Agenda

1. Introduction
2. Operating Environment
3. QIB Business Review
4. QIB Financial Overview
5. Appendix
Introduction

Qatar Islamic Bank (“QIB” or the “Bank”) was incorporated in 1982 as the first Islamic financial institution in Qatar.

Largest Islamic bank (approximately 50% of total assets of listed Islamic banks in Qatar) and third largest bank in Qatar by total assets.

Network of 31 branches and offices and 170 ATMs and CDMs as at 31 December 2015.

Leading domestic franchise augmented by growing international footprint, with investments in the UK, Malaysia, Sudan and Lebanon.

Strong financial profile with continued growth in recent years and robust risk management framework.

Rated A+ by Fitch (stable), A by Capital Intelligence (stable) and A- by S&P (stable).

QIB’s Business Units

- Corporate Banking
- Personal Banking
- Group Function
- Associates & Subsidiaries

85.6% of QIB’s Net Operating Income

Financial Snapshot

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2014</th>
<th>Growth %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and balances with QCB</td>
<td>5,086</td>
<td>4,933</td>
<td>3.1%</td>
</tr>
<tr>
<td>Total Assets</td>
<td>127,031</td>
<td>96,106</td>
<td>32.2%</td>
</tr>
<tr>
<td>Total Financing Assets</td>
<td>87,222</td>
<td>59,682</td>
<td>46.1%</td>
</tr>
<tr>
<td>Total Deposits(2)</td>
<td>91,521</td>
<td>66,605</td>
<td>37.4%</td>
</tr>
<tr>
<td>Total Equity(3)</td>
<td>13,376</td>
<td>12,478</td>
<td>7.2%</td>
</tr>
<tr>
<td>Net Profit(3)</td>
<td>1,954.3</td>
<td>1,601.4</td>
<td>22.0%</td>
</tr>
<tr>
<td>Cost to Income Ratio</td>
<td>30.6%</td>
<td>31.7%</td>
<td>-1.2%</td>
</tr>
<tr>
<td>Non-Performing Financing Ratio(1) (%)</td>
<td>0.7%</td>
<td>0.9%</td>
<td>-0.2%</td>
</tr>
<tr>
<td>Financing to Total Deposits(2) (%)</td>
<td>95.3%</td>
<td>89.6%</td>
<td>5.7%</td>
</tr>
<tr>
<td>Capital Adequacy Ratio(4) (%)</td>
<td>14.1%</td>
<td>14.6%</td>
<td>-0.5%</td>
</tr>
</tbody>
</table>

Source: QIB financial statements

(1) As percentage of Total Net Financing Assets
(2) Customers’ Accounts + Unrestricted Investment Accounts
(3) Attributable to shareholders
(4) Ratio calculated as per Basel III guidelines, with effect from 1 January 2014, in accordance with QCB regulations

Shareholder structure / Strong Government Linkage

- QIB’s shares are listed on the Qatar Stock Exchange.
- The Qatar Investment Authority (“QIA”) is the single largest shareholder of QIB.
- The balance of QIB’s shareholders comprise prominent Qatari individuals, families and institutions.

Note: As at 31 December 2015

QIA 16.9%

Others 83.1%
Key Credit Strengths

- First and largest Islamic bank in Qatar by total assets\(^{(1)}\)
- Strong brand in Islamic banking & innovative product offering
- Strong domestic & international growth
- Ambitious transformation programme
- Maintained profitability through financial crisis
- Strong capital position & asset quality
- Operates out of one of the fastest growing economies in the world
- Strong Government support with the QIA as its largest shareholder
- International presence through strategic alliances
- Third largest bank in Qatar by total assets\(^{1}\)

\(^{(1)}\) As at 31 December 2015
Fitch Ratings  “A+” with “Stable” outlook

“QIB’s rating reflects the bank’s established franchise in Qatar, its sound and improved asset quality, and its solid funding franchise that is more diversified than that of most peers. The rating also takes into account the bank’s sound liquidity and adequate profitability, but also concentration of both loans and deposits, although deposits are less concentrated than those of peers and include a strong retail component”.

April 2015

Capital Intelligence  “A” with “Stable” outlook

“The Financial Stability Rating (FSR) is supported by the continued improvement in the Bank’s financing asset quality, with the non-performing financing (NPF) ratio declining to a peer group best and more than full loss reserve coverage now achieved. Improved profitability and QIB’s success in realigning its business model and consolidating its leading position as a modern competitive Islamic bank also underpin the FSR.”

April 2015

Standard & Poor’s  “A-” with “Stable” outlook

“QIB will remain an important player in Qatar, with no significant change in its business and financial profiles over the next 24 months. We expect moderate balance-sheet growth compared with previous years, accompanied by high yet decreasing dividend payouts. We anticipate that QIB's capital and earnings will stay strong.”

June 2015

*Quotes extracted from rating reports of Fitch, Capital Intelligence and Standard & Poor’s*
Overview of the State of Qatar ("Qatar")

- **Country:** Qatar
- **GDP (2014):** USD 192 bn
- **Per capita income (2014):** USD 78,829
- **Population (2015):** 2.4mn
- **Ratings:**
  - Moody’s: Aa2/Stable
  - S&P: AA/Stable
  - **Nominal GDP (2014):** USD 192 bn
  - **Per capita income (2014):** USD 78,829
  - **Population (2015):** 2.4mn

Qatar’s Credit Highlights

- Third largest gas reserves in the world\(^1\) (~13% of world’s total) and largest exporter of LNG
- Among world’s wealthiest economies with robust growth prospects
- Surpluses in both fiscal and external accounts; that said, the Sovereign is expected to post a very small fiscal deficit in the upcoming two years on the back of lower oil prices
- Low level of sovereign indebtedness with no external liquidity pressure
- Track record of prudent budgetary and financial policymaking
- Stable political and attractive operational environment

Sources:
- International Monetary Fund (IMF)
- BP Statistical Review June 2015
- Moody’s
- S&P

One of the Largest Hydrocarbon Reserves in the World

- **Total oil & gas reserves (bn boe):**
  - USA: 58
  - Kuwait: 11
  - UAE: 38
  - Iraq: 23
  - Qatar: 155
  - KSA: 266
  - Venezuela: 35
  - Iran: 212
  - Russia: 197

Sources:
- Bloomberg, BP, IMF, JODI, MDPS, MoF, QCB and QNB Group forecasts

Strong Wealth Generation

- **GDP per capita (PPP US$ thousands):**
  - 2010: 76
  - 2011: 99
  - 2012: 104
  - 2013: 99
  - 2014: 94
  - 2015F: 79
  - 2016F: 74
  - 2017F: 78

- **Real GDP growth rate (%):**
  - 2010: 19.6%
  - 2011: 13.4%
  - 2012: 4.9%
  - 2013: 4.6%
  - 2014: 4%
  - 2015F: 4.7%
  - 2016F: 4.9%
  - 2017F: 4.2%

1) Source: International Monetary Fund (IMF)
2) Real GDP growth rate rebased to 2013
... with Solid Economic Indicators

**Strong Fiscal Position**

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

Source: International Monetary Fund (IMF)

**Current Account Balance**

Current account balance (USD bn and % of GDP)

Source: International Monetary Fund (IMF)

**Low Level of Indebtedness**

Nominal GDP vs. external debt (USD bn)

Source: International Monetary Fund (IMF)

**CPI Inflation (y-o-y)**

Source: International Monetary Fund (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 USD 282bn as at December 2015 with strong and sound regulatory environment
  - Minimum capital adequacy ratio of 12.5%
  - Maximum credit limit to single customer of 20% of a bank’s capital and reserves

The State of Qatar has been Supportive Throughout Crisis

- October 2008: QIA announced plans to acquire equity ownership interests of up to 20% in domestic banks listed on the QE
- March 2009: The Government proposed to purchase the domestic equity portfolios of seven of the nine domestic QE-listed banks
- June 2009: The Government purchased USD 2.7bn worth of real estate financings and other exposures of Qatari banks
- 2010 & 2011: The Government issued USD 16.4bn worth of Sukuk and bonds to absorb excess liquidity in the Qatari banking sector

The banking sector is profitable and well capitalized [...] Liquidity buffers are strong [...] – International Monetary Fund (Feb-2014)

Source: Published Financials
Qatari Banking Sector – Continued Growth

Selected key bank regulations: Source: QCB, IMF

- **Capital**: Minimum capital adequacy ratio requirement of 12.5% from 2014 under Basel III
- **Liquidity**: Reserve requirement of 4.75% of a bank’s total deposits to be kept with the QCB
- **Financing**: Maximum financing to deposits (incl. LT debt) ratio of 90%\(^{(1)}\) and financing to real estate limited to the lower of 15% of customer deposits or 150% of shareholder’s equity
- **Ownership**: Permitted foreigner ownership of up to 49% in listed banks
- **Provisioning**: 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 + Less Unearned Income) + Acceptances) / (Customer Deposits + Sukuk Issued)

Source: International Monetary Fund (IMF)
Overview of QIB

**Phase 1: Creation of the Bank**
- QIB established with paid up capital QR 25mn (equivalent to USD 6.9mn)
- Al Jazeera Finance established (30% owned by QIB)
- QIB listed on Qatar Stock Exchange
- First branch opened for customers in July 1983
- Paid up capital increased to QR 200mn (USD 54.9mn equivalent)
- Aqar established (49% owned by QIB)

**Phase 2: Creation of a strong banking platform**
- Arab Finance House established in Beirut (37% owned by QIB)
- 2005: QIB branches at 8; paid up capital increased to USD 182mn
- 2007: Asian Finance Bank established (50% owned by QIB)
- 2006: QIB changed its identity; paid up capital increased to USD 327mn
- 2007: Qinvest established (47.15% owned by QIB)
- 2008: QIB-UK established (70% owned by QIB)
- 2009: BEEMA established (25% owned by QIB)
- 2010: QIB launched USD750mn Sukuk
- 2011: Paid up capital increased to USD 649mn
- 2012: QIB launched USD 750mn Sukuk under USD 1.5bn programme
- 2013: Set up QIB Sudan
- 2013: Increased holding in AFH & QIB-UK above 99%
- 2014: Increased holding in AFB to 60%
- 2014: Increased holding in Qinvest to 50.13%

**QIB’s Product and Geographic Diversification**

While Qatar-based banking operations contributed over 95% of the Group’s Net Operating Income, QIB has expanded its platform over recent years

**Domestic Holdings**
- Investment Banking: 50.1%
- Financing: 30.0%
- Insurance: 25.0%
- Real Estate: 39.9%
- Aqar: 49.0%

**International Holdings**
- Arab Finance House: 99.43%
- Asian Finance Bank: 99.99%
- BEEMA: 60.0%
Business Units Overview – Revenue Diversification (Dec’15)

Treasury
- Sukuk and Local Equity Investment Portfolio
- Treasury Services and Sales
- Liquidity Management

Investments
- International Associates
  - Asian Finance Bank
- Local Associates
  - Al Jazeera Finance
  - Beema (Al Damaan Islamic Insurance)
- Real Estate & International Investments

Net Operating Revenue (1)
QAR 3,416 mln

- 36.1%
- 14.5%
- 14.4%
- 34.9%

Product / Services
- Deposits
- Current Accounts
- Consumer Finance
- Cards
- Remittances
- Takaful

Segments
- Individuals
- Affluent
- HNWIs

Local Subsidiaries
- QInvest
- Aqar
- Durat-Al-Doha

International Subsidiaries
- QIB-UK
- Arab Finance House

Corporate Banking
- Personal Banking
- Group Function
- Local and International Subsidiaries

(1) Net Operating Income = total income net of profit to unrestricted investment account holders and share of Sukuk holders profit + discontinued operations
Growth-Focused Strategy

A leading, innovative and global Islamic bank adhering to the highest Sharia’a and ethical principles

Strategic Intent – Build around the core

Become the benchmark Islamic bank in Qatar

Improve the performance & cross selling opportunities with existing subsidiaries / affiliates

Develop an international network of QIB-branded Islamic banks in selected countries

Enablers

Brand Investment

Technology / Customer Service

Employer of Choice
QIB’s Organizational Structure
QIB is committed to strong corporate governance practices, with its Board of Directors meeting at least six times a year

**Board Committees**

**Executive Committee**  
*Six members*
- Provision of ongoing information to the Board on business developments and regular review of business segments
- Advise on strategic decisions and coordinate activities of all divisions and subsidiaries
- Approve credit facilities and limits that fall within authorities

**Audit, Risk & Compliance Committee**  
*Three members*
- Review financial control, internal control and risk management framework & systems
- Establish risk appetite and monitor overall portfolio while reviewing effectiveness of system to monitor compliance with laws/regulations
- Oversight of internal and external (including financials) audit processes

**Policies & Procedures Committee**  
*Four members*
- Study, prepare and develop strategies, objectives, policies, systems, plans, budgets and work procedures
- Monitor practices and performance versus approved business standards, strategy and budgets

**Nomination & Remuneration Committee**  
*Three members*
- Select and evaluate applicants for senior executive posts and provide recommendations to Board
- Determine senior staff rewards and privileges

**Zakat Committee**  
*Three members*
- Promote interdependence and integration among members of the Muslim community by channeling contributions of Zakat
- Develop good relationships with charitable, humanitarian aid groups and institutions and oversee QIB’s Zakat collection/disbursement

**Board of Directors**

**Sheikh Jassim Bin Hamad Bin Jassim Bin Jaber Al Thani**, *Chairman of the Board*
Member of QIB Board of Directors since June 2004, and became Chairman in April 2005. Graduated from Sandhurst Royal Military College in the United Kingdom, and had a high level leadership training. He is Chairman of QInvest - the first Islamic investment bank in Qatar, Chairman of QIB-UK (ex-European Finance House), and a member of the board of directors of Beema. He is also a board member of several institutions and financial and investment companies such as Qatar Navigation and Credit Suisse - Zurich

<table>
<thead>
<tr>
<th>Director</th>
<th>Designation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mr. Abdullatif Bin Abdulla Al Mahmoud</td>
<td>Vice Chairman</td>
</tr>
<tr>
<td>Sheikh Ali Bin Ghanim Bin Ali Al Thani</td>
<td>Board Member</td>
</tr>
<tr>
<td>Mr. Mohamed Bin Issa Al Mohanadi</td>
<td>Board Member</td>
</tr>
<tr>
<td>Mr. Abdul Rahman Abdulla Abdul Ghani Nasser</td>
<td>Board Member</td>
</tr>
<tr>
<td>Mr. Mansour Mohamed A. Fattah Al Musleh</td>
<td>Board Member</td>
</tr>
<tr>
<td>Mr. Issa R. Al Rabia Al Kuwari</td>
<td>Board Member</td>
</tr>
<tr>
<td>Mr. Abdulla Bin Saeed Al Eidah</td>
<td>Board Member</td>
</tr>
<tr>
<td>Mr. Nasser Rashid S. Al-Kaabi</td>
<td>Board Member</td>
</tr>
</tbody>
</table>
Bassel Gamal
Group CEO

- 23 years experience
- Egyptian
- Ahli United Bank Group
- Chase National Bank

Tarek Youssef Fawzi
Wholesale Banking

- 33 years experience
- Egyptian
- Mashreq Bank
- Burgan Bank
- Misr America International Bank

Constantinos Constantinides
Chief Strategy Officer

- 22 years experience
- Greek Cypriot
- Al Rajhi Bank
- Accenture

Gourang Hemani
Chief Financial Officer

- 23 years experience
- Indian
- Banque Saudi Fransi
- Standard Chartered
- PWC

Rakesh Sanghvi
Chief Risk Officer

- 25 years experience
- Indian
- Ahli United Bank
- E&Y

Krishna Kumar
Chief Operating Officer

- 25 years experience
- Indian
- Ahli Bank
- National Bank of Dubai
- Commercial Bank Kuwait

Khalifa Al Mesalam
Human Capital

- 15 years experience
- Qatari
- HSBC
- Al Khali Bank

Dorai Anand
Personal Banking

- 21 years experience
- Indian
- Al Rajhi Bank
- Citi Bank

Giles Cunningham
Chief International Officer

- 23 years experience
- British
- Lloyds TSB

Experienced Leadership

- 23 years experience
- Egyptian
- Ahli United Bank Group
- Chase National Bank

- 25 years experience
- Indian
- Ahli Bank
- National Bank of Dubai
- Commercial Bank Kuwait

- 15 years experience
- Qatari
- HSBC
- Al Khali Bank
The Sharai’a Supervisory Board acts as an independent body of experts in Islamic jurisprudence. The Board is responsible for:

- Providing Islamic advice and guidance to ensure that all QIB activities comply with Sharia’a law.
- Reviewing Sharia’a Auditors’ Reports and reporting to the General Assembly on QIB’s operations compliance with Sharia’a.
- Determining whether contracts, transactions and dealings entered into by QIB comply with Sharia’a.
- Approving all marketing material of QIB, ensuring that the products are represented fairly and clearly to customers and in accordance with Sharia’a.
- Ensuring that all earnings realized from sources or by means prohibited by Sharia’a are disposed of to charitable causes.
- Publishing Fatwas, Rulings and Guidelines with regard to QIB activities.

QIB enjoys a strong Islamic heritage and has based its success on sound Sharia’a-compliant principles, under the supervision of an expert Shari’a Supervisory Board.
## Financial Overview

### Financial Position

<table>
<thead>
<tr>
<th>QAR million</th>
<th>31-Dec-15</th>
<th>31-Dec-14</th>
<th>Growth %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Assets</td>
<td>127,031</td>
<td>96,106</td>
<td>32.2%</td>
</tr>
<tr>
<td>Total Financing</td>
<td>87,222</td>
<td>59,682</td>
<td>46.1%</td>
</tr>
<tr>
<td>Non-Performing Assets</td>
<td>572</td>
<td>550</td>
<td>4.0%</td>
</tr>
<tr>
<td>Total Deposits</td>
<td>91,521</td>
<td>66,605</td>
<td>37.4%</td>
</tr>
<tr>
<td>Investments (3)</td>
<td>20,943</td>
<td>18,138</td>
<td>15.5%</td>
</tr>
<tr>
<td>Total Equity (1)</td>
<td>13,376</td>
<td>12,478</td>
<td>7.2%</td>
</tr>
<tr>
<td>Financing to Deposit Ratio (%)</td>
<td>95.3%</td>
<td>89.6%</td>
<td>5.7%</td>
</tr>
<tr>
<td>Capital Adequacy Ratio (%)</td>
<td>14.1%</td>
<td>14.6%</td>
<td>-0.5%</td>
</tr>
<tr>
<td>Provision Coverage Ratio (%)</td>
<td>112.9%</td>
<td>101.9%</td>
<td>11.0%</td>
</tr>
</tbody>
</table>

### Key Highlights

- QIB has experienced a **strong growth in its balance sheet** with its total assets reaching QAR 127 bn as at 31 December 2015, up by 32.2% from QAR 96 bn as at 31 December 2014.
- The Bank’s asset growth has been driven by a **strong increase in financing assets**. More specifically, the Bank’s financing assets grew by 46.1% to QAR 87.2 bn as at 31 December 2015.
- Despite the strong increase in financing assets, the Bank has maintained a **strong asset quality as evidenced by the decline in its non-performing asset portfolio**.
- In addition, as part of its prudent risk management policy, the Bank has **increased its impairment provisions marginally**.
- The Bank’s **deposits have also grown** by 37.4% to reach QAR 91.5 bn as at 31 December 2015 from QAR 66.6 bn as at 31 December 2014.
- QIB has continued to report **strong profitability with a 22% increase in net profit** attributable to the shareholders of QIB for year ended 31 December 2015 (as compared to the year ended 31 December 2014).
- The improvement in net profit has been driven by a **robust increase in total income**. Net operating income increased by 17.9% during 2015 on the back of significant contribution from financing income.
- The Bank continues to maintain a **strong operating efficiency**, as evidenced by its low cost to income ratio (which stood at 30.6% as at 31 December 2015).

### Profitability

<table>
<thead>
<tr>
<th>QAR million</th>
<th>2015</th>
<th>2014</th>
<th>Change %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Operating Income (2)</td>
<td>3,416</td>
<td>2,897</td>
<td>17.9%</td>
</tr>
<tr>
<td>Total expenses</td>
<td>-1,044</td>
<td>-920</td>
<td>13.5%</td>
</tr>
<tr>
<td>Total provisions</td>
<td>-331</td>
<td>-270</td>
<td>22.6%</td>
</tr>
<tr>
<td>Net profit before tax</td>
<td>2,041</td>
<td>1,708</td>
<td>19.5%</td>
</tr>
<tr>
<td>Net profit for the year (1)</td>
<td>1,954</td>
<td>1,602</td>
<td>22.0%</td>
</tr>
<tr>
<td>Cost to income ratio</td>
<td>30.6%</td>
<td>31.7%</td>
<td>-1.2%</td>
</tr>
</tbody>
</table>

Source: QIB financial statements

(1) Attributable to shareholders of QIB
(2) Net Operating Income = total income net of profit to unrestricted investment account holders and share of Sukuk Holders’ Profit + discontinued operations
(3) Investments includes investments securities, investments in associates and investments properties
Continued Balance Sheet Growth

Strong balance sheet growth driven by growth in Qatar-focused financing

Summary

- Continuous balance sheet growth
- Growth driven by multiple products / asset classes
- Primarily Qatar-centric exposures

Asset Composition by Type (as at 31 December 2015)

- Cash & Balances: 68.7%
- Due from Banks & Financial Institutions: 7.5%
- Financing Assets: 4.0%
- Other Investments: 3.4%
- Other Assets: 0.8%

Asset Composition by Geography Type (as at 31 Dec 2015)

- Qatar: 84.9%
- GCC: 15.1%

Source: QIB financial statements
Strong Asset Quality and Provisioning

Despite the strong growth, QIB has maintained very good asset quality and comfortable provisioning levels

Summary

- Well-diversified & growing (QAR 87.2 bn) financing book
- Strong asset quality and conservative provisioning
- Reflective of robust risk management framework

Non-Performing Financing Assets ("NPF", QAR mln)

Non-performing financing* 294 295 437 372 802 494 550 572
Non-performing financing ratio** 1.4% 1.1% 1.3% 1.1% 1.6% 0.9% 0.9% 0.7%

Provision Coverage (QAR mln)

Specific Provision 222 248 298 311 460 425 425 43
Suspended Profit 12 16 66 52 33 38 38 43
Provision Coverage Ratio 79.6% 89.6% 101.9% 112.9%

Source: QIB financial statements
* Includes all financing assets overdue past 90 days
** Total non-performing financing / Total financing assets
QIB’s growth has been enabled by its ability to source funding, primarily in the form of deposits

### Ability to obtain funding from diverse sources

- Loyal and diverse deposit base
- Stable funding from sticky deposits

### Strong Deposit\(^{(1)}\) Growth (QAR bln)

<table>
<thead>
<tr>
<th>Year</th>
<th>Customers' accounts</th>
<th>Unrestricted investment accounts</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008</td>
<td>16.6</td>
<td>11.5</td>
</tr>
<tr>
<td>2009</td>
<td>13.6</td>
<td>6.7</td>
</tr>
<tr>
<td>2010</td>
<td>30.4</td>
<td>8.7</td>
</tr>
<tr>
<td>2011</td>
<td>21.6</td>
<td>18.7</td>
</tr>
<tr>
<td>2012</td>
<td>18.7</td>
<td>9.1</td>
</tr>
<tr>
<td>2013</td>
<td>34.1</td>
<td>9.1</td>
</tr>
<tr>
<td>2014</td>
<td>50.4</td>
<td>12.5</td>
</tr>
<tr>
<td>2015</td>
<td>66.6</td>
<td>15.1</td>
</tr>
</tbody>
</table>

CAGR: 27.6%

### Diverse Sources of Funding (as at 31 December 2015)

- Current Accounts: 62.7%
- Unrestricted Investment Accounts: 11.5%
- Shareholders’ Equity: 9.1%
- Due to Banks: 10.9%
- Sukuk Financing: 4.4%
- Other Liabilities: 1.3%

### High-Quality Deposits\(^{(1)}\) (as at 31 December 2015)

- Current & Call Accounts: 67.7%
- Savings Accounts: 19.4%
- Fixed Deposits: 12.9%

Source: QIB financial statements

\(^{(1)}\) Customer accounts and unrestricted investment accounts
**Asset and Liability Management**

*QIB’s growth has been managed within a well-defined risk management framework*

### Summary

- **Financing to deposit ratio ranging between 90% and 110%**
- **Strong liquidity position to manage market stress**
- **Overall conservative approach to risk management**

### Supportive Liquid Assets Ratio (1)

<table>
<thead>
<tr>
<th>Year</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>35.7%</td>
<td>34.8%</td>
<td>34.2%</td>
<td>41.2%</td>
<td>35.2%</td>
<td>37.3%</td>
<td>31.0%</td>
<td>33.2%</td>
</tr>
</tbody>
</table>

### Range-bound Financing to Deposit Ratio (2)

<table>
<thead>
<tr>
<th>Year</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ratio</td>
<td>113.7%</td>
<td>111.3%</td>
<td>106.3%</td>
<td>100.0%</td>
<td>93.6%</td>
<td>89.6%</td>
<td>95.3%</td>
<td></td>
</tr>
</tbody>
</table>

### Asset Liability Management (QAR bln, as at 31 Dec 2015)

<table>
<thead>
<tr>
<th>Maturity</th>
<th>Up to 3 Months</th>
<th>3-6 Months</th>
<th>6 Months - 1 Year</th>
<th>1-3 Years</th>
<th>Over 3 Years</th>
</tr>
</thead>
<tbody>
<tr>
<td>Assets</td>
<td>24.4</td>
<td>10.1</td>
<td>8.4</td>
<td>31.0</td>
<td>53.1</td>
</tr>
<tr>
<td>Total Liabilities and Unrestricted Investments</td>
<td>78.8</td>
<td>11.9</td>
<td>10.2</td>
<td>25.6</td>
<td>49.6</td>
</tr>
<tr>
<td>Maturity Gap</td>
<td>-54.4</td>
<td>-1.8</td>
<td>-1.8</td>
<td>5.4</td>
<td>3.5</td>
</tr>
</tbody>
</table>

**Source:** QIB financial statements, Management Accounts

(1) Liquid Assets = (Cash and Balances with Central Bank + Due from Banks + Financial Investments) all less than 1 year
(2) Total Deposits = Customer Current Accounts + Equity of Unrestricted Investment Account Holders
Strong Capitalization & Continued Profitability

QIB boasts an ideal platform for future growth, including strong capitalization and supportive margins/returns

Summary

- Capital ratios well above regulatory requirements
- Strong Net Financing Margin
- Healthy return on assets

Net financing margin

<table>
<thead>
<tr>
<th>Year</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>3.7%</td>
<td>5.8%</td>
<td>5.0%</td>
<td>4.6%</td>
<td>4.5%</td>
<td>3.4%</td>
<td>3.5%</td>
<td>3.1%</td>
</tr>
</tbody>
</table>

Capital Adequacy Ratio

<table>
<thead>
<tr>
<th>Year</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tier 1</td>
<td>17.0%</td>
<td>17.3%</td>
<td>17.4%</td>
<td>18.6%</td>
<td>15.4%</td>
<td>16.5%</td>
<td>14.6%</td>
<td>13.7%</td>
</tr>
<tr>
<td>Tier 2</td>
<td>16.4%</td>
<td>17.3%</td>
<td>17.4%</td>
<td>18.6%</td>
<td>14.7%</td>
<td>15.7%</td>
<td>14.6%</td>
<td>13.7%</td>
</tr>
</tbody>
</table>

Robust Returns (%)

<table>
<thead>
<tr>
<th>Year</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>ROAA</td>
<td>6.0%</td>
<td>3.6%</td>
<td>2.8%</td>
<td>2.5%</td>
<td>1.9%</td>
<td>1.8%</td>
<td>1.8%</td>
<td>1.7%</td>
</tr>
<tr>
<td>ROAE</td>
<td>27.9%</td>
<td>16.4%</td>
<td>14.0%</td>
<td>13.5%</td>
<td>10.9%</td>
<td>11.6%</td>
<td>13.4%</td>
<td>15.1%</td>
</tr>
</tbody>
</table>

Source: QIB financial statements

(1) From 2014 onwards capital adequacy is as per Basel III guidelines. Previous years are as per Basel II
(2) Net financing margin = (Income from financing activities, net - Unrestricted investment account holders’ share of profit) / (Net Average Financing Assets)
Summary

- Recurring financing and investing revenues
- Continued profitability during crisis
- Cost base effectively managed

Overview of Profitability (QAR mln)

Revenue\(^{(1)}\) Breakdown (QAR mln)

Operating Efficiency (Cost to Income Ratio, %)

QIB has remained profitable even during the global financial crisis

Pre-impairment Operating Profit\(^{2}\) = Total Income – Sukuk Holders’ Share of Profit - Unrestricted investment account holders’ share of profit – General and administrative expenses – Depreciation of fixed assets

Net Profit\(^{3}\) = Pre-impairment Operating Profit - General and administrative expenses – Depreciation of fixed assets

Source: QIB financial statements

(1) Income from Financing Activities (net) = Net of profit to unrestricted investment account holders and share of Sukus Holders’ profit

(2) Pre-Impairment Operating Profit = Total Income – Sukuk Holders’ Share of Profit - Unrestricted investment account holders’ share of profit – General and administrative expenses – Depreciation of fixed assets

(3) Net Profit for the year attributable to shareholders

Stable and Diversified Earnings Profile

- Recurring financing and investing revenues
- Continued profitability during crisis
- Cost base effectively managed
### Consolidated Statement of Financial Position

<table>
<thead>
<tr>
<th>QAR million</th>
<th>31-Dec-2012</th>
<th>31-Dec-2013</th>
<th>31-Dec-2014</th>
<th>31-Dec-2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and balances with central banks</td>
<td>3,644</td>
<td>2,992</td>
<td>4,933</td>
<td>5,086</td>
</tr>
<tr>
<td>Due from banks</td>
<td>8,758</td>
<td>6,348</td>
<td>8,931</td>
<td>9,494</td>
</tr>
<tr>
<td>Financing assets</td>
<td>43,138</td>
<td>47,138</td>
<td>59,682</td>
<td>87,222</td>
</tr>
<tr>
<td>Investment Securities</td>
<td>13,355</td>
<td>14,851</td>
<td>15,954</td>
<td>18,840</td>
</tr>
<tr>
<td>Investment in associates</td>
<td>874</td>
<td>743</td>
<td>967</td>
<td>1,048</td>
</tr>
<tr>
<td>Investment properties</td>
<td>775</td>
<td>794</td>
<td>1,216</td>
<td>1,055</td>
</tr>
<tr>
<td>Assets of a subsidiary held for sale</td>
<td>295</td>
<td>302</td>
<td>61</td>
<td>4</td>
</tr>
<tr>
<td>Fixed assets</td>
<td>379</td>
<td>437</td>
<td>555</td>
<td>575</td>
</tr>
<tr>
<td>Intangible assets</td>
<td>251</td>
<td>320</td>
<td>375</td>
<td>411</td>
</tr>
<tr>
<td>Other assets</td>
<td>1,725</td>
<td>3,429</td>
<td>3,432</td>
<td>3,295</td>
</tr>
<tr>
<td><strong>Total Assets</strong></td>
<td><strong>73,193</strong></td>
<td><strong>77,354</strong></td>
<td><strong>96,106</strong></td>
<td><strong>127,031</strong></td>
</tr>
<tr>
<td>Due to banks</td>
<td>10,370</td>
<td>6,490</td>
<td>8,104</td>
<td>11,199</td>
</tr>
<tr>
<td>Customers’ current accounts</td>
<td>9,082</td>
<td>12,471</td>
<td>15,125</td>
<td>14,194</td>
</tr>
<tr>
<td>Sukuk financing</td>
<td>5,416</td>
<td>5,445</td>
<td>5,450</td>
<td>5,451</td>
</tr>
<tr>
<td>Liabilities of a subsidiary held for sale</td>
<td>204</td>
<td>4</td>
<td>19</td>
<td>3</td>
</tr>
<tr>
<td>Other Liabilities</td>
<td>1,001</td>
<td>1,380</td>
<td>1,756</td>
<td>1,682</td>
</tr>
<tr>
<td><strong>Total Liabilities</strong></td>
<td><strong>26,077</strong></td>
<td><strong>25,789</strong></td>
<td><strong>30,454</strong></td>
<td><strong>32,529</strong></td>
</tr>
<tr>
<td>Equity of unrestricted investment account holders</td>
<td>34,067</td>
<td>37,892</td>
<td>51,480</td>
<td>77,327</td>
</tr>
<tr>
<td>Share capital</td>
<td>2,362</td>
<td>2,362</td>
<td>2,363</td>
<td>2,363</td>
</tr>
<tr>
<td>Legal reserve</td>
<td>6,370</td>
<td>6,370</td>
<td>6,370</td>
<td>6,370</td>
</tr>
<tr>
<td>Risk reserve</td>
<td>764</td>
<td>1,085</td>
<td>1,369</td>
<td>1,993</td>
</tr>
<tr>
<td>General reserve</td>
<td>84</td>
<td>84</td>
<td>82</td>
<td>82</td>
</tr>
<tr>
<td>Fair value reserve</td>
<td>87</td>
<td>95</td>
<td>93</td>
<td>134</td>
</tr>
<tr>
<td>Foreign currency translation reserve</td>
<td>(33)</td>
<td>(51)</td>
<td>(29)</td>
<td>(29)</td>
</tr>
<tr>
<td>Other reserves</td>
<td>288</td>
<td>211</td>
<td>217</td>
<td>217</td>
</tr>
<tr>
<td>Proposed cash dividends</td>
<td>885</td>
<td>946</td>
<td>1,004</td>
<td>1,004</td>
</tr>
<tr>
<td>Share-based payment reserve</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>6</td>
</tr>
<tr>
<td>Retained earnings</td>
<td>666</td>
<td>757</td>
<td>1,009</td>
<td>1,236</td>
</tr>
<tr>
<td><strong>Total equity attributable to shareholders of the bank</strong></td>
<td><strong>11,473</strong></td>
<td><strong>11,859</strong></td>
<td><strong>12,478</strong></td>
<td><strong>13,376</strong></td>
</tr>
<tr>
<td>Sukuk eligible as additional tier 1 capital</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>2,000</td>
</tr>
<tr>
<td>Non-controlling interests</td>
<td>1,576</td>
<td>1,813</td>
<td>1,694</td>
<td>1,798</td>
</tr>
<tr>
<td><strong>Total equity</strong></td>
<td><strong>13,049</strong></td>
<td><strong>13,672</strong></td>
<td><strong>14,172</strong></td>
<td><strong>17,175</strong></td>
</tr>
<tr>
<td><strong>Total Liabilities &amp; Equity</strong></td>
<td><strong>73,193</strong></td>
<td><strong>77,354</strong></td>
<td><strong>96,106</strong></td>
<td><strong>127,031</strong></td>
</tr>
</tbody>
</table>
# Consolidated Statement of Income

<table>
<thead>
<tr>
<th>QAR million</th>
<th>31-Dec-2012</th>
<th>31-Dec-2013</th>
<th>31-Dec-2014</th>
<th>31-Dec-2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net income from financing activities</td>
<td>2,081</td>
<td>2,003</td>
<td>2,444</td>
<td>3,201</td>
</tr>
<tr>
<td>Net income from investing activities</td>
<td>585</td>
<td>801</td>
<td>649</td>
<td>691</td>
</tr>
<tr>
<td><strong>Total income from financing and investing activities</strong></td>
<td><strong>2,666</strong></td>
<td><strong>2,804</strong></td>
<td><strong>3,093</strong></td>
<td><strong>3,893</strong></td>
</tr>
<tr>
<td>Fee and commission income</td>
<td>473</td>
<td>364</td>
<td>480</td>
<td>586</td>
</tr>
<tr>
<td>Fee and commission expense</td>
<td>(55)</td>
<td>(76)</td>
<td>(88)</td>
<td>(108)</td>
</tr>
<tr>
<td><strong>Net fee and commission income</strong></td>
<td><strong>417</strong></td>
<td><strong>289</strong></td>
<td><strong>392</strong></td>
<td><strong>478</strong></td>
</tr>
<tr>
<td>Net foreign exchange gain</td>
<td>26</td>
<td>44</td>
<td>73</td>
<td>82</td>
</tr>
<tr>
<td>Share of results of associates</td>
<td>(16)</td>
<td>6</td>
<td>52</td>
<td>33</td>
</tr>
<tr>
<td>Other income</td>
<td>11</td>
<td>1</td>
<td>24</td>
<td>22</td>
</tr>
<tr>
<td><strong>Total Income</strong></td>
<td><strong>3,105</strong></td>
<td><strong>3,144</strong></td>
<td><strong>3,633</strong></td>
<td><strong>4,508</strong></td>
</tr>
<tr>
<td>Staff costs</td>
<td>(484)</td>
<td>(495)</td>
<td>(535)</td>
<td>(621)</td>
</tr>
<tr>
<td>Depreciation and amortisations</td>
<td>(61)</td>
<td>(63)</td>
<td>(74)</td>
<td>(75)</td>
</tr>
<tr>
<td>Sukuk holders’ share of profit</td>
<td>(130)</td>
<td>(174)</td>
<td>(174)</td>
<td>(162)</td>
</tr>
<tr>
<td>Other expenses</td>
<td>(298)</td>
<td>(290)</td>
<td>(311)</td>
<td>(348)</td>
</tr>
<tr>
<td><strong>Total Expenses</strong></td>
<td><strong>(972)</strong></td>
<td><strong>(1,022)</strong></td>
<td><strong>(1,093)</strong></td>
<td><strong>(1,206)</strong></td>
</tr>
<tr>
<td>Net impairment losses on investment securities and properties</td>
<td>(302)</td>
<td>(263)</td>
<td>(171)</td>
<td>(222)</td>
</tr>
<tr>
<td>Net impairment losses on financing assets</td>
<td>(188)</td>
<td>(97)</td>
<td>(90)</td>
<td>(105)</td>
</tr>
<tr>
<td>Other impairment losses</td>
<td>(11)</td>
<td>(10)</td>
<td>(8)</td>
<td>(4)</td>
</tr>
<tr>
<td><strong>Net profit for the period from continuing operations before tax and return to unrestricted investment account holders</strong></td>
<td>1,631</td>
<td>1,753</td>
<td>2,270</td>
<td>2,971</td>
</tr>
<tr>
<td>Return to unrestricted investment account holders before the Bank’s share as Mudarib</td>
<td>(889)</td>
<td>(809)</td>
<td>(1,061)</td>
<td>(1,971)</td>
</tr>
<tr>
<td>Bank’s share as Mudarib</td>
<td>428</td>
<td>360</td>
<td>497</td>
<td>1,019</td>
</tr>
<tr>
<td><strong>Net return to unrestricted investment account holders</strong></td>
<td><strong>(462)</strong></td>
<td><strong>(449)</strong></td>
<td><strong>(564)</strong></td>
<td><strong>(952)</strong></td>
</tr>
<tr>
<td>Profit from a subsidiary held for sale</td>
<td>(42)</td>
<td>4</td>
<td>2</td>
<td>21</td>
</tr>
<tr>
<td><strong>Net profit before tax</strong></td>
<td><strong>1,126</strong></td>
<td><strong>1,308</strong></td>
<td><strong>1,708</strong></td>
<td><strong>2,041</strong></td>
</tr>
<tr>
<td>Tax expense</td>
<td>(2)</td>
<td>17</td>
<td>(39)</td>
<td>(10)</td>
</tr>
<tr>
<td><strong>Net profit for the period</strong></td>
<td><strong>1,125</strong></td>
<td><strong>1,325</strong></td>
<td><strong>1,669</strong></td>
<td><strong>2,030</strong></td>
</tr>
<tr>
<td>Net income from financing activities</td>
<td>2,081</td>
<td>2,003</td>
<td>2,444</td>
<td>3,201</td>
</tr>
<tr>
<td><strong>Profit Attributable to:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Shareholder of the Bank</td>
<td>1,241</td>
<td>1,335</td>
<td>1,601</td>
<td>1,954</td>
</tr>
<tr>
<td>Non-controlling interest</td>
<td>(116)</td>
<td>(10)</td>
<td>67</td>
<td>76</td>
</tr>
</tbody>
</table>
QIB Award Winning Organization

- **2015**
  - The Banker: Bank of the Year - Qatar
  - The Banker: Islamic Bank of the Year in Middle East
  - The Banker: Islamic Bank of the Year in Qatar
  - Islamic Bank of the Year
  - Best Islamic Bank in Qatar

- **2014**
  - Islamic Finance News: “Best Islamic Bank in Qatar”
  - Global Banking and Finance Review: “Best Islamic Retail Bank Qatar”
  - Global Banking and Finance Review: Best Islamic project Finance Bank MENA
  - Global Banking and Finance Review: Best Islamic Finance Provider Qatar
  - Global Banking and Finance Review: Most Innovative SME Product Aamaly - Qatar

- **2014**
  - Standard Chartered: “Outstanding performance in STP and delivery of commercial & financial payments”
  - The Banker: “Best Treasury Products Management – Qatar”
  - World Finance: “Best Islamic Bank in Qatar”
  - Euromoney: “Best Islamic Bank in Qatar”
  - Entrepreneur: “Islamic Bank of the Year”

Qatar Islamic Bank