

Qatar Islamic Bank (Q.P.S.C.)

December-2022 Results Presentation

Comparative figures have been reclassified where appropriate to conform to the presentation and accounting policies adopted in the condensed consolidated financial statements.

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QIB Financial Overview

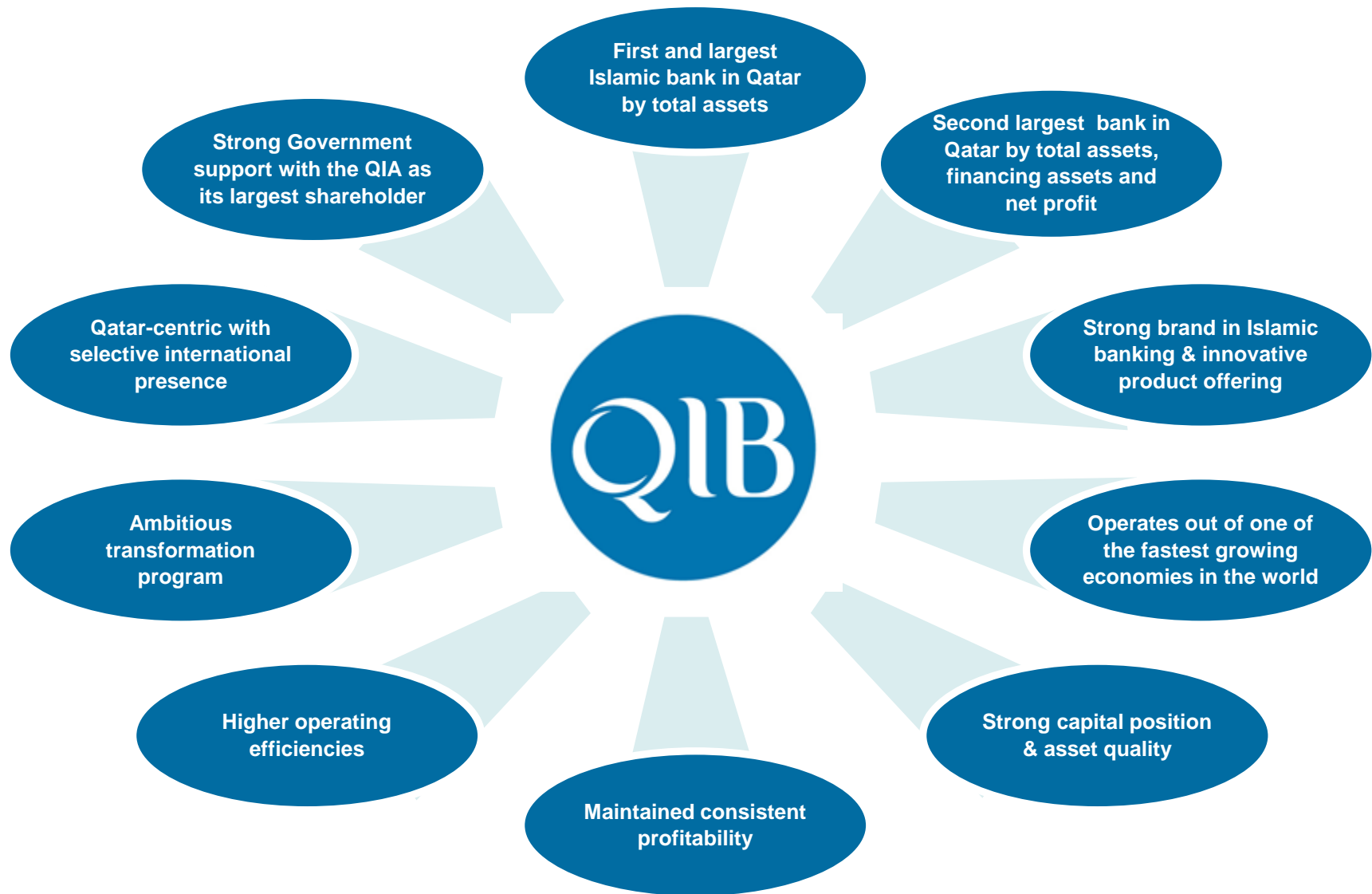
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Appendix



- ❖ Qatar Islamic Bank (“QIB” or the “Bank”) was incorporated in 1982 as the **first Islamic financial institution in Qatar**.
- ❖ **Largest Islamic bank** (approximately 45% of total assets of listed Islamic banks in Qatar) and **second largest bank** in Qatar by total assets, financing assets and net profit.
- ❖ Network of 23 branches and offices and over 178 ATMs and CDMs in Qatar as at 31 Dec 2022.
- ❖ Leading domestic franchise supported by selective **international footprint** in the United Kingdom, Sudan and Lebanon.
- ❖ **Strong financial profile** with **continued growth** in recent years and **robust risk management** framework.
- ❖ Rated A1 by Moody’s, A- by Fitch and A+ by Capital Intelligence.

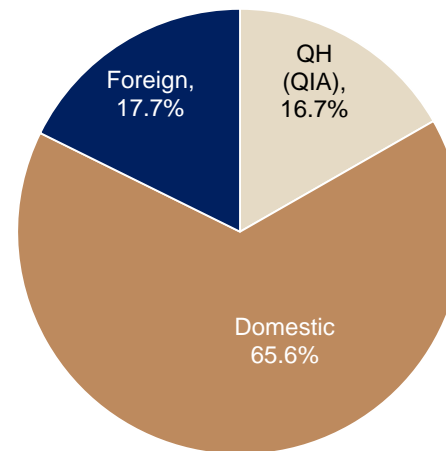
Key Strengths



Share Overview

- ✓ **QIB shares** listed on the Qatar Stock Exchange
- ✓ **Symbol** : QIBK, ISIN: QA0006929853
- ✓ **Foreign Ownership Limit** : 49%
- ✓ **Market cap** : QAR 43.9 bn
- ✓ **Valuation multiples**: P/E – 11.46 ; P/B – 1.89

Shareholding Structure



Index Weighting

Index	Weight
Qatar Exchange General Index	15.28%
Qatar Exchange All Shares	12.01%
MSCI Emerging Index	0.08%
FTSE Emerging Index	0.09%

All the above data is as of 31Dec 2022. The weightings are subject to changes

Stable Long Term Credit Rating

Rating Agency	Long Term	Short Term	Outlook
Moody's	A1	P-1	Stable
Fitch	A-	F2	Stable
Capital Intelligence	A+	A1	Stable

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QIB Financial Overview

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Financial Overview Dec-2022

Financial Position

QAR million	Dec-22	Dec-21	Variance Vs Dec-21	Dec-22	Sep-22	Variance Vs Sep-22
Total Assets	184,001	193,916	-5.1%	184,001	183,720	0.2%
Total Financing	119,285	128,409	-7.1%	119,285	121,026	-1.4%
Total Deposits	122,371	131,095	-6.7%	122,371	122,883	-0.4%
Investments⁽³⁾	50,225	48,373	3.8%	50,225	49,967	0.5%
Shareholders Equity⁽¹⁾	23,257	20,736	12.2%	23,257	22,342	4.1%
Total Equity	27,926	25,412	9.9%	27,926	27,022	3.3%
Financing to Deposit Ratio (%)	97.5%	98.0%	-0.5%	97.5%	98.5%	-1.0%
Capital Adequacy Ratio (%)	19.9%	18.9%	1.0%	19.9%	18.5%	1.4%
Provision Coverage Ratio (%)	95.4%	76.3%	19.1%	95.4%	95.2%	0.2%

Profitability

QAR million	Year-to-date			Quarterly		
	Dec-2022	Dec-2021	Variance Vs Dec-21	Q4-22	Q4-21	Variance Vs Q4-21
Net Operating Income⁽²⁾	6,382	5,990	6.5%	1,588	1,447	9.8%
Total expenses	(1,112)	(1,085)	2.5%	(286)	(289)	-0.8%
Total provisions	(1,235)	(1,342)	-7.9%	(158)	(131)	21.0%
Net profit before tax & NCI	4,034	3,563	13.2%	1,144	1,028	11.3%
Net profit for the year⁽¹⁾	4,005	3,555	12.7%	1,155	1,030	12.1%
Earnings Per Share (QAR)	1.62	1.42	14.1%	0.49	0.44	12.4%
Cost to income ratio	17.4%	18.1%	-0.7%	18.0%	19.9%	-1.9%
Return on average equity	17.8%	17.6%	0.2%	19.6%	19.6%	0.0%
Return on average assets	2.1%	1.9%	0.2%	2.5%	2.2%	0.3%
Cost of Risk (Fin. assets) annualized	1.00%	1.03%	-0.03%	0.27%	0.41%	-0.14%

Source: QIB financial statements

(1) Attributable to shareholders of QIB

(2) Net Operating Income : Total income less profit paid to unrestricted investment account holders and share of Sukuk Holders' Profit

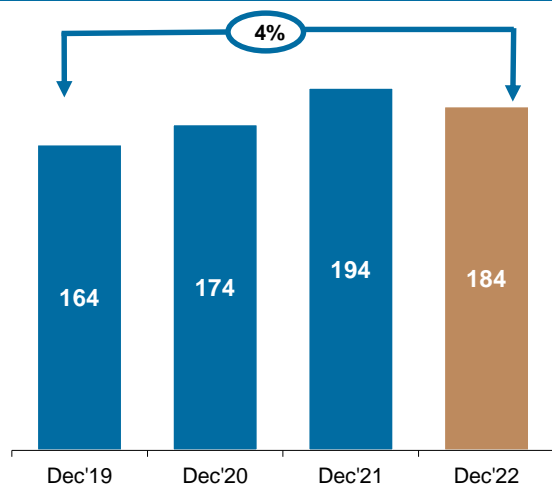
(3) Investments includes investments securities , investments in associates and investments properties

Key Highlights

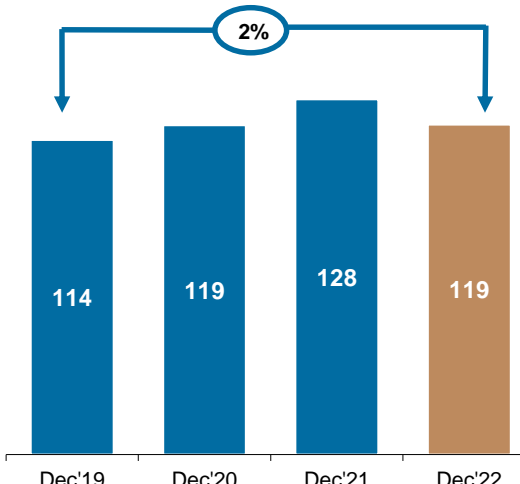
- Total assets** at QAR 184.0 bn and **Financing assets** at QAR 119.3 bn
- Strong asset quality and prudent risk management policy** NPF ratio at 1.5% and provision coverage ratio at 95.4%
- Customer deposits** at QAR 122.4 bn. **Current accounts** increased by QAR 2.1 bn
- Robust net operating income** at QAR 6,382 mn, growth of 6.5% vs. Dec-21.
- Strong profitability with net profit** at QAR 4,005 mn, growth of 12.7% vs Dec-21.
- Operating efficiency:** Cost to income ratio was 17.4% vs. 18.1% in Dec-21 lowest in the Qatari Banking sector.
- Adequately capitalized** the Basel III capital adequacy ratio stands at 19.9% as of Dec-2022
- Dividend per share** is QAR 0.625 (2020: QAR 0.575) with a payout ratio of 39% (2021: 40%)

Financial Highlights

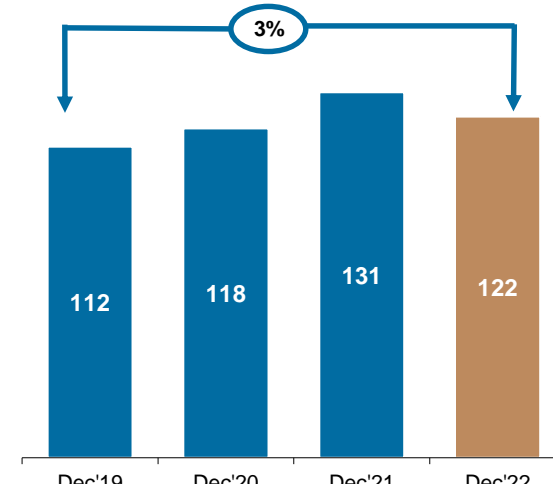
Assets (QAR Bn)



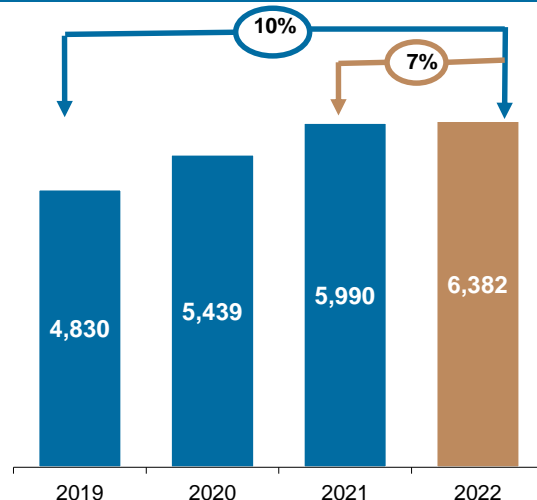
Financing (QAR Bn)



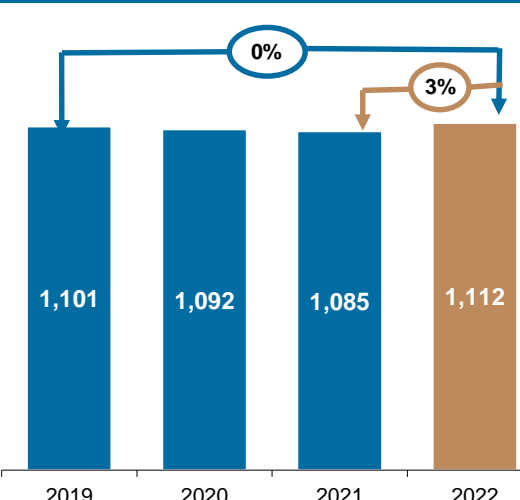
Deposits (QAR Bn)



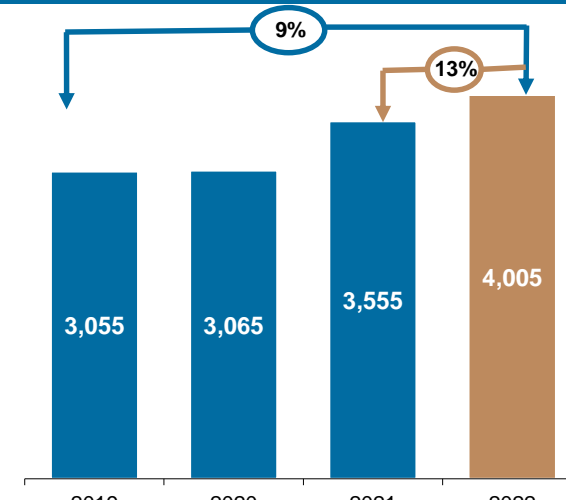
Operating Income (QAR Mn)



Operating Expenses (QAR Mn)



Net Profit (QAR Mn)

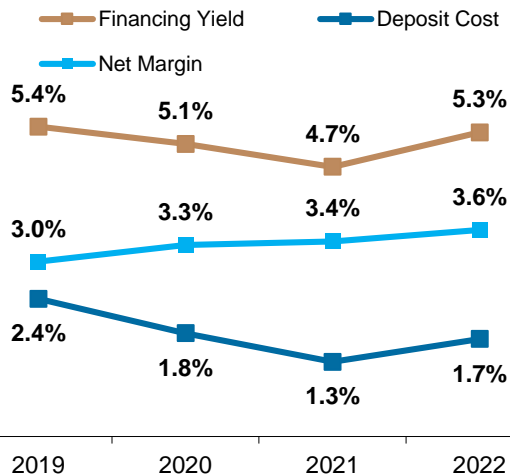


4 years compounded annual growth rate

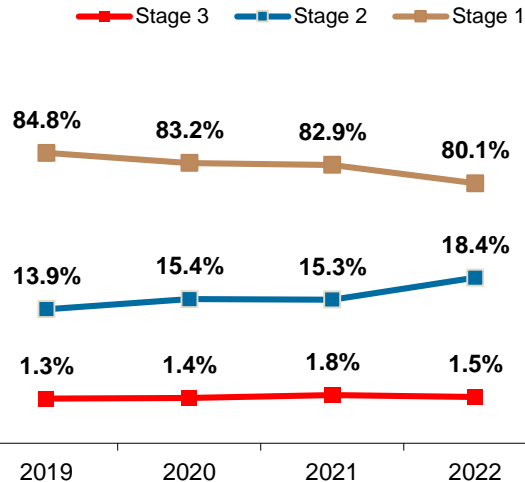
Annual growth rate

Key Financial Ratios

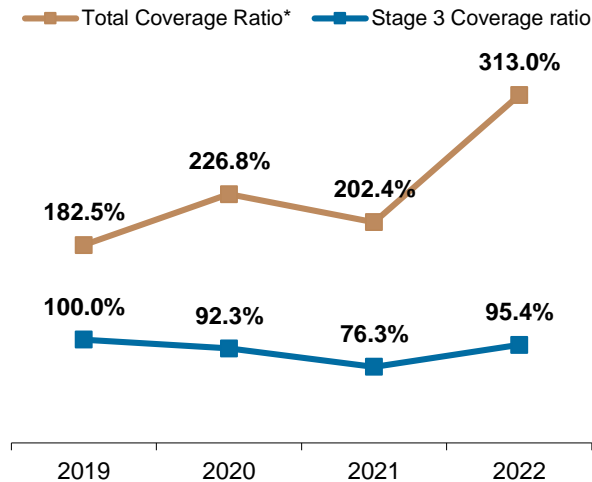
Yields (%)



Financing Staging Ratio (%)

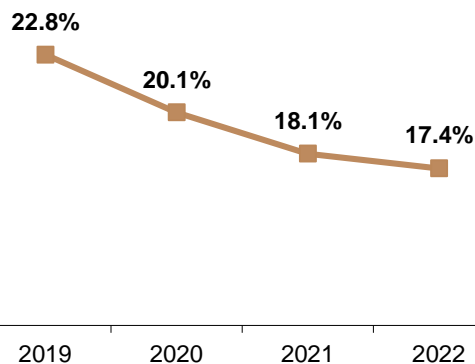


Financing Coverage Ratio (%)

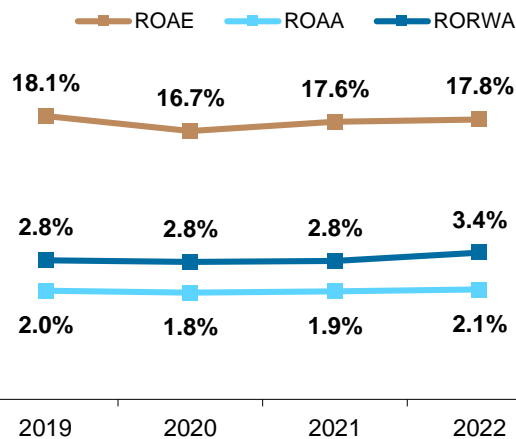


* Total coverage ratio = total financing ECL / stage 3 exposures

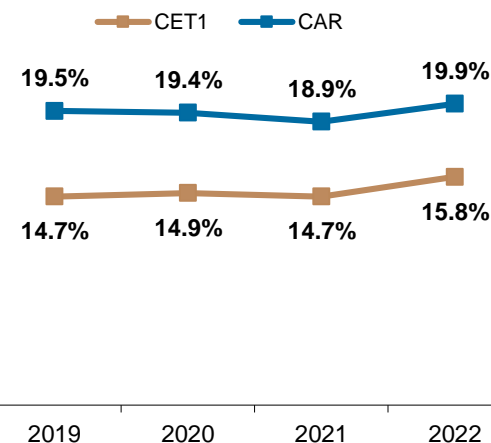
Cost to Income Ratio (%)



ROAE, ROAA, RORWA (%)

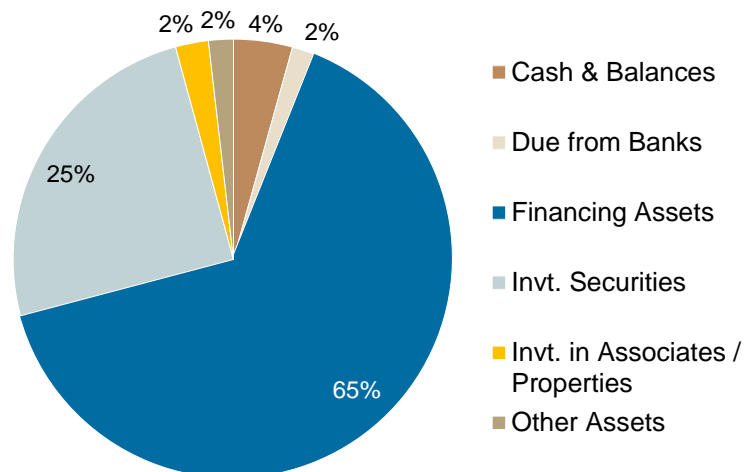


CET1 & CAR (%)

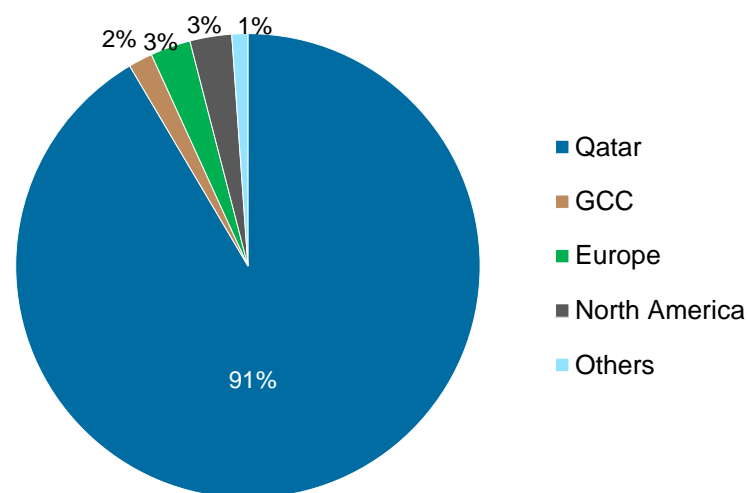


Asset Mix – 31 Dec 2022

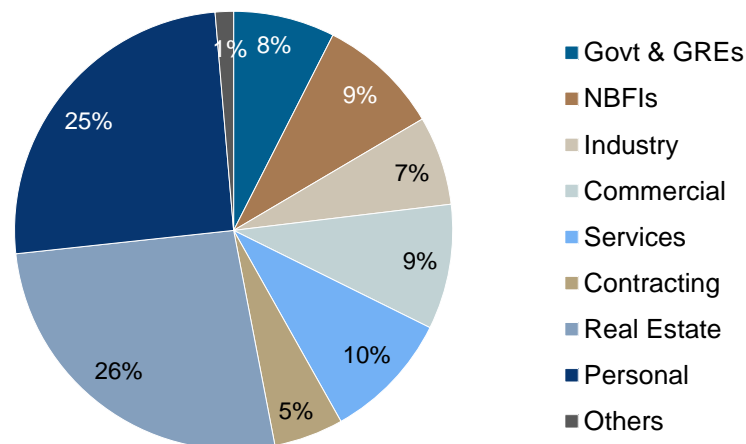
Asset Composition by Type



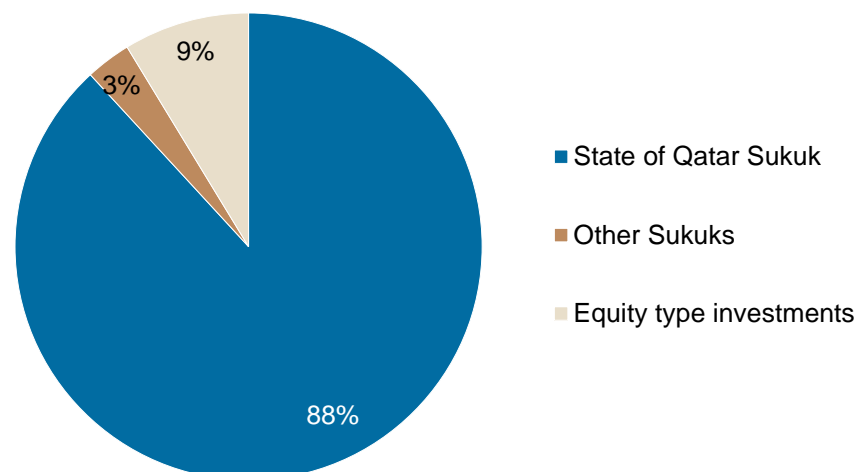
Asset Composition by Geography



Financing by Sector



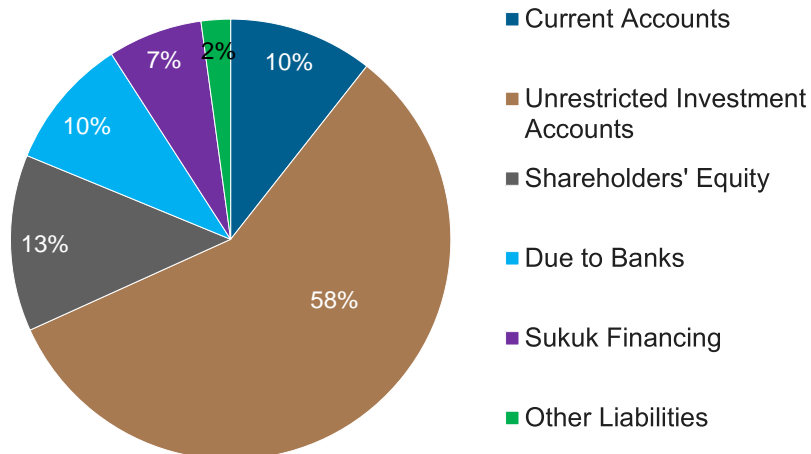
Financial Investments by Type



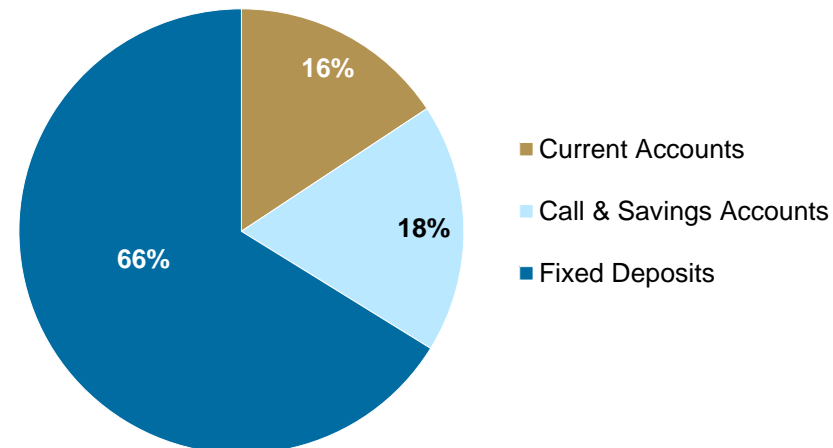
Source: QIB financial statements

Liability Mix – 31 Dec 2022

Diverse Sources of Funding

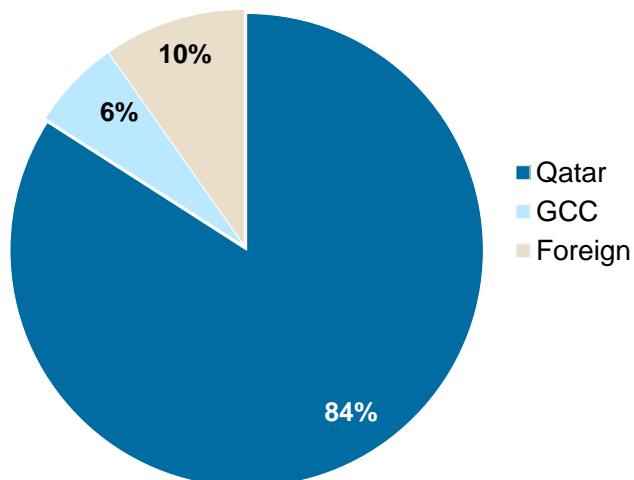


Deposits by Type



Call & Savings and Fixed Deposits constitutes Total URIA

High Quality Domestic Deposits



Sukuk Issuances and Maturities in 2022

The sukuk program size is USD 5 Bln.

New Issuances

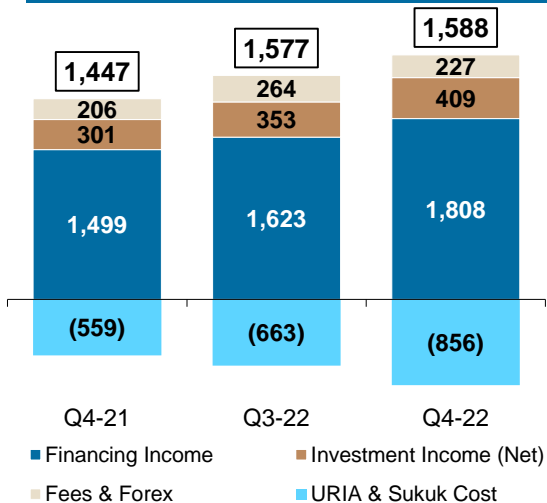
- 3yr USD 250 M @ 2.53%
- 4yr CNY 330 M @ 4.26%

Maturities

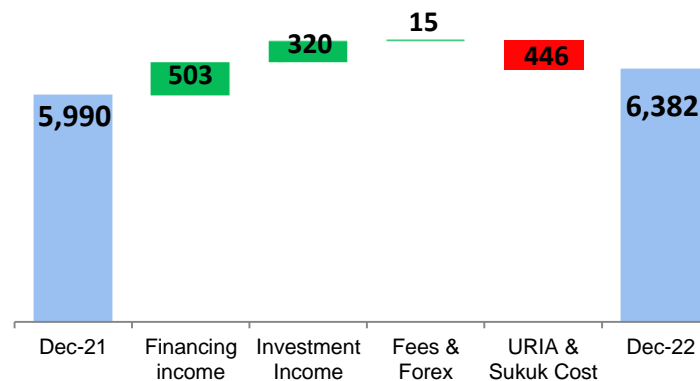
- 5yr USD 750 M @ 3.25%

Operating Income and Cost

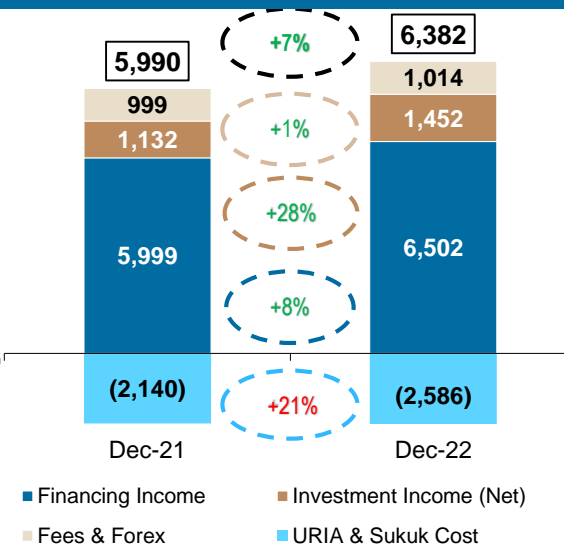
Quarterly Operating Income



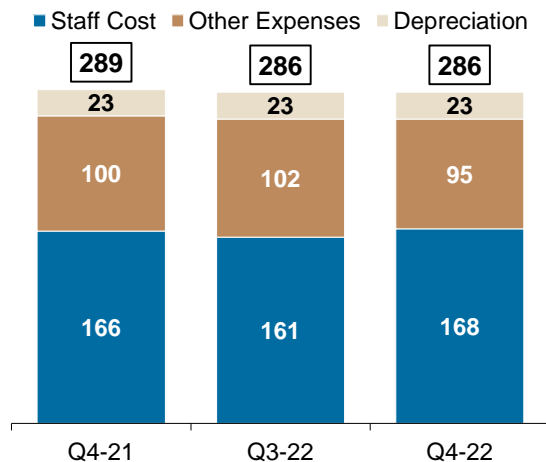
YTD Operating Income Change Drivers



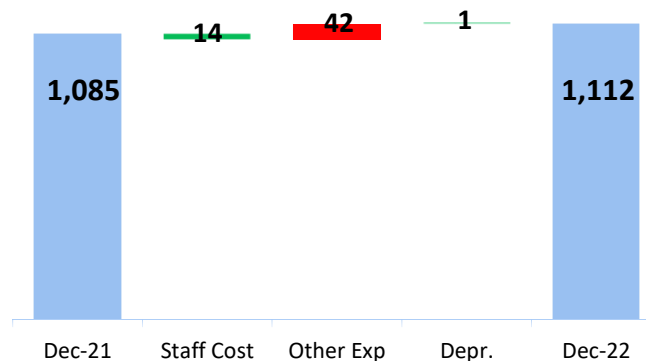
YTD Operating Income



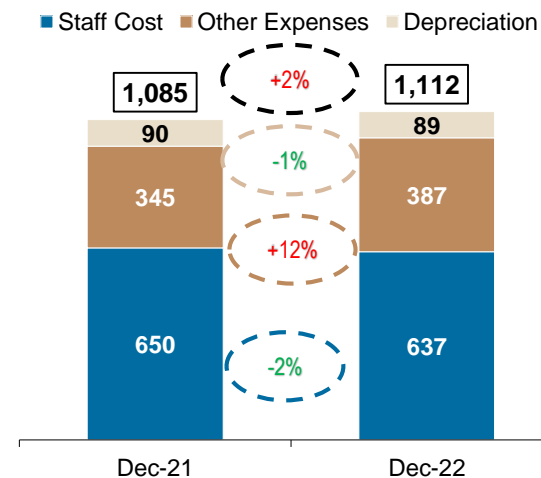
Quarterly Operating Expenses



YTD Operating Expenses Change Drivers



YTD Operating Expenses



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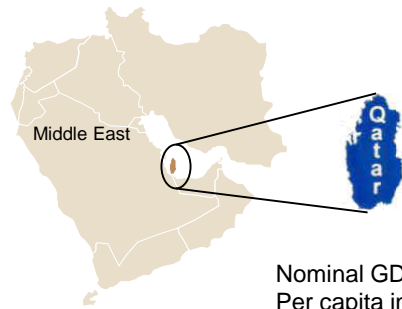
QIB Financial Overview

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Appendix

State of Qatar – Sustainable and Robust Growth Story...

Overview of the State of Qatar (“Qatar”)



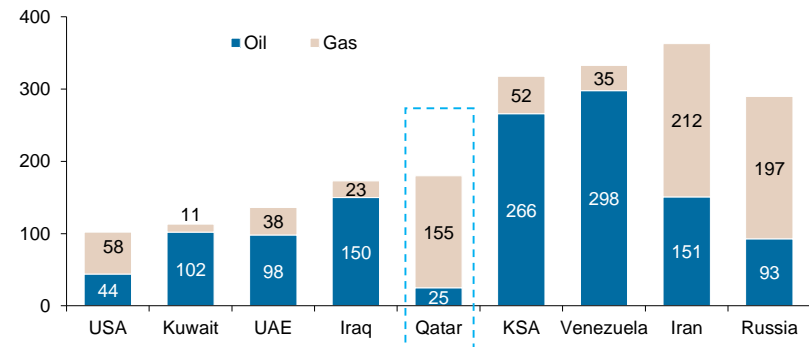
Ratings
 Moody's: Aa3/ Stable
 S&P: AA-/ Stable
 Fitch: AA-/ Stable

Nominal GDP (2022): USD 221 bn
 Per capita income (2022): USD 113,675
 Population (2022): 2.7 mn

Source: International Monetary Fund (IMF)

One of the Largest Hydrocarbon Reserves in the World

Total oil & gas reserves (bn boe)



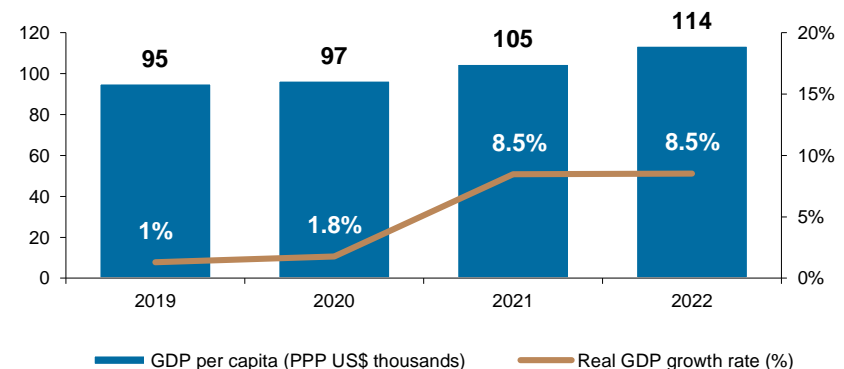
Sources: Bloomberg, BP, IMF, JODI, MDPS, MoF, QCB and QNB Group forecasts as of 30 December 2018

Qatar's Credit Highlights

- **Third largest gas** reserves in the world⁽¹⁾ (~13% of world's total) and largest exporter of LNG
- Among world's wealthiest economies
- Historically large surpluses in both fiscal and external accounts that moved to fiscal deficit at manageable levels with the fall in oil prices.
- Low level of sovereign indebtedness with no external liquidity pressure
- Track record of prudent budgetary and financial policymaking
- Sovereign's financial strength is also underpinned by investment holdings by the QIA
- **Stable political and attractive operational environment**

Source: IMF

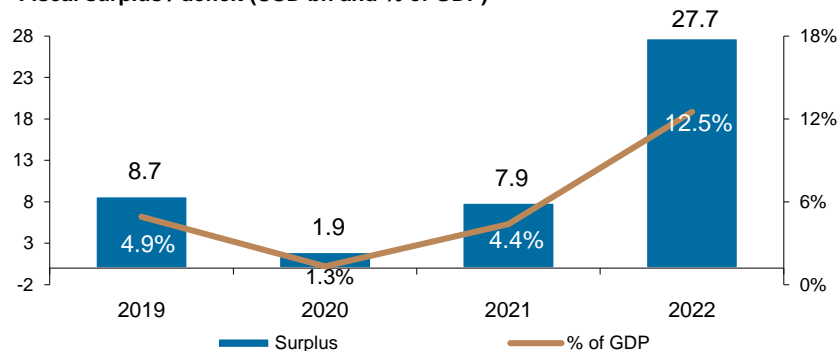
Stable Wealth Generation



Source: IMF

Fiscal Position

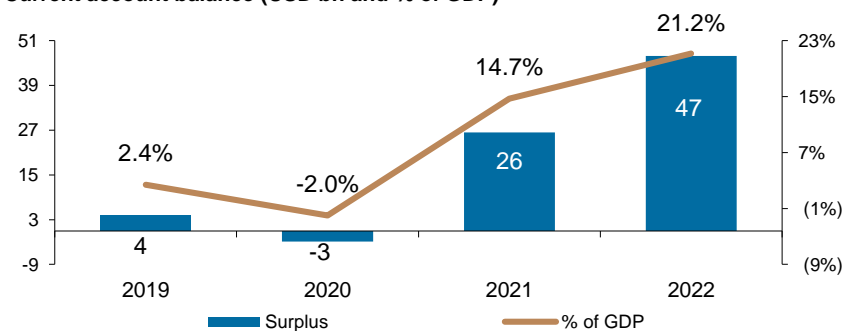
Fiscal surplus / deficit (USD bn and % of GDP)



Source: IMF

Current Account Balance

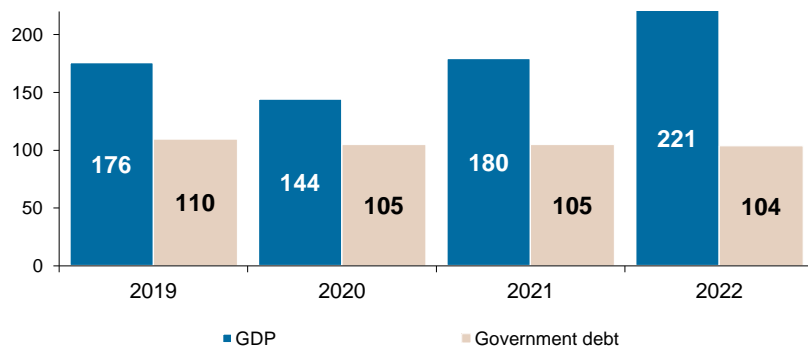
Current account balance (USD bn and % of GDP)



Source: IMF

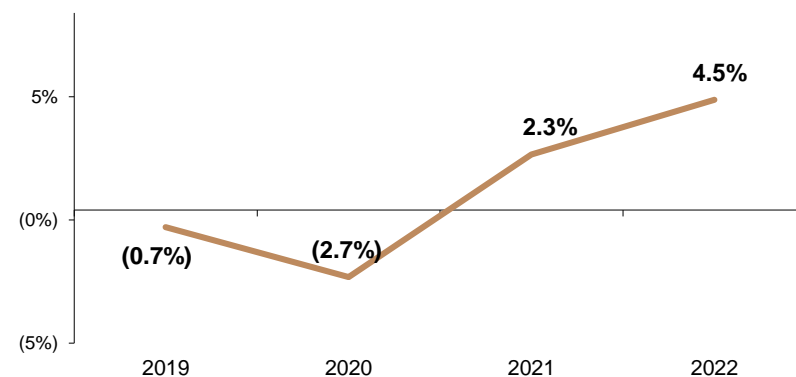
Low Level of Indebtedness

Nominal GDP vs. Government debt (USD bn)



Source: IMF

CPI Inflation (y-o-y)



Source: IMF

Qatari Banking Sector – Robust Operating Environment

General Overview

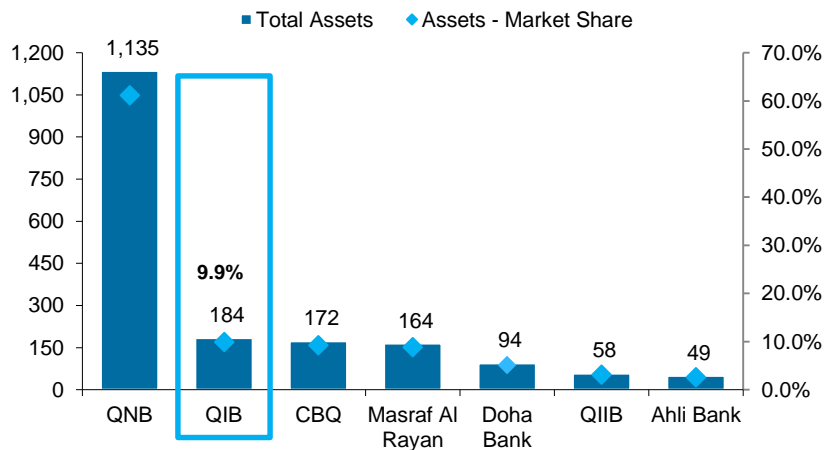
- **Qatar Central Bank prohibits conventional banks from providing Shari'a-compliant financing** – the Qatari banking sector consists of 18 banks:
 - Four local (exclusively) Islamic banks
 - Six local conventional commercial banks
 - Seven foreign banks
 - One development bank
- Total assets of QAR 1,856 bn (listed banks regulated by QCB) as at 30 Sep 2022 with strong and sound regulatory environment
 - Minimum capital adequacy ratio of 14.65% including ICAAP charge and DSIB capital charge
 - Maximum credit limit to single customer of 20% of a bank's capital and reserves

The State of Qatar has been Supportive Throughout Crisis

October 2008	QIA announced plans to acquire equity ownership interests of up to 20% in domestic banks listed on the QE
March 2009	The Government proposed to purchase the domestic equity portfolios of seven of the nine domestic QE-listed banks
June 2009	The Government purchased USD 2.7 bn worth of real estate financings and other exposures of Qatari banks
2010 & 2011	The Government issued USD 16.4 bn worth of Sukuk and bonds to absorb excess liquidity in the Qatari banking sector
June 2017	Funding provided to support the liquidity requirements in the banking system which was impacted due to withdrawal of funds by blockading countries
2020	Financial and economic incentives of QR75bn, 6 month moratorium on facilities for impacted sectors, guarantee program for impacted SMEs

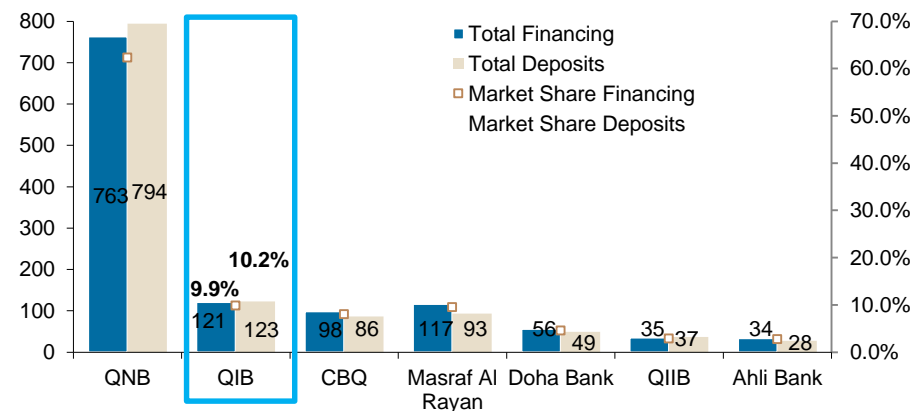
Total Assets (Sep'22) – Listed Banks

(QAR bn)



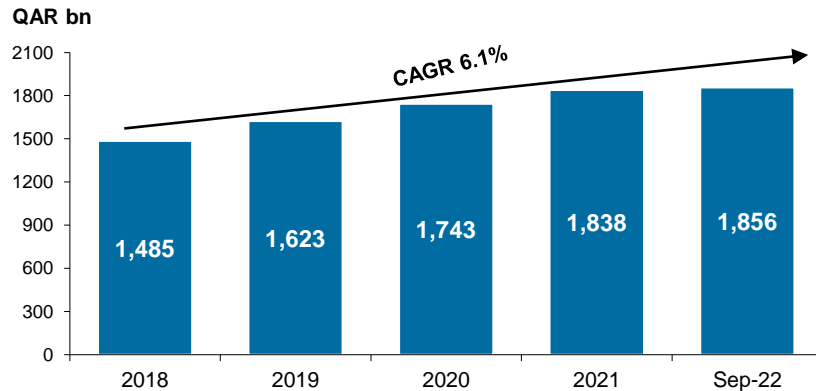
Total Financing and Deposits (Sep'22) – Listed Banks

(QAR bn)



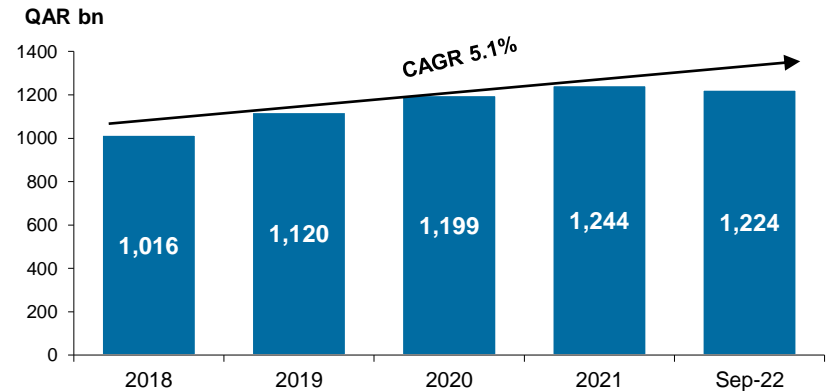
Qatari Banking Sector – Continued Growth

Assets ⁽²⁾



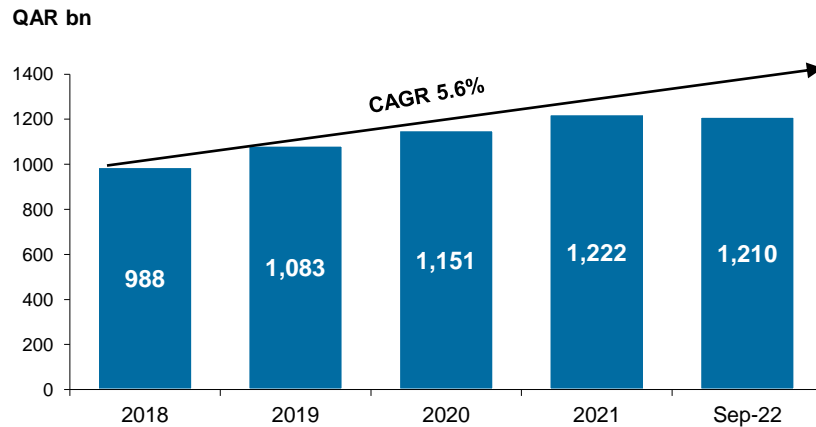
Source : Financial statements of the banks from Qatar Exchange)

Bank Financings and Advances ⁽²⁾



Source : Financial statements of the banks from Qatar Exchange)

Deposits ⁽²⁾



Source : Financial statements of the banks from Qatar Exchange)

Prudential Regulatory Framework for Banks

Selected key bank regulations: Source: QCB, IMF

Capital	Minimum capital adequacy ratio requirement under Basel III is 14.65% including ICAAP charge and DSIB capital charge
Liquidity	Reserve requirement of 4.5% of a bank's total deposits to be kept with the QCB
Financing	Maximum financing to deposits (incl. LT debt) ratio of 100% ⁽¹⁾ and financing to real estate limited 150% of shareholder's equity
Ownership	Permitted foreigner ownership of up to 49% in listed banks
Provisioning	Risk reserves of min. 2.5% of total credit facilities in addition to NPL provisioning depending on classification of financing

(1): As per the QCB's calculation: (Total facilities – (Specific Provisions + Suspended Profit + Unearned Income) + Acceptances) / (Customer Deposits + Sukuk Issued)

2): Listed Qatari Banks – Qatar Exchange

Consolidated Statement of Financial Position

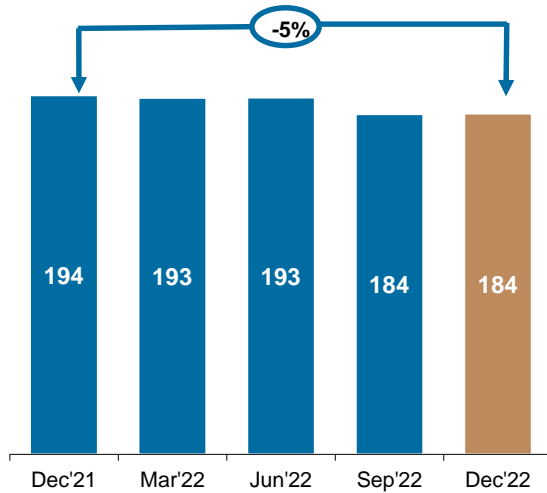
QAR million	Dec-2022	Dec-2021	Dec-2020
Cash and balances with central banks	7,951	7,177	8,357
Due from banks	3,188	7,461	6,913
Financing assets	119,285	128,409	119,072
Investment Securities	45,774	44,380	33,248
Investment in associates	1,130	1,140	1,134
Investment properties	3,321	2,854	2,863
Fixed assets	558	570	614
Intangible assets	218	217	218
Other assets	2,576	1,708	1,937
Total Assets	184,001	193,916	174,356
Due to banks	17,382	19,856	13,828
Customers' current accounts	19,021	16,907	17,416
Sukuk financing	12,453	14,063	14,059
Other Liabilities	3,868	3,490	5,119
Total Liabilities	52,725	54,316	50,422
Equity of unrestricted investment account holders	103,350	114,188	100,728
Share capital	2,363	2,363	2,363
Legal reserve	6,370	6,370	6,370
Risk reserve	2,642	2,445	2,437
General reserve	82	82	82
Fair value reserve	197	61	-110
Foreign currency translation reserve	(429)	(467)	-336
Other reserves	217	217	217
Proposed cash dividends	1,477	1,359	945
Retained earnings	10,338	8,306	6,336
Total equity attributable to shareholders of the bank	23,257	20,736	18,304
Sukuk eligible as additional capital	4,000	4,000	4,000
Non-controlling interests	669	676	902
Total Equity	27,926	25,412	23,206
Total liabilities, URIA and Equity	184,001	193,916	174,356

Consolidated Statement of Income

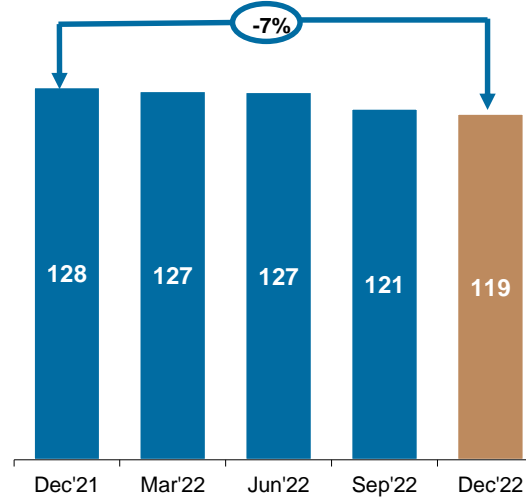
QAR million	Dec-2022	Dec-2021	Dec-2020
Net income from financing activities	6,502	5,999	5,956
Net income from investing activities	1,452	1,132	1,208
Total income from financing and investing activities	7,954	7,131	7,164
Fee and commission income	1,096	937	817
Fee and commission expense	(285)	(211)	(156)
Net fee and commission income	810	726	661
Net foreign exchange gain	122	200	76
Share of results of associates	73	42	3
Other income	8	31	54
Total Income	8,968	8,130	7,958
Staff costs	(637)	(650)	(657)
Depreciation and amortization	(89)	(90)	(96)
Sukuk holders' share of profit	(417)	(453)	(472)
Other expenses	(387)	(345)	(339)
Total Expenses	(1,529)	(1,538)	(1,564)
Net impairment losses on investment securities and properties	-	(4)	(22)
Net impairment losses on financing assets	(1,194)	(1,326)	(1263)
Goodwill Impairment	-	-	(22)
Other impairment losses	(41)	(12)	(9)
Net profit for the period before tax and URIA	6,204	5,250	5,078
Net return to unrestricted investment account holders	(2,169)	(1,687)	(2,046)
Net profit before tax	4,034	3,563	3,032
Tax expense	(11)	(10)	(8)
Non-controlling interest	(18)	2	41
Profit Attributable to: Shareholder of the Bank	4,005	3,555	3,065

QIB – Quarterly Financial Highlights

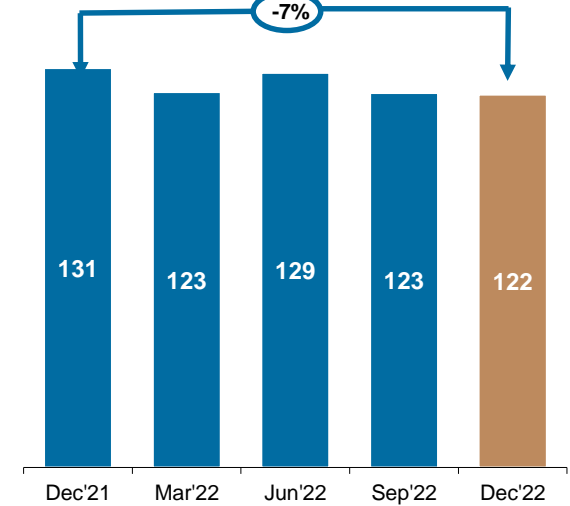
Assets (QAR Bn)



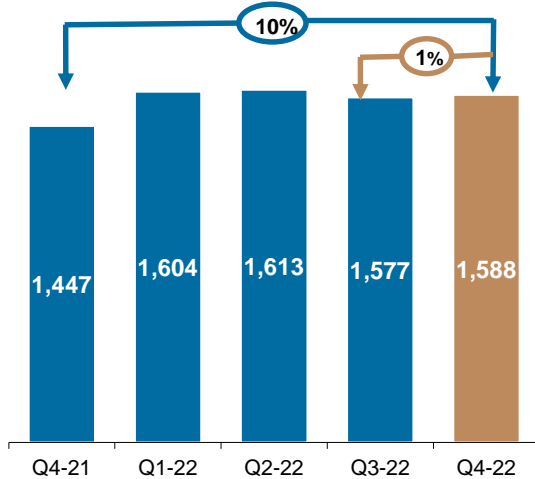
Financing (QAR Bn)



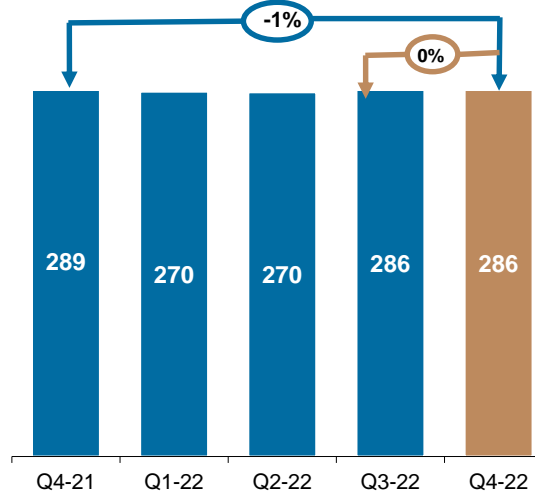
Deposits (QAR Bn)



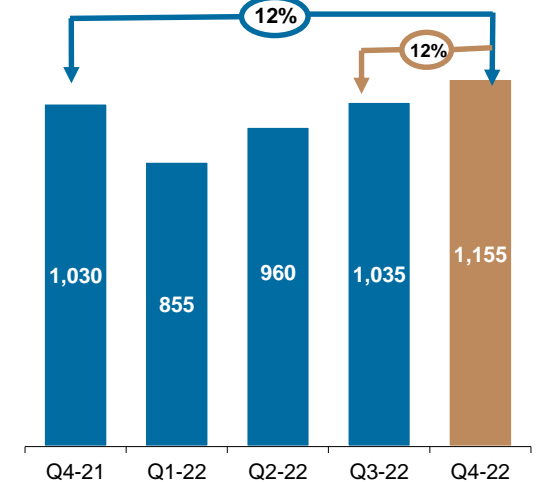
Quarterly Operating Income (QAR Mn)



Quarterly Operating Expenses (QAR Mn)

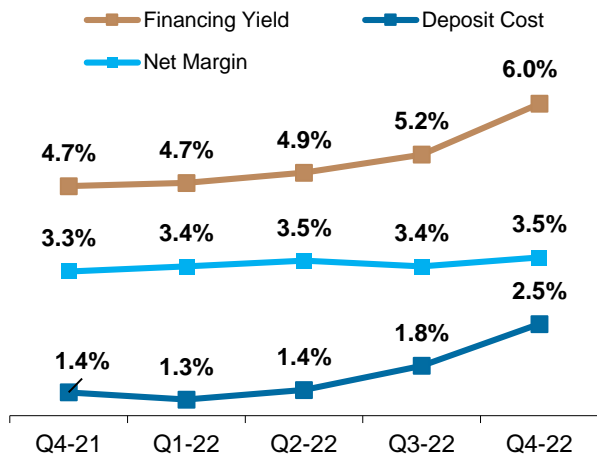


Quarterly Net Profit (QAR Mn)

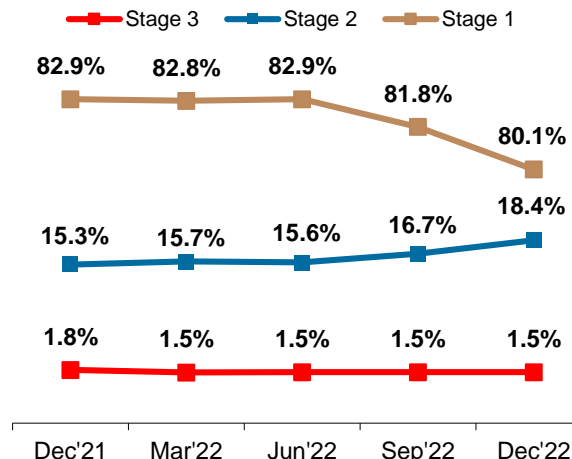


Key Quarterly Ratios

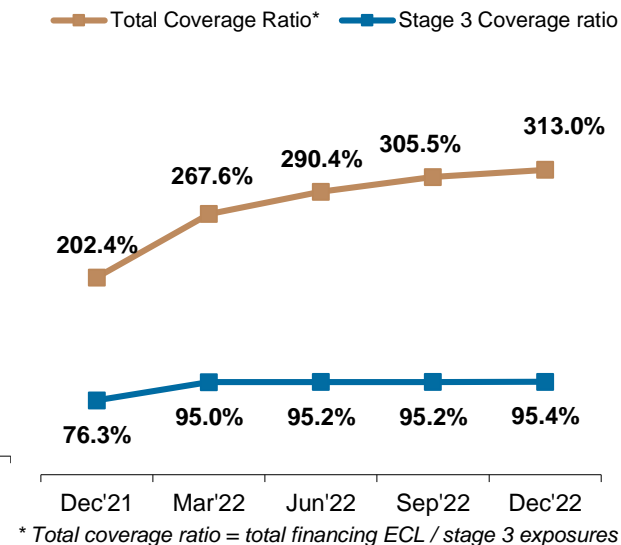
Yields (%)



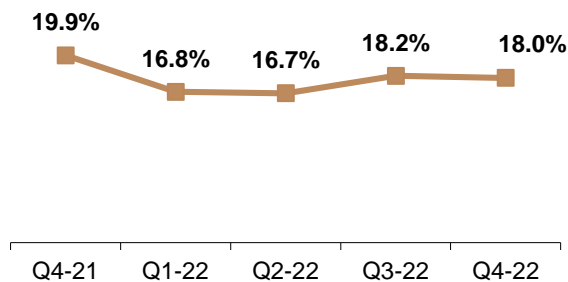
Financing Staging Ratio (%)



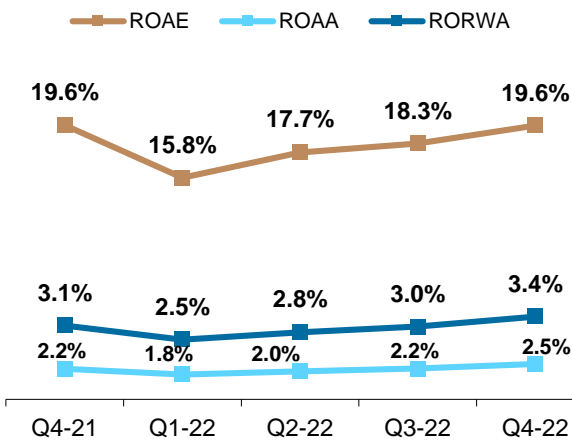
Financing Coverage Ratio (%)



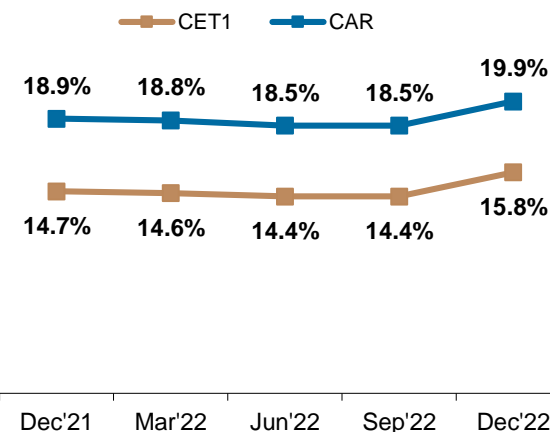
Cost to Income Ratio (%)



ROAE, ROAA, RORWA (%)



CET1 & CAR (%)



QIB AWARD WINNING ORGANIZATION – LATEST AWARDS



Best Bank in Qatar
Best Bank for Digital Solutions
Best Bank for Islamic Finance
Market Leader in Digital Solutions, Corporate Banking, Islamic Finance



Best Performing Bank Qatar 2022



Best Retail Bank in Qatar
MENA Retail Bank of the Year
MENA Excellence in Mobile Banking
MENA Best App for Customer Experience



Best Islamic Corporate Bank in the World
Best Islamic Digital Bank in Qatar
World's Best Islamic CSR Bank
World's Best Islamic Financial Institution
Best Retail Mobile Banking App
Best Online Corporate Portal/User Experience (UX) Design
Best SME Digital Banking



Islamic Bank of the Year in Qatar, UK & Middle East



Best Retail Bank in Qatar
Best SME Bank in Qatar



Digital Bank of the Year in Qatar 2022
Best Mobile Banking Application in Qatar 2022



QIB GCEO Ranked First in The Region, As The Top CEO in Sharia-Compliant Banks



WINNER

QATAR ISLAMIC BANK

BEST DIGITAL BANK FOR CX - QATAR



CEO of the Year in the Middle East
Best Digital Bank in Qatar
Best Mobile Banking Initiative
Best Retail Bank in Qatar



Best Islamic Bank in Qatar and the Arab World

Best Digital Bank for CX Qatar 2022
Best Islamic Bank for Digital CX Qatar 2022
Best Bank for Cash Management
Outstanding Account Opening and Onboarding Initiative