Qatar Islamic Bank Q.P.S.C. (QIBK)

H1 2026 Financial Results & Valuation Review

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

QAR 2.23bn H1 2026 Profit Attributable to Shareholders	**QAR 234.0bn** Jun-2026 Total Assets	**QAR 30.6bn** Jun-2026 Equity Attributable to Shareholders
1.49% Non-Performing Financing Ratio	**QAR 21.86** Market Price as of 2 August 2026	**Base Estimated Fair Value** QAR 22.46

FAIR VALUE CONCLUSION | Range: QAR 20.21–24.70 | Base Fair Value: QAR 22.46
Current Price: QAR 21.86 | Implied Upside: 2.74%

FY2026 ESTIMATED FIGURES - Annualized Income Statement / Jun-2026 Balance Sheet Carry-Forward		
QAR 4.23bn Est. Ordinary Shareholder Earnings After AT1	**QAR 234.0bn** Est. Total Assets	**QAR 1.79** Est. EPS
14.05% Est. ROAE	**1.96%** Est. ROAA	**23.34%** CAR

FY2026E income-statement figures annualize H1 2026 where representative. Balance-sheet figures carry forward the 30 June 2026 position. The fair-value conclusion applies a residual-income framework supported by QIB's historical P/B and P/E benchmarks. The report presents a fair-value assessment of QAR 22.46 with a range of QAR 20.21 to QAR 24.70.

Source: QIB H1 2026 reviewed financial statements; QIB June 2026 Results Presentation; QIB official investor disclosures; Qatar Stock Exchange market price at the close of 2 August 2026. The 52-week range is observed as of 4 August 2026.

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1. EXECUTIVE SUMMARY

1.1 Key Financial and Valuation Metrics

Metric	H1 2025	H1 2026	YoY	FY2026E	FY2025
Total income after senior sukuk - reported (QAR bn)	5.64	5.64	-0.1%	11.27	11.37
Total income after senior sukuk and quasi-equity - owner operating income (QAR bn)	3.29	3.44	+4.8%	6.89	6.64
Profit attributable to equity holders before AT1 (QAR bn)	2.18	2.23	+2.3%	4.45	4.84
Profit available to ordinary shareholders after AT1 (QAR bn)	2.18	2.23	+2.3%	4.23	4.62
Ordinary EPS (QAR/share)	0.92	0.94	+2.3%	1.79	1.95
Total assets (QAR bn)	212.07	234.05	+10.4%	234.05	221.05
Net financing assets (QAR bn)	130.77	156.41	+19.6%	156.41	138.48
Customer funding incl. PIA reserve (QAR bn)	135.02	148.28	+9.8%	148.28	142.73
ROAE - ordinary shareholders	15.75%	14.77%	-97bps	14.05%	16.26%
ROAA	2.10%	1.96%	-14bps	1.96%	2.29%

Interim EPS follows QIB's disclosed H1 treatment, under which no annual AT1 distribution is deducted; FY2025 and FY2026E ordinary EPS deduct the annual AT1 attribution once. Participatory investment accounts (PIAs) are legally profit-sharing quasi-equity, but economically they perform the customer-funding role that deposits perform in a conventional bank. Accordingly, the analytical owner-operating-income line deducts both senior sukuk cost and profit attributed to PIA holders to evaluate income retained for the Bank and support meaningful comparison with conventional banks. FY2026E balance-sheet figures carry forward June 2026. YoY percentages are calculated from unrounded underlying figures; accordingly, the -0.1% movement in reported total income is not visible in the two-decimal QAR-billion figures displayed above.

1.2 Executive Highlights

- QIB reported H1 2026 total income after senior sukuk cost of QAR 5.64bn, broadly stable year-on-year, while profit attributable to equity holders increased by 2.3% to QAR 2.23bn.
- After deducting both senior sukuk funding cost and profit attributed to PIA holders, analytical owner operating income increased by 4.8% to QAR 3.44bn from QAR 3.29bn.
- Net financing assets increased by 12.9% from December 2025 and 19.6% year-on-year, materially outpacing the 3.9% year-to-date and 9.8% year-on-year increase in QIB-defined total deposits.
- Operating efficiency remained a core strength, with cost-to-income at 16.42%.
- The NPF ratio declined to 1.49%, while Stage 3 provision coverage remained broadly stable at 95.1%. Stage 2 exposure improved to 11.5% from 12.6% at December 2025.
- Total provisions increased by 15.0% to QAR 362.5m despite a 6.5% decline in financing impairment; adverse other-impairment movements offset part of the credit-cost improvement.
- The total capital ratio increased to 23.34%, providing an 8.50-percentage-point buffer over QIB's 14.84% minimum requirement. Calculated two-decimal capital ratios are in line with QIB's published rounded figures.
- According to management commentary during QIB's H1 2026 earnings call on 21 July 2026, full-year financing-growth guidance was raised to 10%–11% excluding acceptances; management also indicated 4–6bps of NIM compression versus 2025 and cost-to-income guidance of 16.5%-17.0%.
- Management indicated during QIB's H1 2026 earnings call on 21 July 2026 that no interim dividend would be paid for H1 2026, describing the decision as prudent amid geopolitical uncertainty. Interim dividends are a recent practice rather than a long uninterrupted historical policy: QIB paid QAR 0.25 per share for H1 2024 and QAR 0.40 per share for H1 2025. The QAR 0.825 DPS used in the valuation analysis is an analytical cross-check, not declared guidance.
- The blended base fair value is QAR 22.46 per share, with a QAR 20.21–24.70 range, representing implied upside of 2.74% from the QAR 21.86 closing price on 2 August 2026.

Source: QIB H1 2026 reviewed financial statements and Results Presentation; QIB H1 2026 results announcement; QIB H1 2026 earnings call, 21 July 2026; QIB official dividend and rating disclosures; Qatar Stock Exchange market data; Damodaran January 2026 country-risk dataset.

2. COMPANY BACKGROUND AND STRATEGIC POSITIONING

2.1 Corporate Overview and Strategic Positioning

Qatar Islamic Bank Q.P.S.C. was incorporated in 1982 as Qatar's first Islamic financial institution. The Group conducts corporate, personal and investment banking in accordance with Islamic Shari'ah rules under a governance framework comprising a Shari'ah Supervisory Board, Shari'ah compliance, internal Shari'ah audit and external Shari'ah audit.

QIB is Qatar's largest Islamic bank and the country's second-largest bank by total assets, financing assets and net profit. The June 2026 presentation indicates that QIB represents approximately 38% of the assets of Qatar's listed Islamic banks. At 30 June 2026, QIB continued to report one branch in Sudan, QIB (UK) as a 99.71%-owned subsidiary and Arab Finance House in Lebanon as a 99.99%-owned banking subsidiary. These operations remain in the Group's reporting perimeter, but the international footprint is selective and financially small relative to the Qatar franchise.

Strategic factor	Position	Valuation relevance
Islamic franchise	First Islamic bank in Qatar and largest listed Islamic bank by assets.	Supports customer franchise, product differentiation and loyalty.
Domestic scale	QAR 234.0bn of assets and QAR 156.4bn of net financing at June 2026.	Supports operating leverage and continued investment in technology, compliance and risk-management infrastructure while maintaining a low cost-to-income ratio.
Efficient operating model	Cost-to-income of 16.4%.	Supports earnings resilience as financing and funding spreads normalize.
Asset quality and capital	NPF ratio 1.49%; total capital ratio 23.34%.	Low NPFs and surplus capital reduce downside risk to ordinary book value and support the sustainability of ROE above the cost of equity.

Source: QIB official corporate profile; QIB June 2026 Results Presentation; QIB H1 2026 reviewed financial statements.

2.2 External Ratings and Operating Footprint

QIB maintains investment-grade ratings across four agencies:

- Moody's: A1 long-term deposits / P-1 short-term, Stable outlook, as confirmed in QIB's 20 July 2026 H1 results release following the June 2026 affirmation.
- Fitch: A/F1, Rating Watch Negative. Unlike the other agencies' Stable outlooks, Fitch has placed QIB's ratings under active review for a possible downgrade, primarily reflecting the Rating Watch Negative on Qatar's sovereign rating rather than an identified deterioration in QIB's standalone financial profile.
- Capital Intelligence: AA−/A1+, Stable, affirmed on 17 March 2026. CI's rating incorporates its assessment of a high likelihood of extraordinary government support for QIB if required.
- S&P Global Ratings: A-/A-2, Stable, as disclosed by QIB on 12 July 2026; this is an issuer confirmation, not presented as a separate 2026 S&P rating action.

Agency	Long-term	Short-term	Outlook / watch	Latest position
Moody's	A1	P-1	Stable	June 2026 affirmation; current position confirmed in QIB's 20 July 2026 results release.
Fitch	A	F1	Rating Watch Negative	RWN placed 6 April 2026 and maintained 26 May 2026; sovereign-linked.
Capital Intelligence	AA-	A1+	Stable	Affirmed 17 March 2026; High extraordinary-support level.
S&P	A-	A-2	Stable	Current rating confirmed by QIB on 12 July 2026; issuer disclosure.

All external ratings are relevant to QIB's funding access, pricing and overall investor risk perception. The current ratings profile remains strong and investment grade across all agencies, with Fitch's Rating Watch Negative reflecting sovereign-linked uncertainty rather than an identified deterioration in QIB's standalone credit profile.

Source: Moody's current position as confirmed by QIB in its 20 July 2026 H1 results release; Fitch Ratings actions dated 6 April and 26 May 2026 and credit opinion dated 8 June 2026; Capital Intelligence action dated 17 March 2026; S&P A-/A-2 Stable as disclosed by QIB on 12 July 2026. Direct links are included in §9.1.

2.3 Shareholding and Strategic Linkage

Shareholder category	Ownership	Strategic / valuation relevance
Qatar Holding / Qatar Investment Authority	16.52%	Largest specifically identified strategic shareholder.
Sheikh Hamad bin Mohammed Al Thani	6.50%	Second specifically identified shareholder in the QSE ownership record.
Other domestic shareholders	58.58%	Calculated residual after identified domestic and foreign ownership.
Foreign shareholders	18.40%	International investor participation disclosed by QIB.
Total	100.00%	Control total.

QIA's ownership provides a qualitative strategic linkage and is consistent with rating-agency expectations of a high probability of official support for systemically important Qatari banks. No explicit valuation premium or formal guarantee assumption is applied.

Source: Qatar Stock Exchange ownership record supplied on 6 August 2026. QIB June 2026 Results Presentation for foreign ownership; other domestic ownership calculated as the residual to 100%.

2.4 Governance and Executive Leadership

Governance / leadership item	Selected names / roles
Chairman	Sheikh Jassim Bin Hamad Bin Jassim Bin Jaber Al Thani
Vice Chairmen	Mr. Abdullatif Bin Abdullah Al Mahmoud; Mr. Mohamed Bin Issa Al Mohannadi
Selected board members	Mr. Mansour M. Abdul Fattah Al Musleh; Mr. Abdulla Bin Saeed Al Eidah; Mr. Sraiya Nasser Rashid Sraiya Al-Kaabi; Mr. Khalid Mohamed Al-Emadi; Sheikh Jassim Faisal Qassim Thani Al Thani; Mr. Nasser Abdullah Saad Al Mahmoud Al-Shareef; Mrs. Maitha Mubarak Rashid Al Jabr Al-Naemi; Mr. Fahad Saad Shrida Al-Kaabi
Group Chief Executive Officer	Mr. Bassel Gamal
Selected senior management	Mr. Tarek Youssef Fawzi – GM Wholesale Banking; Mr. Dorai Anand – GM Personal Banking; Mr. Rakesh Sanghvi – Chief Risk Officer; Mr. Gourang Hemani – Chief Financial Officer; Mr. Constantinos Constantinides – Chief Strategy & Digital Officer

Source: QIB official Board of Directors and Senior Management disclosures, accessed August 2026.

2.5 Islamic Business Model and Operating Segments

QIB's income reporting model differs from a conventional bank because returns generated by financing and investment pools are allocated among senior sukuk holders, participatory investment account holders and ordinary shareholders. The Bank acts as Mudarib for unrestricted PIAs and may provide profit support to investment-account holders. The attribution statement is therefore essential to measuring the earnings retained for ordinary shareholders after allocating returns to senior sukuk and PIA holders.

Segment	Scope / analytical treatment
Corporate Banking	Corporate and institutional financing, deposits, trade finance and related services; largest contributor to income and assets.
Personal Banking	Retail financing, deposits, cards, payments and digital banking; largest allocated segment profit in H1 2026.
Group Function	Treasury, investments, central funding and functions not directly attributable to customer segments.
Subsidiaries	International banking, investment, real-estate and support entities.

Source: QIB H1 2026 reviewed financial statements, segment note and quasi-equity attribution statement.

2.6 Branches, Distribution and International Footprint

Footprint item	Position
Domestic network	22 branches and offices and more than 190 ATMs/CDMs at 30 June 2026.
United Kingdom	QIB (UK) remains a 99.71%-owned investment-banking subsidiary serving UK and cross-border Islamic-finance clients.
Sudan	One wholly owned branch remains disclosed at 30 June 2026; the exposure is marginal relative to the domestic franchise.
Lebanon	Arab Finance House remains a 99.99%-owned banking subsidiary in the Group reporting perimeter; treated as a limited, non-core international presence.
Digital distribution	Strategy emphasizes mobile and digital channels across retail and corporate banking.

The footprint remains predominantly Qatar-centric. QIB's June 2026 reviewed financial statements still disclose one branch in Sudan, QIB (UK) and Arab Finance House in Lebanon. These entities diversify the reporting perimeter but are not treated as major growth platforms in this report; the core valuation remains driven by the domestic franchise, capital generation and Qatar-based funding relationships.

Source: QIB June 2026 Results Presentation; QIB H1 2026 reviewed financial statements; QIB official corporate disclosures.

2.7 Principal Subsidiaries and Portfolio Simplification

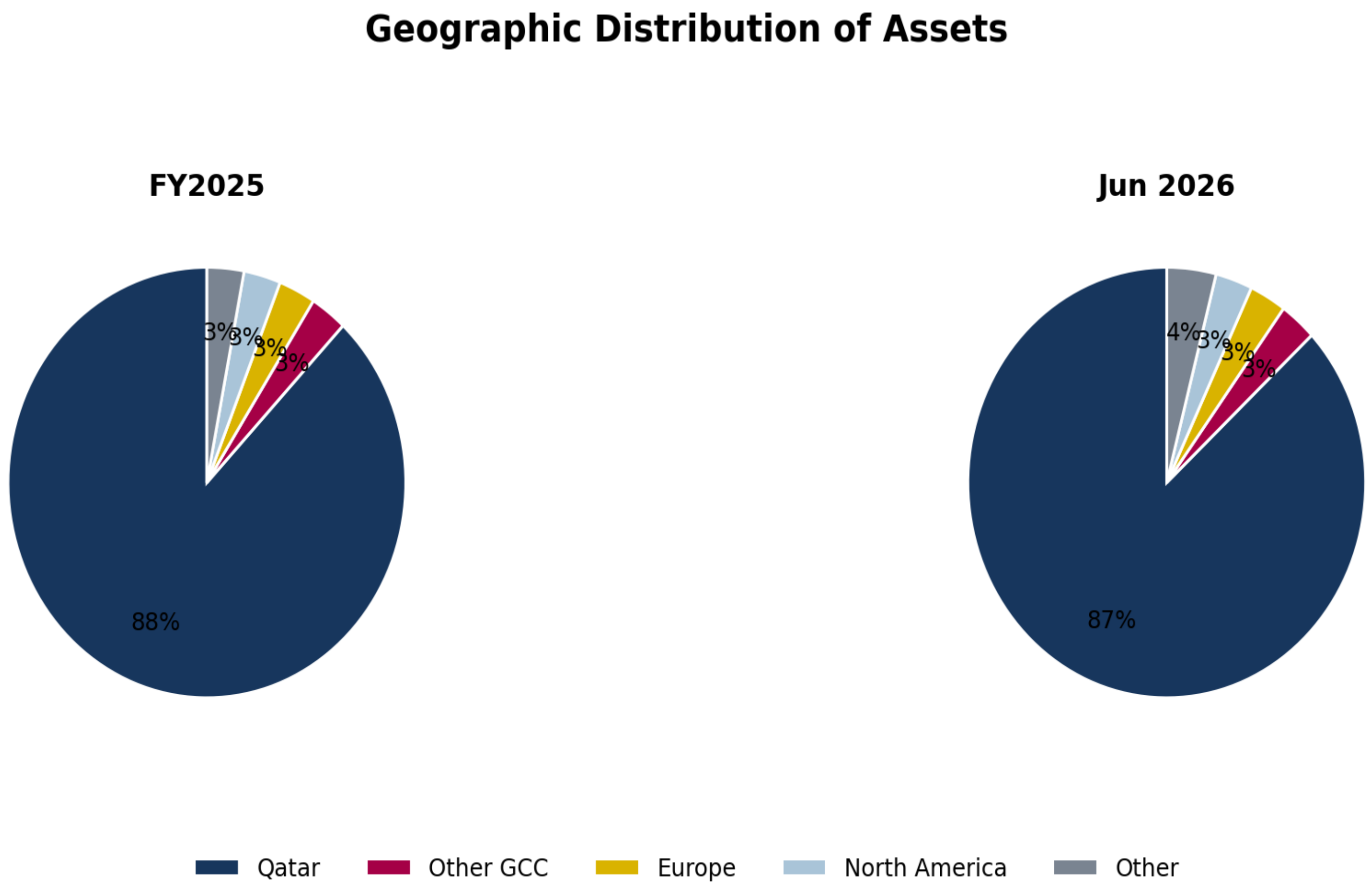
Entity	Country	Ownership	Principal activity
Arab Finance House	Lebanon	99.99%	Banking
Aqar Real Estate Development and Investment Co.	Qatar	49.00%	Real estate; consolidated through board control
Durat Al Doha Real Estate Investment and Development	Qatar	82.61%	Real estate
QIB Sukuk Ltd	Cayman Islands	100.00%	Sukuk issuance vehicle
QIB (UK)	United Kingdom	99.71%	Investment banking
QIB Solutions LLC	Qatar	100.00%	IT services and operations

QInvest was classified as a disposal group held for sale following QIB's decision to partially dispose of the investment. The partial sale was completed in 2025, resulting in loss of control, and QInvest was subsequently classified as a 49%-owned associate. Investments in associates increased from QAR 1.13bn at June 2025 to QAR 2.13bn at December 2025, largely reflecting this reclassification, and subsequently increased only marginally to QAR 2.15bn at June 2026. Assets and associated liabilities classified as held for sale, which amounted to QAR 5.46bn and QAR 3.78bn respectively at June 2025, were nil at December 2025 and June 2026. On 12 July 2026, QIB also announced the sale of a 13.75% interest in Beema, reducing its ownership to 5%.

Source: QIB 2025 Annual Report, reporting-entity, discontinued-operations and associates disclosures; QIB H1 2026 reviewed financial statements; QIB/QSE disclosure dated 12 July 2026 regarding the sale of a 13.75% interest in Beema. Direct links are included in §9.1.

2.8 Geographic Distribution and Related-Party Exposure

- FY2025 audited geographic exposure was 88% Qatar, 3% other GCC, 3% Europe, 3% North America and 3% other markets.
- At June 2026, QIB's presentation showed 87% Qatar, 3% other GCC, 3% Europe, 3% North America and 4% other markets; the franchise therefore remained overwhelmingly domestic.
- Related-party financing at June 2026 included QAR 2.45bn to associates and QAR 8.69bn to Board-related parties. Board-related financing declined from QAR 20.75bn at December 2025, a reduction of approximately 58%.



Source: QIB 2025 audited financial statements and December 2025 Results Presentation; QIB June 2026 Results Presentation; QIB H1 2026 reviewed financial statements, related-party note.

3. FINANCIAL PERFORMANCE AND PROFITABILITY

3.1 H1 2026 Results and Year-on-Year Analysis

QAR million	H1 2025	H1 2026	YoY / comment
Net income from financing activities	4,556.2	4,408.5	-3.2%
Net income from investing activities	802.0	983.3	+22.6%
Senior sukuk holders' profit share	(230.5)	(308.8)	+34.0%
Net financing and investing income	5,127.8	5,083.0	-0.9%
Net fee and commission income	444.3	456.2	+2.7%
FX, associates and other income	70.8	97.9	+38.4%
Total income after senior sukuk cost	5,642.8	5,637.1	-0.1%
Operating expenses	(537.7)	(565.6)	+5.2%
Net financing impairment losses	(322.7)	(301.6)	-6.5%
Other net impairment losses / (reversals)	7.7	(60.8)	
Total provisions	(315.1)	(362.5)	+15.0%
Profit before tax and quasi-equity attribution	4,790.0	4,709.0	-1.7%
Profit attributable to quasi-equity holders	(2,356.7)	(2,192.8)	-7.0%
Tax expense	(243.9)	(290.7)	+19.2%
Profit from continuing operations	2,189.3	2,225.4	+1.6%
Discontinued operations	(25.9)	–	
Net profit for the period	2,163.4	2,225.4	+2.9%
Less: NCI share of profit / (loss)	(11.7)	0.1	
Profit attributable to shareholders	2,175.2	2,225.3	+2.3%

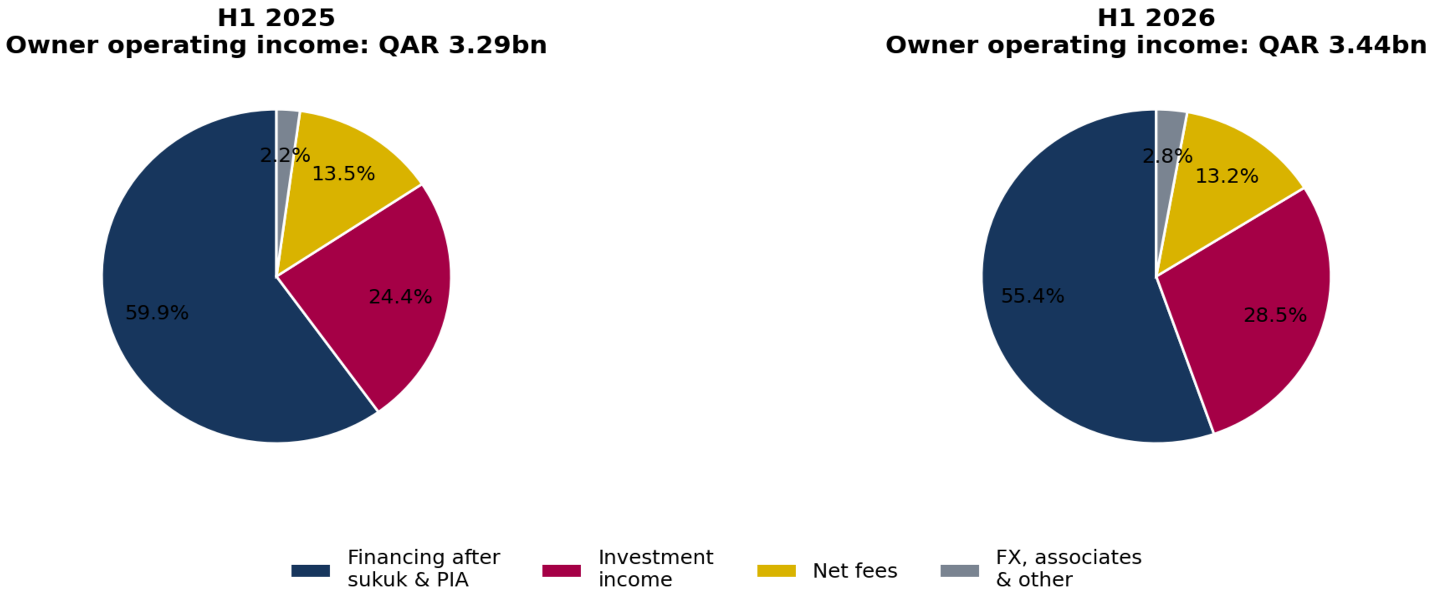
- Profit attributable to QIB equity holders increased by 2.3% to QAR 2,225.3m, while net profit for the period increased by 2.9% to QAR 2,225.4m.
- Investment income increased by 22.6%, net fee income by 2.7%, and FX, associate and other income by 38.4%, offsetting lower financing income.
- Financing impairment declined by 6.5%, but total provisions increased by 15.0% because other impairment moved from a small reversal to a QAR 60.8m charge.

3.2 Operating Income Composition

After deducting senior sukuk funding cost and profit attributed to PIA holders, operating income attributable to ordinary equity holders after quasi-equity attribution increased by 4.8% to QAR 3.44bn. Financing income retained for the Bank declined by 3.2% to QAR 1.91bn and represented 55.4% of H1 2026 owner operating income, while investment income increased to QAR 0.98bn and represented 28.5%.

Income component after senior sukuk and quasi-equity attribution	H1 2025	H1 2026	YoY
Financing income attributable to the Bank	1,969.0	1,906.9	-3.2%
Investment income	802.0	983.3	+22.6%
Net fee and commission income	444.3	456.2	+2.7%
FX, associates and other income	70.8	97.9	+38.4%
Operating income attributable to ordinary equity holders	3,286.1	3,444.2	+4.8%

Operating Income Composition After Senior Sukuk and PIA Attribution



Source: QIB H1 2026 reviewed financial statements, income statement and quasi-equity attribution statement; analytical allocation calculated from disclosed figures.

3.3 Islamic Profit Attribution and Quasi-Equity

QAR million	H1 2025	H1 2026	Movement / note
Profit attributed to quasi-equity holders	2,356.7	2,192.8	-7.0%

- Profit attributable to quasi-equity holders declined by 7.0% to QAR 2.19bn in H1 2026 from QAR 2.36bn in H1 2025.
- The allocation represents the portion of the financing and investment income pool attributed to PIA holders rather than retained for the Bank’s equity holders.
- For analytical purposes, this amount is deducted when assessing operating income attributable to ordinary equity holders, net financing margin, cost-to-income and shareholder profitability.
- This treatment provides a more meaningful economic comparison with conventional banks, where the corresponding customer-funding cost is reflected through deposit interest expense.

Source: QIB H1 2026 reviewed financial statements, Statement of Income and Attribution Related to Quasi-Equity.

3.4 Net Financing Margin, Guidance and Operating Efficiency

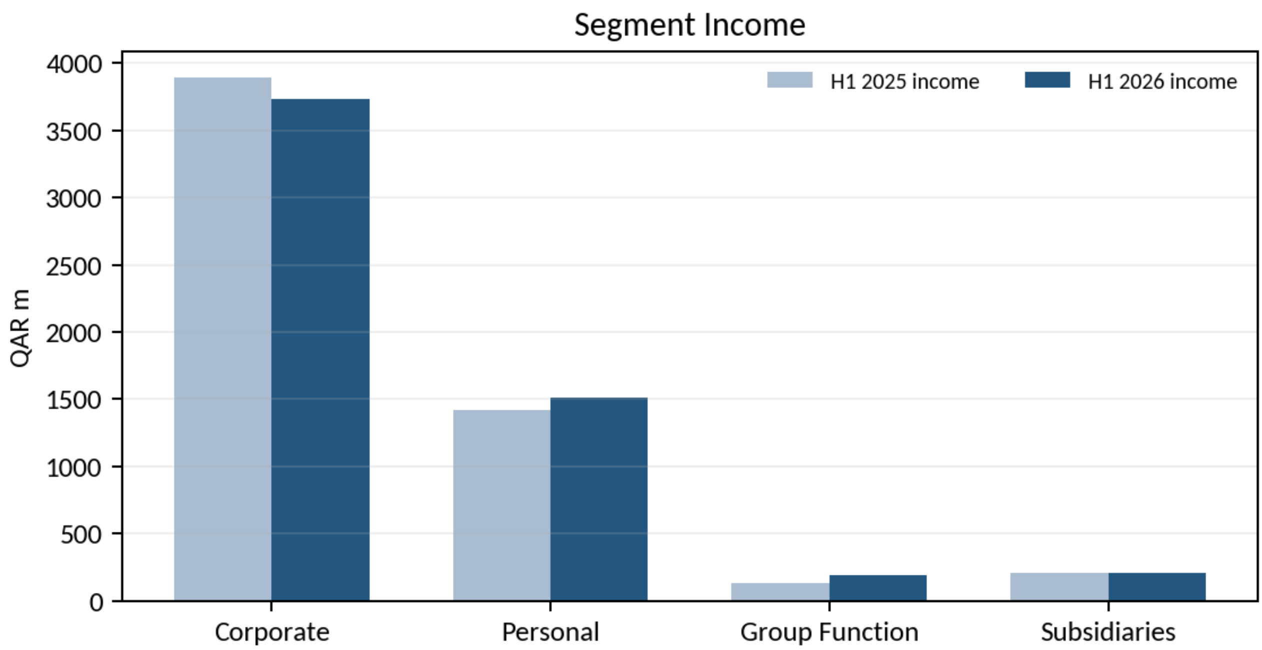
Ratio / guidance	H1 2025	H1 2026 / FY2026 guidance	Definition / interpretation
Net financing margin – calculated analytical basis	3.03%	2.52%	Financing income less senior sukuk cost and quasi-equity attribution / average net financing assets plus due from banks; investment income excluded.
Cost-to-income after quasi-equity attribution	16.36%	16.42%	Operating expenses / owner operating income after quasi-equity attribution.
Published ROAE	15.2%	14.2%	QIB published methodology.
Ordinary shareholder ROAE – calculated	15.75%	14.77%	Annualised interim ordinary earnings / average ordinary equity; no interim AT1 accrual.
Published cost of risk	0.49%	0.39%	QIB presentation basis.
Financing growth guidance	–	10%–11% ex-acceptances	Management commentary during QIB's H1 2026 earnings call on 21 July 2026; prior guidance was approximately 6%.
NIM guidance	–	Down 4–6bps vs 2025	Management commentary during the 21 July 2026 earnings call; reflects expected asset/funding mix and repricing effects.
Fee / opex guidance	–	Fees +4%–5%; opex ~+5%	Management commentary during the 21 July 2026 earnings call; cost-to-income guidance 16.5%-17.0%.

During QIB's H1 2026 earnings call, management stated that approximately QAR 8.96bn of acceptances at June 2026 were non-profit-bearing and linked to seven-year non-resident deposits. For margin analysis, management indicated that the acceptances and corresponding liability should be excluded because the acceptance asset itself does not generate financing income. Economically, however, the programme may still affect profitability through ECL charges, regulatory-capital consumption and the cost of the associated long-term funding. The seven-year deposits may provide a stable source of funding that can be deployed into income-generating assets, but the net benefit depends on the spread earned after funding cost, credit cost and capital usage. Meanwhile, management also raised FY2026 financing-growth guidance to approximately 10–11% excluding acceptances, while expecting modest margin compression versus 2025.

Source: QIB H1 2026 earnings call, 21 July 2026, management Q&A; transcript published by Investing.com.

3.5 Segment Revenue and Profitability

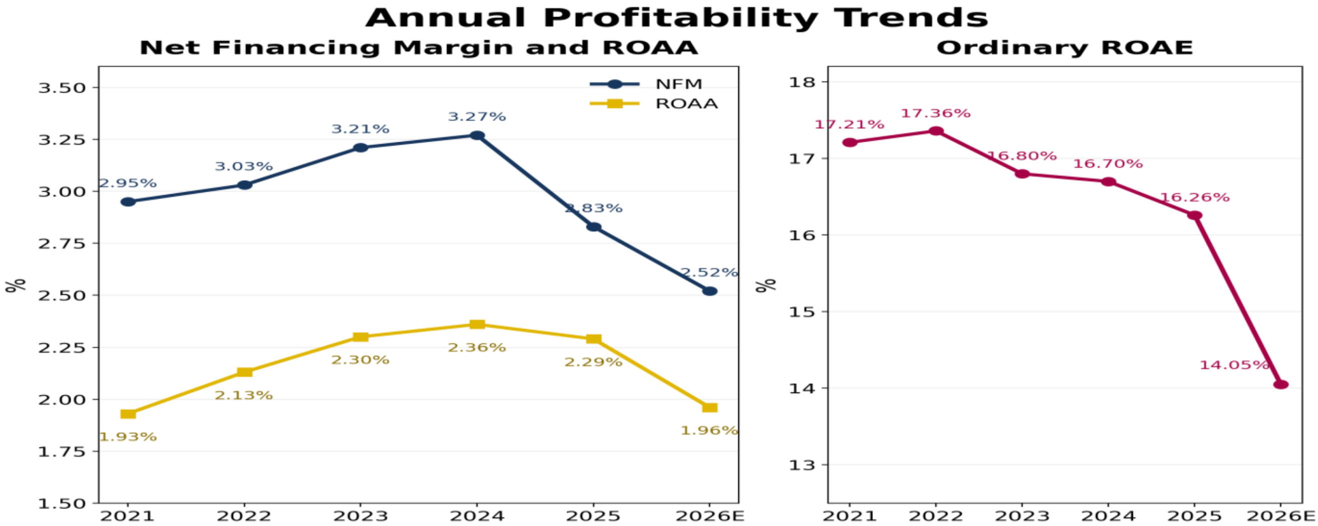
Segment	H1 2025 income	H1 2026 income	YoY	H1 2025 profit	H1 2026 profit	YoY
Corporate Banking	3,889.6	3,731.6	-4.1%	642.7	694.6	+8.1%
Personal Banking	1,417.1	1,508.9	+6.5%	882.2	939.8	+6.5%
Group Function	133.6	190.4	+42.5%	848.7	854.0	+0.6%
Subsidiaries	202.5	206.1	+1.8%	23.4	17.0	-27.3%
Pillar Two tax/provision adjustment	–	–	–	(233.6)	(280.0)	+19.9%
Group net profit for the period	–	–	–	2,163.4	2,225.4	+2.9%



Source: QIB H1 2026 reviewed financial statements, segment information.

3.6 Annual Profitability Trends

Year	Total income	Ordinary profit	Net financing margin	ROAA	Ordinary ROAE	Cost/income
2021	7.68	3.36	2.95%	1.93%	17.21%	18.12%
2022	8.55	3.82	3.03%	2.13%	17.36%	17.43%
2023	10.74	4.09	3.21%	2.30%	16.80%	17.13%
2024	11.75	4.39	3.27%	2.36%	16.70%	17.00%
2025	11.37	4.62	2.83%	2.29%	16.26%	16.27%
FY2026E	11.27	4.23	2.52%	1.96%	14.05%	16.42%

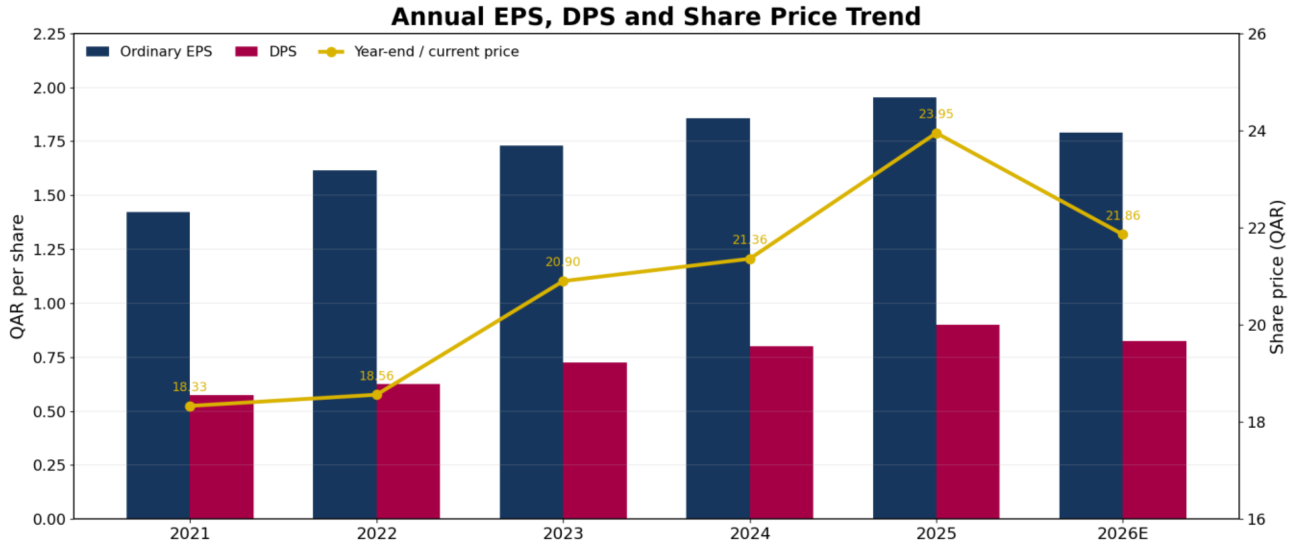


Annual profitability remained strong through FY2025, but the trend shows clear normalization in FY2026E. Net financing margin declined from 3.27% in 2024 to 2.83% in 2025 and 2.52% in FY2026E, while ROAA and ordinary ROAE also moderated. The valuation therefore uses a formula-driven sustainable ROE of 14.57%, rather than mechanically capitalising peak historical returns.

3.7 Dividends and Shareholder Returns

Year	Interim DPS	Final / additional DPS	Total DPS	Ordinary EPS	Ordinary payout	Year-end / current price
2021	-	0.575	0.575	1.422	40.5%	18.33
2022	-	0.625	0.625	1.616	38.7%	18.56
2023	-	0.725	0.725	1.729	41.9%	20.90
2024	0.250	0.550	0.800	1.856	43.1%	21.36
2025	0.400	0.500	0.900	1.954	46.1%	23.95
FY2026E / current	No interim declared	Not declared	0.825 analytical	1.791	43.69% valuation assumption	21.86

Note: The 43.69% valuation payout assumption is applied to normalized ordinary EPS of QAR 1.889; the implied payout against the QAR 1.791 FY2026E run-rate EPS shown in the table is 46.1%.



Source: QIB FY2021–FY2025 audited financial statements; QIB official 2024 and 2025 interim-dividend announcements; Qatar Stock Exchange year-end prices; H1 2026 results disclosures.

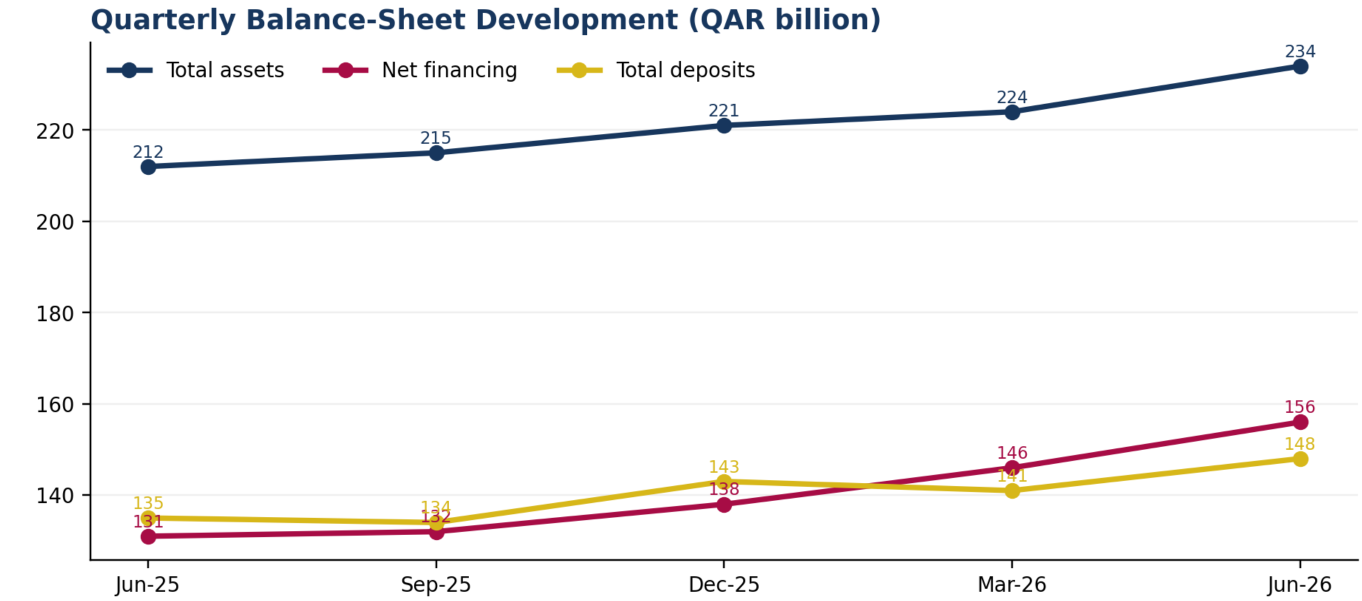
QIB's annual cash dividend increased from QAR 0.575 per share in 2021 to QAR 0.90 per share in 2025. Interim distributions are a recent two-year practice. The Board authorized QAR 0.25 per share on 16 July 2024 and QAR 0.40 per share on 16 July 2025; the necessary approvals were announced on 21 July 2024 and QCB approval on 28 July 2025, respectively. Both interim dividends were paid. Management indicated during QIB's H1 2026 earnings call on 21 July 2026 that no interim dividend would be paid for H1 2026, describing the decision as prudent amid geopolitical uncertainty. The 43.69% payout assumption is the unrounded FY2023–FY2025 average; applying it to normalized ordinary EPS of QAR 1.889 produces an analytical DPS cross-check of QAR 0.825, not a declared dividend forecast.

Source: QIB FY2021–FY2025 audited financial statements; QIB Board authorization announcements dated 16 July 2024 and 16 July 2025; approval notices dated 21 July 2024 and 28 July 2025; QIB H1 2026 results disclosures; QIB H1 2026 earnings call, 21 July 2026.

4. FINANCIAL POSITION, FUNDING AND CASH FLOW

4.1 Balance Sheet Development

QAR bn	Jun 2025	Jun 2026	Dec 2025	Change vs Dec 2025
Cash and balances with central banks	8.47	7.61	8.97	-15.2%
Due from banks	1.21	2.01	5.80	-65.4%
Net financing assets	130.77	156.41	138.48	+12.9%
Investment securities	60.10	60.43	60.25	+0.3%
Investment in associates	1.13	2.15	2.13	+0.6%
Investment properties, fixed and other assets	10.40	5.45	5.42	+0.5%
Total assets	212.07	234.05	221.05	+5.9%
Due to banks	24.23	25.36	24.01	+5.6%
Customer current accounts	16.95	18.77	17.22	+9.0%
Senior sukuk financing	13.75	13.85	11.07	+25.0%
Other liabilities	6.39	11.82	9.49	+24.5%
Participatory investment accounts and reserve	118.08	129.51	125.51	+3.2%
Equity attributable to ordinary shareholders	28.09	30.62	29.62	+3.4%
AT1 sukuk and NCI	4.59	4.12	4.12	+0.0%
Total liabilities, quasi-equity and equity	212.07	234.05	221.05	+5.9%



Balance-sheet growth was led by net financing assets, while cash and interbank placements declined. QIB-defined customer deposits comprise current accounts plus PIAs. The simple analytical net-financing-to-customer-funding ratio was approximately 105.5% at June 2026. This is distinct from QIB's disclosed QCB regulatory financing-to-deposit ratio of 95.1%, which includes regulatory adjustments and acceptances in the numerator and customer deposits plus sukuk issued in the denominator.

QCB financing-to-deposit ratio	2022	2023	2024	2025	Jun-2026	Regulatory maximum
Reported ratio	97.8%	90.0%	95.5%	96.5%	95.1%	100.0%

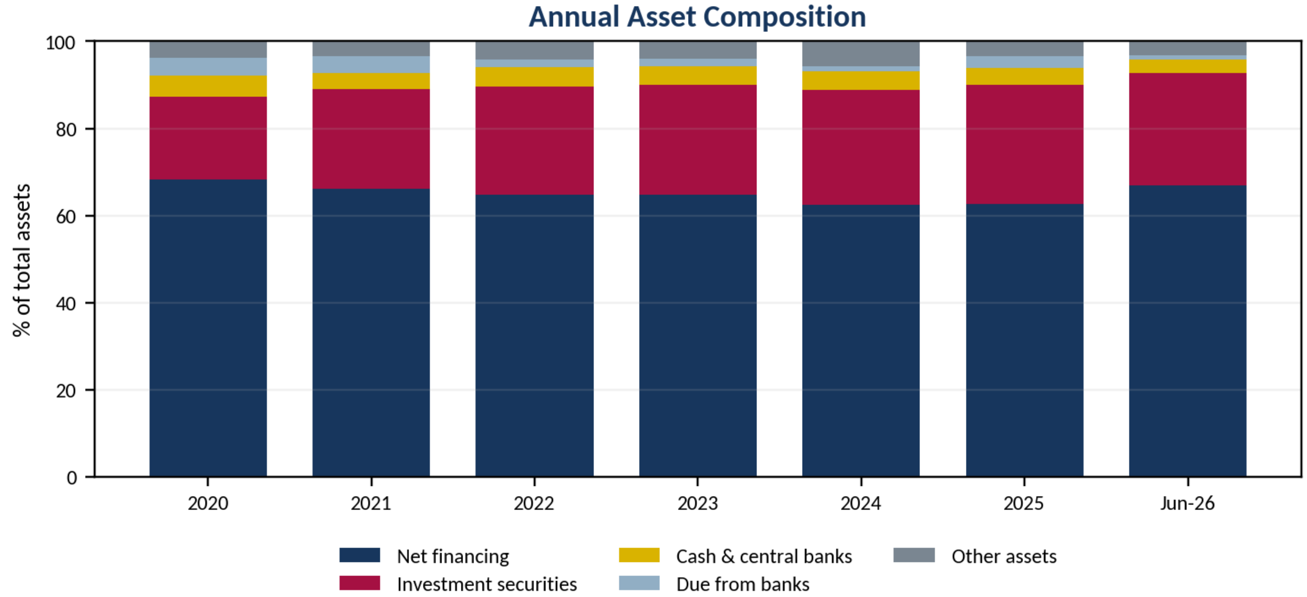
QCB prescribes a maximum financing-to-deposit ratio of 100%, calculated using adjusted financing facilities (including acceptances) relative to customer deposits plus sukuk issued.

Definition: (total facilities - specific provisions - suspended profit - unearned income + acceptances) / (customer deposits + sukuk issued).

Source: QIB June 2026 Results Presentation; QIB December 2025 Results Presentation (QCB prudential regulatory framework).

Annual Asset Composition

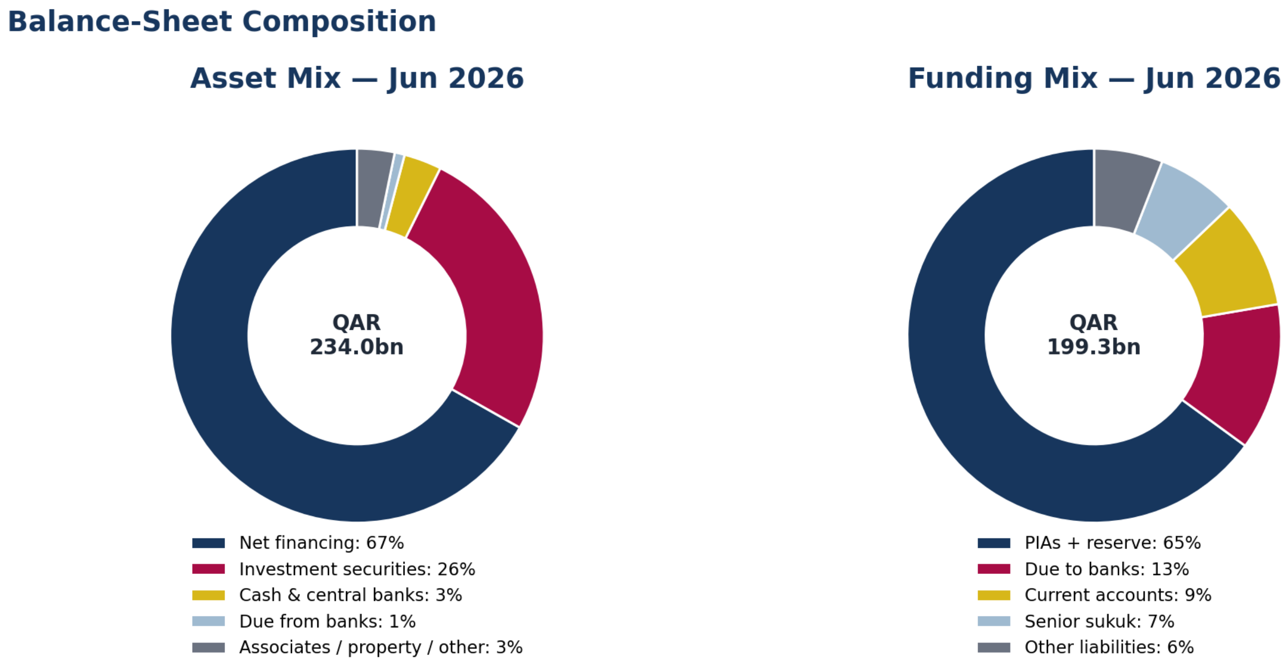
QAR bn	2020	2021	2022	2023	2024	2025	Jun-26
Cash and central banks	8.36	7.18	7.95	8.04	8.68	8.97	7.61
Due from banks	6.91	7.46	3.19	3.26	2.49	5.80	2.01
Net financing assets	119.07	128.41	119.28	122.38	125.27	138.48	156.41
Investment securities	33.25	44.38	45.77	48.01	53.01	60.25	60.43
Other assets	6.77	6.50	7.81	7.47	11.33	7.55	7.60
Total assets	174.36	193.92	184.00	189.16	200.78	221.05	234.05



Source: QIB audited financial statements FY2020–FY2025 and QIB H1 2026 reviewed financial statements. Other assets comprise associates, investment properties, fixed and intangible assets, and other assets.

4.2 Funding Structure and Participatory Investment Accounts

Funding item	Accounting class	Jun 2026	Analytical treatment
Participatory investment accounts	Quasi-equity	QAR 129.39bn	Unrestricted investment accounts; term, savings and call balances.
Reserves attributable to quasi-equity	Quasi-equity	QAR 0.12bn	Presented with PIAs, not ordinary equity.
Customer current accounts	Liability	QAR 18.77bn	Non-profit-bearing current-account funding.
Due to banks	Liability	QAR 25.36bn	Includes Wakala and commodity Murabaha instruments.
Senior sukuk financing	Liability	QAR 13.85bn	Profit cost deducted in the financing and investing spread.
AT1 sukuk	Equity / regulatory capital	QAR 4.00bn	Excluded from ordinary BVPS and RIM opening equity.



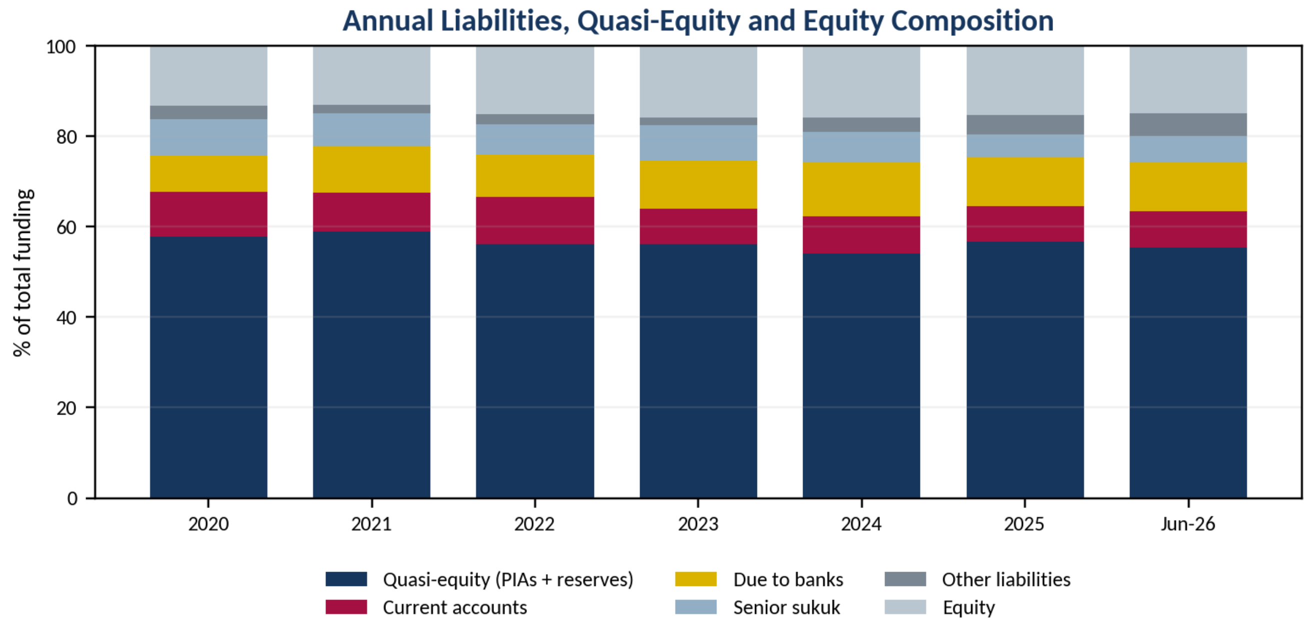
Source: QIB H1 2026 reviewed financial statements; percentages calculated from disclosed balances.

PIAs are QIB's principal customer-funding source. The funding-mix donut on this page excludes equity and uses QAR 199.3bn of liabilities and quasi-equity as its denominator; the annual composition on the following page includes equity and therefore uses total balance-sheet funding of QAR 234.05bn. At June 2026, term accounts represented 79.0% of PIA principal, savings accounts 17.7% and call accounts 3.3%. This product mix is relevant to funding stability and pricing, while the profit-sharing arrangements determine the return allocated to PIA holders and consequently influence the operating income attributable to ordinary equity holders.

Source: QIB H1 2026 reviewed financial statements; QIB 2025 audited financial statements, funding notes; QIB June 2026 Results Presentation.

Annual Liabilities, Quasi-Equity and Equity Composition

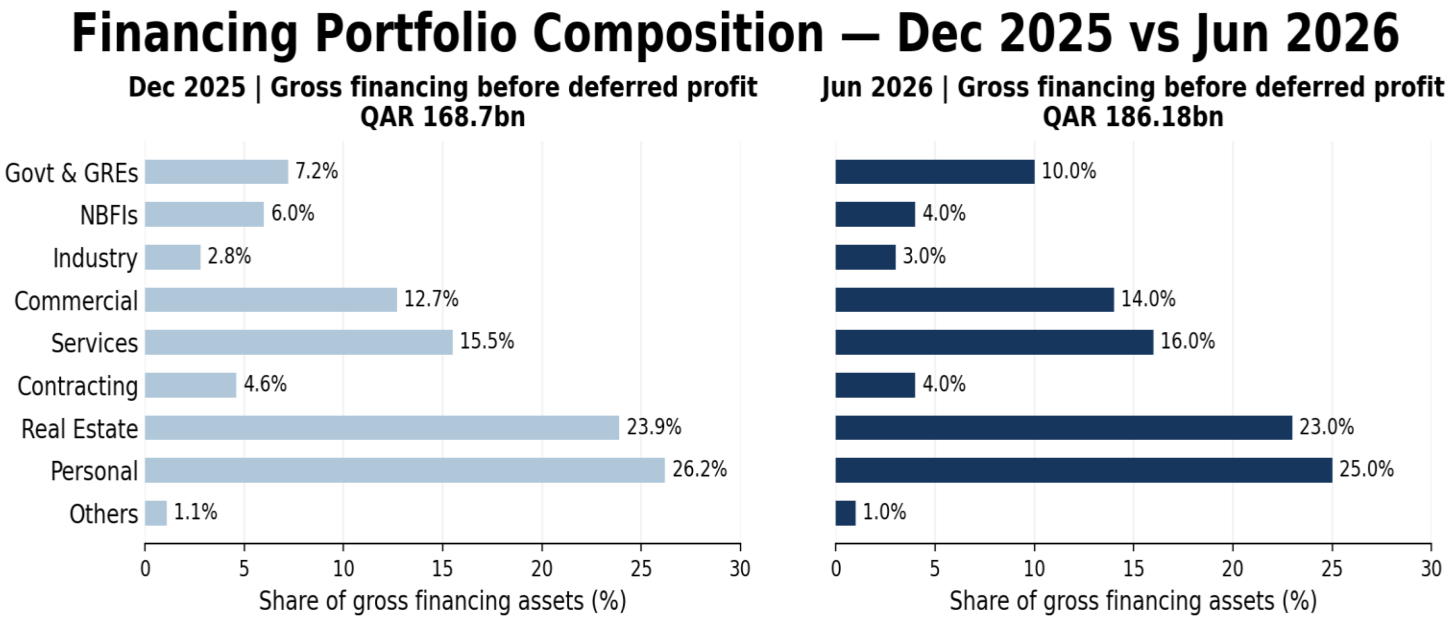
QAR bn	2020	2021	2022	2023	2024	2025	Jun-26
Quasi-equity (PIAs + reserves)	100.73	114.19	103.35	106.19	108.57	125.51	129.51
Current accounts	17.42	16.91	19.02	14.65	16.43	17.22	18.77
Due to banks	13.83	19.86	17.38	20.43	24.02	24.01	25.36
Senior sukuk	14.06	14.06	12.45	14.67	13.74	11.07	13.85
Other liabilities	5.12	3.49	3.87	3.20	6.26	9.49	11.82
Total equity	23.21	25.41	27.93	30.02	31.77	33.75	34.75
Total funding incl. equity	174.36	193.92	184.00	189.16	200.78	221.05	234.05



- Quasi-equity/PIAs remained QIB's largest funding component, accounting for 55.3% of total funding including equity at June 2026, compared with 57.8% in 2020.
- Current accounts represented 8.0% of total funding including equity at June 2026, providing an additional source of relatively low-cost customer funding.
- Due to banks increased to 10.8% of total funding including equity, up from 7.9% in 2020, while senior sukuk represented 5.9%, down from 8.1%.
- Other liabilities increased to 5.1% of total funding including equity, compared with 2.9% in 2020.
- Total equity represented 14.8% of total funding including equity at June 2026, up from 13.3% in 2020, reflecting the Bank's strengthening capital position.
- Overall, total funding including equity increased from QAR 174.4bn in 2020 to QAR 234.1bn at June 2026, with PIAs remaining the dominant source and equity providing a gradually larger share of the funding structure.

Source: QIB audited financial statements FY2020–FY2025 and QIB H1 2026 reviewed financial statements. Quasi-equity comprises participatory investment accounts and reserves attributable to quasi-equity.

4.3 Financing Portfolio Composition



- Gross financing before deferred profit increased by 10.4% to QAR 186.18bn at June 2026 from QAR 168.7bn at December 2025. After deducting QAR 21.70bn of deferred profit, financing exposure used for IFRS 9 staging was QAR 164.48bn at June 2026. Personal and real-estate financing remained the largest exposures, but their combined share eased to 48.0% from 50.1%.
- Government and GRE exposure increased to 10.0% from 7.2%, while commercial exposure rose to 14.0% from 12.7%; services remained broadly stable at 16.0% versus 15.5%, and NBFI exposure declined to 4.0% from 6.0%.
- While QIB does not disclose ECL by financing sector, the shift in portfolio mix toward higher government and GRE exposure may contribute to margin compression given the typically lower yields on these exposures. This could, however, be partially offset by lower credit costs, reflecting the generally stronger credit quality and lower expected loss associated with government and GRE financing.

Source: QIB FY2025 audited financial statements; QIB June 2026 Results Presentation; QIB H1 2026 reviewed financial statements, financing-assets note. Jun-2026 sector shares are as disclosed in the Results Presentation and rounded to whole percentages.

4.4 Cash Flow Analysis

QAR bn	H1 2025	H1 2026	Comment
Net cash used in operating activities	(2.44)	(10.17)	Higher financing growth and operating-balance movements.
Net cash from / (used in) investing activities	(6.93)	0.18	Investment-securities movement normalized from prior-year outflow.
Net cash from financing activities	8.22	5.55	PIA growth and senior sukuk funding, partly offset by dividends.
Net decrease in cash and cash equivalents	(1.15)	(4.44)	Ending cash declined to QAR 3.40bn.

The QAR 10.17bn H1 2026 operating cash outflow primarily reflects financing-led expansion and the resulting movement in operating assets and liabilities. Financing cash inflow included QAR 4.00bn of PIA growth and QAR 2.73bn of net senior sukuk funding, partly offset by QAR 1.18bn of cash dividends. Ending cash and cash equivalents declined to QAR 3.40bn.

Rapid financing growth and the decline in cash and interbank balances warrant monitoring; however, QIB's latest disclosed LCR of 432.6% and NSFR of 124.7% at December 2025 remained comfortably above the 100% regulatory requirements, providing substantial liquidity and stable-funding buffers. Although updated ratios were not disclosed for June 2026, the latest available measures provide comfort regarding QIB's liquidity position, supported further by its large PIA funding base.

Source: QIB H1 2026 reviewed financial statements, consolidated cash-flow statement.

5. ASSET QUALITY, CAPITAL AND LIQUIDITY

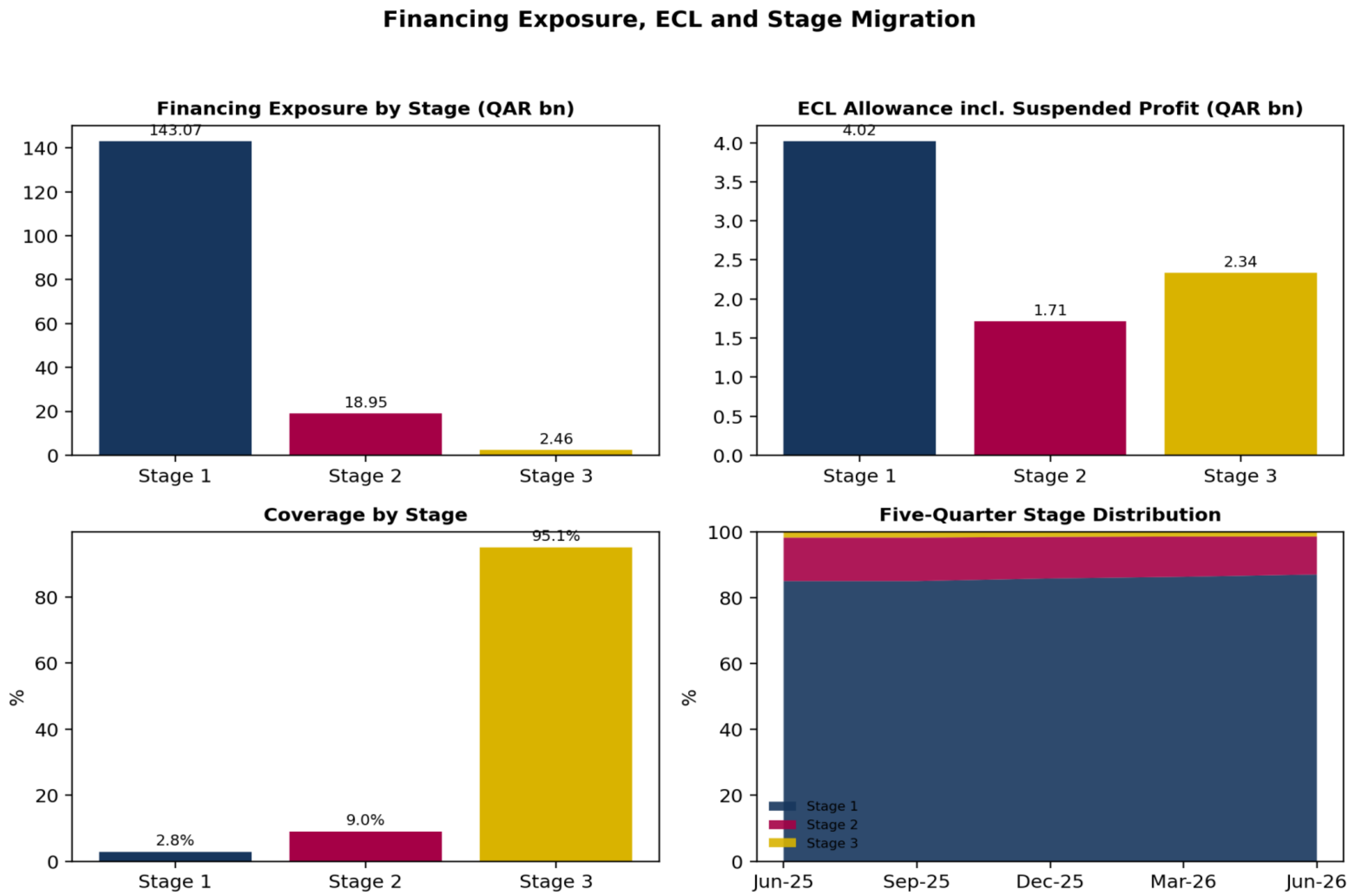
5.1 Non-Performing Financing and Coverage

Metric	H1 2025 / Jun 2025	H1 2026 / Jun 2026	Movement / basis
NPF / Financing Exposure Net of Deferred Profit	1.75%	1.49%	Improved by 26bps year-on-year.
Stage 2 share	13.2%	11.5%	Improved by 1.7 percentage points.
Stage 3 provision coverage	95.10%	95.06%	Broadly stable; includes suspended profit.
Published cost of risk	0.49%	0.39%	Improved by 10bps.
Net financing impairment losses (QAR m)	322.7	301.6	Down 6.5% year-on-year.
Total provisions (QAR m)	315.1	362.5	Up 15.0% due to other impairment.

- QIB maintained strong asset quality in H1 2026, with the non-performing financing (NPF) ratio improving to 1.49% of financing exposure net of deferred profit.
- Stage 3 provision coverage stood at 95.1%, providing substantial provisioning against credit-impaired financing exposures.
- The low NPF ratio, together with strong Stage 3 provision coverage, supports the resilience of QIB's financing portfolio and limits potential pressure from credit impairment on profitability and capital.

Source: QIB H1 2026 reviewed financial statements, financing-assets note; QIB June 2026 Results Presentation.

5.2 Financing Stages, ECL Coverage and Risk-Weighted Assets

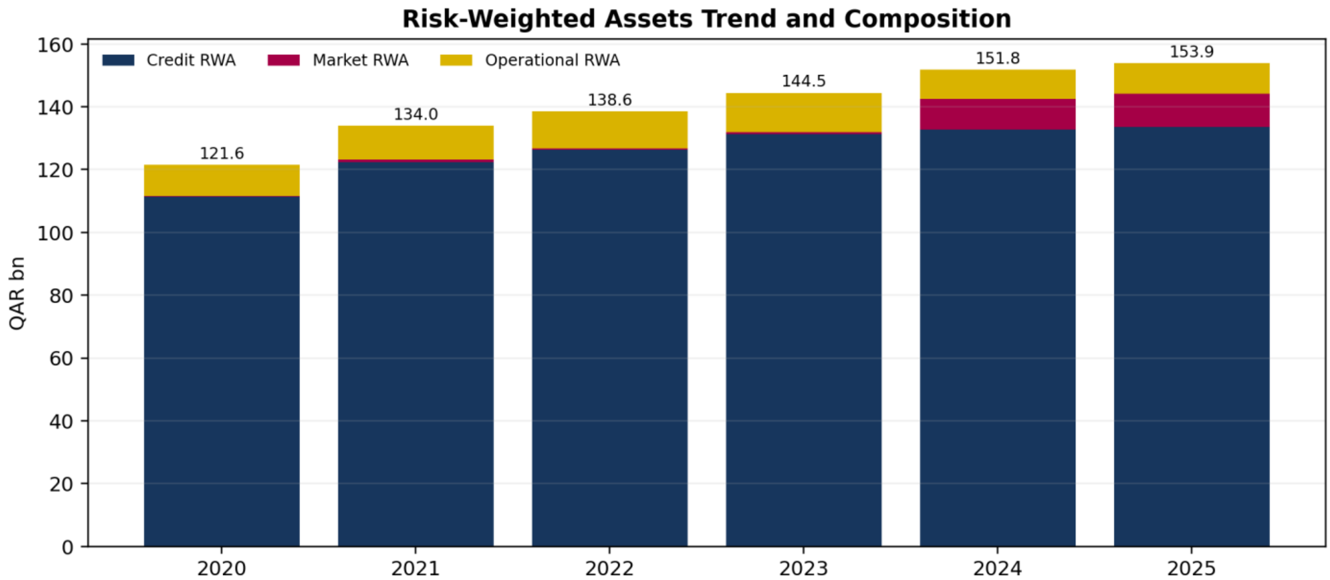


Stage - 30 Jun 2026	Exposure (QAR bn)	Exposure share	Impairment allowance incl. suspended profit where applicable (QAR bn)	Coverage
Stage 1	143.07	87.0%	4.02	2.81%
Stage 2	18.95	11.5%	1.71	9.03%
Stage 3	2.46	1.49%	2.34	95.06%
Total	**164.48**	**100.0%**	**8.07**	**4.90%**

- The five-quarter series shows Stage 1 increasing from 85.0% at June 2025 to 87.0% at June 2026, while Stage 2 declined from 13.2% to 11.5% and Stage 3 declined from 1.75% to 1.49%.
- The increase in government and GRE exposure appears to have contributed materially to the improvement in the financing portfolio's Stage 1 and Stage 2 composition, reflecting the generally stronger credit quality of these exposures. While the precise contribution cannot be quantified without sector-level ECL staging data, the shift in portfolio mix is directionally supportive of the observed improvement in credit-risk staging.

Risk-Weighted Assets

RWA item (QAR bn)	2020	2021	2022	2023	2024	2025	H1 2025	H1 2026
Credit RWA	111.4	122.4	126.3	131.4	132.7	133.5	Not disclosed	Not disclosed
Market RWA	0.3	0.8	0.5	0.7	9.8	10.6	Not disclosed	Not disclosed
Operational RWA	9.9	10.8	11.8	12.4	9.3	9.8	Not disclosed	Not disclosed
Total RWA	121.6	134.0	138.6	144.5	151.8	153.9	154.8	156.1



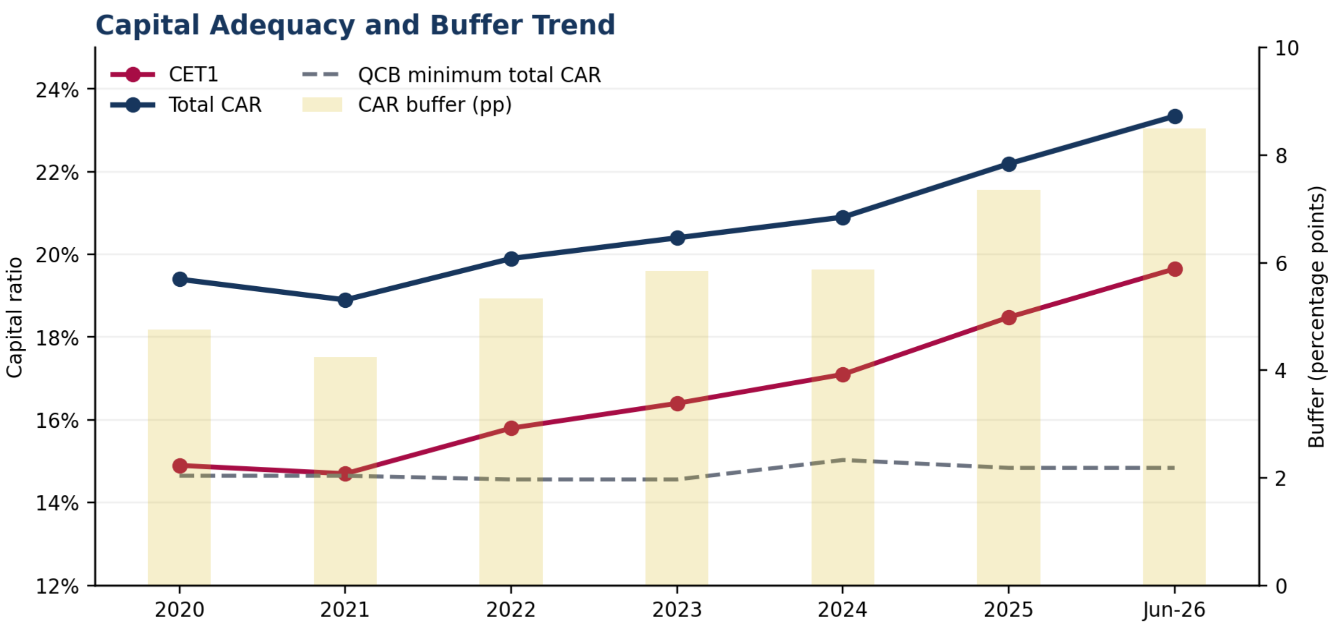
Credit risk remains the dominant RWA component. QIB did not separately disclose credit, market and operational RWA components for H1 2025 or H1 2026; only total RWA is presented for those interim dates. The sharp change in component RWA from 2023 to 2024 partly reflects the revised QCB Basel III framework, effective from 1 January 2024 under QCB Circular 33/2022 and first reported by QIB at 31 March 2024; it should not be interpreted solely as a change in the underlying risk profile.

Source: QIB H1 2026 reviewed financial statements, Notes 19 and 20; QIB June 2026 Results Presentation; QIB FY2020–FY2025 audited capital disclosures.

5.3 Capital Adequacy and Liquidity

Metric	Dec 2025	Jun 2026	Movement
CET1 ratio	18.48%	19.65%	+117bps
Tier 1 ratio	21.08%	22.21%	+113bps
Total capital ratio	22.19%	23.34%	+115bps
QCB minimum total capital requirement	14.84%	14.84%	Unchanged
Buffer over QCB minimum	7.35pp	8.50pp	+115bps

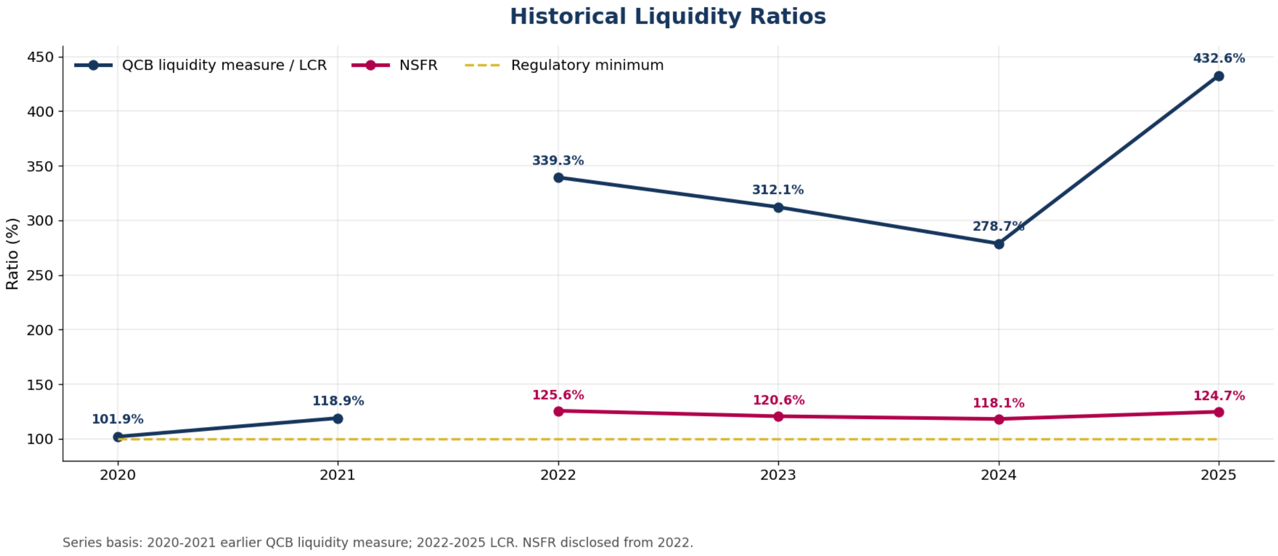
Period	CET1	Total CAR	QCB minimum total CAR	Buffer
2020	14.90%	19.40%	14.65%	4.75pp
2021	14.70%	18.90%	14.65%	4.25pp
2022	15.80%	19.90%	14.56%	5.34pp
2023	16.40%	20.40%	14.56%	5.84pp
2024	17.10%	20.90%	15.03%	5.87pp
2025	18.48%	22.19%	14.84%	7.35pp
Jun 2026	19.65%	23.34%	14.84%	8.50pp



Source: QIB FY2020–FY2025 audited financial statements and H1 2026 reviewed financial statements; reported regulatory ratios and QCB minimums.

Year	LCR / QCB liquidity measure	NSFR	Minimum	LCR buffer	NSFR buffer
2020	101.9%	Not disclosed	100%	1.9pp	–
2021	118.9%	Not disclosed	100%	18.9pp	–
2022	339.3%	125.6%	100%	239.3pp	25.6pp
2023	312.1%	120.6%	100%	212.1pp	20.6pp
2024	278.7%	118.1%	100%	178.7pp	18.1pp
2025	432.6%	124.7%	100%	332.6pp	24.7pp

- NSFR was not separately disclosed in QIB's FY2020 and FY2021 public financial statements; the Bank disclosed only its QCB liquidity ratio for those periods. Explicit LCR and NSFR disclosure is available from 2022 onward.



Source: QIB FY2021, FY2023 and FY2024 audited financial statements; QIB December 2025 Results Presentation; QIB 2025 Pillar III disclosures. The paired LCR/NSFR public series begins in 2022.

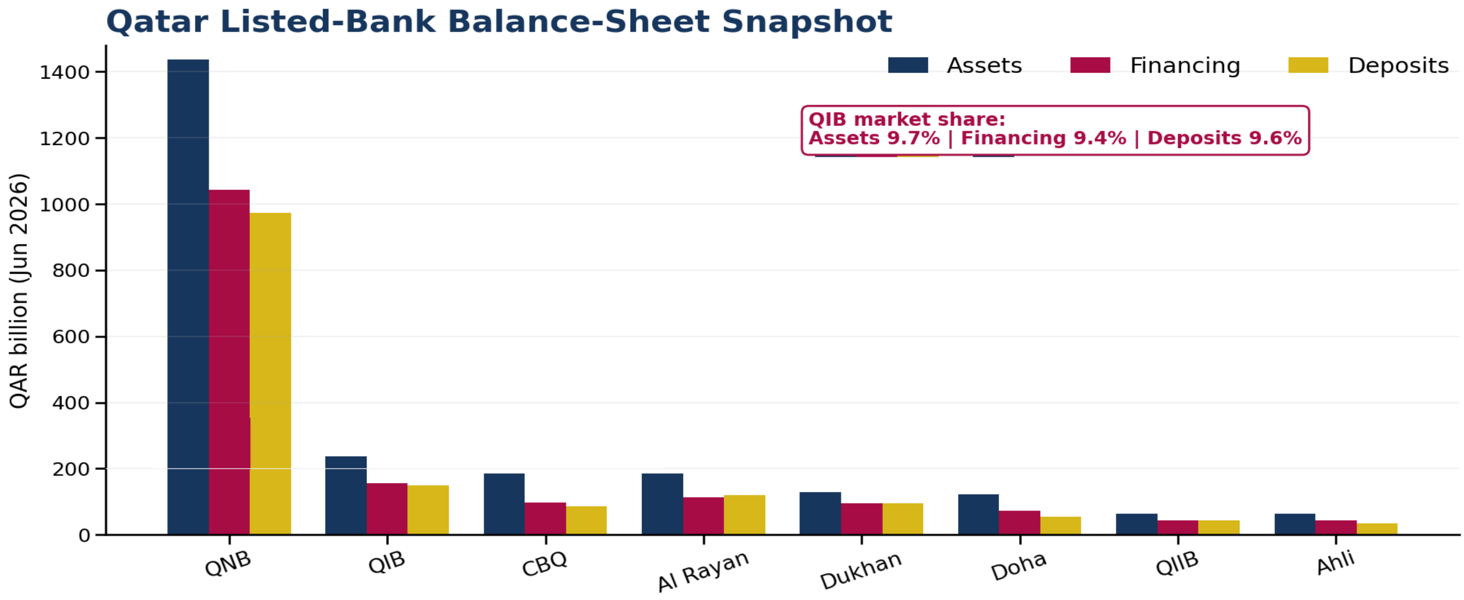
- QIB maintains liquidity substantially above regulatory requirements, with the 2025 LCR at 432.6% and NSFR at 124.7%, both comfortably above the 100% minimum.
- The very high LCR reflects a combination of substantial high-quality liquid assets and a favourable profile of stressed short-term net cash outflows.
- The NSFR of 124.7% indicates a more moderate structural funding surplus, showing that QIB has a stable funding base comfortably supporting its asset profile and financing activities.
- The strong liquidity position materially enhances balance-sheet resilience, reduces refinancing and liquidity risk, and supports depositor, creditor and rating-agency confidence.
- The trade-off is that holding a large pool of lower-yielding liquid assets can create an opportunity cost relative to deploying those funds into higher-yielding financing assets.
- Excess liquidity can therefore constrain net financing margin, ROA and potentially ROE if a significant portion of the balance sheet remains invested in relatively low-return liquid assets.
- This profitability impact is partly offset by lower funding-risk premiums, reduced reliance on more expensive wholesale funding and greater flexibility to respond quickly to financing opportunities.

Potential upside: QIB's exceptionally strong liquidity position gives the Bank scope to redeploy part of its liquidity surplus into higher-yielding financing assets while still maintaining comfortable regulatory buffers. Successful deployment could support stronger net financing margin, ROA and sustainable ROE, providing upside to earnings and valuation without materially weakening the Bank's liquidity profile.

6. MACRO AND SECTOR ENVIRONMENT

6.1 Qatar Banking Environment

Qatar Banking Sector Structure and QIB Positioning		
Sector indicator	**Position at 30 June 2026**	**QIB / valuation relevance**
Banking-system structure	18 banks: 4 local Islamic, 6 local conventional, 7 foreign and 1 development bank	Distinct Islamic segment; conventional banks cannot offer Sharia-compliant financing.
Listed-bank total assets	QAR 2.419tn	Large, concentrated system with strong domestic public-sector linkage.
QIB share of eight listed banks	Assets 9.7%; financing 9.4%; deposits 9.6%	Second-largest domestic bank and largest listed Islamic bank.
Listed Islamic-bank position	38.3% of listed Islamic-bank assets	Scale supports franchise economics and funding access.
Regulatory framework	QCB Basel III prudential framework, including capital, liquidity and large-exposure/concentration requirements.	Prudential requirements constrain leverage, liquidity deployment and borrower concentration across the sector; QIB's strong capital position provides capacity for financing growth while remaining comfortably within regulatory requirements.



Source: H1 2026 official financial disclosures of the eight listed commercial banks; data as of 30 June 2026.

Current Macro and Sector Drivers		
Factor	**Current context**	**QIB relevance**
2026 macro shock	QatarEnergy ceased LNG production on 2 March 2026 following military attacks, declared force majeure on 4 March, and later reported damage reducing LNG export capacity by approximately 17%.	Near-term growth, fiscal visibility, liquidity flows and project execution are materially less certain than in pre-conflict forecasts.
Growth outlook	The IMF July 2026 update projects a sharp 2026 contraction for Qatar followed by a strong 2027 rebound as energy production and transport normalize.	Supports a cautious near-term credit and margin view while preserving the long-term resource and reconstruction opportunity.
Sovereign / banking ratings	Fitch placed Qatar and Qatari banks on Rating Watch Negative; QIB remains A/F1/RWN.	Increases wholesale-funding and equity-risk sensitivity; reflected through the 50bp overlay.
Monetary conditions	QAR profit-rate conditions remain linked to US dollar rates under the exchange-rate framework.	Affects financing yields, PIA distributions and wholesale funding costs.
Structural buffers	Qatar retains substantial sovereign financial assets, strategic LNG resources and a large long-term project pipeline.	Provides capacity to absorb part of the shock, but does not eliminate near-term operating and concentration risks.
Key sensitivities	Domestic concentration, government/GRE activity, hydrocarbon-related fiscal and deposit flows, and external funding conditions	These factors influence system liquidity, financing growth, funding costs and asset quality, supporting prudent near-term assumptions despite Qatar's strong structural buffers.

Valuation implication: QIB's strong domestic franchise, scale and capital position provide structural support to valuation, while near-term macroeconomic, concentration, funding and rating uncertainties support prudent sustainable-ROE and cost-of-equity assumptions.

Source: QIB June 2026 Results Presentation; Qatar Central Bank regulatory framework; QatarEnergy statements dated 2, 4 and 18–19 March 2026; IMF July 2026 World Economic Outlook Update; World Bank Qatar Macro Poverty Outlook; Fitch sovereign and banking-sector actions.

6.2 Islamic Banking Considerations

- **PIA funding economics:** A significant portion of QIB's customer funding is held through participatory investment accounts (PIAs). Unlike conventional interest-bearing deposits, returns to PIA holders are derived from the profits generated by the underlying financing and investment pool and allocated under the Islamic profit-sharing structure. Economically, PIAs perform a customer-funding role, but their profit attribution affects the amount of financing income ultimately retained for QIB's shareholders and therefore the Bank's net financing margin.
- **Profit-sharing and margin transmission:** Because the return attributed to PIA holders is linked to the performance and allocation of the underlying profit pool rather than a fixed contractual deposit rate, changes in financing yields and market rates do not necessarily pass through to QIB's funding cost in exactly the same way as for a conventional bank. This can affect the timing and magnitude of margin expansion or compression.

7. SWOT ANALYSIS

7.1 SWOT Matrix

STRENGTHS	WEAKNESSES
• Qatar's largest Islamic bank and a systemically important domestic franchise. • Cost-to-income of 16.4%, among the lowest in the local sector. • Low NPF ratio, improving stage distribution and strong regulatory capital. • Deep PIA funding base, digital capability and strategic shareholder linkage.	• Net financing margin declined to 2.52% on the calculated analytical basis. • Financing growth materially outpaced customer-funding growth. • High concentration in Qatar and in personal/real-estate financing. • FY2026E ordinary ROAE is below recent historical levels.
OPPORTUNITIES	**THREATS**
• Digital retail, transaction services, wealth and fee-income growth. • Selective financing opportunities from infrastructure and long-term national projects. • Capital deployment optionality through dividends, buybacks or selective investments. • Further monetization of the Bank's strong customer and technology franchise.	• Sovereign and bank Rating Watch Negative and associated funding sensitivity. • Further margin pressure from repricing and funding competition. • Geopolitical escalation, wholesale-funding volatility and external-market access. • Credit migration, real-estate concentration and potential for higher impairment.

7.2 Overall Assessment

QIB combines a strong Islamic franchise, exceptional operating efficiency, improving asset-quality indicators and ample capital. The counterweights are lower forward ROAE, margin compression, a faster expansion in financing than customer funding and a materially more uncertain 2026 macro environment. The valuation therefore retains QIB's historical market benchmarks but anchors the intrinsic method to normalized profitability, a 50bp sovereign/rating overlay and conservative long-term residual-income assumptions.

Source: QIB audited and reviewed financial statements and official investor disclosures; QatarEnergy and IMF macro updates; Fitch rating actions.

8. VALUATION METHODOLOGY AND FAIR VALUE CONCLUSION

8.1 Valuation Framework and Method Weights

Method	Weight	Role
Residual Income Method	40%	Values ordinary equity as current book value plus the present value of future returns earned above the cost of equity.
Historical P/B	30%	Applies QIB's own FY2023–FY2025 average P/B to current ordinary BVPS.
Historical P/E	30%	Applies QIB's own FY2023–FY2025 average P/E to normalized ordinary EPS.

The methodology is designed for a regulated bank whose value creation is driven by ordinary book equity, sustainable ROE and distributable earnings. The report does not issue a BUY/HOLD/SELL recommendation; it presents a fair-value conclusion and range. The historical P/B method is retained solely as QIB's own historical market-reference anchor. As a valuation cross-check, the QAR 20.71 RIM fair value corresponds to approximately 1.60x current ordinary BVPS, compared with the 1.905x historical P/B anchor and approximately 1.73x implied by the blended fair value. This illustrates the more conservative forward-looking valuation embedded in the RIM relative to QIB's historical market-rating anchor.

8.2 Key Valuation Inputs

Input	Value	Basis / comment
Current market price	QAR 21.86	Closing price on 2 August 2026; market data extracted 4 August 2026.
Ordinary BVPS	QAR 12.959	Ordinary equity at 30 June 2026 / ordinary shares.
Normalized ordinary EPS	QAR 1.889	60% FY2025 audited ordinary EPS and 40% annualized FY2026E ordinary EPS.
Risk-free rate	4.50%	Qatar 10-year government yield observation retained for the valuation.
Qatar total equity risk premium	4.87%	Includes approximately 0.64% Qatar country-risk premium.
Raw / Blume-adjusted beta	1.25 / 1.1675	Internal three-year QIBK market beta; Blume-adjusted using 0.67 × raw beta + 0.33 × 1.00. Supporting price-series workpaper retained separately.
Sovereign/rating overlay	0.50%	Judgmental overlay distinct from the country-risk premium embedded in ERP.
Cost of equity	10.69%	CAPM plus overlay.
Long-term residual-income growth	3.00%	Growth in residual income, not earnings or book value.
Valuation payout assumption	43.69%	Unrounded FY2023–FY2025 average.
FY2023–FY2025 average P/E / P/B anchor	11.95x / 1.905x	QIB own FY2023–FY2025 average multiples.
Sustainable ROE	14.57%	Forward normalized ordinary EPS / opening/current ordinary BVPS.
FY2023–FY2025 average ordinary ROAE	16.59%	Historical profitability context for the 1.905x average P/B anchor; not a forward valuation assumption.
Ordinary shares outstanding	2,362,932,000	H1 2026 weighted-average ordinary shares; consistent with issued ordinary shares and no potentially dilutive shares outstanding.

Sovereign / geopolitical / rating uncertainty overlay: A 50bp judgmental adjustment is applied to the cost of equity to reflect elevated sovereign, geopolitical and rating uncertainty at the valuation date. For this QAR-denominated equity valuation, the 4.50% Qatar sovereign yield is used as the domestic risk-free benchmark; while that yield inherently reflects Qatar sovereign credit conditions, the 4.87% total equity risk premium separately includes approximately 0.64% Qatar country-risk premium. The additional 50bp overlay is intended to capture exceptional uncertainty incremental to, rather than duplicate, the sovereign benchmark or the country-risk component embedded in the ERP.

The 60% FY2025 weight reduces reliance on annualized interim results, while the 40% FY2026E weight incorporates the current earnings run-rate and management guidance.

Source: QIB audited and reviewed financial statements; Qatar Stock Exchange Market Watch; Damodaran January 2026 country-risk dataset; Qatar government-yield observation; internal beta workpaper.

8.3 Residual Income Method

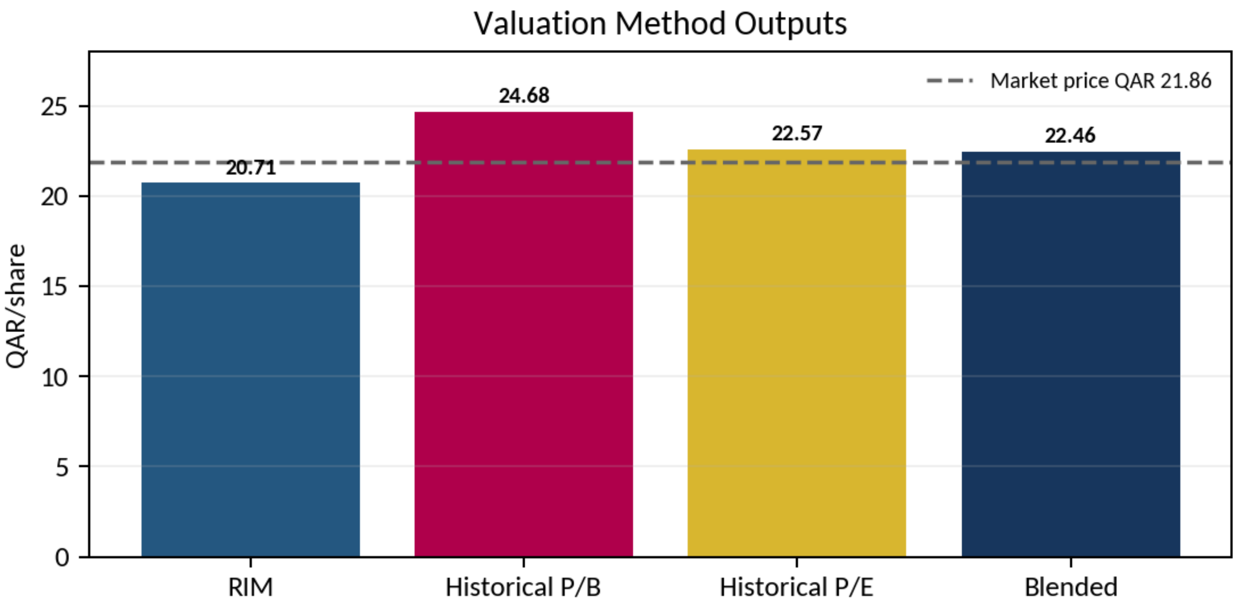
Metric / year	Year 1	Year 2	Year 3	Year 4	Year 5
Beginning BVPS	12.96	14.02	15.17	16.42	17.77
Forecast ROE	14.57%	14.57%	14.57%	14.57%	14.57%
EPS	1.89	2.04	2.21	2.39	2.59
Dividend per share	0.83	0.89	0.97	1.05	1.13
Residual income / share	0.50	0.55	0.59	0.64	0.69
PV residual income	0.455	0.445	0.435	0.425	0.416

RIM component	QAR/share
Opening ordinary BVPS	12.959
PV explicit residual income	2.176
PV terminal residual income	5.572
RIM fair value	20.71

Terminal interpretation: the 3.0% perpetual rate applies to year-five residual income. Because book value continues to compound through retained earnings, this implies a gradual fade in ROE toward the cost of equity beyond the explicit period, rather than perpetual maintenance of the 14.57% explicit-period ROE. The 3.0% rate is not an earnings or book-value growth forecast.

8.4 Fair Value Conclusion and Range

Method	Standalone fair value	Weight	Weighted contribution
Residual Income Method	QAR 20.71	40%	QAR 8.283
Historical P/B	QAR 24.68	30%	QAR 7.405
Historical P/E	QAR 22.57	30%	QAR 6.771
Blended base fair value	QAR 22.46	100%	QAR 22.46



A symmetric ±10% uncertainty band is applied to the blended base fair value, consistent with the established fair-value-range methodology. This produces a QAR 20.21–24.70 fair-value range around the QAR 22.46 base conclusion. The range is an uncertainty band around the blended conclusion, not a separate change to P/B, P/E or RIM assumptions. It does not represent a probability-weighted forecast.

Base fair value QAR 22.46 | Range QAR 20.21–24.70 | Market price QAR 21.86 | Base implied upside 2.74%

8.5 Market Multiples and Trading Context

Metric	Current / calculated	Interpretation
Closing price	QAR 21.86	Close on 2 August 2026.
52-week range	QAR 20.90–25.49	Observed from QSE Market Watch on 4 August 2026.
Current P/E	11.07x	TTM ordinary EPS equals FY2025 ordinary earnings after the annual AT1 distribution, less H1 2025 attributable earnings and plus H1 2026 attributable earnings. The trailing period therefore includes one annual AT1 distribution; 11.07x is below the FY2023–FY2025 average of 11.95x.
Current P/B	1.687x	Below QIB's FY2023–FY2025 average trading multiple of 1.905x.
Indicative FY2025 dividend yield	4.12%	FY2025 DPS / current price.

The current P/E and P/B are compared with QIB's own FY2023–FY2025 average trading multiples. These are historical market anchors, not future targets. QIB's FY2023–FY2025 average ordinary ROAE was 16.59%, compared with the 14.57% forward sustainable ROE used in the valuation. The lower current P/B may therefore reflect either valuation headroom or the market's recognition of lower forward ROAE, margin pressure and geopolitical uncertainty; the comparison provides context but does not determine fair value independently. Accordingly, the 1.905x historical P/B is retained as an own-company historical market-reference anchor rather than a forward justified P/B; the lower forward ROE is captured through the Residual Income Method, which carries a 40% weight. This report does not include a listed-bank peer trading comparison; the P/E and P/B market-reference anchors are derived solely from QIB's own FY2023–FY2025 trading history and are not benchmarked against other Qatari listed banks.

Source: Qatar Stock Exchange Market Watch; QIB FY2023–FY2025 audited financial statements and year-end market prices.

RIM Sensitivity Cross-Check

CoE \ terminal RI growth	2.0%	2.5%	3.0%	3.5%
9.69%	23.03	23.57	24.20	24.92
10.19%	21.43	21.85	22.33	22.88
10.69%	20.02	20.34	**20.71**	21.12
11.19%	18.76	19.01	19.29	19.60
11.69%	17.64	17.83	18.03	18.27

Note: Row labels are rounded; calculations use the model's base CoE of 10.69% and vary CoE by ±50/100bps while holding all other inputs constant. Across the full grid, RIM ranges from QAR 17.64 to QAR 24.92; with RIM at a 40% weight and P/B and P/E outputs held constant, the corresponding blended fair-value range is approximately QAR 21.23–24.14. The base case remains QAR 20.71 RIM and QAR 22.46 blended fair value.

Sustainable ROE Sensitivity Cross-Check

Sustainable ROE	RIM FV	P/E FV	Blended FV	Implied vs market
13.57%	18.61	21.02	21.16	-3.2%
14.57%	**20.71**	**22.57**	**22.46**	**+2.7%**
15.57%	22.87	24.12	23.79	+8.8%

Note: Uses the model's base sustainable ROE of 14.57% and varies ROE by ±100bps at the base CoE of 10.69% and 3.0% terminal residual-income growth. The historical P/B anchor is held constant; normalized EPS and the P/E output move with ROE. The table is a reference sensitivity only and does not change the QAR 22.46 base fair value. These are one-factor sensitivity analyses rather than comprehensive valuation ranges. Historical-multiple outputs are held constant except where explicitly varied; therefore, simultaneous changes in profitability, cost of equity and market multiples could produce valuation outcomes outside the ranges illustrated.

9. SOURCES AND DISCLAIMER

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إخلاء المسؤولية:

تم إعداد هذا التقرير من قبل شركة قطر للأوراق المالية الخاضعه لرقابة هيئة قطر للأسواق المالية ,أعد هذا التقرير لأغراض معلوماتية فقط، ولا يُقصد به تقديم مشورة إستثمارية شخصية أو توصية بشراء أو بيع أي أوراق مالية أو أي منتجات استثمارية، كما لا يُعد مشورة قانونية أو ضريبية أو محاسبية أو مالية. لا تتحمل شركة قطر للأوراق المالية أي مسؤولية عن أي خسائر أو أضرار أو عواقب، سواء كانت مباشرة أو غير مباشرة، قد تنشأ عن استخدام المعلومات أو الآراء الواردة في هذا التقرير أو الاعتماد عليها. وينبغي على المستثمرين الحصول على مشورة مستقلة من مستشارين مؤهلين في المجالات الاستثمارية والقانونية والضريبية والمالية قبل اتخاذ أي قرار استثماري أو الدخول في أي منتج مالي أو صندوق استثماري.

ورغم أن المعلومات الواردة في هذا التقرير قد جُمعت من مصادر يُعتقد أنها موثوقة، فإن شركة قطر للأوراق المالية لا تضمن دقتها أو اكتمالها أو حداثتها، ولا تقدم أي تعهد أو ضمان، صريحًا أو ضمنيًا، بشأن صحة أو اكتمال أي من المعلومات أو البيانات أو الآراء الواردة فيه.وفيما يتعلق بالتحليل الفني الوارد في التقرير، فإنه يستند إلى البيانات التاريخية للأسعار وأحجام التداول، وقد تختلف نتائجه أو توصياته عن تقارير التحليل الأساسي الصادرة عن شركة قطر للأوراق المالية ولا يُعد الأداء التاريخي مؤشرًا أو ضمانًا للأداء المستقبلي.

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