

QIIB



**الحدوولي
الإسلامي**



Investors' Presentation

- HY-2022 -



- 1. QIIB Overview & Strategy**
- 2. Financial Performance**
- 3. Funding Overview**
- 4. Rating Overview**



Section 1

QIIB Overview & Strategy



Introduction

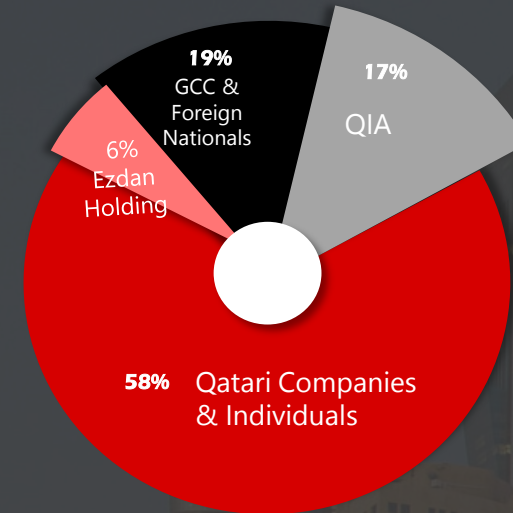
- ◆ (QIIB) Established in 1990 by an Amiri Decree, Qatar International Islamic Bank began operations on 1 January 1991.
- ◆ As at 30 June 2022, QIIB has the third largest market capitalization on the Qatar Exchange of all Listed Islamic banks in Qatar with a market capitalization of QAR 16.1 Bn (at QAR 10.66 per share).
- ◆ Large network in Qatar with 16 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	HY-2022
Total Assets	50,260	56,831	61,314	61,792	63,181
Total Financing	27,991	37,011	40,514	37,031	35,455
Non – Performing Financing Ratio	2.0%	1.9%	1.6%	2.6%	2.7%
Customer Deposits	31,130	31,229	36,352	38,646	39,259
Net Profit	882.1	927.0	937.7	1003.3	571.1
Earning Per Share	0.55	0.58	0.55	0.59	0.38
Capital Adequacy (BIII)	16.4%	18.5%	16.6%	16.7%	16.2%
Market Capitalization	QAR 16.1 Bn (as at 30th June 2022)				

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

Shareholder Structure



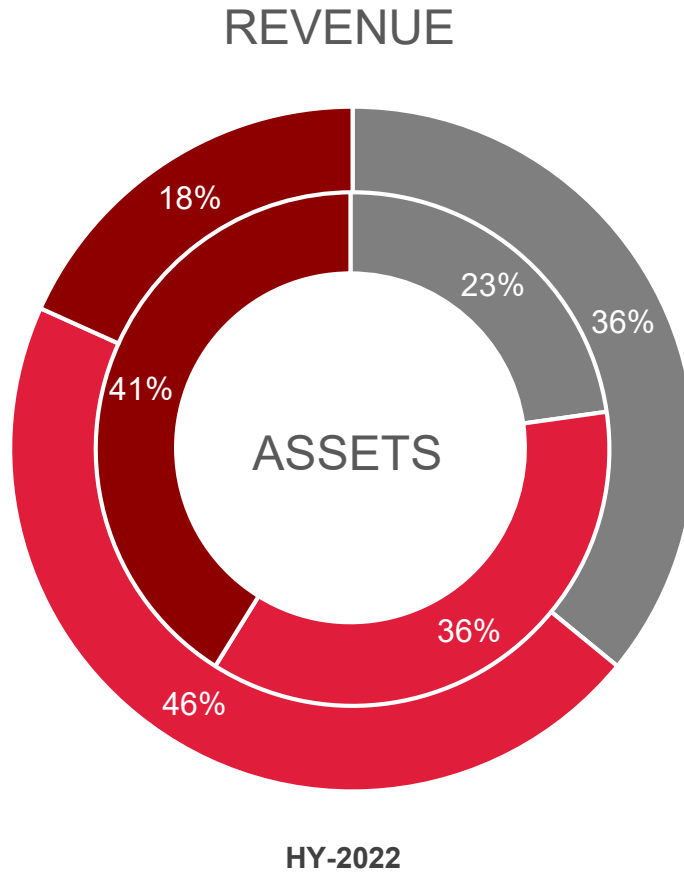
- The Qatar Investment Authority (QIA) is the largest shareholder (17%) of QIIB through its subsidiary, Qatar Holdings Company.
- Ezdan Holding own 6% of the bank's shares
- Qatari Companies & Individuals own 58% of the bank's shares

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 16 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

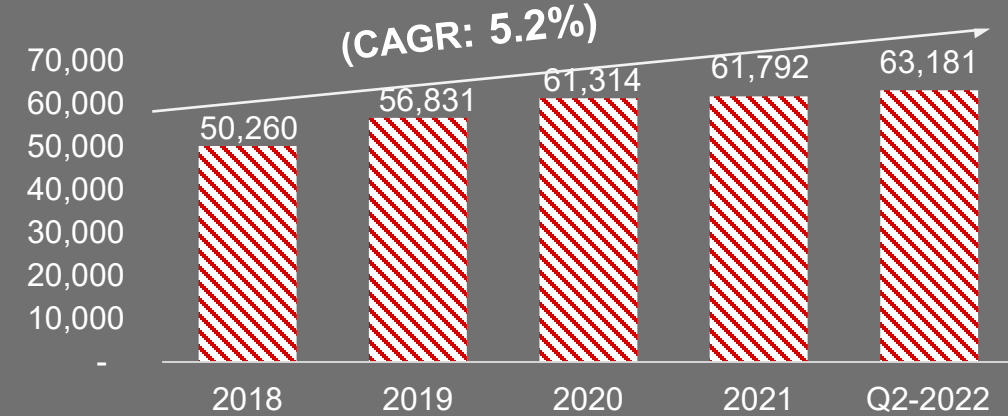


Highlights

- ◆ QIIB's balance sheet sustained growth CAGR of 5.2% between FY 2018 –HY-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 35.4 Bn as of 30 June 2022, representing 56.1% of the bank's total assets.

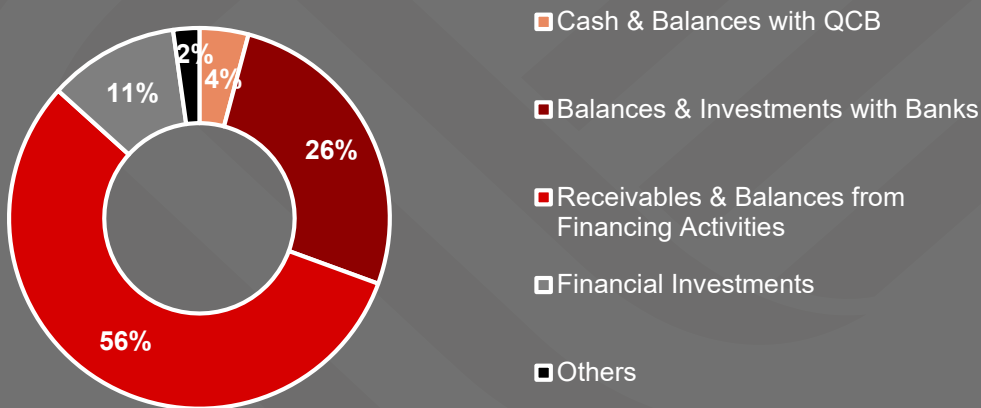


QIIB'S strong asset growth (QAR mn)



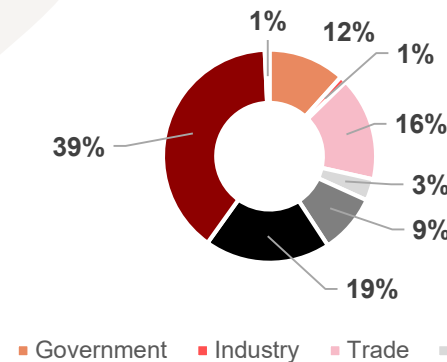
Asset composition by type

As at HY-2022

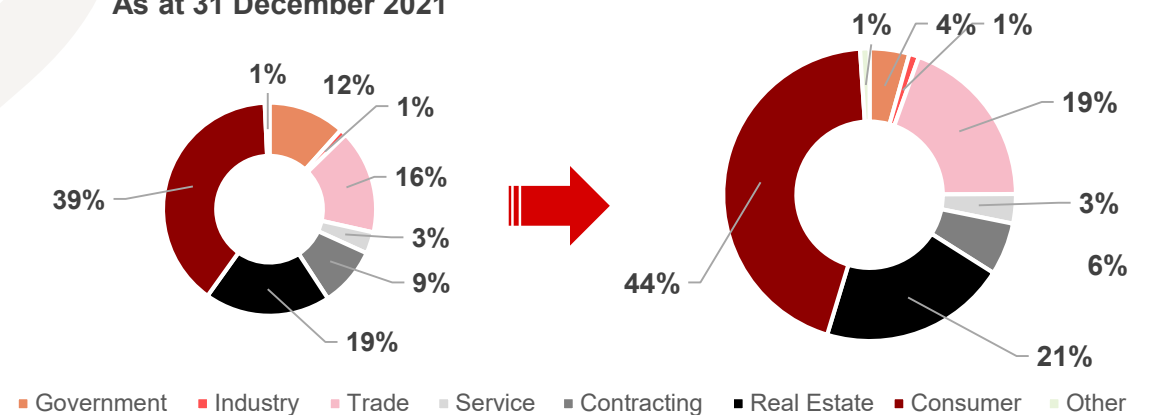


QIIB financing book split

As at 31 December 2021



As at 30 June 2022





Asset quality highlights

- ◆ Non-performing financing ratio remains at 2.7% as at 30 June 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.



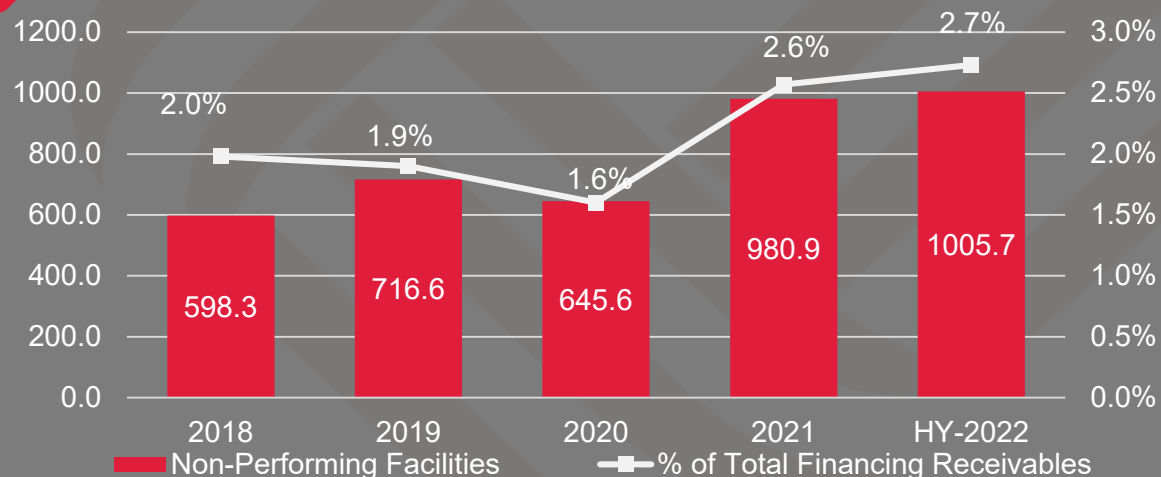
Asset quality ratios

	2018	2019	2020	2021	HY-2022
<i>Non-performing financing</i>	2.0%	1.9%	1.6%	2.6%	2.7%
<i>Non-performing coverage</i>	96.6%	99.0%	134.4%	128.8%	139.4%

- (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)



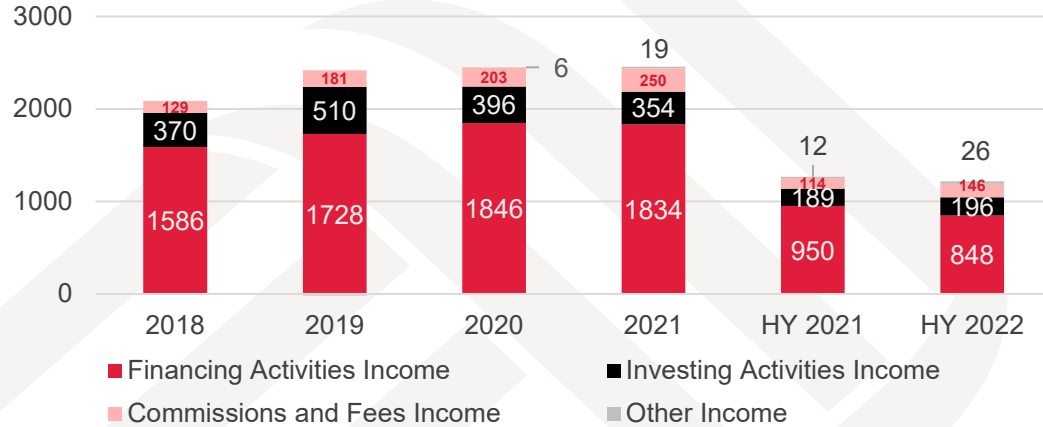
ECL of the Bank (QR 000s)

ECL of the Bank QR000s		Financing assets		Off balance sheet exposures subject to	
		30-Jun-22	31-Dec-21	30-Jun-22	31-Dec-21
Stage 1	Exposure	32,700,658	33,951,584	17,652,318	13,908,164
	ECL	216,612	213,797	75,735	84,101
	Coverage	0.7%	0.6%	0.4%	0.6%
Stage 2	Exposure	3,150,366	3,362,018	446,678	441,114
	ECL	281,944	256,780	4,994	3,272
	Coverage	8.9%	7.6%	1.1%	0.7%
Stage 3	Exposure	1,005,656	980,939	6,732	6,634
	ECL	829,715	737,424	-	-
	Coverage	82.5%	75.2%	0.0%	0.0%
Total	Exposure	36,856,680	38,294,541	18,105,728	14,355,912
	ECL	1,328,271	1,208,001	80,729	87,373
	Coverage	3.6%	3.2%	0.4%	0.6%

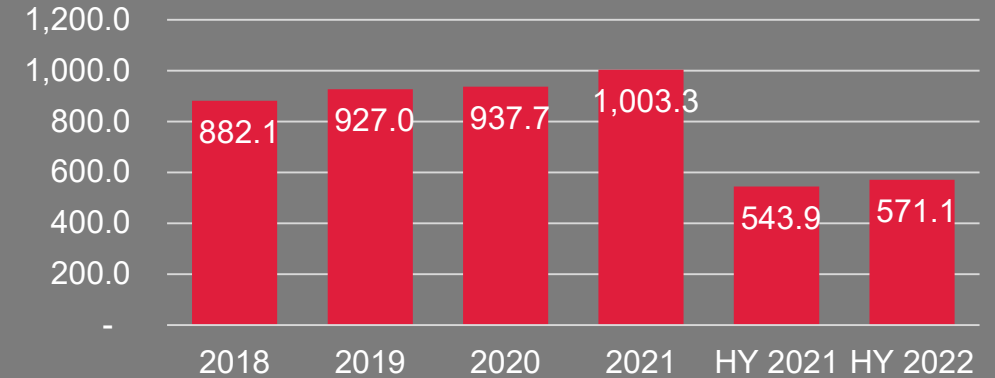
Continued Profitability & Operating Efficiency



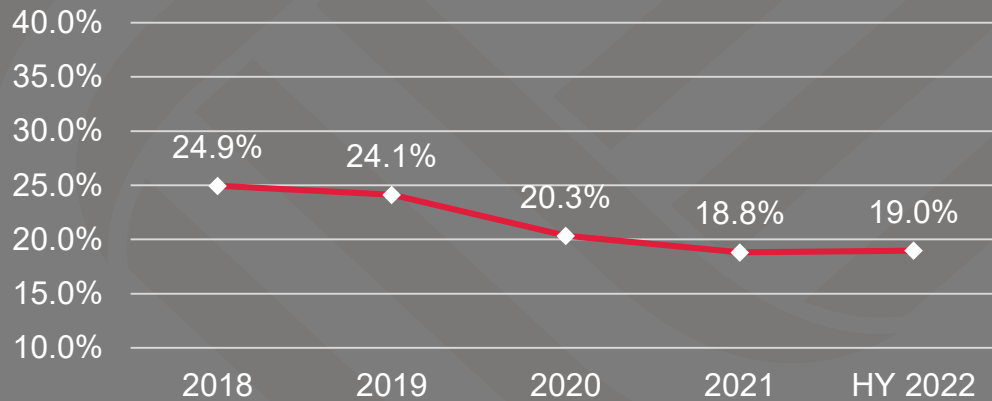
Operating income breakdown (QAR mn)



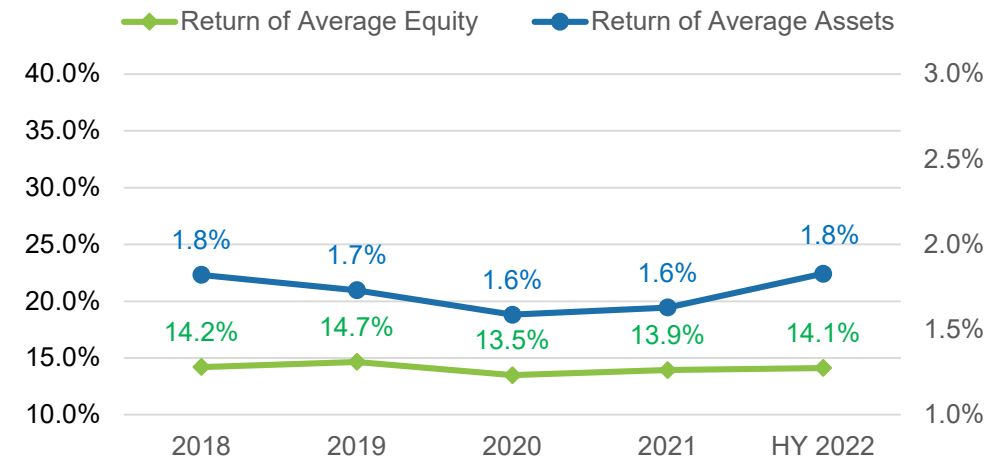
Sustained profitability (QAR mn)



Sustained efficiency ratio (Cost to Income Ratio %)



Return on average equity and assets (%)



Balance Sheet Highlights



QAR '000	2018	2019	2020	2021	HY-2022
<i>Total Assets</i>	50,259,955	56,831,439	61,313,668	61,791,995	63,180,850
<i>Financing Portfolio</i>	27,991,116	37,010,528	40,513,906	37,030,881	35,454,926
<i>Investing Portfolio</i>	17,767,789	15,806,455	16,360,244	20,646,483	23,697,740
<i>Other Investments</i>	1,269,784	1,190,489	1,069,257	961,424	929,046
<i>Customer Deposits</i>	31,129,927	31,228,545	36,352,329	38,645,869	39,259,008
<i>Equity</i>	6,830,087	8,160,159	8,323,636	8,702,810	8,598,229
<i>Cash Dividends</i>	40.00%	42.50%	32.50%	37.50%	N.A
<i>Year on Year Growth</i>					
<i>Total Assets</i>	7.8%	13.1%	7.9%	0.8%	2.2%
<i>Financing Portfolio</i>	-13.9%	32.2%	9.5%	-8.6%	-4.3%
<i>Investing Portfolio</i>	87.9%	-11.0%	3.5%	26.2%	14.8%
<i>Other Investments</i>	60.4%	-6.2%	-10.2%	-10.1%	-3.4%
<i>Customer Deposits</i>	-4.2%	0.3%	16.4%	6.3%	1.6%
<i>Equity</i>	0.2%	19.5%	2.0%	4.6%	-1.2%



Commentary

- ◆ Sustained asset growth CAGR of 5.2% from FY 2018 to HY-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

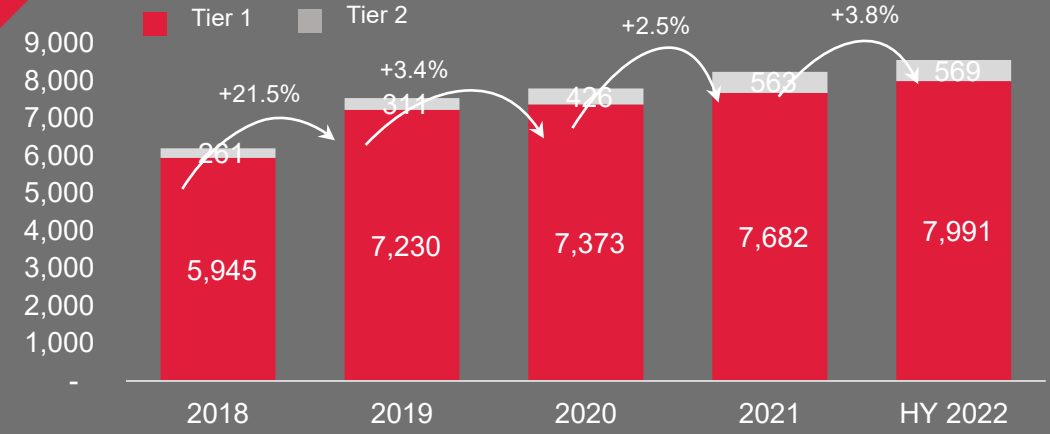
Robust Capitalization



Highlights

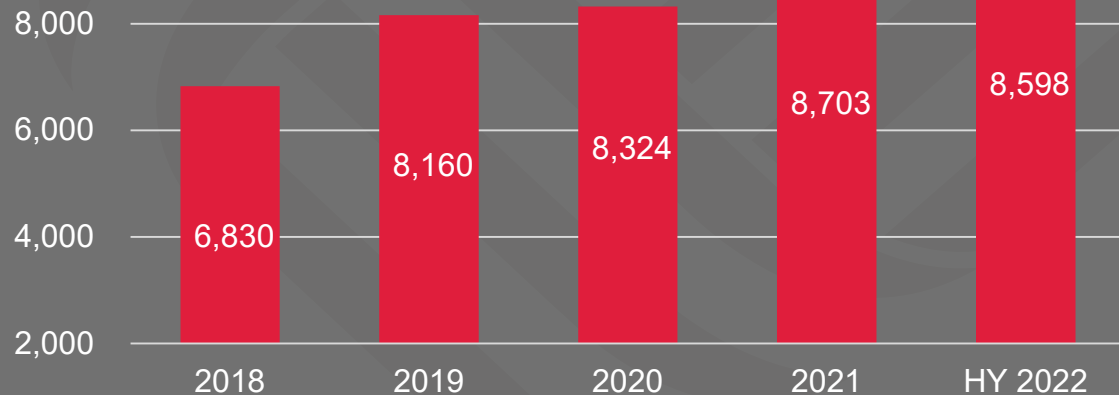
- Basel II, Pillar 2 (ICAAP) requirements were effective from 1 January 2014 with all ICAAP and BII requirements subject to regular (external) audit. Guidelines were refined and updated in March 2016. To date, no audit qualification has been raised on QIIB's submissions.
- QCB's Basel III CAR is 10% 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 30 June 2022, total CAR stood at 16.24%, including the additional Tier 1 issuance (QAR 1 billion & USD 300 million) concluded in August 2016 & November 2019.

Capital Structure (QAR mn)



*Percentage change is calculated on total equity.

Equity (QAR mn)






Capital adequacy ratios (%)

Capital Adequacy Basel III	HY 2022	2021	Minimum limit as per QCB
CET 1 ratio without capital conservation buffer	11.19%	11.35%	6.00%
CET 1 ratio including capital conservation buffer	11.19%	11.35%	8.50%
Tier 1 capital ratio including capital conservation buffer	15.16%	15.60%	10.50%
Tier 1 and 2 capital ratio including capital conservation buffer	16.24%	16.74%	12.50%
Total capital including conservation buffer, domestic systemic important bank buffer and ICAAP Pillar II capital charge	16.24%	16.74%	13.50%

Summary of HY- 2022 Performance



-  Sustained balance sheet growth
-  Stable asset quality
-  Stable deposit base
-  Improving total income
-  Healthy capitalization ratios
-  Strong liquidity levels

	31-Dec-21	30-Jun-22	% Change
<i>Total Assets (QAR mn)</i>	61,792	63,181	↑ 2.2%
<i>Net Islamic Financing Facilities (QAR mn)</i>	37,031	35,455	↓ -4.3%
<i>Liquid Assets (QAR mn)</i>	23,316	26,324	↑ 12.9%
<i>Customers' Deposits (QAR mn) ¹</i>	38,646	39,259	↑ 1.6%

	30-Jun-21	30-Jun-22	% Change
<i>Total Income</i>	1264.0	1216.8	↓ -3.7%
<i>Net Profit</i>	543.9	571.1	↑ 5.0%

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



Section 3

Funding Overview

Funding Overview

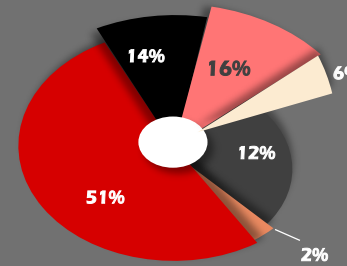


Highlights

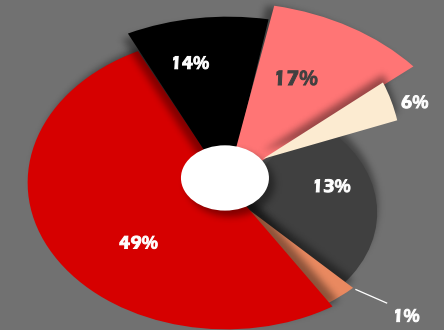
- ◆ QIIB's funding is predominantly driven by customer deposits and equity of investment account holders (EIAH) and is backed by the bank's own capital.
- ◆ QIIB has leveraged its expanding branch network and corporate relationships to steadily grow its deposits base – to be supported further with Corporate 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



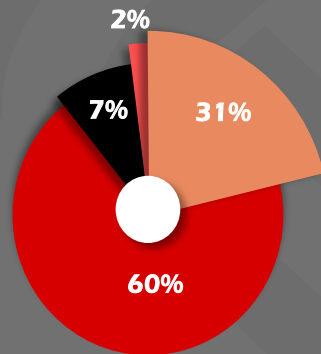
As at 30 June 2022



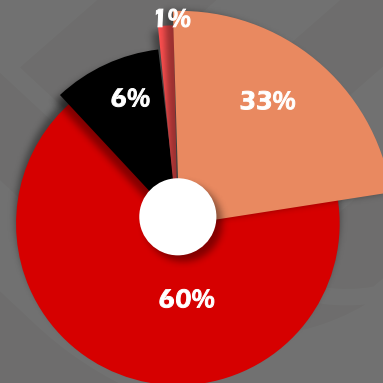
■ Due to banks ■ Customers' current account ■ Capital
■ Other liabilities ■ Equity of investment account holders ■ Sukuk

EIAH breakdown by Sector

As at 31 December 2021

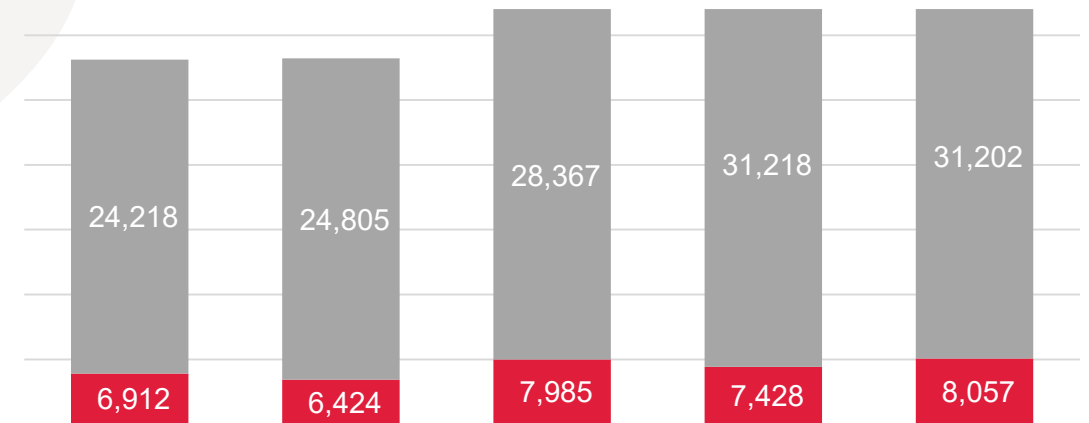


As at 30 June 2022



■ Government & Semi Government ■ Individuals ■ Corporate ■ Non-Banking Financial Institutions

Growth in total customer deposits (QAR mn)



■ Current Accounts ■ Equity of Investment Account Holders



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	July 2022

Capital Intelligence

<i>Long Term Rating</i>	<i>Short Term Rating</i>	<i>Standalone Rating</i>	<i>Outlook</i>	<i>Date</i>
A	A1	bbb+	Stable	March 2022

Key Investment Highlights





Head Office:

Qatar International Islamic Bank
Doha, Qatar
P.O. Box 664



Web:

www.qiib.com.qa



Email:

IR@qiib.com.qa



IR Mobile App



IR Contact:

Mr. Hossam Khattab
Chief Financial Officer
Finance

hossamkhattab@qiib.com.qa

(+974) 44840180

Dr. Mohammed Ghiyath Sheikhah
Head of Investment
Treasury & Investment

MohammedGhiyath@qiib.com.qa

(+974) 44840251





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