



بنك قطر الأول  
QFB

**Qatar First Bank**  
Investor Presentation  
December 2020

# Profile

Qatar First Bank L.L.C. (Public) “QFB”, a leading Shari’ah compliant bank based in Qatar, offers investment opportunities and innovative financial solutions with local, regional and international reach.

QFB, listed on the Qatar Stock Exchange provides a wide range of products and services including alternative investments focused on private equity and real estate, private banking and wealth management, corporate and institutional banking, as well as treasury and investments.

With a clear strategy, highly experienced team, and solid shareholder base, QFB is a trusted advisor for high-net-worth individuals, corporate and institutional clients and a gateway to opportunities in Qatar, the region and global markets.

## Facts:

- Established in 2008 as Qatar First Investment Bank, and started operations in 2009 with initial focus on principal investments in equity and real estate. Building on its successful investments, the Bank expanded its offering to banking and wealth management services.
- Qatar First Investment Bank was rebranded to Qatar First Bank (QFB) to become the first Shari’a compliant private bank in Qatar exclusively focused on catering to the banking needs of its elite private clients and their businesses, while offering access to unique investment opportunities and capabilities.
- The Bank with an authorized share capital of QAR 2.5bn and a paid up capital of QAR 0.7 bn (after capital reduction) is licensed and regulated by the Qatar Financial Centre Regulatory Authority (QFCRA)



# Snapshot on results of Q4 2020

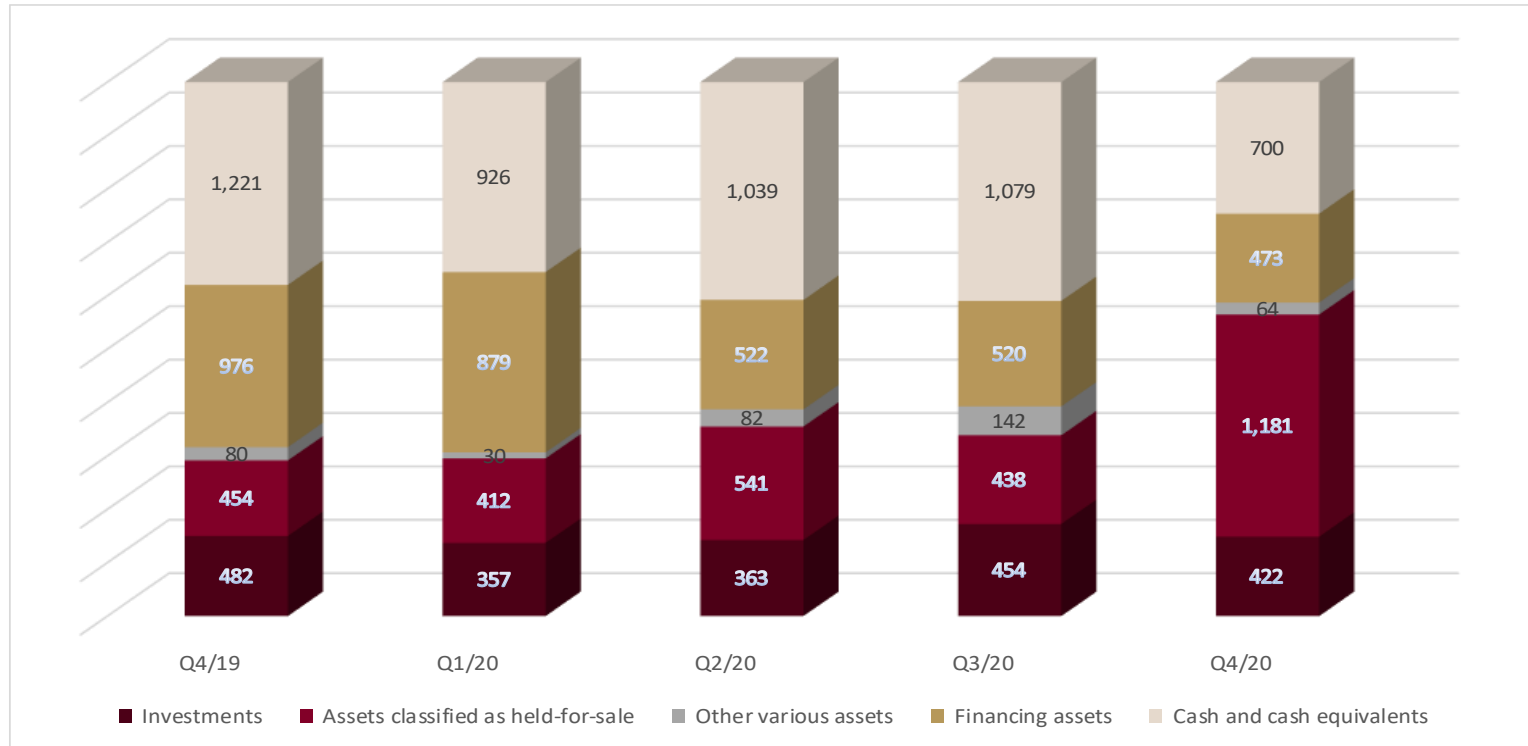
QoQ ANALYSIS			
Profitability	Net profit for the forth quarter 2020 stood at		Total expenses decreased by -20% to
	QAR 1.2 million		QAR 16 million
	Total income/ (loss) of the forth quarter stood at		Return on equity* for Q4 stood at
	QAR 40 million		0.2%
Financial position	Total assets increased by	7.8% to	Total deposits decreased by -34% to
	QAR 2.8 billion		QAR 1.2 billion
	Total cash and bank decreased by	-35.1% to	Financing assets to deposits stood at
	QAR 0.7 billion		38.4%
*Attributable to the shareholders			

# Snapshot on results of 2020 (annual)

YoY ANALYSIS				
Profitability	Net loss* for the year 2020 decreased by	-24% to	Total expenses for year decreased by	-9.5% to
	QAR -226.7 million		QAR 99.9 million	
Financial position	Total income of the year decreased by	-188.5% to	Annualised return on equity* based on 2020 results stood at	
	QAR -42.3 million		-46.3%	
Financial position	Total assets decreased by	-11.7% to	Total deposits decreased by	-39% to
	QAR 2.8 billion		QAR 1.2 billion	
Financial position	Total cash and bank decreased by	-42.7% to	Financing assets to deposits stood at	
	QAR 0.7 billion		38.4%	

\*Attributable to the shareholders

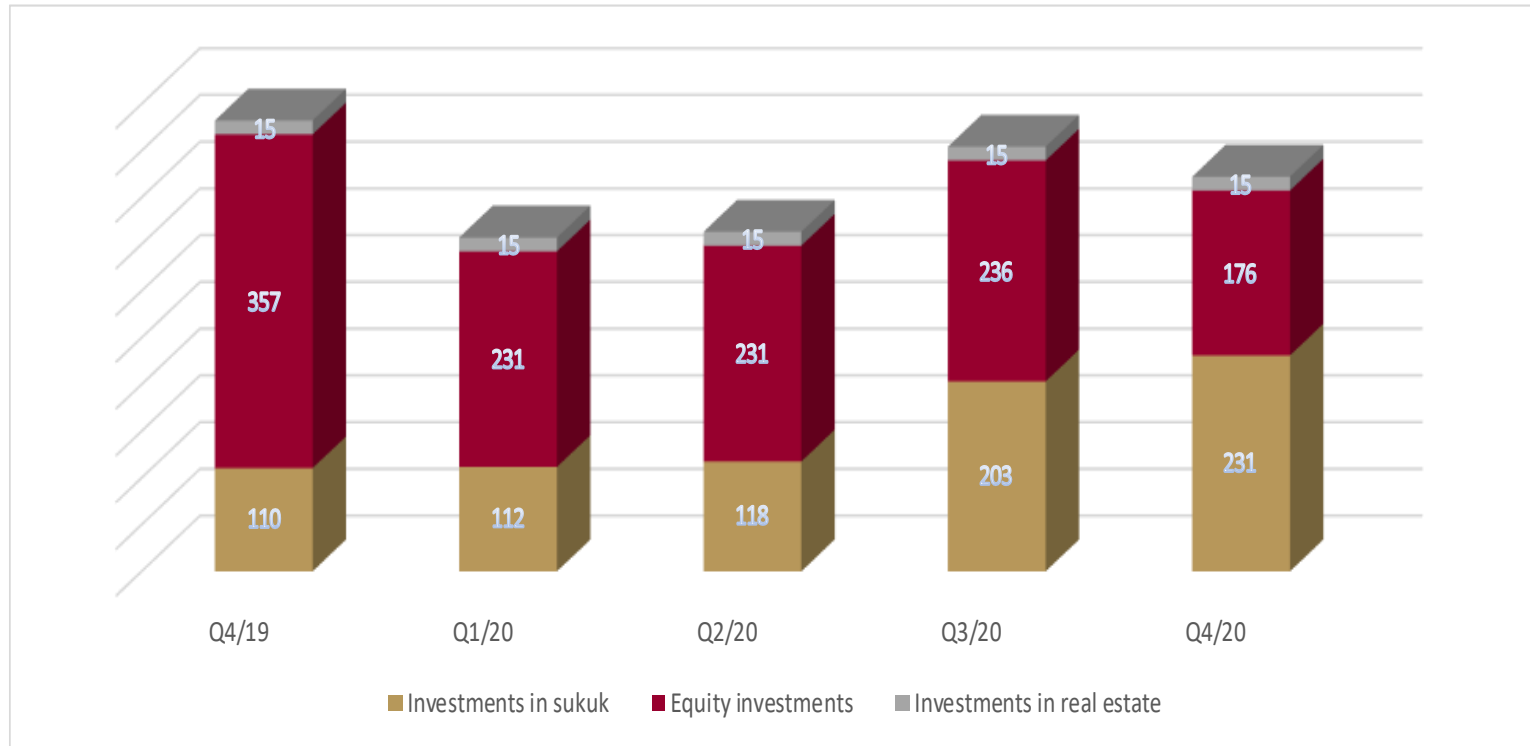
# Asset Mix



## Key Highlights

- Financing assets decreased from QAR 0.9B to QAR 0.5B due to the Bank's strategy to focus more on products
- Increase in assets classified for hed-for-sale is mainly due to products that are yet to be sold

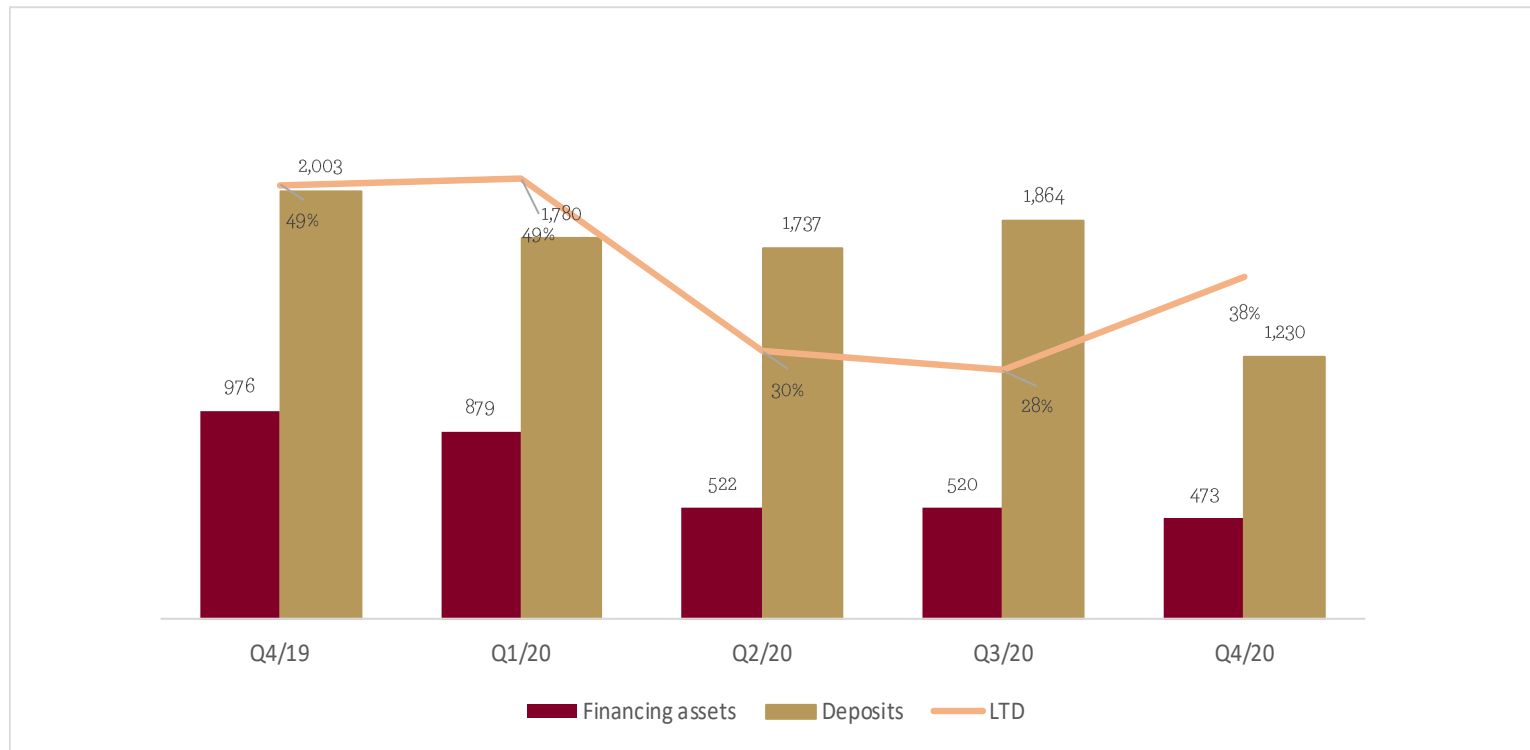
# Investments



## Key Highlights

- Over the period, the Bank was able to decrease its exposure to equity investments
- To stabilize Bank's future income stream the Bank has invested further in additional sukuk of QAR 28M in Q4 2020.

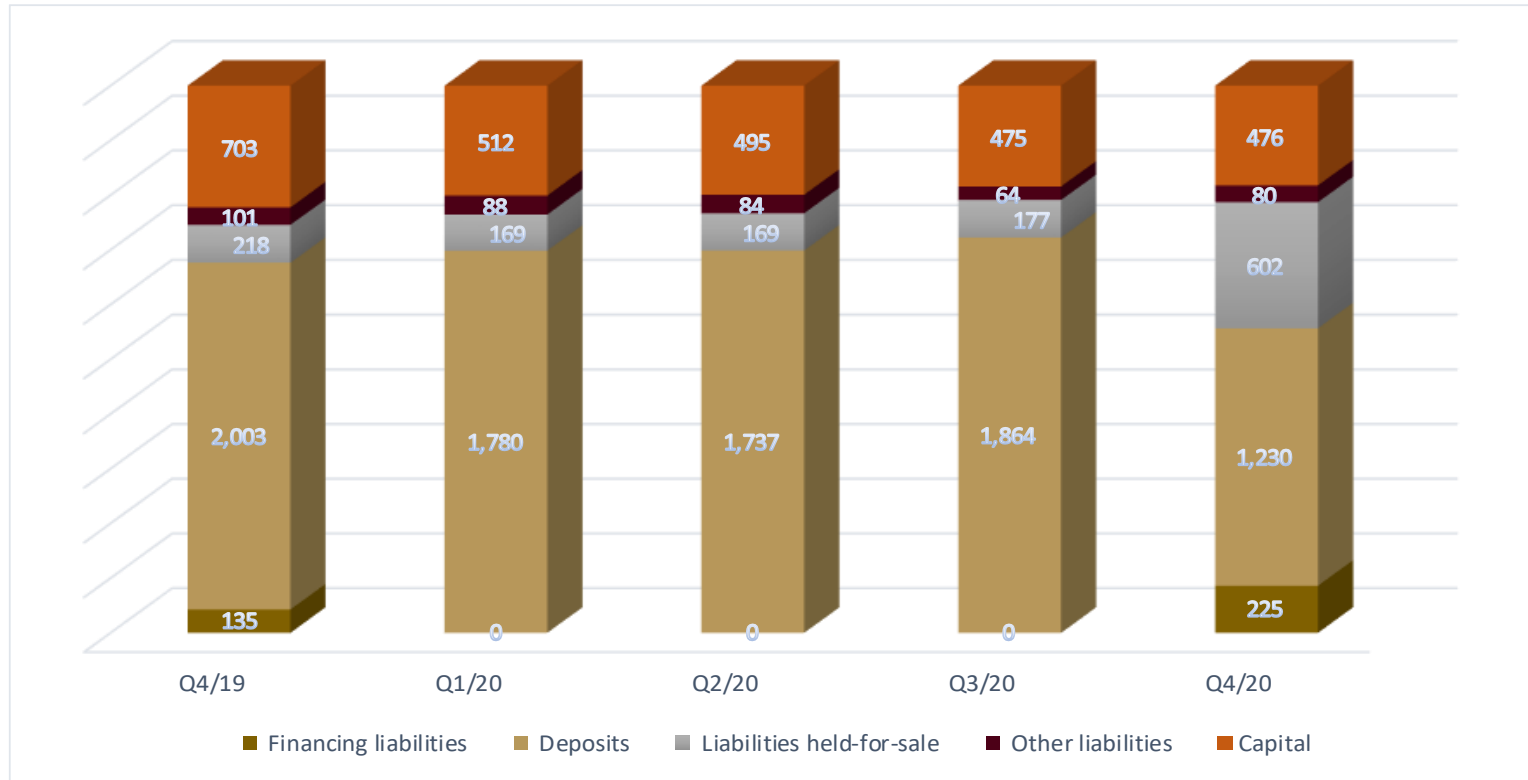
# Financing Asset and Customer Deposits



## Key Highlights

- Financing assets decreased from QAR 0.9B to QAR 0.5B due to the Bank's strategy to focus more on products

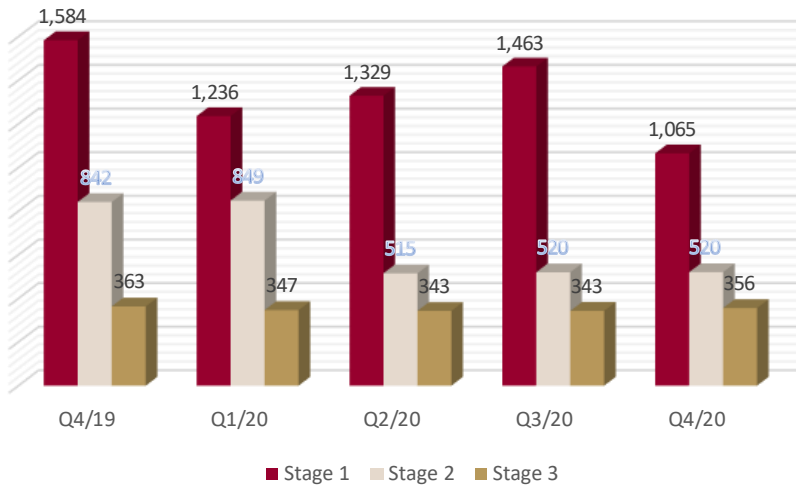
## Funding Mix



### Key Highlights

- The Bank's had liabilities held-for-sale of QAR 0.6B mainly attributable to products
- The Bank started to diversify its funding by attracting interbank short term deposits of QAR 0.2B

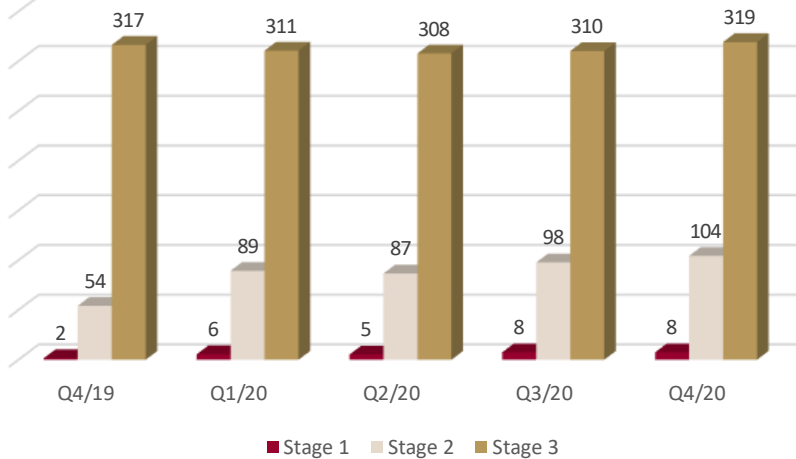
## Exposure at Default



### Key Highlights

- As at 31 Dec 2020, the Bank's stage 1, 2 and 3 credit exposures comprised of 55%, 27% and 18% total credit exposure, respectively

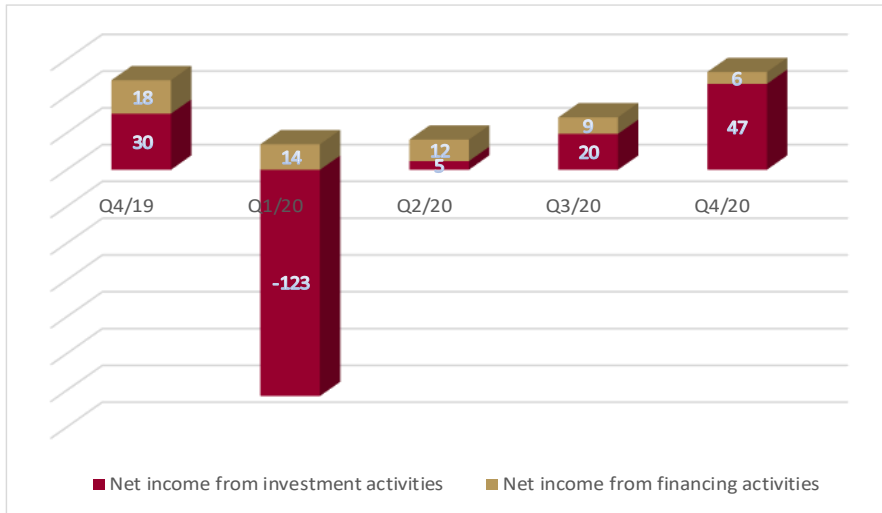
## Expect Credit Loss



### Key Highlights

- As at 31 Dec 2020, the Bank's provisions for stage 1, 2 and 3 credit exposures stood at 0.7%, 20.1% and 89.7% total credit exposure, respectively

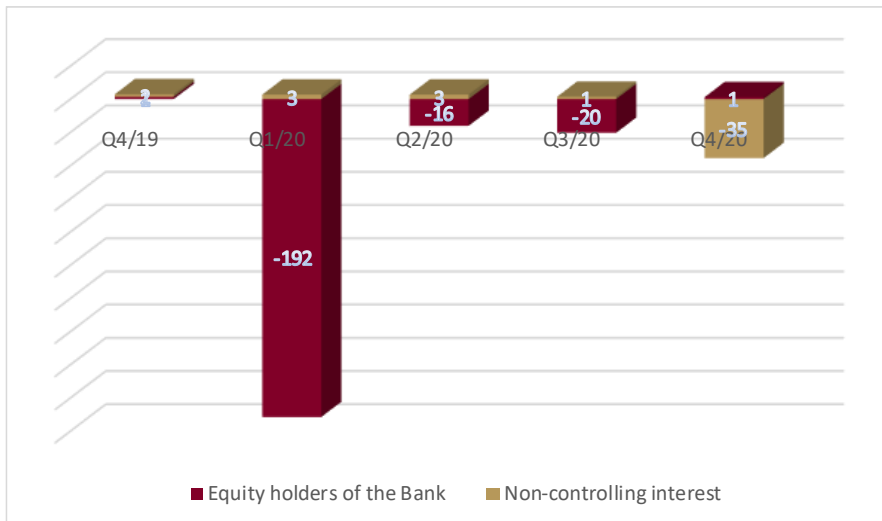
## Main Income Stream Analysis



### Key Highlights

- Net financing income dropped over the period mainly due to early settlements of financing assets
- Investment income dropped to negative QAR 123 M in Q1 2020 mainly due to Covid 19 impact
- Investment income in Q2, Q3 and Q4 has increased mainly due to sukuk income and exchange rate fluctuations

## Net Income



### Key Highlights

- Net loss attributable to QFB shareholders dropped to a loss of QAR 192 million, mainly due to Covid 19 impact
- Bank closed the year of 2020 with Q4 profit of QAR 1.2M (attributable to QFB shareholders)

# Key Highlights of 2020

- Available investment product of North 90 Corporate Campus located in Seattle Washington was fully syndicated to customers;
- The Bank successfully syndicated fully Investment product of 14460 Varsity Brands way to its customers;
- The Bank structured and partially syndicated product of Grand 2 at Papago Park Center – A class A office building to its customers;
- Subsequent to the year-end, the Bank completed the acquisition of LULU Messila hypermarket building through an ijara financing agreement with a local bank. The aggregate gross rent payable of QAR 279.5 million payable within three-year period
- The Bank completed the acquisition of Waterway Plaza I, a class A+ office tower spanning more than 223,000 square foot located in suburban Houston, Texas, USA
- Waterway Plaza I marks QFB's first acquisition for the year in the USA.
- Financing assets of QAR 339 million was early settled at carrying amount, thereby boosting the Bank's liquidity;
- QFB continued implementing a cost rationalization initiative to decrease its total costs, alongside implementing a risk-adjusted income-generating strategy to enhance its returns and shareholder value.

# Acquisition of The Grand 2 at Papago Park Center

Qatar First Bank LLC (QSE: QFBQ) has acquired The Grand 2 at Papago Park Center, a 358,800 square foot newly completed state-of-the-art Class A office building that is 100% leased to DoorDash under a 15-year triple net lease (NNN), located in Tempe, Arizona – United States, part of the metro Phoenix market.

Developed and managed by Lincoln Property Company, The Grand 2 is comprised of a nine-story, best in class, LEED Silver certified building built in 2020 and a seven-level parking structure providing 1687 parking spots. The Grand 2 has the capacity to house approximately 2000 DoorDash employees, making it the company's largest facility. Located within Papago Park Center, a 350-acre, mixed use development spanning 2.6 MSF, the area is a hotbed for multifamily development with 1,316 units and the exquisite high-end Papago Hills retail center, providing a plethora of on-site restaurants for tenants.

DoorDash is a highly renowned American technology company founded in Palo Alto, California, "Silicon Valley". DoorDash went public on the second week of December this year and priced its IPO at \$102 per share, well above initial

expectations. The stock opened for its first day of trading on December 09 at \$182 and closed at 189.51, 85.8% above its IPO price reflecting a market value of \$60bn. DoorDash was founded by Stanford University Students in 2013 and has come a long way to become the leading on-demand prepared food delivery service that uses proprietary data and logistics services. DoorDash serves 4000 cities and operates in the United States, Canada and Australia.

The Grand 2 at Papago Park Center provides QFB's investors with an exceptionally high-quality, risk-adjusted investment opportunity with a long-term lease, strong in-place cash flows and contractual rental escalations, located within an actively evolving market. Metro Phoenix is a thriving center of commercial and residential activity, with a young and educated workforce. Phoenix Sky Harbor International Airport is just minutes away and is available via the Metro Light Rail system. In addition, Papago Park Center is located within two miles from Arizona State University, home of 82,000 enrolled students and ranked #1 most innovative school in the country.

# Quarterly analysis of balance sheet

All amounts are in QAR million

ASSETS	31-Dec-20	30-Sep-20	Change	
	QAR'M	QAR'M	QAR'M	%
Cash and cash equivalents	699.6	1,078.9	(379.2)	-35.1%
Due from banks	-	-	-	0.0%
Investments carried at amortised cost	231.0	203.2	27.8	13.7%
Financing assets	472.6	520.5	(47.9)	-9.2%
Equity investments	176.4	236.2	(59.8)	-25.3%
Investments in real estate	14.8	14.8	-	0.0%
Fixed assets	1.3	1.1	0.2	17.1%
Intangible assets	5.4	6.0	(0.6)	-10.5%
Assets held-for-sale	1,181.3	437.5	743.8	170.0%
Other assets	56.8	135.0	(78.2)	-57.9%
<b>TOTAL ASSETS</b>	<b>2,839.2</b>	<b>2,633.2</b>	<b>206.0</b>	<b>7.8%</b>
<b>Liabilities</b>				
Financing liabilities	225.0	-	225.0	100.0%
Customers' balances	82.2	182.7	(100.5)	-55.0%
Liabilities held-for-sale	602.3	176.7	425.6	240.9%
Other liabilities	79.8	63.9	15.9	24.9%
<b>Total Liabilities</b>	<b>989.3</b>	<b>423.3</b>	<b>566.1</b>	<b>133.7%</b>
<b>Equity of Unrestricted Investment Account Holders</b>	<b>1,147.5</b>	<b>1,681.1</b>	<b>(533.6)</b>	<b>-31.7%</b>
<b>Shareholders' Equity</b>				
Share capital	700.0	700.0	-	0.0%
Share premium	0.2	0.2	-	0.0%
(Accumulated losses) / Retained earnings	(223.8)	(225.0)	1.2	-0.5%
<b>Total Shareholders' Equity</b>	<b>476.4</b>	<b>475.2</b>	<b>1.2</b>	<b>0.3%</b>
<b>Non-controlling interest</b>	<b>226.0</b>	<b>53.7</b>	<b>172.3</b>	<b>321.1%</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>2,839.2</b>	<b>2,633.2</b>	<b>206.0</b>	<b>7.8%</b>

# Quarterly analysis of profit and loss

All amounts are in QAR million

Income	Q4-2020	Q3-2020	Change	
	QAR'M	QAR'M	QAR'M	%
Income from financing assets	6.5	9.0	(2.5)	-28%
Fee income	0.5	1.3	(0.9)	-65%
Loss on re-measurement of investments at fair value through income statement	6.9	5.3	1.6	30%
Dividend income	0.3	0.4	(0.0)	-12%
Profit on investments carried at amortised cost	2.1	1.6	0.5	35%
Income from placements with financial institutions	0.4	0.5	(0.1)	-21%
Gain on disposal of investments carried at amortised cost	-	-	-	0%
Gain / (loss) on disposal of equity investments	36.9	11.7	25.2	215%
Gain on disposal of subsidiaries	-	-	-	0%
Loss on early settlement of financing assets	-	-	-	0%
Other income, net	(3.9)	(1.9)	(2.1)	110%
<b>Total Income Before Return To Unrestricted Investment Account Holders</b>	<b>49.7</b>	<b>28.0</b>	<b>21.7</b>	<b>78%</b>
Return to unrestricted investment account holders	(9.7)	(12.0)	2.3	-19%
<b>Total Income</b>	<b>40.0</b>	<b>16.0</b>	<b>24.0</b>	<b>150%</b>
<b>Expenses</b>				
Staff costs	(6.3)	(10.3)	4.1	-39%
Financing costs	(0.0)	-	(0.0)	-100%
Depreciation, amortisation and impairment charge	(0.86)	(0.80)	(0.1)	8%
Other operating expenses	(8.8)	(8.9)	0.1	-1%
<b>Total expenses</b>	<b>(16.0)</b>	<b>(20.0)</b>	<b>4.1</b>	<b>-20%</b>
Provision for impairment on financing assets, net of recoveries	(3.0)	(12.8)	9.9	-77%
Provision for impairment on other financial assets	(3.9)	(2.9)	(1.0)	34%
<b>NET LOSS FROM CONTINUING OPERATIONS</b>	<b>17.1</b>	<b>(19.8)</b>	<b>36.9</b>	<b>-186%</b>
Income from discontinued operations, net of tax	(51.4)	1.0	(52.4)	-5119%
<b>NET LOSS FOR THE YEAR</b>	<b>(34.3)</b>	<b>(18.8)</b>	<b>(15.5)</b>	<b>82%</b>
<b>Attributable to:</b>				
Equity holders of the Bank	1.2	(20.2)	21.4	-106%
Non-controlling interest	(35.5)	1.4	(36.9)	-2576%
	<b>(34.3)</b>	<b>(18.8)</b>	<b>(15.5)</b>	<b>82%</b>

# Consolidated balance sheet as at 31 Dec 2020

All amounts are in QAR million

ASSETS	31-Dec-20	31-Dec-19	Change	
	QAR'M	QAR'M	QAR'M	%
Cash and cash equivalents	699.6	1,221.0	(521.3)	-42.7%
Investments carried at amortised cost	231.0	110.4	120.6	109.3%
Financing assets	472.6	976.1	(503.5)	-51.6%
Equity investments	176.4	357.0	(180.7)	-50.6%
Investments in real estate	14.8	14.8	-	0.0%
Fixed assets	1.3	20.6	(19.3)	-93.6%
Intangible assets	5.4	7.9	(2.5)	-32.0%
Assets held-for-sale	1,181.3	454.4	726.9	160.0%
Other assets	56.8	51.9	4.9	9.4%
<b>TOTAL ASSETS</b>	<b>2,839.2</b>	<b>3,214.1</b>	<b>(374.9)</b>	<b>-11.7%</b>
<b>Liabilities</b>				
Financing liabilities	225.0	135.1	90.0	66.6%
Customers' balances	82.2	243.5	(161.3)	-66.2%
Liabilities held-for-sale	602.3	218.4	383.8	175.7%
Other liabilities	79.8	101.3	(21.5)	-21.2%
<b>Total Liabilities</b>	<b>989.3</b>	<b>698.3</b>	<b>291.0</b>	<b>41.7%</b>
<b>Equity of Unrestricted Investment Account Holders</b>	<b>1,147.5</b>	<b>1,759.0</b>	<b>(611.6)</b>	<b>-34.8%</b>
<b>Shareholders' Equity</b>				
Share capital	700.0	700.0	-	0.0%
Share premium	0.2	0.2	-	0.0%
(Accumulated losses) / Retained earnings	(223.8)	2.9	(226.7)	-7858.3%
<b>Total Shareholders' Equity</b>	<b>476.4</b>	<b>703.1</b>	<b>(226.7)</b>	<b>-32.2%</b>
<b>Non-controlling interest</b>	<b>226.0</b>	<b>53.7</b>	<b>172.3</b>	<b>321.1%</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>2,839.2</b>	<b>3,214.1</b>	<b>(374.9)</b>	<b>-11.7%</b>

# Profit & loss statement for the year ended 31 Dec 2020

All amounts are in QAR million

Income	31-Dec-20	31-Dec-19	Change	
	QAR'M	QAR'M	QAR'M	%
Income from financing assets	41.0	80.1	(39.2)	-49%
Fee income	16.3	32.3	(16.0)	-50%
Loss on re-measurement of investments at fair value through income statement	(120.3)	(34.0)	(86.3)	254%
Dividend income	2.7	2.1	0.6	30%
Profit on investments carried at amortised cost	6.5	9.2	(2.7)	-29%
Income from placements with financial institutions	7.0	7.1	(0.1)	-1%
Gain on disposal of investments carried at amortised cost	-	2.0	(2.0)	-100%
Gain / (loss) on disposal of equity investments	52.0	10.4	41.5	397%
Gain on disposal of subsidiaries	-	1.3	(1.3)	-100%
Loss on early settlement of financing assets	(0.3)	(12.9)	12.6	-97%
Net foreign exchange loss	(0.5)	(5.6)	5.1	-91%
Other income, net	5.8	10.1	(4.3)	-42%
<b>Total Income Before Return To Unrestricted Investment Account Holders</b>	<b>10.1</b>	<b>102.2</b>	<b>(92.1)</b>	<b>-90%</b>
Return to unrestricted investment account holders	(52.4)	(54.5)	2.1	-4%
<b>Total Income</b>	<b>(42.3)</b>	<b>47.7</b>	<b>(90.0)</b>	<b>-189%</b>
<b>Expenses</b>				
Staff costs	(35.3)	(39.7)	4.4	-11%
Financing costs	(0.5)	(13.6)	13.1	-96%
Depreciation and amortisation	(4.16)	(7.65)	3.5	-46%
Provision for impairment of fixed assets	(18.86)	-	(18.9)	-100%
Other operating expenses	(41.0)	(49.4)	8.4	-17%
<b>Total expenses</b>	<b>(99.9)</b>	<b>(110.4)</b>	<b>10.5</b>	<b>-10%</b>
Provision for impairment on financing assets, net of recoveries	(59.4)	(178.2)	118.8	-67%
Provision for impairment on other financial assets	(9.8)	(29.0)	19.1	-66%
<b>NET LOSS FROM CONTINUING OPERATIONS</b>	<b>(211.4)</b>	<b>(269.8)</b>	<b>58.5</b>	<b>-22%</b>
Loss from discontinued operations, net of tax	(44.0)	(30.9)	(13.1)	42%
<b>NET LOSS FOR THE YEAR</b>	<b>(255.3)</b>	<b>(300.7)</b>	<b>45.4</b>	<b>-15%</b>
<b>Attributable to:</b>				
Equity holders of the Bank	(226.7)	(298.5)	71.7	-24%
Non-controlling interest	(28.6)	(2.2)	(26.4)	1174%
	<b>(255.3)</b>	<b>(300.7)</b>	<b>45.4</b>	<b>-15%</b>

