

**QIIB**



**الحدو لى  
الإسلا مى**



# Investors' Presentation

- Q3 2021 -



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



## Section 1

### QIIB Overview & Strategy



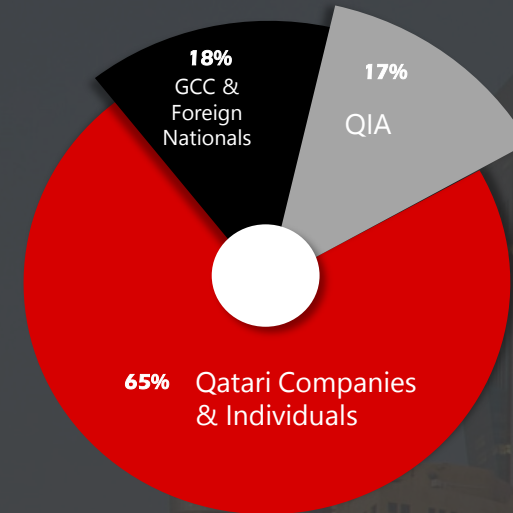
## Introduction

- ◆ (QIIB) Established in 1990 by an Amiri Decree, Qatar International Islamic Bank began operations on 1 January 1991.
  - ◆ As at 30 September 2021 QIIB is the third largest Listed Islamic bank in Qatar by total assets and accounts for approximately 15.9% of Listed Qatar's Islamic banks' assets.
  - ◆ As at 30 September 2021 , QIIB has the third largest market capitalization on the Qatar Exchange of all Listed Islamic banks in Qatar with a market capitalization of US\$ 4 Bn (at QAR 9.72per share).
  - ◆ The second largest Islamic banking network in Qatar with a network of 15 branches and 83 ATMs.
- Continued organic growth in assets, deposits and net operating income over recent years.

## Financial Snapshot

US \$ mn	Dec - 17	Dec - 18	Dec - 19	Dec -20	Q3-2021
Total Assets	12,802	13,802	15,607	16,837	16,159
Total Financing (1)	8,925	7,687	10,164	11,126	10,259
Non – Performing Financing Ratio	1.3%	2.0%	1.9%	1.6%	2.5%
Customer Deposits	8,919	8,549	8,576	9,983	10,804
Net Profit	228.5	242.2	254.6	257.5	230.6
Capital Adequacy (BIII)	17.9%	16.4%	18.5%	16.6%	16.6%
Market Capitalization	US\$ 4 Bn (as at 30 <sup>st</sup> September 2021)				
Ratings	Fitch A: (Stable) Moody's A2: (Stable)				

## Shareholder Structure



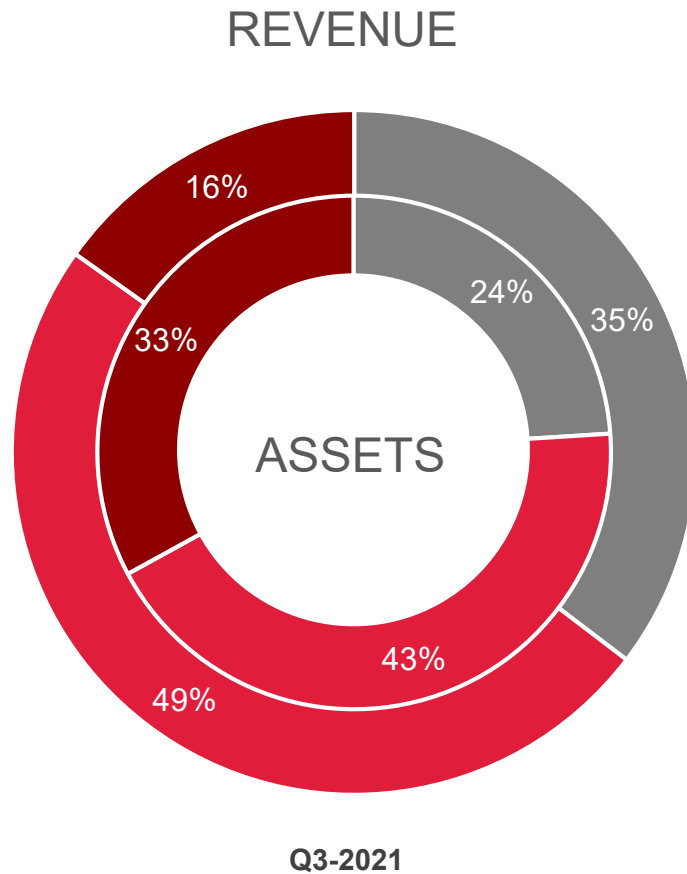
- The Qatar Investment Authority (QIA) is the largest shareholder (17%) of QIIB through its subsidiary, Qatar Holdings Company.
- Qatari Companies & Individuals own 65% of the bank's shares

## 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 83 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

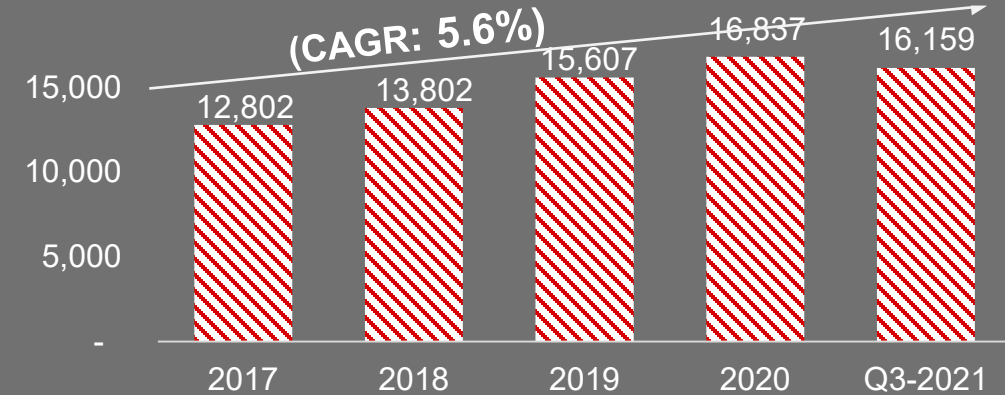
### Financial Performance



## Highlights

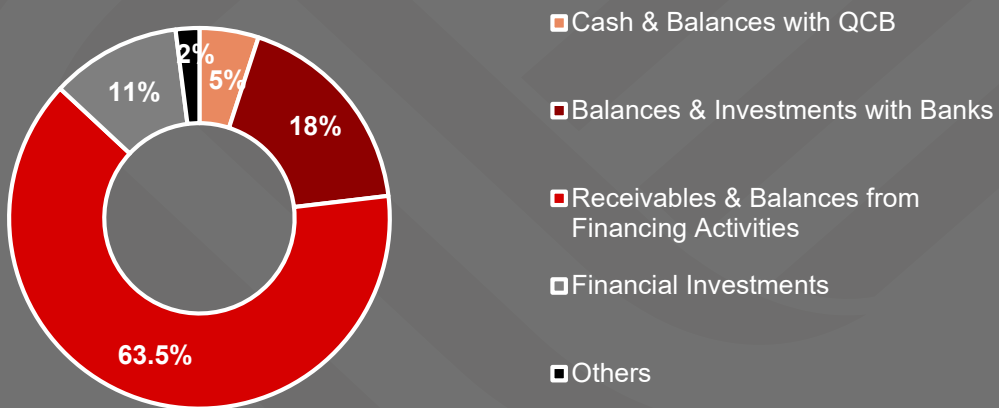
- ◆ QIIB's balance sheet sustained growth CAGR of 5.6% between FY 2017 –Q3-2021, notwithstanding slower economic environment.
- ◆ The growth has been driven by a strong increase in QIIB's Islamic Financing Facilities (IFFs) and Advances, and Financial investments.
- ◆ QIIB has a reasonably diversified financing book totaling US\$ 10.3 Bn as of 30 September 2021, representing 63.5% of the bank's total assets.

## QIIB'S strong asset growth (US\$ mn)



## Asset composition by type

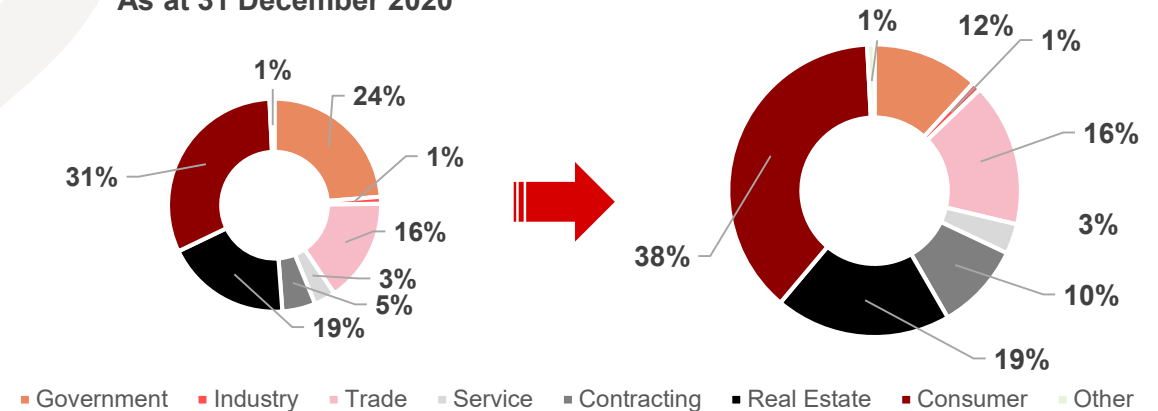
As at Q3-2021



## QIIB financing book split

As at 31 December 2020

As at Q3-2021





## Asset quality highlights

- ◆ Non-performing financing ratio increased to 2.5% as at 30 September 2021, from 1.6% as at December 2020.
- ◆ Bank's non-performing ratio remains within the industry average.
- ◆ Strong asset quality reflects QIB's prudent risk appetite, and therefore, prudent risk oversight of assets before bringing them on to its financing book.
- ◆ In addition, QIB's strong asset quality is further reinforced by the availability of collateral that the bank receives on its financings.



## Asset quality ratios

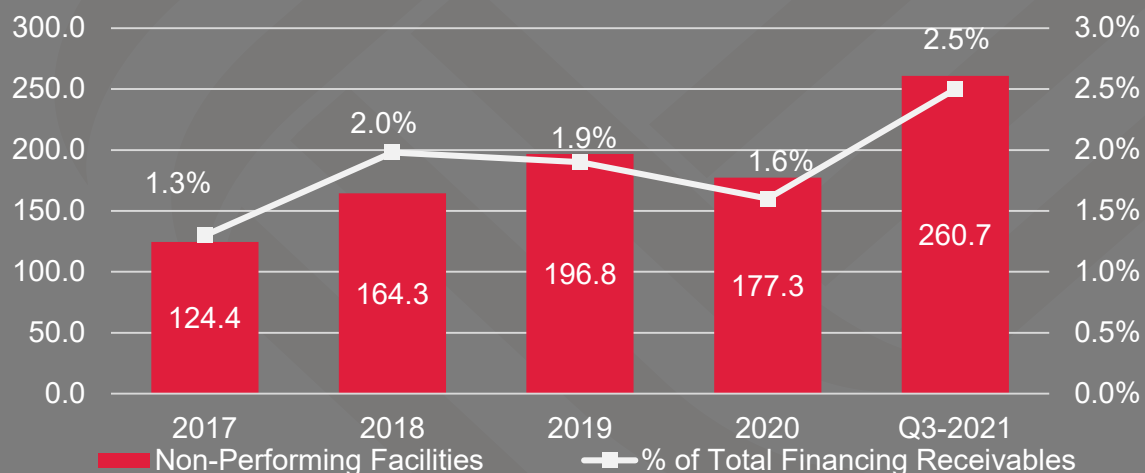
	2017	2018	2019	2020	Q3-2021
<i>Non-performing financing ratio<sup>(1)</sup></i>	1.3%	2.0%	1.9%	1.6%	2.5%
<i>Non-performing coverage ratio<sup>(2)</sup></i>	63.1%	96.6%	99.0%	134.4%	111.5%

(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 (US\$ mn)



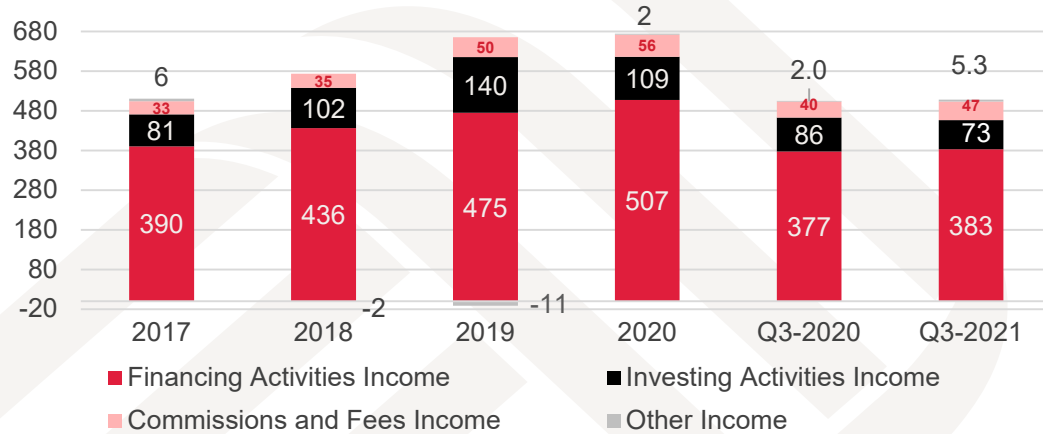
## ECL of the Bank (QR 000s)

	ECL of the Bank QR000s	Financing assets		Off balance sheet exposures subject to ECL	
		30-Sep-21	31-Dec-20	30-Sep-21	31-Dec-20
Stage 1	Exposure	34,119,790	37,415,400	15,318,661	12,823,985
	ECL	206,419	164,171	99,693	99,917
	Coverage	0.6%	0.4%	0.7%	0.8%
Stage 2	Exposure	3,347,882	3,320,872	11,873	428,517
	ECL	244,927	210,610	4,439	7,328
	Coverage	7.3%	6.3%	37.4%	1.7%
Stage 3	Exposure	949,259	645,562	6,173	13,562
	ECL	556,204	457,608	-	-
	Coverage	58.6%	70.9%	0.0%	0.0%
Total	Exposure	38,416,931	41,381,834	15,336,707	13,266,064
	ECL	1,007,550	832,389	104,132	107,245
	Coverage	2.6%	2.0%	0.7%	0.8%

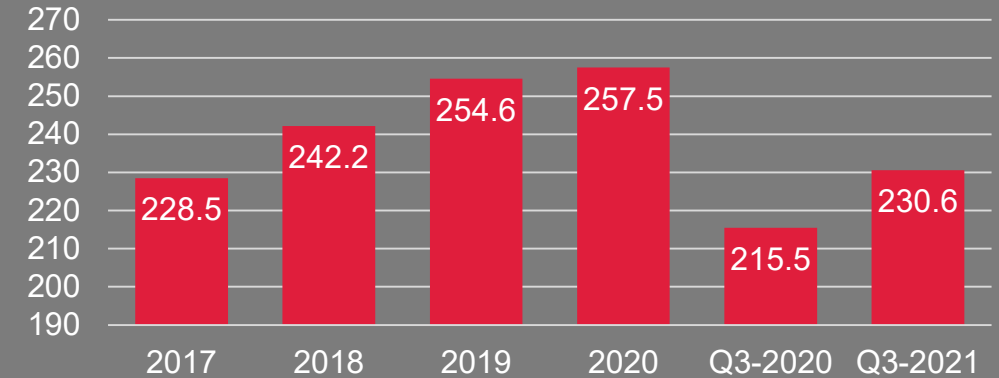
# Continued Profitability & Operating Efficiency



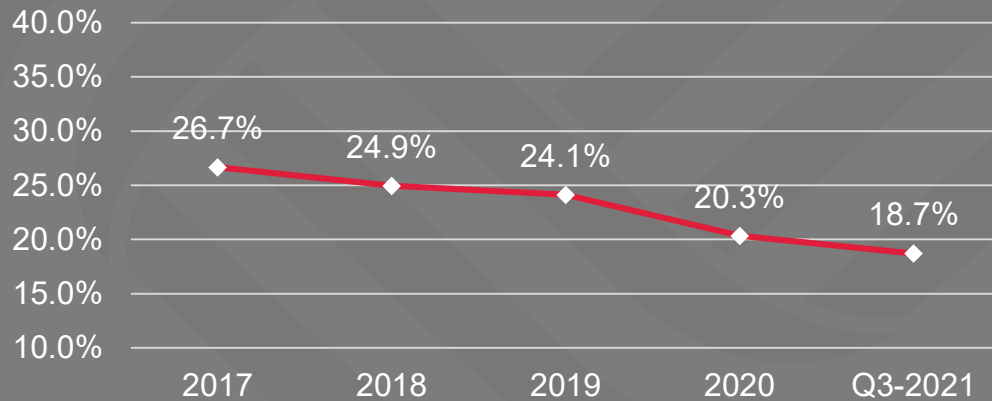
## Operating income breakdown (US\$ mn)



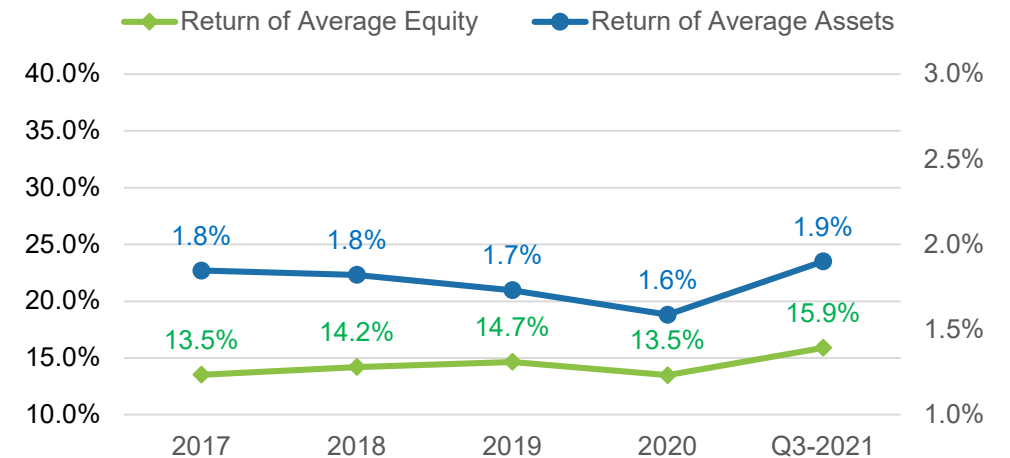
## Sustained profitability (US\$ mn)



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



## Return on average equity and assets (%)



# Balance Sheet Highlights



QAR '000	2017	2018	2019	2020	Q3-2021
<i>Total Assets</i>	46,618,980	50,259,955	56,831,439	61,313,668	<b>58,841,550</b>
<i>Financing Portfolio</i>	32,500,027	27,991,116	37,010,528	40,513,906	<b>37,358,112</b>
<i>Investing Portfolio</i>	9,453,810	17,767,789	15,806,455	16,360,244	<b>17,135,477</b>
<i>Other Investments</i>	791,505	1,269,784	1,190,489	1,069,257	<b>978,391</b>
<i>Customer Deposits</i>	32,478,648	31,129,927	31,228,545	36,352,329	<b>39,341,862</b>
<i>Equity</i>	6,816,565	6,830,087	8,160,159	8,323,636	<b>8,563,544</b>
<i>Cash Dividends</i>	40.00%	40.00%	42.50%	32.50%	N.A
<i>Year on Year Growth</i>					
<i>Total Assets</i>	9.6%	7.8%	13.1%	7.9%	-4.0%
<i>Financing Portfolio</i>	19.3%	-13.9%	32.2%	9.5%	-7.8%
<i>Investing Portfolio</i>	-15.2%	87.9%	-11.0%	3.5%	4.7%
<i>Other Investments</i>	3.2%	60.4%	-6.2%	-10.2%	-8.5%
<i>Customer Deposits</i>	22.4%	-4.2%	0.3%	16.4%	8.2%
<i>Equity</i>	2.1%	0.2%	19.5%	2.0%	2.9%



## Commentary

- ◆ Sustained asset growth CAGR of 5.6% from FY2017 to Q3-2021 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

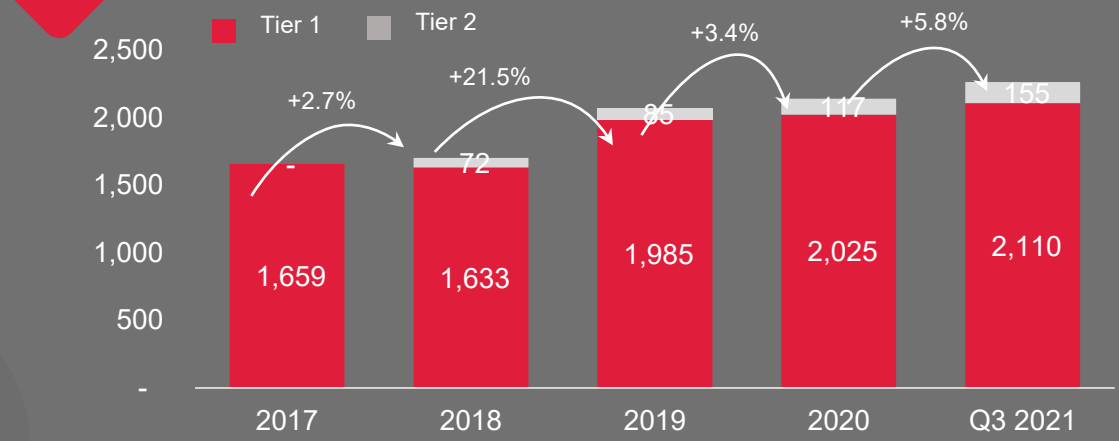
# Robust Capitalization



## Highlights

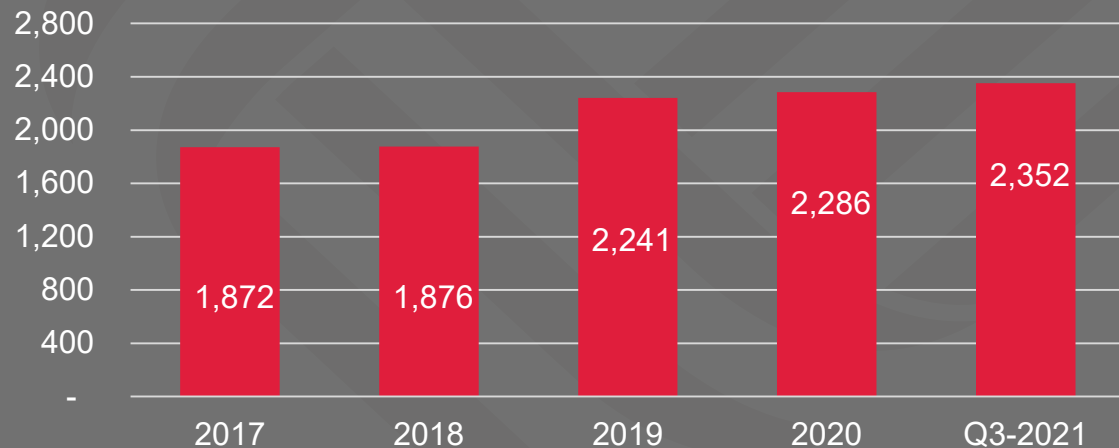
- Basel II, Pillar 2 (ICAAP) requirements were effective from 1 January 2014 with all ICAAP and BIII requirements subject to regular (external) audit. Guidelines were refined and updated in March 2016. To date, no audit qualification has been raised on QIIB's submissions.
- QCB's Basel III CAR is 10% 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 30 September 2021, total CAR stood at 16.6%, including the additional Tier 1 issuance (QAR 1 billion & USD 300 million) concluded in August 2016 & November 2019.

## Capital Structure (US\$ mn)



\*Percentage change is calculated on total equity.  
\*The box ratio is not proportional to the data.

## Equity (US\$ mn)



## Capital adequacy ratios (%)

Capital Adequacy Basel III	Q3 2021	2020	Minimum limit as per QCB
CET 1 ratio without capital conservation buffer	11.26%	11.20%	6.00%
CET 1 ratio including capital conservation buffer	11.26%	11.20%	8.50%
Tier 1 capital ratio including capital conservation buffer	15.47%	15.64%	10.50%
Tier 1 and 2 capital ratio including capital conservation buffer	16.60%	16.55%	12.50%
Total capital including conservation buffer, domestic systemic important bank buffer and ICAAP Pillar II capital charge	16.60%	16.55%	13.50%

# Summary of Q3-2021 Performance



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

	31-Dec-20	30-September-21	% Change
<i>Total Assets (US\$ mn)</i>	16,837	16,159	↓ -4.0%
<i>Net Islamic Financing Facilities (US\$ mn)</i>	11,126	10,259	↓ -7.8%
<i>Non-Performing Islamic Financing Facilities (%)</i>	1.56%	2.48%	↑ 59.0%
<i>Liquid Assets (US\$ mn)</i>	5,255	5,497	↑ 4.6%
<i>Customers' Deposits (US\$ mn) <sup>1</sup></i>	9,983	10,804	↑ 8.2%

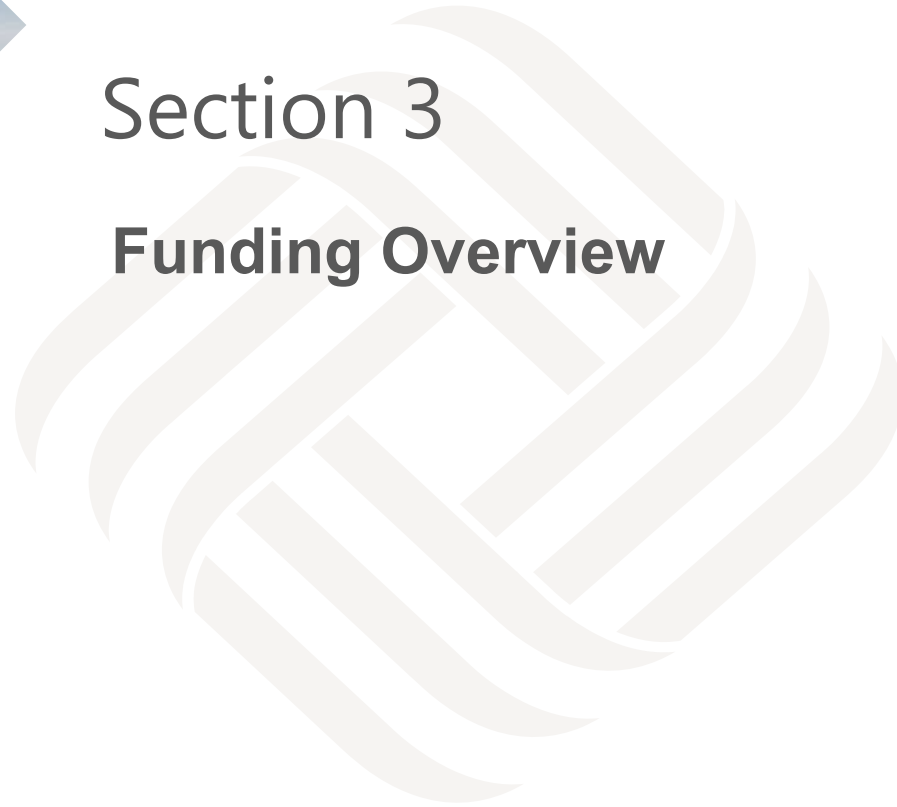
	30-September-20	30-September-21	% Change
<i>Total Income</i>	504.3	508.3	↑ 0.8%
<i>Net Profit</i>	215.5	230.6	↑ 7.0%

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



## Section 3

### Funding Overview



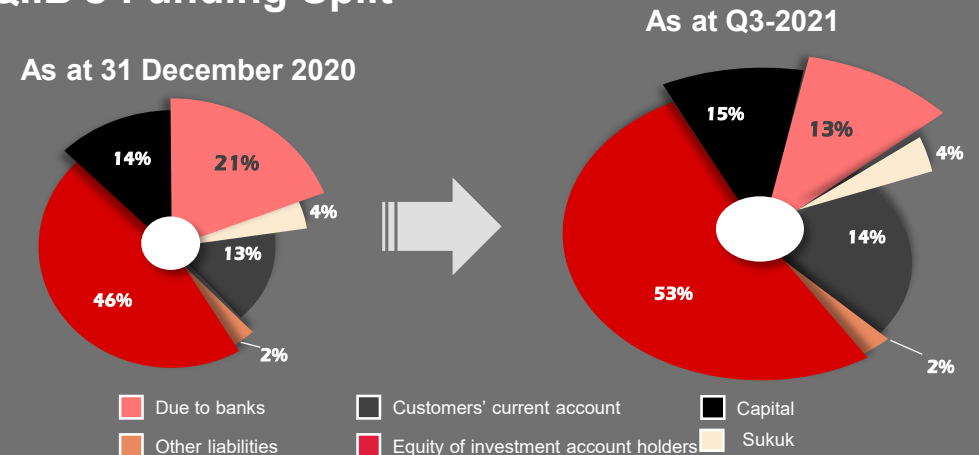
# Funding Overview



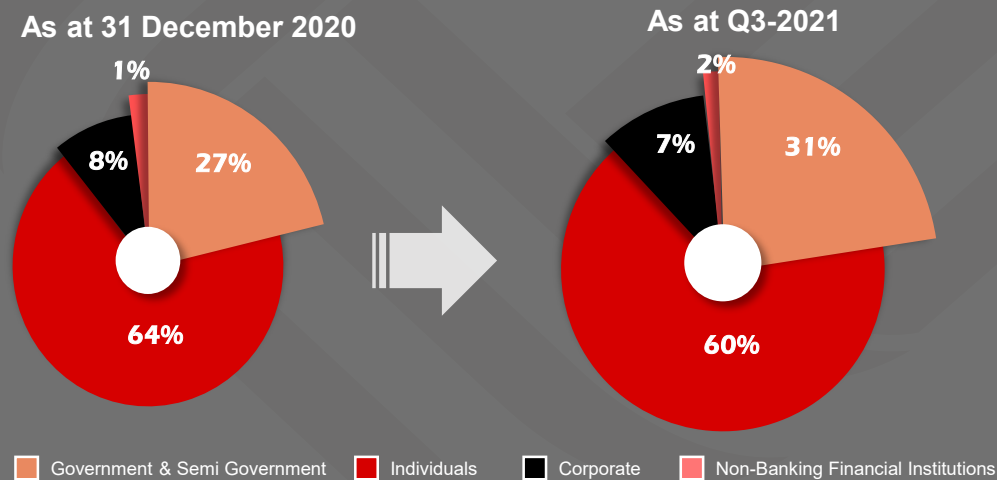
## Highlights

- ◆ 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.

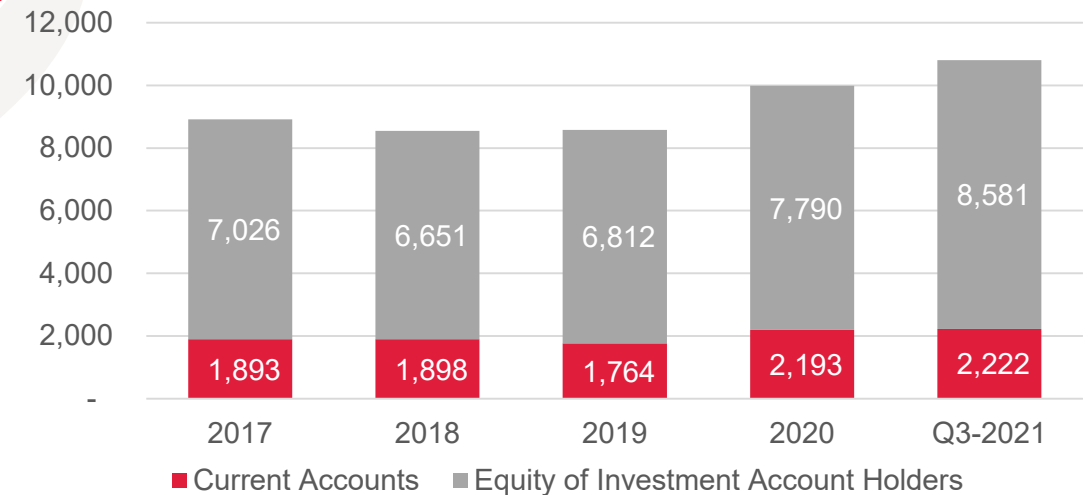
## QIIB's Funding Split



## EIAH breakdown by Sector



## Growth in total customer deposits (US\$ 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	F1	bb+	Stable	December 2020

## 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	May 2021

## Capital Intelligence

<i>Long Term Rating</i>	<i>Short Term Rating</i>	<i>Standalone Rating (BSR)</i>	<i>Outlook</i>	<i>Date</i>
A	A2	bbb+	Stable	March 2021

# Key Investment Highlights





## Head Office:

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