

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

**INTERIM CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS**

30 JUNE 2026

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
At 30 June 2026

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RN: 203/JK/FY2027

REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION TO THE BOARD OF DIRECTORS OF QATAR ISLAMIC BANK (Q.P.S.C.)

Introduction

We have reviewed the accompanying interim consolidated statement of financial position of Qatar Islamic Bank (Q.P.S.C.) (the “Bank”) and its subsidiaries (the “Group”) as at 30 June 2026, and the related statements of income, comprehensive income, income and attribution related to quasi-equity, changes in equity, condensed consolidated statement of cash flows and changes in off-balance sheet assets under management for the six-month period then ended, and other explanatory notes. The Board of Directors are responsible for the preparation and presentation of this interim financial information in accordance with Financial Accounting Standard (“FAS”) Interim Financial Reporting FAS 41 issued by the Accounting and Auditing Organisation for Islamic Financial Institutions (“AAOIFI”) as modified by the Qatar Central Bank (“QCB”). Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements 2410, “Review of Interim Financial Information Performed by the Independent Auditor of the Entity”. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with FAS 41 issued by the AAOIFI as modified by the QCB.

Other matter

The interim financial information of the Group for the six-month period ended 30 June 2025 and the consolidated financial statements for the year ended 31 December 2025 were reviewed and audited respectively by another auditor who expressed an unmodified conclusion on that information and an unmodified opinion on those statements on 16 July 2025 and 15 February 2026 respectively.

Doha - Qatar
20 July 2026

For Deloitte & Touche
Qatar Branch



Walid Slim
Partner
License No. 319
QFMA Auditor License No. 120156

INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2026

		30 June 2026 (Reviewed) QAR'000	31 December 2025 (Audited) QAR'000	30 June 2025 (Reviewed) QAR'000
	Notes			
ASSETS				
Cash and balances with central banks		7,606,537	8,971,445	8,468,826
Due from banks		2,007,116	5,796,109	1,211,445
Financing assets	6	156,414,437	138,481,616	130,769,602
Investment securities	7	60,426,151	60,249,013	60,099,880
Investment in associates		2,145,877	2,133,528	1,132,934
Investment properties		3,376,229	3,329,839	2,543,205
Fixed assets		590,100	576,157	382,635
Other assets		1,479,717	1,513,071	1,999,102
Assets held for sale	21	-	-	5,461,647
TOTAL ASSETS		234,046,164	221,050,778	212,069,276
LIABILITIES, QUASI-EQUITY AND EQUITY				
LIABILITIES				
Due to banks		25,355,702	24,007,991	24,226,394
Customers' current accounts		18,773,304	17,219,483	16,945,595
Sukuk financing		13,846,579	11,074,236	13,754,244
Other liabilities		11,817,043	9,493,479	2,607,851
Liabilities directly associated with assets held for sale	21	-	-	3,779,544
TOTAL LIABILITIES		69,792,628	61,795,189	61,313,628
QUASI-EQUITY				
Participatory investment accounts	8	129,391,252	125,400,405	117,999,600
Reserves attributable to quasi-equity	8	115,745	106,736	78,338
		129,506,997	125,507,141	118,077,938
EQUITY				
Share capital		2,362,932	2,362,932	2,362,932
Legal reserve	9	6,370,016	6,370,016	6,370,016
Risk reserve	10	3,183,218	3,183,218	3,102,283
General reserve	11	81,935	81,935	81,935
Fair value reserve		118,289	137,424	(93,399)
Foreign currency translation reserve	13	(682,417)	(671,584)	(600,858)
Other reserves		216,820	216,820	216,820
Retained earnings		18,970,901	17,943,777	16,649,458
Total equity attributable to equity holders of the bank		30,621,694	29,624,538	28,089,187
Non-controlling interests		124,845	123,910	588,523
Sukuk eligible as additional capital	14	4,000,000	4,000,000	4,000,000
TOTAL EQUITY		34,746,539	33,748,448	32,677,710
TOTAL LIABILITIES, QUASI-EQUITY AND EQUITY		234,046,164	221,050,778	212,069,276
Off-balance sheet assets under management		10,520	10,520	10,520
Contingent liabilities and commitments	17	20,846,478	20,564,242	20,835,691

These interim condensed consolidated financial statements were approved by the Board of Directors on 20 July 2026 and were signed on its behalf by:



Jassim Bin Hamad Bin Jassim Bin Jaber Al Thani
Chairman

DELOITTE & TOUCHE
Doha-Qatar



Bassem Qasbi
Group Chief Executive Officer

20 JUL 2026

The attached notes 1 to 22 form part of these interim condensed consolidated financial statements.

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Purposes Only

INTERIM CONSOLIDATED STATEMENT OF INCOME

For the three and six month periods ended 30 June 2026

	<i>For the three-month period ended 30 June</i>		<i>For the six-month period ended 30 June</i>	
	2026	2025	2026	2025
	(Reviewed)	(Reviewed)	(Reviewed)	(Reviewed)
Note	QAR'000	QAR'000	QAR'000	QAR'000
Continuing operations				
Net income from financing activities	2,251,757	2,269,358	4,408,479	4,556,202
Net income from investing activities	529,245	417,385	983,262	802,016
Sukuk holders' share of profit	(165,053)	(117,745)	(308,764)	(230,468)
Total income from financing and investing activities, net	2,615,949	2,568,998	5,082,977	5,127,750
Fee and commission income	371,437	347,869	701,122	664,570
Fee and commission expense	(123,961)	(111,234)	(244,949)	(220,303)
Net fee and commission income	247,476	236,635	456,173	444,267
Net foreign exchange gain	28,137	11,136	40,792	22,270
Net share of results of associates	30,237	23,419	52,656	41,367
Other income	2,493	4,236	4,460	7,115
Total income	2,924,292	2,844,424	5,637,058	5,642,769
Staff costs	(169,713)	(161,202)	(330,159)	(319,047)
Depreciation and amortisation	(21,448)	(16,097)	(42,290)	(31,573)
Other expenses	(97,845)	(92,037)	(193,179)	(187,124)
Total expenses	(289,006)	(269,336)	(565,628)	(537,744)
Net impairment reversals on investment securities	(62)	(21)	(41)	183
Net impairment losses on financing assets	(128,219)	(56,909)	(301,641)	(322,737)
Other impairment losses	1,867	(10,637)	(60,782)	7,495
Net profit for the period before tax and attribution to quasi-equity	2,508,872	2,507,521	4,708,966	4,789,966
Less: Net profit attributable to quasi-equity holders	(1,106,645)	(1,177,066)	(2,192,822)	(2,356,711)
Net profit for the period before tax from continuing operations	1,402,227	1,330,455	2,516,144	2,433,255
Tax expense	(162,301)	(128,805)	(290,730)	(243,921)
Net profit for the period from continuing operations	1,239,926	1,201,650	2,225,414	2,189,334
Discontinued operations				
Loss after tax for the period from discontinued operations	-	(18,371)	-	(25,911)
Net profit for the period	1,239,926	1,183,279	2,225,414	2,163,423
Net profit for the period attributable to:				
Equity holders of the Bank	1,239,680	1,190,069	2,225,320	2,175,158
Non-controlling interests	246	(6,790)	94	(11,735)
Net profit for the period	1,239,926	1,183,279	2,225,414	2,163,423
Earnings per share				
Basic and diluted earnings per share and earning per share from continuing operations (QAR per share)	0.52	0.50	0.94	0.92

DELOITTE & TOUCHE
Doha-Qatar

The attached notes 1 to 22 form part of these interim condensed consolidated financial statements. 20 JUL 2026

INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the three and six month periods ended 30 June 2026

	<i>For the three-month period ended 30 June</i>		<i>For the six-month period ended 30 June</i>	
	<i>2026</i>	<i>2025</i>	<i>2026</i>	<i>2025</i>
	<i>(Reviewed)</i>	<i>(Reviewed)</i>	<i>(Reviewed)</i>	<i>(Reviewed)</i>
	<i>QAR'000</i>	<i>QAR'000</i>	<i>QAR'000</i>	<i>QAR'000</i>
NET PROFIT FOR THE PERIOD	<u>1,239,926</u>	<u>1,183,279</u>	<u>2,225,414</u>	<u>2,163,423</u>
OTHER COMPREHENSIVE INCOME				
Items that may not be subsequently classified to consolidated statement of income				
Fair value changes of equity-type investments classified as FVTOCI	64,388	(5,104)	27,522	(13,806)
Items that may be subsequently classified to consolidated statement of income				
Exchange differences arising on translation of foreign operations	1,205	29,257	(10,844)	66,949
Fair value changes of debt-type investments classified as FVTOCI	417	2,941	(19,514)	(2,880)
Net change in the share of other comprehensive income of investment in associates:				
Net change in fair value	2,460	638	(5,663)	(311)
Net movement in cash flow hedges – effective portion of changes in fair value	(59,002)	(13,059)	(30,639)	(33,803)
Fair value changes of investment properties	<u>5,488</u>	<u>16,552</u>	<u>9,162</u>	<u>23,427</u>
Total other comprehensive income/(loss) for the period	<u>14,956</u>	<u>31,225</u>	<u>(29,976)</u>	<u>39,576</u>
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	<u>1,254,882</u>	<u>1,214,504</u>	<u>2,195,438</u>	<u>2,202,999</u>
Total comprehensive income for the period attributable to:				
Equity holders of the Bank	1,254,636	1,236,978	2,195,352	2,231,811
Non-controlling interests	<u>246</u>	<u>(22,474)</u>	<u>86</u>	<u>(28,812)</u>
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	<u>1,254,882</u>	<u>1,214,504</u>	<u>2,195,438</u>	<u>2,202,999</u>

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

INTERIM CONSOLIDATED STATEMENT OF INCOME AND ATTRIBUTION RELATED TO QUASI-EQUITY

For the three and six month periods ended 30 June 2026

	<i>For the three-month period ended 30 June</i>		<i>For the six-month period ended 30 June</i>	
	<i>2026 (Reviewed) QAR'000</i>	<i>2025 (Reviewed) QAR'000</i>	<i>2026 (Reviewed) QAR'000</i>	<i>2025 (Reviewed) QAR'000</i>
Net profit for the period before attribution to quasi-equity	2,508,872	2,384,021	4,708,966	4,556,466
Less: Income not attributable to quasi-equity	(957,357)	(892,007)	(1,855,797)	(1,786,825)
Add: Expenses not attributable to quasi-equity	106,507	194,772	267,828	452,901
Net profit attributable to quasi-equity holders before Bank's Mudaraba income	1,658,022	1,686,786	3,120,997	3,222,542
Less: Mudarib's share	(1,527,088)	(1,549,703)	(2,867,774)	(2,959,971)
Add: Support provided by the Bank	975,711	1,039,983	1,939,599	2,094,140
NET PROFIT ATTRIBUTABLE TO QUASI-EQUITY HOLDERS	1,106,645	1,177,066	2,192,822	2,356,711
OTHER COMPREHENSIVE INCOME				
Items that may be subsequently classified to consolidated statement of income				
Share in the reserve attributable to quasi-equity	42,935	24,699	9,009	24,375
TOTAL OTHER COMPREHENSIVE INCOME	42,935	24,699	9,009	24,375
TOTAL PROFIT ATTRIBUTABLE TO QUASI-EQUITY	1,149,580	1,201,765	2,201,831	2,381,086

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INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six-month period ended 30 June 2026

	Share capital	Legal reserve	Risk reserve	General reserve	Fair value reserve	Foreign currency translation reserve	Other reserves	Retained earnings	Total equity attributable to equity holders of the Bank	Non-controlling interests	Sukuk eligible as additional capital	Total equity
	QAR'000											
Balance at 1 January 2026	2,362,932	6,370,016	3,183,218	81,935	137,424	(671,584)	216,820	17,943,777	29,624,538	123,910	4,000,000	33,748,448
Net profit for the period	-	-	-	-	-	-	-	2,225,320	2,225,320	94	-	2,225,414
Other comprehensive loss	-	-	-	-	(19,135)	(10,833)	-	-	(29,968)	(8)	-	(29,976)
Total comprehensive income / (loss) for the period	-	-	-	-	(19,135)	(10,833)	-	2,225,320	2,195,352	86	-	2,195,438
Cash dividend for the year 2025 (Note 15)	-	-	-	-	-	-	-	(1,181,466)	(1,181,466)	-	-	(1,181,466)
Movement in non-controlling interests	-	-	-	-	-	-	-	-	-	849	-	849
Loss on settlement of equity type investments	-	-	-	-	-	-	-	(16,730)	(16,730)	-	-	(16,730)
Balance at 30 June 2026 (Reviewed)	2,362,932	6,370,016	3,183,218	81,935	118,289	(682,417)	216,820	18,970,901	30,621,694	124,845	4,000,000	34,746,539
Balance at 1 January 2025	2,362,932	6,370,016	3,102,283	81,935	(88,969)	(661,941)	216,820	15,774,256	27,157,332	613,512	4,000,000	31,770,844
Net profit for the period	-	-	-	-	-	-	-	2,175,158	2,175,158	(11,735)	-	2,163,423
Other comprehensive income / (loss)	-	-	-	-	(4,430)	61,083	-	-	56,653	(17,077)	-	39,576
Total comprehensive income / (loss) for the period	-	-	-	-	(4,430)	61,083	-	2,175,158	2,231,811	(28,812)	-	2,202,999
Cash dividend for the year 2024 (Note 15)	-	-	-	-	-	-	-	(1,299,613)	(1,299,613)	-	-	(1,299,613)
Movement in non-controlling interests	-	-	-	-	-	-	-	-	-	3,976	-	3,976
Loss on settlement of equity type investments	-	-	-	-	-	-	-	(343)	(343)	(153)	-	(496)
Balance at 30 June 2025 (Reviewed)	2,362,932	6,370,016	3,102,283	81,935	(93,399)	(600,858)	216,820	16,649,458	28,089,877	588,523	4,000,000	32,677,710

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INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six-month period ended 30 June 2026

	<i>For the six-month period ended 30 June</i>	
	2026	2025
	(Reviewed)	(Reviewed)
	QAR'000	QAR'000
Operating activities		
Net profit for the period after tax from continuing and discontinued operations	2,225,414	2,163,423
Tax expenses for continuing and discontinued operations	290,730	13,534
Net changes in operating assets and liabilities	(12,684,430)	(4,612,505)
Net cash used in operating activities	(10,168,286)	(2,435,548)
Investing activities		
Net changes in investment securities	196,019	(6,900,918)
Net changes in fixed assets	(37,796)	(51,893)
Dividends received from investment securities	6,199	11,414
Dividends received from associates	16,875	7,500
Net cash from / (used in) investing activities	181,297	(6,933,897)
Financing activities		
Change in participatory investment accounts	3,999,856	9,512,300
Net movement from sukuk financing	2,730,000	18,000
Net movement in non-controlling interests	841	(13,254)
Cash dividend paid to equity holders of the Bank	(1,181,466)	(1,299,613)
Net cash from financing activities	5,549,231	8,217,433
Net decrease in cash and cash equivalents	(4,437,758)	(1,152,012)
Cash and cash equivalents - beginning of the period	7,837,132	4,879,049
CASH AND CASH EQUIVALENTS - END OF THE PERIOD (NOTE 16)	3,399,374	3,727,037

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INTERIM CONSOLIDATED STATEMENT OF CHANGES IN OFF-BALANCE SHEET ASSETS UNDER MANAGEMENT

For the six-month period ended 30 June 2026

<i>Investment</i>	<i>Movements during the period</i>						<i>At 30 June 2026 (Reviewed)</i>
	<i>At 1 January 2026</i>	<i>Investments</i>	<i>Revaluation</i>	<i>Gross income</i>	<i>Dividends paid</i>	<i>Bank's fee as an agent</i>	
	<i>QAR'000</i>						
Real Estate Portfolio	9,100	-	-	-	-	-	9,100
Equity Securities Portfolio	1,420	-	-	-	-	-	1,420
	10,520	-	-	-	-	-	10,520

<i>Investment</i>	<i>Movements during the period</i>						<i>At 30 June 2025 (Reviewed)</i>
	<i>At 1 January 2025</i>	<i>Investments</i>	<i>Revaluation</i>	<i>Gross income</i>	<i>Dividends paid</i>	<i>Bank's fee as an agent</i>	
	<i>QAR'000</i>						
Real Estate Portfolio	9,100	-	-	-	-	-	9,100
Equity Securities Portfolio	1,420	-	-	-	-	-	1,420
	10,520	-	-	-	-	-	10,520

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NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

As at and for the period ended 30 June 2026

1 REPORTING ENTITY

Qatar Islamic Bank Q.P.S.C. (“QIB” or the “Bank”) is an entity domiciled in the State of Qatar and was incorporated on 8 July 1982 as a Qatari Public Shareholding Company under Emiri Decree no. 45 of 1982. The commercial registration number of the Bank is 8338. The address of the Bank’s registered office is at P.O. Box 559, Doha, State of Qatar. The interim condensed consolidated financial statements of the Bank for the six-month period ended 30 June 2026 comprise the Bank and its subsidiaries (together referred to as the “Group”). The Group is primarily involved in corporate, retail and investment banking in accordance with Islamic Shari’ah rules as determined by Shari’ah supervisory board of the Bank and has 22 branches in Qatar and one branch in Sudan. The Parent Company of the Group is Qatar Islamic Bank (Q.P.S.C.). The Bank’s shares are listed for trading on the Qatar Exchange.

The interim condensed consolidated financial statements include the financial statements of the Bank and the following principal subsidiaries:

	<i>Country of Incorporation</i>	<i>Principal business activity</i>	<i>Effective percentage of ownership</i>	
			<i>30 June 2026</i>	<i>31 December 2025</i>
Arab Finance House	Lebanon	Banking	99.99%	99.99%
Aqar Real Estate Development and Investment Company W.L.L.(“Aqar”) (i)	Qatar	Investment in real estate	49%	49%
Durat Al Doha Real Estate Investment and Development W.L.L.	Qatar	Investment in real estate	82.61%	82.61%
QIB Sukuk Ltd (ii)	Cayman Island	Sukuk issuance	100%	100%
QIB (UK)	United Kingdom	Investment banking	99.71%	99.71%
QIB Solutions LLC	Qatar	Management of IT services and operations	100%	100%

Notes:

- i) The Group has majority of the votes in the Board of Directors meetings of Aqar by virtue of representing the highest number of members in the Board. This gives the group the ability to direct the activities of Aqar.
- ii) QIB Sukuk Ltd was incorporated in the Cayman Islands as an exempted company with limited liability for the sole purpose of Sukuk issuance for the benefit of QIB.

1.1 Shari’ah governance framework

The Group follows Accounting and Auditing Organisation for Islamic Financial Institutions (“AAOIFI”) Governance Standards (GSs) in their entirety along with the regulators’ requirements related to Shari’ah governance / Shari’ah governance framework. In line with the requirements of the same, the Group has a comprehensive governance mechanism comprising of Shari’ah supervisory board, Shari’ah compliance function, internal Shari’ah audit, external Shari’ah audit, etc. These functions perform their responsibilities in line with AAOIFI GSs as well as the regulators’ requirements related to Shari’ah governance.

The GSs also require the Board of Directors and those charged with governance to discharge their duties in line with Shari’ah governance and fiduciary responsibilities.

1.2 Shari’ah principles and rules

The Group follows the hierarchy of Shari’ah principles and rules as defined in paragraph 165 of FAS 1 “General Presentation and Disclosures in the Financial Statements”.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

As at and for the period ended 30 June 2026

2 BASIS OF PREPARATION**(a) Statement of compliance**

The interim condensed consolidated financial statements have been prepared in accordance with Financial Accounting Standards (“FAS 41 Interim Financial Reporting”) issued by the Accounting and Auditing Organisation for Islamic Financial Institutions (“AAOIFI”) as modified by the Qatar Central Bank (“QCB”).

In line with the requirements of AAOIFI, for matters that are not covered by FAS, the Group uses the guidance from the relevant IFRS accounting standards as issued by the International Accounting Standards Board (“IASB”).

The interim condensed consolidated financial statements do not contain all information and disclosures required in the annual consolidated financial statements and should be read in conjunction with the Group's annual consolidated financial statements as at 31 December 2025. In addition, results for the period ended 30 June 2026 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2026.

(b) Estimates and judgements

The preparation of the interim condensed consolidated financial statements in conformity with FAS issued by AAOIFI as modified by QCB, requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. In preparing the interim condensed consolidated financial information, significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that were applied to the consolidated financial statements as at and for the year ended 31 December 2025.

(c) Financial risk management

The Group's financial risk management objectives and policies are consistent with those disclosed in the consolidated financial statements for the year ended 31 December 2025.

(d) Material accounting policy information

The material accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2025.

(e) New standards, amendments and interpretations issued that are effective for the current period

Their adoption has not had any material impact on the disclosures or on the amounts reported in these interim condensed consolidated financial statements.

- ***FAS 45 – Quasi-Equity (Including Investment Accounts)***

AAOIFI has issued FAS 45 in 2023. This standard prescribes the principles of financial reporting related to the participatory investment instruments (including investment accounts) in which an Islamic financial institution controls the underlying assets (mostly, as a working partner), on behalf of the stakeholders other than the owners' equity. Such instruments (including, in particular, the unrestricted investment accounts) normally qualify for on-balance-sheet accounting and are reported as quasi-equity. This standard also provides the overall criteria for on-balance-sheet accounting for participatory investment instruments and quasi-equity, as well as, pooling, recognition, de-recognition, measurement, presentation and disclosure for quasi-equity. It further addresses financial reporting related to other quasi-equity instruments and certain specific issues. This standard is effective for the financial reporting periods beginning on or after 1 January 2026.

- ***FAS 46 – Off-Balance sheet Assets Under Management***

AAOIFI has issued FAS 46 in 2023. This standard prescribes the criteria for characterisation of off-balance sheet assets under management, and the related principles of financial reporting in line with the “AAOIFI Conceptual Framework for Financial Reporting”. The standard encompasses the aspects of recognition, de-recognition, measurement, selection and adoption of accounting policies, related to off-balance-sheet assets under management, as well as certain specific aspects of financial reporting such as impairment and onerous commitments by the institution. The standard also includes the presentation and disclosure requirements particularly aligning the same with the requirements of the revised FAS 1 “General Presentation and Disclosures in the Financial Statements” in respect of the statement of changes in off-balance sheet assets under management. This standard, along with, FAS 45 “Quasi-Equity (Including Investment Accounts)”, supersedes the earlier FAS 27 “Investment Accounts”. This standard is effective for the financial periods beginning on or after 1 January 2026 and shall be adopted at the same time of adoption of FAS 45 – Quasi-Equity (Including Investment Accounts).

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

As at and for the period ended 30 June 2026

2 BASIS OF PREPARATION (CONTINUED)

(e) New standards, amendments and interpretations issued that are effective for the current period (continued)

- **FAS 47 – Transfer of Assets Between Investment Pools**

AAOIFI has issued FAS 47 in 2023. This standard prescribes the financial reporting principles and disclosure requirements applicable to all transfers between investment pools related to (and where material, between significant categories of) owners' equity, quasi-equity and off-balance sheet assets under management of an institution. It requires adoption and consistent application of accounting policies for such transfers in line with Shari'ah principles and rules and describes general disclosure requirements in this respect. This standard is for the financial periods beginning or after 1 January 2026 and supersedes the earlier FAS 21 "Disclosure on Transfer of Assets".

- **FAS 48 – Promotional Gifts and Prizes**

AAOIFI has issued FAS 48 in 2024. This standard prescribes accounting and financial reporting principles for recognition, measurement, presentation and disclosures applicable to promotional gifts and prizes awarded by the Islamic financial institutions to their customers, including quasi-equity and other investment accountholders. This standard is effective on the financial statements for the annual financial reporting period beginning on or after 1 January 2026.

- **FAS 49 – Financial Reporting for Institutions Operating in Hyperinflationary Economies**

AAOIFI has issued FAS 49 in 2024. This standard outlines the principles governing financial reporting, including accounting treatments, presentation of financial statements and necessary disclosures for institutions applying AAOIFI Financial Accounting Standards (FAS), operating within hyperinflationary economies. This standard is developed taking into account the applicable Shari'ah principles and rules, as well as, the unique business models of such institutions while stipulating appropriate principles of financial reporting. The standard also prescribes a definition of a hyperinflationary economy and provides guidance on as to how to determine whether an economy qualifies as hyperinflationary. This standard is effective for the financial periods beginning on or after 1 January 2026.

(f) New standards, amendments and interpretations issued but not yet effective

- **FAS 50 – Financial Reporting for Islamic Investment Institutions (Including Investment Funds)**

AAOIFI has issued FAS 50 in 2024. This standard outlines financial reporting principles applicable to the Islamic investment institutions (IIIs). In particular, it emphasises on bringing harmony and standardisation with regard to the form and contents of the financial statements of IIIs. This standard prescribes the overall requirements for the presentation, minimum contents and recommended structure of their financial statements in a manner that facilitates truthful and fair presentation in line with Shari'ah principles and rules. This standard shall be effective for financial periods beginning on or after 1 January 2027.

- **FAS 51 – Participatory Ventures**

AAOIFI has issued FAS 51 in 2025. This standard prescribes accounting and financial reporting principles for recognition, measurement, presentation and disclosures to apply in relation to participatory ventures (including most of the common structures / products based on Mudaraba and Musharaka). This standard shall be applied in the respect of accounting and financial reporting by the investors(s), the working partner(s), as well as, the participatory ventures with regard to all such participatory ventures that fall within the scope of this standard, including those with fixed and variable equity / quasi-equity shares. This standard shall be effective for financial periods beginning on or after 1 January 2027.

- **FAS 52 – Deferred Delivery Sales: Salam and Istisna**

AAOIFI has issued FAS 52 in 2025. This standard prescribes the accounting and financial reporting principles for recognition, measurement, presentation and disclosures related to deferred delivery sales transactions, applicable to the respective buyers and sellers. Such transactions include both, Salam and Istisna based deferred delivery sales transactions, but do not include Istisna based development contracts which are subject to standard being simultaneously issued. This standard shall be effective for financial periods beginning on or after 1 January 2027.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

As at and for the period ended 30 June 2026

2 BASIS OF PREPARATION (CONTINUED)**(g) Key changes to the significant estimates and judgements*****Investment classification***

Assessment of the business model within which the investments are managed, and assessment of whether the contractual terms of the investment represents either a debt-type instrument or other investment instrument having reasonably determinable effective yield.

(h) Adoption of QCB circular 12/2020**Measurement of equity-type instruments classified as fair value through other comprehensive income**

The Group may elect to present in statement of changes in equity changes in the fair value of certain investments in equity-type instruments that are not held for trading. The election is made on an instrument-by-instrument basis on initial recognition and is irrevocable. Gains and losses on such equity-type instruments are never subsequently reclassified to consolidated statement of income, including on disposal. However, cumulative gains and losses recognised in fair value reserve are transferred to retained earnings on disposal of an investment. Impairment losses (and reversal of impairment losses) are not reported separately from other changes in fair value. Dividends, when representing a return on such investments, continue to be recognised in consolidated statement of income, unless they clearly represent a recovery of part of the cost of the investment, in which case they are recognised in consolidated statement of changes in equity.

3 OPERATING SEGMENTS

The Group has four reportable segments, as described below, which are the Group's strategic divisions. The strategic divisions offer different products and services and are managed separately based on the Group's management and internal reporting structure. For each of the strategic divisions, the Group Chief Executive Officer reviews internal management reports on a monthly basis. The following summary describes the operations in each of the Group's reportable segments:

Corporate banking – Corporate Banking includes services offered to institutional investors, corporate, other banks, and investment vehicles such as mutual funds or pensions.

Personal banking – Personal banking includes services that are offered to individual customers through local branches of the Bank which includes checking and savings accounts, credit cards, personal lines of credit, mortgages, and so forth.

Group function – treasury, investment, finance and other central functions.

Local & international subsidiaries – Local and international subsidiaries include the Groups local and international subsidiaries all of which are consolidated in the Group financial statements.

Performance is measured based on segment profit before tax, as included in the internal management reports that are reviewed by the Group Chief Executive Officer. Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

Information regarding the results, assets and liabilities of each reportable segment is included below:

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

As at and for the period ended 30 June 2026

3 OPERATING SEGMENTS (CONTINUED)**Information about operating segments**

<i>30 June 2026 (Reviewed)</i>	<i>Corporate banking QAR'000</i>	<i>Personal banking QAR'000</i>	<i>Group function QAR'000</i>	<i>Local & international subsidiaries QAR'000</i>	<i>Unallocated QAR'000</i>	<i>Total QAR'000</i>
External revenue:						
Total income from financing and investing activities, net	3,600,282	1,260,670	29,230	192,795	-	5,082,977
Net fee and commission income	131,337	248,196	70,806	5,834	-	456,173
Net foreign exchange gain	-	-	37,129	3,663	-	40,792
Share of results of associates	-	-	50,599	2,057	-	52,656
Other income	-	-	2,681	1,779	-	4,460
Total income	3,731,619	1,508,866	190,445	206,128	-	5,637,058
Net profit attributable to quasi-equity holders	(1,177,605)	(604,199)	(303,498)	(107,520)	-	(2,192,822)
Inter segment (cost) revenue	(1,490,831)	441,689	1,049,142	-	-	-
Reportable segment net profit after tax	694,622	939,770	853,992	17,030	(280,000)	2,225,414
<i>30 June 2025 (Reviewed)</i>	<i>Corporate banking QAR'000</i>	<i>Personal banking QAR'000</i>	<i>Group function QAR'000</i>	<i>Local & international subsidiaries QAR'000</i>	<i>Unallocated QAR'000</i>	<i>Total QAR'000</i>
External revenue:						
Total income from financing and investing activities, net	3,753,607	1,204,953	(22,516)	191,706	-	5,127,750
Net fee and commission income	135,955	212,176	89,801	6,335	-	444,267
Net foreign exchange gain	-	-	21,545	725	-	22,270
Share of results of associates	-	-	39,481	1,886	-	41,367
Other income	-	-	5,307	1,808	-	7,115
Total income	3,889,562	1,417,129	133,618	202,460	-	5,642,769
Net profit attributable to quasi-equity holders	(1,293,887)	(676,287)	(274,902)	(111,635)	-	(2,356,711)
Inter segment (cost) revenue	(1,567,999)	535,631	1,032,368	-	-	-
Reportable segment net profit after tax	642,745	882,159	848,663	23,436	(233,580)	2,163,423

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

As at and for the period ended 30 June 2026

3 OPERATING SEGMENTS (CONTINUED)

	<i>Corporate banking QAR'000</i>	<i>Personal banking QAR'000</i>	<i>Group function QAR'000</i>	<i>Local & international subsidiaries QAR'000</i>	<i>Total QAR'000</i>
<i>30 June 2026 (Reviewed)</i>					
Reportable segment assets	148,695,841	32,635,191	48,100,605	4,614,527	234,046,164
Reportable segment liabilities and quasi-equity	78,284,668	61,727,256	54,942,699	4,345,002	199,299,625
<i>31 December 2025 (Audited)</i>					
Reportable segment assets	134,378,455	31,385,505	50,508,502	4,778,316	221,050,778
Reportable segment liabilities and quasi-equity	74,324,395	60,581,616	47,506,456	4,889,863	187,302,330

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

As at and for the period ended 30 June 2026

4 FAIR VALUE AND CLASSIFICATION OF FINANCIAL INSTRUMENTS

The table below sets out the carrying amounts and fair values of the Group's financial assets and financial liabilities:

	<i>Fair value through other comprehensive income</i>	<i>Fair value through income statement</i>	<i>Amortised cost QAR'000</i>	<i>Total carrying amount</i>	<i>Fair value</i>
	-----	-----	-----	-----	-----
30 June 2026 (Reviewed)					
Cash and balances with central banks	-	-	7,606,537	7,606,537	7,606,537
Due from banks	-	-	2,007,116	2,007,116	2,007,116
Investment securities					
- Equity type instruments	1,023,044	214,475	-	1,237,519	1,237,519
- Debt type instruments	1,512,991	1,531,142	56,144,499	59,188,632	59,173,137
Other assets	-	-	115,201	115,201	115,201
	2,536,035	1,745,617	65,873,353	70,155,005	70,139,510
Due to banks	-	-	25,355,702	25,355,702	25,355,702
Customers' current accounts	-	-	18,773,304	18,773,304	18,773,304
Sukuk financing	-	-	13,846,579	13,846,579	13,846,579
Other liabilities	-	-	11,817,043	11,817,043	11,817,043
Quasi-equity	-	-	129,506,997	129,506,997	129,506,997
	-	-	199,299,625	199,299,625	199,299,625
	<i>Fair value through other comprehensive income</i>	<i>Fair value through income statement</i>	<i>Amortised cost QAR'000</i>	<i>Total carrying amount</i>	<i>Fair value</i>
	-----	-----	-----	-----	-----
31 December 2025 (Audited)					
Cash and balances with central banks	-	-	8,971,445	8,971,445	8,971,445
Due from banks	-	-	5,796,109	5,796,109	5,796,109
Investment securities					
- Equity type instruments	1,212,118	356,737	-	1,568,855	1,568,855
- Debt type instruments	1,502,396	1,279,769	55,897,993	58,680,158	58,703,026
Other assets	-	-	238,384	238,384	238,384
	2,714,514	1,636,506	70,903,931	75,254,951	75,277,819
Due to banks	-	-	24,007,991	24,007,991	24,007,991
Customers' current accounts	-	-	17,219,483	17,219,483	17,219,483
Sukuk financing	-	-	11,074,236	11,074,236	11,074,236
Other liabilities	-	-	9,493,479	9,493,479	9,493,479
Quasi-equity	-	-	125,507,141	125,507,141	125,507,141
	-	-	187,302,330	187,302,330	187,302,330

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

As at and for the period ended 30 June 2026

4 FAIR VALUE AND CLASSIFICATION OF FINANCIAL INSTRUMENTS (CONTINUED)

The fair value of financial assets and liabilities carried at amortised cost are equal to the carrying value except for investment securities carried at amortised cost with a carrying value of QAR 3,536 million (31 December 2025: QAR 3,252 million) for which the fair value amounts to QAR 3,497 million (31 December 2025: QAR 3,240 million), which is derived using Level 1 fair value hierarchy.

Fair value hierarchy

The Group uses the following hierarchy for determining and disclosing the fair value of financial investments by valuation technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities;

Level 2: Valuation techniques based on observable inputs, either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active, other valuation techniques where all significant inputs are directly or indirectly observable from market data.; and

Level 3: Valuation techniques using significant unobservable inputs. This category includes all instruments where the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments where significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

Fair values of financial assets and financial liabilities that are traded in active markets are based on quoted market prices or dealer price quotations. For all other financial instruments, the Group determines fair values using valuation techniques.

Valuation techniques include net present value and discounted cash flow models, comparison to similar instruments for which market observable prices exist and other valuation models. Assumptions and inputs used in valuation techniques include risk-free and benchmark profit rates, credit spreads and other premia used in estimating discount rates, sukuk and equity prices, foreign currency exchange rates, equity and equity index prices and expected price volatilities and correlations. The objective of valuation techniques is to arrive at a fair value determination that reflects the price of the financial instrument at the reporting date that would have been determined by market participants acting at arm's length.

For financial instruments that are recognised at fair value on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

As at 30 June 2026 and 31 December 2025, the Group held the following financial instruments measured at fair value:

	<i>Fair value measurement using</i>			
	<i>Quoted prices in active markets (Level 1)</i>	<i>Significant observable inputs (Level 2)</i>	<i>Significant unobservable inputs (Level 3)</i>	
30 June 2026 (Reviewed)	Total			
Shari'a compliant risk management instruments (assets)	63,168	-	63,168	-
Investment securities				
Quoted equity-type classified as FVTIS	214,475	214,475	-	-
Quoted debt-type classified as FVTIS	530,096	530,096	-	-
Unquoted debt-type classified as FVTIS	1,001,046	-	1,001,046	-
Quoted equity-type classified as FVTOCI	949,275	949,275	-	-
Unquoted equity-type classified as FVTOCI	73,769	-	-	73,769
Quoted debt-type investments classified as FVTOCI	1,075,104	-	1,075,104	-
Unquoted debt-type investments classified as FVTOCI	437,887	-	437,887	-
Shari'a compliant risk management instruments (liabilities)	115,756	-	115,756	-

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
As at and for the period ended 30 June 2026

4 FAIR VALUE AND CLASSIFICATION OF FINANCIAL INSTRUMENTS (CONTINUED)

Fair value hierarchy (continued)

		Fair value measurement using		
		Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
31 December 2025 (Audited)	Total			
Shari'a compliant risk management instruments (assets)	52,096	-	52,096	-
Investment securities				
Quoted equity-type classified as FVTIS	356,737	356,737	-	-
Quoted debt-type classified as FVTIS	253,830	253,830	-	-
Unquoted debt-type classified as FVTIS	1,025,939	-	1,025,939	-
Quoted equity-type classified as FVTOCI	1,138,117	1,138,117	-	-
Unquoted equity-type classified as FVTOCI	74,001	-	-	74,001
Quoted debt-type investments classified as FVTOCI	1,105,519	-	1,105,519	-
Unquoted debt-type investments classified as FVTOCI	396,877	-	396,877	-
Shari'a compliant risk management instruments (liabilities)	357,542	-	357,542	-

FVTIS – Fair value through income statement

FVTOCI – Fair value through other comprehensive income

Transfers within the fair value hierarchy

During the period ended 30 June 2026 and year ended 31 December 2025, there were no transfers between Level 1 and Level 2 fair value measurements, and no transfers into and out of Level 3 fair value measurements.

The valuation technique in measuring the fair value financial instruments categorized as Level 3 was in line with 31 December 2025.

The following table shows the reconciliation of the opening and closing amounts of Level 3 investments which are recorded at fair value:

	At 1 January 2026	Total gain recorded in interim consolidated statement of income / equity	Purchases	Sales / transfers	At 30 June 2026 (Reviewed)
			QAR'000		
Equity investments:					
at FVTOCI	74,001	-	-	(232)	73,769
	74,001	-	-	(232)	73,769

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

As at and for the period ended 30 June 2026

4 FAIR VALUE AND CLASSIFICATION OF FINANCIAL INSTRUMENTS (CONTINUED)

Transfers within the fair value hierarchy (continued)

	<i>At 1 January 2025</i>	<i>Total gain recorded in interim consolidated statement of income / equity</i>	<i>Purchases</i>	<i>Sales/ transfers</i>	<i>At 31 December 2025 (Audited)</i>
			<i>QAR'000</i>		
Equity investments: at FVTOCI	74,563	-	-	(562)	74,001
	74,563	-	-	(562)	74,001

5 IMPAIRMENT

Equity-type investments classified as fair value through other comprehensive income

With effect from the issuance of QCB circular 12/2020, equity type instruments classified as fair value through other comprehensive income are not tested for impairment. However, prior to that, equity-type investments classified as fair value through other comprehensive income and measured at fair value, a significant or prolonged decline in the fair value of an investment below its cost is considered in determining whether the investments are impaired. If any such evidence exists for equity-type investments classified as fair value through other comprehensive income, the cumulative loss previously recognised in the interim consolidated statement of comprehensive income is transferred to the interim consolidated statement of income. Impairment losses recognised in the interim consolidated statement of income on equity-type investments are subsequently reversed through equity.

Investment properties

Investment properties held for rental or capital appreciation is measured at fair value with the resulting unrealised gains being taken through other comprehensive income to fair value reserve. Any unrealized losses resulting from re-measurement at fair value is adjusted against the fair value reserve to the extent of available balance. In case such losses exceed the available balance, the unrealized loss is recognized in the interim consolidated statement of income. In case there are unrealized losses relating to investment properties that have been recognized in the interim consolidated statement of income in a previous financial period, the unrealized gains related to the current financial period is recognized to the extent of crediting back such previous losses in the interim consolidated statement of income. Any excess of such gains over such prior-year losses is added to the fair value reserve.

Financial assets carried at amortised cost (including investment in Sukuk instruments classified as amortised cost)

For financial assets carried at amortised cost, impairment is recognised based on FAS 30 provided that such impairments are not less than QCB impairment requirements. Losses are recognised in interim consolidated statement of income and reflected in an allowance account. The Group has provided QAR 362.5 million (30 June 2025: QAR 315.1 million) as impairment on financing assets, other assets and other provisions in the interim consolidated statement of income.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

As at and for the period ended 30 June 2026

6 FINANCING ASSETS

	30 June 2026 (Reviewed) QAR'000	31 December 2025 (Audited) QAR'000	30 June 2025 (Reviewed) QAR'000
Total financing assets	186,183,422	168,705,574	162,258,923
Less: Deferred profit	(21,702,355)	(22,464,057)	(23,414,160)
Expected credit losses on financing assets - performing (Stage 1 and 2) *	(5,730,875)	(5,463,498)	(5,763,513)
Allowance for impairment on financing assets – credit impaired (Stage 3) *	(2,262,223)	(2,228,268)	(2,248,917)
Suspended profit	(73,532)	(68,135)	(62,731)
Net financing assets	<u>156,414,437</u>	<u>138,481,616</u>	<u>130,769,602</u>

Note:

The impaired financing assets net of deferred profit amounted to QAR 2,457 million as at 30 June 2026 representing 1.49% of the total financing assets net of deferred profit (31 December 2025: QAR 2,416 million, representing 1.65% of the total financing assets net of deferred profit).

*For stage wise exposure and allowance for impairment refer to Note 20

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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

As at and for the period ended 30 June 2026

7 INVESTMENT SECURITIES

	<i>30 June 2026 (Reviewed)</i>			<i>31 December 2025 (Audited)</i>			<i>30 June 2025 (Reviewed)</i>		
	<i>Quoted</i>	<i>Unquoted</i>	<i>Total</i>	<i>Quoted</i>	<i>Unquoted</i>	<i>Total</i>	<i>Quoted</i>	<i>Unquoted</i>	<i>Total</i>
	<i>QAR'000</i>	<i>QAR'000</i>	<i>QAR'000</i>	<i>QAR'000</i>	<i>QAR'000</i>	<i>QAR'000</i>	<i>QAR'000</i>	<i>QAR'000</i>	<i>QAR'000</i>
<i>Classified as fair value through income statement</i>									
• equity type	214,475	-	214,475	356,737	-	356,737	330,773	-	330,773
• debt-type – Fixed rate	530,096	1,001,046	1,531,142	253,830	1,025,939	1,279,769	-	824,709	824,709
	744,571	1,001,046	1,745,617	610,567	1,025,939	1,636,506	330,773	824,709	1,155,482
<i>Debt-type classified at amortised cost</i>									
- State of Qatar Sukuk and QCB Murabaha	14,327,720	38,552,358	52,880,078	-	52,645,891	52,645,891	-	53,077,902	53,077,902
- Fixed rate	3,271,023	34,387	3,305,410	3,258,663	34,387	3,293,050	2,885,020	34,393	2,919,413
Less: allowance for impairment*	(6,637)	(34,352)	(40,989)	(6,596)	(34,352)	(40,948)	(6,899)	(34,352)	(41,251)
	17,592,106	38,552,393	56,144,499	3,252,067	52,645,926	55,897,993	2,878,121	53,077,943	55,956,064
<i>Classified as fair value through other comprehensive income</i>									
• equity type	949,275	73,769	1,023,044	1,138,117	74,001	1,212,118	1,044,182	110,948	1,155,130
• debt-type – Fixed rate	1,075,104	437,887	1,512,991	1,105,519	396,877	1,502,396	1,098,577	734,627	1,833,204
	2,024,379	511,656	2,536,035	2,243,636	470,878	2,714,514	2,142,759	845,575	2,988,334
	20,361,056	40,065,095	60,426,151	6,106,270	54,142,743	60,249,013	5,351,653	54,748,227	60,099,880

*For stage wise exposure and allowance for impairment refer to Note 20

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

As at and for the period ended 30 June 2026

8 PARTICIPATORY INVESTMENT ACCOUNTS

	<i>30 June 2026 (Reviewed) QAR'000</i>	<i>31 December 2025 (Audited) QAR'000</i>	<i>30 June 2025 (Reviewed) QAR'000</i>
Term accounts	102,169,524	101,636,741	95,299,487
Saving accounts	22,919,351	20,788,060	20,563,772
Call accounts	4,302,377	2,975,604	2,136,341
	129,391,252	125,400,405	117,999,600
Share in reserve attributable to quasi-equity	115,745	106,736	78,338
Total	129,506,997	125,507,141	118,077,938

All participatory investment accounts are unrestricted as of 30 June 2026, 31 December 2025 and 30 June 2025.

9 LEGAL RESERVE

In accordance with QCB Law No. 13 of 2012, 10% of net profit attributable to the owners of the Bank for the year is required to be transferred to the reserve until the legal reserve equals 100% of the paid-up share capital at a minimum. This reserve is not available for distribution except in circumstances specified in Qatar Commercial Companies Law No. 11 of 2015 (as amended by Law No. 8 of 2021) and after QCB approval. No appropriation was made in the current period as the legal reserve exceeds 100% of the paid-up share capital.

10 RISK RESERVE

In accordance with QCB regulations, a risk reserve should be created to cover contingencies on both the public and private sector financing assets, with a minimum requirement of 2.5% of the total private sector exposure granted by the Group inside and outside Qatar after the exclusion of the specific provisions and profit in suspense. The finance provided to / or secured by the Ministry of Finance – Qatar or finance against cash guarantees is excluded from the gross direct finance. No transfer to risk reserve has been made during the period as the required amount will be transferred at year end (31 December 2025: QAR 80.9 million was transferred to risk reserve).

11 GENERAL RESERVE

In accordance with the Articles of Association of the Bank, the General Assembly may transfer a portion of the net profits to the general reserve which could be based on the General Assembly Resolution as per recommendation from Board of Directors and after the approval from Qatar Central Bank.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

As at and for the period ended 30 June 2026

12 BASIC AND DILUTED EARNINGS PER SHARE

Basic and diluted earnings per share is calculated by dividing the net profit attributable to equity holders of the Bank for the period by the weighted average number of ordinary shares outstanding during the period.

	<i>For the three-month period ended 30 June</i>		<i>For the six-month period ended 30 June</i>	
	<i>2026 (Reviewed)</i>	<i>2025 (Reviewed)</i>	<i>2026 (Reviewed)</i>	<i>2025 (Reviewed)</i>
Profit for the period attributable to equity holders of the Bank (QAR '000)	<u>1,239,680</u>	<u>1,190,069</u>	<u>2,225,320</u>	<u>2,175,158</u>
Weighted average number of shares outstanding during the period ('000)	<u>2,362,932</u>	<u>2,362,932</u>	<u>2,362,932</u>	<u>2,362,932</u>
Basic and diluted earnings per share (QAR)	<u>0.52</u>	<u>0.50</u>	<u>0.94</u>	<u>0.92</u>

There were no potentially dilutive shares outstanding at any time during the period. Therefore, the diluted earnings per share are equal to the basic earnings per share and earning per share from continuing operations.

13 FOREIGN CURRENCY TRANSLATION RESERVE

The foreign currency translation reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations as well as from the translation of liabilities and gains and losses on risk management instruments that hedge the Group's net investment in foreign operations and gains and losses on revaluation of foreign currency non-monetary assets carried at fair value for which gain or loss is recognized in foreign currency translation reserve in interim consolidated statement of changes in equity.

14 SUKUK ELIGIBLE AS ADDITIONAL CAPITAL

During 2015, the Group issued perpetual Sukuk eligible as additional tier 1 capital for an amount of QAR 2 billion. The Sukuk is unsecured and the profit distributions are discretionary, non-cumulative and payable annually at an agreed expected profit based on applicable relevant six year reset rate + margin to be reset every sixth year. During 2021 the first reset period lapsed and a new profit rate has been reset for the coming six years. The Group has the right not to pay profit and the Sukuk holders have no right to claim profit on the Sukuk. The Sukuk does not have a maturity date and have been classified as equity. During September 2016, the Group raised additional tier 1 capital by issuing a perpetual Sukuk for an amount of QAR 2 billion at an agreed expected profit rate based on applicable relevant six year reset rate + margin to be reset every sixth year. By end of December 2022, the first reset period lapsed and a new profit rate has been reset with effect from 1 January 2023 for the coming six years.

15 DIVIDENDS

The equity holders of the Bank approved additional cash dividend of 50% of the paid-up share capital (QAR 0.50 per share) amounting to QAR 1,181.5 million for the year ended 31 December 2025 in the general assembly meeting held on 09 March 2026, thereby taking the total cash dividend for the year ended 31 December 2025 to 90% of the paid up share capital amounting to QAR 2,126.6 million – QAR 0.90 per share (2024: 80% of the paid up share capital amounting to QAR 1,890.3 million – QAR 0.80 per share).

During the year 2025, the Board of Directors approved and paid an interim cash dividend in respect of the six-month period ended 30 June 2025 of QAR 0.40 per share, amounting to QAR 945.2 million.

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As at and for the period ended 30 June 2026

16 CASH AND CASH EQUIVALENTS

For the purpose of the interim condensed consolidated statement of cash flows, cash and cash equivalents comprise the following balances with original maturities of less than six months:

	<i>30 June 2026 (Reviewed) QAR'000</i>	<i>31 December 2025 (Audited) QAR'000</i>	<i>30 June 2025 (Reviewed) QAR'000</i>
Cash and balances with central banks (excluding restricted QCB and other central banks reserve account)	2,231,622	2,234,420	2,052,969
Due from banks	1,167,752	5,602,712	1,236,368
Cash and bank balances, and due from banks attributable to discontinued operations	-	-	437,700
Total	3,399,374	7,837,132	3,727,037

17 CONTINGENT LIABILITIES AND COMMITMENTS

	<i>30 June 2026 (Reviewed) QAR'000</i>	<i>31 December 2025 (Audited) QAR'000</i>	<i>30 June 2025 (Reviewed) QAR'000</i>
a) Contingent liabilities			
Unutilised financing facilities	10,069,019	9,384,918	9,743,201
Guarantees	8,633,667	8,924,209	10,311,337
Letters of credit	2,143,792	2,255,115	781,153
	20,846,478	20,564,242	20,835,691

18 RELATED PARTY TRANSACTIONS

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions. Related parties include the significant equity holders and entities over which the Group and the equity holders' exercise significant influence, directors and executive management of the Group.

The related party transactions and balances included in these interim condensed consolidated financial statements are as follows:

	<i>30 June 2026 (Reviewed)</i>		<i>31 December 2025 (Audited)</i>	
	<i>Associate companies QAR'000</i>	<i>Board of Directors QAR'000</i>	<i>Associate companies QAR'000</i>	<i>Board of Directors QAR'000</i>
Assets:				
Financing assets	2,449,467	8,692,626	2,582,804	20,750,036
Liabilities:				
Customers' current accounts	916	109,752	789	229,203
Quasi Equity:				
Participatory investment accounts	237,780	341,173	393,683	747,094
Off balance sheet items:				
Contingent liabilities and commitments	-	77,108	254	58,943

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As at and for the period ended 30 June 2026

18 RELATED PARTY TRANSACTIONS (CONTINUED)

	30 June 2026 (Reviewed)		30 June 2025 (Reviewed)	
	<i>Associate companies</i>	<i>Board of Directors</i>	<i>Associate companies</i>	<i>Associate companies</i>
	<i>QAR'000</i>	<i>QAR'000</i>	<i>QAR'000</i>	<i>QAR'000</i>
Interim consolidated statement of income items:				
Income from financing activities	68,503	239,532	85,935	732,065
Net profit attributable to quasi-equity holders	4,303	4,062	3,612	25,202
Net fee and commission income	790	2,412	15	24,507

Key management personnel compensation for the period comprised:

	30 June 2026 (Reviewed) QAR'000	30 June 2025 (Reviewed) QAR'000
Key management remuneration	52,458	53,928

19 CAPITAL ADEQUACY RATIO

The Group has calculated the capital adequacy ratios in accordance with the Basel III guidelines issued by Qatar Central Bank. The Group's minimum QCB regulatory limit, including the Capital Conservation Buffer, ICAAP pillar II capital charge and the applicable Domestically Systemically Important Bank ("DSIB") Buffer is 14.84%.

The table below summarises the composition of prevailing regulatory capital and the ratios of the Group. The Group complied with the externally imposed capital requirements to which they are subject to:

	30 June 2026 QAR'000 (Reviewed)	31 December 2025 QAR'000 (Audited)	30 June 2025 QAR'000 (Reviewed)
Common Equity Tier 1 (CET 1) Capital	30,675,493	28,448,198	28,191,782
Tier 1 capital	34,675,493	32,448,198	32,244,612
Tier 2 capital	1,754,158	1,715,759	1,795,272
Total regulatory capital	36,429,651	34,163,957	34,039,884
Risk weighted assets	156,094,936	153,934,618	154,841,338
Common equity tier 1 (CET 1) capital adequacy ratio	19.7%	18.5%	18.2%
QCB minimum	8.50%	8.50%	8.50%
Total capital adequacy ratio	23.3%	22.2%	22.0%
QCB minimum including conservation buffer, DSIB and ICAAP pillar II capital charge	14.84%	14.84%	15.03%

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

As at and for the period ended 30 June 2026

20 FINANCIAL RISK MANAGEMENT

Exposure and movement of expected credit loss / impairment allowances

	30 June 2026				30 June 2025
	Stage 1	Stage 2	Stage 3	Total	Total
	QAR'000				
Exposures subject to expected credit losses					
Due from central banks	6,372,982	-	688,359	7,061,341	7,879,857
Due from banks	2,003,970	3,241	19,597	2,026,808	1,231,178
Debt type investments carried at amortised cost	56,143,859	-	41,629	56,185,488	55,997,315
Financing assets (net of deferred profit)	143,072,338	18,951,543	2,457,186	164,481,067	138,844,763
Off balance sheet exposures subject to credit risk	19,459,817	1,246,866	139,795	20,846,478	20,835,691
	227,052,966	20,201,650	3,346,566	250,601,182	224,788,804
Opening balance of expected credit losses / impairment losses as at 1 January					
Due from central banks	-	-	258,082	258,082	248,007
Due from banks	101	-	19,597	19,698	19,795
Debt type investments carried at amortised cost	455	-	40,493	40,948	41,436
Financing assets (including suspended profit)	3,809,086	1,654,412	2,296,403	7,759,901	7,748,754
Off balance sheet exposures subject to credit risk	3,889	2,653	82,825	89,367	112,187
	3,813,531	1,657,065	2,697,400	8,167,996	8,170,179
Net transfer between stages					
Due from central banks	-	-	-	-	-
Due from banks	-	-	-	-	-
Debt type investments carried at amortised cost	-	-	-	-	-
Financing assets	(8,074)	(218)	8,292	-	-
Off balance sheet exposures subject to credit risk	-	-	-	-	-
	(8,074)	(218)	8,292	-	-
Write off / foreign currency and other adjustments for the period					
Due from central banks	-	-	-	-	-
Due from banks	-	-	-	-	-
Debt type investments carried at amortised cost	-	-	-	-	-
Financing assets	(136)	(133)	(40)	(309)	1,486
Off balance sheet exposures subject to credit risk	-	-	-	-	-
	(136)	(133)	(40)	(309)	1,486
Charge / (reversal) for the period (net)					
Due from central banks	-	-	58,661	58,661	4,172
Due from banks	(6)	-	-	(6)	(62)
Debt type investments carried at amortised cost	41	-	-	41	(185)
Financing assets*	218,136	57,802	31,100	307,038	324,921
Off balance sheet exposures subject to credit risk	515	(605)	(14)	(104)	(20,486)
	218,686	57,197	89,747	365,630	308,360
Closing balance of expected credit losses / impairment losses - as at 30 June (Reviewed)					
Due from central banks	-	-	316,743	316,743	252,179
Due from banks	95	-	19,597	19,692	19,733
Debt type investments carried at amortised cost	496	-	40,493	40,989	41,251
Financing assets (including suspended profit)	4,019,012	1,711,863	2,335,755	8,066,630	8,075,161
Off balance sheet exposures subject to credit risk	4,404	2,048	82,811	89,263	91,701
	4,024,007	1,713,911	2,795,399	8,533,317	8,480,025

*Includes profit in suspense of QAR 5,397 thousand (30 June 2025: QAR 2,185 thousand)

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20 FINANCIAL RISK MANAGEMENT (CONTINUED)

Credit quality assessments

The table below provides an analysis of counterparties by rating grades and credit quality of the Group's credit risk, based on third party rating agency's rating scale (or their equivalent) as at 30 June 2026.

<i>Rating grade</i>	<i>Due from central banks QAR'000</i>	<i>Due from banks QAR'000</i>	<i>Debt type investments carried at amortised cost QAR'000</i>	<i>Financing assets QAR'000</i>	<i>Off balance sheet exposures subject to credit risk QAR'000</i>	<i>Total QAR'000</i>
AAA to AA-	6,314,525	104,167	53,558,209	24,230,207	2,005,226	86,212,334
A+ to A-	-	1,812,380	1,677,721	6,561,018	1,419,441	11,470,560
BBB to BBB-	-	4,949	135,577	102,961,056	14,067,257	117,168,839
BB+ to B-	-	4,093	643,385	21,282,239	3,196,924	25,126,641
Unrated	746,816	101,219	170,596	9,446,547	157,630	10,622,808
Total	7,061,341	2,026,808	56,185,488	164,481,067	20,846,478	250,601,182

The geopolitical developments in the Middle East have intensified since 28 February 2026 and continue to evolve. These developments have introduced additional uncertainty in the regional economic environment and may have implications for certain sectors in which the Bank operates.

The Bank is closely monitoring the situation and is undertaking ongoing assessments to evaluate potential implications on its operations, financial position, and credit risk exposures, including financing assets. This includes consideration of sectors that may be more susceptible to adverse economic conditions and the potential impact of changes in macroeconomic factors.

Given the evolving nature of the situation, the extent and duration of any potential impact remain uncertain. The Bank will continue to monitor developments closely and will reflect any relevant implications in future financial reporting periods in accordance with applicable AAOIFI standards and regulatory requirements.

21 ASSET AND LIABILITIES HELD FOR SALE

On 31 December 2024, the Group's Board of Directors approved a plan to partially dispose of its investment in QInvest LLC, a partially owned subsidiary authorised by QFCRA to conduct various banking activities. Accordingly, QInvest LLC was classified as a disposal group held for sale. Following the completion of partial sale of QInvest LLC in 2025 and the Group's loss of control over QInvest LLC, it was classified as an Associate.

22 TAXATION

On 27 March 2025, the State of Qatar published amendments to the Income Tax Law No. (24) of 2018 in the Official Gazette. These amendments introduce an Income Inclusion Rule (IIR) and a Domestic Minimum Top-up Tax (DMTT) applicable to multinational groups, in accordance with the Base Erosion and Profit Shifting (BEPS) Pillar Two Anti-Global Erosion (GloBE) framework. The GloBE rules will take effect for accounting periods beginning on 1 January 2025.

These rules incorporate various mechanisms designed to ensure that qualifying multinational enterprises maintain a minimum effective tax rate of 15%, calculated on the excess taxable profits in each jurisdiction where the group operates. Additional guidelines concerning deadlines and administrative processes are anticipated to be released in the Executive Regulations, which have not yet been published or become effective as of the date of the approval of the financial statements.

Based on the impact assessment performed by the Group, it may be able to meet certain reliefs and may not be required to pay additional taxes for the year under these tax rules. However, the Executive Regulations detailing the requirements and conditions for such relief are not enacted yet as of the date of the approval of the financial statements. However, the Group has provided for tax liability under the GloBE rules for the Six months' period ended 30 June 2026 an amount of QAR 280.0 million (June 2025: QAR 233.6 Million).

The Group has applied the mandatory exception to recognizing and disclosing information about deferred tax assets and liabilities arising from Pillar Two income taxes.