الدعامة الثالثة
2025

BASEL III - PILLAR III DISCLOSURES

BASEL III - PILLAR III DISCLOSURES

BASEL III - PILLAR III DISCLOSURES

1. Overview and introduction

This document presents Pillar III disclosures which complements the Basel III minimum capital requirements and the supervisory review process of Qatar Islamic Bank including its financial subsidiaries ("QIB" or the "Bank") and non-financial subsidiaries (collectively referred to as the "Group"). The disclosures include information on Group's reporting structure, regulatory capital structure, risk exposures, risk management objectives, policies and assessment process. The disclosures consist of both quantitative and qualitative information and are provided at the Group consolidated level.

The Bank is regulated by the Qatar Central Bank ("QCB") and follows the Pillar 3 disclosure requirement guidelines issued by the QCB.

The QCB Basel III framework addresses the importance of developing and implementing enhanced risk management techniques for monitoring and managing the risks and intends to strengthen the market discipline and risk management practices of Qatari Banks.

The Basel Accord framework consists of following three main pillars:

- **Pillar I** - defines the regulatory minimum capital requirements by providing rules and regulations for measurement of credit risk, market risk and operational risk. The requirement of capital has to be covered by the Banks' own regulatory fund;
- **Pillar II** - addresses a Bank's Internal Capital Adequacy Assessment Process ("ICAAP") for assessing overall capital adequacy in relation to risks other than Pillar I; and
- **Pillar III** - complements the other two pillars and focuses on enhanced transparency in information disclosure, covering risk and capital management, including capital adequacy which encourages market discipline and allows market participants to assess specific information.

Approach to Calculate Pillar I Risk Weighted Assets (RWA)

- **Credit Risk:** The Bank uses the standardized approach to calculate RWA for credit risk. It uses risk weights to convert exposures into RWA as per the QCB guidelines for capital adequacy. Under this approach, the assets are classified into different asset types to enable better risk sensitivity.
- **Market risk**: The Bank uses the standardized approach for computing regulatory market risk capital requirements.
- **Operational risk:** The Bank uses the standardized approach for computing capital requirements for operational risk

QCB has put in regulatory thresholds for Common Equity Tier 1, Tier 1 and overall regulatory Capital.

- CET1 including capital conservation buffer must be at least 8.5% of risk weighted assets (RWA);
- Tier 1 Capital including capital conservation buffer must be at least 10.5% of RWA; and
- Total Capital, including conservation buffer, domestic systematic important bank buffer and ICAAP Pillar II capital charge must be at least 14.84% of RWA.

The Bank is recognized as Domestic Systemically Important Bank (D-SIB) and is accordingly required to keep a D-SIB buffer of 0.5% in addition to the capital conservation buffer (CCB) of 2.5%.

Group Structure - Information on Subsidiaries and Significant Investments

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 P.O. Box 559 Doha, State of Qatar. The consolidated financial statements of the Bank for the year ended 31 December 2025 comprise the Bank and its subsidiaries (together referred to as "the Group"). The Bank is primarily involved in corporate, retail and investment banking in accordance with Islamic sharia rules as determined by sharia supervisory board of the Bank, and has 21 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 Group has the following principal subsidiaries and special purpose entities:

Effective percentage of ownership

	Country of Incorporation	Principal Business Activity	**31 December 2025**	31 December 2024
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 (iii)	Qatar	Management of IT services and operations	**100%**	100%

*Qinvest LLC has been classified as an associate during the year after part sale of stake in the company, resulting in a loss of control. The effective date of sale is 31 December 2024.

Risk management framework (OVA)

The Board Executive Committee is represented by Board Members with the Group Chief Executive Officer Participation, and senior executives of the Bank who bear the responsibility of information under discussion. The Board has appointed the Executive Committee to assist it in discharging its responsibilities in two capacities: Deputising between Board meetings on urgent matters normally reserved for the Board's own decision; and discharging responsibilities delegated by the Board, including credit, market and operational risk matters. While the Board has ultimate credit authority, the Executive Committee, under the Board's current mandate, is responsible for the application of the Credit and Investment Risk Policy in implementing the strategic goals of the Board.

The Executive Committee serves as a tool to coordinate the business. It has, as its primary tasks and responsibilities, the provision of ongoing information to the Board on business developments, regular review of business segments, consultation with and furnishing advice to the Board on strategic decisions and preparation of credit decisions, within its delegated authorities. The Board Executive Committee works to develop the Group's business plan to be presented to the Board.

The primary objective of Policies and Procedures Committee is to study, prepare and develop strategies, objectives, policies, systems, plans, and procedures manuals. The Committee ensures that the Group policies and practices are conducted in accordance with the established and approved business operating standards. The Committee reviews the operating efficiency of the respective functions and measures the alignment of functional procedures with corporate objectives and business processes. The Committee is also responsible for the review and consolidation of business development, product alignment and resources distribution across Group. The Committee highlights deviations of policies and procedures from laid down standards to the management for necessary corrective action as appropriate and reviews compliance of the same. The Committee is also responsible to develop Group's corporate social responsibility strategy in light of Group's brand values.

Nomination, Compensation and Benefits Committee is responsible to develop a remuneration policy to attract, retain and motivate staff, management of the highest calibre who have the skills needed to achieve the Bank's objectives year on year. The Committee is responsible to ensure that it balances the interests of the shareholders, the Bank and its employees. The Committee meets at regular intervals during the year to perform and comply with its mandate.

Audit and Risk Committee's objective is to assist the Board to fulfil its corporate governance and oversight responsibilities related to the Group. This is supported through risk management, financial reports, systems of internal control, the internal and external audit functions and the process of monitoring compliance with laws and regulations and the Group's code of business conduct. The Committee role is to report to the Board and provide appropriate advice and recommendations on matters relevant to the Audit and Risk Committee charter in order to facilitate decision making to the Board.

The Audit and Risk Committee is assisted in these functions by the Internal Audit and Compliance Departments.

In addition to the above mentioned committees, the management has also established a number of multi-functional internal committees such as the Management Committee, Credit & Investment Committee, Assets and Liabilities Committee (ALCO), Operational Risk Management Committee (ORMC) and Special Assets Committee (SAC) which are responsible for developing and monitoring Group's risk management policies in their specified areas.

Risk Group function operates within a Board approved Risk Appetite, Strategy and Enterprise-Wide Management framework. The framework identifies key risks faced by the Bank and sets accordingly appropriate risk limits and controls. The Group monitors and manages risks and adherence to limits. The Group Risk appetite framework, policies and systems are reviewed regularly, to reflect changes in market conditions, products and services offered.

The Bank's Risk Appetite and Framework statement defines the risk tolerance that translated into a framework of risk limits, targets or measures for major risk categories through the Bank and Banking Group. The setting of the risk appetite thus ensures that risk is proactively managed to the Framework.

The Board as well as Management reviews and approves the Risk Appetite and Framework on an annual basis to ensure that it is consistent with the Bank's business environment, stakeholder requirements and strategy. The risk appetite tolerance levels are set at different trigger levels, with clearly defined escalation and action schemes.

OV1: Overview of RWA		RWA		Minimum capital requirements*	
QAR '000s		**Dec-25**	Dec-24	**Dec-25**	Dec-24
1	Credit risk (excluding counterparty credit risk)	133,242,669	129,933,979	19,773,211	19,529,077
2	Of which: standardized approach (SA)	133,242,669	129,933,979	19,773,211	19,529,077
3	Of which: foundation internal ratings-based (F-IRB) approach	-	-	-	-
4	Of which: supervisory slotting approach	-	-	-	-
5	Of which: advanced internal ratings-based (A-IRB) approach	-	-	-	-
6	Counterparty credit risk (CCR)	135,148	99,942	20,056	15,021
7	Of which: standardized approach for counterparty credit risk	135,148	99,942	20,056	15,021
8	Of which: CEM	-	-	-	-
9	Of which: other CCR	-	-	-	-
10	Credit valuation adjustment (CVA)	135,148	99,942	20,056	15,021
11	Equity positions under the simple risk weight approach and the internal model method during the five-year linear phase-in period	-	-	-	-
12	Equity investments in funds - look-through approach	-	-	-	-
13	Equity investments in funds - mandate-based approach	-	2,584,384	-	388,433
14	Equity investments in funds - fallback approach	-	-	-	-
15	Settlement risk	-	-	-	-
16	Securitization exposures in the banking book	-	-	-	-
17	Of which: securitisation IRB approach (SEC-IRBA)	-	-	-	-
18	Of which: securitization external ratings-based approach (SEC-ERBA)	-	-	-	-
19	Of which: securitization standardized approach (SEC-SA)	-	-	-	-
20	Market risk	10,584,769	9,776,967	1,570,780	1,469,478
21	Of which: standardized approach (SA)	10,584,769	9,776,967	1,570,780	1,469,478
22	Of which: internal model approach (IMA)				
23	Operational risk	9,836,885	9,272,885	1,459,794	1,393,715
24	**Total (1+6+10+11+12+13+14+15+16+20+23)**	**153,934,619**	**151,768,099**	**22,843,897**	**22,810,745**

**The minimum capital requirements applied for Dec'2025 is 14.84% and for Dec'2024 was 15.03%, both includes ICAAP Pillar II capital charge.*

BASEL III - PILLAR III DISCLOSURES

KM1: Key metrics

QAR '000s		Dec-25	Sep-25	Jun-25	Mar-25	Dec-24
Available capital (amounts)						
1	Common Equity Tier 1 (CET1)	28,448,198	28,536,485	28,191,782	26,930,739	25,921,175
1a	Fully loaded ECL accounting model	-	-	-	-	-
2	Tier 1	32,448,198	32,591,361	32,244,612	30,987,412	29,975,566
2a	Fully loaded ECL accounting model Tier 1	-	-	-	-	-
3	Total capital	34,163,956	34,388,504	34,039,884	32,770,662	31,735,100
3a	Fully loaded ECL accounting model total capital	-	-	-	-	-
Risk-weighted assets (amounts)						
4	Total risk-weighted assets (RWA)	153,934,619	154,703,423	154,841,338	152,972,164	151,768,099
Risk-based capital ratios as a percentage of RWA						
5	Common Equity Tier 1 ratio (%)	18.5%	18.4%	18.2%	17.6%	17.1%
5a	Fully loaded ECL accounting model CET1 (%)	-	-	-	-	-
6	Tier 1 ratio (%)	21.1%	21.1%	20.8%	20.3%	19.8%
6a	Fully loaded ECL accounting model Tier 1 ratio (%)	-	-	-	-	-
7	Total capital ratio (%)	22.2%	22.2%	22.0%	21.4%	20.9%
7a	Fully loaded ECL accounting model total capital ratio (%)	-	-	-	-	-
Additional CET1 buffer requirements as a percentage of RWA						
8	Capital conservation buffer requirement (2.5% from 2019) (%)	2.5%	2.5%	2.5%	2.5%	2.5%
9	Countercyclical buffer requirement (%)	-	-	-	-	-
10	QCB QATAR additional requirements (%)	0.5%	0.5%	0.5%	0.5%	0.5%
11	Total of bank CET1 specific buffer requirements (%) (row 8 + row 9+ row 10)	3.0%	3.0%	3.0%	3.0%	3.0%
12	CET1 available after meeting the bank's minimum capital requirements (%)	-	-	-	-	-
Leverage Ratio						
13	Total leverage ratio measure	239,288,727	229,646,185	227,466,942	226,326,239	214,753,411
14	Leverage ratio (%) (row 2/row 13)	13.6%	14.2%	15.0%	13.7%	14.0%
14a	Fully loaded ECL accounting model leverage ratio (%) (row 2a/row 13)	-	-	-	-	-
14b	Leverage ratio (%) (excluding the impact of any applicable temporary exemption of central bank reserves)	-	-	-	-	-
Liquidity Coverage Ratio						
15	Total HQLA	61,098,446	60,228,132	60,618,968	56,038,735	55,125,860
16	Total net cash outflow	14,125,087	16,980,506	16,908,183	20,114,831	19,775,638
17	LCR ratio (%)	432.6%	354.7%	358.5%	278.6%	278.8%
Net Stable Funding Ratio						
18	Total available stable funding	160,346,204	156,421,321	153,789,202	148,532,221	142,861,051
19	Total required stable funding	128,547,750	127,216,076	125,166,855	124,869,050	121,541,415
20	NSFR ratio (%)	124.7%	123.0%	122.9%	119.0%	117.5%

2. Composition of Capital

CCI: Composition of Regulatory Capital

	Common Equity Tier 1 capital: instruments and reserves	Dec-25	Dec-24
1	Directly issued qualifying common share (and equivalent for non-joint stock companies) capital plus related stock surplus	2,362,932	2,362,932
2	Retained earnings	16,762,311	14,474,644
3	Accumulated other comprehensive income (and other reserves)	9,317,832	9,020,146
4	Directly issued capital subject to phase-out from CET1 (only applicable to non-joint stock companies)	-	331,445
5	Common share capital issued by third parties (amount allowed in group CET1)	-	-
6	**Common Equity Tier 1 capital before regulatory deductions**	**28,443,074**	**26,189,166**
	Common Equity Tier 1 capital regulatory adjustments		
7	Prudent valuation adjustments	-	-
8	Goodwill (net of related tax liability)	-	216,056
9	Other intangibles other than mortgage servicing rights (net of related tax liability)		
10	Deferred tax assets that rely on future profitability, excluding those arising from temporary differences (net of related tax liability)	-	39,570
11	Cash flow hedge reserve	(5,123)	12,365
12	Shortfall of provisions to expected losses	-	-
13	Securitization gain on sale	-	-
14	Gains and losses due to changes in own credit risk on fair valued liabilities	-	-
15	Defined benefit pension fund net assets	-	-
16	Investments in own shares (if not already subtracted from paid-in capital on reported balance sheet)	-	-
17	Reciprocal cross-holdings in common equity	-	-
18	Investments in the capital of banking, financial and takaful entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued share capital (amount above 10% threshold)	-	-
19	Significant investments in the common stock of banking, financial and takaful entities that are outside the scope of regulatory consolidation (amount above 10% threshold)	-	-
20	Mortgage servicing rights (amount above 10% threshold)	-	-
21	Deferred tax assets arising from temporary differences (amount above 10% threshold, net of related tax liability)	-	-
	Amount exceeding 15% threshold	-	-
22	Of which: significant investments in the common stock of financials	-	-
23	Of which: mortgage servicing rights	-	-
24	Of which: deferred tax assets arising from temporary differences	-	-
25	QCB QATAR specific regulatory adjustments	-	-
26	Zakat obligations	-	-
27	Regulatory adjustments applied to Common Equity Tier 1 due to insufficient Additional Tier 1 and Tier 2 to cover deductions	-	-
28	**Total regulatory adjustments to Common Equity Tier 1**	(5,123)	267,991
29	**Common Equity Tier 1 capital (CET1)**	**28,448,198**	**25,921,175**

CCI: Composition of Regulatory Capital (continued)

	Additional Tier 1 capital: instruments		
30	Directly issued qualifying Additional Tier 1 instruments plus related stock surplus	4,000,000	4,000,000
31	OF which: classified as equity under applicable accounting standards	4,000,000	4,000,000
32	Of which: classified as liabilities under applicable accounting standards	-	-
33	Directly issued capital instruments subject to phase-out from additional Tier 1	-	-
34	Additional Tier 1 instruments (and CET1 instruments not included in row 5) issued by subsidiaries and held by third parties (amount allowed in AT1)	-	54,391
35	Of which: instruments issued by subsidiaries subject to phase-out	-	-
36	Additional Tier 1 capital before regulatory adjustments	4,000,000	4,054,391
	Additional Tier 1 capital: regulatory adjustments		
37	Investments in own additional Tier 1 instruments	-	-
38	Reciprocal cross-holdings in additional Tier 1 instruments	-	-
39	Investments in capital of banking, financial and takaful entities that are outside the scope of regulatory consolidation	-	-
40	Significant investments in the common stock of banking, financial and takaful entities that are outside the scope of regulatory consolidation	-	-
41	QCB QATAR specific regulatory adjustments	-	-
42	Regulatory adjustments applied to additional Tier 1 due to insufficient Tier 2 to cover deductions	-	-
43	**Total regulatory adjustments to additional Tier 1 capital**	**-**	**-**
44	**Additional Tier 1 capital (AT1)**	**4,000,000**	**4,054,391**
45	**Tier 1 capital (T1= CET1 + AT1)**	**32,448,198**	**29,975,566**
	Tier 2 capital: instruments and provisions		
46	Directly issued qualifying Tier 2 instruments plus related stock surplus	-	-
47	Directly issued capital instruments subject to phase-out from Tier 2	-	-
48	Tier 2 instruments (and CET1 and AT1 instruments not included in rows 5 or 34) issued by subsidiaries and held by third parties (amount allowed in group Tier 2)	-	54,391
49	Of which: instruments issued by subsidiaries subject to phase-out	-	-
50	Provisions	1,715,759	1,705,143
51	**Tier 2 capital before regulatory adjustments**	**1,715,759**	**1,759,534**
	Tier 2 capital: regulatory adjustments		
52	Investments in own Tier 2 instruments	-	-
53	Reciprocal cross-holdings in Tier 2 instruments and other TLAC liabilities	-	-
54	Investments in capital, financial and takaful entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued common share capital of the entity (amount above 10% threshold)	-	-
55	Significant investments in the capital and other TLAC liabilities of banking, financial and takaful entities that are outside the scope of regulatory consolidation (net of eligible short positions)	-	-
56	QCB QATAR specific regulatory adjustments	-	-
57	**Total regulatory adjustments to Tier 2 capital**	**-**	**-**
58	**Tier 2 capital (T2)**	1,715,759	1,759,534
59	**Total regulatory capital (TC = T1 + T2)**	**34,163,956**	**31,735,100**
60	**Total risk-weighted assets**	**153,934,619**	**151,768,099**

CCI: Composition of Regulatory Capital (continued)

	Capital ratios and buffers		
61	**Common Equity Tier 1 (as a percentage of risk-weighted assets)**	18.5%	17.1%
62	**Tier 1 (as a percentage of risk-weighted assets)**	21.1%	19.8%
63	**Total capital (as a percentage of risk-weighted assets)**	22.2%	20.9%
64	**Institution specific buffer requirement (capital conservation buffer plus countercyclical buffer requirements plus higher loss absorbency requirement, expressed as a percentage of risk-weighted assets)**	-	-
65	**Of which: capital conservation buffer requirement**	-	-
66	**Of which: bank-specific countercyclical buffer requirement**	-	-
67	**Of which: higher loss absorbency requirement (e.g., DSIB)**	-	-
68	**Common Equity Tier 1 (as a percentage of risk-weighted assets) available after meeting the bank's minimum capital requirement.**	-	-
	The QCB QATAR Minimum Capital Requirement		
69	Common Equity Tier 1 minimum ratio	6.0%	6.0%
70	Tier 1 minimum ratio	8.0%	8.0%
71	Total capital minimum ratio	10.0%	10.0%
	Amounts below the thresholds for deduction (before risk weighting)		
		-	-
	Non-significant investments in the capital and other TLAC liabilities of other financial entities	-	-
72	Significant investments in common stock of financial entities	-	-
73	Mortgage servicing rights (net of related tax liability)	-	-
		-	-
74	Deferred tax assets arising from temporary differences (net of related tax liability)	-	-
	Applicable caps on the inclusion of provisions in Tier 2		
75	Provisions eligible for inclusion in Tier 2 in respect of exposures subject to standardized approach (prior to application of cap)	5,463,496	5,398,350
76	Cap on inclusion of provisions in Tier 2 under standardized approach	1,715,759	1,705,143
		-	-
		-	-
	Capital instruments subject to phase-out arrangements (only applicable between 1 Jan 2018 and 1 Jan 2022)		
77	Current cap on CET1 instruments subject to phase-out arrangements	-	-
78	Amount excluded from CET1 due to cap (excess over cap after redemptions and maturities)	-	-
79	Current cap on AT1 instruments subject to phase-out arrangements	-	-
80	Amount excluded from AT1 due to cap (excess after redemptions and maturities)	-	-
81	Current cap on T2 instruments subject to phase-out arrangements	-	-
82	Amount excluded from T2 due to cap (excess after redemptions and maturities)	-	-

LI 1: Differences between accounting and regulatory scopes of consolidation and mapping of financial statement categories with regulatory risk categories

Particulars - Dec 2025	Carrying values as reported in published financial statements (a)	Carrying values under scope of regulatory consolidation (b)	Carrying values of items				
			Subject to credit risk framework (c)	Subject to counterparty credit risk framework (d)	Subject to the securitization framework (e)	Subject to market risk framework (f)	Not subject to capital requirements or subject to deduction from capital (g)
Assets							
Cash and balances with central banks	8,971,445	7,971,169	7,971,169	-	-	-	-
Due from banks	5,796,109	5,796,440	5,796,440	-	-	-	-
Financing assets	138,481,616	139,700,378	139,700,378	-	-	-	-
Investment securities	60,249,013	60,409,573	58,660,888	-	-	1,748,685	-
Investment in associates	2,133,528	2,113,316	2,113,316	-	-	-	-
Investment properties	3,329,839	2,311,137	2,311,137	-	-	-	-
Fixed assets	576,157	576,157	576,157	-	-	-	-
Intangible assets	-	-	-	-	-	-	-
Other assets	1,513,071	2,331,533	2,279,436	52,097	-	-	-
Assets held for sale	-	-	-		-	-	-
Total assets	**221,050,778**	**221,209,703**	**219,408,922**	**52,097**	**-**	**1,748,685**	**-**
Liabilities							
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
Liabilities held for sale	-	-	-	-	-	-	-
Total liabilities	61,795,189	61,795,189	-	-	-	-	61,795,189
Quasi Equity	125,507,141	125,507,141	-	-	-	-	125,507,141
Total liabilities and Quasi Equity	**187,302,330**	**187,302,330**	**-**	**-**	**-**	**-**	**187,302,330**

LI2: Difference between financial statements and regulatory exposures accounting

Exposures funded and unfunded - Dec 2025	Total	Carrying values of items			
		Subject to credit risk framework (c)	Subject to counterparty credit risk framework (d)	Subject to the securitization framework (e)	Subject to market risk framework (f)
Asset carrying value amount under scope of regulatory consolidation (as per template LI1)	**221,209,703**	219,408,922	52,097	-	1,748,685
Liabilities carrying value amount under regulatory scope of consolidation (as per template LI1)	**-**	-	-	-	-
Total net amount under regulatory scope of consolidation	**221,209,703**	219,408,922	52,097	-	1,748,685
Off-balance sheet amounts	**26,720,478**	26,720,478	-	-	-
Differences in valuations	**-**	-	-	-	-
Differences due to different netting rules, other than those already included in row 2	**(5,349,599)**	(5,349,599)	-	-	-
Differences due to consideration of provisions and PIS	**5,464,052**	5,464,052	-	-	-
Differences due to prudential filters	**-**	-	-	-	-
Derivatives	**44,472**	-	44,472	-	-
Exposure amounts considered for regulatory purposes	**248,089,106**	**246,243,853**	**96,569**	**-**	**1,748,685**

- **LIA: Main sources of differences between regulatory exposure amounts and carrying values in financial statements (LIA)**

  - **Significant differences between 'Carrying values as reported in published financial statements' and 'Carrying values under scope of regulatory consolidation'.**
    The variance is due to the difference in scope of consolidation for accounting and regulatory purposes. For regulatory purposes, only financial entities are being considered for consolidation and hence the line items exclude the balances held with non-financial subsidiaries.

  - **Origins of differences between 'Carrying values as reported in published financial statements' and 'Carrying values under scope of regulatory consolidation'.**
    Differences arise due to the fact that balances are shown net of provision in accounting consolidation whereas they are shown gross in regulatory consolidation.

• **CC2: Reconciliation of regulatory capital to balance sheet**

	Balance sheet as in published financial statements	Under regulatory scope of consolidation
QAR '000s	Dec-25	Dec-25
Assets		
Cash and balances with central banks	8,971,445	7,971,169
Due from banks	5,796,109	5,796,440
Financing assets	138,481,616	139,700,378
Investment securities	60,249,013	60,409,573
Investment in associates	2,133,528	2,113,316
Investment properties	3,329,839	2,311,137
Fixed assets	576,157	576,157
Intangible assets	-	-
Other assets	1,513,071	2,331,533
Assets held for sale	-	-
Total assets	**221,050,778**	**221,209,703**
Liabilities		
Due to banks	24,007,991	24,007,991
Customers' current accounts	17,219,483	17,219,483
Sukuk financing	11,074,236	11,074,236
Other liabilities	9,493,479	9,493,479
Liabilities held for sale	-	-
Total liabilities	**61,795,189**	**61,795,189**
Quasi Equity	**125,507,141**	**125,507,141**
Shareholders' equity		
Share capital	2,362,932	2,362,932
Legal reserve	6,370,016	6,370,016
Risk reserve	3,183,218	3,183,218
General reserve	81,935	81,935
Fair value reserve	137,424	137,424
Foreign currency translation reserve	(671,584)	(671,584)
Other reserves	216,820	216,820
Retained earnings	17,943,777	17,943,777
Total equity attributable to equity holders of the bank	**29,624,538**	**29,624,538**
Non-controlling profits	123,910	123,910
Sukuk eligible as additional capital	4,000,000	4,000,000
Total equity	**33,748,448**	**33,748,448**
Total liabilities, equity of unrestricted investment account holders and equity	**221,050,778**	**221,050,778**

CCA: Main features of regulatory capital instruments

	QAR ´000s	Quantitative / qualitative information		
1	Issuer	Qatar Islamic Bank		
2	Unique identifier (e.g. CUSIP, ISIN or Bloomberg identifier for private placement)	QA0006929853	NA	NA
3	Governing law(s) of the instrument	The instrument is governed by the laws of State of Qatar		
	Regulatory treatment			
4	Transitional arrangement rules (i.e. grandfathering)	NA	NA	NA
5	Post-transitional arrangement rules (i.e. grandfathering)	NA	NA	NA
6	Eligible at solo/group/group and solo	Group	Group	Group
7	Instrument type (types to be specified by each jurisdiction)	Ordinary Shares	Sukuk	Sukuk
8	Amount recognized in regulatory capital (currency in millions, as of most recent reporting date)	2,362,932	2,000,000	2,000,000
9	Nominal amount of instrument	2,362,932	2,000,000	2,000,000
9a	Issue price	2,362,932	2,000,000	2,000,000
9b	Redemption price	as per Market Value	2,000,000	2,000,000
10	Accounting classification	Shareholder's equity	Tier 1 sukuk	Tier 1 sukuk
11	Original date of issuance	NA	June-2015	Sep-2016
12	Perpetual or dated	NA	Perpetual	Perpetual
13	Original maturity date	NA	NA	NA
14	Issuer call subject to prior supervisory approval	NA	NA	NA
15	Optional call date, contingent call dates and redemption amount	-	On or after June-2021	On or after Sep-2022
16	Subsequent call dates, if applicable	NA	Yes	Yes
	Coupons / dividends			
17	Fixed or floating dividend/coupon	NA	Fixed	Fixed
18	Coupon rate and any related index	Dividend	4.13365%	6.7985%
19	Existence of a dividend stopper	NA	Yes	Yes
20a	Fully discretionary, partially discretionary or mandatory (in terms of timing)	Full discretionary	Full discretionary	Full discretionary
20b	Fully discretionary, partially discretionary or mandatory (in terms of amount)	Full discretionary	Full discretionary	Full discretionary
21	Existence of step-up or other incentive to redeem	NA	No	No
22	Non-cumulative or cumulative	Non-cumulative	Non-cumulative	Non-cumulative
23	Convertible or non-convertible	NA	Non-convertible	Non-convertible
24	Write-down feature	NA	NA	NA
25	If writedown, writedown trigger(s)	NA	NA	NA
26	If writedown, full or partial	NA	NA	NA
27	If writedown, permanent or temporary	NA	NA	NA

CCA: Main features of regulatory capital instruments (continued)

	QAR '000s	Quantitative / qualitative information		
28	If temporary write-own, description of writeup mechanism	NA	NA	NA
28a	Type of subordination	NA	Structural subordination	Structural subordination
29	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument in the insolvency creditor hierarchy of the legal entity concerned).	NA	Senior only to Share Capital	Senior only to Share Capital
30	Non-compliant transitioned features	NA	No	No
31	If yes, specify non-compliant features	NA	NA	NA

3. Leverage ratio

LR1: Summary comparison of accounting assets vs leverage ratio exposure measure

	QAR '000s	Dec 2025
1	Total consolidated assets as per published financial statements	221,230,849
2	Adjustments for investments in banking, financial, takaful or commercial entities that are consolidated for accounting purposes but outside the scope of regulatory consolidation	
3	Adjustment for securitized exposures that meet the operational requirements for the recognition of risk transference	
4	Adjustments for temporary exemption of central bank reserves (if applicable)	
5	Adjustment for fiduciary assets recognized on the balance sheet pursuant to the operative accounting framework but excluded from the leverage ratio exposure measure	
6	Adjustments for regular-way purchases and sales of financial assets subject to trade date accounting	
7	Adjustments for eligible cash pooling transactions	
8	Adjustments for derivative financial instruments	(180,092)
9	Adjustment for securities financing transactions (i.e., repos and similar secured lending)	
10	Adjustments for off-balance sheet items (i.e., conversion to credit equivalent amounts of off-balance sheet exposures)	18,232,846
11	Adjustments for prudent valuation adjustments and specific and general provisions which have reduced Tier 1 capital	5,123
12	Other adjustments	
13	**Leverage ratio exposure measure**	**239,288,727**

BASEL III - PILLAR III DISCLOSURES

3. Leverage ratio (continued)

LR2: Leverage ratio common disclosure template

	On-balance sheet exposures QAR '000s	Dec-25	Dec-24
1	On-balance sheet exposures (excluding derivatives and securities financing transactions (SFTs), but including collateral)	221,230,849	200,779,776
2	Gross-up for derivatives collateral provided where deducted from balance sheet assets pursuant to the operative accounting framework	-	-
3	(Deductions of receivable assets for cash variation margin provided in derivatives transactions)	-	-
4	(Adjustment for securities received under securities financing transactions that are recognized as an asset)	-	-
5	(Specific and general provisions associated with on-balance sheet exposures that are deducted from Tier 1 capital)	-	-
6	(Asset amounts deducted in determining Tier 1 capital)	5,123	(267,991)
7	**Total on-balance sheet exposures (excluding derivatives and SFTs) (sum of rows 1 to 6)**	**221,235,973**	**200,511,785**
Derivative exposures			
8	Replacement cost associated with all derivatives transactions (where applicable net of eligible cash variation margin and/or with bilateral netting)	(313,055)	(353,966)
9	Add-on amounts for PFE associated with all derivatives transactions1	132,963	128,280
10	(Exempted CCP leg of client-cleared trade exposures)	-	-
11	Adjusted effective notional amount of written credit derivatives	-	-
12	(Adjusted effective notional offsets and add-on deductions for written credit derivatives)	-	-
13	**Total derivative exposures (sum of rows 8 to 12)**	**(180,092)**	**(225,686)**
Securities financing transactions			
14	Gross SFT assets (with no recognition of netting), after adjusting for sale accounting transactions	-	-
15	(Netted amounts of cash payables and cash receivables of gross SFT assets)	-	-
16	CCR exposure for SFT assets	-	-
17	Agent transaction exposures	-	-
18	Total securities financing transaction exposures (sum of rows 14 to 17)	-	-
Other off-balance sheet exposures			
19	Off-balance sheet exposure at gross notional amount2	26,029,548	20,213,394
20	(Adjustments for conversion to credit equivalent amounts)2	(7,796,701)	(5,746,081)
21	(Specific and general provisions associated with off-balance sheet exposures deducted in determining Tier 1 capital)	-	-
22	**Off-balance sheet items (sum of rows 19 to 21)**	**18,232,846**	**14,467,313**
Capital and total exposures			
23	**Tier 1 capital**	**32,448,198**	**29,975,566**
24	**Total exposures (sum of rows 7, 13, 18 and 22)**	**239,288,727**	**214,753,411**
Leverage ratio			
25	**Leverage ratio (including the impact of any applicable temporary exemption of central bank reserves)**	**13.6%**	**14.0%**
25a	Leverage ratio (excluding the impact of any applicable temporary exemption of central bank reserves)	**13.6%**	**14.0%**
26	QCB minimum leverage ratio requirement	**5%**	**5%**
27	**Applicable leverage buffers**		

BASEL III - PILLAR III DISCLOSURES

4. Liquidity Risk (LIQA)

- **Liquidity risk**

  Liquidity risk is the risk that the Group is unable to meet its obligations when they fall due as a result of e.g. customer deposits being withdrawn, cash requirements from contractual commitments, or other cash outflows, such as debt maturities or margin calls for risk management instruments etc. Such outflows would deplete available cash resources for client financing, trading activities and investments. In extreme circumstances, lack of liquidity could result in reductions in the consolidated statement of financial position and sales of assets, or potentially an inability to fulfil financing commitments. The risk that the Group will be unable to do so is inherent in all banking operations and can be affected by a range of institution-specific and market-wide events including, but not limited to, credit events, merger and acquisition activity, systemic shocks and natural disasters.

- **Management of liquidity risk**

  The Group maintains a portfolio of high-quality liquid assets, largely made up of QCB Sukuk, short-term liquid trading investments, and inter-bank placements in addition to maintaining the statutory reserves with QCB and other regulators. The Market Risk Department monitors the liquidity risk of the Bank on a daily basis through a Liquidity Management dashboard which captures many liquidity parameters both under normal and stressed market conditions. The dashboard includes threshold points which will help proactively identify any liquidity constraints, the remedial actions that will be taken under each situation along with the responsible persons. All liquidity policies and procedures are subject to review and approval by ALCO and the Board of Directors.

  The Group monitor its liquidity risk according to QCB's guidelines on Basel III through two key ratios, the Liquidity Coverage Ratio (LCR) to monitor the short term (30 days) resilience of the bank's liquidity and non-risk-based Leverage Ratio to act as a credible supplementary measure to the risk-based capital requirements.

- **Exposure to liquidity risk**

  A key measure used by the Group for managing liquidity risk is the ratio of net liquid assets to customer deposits, i.e. total assets by maturities against total liabilities by maturities. For this purpose net liquid assets are considered as including cash and cash equivalents and investment grade debt-type securities for which there is an active and liquid market less any deposits from banks, sukuk issued, other funding's and commitments maturing within the next month. A similar, but not identical, calculation is used to measure the Group's compliance with the liquidity limit established by QCB.

- **Maturity analysis**

  Maturity analysis of Group's assets, liabilities and equity of unrestricted investment account holders are prepared on the basis of the remaining period at 31 December to the contractual maturity date. For assets, liabilities and equity of unrestricted investment account holders where there is no contractually agreed maturity date, the maturity analysis is done based on the statistical maturity.

BASEL III - PILLAR III DISCLOSURES

• **LIQ1: Liquidity Coverage Ratio (LCR)**

	QAR '000s	Total unweighted value (average)	Total weighted value (average)	Total unweighted value (average)	Total weighted value (average)
High-quality liquid assets		**Dec-25**		**Dec-24**	
1	Total HQLA		**61,098,446**		**55,125,860**
2	**Retail deposits and deposits from small business customers, of which:**	**63,558,911**	**4,711,592**	59,360,125	4,349,152
3	Stable deposits				
4	Less stable deposits	**63,558,911**	**4,711,592**	59,360,125	4,349,152
5	**Unsecured wholesale funding, of which:**	**25,876,951**	**14,292,611**	25,450,134	17,166,362
6	Operational deposits (all counterparties) and deposits in networks of cooperative banks	-	-	-	-
7	Non-operational deposits (all counterparties)	25,876,951	14,292,611	25,450,134	17,166,362
8	Unsecured debt	-	-	-	-
9	**Secured wholesale funding**				
10	**Additional requirements, of which:**	**12,326,797**	**4,049,675**	**14,251,156**	**4,512,218**
11	Outflows related to derivative exposures and other collateral requirements	11,950,986	4,014,284	13,855,635	4,473,752
12	Outflows related to loss of funding of debt products	-	-	-	-
13	Credit and liquidity facilities	375,811	35,391	395,522	38,467
14	**Other contractual funding obligations**	**-**	**-**	**-**	**-**
15	**Other contingent funding obligations**	**-**	**-**	**-**	**-**
16	**TOTAL CASH OUTFLOWS**		**23,053,877**		**26,027,732**
Cash inflows					
17	Secured lending (eg reverse repo)	-	-	-	-
18	Inflows from fully performing exposures	3,419,329	1,709,665	5,229,741	2,614,870
19	Other cash inflows	7,219,125	7,219,125	3,637,224	3,637,224
20	TOTAL CASH INFLOWS	10,638,455	8,928,790	8,866,965	6,252,095
21	**Total HQLA**		**61,098,446**		**55,125,860**
22	**Total net cash outflows**		**14,125,087**		**19,775,638**
23	**Liquidity coverage ratio (%)**		**432.6%**		**278.8%**

• **LIQ2: Net Stable Funding Ratio (NSFR)**

QAR '000s		Unweighted value by residual maturity				Weighted value
		No maturity*	<6 months	6 months to <1 year	≥1 year	
Available stable funding (ASF) item						
1	Capital:					
2	Regulatory capital	32,443,074				32,443,074
3	Other capital instruments	-	-	-	-	-
4	Retail deposits and deposits from small business customers:					
5	Stable deposits					
6	Less stable deposits	31,247,197	17,867,408	12,347,570	1,668,323	55,526,946
7	Wholesale funding:					
8	Operational deposits	5,848,227				2,924,114
9	Other wholesale funding	3,893,148	35,411,470	14,078,024	26,331,866	52,745,301
10	Liabilities with matching interdependent assets					
11	Other liabilities:					
12	NSFR derivative liabilities					
13	All other liabilities and equity not included in the above categories			3,635,858	29,993,889	16,706,769
14	**Total ASF**					**160,346,204**

BASEL III - PILLAR III DISCLOSURES

• LIQ2: Net Stable Funding Ratio (NSFR) (continued)

Required stable funding (RSF) item		Unweighted value by residual maturity				Weighted value
QAR '000s		No maturity*	<6 months	6 months to <1 year	≥1 year	
15	Total NSFR high-quality liquid assets (HQLA)	999,638	1,386,419	-	59,739,104	2,818,680
16	Deposits held at other financial institutions for operational purposes					
17	Performing financings and securities:					
18	Performing financings to financial institutions secured by Level 1 HQLA					
19	Performing financings to financial institutions secured by non-Level 1 HQLA and unsecured performing financings to financial institutions		6,175,019			926,253
20	Performing financings to non-financial corporate clients, financings to retail and small business customers, and financings to sovereigns, central banks and PSEs, of which:	1,765,683	15,980,368	14,982,993	105,987,276	106,453,707
21	With a risk weight of less than or equal to 35% under the Basel II standardized approach for credit risk					
22	Performing residential mortgages, of which:					
23	With a risk weight of less than or equal to %35 under the Basel II standardized approach for credit risk					
24	Securities that are not in default and do not qualify as HQLA, including exchange-traded equities				4,690,595	3,987,005
25	Assets with matching interdependent liabilities					
26	Other assets:					
27	Physical traded commodities, including gold					
28	Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs					
29	NSFR derivative assets					
30	NSFR derivative liabilities before deduction of variation margin posted					
31	All other assets not included in the above categories	11,700,221				11,700,221
32	Off-balance sheet items					2,661,883
33	**Total RSF**					**128,547,750**
34	**Net Stable Funding Ratio (%)**					**124.7%**

BASEL III - PILLAR III DISCLOSURES

5. Credit Risk (CRA)

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. It arises principally from the Group's financing assets, due from banks, investment securities, contingent exposures and certain other assets.

The Group's credit risk management framework includes:

- Establishment of authorisation structure and limits for the approval and renewal of financing assets;
- Reviewing and assessing credit exposures in accordance with authorisation structure and limits, prior to facilities being committed to customers. Renewals and reviews of financing assets are subject to the same review process;
- Diversification of financing and investment activities;
- Limiting concentrations of exposure to industry sectors, geographic locations and counterparties; and
- Reviewing compliance, on an ongoing basis, with agreed exposure limits relating to counterparties, industries and countries and reviewing limits in accordance with risk management strategy and market trends.

A comprehensive framework of credit risk limits is in place that monitors the overall quality of the Bank's credit portfolio as well as the underlying portfolios. In addition, specific concentration risk appetites are defined on product, geographical and counterparty level that are cascaded down into the organization.
The Credit and Investment Committee (CIC) has day to day responsibility for all matters relating to credit risk, including Credit and Investment Policy interpretation and application, exposure portfolio monitoring and country limits. The CIC reviews and manages risk asset policies, approvals, exposures and recoveries related to credit, operational and compliance risks. It acts as a general forum for discussions of any aspect of risk facing or which could potentially face QIB resulting in reputational or financial loss to the bank. It also oversees the operations of the Operational Risk Management committee (ORMC) and the Special Assets Committee (SAC).

In addition, the Group manages the credit exposure by obtaining security where appropriate and limiting the duration of exposure. In certain cases, the Group may also close out transactions or assign them to other counterparties to mitigate credit risk.

Regular audits of business units and Group credit processes are undertaken by Internal Audit and Compliance Divisions.

• CR1: Credit quality of assets

		Gross carrying values of		Allowances/ Impairments (c)	Of which ECL accounting provisions for credit losses on SA exposures		Net Values (a+b-c)
	QAR '000s	Defaulted exposures * (a)	Non-defaulted exposures (b)		Allocated in regulatory category of Specific (d)	Allocated in regulatory category of General (e)	
1	Financing	2,348,224	143,825,157	7,691,765	2,228,269	5,463,496	138,481,616
2	Debt securities	41,629	55,897,311	40,948	40,493	455	55,897,992
3	Off-balance sheet exposures	146,626	20,417,617	89,366	82,825	6,541	20,474,877
4	**Total**	**2,536,479**	**220,140,085**	**7,822,079**	**2,351,587**	**5,470,492**	**214,854,485**

• CR2: Changes in the stock of defaulted financings and debt securities

	QAR '000s	Dec 2025
1	**Defaulted financings and debt securities at the end of the previous reporting period**	2,455,783
2	Financings and debt securities that have defaulted since the last reporting period	(65,201)
3	Returned to non-default status	0
4	Amounts written off	**(728)**
5	Other changes	-
6	**Defaulted financings and debt securities at the end of the reporting period**	**2,389,853**

BASEL III - PILLAR III DISCLOSURES

• CR3: Credit risk mitigation techniques – overview

QAR ’000s	Exposures unsecured: carrying amount	Exposures secured by collateral	Exposures secured by collateral of which: secured amount	Exposures secured by financial guarantees	Exposures secured by financial guarantees, of which: secured amount	Exposures secured by credit derivatives	Exposures secured by credit derivatives, of which: secured amount
Financing	44,480,363	94,001,253	83,290,157	153,049	69,819	-	-
Debt securities	55,897,992	-	-	-	-	-	-
Total	**100,378,355**	**94,001,253**	**83,290,157**	**153,049**	**69,819**	**-**	**-**
Of which defaulted	121,091	-	-	-	-	-	-

• CR4: Standardized approach - credit risk exposure and CRM effects

QAR ’000s	Exposures before CCF and CRM		Exposures post-CCF and CRM		RWA and RWA density	
Asset classes*	**On-balance sheet amount**	**Off-balance sheet amount**	**On-balance sheet amount**	**Off-balance sheet amount**	**RWA**	**RWA density**
Sovereigns and their central banks	63,727,057	528,660	63,727,057	105,732	886,738	1.4%
Public Sector Entities	7,798,228	50,160	6,341,568	23,651	3,182,610	50.0%
Multilateral development banks	-	-	-	-	-	0.0%
Banks	10,117,757	-	10,117,757	-	6,722,667	66.4%
Securities firms		-	-	-	-	0.0%
Corporates	52,095,604	26,105,488	41,850,498	17,181,115	59,012,414	100.0%
Regulatory retail portfolios	47,702,418	36,169	38,665,556	14,868	32,109,937	83.0%
Secured by residential property	14,868,745	-	14,804,240	-	7,465,136	50.4%
Secured by commercial real estate	13,150,609	-	12,792,074	-	12,111,645	94.7%
Equity Investments	6,570,062	-	6,570,062	-	13,068,996	198.9%
Past-due financings	522,849	-	522,849	-	522,849	100.0%
Project finance	-	-	-		-	0.0%
Unrated Sukuk	-	-	-	-	-	0.0%
Other assets	2,907,690	-	2,907,690	-	1,907,414	65.6%
Total	**219,461,019**	**26,720,478**	**198,299,351**	**17,325,367**	**136,990,406**	**63.5%**

BASEL III - PILLAR III DISCLOSURES

• **CR5: Standardized approach - exposures by asset classes and risk weights**

Asset classes** / Risk weight	0%	20%	35%	50%	75%	100%	150%	Others	Total credit exposures amount (post CCF and post-CRM)
Sovereigns	62,659,544	296,402		98,772	-	778,071	-	-	63,832,789
PSEs	-	-		6,365,219	-	-	-	-	6,365,219
MDBs	-	-		-	-	-	-	-	-
Banks	-	968,377		83,410	-	2,731,729	1,546,071	4,788,170	10,117,757
Securities	-	-		-	-	-	-	-	-
Corporates	-	24,000		-	-	59,007,614	-	-	59,031,614
Retail	-	-		264,220	26,384,103	11,690,384	341,718	-	38,680,424
Residential property	-	3,416,211	687,082	34,090	1,829,291		-	8,837,567	14,804,240
Commercial Real estate	-	-		-	-		-	12,792,074	12,792,074
Equity Investments	-	-		-		-	-	6,570,062	6,570,062
Past dues	-	-		-	-	522,849	-	-	522,849
Project finance	-	-		-	-	-	-		-
Unrated Sukuk	-	-		-	-		-	-	-
Other assets	1,000,276					1,907,414	-		2,907,690
Total	**63,659,820**	**4,704,989**	**687,082**	**6,845,710**	**28,213,393**	**76,638,062**	**1,887,789**	**32,987,873**	**215,624,718**

BASEL III - PILLAR III DISCLOSURES

• CRB: Additional disclosure related to the credit quality of assets (CRB)

• Breakdown of exposures by geographical areas, industry and maturity

Please refer to Note 4 (b) (ii) of financial statements for industry and geographical area, and Note 4 (c) (iii) of annual financial statements for maturity analysis.

• Impaired exposures and related allowances

Please refer to Note 4 (b) (iii) of the annual financial statements.

• Ageing analysis of the past-due financing and sukuks

S. No	Segment	Ageing of Past Due Accounts (days)			Total
		90 - 180	181 - 360	Above 360	
1	Corporate Banking	29,157	-	2,002,017	2,031,174
2	Personal Banking	55,844	34,697	209,296	299,837
3	Group Function	-	-	-	-
4	Local & international subsidiaries	-	-	85,348	85,348
	Total	**85,001**	**34,697**	**2,296,661**	**2,416,359**

• CRC: Qualitative disclosure requirements related to credit risk mitigation techniques (CRC)

Collateral

The Group obtains collateral and other credit enhancements in ordinary course of business from counterparties. On an overall basis, during the year there was no discernable deterioration in the quality of collateral held by the Group. In addition, there were no changes in collateral policies of the Group.

Renegotiated financing assets

Restructuring activities include extended payment arrangements, approved external management plans, and modification and deferral of payments. Restructuring policies and practices are based on indicators or criteria that, in the judgment of management, indicate that payment will most likely continue. These policies are kept under continuous review.

• CRD: Banks' use of external credit ratings under the standardized approach for credit risk (CRD)

As per the QCB guidelines, banks may use external ratings, as provided by External Credit Assessment Institutions (ECAIs) that have been recognized by QCB, to determine the risk weights under the Standardized Approach.

In line with the above QCB guidelines, the Bank may use the following rating agencies for this purpose;

• Moody's Investors Services (Moody's)
• Fitch Ratings, and/or

The Bank uses the external rating, if available, for the following classes of exposure to assign the risk weights;

• Sovereigns
• Public sector entities
• Banks, and
• Corporates

6. Counterparty credit risk (CCRA)

- Identification: The risk that the counterparty to a transaction could default before the final settlement of the transaction's cash flows. An economic loss would occur if the transactions or portfolio of transactions with the counterparty has a positive economic value at the time of default.

- Mitigation: The Bank has already put in place a comprehensive Middle Office and Market Risk Policies and monitoring tools to proactively assess Counterparty risk. The Bank has internal limits to exposures to Financial Institutions as well as countries. Reports are prepared and analyzed to ensure that undesired counterparty risks are avoided.

• CCR1: Analysis of counterparty credit risk (CCR) exposure by approach

	Replacement Cost	Potential future exposure	Alpha used for computing regulatory EAD	EAD post-CRM	Risk Weighted Assets (RWA)
1. SA-CCR (for Shariah compliant hedging instruments)	44,472	148,596	1.4	270,296	135,148
2. Credit risk mitigation (for SFTs)					
Total					135,148

• CCR2: Credit valuation adjustment (CVA) capital charge

	Total Credit Equivalent exposure post-CRM	Risk Weighted Assets (RWA)
All portfolios subject to CVA capital charge	270,296	135,148

• CCR3: Standardized Approach- CCR exposures by regulatory portfolio and risk weights

Risk weight / Asset classes**	0%	20%	50%	75%	100%	150%	Others	Total credit exposure
Sovereigns	-	-	-	-	-	-	-	-
Public Sector Entities (PSEs)	-	-	-	-	-	-	-	-
Multilateral development banks (MDBs)	-	-	-	-	-	-	-	-
Banks	-	-	156,148	-	-	-	-	156,148
Securities firms	-	-	-	-	-	-	-	-
Corporates	-	-	-	-	-	-	-	-
Regulatory retail portfolios	-	-	-	-	-	-	-	-
Residential property	-	-	-	-	-	-	-	-
Commercial Real estate	-	-	-	-	-	-	-	-
Equity Investment in Funds (EIFs)	-	-	-	-	-	-	-	-
Impaired past-due financings	-	-	-	-	-	-	-	-
Project finance	-	-	-	-	-	-	-	-
Unrated Sukuk	-	-	-	-	-	-	-	-
Other assets	-	-	-	-	-	-	-	-
Total	**-**	**-**	**156,148**	**-**	**-**	**-**	**-**	**156,148**

BASEL III - PILLAR III DISCLOSURES

• CCR5: Composition of collateral for CCR exposure

The Group does not have any collateral allocation for credit derivatives exposures

• CCR6: Credit derivatives exposures

The Group does not have any credit derivatives exposures

7. Market risk (MRA)

The Group takes on exposure to market risks, which is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risks arise from open positions in profit rate, currency and equity products, all of which are exposed to general and specific market movements and changes in the level of volatility of market rates or prices such as profit rates, credit spreads, foreign exchange rates and equity prices.

The market risks arising from trading and non-trading activities are concentrated in Group Treasury and monitored by the Group's Market Risk Department on a daily basis. Regular reports are submitted to the ALCO and heads of each business unit.

IBOR reform

Following the decision by global regulators to phase out IBORs, the publication of GBP, JPY, CHF and EUR Libors ceased after December 31, 2021, while most of the USD Libor tenors (i.e. overnight, one-month, three-months, Six-months and 12-month tenors) continue to be published until June 30, 2023.

The Bank has an active transition project sponsored by the Group Chief Financial Officer and is being led by senior representatives from functions across the Bank including the client facing teams, Legal, Finance, Operations and Technology. The project provides monthly progress updates to the Managing Board and bi-annually to the Audit Committee. During 2021, the Bank commenced the transition of its IBOR exposures to RFRs and has in place detailed plans, processes and procedures to support the transition of its exposures. Following the progress made during 2021, the Bank is confident that it has the operational capability to process the remaining transitions to RFRs for those benchmark rates such as USD LIBOR that will cease to be available after 30 June 2023.

During the year, the Bank effectively transitioned all its GBP denominated contracts to SONIA. In addition, all floating rate USD denominated contracts entered into during the year were based on SOFR. The remaining legacy USD contracts will transition over either upon contract renewal or after June 30, 2023

MR1: Market risk under the standardized approach

QAR '000s		Dec-25	Dec-24
1	General profit rate risk (General and Specific)	31,140	7,529
2	Equity risk (General and Specific)	10,463,980	9,656,806
3	Foreign exchange risk	89,649	112,632
4	Commodity and Inventory Risk		
	Options		
5	Simplified approach		
6	Delta-plus method		
7			
8	Securitization		
9	Murabaha and non-binding MPO where asset is available for sale (asset on balance sheet)		
10	WIP inventory in Istisna with parallel Istisna where there is no legal commitment from customer taking responsibility for contractor's performance		
11	**Total**	**10,584,769**	**9,776,967**

8. Operational Risk (ORA)

Operational Risk is the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events, which includes but is not limited to, reputational risk, legal risk and Shari'ah compliance risk; however it does not cover strategic risk.

The Group's objective is to structure a robust, dynamic and sustainable operational risk management framework (ORMF) for identification, assessment, measurement, monitoring/control and reporting.

The primary responsibility for the development and implementation of controls to address operational risk is assigned to senior management within each business and functional unit. This responsibility is supported by the development of overall Group standards for the management of operational risk in the following areas:

- Regular operational risk identification, assessment and control evaluation
- Incident and risk event management, issue remediation and consistent risk reporting across the bank.
- Early warning of increasing risk exposures through KRI monitoring
- Segregation of duties and dual of control
- Reconciliation and monitoring of transactions;
- Compliance with regulatory and other legal requirements;
- Proper Policies and procedures;
- Development of Disaster Recovery and Business continuity plans;
- Protection of information security Assets.
- Training and professional development;
- Ethical and business standards; and
- Risk Transfer, including insurance and outsourcing where this is effective

The operational risk weighted assets as at 31 December 2025 were QAR 9,836,885 thousands and capital charge was QAR 1,459,794 thousands.

BASEL III - PILLAR III DISCLOSURES

9. Remuneration Policy (REMA)

The Nominations, compensations and benefits committee drafts the policy for granting bonuses and incentives and obtains approval of the said policy by the Board. The policy covers all bonuses and incentives for the Chairman of the Board, Board members and all officials of the bank including the Chief Executive Officer and the Bank's staff. The committee lay down specific bases for evaluating the performance of the Board and senior employees in the Executive management it is also responsible for studying and appraising the qualifications of candidates for senior executive position and candidature for Board membership for achieving the bank's goals over the year.

REM1: Remuneration awarded during the financial year

S. No	Remuneration Amount		Senior Management	Other Material Risk- takers
1	Fixed Remuneration	Number of employees	18	37
2		Total fixed remuneration (3 + 5 + 7)	**37,400**	**47,423**
3		Of which: cash-based	32,387	38,413
4		Of which: deferred	-	-
5		Of which: shares or other share-linked instruments	-	-
6		Of which: deferred	-	-
7		Of which: other forms	5,012	9,010
8		Of which: deferred	-	-
9	Variable Remuneration	Number of employees	18	37
10		Total variable remuneration (11 + 13 + 15)	**9,562**	**14,822**
11		Of which: cash-based	9,562	14,822
12		Of which: deferred	-	-
13		Of which: shares or other share-linked instruments	-	-
14		Of which: deferred	-	-
15		Of which: other forms	-	-
16		Of which: deferred	-	-
17	**Total Remuneration (2+10)**		**46,962**	**62,244**

REM 2: Special payments

QAR '000s	Guaranteed Bonuses		Sign on Awards		Severance Payments	
Special Payments	Number of employees	Total amount	Number of employees	Total amount	Number of employees	Total amount
Senior Management	7	3,543	7	-	7	-
Other material risk-takers	22	3,472	22	-	22	-

REM 3: Deferred remuneration

The group does not have any deferred remuneration.

10. PRRBB risk management objectives and policies (PRRBBA)

Profit rate risk in the banking book (PRRBB) is the exposure of a bank's financial condition to adverse movements in profit rates. Changes in profit rates affect a bank's earnings by changing its net profit income and the level of other profit-sensitive income and operating expenses. Changes in profit rates also affect the underlying value of the bank's assets, liabilities, and off-balance-sheet (OBS) instruments because the present value of future cash flows change when profit rates change. The sources of profit rate risk relevant for QIB's balance sheet size and complexity comprises mainly of:

Repricing Risk: The primary form of profit rate risk arises from timing differences in the maturity (for fixed-rate) and repricing (for floating-rate) of bank assets, liabilities, and OBS positions. While such repricing mismatches are fundamental to the business of banking, they can expose a bank's income and underlying economic value to unanticipated fluctuations as profit rates vary.

Basis risk: Another important source of profit rate risk arises from imperfect correlation in the adjustment of the rates earned and paid on different instruments with otherwise similar repricing characteristics. When profit rates change, these differences can give rise to unexpected changes in the cash flows and earnings spread between assets, liabilities and OBS instruments of similar maturities or repricing frequencies.

Optionality risk: This risk arises from the discretion that a bank's customers and counterparties have in respect of their contractual relations with the bank in the form of financial instruments. Embedded options are diverse and bank-specific and include prepayment risk on fixed rate financings and deposits and switching risk on non-interest bearing current accounts. Optionality risk is considered separately when material.

Liquidity Gap Limits: The liquidity gap report is an internal report constructed via a maturity ladder of all assets and liabilities, separated into time bands based on the contractual maturities and behavioral profile of non- contractual maturities. Non-contractual maturities such as current, savings and call deposits are bucketed as per QCB guidelines.
The inherent nature of the bank's activities encourages maturity transformation, as liabilities are shorter in duration compared to assets. However, the maximum cumulative outflow is monitored per time band limits to ensure that maturity transformation remains within the following approved limits.

Maximum negative gap limit under each time band for total currencies and USD set as follows:

Time Band Bucket	Up to one week	More than a week & up to 1 month	More than a month & up to 3 months	More than 3 months & up to 6 months	More than 6 months & up to a year
% of cumulative negative gap / Cumulative Liabilities for each time bucket	-5	-15	-20	-30	-40
% of current negative gap / Current Liabilities for each time bucket	-5	-10	-5	-10	-10

ALCO assesses the liquidity exposures and, if necessary, guides Treasury to take corrective actions when liquidity exposures approach a limit threshold.

10. PRRBB risk management objectives and policies (PRRBBA) (continued)

The bank has assessed the PRRBB with both Earnings and Capital based approaches as detailed below:

Measurement and Monitoring:

- The bank adopts the extra stress test for each currency with material exposures, where total assets / liabilities for that currency represent 5% or more from total assets / liabilities of the bank. The validation framework include:
    - Evaluation of methodological soundness
    - Ongoing model monitoring
    - Analysis of Outcomes including back testing of internal parameters (e.g., stability of deposits, prepayments, early redemptions, pricing of instruments, etc.)

- The bank adopts a two-fold approach to measuring Profit Rate Risk [1], the Earnings perspective and Economic value perspective. Assets & Liabilities Management (Finance) has the responsibility for the development, implementation and measuring the Profit Rate Risk from both perspectives on a monthly basis and reporting the same to ALCO
- Bank calculate both economic value and earnings-based measures arising from the six-prescribed profit rate risk shock scenarios described below assuming that the rate shock will be based on curve steepening to be 150 bps can be occurred in 6 month and 250bps in 12 months:

#	Scenario Type	Description	Application
1	Parallel shock up	Short rates and long rates up – a constant parallel	ΔNPI and ΔEVE
2	Parallel shock down	Short rates and long rates down – a constant parallel	ΔNPI and ΔEVE
3	Steepener shock	Short rates down and long rates up - rotation to the term structure of the profit rates whereby both the long and sort rates are shocked.	ΔEVE
4	Flattener shock	Short rates up and long rates down - rotation to the term structure of the profit rates whereby both the long and sort rates are shocked.	ΔEVE
5	Short rates shock up	Short rates up – greatest at shortest tenor midpoint	ΔEVE
6	Short rates shock down	Short rates down – greatest at shortest tenor midpoint	ΔEVE

Non-Maturity deposits (NMD)

The bank classifies the non-maturity deposits for each currency according to the nature of the deposit and depositor and segment them into two categories:

- The more stable deposits including personal deposits regardless of their size and deposits made by small business customers with total aggregated deposits from each small business customer that are less than 4 million and then ` including all other types of deposits.
- The fund remain undrawn with a high degree of likelihood is considered stable fund (core deposits) and the non-stable parts of each NMD category using observed volume change over last 5 years behavioral analysis at least.

10. PRRBB risk management objectives and policies (PRRBBA) (continued)

The bank estimates the level of core deposits for each currency represent its total assets / liabilities 5% of total bank assets / liabilities using the above two category and then aggregate the results to determine the overall volume of core deposits with using the following caps as a maximum can be used in case the results of behavioral analysis more than that caps.

Segment	Cap on proportion of core deposits to total NMDs (%)	Cap on average maturity of core deposits (years)
Retail – Transactional	90	5
Retail – Non-Transactional	70	4.5
Corporate	50	4

PRRBB1: Quantitative information on Profit rate risk in the banking book

In reporting currency	ΔEVE		ΔNPI	
Period	**Dec-25**	**Dec-24**	**Dec-25**	**Dec-24**
Parallel up	432,889	434,419	96,291	(780,763)
Parallel down	539,119	689,154	852,173	820,477
Steepener	-	25,369		
Flattener	195,943	70,365		
Short rate up	360,977	248,518		
Short rate down	290,280	305,336		
Maximum	**432,889**	**689,154**	**852,173**	**820,477**

Period	**Dec-25**	**Dec-24**
Tier 1 capital	**32,448,198**	**29,975,566**

11. ENC: Asset encumbrance

Year	a	b	c	d
	Encumbered assets	[Optional] Central bank facilities	Unencumbered assets	Total
Dec 2025	1,459,138	NA	219,591,640	221,050,778

12. CDC: Capital distribution constraints

		CET1 capital ratio that would trigger capital distribution constraints (%)	Dec 2025
			Current CET1 capital ratio (%)
1	CET1 minimum requirement plus capital buffers (not taking into account CET1 capital used to meet other minimum regulatory capital/TLAC ratios)	8.5%	18.5%
2	CET1 capital plus capital buffers (taking into account CET1 capital used to meet other minimum regulatory capital/TLAC ratios)	8.5%	18.5%

13. SEC: Securitization

The Group does not have any securitization exposure in its banking and trading book.

Appendix:
The list of reports not applicable to the Group are CCyB1, CCR4, CCR7, CCR8, MR4, and PV1.