

Qatari Banking Sector for Q1 2025

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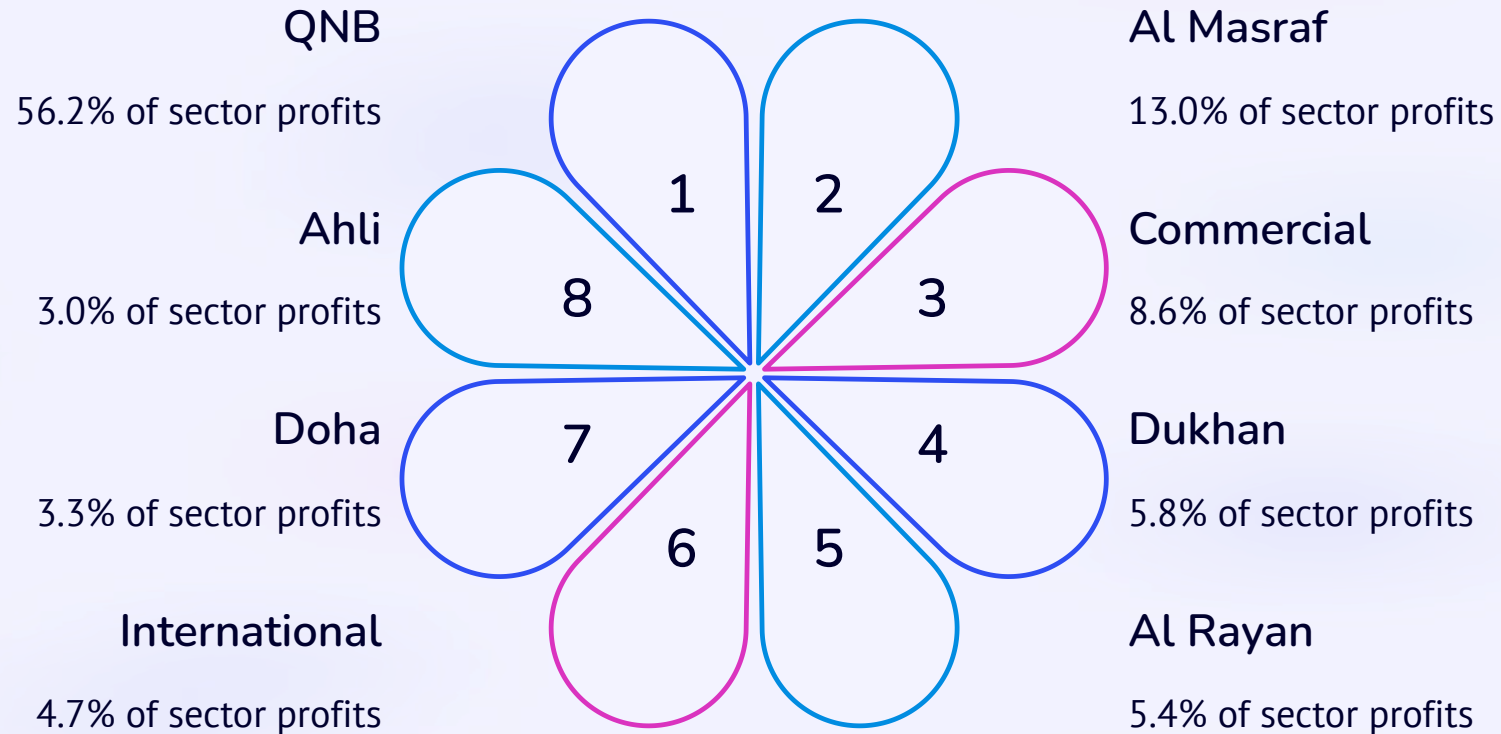


Banking Sector Profits Q1 2025

The Qatari banking sector has shown varied performance in the first quarter of 2025 compared to the same period in 2024.

| Bank | Q1 2024 | Q1 2025 | Growth |
|---------------|-----------|-----------|--------|
| QNB | 4,143,260 | 4,260,431 | 2.8% |
| Commercial | 801,623 | 651,411 | -18.7% |
| Doha | 231,319 | 251,629 | 8.8% |
| Al Masraf | 955,144 | 985,089 | 3.1% |
| Ahli | 218,064 | 229,255 | 5.1% |
| International | 335,188 | 356,355 | 6.3% |
| Al Rayan | 406,072 | 407,525 | 0.4% |
| Dukhan | 423,002 | 437,076 | 3.3% |

Market Share Analysis



QNB dominates the Qatari banking sector with more than half of the total profits, followed by Al Masraf with 13% market share.

Net Interest Margin (NIM)

QNB

NIM: 2.7%

Al Masraf

NIM: 3.5%

Ahli

NIM: 2.5%

International

NIM: 2.5%

Commercial

NIM: 2.2%

Dukhan

NIM: 2.0%

Doha

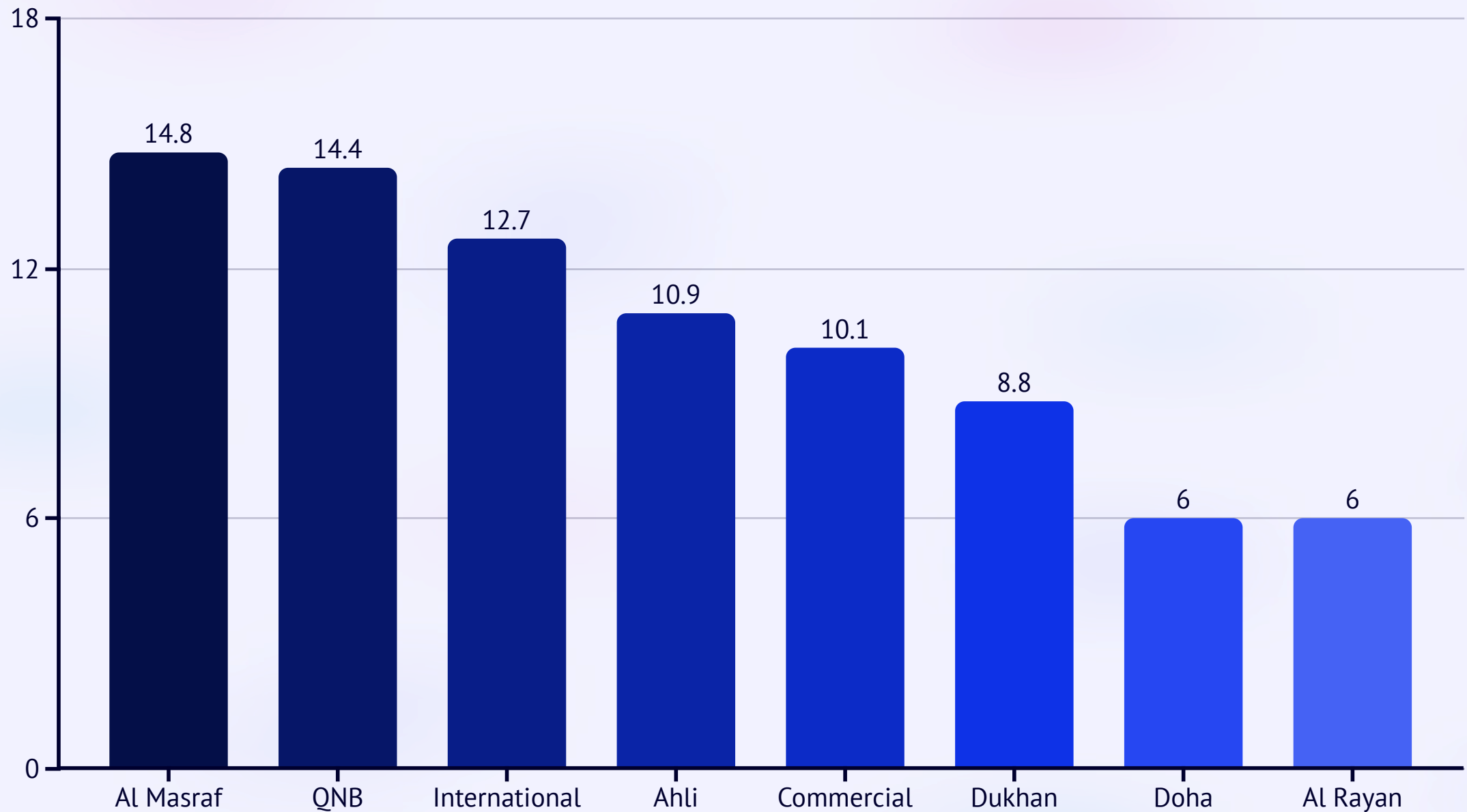
NIM: 1.9%

Al Rayan

NIM: 1.8%

Al Masraf leads with the highest Net Interest Margin at 3.5%, while Al Rayan has the lowest at 1.8%.

Return on Equity (ROE)%



Al Masraf leads with the highest Return on Equity at 14.8%, closely followed by QNB at 14.4%. Doha and Al Rayan both have the lowest ROE at 6.0%.

Non-Performing Loans Ratio (NPLs)



Doha

NPLs: 7.4%



Commercial

NPLs: 5.9%



Al Rayan

NPLs: 5.3%



Dukhan

NPLs: 4.5%



International

NPLs: 2.9%



QNB

NPLs: 2.8%



Ahli

NPLs: 2.8%



Al Masraf

NPLs: 1.8%

Al Masraf demonstrates the strongest asset quality with the lowest NPL ratio at 1.8%, while Doha Bank has the highest at 7.4%.



Non-Performing Loans Value

21,058M

QNB

Non-performing loans in million Qatari Riyal

6,232M

Al Rayan

Non-performing loans in million Qatari Riyal

5,865M

Commercial

Non-performing loans in million Qatari Riyal

4,997M

Doha

Non-performing loans in million Qatari Riyal

The non-performing loans in million Qatari Riyal for the remaining banks are:

4,105M

Dukhan

Non-performing loans in million Qatari Riyal

2,046M

Al Masraf

Non-performing loans in million Qatari Riyal

1,226M

International

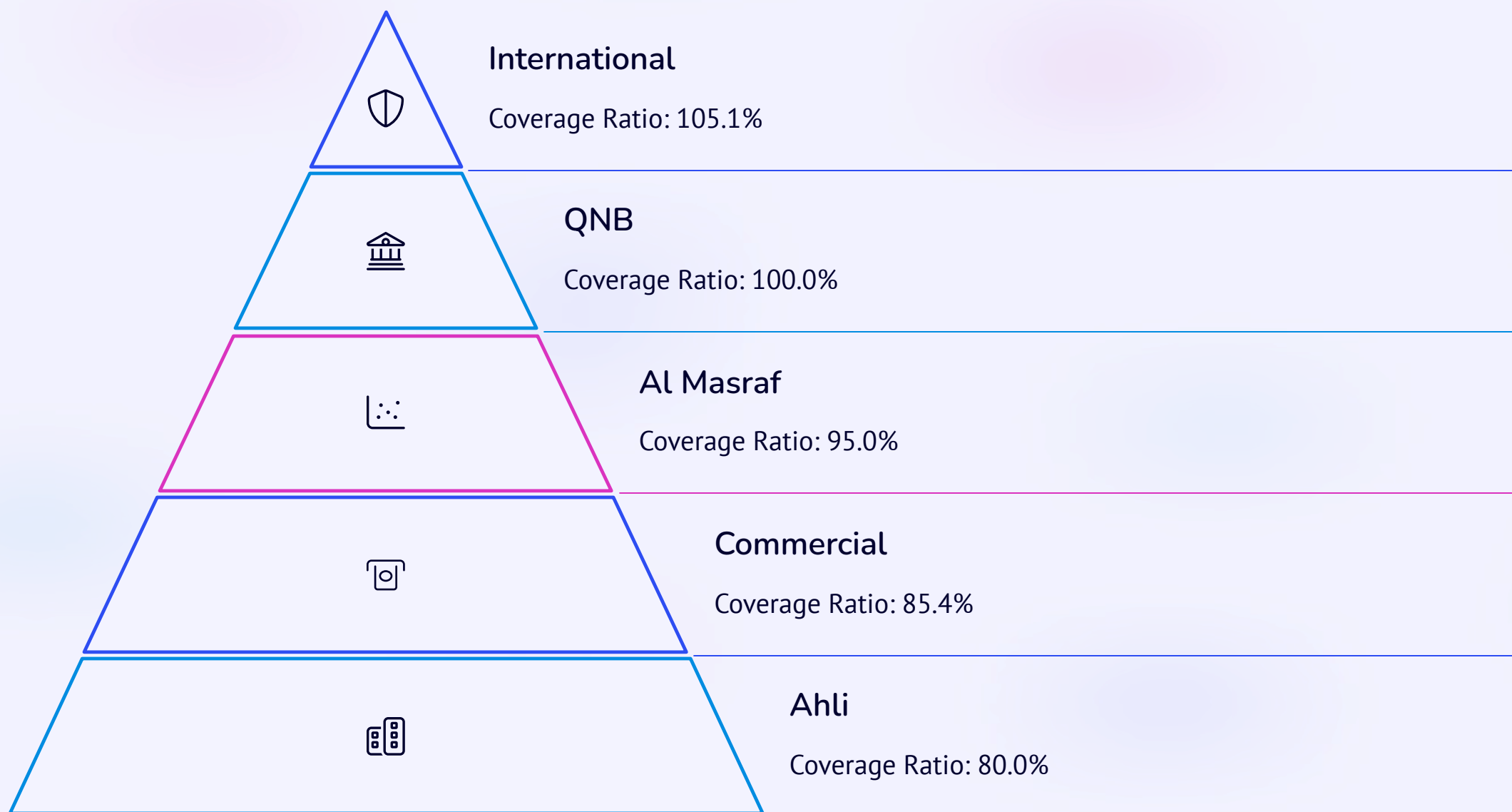
Non-performing loans in million Qatari Riyal

1,101M

Ahli

Non-performing loans in million Qatari Riyal

Stage 3 NPL Coverage Ratio

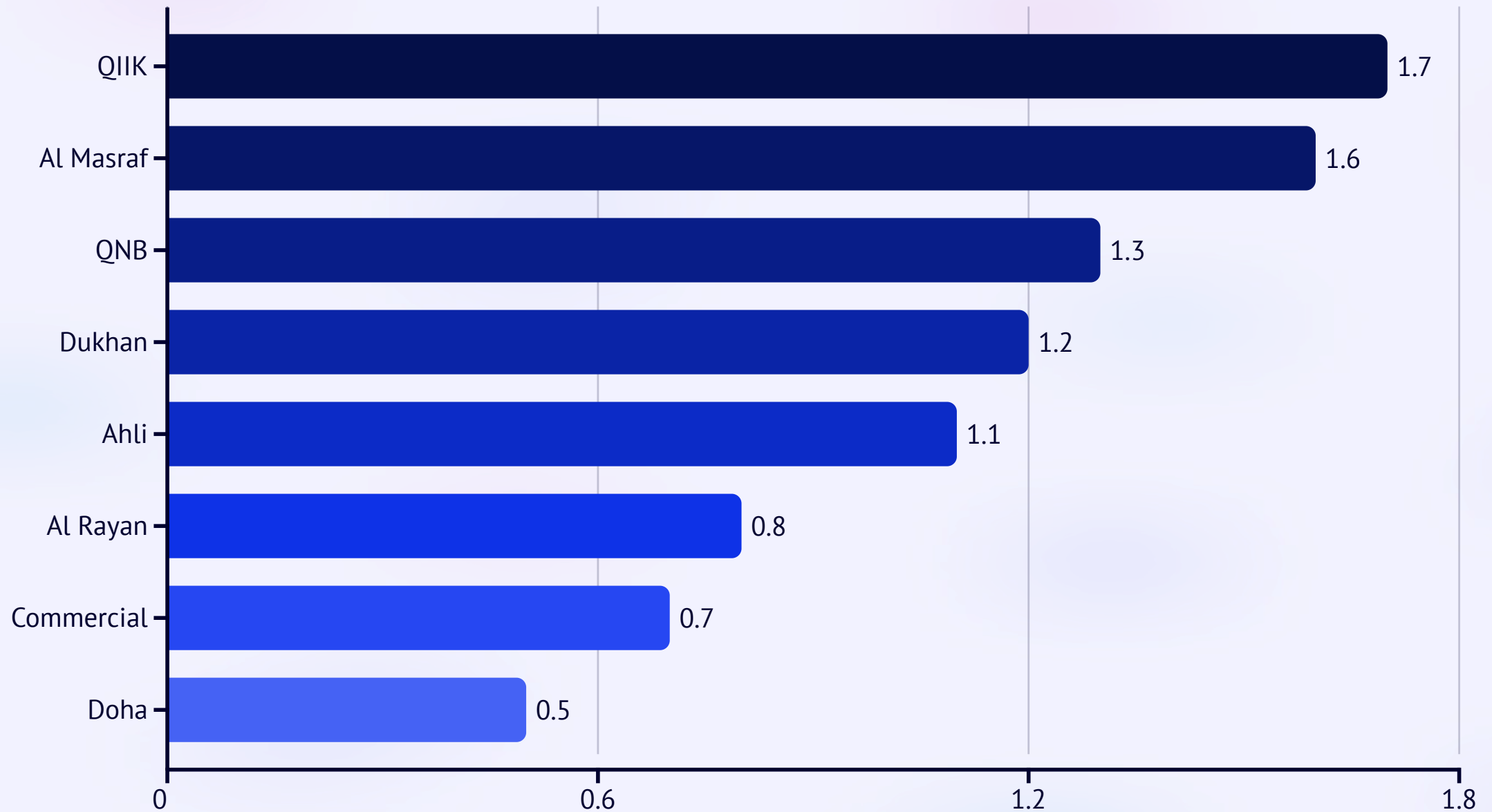


The remaining banks have the following Stage 3 NPL coverage ratios:

- Dukhan: 74.5%
- Al Rayan: 70.0%
- Doha: 62.1%

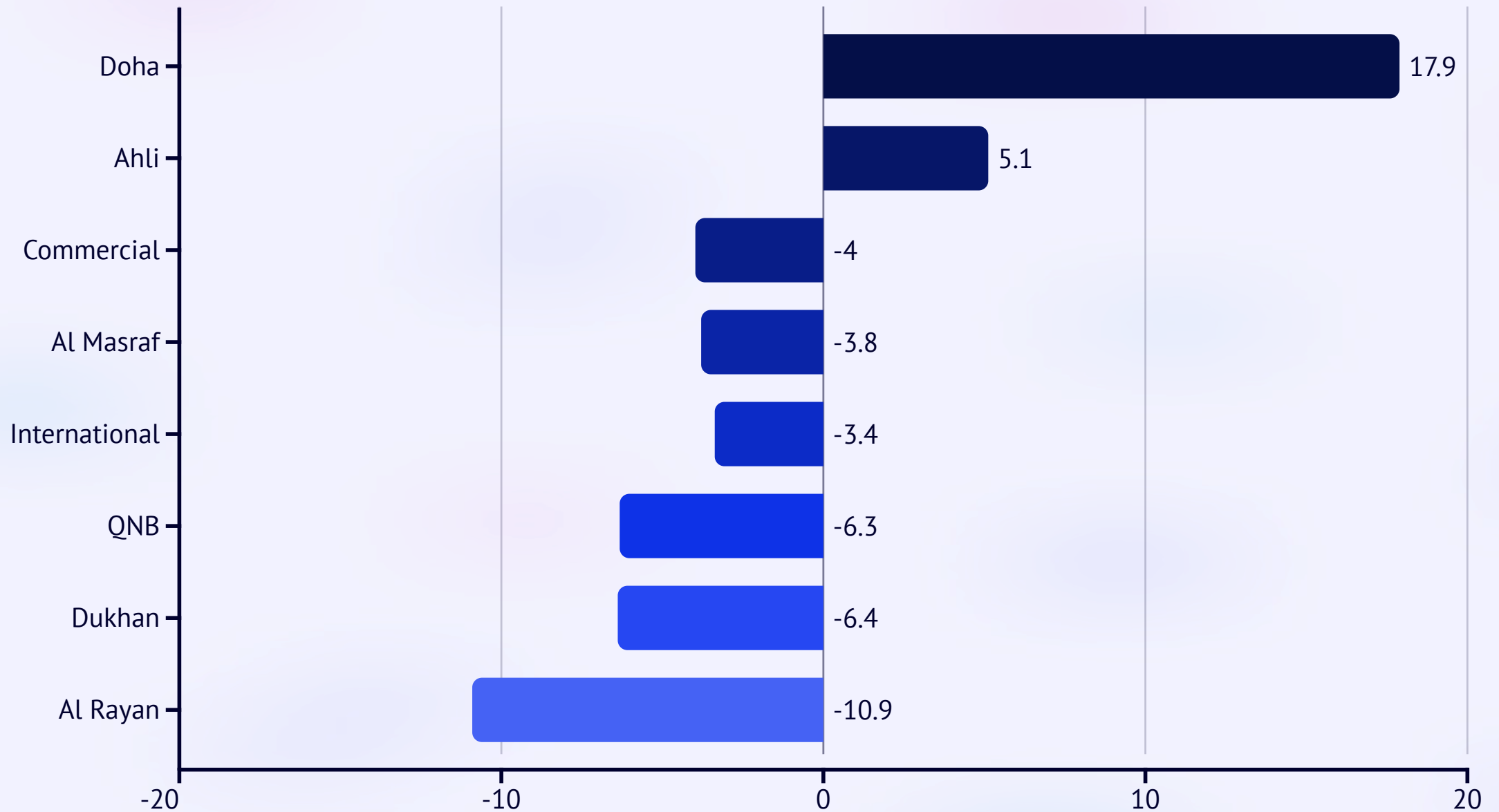
International Bank leads with the highest coverage ratio at 105.1%, indicating strong provisioning against potential loan losses.

Price to Book Value Ratio



International Bank has the highest price-to-book value ratio at 1.7, suggesting investors are willing to pay a premium for its shares. Doha Bank has the lowest at 0.5, indicating it trades below its book value.

Year-to-Date Stock Performance



Doha Bank has shown the strongest stock performance year-to-date with a gain of 17.9%, while Al Rayan has experienced the largest decline at -10.9%.

Performance Comparison: Growth vs ROE

Profit Growth (%)

- **Doha Bank:** 8.8%
- **International Bank:** 6.3%
- **Ahli Bank:** 5.1%
- **Dukhan Bank:** 3.3%
- **Al Masraf:** 3.1%
- **QNB:** 0%
- **Commercial Bank:** -18.7%

Return on Equity (%)

- **Al Masraf:** 14.8%
- **QNB:** 14.4%
- **International Bank:** 12.7%
- **Ahli Bank:** 10.9%
- **Commercial Bank:** 10.1%
- **Doha Bank:** 0%
- **Dukhan Bank:** 0%

Key Insights:



Growth vs Returns Balance

Doha Bank shows the strongest profit growth (8.8%) despite having one of the lowest ROE figures, suggesting potential for future improvement in returns.



Balanced Performance

Al Masraf demonstrates a balanced performance with both strong ROE (14.8%) and solid growth (3.1%).



Concerning Metrics

Commercial Bank shows concerning metrics with the largest profit decline (-18.7%) while maintaining a mid-range ROE (10.1%).

Risk vs Valuation Analysis

Low Risk, Premium Valuation

Al Masraf and International Bank combine low NPL ratios (1.8% and 2.9%) with high P/B ratios (1.6 and 1.7), indicating investor confidence in their asset quality.

Moderate Risk, Fair Valuation

QNB, Ahli, and Dukhan maintain reasonable NPL ratios (2.8%, 2.8%, and 4.5%) with corresponding P/B ratios (1.3, 1.1, and 1.2) that reflect their risk profiles.

High Risk, Discounted Valuation

Commercial, Doha, and Al Rayan show higher NPL ratios (5.9%, 7.4%, and 5.3%) with lower P/B ratios (0.7, 0.5, and 0.8), suggesting investors are pricing in their higher risk profiles.

Investment Opportunities

Doha Bank presents an interesting case with the highest YTD stock performance (17.9%) despite having the highest NPL ratio (7.4%) and lowest P/B ratio (0.5), potentially indicating a market reassessment of its prospects or undervaluation.

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