QNB FINANCIAL SERVICES

Earnings Flash Note
The Commercial Bank
2Q 2026/6M 2026

The Commercial Bank (CBQK)

- **Net profit decreased by 16.0% YoY to QR512mn (+2.2% QoQ) in 2Q2026** due to higher net impairment losses on loans and advances to customers, lower investment securities and other provisions. For 6M2026, net profit fell 19.6% to QR1,014mn.
- **Net interest income came higher by 16.0% YoY to QR961mn (+9.2% QoQ) in 2Q2026**. For 6M2026, net interest income rose 14.4% to QR1,842mn.
- **Cost to income ratio increased by 0.6ppts YoY (-1.4ppts QoQ) to 30.9% in 2Q2026.** For 6M2026, cost to income ratio came at 31.6% vs 30.6% in 6M2025.
- **For 2Q2026, EPS came at QR0.13 vs QR0.16 in 2Q2025.** For 6M2026, EPS came at QR0.25 vs. QR0.32 in 6M2025.
- **As of 2Q2026-end, the book value per share stood at QR6.90 (2Q2025: QR6.80).**
- **As of 2Q2026-end, loans & advances were QR102.7bn (-1.1% YoY, -2.6% QoQ)** while customer deposits increased by 1.8% YoY to QR85.1bn (+0.1% QoQ).
- **As of 26th July 2026, the stock has decreased 4.3% YTD,** outperforming the QSE Index, which was down by 7.0% YTD.
- **The stock is currently trading at a TTM P/B multiple of 0.8x.** For now, we maintain our PT of QR 5.183/share and Outperform rating.

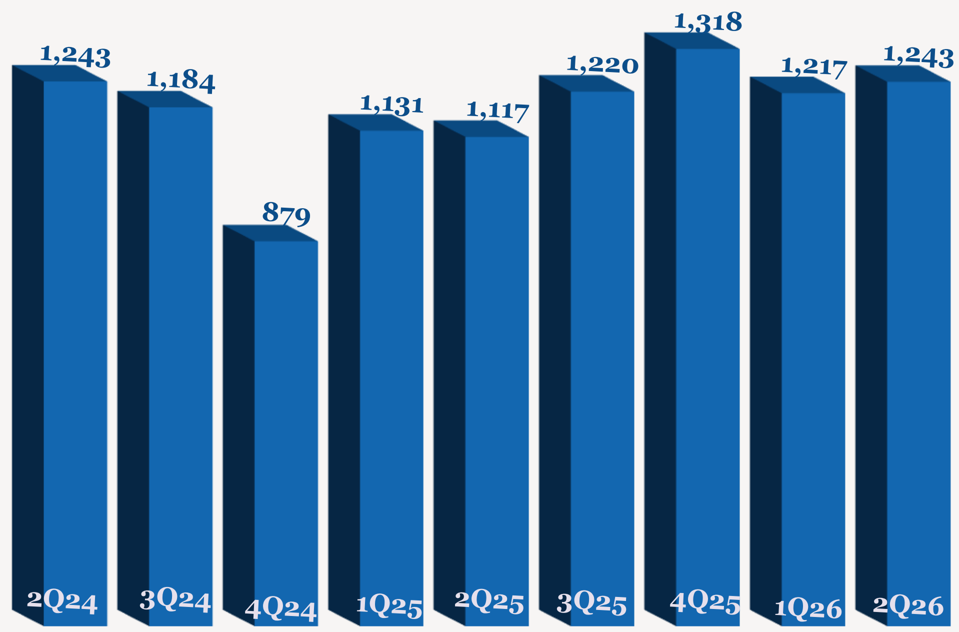
2Q/6M 2026 Earnings Performance

	2Q2026	2Q2025	YoY	1Q2026	QoQ	6M2026	6M2025	YoY
Net Interest Income	961	829	16.0%	880	9.2%	1,842	1,610	14.4%
Net Interest Margin %	2.31%	2.15%		2.10%		2.26%	2.14%	
Non-Interest Income	281	288	-2.4%	336	-16.4%	618	638	-3.1%
Operating Income	1,243	1,117	11.2%	1,217	2.1%	2,459	2,248	9.4%
Cost/Income Ratio %	30.9%	30.3%		32.3%		31.6%	30.6%	
Net Profit	512	610	-16.0%	501	2.2%	1,014	1,261	-19.6%
Book Value Per Ordinary Share (QR)	6.90	6.80	1.6%	6.76	2.1%	6.90	6.80	1.6%
Loans & Advances	102,686	103,788	-1.1%	105,476	-2.6%	102,686	103,788	-1.1%
Customer Deposits	85,060	83,539	1.8%	85,000	0.1%	85,060	83,539	1.8%

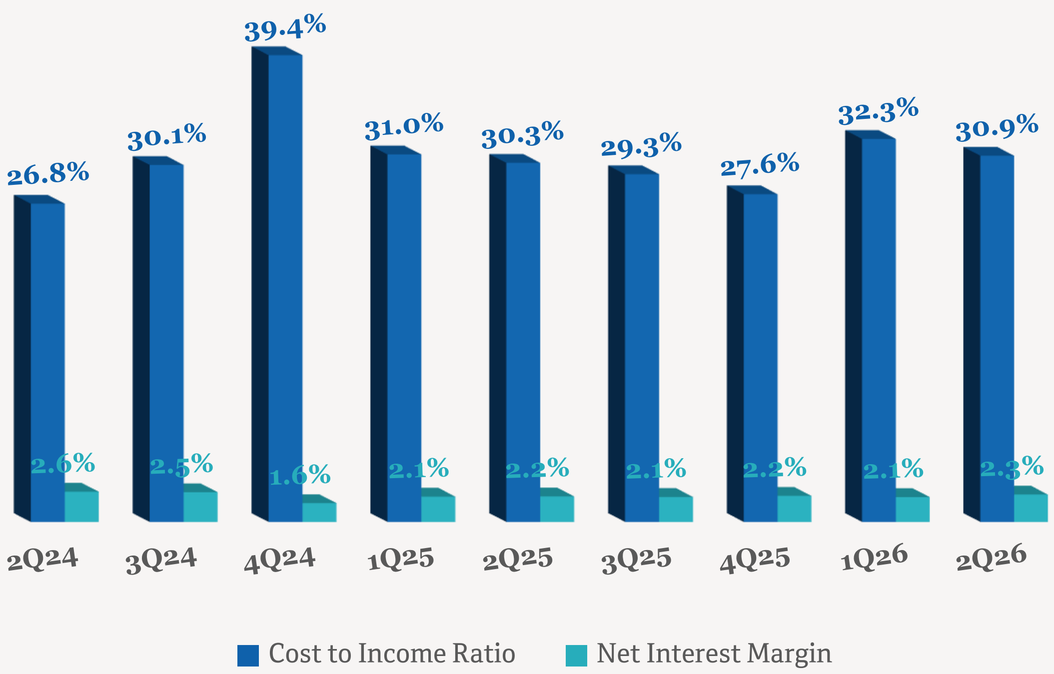
Note: Values are expressed in QR'mn unless explicitly stated

Quarterly Net Interest Income Trend (QRmn)

Quarterly Operating Income Trend (QRmn)

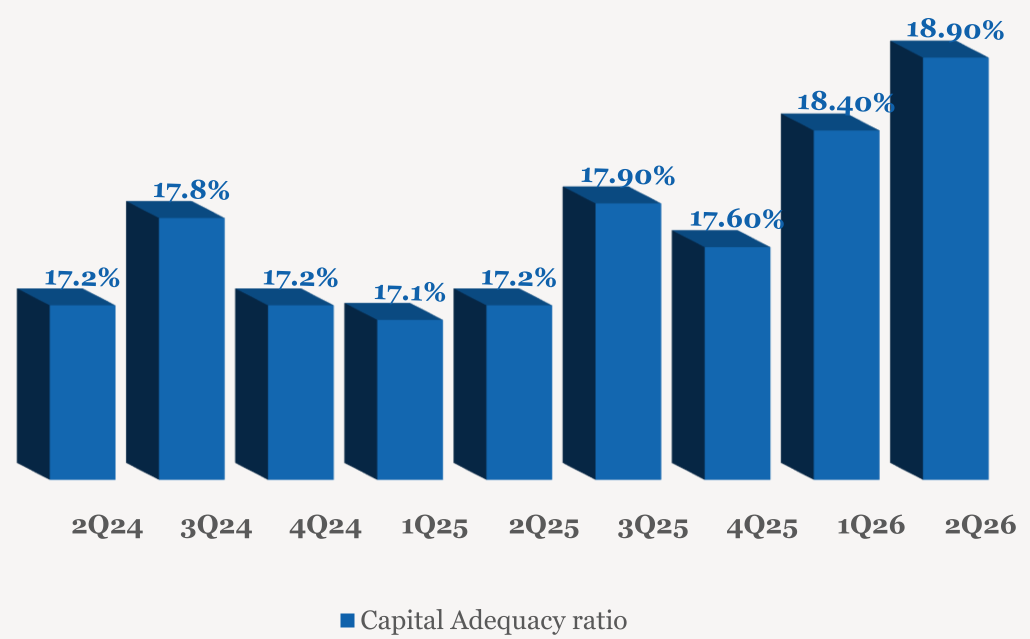


Quarterly Ratio Trend

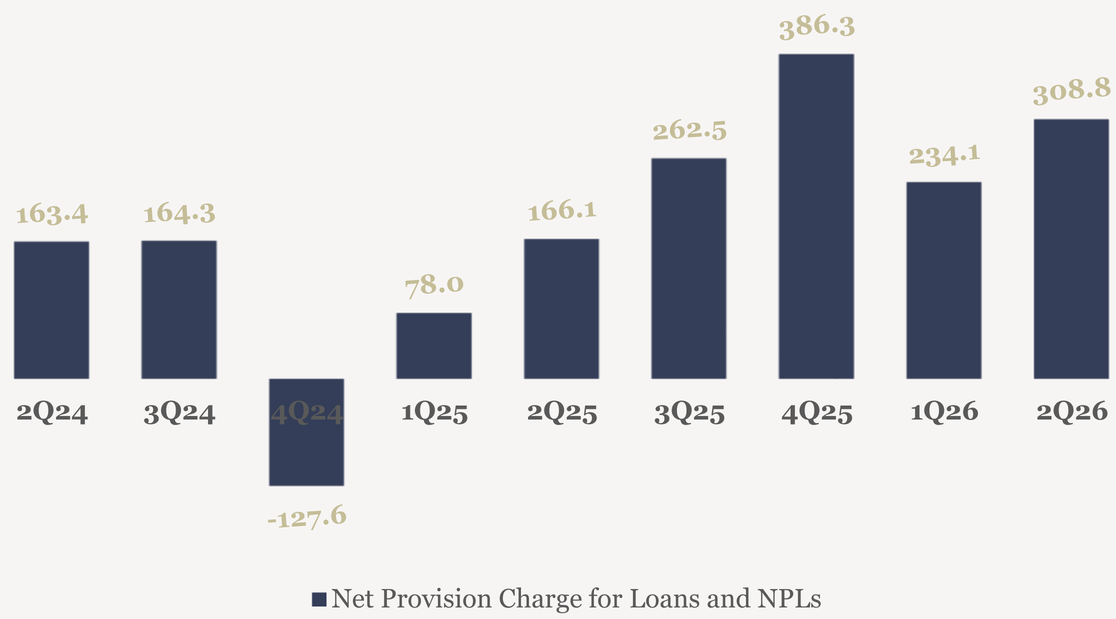


EPS (QR) Trend

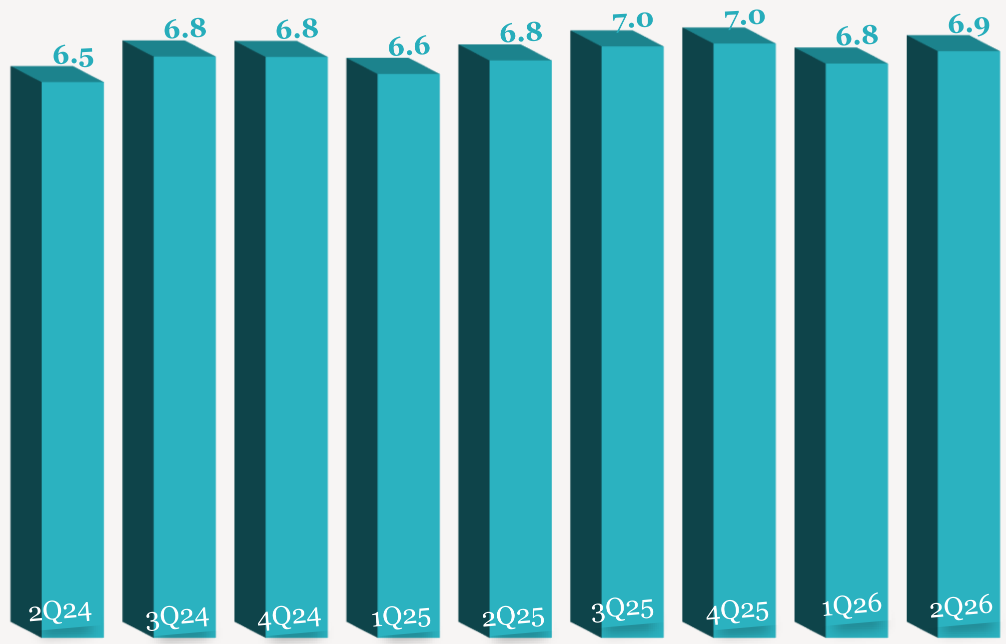
Capital Adequacy Ratios (%)



Net Provision for Loan Loss (QRmn)



Book Value Per Share (QR)



P/B Multiple Band (x)

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