

## Focusing on next year



**QATAR**

By Amjad Hussain

Activity within the Islamic banking industry has been relatively quiet as we approach the year-end and National Day holidays.

Qatar Central Bank (QCB)'s Governor Abdulla Al Thani highlighted in the Euromoney Qatar Conference that QCB is actively working on the banking industry's financial technology strategy, in cooperation with leading financial institutions and fintech companies.

The strategy aims to create a modern regulatory environment that is in accordance with global best practices, and that supports innovation and market stability.

**“ There has been a significant focus on innovation and fintech this year in Qatar, and we anticipate regulatory changes to take place in 2020 to adopt and encourage fintech ”**

The governor reaffirmed that artificial intelligence, electronic cloud-based banking services and enhanced digital capabilities are increasingly becoming core elements of the worldwide banking industry, and urged the local banks to establish more distinct systems to adapt to such changes through the cooperation leading fintech companies.

QCB's detailed strategy has not been published yet, but the market seems to be ready to embrace fintech, and we are eager to see how this strategy will

assist in the transformation of traditional banking products and services in Qatar.

A recent study showed that Qatar's Islamic banks have the highest liquid asset ratio among the GCC countries in the period between 2016 and 2018.

The liquid assets ratio is one of the key indicators of a bank's liquidity. The study showed that despite the outflow of deposits following the blockade in 2017, Qatar's Islamic banks have managed to improve their liquidity using government and public sector deposits and focusing on long-term sources of funding.

Qatar's Islamic banking share in the state's total banking assets is 25.2%, the third-highest in the region. Further, the liquid asset ratio of the Islamic banks stood at 35% in 2018, the highest in the region, and up from 32.7% in 2017.

Qatar Islamic Bank (QIB) has been recognized as the fourth safest Islamic bank in the GCC, and the 36<sup>th</sup> safest bank in emerging markets.



The rankings are a reflection of QIB's success over the past few years and a testament to the bank's growth strategy that has been focused on prudent financing policies and disciplined approach to risk management.

There has been a significant focus on innovation and fintech this year in Qatar, and we anticipate regulatory changes to take place in 2020 to adopt and encourage fintech. ☺

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