



Interim Condensed Consolidated Financial Statements
30 June 2024

INDEPENDENT AUDITOR'S REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS TO THE BOARD OF DIRECTORS OF QATAR NATIONAL BANK (Q.P.S.C.)

Introduction

We have reviewed the accompanying interim condensed consolidated financial statements of Qatar National Bank (Q.P.S.C.) (the "Bank") and its subsidiaries (together referred to as the "Group") as at 30 June 2024, comprising of the interim consolidated statement of financial position as at 30 June 2024, the related interim consolidated statements of income and comprehensive income for the three and six month periods then ended, and interim consolidated statement of changes in equity and interim consolidated statement of cash flows for the six month period then ended, and the related explanatory notes.

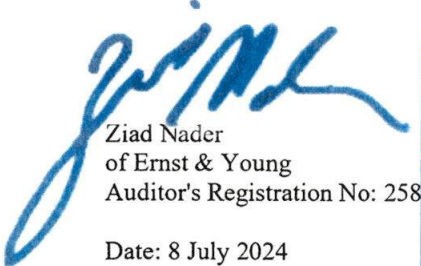
The Board of Directors is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with IAS 34 Interim Financial Reporting ("IAS 34"). Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

Scope of review

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

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34.



Ziad Nader
of Ernst & Young
Auditor's Registration No: 258
Date: 8 July 2024
Doha




Qatar National Bank (Q.P.S.C.)
Interim Consolidated Statement of Financial Position
As at 30 June 2024

	Notes	30 June 2024 (Reviewed) QR000	30 June 2023 (Reviewed) QR000	31 December 2023 (Audited) QR000
ASSETS				
Cash and Balances with Central Banks		93,446,418	94,789,136	87,820,365
Due from Banks		84,768,950	103,257,230	86,476,920
Loans and Advances to Customers	3	879,356,731	818,522,752	852,987,250
Investment Securities	4	171,161,506	152,767,226	172,732,325
Investment in Associates		7,755,638	7,859,577	7,849,360
Property and Equipment		6,916,829	6,306,929	6,713,427
Intangible Assets		2,227,079	3,274,129	2,642,601
Other Assets		15,201,619	15,279,193	13,762,765
Total Assets		1,260,834,770	1,202,056,172	1,230,985,013
LIABILITIES				
Due to Banks		139,663,994	161,300,841	156,991,401
Customer Deposits		890,561,221	836,478,115	857,106,277
Debt Securities		41,017,741	34,110,330	36,288,867
Other Borrowings		33,421,092	25,980,859	29,400,073
Other Liabilities		46,193,214	40,227,248	40,991,301
Total Liabilities		1,150,857,262	1,098,097,393	1,120,777,919
EQUITY				
Issued Capital		9,236,429	9,236,429	9,236,429
Legal Reserve		25,326,037	25,326,037	25,326,037
Risk Reserve		12,000,000	11,000,000	12,000,000
Fair Value Reserve	5	(741,535)	(371,038)	(587,777)
Foreign Currency Translation Reserve		(31,085,884)	(29,398,926)	(29,157,890)
Other Reserves		(1,000,093)	(509,140)	(820,506)
Retained Earnings		75,119,259	67,697,506	73,102,343
Total Equity Attributable to Equity Holders of the Bank		88,854,213	82,980,868	89,098,636
Non - Controlling Interests		1,123,295	977,911	1,108,458
Instruments Eligible for Additional Tier 1 Capital		20,000,000	20,000,000	20,000,000
Total Equity		109,977,508	103,958,779	110,207,094
Total Liabilities and Equity		1,260,834,770	1,202,056,172	1,230,985,013

These interim condensed consolidated financial statements were approved by the Board of Directors on 8 July 2024 and were signed on its behalf by:


Ali Ahmed Al-Kuwari
Chairman of the Board of Directors


Abdulla Mubarak Al-Khalifa
Group Chief Executive Officer

ERNST & YOUNG
Doha - Qatar

08 JUL 2024

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The attached notes 1 to 13 form an integral part of these interim condensed consolidated financial statements.

Qatar National Bank (Q.P.S.C.)
Interim Consolidated Statement of Income
For the Three and Six Month Periods Ended 30 June 2024

	Three Months to 30 June 2024 (Reviewed) QR000	Three Months to 30 June 2023 (Reviewed) QR000	Six Months to 30 June 2024 (Reviewed) QR000	Six Months to 30 June 2023 (Reviewed) QR000
Interest Income	31,143,653	22,207,066	60,345,510	43,149,782
Interest Expense	(23,411,843)	(15,195,693)	(44,534,426)	(28,931,845)
Net Interest Income	7,731,810	7,011,373	15,811,084	14,217,937
Fees and Commission Income	1,937,885	1,356,440	3,830,184	2,711,614
Fees and Commission Expense	(841,677)	(434,374)	(1,621,224)	(968,221)
Net Fees and Commission Income	1,096,208	922,066	2,208,960	1,743,393
Net Foreign Exchange Gain	612,355	1,212,459	1,617,854	1,735,247
Income from Investment Securities	94,015	(71,378)	172,456	229,309
Other Operating Income	18,685	(34,590)	43,151	277,610
Operating Income	9,553,073	9,039,930	19,853,505	18,203,496
Staff Expenses	(1,183,169)	(921,960)	(2,415,803)	(1,950,525)
Depreciation	(203,835)	(144,332)	(390,634)	(311,899)
Other Expenses	(860,166)	(690,646)	(1,694,166)	(1,510,907)
Net ECL / Impairment Losses on Loans and Advances to Customers	(1,801,119)	(2,249,483)	(3,520,438)	(4,748,564)
Net ECL / Impairment Losses on Investment Securities	(8,277)	(9,590)	(11,468)	(14,708)
Net ECL / Impairment Losses on Other Financial Instruments	(147,646)	(296,679)	(244,011)	(368,668)
Amortisation of Intangible Assets	(39,811)	(32,583)	(80,001)	(70,965)
Other Provisions	(4,890)	(31,158)	(19,500)	(38,531)
	(4,248,913)	(4,376,431)	(8,376,021)	(9,014,767)
Share of Results of Associates	198,492	202,322	263,592	336,015
Profit Before Net Monetary Loss Arising from Hyperinflation and Income Taxes	5,502,652	4,865,821	11,741,076	9,524,744
Net Monetary Loss Arising from Hyperinflation	(835,920)	(402,501)	(2,063,834)	(1,166,572)
Profit for the Period Before Income Taxes	4,666,732	4,463,320	9,677,242	8,358,172
Income Tax Charge	(595,199)	(704,978)	(1,398,290)	(683,512)
Profit for the Period	4,071,533	3,758,342	8,278,952	7,674,660
Attributable to:				
Equity Holders of the Bank	4,018,556	3,723,231	8,161,816	7,604,976
Non - Controlling Interests	52,977	35,111	117,136	69,684
Profit for the Period	4,071,533	3,758,342	8,278,952	7,674,660
Earnings Per Share (QR) (Basic and Diluted) (note 12)	0.40	0.37	0.82	0.76

The attached notes 1 to 13 form an integral part of these interim condensed consolidated financial statements.

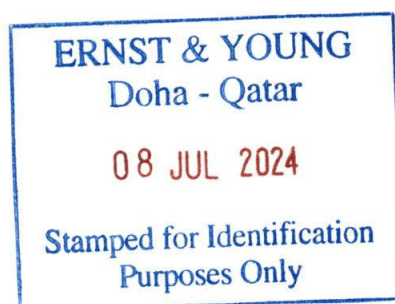
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Doha - Qatar

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Qatar National Bank (Q.P.S.C.)
Interim Consolidated Statement of Comprehensive Income
For the Three and Six Month Periods Ended 30 June 2024

	Three Months to 30 June 2024 (Reviewed) QR000	Three Months to 30 June 2023 (Reviewed) QR000	Six Months to 30 June 2024 (Reviewed) QR000	Six Months to 30 June 2023 (Reviewed) QR000
Profit for the Period	4,071,533	3,758,342	8,278,952	7,674,660
Other Comprehensive (Loss) / Income Items that are or may be Reclassified to Consolidated Income Statement in Subsequent Periods:				
Foreign Currency Translation Differences for Foreign Operations	(226,072)	(1,409,713)	(4,112,902)	(3,373,974)
Share of Other Comprehensive Income of Associates	(200,279)	61,744	(179,749)	(128,484)
Effective Portion of Changes in Fair Value of Cash Flow Hedges	(82,637)	(384,850)	(192,259)	(421,617)
Effective Portion of Changes in Fair Value of Net Investment in Foreign Operations	13,638	14,956	88,099	(86,578)
Investments in Debt Instruments Measured at FVOCI				
Net Change in Fair Value	(60,623)	(539,262)	25,147	41,487
Net Amount Transferred to Income Statement	(9,116)	130,764	(7,467)	(91,574)
Other Comprehensive (Loss) / Income Items that will not be Reclassified to Consolidated Income Statement:				
Net Change in Fair Value of Investments in Equity Instruments				
Designated at FVOCI	(35,797)	64,413	(62,876)	(706,286)
Effects of Hyperinflation	966,995	484,207	2,041,074	773,944
Total Other Comprehensive Income / (Loss) for the Period, net of Income Taxes	366,109	(1,577,741)	(2,400,933)	(3,993,082)
Total Comprehensive Income for the Period	4,437,642	2,180,601	5,878,019	3,681,578
Attributable to:				
Equity Holders of the Bank	4,383,926	2,152,445	5,900,439	3,650,299
Non - Controlling Interests	53,716	28,156	(22,420)	31,279
Total Comprehensive Income for the Period	4,437,642	2,180,601	5,878,019	3,681,578

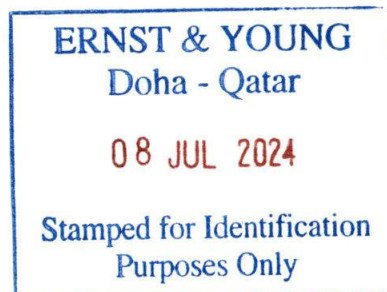


The attached notes 1 to 13 form an integral part of these interim condensed consolidated financial statements.

Qatar National Bank (Q.P.S.C.)
Interim Consolidated Statement of Changes in Equity
For the Six Month Period Ended 30 June 2024

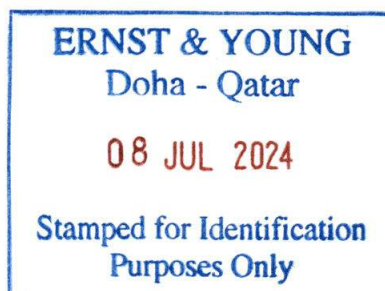
	Equity Attributable to Equity Holders of the Bank										Total
	Issued Capital	Legal Reserve	Risk Reserve	Fair Value Reserve	Foreign Currency Translation Reserve	Other Reserves	Retained Earnings	Equity Attributable to Equity Holders of the Bank	Non Controlling Interests	Instruments Eligible for Additional Tier 1 Capital	
	QR000	QR000	QR000	QR000	QR000	QR000	QR000	QR000	QR000	QR000	
Balance at 1 January 2024	9,236,429	25,326,037	12,000,000	(587,777)	(29,157,890)	(820,506)	73,102,343	89,098,636	1,108,458	20,000,000	110,207,094
Total Comprehensive Income for the Period											
Profit for the Period	-	-	-	-	-	-	8,161,816	8,161,816	117,136	-	8,278,952
Other Comprehensive Loss	-	-	-	(153,796)	(1,927,994)	(179,587)	-	(2,261,377)	(139,556)	-	(2,400,933)
Total Comprehensive (Loss) / Income for the Period	-	-	-	(153,796)	(1,927,994)	(179,587)	8,161,816	5,900,439	(22,420)	-	5,878,019
Reclassification of Net Change in Fair Value of Equity Instruments upon Derecognition	-	-	-	38	-	-	(38)	-	-	-	-
Transactions with Equity Holders, Recognised Directly in Equity											
Dividend for the Year 2023 (note 6)	-	-	-	-	-	-	(6,003,679)	(6,003,679)	-	-	(6,003,679)
Other Movements	-	-	-	-	-	-	(141,183)	(141,183)	37,257	-	(103,926)
Total Transactions Recognised Directly in Equity	-	-	-	-	-	-	(6,144,862)	(6,144,862)	37,257	-	(6,107,605)
Balance at 30 June 2024	9,236,429	25,326,037	12,000,000	(741,535)	(31,085,884)	(1,000,093)	75,119,259	88,854,213	1,123,295	20,000,000	109,977,508
Balance at 1 January 2023	9,236,429	25,326,037	11,000,000	890,129	(26,833,105)	(381,451)	65,848,784	85,086,823	969,962	20,000,000	106,056,785
Total Comprehensive Income for the Period											
Profit for the Period	-	-	-	-	-	-	7,604,976	7,604,976	69,684	-	7,674,660
Other Comprehensive Loss	-	-	-	(1,261,167)	(2,565,821)	(127,689)	-	(3,954,677)	(38,405)	-	(3,993,082)
Total Comprehensive (Loss) / Income for the Period	-	-	-	(1,261,167)	(2,565,821)	(127,689)	7,604,976	3,650,299	31,279	-	3,681,578
Transactions with Equity Holders, Recognised Directly in Equity											
Dividend for the Year 2022 (note 6)	-	-	-	-	-	-	(5,541,857)	(5,541,857)	-	-	(5,541,857)
Other Movements	-	-	-	-	-	-	(214,397)	(214,397)	(23,330)	-	(237,727)
Total Transactions Recognised Directly in Equity	-	-	-	-	-	-	(5,756,254)	(5,756,254)	(23,330)	-	(5,779,584)
Balance at 30 June 2023	9,236,429	25,326,037	11,000,000	(371,038)	(29,398,926)	(509,140)	67,697,506	82,980,868	977,911	20,000,000	103,958,779

The attached notes 1 to 13 form an integral part of these interim condensed consolidated financial statements.



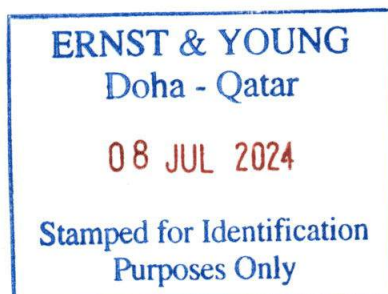
Qatar National Bank (Q.P.S.C.)
Interim Consolidated Statement of Cash Flows
For the Six Month Period Ended 30 June 2024

	Six Months to 30 June 2024 (Reviewed) QR000	Six Months to 30 June 2023 (Reviewed) QR000	Year to 31 December 2023 (Audited) QR000
Cash Flows from Operating Activities			
Profit Before Income Taxes	9,677,242	8,358,172	17,961,819
Adjustments for:			
Interest Income	(60,345,510)	(43,149,782)	(97,133,328)
Interest Expense	44,534,426	28,931,845	66,716,288
Depreciation	390,634	311,899	660,050
Net ECL / Impairment Losses on Loans and Advances to Customers	3,520,438	4,748,564	8,691,980
Net ECL / Impairment Losses on Investment Securities	11,468	14,708	23,521
Net ECL / Impairment Losses on Other Financial Instruments	244,011	368,668	937,611
Other Provisions	19,500	38,531	126,553
Dividend Income	(46,998)	(29,011)	(107,412)
Net Loss / (Gain) on Sale of Property and Equipment	11,958	(14,246)	(41,166)
Net Gain on Sale of Investment Securities	(125,458)	(200,298)	(280,756)
Amortisation of Intangible Assets	80,001	70,965	132,569
Net Amortisation of Premium or Discount on Investments	387,156	1,473,741	(6,202,390)
Net Share of Results of Associates	(263,592)	(336,015)	(473,347)
Net Monetary Loss Arising from Hyperinflation	2,063,834	1,166,572	3,503,094
	159,110	1,754,313	(5,484,914)
Changes in:			
Due from Banks	(10,074,211)	(8,678,331)	(135,741)
Loans and Advances to Customers	(45,949,624)	(34,817,857)	(82,454,092)
Other Assets	(10,451,747)	4,312,359	(3,536,405)
Due to Banks	(15,224,946)	21,284,017	17,038,038
Customer Deposits	67,607,131	19,186,596	44,976,013
Other Liabilities	3,868,223	(415,251)	2,701,078
Cash (used in) / from Operations	(10,066,064)	2,625,846	(26,896,023)
Interest Received	54,899,059	38,009,313	90,063,723
Interest Paid	(38,550,039)	(22,170,102)	(59,178,859)
Dividends Received	46,998	29,011	107,412
Income Tax Paid	(1,224,626)	(1,166,300)	(2,553,677)
Other Provisions Paid	(8,172)	(85,226)	(77,216)
Net Cash Flow from Operating Activities	5,097,156	17,242,542	1,465,360
Cash Flows from Investing Activities			
Acquisitions of Investment Securities	(112,239,622)	(84,196,714)	(193,983,510)
Proceeds from Sale / Redemption of Investment Securities	107,064,251	83,808,940	177,496,441
Dividend from Associates	140,458	167,905	-
Additions to Property and Equipment	(732,930)	(1,115,590)	(1,243,961)
Proceeds from Sale of Property and Equipment	5,224	11,974	79,450
Net Cash Flows used in Investing Activities	(5,762,619)	(1,323,485)	(17,651,580)



Qatar National Bank (Q.P.S.C.)
Interim Consolidated Statement of Cash Flows (Continued)
For the Six Month Period Ended 30 June 2024

	Note	Six Months to 30 June 2024 (Reviewed) QR000	Six Months to 30 June 2023 (Reviewed) QR000	Year to 31 December 2023 (Audited) QR000
Cash Flows from Financing Activities				
Payment of Coupon on Instruments Eligible for Additional Capital		(1,150,000)	(1,082,917)	(1,082,917)
Proceeds from Issuance of Debt Securities		12,212,423	1,210,544	3,685,243
Repayment of Debt Securities		(7,423,251)	(2,226,151)	(2,261,848)
Proceeds from Issuance of Other Borrowings		5,711,243	2,902,920	7,987,291
Repayment of Other Borrowings		(1,091,877)	(2,045,452)	(3,472,552)
Repayment of Lease Liabilities		(72,873)	(61,253)	(203,591)
Dividends Paid		(6,006,155)	(5,536,803)	(5,540,393)
Net Cash Flows from / (used in) Financing Activities		<u>2,179,510</u>	<u>(6,839,112)</u>	<u>(888,767)</u>
Net Increase / (Decrease) in Cash and Cash Equivalents		1,514,047	9,079,945	(17,074,987)
Effects of Exchange Rate Changes on Cash and Cash Equivalents		(1,227,840)	(1,554,592)	(2,110,827)
Cash and Cash Equivalents as at 1 January		108,127,812	127,313,626	127,313,626
Cash and Cash Equivalents at 30 June		<u>108,414,019</u>	<u>134,838,979</u>	<u>108,127,812</u>
/ 31 December	11			



The attached notes 1 to 13 form an integral part of these interim condensed consolidated financial statements.

Qatar National Bank (Q.P.S.C.)
Notes to the Interim Condensed Consolidated Financial Statements
For the Six Month Period Ended 30 June 2024

1. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION

The accompanying interim condensed consolidated financial statements are prepared in accordance with IAS 34 *'Interim Financial Reporting'*. These interim condensed consolidated financial statements should be read in conjunction with the 2023 annual audited consolidated financial statements of the Group.

The interim condensed consolidated financial statements do not contain all information and disclosures required for full consolidated financial statements prepared in accordance with International Financial Reporting Standards. In addition, results for the six month period ended 30 June 2024 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2024.

The preparation of the interim condensed consolidated financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended 31 December 2023.

The Group has consistently applied the accounting policies as applied in the annual consolidated financial statements for the year ended 31 December 2023, except for the changes that became effective from 1 January 2024.

The Group's financial risk management objectives and policies are consistent with those disclosed in the consolidated financial statements for the year ended 31 December 2023, except for addition of climate related matters mentioned below.

The following amendments to existing standards have been applied by the Group in preparation of these interim condensed consolidated financial statements. The adoption of these new standards do not have significant impact on the interim condensed consolidated financial statements.

Description	Effective from
Classification of Liabilities as Current or Non-current (Amendments to IAS 1)	1 January 2024
Lease Liability in a Sale and Leaseback (Amendments to IFRS 16)	1 January 2024
Disclosures: Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7)	1 January 2024
Non-current Liabilities with Covenants – Amendments to IAS 1	1 January 2024
New Standards, Amendments Issued but not yet Effective	
Lack of Exchangeability – Amendments to IAS 21	1 January 2025
Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7	1 January 2026
IFRS 18, Presentation and Disclosure in Financial Statements	1 January 2027
Sale or Contribution of Assets between an Investor and its Associate or Joint Venture – Amendments to IFRS 10 and IAS 28	Deferred indefinitely

The Group is currently evaluating the impact of these amendments. The Group will adopt it when the amendments become effective.

Climate-related matters

The Group considers climate-related matters in accounting judgements, estimates and assumptions, where appropriate. This assessment includes a wide range of possible impacts on the Group due to both physical and transition risks. Most climate-related risks are expected to impact over a term that is generally longer than the contractual maturity of most exposures, nonetheless climate-related matters increase the uncertainty in estimates and assumptions underpinning certain items in the financial statements. Currently, climate-related risks do not have a significant impact on measurement, though the Group is closely monitoring relevant changes and developments. The items and considerations that are most directly impacted by climate-related matters include useful life of property and equipment, impairment of non-financial assets, expected credit losses and fair value measurement, among others.

Qatar National Bank (Q.P.S.C.)
Notes to the Interim Condensed Consolidated Financial Statements
For the Six Month Period Ended 30 June 2024

1. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Classification of Turkey as a hyperinflationary economy

From 1 April 2022, the Turkish economy has been considered hyperinflationary based on the criteria established by International Accounting Standard 29, '*Financial Reporting in Hyperinflationary Economies*' ('IAS 29'). This designation is determined following an assessment of a series of qualitative and quantitative circumstances, including the presence of a cumulative inflation rate of more than 100% over the previous three years.

IAS 29 requires that consolidated financial statements are stated in terms of the measuring unit current at the balance sheet date which requires restatement of non-monetary assets and liabilities to reflect the changes in the general purchasing power of the Turkish Lira.

The restatements were calculated by means of conversion factors derived from the consumer price indices. Such index as announced by Turkish Statistical Institute is as follows:

Date	Index
30 June 2024	2,319.29
31 December 2023	1,859.38
30 June 2023	1,351.59

The basic principles, in relation to the financial information of QNB Finansbank, applied in the accompanying interim condensed consolidated financial statements, are summarized in the following paragraphs.

Adjustment for prior periods

- Adjustment of the historical carrying values of non-monetary assets and liabilities and the various items of equity from their date of acquisition or inclusion in the consolidated statement of financial position to the end of the reporting period to reflect the changes in purchasing power of the currency caused by inflation, according to the indices published by the Turkish Statistical Institute. The cumulative impact for previous years had been reflected through other comprehensive income. Since QNB Group's comparative amount are presented in a stable currency, these comparative amounts are not restated.

Adjustment for current period

- Monetary assets and liabilities, which are carried at amounts current at the date of statement of financial position, are not restated because they are already expressed in terms of the monetary unit current at the date of statement of financial position.
- Non-monetary assets and liabilities, which are not carried at amounts current at the date of statement of financial position, and components of shareholders' equity are restated by applying the relevant conversion factors.
- All items in the statement of income are restated by applying the conversion factors from the date on which the transaction originated except for those amounts deriving from non-monetary items, which are calculated based on the restated values of the related items.
- The effect of application indices on the Group's net monetary position is included in the statement of income as monetary gain or loss.
- All items in the statement of cash flows are expressed in a measuring unit current at the date of statement of financial position; they are therefore restated by applying the relevant conversion factors from the date on which the transaction originated.

Qatar National Bank (Q.P.S.C.)
Notes to the Interim Condensed Consolidated Financial Statements
For the Six Month Period Ended 30 June 2024

2. SEGMENT INFORMATION

The Group is organised into four main operating segments. The results of each of the operating segments which are being monitored regularly by the Chief Operating Decision Maker, are stated below:

	Qatar Operations				International Banking	Total
	Corporate Banking	Consumer Banking	Asset and Wealth Management	Unallocated & Intra-group Transactions		
	QR000	QR000	QR000	QR000	QR000	QR000
As at and for the six month period ended 30 June 2024:						
Revenue:						
Net Interest Income	7,866,826	472,692	363,873	192,249	6,915,444	15,811,084
Net Fees and Commission Income	599,647	133,320	204,154	1,641	1,270,198	2,208,960
Net Foreign Exchange Gain	252,010	90,878	57,857	2,619	1,214,490	1,617,854
Income from Investment Securities	31,262	-	-	-	141,194	172,456
Other Operating Income	-	63	253	-	42,835	43,151
Share of Results of Associates	262,292	-	-	-	1,300	263,592
Total Segment Revenue	9,012,037	696,953	626,137	196,509	9,585,461	20,117,097
Reportable Segment Profit	5,034,778	385,278	524,244	18,417	2,199,099	8,161,816
Reportable Segment Investments	108,745,765	-	6,137	-	62,409,604	171,161,506
Reportable Segment Loans and Advances	648,108,109	10,561,141	40,455,027	-	180,232,454	879,356,731
Reportable Segment Customer Deposits	422,397,785	40,485,137	46,556,870	-	381,121,429	890,561,221
Reportable Segment Assets	923,538,582	41,996,087	48,355,800	(346,149,016)	593,093,317	1,260,834,770

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2. SEGMENT INFORMATION (CONTINUED)

	Qatar Operations					Total
	Corporate	Consumer	Asset	Unallocated	International	
	Banking	Banking	and Wealth	& Intra-group	Banking	
	QR000	QR000	Management	Transactions	QR000	QR000
	QR000	QR000	QR000	QR000	QR000	QR000
As at and for the six month period ended 30 June 2023:						
Revenue:						
Net Interest Income	7,585,748	400,428	375,626	82,607	5,773,528	14,217,937
Net Fees and Commission Income	546,711	175,225	173,885	3,078	844,494	1,743,393
Net Foreign Exchange Gain	173,359	89,818	100,992	2,351	1,368,727	1,735,247
Income from Investment Securities	16,819	-	-	-	212,490	229,309
Other Operating Income	-	51	259	535	276,765	277,610
Share of Results of Associates	337,697	-	-	-	(1,682)	336,015
Total Segment Revenue	8,660,334	665,522	650,762	88,571	8,474,322	18,539,511
Reportable Segment Profit	4,522,074	329,576	511,912	(92,175)	2,333,589	7,604,976
Reportable Segment Investments	99,649,091	-	3,764	-	53,114,371	152,767,226
Reportable Segment Loans and Advances	604,355,348	10,053,955	32,647,057	-	171,466,392	818,522,752
Reportable Segment Customer Deposits	402,461,505	38,586,251	45,811,828	-	349,618,531	836,478,115
Reportable Segment Assets	886,217,021	41,267,950	48,250,615	(322,104,897)	548,425,483	1,202,056,172

Qatar National Bank (Q.P.S.C.)
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For the Six Month Period Ended 30 June 2024

3. LOANS AND ADVANCES TO CUSTOMERS

	30 June 2024 (Reviewed) QR000	30 June 2023 (Reviewed) QR000	31 December 2023 (Audited) QR000
Loans and Advances to Customers	894,322,494	834,724,955	870,256,058
Deferred Profit	(38,736)	(40,873)	(86,847)
Accrued Interest	18,530,016	15,476,193	17,039,054
Expected Credit Losses - Performing Loans and Advances to Customers - Stage 1 and 2	(6,614,609)	(7,072,989)	(7,840,156)
Impairment on Non-performing Loans and Advances to Customers - Stage 3	(26,842,434)	(24,564,534)	(26,380,859)
Net Loans and Advances to Customers	<u>879,356,731</u>	<u>818,522,752</u>	<u>852,987,250</u>

The gross exposure of loans and advances to customers by stage is as follows:

	30 June 2024 (Reviewed) QR000	30 June 2023 (Reviewed) QR000	31 December 2023 (Audited) QR000
Stage 1	841,747,611	775,360,311	811,875,883
Stage 2	44,201,819	49,989,601	48,977,878
Stage 3	26,864,344	24,810,363	26,354,504
Total Gross Exposures	<u>912,813,774</u>	<u>850,160,275</u>	<u>887,208,265</u>

The expected credit losses and impairment for the period for loans and advances to customers is as follows:

	30 June 2024			
	Stage 1 (Reviewed) QR000	Stage 2 (Reviewed) QR000	Stage 3 (Reviewed) QR000	Total (Reviewed) QR000
Opening Balance of Provisions as at 1 January 2024	2,851,725	4,988,431	26,380,859	34,221,015
ECL / Impairment Charge for the Period (Net)	(133,470)	277,423	4,249,934	4,393,887
Foreign Currency Translation for the Period	(224,208)	(167,333)	(568,593)	(960,134)
Transfers from Stage 1 to 2	(135)	135	-	-
Transfers from Stage 2 to 3	-	(977,959)	977,959	-
Write-offs during the Period	-	-	(4,197,725)	(4,197,725)
Closing Balance as at 30 June 2024	<u>2,493,912</u>	<u>4,120,697</u>	<u>26,842,434</u>	<u>33,457,043</u>

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3. LOANS AND ADVANCES TO CUSTOMERS (CONTINUED)

	30 June 2023			
	Stage 1 (Reviewed) QR000	Stage 2 (Reviewed) QR000	Stage 3 (Reviewed) QR000	Total (Reviewed) QR000
Opening Balance of Provisions as at 1 January 2023	2,511,635	4,030,285	23,327,375	29,869,295
ECL / Impairment Charge for the Period (Net)	687,644	1,036,837	3,874,858	5,599,339
Foreign Currency Translation for the Period	(422,254)	(287,575)	(446,009)	(1,155,838)
Transfers from Stage 1 to 2	(6,216)	6,216	-	-
Transfers from Stage 2 to 3	-	(483,583)	483,583	-
Transfer to ECL for contingent liabilities	-	-	(15,198)	(15,198)
Write-offs during the Period	-	-	(2,660,075)	(2,660,075)
Closing Balance as at 30 June 2023	<u>2,770,809</u>	<u>4,302,180</u>	<u>24,564,534</u>	<u>31,637,523</u>

ECL / impairment charge for the period includes interest in suspense and recoveries of balances previously written off, net for QR873 million (30 June 2023: QR851 million).

4. INVESTMENT SECURITIES

	30 June 2024 (Reviewed) QR000	30 June 2023 (Reviewed) QR000	31 December 2023 (Audited) QR000
Investment Securities at Fair Value Through Profit or Loss (FVPL)	796,129	300,239	747,245
Investment Securities at Fair Value Through Other Comprehensive Income (FVOCI)	45,846,177	37,678,773	54,952,070
Investment Securities at Amortised Cost (AC), net	120,502,489	111,787,680	113,056,867
Accrued Interest	4,016,711	3,000,534	3,976,143
Total	<u>171,161,506</u>	<u>152,767,226</u>	<u>172,732,325</u>

The above includes impairment allowance in respect of debt securities amounting to QR296.7 million (31 December 2023: QR288.5 million).

5. FAIR VALUE RESERVE

	30 June 2024 (Reviewed) QR000	30 June 2023 (Reviewed) QR000	31 December 2023 (Audited) QR000
Cash Flow Hedges	(562,883)	(220,958)	(370,523)
Fair Value Through Other Comprehensive Income (FVOCI)	(448,199)	(410,378)	(398,702)
Hedges of a Net Investment in Foreign Operations	269,547	260,298	181,448
Total	<u>(741,535)</u>	<u>(371,038)</u>	<u>(587,777)</u>

The Fair Value Reserve for Investments at Fair Value Through Other Comprehensive Income include the loss allowance amounting to QR27.5 million (31 December 2023: QR26.6 million).

6. DIVIDENDS

The Board of Directors have approved an interim cash dividend in respect of the six month period ended 30 June 2024 of QR0.33 per share, amounting to a total of QR3,048 million. This is subject to approval of Qatar Central Bank.

The cash dividend in respect of the year ended 31 December 2023 of QR0.65 per share, amounting to a total of QR6,004 million, was approved by the shareholders at the Annual General Assembly meeting on 11 February 2024.

The cash dividend in respect of the year ended 31 December 2022 of QR0.60 per share, amounting to a total of QR5,542 million, was approved by the shareholders at the Annual General Assembly meeting on 13 February 2023.

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7. CONTINGENT LIABILITIES AND OTHER COMMITMENTS

	30 June 2024 (Reviewed) QR000	30 June 2023 (Reviewed) QR000	31 December 2023 (Audited) QR000
Contingent Liabilities			
Unused Facilities	147,464,528	105,759,785	129,278,050
Guarantees	78,911,617	63,936,811	66,720,876
Letters of Credit	50,593,552	43,025,332	52,315,037
Others	7,497,071	14,695,408	14,765,344
Total	284,466,768	227,417,336	263,079,307

The gross exposure of contingent liabilities by stage is as follows:

	30 June 2024 (Reviewed) QR000	30 June 2023 (Reviewed) QR000	31 December 2023 (Audited) QR000
Stage 1	272,282,751	206,364,287	242,504,900
Stage 2	4,086,054	5,691,952	5,156,950
Stage 3	600,892	665,689	652,113
Total Gross Exposures	276,969,697	212,721,928	248,313,963

The expected credit losses and impairment for the period for contingent liabilities is as follows:

	30 June 2024			
	Stage 1 (Reviewed) QR000	Stage 2 (Reviewed) QR000	Stage 3 (Reviewed) QR000	Total (Reviewed) QR000
Opening Balance of Provisions as at 1 January 2024	579,907	230,473	336,174	1,146,554
ECL / Impairment Charge for the Period (Net)	(100,956)	5,277	92,562	(3,117)
Foreign Currency Translation for the Period	(20,300)	(6,021)	(5,984)	(32,305)
Transfers / write off during the Period	(8,340)	157	-	(8,183)
Closing Balance as at 30 June 2024	450,311	229,886	422,752	1,102,949

	30 June 2023			
	Stage 1 (Reviewed) QR000	Stage 2 (Reviewed) QR000	Stage 3 (Reviewed) QR000	Total (Reviewed) QR000
Opening Balance of Provisions as at 1 January 2023	405,529	161,498	114,548	681,575
ECL / Impairment Charge for the Period (Net)	99,866	6,616	75,947	182,429
Foreign Currency Translation for the Period	(23,409)	(3,103)	(2,127)	(28,639)
Transfer from ECL for loans and advances	-	15,198	-	15,198
Transfers during the Period	(86)	86	-	-
Closing Balance as at 30 June 2023	481,900	180,295	188,368	850,563

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8. RELATED PARTY DISCLOSURES

The Group has transactions in the ordinary course of business with directors and officers of the Group and entities over which they have significant influence and control. As at the end of the reporting period, such significant items included:

	30 June 2024 (Reviewed) QR000	30 June 2023 (Reviewed) QR000	31 December 2023 (Audited) QR000
Statement of Financial Position Items			
Loans and Advances to Customers	3,350,076	3,448,398	3,561,825
Customer Deposits	1,694,069	1,664,130	1,576,395
Contingent Liabilities and Other Commitments	46,982	43,582	35,276
Statement of Income Items			
Interest and Commission Income	101,778	97,969	204,012
Interest and Commission Expense	44,759	40,606	81,389
Associates			
Due from banks	971,887	1,156,065	1,256,738
Interest and Commission Income	35,017	25,293	69,778
Due to banks	1,672	51,589	1,648
Interest and Commission Expense	328	1,200	19,196

Compensation of key management personnel is as follows:

Salaries and Other Benefits	43,063	39,504	46,708
End of Service Indemnity Benefits	1,905	873	2,071

The Group also has significant commercial transactions with the State of Qatar, which owns 50% of the Bank's outstanding shares through Qatar Investment Authority, amounting to QR90,544 million included in loans and advances (31 December 2023: QR89,091 million) and QR34,175 million included in customer deposits (31 December 2023: QR26,864 million).

9. CAPITAL ADEQUACY

	30 June 2024 (Reviewed) QR000	30 June 2023 (Reviewed) QR000	31 December 2023 (Audited) QR000
Common Equity Tier 1 (CET 1) Capital	83,568,190	70,204,353	76,825,790
Eligible Additional Tier 1 (AT 1) Capital Instruments	20,000,000	20,000,000	20,000,000
Additional Tier 1 Capital	89,761	69,315	80,842
Additional Tier 2 Capital	6,227,428	5,604,536	5,935,517
Total Eligible Capital	109,885,379	95,878,204	102,842,149
Risk Weighted Assets	555,950,555	503,969,738	519,038,605
Total Capital Ratio	19.2%	19.0%	19.8%

The above ratios are calculated based on Total Eligible Capital, net of proposed interim dividends.

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9. CAPITAL ADEQUACY (CONTINUED)

QNB Group follows Basel III Capital Adequacy Ratio (CAR) calculation in accordance with Qatar Central Bank (QCB) regulations. QCB has issued Basel III Framework for Conventional Banks – Pillar 1 Guidelines for Capital Adequacy in September 2022 (commonly known as Basel III reforms or Basel IV) that are effective from 1 January 2024. QNB Group's Capital Adequacy Ratio (CAR) calculation for periods beginning 1 January 2024 have been prepared in accordance with the applicable QCB requirements. In addition, QCB has increased DSIB buffer for QNB Group from 2.5% to 3.5% from 1 January 2024. The minimum accepted total Capital Adequacy Ratio requirements under Basel III as per QCB Requirements is as follows:

- Minimum limit without Capital Conservation buffer is 10% (31 December 2023: 10%) .
- Minimum limit including Capital Conservation buffer, ICAAP buffer and the applicable Domestically Systemically Important Bank ("DSIB") buffer is 17% (31 December 2023: 16%).

10. FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

The table below analyses financial instruments measured at fair value at the end of the reporting period, by the level in the fair value hierarchy into which the fair value measurement is categorised. There is no change in fair value hierarchy compared to 31 December 2023.

	Level 1 QR000	Level 2 QR000	Level 3 QR000	Total QR000
At 30 June 2024: (Reviewed)				
Derivative Assets	-	9,490,301	-	9,490,301
Investment Securities	32,402,297	15,175,843	-	47,578,140
	32,402,297	24,666,144	-	57,068,441
Derivative Liabilities	57	10,379,652	-	10,379,709
	57	10,379,652	-	10,379,709
At 31 December 2023: (Audited)				
Derivative Assets	-	7,128,139	-	7,128,139
Investment Securities	31,754,032	24,756,630	-	56,510,662
	31,754,032	31,884,769	-	63,638,801
Derivative Liabilities	40	5,492,025	-	5,492,065
	40	5,492,025	-	5,492,065

11. CASH AND CASH EQUIVALENTS

For the purposes of the interim consolidated statement of cash flows, cash and cash equivalents comprise the following balances:

	30 June 2024 (Reviewed) QR000	30 June 2023 (Reviewed) QR000	31 December 2023 (Audited) QR000
Cash and Balances with Central Banks	36,996,813	39,134,118	27,988,326
Due from Banks with Original Maturity of Three Months or Less	71,417,206	95,704,861	80,139,486
Total	108,414,019	134,838,979	108,127,812

Cash and Balances with Central Banks do not include mandatory reserve deposits.

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12. BASIC AND DILUTED EARNINGS PER SHARE

	Three Months to 30 June 2024 (Reviewed) QR000	Three Months to 30 June 2023 (Reviewed) QR000	Six Months to 30 June 2024 (Reviewed) QR000	Six Months to 30 June 2023 (Reviewed) QR000
Profit for the Period Attributable to Equity Holders of the Bank	4,018,556	3,723,231	8,161,816	7,604,976
Less: Dividend Appropriation for Instruments Eligible for Additional Tier 1 Capital	(287,500)	(287,500)	(575,000)	(575,000)
Net Profit for the Period Attributable to Equity Holders of the Bank	<u>3,731,056</u>	<u>3,435,731</u>	<u>7,586,816</u>	<u>7,029,976</u>
Weighted Average Number of Shares	9,236,428,570	9,236,428,570	9,236,428,570	9,236,428,570
Earnings Per Share (QR) - Basic and Diluted	<u><u>0.40</u></u>	<u><u>0.37</u></u>	<u><u>0.82</u></u>	<u><u>0.76</u></u>

13. COMPARATIVE INFORMATION

Certain comparative information has been reclassified where necessary to preserve consistency with the presentation in the current period. However, such reclassifications did not have any effect on the interim consolidated statement of income or the consolidated equity of the Group for the comparative period / year.