

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

December-2023 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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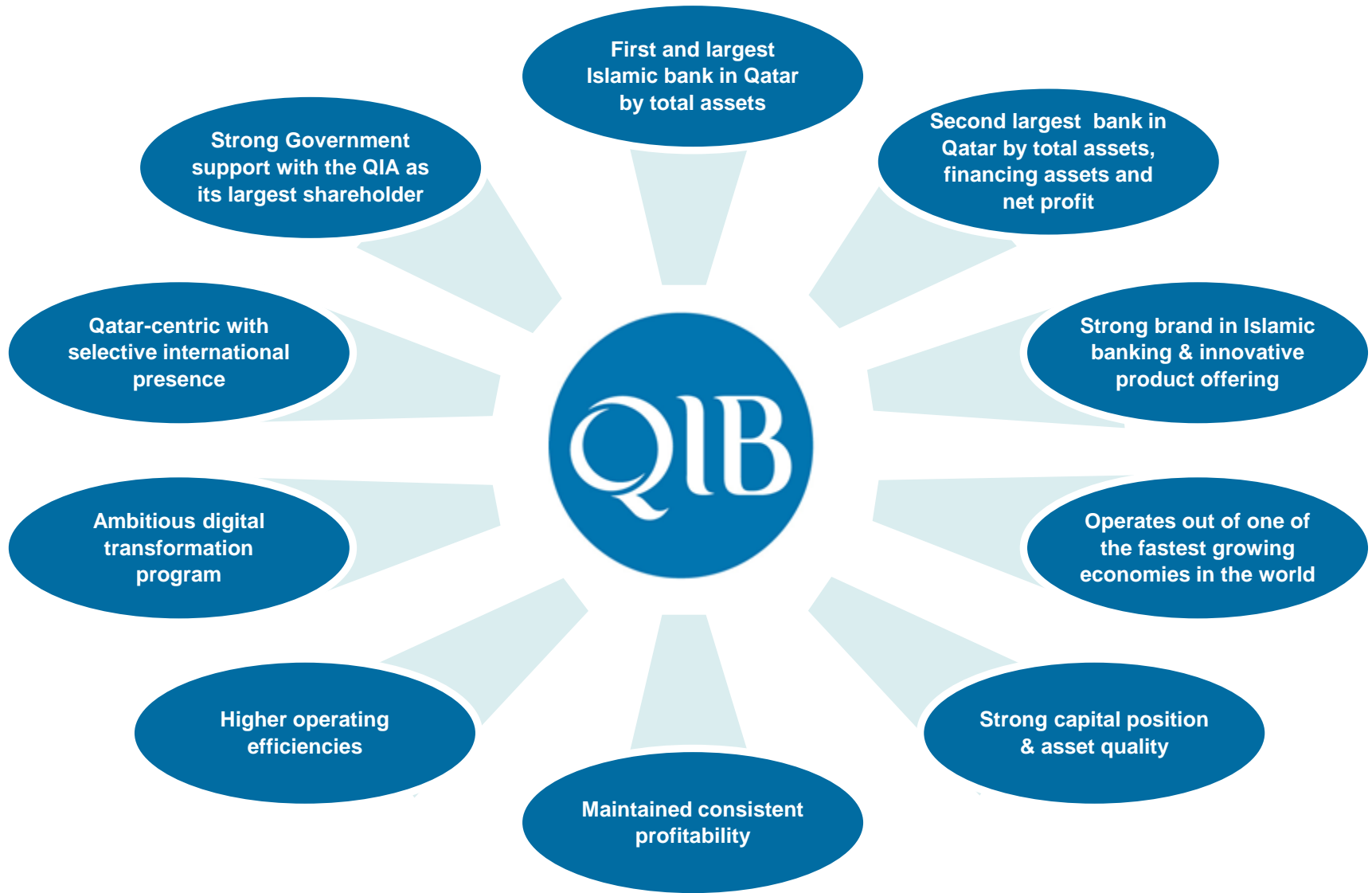
QIB Financial Overview

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Appendix



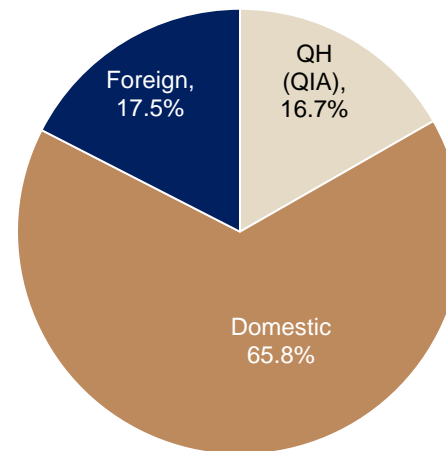
- ❖ Qatar Islamic Bank (“QIB” or the “Bank”) was incorporated in 1982 as the **first Islamic financial institution in Qatar**.
- ❖ **Largest Islamic bank** (approximately 36% of total assets of listed Islamic banks in Qatar) and **second largest bank** in Qatar by total assets, financing assets and net profit.
- ❖ Network of 23 branches and offices and over 180 ATMs and CDMs in Qatar as at 31 Dec 2023.
- ❖ 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 AA- by Capital Intelligence.



Share Overview

- ✓ **QIB shares** listed on the Qatar Stock Exchange
- ✓ **Symbol** : QIBK, ISIN: QA0006929853
- ✓ **Market cap** : QAR 50.8 bn
- ✓ **Valuation multiples**: P/E – 12.43 ; P/B – 2.0

Shareholding Structure



Index Weighting

Index	Weight
Qatar Exchange General Index	15.11%
Qatar Exchange All Shares	11.84%

Stable Long Term Credit Rating

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

All the above data is as of 31Dec 2023. The weightings are subject to changes

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Financial Overview Dec-2023

Financial Position

QAR million	Dec-23	Dec-22	Variance Vs Dec-22	Dec-23	Sep-23	Variance Vs Sep-23
Total Assets	189,157	184,001	2.8%	189,157	186,850	1.2%
Total Financing	122,381	119,285	2.6%	122,381	121,802	0.5%
Total Deposits	120,835	122,371	-1.3%	120,835	121,515	-0.6%
Investments⁽³⁾	52,447	50,225	4.4%	52,447	51,831	1.2%
Shareholders Equity⁽¹⁾	25,392	23,257	9.2%	25,392	24,597	3.2%
Total Equity	30,017	27,926	7.5%	30,017	29,256	2.6%
Financing to Deposit Ratio (%)	101.3%	97.5%	3.8%	101.3%	100.2%	1.0%
Capital Adequacy Ratio (%)	20.4%	19.9%	0.5%	20.4%	18.9%	1.5%
Provision Coverage Ratio (%)	87.5%	95.4%	-7.9%	87.5%	95.0%	-7.5%

Profitability

QAR million	Year-to-date			Quarterly		
	Dec-2023	Dec-2022	Variance Vs Dec-22	Q4-23	Q4-22	Variance Vs Q4-22
Net Operating Income⁽²⁾	6,521	6,382	2.2%	1,752	1,588	10.3%
Total expenses	(1,117)	(1,112)	0.4%	(292)	(286)	2.1%
Total provisions	(1,103)	(1,235)	-10.7%	(224)	(158)	41.8%
Net profit before tax & NCI	4,301	4,034	6.6%	1,236	1,144	8.0%
Net profit for the year⁽¹⁾	4,305	4,005	7.5%	1,250	1,155	8.2%
Earnings Per Share (QAR)	1.73	1.62	6.8%	0.51	0.47	7.9%
Cost to income ratio	17.1%	17.4%	-0.3%	16.7%	18.0%	-1.3%
Return on average equity	17.3%	17.8%	-0.5%	19.3%	19.6%	-0.3%
Return on average assets	2.3%	2.1%	0.2%	2.7%	2.5%	0.1%
Cost of Risk (Fin. assets) annualized	0.86%	1.00%	-0.14%	0.62%	0.27%	0.36%

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

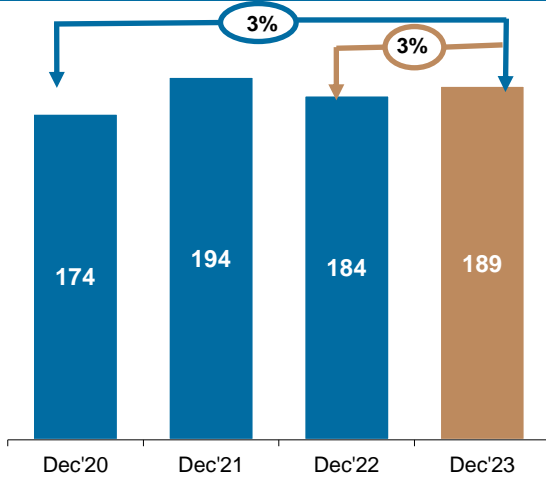
(3) Investments includes investments securities , investments in associates and investments properties

Key Highlights

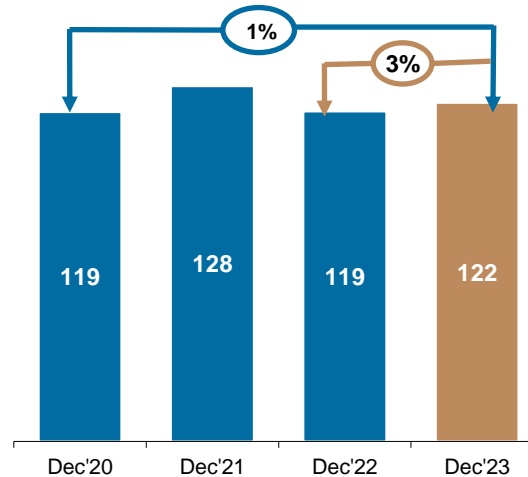
- **Total assets** at QAR 189.2 bln with a growth of 2.8% vs Dec-22.
- **Financing assets** at QAR 122.4 bln with a growth of 2.6% vs Dec-22.
- **Strong asset quality and prudent risk management policy** NPF ratio at 1.7% and provision coverage ratio at 87.5%
- **Customer deposits** at QAR 120.8 bn. **URIA** increased by QAR 2.8 bn
- **Shareholders Equity** reached QAR 25.4 bln with a growth of 9.2% vs Dec-22.
- **Robust net operating income** at QAR 6,521 mn, growth of 2.2% vs. Dec-22.
- **Strong profitability with net profit** at QAR 4,305 mn, growth of 7.5% vs Dec-22.
- **Operating efficiency:** Cost to income ratio was 17.1% vs. 17.4% in Dec-22 lowest in the Qatari Banking sector.
- **Adequately capitalized** the Basel III capital adequacy ratio stands at 20.4% as of Dec-2023
- **Dividend per share** is QAR 0.725 (2022: QAR 0.625) with a payout ratio of 41.9% (2022: 38.7%)

Financial Highlights

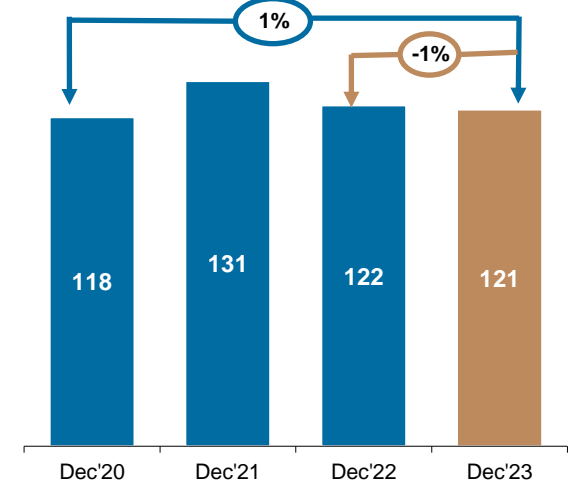
Assets (QAR Bn)



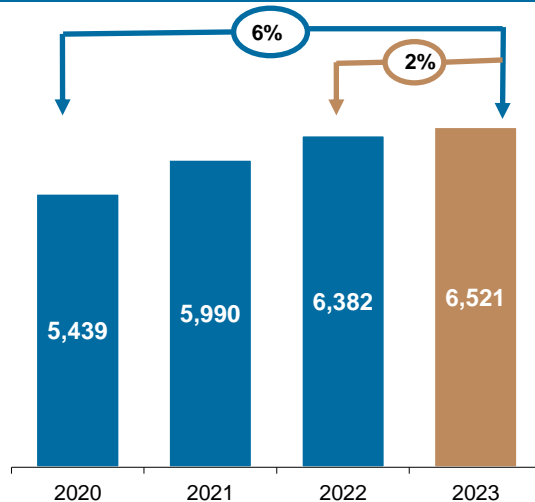
Financing (QAR Bn)



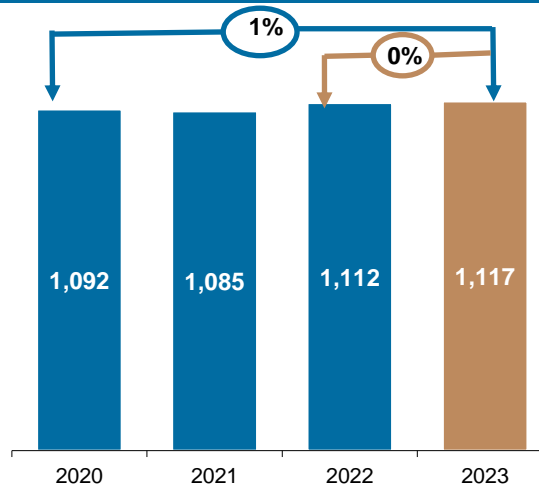
Deposits (QAR Bn)



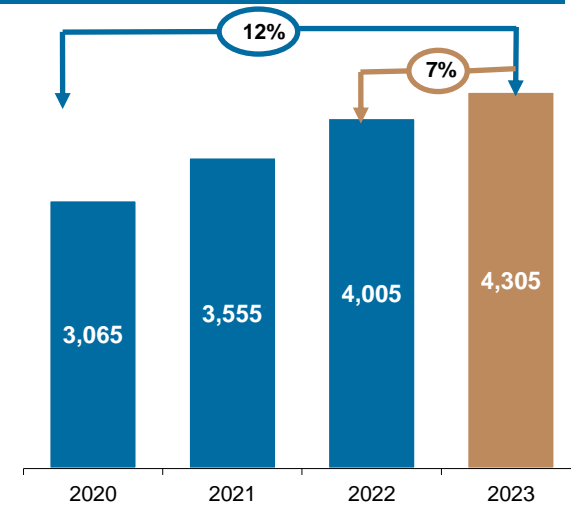
Operating Income (QAR Mn)



Operating Expenses (QAR Mn)



Net Profit (QAR Mn)

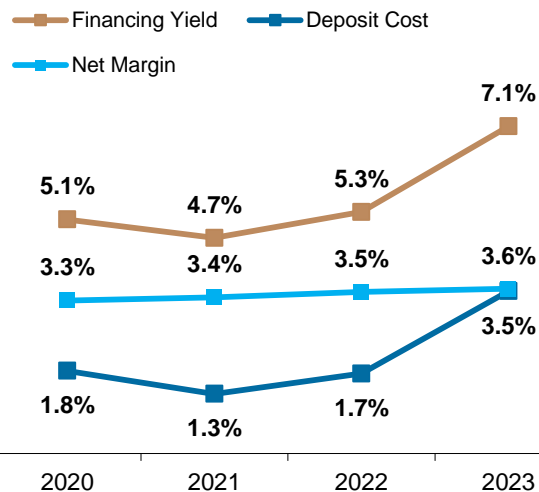


4 years compounded annual growth rate

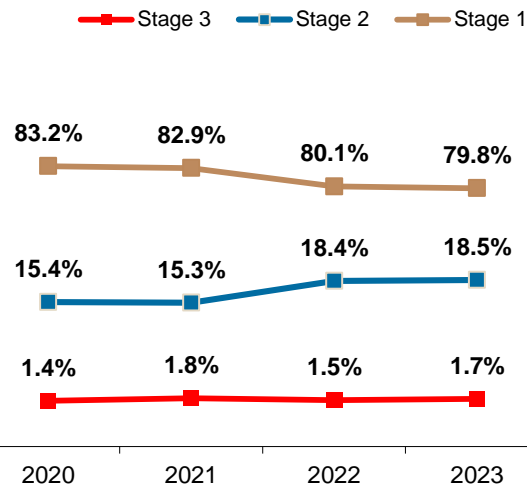
Annual growth rate

Key Financial Ratios

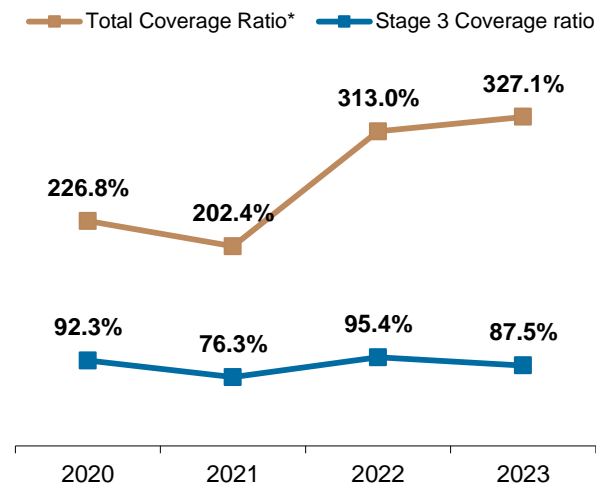
Yields (%)



Financing Staging Ratio (%)

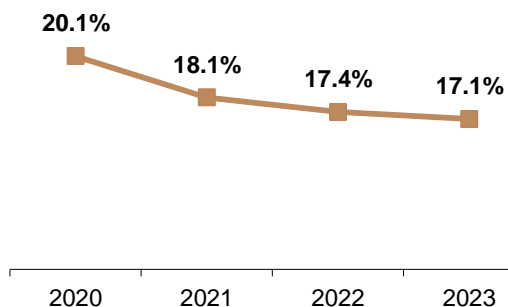


Financing Coverage Ratio (%)

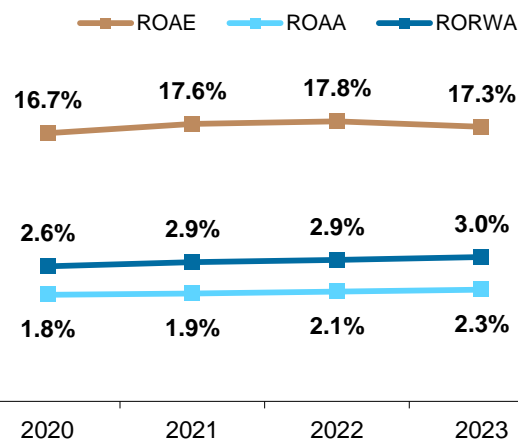


* Total coverage ratio = total financing ECL / stage 3 exposures

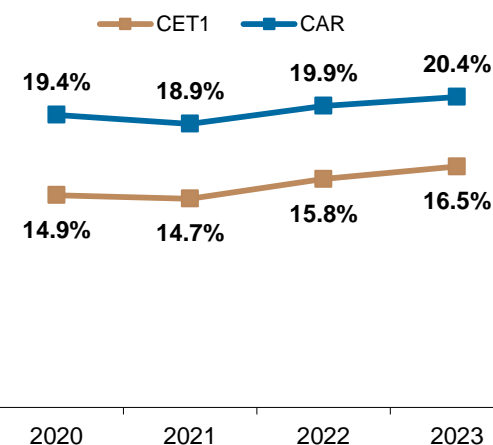
Cost to Income Ratio (%)



ROAE, ROAA, RORWA (%)

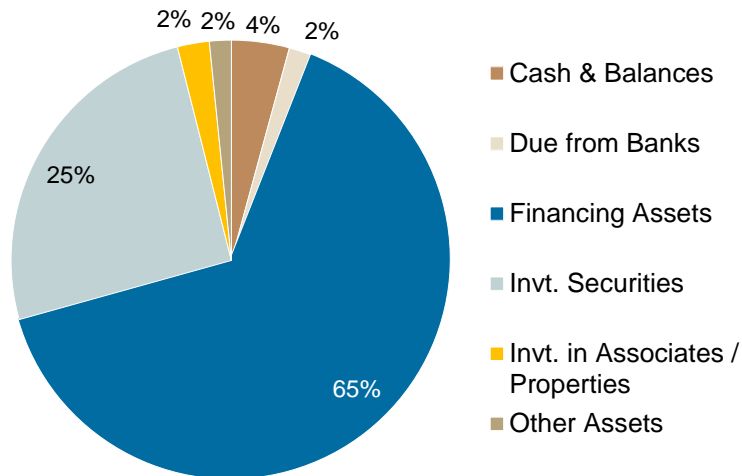


CET1 & CAR (%)

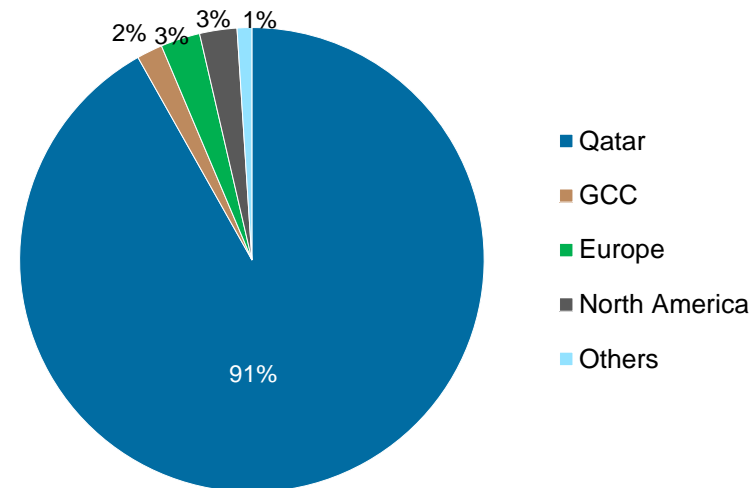


Asset Mix – 31 Dec 2023

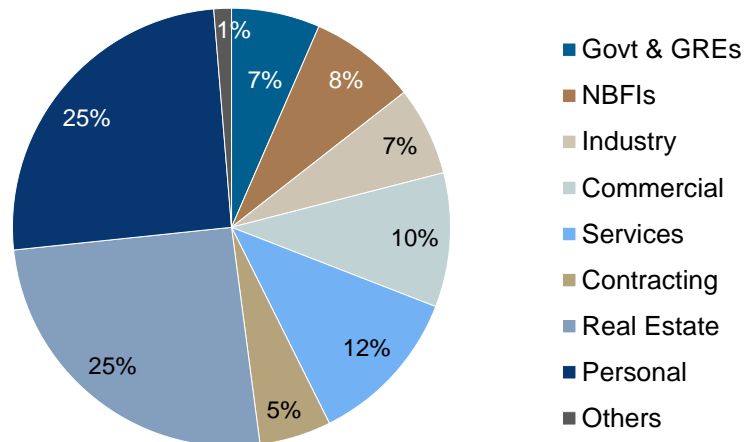
Asset Composition by Type



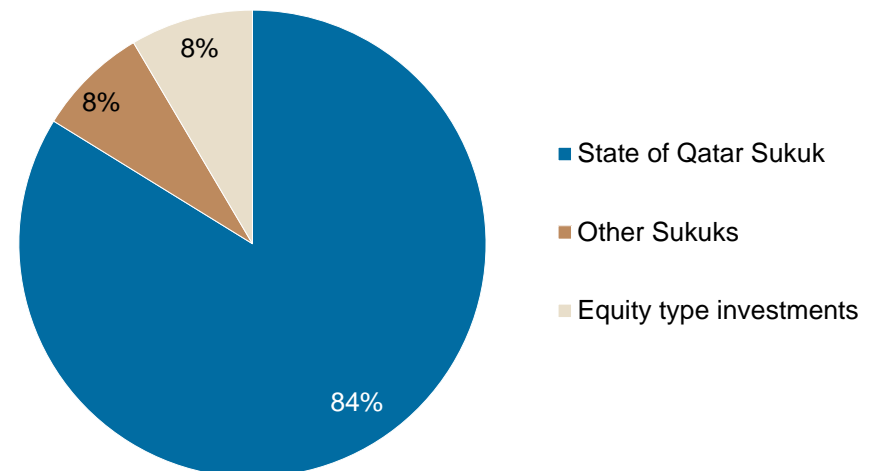
Asset Composition by Geography



Financing by Sector



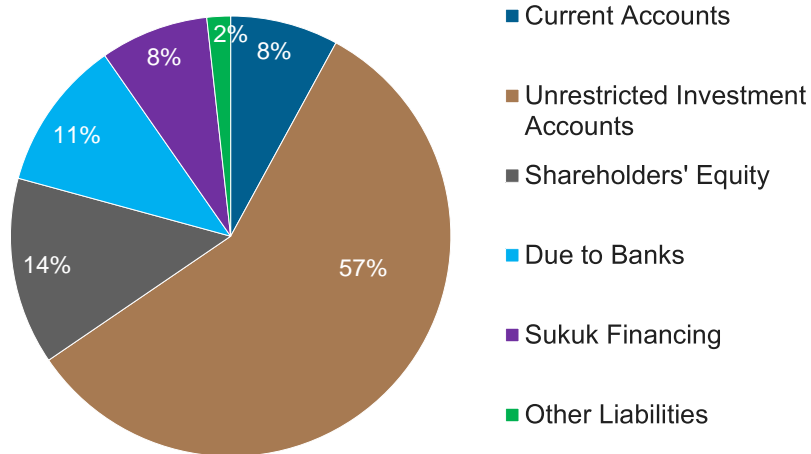
Financial Investments by Type



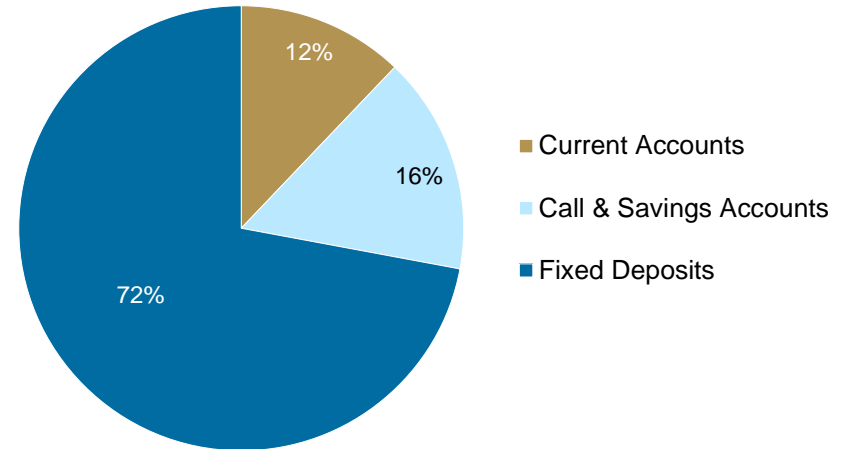
Source: QIB financial statements

Liability Mix – 31 Dec 2023

Diverse Sources of Funding

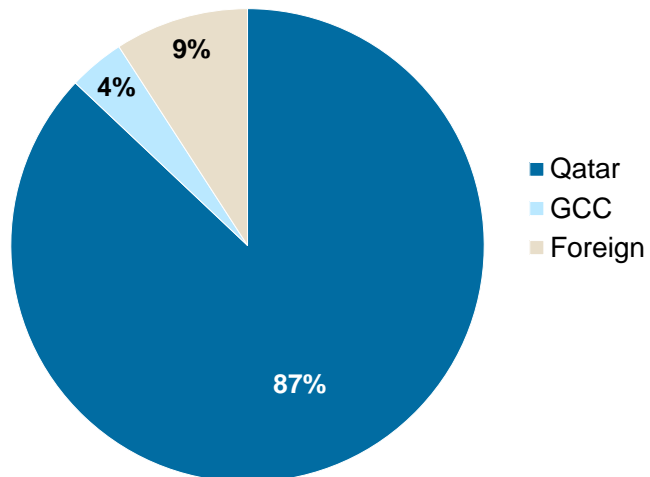


Deposits by Type



Call & Savings and Fixed Deposits constitutes Total URIA

High Quality Domestic Deposits



Sukuk Issuances and Maturities in 2023

The sukuk program size is USD 5 Bln.

New Issuances

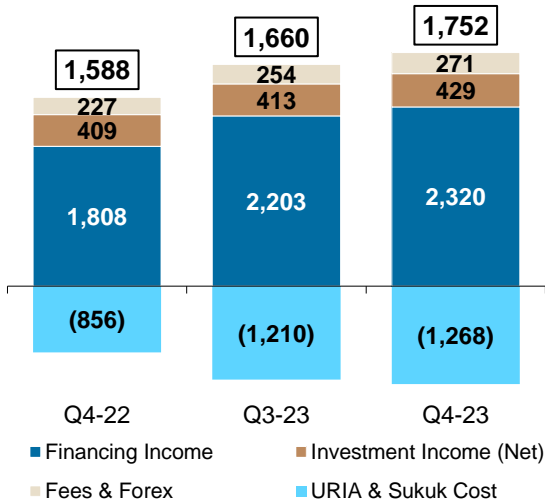
Tenure	USD 'Mln'	Profit rate
5 yr.	50	5.150%
5 yr.	500	5.581%
5 yr.	250	5.493%
5 yr.	200	5.142%
Total	1,000	

Maturities

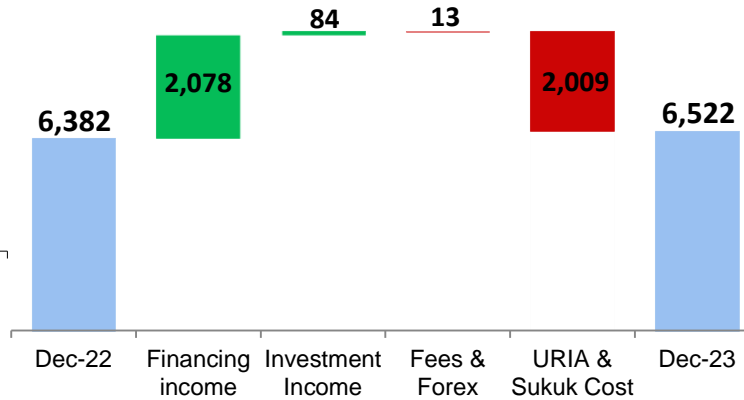
Tenure	USD 'Mln'	Profit rate
5 yr.	49.5	6.44%
5 yr.	30.0	6.63%
5 yr.	120.0	6.85%
5 yr.	200.0	7.32%
Total	399.5	

Operating Income and Cost

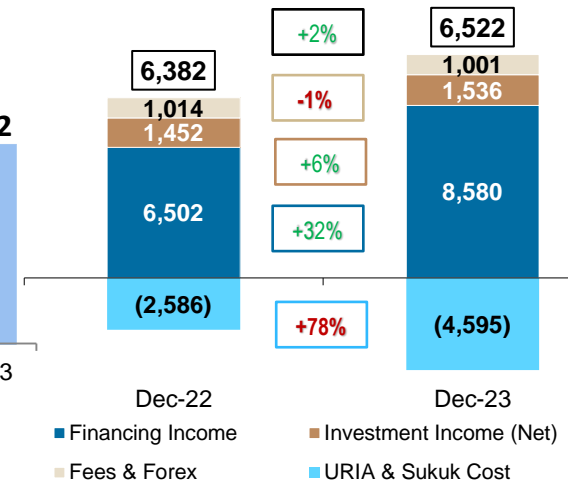
Quarterly Operating Income



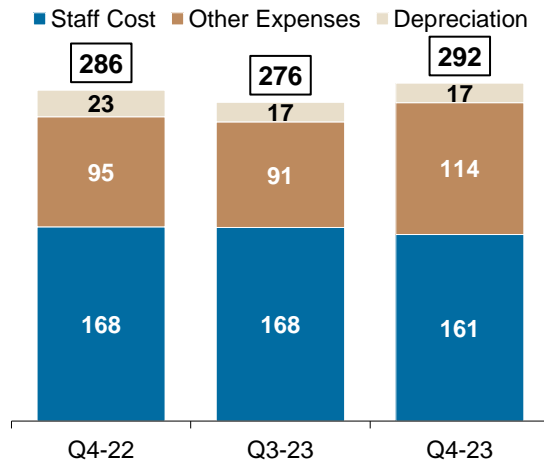
YTD Operating Income Change Drivers



YTD Operating Income



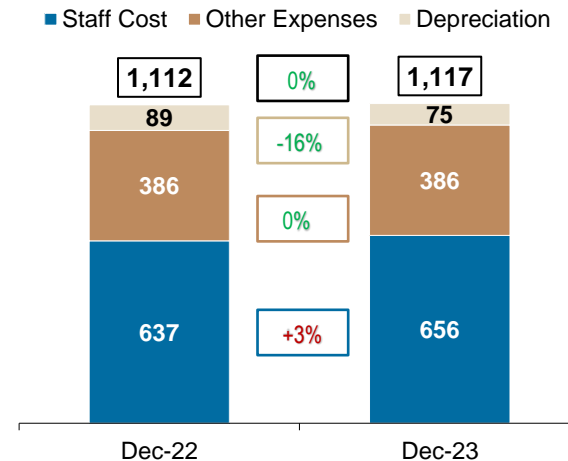
Quarterly Operating Expenses



YTD Operating Expenses Change Drivers



YTD Operating Expenses



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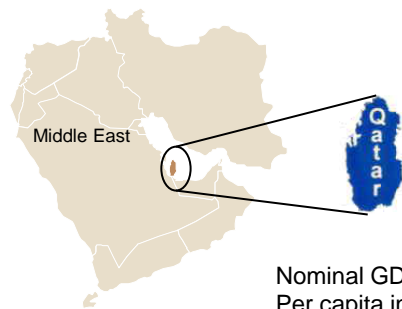
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Overview of the State of Qatar (“Qatar”)



Ratings

Moody's: Aa3/ Stable

S&P: AA-/ Stable

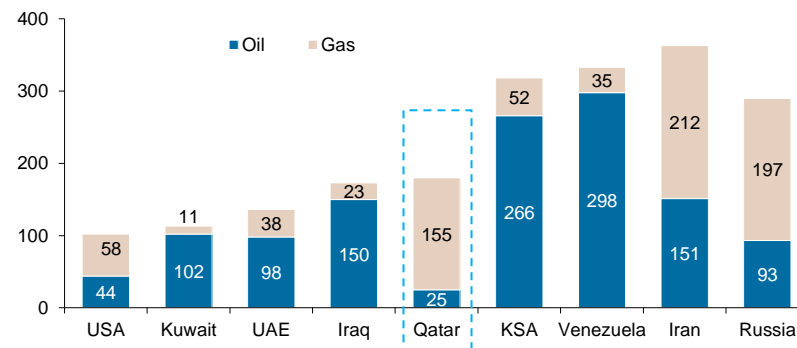
Fitch: AA-/ Stable

Nominal GDP (2022): USD 225 bn
Per capita income (2022): USD 115,045
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)



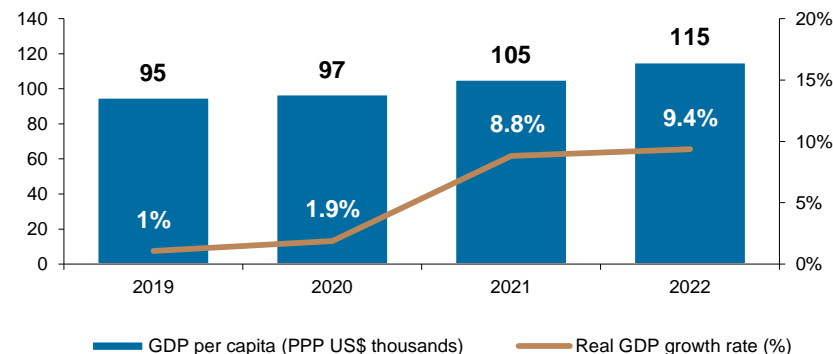
Sources: Bloomberg, BP, IMF, JODI, MDPS, MoF, QCB and QNB Group forecasts as of 30 December 2018

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

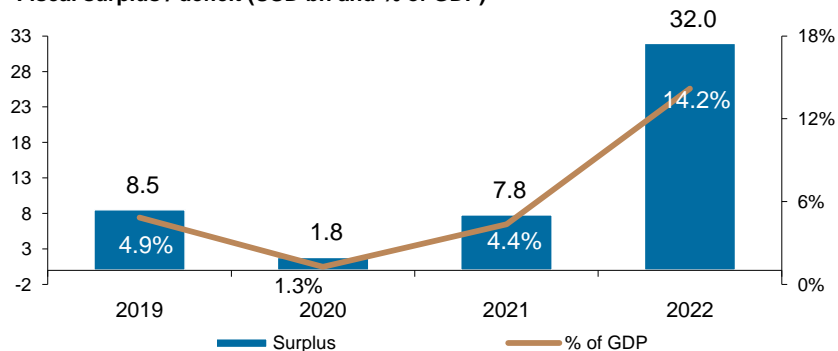


Source: IMF

Economic Indicators

Fiscal Position

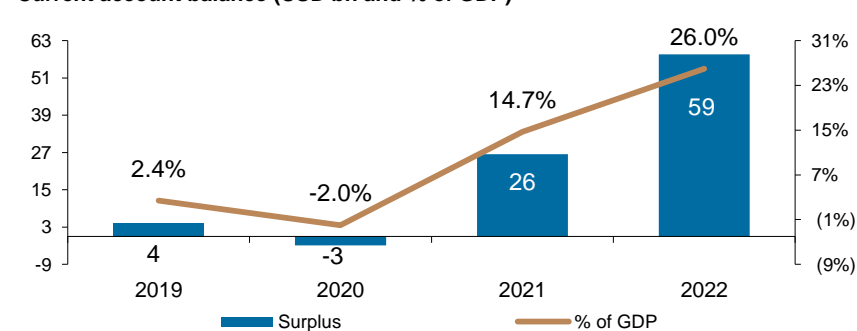
Fiscal surplus / deficit (USD bn and % of GDP)



Source: IMF

Current Account Balance

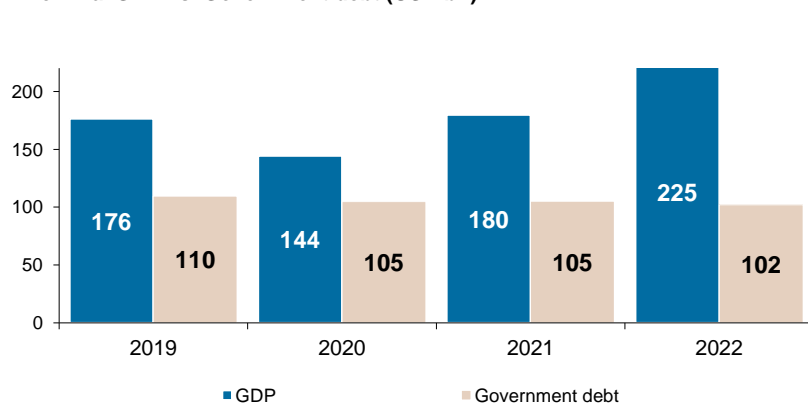
Current account balance (USD bn and % of GDP)



Source: IMF

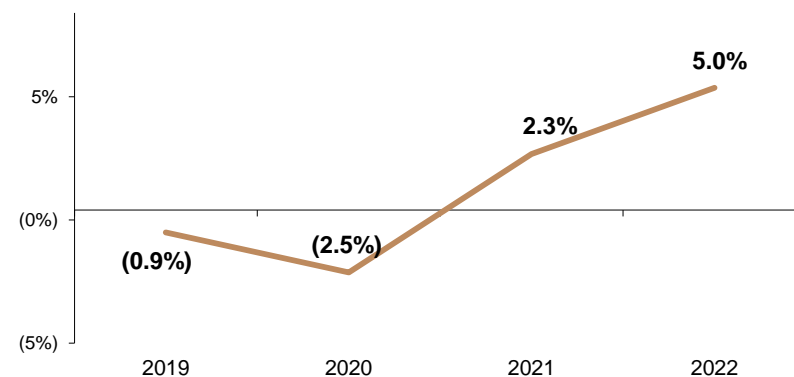
Low Level of Indebtedness

Nominal GDP vs. Government debt (USD bn)



Source: IMF

CPI Inflation (y-o-y)



Source: IMF

Qatari Banking Sector – Robust Operating Environment

General Overview

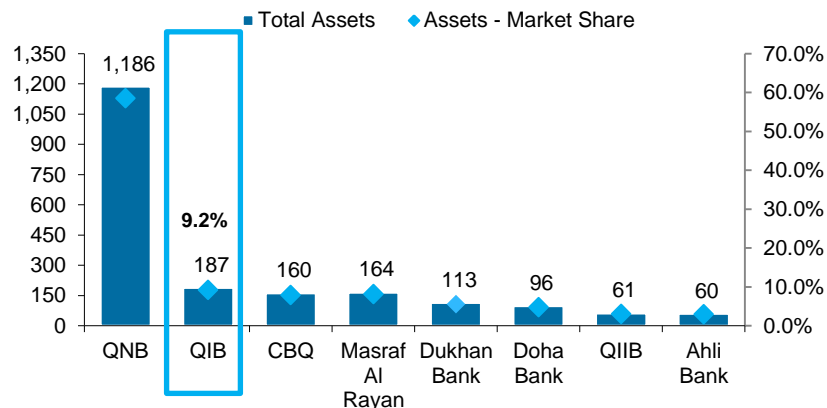
- **Qatar Central Bank prohibits conventional banks from providing Shari'a-compliant financing** – the Qatari banking sector consists of 18 banks:
 - Four local (exclusively) Islamic banks
 - Six local conventional commercial banks
 - Seven foreign banks
 - One development bank
- Total assets of QAR 2,027 bn (listed banks regulated by QCB) as at 30 Sep 2023 with strong and sound regulatory environment
 - Minimum capital adequacy ratio of 14.63% 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

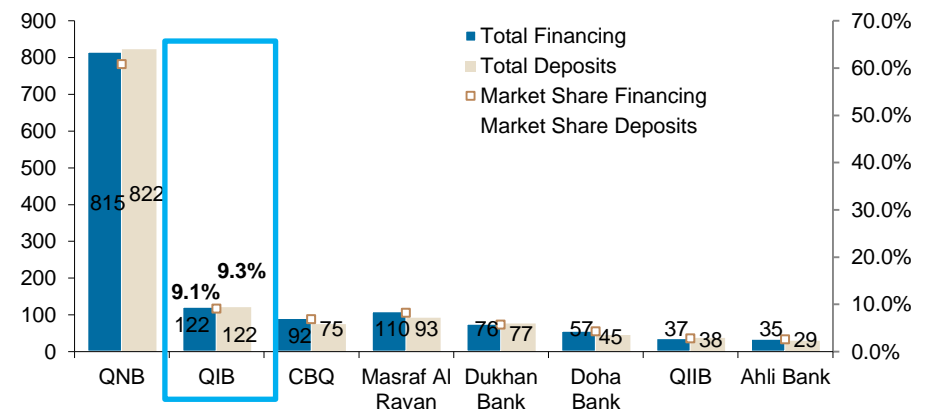
Total Assets (Sep'23) – Listed Banks

(QAR bn)

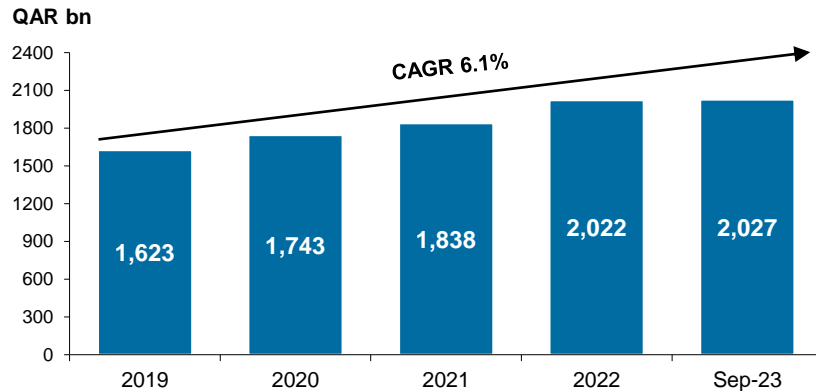


Total Financing and Deposits (Sep'23) – Listed Banks

(QAR bn)

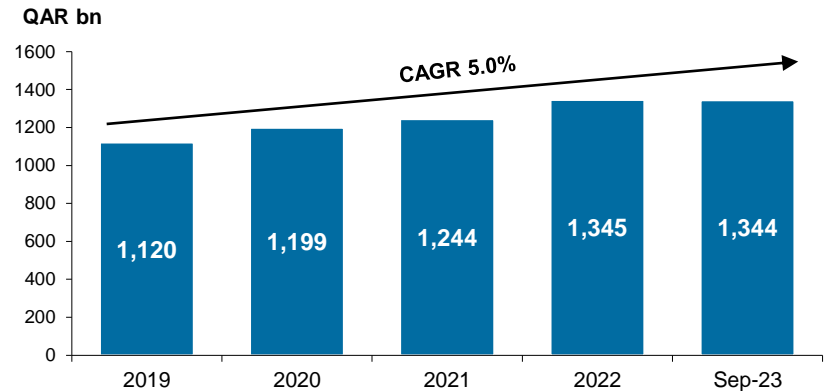


Assets ⁽²⁾



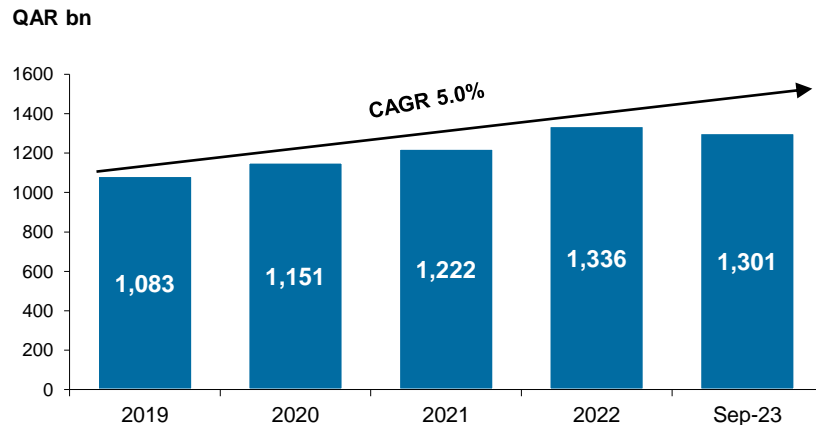
Source : Financial statements of the banks from Qatar Exchange)

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 14.63% 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

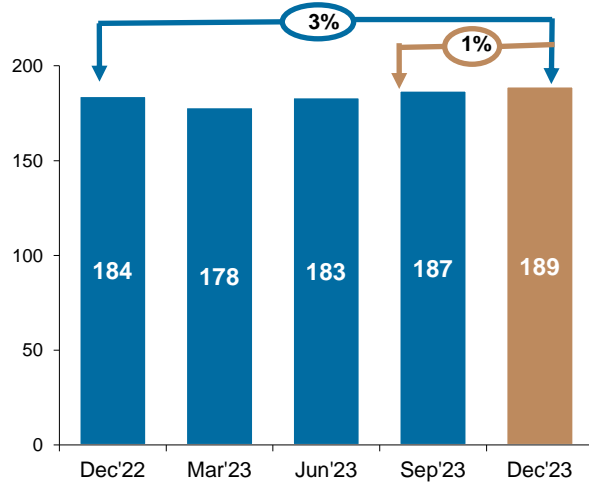
QAR million	Dec-2023	Dec-2022	Dec-2021
Cash and balances with central banks	8,037	7,951	7,177
Due from banks	3,262	3,188	7,461
Financing assets	122,381	119,285	128,409
Investment Securities	48,013	45,774	44,380
Investment in associates	1,128	1,130	1,140
Investment properties	3,306	3,321	2,854
Fixed assets	516	558	570
Intangible assets	218	218	217
Other assets	2,297	2,576	1,708
Total Assets	189,157	184,001	193,916
Due to banks	20,434	17,382	19,856
Customers' current accounts	14,648	19,021	16,907
Sukuk financing	14,668	12,453	14,063
Other Liabilities	3,203	3,868	3,490
Total Liabilities	52,954	52,725	54,316
Equity of unrestricted investment account holders	106,186	103,350	114,188
Share capital	2,363	2,363	2,363
Legal reserve	6,370	6,370	6,370
Risk reserve	2,953	2,642	2,445
General reserve	82	82	82
Fair value reserve	(19)	197	61
Foreign currency translation reserve	(577)	(429)	(467)
Other reserves	217	217	217
Proposed cash dividends	1,713	1,477	1,359
Retained earnings	12,290	10,338	8,306
Total equity attributable to shareholders of the bank	25,392	23,257	20,736
Sukuk eligible as additional capital	4,000	4,000	4,000
Non-controlling interests	625	669	676
Total Equity	30,017	27,926	25,412
Total liabilities, URIA and Equity	189,157	184,001	193,916

Consolidated Statement of Income

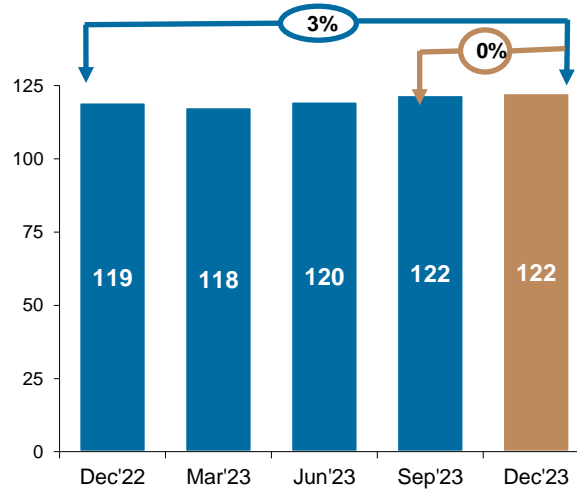
QAR million	Dec-2023	Dec-2022	Dec-2021
Net income from financing activities	8,580	6,502	5,999
Net income from investing activities	1,535	1,452	1,132
Total income from financing and investing activities	10,115	7,954	7,131
Fee and commission income	1,225	1,096	937
Fee and commission expense	(336)	(285)	(211)
Net fee and commission income	889	810	726
Net foreign exchange gain	50	122	200
Share of results of associates	60	73	42
Other income	1	8	31
Total Income	11,116	8,968	8,130
Staff costs	(656)	(637)	(650)
Depreciation and amortization	(75)	(89)	(90)
Sukuk holders' share of profit	(373)	(417)	(453)
Other expenses	(386)	(387)	(345)
Total Expenses	(1,490)	(1,529)	(1,538)
Net impairment losses on investment securities and properties	(2)	0	(4)
Net impairment losses on financing assets	(1,058)	(1,194)	(1,326)
Other impairment losses	(44)	(41)	(12)
Net profit for the period before tax and URIA	8,522	6,204	5,250
Net return to unrestricted investment account holders	(4,222)	(2,169)	(1,687)
Net profit before tax	4,301	4,034	3,563
Tax expense	(13)	(11)	(10)
Non-controlling interest	17	(18)	2
Profit Attributable to: Shareholder of the Bank	4,305	4,005	3,555

QIB – Quarterly Financial Highlights

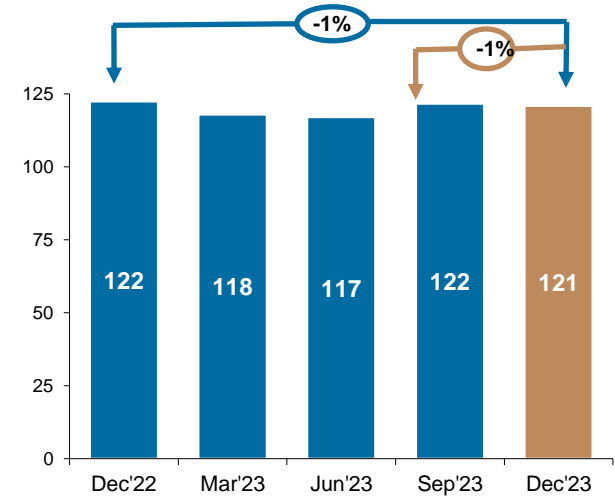
Assets (QAR Bn)



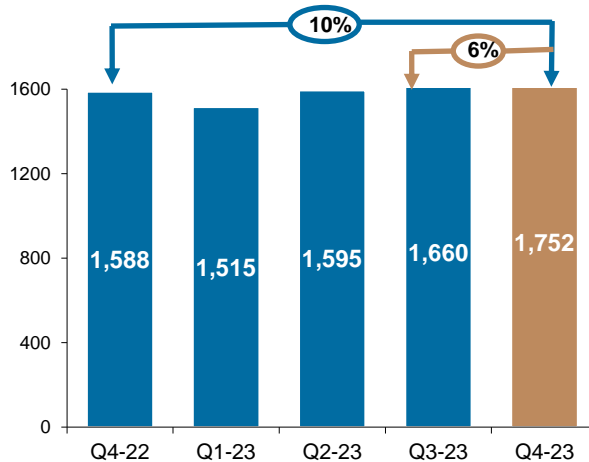
Financing (QAR Bn)



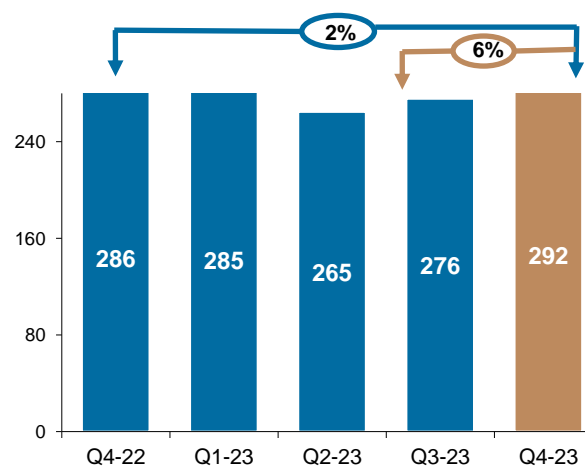
Deposits (QAR Bn)



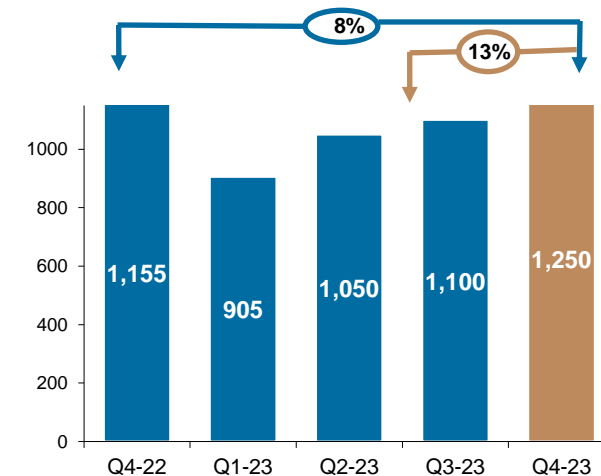
Quarterly Operating Income (QAR Mn)



Quarterly Operating Expenses (QAR Mn)

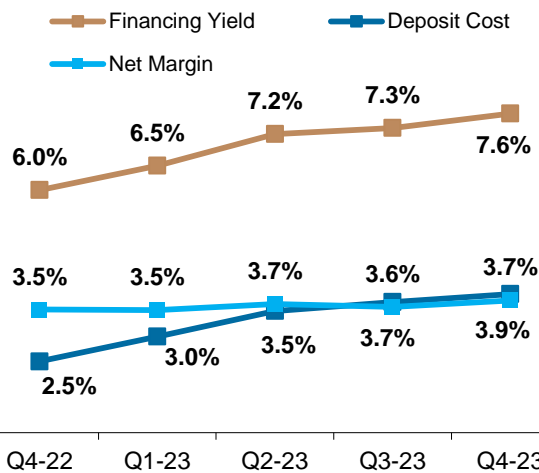


Quarterly Net Profit (QAR Mn)

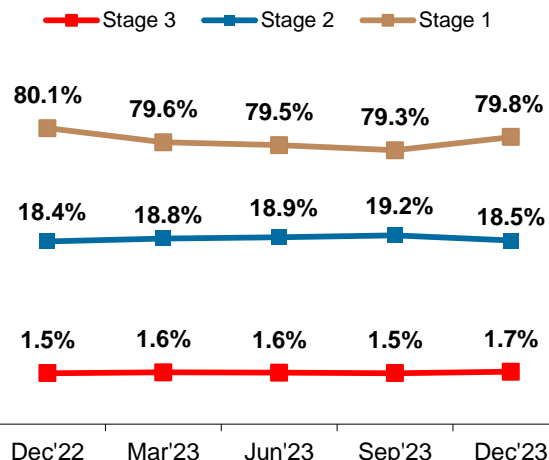


Key Quarterly Ratios

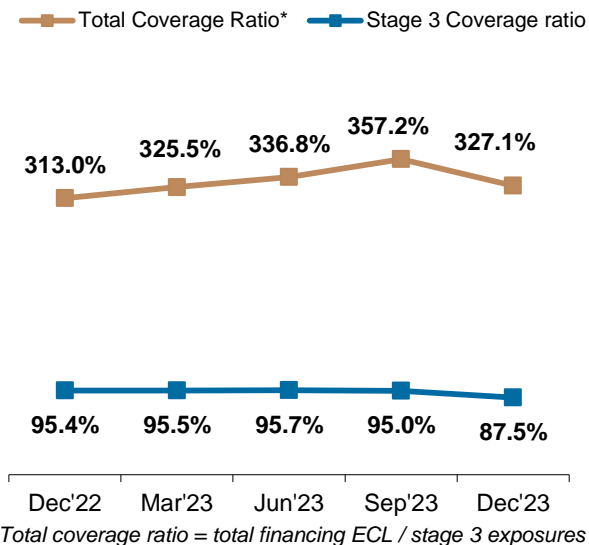
Yields (%)



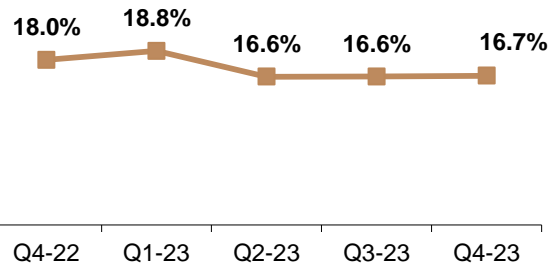
Financing Staging Ratio (%)



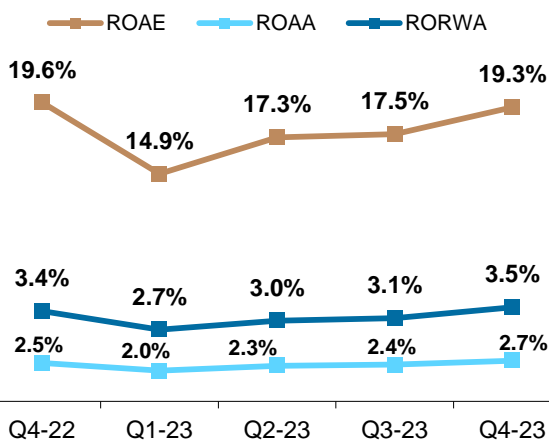
Financing Coverage Ratio (%)



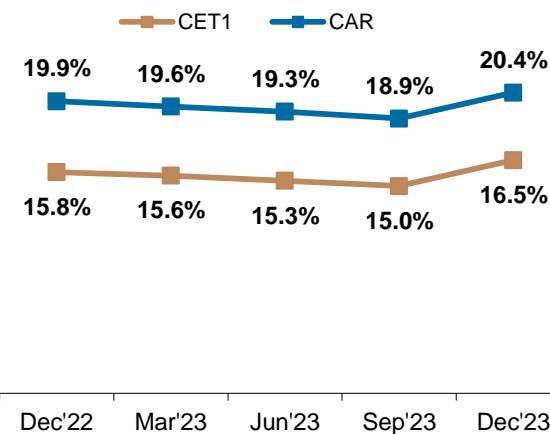
Cost to Income Ratio (%)



ROAE, ROAA, RORWA (%)



CET1 & CAR (%)



QIB AWARD WINNING ORGANIZATION – LATEST AWARDS



Best Bank in Qatar

Best Islamic Financial Institution in Qatar

Best in Social Media Marketing & Services in Qatar

Best Information Security & Fraud Management in Qatar



Best User Experience (UX) in Qatar & Middle East

Best Online Product Offerings in Qatar

Best Islamic Digital Bank in Qatar

Best Innovation & Transformation in Qatar

Best Consumer Digital Bank in Qatar



Best Islamic Bank in Qatar 2023

Best Bank for Sustainability (ESG) in Qatar



Market Leader in Islamic Finance

Market Leader in Digital Solutions

Market Leader in Environmental, Social, and Governance (ESG)

Highly Regarded in Corporate Banking

Highly Regarded in Corporate Social Responsibility (CSR)



Bank Of The Year



Best Islamic Bank of the Year in The Middle East



Digital Bank of the Year

Best Retail Mobile Banking Experience

Best Online Banking Experience

Best Mobile Banking Application

Best Islamic Bank

Best Retail Bank



Best Retail Bank in Qatar

Excellence in Mobile Banking

Excellence in Customer Centricity



The World's Most Efficient Bank

Best Retail Bank in Qatar

Best SME Bank in Qatar