



Investor Presentation

Q2 2023 results

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1. Operational and Financial Highlights

1. Wholesale Banking Group:

- ✓ Closed '2' sizeable transactions, with drawdowns to occur in Q3 – which will help with the Private Sector growth guidance of 3-5%

2. Treasury & Investments:

- ✓ Portfolio assets increased a net US\$ 176 million (QAR 640 million).
- ✓ Significantly de-risked the portfolio by reducing exposures to lower quality, sub-investment grade, and higher volatility assets thereby improving overall credit quality, reducing ECLs, and RWA consumption.
- ✓ Raised cost-effective liquidity for the Bank.
- ✓ **Q-Trade** is launched

3. International Banking Group:

- ✓ Rep offices: Hong Kong closed in Q1. Sri Lanka operations closed in Q2. 1 other rep office closure on track, operations to cease by end of month.
- ✓ Foreign branches: Chennai branch closed, initiated closure of another branch - Awaiting regulatory approval
- ✓ Branch relocations: Kuwait, Mumbai and Kochi on track
- ✓ Kuwait and India strategy well underway to redefine the business.

4. Retail Banking Group:

- ✓ Converted two local branches to two Corporate Service Centers Dedicated to welcome and serve all retail and corporate customers of the bank. This will help streamline and improve efficiency and more importantly enhance the customer experience.
- ✓ Potential business: Signed several renowned corporate card deals with high potential spends.

Sharq Insurance:

- ✓ Revenue drivers: New business production across all products and all distribution channels.
- ✓ Profitability outlook: on pace for 100% growth YoY
- ✓ Capital growth, aspirations: No change planned or agreed. Concluded an arbitration in favor of Sharq.

Operational and Financial Highlights

Net interest income +9.3% QoQ, while net operating income +12.1% QoQ

Private Sector Lending +2.2% YoY

CET1 13.19% and Total CAR of 19.76%

Net Fee & Commission Income +3.4% QoQ and +7.0% H1 YoY

Staff Costs, depreciation, and other expenses marginally higher at 0.6% YoY

Total Reserves for loans and advances (*including expected credit losses*) at 101%, improved from 87% as on year-end 2022
Stage 3 Provision Coverage improves to 70% versus 61% as on year-end 2022

Launched Sustainable Finance Framework and earned Second Party Opinion

During Q1 closed Hong Kong Rep office, during Q2 closed Sri Lanka Rep office and Chennai Branch. The bank is on track to close another Rep office and further merge branches internationally in the coming quarter. Also, the relocation of foreign offices well underway.

Financial Comparison(s) – QoQ & YoY

QAR Mn	Q2 2023	Q1 2023	Q2 2022	Chg Pct QoQ	Chg Pct YoY
Net Interest Income	537.4	491.5	596.2	9.30%	-9.90%
Net Fees and Commission Income	95.2	92.1	93.9	3.40%	1.40%
Net Income from Insurance Activities	6.7	4.9	1.4	37.00%	376.40%
Net Operating Income	715.0	638.1	712.1	12.10%	0.40%
Investment Securities	25,380	25,034	24,372	1.40%	4.10%
Loans and Advances (excluding Government)	55,248.50	55,317.60	54,075.90	-0.10%	2.20%
CET1	13.19%	12.86%	12.56%	+33bps	+63bps
Total CAR	19.76%	19.37%	19.23%	+39bps	+43bps

Performance Scorecard

	Guidance for 2023	(A) Q1 2023	(A) Q2 2023	Update / Guidance for 2023	2023-2027 5-year Strategy
Capital Adequacy Ratio	18.50-19.00%	19.37%	19.76%	18.50-19.00%	Maintain min. 17%
Net Loan Growth	Net 3-5% / Pvt. 5%	YTD Net -2.5% / Pvt. +0.2%	YTD Net -3.9% / Pvt. Flat	Pvt. 5%	3-5% p.a.
Net Interest Margin	2.25%	2.10%	2.23%	2.10% -2.20%	2.50%
Cost of Funds	Top 3 locally	Currently 4 th	Currently 4 th	Top 3 locally	Top 3 locally
Non-performing loans	6.00%	6.58%	6.71%	6.35-6.50%	4.5-5%
Cost of Risk	1.60%	1.38%	1.66%	1.60-1.70%	120-130bps
Cost to Income	<30%	35.5%	34.00%	c.<35%	<25%
Return on Equity	7.00%	6.35%	5.80%	c.6.25%	12-14%

2. Overview

- Founded in 1979
- Listed on the Qatar Stock Exchange
- Full branch operations in Qatar, United Arab Emirates, India and Kuwait
- Largest international network of representative offices among Qatari banks: China, Canada, Turkey, Singapore, Germany, Japan, United Kingdom, South Korea, South Africa, Bangladesh, Australia, and Nepal
- Brokerage and financial services associate in India
- Sharq Insurance Company, a 100% owned insurance company in Qatar
- Client base of more than 450,000 active customers⁽¹⁾
- 18 Domestic Branches and 2 Corporate Service Centers (under Retail Banking Group) and 1 Corporate Branch (under Wholesale Banking), 3 E-Branches, 86 ATMs, 1 Mobile ATM and 2 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 ⁽¹⁾	Issuer Default Rating LT	A-	Positive

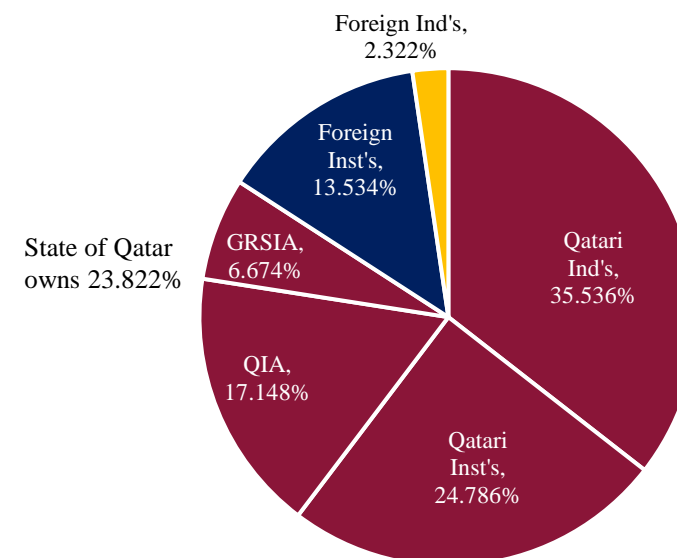
Qatar Sovereign			
Moody's	Counter Party Risk LT	Aa3	Positive
Fitch ⁽²⁾	Issuer Default Rating LT	AA-	Positive
S&P	Counter Party Risk LT	AA	Stable

Share performance and diversified shareholder base

Share price and market capitalization

	Date	Value
Last Price	30-Jun-23	1.539
52 Week High	03-Jul-22	2.600
52 Week Low	26-Jun-23	1.512
Current Market Capitalization	Qatari Riyals Mn	4,772
	USD Mn	1,310

Diversified shareholder base and strong support⁽³⁾



Note

- (1) Fitch upgrades from stable to positive 06.04.2023
- (2) Fitch upgrades from stable to positive 28.03.2023
- (3) State of Qatar owns 23.822% shared by the Qatar Investment Authority 17.148% & 6.674% by the General Retirement Social Insurance Authority via the 'Civil Pension Fund', as of 30 June 2023

Doha Bank at a glance

- ✓ Well-established banking franchise with strong brand value

- ✓ Global footprint over five continents

- ✓ Strong capital position

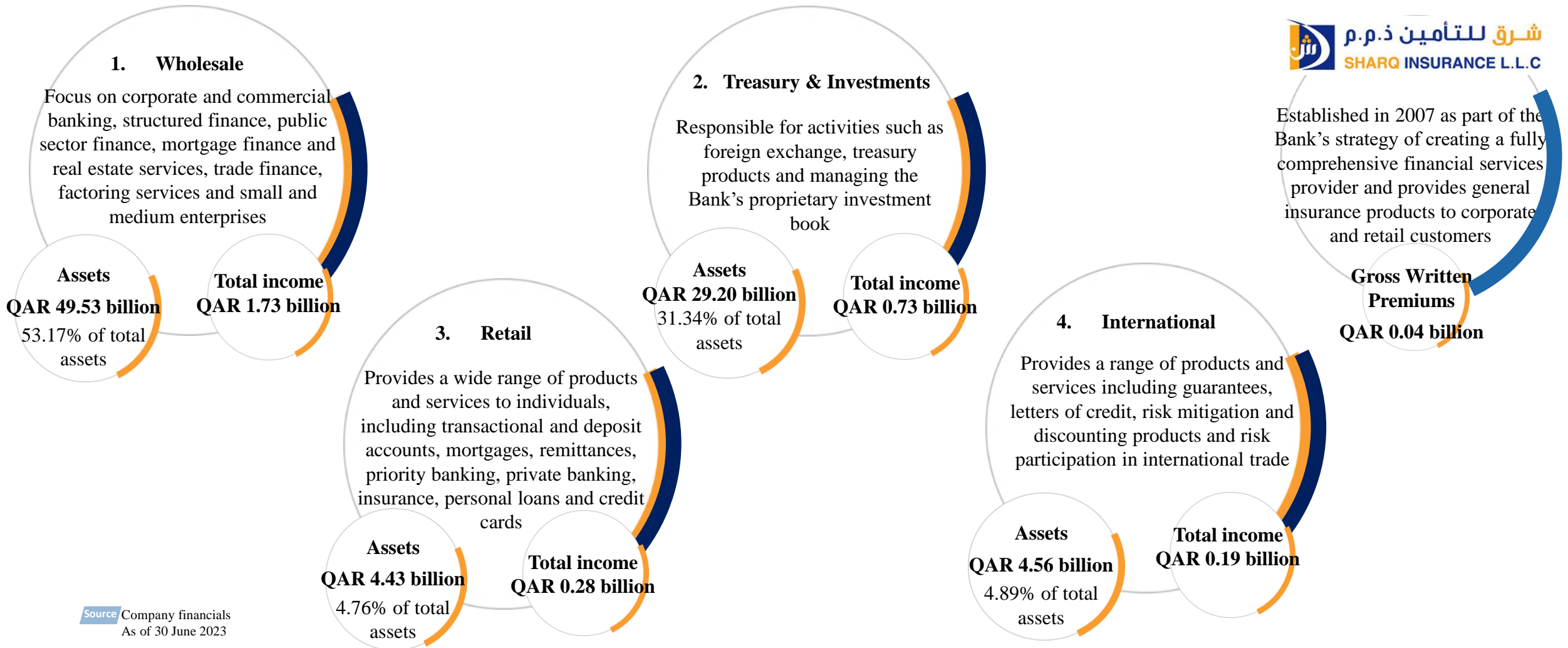
- ✓ Strong liquidity profile

- ✓ Healthy diversification of income

- ✓ Well diversified portfolio

- ✓ Launched Sustainable Finance Framework and earned Second Party Opinion

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



Source Company financials
As of 30 June 2023

3. Financial Summary

Profitability (QR Mn)	Jun-23	Jun-22	Chg Y/Y
Interest income	2,628	1,763	49.0%
Interest expense	(1,599)	(523)	205.4%
Net interest income	1,029	1,240	-17.0%
Fees and commission	187	175	7.0%
Foreign exchange gain	53	75	-28.9%
Income from investment securities	63	33	91.3%
Net income from insurance activities	12	4	211.2%
Other income	9	11	-21.1%
Net Operating Income	1,353	1,538	-12.0%
Staff cost	(260)	(253)	2.8%
Non staff cost	(200)	(204)	-2.0%
Net impairment loss	(452)	(413)	9.3%
Tax	(49)	(2)	2133.6%
Net profit	392	665	-41.0%

Comments

- ✓ Net fee & commission income and FX represents 61% of the net profit
- ✓ Interest Income +49% YoY while Net Interest Income -17% YoY

Source Company financials
As of 30 June 2023

Assets and Liabilities (QR Mn)	Jun-23	Jun-22	Chg Y/Y
Total assets	93,044	99,027	-6.0%
Loans and advances	55,795	60,741	-8.1%
Investment securities	25,380	24,372	4.1%
Customer deposits	44,078	53,692	-17.9%
Total equity	14,185	13,912	2.0%

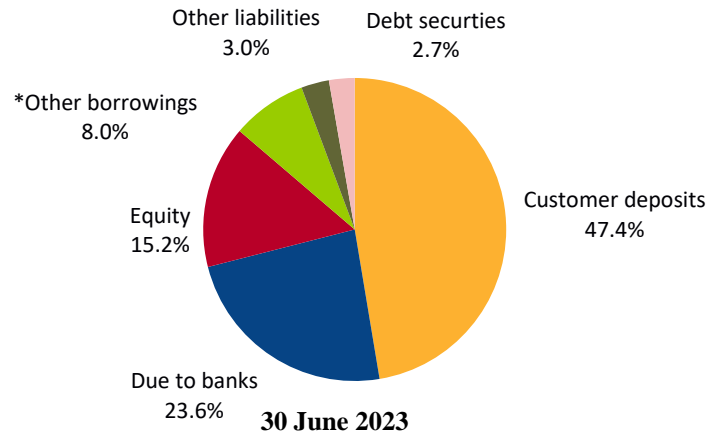
Capital	Jun-23	Jun-22	Chg Y/Y
RWA (QR 'Mn)	73,850	72,508	1.9%
CET 1 Ratio (%)	13.19%	12.56%	5.0%
T1 Ratio (%)	18.61%	18.08%	2.9%
Total Capital Ratio (%)	19.76%	19.23%	2.8%

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

Comments

- ✓ RWA marginally 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

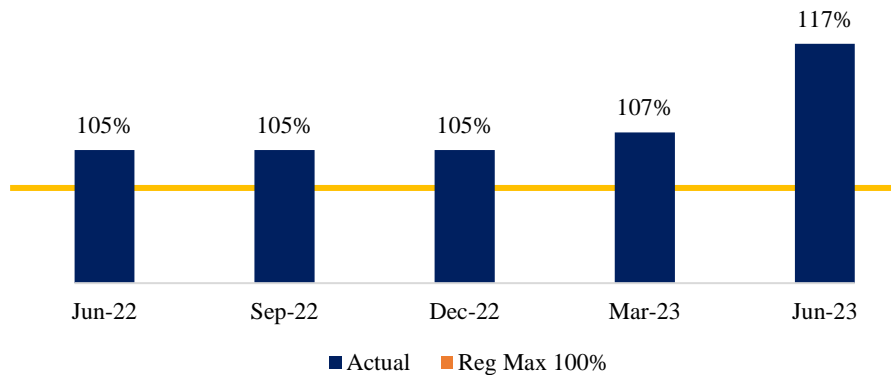
Funding Mix



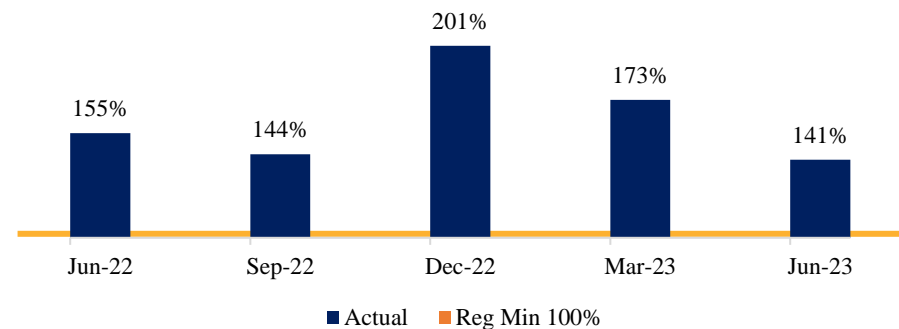
Total liabilities and equity: QR 93.0 Bn

*Other borrowings include syndicated and bilateral borrowings

Regulatory Loan to Deposit Ratio



Regulatory Liquidity Coverage Ratio



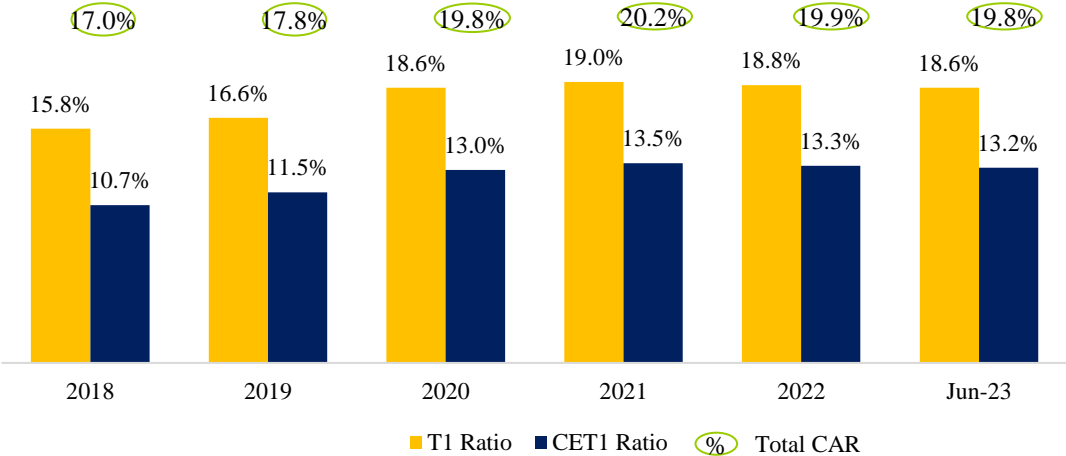
Comments

- ✓ The FY23 funding plan incorporates:
 - Issuance(s) to extend duration both QAR and/ or USD
 - Reduction in non-resident funding is in line with QCB guidance.

- ✓ Liquidity profile:
 - Well diversified and stable funding sources with a mixture of customer deposits, syndicated and bilateral borrowings, and debt securities
 - Maintain sufficient HQLA fixed income investment portfolio
 - Unencumbered assets at Head Office of QAR 15.65 billion

Capitalization

Evolution of capital ratios

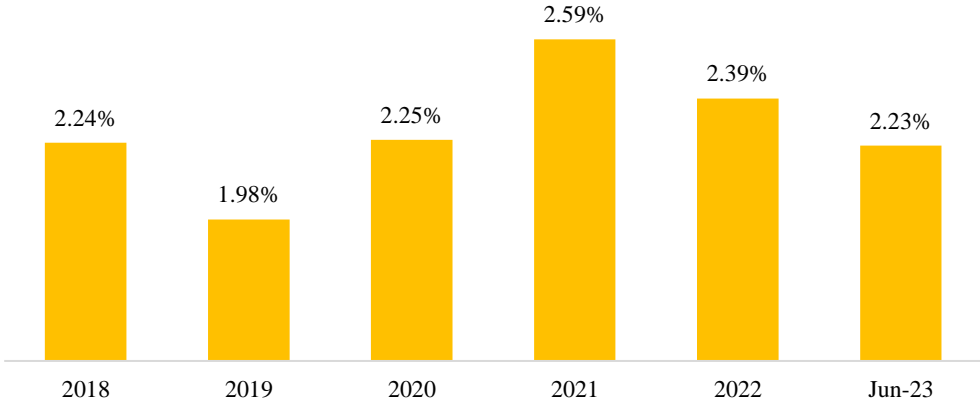


Minimum regulatory ratios for 2023: CET1: 8.50%, Tier1: 10.50%, Total Capital Ratio 12.50%, ICAAP 1.00%, Management buffer 0.50%

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.

Net Interest Margin



Source Company financials
As of 30 June 2023

Diversified loans and deposits

By sector

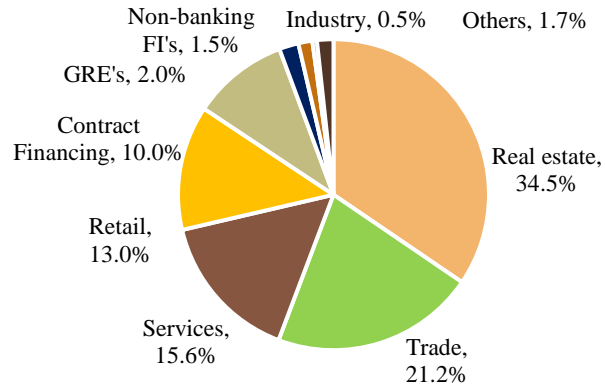
By type

Loans

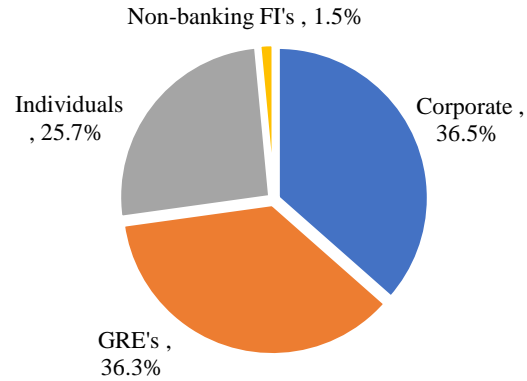
Deposits

Loans

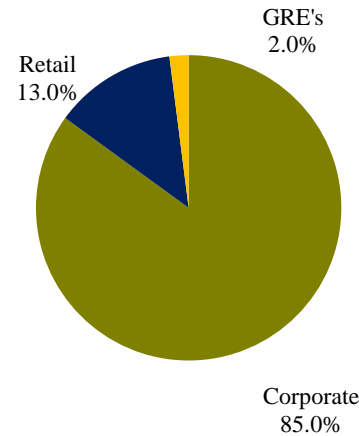
Deposits



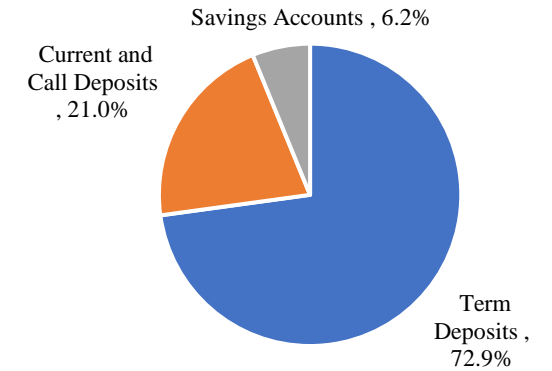
Net loans: QR 55.8 Bn



Net deposits: QR 44.1 Bn



Net loans: QR 55.8 Bn



Net deposits: QR 44.1 Bn

Comments Loans

- ✓ Growth to come from GREs/ PSU and Private Sector in particular Services and Trade

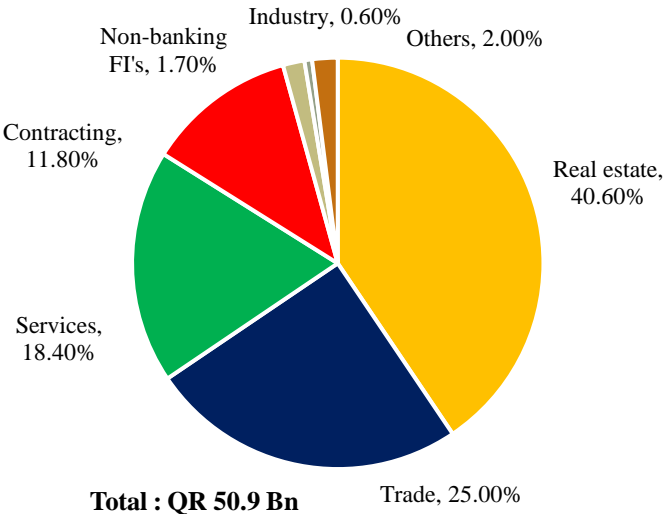
Comments Deposits

- ✓ 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

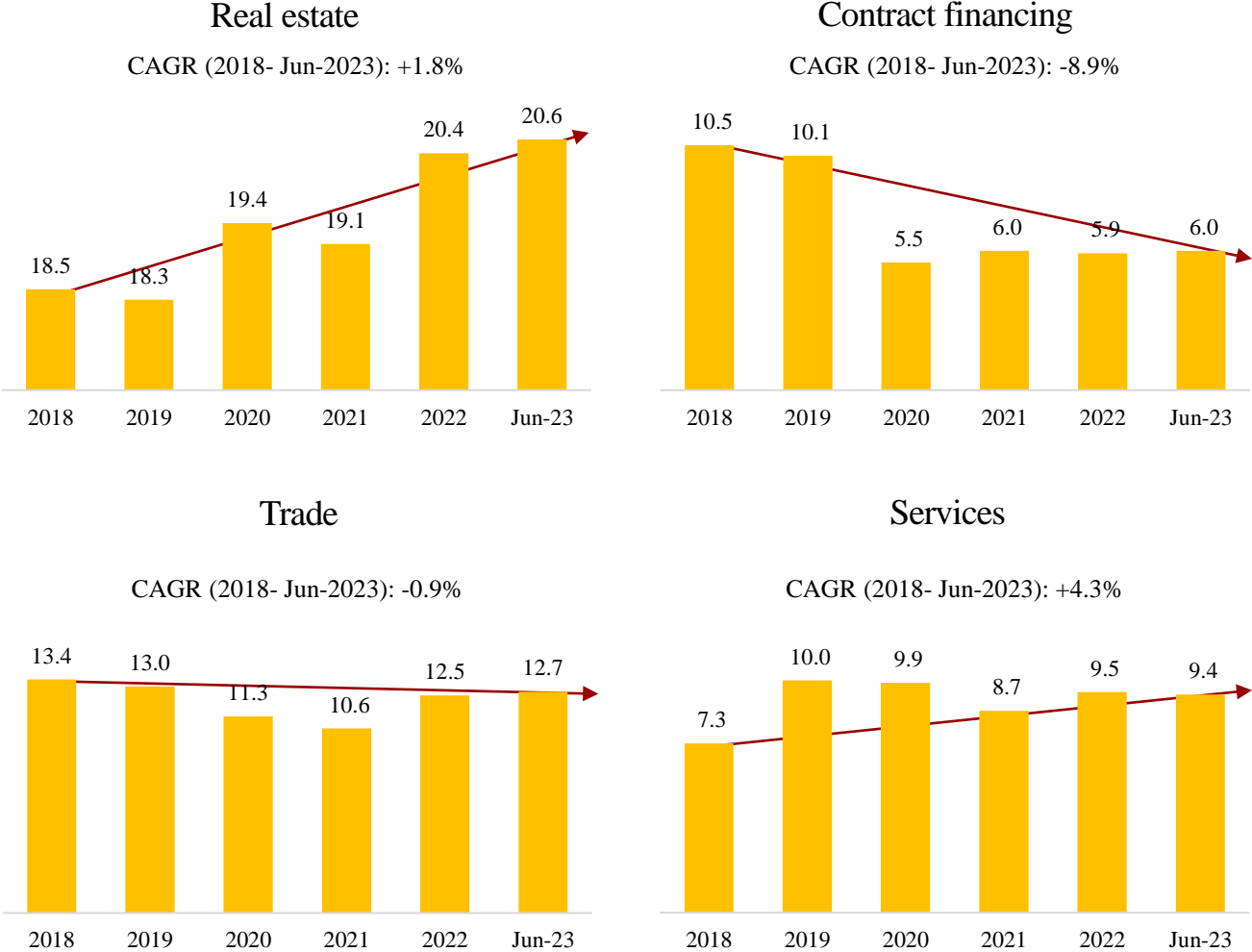
June 2023



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

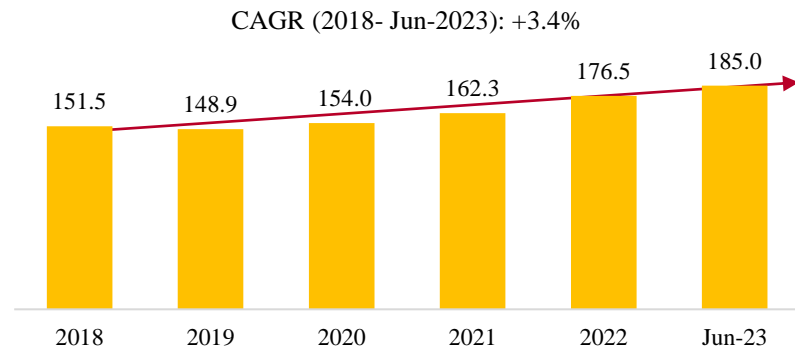
Loans (QR Bn)



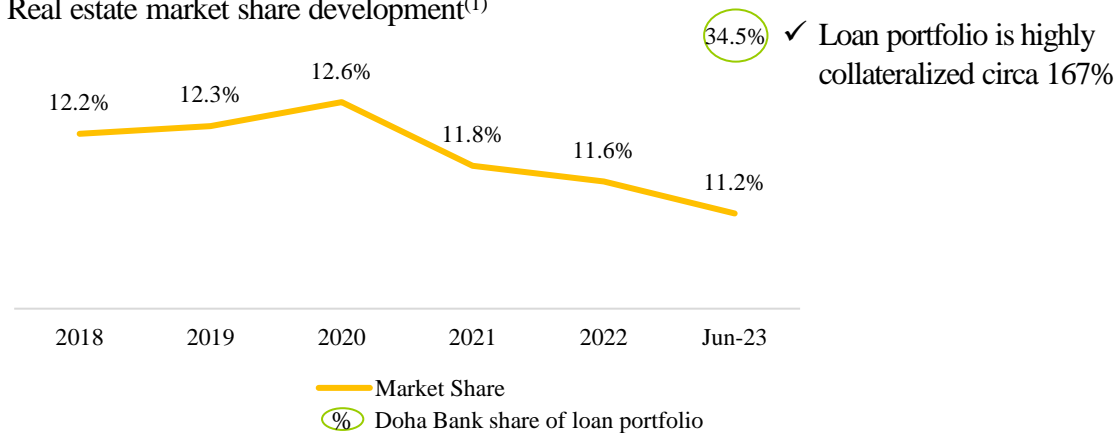
Doha Bank is being selective in terms of Real Estate and Contract Finance

Real Estate

Qatar market real estate loans (QR Bn)

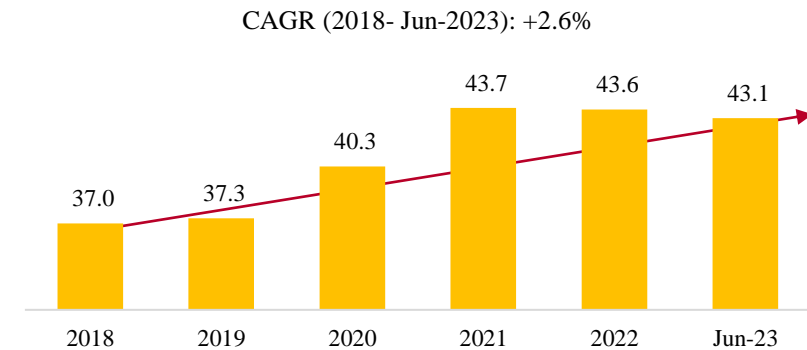


Real estate market share development⁽¹⁾

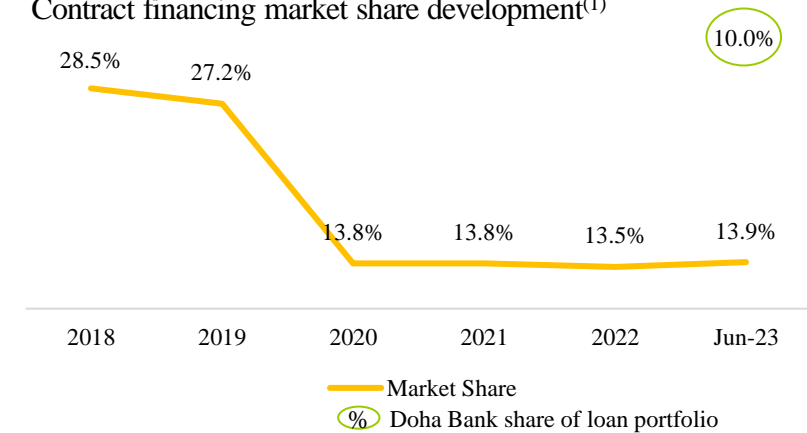


Contract Finance

Qatar market contract financing loans (QR Bn)



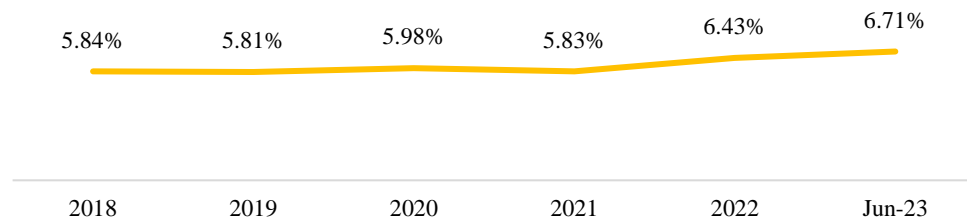
Contract financing market share development⁽¹⁾



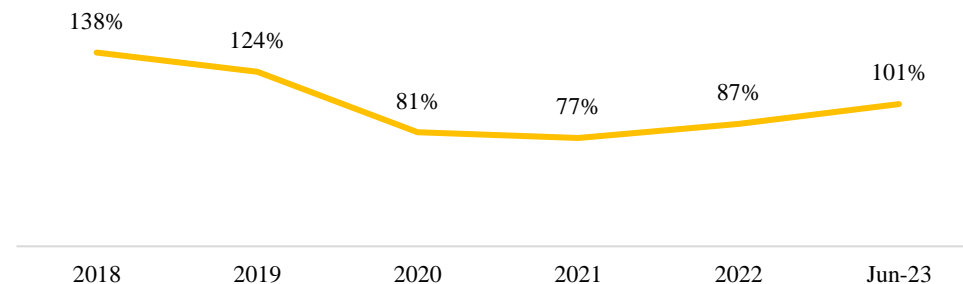
Note (1) Qatar Central Bank market data as on 31-May-23

Credit Quality

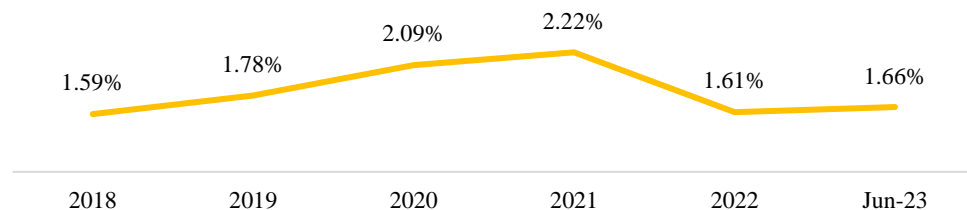
NPL evolution



Total Reserves⁽¹⁾ for loans and advances



Cost of risk⁽¹⁾



Note (1) Includes expected credit losses (ECL)

	June-2023 ⁽²⁾		
	Stage 1	Stage 2	Stage 3
Percentage on total loans	60.36%	32.93%	6.71%
Provision coverage	0.22%	5.92%	70.08%

	June-2022		
	Stage 1	Stage 2	Stage 3
Percentage on total loans	63.97%	30.08%	5.95%
Provision coverage	0.28%	5.01%	63.28%

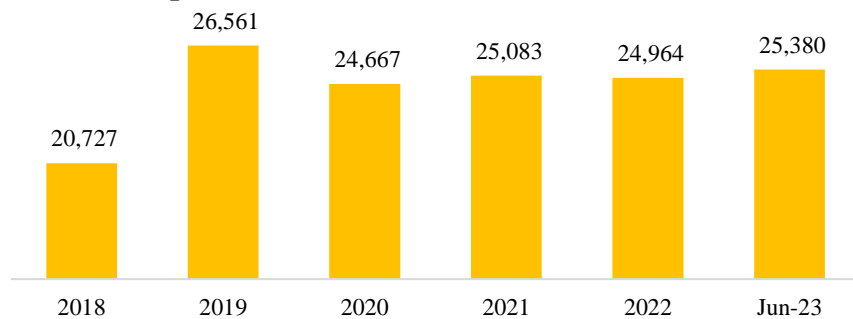
Note (2) Stage 3 provision includes interest in suspense

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 20.18%
- Conservative low hard limits for discretionary trading / investments; total equities FVTPL QAR 38 Mn
- Majority of the portfolio in local sovereign fixed income, Qatar 72.43% and Qatar banks 9.11%
- Fixed Income holdings – current yield 4.40%, with a Net Modified Duration – c.1.61 years
- Currently the portfolio contains QR 8.12 Bn of encumbered assets. The repo borrowings are at a weighted average cost of 4.62%
- Equity, AT1 and other fund exposures stands at QR 771.15 Mn + QR 32.75 Mn Mutual Funds

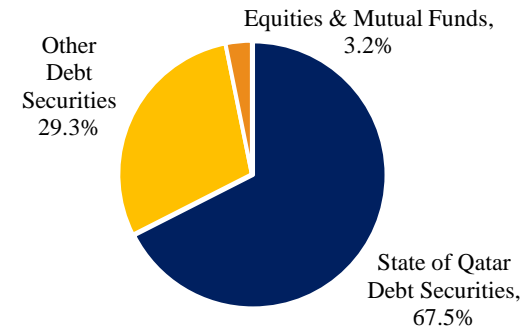
Investment portfolio – evolution (QR Mn)



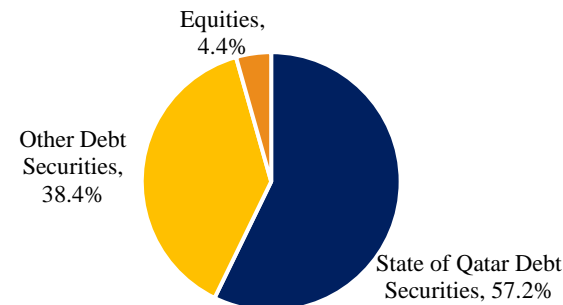
Source Company financials
As of 30 June 2023

Investment portfolio breakdown (%)

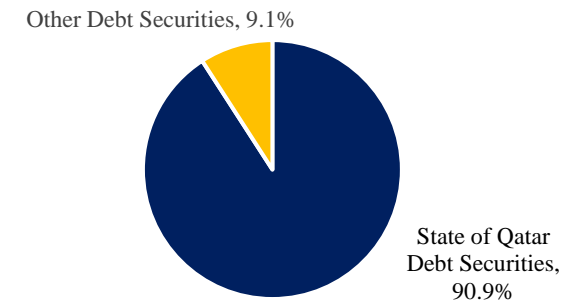
Total (QR 25,380 Mn)



FVOCI (QR 17,499 Mn)



Amortized Cost (QR 7,844 Mn)



4. Sustainable Finance Framework 2023⁽¹⁾

- ✓ In May 2023 Doha Bank has published its inaugural Sustainable Finance Framework which allows for the issuance of Green, Social, and Sustainability Financing Instruments
- ✓ The Framework is aligned with the ICMA Green Bond Principles 2021, Social Bond Principles 2021, Sustainability Bond Guidelines 2021, the Qatar Financial Centre's Sustainable Sukuk and Bond Framework 2022 and the LMA / LSTA / APLMA Green Loan Principles and Social Loan Principles updated in 2023

Sustainable Finance Framework

Use of proceeds	<ul style="list-style-type: none">• The proceeds raised via the Sustainable Financing Instruments will be dedicated to (re)finance Eligible Green and Social Assets• To be eligible, the asset must fall in at least one of the ICMA Green and/or Eligible Categories described
Project evaluation and selection	<ul style="list-style-type: none">• Green and Social Eligible Assets are evaluated and selected based on compliance with the Eligibility Criteria• The evaluation and selection process is governed by Doha Bank's ESG Bond Committee. The committee is formed by members of Treasury, Wholesale and Retail Banking, Investor Relations, Market and Credit Risk, Finance, and Strategy
Management of proceeds	<ul style="list-style-type: none">• The proceeds from Sustainable Finance Instruments will be managed in a portfolio approach• The Bank intends to fully allocate the proceeds to a pool of eligible assets within 24 months from issuance
Reporting	<ul style="list-style-type: none">• Doha Bank will publish a Sustainable Finance Report for the life of the Sustainable Financing Instrument on an annual basis consisting of an Allocation Report and an Impact Report
External review	<ul style="list-style-type: none">• Doha Bank has received a Second Party Opinion on its Framework by Sustainalytics.

Note: (1) Sustainable Finance Framework and Second Party Opinion (SPO) are available [here](#)

ICMA Eligible Categories

Eligible Category	Contribution to UN SDGs
Green Eligible Categories	
Green Building	 
Renewable Energy	 
Renewable Energy	 
Clean Transportation	 
Social Eligible Categories	
Healthcare	
Education	
Support to SMEs and micro-finance	 

Exclusions

The Sustainable Finance Asset Pool will explicitly exclude unfunded and non-performing exposures, as well as loans to businesses or projects in the following domains:

- Fossil fuel-related energy generation
- Environmentally negative resource extraction (such as rare-earth elements, metals or fossil fuels)
- Nuclear and nuclear-related technologies
- Weapons, tobacco, gambling, and adult entertainment
- Deforestation and degradation of forests

Second Party Opinion⁽²⁾

- ‘Sustainalytics is of the opinion that the Doha Bank Sustainable Finance Framework is credible and impactful and aligned with the Sustainability Bond Guidelines 2021, Green Bond Principles 2021, Social Bond Principles 2021, Green Loan Principles 2023 and Social Loan Principles 2023.’



Note: (2) The Doha Bank Sustainable Finance Framework Second Party Opinion contains information developed by Sustainalytics (www.sustainalytics.com). Such information and data are proprietary of Sustainalytics and/or its third-party suppliers (Third Party Data) and are provided for informational purposes only. They do not constitute an endorsement of any product or project, nor an investment advice and are not warranted to be complete, timely, accurate or suitable for a particular purpose. Their use is subject to conditions available at <https://www.sustainalytics.com/legal-disclaimers>.

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 benchmarking its communication to the GRI Universal Standards. The bank supports 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.

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.

For more information: [Doha Bank/ Sustainability/](#)



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

You can find more here: [QSE Arab Sustainability/](#)

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

MSCI
ESG RATINGS



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



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FTSE4Good

As on 06 June 2023, 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>

5. 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 are available [here](#)

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