



Interim Condensed Consolidated Financial Statements
30 September 2023

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 September 2023, comprising of the interim consolidated statement of financial position as at 30 September 2023 and the related interim consolidated statements of income and comprehensive income for the three and nine month periods then ended and the related interim consolidated statements of changes in equity and cash flows for the nine 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

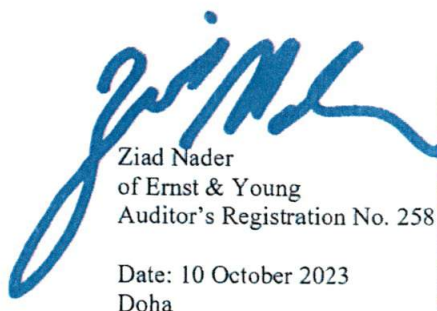
We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial 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.

Other matter

The interim condensed consolidated financial statements as at 30 September 2022 were reviewed and the consolidated financial statements as at 31 December 2022 were audited by another auditor, whose reports dated 10 October 2022 and 17 January 2023, respectively, expressed an unmodified review conclusion and audit opinion.



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


Date: 10 October 2023
Doha




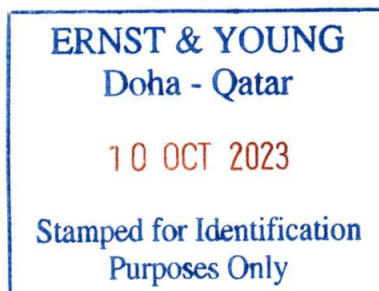
Qatar National Bank (Q.P.S.C.)
Interim Consolidated Statement of Financial Position
As at 30 September 2023

	Notes	30 September 2023 (Reviewed) QR000	30 September 2022 (Reviewed) QR000	31 December 2022 (Audited) QR000
ASSETS				
Cash and Balances with Central Banks		91,295,137	101,133,773	91,563,936
Due from Banks		80,131,165	95,159,536	96,259,687
Loans and Advances to Customers	3	815,471,568	763,021,277	807,601,336
Investment Securities	4	167,259,370	146,031,322	159,913,041
Investment in Associates		7,811,643	7,499,691	7,902,221
Property and Equipment		6,446,344	6,085,554	6,941,495
Intangible Assets		3,260,480	4,153,866	3,178,417
Other Assets		14,294,452	12,066,705	15,858,879
Total Assets		1,185,970,159	1,135,151,724	1,189,219,012
LIABILITIES				
Due to Banks		151,891,133	139,496,101	142,814,699
Customer Deposits		822,448,705	794,394,762	842,278,655
Debt Securities		33,627,925	34,448,793	35,152,720
Other Borrowings		25,466,698	25,194,810	25,593,253
Other Liabilities		44,017,105	35,625,845	37,322,900
Total Liabilities		1,077,451,566	1,029,160,311	1,083,162,227
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		11,000,000	10,000,000	11,000,000
Fair Value Reserve	5	(511,616)	794,718	890,129
Foreign Currency Translation Reserve		(28,812,442)	(24,993,512)	(26,833,105)
Other Reserves		(699,479)	(259,123)	(381,451)
Retained Earnings		71,909,011	64,835,796	65,848,784
Total Equity Attributable to Equity Holders of the Bank		87,447,940	84,940,345	85,086,823
Non - Controlling Interests		1,070,653	1,051,068	969,962
Instruments Eligible for Additional Tier 1 Capital		20,000,000	20,000,000	20,000,000
Total Equity		108,518,593	105,991,413	106,056,785
Total Liabilities and Equity		1,185,970,159	1,135,151,724	1,189,219,012

These interim condensed consolidated financial statements were approved by the Board of Directors on 10 October 2023 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

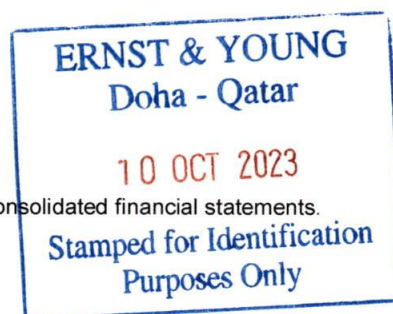


The attached notes 1 to 14 form an integral part of these interim condensed consolidated financial statements.



Qatar National Bank (Q.P.S.C.)
Interim Consolidated Statement of Income
For the Three and Nine Month Periods Ended 30 September 2023

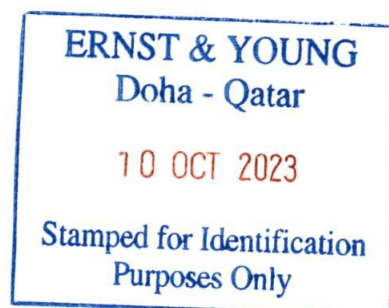
	Three Months to 30 September 2023 (Reviewed) QR000	Three Months to 30 September 2022 (Reviewed) QR000	Nine Months to 30 September 2023 (Reviewed) QR000	Nine Months to 30 September 2022 (Reviewed) QR000
Interest Income	25,523,288	15,919,022	68,673,070	40,495,494
Interest Expense	(17,499,700)	(8,225,472)	(46,431,545)	(19,535,896)
Net Interest Income	8,023,588	7,693,550	22,241,525	20,959,598
Fees and Commission Income	1,462,446	1,182,740	4,174,060	3,541,412
Fees and Commission Expense	(405,497)	(314,318)	(1,373,718)	(957,636)
Net Fees and Commission Income	1,056,949	868,422	2,800,342	2,583,776
Net Foreign Exchange Gain	964,391	547,888	2,699,638	1,438,173
Income from Investment Securities	106,772	59,527	336,081	129,693
Other Operating Income	145,230	10,296	422,840	68,171
Operating Income	10,296,930	9,179,683	28,500,426	25,179,411
Staff Expenses	(1,078,399)	(869,379)	(3,028,924)	(2,631,103)
Depreciation	(193,247)	(151,784)	(505,146)	(460,011)
Other Expenses	(762,143)	(639,901)	(2,273,050)	(1,862,338)
Net ECL / Impairment Losses on Loans and Advances to Customers	(1,351,296)	(2,257,545)	(6,099,860)	(6,190,588)
Net ECL / Impairment Losses on Investment Securities	(6,112)	(1,886)	(20,820)	(22,597)
Net ECL / Impairment Losses on Other Financial Instruments	(184,530)	(89,453)	(553,198)	(186,365)
Amortisation of Intangible Assets	(36,383)	(19,490)	(107,348)	(57,849)
Other Provisions	(7,194)	(13,598)	(45,725)	(35,262)
	(3,619,304)	(4,043,036)	(12,634,071)	(11,446,113)
Share of Results of Associates	170,177	142,933	506,192	465,275
Profit Before Income Taxes and Net Monetary Loss Arising from Hyperinflation	6,847,803	5,279,580	16,372,547	14,198,573
Income Tax Charge (note 12)	(1,024,954)	(737,903)	(1,708,466)	(1,842,544)
Profit for the Period Before Net Monetary Loss Arising from Hyperinflation	5,822,849	4,541,677	14,664,081	12,356,029
Net Monetary Loss Arising from Hyperinflation	(1,514,963)	(551,117)	(2,681,535)	(1,294,908)
Profit for the Period	4,307,886	3,990,560	11,982,546	11,061,121
Attributable to:				
Equity Holders of the Bank	4,268,094	3,966,540	11,873,070	10,984,573
Non - Controlling Interests	39,792	24,020	109,476	76,548
Profit for the Period	4,307,886	3,990,560	11,982,546	11,061,121
Earnings Per Share (QR) (Basic and Diluted) (note 13)	0.43	0.40	1.19	1.10



The attached notes 1 to 14 form an integral part of these interim condensed consolidated financial statements.

Qatar National Bank (Q.P.S.C.)
Interim Consolidated Statement of Comprehensive Income
For the Three and Nine Month Periods Ended 30 September 2023

	Three Months to 30 September 2023 (Reviewed) QR000	Three Months to 30 September 2022 (Reviewed) QR000	Nine Months to 30 September 2023 (Reviewed) QR000	Nine Months to 30 September 2022 (Reviewed) QR000
Profit for the Period	4,307,886	3,990,560	11,982,546	11,061,121
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	(627,657)	(1,396,054)	(4,001,631)	(5,008,669)
Share of Other Comprehensive Income of Associates	(190,314)	(176,584)	(318,798)	(305,566)
Effective Portion of Changes in Fair Value of Cash Flow Hedges	(158,313)	(250,883)	(579,930)	697,552
Effective Portion of Changes in Fair Value of Net Investment in Foreign Operations	99,054	421,594	12,476	1,014,643
Investments in Debt Instruments Measured at FVOCI				
Net Change in Fair Value	(181,995)	332,477	(140,508)	218,577
Net Amount Transferred to Income Statement	42,328	11,142	(49,246)	58,717
Other Comprehensive Income / (Loss) Items that will not be Reclassified to Consolidated Income Statement:				
Net Change in Fair Value of Investments in Equity Instruments				
Designated at FVOCI	54,285	(33,489)	(652,001)	(31,911)
Effects of Hyperinflation	1,649,996	468,649	1,998,124	3,512,668
Total Other Comprehensive Income / (Loss) for the Period, net of Income Taxes	687,384	(623,148)	(3,731,514)	156,011
Total Comprehensive Income for the Period	4,995,270	3,367,412	8,251,032	11,217,132
Attributable to:				
Equity Holders of the Bank	4,949,477	3,365,241	8,173,960	11,263,777
Non - Controlling Interests	45,793	2,171	77,072	(46,645)
Total Comprehensive Income for the Period	4,995,270	3,367,412	8,251,032	11,217,132

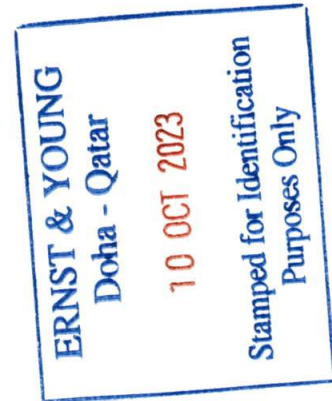


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Qatar National Bank (Q.P.S.C.)
Interim Consolidated Statement of Changes in Equity
For the Nine Month Period Ended 30 September 2023

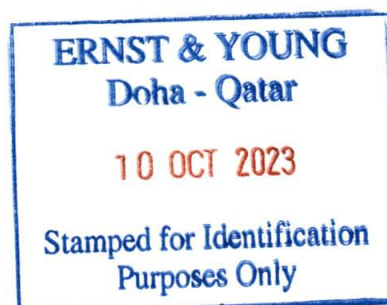
	Equity Attributable to Equity Holders of the Bank										Total
	Issued Capital	Legal Reserve	Risk Reserve	Fair Value Reserve	Foreign Currency Translation Reserve	Other Reserves	Retained Earnings	Equity Attributable to Equity Holders of the Bank	Non Controlling Interests	Instruments Eligible for Additional Tier 1 Capital	
	QR000	QR000	QR000	QR000	QR000	QR000	QR000	QR000	QR000	QR000	QR000
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	-	-	-	-	-	-	11,873,070	11,873,070	109,476	-	11,982,546
Profit for the Period	-	-	-	(1,401,745)	(1,979,337)	(318,028)	-	(3,699,110)	(32,404)	-	(3,731,514)
Other Comprehensive Loss	-	-	-	(1,401,745)	(1,979,337)	(318,028)	-	(3,699,110)	(32,404)	-	(3,731,514)
Total Comprehensive (Loss) / Income for the Period	-	-	-	(1,401,745)	(1,979,337)	(318,028)	11,873,070	8,173,960	77,072	-	8,251,032
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	-	-	-	-	-	-	(270,986)	(270,986)	23,619	-	(247,367)
Total Transactions Recognised Directly in Equity	-	-	-	-	-	-	(5,812,843)	(5,812,843)	23,619	-	(5,789,224)
Balance at 30 September 2023	9,236,429	25,326,037	11,000,000	(511,616)	(28,812,442)	(699,479)	71,909,011	87,447,940	1,070,653	20,000,000	108,518,593
Balance at 1 January 2022	9,236,429	25,326,037	10,000,000	(1,169,550)	(23,613,712)	46,141	59,117,808	78,943,153	1,113,494	20,000,000	100,056,647
Total Comprehensive Income for the Period	-	-	-	-	-	-	10,984,573	10,984,573	76,548	-	11,061,121
Profit for the Period	-	-	-	-	-	-	-	279,204	(123,193)	-	156,011
Other Comprehensive Income / (Loss)	-	-	-	1,964,268	(1,379,800)	(305,264)	-	-	-	-	156,011
Total Comprehensive Income / (Loss) for the Period	-	-	-	1,964,268	(1,379,800)	(305,264)	10,984,573	11,263,777	(46,645)	-	11,217,132
Transactions with Equity Holders, Recognised Directly in Equity											
Dividend for the Year 2021 (note 6)	-	-	-	-	-	-	(5,080,036)	(5,080,036)	-	-	(5,080,036)
Other Movements	-	-	-	-	-	-	(186,549)	(186,549)	(15,781)	-	(202,330)
Total Transactions Recognised Directly in Equity	-	-	-	-	-	-	(5,266,585)	(5,266,585)	(15,781)	-	(5,282,366)
Balance at 30 September 2022	9,236,429	25,326,037	10,000,000	794,718	(24,993,512)	(259,123)	64,835,796	84,940,345	1,051,068	20,000,000	105,991,473

The attached notes 1 to 14 form an integral part of these interim condensed consolidated financial statements.



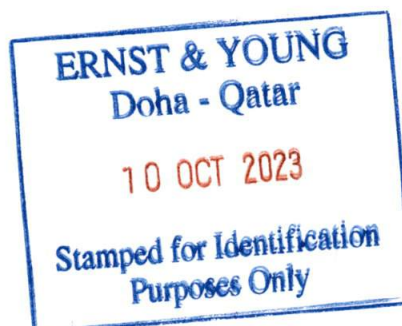
Qatar National Bank (Q.P.S.C.)
Interim Consolidated Statement of Cash Flows
For the Nine Month Period Ended 30 September 2023

	Nine Months to 30 September 2023 (Reviewed) QR000	Nine Months to 30 September 2022 (Reviewed) QR000	Year to 31 December 2022 (Audited) QR000
Cash Flows from Operating Activities			
Profit Before Income Taxes	13,691,012	12,903,665	17,168,512
Adjustments for:			
Interest Income	(68,673,070)	(40,495,494)	(59,671,733)
Interest Expense	46,431,545	19,535,896	30,807,135
Depreciation	505,146	460,011	624,388
Net ECL / Impairment Losses on Loans and Advances to Customers	6,099,860	6,190,588	8,785,090
Net ECL / Impairment Losses on Investment Securities	20,820	22,597	62,057
Net ECL / Impairment Losses on Other Financial Instruments	553,198	186,365	296,761
Other Provisions	45,725	35,262	122,095
Dividend Income	(104,625)	(49,928)	(55,285)
Net (Gain) / Loss on Sale of Property and Equipment	(18,786)	1,435	(6,919)
Net Gain on Sale of Investment Securities	(231,456)	(79,765)	(265,986)
Amortisation of Intangible Assets	107,348	57,849	77,546
Net Amortisation of Premium or Discount on Investments	2,273,186	2,470,379	(3,351,819)
Net Share of Results of Associates	(506,192)	(465,275)	(370,978)
Net Monetary Loss Arising from Hyperinflation	2,681,535	1,294,908	1,745,116
	2,875,246	2,068,493	(4,034,020)
<i>Changes in:</i>			
Due from Banks	(14,102,570)	(13,766,220)	583,859
Loans and Advances to Customers	(40,504,181)	(34,382,932)	(83,925,088)
Other Assets	5,625,694	2,423,782	(31,078,344)
Due to Banks	13,494,074	33,973,442	35,275,224
Customer Deposits	17,544,980	65,401,020	111,275,723
Other Liabilities	(4,070,062)	(15,609,374)	6,553,034
Cash (used in) / from Operations	(19,136,819)	40,108,211	34,650,388
Interest Received	62,261,052	34,720,453	53,620,058
Interest Paid	(39,232,073)	(21,216,306)	(26,824,083)
Dividends Received	104,625	49,928	55,285
Income Tax Paid	(1,413,005)	(1,538,756)	(2,314,547)
Other Provisions Paid	(100,543)	(19,813)	(68,487)
Net Cash Flow from Operating Activities	2,483,237	52,103,717	59,118,614
Cash Flows from Investing Activities			
Acquisitions of Investment Securities	(143,906,318)	(55,973,462)	(89,976,146)
Proceeds from Sale / Redemption of Investment Securities	128,981,902	49,509,974	65,297,786
Dividend from Associates	167,737	179,444	-
Additions to Property and Equipment	(1,086,597)	(954,697)	(1,335,072)
Proceeds from Sale of Property and Equipment	23,094	30,260	119,201
Net Cash Flows used in Investing Activities	(15,820,182)	(7,208,481)	(25,894,231)



Qatar National Bank (Q.P.S.C.)
Interim Consolidated Statement of Cash Flows (Continued)
For the Nine Month Period Ended 30 September 2023

	Note	Nine Months to 30 September 2023 (Reviewed) QR000	Nine Months to 30 September 2022 (Reviewed) QR000	Year to 31 December 2022 (Audited) QR000
Cash Flows from Financing Activities				
Payment of Coupon on Instruments Eligible for Additional Capital		(1,082,917)	(1,000,000)	(1,000,000)
Proceeds from Issuance of Debt Securities		1,087,964	812,732	1,591,695
Repayment of Debt Securities		(2,235,422)	(5,345,599)	(5,739,025)
Proceeds from Issuance of Other Borrowings		2,766,137	2,535,009	4,167,335
Repayment of Other Borrowings		(1,972,270)	(1,641,281)	(3,558,972)
Payment of Rents for Lease Contracts		(88,881)	(102,229)	(192,591)
Dividends Paid		(5,538,308)	(5,076,501)	(5,079,312)
Net Cash Flows used in Financing Activities		<u>(7,063,697)</u>	<u>(9,817,869)</u>	<u>(9,810,870)</u>
Net (Decrease) / Increase in Cash and Cash Equivalents		(20,400,642)	35,077,367	23,413,513
Effects of Exchange Rate Changes on Cash and Cash Equivalents		(1,915,487)	(2,287,328)	(2,760,347)
Cash and Cash Equivalents as at 1 January		127,313,626	106,660,460	106,660,460
Cash and Cash Equivalents at 30 September		<u>104,997,497</u>	<u>139,450,499</u>	<u>127,313,626</u>
/ 31 December	11	<u>104,997,497</u>	<u>139,450,499</u>	<u>127,313,626</u>



The attached notes 1 to 14 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 Nine Month Period Ended 30 September 2023

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 2022 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 nine month period ended 30 September 2023 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2023.

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 2022.

The Group has consistently applied the accounting policies as applied in the annual consolidated financial statements for the year ended 31 December 2022, except for the changes that became effective from 1 January 2023.

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 2022.

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
IFRS 17 Insurance Contracts and amendments to IFRS 17 Insurance Contracts	1 January 2023
Definition of Accounting Estimate (Amendments to IAS 8)	1 January 2023
Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2)	1 January 2023
Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12)	1 January 2023
International Tax Reform – Pillar Two Model Rules (Amendments to IAS 12)	1 January 2023
Amendments Issued but not yet Effective	
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
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.

Qatar National Bank (Q.P.S.C.)
Notes to the Interim Condensed Consolidated Financial Statements
For the Nine Month Period Ended 30 September 2023

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 and conversion factors used to restate the balances are as follows:

Date	Index
30 September 2023	1,691.04
31 December 2022	1,128.45
30 September 2022	1,046.89
31 December 2021	686.95

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 in 2022. 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 Nine Month Period Ended 30 September 2023

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 nine month period ended 30 September 2023:						
Revenue:						
Net Interest Income	12,363,399	631,085	555,675	163,060	8,528,306	22,241,525
Net Fees and Commission Income	850,180	275,332	238,973	7,672	1,428,185	2,800,342
Net Foreign Exchange Gain	309,670	132,441	128,935	3,740	2,124,852	2,699,638
Income from Investment Securities	92,110	-	-	-	243,971	336,081
Other Operating Income	-	88	253	533	421,966	422,840
Share of Results of Associates	506,159	-	-	-	33	506,192
Total Segment Revenue	14,121,518	1,038,946	923,836	175,005	12,747,313	29,006,618
Reportable Segment Profit	7,595,079	545,764	719,838	(96,347)	3,108,736	11,873,070
Reportable Segment Investments	104,967,147	-	3,455	-	62,288,768	167,259,370
Reportable Segment Loans and Advances	596,864,917	10,166,440	35,454,982	-	172,985,229	815,471,568
Reportable Segment Customer Deposits	389,044,010	38,426,661	43,491,682	-	351,486,352	822,448,705
Reportable Segment Assets	872,015,497	41,195,243	45,365,227	(318,037,458)	545,431,650	1,185,970,159

Qatar National Bank (Q.P.S.C.)
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2. SEGMENT INFORMATION (CONTINUED)

	Qatar Operations				International Banking	Total
	Corporate Banking	Consumer Banking	Asset and Wealth Management	Unallocated & Intra-group Transactions		
	QR000	QR000	QR000	QR000		
As at and for the nine month period ended 30 September 2022:						
Revenue:						
Net Interest Income	10,090,499	480,331	608,174	56,044	9,724,550	20,959,598
Net Fees and Commission Income	695,149	266,033	249,632	3,344	1,369,618	2,583,776
Net Foreign Exchange Gain	345,425	164,729	123,305	(9,031)	813,745	1,438,173
Income from Investment Securities	39,856	-	-	-	89,837	129,693
Other Operating Income	3,500	76	374	985	63,236	68,171
Share of Results of Associates	432,896	-	-	-	32,379	465,275
Total Segment Revenue	11,607,325	911,169	981,485	51,342	12,093,365	25,644,686
Reportable Segment Profit	8,053,652	439,025	763,369	(219,791)	1,948,318	10,984,573
Reportable Segment Investments	89,790,959	-	546	-	56,239,817	146,031,322
Reportable Segment Loans and Advances	568,830,468	9,861,565	22,544,172	-	161,785,072	763,021,277
Reportable Segment Customer Deposits	384,981,870	35,789,019	43,696,292	-	329,927,581	794,394,762
Reportable Segment Assets	824,690,488	37,339,682	45,541,385	(288,785,347)	516,365,516	1,135,151,724

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3. LOANS AND ADVANCES TO CUSTOMERS

	30 September 2023 (Reviewed) QR000	30 September 2022 (Reviewed) QR000	31 December 2022 (Audited) QR000
Loans and Advances to Customers	831,853,852	783,953,684	825,098,856
Deferred Profit	(85,888)	(17,200)	(45,630)
Accrued Interest	15,910,533	10,208,791	12,417,405
Expected Credit Losses - Performing Loans and Advances to Customers - Stage 1 and 2	(6,752,421)	(8,313,662)	(6,541,920)
Impairment on Non-performing Loans and Advances to Customers - Stage 3	(25,454,508)	(22,810,336)	(23,327,375)
Net Loans and Advances to Customers	<u>815,471,568</u>	<u>763,021,277</u>	<u>807,601,336</u>

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

	30 September 2023 (Reviewed) QR000	30 September 2022 (Reviewed) QR000	31 December 2022 (Audited) QR000
Stage 1	772,532,289	718,914,713	764,068,720
Stage 2	49,808,761	56,333,703	49,721,798
Stage 3	25,337,447	18,896,859	23,680,113
Total Gross Exposures	<u>847,678,497</u>	<u>794,145,275</u>	<u>837,470,631</u>

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

	30 September 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)	703,828	1,264,393	5,263,809	7,232,030
Foreign Currency Translation for the Period	(699,620)	(550,286)	(604,766)	(1,854,672)
Transfers from Stage 1 to 2	(8,274)	8,274	-	-
Transfers from Stage 2 to 3	-	(507,814)	507,814	-
Transfer to ECL for contingent liabilities	-	-	(15,198)	(15,198)
Write-offs during the Period	-	-	(3,024,526)	(3,024,526)
Closing Balance as at 30 September 2023	<u>2,507,569</u>	<u>4,244,852</u>	<u>25,454,508</u>	<u>32,206,929</u>

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3. LOANS AND ADVANCES TO CUSTOMERS (CONTINUED)

	30 September 2022			
	Stage 1 (Reviewed) QR000	Stage 2 (Reviewed) QR000	Stage 3 (Reviewed) QR000	Total (Reviewed) QR000
Opening Balance of Provisions as at 1 January 2022	1,430,091	3,382,515	21,418,237	26,230,843
ECL / Impairment Charge for the Period (Net)	1,001,570	3,242,144	2,767,894	7,011,608
Foreign Currency Translation for the Period	(314,374)	(423,412)	(817,442)	(1,555,228)
Transfers from Stage 1 to 2	(49,717)	49,717	-	-
Transfers from Stage 2 to 3	-	(4,872)	4,872	-
Write-offs during the Period	-	-	(563,225)	(563,225)
Closing Balance as at 30 September 2022	<u>2,067,570</u>	<u>6,246,092</u>	<u>22,810,336</u>	<u>31,123,998</u>

ECL / impairment charge for the period includes interest in suspense and recoveries of balances previously written off, net for QR1,130 million (30 September 2022: QR821 million).

4. INVESTMENT SECURITIES

	30 September 2023 (Reviewed) QR000	30 September 2022 (Reviewed) QR000	31 December 2022 (Audited) QR000
Investment Securities at Fair Value Through Profit or Loss (FVPL)	980,168	252,638	348,855
Investment Securities at Fair Value Through Other Comprehensive Income (FVOCI)	49,661,698	28,922,903	36,939,459
Investment Securities at Amortised Cost (AC), net	113,181,134	112,965,429	118,250,846
Accrued Interest	3,436,370	3,890,352	4,373,881
Total	<u>167,259,370</u>	<u>146,031,322</u>	<u>159,913,041</u>

The above includes impairment allowance in respect of debt securities amounting to QR285.6 million (31 December 2022: QR272.4 million).

5. FAIR VALUE RESERVE

	30 September 2023 (Reviewed) QR000	30 September 2022 (Reviewed) QR000	31 December 2022 (Audited) QR000
Cash Flow Hedges	(379,271)	(270,417)	200,570
Fair Value Through Other Comprehensive Income	(491,697)	222,480	342,683
Hedges of a Net Investment in Foreign Operations	359,352	842,655	346,876
Total	<u>(511,616)</u>	<u>794,718</u>	<u>890,129</u>

The Fair Value Reserve for Investments at Fair Value Through Other Comprehensive Income include the loss allowance amounting to QR25.3 million (31 December 2022: QR19.5 million).

6. DIVIDEND

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.

The cash dividend in respect of the year ended 31 December 2021 of QR0.55 per share, amounting to a total of QR5,080 million, was approved by the shareholders at the Annual General Assembly meeting on 13 February 2022.

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7. CONTINGENT LIABILITIES AND OTHER COMMITMENTS

	30 September 2023 (Reviewed) QR000	30 September 2022 (Reviewed) QR000	31 December 2022 (Audited) QR000
Contingent Liabilities			
Unused Facilities	126,896,485	97,930,517	97,096,361
Guarantees	65,019,194	59,236,027	61,151,974
Letters of Credit	44,304,455	46,741,724	41,277,881
Others	18,926,719	13,049,824	14,152,894
Total	<u>255,146,853</u>	<u>216,958,092</u>	<u>213,679,110</u>

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

	30 September 2023 (Reviewed) QR000	30 September 2022 (Reviewed) QR000	31 December 2022 (Audited) QR000
Stage 1	229,807,750	197,608,730	193,152,541
Stage 2	5,760,788	6,038,213	5,653,322
Stage 3	651,596	261,325	720,353
Total Gross Exposures	<u>236,220,134</u>	<u>203,908,268</u>	<u>199,526,216</u>

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

	30 September 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)	175,434	38,751	67,674	281,859
Foreign Currency Translation for the Period	(65,836)	(6,812)	(1,075)	(73,723)
Transfer from ECL for loans and advances	-	15,198	-	15,198
Transfers during the Period	(169)	169	-	-
Closing Balance as at 30 September 2023	<u>514,958</u>	<u>208,804</u>	<u>181,147</u>	<u>904,909</u>

	30 September 2022			
	Stage 1 (Reviewed) QR000	Stage 2 (Reviewed) QR000	Stage 3 (Reviewed) QR000	Total (Reviewed) QR000
Opening Balance of Provisions as at 1 January 2022	295,578	118,851	128,658	543,087
ECL / Impairment Charge for the Period (Net)	73,276	49,958	14,953	138,187
Foreign Currency Translation for the Period	(33,555)	(5,816)	(32,929)	(72,300)
Transfers during the Period	(15,120)	15,120	-	-
Write offs during the Period	-	-	(1,155)	(1,155)
Closing Balance as at 30 September 2022	<u>320,179</u>	<u>178,113</u>	<u>109,527</u>	<u>607,819</u>

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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 September 2023 (Reviewed) QR000	30 September 2022 (Reviewed) QR000	31 December 2022 (Audited) QR000
Statement of Financial Position Items			
Loans and Advances to Customers	3,508,197	3,283,406	3,421,567
Customer Deposits	1,667,929	1,541,636	1,610,328
Contingent Liabilities and Other Commitments	39,683	57,557	37,632
Statement of Income Items			
Interest and Commission Income	150,632	97,811	127,459
Interest and Commission Expense	61,058	23,907	33,711
Associates			
Due from banks	900,127	1,638,567	1,623,880
Interest and Commission Income	39,552	43,608	57,482
Due to banks	59,239	276,719	147,546
Interest and Commission Expense	1,661	256	600

Compensation of key management personnel is as follows:

Salaries and Other Benefits	42,421	43,574	48,345
End of Service Indemnity Benefits	1,455	855	1,121

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 QR78,247 million included in loans and advances (31 December 2022: QR94,228 million) and QR15,629 million included in customer deposits (31 December 2022: QR45,317 million).

9. CAPITAL ADEQUACY

	30 September 2023 (Reviewed) QR000	30 September 2022 (Reviewed) QR000	31 December 2022 (Audited) QR000
Common Equity Tier 1 (CET 1) Capital	68,512,440	68,723,786	75,501,023
Eligible Additional Tier 1 (AT 1) Capital Instruments	20,000,000	20,000,000	20,000,000
Additional Tier 1 Capital	71,228	73,007	67,542
Additional Tier 2 Capital	5,468,824	5,599,835	5,856,732
Total Eligible Capital	94,052,492	94,396,628	101,425,297
Risk Weighted Assets	494,558,944	497,734,016	517,113,381
Total Capital Ratio	19.0%	19.0%	19.6%

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9. CAPITAL ADEQUACY (CONTINUED)

The Group follows Basel III Capital Adequacy Ratio (CAR) calculation in accordance with Qatar Central Bank (QCB) regulations. 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%
- Minimum limit including Capital Conservation buffer, ICAAP buffer and the applicable Domestically Systemically Important Bank ("DSIB") buffer is 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 2022.

	Level 1 QR000	Level 2 QR000	Level 3 QR000	Total QR000
At 30 September 2023: (Reviewed)				
Derivative Assets	174	8,967,748	-	8,967,922
Investment Securities	28,939,157	22,459,870	-	51,399,027
	<u>28,939,331</u>	<u>31,427,618</u>	<u>-</u>	<u>60,366,949</u>
Derivative Liabilities	1,072	9,724,821	-	9,725,893
	<u>1,072</u>	<u>9,724,821</u>	<u>-</u>	<u>9,725,893</u>
At 31 December 2022: (Audited)				
Derivative Assets	100	10,594,440	-	10,594,540
Investment Securities	37,424,077	1,339,551	-	38,763,628
	<u>37,424,177</u>	<u>11,933,991</u>	<u>-</u>	<u>49,358,168</u>
Derivative Liabilities	5,909	6,049,176	-	6,055,085
	<u>5,909</u>	<u>6,049,176</u>	<u>-</u>	<u>6,055,085</u>

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 September 2023 (Reviewed) QR000	30 September 2022 (Reviewed) QR000	31 December 2022 (Audited) QR000
Cash and Balances with Central Banks	33,746,671	51,165,967	36,820,885
Due from Banks with Original Maturity of Three Months or Less	71,250,826	88,284,532	90,492,741
Total	<u>104,997,497</u>	<u>139,450,499</u>	<u>127,313,626</u>

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

12. INCOME TAX CHARGE

The year to date reduction in tax expense is mainly attributable to an amendment in the Türkiye Corporate Tax Law that allows to revalue the tax base of property and equipment for Türkiye income tax purposes. The above mentioned amendment to Türkiye tax regulations gave rise to a temporary difference which resulted in the recognition of deferred tax asset and corresponding income tax benefit amounting to QAR0.5 billion.

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13. BASIC AND DILUTED EARNINGS PER SHARE

	Three Months to 30 September 2023 (Reviewed) QR000	Three Months to 30 September 2022 (Reviewed) QR000	Nine Months to 30 September 2023 (Reviewed) QR000	Nine Months to 30 September 2022 (Reviewed) QR000
Profit for the Period Attributable to Equity Holders of the Bank	4,268,094	3,966,540	11,873,070	10,984,573
Less: Dividend Appropriation for Instruments Eligible for Additional Tier 1 Capital	(287,500)	(287,500)	(862,500)	(795,417)
Net Profit for the Period Attributable to Equity Holders of the Bank	<u>3,980,594</u>	<u>3,679,040</u>	<u>11,010,570</u>	<u>10,189,156</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>0.43</u>	<u>0.40</u>	<u>1.19</u>	<u>1.10</u>

14. 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.