



Earnings Flash Note
Qatar Islamic Bank
3Q 2023 / 9M 2023



Qatar Islamic Bank (QIBK)

- > **Net profit increased 6.3% YoY to QR 1,099.9mn (+4.8% QoQ)** in 3Q23 as surge in net interest income was largely consumed by higher return to unrestricted investment account. For 9M23, net profit was up by 7.2% YoY to QR 3,055.2mn.
- > **Net interest income increased by 3.4% on YoY to QR992.6mn (-1.0% QoQ)** in 3Q23 driven by rise in income from financing activities (+35.8% YoY, +3.6% QoQ). Net interest margin (NIM) increased by ~10bps YoY (~-9bps sequentially) to ~2.33% in 3Q23 while NIM improved by 10bps YoY to ~2.34% in 9M23.
- > **Revenue was up by 28.2% YoY (+5.6% QoQ)** to QR2,870.1mn in 3Q23 largely due to higher income from financing. Revenue grew 24.1% YoY in 9M23.
- > **As of 3Q23-end, Loans & advances were QR121.8bn** (+0.6% YoY, +1.9% QoQ) while Customer deposits declined 1.1% YoY to QR121.5bn (-3.9% QoQ).
- > **As of 3Q23-end, the book value per share stood at QR 10.4 (9M22: QR 10.4).**

3Q 2023 Earnings Performance

	3Q2023	3Q2022	YoY	2Q2023	QoQ
Net Interest Income	992.6	960.0	3.4%	1,002.7	-1.0%
Net Interest Margin %	2.33%	2.23%		2.42%	
Non-interest income	254.5	263.8	-3.5%	226.7	12.2%
Revenue	2,870.1	2,239.6	28.2%	2,718.5	5.6%
Cost/income ratio %	16.6%	18.2%		16.6%	
Net profit	1,099.9	1,034.9	6.3%	1,050.0	4.8%
Book value per ordinary share (QR)	10.4	9.5	10.1%	10.0	4.5%
Loans & advances	121,802.4	121,026.4	0.6%	119,568.1	1.9%
Customer Deposits	121,514.7	122,882.8	-1.1%	116,914.7	3.9%

Note: Values are expressed in QR'mn unless explicitly stated

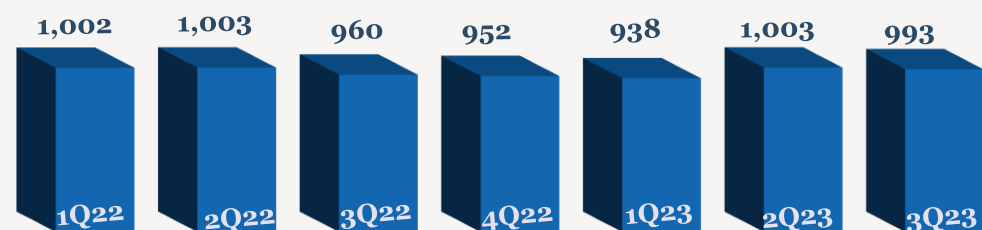
- > **The stock is currently trading at a TTM P/B multiple of 1.8x, lower** than its 3Y historical average of 2.3x. For now, we maintain our PT of QR 24.18/share and our accumulate rating.

9M 2023 Earnings Performance

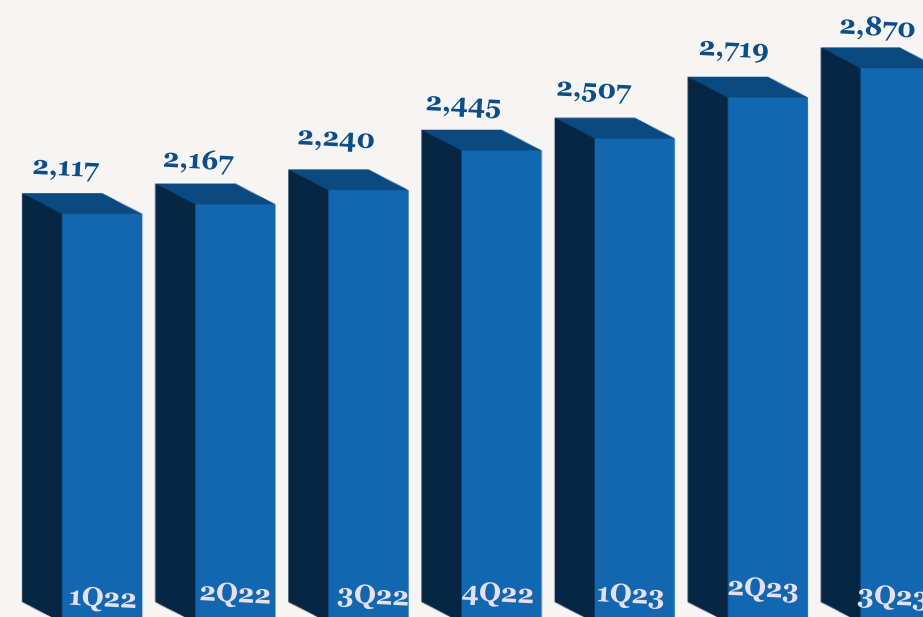
	9M2023	9M2022	YoY
Net Interest Income	2,933.6	2,964.5	-1.0%
Net Interest Margin %	2.34%	2.23%	
Non-interest income	729.7	787.0	-7.3%
Revenue	8,095.7	6,523.1	24.1%
Cost/income ratio %	17.3%	17.2%	
Net profit	3,055.2	2,850.2	7.2%
Book value per ordinary share (QR)	10.4	9.5	10.1%
Loans & advances	121,802.4	121,026.4	0.6%
Customer Deposits	121,514.7	122,882.8	-1.1%

Note: Values are expressed in QR'mn unless explicitly stated

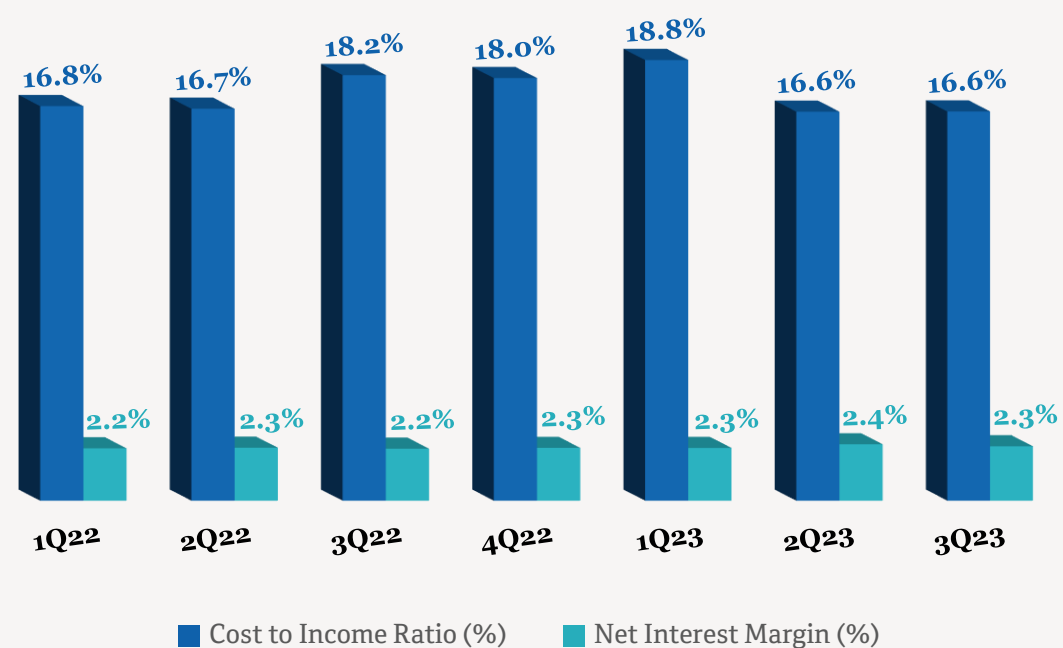
Quarterly Net Interest Income trend (QRmn)



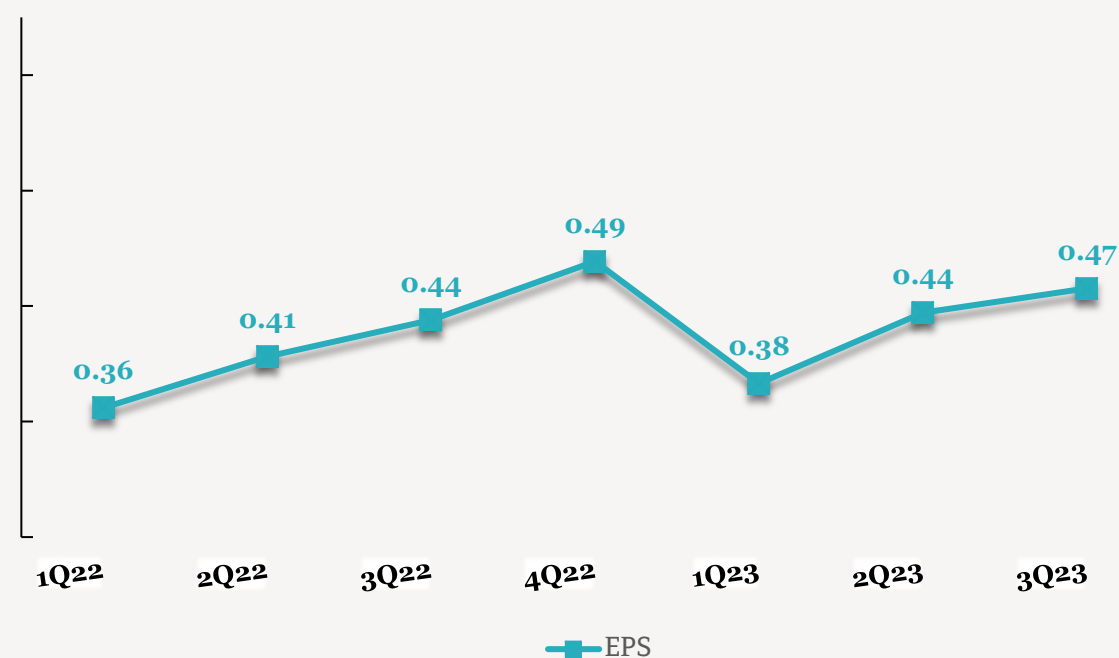
Quarterly Revenue Trend (QRmn)



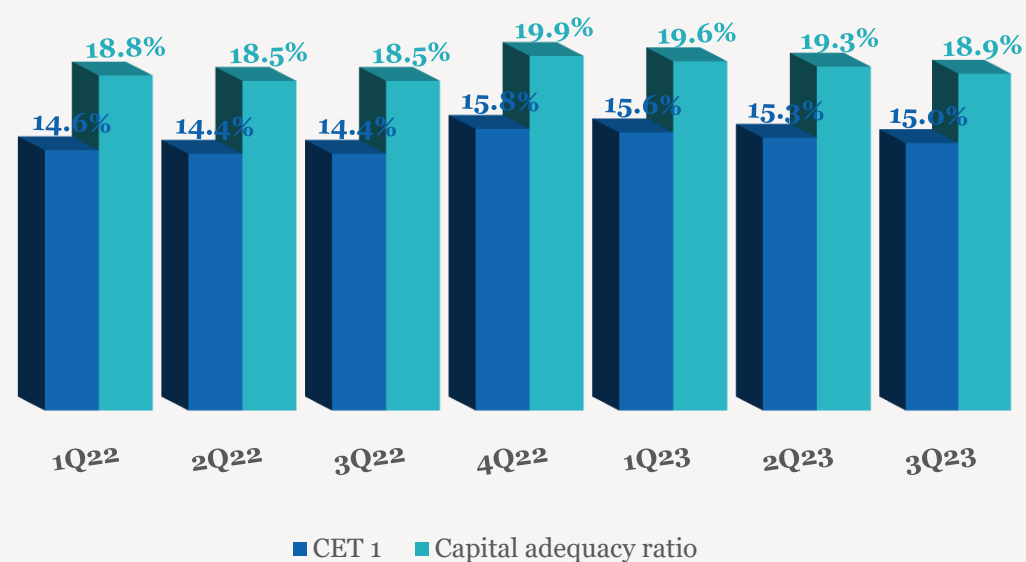
Cost-to-Income and MIN Ratios Trend



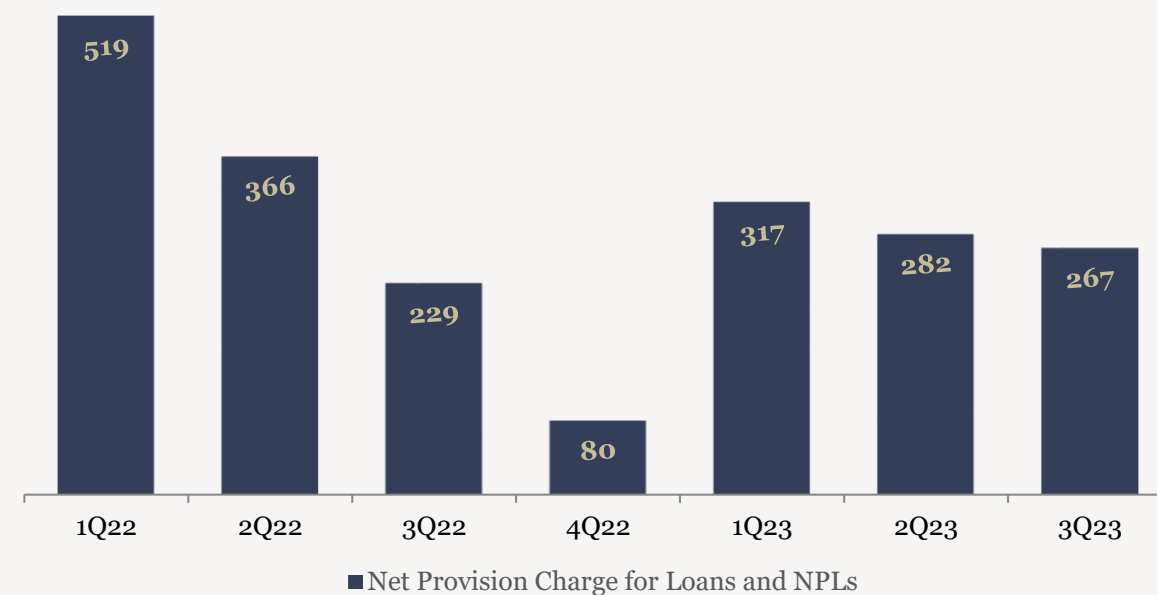
EPS (QR) Trend



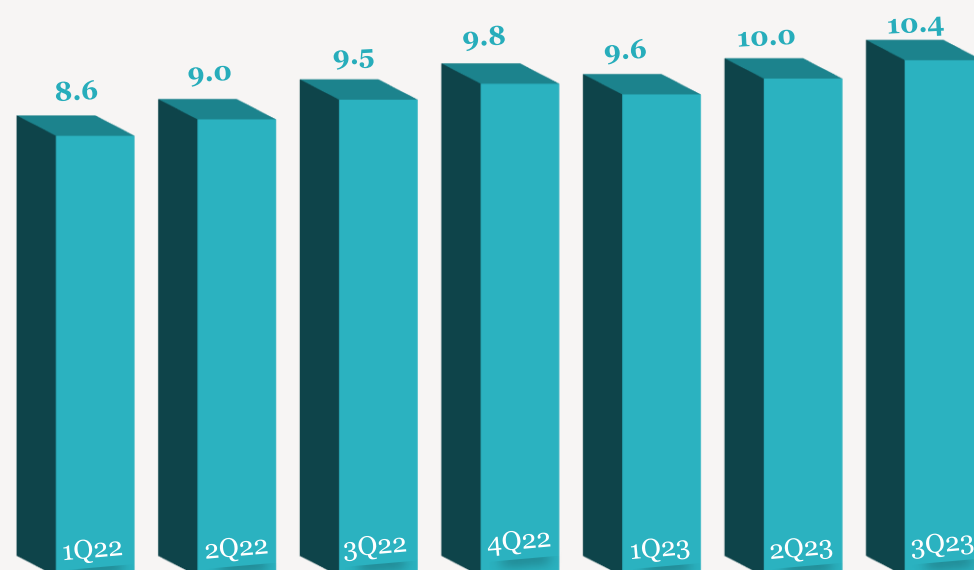
Capital Adequacy Ratio (%)



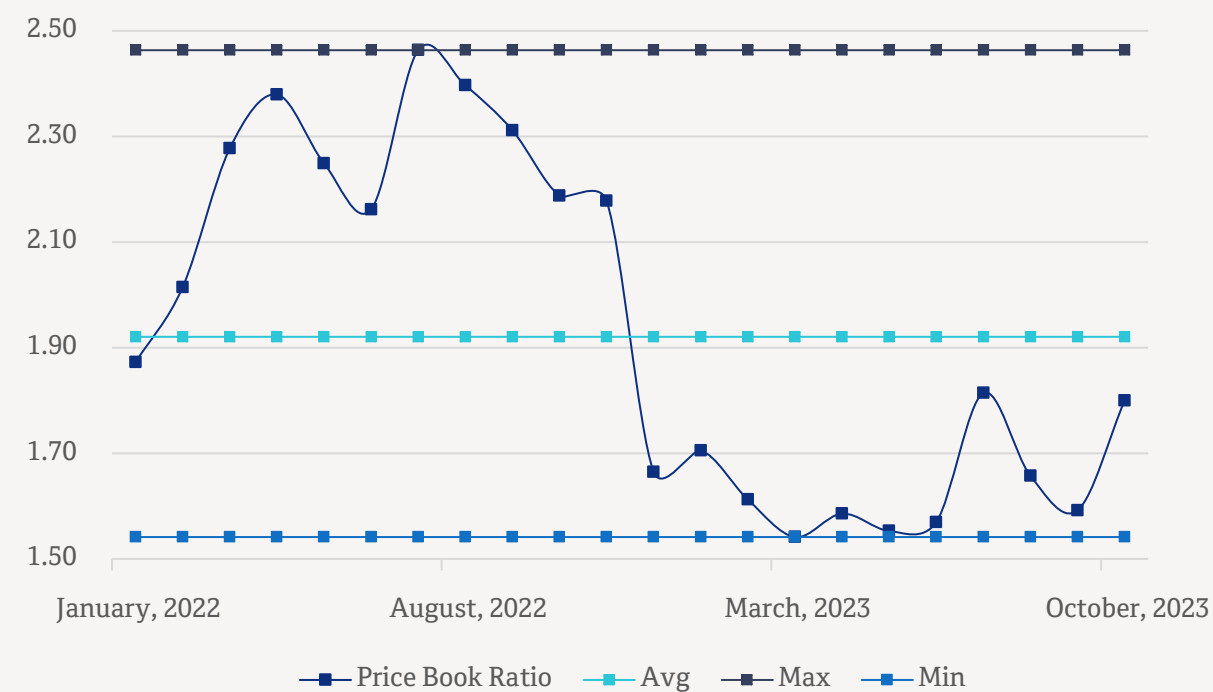
Net Provision for Loan Loss (QRmn)



Book Value Per Share



P/B Multiple Band (x)





Earnings Flash Note

3Q2023 / 9M2023

Contacts

QNB Financial Services Co. W.L.L.
Contact Center: (+974)4476 6666
info@qnbfs.com.qa
Doha, Qatar

Saugata Sarkar, CFA, CAIA
Head of Research
saugata.sarkar@qnbfs.com.qa

Shahan Keushgerian
Senior Research Analyst
shahan.keushgerian@qnbfs.com.qa

Phibion Makuwerere, CFA
Senior Research Analyst
phibion.makuwerere@qnbfs.com.qa

Roy Thomas
Senior Research Analyst
roy.thomas@qnbfs.com.qa

Dana Saif Al Sowaidi,
Research Analyst
dana.alsowaidi@qnbfs.com.qa

Disclaimer and Copyright Notice: This publication has been prepared by QNB Financial Services Co. W.L.L. ("QNBFS") a wholly-owned subsidiary of Qatar National Bank (Q.P.S.C.). QNBFS is regulated by the Qatar Financial Markets Authority and the Qatar Exchange. Qatar National Bank (Q.P.S.C.) is regulated by the Qatar Central Bank. This publication expresses the views and opinions of QNBFS at a given time only. It is not an offer, promotion or recommendation to buy or sell securities or other investments, nor is it intended to constitute legal, tax, accounting, or financial advice. QNBFS accepts no liability whatsoever for any direct or indirect losses arising from use of this report. Any investment decision should depend on the individual circumstances of the investor and be based on specifically engaged investment advice. We therefore strongly advise potential investors to seek independent professional advice before making any investment decision. Although the information in this report has been obtained from sources that QNBFS believes to be reliable, we have not independently verified such information and it may not be accurate or complete. QNBFS does not make any representations or warranties as to the accuracy and completeness of the information it may contain, and declines any liability in that respect. For reports dealing with Technical Analysis, expressed opinions and/or recommendations may be different or contrary to the opinions/recommendations of QNBFS Fundamental Research as a result of depending solely on the historical technical data (price and volume). QNBFS reserves the right to amend the views and opinions expressed in this publication at any time. It may also express viewpoints or make investment decisions that differ significantly from, or even contradict, the views and opinions included in this report. This report may not be reproduced in whole or in part without permission from QNBFS.

COPYRIGHT: No part of this document may be reproduced without the explicit written permission of QNBFS.