

QIIB



البنك الإسلامي

Press Release

Date: 23 July 2024

International credit rating agency Fitch affirms QIIB's rating at 'A' with a stable outlook

- **His Excellency Sheikh Dr. Khalid bin Thani: Fitch's rating is a confirmation of the strength of our financial position and the merit of our distinguished performance**
- **Dr al-Shaibei: We were able to face various challenges and turn them into opportunities**

DOHA: Leading international credit rating agency Fitch announced that it has affirmed QIIB's rating at 'A' with a stable outlook, which indicates the strength of the bank's indicators and its solid financial position.

Explaining the rationale behind affirmation of QIIB rating, Fitch noted, "QIIB's rating reflects its established, Islamic-banking franchise in Qatar, high financing concentrations and adequate core capitalisation. It also reflects the bank's reasonable asset quality, solid profitability and stable funding and liquidity with a lower reliance on non-resident funding than its peers."

The Fitch report explained, "The operating conditions are good in the bank, as the special reserve coverage reached 95% at the end of the first quarter of 2024 and is considered one of the distinguished ratios compared to its local banking counterparts."

Fitch expects QIIB's asset quality to remain stable. It is also expected that QIIB will maintain strong profitability with operating efficiency.

In addition, QIIB is expected to continue to maintain stable financing primarily derived from customer deposits, which is a strength of the bank compared to its local counterparts.

Concentration in the QIIB deposit base is lower than local peers' due to a high

portion of retail deposits, Fitch said and noted reliance on external funding is also lower than peers' in the local banking sector.

Fitch also indicated that QIIB's rating at 'A' with a stable outlook has been based on a solid foundation of potential support from the government if necessary, with the government's ability to do so, especially since the sovereign rating of the State of Qatar is at 'AA' with a stable outlook.

His Excellency Sheikh Dr Khalid bin Thani bin Abdullah al-Thani, Chairman of the Board of Directors of QIIB, commented on Fitch's affirmation of the bank's rating at 'A', saying: "This rating once again proves the leadership enjoyed by QIIB in the local banking sector, and its ability to achieve steady growth, enhance its various indicators, and improve various operating conditions."

His Excellency added: "Fitch's rating of the bank at a high level with a stable outlook is confirmation of the strength of our financial position and the merit of our distinguished performance. We have always stressed that we owe the strength of our position and the stability of our indicators to the solid position of the Qatari economy, which provides comprehensive support to various sectors. The local economy provides rich opportunities that facilitate growth and help us achieve a distinguished financial position."

His Excellency the Chairman of the Board of Directors of QIIB affirmed: "The bank will continue to work to keep pace with the best standards approved in the banking sector, with focus on innovation and a keenness to provide value addition to Islamic banking. This is what we have been doing since the founding of our bank, which is now enjoying a prestigious position, locally and internationally."

For his part, Dr Abdulbasit Ahmad al-Shaibei, CEO, QIIB, noted, "We are very happy with every progress we have achieved and every achievement recognised by prestigious international institutions such as Fitch. And this rating is an acknowledgment that we are moving forward in the right path, and that we have been able to face various challenges and turn them into opportunities."

Dr al-Shaibei continued, "We are grateful to the wise policies being pursued and directives issued by the Qatar Central Bank, which contributes to the stability and reliability of the Qatari banking sector."

The CEO stressed: "QIIB will continue implementing the strategy set by our Board of Directors, be it short or long term, which lays strong emphasis on the local market, while implementing a wise policy in relation to risk management. The strides we have made in respect of digital transformation have facilitated innovation and ensured customer satisfaction. We continue to provide our

customers with state-of-the-art and highly efficient banking products and services.