



Raghavan Seetharaman says Doha Bank will first grow organically or through buying loan portfolios from other lenders. Photo: Nora Tam

# DOHA BANK AIMS TO TRIPLE CHINA LENDING

**Qatari lender** counts on Gulf states' growing ties with the mainland and HK to spur business with a view to forming local partnerships

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Doha Bank, the third-largest commercial bank in Qatar by assets, seeks to triple its lending in China as a prelude to possible tie-ups with banking partners on the mainland and in Hong Kong.

The Qatari bank believes growing bilateral investment between Gulf Co-operation Council countries and the mainland and Hong Kong will help boost its presence in Greater China and provide opportunities for setting up relationships with lenders in the area.

Chief executive Raghavan Seetharaman said he expected Doha Bank's lending on the mainland and Hong Kong to grow from US\$350 million currently to US\$1 billion in three years, and believes it could soar further to US\$3 billion if economic growth on the mainland is maintained at 7.5 per cent or above for five years.

"The US dollar is weakening and the yuan is being globalised,"

Seetharaman said. "Chinese banks would like to unwind from dollars and I foresee they will need partners. That could give us an opportunity to enter into closer relationships."

In seeking closer tie-ups with mainland lenders, the Qatari bank will go against the trend of United States firms such as Bank of America and Goldman Sachs, which offloaded their equity investments in Chinese banks.

Seetharaman said Doha Bank would increase its exposure in the region either through organic growth or buying loan portfolios from other lenders as a first step, but thereafter he would not rule out the possibility of an equity tie-up with a local lender.

"For the moment, the organic model is working for us," he told the *South China Morning Post* in an interview during a visit to Hong Kong. "We are able to scale up and at the same time satisfy our shareholders."

The Qatari bank opened a representative office in Hong Kong last month and Seetharaman said he expected to upgrade



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the office to a full branch with a banking licence in a year. It also set up a representative office in Shanghai in 2007.

Qatar, the holder of the world's third-largest gas reserves, is one of six member countries of the Gulf Co-operation Council on the Arabian peninsula, the others being Saudi Arabia, Kuwait, the United Arab Emirates, Bahrain and Oman.

It was selected to host the 2022 soccer World Cup and, though the selection has proved controversial, is preparing for the event with a construction boom that envisages spending US\$200 billion on stadiums, roads, public transport and hotels.

Growth in real gross domestic product in Qatar this year is expected to be 4.8 per cent. The economic activity in the country has helped boost Doha Bank's loan growth to 15.2 per cent this year. Its return on equity of 18.4 per cent at the end of September is one of the highest in Qatar and higher than many banks in developed markets.

It issued a 2 billion riyal (HK\$15.5 billion) tier one perpetual bond to support its growth for two years, and operates in Qatar, Abu Dhabi, Dubai and Kuwait. It is applying for banking licences in India and Saudi Arabia.