

Turbulent times in the Gulf



QATAR

By Amjad Hussain

As this rather turbulent year goes by, Islamic banks have continued to maintain a steady workflow and preserved their strong financial performance. A number of acquisitions have been made by banks and more importantly, Qatar First Bank became the first Qatar Financial Center entity to list its shares on the Qatar Stock Exchange and the first bank in Qatar to list its shares on the Qatar Stock Exchange since 2007.

So what have the Qatari banks been up to?

Qatar National Bank (QNB) has successfully raised QAR10 billion (US\$2.65 billion) in additional Tier 1 perpetual capital notes by way of private placement, to strengthen the group's capital adequacy ratios and to support future growth across QNB Group in accordance with the group's strategy. The additional Tier 1 perpetual capital notes were the inaugural issuance by QNB Group and the single largest issuance in the Middle East and Africa region and were fully subscribed. Additionally, QNB Group announced that it has completed the acquisition of a 99.81% stake in Finansbank in Turkey.

With the addition of Turkey as a new market and one of the leading Turkish banks to its network, QNB Group further extends its international presence and will be able to increasingly benefit from the rapid development of trade and the

strengthening of economic ties between Turkey and the Middle East in general, as well as between Qatar and Turkey in particular.

Finansbank is the fifth-largest privately owned universal bank in Turkey by total assets, customer deposits and loans. The bank has organically grown into a leading financial institution with a proven and experienced management team. It has a nationwide distribution network of over 620 branches and more than 12,000 employees with more than 5.3 million active customers.

QInvest recently announced the acquisition of ERGO Portfoy, one of the largest and fastest-growing asset management companies in Turkey. Following the completion of this acquisition, QInvest Asset Management will have assets under management close to US\$1 billion. Following the completion of this 100% acquisition, ERGO Portfoy has been rebranded as QInvest Portfoy and is a subsidiary of Qatar's QInvest. The company has been granted its license to operate by the Capital Markets Board of Turkey and is licensed to offer portfolio management to both individual and institutional investors.

Further, QInvest announced a strong start to the year, with a 36% increase in revenue for the first quarter to QAR102 million (US\$27.05 million) with net profit up by 34% to QAR37 million (US\$9.81 million).⁽²⁾

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