

Qatar National Bank (QNBK QD)

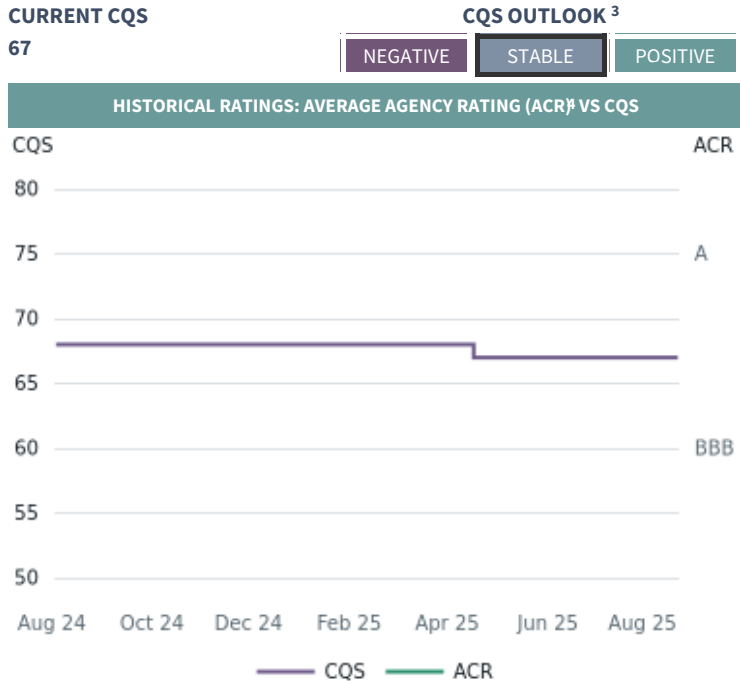
FUNDAMENTAL VIEW ¹ As of 22 Aug 2024

- Qatar National Bank (QNB) is considered a quasi-sovereign entity due to its state ties and ownership. It dominates the domestic market with over a 53% share in total assets, far surpassing the market share of many leading banks in their respective countries.
- As the largest bank in the Gulf Cooperation Council (GCC) region by total assets, QNB has shown a strong performance in its net interest margin, cost-to-income ratio, and return on equity (ROE). Its credit is also supported by solid capital adequacy ratios and steady loan growth.
- The bank's liquidity coverage ratio is adequate at 146%, although it has been volatile. Liquidity risk is moderate, given the bank's loan-to-deposit ratio is nearly 100%, compared to a safer metric of 80% or below seen in regional peers such as UAE banks.

RISKS & CATALYSTS As of 22 Aug 2024

- Qatar's economic fundamentals are robust, endowed with the world's largest reserves of liquefied natural gas (LNG). The economy is well positioned amid the current geopolitical climate. However, sovereign borrowing has been declining, creating a negative volume driver for QNB.
- QNB's asset quality is better than major peers in the GCC region, though it falls short compared to Asian banks in terms of gross NPL ratios, loan loss coverage, and credit costs.
- The bank benefits from geographical diversification, with a presence in 28 markets that account for 21% of its loan portfolio. Nonetheless, it has significant operations in Egypt and Turkey, which are subject to high financial and geopolitical risks.

CREDIT QUALITY SCORE (CQS) ² As of 08 Aug 2025



KEY METRICS As of 22 Aug 2024

QAR MN	2Q24	Y23	Y22	Y21	Y20
Return on Equity	18.8%	17.8%	17.5%	17.1%	16.1%
Total Revenue Margin	3.1%	3.2%	3.0%	2.6%	2.6%
Cost/Income	23.9%	20.3%	20.0%	22.5%	24.4%
CET1 Ratio	15.0%	16.0%	14.6%	14.2%	14.0%
Liquidity Coverage Ratio	185%	206%	104%	147%	164%
Gross NPL Ratio	2.9%	3.0%	2.8%	2.3%	2.1%

BUSINESS DESCRIPTION As of 22 Aug 2024

- QNB is the largest bank in the six-state Gulf Cooperation Council (GCC) region. Listed on the Qatar Stock Exchange, the State of Qatar owns more than 50% stake in QNB through its sovereign wealth fund, the Qatar Investment Authority (QIA).
- QNB constitutes the majority of the Qatari banking system and serves as the principal provider of credit and liquidity to the local economy.
- The bank's operations are segmented into domestic Corporate Banking, Consumer Banking, Asset Management and Wealth Management divisions, as well as International operations.
- QNB operates in more than 28 countries, with a significant presence in Turkey and Egypt through its subsidiaries QNB Finansbank and QNB Al Ahli, respectively.

GLOSSARY

- ¹ The **Fundamental View** is our current assessment of credit quality and our expectation of how credit quality will trend over the next year or longer.
- ² The **Credit Quality Score (CQS)** is a number between 5 and 100. It is a medium-term credit score for corporates and financial institutions that utilizes a combination of sector fundamental scores and equity market signals. Values of CQS above 50 generally indicate investment grade credit quality.
- ³ The **Credit Quality Score (CQS) Outlook** is the near-term (3 month) outlook for the CQS, based on its trend, volatility and distance from the adjacent CQS risk bucket.
- ⁴ The **Agency Composite Rating (ACR)** is the average senior unsecured rating from one or more major rating agencies.

Quantitative scores provided by CreditSights Analytics, LLC. Scores are shown are for the lesser of (1) 2 years and (2) date of CreditSights inception of quantitative coverage.

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