

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

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Q3 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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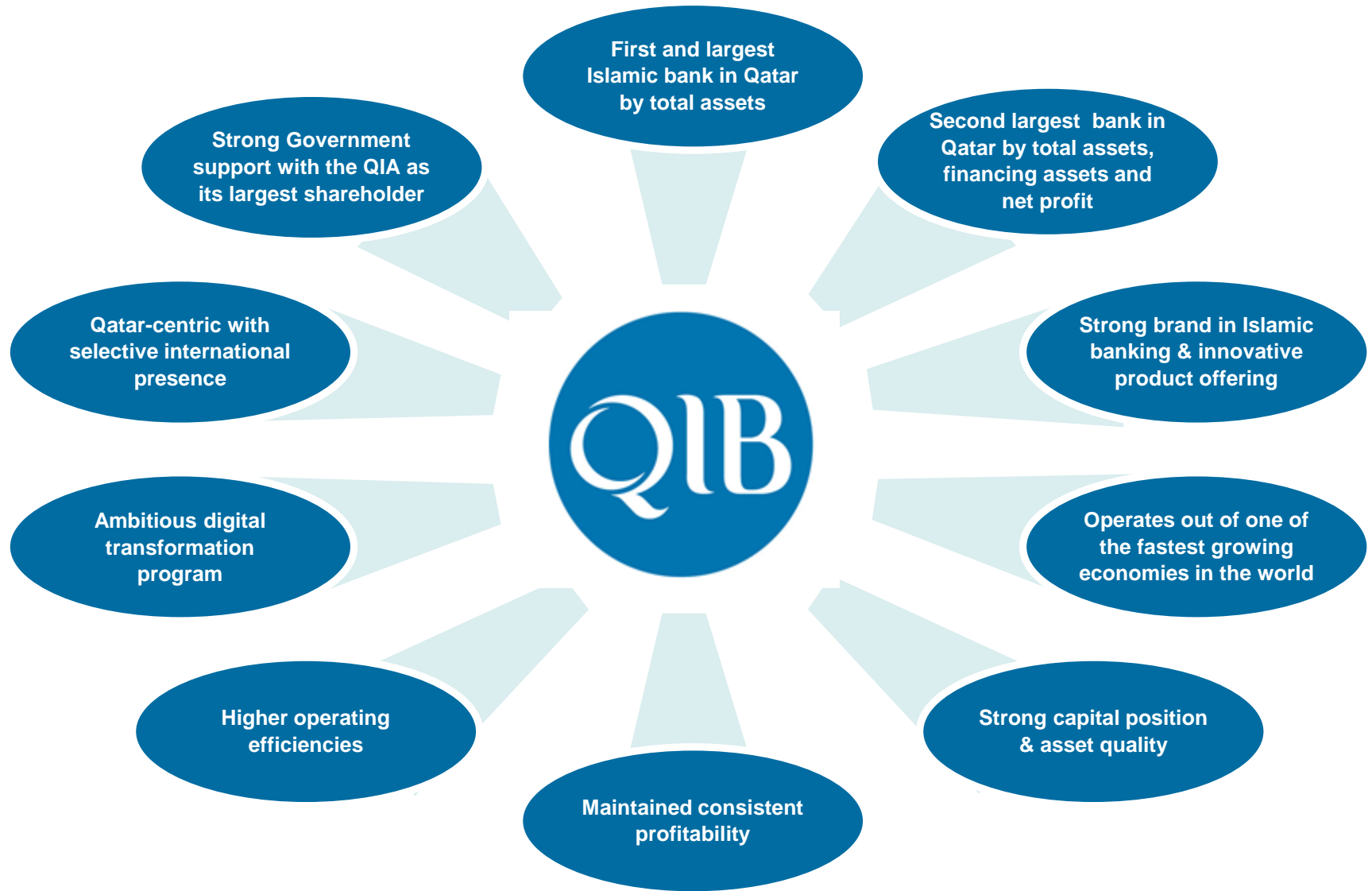
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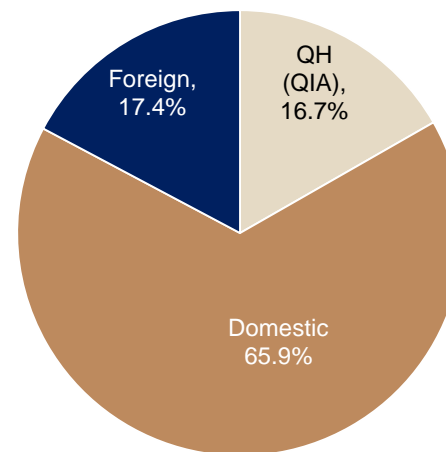
- ❖ Qatar Islamic Bank (“QIB” or the “Bank”) was incorporated in 1982 as the **first Islamic financial institution in Qatar**.
- ❖ **Largest Islamic bank** (approximately 36% of total assets of listed Islamic banks in Qatar) and **second largest bank** in Qatar by total assets, financing assets and net profit.
- ❖ Network of 23 branches and offices and over 178 ATMs and CDMs in Qatar as at 30 Sep 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 43.9 bn
- ✓ **Valuation multiples**: P/E – 10.77 ; P/B – 1.78

## Shareholding Structure



## Index Weighting

Index	Weight
Qatar Exchange General Index	14.13%
Qatar Exchange All Shares	11.02%

## 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 30 Sep 2023. The weightings are subject to changes

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# Financial Overview Q3 2023

## Financial Position

QAR million	Sep-23	Sep-22	Variance Vs Sep-22	Jun-23	Dec-22	Var. Sep-23 Vs Dec-22
<b>Total Assets</b>	186,850	183,720	1.7%	183,357	184,001	1.5%
<b>Total Financing</b>	121,802	121,026	0.6%	119,568	119,285	2.1%
<b>Total Deposits</b>	121,515	122,883	-1.1%	116,915	122,371	-0.7%
<b>Investments<sup>(3)</sup></b>	51,831	49,967	3.7%	52,257	50,225	3.2%
<b>Shareholders Equity<sup>(1)</sup></b>	24,597	22,342	10.1%	23,547	23,257	5.8%
<b>Total Equity</b>	29,256	27,022	8.3%	28,214	27,926	4.8%
<b>Capital Adequacy Ratio (%)</b>	18.9%	18.5%	0.4%	19.3%	19.9%	-1.0%
<b>Provision Coverage Ratio (%)</b>	95.0%	95.2%	-0.2%	95.7%	95.4%	-0.4%

## Profitability

QAR million	Year-to-date			Quarterly		
	Sep-23	Sep-22	Variance Vs Sep-22	Q3-23	Q3-22	Variance Q3-23 v Q3-22
<b>Net Operating Income<sup>(2)</sup></b>	4,769	4,793	-0.5%	1,660	1,577	5.2%
<b>Total expenses</b>	(825)	(826)	-0.1%	(276)	(286)	-3.7%
<b>Financing provisions</b>	(867)	(1,114)	-22.2%	(267)	(229)	16.5%
<b>Total provisions</b>	(879)	(1,077)	-18.4%	(276)	(240)	15.0%
<b>Net profit before tax &amp; NCI</b>	3,065	2,890	6.1%	1,108	1,050	5.5%
<b>Net profit for the year<sup>(1)</sup></b>	3,055	2,850	7.2%	1,100	1,035	6.3%
<b>Earnings Per Share (QAR)</b>	1.29	1.21	6.9%	0.47	0.44	5.8%
<b>Cost to income ratio</b>	17.3%	17.2%	0.1%	16.6%	18.2%	-1.5%
<b>Return on average equity</b>	16.5%	17.2%	-0.7%	17.5%	18.2%	-0.7%
<b>Return on average assets</b>	2.2%	2.0%	0.2%	2.4%	2.2%	0.2%
<b>Cost of Risk (Fin. assets) annualized</b>	0.95%	1.23%	-0.3%	0.88%	0.76%	0.12%

## Key Highlights

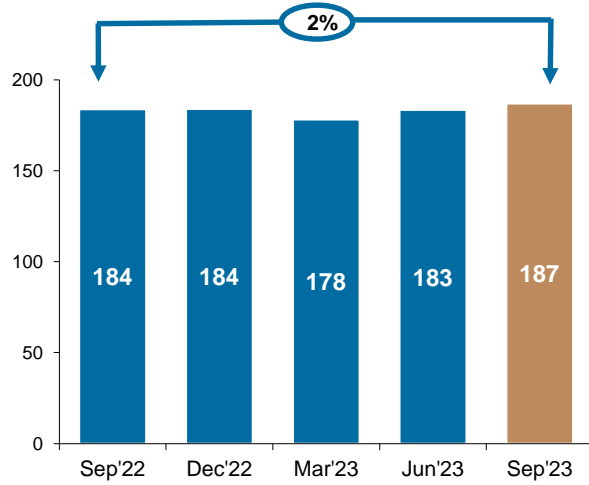
- **Total assets** at QAR 186.9 bln with a growth of 1.5% vs Dec-22.
- **Financing assets** at QAR 121.8 bln with a growth of 2.1% vs Dec-22.
- **Strong asset quality and prudent risk management policy** NPF ratio at 1.5% and provision coverage ratio at 95%.
- **Customer deposits** reached QAR 121.5 bln.
- **Shareholders Equity** reached QAR 24.6 bln with a growth of 5.8% vs Dec-22.
- **Stable net operating income** at QAR 4,769 mln
- **Robust profitability with net profit** at QAR 3,055 mln a growth of 7.2% vs. Sep-22.
- **Operating efficiency:** Cost to income ratio at 17.3% one of the lowest in the Qatari Banking sector.
- **Adequately capitalized** the Basel III capital adequacy ratio stands at 18.9% as of Sep-2023.

(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

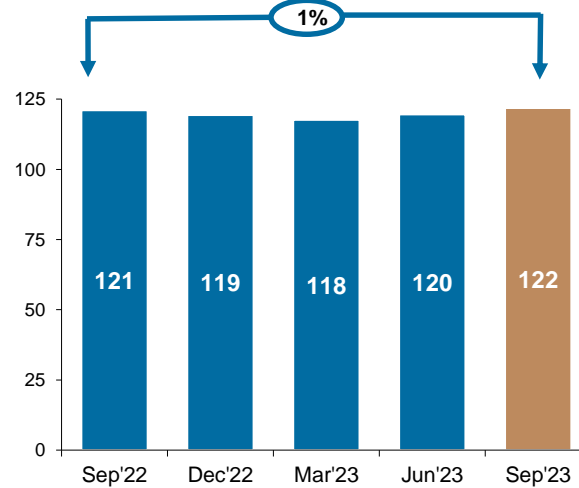


# QIB – Quarterly Financial Highlights

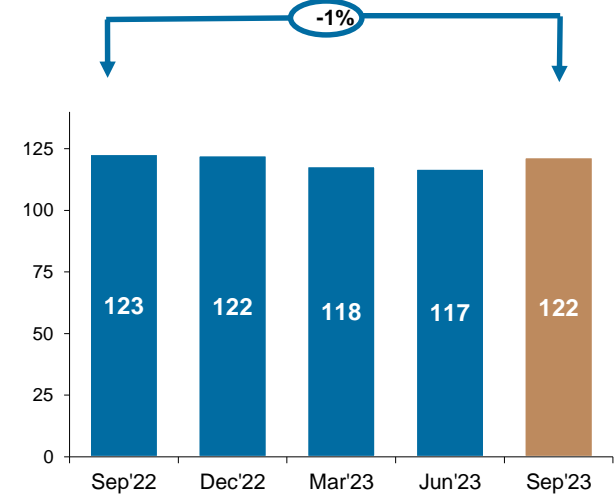
Assets (QAR Bn)



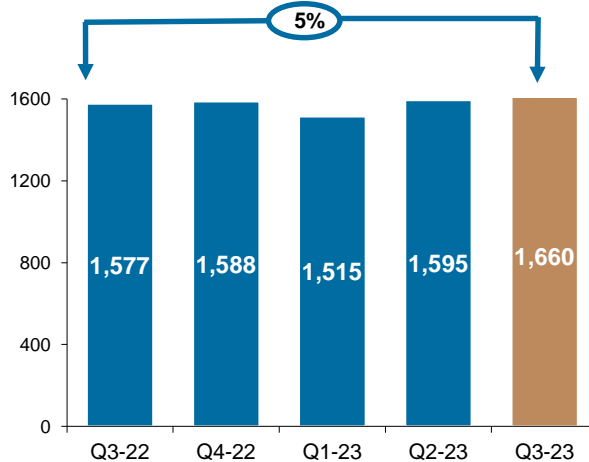
Financing (QAR Bn)



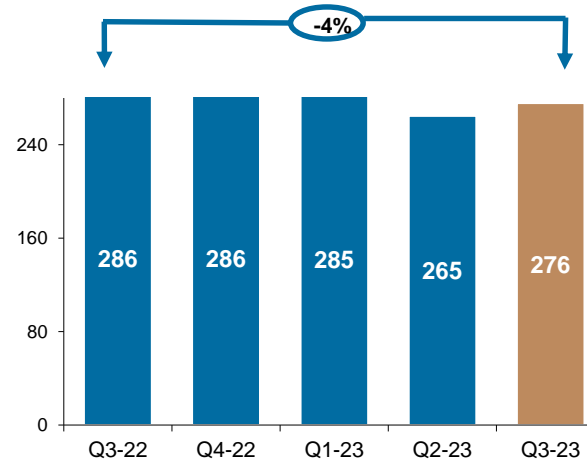
Deposits (QAR Bn)



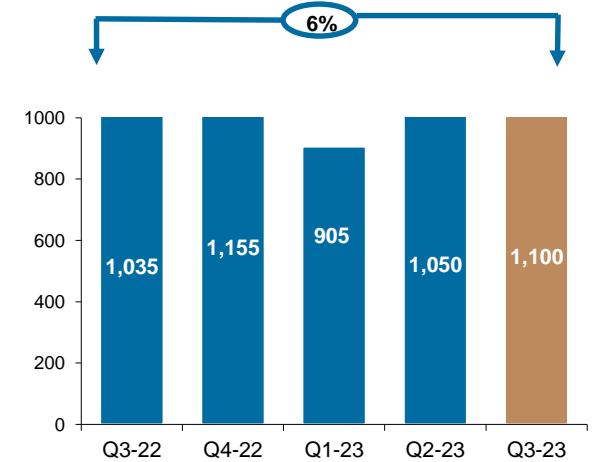
Quarterly Operating Income (QAR Mn)



Quarterly Operating Expenses (QAR Mn)

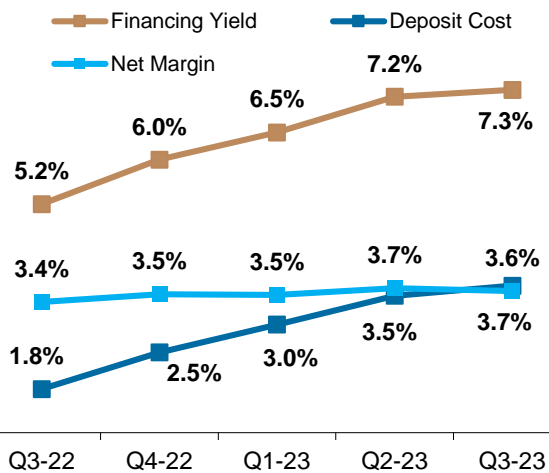


Quarterly Net Profit (QAR Mn)

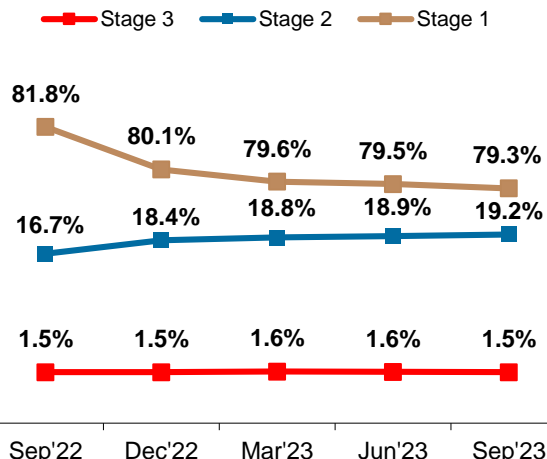


# Key Quarterly Ratios

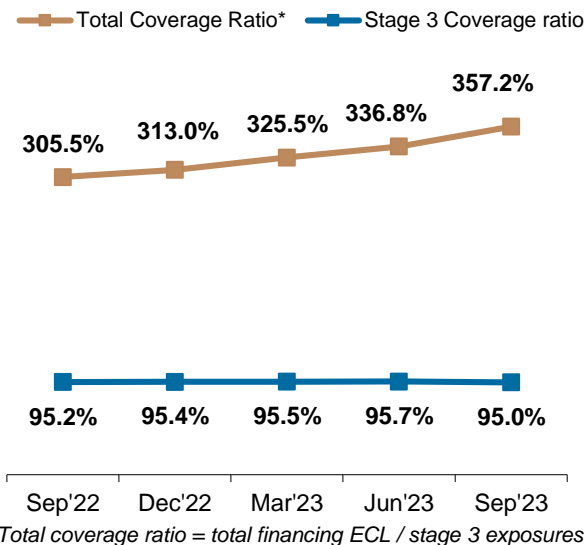
## Yields (%)



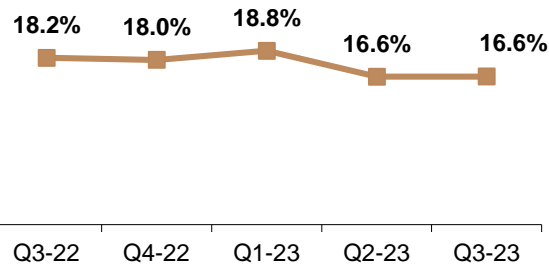
## Financing Staging Ratio (%)



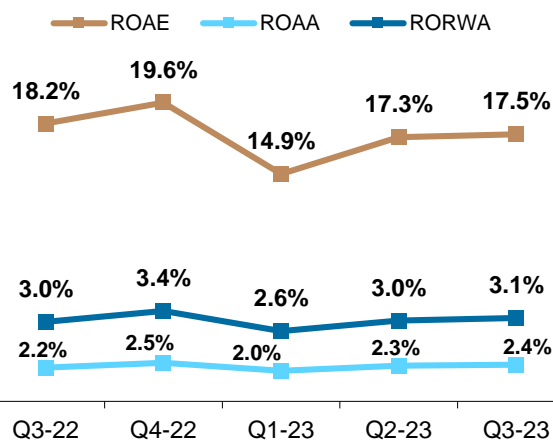
## Financing Coverage Ratio (%)



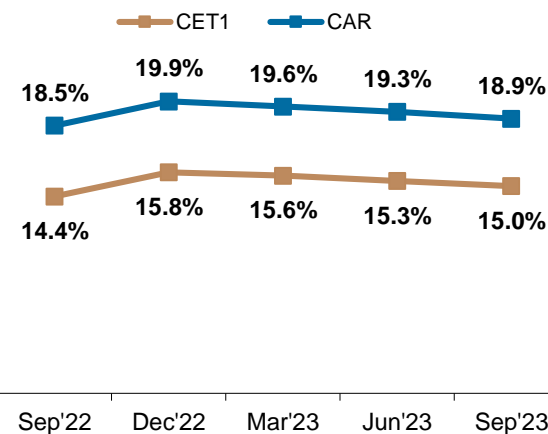
## Cost to Income Ratio (%)



## ROAE, ROAA, RORWA (%)

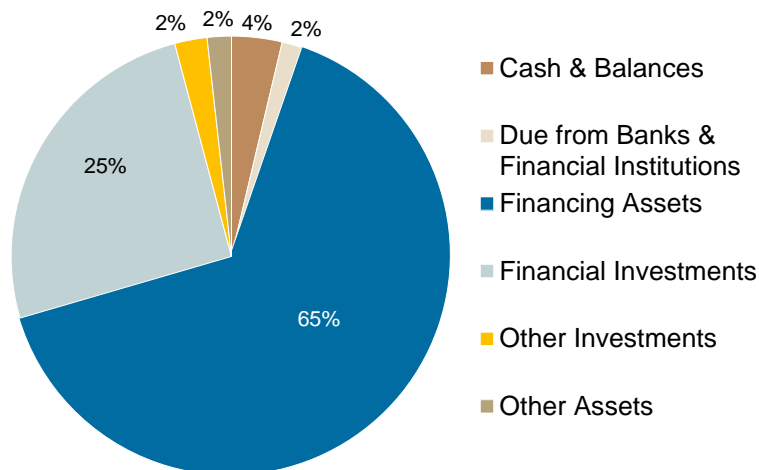


## CET1 & CAR (%)

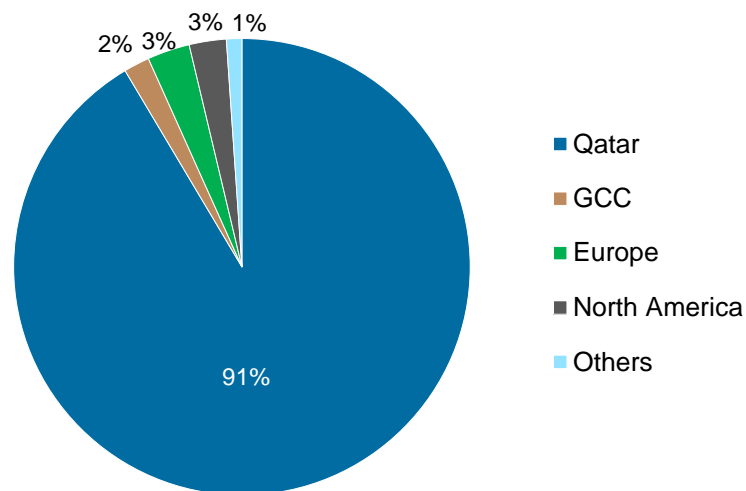


# Asset Mix – 30 Sep 2023

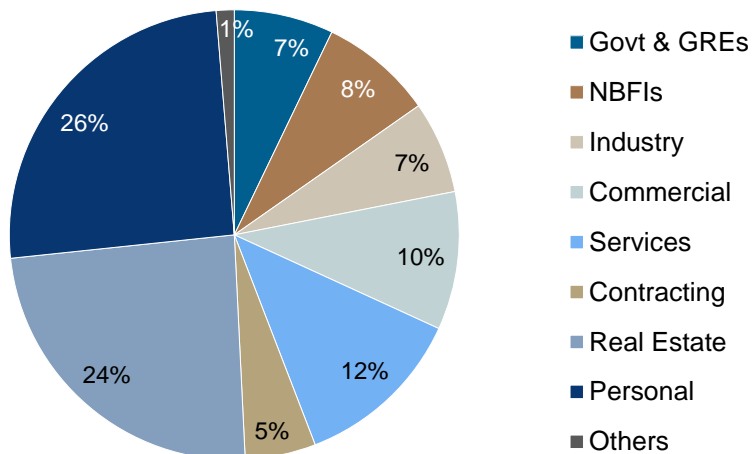
## Asset Composition by Type



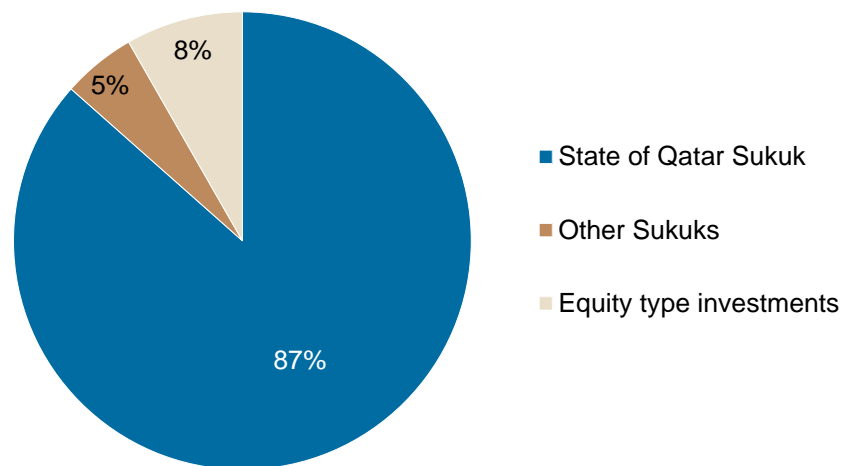
## Asset Composition by Geography



## Financing by Sector



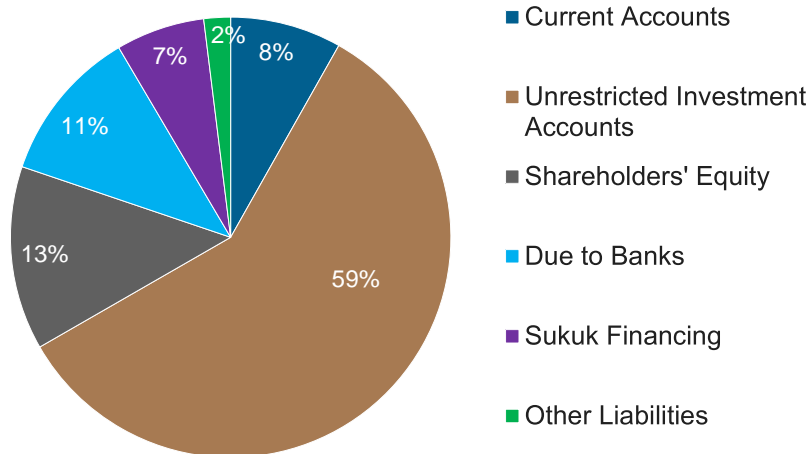
## Financial Investments by Type



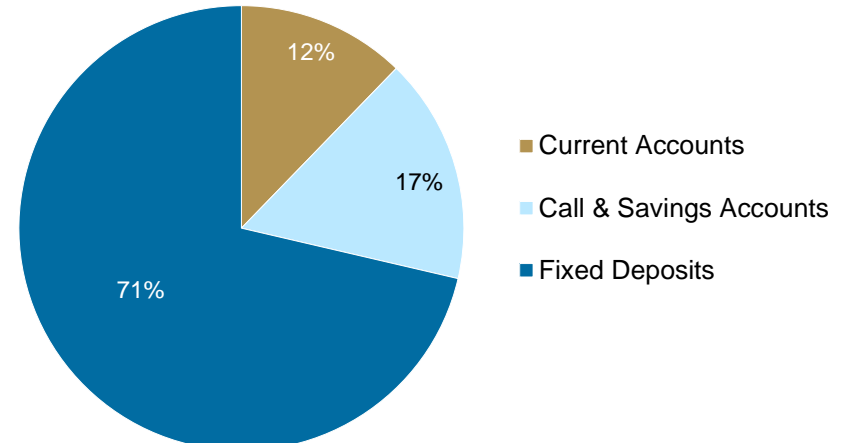
Source: QIB financial statements

# Liability Mix – 30 Sep 2023

## Diverse Sources of Funding

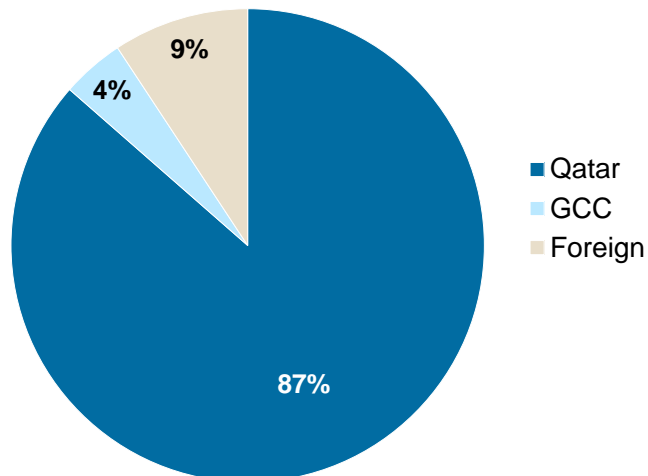


## Deposits by Type



*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

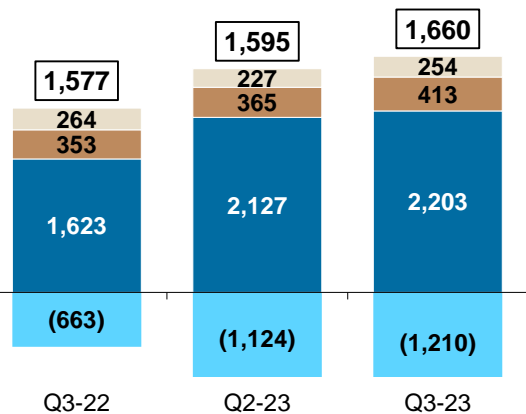
- 5yr USD 50 M @ 5.15%

### Maturities

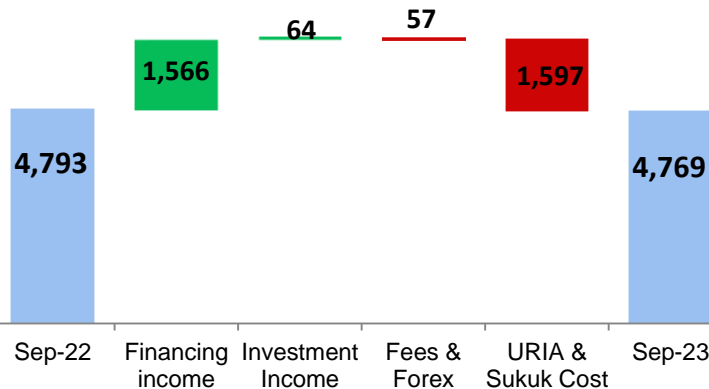
- 5yr USD 49.5 M @ 6.44%
- 5yr USD 30.0 M @ 6.63%
- 5yr USD 120.0 M @ 6.85%

# Operating Income and Cost

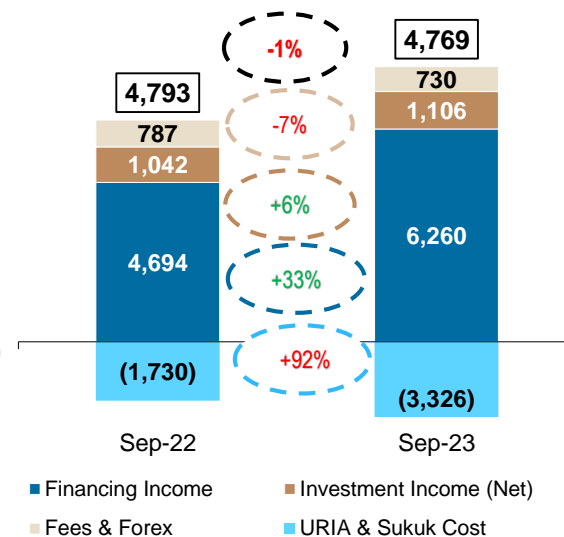
## Quarterly Operating Income



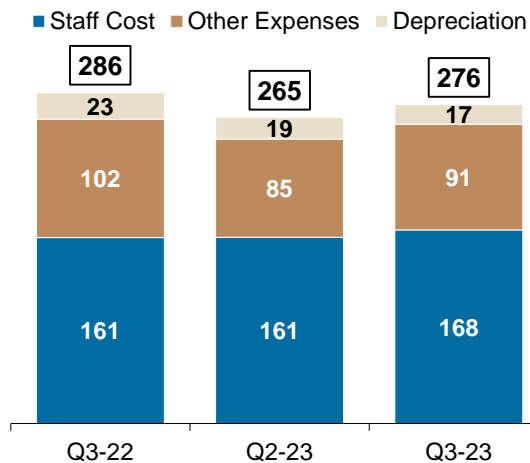
## YTD Operating Income Change Drivers



## YTD Operating Income



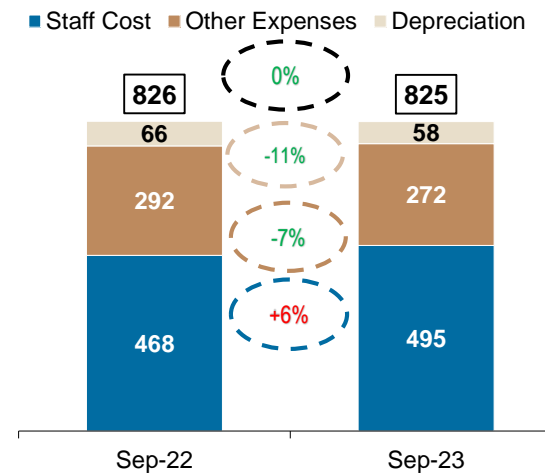
## Quarterly Operating Expenses



## YTD Operating Expenses Change Drivers



## YTD Operating Expenses



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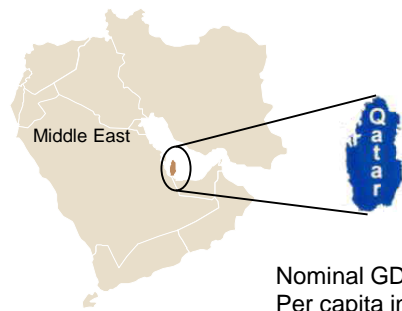
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# State of Qatar – Sustainable and Robust Growth Story...

## Overview of the State of Qatar (“Qatar”)



### Ratings

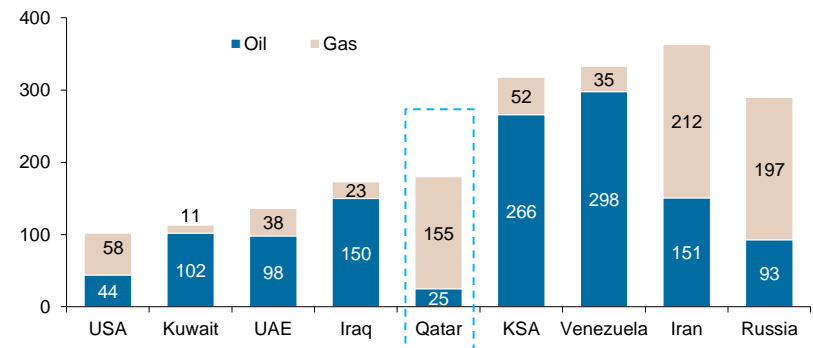
Moody's: Aa3/ Stable  
S&P: AA-/ Stable  
Fitch: AA-/ Stable

Nominal GDP (2022): USD 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)



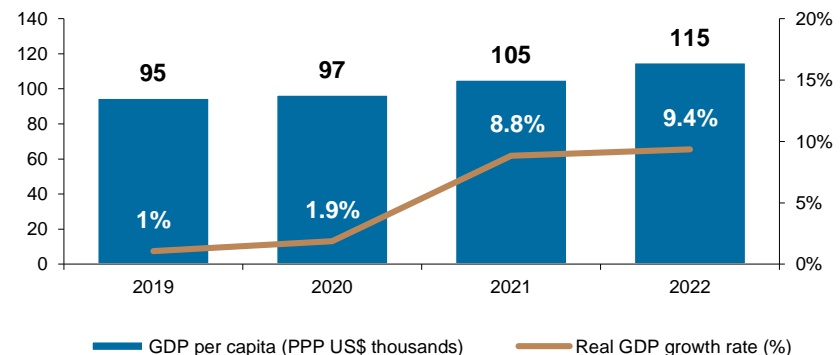
Sources: Bloomberg, BP, IMF, JODI, MDPS, MoF, QCB and QNB Group forecasts as of 30 December 2018

## Qatar's Credit Highlights

- **Third largest gas** reserves in the world<sup>(1)</sup> (~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

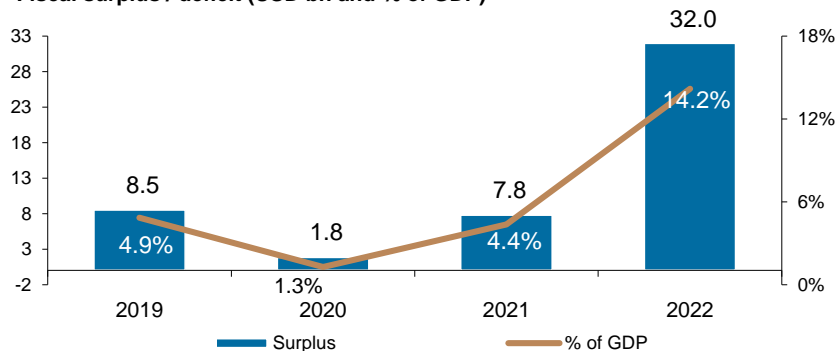
## Stable Wealth Generation



Source: IMF

## Fiscal Position

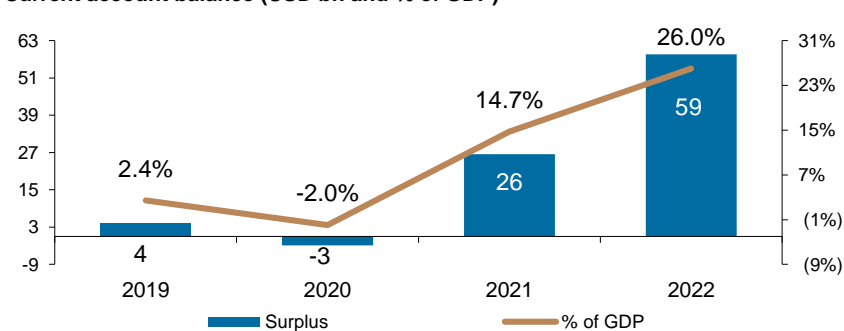
Fiscal surplus / deficit (USD bn and % of GDP)



Source: IMF

## Current Account Balance

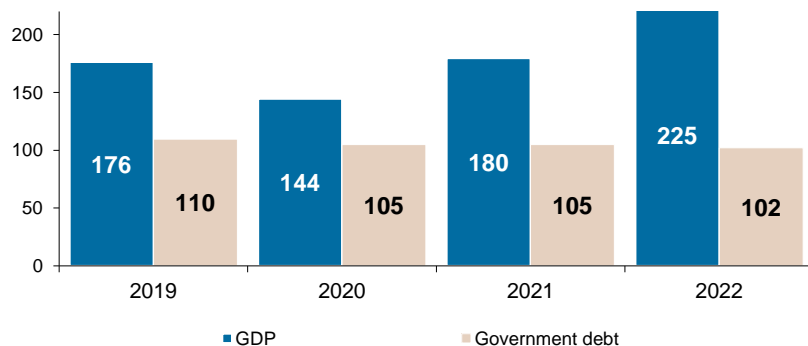
Current account balance (USD bn and % of GDP)



Source: IMF

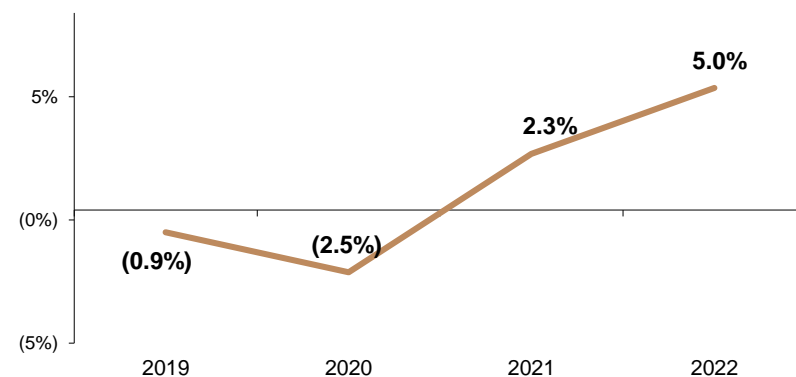
## Low Level of Indebtedness

Nominal GDP vs. Government debt (USD bn)



Source: IMF

## CPI Inflation (y-o-y)



Source: IMF



# Qatari Banking Sector – Robust Operating Environment

## General Overview

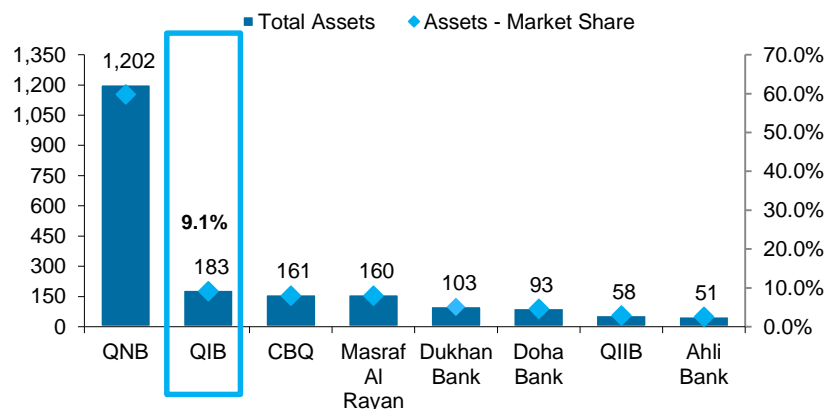
- **Qatar Central Bank prohibits conventional banks from providing Shari'a-compliant financing** – the Qatari banking sector consists of 18 banks:
  - **Four local (exclusively) Islamic banks**
  - Six local conventional commercial banks
  - Seven foreign banks
  - One development bank
- Total assets of QAR 2,011 bn (listed banks regulated by QCB) as at 30 Jun 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

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

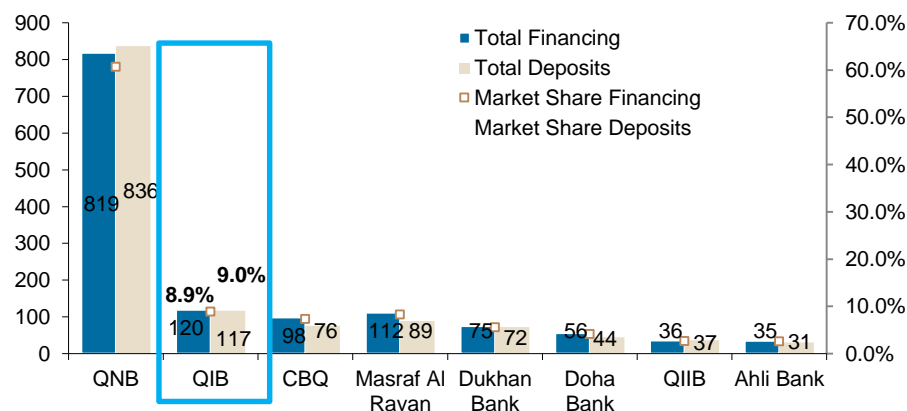
## Total Assets (Jun'23) – Listed Banks

(QAR bn)



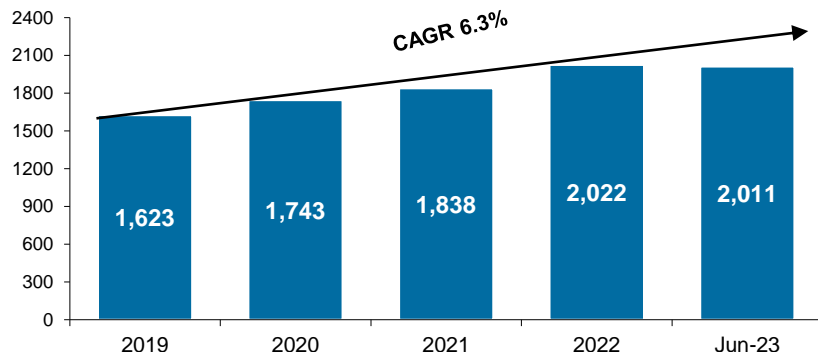
## Total Financing and Deposits (Jun'23) – Listed Banks

(QAR bn)



## Assets <sup>(2)</sup>

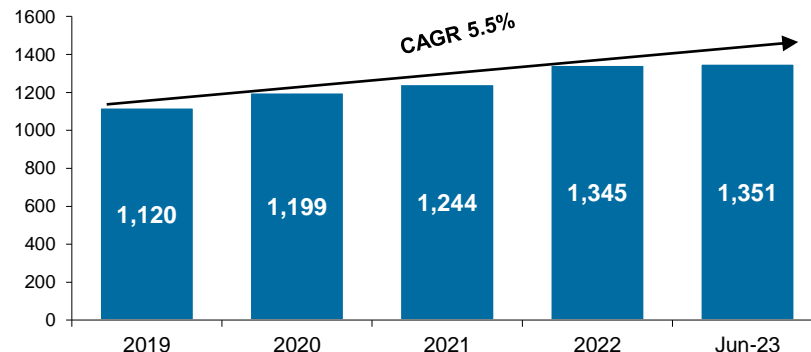
QAR bn



Source : Financial statements of the banks from Qatar Exchange)

## Bank Financings and Advances <sup>(2)</sup>

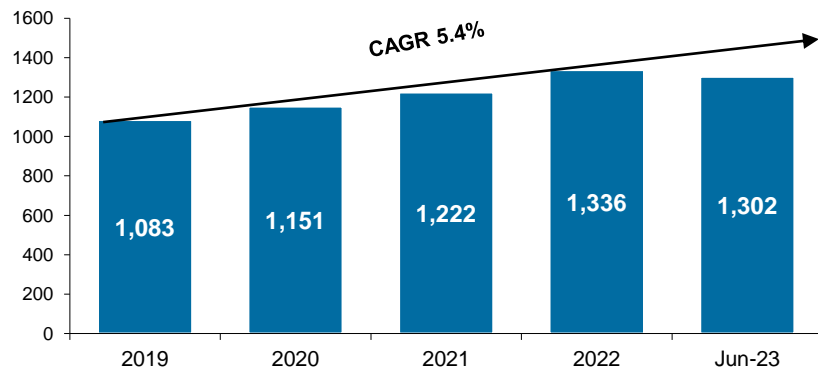
QAR bn



Source : Financial statements of the banks from Qatar Exchange)

## Deposits <sup>(2)</sup>

QAR bn



Source : Financial statements of the banks from Qatar Exchange)

## Prudential Regulatory Framework for Banks

Selected key bank regulations: Source: QCB, IMF

<b>Capital</b>	Minimum capital adequacy ratio requirement under Basel III is 14.63% including ICAAP charge and DSIB capital charge
<b>Liquidity</b>	Reserve requirement of 4.5% of a bank's total deposits to be kept with the QCB
<b>Financing</b>	Maximum financing to deposits (incl. LT debt) ratio of 100% <sup>(1)</sup> and financing to real estate limited 150% of shareholder's equity
<b>Ownership</b>	Permitted foreigner ownership of up to 49% in listed banks
<b>Provisioning</b>	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	Sep-2023	Dec-2022	Dec-2021
Cash and balances with central banks	6,919	7,951	7,177
Due from banks	2,981	3,188	7,461
Financing assets	121,802	119,285	128,409
Investment Securities	47,391	45,774	44,380
Investment in associates	1,111	1,130	1,140
Investment properties	3,328	3,321	2,854
Fixed assets	513	558	570
Intangible assets	218	218	217
Other assets	2,586	2,576	1,708
<b>Total Assets</b>	<b>186,850</b>	<b>184,001</b>	<b>193,916</b>
Due to banks	20,629	17,382	19,856
Customers' current accounts	14,892	19,021	16,907
Sukuk financing	11,883	12,453	14,063
Other Liabilities	3,567	3,868	3,490
<b>Total Liabilities</b>	<b>50,971</b>	<b>52,725</b>	<b>54,316</b>
<b>Equity of unrestricted investment account holders</b>	<b>106,622</b>	<b>103,350</b>	<b>114,188</b>
Share capital	2,363	2,363	2,363
Legal reserve	6,370	6,370	6,370
Risk reserve	2,642	2,642	2,445
General reserve	82	82	82
Fair value reserve	68	197	61
Foreign currency translation reserve	(535)	(429)	(467)
Other reserves	217	217	217
Proposed cash dividends	0	1,477	1,359
Retained earnings	13,391	10,338	8,306
<b>Total equity attributable to shareholders of the bank</b>	<b>24,597</b>	<b>23,257</b>	<b>20,736</b>
Sukuk eligible as additional capital	4,000	4,000	4,000
Non-controlling interests	660	669	676
<b>Total Equity</b>	<b>29,256</b>	<b>27,926</b>	<b>25,412</b>
<b>Total liabilities, URIA and Equity</b>	<b>186,850</b>	<b>184,001</b>	<b>193,916</b>

# Consolidated Statement of Income

QAR million	YTD Sep-23	YTD Sep-22	Dec-2022	Dec-2021
Net income from financing activities	6,260	4,694	6,502	5,999
Net income from investing activities	1,106	1,042	1,452	1,132
<b>Total income from financing and investing activities</b>	<b>7,366</b>	<b>5,736</b>	<b>7,954</b>	<b>7,131</b>
Fee and commission income	883	826	1,096	937
Fee and commission expense	(247)	(204)	(285)	(211)
<b>Net fee and commission income</b>	<b>636</b>	<b>622</b>	<b>810</b>	<b>726</b>
Net foreign exchange gain	49	98	122	200
Share of results of associates	43	61	73	42
Other income	1	6	8	31
<b>Total Income</b>	<b>8,096</b>	<b>6,523</b>	<b>8,968</b>	<b>8,130</b>
Staff costs	(495)	(468)	(637)	(650)
Depreciation and amortization	(58)	(66)	(89)	(90)
Sukuk holders' share of profit	(276)	(319)	(417)	(453)
Other expenses	(272)	(292)	(387)	(345)
<b>Total Expenses</b>	<b>(1,101)</b>	<b>(1,145)</b>	<b>(1,529)</b>	<b>(1,538)</b>
Net impairment losses on investment securities and properties	(1)	-	0.1	(4)
Net impairment losses on financing assets	(867)	(1,114)	(1,194)	(1,326)
Other impairment losses	(11)	37	(41)	(12)
<b>Net profit for the period before tax and URIA</b>	<b>6,116</b>	<b>4,301</b>	<b>6,204</b>	<b>5,250</b>
<b>Net return to unrestricted investment account holders</b>	<b>(3,050)</b>	<b>(1,411)</b>	<b>(2,169)</b>	<b>(1,687)</b>
<b>Net profit before tax</b>	<b>3,065</b>	<b>2,890</b>	<b>4,034</b>	<b>3,563</b>
Tax expense	(12)	(17)	(11)	(10)
<b>Non-controlling interest</b>	<b>2</b>	<b>(23)</b>	<b>(18)</b>	<b>2</b>
<b>Profit Attributable to: Shareholder of the Bank</b>	<b>3,055</b>	<b>2,850</b>	<b>4,005</b>	<b>3,555</b>

# QIB AWARD WINNING ORGANIZATION

## 2023 TOP 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



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 SME Bank



Best Islamic Bank of the Year in The Middle East



Best Retail Bank in Qatar  
Excellence in Mobile Banking  
Excellence in Customer Centricity



Best Retail Bank in Qatar  
Best SME Bank in Qatar



Most Innovative Bank in Qatar  
Best Retail Bank in Qatar  
Best Islamic Bank in Qatar



Most Innovative Bank in the Middle East  
Best Product Launch in the Middle East  
Best Islamic Bank in Qatar