



## Investor Presentation

### Q3 2023 results

# Table of Contents

- 
1. Operational & Financial Highlights
  2. Overview
  3. Financial Summary
  4. Sustainable Finance Framework
  5. Disclaimer
-

# Qatar's outlook looks strong

QatarEnergy and Qatar Energy LNG<sup>(1)</sup>, in the past month has signed 3 – 27 year off take contracts with Netherlands, France and Italy. These 3 transactions accounts for c.40% of new production capacity. Already they had signed deals with China, Germany, and Bangladesh, as the development of the NFE continues on progress.

QatarEnergy is on track to boost LNG production 77 million tonnes to 126 million tonnes a year (MTPA) by 2027.

- Phase 1 - North Field expansion project will increase Qatar's LNG production capacity from 77 million MTPA to 110 million MTPA by 2025.
- Phase 2 - referred to as the North Field South Project (NFS), will further increase Qatar's LNG production capacity from 110 million MTPA to 126 million MTPA by 2027.

Qatar's real GDP growth projected to be 2.4% this year, 2.2% in 2024, and projected to be > 6% 2027: IMF<sup>(2)</sup>

The Qatar National Vision is further committed to transforming Qatar into an advanced and diversified economy, capable of sustaining its own development. At the centre of the vision is the desire to enhance confidence in Qatar and drive greater foreign direct investment. During the year announced the establishment of the Real Estate Regulatory Authority, and the newly opened Commercial Court offers a more effective, reliable, and quicker route to enforce contractual rights.



Tourism<sup>(3)</sup>

Tourism / mode of entry								
YTD Sep-2023			2022			2021-2015		
Air	54.5%	1,554,065	Air	64.7%	1,657,404	Air	73.8%	9,775,534
Land	36.8%	1,050,666	Land	31.4%	804,671	Land	21.9%	2,904,263
Sea	8.7%	249,103	Sea	3.8%	97,983	Sea	4.2%	561,108
Totals	100.0%	2,853,834	Totals	100.0%	2,560,058	Totals	100.0%	13,240,905
Should see > 3.5 million in 2023						Average 7-years		1,891,558

Accommodation Supply & Demand Hotels and Deluxe + Standard apartments					
YTD	Keys	Room Nights	Occupancy Rate	Average Daily Rate	Average RevPAR
Chg Y/Y	24%	21%	-5%	-4%	-13%
Sep-23	38,835	5,663,890	54%	407	209
Sep-22	31,247	4,663,710	57%	424	240

Source (1) Qatar Energy and Qatar Energy LNG  
(2) IMF World Economic Outlook  
(3) Qatar Tourism [Qatar Tourism-dashboards](#)

# 1. Operational and Financial Highlights year to date

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## 1. Wholesale Banking Group:

- ✓ Mandated Lead Arranger on a large corporate syndication and participated in a several high-quality syndications in Q3 as part of our strategy to diversify the loan book.
- ✓ Robust pipeline of Public Sector and Corporate syndicated financings that should drive asset growth in 2024 as we continue to de-risk from Contracting and Real Estate sectors in the local Qatar market.
- ✓ High priority placed on Global Transactional Banking capabilities with new investment and product enhancements in progress to assist with cross selling and liability growth initiatives
- ✓ Enhancing staff and operations including senior hires in Qatar and the UAE operation

## 3. International Banking Group:

- ✓ FI business to grow in 2024
- ✓ Kuwait and India strategy well underway to redefine the business.
- ✓ Foreign branches: Chennai branch closed in Q4, initiated merger/ closure of another overseas branch - Awaiting regulatory approval
  - Branch relocations: Kuwait relocation completed in Q3, Mumbai and Kochi on track
- ✓ Rep offices: Hong Kong closed in Q1. Sri Lanka operations closed in Q2. Canada operations closed in Q3.

## Sharq Insurance:

- ✓ Revenue drivers: New business production across all products and all distribution channels.
- ✓ Profitability outlook: on pace for 100% growth YoY
- ✓ H1 2023 concluded an arbitration in favor of Sharq.

## 2. Treasury & Investments:

- ✓ Portfolio assets increased +13.4% YTD. Plan to grow the investment book by an additional 5% this year for securities to be c.28% of the bank's total assets. This strategy is predicated on taking advantage of rate levels.
  - The portfolio growth will be largely self funded
  - The bank will continue with hedging strategy, currently 90% hedged.
- ✓ Significantly de-risked the portfolio, thereby improving overall credit quality.
- ✓ Furthering CASA, and considering issuances (depending on market opportunities)
- ✓ Sustainable Finance Framework (with approved SPO) is in place
- ✓ The bank launched an FX & Commodity hedging program for corporate customers with solutions to help manage their underlying market risks.

## 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: Signing several renowned corporate card deals with high potential spends.
  - Customer acquisition campaigns is underway

# Operational and Financial Highlights

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Interest income +45% YoY while net operating income -5.8% YoY

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Private Sector Lending +2.2% YTD

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FX, Net income from investment activities, and other income +30% YoY

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Net Fee & Commission Income +1.6% YoY

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CET1 12.8% and Total CAR of 19.3%

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Staff Costs, depreciation, and other expenses marginally higher at +3.2% YoY;  
Cost to Income Ratio improvement from the last quarter.

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Total Reserves for loans and advances (*including expected credit losses*) at 108%, improved from 87% as on year-end 2022  
Stage 3 Provision Coverage improves to 72% versus 61% as on year-end 2022

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# Performance Scorecard

	Guidance for 2023	(A) Q1 2023	(A) Q2 2023	(A) Q3 2023	Guidance for Q4 2023	2023-2027 5-year Strategy
Capital Adequacy Ratio	18.50-19.00%	19.37%	19.76%	19.26%	18.50-19.00%	<b>Maintain min. 17%</b>
Net Loan Growth	Net 3-5% / Pvt. 5%	YTD Net <b>-2.5%</b> / Pvt. +0.2%	YTD Net <b>-3.9%</b> / Pvt. Flat	YTD Net <b>-2.4%</b> / Pvt. 2.2%	Pvt. 4-5%	<b>3-5% p.a.</b>
Net Interest Margin	2.25%	2.10%	2.23%	2.25%	2.10% -2.20%	<b>2.50%</b>
Cost of Funds	Top 3 locally	Currently 4 <sup>th</sup>	Currently 4 <sup>th</sup>	Currently 5 <sup>th</sup>	same position	<b>Top 3 locally</b>
Non-performing loans	6.00%	6.58%	6.71%	6.18%	<7.0% <sup>(1)</sup>	<b>4.5-5%</b>
Cost of Risk	1.60%	1.38%	1.66%	1.79%	1.80-1.90% <sup>(1)</sup>	<b>120-130bps</b>
Cost to Income	<30%	35.5%	34.00%	32.80%	c.<35%	<b>&lt;25%</b>
Return on Equity	7.00%	6.35%	5.80%	6.20%	c.6.00% <sup>(1)</sup>	<b>12-14%</b>

(1) Dependent on yearend review

## 2. Overview

- Founded in 1979
- Listed on the Qatar Stock Exchange
- Full branch operations in Qatar, United Arab Emirates, India and Kuwait
- Representative offices strategically located in China, 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 399,000 active customers<sup>(1)</sup>
- 18 Domestic Branches and 2 Corporate Service Centers (under Retail Banking Group) and 1 Corporate Branch (under Wholesale Banking), 3 E-Branches, 82 ATMs, 2 Mobile ITM and 1 Mobile ATM

1. Qatar
2. Dubai
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. Johannesburg-South Africa
16. Dhaka-Bangladesh
17. Kathmandu-Nepal

### Doha Bank has a global reach



**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**

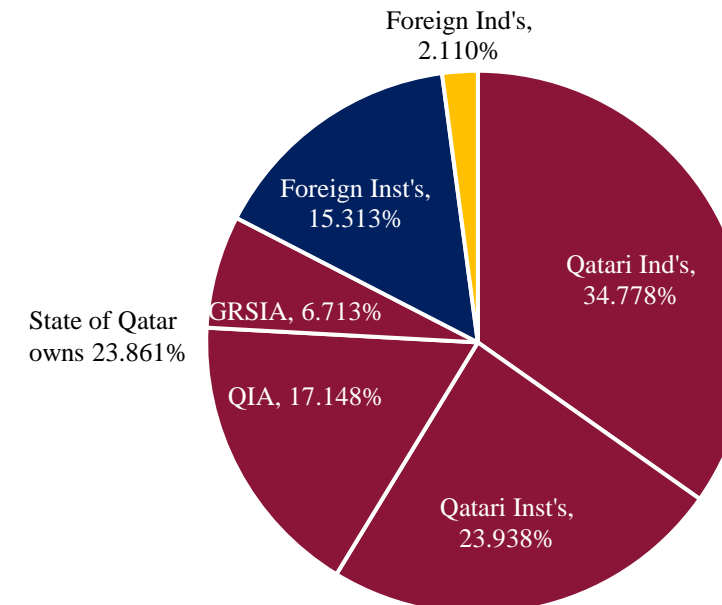
- (1) Fitch upgrades from stable to positive 06.04.2023  
 (2) Fitch upgrades from stable to positive 28.03.2023  
 (3) State of Qatar owns 23.861% together with the Qatar Investment Authority 17.148% & 6.713% by the General Retirement Social Insurance Authority via the 'Civil Pension Fund', as of 30 September 2023

## Share performance and diversified shareholder base

### Share price and market capitalization

	Date	Value
Last Price	30-Sep-23	1.625
52 Week High	04-Oct-22	2.402
52 Week Low	26-Jun-23	1.512
Current Market Capitalization	Qatari Riyals Mn	5,038
	USD Mn	1,384

### Diversified shareholder base and strong support<sup>(3)</sup>

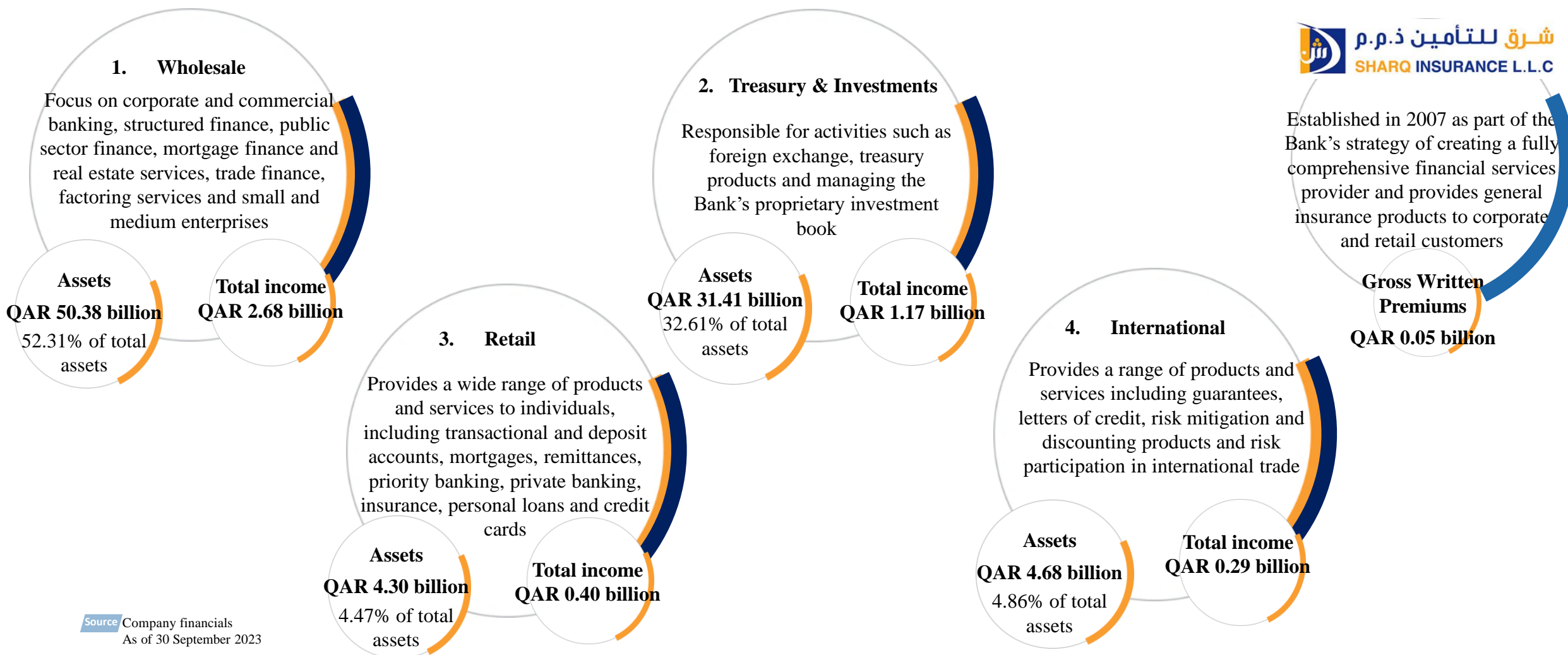




## Doha Bank at a glance

- 
- ✓ Well-established banking franchise with strong brand value
- 
- ✓ Global footprint over four continents
- 
- ✓ Strong capital position
- 
- ✓ Stable 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



### 3. Financial Summary

Profitability (QR Mn)	Sep-23	Sep-22	Chg Y/Y
Interest income	4,077	2,807	45.2%
Interest expense	(2,486)	(967)	157.1%
Net interest income	1,591	1,840	-13.6%
Fees and commission	277	273	1.6%
Foreign exchange gain	82	103	-20.5%
Income from investment securities	103	34	202.0%
Net income from insurance activities	82	13	514.7%
Other income	12	14	-15.6%
Net Operating Income	2,147	2,278	-5.8%
Staff cost	(390)	(373)	4.5%
Non staff cost	(315)	(310)	1.5%
Net impairment loss	(743)	(658)	12.9%
Tax	(72)	(3)	2081.9%
Net profit	627	933	-32.8%

#### Comments

- ✓ Non-recurring income stands out year on year
- ✓ Interest Income +45% YoY while Net Interest Income -13.6% YoY

Assets and Liabilities (QR Mn)	Sep-23	Sep-22	Chg Y/Y
Total assets	96,320	94,162	2.3%
Loans and advances	56,679	56,248	0.8%
Investment securities	27,333	24,100	13.4%
Customer deposits	45,311	49,087	-7.7%
Total equity	14,374	14,189	1.3%

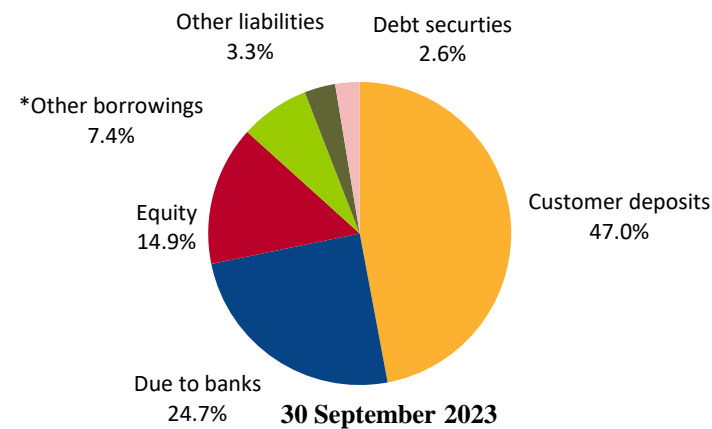
Capital	Sep-23	Sep-22	Chg Y/Y
RWA (QR 'Mn)	75,778	71,417	6.1%
CET 1 Ratio (%)	12.8%	12.8%	0.0%
T1 Ratio (%)	18.1%	18.4%	-1.5%
Total Capital Ratio (%)	19.3%	19.5%	-1.4%

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

#### Comments

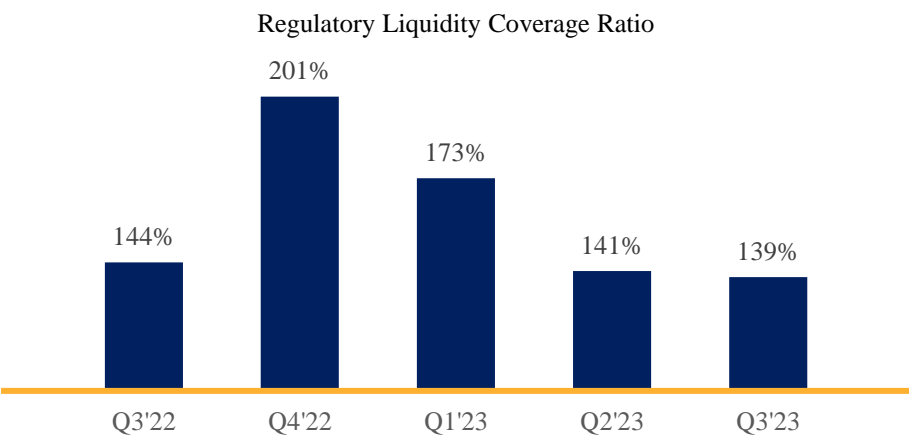
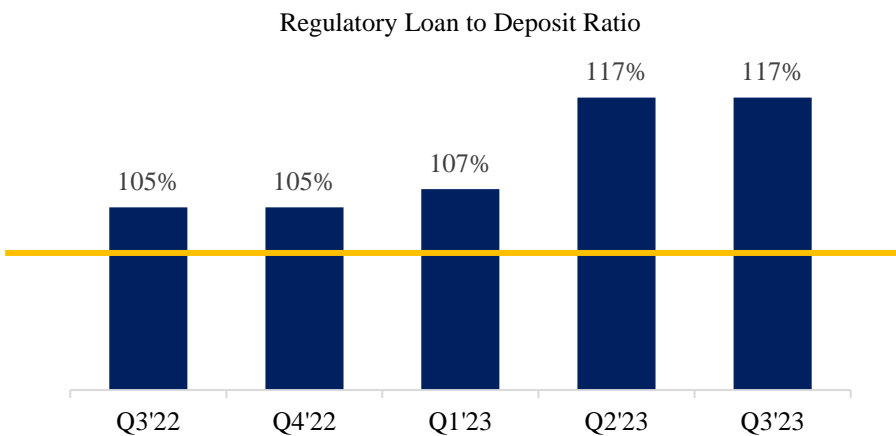
- ✓ RWA higher year on year. The bank is being cautious and prudent with reference to the private sector.
- ✓ Investment securities book remains healthy, and the bank is always monitoring for opportunities.

# Funding Mix



Total liabilities and equity: QR 96.3 Bn

\*Other borrowings include syndicated and bilateral borrowings

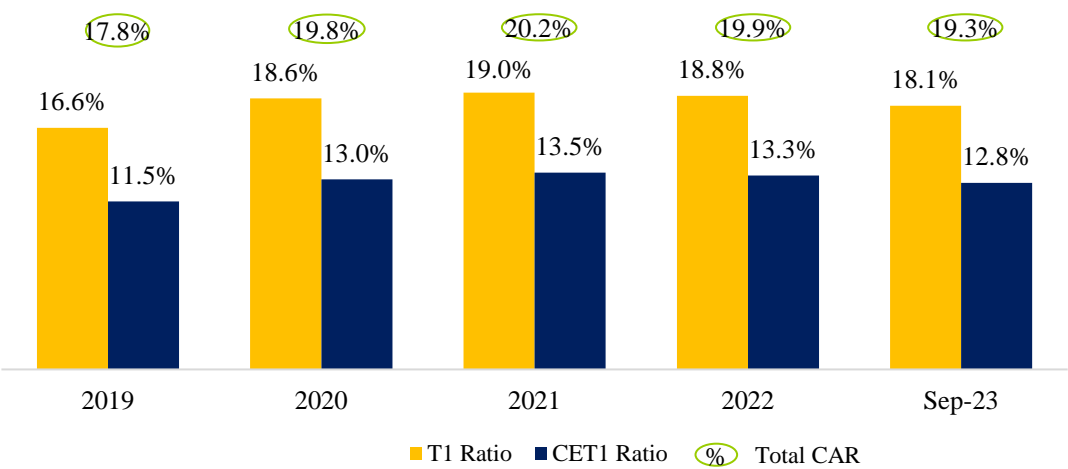


## Comments

- ✓ Funding plan versus needs:
  - Improving on CASA / potential issuance(s) to extend duration for both QAR and/ or USD
  - Reduction in non-resident funding is in line with QCB guidance.
- ✓ Liquidity profile:
  - 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 14.37 billion

# Capitalization

Evolution of capital ratios



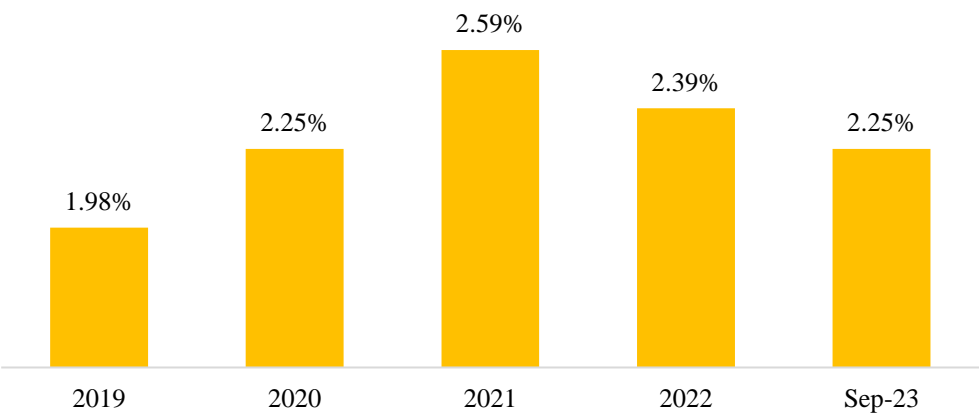
**Minimum regulatory ratios for 2023:** CET1: 8.50%, Tier1: 10.50%, Total Capital Ratio 12.50%, ICAAP 1.00%, Management buffer 0.50%

## Comments

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

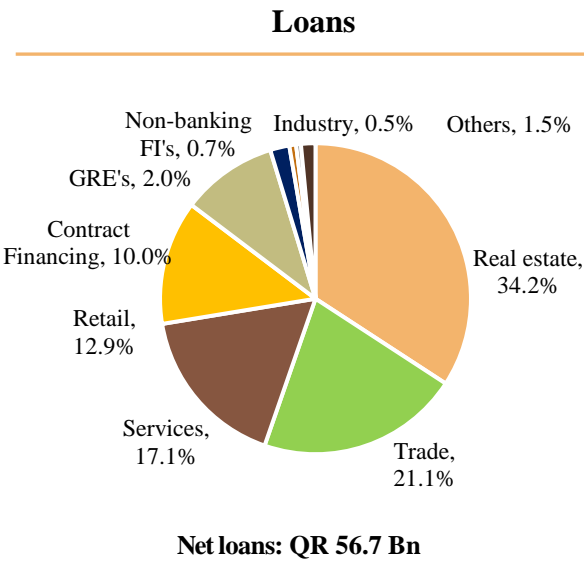
Source Company financials  
As of 30 September 2023

# Net Interest Margin



# Diversified loans and deposits

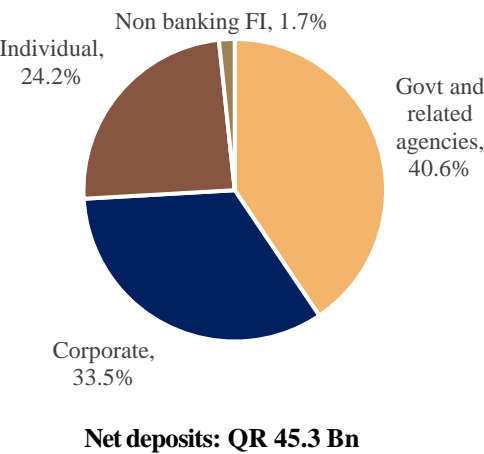
By sector



**Comments Loans**

- ✓ Growth to come from GREs/ PSU
- ✓ Corporate Syndications
- ✓ Private Sector, being very selective

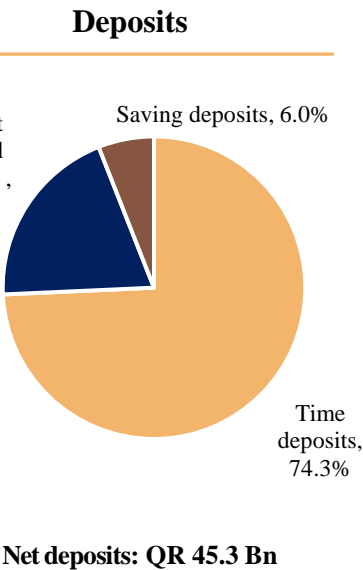
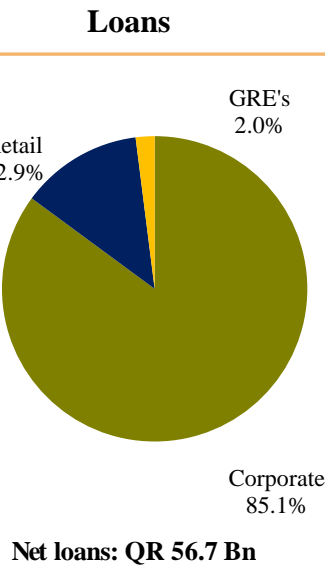
**Deposits**



**Comments Deposits**

- ✓ Doha Bank ensures it retains a diversified deposit base to minimize concentration risk
- ✓ Emphasis is given to liquidity risk management
- ✓ CASA to grow

By type

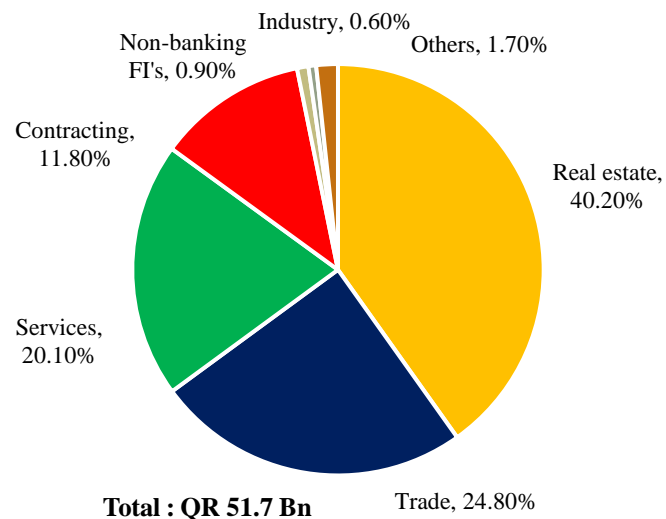


Source Company financials  
As of 30 September 2023

# Wholesale Banking

## Overview of the corporate banking loan book

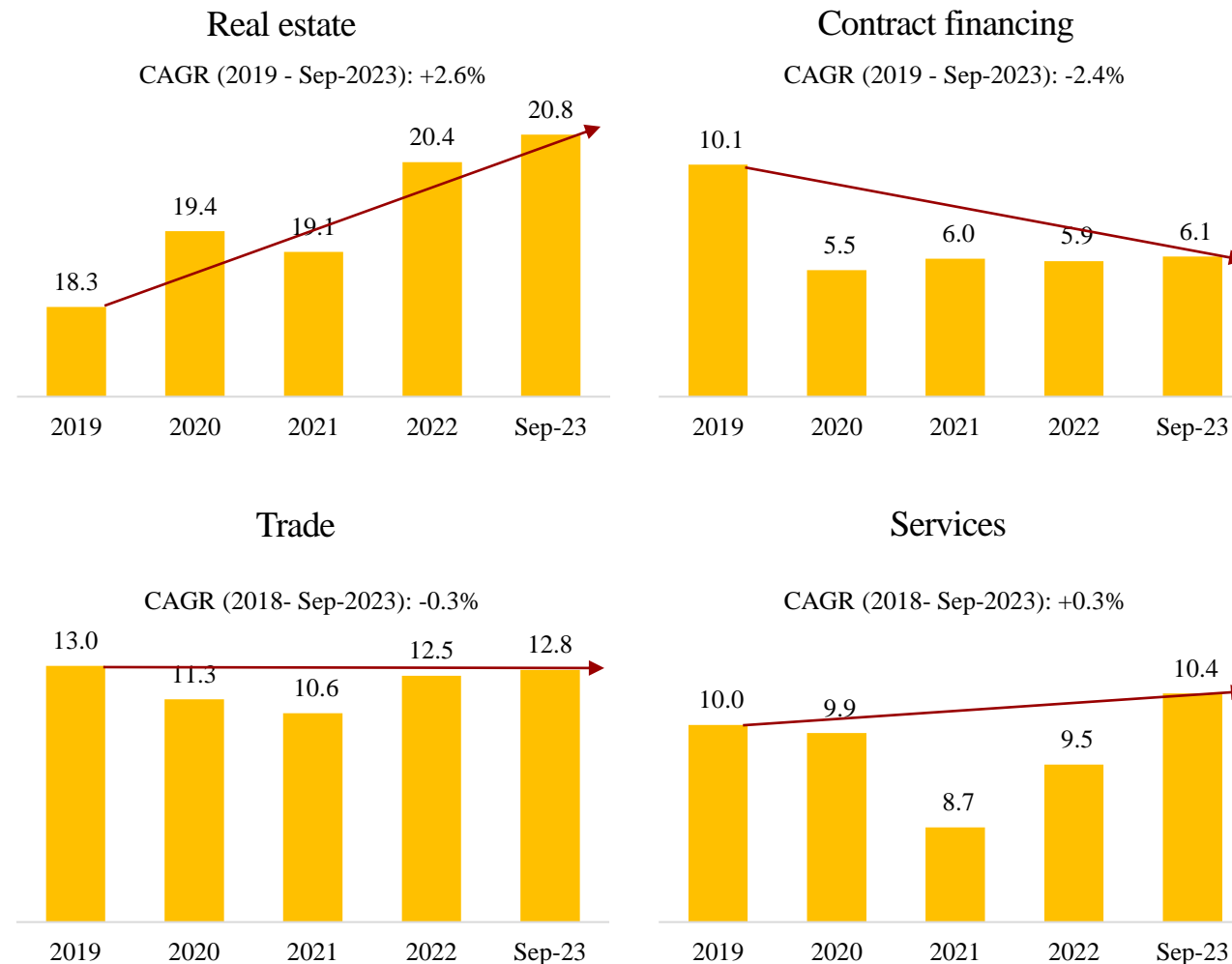
Sep 2023



### Comments

- ✓ 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.
- ✓ Moving forward the bank is looking at corporate syndications, and enhancing its global transaction banking abilities

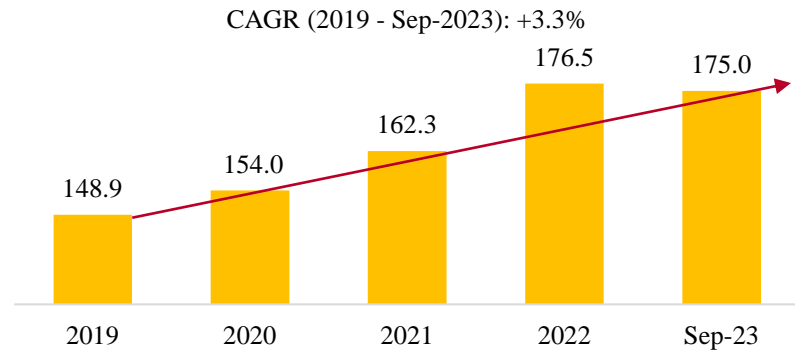
## Loans (QR Bn)



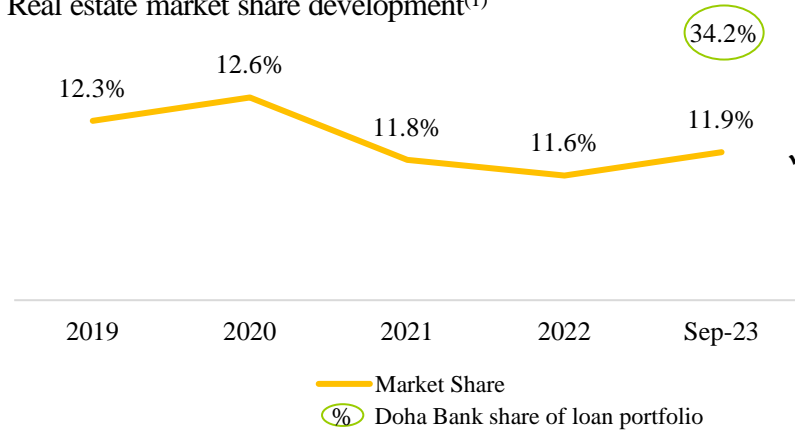
# Doha Bank is being selective in terms of Real Estate and Contract Finance

## Real Estate

Qatar market real estate loans (QR Bn)



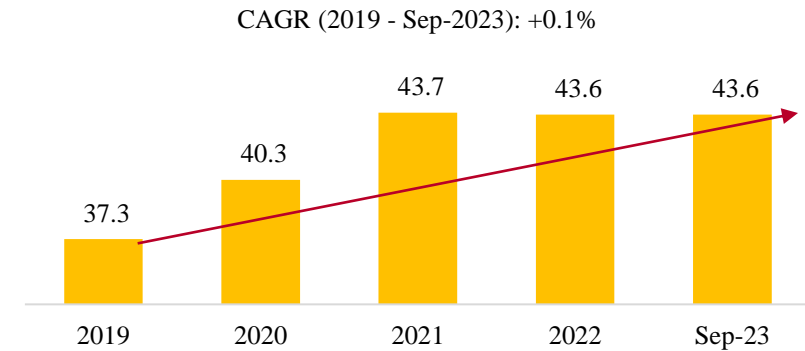
Real estate market share development<sup>(1)</sup>



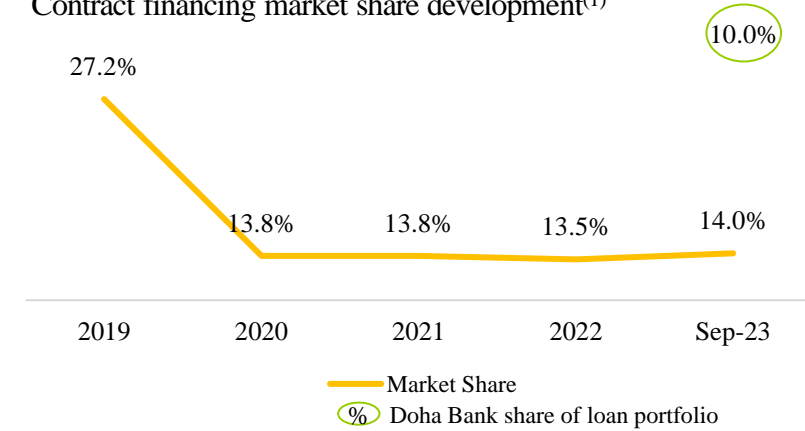
✓ Real Estate Portfolio is highly collateralized circa 167%

## Contract Finance

Qatar market contract financing loans (QR Bn)



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

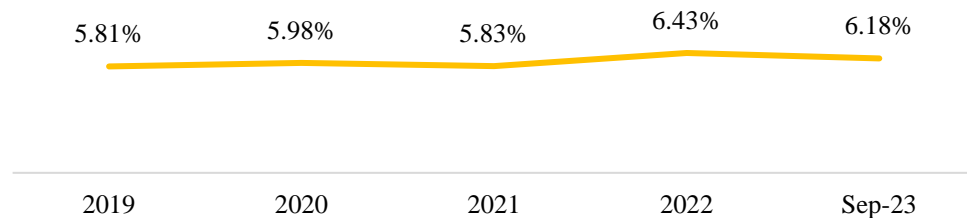


**Note** (1) Qatar Central Bank market data as on 31-August-23

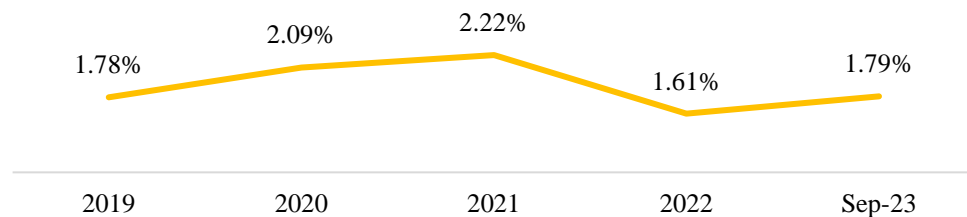


# Credit Quality

## NPL evolution

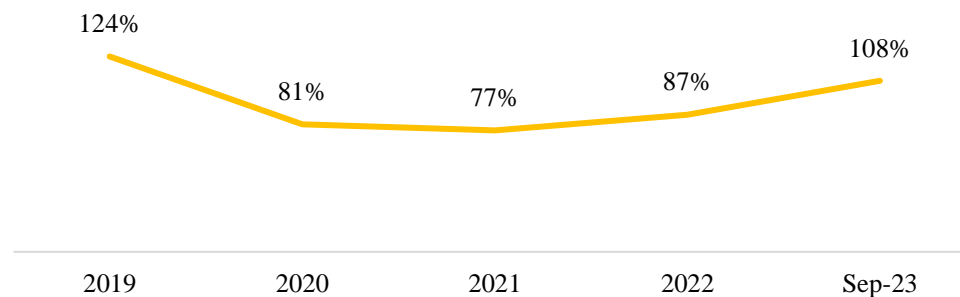


## Cost of risk<sup>(1)</sup>



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

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



	Sep-2023 <sup>(2)</sup>		
	Stage 1	Stage 2	Stage 3
Percentage on total loans	60.97%	32.85%	6.18%
Provision coverage	0.30%	6.23%	72.34%

	Sep-2022		
	Stage 1	Stage 2	Stage 3
Percentage on total loans	62.32%	31.73%	5.95%
Provision coverage	0.31%	6.11%	63.68%

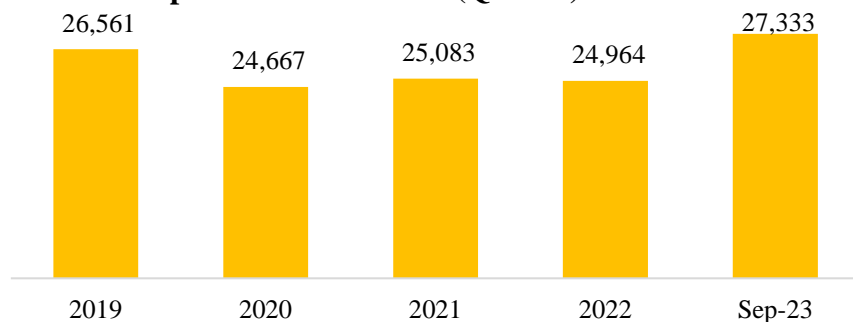
**Note** (2) Stage 3 provision includes interest in suspense

# 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 20.86%
- Conservative low hard limits for discretionary trading / investments; total equities FVTPL QAR 26 Mn
- Majority of the portfolio in local sovereign fixed income, Qatar 64.37% and Qatar banks 9.35%
- Fixed Income holdings – current Net Modified Duration – c.1.43 years
- Currently the portfolio contains QR 11.19 Bn of encumbered assets. The repo borrowings are at a weighted average cost of 5.09%
- Equity, AT1 and other fund exposures stands at QR 867.24 Mn + QR 31.76 Mn Mutual Funds

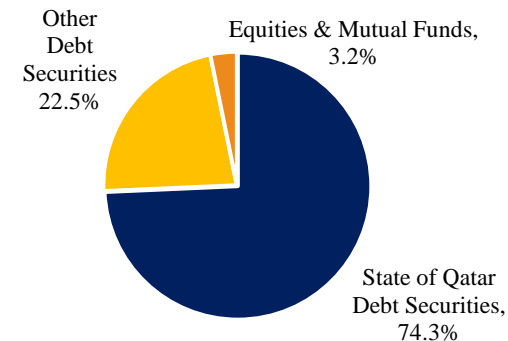
## Investment portfolio – evolution (QR Mn)



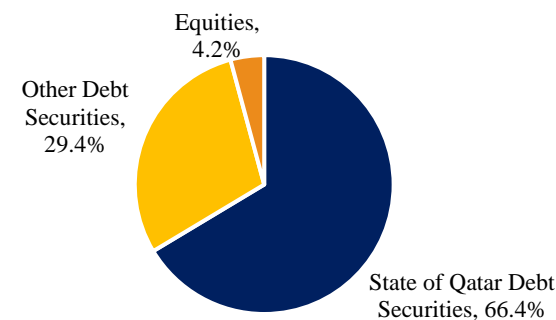
Source Company financials  
As of 30 September 2023

## Investment portfolio breakdown (%)

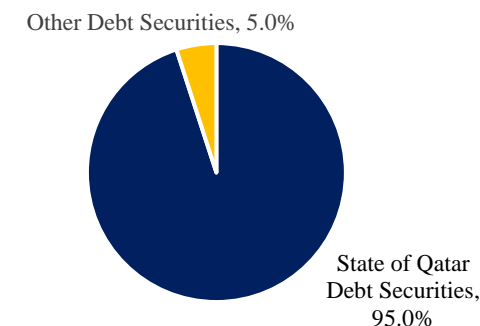
Total (QR 27,333 Mn)



FVOCI (QR 19,582 Mn)



Amortized Cost (QR 7,697 Mn)



## 4. Sustainable Finance Framework 2023<sup>(1)</sup>

- ✓ 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

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Use of proceeds	<ul style="list-style-type: none"><li>• The proceeds raised via the Sustainable Financing Instruments will be dedicated to (re)finance Eligible Green and Social Assets</li><li>• To be eligible, the asset must fall in at least one of the ICMA Green and/or Eligible Categories described</li></ul>
Project evaluation and selection	<ul style="list-style-type: none"><li>• Green and Social Eligible Assets are evaluated and selected based on compliance with the Eligibility Criteria</li><li>• 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</li></ul>
Management of proceeds	<ul style="list-style-type: none"><li>• The proceeds from Sustainable Finance Instruments will be managed in a portfolio approach</li><li>• The Bank intends to fully allocate the proceeds to a pool of eligible assets within 24 months from issuance</li></ul>
Reporting	<ul style="list-style-type: none"><li>• 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</li></ul>
External review	<ul style="list-style-type: none"><li>• Doha Bank has received a Second Party Opinion on its Framework by Sustainalytics.</li></ul>

**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<sup>(2)</sup>

- ‘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](https://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/](#)



As on 17 October 2023, last update, 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 – 2022.

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

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

## 5. 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 are available [here](#)

# Investors Contact

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