



# QNB Financial Results

September 2024

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# Key Financial Highlights

## 1 Net Profit

Amounted to QAR 12.7 billion, compared to QAR 11.87 billion for the same period of 2023, up 7%.

## 2 Total Assets

Surged to QAR1,279 billion, up 8% from September 2023.

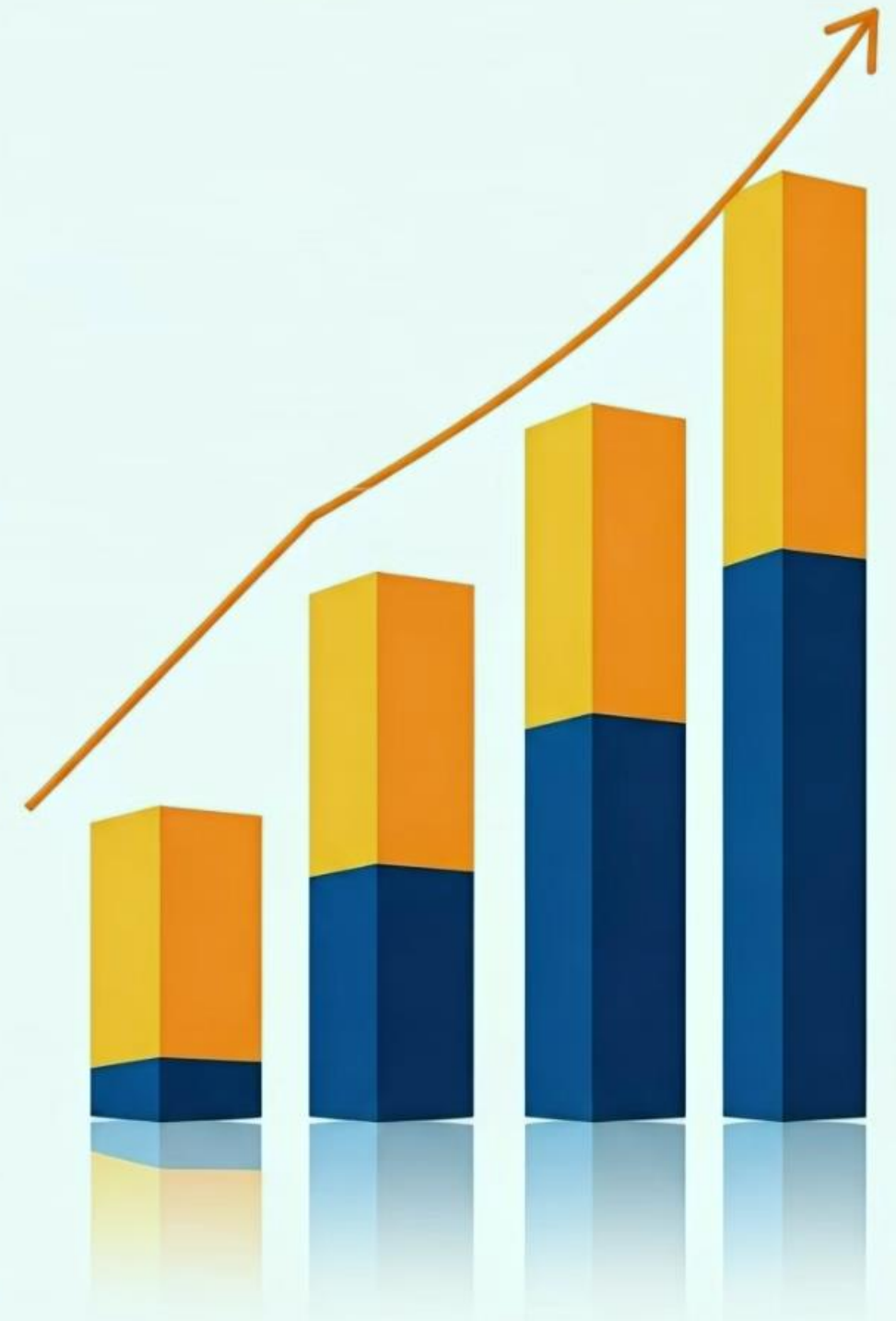
## 3 Loans and Advances

Grew to QAR905 billion, up 11% from September 2023.

The surge in loans is a direct result of the government ramping up its borrowing to fund exciting new energy projects.

## 4 Customer Deposits

Rose to QAR909 billion, up 11% from September 2023.







# Key Highlights

1

## Remarkable Topline Growth

The bank saw a significant surge in interest income due to strong loan growth and higher fixed-income yields.

2

## Improved Profitability

Net income for 9 months surged by 7% , driven by increased income and lower provisions.

3

## Solid Capital Position

The QNB maintains a strong capital base with a CAR ratio of 19.5%, providing a buffer against potential economic uncertainties.

4

## A substantial asset size

not only demonstrates the bank's robustness but also its remarkable adaptability to change. (up 8% YOY).



# Income Statement and Efficiency

## Operating Income

Increased by 5% to QAR30.5 billion, reflecting diverse revenue growth.

## Efficiency Ratio

Cost to income ratio at 22.4%, one of the best ratio among the MEAN region banks.

## Credit Quality

Non-performing loans ratio stood at 3% , which is stable QoQ with 100% coverage ratios.

# Revenue Performance

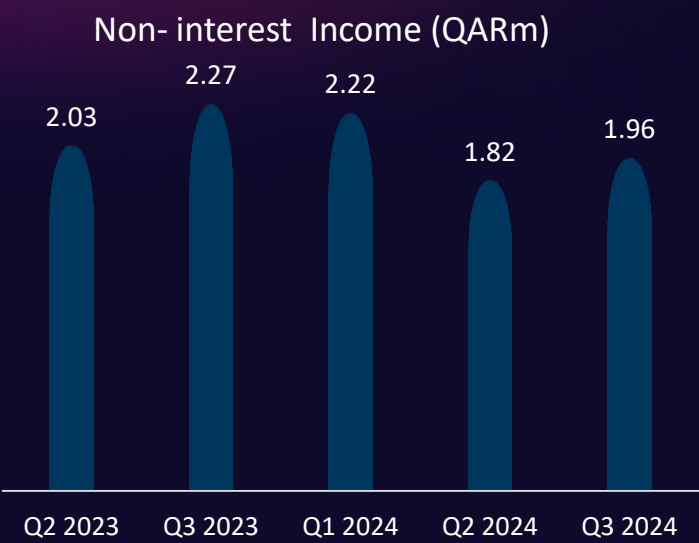
## Interest Income

Interest income from loans and investments increased due to higher interest rates and loan growth.

Net interest income increased by 8% in the first 9 months. Quarter-over-quarter NII grew by 2.7%, and NIM improved slightly from 2.57% at the end of Sep 2023 to 2.63% in Sep 2024.

## Non-Interest Income

Reduced by 4.2% for the comparing period, due to decreased exchange currencies gain, income from investments and other operating income.



## Overall Trend

Operating income has shown a steady upward trend, indicating the bank's strong performance across various revenue streams.

Operating Income (QARm)

Q2'23	Q3'23	Q4'23	Q1'24	Q2'24	Q3'24
4,694.7	6,684.8	4,966.3	6,187.9	5,309.1	6,058.1



## Main Performance Ratios

	Q3 2024	Q2 2024	Q1 2024	Q4 2023
Net Interest Margin %	2.63	2.61	2.62	2.60
Return on Equity	18.9	17.2	17.8	15.2
Cost – Income ratio %	23.0	23.5	21.9	22.0
NPL's %	2.93	2.94	2.80	2.97
Trailing cost of risk	0.88	0.85	0.91	1.01
Provision coverage ratio	128.0	124.5	125.0	129.8
Net loans – Net deposits	99.5	98.7	98.6	99.5
<b>Liquidity Coverage ratio</b>	<b>154.0</b>	<b>185.0</b>	<b>162.0</b>	<b>205.6</b>

The main figures are distributed by region.



%62.5 Qatar

Assets



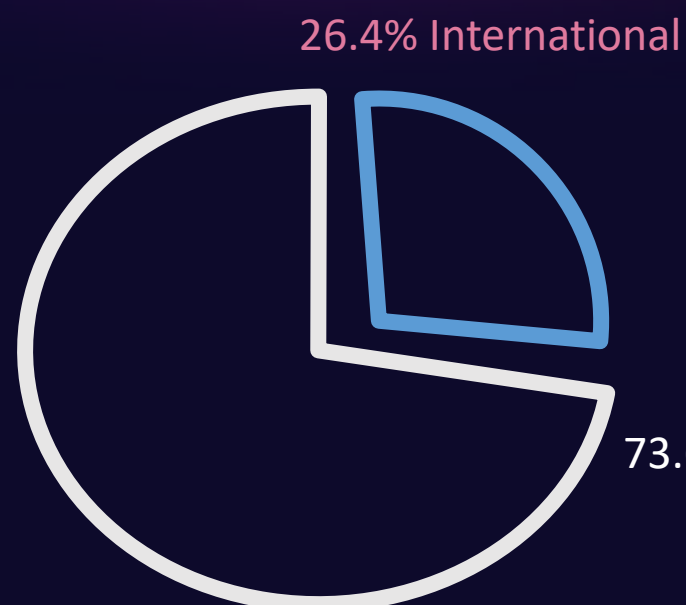
78.7 % Qatar

Loans



57.4% Qatar

Deposits



Net Income

73.6% Qatar



51.7% Qatar

Revenues

48.3% International

## Commentary for the Main Financial Statement Items



### Revenue

Net operating revenues increased by approximately 4% over the 9 months and, reaching 30.05 billion riyals. This growth was driven by an 8% increase in net interest income and a 2.7% increase quarter over quarter. Additionally, net fees and commissions increased by 20%, amounting to more than 0.5 billion riyals. These increases helped offset the decline in revenues from other sources.



### Net Income

In the first nine months of the year, profits surged by 0.84 billion riyals, or 7%, primarily due to a decrease in loan provision expenses by a similar amount. However, compared to the second quarter of 2024, provision expenses increased by 377 million riyals in the third quarter. Quarter-on-quarter profit increased by 6.6%.



### Assets

The QNB assets increased by an impressive 8% year-on-year, reaching a remarkable 1.279 trillion riyals, solidifying its position as the largest in the Middle East in terms of assets. Notably, loans make up a significant 71% of the total assets, highlighting the bank's strong financial position and unwavering commitment to growth.



# Share Buyback and Dividend

1

## Regulatory Approval

QNB has received approvals for share repurchases totaling up to QAR 2.9 billion.

2

## Funding

The share buyback will be funded from the internal cash reserves.

3

## Interim Dividend

Paid QAR0.33 per share in July 2024, a first in QNB's history.

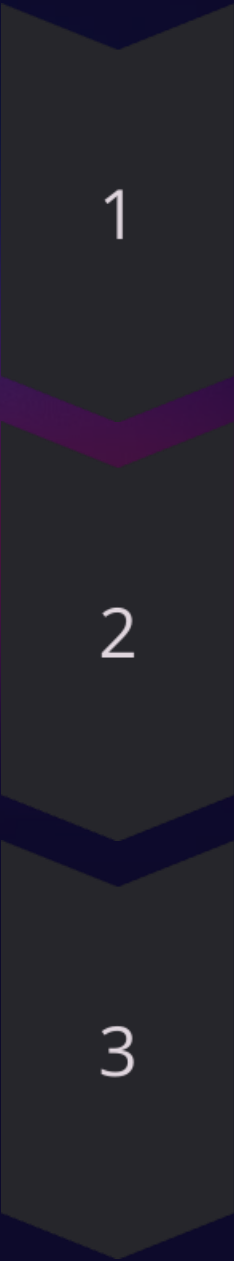


Performance

1 day	+0.12%	<div></div>
1 week	-0.29%	<div></div>
Current month	-0.29%	<div></div>
1 month	+6.16%	<div></div>
3 months	+13.42%	<div></div>
6 months	+19.01%	<div></div>
Current year	+2.24%	<div></div>
1 year	+10.10%	<div></div>
3 years	-12.89%	<div></div>
5 years	-12.12%	<div></div>
10 years	+7.30%	<div></div>

As of 9<sup>th</sup> of Oct 2024.

# Stock Performance



## Strong Performance

"Despite experiencing a rough start with losses exceeding 19% in the first 5 months, the stock has made a remarkable turnaround since the beginning of June. It has not only recovered all its losses but has also shown a 2% increase.

## Positive Momentum

The Bank's stock price outperformed the market index by 4.8%, indicating a favorable outlook, especially after announcing the buyback of shares.

## First interim dividend

In a historic move in July 2024, QNB distributed an interim dividend of QAR0.33 per share.



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