

QIB Goes Global

An Interview with Salah Jaidah,
Chief Executive Officer, Qatar Islamic Bank



Salah Jaidah

EDITORS' NOTE Salah Jaidah assumed his current post in June 2005. Prior to this, Jaidah was the General Manager for Doha Bank for four years. In addition, Jaidah held several senior positions at the Commercial Bank of Qatar over the course of 13 years, including Assistant General Manager, which he assumed in 1994. Jaidah is also Head of the Indo-Qatari Joint Business Council, a member of the Qatari-British Association of Business, and a member of the Committee of Qatari-Bahraini Potential Bank. He is a board member of Al Jazeera Islamic Company and Aqar Real Estate, both in Doha, Qatar.

COMPANY BRIEF Qatar Islamic Bank (QIB) was established in 1982 and has been a leader in the Islamic banking industry for more than 25 years. With a presence throughout Qatar, the Gulf, the Middle East, Asia, and Europe, QIB (www.qib.com.qa) adheres to the highest Sharia'a and ethical principles while meeting international banking standards.

QIB aspires to become a global Islamic network. How does the bank plan to meet this goal while maintaining its presence in Qatar?

Thanks to our subsidiaries and affiliates, we have established the first global Islamic banking network under one roof via the Arab Finance House in Lebanon, the Asian Finance Bank in Malaysia, the European Finance House

in the United Kingdom, and QInvest in Qatar. Our QR 26.9 billion in assets allows QIB's global network to offer cross-continent, Sharia'a-compliant financing solutions to any corporation worldwide. We will soon realize plans to expand into France and Germany, as well as Turkey, and are conducting feasibility studies regarding new openings in Egypt and other Gulf Cooperation Council [GCC] countries. We have established the Asian Finance Bank in Malaysia, and are currently finalizing plans to expand into Singapore and Brunei. QIB has also recently signed a memorandum of understanding [MoU] to open in Kazakhstan.

By 2010, we expect the Islamic banking industry to realize a value of \$1 trillion globally. We plan to maintain our principal position in this sector by maintaining an annual 25 percent growth rate. To this end, we are introducing state-of-the-art key performance indicators to measure our performance on a 360-degree scale. These will include employee income, human resources, training plans and schedules, cost-to-profitability ratios, and more as we seek to improve our service among our local staff and our more than 150 employees abroad. Locally, we will soon expand our network of branches to 35 and increase our number of ATM outlets to more than 100. We also recently launched comprehensive e-banking capabilities. Moreover, we expect strong growth in corporate projects and financing by offering alternative financing solutions.

In the first half of 2008, QIB recorded an increase in profits from the same period in 2007 of 70.2 percent. What factors have been primarily responsible for QIB's growth spurt, and how do you see the strategic plan continuing to evolve during the next four years?

Market growth, construction, and the increasing availability of Islamic financing options have led this boom, and QIB has been so successful in part because our strategy encompasses local and regional approaches to these industries, as well as a commitment to our private clients. We will continue to encourage partnerships that develop the global economy and participate in the advancement of society as a whole – this is one of QIB's primary missions. We have sought opportunities to diversify our portfolio by sharing our expertise and know-how to encourage growth in the financial, trade, and industry sectors the world over and we will

continue to do so. QIB will maintain its dedication to innovation and its strategy of expansion to increase its presence in Qatar, the GCC, and around the globe. We will also realize a further presence in the manifestation of many large-scale real estate and energy projects domestically and abroad.

What is the common thread throughout QIB's global partnerships, portfolios, and acquisitions?

The common thread in our global growth and diversification successes and future strategies is QIB's commitment to, and enthusiasm for, finding and encouraging Sharia'a-compliant solutions to business and industry's needs while working to encourage the global economy and advance society as a whole. Some examples of this diversification and expansion outside of Qatar are QIB's work financing overseas real estate projects, such as the Bera Alanya five-star hotel in Turkey and the iconic Shard of Glass project in London, of which the bank controls 20 percent. In addition, QIB has entered into a MoU with Gulf Petroleum Company - Bernhard, Malaysia, to study leading a joint integrated financing project to produce petrochemical by-products in the north of the state of Perak, a \$5 billion venture.

In his April 2008 interview in LEADERS magazine, QIB Chairman Sheikh Jassim Bin Hamad Bin Jabor Al Thani praised the good work of QIB's Sharia'a Advisory Board. What examples best illustrate QIB's supervising committee's important work?

The Shard of Glass acquisition in the U.K., as well as the opening of subsidiaries in Europe, the Middle East, and Asia are good illustrations of the progress realized through the approvals of the Sharia'a Advisory Board, as is QIB's \$150 million financing of the construction of the Abu Fontas desalination plant for the benefit of Qatar Electricity & Water Company. The Sharia'a Advisory committee has also overseen large domestic and international projects such as QIB's financing of Qatar Airways' new A340-600 aircraft purchase, an arrangement that impacts both the local and international markets.

QIB has recently been upgraded by Fitch. How does QIB regard this positive recognition by the industry?

We recently received from Fitch and Capital Intelligence an upgrade from an A- to an A and regard this advancement as a sign that we are moving toward and meeting our development goals. ●