

## ABSTRACT

There were two main objectives for this study; the first objective was to find the relationship between internal financial variables represented in Liquidity, Capital adequacy, Solvency and risk, Management Efficiency, Asset Quality, Bank Size as well as Macroeconomic variables represented in Inflation rate, Money Supply, in addition to interest rate and the profitability of Islamic and conventional banks listed in Qatar Exchange in three periods, before, during and after 2008 global financial crisis. The second objective was to investigate whether a significant difference between the profitability of Islamic and conventional banks listed in Qatar Exchange (QE) is existed in also three periods, before, during, and after 2008 global financial crisis.

Loan deposit ratio was a measurement of Liquidity, Capital adequacy ratio was a measurement of Capital Adequacy, debt to equity and debt to total assets ratios were measurements of Solvency and risk, Asset Utilization and Operating Efficiency ratios were measurements of Management Efficiency, NPLs to Total Loans and NPLs to Total Equity ratios were measurements of Asset Quality, Log (Total Assets) was a measurement of Bank Size, CPI was a measurement of Inflation Rate, M2 index was a measurement of Money Supply, and RI was the measurement of Interest Rate.

To achieve the research objectives, the researcher has collected the data of internal dependent and independent variables from Bloomberg database and macroeconomic variables from Central Bank of Qatar website ([www.qcb.gov.qa](http://www.qcb.gov.qa)). These data have been analyzed by using Statistical Analysis Software (SAS). Descriptive statistics have been used to summarize and analyze the raw data, Correlation Coefficient analysis has been used to test the relationship between dependent and independent variables, and sample paired T-test has been used to test the difference of profitability between Islamic and conventional banks listed in Qatar exchange (QE).

According to data analysis, the researcher concluded for Islamic banks that Loan deposit ratio affects positively and significantly the profitability before and during 2008 global financial crisis, capital adequacy ratio significantly and positively affects the profitability before the crisis and significantly negatively affects the profitability during the crisis, debt to equity ratio and debt to total assets ratio significantly negatively affect the profitability after the crisis, Asset utilization ratio significantly positively affects the profitability only during the crisis, operating efficiency has no effect on the profitability of Islamic banks in the three periods, Non-performing loans to total loans and Non-performing loans to total equity ratios significantly positively affect the profitability

only before the crisis, Bank size significantly positively affects the profitability before the crisis and significantly negatively affects the profitability after the crisis, Inflation rate significantly negatively affects the profitability during and after the crisis, Money supply significantly positively affects the profitability before the crisis and significantly negatively affects the profitability after the crisis, and Interest rate significantly positively affect the profitability before and after the crisis. According to data analysis, the researcher concluded for conventional banks that Loan deposit ratio affects positively and significantly the profitability before the crisis only, capital adequacy ratio significantly and positively affects the profitability before the crisis and significantly negatively affects the profitability during the crisis, in this case conventional is similar to Islamic, debt to equity ratio significantly positively affects the profitability before the crisis and significantly negatively affects the profitability after the crisis, debt to total assets ratio significantly positively affects the profitability before the crisis and significantly negatively affects the profitability during the crisis, Asset utilization ratio has no effect the profitability of conventional banks, operating efficiency ratio significantly negatively affects the profitability only during the crisis, Non-performing loans to total loans ratio significantly positively affect the profitability before the crisis and significantly negatively affects the profitability after the crisis, Non-performing loans to total equity ratio significantly positively affects the profitability before and during the crisis, Bank size significantly positively affects the profitability before and after the crisis and significantly negatively affects the profitability during the crisis, Inflation rate significantly negatively affects the profitability during the crisis significantly positively after the crisis, Money supply significantly positively affects the profitability before the crisis and significantly negatively affects the profitability during and after the crisis, and finally Interest rate significantly positively affects the profitability before and during the crisis and significantly negatively affects the profitability after the crisis. The researcher also found that there was no significant difference between the profitability of Islamic and conventional banks before the crisis but during and after the crisis there was a significant difference and Islamic banks scored higher profitability than in conventional banks.