



BASEL III - PILLAR 3 DISCLOSURES

30 June 2023

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Introduction to Bank's Capital adequacy framework

This document presents the Semi Annual Pillar III disclosures of Qatar National Bank (Q.P.S.C.) on a consolidated basis as at 30 June 2023. It is a regulatory disclosure requirement under QCB Basel III framework. The purpose of Pillar 3 disclosures is to enhance transparency and provide the stakeholders such as market participants and regulators to assess key pieces of information on the bank's capital, risk exposures and risk assessment process. The Pillar III document aims to promote market discipline by enabling stakeholders to make informed decisions based on the bank's risk profile and financial condition.

The Group is regulated by the Qatar Central Bank (QCB) and follows the Pillar 3 disclosure requirements as stated under the QCB & Basel guidelines.

The Pillar 3 disclosures are to be read in conjunction with the Interim Condense Consolidated Financial Statements as of 30 June 2023.

Overview of risk management, key prudential metrics and RWA: DIS20

Key metrics (at consolidated group level): KM1

QAR '000		T	T-2	T-4
	Available capital (amounts)	June-2023	December-2022	June-2022
1	Common Equity Tier 1 (CET1)*	70,204,353	75,501,023	68,848,928
1a	Fully loaded ECL accounting model	-	-	-
2	Tier 1	90,273,668	95,568,564	88,922,522
2a	Fully loaded ECL accounting model Tier 1	-	-	-
3	Total capital	95,878,203	101,425,296	94,571,300
3a	Fully loaded ECL accounting model total capital	-	-	-
Risk-weighted assets (amounts)				
4	Total risk-weighted assets (RWA)	503,969,738	517,113,381	501,472,890
Risk-based capital ratios as a percentage of RWA				
5	Common Equity Tier 1 ratio (%)	13.9%	14.6%	13.7%
5a	Fully loaded ECL accounting model CET1 (%)	14.6%	14.6%	13.7%
6	Tier 1 ratio (%)	17.9%	18.5%	17.7%
6a	Fully loaded ECL accounting model Tier 1 ratio (%)	18.5%	18.5%	17.7%
7	Total capital ratio (%)	19.0%	19.6%	18.9%
7a	Fully loaded ECL accounting model total capital ratio (%)	19.0%	19.6%	18.9%
Additional CET1 buffer requirements as a percentage of RWA				
8	Capital conservation buffer requirement (2.5% from 2019) (%)	2.5%	2.5%	2.5%
9	Countercyclical buffer requirement (%)	-	-	-
10	Bank D-SIB additional requirements (%)	2.5%	2.5%	2.5%
11	Total of bank CET1 specific buffer requirements (%) (row 8 + row 9+ row 10)	5.0%	5.0%	5.0%
12	CET1 available after meeting the bank's minimum capital requirements (%)	2.9%	3.6%	2.7%
Leverage Ratio				
13	Total leverage ratio exposure measure	1,255,662,475	1,259,123,906	1,176,884,780
14	Leverage ratio (%) (row 2/row 13)	7.2%	7.6%	7.6%
14a	Fully loaded ECL accounting model leverage ratio (%) (row 2a/row 13)	-	-	-
14b	Leverage ratio (%) (excluding the impact of any applicable temporary exemption of central bank reserves)	7.2%	7.6%	7.6%
Liquidity Coverage Ratio				
15	Total HQLA	166,673,442	159,471,322	137,716,343
16	Total net cash outflow	114,170,879	152,824,688	98,795,541
17	LCR ratio (%)	146.0%	104.3%	139.4%
Net Stable Funding Ratio				
18	Total available stable funding	705,572,126	652,706,087	733,213,446
19	Total required stable funding	667,223,440	680,575,029	748,759,792
20	NSFR ratio (%)	105.7%	95.9%	97.9%

*Note: Figures are net of dividend. CET1 in the published financials are reported gross of dividend.

Overview of Risk Weighted Assets (RWA): OV1

	QAR '000		Minimum capital requirements		Minimum capital requirements
		RWA		RWA	
		June-2023	June-2023	December-2022	December-2022
1	Credit risk (excluding counterparty credit risk)	433,450,968	69,352,155	454,619,336	72,739,094
2	Of which: standardised approach (SA)	433,450,968	69,352,155	454,619,336	72,739,094
3	Of which: foundation internal ratings-based (F-IRB) approach	-	-	-	-
4	Of which: supervisory slotting approach	-	-	-	-
5	Of which: advanced internal ratings-based (A-IRB) approach	-	-	-	-
6	Counterparty credit risk (CCR)	5,387,825	862,052	4,621,609	739,457
7	Of which: standardised approach for counterparty credit risk	-	-	-	-
8	Of which: CEM	5,387,825	862,052	4,621,609	739,457
9	Of which: other CCR	-	-	-	-
10	Credit valuation adjustment (CVA)	2,755,165	440,826	3,070,532	491,285
11	Equity positions under the simple risk weight approach and the internal model method during the five-year linear phase-in period	-	-	-	-
12	Equity investments in funds – look-through approach	-	-	-	-
13	Equity investments in funds – mandate-based approach	-	-	-	-
14	Equity investments in funds – fall-back approach	-	-	-	-
15	Settlement risk	-	-	-	-
16	Securitisation exposures in banking book	-	-	-	-
17	Of which: securitisation IRB approach (SEC-IRBA)	-	-	-	-
18	Of which: securitisation external ratings-based approach (SEC-ERBA), including internal assessment approach (IAA)	-	-	-	-
19	Of which: securitisation standardised approach (SEC-SA)	-	-	-	-
20	Market risk	12,144,960	1,943,194	8,127,525	1,300,404
21	Of which: standardised approach (SA)	12,144,960	1,943,194	8,127,525	1,300,404
22	Of which: internal model approach (IMA)	-	-	-	-
23	Capital charge for switch between trading book and banking book	-	-	-	-
24	Operational risk	50,230,820	8,036,931	46,674,379	7,467,901
25	Amounts below the thresholds for deduction (subject to 250% risk weight)	-	-	-	-
26	Output floor applied	-	-	-	-
27	Floor adjustment (before application of transitional cap)	-	-	-	-
28	Floor adjustment (after application of transitional cap)	-	-	-	-
29	Total (1 + 6 + 10 + 11 + 12 + 13 + 14 + 15 + 16 + 20 + 23 + 24 + 25 + 28)	503,969,738	80,635,158	517,113,381	82,738,141

Composition of capital and TLAC: DIS25

Main features of regulatory capital instruments: CCA

		Quantitative/Qualitative information	Quantitative/Qualitative information
1	Issuer	Qatar National Bank (Q.P.S.C.)	Qatar National Bank (Q.P.S.C.)
2	Unique identifier (eg CUSIP, ISIN or Bloomberg identifier for private placement)	Private placement 1	Private placement 2
3	Governing law(s) of the instrument	State of Qatar	State of Qatar
	Regulatory treatment	-	-
4	Transitional arrangement rules (i.e. grandfathering)	-	-
5	Post-transitional arrangement rules (i.e. grandfathering)	-	-
6	Eligible at solo/group/group and solo	-	-
7	Instrument type (types to be specified by each jurisdiction)	Perpetual Bond (AT1 Note)	Perpetual Bond (AT1 Note)
8	Amount recognised in regulatory capital	QAR 10 billion	QAR 10 billion
9	Nominal amount of instrument	QAR 50 million	QAR 50 million
9a	Issue price	-	-
9b	Redemption price	-	-
10	Accounting classification	Equity	Equity
11	Original date of issuance	June-2016	December-2018
12	Perpetual or dated	Perpetual	Perpetual
13	Original maturity date	N/A	N/A
14	Issuer call subject to prior supervisory approval	Yes	Yes
15	Optional call date, contingent call dates and redemption amount	Callable every 6 years	Callable every 6 years
16	Subsequent call dates, if applicable	N/A	N/A
	Coupons / dividends	-	-
17	Fixed or floating dividend/coupon	Fixed	Fixed
19	Coupon rate and any related index	6.0%	5.5%
19	Existence of a dividend stopper	Yes	Yes
20a	Fully discretionary, partially discretionary or mandatory (in terms of timing)	Fully discretionary	Fully discretionary
20b	Fully discretionary, partially discretionary or mandatory (in terms of amount)	-	-
21	Existence of step-up or other incentive to redeem	N/A	N/A
22	Non-cumulative or cumulative	Non-cumulative	Non-cumulative
23	Convertible or non-convertible	Non-convertible	Non-convertible
24	Write-down feature	Yes	Yes
25	If write-down, write-down trigger(s)	Point of Non Viability (PONV)	Point of Non Viability (PONV)
26	If write-down, full or partial	Full	Full
27	If write-down, permanent or temporary	Permanent	Permanent

		Quantitative/Qualitative information	Quantitative/Qualitative information
28	If temporary write-own, description of write-up mechanism	N/A	N/A
28a	Type of subordination	Statutory, Contractual	Statutory, Contractual
29	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument in the insolvency creditor hierarchy of the legal entity concerned).	Rank junior to all Senior Obligations of QNB; rank pari passu with all Pari Passu Obligations of QNB; and rank senior to all Junior Obligations of QNB	Rank junior to all Senior Obligations of QNB; rank pari passu with all Pari Passu Obligations of QNB; and rank senior to all Junior Obligations of QNB.
30	Non-compliant transitioned features	N/A	N/A
31	If yes, specify non-compliant features	N/A	N/A

Composition of regulatory capital: CC1

	QAR '000	June-2023
	Common Equity Tier 1 capital: instruments and reserves	
1	Directly issued qualifying common share (and equivalent for non-joint stock companies) capital plus related stock surplus	9,236,429
2	Retained earnings	60,092,530
3	Accumulated other comprehensive income (and other reserves)	6,046,933
4	Directly issued capital subject to phase-out from CET1 (only applicable to non-joint stock companies)	-
5	Common share capital issued by third parties (amount allowed in group CET1)	406,759
6	Common Equity Tier 1 capital before regulatory deductions	75,782,651
	Common Equity Tier 1 capital regulatory adjustments	-
7	Prudent valuation adjustments	-
8	Goodwill (net of related tax liability)	4,774,129
9	Other intangibles other than mortgage servicing rights (net of related tax liability)	-
10	Deferred tax assets that rely on future profitability, excluding those arising from temporary differences (net of related tax liability)	764,829
11	Cash flow hedge reserve	39,340
12	Securitisation gain on sale	-
13	Gains and losses due to changes in own credit risk on fair valued liabilities	-
14	Defined benefit pension fund net assets	-
15	Investments in own shares (if not already subtracted from paid-in capital on reported balance sheet)	-
16	Reciprocal cross-holdings in common equity	-
17	Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued share capital (amount above 10% threshold)	-
18	Significant investments in the common stock of banking, financial and insurance entities that are outside the scope of regulatory consolidation (amount above 10% threshold)	-
19	Deferred tax assets arising from temporary differences (amount above 10% threshold, net of related tax liability)	-
20	Amount exceeding 15% threshold	-
21	Of which: significant investments in the common stock of financials	-
22	Of which: deferred tax assets arising from temporary differences	-
23	QCB specific regulatory adjustments	-
24	Total regulatory adjustments to Common Equity Tier 1	5,578,298
25	Common Equity Tier 1 capital (CET1)	70,204,353
	Additional Tier 1 capital: instruments	-
26	Directly issued qualifying Additional Tier 1 instruments plus related stock surplus	20,000,000
27	OF which: classified as equity under applicable accounting standards	20,000,000
28	Of which: classified as liabilities under applicable accounting standards	-
29	Directly issued capital instruments subject to phase-out from additional Tier 1	-
30	Additional Tier 1 instruments (and CET1 instruments not included in row 5) issued by subsidiaries and held by third parties (amount allowed in AT1)	69,315
31	Of which: instruments issued by subsidiaries subject to phase-out	-
32	Additional Tier 1 capital before regulatory adjustments	20,069,315
	Additional Tier 1 capital: regulatory adjustments	-
33	Investments in own additional Tier 1 instruments	-

	QAR '000	June-2023
34	Investments in capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation	-
35	Significant investments in the common stock of banking, financial and insurance entities that are outside the scope of regulatory consolidation	-
36	QCB specific regulatory adjustments	-
37	Total regulatory adjustments to additional Tier 1 capital	-
38	Additional Tier 1 capital (AT1)	20,069,315
39	Tier 1 capital (T1= CET1 + AT1)	90,273,668
	Tier 2 capital: instruments and provisions	-
40	Directly issued qualifying Tier 2 instruments plus related stock surplus	-
41	Directly issued capital instruments subject to phase-out from Tier 2	-
42	Tier 2 instruments (and CET1 and AT1 instruments not included in rows 5 or 34) issued by subsidiaries and held by third parties (amount allowed in group Tier 2)	84,611
43	Of which: instruments issued by subsidiaries subject to phase-out	-
44	Provisions	5,519,924
45	Tier 2 capital before regulatory adjustments	5,604,535
46	Tier 2 capital: regulatory adjustments	-
47	Investments in own Tier 2 instruments	-
48	Investments in capital, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued common share capital of the entity (amount above 10% threshold)	-
49	Significant investments in the capital and other TLAC liabilities of banking, financial and insurance entities that are outside the scope of regulatory consolidation (net of eligible short positions)	-
50	QCB specific regulatory adjustments	-
51	Total regulatory adjustments to Tier 2 capital	-
52	Tier 2 capital (T2)	5,604,536
53	Total regulatory capital (TC = T1 + T2)	95,878,203
54	Total risk-weighted assets	503,969,738
55	Capital ratios and buffers	-
56	Common Equity Tier 1 (as a percentage of risk-weighted assets)	13.9%
57	Tier 1 (as a percentage of risk-weighted assets)	17.9%
58	Total capital (as a percentage of risk-weighted assets)	19.0%
59	Institution specific buffer requirement (capital conservation buffer plus countercyclical buffer requirements plus higher loss absorbency requirement, expressed as a percentage of risk-weighted assets)	5.0%
60	Of which: capital conservation buffer requirement	2.5%
61	Of which: bank-specific countercyclical buffer requirement	-
62	Of which: higher loss absorbency requirement (e.g. DSIB)	2.5%
63	Common Equity Tier 1 (as a percentage of risk-weighted assets) available after meeting the bank's minimum capital requirement	2.9%
64	The QCB Minimum Capital Requirement	-
65	Common Equity Tier 1 minimum ratio	11.0%
66	Tier 1 minimum ratio	13.0%
67	Total capital minimum ratio	16.0%

Reconciliation of regulatory capital to balance sheet: CC2

QAR'000	Balance sheet as in published financial statements	Under regulatory scope of consolidation
	As at June-2023	As at June-2023
Assets		
Cash and balances with the Central Bank	94,789,136	94,793,622
Due from banks and financial institutions	103,257,230	101,379,789
Investments Securities	152,767,226	150,049,523
Investments in associates and joint ventures	7,859,577	7,859,577
Property and equipment	6,306,929	6,306,929
Intangible Assets	3,274,129	3,274,129
Loans and advances to customers	818,522,752	823,205,578
Other Assets	15,279,193	35,960,412
Total assets	1,202,056,172	1,222,829,559
Liabilities		
Customer's deposits	836,478,115	829,276,272
Due to banks and financial institutions	161,300,841	157,241,630
Debt Securities	34,110,330	33,654,302
Other Borrowings	25,980,859	25,849,013
Other Liabilities	40,227,248	81,432,451
Total liabilities	1,098,097,393	1,127,453,668
Shareholders' equity		
Share capital	9,236,429	9,236,429
Legal Reserve	25,326,037	25,326,037
Risk Reserve	11,000,000	11,000,000
Fair Value Reserve	(371,038)	(371,038)
Foreign Currency Translation Reserve	(29,398,926)	0
Other Reserves	(509,140)	(29,908,067)
Retained earnings	67,697,506	60,092,530
Non-controlling interests	977,911	0
Instruments Eligible for Additional Tier I Capital	20,000,000	20,000,000
Total shareholders' equity	103,958,779	95,375,891

Notes: The difference between the published Balance Sheet and Regulatory scope of consolidation mainly relates to reporting of ECL/Provisions under Other Liabilities for regulatory purposes.

Asset encumbrance: DIS31

Asset encumbrance: ENC

	a	b	c	d
<i>June 2023 - QAR '000</i>	Encumbered assets	[Optional]	Unencumbered assets	Total
		Central bank facilities		
Total Asset encumbrance	30,909,520	-	1,171,146,652	1,202,056,172

Credit risk: DIS40

Credit quality of assets: CR1

QAR '000		Gross carrying values of			Of which ECL/Specific accounting provisions for credit losses on Standardised Approach (SA) exposures		Net values (a+b-c)
		Defaulted exposures (a)	Non- defaulted exposures (b)	Allowances/ Impairments (c)	Allocated in regulatory category of Specific (d)	Allocated in regulatory category of General (e)	
1	Loans	24,810,363	825,349,912	31,637,523	31,637,523	-	818,522,752
2	Debt securities and Banks	151,696	336,571,699	637,052	637,052	-	336,086,343
3	Off-balance sheet exposures	665,689	212,056,239	850,563	850,563	-	211,871,365
4	Total	25,627,748	1,373,977,850	33,125,138	33,125,138	-	1,366,480,460

Changes in the stock of defaulted Loans, Debt securities, Due from Banks and Other Assets: CR2

QAR '000		June-2023
1	Defaulted loans and debt securities at the end of the previous reporting period	23,829,570
2	Loans and debt securities that have defaulted since the last reporting period	4,224,673
3	Returned to non-default status	(75,161)
4	Amounts written off	(2,191,690)
5	Other changes	(825,333)
6	Defaulted loans and debt securities at the end of the reporting period (1+2-3-4-5)	24,962,059

Credit risk mitigation techniques - overview: CR3

QAR '000	Exposures unsecured: carrying amount	Exposures secured by collateral	Exposures secured by collateral of which: secured amount	Exposures secured by financial guarantees	Exposures secured by financial guarantees, of which: secured amount	Exposures secured by credit derivatives	Exposures secured by credit derivatives, of which: secured amount
Loans	-	-	490,734,070	-	-	-	-
Debt securities	-	-	-	-	-	-	-
Total	-	-	490,734,070	-	-	-	-
Of which defaulted	-	-	-	-	-	-	-

Note: No significant movements in key drivers during the reporting period.

Standardised approach - credit risk exposure and CRM effects: CR4

QAR '000	Exposures before CCF and CRM		Exposures post-CCF and CRM		RWA and RWA density	
	On-balance sheet	Off-balance sheet	On-balance sheet	Off-balance sheet	RWA	RWA density
Sovereigns and their central banks	266,010,404	42,667,126	239,406,569	18,645,493	35,631,917	13.8%
Public Sector Entities	207,478,304	5,435,642	6,809,837	1,200,285	7,387,385	92.2%
Multilateral development banks	-	-	-	-	-	-
Banks	103,675,058	33,154,101	103,675,021	19,165,109	33,982,046	27.7%
Securities firms	-	-	-	-	-	-
Corporates	469,194,937	69,733,044	210,100,674	34,758,538	240,479,618	98.2%
Regulatory retail portfolios	74,957,117	17,096,380	70,610,174	8,340,563	64,215,417	81.3%
Secured by residential property	-	-	-	-	-	-
Secured by commercial real estate	-	-	-	-	-	-
Equity Investments	8,342,397	-	8,342,397	-	18,622,410	223.2%
Past-due loans	246,716	477,321	226,190	121,396	518,750	149.2%
Higher-risk categories	-	-	-	-	-	-
Other assets	45,620,966	437,841	37,477,976	8,361,911	40,756,415	88.9%
Total	1,175,525,899	169,001,455	676,648,838	90,593,295	441,593,958	57.6%

Standardised approach - Exposures by asset classes and risk weights: CR5

Risk Weight										Total credit exposures amount (post CCF and post-CRM)
Asset Classes **	0%	20%	35%	50%	75%	100%	150%	Others		
Sovereigns	221,918,549	-	-	1,003,193	-	35,130,320	-	-		258,052,062
PSEs	620,553	-	-	4,367	-	7,385,202	-	-		8,010,122
MDBs	-	-	-	-	-	-	-	-		-
Banks	-	91,836,128	-	30,891,183	-	-	112,820	-		122,840,131
Securities	-	-	-	-	-	-	-	-		-
Corporates	-	414,634	-	8,316,376	-	235,907,600	220,602	-		244,859,212
Retail	-	-	-	-	58,941,280	20,009,457	-	-		78,950,737
Residential property	-	-	-	-	-	-	-	-		-
Commercial Real estate	-	-	-	-	-	-	-	-		-
Equity Investments	-	-	-	-	-	501,524	1,481,296	6,359,577		8,342,397
Past dues	-	-	-	2,474	-	311	344,801	-		347,586
Higher-risk	-	-	-	-	-	-	-	-		-
Other assets	12,581,980	805,602	-	-	-	32,452,304	-	-		45,839,886
Total	235,121,082	93,056,364	-	40,217,593	58,941,280	331,386,718	2,159,519	6,359,577		767,242,133

Counterparty Credit Risk: DIS42

Analysis of CCR exposures by approach: CCR1

QAR'000		a	b	c	d	e	f
		Replacement cost	Potential future exposure	Effective EPE	Alpha used for computing regulatory EAD	EAD post-CRM	RWA
1	SA-CCR (for derivatives)	6,337,315	1,972,385		1.4	5,603,115	5,387,817
2	Internal Model Method (for derivatives and SFTs)						
3	Simple Approach for credit risk mitigation (for SFTs)						
4	Comprehensive Approach for credit risk mitigation (for SFTs)						
5	Value-at-risk (VaR) for SFTs						
6	Total						5,387,817

CVA capital charge: CCR2

June 2023 - QAR '000		a	b
		EAD post-CRM	RWA
	Total portfolios subject to the Advanced CVA capital charge	2,777,073	2,755,166
1	(i) VaR component (including the 3×multiplier)		
2	(ii) Stressed VaR component (including the 3×multiplier)		
3	All portfolios subject to the Standardised CVA capital charge		
4	Total subject to the CVA capital charge	2,777,073	2,755,166

Standardised approach – CCR exposures by regulatory portfolio and risk weights: CCR3

June 2023 - QAR '000	a	b	c	d	e	f	g	h	i
Risk weight*→	0%	10%	20%	50%	75%	100%	150%	Others	Total credit exposure
Regulatory portfolio*↓									
Sovereigns	-	-	-	-	-	1,482,187	-	-	1,482,187
Non-central government public sector entities	-	-	-	-	-	-	-	-	-
Multilateral development banks	-	-	-	-	-	-	-	-	-
Banks	-	-	184,974	2,985,829	-	561,518	-	-	3,732,321
Securities firms	-	-	-	-	-	-	-	-	-
Corporates	-	-	-	25,000	-	148,107	-	-	173,107
Regulatory retail portfolios	-	-	-	-	202	-	-	-	202
Other assets	-	-	-	-	-	-	-	-	-
Total	-	-	184,974	3,010,829	202	2,191,812	-	-	5,387,817

Composition of collateral for CCR exposure: CCR5

Not Applicable

Credit derivatives exposures: CCR6

Not Applicable

Market risk: DIS50

Market risk under the standardised approach: MR1

QAR' 000		June-2023
		Risk Weighted Assets
1	General interest rate risk	2,141,795
2	Equity risk	-
3	Commodity risk	-
4	Foreign exchange risk	10,003,165
5	Credit spread risk – non-securitisations	-
6	Credit spread risk – securitisations (non-correlation trading portfolio)	-
7	Credit spread risk – securitisation (correlation trading portfolio)	-
8	Default risk – non-securitisations	-
9	Default risk – securitisations (non-correlation trading portfolio)	-
10	Default risk – securitisations (correlation trading portfolio)	-
11	Options	-
	Simplified Approach	-
	Delta Plus Method	-
11	Residual risk add-on	-
12	Total	12,144,960

Leverage ratio: DIS80

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

QAR '000		June-2023
1	Total consolidated assets as per published financial statements	1,138,996,278
2	Adjustment for investments in banking, financial, insurance or commercial entities that are consolidated for accounting purposes but outside the scope of regulatory consolidation	-
3	Adjustment for securitised exposures that meet the operational requirements for the recognition of risk transference	-
4	Adjustments for temporary exemption of central bank reserves (if applicable)	-
5	Adjustment for fiduciary assets recognised on the balance sheet pursuant to the operative accounting framework but excluded from the leverage ratio exposure measure	-
6	Adjustments for regular-way purchases and sales of financial assets subject to trade date accounting	-
7	Adjustments for eligible cash pooling transactions	-
8	Adjustments for derivative financial instruments	8,309,700
9	Adjustment for securities financing transactions (ie repurchase agreements and similar secured lending)	-
10	Adjustment for off-balance sheet items (ie conversion to credit equivalent amounts of off-balance sheet exposures)	82,450,304
11	Adjustments for prudent valuation adjustments and specific and general provisions which have reduced Tier 1 capital	-
12	Other adjustments	-
13	Leverage ratio exposure measure	1,255,662,475

Leverage ratio common disclosure: LR2

QAR '000		June-2023	December-2022
	On-balance sheet exposures		
1	On-balance sheet exposures (excluding derivatives and securities financing transactions (SFTs), but including collateral)	1,144,574,576	1,145,613,184
2	(Asset amounts deducted in determining Basel III Tier 1 capital)	(5,578,298)	(4,437,445)
3	Total on-balance sheet exposures (excluding derivatives and SFTs) (sum of rows 1 and 2)	1,138,996,278	1,141,175,739
	Derivative exposures		
4	Replacement cost associated with <i>all</i> derivatives transactions (where applicable net of eligible cash variation margin and/or with bilateral netting)	6,337,315	8,933,539
5	Add-on amounts for potential future exposure (PFE) associated with <i>all</i> derivatives transactions	1,972,385	3,973,969
6	Gross-up for derivatives collateral provided where deducted from the balance sheet assets pursuant to the operative accounting framework	-	-
7	(Deductions of receivables assets for cash variation margin provided in derivatives transactions)	-	-
8	(Exempted central counterparty, or CCP, leg of client-cleared trade exposures)	-	-
9	Adjusted effective notional amount of written credit derivatives	-	-
10	(Adjusted effective notional offsets and add-on deductions for written credit derivatives)	-	-
11	Total derivative exposures (sum of rows 4 to 10)	8,309,700	12,907,508
	Securities financing transaction exposures		
12	Gross SFT <i>assets</i> (with no recognition of netting), after adjusting for sale accounting transactions	25,906,193	25,800,183
13	(Netted amounts of cash payables and cash receivables of gross SFT assets)	-	-
14	Counterparty credit risk exposure for SFT assets	-	-
15	Agent transaction exposures	-	-
16	Total securities financing transaction exposures (sum of rows 12 to 15)	25,906,193	25,800,183
	Other off-balance sheet exposures		
17	Off-balance sheet exposure at gross notional amount	169,001,455	166,516,073
18	(Adjustments for conversion to credit equivalent amounts)	(86,551,151)	(87,275,597)
19	Off-balance sheet items (sum of rows 17 and 18)	82,450,304	79,240,476
	Capital and total exposures		
20	Tier 1 capital	90,273,668	95,568,564
21	Total exposures (sum of rows 3, 11, 16 and 19)	1,255,662,475	1,259,123,906
	Leverage ratio		
22	Basel III leverage ratio	7.2%	7.6%

Liquidity: DIS85

Liquidity Coverage Ratio (LCR): LIQ1

QAR '000		Total unweighted value (average)	Total weighted value (average)
High-quality liquid assets		June-2023	
1	Total HQLA	170,421,908	166,673,442
Cash outflows			
2	Retail deposits and deposits from small business customers, of which:	143,273,809	10,649,279
3	Stable deposits	-	-
4	Less stable deposits	143,273,809	10,649,279
5	Unsecured wholesale funding, of which:	324,367,469	198,045,790
6	Operational deposits (all counterparties) and deposits in networks of cooperative banks	103,092,516	103,092,516
7	Non-operational deposits (all counterparties)	17,844,104	1,698,172
8	Unsecured debt	203,430,849	93,255,102
9	Secured wholesale funding	-	-
10	Additional requirements, of which:	13,231,603	13,231,603
11	Outflows related to derivative exposures and other collateral requirements	-	-
12	Outflows related to loss of funding of debt products	13,231,603	13,231,603
13	Credit and liquidity facilities	-	-
14	Other contractual funding obligations	-	-
15	Other contingent funding obligations	72,818,807	16,454,407
16	TOTAL CASH OUTFLOWS	553,691,688	238,381,079
Cash inflows			
17	Secured lending	-	-
18	Inflows from fully performing exposures	145,602,600	119,836,515
19	Other cash inflows	4,373,685	4,373,685
20	TOTAL CASH INFLOWS	149,976,285	124,210,200
Total adjusted value			
21	Total HQLA		166,673,442
22	Total net cash outflows		114,170,879
23	Liquidity coverage ratio (%)		146.0%

Note: LCR ratio increased over the period due to increase in High Quality Liquid Assets and extended maturities of short-term borrowings to more than 30-days.

Net Stable Funding Ratio (NSFR): LIQ2

QAR' 0000		Unweighted value by residual maturity				Weighted value June-2023	Weighted value December-2022
		No maturity	<6 months	6 months to <1 year	≥1 year		
Available stable funding (ASF) item						T	T-1
1	Capital:	101,302,575	-	-	-	101,302,575	107,323,190
2	Regulatory capital	75,782,651	-	-	-	75,782,651	79,938,468
3	Other capital instruments	25,519,924	-	-	-	25,519,924	27,384,722
4	Retail deposits and deposits from small business customers:	75,402,335	45,013,931	13,164,051	9,693,492	118,800,832	87,847,928
5	Stable deposits	-	-	-	-	-	-
6	Less stable deposits	75,402,335	45,013,931	13,164,051	9,693,492	118,800,832	87,847,928
7	Wholesale funding:	108,760,805	219,189,048	130,590,446	289,622,485	485,468,719	457,534,969
8	Operational deposits	-	-	-	-	-	-
9	Other wholesale funding	108,760,805	219,189,048	130,590,446	289,622,485	485,468,719	457,534,969
10	Liabilities with matching interdependent assets	-	-	-	-	-	-
11	Other liabilities:	208,838,708	-	-	-	-	-
12	NSFR derivative liabilities	-	-	-	-	-	-
13	All other liabilities and equity not included in the above categories	208,838,708	-	-	-	-	-
14	Total ASF	494,304,423	264,202,979	143,754,497	299,315,977	705,572,126	652,706,087
Required stable funding (RSF) item							
15	Total NSFR high-quality liquid assets (HQLA)	87,149,123	27,121,520	12,538,205	39,082,357	-	-
16	Deposits held at other financial institutions for operational purposes	-	-	-	-	-	-
17	Performing loans and securities:	84,958,484	97,782,268	230,926,466	634,649,377	582,138,930	592,938,176
18	Performing loans to financial institutions secured by Level 1 HQLA	84,065,877	-	-	-	4,203,294	4,021,159
19	Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to financial institutions	892,607	-	-	-	446,304	824,431
20	Performing loans to non-financial corporate clients, loans to retail and small business customers, and loans to sovereigns, central banks and PSEs, of which:	-	97,782,268	230,926,466	154,220,232	566,081,854	571,538,826
21	With a risk weight of less than or equal to 35% under the Basel II standardised approach for credit risk	-	-	-	469,021,667	304,864,084	303,134,030
22	Performing residential mortgages, of which:	-	-	-	-	-	-
23	With a risk weight of less than or equal to 35% under the Basel II standardised approach for credit risk	-	-	-	-	-	-
24	Securities that are not in default and do not qualify as HQLA, including exchange-traded equities	-	-	-	11,407,478	11,407,478	16,553,760
25	Assets with matching interdependent liabilities	-	-	-	-	-	-
26	Other assets:	68,611,727	-	-	-	68,611,727	69,256,154
27	Physical traded commodities, including gold	-	-	-	-	-	-
28	Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs	-	-	-	-	-	-
29	NSFR derivative assets	-	-	-	-	-	-
30	NSFR derivative liabilities before deduction of variation margin posted	1,357,160	-	-	-	1,357,160	1,211,017
31	All other assets not included in the above categories	67,254,567	-	-	-	67,254,567	68,045,137
32	Off-balance sheet items	-	-	-	-	16,472,783	18,380,699
33	Total RSF	240,719,334	124,903,788	243,464,671	673,731,734	667,223,440	680,575,029
34	Net Stable Funding Ratio (%) *	-	-	-	-	105.7%	95.9%

Note: NSFR increased because Bank increased its proportion of stable funding, such as long-term deposits, relative to less stable funding, such as short-term borrowings.