



Commercial Bank Financial Performance 2024



Commercial Bank reported a slight increase of 0.73% in its profits for the end of 2024, reaching a total of QAR 3.03B, with EPS holding steady at QAR 0.71. However, profits in the fourth quarter saw a decline of approximately 5.76% compared to the same period in 2023, totaling QAR 691M.

Ramzi Qasmieh

Bank Profit After Considering Interests of Additional Capital Owners

2,748

2024

2,727

2023

2,527

2022

2,040

2021

1,078

2020

Net Interest Income and Loan Volume

Net Interest Income Reduction

Net interest income saw a notable reduction of about 14.2% by the conclusion of 2024, amounting to approximately QAR 550M. This decline took place even though the volume of loans remained fairly constant.

Financing Source Expenses

The expenses associated with financing sources (Deposits), indicated by the debit interest category, increased by around QAR 465M, whereas interest income fell by nearly QAR85M.

Impact of Interest Rates on Commercial Bank

1

Interest Rate Decrease

The decrease in interest rates impacted the Commercial Bank by lowering interest rates on loans.

2

Deposit Interest Rates

However, the bank was unable to reduce the interest on its deposits during this period.

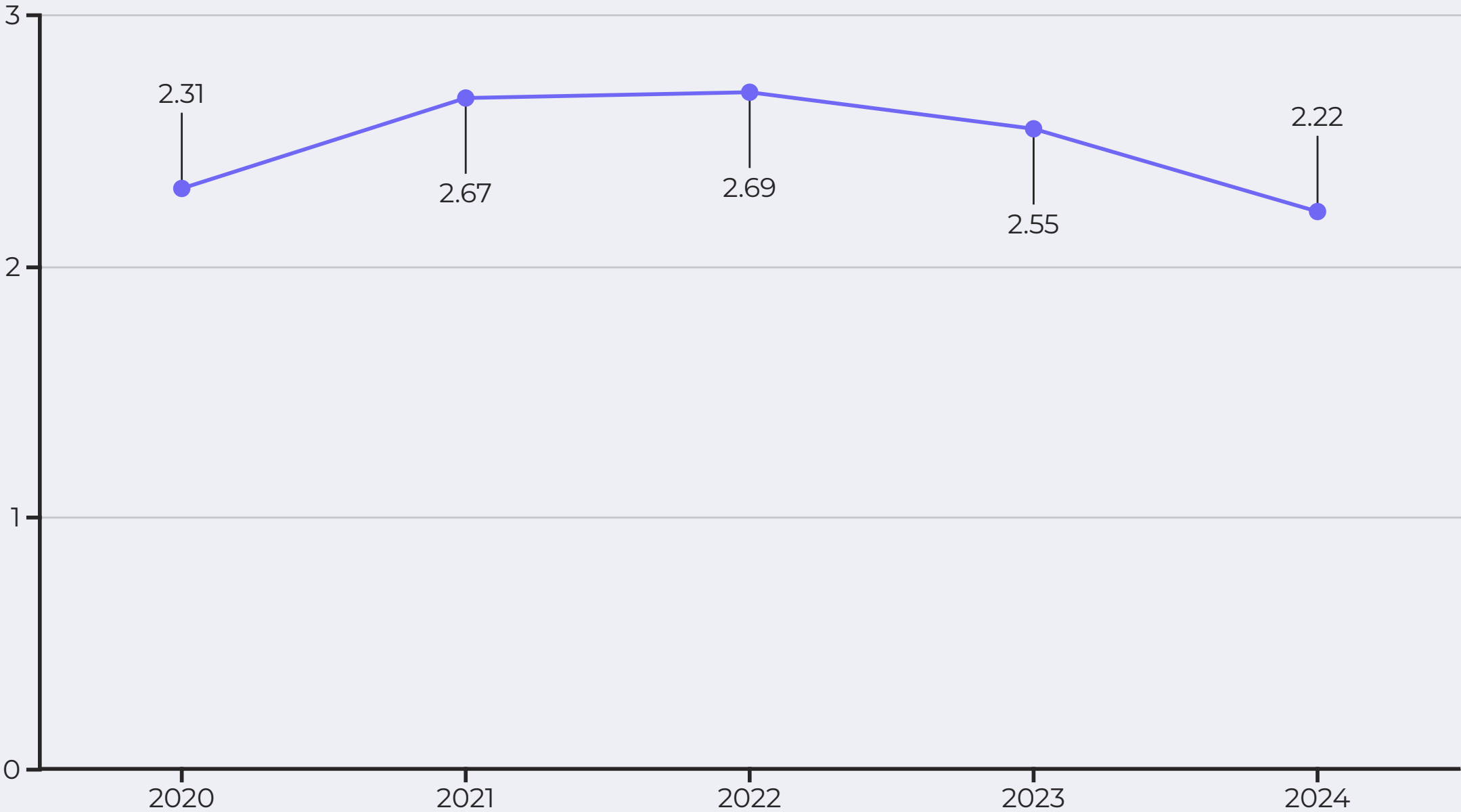
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Net Interest Margin Decline

As a result, the net interest margin fell to 2.22%, down from 2.55% at the end of 2023.



Net Interest Margin% (NIM) Over Years



Net Interest Margin shows a declining trend since 2022, reaching its lowest point at 2.22% in 2024.

Foreign Currency Losses and Turkish Lira Exposure

Foreign Currency Losses

The bank disclosed foreign currency losses nearing QAR 94M in its income statement, a stark contrast to the profits of approximately QAR 528 M recorded at the close of 2023.

Turkish Lira Exposure

A significant portion of these losses stemmed from its exposure to the Turkish lira.

Comprehensive Income Statement

Furthermore, the comprehensive income statement revealed losses related to foreign currency valuation discrepancies totaling around QAR 621M.



Operating Profits and Bad Loan Provisions

Operating Profits Decline

Due to the factors mentioned above, operating profits before provisions saw a year-over-year decline of 18.9%, amounting to QAR 765.8 M.

Bad Loan Provisions

An analysis of the bad loan provisions indicates that the bank's allocation for bad debts in 2024 was approximately QAR660M lower than in 2023. This reduction significantly contributed to the stability of annual profits.

Other Provisions

In contrast, the category for other provisions increased by QAR 200 M. As a result, the overall change in provisions from 2023 to 2024 reflects an approximate decrease of QAR 460M.

Non-performing Debt Provision per Year

330

2024

991

2023

988

2022

1,099

2021

836

2020

Non-performing Loans Ratio Over Years

6.2%

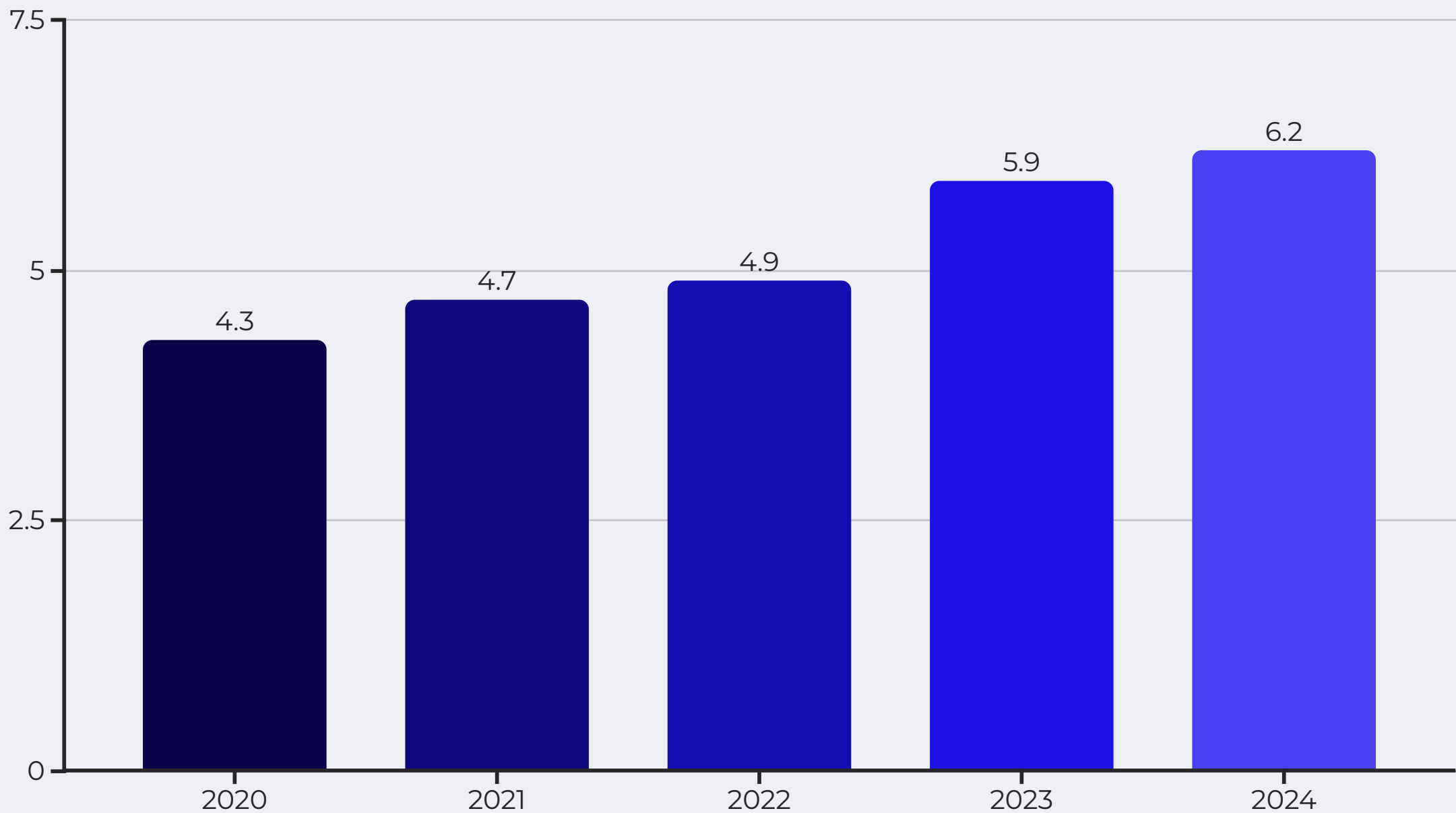
Current NPL Ratio

Highest level in 2024

1.9%

Total Increase

From 2020 to 2024



The non-performing loans ratio shows a steady increase from 4.3% in 2020 to 6.2% in 2024, indicating a growing trend in loan defaults.

Non-performing Loans (NPL's) in Amount

5,877

2024

5,652

2023

5,046

2022

4,786

2021

4,327

2020

WRITE-OFF

Write-offs and Coverage Ratio

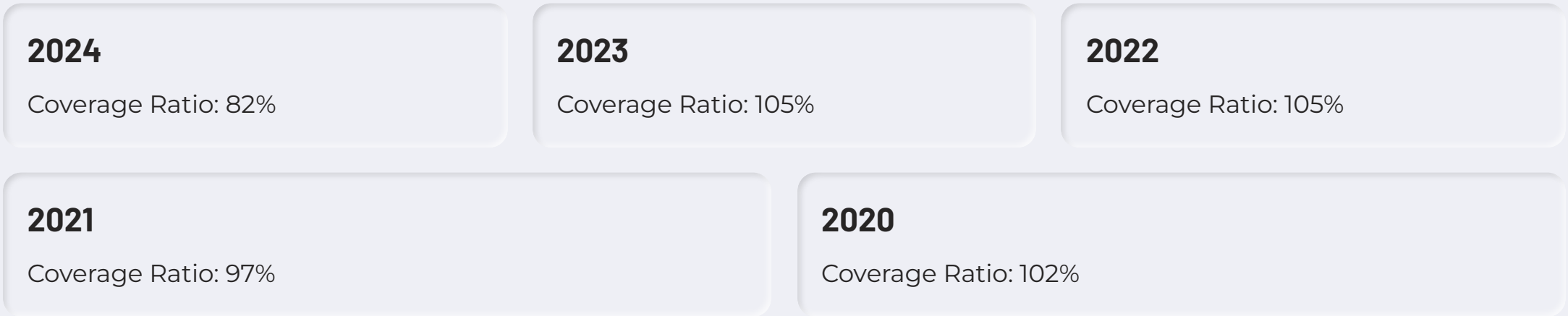
Non-recoverable Debt Write-off

In 2024, the bank recorded a write-off of around QAR2.26 billion in non-recoverable debts, which had been entirely provisioned for. It is noteworthy that by the conclusion of 2023, the total amount written off for these debts stood at QAR 875 million.

NPL's Coverage Ratio

At the end of 2024, the coverage ratio for provisions related to NPL's was approximately 82%, a decrease from 105% at the end of 2023. This suggests that the bank chose to prioritize stable annual profits, even if it resulted in lowering the coverage ratios for NPL's.

Non-performing Loan Coverage Ratio Over Years



The coverage ratio maintained above 97% from 2020-2023, before dropping significantly to 82% in 2024.



Loan Portfolio Exposure



Real Estate Sector

The bank's exposure to the real estate sector is approximately 24.5% of its total loan portfolio.



Government Loans

The percentage of government loans is about 17% of the total loan portfolio.



Dividends History Details

Year	Amount (QAR)
2024	0.300
2023	0.250
2022	0.250
2021	0.160
2020	0.10

Stock Price Reactions After Earnings

Report Date	Price Day Prior	Price Day After	Price Change %
2025-01-21	4.28	4.31	0.79% Increase
2024-10-17	4.37	4.30	-1.49% Decrease
2024-07-17	4.17	4.07	-2.52% Decrease
2024-04-23	4.24	4.26	0.61% Increase
2024-01-15	5.57	5.67	1.72% Increase
2023-10-17	5.27	5.33	1.20% Increase



Stock Performance

2025	-0.83%	
2024	-29.84%	■
2023	+24.00%	■
2022	-25.91%	■
2021	+53.39%	■
2020	-6.38%	■
2019	+19.32%	■
2018	+36.30%	■
2017	-6.63%	■
2016	-29.19%	■
2015	-26.29%	■
2014	+16.10%	■
2013	-0.14%	



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