



Qatar Islamic Banks Comparative Analysis 2025

 Al Rayan Bank

 Dukhan Bank

 Qatar Islamic Bank (QIB)

 Qatar International Islamic Bank (QIIB)

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Executive Summary – Four Bank Overview

Key Financial Metrics & Performance Indicators (FY 2025)

| Metric |  AI Rayan Bank |  Dukhan Bank |  Intl Islamic |  Qatar Islamic Bank |
|--|--|--|---|---|
| FINANCIAL SCALE | | | | |
|  Total Assets (QAR B) | 181.3 | 123.8 | 62.2 | 221.1 |
|  Customer Deposits (QAR B) | 111.1 | 87.8 | n/a | 142.7 |
|  Total Equity (QAR B) | 25.5 | 22.9 | 10.1 | 29.7 |
| PROFITABILITY & PERFORMANCE | | | | |
|  Net Profit (QAR M) | 1,530 | 1,411 | 1,350 | 4,835 |
|  EPS (QAR) | 0.160 | 0.257 | 0.820 | 1.950 |
| RISK, CAPITAL & SHAREHOLDER VALUE | | | | |
|  Capital Adequacy (CAR) | 25.5% | 18.4% | 20.1% | 22.2% |
|  NPL Ratio | 5.11% ↓ | 4.20% ↓ | 2.90% | 1.65% |
|  Dividend per Share (QAR) | 0.11 | 0.16 | 0.53 | 0.90 |

TOTAL ASSETS

181.3B

↑5.9% YoY

TOTAL FINANCING

128.5B

↑7.4% YoY

TOTAL DEPOSITS

111.1B

Stable Funding

NET PROFIT

1,530M

FY 2025

Efficiency & Returns

Return on Equity (ROE) **6.0%** Stable

Cost-to-Income Ratio **29.3%** Rising

Earnings Per Share **QAR 0.16**

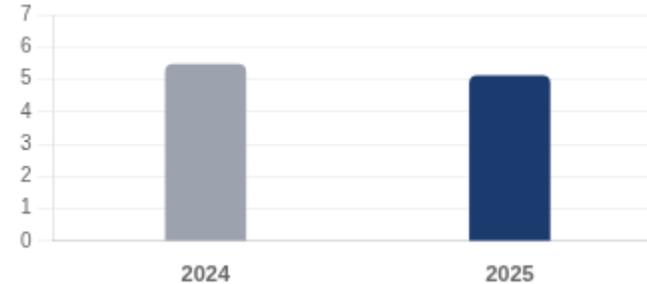
Cost Efficiency Trend



Asset Quality & Risk

NPL Ratio **5.11%** Improved

Previous NPL **5.45%**



Successful reduction in non-performing financing

Capital & Shareholders

Dividend per Share **QAR 0.11**

Dividend Yield **4.8%**

CAPITAL ADEQUACY RATIO (CAR)

25.5%

• Extremely Strong Buffer

Total Assets

123.8B

↑ 4.9% YoY

Financing Assets

82B

↑ 4.8% YoY

Total Deposits

87.8B

↑ CASA +21%

Net Profit

1,411M

FY 2025

Growth & Funding

Net Banking Income **+6% YoY** Growth

Loan-to-Deposit Ratio **98.1%**

Earnings Per Share **QAR 0.257**

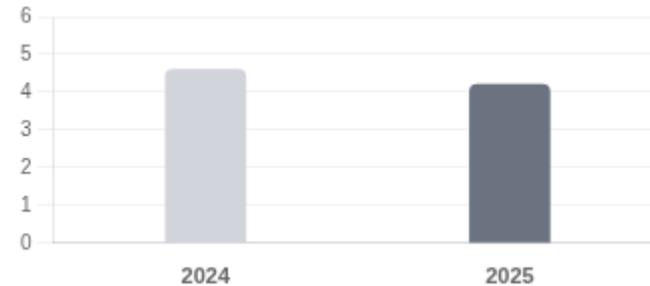
CASA Growth Momentum



Asset Quality & Risk

NPL Ratio **4.2%** Improved

Previous NPL **4.6%**



Consistent improvement in credit quality

Capital & Shareholders

Dividend per Share **QAR 0.16**

Dividend Yield **4.5%**

Capital Adequacy Ratio (CAR)

18.4%

Robust • Above Regulatory Min (12.5%)

*Yield calculated based on period-end share price

TOTAL ASSETS

221.1B

↑10.1% YoY

TOTAL DEPOSITS

142.7B

Market Dominance

TOTAL EQUITY

29.7B

Robust Base

NET PROFIT

4,835M

↑5% YoY

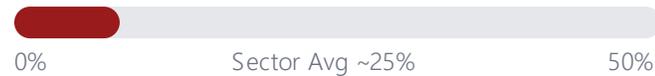
Efficiency & Returns

Return on Equity (ROE) **16.6%** Sector Best

Cost-to-Income Ratio **16.3%** Best-in-Class

Operating Expenses **-6% YoY**

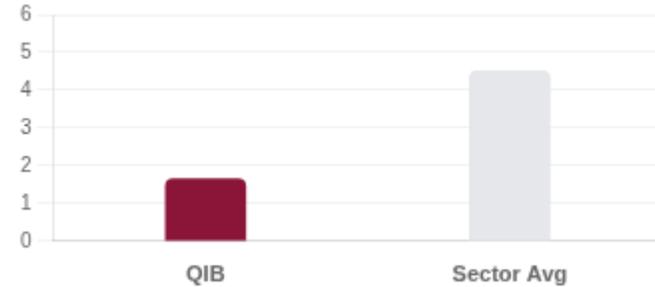
Superior Efficiency



Asset Quality & Risk

NPL Ratio **1.65%** Lowest

Stage 3 Coverage **95%**



Disciplined underwriting with highest asset quality

Capital & Shareholders

Earnings Per Share **QAR 1.95**

Dividend per Share **QAR 0.90** +12.5%

Capital Adequacy (CAR) **22.2%**

NET FINANCING MARGIN

~3.5%

Pricing Power • Stable Margins

TOTAL ASSETS

62.2B

↑2.2% YoY

TOTAL EQUITY

10.1B

Strong Capital Base

EARNINGS PER SHARE

QAR 0.82

Robust Earnings

NET PROFIT

1,350M

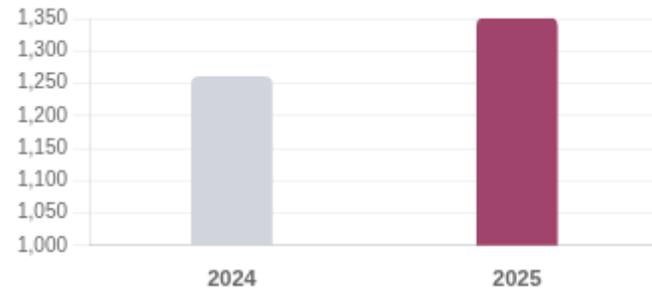
↑7.2% YoY

Efficiency & Returns

Net Profit Growth **7.2%** Growth

Cost Efficiency **Stable** Maintained

Financing Assets **~42.5B**



Strong profit growth momentum in 2025

Asset Quality & Risk

NPL Ratio **2.9%** Healthy

Coverage Ratio **100%**

Stage 3 Coverage **100%**



✓ Fully provisioned NPL portfolio ensures balance sheet resilience

Capital & Shareholders

Dividend per Share **QAR 0.53**

Payout Ratio **65%**

CAPITAL ADEQUACY RATIO (CAR)

20.1%

Basel III Compliant • Strong Buffer

*Dividends include interim (24%) and final proposed (29%) distributions

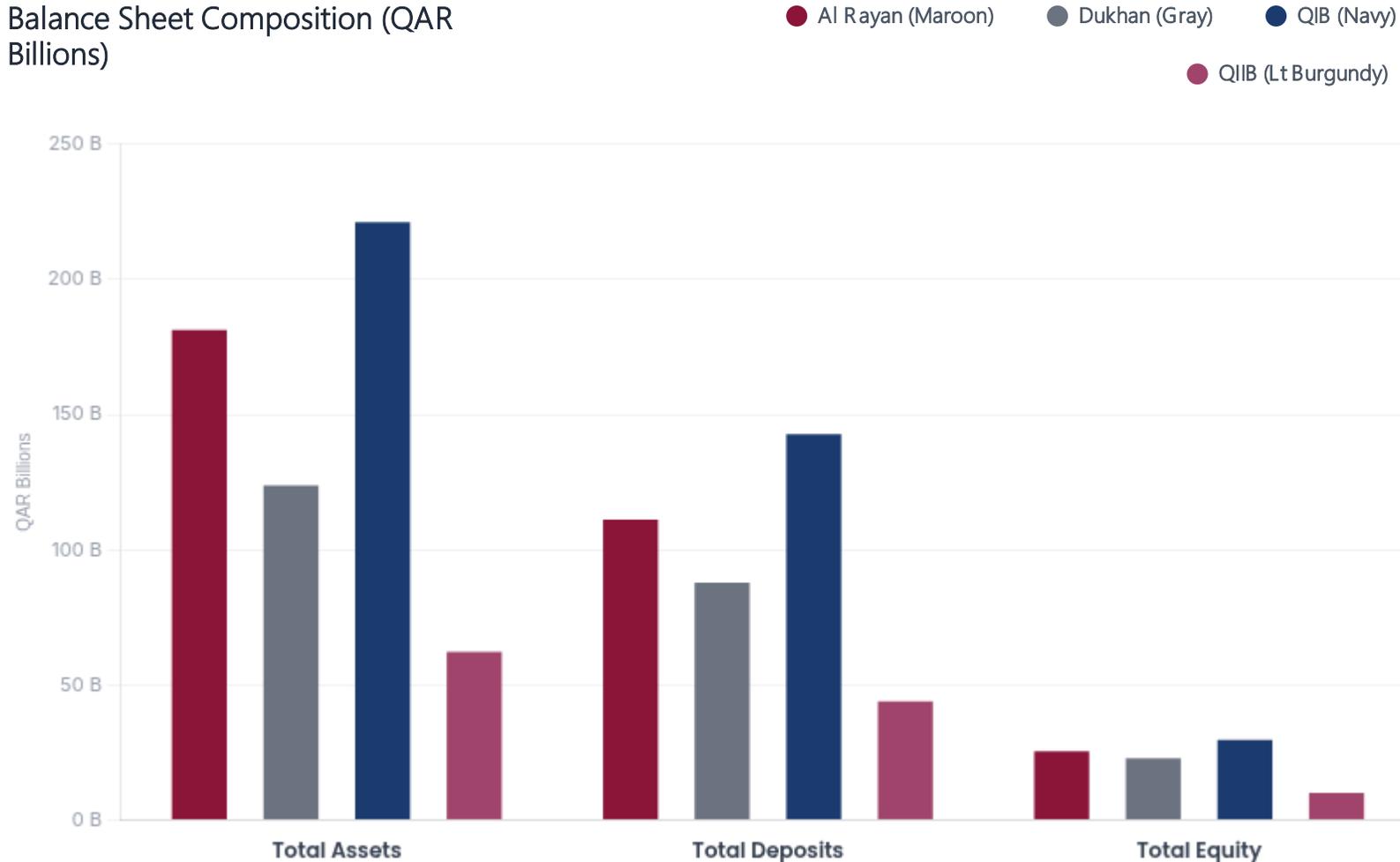
Financial Size & Scale Analysis

Comparative Asset, Deposit & Equity Base (FY 2025)

Qatar Islamic Banking Sector



Balance Sheet Composition (QAR Billions)



Values in QAR Billions |

MARKET LEADER

QIB

Dominates with QAR 221.1B in assets, maintaining a significant scale advantage over competitors.

QIB POSITIONING

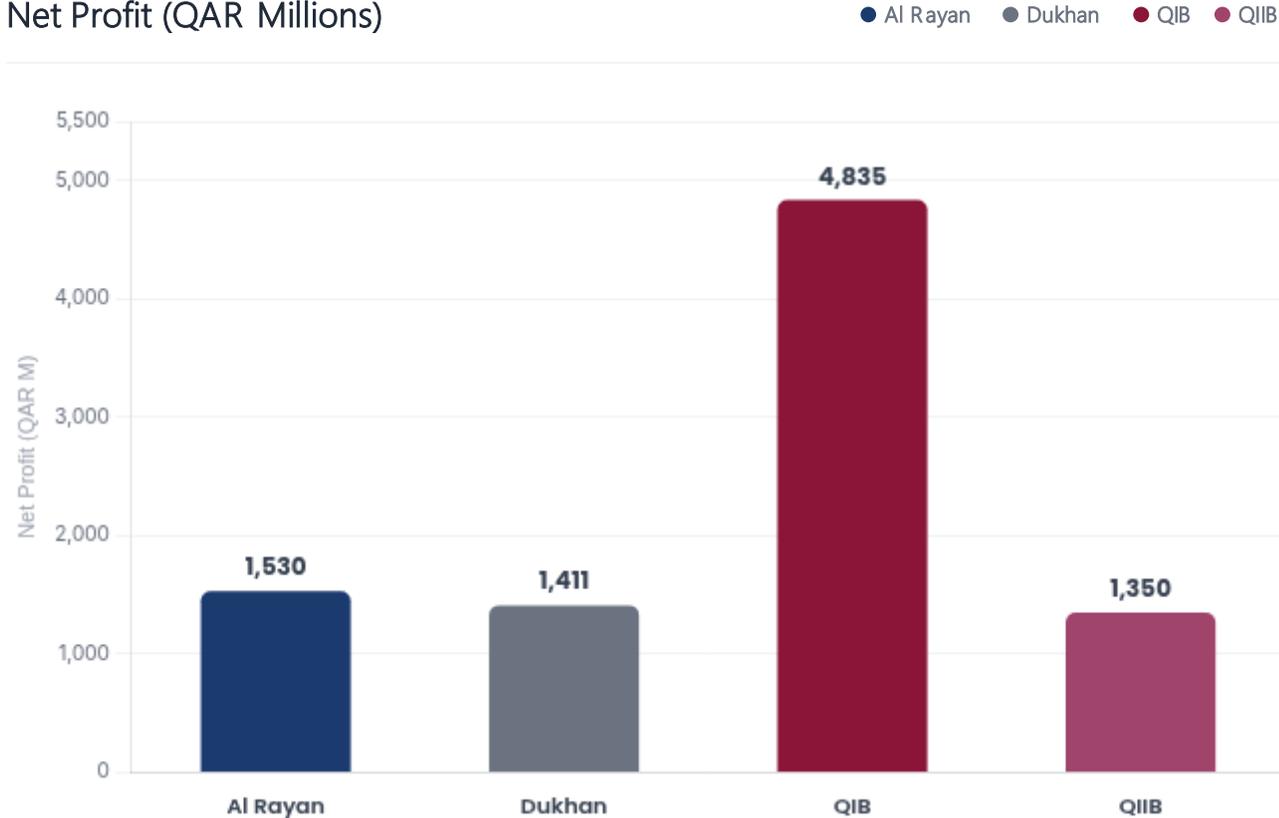
~QAR 62B

QIB solidifies its position as the fourth pillar with 62.2B assets and robust 10.1 B equity base.

Total Assets Ranking

| | |
|-------------|---------|
| 1. QIB | 221.1 B |
| 2. Al Rayan | 181.3 B |
| 3. Dukhan | 123.8 B |
| 4. QIIB | 62.2 B |

Net Profit (QAR Millions)



Key Observation: QIB's net profit (QAR 4,835M) is **3.2x**

higher than the nearest competitor (Al Rayan). QIIB demonstrates solid resilience with 7.2% YoY growth, maintaining profitability comparable to Dukhan and Al Rayan.

Return Efficiency Metrics

Qatar Islamic Bank

Leader

ROE
16.6%

ROA
2.3%

Al Rayan Bank

Capital Focus

ROE
6.0%

ROA
0.9%

Dukhan Bank

Growth

ROE
11.3%

ROA
1.2%

QIIB

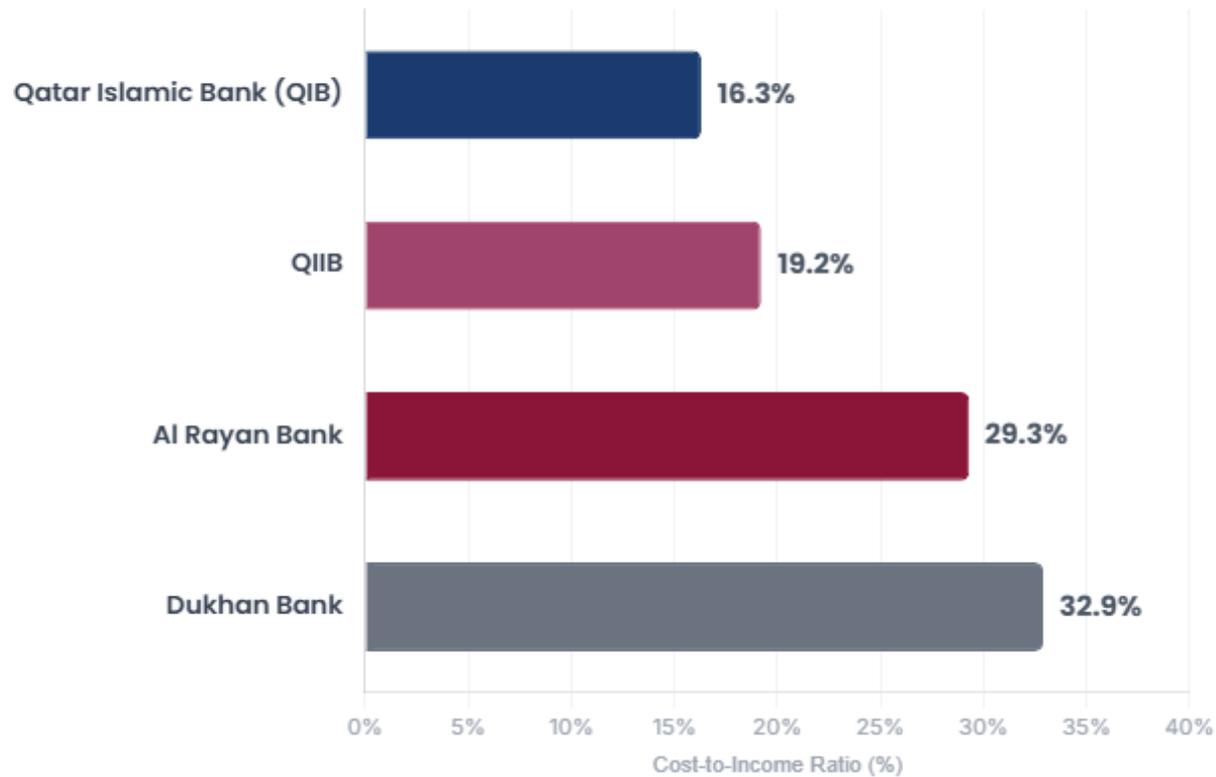
Resilient

ROE
12.9%

ROA
2.2
%

Cost-to-Income Ratio Comparison (%)

Lower is Better



Benchmark Target: < 25%

SECTOR BENCHMARK



16.3% ↓ Best in Class

QIB demonstrates superior operational leverage. Achieved a notable **6% reduction in operating expenses** YoY despite business growth, maintaining its leadership position.

✔ Digital Transformation Success

EFFICIENCY CHALLENGE



29.3% ↑ Rising Trend

Al Rayan's cost base is expanding relative to income. Currently exceeding the 25% efficiency target threshold, indicating a need for stricter cost controls.

Dukhan Bank



Operational efficiency ratios (C/I) for FY above the average sector.

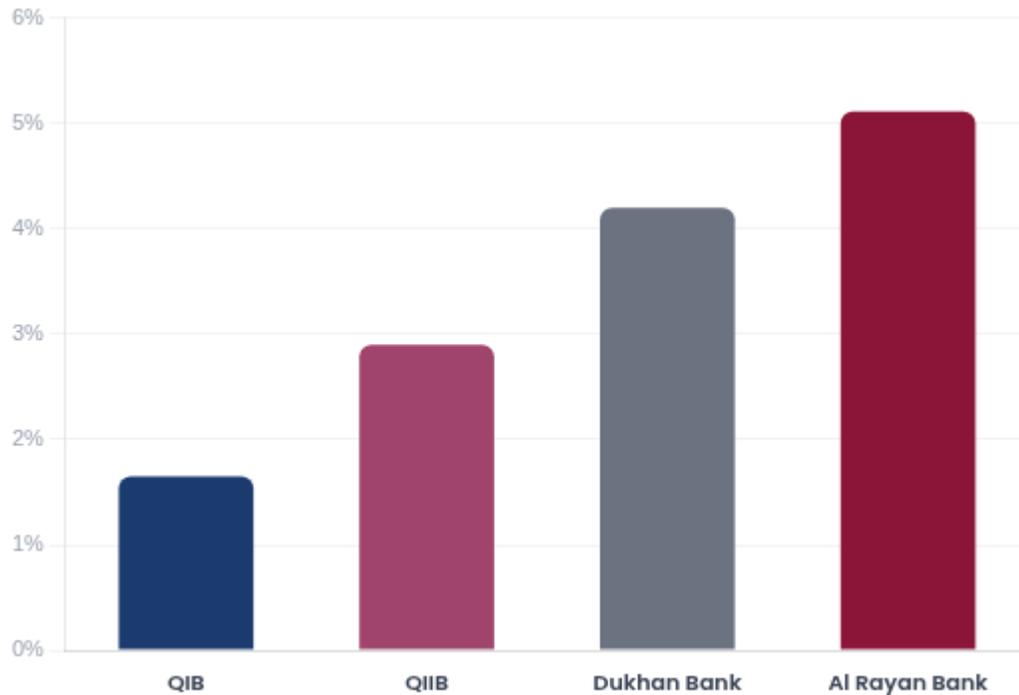
QIIB



Efficiency metrics not explicitly disclosed in available FY 2025 summaries. Net profit growth of 7.2% suggests maintained margin control.

NPF / NPL Ratio Comparison

Lower is Better



1.65%

QIB (LEADER)

🟢 Best in Class

2.90%

QIIB

🟢 100% Coverage

4.20%

DUKHAN

↓ From 4.6%

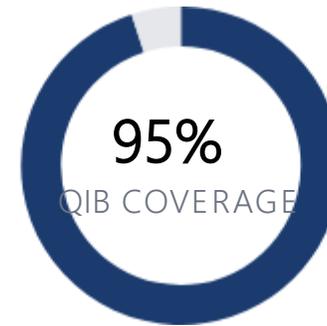
5.11%

AL RAYAN

↓ From 5.45%

Definitions: NPF = Non-Performing Financing (Islamic equivalent of NPL) | Stage 3 = Impaired Asset

Coverage & Asset Quality Trends



Stage 3 Coverage

QIB maintains robust provisioning coverage. Notably, **QIIB** reports an exceptional **100% coverage ratio**, providing maximum buffer against potential credit losses.

Sector average coverage remains healthy ~85-90%

Key Risk Observations

- 🟢 QIB leads with lowest 1.65% NPF, demonstrating superior underwriting discipline.
- 🛡️ QIIB distinguishes itself with strong 2.9% NPF and full 100% provision coverage.
- 📈 Al Rayan & Dukhan both show consistent NPL reduction, signaling effective remediation.

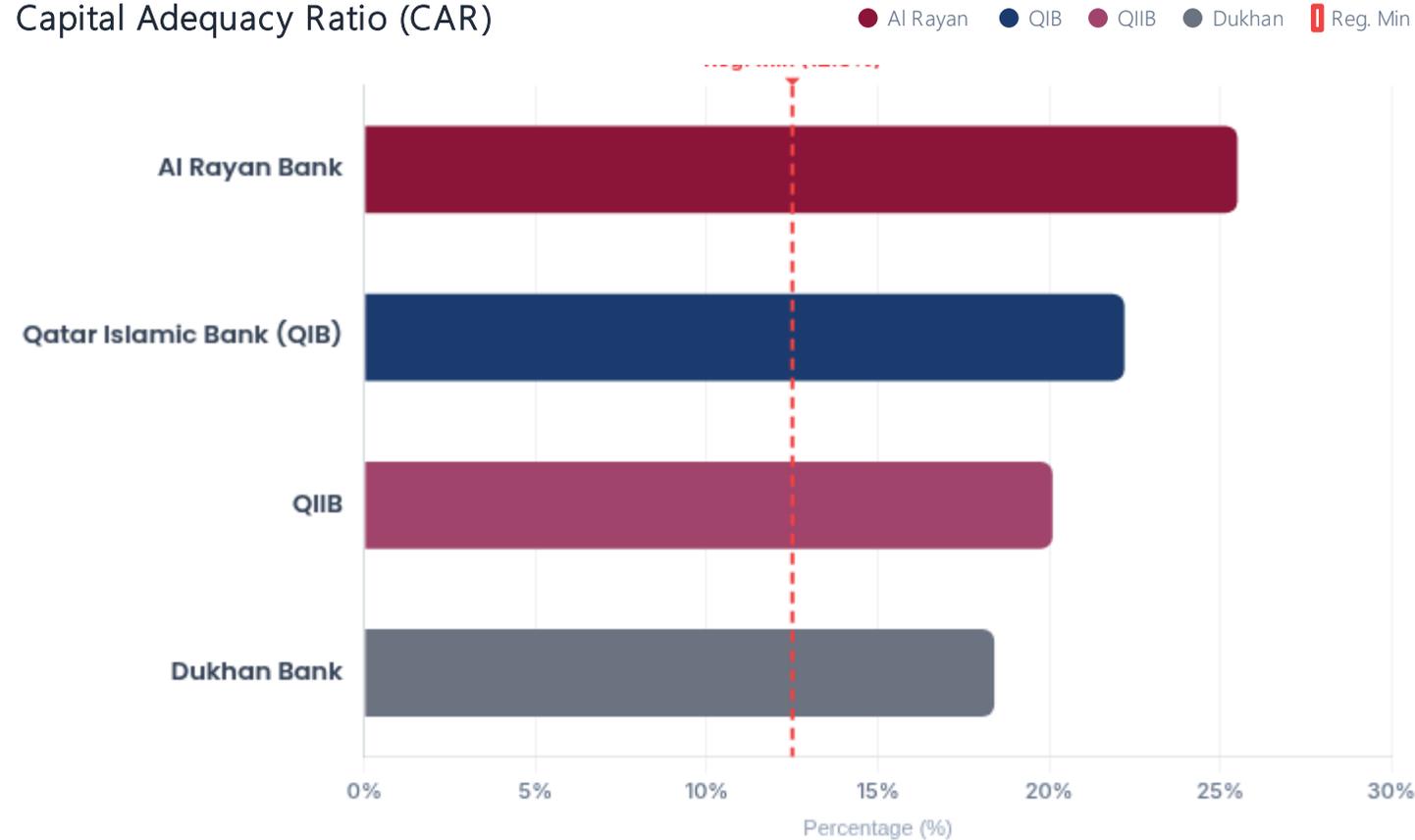
📌 **Strategic Implication:** High coverage ratios (QIIB 100%, QIB 95%) position banks to absorb shocks without impacting future capital.

Source: Bank Financial Statements FY 2025

Capital Strength & Stability

Capital Adequacy Ratio (CAR) vs. Regulatory Requirements

Capital Adequacy Ratio (CAR)



All four banks maintain robust capital buffers significantly above the Qatar Central Bank regulatory minimum (~12.5%). Al Rayan leads with 2x coverage, followed by strong positions from QIB and QIIB.

STABILITY CHAMPION

2x Buffer

25.5% CAR

Al Rayan Bank

leads the sector with exceptional capital depth, providing maximum safety for institutional depositors.

BALANCED EFFICIENCY

22.2% ↑YoY

QIB

Demonstrates high internal capital generation, improving CAR while successfully growing assets by 10%.

RESILIENT BUFFER

20.1% CAR

QIIB

Maintains a healthy 20% margin, comfortably supporting its 53% dividend payout and 7.2% profit growth.

GROWTH POSITIONING

18.4% CAR

Dukhan Bank

Maintains a "Strong" rating with sufficient headroom to support its aggressive expansion strategy.

Growth Dynamics & Momentum

Year-over-Year (YoY) Performance Analysis (2024–2025)

Sector Growth
YoY COMPARISON

| KEY GROWTH METRIC | AL RAYAN BANK | DUKHAN BANK | QIIB | QATAR ISLAMIC BANK |
|---|----------------|-------------|--------|--------------------|
|  Total Assets | ↑ 5.9% | ↑ 4.9% | ↑ 2.2% | ↑ 10.1% |
|  Financing Assets | ↑ 7.4% | ↑ 4.8% | ↑ 6.4% | ↑ 10.5% |
|  Investment Securities | Stable | Stable | N/A | ↑ 13.8% |
|  Net Profit | Recovery Phase | Stable | ↑ 7.2% | ↑ 5.0% |

Al Rayan Bank

STEADY

+5.9%

Asset Growth

Maintaining a controlled growth trajectory while focusing on balance sheet optimization and capital preservation.

Dukhan Bank

FUNDING WIN

+21%

CASA Growth

Achieved "Excellent" growth in low-cost CASA, significantly improving cost of funds for future profitability.

QIIB

PROFIT FOCUS

+7.2%

Net Profit

Strongest profit growth among peers, driven by solid financing expansion (+6.4%) and efficiency.

Qatar Islamic Bank

SCALE LEADER

+10.1%

Asset Expansion

Aggressive double-digit growth in core financing (+10.5%) and investment securities (+13.8%) demonstrates dominance.

Competitive Positioning Matrix

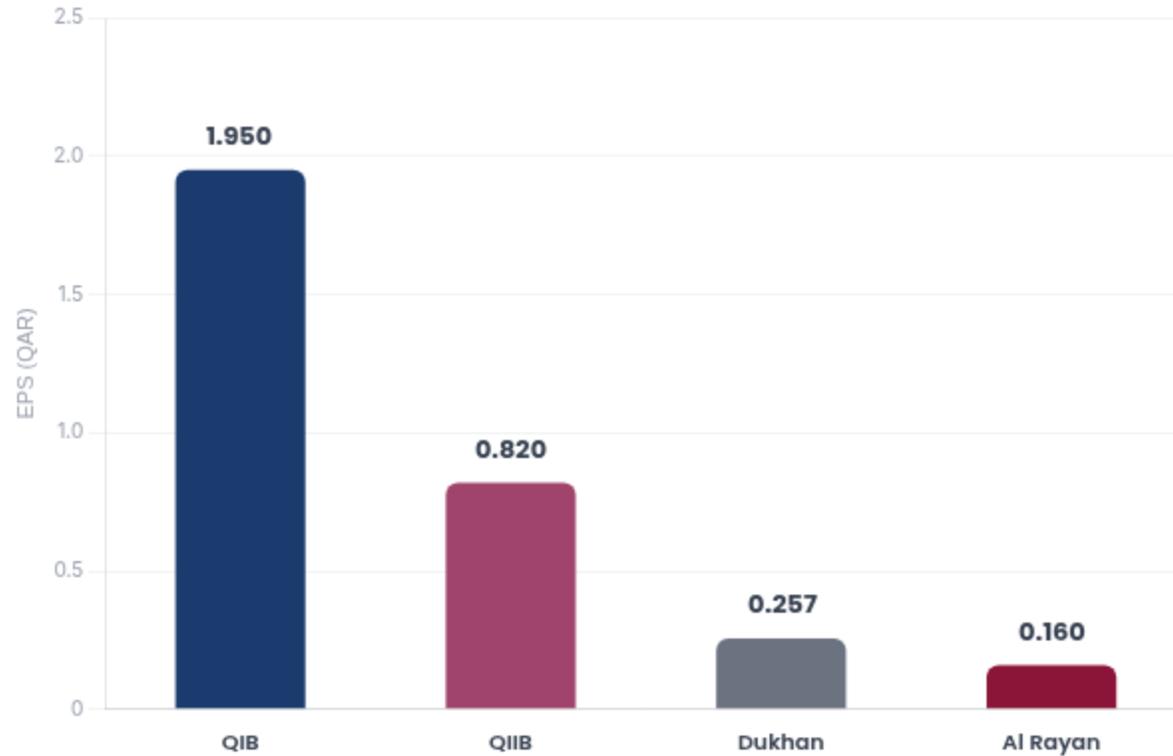
Sector-Wide Benchmarking & Performance Leadership (FY 2025)

MARKET LANDSCAPE

| METRICS CATEGORY Key Indicators | QIB Market Leader | Al Rayan Capital Focused | Dukhan Funding Growth | QIIB Income Stability |
|--|---|---|---|--|
|  Market Scale Total Assets (QAR) | 221.1 B Total Assets (QAR) ★ | 181.3 B Total Assets (QAR) | 123.8 B Total Assets (QAR) | 62.2 B Total Assets (QAR) |
|  Profitability (Net) Net Profit (QAR) | 4,835 M Net Profit (QAR) ★ | 1,530 M Net Profit (QAR) | 1,411 M Net Profit (QAR) | 1,350 M Net Profit (QAR) |
|  Shareholder Value Earnings Per Share | 1.95 Earnings Per Share ★ | 0.16 Earnings Per Share | 0.257 Earnings Per Share | 0.82 Earnings Per Share |
|  Asset Quality NPF Ratio (Lowest) | 1.65% NPF Ratio (Lowest) ★ | 5.11% NPL Ratio | 4.20% NPL Ratio | 2.90% NPL Ratio |
|  Capital Strength CAR Ratio | 22.2% CAR Ratio | 25.5% CAR Ratio (Highest) ★ | 18.4% CAR Ratio | 20.1% CAR Ratio |
|  Growth Momentum Asset Growth YoY | +10.1% Asset Growth YoY ★ | +5.9% Asset Growth YoY | +4.9% Asset Growth YoY | +2.2% Asset Growth YoY |
|  Strategic Identity | Growth & Profit "Best-in-Class" | Stability Leader "Capital Fortress" | Funding Innovator "CASA Powerhouse" | Yield & Quality "Income Stability" |

Earnings Per Share (EPS)

QAR per Share



Profitability Hierarchy: QIB leads with EPS of 1.95, followed by QIIB at 0.82. QIIB demonstrates strong efficiency relative to its size, significantly outperforming Dukhan (0.257) and Al Rayan (0.16) in per-share earnings power.

Dividend Payout Analysis

Qatar Islamic Bank

↗ +12.5% YoY

0.90 QAR

✓ Highest cash payout value; balances growth & income.

QIIB

0.53 QAR

★ Strong 0.53/share payout supported by 7.2% profit growth.

Dukhan Bank

0.16 QAR

◆ Good yield opportunity attractive for income investors.

Al Rayan Bank

0.11 QAR

🛡 High payout backed by 25.5% capital ratio.

Strategic Insights Comparison

Balanced Assessment: Strengths, Drivers & Outlook (2025)



AI Rayan Bank
Stability Champion

CAPITAL LEADER

CAPITAL ADEQUACY

25.5%

Highest buffer

STRATEGIC STRENGTHS

Capital Fortress: Offers downside protection.

Asset Quality: (5.11%) signals cleanup.

Defensive: Appeals to risk-averse investors.

⚠ Watch: Cost/Income (29.3%) needs monitoring.

👤 Outlook

"Well-positioned for M&A or large financing deals."



Dukhan Bank
Funding Innovator

MOMENTUM

CASA GROWTH

+21%

Cost advantage

STRATEGIC STRENGTHS

Depositing Engine: Boosting margins.

Utilization: (98.1%) shows efficiency.

Dividend Play: Dividend appeals to yield seekers.

💡 Opp: Digital adoption driving fee income.

👤 Outlook

"Formidable challenger with fast funding momentum."



QIB
Reliable Growth

HIGH YIELD

DIVIDEND PAYOUT

53%

Competitive return

STRATEGIC STRENGTHS

Capital Strength: (2011%) supports expansion.

Risk Coverage: Coverage ensures resilience.

Performance: Profit growth beats peers.

✅ Verdict: Balanced choice for income & stability.

👤 Outlook

"Consistent performer with solid growth trajectory."



Qatar Islamic Bank
Profitability Leader

BEST IN CLASS

RETURN ON EQUITY

16.6%

Market dominant

STRATEGIC STRENGTHS

Scale: of 221.1B provide unmatched scale.

Efficiency: Ratio (16.3%) drives returns.

Quality: NPF (1.65%) despite growth.

✅ Verdict: 'Blue Chip' for growth & safety.

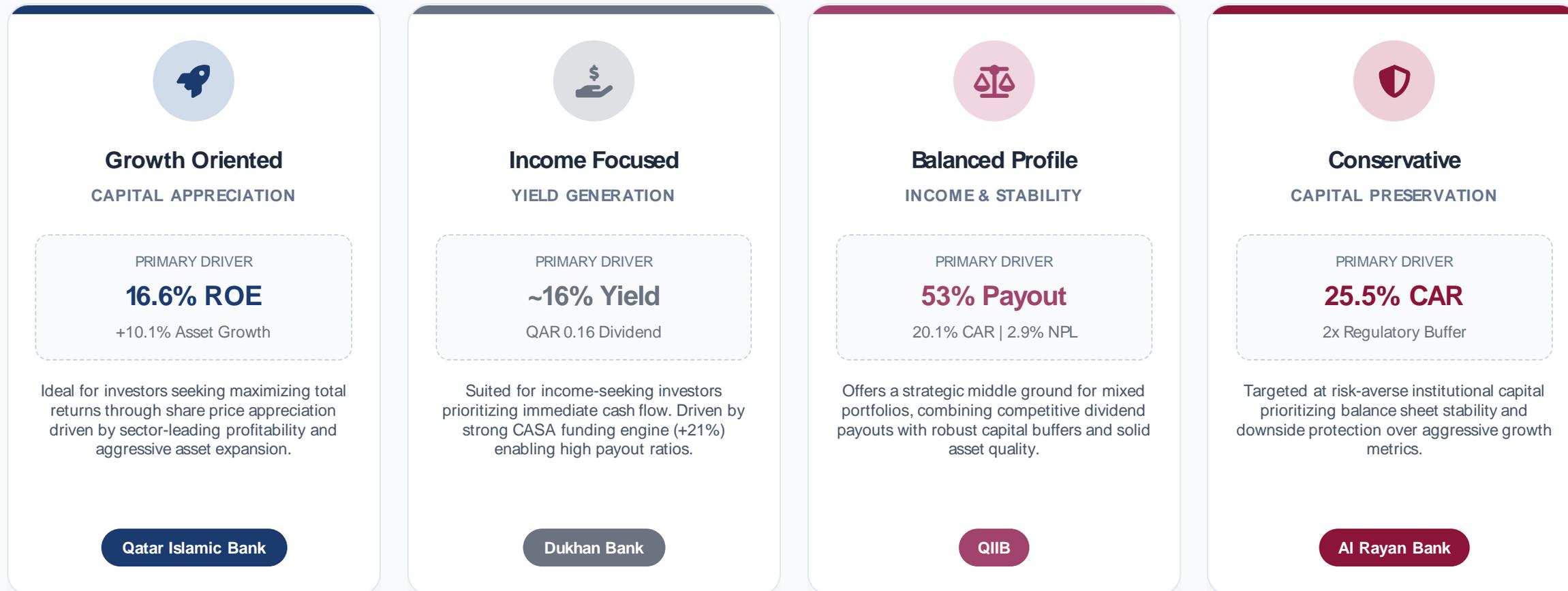
👤 Outlook

"Benchmark for performance with double-digit ROE."

Investment Framework

Strategic Allocation Based on Investor Profiles & Objectives

Based on FY 2025 performance metrics, each bank serves a distinct role in a diversified portfolio, aligning with specific investment horizons, yield requirements, and risk appetites.



Important: This framework is based on quantitative metric alignment and does not constitute personalized financial advice.



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KEY METRIC DEFINITIONS

Return on Equity

ROE

A measure of financial performance calculated by dividing net income by shareholders' equity. Indicates how effectively management is using a company's assets to create profits.

Capital Adequacy Ratio

CAR

A ratio that measures a bank's capital in relation to its risk-weighted assets. Used to protect depositors and promote the stability and efficiency of financial systems.

CASA Deposits

CASA

Current Account Savings Account. A low-cost funding source for banks. A higher CASA ratio indicates a lower cost of funds and potentially higher net financing margins.

Non-Performing Loans

NPL / NPF

Financing or loans where the borrower is in default and has not made scheduled payments for a specified period (usually 90 days). A key indicator of asset quality.

Cost-to-Income Ratio

C/I

An efficiency ratio calculated by dividing operating expenses by operating income. A lower ratio indicates better operational efficiency and cost management.

Return on Assets

ROA

An indicator of how profitable a company is relative to its total assets. It gives an idea as to how efficient management is at using its assets to generate earnings.