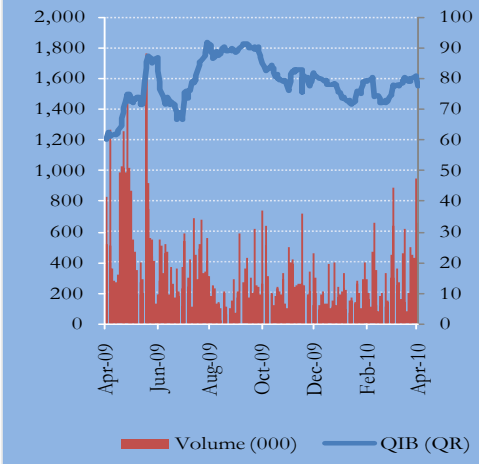
Qatar Islamic Bank – 1Q2010 Review

Market Data	
Bloomberg:	QIBK QD
Reuters:	QISB.QA
CMP (15 April 2010):	QR 77.6
O/S (mn):	216.6
Market Cap (QR mn):	16,808
Market Cap (US$ mn):	4,614
Price/EPS 2010e (x):	8.8
Price/BV 2010e (x):	2.0

Price Performance	1-Yr
High (QR):	91.8
Low (QR):	60.9
Average Volume (000):	324.8

Share Price Performance



*Source: Zawya & **Global** Research*

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- **Qatar Islamic Bank (QIB)** announced 1Q2010 results. The bank recorded a net income of QR300mn (EPS: QR1.43) in 1Q2010, down by 14% YoY from 1Q2009 level of QR350mn (EPS: QR1.74), and down by 7% QoQ.

- The major causes for profit decline were decline in net funding income and, income from investment activities. First, net funding income was QR322mn in 1Q2010, down by 9% YoY and down by 11% QoQ. Additionally, income from investment dropped by 86% YoY to record QR10mn, but it witnessed an improvement over 4Q2009 when the bank had investment losses of about QR8.6mn.

- Meanwhile, net commission and fees almost doubled YoY to reach QR79mn in 1Q2010. On the other hand, operating expenses decreased by 11% YoY, but cost to income ratio stayed almost flat at 24%

- Provisions (including financials & credit) decreased slightly by 3% YoY to QR17mn in 1Q2010. However, 1Q2009 provisions were all related to lending assets, while 1Q2010 provisions were all related to financial investments. 4Q2009 Provisions were only QR7mn, due mainly to net recoveries of almost QR55mn in financing.

QR (mn)	1Q2010	1Q2009	% Change
Net Income	300.1	350.2	-14.3%
Net Funding Income	322.0	353.0	-8.8%
QR (bn)	1Q2010	2009	% Change
Assets	39.7	39.3	1.0%
Deposits	25.3	20.4	24.3%
Due from financing activities	24.0	22.7	5.9%

Source: Company's Reports

- Total assets grew slightly by 1.0% YTD, recording QR39.7bn in 1Q2010. Net financing assets were up by 5.9% YTD to QR24.0bn, while investments portfolio stayed flat to end the period at QR3.4bn.

- Meanwhile, deposits (including unrestricted investment account) jumped by 24% YTD to register QR25.3bn in 1Q2010. However, inter-bank borrowing decreased by 41% YTD.

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