

ISLAMIC FINANCE IN QATAR

REPORT 2019

Published By





In the Name of Allah the Most Gracious the Most Merciful



The Emir His Highness Sheikh
Tamim Bin Hamad Al Thani



The Father Emir His Highness Sheikh

Hamad Bin Khalifa Al Thani



The Deputy Emir His Highness Sheikh

Abdullah Bin Hamad Al Thani



Prime Minister and Minister of Interior HE Sheikh
Khalid bin Khalifa bin Abdul Aziz Al Thani

Mosque of Education City





H.E. Sheikh Abdulla Bin Saoud Al-Thani

The presence of Islamic finance in Qatar has been boosted in (2019) with the completion of the first banking merger in Qatar between Barwa Bank and the International Bank of Qatar in light of successful measures that demonstrated the flexibility of the regulatory and supervisory system of Qatar Central Bank. Thanks to this merger, Islamic banks achieved high growth rates during the year. The past year also witnessed success for Islamic banks in Qatar at the international level, represented in the successful listing of their Sukuk on the global stock exchanges, which reflected the level of confidence in the Qatari economy and Islamic banking.

The banking system in Qatar has maintained its stability and growth thanks to adoption of regulatory standards aimed at strengthening the banking sector and ensuring its ability to absorb shocks. Despite the events that occurred in the past year which affected global growth, the financial and banking sector in Qatar is still healthy, safe and robust, and its sectors have achieved positive growth rates.

Digitalization, financial innovation and their rapid developments that we are witnessing nowadays may reshape the banking scene in the world and this requires keeping pace with these developments with more regulatory frameworks and continuous development of legislation, which is what Qatar Central Bank is keen on as part of its strategic plan. In this context, preparations are being made to launch the Financial Technology Strategy and “Sandbox”. In addition, financial and banking institutions shall direct their efforts towards developing the services and products they provide to customers and adopting the latest technologies. The future of technology and innovation-based financial and banking sector requires more coordination between financial, research and academic institutions to support specialized research studies and provide the financial and banking industry with the results of these studies, in order to ensure building sound strategies and expanding the circle of financial knowledge.

H.E. Sheikh Abdulla Bin Saoud Al-Thani

Governor of Qatar Central Bank



THE PEARL



Dr. Khalid bin Ibrahim Al Sulaiti

Praise be to Allah – Lord of the Worlds, and blessings and peace be upon our Master Muhammad, his family and all of his companions; then:

We are pleased to present to all researchers and whomever interested in Qatar and abroad our third annual report, which discusses the performance of Islamic finance institutions and products in Qatar for (2019). It includes seven sections representing the most important Islamic finance sectors in Qatar, namely: Islamic banks, Takaful insurance companies, Islamic finance companies, Islamic investment companies, Islamic investment funds, Sukuk, and the Islamic capital market.

Our keenness at Bait Al Mashura to present these studies and reports on the Islamic finance sector in Qatar stems from our mission through which we seek to spread the culture of Islamic financial industry inside and outside the State of Qatar and to serve this important sector by highlighting its developmental role and reviewing the progresses of its performance . We also consider it a service to society, including both individuals and institutions, and a database to be relied on by internal and external researchers and specialists in their research and studies. In this regard, we would like to extend our thanks and gratitude to the sponsor of our renaissance, His Highness the Emir, Sheikh Tamim bin Hamad Al-Thani, may Allah almighty protect him, and then Qatar Central Bank for its great role in regulating, modernizing and ensuring the stability of the banking sector. We would like also to thank the Islamic finance institutions in Qatar and the supervisory authorities for their cooperation, Providing information, and interaction in responding to inquiries, asking Allah, the Almighty for more progress and development of the Islamic financial industry in Qatar, and praise be to Allah – Lord of the Worlds.

Dr. Khalid bin Ibrahim Al Sulaiti

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

Contents

Foreword by HE the Governor of Qatar Central Bank	13
Preface	15
Contents	16
Guidance Notes	17
Executive Summary	18
An Overview of Qatar Economy In (2019)	21
Islamic Banking Sector	27
Takaful Insurance Sector	47
Islamic Finance Companies	57
Islamic Investment Companies	65
Sukuk	71
Islamic Investment Funds	79
Financial Market (QE Al Rayan Islamic Index)	85

Instructional notes:

- This report reviews the results of (2019) with a five-year cumulative study (2015-2019).
- Total statistics for Islamic banks were adopted according to the quarterly bulletins issued by Qatar Central Bank. As for detailed statistics for Islamic banks, audited financial data has been relied upon, so some slight differences may arise.
- The amended data for (2018) was adopted for some companies according to the financial statements they issued for (2019).
- Some differences may arise due to rounding off numbers.

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Executive summary

Despite the economic slowdown witnessed in (2019), the Islamic finance sector in Qatar achieved positive results. The Islamic banking sector witnessed the completion of the merger of Barwa Bank with the International Bank of Qatar, which significantly boosted the performance of Islamic banks during the year. Islamic bank assets achieved a higher growth rate of (18.8%) compared to (6.2%) for traditional commercial banks. Deposits also grew by (15.9%) and finances increased by (22.2%) tending more towards consumer and real estate sector. During the year, these banks achieved approximate profits of (7) billion Qatari Riyals with a growth rate of (6%), driven by revenues growing by (15.4%) compared to (2018).

In Takaful insurance sector, the assets of policyholders in Takaful insurance companies grew by (7.7%), and the contributions of Takaful insurance increased by (5.5%). Most of these companies achieved insurance surpluses amounting to (29.7) million Qatari Riyals.

The assets of Islamic finance companies decreased by (3.2%). However, the revenues of finance activities of these companies increased by (2%), and their business results varied between profits and losses. The total profits achieved by this sector amounted to (96) million Qatari Riyals with a decrease of (9%).

In Islamic investment companies, the assets of The First Investor Company grew by (1.3%) and achieved profits of (8.3) million Qatari Riyals.

In the field of Sukuk, the year (2019) witnessed a remarkable increase in bond issuances, which amounted to (19.1) billion Qatari Riyals with a growth of (51.8%). Sukuk issuances of Islamic banks increased by (115%),

and governmental Sukuk increased by (24.4%). Some of these Sukuk were listed on global exchanges.

The assets of investment funds amounted to (903) million Qatari Riyals, and the performance of these funds was mostly positive during the year. In Qatar Stock Exchange, QE Al Rayan Islamic Index recorded an increase of (65.97) points at the rate of (1.70%), to close at the end of the year at (3,950.88) points.



General View of the city of Doha

An Overview of Qatar Economy In (2019)





An Overview of Qatar Economy in 2019

Due to commercial disputes, emerging market pressures, and geopolitical tensions, the year (2019) witnessed a slowdown in global economic growth and weak energy demand, which affected Qatar's economic growth. Despite the increase in the GDP of the non-mining sector, the GDP of the mining sector decreased by (1.8%) compared to (2018). However, the rational financial policies and control measures led to achieving surpluses in the general budget, and the adopted monetary policies maintained financial stability and provided large safety margins. Credit rating agencies have proven the strength of the Qatari economy by emphasizing state sovereign rating with a stable outlook. With the focus on improving assets quality, the financial and banking sectors achieved positive growth rates and the credit rating continued to grow with the growth of deposits in the banking system. The financial and banking institutions achieved profits driven by revenues growth.

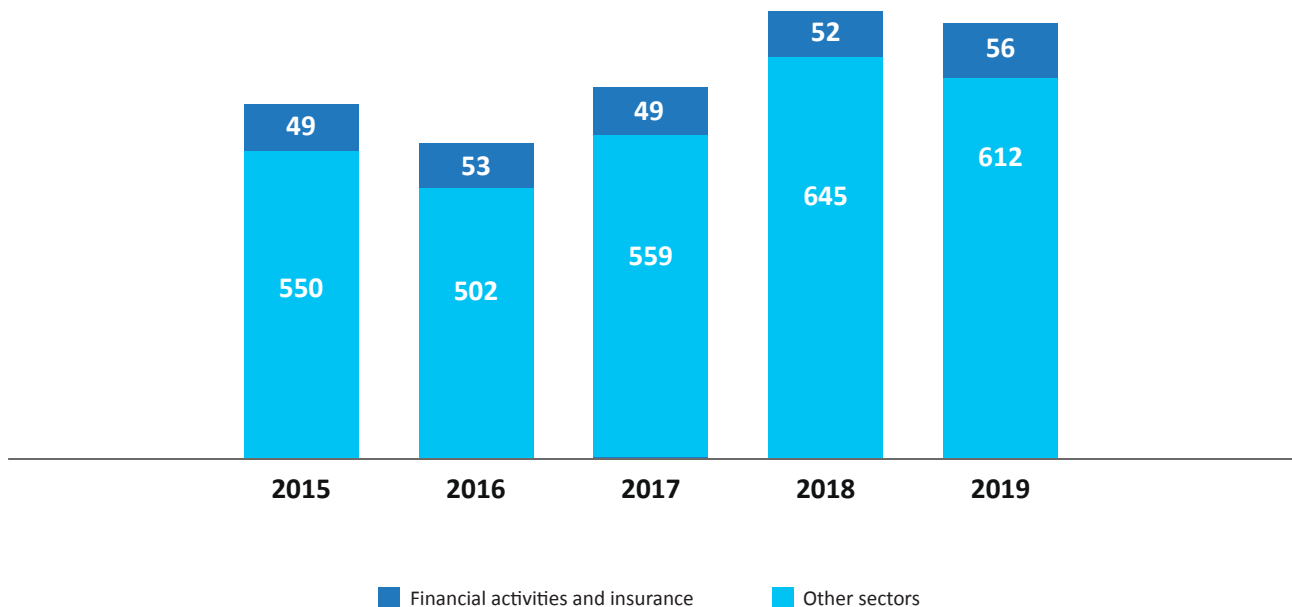
Gross Domestic Product (GDP):

As estimated by the Planning and Statistics Authority in Qatar, the GDP (in current prices) for (2019) amounted to (667.8) billion Qatari Riyals with a decrease of (4.1%) compared to (2018). According to the fixed prices of (2013), the GDP for (2019) slightly decreased by (0.2%) to reach (819.4) billion Qatari Riyals. The decline is expected to continue in (2020) to reach (-3.5%).

The GDP share of the financial activities and insurance sector increased by (6.9%) compared to (2018), where it reached (55.5) billion Qatari Riyals in (2019).



Qatar's Nominal GDP (2015– 2019) in Billion Qatari Riyals



(Source: based on Planning and Statistics Authority & Qatar Central Bank).

Government finance:

The general budget continued to achieve fiscal surpluses during this period, where budget surplus in (2019) amounted to (6.3) billion Qatari Riyals representing approximately (1%) of the GDP. Revenues amounted to (214.7) billion Qatari Riyals with an increase of (3.3%) over the year (2018) thanks to the expansion of liquefied gas export projects. Expenditures increased by (8.1%) over the year (2018), reaching (208.4) billion Qatari Riyals.

Inflation:

The inflation rate declined in (2019) to (-0.8%) to enter the negative zone for the first time, and is expected to reach (-1.2%) in (2020).

Qatar Macroeconomic Indicators Table:

	2018	2019	2020 (Forecasts)
Actual GDP growth (%)	1.5	- 0.2	- 3.5
Inflation rate (%)	0.3	- 0.8	- 1.2
Government finance balance relative to GDP (%)	2.2	0.9	5.2

(Source: Reports of the Planning and Statistics Authority, Qatar Central Bank, Ministry of Finance, International Monetary Fund, and World Bank).

Islamic finance in Qatar:

The Islamic financial sector in Qatar is diversified into four main sectors, namely: Islamic banks, Takaful insurance companies, Islamic finance companies, and Islamic investment companies, in addition to Islamic finance products represented in Sukuk, investment funds and Islamic indices. These institutions operating in these financial sectors are subject to direct supervision by Qatar Central Bank. In addition, some financial institutions practice Islamic finance activities within the framework of Qatar Financial Center.



Katara Mosque



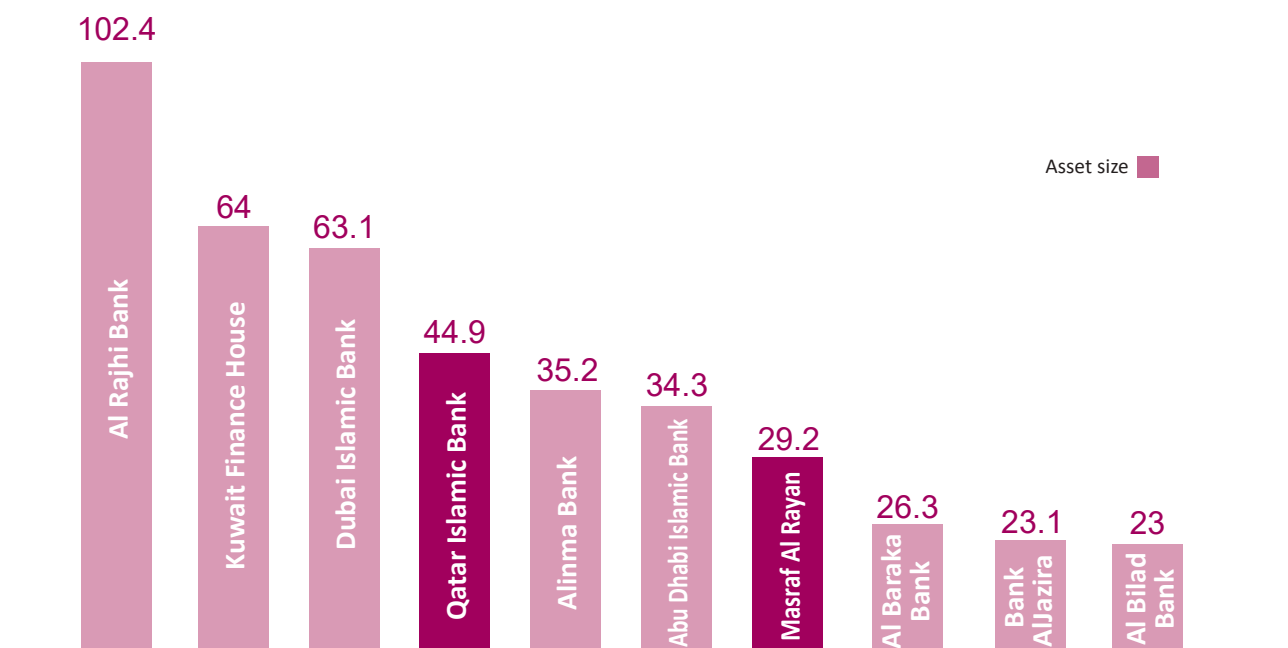
General view of the Education City Mosque

Islamic Banking Sector



The banking sector in Qatar includes four Islamic banks out of seventeen banks, including five conventional local commercial banks, a specialized bank (Qatar Development Bank), and seven branches of traditional foreign banks, in addition to a representative office for a foreign bank. Qatari Islamic banks operate through a network of internal and external branches of more than (70) branches and offices. These Islamic banks account for more than a quarter of the market share of Qatar banking sector. These banks are also rated among the world’s largest Islamic banks.

Ranking of World’s Islamic Banks by Asset Size for the Year (2019) (USD Billion)



(Source: based on the banks’ annual financial reports for (2019))

Islamic Banks Operating Under the Supervision of Qatar Central Bank:

- 1. Qatar Islamic Bank (QIB):** Qatar Islamic Bank was established in (1982) as the first Islamic bank in Qatar. QIB is currently the largest Islamic bank in Qatar and the fourth largest Islamic bank in the world with total assets of (163.5) billion Qatari Riyals in (2019), a market share of (40%) of Islamic banking assets in Qatar, and (11%) of the total banking market in Qatar. QIB provides many products and services to individual, corporate and investment segments through (29) branches in Qatar and an overseas branch in the Republic of Sudan. It also owns Qatar Islamic Bank in the United Kingdom, Arab Finance House in Lebanon, and stakes in many Islamic

financial service companies. Furthermore, QIB shares are listed on Qatar Stock Exchange. At the end of (2019), shareholders' equity amounted to (17.1) billion Qatari Riyals.

- 2. Qatar International Islamic Bank (QIIB):** Qatar International Islamic Bank was established in (1990). In (2019), QIIB total assets amounted to (56.8) billion Qatari Riyals, representing (14%) of Islamic banks' assets and (4%) of the total assets of the banking sector in Qatar. QIIB Shareholders' equity reached (6.1) billion Qatari Riyals. QIIB provides Islamic finance services and products as well as individual and corporate products through its headquarters and (19) local branches. QIIB shares are listed on Qatar Stock Exchange. QIIB participates with local Moroccan banks in Umnia Bank, which is the first participatory Islamic bank in the Kingdom of Morocco.
- 3. Masraf Al Rayan:** Masraf Al Rayan was established in (2006) as an integrated Islamic bank to provide banking services and products to individuals and companies, as well as private banking services. Masraf Al Rayan is the seventh largest Islamic bank in the world with total assets of (106.4) billion Qatari Riyals, representing (26%) of Islamic banks' assets and (7%) of the total assets of commercial banking sector in Qatar. Masraf Al Rayan provides its services through (17) local branches in Qatar and owns foreign and conventional banking and investment companies. Masraf Al Rayan shares are listed on Qatar Stock Exchange. By the end of (2019), Masraf Al Rayan shareholders' equity reached (13.9) billion Qatari Riyals.
- 4. Barwa Bank:** In (2009), Barwa Bank began to operate as an integrated Islamic bank to provide banking services and products in compliance with Shari'ah, including individual and corporate services, business services, private banking services, real estate finance, pooled finance, investment services, and asset management. In (2010), Barwa Bank acquired First Finance Company, First Leasing Company, and The First Investor Company, which are Islamic finance and investment companies. At the beginning of the second quarter of (2019), Barwa Bank was merged with the International Bank of Qatar, bringing the total assets of Barwa Bank by the end of the year to (77.1) billion Qatari Riyals, which constitutes (19%) of Islamic banks' assets and (5%) of the total assets of commercial banks in Qatar. Shareholders' equity amounted to (11.5) billion Qatari Riyals.

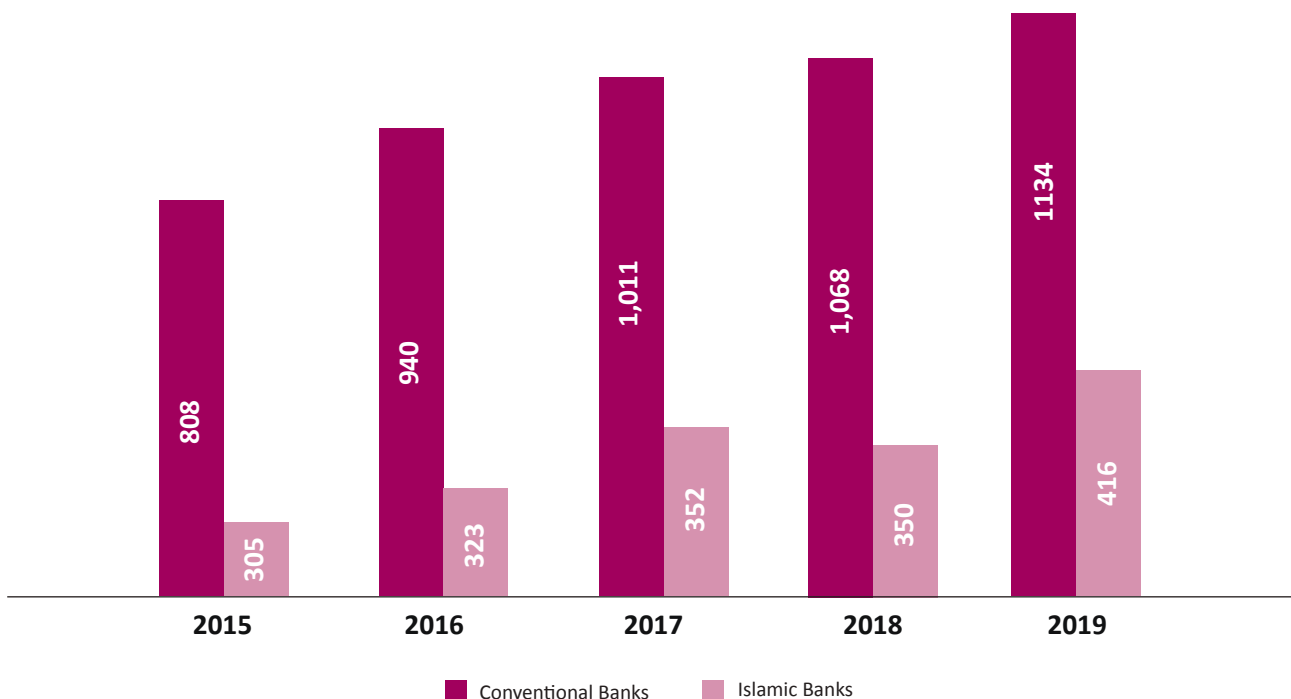


Performance of Islamic Banks in Qatar:

First: Assets

The banking sector in Qatar witnessed a total asset growth of (9.3%) compared to (2018). Islamic banks achieved the highest asset growth rate, as their assets grew by (18.8%). Meanwhile, the assets of conventional commercial banks grew by (6.2%) compared to (2018). The high growth of Islamic banks' assets led to an increase in their market share out of the total assets of the banking sector in Qatar from (24.7%) in (2018) to (27%). According to Qatar Central Bank statistics for December (2019), Islamic banks' assets at the end of the year amounted to (415.8) billion Qatari Riyals compared to (350) billion Qatari Riyals in (2018).

Assets of Conventional and Islamic Commercial Banks in Qatar (2015 – 2019) in Billion Qatari Riyals



(Source: Based on the quarterly statistical bulletins, Qatar Central Bank).



Qatar Islamic Bank ranked first among Islamic banks in terms of asset size with (163.5) billion Qatari Riyals. As a result of the merger, Barwa Bank assets achieved high growth that reached (73.9%). Qatar International Islamic Bank assets reached (13.1%), followed by Masraf Al Rayan with (9.4%). The growth rate of bank assets reached (6.7%) compared to (2018).

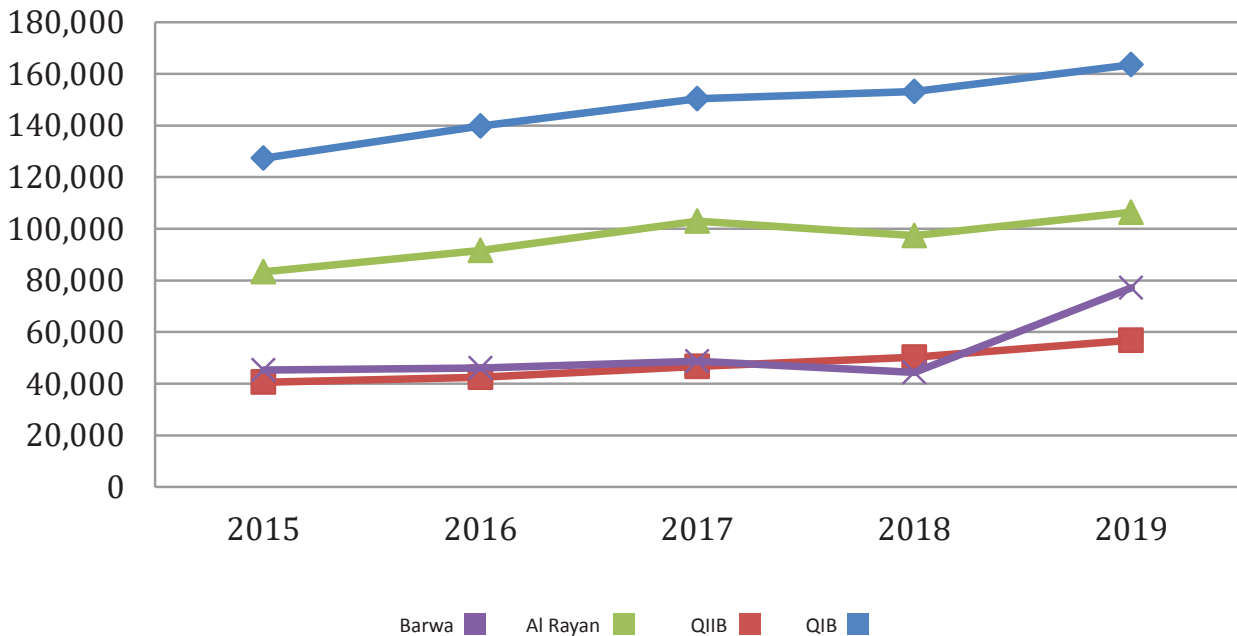
Over the past five years (2015-2019), Islamic banks' assets grew at a compound annual growth rate of (6.4%). Barwa Bank achieved the highest growth, as its assets grew during that period by (11.3%), followed by Qatar International Islamic Bank with (7%), Qatar Islamic Bank with (5.1%), and Masraf Al Rayan with (5%).

Islamic Banks' Assets in Qatar (2015-2019) in Thousand Qatari Riyals

	2015	2016	2017	2018	2019	Growth rate in 2019 %	CAGR %
QIB	127,323,982	139,834,128	150,374,876	153,232,365	163,519,211	6.7	5.1
QIIB	40,540,045	42,550,960	46,618,980	50,259,955	56,831,439	13.1	7
Al Rayan	83,331,431	91,530,735	102,948,972	97,294,213	106,396,521	9.4	5
Barwa	45,201,618	46,049,680	48,637,154	44,361,540	77,130,692	73.9	11.3

(Source: Annual reports of the banks)

Islamic Banks' Assets in Qatar (2015-2019) in Million Qatari Riyals



Second: Deposits

Bank deposits in Qatar increased during (2019) by (4.8%) compared to (2018). Islamic bank deposits' increase rate for this year was (15.9%) compared to (0.9%) for conventional banks in the same year. Non-residents' deposit rate in Islamic banks was remarkable as it reached (76.6%), which reflects a significant recovery from the impact of the crisis that occurred in June (2017). Public sector deposits in Islamic banks grew by (11.2%) against (10.8%) for private sector deposits compared to (2018).

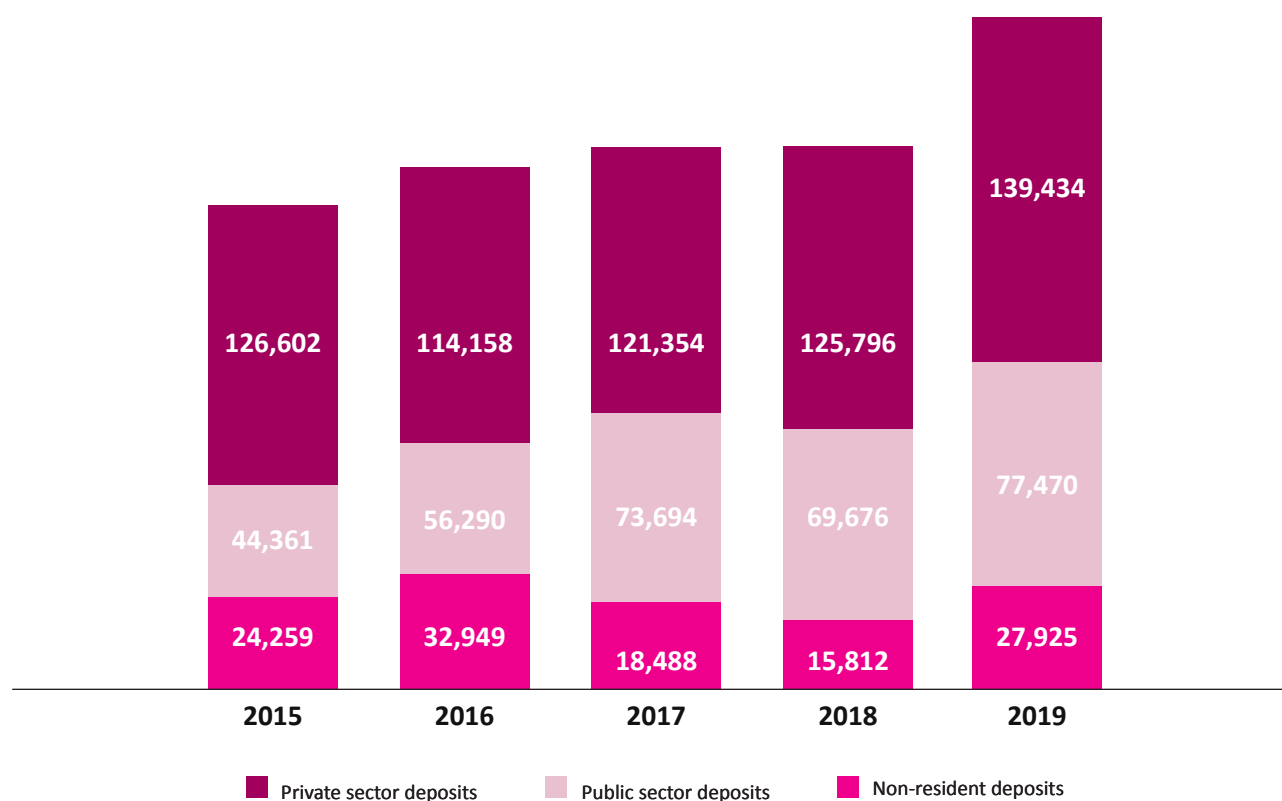
The deposit structure in Islamic banks for the year (2019) was led by the private sector with (57%) of total deposits, followed by the public sector with (31.6%). Non-resident deposits constituted (11.4%) of total deposits in Islamic banks.

Classification of Deposits in Islamic Banks (2015-2019) in Thousand Qatari Riyals

	2015	2016	2017	2018	2019	Growth rate in 2019%	CAGR
Non-resident deposits	24,258,887	32,949,114	18,488,294	15,811,538	27,925,074	76.6	2.9
Public sector deposits	44,361,027	56,289,567	73,693,984	69,675,719	77,469,782	11.2	11.8
Private sector deposits	126,602,106	114,158,057	121,353,749	125,795,827	139,433,513	10.8	2
Total deposits	195,222,020	203,396,738	213,536,027	211,283,084	244,828,369	15.9	4.6
Deposits of Islamic banks to the total deposits of the banking system %	30	28	25.9	26.1	28.8		

(Source: Quarterly statistical bulletin, Volume (35-39), Issue (4), Qatar Central Bank).

Assets of Islamic Banks in Qatar (2015 – 2019) in Million Qatari Riyals



Thanks to the merger of Barwa Bank with the International Bank of Qatar, Barwa Bank achieved the highest deposit growth rate in (2019), which reached (83.9%), after the Shari’a treatments it carried out in transferring client deposits of the International Bank of Qatar. Deposits grew by (11%) in Qatar Islamic Bank against (6.6%) for Masraf Al Rayan and (0.3%) for Qatar International Islamic Bank compared to (2018).

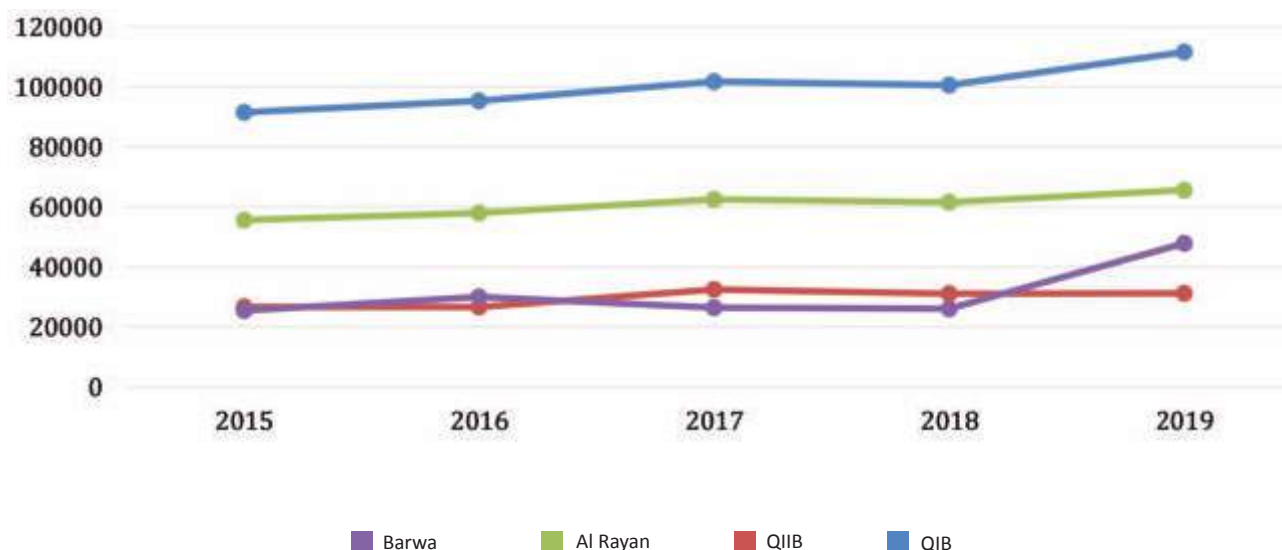
Over the past five years (2015-2019), and according to the financial data issued by the Islamic banks, deposits have grown at a compound annual growth rate of (5.2%), where Barwa Bank ranked first with (13.54%), followed by Qatar Islamic Bank with (4%), Masraf Al Rayan with (3.4%) and Qatar International Islamic Bank with (3.2%).

Volume of Deposits in Islamic Banks in Qatar (2015-2019) in Thousand Qatari Riyals

	2015	2016	2017	2018	2019	Growth rate in 2019 %	CAGR %
QIB	91,520,514	95,396,756	101,814,551	100,597,983	111,620,560	11	4
QIIB	26,663,911	26,640,038	32,478,648	31,129,927	31,228,545	0.3	3.2
Al Rayan	55,623,266	58,023,925	62,531,186	61,568,867	65,612,565	6.6	3.4
Barwa	25,464,808	29,977,537	26,469,886	26,033,499	47,878,014	83.9	13.5
Total	199,272,499	210,038,256	223,294,271	219,330,276	256,339,684	16.9	5.2

(Source: Annual reports of the banks).

Volume of Deposits in Islamic Banks in Qatar (2015 - 2019) in Million Qatari Riyals



Third: Finance

According to the quarterly data issued by Qatar Central Bank, Islamic banks achieved a remarkable increase in the rate of finance provided in (2019), which increased by (22.2%) compared to (2018). Islamic bank finance accounted for (27.6%) of the total banking sector finance in (2019).

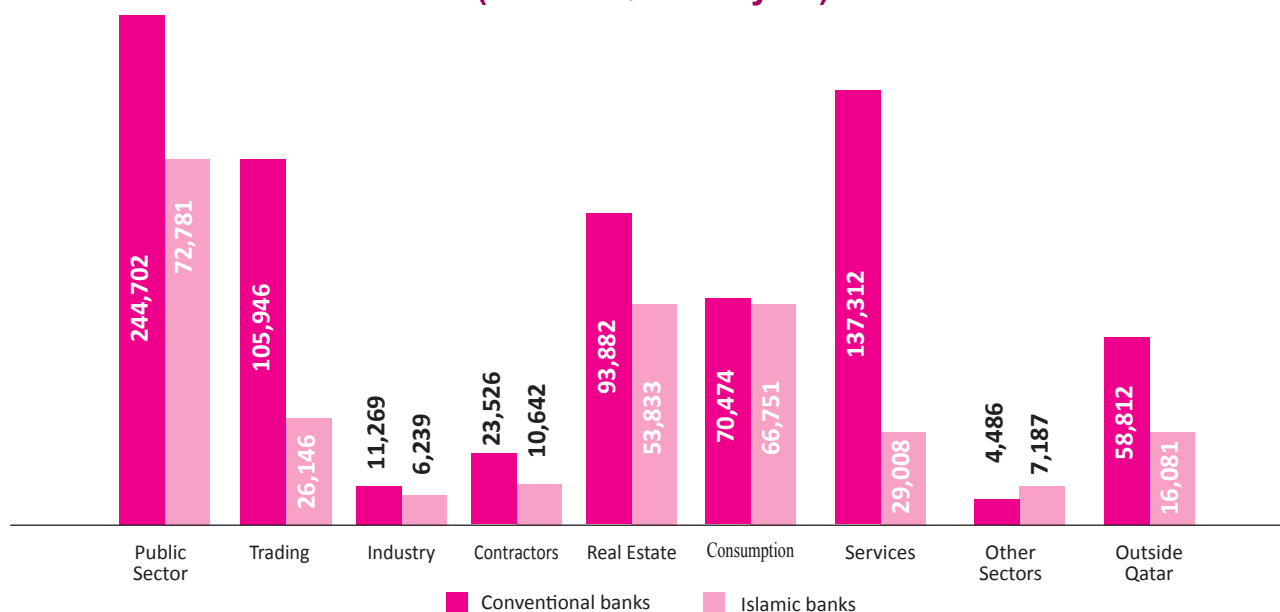
By comparing the concentrations of Islamic bank finance in various finance sectors in Qatar in (2019), it is noted to be continuing with concentration in consumer sector with (48.6%) out of the total commercial bank finance (conventional and Islamic banks) provided to this sector, followed by real estate sector with (36.4%) and the industrial sector with (35.6%). It is also noted that most of Islamic bank finance is directed towards the local market by (94%).

Total Finance of Islamic and Conventional Banks in Qatar in (2019) (Thousand Qatari Riyals)

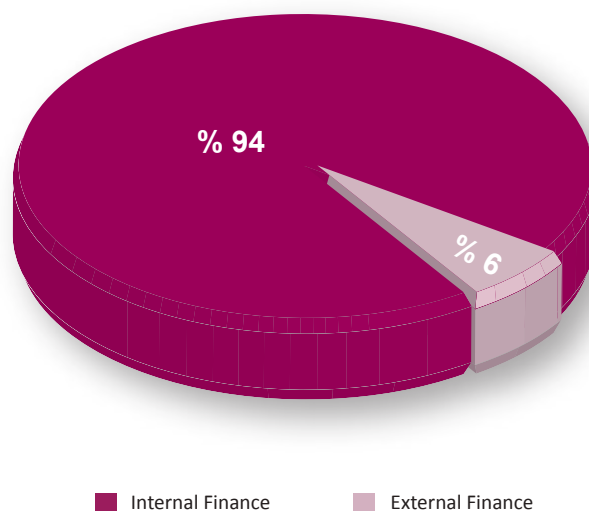
	Islamic banks	Conventional commercial banks	Total commercial banks (Islamic and (Conventional	Islamic bank finance to the total commercial bank finance (%)
Public sector	72,781,572	244,702,866	317,484,438	22.9
General Trading	26,146,846	105,946,451	132,093,297	19.8
Industry	6,239,942	11,269,236	17,509,178	35.6
Contractors	10,642,188	23,526,755	34,168,943	31.1
Real estate	53,833,021	93,882,498	147,715,519	36.4
Consumption	66,751,525	70,474,330	137,225,855	48.6
Services	29,008,639	137,312,158	166,320,797	17.4
Other sectors	7,187,390	4,486,898	11,674,288	61.6
Outside Qatar	16,081,706	58,811,999	74,893,705	21.5
Total	288,672,829	750,413,191	1,039,086,020	27.8

(Source: Quarterly statistical bulletin, Volume (39), Issue (4), Qatar Central Bank).

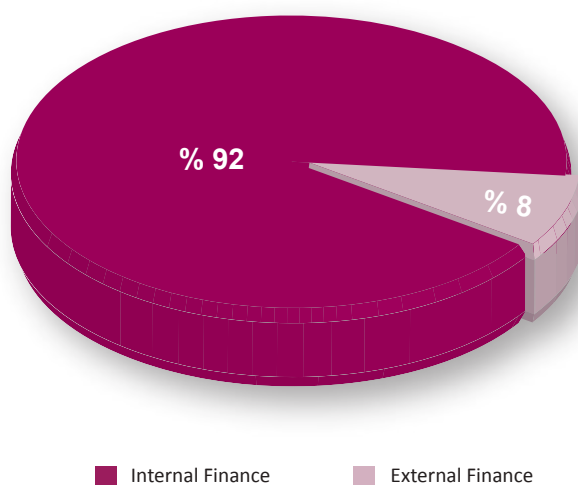
Sectorwise Islamic Banks' Finances vs Conventional Banks' Finances in 2019 (Million Qatari Riyals)



Islamic Banks' Finance Inside and Outside Qatar in (2019)



Conventional Banks' Finance Inside and Outside Qatar in (2019)



By comparing the net finance in the four Islamic banks, we find that Barwa Bank finance increased as a result of the merger by (85.9%) in (2019), against (32.2%) for Qatar International Islamic Bank, (11.3%) for Qatar Islamic Bank, and (3.2%) for Masraf Al Rayan compared to (2018).

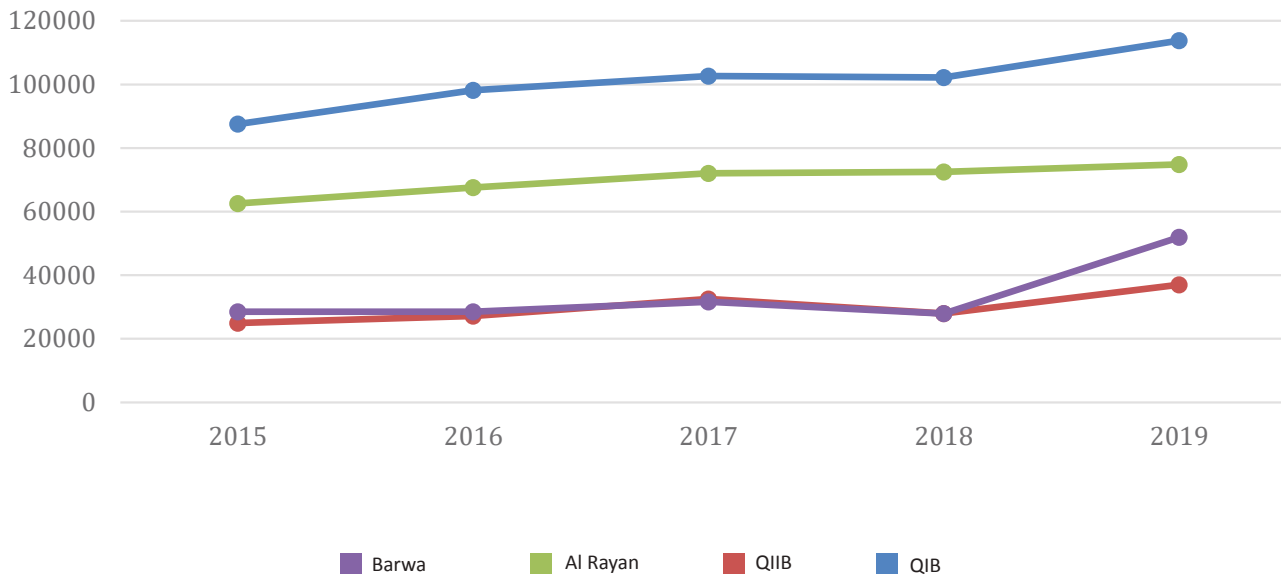
During the five-year period (2015-2019), the compound annual growth rate of Islamic bank finance in Qatar was (6.4%). Barwa Bank achieved the highest CAGR with (12.8%), followed by Qatar International Islamic Bank with (8.2%), Qatar Islamic Bank with (5.4%), and Masraf Al Rayan with (3.7%).

Net Finance of Islamic Banks in Qatar (2015-2019) in Thousand Qatari Riyals

	2015	2016	2017	2018	2019	Growth in 2019 (%)	CAGR (%)
QIB	87,515,388	98,170,520	102,613,499	102,209,930	113,753,593	11.3	5.4
QIIB	24,978,073	27,233,326	32,500,027	27,463,353	37,010,528	32.2	8.2
Al Rayan	62,566,639	67,634,561	72,097,080	72,163,836	74,837,309	3.2	3.7
Barwa	28,497,638	29,778,499	31,676,882	27,756,699	51,924,104	85.9	12.8
Total	203,557,738	222,816,906	238,887,488	214,931,146	277,525,534	29.1	6.4

(Source: Annual reports of the banks).

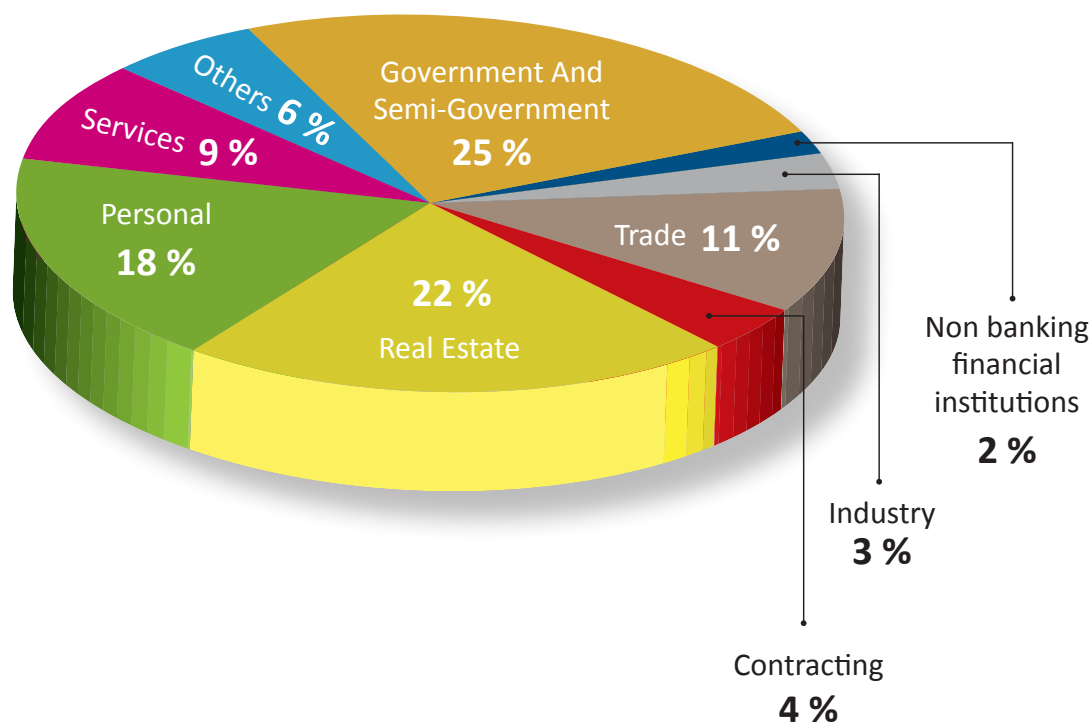
**Net Finance of Islamic Banks in Qatar (2015-2019)
in Million Qatari Riyals**



Most Islamic banks' finance in (2019) went to the government and semi-government sector with (25%), followed by real estate sector with (22%) and personal finance with (18%).

At the level of these banks, it is noticeable that Masraf Al Rayan finance concentrated in government and semi-government agencies with (52%) out of the total Islamic bank finance provided to this sector. Meanwhile, most finance of Islamic banks went to real estate and personal sectors.

Distribution of Islamic Banks' Finance in Qatar per Sector for (2019)

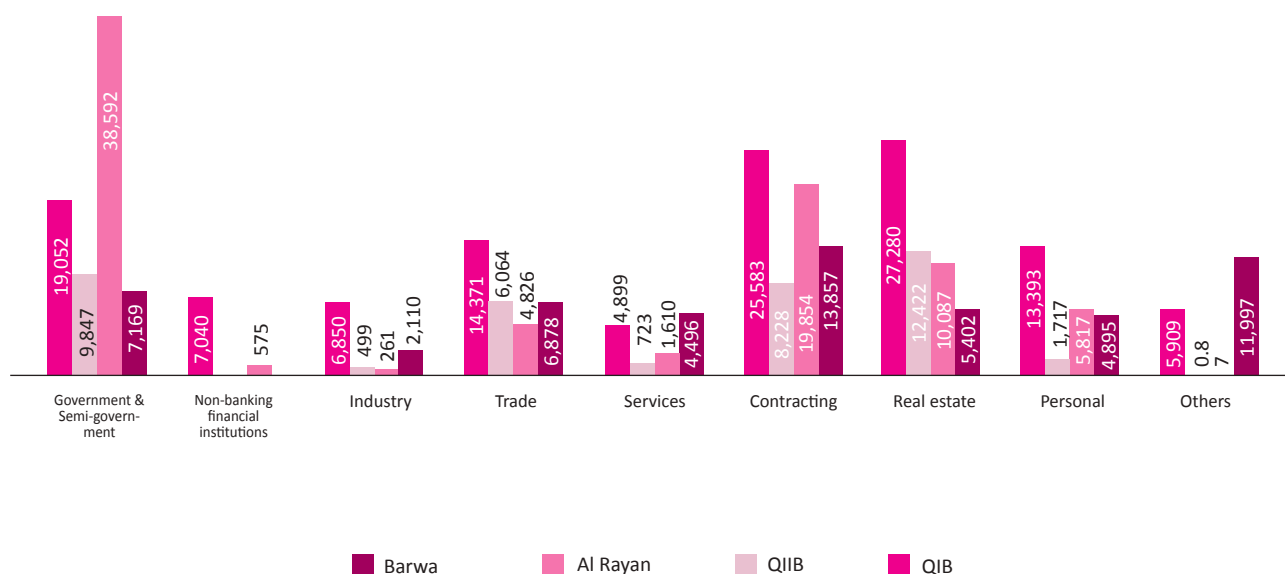


Islamic Banks' Finance in Qatar for (2019) per Sector (Thousand Qatari Riyals)

	Government and semi-government	Non-banking financial institutions	Industry	Trading	Contracting	Real estate	Personal	Services	Others
QIB	19,051,840	7,039,933	6,850,346	14,371,250	4,898,550	25,583,673	27,280,082	13,393,066	5,909,414
QIIB	9,846,538	—	498,509	6,064,238	722,925	8,228,425	12,422,331	1,717,580	822
Masraf Al Rayan	38,591,808	575,136	260,862	4,826,023	1,610,380	19,854,235	10,087,769	5,817,170	7,043
Barwa Bank	7,169,424	—	2,110,637	6,878,152	4,496,101	13,857,009	5,402,463	4,895,346	11,997,681
Total	74,659,610	7,615,069	9,690,354	32,139,663	11,727,956	67,523,342	55,192,645	25,823,162	17,914,960
Percentage out of total finance (%)	24.7	2.5	3.2	10.6	3.9	22.3	18.3	8.5	6

(Source: Annual reports of the banks for 2019).

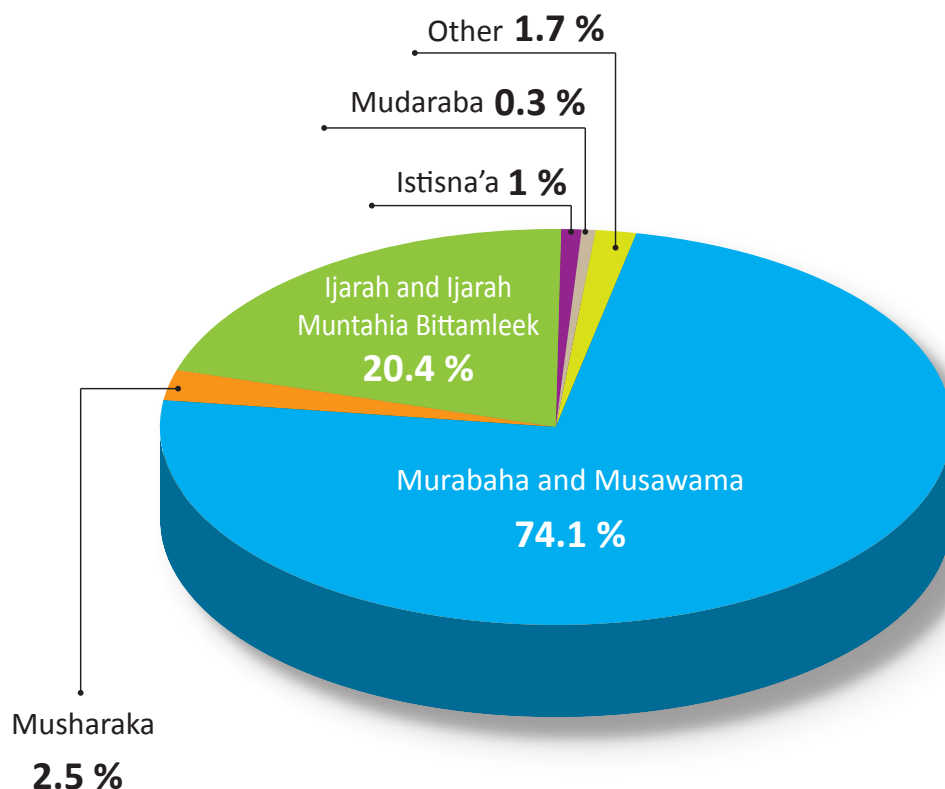
Islamic Banks' Finance in Qatar per Sector for 2019 (Million Qatari Riyals)



In view of the finance formulas used in Islamic banks, debt-based finance still dominates most finance formulas and constitutes more than (95%). Up to (78%) of Islamic bank finance was in the form of Murabahah and Musawamah sales, (16.8%) in the form of Ijarah ending with ownership, and (0.8%) in the form of Istisnaa.

Participatory finance represented (2.4%), of which (2%) was in the form of Musharakah and (0.4%) in the form of Mudarabah. Masraf Al Rayan continues to achieve the highest percentage of using participatory finance formulas, where the percentage of Musharakah finance was (7.5%) out of the total finance provided by Masraf Al Rayan for the year (2019).

Distribution of Islamic Banks' Finance in Qatar as per the Modes of Finance in 2019

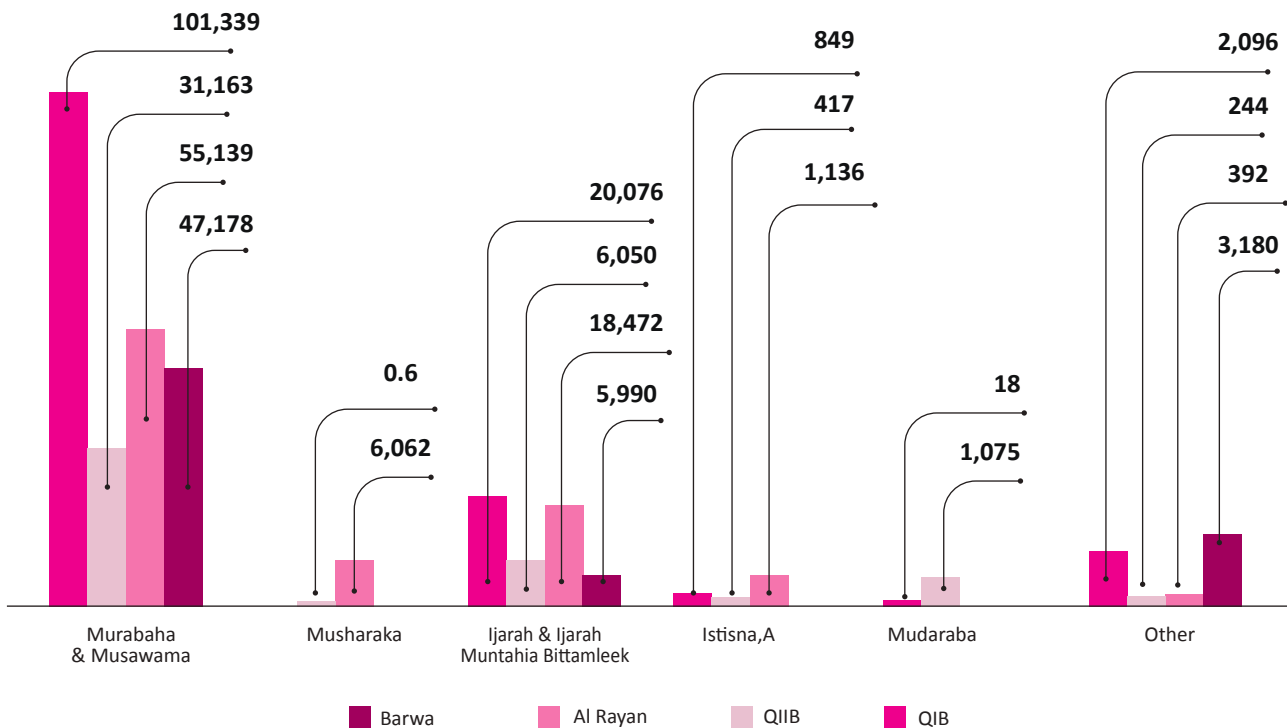


Islamic Banks' Finance per Formula for (2019) in Thousand Qatari Riyals

	Murabahah and Mu-sawamah	Ijarah and Ijarah ending with ownership	Musharakah	Istisnaa	Mudarabah	Others
QIB	101,338,841	20,076,735	—	848,730	18,311	2,095,537
QIIB	31,162,634	6,050,056	625	417,006	1,074,940	244,121
Masraf Al Rayan	55,138,706	18,472,205	6,062,257	1,136,071	—	392,640
Barwa Bank	47,177,551	5,990,065	—	—	—	3,180,489
Total	234,817,732	50,589,061	6,062,882	2,401,807	1,093,251	5,912,787
Percentage out of total finance (%)	78	16.8	2	0.8	0.4	2

(Source: Bank annual reports for 2019).

Islamic Banks' Finance per Formula for (2019) in Million Qatari Riyals



Fourth: Profits

Islamic banks in Qatar are achieving positive results and high growth rates in their profits. In (2019), their revenues amounted to (18.6) billion Qatari Riyals with an increase of (15.4%) compared to (2018). The revenues of finance and investment activities represented (90%) of the total revenues of these banks.

All Islamic banks achieved profits at positive growth rates, where the profits of Islamic banks in Qatar exceeded (6.9) billion Qatari Riyals with an increase of (6%) compared to (2018). Qatar Islamic Bank achieved the highest profit profits with (10.9%), followed Qatar International Islamic Bank with (5.1%), Masraf Al Rayan with (2.3%), and Barwa Bank with (0.01%).

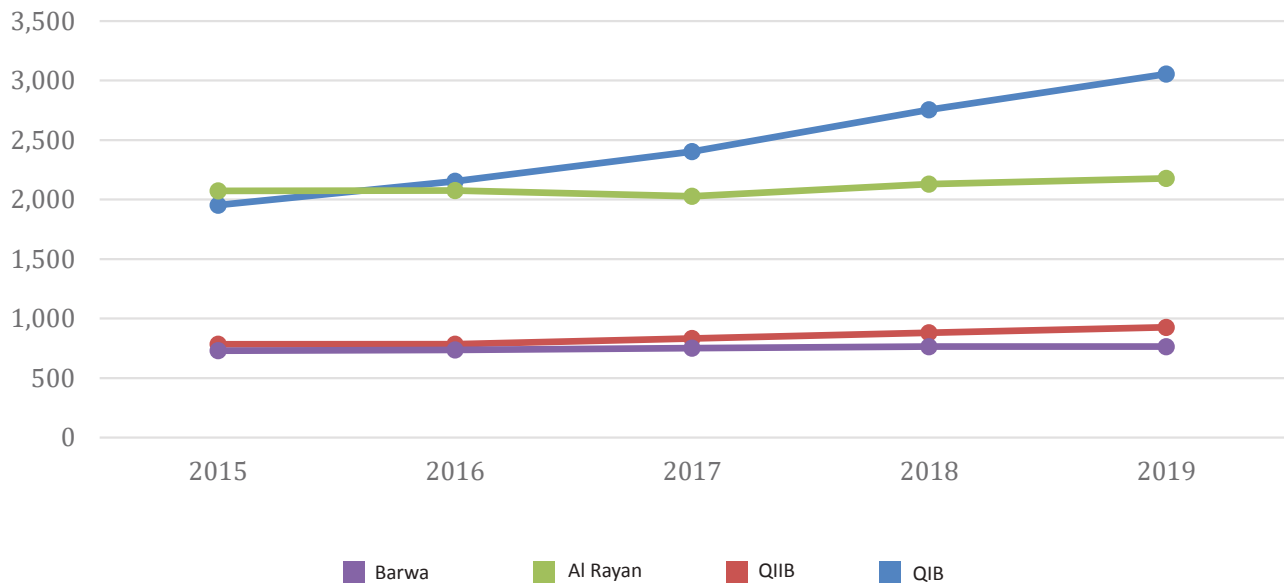
The compound annual growth rate of the profits of Islamic banks during the past five years was (4.6%), where Qatar Islamic Bank ranked first with a CAGR of (9.4%), followed by Qatar International Islamic Bank with (3.4%), Masraf Al Rayan with (1%), and Barwa Bank with (1%).

Net Profits of Islamic Banks (2015-2019) In Thousand Qatari Riyals

	2015	2016	2017	2018	2019	Growth rate in 2019 (%)	CAGR (%)
QIB	1,954,324	2,155,104	2,405,425	2,755,311	3,055,423	10.9	9.4
QIIB	784,152	784,771	832,209	882,144	927,047	5.1	3.4
Masraf Al Rayan	2,073,369	2,075,286	2,028,145	2,130,415	2,178,399	2.3	1
Barwa Bank	729,748	738,286	753,228	764,966	765,052	0.01	1
Total	5,541,593	5,753,447	6,019,007	6,532,836	6,925,921	6	4.6

(Source: Annual reports of the banks).

Profits of Islamic Banks in Qatar (2015 - 2019) in Million Qatari Riyals



Islamic Banks Operating Under the Supervision of Qatar Financial Center:

Abu Dhabi Islamic Bank (Qatar branch):

On 31st July, (2011), Qatar Financial Center licensed Abu Dhabi Islamic Bank to carry out its activities through its Qatar branch under Qatar Financial Center. The branch provides its banking and investment services to corporates by accepting deposits, providing credit facilities, managing investments and providing investment advice in the field of Islamic finance. The branch only deals with corporates not individuals.

| *The Torch Hotel and Aspire Mosque*



Takaful Insurance Sector





Dafna area

Many insurance companies operate under the supervision of Qatar Central Bank, including five independent Takaful insurance companies, namely: Qatar Islamic Insurance Company, Alkhaleej Takaful Insurance Company, Damaan Islamic Insurance (Beema), General Takaful Company of the General Insurance and Reinsurance Company, and Doha Takaful Company of Doha Insurance Group. Five national conventional insurance companies and four branches of foreign conventional insurance companies also operate in this sector, in addition to representatives of four conventional insurance companies.

Qatar Islamic Insurance Group: Qatar Islamic Insurance Company was established in (1993). In September (2018), shareholders decided to agree to change the name of the company to “Qatar Islamic Insurance Group” and establish a fully-owned subsidiary for the purpose of managing investments, where the legal procedures and approvals were completed in (2019). Qatar Islamic Insurance Group practices various types of Takaful insurance based on the principles of Islamic Shari’ah for the corporate and individual sector. Group’s shares are listed on Qatar Stock Exchange. By the end of (2019), Group shareholders’ equity amounted to (378) million Qatari Riyals.

Alkhaleej Takaful Insurance Company: Alkhaleej Insurance and Reinsurance Company was established in (1978) as a conventional insurance company. In (2003), Qatar Takaful Company was established as a (100%) Takaful insurance company affiliated with Alkhaleej Insurance and Reinsurance Company. In (2010), Alkhaleej Insurance Company turned into an integrated Islamic insurance company “Alkhaleej Takaful Insurance Company”. In (2014), Alkhaleej Takaful Insurance Group decided to re-merge Qatar Takaful Company with Alkhaleej Takaful Insurance Group. In (2017) the name of the company was amended from Alkhaleej Takaful Insurance Group to Alkhaleej Takaful Insurance Company. By the end of (2019), shareholders’ equity amounted to (538) million Qatari Riyals. Company’s shares are listed on Qatar Stock Exchange.

1. **Doha Takaful:** In (2006), Doha Insurance Company established the Islamic Takaful branch under the brand name “Doha Takaful” to carry out insurance and reinsurance activities in accordance with the principles of Islamic Shari’ah on a non-usurious basis in all areas of insurance. In (2018), Doha Insurance registered “Doha Takaful” as a limited liability company completely owned by Doha Insurance Group. The total shareholders’ equity of Doha Takaful amounted to (123.1) million Qatari Riyals by the end of (2019).
2. **General Takaful Company:** General Takaful Company was established in (2008) as a subsidiary among Qatar General Insurance and Reinsurance Group Company, with the aim of meeting the insurance needs of individuals and companies in accordance with Shari’ah principles. The Company provides Takaful services for families, equity, automotive, marine property ...etc. Company’s total shareholders’ equity amounted to (150.9) million Qatari Riyals in (2019).

3. Damaan Islamic Insurance (Beema): Qatar Insurance Company, Qatar Islamic Bank, Masraf Al Rayan, Barwa Real Estate Company and QInvest established Damaan Islamic Insurance Company (Beema) in (2009) as a closed Qatari shareholding insurance company with a paid-up capital of (200) million Qatari Riyals. The Company provides individuals and companies insurance services on various products. In (2019), the total shareholders' equity amounted to (387) million Qatari Riyals.

Performance of Takaful Insurance Companies:

First: Assets of Islamic Takaful Companies:

Assets of policyholders in national Takaful insurance companies operating under the supervision of Qatar Central Bank amounted to (2.35) billion Qatari Riyals in (2019) compared to (2.18) billion Qatari Riyals in (2018), with a growth of (7.7%).

Qatar Islamic Insurance Group ranked first among Takaful insurance companies in Qatar in terms of policyholders' asset size in (2019), which amounted to (752.8) million Qatari Riyals with a growth rate of (27%) compared to (2018). Although the policyholders' asset size in Damaan Islamic Insurance Company (Beema) decreased by about (1%), it is in the second place among Takaful insurance companies with an amount of (752.7) million Qatari Riyals. Doha Takaful achieved the highest growth rate in (2019) among these companies with (38%). Policyholders' asset size in Alkhaleej Takaful Insurance Company increased by (9%), against a decrease by (16%) in General Takaful Company.

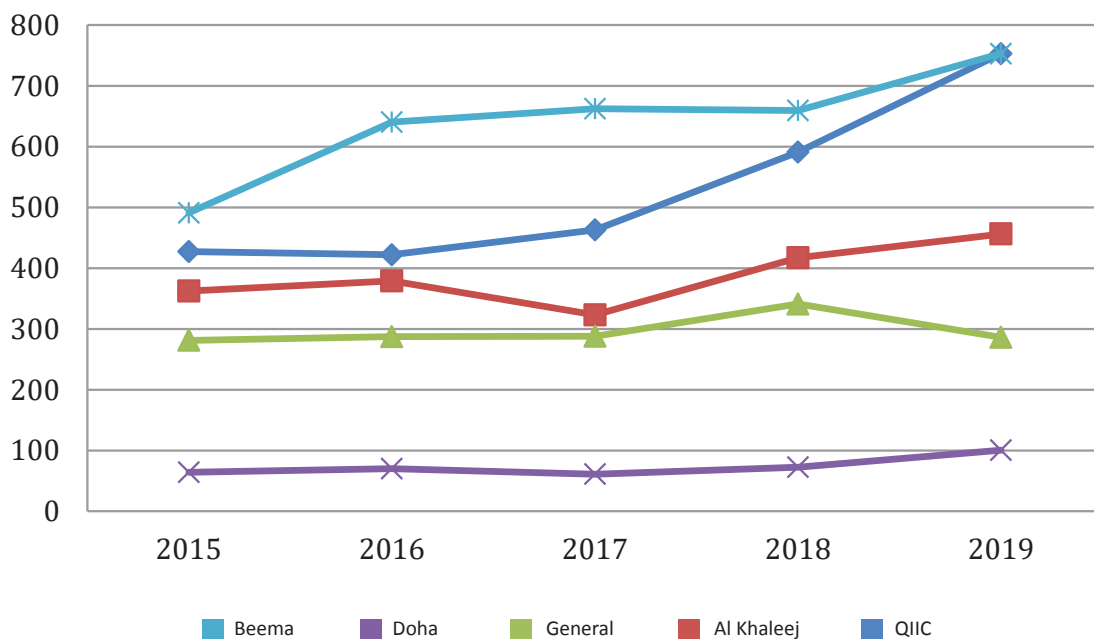
Over the past five years (2015-2019), the compound annual growth rate of policyholders' asset size in Takaful insurance companies in Qatar amounted to (7.6%). The compound annual growth rate of policyholders' asset size in Qatar Islamic Insurance Group was (12%), followed by Doha Takaful with (9.3), Damaan Islamic Insurance (Beema) with (8.9%), Alkhaleej Takaful Insurance with (4.7%), and General Takaful Company with (0.4%).

Policyholders' Asset size in Takaful Insurance Companies (2015-2019) in Thousand Qatari Riyals

	2015	2016	2017	2018	2019	Growth in 2019 (%)	CAGR (%)
Qatar Islamic Insurance Company	426,631	422,285	462,894	590,785	752,771	27.4	12
Alkhaleej Takaful Insurance Company	362,003	379,370	322,878	417,382	455,778	9.2	4.7
General Takaful Company	281,001	286,600	287,853	340,516	286,338	-15.9	0.4
Doha Takaful	64,482	69,988	60,794	72,606	100,437	38.3	9.3
Beema	491,414	639,541	662,391	759,280	752,701	-0.9	8.9
Total	1,625,531	1,797,784	1,796,810	2,180,569	2,348,025	7.7	7.6

(Source: financial reports of Takaful companies).

Policyholders' asset Size in Takaful insurance companies (2015 - 2019) in Million Qatari Riyals



Second: Insurance Subscriptions:

The insurance subscriptions of Takaful insurance companies in Qatar amounted to (1.3) billion Qatari Riyals in (2019) with a growth rate of (5.5%) compared to the previous year. Underwritten insurance premiums in Qatar Islamic Insurance Company amounted to (405) million Qatari Riyals with a growth rate of (6%). Subscriptions amounted to (339) million Qatari Riyals in Beema with a growth rate of (2.1%), and (296) million Qatari Riyals in Alkhaleej Takaful Insurance Company with a growth rate of (10.8%). Doha Takaful achieved the highest growth rate in written premiums for the year (2019) with (32%), reaching (59) million Qatari Riyals. Meanwhile, written premiums decreased in General Takaful Company by (3%), reaching (192) million Qatari Riyals.

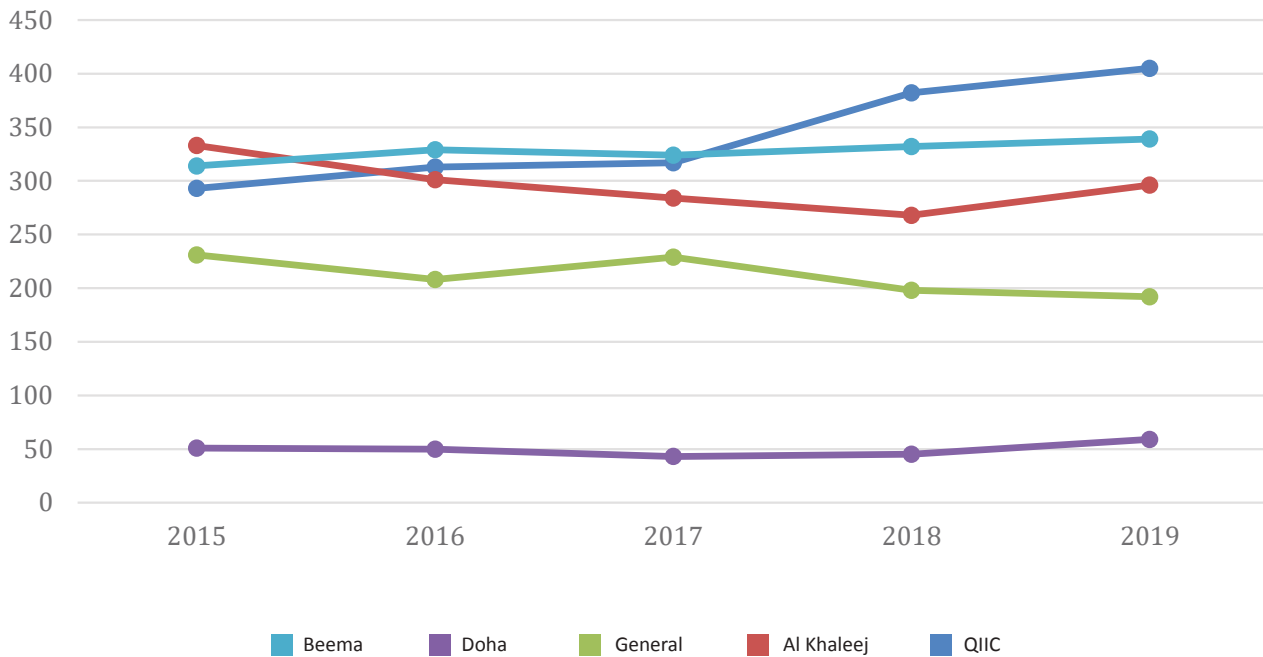
During the five years (2015-2019), insurance subscriptions grew at a compound annual growth rate of (1.1%). Qatar Islamic Insurance Company achieved the highest compound growth rate with (6.7%), followed by Doha Takaful with (2.9%), and Damaan Islamic Insurance (Beema) with (1.6%). However, Alkhaleej Takaful Insurance Company and General Takaful Company made negative CAGRs in relation to insurance subscriptions with (2.5%) and (3.6%) respectively.

Total Policyholders' Subscriptions in Takaful Insurance Companies (2015-2019) in Thousand Qatari Riyals

	2015	2016	2017	2018	2019	Growth in (2019) (%)	CAGR (%)
Qatar Islamic Insurance Company	293,103	313,045	316,667	382,374	405,428	6	6.7
Alkhaleej Takaf- ul Insurance Company	333,069	301,429	283,963	267,680	296,467	10.8	-2.3
General Takaful Company	231,267	207,644	229,056	198,193	192,304	-3	-3.6
Doha Takaful	51,042	49,709	43,196	44,571	58,846	32	2.9
Beema	313,761	328,578	324,202	332,094	339,195	2.1	1.6
Total	1,222,242	1,200,405	1,197,084	1,224,912	1,292,240	5.5	1.1

(Source: financial reports of Takaful companies).

Policyholders' Subscriptions to Takaful Insurance Companies (2015 - 2019) in Million Qatari Riyals



Third: Insurance Surplus:

Most Takaful insurance companies achieved insurance surpluses in (2019) with a total of (29.7) million Qatari Riyals. Qatar Islamic Insurance Company achieved the highest insurance surplus during the year, which amounted to (12) million Qatari Riyals, followed by Damaan Islamic Insurance Company (Beema) with (11.6) million Qatari Riyals, Doha Takaful with (4.4) million Qatari Riyals, and Alkhaleej Takaful Insurance Company with (1.5) million Qatari Riyals. Meanwhile, General Takaful Company had a deficit of (24) million Qatari Riyals.

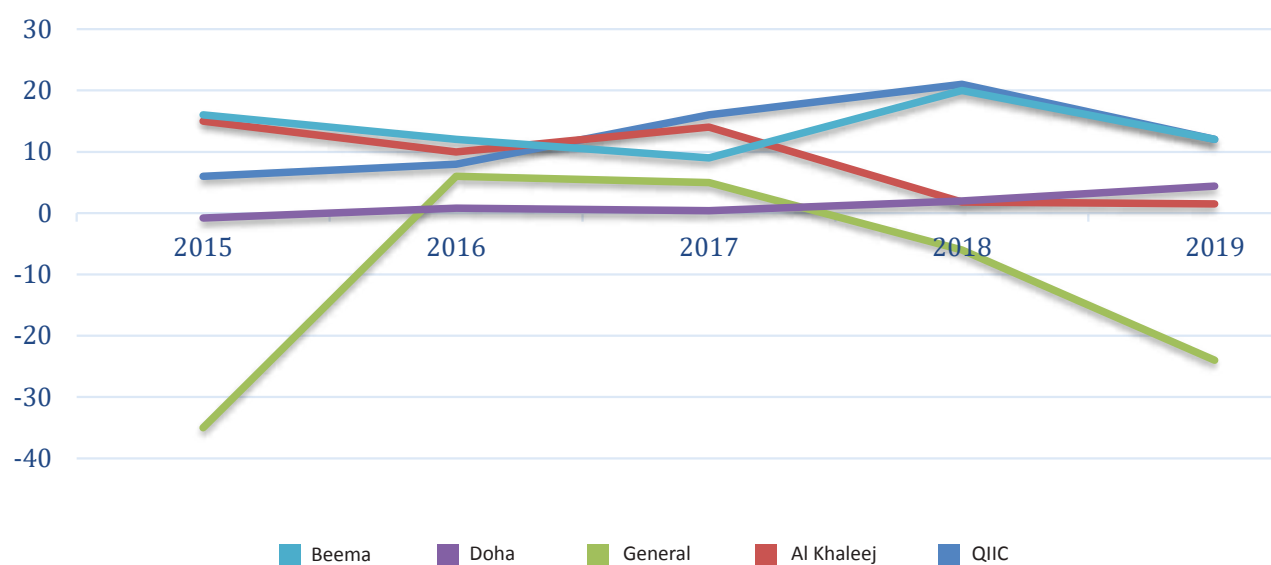
During the five years (2015-2019), the business results of Takaful insurance companies varied between insurance surpluses and deficits.

Insurance Surpluses for Takaful Insurance Companies in Qatar (2015-2019) in Thousand Qatari Riyals

	2015	2016	2017	2018	2019
Qatar Islamic Insurance Company	6,174	7,966	16,297	21,121	12,174
Alkhaleej Takaful Insurance Company	15,435	10,268	14,483	1,805	1,540
General Takaful Company	(-35,213)	5,669	5,430	(-6,314)	(-23,985)
Doha Takaful	(-784)	770	365	1,659	4,448
Beema	16,344	11,932	9,453	20,114	11,579

(Source: financial reports of Takaful companies).

Insurance Surplus and Deficit in Takaful Insurance Companies (2015 - 2019) in Million Qatari Riyals



Takaful Insurance Companies Operating Under Qatar Financial Center:

Many insurance companies operate under Qatar Financial Center, including four companies providing Takaful insurance services.

- 1. MedGulf Allianz Takaful:** MedGulf Allianz Takaful is a wholly owned subsidiary of MedGulf Group, headquartered in the Kingdom of Bahrain. Takaful offers a wide range of non-life Takaful products such as automotive, home and corporate insurance. The Company was licensed by Qatar Financial Center on August 9, (2009), to carry out all kinds of Takaful insurance for the corporate sector.
- 2. T'azur Company b.s.c:** T'azur Company is a closed shareholding company established in Bahrain. T'azur Company provides family and general Takaful products for both individuals and corporates in compliance with the provisions of Islamic Shari'ah. The Company comprises a group of shareholders from Bahrain, Kuwait, Saudi Arabia and Qatar. The Qatari shareholders of T'azur Company include The First Investor Company and the General Retirement and Social Insurance Authority. On September 17, (2009), Qatar Financial Center licensed the branch of T'azur to carry out its activities represented in providing general insurance (other than life insurance) and corporate medical Takaful insurance under Qatar Financial Center.
- 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 insurance products and coverage in line with the needs of individuals and corporates on one hand, and the requirements of the modern era on the other hand. On February 15, (2011), a license was granted by Qatar Financial Center to Takaful International Company's branch in Qatar to carry out all kinds of Takaful insurance business for the corporate sector.
- 4. SEIB Insurance and Reinsurance Company:** A Qatari Company providing conventional insurance services in Qatar. On July 8, (2014), Qatar Financial Center authorized the Company to carry out conventional insurance business under Qatar Financial Center, in addition to allowing it to open an Islamic insurance window.



Msheireb City Mosque

Islamic Finance Companies





Three finance companies operate under the supervision of Qatar Central Bank, all of which are Islamic finance companies.

1. **Al Jazeera Finance:** Al Jazeera Finance (Tamweel) was established in (1989) as a finance company that provides products and services in compliance with Shari'ah for individuals, corporate projects, and small and medium enterprises. By the end of (2019), the shareholders' equity of the Company amounted to (917) 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. First Finance Company provides financial products and services in compliance with Shari'ah principles to its individual and corporate customers. At the end of (2019), shareholders' equity of the Company amounted to (1.6) billion Qatari Riyals.
3. **Qatar Finance House:** Qatar Finance House Company was established in (2006) as a private Qatari shareholding company licensed by Qatar Central Bank, to carry out finance for individuals and projects in addition to other activities in accordance with the provisions of Islamic Shari'ah. At the end of (2019), shareholders' equity amounted to (131) million Qatari Riyals.

Performance of Islamic Finance Companies:

First: Assets:

By the end of (2019), the assets of Islamic finance companies in Qatar amounted to (3) billion Qatari Riyals, down by (3.2%) compared to (2018). First Finance Company is the largest among these companies in terms of assets, which amounted to (1.6) billion Qatari Riyals, followed by Al Jazeera Finance with (1.2) billion Qatari Riyals, and Qatar Finance House with (132.4) million Qatari Riyals at the end of (2019). The assets of all Islamic finance companies declined during (2019), where the assets of First Finance decreased by (2%), the assets of Qatar Finance House decreased by (3.9%), and the assets of Al Jazeera Finance decreased by (4.6%) compared to (2018).

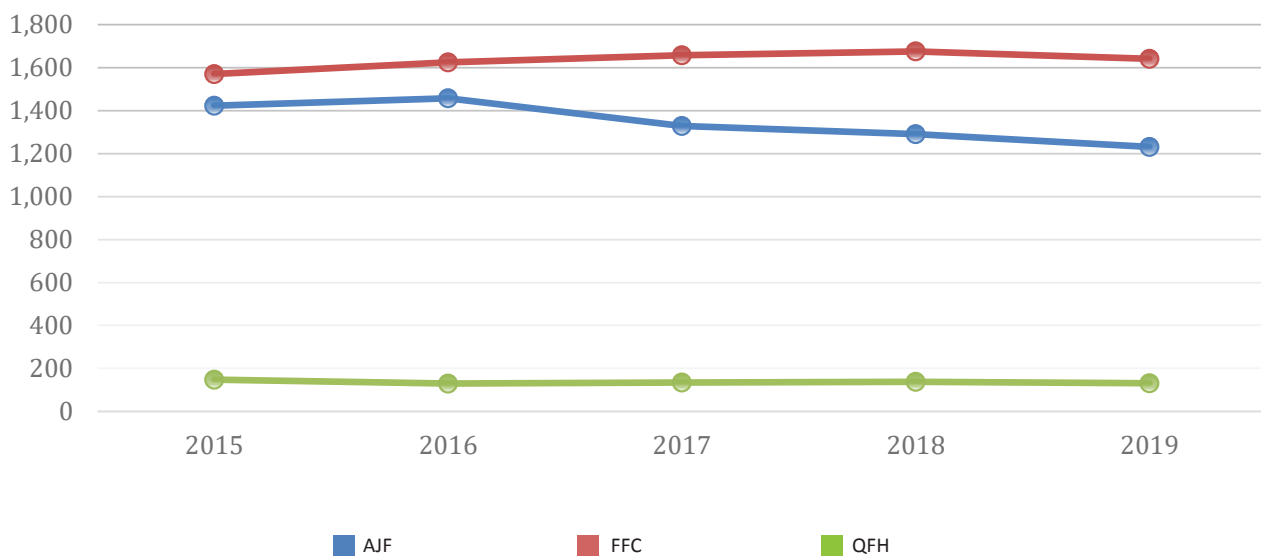
Due to the decline of the assets of most Islamic finance companies over the last three years, the compound annual growth rate during the five years (2015-2019) for these companies was negative by (0.9%), so that CAGRs during the period for Al Jazeera Finance and Qatar Finance House were negative by (2.9%) and (2.2%) respectively. Meanwhile, CAGR of First Finance Company remained positive at (0.9%) during that period.

Assets of Islamic Finance Companies (2015-2019) in Thousand Qatari Riyals

	2015	2016	2017	2018	2019	Growth in (2019) (%)	CAGR (%)
Al Jazeera	1,423,070	1,456,856	1,329,023	1,290,578	1,231,451	-4.6	-2.9
First Finance	1,569,820	1,624,094	1,657,289	1,674,863	1,640,531	-2	0.9
Qatar Finance House	147,824	129,765	134,539	137,855	132,430	-3.9	-2.2
Total	3,140,714	3,210,715	3,120,851	3,103,296	3,004,412	-3.2	-0.9

(Source: financial reports of Islamic finance companies).

Assets Of Islamic Finance Companies (2015 - 2019) in Million Qatari Riyals



Second: Financial Activities:

The performance of Islamic finance companies during (2019) was positive. The finance income of these companies amounted to (263) million Qatari Riyals with a growth of (1.9%) compared to (2018). Qatar Finance House, which boosted its finance activity, achieved a remarkable increase in finance revenues, which amounted to (1.5) million Qatari Riyals with a growth of (77%). First Finance's revenues, which amounted to (145) million Qatari Riyals with a growth of (2.1%), were the highest in volume. In Al Jazeera Finance, revenues amounted to (117) million Qatari Riyals with a growth of (1.2%) compared to (2018).

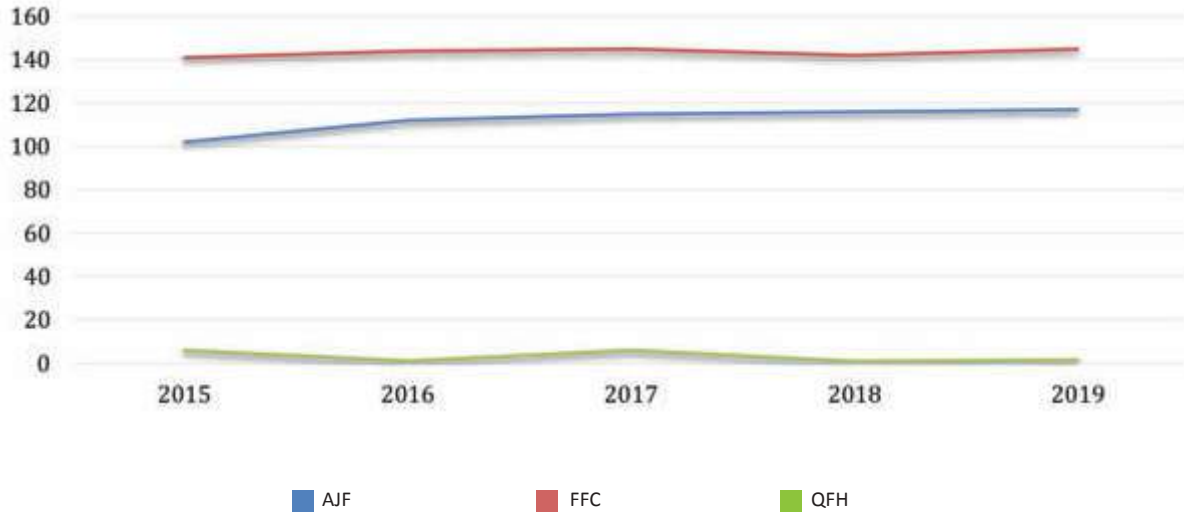
During the period (2015-2019), the revenues of finance companies grew at a compound growth rate of (1.1%), where Al Jazeera achieved the highest rate during that period with (2.8%), followed by First Finance with (0.5%). Meanwhile, Qatar Finance House made a negative rate of (23%) during that period.

Finance revenues in Islamic Finance Companies (2015-2019) in Thousand Qatari Riyals

	2015	2016	2017	2018	2019	Growth in 2019 (%)	CAGR (%)
Al Jazeera	102,093	112,188	115,325	115,806	117,155	1.2	2.8
First Finance	140,965	144,068	144,535	141,661	144,606	2.1	0.5
Qatar Finance House	5,721	1,253	6,341	874	1,547	77	-23
Total	248,779	257,509	266,201	258,341	263,308	1.9	1.1

(Source: financial reports of Islamic finance companies).

Finance Revenues of Islamic Finance Companies (2015 - 2019) in Million Qatari Riyals



Third: Profits:

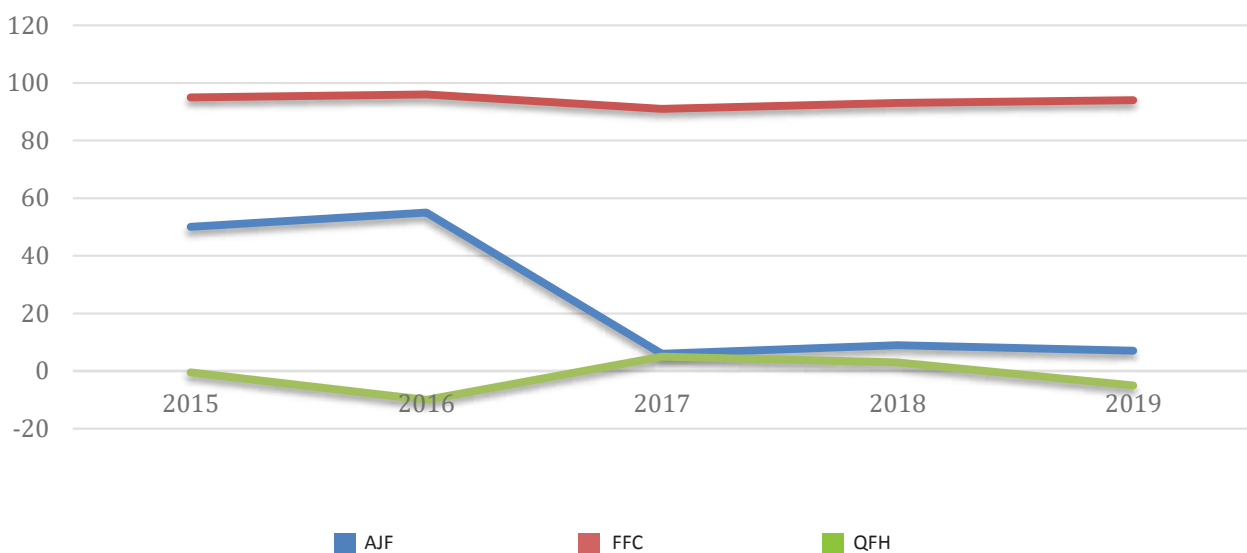
Business results of Islamic finance companies varied during the year (2019). First Finance Company achieved profits of (94) million Qatari Riyals with a positive growth rate of (1.3%) compared to (2018). Al Jazeera Finance achieved profits of (7) million Qatari Riyals, but with a negative growth rate of (21.4%). Meanwhile, losses of Qatar Finance House amounted to (5) million Qatari Riyals. During the five years (2015-2019), these companies achieved mixed results in terms of their profits.

Profits of Islamic Finance Companies (2015-2019) in Thousand Qatari Riyals

	2015	2016	2017	2018	2019	Growth in 2019 (%)
Al Jazeera	50,040	54,535	6,291	9,275	7,288	-21.4
First Finance	95,391	95,893	90,568	92,980	94,152	1.3
Qatar Finance House	(-479)	(-9,750)	4,501	3,317	(-5,386)	-262.4

(Source: financial reports of Islamic finance companies).

Profits of Islamic Finance Companies (2015 - 2019) in Million Qatari Riyals





Islamic Investment Companies





Two Islamic investment companies operate under the supervision of Qatar Central Bank, namely: The First Investor Company and Investment House Company

- 1. The First Investor Company:** The First Investor Company was established in (1999) as an investment company practicing its business in accordance with the principles of Islamic Shari'ah in the field of investment banking services. It focuses on investment banking services, private equity, strategic investments, real estate investments, advisory services, and asset management. In (2009), Barwa Bank acquired the company as a wholly owned subsidiary of the Bank. In (2019), shareholders' equity amounted to (516) million Qatari Riyals.
- 2. Investment House Company:** Investment House Company was established in (2001) as a private Qatari shareholding company. It provides all services and activities licensed for investment banking companies by Qatar Central Bank, such as asset management, private equity and structural finance in accordance with the principles of Islamic Shari'ah. The Company focuses on various economic sectors including financial services, real estate sector, building and construction, industrial sector, in addition to the service sector. In (2018), the shareholders' equity of the Company amounted to (50) million Qatari Riyals.

Performance of the Islamic investment companies:

Since We were not able to obtain The data of the Investment House Company Pertaining to the year 2019, the report will discuss the performance of The First Investor Company for the year (2019).

First: Assets:

The assets of The First Investor Company increased by (1.3%) in (2019) compared to (2018), as the total asset size of the Company amounted to (525.5) million Qatari Riyals.

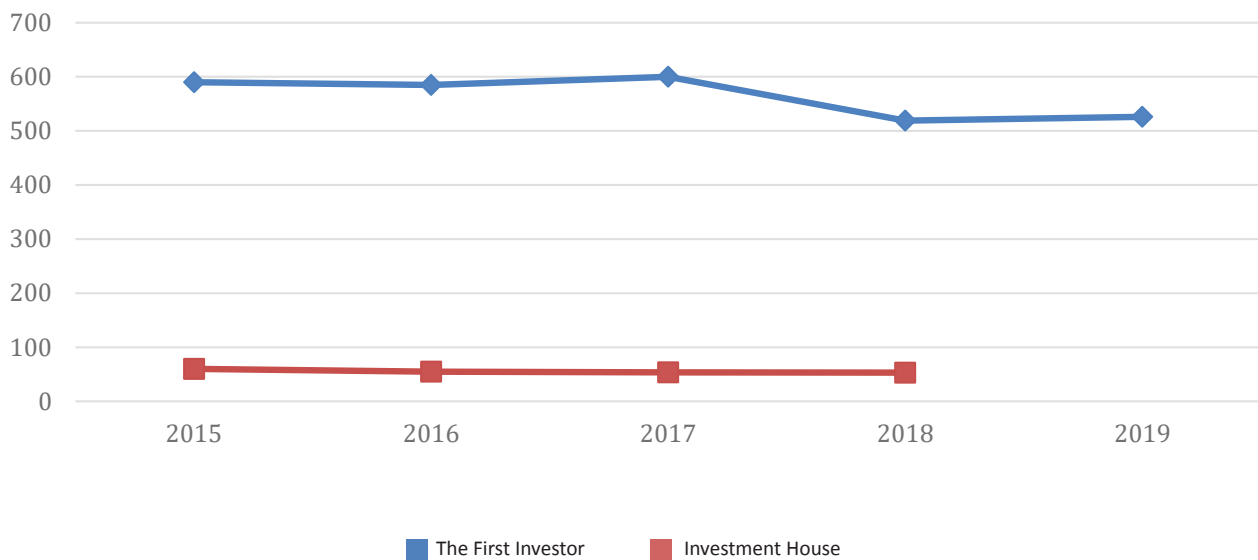
During the five years (2015-2019), The First Investor's compound growth rate was negative at (2.3%).

Assets of the Islamic Investment Companies (2015-2019) in Thousand Qatari Riyals

	2015	2016	2017	2018	2019	Growth in (2019) (%)	CAGR (%)
The First Investor	589,995	585,327	599,966	518,724	525,548	1.3	(-2.3)
Investment House	60,394	54,970	53,317	53,051	—	—	—
Total	650,389	640,297	653,283	571,775	—	—	—

(Source: financial reports of the Islamic investment companies).

Assets of the Islamic Investment Companies (2015 - 2019) in Million Qatari Riyals



Second: Profits / Losses:

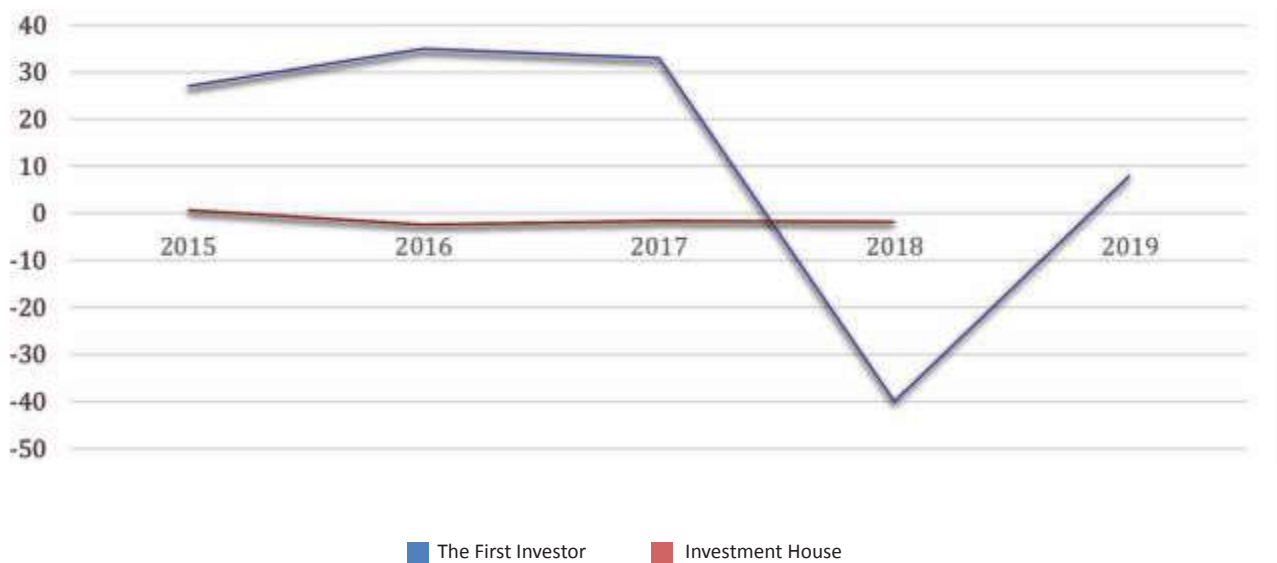
The First Investor Company made a profit of (8.3) million Qatari Riyals in (2019). The five years (2015-2019) witnessed mixed results for the investment business.

Profits / (losses) of the Islamic Investment Companies (2015-2019) in Thousand Qatari Riyals

	2015	2016	2017	2018	2019
The First Investor	26,990	35,453	33,229	(-39,978)	8,255
Investment House	666	(-2,399)	(-1,617)	(-1,874)	—

(Source: financial reports of the Islamic investment companies).

Profits of the Islamic Investment Companies (2015-2019) (Million Qatari Riyals)



Islamic banks and Investment Companies Operating Under Qatar Financial Center:

Many Islamic investment banks and companies operate under the supervision of Qatar Financial Center and provide services in the field of Islamic investment banking.

- 1. QInvest:** QInvest Bank obtained its license from Qatar Financial Center Authority in April (2007), so, it is subject to the supervision of Qatar Financial Center Regulatory Authority. The Bank has an authorized capital of one billion US dollars and paid up capital of (750) million US dollars. QInvest comprises three business divisions, namely: investment banking, principal investments, and asset management. The Bank has branches in Doha and Istanbul, in addition to strategic partnerships in India and the United Kingdom. By the end of (2019), QInvest total assets amounted to (3.3) billion Qatari Riyals, and shareholders' equity amounted to (2) billion Qatari Riyals.
- 2. Qatar First Bank (QFB):** Qatar First Bank was established in (2008) with a license from Qatar Financial Center Regulatory Authority. In March (2013), the Bank's name was changed to Qatar First Bank. Qatar First Bank provides a wide range of products and services in compliance with Shari'ah, including alternative investments that focus on private equity investments and the real estate sector, private banking and wealth management, corporate and institutional banking services, in addition to treasury and investment management activities. Qatar First Bank was listed on Qatar Stock Exchange in April (2016). By the end of (2019), the Bank assets amounted to (3.2) billion Qatari Riyals, and shareholders' equity amounted to (703) million Qatari Riyals.
- 3. Al Rayan Investment:** In (2008), Al Rayan Investment Company was established by Masraf Al Rayan as a wholly owned subsidiary with a fully paid-up capital of (100) million US dollars, which is licensed by Qatar Financial Center Regulatory Authority. Al Rayan Investment Company operates as an Islamic investment banking institution focusing on investment banking and asset management in Qatar and across the GCC.

Sukuk



The year (2019) witnessed an increase in the issuance of Sukuk (both government Sukuk and Islamic bank Sukuk) by (51.8%) compared to (2018), where the total issued Sukuk amounted to (19.1) billion Qatari Riyals. There was a remarkable increase in Sukuk issuances made by Islamic banks, which amounted to (8.2) billion Qatari Riyals with a growth of (115%) compared to (2018). Meanwhile, the total issued government Sukuk was approximately (11) billion Qatari Riyals with a growth rate of (24.4%) compared to (2018).

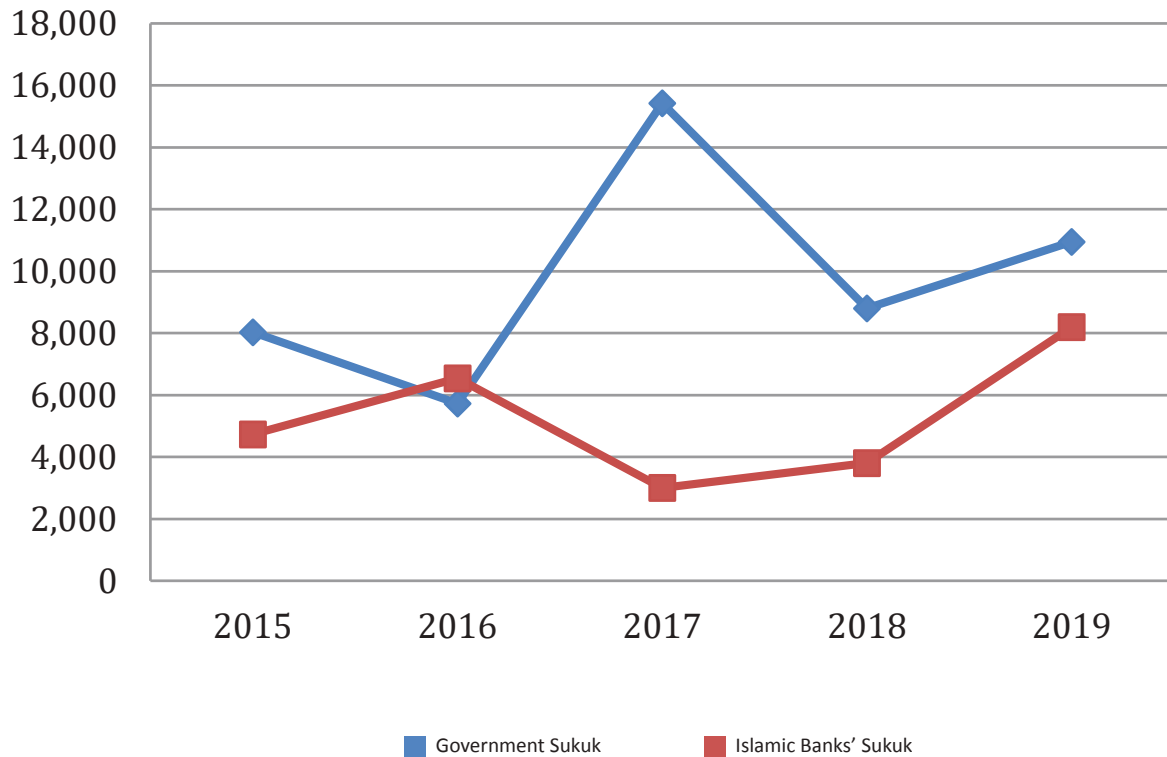
During the five years (2015-2019), the total issued Sukuk was (75.2) billion Qatari Riyals with a compound annual growth rate of (8.5%). Sukuk issued by the government accounted for (65.1%) with a compound annual growth rate of (6.4%) while Sukuk issued by Islamic banks accounted for (34.9%) with a compound annual growth rate of (11.6%).

Sukuk Issued in Qatar During the Period (2015-2019) in Million Qatari Riyals

	2015	2016	2017	2018	2019	Growth in 2019 (%)	CAGR (%)
Government	8,025	5,725	15,425	8,800	10,950	24.4	6.4
Islamic banks	4,730	6,537	2,998	3,809	8,191	115	11.6
Total	12,755	12,262	18,423	12,609	19,141	51.8	8.5
Total Sukuk Issued During the Period (2015-2019) in Million Qatari Riyals						75,190	

Source: Qatar Central Bank reports, and annual reports of Islamic banks

Sukuk Issued in Qatar (2015 - 2019) in Million Qatari Riyals



First: Government Sukuk:

Qatar Central Bank continued to issue Sukuk on behalf of the government. In (2019), Qatar Central Bank issued (10.95) billion Qatari Riyal Sukuk on six stages with different terms ranging between (3), (5) and (10) years, with an increase of (24.4%) compared to (2018). Sukuk issued by Qatar Central Bank in (2019) constituted (26.5%) of its total public debt issuance of Sukuk and bonds during the year.

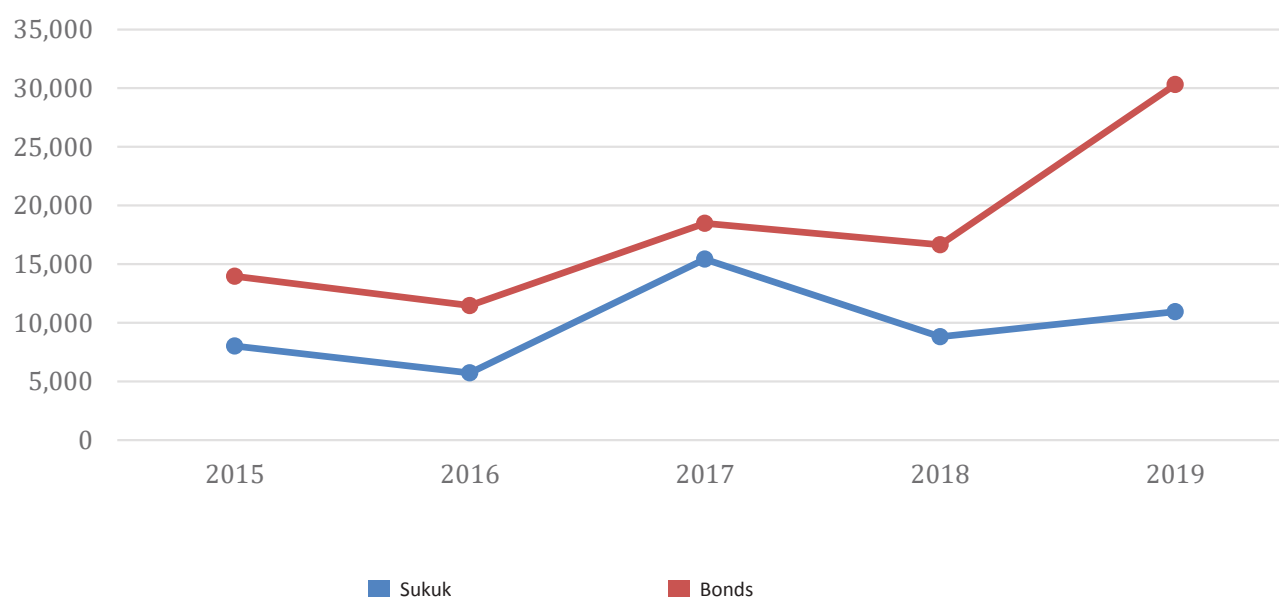
During the five years (2015-2019), Qatar Central Bank issued nearly (48.9) billion Qatari Riyals of Sukuk, which constituted (35%) of the total issuance of government Sukuk and bonds for that period. The compound annual growth rate of government Sukuk during that period was (5.8%) compared to (16.7%) for bonds.

Government Sukuk Issued During the Period (2015-2019) (in Million Qatari Riyals) Compared to Bonds

	Issue date (month)	Value of issued Sukuk	Issue term (year)	Total Sukuk for the year	Bonds issued for the year	Sukuk percentage out of the total (%)
2015	9	1,700	3	8,025	13,975	36.5
	9	1,700	5			
	9	750	7			
	9	750	10			
	11	200	3			
	11	450	5			
	11	1,200	7			
2016	11	1,275	10	5,725	11,475	33.3
	8	600	3			
	8	500	5			
	8	250	7			
	8	250	10			
	9	650	3			
	9	550	5			
	9	600	7			
	9	825	10			
	10	200	3			
	10	150	5			
2017	10	250	7	15,425	18,475	45.5
	10	900	10			
	1	250	3			
	1	250	5			
	1	3,000	7			
	1	4,500	10			
	4	100	3			
2018	4	150	5	8,800	16,650	34.6
	4	2,000	7			
	4	5,175	10			
	3	900	5			
	6	3,300	5			
	6	1,700	8			
2019	9	1,000	3	10,950	30,300	26.5
	9	1,200	5			
	11	700	3			
	1	4,000	5			
	4	950	5			
	6	1,000	5			
	6	1,000	10			
	8	1,100	3			
8	1,100	5				
9	800	3	48,925	90,875	35	
9	800	5				
10	200	3				
Total				48,925	90,875	35
Rate of growth in (2019) (%)				24.4	82	
CAGR for the period (2015-2019) (%)				6.4	16.7	

(Source: Depending on Qatar Central Bank reports).

Government Sukuk and Bonds Issued in Qatar (2015 - 2019) in Million Qatari Riyals



Second: Sukuk issued in Islamic banks:

The total Sukuk issued by Islamic banks in (2018) amounted to (8.2) billion Qatari Riyals with an increase of (115%) over (2017). The highest Sukuk issuance for the year (2019) was made by Qatar International Islamic Bank with approximately (3.6) billion Qatari Riyals, including five-year finance Sukuk of (500) million US dollars listed on London Stock Exchange, three-year finance Sukuk of (200) million US dollars, and Perpetual capital Sukuk of (300) million US dollars listed on London Stock Exchange. During the year (2019), Qatar Islamic Bank issued five-year Sukuk of (750) million dollars, and Masraf Al Rayan issued five-year Sukuk of (500) million US dollars. Barwa Bank did not issue any Sukuk during the year (2019). During the merger with the International Bank of Qatar, Barwa Bank acquired (500) million US dollar bonds to be mature in (2020).

During the five years (2015-2019), Qatar Islamic Bank ranked first in terms of the total issued Sukuk during that period with approximately (15.9) billion Qatari Riyals, followed by Qatar International Islamic Bank with approximately (4.6) billion Qatari Riyals, Masraf Al Rayan with (3.5) billion Qatari Riyals, and Barwa Bank with (2.2) billion Qatari Riyals. These Sukuk varied between finance Sukuk and Perpetual capital Sukuk.

**Sukuk issued by Islamic Banks in Qatar in the Period (2015-2019)
in Million Qatari Riyals**

	Years	Issue date (month)	Issue value (million Qatari Riyals)	Issue term (year)	Total years (Million Qatari Riyals)
QIB	2015	7	2,000	Perpetual	4,730
		10	750 (million US dollars)	5	
	2016	8	368 (million US dollars)	3	3,339
		9	2,000	Perpetual	
	2017	5	750 (million US dollars)	5	2,998
		8	65	2	
		8	57	2	
	2018	11	146	3	2,091
		2	180	5	
		2	91	1	
		4	182	3	
		4	109	5	
		5	437	5	
		5	364	3	
10	364	5			
10	364	5			
2019	3	750 (million US dollars)	5	2,730	
QIIB	2016	8	1,000	Perpetual	1,000
	2019	3	500 (million US dollars)	5	3,641
		10	200 (million US dollars)	3	
		11	300 (million US dollars)	Perpetual	
Masraf Al Rayan	2018	2	221 (Pound Sterling)	34	1,718
		11	100 (million US dollars)	5	
		11	90 (million US dollars)	5	
	2019	11	500 (million US dollars)	5	1,820
Barwa Bank*	2016	10	100 (million US dollars)	3	2,198
		11	130 (million US dollars)	3	
			375 (million US dollars)	2	

(Source: annual reports of Islamic banks).

* During the merger with the International Bank of Qatar, Barwa Bank acquired (500) million US dollar bonds to be mature in (2020).



Hamad Bin Khalifa International Airport Mosque

Islamic Investment Funds





Qatar Central Bank licensed five Islamic investment funds, namely: Al Bait Al Mali Fund, Al Rayan GCC Fund (Q), Al Rayan GCC Fund (A), TFI GCC Equity Opportunities Fund (Q), and Al Rayan Qatar ETF (Qatar). These funds carry out their activities inside and outside Qatar.

1. Al Bait Al Mali Fund:

Al Bait Al Mali Fund was established by Investment House Company in (2006) as an open investment fund authorized by Qatar Central Bank with a capital ranging between (50) and (500) million Qatari Riyals. The Fund is managed by Amwal Company, while Qatar National Bank is undertaking the Investment Custodianship. The Fund primarily invests in listed and unlisted shares that conform to the provisions of Islamic Shari'ah and is available only to Qataris. On December 7, (2018), Qatar Central Bank approved the appointment of Qatar National Bank (Switzerland) as the Fund Manager.

2. Al Rayan GCC Fund (Q):

In (2009), Qatar Central Bank licensed Al Rayan GCC Fund (Q) as an Islamic investment fund denominated in Qatari Riyals, which is open only to the Qatari individuals and corporates, with a capital ranging between (50) and (1.5) billion Qatari Riyals. It carries out its business inside and outside Qatar, and focuses on investing in GCC-listed stocks, fixed income instruments, and the capital market in compliance with Islamic Shari'ah. This Fund was established by Masraf Al Rayan and is managed by Al Rayan Investment, where HSBC (Qatar branch) is undertaking Investment Custodianship.

3. Al Rayan GCC Fund (A):

Masraf Al Rayan established Al Rayan GCC Fund (A) in (2010) in the manner of Al Rayan GCC Fund (Q), but this fund is open to all non-Qatari investors and denominated in US dollars, with a capital ranging between (10) and (700) million US dollars. It is managed by Al Rayan Investment, while HSBC (Qatar branch) is undertaking Investment Custodianship.

4. TFI GCC Equity Opportunities Fund (Q):

In (2012), Barwa Bank established TFI GCC Equity Opportunities Fund (Q) with a capital ranging between (30) million and (2) billion Qatari Riyals. It is an investment fund limited to Qatari individuals and legal entities, aiming to achieve long-term capital growth through investment in a diversified investment portfolio of Shari'ah-compliant linked shares and securities issued by GCC-listed companies.

5. Al Rayan Qatar ETF (Qatar):

In (2016), Masraf Al Rayan established Al Rayan Qatar ETF (Qatar) as an open investment fund that follows QERP index with a capital ranging between (50) million and (2) billion Qatari Riyals. The Fund

invests in QERP shares approximately in the same weight indicated by QERP. The Fund is managed by Al Rayan Investment, while HSBC (Qatar branch) is undertaking Investment Custodianship. Fund offering was initiated on (1/12/2018). In March (2018), the Fund was launched in Qatar Stock Exchange as the largest traded Islamic investment fund listed in one country, with its initial assets exceeded (120) million US dollars at that time.

Performance of Islamic Investment Funds:

With the rise and fall of the net asset value of investment fund unit holders, the total assets of Islamic investment funds in Qatar for (2019) amounted to (903.1) million Qatari Riyals compared to (903.3) in (2018), with a very slight decrease of (0.02%). The highest increase in the net asset value was achieved by Al Rayan GCC Fund (A) with (21.7%), followed by Al Rayan GCC Fund (Q) with (20.6%). Meanwhile, the net asset value of the investment unit holders of Al Bait Al Mali Fund decreased by (2.3%), against (3) in Al Rayan Qatar ETF (Qatar), and (74.8%) in TFI Fund.

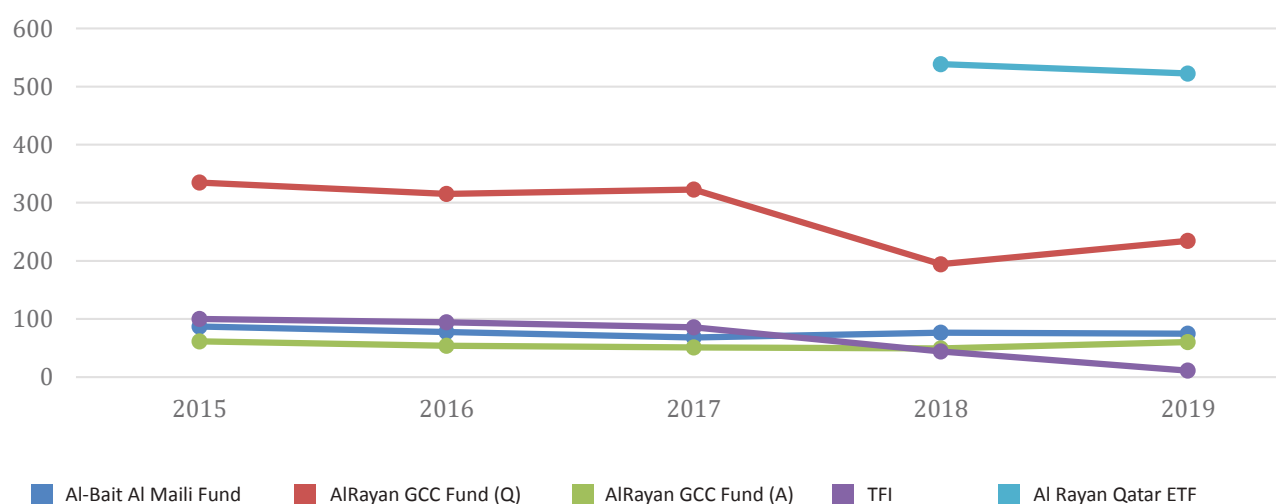
The Net Asset Value of Islamic Investment Fund Unit Holders (2015-2019)

	2015	2016	2017	2018	2019	Growth in (2019) (%)	CAGR (%)
Al Bait Al Mali (QAR)	87,063,519	77,531,946	68,238,859	76,695,270	74,923,218	(-2.3)	(-3)
Al Rayan GCC Fund (Q) (QAR)	334,784,358	315,091,184	322,889,943	194,407,368	234,397,478	20.6	(-6.9)
Al Rayan GCC Fund (A) (USD)	16,931,895	14,832,573	14,031,891	13,583,304	16,526,738	21.7	(-0.5)
TFI (QAR)	100,251,486	94,635,626	85,551,128	44,125,768	11,117,833	(-74.8)	(-35.6)
Al Rayan Qatar ETF (QAR)	-	-	-	538,621,867	522,500,315	(-3)	(-3)
Approximate* total (QAR)	583,731,461	541,249,322	527,756,013	903,293,500	903,096,170	(-0.02)	9.1

* The total is calculated with transferring the amounts from USD into QR.

Source: Annual Financial Reports of Islamic funds

The Net Asset Value of Islamic Investment Fund Unit Holders (2015 - 2019) in Million Qatari Riyals



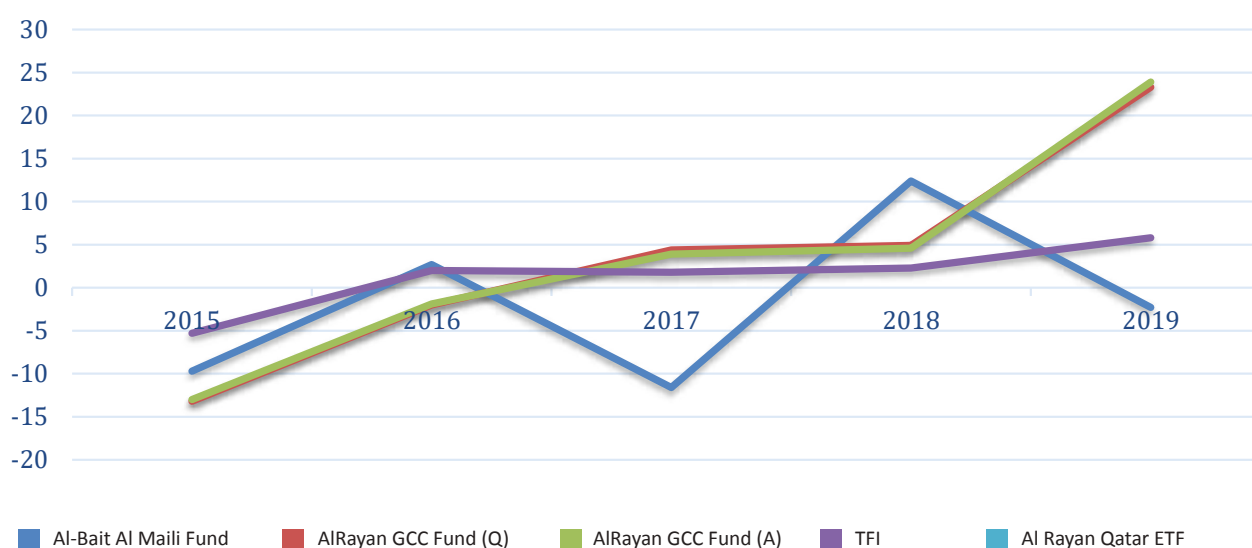
As for the performance of Islamic investment funds in (2019), Al Rayan GCC Fund (A) achieved the best performance with (23.9%), followed by Al Rayan GCC Fund (Q) with (23.3%), and TFI Fund with (5.8%). Meanwhile, the performance of Al Bait Al Mali Fund decreased for this year by (2.3%) against (3%) for Al Rayan Qatar ETF (Qatar).

Performance of Islamic Investment Funds (2015-2019) (%)

	2015	2016	2017	2018	2019	Average
Al-Bait Al Mali Fund	(- 9.7)	2.7	(-11.6)	12.4	(-2.3)	(-1.7)
Al Rayan GCC Fund (Q)	(- 13.2)	(- 2)	4.4	4.9	23.3	3.5
Al Rayan GCC Fund (A)	(- 13)	(- 1.9)	3.9	4.6	23.9	3.5
The First Investor GCC Equity Opportunities Fund (Q)	(- 5.3)	2	1.8	2.3	5.8	1.3
Al Rayan Qatar ETF (Qatar):	-	-	-	-	(-3)	(-3)

(Source: annual financial reports of Islamic investment funds).

Performance of Islamic Investment Funds (2015-2019) (%)



Qatar Stock Exchange (QE Al Rayan Islamic Index)





On January 7, (2013), QE Al Rayan Islamic Index 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 the shares of companies listed on QSE, which are Shari'ah-compliant according to Shari'ah Supervisory Board of Masraf Al Rayan. QE Al Rayan Islamic Index is a total return index, as it reflects the price performance and revenues of reinvesting dividends in the shares of listed companies.

Performance of QE Al Rayan Islamic Index:

The performance of QE Al Rayan Islamic Index was positive in (2019), where it recorded an increase of (65.97) points, or (1.70%), to close at (3,950.88) points at the end of the year.

In order to enhance market liquidity and broaden the investment base in the financial market, QSE announced the completion of the split of the nominal values of the shares of listed companies and ETF units to make the nominal value one Qatari Riyal per share and ETF unit. The split took place in the period from June 9, (2019) to July 7, (2019).

In the reviews carried out by QSE and as from October (2019), the components of QE Al Rayan Islamic Index were amended by excluding the shares of Qatar First Bank, and the inclusion of Ezdan Holding Group, Qatar Aluminum Manufacturing Company and Qatar Islamic Insurance Company.

Movement of QE Al Rayan Islamic Index during (2019)





Bait Al-Mashura Finance Consultations

About Us

Bait Al-Mashura (Al Bait) is a specialized center for consultations related to finance, investment, management, Shari'ah audit, and professional training. It was established in 2007 and obtained the license from Qatar Central Bank for offering financial and investment consultations, thereby it has become the first Qatari firm to obtain such a license in the State of Qatar.

Our Vision

To be a global leader offering financial, Shari'ah, investment and management consultations, besides Shari'ah audit, development as well as training in different fields of finance industry.

Our Mission

To disseminate concepts of finance, rules and provisions and to ensure their application in the highest standards of quality and excellence through modern and scientific methods by qualified human resources.

Our Objectives

- To spread the culture of the Islamic finance industry within Qatar and abroad.
- To introduce and develop financial products to keep up with the growth of the industry in general, and Islamic ones specifically, thereby to reinforce its competitive position.
- To invest in human resources to prepare highly qualified scholars in finance consultancy, advisory committee, Shari'a boards and Shari'ah audit.
- To achieve customers satisfaction in quality services.
- To foster cooperation with local, regional, and global financial institutions.

Our Services

- Financial and Investment Consultations.
- Shari'ah Financial Consultations.
- Management Consultations.
- Shari'ah Audit.
- Training and Development.
- Studies and Researches.
- Social Services.