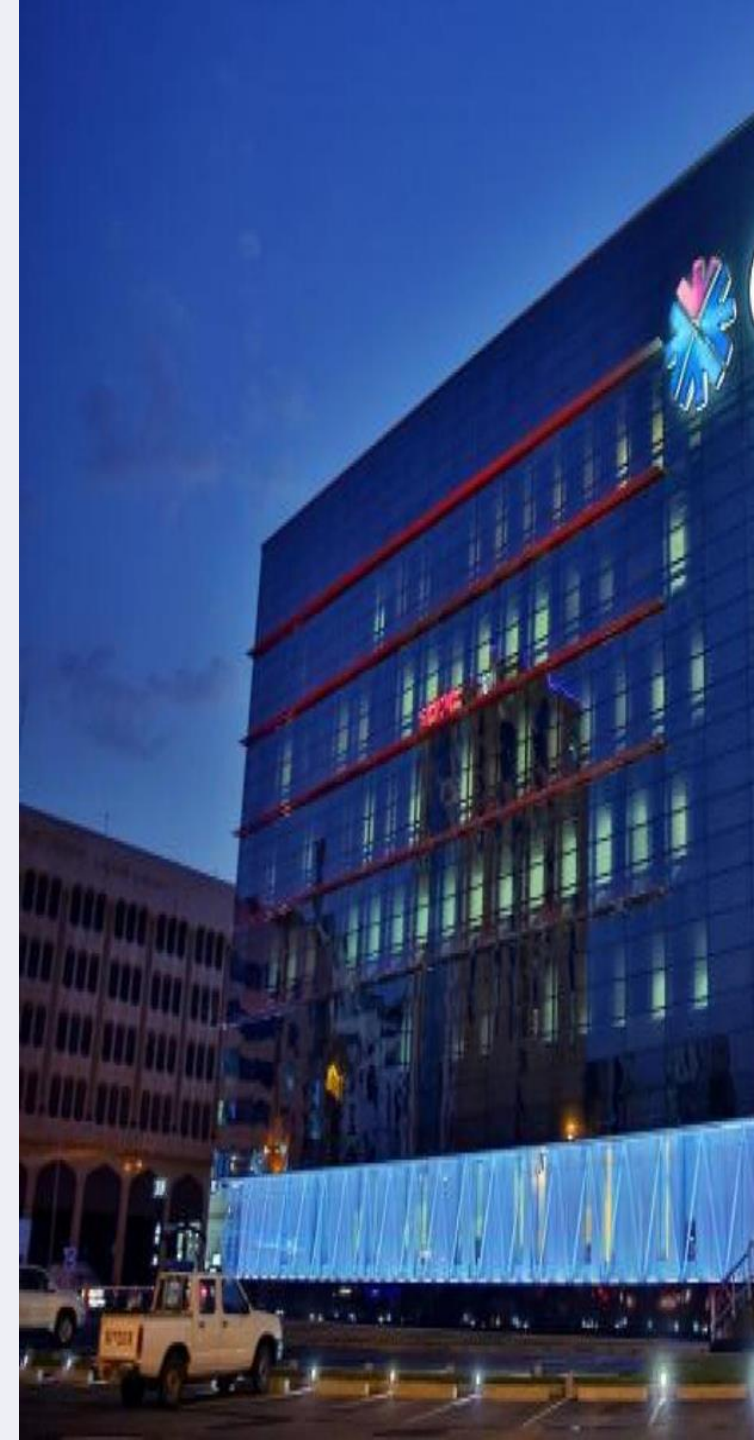


QNB Financial Performance 2024

QNB's 2024 financial results show strong growth and improved profitability. This presentation will cover key metrics, performance drivers, and market position.

○ by Ramzi Qasmieh



Profit Growth Drivers

- 1** **Net Interest Income**
7.9% year-on-year increase due to loan expansion and improved margins
- 2** **Provision Expenses**
Reduction by approximately QAR 1.16 billion in 2024
- 3** **Interest Rate Dynamics**
Loan rates decreasing slower than deposit rates, improving short-term margins



Sector Exposure and Loan Quality

Real Estate and Construction Exposure

Around 9%, below average for Qatar banks

Non-Performing Loans Ratio

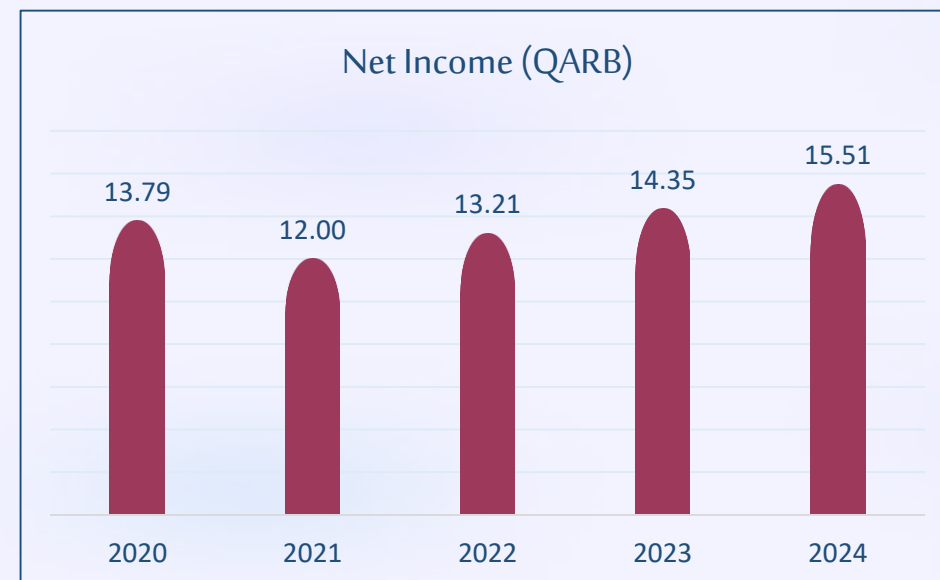
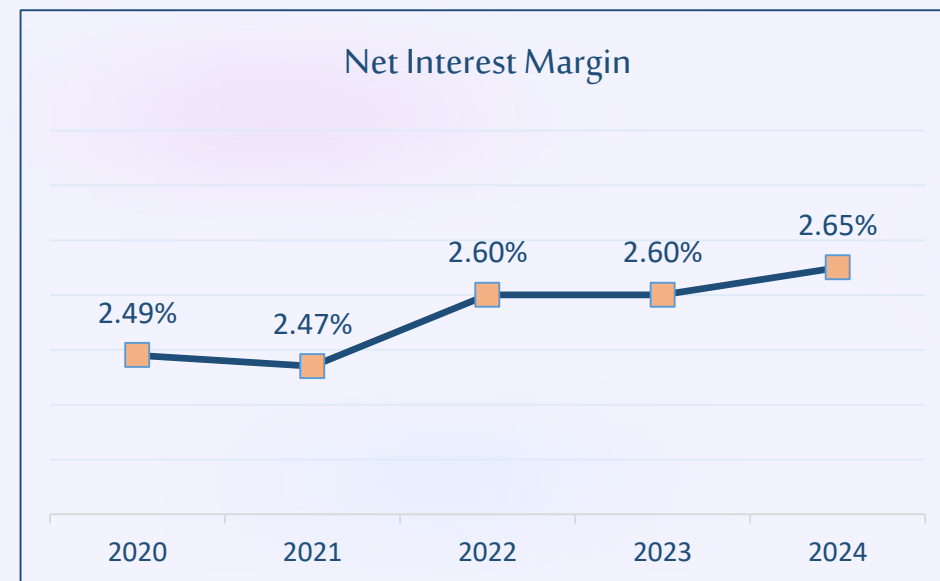
Decreased to 2.8% from 3.0% in 2023

Improvement Factors

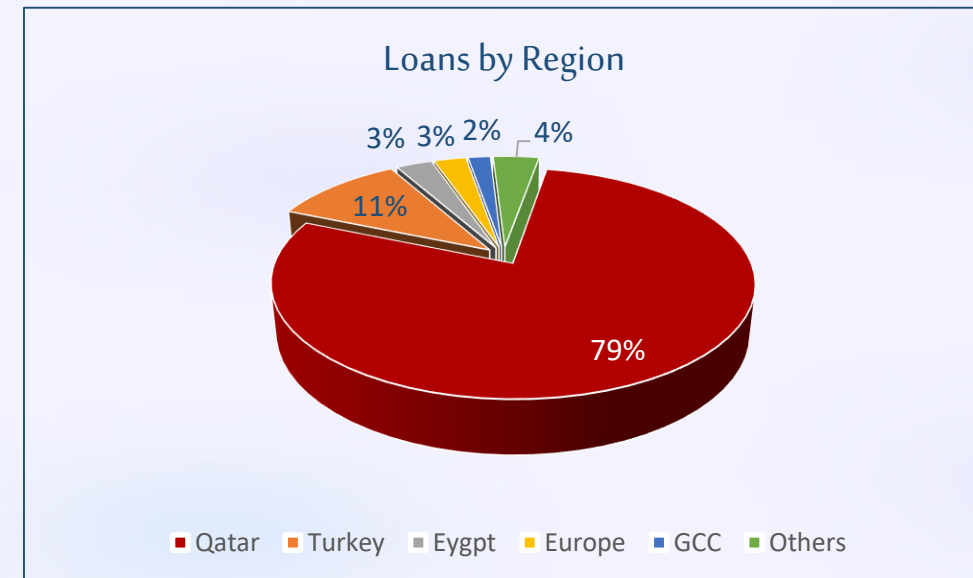
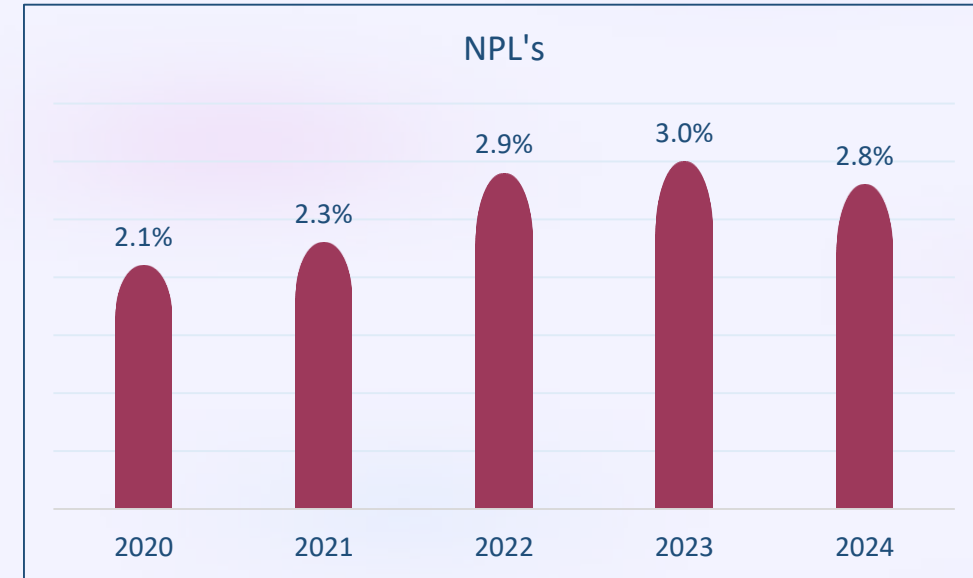
Expanded loan portfolio, rescheduling, and reclassification of loans



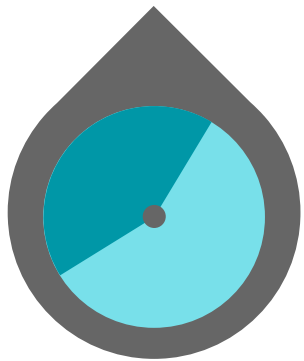
- By 2024, the bank's net profits rose by around 8.3%, totalling QAR 15.6 billion, an increase from QAR 14.36 billion at the close of 2023, with EPS climbing to QAR 1.69 from QAR 1.55 the previous year, after considering interest payments on first-tier additional capital instruments.
- In the fourth quarter of 2024, profits reached about QAR 4.0 billion, an increase from QAR 3.64 billion in the same quarter of 2023, although profits in the third quarter of 2024 were higher at QAR 4.55 billion, reflecting typical year-end deductions from provisions by banks.
- The profit growth can be primarily attributed to a 7.9% year-on-year increase in net interest income, fueled by loan expansion and improved Net interest margins, alongside a reduction in deducted provisions expenses by approximately QAR 1.16 billion in 2024.
- The enhancement in the short-term net interest margin is attributed to the fact that the interest rates on loans are decreasing at a slower pace compared to those on deposits.
- The cost-to-income ratio increased to approximately 22.3%, up from 20% in 2023, primarily driven by rising employee costs and other expense items.



- Net loans rose by 6.8% year-on-year, reaching QAR 910.8 B, which accounts for approximately 70% of total assets. This increase in loans primarily stemmed from a rise in lending to the government and its institutions, which represent about 35% of the overall loan portfolio.
- The QNB's exposure for the real estate and construction sectors stands at around 9%, which is considerably below the average for banks in Qatar. This lower exposure can be linked to the bank's strategy of foreign branching and its substantial reliance on government financing.
- By the end of 2024, the ratio of non-performing loans decreased to approximately 2.8%, a reduction from 3.0% in 2023. This improvement can be attributed to an expanded loan portfolio, along with the rescheduling and reclassification of certain loans.
- Customer deposits experienced a growth of 3.5%, totaling QAR 887 billion, while the CASA ratio stood at 17.5%. Deposits from the government and its institutions account for approximately 25% of the overall deposit base.
- Due to the increase in loans outpacing the rise in deposits, the loan-to-deposit ratio reached approximately 96.8% at the end of 2024, up from 94.7% at the end of 2023.
- The Board of Directors has proposed DPS of 37 dirhams for the second half of the year, highlighting that a distribution of 33 dirhams was made for the first half of 2024.

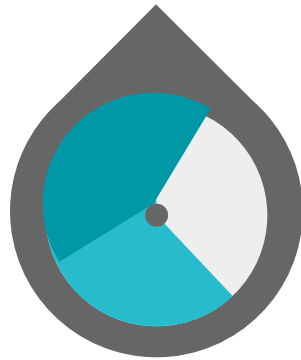


Loans by Sector



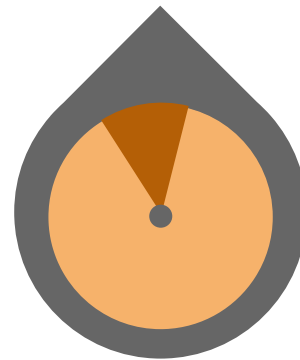
35%

Gov. & Agencies



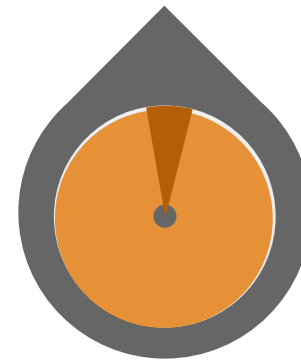
42%

Services



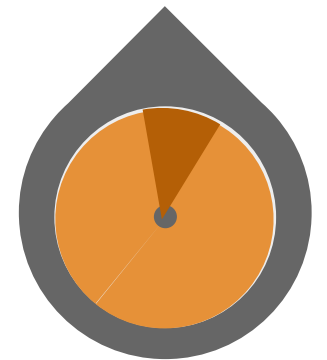
9%

Real Estate &
Construction



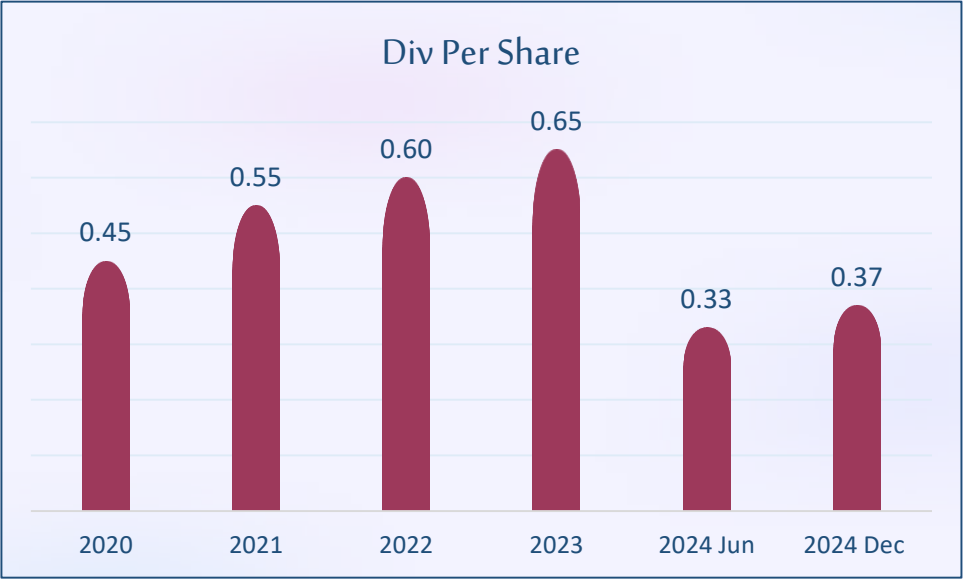
5%

Industry



9%

individual



Metric Name	Value
Dividend Yield	4.17%
P/E Ratio	10.1x
Net Income to Company	16.567 B
Price / Book	1.4x
Payout Ratio	0.624
52 Week High	17.80
53 Week Low	12.83

Annual Performance for the stock

2025	-4.86%	■
2024	+4.60%	■
2023	-8.17%	■
2022	-10.85%	■
2021	+13.24%	■
2020	-13.40%	■

Basic data	
Capitalization (QAR)	151 939 249 976
Capitalization (USD)	41 735 819 249
Net sales (QAR)	40 729 159 000
Net sales (USD)	11 187 792 611
Number of employees	30 000

Stock Performance

1 Strong Performance

Despite experiencing a rough start with losses exceeding 19% in the first 5 months of 2024, the stock has made a remarkable turnaround since the beginning of June 2024. It has not only recovered all its losses but has also ended 2024 with gain by 4.60%.

2 Treasury Stocks

The bank has made the decision to buy- back treasury shares valued at QAR 2.9 billion, and approximately 38.5 million shares were purchased till now.

3 Interim dividend

a historic move in July 2024, QNB distributed an interim dividend of QAR0.33 per share. And the BOD's has proposed to pay QAR 0.37 for the second half.

Performance

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

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