the bank's strategy, the bank will look to maximize returns from non-borrowing customers and offer robust digitalization channels towards reducing transaction cost and incentivize customer interaction with the bank which will enable the cost of funds to be maintained.
- Targeted sectors to include, Services and Trade, and in particular, Education/ Healthcare/ Tourism and Logistics

## Loans (QR Bn)

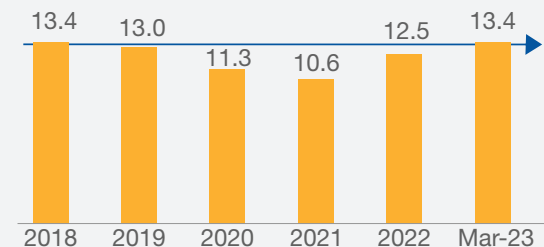
**Real Estate**  
CAGR (2018 – Mar-2023): +2.6%



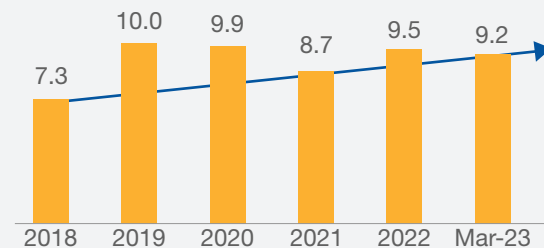
**Contract Financing**  
CAGR (2018 – Mar-2023): -12.3%



**Trade**  
CAGR (2018 – Mar-2023): +0.0%



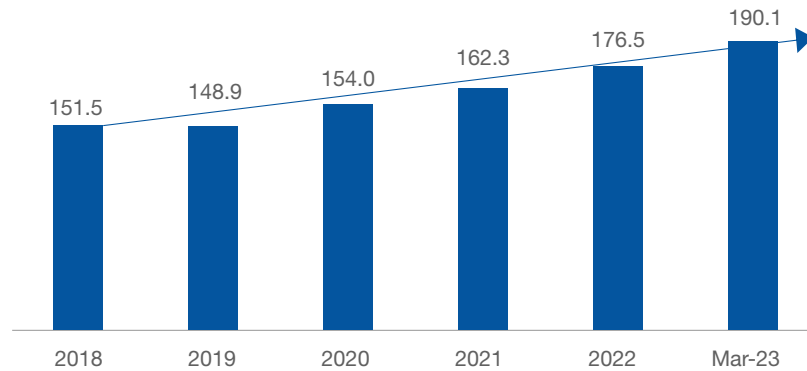
**Services**  
CAGR (2018 – Mar-2023): +5.6%



# DOHA BANK IS BEING SELECTIVE IN TERMS OF REAL ESTATE & CONTRACT FINANCE

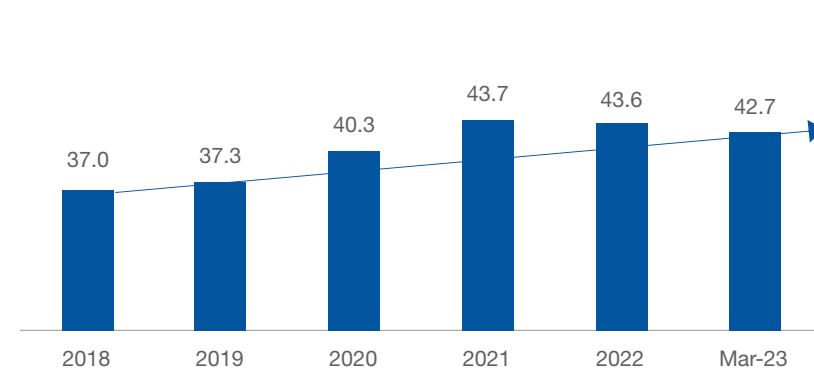
## Real Estate

Qatar market real estate loans (QR Bn)  
CAGR (2018 – Mar-2023) : +5.5%

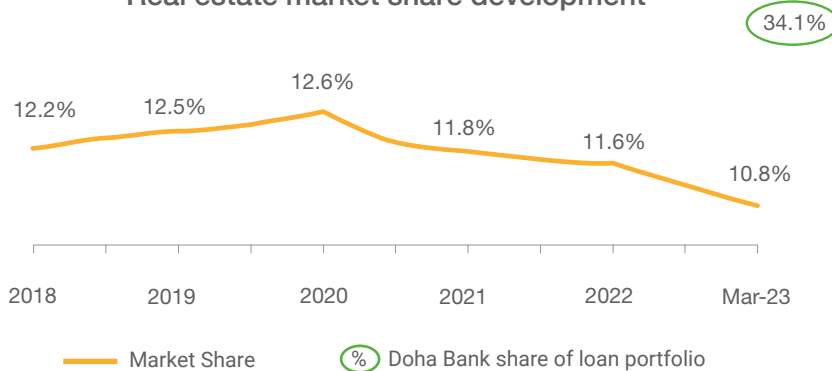


## Contract Finance

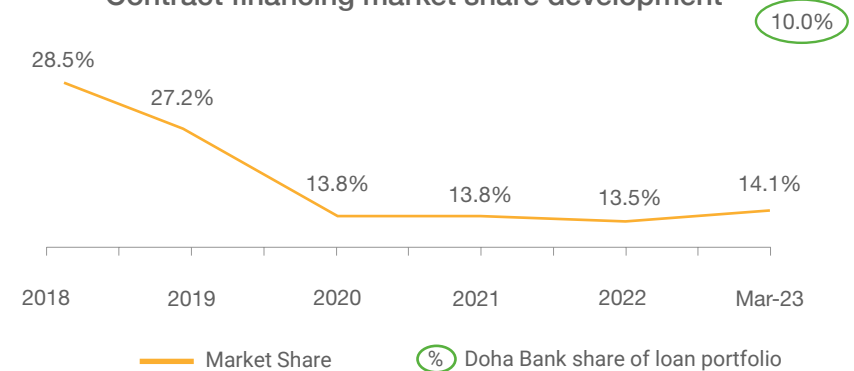
Qatar market contract financing loans (QR Bn)  
CAGR (2018 – Mar-2023) : +3.4%



## Real estate market share development<sup>(1)</sup>



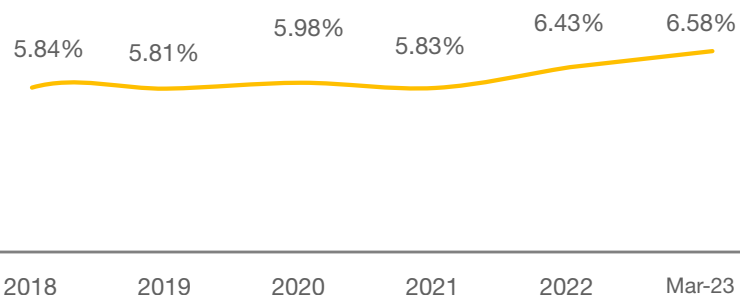
## Contract financing market share development<sup>(1)</sup>



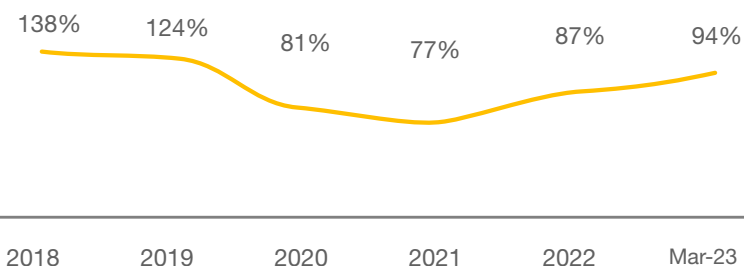
➡ Loan portfolio is highly collateralized at circa 167%  
Note: (1) Qatar Central Bank market data as on 28-February-23

# CREDIT QUALITY

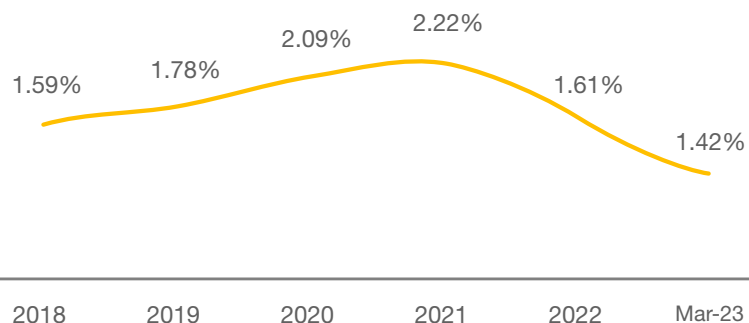
NPL evolution



Total Reserves<sup>(1)</sup> for loans and advances



Cost of risk<sup>(1)</sup>



	March-2023 <sup>(2)</sup>		
	Stage 1	Stage 2	Stage 3
Percentage on total loans	61.08%	32.34%	6.58%
Provision coverage	0.20%	5.52%	65.12%
	March-2022		
	Stage 1	Stage 2	Stage 3
Percentage on total loans	63.42%	30.61%	5.97%
Provision coverage	0.33%	4.63%	56.71%

Note: (1) Includes expected credit losses (ECL)

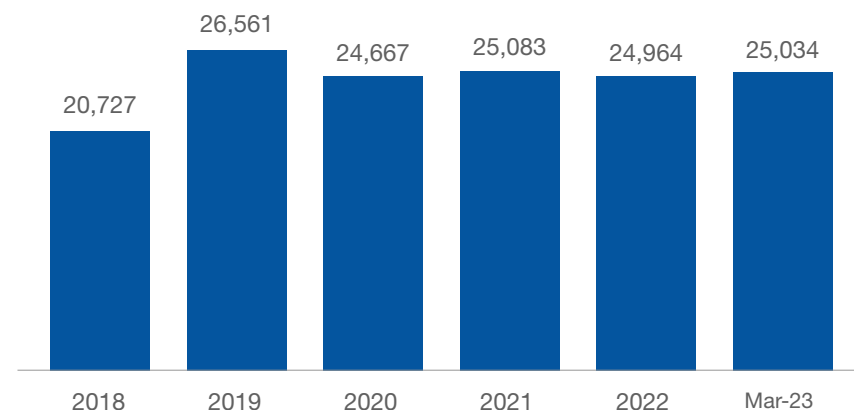
Note: (2) Stage 3 provision includes interest in suspense

# INVESTMENT BOOK

## Portfolio Overview

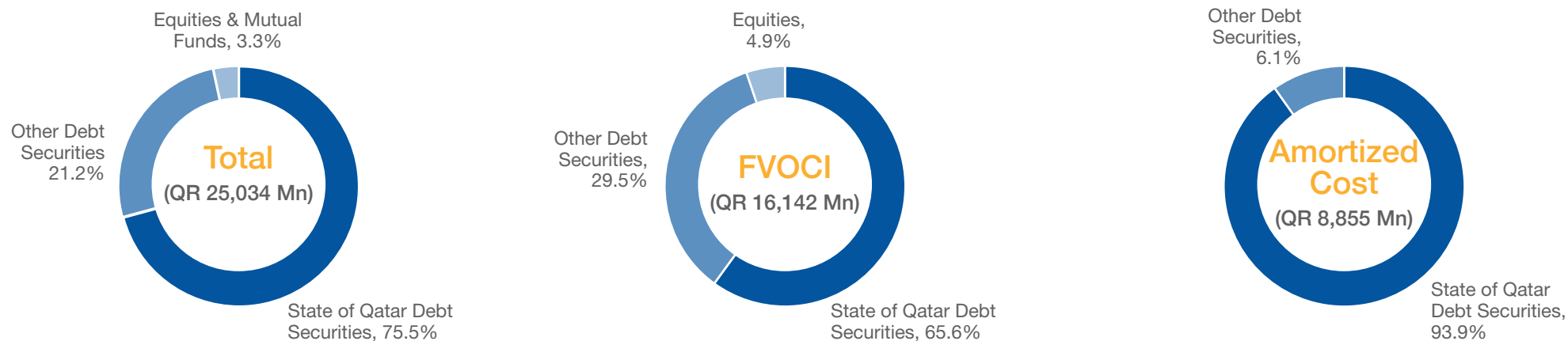
- Investments limits are linked to Tier 1 capital and set at 25% (excluding SOQs) as per QCB; total utilized currently sits at 18.59%
- Conservative low hard limits for discretionary trading / investments
- Majority of the portfolio in local sovereign fixed income, Qatar 76.47% and Qatar banks 9.56%
- Fixed Income holdings – current yield 4.34%, with a Net Modified Duration – c.1.70 years
- Currently the portfolio contains QR 8.04 Bn of encumbered assets. The repo borrowings are at a weighted average cost of 4.49%
- Equity, AT1 and other fund exposures stands at QR 786.82 Mn + QR 44.85 Mn Mutual Funds

Investment Portfolio – evolution (QR Mn)



Source: Company financials As of 31 March 2023

## Investment Portfolio Breakdown (%)



Source: Company financials as of 31 March 2023

# 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.



As on 25 November 2022, Doha Bank received an MSCI ESG Rating of BB.

**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.



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.



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.



Doha Bank has been disclosing to the UNGC since 2018, and the COP meets the GC Advanced criteria.

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



## FTSE4Good

As on 19 December 2022, Doha Bank received a FTSE ESG Rating of 2.40 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 Q.P.S.C. 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. <https://www.ftserussell.com/products/indices/FTSE4Good>







# DISCLAIMER

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- 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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