



# Qatari Banking Sector for Q1 2025

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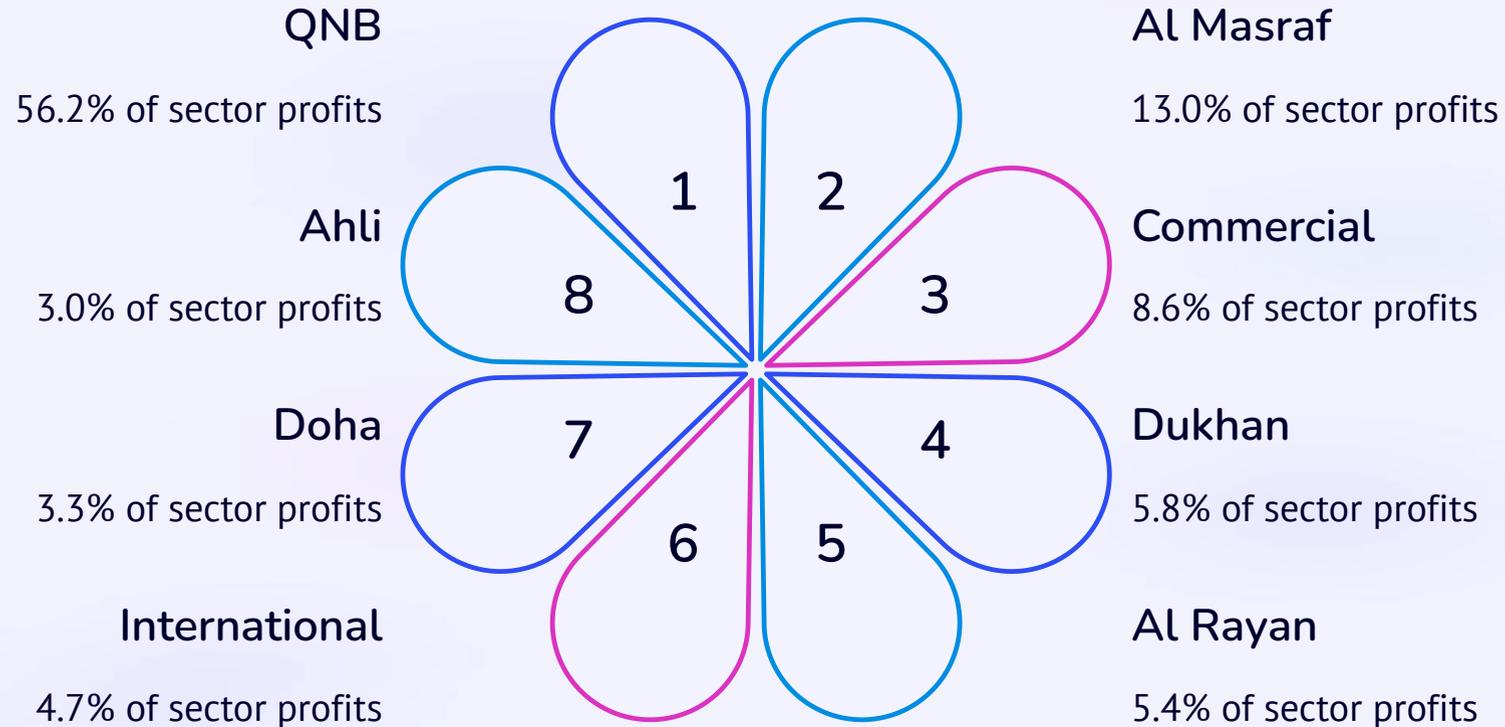


# Banking Sector Profits Q1 2025

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**

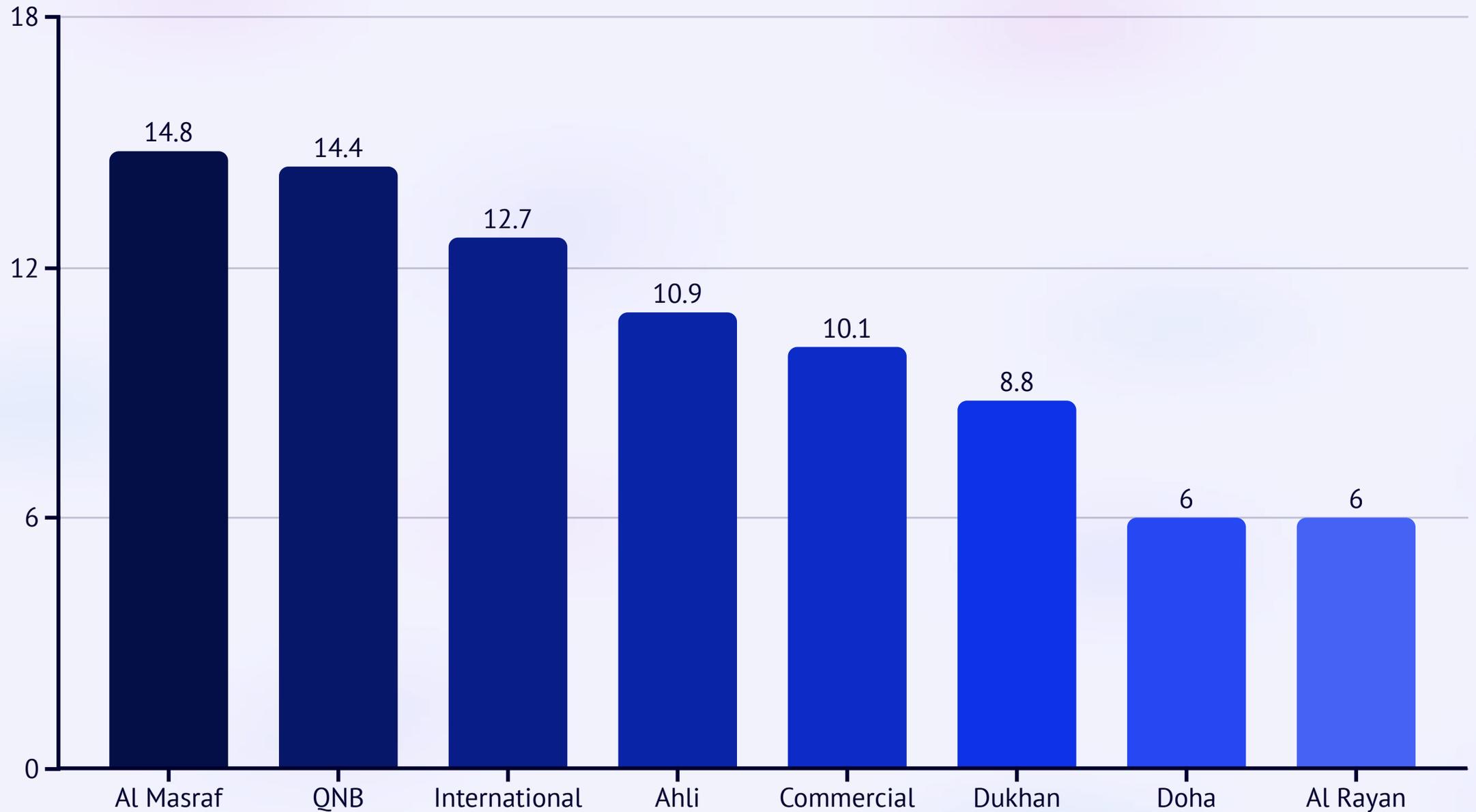
NIM: 1.9%

**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

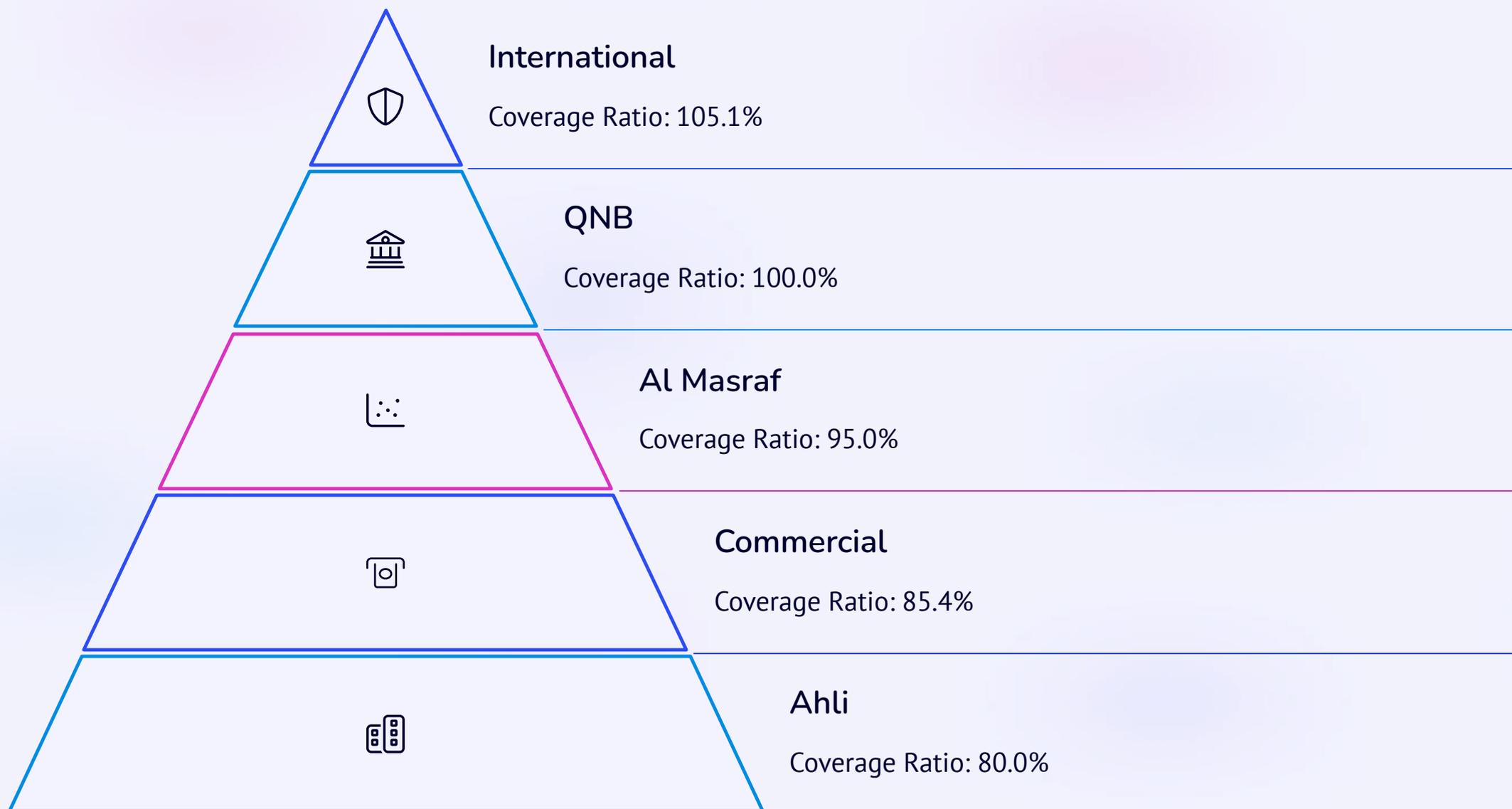
Ahli

Non-performing loans in million Qatari Riyal

NPL

PERFORMING

# Stage 3 NPL Coverage Ratio

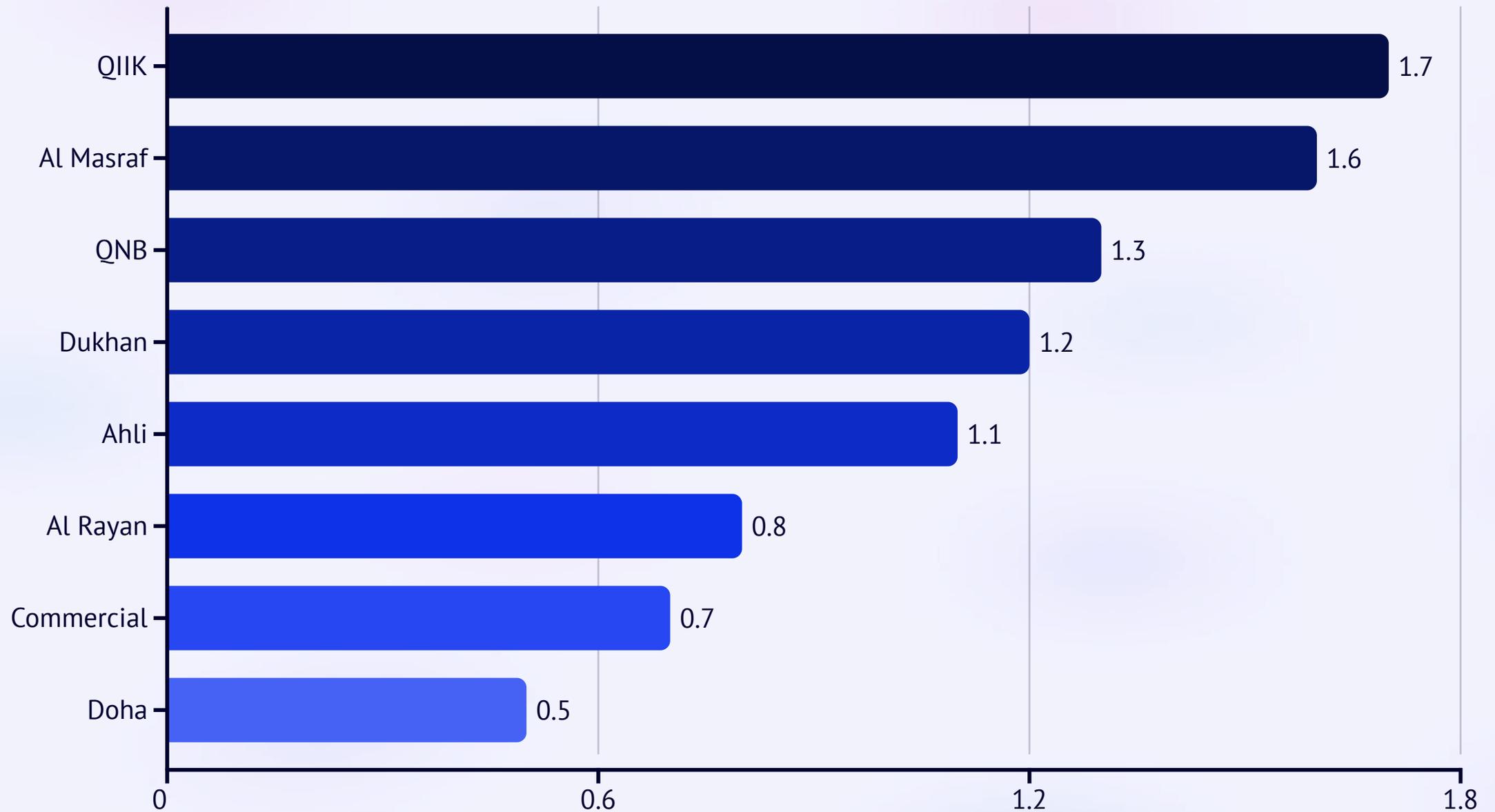


The remaining banks have the following Stage 3 NPL coverage ratios:

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

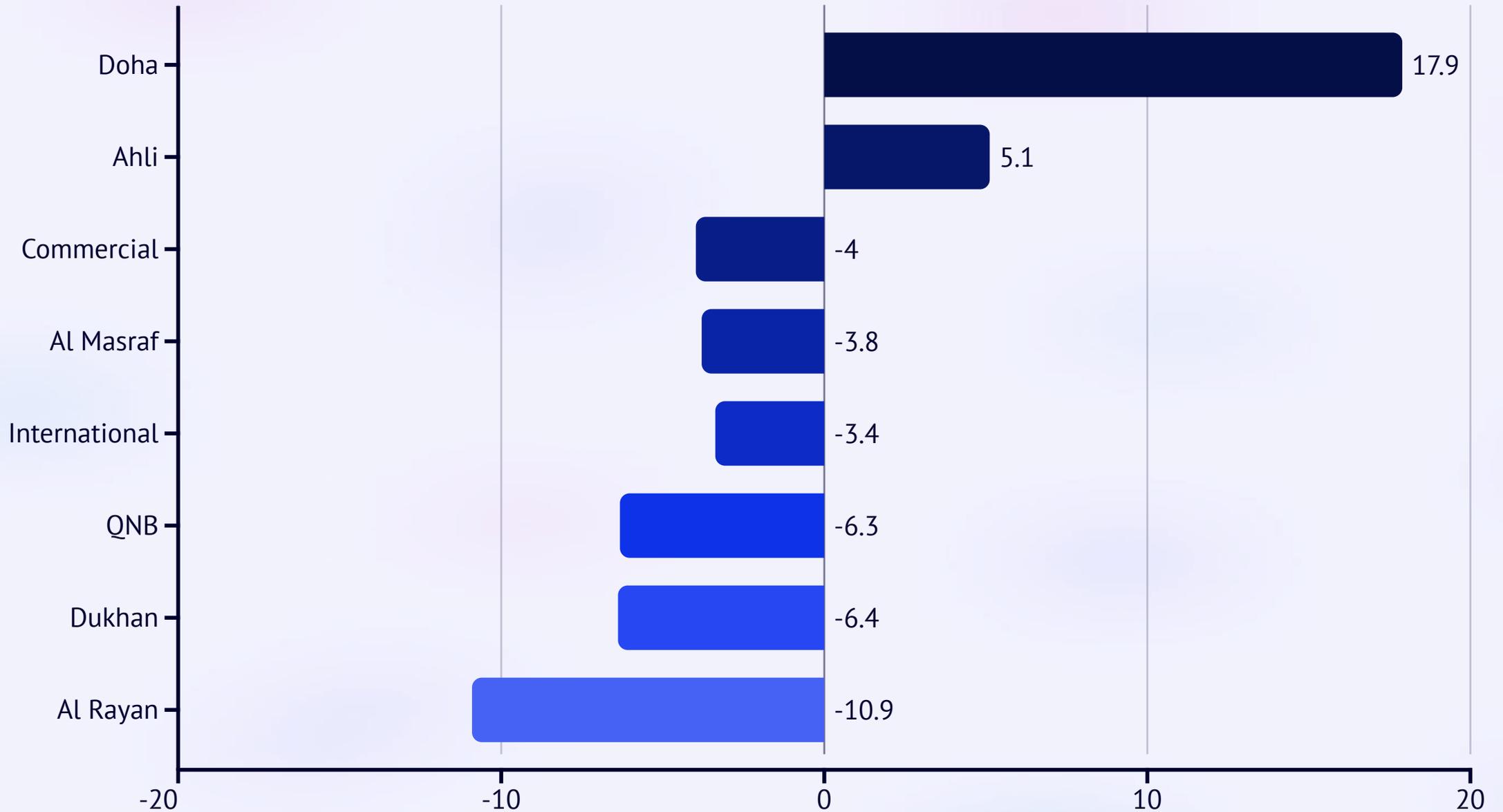
International Bank leads with the highest coverage ratio at 105.1%, indicating strong provisioning against potential loan losses.

# 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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