

QIIB



**الحدو لى
الإسلا مى**



Investors' Presentation

- Q1-2022 -



1. QIIB Overview & Strategy

2. Financial Performance

3. Funding Overview

4. Rating Overview



Section 1

QIIB Overview & Strategy



Introduction

- ◆ (QIIB) Established in 1990 by an Amiri Decree, Qatar International Islamic Bank began operations on 1 January 1991.
- ◆ As at 31 March 2022, QIIB has the third largest market capitalization on the Qatar Exchange of all Listed Islamic banks in Qatar with a market capitalization of QAR 16.8 Bn (at QAR 11.08 per share).
- ◆ Large network in Qatar with 15 branches and over 82 ATMs.
- ◆ Continued organic growth in assets, deposits and net operating income over recent years.

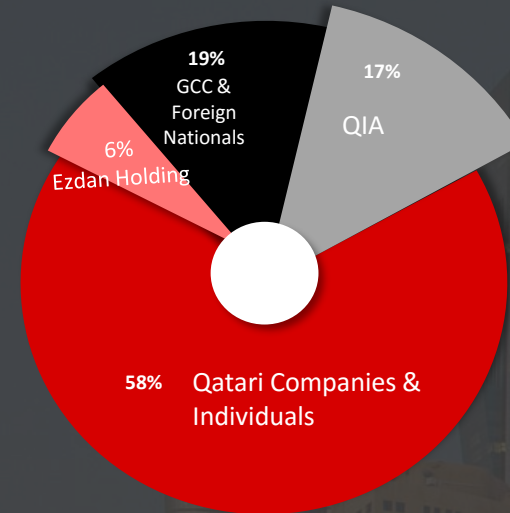
Financial Snapshot

| QAR mn | Dec-18 | Dec-19 | Dec-20 | Dec-21 | Q1-2022 |
|----------------------------------|-------------------------------------|--------|--------|--------|---------|
| Total Assets | 50,260 | 56,831 | 61,314 | 61,792 | 64,797 |
| Total Financing | 27,991 | 37,011 | 40,514 | 37,031 | 37,837 |
| Non – Performing Financing Ratio | 2.0% | 1.9% | 1.6% | 2.6% | 2.6% |
| Customer Deposits | 31,130 | 31,229 | 36,352 | 38,646 | 39,777 |
| Net Profit | 882.1 | 927.0 | 937.7 | 1003.3 | 294.9 |
| Earning Per Share | 0.55 | 0.58 | 0.55 | 0.59 | 0.19 |
| Capital Adequacy (BIII) | 16.4% | 18.5% | 16.6% | 16.7% | 17.3% |
| Market Capitalization | QAR 16.8 Bn (as at 31th March 2022) | | | | |

Ratings

Fitch A-: (Stable) Moody's A2: (Stable)

Shareholder Structure



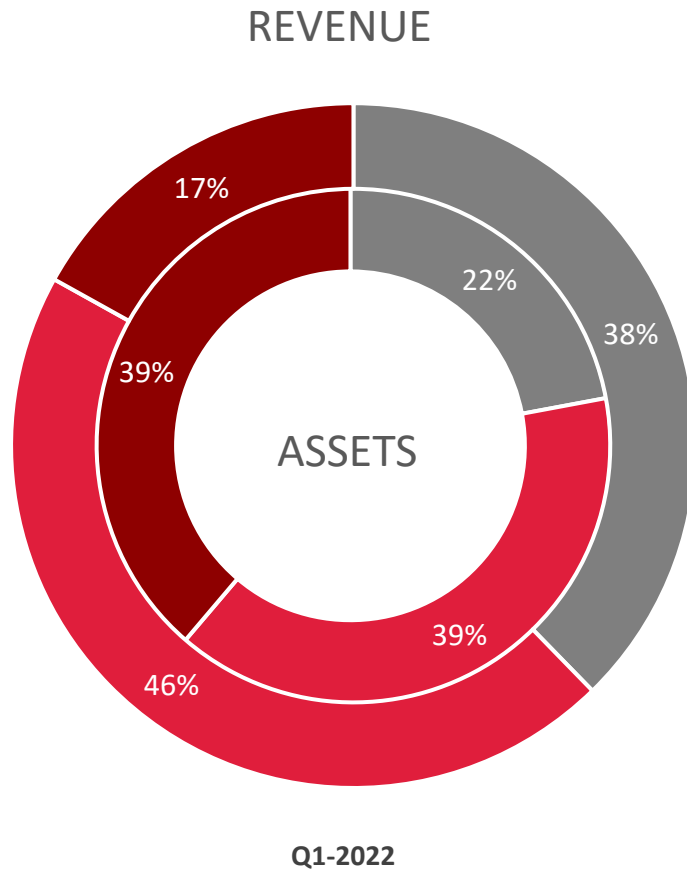
- The Qatar Investment Authority (QIA) is the largest shareholder (17%) of QIIB through its subsidiary, Qatar Holdings Company.
- Ezdan Holding own 6% of the bank's shares
- Qatari Companies & Individuals own 58% of the bank's shares

QIIB Business Segments





Business Segments Overview



Treasury & Investments

- Equity participation, private equity, investment funds
- Sukuk investment book
- International finance and syndications
- Islamic Treasury products and services



Personal Banking Financing

- Large personal banking franchise with 15 branches and 82 ATMs across Qatar
- Strong brand
- Client segmentation to provide client-focused services
- Maintain growth in distribution network
- Focus on sales and service quality



Corporate Financing

- Major sectors served include Government, oil & gas, commercial and contracting
- Key partner of the public sector and continue to attract and maintain strong deposit base
- Key products include: Murabahah, Ijarah, Mudarabah, Istisna, foreign trade finance and commercial finance
- Developing Small-to-Medium Enterprise (SME) sector in partnership with Government



Section 2

Financial Performance



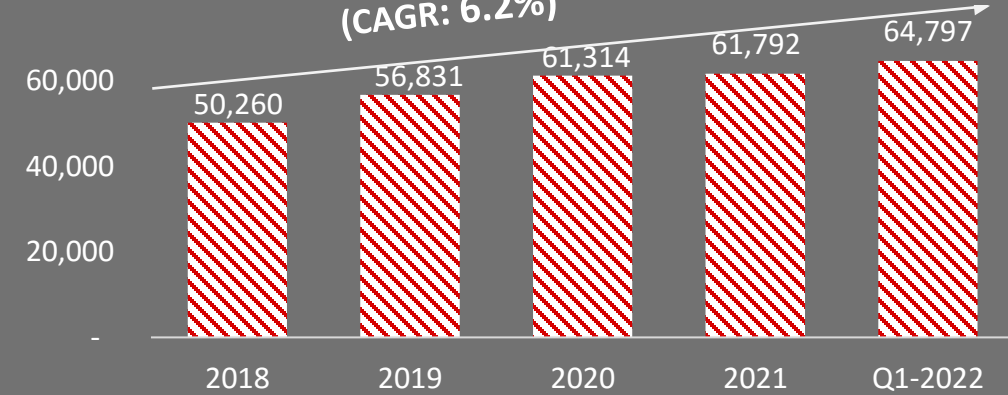
Highlights

- ◆ QIIB's balance sheet sustained growth CAGR of 6.2% between FY 2018 – Q1-2022, notwithstanding slower economic environment.
- ◆ The growth has been driven by a strong increase in QIIB's Islamic Financing Facilities (IFFs) and Advances, and Financial investments.
- ◆ QIIB has a reasonably diversified financing book totaling QAR 37.8 Bn as of 31 March 2022, representing 58.4% of the bank's total assets.



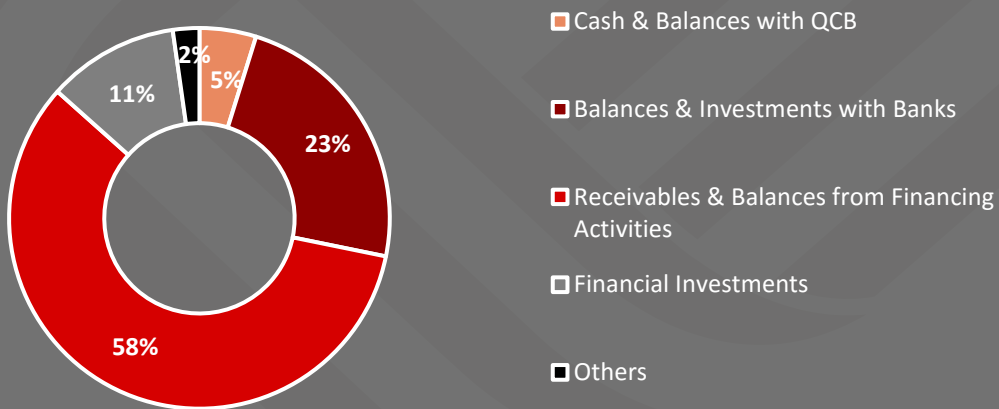
QIIB'S strong asset growth (QAR mn)

(CAGR: 6.2%)



Asset composition by type

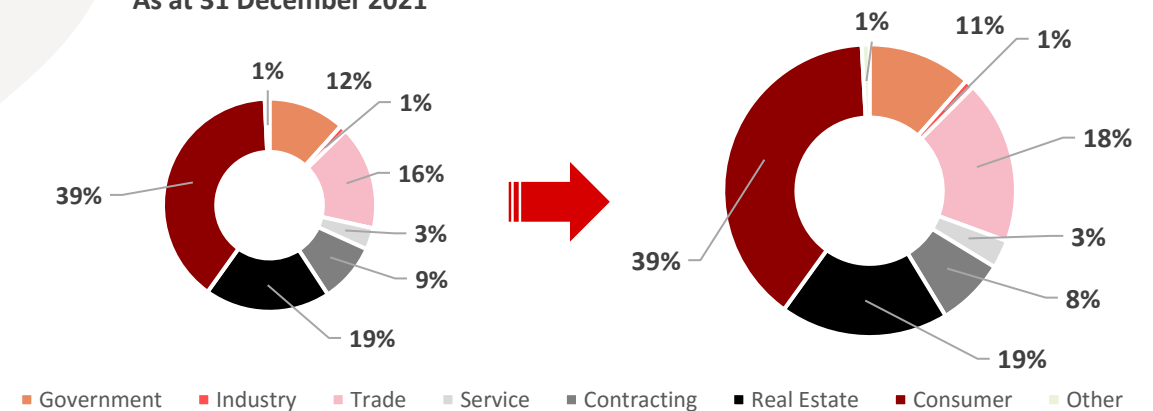
As at Q1-2022



QIIB financing book split

As at 31 December 2021

As at 31 March 2022





Asset quality highlights

- ◆ Non-performing financing ratio remains at 2.6% as at 31 March 2022, compared to December 2021.
- ◆ Bank's non-performing ratio remains within the industry average.
- ◆ Strong asset quality reflects QIIB's prudent risk appetite, and therefore, prudent risk oversight of assets before bringing them on to its financing book.
- ◆ In addition, QIIB's strong asset quality is further reinforced by the availability of collateral that the bank receives on its financings.



Asset quality ratios

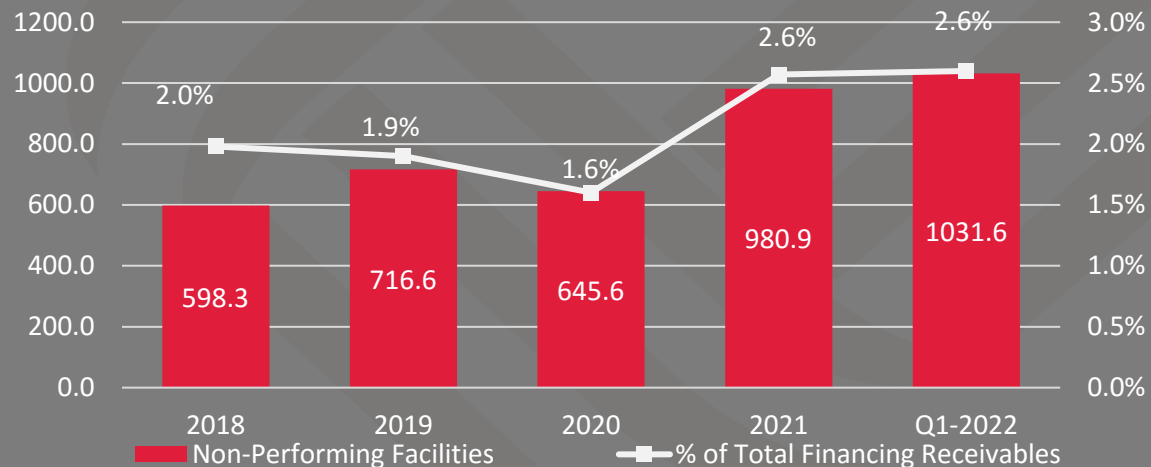
| | 2018 | 2019 | 2020 | 2021 | Q1-2022 |
|---|-------|-------|--------|--------|---------|
| Non-performing financing ratio⁽¹⁾ | 2.0% | 1.9% | 1.6% | 2.6% | 2.6% |
| Non-performing coverage ratio⁽²⁾ | 96.6% | 99.0% | 134.4% | 128.8% | 125.4% |

(1) Non performing facilities as at period end divided by gross financing and receivables as at period end

(2) Specific provision & suspended interest, as at period end divided by non performing facilities as at period end



Non-performing receivables (QAR mn)



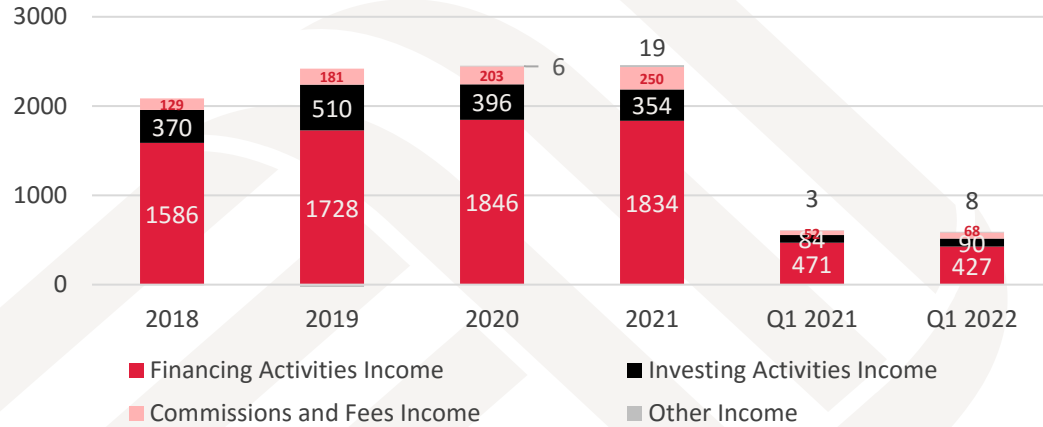
ECL of the Bank (QR 000s)

| | ECL of the Bank QR000s | Financing assets | | Off balance sheet exposures subject to ECL | |
|---------|---------------------------|------------------|------------|---|------------|
| | | 31-Mar-22 | 31-Dec-21 | 31-Mar-22 | 31-Dec-21 |
| Stage 1 | Exposure | 34,612,902 | 33,951,584 | 14,080,494 | 13,908,164 |
| | ECL | 197,393 | 213,797 | 89,477 | 84,101 |
| | Coverage | 0.6% | 0.6% | 0.6% | 0.6% |
| Stage 2 | Exposure | 3,485,304 | 3,362,018 | 424,833 | 441,114 |
| | ECL | 268,679 | 256,780 | 6,291 | 3,272 |
| | Coverage | 7.7% | 7.6% | 1.5% | 0.7% |
| Stage 3 | Exposure | 1,031,559 | 980,939 | 6,632 | 6,634 |
| | ECL | 770,882 | 737,424 | - | - |
| | Coverage | 74.7% | 75.2% | 0.0% | 0.0% |
| Total | Exposure | 39,129,765 | 38,294,541 | 14,511,959 | 14,355,912 |
| | ECL | 1,236,954 | 1,208,001 | 95,768 | 87,373 |
| | Coverage | 3.2% | 3.2% | 0.7% | 0.6% |

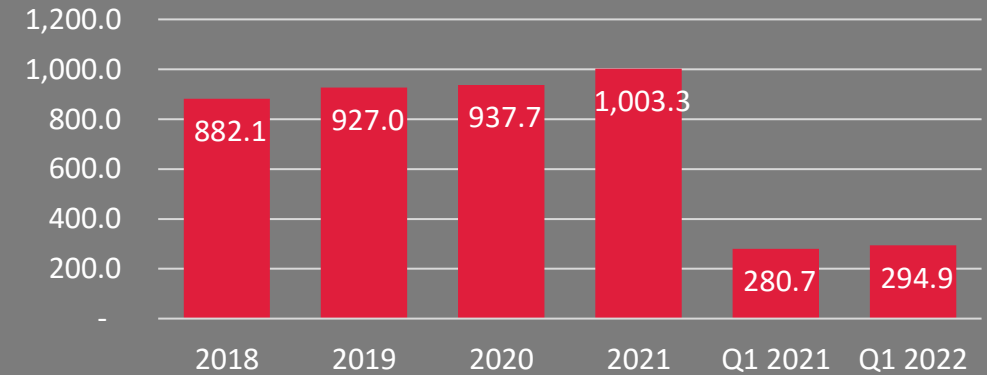
Continued Profitability & Operating Efficiency



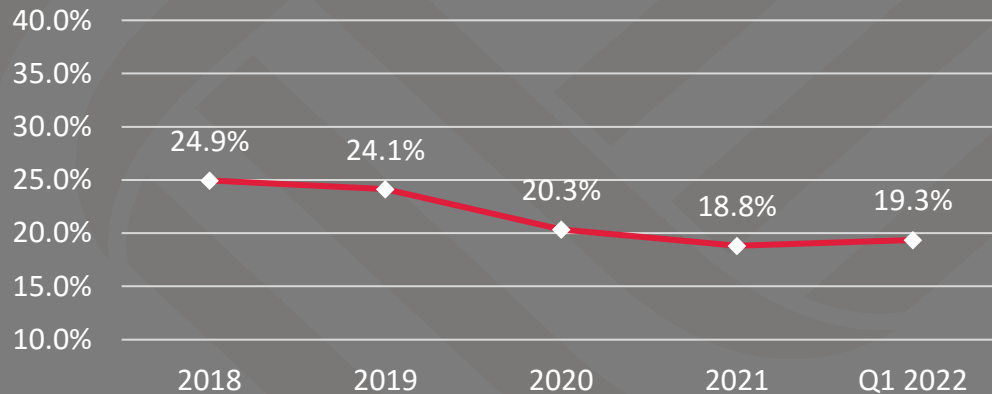
Operating income breakdown (QAR mn)



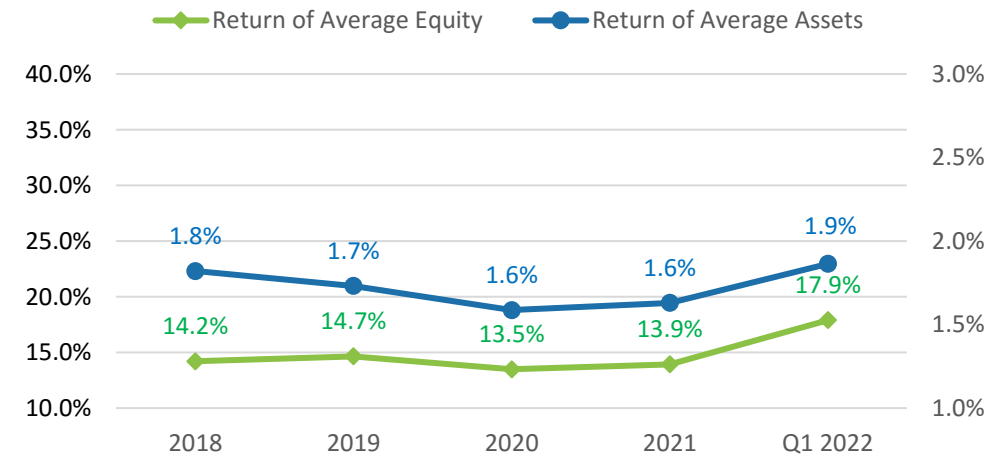
Sustained profitability (QAR mn)



Sustained efficiency ratio (Cost to Income Ratio %)



Return on average equity and assets (%)



Balance Sheet Highlights



| QAR '000 | 2018 | 2019 | 2020 | 2021 | Q1-2022 |
|----------------------------|------------|------------|------------|-------------------|-------------------|
| <i>Total Assets</i> | 50,259,955 | 56,831,439 | 61,313,668 | 61,791,995 | 64,797,162 |
| <i>Financing Portfolio</i> | 27,991,116 | 37,010,528 | 40,513,906 | 37,030,881 | 37,836,640 |
| <i>Investing Portfolio</i> | 17,767,789 | 15,806,455 | 16,360,244 | 20,646,483 | 22,388,111 |
| <i>Other Investments</i> | 1,269,784 | 1,190,489 | 1,069,257 | 961,424 | 939,784 |
| <i>Customer Deposits</i> | 31,129,927 | 31,228,545 | 36,352,329 | 38,645,869 | 39,777,083 |
| <i>Equity</i> | 6,830,087 | 8,160,159 | 8,323,636 | 8,702,810 | 8,322,476 |
| <i>Cash Dividends</i> | 40.00% | 42.50% | 32.50% | 37.50% | N.A |
| Year on Year Growth | | | | | |
| <i>Total Assets</i> | 7.8% | 13.1% | 7.9% | 0.8% | 4.9% |
| <i>Financing Portfolio</i> | -13.9% | 32.2% | 9.5% | -8.6% | 2.2% |
| <i>Investing Portfolio</i> | 87.9% | -11.0% | 3.5% | 26.2% | 8.4% |
| <i>Other Investments</i> | 60.4% | -6.2% | -10.2% | -10.1% | -2.3% |
| <i>Customer Deposits</i> | -4.2% | 0.3% | 16.4% | 6.3% | 2.9% |
| <i>Equity</i> | 0.2% | 19.5% | 2.0% | 4.6% | -4.4% |



Commentary

- ◆ Sustained asset growth CAGR of 6.2% from FY 2018 to Q1-2022 respectively.
- ◆ Strong balance sheet backed by quality credits; adequate provisioning
- ◆ Sustained deposit growth through customer loyalty
- ◆ Government commitment to continue development for World Cup 2022 and Qatar National Vision 2030

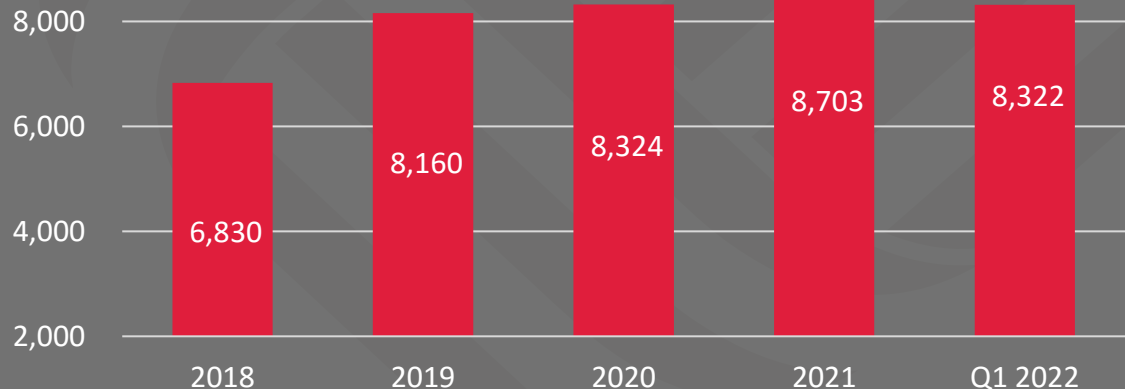
Robust Capitalization



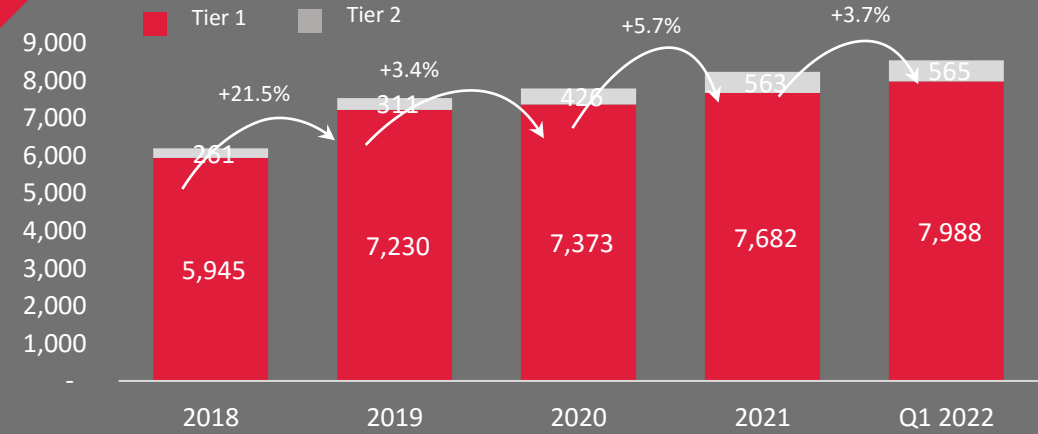
Highlights

- Basel II, Pillar 2 (ICAAP) requirements were effective from 1 January 2014 with all ICAAP and BIII requirements subject to regular (external) audit. Guidelines were refined and updated in March 2016. To date, no audit qualification has been raised on QIIB's submissions.
- QCB's Basel III CAR is 10% plus a 2.5% capital buffer and minimum 1% ICAAP starting from year 2016, with additional DSIB capital between 0.5% to 3.5%. For QIIB, no additional capital is required under the DSIB model. As at 31 March 2022, total CAR stood at 17.3%, including the additional Tier 1 issuance (QAR 1 billion & USD 300 million) concluded in August 2016 & November 2019.

Equity (QAR mn)



Capital Structure (QAR mn)



*Percentage change is calculated on total equity.


Capital adequacy ratios (%)


| Capital Adequacy Basel III | Q1 2022 | 2021 | Minimum limit as per QCB |
|---|---------|--------|--------------------------|
| CET 1 ratio without capital conservation buffer | 11.92% | 11.35% | 6.00% |
| CET 1 ratio including capital conservation buffer | 11.92% | 11.35% | 8.50% |
| Tier 1 capital ratio including capital conservation buffer | 16.15% | 15.60% | 10.50% |
| Tier 1 and 2 capital ratio including capital conservation buffer | 17.30% | 16.74% | 12.50% |
| Total capital including conservation buffer, domestic systemic important bank buffer and ICAAP Pillar II capital charge | 17.30% | 16.74% | 13.50% |


Summary of Q1- 2022 Performance





 Sustained balance sheet growth

 Stable asset quality

 Stable deposit base

 Improving total income

 Healthy capitalization ratios

 Strong liquidity levels

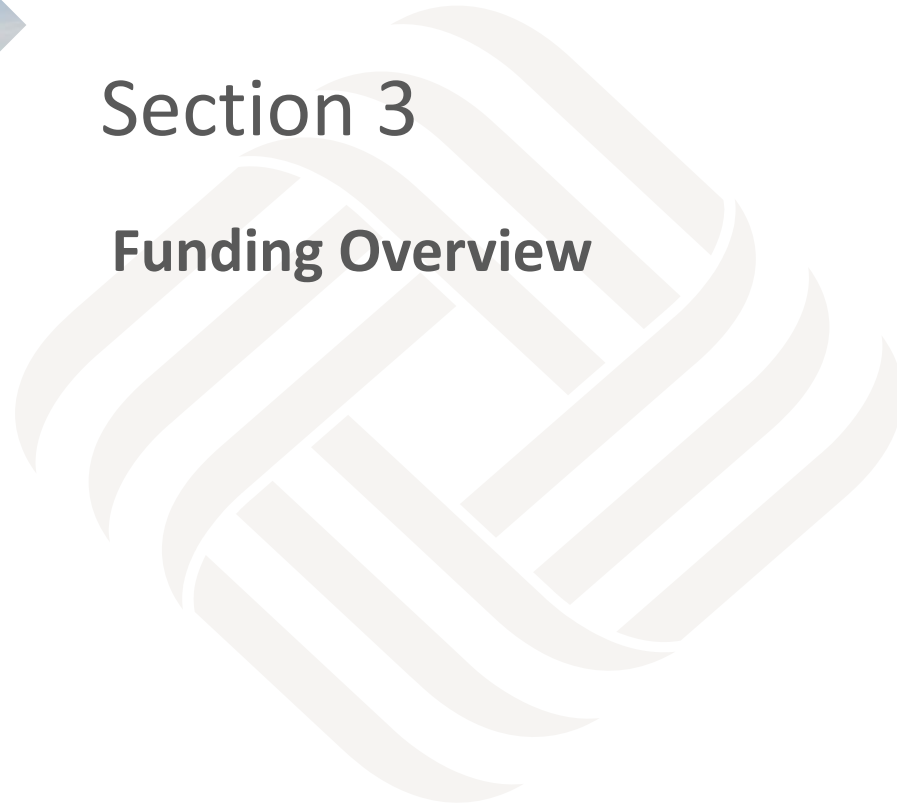
| | 31-Dec-21 | 31-Mar-22 | % Change |
|--|-----------|-----------|----------|
| <i>Total Assets (QAR mn)</i> | 61,792 | 64,797 | ↑ 4.9% |
| <i>Net Islamic Financing Facilities (QAR mn)</i> | 37,031 | 37,837 | ↑ 2.2% |
| <i>Liquid Assets (QAR mn)</i> | 23,316 | 25,506 | ↑ 9.4% |
| <i>Customers' Deposits (QAR mn) ¹</i> | 38,646 | 39,777 | ↑ 2.9% |
| | 31-Mar-21 | 31-Mar-22 | % Change |
| <i>Total Income</i> | 610.5 | 593.4 | ↓ -2.8% |
| <i>Net Profit</i> | 280.7 | 294.9 | ↑ 5.0% |

(1) Includes Customers' Current Accounts and Equity of Investment Account Holders



Section 3

Funding Overview



Funding Overview



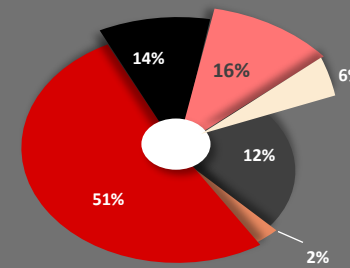
Highlights

- ◆ QIIB's funding is predominantly driven by customer deposits and equity of investment account holders (EIAH) and is backed by the bank's own capital.
- ◆ QIIB has leveraged its expanding branch network and corporate relationships to steadily grow its deposits base – to be supported further with Corporate e-Banking services.
- ◆ QIIB is increasingly becoming a preferred banking partner for individuals as well as corporations and financial institutions looking for Sharia-compliant solutions.
- ◆ In the process of establishing an investor relations function to broaden investor base, develop investor relationships.

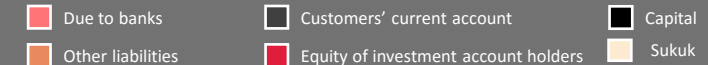
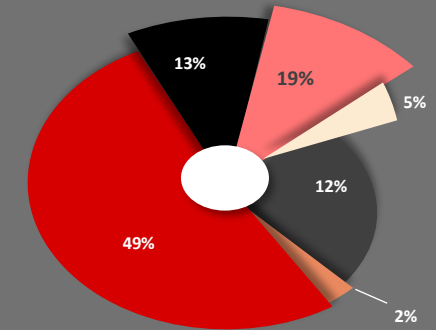


QIIB's Funding Split

As at 31 December 2021

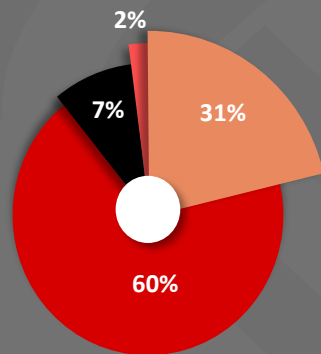


As at 31 March 2022

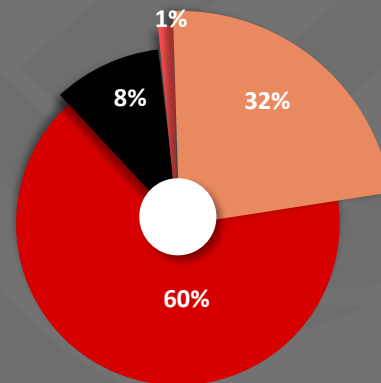


EIAH breakdown by Sector

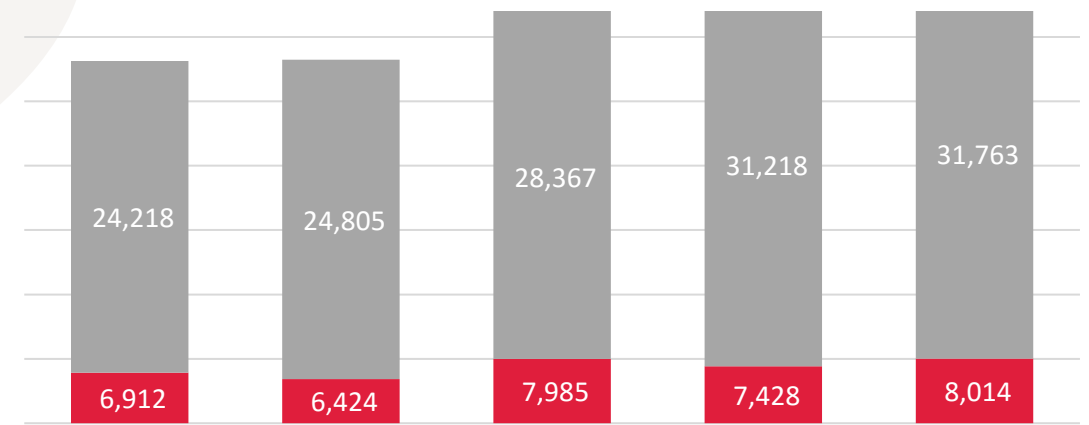
As at 31 December 2021



As at 31 March 2022

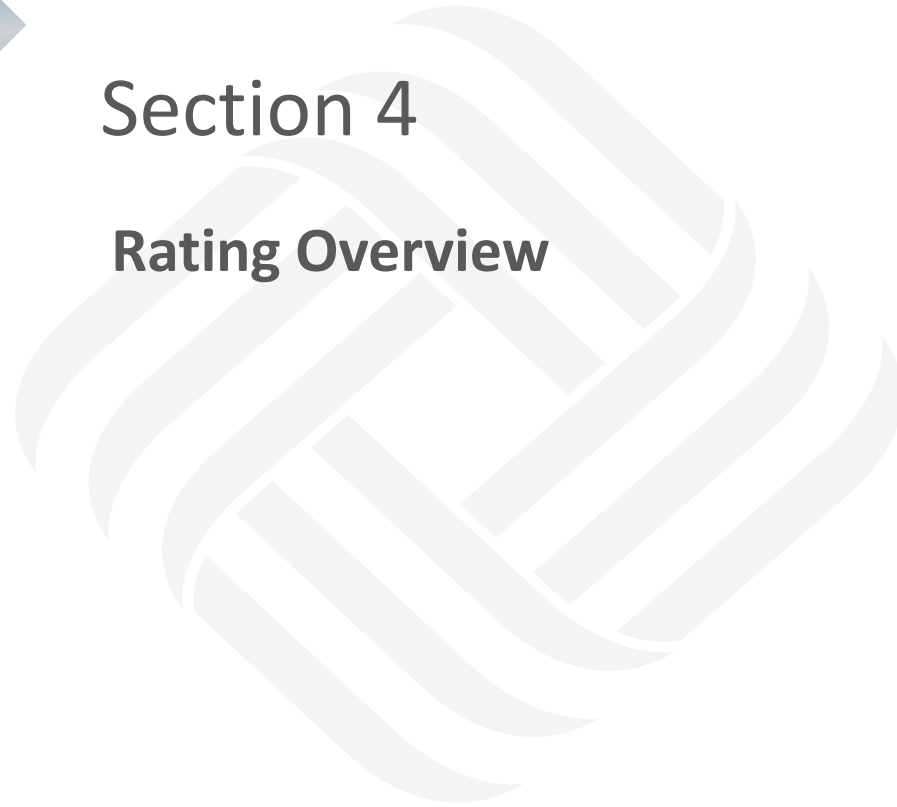


Growth in total customer deposits (QAR mn)





Section 4
Rating Overview





Fitch Ratings

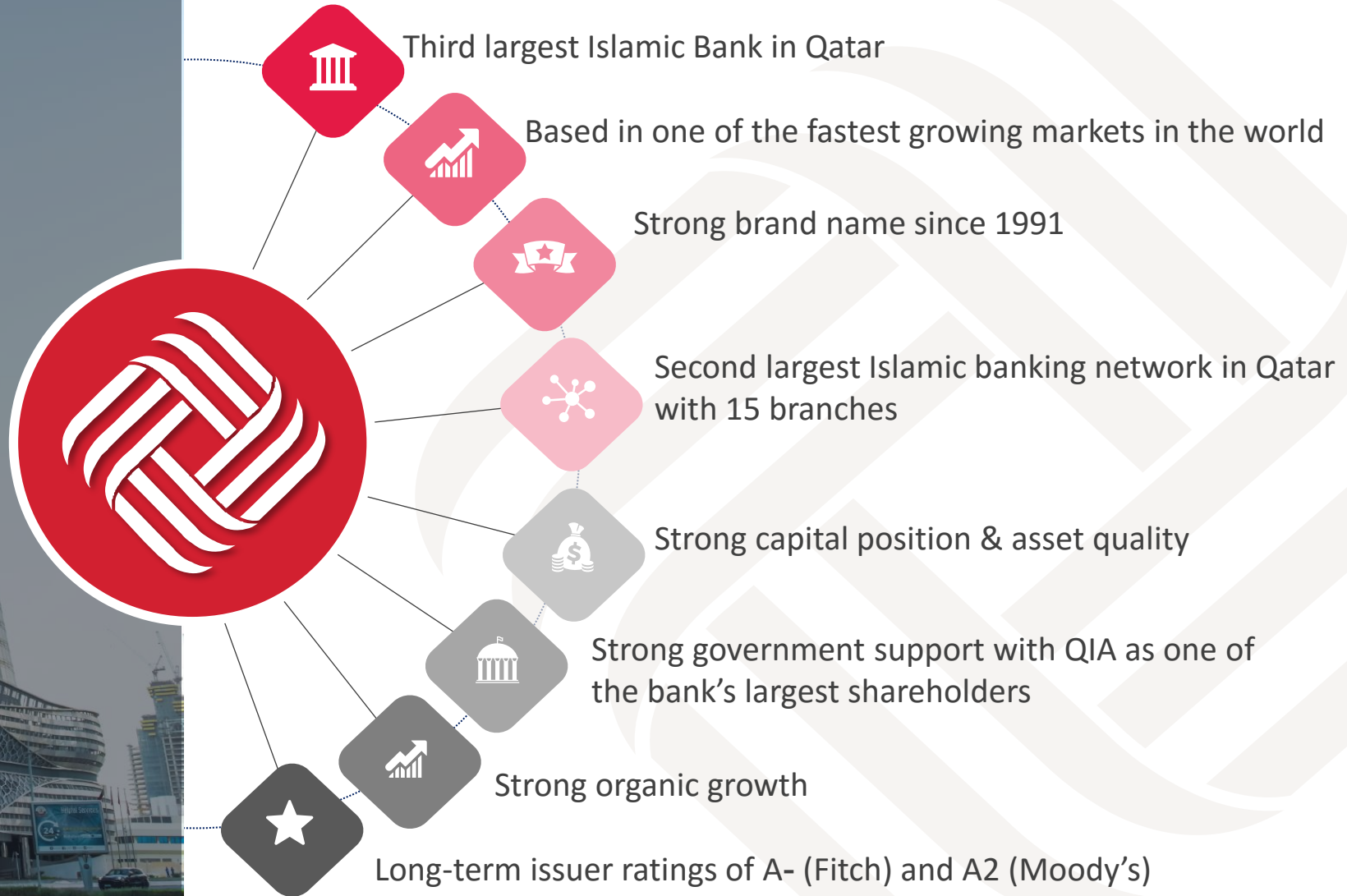
| <i>Longer-term IDR</i> | <i>Short-term IDR</i> | <i>Viability Rating</i> | <i>Outlook</i> | <i>Date</i> |
|------------------------|-----------------------|-------------------------|----------------|-------------|
| A- | F2 | bb+ | Stable | April 2022 |

Moody's

| <i>Issuer Rating</i> | <i>ST Issuer Rating</i> | <i>Baseline credit assessment</i> | <i>Outlook</i> | <i>Date</i> |
|----------------------|-------------------------|-----------------------------------|----------------|--------------|
| A2 | P-1 | baa3 | Stable | January 2022 |

Capital Intelligence

| <i>Long Term Rating</i> | <i>Short Term Rating</i> | <i>Standalone Rating (BSR)</i> | <i>Outlook</i> | <i>Date</i> |
|-------------------------|--------------------------|--------------------------------|----------------|-------------|
| A | A1 | bbb+ | Stable | March 2022 |





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