

**QIIB**



**الحدو لى  
الإسلا مى**



# Investors' Presentation

- Q3-2022 -



**1. QIIB Overview & Strategy**

**2. Financial Performance**

**3. Funding Overview**

**4. Rating Overview**



## Section 1

### QIIB Overview & Strategy



## Introduction

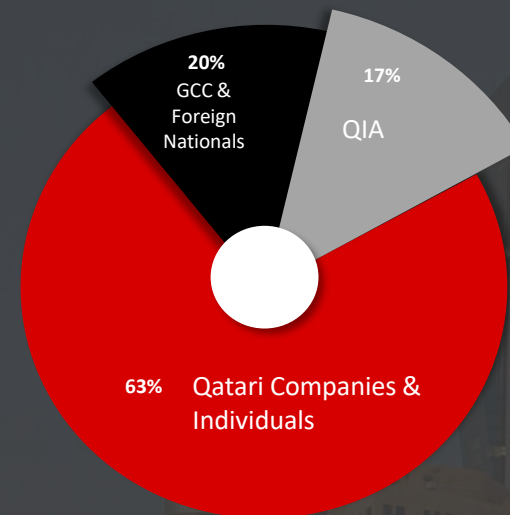
- ◆ (QIIB) Established in 1990 by an Amiri Decree, Qatar International Islamic Bank began operations on 1 January 1991.
- ◆ As of 30 September 2022, QIIB has the third largest market capitalization on the Qatar Exchange of all Listed Islamic banks in Qatar with a market capitalization of QAR 16.4 Bn (at QAR 10.90 per share).
- ◆ Large network in Qatar with 17 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	Q3-2022
Total Assets	50,260	56,831	61,314	61,792	57,709
Total Financing	27,991	37,011	40,514	37,031	35,180
Non – Performing Financing Ratio	1.98%	1.95%	1.56%	2.57%	2.85%
Customer Deposits	31,130	31,229	36,352	38,646	37,019
Net Profit	882.144	927.047	937.7	1003.3	902.0
Earning Per Share	0.55	0.58	0.55	0.59	0.60
Capital Adequacy (BIII)	16.42%	18.50%	16.55%	16.74%	17.06%
Market Capitalization	QAR 16.4 Bn (as of 30th September 2022)				

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

## Shareholder Structure



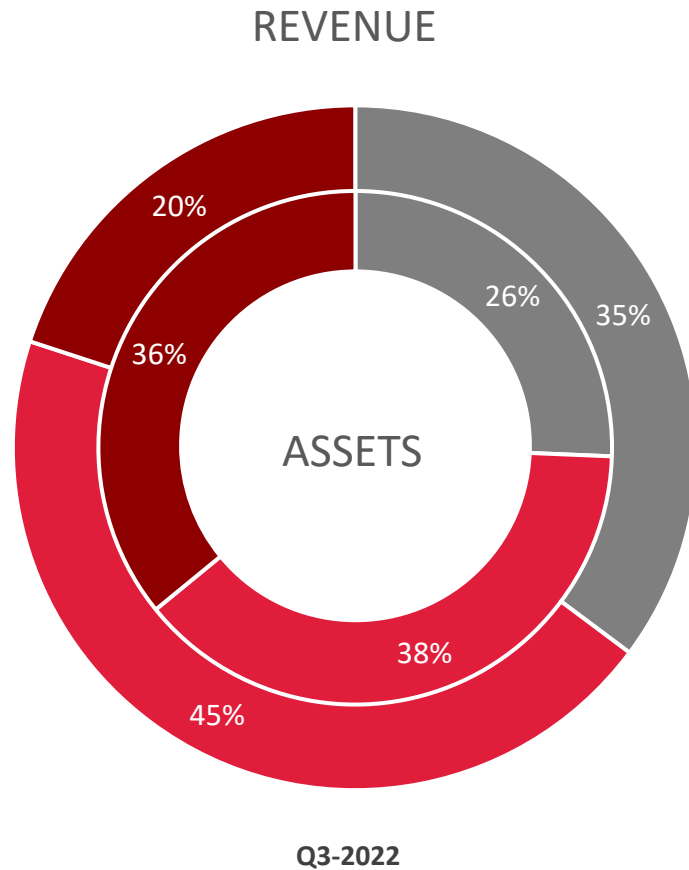
- The Qatar Investment Authority (QIA) is the largest shareholder (17%) of QIIB through its subsidiary, Qatar Holdings Company.
- Qatari Companies & Individuals own 63% of the bank's shares

## 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 17 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
- 3 branches fully dedicated to serve Corporate Customers'
- Developing Small-to-Medium Enterprise (SME) sector in partnership with Government



## Section 2

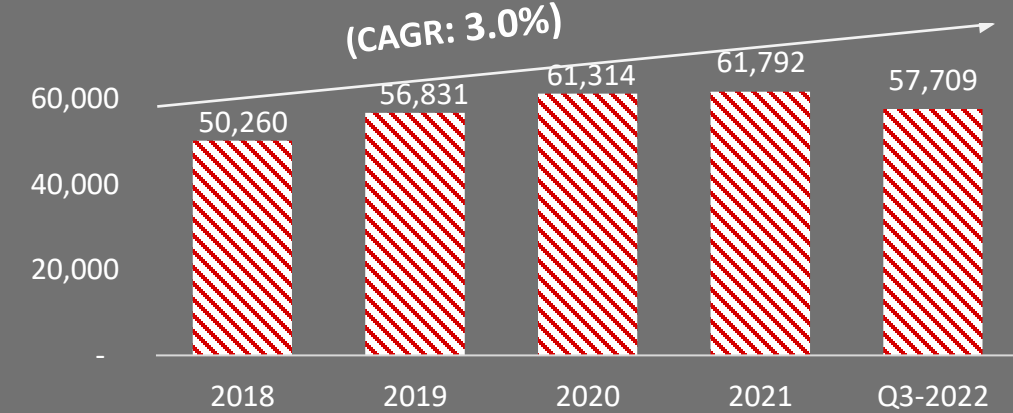
### Financial Performance



## Highlights

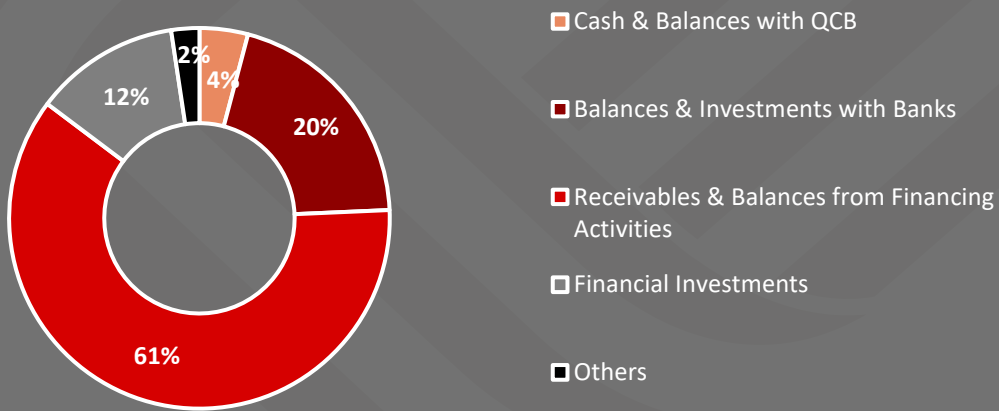
- QIIB's balance sheet sustained growth CAGR of 3.0% between FY 2018 – Q3-2022, notwithstanding slower economic environment.
- The growth has been driven by a strong increase in QIIB's Islamic Financing Facilities (IFFs), and Financial investments.
- QIIB has a reasonably diversified financing book totaling QAR 35.1 Bn as of 30 September 2022, representing 61% of the bank's total assets.

## QIIB'S strong asset growth (QAR mn)



## Asset composition by type

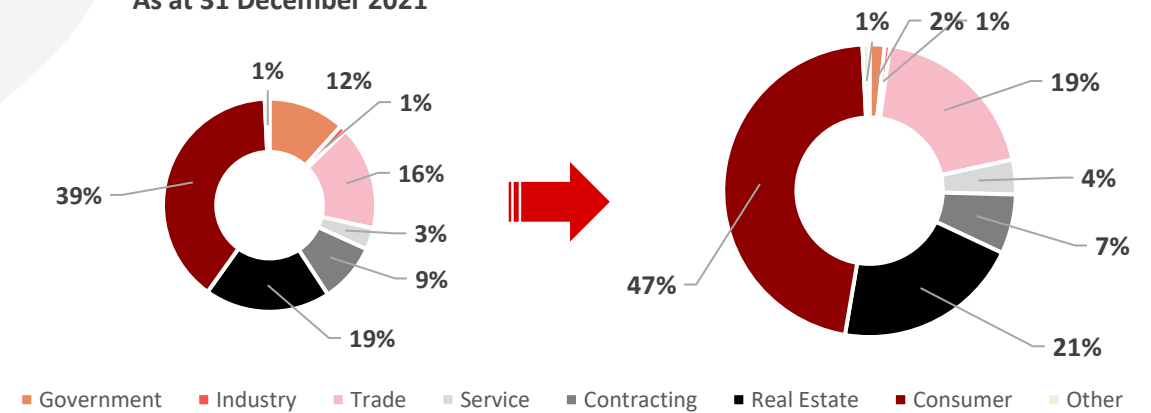
As at Q3-2022



## QIIB financing book split

As at 31 December 2021

As at 30 September 2022





## Asset quality highlights

- ◆ Non-performing financing ratio increased to 2.8% as of 30 September 2022, compared to December 2021, nevertheless it's still within the industry average
- ◆ QIIB enhanced the stage "3" NPL converge ratio up to 84.3% from 58.6% in Sept-2021
- ◆ 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

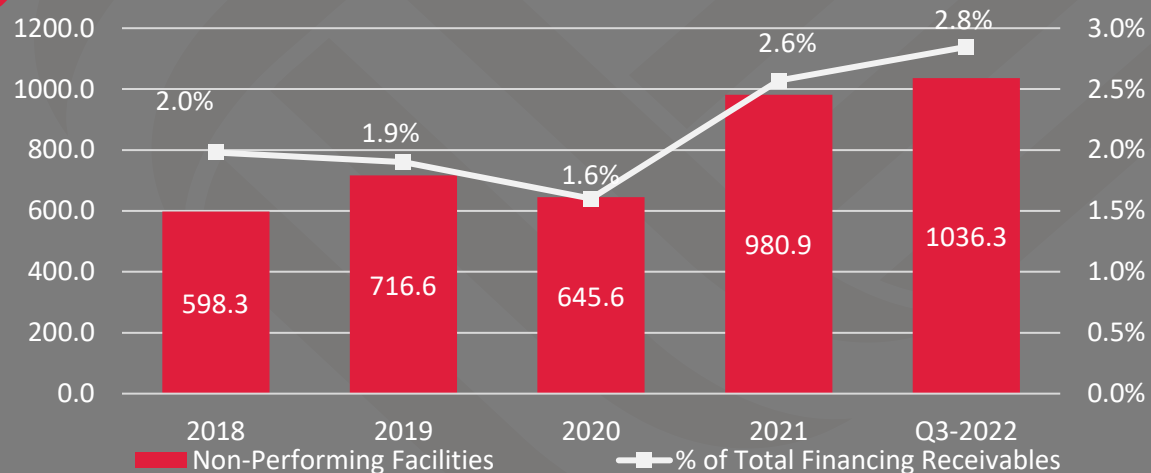
	2018	2019	2020	2021	Q3-2022
<i>Non-performing financing ratio<sup>(1)</sup></i>	2.0%	1.9%	1.6%	2.6%	2.8%
<i>Non-performing coverage ratio<sup>(2)</sup></i>	96.6%	99.0%	134.4%	128.8%	139.6%

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

(2) All financing provisions & suspended interest, as at period end divided by non performing facilities as at period end



## Non-performing receivables (QAR mn)



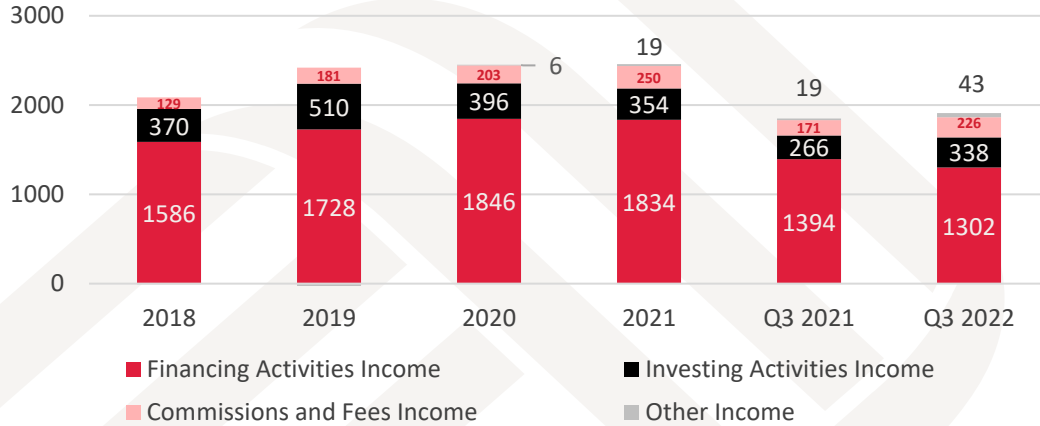
## ECL of the Bank (QR 000s)

ECL of the Bank QR000s		Financing assets		Off balance sheet exposures subject to ECL	
		30-Sep-22	31-Dec-21	30-Sep-22	31-Dec-21
Stage 1	Exposure	32,403,451	33,951,584	17,819,705	13,908,164
	ECL	190,075	213,797	74,865	84,101
	<b>Coverage</b>	0.6%	0.6%	0.4%	0.6%
Stage 2	Exposure	3,186,029	3,362,018	442,391	441,114
	ECL	314,689	256,780	4,101	3,272
	<b>Coverage</b>	9.9%	7.6%	0.9%	0.7%
Stage 3	Exposure	1,036,278	980,939	3,575	6,634
	ECL	873,986	737,424	-	-
	<b>Coverage</b>	84.3%	75.2%	0.0%	0.0%
Total	Exposure	36,625,758	38,294,541	18,265,671	14,355,912
	ECL	1,378,750	1,208,001	78,966	87,373
	<b>Coverage</b>	3.8%	3.2%	0.4%	0.6%

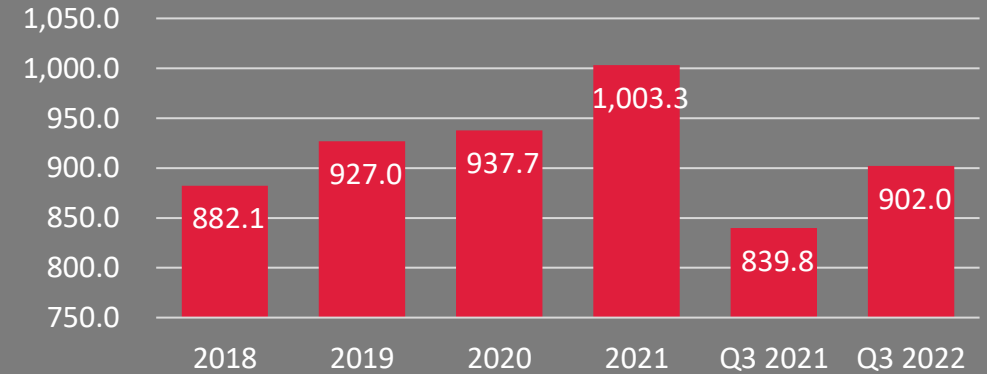
# Continued Profitability & Operating Efficiency



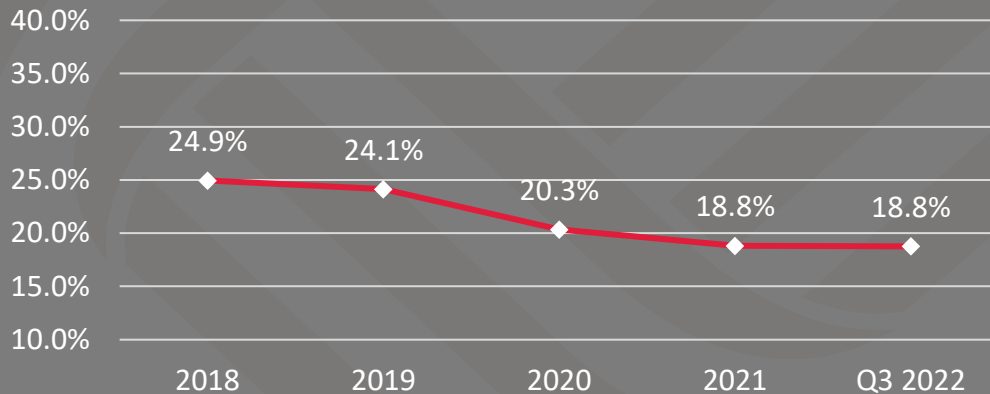
## Operating income breakdown (QAR mn)



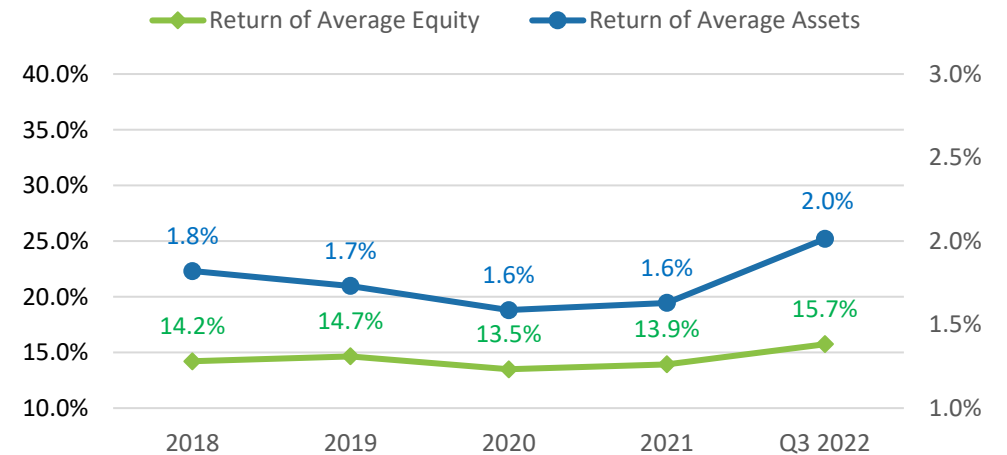
## Sustained profitability (QAR mn)



## Sustained efficiency ratio (Cost to Income Ratio %)



## Return on average equity and assets (%)



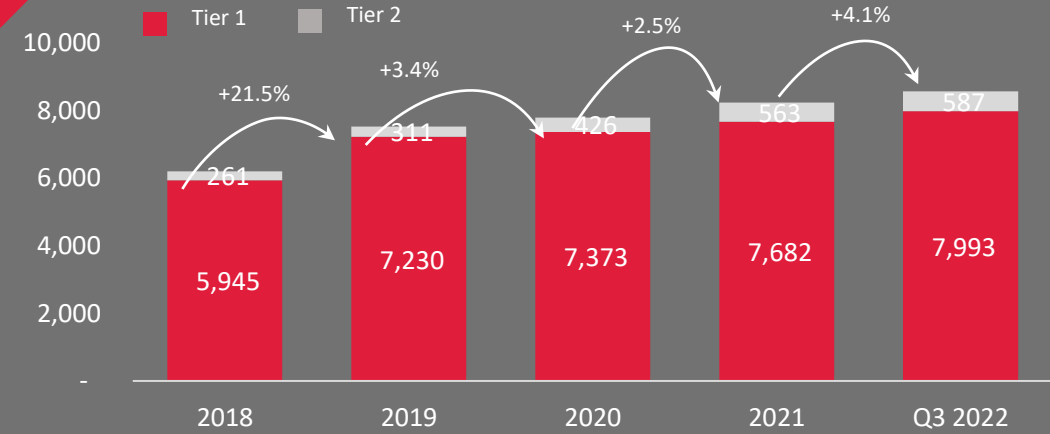
# Robust Capitalization



## Highlights

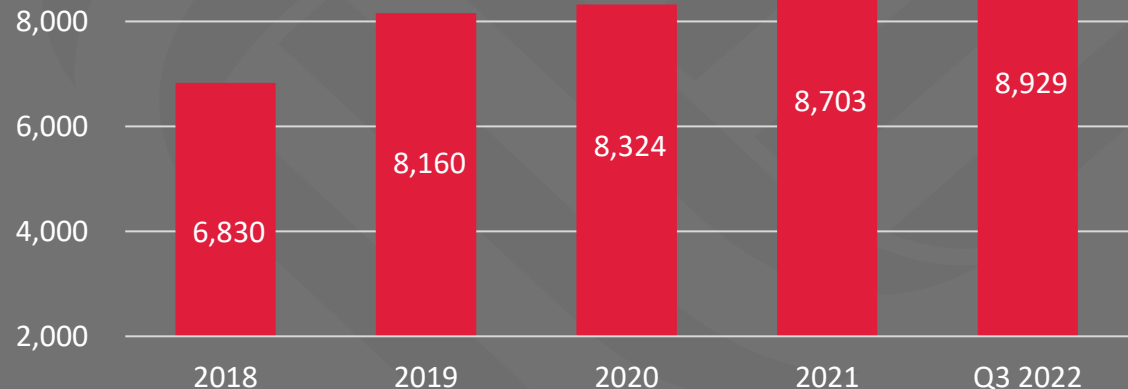
- Basel II, Pillar 2 (ICAAP) requirements were effective from 1 January 2014 with all ICAAP and BIII requirements subject to regular (external) audit. Guidelines were refined and updated in March 2016. To date, no audit qualification has been raised on QIIB's submissions.
- QCB's Basel III CAR is 10% 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 of 30 September 2022, total CAR increased to 17.1%, 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	Q3 2022	2021	Minimum limit as per QCB
CET 1 ratio without capital conservation buffer	11.74%	11.35%	6.00%
CET 1 ratio including capital conservation buffer	11.74%	11.35%	8.50%
Tier 1 capital ratio including capital conservation buffer	15.90%	15.60%	10.50%
Tier 1 and 2 capital ratio including capital conservation buffer	17.06%	16.74%	12.50%
Total capital including conservation buffer, domestic systemic important bank buffer and ICAAP Pillar II capital charge	17.06%	16.74%	13.50%

# Summary of Q3- 2022 Performance



	31-Dec-21	30-Sep-22	% Change
<i>Total Assets (QAR mn)</i>	61,792	57,709	↓ -6.6%
<i>Net Islamic Financing Facilities (QAR mn)</i>	37,031	35,180	↓ -5.0%
<i>Liquid Assets (QAR mn)</i>	23,316	21,154	↓ -9.3%
<i>Customers' Deposits (QAR mn)<sup>1</sup></i>	38,646	37,019	↓ -4.2%

	30-Sep-21	30-Sep-22	% Change
<i>Total Income</i>	1850.8	1908.5	↑ 3.1%
<i>Net Profit</i>	839.8	902.0	↑ 7.4%

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



## Section 3

### Funding Overview

# Funding Overview

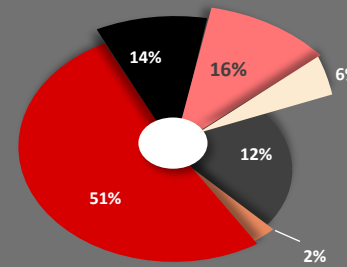


## Highlights

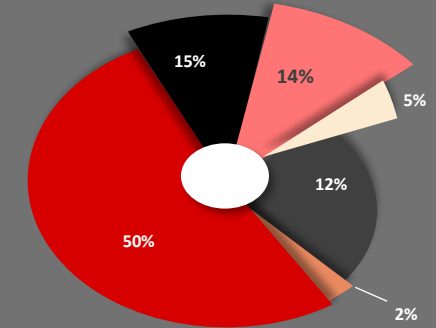
- ◆ QIIB's funding is predominantly driven by customer deposits and equity of investment account holders (EIAH) and is backed by the bank's own capital.
- ◆ QIIB has leveraged its expanding branch network and corporate relationships to steadily grow its deposits base – to be supported further with Corporate 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 of 31 December 2021



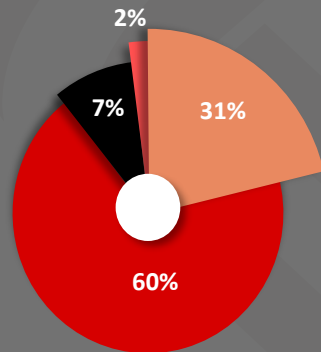
As of 30 September 2022



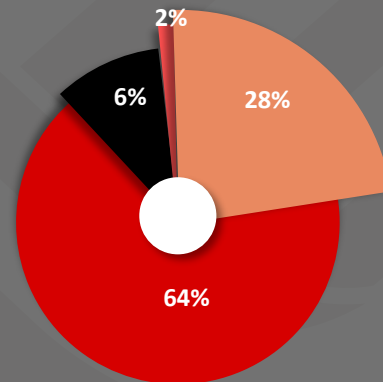
Due to banks    Customers' current account    Capital  
Other liabilities    Equity of investment account holders    Sukuk

## EIAH breakdown by Sector

As of 31 December 2021

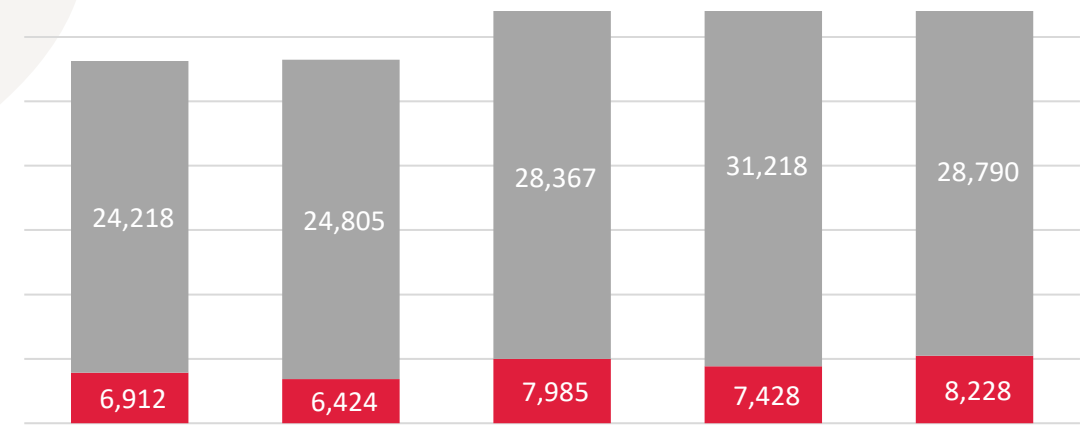


As of 30 September 2022



Government & Semi Government    Individuals    Corporate    Non-Banking Financial Institutions

## Growth in total customer deposits (QAR mn)

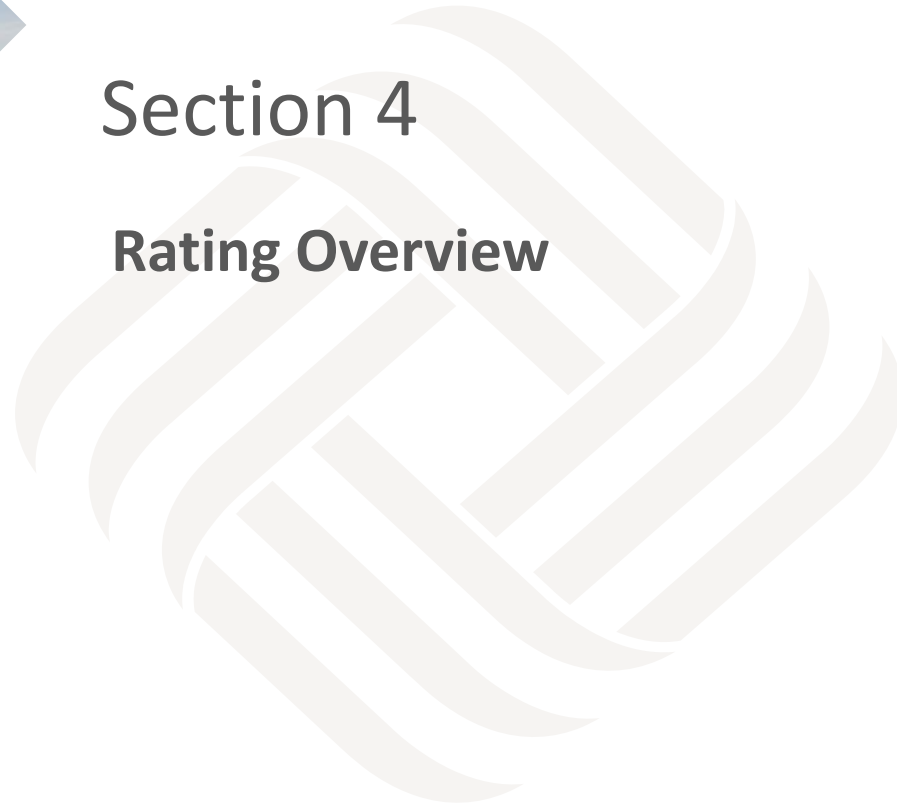


Current Accounts    Equity of Investment Account Holders



## 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	September 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 (BSR)</i>	<i>Outlook</i>	<i>Date</i>
A	A1	bbb+	Stable	March 2022





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