

RATING ACTION COMMENTARY

Fitch Maintains Qatar National Bank on Rating Watch Negative

Tue 26 May, 2026 - 11:13 AM ET

Fitch Ratings - London - 26 May 2026: Fitch Ratings is maintaining Qatar National Bank (Q.P.S.C.)'s (QNB) Long-Term Issuer Default Rating (IDR) of 'A+' on Rating Watch Negative (RWN). QNB's Viability Rating (VR) has been affirmed at 'bbb+'. A full list of rating actions is provided below.

KEY RATING DRIVERS

QNB's Long-Term IDR reflects potential support from the Qatari authorities, as reflected in a Government Support Rating (GSR) of 'a+'. The RWN on the Long-Term IDR and GSR reflects that on the sovereign rating (AA/RWN) and Fitch's view that Qatar's ability to support the domestic banks could come under pressure. This is due to uncertainty over Qatar's security environment after the Iran war, the risk of a downside scenario of a prolonged war or further damage to Qatar's oil and gas infrastructure, which could further affect Qatar's sovereign rating, as indicated by the RWN.

QNB's VR reflects the bank's flagship status and dominant franchise in the country, underpinned by its close links to the government. It also balances sound asset quality, solid profitability and adequate capitalisation against risks stemming from its international presence in challenging markets and a high reliance on external funding.

Government Support Rating of 'a+': The Qatari authorities have a strong propensity to support domestic banks, irrespective of the banks' size or ownership. They also have a strong ability to do so, as indicated by the sovereign rating and substantial net foreign assets and revenue, although this is weakened by the Qatari banking sector's large size relative to the domestic economy and a high reliance on external funding. QNB's GSR is one notch above the 'a' GSR for Qatari domestic systemically important banks due to its flagship status.

Pressures on Operating Environment Contained: Support from high hydrocarbon prices and resuming domestic credit growth at Qatari banks is undermined by the Iran

war, but pressures remain contained.

Flagship Bank: QNB is Qatar's flagship bank and is 50% owned by the Qatar Investment Authority (QIA). Its dominant domestic franchise (end-2025: 56% market share of net loans) is underpinned by its strong links with the state, resulting in high volumes of low-risk public sector business. International operations (2025: 38% of net profit) provide diversification benefits but expose the bank to higher-risk jurisdictions, mainly Turkiye and Egypt.

Focus on GRE Lending: The bank's underwriting standards compare well with peers'. Its lending in Qatar (end-2025: 78% of total loans) is low-risk, supported by lending to government-related entities (GREs; 35%) and moderate exposure to the real estate and contracting sectors (a combined 8.5%, in line with the bank's internal limit). Contributions from international operations add diversification but also expose the bank to lower-rated markets.

Sound Asset Quality: QNB's impaired loans ratio remained low at 2.6% at end-1Q26 (unchanged from end-2025; end-2024: 2.8%), supported by loan growth (1Q26: 1.1%; 2025: 11.8%) and low impaired loans generation (1Q26 annualised: 0.3%; 2025: 0.7%; 2024: 1%). The bank's asset quality compares well with domestic peers', supported by fairly low-risk lending to Qatari GREs. Coverage of impaired loans is solid (end-1Q26: 141%; end-2025: 137%).

Solid Profitability: QNB consistently generates solid operating profits (1Q26: annualised 3.6% of risk-weighted assets (RWAs); 2025: 3.5%; 2024: 3.4%), underpinned by its strong competitive advantages, including close ties to the Qatari government, and strong net interest margins. Fitch expects QNB's operating profit/RWAs to drop slightly in 2026 due to slower growth and precautionary credit provisioning charges from the Iran war risks but to remain above 3%.

Adequate Capitalisation: Capitalisation is adequate (end-1Q26: common equity Tier 1 (CET1) ratio of 15.2%) and compares well with most peers'. Capitalisation is also supported by the availability of ordinary support from the Qatari authorities. We expect QNB's capital to remain stable due to a strong ability to generate capital internally and moderate growth targets.

High External Funding: Non-resident funding was above the sector average at 60% of the parent bank QNB Qatar's total funding at end-2025. QNB's funding profile is supported by its leading regional franchise, large volumes of GRE deposits, and strong access to market liquidity and ordinary support.

RATING SENSITIVITIES

Factors that Could, Individually or Collectively, Lead to Negative Rating Action/Downgrade

A downgrade of the sovereign rating or a negative change in Fitch's assessment of the government's propensity to provide support would likely result in a downgrade of QNB's GSR and Long-Term IDR.

The bank's VR is sensitive to further material expansion in more challenging operating environments that undermine its risk profile and asset quality. A weakening in its CET1 ratio to below 13% and tangible leverage ratio to below 6%, alongside a weaker ability to access capital markets or weaker support from QIA, its majority shareholder, could put downward pressure on the VR. A large increase in non-resident funding or a material decline in liquidity buffers could lead to a VR downgrade.

Factors that Could, Individually or Collectively, Lead to Positive Rating Action/Upgrade

QNB's GSR and Long-Term IDR could be upgraded if the sovereign's ability to support the sector has strengthened, as reflected by a sovereign upgrade, although this is unlikely given the RWN on Qatar.

An upgrade of the VR is unlikely unless the bank sharply reduces its exposure to more challenging markets, which would likely be accompanied by an improvement in QNB's operating environment score.

OTHER DEBT AND ISSUER RATINGS: KEY RATING DRIVERS

QNB's Short-Term IDR of 'F1' is the lower of the two options mapping to an 'A+' Long-Term IDR because a large portion of the banking sector's funding is government-related, and financial stress at the bank is likely to arise when the sovereign itself is in distress.

QNB's Long-Term IDR (xgs) is at the level of the VR. The Short-Term IDR (xgs) is in accordance with the Long-Term IDR (xgs) and Fitch's short-term rating mapping.

The ratings of senior debt issued by QNB Finance Ltd, the bank's special purpose vehicle, are in line with its IDRs and IDRs (xgs) because the likelihood of default on any senior unsecured obligation issued by the special purpose vehicle is the same as that of the bank.

OTHER DEBT AND ISSUER RATINGS: RATING SENSITIVITIES

QNB's Short-Term IDR is sensitive to changes in its Long-Term IDR.

QNB's Long-Term IDR (xgs) would mirror changes to its VR. The bank's Short-Term IDR (xgs) is sensitive to changes in its Long-Term IDR (xgs) and to Fitch's assessment of the bank's funding and liquidity profile.

The ratings of debt issued by the special purpose vehicle are sensitive to changes in the bank's IDRs and IDRs (xgs).

VR ADJUSTMENTS

The operating environment score of 'bbb-' is below the 'aa' category implied score due to the following adjustment reason(s): size and structure of economy (negative), regulatory and legal framework (negative), financial market development (negative), and geographical scope (negative).

REFERENCES FOR SUBSTANTIALLY MATERIAL SOURCE CITED AS KEY DRIVER OF RATING

The principal sources of information used in the analysis are described in the Applicable Criteria.

PUBLIC RATINGS WITH CREDIT LINKAGE TO OTHER RATINGS

QNB's IDRs are linked to Qatar's sovereign ratings.

ESG CONSIDERATIONS

Unless otherwise disclosed in this section, the highest level of ESG credit relevance is a score of '3'. This means ESG issues are credit neutral or have only a minimal credit impact on the entity, either due to their nature or the way in which they are being managed by the entity. Fitch's ESG Relevance Scores are not inputs in the rating process; they are an observation of the materiality and relevance of ESG factors in the rating decision. For more information on Fitch's ESG Relevance Scores,

[visitwww.fitchratings.com/esg](https://www.fitchratings.com/esg).

RATING ACTIONS

ENTITY / DEBT ⚡	RATING TYPE ⚡	RATING ⚡	RATING ACTION ⚡	PRIOR ⚡
Qatar National Bank (Q.P.S.C.)	LT IDR	A+ Rating Watch Negative	A+ Rating Watch Maintained	A+ Rating Watch Negative

	ST IDR	F1	Affirmed	F1
	Viability	bbb+	Affirmed	bbb+
	Government Support	a+ Rating Watch Negative	Rating Watch Maintained	a+ Rating Watch Negative
	ST IDR (xgs)	F2(xgs)	Affirmed	F2(xgs)
	LT IDR (xgs)	BBB+(xgs)	Affirmed	BBB+(xgs)

QNB Finance Ltd

senior unsecured	LT	A+ Rating Watch Negative	Rating Watch Maintained	A+ Rating Watch Negative
senior unsecured	ST	F1	Affirmed	F1
senior unsecured	ST (xgs)	F2(xgs)	Affirmed	F2(xgs)

[VIEW ADDITIONAL RATING DETAILS](#)

FITCH RATINGS ANALYSTS

Mohamad Jaber

Director

Primary Rating Analyst

+44 20 3530 1284

mohamad.jaber@fitchratings.com

Fitch Ratings Ltd

30 North Colonnade, Canary Wharf London E14 5GN

Redmond Ramsdale

Senior Director

Secondary Rating Analyst

+44 20 3530 1836

redmond.ramsdale@fitchratings.com

Eric Dupont

Senior Director

Committee Chairperson

+33 1 44 29 91 31

eric.dupont@fitchratings.com

MEDIA CONTACTS

Tahmina Pinnington-Mannan

London

+44 20 3530 1128

tahmina.pinnington-mannan@thefitchgroup.com

Additional information is available on www.fitchratings.com

PARTICIPATION STATUS

The rated entity (and/or its agents) or, in the case of structured finance, one or more of the transaction parties participated in the rating process except that the following issuer(s), if any, did not participate in the rating process, or provide additional information, beyond the issuer's available public disclosure.

APPLICABLE CRITERIA

[Sukuk Rating Criteria \(pub. 14 Oct 2025\)](#)

[Bank Rating Criteria \(pub. 08 May 2026\) \(including rating assumption sensitivity\)](#)

ADDITIONAL DISCLOSURES

[Dodd-Frank Rating Information Disclosure Form](#)

[Solicitation Status](#)

[Endorsement Policy](#)

ENDORSEMENT STATUS

Qatar National Bank (Q.P.S.C.)

UK Issued, EU Endorsed

QNB Finance Ltd

UK Issued, EU Endorsed

DISCLAIMER & DISCLOSURES

All Fitch Ratings (Fitch) credit ratings are subject to certain limitations and disclaimers. Please read these limitations and disclaimers by following this link:

<https://www.fitchratings.com/understandingcreditratings>. In addition, the following <https://www.fitchratings.com/rating-definitions-document> details Fitch's rating definitions for each rating scale and rating categories, including definitions relating to default. ESMA and the FCA are required to publish historical default rates in a central

repository in accordance with Articles 11(2) of Regulation (EC) No 1060/2009 of the European Parliament and of the Council of 16 September 2009 and The Credit Rating Agencies (Amendment etc.) (EU Exit) Regulations 2019 respectively.

Published ratings, criteria, and methodologies are available from this site at all times. Fitch's code of conduct, confidentiality, conflicts of interest, affiliate firewall, compliance, and other relevant policies and procedures are also available from the Code of Conduct section of this site. Directors and shareholders' relevant interests are available at <https://www.fitchratings.com/site/regulatory>. Fitch may have provided another permissible or ancillary service to the rated entity or its related third parties. Details of permissible or ancillary service(s) for which the lead analyst is based in an ESMA- or FCA-registered Fitch Ratings company (or branch of such a company) can be found on the entity summary page for this issuer on the Fitch Ratings website.

In issuing and maintaining its ratings and in making other reports (including forecast information), Fitch relies on factual information it receives from issuers and underwriters and from other sources Fitch believes to be credible. Fitch conducts a reasonable investigation of the factual information relied upon by it in accordance with its ratings methodology, and obtains reasonable verification of that information from independent sources, to the extent such sources are available for a given security or in a given jurisdiction. The manner of Fitch's factual investigation and the scope of the third-party verification it obtains will vary depending on the nature of the rated security and its issuer, the requirements and practices in the jurisdiction in which the rated security is offered and sold and/or the issuer is located, the availability and nature of relevant public information, access to the management of the issuer and its advisers, the availability of pre-existing third-party verifications such as audit reports, agreed-upon procedures letters, appraisals, actuarial reports, engineering reports, legal opinions and other reports provided by third parties, the availability of independent and competent third-party verification sources with respect to the particular security or in the particular jurisdiction of the issuer, and a variety of other factors. Users of Fitch's ratings and reports should understand that neither an enhanced factual investigation nor any third-party verification can ensure that all of the information Fitch relies on in connection with a rating or a report will be accurate and complete. Ultimately, the issuer and its advisers are responsible for the accuracy of the information they provide to Fitch and to the market in offering documents and other reports. In issuing its ratings and its reports, Fitch must rely on the work of experts, including independent auditors with respect to financial statements and attorneys with respect to legal and tax matters. Further, ratings and forecasts of financial and other information are inherently forward-looking and embody assumptions and predictions about future events that by their nature cannot be verified as facts. As a result, despite any verification of current facts, ratings and forecasts can be affected by future events or conditions that were not

anticipated at the time a rating or forecast was issued or affirmed. Fitch Ratings makes routine, commonly-accepted adjustments to reported financial data in accordance with the relevant criteria and/or industry standards to provide financial metric consistency for entities in the same sector or asset class.

The complete span of best- and worst-case scenario credit ratings for all rating categories ranges from 'AAA' to 'D'. Fitch also provides information on best-case rating upgrade scenarios and worst-case rating downgrade scenarios (defined as the 99th percentile of rating transitions, measured in each direction) for international credit ratings, based on historical performance. A simple average across asset classes presents best-case upgrades of 4 notches and worst-case downgrades of 8 notches at the 99th percentile. For more details on sector-specific best- and worst-case scenario credit ratings, please see [Best- and Worst-Case Measures](#) under the Rating Performance page on Fitch's website.

The information in this report is provided "as is" without any representation or warranty of any kind, and Fitch does not represent or warrant that the report or any of its contents will meet any of the requirements of a recipient of the report. A Fitch rating is an opinion as to the creditworthiness of a security. This opinion and reports made by Fitch are based on established criteria and methodologies that Fitch is continuously evaluating and updating. Therefore, ratings and reports are the collective work product of Fitch and no individual, or group of individuals, is solely responsible for a rating or a report. The rating does not address the risk of loss due to risks other than credit risk, unless such risk is specifically mentioned. Fitch is not engaged in the offer or sale of any security. All Fitch reports have shared authorship. Individuals identified in a Fitch report were involved in, but are not solely responsible for, the opinions stated therein. The individuals are named for contact purposes only. A report providing a Fitch rating is neither a prospectus nor a substitute for the information assembled, verified and presented to investors by the issuer and its agents in connection with the sale of the securities. Ratings may be changed or withdrawn at any time for any reason in the sole discretion of Fitch. Fitch does not provide investment advice of any sort. Ratings are not a recommendation to buy, sell, or hold any security. Ratings do not comment on the adequacy of market price, the suitability of any security for a particular investor, or the tax-exempt nature or taxability of payments made in respect to any security. Fitch receives fees from issuers, insurers, guarantors, other obligors, and underwriters for rating securities. Such fees generally vary from US\$1,000 to US\$750,000 (or the applicable currency equivalent) per issue. In certain cases, Fitch will rate all or a number of issues issued by a particular issuer, or insured or guaranteed by a particular insurer or guarantor, for a single annual fee. Such fees are expected to vary from US\$10,000 to US\$1,500,000 (or the applicable currency equivalent). The assignment, publication, or dissemination of a rating by Fitch shall not constitute a consent by Fitch to use its name

as an expert in connection with any registration statement filed under the United States securities laws, the Financial Services and Markets Act of 2000 of the United Kingdom, or the securities laws of any particular jurisdiction. Due to the relative efficiency of electronic publishing and distribution, Fitch research may be available to electronic subscribers up to three days earlier than to print subscribers.

For Australia, New Zealand, Taiwan and South Korea only: Fitch Australia Pty Ltd holds an Australian financial services license (AFS license no. 337123) which authorizes it to provide credit ratings to wholesale clients only. Credit ratings information published by Fitch is not intended to be used by persons who are retail clients within the meaning of the Corporations Act 2001. Fitch Ratings, Inc. is registered with the U.S. Securities and Exchange Commission as a Nationally Recognized Statistical Rating Organization (the "NRSRO"). While certain of the NRSRO's credit rating subsidiaries are listed on Item 3 of Form NRSRO and as such are authorized to issue credit ratings on behalf of the NRSRO (see <https://www.fitchratings.com/site/regulatory>), other credit rating subsidiaries are not listed on Form NRSRO (the "non-NRSROs") and therefore credit ratings issued by those subsidiaries are not issued on behalf of the NRSRO. However, non-NRSRO personnel may participate in determining credit ratings issued by or on behalf of the NRSRO.

dv01, a Fitch Solutions company, and an affiliate of Fitch Ratings, may from time to time serve as loan data agent on certain structured finance transactions rated by Fitch Ratings.

Copyright © 2026 by Fitch Ratings, Inc., Fitch Ratings Ltd. and its subsidiaries. 33 Whitehall Street, NY, NY 10004. Telephone: 1-800-753-4824, (212) 908-0500. Reproduction or retransmission in whole or in part is prohibited except by permission. All rights reserved.

[READ LESS](#)

SOLICITATION STATUS

The ratings above were solicited and assigned or maintained by Fitch at the request of the rated entity/issuer or a related third party. Any exceptions follow below.

Fitch's solicitation status policy can be found at www.fitchratings.com/ethics.

ENDORSEMENT POLICY

Fitch's international credit ratings produced outside the EU or the UK, as the case may be, are endorsed for use by regulated entities within the EU or the UK, respectively, for regulatory purposes, pursuant to the terms of the EU CRA Regulation or the UK Credit

Rating Agencies (Amendment etc.) (EU Exit) Regulations 2019, as the case may be. Fitch's approach to endorsement in the EU and the UK can be found on Fitch's [Regulatory Affairs](#) page on Fitch's website. The endorsement status of international credit ratings is provided within the entity summary page for each rated entity and in the transaction detail pages for structured finance transactions on the Fitch website. These disclosures are updated on a daily basis.