

# ISLAMIC FINANCE IN QATAR

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Report 2022

Published By





بِسْمِ اللَّهِ الرَّحْمَنِ الرَّحِيمِ

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 Foreign Affairs HE Sheikh*  
**Mohammed bin Abdulrahman Al Thani**









Prof. Dr. Khalid Bin Ibrahim Al Sulaiti

Praise be to Allah, Lord of the Worlds. Blessings and Peace be upon our master Muhammad, his family, and all his companions.

We would like to present our sixth annual report on Islamic Finance in Qatar, which reviews the performance of Islamic finance institutions in Qatar, including Islamic banks, Takaful insurance companies, and Islamic finance and investment companies. It also reviews Islamic financial products, including investment funds, sukuk, and the movement of the Islamic financial market.

Islamic Finance endeavors to establish a fair financial system that promotes moral values and strives for the economic well-being of the individual and society on the basis of transparent, well-governed foundations. Transparency and clarity are fundamental pillars for stakeholders in legitimate financial transactions. Hence, the role of reports that support such a purpose and illustrate the weaknesses and strengths in the industry, development, and innovation areas. We, at Bait Al-Mashura, are keen to strengthen such rules, which are considered a basic starting point for researchers, interested parties, and even institutions, through our series of reports, research, and studies that discuss the Islamic finance sector in Qatar, and give a clear picture of its reality and a forward-looking vision for its future. In this regard, we would like to extend our thanks and gratitude to the sponsor of our renaissance, His Highness Emir Sheikh Tamim Bin Hamad Al-Thani, may Allah almighty protect him, and express deep thanks to Qatar Central Bank for its unremitting effort in sponsoring Islamic finance and great effort in regulating, modernising, and ensuring the stability of the banking sector. We would also like to thank Islamic finance institutions and supervisory authorities in Qatar for cooperation, information provision, and response to inquiries, asking Allah Almighty for more progress and development of the Islamic financial industry within and outside the State of Qatar.

***Praise be to Allah – Lord of the Worlds.***

**Prof. Dr. Khalid Bin Ibrahim Al Sulaiti**

*Vice Chairman of the Board of Directors of Bait Al-Mashura Finance Consultations*

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## Guidance Notes:

- The report reviews the results of 2022 with a cumulative study for five years (2018 - 2022).
- The total statistics of Islamic banks were adopted according to the quarterly bulletins issued by Qatar Central Bank. As for detailed statistics of Islamic banks, the audited financial statements have been relied upon, so some minor differences may arise.
- The amended statements for 2021 of some companies were adopted according to the financial statements they issued for 2022.
- Some differences may happen due to rounding.

## Disclaimer:

The information in this report is compiled from and relied upon the sources referred to in the report. The issuer does not bear any liability for the consequences of basing the decisions thereupon, which may lead to the benefits or otherwise.

## *Executive Summary*

FIFA World Cup Qatar 2022 has been successfully hosted by Qatar; and various economic sectors in the country were highly affected by such event, and the financial and economic policies taken by the government in controlling the financial and banking sector and openness towards diversifying economic activity led to the economy of Qatar overcoming the economic and banking fluctuations in economies and markets globally during 2022.

In 2022, Islamic finance assets in Qatar grew by 6.5%, reaching QAR 635 billion (USD 174 billion), of which Islamic banks accounted for 87% of such assets, while Islamic Sukuk accounted for 11.3%.

In the Islamic banking sector, the assets of Islamic banks in 2022 grew by 7.3%, reaching QAR 544.3 billion, deposits grew by 1.6%, accounted for QAR 317.8 billion, private sector deposits accounted for 54%, financing increased by 12.3% accounting to QAR 380.5 billion, heading more towards the real estate sector and the government sector, and followed by personal finance, revenues increased by 18.1% and amounted to QAR 23.3 billion, and its profits amounted to approximately QAR 7.7 billion with a growth rate of 2.8%.

In Takaful insurance sector, the assets of Takaful insurance companies amounted to approximately QAR 5 billion, with a growth of 11.9%, policyholders' assets amounted to approximately QAR 2.6 billion, with a growth of 8.9%. Insurance contributions reached QAR 1.5 billion, an increase of 9.3%. The business of Takaful insurance companies was varied between achieving insurance surpluses amounting to approximately QAR 73.4 million, and an insurance deficit amounting to QAR 5.7 million.

In Islamic finance companies, the assets of these companies amounted to QAR 2.5 billion, down by (1.9%), financing provided by these companies decreased by 3.3% amounting to QAR 1.69 billion, and revenues amounted

to QAR 224.5 billion with an increasing rate of 2%, revenues from financing and investment activities accounted for 90% of such total revenues, and the results of the business of Islamic finance companies' business varied between achieving profits in total exceeded QAR 125.7 million in total, and losses of approximately QAR 8 million.

In Islamic investment companies, the assets of the two Islamic investment companies grew by 1.3%, amounting to QAR 509 million, and their revenues amounted to QAR 62.3 million, a growth of 52.8%, and their profits exceeded QAR 16 million.

In Islamic Sukuk, Issued Islamic Sukuk decreased by (48%), as Islamic banks stopped issuing Sukuk during 2022, and Qatar Central Bank issued Sukuk in the amount of 5.4 billion Riyals during the year, a decrease of (29%) compared to 2021.

In Islamic investment funds, the assets of such funds exceeded QAR 910 million, declining marginally by (0.9%), and their performance varied during the year.

On Qatar Stock Exchange, the Al Rayan Islamic index closed down by (2.66%), and the performance of the shares of listed Islamic finance companies varied between an increase of 13% and a decrease of (36%).



General view of the Dafna Area





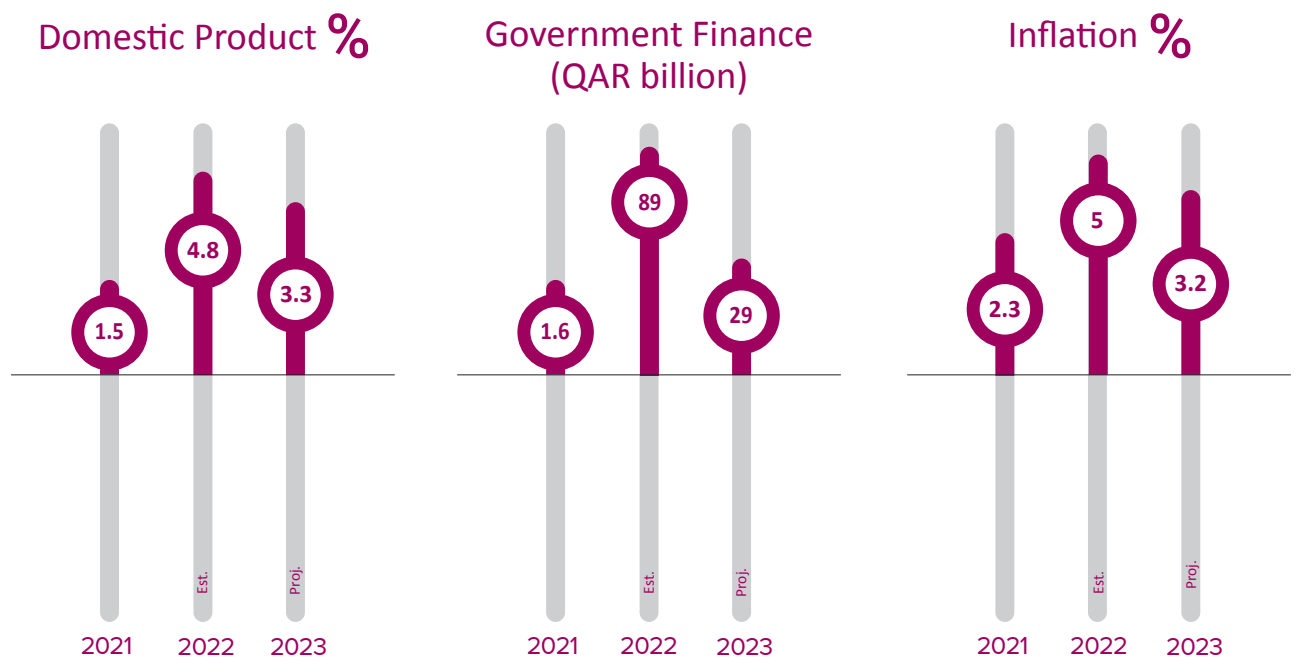
# *Overview of Qatar Economy in 2022*







In the midst of global economic volatility and sluggish growth, Qatar’s economy demonstrated remarkable resilience in 2022. The economy of Qatar had an exceptional year, crowned by its successful hosting of the 2022 World Cup. The Qatari economy has experienced substantial growth, which can be attributed to the significant profits generated from the expansion of natural gas production. In addition to the global demand has experienced an upward trend, accompanied by an increase in energy prices. This has resulted in a surplus in the budget, which has in turn led to a reduction in the government debt ratio and an overall strengthening of financial positions. The ability to maintain a strong level of asset quality, liquidity, and profitability was significantly impacted by the continuation of a conservative monetary policy. The hosting of the World Cup has had a positive impact on the development of the nation’s financial technology environment. Specifically, it has led to improvements in the digital infrastructure that supports the development of the national financial technology environment. The government has taken measures to decrease reliance on the hydrocarbon industry by promoting tourism and encouraging foreign investments. In 2022, the government’s efforts to manage inflation rates proved fruitful as the rates, which reached their highest point in Q3, began to decrease in Q4 of the year.

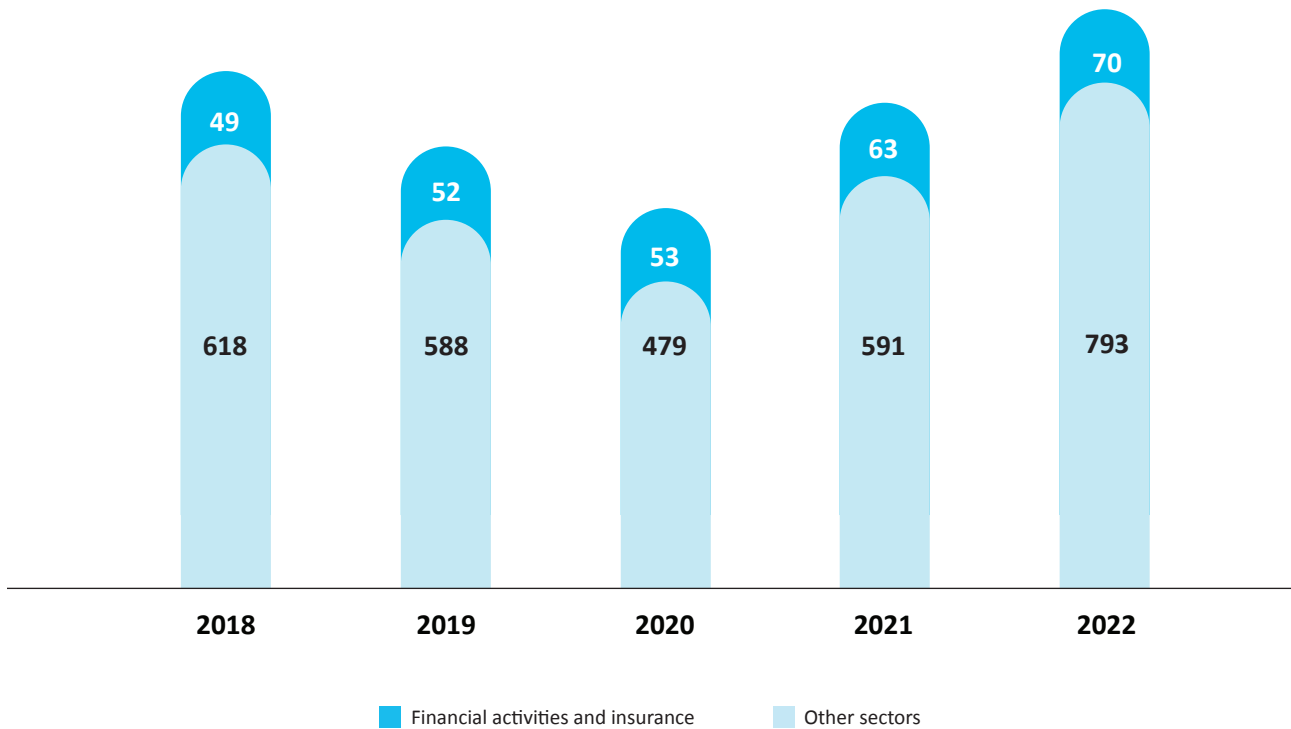


(Source: Reports of the PSA, QCB, MoF, IMF, World Bank)





### Nominal GDP in Qatar (2018 – 2022) in Billion Qatari Riyals



Source: based on the statistical publications of the Planning and Statistics Authority

### Gross Domestic Product (GDP):

The Qatari economy outperformed projections in 2022, expanding at a rate of 4.8%. The Planning and Statistics Authority in Qatar estimates that the country's GDP at constant prices

(2018) reached QAR 690.1 billion, up from QAR 658.3 billion in 2021. At current prices, the GDP rose to 863.8 billion Riyals, a 32% increase from 2021. The projected GDP growth rate for the fiscal year 2023 is anticipated to surpass 3%. The financial and insurance activities sector made a significant contribution to the GDP, accounting for 8.1% of the total. This amounted to QAR 70.4 billion at current prices, representing a growth rate of 11.9% compared to the previous year of 62.9 billion Riyals.

### **Government Finance**

In 2022, the government budget achieved a surplus of QAR 89 billion, equivalent to 10.3% of GDP, and revenues amounted to QAR 297.7 billion, an increase of 53.7% over the year 2021, as the increase in oil and gas revenues contributed by 62%, which amounted to QAR 253.2 billion Riyals in achieving these surpluses, and expenditures amounted to QAR 208.7 billion, an increase of 8.6%.

According to the announced budget for the year 2023, it is expected that revenues will reach 228 billion Riyals, compared to expenditures amounting to QAR 199 billion, and that the budget will achieve a surplus of QAR 29 billion.

### **Inflation**

According to the data of the Planning and Statistics Authority, the inflation rate in Qatar increased in the year 2022 to 5%, and this rise in the price level was led by the increase in the housing, electricity, water, gas and fuel group by 6.3%, due to the impact of hosting the World Cup, as well as the increase occurred in the entertainment and culture group by 21.9%, and the increase in the food and beverage group by 2.6%. In contrast to the increase in all components, there was a decrease in the health group by (2.2%), and a marginal decrease in the transportation and entertainment groups by (0.3%), and (0.7%). respectively. It is expected that the inflation rate will decrease in 2023 to reach 3%.

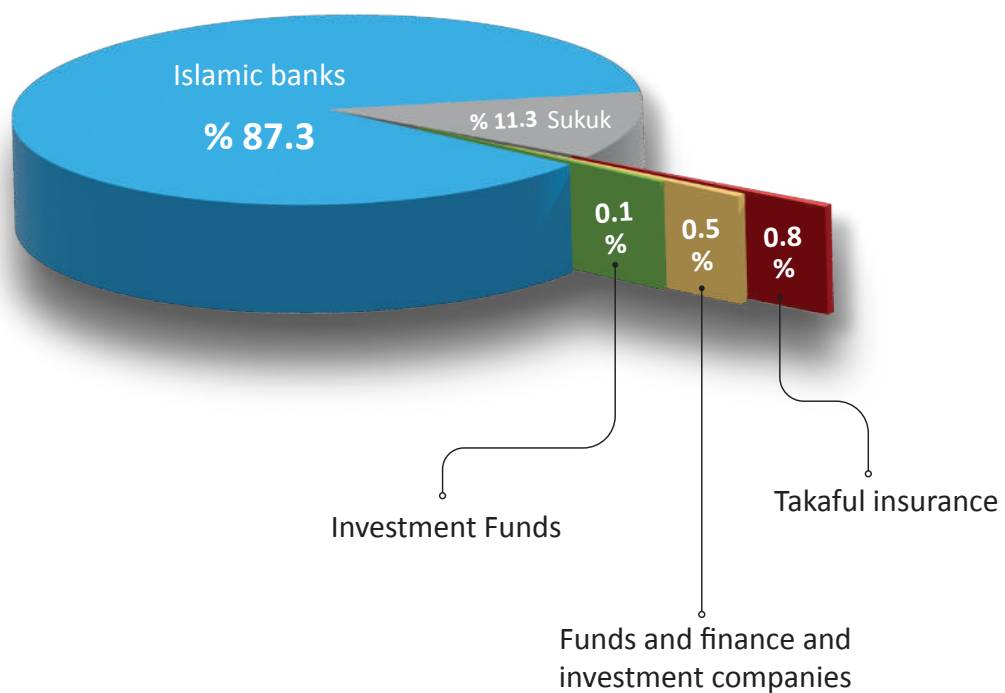
## **Islamic Finance in Qatar**

The Islamic financial sector in Qatar is diversified in four main sectors; Islamic banks, Takaful insurance companies, Islamic finance companies, Islamic investment companies, and Islamic finance products represented in Islamic Sukuk, investment funds, and indices. These institutions operating in these financial sectors are under the direct supervision of Qatar Central Bank; in addition, some financial institutions conduct Islamic finance activities within the framework of Qatar Financial Center.

At the starting of 2019, Qatar Central Bank (QCB) licensed Bait Al-Mashura Financial Consulting as the first authorized entity to provide financial, investment, and forensic audit services to financial and banking institutions in Qatar.

Total Islamic finance assets in Qatar in the year 2022 approximately amounted to QAR 635 billion (USD 174 billion), with a growth rate of 6.5%. Islamic banks accounted for 87.3% of these assets, while the percentage of Islamic Sukuk was 11.3%, and Takaful insurance companies is 0.8%, and the rest is distributed between investment funds and other Islamic financial institutions.

### Islamic Finance Assets In Qatar In 2022 (635 Billion Qatari Riyals)











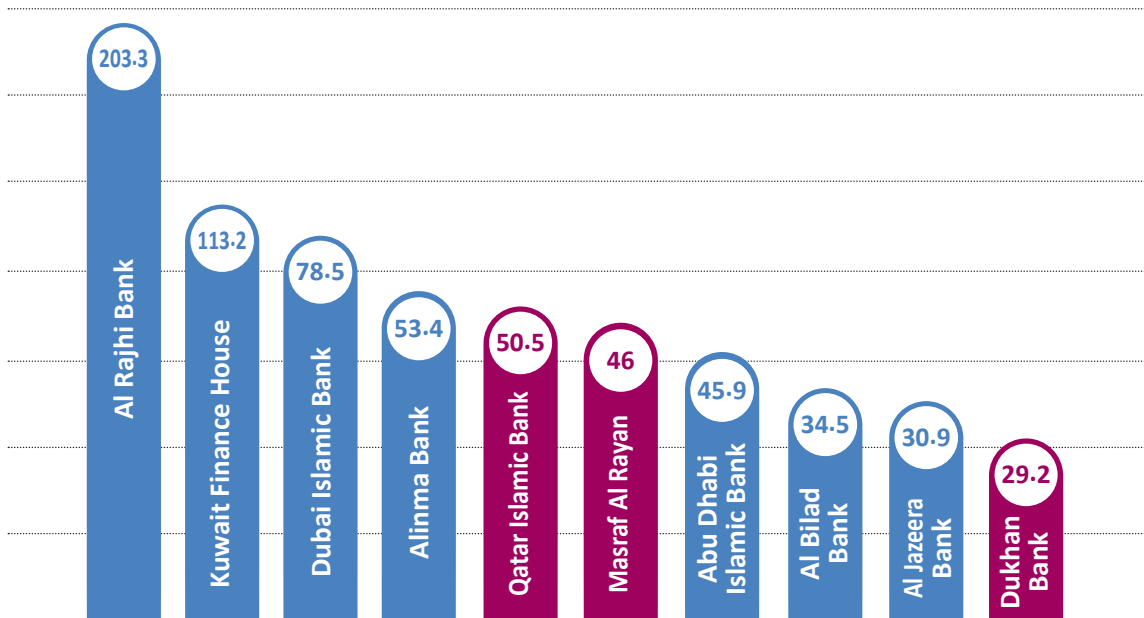
# *Islamic Banking Sector*



Banking sector in Qatar is now including four Islamic banks out of sixteen, including four conventional domestic commercial banks, a specialized bank (Qatar Development Bank), and seven branches of conventional foreign banks, in addition to a representative office for a foreign bank. QInvest, Qatar First Bank (QFB), and Abu Dhabi Islamic Bank (Qatar branch) operate in the field of banking and Islamic investment banking under the supervision of Qatar Financial Center Authority.

Qatari Islamic banks operate through a network of internal and external branches amounting to more than 66 branches. These Islamic banks account for more than a quarter of the market share of Qatar the banking sector. In addition, three of these banks are ranked among the ten largest Islamic banks in the world in terms of assets. In 2022, Qatar Islamic Bank ranks the fifth largest Islamic bank, Masraf Al Rayan ranked sixth, and Dukhan Bank ranked tenth.

**Ranking of World Islamic banks in terms of Asset Volume in 2022 (Billion USD)**



Source: based on banks' annual financial reports of 2022





## Islamic Banks Operating Under the Supervision of Qatar Central Bank



# 01

### **Qatar Islamic Bank (QIB):**

Qatar Islamic Bank (QIB) 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 QAR 184 billion in 2022, with a market share of 33.8% of Islamic banking assets in Qatar, and 10% of the total banking market in Qatar. QIB provides a range of products and services to individuals, corporates, and investment segments through 23 branches in Qatar and one overseas branch in Sudan. It also owns Qatar Islamic Bank in the United Kingdom and the Arab Finance House in Lebanon and stakes in many Islamic financial services companies. QIB shares are listed on Qatar Stock Exchange. By the end of 2022, shareholders' equity amounted to QAR 23.3 billion.



# 02

### **Qatar International Islamic Bank (QIIB):**

Qatar QIIB was established in 1990. In 2022, QIIB's total assets amounted to QAR 56.4 billion, representing 10.4% of the Islamic bank assets and 3% of the total assets of the banking sector in Qatar. QIIB Shareholders' equity amounted to QAR 7 billion. QIIB provides Islamic finance services and products as well as individual and corporate products through its headquarters and 16 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.



## 03

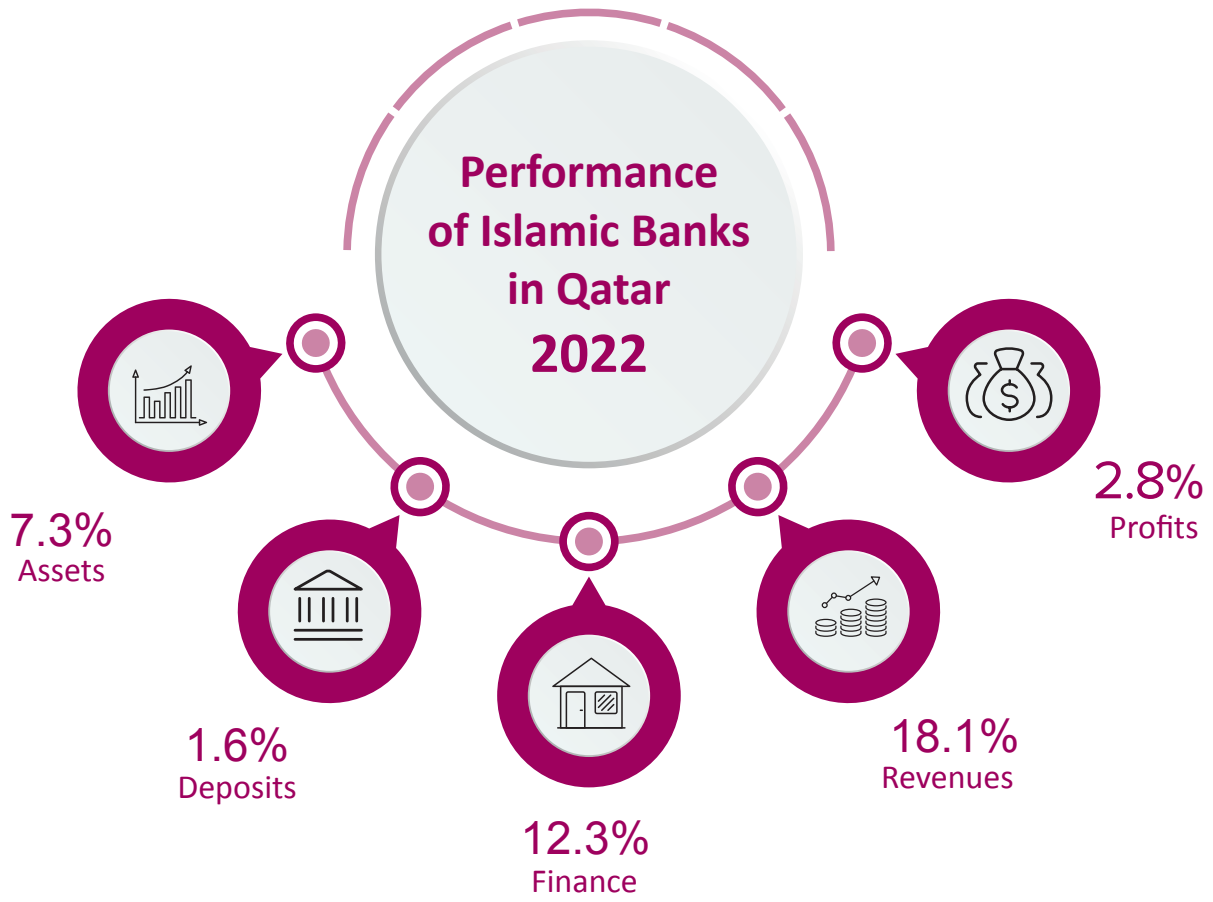
### Masraf Al Rayan:

Masraf Al Rayan was established in 2006 as an integrated Islamic bank to provide banking services and products to individuals and companies and private banking services. On November 30 2021, the merger between Masraf Al Rayan and Al Khalij Commercial Bank took place, as Masraf Al Rayan acquired Al Khalij Commercial Bank. Masraf Al Rayan, after the merger, is considered the fifth largest Islamic bank in the world, with total assets of QAR167.5 billion, representing 30.8% of Islamic banks' assets in Qatar and 9% of the total assets of the banking sector in Qatar. Masraf Al Rayan provides its services through 17 local branches in Qatar and owns foreign and domestic banking and investment companies. Masraf Al Rayan's shares are listed on Qatar Stock Exchange. By the end of 2022, Masraf Al Rayan shareholders' equity amounted to QAR 23.1 billion.

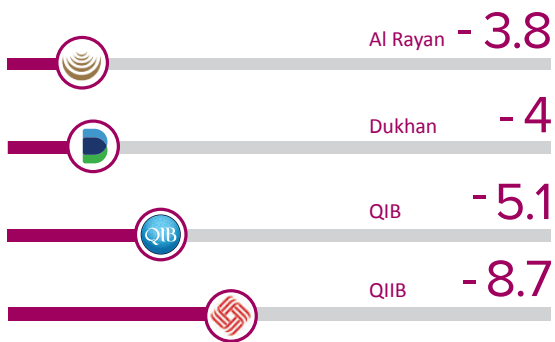
## 04

### Dukhan Bank:

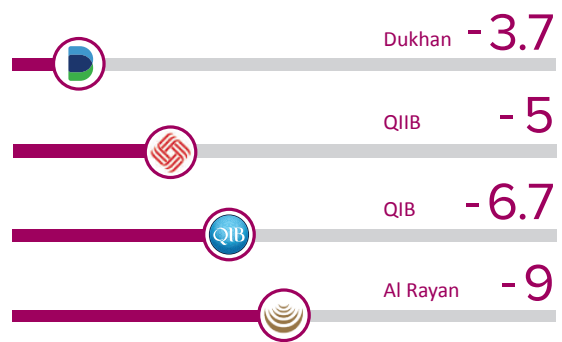
In 2009, Dukhan Bank began operating as an integrated Islamic Bank under the name "Barwa Bank" to provide banking services and products banking in compliance with Sharia, including individual and corporate services, business services, private banking services, real estate finance, pooled finance, investment services, and asset management. In 2010, Dukhan Bank acquired FFC, First Leasing Company, and The First Investor Company, which are Islamic finance and investment companies. In April 2019, Dukhan bank was merged with Qatar International Bank, and in October 2020, Dukhan bank revealed its new identity – "Dukhan Bank" to replace its old one. Dukhan bank provides its services through its main branch and nine local branches. By the end of 2022, Dukhan bank's assets amounted to 106.3 billion Riyals, representing 19.5% of Islamic bank assets and 6% % of the total assets of the banking sector in Qatar. Shareholders' equity amounted to 12.5 billion Riyals.



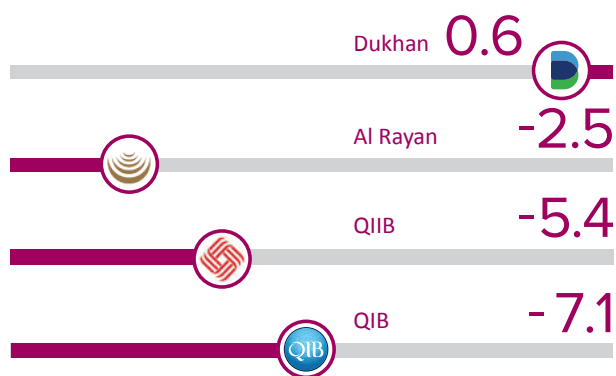
**Asset growth %**



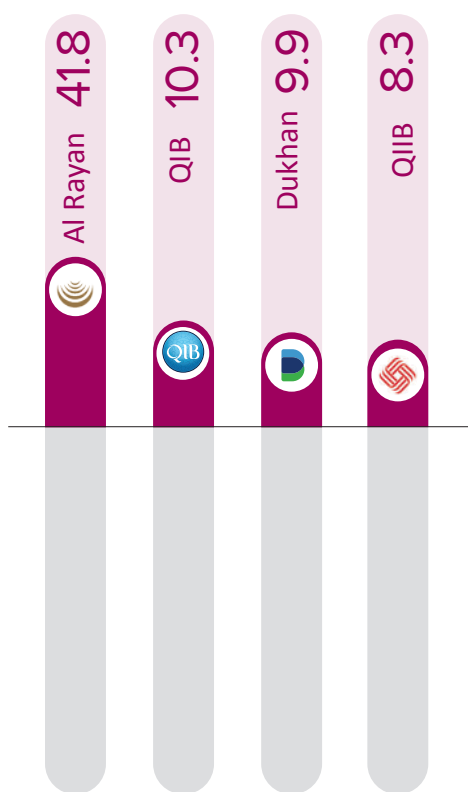
**Deposit growth %**



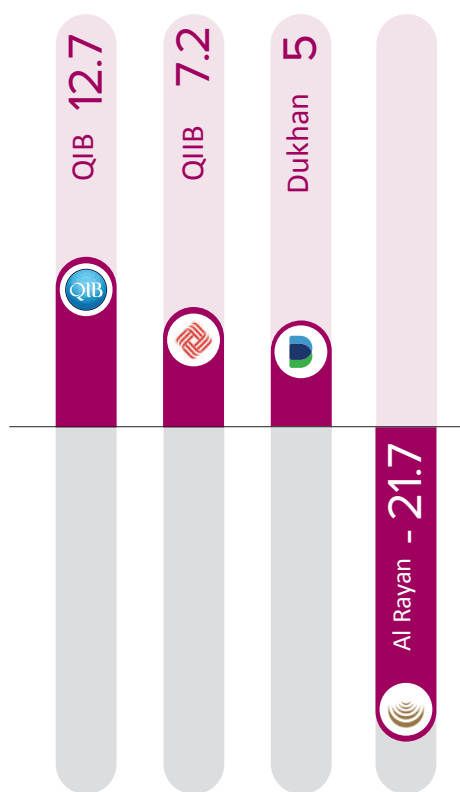
### Finance growth %



### Revenue growth %



### Profit growth %



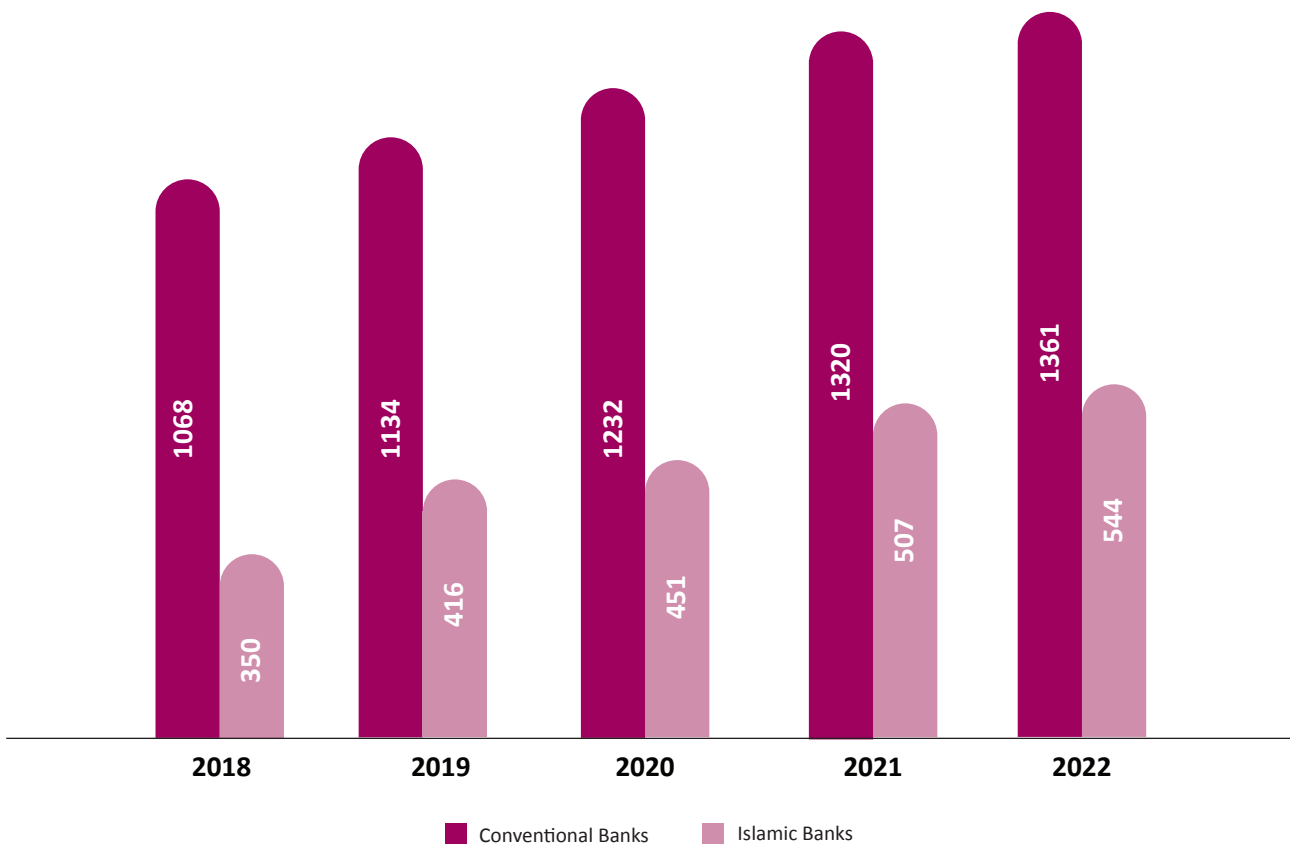
## Performance of Islamic Banks in Qatar

### First: Assets

The Islamic banking sector in Qatar experienced a 7.3% increase in assets during the year 2022. As per the latest statistics released by the Qatar Central Bank, the assets of Islamic banks in the country reached 544.3 billion Riyals, up from 507.4 billion Riyals in the previous year. The growth rate of conventional banks stood at 3.1%, while the growth rate of the subject in question was comparatively lower. In 2022, there was a notable increase of 16.9% in the foreign assets of Islamic banks, resulting in a total of QAR 32.5 billion Riyals. In the latest economic update, it was reported that domestic assets have experienced a notable increase of 6.8%, reaching a total of 490.7 billion Riyals. Additionally, reserves have also seen a rise, with a 5.5% increase compared to the previous year, amounting to 21.1 billion Riyals.

In Qatar, the Islamic banking sector accounts for 28% of the overall assets of the banking industry. Islamic banks have experienced a compound annual growth rate of 9.2% in their assets over the last five years, surpassing the 5% growth rate of conventional commercial banks during the same period.

### Assets of Conventional Commercial Banks and Islamic Banks in Qatar (2018-2022) in Billion QAR



Source: Quarterly Statistical Bulletin, Vol. 38-40-issue "4", Qatar Central Bank

Based on the audited financial statements of the four Islamic banks, it is noted that there has been a decrease in their assets in the year 2022. The assets of Masraf Al Rayan decreased by (3.8%), Dukhan Bank by (4%), QIB by (5.1%), and QIIB by (8.7%).

QIB still ranks first among Islamic banks in terms of the volume of assets, as it amounted to 184 billion Riyals at the end of the year 2022, followed by Masraf Al Rayan with assets amounting to 167.5 billion Riyals, Dukhan Bank with 106.3 billion Riyals, then the Islamic International, with assets amounting to 56.4 billion Riyals.

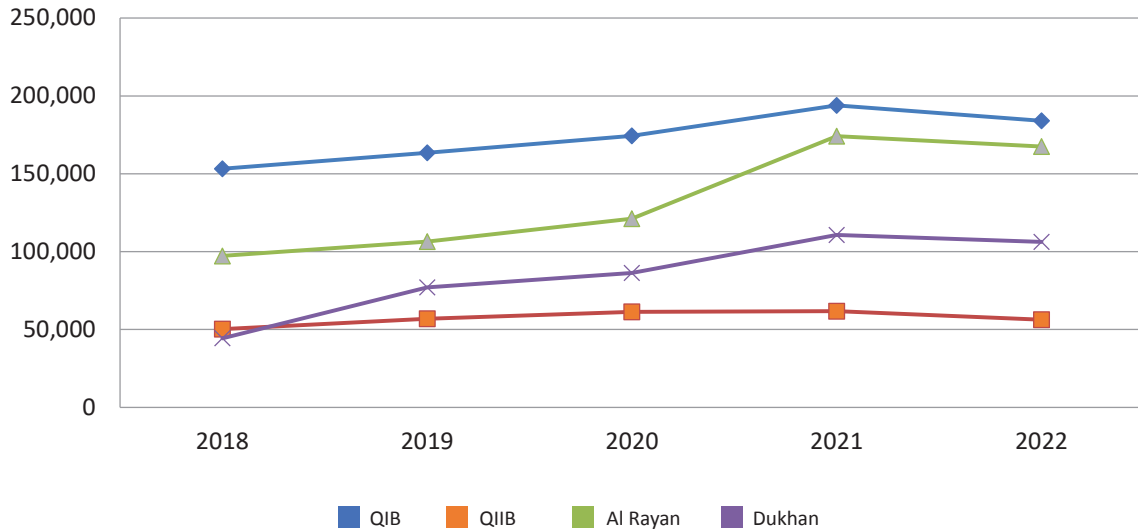
During the period (2018-2022), Dukhan Bank topped Islamic banks in the compound growth rate of assets, reaching 19.1%, followed by Masraf Al Rayan at a rate of 11.5%, and QIB at a rate of 3.7%. In QIIB, the growth rate during the period was 2.3%.

### Assets of Islamic Banks (2018-2022) in Thousand QAR

	2018	2019	2020	2021	2022	Growth rate in 2022 %	CAGR %
QIB	153,232,365	163,519,211	174,356,175	193,915,910	184,000,625	(5.1)	3.7
QIIB	50,259,955	56,831,439	61,313,668	61,791,995	56,393,369	(8.7)	2.3
Al Rayan	97,294,213	106,396,521	121,114,880	174,154,716	167,533,213	(3.8)	11.5
Dukhan	44,361,540	77,130,692	86,296,621	110,727,154	106,276,016	(4)	19.1

Source: Bank Annual Reports.

### Assets of Islamic Banks in Qatar (2018-2022) in Million QAR

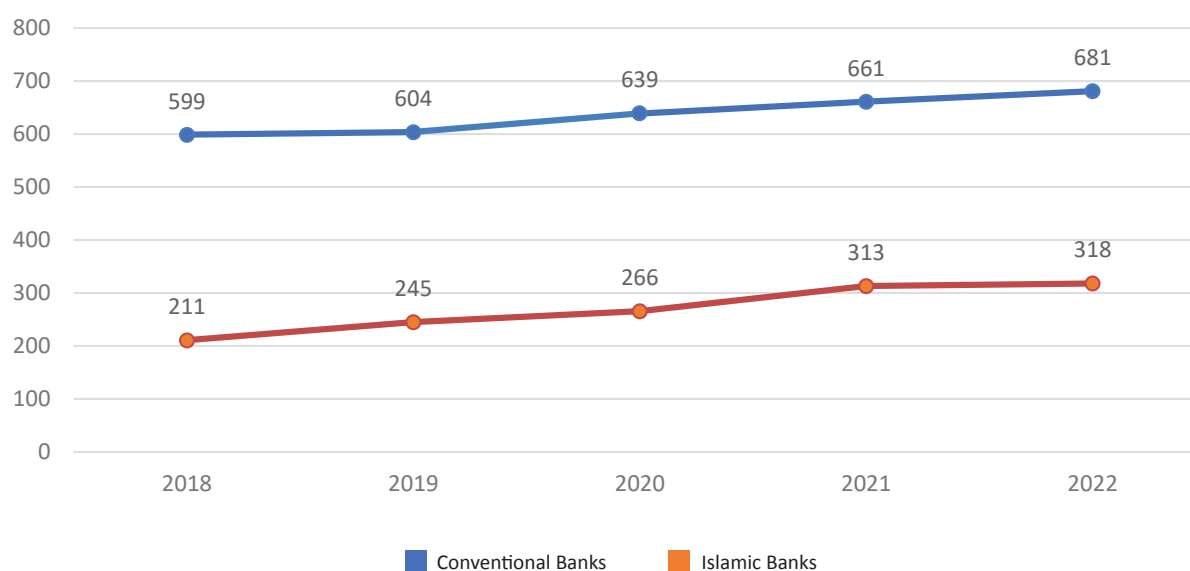


### Second: Deposits

The Islamic banking sector in Qatar experienced a 1.6% increase in deposits in 2022, as reported by the Qatar Central Bank. This resulted in a total of 317.8 billion Riyals in deposits, with Islamic banks accounting for 32% of the overall banking system’s deposits in Qatar. This marks a slight increase from the previous year, where total deposits amounted to 312.7 billion Riyals. The conventional banking sector experienced a 3% increase in deposits.

During the period (2018-2022), the compound annual growth rate of deposits in Islamic banks was 8.5%, compared to 2.6% in conventional banks.

## Deposits in Islamic and Conventional Banks in Qatar ( 2018 - 2022 ) in Billion QAR



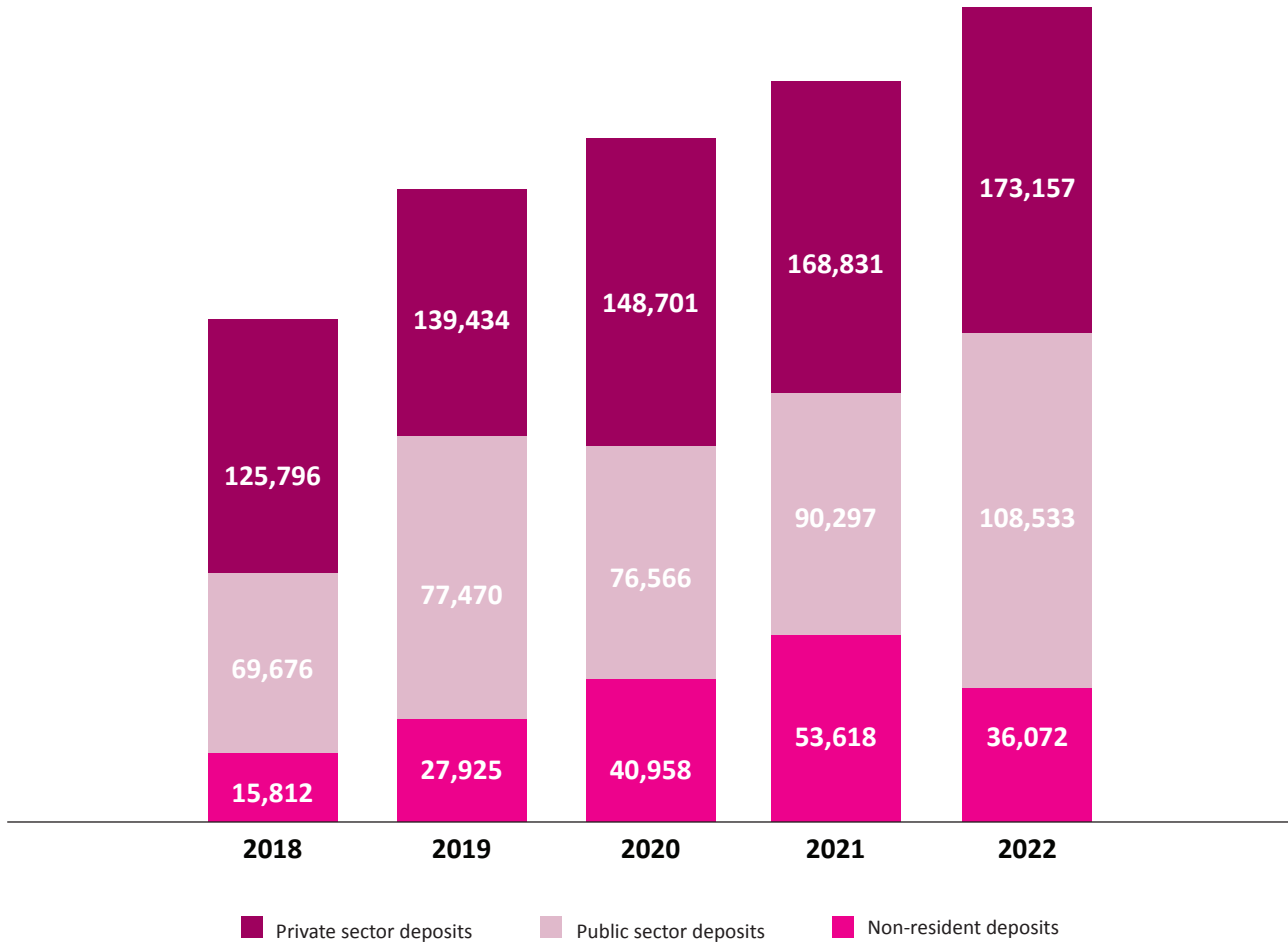
Regarding the restructuring of Islamic bank deposits for 2022, we find that the private sector still accounts for the largest percentage of 55%, followed by the public sector by 34%. The Non-resident deposits accounted for 11% of the total deposits in Islamic banks. During 2022, the growth rate was the most prominent in public sector deposits; it increased by 20%, while the growth in private sector deposits was 3%, and non-resident deposits decreased by (33%) compared to 2021.

## Classification of Deposits in Islamic Banks in Qatar (2018- 2022) in Thousand QAR

	2018	2019	2020	2021	2022	Growth rate in 2022%	CAGR %
Non-resident deposits	15,811,538	27,925,074	40,957,634	53,618,167	36,071,793	(32.7)	17.9
Public sector deposits	69,675,719	77,469,782	76,565,665	90,297,397	108,532,904	20.2	9.3
Private sector deposits	125,795,827	139,433,513	148,700,831	168,830,686	173,156,966	2.6	6.6
Total deposits	211,283,084	244,828,369	266,224,130	312,746,250	317,761,663	1.6	8.5
Deposits of Islamic banks to the total deposits of the banking system %	26.1	28.8	29.4	32.1	31.8		

Source: Quarterly Statistical Bulletin, Vol. 38-42-issue "4", Qatar Central Bank

### Classification of Deposits in Islamic Banks in Qatar (2018- 2022) in Million QAR



Based on the financial statements issued by Islamic banks, it is noted that deposits decreased in all Islamic banks in 2022. Deposits decreased in Dukhan Bank by (3.7%), and in QIIB by (5%), while in QIB by (6.7%), and in Masraf Al Rayan by (9%).

During the period (2018-2022), according to the financial statements issued by Islamic banks, the volume of deposits during the period grew at a compound annual growth rate of 8.6%. Dukhan Bank topped at a compound annual growth rate of 23.4% during the period, followed by Masraf Al Rayan at a rate of 9.6%, while the QIB’s growth rate during the period was 4%, and in QIIB was 3.4%.

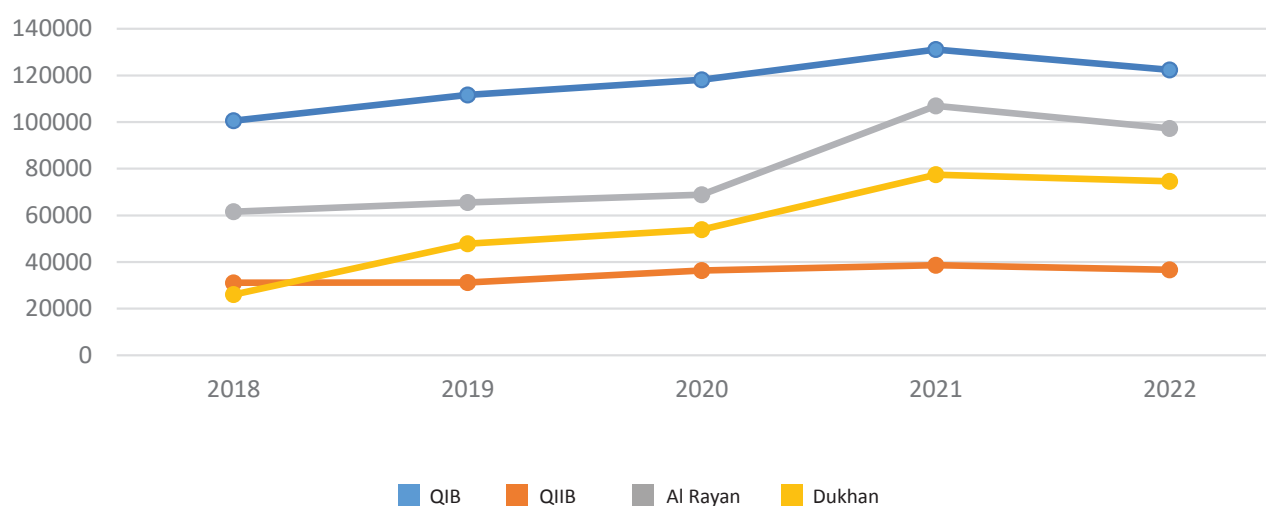


### Volume of Deposits in Islamic Banks (2018 - 2022) in Thousand QAR

	2018	2019	2020	2021	2022	Growth rate in 2022 %	CAGR %
QIB	100,597,983	111,620,560	118,143,981	131,094,799	122,370,894	(6.7)	4
QIIB	31,129,927	31,228,545	36,352,329	38,645,869	36,706,359	(5)	3.4
Al Rayan	61,568,867	65,612,565	68,917,899	106,956,264	97,291,706	(9)	9.6
Dukhan	26,033,499	47,878,014	53,881,539	77,426,227	74,545,206	(3.7)	23.4
<b>Total</b>	<b>219,330,276</b>	<b>256,339,684</b>	<b>277,295,748</b>	<b>354,123,159</b>	<b>330,914,165</b>	<b>(6.6)</b>	<b>8.6</b>

Source: annual reports of banks.

### Volume of Deposits in Islamic Banks (2018 - 2022) in Million QAR



### Third: Finance

According to quarterly data issued by Qatar Central Bank, financing provided by Islamic banks in 2022 amounted to 380.5 billion Riyals, recording an increase of 12.3% over 2021, while credit facilities to conventional commercial banks decreased marginally by (0.2%).

In 2022, Islamic banks experienced significant growth in financing, particularly in the real estate and services sectors, which saw a notable increase of 42.8% and 38.3%, respectively. This growth can be attributed to the impact of the World Cup hosting. The industry sector also experienced growth, with financing increasing by 22%. However, the general trade and public sector financing experienced a decline of (14%) and (6.1%), respectively.

The financing of Islamic banks accounted for 30% of the total financing of the banking sector in the year 2022, and during the period (2018-2022) the compound annual growth rate of total financing in Islamic banks was 10% compared to 4.5% in conventional commercial banks.

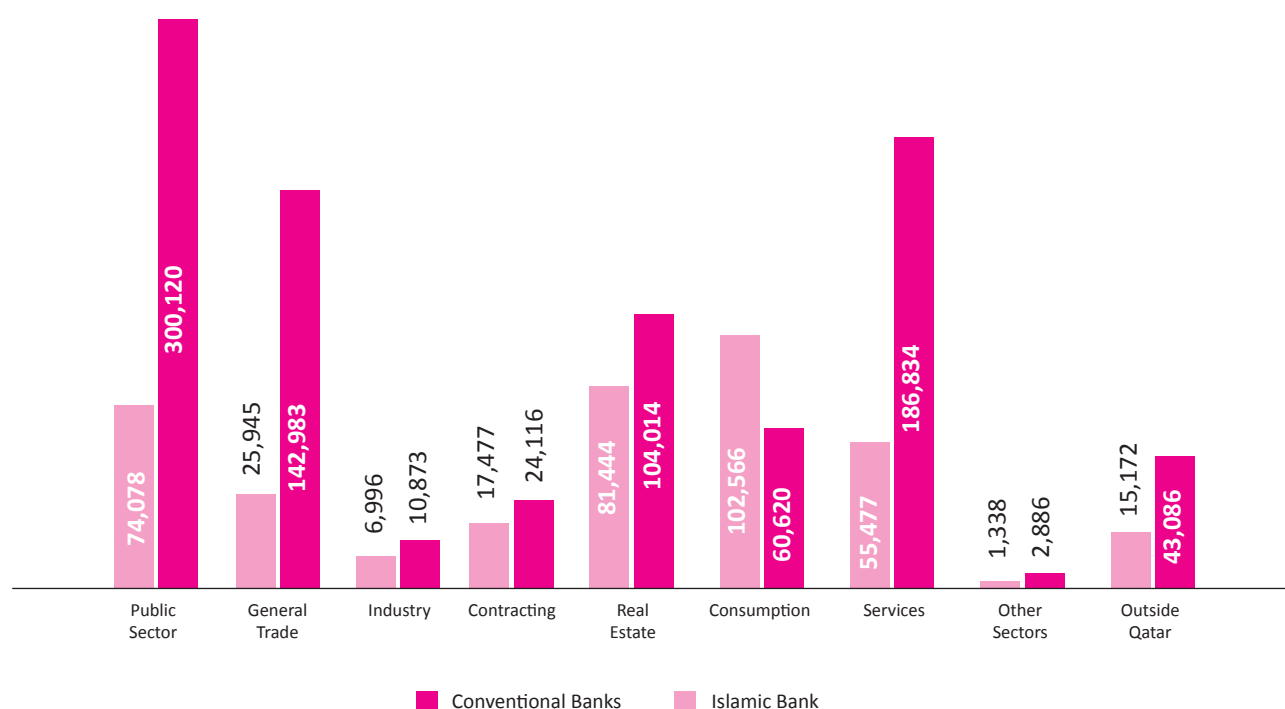
As for the contribution of Islamic banks in financing various sectors in 2022, we find that the consumer sector represented the largest sector financed by Islamic banks, as it acquired 63% of the total financing of commercial banks (Islamic and conventional), followed by the real estate sector by 44%, the construction sector 42%, and the industry sector 39%. It is also noted that most of the financing of Islamic banks is directed towards the local market, at a rate of 96% of their total financing, compared to 95% of the financing of traditional commercial banks, directed towards the local market.

### Total Financing of Islamic and Conventional Banks 2022 (Thousand QAR)

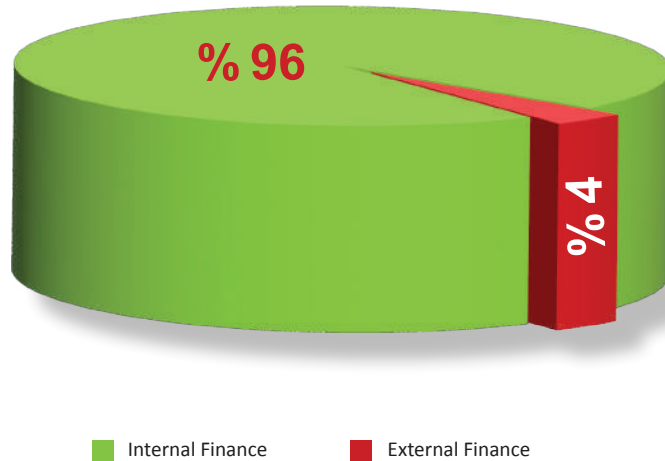
	Islamic banks	Conventional Commercial Banks	Total commercial banks (Islamic and Conventional)	Ratio of Islamic bank financing to total commercial banks in %
Public Sector	74,078,099	300,119,952	374,198,051	19.8
General Trade	25,945,281	142,983,415	168,928,696	15.4
Industry	6,995,712	10,873,104	17,868,816	39.2
Contracting	17,476,817	24,115,758	41,592,575	42
Real - state	81,443,716	104,013,541	185,457,257	43.9
Consumption	102,565,500	60,620,132	163,185,632	62.9
Services	55,477,234	186,834,020	242,311,254	22.9
Other sectors	1,337,958	2,886,038	4,223,996	31.7
Outside Qatar	15,171,664	43,085,609	58,257,273	26
<b>Total</b>	<b>380,491,981</b>	<b>875,531,569</b>	<b>1,256,023,550</b>	<b>30.3</b>

Source: quarterly statistical bulletin, volume - "42" issue "4", Qatar Central Bank

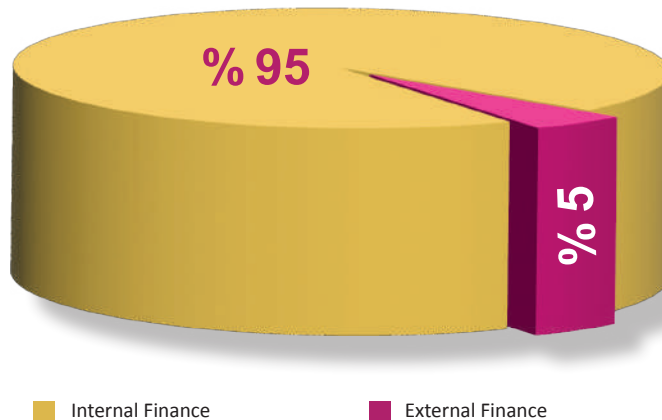
### Finance of Islamic Banks Compared to Conventional Commercial Banks 2022 (Million QAR)



### Finance of Islamic Banks Inside and Outside Qatar (2022)



### Finance of Conventional Banks Inside and Outside Qatar (2022)



Comparing to the net financings of the four Islamic banks in the year 2022, and according to the financial statements of those banks, we find that with the exception of the marginal growth that occurred in Dukhan Bank financings by 0.6%, the rest of the banks decreased their financings in the year 2022, as Masraf Al Rayan financings decreased by (2.5%), and QIIB with (5.4%), and QIB with (7.1%).

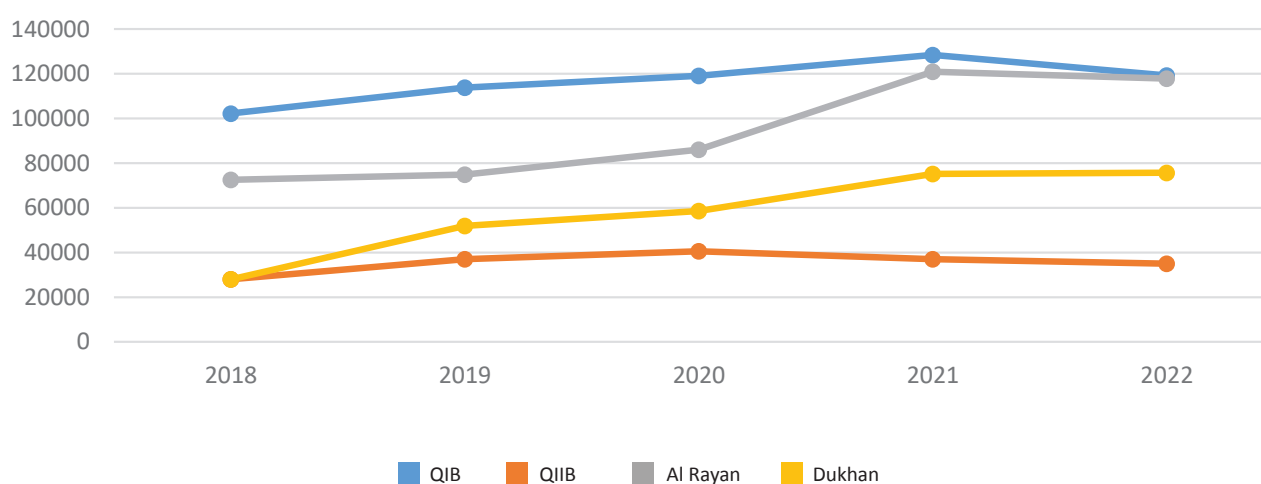
During the five-year period (2018-2022), the compound annual growth rate of net financing in Islamic banks in Qatar during the period reached 8.6%. The highest compound growth rate was for Dukhan Bank at a rate of 22.1%, followed by Al-Rayyan at a rate of 10.2%, QIIB at 4.6%, and QIB with a growth rate of 3.1%.

### Net Finance of Islamic Banks (2018 – 2022) in Thousand QAR

	2018	2019	2020	2021	2022	Growth in 2022 (%)	CAGR (%)
QIB	102,209,930	113,753,593	119,072,432	128,408,527	119,284,576	(7.1)	3.1
QIIB	27,991,116	37,010,528	40,513,906	37,030,881	35,021,716	(5.4)	4.6
Al Rayan	72,515,286	74,837,309	85,983,437	120,880,202	117,859,281	(2.5)	10.2
Dukhan	27,937,909	51,924,104	58,536,992	75,221,707	75,676,514	0.6	22.1
<b>Total</b>	<b>230,654,241</b>	<b>277,525,534</b>	<b>304,106,767</b>	<b>361,541,317</b>	<b>347,842,087</b>	<b>(3.8)</b>	<b>8.6</b>

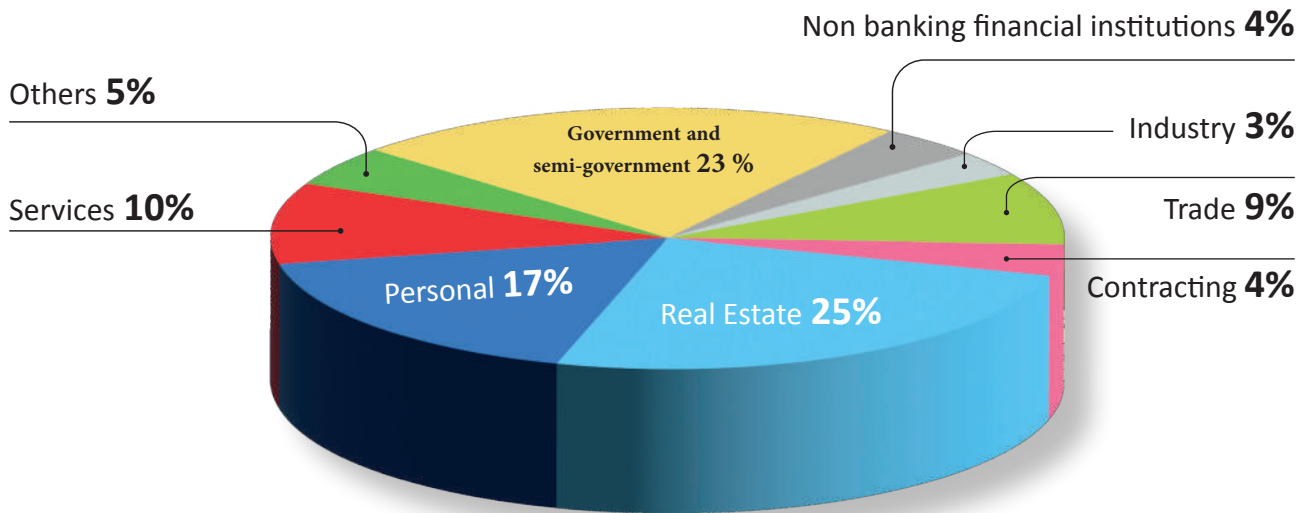
Source: annual reports of banks

### Net Financing of Islamic Banks in Qatar (2018 - 2022) in Million QAR



Considering the bodies financed by Islamic banks in 2022, we find that the most of this finance went to the government and semi-government sectors by 24.9%, followed by the real estate sector by 22.7%, and personal finance by 17.5%.

### Sector Wise Distribution of Islamic Banks' Finance in Qatar 2022



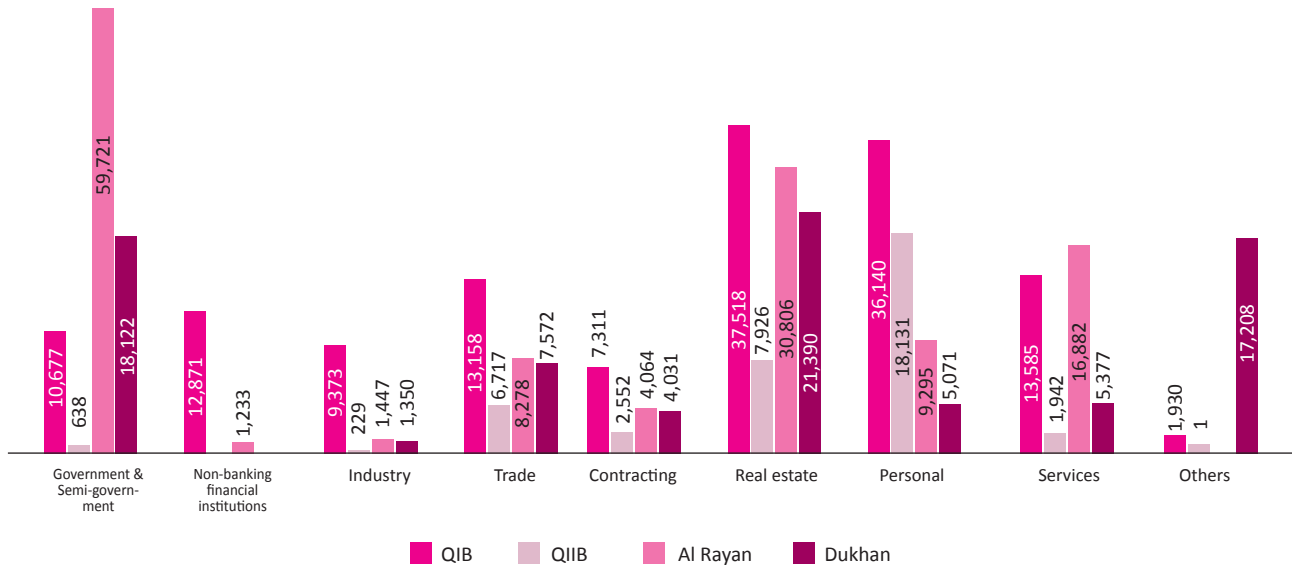
At the level of these banks, Qatar Islamic Bank focuses on personal finance by 25% and real estate by 26%, QIIB finance focuses on personal finance by 48%, and real estate by 21%. Masraf Al Rayan focuses its financing on the government sector for 45%, followed by real estate with 23%. Dukhan bank focuses its financing on the government sector by 27% and real estate by 23%.

### Sector-Wise Total Finance of Islamic Banks in 2022 (Thousand QAR)

	Government and semi government	Financial non-banking institutions	Industry	trade	contracting	Real state	Personal	Services	Other
QIB	10,676,735	12,871,403	9,372,655	13,157,799	7,310,595	37,517,656	36,139,611	13,585,249	1,930,226
QIIC	637,803	—	229,380	6,717,424	2,551,534	7,926,039	18,131,111	1,941,569	1,300
Al-Rayan	59,720,847	1,233,405	1,447,094	8,277,669	4,063,570	30,806,140	9,294,763	16,882,013	—
Dukhan	18,121,955	—	1,350,231	7,571,884	4,030,704	21,389,886	5,070,938	5,377,074	17,207,943
<b>Total</b>	<b>89,157,340</b>	<b>14,104,808</b>	<b>12,399,360</b>	<b>35,724,776</b>	<b>17,956,403</b>	<b>97,639,721</b>	<b>68,636,423</b>	<b>37,785,905</b>	<b>19,139,469</b>
<b>Percentage of total Finance (%)</b>	<b>22.7</b>	<b>3.6</b>	<b>3.2</b>	<b>9.1</b>	<b>4.6</b>	<b>24.9</b>	<b>17.5</b>	<b>9.6</b>	<b>4.9</b>

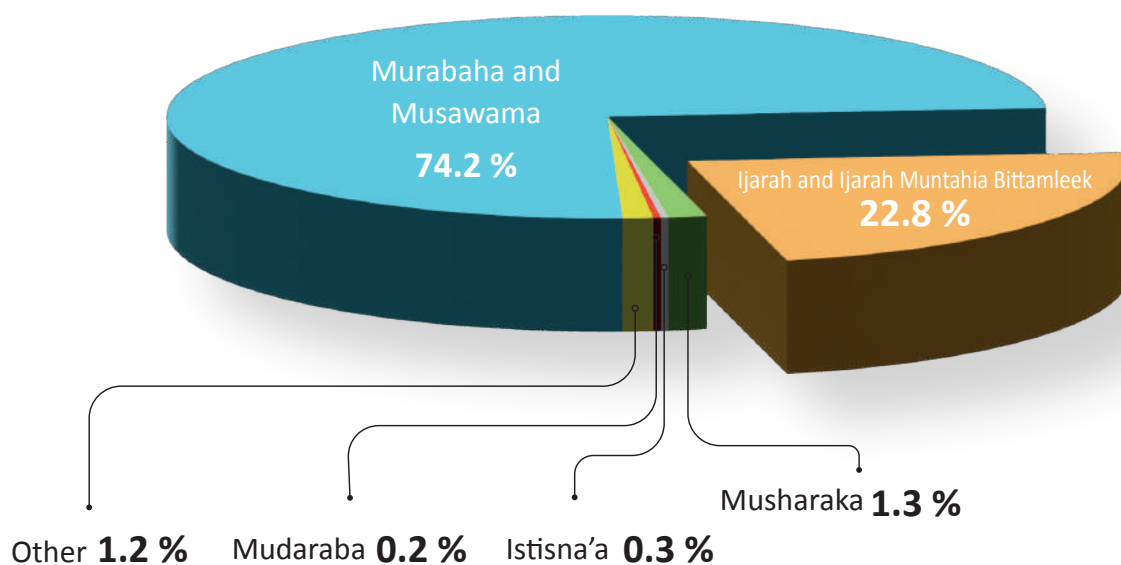
Source: annual reports of banks, 2022

### Sector-Wise Financing of Islamic banks in Qatar 2022 (Million QAR)



Debt-based finance still dominates most financing formulas, considering the used financing formulas in Islamic banks by more than 97%. It varied to 74.2% of the volume of Islamic bank finance in Murabaha and Musawamah, 22.8% in Ijarah and Ijarah MBT, and 0.3% in Istisna'a. Participatory finance formulas constituted 1.5%, of which 1.3% were participatory finance, and 0.2% were Mudaraba.

### Finance of Islamic Banks in 2022 by Modes of Finance



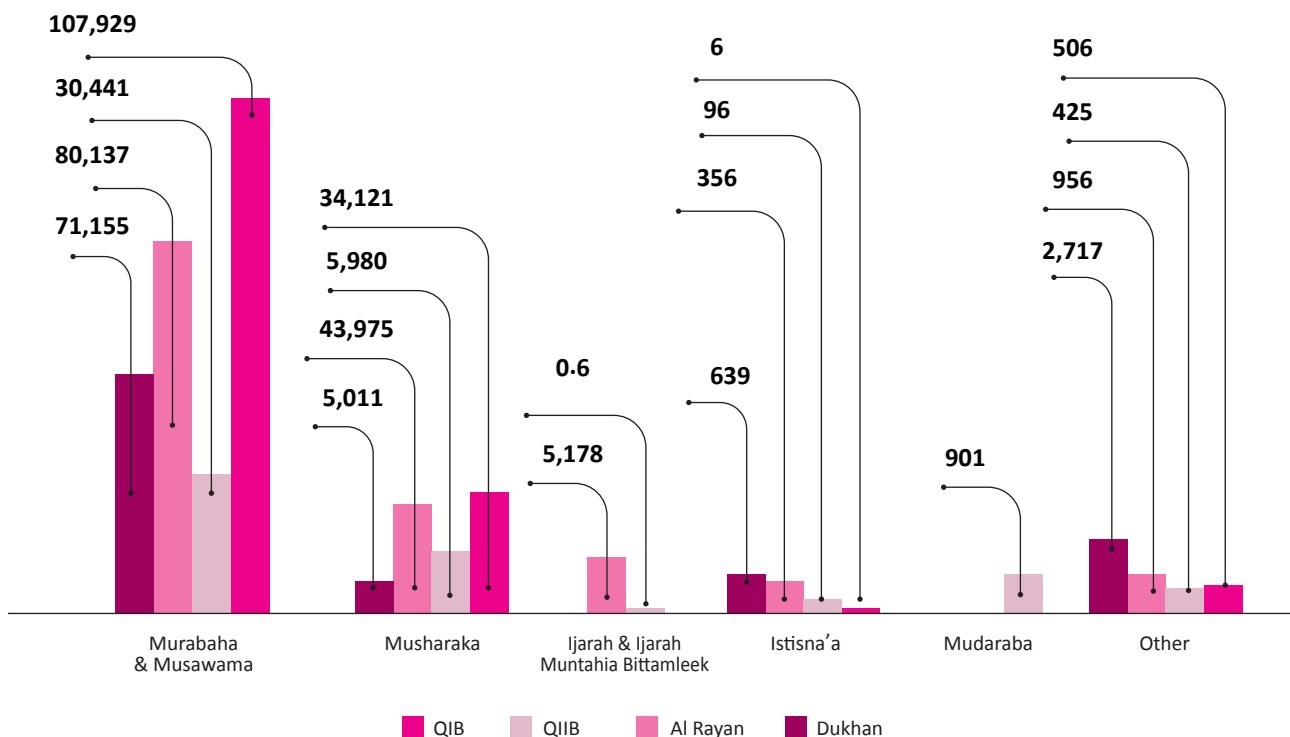
Masraf Al Rayan still has the highest percentage of participatory finance formulas, whereas Musharakah amounted to 4% of its finance. QIIB achieved the highest percentage of using the Mudaraba formula with 2.4% of its total financing in 2022

### Islamic Bank Financing 2021 According to Formulas (Thousand QAR)

	Murabahah & Musawamah	Ijarah & Ijarah MBT	Musharakah	Istisnaa	Mudarabah	Other
QIB	107,928,703	34,121,390	—	5,894	—	505,942
QIIB	30,440,511	5,980,493	572	95,868	901,008	424,955
Al Rayan	80,136,882	43,974,590	5,178,141	356,111	—	956,165
Dukhan	71,154,591	5,010,692	—	639,414	—	2,716,942
<b>Percentage of Total Finance %</b>	<b>74.2</b>	<b>22.8</b>	<b>1.3</b>	<b>0.3</b>	<b>0.2</b>	<b>1.2</b>

Source: based on the annual reports of banks, 2022.

### Finance of Islamic Banks in 2022 by Modes of Finance (Million QAR)





#### Fourth: Revenue

In 2022, Islamic banks achieved revenues amounting to QAR 23.3 billion Riyals, with a growth rate of 18.1% compared to 2021. Revenues of financing and investment activities constituted 89% of the total revenues. Masraf Al Rayan achieved the highest revenue rate of 41.8%, followed by QIB at 10.3%, Dukhan Bank at 9.9%, and QIIB by 8.3% compared to 2021.

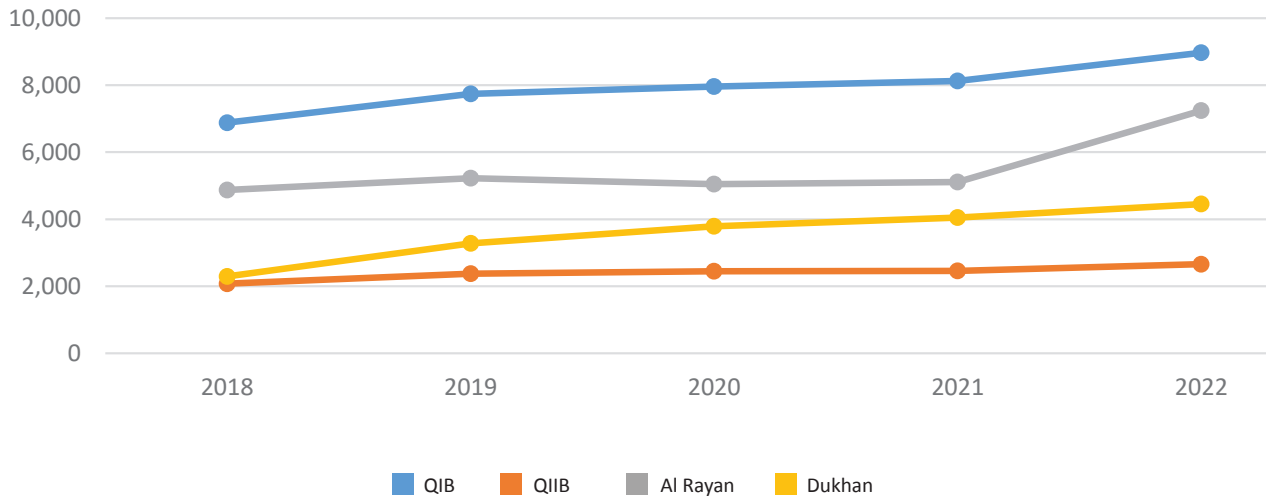
During the period (2018-2022), revenues of Islamic banks grew at a compound growth rate of 7.7%, and the highest growth was for Dukhan Bank with a compound growth rate of 14.2%, followed by Al Rayan Bank by 8.2%, QIB by 5.4%, and QIIB with a compound growth rate of 5.1%.

#### Total Revenue of Islamic Banks (2018 – 2022) in Thousand QAR

	2018	2019	2020	2021	2022	Growth rate in 2022 (%)	CAGR (%)
QIB	6,882,879	7,738,245	7,957,972	8,129,873	8,967,838	10.3	5.4
QIIB	2,077,586	2,380,288	2,450,226	2,456,648	2,659,567	8.3	5.1
Al Rayan	4,874,278	5,220,975	5,046,274	5,106,272	7,240,038	41.8	8.2
Dukhan	2,294,434	3,275,316	3,788,540	4,050,472	4,451,524	9.9	14.2
<b>Total</b>	<b>16,129,177</b>	<b>18,614,824</b>	<b>19,243,012</b>	<b>19,743,532</b>	<b>23,318,967</b>	<b>18.1</b>	<b>7.7</b>

Source: annual reports of banks

### Revenues of Islamic Banks in Qatar (2018-2022) In Million QAR



### Fifth: Profits

In 2022, Islamic banks achieved profits attributable to shareholders of approximately QAR 7.7 billion Riyals compared to 7.5 billion Riyals in 2021, with a growth rate of 2.8%. Except for Al-Rayyan, whose profits decreased by (21.7%), Islamic banks achieved positive growth rates in their profits in 2022. The growth rate in QIB reached 12.7%, in QIIB 7.2%, and in Dukhan Bank 5% compared to 2021.

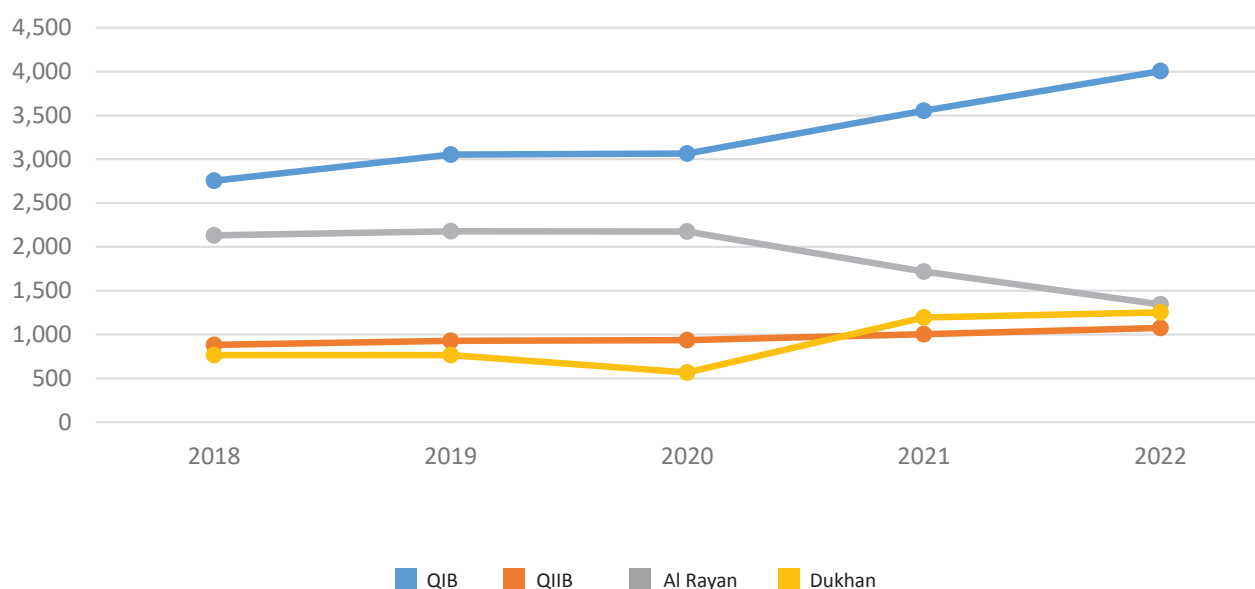
The compound annual growth rate of the profits of Islamic banks during the past five years reached 3.3%, led by Dukhan Bank with a compound growth rate of 10.4%, followed by QIB with 7.8%, and QIIB by 4%. Due to the decline that occurred in the profits of Masraf Al Rayan in the years 2021 and 2022, the compound annual growth rate during the period was negative (8.8%).

### Net Profit of Islamic Banks (2018 – 2022) in Thousand QAR

	2018	2019	2020	2021	2022	Growth rate in 2022 (%)	CAGR (%)
QIB	2,755,311	3,055,423	3,065,115	3,555,296	4,005,203	12.7	7.8
QIIB	882,144	927,047	937,708	1,003,347	1,075,245	7.2	4
Al Rayan	2,130,415	2,178,399	2,175,425	1,717,665	1,344,343	(21.7)	(8.8)
Dukhan	764,966	765,052	566,608	1,193,393	1,253,069	5	10.4
<b>Total</b>	<b>6,532,836</b>	<b>6,925,921</b>	<b>6,744,856</b>	<b>7,469,968</b>	<b>7,677,860</b>	<b>2.8</b>	<b>3.3</b>

Source: annual reports of banks.

### Profits of Islamic Banks (2018 – 2022) in Million QAR



## Islamic Banks Operating under Qatar Financial Center



مركز قطر للمال  
Qatar Financial Centre

Many Islamic banks operate in the field of banking and investment banking in Qatar Financial Center under the supervision of Qatar Financial Center Regulatory Authority. These include QInvest Bank, Qatar First Bank, and Abu Dhabi Islamic Bank (ADIB) (Qatar Branch).

01

QINVEST

QINVEST

QInvest bank obtained its license from the QFC Authority in April 2007 and operated under the supervision of Qatar Financial Center. Regulatory Authority. QInvest bank has an authorized capital of one billion US dollars and a paid-up capital of 750 million US dollars. “QInvest” comprises three business divisions, namely: investment banking, principal investments, and asset management. QInvest bank has branches in Doha and Istanbul, in addition to strategic partnerships in India and the United Kingdom. By the end of 2022, “QInvest” total assets amounted to QAR 5.2 billion, and shareholders’ equity amounted to QAR 1.7 billion.

02

## Lesha Bank



Qatar First Investment Bank was established in 2008 with a license by Qatar Financial Center Regulatory Authority, as an independent investment bank compatible with the provisions of Islamic law. In March 2013, the bank was renamed as Qatar First Bank and in October 2022, the bank was renamed as Lesha Bank. Lesha Bank provides a wide range of Sharia-compliant products and services, including alternative investments that focus on private equity investments and the real estate sector, private banking and wealth management services, corporate and institutional banking, in addition to treasury and investment management activities. The Bank was listed on the Qatar Stock Exchange in April 2016. By the end of 2022, Lesha Bank assets amounted to QAR 5.2 billion, and shareholders' equity amounted to QAR 1.1 billion.

## Abu Dhabi Islamic Bank (Qatar Branch)

On July 31, 2011, Qatar Financial Center licensed Abu Dhabi Islamic Bank to carry out its activities through its Qatar branch in 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.

03

ADIB 



| Qatar.. recently





# *Takaful Insurance Sector*





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 domestic insurance companies and four branches of foreign conventional insurance companies also operate in this sector, in addition to representatives of four domestic insurance companies .

### **1- Qatar Islamic Insurance Company (QIIC):**

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 Company” (QIIC) and establish a fully-owned subsidiary for the purpose of managing investments, where the legal procedures and approvals were completed in 2019. QIIC practices various types of Takaful insurance based on the principles of Islamic Sharia for the corporate and individual sectors. Group’s shares are listed on Qatar Stock Exchange. By the end of 2022, the group’s shareholders’ equity amounted to QAR 456 million.

### **2- AlKhaleej Takaful Insurance Company:**

Alkhaleej Insurance and Reinsurance Company was established in 1978 as a domestic 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 remerge 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 2022, shareholders’ equity amounted to QAR 551 million. The Company’s shares are listed on Qatar Stock Exchange.

### **3- 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 Sharia 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 170 million by the end of 2022.

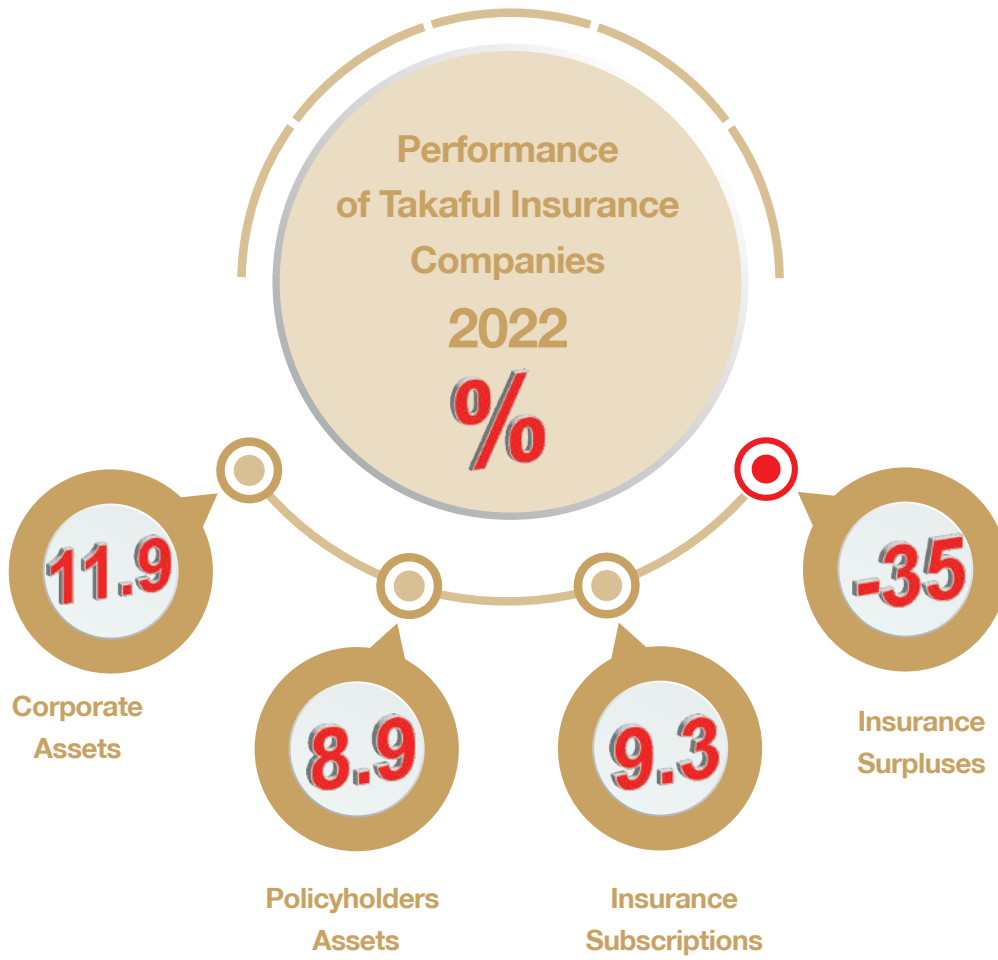
### **4- General Takaful Company:**

General Takaful Company was established in 2008 as a Qatar General Insurance and Reinsurance Group company with the aim of meeting the insurance needs of individuals and

companies in accordance with Sharia principles. The Company provides Takaful services for families, equity, automotive, marine property ... etc. The total shareholders' equity of the Company amounted to QAR 238 million in 2022.

#### **5- Damaan Islamic Insurance Company (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 QAR 200 million. The Company provides individual and corporate insurance services on various products in accordance with the principles of Islamic Sharia. The total shareholders' equity of the Company in 2022 amounted to QAR 461 million.



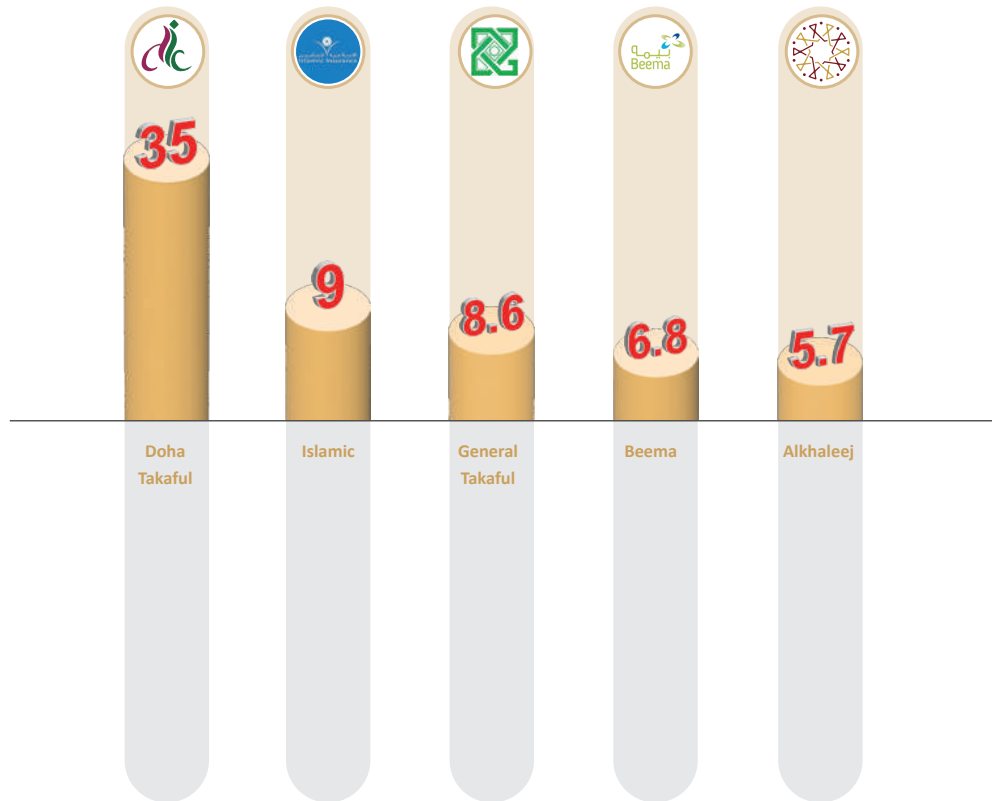
Asset Growth %

Policyholders' Assets Growth %

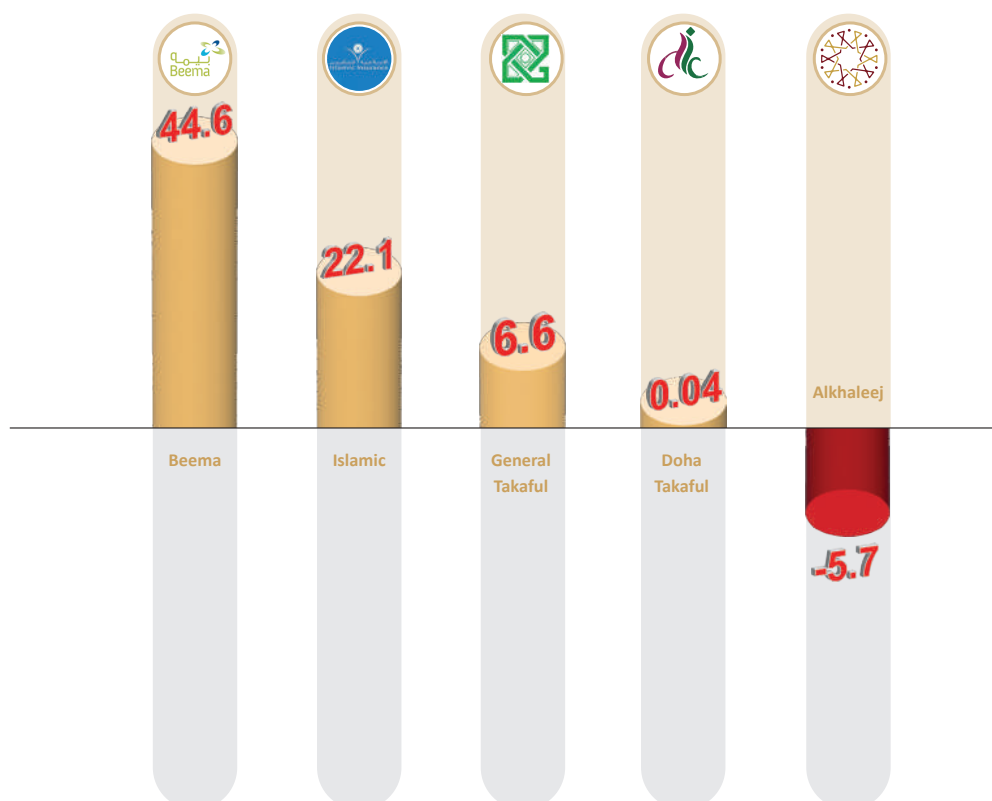




### Policyholders' Subscription Growth %



### Insurance Surplus (Million QAR)



## Performance of Takaful Insurance Companies

### First: Assets of Takaful Insurance Companies

The assets of Takaful insurance companies increased in 2022 at a rate of 11.9%, as the total assets of those companies amounted to approximately QAR 5 billion Riyals, and Damaan company (Beema) topped the highest growth rate during the year, amounting to 23.3%, followed by QIIC by 13.4%, and Doha Takaful by 6%. The growth rate in General Takaful reached 2.3%, and in Alkhaleej Company 0.9%.

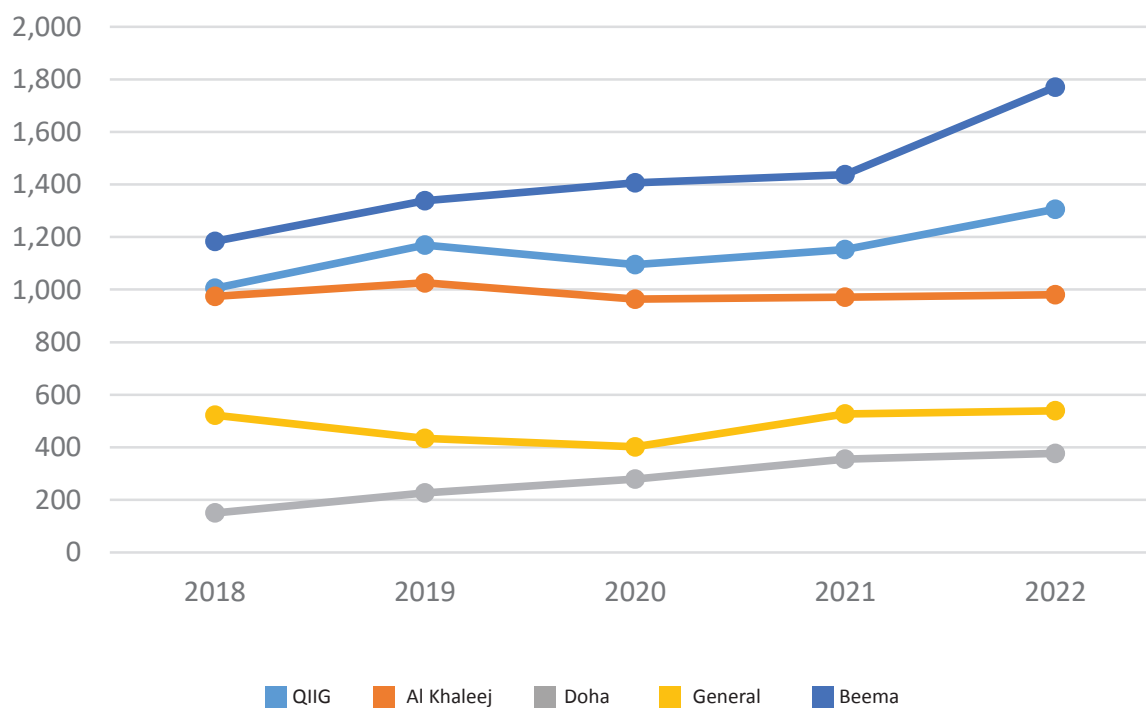
During the period (2018-2022) the compound annual growth rate of the assets of Takaful insurance companies in Qatar was 5.3%. For Takaful 0.6%, and in the Gulf 0.1%.

### Assets of Takaful Insurance Companies (2018-2022) in Thousand QAR

	2018	2019	2020	2021	2022	Growth rate in 2022 (%)	CAGR (%)
QIIG	1,005,369	1,170,153	1,095,157	1,151,798	1,305,838	13.4	2.8
Alkhaleej	974,700	1,025,532	964,165	972,342	981,413	0.9	0.1
Doha Takaful	149,801	226,042	279,350	355,409	376,630	6	20.2
General Takaful	522,633	434,316	402,286	527,122	539,445	2.3	0.6
Beema	1,184,195	1,338,932	1,406,862	1,437,099	1,771,282	23.3	8.4
<b>Total</b>	<b>836,698 ,3</b>	<b>4,194,975</b>	<b>4,147,820</b>	<b>4,443,770</b>	<b>4,974,608</b>	<b>11.9</b>	<b>5.3</b>

Source: Financial reports of Takaful companies

### Assets of Takaful Insurance Companies (2018-2022) in Million QAR



### Second: Assets of Policyholders

Assets of policyholders in Islamic Takaful companies amounted to QAR 2.6 billion in 2022, compared to QAR 2.3 billion in 2021, with an increase of 8.9%.

Qatar Islamic Insurance Company (QIIC) and Doha Takaful achieved the highest positive growth rate in the assets of policyholders in 2022, with a growth rate of 16.7% for both companies. The assets of policyholders in Beema grew by 10.8%, and in General Takaful by 10.7%, while the growth was in General Takaful by 0.2%. In Takaful Gulf, the assets of policyholders decreased by (4.6%) compared to 2021.

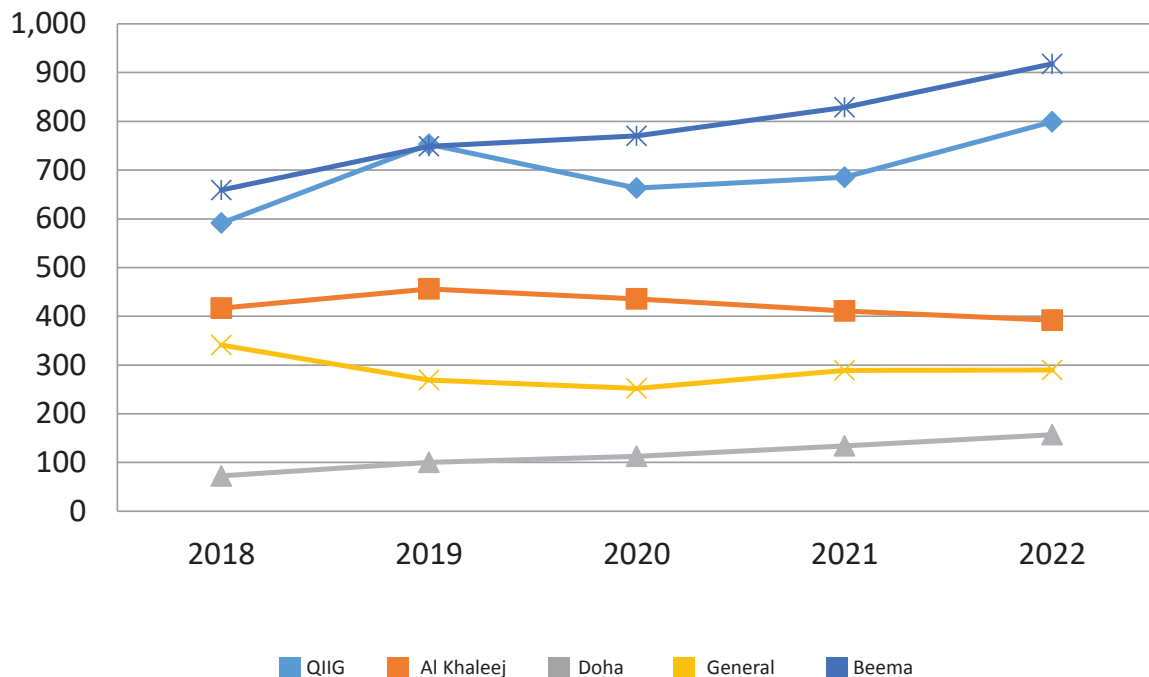
Over the past five years (2018-2022), the compound annual growth rate of the assets of policyholders in Takaful insurance companies reached 4.2%. The Compound annual growth rate of policyholders' assets in Doha Takaful was 16.7%, and in Beema was 6.9%, in Qatar Islamic Insurance Company was 6.2%, while the compound annual growth rate of policyholders' assets was negative in Alkhaleej and General Takaful by (1.2%) and (3.2%), respectively.

**Assets of policyholders in Takaful insurance companies (2018-2022) in Thousand QAR**

	2018	2019	2020	2021	2022	Growth rate in 2022 (%)	CAGR (%)
QIIG	590,785	752,771	663,112	684,550	798,580	16.7	6.2
Alkhaleej	417,382	455,778	435,609	411,148	392,374	(4.6)	(1.2)
Doha Takaful	72,606	100,437	112,719	134,493	156,890	16.7	16.7
General Takaful	340,516	268,772	252,396	288,926	289,593	0.2	(3.2)
Beema	659,280	749,412	769,979	828,508	918,346	10.8	6.9
<b>Total</b>	<b>2,080,569</b>	<b>2,327,170</b>	<b>2,233,815</b>	<b>2,347,625</b>	<b>2,555,783</b>	<b>8.9</b>	<b>4.2</b>

Source: Financial reports of Takaful companies

**Assets of policyholders in Takaful insurance companies (2018-2022) in Million QAR**





### Third: Insurance Subscriptions:

In 2022, Takaful insurance subscriptions in Qatar increased by 9.3%, reaching QAR 1.5 billion. Doha Takaful achieved the highest growth rate for insurance subscriptions by 35%, while the growth in Islamic Insurance increased by 9%, in General Takaful by 8.6%, in the Daman Insurance Company (Beema) by 6.8%, and in Alkhaleej Company by 5.7% compared to 2021.

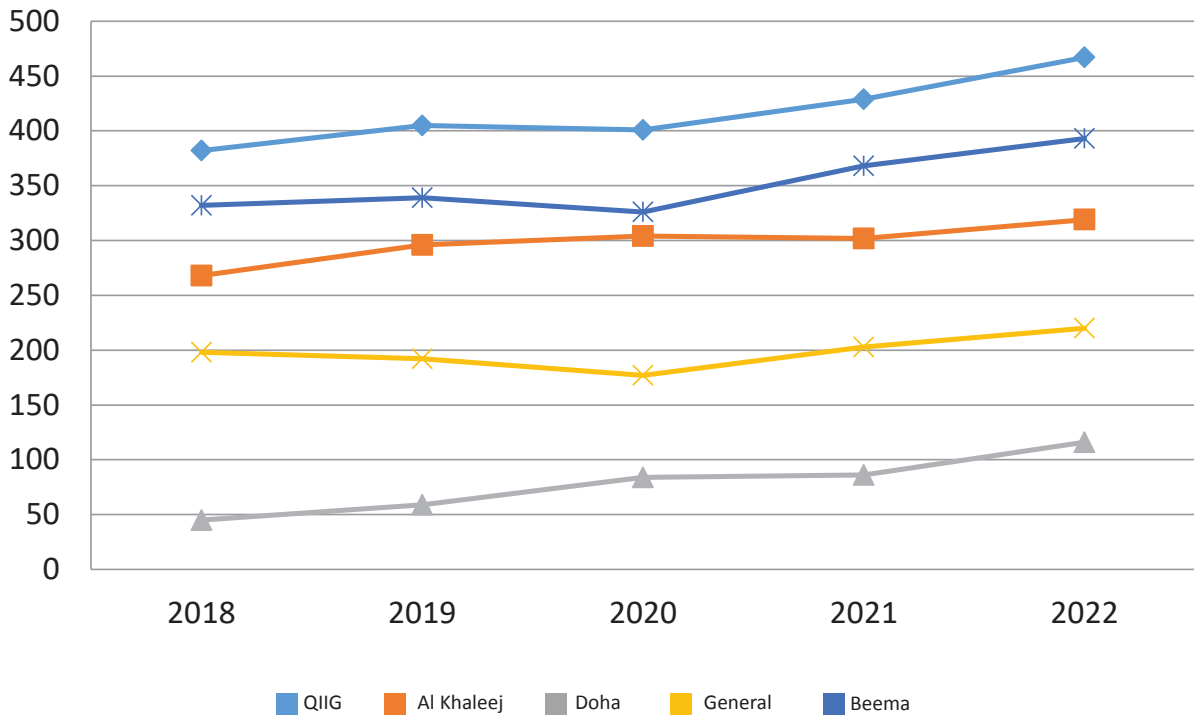
During the five years (2018-2022), insurance subscriptions grew at a compound annual growth rate of 4.3%. The highest compound growth was in Doha Takaful at a rate of 21%, followed by QIIC at a rate of 4.1%. The growth rate during the period was 3.6% in Alkhaleej Company, and in Beema 3.4%, and General Takaful 2.2%.

#### Total Subscriptions of policyholders in Takaful insurance companies (2018-2022) Thousand QAR

	2018	2019	2020	2021	2022	Growth rate in 2022 (%)	CAGR (%)
QIIG	382,374	405,428	400,639	428,580	467,308	9	4.1
Alkhaleej	267,680	296,467	303,618	301,763	319,000	5.7	3.6
Doha Takaful	44,571	58,846	83,598	85,819	115,826	35	21
General Takaful	198,193	192,304	177,133	203,059	220,592	8.6	2.2
Beema	332,094	339,195	326,171	367,594	392,565	6.8	3.4
<b>Total</b>	<b>1,224,912</b>	<b>1,292,240</b>	<b>1,291,159</b>	<b>1,386,815</b>	<b>1,515,291</b>	<b>9.3</b>	<b>4.3</b>

Source: Financial reports of Takaful companies

### Subscriptions of policyholders in Takaful insurance companies (2018-2022) Million QAR



#### Fourth: Insurance Surpluses

Results of the business of Takaful insurance companies varied in 2022. Three companies achieved insurance surpluses amounting to a total of 73.4 million Riyals. (Beema) achieved the highest insurance surplus during 2022, amounted to QAR 44.6 million, followed by QIIC with a surplus of QAR 22.1 million, General Takaful with QAR 6.6 million, Doha Takaful with QAR 35 thousand, and Alkhaleej with (QAR 5.7 million).

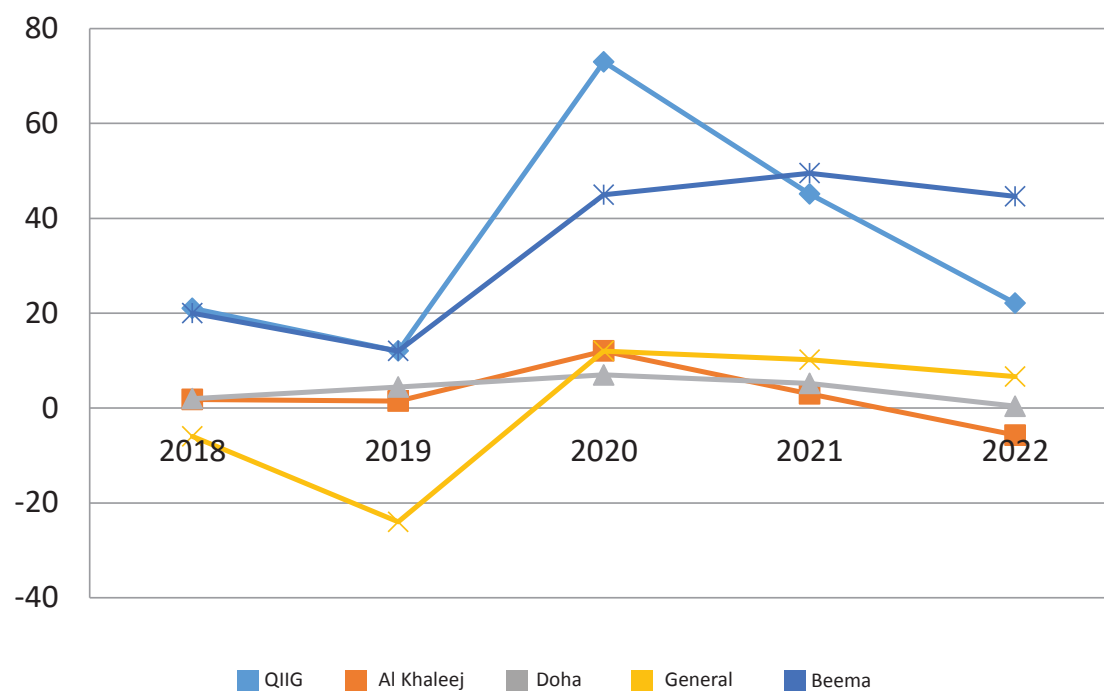
During the five years (2018-2022), results of Takaful insurance companies varied between achieving insurance surpluses or deficits.

## Insurance Surpluses for Takaful insurance Companies (2018-2022) in Thousand QAR

	2018	2019	2020	2021	2022
QIC	21,121	12,174	73,477	45,064	22,123
Alkhaleej	1,805	1,540	11,950	2,985	(5,736)
Doha Takaful	1,659	4,448	6,583	5,198	35
General Takaful	(6,314)	(23,985)	12,399	10,188	6,604
Beema	20,114	11,579	44,945	49,460	44,604

Source: Financial reports of Takaful companies

## Insurance Surpluses for Takaful insurance Companies (2018-2022) in Million QAR



## Takaful Insurance Companies Operating Under QFC

QFC operates several insurance companies, including four companies that provide 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 (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 Sharia. The Company comprises a group of shareholders from Bahrain, Kuwait, Saudi Arabia, and Qatar. 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 domestic insurance services in Qatar. On July 8, 2014, Qatar Financial Center authorized the Company to carry out domestic insurance business under Qatar Financial Center, in addition to allowing it to open an Islamic insurance window.



Rawda Bint Jassim Bin Jabr Al Thani 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 (AJF):**

AJF (Tamweel) was established in 1989 as a finance company that provides products and services in compliance with Sharia for individuals, corporate projects, and small and medium enterprises. By the end of 2022, the Company's shareholders' equity amounted to QAR 932 million.

### **2- First Finance (FFC):**

The Company was established in 1999. In 2010, Dukhan Bank acquired 100% of the Company's shares. The Company provides financial products and services in compliance with Sharia principles to its individual and corporate customers. By the end of 2022, Shareholders' equity amounted to QAR 1.4 billion.

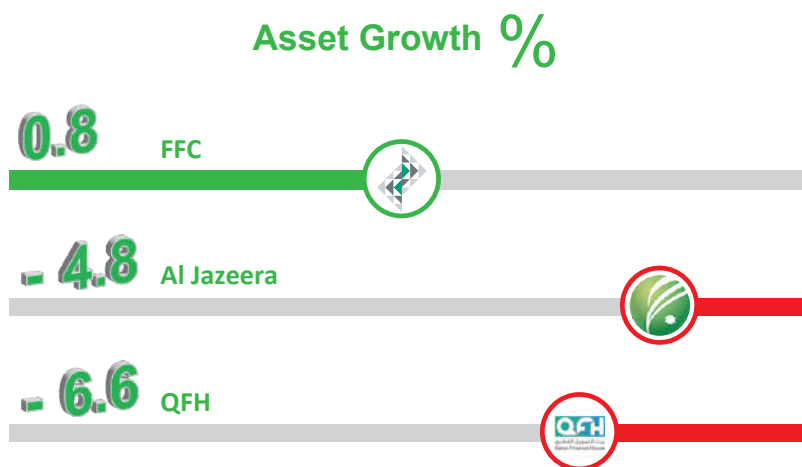
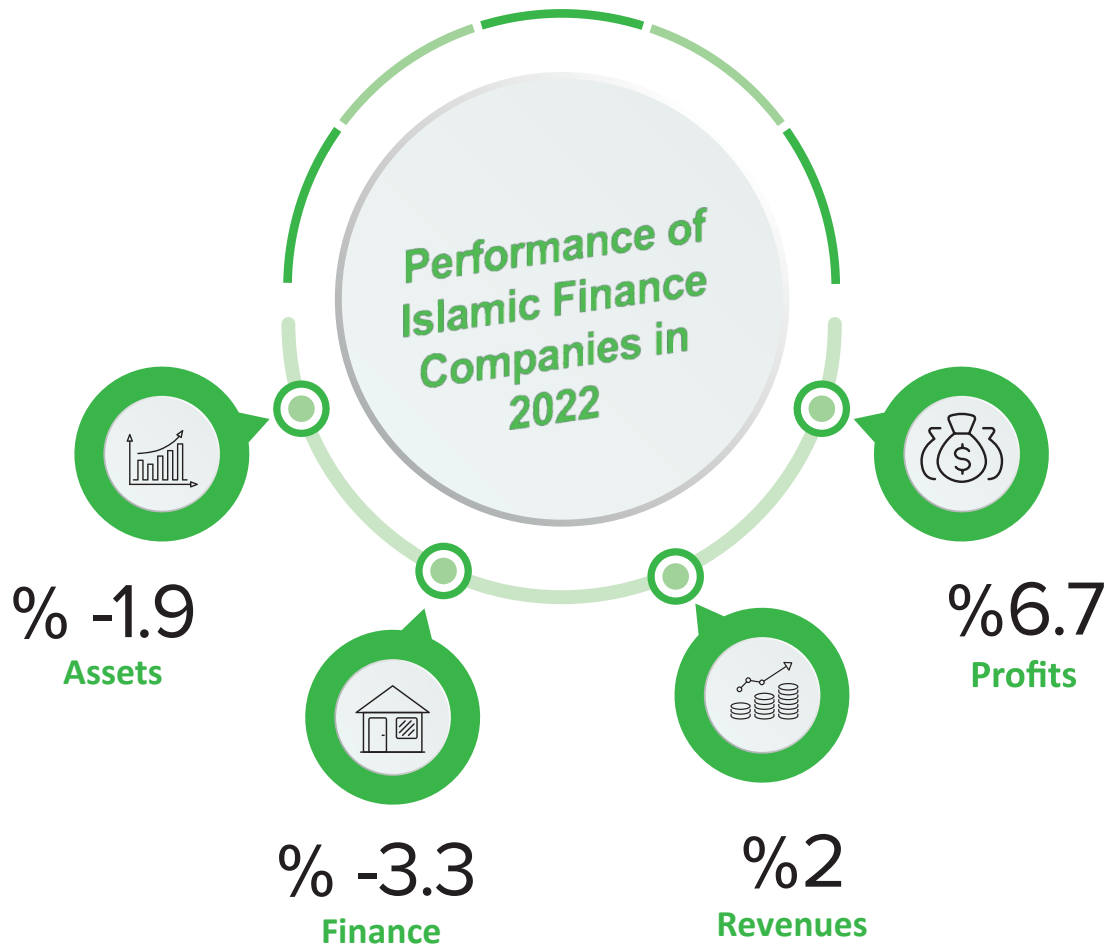
### **3- Qatar Finance House (QFH):**

QFH 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 Sharia. By the end of 2022, the shareholders' equity amounted to QAR 113 million.

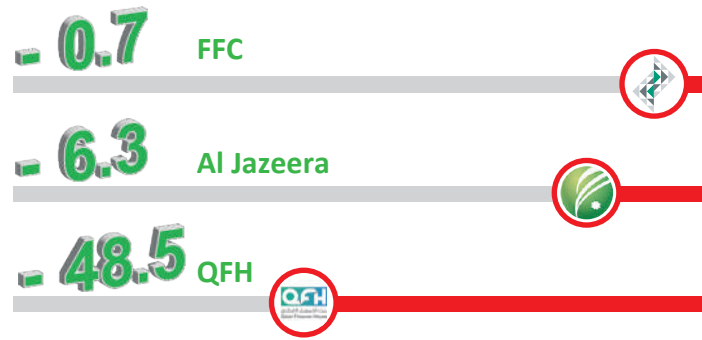




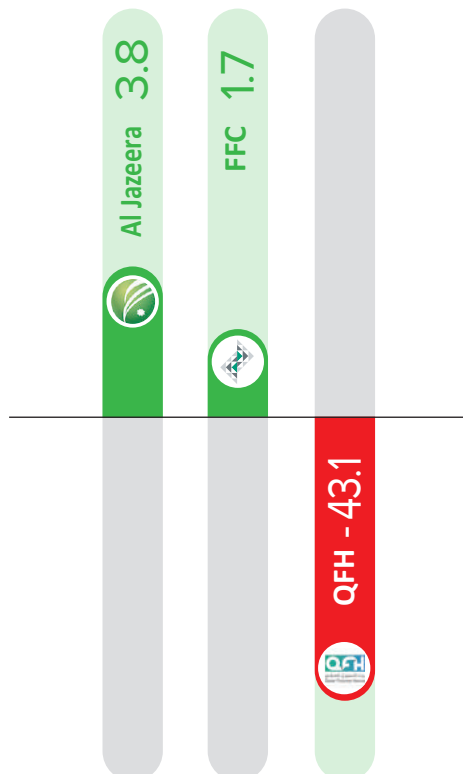
| Fanar Mosque



### Finance Growth %



### Revenue Growth %



### Profit Growth %



## Performance of Islamic Finance Companies

### First: Assets

By the end of the year 2022, the assets of Islamic finance companies in Qatar amounted to QAR 2.49 billion, declining by (1.9%) compared to 2021. Growth in the assets of First Finance Company was positive, with a marginal rate of 0.8%, while the assets of the remaining Islamic finance companies decreased. The assets of AJF decreased by (4.8%), and the assets of Qatar Finance House by (6.6%).

Due to the decline in the assets of most Islamic finance companies in the recent years, the compound annual growth rate during the five years (2018-2022) for these companies was negative at a rate of (4.3%), and the compound annual growth rate during this period came negative for all Islamic financing companies, reaching in QFH (3.5%), in FFC by (4.1%), and in AJF by (4.7%).

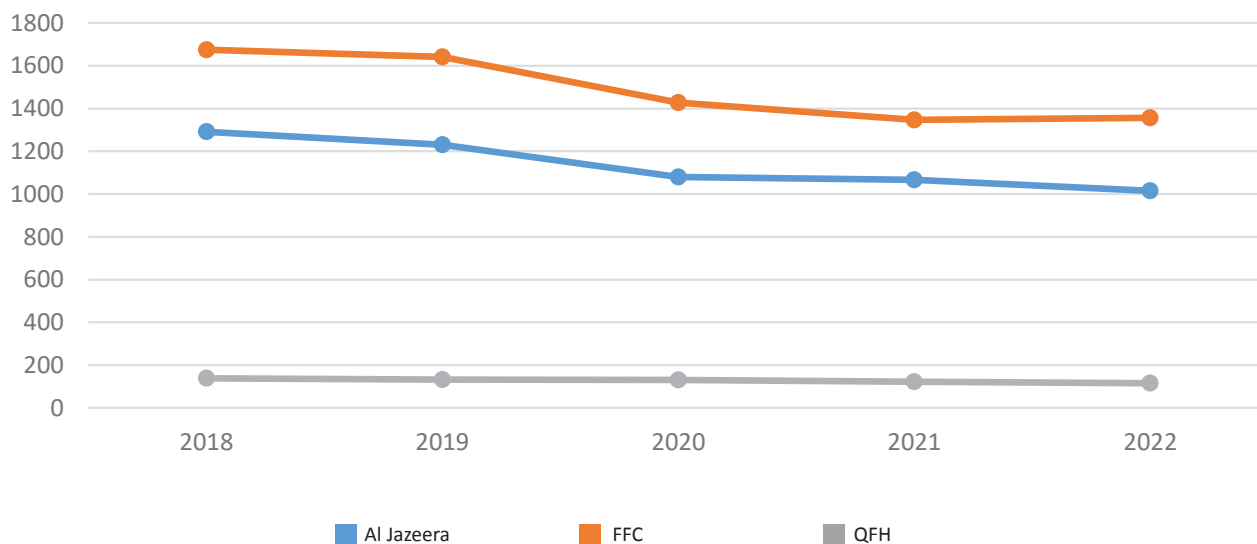
### Assets of Islamic Finance Companies (2018 – 2022) in Thousand QAR

	2018	2019	2020	2021	2022	Growth rate in 2022 (%)	CAGR (%)
Al Jazeera	1,290,578	1,231,451	1,079,543	1,065,940	1,015,075	(4.8)	(4.7)
FFC	1,674,863	1,640,531	1,428,480	1,346,555	1,356,834	0.8	(4.1)
QFH	137,855	132,430	129,563	123,239	115,144	(6.6)	(3.5)
<b>Total</b>	<b>3,103,296</b>	<b>3,004,412</b>	<b>2,637,586</b>	<b>2,535,734</b>	<b>2,487,053</b>	<b>(1.9)</b>	<b>(4.3)</b>

Source: Financial reports of Islamic finance companies



### Assets of Islamic Finance Companies (2018 – 2022) in Million QAR



### Second: Finance

Finance provided by Islamic finance companies in Qatar in 2022 amounted to QAR 1.69 billion Riyals, down by (3.3%) compared to 2021, and finance provided by these companies declined compared to 2021; falling in FFC by (0.7%), and in AJF by (6.3%), while the decline in the Finance House was (48.5%).

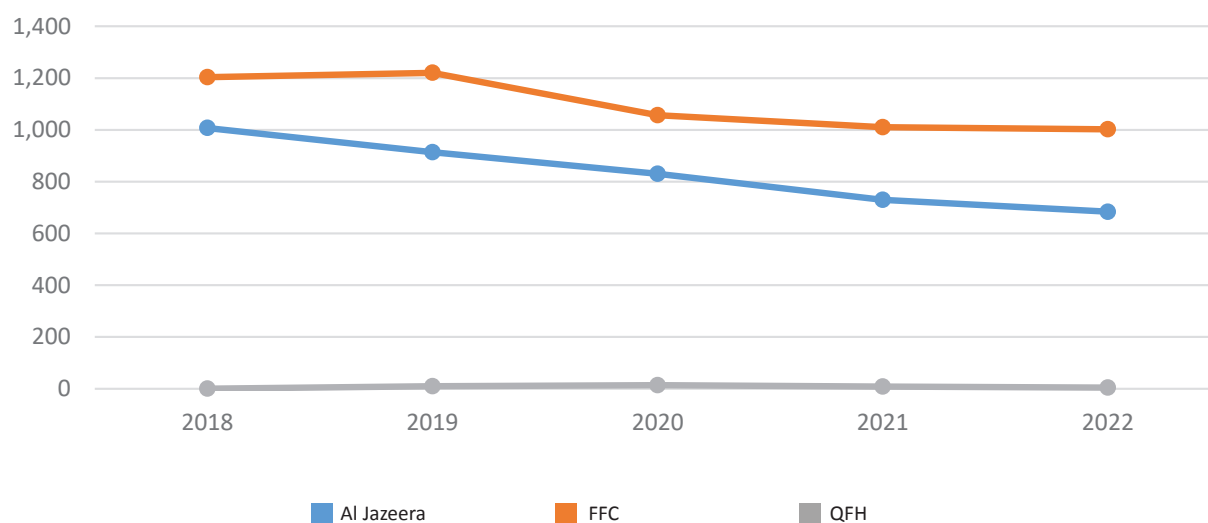
During the past five years (2018-2022), the compound annual growth rate of total financing granted by Islamic financing companies in Qatar came negative at a rate of (5.2%). There was a variation among these companies, where the compound growth rate during the period for Qatar Finance House was positive at a rate of (57%), while it was negative in the FFC at a rate of (3.6%), and in AJF at a rate of (7.4%).

### Volume of Finance in Islamic Finance Companies (2018 – 2022) in Thousand QAR

	2018	2019	2020	2021	2022	Growth rate in 2022 (%)	CAGR (%)
Al Jazeera	1,007,047	913,520	830,287	730,254	684,390	(6.3)	(7.4)
FFC	1,202,569	1,219,647	1,057,453	1,009,657	1,002,285	(0.7)	(3.6)
QFH	501	10,210	14,389	9,275	4,775	(48.5)	57
<b>Total</b>	<b>2,210,117</b>	<b>2,143,377</b>	<b>1,902,129</b>	<b>1,749,186</b>	<b>1,691,450</b>	<b>(3.3)</b>	<b>(5.2)</b>

Source: Financial reports of Islamic finance companies

### Finance in Islamic Finance Companies (2018 – 2022) in Million QAR



### Third: Revenues

Revenues of Islamic finance companies in Qatar increased in 2022 by 2%, amounting to QAR 224.5 million. Revenues of finance activities accounted for 90% of the total revenues. The performance was uneven among these companies. AJF achieved a growth in revenue by 3.8%, while FFC's revenues grew by 1.7%, and QFH's revenues decreased by (43%).

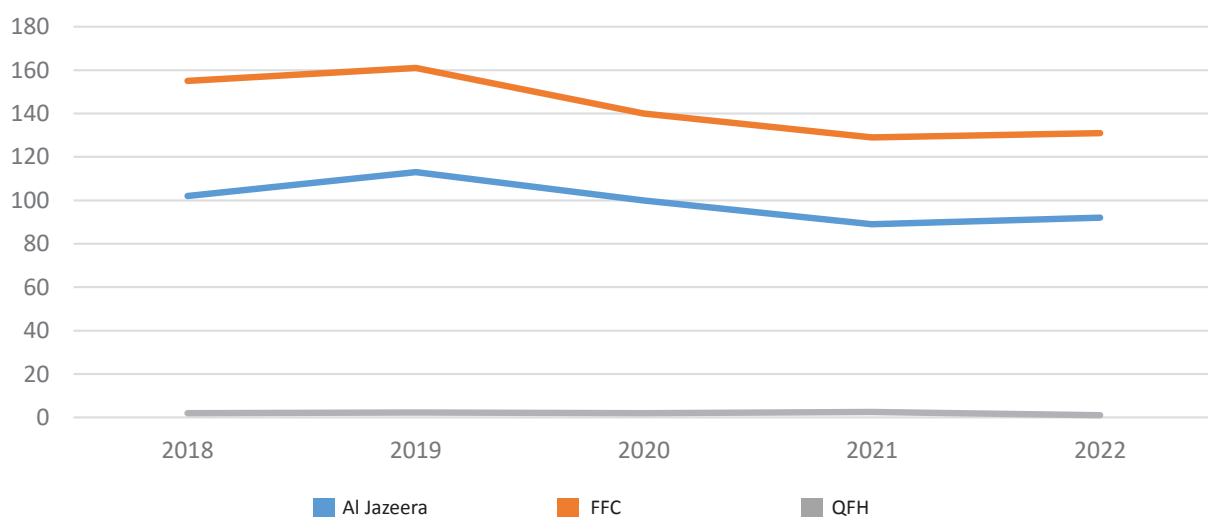
During the period (2018-2022), the compound growth rate of Islamic financing companies' revenues came negative at a rate of (2.8%), and the compound annual growth rate during this period was negative for all Islamic financing companies, reaching (2%) in AJF, (3.3%) in FFC, and in QFH by (6.2%).

#### Revenues of Islamic finance companies (2018-2022) in Thousand QAR

	2018	2019	2020	2021	2022	Growth rate in 2022 (%)	CAGR (%)
Al Jazeera	102,054	112,759	100,354	88,695	92,065	3.8	(2)
FFC	154,902	160,850	139,811	128,785	130,987	1.7	(3.3)
QFH	1,956	2,196	2,035	2,493	1,418	(43.1)	(6.2)
<b>Total</b>	<b>258,912</b>	<b>275,805</b>	<b>242,200</b>	<b>219,973</b>	<b>224,470</b>	<b>2</b>	<b>(2.8)</b>

Source: Financial reports of Islamic finance companies

#### Revenues of Islamic finance companies (2018-2022) in Million QAR



### Fourth: Profits

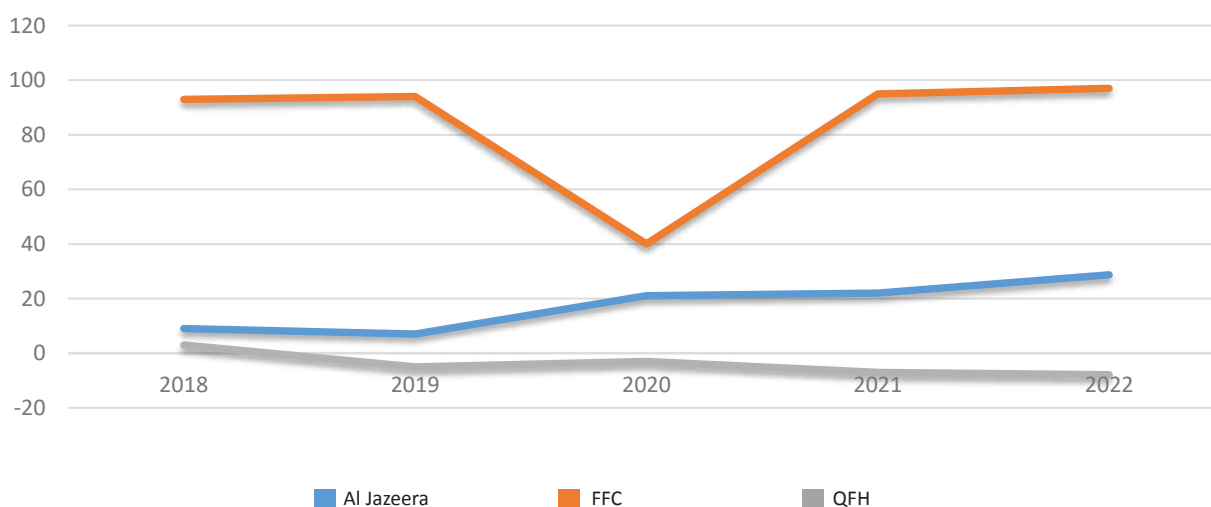
In 2022, the business results of Islamic finance companies varied; therefore, Al Jazeera Finance Company (AJF) achieved profit growth of 29% compared to 2021, with a net profit of QAR 28.7 million. First Finance Company (FFC) profits grew by 2%, exceeding QAR 97 million Riyals, while QFH’s losses increased to nearly QAR 8 million.

### Net profits / losses of Islamic finance companies (2018-2022) in thousand QAR

	2018	2019	2020	2021	2022	Growth rate in 2022 (%)
Al Jazeera	9,275	7,039	21,112	22,253	28,717	29
FFC	92,980	94,152	40,011	95,106	97,015	2
QFH	3,317	(5,386)	(2,986)	(6,919)	(7,909)	14.3 (Losses)

Source: Financial reports of Islamic finance companies.

### Net profits / losses of Islamic finance companies (2018-2022) in Million QAR





| *National Museum of Qatar*







*A general description of a post office building's park*



# *Islamic Investment Companies*





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

### **1- First Investor Company (TFI):**

The First Investor Company was established in 1999 as an investment company operating in accordance with the principles of Islamic Sharia 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, Dukhan Bank (Previously, Barwa Bank) acquired the Company as a wholly owned subsidiary of the Bank. In 2022, shareholders' equity amounted to QAR 429 million.

### **2 - Investment House Company:**

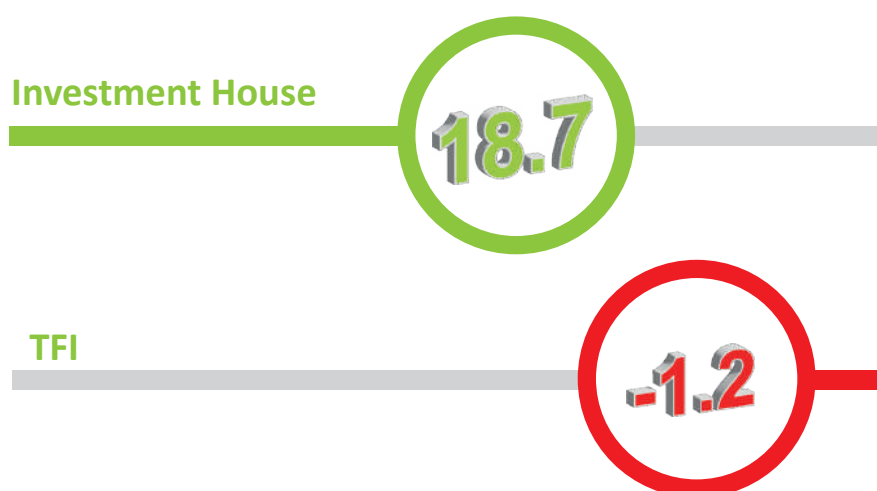
Investment House Company was established in 2001 as a private Qatari shareholding company. It provides all services and activities licensed for investment banking companies by Qatar Central Bank, such as managing assets, private equity and structural finance in accordance with the principles of Islamic Sharia. The company focuses on various economic sectors, including financial services, real estate sector, construction and building sector, the industrial sector, in addition to the services sector. In 2020, the shareholders' equity in the company amounted to QAR 52 million.





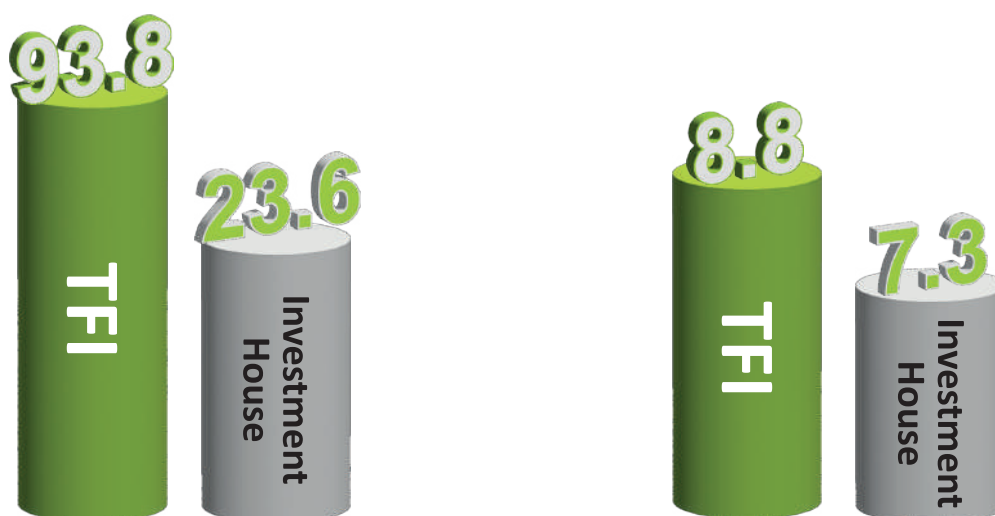
## Performance of Islamic investment companies 2022

### Asset growth %



### Revenue growth %

### Profits (million QAR)









## Performance of Islamic Investment Companies 2022

### First: Assets

The assets of Islamic investment companies increased in 2022 by 1.3%, amounting to QAR 508.8 million. The assets of the Investment House company amounted to 75 million Riyals, with a growth rate of 18.7%, while the assets of the First Investor amounted to 433.8 million Riyals, a decrease of (1.2%) compared to 2021.

During the period (2018-2022), the compound growth rate of the total assets of the companies was negative at (2.3%), with a variation in the compound growth rate during the period for each of the two companies. It was positive and amounted to 7.2% in the Investment House, and negative in the First Investor at a rate of (3.5%) during the period.

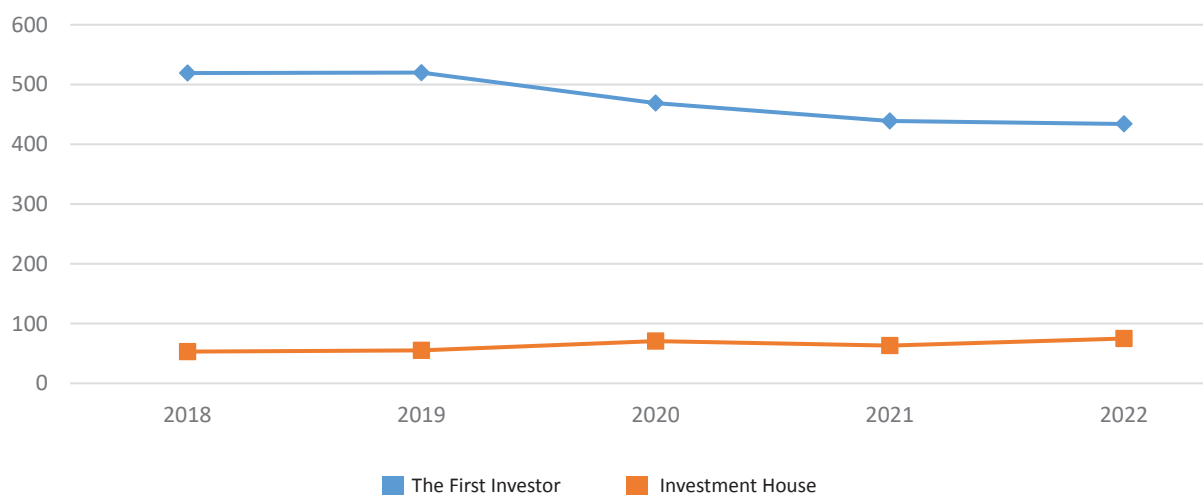
### Assets of Islamic investment companies (2018-2022) in Thousand QAR

	2018	2019	2020	2021	2022	Growth in 2022 (%)	CAGR (%)
The First Investor	518,724	519,914	468,849	439,022	433,768	(1.2)	(3.5)
Investment House	53,051	55,331	70,870 *	63,196 *	75,010 *	18.7	7.2
<b>Total</b>	<b>571,775</b>	<b>575,245</b>	<b>539,719</b>	<b>502,218</b>	<b>508,778</b>	<b>1.3</b>	<b>(2.3)</b>

Source: financial reports of Islamic investment companies

(\*) Unaudited data

### Assets of Islamic investment companies (2018-2022) Million QAR



## Second: Revenues

Revenues of Islamic investment companies increased during the year 2022, amounting to 62.3 million Riyals, with a growth rate of 52.8% compared to 2021. The revenues of the First Investor Company increased by 93.8% and amounted to 32.9 million Riyals. Revenues of the Investment House was also increased by 23.6% and amounted to 29.4 million Riyals.

During the period (2018-2022), the compound growth of the total revenues of the companies was positive at a rate of 33% during the period, and the compound growth rate of the revenues of the Investment House Company reached 61.5%, and the First Investor Company 21.7%.

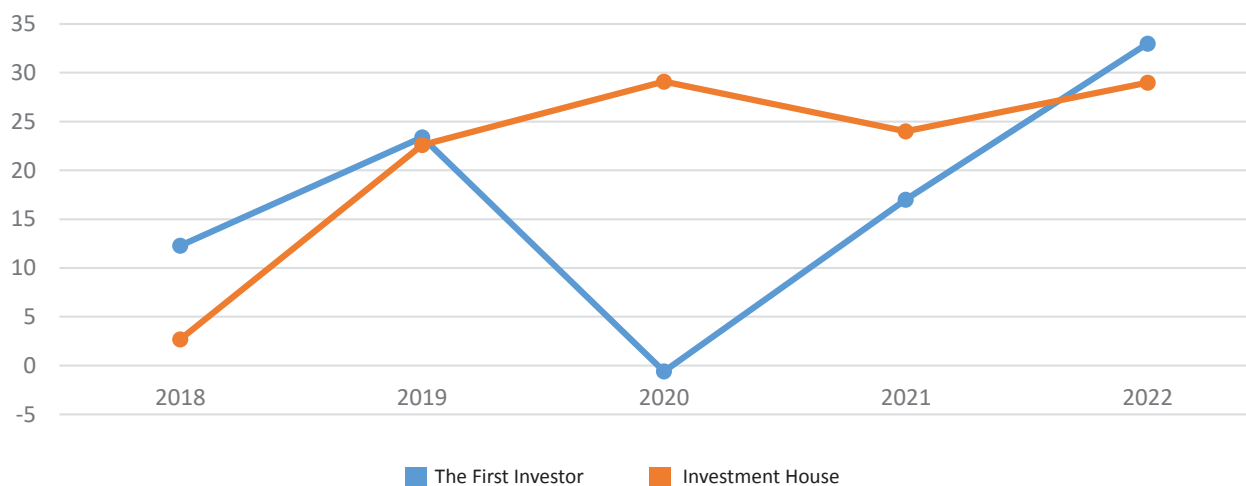
### Revenues of Islamic investment companies (2018-2022) in Thousand QAR

	2018	2019	2020	2021	2022	Growth Rate in 2022%	CAGR (%)
The First Investor	12,295	23,378	(560)	16,953	32,854	93.8	21.7
Investment House	2,680	22,644	29,079*	23,803*	29,429*	23.6	61.5
<b>Total</b>	<b>14,975</b>	<b>46,022</b>	<b>28,519</b>	<b>40,756</b>	<b>62,283</b>	<b>52.8</b>	<b>33</b>

Source: financial reports of Islamic investment companies

(\*) Unaudited data

### Revenues of Islamic investment companies (2018-2022) in Million QAR



### Third: Profits/ Losses

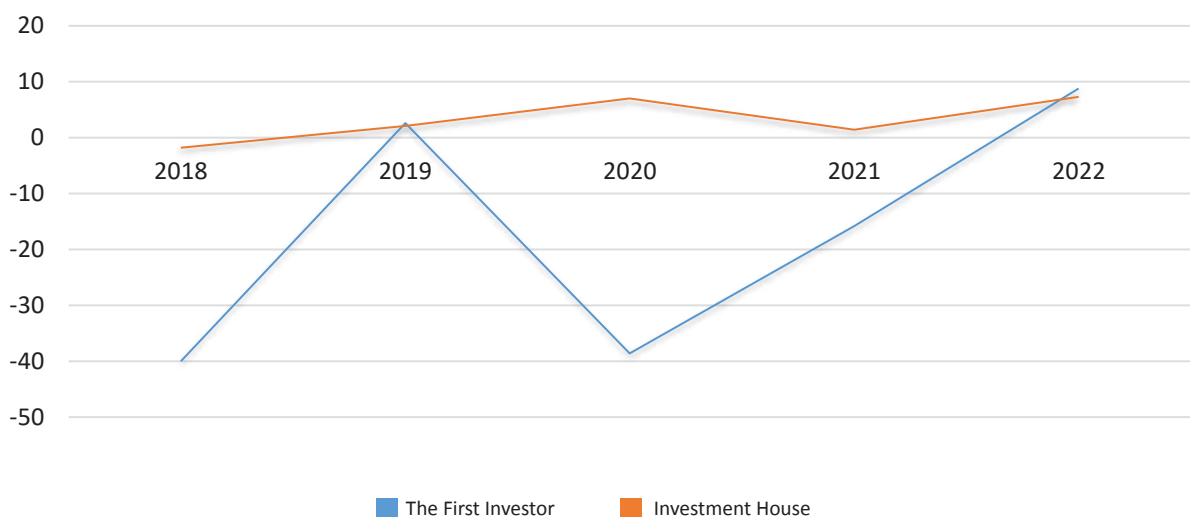
Investment Companies achieved profits during 2022 that exceeded 16 million Riyals in total, and the First Investor Company achieved profits amounting to 8.8 million Riyals, while the profits generated by Investment House amounted to 7.3 million Riyals.

#### Profits / (losses) of Islamic investment companies (2018-2022) in Thousand QAR

	2018	2019	2020	2021	2022
The First Investor	(39,978)	2,621	(38,620)	(15,785)	8,803
Investment House	(1,874)	2,137	7,024*	1,397*	7,255*

Source: financial reports of Islamic investment companies  
(\* ) Unaudited data

#### Profits / (losses) of Islamic investment companies (2018-2022) in Million QAR







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## **Islamic Investment Companies Operating under Qatar Financial Centre**

Many financial investment companies operate under the supervision of Qatar Financial Center. Among the financial companies operating in the field of Islamic investment is «Al Rayan Investment» Company.

### **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*





| Imam Muhammad bin Abdul Wahhab Mosque



The year 2022 witnessed a decrease in the issuance of Sukuk (by the governmental and by Islamic banks), as Islamic banks did not issue any Sukuk during the year, while Qatar Central Bank's issuance of Sukuk decreased in the year 2022 by (29%). Total Sukuk issued by government and by Islamic banks decreased in 2022 by (48%) compared to 2021.

During the period (2018-2022), the total Sukuk issued during the period was QAR 55.5 billion; during the period, government Sukuk accounted for 59% of the total Sukuk issued.

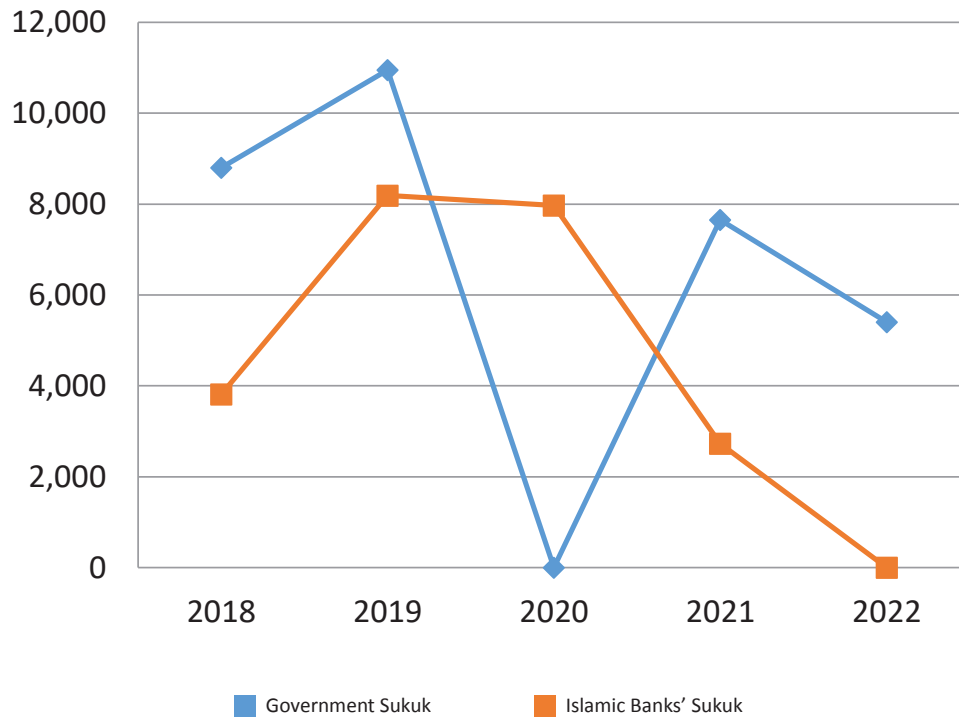
### Sukuk issued in the period (2018-2022) in Million QAR

	2018	2019	2020	2021	2022
Government	8,800	10,950	—	7,650	5,400
Islamic banks	3,809	8,191	7,972	2,730	—
Total	12,609	19,141	7,972	10,380	5,400

**Total Sukuk issued in the period  
in Million QAR (2018 – 2022)** **55,502**

*[Source: QCB reports, annual reports of Islamic banks]*

### Sukuk issued during the period (2018-2022) in Million QAR



#### First: Government Sukuk

In 2022, Qatar Central Bank issued Sukuk of 5.4 billion Riyals in five stages and with different terms. In January, Qatar Central Bank issued Sukuk of 250 million Riyals for 3 years. In April, QCB issued Sukuk of 150 million Riyals due after 3 years, while in August, it issued Sukuk of 5 billion Riyals for 3 years. The Sukuk issued by Qatar Central Bank in 2022 accounted for 35.6% of the total debt instruments issued during the year, including Sukuk and bonds.

During the five years (2018-2022), QCB issued QAR 32.8 billion of Sukuk, representing 31.9% of the total issuance of Sukuk and government bonds during the period.

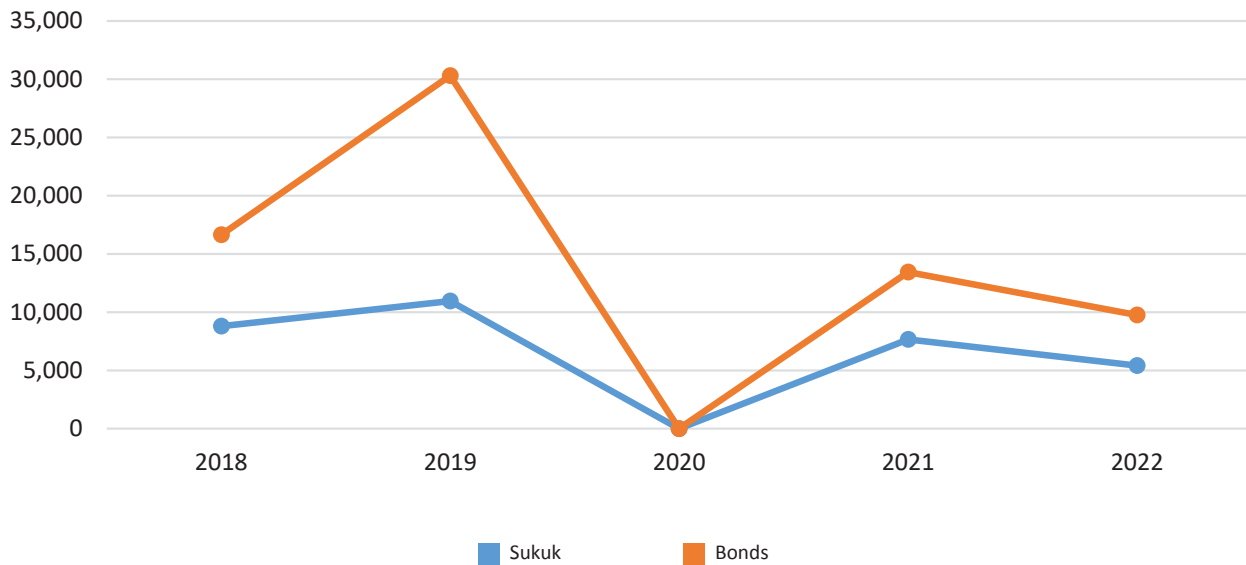
**Government Sukuk Issued during the Period (2018-2022)  
in Million QAR - compared to Bonds**

	Issue Date (Month)	Value of Issued Sukuk	Issue Term	Total Sukuk for the Year	Bonds issued for the Year	Sukuk percentage out of the total %
2018	3	900	5	8,800	16,650	34.6
	6	3,300	5			
	6	1,700	8			
	9	1,000	3			
	9	1,200	5			
	11	700	3			
2019	1	4,000	5	10,950	30,300	26.5
	4	950	5			
	6	1,000	5			
	6	1,000	10			
	8	1,100	3			
	8	1,100	5			
	9	800	3			
	9	800	5			
	10	200	3			
2020	—	—	—	—	—	—
2021	8	500	5	500	500	500
	9	4,000	5			
	9	2,000	7			
	10	150	7			
	11	1,000	5			
2022	1	250	3	5,400	9,750	35.6
	4	150	3			
	8	5,000	3			
<b>Total</b>				<b>32,800</b>	<b>70,150</b>	<b>31.9</b>

Source: Based on Qatar Central Bank reports



### Government Sukuk Issued during the Period (2018-2022) in Million QAR



### Second: Sukuk Issued by Islamic banks

During 2022, Islamic banks did not issue any Sukuk and the outstanding Sukuk balances in them at the end of 2022 amounted to approximately 23 billion Riyals.

During the period (2018-2022) the total Sukuk issued by Qatar Islamic Bank amounted to 9.9 billion Riyals, while Sukuk issued by Masraf Al Rayan amounted to approximately 6.4 billion Riyals, and Sukuk issued by International Islamic Bank amounted to 4.6 billion Riyals. The total amount of Sukuk issued by Dukhan Bank during the period was 1.8 billion Riyals. These Sukuk varied from Finance Sukuk to permanent capital Sukuk.

### Sukuk Issued In Islamic Banks in the Period (2018-2022) In Million QAR

	Years	Issue Date (Month)	Issue Value (million QAR)	Issue Term (year)	Total years (million QAR)
QIB	2018	2	180	5	2,091
		2	91	1	
		4	182	3	
		4	109	5	
		5	437	5	
		5	364	3	
		10	364	5	
		10	364	5	
	2019	3	750 (US\$ million)	5	2,730
	2020	1	650 (US\$ million)	5	5,096
10		750 (US\$ million)	5		
QIIB	2019	3	500(US\$ million)	5	3,641
		10	200(US\$ million)	3	
		11	300 (US\$ million)	permanent	
	2021	10	250 (US\$ million)	3	910
Al-Rayan	2018	2	221 (million pounds sterling)	34	1,718
		11	100 (US\$ million)	5	
		11	90 (US\$ million)	5	
	2019	11	500(US\$ million)	5	1,820
	2020	3	40(US\$ million)	3	2,876
		9	750(US\$ million)	5	
Dukhan	2021	7	500 (US\$ million)	permanent	1,820

Source: Annual reports of Islamic banks







## *Islamic Investment Funds*



Msheireb City





Qatar Central Bank licensed five Islamic investment funds, namely: Al Bait Al Mali Fund, Al Rayan GCC Fund (Q), Al Rayan GCC Fund (A), and 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 Sharia and is available only to Qataris. In March 2019, Qatar National Bank (Switzerland) was appointed as the Fund Manager.

### **2- Al Rayan GCC Fund - Category (Q)**

In 2009, Qatar Central Bank licensed Al Rayan GCC Fund 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 Sharia. 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 - Category (A)**

Masraf Al Rayan established Al Rayan Gulf 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- First Investor Securities Fund**

Dukhan Bank (formerly Barwa Bank) established in 2012 the TFI GCC Equity Opportunities Fund (Q) as an investment fund limited to individuals and Qatari legal entities with the aim of achieving long-term capital growth by investing in a diversified investment portfolio of stocks and securities Legally permissible related issues, which are issued by companies listed on the stock exchanges of the Gulf Cooperation Council countries. In 2018, the name of the Fund was changed to “TFI Securities Fund”, and the Fund’s activity was changed to be limited to investing in a diversified portfolio of stocks and securities related to the shares of companies listed on the stock exchange. Qatar is compliant with Islamic Sharia, whether Qatari or non-



Qatari companies listed on international stock exchanges and get their income from projects and operations inside Qatar. It was approved to open the ownership of the Fund's units to non-Qatari people with a percentage not exceeding 49% of the Fund's total capital during the first offering period. The capital of the Fund ranges between 10 million to 2 billion Qatari riyals, and the Fund is managed by The First Investor Company, and HSBC Bank Middle East is the investment trust for this Fund.

### **5- Al Rayan Qatar ETF**

In 2016, Masraf Al Rayan established Al Rayan Qatar ETF (QATR) 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 on 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

In 2022, the assets of Islamic investment funds marginally decreased by (0.9%), exceeding the amount of QAR 910 million. The net value of assets attributable to unit holders in Al Rayan GCC Fund (Q) increased by 10.3%, while the net value of assets attributable to unit holders in the remaining funds decreased; Al Rayan GCC Fund (A) decreased by (3.1%), Al Bait Al Mali by (5.4%), Al Rayan Qatar ETF by (5.9%), and TFI by (24.7%).

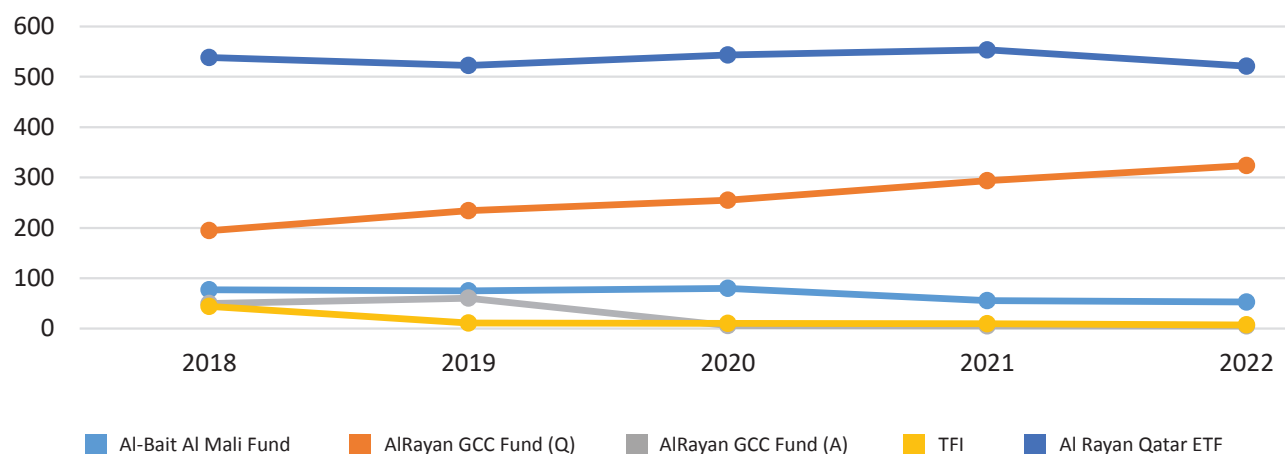
### Net Assets Attributable to Islamic Funds Unit Holders (2018 – 2022)

	2018	2019	2020	2021	2022	Growth in 2022 (%)	CAGR (%)
Al Bait Al Mali (QAR)	76,695,270	74,923,218	79,819,625	55,810,070	52,811,543	(5.4)	(7.2)
Al Rayan GCC Fund (Q) (QAR)	194,407,368	234,397,478	254,807,439	293,690,211	323,802,113	10.3	10.7
Al Rayan GCC Fund (A) (USD)	13,583,304	16,526,738	1,664,185	1,468,471	1,422,934	(3.1)	(36.3)
TFI (QAR)	44,125,768	11,117,833	10,603,728	9,420,162	7,093,792	(24.7)	(30.6)
Al Rayan Qatar ETF (QAR)	538,621,867	522,500,315	543,236,200	553,650,912	521,201,811	(5.9)	(0.7)
<b>Total Approximate* (QAR)</b>	<b>903,293,500</b>	<b>903,096,170</b>	<b>894,524,625</b>	<b>917,916,589</b>	<b>910,088,738</b>	<b>(0.9)</b>	<b>0.2</b>

\* Total has been calculated by converting the dollar amounts into Qatari Riyals.

Source: Annual financial reports of Islamic investment funds.

### Net Assets Attributable to Islamic Funds Unit Holders (2018 – 2022) in Million QAR



As for the performance of Islamic investment funds in 2022, it was varied, with Al Rayan GCC Fund (Q) achieving a positive performance of 5.7%, while the performance of the rest of the funds was negative; Al Bait Al Mali Fund performed negatively at a rate of (5.3%), Al Rayan GCC Fund (A) performed at a rate of (3.1%), Al Rayan Qatar ETF at a rate of (6.2%), and TFI at a rate of (18.1%).

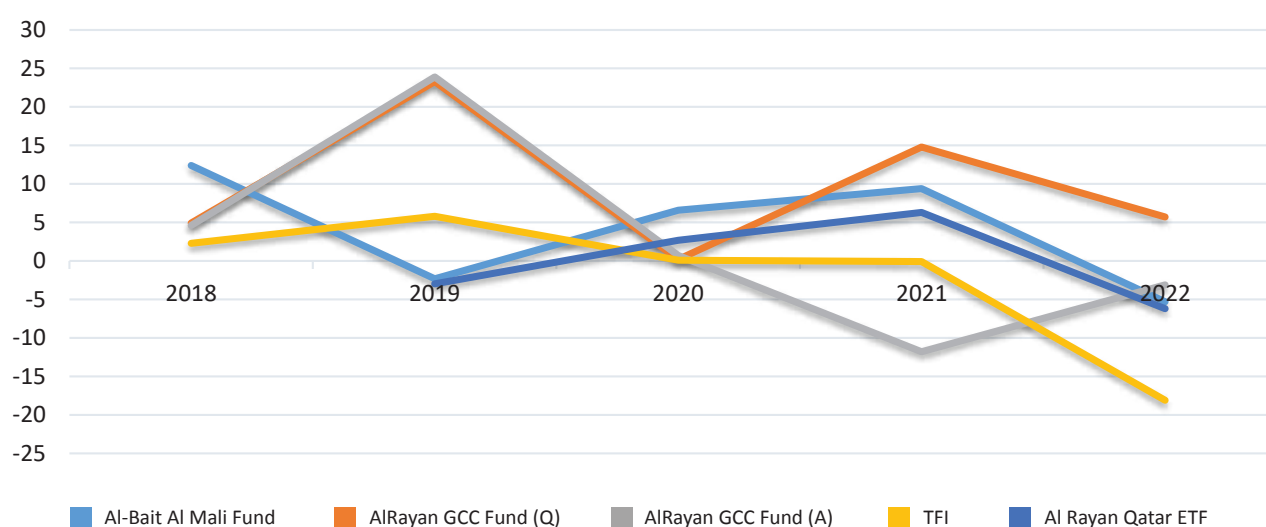
Al Rayan GCC Fund (Q) achieved the highest performance rate of 5.7%, followed by Al Rayan Qatar ETF at (6.3%), while TFI was performed negatively at a marginal rate of (0.1%), and in Al Rayan GCC Fund (A) at (11.8%).

### Performance of Islamic Investment Funds (2018 – 2022) %

	2018	2019	2020	2021	2022	Period average
Al Bait Al Mali Fund	12.4	(2.3)	6.6	9.4	(5.3)	4.2
Al Rayan GCC Fund (Q)	4.9	23.3	0.2	14.8	5.7	9.8
Al Rayan GCC Fund (A)	4.6	23.9	0.7	(11.8)	(3.1)	2.9
TFI	2.3	5.8	0.1	(0.1)	(18.1)	(2)
Al Rayan Qatar ETF	—	(3)	2.7	6.3	(6.2)	(0.1)

Source: annual financial reports of Islamic investment funds

### Performance of Islamic Investment Funds (2018 – 2022) %





# *Islamic Stock Exchange*



*Katara Mosque*







## 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 Sharia-compliant according to the opinion of the Sharia Supervisory Board at Masraf Al Rayan.

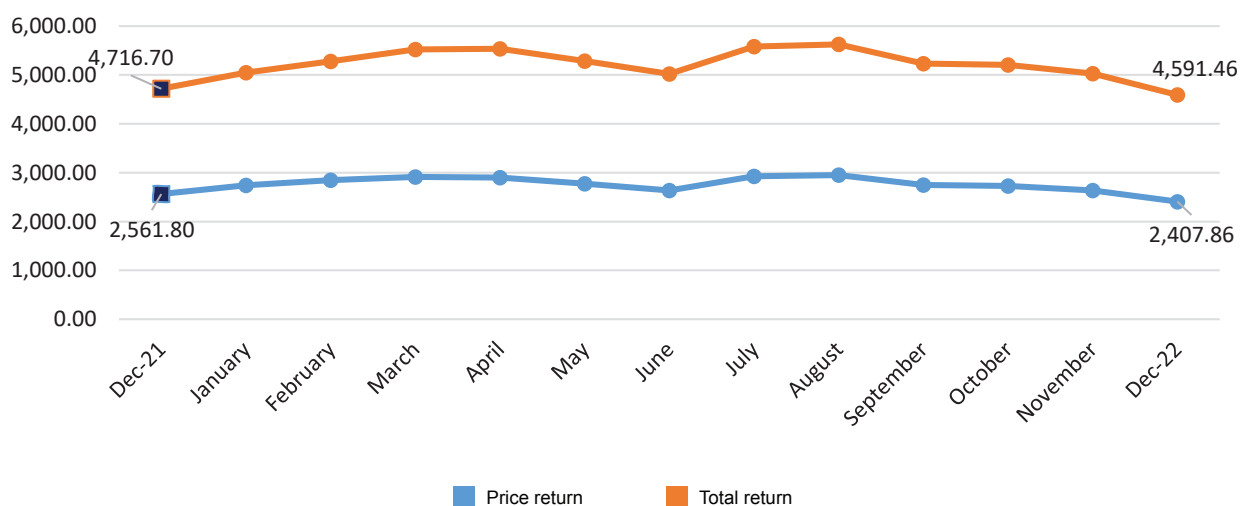
QE Al Rayan Islamic Index is a total return index, as it reflects the price performance and revenues of reinvesting dividends in the shares of listed companies.

## Performance of the Qatar Al Rayan Islamic Stock Exchange Index

During 2022, Al Rayan Islamic Index decreased by (2.66%), closing at 4,591.46 points, with a difference of 125,240 points compared to 2021.

During the 2022 QSE audits as of the Start of April, the QE Al Rayan Islamic Index components were modified with the inclusion of Qatar Navigation Company and the exclusion of Qatar Islamic Insurance Company and the Alkhaleej Insurance Company from the index account. At the beginning of October, the QE Al Rayan Islamic Index components were modified with the exclusion of Aamal Company from the index account.

Movement of QE Al Rayan Islamic Index in 2022



## Performance of shares of Islamic Finance Companies:

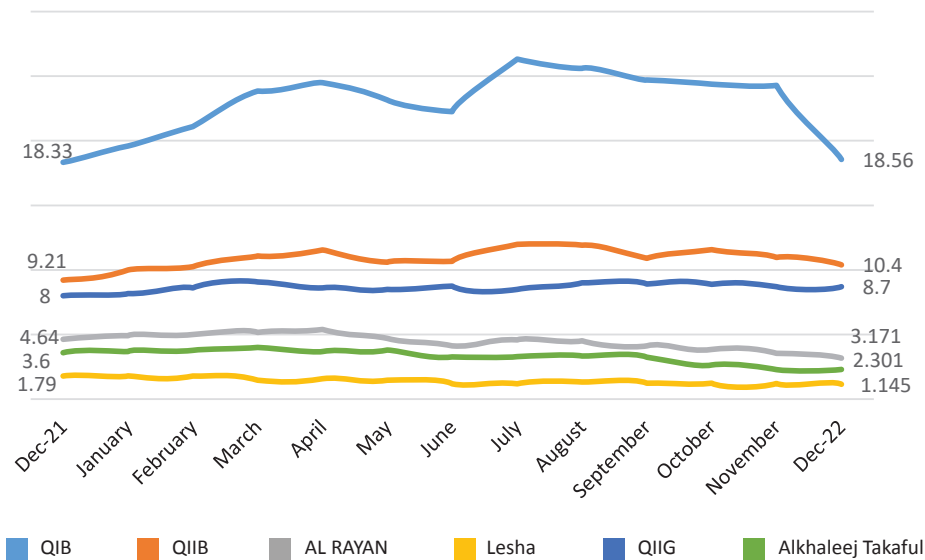
Adding to Al Rayan Qatar Fund ETF, the shares of four Islamic banks (Qatar Islamic Bank, Qatar International Islamic Bank, Masraf Al Rayan, Qatar First Bank) and two Islamic Takaful insurance companies (Qatar Islamic Insurance Company, Alkhaleej Takaful Insurance Company) are listed on the Qatar Stock Exchange.



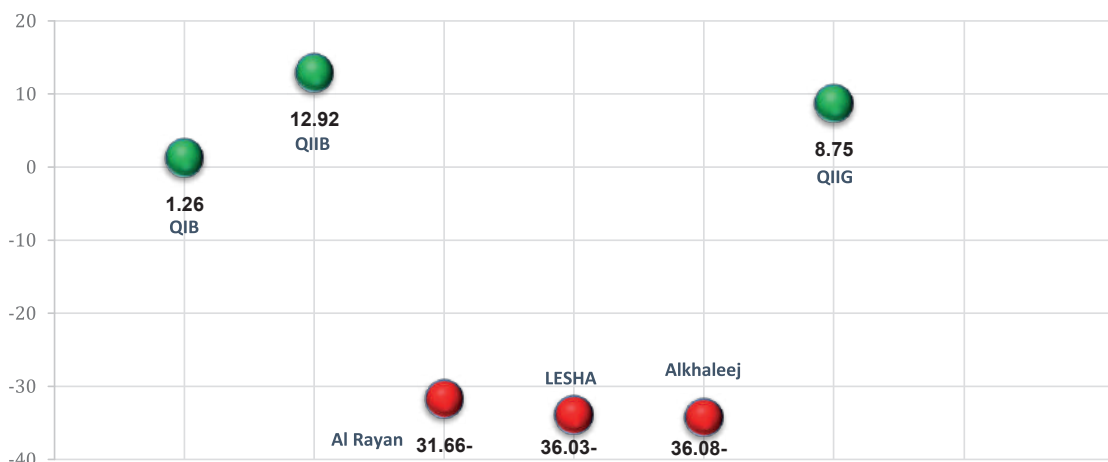
During 2022, the performance of the shares of all these companies was variable, while the share of QIIB rose by 12.92%, and it was the fifth company on the Qatar Stock Exchange in 2022 in terms of the highest gainer during the year. The shares of Islamic Insurance rose by 8.75%; Qatar Islamic Bank (QIB) increased by 1.26%; Masraf Al Rayan decreased by (31.66 %); Lesh Bank (36.03%); and Al-Khaleej Takaful (36.08%).

During the year, the trading value of Masraf Al Rayan’s shares amounted to 14.4 billion Riyals making it the second company with the highest value in trading on the stock exchange, followed by QIB as the third company on the stock exchange with a value of 14.1 billion Riyals in terms of trading. Masraf Al Rayan was the fourth company with the highest value in trading on the stock exchange, as the trading value of its shares amounted to 3.2 billion Riyals during the year.

### Movement of the Shares of Islamic Finance Companies during 2022



### Percentage Change per Share % (2022)





## 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.