



# Qatari Banks

4Q 2025 Earnings Panorama - From Growth Narrative to Capital Discipline

QNB, QIB, CBQ, MARK, DHB, and DUB have reported 4Q2025 earnings so far. The results confirm a clear shift toward stability and capital preservation across Qatari banks, with limited appetite for balance-sheet expansion. Domestic-focused banks, led by QIB, delivered superior earnings quality through lower provisioning, stronger asset quality, and best-in-class cost efficiency, translating into resilient profitability and high dividends. In contrast, banks with international exposure generated revenue but saw returns diluted by higher credit costs, volatility, and capital drag, particularly from Turkey-related exposures. Overall, equity value is increasingly driven by payout visibility and earnings stability rather than growth or international diversification.

### From growth narrative to capital discipline

The 4Q2025 reporting season confirms a clear inflection in how Qatari banks are positioned and how management teams are framing their stories. This is no longer a sector selling growth optionality or international expansion. It is a system prioritising balance-sheet resilience, capital efficiency, and shareholder returns, with stark differentiation between domestic-focused franchises and banks with international exposure.

### System-level picture: stability, but at a cost

At an aggregate level, earnings momentum softened in 4Q2025 despite broadly stable revenues. Income generation held up across most banks, but this failed to translate into bottom-line growth due to higher credit costs, weaker operating leverage, and capital drag. The sector remains profitable and well-capitalised, but incremental returns are increasingly hard-won.

What stands out is not stress, but earnings quality divergence. The quarter exposed which business models convert revenue into sustainable returns and which absorb volatility.

### Domestic Banks Outperform on Earnings Quality

Domestic-focused banks, led by Qatar Islamic Bank, delivered the cleanest earnings profile in the quarter. Their performance was characterised by:

- Stable to improving profitability despite a benign growth backdrop
- Release or normalisation of provisions, signalling balance-sheet comfort
- Superior cost efficiency, reinforcing operating leverage
- Strong capital generation translated directly into shareholder returns

QIB stands out as the only major bank showing positive profit momentum sequentially, supported by exceptionally low cost-to-income, best-in-class asset quality, and very high coverage. The earnings profile here is not cyclical; it is structural. Management confidence is expressed not through growth guidance but through payout policy.

*The message from domestic Islamic banks is clear: returns are being maximised not by growing the balance sheet, but by optimising it.*

### International Exposure Adds Volatility, Not Returns

Banks with international exposure—most notably QNB and Commercial Bank—continue to generate scale and revenue, but the quarter reinforces that this scale is not translating into superior shareholder outcomes.

Key characteristics of this cohort in 4Q2025 were:

- Revenue resilience offset by rising provisions and weaker operating leverage
- Asset quality pressure concentrated in foreign operations rather than domestic books
- Capital absorption without commensurate improvement in returns
- Sequential deterioration in profitability metrics

While net interest income and fees showed pockets of growth, especially on a year-on-year basis, these gains were diluted by provisioning, cost pressure, and capital inefficiency. The result is earnings volatility rather than compounding.

Turkey exposure remains the clearest example. Even where local profitability exists, high inflation, elevated rates, and currency effects continue to erode reported earnings quality and require incremental buffers. Egypt exposure is

## Qatari Banks - 4Q 2025 Earnings Panorama

less problematic but also not transformative; it adds diversification without materially lifting group returns.

*Recent results indicate that international diversification has introduced earnings volatility and capital drag, while providing limited upside to group profitability.*

### Credit Costs Drive Performance Divergence

The most telling divergence in 4Q2025 sits below operating income. Provisioning trends sharply separated domestic from internationally exposed banks. Domestic banks moved toward normalisation or release, while international banks continued to build buffers. This single factor explains most of the gap in ROE, return on RWA, and sequential profit performance across the sector. Importantly, this reflects idiosyncratic and geographic risk rather than system-wide asset quality stress.

### Capital: strength masking inefficiency

Capital ratios across the sector remain strong, though 4Q2025 highlights divergence in capital utilisation. In several cases, elevated CET1 ratios coexist with weaker returns on risk-weighted assets, suggesting limited deployment rather than incremental balance-sheet flexibility. Domestic banks are increasingly translating capital strength into dividends, while internationally exposed banks continue to retain capital to manage earnings volatility. This results in differing equity profiles across the sector.

### Costs and operating leverage: scale does not win

One of the quieter but more important takeaways from the quarter is that international scale is not delivering a cost advantage. Cost-to-income ratios remain materially better at domestic banks, particularly QIB, while banks with foreign operations show structurally higher cost bases.

Digital investment is frequently cited, but always defensively—automation, efficiency, franchise protection—not as a growth or monetisation lever. There is no fintech premium embedded in management narratives.

### What is notably absent

Just as important as what was discussed is what was not:

- No bank is signalling aggressive balance-sheet expansion
- No management team is guiding to margin upside
- No appetite for cross-border acquisition
- No attempt to sell international exposure as a valuation positive

This absence is consistent across calls and marks a clear shift from earlier years.

### What 4Q2025 Means for Investors

The 4Q2025 earnings season confirms that Qatari banking is now a yield-led, capital-preservation story, not a growth re-rating story.

- Domestic-focused banks are structurally outperforming on ROE, earnings stability, and capital efficiency.
- International exposure has diluted returns, increased volatility, and absorbed capital without commensurate reward.
- Dividends, not growth, are the primary driver of equity value.

For investors, the trade-off is explicit: higher payout and lower volatility versus scale and optionality with weaker returns. The numbers in 4Q2025 leave little ambiguity about which side of that trade-off the market should favour.

### 2025 International Exposure

Bank	International Exposure	Comment
QNBK	12.3%	Net loan exposure
QIBK	2.2%	Asset split
CBQK	6.2%	Alternatif Bank, net loan exposure
MARK	14.4%	Non-GCC international exposure
DHBK	6.7%	Non-GCC international exposure
DUBK	10.0%	But exposure to Europe and US

# Qatari Banks - 4Q 2025 Earnings Panorama

Qatar Banks		Crncy	Net Interest income					Non-interest Income					Total Income					Operating Expenses				
						4Q-2025	4Q-2025				4Q-2025	4Q-2025			4Q-2025	4Q-2025			4Q-2025	4Q-2025		
		Fx	4Q-2025	3Q-2025	4Q-2024	Δ q/q	Δ y/y	4Q-2025	3Q-2025	4Q-2024	Δ q/q	Δ y/y	4Q-2025	3Q-2025	4Q-2024	Δ q/q	Δ y/y	4Q-2025	3Q-2025	4Q-2024	Δ q/q	Δ y/y
Qatar Banks	QAR mn		12,959	12,874	12,320	0.7%	5.2%	3,290	3,799	3,164	-13.4%	4.0%	16,249	16,672	15,483	-2.5%	4.9%	4,123	4,154	4,026	-0.7%	2.4%
QNBK	QAR mn		9,313	9,200	8,769	1.2%	6.2%	2,006	2,128	1,911	-5.7%	4.9%	11,319	11,328	10,680	-0.1%	6.0%	2,714	2,783	2,589	-2.5%	4.8%
QIBK	QAR mn		1,174	1,108	1,223	6.0%	-3.9%	462	608	578	-24.1%	-20.0%	1,636	1,717	1,801	-4.7%	-9.1%	277	265	343	4.6%	-19.2%
CBQK	QAR mn		930	873	569	6.6%	63.5%	387	347	310	11.5%	24.9%	1,318	1,220	879	8.0%	49.9%	364	358	346	1.8%	5.3%
MARK	QAR mn		517	585	643	-11.6%	-19.6%	132	362	115	-63.6%	15.0%	649	947	758	-31.5%	-14.4%	224	247	219	-8.9%	2.4%
DHBK	QAR mn		453	525	505	-13.6%	-10.2%	181	160	120	13.1%	50.3%	634	685	625	-7.4%	1.4%	279	269	272	3.6%	2.4%
DUBK	QAR mn		570	582	611	-2.0%	-6.6%	123	193	130	-36.5%	-5.2%	693	775	740	-10.6%	-6.4%	264	233	257	13.5%	2.9%

Qatar Banks		Crncy	Pre-Provision Income					Provision for Credit Losses					Group PAT					NIM				
						4Q-2025	4Q-2025				4Q-2025	4Q-2025			4Q-2025	4Q-2025			4Q-2025	4Q-2025		
		Fx	4Q-2025	3Q-2025	4Q-2024	Δ q/q	Δ y/y	4Q-2025	3Q-2025	4Q-2024	Δ q/q	Δ y/y	4Q-2025	3Q-2025	4Q-2024	Δ q/q	Δ y/y	4Q-2025	3Q-2025	4Q-2024	Δ q/q	Δ y/y
Qatar Banks	QAR mn		12,126	12,518	11,457	-3.1%	5.8%	4,053	3,100	3,831	30.8%	5.8%	6,574	7,390	6,560	-11.0%	0.2%					
QNBK	QAR mn		8,605	8,546	8,092	0.7%	6.3%	2,859	2,146	2,931	33.2%	-2.4%	4,171	4,429	4,006	-5.8%	4.1%	2.74%	2.65%	2.79%	0.1%	-0.1%
QIBK	QAR mn		1,359	1,452	1,457	-6.4%	-6.7%	3	158	189	-98.4%	-98.7%	1,380	1,280	1,269	7.8%	8.7%	3.40%	3.50%	3.50%	-0.1%	-0.1%
CBQK	QAR mn		954	862	533	10.6%	78.9%	590	308	(68)	91.8%	967.3%	420	524	704	-20.0%	-40.4%	2.20%	2.20%	2.40%	0.0%	-0.2%
MARK	QAR mn		424	700	539	-39.4%	-21.2%	208	195	309	6.5%	-32.8%	210	499	219	-57.9%	-4.0%	1.08%	1.52%	1.86%	-0.4%	-0.8%
DHBK	QAR mn		355	415	353	-14.5%	0.6%	181	131	190	37.8%	-5.0%	174	278	161	-37.3%	8.3%	1.47%	1.76%	2.10%	-0.3%	-0.6%
DUBK	QAR mn		429	542	483	-21.0%	-11.3%	212	162	280	31.1%	-24.2%	220	380	201	-42.2%	9.3%	2.20%	2.10%	2.35%	0.1%	-0.1%

Qatar Banks		Crncy	Gross Customer Loans					NPL Ratio					NPL Coverage					Deposits				
						4Q-2025	4Q-2025				4Q-2025	4Q-2025			4Q-2025	4Q-2025			4Q-2025	4Q-2025		
		Fx	4Q-2025	3Q-2025	4Q-2024	Δ q/q	Δ y/y	4Q-2025	3Q-2025	4Q-2024	Δ q/q	Δ y/y	4Q-2025	3Q-2025	4Q-2024	Δ q/q	Δ y/y	4Q-2025	3Q-2025	4Q-2024	Δ q/q	Δ y/y
Qatar Banks	QAR mn		1,602,515	1,566,001	1,443,741	2.3%	11.0%											1,444,256	1,435,260	1,330,824	0.6%	8.5%
QNBK	QAR mn		1,055,706	1,040,416	944,422	1.5%	11.8%	2.60%	2.88%	2.77%	-0.28%	-0.18%	137%	133%	129%	4.1%	4.7%	955,412	962,591	887,010	-0.7%	7.7%
QIBK	QAR mn		146,242	139,896	133,023	4.5%	9.9%	1.65%	1.74%	1.86%	-0.08%	-0.21%	321%	316%	313%	4.2%	3.4%	142,727	133,744	124,995	6.7%	14.2%
CBQK	QAR mn		109,677	108,687	95,464	0.9%	14.9%	6.06%	5.83%	6.16%	0.24%	-0.09%	89%	76%	86%	13.1%	-9.5%	89,445	85,654	77,007	4.4%	16.2%
MARK	QAR mn		123,628	118,711	114,793	4.1%	7.7%	5.11%	5.34%	5.45%	-0.23%	-0.33%	86%	84%	76%	2.4%	7.6%	111,138	113,606	107,610	-2.2%	3.3%
DHBK	QAR mn		73,323	68,924	66,243	6.4%	10.7%	6.60%	6.75%	7.43%	-0.15%	-0.83%	126%	134%	120%	-7.2%	13.6%	57,740	53,339	50,852	8.3%	13.5%
DUBK	QAR mn		93,939	89,367	89,796	5.1%	4.6%	4.22%	4.40%	4.58%	-0.18%	-0.36%	99%	94%	96%	5.4%	-2.3%	87,793	86,327	83,351	1.7%	5.3%

Qatar Banks		Crncy	Return on Tangible Equity					ROA					CET1 Ratio (Basel 3 Fully Loaded)					Capital Adequacy Ratio				
						4Q-2025	4Q-2025				4Q-2025	4Q-2025			4Q-2025	4Q-2025			4Q-2025	4Q-2025		
		Fx	4Q-2025	3Q-2025	4Q-2024	Δ q/q	Δ y/y	4Q-2025	3Q-2025	4Q-2024	Δ q/q	Δ y/y	4Q-2025	3Q-2025	4Q-2024	Δ q/q	Δ y/y	4Q-2025	3Q-2025	4Q-2024	Δ q/q	Δ y/y
QNBK	QAR mn		16.8%	18.3%	17.8%	-1.5%	-1.0%	1.3%	1.3%	1.3%	-0.1%	0.0%	15.5%	15.1%	15.2%	0.4%	0.3%	19.3%	19.5%	19.2%	-0.2%	0.1%
QIBK	QAR mn		19.0%	18.1%	19.1%	0.9%	0.0%	2.5%	2.4%	2.7%	0.1%	-0.2%	18.5%	18.4%	17.1%	0.0%	1.4%	22.2%	22.2%	20.9%	0.0%	1.3%
CBQK	QAR mn		8.0%	10.1%	13.8%	-2.1%	-5.8%	0.3%	1.4%	1.7%	-1.1%	-1.4%	12.2%	13.0%	12.3%	-0.8%	-0.1%	17.6%	17.9%	17.2%	-0.2%	0.5%
MARK	QAR mn		3.6%	8.7%	3.9%	-5.1%	-0.3%	-0.8%	1.2%	0.5%	-2.0%	-1.4%	23.3%	24.0%	21.7%	-0.7%	1.5%	25.5%	26.2%	23.9%	-0.7%	1.6%
DHBK	QAR mn		6.0%	9.8%	5.9%	-3.9%	0.0%	0.6%	1.0%	0.6%	-0.4%	0.0%	13.2%	13.6%	13.3%	-0.4%	-0.1%	19.0%	19.5%	19.5%	-0.4%	-0.5%
DUBK	QAR mn		5.1%	12.8%	6.6%	-7.7%	-1.5%	0.7%	1.3%	0.7%	-0.6%	0.0%	15.1%	15.5%	14.2%	-0.5%	0.9%	18.4%	18.9%	17.3%	-0.5%	1.1%

Qatar Banks		Crncy	Risk Weighted Assets (RWA)					Return on RWA					Cost to Income Ratio					Loan /Deposit Ratio				
						4Q-2025	4Q-2025				4Q-2025	4Q-2025			4Q-2025	4Q-2025			4Q-2025	4Q-2025		
		Fx	4Q-2025	3Q-2025	4Q-2024	Δ q/q	Δ y/y	4Q-2025	3Q-2025	4Q-2024	Δ q/q	Δ y/y	4Q-2025	3Q-2025	4Q-2024	Δ q/q	Δ y/y	4Q-2025	3Q-2025	4Q-2024	Δ q/q	Δ y/y
QNBK	QAR mn		635,055	629,170	579,996	0.9%	9.5%	2.7%	2.9%	2.8%	-0.2%	-0.1%	24.0%	24.6%	24.2%	-0.59%	-0.26%	106.6%	103.9%	102.7%	2.6%	3.9%
QIBK	QAR mn		153,935	154,703	151,768	-0.5%	1.4%	3.5%	3.3%	3.3%	0.2%	0.2%	16.9%	15.4%	19.1%	1.50%	-2.12%	97.0%	98.6%	100.2%	-1.6%	-3.2%
CBQK	QAR mn		131,890	132,626	131,654	-0.6%	0.2%	1.3%	1.6%	2.1%	-0.3%	-0.9%	27.6%	29.3%	39.4%	-1.69%	-11.71%	116.9%	121.5%	118.8%	-4.6%	-1.9%
MARK	QAR mn		96,659	97,205	100,406	-0.6%	-3.7%	0.9%	2.1%	0.9%	-1.2%	0.0%	34.6%	26.0%	28.9%	8.56%	5.67%	106.3%	99.8%	102.3%	6.5%	4.1%
DHBK	QAR mn		84,510	84,462	78,421	0.1%	7.8%	0.8%	1.3%	0.8%	-0.5%	0.0%	44.0%	39.3%	43.5%	4.65%	0.45%	117.3%	118.6%	119.9%	-1.3%	-2.6%
DUBK	QAR mn		82,530	81,273	82,942	1.5%	-0.5%	1.1%	1.9%	1.0%	-0.8%	0.1%	38.2%	30.0%	34.7%	8.11%	3.44%	102.5%	99.3%	103.4%	3.3%	-0.9%

Source: Vitati360 Research Platform StatBook

Disclaimer: This publication is for informational purposes only and does not constitute investment advice.