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

H1 2026 Financial Results & Valuation Review

Equity Research | Banks & Financial Services | Qatar Securities Co. (P.Q.S.C.) | July 2026

QAR 8.7bn H1 2026 Profit Attributable to Parent Equity Holders	**QAR 1,438.2bn** Jun-2026 Total Assets	**QAR 108.8bn** Jun-2026 Equity Attributable to Shareholders
2.5% NPL Ratio	**QAR 17.22** Market Price as of 12th July, 2026	**Base Estimated Fair Value** QAR 19.02

FAIR VALUE CONCLUSION | Range: QAR 17.12 - 20.92 | Base Fair Value: QAR 19.02 | Current Price: QAR 17.22 | Premium: 10.4%

FY2026 ESTIMATED FIGURES - Annualized Income Statement / Jun-2026 Balance Sheet Carry-Forward		
QAR 17.3bn Est. Profit Attributable to Parent	**QAR 1,438.2bn** Est. Total Assets	**QAR 1.78** Est. EPS
15.29% Est. ROE	**1.25%** Est. ROA	**19.8%** CAR

FY2026E income-statement figures reflect annualized H1 2026 results, while balance-sheet amounts carry forward the 30 June 2026 position. The fair value conclusion applies a residual-income framework supported by QNB's historical P/B and P/E benchmarks. The report presents a fair-value assessment of QAR 19.02 with a range of QAR 17.12 to QAR 20.92.

Source: QNB H1 2026 reviewed financial statements; QNB 2025 audited consolidated financial statements; QNB official corporate and investor-relations disclosures; Qatar Stock Exchange major shareholders disclosure, Fitch Ratings, Qatar National Bank Rating Report, 8 June 2026; QNB official credit-rating disclosures.

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1. EXECUTIVE SUMMARY

1.1 Key Financial and Valuation Metrics

Metric	H1 2026	H1 2025	FY2026E	**FY2025**
Operating income (QAR bn)	23.7	21.5	47.4	44.1
Profit attributable to parent (QAR bn)	8.7	8.4	17.3	17.0
EPS (QAR/share)	0.89	0.85	1.78	1.74
Total assets (QAR bn)	1,438.2	1,353.6	1,438.2	1,391.3
Loans and advances (QAR bn)	1,042.0	961.8	1,042.0	1,018.1
Customer deposits (QAR bn)	972.9	934.9	972.9	955.4
ROAE - ordinary shareholders	15.29%	16.48%	15.29%	16.20%
ROAA	1.25%	1.29%	1.25%	1.29%

ROAE is based on profit available to ordinary shareholders after AT1 distributions, divided by average ordinary shareholders' equity.

1.2 Executive Highlights

- QNB reported H1 2026 operating income of QAR 23.7bn, an increase of 10.4% year-on-year. Profit attributable to shareholders increased by 3.2% to QAR 8.7bn.
- Loans and advances increased by 8.3% year-on-year to QAR 1,042.0bn, while customer deposits increased by 4.1% to QAR 972.9bn.
- Asset quality and regulatory metrics remained sound, with an NPL ratio of 2.5%, Stage 3 coverage of 98.9%, CAR of 19.8%, LCR of 145% and NSFR of 109% at 30 June 2026.
- The residual-income valuation incorporates a calculated sustainable ROE of 14.69%, compared with FY2026E ROAE attributable to ordinary shareholders of 15.29%, reflecting a normalized long-term profitability level.
- The blended fair value is QAR 19.02 per share, with a range of QAR 17.12–20.92, representing a 10.4% premium to the market price of QAR 17.22 as of 12 July 2026. The valuation assigns 40% to RIM and 30% each to historical P/B and P/E, reflecting the importance of book equity and sustainable ROE for the bank, supported by market-multiple benchmarks.

Source: QNB audited and reviewed financial statements; QNB H1 2026 financial results announcement.

2. COMPANY BACKGROUND AND STRATEGIC PROFILE

2.1 Corporate Overview and Strategic Positioning

Qatar National Bank Q.P.S.C. was established in 1964 as Qatar's first Qatari-owned commercial bank. QNB is one of the largest financial institutions in the Middle East and Africa. The Group operates a diversified banking platform across more than 28 countries in Asia, Africa and Europe, supported by approximately 900 locations, more than 31,500 employees and over 5,390 ATMs, 880 branches, serving 36.4 million customers.

QNB's valuation is principally driven by ordinary book equity, sustainable return on equity, cost of equity reflecting the wide spread geographical footprint, asset quality, funding access, capital adequacy, payout capacity and the resilience of its domestic and international banking franchise.

Strategic factor	Comments	Valuation implication
Scale and franchise	Largest financial institution in the Middle East and Africa, with a broad domestic and international platform.	Supports earnings resilience, funding access and long-term capital generation.
Domestic strategic relevance	Central role in Qatar's banking system and significant public-sector ownership.	Provides qualitative support to franchise strength and market confidence.
International network	Diversified exposure across Asia, Africa and Europe through branches, representative offices, subsidiaries and associates.	Broadens and diversifies revenue sources, reducing reliance on any single market and supporting earnings resilience, while introducing currency, tax, country, regulatory, execution and inflationary risks that may compress net returns and offset these diversification benefits during periods of market stress.
Banking valuation framework	Book equity and returns on common equity are central to value creation for a regulated bank.	Residual income is the principal valuation framework; historical P/B and P/E provide corroborating market benchmarks.

Source: QNB official profile; QNB 2026 Institutional Presentation; QNB H1 2026 reviewed financial statements.

2.2 External Ratings and Operating Footprint

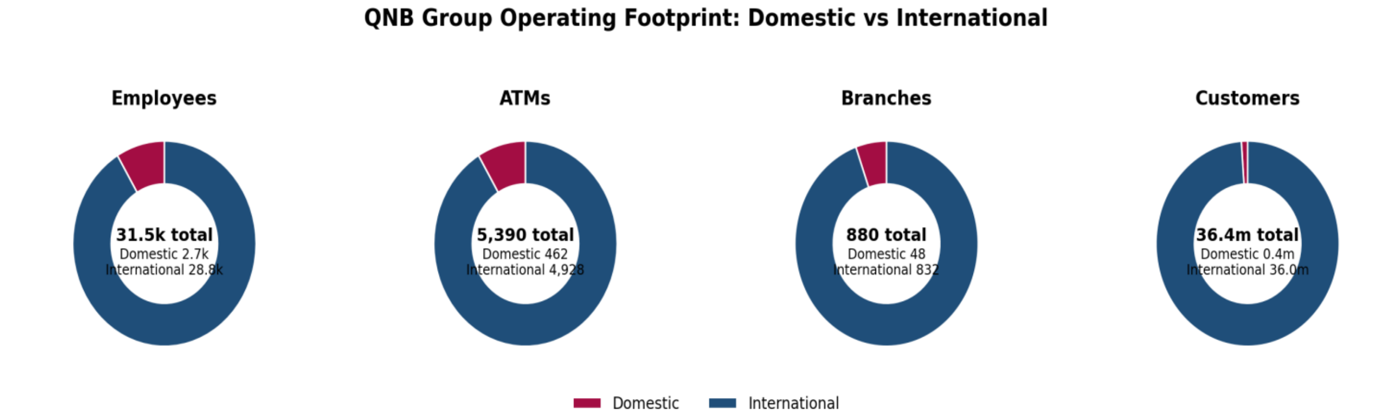
QNB retains high investment-grade ratings across the major international agencies. Since the ratings date used in the 2026 Institutional Presentation (1 March 2026), the headline long-term ratings have remained unchanged. Moody’s affirmed Aa2 with a stable outlook in June 2026, while S&P remained at A+ and the MSCI ESG rating remained AA.

Fitch retained QNB’s A+ Long-Term Issuer Default Rating, F1 Short-Term Issuer Default Rating and bbb+ Viability Rating. The rating remains on Rating Watch Negative, primarily reflecting the corresponding watch on Qatar’s sovereign rating rather than a bank-specific deterioration.

Agency	Long-term	Short-term / ESG	Standalone assessment	Latest position
S&P	A+	A-1	SACP: bbb	Unchanged from the presentation; latest official report dated 15 April 2026.
Moody’s	Aa2	P-1	BCA: baa1	Affirmed on 11 June 2026; outlook remains stable.
Fitch	A+ (Rating Watch Negative)	F1	Viability: bbb+	A+ retained on Rating Watch Negative; latest detailed rating report dated 8 June 2026.
MSCI ESG	AA	ESG rating	—	Unchanged; presentation reports AA as of 31 March 2026.

Fitch’s rating reflects QNB’s flagship domestic franchise, strong sovereign linkages and high probability of extraordinary support. The agency nevertheless identifies reliance on non-resident funding, moderate tangible leverage and exposure to challenging international markets as the principal standalone credit sensitivities.

Operating scale and geographic distribution



The international network accounts for the majority of QNB Group's employees, customers, branches and ATMs, reflecting the scale of its overseas subsidiaries and affiliates. Figures are as of 31 December 2025 and include majority-owned subsidiaries and the HBTF and CBI affiliates.

Source: QNB 2026 Institutional Presentation; QNB official credit-rating disclosures; Moody's rating update dated 11 June 2026; Fitch rating actions dated 6 April and 26 May 2026.

2.3 Shareholding and Strategic Linkage

Qatar Investment Authority is QNB's largest disclosed shareholder, holding 51.69% of the Bank's issued shares according to the Qatar Stock Exchange major shareholders disclosure. The ownership structure reinforces QNB's strategic importance and institutional standing.

Shareholder	Ownership	Governance / valuation relevance
Qatar Investment Authority	51.69%	Strategic public-sector shareholder and the largest disclosed owner.
Other shareholders	48.31%	Remaining institutional and public ownership.

The QIA linkage is reflected qualitatively through QNB's strategic relevance, franchise resilience and access to domestic and international funding markets. No explicit valuation premium or formal support assumption has been applied in this report.

Source: Qatar Stock Exchange major shareholders disclosure; QNB official corporate profile

2.4 Governance and Executive Leadership

QNB's current governance structure combines a board with public-sector and private-sector representation and an executive team covering business, retail, international banking, asset and wealth management, treasury, operations, technology, risk, finance, audit and compliance.

Board / leadership item	Selected names / roles
Chairman	H.E. Ali bin Ahmed Al-Kuwari
Vice Chairman	H.E. Sheikh Fahad bin Faisal Al-Thani
Selected board members	H.E. Sheikh Hamad bin Jabor Al-Thani; H.E. Sheikh Saheim bin Khalid Al-Thani; H.E. Sheikha Hanadi bint Nasser Al-Thani; H.E. Fahad bin Mohammed Buzwair; H.E. Mohammed bin Saif Al-Sowaidi; Mr. Bader Abdulla Darwish Fakhroo; Mr. Abdulaziz Mohammed Al-Mannai; Dr. Abdulrahman Mohammed Jolo; Mrs. Hemyan Mansour Al-Khater.
Group Chief Executive Officer	Abdulla Mubarak Al-Khalifa
Group Chief Financial Officer	Ramzi Mari
Group Chief Risk Officer	Fatima Abdulla Al-Suwaidi

Source: QNB official Board of Directors and Executive Management disclosures, July 2026.

2.5 Operating Segments and Business Model

QNB reports Corporate Banking, Consumer Banking, Asset and Wealth Management, International Banking and unallocated central functions. The structure distinguishes the domestic customer businesses and central treasury activities from banking operations conducted through the Group's international network.

Segment	Scope / coverage
Corporate Banking	Corporate products and services principally booked in Qatar, together with centralised treasury, funding and risk-management activities.
Consumer Banking	Retail banking products and services provided to individual customers, principally through the domestic franchise.
Asset & Wealth Management	Asset management, wealth-management and related investment and advisory activities.
International Banking	Loans, deposits and other banking products and services provided to corporate and individual customers through QNB Group operations outside Qatar.
Unallocated / central functions	Central functions and items that are not directly attributable to the reportable customer and geographic segments.

Source: QNB audited and reviewed financial statements, segment reporting note.

2.6 International Footprint, Branches and Network

QNB Group is present in more than 28 countries. A detailed review of QNB's international-network and debt-programme disclosures identifies the following 30 operating and network jurisdictions across branches, representative offices, subsidiaries, associates and affiliate networks:

Jurisdiction 1	Jurisdiction 2	Jurisdiction 3	Jurisdiction 4	Jurisdiction 5
Qatar	Algeria	Bahrain	China	Egypt
France	Jordan	Hong Kong	India	Indonesia
Iran	Iraq	Kuwait	Lebanon	Libya
Oman	Palestine (West Bank)	Saudi Arabia	Singapore	Sudan
South Sudan	Switzerland	Syria	Togo	Tunisia
Türkiye	United Arab Emirates	United Kingdom	Vietnam	Yemen

The nature and scale of QNB's presence differ by jurisdiction. Certain markets are served through representative offices, subsidiaries, associates or affiliate networks rather than full-service QNB branches. Incorporation-only domiciles used for holding, financing or derivative vehicles are presented separately under Sections 2.8 and 2.9 and are not treated as operating-network countries. QNB's Iran representative office has been disclosed as dormant.

Source: QNB official profile; QNB 2026 Institutional Presentation; QNB international network disclosures and EMTN prospectus.

2.7 Geographic Distribution and Operating Environment

QNB combines a dominant Qatari franchise with a material international banking platform. International diversification broadens the revenue base and customer franchise, but also introduces currency translation, tax, sovereign, regulatory and hyperinflation exposures.

Region	Business relevance	Risk / valuation relevance
Qatar and GCC	Core balance-sheet franchise, public-sector relationships, corporate banking and domestic funding access.	Concentration in Qatar is balanced by strategic importance, strong capital and broad funding access.
Türkiye	Large controlled banking platform through QNB Türkiye and Enpara.	Material earnings contribution with foreign-exchange and inflation sensitivity.
Egypt and North Africa	Controlled operations in Egypt and Tunisia, with associate-network exposure in Algeria and Libya.	Growth potential accompanied by currency, inflation and regulatory risk.
Levant and Iraq	Subsidiaries or associates in Syria, Jordan and Iraq, with network exposure in Lebanon and Palestine.	Country risk and operating constraints require conservative risk management.
Sub-Saharan Africa	Ecobank associate exposure and operations in Sudan and South Sudan.	Provides geographic reach but with higher sovereign and credit-risk volatility.
Europe and Asia	Branches, subsidiaries and representative offices in major financial and trade centres.	Supports wholesale funding, trade finance and cross-border client coverage.

- The international platform generated 52.1% of H1 2026 segment revenue but 24.1% of segment profit, underscoring the difference between geographic scale and current profitability.
- Hyperinflationary accounting and local tax charges remain important earnings sensitivities in selected markets as in Turkey and Egypt.
- Diversified international funding access is a strategic advantage, provided that country-level liquidity, capital and risk controls remain effective.

Source: QNB official international network disclosures; QNB audited and reviewed financial statements

2.8 Principal Subsidiaries

QNB's international model combines wholly owned subsidiaries, controlled banking entities and strategic associates. The following tables present the principal subsidiaries and associates separately disclosed in the 2025 audited consolidated financial statements:

Entity	Country of incorporation	Ownership
QNB International Holdings Limited	Luxembourg	100.00%
QNB Property France	France	100.00%
QNB Capital	Qatar	100.00%
QNB Suisse	Switzerland	100.00%
QNB Syria	Syria	50.80%
QNB Finance	Cayman Islands	100.00%
QNB Indonesia	Indonesia	91.57%
QNB Financial Services	Qatar	100.00%
Mansour Bank	Iraq	54.20%
QNB Tunisia	Tunisia	99.998%
QNB Egypt	Egypt	95.00%
QNB Türkiye	Türkiye	99.88%
QNB Derivatives	Cayman Islands	100.00%
Digital-Q-FS	United Kingdom	100.00%
Enpara	Türkiye	99.88%

Source: QNB 2025 audited consolidated financial statements, basis of consolidation.

2.9 Strategic Associates

Associate	Country	Ownership
Housing Bank for Trade & Finance	Jordan	38.60%
Al Jazeera Finance	Qatar	20.00%
Commercial Bank International	United Arab Emirates	40.00%
Ecobank Transnational Incorporated	Togo	20.10%
Bantas	Türkiye	33.30%

Associates are accounted for under the equity method and broaden QNB's regional reach without full operational control. Their contribution is reflected in share of results from associates and the carrying value of investments in associates.

Source: QNB 2025 audited consolidated financial statements, basis of consolidation.

2.10 Related-Party Exposures

Related-party item	Balance
Directors, officers and influenced entities - loans and advances	QAR 6.575bn
Directors, officers and influenced entities - deposits	QAR 2.045bn
Directors, officers and influenced entities - contingent liabilities	QAR 0.220bn
Associates - due from banks	QAR 1.025bn
Associates - due to banks	QAR 0.002bn
Government of Qatar - loans and advances	QAR 85.100bn
Government of Qatar - customer deposits	QAR 28.141bn

QNB states that related-party transactions are undertaken in the ordinary course of business and are substantially on the same terms, including interest rates and collateral, as comparable transactions with unrelated parties, in accordance with Qatar Central Bank regulations.

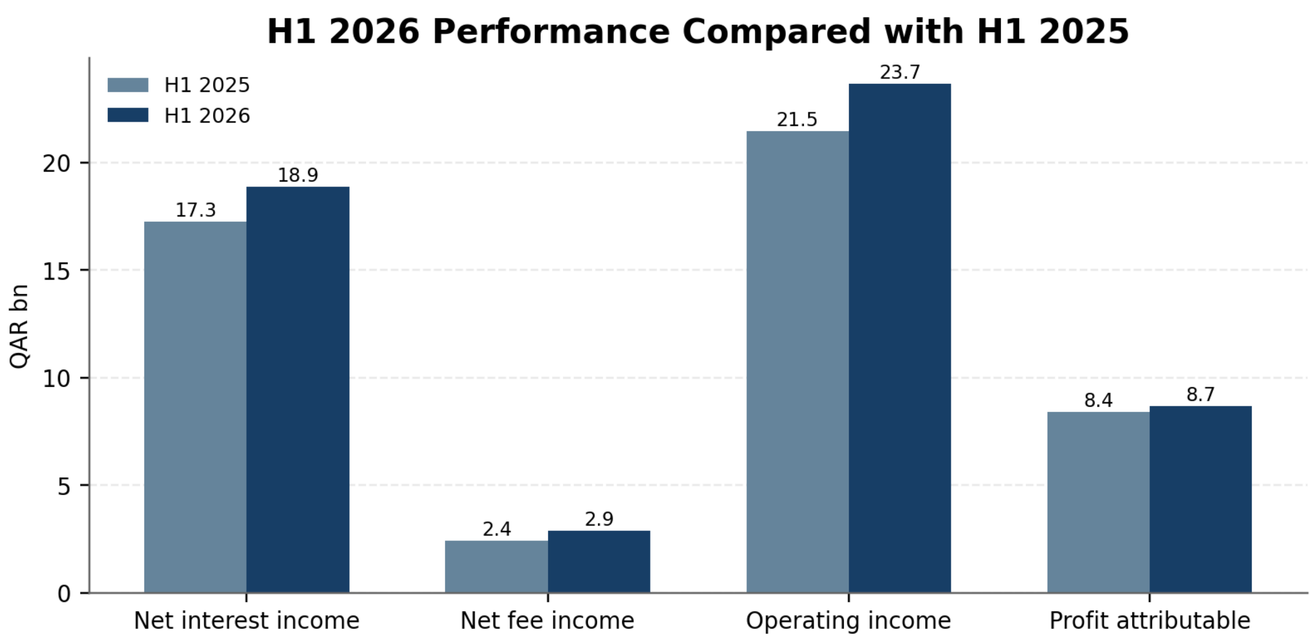
Source: QNB 2025 audited consolidated financial statements, Notes 12 and 38.

3. FINANCIAL PERFORMANCE AND PROFITABILITY

3.1 H1 2026 Results and Year-on-Year Analysis

H1 2026 operating-income growth was driven mainly by higher net interest income and fee income. Profit growth was moderated by higher operating costs, income tax and the net monetary loss arising from hyperinflation, while impairment charges on loans declined year-on-year.

Income statement line	H1 2026	H1 2025	YoY	Comment
Interest income	62.2	61.4	+1.4%	Loan-book growth offset lower average asset yields.
Interest expense	-43.3	-44.1	-1.8%	Funding expense declined despite balance-sheet growth.
Net interest income	18.9	17.3	+9.4%	Higher volumes and funding-cost moderation supported growth.
Net fee & commission income	2.9	2.4	+17.9%	Strong transaction and service-fee contribution.
Operating income	23.7	21.5	+10.4%	Broad-based top-line growth.
Operating expenses + D&A	-5.9	-5.0	+16.4%	Cost growth exceeded income growth.
Net ECL - loans	-3.9	-4.4	-12.3%	Lower loan impairment charge year-on-year.
Income tax	-2.7	-2.2	+17.9%	Higher tax charge across the international platform.
Net profit	8.9	8.6	+3.3%	Growth remained positive despite tax and hyperinflation effects.
Profit attributable to parent	8.7	8.4	+3.2%	Primary driver of EPS and common-equity returns.



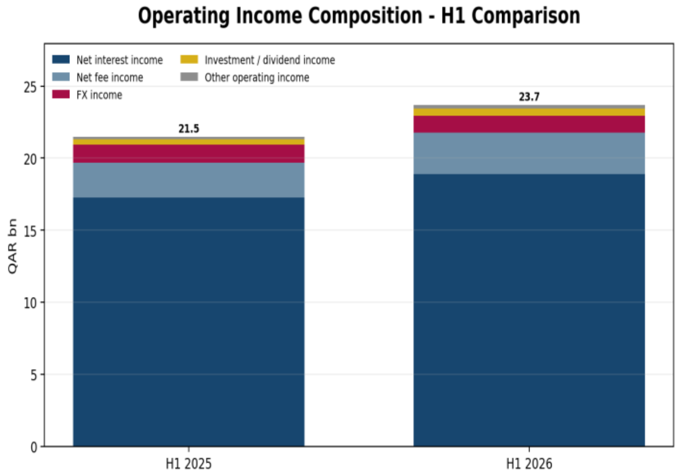
Source: QNB H1 2026 reviewed financial statements; QNB H1 2026 financial results announcement.

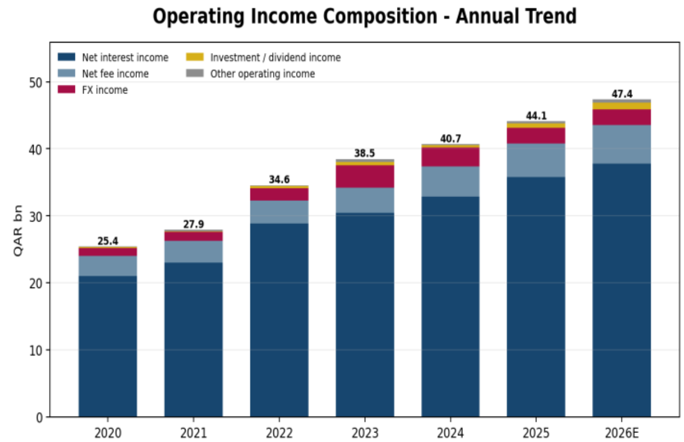
3.2 Operating Income Composition

Operating income remained predominantly net-interest-income driven, while fee income provided the strongest year-on-year growth contribution in H1 2026. FX income moderated slightly, whereas investment/dividend and other operating income increased from smaller bases.

QAR bn	H1 2025	H1 2026	YoY	FY2025	FY2026E
Net interest income	17.3	18.9	+9.4%	35.8	37.8
Net fee income	2.4	2.9	+17.9%	5.0	5.7
FX income	1.3	1.2	-4.5%	2.4	2.4
Investment / dividend income	0.3	0.5	+41.8%	0.7	1.0
Other operating income	0.2	0.2	+42.1%	0.3	0.5
Total operating income	21.5	23.7	+10.4%	44.1	47.4

QAR bn	H1 2025	H1 2026	YoY	FY2025	FY2026E



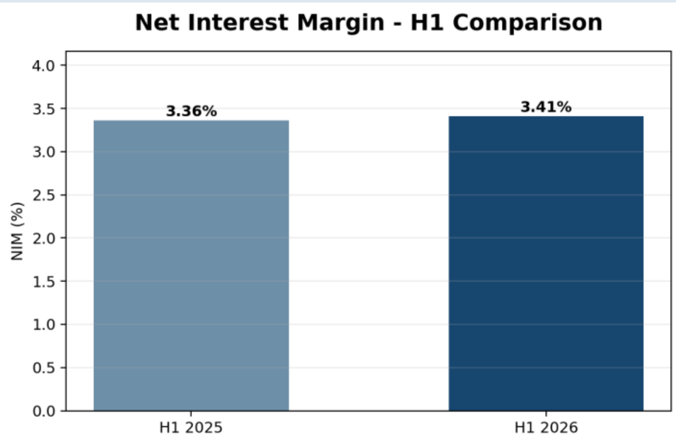


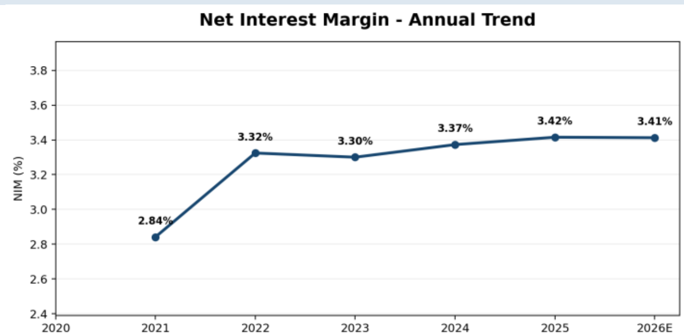
Source: QNB audited and reviewed consolidated financial statements; FY2026E reflects annualized H1 2026 results.

3.3 Net Interest Margin

NIM improved modestly to 3.41% in H1 2026 from 3.36% in H1 2025, supported by lower funding expense and balance-sheet growth. The annual trend indicates recovery from the 2021 level and broad stability around 3.3%-3.4% since 2022.

Metric	H1 2025	H1 2026	Change	FY2025	FY2026E
Net interest margin	3.36%	3.41%	+0.05 ppt	3.42%	3.41%





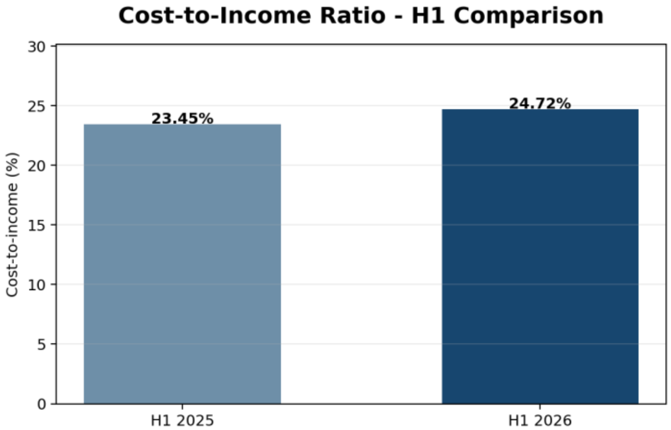
Source: QNB audited and reviewed consolidated financial statements; NIM is calculated using net interest income over average interest-earning assets.

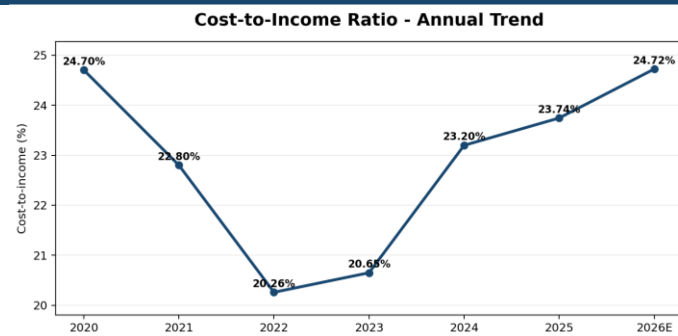
3.4 Operating Efficiency

The cost-to-income ratio increased to 24.72% in H1 2026 from 23.45% in H1 2025. Though, the ratio remains satisfactory in absolute terms and continues to reflect QNB's scale and operating leverage.

Metric	H1 2025	H1 2026	YoY / change	FY2025	FY2026E
Operating income (QAR bn)	21.5	23.7	+10.4%	44.1	47.4
Operating expenses incl. D&A (QAR bn)	5.0	5.9	+16.4%	10.5	11.7
Cost-to-income ratio	23.45%	24.72%	+1.27 ppt	23.74%	24.72%

Metric	H1 2025	H1 2026	YoY / change	FY2025	FY2026E





Source: QNB audited and reviewed consolidated financial statements; cost-to-income includes depreciation and amortization.

3.5 H1 Segment Revenue Comparison

Segment	H1 2025 revenue (QAR bn)	H1 2026 revenue (QAR bn)	YoY	H1 2026 share
Corporate Banking	8.7	9.7	+10.7%	40.2%
Consumer Banking	0.8	0.9	+14.0%	3.7%
Asset & Wealth Management	0.6	0.7	+6.4%	2.9%
International Banking	11.4	12.5	+10.5%	52.1%
Unallocated / other	0.2	0.3	+12.7%	1.1%
Total reported segment revenue	21.8	24.1	+10.6%	100.0%

Source: QNB H1 2026 reviewed financial statements, segment reporting note.

3.6 H1 Segment Profitability and Mix

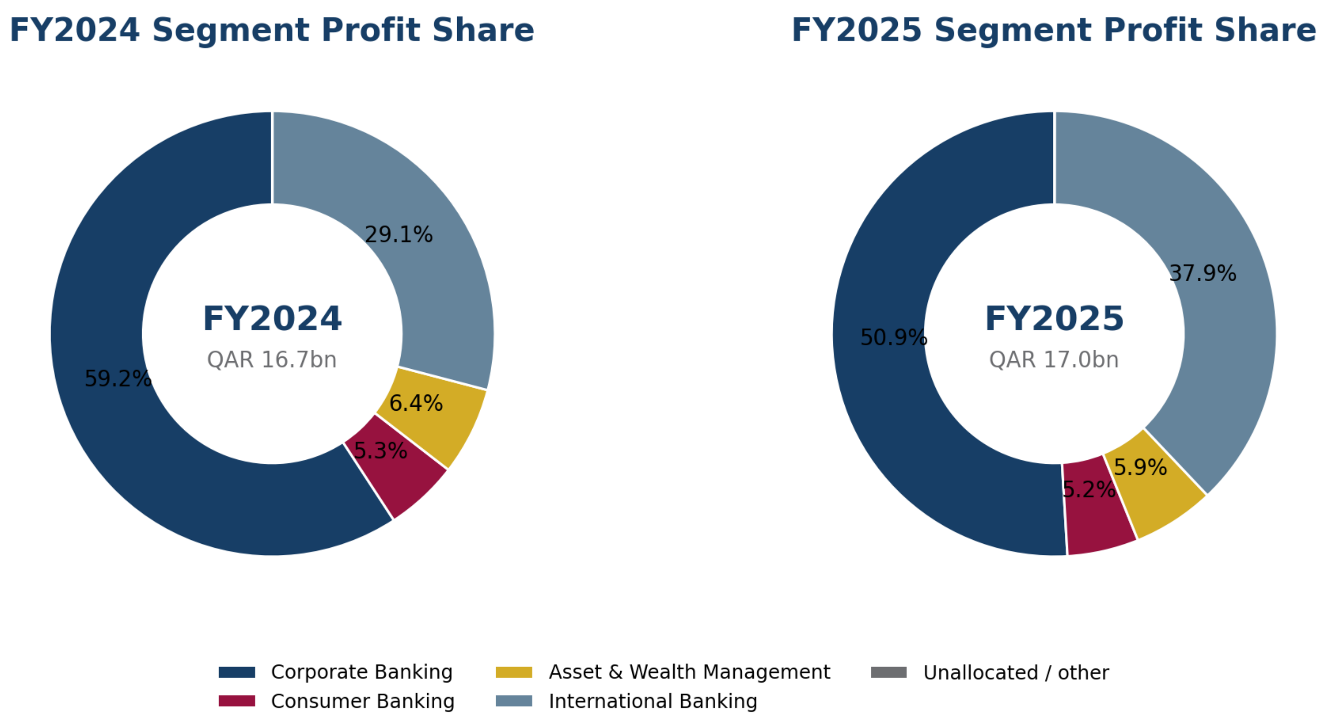
Segment	H1 2025 profit (QAR bn)	H1 2026 profit (QAR bn)	YoY	H1 2026 share
Corporate Banking	4.6	5.6	+21.6%	64.3%
Consumer Banking	0.4	0.5	+24.1%	5.8%
Asset & Wealth Management	0.5	0.5	-8.8%	5.4%
International Banking	2.9	2.1	-27.7%	24.1%
Unallocated / other	0.0	0.0	+174.8%	0.4%
Total reported segment profit	8.4	8.7	+3.2%	100.0%

- Corporate Banking generated 64.3% of H1 2026 segment profit and recorded 21.6% year-on-year profit growth.
- International Banking generated 52.1% of H1 2026 segment revenue and 24.1% of segment profit, reflecting the impact of weaker profitability and hyperinflationary-market effects.
- Consumer Banking expanded from a smaller base, while Asset and Wealth Management remained a high-margin contributor despite lower year-on-year profit.

Source: QNB H1 2026 reviewed financial statements, segment reporting note

3.7 FY2024-FY2025 Segment Comparison

Segment	FY2024 revenue	FY2024 profit	FY2025 revenue	FY2025 profit
Corporate Banking	18.3	9.9	17.3	8.7
Consumer Banking	1.5	0.9	1.7	0.9
Asset & Wealth Management	1.3	1.1	1.4	1.0
International Banking	19.8	4.9	23.9	6.4
Unallocated / other	0.4	0.0	0.5	0.0

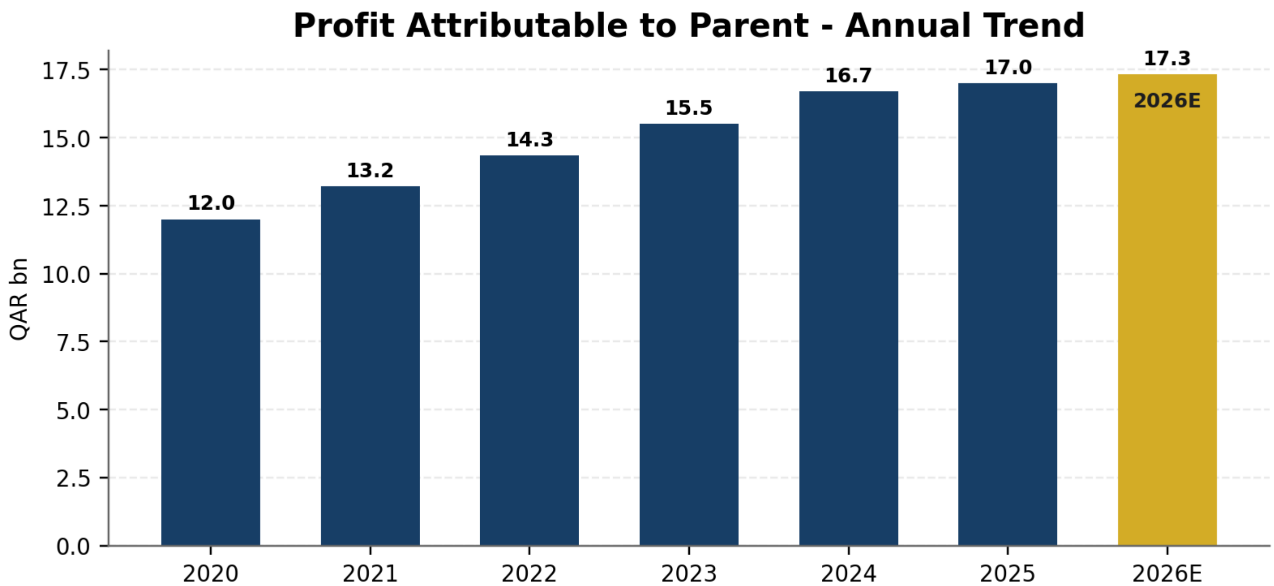


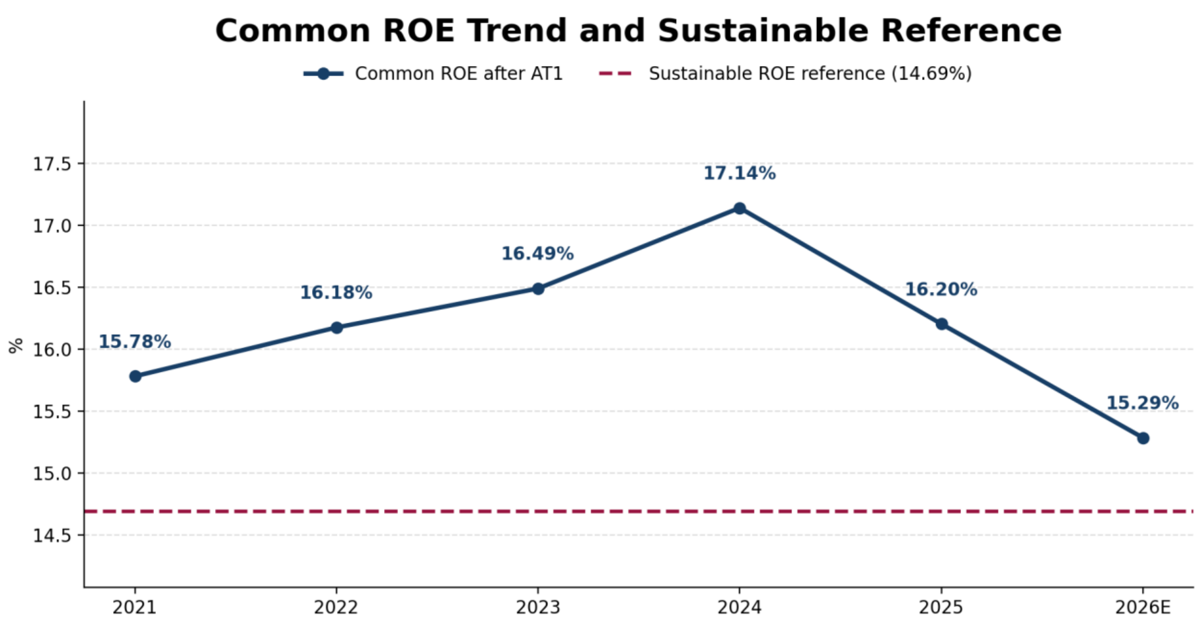
Source: QNB 2025 audited consolidated financial statements, segment reporting note

3.8 Profitability and Ratio Trends

QNB's profitability remains supported by scale, net interest income growth and a diversified revenue base. The moderation in ROE in H1 2026 reflects the combination of higher common equity, increased operating costs, tax and hyperinflation effects.

Ratio	2023	2024	2025	H1 2025	H1 2026	2026E
ROAA	1.29%	1.34%	1.29%	1.29%	1.25%	1.25%
Return on average ordinary equity (ROAE)	16.49%	17.14%	16.20%	16.48%	15.29%	15.29%
Net interest margin	3.30%	3.37%	3.42%	3.36%	3.41%	3.41%
Cost-to-income incl. D&A	20.65%	23.20%	23.74%	23.45%	24.72%	24.72%
Cost of risk / avg loans	1.05%	0.92%	0.97%	0.94%	0.75%	0.75%
Loans / deposits	99.52%	102.68%	106.56%	102.88%	107.10%	107.10%
Liquid assets / total assets	28.19%	27.42%	24.21%	26.31%	24.98%	24.98%





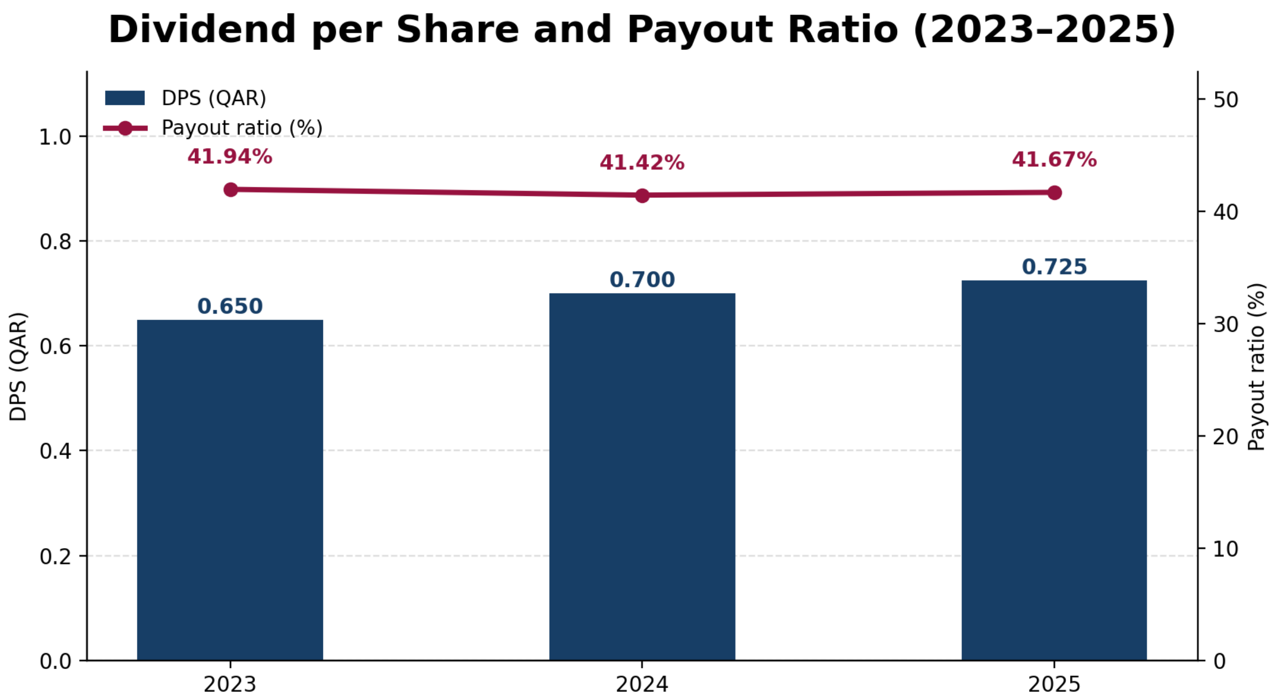
- FY2026E ROAE attributable to ordinary shareholders is 15.29%, based on annualized H1 2026 earnings and the June 2026 equity base.
- The dotted reference line represents the calculated sustainable ROE of 14.69%, derived from normalized EPS divided by ordinary BVPS.
- The sustainable ROE is used within the residual-income forecast and is not presented as a historical or forecast reporting period.

Source: QNB audited and reviewed consolidated financial statements

3.9 Dividend History and Shareholder Returns

The valuation uses earnings attributable to ordinary shareholders after Additional Tier 1 distributions. The target payout ratio is calculated from 2023-2025 DPS-to-EPS ratios, ensuring that the payout assumption reflects QNB's demonstrated distribution record.

Year	Price used	EPS after AT1	DPS	Payout	P/E	P/B
2023	QAR 16.53	QAR 1.55	QAR 0.650	41.94%	10.66x	1.71x
2024	QAR 17.29	QAR 1.69	QAR 0.700	41.42%	10.23x	1.72x
2025	QAR 18.66	QAR 1.74	QAR 0.725	41.67%	10.72x	1.65x
3Y average	QAR 17.49	QAR 1.66	QAR 0.692	41.67%	10.54x	1.69x



DPS and payout ratios for 2023–2025, based on QNB's audited consolidated financial statements.

Share repurchases affect per-share valuation through the period-end ordinary shares outstanding, net of treasury shares, used for BVPS, P/B and residual-income analysis. EPS and P/E are based on weighted-average shares where applicable.

Source: QNB audited consolidated financial statements; Qatar Stock Exchange historical prices

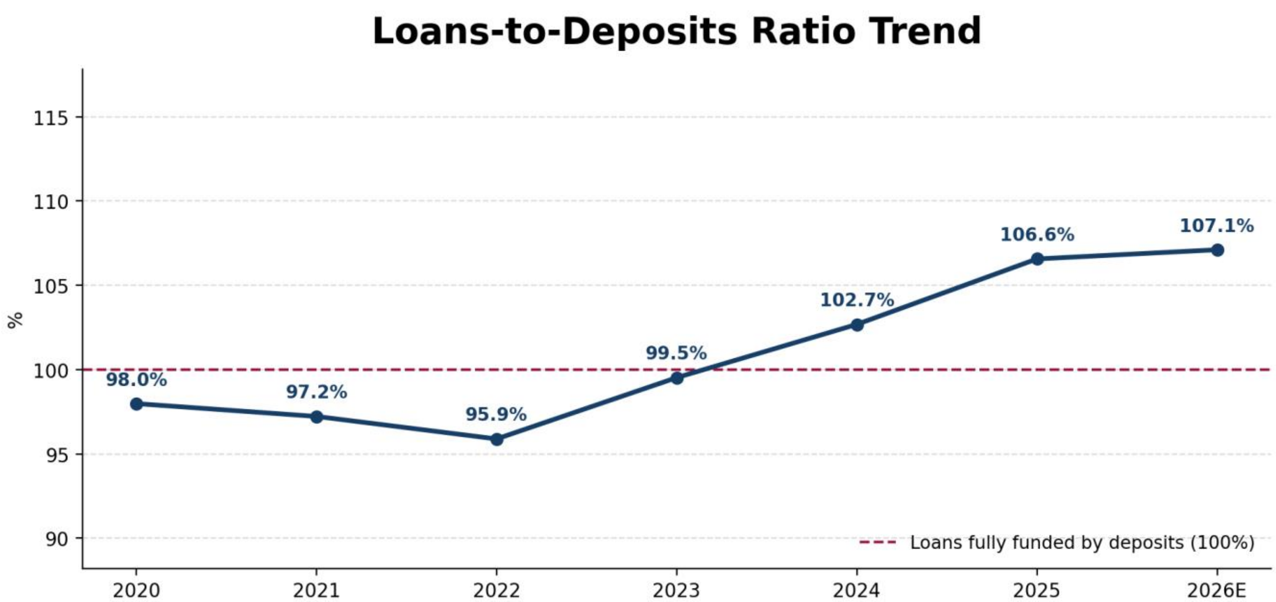
4. FINANCIAL POSITION, FUNDING AND CASH FLOW

4.1 Balance Sheet Development

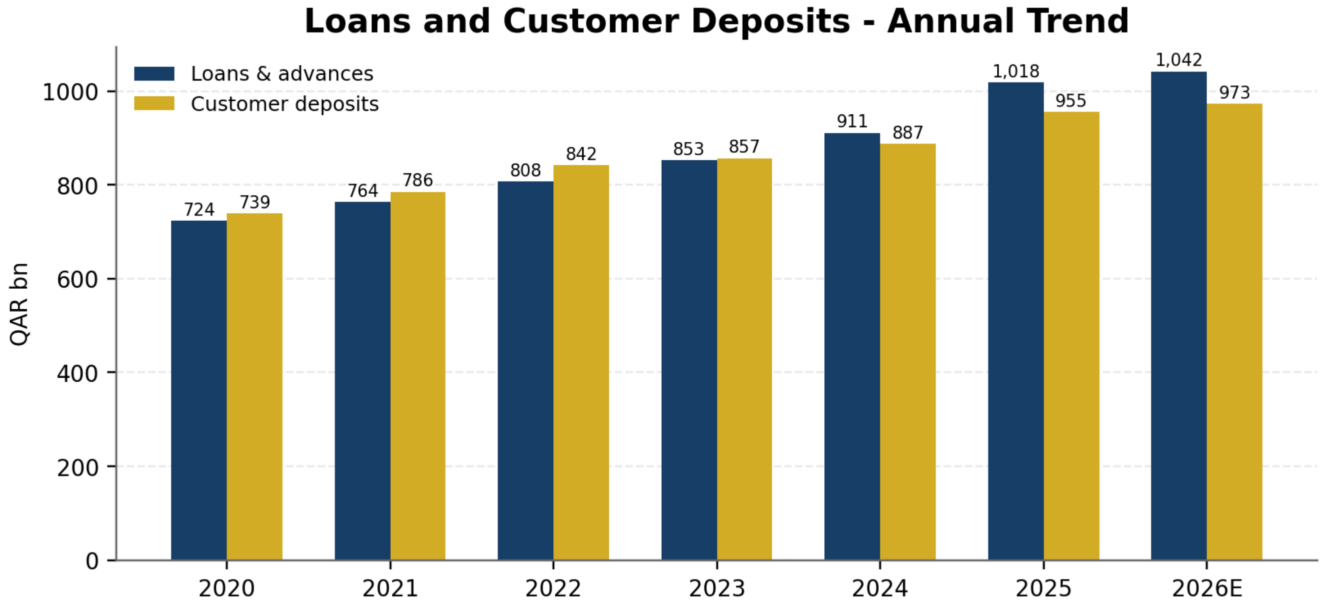
The balance sheet remained loan-led. Loans expanded faster than customer deposits, increasing the simple loans-to-deposits ratio and reinforcing the importance of diversified wholesale funding and regulatory liquidity buffers.

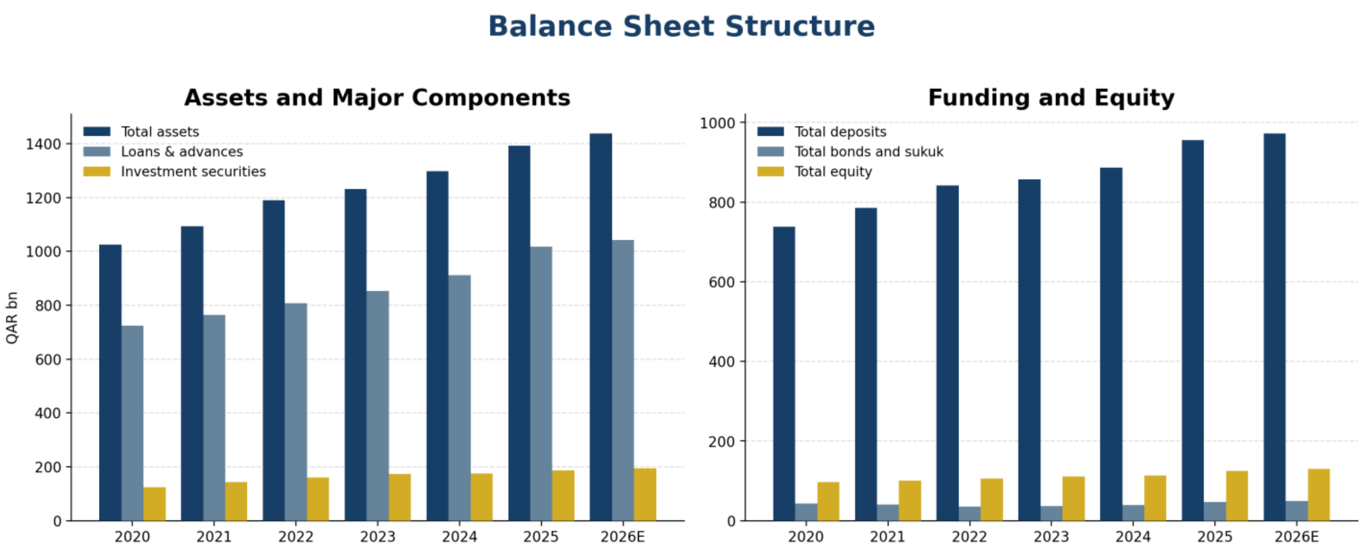
Balance sheet item (QAR bn)	Jun-26	Jun-25	Dec-25	YoY
Cash and central-bank balances	80.5	87.2	79.5	-7.7%
Due from banks	84.2	87.3	70.4	-3.5%
Loans and advances	1,042.0	961.8	1,018.1	+8.3%
Investment securities	194.6	181.6	187.0	+7.1%
Total assets	1,438.2	1,353.6	1,391.3	+6.2%
Customer deposits	972.9	934.9	955.4	+4.1%
Other borrowings	79.5	47.8	57.1	+66.4%
Debt securities	49.0	39.3	47.1	+24.7%
Total equity	130.5	118.9	124.7	+9.8%

4.2 Loans, Deposits and Funding Structure



Loans-to-deposits ratio based on QNB's audited and reviewed consolidated financial statements.





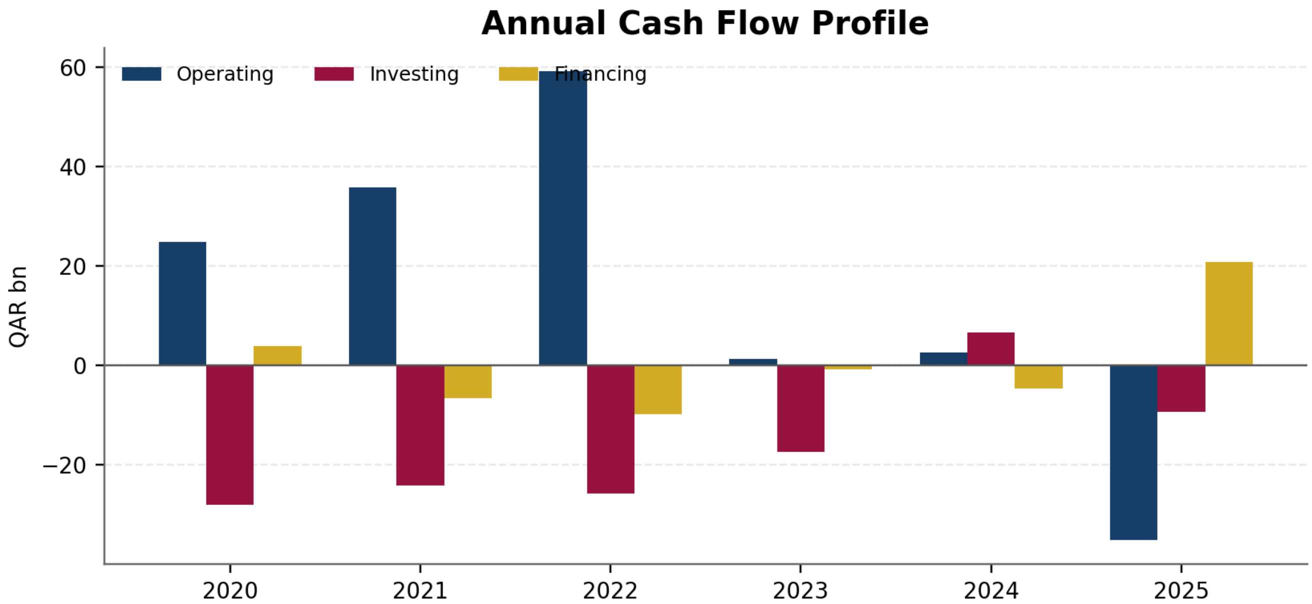
Source: QNB audited and reviewed consolidated financial statements

QNB benefits from diversified wholesale funding and broad access to international capital markets. However, Fitch estimates that non-resident funding represented approximately 60% of the parent bank’s funding at end-2025, above the sector average. This remains a relevant sensitivity during periods of cross-border market disruption, although it is mitigated by QNB’s franchise strength, liquidity buffers and access to government-related deposits.

4.3 Cash Flow Analysis

Cash-flow item (QAR bn)	H1 2026	H1 2025
Net cash from / (used in) operating activities	0.9	-12.0
Net cash used in investing activities	-10.2	-4.6
Net cash from financing activities	20.2	7.5
Cash and cash equivalents at period-end	97.2	101.8

- Net operating cash flow improved to an inflow of QAR 0.9bn in H1 2026 from an outflow of QAR 12.0bn in H1 2025, despite continued loan growth.
- Investing cash outflow increased to QAR 10.2bn, principally reflecting net investment-security and other investment activity.
- Financing cash inflow rose to QAR 20.2bn, supported by additional borrowings and debt issuance, partly offset by distributions, lease payments and treasury-share purchases.
- Period-end cash and cash equivalents were QAR 97.2bn, compared with QAR 101.8bn at 30 June 2025. Cash-flow volatility reflects balance-sheet deployment and funding activity and should be assessed together with QNB's LCR and NSFR.



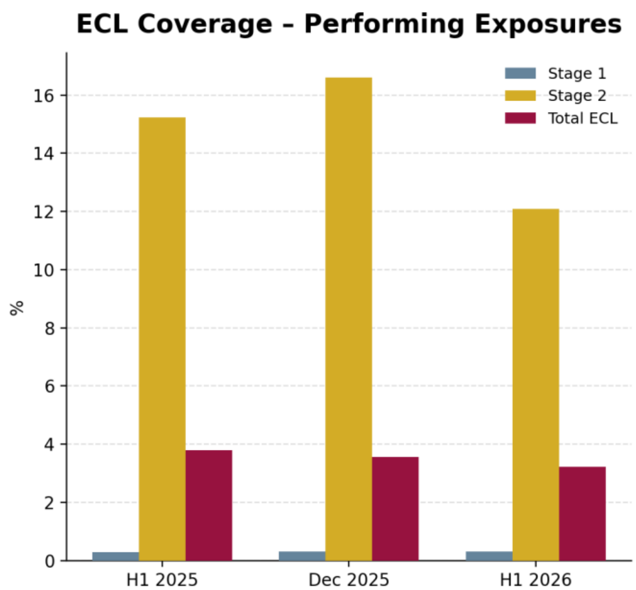
Source: QNB audited and reviewed consolidated statements of cash flows

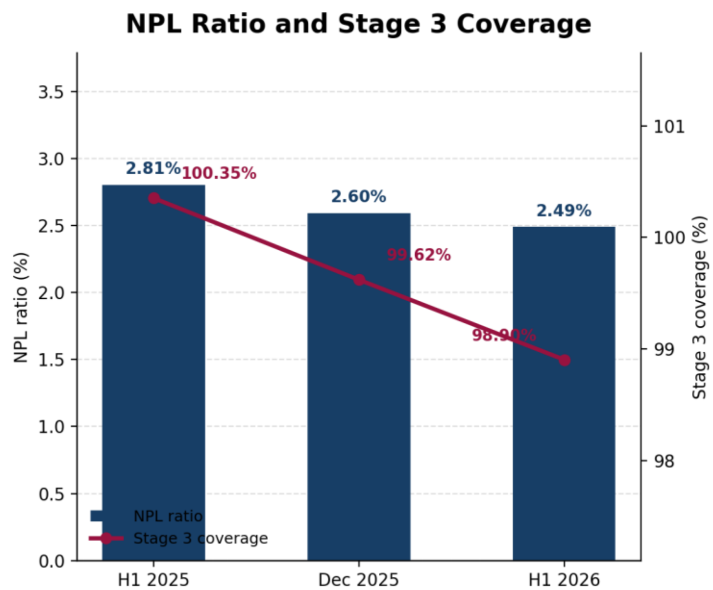
5. ASSET QUALITY, CAPITAL AND LIQUIDITY

5.1 Credit Quality and ECL Coverage

Credit quality remained sound at 30 June 2026. The NPL ratio improved from both June 2025 and December 2025, while Stage 3 coverage remained close to 100%. Stage 2 coverage declined from December 2025, reflecting changes in exposure mix and provision allocation.

Period	NPL ratio	Stage 1 cov.	Stage 2 cov.	Stage 3 cov.	Total ECL cov.
H1 2025	2.81%	0.29%	15.24%	100.35%	3.78%
Dec 2025	2.60%	0.30%	16.61%	99.62%	3.56%
H1 2026	2.49%	0.31%	12.08%	98.90%	3.23%

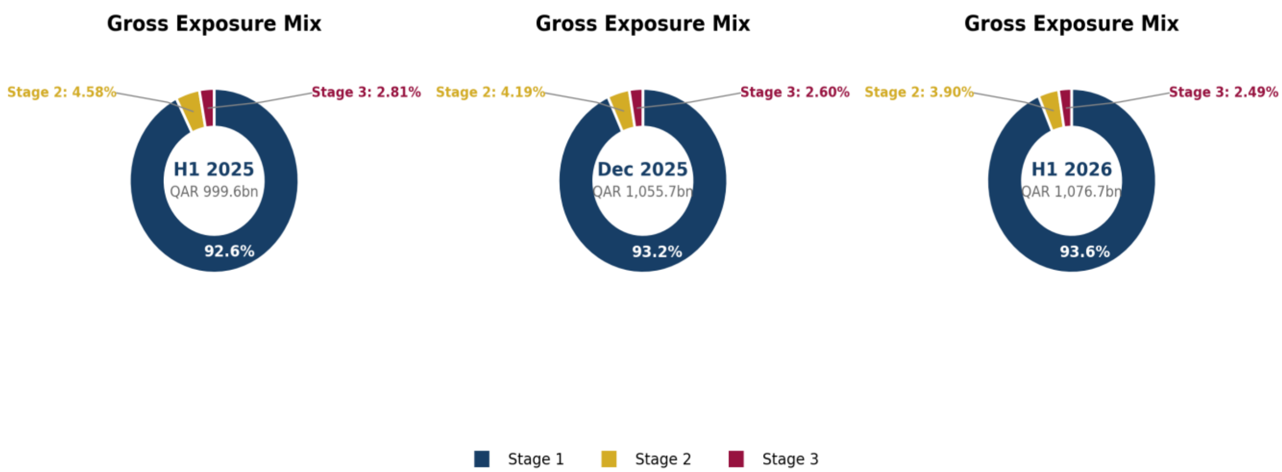




- The 30 June 2026 Stage 1 portfolio represented the overwhelming majority of gross credit exposure, indicating that most exposures remained performing without a significant increase in credit risk.
- Stage 3 gross exposure declined in absolute terms from June 2025 and December 2025, contributing to the improvement in the NPL ratio.

Source: QNB H1 2026 reviewed financial statements; QNB 2025 audited consolidated financial statements.

5.2 IFRS 9 Stage Distribution



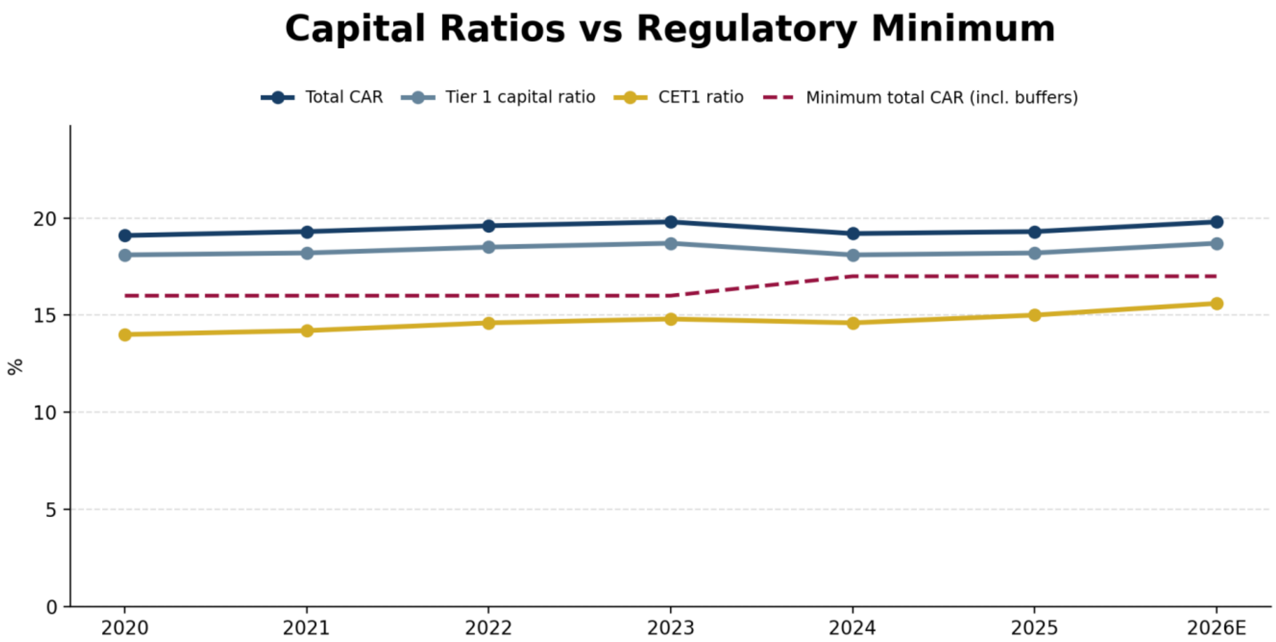
Period	Stage 1	Stage 2	Stage 3	Total gross exposure
H1 2025	925.7	45.8	28.1	999.6
Dec 2025	984.1	44.2	27.4	1,055.7
H1 2026	1,007.9	42.0	26.8	1,076.8

The three pie charts present the gross-exposure mix at H1 2025, December 2025 and H1 2026. The comparison shows stable dominance of Stage 1 exposures, a lower Stage 2 proportion at H1 2026 and a reduced Stage 3 share.

Source: QNB H1 2026 reviewed financial statements; QNB 2025 audited consolidated financial statements

5.3 Capital Adequacy and Liquidity

Period	CET1	Tier 1	Total CAR	LCR	NSFR
H1 2025	14.8%	18.1%	19.2%	151%	103%
Dec 2025	15.0%	18.2%	19.3%	144%	105%
H1 2026	15.6%	18.7%	19.8%	145%	109%



- CAR of 19.8% remained solid and above the regulatory minimum, with LCR of 145% and NSFR of 109% supporting liquidity resilience.

Capital ratios are based on QNB's published capital-adequacy disclosures. The regulatory minimum represents the applicable total capital requirement, including buffers.

Source: QNB H1 2026 reviewed financial statements; QNB 2025 audited consolidated financial statements; QNB H1 2026 financial results announcement

6. SWOT ANALYSIS

6.1 SWOT Matrix

The SWOT assessment summarises the principal qualitative factors relevant to QNB's franchise, operating performance and valuation.

STRENGTHS	WEAKNESSES
• One of the largest financial institution in the Middle East and Africa. • Strong domestic franchise and strategic relevance in Qatar. • Diversified well spread international network and accessibility to funding platforms. • Sound capital, liquidity and strong Stage 3 coverage. • Flagship domestic franchise, strong sovereign linkages, high probability of extraordinary government support and broad access to international funding markets.	• Lower international profit conversion relative to revenue contribution. • Exposure to hyperinflationary accounting and currency translation. • Rising loans-to-deposits ratio increases reliance on wholesale funding. • Operating-cost growth exceeded income growth in H1 2026. • Relatively high reliance on non-resident and wholesale funding, together with moderate tangible leverage compared with domestic and GCC peers.
OPPORTUNITIES	**THREATS**
• Cross-border trade and Asia-Middle East corridor growth. • Digital banking, transaction services and wealth management expansion. • Improved funding costs and scale benefits from technology investment. • Selective improvement in international subsidiaries profitability.	• Regional geopolitical disruption, foreign-currency translation losses, hyperinflationary-market exposure, higher precautionary provisioning and reduced access to non-resident funding. • Qatar's sovereign rating and QNB's own Long-Term IDR are currently on Fitch Rating Watch Negative (since June 2026), reflecting regional security and hydrocarbon-export disruption risk. • Foreign-exchange volatility, inflation and higher taxation. • Credit-cycle deterioration or concentration in large corporate and public-sector exposures. • Regulatory capital and liquidity requirements across multiple jurisdictions.

6.2 Overall Assessment

Overall, QNB's scale, domestic strategic position, capital strength and diversified banking platform support the valuation. The main sensitivities are the profitability of the international network, foreign-exchange and hyperinflation effects, funding-mix evolution, and credit conditions across multiple jurisdictions. The current Fitch Rating Watch Negative on Qatar's sovereign rating and on QNB's own Long-Term IDR is a live risk factor at the time of this report and is a key downside risk sensitivity to the valuation.

7. VALUATION METHODOLOGY AND FAIR VALUE CONCLUSION

7.1 Valuation Framework and Method Weights

The valuation applies the Residual Income Method as the principal framework because it directly links shareholder value to ordinary book equity, return on common equity, cost of equity and long-term capital generation. QNB's three-year historical P/B and P/E multiples are used as independent market-based corroborating benchmarks.

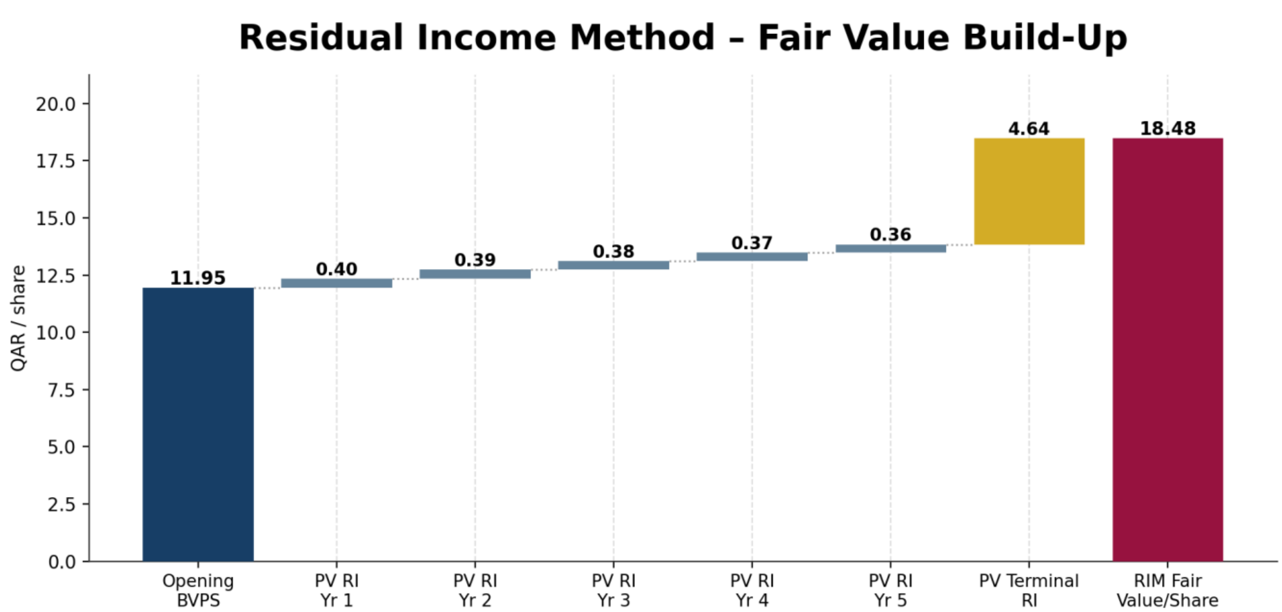
Method	Fair value / share	Weight	Methodological role
Residual Income Method	QAR 18.48	40%	Directly values common book equity and residual returns above the cost of equity.
Historical P/B	QAR 20.24	30%	Applies QNB's own three-year average P/B to ordinary BVPS.
Historical P/E	QAR 18.51	30%	Applies QNB's own three-year average P/E to normalized EPS.
Blended base fair value	QAR 19.02	100%	Weighted fair-value conclusion.

7.2 Key Valuation Inputs

Key valuation input	Value
Ordinary BVPS	QAR 11.952
Normalized EPS	QAR 1.756
Calculated sustainable ROE	14.69%
Cost of equity	11.02%
Long-term growth	3.00%
Target payout ratio	41.67%
3Y historical P/E	10.54x
3Y historical P/B	1.69x

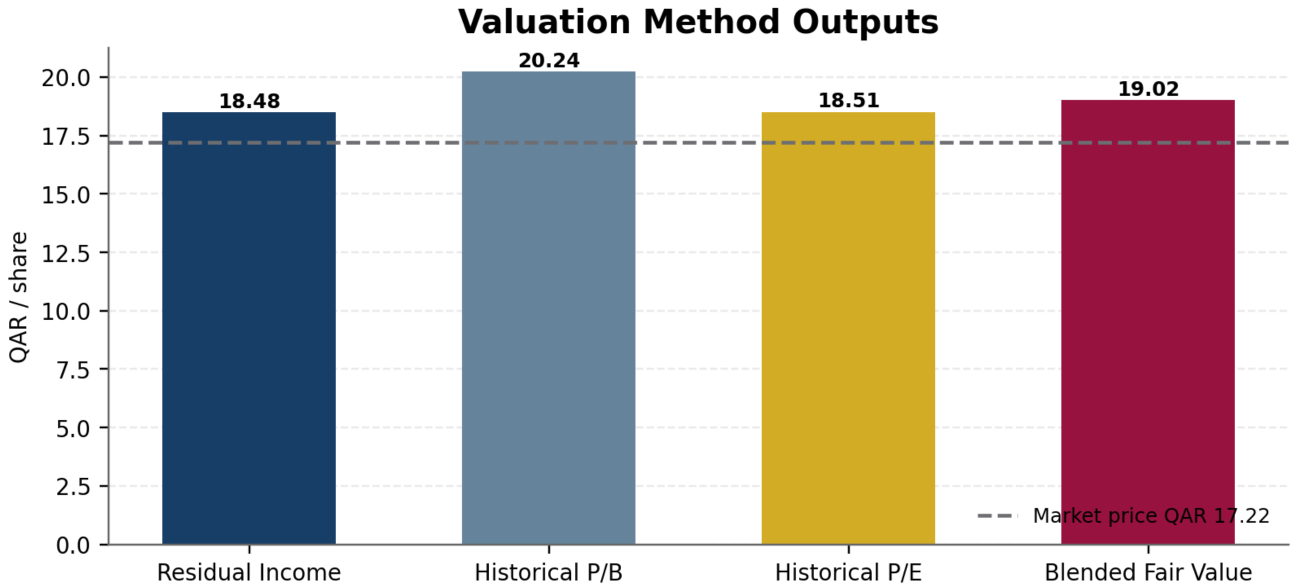
Cost of equity inputs (risk-free rate, equity risk premium, beta) reflect market conditions as of the valuation date and have not been separately re-calibrated for the April 2026 Fitch Rating Watch Negative on Qatar's sovereign rating. The valuation is also sensitive to changes in Qatar's sovereign rating and the assessed probability of government support, given their potential impact on QNB's external ratings, funding costs and cost of equity.

7.3 Residual Income Method



Build-up of the residual income fair value from opening book value per share, the present value of forecast residual income, and the present value of terminal value.

7.4 Fair Value Conclusion and Sensitivity

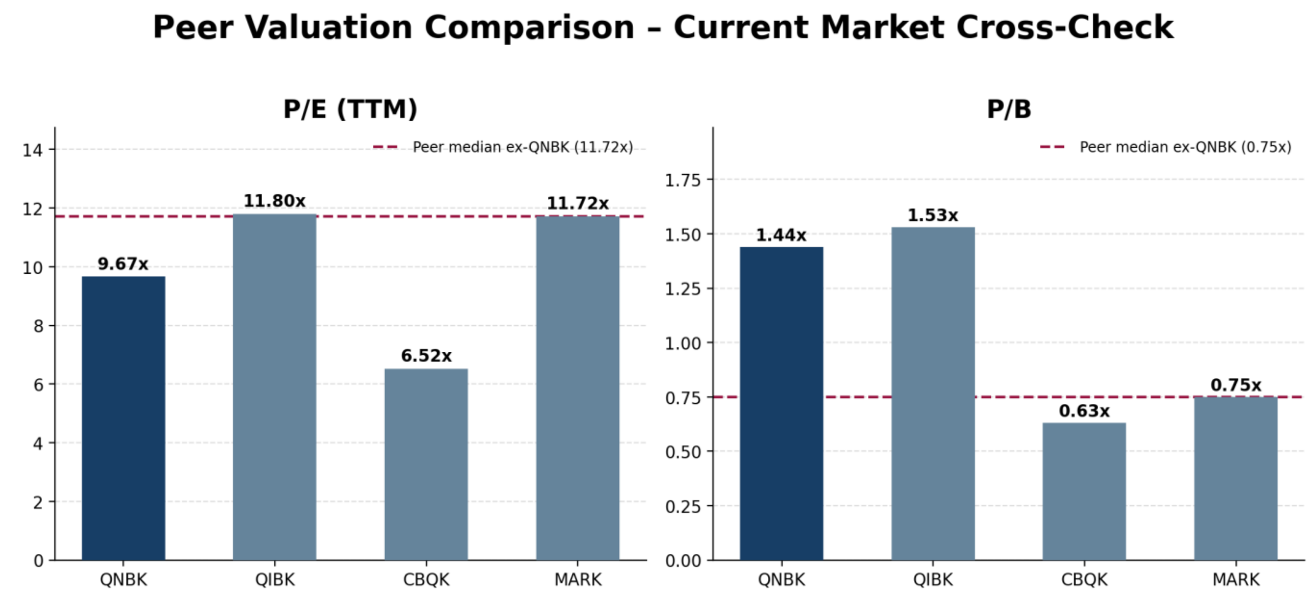


The blended base fair value is QAR 19.02 per share. Applying a +/-10% sensitivity produces a fair-value range of QAR 17.12 to QAR 20.92. Relative to the market price of QAR 17.22 used in the analysis, the base fair value is higher by 10.4%.

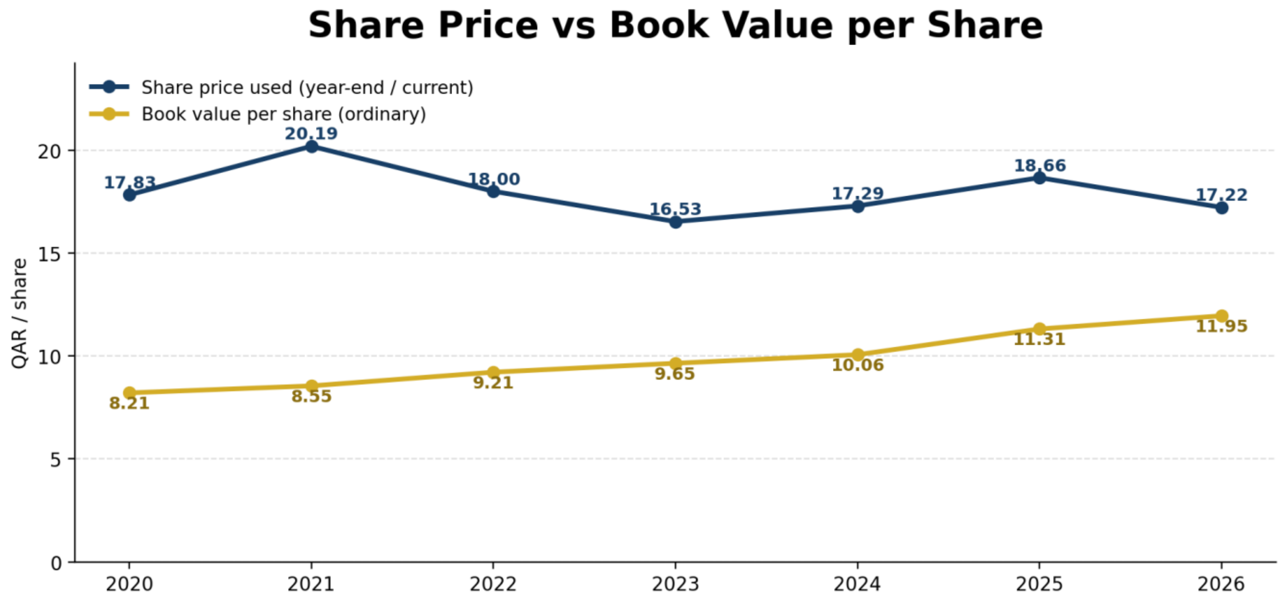
This sensitivity range does not separately model the current Fitch Rating Watch Negative on Qatar's sovereign rating and on QNB's own Long-Term IDR; resolution of that watch, in either direction, is a risk factor to the fair-value range not explicitly isolated above.

7.5 Market Cross-Checks

As a market cross-check only (not used to derive the fair value), QNB’s current trading multiples are compared with Qatar-listed peers below, and its current share price is compared with its book value per share over 2020–2026.



Current market multiples based on the market prices, earnings and book values used in the analysis. Cross-check only – not used in the fair value.



Year-end share price and ordinary book value per share, 2020–2025; 2026 uses current market price of QAR 17.22 as of 12th July, 2026, and the June-2026 ordinary book value per share.

Source: QNB audited and reviewed financial statements; Qatar Stock Exchange historical market data

8. DISCLAIMER

8.1 Disclaimer

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