

## Content:

1. Introduction -----	P.1
2. Management Discussion and Analysis (MD&A) -----	P. 2
3. Financial Highlights: -----	P. 3
4. Income Statement: -----	P. 4
5. Cash Flow: -----	P. 5
6. Balance Sheet: -----	P. 6
7. Key statistics: -----	P. 7
8. Financial Ratios: -----	P. 7
9. Outlook and Future Plans: -----	P. 9
10.References: -----	p. 9

## Financial And Ratio Analysis

### Introduction

It is a great pleasure to offer you the following profit and loss statement and analysis for Doha Bank PLC (DBK PQ). The paper below depicts the financial data and situation of Doha Bank, one of the leaders of the banking industry of Qatar, in the following extracts. During this phase, Doha Bank has become a credible provider of banking services which include banking and financial services to their clients.

Through the course of this paper, I seek to provide you (an investor, stakeholder, or an interested party) with a thorough review of Doha Bank's financial health, on which components include profitability, liquidity, solvency, and overall performance in the context of the current economic conditions. With the help of an analysis of the bank's most reliable financial indicators, ratios, and trends we desire to inform them of the current status of the bank and its future forecast.

The area of my analysis will be comprehensive, and I will deal with the bank's income sheet, balance sheet, cash flow statement, and other financial indicators. In addition to this, I will undoubtedly examine the institution's strategic goals, product placement, and also the risks and opportunities that it is facing.

# Management Discussion and Analysis (MD&A)

of Doha Bank's financial report for the first quarter of 2024.

## 1. Financial Performance:

- Doha Bank's profit in Q1 2024 was QAR 231 million even though this is an increase of 10.9% compared to the same quarter last year.
- The total assets reached QAR 102.4 billion representing 5.9% of the growth in comparison to the duration of the last year, boosted by the lift of the net loans and advances, reaching QR 58.2 billion by the end of the period.
- The bank managed to post a 5.1% increase in private sector lending compared to the last year, while customer deposits showed a 7.5% growth and reached the amount of QAR 52.2 billion.
- Experiencing a considerable increase of 20.3% year on year, the investment portfolio was QAR 30.1 billion in value.

## 2. Operating Income and Capital Position:

- The equity net operating income for Q1 2024 amounted to QR 659.6 million up 4.0% on the previous year.
- Doha Bank placed the Capital Adequacy Ratio and liquidity levels of the bank at 13.34% and the total capital adequacy ratio at 19.74%, respectively.
- The loan-to-deposit ratio improved and reached the acceptable level of 95.4%. The liquidity coverage ratio was also high at 163% which contributed to the bank being well-positioned in terms of its liquidity.

## 3. Strategic Initiatives and Transformation:

- The bank highlighted its reformations and optimizations, both on the domestic and the international level, one that ostensibly regards operational efficiency and go along with strategic alignment.
- Doha Bank's main offices in Qatar were reduced to 16 branches, and in the UAE the branches focus on regional and international-based initiatives, with the Dubai office planning the larger strategy.

## 4. Talent Acquisition and Debt Capital Markets:

- As the given bank consequently constructed a new talent pool at the top management, it was able to support its transformation process.
- The bank came back to the international debt capital markets with a USD 500 million bond issuance after its successful credit history. In this respect, investors showed a positive reception; consequently, the bank received an upgraded credit rating from Fitch.

## Financial Highlights:

### For the Fiscal Year End of 2023:

- Total Revenue: 3,089,500,000 QAR
- Gross Profit: 1,919,600,000 QAR
- Operating Expenses: 2,062,300,000 QAR

- Operating Income: 1,027,200,000 QAR
- Net Income: 916,300,000 QAR
- Earnings per Share (EPS): 0.30 QAR
- Dividends per Share: 0 QAR

## Revenue Analysis:

Total revenue for the fiscal year 2023 amounted to 3,089,500,000 QAR, representing a 7.3% increase compared to the previous fiscal year. This growth could be driven by the continuous increase in interest rates that happened throughout the year.

---

## Income Statement Analysis:

### Key Findings:

#### 1. Net Revenue Growth:

- Net revenue has been subjected to ups and downs since the years started. A high came in FY 2021, while a low was reached in FY 2022, afterward the bounce back was witnessed in FY 2023.
- The CAGR for net revenue covering FY2017 to FY2023 is approximately 2.5%, suggesting relatively moderate growth within this period.
- On FY 2024 revenue estimation, we are saying 2,862.7 QAR and growth rate -7.3%.

#### 2. Profit Before Provision (PBP):

- The FY 2017 figures show a positive trend of PBP that gradually rises from FY 2017 to FY 2021 except FY 2022, where it temporarily decreases after which it rebounds in FY 2023.
- In the financial year 2020, the PBP margin reached its high level of 67.9%, and since then it has remained around 62%.

#### 3. Operating Income:

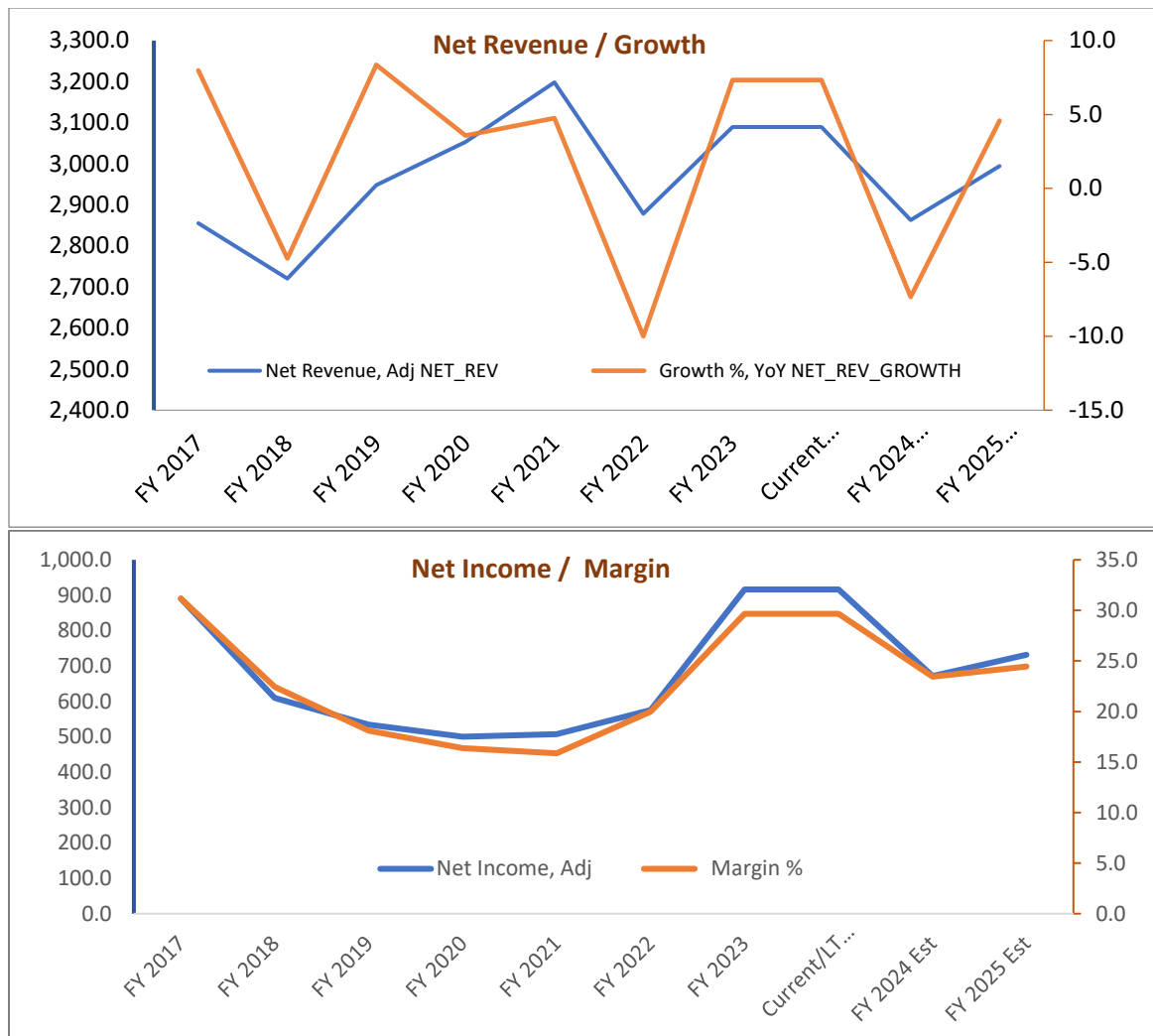
- The operating income has varied over the past couple of years, with the margin being heavily impacted.
- The operating income margin weakened in the years FY 2017/2018, recovered in FY 2019, and then declined again in FY 2020.
- We observed a marked positive change in the operating income margin in FY 2023 making it 33.2%, up from the previous year's 32.0%.

#### 4. Net Income:

- Net income experienced swinging, with the margins vacillating from and to over the years.
- Beginning from the net income margin of FY 2017, it reduced in FY 2018 and it still remained low until FY 2020. The net income margin of FY 2023 was significantly higher than that of FY 2022, with a total of 29.7%.

#### 5. Earnings per Share (EPS):

- EPS had undulating experiences over the years and achieved a high in FY 2023.
- EPS CAGR (Compound Annual Growth Rate) for the period from FY 2017 to FY 2023 (-6.7%) reflects a decrease in the EPS over this period.



## Cash Flow:

### 1. Cash from Operating Activities:

- There has been a fluctuation in cash from operating activations over the years, with big changes in amounts.
- Cash from operating activities significantly increased in FY2016 and FY2018; while decreases were observed in FY2015, FY2019, and FY2022.
- The cash from operating activities has been 5,414.0 million QAR, or in other words, a substantial positive cash flow from operations in the last 12 months.

### 2. Cash from Investing Activities:

- In most fiscal years, negative cash flow associated with investment activities was recorded, so the company spent on capital expenditure and investment outflow.
- In the last year, the company has booked investing activities cash flow of -5956.6 million QAR, implying heavy investment outflow.

### 3. Cash from Financing Activities:

- Experts suggest that the fast-paced of modern life, which often involves excessive screen time, as well as a lack of physical activity, can contribute to poor sleep quality.
- Income and expenditure of financing activities were in the positive and negative side of years of operation, which may be due to debt repayments, equity issuances, and dividend payments.
  - During the last 12 months there was -1,922.0 million QAR of the cash from financing activities, this means that there was an outflow from the financing activities.

#### 4. Net Changes in Cash:

- The majority of the fiscal years observed showcased a negative cash flow, implying that cash reserves were shrinking.
- Over the past twelve months, the change in the net cash reached -2,464.6 million QAR; in other words, there had been a drop in the cash level.

### **Balance Sheet Analysis:**

#### **Over the fiscal years 2014 to 2023:**

##### 1. Total Assets:

The total assets in FY 2016 had a significant increase when compared to that of FY 2017, which was shown to have an increase in cash & cash equivalents.

- Nevertheless, it underwent a reduction in the period of FY 2021 and FY 2022, while it slightly reverted in FY 2023.

##### 2. Cash & Cash Equivalents:

- Cash & cash equivalents, constituting liquid assets for the most part, followed a certain trend up and down over the years.

- Cash & cash equivalents were rising significantly from FY 2016 through FY 2017, one of the factors for the increase in total assets.

- On the other hand, cash & cash equivalents were down in FY 2019, and FY 2020. The fluctuations of the same were there in subsequent years.

##### 3. Total Liabilities:

- The liabilities of the organization's total assets there was a significant increase from FY 2014 to FY 2015, followed by a moderate growth in subsequent years.

- Nevertheless, the number of total liabilities went down in FY 2023 after the highest level was in FY 2022.

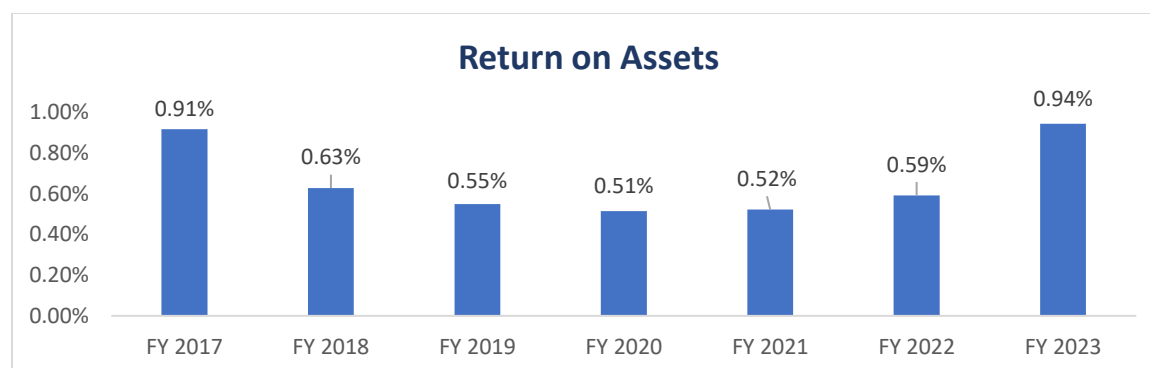
##### 4. Total Equity:

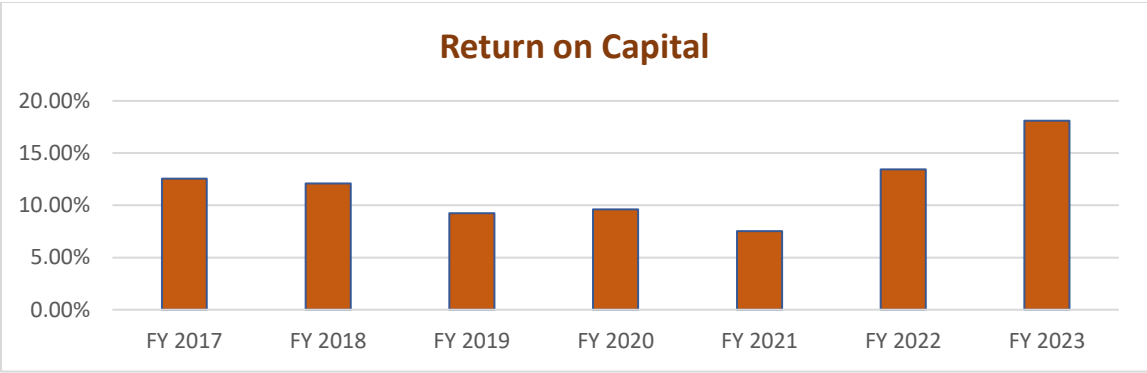
- Total equity in FY 2014 was higher than in FY 2015 a bit. However, it flattered in the subsequent years.

- Equity total declined slightly in FY 2021 while in the subsequent two years, it grew again.

##### 5. Total Liabilities & Equity:

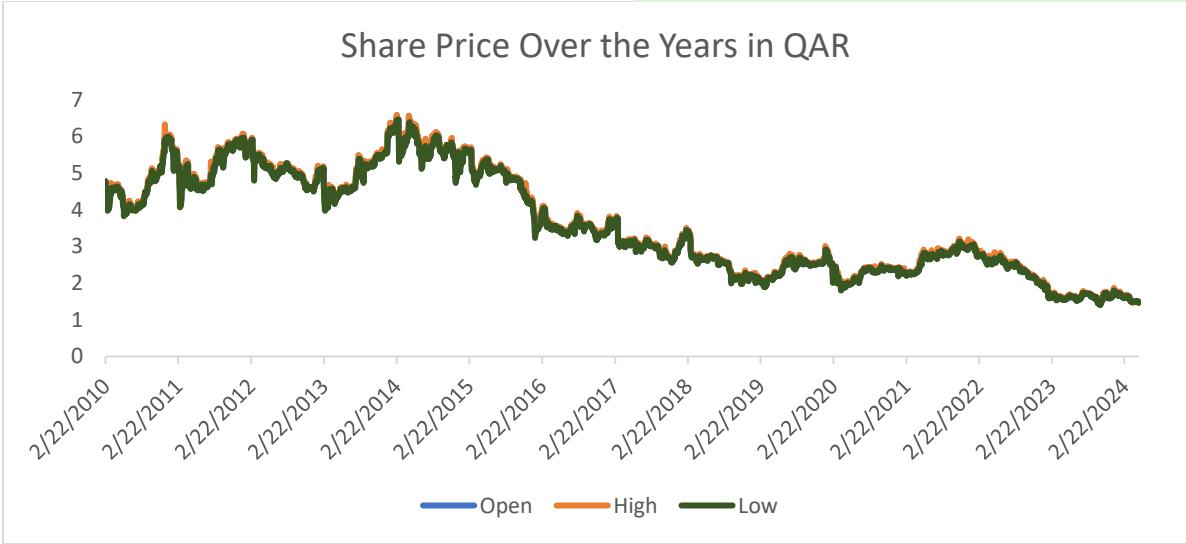
- As a totality, liabilities, and equity exhibited a stable trend with some small oscillations up and down.





### Key statistics

<b>Average volume</b>	2.53m	<b>Annual div (ADY)</b>	0.075 QAR
<b>Shares outstanding</b>	3.10bn	<b>Annual div yield (ADY)</b>	5.13%
<b>Free float</b>	2.36bn	<b>Div ex-date</b>	Mar 15 2023
<b>P/E (TTM)</b>	5.72	<b>Div pay-date</b>	Mar 19 2023
<b>Market cap</b>	4.53bn QAR	<b>Annual div (ADY)</b>	0.075 QAR
<b>EPS (TTM)</b>	0.2555 QAR	<b>Annual div yield (ADY)</b>	5.13%



### Financial Ratios: (Current/LTM)

1- Profitability Ratios:  
Returns

Return on Common Equity: 8.62%

Return on Assets: 0.94%

Return on Capital: 18.10%

#### **Margins**

Operating Margin: 33.25%

Incremental Operating Margin: 0.33

Pretax Margin: 33.25%

Net Income Margin: 29.66%

Net Income to Common Margin: 0.22

#### **2- Liquidity Ratios:**

Long-Term Debt/Equity: 83%

Long-Term Debt/Capital: 154%

Long-Term Debt/Total Assets: 9%

Total Debt/Equity: 312.40

Total Debt/Capital: 575.05

Total Debt/Total Assets: 32.22

## **Outlook and Future Plans:**

H.E. Sheikh Fahad emphasized the collaborative efforts of the Board of Directors and Executive Management to achieve the Bank's strategic objectives over the next five years. Doha Bank remains committed to delivering exceptional products and services while optimizing its operations domestically and internationally in alignment with its five-year strategy. During the year, the bank consolidated its operations by merging Representative Offices in Sri Lanka and Canada with offices in Bangladesh and London, respectively, and merging the Chennai Branch with the Mumbai office in India. Additionally, the bank is focused on strengthening relationships and improving asset quality, with a particular emphasis on syndications and the public sector side of the business amid Qatar's evolving private sector growth landscape.

## **References:**

1. Bloomberg. (2023). Bloomberg Professional products data. Retrieved from <https://www.bloomberg.com/professional/products/data/>
2. Doha Bank. (2023). Annual Reports 2023. Retrieved from <https://qa.dohabank.com/investor/financial-reports/annual-reports/>
3. Qatar Stock Exchange. (2023). Company Information Search: Doha Bank. Retrieved from <https://qe.com.qa/en/companymoreinformationsearch?CompanyCode=DHBK>
4. Doha Bank Q.P.S.C. (2023). Doha Bank Q.P.S.C. achieved a profit of QAR 769 million for the year ended 31 December 2023. Retrieved from <https://qa.dohabank.com/doha-bank-q-p-s-c-achieves-a-profit-of-qar-769-million-for-the-year-ended-31-december-2023/>
5. Abdul-Wahab, A.-H. and Haron, R. (2017) 'Efficiency of the Qatari banking industry: an empirical investigation', \*International Journal of Bank Marketing\*, 35(3), pp. 194-212.  
<https://www.emerald.com/insight/content/doi/10.1108/IJBM-07-2016-0090/full/html>

6. El-Kassem, R. C. (2017). Determinants of Banks' Profitability: Panel Data from Qatar. Retrieved from <https://qspace.qu.edu.qa/handle/10576/5643>
7. Al Khulaifi, A., Al Sulaiti, K., & Al Khatib, F. (1999). Banking Performance and Economic Growth in Qatar: An Empirical Investigation. <https://qspace.qu.edu.qa/handle/10576/6927>
8. Al-Muharrami, S. (2009). Analysis of Competitiveness in Qatar Banking Industry. Journal Name, Volume(Issue), pp. 168-181. <https://www.inderscienceonline.com/doi/abs/10.1504/IJBIR.2009.022753>
9. The Financial Times. (2024). Equities. Doha Bank QPSC+ DHBK:DSM. Retrieved from <https://markets.ft.com/data/equities/tearsheet/summary?s=DHBK:DSM>
10. Yahoo Finance. (2024). Historical Data. Retrieved from <https://finance.yahoo.com/quote/DHBK.QA/history?period1=1266820200&period2=1714800975>