



بنك قطر الأول
QFB

Qatar First Bank
Investor Presentation
March 2021

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)

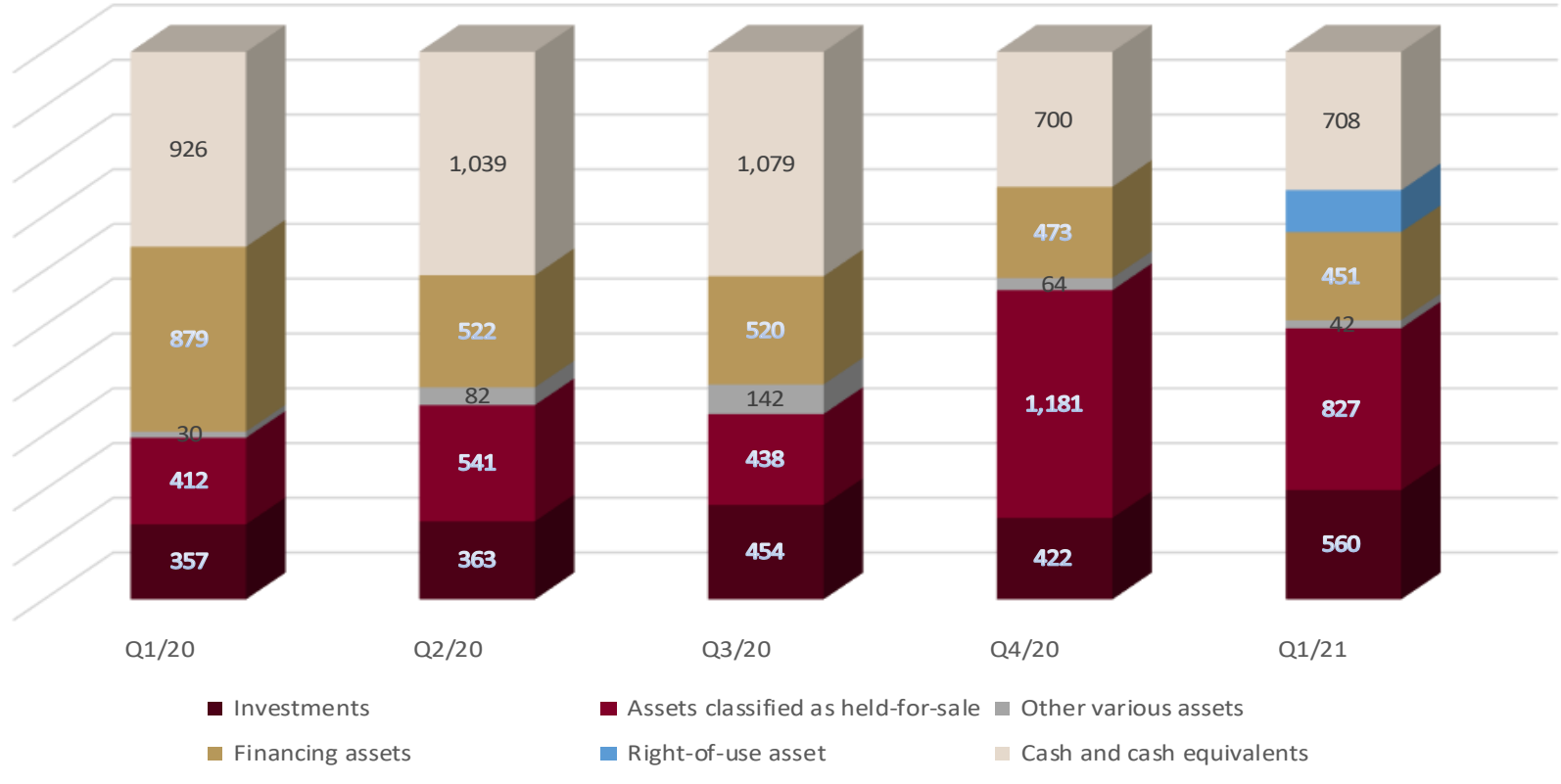


Snapshot on results of Q1 2021

| QoQ ANALYSIS | | |
|--------------------|---|--|
| Profitability | Net profit for the first quarter 2021 stood at QAR 20.6 million | Total expenses for the quarter stood at QAR 22.7 million |
| | Total income for the quarter increased by 93.9% to QAR 77.5 million | Return on equity* for the quarter stood at 4.2% |
| Financial position | Total assets decreased marginally by -1.3% to QAR 2.8 billion | Total deposits slightly increased by 3% to QAR 1.3 billion |
| | Total cash and bank increased by 1.2% to QAR 0.7 billion | Financing assets to deposits stood at 35.5% |

**Attributable to the shareholders*

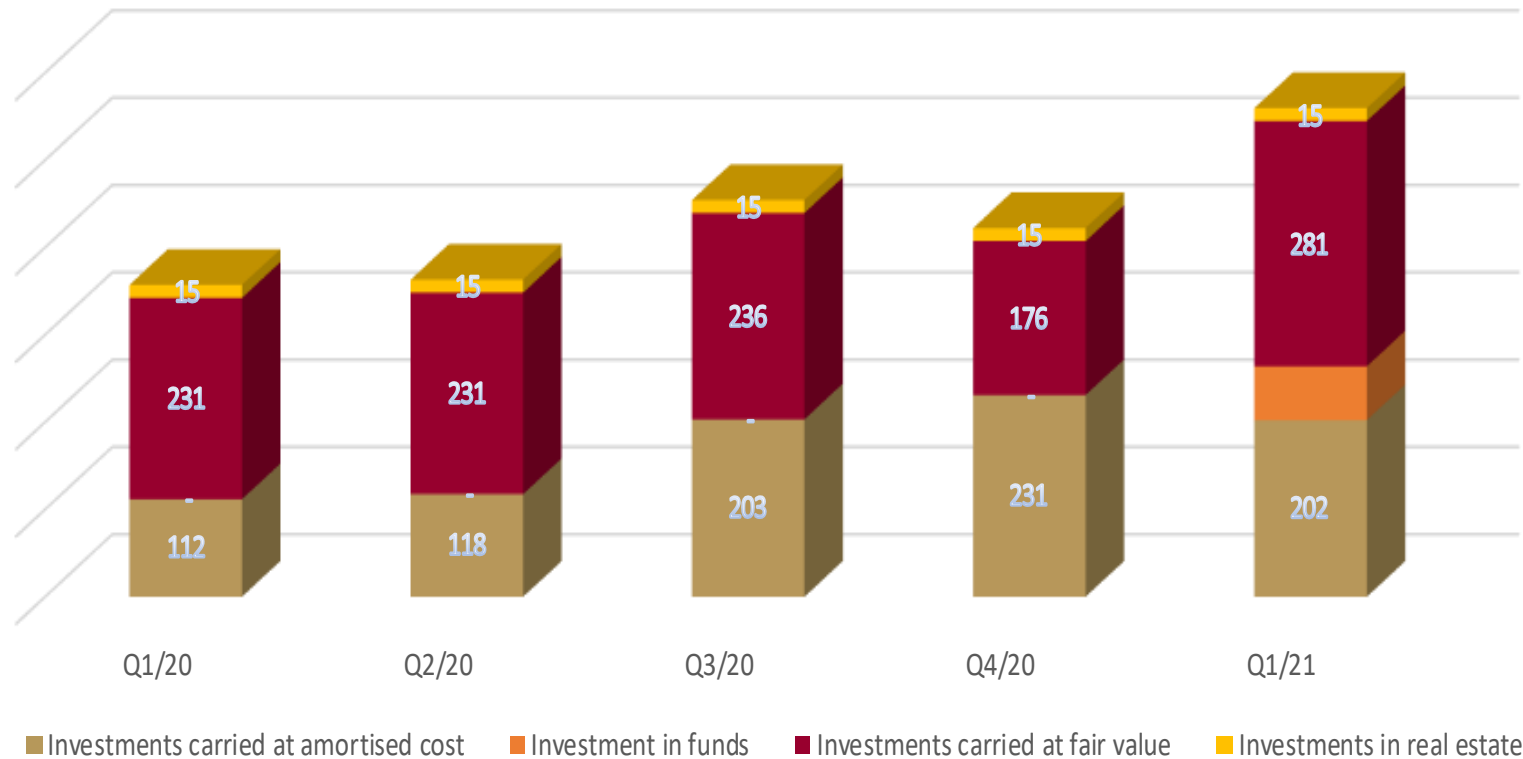
Asset Mix



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 held-for-sale is mainly due to products that are yet to be sold

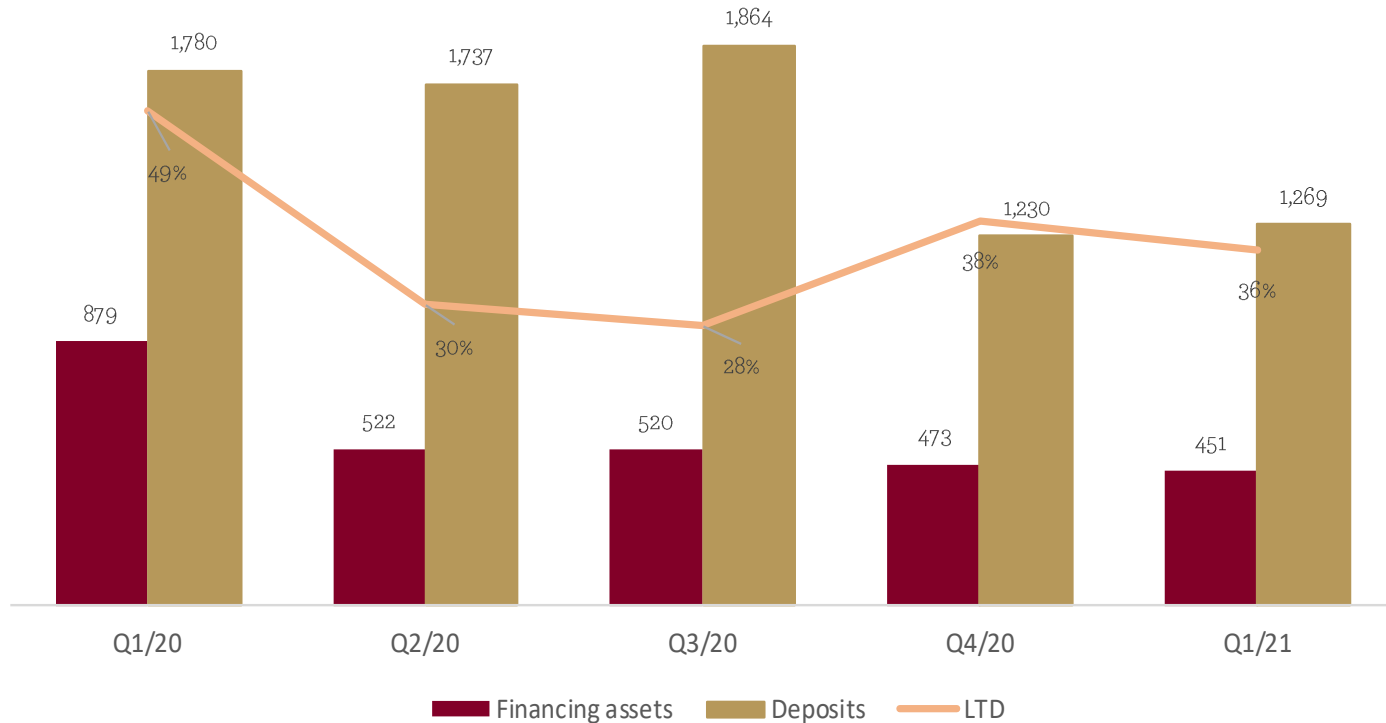
Investments



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 fixed return investments such as funds of QAR 62M Q1 2021.

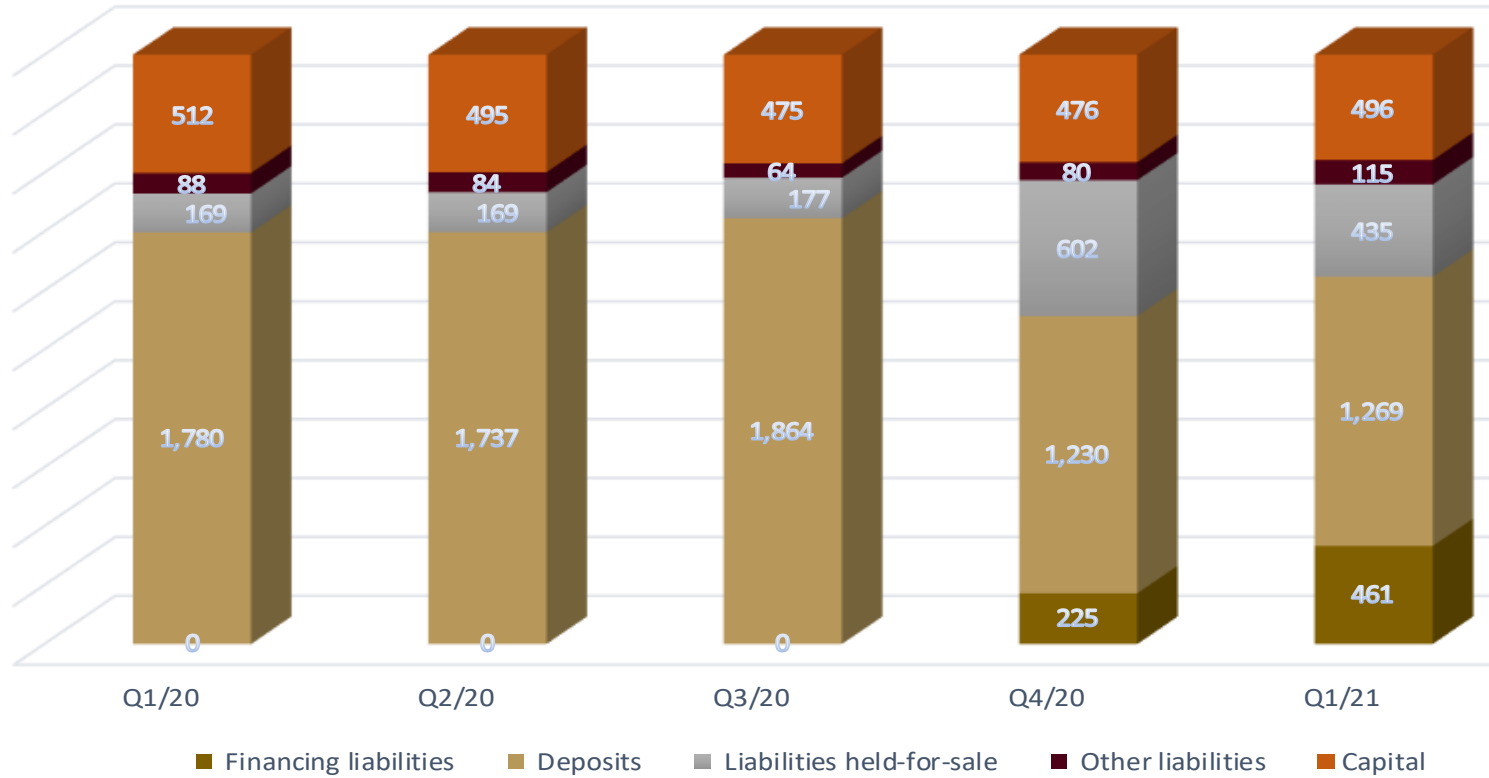
Financing Asset and Customer Deposits



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



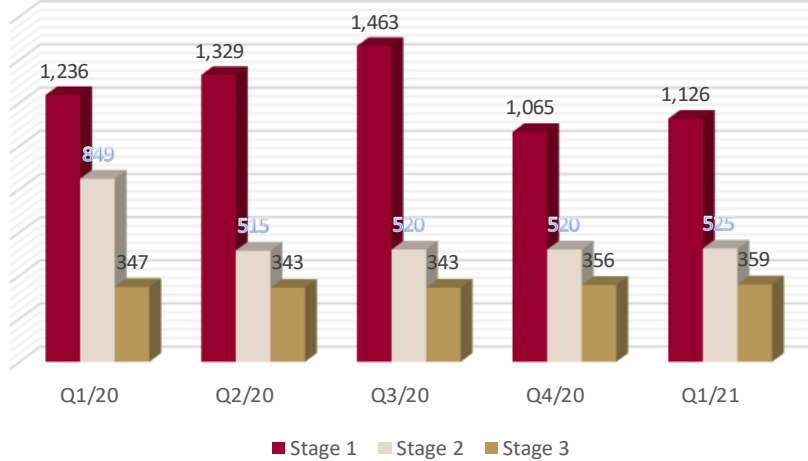
Key Highlights

- The Bank started to diversify its funding by attracting interbank short term deposits of QAR 0.2B in Q4 2020 which was increased to QAR 0.5B in Q1 2021.

Exposure at Default

Key Highlights

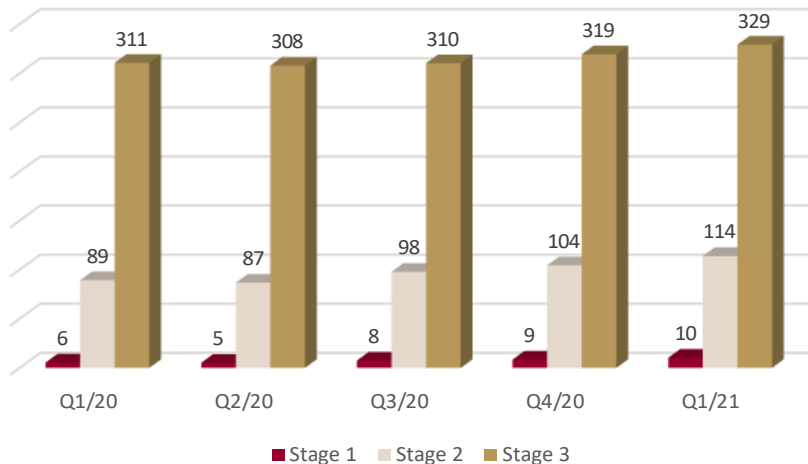
- As of 31 Mar 2021, the Bank's stage 1, 2 and 3 credit exposures comprised of 56%, 26% and 18% total credit exposure, respectively



Expect Credit Loss

Key Highlights

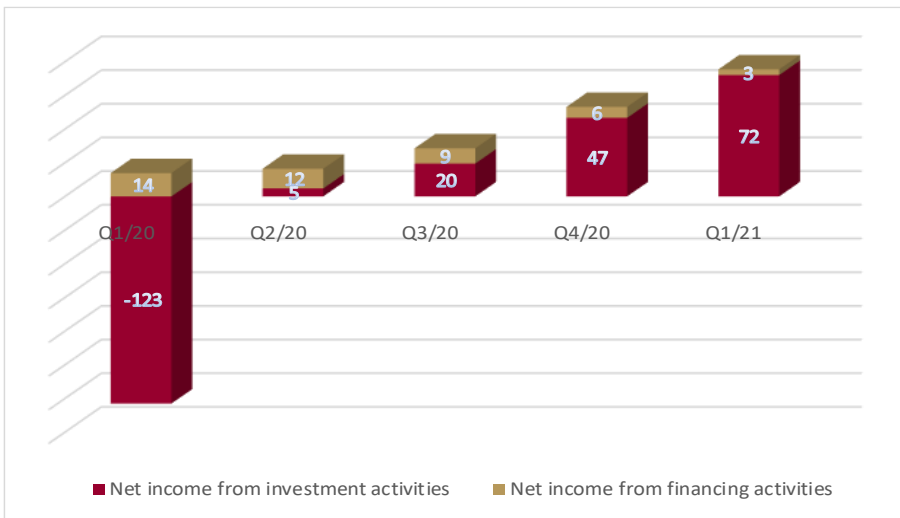
- As of 31 Mar 2021, the Bank's provisions for stage 1, 2 and 3 credit exposures stood at 0.9%, 21.7% and 91.7% total credit exposure, respectively



Main Income Stream Analysis

Key Highlights

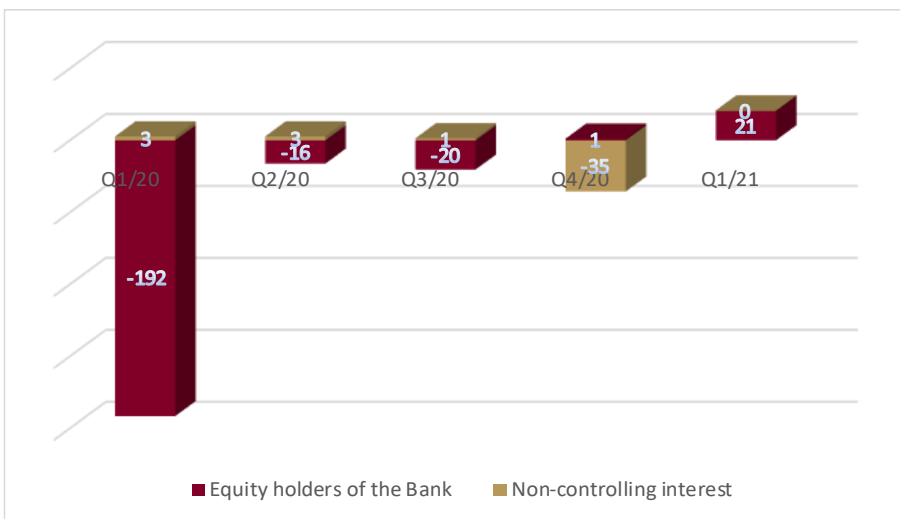
- Net financing income dropped over the period mainly due to early settlements of financing assets
- Investment income dropped to negative QAR 123 M in Q1 2020 mainly due to Covid 19 impact
- Investment income in Q1 2021 increased mainly due to successful exits of Al Rifai and Cambridge investments.



Net Income

Key Highlights

- Bank's Net income increased to QAR 20.6M from QAR 1.2M



Key Highlights of 2021 – Q1

- Available investment product of Grand 2 at Papago Park Center – A class A office building was fully syndicated to customers.
- The Bank successfully exited Cambridge and Al Rifai investments.
- 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



- 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.
- Launched Mobile Banking Application to Enhance Clients' Banking Experience



Acquisition of LULU Messila hypermarket building

QFB announced the completion of QAR 262.5 million acquisition of the retail hypermarket building in Messila thereby cementing the Bank's presence within the local real estate market.

The property is currently fully occupied by Lulu as a fully fledged Hypermarket located at Jassim Bin Hamad Street south of Madinat Khalifa - Messila, Doha with a built up area of 44,611 sqm. Built over 4 floors, the property offers a total of 299 parking slots providing ample convenience to Lulu for a successful retail hypermarket operation. The property was built to suit in 2016 and is 100% occupied under a triple net (NNN) 20-year locked lease, with 16 years.

LuLu Hypermarket Trading Co. W.L.L, the fastest growing retail chain in Qatar, has developed a dominant position in the retail sector, providing a unique shopping experience to its valued customers specializing in foodstuff and consumer staple goods - One stop shop (food, produce, electronics & home appliances). Lulu has gathered a strong and loyal client base, and the chain has recently celebrated its exponential growth by opening its 14th store in Doha.

Qatar First Bank's decision to acquire the LuLu Messila Hypermarket building stems from its rigorous asset screening process. To start, investors in this product offering will enjoy an above market annual yield in a defensive asset by nature while simultaneously positioning themselves for an exit in an asset that has outperformed irrespective of the macroeconomic factors it operates in.



Acquisition of HQ of “Huntsman International” in Texas

QFB 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. Growing ever more QFB income-generating real estate portfolio open to client investments, Waterway Plaza I has already attracted sizeable commitments from the bank’s trusted customer base.

Waterway Plaza I is an immaculate and truly stunning Class A+ building located in the Woodlands, the most desirable suburban area of Houston. A testament to its architectural merits and spectacular design, the office tower was awarded the 2012 TOBY (“The Outstanding Building of the Year”) award for best mid-rise. The glass and aluminum façade of the 9-story property offers an incredible panorama of the Woodlands Town Center and its penthouse with full-height glazing was designed to maximize the views of the water canal, offering an expansive vista of Woodlands Waterway and its wooded surroundings.

impeccably maintained and constantly improved by its current tenant in place since 2004, Waterway Plaza I serves as the headquarters for Huntsman International, a multi-billion manufacturer of chemical products and a Fortune 250 company. Huntsman, one of the leading US marketer of performance products and adhesives, counts among its customers the likes of BMW, Procter & Gamble and Unilever..



Quarterly analysis of balance sheet

| ASSETS | 31-Mar-21 | 31-Dec-20 | Change | |
|--|----------------|----------------|----------------|---------------|
| | QAR'M | QAR'M | QAR'M | % |
| Cash and cash equivalents | 707.8 | 699.6 | 8.1 | 1.2% |
| Due from banks | - | - | - | 0.0% |
| Investments carried at amortised cost | 202.2 | 231.0 | (28.7) | -12.4% |
| Investment in funds | 61.7 | - | 61.7 | 100.0% |
| Financing assets | 450.6 | 472.6 | (21.9) | -4.6% |
| Equity investments | 280.8 | 176.4 | 104.4 | 59.2% |
| Investments in real estate | 14.8 | 14.8 | - | 0.0% |
| Right-of-use asset | 214.4 | - | 214.4 | 100.0% |
| Fixed assets | 1.2 | 1.3 | (0.1) | -6.7% |
| Intangible assets | 4.8 | 5.4 | (0.6) | -11.7% |
| Assets held-for-sale | 827.5 | 1,181.3 | (353.8) | -30.0% |
| Other assets | 35.9 | 56.8 | (20.9) | -36.8% |
| TOTAL ASSETS | 2,801.7 | 2,839.2 | (37.5) | -1.3% |
| Liabilities | | | | |
| Financing liabilities | 461.4 | 225.0 | 236.4 | 105.0% |
| Customers' balances | 140.7 | 82.2 | 58.4 | 71.1% |
| Liabilities held-for-sale | 434.5 | 602.3 | (167.7) | -27.9% |
| Other liabilities | 114.1 | 79.8 | 34.3 | 43.0% |
| Total Liabilities | 1,150.7 | 989.3 | 161.4 | 16.3% |
| Equity of Unrestricted Investment Account Holders | 1,128.2 | 1,147.5 | (19.2) | -1.7% |
| Shareholders' Equity | | | | |
| Share capital | 700.0 | 700.0 | - | 0.0% |
| Share premium | 0.2 | 0.2 | - | 0.0% |
| (Accumulated losses) / Retained earnings | (203.3) | (223.8) | 20.6 | -9.2% |
| Total Shareholders' Equity | 496.9 | 476.4 | 20.6 | 4.3% |
| Non-controlling interest | 25.8 | 226.0 | (200.2) | -88.6% |
| TOTAL LIABILITIES AND EQUITY | 2,801.7 | 2,839.2 | (37.5) | -1.3% |

All amounts are in QAR million

Quarterly analysis of profit and loss

| Income | Q1-2021 | Q4-2020 | Change | |
|--|---------------|---------------|--------------|--------------|
| | QAR'M | QAR'M | QAR'M | % |
| Income from financing assets | 3.3 | 6.5 | (3.1) | -49% |
| Fee income | 2.3 | 0.5 | 1.8 | 395% |
| Loss on re-measurement of investments at fair value through income statement | 0.5 | 6.9 | (6.4) | -93% |
| Dividend income | 0.9 | 0.3 | 0.6 | 182% |
| Profit on investments carried at amortised cost | 2.6 | 2.1 | 0.5 | 23% |
| Income from placements with financial institutions | 0.4 | 0.4 | (0.1) | -17% |
| Gain on disposal of investments carried at amortised cost | 0.8 | - | 0.8 | 100% |
| Gain / (loss) on disposal of equity investments | 66.9 | 36.9 | 30.0 | 81% |
| Gain on disposal of subsidiaries | - | - | - | 0% |
| Loss on early settlement of financing assets | - | - | - | 0% |
| Net foreign exchange (loss) / gain | (2.4) | - | (2.4) | -100% |
| Other income, net | 7.7 | (3.9) | 11.6 | -295% |
| Total Income Before Return To Unrestricted Investment Account Holders | 83.0 | 49.7 | 33.3 | 67% |
| Return to unrestricted investment account holders | (5.5) | (9.7) | 4.3 | -44% |
| Total Income | 77.5 | 40.0 | 37.5 | 94% |
| Expenses | | | | |
| Staff costs | (16.0) | (6.3) | (9.7) | 155% |
| Financing costs | (2.0) | (0.0) | (1.9) | 4474% |
| Depreciation, amortisation and impairment charge | (0.7) | (0.9) | 0.1 | -17% |
| Other operating expenses | (4.1) | (8.8) | 4.7 | -54% |
| Total expenses | (22.7) | (16.0) | (6.8) | 42% |
| Provision for impairment on financing assets, net of recoveries | (15.5) | (3.0) | (12.5) | 422% |
| Provision for impairment on other financial assets | (6.2) | (3.9) | (2.3) | 59% |
| NET LOSS FROM CONTINUING OPERATIONS | 33.0 | 17.1 | 15.9 | 93% |
| Income from discontinued operations, net of tax | (12.2) | (51.4) | 39.2 | -76% |
| NET LOSS FOR THE YEAR | 20.8 | (34.3) | 55.1 | -161% |
| Attributable to: | | | | |
| Equity holders of the Bank | 20.6 | 1.2 | 19.4 | 1630% |
| Non-controlling interest | 0.3 | (35.5) | 35.7 | -101% |
| | 20.8 | (34.3) | 55.1 | -161% |

All amounts are in QAR million

