

ISLAMIC FINANCE IN QATAR

REPORT 2017

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In the Name of Allah the Most Gracious the Most Merciful





H.E. Sheikh Abdulla Bin Saoud Al-Thani

Islamic finance has witnessed a remarkable development in the past years at both local and international levels; this sector is considered as one of the fastest growing sectors in the State of Qatar, whereas Islamic banking assets constitute 26% of the total banking assets in the state. Islamic banks in the State of Qatar are classified among the largest Islamic banks in the world. Moreover, the State of Qatar is considered as the 5th largest Islamic finance market with Islamic banking assets of 96 billion USD with growth rates of more than 10%. The Islamic finance sector has achieved continuous growth due to the tremendous support provided by Qatar Central Bank and other government institutions by providing an integrated legislative environment for Islamic financial institutions in the State of Qatar to reinforce their competitive role, and by the integrated coordination between regulatory and supervisory bodies while adopting the best global practices in order to ensure the increased strength for financial and banking sectors. Qatar Central Bank's role towards the Islamic financial sector has surpassed the legislations and regulations to include motivation through offering various Islamic financial products and providing opportunities for Islamic banks to participate in the development projects as well as the infrastructure projects of the state.

The financial and banking sectors in the State of Qatar have proved its strength and flexibility by overcoming the impacts of the unjust blockade that has been imposed on the State of Qatar since the mid of 2017. The financial sector in general, and the Islamic financial sector in Qatar in particular, have achieved positive results which exceeded the expectations during the last year which in turn reinforced the confidence of the local and global investors over the financial and banking system of the state of Qatar.

The existences of knowledge bases that assure continuous and fair flow of data to establish a safe environment with more transparency and integrity for all financial sectors, as well as contribute to the development of the financial inclusion circle which Qatar Central Bank strives to achieve within its strategic plan goals.

All these achievements wouldn't have been achieved without the grace of Allah, then the appropriate instructions by His Highness the Emir Sheikh Tamim Bin Hamad Al Thani and the Deputy Emir Sheikh Abdullah Bin Hamad AL Thani, as well as the concrete efforts by the government institutions and the continuous coordination with other regulatory bodies at Qatar Financial Center and Qatar Financial Markets Authority. Thus, asking Allah the Almighty for the help and reconciliation.

H.E. Sheikh Abdulla Bin Saoud Al-Thani

Governor of Qatar Central Bank





Dr. Khalid bin Ibrahim Al Sulaiti

Praise be to Allah and blessing and peace be upon our prophet Mohammed, his family and all his companions.

Despite the challenges, success is still ongoing. Based on these words, we provide you our report, as its first version, on Islamic Finance in Qatar issued by Bait al-Mashura Finance Consultation within the framework of the services provided by the company to the Islamic Finance Sector in Qatar as part of the professional and cognitive support to this industry. We hope, this report will be an ongoing cognitive base to the researchers and interested persons from Qatar and abroad in order to review the history of Islamic Finance Institutions in Qatar.

Further, the Islamic Finance Sector in Qatar is one of the most effective financial sectors at the local and global level. Qatar is considered as one of the first states which entered early into the Islamic Banking Market. In addition, Qatar is still competing for the global rank in terms of the size of its assets in Islamic Finance. Additionally, the legislative environment and regulating laws encouraging for investment have granted this sector double momentum and greater stability.

The results of 2017 demonstrated that Qatar has a strong economy which helped it to overcome sever challenges. Although Qatar has faced economic blockade in the middle of 2017, it has achieved positive and stable growth rates along with expectations of better growth in 2018. Consequently, these results encouraged the Islamic Finance Sector in Qatar to achieve positive results to maintain the consequent success history.

In this context, we certainly thank His Highness the Emir Sheikh Tamim bin Hamad Al Thani – may Allah protect him – and the good government for their excellent vision and tireless efforts to enhance growth and prosperity in Qatar. In addition, we thank the Islamic Finance institutions and the Supervision entities in Qatar for their cooperation, sharing information and their interaction in responding to queries. Eventually, we ask Allah for further progress and development of the Islamic Financial Sector. All praise is to Allah, Lord of the worlds.

Dr. Khalid bin Ibrahim Al Sulaiti

Vice Chairman of the Board of Directors of Bait al-Mashura Finance Consultation

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Guidance Notes

- The report presents results of 2017 with a cumulative study of five years (2013-2017) according to the available data.
- The total statistics of Islamic banks have been adopted according to the quarterly bulletins published by Qatar Central Bank. For detailed statistics of Islamic banks, the audited financial statements of the respective banks have been relied on, thus some minor differences may arise.
- There may be some differences in numbers due to rounding too.

Disclaimer

Information in this report is compiled from and relied upon the sources referred to in the report, therefore the issuing entity doesn't bear any responsibility for the consequences of basing the decisions thereupon which may lead to the benefits or otherwise.

Executive Summary

The sudden events which took place in Qatar at the beginning of the second half of 2017 including economic blockade had implications on the financial and economic sector including the Islamic Financial Sector, but the quick response provided by the government helped these sectors to recover within a record time. Accordingly, the results in these sectors during 2017 were more positive. In addition, these sectors including the Islamic Financial Sector continued their growth enhanced by positive results in their activities. As for the Islamic Banking Sector, the assets have achieved a growth rate of 9.1% compared to 2016. Regarding the deposits, despite the fact that withdrawals were made in the non-resident deposits, the total of deposits achieved a growth rate of 13.2% supported by the governmental deposits. Additionally, the finance resources granted by the Islamic Banks have achieved a growth rate of 7.6% mainly by the private and retail sectors within the domain of consumer and real estate sectors through finance modes concentrated on Murabaha, Musawama and other modes. The performance of these banks was more profitable since they achieved profits exceeded QR 6 billion with a growth rate of 4.6% enhanced by revenues with a growth rate of 13.1%.

In connection with Takaful Insurance Sector, the assets of the policyholders in Takaful insurance companies increased by nearly 1%, while the Takaful insurance subscriptions declined with a simple rate of (0.3%) than in 2016. Additionally, these companies have achieved insurance surplus of QR 46 million with a variation between the performance of these companies.

As regard to the Islamic Finance Companies, the assets have totally shrunk to a rate of (2.8%) with variation in growth and decline among these companies. Further, the revenues of the finance activities increased with a percentage of 3.4% and achieved profits of QR 101.7 million.

As to the Islamic investment companies, the assets increased with a growth rate of

2%. Further, the results of these companies have varied between achieving profits or incurring losses.

In the field of Sukuk, the issued Sukuk increased with a growth rate of 122.7% compared to 2016. While the government have issued Sukuk with an amount of QR 15.4 billion, the Islamic banks issued Sukuk with a total value of QR 5.2 billion. As for the QE Al Rayan Islamic Index, it was affected by the general transaction of the exchange in 2017. Therefore. It recorded a decrease with a percentage of (11.88%).



Background of Qatari Economy in 2017





Background of Qatari Economy in 2017

The year 2017 witnessed unexpected events that posed a challenge to the Qatari economy. On June 5, Saudi Arabia, UAE, Bahrain and Egypt cut off diplomatic and economic ties with Qatar. These countries closed their airspace to Qatar Airways. Qatar's only land borders with Saudi Arabia were also closed. Some banks in these countries reduced their dealings with customers associated with Qatar. This event has had repercussions on the economy, which are concentrated in trade and liquidity. This is because Qatar was relying on its neighbors for most of its imports, especially food and building materials. There are also financial implications, where liquidity was affected by the withdrawal of some deposits from Qatari banks, especially non-resident deposits. However, the urgent government procedures of opening new commercial lines and injecting liquidity from the public sector of the banking system have had a significant impact on the recovery of the Qatari economy in a short period. The results of 2017 were more positive in the economic sector.

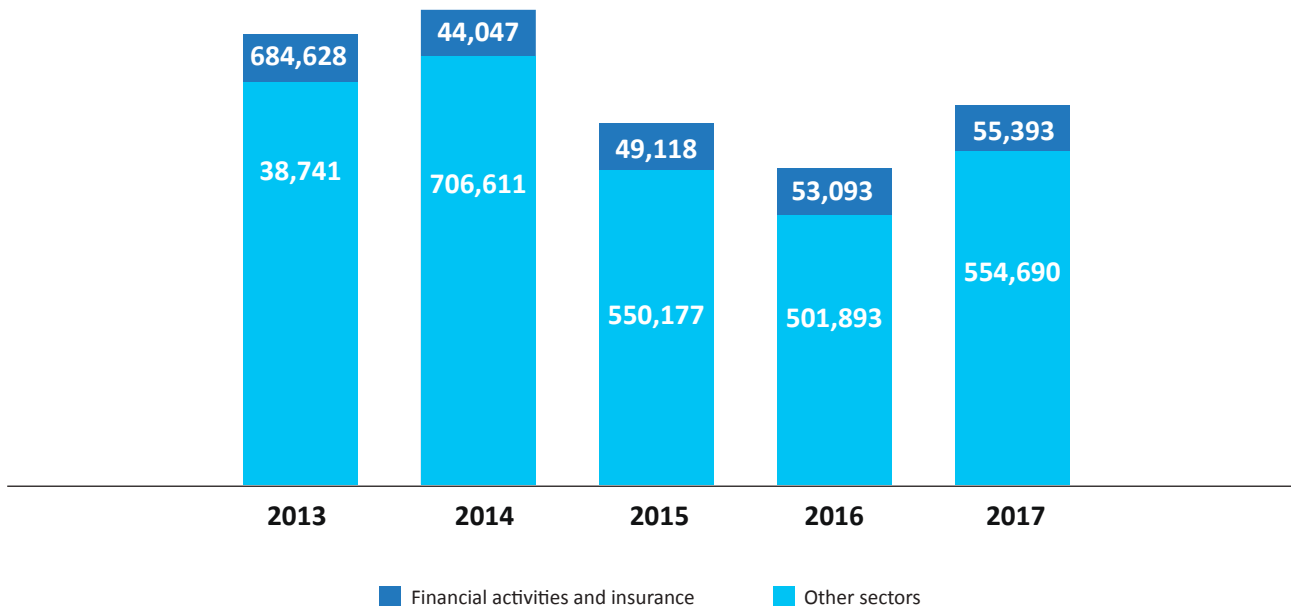
Gross Domestic Product (GDP):

In 2017, Qatar's gross domestic product (in the current prices) reached 610.1 billion Qatari Riyals with an increase of 10% over 2016. According to the base price of 2013, the gross domestic product grew by 1.6% in 2017 to reach 808.9 billion Qatari Riyals. According to the latest forecasts of the International Monetary Fund, the growth rate in 2018 is expected to reach 2.6%.

The share of financial and insurance activities in the gross domestic product increased by 4.3% compared to 2016, where it reached 55.4 billion Qatari Riyals in 2017.



Qatar's Nominal GDP (2013 – 2017) in Million Qatari Riyals



Source: Quarterly Statistical Bulletins, Qatar Central Bank.

Government finance:

The budget deficit in 2017 decreased by 29% compared to last year. The deficit in the budget of 2017 amounted to 35.4 billion Qatari Riyals, which represents 5.8% of the GDP. Government revenues reached 160.5 billion Qatari Riyals, which represents 26.3% of the GDP. Meanwhile, government expenses decreased by 7.2% compared to 2016 to reach 195.9 billion Qatari Riyals in 2017. This is due to the policies of rationalization and reduction of spending adopted by the government in Qatar.

Inflation:

According to consumer price index, inflation fell from 2.7% in 2016 to 0.4% in 2017. Inflation is expected to rise in 2018 because of the value added tax's (VAT) imposition in the second half of 2018 before falling again in 2019.

Table of macroeconomic indicators in Qatar

	2016	2017	2018 ^(f)
Nominal GDP (QR billion)	555	610.1	675.6
Actual GDP growth %	2.2	1.6	2.6
Inflation rate %	2.7	0.4	2.4
Government finance balance to GDP %	- (9)	- (5.8)	- (1.1)

(Source: Reports of the Minister of Development Planning and Statistics, Qatar Central Bank ,IMF and QNB).

Islamic finance in Qatar:

The Islamic financial sector in Qatar is divided into four main sectors, namely: Islamic banks, Takaful insurance companies, Islamic finance companies and Islamic investment companies. These institutions in such financial sectors are regulated by Qatar Central Bank. In addition, there are many financial institutions practicing Islamic finance activities within the framework of Qatar Financial Center (QFC).



Islamic banking sector

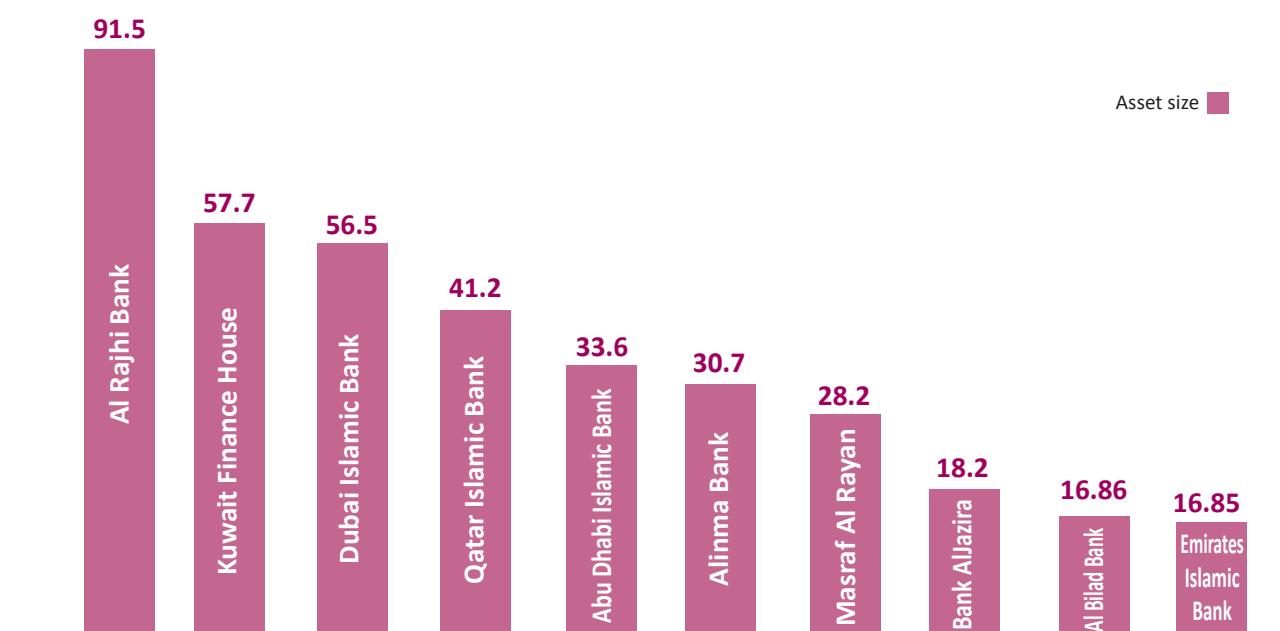




The banking sector in Qatar comprises (4) Islamic banks out of a total of (18) banks, six of which are conventional local commercial banks, a specialized bank (Qatar Development Bank) and seven branches of conventional foreign banks.

Islamic banks in Qatar operate within an internal and external network of more than (70) branches and offices. These Islamic banks account for more than a quarter of the market share of Qatar’s banking sector and are among the largest Islamic banks in the world.

Ranking of Global Islamic banks by asset size in 2017 (billion USD)



Source: Annual Financial Reports of Banks (2017).

Islamic commercial banks operating under the supervision of Qatar Central Bank:

- 1. Qatar Islamic Bank (QIB):** Qatar Islamic Bank (QIB) was established in 1983 in Qatar as the first Islamic bank in Qatar. QIB is now the largest Islamic bank in Qatar and the fourth largest Islamic bank in the world with total assets of 150.4 billion Qatari Riyals in 2017 and a market share of 43% of Islamic banking assets in Qatar and 11% of the total banking assets in Qatar. QIB offers a wide range of products and services to classes of individuals, businesses and investment

through more than (30) branches and local offices and (170) ATMs, as well as (3) external banking companies represented in Qatar Islamic Bank in UK, Qatar Islamic Bank in Sudan and the Arab Finance House in Lebanon. QIB shares are listed in Qatar Stock Exchange. The shareholders' equity in 2017 amounted to 15.3 billion Qatari Riyals.

- 2. Qatar International Islamic Bank (QIIB):** QIIB was established in 1991. The total assets of the Bank in 2017 amounted to 46.6 Billion Qatari Riyals representing 13% of the assets of Islamic banks and 3% of the total assets of the banking sector in Qatar. QIIB shareholders' equity in 2017 amounted to 5.8 billion Qatari Riyals. QIIB offers Islamic finance services and products to individuals and companies through more than (20) local branches. QIIB shares are also listed in Qatar Stock Exchange. The Bank has recently opened Umnia Bank as the first Islamic bank in the Kingdom of Morocco in partnership with local banks.
- 3. Masraf Al Rayan:** Masraf Al Rayan was established in 2006 as an integrated Islamic bank to provide retail and corporate banking services and products as well as private banking services. Masraf Al Rayan is the seventh largest Islamic bank in the world with total assets of 102.9 billion Qatari Riyals in 2017. It represents 30% of the assets of the Islamic banks in Qatar and 7% of the total assets of the commercial banking sector in Qatar. Masraf Al Rayan provides its services through (15) local branches in Qatar and is followed by banking and investment companies externally and domestically. It is listed in Qatar Stock Exchange. By the end of 2017, the bank shareholders' equity amounted to 5.8 billion Qatari Riyals.
- 4. Barwa Bank:** Barwa Bank was established in 2009 as an integrated Islamic bank to provide Sharia compliant banking services and products, including retail and corporate services, business services, private banking, real estate finance, syndicated finance, investment services and asset management. In 2010, Barwa Bank acquired First Finance Company (FFC), First Leasing Company and First Investor Company, which are leading finance and investment companies in their field. The total assets of the bank amounted to 48.6 billion Qatari Riyals in 2017, representing 14% of the assets of Islamic banks in Qatar and 4% of the total assets of commercial banks operating in Qatar. By the end of 2017, shareholders' equity amounted to 7.6 billion Qatari Riyals.

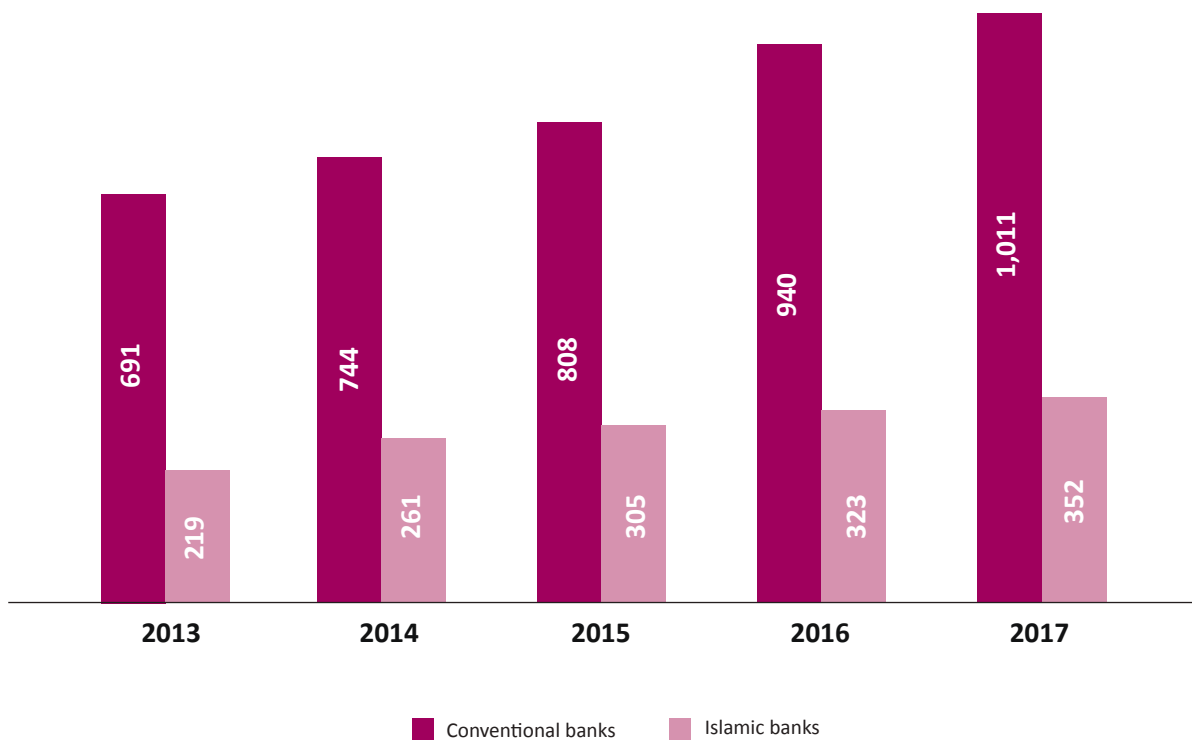


Performance of Islamic Banks in Qatar:

1. Assets:

According to the Qatar Central Bank's statistics as of December 2017, the assets of Islamic banks in Qatar in December 2017 amounted to 352.2 billion Qatari Riyals compared to 322.9 billion Qatari Riyals in 2016 with a growth rate of 9.1% constituting 26% of the total assets of the banking sector (commercial banks) in Qatar. This is equivalent to 58.2% of Qatar's nominal GDP for 2017.

Assets of conventional and Islamic commercial banks in Qatar (2013 – 2017) in Billion Qatari Riyals



Source: Quarterly Statistical Bulletins, Qatar Central Bank.



QIB ranked first in the volume of assets among the Islamic banks with 150.4 billion Qatari Riyals. Meanwhile, Masraf Al Rayan ranked first among these banks in terms of asset growth in 2017 with a growth rate of 12.5% , followed by QIIB with 9.6%, then QIB with 7.5% and finally Barwa Bank with 5.6% compared to 2016.

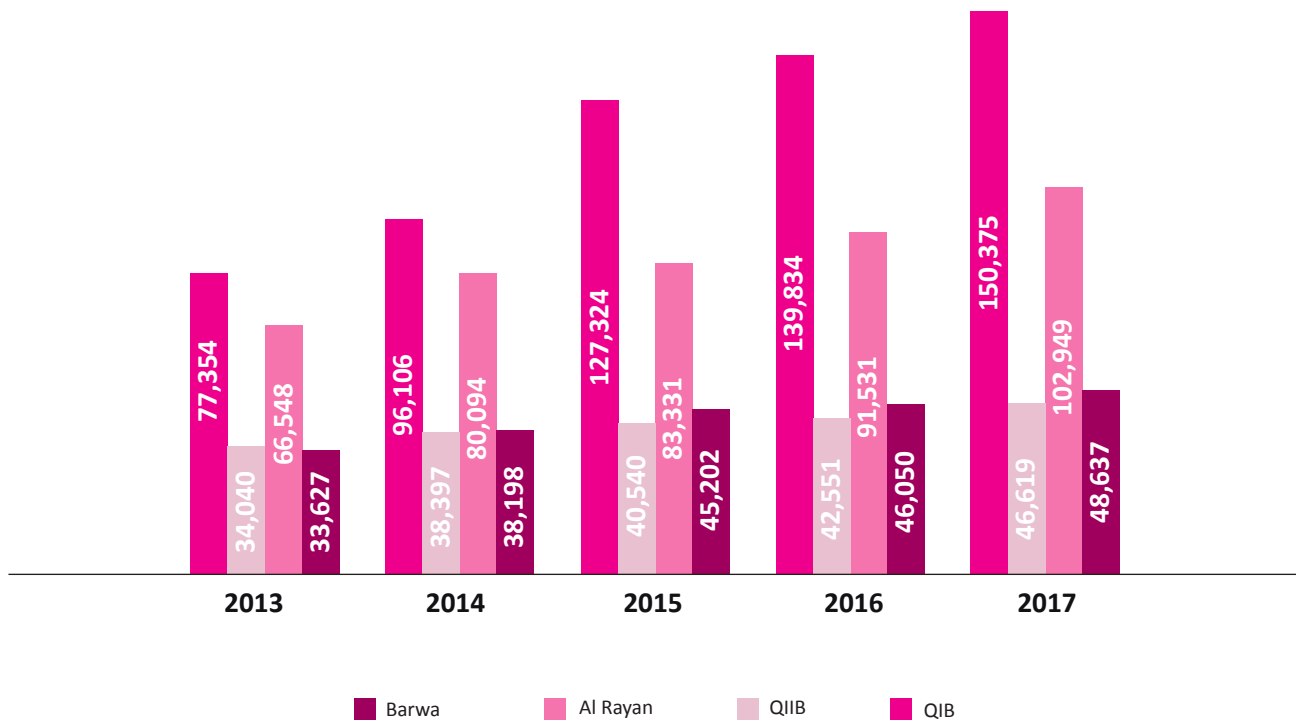
Over the past five years (2013-2017), the assets of Islamic banks grew at a compound annual growth rate (CAGR) of 10.5%. The Bank was in the forefront where the assets thereof grew during the period at an annual growth rate of 14.2%, followed by Masraf Al Rayan with 9.1% , then Barwa Bank with 7.7% and finally QIIB with 6.5%.

Assets of Islamic banks in Qatar (2013 - 2017) in Thousand Qatari Riyals

	2013	2014	2015	2016	2017	Growth rate in 2017	CAGR
QIB	77,354,244	96,106,464	127,323,982	139,834,128	150,374,876	7.5	14.2
QIIB	34,040,464	38,397,455	40,540,045	42,550,960	46,618,980	9.6	6.5
Al Rayan	66,547,637	80,094,268	83,331,431	91,530,735	102,948,972	12.5	9.1
Barwa	33,626,876	38,197,520	45,201,618	46,049,680	48,637,154	5.6	7.7

Source: Annual reports of banks.

Assets of Islamic banks in Qatar (2013 – 2017) in Million Qatari Riyals



2. Deposits:

The deposits of Islamic banks in Qatar grew by 13.2% in 2017 compared to 2016. Total deposits in 2017 amounted to 823 billion Qatari Riyals representing 26% of the total deposits of the banking system in the year.

Non-resident deposits accounted for 8.7% of the total deposits of Islamic banks, while those of the public sector constituted 34.5% against 56.8% for the private sector.

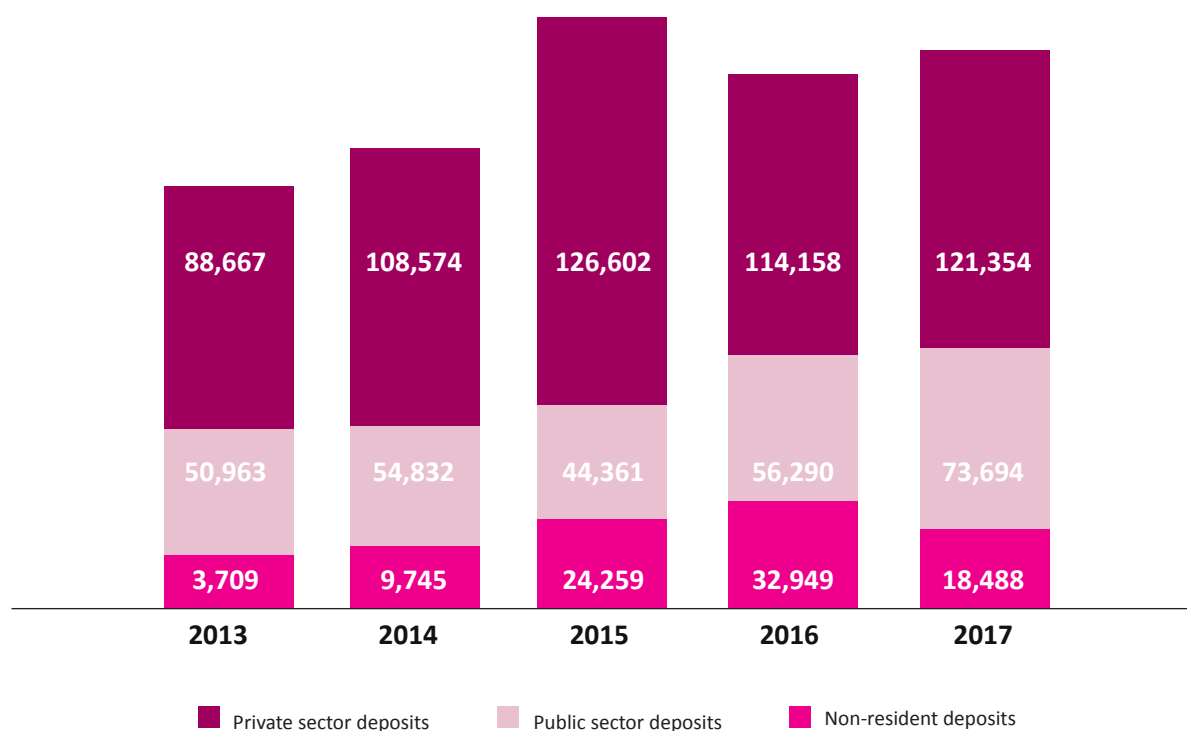
While non-resident deposits decreased by (43.9%) in 2017, the public sector deposits increased by 30.9% and private sector deposits increased by 6.3% over 2016.

Deposits in Islamic banks in Qatar (2013 – 2017) in Thousand Qatari Riyals

	2013	2014	2015	2016	2017	Growth rate in 2017	CAGR
Non-resident deposits	3,709,178	9,744,670	24,258,887	32,949,114	18,488,294	-(43.9)	37.9
Public sector deposits	50,962,826	54,831,529	44,361,027	56,289,567	73,693,984	30.9	7.7
Private sector deposits	88,666,874	108,573,975	126,602,106	114,158,057	121,353,749	6.3	6.5
Total deposits	143,338,878	173,150,174	195,222,020	20,339,6738	213,536,027	5	8.3
Deposits of Islamic banks to the total deposits of the banking system	26.1	28.8	30	28	25.9		

Source: Annual reports of banks.

Assets of Islamic banks in Qatar (2013 – 2017) in Million Qatari Riyals



Qatar Islamic Bank took the lead among the four Islamic banks in terms of volume of deposits that amounted to 101.8 billion Qatari Riyals. The highest growth rate of deposits in 2017 was for Qatar Islamic International Bank with 21.9%, followed by Masraf Al Rayan with 7.8% and Qatar Islamic Bank with 6.7%. Meanwhile, the percentage of deposits in Barwa Bank decreased by (11.7%).

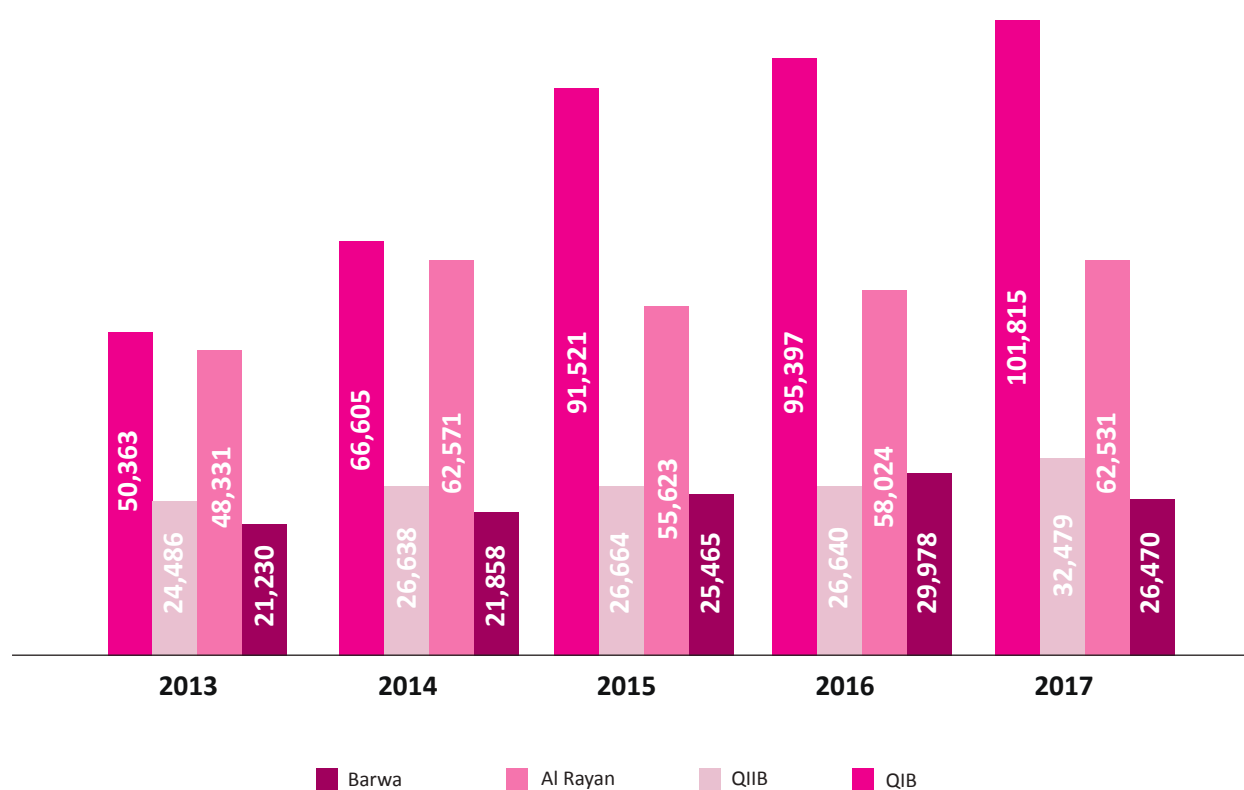
Over the last five years (2013 – 2017), deposits of Islamic banks grew at a compound annual growth rate of 9.1%. QIB came in the forefront, where the assets thereof grew during such period with an average growth rate of 15.1%, then QIIB with 5.8%, Masraf Al Rayan with 5.3% and finally Barwa Bank with 4.5%.

Deposits in Islamic banks in Qatar (2013 – 2017) in Thousand Qatari Riyals

	2013	2014	2015	2016	2017	Growth rate in 2017	CAGR
QIB	50,363,007	66,604,862	91,520,514	95,396,756	101,814,551	6.7	15.1
QIIB	24,485,815	26,638,340	26,663,911	26,640,038	32,478,648	21.9	5.8
Al Rayan	48,331,267	62,570,553	55,623,266	58,023,925	62,531,186	7.8	5.3
Barwa	21,230,341	21,858,397	25,464,808	29,977,537	26,469,886	-(11.7)	4.5
Total	144,410,430	177,672,152	199,272,499	210,038,256	223,294,271	6.3	9.1

Source: Annual reports of banks.

Volume of deposits in Islamic banks in Qatar (2013 – 2017) in Million Qatari Riyals



3. Finances:

In 2017, the finance provided by Islamic banks increased by more than 7% compared to 2016. The total finance of Islamic banks in Qatar in 2017 represented 26.7% of the total finance and credit facilities of the banking sector for the year 2017.

Comparing the concentration of Islamic banks finance in the finance sectors to conventional commercial banks in Qatar during 2017, the contribution of Islamic banks to finance the consumer sector was greater than that of other sectors. The contribution of such banks to finance the said sector represented 42.5% of the total finance provided by commercial banks (Islamic and conventional) to this sector, followed by the real estate sector with 36.6%. Meanwhile, the finance of conventional banks focused on the public sector with 82.4% of the total finance provided by commercial banks (Islamic and conventional) to this sector, followed by the services sector with 79.4%.

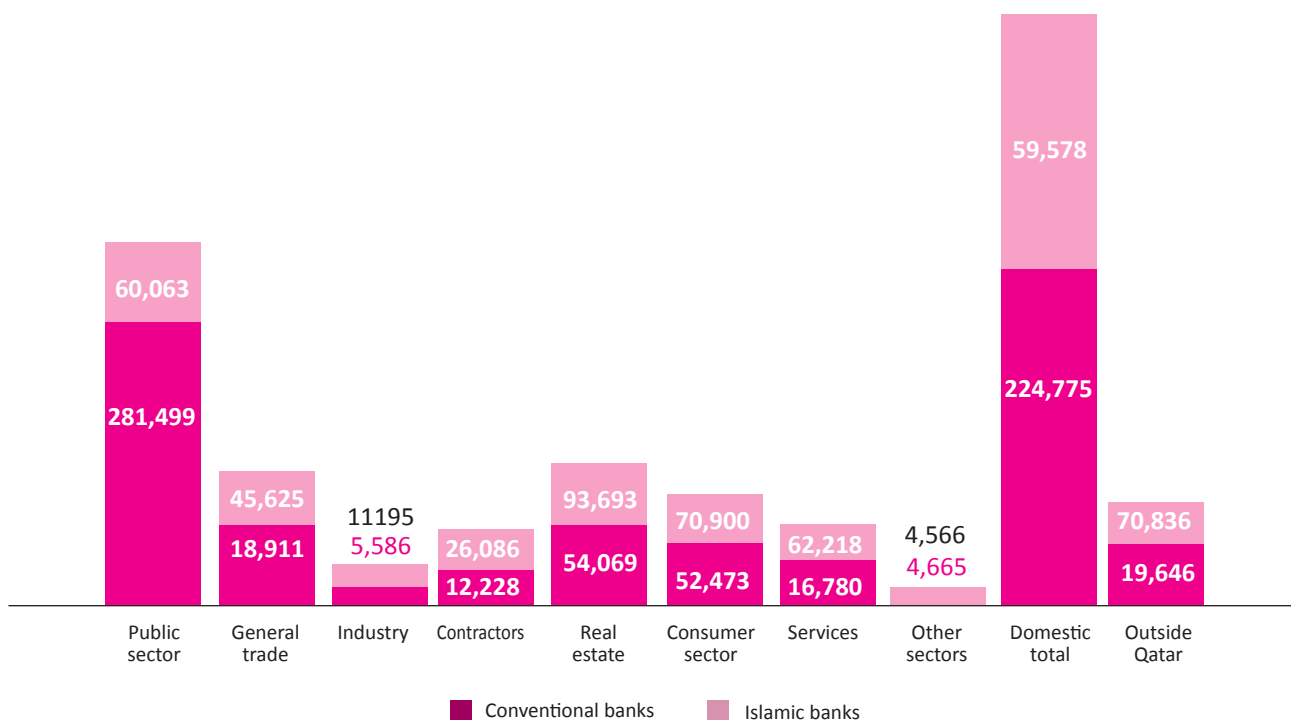
Most finance of Islamic banks was directed to the private sector and individual finance, while most finance provided by conventional banks was directed to the government sector.

Sectorwise finance of Islamic and conventional banks in Qatar in 2017 (One thousand Qatari Riyals)

	Islamic banks	Conventional commercial banks	Total of commercial banks (Islamic + conventional)	Islamic bank finance to conventional bank finance %
Public sector	60,062,950	281,498,501	341,561,451	17.6
General trade	18,910,699	45,624,854	64,535,553	29.3
Industry	5,586,030	11,195,423	16,781,453	33.3
Contractors	12,227,747	26,086,207	38,313,954	31.9
Real estate	54,069,308	93,693,497	147,762,805	36.6
Consumer sector	52,473,066	70,899,795	123,372,861	42.5
Services	16,779,805	62,217,562	78,997,367	21.2
Other sectors	4,665,012	4,565,602	9,230,614	50.5
Domestic total	224,774,617	595,781,441	820,556,058	27.4
Outside Qatar	19,645,742	70,836,415	90,482,157	21.7
Total	244,420,359	666,617,856	911,038,215	26.8

Source: Quarterly Statistical Bulletin, December 2017, Qatar Central Bank.

Sectorwise islamic banks' finances vs conventional banks' finances in 2017 (Million Qatari Riyals)



In comparison to the four Islamic banks, Qatar Islamic Bank was the top Islamic bank in terms of the total finances provided in 2017, which amounted to 102.6 billion Qatari Riyals. The highest growth rate of finance at QIB was 16.2% in 2016, followed by Masraf Al Rayan with 6.6% and Barwa Bank with 6% compared to 2016.

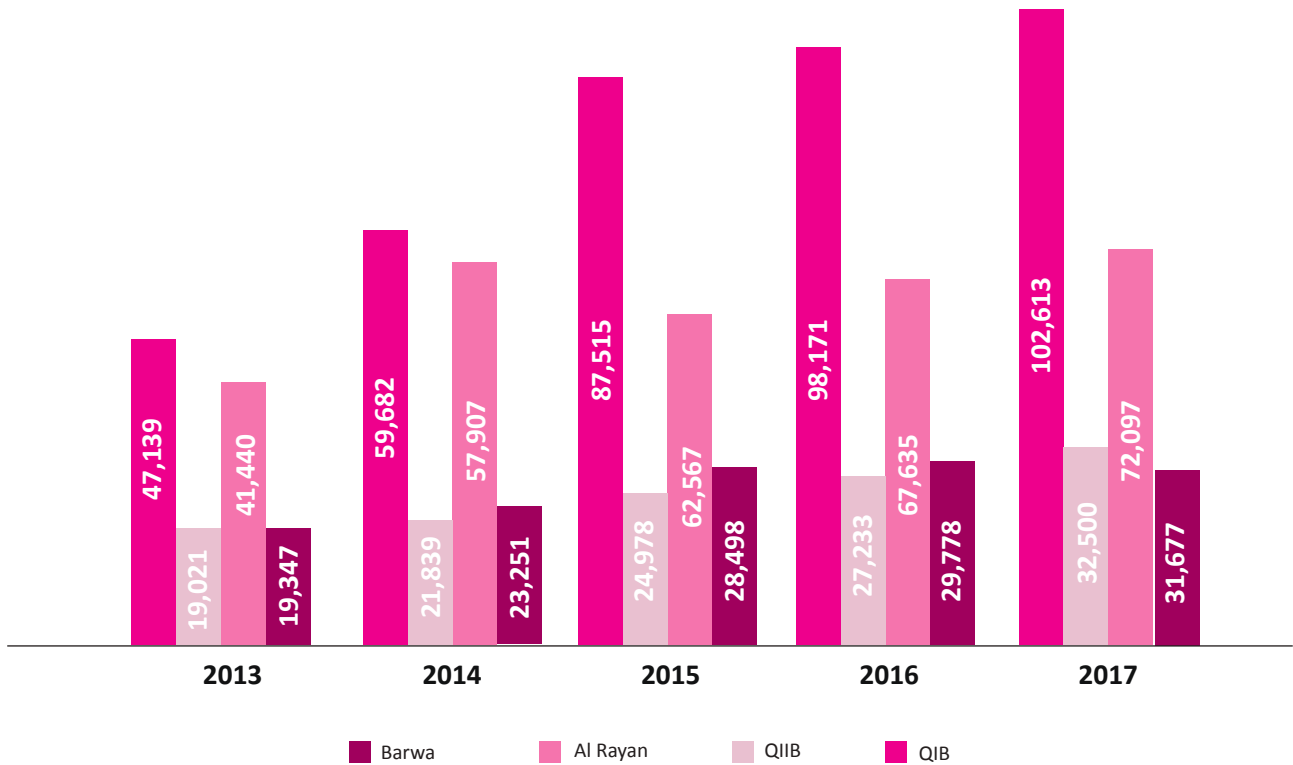
During the five-year period (2013 – 2017), growth rates for finance activities in Islamic banks were high. The compound annual growth rate for Islamic banks in Qatar during that period amounted to 13.5%. The highest average growth rate for QIB was 16.8%, followed by Masraf Al Rayan with 11.7%, QIIB with 11.3% and finally Barwa Bank with a growth rate of 10.4%.

Net finances provided by Islamic banks in Qatar (2013 – 2017) in Thousand Qatari Riyals

	2013	2014	2015	2016	2017	Growth rate in 2017	CAGR
QIB	47,139,466	59,681,531	87,515,388	98,170,520	102,613,499	4.3	16.8
QIIB	19,021,017	21,839,280	24,978,073	27,233,326	32,500,027	16.2	11.3
Al Rayan	41,440,198	57,906,940	62,566,639	67,634,561	72,097,080	6.6	11.7
Barwa	19,347,121	23,250,587	28,497,638	29,778,499	31,676,882	6	10.4
Total	126,947,802	162,678,338	203,557,738	222,816,906	238,887,488	7.2	13.5

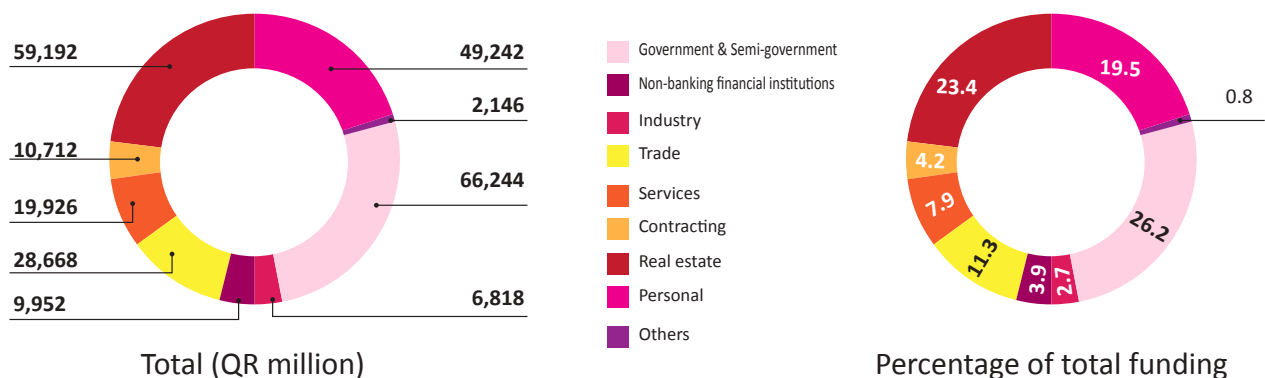
Source: Annual reports of the banks.

Net finances of Islamic banks in Qatar (2013 – 2017) in Million Qatari Riyals



In view of the total finance of Islamic banks, we find that the industrial sector was one of the least funded by Islamic banks with 2.7% of its total finance activities. Although the contribution of Islamic banks to government and semi-government finance was lower than that of conventional banks. However, this accounted for 26.2% of their finance activities for the year 2017. The real estate finance was at 23.4%, while the personal finance was at 19.5%.

Distribution of Islamic Banks' Financing in Qatar by Sector, 2017



Finance of Islamic banks in Qatar for 2017 according to sectors (Thousand Qatari Riyals)

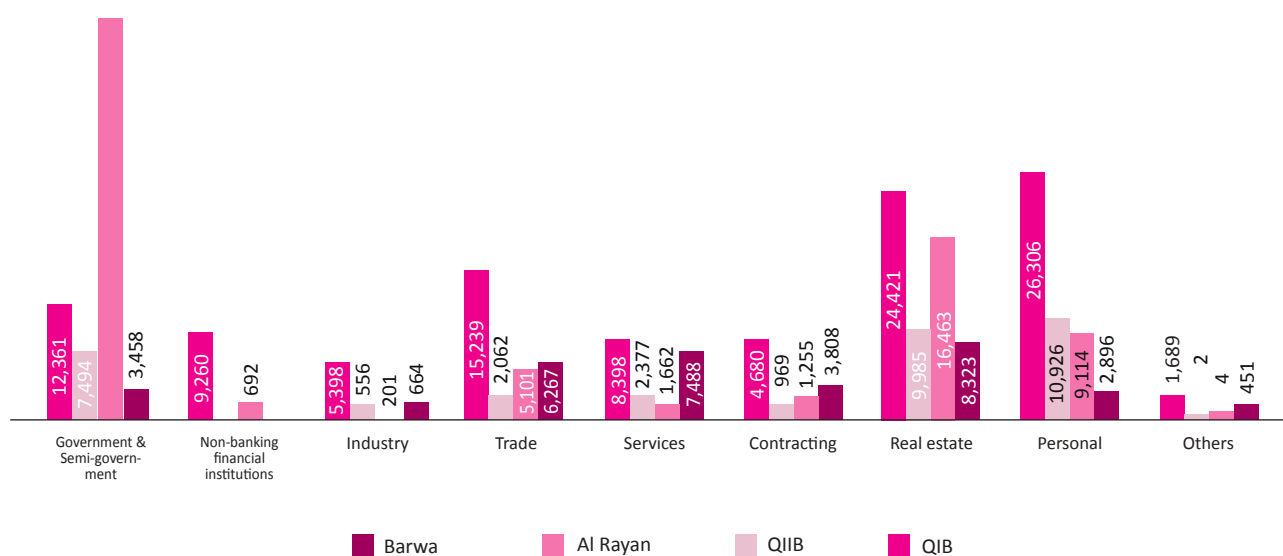
	Government & semi-government	Non-banking financial institutions	Industry	Trade	Services	Contracting	Real estate	Personal	Others
QIB	12,361,292	9,259,925	5,397,826	15,239,285	8,398,459	4,679,985	24,420,766	26,305,965	1,689,148
QIIB	7,493,642		555,980	2,061,588	2,376,901	969,148	9,984,996	10,926,205	2,112
Al Rayan	42,931,581	691,765	200,523	5,100,557	1,662,366	1,254,943	16,462,892	9,113,937	4,231
Barwa	3,457,596		663,906	6,266,736	7,488,150	3,808,150	8,323,366	2,895,873	450,589
Total	66,244,111	9,951,690	6,818,235	28,668,166	19,925,876	10,712,226	59,192,020	49,241,980	2,146,080

Percentage out of the total finance

26.2 3.9 2.7 11.3 7.9 4.2 23.4 19.5 0.8

Source: Annual reports of banks.

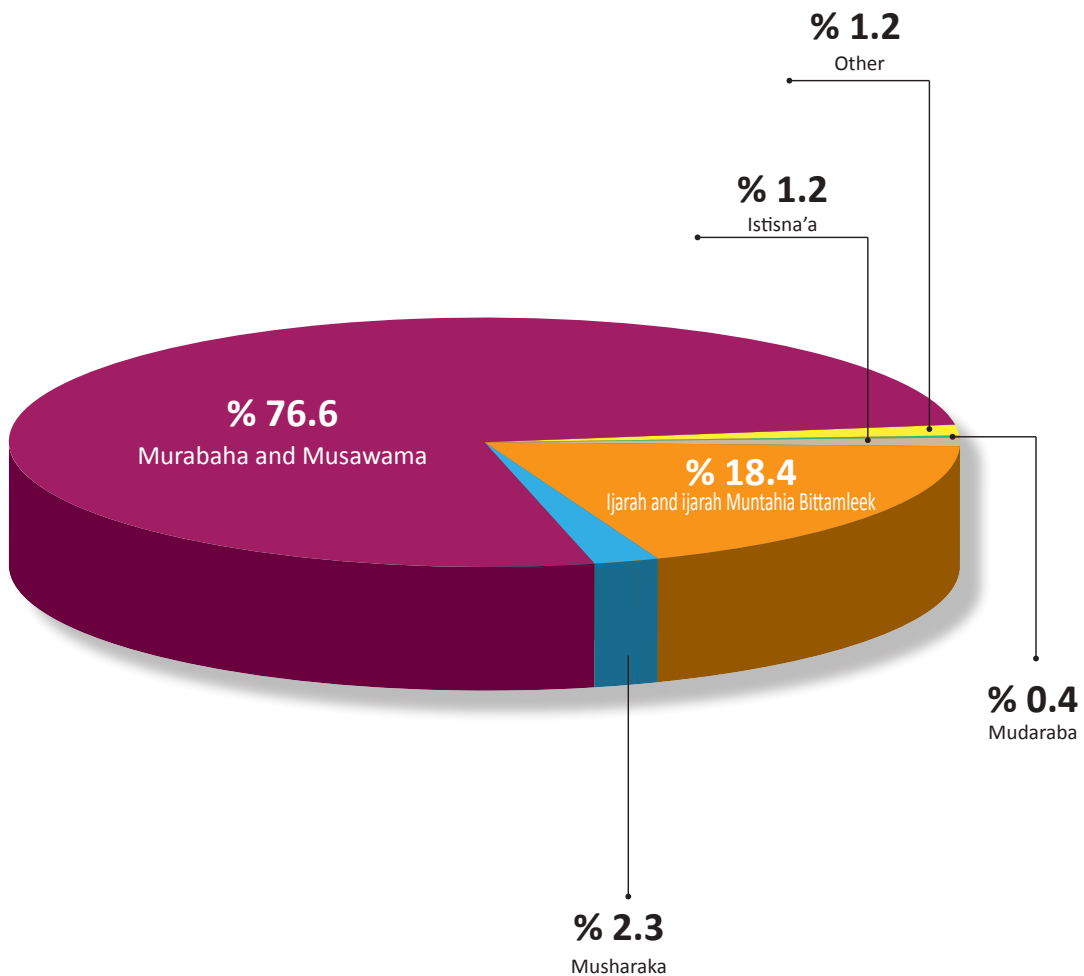
Finance of Islamic banks in Qatar according to sectors in 2017 (Million Qatari Riyals)



In terms of the finance forms used in Islamic banks, the finance based on the form of debtors accounted for more than 96% , where 76.5% of the volume of Islamic bank finance came in the form of Murabaha and Musawama sales, followed by 18.4% of transactions under Ijarah and Ijarah Muntahia Bittamleek (lease & Lease ending with ownership) mode and 1.2% of Istisna'a mode.

Meanwhile, the finance in the forms of Musharaka (partnership-based contracts) accounted for 2.7% of the total finance of the four banks for the year 2017. The finance under the form of Musharaka accounted for 2.3% of the total finance and the percentage of finance in the form of Mudaraba accounted for 0.4% .

Finance Provided by Islamic Banks in Qatar in 2017 according to sectors

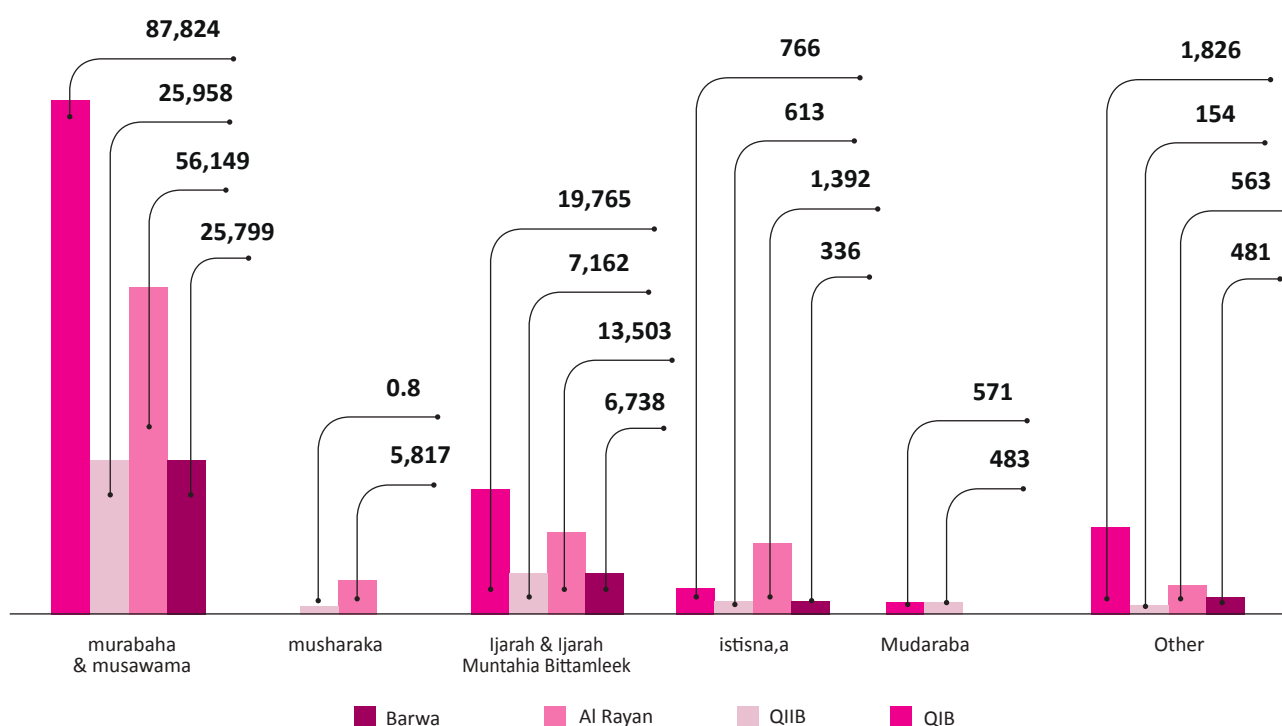


Finances provided by Islamic banks in Qatar in 2017 according to products (Thousand Qatari Riyals)

	Murabaha & Musawama	Ijarah and Ijarah Muntahia Bittamleek	Musharaka	Istisna'a	Mudaraba	Others
QIB	87,824,141	19,765,231		766,379	571,250	1,825,650
QIIB	25,957,576	7,161,886	764	612,646	483,235	154,465
Al Rayan	56,148,558	13,502,681	5,817,142	1,391,659		562,755
Barwa	25,799,079	6,738,062		336,434		480,791
Total	195,729,354	47,167,860	5,817,906	3,107,118	1,054,485	3,023,661
Percentage out of the total finance	76.5	18.4	2.3	1.2	0.4	1.2

Source: Annual reports of banks.

Finances of Islamic banks in Qatar (2013 – 2017) in Million Qatari Riyals



4. Profits :

Islamic banks in Qatar recorded positive results in 2017 as the revenues for the year 2017 amounted to 14.7 billion Qatari Riyals with an annual increase of 13.1% over 2016. Income from finance and investment activities accounted for 89.2% of total revenues of these banks.

For the year 2017, the profits of Islamic banks in Qatar exceeded 6 billion Qatari Riyals with an increase of 4.6% over the 2016 profits. QIB achieved the highest growth rate of 11.6% with a profit of 2.4 billion Qatari Riyals, followed by QIIB with 6% and Barwa Bank with 2%. Meanwhile, profits of Al Rayan Bank declined by (2.3%) compared to 2016.

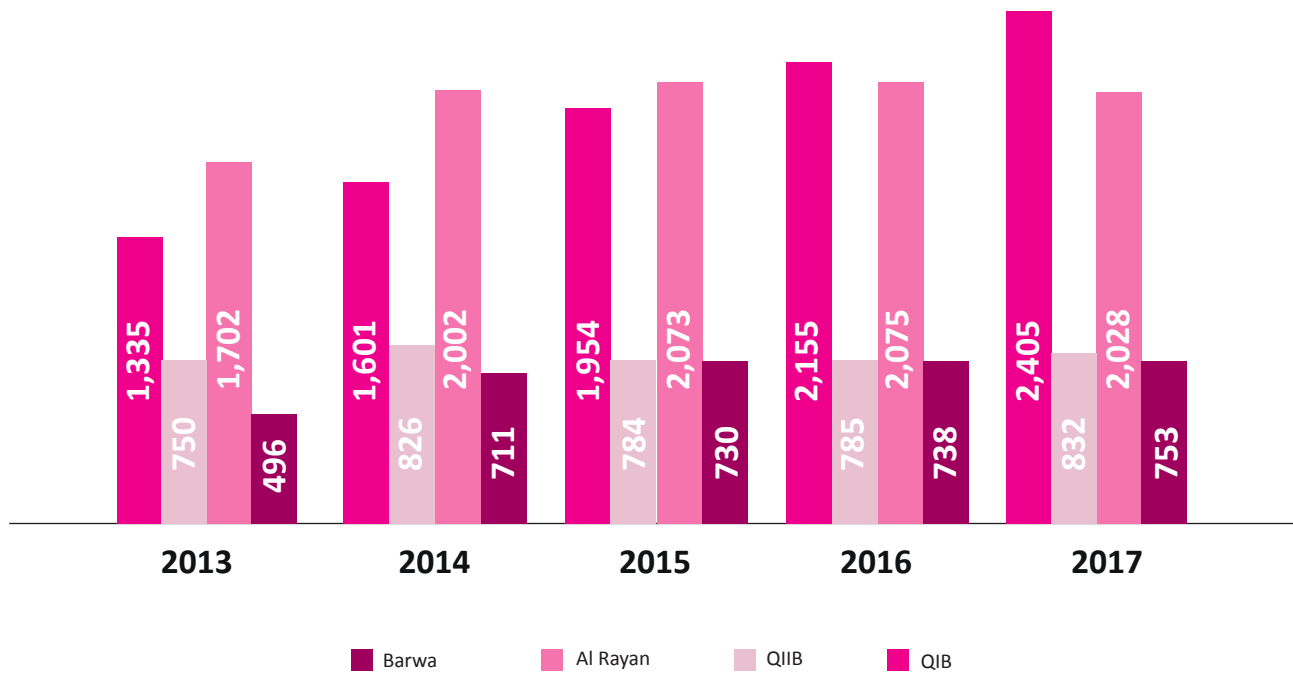
The compound annual growth rate of Islamic banks during the five years (2013 – 2017) was 7% , where QIB ranked first with a compound annual growth rate of 12.5% , followed by Barwa Bank with 8.7% , Al Rayan with 3.6% and finally QIIB with 2.1% .

Net profits of Islamic banks in Qatar (2013 – 2017) in Thousand Qatari Riyals

	2013	2014	2015	2016	2017	Growth rate in 2017	CAGR
QIB	1,335,400	1,601,432	1,954,324	2,155,104	2,405,425	11.6	12.5
QIIB	750,311	825,817	784,152	784,771	832,209	6	2.1
Al Rayan	1,702,270	2,002,243	2,073,369	2,075,286	202,8145	-(2.3)	3.6
Barwa	496,309	711,336	729,748	738,286	753,228	2	8.7
Total	4,284,290	5,140,828	5,54,1593	5,753,447	6,019,007	4.6	7

Source: Annual reports of banks.

Profits of Islamic banks in Qatar (2013 – 2017) in Million Qatari Riyals



Abu Dhabi Islamic Bank (ADIB) (Qatar Branch):

On 31 July 2011, the QFC licensed ADIB to operate through its branch in Qatar at Qatar Financial Center. The branch provides its banking and investment services to companies through the acceptance of deposits, credit facilities, investment management and investment advisory services in the field of Islamic finance. The work of ADIB Branch is limited to companies, where it does not deal with individuals.

According to the financial statements of ADIB, the declarations indicate that the majority of ADIB's assets and income are in its head office. Therefore, such statements do not analyze the details of the assets and revenues of ADIB's external branches, including Qatar Branch.



Takaful insurance sector



Many insurance companies operate under the supervision of Qatar Central Bank, including (5) national Takaful insurance companies, (4) national conventional insurance companies, (4) branches of foreign conventional insurance companies and representatives of (3) conventional insurance companies.

Takaful insurance companies in Qatar are classified into (3) independent insurance companies: Qatar Islamic Insurance Company (QIIC), Al Khaleej Takaful Group and Damaan Islamic Insurance (Beema). These are in addition to a couple of Takaful insurance companies as subsidiaries of conventional insurance companies: Doha Takaful (branch of Doha Insurance Group) and General Takaful (a subsidiary of Qatar General Insurance and Reinsurance Company SAQ)).

- 1. Qatar Islamic Insurance Company (QIIC):** Qatar Islamic Insurance Company (QIIC) was established in 1995. QIIC practices various types of Takaful insurance based on the principles of Islamic Sharia for the corporate and individual sectors. QIIC shares are listed in Qatar Stock Exchange, where shareholders' equity amounted to 350 million Qatari Riyals in 2017.
- 2. Al Khaleej Takaful Group:** In 1978, Al Khaleej Insurance & Reinsurance Company was established as a conventional insurance company. In 2003, Qatar Takaful was established as a Takaful insurance company that is 100% owned by Al Khaleej Insurance & Reinsurance Company. In 2010, Al Khaleej Insurance & Reinsurance Company transformed its activity to be an integrated Islamic insurance company named "Al Khaleej Takaful". In 2014, Al Khaleej Takaful Group decided to re-integrate Qatar Takaful in Al Khaleej Takaful Group. The shareholders' equity in 2017 amounted to 492 million Qatari Riyals, where Company's shares are listed in Qatar Stock Exchange.
- 3. Doha Takaful:** In 2006, Doha Insurance Company established the Islamic Takaful branch under the brand name "Doha Takaful" for the provision of insurance and reinsurance activities in accordance with the principles of Islamic Sharia on a non-usury basis in all areas of insurance.
- 4. General Takaful:** General Takaful was established in 2008 as a subsidiary of Qatar General Insurance & Reinsurance Company in order to meet the insurance needs of individuals and companies in accordance with Sharia principles. The company provides Takaful services to families, properties, motors, marine properties, etc.
- 5. Damaan Islamic Insurance (Beema):** Qatar Insurance Company, Qatar Islamic Bank, Al Rayan Bank, Barwa Real Estate Company and QInvest established Damaan Islamic Insurance Company in 2009 as a Qatari closed shareholding insurance company with a paid-up capital of 200 million Qatari Riyals. The Company provides insurance services for individuals and companies on various products. The total shareholders' equity in 2017 amounted to 333 million Qatari Riyals.

Performance of Takaful Insurance Companies

1. Assets of Islamic Takaful Companies:

The assets of policyholders in the national Takaful companies operating under the supervision of the Qatar Central Bank for the year 2017 amounted to 1.814 million Qatari Riyals compared to 1.798 million Qatari Riyals in 2016 with a growth rate of 0.9% . Thus, such assets account for approximately 4% of total assets of the national insurance companies in Qatar.

Damaan Islamic Insurance (Beema) ranked first among Takaful insurance companies in Qatar in terms of volume of assets, which amounted to 662 million Qatari Riyals in 2017. Meanwhile, Qatar Islamic Insurance Company ranked first in terms of asset growth in 2017, where the growth rate of its assets amounted to 9.6% to reach 463 million Qatari Riyals. The assets of Al Khaleej Takaful Group for the year 2017 amounted to 332 million Qatari Riyals, although its growth rate for the year 2016 declined by (12.6%) . The assets of General Takaful grew in 2017 by 3.4% to reach 296 million Qatari Riyals, and the assets of Doha Takaful declined by (13.1%) to reach 60 million Qatari Riyals.

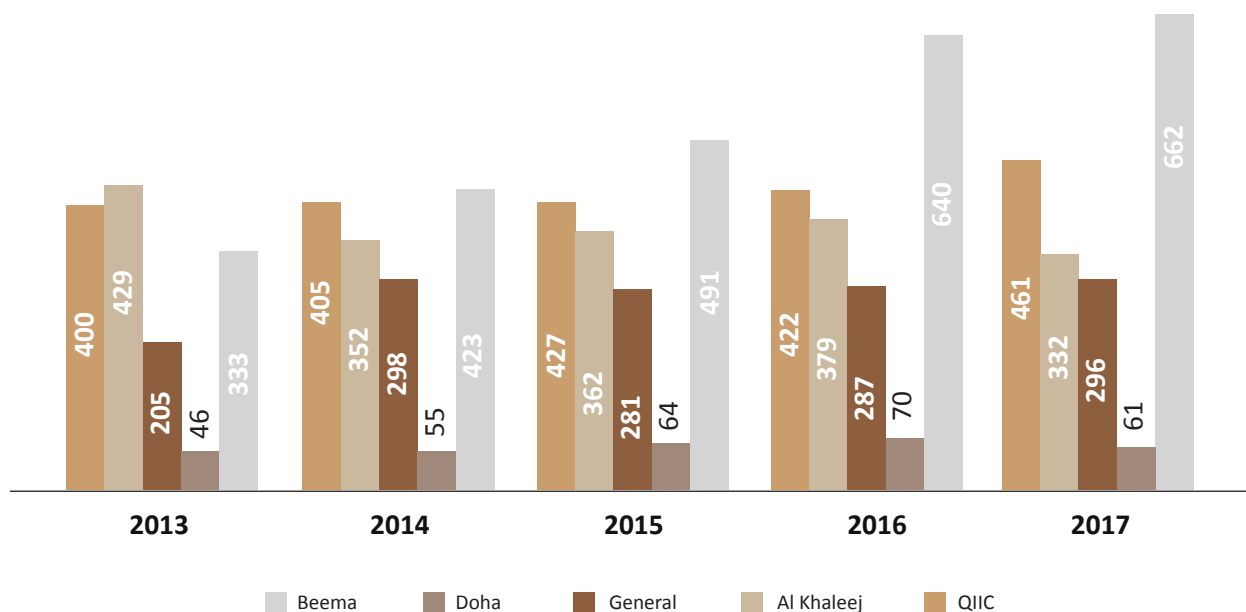
Over the last five years (2013 – 2017), the compound annual growth rate of policyholders' assets in Takaful insurance companies in Qatar was 5.1% , influenced by the high growth rates of Damaan Islamic Insurance Company (Beema). The compound annual growth rate of the assets of this Company during the said period was 14.7% followed by General Takaful with 7.3% , Doha Takaful with 5.8% and QIIC with 3% . However, Al Khaleej Takaful had a negative growth rate of (3.7%) .

Policyholders' assets in Takaful insurance companies (2013 – 2017) in Thousand Qatari Riyals

	2013	2014	2015	2016	2017	Growth rate in 2017	CAGR
QIIC	399,806	404,908	426,631	422,285	462,894	9.6	3
Al Khaleej	429,139	352,152	362,003	379,370	331,518	-(12.6)	-(3.7)
General	205,119	298,464	281,001	286,600	296,263	3.4	7.3
Doha	45,829	54,513	64,482	69,988	60,794	-(13.1)	5.8
Beema	333,298	423,042	491,414	639,541	66,2391	3.6	14.7
Total	1,413,191	1,533,079	1,617,136	1,797,784	1,813,860	0.9	5.1

Source: Financial reports of Takaful companies.

Policyholders' Assets in Takaful insurance companies (2013 – 2017) in Million Qatari Riyals



2. Insurance Contributions:

The year 2017 witnessed a slight decline in the total subscriptions of insurance policyholders in Takaful insurance companies by (0.3%) compared to 2016 to reach 1.197 billion Qatari Riyals. The performance of Takaful insurance companies varied between decrease and rise in insurance contributions for the year 2017. In Doha Takaful, insurance contributions fell by (13.1%) to reach 43 million Qatari Riyals. In Al Khaleej Takaful Group, insurance contributions decreased by (5.8%) to reach 284 million Qatari Riyals. In Beema, insurance contributions decreased by (1.3%) to reach 324 million Qatari Riyals. Insurance contributions grew in QIIC by 1.2% to reach 317 million Qatari Riyals. The highest growth rate of insurance contributions achieved in 2017 among such companies was that of General Takaful, where the total contributions amounted to 229 million Qatari Riyals with a growth rate of 10.3% compared to 2016.

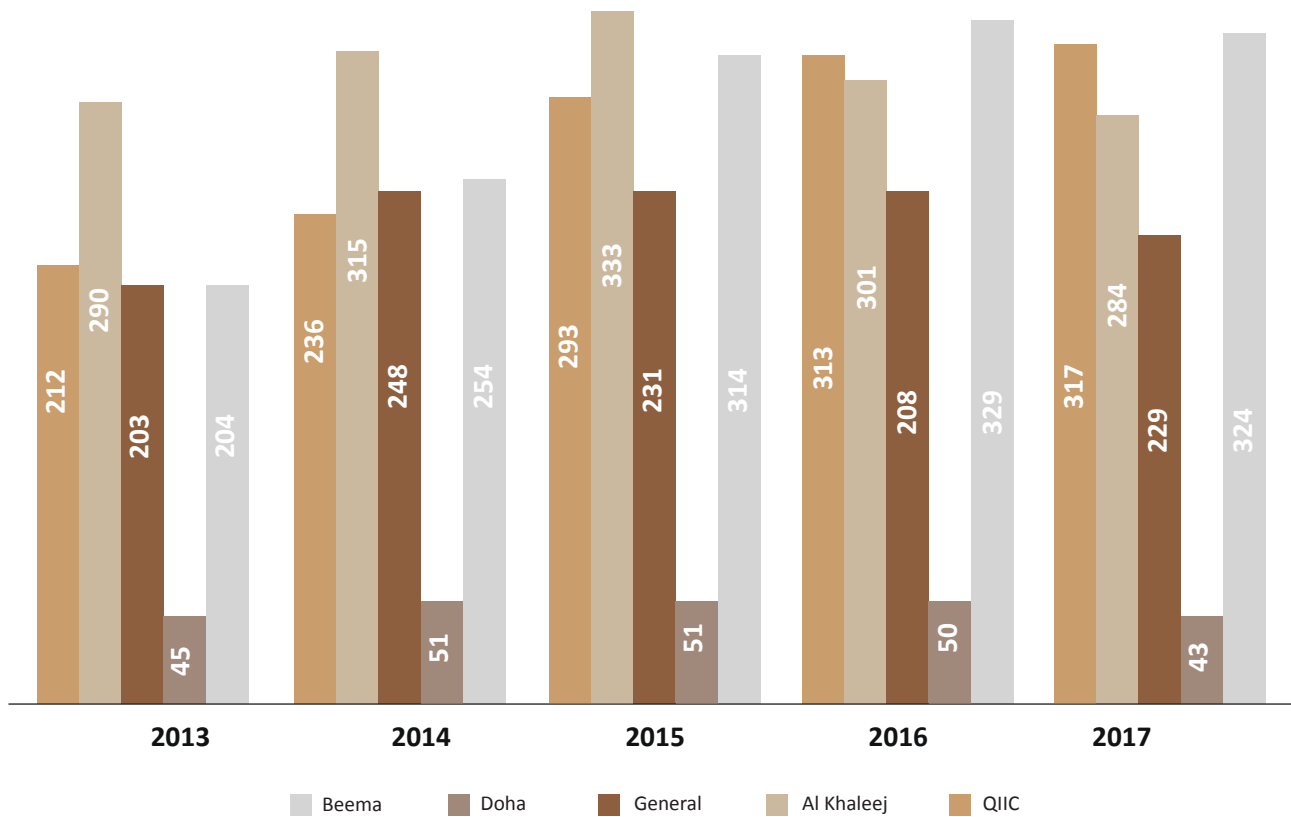
During the five years (2013 – 2017), insurance subscriptions grew positively with a compound annual growth rate of only 0.3% . The highest annual growth rate was that of Beema 9.7% , followed by QIIC with 8.3% and General Takaful with a compound annual growth rate of 2.5% . Meanwhile, Doha Takaful had a compound annual growth rate of (1%) and so did Al Khaleej Takaful with (0.4%).

Total subscriptions of policyholders in Takaful insurance companies (2013 – 2017) in Thousand Qatari Riyals

	2013	2014	2015	2016	2017	Growth rate in 2017	CAGR
QIIC	212,333	235,988	293,103	313,045	316,667	1.2	8.3
Al Khaleej	289,727	314,978	333,069	301,429	283,963	-(5.8)	-(0.4)
General	202,649	248,303	231,267	207,644	229,056	10.3	2.5
Doha	45,449	50,657	51,042	49,709	43,196	-(13.1)	-(1)
Beema	204,114	254,485	313,761	328,578	324,202	-(1.3)	9.7
Total	954,271	1,104,411	1,222,242	1,200,406	1,197,085	-(0.3)	4.6

Source: Financial reports of Takaful companies.

Subscriptions of policyholders in Takaful insurance companies (2013 – 2017) in Million Qatari Riyals



3. Insurance surplus:

The performance of Takaful insurance companies in 2017 was uneven among these companies, where they achieved total insurance surpluses of 46 million Qatari Riyals with an increase of 25.7% over 2016. All Takaful insurance companies achieved insurance surpluses in 2017. QIIC achieved the highest insurance surplus that amounted to 16.3 million Qatari Riyals, followed by Al Khaleej Takaful Group with 14.5 million Qatari Riyals, Beema with 9.5 million Qatari Riyals and finally General Takaful with 5.4 million Qatari Riyals. Meanwhile, Doha Takaful achieved a surplus of 365 thousand Qatari Riyals.

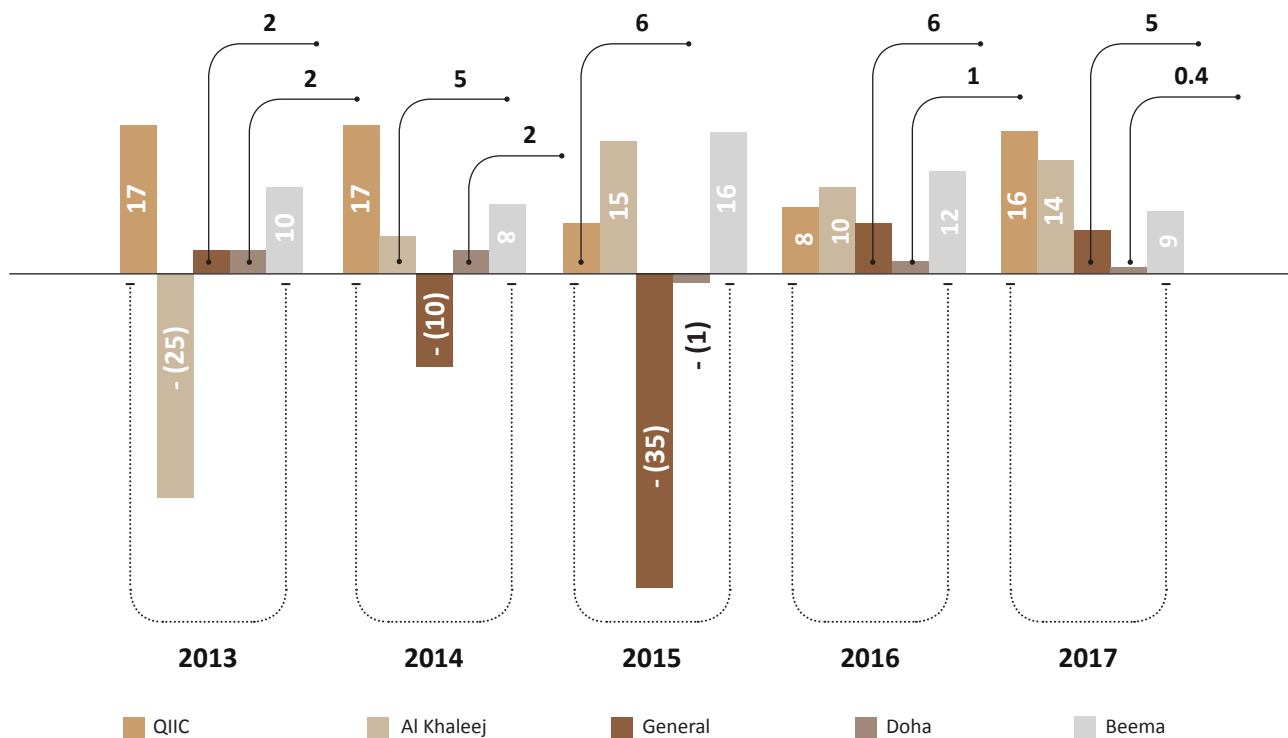
During the five years (2013 – 2017), the results of Takaful insurance companies varied between achieving insurance surpluses and making insurance deficits.

Insurance surpluses of Takaful insurance companies in Qatar (2013 – 2017) in Thousand Qatari Riyals

	2013	2014	2015	2016	2017
QIIC	16,651	17,196	6,174	7,966	16,297
Al Khaleej	-(25,182)	4,564	15,435	10,268	14,483
General	1,620	-(10,474)	-(35,213)	5,669	5,430
Doha	1,662	1,672	-(784)	770	365
Beema	9,935	7,632	16,344	11,932	9,453
Total	4,685	20,591	1,957	36,605	46,027

Source: Financial reports of Takaful companies.

Insurance surplus and deficit in Takaful insurance companies (2013 – 2017) in Million Qatari Riyals



Takaful insurance companies under the supervision of the Qatar Financial Center:

There are several insurance companies operating within the framework of Qatar Financial Center (QFC), including four companies offering Takaful insurance services.

- 1. MedGulf Allianz Takaful:** MedGulf Takaful is a wholly owned subsidiary of MedGulf Group based in the Kingdom of Bahrain. It offers a wide range of non-life Takaful products such as motors, home and corporate insurance. QFC licensed the Company on 9 August 2009 to carry out various Takaful insurance activities for the corporate sector.
- 2. T'azur Company b.s.c (c):** T'azur is a closed shareholding company established in Bahrain. It provides family and public Takaful products to individuals and institutions in compliance with Islamic Sharia. The Company includes a group of shareholders from Bahrain, Kuwait and Saudi Arabia. Qatari investors in the Company include The First Investor Company (TFI) and the General Retirement & Social Insurance Authority. On 17 September 2009, Qatar Financial Center (QFC) licensed the subsidiary of T'azur to carry out its activities within the QFC, which are represented in the provision of general insurance (non-life) and Takaful medical insurance for companies.
- 3. Takaful International Company:** Takaful International Company was established in 1989 as the first Islamic insurance company in the Kingdom of Bahrain and one of the first Islamic insurance companies in the Middle East. The Company provides products and insurance coverage in line with the needs of individuals and institutions on one hand and the modern era requirements on the other hand. On 15 February 2011, the branch of the International Takaful Company in Qatar was licensed by Qatar Financial Center to carry out various Takaful insurance activities for the corporate sector.
- 4. SEIB Insurance & Reinsurance Company:** a Qatari company providing conventional insurance services in Qatar. On 8 July 2014, Qatar Financial Center authorized the Company to carry out conventional insurance activities within Qatar Financial Center, in addition to allowing it to open an Islamic insurance window.





Islamic finance companies



There are (3) finance companies operating under the supervision of Qatar Financial Center, where all such companies are Islamic finance ones.

- 1. Al Jazeera Finance:** Al Jazeera Finance (AJF) was established in 1989 as a finance company offering Sharia-compliant products and services to individuals, corporate projects as well as small and medium enterprises. The shareholders' equity of the company in 2017 amounted to 927 million Qatari Riyals.
- 2. First Finance Company:** First Finance Company (FFC) was established in 1999. In 2010, Barwa Bank acquired 100% of Company's shares. FFC offers Sharia-compliant financial products and services to its individual and corporate clients. In 2017, shareholders' equity amounted to 1.6 billion Qatari Riyals.
- 3. Qatar Finance House:** Qatar Finance House (QFH) was incorporated in 2006 as a private Qatari shareholding company licensed by Qatar Central Bank to carry out individual and project financing operations in addition to other activities in accordance with the provisions of Islamic Sharia. Shareholders' equity in 2017 amounted to 133 million Qatari Riyals.

Performance of Finance Companies

1. Assets of finance companies:

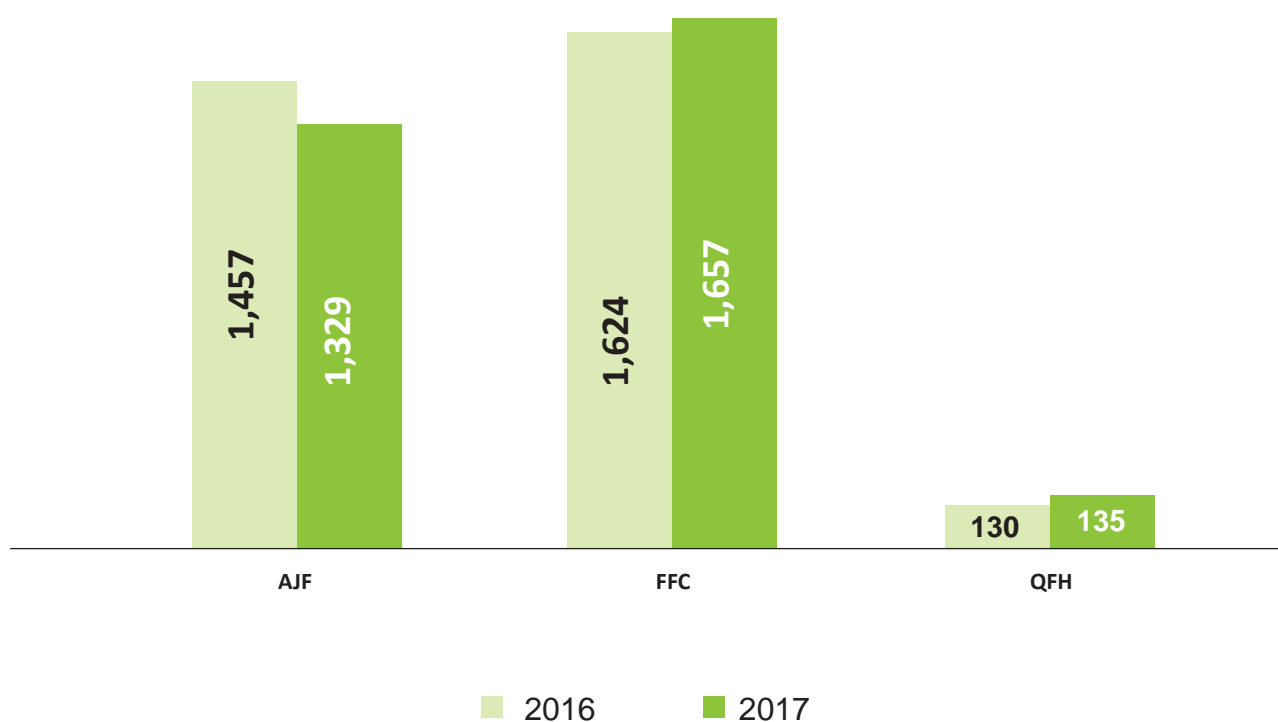
The assets of Islamic finance companies in Qatar in 2017 amounted to approximately 3.1 billion Qatari Riyals with a slight decline of (2.8%) compared to 2016. FFC is the largest in terms of assets and has achieved a positive growth in its assets for the year 2017 amounting to 1.7 billion Qatari Riyals with an increase of 2% over 2016. Although the assets of Al Jazeera Finance declined by)8.8%(in 2017 compared to 2016, it represented the second largest company in terms of total assets with 1.3 billion Qatari Riyals. For Qatar Finance House, its assets grew positively to 135 million Qatari Riyals in the year 2017 with a growth of 3.7% over 2016.

Assets of Islamic finance companies in Thousand Qatari Riyals

	2016	2017	Growth rate (%)
AJF	1,456,856	1,329,023	- (8.8)
FFC	1,624,094	1,657,289	2
QFH	129,765	134,539	3.7
Total	3,210,715	3,120,851	- (2.8)

Source: Financial reports of Finance companies.

Assets of Islamic finance companies (Million Qatari Riyals)



2. Financing Activities:

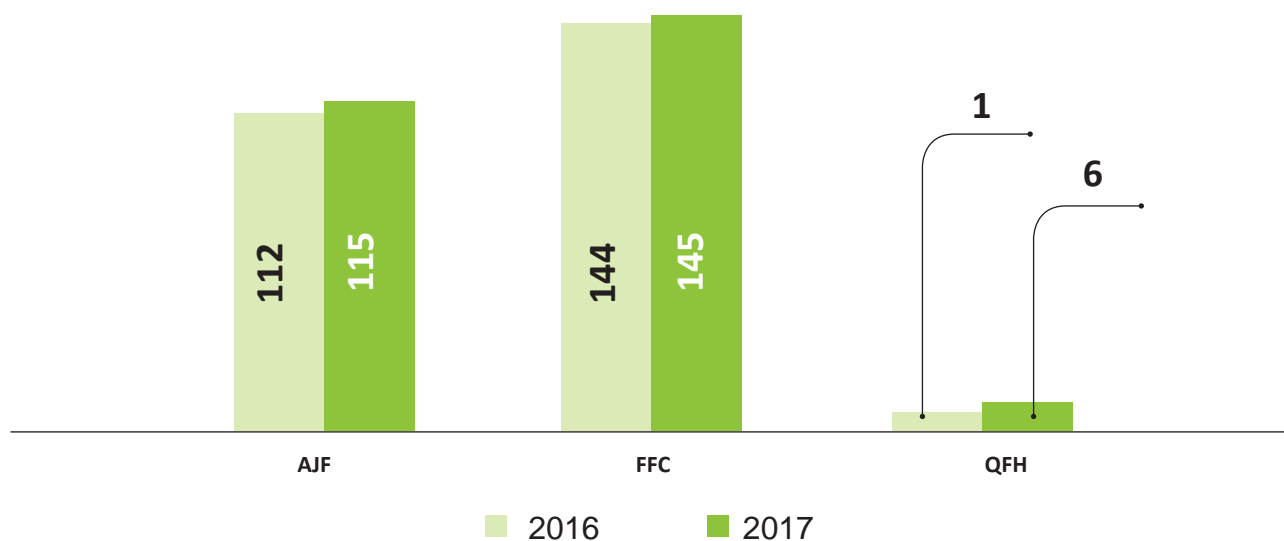
In 2017, the finance activities of Islamic finance companies operating in Qatar increased by 3.4% compared to 2016. KFH achieved the highest growth rate of finance revenues, which amounted to 406.3%. This was due to the resumption of finance activities that had been previously suspended. AJF's revenues increased by 2.8% over 2016. As for the FFC, despite the modest positive growth of finance revenues that amounted to 0.3%, these revenues still represent the highest revenues among these companies as amounted to 144.5 million Qatari Riyals in 2017.

Revenues of Islamic finance companies (Thousand Qatari Riyals)

	2016	2017	Growth rate (%)
AJF	112,188	115,325	2.8
FFC	144,068	144,535	0.3
QFH	1,253	6,341	406
Total	257,509	266,201	3.4

Source: Financial reports of Finance companies.

Revenues of finance activities in Islamic finance companies (Million Qatari Riyals)



3. Profits:

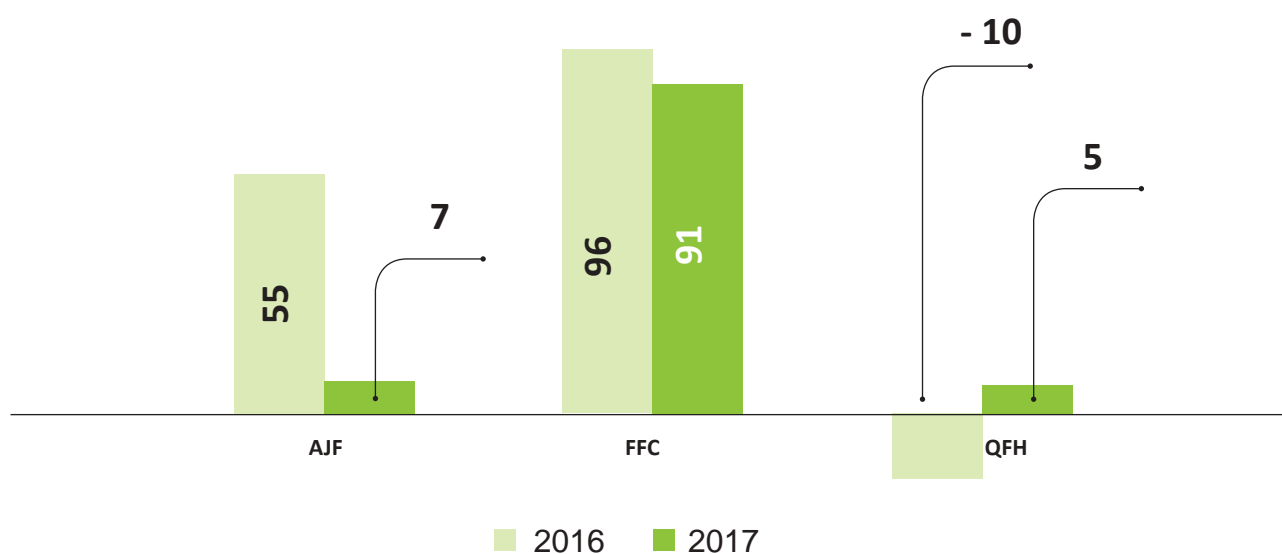
In 2017, the profits achieved by finance companies amounted to 101.7 million Qatari Riyals. Qatar Finance House's resumption of activity has had an impact on this year's profit despite past losses. Compared to 2016, the profit percentage for these companies was (27.7%) less than in 2016. AJF's profits decreased by (87.9%) and FFC's profits decreased by (5.6%) compared to 2016.

Profits of Islamic finance companies (Thousand Qatari Riyals)

	2016	2017	Growth rate (%)
AJF	54,535	6,591	-(87.9)
FFC	95,893	90,568	-(5.6)
QFH	-9,750	4,501	146.2
Total	140,678	101,660	-(27.7)

Source: Financial reports of Finance companies.

Profits of Islamic finance companies (Million Qatari Riyals)



Islamic investment companies





There are two Islamic investment companies operating under the supervision of Qatar Central Bank:

The First Investor (TFI) and Investment House

- 1. The First Investor (TFI):** TFI was established in 1999 as an investment company operating in accordance with the principles of Islamic Sharia in the field of investment banking services, where it focuses on investment banking, private equity, strategic investments, real estate investments, advisory services and asset management. In 2009, Barwa Bank completely acquired the Company to become a wholly owned subsidiary thereof. Shareholders' equity in 2017 amounted to 560 million Qatari Riyals.
- 2. Investment House:** Investment House Company was established in 2001 as a private Qatari shareholding company. It provides all the services and activities authorized by Qatar Central Bank for banking investment companies, such as management of assets and private property and structural finance, in accordance with the principles of Islamic Sharia. The Company focuses on various economic sectors including financial services, real estate, construction and industrial sectors. Shareholders' equity in 2017 amounted to 52 million Qatari Riyals.

Performance of the Investment Companies

1. Assets:

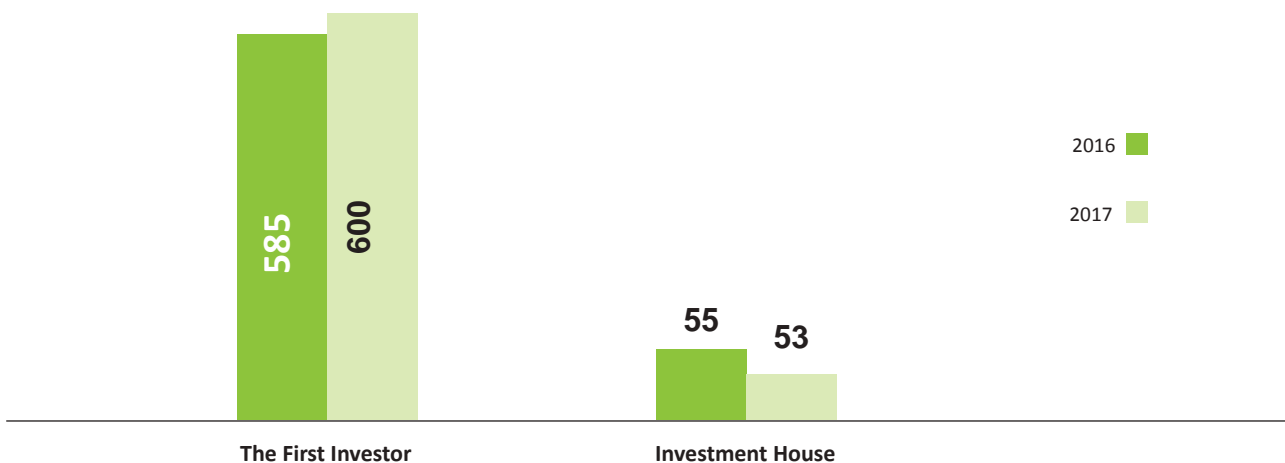
In 2017, the assets of the two Islamic investment companies amounted to 653.3 million Qatari Riyals with a growth rate of 2% over 2016. This was due to the positive growth rate of TFI Company, where the assets thereof reached 600 million Qatari Riyals in 2017 with a growth rate of 2.5% over 2016. Meanwhile, Investment House's assets declined by (3%) compared to 2016, where the assets amounted to 53.3 million Qatari Riyals in 2017.

Assets of the two Islamic investment companies (Thousand Qatari Riyals)

	2016	2017	Growth rate (%)
The First Investor	585,327	599,966	2.5
Investment House	54,970	53,317	-(3)
Total	640,297	653,283	2

Source: Financial reports of Islamic investment companies.

Assets of the two Islamic investment companies (Million Qatari Riyals)



2. Profits:

The performance of The First Investor in 2017 was positive. Although its profits for the year 2016 decreased by (6.3%) , it achieved a profit of 33.2 million Qatari Riyals. As for Investment House, the year 2017 was better than 2016 despite the repeated losses. The losses of 2017 amounted to (1.6) million Qatari Riyals, which are less than the losses of 2016 that amounted to (2.4) million Qatari Riyals.

Investment banks under the supervision of Qatar Financial Center:

There are three investment banks operating under the supervision of Qatar Financial Center and providing their services in the field of investment banking.

- 1. QInvest:** QInvest Bank was licensed by Qatar Financial Center Authority in April 2007 and is supervised by Qatar Financial Center Regulatory Authority. The Bank has an authorized capital of 1 billion US Dollars and a paid up capital of 750 million US Dollars. QInvest comprises 3 business departments: investment banking, main investments and asset management. The Bank has branches in Doha and Istanbul, as well as strategic partnerships in India and the UK. By the end of 2017, QInvest's total assets reached 4.5 billion Qatari Riyals and shareholders' equity amounted to 2.5 billion Qatari Riyals.
- 2. Qatar First Bank (QFB):** Qatar's First Bank of Investment was established in 2008 with a license from Qatar Financial Center Regulatory Authority. In March 2013, the Bank was renamed "Qatar First Bank". QFB offers a wide range of Sharia-compliant products and services including alternative investments that focus on private equity and real estate investments, private banking services, wealth management, corporate and institutional banking services, in addition to treasury and investment management activities. QFB was listed in Qatar Stock Exchange in April 2016. The assets of the Bank approached 1 billion Qatari Riyals and shareholders' equity amounted to 1.5 billion Qatari Riyals.
- 3. Al Rayan Investment:** In 2008, Al Rayan Investment Company was established by Masraf Al Rayan as a wholly owned subsidiary with fully paid up capital of 100 million US Dollars and a license from Qatar Financial Center Regulatory Authority. Al Rayan Investment Company operates as an investment banking institution focusing on investment banking and asset management in Qatar and across the GCCs.



Sukuk



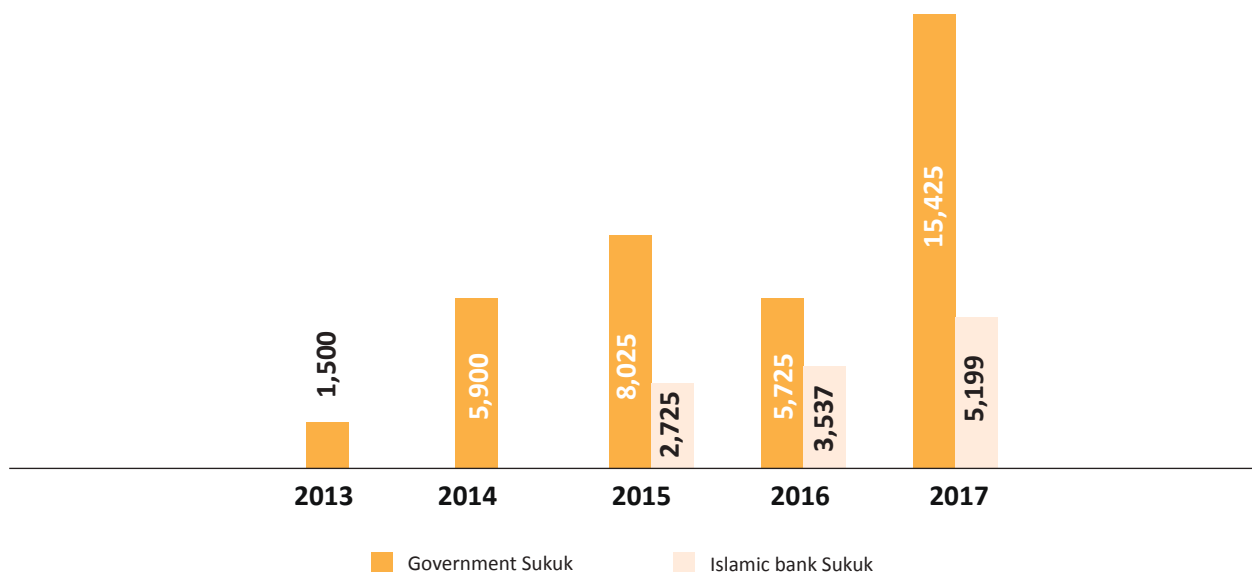


In comparison to 2016, the year 2017 witnessed a growth of 122.7% in the total Sukuk issued by the government and Islamic banks. The total Sukuk issued by both the government and the Islamic banks amounted to 20.6 billion Qatari Riyals, where the total Sukuk issued by government banks was 15.4 billion Qatari Riyals and the total Sukuk issued by Islamic banks was 5.2 billion Qatari Riyals. In the five years (2013 – 2017), the total Sukuk issued was more than 48 billion Qatari Riyals, where the government Sukuk accounted for 76.1%. The compound annual growth rate of government Sukuk and Islamic bank Sukuk issued for the same five-year period was 69%.

Sukuk issued in Qatar (2013 – 2017) in Million Qatari Riyals

	2013	2014	2015	2016	2017	Growth rate for 2017
Government	1,500	5,900	8,025	5,725	15,425	169.4
Islamic banks			2,725	3,537	5,199	47
Total	1,500	5,900	10,750	9,262	20,624	122.7
Total Sukuk issued in the period (2013 – 2017)						48,036

Sukuk issued in Qatar (2013 – 2017) in Million Qatari Riyals



1. Government Sukuk:

The government Sukuk issued in 2017 increased by 169.4% over 2016. In 2017, Qatar Central Bank issued 15.425 billion Qatari Riyals worth of Sukuk on two stages with different maturities against the issuance of bonds of 18.475 billion Qatari Riyals. Sukuk thus constituted 45.5% , which was higher than the year 2016. Sukuk' percentage out of the total issued government Sukuk and bonds was 33.3% , thereby reflecting the increasing trend towards Islamic Sukuk products.

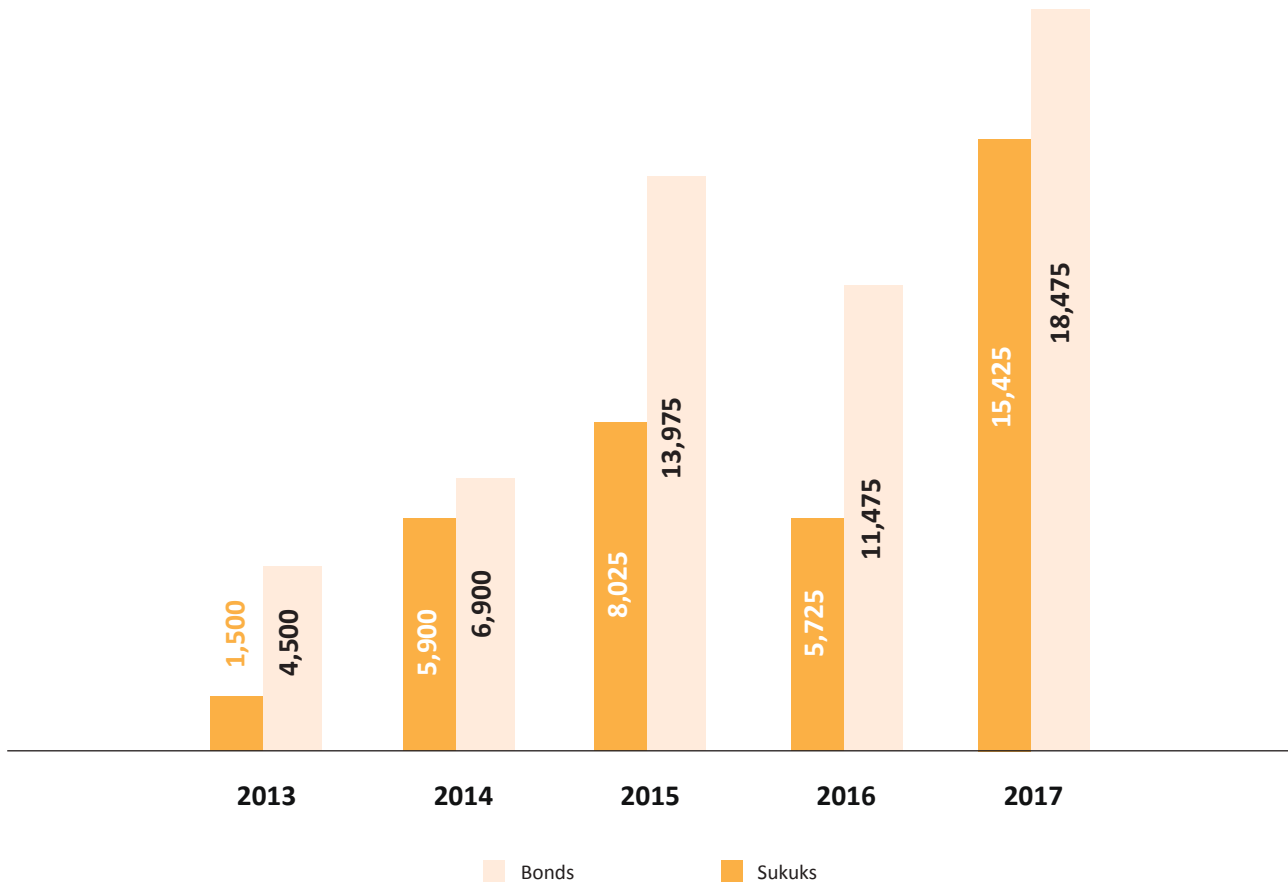
During the five-year period (2013-2017), the total Sukuk issued by Qatar Central Bank was 36.575 billion Qatari Riyals with a compound annual growth rate for government Sukuk amounting to 89.4% versus a compound annual growth rate for the bonds amounting to 32.6% .

Government Sukuk VS bonds issued in the period (2013 – 2017) in Million Qatari Riyals

	Issue date	Issue value	Issue period (year)	Total Sukuk per year	Bonds issued per year	Percentage of Sukuk out of the total
2013	10/06	500	5	1,500	4,500	25
	10/09	500	5			
	10/12	500	5			
2014	16/01	4,000	5	5,900	6,900	46.1
	15/04	950	5			
	15/04	950	7			
2015	02/09	1,700	3	8,025	13,975	36.5
	02/09	1,700	5			
	02/09	750	7			
	02/09	750	10			
	11/11	200	3			
	11/11	450	5			
	11/11	1,200	7			
2016	16/08	600	3	5,725	11,475	33.3
	16/08	500	5			
	16/08	250	7			
	16/08	250	10			
	20/09	650	3			
	20/09	550	5			
	20/09	600	7			
	20/09	825	10			
	18/10	200	3			
	18/10	150	5			
	18/10	250	7			
2017	16/01	250	3	15,425	18,475	45.5
	16/01	250	5			
	16/01	3,000	7			
	16/01	4,500	10			
	16/04	100	3			
	16/04	150	5			
	16/04	2,000	7			
	16/04	5,175	10			
Total				36,575	55,325	39.8
Growth rate in 2017 (%)				169.4	61	
CAGR (2013-2017) %				89.4	32.6	

Source: Qatar Central Bank Reports

Government Sukuks and bonds issued in Qatar (2013 – 2017) in Million Qatari Riyals



2. Sukuk issued by Islamic banks:

In year 2017, the total Sukuk issued by the Islamic banks was 5.199 billion Qatari Riyals with an increase of 47% over the year 2016. These Sukuk were distributed between Qatar Islamic Bank and Barwa Bank. The Sukuk issued by Qatar Islamic Bank in 2017 amounted to 2.998 billion Qatari Riyals with maturities varying between 2 , 3 and 5 years. Barwa Bank also issued Sukuk for the amount of 2.201 billion Qatari Riyals with maturities varying between 1 and 2 years.

During the five years (2013 – 2017), no Sukuk were issued in 2013 and 2014. In 2015, Qatar Islamic Bank issued Sukuk for the amount of 2.725 billion Qatari Riyals. In 2016 and 2017, Sukuk were issued by Qatar Islamic Bank and Barwa Bank. QIIB issued Sukuk in the year 2012 for an amount of 2.549 billion Qatari Riyals, where they got due and paid in full in 2017. Meanwhile, Masraf Al Rayan did not issue any Sukuk in the past period.

**Sukuk issued by Islamic banks in Qatar during the period (2013 – 2017)
in Million Qatari Riyals**

	Years	Issue value	Issue period (Year)	Sukuk issued per year
QIB	2015	2,725	5	2,725
	2016	1,339	3	1,339
	2017	2,730	5	2,998
		65	2	
		57	2	
		146	3	
Barwa	2016	1,362	2	2,198
		836	3	
	2017	1,365	1	2,201
		836	2	

Source: Annual Reports of the Islamic Banks





Financial Market (QE Al Rayan Islamic)



On 7 January 2013, QERI was launched. The Index is based on the liquidity of shares available for trading and the value of their market capitalization. This is only for shares of the companies listed in Qatar Stock Exchange, which are Sharia-compliant according to the opinion of the Sharia Supervisory Board at Masraf Al Rayan. QERI is one of the indicators of the total return as it reflects the price performance as well as the revenue generated from the reinvestment of dividends of listed companies.

Performance of Qatar Exchange Al Rayan Index (QERI):

Influenced by the general movement of the Qatar Stock Exchange, QERI recorded a decline of (461.28) points or (11.88%) points to end the year at 3,421.71 points.



Movement of QERI during the year 2017