



بنك قطر الأول

QFB

Qatar First Bank
Investor Presentation
June 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)



Financial Snapshot

2021 - H1 Financial Results

PROFITABILITY

NET PROFIT*
FOR THE FIRST HALF
OF 2021 STOOD AT

**QAR
41** MILLION

TOTAL INCOME
FOR THE
FIRST HALF
STOOD AT

**QAR
107.2** MILLION

TOTAL EXPENSES
FOR THE
FIRST HALF
DECREASED BY

↓ -35% TO QAR
41.6
MILLION

**RETURN ON
EQUITY***
FOR THE
FIRST HALF
STOOD AT

15.7%

*Attributable to the shareholders & H1 profit is annualised

FINANCIAL POSITION

TOTAL ASSETS
REMAIN STABLE
OVER 2020 AT

↑

**QAR
2.8** BILLION

TOTAL DEPOSITS
REMAIN STABLE
OVER 2020 AT

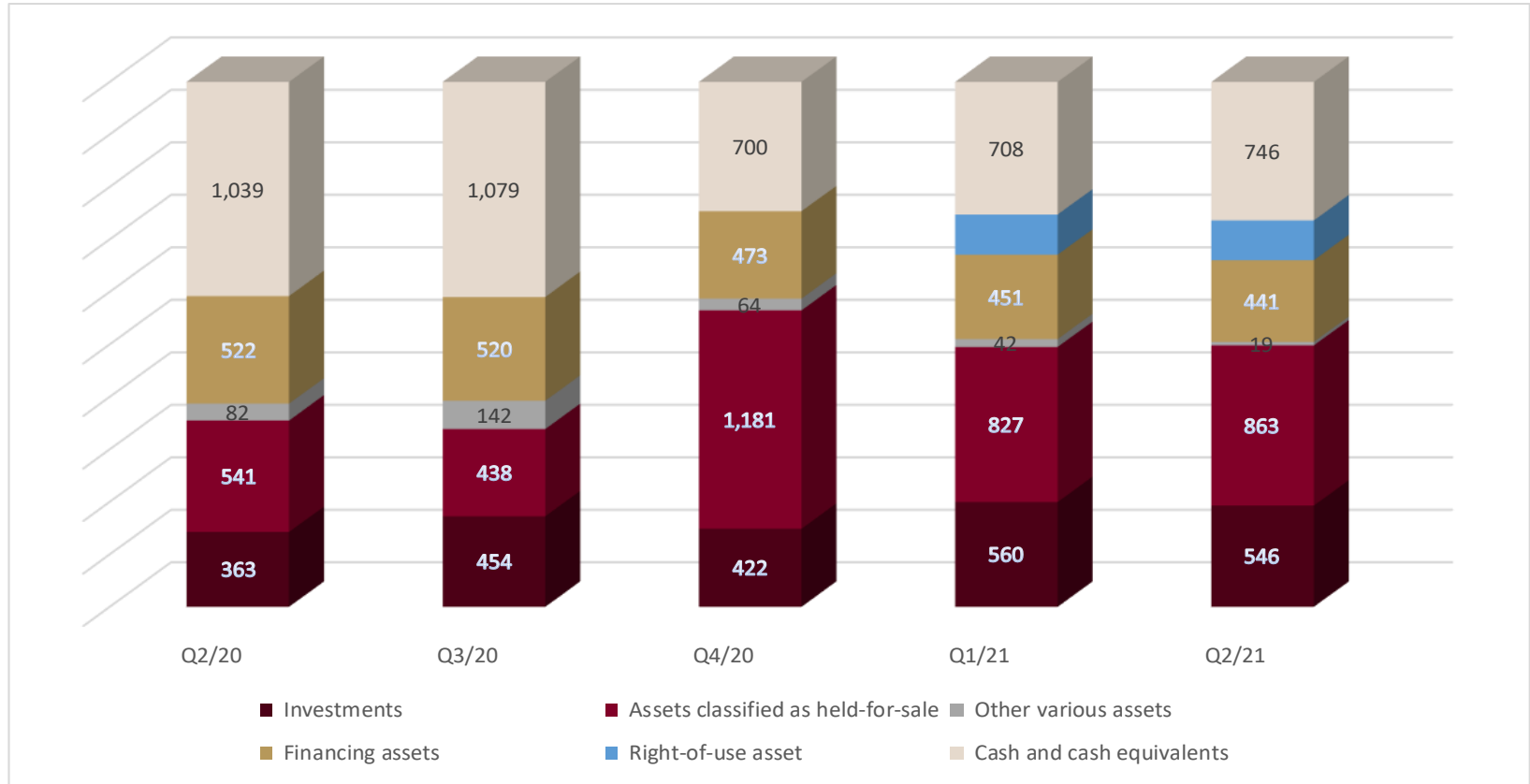
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**QAR
1.2** BILLION

**FINANCING ASSETS
TO DEPOSITS**
STOOD AT

35.9 %

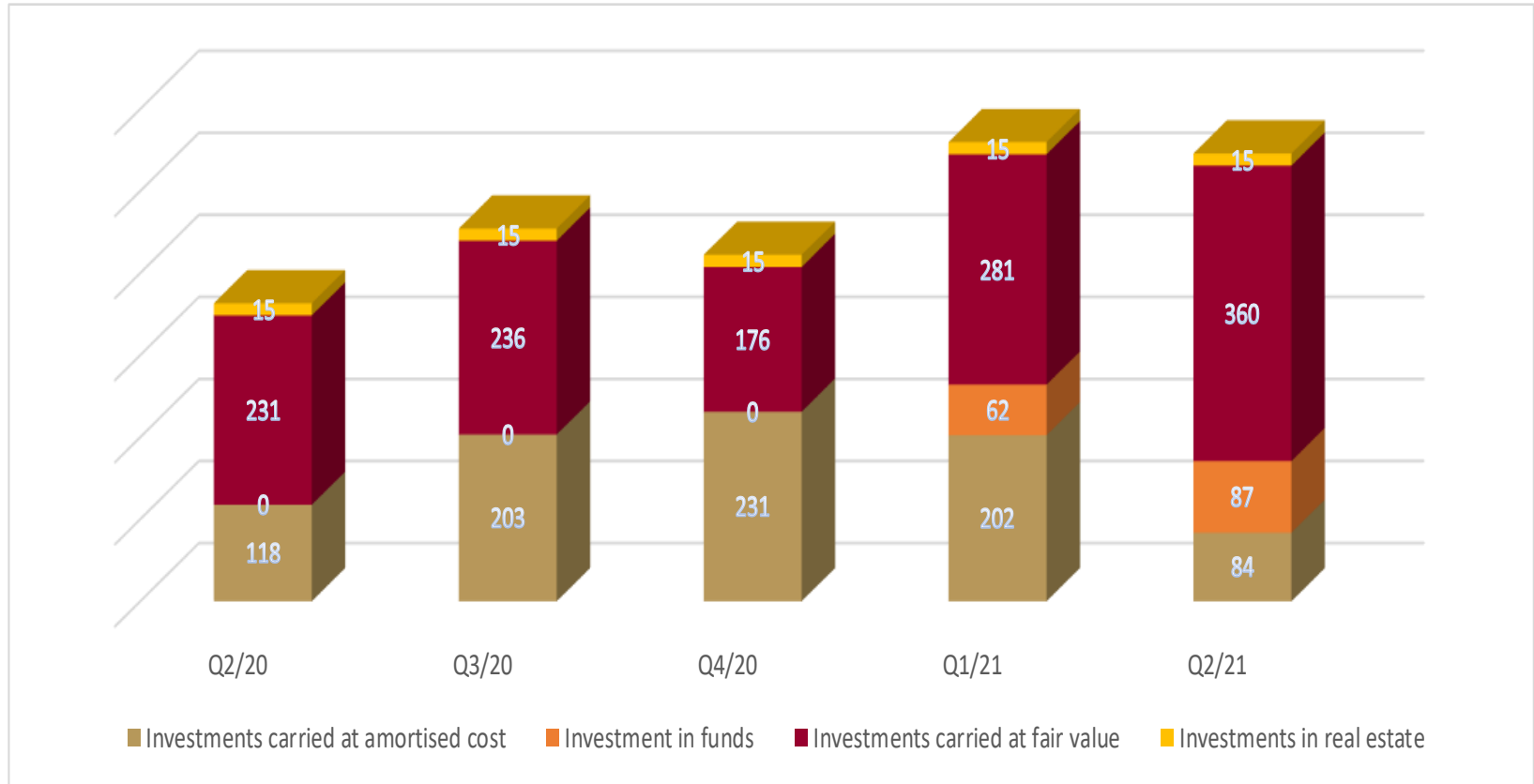
Asset Mix



Key Highlights

- Financing assets reduced from QAR 0.5B to QAR 0.4B due to the Bank's strategy to focus more on other products
- Increase in assets classified for held-for-sale is on account of onboarding on new real estate projects in the US for syndication

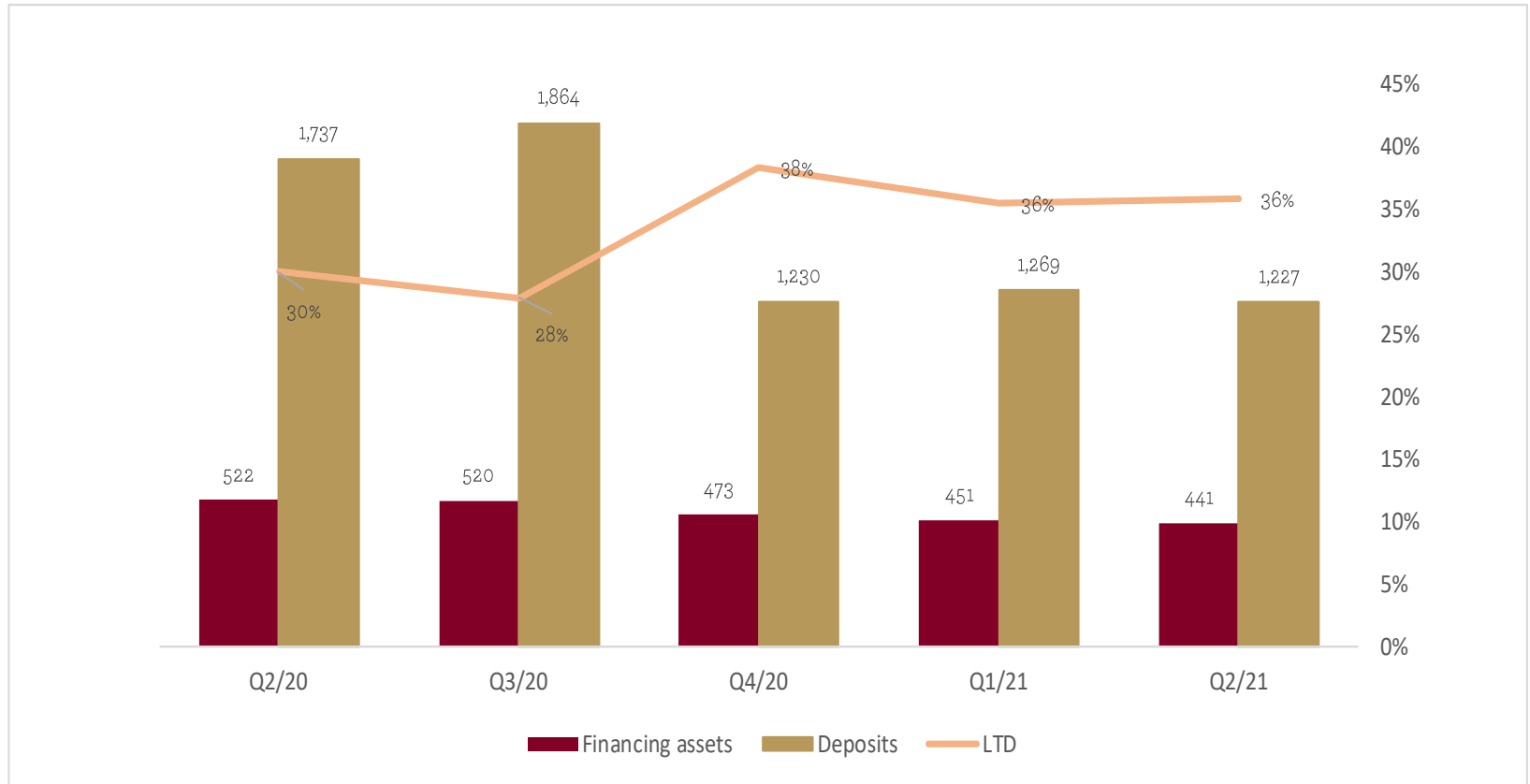
Investments



Key Highlights

- Over the period, the Bank was able to decrease its exposure to private equity investments
- To stabilize the future stream of income, the Bank added sukuk & sukuk funds of QAR 110M the during the first half of 2021.

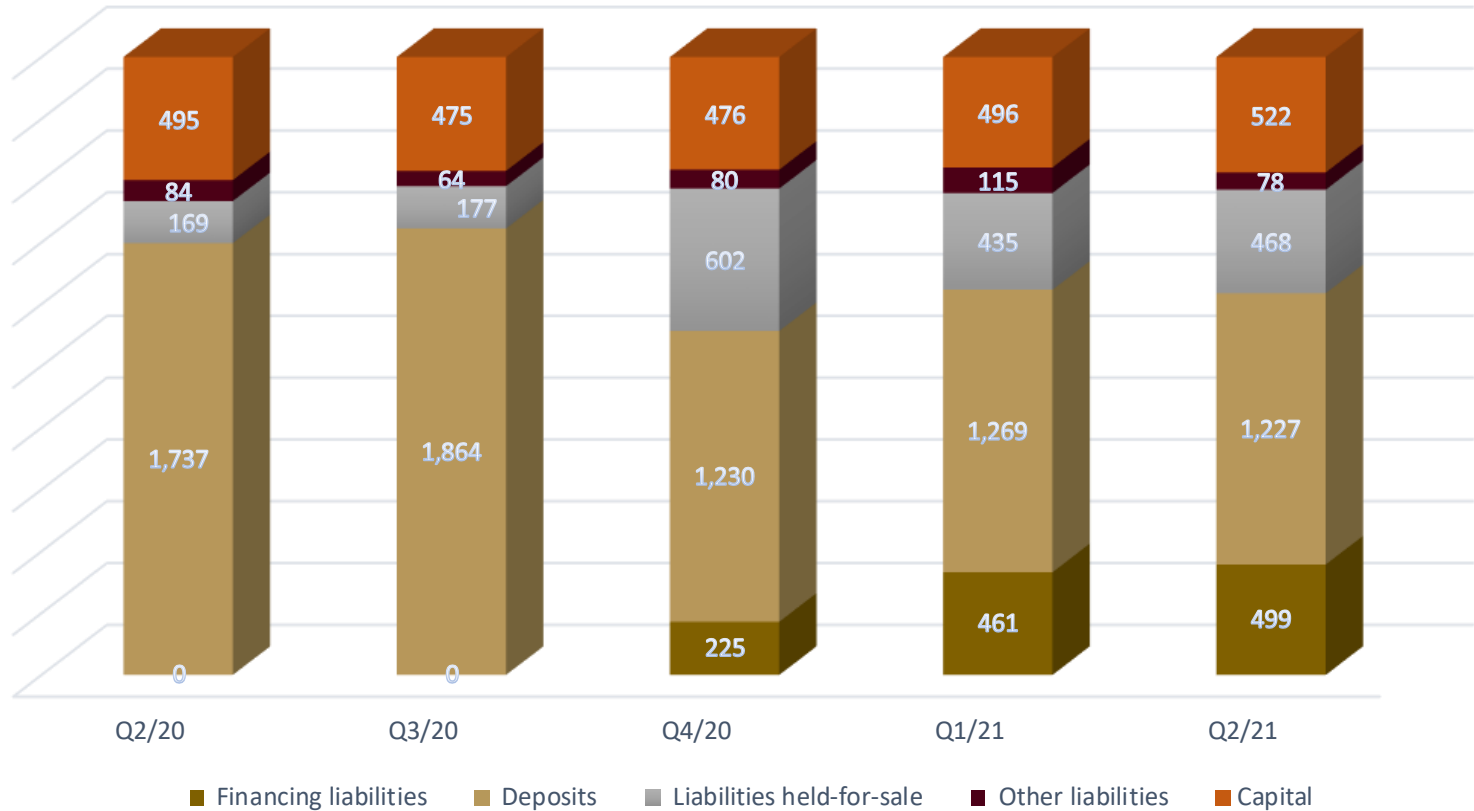
Financing Asset and Customer Deposits



Key Highlights

- The Bank is reducing its Financing assets with a conscious strategy to focus more on other investment products.

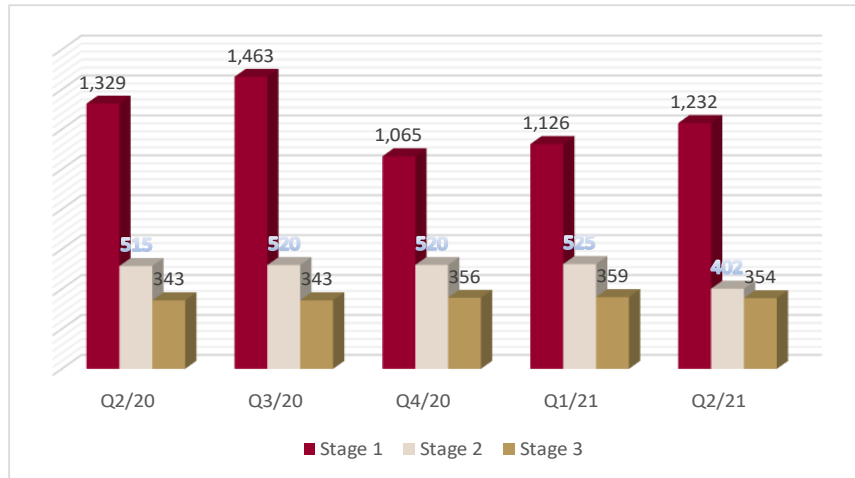
Funding Mix



Key Highlights

- The Bank has diversified its funding base by attracting interbank short-term deposits Q4 2020 onwards which has grown to QAR 0.5B in H1 2021.

Exposure at Default

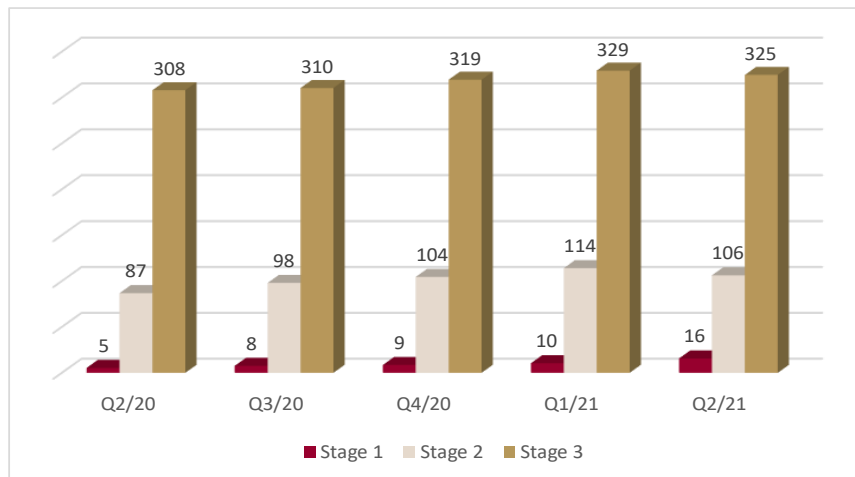


Key Highlights

As of 30 June 2021, the Bank's stage wise credit exposure is:

- Stage 162%
- Stage 220%
- Stage 318%

Expect Credit Loss

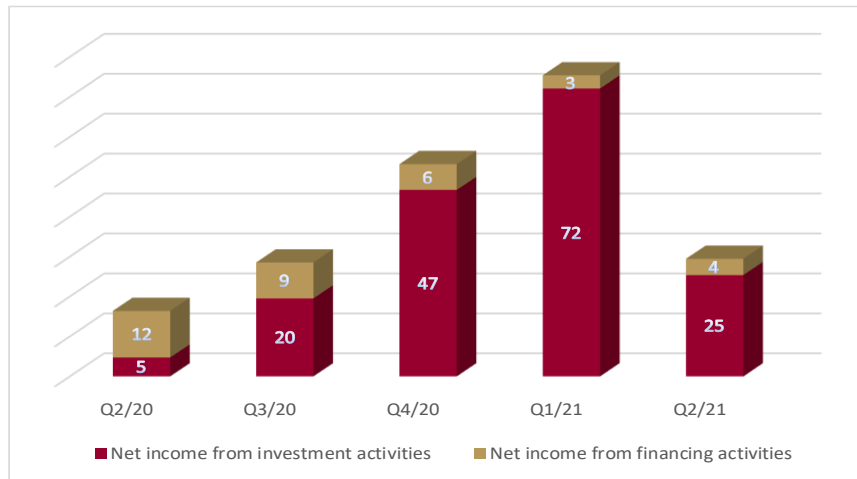


Key Highlights

As of 30 June 2021, the Bank's ECL provisions as a % of credit exposure are:

- Stage 11.3%
- Stage 226.5%
- Stage 391.7%

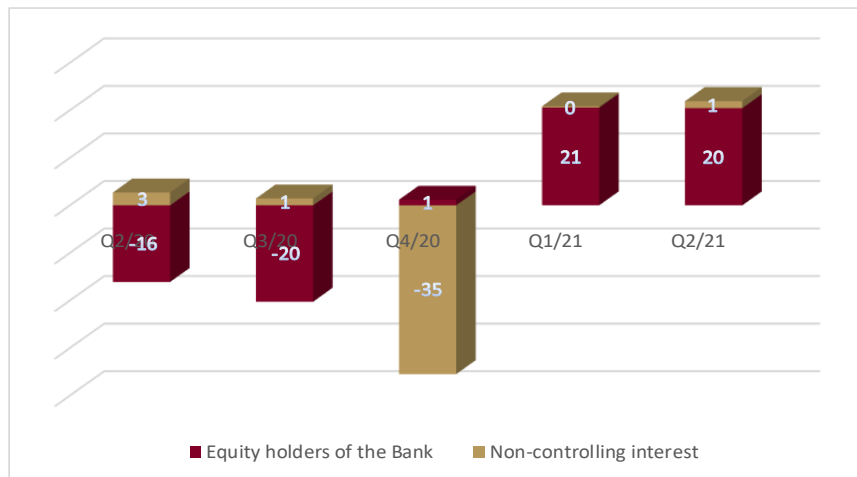
Main Income Stream Analysis



Key Highlights

- Investment income was higher in Q1 2021 on account of disposal gains mainly PE exits of Al Rifai and Cambridge investments.
- Net financing income dropped over the period in line with the reduction in financing assets

Net Income



Key Highlights

- Bank's quarterly net income stays firm at level of QAR 20M
- Bank has been able to generate syndication income from real estate products.

Key Highlights of H1 2021

- 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 and syndicated significant portion of Waterway Plaza I, a class A+ office tower spanning more than 223,000 square foot located in suburban Houston, Texas, USA.
- The Bank acquire Phase 1 of a corporate campus, located in Columbus, Ohio, which is rented to the tenant is a Fortune 10 American company operating in the Pharmaceutical, Medical & Health and Information Technology sectors with annual revenues over USD 230 billion.
- 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 HQ of “Huntsman International” located 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 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..



Acquisition of the HQ of “Huntsman International” located in Texas

QFB acquired the phase 1 of Healthcare technology company Headquarters in Columbus, Ohio in the USA. The new acquisition marks Qatar First Bank’s 7th investment in the United States,

The newly acquired property is a fully built-to-suit 218,000 square foot trophy office building completed in 2021 with 100% leased on a 10-year NNN lease. The QFB-acquired building will serve as the first phase of the corporate campus for Healthcare technology company, with the second phase planned to be completed by the fourth quarter of 2022



Quarterly analysis of balance sheet

All amounts are in QAR million

ASSETS	30-Jun-21	31-Mar-21	Change	
	QAR'M	QAR'M	QAR'M	%
Cash and cash equivalents	746.4	707.8	38.6	5.5%
Due from banks	-	-	-	0.0%
Investments carried at amortised cost	83.6	202.2	(118.7)	-58.7%
Investment in funds	87.3	61.7	25.6	41.5%
Financing assets	440.7	450.6	(9.9)	-2.2%
Equity investments	360.1	280.8	79.2	28.2%
Investments in real estate	14.8	14.8	-	0.0%
Right-of-use asset	214.4	214.4	-	0.0%
Fixed assets	1.1	1.2	(0.1)	-10.2%
Intangible assets	4.5	4.8	(0.3)	-6.1%
Assets held-for-sale	863.2	827.5	35.7	4.3%
Other assets	13.2	35.9	(22.7)	-63.3%
TOTAL ASSETS	2,829.2	2,801.7	27.5	1.0%
Liabilities				
Financing liabilities	499.2	461.4	37.8	8.2%
Customers' balances	242.0	140.7	101.3	72.0%
Liabilities held-for-sale	468.1	434.5	33.6	7.7%
Other liabilities	78.1	114.9	(36.9)	-32.1%
Total Liabilities	1,287.4	1,151.6	135.8	11.8%
Equity of Unrestricted Investment Account Holders	985.0	1,128.2	(143.2)	-12.7%
Shareholders' Equity				
Share capital	700.0	700.0	-	0.0%
Share premium	0.2	0.2	-	0.0%
Investments fair value reserve	4.7	(0.9)	5.6	-652.2%
(Accumulated losses) / Retained earnings	(182.8)	(203.3)	20.4	-10.1%
Total Shareholders' Equity	522.1	496.1	26.0	5.2%
Non-controlling interest	34.6	25.8	8.9	34.4%
TOTAL LIABILITIES AND EQUITY	2,829.2	2,801.7	27.5	1.0%

Quarterly analysis of profit and loss

All amounts are in QAR million

Income	Q2-2021	Q1-2021	Change	
	QAR'M	QAR'M	QAR'M	%
Income from financing assets	4.1	3.3	0.8	23%
Fee income	4.3	2.3	2.0	87%
Loss on re-measurement of investments at fair value through income statement	1.1	0.5	0.6	110%
Dividend income	3.0	0.9	2.1	228%
Profit on investments carried at amortised cost	3.2	2.6	0.6	25%
Income from placements with financial institutions	0.6	0.4	0.3	71%
Gain on disposal of investments carried at amortised cost	0.0	0.8	(0.8)	-99%
Gain / (loss) on disposal of equity investments	17.4	66.9	(49.5)	-74%
Gain on disposal of subsidiaries	-	-	-	0%
Loss on early settlement of financing assets	-	-	-	0%
Net foreign exchange (loss) / gain	(1.9)	(2.4)	0.4	-19%
Other income, net	3.0	7.7	(4.7)	-61%
Total Income Before Return To Unrestricted Investment Account Holders	34.8	83.0	(48.2)	-58%
Return to unrestricted investment account holders	(5.1)	(5.5)	0.4	-8%
Total Income	29.7	77.5	(47.8)	-62%
Expenses				
Staff costs	(11.5)	(16.0)	4.4	-28%
Financing costs	(2.1)	(2.0)	(0.1)	7%
Depreciation, amortisation and impairment charge	(0.7)	(0.7)	(0.0)	2%
Other operating expenses	(4.5)	(4.1)	(0.5)	12%
Total expenses	(18.9)	(22.7)	3.8	-17%
Provision for impairment on financing assets, net of recoveries	1.9	(15.5)	17.5	-113%
Provision for impairment on other financial assets	5.3	(6.2)	11.5	-185%
NET LOSS FROM CONTINUING OPERATIONS	18.1	33.0	(14.9)	-45%
Income from discontinued operations, net of tax	3.8	(12.2)	16.0	-131%
NET LOSS FOR THE YEAR	21.9	20.8	1.1	5%
Attributable to:				
Equity holders of the Bank	20.4	20.6	(0.1)	-1%
Non-controlling interest	1.5	0.3	1.2	470%
	21.9	20.8	1.1	5%

