

## Expanding Our GCC Footprint

An Interview with His Excellency Abdullah Bin Khalifa Al Attiyah, Chairman of the Board of Directors, Commercial Bank of Qatar



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**EDITORS' NOTE** State Minister Abdullah Bin Khalifa Al Attiyah has been on the board of the Commercialbank of Qatar since 1980, becoming Chairman in July 1999. He is also the Deputy Chairman of both Qatar Insurance Company and United Development Company, and is the Chairman of Gulf Publishing and Printing. Firmly committed to Qatar, he applauds the wise leadership and vision of His Highness the Emir, Sheikh Hamad Bin Khalifa Al Thani, in the transformation of Qatar into a modern, industrialized, knowledge-based economy. He is proud of the bank's rapid growth since its inception, the 30th anniversary celebration in 2005, and of the bank's contribution to, and leading role in, the emergence of Qatar as one of the fastest-growing economies, as well as a leading investment destination for global companies.

**COMPANY BRIEF** Founded in 1975, Commercialbank ([www.cbq.com.qa](http://www.cbq.com.qa)) is the leading private sector and second largest commercial bank in Qatar, by total assets, shareholders' equity, and market capitalization. With prime single A credit ratings from Moody's, Fitch, and Standard & Poor's, Commercialbank has a 30-year track record of profitable operations supported by a diversified revenue structure, good asset quality, diversified funding sources, and a strong capital base. The full service commercial bank offers a full range of retail banking, card services, wealth management, corporate banking, investment banking, Islamic banking,

trade finance, and corporate internet banking services.

**You have said that Commercialbank "is committed to remaining at the heart of the development and diversification of Qatar's economy." What is Commercialbank's specific role in the development and diversification of Qatar's economy?**

Under the visionary leadership of His Highness the Emir, Sheikh Hamad bin Khalifa Al Thani, Qatar has enjoyed very favorable economic conditions. With continued investment in petrochemicals, liquefied natural gas, and infrastructure projects, the banking sector is strategically important and integral to the funding of these projects. As the country's largest private-sector bank, Commercialbank is a major local banking partner for the government of Qatar, offering a comprehensive range of corporate banking, treasury, investment banking, transaction banking, corporate finance, and advisory services – conventional and Islamic – for Qatari, Gulf Cooperation Council [GCC], and international companies involved in all economic sectors in Qatar.

In addition, Commercialbank has been proactively building capacity for supporting growth in Qatar. The bank has invested in skilled manpower, technology, and risk-management systems, and has significantly increased its capital base in recent times to participate fully in the country's economic expansion.

**You've noted that Commercialbank "continues to maintain its strong performance in Qatar, together with a focus on regional expansion with the Gulf Cooperation Council region." What is Commercialbank's regional approach and outlook?**

Commercialbank's successful diversification strategy has expanded its GCC footprint, through its strategic alliance with the National Bank of Oman [NBO] and United Arab Bank [UAB]. NBO is the second-largest bank in Oman, with total assets of RO 1.8 billion, with 52 branches in Oman, 5 branches in Egypt, and 1 branch in Abu Dhabi. UAB is headquartered in Sharjah, with total assets of AED 7.1 billion and operates 9 branches in the UAE. Both banks recorded strong growth and profitability over the first nine months of 2008.

Commercialbank's objectives over the coming years are to build upon these existing alliances through the optimization of synergies, the

implementation of industry best practice, and the introduction of shared services platforms across an increasingly unified structure. Each bank will continue to pursue selective and aggressive organic expansion in each of its home markets and also combine to pursue other regional risk participation opportunities as these arise. By unlocking the true potential of these alliances, we aim to increase relationship access to financing and investment banking opportunities in the GCC region, and place the group in a strong position to play a lead role in fostering the emerging private-sector growth. Aggregated, our group assets are today in excess of QR 80 billion. We have over 85 branches spread across Qatar, the UAE, and Oman, and employ approximately 3,500 staff. In addition, the Commercialbank group will continue to seek new potential alliance partners in other countries and with specific product or service capability.

**For 2008, you noted that, in addition to regional expansion, "our strategic direction will be driven by the key themes of business diversification and development of innovative products and services, tailored to meet the requirements of the State of Qatar and its rapidly expanding multinational and multicultural population." Was Commercialbank able to meet its strategic direction goals for 2008?**

The scale of economic activity in Qatar during 2008 and our diversification strategy have enabled robust growth in all of our core businesses – corporate, retail, and Islamic. Our focus has been on trade finance and private-sector growth in Qatar, with increased attention on risk management and liquidity. Commercialbank has achieved a compounded annual growth rate of over 40 percent and above in all key measures over the past five years, with the well-diversified asset base rising to QR 57.8 billion as of September 30, 2008. The bank's strategy has focused on sustaining the robust growth of its existing key business lines, with ongoing investments in new products, human resources, and technology. This has been coupled with strategic diversification into new business areas and work on optimizing business and cost synergies from the group's expanded regional presence.

During 2008, two major milestones in the bank's history were reached. The first was the success of a large capital raising exercise. The innovative and pioneering structure included



*H.E. Abdullah Bin Khalifa Al Attiyah at the opening of the Bin Omran branch of Commercial Bank of Qatar*

a preferential rights issue as well as the largest globally distributed global depository receipt issue out of the GCC region. This exercise significantly strengthened the capital ratio, and will enable the continued growth of the bank's diversified business. Second, the fourth quarter saw the completion and occupation of Commercialbank Plaza, in which a flagship branch has opened for business. This prestigious new tower, at the entrance to the West Bay, provides superior office space and a great location for major companies and organizations, as well as the headquarters for the group and bank senior management.

Sustained growth and strong operating performance during the year, together with the success of the regional diversification strategy, has firmly established Commercialbank as a major GCC banking group. Despite the global market downturn, Qatar's financial system remains robust, prospects for future investment and growth remain strong, and Commercialbank will continue to participate fully in the long-term growth of the economy.

**Commercialbank's community focus in Qatar is well known. Could you elaborate on Commercialbank's active role with the Qatar Diabetes Association, the new medical clinic at Qatar University, your media training center joint venture with UNESCO, and the Qatar Family Development Center?**

We use our strengths to support the community that we also serve as a business. We believe that we have a responsibility to help make a positive difference in the community,

and for several years now, we have made it our business to make a contribution where help is needed most. Most recently, for the Qatar Diabetes Association, the bank has financed the construction and furnishing of two gymnasiums for diabetics, which are equipped with full training facilities and staffed by qualified instructors. At Qatar University, to improve the welfare provision of the ladies section, the bank has established a new health care facility, with state-of-the-art medical equipment and full medical personnel.

Also, in expanding the scope of education at Qatar University, Commercialbank and UNESCO are jointly financing a media training center, to be constructed and outfitted within the ladies section, which will provide opportunities for Qatari ladies to obtain qualifications in the fields of journalism, TV, and broadcasting. Furthermore, under the auspices of the Family Development Center with the Qatar Foundation, the bank has financed the establishment of the Qatar Center for Marital Counseling, with the aim of sustaining healthy family life and promoting good standards of living by offering consultations and enlightenment throughout all stages of family life.

In addition to these major projects, the bank is also actively engaged in contributing to the country's health, education, social, and cultural activities, as well as supporting sporting and business pursuits. We look forward to continuing our close involvement with many deserving causes and institutions in the years ahead.

**In your unique role as Chairman of one of Qatar's most important financial institutions, what have you found best, and most challenging, about your duties and responsibilities?**

Since the bank's inception in 1975, we have set out to support and encourage Qatar's trading community by providing financial services to companies and individuals actively engaged in growing the country's commerce and infrastructure. Guided by the visionary leadership of the Emir and the Government of Qatar, the country and its people have flourished, and Commercialbank is proud to have played a part in that process.

Personally, I find it gratifying to note the bank's achievement in recording profitable growth covering more than 30 years. Key factors in our success have been the continuity of ownership and management, and a business strategy focused consistently on increasing shareholder value. Commercialbank now ranks among the top 20 Arab banks, by capital strength, and is one of the fastest-growing banks in the economically vibrant GCC region. Sustainability remains the key challenge. We shall maintain a sharp focus on key performance indicators, to ensure that they demonstrate positive and sustainable trends for the benefit of all of our stakeholders. Most importantly, we shall continue to be inspired by Qatar, conducting our business with ethics and integrity, and reaching out to every aspect of Qatari life, in celebration of the place that we call home. ●