



بنك الدوحة
DOHA BANK



Investor Presentation
February 2018

Overview of Doha Bank

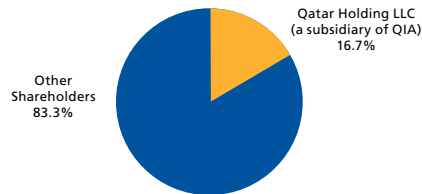
Key highlights

- Incorporated in 1979, Doha Bank is the third largest local conventional bank by assets in Qatar with a market share of approximately 6.9%⁽¹⁾ and assets totaling QR93.5bn
- Doha Bank has a strong domestic franchise with the 2nd largest retail footprint with 27 local branches, 12 e-branches including pay offices, 1 active mobile unit and over 110 ATMs as at 31st December 2017
- 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 United Kingdom, Germany, Turkey, Singapore, China, South Korea, Japan, Hong Kong, Australia, South Africa, UAE (Sharjah), Canada and Bangladesh
- Doha Bank, leveraging its network, has a strong market presence in contract financing (27% market share), trade loans (16% market share) and real estate (12% market share) and has been fast growing (12% net loans CAGR since 2007)
- 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 A2 / A- / A / A+ by Moody's, S&P, Fitch and Capital Intelligence respectively as on 31st December 2017

Strong international footprint



Diversified shareholder base and strong support



Second largest
Retail footprint

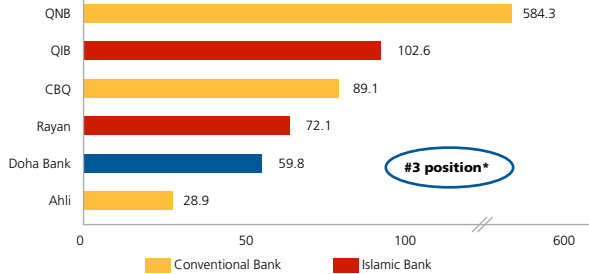
Largest international
network of representative
offices among Qatari banks

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 31 December 2017

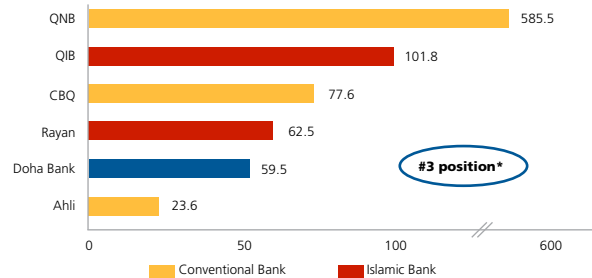
Significant player in a fast growing banking sector

December - 2017 Net Loans (QRbn)



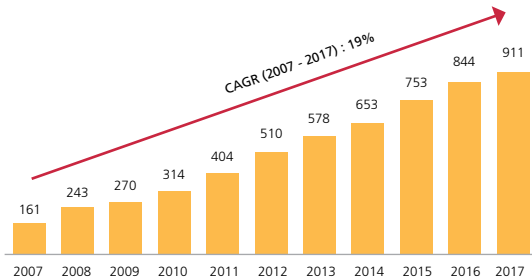
Source: Company information
Note: *Among conventional banks

December - 2017 Total Deposits (QRbn)



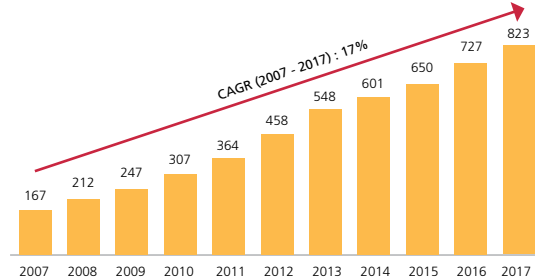
Source: Company information
Note: *Among conventional banks

Qatari banking system – Total Loans (QRbn)



Source: QCB banks' monthly statements and annual reports

Qatari banking system – Total Deposits (QRbn)



Source: QCB banks' monthly statements and annual reports

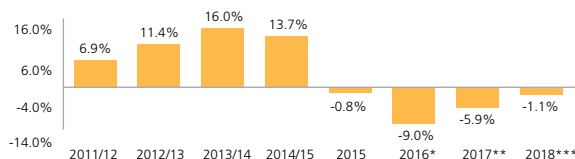
Qatar has strong historic and planned economic growth...

Stable economic situation

Sovereign rating:	Aa- (Negative) by Fitch / AA- (Negative) by S&P / Aa3 (Negative) 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 2.3% in 2017 ⁽¹⁾ and 1.0% in 2018 ⁽¹⁾ of nominal GDP
Forecasted real GDP growth:	2.5% in 2017 ⁽¹⁾ and 3.1% in 2018 ⁽¹⁾
Population:	2.64 million as at 31 December 2017 ⁽⁴⁾
GDP per capita:	With US\$60,812 in 2017 Qatar is one of the wealthiest countries in the world ⁽¹⁾
Government fiscal position:	Estimated deficit of 1.1% of GDP in 2018 ⁽³⁾
Government gross debt:	QR329.5bn (54.4% of GDP) in 2017 ⁽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

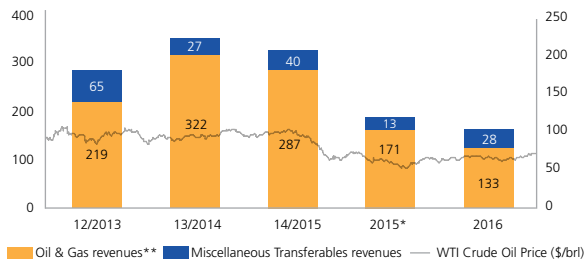
Source:
 1. IMF World Economic Outlook Database (October 2017)
 2. British Petroleum Statistical Review of World Energy (June 2017)
 3. Qatar Budget 2018
 4. Population statistics of Ministry of Development Planning & Statistics (December 2017)

Government fiscal surplus/deficit (% of GDP)



Source: QCB annual reports (2011-2015) & Qatar MDP5 (June 2016)
Note: The above data until 2014/15 is for the fiscal year from 1 April – 31 March
 * Estimates as per IMF 2016 Article IV Consultation with Qatar (April 2017)
 ** IMF Staff visit to Qatar – August 2017
 *** Qatar Budget 2018

Government revenues (QRbn)



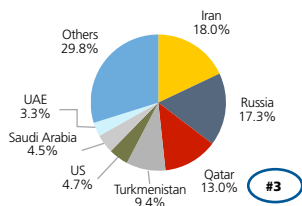
Source: Government revenues: QCB annual reports & WTI Crude Oil Price: Bloomberg report - December 2017
Note:
 * Preliminary data covers 9 months (1/4- 31/12/2015) where the period has been extended as per Law No. (2) for the year 2015 for amending the fiscal year to a calendar year.
 ** Oil & Gas Revenue includes investment revenue transferred from Qatar Petroleum.

Qatar enjoys one of the highest GDP per capita at US\$ 60,812 in 2017⁽¹⁾ and has strong historic economic growth

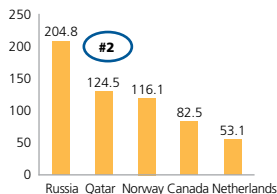
...With large planned expenditure to diversify the economy benefiting the banking sector

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

Natural gas reserves (2016)

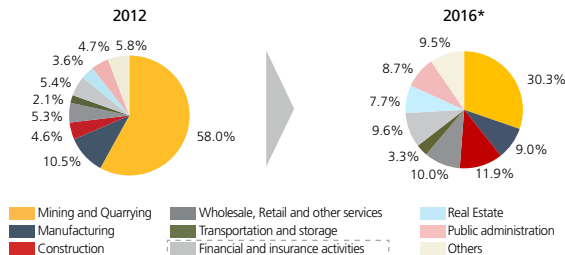


Export of natural gas in 2016 (cubic meters bn)



Source: British Petroleum Statistical Review of World Energy (June 2017)

Development of GDP composition 2012–2016*



Source: QCB Quarterly Statistical Bulletin – December 2017
Note: * Preliminary estimates

Infrastructure projects & events to benefit from the National Vision 2030

Infrastructure projects in Qatar

- QF - Education City (2019)
- NDIA - Hamad International Airport (2020)
- ASHGHAL - Expressway Programme (2020)
- FIFA World Cup Football Stadiums (2020)
- UDC - Pearl Qatar (2020)
- Msheireb Properties - Msheireb Downtown Doha (2020)
- QP - Bul Hanine Field Redevelopment Project (2021)
- LREDC - Lusail Development (2022)
- QatarGas - Barzan Gas Development (2023)
- NPP - Hamad Port (2025)
- Barwa Real Estate - Barwa Al Khor Development (2025)
- Manateq - Qatar Economic Zone (2025)
- QRAIL - Qatar Integrated Rail Project (2026)
- Kahramaa - Water Security Mega Reservoirs (2026)

2022 FIFA World Cup

- '2022 FIFA World Cup' is expected to draw around half a million visitors, circa 20% of Qatar's current population
- In the 2018 Qatar Budget, the funds allocated to the sports sector and projects related to the '2022 FIFA World Cup' amounted to QR11.2bn

Source: Business Monitor International, research reports

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

Leading franchise of Doha Bank and entrenched position

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

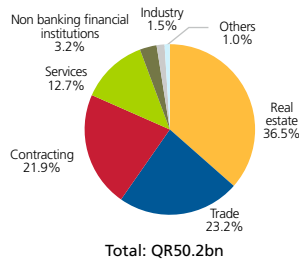


Comments:

- 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
- Excels in providing the right products to the right customers

Strong corporate banking franchise

Overview of the corporate banking loan book - December 2017

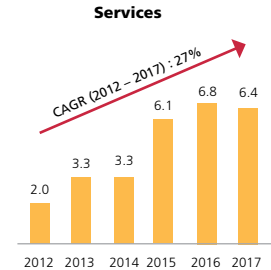
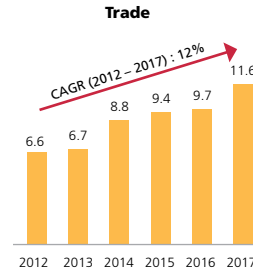
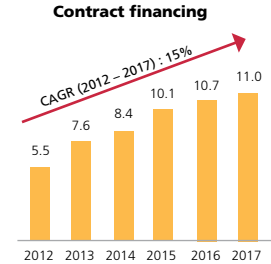
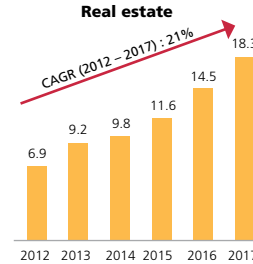


Source: Company information

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

Conservative approach to the fast growing real estate sector

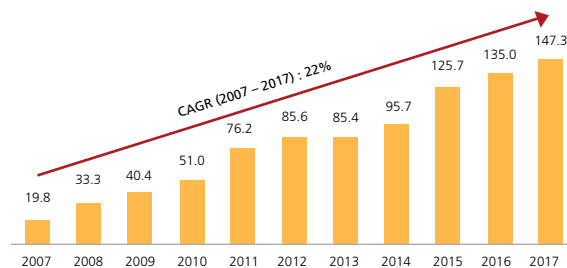
Real estate market share development



% of total December 2017 loans portfolio

Source: Company information and QCB data

Qatari market real estate loans (QRbn)



Source: QCB banks' monthly statements and annual reports

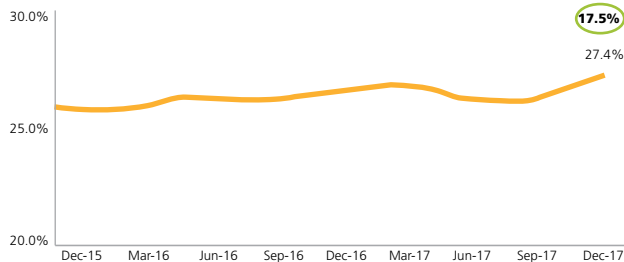
Comments:

- Conservative regulatory environment with real estate lending limits well defined
- Loan portfolio is highly collateralized at circa 170%
- NPL percentage for the Real Estate book is only 0.08%



Leading market position in the contract financing sector based on strong relationships

Contract financing market share development



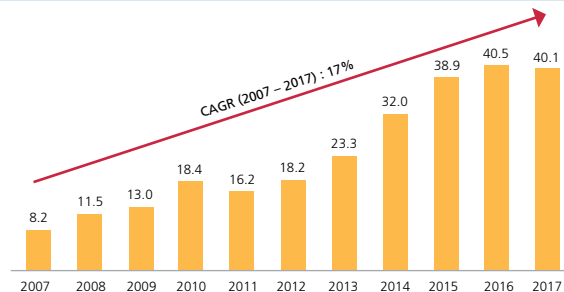
17.5% of total December 2017 loans portfolio

Source: Company information and QCB data

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 not looking to further grow its market share in this segment

Qatari market contract financing loans (QRbn)



Source: QCB banks' monthly statements and annual reports

Comments:

- The Qatari contract financing sector has been growing steadily over the past years
- The contract financing sector is set to benefit from planned infrastructure spending in Qatar as well as the '2022 FIFA World Cup'

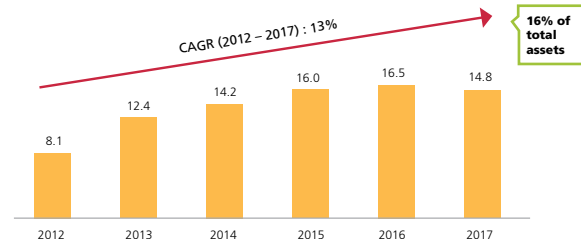
Leading international franchise on the back of a targeted network of branches and representative offices around the world

Timeline of international expansion

- 2004: 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, UAE (Sharjah) & 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: A representative office established in Bangladesh
- 2018: Opened a branch in Chennai, India

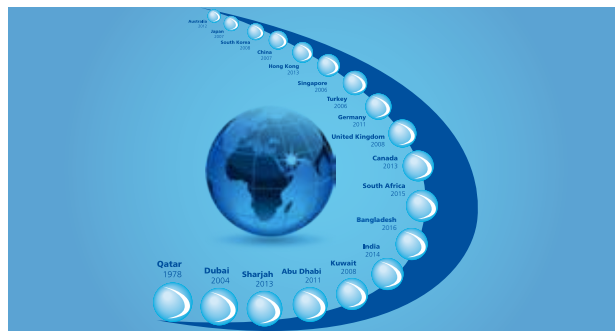
Source: Company information

International asset evolution (QRbn)



Source: Company information

Increasing international reach

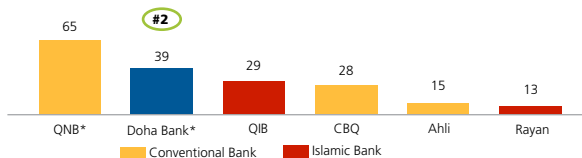


Source: Company information

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, savings certificates, call accounts, payroll accounts and various accounts of different maturities & yields
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.
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: Banks' websites & Annual reports
Note: * Includes E-Branches & Pay offices

Distribution channels: Innovative and increasing efficiency

Branches	<ul style="list-style-type: none"> Second largest retail footprint 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 over 110 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
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

Strong reputation for new and innovative products and strong brand quality

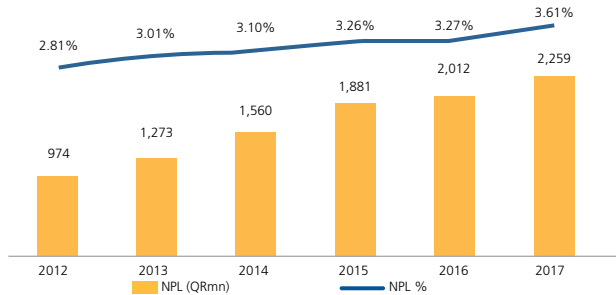
Doha Bank was the first to introduce many products & services in Qatar such as:

- Doha Bank 'My Book Qatar' Application
- Biometric authentication in Mobile Banking
- Apple iWatch Banking Application and Tablet Banking
- Al Asriya (Ladies Banking Package)
- Al Dana Savings Scheme
- Online money transfer through credit card
- Mobile e-remittance for Payroll card holders
- Co-branded credit cards and travel cards
- Gold bar sales
- Green Banking (including 'Green Mortgage' Home Loan Product)

Source: Company information

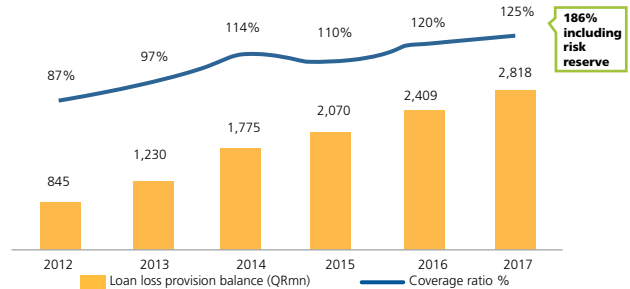
Strong credit quality

NPL evolution



Source: Company information

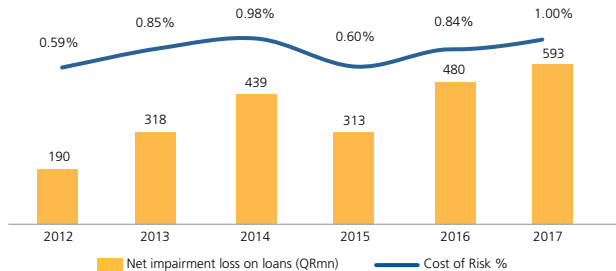
Loan loss provision balance and coverage ratio



186% including risk reserve

Source: Company information

Net impairment loss on loans and cost of risk



Source: Company information

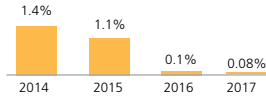
Comments:

- Specific provision coverage is 125% which is historically high
- Specific provision coverage including risk reserve coverage is 186%

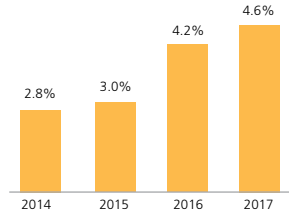
Source: Company information

Credit quality in Doha Bank's core businesses

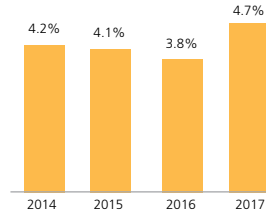
Real estate NPL ratio



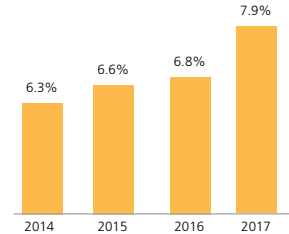
Corporate NPL ratio



Retail NPL ratio



Contracting NPL ratio



Comments:

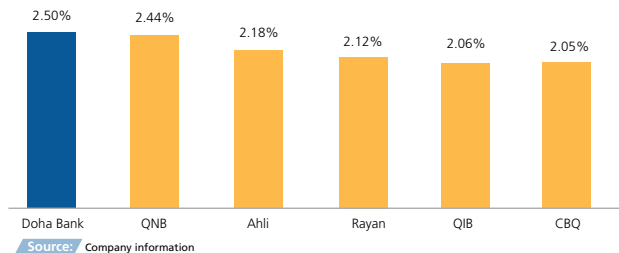
- Real estate NPL % is almost nil
- Contracting NPL % continues to be elevated

Source: Company information

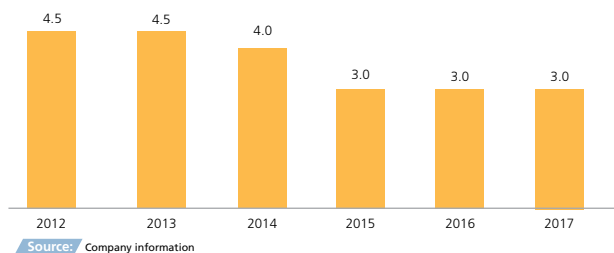


High margin and high dividend yield...

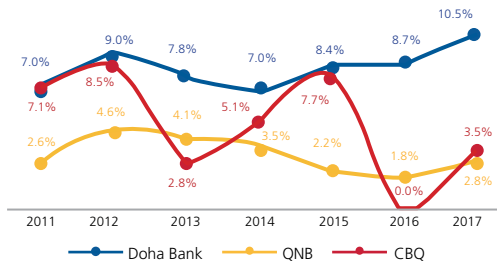
High net interest margin % - December 2017



Cash dividend (QR per share)



Attractive dividend yield



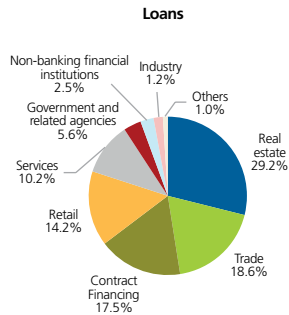
Source: Company information & Bank's Annual Financial Statements

Comments:

- Highest Net Interest Margin amongst competitors
- Shareholders have been rewarded consistently with high dividend payout over the years
- Highest dividend yield vs. competitors throughout the cycle

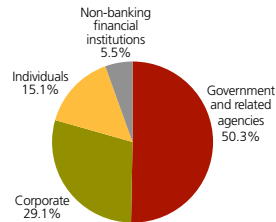
Diversified loans and deposits and limited concentration

By sector – December 2017



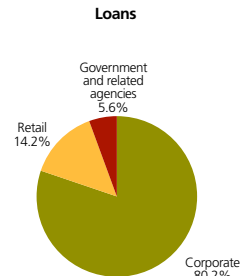
Total loans: QR59.8bn

Deposits



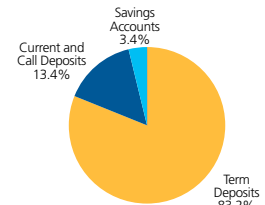
Total deposits: QR59.5bn

By type – December 2017



Total loans: QR59.8bn

Deposits



Total deposits: QR59.5bn

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
- The 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

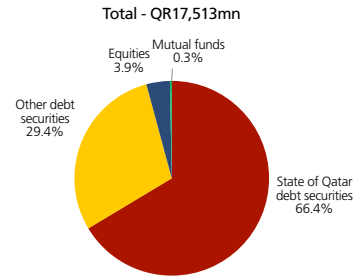
Source: Company information

... And a conservative investment philosophy...

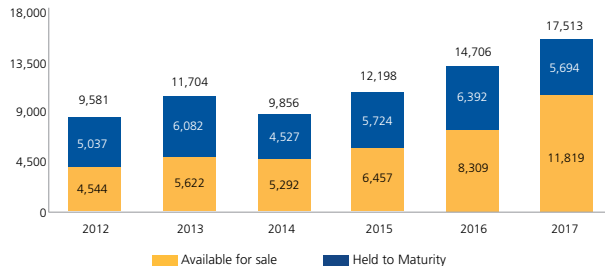
Portfolio overview

- 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 portfolio – split by type – December 2017 (%)

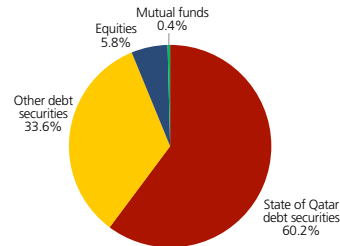


Investment portfolio - evolution by classification (QRmn)

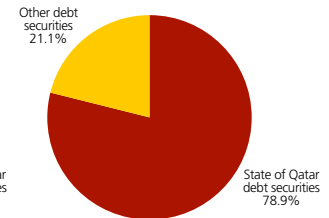


Source: Figures are sourced from Annual Reports

Available for Sale - QR11,819mn

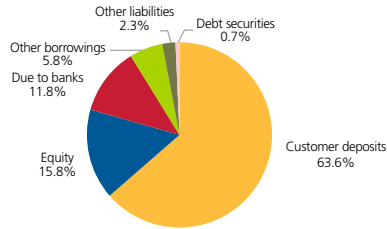


Held to Maturity - QR5,694mn



Well managed liquidity and solid capitalization

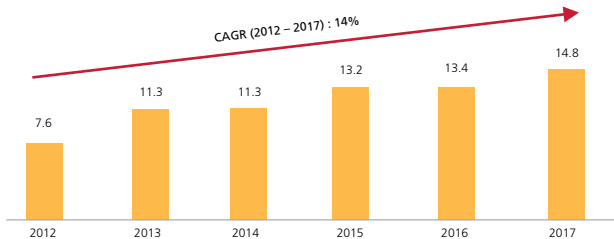
Funding mix – December 2017



Total liabilities and equity: QR93.5bn

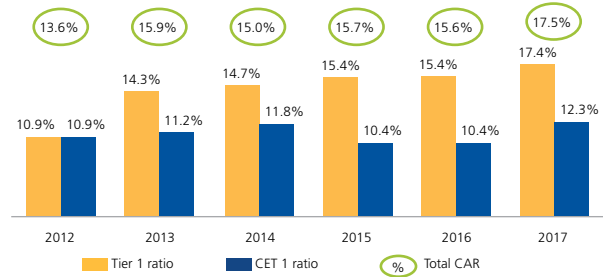
Source: Company information

Equity evolution (QRbn)



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 QR11.6bn of State of Qatar bonds which it could repo with the QCB at any time
- Doha Bank completed 20% right issue, raising QR1.29 billion

Doha Bank has a well diversified funding position and a sound capital base with strong capital ratios

Doha Bank strategy – Clear path to future growth

Maintain 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

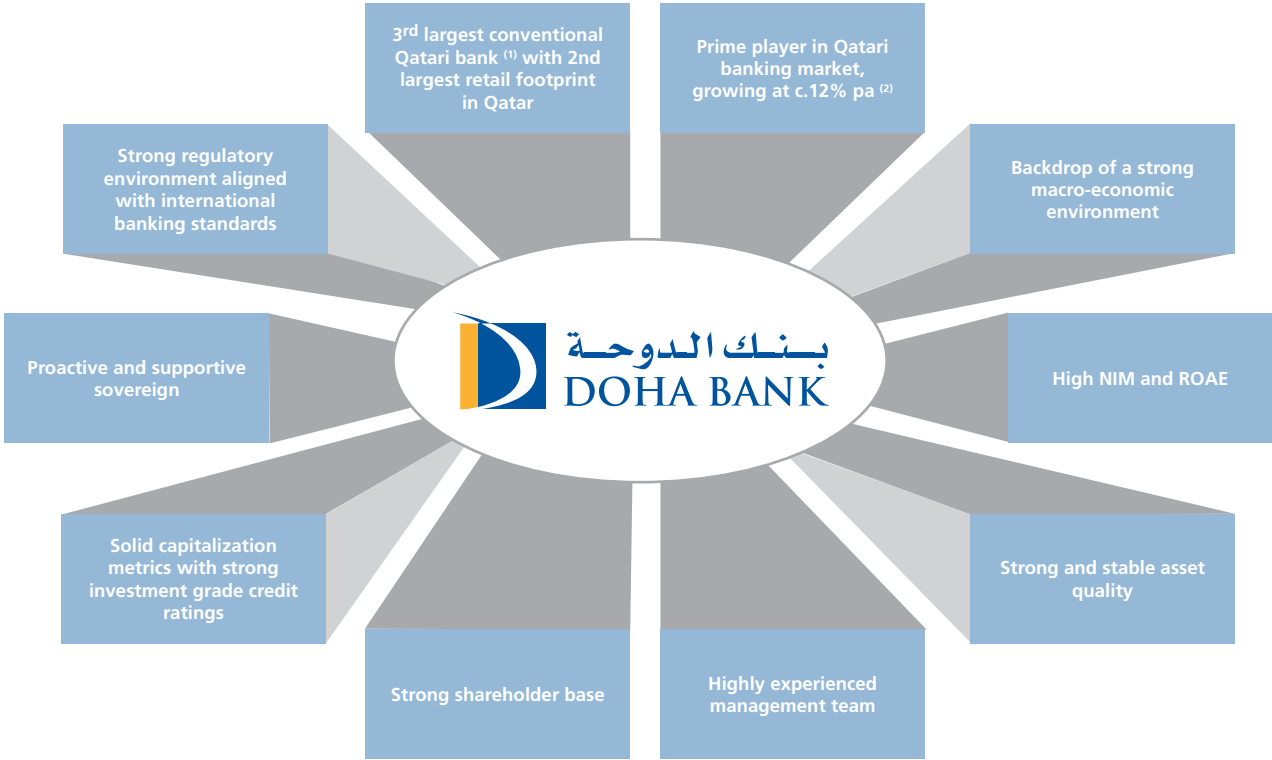
Further develop regional branch network

- 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

- With stable capital adequacy ratios, 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. 2007 - 2017 CAGR of Doha Bank's total assets



www.dohabank.com