



بنك الدوحة
DOHA BANK



Investor Presentation
October 2019

Overview of Doha Bank

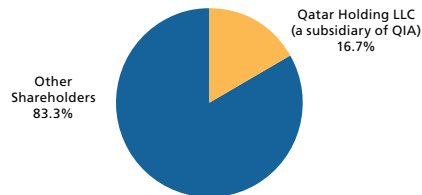
Key highlights

- Incorporated in 1979, Doha Bank is the third largest local conventional bank by assets in Qatar with a market share of approximately 7.2%⁽¹⁾ and assets totaling QR106.7bn
- Doha Bank has a strong domestic franchise with the 2nd largest conventional retail footprint with 24 local branches, 7 e-branches including pay offices, and around 90 ATMs as at 30th September 2019
- 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 (29% market share), trade loans (11% market share) and real estate (12% market share) and has been fast growing (8% 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 local and foreign currency rating was assessed at A3 / BBB+ / A / A by Moody's, S&P, Fitch and Capital Intelligence respectively

Strong international footprint



Diversified shareholder base and strong support



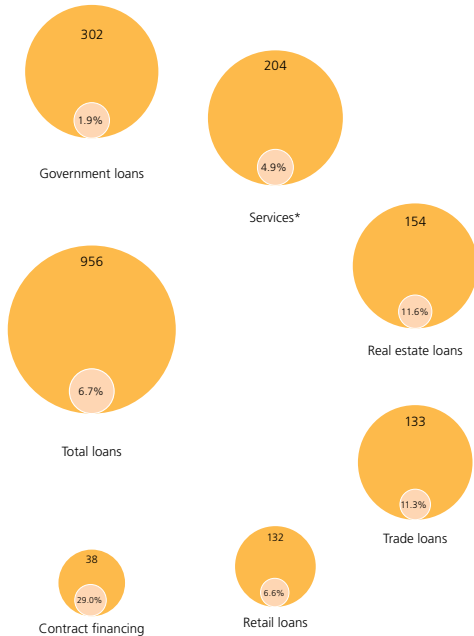
Second largest conventional Retail footprint

Largest international network of representative offices among Qatari banks

Strong position in select business lines including contract financing, trade finance, real estate and retail

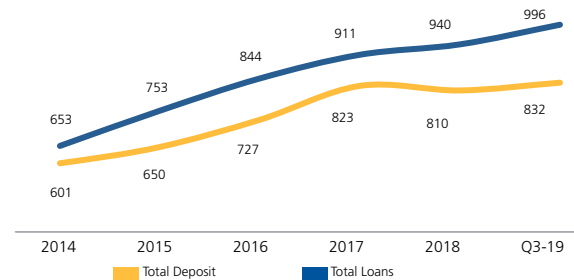
Source: Company information, Doha Bank estimates based on public information and OCB data
 Note: 1. Measured as a percentage of the aggregate assets of the banking sector in Qatar as at 30 September 2019

Loan market size (QRbn) and Doha Bank market share (%)



* Includes Non-Banking Financial Institution
 ● Doha Bank market share as of 30 September 2019
 ● Loan market size as of 30 September 2019

Qatari banking system – Total Loans Vs Deposits (QRbn)



Source: QCB banks' monthly statements and annual reports

Comments- Market Share

- A leading franchise in real estate, contract financing and trade
- Well diversified loan portfolio
- Worldwide network of representative offices in key locations
- Strong and prominent brand recognition in Qatar
- First to introduce many innovative products and services in Qatar
- Many of the Board members belong to the ruling 'Al Thani' family

Qatar Economy

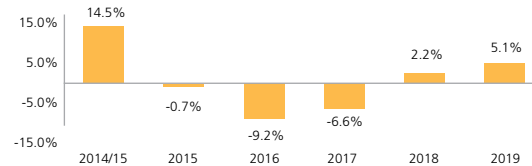
Stable economic situation

Sovereign rating:	AA- (Stable) by Fitch / AA- (Stable) by S&P / Aa3 (Stable) by Moody's
Gas reserves:	Qatar has the 3 rd largest reserves of natural gas in the world ⁽²⁾
Oil reserves:	25.2bn barrels of proven oil reserves ⁽²⁾
Current account balance:	Surplus of 6.0% in 2019 ⁽¹⁾ and 4.1% in 2020 ⁽¹⁾ of nominal GDP
Forecasted real GDP growth:	2.0% in 2019 ⁽¹⁾ and 2.8% in 2020 ⁽¹⁾
Population:	2.75 million as at 30 September 2019 ⁽⁴⁾
GDP per capita:	With US\$69,687 in 2019 Qatar is one of the wealthiest countries in the world ⁽¹⁾
Government fiscal position:	Estimated surplus of 5.1% of GDP in 2019 ⁽³⁾
Government gross debt:	QR371.5bn (53.2% of GDP) in 2019 ⁽¹⁾
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:

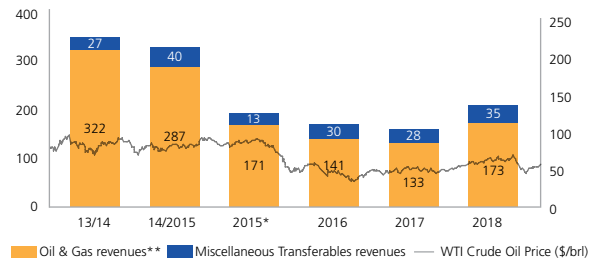
1. IMF World Economic Outlook Database (October 2019)
2. British Petroleum Statistical Review of World Energy (June 2019)
3. Qatar Economic Outlook December 2018
4. Qatar monthly statistics - Planning and Statistics Authority (September 2019)

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

Government revenues (QRbn)



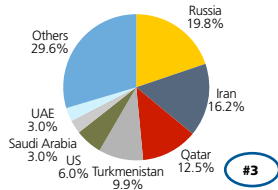
Source: Government revenues: QCB annual reports & WTI Crude Oil Price: Bloomberg report - September 2019
Note:

- * 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.

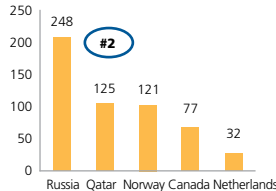
Qatar enjoys one of the highest GDP per capita at US\$ 69,687 in 2019⁽¹⁾ and has a strong historic economic growth

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

Natural gas reserves (2018)

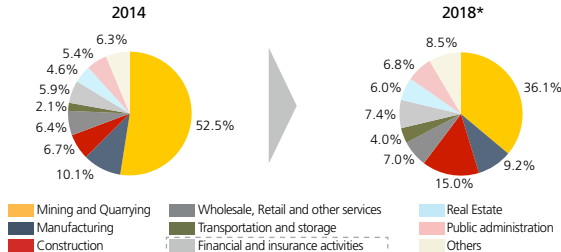


Export of natural gas in 2018 (cubic meters bn)



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

Development of GDP composition 2014–2018*



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

Infrastructure projects & events to benefit from the National Vision 2030

Infrastructure projects in Qatar

- FIFA World Cup Football Stadiums (2020)
- Msheireb Properties - Msheireb Downtown Doha (2020)
- Education City (2020)
- ASHGHAL - Expressway Programme (2021)
- QP - Bul Hanine Field Redevelopment Project (2021)
- UDC - Pearl Qatar (2022)
- Qatargas - North Field Gas Expansion (2022)
- ASHGHAL - Local Roads & Drainage Program (2022)
- QatarGas - Barzan Gas Development (2023)
- LREDC - Lusail Development (2025)
- NPP - Hamad Port (2025)
- Barwa Real Estate - Barwa Al Khor Development (2025)
- QFZA - Qatar Economic Zone (2025)
- QRAIL - Qatar Integrated Rail Project (2026)
- Kahramaa - Water Security Mega Reservoirs (2036)

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

Profitability (QR Mn)

	Q3 2019	Q3 2018	YoY
Interest income	3,148	2,934	7.3%
Interest Expense	(1,652)	(1,331)	24.2%
Net interest income	1,496	1,603	-6.7%
Fees and commission	307	286	7.5%
Foreign exchange gain	85	89	-4.2%
Income from investment securities	191	(1)	-
Net income from insurance activities	(58)	7	-
Other income	59	46	28.7%
Staff Cost	(363)	(389)	-6.7%
Non Staff cost	(306)	(357)	-14.4%
Provision	(592)	(547)	8.5%
Net Profit	819	737	11.0%

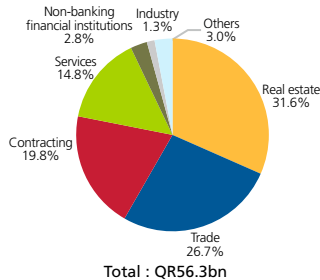
Assets and Liabilities (QR Mn)

	Q3 2019	Q4 2018	Q3 2018	YTD	YoY
Total Assets	106,746	96,132	90,367	11.0%	18.1%
Loans and Advances	65,003	59,844	59,215	8.6%	9.8%
Investments	27,765	20,727	20,286	34.0%	36.9%
Customer Deposits	58,897	55,785	52,165	5.6%	12.9%
Total Equity	13,455	12,733	13,050	5.7%	3.1%

Capital

	Q3 2019	Q4 2018	Q3 2018
RWA (QR Mn)	79,068	77,173	76,058
CET 1 Ratio (%)	10.62%	10.66%	10.68%
T1 Ratio (%)	15.68%	15.84%	15.94%
Total Capital Ratio (%)	16.85%	17.01%	17.10%

Overview of the corporate banking loan book - September 2019

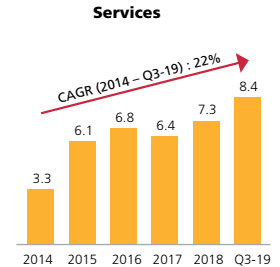
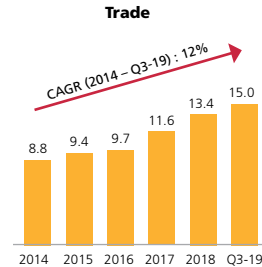
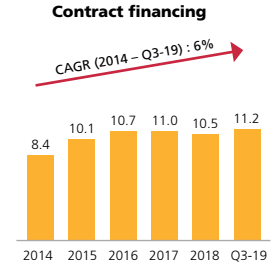
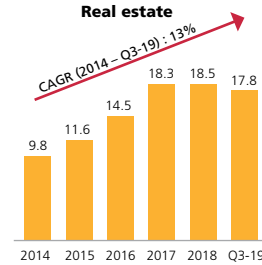


Source: Company information

Comments:

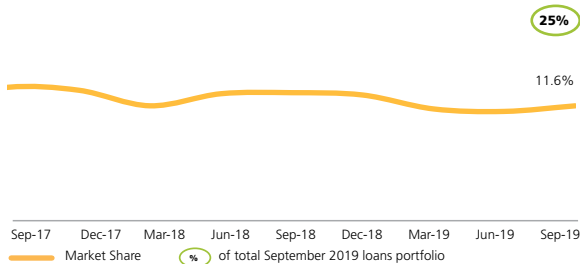
- A significant contributor to the total income of Doha Bank
- Evolved to be one of the core competencies of the bank and will be one of the major growth areas of the Bank
- Targets local and international companies
- Well diversified portfolio focused on private sector

Loans (QRbn)



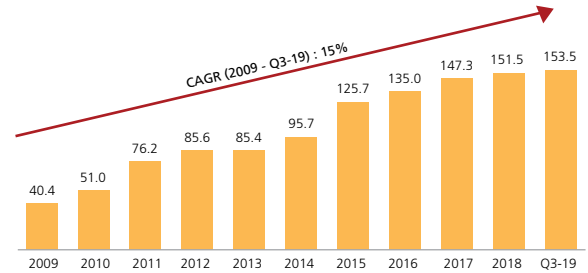
Source: Company information

Real estate market share development



Source: Company information and QCB data

Qatari market real estate loans (QRbn)



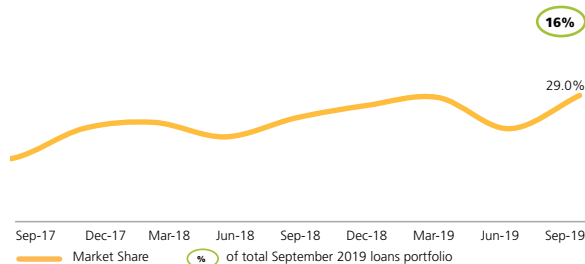
Source: QCB banks' monthly statements and annual reports

Comments:

- Conservative regulatory environment with real estate lending limits well defined
- Loan portfolio is highly collateralized at circa 170%

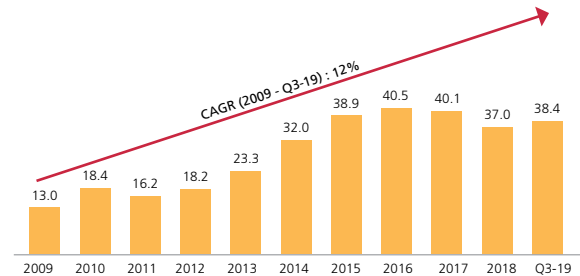


Contract financing market share development



Source: Company information and QCB data

Qatari market contract financing loans (QRbn)



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 share in this segment

Comments:

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

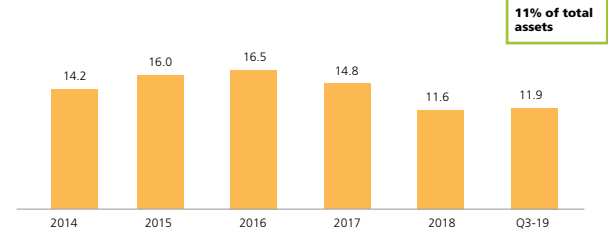
International Presence

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

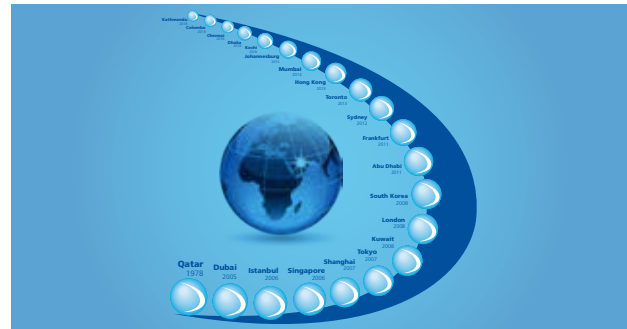
Source: Company information

International asset evolution (QRbn)



Source: Company information

Increasing international reach

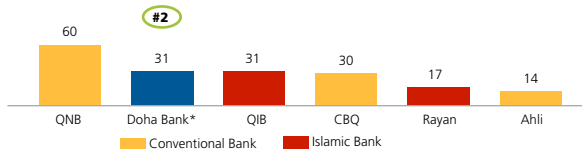


Source: Company information

Innovative range of retail products

Transactional / Deposit accounts	<ul style="list-style-type: none"> Doha Bank offers a wide range of accounts to its customers, including term deposit accounts, call accounts, payroll accounts and various accounts of different maturities & yields Doha Bank Offers New Debit Cards with contactless, secure online payment capability along with Doha Miles Doha Bank also offers special products for salary transfers
Loans	<ul style="list-style-type: none"> Personal and Vehicle loan products are available to customers, who transfer their salaries to the bank, for up to six years (Qataris) and four years (Expatriates) Mortgage loans are tailored to suit individual needs with competitive interest rates. Available for eligible customers in Qatar and other selected markets
Expatriate banking	<ul style="list-style-type: none"> The division is focused on Qatar, UAE, Kuwait and India and offers cross-border remittances, wealth management and off-shore banking services
Credit cards	<ul style="list-style-type: none"> The Bank Offers an extensive range of credit cards including Contactless Cards
Private banking	<ul style="list-style-type: none"> Offer privileged services such as Home Service, Real Estate Advisory, Global emergency cash access services, brokerage services Products include capital protected close-ended investments, Visa Infinite Credit Card, Mortgage Lending in UK and Kuwait, leveraging on local tie-ups

Second largest conventional retail footprint in Qatar



Source: Respective banks' website
Note: * Includes E-Branches & Pay offices

Distribution channels: Innovative and increasing efficiency

Branches	<ul style="list-style-type: none"> Second largest conventional retail in Qatar widespread throughout the country Full service branches in Abu Dhabi, Dubai, Kuwait and India
ATMs	<ul style="list-style-type: none"> Network of around 90 ATMs throughout the country The Bank has many ATMs with multi functional capabilities
Internet banking	<ul style="list-style-type: none"> Doha Bank has the award winning first bilingual website in Arabic and English amongst the banks in Qatar Doha Bank has launched the New online portal for customers with enhanced features including E- Statements and Activation of Credit & Debit Cards through Online & Mobile Banking
E-shopping portal	<ul style="list-style-type: none"> Doha Sooq (e - commerce website) - first 'online shopping mall' offered by a Qatari bank
Mobile banking	<ul style="list-style-type: none"> Grants access to bank account details and enables instant transfer of funds, paying registered utility and credit card bills, recharging pre-paid mobile or internet services and viewing current exchange rates along with in-app notifications

Strong reputation for new and innovative products and strong brand quality

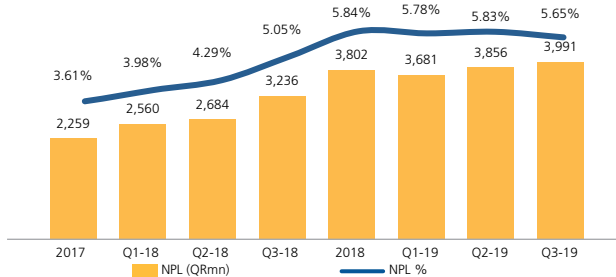
Doha Bank was the first to introduce many products & services in Qatar such as:

- Qatar Exchange Traded Fund (QETF)
- Expansion of digital customer service through what's app, Hello Doha and FB messenger
- Doha Sooq—Ecommerce platform
- Digital loan on-boarding
- Whatsapp Chat service
- Biometric authentication in Mobile Banking
- Apple iWatch Banking Application and Tablet Banking
- Al Dana Savings Scheme
- Co-branded credit cards and travel cards
- Gold bar sales
- Green Banking (including 'Green Mortgage' Home Loan Product and Green Car Loan)

Source: Company information

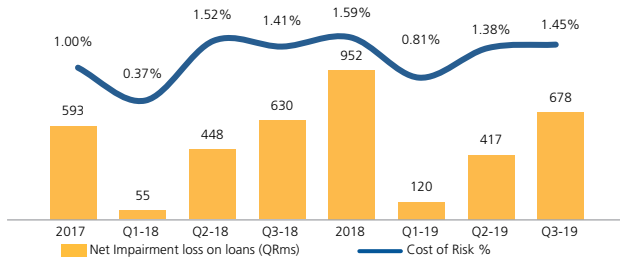
Credit Quality

NPL evolution



Source: Company information

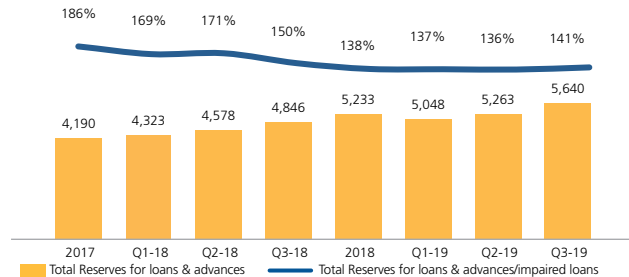
Net impairment loss on loans and cost of risk*



* Includes expected credit losses (ECL) as per IFRS 9 for 2018 and 2019

Source: Company information

Total Reserves* for loans & advances divided by impaired loans



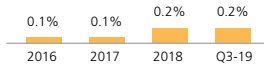
Source: Company information

* Includes expected credit losses for 2018 & 2019 (Note: 2017 includes risk reserves)

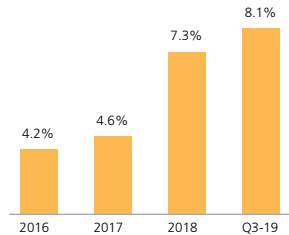


Credit quality in Doha Bank's core businesses and by geography

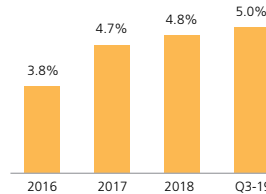
Real estate NPL ratio



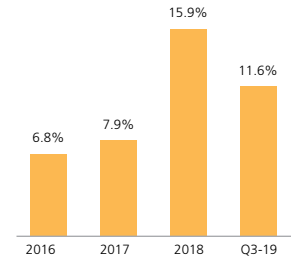
Corporate NPL ratio



Retail NPL ratio



Contracting NPL ratio

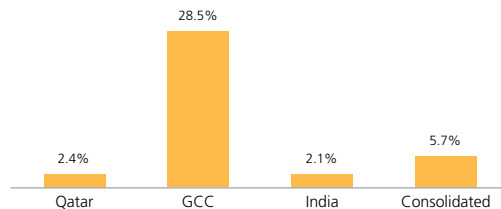


Comments:

- Real estate NPL% is almost nil
- GCC branches showing significantly high NPL%
- Corporate and Contracting NPL% increase mainly attributable to exposure from GCC branches
- Qatar operation's NPL% remains low

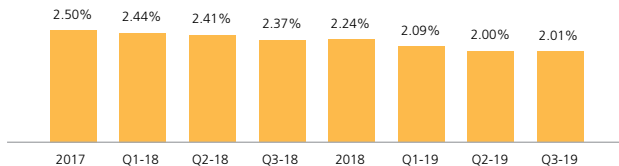
Source: Company information

NPL per geographical location - September 2019



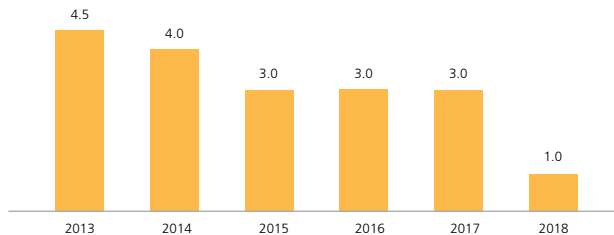
High margin and high dividend yield

Net interest margin %



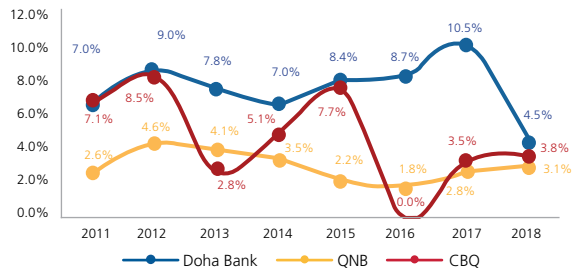
Source: Company information

Cash dividend (QR per share)



Source: Company information

Attractive dividend yield



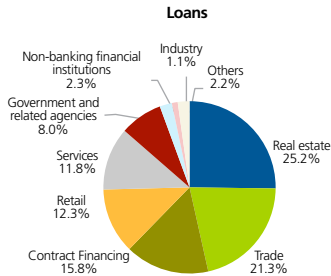
Source: Company information & Bank's Annual Financial Statements

Comments:

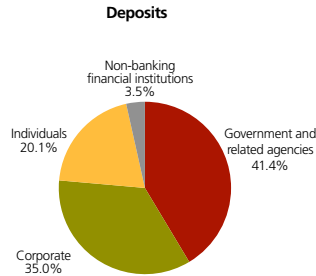
- Historically high dividend yield as compared to competitors
- 2018 Dividend reduced in order to enhance capital ratios

Diversified loans and deposits

By sector – September 2019

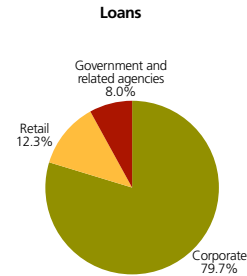


Total loans: QR65.0bn

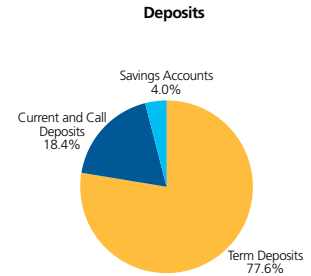


Total deposits: QR58.9bn

By type – September 2019



Total loans: QR65.0bn



Total deposits: QR58.9bn

Comments:

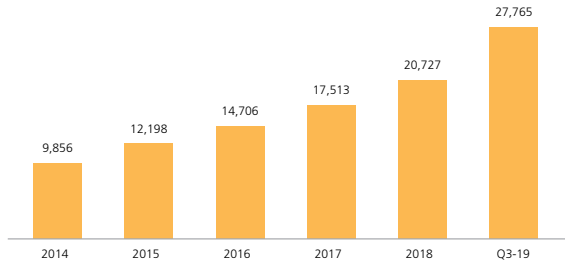
- Doha Bank has maintained a very well diversified loan mix
- Doha Bank consistently ensures it retains a diversified deposit and funding base to minimize concentration risks
- Qatar Central Bank (QCB) imposes certain credit concentration limits on regulated banks in Qatar and the Bank follows QCB's 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

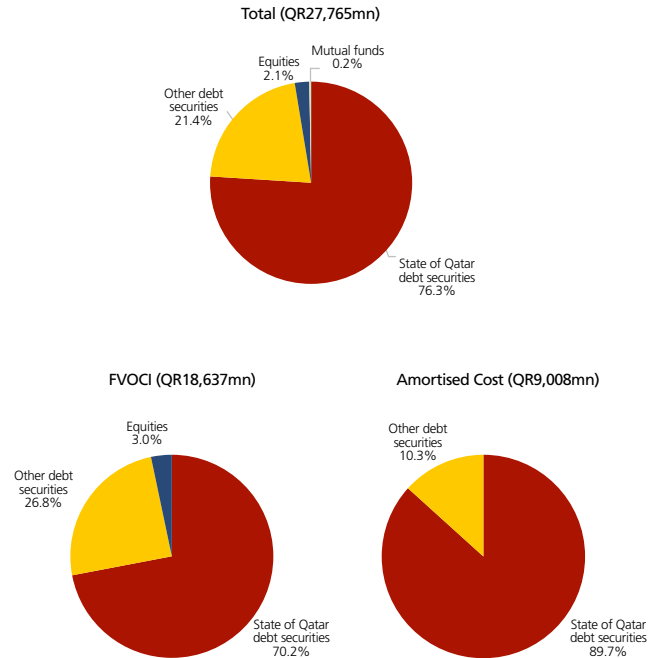
- Conservative investment philosophy
 - Low hard limits for discretionary trading / investments
- Majority of portfolio in local sovereign fixed income
- State of Qatar portfolio repo-able with central bank to the extent liquidity is needed
- Conservative investments limits linked to Tier 1 capital as per QCB
- Investment portfolios are re-classified and re-measured post adoption of IFRS 9 with effect from 1 January 2018

Investment portfolio (QRmn)

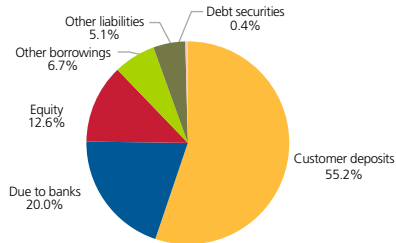


Source: Figures are sourced from Annual Reports and Quarterly Financials

Investment portfolio – split by type – September 2019 (%)



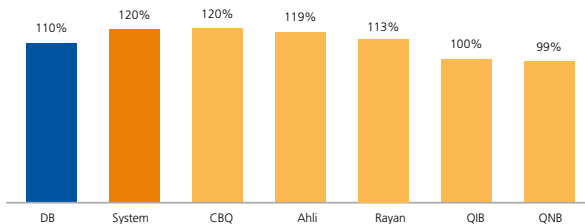
Funding mix – September 2019



Total liabilities and equity: QR106.7bn

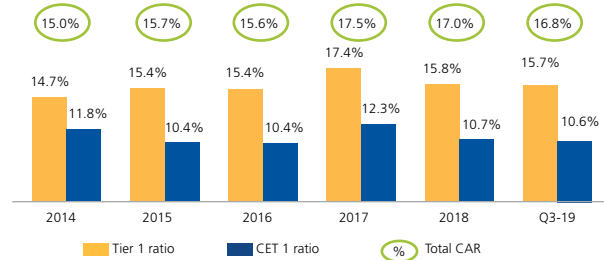
Source: Company information

Loan to Deposit ratio (%) - September - 2019



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 QR21.2bn of State of Qatar bonds

Doha Bank strategy – Clear path to future growth

Improve credit quality

- Maintain conservative and cautious approach to underwriting in particular with regards to contracting sector
- Continue improvement in risk management procedures and systems

Further improve efficiency

- Leverage on strong existing distribution channels to expand loan book, generate more revenues and improve efficiency
- Identify areas of potential operational and cost efficiency improvements
- Leverage on latest digital technologies to increase operational efficiency

Continue targeted international expansion

- Doha Bank intends to further continue its targeted international expansion strategy
- Expand and further leverage the trade finance business through the network of representative offices, by further developing relations with companies doing business with countries where we have our presence

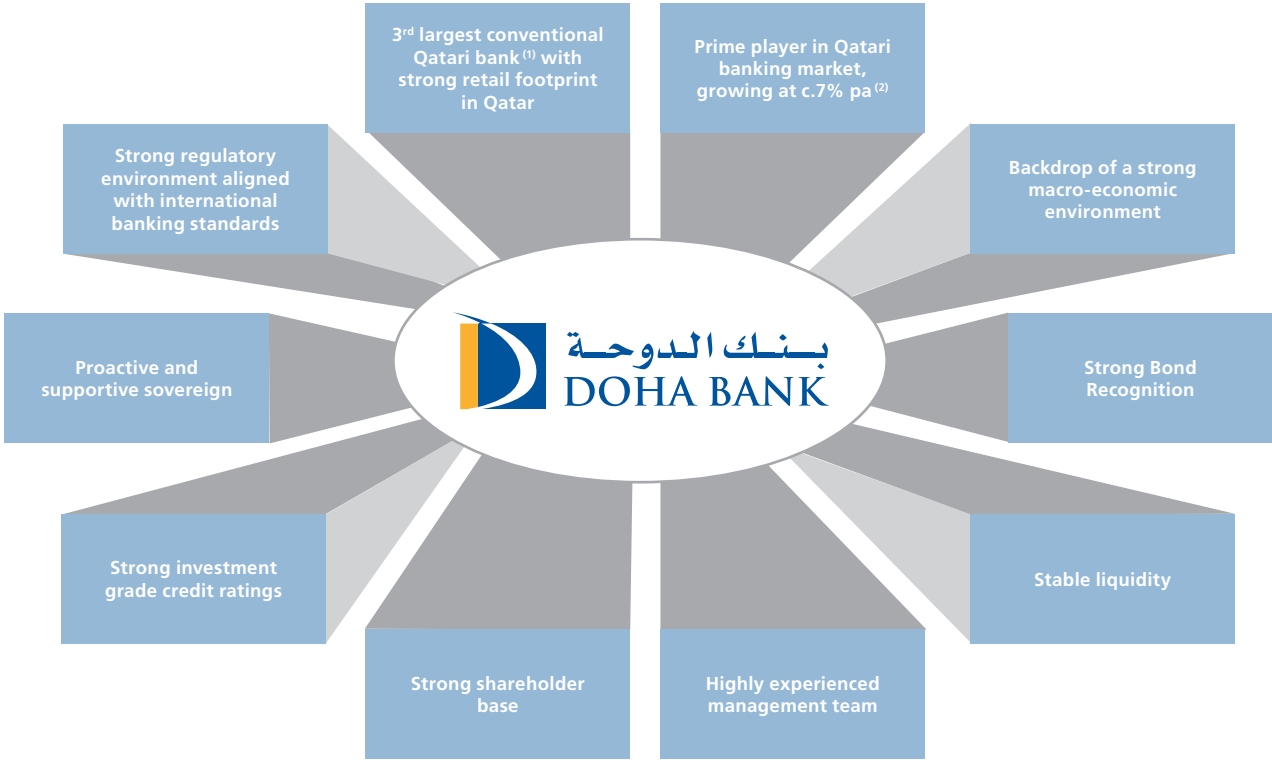
Further develop international branch network

- Further develop existing operations and position Doha Bank at the center of the infrastructure growth in the economies where we operate

Further consolidate Qatari position

- Doha Bank is positioned to capture the upcoming infrastructure growth in Qatar

Source: Company information



Source: Company information
Note: 1. Ranked by assets, excluding Islamic banks
2. 2009 – Q3-19 CAGR of Doha Bank's total assets



www.dohabank.com