

Qatar Islamic Insurance Group (QIIC)

FY2025 Financial Results & Valuation Review

Equity Research | Insurance Sector

Qatar Securities Co. (P.Q.S.C.)

June 2026

INSURANCE

QSC Advisory Department | April 2026

NET PROFIT · FY2025

QAR 152.7mn

▲ +18.8% YoY

TOTAL ASSETS · FY2025

QAR 1,257.8mn

▲ +1.1% YoY

ROE · FY2025

26.7%

▲ +2.6 pts

BUY · Fair Value

QAR 9.79

▲ +14.4% upside

QIIC - All key dimensions · QAR thousands unless stated

Executive Scorecard

NET PROFIT · FY2025

QAR 152.7mn

FY2024: 128.5mn

▲ +18.8% YoY

EPS · FY2025

QAR 1.018

FY2026E: 1.006

▲ +18.9% YoY

ROE · FY2025

26.7%

FY2024: 24.1%

▲ +2.6 pts

ROA · FY2025

12.2%

FY2024: 10.0%

▲ +2.2 pts

COMBINED RATIO · FY2025

117.3%

FY2026E: 112.2%

▼ Elevated

CLAIMS / LOSS RATIO

93.4%

FY2026E: 92.8%

▼ Monitor

NET PROFIT MARGIN

27.5%

FY2024: 19.5%

▲ +8.0 pts

CURRENT RATIO · Q1-26

1.85×

FY2025: 1.89×

▲ Solid

TOTAL ASSETS · FY2025

QAR 1,258mn

Q1-26E: 1,186mn

▲ +1.1% YoY

DPS · FY2025

QAR 0.500

Yield: 5.8%

▲ Consistent

BVPS · FY2025

QAR 4.057

Q1-26: 3.810

▲ Growing

FAIR VALUE (WEIGHTED)

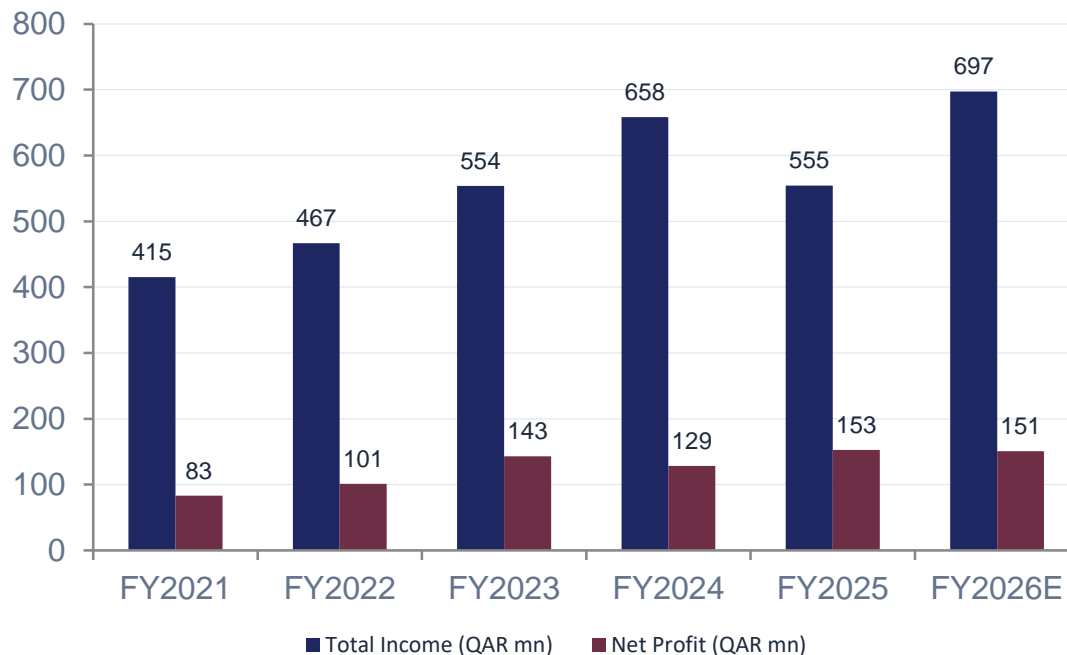
QAR 9.79

Range: 8.81–10.77

▲ BUY

Income Statement Review - FY2021 to FY2025 & FY2026E (QAR mn)

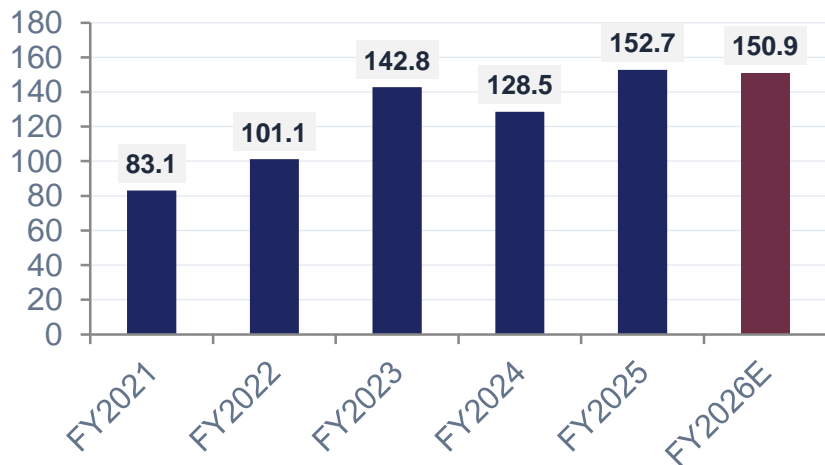
FY2026E based on Q1 2026 reviewed results annualised x4



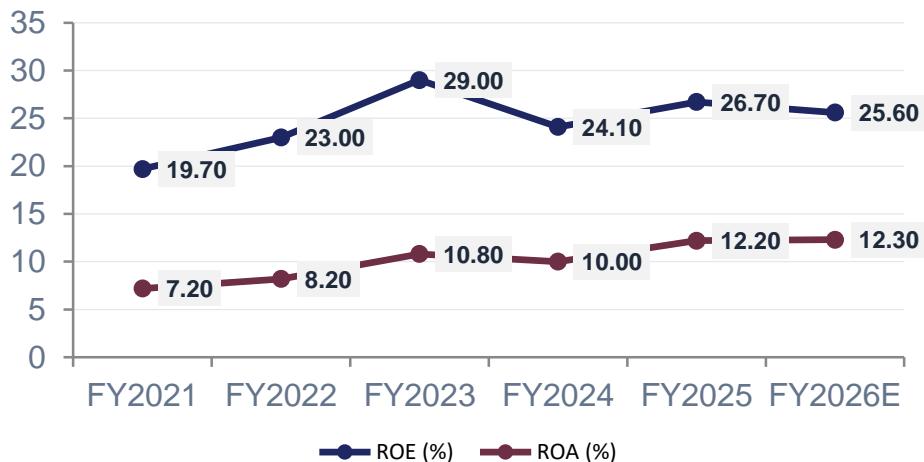
Line Item	FY2024	FY2025	FY2026E	YoY 25/24
Takaful Revenue & Contributions	562.5	473.2	598.2	-15.9%
Retakaful Ceded	-104.7	-133.4	-141.6	-27.4%
Net Takaful Revenue	457.8	339.8	456.6	-25.8%
Investment / Wakala / Other Income	200.4	214.8	240.6	+7.1%
Total Revenues / Income	658.3	554.5	697.2	-15.8%
Net Claims / Insurance Service Costs	-533.4	-317.5	-423.5	+40.5%
Gross Profit / Insurance Service Result	124.9	237.0	273.7	+89.8%
Operating Expenses	-85.6	-81.2	-88.8	+5.1%
EBITDA	39.9	156.4	185.6	+291.7%
Net Profit	128.5	152.7	150.9	+18.8%

Profitability Metrics - FY2021 to FY2025 & FY2026E

Net Profit - Equity Holders (QAR mn)



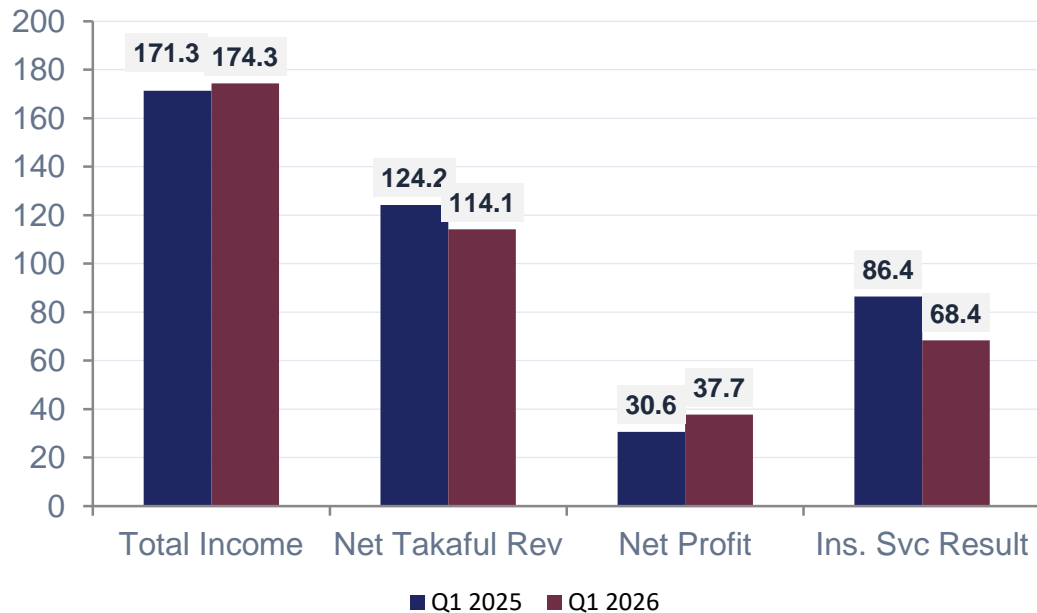
ROE & ROA - Return Trend (%)



Metric	FY2021	FY2022	FY2023	FY2024	FY2025	FY2026E
ROE	19.7%	23.0%	29.0%	24.1%	26.7%	25.6%
ROA	7.2%	8.2%	10.8%	10.0%	12.2%	12.3%
Net Profit Margin	20.1%	21.7%	25.8%	19.5%	27.5%	21.6%
Combined Ratio	96.1%	109.4%	131.7%	135.2%	117.3%	112.2%
EPS (QAR)	0.554	0.674	0.952	0.856	1.018	1.006
BVPS (QAR)	2.809	3.042	3.532	3.566	4.057	3.810

Q1 2025 vs Q1 2026 · Key Metrics & FY2026E Annualised Outlook

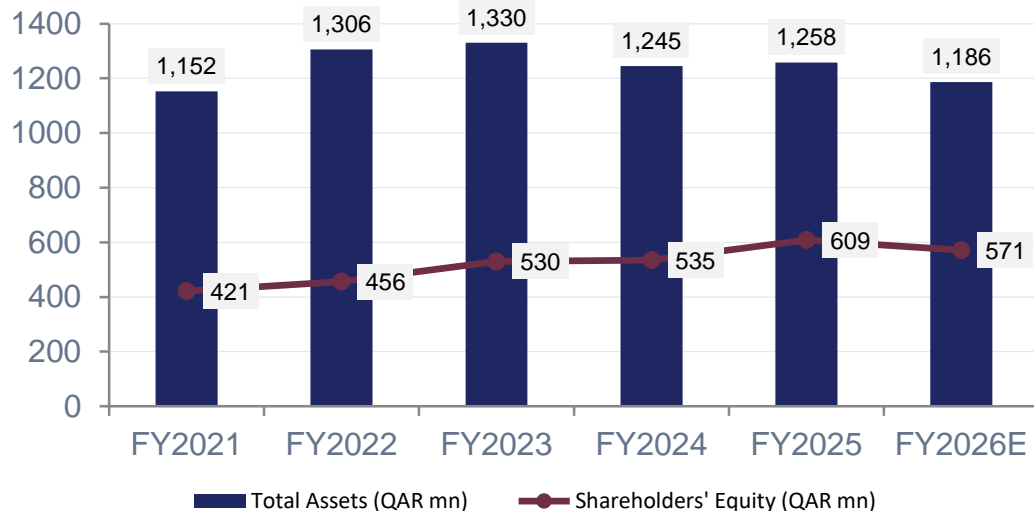
FY2026E based on Q1 2026 reviewed results annualised x4



Metric	Q1 2025	Q1 2026	Change	FY2026E Ann.
Total Income (QAR mn)	171.3	174.3	+1.8%	697.2
Operating Expenses (QAR mn)	-16.5	-22.2	+34.9%	-88.8
Net Profit (QAR mn)	30.6	37.7	+23.3%	150.9
Net Takaful Revenue (QAR mn)	124.2	114.1	-8.1%	456.6
Insurance Service Result (QAR mn)	86.4	68.4	-20.8%	273.7
ROE	5.6%	6.4%	+0.8 pts	25.6%
ROA	2.5%	3.1%	+0.6 pts	12.3%
Combined Ratio	81.6 %	112.2 %	+30.6 pts	112.2 %
Claims / Loss Ratio	68.3 %	92.8 %	+24.4 pts	92.8%
Current Ratio	1.74x	1.85x	+0.11	1.85x

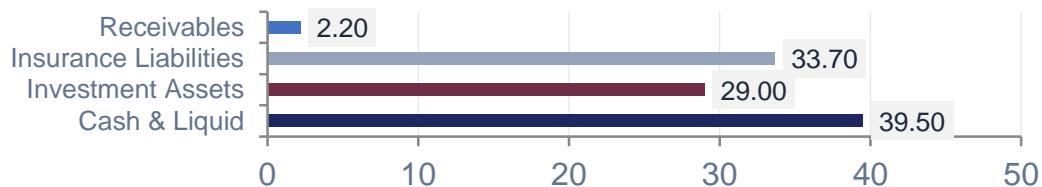
Balance Sheet - FY2021 to FY2025 & FY2026E (QAR mn)

Total Assets & Shareholders' Equity (QAR mn)



Balance Sheet Item	FY2024	FY2025	FY2026E
Cash & Liquid Assets (mn)	503.6	496.9	439.5
Investment Assets (mn)	306.9	364.5	376.2
Receivables (mn)	37.9	27.2	24.9
Insurance Liabilities (mn)	502.0	424.0	410.6
Total Assets (mn)	1,244.7	1,257.8	1,186.4
Shareholders' Equity (mn)	534.9	608.6	571.4
Adj. Liab. & Policyh. Funds (mn)	709.8	649.2	615.0

FY2025 Asset / Obligation Mix (% of Total Assets):



- Liquidity strong: 39.5% of FY2025 assets in cash & liquid instruments
- Investment assets grew to QAR 364.5mn (29.0% of assets) in FY2025
- Insurance liabilities declined to QAR 424.0mn; obligation intensity improved to 33.7%
- Funded debt immaterial: 0.16% of assets - very low financial leverage

Takaful Analysis · FY2024 to Q1 2026

TAKAFUL LIABILITIES · FY2025

QAR 424.0mn

FY2024: 502.0mn

▲ ▼ -15.5% Improving

RETAKAFUL ASSETS · FY2025

QAR 212.2mn

Q1-26: 190.6mn

▼ ▼ Declining

INS. LIAB. / TOTAL ASSETS

33.7%

FY2024: 40.3%

▲ ▲ Improved

INVESTMENT ASSETS / ASSETS

29.0%

Q1-26: 31.7%

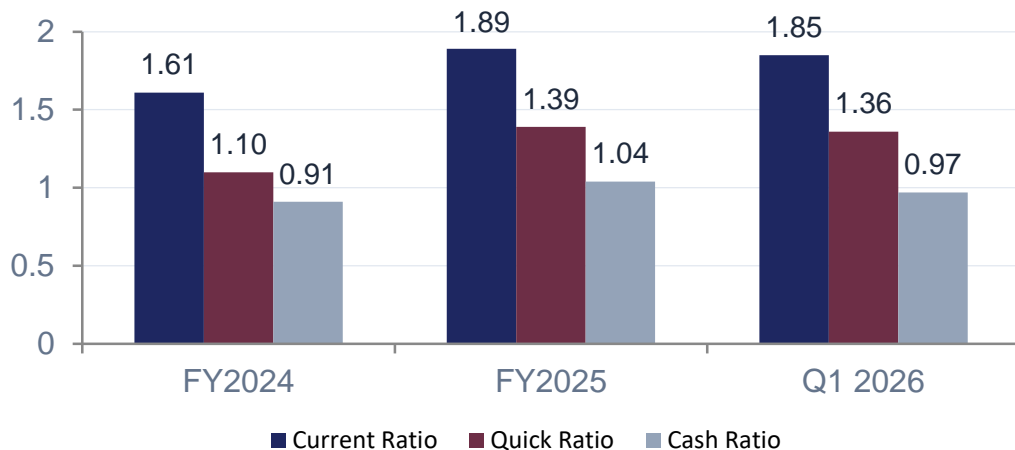
▲ ▲ Growing

Metric	FY2024	FY2025	Q1 2026	Comment
Takaful Arrangement Liabilities (mn)	502.0	424.0	405.8	Primary policyholder liability line
Retakaful Arrangement Assets (mn)	245.6	212.2	190.6	Retakaful recoverable exposure
Insurance Liabilities / Total Assets	40.3%	33.7%	34.6%	Insurance obligation intensity
Receivables / Total Assets	3.0%	2.2%	2.1%	Concentration low
Investment Assets / Total Assets	24.7%	29.0%	31.7%	Investment income base growing
Shareholders' Equity / Total Assets	43.0%	48.4%	48.2%	Strong capital buffer
Funded Debt / Total Assets	0.0%	0.16%	0.16%	Very low financial leverage

- Insurance liabilities declined from QAR 502.0mn (FY2024) → 424.0mn (FY2025) → 405.8mn (Q1 2026), reflecting improved claims experience
- Retakaful recoverability and counterparty concentration remain important qualitative risk factors requiring ongoing monitoring
- The balance sheet is highly liquid and lightly levered - funded debt only 0.16% of total assets in both FY2025 and Q1 2026

Capital & Liquidity Indicators · FY2024 to Q1 2026

Liquidity Ratios - Current, Quick & Cash Ratio



- Shareholders' equity at 48.4% of total assets in FY2025 - strong accounting capital buffer
- Current ratio improved to 1.89× in FY2025; remained at 1.85× in Q1 2026
- Funded debt is immaterial at 0.16% of assets - one of the lowest leverage ratios in Qatar insurance sector

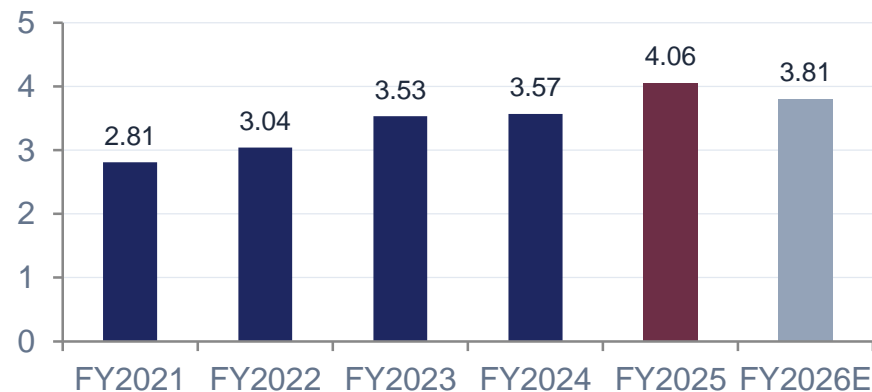
Capital / Liquidity Metric	FY2024	FY2025	Q1 2026
Shareholders' Equity / Total Assets	43.0%	48.4%	48.2%
Total Liab. & Policyh. / Assets	57.0%	51.6%	51.8%
Funded Debt / Equity	0.1%	0.3%	0.3%
Funded Debt / Assets	0.0%	0.16%	0.16%
Current Ratio	1.61×	1.89×	1.85×
Quick Ratio	1.10×	1.39×	1.36×
Cash Ratio	0.91×	1.04×	0.97×
Insurance Liabilities / Equity	93.9%	69.7%	71.8%
Published RBC Amount	N/D	N/D	N/D
Published Solvency Ratio	N/D	N/D	N/D

EPS, BVPS & Valuation Multiples · FY2021 to FY2025 & FY2026E

Earnings Per Share - QAR



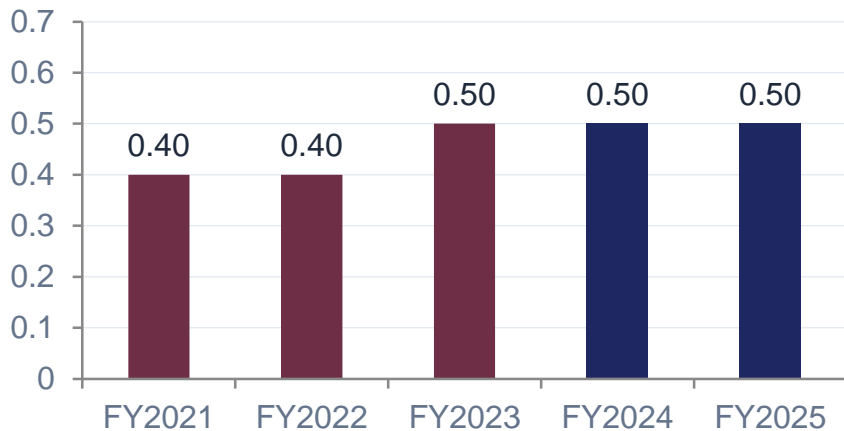
Book Value Per Share - QAR



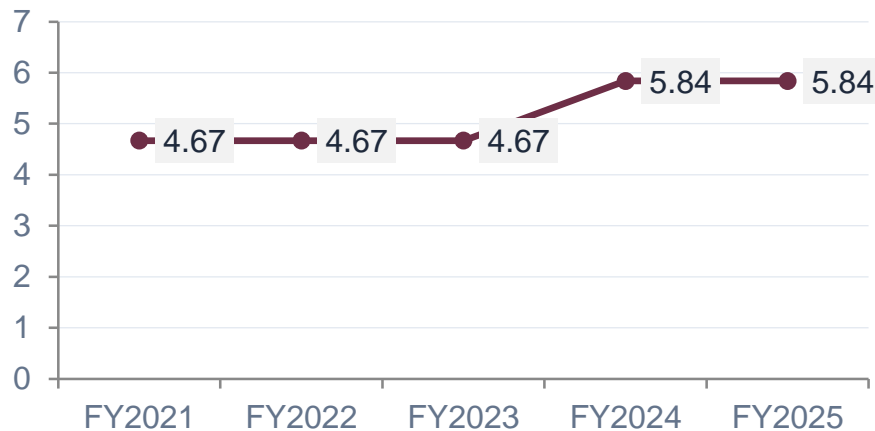
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EPS (QAR)	0.554	0.674	0.952	0.856	1.018	1.006
BVPS (QAR)	2.809	3.042	3.532	3.566	4.057	3.810
P/E (at QAR 8.557)	-	-	-	10.0×	8.4×	8.5×
P/B (at QAR 8.557)	-	-	-	2.40×	2.11×	2.25×
DPS (QAR)	0.400	0.400	0.500	0.500	0.500	0.500
Dividend Yield (at 8.557)	-	-	-	5.8%	5.8%	5.8%

DPS History & Dividend Yield · FY2021 to FY2025

Dividend Per Share (QAR) - Annual



Dividend Yield (%) - At Current Price QAR 8.557



FY2025 DPS

QAR 0.500

Cash dividend per share

DIVIDEND YIELD

5.8%

At current price QAR 8.557

5Y DPS CAGR

+4.6%

FY2021→FY2025 compounded

PAYOUT RATIO

~49%

FY2025 DPS / EPS

QIIC - Strengths · Weaknesses · Opportunities · Threats

STRENGTHS

- Strong FY2025 ROE of 26.7% and ROA of 12.2%
- Robust liquidity, liquid assets 39.5% of total assets
- Consistent dividend: QAR 0.500/share - 5.8% yield
- Focused Shari'a-compliant takaful franchise
- Very low funded debt at 0.16% of assets

WEAKNESSES

- Combined ratio elevated above 100% - requires monitoring
- Regulatory RBC & solvency ratio not publicly disclosed
- Fair value and investment income volatility can affect results

OPPORTUNITIES

- Growth in Qatar insurance penetration & takaful awareness
- Improved underwriting discipline & retakaful optimisation
- Leverage liquidity & investment portfolio for stable income
- Strong dividend appeal in income-seeking equity market

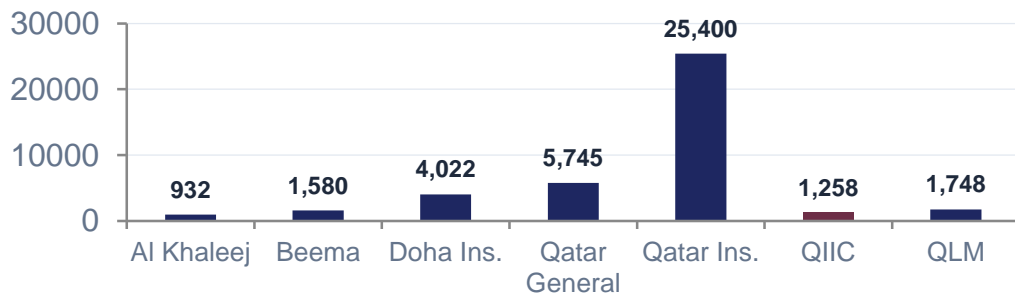
RISKS / THREATS

- Claims volatility & adverse reserve development
- Retakaful counterparty & pricing risk
- Market volatility affecting investment income
- Regulatory or accounting changes on takaful capital

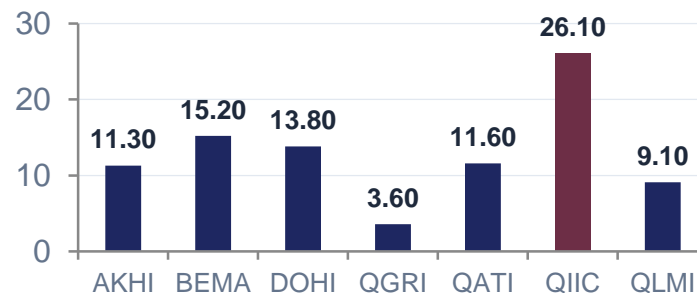
Qatar Insurance Sector - Trading Multiples & Returns (FY2025)

Company	Ticker	P/E (x)	P/B (x)	Div. Yield	ROE
Al Khaleej Takaful Insurance	AKHI	10.2x	1.23x	5.2%	11.3%
Damaan Islamic Insurance (Beema)	BEMA	8.8x	1.45x	5.9%	15.2%
Doha Insurance Group	DOHI	6.9x	1.04x	6.4%	13.8%
Qatar General Insurance & Reinsurance	QGRI	9.5x	0.35x	3.3%	3.6%
Qatar Insurance Company	QATI	12.8x	1.14x	4.5%	11.6%
QIIC ★	QIIC	8.1x	2.27x	5.8%	26.1%
QLM Life & Medical Insurance	QLMI	12.1x	1.19x	4.8%	9.1%
Peer Average	-	10.0x	1.07x	-	-

Total Assets by Company · FY2025 (QAR mn)



ROE Comparison · FY2025



Fair Value Derivation · Three Methods & Weighted Outcome

WEIGHTED FAIR VALUE

QAR 9.79

UPSIDE

▲ +14.4%

FAIR VALUE RANGE

QAR 8.81 – 10.77

RECOMMENDATION

BUY**1. Justified P/B**

20% Weight

Normalised ROE: 20.0%

BVPS (Q1 2026): QAR 3.810

Justified P/B: 3.238x

Fair Value: QAR 12.34

2. P/E Cross-Check

30% Weight

Applied P/E: 8.0x

FY2026E EPS: QAR 1.006

Fair Value: QAR 8.05

Forward P/E at price: 8.5x

3. 2-Stage DDM

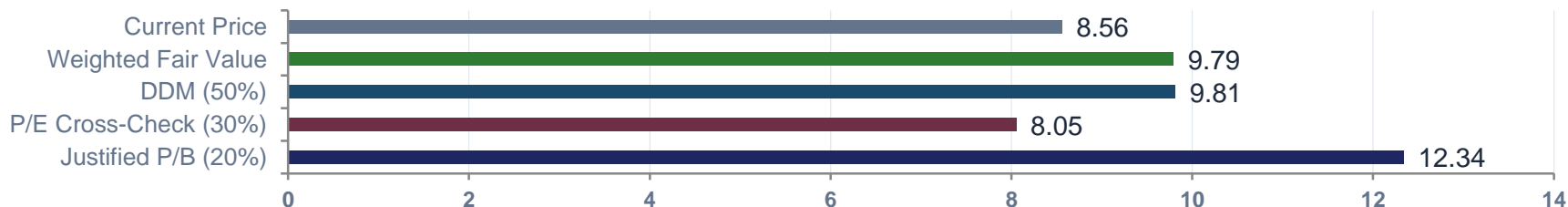
50% Weight (Primary)

DPS: QAR 0.500

Growth (g): 3.0%

Cost of Equity: 8.25%

Fair Value: QAR 9.81



Risk Assessment & Key Share Statistics · QIIC

Risk Factor	Severity	Rationale
Combined ratio / takaful economics	High	Combined ratio above 100% in FY2025 and FY2026E; should not be viewed in isolation - shareholder earnings further supported by investment & wakala income
Investment income & fair value volatility	Med-High	Investment, wakala, mudarib income expose results to investment yield and fair value movements
Retakaful counterparty / pricing risk	Medium	Retakaful recoveries and pricing affect both policyholder and shareholder economics
Liquidity & marketability risk	Medium	Trading liquidity and marketability should be monitored; QSE mid-cap stock
Dividend sustainability	Medium	Dividend appeal is strong; sustainability depends on recurring profitability and payout discipline
Regulatory / accounting risk	Low-Med	QCB insurance solvency / risk-based capital requirements apply; no formal solvency ratio disclosed publicly

BUY

Strong conviction · Near-term upside

Fair Value	QAR 9.79
FV Range	8.81 – 10.77
Upside	~14.4%
Current Price	QAR 8.557
LTM P/E	8.4×
P/B	2.25×
DPS / Yield	0.500 / 5.8%
ROE	26.7%
ROA	12.2%
Combined Ratio	117.3%
Net Margin	27.5%
Dividend Trend	Stable / Growing

1

Profitability Excellence & Dividend Appeal

QIIC delivered FY2025 ROE of 26.7% and ROA of 12.2% - the strongest return profile in the Qatar insurance sector. Net profit of QAR 152.7mn grew 18.8% year-on-year, driven by a significant improvement in the gross insurance service result alongside stable investment, wakala and mudarib income. The consistent DPS of QAR 0.500 (5.8% yield) makes QIIC a compelling income-generating equity for dividend-focused investors.

2

Liquid, Lightly Levered Balance Sheet

QIIC maintains one of the most conservative balance sheets in the Qatar insurance sector: cash and liquid assets at 39.5% of total assets in FY2025, funded debt at only 0.16% of assets, and shareholders' equity at 48.4% of total assets. The combined current ratio of 1.89× and quick ratio of 1.39× reflect superior short-term liquidity. This conservative capital structure underpins dividend sustainability and limits downside risk.

3

Valuation Discount Creates Entry Opportunity

At a current price of QAR 8.557, QIIC trades at 8.5× FY2026E P/E and 2.25× Q1 2026 BVPS. The blended fair value of QAR 9.79 (DDM 50%, P/E 30%, Justified P/B 20%) implies 14.4% upside. QIIC's P/B premium over peers (peer average 1.07×) is justified by its significantly superior ROE of 26.1% vs a peer median of ~11–13%. Improving underwriting trends and elevated investment income provide a solid base for sustained earnings.



QIB (QSE: QIIC) · Equity Research

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Rating	BUY
Fair Value	QAR 9.79
FV Range	8.81–10.77
Current Price	QAR 8.557
FY2025 EPS	QAR 1.018
FY2025 DPS	QAR 0.500
Yield	5.8%
FY2026E P/E	8.5×
P/B	2.25×

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