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ANNUAL
REPORT

His Highness
Sheikh Tamim Bin Hamad Al-Thani

Emir of the State of QATAR



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VISION/MISSION/VALUES

VISION

A leading, innovative and global Islamic bank adhering to the highest Shari'a and ethical principles; meeting international banking standards; partnering with the development of the global economy and participating in the advancement of the society.

MISSION

- To provide innovative Shari'a-compliant financial solutions and quality services to our customers.
- To maximise returns for our shareholders and partners.
- To nurture an internal environment of qualified professionals and cutting-edge technology.

VALUES

- Integrity
- Transparency
- Justice
- Co-operation and Teamwork
- Loyalty and Commitment
- Excellence

BOARD OF DIRECTORS



**Sheikh/Jassim Bin Hamad
Bin Jassim Bin Jaber Al Thani**
Chairman



**Mr. Abdullatif Bin
Abdullah Al Mahmoud**
Vice Chairman



**Mr. Mohamed Bin Issa
Al Mohannadi**
Vice Chairman



**Mr. Abdul Rahman Abdullah Al
Abdul Ghani**
Board Member



**Mr. Mansour M. Abdul Fattah
Al Muslah**
Board Member



**Mr. Abdulla Bin Saeed
Al Eidah**
Board Member



**Mr. Nasser Rashid S.
Al-Kaabi**
Board Member



**Sheikh/Khalifa Thani
Abdullah Thani Al Thani**
Board Member



**Sheikh/Jassim Faisal
Qassim Thani Al Thani**
Board Member



**Mr. Nasser Abdullah Saad
Al Mahmoud Al-Shareef**
Independent Board Member

SHARI'A SUPERVISORY BOARD

His Eminence Sheikh Dr. Walid Bin Hadi
Chairman, Shari'a Supervisory Board

Sheikh Dr. Abdulaziz Khalefa Al-Qassar
Member

Sheikh Dr. Mohamad Ahmaine
Member

SENIOR MANAGEMENT



Mr. Bassel Gamal
Group CEO



Mr. Tarek Youssef Fawzi
General Manager
Wholesale Banking Group



Mr. Dorai Anand
General Manager
Personal Banking Group



Mr. Constantinos Constantinides
Chief Strategy & Digital Officer



Mr. Khalefa Al Mesalam
Head of Human Capital Group



Mr. Rakesh Sanghvi
Chief Risk Officer



Mr. Gourang Hemani
Chief Financial Officer



Mr. Saleem Ul Haq
Chief Operating Officer,
Operations & IT Group

Board of Directors Report To the General Assembly meeting

On behalf of the Board of Directors, I am pleased to reflect on QIB's performance for the year ended 31 December 2025.

This year marked another important chapter in QIB's journey of sustained growth, strategic progress, and steadfast commitment to Shariah-compliant banking, amid an evolving global and regional economic landscape.

Despite ongoing geopolitical uncertainties, shifting monetary conditions, and rapid technological transformation across the financial services sector, QIB continued to demonstrate resilience and adaptability. Guided by our long-term strategy and underpinned by prudent risk management, the Bank maintained its strong market position while continuing to deliver sustainable value to shareholders, customers, and the wider community. Looking back at the 2025 fiscal year, Our performance in 2025 reflects the strength of QIB's diversified business model, disciplined balance sheet management, operational efficiency and customer-centric approach.

QIB had achieved positive progress, cementing its position as one of the largest Islamic banks internationally. Total Assets of the Bank now stand at QAR 221.1 Billion representing a growth of 10.1% compared to 2024, with Customer Deposits increasing to 142.7 Billion, and Financing reaching QAR 138.5 Billion. QIB continues to pursue a conservative impairment policy maintaining a robust 95% coverage ratio for non-performing financing assets by the end of 2025. In the light of these positive results, QIB reported a Net Profit attributable to shareholders of QAR 4,835 Million with an increase of 5% compared to 2024. Accordingly, it is recommended that your esteemed Assembly approve the distribution of additional cash dividend of 50% of the paid-up share capital, i.e. QAR 0.50 per share taking the total cash dividend during the year to 90% of the paid up share capital, i.e. QAR 0.90 per share.

Innovation remains a cornerstone of QIB's strategy. During the year, the Bank achieved important milestones in enhancing its digital ecosystem and broadening access to Shariah-compliant financial solutions. A notable highlight was the introduction of the QIB Junior App, a purpose-built digital platform designed to promote financial literacy and responsible money management among younger generations. In parallel, QIB strengthened its partnerships within the fintech ecosystem through its collaboration with PayLater, enabling customers to benefit from flexible, Shariah-compliant payment solutions.

During 2025, QIB continued to support the Qatar Central Bank's national digital payments strategy through the implementation of key digital payment solutions. The adoption of these



platforms enhanced the speed, efficiency, and security of domestic payments, while improving customer convenience and supporting the transition toward a cashless economy

QIB remains firmly committed to responsible banking practices, sustainability, and the highest standards of corporate governance. Environmental, social, and governance (ESG) considerations continue to be integrated into our strategic decision-making, operational processes, and product development. The Board continues to place strong emphasis on governance excellence, regulatory compliance, and Shariah oversight, ensuring that QIB operates with integrity, accountability, and transparency at all times.

Equally important has been our continued investment in our people. Employees across the Bank participated in extensive training and development programs supported by structured individual development plans. We also continued building organizational capabilities through our talent management and Qatarization programs while offering career progression paths with clarity and commitment to our employees.

Furthermore, this year marked a significant milestone in QIB's history with the relocation of our Head Office to the recently inaugurated QIB Towers in West Bay. Our new headquarters represents a home for the future, fostering greater teamwork and collaboration among our employees and strengthening our commitment to delivering exceptional customer service and innovation.

Board of Directors Report To the General Assembly meeting

As we look to the future, we remain confident in QIB's ability to navigate challenges and seize opportunities in an increasingly competitive and dynamic environment. Our priorities remain clear: driving innovation, enhancing customer experience, supporting economic development across all customer segments, resilient operations, and delivering sustainable, long-term returns for our shareholders—while remaining true to our Islamic values. Concluding, on behalf of the Board of Directors, I would like to extend our sincerest gratitude and appreciation to His Highness the Amir, Sheikh Tamim Bin Hamad Bin Khalifa Al Thani, and to His Highness the Father Amir, Sheikh Hamad Bin Khalifa Al Thani, for their continuous support and encouragement to the banking sector in the State of Qatar.

I would also like to thank all officials concerned with the banking sector in Qatar, particularly Qatar Central Bank, for their continued support on all components of the banking and economic activity. I also thank our customers, investors, and shareholders for their confidence and loyalty, and the Shari'a Supervisory Board for all their good work. I conclude by praising and appreciating the efforts and loyalty of the Group Chief Executive Officer and his team of dedicated executives, which yielded outstanding results that helped the Bank reach a top position.

Sheikh Jassim Bin Hamad Bin Jassim Bin Jaber Al Thani
QIB Chairman

Group Chief Executive Officer Report

As we closed 2025, Qatar Islamic Bank (QIB) stands strong, reflecting a year of solid financial performance, strategic progress, and continued resilience. Amid evolving economic conditions, geopolitical developments, and rapid technological transformation across the financial services sector, QIB demonstrated resilience and adaptability, guided by a clear long-term strategy and disciplined execution. Aligned with our strategic priorities, the Third Financial Sector Strategy launched by Qatar Central Bank and Qatar National Vision 2030, we advanced our growth agenda, strengthened our digital capabilities, and continued to respond to evolving customer needs—while remaining focused on delivering long-term value to our customers, shareholders, and the wider community.

“Our performance in 2025 reflects the strength of QIB’s strategy, the resilience of our business model, and the dedication of our people. By maintaining a disciplined approach, staying close to our customers, and aligning with national priorities, we have further strengthened our position and built a solid foundation for sustained growth.”

In 2025, QIB delivered another year of strong financial results. **Net profit** attributable to shareholders **grew by 5%** year-on-year to reach a record of **QAR 4,835 million**. **Total assets** increased to **QAR 221.1 billion**, supported by continued expansion in **financing activities**, which reached **QAR 138.5 billion**. **Shareholders’ equity** stood at **QAR 29.6 billion**, while **investment securities** reached **QAR 60.2 billion**.

Customer confidence in QIB remained strong, with **customer deposits increasing by 14.2% to QAR 142.7 billion** as at 31 December 2025, maintaining **a strong financing-to-deposit ratio of 90%** and reflecting the Bank’s solid liquidity position and prudent balance sheet management. **Our cost-to-income ratio of 16.3% the best in the local market**, underscoring disciplined cost management and sustained operational efficiency. QIB also continued to demonstrate high asset quality, with **the ratio of non-performing financing assets to total financing assets declining to 1.65%**, while maintaining a **healthy coverage ratio of 95%**.

Prudent risk management remains a cornerstone of our operations. Our comprehensive risk framework is embedded across the Bank, enabling proactive identification and mitigation of risks. Supported by conservative financing practices, a diversified asset base, and strong liquidity, QIB continues to demonstrate resilience while maintaining the flexibility to capture sustainable growth opportunities.



QIB’s financial strength continues to be recognized by leading international rating agencies, reinforcing confidence in the Bank’s resilience, prudent balance sheet management, and long-term outlook.

Alongside our financial performance, we continued to strengthen our digital banking proposition, enhancing convenience, accessibility, and efficiency for our customers. Digital engagement continued to grow significantly during the year, with **mobile banking users increasing by 12%**, **digital financial transactions by 39%**, and **non-financial transactions by 20%** compared to 2024.

During the year, QIB introduced a number of key enhancements across its digital ecosystem, including the launch of the QIB Junior App—the country’s first digital banking experience for kids and teens—alongside further enhancements to the QIB Mobile App, both for retail and corporate customers. Artificial intelligence (AI) continued to play an increasing role in enhancing customer experience. AI-powered features introduced within the QIB Mobile Apps enabled better analysis of customer behavior and financial patterns, supporting personalized product recommendations and more relevant, timely interactions. These developments reflect our continued focus on delivering seamless, intuitive, and customer-centric banking experiences across all segments.

Our wholesale and corporate banking businesses delivered steady progress, supported by tailored Shari’a-compliant solutions, enhanced customer engagement, and continuous improvements in service delivery. Across all segments, QIB

Group Chief Executive Officer Report

remained committed to supporting individuals, businesses, and institutions through strong relationships, disciplined execution, and a clear understanding of evolving market needs.

Sustainability remains integral to QIB's strategic direction and is embedded across our activities, financing decisions, and operating model. Throughout 2025, we continued to advance our environmental, social, and governance priorities, support sustainable finance, and promote financial inclusion—further reinforcing our role as a responsible financial institution contributing to Qatar's long-term economic and social development. Key initiatives included the expansion of sustainable deposit solutions and the introduction of dedicated services for retirees, further supporting financial inclusion.

Our people remain at the heart of QIB's success. We continued to invest in talent development, leadership capabilities, and national workforce initiatives to ensure the Bank remains equipped with the skills, agility, and expertise required to deliver on its strategy. Our commitment to Qatarization and capability building—including graduate programs, internships, and leadership development initiatives—continues to strengthen our long-term organizational resilience.

During the year, QIB's achievements were recognized through a number of prestigious local, regional, and international awards, reflecting the strength of our business model, the quality of our customer proposition, and our continued leadership in banking and innovation. These recognitions further reinforce the Bank's strong market position and consistent performance across key areas.

In 2025, QIB has also successfully completed the relocation of its Head Office to QIB Towers in West Bay. This milestone represents a strategic investment in infrastructure and workplace transformation, enhancing collaboration, productivity, and innovation. The new head office provides a modern, integrated environment designed to support the Bank's future growth and operational efficiency.

As we chart our course into the future, QIB remains steadfast in its commitment to set new standards in banking, drive meaningful innovation, and create lasting value for all stakeholders. We move forward with resilience and confidence, committed to sustaining growth, deepening our impact, and building a more inclusive future for our customers, our shareholders, and the communities we serve.

Bassel Gamal
Group Chief Executive Officer



Business Review

QIB Delivers Resilient Growth in 2025, Further Strengthening Its Market Position

Qatar Islamic Bank (QIB) continued to deliver steady progress in 2025, further strengthening its performance while maintaining a clear focus on sustainable growth, operational discipline, and long-term value creation. Building on the momentum of previous years, the Bank navigated a dynamic operating environment with confidence, supported by its strong balance sheet, prudent risk management framework, and diversified business model.

Throughout the year, QIB remained committed to enhancing its products, services, and digital capabilities, ensuring that customer needs remained at the center of its strategy. Ongoing investments in technology, process improvement, and innovation enabled the Bank to deliver more efficient, secure, and accessible banking experiences across its personal and corporate customer base.

QIB also reinforced its role in supporting economic development in Qatar, aligning its activities with national priorities while maintaining high standards of governance and operational efficiency. Amid evolving economic conditions, geopolitical developments, and rapid technological transformation across the financial services sector, QIB demonstrated resilience and adaptability, guided by a clear long-term strategy and disciplined execution. This sustained performance reflects QIB's strong market standing, robust operating model, and continued commitment to Shariah-compliant banking principles.

Financial and Market Performance

QIB reinforced its strong financial performance in 2025, delivering resilient growth across its core businesses while maintaining a disciplined approach to balance sheet management. The Bank recorded net profit attributable to shareholders of QAR 4,835 million for the year ended 31 December 2025, representing a 5% increase compared to 2024. Total assets grew by 10.1% to QAR 221.1 billion, reflecting the continued strength of QIB's balance sheet and its ability to generate value through a diversified and well-managed portfolio.

Customer confidence in QIB remained strong, with customer deposits increasing by 14.2% to QAR 142.7 billion as at 31 December 2025. The financing-to-deposit ratio stood at 90%, reflecting the Bank's strong liquidity position and prudent balance sheet management. QIB also continued to demonstrate high asset quality, with the ratio of non-performing financing assets to total financing assets declining to 1.65%, while maintaining a healthy coverage ratio of 95%.

Beyond balance sheet growth, QIB continued to generate healthy income across its business segments. Total income for the year reached QAR 11.4 billion, while net income from financing and investing activities reached QAR 10.3 billion and net fee and commission income reached QAR 904 million. Financing activities increased by 10.5% year-on-year to QAR 138.5 billion, while investment securities reached QAR 60.2 billion, up by 13.7% compared to December 2024.

During the year, QIB continued to post strong performance indicators, underscoring the strength of its capital base and operating discipline. Total shareholders' equity reached QAR 29.6 billion, an increase of 9.1% compared to QAR 27.2 billion as at 31 December 2024. The Bank maintained the best cost-to-income ratio in the Qatari banking sector at 16.3%, while total capital adequacy under Basel III stood at 22.2%, well above regulatory requirements prescribed by Qatar Central Bank. These metrics reaffirm QIB's structural strength, resilience, and financial stability.

Overall, QIB's financial performance during the year reflects prudent financial management, sustained customer confidence, and effective execution across its core businesses. The Bank continues to demonstrate structural strength through its solid capital base, efficient operating model, and disciplined approach to growth, providing a strong foundation to support future business expansion while preserving financial stability.

Digital Transformation and Innovation

Digital transformation remained a central pillar of QIB's strategy in 2025, with continued investments focused on enhancing customer convenience, security, and accessibility. Through the expansion of its digital channels and the introduction of new capabilities, QIB continued to simplify banking journeys and strengthen customer engagement across its personal and corporate customer base.

The QIB Mobile App continued to evolve as the primary channel for customer interaction, with new features introduced to support seamless onboarding, payments, and day-to-day banking. During the year, QIB launched the QIB Junior App, Qatar's first dedicated digital banking experience for kids and teens aged 8 to 17, enabling younger customers to manage their finances in a safe and controlled environment while allowing parents to guide and monitor their journey.

In parallel, QIB strengthened its engagement within the fintech ecosystem through collaboration with PayLater, introducing Buy

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Now Pay Later services and expanding access to convenient, Shariah-compliant payment solutions.

QIB further strengthened its digital payments ecosystem through a series of first-to-market initiatives. The Bank introduced Click to Pay for Mastercard cardholders, simplifying online checkout through secure biometric authentication. QIB also launched Visa+ (Visa Direct Alias Directory), enabling customers to transfer money to Visa cardholders within the GCC using a mobile number as an alias. Enhancements to the Fawran real-time payment service supported faster retail-to-corporate transfers directly through the QIB Mobile App, in line with Qatar's Third Financial Sector Strategy.

As part of the continued expansion of its digital banking capabilities, QIB introduced additional features and enhancements within its Mobile Banking Application. Building on the success of Direct Remit and Mobile Wallet transfers, the Bank launched a Cash Pickup service through the QIB Mobile App, enabling customers to send money for cash collection in several destinations, with plans to expand to additional markets.

The QIB Lite App was further enhanced to support digital account opening for domestic workers, alongside the introduction of Fawran transfers, improving accessibility and convenience for this customer segment.

QIB also introduced the Al Meera Co-branded Visa Credit Card, offering an end-to-end digital journey covering application, maintenance, and servicing, including real-time updates on Meera Rewards loyalty points. In addition, the Bank launched Life Continuity Takaful, a fully digital life insurance solution supporting streamlined policy issuance and management. Artificial intelligence (AI) continued to play an increasing role in enhancing customer experience. AI-powered features introduced within the QIB Mobile App enabled better analysis of customer behavior and financial patterns, supporting personalized product recommendations and more relevant, timely interactions.

Digital adoption continued to strengthen during the year. The number of registered mobile banking users increased by 12% compared to the same period in 2024, while average monthly financial transactions increased by 39% and average monthly non-financial transactions increased by 20%, reflecting growing customer reliance on QIB's digital channels for both transactional and service-related activities.

Through these initiatives, QIB continued to advance its digital capabilities, reinforce customer trust, and deliver secure,

efficient, and accessible banking solutions. These initiatives also supported Qatar Central Bank's national digital payments strategy, enhancing the speed, efficiency, and security of domestic transactions while contributing to the broader transition toward a cashless economy.

Wholesale Banking and Corporate Solutions

QIB's Wholesale Banking and Corporate Solutions continued to reinforce its role as a key partner for corporate customers in Qatar, supported by a focused approach to corporate finance, trade finance, transaction banking, alternative financing, and corporate digitalization. By delivering tailored Shariah-compliant banking solutions aligned with evolving customer requirements, the Bank further strengthened its position as the bank of choice for corporate customers, offering innovative banking experiences and customer-centric services.

As corporate needs continued to evolve in scale and sophistication, QIB enhanced its corporate offering through targeted service transformation and digital enablement initiatives. The Bank implemented a strategic plan to strengthen corporate banking solutions by introducing advanced cash management capabilities, expanding digital payment platforms, and improving onboarding processes.

Key initiatives included enhancements to corporate digital banking platforms, improvements to Corporate Internet Banking and QIB Corporate Mobile Application, and the introduction of new corporate payment and card solutions such as Himyan Card for Corporate, Visa B2B, and Buy Now, Pay Later (BNPL), alongside further enhancements in remittance services.

In this context, QIB partnered with PayLater to introduce Shariah-compliant Buy Now, Pay Later (BNPL) solutions in Qatar. This collaboration expands the Bank's digital payment ecosystem by enabling flexible, instalments-based payment options for customers, while supporting merchants with enhanced payment capabilities and improved customer reach. The initiative reflects QIB's continued focus on delivering innovative, customer-centric financing solutions in collaboration with fintech partners.

The increased use of AI and analytics supported process streamlining and improved the corporate customer experience, forming an important component of the Bank's corporate banking transformation during the year.

Treasury and funding activities remained a key contributor to the Wholesale Banking platform. During the year, QIB successfully

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closed the largest FID syndication in its history, amounting to USD 1 billion, with strong appetite from new markets. In parallel, a prudent treasury strategy was implemented to manage funding costs and interest rate volatility. These achievements underscore QIB's strong structuring capabilities, disciplined capital management, and ability to compete effectively in large-scale financing transactions.

QIB also continued to support the SME segment through dedicated initiatives and financing programs, as well as its engagement with fintech companies established in Qatar, as part of the Bank's sustainability strategy and alignment with Qatar National Vision 2030.

These efforts supported QIB being named "Best Islamic SME Bank, SME Banking Platform and SME Bank in Qatar," reinforcing its leadership in SME and corporate banking.

Through continued investment in corporate solutions, service transformation, and disciplined treasury management, QIB's Wholesale Banking and Corporate Solutions continued to drive innovation, efficiency, and sustainable growth while strengthening long-term relationships with corporate customers.

Delivering Value to Individual Customers

QIB continued to strengthen customer engagement by enhancing its portfolio of savings, financing, and lifestyle solutions, with a focus on delivering meaningful value and supporting customers across different life stages. The Bank's customer-centric approach remained focused on convenience, accessibility, and long-term relationship building.

Savings propositions remained a key area of focus during the year. The MISK Account continued to support QIB's efforts to encourage a strong savings culture and reward customers through transparent and engaging propositions, while reinforcing the Bank's commitment to offering relevant and value-driven savings solutions.

QIB also enhanced its deposit offerings through updates to the Flexible Certificate of Deposit (Flexi CD), aligning the product with sustainable finance principles. Funds invested through Flexi CD are directed toward environmentally and socially responsible initiatives, including clean energy, green buildings, education, and healthcare, enabling customers to grow their savings while contributing to positive social and environmental outcomes.

In line with its commitment to inclusive banking, QIB introduced Qard Hasan for Retirees, a profit-free financing solution developed in collaboration with the General Retirement and Social Insurance Authority (GRISA). The product is designed to support the financial well-being of retirees through a Shariah-compliant structure tailored to their specific needs.

The Bank continued to enhance its product offering through refinements to existing solutions, ensuring alignment with customer expectations and market conditions. Improvements to financing journeys and servicing processes supported a smoother and more consistent customer experience across key retail products.

Through these initiatives, QIB continued to strengthen customer relationships, enhance loyalty, and deliver practical banking solutions that support everyday financial needs. The Bank remains focused on evolving its customer propositions in line with changing expectations while reinforcing trust and long-term value.

Enhancing Operations and Technology

QIB's Operations and Technology capabilities remained a key enabler of the Bank's performance in 2025, supporting efficiency, resilience, and consistent service delivery across all business lines. A continued focus on process optimization, system stability, and cost discipline enabled the Bank to support business growth while maintaining a strong control environment.

During the year, QIB implemented targeted enhancements to its technology infrastructure and system architecture, strengthening operational reliability and scalability. The modernization of core platforms, combined with the expansion of automation across high-volume processes, contributed to improved turnaround times, reduced manual intervention, and greater consistency across key operational workflows.

In parallel, enhancements to payment infrastructure, including further development of the Fawran service, supported increased transaction volumes and improved processing efficiency. These initiatives reinforced the Bank's ability to deliver reliable, real-time services aligned with evolving customer expectations and national payment infrastructure developments.

Operational efficiency was further strengthened through structured process improvement initiatives and the adoption of enhanced risk and control frameworks. The Operations function implemented refined risk models to support proactive monitoring and mitigation, while continuous process reviews identified opportunities to optimize costs and improve service delivery.

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System resilience and availability remained a priority, supported by enhancements to network infrastructure, application performance, and proactive monitoring tools. Preventive maintenance practices and system upgrades contributed to minimizing downtime risks and ensuring business continuity. The continued adoption of secure cloud solutions further enhanced flexibility, scalability, and future readiness.

People capabilities continued to play a central role in operational performance. QIB invested in staff development, professional certifications, and targeted training programs to build specialized expertise across Operations and Technology functions. These efforts supported a culture of continuous improvement and ensured readiness to support evolving business and regulatory requirements.

During the year, QIB successfully completed the relocation of its Head Office to QIB Towers in West Bay. This milestone represents a strategic investment in infrastructure and workplace transformation, enhancing collaboration, productivity, and innovation. The new head office provides a modern, integrated environment designed to support the Bank's future growth and operational efficiency.

Through these initiatives, the Operations and Technology functions continued to strengthen the Bank's ability to deliver secure, efficient, and scalable services, while supporting long-term strategic objectives.

Risk Management and Compliance

QIB's risk management and compliance framework remained a cornerstone of its financial strength and operational resilience, supporting sustainable growth while ensuring strong governance and regulatory alignment.

Credit risk management continued to be a key focus area. The Bank maintained a disciplined and conservative approach to financing, supported by robust underwriting standards, early warning systems, and effective portfolio monitoring. As at 31 December 2025, the ratio of non-performing financing assets declined to 1.65%, reflecting strong asset quality and proactive credit management. A prudent impairment approach was maintained, with a coverage ratio of 95%, reinforcing balance sheet strength.

QIB continued to enhance its risk governance framework through updates to policies, procedures, and reporting structures. Automation and workflow improvements enabled more efficient

risk monitoring, timely reporting, and enhanced decision-making capabilities across the organization. Structured risk models supported continuous identification, assessment, and mitigation of emerging risks.

Operational risk and information security remained priority areas, particularly in the context of increasing digital adoption. The Bank strengthened its cybersecurity framework through enhanced preventive controls, monitoring mechanisms, and system safeguards designed to protect customer data and ensure service continuity.

Business continuity management remained a key component of QIB's resilience framework, with continued enhancements to recovery infrastructure, operational readiness, and contingency planning. During 2025, the Bank expanded its alternate recovery site network and increased recovery capacity across critical functions, ensuring operational continuity across key locations. Regular testing of recovery sites, branch operations, and remote working capabilities confirmed the effectiveness of contingency arrangements, with high success rates achieved across planned and unplanned exercises. QIB also strengthened its readiness through enhanced work-from-home capabilities, improved backup and data validation processes, and structured preparedness plans to address evolving external risks. In parallel, the Bank initiated comprehensive business continuity assessments for key third-party service providers to further reinforce resilience across its ecosystem. These initiatives reflect QIB's proactive approach to maintaining operational continuity and safeguarding service delivery under a wide range of scenarios.

Compliance remained a key pillar of the Bank's governance framework. QIB maintained a proactive approach to regulatory engagement, ensuring accurate and timely submission of regulatory and ad-hoc reports to Qatar Central Bank. This approach reflects the Bank's commitment to transparency, accountability, and adherence to regulatory requirements.

The Board of Directors continued to place strong emphasis on governance, regulatory compliance, and Shariah oversight, ensuring that QIB operates in line with the highest ethical standards. Environmental, social, and governance (ESG) considerations remained embedded across the Bank's strategy and operations, reinforcing its commitment to responsible banking and sustainable value creation aligned with Qatar National Vision 2030.

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Through its integrated approach to risk management and compliance, QIB continues to safeguard financial stability, protect stakeholder interests, and support long-term sustainability.

Talent Development and Qatarization

QIB's people strategy remained a key enabler of sustainable performance, with continued focus on developing capabilities, strengthening leadership, and supporting national talent development.

During the year, the Bank further advanced its competency-based approach to talent development, ensuring alignment between individual capabilities, business needs, and strategic priorities. Employees across multiple divisions participated in structured assessments under the Bank's competency framework, resulting in targeted development plans that supported succession planning, workforce readiness, and organizational alignment. Learning and development initiatives remained a priority, with a significant portion of training programs delivered internally, leveraging in-house expertise while maintaining cost efficiency. Digital learning platforms and on-demand resources supported continuous learning, enabling employees to access relevant training aligned with their roles and career progression.

QIB maintained strong focus on professional certifications and specialized skill development across key functions. Certification programs were expanded to support evolving regulatory, technological, and business requirements, while training efficiency initiatives enabled broader participation across the organization.

In line with its commitment to Qatarization, the Bank continued to invest in the development of national talent through graduate programs, internships, and sponsorship initiatives. These programs provided structured pathways for career development, supporting knowledge transfer and leadership capability building.

Beyond recruitment and early-career initiatives, QIB continued to strengthen succession planning and leadership pipelines, ensuring the progression of national talent into critical roles. These efforts contribute to building institutional depth, enhancing employee engagement, and supporting long-term organizational sustainability.

Leading the Future of Islamic Banking

QIB's strategic direction remains focused on building long-term value while maintaining resilience in a dynamic financial landscape. With a strong foundation in place, the Bank continues to prioritize disciplined growth, operational efficiency, and responsible banking practices.

Technology will remain a central driver of future growth. QIB will continue to advance its digital capabilities, strengthen its technology infrastructure, and leverage data-driven insights and AI solutions to enhance efficiency, scalability, and customer experience. A continued focus on cybersecurity and automation will support a secure and resilient operating environment.

Sustainability remains integral to the Bank's long-term strategy. QIB will continue to embed environmental, social, and governance considerations across its operations and product offerings, supporting responsible financing and contributing to economic diversification in line with Qatar National Vision 2030.

Strong governance and prudent risk management will remain key priorities. By maintaining robust capital and liquidity positions, enhancing risk frameworks, and ensuring regulatory compliance, QIB is well positioned to navigate evolving market conditions while preserving financial stability.

People will continue to play a central role in delivering the Bank's strategy. Continued investment in talent development, leadership capability, and national workforce initiatives will ensure that QIB remains agile, innovative, and future-ready.

With a clear strategic focus and disciplined execution, QIB is well positioned to further strengthen its market leadership, adapt to changing dynamics, and deliver sustainable long-term value for its stakeholders.



Corporate Governance

Corporate Governance Framework and Listed Legal Entities

Introduction

Qatar Islamic Bank (QIB) seeks to adopt the highest standards of global best practices in implementing the corporate governance instructions issued by the Qatar Central Bank, Commercial Companies Law No. 8 of 2021 and its amendments, the Governance Code for Listed Companies issued by the Qatar Financial Markets Authority, and the latest regional and international practices and publications.

This report is prepared in the context of achieving compliance with regulatory requirements and affirming QIB's commitment to all governance principles relating to transparency, disclosure, accountability, fairness, and the protection of shareholders' rights, in addition to applying best regulatory practices in light of regulatory developments. In turn, these contribute to positive outcomes that serve the interests of QIB's customers, shareholders, and all stakeholders associated with QIB.

In addition, QIB has developed a governance framework with the aim of achieving the highest standards of sustainability and responsibility, as well as accountability and transparency at all levels. This framework includes clear guidance on QIB's organizational structure, the shareholder contact point, and the authorities and decision-making mechanisms with stakeholders.

Corporate governance is considered one of the most important tools of corporate management, as it entrenches the principles of sound management and defines the roles and responsibilities of the Board of Directors, Senior Executive Management, and QIB's employees; promotes fairness and equality among stakeholders; supports effective oversight and risk management; enhances transparency and disclosure; regulates stakeholders' rights; and contributes to community

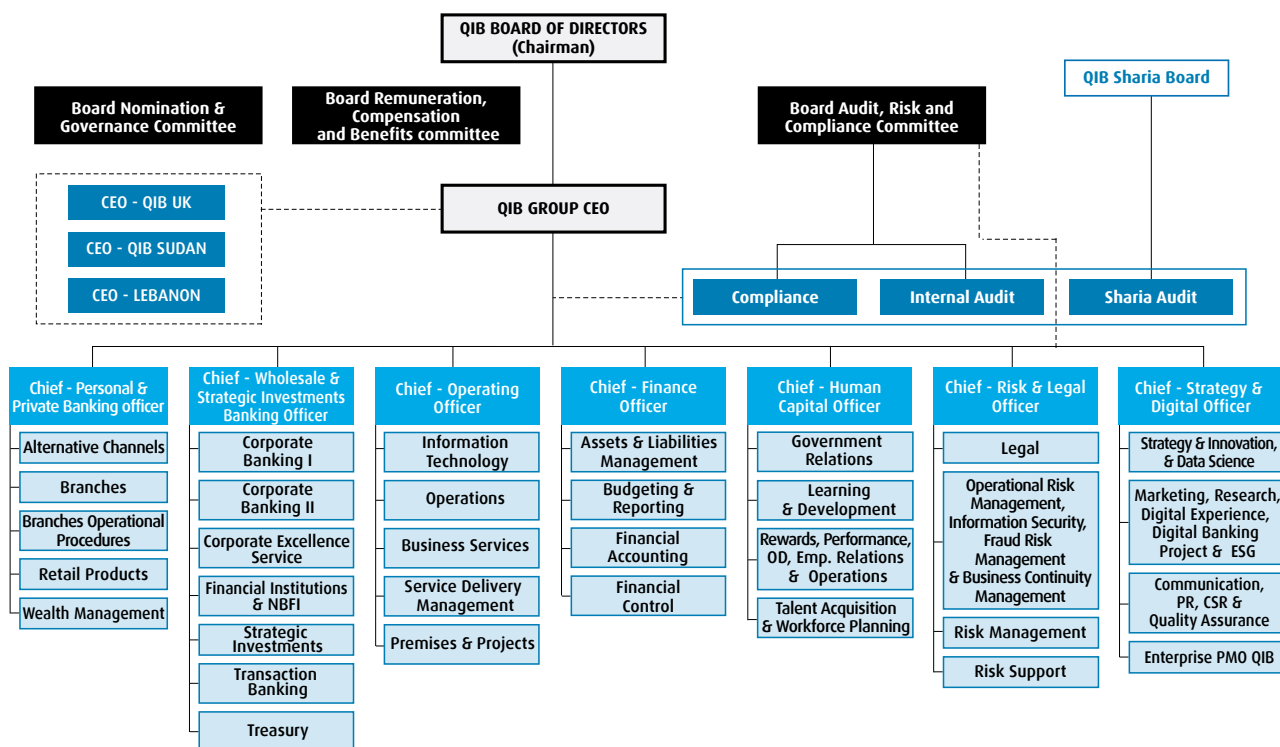
development and advancement. This leads to an overall improvement in QIB's performance and ultimately achieves the true meaning of the principle of prioritizing the public interest and the interests of QIB and its stakeholders over any other interest.

Accordingly, and in pursuit of this objective, the Board, during 2025, was keen to ensure the effectiveness of the governance framework, update relevant policies and procedures, and strengthen internal controls in compliance with the requirements of the regulatory authorities.

Scope of Application of Governance and Compliance with its Principles

QIB is committed to all principles and provisions of the corporate governance framework, and to introducing, as necessary, amendments to the Articles of Association and to its organizational structure, in addition to ensuring that the corporate governance policy is implemented in accordance with the instructions of the Qatar Central Bank, the Commercial Companies Law, and the Governance Code for Listed Companies issued by the Qatar Financial Markets Authority.

The Organizational Structure



QIB's Board of Directors

Article (1): Board Composition and Qualifications for Membership

The Board shall be formed in accordance with the law and QIB's Articles of Association, provided that three of the Board members shall be independent, and that the majority of the Board members shall be non-executive. The Board must comprise of 11 members. One or more Board seats may be allocated to represent minority shareholders, and/or QIB's employees. The term of membership of an independent member may not exceed two Board terms. Sheikha/ Hanoo Bin Thani Bin Faisal Bin Thani Al Thani submitted her resignation in May 2025; the Board accepted the resignation, and it was approved by the Qatar Central Bank.

QIB adopts a framework to ensure the availability of qualifications, experience, and diversity within the Board of Directors, and to ensure an adequate number of independent and non-executive members, in addition to ensuring that they devote sufficient time and attention to perform their duties effectively. The Board, through the Nomination and Governance Committee, has conducted an annual review of members' independence in accordance with the requirements of the corporate governance framework.

QIB has also ensured that the Board includes members from a broad range of specializations and skills, so that, collectively, appropriate knowledge and experience are available for all of QIB's activities, strategic planning, communication and engagement, corporate governance, risk management, internal control, and an understanding of local, regional, and international economic developments and the legal and regulatory environment. Accordingly, a Board member shall be qualified and shall possess sufficient knowledge of managerial matters and appropriate experience to carry out his/her duties effectively, and to avoid any conflict of interest that may affect his/her impartiality and independence.

The following conditions apply to Board members:

1. The Member shall be not less than twenty-one years of age and shall have full legal capacity.
2. The Member shall not have previously been convicted of a criminal offense, or of a crime involving moral turpitude or dishonesty, or of any of the crimes referred to in Article (40) of Law No. (8) of 2012 concerning the Qatar Financial Markets Authority, and Articles (334) and (335) of Law No. (11) of 2015 promulgating the Commercial Companies Law; nor shall he/she be prohibited from undertaking any work in entities subject to the Authority's supervision pursuant to Article (35), paragraph (12), of Law No. (8) of 2012.
3. The Member shall be a shareholder, owning such number of QIB shares as determined by the Articles of Association. These shares shall be deposited with the Depository within sixty (60) days of membership commencement until its conclusion and budget approval, remain non-tradable, non-mortgageable, and non-seizable, independent members and employee representatives are exempt from this requirement.
4. The Member shall have appropriate financial soundness to perform his/her duties with integrity and objectivity, and shall not have previously been declared bankrupt or defaulted in the repayment of his/her debts, thereby causing losses to financial institutions, nor have been removed by QCB or by any other regulatory authority.
5. No member, whether a natural or legal person or any representative thereof, may serve on the board of more than one bank, or be a board member of more than three public joint stock companies, provided that such memberships do not give rise to any conflict of interest.
6. The Member shall not serve as Chairman of the Board or Deputy Chairman in more than two companies whose principal headquarters are in Qatar.
7. The Member shall not be a board member of two companies carrying out homogeneous activities.
8. It is also prohibited to combine the Chairmanship of the Board with any executive position at QIB, and the Chairman of the Board is not a member of any of the Board committees stipulated in the corporate governance framework.
9. The Board members have signed a written declaration confirming that he/she does not hold any position for which the law prohibits combining it with Board membership.

As at 31 December 2025, the Board of Directors of QIB comprises the following members:

Name	Membership Capacity	Capacity	Number of Shares	Percentage of the Bank's Share Capital
Sheikh/Jassim Bin Hamad Bin Jassim Bin Jaber Al Thani representing Al Mirqab Capital	Chairman of the Board	Non-Executive, Non-Independent	107,580,776	4.55%
Mr. Abdullatif Bin Abdullah Al Mahmoud representing Dar Al Sharq Group	Deputy Chairman of the Board	Non-Executive, Non-Independent	3,250,000	0.14%
Mr. Mohamed Bin Issa Al Mohannadi	Deputy Chairman of the Board	Non-Executive, Non-Independent	2,500,000	0.11%
Mr. Abdul Rahman Abdullah Al Abdul Ghani	Board Member	Non-Executive, Non-Independent	2,506,360	0.11%
Mr. Mansour Mohamed Abdul Fattah Al Musleh	Board Member	Non-Executive, Non-Independent	3,853,880	0.16%
Mr. Abdullah Bin Saeed Al Eidah representing Al Zubara Real Estate Investment Company WLL	Board Member	Non-Executive, Non-Independent	2,500,000	0.11%
Mr. Nasser Rashid S. Al-Kaabi, representing Al Sraiya Holding Group	Board Member	Non-Executive, Non-Independent	2,500,000	0.11%
Sheikh/ Khalifa bin Thani bin Abdulla Al Thani, representing Namaa' Maintenance and Services Co.	Board Member	Non-Executive, Non-Independent	11,600,000	0.49%
Sheikh/ Jassim Faisal Qassim Thani Al Thani, representing Al Faisal International for Investment	Board Member	Non-Executive, Non-Independent	2,554,541	0.11%
Mr. Nasser Abdullah Saad Al Mahmoud Al Shareef	Board Member	Non-Executive, Independent	-	0.00%

Sheikh/Jassim Bin Hamad Bin Jassim Bin Jaber Al Thani

Chairman (Non-Executive & Non-Independent)

Member of Qatar Islamic Bank's Board of Directors since June 2004, Sheikh Jassim acceded to the post of Chairman since April 2005. He graduated from the Royal Military Academy Sandhurst in the United Kingdom. He went through a series of advanced leadership training courses. He served as a member of the board of directors of Credit Suisse Group AG and Credit Suisse AG, Zurich – from April 2010 to April 2017. He is also the Chairman of 'QInvest', Qatar's first Islamic Investment Bank, Qatar Navigation (Milaha) and Daman Islamic Insurance Co. (BEEMA), in addition he is the Vice Chairman of Qterminals.

Mr. Abdullatif Bin Abdullah Al Mahmoud

Vice Chairman (Non-Executive & Non-Independent)

Member of Qatar Islamic Bank's Board of Directors since April 1996. Mr. Abdullatif Al Mahmoud holds a B.Sc. in Economics & Business Administration from Seattle Pacific University (USA) in 1982. After his promotion, he progressively occupied several leading posts in Qatar Petroleum until 2002. He was a Board member of Al Jazeera Financing, then CEO until 2008. He headed QIB Audit Committee during the period from 2001 to 2005 and participated in several conferences and scientific seminars in the field of Energy production and Islamic Banking. He is currently the Chief Executive Officer of Al Sharq Group.

Mr. Mohamed Bin Issa Al Mohannadi

Vice Chairman (Non-Executive & Non-Independent)

Member of Qatar Islamic Bank's Board of Directors since 1996, member of Audit, Risk Management and Compliance Committee. Mr. Al Mohannadi holds a Bachelor's degree in Business Management from Cairo University in 1977 and a MBA from Seattle University (USA) in 1983. Mr. Mohannadi held several administrative positions in the Emiri Diwan of Qatar, where he finally became Minister in charge of the Council of Ministers Affairs (2002-2005). Afterwards, he shifted to private business activities while maintaining his responsibilities at QIB.

Mr. Abdul Rahman Abdullah Al Abdul Ghani

Board Member (Non-Executive & Non-Independent)

Member of Qatar Islamic Bank's Board of Directors since April 1996 and member of the Bank's Compensation, Remunerations and Benefits Committee. Mr. Abdulrahman Abdulla Al Abdul Ghani holds a BSc. (with Honors) in Economics from Boston University, USA and possesses a

rich experience in Business Management. He has been Board member in several national companies. He is the main shareholder of Abdullah Abdulghani & Bros Group of Companies, who are the representatives of Toyota Automobile group of companies in Qatar since 1960; and is currently serving as the Chairman of the Board of Directors of M/s. Abdullah Abdulghani Nasser & Sons Group of companies which is involved in diversified business in Qatar and abroad. He is also the current Executive President of Al Mukhtar Contracting & Trading Company. He is one of the founders of United Development Company (UDC), established in 1999 and served as Vice Chairman until 2021. He previously has held the position of Chairman of Middle East Dredging Corporation (MEDCO).

Mr. Mansour M. Abdul Fattah Al Musleh

Board Member (Non-Executive & Non-Independent)

Member of Qatar Islamic Bank's Board of Directors since 1996 and in the Bank's Compensation and Remuneration Committee. Mr. Al Musleh holds a Bachelor's Degree in Social Science from Qatar University. He has held several positions in the Ministries of Interior and Defense and has currently moved to the General Secretariat of the Council of Ministers. He also undergoes a number of investment and business activities in the Real Estate sector. Formerly, he was Chairman of the Aqar Real Estate Co. in addition to being a Board member in several companies. At present, he is a board member of Al Jazeera Financing Co.

Mr. Abdulla Bin Saeed Al Eidah

Board Member (Non-Executive & Non-Independent)

Member of Qatar Islamic Bank's Board of Directors since April 2005, and in the Bank's Audit, Risk Management and Compliance Committee. Mr. Al Eidah received extended training courses and several programs in Administration from specialized centers in UK. At present, he is the General Manager of several Companies in the Trading, Real Estate Investment and Retail Sectors. He possesses a wide range of experience in the Investment & Real estate sector. He is also the Chairman of Al Saliya Sports Club.

Mr. Nasser Rashid S. Al-Kaabi
Board Member (Non-Executive & Non-Independent)

Member of Qatar Islamic Bank's Board of Directors since 2008 and chairs the Bank's Compensation and Remuneration Committee, Mr. Al-Kaabi has a long history of successful business ventures dating back to the Seventies of the past century. He is the founder and owner of 'Al Suraiya Holding Group', a group of many companies in various fields of specifications and serves as a Board Member of Qatar Industrial Manufacturing Company (QIMC) since 1993. In addition to his membership in 'Al Shourah' (Advisory) Council since 1995, Mr. Al-Kaabi has been also a member of a host of other organizations including: the Advisory Body of the GCC Supreme Council and a member in many Boards of Directors and Specific Committees in relation to his activities in business and property development fields.

Sheikh/Khalifa Thani Abdullah Thani Al Thani
Board Member (Non-Executive & Non-Independent)

Member of Qatar Islamic Bank's Board of Directors since February 2023 and in the Bank's Nominations and Governance Committee, Sheikh Khalifa holds a Bachelor of Business Administration degree from the University of Westminster in the United Kingdom. Sheikh Khalifa serves as a Board Member of Ezdan Holding Group, where he contributes his expertise and insights to the strategic decision-making process. Additionally, He previously held a board member of the Medicare Group and Qatar International Islamic Bank, and he is the founder of the Endowment of Sheikha Mozah Jassim Al-Thani.

Sheikh/Jassim Faisal Qassim Thani Al Thani
Board Member (Non-Executive & Non-Independent)

Member of Qatar Islamic Bank's Board of Directors since February 2023 and in the Bank's Nominations and Governance Committee, Sheikh Jassim holds a Bachelor of Business Administration degree from Stratford University in Virginia (USA), and has also studied at Carnegie Mellon University in Doha. He currently holds the position of CEO and Board Member at Al Faisal International for Investment in Doha. In addition, Sheikh Jassim has also played a key role in reviewing governance, financing arrangements, and business development opportunities at Al Faisal Holding.

Mr. Nasser Abdullah Saad Al Mahmoud Al-Shareef
Independent Board Member (Non-Executive & Independent)

Member of Qatar Islamic Bank's Board of Directors since February 2023 and in the Bank's Audit, Risk Management and Compliance Committee, Mr. Nasser's educational background includes a Bachelor of Science in Electrical Engineering from George Washington University and a Master's Certificate in Project Management from the University of Houston. He has a wealth of experience in banking, investment banking, consulting and project financing garnered through holding leadership positions across well renowned universal and national banks in Qatar and abroad. Furthermore, Mr. Nasser Al-Mahmoud is the founder and CEO of WISE Consultancy. Beyond his professional accomplishments, Mr. Nasser Al-Mahmoud has held board memberships and served on the Investment Committee of Damaan Islamic Insurance Company (Beema) and several asset management funds at QInvest.

Mr. Nasser Abdullah Saad Al Mahmoud Al-Shareef
Independent Board Member (Non-Executive & Independent)

Member of Qatar Islamic Bank's Board of Directors since February 2023 and serves as the Chairman of the Bank's Audit, Risk Management, and Compliance Committee., Mr. Nasser's educational background includes a Bachelor of Science in Electrical Engineering from George Washington University and a Master's Certificate in Project Management from the University of Houston. He has a wealth of experience in banking, investment banking, consulting and project financing garnered through holding leadership positions across well renowned universal and national banks in Qatar and abroad. Furthermore, Mr. Nasser Al-Mahmoud is the founder and CEO of WISE Consultancy. Beyond his professional accomplishments, Mr. Nasser Al-Mahmoud has held board memberships and served on the Investment Committee of Damaan Islamic Insurance Company (Beema) and several asset management funds at Q-Invest.

Article (2): Duties, Responsibilities, and Practices of the Board

The Board has a "Board Charter," in which it sets out the Board's duties, and the Chairman's and members' rights, duties, and responsibilities, in accordance with the provisions of the law and the corporate governance framework. It is published on QIB's website. The performance of the Board for the year 2025 was evaluated in accordance with best practices applied in this regard, including a review of the organizational structure, Board composition, members' effectiveness, and the extent of QIB's compliance with the instructions of the regulatory authorities, in addition to evaluating the performance of the committees emanating from it. Senior executive management performance is also evaluated in accordance with the performance evaluation methodology, which includes the extent of implementation of strategies and internal policies, examining variances between budgeted and actual outcomes, the risk structure and the governance framework and corporate values, in accordance with the standards approved by the Board, together with reviewing periodic reports from the regulatory authorities to rectify deviations, if any.

The Board represents all shareholders and exercises due care in managing QIB in an effective and productive manner that achieves the interests of QIB, associates, shareholders, and stakeholders, and achieves public benefit, the development of investment across the country, and community development, in accordance with QIB's Articles of Association.

Board's responsibilities includes, by way of example and without limitation:

- Approving the overall strategy and long- and medium-term business plans.
- Approving the risk policy and overseeing the level of risk appetite.
- Approving QIB's key policies (risk, credit, investment, human resources, compliance, corporate governance, insider trading, information technology, business continuity, etc.).
- Overseeing the sustainability framework and integrating ESG guidelines into QIB's business.
- Appointing the Chief Executive Officer and approving the appointment of senior executives, and monitoring their performance.
- Ensuring the effectiveness of internal control, risk management, and compliance systems.

- Calling General Assemblies and approving their agendas.
- Establishing Board committees.
- Establishing corporate values and codes of professional and ethical conduct.
- Overseeing Related Parties Transactions.
- Approving the audited interim and closing financial statements.

Each Board member also undertakes the following duties:

1. Attending Board and committee meetings on a regular basis.
2. Prioritizing the interests of QIB, associates, shareholders, and all stakeholders.
3. Expressing views on QIB's strategic matters and policies.
4. Allocating sufficient time to discharge his/her responsibilities.
5. Monitoring QIB's performance in achieving its vision and objectives.
6. Overseeing the development of governance rules.
7. Managing QIB in an effective and productive manner.
8. Actively participating in QIB's General Assemblies.
9. Refraining from making any statements, announcements, or disclosures without prior written authorization from the Chairman or his authorized delegate, noting that the Assistant General Manager for the Communication and Quality Assurance is the official spokesperson of QIB.

There is nothing that adversely affects the performance of the tasks and functions assigned to the members, as there are no financial or commercial relationships or legal claims involving Board members that require disclosure. Shareholders have the right to review the register of financial transactions (if any) of Board members by submitting a request to the Board Secretary.

The Board also undertakes the following practices:

- The Board assumes all powers and authorities required, without prejudice to the competencies of the General Assembly, and delegates certain of its powers to its committees, provided that the charter of each committee specifies the nature of such tasks.
- Ultimate responsibility for QIB remains with the Board, even if it establishes committees or delegates certain matters to other entities or persons to perform some of its work. The Board avoids issuing general delegations or delegations of indefinite duration.
- The Nomination and Governance Committee organizes the process for evaluating the Board's performance, with the possibility of engaging external consultants, and the evaluation activity is disclosed to shareholders at the General Assembly meeting.
- The review of members' independence and impartiality and the absence of conflicts of interest, which is conducted by QIB, is performed annually, with independent members required to submit updated information and an undertaking confirming their independency.
- The Board Charter guarantees members' right to obtain legal or technical advice at QIB's expense, when required, in relation to any matters pertaining to QIB, with the possibility of engaging external experts in accordance with the approved policy, subject to confidentiality.

Board Meetings

The Board meets upon an invitation from its Chairman on a regular basis in accordance with the provisions of QIB's Articles of Association. The Chairman must convene a Board meeting whenever requested by at least two members. The invitation shall be sent to each member, accompanied by the agenda, minutes of previous meeting, and committee reports, and sufficient written background information on the topics of the meeting ten days prior to the scheduled meeting date, or less in the case of emergency meetings.

Financial statements are excluded from the above and shall be circulated three days prior to the Board meeting at which they are discussed. Any member may request addition of one or more items to the agenda. The Board may decide to hold some or all of its meetings remotely

due to any circumstances that so require, while ensuring the integrity and confidentiality of the meetings and the documentation of their outcomes and minutes.

The Board holds its meetings on a periodic or recurring basis according to business needs, provided that it meets at least once every two months and holds no fewer than six (6) meetings per year. The reasons for not attending meetings must be objective, documented, and acceptable to the Board. In addition, communication among members outside the scope of Board meetings is important. A meeting shall not be valid unless attended by a majority of the members.

During 2025, the Board held 8 meetings chaired by His Excellency the Chairman of the Board of Directors, where the Chairman attended and presided over all sessions. The table below sets out the number of meetings held by the Board and its committees during that period:

Board and its committees	Number of meetings held during 2025
Board of Directors	8
Nominations and Governance Committee	4
Compensation, Remuneration and Benefits Committee	4
Audit, Risk Management and Compliance Committee	9

Board Resolutions

Board resolutions are issued by a majority of the votes of those present and represented; in the event of a tie, the side of the Chair of the meeting prevails. In cases of necessity and urgency, the Board may issue some of its resolutions by circulation, provided that all members approve such resolutions in writing, and that these resolutions are presented at the next Board meeting for inclusion in its minutes.

Board Secretary

Under the supervision of the Chairman of the Board, Mr./ Waleed Mohamed Ali Mohamed Al- Murdahi has held the position of Head of Board Support and Board Secretary by a Board decision dated 31 October 2023. Mr. Waleed obtained a Bachelor of Law from Qatar University in 2015 and a Master's degree in Law, Governance and Anti-Corruption from the University of Sussex (UK) in 2019. He also obtained several training certificates from reputable educational institutions in the field of corporate governance and environmental, social and governance sustainability. He successfully completed the Executive

Leadership Programme at Qatar Leadership Centre in 2025, a high-level national programme concerned with qualifying executive leaders in the fields of leadership, governance, and strategic decision-making.

Mr. Waleed began his professional career at Doha Bank as a Legal Researcher, then joined the Ministry of Endowments (Awqaf) and Islamic Affairs in the Litigation and Investigations Department, then as a Corporate Governance Specialist and a representative of the Ooredoo Group on the boards of Ooredoo Group for the Middle East region (Maldives, Oman and Palestine), and then as a Legal Advisor at Ooredoo Qatar. He joined the Bank's Group in May 2023. The Board Secretary is responsible for providing comprehensive administrative and technical support to the Board and its committees, coordinating the Board's work, documenting meeting minutes, following up on the implementation of Board resolutions, ensuring compliance with regulatory authorities' requirements, and serving as the primary point of contact between the Board, executive management, and relevant parties. He is also responsible for recording meeting minutes and ensuring their accuracy and availability, proposing Board policies and practices, providing various reports to the Board, maintaining membership records and declarations related to the prohibition of combining positions, and fulfilling any other Board requirements, and performing other duties as needed and/or as determined by management.

Training

New Board members are subject to an induction programme regarding their roles and responsibilities, the related regulatory requirements, and other key matters to ensure their effective contribution to the Board.

During 2025, a number of training programmes were made available and implemented for the Board of Directors and senior executive management, within the framework of enhancing governance, risk, and compliance-related knowledge and skills, including:

- Governance programme covering governance guidelines in the State of Qatar, including governance principles.
- Financial crime programme delivered through a virtual training room, covering anti-money laundering and counter-terrorist financing requirements, including relevant laws and regulatory instructions, roles and responsibilities.
- Organisational resilience and crisis management programme delivered through an in-person workshop and practical simulation, aiming to assess the Bank's ability to manage incidents and potential crises.

- Access to the QIB Knowledge Library, which provides self-directed and unguided training content in banking and financial markets areas, according to participants' needs. In addition, Board members and senior executive management participated in specialised training events, programmes, and conferences within the 2025 training and development activities.

Article (3) Conflict of Interest

Without prejudice to the provisions of the law in this regard, the Board and members of senior executive management are committed to the principles of the corporate governance framework, and to disclosing any direct or indirect interest that may constitute a conflict of interest, in addition to transactions and deals entered into by QIB with any "related party." There are no material transactions or deals with related parties in which an interest conflict with QIB's interests. The Board has approved a policy to regulate conflicts of interest and dealings with related parties within QIB's governance framework, whereby related parties are identified and transactions are reviewed in accordance with the approved policies, in a manner consistent with the disclosures contained in the annual financial statements. The Board Secretary also maintains an updated register of such transactions or deals, and Board members may not participate in voting on any decisions relating to such interests.

At least one week prior to the date scheduled for the General Assembly convened to consider QIB's budget and the Board's report, the Board must place at the shareholders' disposal a detailed register of the transactions and deals referred to in the preceding paragraph. Such transactions and deals are also disclosed in QIB's annual financial report.

In all cases, QIB may not conclude any major transaction with any "related party" except after obtaining approval of the QIB's General Assembly, and it must be included in the agenda of the next General Assembly following completion of the procedures for its conclusion.

Article (4) Board Committees

The Board issued a resolution to establish 3 specialized committees to assist it in performing its duties, and such committees submit their reports directly to it on a periodic basis. The Board also specifies their mandates, duties, and the provisions and procedures governing their work, in support of effective management practices, while adhering to the prohibition on combining membership of the Audit, Risk and Compliance Committee with membership of any other committee. A committee shall be deemed quorate by the attendance of its Chair and a majority of its members. Minutes shall be prepared for each meeting, setting out its resolutions and the reports exchanged between the Board and QIB's departments, and shall be signed by the Chair of the meeting.

Any committee may invite any person who is not a member to attend any meeting, including the Chief Executive Officer and any senior employees, the internal auditor, the external auditor, the Compliance Officer, and any other employee. Any committee may also engage with any external experts or external consultants for the purpose of obtaining advice only. These committees are:

1. Audit, Risk Management, and Compliance Committee:

This committee consists of:

Mr. Nasser Abdullah Saad Al Mahmoud Al Shareef - **Chairman**

Mr. Mohamed Bin Issa Al Mohannadi - **Vice Chairman**

Mr. Abdulla Bin Saeed Al Eidah - **Member**

Chief Internal Audit Officer - **Committee Secretary**

The Committee plays an important role in supporting the Board's overall oversight responsibilities in relation to QIB's activities, including financial reporting, the system of internal controls, risk management, compliance risk, anti-money laundering and counter-terrorist financing, internal audit responsibilities, and the processes in place to monitor compliance with the laws and regulations governing QIB's business. In particular, the Committee submits periodic reports to the Board and provides advice and appropriate recommendations on matters within its audit and compliance. The Audit, Risk Management and Compliance Committee supports the Board's decision-making.

The Committee is authorized by the Board to investigate any activity within the scope of its mandate and has the right to request any information from any employee. All employees are required to cooperate with such requests. This includes establishing appropriate mechanisms to report violations and breaches in a timely manner and holding those responsible accountable, and promptly notifying the relevant regulatory authorities of any violations of QIB's applicable laws and instructions, and any other related laws. The Committee is also authorized to seek independent external legal or professional advice and to engage external consultants where it deems necessary, after consulting the Chairman of the Board, solely for advisory purposes.

The Committee has the authority to communicate directly with internal and external auditors and QIB's senior management. The Committee was established by the Board to review, evaluate, and provide recommendations to the Board regarding risks in general, accounting matters, internal controls, the risk and control environment, financial reporting, internal audit, external audit, and compliance, and to verify that appropriate frameworks are in place to ensure the highest levels of compliance with laws, instructions, regulations, and sound practices.

QIB's control functions (Internal Audit, the Compliance Division, and the Risk Group) submit detailed periodic reports to the Committee. The Committee reviews and evaluates these reports and submits a detailed report to the Board of Directors identifying matters requiring action and remediation.

During the financial year ended 31 December 2025, the Audit, Risk Management and Compliance Committee held (9) meetings. The Committee played a pivotal oversight role in strengthening QIB's governance frameworks through reviewing and evaluating audit reports relating to QIB's departments and branches. The Committee's deliberations also focused on reviewing the efficiency and effectiveness of the compliance and the financial crime framework, analyzing various risk reports, and discussing the quarterly financial statements with the external auditor, with continuous emphasis on the independence and objectivity of the internal and external audit teams in performing their duties.

The Committee issued a set of strategic recommendations aimed at addressing risks, ensuring compliance, and enhancing the control environment, and emphasized the need to prepare an integrated plan to address gaps and risks within specified timelines. In this context, the Committee stressed the importance of closing observations and implementing the recommendations set out in audit reports, and recommended the immediate closure of high-risk observations, with Internal Audit committed to promptly informing the Committee in the event of any shortcomings.

The Committee also stressed the need to address observations relating to information technology, information security, and cybersecurity, and to implement the related recommendations.

2. Nominations and Governance Committee

This committee consists of:

Mr. Abdul Latif Bin Abdullah Al Mahmoud - **Chairman**
Sheikh/ Jassim Bin Faisal Qassim Thani Al Thani - **Vice Chairman**
Sheikh/ Khalifa bin Thani Abdulla Al Thani Al Thani - **Member**
Head of Strategy, Innovation and Data Science -
Secretary of the Committee

The Nominations and Governance Committee is an independent committee established by the Board of Directors. Its role is to serve as the formal channel for communication between the Board of Directors and QIB's management on governance and nomination matters, and to set specific bases for evaluating the performance of the Board and key employees in senior executive management. The Committee is responsible for overseeing and supporting the implementation of corporate governance principles, guidance, and practices within QIB, and for identifying an appropriate succession plan in line with the law, QIB's policies and systems, and the Qatar Central Bank's instructions.

The Committee is also responsible for overseeing the existence of a succession plan for key employees in senior executive management, in addition to providing the Board with reports and recommendations on the level of compliance. The Committee further oversees and monitors the application of these principles across all of QIB's activities. In addition, the Committee reviews and

evaluates candidates for Board membership and senior executive positions throughout the year to support the achievement of QIB's objectives, in accordance with governance instructions and the Commercial Companies Law.

The Committee also oversees the review and updating of the governance framework and monitors its application in coordination with executive management, the Audit, Risk Management and Compliance Committee, and the Shariah Regulatory Board, to assess the adequacy of related policies and procedures and their alignment with the most recent international practices and publications, such as those issued by the Financial Stability Board, the Basel Committee on Banking Supervision, as well as the Qatar Central Bank's instructions and guidance and the Organization for Economic Co-operation and Development. The Committee also oversees the implementation of QIB's sustainability strategy.

During 2025, the Committee submitted several recommendations, including, by way of example and without limitation:

- Reviewing QIB's governance framework, updating policies and procedures, and strengthening internal controls in compliance with regulatory authorities' requirements.
- Reviewing the composition of the Board of Directors and ensuring its compliance with governance requirements and the regulations and instructions issued by the relevant regulatory authorities.
- Assessing the independence and tenure of Board members, in addition to evaluating the Board's performance for 2025
- Conducting an assessment of Board candidates, including eligibility conditions and the application of fitness and propriety criteria, and submitting the assessment results and related recommendations to the Board of Directors.

3. Compensation, Remunerations and Benefits Committee

This committee consists of:

Mr. Nasser Rashid Sariya Al-Kaabi - **Chairman**

Mr. Mansour Mohamed Abdul Fattah Al Musleh

Vice Chairman

Mr. Abdul Rahman Abdullah Abdul Ghani Al Abdul Ghani

Member

Secretary of the Board of Directors

Secretary of the Committee

The committee's key responsibilities include overseeing human resources policies and developing QIB's remuneration, incentives, and benefits strategy and policy, ensuring that current remuneration, incentives, and benefits policies and practices keep pace with QIB's corporate culture, strategy, and business environment, and align with regulatory guidance by taking into account all types of risks to which QIB may be exposed when determining benefits. The committee evaluates the Board's and senior management remuneration, incentives, and benefits policy and provides recommendations to the Board of Directors regarding remuneration, incentives, and benefits and other plans, which must be based on fairness and objectivity criteria and carefully designed to attract and retain individuals with the required qualifications and specializations.

The committee's work throughout 2025 included discussions of the following:

- Continuing to review employees' roles and tasks and empowering them, with emphasis on the periodic review of job roles to ensure alignment with developments, focusing on junior and middle management levels.
- Supporting and empowering Qatari talent (Qatarization) by continuing to enhance national capabilities, including retaining outstanding talent and participating in recruitment events such as the recruitment day with the Ministry of Labour, to achieve higher Qatarization ratios (with improvement from 30% to 30.46%).
- Following up on high-performing employees to prevent attrition and focusing on retaining distinguished employees through recognition awards and promotions, with a balanced approach between nationals and expatriates to maintain operational stability (with turnover rate decreasing to 8.8%).

- Clear communication with employees affected by changes, ensuring transparency in communications regarding job or compensation adjustments to enhance morale and engagement.
- Presenting the salary survey results to the Board of Directors at the beginning of the next year, conducting a benchmarking salary study with banks and other sectors, and providing the results to support fairness of compensation.
- Enhancing education and development programmes by developing programmes such as "operational resilience," talent management, and the Udemy library (more than 60,000 courses), with a focus on mandatory and individual training for all levels.
- Emphasizing fair standards for bonuses and increases by applying clear criteria to distribute bonuses and annual increases based on performance evaluation, focusing on lower grades and allocating a reserve for exceptions.
- Approving employee bonuses in accordance with QIB's 2025 financial performance evaluation, and approving annual increases for the 2026 financial year ranging from 3% to 5%, which may increase or decrease by 5% based on the employee's full-year 2025 performance.

These recommendations reflect the committee's direction towards sustainability, transparency, and a focus on human resources as part of annual governance.

Article (5)

Communication between the Board and Shareholders

The Board of Directors affirms QIB's commitment to applying best practices in communicating with shareholders as key stakeholders of QIB, and enabling them to fully exercise their rights, in accordance with the Qatar Central Bank's instructions and the provisions of the Corporate Governance Code issued by the Qatar Financial Markets Authority, through: transparency and the timely availability of information; enabling shareholders to exercise their rights to attend General Assembly meetings and participate in discussions; and facilitating effective participation by providing all means that ensure shareholders can participate effectively in General Assembly meetings, as well as providing official channels for communication and for submitting inquiries. QIB is also committed to ensuring equality among all shareholders in access to information, avoiding selective disclosure, and adopting effective mechanisms to address complaints and feedback, thereby strengthening mutual trust between QIB and its shareholders and supporting the principles of sound governance and institutional sustainability.

Article (6)

The Group's Senior Executive Management

The senior executive management team consists of:

A group of individuals with operational responsibility in QIB, appointed by the Board of Directors. Executive management is responsible for managing QIB's day-to-day operations and activities and for implementing the Board's decisions in accordance with the strategies and policies approved by the Board.

Executive management comprises the Group Chief Executive Officer together with a highly experienced and qualified team which adopts a clear accountability framework and reporting lines.

QIB's Executive Staff are:

QIB's Executive Management Team	Position
Mr. Bassel Gamal	Group Chief Executive Officer
Mr. Tarek Youssef Fawzi	Chief Wholesale Banking Officer
Mr. Dorai Anand	Chief Personal Banking Officer
Mr. Rakesh Sanghvi	Chief Risk Officer
Mr. Constantinos Constantinides	Chief Strategy & Digital Officer
Mr. Gourang Hemani	Chief Financial Officer
Mr. Khalefa Al Mesalam	Head of Human Capital Group
Mr. Saleem Ul Haq	Chief Operating Officer, Operations & IT Group
Mr. Mahmoud Al Ghazzawi	Chief Internal Audit officer
Mr. Warif Kanaan	Chief Compliance Officer

Mr. Bassel Gamal Group Chief Executive Officer

Mr. Bassel Gamal has held the position of QIB's Group CEO since February 2013, having amassed over 30 years of experience in the banking and finance industry. He's currently the Chairman of QIB-UK and a Board Member of QInvest. His career started with Commercial International Bank (Chase National Bank) in Egypt, in 1990 where he worked for more than a decade. In 2001, he joined Ahli United Bank Group in Bahrain at which he held many positions, the last of which was Senior Deputy Group CEO – Banking Group, in charge of various businesses including Corporate Banking, Retail Banking, Treasury & Investment, Private Banking & Wealth Management and Financial Institutions, spanning across eight countries. He was Ahli Bank's Deputy CEO in Qatar from 2004 until 2006, at which point he moved on to become the CEO until early 2009.

Mr. Tarek Youssef Fawzi Chief Wholesale Banking Officer

Tarek Fawzi is a senior executive banker with over 37 years of extensive international experience in diverse markets predominantly in Corporate Banking, Investment and Treasury domains with reputable international & regional banks in MENA region covering Egypt, Kuwait, KSA, Oman, UAE, and Qatar. Tarek held senior roles across Wholesale, Retail, SME, Treasury investment and countries management. He joined Qatar Islamic Bank in September 2014 as GM – Wholesale Banking Group and in 2016, He was appointed as the GM – Wholesale Banking Group and International. Tarek has led the digital transformation within the Wholesale Banking division across various areas and markets, which served as a testament of the bank's growing digital footprint in the region. He holds a Bachelor degree in Economics and Business Administration from The American University in Cairo (AUC); this is in addition to executive education programs from International universities and Business schools.

Mr. Dorai Anand Chief Personal – Banking Officer

He has over 30 years' experience in banking industry, particularly in retail banking, consumer assets business, customer service & operations. Mr. Anand has held various senior Management roles during his tenure with both world's leading conventional and Islamic banks. He has worked with Citibank for 12 years and with Al Rajhi Bank for 8 years before joining QIB in 2011.

Mr. Constantinos Constantinides Chief Strategy & Digital Officer

Carrying 25+ years of experience in banking and consultancy, Constantinos Constantinides (Dinos) joined QIB in 2012 as Chief Strategy Officer to lead the Bank's transformation program. Since early 2018, Dinos is program managing the digital transformation of the Bank. Prior to joining QIB, he held various senior roles at Al Rajhi Bank with his last role being the General Manager of Strategy responsible for business development and international expansion. Previously, he was Deputy General Manager of Al Rajhi Retail Banking Group. As a management consultant with Accenture, he has led several strategic initiatives for European banks and financial institutions. Holds an MBA in International Strategy from University of Birmingham.



Mr. Rakesh Sanghvi
Chief Risk Officer

Rakesh is a Chartered Accountant (FCA) from the Institute of Chartered Accountants of India and a CISA qualification holder from the USA. He carries 34 years of rich experience in Risk Management, Corporate Banking and Corporate Finance with the “Big 4” accounting firms and banks in the middle east region and India. He worked with Ernst & Young in Bahrain for its audit and consulting practice. Before joining QIB in 2013 he was the Group Head of Risk Management at Ahli United Bank in Bahrain. He led the Corporate Finance unit of the bank and spent over 10 years in Corporate Banking in Bahrain; and with Ahli Bank in Qatar dealing with a wide variety of industry sectors and clients.

Mr. Gourang Hemani
Chief Financial Officer

He carries 31 years of accounting and Finance experience with international banks and with leading audit firms. Gourang started his carrier with Price Waterhouse Coopers – India and progressed through Standard Chartered Bank – India followed by long standing career with Banque Saudi Fransi in Saudi Arabia for 15 years handling various roles including Asset Liability Management, Treasury Middle Office, Financial Planning. His last assignment, prior to joining QIB was with Banque Saudi Fransi as Deputy Chief Financial Officer. He is a CFA Charter holder, FRM, Chartered Accountant from India.

Mr. Saleem Ul Haq
Chief Operating Officer, Operations & IT Group

Saleem has 27+ years of diversified experience of Business, Risk, Control and Back-office functions in multiple geographies with Barclays, Citigroup, Bank One and Africa & Gulf Bank. He has managed large business teams and is well versed in business P&L management, operations processes, off shoring, outsourcing, business integration, mergers of acquired assets, digital and channel management. In his last role Saleem was CEO for Africa & Gulf Bank. Previously, Saleem was Chief Operating Officer for Bank One in Mauritius, COO Cards and Payment business for Absa, managing one of the largest payment business in Africa. He has been Chief Operating Officer for Barclays Bank Egypt managing O&T function for all business lines. In a regional

role Saleem was Head of Operations Emerging Markets responsible for management and oversight of back-office functions across all products. In Citibank he was responsible for various senior roles in Citibank CIB MENA, Citibank Egypt and Pakistan. Saleem has an MBA in Marketing of financial services from Institute of Business Administration Karachi.

Article (7)
Internal Control, Internal Audit, Risk, Compliance, and Shariah Supervision Functions

Internal Control

QIB adopts an integrated internal control framework that includes Internal Audit, Risk Management, the Compliance Division, and the Shariah Regulatory Board, with sufficient independence for each function and clear reporting lines to the Board of Directors and its committees. According to the periodic reports of the internal control functions submitted to the Audit, Risk Management and Compliance Committee during 2025, no material violations related to internal control were recorded.

The Board also approved the proposal of the Audit, Risk Management and Compliance Committee regarding QIB’s internal control system, which includes the control mechanism, the definition of the duties and competencies of QIB’s departments and sections, and the relevant provisions and procedures governing accountability, as well as programmes to raise employees’ awareness of the importance of self-control (individual accountability) and internal control activities. The system also includes QIB’s risk management plan to ensure the integrity, compliance, and effectiveness of risk management operations.

Control Functions

QIB's internal control system includes appropriate and effective independent systems for audit and financial reporting, for effective risk assessment and management, for financial audit, and for monitoring QIB's compliance with controls governing financial transactions, particularly those with any related party. The work is undertaken by an internal auditor in relation to financial audit, performance evaluation, risk management, and the effectiveness of internal control systems, including providing certification and signature confirming that the quarterly, semi-annual, and annual financial statements of QIB Group present a true and fair view, in all material respects, of the financial position.

Management is committed to establishing and developing internal controls that enhance the effectiveness of the internal control system, and to ensuring segregation of duties to avoid any potential conflicts of roles, particularly in cases where accountability for the outcomes of activities is difficult, or where returns and revenues are generated in a manner inconsistent with the level of risk. Internal Audit evaluates this.

Reports of the control functions are submitted to the Audit, Risk Management and Compliance Committee regarding internal control work at QIB. Based on the Committee's recommendation, the Board specifies the information that such reports must include, and they include at least the following:

1. Control and oversight procedures relating to financial matters, investments, and risk management.
2. Reviewing the evolution of risk factors in QIB and the adequacy and effectiveness of the systems in place to address radical or unexpected changes in the market.
3. A comprehensive assessment of QIB's performance regarding compliance with the implementation of the internal controls and relevant regulations.
4. The extent of QIB's compliance with the rules and conditions governing disclosure and listing in the market.
5. The extent of QIB's compliance with internal control systems in identifying and managing risks.
6. The risks to which QIB was exposed, their types and causes, and the actions taken.
7. Proposals to rectify violations and remove the causes of risks.

Internal Audit

QIB has an integrated Internal Audit Unit comprising a Head of Internal Audit and a number of qualified, specialized staff. The Unit operates under a robust internal control system aimed at reviewing operational processes, issuing regulatory reports, and providing the necessary corrective recommendations. Management also follows developments in regulatory instructions, laws, and international internal audit standards, enhancing the Unit's efficiency in assessing all of QIB's activities and detecting control gaps, risks, and violations, and ensuring timely remediation in accordance with the following areas:

- Review of approved internal control systems.
- Risk assessment and financial audit.
- Internal Audit performs the following tasks:
 - Overseeing the effectiveness of implementing the internal control system and verifying its efficiency.
 - Enhancing the principle of independence through direct administrative and functional reporting to the Board's Audit, Risk Management and Compliance Committee.
 - Granting full access authority to all of QIB's records and activities.
 - Preparing and submitting periodic reports on control procedures and oversight of financial matters, investments, and risk management, and evaluating the adequacy of internal control systems.
 - Developing audit methodologies with a high degree of flexibility to align with the growth of QIB's business, fulfilling planned and unplanned commitments to strengthen the management and governance approach, risk management and compliance, and internal controls.

The Internal Audit function adds value to QIB through its role in assessing and enhancing the efficiency and effectiveness of internal control systems and improving procedures and service quality. Internal Audit also provides various professional advisory services, such as developing training methodologies and business and development plans, supporting preventive procedures, and contributing to mitigating potential risks. The Head of Internal Audit is committed to promptly disclosing to the Audit Committee, QCB and other regulatory authority of any serious violations or material breaches that may have a material impact on financial performance, QIB's reputation, data accuracy, or the level of compliance with laws and regulatory instructions.

Compliance Division

QIB's Board of Directors gives particular attention to the Compliance Division and its relationship with other departments in a manner that ensures the Division's independence and effectiveness. The compliance team submits its reports directly to the Audit, Risk Management and Compliance Committee. QIB's management approach ensures extensive benefit from expert opinions and provides support to those assigned compliance duties, ensuring full compliance with all requirements of local and international legislative and regulatory authorities.

The Compliance Officer is appointed and removed with the approval of the Audit, Risk Management and Compliance Committee, subject to obtaining the Qatar Central Bank's approval. The Committee, together with executive management, participates in evaluating and approving the Compliance Officer's performance and remuneration. The Compliance Officer must have powers and duties that are independent from other work at QIB and be accountable to the Board and the Chief Executive Officer for implementing the comprehensive compliance management framework. The Compliance Officer must also have the ability to influence any decisions that would cause QIB to violate any applicable laws, instructions, and standards, including, by way of example but not limitation, Qatar Central Bank requirements and instructions, Basel Committee standards, Financial Action Task Force (FATF) recommendations, anti-money laundering and counter-terrorist financing recommendations, and other international standards related to corporate governance and corporate management practices.

QIB's compliance team plays an important and active role in reviewing policies, reference laws, and the Board's competencies to ensure full compliance with Qatar Central Bank and Qatar Financial Markets Authority requirements, as well as establishing preventive procedures to ensure compliance, particularly in relation to the laws, regulations, and instructions on combating money laundering and terrorist financing. The compliance team also establishes mechanisms for the assessment and reporting of breaches and violations in a timely manner and for holding those responsible accountable. The Audit, Risk

Management and Compliance Committee is responsible for promptly notifying the Qatar Central Bank and QFMA of any violations of its law and instructions and any other related laws.

The Compliance Division also responds on an ongoing basis to inquiries from all QIB departments to provide clarifications on applicable rules, standards, and instructions. It provides advice to executive management and the Committee regarding laws, instructions, and standards, and keeps executive management and the Committee continuously informed of developments in the applicable laws, instructions, and standards.

In addition, it takes the necessary corrective and disciplinary actions upon the discovery of any violations and submits periodic reports to the Board of Directors on matters related to compliance policies and procedures, supporting their ongoing development.

Risk division

The Risk Division monitors overall financing and investment risk limits to avoid risk concentration and ensures that QIB has sufficient capital to cover these risks. It periodically reviews the effectiveness of risk management operations and makes the necessary adjustments as required based on the strategy and directions issued by the Board of Directors.

- Taking appropriate measures to enhance risk management systems and increase their efficiency and effectiveness.
- Setting risk directions and strategies at the macro level and assessing risks resulting from decisions such as entering new markets or exiting existing markets.
- Setting strategic risk directions at the business level and assessing risks resulting from decisions such as those related to allocating or distributing the investment portfolio.
- Determining and setting comprehensive levels relating to risk appetite and diversification, and asset allocation strategies appropriate for each financing department, each economic activity, each geographic extension, and maturity periods.

- Determining the acceptable risk level for counterparties dealing with QIB in terms of:
 - o Ensuring that the expected rate of return on transactions is commensurate with the associated risks.
 - o Avoiding excessive credit risk (at the level of each transaction or the portfolio as a whole).
- Establishing a clear strategy to mitigate credit risk based on the following:
 - o Profit rates determined in accordance with the risk rating of counterparties and the pricing decisions taken into account.
 - o Permitted and enforceable collateral and guarantees.
 - o Clear documentation of contracts with other parties.
 - o Clear identification of applicable laws governing financing transactions.
- Setting risk limits and ceilings that QIB can bear (RISK APPETITE) to address all types of risks.
- Determining levels of exposure to market risks and assessing the possibility of future losses that may arise from not covering obligations with retained assets.
- Ensuring that QIB maintains sufficient liquidity to meet QIB's obligations at all times, taking into account the nature of QIB's business and activities and the capital markets in which it operates.
- Establishing a comprehensive and sound framework to develop and implement a prudent environment for managing operational risks arising from QIB's various activities.
- Contingency planning for potential crises, emergency or unusual circumstances, and conducting the necessary tests.
- Identifying the activities and business undertaken by QIB and planning future projects and new products within the margin of risk that QIB can accept (RISK TOLERANCE APPETITE).

Shari'a Supervisory Board

An independent Shariah Supervisory Board has been approved at QIB by the General Assembly, and it is primarily responsible for monitoring the extent of QIB's compliance with the provisions of Islamic Shariah and reviewing matters presented to it regarding the nature of products and financial services. The Board operates independently and comprises a select group of scholars

specialized in the jurisprudence of Islamic commercial and banking transactions. The Board is also responsible for the following:

- Providing Islamic advice and guidance upon request by QIB's management.
- Reviewing the auditors' reports from the perspective of Islamic Shariah rules and providing a report to members in this regard.
- Determining whether contracts, transactions, and deals presented to it comply with Islamic Shariah.
- Reviewing marketing materials presented to it.
- Ensuring, by available means, that all income and revenues generated from non-Shariah-compliant sources are directed to charitable causes.

Members of the Shariah Supervisory Board	Membership Capacity
His Eminence Sheikh/ Waleed bin Hadi	Chairman
Sheikh Dr. Abdulaziz Khalifa Al-Qasar	Member
Dr. Mohamad Ahmaine	Administrative member

External Auditor

The independent external auditor (Messrs. Ernst & Young) reviews the financial statements in accordance with applicable International Accounting and Auditing Standards and evaluates the adequacy of internal controls over financial reporting. The external auditor also reviews QIB's operations and submits reports and recommendations for corrective action. The auditor cannot be removed during the contract period and must be changed every five years at most, and may not be reappointed until two years have passed since the last appointment.

The external auditor provides a report on the results of this Audit to the Board of Directors and provides the audit opinion on the financial statements of Qatar Islamic Bank and the extent of QIB's compliance with the governance framework. In addition, the external auditor prepares a report on the effectiveness of internal controls over financial reporting. The external audit team attends meetings of the Audit, Risk Management and Compliance Committee and the annual General Assembly meeting of shareholders. External auditors

may be questioned at the annual General Assembly meeting regarding their opinion on the annual financial statements; therefore, they must attend to represent the external audit team at such meeting.

The external auditor must notify the Board in writing of any risk to which QIB is exposed or expected to be exposed, and of any violations discovered, immediately upon becoming aware of them, and send a copy of such notification to the QCB and QFMA. In this regard, the external auditor has the right to call for the General Assembly to convene in accordance with the provisions of the law and must notify QFMA accordingly.

The auditor (even if more than one) submits a single report to the General Assembly, reads it to the Assembly, and sends a copy to QFMA, and is responsible for the accuracy of the information contained therein. Each member of the General Assembly has the right to discuss with the auditor regarding any matter in the report and seek clarification on what it contains, including all matters related to financial oversight work and performance evaluation.

External auditors may provide services to QIB, whether within the scope of the external audit or otherwise, after obtaining approval from the Audit, Risk Management and Compliance Committee. The Committee approves, on an annual basis, obtaining certain types of services directly or indirectly related to the scope of the external audit or unrelated services, while ensuring the absence of conflicts of interest. The external auditor is also committed to providing services approved by the Committee or those recommended by senior management for approval by the Committee. The Committee also determines and sets an annual cap for the maximum amount that may be spent on obtaining such services throughout the year and monitors the services obtained in return for those amounts.

Article (8) Remuneration, Compensation and Benefits Policy

QIB adopts an integrated remuneration and incentives policy that takes into account the Qatar Central Bank's instructions and best international practices and publications, such as those issued by the Financial Stability Board and the Basel Committee on Banking Supervision, such that remuneration is linked to actual performance and earnings quality, subject to clear risk management standards. The policy includes long-term variable components aimed at enhancing sustainability through long-term remuneration elements and avoiding the encouragement of high-risk banking activities. It also provides that bonuses are not paid until business results are confirmed. Remuneration for employees in control functions is determined independently from the departments and activities they oversee, to ensure independence.

The policy also adopts the phased deferral of a portion of variable remuneration, and takes into account professional competence and individual and collective performance. The remuneration policy is reviewed annually by the Compensation, Remunerations and Benefits Committee, and QIB discloses the remuneration policy in the annual governance report.

Article (9) Shareholders' Rights

QIB is committed to ensuring that shareholders exercise their basic rights related to ownership, information, voting, and dividends, without discrimination. Shareholders are equal and enjoy all rights arising from share ownership in accordance with the provisions of the law and the related regulations and decisions. QIB's Articles of Association ensure that shareholders may freely exercise their rights, without prejudice to the interests of QIB and other shareholders, through a request submitted by the shareholder to the Board Secretary for submission to and consideration by the Board of Directors.

QIB's Articles of Association also regulate shareholders' rights relating to General Assembly meetings, including:

1. The right of a shareholder or shareholders holding not less than (10%) of QIB's share capital, for serious reasons, to request that the General Assembly be convened; and the right of shareholders representing at least (25%) of QIB's share capital to request that the Extraordinary General Assembly be convened.
2. The right to request the inclusion of certain matters in the General Assembly agenda.
3. The right to attend the General Assembly meeting.
4. The right of a shareholder to appoint, by a special proxy, another shareholder who is not a Board member to attend the General Assembly meeting on his behalf, provided that the number of shares held by the proxy in that capacity does not exceed (5%) of QIB's share capital shares.
5. The right of minor shareholders and those under guardianship to attend the General Assembly meeting, represented by their legal representative.
6. The right of a shareholder to address questions to Board members and the obligation of Board members to respond.
7. The right to vote on General Assembly resolutions—exercised personally or through a legal representative—which may not be waived or cancelled.
8. The right to object to any resolution. In addition, Article 12 of the Articles of Association allows the shareholder to submit a request to the Board Secretary to seek clarification on any matter related to their rights as a shareholder.
9. QIB's Articles of Association also include a specific mechanism to protect shareholders' rights in general, and minority shareholders' rights in particular, in the event that QIB enters into major transactions that may harm their interests or prejudice their ownership of QIB's share capital. Article 26 of the Articles of Association clarifies that the shareholder may freely exercise their rights in a manner that does not harm the interests of QIB and other shareholders. It is worth noting that there was no material change affecting shareholders' rights during 2025.
10. QIB's Articles of Association provide, without prejudice to QIB's ability to meet its obligations to third parties, that a minimum of 5% of net profits must be distributed to shareholders. The Board has established a clear policy for distributing such profits in a manner that achieves the interests of QIB and shareholders, and shareholders may review this policy at the General Assembly meeting, as referred to in the Board report. Entitlement to receive dividends approved by the

General Assembly, whether in cash or bonus shares, is for shareholders registered in the shareholders' register with the Depository, in accordance with dividend distribution controls issued by the Qatar Financial Markets Authority.

Article (10) Rights of Other Stakeholders

QIB is committed to preserving and respecting the rights of stakeholders. The governance framework and the policies and procedures applied at QIB include mechanisms enabling stakeholders to submit grievances regarding decisions and actions of QIB officials, as well as procedures to receive, review, and examine their complaints, proposals, and reports.

Article (11) Disclosure on the Bank's Governance

QIB is committed to preparing an independent annual governance report that includes disclosure of the extent of compliance with the provisions of the governance framework, the structure of the Board and its committees, executive management, internal control, risks, sustainability, and related party transactions. The governance report also includes disclosure by Qatar Islamic Bank of the extent of compliance with the provisions of the governance framework and all information related to applying its principles and provisions and the procedures followed by QIB in this regard. The Board ensures compliance with the principles of this framework by updating the overall governance framework, including the policies and procedures stipulated in the governance framework, in addition to the Board Charter and the Board's responsibilities, including:

1. Disclosure of any deficiencies in the implementation of the internal control system; there are no deficiencies in the implementation of internal control systems, in whole or in part, that affect QIB's financial performance.
2. QIB was not subject to any fines during the year by the Qatar Financial Markets Authority that may result from

non-compliance with any of the principles or provisions of the governance framework.

3. Disclosure of the extent of QIB's compliance with the rules and conditions governing disclosure and listing in the market; QIB complies with Qatar Stock Exchange and Qatar Financial Markets Authority instructions regarding disclosure and listing instructions.
4. There are no lawsuits, arbitration, or material cases that may adversely affect QIB's business; cases before courts fall within ordinary banking business, and there are no material cases that may affect QIB's financial performance.
5. The number of grievances and complaints was approximately 3,586 and proposals 218; these were handled by the Quality Assurance Department in coordination with QIB's executive management.
6. Disclosure of Board members' and executive management remuneration in the approved annual financial report (Notes 29 and 35).
7. Disclosure of transactions and deals concluded by QIB with any "related party".

QIB is also committed to disclosing to Qatar Stock Exchange, Qatar Financial Markets Authority, and Qatar Central Bank any matters and developments that may affect the performance of QIB's share price listed on the Exchange, and to applying a clear policy for dealing with rumors through examination by executive management, marketing, and the Board of Directors to determine how to handle them in accordance with QIB's interests and the protection of rights. This also includes disclosure of sustainability reports in accordance with GRI and SASB standards, enhancing transparency towards shareholders and stakeholders.

Environmental, Social and Governance (ESG)

Sustainability Governance

In 2025, QIB reaffirmed its leadership in sustainable Islamic banking by further embedding Environmental, Social, and Governance (ESG) principles into its strategy, operations, and culture. QIB advanced its role as a catalyst for sustainable transformation through innovative programs that addressed climate risks, financial inclusion,

SME empowerment, employee engagement, digital transformation, and impactful community interventions.

Sustainability governance continues to form the backbone of QIB's ESG journey. The Bank operates under a comprehensive sustainability policy framework that defines its principles, objectives, and strategies for integrating sustainability across all business functions. This framework reflects QIB's adherence to Shari'a principles, accountability, and transparency, ensuring that ethical finance remains inseparable from ESG objectives.

A defining element of QIB's sustainability framework is its robust Shari'a governance. Guided by the Shari'a Supervisory Board, the Bank ensures that all financial products and services comply with Islamic ethical standards. This alignment strengthens QIB's credibility and underscores its commitment to ethical finance, which is inherently linked to sustainable development.

To operationalize its sustainability vision, QIB has deployed a multi-tiered governance structure anchored by a dedicated **Sustainability Unit**. Positioned within the Strategy Group, this unit acts as the advisory and project management hub for all sustainability initiatives. It is supported by the Sustainability **Working Group**, comprising representatives from every department, ensuring cross-functional collaboration and seamless deployment of sustainability programs in line with the Bank's Sustainable Strategy.

Regular progress on the sustainability agenda is reported to the **Sustainability Management Committee**, chaired by the Group CEO and composed of senior executives including the Chief Strategy & Digital Officer, GM Wholesale Banking, GM Personal Banking, CFO, CRO, COO and Head of Human Capital. This committee provides executive-level oversight, approves sustainability goals, and monitors performance against targets. At the Board level, the **Board Nomination and Governance Committee** supervises strategic direction and ensures alignment with QIB's long-term sustainability objectives.

Transparency remains a cornerstone of QIB's governance approach. The Bank publishes annual Sustainability

Reports aligned with international standards such as the **Global Reporting Initiative (GRI)**, **Task Force on Climate-Related Financial Disclosures (TCFD)** and the **Sustainability Accounting Standards Board (SASB)**, providing stakeholders with credible, comparable, and comprehensive insights into ESG performance, goals, and achievements.

Capacity building is another critical pillar of QIB's governance framework. The Bank has institutionalized ESG awareness through annual e-learning module on sustainability, mandatory for all employees. The module is updated regularly to reflect evolving global context and organizational practices. In addition, job-specific sustainability training sessions are conducted for staff, committee members, and the Board, embedding a culture of sustainability across all levels of the organization. These efforts ensure that every team member is equipped with the knowledge and skills necessary to actively contribute to QIB's sustainability objectives.

QIB's governance framework is firmly aligned with Qatar National Vision 2030, the Third Qatar National Development Strategy (2024-2030), the ESG and Sustainability Strategy for the Financial Sector (issued by QCB), and the United Nations Sustainable Development Goals (UNSDGs). By aligning its sustainability goals with national and global development agendas, QIB contributes meaningfully to economic diversification, social progress, and environmental stewardship. This alignment reflects QIB's role as a responsible corporate citizen and a key player in advancing Qatar's sustainable development journey.

ESG Risk Management

In 2025, Qatar Islamic Bank (QIB) continued to prioritize the management of Environmental, Social, and Governance (ESG) risks as a central pillar of its overall risk governance framework. Mandated by the requirements of the Equator Principles and the regulatory requirements from QCB, the Bank applies a robust ESG risk assessment methodology to ensure that financing decisions promote sustainability while mitigating potential risks to both the Bank and its clients.

All new corporate finance requests undergo ESG risk evaluation in line with the International Finance

Corporation (IFC) Performance Standards. Requests classified as medium or high risk are subjected to QIB's ESG Due Diligence Toolkit, which systematically assesses ESG factors.

In alignment with the **Qatar Central Bank's ESG Supervisory Principles**, QIB has initiated the embedding of ESG and climate-related risks within its **overall risk management framework and risk appetite framework**. This adoption process is ongoing. The bank could successfully assess the Physical and Transition Climate Risks for its 2024 corporate portfolio and collateral data. ESG and climate risks will be systematically considered alongside traditional financial and operational risks, ensuring that QIB's risk governance is comprehensive, forward-looking, and resilient to emerging sustainability challenges.

By embedding ESG risk analysis into its credit processes and progressively aligning with regulatory supervisory principles, QIB ensures that financing decisions foster long-term value creation while safeguarding against environmental and social risks. This proactive approach strengthens the resilience of QIB's portfolio, enhances regulatory compliance, and reinforces its reputation as a responsible and future-ready bank.

Key Initiatives

QIB's sustainability agenda in 2025 is characterized by transformative initiatives across sustainable stewardship, digital innovation, financial inclusion, strategic partnerships and employee engagement.

Sustainable Stewardship

- Introduced Shari'a-compliant sustainable deposit product to retail customers.
- Extended green auto financing to another year, incentivizing customers to adopt environmentally friendly transportation solutions.

Digital Innovation

- Ongoing enhancements to the award-winning QIB Mobile App, including the expansion of the QIB Marketplace and Auto Marketplace.
- Digitization of debit cards and further paperless banking initiatives, reducing environmental impact while improving customer convenience.

Financial Inclusion

- Launched the QIB Junior App, Qatar's First Digital Banking Experience for Kids and Teens.
- Strengthening of the QIB Lite App, now serving a broader base of low-income earners in multiple languages, bridging financial accessibility gaps.
- Expansion of the Direct Remit Service to additional geographies, supporting expatriates with instant, cost-effective money transfers.
- Inclusive training programs, including sign language and Braille modules, reinforcing QIB's commitment to accessibility for all.
- Launched the Qard Hasan initiative, a new financing product designed exclusively for retirees.

Strategic Partnerships

- QIB and INJAZ Qatar collaboration successfully concluded the 2024/25 cycle of the nationwide Life Skills Program, impacting over 27,000 students across 71 schools.
- Recruitment Open Day, organized in collaboration with the Ministry of Labor.
- Organized Blood Donation Drive to Support National Health Efforts, in partnership with Hamad Medical Corporation (HMC).
- Collaboration with DHL through the GoGreen Plus Program, reducing carbon emissions in logistics and advancing global climate action.
- Launched special community initiative during the holy month of Ramadan, in collaboration with Qatar Charity.

Employee Engagement:

- Annual **town hall meetings** and **Ramadan Ghabga events** foster dialogue with leadership, strengthen unity, and align employees with organizational priorities.
- Active participation in National Sports Day activities.
- Multiple blood donation drives organised round the year.

- Awareness campaigns for World Diabetes Day and World No Tobacco Day, promoting healthier lifestyles.

In 2025, QIB's sustainability governance framework has matured into a holistic system that integrates Shari'a principles, ESG risk management, and innovative initiatives. By aligning with national and global sustainability agendas, QIB continues to drive positive economic, social, and environmental outcomes, positioning itself as a leader in sustainable Islamic finance and a catalyst for Qatar's long-term development vision.

Article (12)

Companies in which the Government is a Shareholder

QIB discloses the ownership structure, government participation, and any controlling shareholder owning 10% or more of the share capital or voting power in Appendix (1). QIB also discloses any material change in the ownership structure of controlling shareholders in accordance with the QFMA and Qatar Stock Exchange requirements.

Article (13)

Controls on Insider Trading

QIB adopts a written policy to regulate dealings by insiders, including blackout periods, disclosure mechanisms, and updated insider lists. Board members, senior executive management, all insiders, and their spouses and minor children are committed to disclosing trading transactions they conduct in QIB's shares and all other securities. The Board approved a policy that includes clear rules and procedures for insiders' trading in the securities issued by QIB, and members of senior executive management signed the trading disclosure form.

QIB also complies with blackout periods determined by QFMA and the Market and submits updated insider lists to the Authority.

Article (14)

Final Provisions

As part of QIB's pursuit of full compliance with all corporate governance requirements and procedures, majority of the Code's articles have been applied in compliance with Qatar Central Bank's and Qatar Financial Markets Authority's instructions, including policies, procedures and internal controls to entrench the rational management principles and pave the way for integral implementation of Governance rules within the Bank.

Appendix (1) : Table of Required Disclosures under the Governance Framework

Item	Ref.	Description	Disclosure
1- Share Ownership	1.1	Ownership distribution by nationality.	Qatari nationality: 81.45% Non-Qataris: 18.55%
	1.2	Ownership distribution by number of shareholders.	Total number of shareholders: 9,390
	1.3	Government ownership.	21.58%
	1.4	Shareholders owning 5% or more.	Qatar Investment Authority owns 16.67% Sheikh/Hamad bin Jassim bin Jabr Al Thani more than 6.54%
2- Board of Directors and Senior Executive Management:	2.1	Detailed breakdown of the Board's functions.	Please refer to Article (2).
	2.2	Types of material transactions requiring Board approval.	Please refer to Articles (2) and (3).
	2.3	Names of Board members and their detailed information.	Please refer to Article (1).
	2.4	Names of non-independent members.	Please refer to Article (1).
	2.5	Names of independent members.	Please refer to Article (1).
	2.6	Executive or non-executive members.	Please refer to Article (1).
	2.7	Membership term	Please refer to Article (1).
	2.8	Members' ownership of the Bank's shares.	Please refer to Article (1).
	2.9	Board's efforts in guiding, directing and training new members.	Please refer to Article (2).
	2.10	Member's election and termination arrangements	In accordance with the Bank's Articles of Association.
	2.11	Members' trading in the Bank's shares.	Insiders' trading report on the Qatar Stock Exchange website.
	2.12	Board meeting dates and number of meetings.	The Board held 8 meetings during 2025: First on 15/01/2025; Second on 23/02/2025; Third on 16/04/2025; Fourth on 23/06/2025; Fifth on 16/07/2025; Sixth on 15/09/2025; Seventh on 22/10/2025; Eighth on 16/12/2025.
	2.13	Members' attendance register for meetings.	The Board held 8 meetings during 2025 with an attendance rate of 83%, and a detailed attendance record is maintained by the Board Secretary.
	2.14	Total remuneration paid to Board members.	Please refer to the consolidated financial statements, Note 29.
2.15	Total remuneration paid to executive management members.	Please refer to the consolidated financial statements, Note 35.	
2.16	The Bank's policy on remuneration of Board members and executive management.	Please refer to Article (8).	
2.17	List of names of key senior officials.	Please refer to Article (6).	
2.18	Shareholdings owned by key senior officials.	No shareholdings are owned by key senior officials.	

Item	Ref.	Description	Disclosure
3- Committees	3.1	Names of committees and the functions and tasks of each committee.	Please refer to Article (4).
	3.2	Members of each committee independent / non-independent.	Please refer to Article (4) and Article (1).
	3.3	Total remuneration of members.	Please refer to the consolidated financial statements, Note 29.
	3.4	Committees' work and any important matters.	Please refer to Article (4).
	3.5	Minimum number of meetings per year	Please refer to Article (2) and Article (4).
	3.6	Actual number of meetings	Please refer to Article (2) and Article (4).
4- Environmental, Social and Governance (ESG) and Corporate Governance for Banks	4.1	Annual ESG report of the Bank	Please refer to the Bank's annual report and Article (11).
	4.2	Governance report of the Bank.	Please refer to Article (11).
5-External Auditors	5.1	Audit fees.	QAR 0. 7 million
	5.2	Other fees.	QAR 3. 1 million
	5.3	Reasons for changing or reappointing auditors.	Based on the General Assembly decision and the recommendation of the Audit, Risk Management and Compliance Committee.
6-Other Matters and Disclosures	6.1	Approvals and related party transactions.	Please refer to Articles (2) and (3) and the financial statements report.
	6.2	Means of communication with shareholders and investors.	Please refer to Article (9).
	6.3	Risk management report.	Risk Division – Article (7).
	6.4	Review of internal control procedures.	Please refer to Article (7).
	6.5	Financial statements / balance sheet / income statement / cash flow statement / changes in shareholders' equity / income / external auditor report .	Please refer to the annual report and the Bank's website.
	6.6	Statement of Board members' responsibilities of preparing the financial statements.	Please refer to Articles (2) and (3) and the Board Charter on the Bank's website.
	6.7	Description of steps for independence of Board members' decisions.	Board Charter and approved policies within the framework of Articles (1) ,(2), and (3).
	6.8	Periodic evaluation of the Board, committees, and each member regarding their effectiveness and contribution.	Please refer to Articles (2) ,(3), and (4).
	6.9	Sharia Supervisory Report	Please refer to the Bank's annual report

CORPORATE GOVERNANCE

MANAGEMENT ASSESSMENT OF CORPORATE GOVERNANCE

To
Ernst and Young (Qatar)
P.O Box 164
Doha, State of Qatar

03 March 2026

Dear Sirs,

The Qatar Financial Markets Authority (QFMA) issued Board Decision No. (5) of 2025 introducing a new Corporate Governance Code for Listed Companies. The new Code repealed the previous 2016 framework and applies to all companies listed on the Qatar Stock Exchange including both the Main Market and Venture Market, with a one-year transition period granted for full compliance, until August 2026, to reconcile their governance practices and ensure full conformity with its provisions.

In light of the transition period allowed under the New 2025 governance Code, Qatar Islamic Bank (Q.P.S.C) (the "Bank" or "QIB") conducted its compliance assessment based on the requirements and provisions of Decision No. (5) of 2016 (the "Code" or the "QFMA Governance Code"). The Bank is currently undertaking the necessary measures to achieve full compliance with the new code. Based on the results of this assessment, Management concluded that the Bank is in compliance with its Articles of Associations, the provisions of the QFMA's law and regulations and other relevant legislation, including the provisions of the Code as of 31 December 2025 with the exception of the following:

#	Description of Non-Compliance	Reference
1	The Board has one independent member whereas the Code requires one third of the Board members to be independent. Qatar Central Bank requires a minimum of three Board members to be independent.	Article 6
2	Audit risk management and compliance committee has one independent member, whereas the code requires the majority of the audit committee to be independent members.	Article 18

Summary of the assessment of compliance completed by Management is Annexed below.

Summary of assessment of the Bank's compliance with its Articles of Associations, the provisions of the QFMA's law and regulations and other relevant legislation, including the provisions of the Code completed by Management.

A. Assessment of compliance with the Articles of Association, the provisions of the law and QFMA's relevant regulations

The following is a description of the process(s) that is/are in place to ensure compliance with the Articles of Association, the provisions of the law and the QFMA's relevant regulations:

The Bank maintains a robust corporate governance framework to ensure compliance with its Articles of Association, the provisions of the Law, the QFMA's relevant regulations and applicable regulatory requirements issued by the Qatar Central Bank. The framework in place at the Bank to institutionalize corporate governance and includes the following components:

- QIB Articles of Association
- Corporate Governance Framework
- Board Charter (and related policies)
- Board Secretariat
- Code of Ethics and Professional Conduct
- Board Committees
- Segregation of the Board and Executive Management Duties
- Management Committees
- Independent Control Functions
- Disclosure and Transparency Policy
- Board Membership and Remuneration Arrangements
- Related Parties Transactions
- Conflict of Interest & Insider Trading Policy
- Compliance Monitoring Systems
- Whistleblowing policy
- Dividends distribution policy
- Board orientation and continuing education
- Shareholders right
- Anti-Bribery and corruption

The QFMA's regulations that are applicable to the Group and we have assessed our compliance with are:

1. QFMA's Law No. 8/2012
2. All QFMA's applicable and relevant regulations including the provisions of the Governance Code for Companies & Legal Entities listed on the Main Market (The Code).

Group Chief Executive Officer

Chairman – Board of Directors

CORPORATE GOVERNANCE

MANAGEMENT ASSESSMENT OF CORPORATE GOVERNANCE (CONTINUED)

B. Assessment of compliance with the Code

#	Code Reference	Compliant	Non-Compliant	Not Applicable	Description of Non-Compliance
1.	Article (2)	✓			No exceptions
2.	Article (3)	✓			Compliance with Governance Principles addressed in conjunction with the Articles below.
3.	Article (4)	✓			No exceptions
4.	Article (5)	✓			No exceptions
5.	Article (6)		✓		The Board has one independent Member, whereas the Code requires one third of the Board members to be independent. Qatar Central Bank requires a minimum of three Board members to be independent.
6.	Article (7)	✓			No exceptions
7.	Article (8)	✓			No exceptions
8.	Article (9)	✓			No exceptions
9.	Article (10)	✓			No exceptions
10.	Article (11)	✓			No exceptions
11.	Article (12)	✓			No exceptions
12.	Article (13)	✓			No exceptions
13.	Article (14)	✓			No exceptions
14.	Article (15)	✓			No exceptions
15.	Article (16)	✓			No exceptions
16.	Article (17)	✓			No exceptions
17.	Article (18)		✓		Audit risk management and compliance committee has one independent member, whereas the code requires the majority of the audit committee to be independent members.
18.	Article (19)	✓			No exceptions

CORPORATE GOVERNANCE

MANAGEMENT ASSESSMENT OF CORPORATE GOVERNANCE (CONTINUED)

#	Code Reference	Compliant	Non-Compliant	Not Applicable	Description of Non-Compliance
19.	Article (20)	✓			Reported under ICOFR
20.	Article (21)	✓			No exceptions
21.	Article (22)	✓			No exceptions
22.	Article (23)	✓			No exceptions
23.	Article (24)	✓			No exceptions
24.	Article (25)	✓			No exceptions
25.	Article (26)	✓			No exceptions
26.	Article (27)	✓			No exceptions
27.	Article (28)	✓			No exceptions
28.	Article (29)	✓			No exceptions
29.	Article (30)	✓			No exceptions
30.	Article (31)	✓			No exceptions
31.	Article (32)	✓			No exceptions
32.	Article (33)	✓			No exceptions
33.	Article (34)	✓			No exceptions
34.	Article (35)	✓			No exceptions
35.	Article (36)	✓			No exceptions
36.	Article (37)	✓			No exceptions
37.	Article (38)	✓			No exceptions
38.	Article (39)	✓			No exceptions

CORPORATE GOVERNANCE

INDEPENDENT ASSURANCE REPORT TO THE SHAREHOLDERS OF QATAR ISLAMIC BANK Q.P.S.C.

Report on the Compliance with the Qatar Financial Markets Authority's Law and relevant legislations including the Governance Code for Companies & Legal Entities Listed on the Main Market

Introduction

In accordance with Article 24 of the Governance Code for Companies & Legal Entities Listed on the Main Market issued by the Qatar Financial Markets Authority (QFMA) Board pursuant to Decision No. (5) of 2016, we have carried out a limited assurance engagement over the Board of Directors' assessment of compliance of Qatar Islamic Bank (Q.P.S.C.) (the "Bank") with the QFMA's law and relevant legislations including the Governance Code for Companies & Legal Entities Listed on the Main Market as at 31 December 2025.

Responsibilities of the Board of Directors and Those Charged with Governance

The Board of Directors of the Bank is responsible for preparing the Corporate Governance Report that covers at the minimum the requirements of Article 4 of the Governance Code for Companies & Legal Entities Listed on the Main Market issued by the QFMA's Board pursuant to Decision No. (5) of 2016 (the 'Code').

In Corporate Governance section of the Annual Report, the Board of Directors provide its 'Report on compliance with the QFMA's law and relevant legislations including the Code' (the "Corporate Governance' Report").

In addition, the Board of Directors of the Bank is responsible for the design, implementation and maintenance of adequate internal controls that would ensure the orderly and efficient conduct of its business, including:

- adherence to Bank's policies;
- the safeguarding of its assets;
- the prevention and detection of frauds and errors;
- the accuracy and completeness of the accounting records;
- the timely preparation of reliable financial information; and
- compliance with applicable laws and regulations, including the QFMA's law and relevant legislations and the Governance Code for Companies & Legal Entities Listed on the Main Market issued by the QFMA's Board pursuant to Decision No. (5) of 2016.

Our Responsibility

Our responsibility is to issue a limited assurance conclusion on whether anything has come to our attention that causes us to believe that the "Corporate Governance' Report on compliance with the QFMA's law and relevant legislations including the Code" presented in Corporate Governance section of the Annual Report do not present fairly, in all material respects, the Bank's compliance with the QFMA's law and relevant legislations including the Code, based on our limited assurance procedures.

We conducted our engagement in accordance with International Standard on Assurance Engagements 3000 (Revised) 'Assurance Engagements Other Than Audits or Reviews of Historical Financial Information' issued by the International Auditing and Assurance Standards Board ('IAASB'). This standard requires that we plan and perform our procedures to obtain limited assurance about whether anything has come to our attention that causes us to believe that the Board of Directors' statement of compliance with the QFMA law and relevant legislations including the Code, taken as a whole, is not prepared in all material respects in accordance with the Code.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. We did not perform any additional procedures that would have been required if this were to be a reasonable assurance engagement.

Our limited assurance procedures comprise mainly of inquiries of management to obtain an understanding of the processes followed to identify the requirements of the QFMA law and relevant legislations including the Code (the 'Requirements'); the procedures adopted by management to comply with these Requirements; and the methodology adopted by management to assess compliance with these Requirements. When deemed necessary, we observed evidences gathered by management to assess compliance with the Requirements.

Our limited assurance procedures do not involve assessing the qualitative aspects or effectiveness of the procedures adopted by management to comply with the Requirements. Therefore, we do not provide any assurance as to whether the procedures adopted by management were functioning effectively to achieve the objectives of the QFMA's law and relevant legislations, including the Code.

CORPORATE GOVERNANCE

INDEPENDENT ASSURANCE REPORT TO THE SHAREHOLDERS OF QATAR ISLAMIC BANK Q.P.S.C. (CONTINUED)

Report on the Compliance with the Qatar Financial Markets Authority's Law and relevant legislations including the Governance Code for Companies & Legal Entities Listed on the Main Market (continued)

Inherent Limitations

Non-financial information is subject to more inherent limitations than financial information, given the characteristics of the subject matter and the methods used for determining such information.

Many of the procedures followed by entities to adopt governance and legal requirements depend on the personnel applying the procedure, their interpretation of the objective of such procedure, their assessment of whether the compliance procedure was implemented effectively, and in certain cases would not maintain audit trail. It is also noticeable that the design of compliance procedures would follow best practices that vary from one entity to another and from one country to another, which do not form a clear set of criteria to compare with.

Our Independence and Quality Control

In carrying out our work, we have complied with the independence and other ethical requirements of the International Ethics Standards Board of Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) issued by International Ethics Standard Board for Accountants ("IESBA"), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior and the ethical requirements that are relevant in Qatar. We have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

Our firm applies International Standard on Quality Management 1, Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services engagements, which require that we design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Other information

The Board of Directors are responsible for the other information. The other information comprises the information included in the Bank's Annual Corporate Governance Report 2025 but does not include the Directors' Report on compliance with QFMA's law and relevant legislations including the Code, and our report thereon.

Our conclusion on the Directors' Report does not cover the other information and we do not and will not express any form of assurance conclusion thereon. We have been engaged by the Bank to provide a separate reasonable assurance report on the Directors' Report on Internal Control Framework over Financial Reporting, included within the other information.

In connection with our engagement of the Board of Directors' Report on compliance with QFMA's law and relevant legislations including the Code, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the Board of Directors' Report on compliance with QFMA's law and relevant legislations including the Code or our knowledge obtained in the engagement, or otherwise appears to be materially misstated.

If, based on the work we have performed, on the other information that we obtained prior to the date of this report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the complete Corporate Governance section of the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

CORPORATE GOVERNANCE

INDEPENDENT ASSURANCE REPORT TO THE SHAREHOLDERS OF QATAR ISLAMIC BANK Q.P.S.C. (CONTINUED)

Report on the Compliance with the Qatar Financial Markets Authority's Law and relevant legislations including the Governance Code for Companies & Legal Entities Listed on the Main Market (continued)

Emphasis of Matters

1. We draw attention to the Management Assessment of Corporate Governance included in the Corporate Governance section in the Annual Report, which describes that the Qatar Financial Markets Authority (QFMA), through its Board Decision No. 5 of 2025, has issued the QFMA Corporate Governance Code 2025 ("the New Code"), replacing the QFMA's Board Decision No. 5 of 2016 (the "Code"). The New Code permits listed companies to reconcile their positions to conform with its provisions within one year of its publication, by August 2026. Accordingly, the Bank based its compliance assessment on the requirements and provisions set forth in Decision No. 5 of 2016.

2. We draw attention to subsection "B. Assessment of Compliance with the Code" of the Management Assessment of Corporate Governance included in the Corporate Governance section in the Annual Report, which describes the following non-compliances with QFMA's law and relevant legislations including the Code along with the reasons and justifications:

- Contrary to the Governance Code (B. Assessment of compliance with the Code "Article 6"), the Board of Directors consists of only one independent member, which makes up less than one third of the Board.
- Contrary to the Governance Code (B. Assessment of compliance with the Code "Article 18"), the majority of the members of the Audit, Risk Management and Compliance Committee are not independent.

Our conclusion is not modified in respect of these matters.

Conclusion

Based on our limited assurance procedures, nothing has come to our attention that causes us to believe that the Board of Directors' Report on compliance with QFMA's law and relevant legislations including the Code do not present fairly, in all material respects, the Bank's compliance with the QFMA's law and relevant legislations including the Code.

Ziad Nader
Of Ernst & Young
Auditor's Registration No. 258

Date: 5 March 2026
Doha, State of Qatar

CORPORATE GOVERNANCE

INTERNAL CONTROL OVER FINANCIAL REPORTING

MANAGEMENT ASSESSMENT OF INTERNAL CONTROL OVER FINANCIAL REPORTING

To,
Ernst and Young (Qatar)
P.O. Box 164
Doha, State of Qatar

03 March 2026

Dear Sir/s

Assessment of Internal Control Over Financial Reporting

General

The Board of Directors of Qatar Islamic Bank Q.P.S.C. (the "Bank") and its consolidated subsidiaries (together "the Group") is responsible for establishing and maintaining adequate internal control over financial reporting ("ICOFR") as required by the Qatar Financial Markets Authority ("QFMA"). Our internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the Group's consolidated financial statements for external reporting purposes in accordance with the Financial Accounting Standards (FAS) issued by the Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI) as modified by the Qatar Central Bank (QCB) and the applicable provisions of QCB regulations (QCB regulations). ICOFR includes our disclosure controls and procedures designed to prevent misstatements.

Risks in Financial Reporting

The main risks in financial reporting are that either the consolidated financial statements are not presented fairly due to inadvertent or intentional errors or the publication of consolidated financial statements is not done on a timely basis. A lack of fair presentation arises when one or more financial statement accounts or disclosures contain misstatements (or omissions) that are material. Misstatements are deemed material if they could, individually or collectively, influence economic decisions that user's make on the basis of the consolidated financial statements.

To confine those risks of financial reporting, the Group has established ICOFR with the aim of providing reasonable but not absolute assurance against material misstatements. We have also assessed the design, implementation and operating effectiveness of the Group's ICOFR based on the criteria established in Internal Control Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). COSO recommends the establishment of specific objectives to facilitate the design and evaluate the adequacy of a control system. As a result, in establishing ICOFR, management has adopted the following financial statement objectives:

- Existence / Occurrence: assets and liabilities exist and transactions have occurred;
- Completeness: all transactions are recorded, account balances are included in the consolidated financial statements;
- Valuation / Measurement: assets, liabilities and transactions are recorded in the financial reports at the appropriate amounts;
- Rights and Obligations and Ownership: rights and obligations are appropriately recorded as assets and liabilities; and
- Presentation and disclosures: classification, disclosure and presentation of financial reporting is appropriate.

Organization of the Internal Control System

Functions Involved in the System of Internal Control over Financial Reporting

Controls within the system of ICOFR are performed by all business functions and support functions with an involvement in reviewing the reliability of the books and records that underlie the consolidated financial statements. As a result, the operation of ICOFR involves staff based in various functions across the organization.

Controls to Minimize the Risk of Financial Reporting Misstatement

The system of ICOFR consists of a large number of internal controls and procedures aimed at minimizing the risk of misstatement of the consolidated financial statements. Such controls are integrated into the operating process and include those which:

- are ongoing or permanent in nature such as supervision within written policies and procedures or segregation of duties;
- operate on a periodic basis such as those which are performed as part of the annual consolidated financial statement preparation process;
- are preventative or detective in nature;

CORPORATE GOVERNANCE

INTERNAL CONTROL OVER FINANCIAL REPORTING (CONTINUED)

MANAGEMENT ASSESSMENT OF INTERNAL CONTROL OVER FINANCIAL REPORTING (CONTINUED)

Controls to Minimize the Risk of Financial Reporting Misstatement (continued)

- have a direct or indirect impact on the consolidated financial statements themselves. Controls which have an indirect effect on the consolidated financial statements include entity level controls and Information Technology general controls such as system access and deployment controls whereas a control with a direct impact could be, for example, a reconciliation which directly supports a balance sheet line item; and
- feature automated and/or manual components. Automated controls are control functions embedded within system processes such as application enforced segregation of duty controls and interface checks over the completeness and accuracy of inputs. Manual internal controls are those operated by an individual or group of individuals such as authorization of transactions.

Measuring Design, Implementation and Operating Effectiveness of Internal Control

For the financial year 2025, the Group has undertaken a formal evaluation of the adequacy of the design, implementation and operating effectiveness of the system of ICOFR considering:

The risk of misstatement of the consolidated financial statement line items, considering such factors as materiality and the susceptibility of the financial statement item to misstatement; and the susceptibility of identified controls to failure, considering such factors as the degree of automation, complexity, and risk of management override, competence of personnel and the level of judgment required.

These factors, in aggregate, determine the nature, timing and extent of evidence that management requires in order to assess whether the design, implementation and operating effectiveness of the system of ICOFR is effective. The evidence itself is generated from procedures integrated within the daily responsibilities of staff or from procedures implemented specifically for purposes of the ICOFR evaluation. Information from other sources also form an important component of the evaluation since such evidence may either bring additional control issues to the attention of management or may corroborate findings.

The evaluation has included an assessment of the design, implementation, and operating effectiveness of controls within various processes including Financing, Deposit Taking, Investment/Funding, Credit Risk Management, Hedges, Human Capital, Procure to Pay, Regulatory Reporting and General Ledger, and Financial Reporting. The evaluation also included an assessment of the design, implementation, and operating effectiveness of Entity Level Controls and Information Technology General Controls.

Conclusion:

As a result of the assessment of the design, implementation, and operating effectiveness of ICOFR, management did not identify any material weaknesses and concluded that ICOFR is appropriately designed, implemented, and operated effectively as at and for the year ended 31 December 2025.

Gourang Hemani
Chief Financial Officer

Bassel Gamal
Group Chief Executive Officer

CORPORATE GOVERNANCE

INDEPENDENT ASSURANCE REPORT TO THE SHAREHOLDERS OF QATAR ISLAMIC BANK (Q.P.S.C.)

Report on the Description of the Processes and Internal Controls and Suitability of the Design, Implementation and Operating Effectiveness of Internal Controls over Financial Reporting

Introduction

In accordance with Article 24 of the Governance Code for Companies & Legal Entities Listed on the Main Market Issued by the Qatar Financial Markets Authority (QFMA) Board pursuant to Decision No. (5) of 2016, we have carried out a reasonable assurance engagement over the Board of Directors' description of the processes and internal controls and assessment of suitability of the design, implementation and operating effectiveness of Qatar Islamic Bank (Q.P.S.C.) (the "Bank"), and its subsidiaries (together referred as the "Group") internal controls over financial reporting as at 31 December 2025.

Responsibilities of the Board of Directors and Those Charged with Governance

The Board of Directors of the Bank is responsible for preparing the accompanying Directors' Report on Internal Control over Financial Reporting that covers at the minimum the requirements of Article 4 of the Governance Code for Companies & Legal Entities Listed on the Main Market issued by the QFMA's Board pursuant to Decision No. (5) of 2016 (the 'Code').

The Board of Directors present the Directors' Report on Internal Control over Financial Reporting, which includes:

- the Board of Directors' assessment of the suitability of design, implementation and operating effectiveness of internal control framework over financial reporting;
- the description of the process and internal controls over financial reporting for the processes of financing, deposit taking, investment/funding, credit risk management, regulatory reporting and general ledger, financial reporting, entity level controls, and information technology general controls;
- the control objectives; identifying the risks that threaten the achievement of the control objectives;

- designing and implementing controls that are operating effectively to achieve the stated control objectives; and
- identification of control gaps and failures; how they are remediated; and procedures set to prevent such failures or to close control gaps.

The Board of Directors is responsible for establishing and maintaining internal financial controls based on the criteria of framework issued by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO framework").

These responsibilities include the design, implementation, operation and maintenance of adequate internal financial controls that if operating effectively would ensure the orderly and efficient conduct of its business, including:

- adherence to Bank's policies;
- the safeguarding of its assets;
- the prevention and detection of frauds and errors;
- the accuracy and completeness of the accounting records;
- the timely preparation of reliable financial information; and
- compliance with applicable laws and regulations, including the QFMA's law and relevant legislations and the Governance Code for Companies & Legal Entities Listed on the Main Market issued by the QFMA's Board pursuant to Decision No. (5) of 2016.

Our Responsibilities

Our responsibilities are to express a reasonable assurance opinion on the fairness of the presentation of the "Board of Directors' report on the description and on the suitability of the design, implementation and operating effectiveness of the Bank's internal controls over financial reporting of Significant Processes" presented in the Directors' Report on Internal Control over Financial Reporting to achieve the related control objectives stated in that description based on our assurance procedures.

We conducted our engagement in accordance with International Standard on Assurance Engagements 3000 (Revised) 'Assurance Engagements Other Than Audits or Reviews of Historical Financial Information' issued by the International Auditing and Assurance Standards Board ('IAASB'). This standard requires that we plan and perform our procedures to obtain reasonable assurance about whether the Board of Directors' description of the processes and internal controls over financial reporting is fairly presented and the internal controls were suitably designed, implemented and operating effectively, in all material respects, to achieve the related control objectives stated in the description.

CORPORATE GOVERNANCE

INDEPENDENT ASSURANCE REPORT TO THE SHAREHOLDERS OF QATAR ISLAMIC BANK (Q.P.S.C.) (CONTINUED)

Report on the Description of the Processes and Internal Controls and Suitability of the Design, Implementation and Operating Effectiveness of Internal Controls over Financial Reporting (continued)

Our Responsibilities (continued)

An assurance engagement to issue a reasonable assurance opinion on the description of the processes and internal controls and the design, implementation and operating effectiveness of internal controls over financial reporting at an organization involves performing procedures to obtain evidence about the fairness of the presentation of the description of the processes and internal controls and the suitability of design, implementation and operating effectiveness of the controls. Our procedures on internal controls over financial reporting included, for all significant processes:

- obtaining an understanding of internal controls over financial reporting for all significant processes;
- assessing the risk that a material weakness exists; and
- testing and evaluating the design, implementation and operating effectiveness of internal control based on the assessed risk.

A process is considered significant if a misstatement due to fraud or error in the stream of transactions or financial statement amount would reasonably be expected to affect the decisions of the users of financial statements. For the purpose of this engagement, the processes that were determined as significant are: financing, deposit taking, (investment/funding), credit risk management, regulatory reporting, general ledger, financial reporting, entity level controls, and information technology general controls;

In carrying out our engagement, we obtained understanding of the following components of the control system:

1. Control Environment

- Integrity and Ethical Values
- Commitment to Competence
- Board of Directors and Audit Committee
- Management's Philosophy and Operating Style
- Organizational Structure
- Assignment of Authority and Responsibility
- Human Resource Policies and Procedures

2. Risk Assessment

- Bank-wide Objectives
- Process-level Objectives
- Risk Identification and Analysis
- Managing Change

3. Control Activities

- Policies and Procedures
- Security (Application and Network)
- Application Change Management
- Business Continuity/Backups
- Outsourcing

4. Information and Communication

- Quality of Information
- Effectiveness of Communication

5. Monitoring

- Ongoing Monitoring
- Separate Evaluations
- Reporting Deficiencies

The procedures selected depend on our judgement, including the assessment of the risks of material misstatement of the suitability of design, implementation and operating effectiveness, whether due to fraud or error. Our procedures also included assessing the risks that the Board of Directors' description of the processes and internal controls is not fairly presented and that the controls were not suitably designed, implemented and operating effectively to achieve the related control objectives stated in the Directors' Report on Internal Control over Financial Reporting.

An assurance engagement of this type also includes evaluating Board of Directors' assessment of the suitability of the control objectives stated therein. It further includes performing such other procedures as considered necessary in the circumstances.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion on the Bank's internal control system over financial reporting.

CORPORATE GOVERNANCE

INDEPENDENT ASSURANCE REPORT TO THE SHAREHOLDERS OF QATAR ISLAMIC BANK (Q.P.S.C.) (CONTINUED)

Report on the Description of the Processes and Internal Controls and Suitability of the Design, Implementation and Operating Effectiveness of Internal Controls over Financial Reporting (continued)

Meaning of Internal Controls over Financial Reporting

An entity's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with International Financial Reporting Standards. An entity's internal control over financial reporting includes those policies and procedures that:

1. pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the entity;
2. provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with the generally accepted accounting principles, and that receipts and expenditures of the entity are being made only in accordance with authorizations of the management of the entity; and
3. provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the entity's assets that could have a material effect on the financial statements, which would reasonably be expected to impact the decisions of the users of financial statements.

Inherent limitations

Non-financial performance information is subject to more inherent limitations than financial information, given the characteristics of the subject matter and the methods used for determining such information.

Because of the inherent limitations of internal controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Therefore, internal controls over financial reporting may not prevent or detect all errors or omissions in processing or reporting transactions and consequently cannot provide absolute assurance that the control objectives will be met.

In addition, projections of any evaluation of the internal controls over financial reporting to future periods are subject to the risk that the internal control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Furthermore, the controls activities designed, implemented and operated during the period covered by our assurance report will not have retrospectively remedied any weaknesses or deficiencies that existed in relation to the internal controls over financial reporting prior to the date those controls were placed in operation.

Many of the procedures followed by entities to adopt governance and legal requirements depend on the personnel applying the procedure, their interpretation of the objective of such procedure, their assessment of whether the compliance procedure was implemented effectively, and in certain cases would not maintain audit trail. It is also noticeable that the design of compliance procedures would follow best practices that vary from one entity to another and from one country to another, which do not form a clear set of criteria to compare with.

Our Independence and Quality Control

In carrying out our work, we have complied with the independence and other ethical requirements of the International Ethics Standard Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) issued by the International Ethics Standards Board for Accountants ("IESBA"), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior and the ethical requirements that are relevant in Qatar. We have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

Our firm applies International Standard on Quality Management 1, Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services engagements, which requires that we design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

CORPORATE GOVERNANCE

INDEPENDENT ASSURANCE REPORT TO THE SHAREHOLDERS OF QATAR ISLAMIC BANK (Q.P.S.C.) (CONTINUED)

Report on the Description of the Processes and Internal Controls and Suitability of the Design, Implementation and Operating Effectiveness of Internal Controls over Financial Reporting (continued)

Other information

The Board of Directors is responsible for the other information. The other information comprises the Annual Report but does not include the Directors' Report on Internal Control over Financial Reporting, and our report thereon, which we obtained prior to the date of this auditor's report.

Our conclusion on the Directors' Report on Internal Control over Financial Reporting does not cover the other information and we do not and will not express any form of assurance conclusion thereon. We have been engaged by the Bank to provide a separate limited assurance report on the Directors' Report on compliance with the Qatar Financial Markets Authority's Law and relevant legislations including the Governance Code for Companies & Legal Entities Listed on the Main Market Issued by the Qatar Financial Markets Authority (QFMA) Board pursuant to Decision No. (5) of 2016, to be included within the other information.

In connection with our engagement on the Directors' Report on Internal Control over Financial Reporting, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the Directors' Report on Internal Control over Financial Reporting or our knowledge obtained in the engagement, or otherwise appears to be materially misstated.

If, based on the work we have performed, on the other information that we obtained prior to the date of this report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the complete Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Other matter

The Qatar Financial Markets Authority (QFMA), through its Board Decision No. 5 of 2025, has issued the QFMA Corporate Governance Code 2025 ("the New Code"), replacing the QFMA's Board Decision No. 5 of 2016 (the "Code"). The New Code permits listed companies to reconcile their positions to conform with its provisions within one year of its publication, by August 2026. Accordingly, the Bank based its Report on Internal Control over Financial Reporting on the requirements and provisions set forth in Decision No. 5 of 2016.

Conclusions

In our opinion, based on the results of our reasonable assurance procedures:

- a) the Directors' Report on Internal Control over Financial Reporting fairly presents the Bank's system that had been designed as at 31 December 2025; and
- b) the controls related to the control objectives were suitably designed, implemented and operating effectively as at 31 December 2025,

in all material respects, based on the COSO framework.

Ziad Nader
Of Ernst & Young
Auditor's Registration No. 258

Date: 5 March 2026
Doha, State of Qatar



Shari'a Supervisory Board Report

Shari'a Supervisory Board Report

FOR THE FISCAL YEAR ENDING ON 31ST DECEMBER 2025

All Praise be to Allah and may His peace and blessings be upon His messenger and bondsman our Prophet Mohammad, his family and his companions.

Shari'a Supervisory Board has reviewed QIB operations, contracts and products, and reviewed the financial statements and profit and loss account for the fiscal year 2025, and considers that they do not contradict with the provisions of Islamic Sharia.

May Allah guide us all to what pleases Him.

His Eminence Sheikh Dr. Walid Bin Hadi
Chairman, Shari'a Supervisory Board

Sheikh Dr. Mohamad Ahmaine
Member, Shari'a Supervisory Board

Sheikh Dr. Abdulaziz Khalefa Al-Qassar
Member, Shari'a Supervisory Board



Financial Statements

QIB FINANCIAL STATEMENTS

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF QATAR ISLAMIC BANK Q.P.S.C.

Report on the audit of the consolidated financial statements

Opinion

We have audited the consolidated financial statements of Qatar Islamic Bank Q.P.S.C. (the "Bank"), and its subsidiaries (the "Group") as at 31 December 2025, which comprise the consolidated statement of financial position as at 31 December 2025, the consolidated statement of income, consolidated statement of comprehensive income, consolidated statement of income and attribution related to quasi-equity, consolidated statement of changes in equity, consolidated statement of cash flows and consolidated statement of changes in off-balance sheet assets under management for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2025, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with the Financial Accounting Standards (FAS) issued by the Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI) as modified by the Qatar Central Bank (QCB).

Basis of opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report. We are independent of the Group in accordance with the *International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code)* together with the ethical requirements that are relevant to our audit of the consolidated financial statements in Qatar, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current year. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

QIB FINANCIAL STATEMENTS

INDEPENDENT AUDITOR’S REPORT TO THE SHAREHOLDERS OF QATAR ISLAMIC BANK Q.P.S.C. (CONTINUED)

Report on the audit of the consolidated financial statements (continued)

Key audit matter	How our audit addressed the key audit matter
Impairment of financing assets	
<p>Due to the inherently judgmental nature of the computation of impairment of financing assets in accordance with FAS 30 “Impairment, Credit Losses and Onerous Commitments”, there is a risk that the amount of impairment of financing assets may be misstated.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> • Read the Group’s FAS 30 impairment policy and assessed compliance with the requirements of FAS 30.
<p>The key areas of judgement include:</p> <ol style="list-style-type: none"> 1. The identification of exposure with a significant deterioration in credit quality; 2. Assumptions used in the models such as financial condition of counterparty, expected future cash flows, forward looking macroeconomic variables etc; and 3. The need to apply additional overlays to reflect current or future external factors that might not be captured by the model. <p>Determining the adequacy of impairment allowance on financing assets to customers is a key area of judgement for the management. Qatar Central Bank (“QCB”) regulations require banks to estimate impairment allowance in accordance with FAS 30 and the applicable provisions of QCB regulations. Notes 4(b), 10 and 19 of the consolidated financial statements provide details relating to the impairment of financing assets.</p> <p>Due to the significance of financing assets, subjectivity in identifying impairment indicators and estimation uncertainty in measuring impairment allowances, this is considered a key audit matter.</p>	<ul style="list-style-type: none"> • Evaluated the Group’s criteria for the significant increase in credit risk (“SICR”) and the basis for classification of exposures into various stages. Selected a sample of exposures and tested the application of Group’s SICR criteria to assess the movements between stages. • Evaluated the Group’s forward-looking macroeconomic variables by comparing on a sample basis against supporting evidence, where applicable, and assessed the reasonableness of changes made to the economic scenarios. • For probability of default (“PD”) used in the expected credit losses (“ECL”) calculation: <ul style="list-style-type: none"> - Evaluated the through-the-cycle (“TTC”) PDs by selecting a sample of exposures and comparing against supporting evidence. - Selected a sample of exposures and tested the conversion of TTC PDs to point in time (“PIT”) PDs. • Tested the calculation of the Loss Given Default (“LGD”) used by the Group in the ECL calculations. • Assessed the modelled calculation by re-performing ECL calculations on a sample basis. • Assessed the impairment allowance for individually impaired financing assets (stage 3) in accordance with FAS 30 and the applicable provisions of QCB regulations. <p>In addition, we considered, assessed and tested relevant controls over credit initiation, monitoring and settlement, and those relating to the calculation of impairment allowances.</p>

QIB FINANCIAL STATEMENTS

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF QATAR ISLAMIC BANK Q.P.S.C. (CONTINUED)

Report on the audit of the consolidated financial statements (continued)

Other information included in the Group's 2025 annual report

Other information consists of the information included in the Group's 2025 Annual Report, other than the consolidated financial statements and our auditor's report thereon. Management is responsible for the other information. The Group's 2025 Annual Report is expected to be made available to us after the date of this auditor's report. Our opinion on the consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Responsibilities of management and the Board of Directors for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with Financial Accounting Standards (FAS) issued by the Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI) as modified by the Qatar Central Bank (QCB), and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the Group's financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISA will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

QIB FINANCIAL STATEMENTS

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF QATAR ISLAMIC BANK Q.P.S.C. (CONTINUED)

Report on the audit of the consolidated financial statements (continued)

Auditor's responsibilities for the audit of the consolidated financial statements (continued)

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the consolidated financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

We have obtained all the information and explanations, which we considered necessary for the purpose of our audit. We confirm that we are not aware of any contraventions by the Bank of its Articles of Association and Qatar Commercial Companies Law No. 11 of 2015 (as amended by Law No. 8 of 2021), during the financial year that would have had a material adverse effect on the Group's financial position or performance.

Ziad Nader

of Ernst & Young
Qatar Auditor's Register Number: 258
15 February 2026
Doha - State of Qatar

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2025

	Notes	2025 QAR'000	2024 QAR'000
ASSETS			
Cash and balances with central banks	8	8,971,445	8,683,066
Due from banks	9	5,796,109	2,488,250
Financing assets	10	138,481,616	125,274,016
Investment securities	11	60,249,013	53,008,246
Investment in associates	12	2,133,528	1,100,365
Investment properties	13	3,329,839	2,467,793
Fixed assets	14	576,157	355,853
Other assets	15	1,513,071	2,214,142
Assets held for sale	39	-	5,188,045
TOTAL ASSETS		221,050,778	200,779,776
LIABILITIES, QUASI-EQUITY AND EQUITY			
LIABILITIES			
Due to banks	16	24,007,991	24,017,183
Customers' current accounts	17	17,219,483	16,429,048
Sukuk financing	18	11,074,236	13,741,520
Other liabilities	19	9,493,479	2,825,744
Liabilities directly associated with assets held for sale	39	-	3,429,799
TOTAL LIABILITIES		61,795,189	60,443,294
QUASI-EQUITY			
Participatory investment accounts	20	125,400,405	108,511,675
Reserves attributable to quasi-equity	20	106,736	53,963
TOTAL QUASI-EQUITY		125,507,141	108,565,638
EQUITY			
Share capital	21(a)	2,362,932	2,362,932
Legal reserve	21(b)	6,370,016	6,370,016
Risk reserve	21(c)	3,183,218	3,102,283
General reserve	21(d)	81,935	81,935
Fair value reserve	21(f)	137,424	(88,969)
Foreign currency translation reserve	21(g)	(671,584)	(661,941)
Other reserves	21(h)	216,820	216,820
Retained earnings	21(e)	17,943,777	15,774,256
Total equity attributable to equity holders of the bank		29,624,538	27,157,332
Non-controlling interests	22	123,910	613,512
Sukuk eligible as additional capital	23	4,000,000	4,000,000
TOTAL EQUITY		33,748,448	31,770,844
TOTAL LIABILITIES, QUASI-EQUITY AND EQUITY		221,050,778	200,779,776
Off-balance sheet assets under management		10,520	10,520
Contingent liabilities and commitments	31	20,564,242	19,646,032

These consolidated financial statements were approved by the Board of Directors on 12 February 2026 and were signed on its behalf by:

Jassim Bin Hamad Bin Jassim Bin Jabor Al Thani
Chairman

Bassel Gamal
Group Chief Executive Officer

The attached notes 1 to 41 form an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF INCOME

For the year ended 31 December 2025

	Notes	2025 QAR'000	2024 QAR'000
Net income from financing activities	24	9,092,413	9,583,954
Net income from investing activities	25	1,722,892	1,586,715
Sukuk holders' share of profit		(509,436)	(451,866)
Total income from financing and investing activities		10,305,869	10,718,803
Fee and commission income		1,367,699	1,246,166
Fee and commission expense		(463,758)	(378,816)
Net fee and commission income	26	903,941	867,350
Net foreign exchange gain	27	59,661	94,065
Net share of results of associates	12	83,890	66,487
Other income		13,916	2,577
Total income		11,367,277	11,749,282
Staff costs	28	(640,203)	(668,309)
Depreciation and amortisation	14	(68,897)	(67,170)
Other expenses	29	(371,034)	(413,607)
Total expenses		(1,080,134)	(1,149,086)
Net impairment for financing assets, other assets and other provisions		(168,212)	(982,072)
Net profit for the year before tax and attribution to quasi-equity		10,118,931	9,618,124
Less: Net profit attributable to quasi-equity holders	20	(4,728,018)	(4,988,338)
Net profit for the year before tax		5,390,913	4,629,786
Tax expense	30	(560,732)	(29,874)
Net profit for the year		4,830,181	4,599,912
Net profit for the year attributable to:			
Equity holders of the Bank		4,835,114	4,605,321
Non-controlling interests		(4,933)	(5,409)
Net profit for the year		4,830,181	4,599,912
Earnings per share			
Basic and diluted earnings per share and earnings per share from continuing operations (QAR per share)	33	1.95	1.86

The attached notes 1 to 41 form an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2025

	2025 QAR'000	2024 QAR'000
NET PROFIT FOR THE YEAR	4,830,181	4,599,912
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	43,113	27,912
Items that may be subsequently classified to consolidated statement of income		
Exchange differences arising on translation of foreign operations	26,345	(83,334)
Fair value changes of debt-type investments classified as FVTOCI	6,129	(1,611)
<i>Net change in the share of other comprehensive income of investment in associates:</i>		
Net change in fair value	671	3,076
Net movement in cash flow hedges – effective portion of changes in fair value	34,924	(92,316)
Fair value changes of investment properties	35,148	(5,853)
Total other comprehensive income / (loss) for the year	146,330	(152,126)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	4,976,511	4,447,786
Total comprehensive income for the period attributable to:		
Equity holders of the Bank	4,981,417	4,450,388
Non-controlling interests	(4,906)	(2,602)
Total comprehensive income for the year	4,976,511	4,447,786

The attached notes 1 to 41 form an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF INCOME AND ATTRIBUTION RELATED TO QUASI-EQUITY

For the year ended 31 December 2025

	2025 QAR'000	2024 QAR'000
Net profit for the year before attribution to quasi-equity	10,118,931	9,618,124
Less: Income not attributable to quasi-equity	(3,862,628)	(3,658,031)
Add: Expenses not attributable to quasi-equity	613,725	841,367
Net profit attributable to quasi-equity before Bank's Mudaraba income	6,870,028	6,801,460
Less: Mudarib's share	(6,324,331)	(6,261,577)
Add: Support provided by the Bank	4,182,321	4,448,455
NET PROFIT ATTRIBUTABLE TO QUASI-EQUITY	4,728,018	4,988,338
Share in the reserve attributable to quasi-equity	52,773	(4,591)
TOTAL PROFIT ATTRIBUTABLE TO QUASI-EQUITY	4,780,791	4,983,747

The attached notes 1 to 41 form an integral part of these consolidated financial statements

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2025

QAR' 000

	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
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 year	-	-	-	-	-	-	-	4,835,114	4,835,114	(4,933)	-	4,830,181
Other comprehensive income	-	-	-	-	119,990	26,313	-	-	146,303	27	-	146,330
Total comprehensive income for the year	-	-	-	-	119,990	26,313	-	4,835,114	4,981,417	(4,906)	-	4,976,511
Cash dividend for the year 2024 (Note 21)	-	-	-	-	-	-	-	(1,299,613)	(1,299,613)	-	-	(1,299,613)
Interim dividend for the year 2025 (Note 21)	-	-	-	-	-	-	-	(945,173)	(945,173)	-	-	(945,173)
Transfer to risk reserve (Note 21)	-	-	80,935	-	-	-	-	(80,935)	-	-	-	-
Social and Sports Fund appropriation (Note 38)	-	-	-	-	-	-	-	(120,878)	(120,878)	-	-	(120,878)
Profit on Sukuk eligible as additional capital (Note 23)	-	-	-	-	-	-	-	(218,643)	(218,643)	-	-	(218,643)
Loss on settlement of equity type investments	-	-	-	-	-	-	-	(351)	(351)	-	-	(351)
Movement in non-controlling interests	-	-	-	-	-	-	-	-	-	5,031	-	5,031
Disposal of a subsidiary	-	-	-	-	106,403	(35,956)	-	-	70,447	(489,727)	-	(419,280)
Balance at 31 December 2025	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

The attached notes 1 to 41 form an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2025

QAR' 000

	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
Balance at 1 January 2024	2,362,932	6,370,016	2,952,553	81,935	(18,637)	(577,340)	216,820	14,003,483	25,391,762	625,376	4,000,000	30,017,138
Net profit for the year	-	-	-	-	-	-	-	4,605,321	4,605,321	(5,409)	-	4,599,912
Other comprehensive loss	-	-	-	-	(70,332)	(84,601)	-	-	(154,933)	2,807	-	(152,126)
Total comprehensive income for the year	-	-	-	-	(70,332)	(84,601)	-	4,605,321	4,450,388	(2,602)	-	4,447,786
Cash dividend for the year 2023 (Note 21)	-	-	-	-	-	-	-	(1,713,126)	(1,713,126)	-	-	(1,713,126)
Interim dividend for the year 2024 (Note 21)	-	-	-	-	-	-	-	(590,733)	(590,733)	-	-	(590,733)
Transfer to risk reserve (Note 21)	-	-	149,730	-	-	-	-	(149,730)	-	-	-	-
Social and Sports Fund appropriation (Note 38)	-	-	-	-	-	-	-	(115,133)	(115,133)	-	-	(115,133)
Profit on Sukuk eligible as additional capital (Note 23)	-	-	-	-	-	-	-	(218,643)	(218,643)	-	-	(218,643)
Loss on settlement of equity type investments	-	-	-	-	-	-	-	(47,183)	(47,183)	(24,719)	-	(71,902)
Movement in non-controlling interests	-	-	-	-	-	-	-	-	-	15,457	-	15,457
Balance at 31 December 2024	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

Fair value reserve and foreign currency translation reserve of the Bank includes (QAR 106 million) and QAR 35.9 million respectively, relating to assets held for sale.

The attached notes 1 to 41 form an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2025

	Notes	2025 QAR'000	2024 QAR'000
Cash flows from operating activities			
Net profit for the year before tax		5,390,913	4,629,786
Adjustments for:			
Net impairment losses on financing assets		103,308	865,322
Net impairment losses on investment securities	11	(488)	1,710
Other impairment losses		65,392	115,040
Depreciation	14	68,897	67,170
Net loss/ (gain) on sale of investment securities		9,071	(126,898)
Net share of results of associates	12	(83,890)	(66,487)
Amortization of premium on sukuku		(2,608)	(4,437)
Fair value loss/ (gain) on investment securities carried as fair value through income statement	25	11,456	(96,667)
Employees end of service benefits charge	19	20,571	22,612
Profit before changes in operating assets and liabilities		5,582,622	5,407,151
Change in reserve account with Qatar Central Bank		(324,117)	116,738
Change in due from banks		(58,994)	243,928
Change in financing assets		(13,310,908)	(4,210,813)
Change in other assets		(51,598)	(258,746)
Change in due to banks		(9,192)	6,349,998
Change in customers' current accounts		790,435	1,780,943
Change in other liabilities		5,935,915	(584,384)
Net change in operating activities from assets held for sale		-	346,946
Employees' end of service benefits paid	19	(4,567)	(11,231)
Net cash (used in)/ from operating activities		(1,450,404)	9,180,530
Cash flows from investing activities			
Acquisition of investment securities		(12,479,576)	(12,736,421)
Proceeds from sale / redemption of investment securities		5,473,076	5,107,169
Proceeds from sale of investment in subsidiary held for sale		162,988	-
Acquisition of fixed assets	14	(125,791)	(72,339)
Acquisition of investment properties	13	(22,073)	(4,420)
Proceeds from disposal of investment properties		-	9,405
Dividends received from associate companies	12	50,000	39,844
Dividends received from investment securities		13,858	107,870
Net change in investing activities from assets held for sale		-	(306,699)
Net cash used in investing activities		(6,927,518)	(7,855,591)
Cash flows from financing activities			
Change in quasi-equity		16,941,502	2,379,223
Net movement in non-controlling interest		(484,668)	(6,455)
Cash dividends paid to shareholders		(2,244,786)	(2,303,859)
Profit paid on sukuk eligible as additional capital		(218,643)	(218,643)
Net proceeds from sukuk financing	18	(2,657,400)	(910,000)
Net change in financing activities from assets held for sale		-	5,122
Net cash from / (used in) financing activities		11,336,005	(1,054,612)
Net increase in cash and cash equivalents		2,958,083	270,327
Cash and cash equivalents at 1 January		4,879,049	4,608,722
Cash and cash equivalents at 31 December	34	7,837,132	4,879,049

The attached notes 1 to 41 form an integral part of these consolidated financial statements.

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

For the year ended 31 December 2025

QAR' 000

Movements during the year

Investment	At 1 January 2025	Investment (Withdrawals) (Transfers)	Revaluation	Gross income	Dividends paid	Bank's fee as an agent	At 31 December 2025
Real Estate Portfolio	9,100	-	-	-	-	-	9,100
Equity Securities Portfolio	1,420	-	-	-	-	-	1,420
	10,520	-	-	-	-	-	10,520

Movements during the year

Investment	At 1 January 2024	Investment (Withdrawals) (Transfers)	Revaluation	Gross income	Dividends paid	Bank's fee as an agent	At 31 December 2024
Real Estate Portfolio	9,100	-	-	-	-	-	9,100
Equity Securities Portfolio	337,210	(335,790)	-	-	-	-	1,420
	346,310	(335,790)	-	-	-	-	10,520

The attached notes 1 to 41 form an integral part of these consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at and for the year ended 31 December 2025

QAR' 000

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 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 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 consolidated financial statements of the Group for the year ended 31 December 2025 were authorized for issuance in accordance with a resolution of the Board of Directors on 12 February 2026.

The Group's management has made an assessment of the Group's ability to continue as a going concern and is satisfied that the Group has the resources to continue in business for the foreseeable future. Furthermore, the management is not aware of any material uncertainties that may cast significant doubt upon the Group's ability to continue as a going concern. Therefore, the consolidated financial statements continue to be prepared on the going concern basis.

The consolidated financial statements include the financial statements of the Bank and the following principal subsidiaries and special purpose entities:

	Country of Incorporation	Principal Business Activity	Effective percentage of ownership	
			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%
QInvest LLC (iii)	Qatar	Investment banking	-	65.62%
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.

iii) QInvest LLC has been reclassified as an associate after partial sale of stake.

1.1 Shari'ah governance framework

The Group follows Accounting and Auditing Organization 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".

2. BASIS OF PREPARATION

a) Statement of compliance

The consolidated financial statements as of and for the year ended 31 December 2025 were prepared in accordance with Financial Accounting Standards (FAS) issued by the Accounting and Auditing Organisation for Islamic Financial Institutions (AAOIFI) as modified by Qatar Central Bank (QCB). QCB have issued several modifications through circulars, the most significant modifications are Circular No. 12/2020 on 29 April 2020 (the effective date), which amends the requirements of Financial Accounting Standards No. (33) "Investments in Sukuk, shares and similar instruments" and Financial Accounting Standard No. (30) "Impairment, credit losses and onerous commitments" which requires bank to follow the principles of the International Financial Reporting Standard No. 9 "Financial Instruments" in respect of equity-type investments carried at Fair Value Through Other Comprehensive Income. Further, QCB circular 12/2020 also modifies the requirement of FAS 1 "General Presentation and Disclosure in the Financial Statements of Islamic Banks and Financial Institutions" in respect of retrospective adoption and disclosures related to the change in accounting policy. Accordingly, the Bank has adopted the circular from the effective date and the changes to the accounting policies have been adopted prospectively by the Bank, as disclosed in note 3(d)(iii).

Furthermore, AAOIFI has issued FAS 32 in 2019. FAS 32 improves upon and supersedes FAS 8 - Ijarah and Ijarah Muntahia Bittamleek originally issued in 1997. This standard aims at setting out principles for the classification, recognition, measurement, presentation and disclosure of Ijarah type transactions including their different forms entered into by an institution, in both the capacities of lessor and lessee. This standard was effective beginning 1 January 2021. QCB had issued a circular dated 11 April 2021, requesting Islamic banks in Qatar to perform impact assessment for FAS 32 adoption on assets, liabilities, income account, interim profit, capital adequacy, liquidity, any relevant indicators and regulatory ratios. The Islamic banks in Qatar are in the process of complying with the requirements of QCB in this respect and implementation of the standard will be made in line with QCB instructions.

For matters for which no AAOIFI standards or related guidance exist, the Group applies the relevant IFRS accounting standards as issued by the International Accounting Standards Board ("IASB").

b) Basis of measurement

The consolidated financial statements have been prepared on the historical cost basis except for investment securities classified as "Investments at fair value through other comprehensive income", "Investments at fair value through income statement", "Shari'a compliant risk management instruments", "Investment properties" (measured at fair value).

c) Functional and presentational currency

These consolidated financial statements are presented in Qatari Riyals ("QAR"), which is the Bank's functional and presentational currency. Except as indicated otherwise, financial information presented in QAR has been rounded to the nearest thousands.

d) Use of estimates and judgments

The preparation of the consolidated financial statements in conformity with FAS requires management to make judgments, 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.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

Information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the consolidated financial statements are described in note 5.

3. MATERIAL ACCOUNTING POLICY INFORMATION

The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements and have been applied consistently by Group entities.

a) New standards and interpretations

i. New standards adopted by the Group

There were no new standards adopted by the Group in preparation of these consolidated financial statements.

ii. New standards, amendments and interpretations issued but not yet effective

The standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Group's consolidated financial statements are disclosed below. The Group intends to adopt the new standards and interpretations, if applicable, when they become effective.

- **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, derecognition, measurement, presentation and disclosure for quasi-equity. It further addresses financial reporting related to other quasi-equity instruments and certain specific issues. This standard shall be effective for the financial reporting periods beginning on or after 1 January 2026.

The concept of quasi-equity has been introduced in FAS 1 "General Presentation and Disclosures in the Financial Statements (Revised 2021)". The Group shall address the requirements of FAS 45 "Quasi-Equity (Including Investment Accounts)" on the effective date of the standard.

- **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 shall be 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).

- **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 shall be effective 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 shall be effective on the financial statements for the annual financial reporting period beginning on or after 1 January 2026.

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

a) New standards and interpretations (continued)

ii. New standards, amendments and interpretations issued but not yet effective (continued)

• **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 shall be effective for the financial periods beginning on or after 1 January 2026.

• **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 the annual financial statements 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 respect of accounting and financial reporting by the investor(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 the financial statements of the institutions beginning on or after 1 January 2027.

b) Basis of consolidation

i. Business combinations

The consolidated financial statements comprise the financial statements of the Bank and its subsidiaries as at 31 December 2025. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if, and only if, the Group has:

- Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee);
- Exposure, or rights, to variable returns from its involvement with the investee;
- The ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights results in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement(s) with the other vote holders of the investee;
- Rights arising from other contractual arrangements;
- The Group's voting rights and potential voting rights.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

b) Basis of consolidation (continued)

ii. Business combinations and goodwill

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and other components of equity, while any resultant gain or loss is recognised in consolidated statement of income. Any investment retained is recognised at fair value.

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, which is measured at acquisition date fair value, and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred and included in administrative expenses.

Goodwill is initially measured at cost (being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests) and any previous interest held over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in consolidated statement of income.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill has been allocated to a cash-generating unit (CGU) and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured

based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

iii. Associates

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating decisions of the investee, but not to control or joint control over those policies. The considerations made in determining significant influence or joint control are similar to those necessary to determine control over subsidiaries.

Investments in associates are accounted for by the equity method of accounting and are initially recognised at cost (including transaction costs directly related to acquisition of investment in associate). The Group's investment in associates includes goodwill (net of any accumulated impairment loss) identified on acquisition.

The Group's share of its associates' post-acquisition profits or losses is recognised in the consolidated statement of income; its share of post-acquisition movements in reserve is recognised in equity. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the Group's share of losses in an associate equal or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

The Group determines at each reporting date whether there is any objective evidence that the investment in associate is impaired. If this is the case the Group calculates the amount of impairment as being the difference between the fair value of the associate and the carrying value and recognises the amount in the consolidated statement of income.

Intergroup gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. Intragroup losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. For preparation of these consolidated financial statements, same accounting policies for similar transactions and other events in similar circumstances are used. Gains and losses on decline of shareholding are recognised in the consolidated statement of income.

The Group's share of the results of associates is based on financial statements available up to a date not earlier than three months before the date of the consolidated statement of financial position, adjusted to conform to the accounting policies of the Group.

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

b) Basis of consolidation (continued)

iv. Funds management

The Group manages and administers assets held in unit trusts and other investment vehicles on behalf of investors. The financial statements of these entities are not included in these consolidated financial statements except when the Group controls the entity.

c) Foreign currency

i. Foreign currency transactions and balances

Foreign currency transactions are denominated, or that require settlement in a foreign currency are translated into the respective functional currencies of the operations at the spot exchange rates at the transaction dates.

Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated into the functional currency at the spot exchange rate at that date. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated into the functional currency at the spot exchange rate at the date that the fair value was determined. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

The gains and losses on revaluation of foreign currency non-monetary fair value through other comprehensive income investments are recognised in the consolidated statement of changes in equity. Foreign currency differences resulting from the settlement of foreign currency transactions and arising on translation at period end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the consolidated statement of income

ii. Foreign operations

The results and financial position of all the Group's entities that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each statement of financial position presented are translated at the closing rate at the reporting date;
- income and expenses for each income statement are translated at average exchange rates (unless this average is not a

- reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in this case income and expenses are translated at the dates of the transactions); and
- all resulting exchange differences are recognised in other comprehensive income.

Exchange differences arising from the above process are reported in equity as 'foreign currency translation reserve'.

On consolidation, exchange differences arising from the translation of the net investment in foreign entities, and of financing and other currency instruments designated as hedges of such investments, are recognised in other comprehensive income. When a foreign operation is disposed of, or partially disposed of, such exchange differences are recognised in the consolidated statement of income as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the spot closing rate.

When the settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely in the foreseeable future, foreign exchange gains and losses arising from such a monetary item are considered to form part of the net investment in the foreign operation and are recognised in other comprehensive income, and presented in the foreign exchange translation reserve in owners' equity.

d) Investment securities

Investment securities comprise investments in debt-type and equity-type financial instruments.

i. Classification

Under FAS 33 "Investment in Sukuks, shares and similar instruments", each investment is to be categorized as investment in:

- (a) equity-type instruments;
- (b) debt-type instruments, including (monetary and non-monetary);
- (c) other investment instruments

Unless irrevocable initial recognition choices provided in para 10 of the standard are exercised, an institution shall classify investments as subsequently measured at either of (i) amortised cost, (ii) fair value through other comprehensive income or (iii) fair value through income statement, on the basis of both:

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

d) Investment securities (continued)

i. Classification (continued)

- (a) the Bank's business model for managing the investments; and
- (b) the expected cash flow characteristics of the investment in line with the nature of the underlying Islamic finance contracts.

Amortised cost

An investment shall be measured at amortised cost if both of the following conditions are met:

- (a) the investment is held within a business model whose objective is to hold such investment in order to collect expected cashflows till maturity of the instrument; and
- (b) the investment represents either a debt-type instrument or other investment instrument having reasonable determinable effective yield.

Fair value through other comprehensive income

An investment shall be measured at fair value through other comprehensive income cost if both of the following conditions are met:

- (a) the investment is held within a business model whose objective is achieved by both collecting expected cash flows and selling the investment; and
- (b) the investment represents a non-monetary debt-type instrument or other investment instrument having reasonable determinable effective yield.

Fair value through income statement

An investment shall be measured at fair value through income statement unless it is measured at amortised cost or at fair value through comprehensive income or if irrevocable classification at initial recognition is applied.

Irrevocable classification at initial recognition

The Group may make an irrevocable election to designate a particular investment, at initial recognition, being:

- (a) an equity-type instrument that would otherwise be measured at fair value through income statement, to present subsequent changes in fair value through other comprehensive income; and
- (b) a non-monetary debt-type instrument or other investment instrument, as measured at fair value through income statement if doing so eliminates or significantly reduces a measurement

or recognition inconsistency that would otherwise arise from measuring assets or correlated liabilities or recognizing the gains and losses on them on different bases.

ii. Recognition and derecognition

Investment securities are recognised at the trade date i.e. the date that the Group contracts to purchase or sell the asset, at which date the Group becomes party to the contractual provisions of the instrument. Investment securities are derecognised when the rights to receive cash flows from the financial assets have expired or where the Group has transferred substantially all risk and rewards of ownership.

iii. Measurement

Initial recognition

Investment securities are initially recognised at fair value plus transaction costs, except for transaction costs incurred to acquire investments at fair value through income statement which are charged to consolidated statement of income.

Subsequent measurement

Investments at fair value through income statement are remeasured at fair value at the end of each reporting period and the resultant remeasurement gains or losses is recognised in the consolidated statement of income in the period in which they arise. Subsequent to initial recognition, investments classified at amortised cost are measured at amortised cost using the effective profit method less any impairment allowance. All gains or losses arising from the amortisation process and those arising on de-recognition or impairment of the investments, are recognised in the consolidated statement of income.

Fair value through other comprehensive income

Investments at fair value through other comprehensive income are remeasured at their fair values at the end of each reporting period and the resultant gain or loss, arising from a change in the fair value of investments are taken through other comprehensive income and presented in a separate fair value reserve within equity.

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 income statement, including on disposal. However, cumulative gains and losses recognised in fair value reserve are transferred to retained earnings on disposal of an investment.

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

d) Investment securities (continued)

iii. Measurement (continued)

Fair value through other comprehensive income (continued)

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 income statement, unless they clearly represent a recovery of part of the cost of the investment, in which case they are recognised in statement of changes in equity.

Whereas for debt type investments classified as fair value through other comprehensive income, the cumulative gain or loss previously recognized in the consolidated statement of changes in equity is transferred to the consolidated statement of income.

iv. Measurement principles

Amortised cost measurement

The amortised cost of a financial asset or liability is the amount at which the financial asset or liability is measured at initial recognition, minus capital repayments, plus or minus the cumulative amortisation using the effective profit method of any difference between the initial amount recognised and the maturity amount, minus any reduction for impairment. The calculation of the effective profit rate includes all fees and points paid or received that are an integral part of the effective profit rate.

Fair value measurement

Fair value is the amount for which an asset could be exchanged or an obligation settled between well informed and willing parties (seller and buyer) in an arm's length transaction. The Group measures the fair value of quoted investments using the market bid price for that instrument at the close of business on the consolidated statement of financial position date. For investment where there is no quoted market price, a reasonable estimate of the fair value is determined by reference to the current market value of another instrument, which is substantially the same or is based on the assessment of future cash flows. The cash equivalent values are determined by the Group by discounting future cash flows at current profit rates for contracts with similar term and risk characteristics.

e) Financing assets

Financing assets comprise Shari'a compliant financing provided by the Group. These include financing provided through Murabaha, Mudaraba, Musharaka, Musawama, Ijarah, Istisna'a, Wakala and other modes of Islamic financing. Financing assets are stated at their amortised cost less impairment allowances (if any) with the exception of certain Murabaha financings which are classified and measured at fair value through income statement (FVTIS).

Murabaha and Musawama

Murabaha and Musawama receivables are sales on deferred terms. The Group arranges a Murabaha and Musawama transaction by buying a commodity (which represents the object of the Murabaha) and selling it to the Murabeh (a beneficiary) at a margin of profit over cost. The sales price (cost plus the profit margin) is repaid in installments by the Murabeh over the agreed period. Based on QCB regulations, the Group applies the rule of binding the purchase orderer to its promise in the Murabaha sale, and does not enter into any Murabaha transaction in which the purchase orderer does not undertake to accept the goods if they meet the specifications.

Musawama receivables are stated net of deferred profits and impairment allowance (if any). On initial recognition Murabaha receivables are classified and measured at:

- Amortised cost when the contractual terms of the Murabaha receivables give rise on specified dates to cash flows that are solely payments of principal and profit on the principal amount outstanding; or
- Fair value through income statement ("FVTIS") when the contractual terms of the Murabaha receivables does not give rise on specified dates to cash flows that are solely payments of principal and profit on the principal amount outstanding.

Mudaraba

Mudaraba financing are partnerships in which the Group contributes the capital. These contracts are stated at fair value of consideration given less impairment allowance (if any).

Musharaka

Musharaka financing are partnerships in which the Group contributes the capital. These contracts are stated at fair value of consideration given less impairment allowance (if any).

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3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

e) Financing assets (continued)

Ijarah

Ijarah receivables arise from financing structures when the purchase and immediate lease of an asset are at cost plus an agreed profit (in total forming fair value). The amount is settled on a deferred payment basis. Ijarah receivables are carried at the aggregate of the minimum lease payments, less deferred income (in total forming amortised cost) and impairment allowance (if any).

Istisna'a

Istisna'a is a sales contract in which the Group acts as 'al-sani' (a seller) with an 'al-mustasni' (a purchaser) and undertakes to manufacture or otherwise acquire a product based on the specification received from the purchaser, for an agreed upon price.

Wakala

Wakala contracts represent agency agreements between two parties. One party, the provider of funds (Muwakkil) appoints the other party as an agent (Wakeel) with respect to the investment of the Muwakkil funds in a Shari'a compliant transaction. The Wakeel uses the funds based on the nature of the contract and offer an anticipated return to the Muwakkil. Wakala contracts are stated at amortised cost.

f) Other financial assets and liabilities

i. Recognition and initial measurement

The Group initially recognises due from banks, financing assets, customers' current accounts, due to banks, Sukuk financing and certain other assets and other liabilities on the date at which they are originated. All other financial assets and liabilities are initially recognised on the settlement date at which the Group becomes a party to the contractual provisions of the instrument. A financial asset or financial liability is measured initially at fair value plus, for an item not at fair value through income statement, transaction costs that are directly attributable to its acquisition or issue.

After initial measurement, other financial assets and liabilities are subsequently measured at amortised cost using the effective profit rate method net of any amounts written off and provision for impairment.

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or when it transfers the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all the risks and rewards of ownership and it does not retain control of the financial asset. Any interest in transferred financial assets that qualify for derecognition that is created or retained by the Group is recognised as a separate asset or liability in the consolidated statement of financial position. On derecognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset transferred) and consideration received (including any new asset obtained less any new liability assumed) is recognised in consolidated statement of income

ii. De-recognition of financial assets and financial liabilities

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or when it transfers the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all the risks and rewards of ownership and it does not retain control of the financial asset. Any interest in transferred financial assets that qualify for derecognition that is created or retained by the Group is recognised as a separate asset or liability in the consolidated statement of financial position. On derecognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset transferred) and consideration received (including any new asset obtained less any new liability assumed) is recognised in consolidated statement of income.

The Group enters into transactions whereby it transfers assets recognised on its consolidated statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets or a portion of them. If all or substantially all risks and rewards are retained, then the transferred assets are not derecognised.

In transactions in which the Group neither retains nor transfers substantially all the risks and rewards of ownership of a financial asset and it retains control over the asset, the Group continues to recognise the asset to the extent of its continuing involvement, determined by the extent to which it is exposed to changes in the value of the transferred asset.

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

f) Other financial assets and liabilities (continued)

ii. De-recognition of financial assets and financial liabilities (continued)

In certain transactions the Group retains the obligation to service the transferred financial asset for a fee. The transferred asset is derecognised if it meets the derecognition criteria. An asset or liability is recognised for the servicing contract, depending on whether the servicing fee is more than adequate (asset) or is less than adequate (liability) for performing the servicing. The Group derecognises a financial liability when its contractual obligations are discharged or cancelled or expire.

iii. Offsetting

Financial assets and liabilities are offset only when there is a legal enforceable right to set off the recognised amounts and the Group intends to either settle on a net basis, or to realise the asset and settle the liability simultaneously

iv. Modification of financial assets and liabilities

Financial assets

If the terms of a financial asset are modified, the Group evaluates whether the cash flows of the modified asset are substantially different. If the cash flows are substantially different, then the contractual rights to cash flows from the original financial asset are deemed to have expired. In this case, the original financial asset is derecognised and a new financial asset is recognised at fair value, and recalculates a new effective profit rate for the asset. The date of renegotiation is consequently considered to be the date of initial recognition for impairment calculation purpose, including for the purpose of determining whether a significant increase in credit risk has occurred.

If the cash flows of the modified asset carried at amortised cost are not substantially different, then the modification does not result in derecognition of the financial asset. In this case, the Group recalculates the gross carrying amount of the financial asset based on the revised cash flows of the financial assets and recognises the amount arising from adjusting the gross carrying amount as a modification gain or loss in the consolidated income statement. If such a modification is carried out because of financial difficulties of the financed counterparty, then the gain or loss is presented together with impairment losses. In other cases, it is presented as net income from financing activities.

Financial liabilities

The Group derecognises a financial liability when its terms are modified, and the cash flows of the modified liability are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in the consolidated income statement.

g) Impairment of financial assets (other than equity-type investments classified as fair value through other comprehensive income)

The Group recognises loss allowances for expected credit loss (ECL) on the following financial instruments that are not measured at fair value through income statement:

- Financial assets that are debt-type instruments;
- Financial guarantee contracts issued; and
- Financing commitments issued.

Impairment and ECL are used interchangeably throughout these consolidated financial statements.

The Group measures loss allowances at an amount equal to lifetime ECL, except for the following, for which they are measured as 12-month ECL:

- debt-type investment securities that are determined to have low credit risk at the reporting date; and
- other financial instruments on which credit risk has not increased significantly since their initial recognition.

12-month ECL are the portion of ECL that result from default events on a financial instrument that are possible within the 12 months after the reporting date.

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

g) Impairment of financial assets (other than equity type investments classified as fair value through other comprehensive income) (continued)

Measurement of ECL

ECL are a probability-weighted estimate of credit losses. They are measured as follows:

- Financial assets that are not credit-impaired at the reporting date: as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive);
- Financial assets that are credit-impaired at the reporting date: as the difference between the gross carrying amount and the present value of estimated future cash flows;
- Undrawn financing commitments: as the present value of the difference between the contractual cash flows that are due to the Group if the commitment is drawn down and the cash flows that the Group expects to receive; and
- Financial guarantee contracts: the expected payments to reimburse the holder less any amounts that the Group expects to recover.

Restructured financial assets

If the terms of a financial asset are renegotiated or modified or an existing financial asset is replaced with a new one due to financial difficulties of the financed counterparty, then an assessment is made of whether the financial asset should be derecognized and ECL are measured as follows:

- If the expected restructuring will not result in derecognition of existing asset, then the expected cash flows arising from the modified financial asset are included in calculating the cash shortfalls from existing asset;
- If the expected restructuring will result in derecognition of the existing asset, then the expected fair value of the new asset is treated as the final cash flow from the existing financial asset at the time of its derecognition. This amount is included in calculating the cash shortfalls from the existing financial asset that are discounted from the expected date of derecognition to the reporting date using the original effective profit rate of the existing financial asset.

Credit-impaired financial assets

At each reporting date, the Group assesses whether financial assets carried at amortised cost are credit impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- Significant financial difficulty of the financed counterparty or issuer;
- A breach of contract such as a default or past due event;
- The restructuring of a financing asset by the Group on terms that the Group would not consider otherwise;
- It is becoming probable that the financed counterparty will enter bankruptcy or other financial reorganisation; or
- The disappearance of an active market for a security because of financial difficulties.

h) Cash and cash equivalents

Cash and cash equivalents include notes and coins on hand, unrestricted balances held with central banks and highly liquid financial assets with maturities of three months or less from the acquisition date that are subject to an insignificant risk of changes in their fair value, and are used by the Group in the management of its short-term commitments.

Cash and cash equivalents are carried at amortised cost in the consolidated statement of financial position.

i) Investment properties

Investment property held for rental or capital appreciation is measured at fair value with the resulting unrealised gains being taken to other comprehensive income and presented in the statement of changes in equity under fair value reserve. Any unrealized losses resulting from re-measurement at fair value is recognized in the consolidated statement of financial position under fair value reserve to the extent of available balance. In case such losses exceed the available balance, the unrealized losses are recognized in the consolidated statement of income under unrealized re-measurement gains or losses on investment property. In case there are unrealized losses that have been recognized in the consolidated statement of income in a previous financial year, the unrealized gains related to the current financial year is recognized to the extent of crediting back such previous losses in the consolidated statement of income. Any excess of such gains over such prior-year losses is added to the fair value reserve. Any transfers to investment properties is done at fair value.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

j) Risk Management Instruments

The Group enters into certain Islamic derivative financial instruments to manage the exposure to foreign exchange rate risks, including unilateral promise to buy/sell currencies. These transactions are translated at prevailing spot exchange rates.

k) Fixed assets

Recognition and measurement

Items of fixed assets are measured at cost less accumulated depreciation and impairment losses. Cost includes expenditures that are directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labor, any other costs directly attributable to bringing the assets to a working condition for their intended use, the costs of dismantling and removing the assets and restoring the site on which they are located and capitalised financing costs.

Purchased software that is integral to the functionality of the related equipment is capitalised as part of related equipment. When parts of an item of fixed asset have different useful lives, they are accounted for as separate items (major components) of fixed assets.

The gain or loss on disposal of an item of fixed asset is determined by comparing the proceeds from disposal with the carrying amount of the item of fixed assets, and is recognised in other income/other expenses in the consolidated statement of income.

Subsequent costs

The cost of replacing a component of fixed asset is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of fixed assets are recognised in consolidated statement of income as incurred.

Depreciation is recognised in consolidated statement of income on a straight-line basis over the estimated useful lives of each part of an item of fixed assets since this closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset and is based on cost of the asset less its estimated residual value. Leased assets under finance leases are depreciated over the shorter of the lease term and their useful lives. Land is not depreciated. The estimated useful lives for the current and comparative years are as follows:

	Years
Buildings	20
IT equipment	3-5
Fixtures and fittings	5-7
Motor vehicles	5

Useful lives and residual values are reassessed at each reporting date and adjusted prospectively, if appropriate.

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

l) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is the fair value as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. Internally generated intangible assets, excluding capitalised development costs, are not capitalised and expenditure is reflected in the consolidated statement of income in the year in which the expenditure is incurred.

The useful lives of intangible assets are assessed to be either finite or indefinite.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life is reviewed at each financial year end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and treated as changes in accounting estimates.

The amortisation expense on intangible assets with finite lives is recognised in the consolidated statement of income in the expense category consistent with the nature of the intangible asset.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually either individually or at the cash generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life assessment continues to be supportable. If not, the change in the useful life from indefinite to finite is made on a prospective basis.

m) Impairment of non-financial assets

The carrying amounts of the Group's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For goodwill and intangible assets that have indefinite useful lives or that are not yet available for use, the recoverable amount is estimated each year at the same time. An impairment loss is recognised if the carrying amount of an asset or its Cash Generating Unit ("CGU") exceeds its estimated recoverable amount.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGU. Subject to an operating segment ceiling test, for the purposes of goodwill impairment testing, CGUs to which goodwill has been allocated are aggregated so that the level at which impairment testing is performed reflects the lowest level at which goodwill is monitored for internal reporting purposes. Goodwill acquired in a business combination is allocated to groups of CGUs that are expected to benefit from the synergies of the combination.

The Group's corporate assets do not generate separate cash inflows and are utilised by more than one CGU. Corporate assets are allocated to CGUs on a reasonable and consistent basis and tested for impairment as part of the testing of the CGU to which the corporate asset is allocated.

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

m) Impairment of non-financial assets (continued)

Impairment losses are recognised in consolidated statement of income. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the CGU (group of CGUs) and then to reduce the carrying amount of the other assets in the CGU (group of CGUs) on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

n) Customer current accounts

Balances in current accounts are recognised when received by the Group. The transactions are measured as the amount received by the Group at the time of contracting. At the end of the reporting period, these accounts are measured at amortised cost.

o) Quasi-equity

Quasi-equity are funds held by the Group, which it can invest at its own discretion. Quasi-equity account holders authorises the Group to invest the Quasi-equity funds in a manner which the Group deems appropriate without laying down any restrictions as to where, how and for what purpose the funds should be invested.

The Group charges a management fee (Mudarib fees) to Quasi-equity of the total income from Quasi-equity accounts, the income attributable to Quasi-equity is allocated to investment accounts after setting aside provisions and deducting the Group's share of income as a Mudarib. The allocation of income is determined by the management of the Group within the allowed profit sharing limits as per the terms and conditions of the Quasi-equity.

p) Distribution of profit between Quasi-equity and shareholders

The Group complies with the directives of the QCB as follows:

- Net profit is arrived at after taking into account all income and expenses at the end of the financial year and is distributed between Quasi-equity and shareholders.
- The share of profit of Quasi-equity is calculated on the basis of their daily deposit balances over the year, after reducing voluntarily the Group's agreed and declared Mudaraba share.
- In case of any expense or loss, which arises out of negligence on the part of the Group due to non-compliance with QCB regulations and instructions, then such expenses or loss, shall not be borne by the Quasi-equity. Such matter is subject to the QCB decision.
- In case the results of the Group at year end are net losses, then QCB, being the authority responsible for determining the Bank's accountability for these losses, shall decide how these shall be treated without violation to the Islamic Shari'a rules.
- Due to pooling of Quasi-equity funds with the Group's funds for the purpose of investment, no priority has been given to either party in the appropriation of profit.

All assets are jointly financed by participatory investment account holders and equity holders.

q) Off-balance-sheet assets under management

Off-balance-sheet assets under management represents funds received by the Group from third parties for investment in specified products as directed by the investment account holders. These assets are managed in a fiduciary capacity and the institution has no entitlement to these assets. Clients bear all of the risks and earn all of the rewards on these investments. Off-balance-sheet assets under management are not included in the consolidated statement of financial position since the Group does not have the right to use or dispose these investments except within the conditions of the contract between the Group and its clients.

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

r) Sukuk financing

Sukuk financing represents common shares in the ownership of identified assets or benefits or services which bears an agreed semi-annual profit and mature after 5 years on dates fixed on the issuance date. Profits are recognised periodically till maturity. Sukuks are recognised at amortised cost. Sukuks are disclosed as a separate line in the consolidated financial statements as "Sukuk financing".

s) Provisions

Provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

t) Employee benefits

i. Defined contribution plans

The Group provides for its contribution to the State administered retirement fund for Qatari employees in accordance with the retirement law, and the resulting charge is included within the staff costs in the consolidated statement of income. The Group has no further payment obligations once the contributions have been paid. The contributions are recognised when they are due.

ii. Employees' end of service benefits

The Group provides a provision for all end of service benefits payable to employees in accordance with the Group's policies, calculated on the basis of individual employee's salary and period of service at the reporting date.

iii. Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

u) Share capital and reserves

Dividends on ordinary shares

Dividends on ordinary shares are recognised in equity in the period in which they are approved by the shareholders' of the Bank.

v) Revenue recognition

Murabaha and Musawama

Profit from Murabaha and Musawama transactions is recognised when the income is both contractually determinable and quantifiable at the commencement of the transaction. Such income is recognised on a time-apportioned basis over the period of the transaction. Income related to non-performing accounts is excluded from the consolidated statement of income.

Mudaraba

Income on Mudaraba financing is recognised when the right to receive payment is established or on distribution by the Mudarib, whereas losses are charged to the consolidated statement of income on declaration by the Mudarib. In case Mudaraba capital is lost or damaged prior to the inception of work without misconduct or negligence on the part of Mudarib, then such losses are deducted from Mudaraba capital and are treated as loss to the Group. In case of termination or liquidation, unpaid portion by Mudarib is recognized as receivable due from Mudarib.

Musharaka

Income on Musharaka financing is recognised when the right to receive payments is established or on distribution.

Ijara

Ijara income is recognised on time-apportioned basis over the lease period. Income related to non-performing accounts is excluded from the consolidated statement of income.

Istisna'a

Revenue and the associated profit margin are recognised in the Group's consolidated statement of income according to the percentage of completion method by taking in account the difference between total revenue (cash price to purchaser) and Group's estimated cost. The Group's recognises anticipated losses on Istisna'a contract as soon as they are anticipated.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED))

v) Revenue recognition (continued)

Wakala

Income from Wakala placements is recognised on a time apportioned basis so as to yield an agreed periodic rate of return based on the balance outstanding.

Income from investment banking services

Income from investment banking services (presented in fee and commission income), including placement, advisory, marketing and performance fees, is recognised as per contractual terms when the service is provided and income is earned. This is usually when the Group has performed all significant acts in relation to a transaction and it is highly probable that the economic benefits from the transaction will flow to the Group. Significant acts in relation to a transaction are determined based on the terms agreed in the contracts for each transaction. The assessment of whether economic benefits from a transaction will flow to the Group is based on the extent of binding firm commitments received from other parties.

Fees and commission income

Fees and commission income that are integral to the effective profit rate on a financial asset carried at amortised cost are included in the measurement of the effective profit rate of the financial asset. Other fees and commission income, including account servicing fees, sales commission, feasibility study /management, arrangement and syndication fees, are recognized over time as the related services are performed.

Dividend income

Dividend income is recognised when the right to receive the dividend is established.

w) Tax expense

Taxes are calculated based on the tax laws and regulations in jurisdictions in which the Group operates. The amount of tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes. Tax expense comprises current and deferred tax. Current tax and

deferred tax are recognised in the consolidated statement of income except to the extent that it relates to items recognised directly in equity. Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- Temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable consolidated income statement;
- Temporary differences related to investments in subsidiaries to the extent that it is probable that they will not reverse in the foreseeable future; and
- Temporary differences arising on the initial recognition of goodwill.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date, and reflects uncertainty related to income taxes, if any.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities against current tax assets, and they relate to taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

x) Earnings per share

The Bank presents basic and diluted earnings per share ("EPS") data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to the shareholders after deducting the profit payable to Sukuk eligible as additional capital by the weighted average number of ordinary shares outstanding during the year. Diluted EPS is determined by adjusting the profit or loss attributable to owners and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

y) Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components, whose operating results are reviewed regularly by the Group Chief Executive Officer (being the chief operating decision maker) of the Group to make decisions about resources allocated to each segment and assess its performance, and for which discrete financial information is available.

z) Repossessed collateral

Reposessed collateral against settlement of financing assets are stated within the consolidated statement of financial position under "Other assets" at cost, which is the value at which it was transferred to the bank when the financing was settled.

aa) Earnings prohibited by Shari'a

The Group is committed to avoid recognising any income generated from non-Islamic sources. Accordingly, all non-Islamic income is credited to a charity account where the Group uses these funds for charitable purposes as defined by the Sharia Supervisory Board.

bb) Wakala payables

The Group accepts deposits from customers under wakala arrangement under which return payable to customers is agreed in the wakala agreement. There is no restriction on the Group for the use of funds received under wakala agreements. Wakala payables are carried at cost plus accrued profit.

cc) Financial guarantees

In the ordinary course of business, the Group gives financial guarantees, consisting of letters of credit, guarantees and acceptances. Financial guarantees are initially recognized in the consolidated financial statements at fair value, being the premium received on the date the guarantee was given, and the initial fair value is amortised over the life of the financial guarantee. Subsequent to initial recognition, the Group's liability under such guarantees are measured at the higher of the amortised amount and the best estimate of the expenditure required to settle any financial obligation arising at the reporting date. These estimates are determined based on experience of similar transactions and history of past losses, supplemented by the judgment of Management.

dd) Contingent liabilities

Contingent liabilities include guarantees, letter of credit, the Group's obligations with respect to unilateral promise to buy/sell currencies and others. Contingent liabilities are not recognized in the consolidated statement of financial position but are disclosed in the notes to the consolidated financial statements, unless they are remote.

ee) Comparatives

Except when a standard or an interpretation permits or requires otherwise, all amounts are reported or disclosed with comparative information.

ff) Shari'a – compliant risk management instruments

The bank deals with various shariah compliant risk management instruments including Forward foreign exchange promissory contracts, Profit rate promissory swaps, Cross currency promissory swaps and Options that are entered on a Wa'ad basis to hedge currency, profit rates and other financial risks

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

ff) Shari'a – compliant risk management instruments (continued)

Derivatives held for Risk management Purposes and Hedge Accounting

Derivatives held for risk management purposes include all derivative assets and liabilities that are not classified as trading assets or liabilities. Derivatives held for risk management purposes are measured at fair value on the consolidated statement of financial position. The Group designates certain derivatives held for risk management as well as certain non-derivative financial instruments as hedging instruments in qualifying hedging relationships. On initial designation of the hedge, the Group formally documents the relationship between the hedging derivative instrument(s) and hedged item(s), including the risk management objective and strategy in undertaking the hedge, together with the method that will be used to assess the effectiveness of the hedging relationship. The Group makes an assessment, both at the inception of the hedge relationship as well as on an ongoing basis, as to whether the hedging instrument(s) is (are) expected to be highly effective in offsetting the changes in the fair value or cash flows of the respective hedged item(s) during the period for which the hedge is designated, and whether the actual results of each hedge are within a range of 80-125 percent. The Group makes an assessment for a cash flow hedge of a forecast transaction, as to whether the forecast transaction is highly probable to occur and presents an exposure to variations in cash flows that could ultimately affect profit or loss.

Fair Value Hedges

When a derivative is designated as the hedging instrument in a hedge of the change in fair value of a recognised asset or liability or a firm commitment that could affect profit or loss, changes in the fair value of the derivative are recognized immediately in profit or loss together with changes in the fair value of the hedged item that are attributable to the hedged risk. If the hedging derivative expires or is sold, terminated, or exercised, or the hedge no longer meets the criteria for fair value hedge accounting, or the hedge designation is revoked, then hedge accounting is discontinued prospectively. Any adjustment up to that point to a hedged item, for which the effective profit method is used, is amortised to profit or loss as part of the recalculated effective profit rate of the item over its remaining life

Cash Flow Hedges

When a derivative is designated as the hedging instrument in a hedge of the variability in cash flows attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction that could affect profit or loss, the effective portion of changes in the fair value of the derivative is recognised in other comprehensive income and presented in the consolidated statement of financial position in the fair value reserve. The amount recognised in other comprehensive income is reclassified to profit or loss as a reclassification adjustment in the same period as the hedged cash flows affect profit or loss, and in the same line item in the statement of comprehensive income. Any ineffective portion of changes in the fair value of the derivative is recognised immediately in profit or loss. If the hedging derivative expires or is sold, terminated, or exercised, or the hedge no longer meets the criteria for cash flow hedge accounting, or the hedge designation is revoked, then hedge accounting is discontinued prospectively. In a discontinued hedge of a forecast transaction the cumulative amount recognised in other comprehensive income from the period when the hedge was effective is reclassified from equity to profit or loss as a reclassification adjustment when the forecast transaction occurs and affects profit or loss. If the forecast transaction is no longer expected to occur, then the balance in other comprehensive income is reclassified immediately to the consolidated statement of income as a reclassification adjustment.

gg) Non-current assets held for sale and discontinued operations

The Group classifies non-current assets and disposal groups as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. Non-current assets and disposal groups classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Costs to sell are the incremental costs directly attributable to the disposal of an asset (disposal group), excluding finance costs and income tax expense.

The criteria for held for sale classification is regarded as met only when the sale is highly probable, and the asset or disposal group is available for immediate sale in its present condition. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. Management must be committed to the plan to sell the asset and the sale expected to be completed within one year from the date of the classification.

Assets and liabilities classified as held for sale are presented separately as current items in the consolidated statement of financial position. Cash flows included in the consolidated statement of cash flows disclosed separately in Note 39.

4. FINANCIAL RISK MANAGEMENT

a) Introduction and overview

Financial instruments

Financial instruments comprise of all financial assets and liabilities of the Group. Financial assets include cash and balances with central banks, due from banks, investment securities, financing assets, derivative financial assets and certain other assets. Financial liabilities include customers' current accounts, due to banks, Sukuk financing and certain other liabilities. Financial instruments also include quasi-equity, contingent liabilities and commitments included in off balance sheet items.

Risk Management

The Group has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risks
- Operational risk
- Other risks

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk, and the Group's capital.

The Group's business involves taking on risks in a targeted manner and managing them professionally. The core functions of the Group's risk management are to identify all key risks for the Group, measure these risks, manage the risk positions and determine capital allocations. The Group regularly reviews its risk management policies and systems to reflect changes in markets, products and best market practice.

The Group's aim is to achieve an appropriate balance between risk and return and minimise potential adverse effects on the Group's financial performance. The Group defines risk as the possibility of losses or profits foregone, which may be caused by internal or external factors.

The Board of Directors (the "Board") has overall responsibility for the establishment and oversight of the Group's risk management framework.

The Board has established various specialized committees that report directly to it and perform functions on its behalf to support efficient management practice which include Compensation and Remuneration Committee, Nomination and Governance Committee, and Audit, Risk and Compliance committee.

The primary objective of Compensation and Remuneration Committee is to assist the Board in its oversight responsibilities regarding Compensation and Remuneration areas by providing overall direction on the Remuneration and Benefits Strategy of the Bank, ensuring that the Compensation and Remuneration Policies and Practices are consistent with the regulatory guidelines and evaluating and recommending to the Board incentives and other equity-based plans carefully designed to attract and retain qualified and competent individuals. 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.

Nomination and Governance Committee is responsible for assisting the Board in its oversight of the structure and composition of the Board, Board members independence, in addition to support in the implementation of the Bank's corporate governance practices.

Audit, Risk and Compliance 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, Risk and Compliance Committee charter in order to facilitate decision making to the Board.

The Audit, Risk and Compliance 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.

4. FINANCIAL RISK MANAGEMENT (CONTINUED)

a) Introduction and overview (continued)

Risk management (continued)

A separate Risk Management Group, reporting to the Group Chief Executive Officer and to the Audit, Risk and Compliance Committee, assists in carrying out the oversight responsibility of the Board.

Risk Group function operates within a Board approved Risk Appetite 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.

b) Credit risk

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.

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4. FINANCIAL RISK MANAGEMENT (CONTINUED)

b) Credit risk (continued)

(i) Maximum exposure to credit risk before collateral held or other credit enhancements

The table below shows the maximum exposure to credit risk for the components of the consolidated statement of financial position. The maximum exposure is shown net, before the effect of mitigation through the use of master netting and collateral agreements.

Credit risk exposures relating to financial assets recorded on the consolidated statement of financial position are as follows:

	2025	2024
Balances with central banks	7,971,126	7,746,907
Due from banks	5,796,109	2,488,250
Financing assets	138,481,616	125,274,016
Investment securities – debt type	58,680,158	51,599,360
	210,929,009	187,108,533

Other credit risk exposures

Guarantees	8,924,209	10,470,912
Unutilised financing facilities	9,384,918	8,434,271
Letters of credit	2,255,115	740,849
	20,564,242	19,646,032

The above tables represent a worse-case scenario of credit risk exposure to the Group, without taking account of any collateral held or other credit enhancements attached. For assets recorded on the consolidated statement of financial position, the exposures set out above are based on net carrying amounts as reported on the consolidated statement of financial position.

The maximum exposure to credit risk relating to a financial guarantee is the maximum amount the Group could have to pay if the guarantee is called upon. The maximum exposure to credit risk relating to a financing commitment is the full amount of the commitment. In both cases, the maximum risk exposure is significantly greater than the amount recognised as a liability in the consolidated statement of financial position.

(ii) Concentration of risks of financial assets with credit risk exposure

Geographical sectors

The following table breaks down the Group's credit exposure at their carrying amounts (without taking into account any collateral held or other credit enhancements attached), as categorised by geographical region and based on the country of domicile of its counterparties:

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4. FINANCIAL RISK MANAGEMENT (CONTINUED)

b) Credit risk (continued)

(ii) Concentration of risks of financial assets with credit risk exposure (continued)

31 December 2025 Assets recorded on the consolidated statement of financial position:	Qatar	Other GCC	Other Middle East	Others	Total
Balances with central banks	7,026,493	-	447,306	497,327	7,971,126
Due from banks	1,441,451	722,719	151,638	3,480,301	5,796,109
Financing assets	124,179,715	1,815,855	369,527	12,116,519	138,481,616
Investment securities – debt type	53,331,429	2,545,958	-	2,802,771	58,680,158
	185,979,088	5,084,532	968,471	18,896,918	210,929,009

31 December 2024 Assets recorded on the consolidated statement of financial position:	Qatar	Other GCC	Other Middle East	Others	Total
Balances with central banks	7,004,778	-	438,848	303,281	7,746,907
Due from banks	1,807,842	120,936	143,344	416,128	2,488,250
Financing assets	118,346,804	1,375,972	243,740	5,307,500	125,274,016
Investment securities – debt type	47,552,265	1,572,507	18,749	2,455,839	51,599,360
	174,711,689	3,069,415	844,681	8,482,748	187,108,533

31 December 2025 Off balance sheet items	Qatar	Other GCC	Other Middle East	Others	Total
Guarantees	6,508,415	2,067,282	110,013	238,499	8,924,209
Unutilised financing facilities	9,333,430	-	-	51,488	9,384,918
Letters of credit	749,876	-	-	1,505,239	2,255,115
	16,591,721	2,067,282	110,013	1,795,226	20,564,242

31 December 2024 Off balance sheet items	Qatar	Other GCC	Other Middle East	Others	Total
Guarantees	7,273,946	2,186,975	110,141	899,850	10,470,912
Unutilised financing facilities	8,430,617	-	-	3,654	8,434,271
Letters of credit	740,849	-	-	-	740,849
	16,445,412	2,186,975	110,141	903,504	19,646,032

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4. FINANCIAL RISK MANAGEMENT (CONTINUED)

b) Credit risk (continued)

(ii) Concentration of risks of financial assets with credit risk exposure (continued)

Industry sectors

An industry sector analysis of the Group's maximum exposure to credit risk for the components of the consolidated statement of financial position is shown below. The maximum exposure is shown net, before the effect of mitigation through the use of master netting and collateral agreements.

Funded and unfunded:	Net exposure 2025	Net exposure 2024
Government	75,341,112	63,581,862
Non-banking Financial Institutions	8,876,858	9,778,764
Industry	4,982,301	4,070,876
Commercial	20,147,421	14,760,907
Services	27,569,126	26,370,364
Contracting	5,257,120	5,359,577
Real estate	28,012,094	25,593,550
Retail	39,024,471	35,772,938
Others	1,718,506	1,819,695
Contingent liabilities	20,564,242	19,646,032
Total	231,493,251	206,754,565

The tables below presents an analysis of counterparties by rating agency designation:

Equivalent grades	2025	2024
AAA to AA-	78,006,212	68,593,488
A+ to A-	14,979,680	9,585,443
BBB to BBB-	102,359,949	98,274,414
BB+ to B-	25,923,682	22,286,133
Unrated	10,223,728	8,012,597
Total	231,493,251	206,752,075

(iii) Credit quality

The credit quality of financial assets is managed by Group using internal and external credit risk ratings. The Group follows an internal rating mechanism for grading relationship across its credit portfolio.

The Group utilises a scale ranging from 1 to 10 for credit relationship with 1 to 7 denoting performing grades, 8, 9 and 10 denoting non-performing. All credits are assigned a rating in accordance with defined criteria.

The Group endeavours continuously to improve upon internal credit risk rating methodologies and credit risk management policies and practices to reflect the true underlying credit risk of the portfolio and the credit culture in the Group. All financing relationships are reviewed at least once in a year and more frequently in case of non-performing assets.

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4. FINANCIAL RISK MANAGEMENT (CONTINUED)

b) Credit risk (continued) (iii) Credit quality (continued)

Credit quality analysis

The following table provides the details for the credit quality:

	2025					2024		
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Financing assets								
Performing (Grades 1 to 7)								
Gross amount	142,047,532	24,169,416	-	166,216,948	130,909,323	24,510,365	-	155,419,688
Deferred profit	(16,592,010)	(5,799,780)	-	(22,391,790)	(18,196,540)	(6,675,078)	-	(24,871,618)
Carrying amount	125,455,522	18,369,636	-	143,825,158	112,712,783	17,835,287	-	130,548,070
Non-performing (Grade 8 to 10)								
Gross amount	-	-	2,488,626	2,488,626	-	-	2,556,441	2,556,441
Deferred profit	-	-	(72,267)	(72,267)	-	-	(81,741)	(81,741)
Carrying amount	-	-	2,416,359	2,416,359	-	-	2,474,700	2,474,700
Allowance for impairment	(3,809,086)	(1,654,412)	(2,228,268)	(7,691,766)	(3,924,480)	(1,473,870)	(2,289,858)	(7,688,208)
Profit in suspense	-	-	(68,135)	(68,135)	-	-	(60,546)	(60,546)
Net carrying amount	121,646,436	16,715,224	119,956	138,481,616	108,788,303	16,361,417	124,296	125,274,016
Investment securities – Debt type (amortised cost)								
Performing (AAA to B- and NR)	55,897,312	-	-	55,897,312	49,140,002	-	-	49,140,002
Non-performing (CC+ to D)	-	-	41,629	41,629	-	-	41,629	41,629
Allowance for impairment	(455)	-	(40,493)	(40,948)	(943)	-	(40,493)	(41,436)
Carrying amount	55,896,857	-	1,136	55,897,993	49,139,059	-	1,136	49,140,195

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4. FINANCIAL RISK MANAGEMENT (CONTINUED)

b) Credit risk (continued) (iii) Credit quality (continued)

	2025				2024			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Due from central banks								
Performing (AAA to B- and NIR)	7,523,820	-	-	7,523,820	7,308,059	-	-	7,308,059
Non-performing (CC+ to D)	-	-	705,388	705,388	-	-	686,855	686,855
Allowance for impairment	7,523,820	-	705,388	8,229,208	7,308,059	-	686,855	7,994,914
Carrying amount	7,523,820	-	(258,082)	7,971,126	7,308,059	-	(248,007)	(248,007)
Due from banks								
Performing (AAA to B- and NIR)	5,791,564	4,646	-	5,796,210	2,480,415	7,965	-	2,488,380
Non-performing (CC+ to D)	-	-	19,597	19,597	-	-	19,665	19,665
Allowance for impairment	5,791,564	4,646	19,597	5,815,807	2,480,415	7,965	19,665	2,508,045
Carrying amount	(101)	-	(19,597)	(19,698)	(130)	-	(19,665)	(19,795)
Financing commitments and financial guarantee								
Performing (Grades 1 to 7)	19,128,592	1,289,024	-	20,417,616	18,055,194	1,424,145	-	19,479,339
Non-performing (Grade 8 to 10)	-	-	146,626	146,626	-	-	166,693	166,693
Allowance for impairment	19,128,592	1,289,024	146,626	20,564,242	18,055,194	1,424,145	166,693	19,646,032
Carrying amount	(3,889)	(2,653)	(82,825)	(89,367)	(2,508)	(7,455)	(102,224)	(112,187)
Carrying amount	19,124,703	1,286,371	63,801	20,474,875	18,052,686	1,416,690	64,469	19,533,845

4. FINANCIAL RISK MANAGEMENT (CONTINUED)

b) Credit risk (continued)

(iii) Credit quality (continued)

Cash and cash equivalents

The Group held cash and balances with central bank QAR 2,234 million at 31 December 2025 (2024: QAR 2,115 million). These balances are held with counterparties that are rated at least AA- to AA++, based on external rating agencies except QAR 643 million (2024: QAR 543 million) which is unrated.

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 deterioration in the quality of collateral held by the Group. In addition, there were no changes in collateral policies of the Group.

The fair value of the collateral held against credit-impaired financing assets as at 31 December 2025 is QAR 70.8 million (2024: QAR 165.9 million). The contractual amount of financial assets written off during the year, subject to enforcement activity as at 31 December 2025 is QAR 0.7 million (2024: QAR 195.1 million).

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.

(iv) Repossessed collateral

Repossession properties are sold as soon as practicable subject to market conditions and as per regulatory requirements. Repossessed properties are classified in the consolidated statement of financial position within other assets.

(v) Write-off policy

The Group writes off a financing asset or an investment in debt-type security balance, and any related allowances for impairment losses, when the Group determines that the financing asset or security is uncollectible and after QCB approval is obtained.

This determination is made after considering information such as the occurrence of significant changes in the financed counterparty's / issuer's financial position such that the financed counterparty/ issuer can no longer pay the obligation, or that proceeds from collateral will not be sufficient to pay back the entire exposure. For smaller balance standardised financing assets, write-off decisions generally are based on a product-specific past due status.

(vi) Inputs, assumptions and techniques used for estimating impairment

Significant increase in credit risk

When determining whether the risk of default on a financial instrument has increased significantly since initial recognition, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis including internal credit risk grading system, external risk ratings, where available, delinquency status of accounts, credit judgement and, where possible, relevant historical experience. The Group may also determine that an exposure has undergone a significant increase in credit risk based on particular qualitative indicators that it considers are indicative of such and whose effect may not otherwise be fully reflected in its quantitative analysis on a timely basis.

In determining whether credit risk has increased significantly since initial recognition following criteria are considered:

- i. Two notches downgrade for rating from 1 to 4 or one notch downgrade for ratings from 5 and 6
- ii. Facilities restructured during previous twelve months
- iii. Facilities overdue by more than 60 days as at the reporting date
- iv. Any other reason as per management discretion that evidence a significant increase in credit risk

4. FINANCIAL RISK MANAGEMENT (CONTINUED)

b) Credit risk (continued)

(vi) Inputs, assumptions and techniques used for estimating impairment (continued)

Credit risk grades

Credit risk grades are defined using qualitative and quantitative factors that are indicative of risk of default. These factors vary depending on the nature of the exposure and the type of financed counterparty. Exposures are subject to on-going monitoring, which may result in an exposure being moved to a different credit risk grade.

Generating the term structure of Probability of Default (PD)

The Group employs statistical models to analyse the data collected and generate estimates of PD of exposures and how these are expected to change as a result of the passage of time. This analysis includes the identification and calibration of relationships between changes in default rates and changes in key macro-economic factors, across various geographies in which the Group has exposures.

Renegotiated financial assets

The contractual terms of a financing may be modified for a number of reasons, including changing market conditions, customer retention and other factors not related to a current or potential credit deterioration of the customer. An existing financing whose terms have been modified may be derecognized and the renegotiated financing recognized as a new financing at fair value. Where possible, the Group seeks to restructure financing rather than to take possession of collateral, if available. This may involve extending the payment arrangements and documenting the agreement of new financing conditions. Management continuously reviews renegotiated financing to ensure that all criteria are met and that future payments are likely to occur.

The accounts which are restructured due to credit reasons in past 12 months will be classified under Stage 2.

Definition of default

The Group considers a financial asset to be in default when:

- the financed counterparty is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or

- the financed counterparty is past due more than 90 days on any material credit obligation to the Group.
- rated internally as 8, 9 or 10 corresponding to the Qatar Central Bank (QCB) categories of substandard, doubtful and loss, respectively.

In assessing whether a financed counterparty is in default, the Group considers indicators that are:

- quantitative – e.g. overdue status and non-payment on another obligation of the same issuer to the Group; and
- based on data developed internally and obtained from external sources.

Inputs into the assessment of whether a financial instrument is in default and their significance may vary over time to reflect changes in circumstances. The definition of default largely aligns with that applied by the Group for regulatory capital purposes.

Forward-looking information incorporated in the ECL models

The assessment of SICR and the calculation of ECL both incorporate forward-looking information. The Bank has performed historical correlation analysis and identified the key economic variables impacting credit risk and expected credit losses for each portfolio. These economic variable were tested for both direction of association and level of association with the Bank's own portfolio and market level default rates.

These economic variables and their associated impact on the PD, EAD and LGD vary by financial instruments. Forecasts of these economic variables (the "base economic scenario") are updated from the World Economic Outlook: IMF country data and economic forecast periodically published by US Energy Information Administration (EIA) and Qatar Central Bank, which provide the best estimate view of the economy and commodity prices over the coming one to five years. The macro-economic variable forecasts till remaining lifetime of the exposures post five years is obtained through time series analysis i.e. moving average/ mean reversion as applicable. The impact of these economic variables on the PD is obtained by using the Merton-Vasicek structural model for all the portfolios.

4. FINANCIAL RISK MANAGEMENT (CONTINUED)

b) Credit risk (continued)

(vi) Inputs, assumptions and techniques used for estimating impairment (continued)

Forward-looking information incorporated in the ECL models (continued)

The Bank has considered the effect of the probable uncertainties due to the geopolitical conflicts and global profit rates surge through the stressed scenario construction and weights. The Bank has used latest economic forecasts published in October 2025, which includes the continued impact of economic contraction globally due to the rising inflation. The outlook for Qatar remains positive and growth is expected to continue in a robust manner over the next 5 years. The management continues to maintain a cautious outlook and the cumulative probability of all the plausible downturn scenario considering the Base forecast as the starting point has been considered as the probability weight of the stressed scenario to address worries of economic downturn.

In addition to the base economic scenario, the Bank's Credit risk team also provide other possible scenarios along with scenario weightings. The number of other scenarios used is set based on the analysis of each major product type to ensure plausible events are captured. The number of scenarios and their attributes are reassessed at each reporting date. At 31 December 2025, for all portfolios, the Bank has considered three scenarios that appropriately captures the uncertainties in the macro-economic forecasts i.e. Base scenario: considering the published macro-economic forecasts, improved scenario and stressed scenario: considering the long term observed volatility in macro-economic forecast. The scenario weightings are determined by a combination of statistical analysis, taking account of the range of possible outcomes each chosen scenario is representative of. The scenario weights considered for the ECL calculation as of 31 December 2025 are Base Scenario: 50-70%, Improved Scenario: 13-27% and Stressed Scenario: 8-23%. The assessment of SICR is performed based on credit risk assessment following QCB IFRS 9 guidelines

to determine whether the financial instrument is in Stage 1, Stage 2, or Stage 3 and whether 12-month or lifetime ECL should be recorded. Following this assessment, the Bank measures ECL as either a 12-month ECL (Stage 1) or lifetime ECL (Stage 2).

As with any economic forecasts, the likelihoods of the Base forecast are subject to a high degree of inherent uncertainty and therefore the actual outcomes may be significantly different to those projected. The Bank considers these forecasts to represent its best estimate of the possible outcomes and the scenarios are considered to be capturing the uncertainties in the Base forecast.

Economic variable assumptions

The most significant period-end forecasts used for the ECL estimate as at 31 December 2025 were average Oil prices (2026-2027: \$84.6/Barrel), Percentage of Private Sector Credit Concentration (2026-27: 67.8%) and Percentage Change in Volume of Export (2026-27: 7.53%)

Measurement of ECL

The key inputs into the measurement of ECL are the term structure of the following variables:

- Probability of Default (PD);
- Loss Given Default (LGD);
- Exposure At Default (EAD).

These parameters are generally derived from internally developed statistical models and other historical data. They are adjusted to reflect forward-looking information as described above.

PD estimates are estimates at a certain date, which are calculated based on statistical rating models. These statistical models are based on internally compiled data comprising both quantitative and qualitative factors and are supplemented by external PD data where available.

4. FINANCIAL RISK MANAGEMENT (CONTINUED)

b) Credit risk (continued)

(vi) Inputs, assumptions and techniques used for estimating impairment (continued)

Economic variable assumptions (continued)

Measurement of ECL (continued)

LGD is the magnitude of the likely loss if there is a default. The Group estimates LGD parameters based on the history of recovery rates of claims against defaulted counterparties. 50% LGD used is in line with BCBS (Basel Committee) suggested unsecured LGD of 45%. The LGD models consider forecasted collateral values for Real Estate collateral class and the bank assumes that the high haircut percentages applied to collateral values as per QCB is compensating of any other factors affecting LGD as discount factor, recovery or administrative costs.

EAD represents the expected exposure in the event of a default. The Group derives the EAD from the current exposure to the counterparty and potential changes to the current amount allowed under the contract including amortisation. The EAD of a financial asset is its gross carrying amount. For lending commitments and financial guarantees, the EAD includes the amount drawn, as well as potential future amounts that may be drawn under the contract, which are estimated based on historical observations and forward-looking forecasts.

Loss allowance

The following tables show reconciliations from the opening to the closing balance of the loss allowance by class of financial instruments. Comparative amounts represent allowance account for credit losses and reflect measurement basis under relevant FAS.

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4. FINANCIAL RISK MANAGEMENT (CONTINUED)

b) Credit risk (continued)

Loss allowance

	2025			2024				
	Stage 1	Stage 2	Stage 3	Total ECL	Stage 1	Stage 2	Stage 3	Total ECL
Financing assets (including profit in suspense)								
Balance at 1 January	3,924,480	1,473,870	2,350,404	7,748,754	3,966,408	1,226,864	1,897,433	7,090,705
Transfers to Stage 1	2,068	(2,068)	-	-	53,642	(53,642)	-	-
Transfers to Stage 2	(7,283)	30,875	(23,592)	-	(6,900)	41,674	(34,774)	-
Transfers to Stage 3	(1,782)	(10,413)	12,195	-	(2,541)	(104,338)	106,879	-
Impairment allowance for the year, net	(108,722)	161,331	58,286	110,895	(84,956)	363,476	575,930	854,450
Amounts written off	-	-	(728)	(728)	-	-	(195,064)	(195,064)
Foreign currency adjustments and other reclassifications	325	817	(100,162)	(99,020)	(1,173)	(164)	-	(1,337)
Balance at 31 December	3,809,086	1,654,412	2,296,403	7,759,901	3,924,480	1,473,870	2,350,404	7,748,754
Debt type investments carried at amortised cost								
Balance at 1 January	943	-	40,493	41,436	1,247	-	104,270	105,517
Impairment (reversal) / allowance for the year, net	(488)	-	-	(488)	(256)	-	1,966	1,710
Classified under assets held for sale	-	-	-	-	(48)	-	(65,743)	(65,791)
Balance at 31 December	455	-	40,493	40,948	943	-	40,493	41,436

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As at and for the year ended 31 December 2025

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4. FINANCIAL RISK MANAGEMENT (CONTINUED)

b) Credit risk (continued)

Loss allowance (continued)

<i>Due from central banks</i>	2025				2024			
	Stage 1	Stage 2	Stage 3	Total ECL	Stage 1	Stage 2	Stage 3	Total ECL
Balance at 1 January	-	-	248,007	248,007	-	-	237,572	237,572
Impairment allowance for the year, net	-	-	10,075	10,075	-	-	10,435	10,435
Balance at 31 December	-	-	258,082	258,082	-	-	248,007	248,007

<i>Due from banks</i>	2025				2024			
	Stage 1	Stage 2	Stage 3	Total ECL	Stage 1	Stage 2	Stage 3	Total ECL
Balance at 1 January	130	-	19,665	19,795	117	-	19,665	19,782
Impairment (reversal) / allowance for the year, net	(21)	-	(67)	(88)	13	-	-	13
Foreign currency translation & other adjustments	(8)	-	(1)	(9)	-	-	-	-
Balance at 31 December	101	-	19,597	19,698	130	-	19,665	19,795

<i>Off balance sheet exposures subject to credit risk</i>	2025				2024			
	Stage 1	Stage 2	Stage 3	Total ECL	Stage 1	Stage 2	Stage 3	Total ECL
Balance at 1 January	2,508	7,455	102,224	112,187	4,006	23,752	53,762	81,520
Transfers to Stage 1	-	-	-	-	2	(2)	-	-
Transfers to Stage 2	-	-	-	-	(2)	2	-	-
Transfers to Stage 3	-	-	-	-	-	(1,578)	1,578	-
(Reversal)/ impairment allowance for the year, net	1,381	(4,802)	(19,399)	(22,820)	(1,498)	(14,719)	46,884	30,667
Balance at 31 December	3,889	2,653	82,825	89,367	2,508	7,455	102,224	112,187

4. FINANCIAL RISK MANAGEMENT (CONTINUED)

c) 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.

(i) 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.

The Liquidity Coverage Ratio (LCR) computed as per QCB guidelines is 432.6% (2024: 278.7%)

(ii) 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 fundings 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.

(iii) Maturity analysis

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

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As at and for the year ended 31 December 2025

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4. FINANCIAL RISK MANAGEMENT (CONTINUED)

c) Liquidity risk (continued)

(iii) Maturity analysis (continued)

2025	Up to 3 months	3 to 6 months	6 months to 1 year	1 to 3 years	Over 3 years	Total
Cash and balances with central banks	2,234,420	43,158	-	7,091	6,686,776	8,971,445
Due from banks	5,761,712	-	32,274	2,123	-	5,796,109
Financing assets	7,241,195	5,569,184	18,478,850	23,999,474	83,192,913	138,481,616
Investment securities	1,447,406	7,625,145	18,270,865	8,446,525	24,459,072	60,249,013
Investment in associates	-	-	-	-	2,133,528	2,133,528
Investment properties	-	-	-	-	3,329,839	3,329,839
Fixed assets	299	1,449	3,918	45,747	524,744	576,157
Other assets	202,628	117	18,825	579,211	712,290	1,513,071
Total assets	16,887,660	13,239,053	36,804,732	33,080,171	121,039,162	221,050,778

Liabilities and Quasi-Equity

Liabilities

Due to banks	6,497,981	1,788,302	2,192,941	12,803,461	725,306	24,007,991
Customers' current accounts	17,219,483	-	-	-	-	17,219,483
Sukuk financing	86,077	-	171,881	4,750,000	6,066,278	11,074,236
Other liabilities	2,221,148	8,560	6,215,155	584,534	464,082	9,493,479
Total Liabilities	26,024,689	1,796,862	8,579,977	18,137,995	7,255,666	61,795,189
Quasi-Equity	63,032,307	15,021,502	29,075,014	7,273,396	11,104,922	125,507,141
Total Liabilities and Quasi-Equity	89,056,996	16,818,364	37,654,991	25,411,391	18,360,588	187,302,330
Maturity gap	(72,169,336)	(3,579,311)	(850,259)	7,668,780	102,678,574	33,748,448

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at and for the year ended 31 December 2025

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4. FINANCIAL RISK MANAGEMENT (CONTINUED)

c) Liquidity risk (continued)

(iii) Maturity analysis (continued)

2024	Up to 3 months	3 to 6 months	6 months to 1 year	1 to 3 years	Over 3 years	Total
Cash and balances with central banks	2,270,158	23,906	-	-	6,389,002	8,683,066
Due from banks	2,476,013	12,237	-	-	-	2,488,250
Financing assets	8,958,159	7,612,789	10,956,025	19,510,093	78,236,950	125,274,016
Investment securities	1,206,005	644,253	3,283,140	24,514,180	23,360,668	53,008,246
Investment in associates	-	-	-	-	1,100,365	1,100,365
Investment properties	-	-	-	-	2,467,793	2,467,793
Fixed assets	114	3,018	10,046	128,027	214,648	355,853
Other assets	322,579	1,956	26,905	117,473	1,745,229	2,214,142
Assets held for sale	-	-	5,188,045	-	-	5,188,045
Total assets	15,233,028	8,298,159	19,464,161	44,269,773	113,514,655	200,779,776

Liabilities and Quasi-Equity

Liabilities

Due to banks	10,991,894	1,462,986	487,870	8,711,291	2,363,142	24,017,183
Customers' current accounts	16,429,048	-	-	-	-	16,429,048
Sukuk financing	3,930,942	-	3,276,000	164,578	6,370,000	13,741,520
Other liabilities	1,695,254	1,477	85,447	84,435	959,131	2,825,744
Liabilities directly associated with assets held for sale	-	-	3,429,799	-	-	3,429,799
Total Liabilities	33,047,138	1,464,463	7,279,116	8,960,304	9,692,273	60,443,294
Quasi-Equity	49,644,447	19,207,556	29,134,304	6,656,520	3,922,811	108,565,638
Total Liabilities and Quasi-Equity	82,691,585	20,672,019	36,413,420	15,616,824	13,615,084	169,008,932
Maturity gap	(67,458,557)	(12,373,860)	(16,949,259)	28,652,949	99,899,571	31,770,844

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As at and for the year ended 31 December 2025

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4. FINANCIAL RISK MANAGEMENT (CONTINUED)

c) Liquidity risk (continued)

(iii) Maturity analysis (continued)

Maturity analysis of undiscounted cashflows

2025	Carrying amount	Gross undiscounted cashflows	Up to 3 months	3 to 6 months	6 months to 1 year	1 to 3 years	Over 3 years
Non-derivative financial liabilities							
Due to banks	24,007,991	25,536,308	6,686,273	1,945,865	2,478,325	13,677,839	748,006
Customers' current accounts	17,219,483	17,219,483	17,219,483	-	-	-	-
Sukuk financing	11,074,236	12,939,684	92,610	176,413	448,226	5,799,455	6,422,980
Other liabilities	9,493,479	9,493,477	2,221,148	8,560	6,215,155	584,533	464,081
Total liabilities	61,795,189	65,188,952	26,219,514	2,130,838	9,141,706	20,061,827	7,635,067
Quasi-Equity	125,507,141	133,241,909	64,452,690	15,594,864	31,127,141	8,553,568	13,513,646
	187,302,330	198,430,861	90,672,204	17,725,702	40,268,847	28,615,395	21,148,713

2024	Carrying amount	Gross undiscounted cashflows	Up to 3 months	3 to 6 months	6 months to 1 year	1 to 3 years	Over 3 years
Non-derivative financial liabilities							
Due to banks	24,017,183	25,328,787	11,178,157	1,626,856	728,804	9,313,678	2,481,292
Customers' current accounts	16,429,048	16,429,048	16,429,048	-	-	-	-
Sukuk financing	13,741,520	18,232,884	3,945,137	1,580,377	728,804	9,313,678	2,664,888
Other liabilities	2,825,744	2,825,744	1,695,253	1,477	85,447	84,435	959,132
Liabilities directly associated with assets held for sale	3,429,799	3,429,799	844,823	37,209	40,650	1,586,053	921,064
Total liabilities	60,443,294	66,246,262	34,092,418	3,245,919	1,583,705	20,297,844	7,026,376
Quasi-Equity	108,565,638	114,908,744	51,116,714	20,235,728	31,167,630	7,481,263	4,907,409
	169,008,932	181,155,006	85,209,132	23,481,647	32,751,335	27,779,107	11,933,785

4. FINANCIAL RISK MANAGEMENT (CONTINUED)

d) Market risks

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.

(i) Management of market risks

Overall authority for market risk is vested in ALCO. Group Market Risk Department is responsible for the development of detailed market risk management policies (subject to review and approval by ALCO/ BoD) and for the day-to-day management of all market risks. The main objective of the Market Risk Management is identification, classification measurement, assessment and controlling the market risk in a prudent way to ensure safeguarding interests of all shareholders. The Group views market risk management as a core competency and its purpose is not to neutralise market risks, but rather maximize risk/return trade-offs within clearly defined limits. The existence of market risk requires the measurement of the magnitude of the exposure. This measure is an essential precursor to the management of the risk that takes the form of either reducing the exposure through hedging or maintaining sufficient capital to protect the Group from the risk of operational capacity impairment.

(ii) Exposure to market risks – trading portfolios

The principal tool used to measure and control market risk exposure within the Group's trading portfolios is Value at Risk (VaR). The VaR of a trading portfolio is the estimated loss that will arise on the portfolio over a specified period of time (holding period) from an adverse market movement with a specified probability (confidence level). The VaR model used by the Group is based upon a 99 percent confidence level and assumes a 10-day holding period. The VaR model used is based on historical simulation. Taking account of market data from the previous three years, and observed relationships between different markets and prices, the model generates a wide range of plausible future scenarios for market price movements.

Although VaR is an important tool for measuring market risk, the assumptions on which the model is based do give rise to some limitations, including the following:

- A 10-day holding period assumes that it is possible to hedge or dispose of positions within that period. This may not be the case for certain highly illiquid assets or in situations in which there is severe general market illiquidity.
- A 99 percent confidence level does not reflect losses that may occur beyond this level. Even within the model used there is a one percent probability that losses could exceed the VaR.
- VaR is calculated on an end-of-day basis and does not reflect exposures that may arise on positions during the trading day.
- The use of historical data as a basis for determining the possible range of future outcomes may not always cover all possible scenarios, especially those of an exceptional nature.

The overall structure of VaR limits is subject to review and approval by ALCO. VaR limits are allocated to trading portfolios. VaR is monitored and reported daily to the Senior Management.

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4. FINANCIAL RISK MANAGEMENT (CONTINUED)

d) Market risks (continued)

(ii) Exposure to market risks – trading portfolios (continued)

A summary of the VaR position of the Group's trading portfolios at 31 December and during the year is as follows:

	At 31 December	Average	Maximum	Minimum
2025				
Equity price risk 10-day VaR @99%	23,859	20,076	24,968	15,670
2024				
Equity price risk 10-day VaR @99%	19,324	17,892	24,604	13,637

The limitations of the VaR methodology are recognised by supplementing VaR limits with other position and sensitivity limit structures, including limits to address potential concentration risks within each trading portfolio. In addition, the Group uses a wide range of stress tests to model the financial impact of a variety of exceptional market scenarios, such as periods of prolonged market illiquidity, on individual trading portfolios and the Group's overall position.

(iii) Exposure to profit rate risk – non-trading portfolios

The principal risk to which non-trading portfolios are exposed is the risk of loss from fluctuations in the future cash flows or fair values of financial instruments because of a change in market profit rates. Profit rate risk is managed principally through monitoring profit rate gaps and by having pre-approved limits for repricing bands. ALCO is the monitoring body for compliance with these limits and is assisted by Group Market Risk Treasury in its day-to-day monitoring activities.

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4. FINANCIAL RISK MANAGEMENT (CONTINUED)

d) Market risks (continued)

(iii) Exposure to profit rate risk – non-trading portfolios (continued)

A summary of the Group's profit rate gap position on non-trading portfolios is as follows:

Repricing in:

2025	Carrying amount	Less than 3 months	3-12 months	1-5 years	More than 5 years	Non-profit sensitive	Effective profit rate
Cash and balances with central banks	8,971,445	2,234,420	43,158	79,891	-	6,613,976	-
Due from banks	5,796,109	2,443,745	32,274	2,124	-	3,317,966	3.61%
Financing assets	138,481,616	76,554,233	43,377,875	10,788,641	1,604,631	6,156,236	6.15%
Investment securities	60,249,013	10,875,272	32,783,862	14,754,186	1,136,396	699,297	4.86%
	213,498,183	92,107,670	76,237,169	25,624,842	2,741,027	16,787,475	-
Due to banks	24,007,991	23,562,288	399,616	46,087	-	-	4.83%
Sukuk financing	11,074,236	86,077	171,881	10,816,278	-	-	4.97%
	35,082,227	23,648,365	571,497	10,862,365	-	-	-
Quasi-Equity	125,507,141	63,031,188	51,377,636	11,000,785	97,532	-	3.69%
Profit rate sensitivity gap	160,589,368	86,679,553	51,949,133	21,863,150	97,532	-	-
Cumulative profit rate sensitivity gap	52,908,815	5,428,117	24,288,036	3,761,692	2,643,495	16,787,475	-
	-	52,908,815	47,480,698	23,192,662	19,430,970	16,787,475	-

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4. FINANCIAL RISK MANAGEMENT (CONTINUED)

d) Market risks (continued)

(iii) Exposure to profit rate risk - non-trading portfolios (continued)

Repricing in:

2024	Carrying amount	Less than 3 months	3-12 months	1-5 years	More than 5 years	Non-profit sensitive	Effective profit rate
Cash and balances with central banks	8,683,066	2,267,894	23,906	25,481	-	6,365,785	-
Due from banks	2,488,250	2,170,938	12,237	-	-	305,075	4.34%
Financing assets	125,274,016	70,932,765	43,117,420	9,722,901	1,469,781	31,149	6.88%
Investment securities	53,008,246	11,033,080	19,640,852	21,204,107	650,992	479,215	4.99%
	189,453,578	86,404,677	62,794,415	30,952,489	2,120,773	7,181,224	-
Due to banks	24,017,183	23,477,278	494,856	45,049	-	-	5.03%
Sukuk financing	13,741,520	3,930,942	3,276,000	6,534,578	-	-	3.70%
	37,758,703	27,408,220	3,770,856	6,579,627	-	-	-
Quasi-Equity	108,565,638	49,644,447	48,884,084	10,025,865	11,242	-	4.36%
	146,324,341	77,052,667	52,654,940	16,605,492	11,242	-	-
Profit rate sensitivity gap	43,129,237	9,352,010	10,139,475	14,346,997	2,109,531	7,181,224	-
Cumulative profit rate sensitivity gap	-	43,129,237	33,777,227	23,637,752	9,290,755	7,181,224	-

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4. FINANCIAL RISK MANAGEMENT (CONTINUED)

d) Market risks (continued)

(iii) Exposure to profit rate risk – non-trading portfolios (continued)

Sensitivity analysis

The management of profit rate risk against profit rate gap limits is supplemented by monitoring the sensitivity of the Group's financial assets and liabilities to various standard and non - standard profit rate scenarios. Standard scenarios that are considered on a monthly basis include a 100 basis point (bp) parallel fall or rise in all yield curves worldwide and a 50 bp rise or fall in the greater than 12-month portion of all yield curves. An analysis of the Group's sensitivity to an increase or decrease in market profit rates, assuming no asymmetrical movement in yield curves and a constant financial position, is as follows:

Sensitivity of net profit	100 bp parallel increase	100 bp parallel decrease
2025		
At 31 December	275.66 million	(275.66 million)
2024		
At 31 December	205.7 million	(205.7 million)

Overall non-trading profit rate risk positions are managed by Group Treasury, which uses financial investments, advances to banks, deposits from banks and risk management instruments to manage the overall position arising from the Group's non-trading activities. The use of risk management instruments to manage profit rate risk.

(iv) Exposure to other market risks – non-trading portfolios

Foreign currency transactions

The result of structural foreign exchange positions on the Group's net investments in foreign subsidiaries and branches is recognised in equity. The Group's policy is only to hedge such exposures when not doing so would have a significant impact on the regulatory capital ratios of the Group and its subsidiaries.

The result of this policy is that hedging generally only becomes necessary when the ratio of structural exposures in a particular currency to risk-weighted assets denominated in that currency diverges significantly from the capital ratio of the entity being considered. In addition to monitoring VaR in respect of foreign currency, the Group monitors any concentration risk in relation to any individual currency in regard to the translation of foreign currency transactions and monetary assets and liabilities into the respective functional currency of Group entities, and with regard to the translation of foreign operations into the presentation currency of the Group.

Net Open currency exposure as at 31 December in QAR '000

Net foreign currency exposure:	2025	2024
Sterling Pounds	362	474
USD	(17,541,313)	(16,092,920)
Euro	7,883	5,750
Other currencies	47,533	51,713

The exchange rate of QAR against US Dollar has been pegged and the Group's exposure to currency risk is limited to that extent. The Group uses Shari'a compliant forward contracts to mitigate the other currency risks.

The table below indicates the effect of a reasonably possible movement of the currency rate against the QAR on the net profit for the year, with all other variables held constant:

	Increase / (decrease)	
5% change in currency exchange rate	2025	2024
Sterling Pounds	18	24
USD	(877,066)	(804,646)
Euro	394	288
Other currencies	2,377	2,586

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4. FINANCIAL RISK MANAGEMENT (CONTINUED)

d) Market risks (continued)

(iv) Exposure to other market risks – non-trading portfolios (continued)

Equity price risk

Equity price risk is the risk that the fair value of equities decreases as a result of changes in the level of equity indices and individual stocks. The non-trading equity price risk exposure arises from equity securities classified as fair value through income statement and fair value through other comprehensive income.

The Group is also exposed to equity price risk and the sensitivity analysis thereof is as follows:

Market Indices	Change in equity price %	Effect on equity		Effect on profit and loss	
		2025	2024	2025	2024
Qatar Exchange	+/- 10%	25,443	13,480	35,674	26,333
Bahrain Stock Exchange	+/- 10%	1,571	809	-	-
London Stock Exchange	+/- 10%	86,798	85,165	-	-
Vienna Stock Exchange	+/- 10%	110,552	110,094	-	-

The above analysis has been prepared on the assumption that all other variables such as profit rate, foreign exchange rate, etc are held constant and is based on historical correlation of the equity securities to the relevant index. Actual movement may be different from the one stated above.

e) Operational risks

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;
- Real time Fraud Monitoring system to detect and prevent fraudulent attempts
- 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.

**4. FINANCIAL RISK MANAGEMENT
(CONTINUED)**

f) Compliance Risk

Compliance risk encompasses regulatory and legal compliance risk. Compliance risk is the risk that the Group incurs financial or reputational risk through imposition of penalties or fines as a result of not adhering to applicable laws, rules and regulations and good market practice (including ethical standards). The Group's compliance function proactively seeks to enhance compliance risk management and the supporting control framework. The Group operates in a market where there is a significant level of regulatory change activity, therefore, compliance risk is a key area of focus for Senior Management. The compliance function monitors this risk through reference to metrics relevant to the Group, review of incident reports and assessments, risk and control assessments pertaining to the first and second lines of defence functions, results of regulatory assessments, and review of results internal audit and external audit reports. Remediation of controls is conducted in a timely manner.

g) Capital management

Regulatory capital

The Group's policy is to maintain a strong capital base so as to ensure investor, creditor and market confidence and to sustain future development of the business. The impact of the level of capital on shareholders' return is also recognised and the Group recognises the need to maintain a balance between the higher returns that might be possible with greater gearing and the advantages and security afforded by a sound capital position.

The Group and its individually regulated operations have complied with all externally imposed capital requirements throughout the year.

As per Qatar Central Bank regulations, the Group has calculated the capital adequacy ratios in accordance with the new Basel III guidelines starting from the period ended 31 March 2024. 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 Group's regulatory capital position under Basel III and QCB regulations at 31 December was as follows:

	2025	2024
	Basel III	Basel III
Common Equity Tier 1 (CET 1) Capital	28,448,198	25,921,175
Tier 1 capital	32,448,198	29,975,566
Tier 2 capital	1,715,759	1,759,534
Total regulatory capital	34,163,957	31,735,100

Risk weighted assets	2025	2024
	Basel III	Basel III
Risk weighted assets for credit risk	133,512,964	132,718,248
Risk weighted assets for market risk	10,584,769	9,776,967
Risk weighted assets for operational risk	9,836,885	9,272,885
Total risk weighted assets	153,934,618	151,768,100
Regulatory capital	34,163,957	31,735,100
Common equity tier 1 (CET 1) ratio	18.5%	17.1%
Total capital adequacy ratio	22.2%	20.9%

The minimum requirements for Capital Adequacy Ratio under Basel III as per QCB regulations for the year ended 31 December 2025 are as follows:

	Actual	Minimum limit as per QCB
CET 1 ratio without capital conservation buffer	18.5%	6.00%
CET 1 ratio including capital conservation buffer	18.5%	8.50%
Tier 1 capital ratio including capital conservation buffer	21.1%	10.50%
Total capital ratio including capital conservation buffer	22.2%	12.50%
Total capital including capital conservation buffer and domestic systematic important bank buffer	22.2%	13.00%
Total capital including conservation buffer, domestic systematic important bank buffer and ICAAP Pillar II capital charge	22.2%	15.03%

5. USE OF ESTIMATES AND JUDGMENTS

(a) Key sources of estimation uncertainty

The Group makes estimates and assumptions that affect the reported amounts of assets and liabilities. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

i. Allowance for credit losses

Assessment of whether credit risk on the financial asset has increased significantly since initial recognition and incorporation of forward-looking information in the measurement of ECL, refer to note 4 (b) (vi) Inputs, assumptions and techniques used for estimating impairment for more information.

ii. Determining fair values

The determination of fair value for financial assets and liabilities for which there is no observable market price requires the use of valuation techniques. For financial instruments that trade infrequently and have little price transparency, fair value is less objective, and requires varying degrees of judgement depending on liquidity, concentration, uncertainty of market factors, pricing assumptions and other risks affecting the specific instrument.

Fair value is determined for each investment individually in accordance with the general valuation policies as set out below;

- i. For quoted investments, the fair value is determined by reference to quoted market bid prices at close of business on the reporting date.
- ii. For unquoted investments, the fair value is determined by reference to recent significant buy or sell transactions with third parties that are either completed or are in progress. Where no recent significant transactions have been completed or are in progress, fair value is determined by reference to the current market value of similar investments. For others, the fair value is based on the net present value of estimated future cash flows, or other relevant valuation method.
- iii. For investments that have fixed or determinable cash flows, fair value is based on the net present value of estimated future cash flows determined by the Group using current profit rates for investments with similar terms and risk characteristics.

- iv. Investments, which cannot be measured to fair value using any of the above techniques, are carried at cost less impairment.

(b) Critical accounting judgements in applying the Group's accounting policies

i. Valuation of financial instruments

The Group's accounting policy on fair value measurements is discussed in the material accounting policy information section. The Group measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

- Level 1: Quoted market price (unadjusted) in an active market for an identical instrument.
- 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; or other valuation techniques where all significant inputs are directly or indirectly observable from market data.
- 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.

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5. USE OF ESTIMATES AND JUDGMENTS (CONTINUED)

(b) Critical accounting judgements in applying the Group's accounting policies (continued)

i. Valuation of financial instruments (continued)

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.

The Group has also considered potential impacts of the current economic volatility in determination of the reported amounts of the Group's financial and non-financial assets and these are considered to represent management's best assessment based on available or observable information. Markets however remain volatile and the recorded amounts remain sensitive to market fluctuations.

ii. Financial asset and liability classification

The table below analyses financial instrument measured at fair value at the end of the year, by the level in the fair value hierarchy into which the fair value measurements categorised:

2025	Fair value measurement using			
	Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Shari'a compliant risk management instruments (assets)	52,096	-	52,096	-
Investments 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	-

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5. USE OF ESTIMATES AND JUDGMENTS (CONTINUED)

(b) Critical accounting judgements in applying the Group's accounting policies (continued)

ii. Financial asset and liability classification (continued)

2024	Fair value measurement using			
	Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Shari'a compliant risk management instruments (assets)	26,291	-	26,291	-
Investments securities				
Quoted equity-type classified as FVTIS	263,334	263,334	-	-
Unquoted debt-type classified as FVTIS	638,145	-	638,145	-
Quoted equity-type classified as FVTOCI	1,034,075	1,034,075	-	-
Unquoted equity-type classified as FVTOCI	111,477	-	36,914	74,563
Quoted debt-type investments classified as FVTOCI	1,100,944	-	1,100,944	-
Unquoted debt-type investments classified as FVTOCI	720,076	-	720,076	-
Assets held for sale	3,443,412	373,862	826,295	2,243,255
Shari'a compliant risk management instruments (liabilities)	374,526	-	374,526	-

FVTIS - Fair value through income statement

FVTOCI - Fair value through other comprehensive income

The fair value of financial assets and liabilities carried at amortised cost are equal to the carrying value, hence, not included in the fair value hierarchy table, except for investment securities carried at amortised cost for which the fair value amounts to QAR 3,240 million (2024: QAR 1,589 million), which is derived using level 1 fair value hierarchy. The details of the Group's classification of financial assets and liabilities are disclosed in note 7.

During the years ended 2025 and 2024, there were no transfers between level 1 and level 2 fair value measurements, and no transfers into and out of level 3 fair value measurement.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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5. USE OF ESTIMATES AND JUDGMENTS (CONTINUED)

(b) Critical accounting judgements in applying the Group's accounting policies (continued)

ii. Financial asset and liability classification (continued)

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 2025	Total (loss) / gain recorded in consolidated income statement/ equity	Purchases	Sales/ transfers	At 31 December 2025
Equity investments					
at FVTOCI	74,563	-	-	(562)	74,001
	74,563	-	-	(562)	74,001

	At 1 January 2024	Total (loss) / gain recorded in consolidated income statement/ equity	Purchases	Sales/ transfers	At 31 December 2024
Equity investments					
at FVTOCI	410,622	-	-	(336,059)	74,563
at FVTIS	1,270,314	-	-	(1,270,314)	-
Financing assets classified as FVTIS	452,317	-	-	(452,317)	-
	2,133,253	-	-	(2,058,690)	74,563

5. USE OF ESTIMATES AND JUDGMENTS (CONTINUED)

(b) Critical accounting judgements in applying the Group's accounting policies (continued)

iii. Useful lives of intangible assets

The Group's management determines the estimated useful life of its intangible assets for calculating amortisation. This estimate is determined after considering the expected economic benefits to be received from the use of intangible assets.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

iv. Useful lives of property and equipment

The Group's management determines the estimated useful life of property and equipment for calculating depreciation. This estimate is determined after considering the expected usage of the asset, physical wear and tear and technical or commercial obsolescence.

v. Impairment of non-financial assets

The Group assesses whether there are any indicators of impairment for all non-financial assets at each reporting date. All non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable. When value in use calculations are undertaken, management must estimate the expected future cash flows from the asset and choose a suitable discount rate in order to calculate the present value of those cash flows.

6. 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 monthly basis. The following summary describes the operations in each of the Group's reportable segments.

Corporate banking Includes services offered to institutional investors, corporates, small and medium enterprises, financial institutions and investment vehicles.

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.

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6. OPERATING SEGMENTS (CONTINUED)

Information about operating segments

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

2025	Corporate banking	Personal banking	Group function	Local & international subsidiaries	Unallocated	Total
External revenue:						
Total income from financing and investing activities	7,509,612	2,371,930	37,123	387,204	-	10,305,869
Net fee and commission income	280,700	462,481	148,084	12,676	-	903,941
Net foreign exchange gain	-	-	48,014	11,647	-	59,661
Share of results of associates	-	-	79,872	4,018	-	83,890
Other income	-	-	12,084	1,832	-	13,916
Total income	7,790,312	2,834,411	325,177	417,377	-	11,367,277
Net profit attributable to quasi-equity holders	(2,604,877)	(1,337,411)	(562,436)	(223,294)	-	(4,728,018)
Inter segment (cost) / revenue	(3,021,479)	944,040	2,077,439	-	-	-
Reportable segment net profit after tax	1,760,490	1,916,614	1,596,382	97,095	(540,400)	4,830,181
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

2024	Corporate banking	Personal banking	Group function	Local & international subsidiaries	Total
External revenue:					
Total income from financing and investing activities	7,962,318	2,223,200	12,580	520,705	10,718,803
Net fee and commission income	313,551	396,784	145,253	11,762	867,350
Net foreign exchange gain	-	-	49,490	44,575	94,065
Share of results of associates	-	-	59,552	6,935	66,487
Other income	-	-	-	2,577	2,577
Total income	8,275,869	2,619,984	266,875	586,554	11,749,282
Net profit attributable to quasi-equity holders	(2,796,236)	(1,427,455)	(543,224)	(221,423)	(4,988,338)
Inter segment (cost) / revenue	(2,904,258)	929,352	1,974,906	-	-
Reportable segment net profit after tax	1,517,555	1,470,037	1,577,352	34,968	4,599,912
Reportable segment assets	123,210,196	28,767,736	41,417,143	7,384,701	200,779,776
Reportable segment liabilities and Quasi-equity	61,423,711	57,395,208	42,753,106	7,436,907	169,008,932

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7. FAIR VALUE AND CLASSIFICATION OF FINANCIAL INSTRUMENTS

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

2025	Fair value through other comprehensive income	Fair value through income statement	Amortised cost	Total carrying amount	Fair value
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
Financing assets	-	-	138,481,616	138,481,616	138,481,616
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	209,385,547	213,736,567	213,759,435
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

2024	Fair value through other comprehensive income	Fair value through income statement	Amortised cost	Total carrying amount	Fair value
Cash and balances with central banks	-	-	8,683,066	8,683,066	8,683,066
Due from banks	-	-	2,488,250	2,488,250	2,488,250
Financing assets	-	-	125,274,016	125,274,016	125,274,016
Investment securities:					
- Equity type instruments	1,145,552	263,334	-	1,408,886	1,408,886
- Debt type instruments	1,821,020	638,145	49,140,195	51,599,360	51,615,756
Other assets	-	-	222,067	222,067	222,067
Assets held for sale	-	-	5,188,045	5,188,045	5,188,045
	2,966,572	901,479	190,995,639	194,863,690	194,880,086
Due to banks	-	-	24,017,183	24,017,183	24,017,183
Customers' current accounts	-	-	16,429,048	16,429,048	16,429,048
Sukuk financing	-	-	13,741,520	13,741,520	13,741,520
Other liabilities	-	-	2,825,744	2,825,744	2,825,744
Liabilities directly associated with assets held for sale	-	-	3,429,799	3,429,799	3,429,799
Quasi-equity	-	-	108,565,638	108,565,638	108,565,638
	-	-	169,008,932	169,008,932	169,008,932

For financial liabilities carried at amortized cost, carrying values are a reasonable approximation of their fair values.

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8. CASH AND BALANCES WITH CENTRAL BANKS

	2025	2024
Cash in hand	1,000,319	936,159
Cash reserve with QCB (i)	6,613,976	6,363,521
Other balances with QCB	412,517	638,766
Balances with other central banks	1,202,715	992,627
Less: Allowance for impairment (ii)	(258,082)	(248,007)
	8,971,445	8,683,066

- i. Cash reserve with QCB represents a mandatory reserve not available for use in the Group's day to day operations.
- ii. The economic situation in Lebanon has exposed its domestic banking system to a significant degree of uncertainty, with the magnitude of the possible adverse effects on the Lebanese economy, the banking sector and the Bank's subsidiary AFH, currently unknown. Given these circumstances, the Group has taken a conservative approach and created impairments at QIB Parent level to fully cover its exposure to its stand-alone subsidiary AFH resulting from the inter-group investment and placements. These impairments have been allocated in the consolidated financial statements to ECL on balances due from Central Bank of Lebanon, primarily impacted by the lack of clarity.

9. DUE FROM BANKS

	2025	2024
Commodity murabaha receivable	783,188	1,246,886
Wakala placements	1,714,653	956,084
Current accounts	3,317,966	305,075
Less: Allowance for impairment	(19,698)	(19,795)
	5,796,109	2,488,250

10. FINANCING ASSETS

(a) By type

Receivables and balances from financing activities:	2025	2024
Murabaha	91,973,316	86,924,191
Musawama	30,798,216	28,852,070
Ijarah Muntahia Bittamleek	39,122,771	41,747,050
Others	6,811,271	452,818
Total financing assets	168,705,574	157,976,129
Less: Deferred profit	(22,464,057)	(24,953,359)
Total financing assets net of deferred profit	146,241,517	133,022,770
Less: Expected credit losses on financing assets - performing (Stage 1 and 2)	(5,463,498)	(5,398,350)
Allowance for impairment on financing assets - credit impaired (Stage 3)	(2,228,268)	(2,289,858)
Profit in suspense	(68,135)	(60,546)
Net financing assets	138,481,616	125,274,016

The impaired financing assets net of deferred profit amounted to QAR 2,416 million as at 31 December 2025 representing 1.65% of the total financing assets net of deferred profit (31 December 2024: QAR 2,475 million, representing 1.86% of the total financing assets net of deferred profit).

Modified financing assets

Considering the economic circumstances post the COVID-19 outbreak, the QCB has encouraged banks in Qatar to delay repayments for affected sectors, via a Circular number 15/2022. In line with the requirements of the FAS, the Bank will amortize the remaining amount of the deferred profit over the remaining period of the financing facilities.

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10. FINANCING ASSETS (CONTINUED)

(b) Movement in impairment of financing assets is as follows:

	2025	2024
Balance at 1 January	7,748,754	7,090,705
Charge for the year	259,993	1,343,093
Recoveries during the year	(149,098)	(488,643)
Net impairment losses during the year	110,895	854,450
Written off during the year	(728)	(195,064)
Foreign currency translation and adjustments	(99,020)	(1,337)
Balance at 31 December*	7,759,901	7,748,754

*For stage wise allowance for impairment refer note 4(b).

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As at and for the year ended 31 December 2025

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10. FINANCING ASSETS (CONTINUED)

(c) Movement in the impairment of financing assets – sector wise:

	Corporate						SMEs						Retail						Real estate mortgages						Total					
	Stage 1		Stage 2		Stage 3		Stage 1		Stage 2		Stage 3		Stage 1		Stage 2		Stage 3		Stage 1		Stage 2		Stage 3		Stage 1		Stage 2		Stage 3	
	Performing	Credit impaired	Performing	Credit impaired	Performing	Credit impaired	Performing	Credit impaired	Performing	Credit impaired	Performing	Credit impaired	Performing	Credit impaired	Performing	Credit impaired	Performing	Credit impaired	Performing	Credit impaired	Performing	Credit impaired	Performing	Credit impaired	Performing	Credit impaired	Performing	Credit impaired	Performing	Credit impaired
Balance at 1 January 2025*	2,196,960	1,255,475	1,759,349	1,759,349	21,316	1,370	25,580	880,281	33,326	315,159	825,923	183,699	250,316	3,924,480	1,473,870	2,350,404														
Transfers between stages	201	(1,649)	1,448	1,448	-	-	(8,046)	20,891	20,891	(12,845)	848	(848)	-	(6,997)	18,394	(11,397)														
Charge for the year	(67,568)	191,178	213,140	213,140	(5,792)	(182)	121	32,752	(20,087)	24,568	(68,114)	(9,578)	(30,445)	(108,722)	161,331	207,384														
Recoveries during the year	-	-	(93,544)	(93,544)	-	-	(3,906)	-	-	-	-	-	(50,428)	-	-	(149,098)														
Net impairment losses during the year	(67,568)	191,178	119,596	119,596	(5,792)	(182)	(3,785)	32,752	(20,087)	(25,860)	(68,114)	(9,578)	(31,665)	(108,722)	161,331	58,286														
Written off during the year	-	-	-	-	-	-	-	-	-	-	(728)	-	-	-	-	(728)														
Foreign currency adjustments and other reclassifications	1	-	(20)	(20)	4	-	2	9	-	5	311	817	(100,149)	325	817	(100,162)														
Balance at 31 December 2025	2,129,594	1,445,004	1,880,373	1,880,373	15,528	1,188	21,797	904,996	34,130	275,731	758,968	174,090	118,502	3,809,086	1,654,412	2,296,403														

	Corporate						SMEs						Retail						Real estate mortgages						Total						
	Stage 1		Stage 2		Stage 3		Stage 1		Stage 2		Stage 3		Stage 1		Stage 2		Stage 3		Stage 1		Stage 2		Stage 3		Stage 1		Stage 2		Stage 3		
	Performing	Credit impaired	Performing	Credit impaired	Performing	Credit impaired	Performing	Credit impaired	Performing	Credit impaired	Performing	Credit impaired	Performing	Credit impaired	Performing	Credit impaired	Performing	Credit impaired	Performing	Credit impaired	Performing	Credit impaired	Performing	Credit impaired	Performing	Credit impaired	Performing	Credit impaired	Performing	Credit impaired	
Balance at 1 January 2024*	2,356,613	1,024,017	1,240,624	1,240,624	17,678	504	30,087	824,494	38,255	417,768	767,623	164,088	208,954	3,966,408	1,226,864	1,897,433															
Transfers between stages	51,155	(130,696)	79,541	79,541	-	(5)	5	(7,612)	15,053	(7,441)	658	(658)	-	44,201	(116,306)	72,105															
Charge for the year	(209,696)	362,154	904,237	904,237	3,638	871	3,176	63,399	(19,982)	110,802	57,703	20,433	46,358	(84,956)	363,476	1,064,573															
Recoveries during the year	-	-	(413,764)	(413,764)	-	-	(3,473)	-	-	(66,410)	-	-	(4,996)	-	-	(488,643)															
Net impairment losses during the year	(209,696)	362,154	490,473	490,473	3,638	871	(297)	63,399	(19,982)	44,392	57,703	20,433	41,362	(84,956)	363,476	575,930															
Written off during the year	-	-	(51,289)	(51,289)	-	-	(4,215)	-	-	(139,560)	-	-	-	-	-	(195,064)															
Foreign currency adjustments and other reclassifications	(1,112)	-	-	-	-	-	-	-	-	-	(61)	(164)	-	(1,173)	(164)	-															
Balance at 31 December 2024	2,196,960	1,255,475	1,759,349	1,759,349	21,316	1,370	25,580	880,281	33,326	315,159	825,923	183,699	250,316	3,924,480	1,473,870	2,350,404															

*Includes profit in suspense

*Includes profit in suspense

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10. FINANCING ASSETS (CONTINUED)

(d) By sector

2025	Murabaha	Musawama	Ijarah Muntahia Bittamleek	Others	Total
Government and related entities	11,400,297	-	704,169	-	12,104,466
Non-banking financial institutions	8,963,534	164	1,144,645	8,330	10,116,673
Industry	4,630,078	14,928	2,726	3,548	4,651,280
Commercial	13,734,022	121,277	1,476,974	6,137,197	21,469,470
Services	15,876,435	9,365	10,321,814	2,334	26,209,948
Contracting	6,610,273	364,846	752,771	7,303	7,735,193
Real estate	15,495,158	155,583	24,717,586	579	40,368,906
Personal	13,442,917	30,132,053	-	651,980	44,226,950
Others	1,820,602	-	2,086	-	1,822,688
Total financing assets	91,973,316	30,798,216	39,122,771	6,811,271	168,705,574
Less: Deferred profit					(22,464,057)
Total financing assets net of deferred profit					146,241,517
Less: Expected credit losses on financing assets - performing (Stage 1 and 2)					(5,463,498)
Allowance for impairment on financing assets - credit impaired (Stage 3)					(2,228,268)
Suspended profit					(68,135)
Net financing assets					138,481,616

Note:

Details of financing assets related to Sukuk backed assets as at 31 December 2025 are disclosed in Note 18 to the consolidated financial statements.

2024	Murabaha	Musawama	Ijarah Muntahia Bittamleek	Others	Total
Government and related entities	8,280,579	-	883,437	-	9,164,016
Non-banking financial institutions	9,989,454	254	1,351,915	-	11,341,623
Industry	3,695,062	20,718	10,251	1,633	3,727,664
Commercial	14,655,518	110,340	1,550,260	10,894	16,327,012
Services	16,566,510	20,580	7,895,110	674	24,482,874
Contracting	6,438,109	363,381	875,461	19,714	7,696,665
Real estate	13,074,199	148,635	29,174,332	-	42,397,166
Personal	12,315,486	28,188,162	-	419,903	40,923,551
Others	1,909,274	-	6,284	-	1,915,558
Total financing assets	86,924,191	28,852,070	41,747,050	452,818	157,976,129
Less: Deferred profit					(24,953,359)
Total financing assets net of deferred profit					133,022,770
Less: Expected credit losses on financing assets - performing (Stage 1 and 2)					(5,398,350)
Allowance for impairment on financing assets - credit impaired (Stage 3)					(2,289,858)
Suspended profit					(60,546)
Net financing assets					125,274,016

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11. INVESTMENT SECURITIES

	2025			2024		
	Quoted	Unquoted	Total	Quoted	Unquoted	Total
<i>Classified as fair value through income statement</i>						
• equity type	356,737	-	356,737	263,334	-	263,334
• debt type - Fixed rate	253,830	1,025,939	1,279,769	-	638,145	638,145
	610,567	1,025,939	1,636,506	263,334	638,145	901,479
<i>Debt-type classified at amortised cost (i)</i>						
- State of Qatar Sukuk and QCB Murabaha	-	52,645,891	52,645,891	-	46,884,016	46,884,016
- Fixed rate	3,258,663	34,387	3,293,050	2,263,221	34,394	2,297,615
Less: Allowance for impairment*	(6,596)	(34,352)	(40,948)	(7,084)	(34,352)	(41,436)
	3,252,067	52,645,926	55,897,993	2,256,137	46,884,058	49,140,195
<i>Classified as fair value through other comprehensive income</i>						
• equity type	1,138,117	74,001	1,212,118	1,034,075	111,477	1,145,552
• debt type - Fixed rate	1,105,519	396,877	1,502,396	1,100,944	720,076	1,821,020
	2,243,636	470,878	2,714,514	2,135,019	831,553	2,966,572
	6,106,270	54,142,743	60,249,013	4,654,490	48,353,756	53,008,246

*For stage wise allowance for impairment refer note 4(b).

Notes:

- The fair value of the investments carried at amortised cost as at 31 December 2025 amounted to QAR 55,924 million (2024: QAR 49,135 million).
- The fair value hierarchy and the transfers between categories of fair value hierarchy are disclosed in Note 5 (b).

The movement in impairment of debt-type securities carried at amortised cost and equity-type securities carried at fair value through other comprehensive income is as follows:

	2025	2024
Balance at 1 January	164,384	279,268
(Reversal)/ charge during the year	(488)	1,710
Transfer to assets held for sale	-	(95,032)
Write off / reversals / transfers during the year	4	(21,562)
Balance at 31 December	163,900	164,384

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12. INVESTMENT IN ASSOCIATES

Associates' movement during the year is as follows:

	2025	2024
Balance at 1 January	1,100,365	1,127,659
Foreign currency translation and other movements	(616)	3,123
Investments classified as an associate during the year	999,889	-
Transfer to assets held for sale	-	(57,060)
Share of results	83,890	66,487
Cash dividend	(50,000)	(39,844)
Balance at 31 December	2,133,528	1,100,365

Ownership %

Name of the principal associates	Country of Incorporation	Company's Activities	2025	2024
QInvest LLC	Qatar	Investment banking	49.00%	-
Al Jazeera Finance Company	Qatar	Financing	30.00%	30.00%
Damaan Islamic Insurance Company (Q.P.S.C.)	Qatar	Insurance	18.75%	26.25%
Bawabat Al Shamal Real Estate Company W.L.L.	Qatar	Real Estate	25.00%	25.00%

QInvest LLC has been classified as an associate after partial sale of stake in the company, resulting in a loss of control.

The financial position, revenue and results of principal associates based on their financial statements, as at and for the year ended 31 December 2025 and 2024 are as follows:

31 December 2025	QInvest LLC	Al Jazeera Finance Company	Damaan Islamic Insurance Company (Q.P.S.C.)	Bawabat Al Shamal Real Estate Company W.L.L.
Total assets	5,996,149	1,147,179	716,823	4,658,353
Total liabilities	4,377,324	117,043	111,641	3,040,694
Total revenue	62,812	116,291	105,668	657,378
Net profit	(13,635)	76,698	78,866	182,964
Share of profit	(6,671)	23,268	18,650	44,625

31 December 2024	Al Jazeera Finance Company	Damaan Islamic Insurance Co (Q.P.S.C)	Bawabat Al Shamal Real Estate Company W.L.L.
Total assets	1,053,585	1,530,190	4,857,639
Total liabilities	51,434	743,377	3,314,668
Total revenue	108,275	105,668	633,204
Net profit	66,766	61,915	96,680
Share of profit	20,894	20,703	24,125

13. INVESTMENT PROPERTIES

	2025	2024
Balance at 1 January	2,467,793	3,305,864
Additions	22,073	4,420
Disposals	-	(15,516)
Transfers	778,029	140,129
Transfer to assets held for sale	-	(943,768)
Changes in fair value	40,502	(83,188)
Foreign currency translation and adjustments	21,442	59,852
Balance at 31 December	3,329,839	2,467,793

Note: The investment properties are held either to earn rental income or for capital appreciation.

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14. FIXED ASSETS

	Land and buildings	IT equipment	Fixtures and fittings	Motor vehicles	Work in Progress	Total
Cost:						
Balance at 1 January 2025	264,937	809,408	361,880	4,415	50,820	1,491,460
Additions	15,398	8,530	51,121	-	50,742	125,791
Disposal	-	(37)	(57)	(98)	-	(192)
Foreign currency and other adjustments	4,961	45	911	-	213	6,130
Transfers	160,971	69,574	2,615	-	(73,884)	159,276
Balance at 31 December 2025	446,267	887,520	416,470	4,317	27,891	1,782,465
Balance at 1 January 2024	429,374	753,042	380,252	5,450	49,094	1,617,212
Additions	-	1,130	2,794	-	68,415	72,339
Foreign currency and other adjustments	(4,265)	(165)	(236)	(233)	(3)	(4,902)
Transfer to assets held for sale	-	(8,666)	(23,549)	(802)	-	(33,017)
Transfers	(140,129)	64,067	2,619	-	(66,686)	(140,129)
Impairment	(20,043)	-	-	-	-	(20,043)
Balance at 31 December 2024	264,937	809,408	361,880	4,415	50,820	1,491,460
Accumulated depreciation:						
Balance at 1 January 2025	114,758	679,211	337,600	4,038	-	1,135,607
Depreciation charged during the year	7,891	50,496	10,394	116	-	68,897
Disposals	-	(4)	(49)	(67)	-	(120)
Foreign currency and other adjustments	966	41	917	-	-	1,924
Balance at 31 December 2025	123,615	729,744	348,862	4,087	-	1,206,308
Balance at 1 January 2024	109,313	638,700	349,038	4,636	-	1,101,687
Depreciation charged during the year	5,591	49,172	12,189	218	-	67,170
Foreign currency and other adjustments	(146)	(59)	(341)	(69)	-	(615)
Transfer to assets held for sale	-	(8,602)	(23,286)	(747)	-	(32,635)
Balance at 31 December 2024	114,758	679,211	337,600	4,038	-	1,135,607
Carrying amounts:						
Balance at 1 January 2024	320,061	114,342	31,214	814	49,094	515,525
Balance at 31 December 2024	150,179	130,197	24,280	377	50,820	355,853
Balance at 31 December 2025	322,652	157,776	67,608	230	27,891	576,157

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15. OTHER ASSETS

	Note	2025	2024
Projects under development		234,374	254,344
Shari'a compliant risk management instruments	15.1	52,096	26,291
Prepayments and advances		35,475	46,348
Clearing and other receivables		420,437	244,871
Others (i)		770,689	1,642,288
		1,513,071	2,214,142

Notes:

(i) This includes the value of the property acquired in settlement of financing assets.

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15. OTHER ASSETS (CONTINUED)

15.1. Shari'a compliant risk management instruments

The table below shows the positive and negative fair values of Shari'a compliant risk management instruments. The notional amounts, which provide an indication of the volumes of the transactions outstanding at the year end, do not necessarily reflect the amounts of future cash flows involved. These notional amounts, therefore, are not indicative of the Group's exposure to credit risk, which is generally limited to the positive or negative fair value of the instruments. These contracts are Shari'a compliant and were approved by the Shari'a Supervisory Board of the Group.

	2025			2024		
	Assets	Liabilities	Notional amount	Assets	Liabilities	Notional amount
a) Held for trading						
Forward foreign exchange promissory contracts	1,711	4,478	2,594,932	5,334	34,544	2,201,284
Profit rate promissory swaps	-	-	-	2,373	-	72,800
b) Held as cash flow hedges:						
Forward foreign exchange promissory contracts	3,697	346,908	2,698,017	365	339,982	2,984,652
Profit rate promissory swaps	-	-	-	9,395	-	2,912,000
Cross currency promissory swaps	46,688	6,156	1,206,995	8,824	-	179,605
	52,096	357,542	6,499,944	26,291	374,526	8,350,341

16. DUE TO BANKS

	2025	2024
Wakala payable	10,476,205	13,556,654
Commodity murabaha payable	12,061,320	8,491,300
Repurchase agreements	1,381,399	1,891,420
Current accounts	46,087	45,049
Mudarabah payable	42,980	32,760
	24,007,991	24,017,183

Wakala payables include various facilities with maturities up to thirty-six months and carries a profit rate of 2.71% to 5.03% (2024: maturities up to thirty-six months and carrying profit rate 3.30% to 5.75%).

The market value of securities given as collateral against the repurchase agreement to obtain funding through commodity murabaha are QAR 1,682 million (2024: QAR 2,364 million).

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17. CUSTOMERS' CURRENT ACCOUNTS

	2025	2024
- Government	2,497,687	1,741,799
- Non-banking financial institutions	230,991	207,244
- Corporate	3,895,095	4,025,162
- Individuals	10,595,710	10,454,843
	17,219,483	16,429,048

18. SUKUK FINANCING

	2025	2024
Balance as at 1 January	13,741,520	14,668,250
Issued during the year	4,440,600	2,730,000
Less: Redemption during the year	(7,098,000)	(3,640,000)
Profit payable	(22,250)	(3,503)
Unamortised (discount) / premium	5,063	(8,618)
Foreign currency and other adjustments	7,303	(4,609)
Balance as at 31 December	11,074,236	13,741,520

The terms of the above sukuk's arrangement include transfer of certain identified assets including original leased and Sharia'a compliant authorised investments of the Group to QIB Sukuk Ltd, which is a subsidiary of the Group.

The Group controls the assets which will continue to be serviced by the Bank. Upon maturity of the Sukuks, the Bank has undertaken to repurchase the assets at the same issuance price.

The details of financing assets backing the Sukuk as at 31 December are as follows:

At 31 December	2025	2024
Murabaha	1,372,390	3,016,002
Ijarah	9,387,994	12,330,441
Total financing assets to the Sukuk	10,760,384	15,346,443

The table below shows the maturity profile of the sukuk outstanding as at the end of the reporting period.

Year of Maturity	2025	2024
2025	-	7,098,000
2026	171,881	164,577
2028	4,750,000	3,640,000
2029	2,730,000	2,730,000
2030	3,330,600	-
	10,982,481	13,632,577

The above sukuk financing comprise of fixed and floating profit rates. The profit rate paid on the above averaged 4.21% (2024: 3.53%).

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19. OTHER LIABILITIES

	Notes	2025	2024
Accrued expenses		388,552	382,863
Manager cheques and demand drafts		439,681	428,183
Customers advances		11,759	15,703
Provision for employees' end of service benefits (i)		245,384	229,323
Clearing, Naps and visa settlements		452,258	410,446
Cash margins		231,413	230,163
Contribution to Social and Sports fund	38	120,878	115,133
Pension fund		676	2,128
Acceptances		6,156,237	31,043
Letter of credit and guarantee under settlement		220,614	229,403
Shari'a compliant risk management instruments	15.1	357,542	374,526
Taxes payable		540,400	-
Allowance for impairment for financing commitments and financial guarantees		89,367	112,187
Others		238,718	264,643
		9,493,479	2,825,744

Notes:

(i) Movement in provision for employees' end of service benefits is as follows:

	2025	2024
Balance at 1 January	229,323	226,013
Charge for the year (Note 28)	20,571	22,612
Payments during the year	(4,567)	(11,231)
Liabilities directly associated with assets held for sale	-	(19,823)
Other movements	57	11,752
Balance at 31 December	245,384	229,323

20. QUASI-EQUITY

	2025	2024
Quasi-equity balance before share of profit	123,711,358	106,430,580
Add: Net profit attributable to quasi-equity holders	4,728,018	4,988,338
Less: Profit paid during the year	(3,038,971)	(2,907,243)
Total Quasi-equity balance after share of profit and before share of fair value reserve	125,400,405	108,511,675

	2025	2024
Share of Quasi-equity profit for the year before the bank's share as mudarib	11,052,349	11,249,915
Less: Mudarib share	(6,324,331)	(6,261,577)
Total profit distributed to Quasi-equity for the year	4,728,018	4,988,338

	2025	2024
<i>By type:</i>		
Term accounts	101,636,741	87,351,811
Saving accounts	20,788,060	19,416,431
Call accounts	2,975,604	1,743,433
Total	125,400,405	108,511,675

	2025	2024
<i>By sector:</i>		
Retail	52,914,930	48,876,877
Corporate	22,627,122	14,540,527
Non-banking financial institution	6,028,932	6,022,153
Government	42,517,011	37,811,108
Banks	1,312,410	1,261,010
Total	125,400,405	108,511,675

	2025	2024
Total Quasi-equity balance after share of profit and before share of fair value reserve	125,400,405	108,511,675
Share in fair value reserve	106,736	53,963
Total Quasi-equity balance	125,507,141	108,565,638

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21. EQUITY

(a) Share capital

	2025	2024
At 31 December	2,362,932	2,362,932

At 31 December 2025 the authorised and issued share capital comprised of 2,363 million ordinary shares (2024: 2,363 million), having a par value of QAR 1 per share.

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at shareholders meetings of the Bank.

(b) Legal reserve

In accordance with QCB Law No. 13 of 2012 as amended, 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. This reserve is not available for distribution except in circumstances specified in Qatar Commercial Companies Law No. 11 of 2015 and its amendments, and after QCB approval. No appropriation was made in the current year as the legal reserve exceeds 100% of the paid up share capital.

(c) 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 inside and outside Qatar after the exclusion of the specific provisions and profit in suspense, to be appropriated from shareholders' profit. The finance provided to / or secured by the Ministry of Finance – Qatar or finance against cash guarantees is excluded from the gross direct finance. The total amount transferred to the risk reserve during the year amounted to QAR 80.9 million (2024: QAR 149.7 million).

(d) 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.

(e) Retained earnings

Retained earnings include the Group's share in profit of associates. These profits are distributable to the holders of ordinary shares only to the extent of the cash received.

(f) Fair value reserve

	2025	2024
Opening balance	(88,969)	(18,637)
Disposal of a subsidiary	106,403	-
Changes in fair value of cash flow hedges	34,930	(69,382)
Share of other comprehensive income of associates	671	3,076
Investments carried as fair value through other comprehensive income:		
Increase / (decrease) in fair value reserve	78,448	(9,254)
Share of Quasi-equity	(29,207)	4,257
Revaluation of investment properties:		
Movement in investment property fair value	58,715	637
Share of equity to Share of Quasi-equity	(23,567)	334
	137,424	(88,969)

(g) 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 shari'a compliant risk management instruments that hedge the Group's net investment in foreign operations.

(h) Other reserves

Other reserves represent the Group's share in the undistributed profit from investments in associate companies after deducting the received dividends. During the years 2025 and 2024 no transfers to other reserves from retained earnings were made.

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21. EQUITY (CONTINUED)

(i) Proposed cash dividends

The Board of Directors in its meeting dated 14 January 2026 has proposed additional cash dividend of 50% of the paid up share capital amounting to QAR 1,181.5 million – QAR 0.50 per share which takes the total cash dividend during the year 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) which is subject to approval at the Annual General Meeting of the shareholders of the Bank.

The Board of Directors have approved an interim cash dividend in respect of the six-month period ended 30 June 2025 of QAR 0.40 per share (30 June 2024: QAR 0.25 per share), amounting to a total of QAR 945.2 million (30 June 2024: QAR 590.7 million).

22. NON-CONTROLLING INTERESTS

This represents the Group's non-controlling interests in QIB (UK) (0.29%), Aqar Real Estate Development & Investment (51%), Arab Finance House (0.007%) and Durat Al Doha Real Estate Investment & Development Company (17.39%).

23. 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 plus 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 of based on applicable relevant six year reset rate plus 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 2022 for the coming six years.

24. NET INCOME FROM FINANCING ACTIVITIES

Income from:	2025	2024
Murabaha	5,513,094	6,126,963
Musawama	2,173,482	1,880,018
Ijarah Muntahia Bittamleek	1,405,620	1,576,790
Others	217	183
	9,092,413	9,583,954

25. NET INCOME FROM INVESTING ACTIVITIES

	2025	2024
Income from debt-type instruments carried at amortised cost	2,795,376	2,438,800
Net cost of placements with / from banks	(1,107,096)	(1,273,943)
Net gain/ (loss) on sale of debt-type instruments carried at amortised cost	1,143	(14)
Net (loss)/ gain on sale of equity and debt type instruments carried at fair value	(10,213)	126,912
Fair value (loss)/ gain on equity and debt type instruments carried at fair value through income statement	(11,456)	96,667
Gains and rental income from investment properties	41,281	83,461
Dividend and other income	13,857	114,832
	1,722,892	1,586,715

26. NET FEE AND COMMISSION INCOME

	2025	2024
Feasibility study and facility management fees	181,974	209,123
Fees on letters of credit and guarantees	48,234	64,501
Banking services fees	924,361	788,484
Advisory fees	-	1,878
Others	213,130	182,180
	1,367,699	1,246,166
Fee and commission expense	(463,758)	(378,816)
Net fee and commission income	903,941	867,350

27. NET FOREIGN EXCHANGE GAIN

	2025	2024
Dealing in foreign currencies	115,507	112,407
Foreign exchange swap loss	(65,963)	(62,337)
Revaluation of assets and liabilities	10,117	43,995
	59,661	94,065

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28. STAFF COSTS

	2025	2024
Salaries and other benefits	606,217	631,980
Staff pension fund costs	13,415	13,717
Staff indemnity costs (Note 19)	20,571	22,612
	640,203	668,309

29. OTHER EXPENSES

	2025	2024
Legal and professional fees	32,027	41,050
Rent	34,768	39,339
Service expenses	84,001	80,643
Board of Directors' remuneration	23,868	25,500
IT expenses	81,586	79,706
Advertising and marketing expenses	30,508	27,618
Communication and utilities	37,599	37,668
Subscription fees	5,441	5,746
Repairs and maintenance	11,921	13,182
Insurance costs	4,492	4,939
Other expenses	24,823	58,216
	371,034	413,607

30. TAX EXPENSE

	2025	2024
Current income tax	20,332	29,874
Pillar two taxes - Qatar	540,400	-
Total tax expense	560,732	29,874

Impact of Pillar Two Legislation

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 year ended 31 December 2025 an amount of QAR 540.4 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.

31. CONTINGENT LIABILITIES AND COMMITMENTS

	2025	2024
a) Contingent liabilities		
Unutilised financing facilities	9,384,918	8,434,271
Guarantees	8,924,209	10,470,912
Letters of credit	2,255,115	740,849
Total	20,564,242	19,646,032

Unutilised financing facilities

Commitments to extend credit represent contractual commitments to make financings and revolving financing. The majority of these will expire in the next year. Since commitments may expire without being drawn upon, the total contractual amounts do not necessarily represent future cash requirements.

Guarantees and Letters of Credit

Guarantees and letters of credit commit the Group to make payments on behalf of customers in case of a specific event. Guarantees and standby letters of credit carry the same credit risk as financing.

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32. CONCENTRATION OF ASSETS, LIABILITIES AND QUASI-EQUITY

Geographical sector

Following is the concentration of assets, liabilities and quasi-equity into geographical sectors regions:

2025	Qatar	Other GCC	Europe	North America	Others	Total
Assets						
Cash and balances with central banks	8,019,712	-	443,506	-	508,227	8,971,445
Due from banks	1,441,451	722,719	168,415	36,655	3,426,869	5,796,109
Financing assets	124,179,716	1,815,855	2,766,628	7,935,903	1,783,514	138,481,616
Investment securities	54,274,245	3,150,403	2,425,229	219,403	179,733	60,249,013
Investment in associates	2,133,528	-	-	-	-	2,133,528
Investment properties	2,783,040	34,000	512,799	-	-	3,329,839
Fixed assets	498,665	-	76,774	-	718	576,157
Other assets	1,274,673	127,609	5,638	-	105,151	1,513,071
Total assets	194,605,030	5,850,586	6,398,989	8,191,961	6,004,212	221,050,778
Liabilities and Quasi-equity						
Liabilities						
Due to banks	3,709,066	9,301,720	7,381,984	-	3,615,221	24,007,991
Customers' current accounts	16,379,297	77,437	179,841	122,144	460,764	17,219,483
Sukuk financing	-	-	11,074,236	-	-	11,074,236
Other liabilities	3,147,532	-	85,182	6,118,965	141,800	9,493,479
Total liabilities	23,235,895	9,379,157	18,721,243	6,241,109	4,217,785	61,795,189
Quasi-equity	109,424,904	3,186,257	4,963,436	7,782,200	150,344	125,507,141
Total liabilities and Quasi-equity	132,660,799	12,565,414	23,684,679	14,023,309	4,368,129	187,302,330

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32. CONCENTRATION OF ASSETS, LIABILITIES AND QUASI-EQUITY (CONTINUED)

Geographical sector (continued)

2024	Qatar	Other GCC	Europe	North America	Others	Total
Assets						
Cash and balances with central banks	7,929,645	-	253,890	-	499,531	8,683,066
Due from banks	1,807,842	120,936	343,316	48,891	167,265	2,488,250
Financing assets	118,346,804	1,375,972	2,491,103	2,234,275	825,862	125,274,016
Investment securities	48,315,749	2,196,313	1,988,710	313,646	193,828	53,008,246
Investment in associates	1,100,365	-	-	-	-	1,100,365
Investment properties	1,968,187	48,509	451,097	-	-	2,467,793
Fixed assets	296,602	-	58,509	-	742	355,853
Other assets	2,053,352	80,234	3,736	-	76,820	2,214,142
Assets held for sale	1,629,643	162,416	1,194,324	2,110,846	90,816	5,188,045
Total assets	183,448,189	3,984,380	6,784,685	4,707,658	1,854,864	200,779,776
Liabilities and Quasi-equity						
Liabilities						
Due to banks	9,018,669	6,566,363	5,158,661	-	3,273,490	24,017,183
Customers' current accounts	15,704,696	28,894	144,184	83,328	467,946	16,429,048
Sukuk financing	-	-	13,741,520	-	-	13,741,520
Other liabilities	2,648,578	989	51,073	-	125,104	2,825,744
Liabilities directly associated with assets held for sale	823,287	1,795,595	792,026	4,074	14,817	3,429,799
Total liabilities	28,195,230	8,391,841	19,887,464	87,402	3,881,357	60,443,294
Quasi-equity	97,302,672	4,558,806	4,401,220	2,116,085	186,855	108,565,638
Total liabilities and Quasi-equity	125,497,902	12,950,647	24,288,684	2,203,487	4,068,212	169,008,932

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33. EARNINGS PER SHARE

Earnings per share of the Bank is calculated by dividing profit for the year attributable to the equity holders of the Bank by the weighted average number of ordinary shares in issue during the year.

	2025	2024
Profit for the year attributable to equity holders of the Bank	4,835,114	4,605,321
Less: profit attributable to sukuk eligible as additional capital	(218,643)	(218,643)
Profit for EPS computation	4,616,471	4,386,678
Weighted average number of shares outstanding during the year (in thousands)	2,362,932	2,362,932
Basic / diluted earnings per share (QAR)	1.95	1.86

34. CASH AND CASH EQUIVALENTS

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

	2025	2024
Cash and balances with central banks (excluding restricted QCB and other central banks reserve account)	2,234,420	2,270,158
Due from banks	5,602,712	2,353,849
Cash and bank balances, and due from banks attributable to assets held for sale	-	255,042
	7,837,132	4,879,049

35. RELATED PARTIES

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 major shareholders and entities over which the Group and the shareholders' exercise significant influence, directors and executive management of the Group.

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

	2025		2024	
	Associate companies	Board of Directors	Associate companies	Board of Directors
Assets:				
Gross financing assets	2,582,804	20,750,036	2,834,897	20,576,868
Liabilities:				
Customers' current accounts	789	229,203	504	241,329
Quasi Equity:				
Participatory investment accounts	393,683	747,094	250,330	990,549
Off balance sheet items:				
Contingent liabilities, guarantees and other commitments	254	58,943	-	83,860
Consolidated statement of income items:				
Income from financing activities	167,650	1,450,930	213,422	1,642,056
Return to quasi-equity	14,494	43,709	6,487	57,947
Others	15	41,136	9,819	20,686

Key management personnel compensation for the year comprised:

	2025	2024
Short term employee benefits	76,092	91,274
Other long term benefits	6,965	4,644
	83,057	95,918

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36. ZAKAH

Zakah is directly borne by the shareholders. The Bank does not collect or pay Zakah on behalf of its shareholders in accordance with the Articles of Association.

37. SHARI'A SUPERVISORY BOARD

The Shari'a Supervisory Board of the Group consists of three scholars who are specialised in Shari'a principles and they ensure the Group's compliance with general Islamic principles and work in accordance with the issued Fatwas and guiding rules. The Board's review includes examining the evidence related to documents and procedures adopted by the Group in order to ensure that its activities are according to the principles of Islamic Shari'a.

38. SOCIAL AND SPORTS FUNDS APPROPRIATION

The Group discharges its social responsibilities through donations to charitable causes and organizations when profits are reported. The Group has created provisions during the year 2025 of QAR 120.9 million (2024: QAR 115.1 million) which represents 2.5% of net profit as per law No.13 for year 2008 and explanatory notes issued for 2010.

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39. ASSET AND LIABILITIES HELD FOR SALE

On 31 December 2024, the Group's Board of Directors decided to partially sell QInvest LLC, a partially owned subsidiary, which is authorised by QFCRA to conduct various banking activities.

The partial sale of stake in QInvest LLC was completed resulting in a loss of control. QInvest LLC has been classified as an associate after the completion of sale.

The major classes of assets and liabilities of QInvest LLC as held for sale as at 31 December 2024 are, as follows:

	2024
Assets	
Due from banks	292,532
Financing assets	448,943
Investment securities	3,062,841
Investment in associates	55,593
Investment properties	918,939
Fixed assets	562
Intangible assets	1,758
Other assets	190,821
Goodwill	216,056
Assets held for sale	5,188,045
Liabilities	
Due to banks	3,061,952
Other liabilities	367,847
Liabilities directly associated with assets held for sale	3,429,799
Net assets directly associated with disposal group	1,758,246
Amounts included in the accumulated OCI:	
Fair value reserve of equity investments	(106,403)
Foreign currency translation reserve	35,956
Reserve of disposal group classified as held for sale	(70,447)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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39. ASSET AND LIABILITIES HELD FOR SALE (CONTINUED)

The net cash flows incurred by QInvest LLC are, as follows:

	2024
Operating activities	346,948
Investing activities	(306,699)
Financing activities	5,122
Net cash outflow	45,371

The Bank built impairment provision of QAR 78.2 Mln in 2025 in addition to QAR 97.8 Mln at the end of 2024 for losses on disposal of subsidiary held for sale

40. SOURCES AND APPLICATION OF CHARITY FUND

	2025	2024
Source of charity fund		
Earnings prohibited by Sharia'a during the year	99	100
Use of charity fund		
Researches, donations and other uses during the year	(10)	(2)
Decrease of sources over uses	89	98

41. COMPARATIVE FIGURES

The comparative figures presented for 2024 have been reclassified where necessary to preserve consistency with the 2025 figures. However, such reclassifications did not have any effect on the consolidated net profit or the total consolidated equity for the comparative year.

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FINANCIAL STATEMENTS OF THE PARENT BANK

A. STATEMENT OF FINANCIAL POSITION OF THE PARENT BANK

As at 31 December	2025	2024
Assets		
Cash and balances with central banks	8,019,670	7,929,609
Due from banks	5,815,406	2,597,695
Financing assets	135,727,073	123,126,840
Investment securities	59,554,450	52,377,207
Investment in subsidiaries	943,679	2,537,777
Investment in associates	2,113,316	1,083,183
Investment properties	2,295,953	1,416,955
Fixed assets	490,647	294,044
Other assets	1,334,211	2,031,766
Total assets	216,294,405	193,395,076
Liabilities		
Due to banks	23,471,544	23,653,072
Customers' current accounts	16,543,398	15,820,586
Sukuk financing	11,074,236	13,741,520
Other liabilities	10,754,402	4,040,773
Total liabilities	61,843,580	57,255,951
Quasi-equity		
Participatory investment accounts	120,823,614	104,595,888
Reserves attributable to quasi-equity	106,736	53,963
	120,930,350	104,649,851
Equity		
Share capital	2,362,932	2,362,932
Legal reserve	6,353,459	6,353,459
Risk reserve	3,183,218	3,102,283
General reserve	79,485	79,485
Fair value reserve	138,409	17,151
Foreign currency translation reserve	(56,860)	(84,761)
Other reserves	212,058	212,058
Retained earnings	17,247,773	15,446,667
Total equity attributable to equity holders of the bank	29,520,474	27,489,274
Sukuk eligible as additional capital	4,000,000	4,000,000
Total equity	33,520,474	31,489,274
Total liabilities, Quasi-equity and equity	216,294,404	193,395,076
Off-balance sheet assets under management	10,520	10,520
Contingent liabilities and commitment	20,739,366	19,817,246

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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FINANCIAL STATEMENTS OF THE PARENT BANK (CONTINUED)

B. STATEMENT OF INCOME OF THE PARENT BANK

For the year ended 31 December	2025	2024
Net income from financing activities	8,825,952	9,308,703
Net income from investing activities	1,654,355	1,412,206
Sukuk holder's share of profit	(509,436)	(451,866)
Total income from financing and investing activities	9,970,871	10,269,043
Fee and commission income	1,353,818	1,233,075
Fee and commission expense	(462,552)	(377,488)
Net fee and commission income	891,266	855,587
Net foreign exchange gain	48,014	49,490
Share of results of associates	79,872	59,552
Other income	12,084	-
Total income	11,002,107	11,233,672
Staff costs	(570,242)	(562,484)
Depreciation and amortization	(65,827)	(63,174)
Other expenses	(359,387)	(342,859)
Total expenses	(995,456)	(968,517)
Net impairment for financing assets, other assets and other provisions	(159,588)	(950,009)
Profit for the year before attribution to quasi-equity	9,847,063	9,315,146
Less: Net profit attributable to quasi-equity holders	(4,504,723)	(4,766,915)
Profit for the year before tax	5,342,340	4,548,231
Tax expense	(540,400)	-
Profit for the year after tax	4,801,940	4,548,231

