

## Qatar: A promising start



**QATAR**

By Amjad Hussain

The last month presented an opportunity to reflect on the performance of the banking sector in Qatar during the past year, with the majority of the banks disclosing their results for 2016. It is anticipated that the results of the remaining banks will be declared in the coming weeks. Overall, banks have outperformed the financial results of 2015, which is a promising sign for the banking sector and provides a positive outlook for the performance of the banks during the course of 2017.

Qatar Islamic Bank (QIB) announced that it has achieved a net profit attributable to equity holders of QAR2.16 billion (US\$592.75 million) for 2016 compared with QAR1.95 billion (US\$535.12 million) for the year 2015, showing an increase by 10.3% over last year. QIB's board of directors also proposed a profit distribution to shareholders of 47.5% of the nominal share value (QAR4.75 (US\$1.3) per share).

**“ Current indications are that the banking sector in the State of Qatar remains in a strong position. This certainly signals a positive outlook for 2017 ”**

Qatar International Islamic Bank disclosed its financial statements for the period ended on the 31<sup>st</sup> December 2016, which showed a net profit of QAR784.8 million (US\$215.37 million) compared with net profit amounting to QAR784.2 million (US\$215.2 million) for the same period of 2015. Earnings per share amounted to QAR5.18 (US\$1.42) for the period ended the 31<sup>st</sup> December 2016.

QNB Group announced that net profit reached QAR12.4 billion (US\$3.4 billion), up by 10% from last year. Total assets reached QAR720 billion (US\$197.58 billion), up by 34% from December 2015. The board of directors recommended the distribution of a cash dividend of 35% of the nominal share value (QAR3.5 (96 US cents) per share) and a bonus share of 10% of the share capital (one share for every 10 shares).

QInvest's results for 2016 showed that revenues increased 6% to QAR416 million (US\$114.16 million), operating profits increased 3% to QAR220 million (US\$60.37 million) and assets increased by 5% to QAR4.69 billion (US\$1.29 billion).

Masraf Al Rayan also announced its financial results for 2016, delivering a net profit of QAR2.08 billion (US\$570.8 million). The board of directors, at a meeting held on the 16<sup>th</sup> January 2017, recommended a cash dividend distribution of QAR2 (54.88 US cents) per share, representing 20% of the paid-up capital.

The financial performance of Masraf Al Rayan is definitely one to watch as it is in the process of undergoing a potential merger with Barwa Bank and the International Bank of Qatar, which (if consummated) may result in the new merged entity becoming the largest Shariah compliant bank in the State of Qatar and the third-largest Shariah compliant bank in the Middle East with assets worth more than QAR160 billion (US\$43.91 billion) and a share capital of more than QAR22 billion (US\$6.04 billion).

A few more banks are yet to disclose their financial results (particularly Barwa Bank and Qatar First Bank). However, current indications are that the banking sector in the State of Qatar remains in a strong position. This certainly signals a positive outlook for 2017.

With oil prices stabilizing, it is hoped that Qatar's spending will resume a growth cycle this year, and if that happens, local banks will be in a key position to benefit from it.☺

*Amjad Hussain is a partner at K&L Gates. He can be contacted at Amjad.Hussain@klgates.com.*

### IFN Country Correspondents

**AFGHANISTAN:** Manezha Sukhanyar  
head of Islamic banking, Maiwand Bank

**AUSTRALIA:** Christopher Aylward  
partner, Finance and Major Transactions, Madison Marcus Law Firm

**BAHRAIN:** Dr Hatim El-Tahir  
director of Islamic Finance Knowledge Center, Deloitte & Touche

**BANGLADESH:** Md Siddiqur Rahman  
executive vice president, Islami Bank Bangladesh

**BOSNIA HERZEGOVINA:** Amer Bukvic  
CEO, Bosna Bank International

**BRAZIL:** Fabio Figuera  
partner, Veirano Advogados

**CANADA:** Jeffrey S Graham  
partner, Borden Ladner Gervais

**EGYPT:** Dr Walid Hegazy  
managing partner, Hegazy & Associates

**FRANCE:** Kader Merbouh  
head of the Executive Master Islamic Finance department and the international cooperation officer, Paris-Dauphine University

**HONG KONG:** Wilson Yeung  
member, The Taxation Institute of Hong Kong

**INDIA:** H Jayesh  
founder & partner, Juris Corp

**INDONESIA:** Farouk A Alwyni  
CEO, Alwyni International Capital

**IRAN:** Majid Pireh  
Islamic finance expert, Securities & Exchange Organization of Iran

**ITALY:** Stefano Padovani  
partner & head of banking and finance, NCTM Studio Legale Associato

**KAZAKHSTAN:** Timur Rustemov  
chairman, Association for Development of Islamic Finance

**KENYA:** Mona K Doshi  
senior partner, Anjarwalla & Khanna Advocates

**KOREA:** Yong-Jae Chang  
partner, Lee & Ko

**KUWAIT:** Thuwaini Al Thuwaini  
executive manager of investments, Warba Bank

**MALAYSIA:** Ruslena Ramli  
head, Islamic finance, RAM Rating

**MALDIVES:** Aishath Muneeza  
deputy minister, Ministry of Islamic Affairs

**MALTA:** Reuben Buttigieg  
president, Malta Institute of Management

**MOROCCO:** Dr Ahmed Tahiri Jouti  
COO, Al Maali Consultancy Group

**NEW ZEALAND:** Mohamed Nalar  
trustee and board member, Awqaf New Zealand

**NIGERIA:** Auwalu Ado  
Shariah auditor, Jaiz Bank

**OFFSHORE CENTERS:** Manuela Belmontes  
partner, Maples & Calder (Dubai)

**OMAN:** Anthony Coleby  
head of corporate commercial, Said Al Shahry Law Office

**PAKISTAN:** Muhammad Shoaib Ibrahim  
managing director & CEO, First Habib Modaraba

**QATAR:** Amjad Hussain  
partner, K&L Gates

**RUSSIA:** Dr Ilyas Zaripov  
member, Partnership Banking Working Group, Central Bank of the Russian Federation

**SAUDI ARABIA:** Nabil Issa  
partner, King & Spalding

**SINGAPORE:** Lim Say Cheong  
head of Islamic banking, Maybank Singapore

**SOUTH AFRICA:** Muhsin Jeena  
head of regional business-MENA & SEA, Old Mutual Investment Group

**SRI LANKA:** Imruz Kamil  
head of Islamic banking, Richard Pieris Arpico Finance

**TANZANIA:** Yassir Salim Awadhi Masoud  
head of Islamic banking and retail banking, National Bank of Commerce

**TUNISIA:** Mohamed Araar  
general directorate of External Financing and Settlements, deputy director of Private Financing and International Relations Department, Central Bank of Tunisia

**TURKEY:** Ali Ceylan  
partner, Baspinar & Partners

**UAE:** Anita Yadav  
senior director, head of fixed income research, Emirates NBD

IFN Correspondents are experts in their respective fields and are selected by Islamic Finance *news* to contribute designated short country reports. For more information about becoming an IFN Correspondent please contact sasikala.thiagaraja@redmoneypgroup.com