

INDEPENDENT AUDITORS' REPORT

To
The Chief Executive Officer
Qatar National Bank (Q.P.S.C.) - India Branch

Report on the Audit of the Financial Statements

Opinion

1. We have audited the accompanying financial statements of Qatar National Bank (Q.P.S.C.) - India Branch (**'the Bank'**), which comprise the Balance Sheet as at 31st March, 2022, the Profit and Loss Account and Cash Flow Statement for the year then ended and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the section 29 of the Banking Regulation Act, 1949 as well as the Companies Act, 2013 (**'the Act'**) and circulars and guidelines issued by the Reserve Bank of India, in the manner so required for Banking Companies, and give a true and fair view in conformity with the accounting principles generally accepted in India, including Accounting Standards prescribed under section 133 of the Act read with rules made thereunder, of the state of affairs of the Bank as at 31st March, 2022, its profit and its cash flows for the year ended on that date.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing (**'SAs'**) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the **'Auditor's Responsibilities for the Audit of the Financial Statements'** section of our report. We are independent of the Bank in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (**'ICAI'**) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the financial statements.

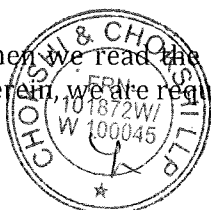
Information Other than the Financial Statements and Auditor's Report Thereon

4. The Bank's Management is responsible for the other information. The other information comprises the information included in the Basel III Pillar 3 disclosures, (but does not include the financial statements and our auditor's report thereon), which we obtained prior to the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

5. In connection with our audit of the financial statements, our responsibility is to read the other information identified as above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

When we read the other information, if we conclude that there is a material misstatement thereon, we are required to communicate the matter to those charged with governance.



Responsibilities of Management and Those Charged with Governance for the Financial Statements

6. The Bank's Management is responsible for the matters stated in Section 134(5) of the Act with respect to preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Bank in accordance with accounting principles generally accepted in India, including Accounting Standards specified under section 133 of the Act and provisions of Section 29 of the Banking Regulation Act, 1949, and circulars, guidelines and directions issued by the Reserve Bank of India from time to time, in so far as they are applicable to the Bank. This responsibility also includes maintenance of adequate accounting records in accordance with the Provisions of the Act for safeguarding of the assets of the Bank and for preventing and detecting fraud and other irregularities; selection and application of appropriate accounting policies, making judgments and estimates that are reasonable and prudent; design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give true and fair view and are free from material misstatement, whether due to fraud or error.
7. In preparing the financial statements, management is responsible for assessing the Bank's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Bank or to cease operations, or has no realistic alternative but to do so.

The Bank's Management is also responsible for overseeing the Bank's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

The description of the auditor's responsibilities for the audit of the financial statements is given in "**Appendix I**" to this report.

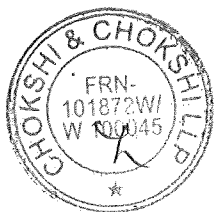
Other Matters

9. The audit of Financial Statements for the year ended March 31, 2021 was carried out and reported by the then auditors and they had expressed an unmodified opinion on the financial statements vide their audit report dated June 30, 2021 which has been furnished to us by the management and relied upon by us for the purpose of our audit of the Financial Statements.

Our opinion is not modified in respect of this matter

Report on Other Legal and Regulatory Requirements

10. The Balance Sheet and the Profit and Loss Account have been drawn up in accordance with the provisions of Section 29 of the Banking Regulation Act, 1949 read with Section 133 of the Companies Act, 2013 and relevant rules issued thereunder.



11. As required by sub-section (3) of section 30 of the Banking Regulation Act, 1949 and appointment letter issued by the Bank, we report that:

(a) We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit and have found them to be satisfactory;

(b) In our opinion, the transactions of the Bank, which have come to our notice during the course of audit, have been within the powers of the Bank;

12. As required by Section 143(3) of the Companies Act, 2013, we further report that:

(a) We have sought and obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;

(b) In our opinion, proper books of account as required by law have been kept by the Bank so far as it appears from our examination of those books;

(c) The Balance sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;

(d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, to the extent they are not inconsistent with the accounting policies prescribed by the Reserve Bank of India;

(e) The requirements of Section 164(2) of the Act are not applicable considering the Bank is a branch of Qatar National Bank (Q.P.S.C.), which is incorporated in Qatar;

(f) With respect to the existence of the internal financial controls with reference to financial statements of the Bank and the operating effectiveness of such controls, refer to our separate Report in '**Annexure A**'.

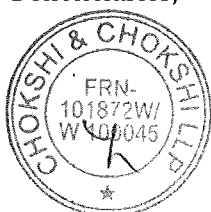
13. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:

(a) The Bank has disclosed the impact of pending litigations on its financial position.

(b) The Bank has made adequate provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long term contracts including derivative contracts; and

(c) The Bank does not have any amount, which was required to be transferred to the Investor Education and Protection Fund.

(d) (i) The management of the Bank has represented that, to the best of its knowledge and belief, other than as disclosed in the notes to accounts (Refer note no. 7.9), no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Bank to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Bank ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;



(ii) The management of the Bank has represented that, to the best of its knowledge and belief, other than as disclosed in the notes to accounts (Refer note no. 7.9) no funds have been received by the Bank from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, the Bank shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

(iii) Based on such audit procedures that were considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) contain any material misstatement.

(e) No dividend has been declared or paid during the year by the Bank.

14. With respect to the matter to be included in the Auditor's Report under section 197(16):

The requirements of Section 197 of the Act are not applicable considering the Bank is a branch of Qatar National Bank (Q.P.S.C.), which is incorporated in Qatar.

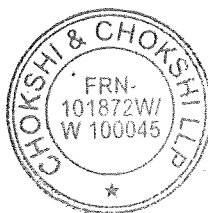
15. We also report that:

- (a) There are no significant observations or comments on financial transactions or matters which have any adverse effect on functioning of the Bank.
- (b) There are no qualification, reservation or adverse remark in relation to maintenance of accounts and other matters connected therewith.

For CHOKSHI & CHOKSHI LLP
Chartered Accountants
FRN - 101872W/W100045



Hardik Yampat
Partner
M. No. 194467
UDIN: 22194467ALTUIZ3651



Place: Mumbai
Date: 28th June 2022

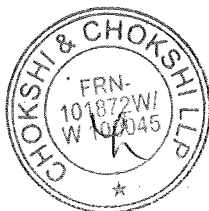
APPENDIX – I: FURTHER DESCRIPTION OF THE AUDITOR’S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the Bank has internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures in the financial statements made by management.
- Conclude on the appropriateness of management’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Bank to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.



ANNEXURE - A TO INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 12(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date on the Financial Statements of Qatar National Bank (Q.P.S.C.) – India Branch.)

Report on the Internal Financial Controls with reference to financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

We have audited the internal financial controls with reference to financial statements of Qatar National Bank (Q.P.S.C.) ("the Bank") as of 31st March 2022 in conjunction with our audit of the financial statements of the Bank for the year ended on that date.

Management's Responsibility for Internal Financial Controls

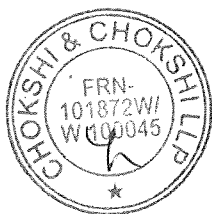
The Bank's Management is responsible for establishing and maintaining internal financial controls based on the internal control with reference to financial statements based on the criteria established by the Bank considering the essential components of internal control stated in the "Guidance Note on Audit of Internal Financial Controls over Financial Reporting" (the 'Guidance Note') issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Bank's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Bank's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by ICAI and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements are established and maintained and whether such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the existence of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Bank's internal financial controls system with reference to financial statements.



Meaning of Internal Financial Controls with Reference to Financial Statements

The Bank's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. The Bank's internal financial control with reference to financial statements includes those policies and procedures that-

- i. pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Bank;
- ii. provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Bank are being made only in accordance with authorizations of management of the Bank; and
- iii. provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Bank's assets that could have a material effect on the financial statements.

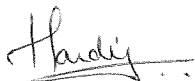
Inherent Limitations of Internal Financial Controls With Reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

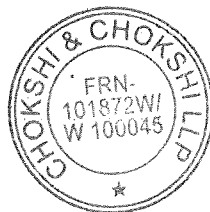
Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Bank has, in all material respects, internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at 31st March 2022, based on the internal control with reference to financial statements criteria established by the Bank considering the essential components of internal control stated in the Guidance Note.

For CHOKSHI & CHOKSHI LLP
Chartered Accountants
FRN - 101872W/W100045



Hardik Yampat
Partner
M. No. 194467
UDIN: 22194467ALTUIZ3651



Place: Mumbai
Date: 28th June 2022

Qatar National Bank (Q.P.S.C.) - India Branch

(Incorporated in Qatar with Limited Liability)

Balance sheet as at 31 March 2022

(Currency in Indian Rupees)

| | Schedule | As at 31 March 2022 (Rs' 000s) | As at 31 March 2021 (Rs' 000s) |
|---|----------|--------------------------------------|--------------------------------------|
| CAPITAL AND LIABILITIES | | | |
| Capital | 1 | 3,319,058 | 3,266,599 |
| Reserves and surplus | 2 | (362,241) | (121,814) |
| Deposits | 3 | 11,324,493 | 4,701,507 |
| Borrowings | 4 | 877,118 | 1,084,880 |
| Other liabilities and provisions | 5 | 305,679 | 238,766 |
| Total | | 15,464,107 | 9,169,938 |
| ASSETS | | | |
| Cash and balances with Reserve Bank of India | 6 | 3,311,176 | 517,786 |
| Balances with banks and money at call and short notice | 7 | 2,969 | 2,521 |
| Investments | 8 | 3,365,930 | 2,464,717 |
| Advances | 9 | 8,386,243 | 5,975,572 |
| Fixed assets | 10 | 42,626 | 47,854 |
| Other assets | 11 | 355,163 | 161,488 |
| Total | | 15,464,107 | 9,169,938 |
| Contingent liabilities | 12 | 1,947,814 | 1,788,277 |
| Bills for collection | | - | - |
| Significant accounting policies and notes to the financial statements | 17 | | |

The schedules referred to above form an integral part of the Balance Sheet.

The Balance sheet has been prepared in conformity with Form A of the Third Schedule of the Banking Regulation Act, 1949

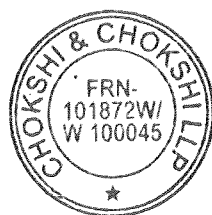
As per our report of even date attached

For M/s. Chokshi & Chokshi LLP
Chartered Accountants
ICAI Firm Registration No: 101872W/W100045

Hardik

Hardik Yampat
Partner
Membership No: 194467

Mumbai
28 June 2022



For Qatar National Bank (Q.P.S.C.) - India Branch

Gaurav Gupta

Gaurav Gupta
Chief Executive Officer

Mumbai
28 June 2022



Qatar National Bank (Q.P.S.C.) - India Branch

(Incorporated in Qatar with Limited Liability)

Profit and loss account for the year ended 31 March 2022

(Currency in Indian Rupees)

| | Schedule | For the year ended 31 March 2022 (Rs' 000s) | For the year ended 31 March 2021 (Rs' 000s) |
|--|----------|---|---|
| I. INCOME | | | |
| Interest earned | 13 | 600,729 | 470,224 |
| Other income | 14 | 109,424 | 120,166 |
| Total | | 710,153 | 590,390 |
| II. EXPENDITURE | | | |
| Interest expended | 15 | 364,388 | 291,427 |
| Operating expenses | 16 | 330,015 | 304,730 |
| Provisions and contingencies (refer to Schedule 17 - Note 5.21(f)) | | 256,177 | 68,969 |
| Total | | 950,580 | 665,126 |
| III. PROFIT / (LOSS) | | | |
| Net profit / (loss) for the year / period | | (240,427) | (74,736) |
| Profit / (loss) brought forward | | (122,102) | (47,366) |
| Total | | (362,529) | (122,102) |
| IV. APPROPRIATIONS | | | |
| Transfer to statutory reserves | | - | - |
| Balance carried over to the balance sheet | | (362,529) | (122,102) |
| Total | | (362,529) | (122,102) |

Significant accounting policies and notes to the financial statements

17

The schedules referred to above form an integral part of the Profit and loss account.

The Profit and Loss account has been prepared in conformity with Form B of the third schedule to the Banking Regulations Act, 1949

As per our report of even date attached

For M/s. Chokshi & Chokshi LLP

Chartered Accountants

ICAI Firm Registration No: 101872W/W100045

Hardik

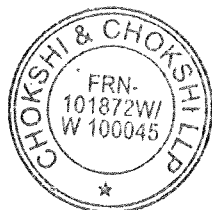
Hardik Yampat

Partner

Membership No: 194467

Mumbai

28 June 2022



For Qatar National Bank (Q.P.S.C.) - India Branch

Gaurav Gupta

Gaurav Gupta
Chief Executive Officer

Mumbai

28 June 2022



Qatar National Bank (Q.P.S.C.) - India Branch
(Incorporated in Qatar with Limited Liability)

Cash Flow Statement for the year ended 31 March 2022
(Currency in Indian Rupees)

| | For the year ended 31 March 2022 (Rs in 000s) | For the year ended 31 March 2021 (Rs in 000s) |
|--|---|---|
| Cash flow from Operating Activities | | |
| Net profit / (loss) before tax | (400,977) | (99,512) |
| Adjustment for: | | |
| Depreciation charge (refer to note 16 - V) | 20,479 | 23,008 |
| Country Risk Provision | 2,279 | - |
| Provision for loans (for standard and non performing advances) | 414,449 | 93,745 |
| Operating profit / (loss) before working capital changes | 36,230 | 17,241 |
| Changes in: | | |
| Increase / (Decrease) in Deposits | 6,622,986 | (2,475,757) |
| Increase / (Decrease) in Borrowings | (207,762) | 434,880 |
| Increase / (Decrease) in Other liabilities | 105,989 | (101,212) |
| (Increase) / Decrease in Investments | (901,213) | (385,056) |
| (Increase) / Decrease in Advances | (2,810,672) | 1,194,728 |
| (Increase) / Decrease in Other assets | (5,872) | (13,000) |
| Cash generated from / (used in) operations | 2,839,686 | (1,328,176) |
| Taxes paid | (30,597) | (13,054) |
| A Net cash generated from / (used in) operating activities | 2,809,089 | (1,341,230) |
| Cash flow from investing activities | | |
| Purchase of fixed assets including capital work in progress | (15,251) | (8,065) |
| Proceeds from sale of Fixed Assets | - | - |
| B Net cash from/(used in) investing activities | (15,251) | (8,065) |
| C Net cash generated from / (used in) financing activities | | |
| Increase / (Decrease) in Borrowings | - | - |
| Net increase / (decrease) in cash and cash equivalents (A+B+C) | 2,793,838 | (1,349,295) |
| D Cash and cash equivalent at the beginning of the year / period | 520,307 | 1,869,602 |
| E Cash and cash equivalent at the end of the year / period | 3,314,145 | 520,307 |
| Net increase / (decrease) in cash and cash equivalents (E-D) | 2,793,838 | (1,349,295) |
| Cash and cash equivalent represents | | |
| Cash and Balances with Reserve Bank of India (as per Schedule 6) | 3,311,176 | 517,786 |
| Balances with Banks and Money at Call and Short Notice (as per Schedule 7) | 2,969 | 2,521 |
| TOTAL | 3,314,145 | 520,307 |

Note: The above cash flow statement has been prepared under the indirect method set out in Accounting Standard 3 - Cash Flow Statements.

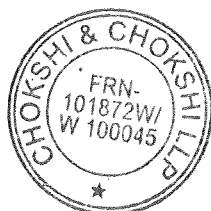
As per our report of even date attached

For M/s. Chokshi & Chokshi LLP
Chartered Accountants
ICAI Firm Registration No: 101872WW/100045

Hardik Yampat

Hardik Yampat
Partner
Membership No: 194467

Mumbai
28 June 2022



For Qatar National Bank (Q.P.S.C.) - India Branch

Gaurav Gupta

Gaurav Gupta
Chief Executive Officer

Mumbai
28 June 2022



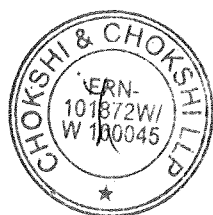
Qatar National Bank (Q.P.S.C.) - India Branch

(Incorporated in Qatar with Limited Liability)

Schedules forming part of the financial statements as at 31 March 2022

(All Rupees in thousands)

| | As at 31 March 2022 (Rs. in '000) | As at 31 March 2021 (Rs. in '000) |
|--|---|---|
| 1 CAPITAL | | |
| Opening balance | 3,266,599 | 3,216,512 |
| Additions during the year | - | - |
| Unremitted Head Office expenses (refer to Schedule 17 - Note 7.1) | 52,459 | 50,087 |
| Amount of deposit kept with Reserve Bank of India under section 11(2)(b) of the Banking Regulation Act, 1949 - In cash | 2,300 | 2,300 |
| Total | 3,319,058 | 3,266,599 |
| 2 RESERVES AND SURPLUS | | |
| I Statutory reserve | | |
| Opening balance | 288 | 288 |
| Additions during the year | - | - |
| Deductions during the year | - | - |
| Total | 288 | 288 |
| II Balance in the profit and loss account | | |
| Opening balance | (122,102) | (47,366) |
| Additions during the year | (240,427) | (74,736) |
| Deductions during the year | - | - |
| Total | (362,529) | (122,102) |
| Total (I + II) | (362,241) | (121,814) |
| 3 DEPOSITS | | |
| A.I. Demand deposits | | |
| (i) From banks | 12,311 | 5,015 |
| (ii) From others | 58,279 | 50,198 |
| II. Savings bank deposits | - | - |
| III. Term deposits | | |
| (i) From banks | 50,000 | - |
| (ii) From others | 11,203,903 | 4,646,294 |
| Total (I + II + III) | 11,324,493 | 4,701,507 |
| B.I. Deposits of branches in India | 11,324,493 | 4,701,507 |
| II. Deposits of branches outside India | - | - |
| Total (I + II) | 11,324,493 | 4,701,507 |



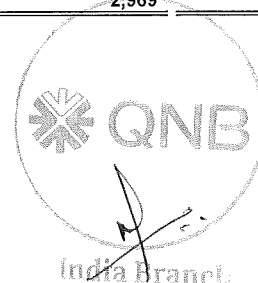
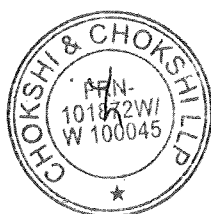
Qatar National Bank (Q.P.S.C.) - India Branch

(Incorporated in Qatar with Limited Liability)

Schedules forming part of the financial statements as at 31 March 2022 (Continued)

(All Rupees in thousands)

| | As at 31 March 2022 (Rs. in '000) | As at 31 March 2021 (Rs. in '000) |
|---|---|---|
| 4 BORROWINGS | | |
| I. Borrowings in India | | |
| (i) Reserve Bank of India | - | - |
| (ii) Other banks | - | 1,084,880 |
| (iii) Other institutions and agencies | - | - |
| II. Borrowings outside India | 877,118 | - |
| Total (I + II) | 877,118 | 1,084,880 |
| Secured Borrowings included in I and II above | - | - |
| 5 OTHER LIABILITIES AND PROVISIONS | | |
| I. Bills payable | - | - |
| II. Inter - office adjustment (net) | - | - |
| III. Interest accrued | 49,804 | 16,466 |
| IV. Others (including provisions) | | |
| - Provision for standard advances | 35,752 | 23,032 |
| - Country risk provision | 2,279 | - |
| - Payable to Head Office | 148,546 | 135,813 |
| - Others | 69,298 | 63,455 |
| Total | 305,679 | 238,766 |
| 6 CASH AND BALANCES WITH RESERVE BANK OF INDIA | | |
| I. Cash in hand (including foreign currency notes) | 361 | 417 |
| II. Balances with Reserve Bank of India | | |
| (i) in current account | 540,815 | 177,369 |
| (ii) in other account* | 2,770,000 | 340,000 |
| Total (I + II) | 3,311,176 | 517,786 |
| * Represents Reverse Repo placed with Reserve Bank of India | | |
| 7 BALANCES WITH BANKS AND MONEY AT CALL AND SHORT NOTICE | | |
| I. In India | | |
| i) Balances with banks | | |
| (a) in current accounts | 1,055 | 1,101 |
| (b) in other deposit accounts | - | - |
| ii) Money at call and short notice | | |
| (a) with banks | - | - |
| (b) with other institutions | - | - |
| Total (i + ii) | 1,055 | 1,101 |
| II. Outside India | | |
| i) in current accounts | 1,914 | 1,420 |
| ii) in other deposit accounts | - | - |
| iii) money at call and short notice | - | - |
| Total (i + ii + iii) | 1,914 | 1,420 |
| Grand Total (I + II) | 2,969 | 2,521 |



Qatar National Bank (Q.P.S.C.) - India Branch

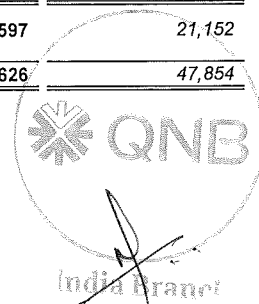
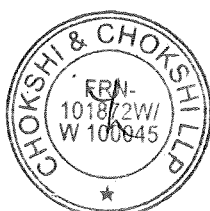
(Incorporated in Qatar with Limited Liability)

Schedules forming part of the financial statements as at 31 March 2022 (Continued)

(All Rupees in thousands)

| | As at 31 March 2022 (Rs. in '000) | As at 31 March 2021 (Rs. in '000) |
|--|---|---|
| 8 INVESTMENTS | | |
| I. Investments in India in | | |
| i) Government securities | 3,365,930 | 2,464,717 |
| ii) Other approved securities | - | - |
| iii) Shares | - | - |
| iv) Debentures and Bonds | - | - |
| v) Subsidiaries and /or joint ventures | - | - |
| vi) Others | - | - |
| Total | 3,365,930 | 2,464,717 |
| II. Investments outside India | - | - |
| Total | 3,365,930 | 2,464,717 |
| 9 ADVANCES | | |
| A. i) Bills purchased and discounted | 194,999 | - |
| ii) Cash credits, overdrafts and loans repayable on demand | 3,608,714 | 4,288,072 |
| iii) Term loans | 4,582,530 | 1,687,500 |
| Total | 8,386,243 | 5,975,572 |
| B. i) Secured by tangible assets (including advances secured against book debts)* | 7,088,197 | 5,366,947 |
| ii) Covered by bank / Government guarantees | 565,546 | 326,125 |
| iii) Unsecured | 732,500 | 282,500 |
| Total | 8,386,243 | 5,975,572 |
| <i>*Includes advances of Rs. 1,158,427 ('000s) as at 31 March 2022 for which security documentation is either being obtained or being registered</i> | | |
| C. I Advances in India | | |
| i) Priority sectors | 1,364,670 | 2,157,447 |
| ii) Public sector | - | - |
| iii) Banks | - | - |
| iv) Others | 7,021,573 | 3,818,125 |
| Total | 8,386,243 | 5,975,572 |
| II Advances outside India | - | - |
| Grand total (C.I + C.II) | 8,386,243 | 5,975,572 |
| (Advances are net of provision) | | |
| 10 FIXED ASSETS | | |
| I. Premises | - | - |
| II. Other fixed assets (including furniture and fixtures)* | | |
| At cost as on 31 March of the preceding year | 108,986 | 95,871 |
| Additions during the year / period | 9,806 | 13,115 |
| Deductions during the year / period | - | - |
| Depreciation to date | (102,763) | (82,284) |
| Net book value of other fixed assets | 16,029 | 26,702 |
| Capital work in progress | 26,597 | 21,152 |
| Total | 42,626 | 47,854 |

**This includes software cost amounting to Rs. 35,872 ('000s) and depreciation to date on these assets of Rs. 13,048 ('000s) (Previous Year- software cost Rs. 27,024 ('000s) and depreciation charged on those assets of Rs. 5,391 ('000s))*



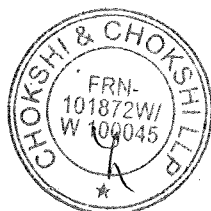
Qatar National Bank (Q.P.S.C.) - India Branch

(Incorporated in Qatar with Limited Liability)

Schedules forming part of the financial statements as at 31 March 2022 (Continued)

(All Rupees in thousands)

| | As at 31 March 2022 (Rs. in '000) | As at 31 March 2021 (Rs. in '000) |
|---|---|---|
| 11 OTHER ASSETS | | |
| I. Inter-office adjustment (net) | - | - |
| II. Interest accrued | 1,472 | 911 |
| III. Tax paid in advance / tax deducted at sources | - | - |
| IV. Stationery and stamps | - | - |
| V. Non banking assets acquired in satisfaction of claims | - | - |
| VI. Deferred tax assets (net) (refer to Schedule 17 - Note 6.6(b)) | 261,627 | 73,824 |
| VII. Others* | 92,064 | 86,753 |
| Total | 355,163 | 161,488 |
| *Others include security deposits, CCIL margin deposits and balance in GST Input credit | | |
| 12 CONTINGENT LIABILITIES | | |
| I. Claims against the bank not acknowledged as debts | - | - |
| II. Liability for partly paid investments | - | - |
| III. Liability on account of outstanding forward exchange contracts | - | - |
| IV. Guarantees given on behalf of constituents | | |
| a) In India | 1,554,518 | 1,660,324 |
| b) Outside India | - | - |
| V. Acceptances, endorsements and other obligation | 393,296 | 127,953 |
| VI. Other items for which the bank is contingently liable | - | - |
| Total | 1,947,814 | 1,788,277 |



Qatar National Bank (Q.P.S.C.) - India Branch

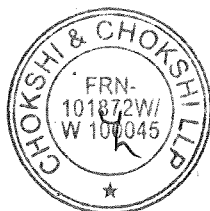
(Incorporated in Qatar with Limited Liability)

Schedules forming part of the financial statements (Continued)

for the year ended 31 March 2022

(All Rupees in thousands)

| | For the year ended 31 March 2022 (Rs' 000s) | For the year ended 31 March 2021 (Rs' 000s) |
|---|---|---|
| 13 INTEREST EARNED | | |
| I. Interest / discount on advances / bills | 418,643 | 317,606 |
| II. Income on investments | 100,560 | 119,236 |
| III. Interest on balances with Reserve Bank of India and other inter-bank funds | 81,526 | 33,382 |
| IV. Others | - | - |
| Total | 600,729 | 470,224 |
| 14 OTHER INCOME | | |
| I. Commission, exchange and brokerage | 107,322 | 119,316 |
| II. Net profit / (loss) on sale of investments | - | - |
| III. Net profit / (loss) on sale of premises and other assets | - | - |
| IV. Net profit / (loss) on exchange transactions | 2,102 | 850 |
| V. Miscellaneous income | - | - |
| Total | 109,424 | 120,166 |
| 15 INTEREST EXPENDED | | |
| I. Interest on deposits | 323,317 | 287,836 |
| II. Interest on Reserve Bank of India and inter-bank borrowing | 41,071 | 3,591 |
| III. Others | - | - |
| Total | 364,388 | 291,427 |
| 16 OPERATING EXPENSES | | |
| I. Payments to and provision for employees | 168,379 | 142,073 |
| II. Rent, taxes and lighting | 47,087 | 42,735 |
| III. Printing and stationery | 367 | 378 |
| IV. Advertisement and publicity | 351 | 303 |
| V. Depreciation on Bank's property | 20,479 | 23,008 |
| VI. Auditor's fees and expenses | 1,725 | 5,400 |
| VII. Postages, telegrams, telephones, etc. | 6,348 | 8,079 |
| VIII. Repairs and maintenance | 3,152 | 2,675 |
| IX. Insurance | 10,140 | 9,140 |
| X. Law charges | 7,413 | 4,116 |
| XI. Professional fees | 3,726 | 3,897 |
| XII. Information technology expenses | 30,303 | 23,640 |
| XIII. Other expenditures (refer to Schedule 17 - Note 7.3) | 30,545 | 39,286 |
| Total | 330,015 | 304,730 |



Qatar National Bank (Q.P.S.C.) - India Branch
(Incorporated in Qatar with Limited Liability)

Schedules forming part of the financial statements (Continued)
for the year ended 31 March 2022

(Currency in Indian Rupees)

Schedule 17

1. Background

The accompanying financial statements are as at and for the year ended 31 March 2022 comprising of the accounts of Qatar National Bank (Q.P.S.C.) - India Branch (the 'Bank'), branch of Qatar National Bank (Q.P.S.C.) which is incorporated in Qatar with limited liability.

On 6 October 2016, the Bank's parent company was granted a license by Reserve Bank of India ('RBI') to commence banking business in India. The Bank commenced its banking business in India with effect from 8 June 2017. The Bank was included in the Second Schedule of the Reserve Bank of India Act, 1934 vide notification dated 5 July 2017 published in the Gazette of India (Part III - Section 4) dated 26 August 2017. There was change in the name of the bank from Qatar National Bank SAQ-India Branch to Qatar National Bank (Q.P.S.C.)-India Branch vide gazette notification dated 24 August 2018.

The Bank has only one branch in India as at 31 March 2022 which is in Mumbai.

2. Basis of preparation

The accompanying financial statements have been prepared and presented under the historical cost convention on accrual basis of accounting on going concern basis, unless otherwise stated, and in accordance with the Generally Accepted Accounting Principles ('GAAP') in India, statutory requirements prescribed under the Banking Regulation Act, 1949, circulars and guidelines issued by RBI from time to time, Accounting Standards ('AS') specified under section 133 of the Companies Act, 2013 (the 'Act') and the Companies (Accounting Standards) Amendment Rules, 2016 to the extent applicable and practices prevailing within banking industry in India.

The financial statements are presented in Indian Rupees and rounded off to the nearest thousand, unless otherwise stated.

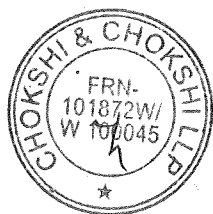
3. Use of estimates

The preparation of the financial statements, in conformity with GAAP, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, at the date of financial statements, revenues and expenses during the reporting period and disclosure of contingent liabilities at the date of the financial statements. Actual results could differ from those estimates. Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Any revision to the accounting estimates is recognised prospectively in the current and future periods.

4. Significant accounting policies

4.1. Revenue recognition

- a) Revenue is recognized to the extent that is probable that the economic benefits will flow to the Bank and the revenue can be reliably measured.
- b) Interest income is accounted for on an accrual basis, except for interest on non-performing asset, which is recognized on realization basis as per RBI regulations.
- c) Interest income on discounted instruments is recognised over the tenor of the instrument on a constant effective yield basis (interest rate implied by the discounted purchase price).
- d) Commission received on guarantee issued is recognised over the life of the instrument.
- e) Other commission and fee income is recognised at the time services are rendered and a right to receive the same is established



Qatar National Bank (Q.P.S.C.) - India Branch
(Incorporated in Qatar with Limited Liability)

Schedules forming part of the financial statements (Continued)
for the year ended 31 March 2022

(Currency in Indian Rupees)

4.2. Fixed assets and depreciation

- a) Fixed assets are stated at cost less accumulated depreciation and impairment.
- b) Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Subsequent expenditure incurred on assets is capitalized only when it increases the future benefit/capacity of such asset.
- c) The useful life estimates prescribed in the Part C of the Schedule II to the Act, are generally adhered to, except in respect of class of assets, based on technical assessment, where a different estimate of useful life is considered suitable.
- d) Depreciation is provided over the estimated useful life of the asset, as follows:

| Nature | Years | Method |
|-----------------------------------|-------|----------------------|
| Furniture, fixtures and equipment | 5 | Straight Line Method |
| Computer equipment and software's | 3 | Straight Line Method |

- e) Leasehold improvements are depreciated over the primary period of lease or management's estimate of occupation of leased premises or 10 years whichever is less.
- f) Asset costing upto Rs. 21,000 are fully depreciated during the year of purchase.
- g) Capital work in progress includes cost of fixed assets that are not ready for their intended use and also includes advances paid to acquire fixed assets.

4.3. Foreign exchange transactions

- a) Monetary assets and liabilities denominated in foreign currencies are translated at the yearend exchange rates notified by the Foreign Exchange Dealers' Association of India ('FEDAI') and the resultant gains or losses are recognized in the profit and loss account.
- b) Income and expenditure in foreign currencies are translated at the rates prevailing on the date of the transaction.
- c) Liabilities in respect of outstanding foreign exchange contract, guarantees, acceptances, endorsements and other obligations are stated at spot rate of the exchange notified by FEDAI at the year end.
- d) Non-monetary items which are carried in terms of historical cost denominated in foreign currency are reported using the exchange rate at the date of the transaction.

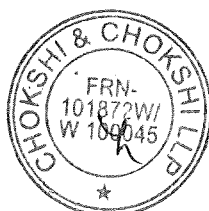
4.4. Investments

a) Classification

In accordance with RBI guidelines, investments in government securities are accounted on settlement date and are categorized as 'Held to Maturity', 'Available for Sale' and 'Held for Trading' at the time of purchase.

Investments that the Bank intends to hold to maturity are classified as 'Held to Maturity'. Investments that are held principally for sale within ninety days from the date of purchase are classified as 'Held for Trading'. All other investments are classified as AFS securities.

Under each of these categories, investments are further classified under six groups namely, Government Securities, Other Approved Securities, Shares, Debenture and Bonds, Subsidiaries and / or Joint Ventures and Others.



Qatar National Bank (Q.P.S.C.) - India Branch
(Incorporated in Qatar with Limited Liability)

Schedules forming part of the financial statements (*Continued*)
for the year ended 31 March 2022

(Currency in Indian Rupees)

The Bank decides the categorization of each investment at the time of acquisition and subsequent shifting is to be done in conformity with regulatory guidelines and with approval of India Executive Committee.

b) Acquisition cost

Cost of investments excludes broken period interest paid on acquisition of investments. Brokerage, commission etc., paid at the time of acquisition are charged to the Profit and Loss account. Broken period interest on debt instrument is accounted for in accordance with RBI guidelines.

c) Valuation

'Held to Maturity' securities are carried at the acquisition cost, except where the acquisition cost is more than the face value, in which case the premium is amortized over the remaining maturity period. Diminution other than temporary, if any, in the value of such investments is determined and provided for on each investment individually.

Each scrip in the 'Available for Sale' and 'Held for Trading' categories are revalued at the market price or fair value determined as per the RBI guidelines, and only the net depreciation for each category is provided for and net appreciation, if any, is ignored. On provision of depreciation, the book value of the individual securities remains unchanged.

Treasury bills, being discounted instruments, are valued at carrying cost. Discount to face value of the instrument is recognised over remaining period to maturity.

d) Sale of investment

Profit or loss on sale of investment is recognised in the Profit and Loss account. Gains or losses on sale of securities is computed based on the First-In-First-Out ('FIFO') method. The profit from sale of investments under HTM category, if any, net of taxes and transfer to statutory reserves is appropriated from Statement of Profit and Loss to 'Capital Reserve' in accordance with the RBI guidelines.

Investments are classified as performing and non-performing, based on the guidelines issued by RBI.

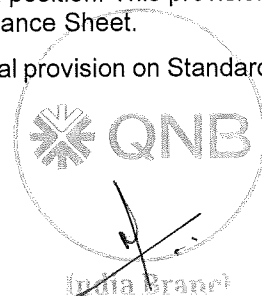
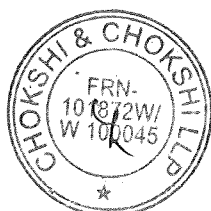
4.5. Advances

Advances are classified as per prudential norms on 'Income Recognition and Assets Classification and Provisioning Pertaining to Advances' issued by RBI, into performing and non-performing assets and are net of specific provisions. Provisions for non-performing assets are made in accordance with RBI guidelines. Provisions for Non-Performing assets are made in accordance with credit policy of the branch wherein minimum requirement as per RBI policy are ensured. For restructured advances, provision is made in accordance to RBI guidelines, which requires the diminution in fair value of advances, to be provided at the time of restructuring of advances.

Amount recovered against debts written off in earlier years and provisions no longer considered necessary in the context of the current status of the borrower are recognized in the Profit and Loss Account.

For entities with Unhedged Foreign Currency Exposure (UHFCE), provision is made in accordance with the guidelines issued by RBI, which requires to ascertain the amount of UHFCE, estimate the extent of likely loss and estimate the riskiness of unhedged position. This provision is classified under Schedule 5 - Other Liabilities and Provision in the Balance Sheet.

In addition to the specific provision on NPAs, the Bank maintains a general provision on Standard Advances and Derivatives Exposures as per RBI guidelines.



Qatar National Bank (Q.P.S.C.) - India Branch
(Incorporated in Qatar with Limited Liability)

Schedules forming part of the financial statements (Continued)
for the year ended 31 March 2022

(Currency in Indian Rupees)

4.6. Cash and cash equivalents

Cash and cash equivalents include cash in hand, balance with RBI, balances with other Banks.

4.7. Employee benefits

a) Provident fund

The Bank contributes an amount equal to the employees' contribution on a monthly basis to the Regional Provident Fund Commissioner (RPFC). The Bank has no liability apart from its monthly contribution which is charged to the profit and loss account.

b) Gratuity

Gratuity is provided for based on an actuarial valuation done by an independent actuary using the Projected Unit Credit method (PUC) as at the balance sheet date. Actuarial gains/losses are recognised in the profit and loss account.

c) Compensated absences

The Bank provides compensated absence benefit (long term), as a defined benefit scheme based on actuarial valuation done by an independent actuary as at the balance sheet date. The actuarial valuation is carried out as per the projected unit credit method as at the balance sheet date. Actuarial gains/losses are recognised in the profit and loss account.

4.8. Income Taxes

Income tax expense comprises of current tax (i.e. amount of tax for the year, determined in accordance with the Income Tax Act, 1961 and the rules framed there under) and deferred tax charge or credit reflecting the tax effects of timing differences between accounting income and taxable income for the year.

Current tax expense is recognised on an annual basis under the tax payable method based on the estimated liability computed after taking credit for allowances and exemption in accordance with the provisions of Income Tax Act, 1961.

Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In situations where there is unabsorbed depreciation or carry forward tax losses, deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits.

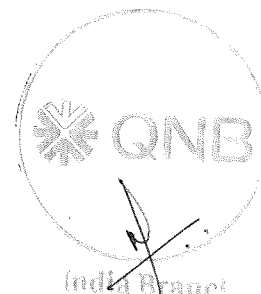
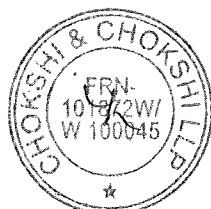
Deferred tax assets are reviewed at the each balance sheet date and appropriately adjusted to reflect the amount that is reasonably/virtually certain to be realised.

4.9. Operating lease

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased asset are classified as operating leases. Operating lease payments are recognized as an expense in the Profit and Loss account over the lease term on a straight line basis.

4.10. Provisions and contingent liabilities

A provision is recognized when there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources.



Qatar National Bank (Q.P.S.C.) - India Branch
(Incorporated in Qatar with Limited Liability)

Schedules forming part of the financial statements (Continued)
for the year ended 31 March 2022

(Currency in Indian Rupees)

Provisions are reviewed at the balance sheet date and adjusted to reflect the best available estimate. If it is no longer probable that an outflow of resources would be required to settle the obligation, the provision is reversed.

Contingent provision on standard assets, provision for country risk and provision for unhedged foreign currency exposure is made as per guidelines prescribed by RBI and included under 'Other Liabilities and Provisions'.

A disclosure of contingent liabilities made when there is:

- a possible obligation arising from a past event, the existence of which will be confirmed by occurrence or non-occurrence of one or more uncertain future events not within the control of the Bank; or
- a present obligation arising from a past event which is not recognized as it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

Contingent assets are neither recognised nor disclosed in the financial statements.

4.11. Impairment of assets

The carrying amount of assets is reviewed at the each balance sheet date. If there is any indication of impairment based on internal/external factors, an impairment loss is recognised, wherever the carrying amount of an asset exceeds its recoverable amount. In assessing value in use, estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects the current market assessment of the time value of money and risks specific to the asset. After impairment, depreciation is provided on the revised carrying amount of the asset over the remaining useful life.

4.12. Segment information

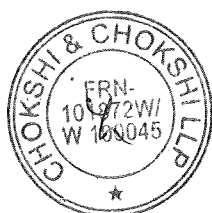
Pursuant to the guidelines issued by RBI on AS 17 - Segment Reporting - Enhancement of Disclosures dated 18 April 2007, the Bank operates in two business segments: Corporate Banking and Treasury.

The Corporate Banking segment provides services in the form of providing loans to the corporates. The segment earns income in the form of Interest and fees on loans.

The Treasury segment mainly undertakes Asset and liability gap funding. Revenues of Treasury segment consist of interest income on assets and gains from investment activities. Treasury provides funds to Corporate Banking as per the needs of business.

4.13. Country Risk

In addition to the provisions required to be held according to the asset classification status, provisions are held for individual country exposure (other than for home country as per RBI guidelines). The countries are categorized into seven risk categories namely insignificant, low, moderately low, moderate, moderately high, high and very high. Provisioning made on exposures exceeding 180 days on a graded scale ranging from 0.25% to 100%. For exposures with contractual maturity of less than 180 days, 25% of the normal provision requirement is held. If the country exposure (net) of the Bank in respect of each country does not exceed 1% of the total assets, no provision is maintained on such country exposure.



Qatar National Bank (Q.P.S.C.) - India Branch
(Incorporated in Qatar with Limited Liability)

Schedules forming part of the financial statements (Continued)
for the year ended 31 March 2022

(Currency in Indian Rupees)

5. The following disclosures are made in accordance with requirement of RBI guidelines and accounting standards:

5.1. Composition of Regulatory Capital

Capital Adequacy Ratio as per RBI guidelines (Basel III) as at 31 March 2022 is given below:

| (Rs. 000s) | | | |
|------------|---|------------------------|------------------------|
| Sr. | Items | As at 31 March 2022 | As at 31 March 2021 |
| i) | Common Equity Tier I Capital (CET1) | 2,672,367 | 3,144,785 |
| ii) | Additional Tier I Capital | - | - |
| iii) | Total Tier I Capital (I + ii) | 2,672,367 | 3,144,785 |
| iv) | Tier 2 Capital | 39,760 | 23,032 |
| v) | Total Capital (Tier 1 + Tier 2) | 2,712,127 | 3,167,817 |
| vi) | Total Risk Weighted Assets (RWAs) | 9,598,360 | 7,366,372 |
| vii) | CET1 Ratio (CET1 as a percentage of RWAs) | 27.84% | 42.69% |
| viii) | Tier 1 Ratio (Tier 1 capital as a percentage of RWAs) | 27.84% | 42.69% |
| ix) | Tier 2 Ratio (Tier 2 capital as a percentage of RWAs) | 0.41% | 0.31% |
| x) | Capital to Risk weighted Asset Ratio (CRAR) (Total capital as a percentage of RWAs) | 28.25% | 43.00% |
| xi) | Leverage Ratio | 15.60% | 28.70% |
| xii) | Percentage of the shareholding of | | |
| | a) Government of India | 0.00% | 0.00% |
| | b) State Government | 0.00% | 0.00% |
| | c) Sponsor Bank | 0.00% | 0.00% |
| xiii) | Amount of paid-up equity capital raised during the year | - | - |
| xiv) | Amount of non-equity Tier 1 capital raised during the year, of which: | | |
| | a) Basel III compliant perpetual Non-Cumulative Preference shares | - | - |
| | b) Basel III compliant Perpetual Debt Instruments | - | - |
| xv) | Amount of non-equity Tier 2 capital raised during the year, of which: | | |
| | a) Perpetual Cumulative Preference Shares | - | - |
| | b) Redeemable Non-Cumulative Preference Shares | - | - |

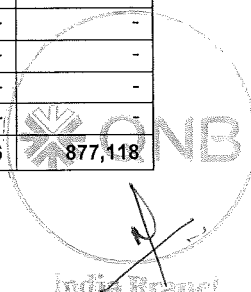
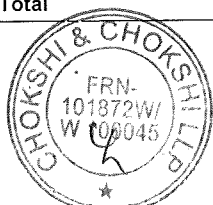
5.2. Draw down from the Reserves

The Bank has no draw down from the reserves during the year ended 31 March 2022 (Previous year - Nil (000s)).

5.3. Asset Liability Management

Maturity pattern of certain items of assets and liabilities as of 31 March 2022

| (Rs. 000s) | | | | | | |
|----------------------|-----------------------|------------------|-------------------|----------------|-------------------------------|------------------------------------|
| Maturity pattern | Loans and Advances | Investments | Deposits | Borrowings | Foreign Currency Assets | Foreign Currency Liabilities |
| Day 1 | - | - | 10,589 | - | 1,914 | - |
| 2 - 7 days | 549,000 | - | 2,426,660 | - | - | - |
| 8 - 14 days | 613,208 | - | 2,041,377 | 37,923 | 37,938 | 37,923 |
| 15 - 30 days | 652,545 | 99,802 | 1,096,970 | 14,836 | 14,836 | 14,836 |
| 31 days to 2 months | 1,381,137 | 597,414 | - | 381,759 | 381,759 | 381,759 |
| 2 months to 3 months | 537,127 | 495,776 | 425,527 | 351,648 | 351,648 | 351,648 |
| 3 months to 6 months | 326,680 | 915,246 | 1,055,224 | 90,951 | 90,951 | 90,951 |
| 6 months to 1 year | 726,140 | 1,257,691 | 4,208,063 | - | - | - |
| 1 to 3 years | 2,161,064 | - | 60,083 | - | - | - |
| 3 - 5 years | 939,343 | - | - | - | - | - |
| Over 5 years | - | - | - | - | - | - |
| Total | 8,386,243 | 3,365,930 | 11,324,493 | 877,118 | 879,046 | 877,118 |



Qatar National Bank (Q.P.S.C.) - India Branch
(Incorporated in Qatar with Limited Liability)

Schedules forming part of the financial statements (Continued)
for the year ended 31 March 2022

(Currency in Indian Rupees)

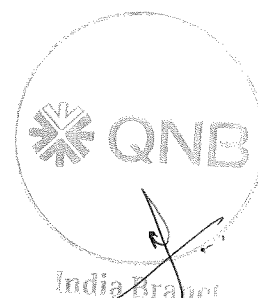
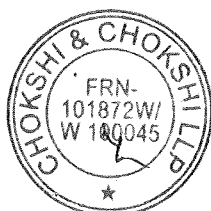
Maturity pattern of certain items of assets and liabilities as of 31 March 2021

(Rs. 000s)

| Maturity pattern | Loans and Advances | Investments | Deposits | Borrowings | Foreign Currency Assets | Foreign Currency Liabilities |
|----------------------|--------------------|------------------|------------------|------------------|-------------------------|------------------------------|
| Day 1 | - | - | 55,213 | - | 1,416 | - |
| 2 - 7 days | 1,280,000 | - | 1,680,000 | 500,000 | - | - |
| 8 - 14 days | - | - | 532,795 | - | - | - |
| 15 - 30 days | 50,999 | - | 248,000 | - | - | - |
| 31 days to 2 months | 1,066,785 | 597,680 | 345,044 | 438,660 | 438,660 | 438,660 |
| 2 months to 3 months | 940,662 | 297,910 | - | 146,220 | 146,220 | 146,220 |
| 3 months to 6 months | 418,375 | 787,975 | 1,825,000 | - | - | - |
| 6 months to 1 year | 583,750 | 781,152 | 15,055 | - | - | - |
| 1 to 3 years | 1,126,000 | - | 400 | - | - | - |
| 3 - 5 years | 509,000 | - | - | - | - | - |
| Over 5 years | - | - | - | - | - | - |
| Total | 5,975,572 | 2,464,717 | 4,701,507 | 1,084,880 | 586,296 | 584,880 |

5.4. Liquidity Coverage Ratio (LCR)

- Liquidity Coverage Ratio (LCR) standard represents an unencumbered High Quality Liquid Assets (HQLAs) that can be converted into cash to meet its liquidity needs for a 30 calendar day time horizon under significantly severe liquidity stress scenario
- $LCR = \text{Stock of high quality liquid assets (HQLAs)} / \text{Total net cash outflow over the next 30 calendar days}$
- Liquid assets comprise of high quality assets that can be readily encashed or used as collateral to obtain cash in a range of stress scenarios
- There are two categories of assets included in the stock HQLA's, i.e., Level 1 and Level 2 assets. While Level 1 assets are with 0% haircut Level 2A and Level2 B assets are with 15% and 50% haircuts respectively. The Banks current stock of HQLA comprises only of Level 1 assets.
- The total net cash outflow is the total expected cash outflows minus total expected cash inflows for the subsequent 30 calendar days
- Total expected cash outflows are calculated by multiplying the outstanding balances of various categories or types of liabilities and off-balance sheet commitments by the rates at which they are expected to run off or be drawn down.
- Total expected cash inflows are calculated by multiplying the outstanding balances of various categories of contractual receivables by the rates at which they are expected to flow in up to an aggregate cap of 75% of the total expected cash outflows.



Qatar National Bank (Q.P.S.C.) - India Branch
(Incorporated in Qatar with Limited Liability)

Schedules forming part of the financial statements (Continued)
for the year ended 31 March 2022

(Currency in Indian Rupees)

5.5. Liquidity Coverage Ratio (LCR) (Continued)

(Rs. in 000s)

| | | Quarter ended 31 Mar 22 | | Quarter ended 31 Dec 21 | | Quarter ended 30 Sep 21 | | Quarter ended 30 Jun 21 | |
|-----------------------------------|--|----------------------------------|--------------------------------|----------------------------------|--------------------------------|----------------------------------|--------------------------------|----------------------------------|--------------------------------|
| | | Total Unweighted Value (average) | Total Weighted Value (average) | Total Unweighted Value (average) | Total Weighted Value (average) | Total Unweighted Value (average) | Total Weighted Value (average) | Total Unweighted Value (average) | Total Weighted Value (average) |
| High quality liquid assets | | | | | | | | | |
| 1 | Total High Quality Liquid Assets (HQLA) | | 6,591,740 | | 5,269,513 | | 4,644,892 | | 3,583,413 |
| Cash Outflows | | | | | | | | | |
| 2 | Retail deposits and deposits from small business customers, of which: | - | - | - | - | - | - | - | - |
| (i) | Stable deposits | - | - | - | - | - | - | - | - |
| (ii) | Less Stable deposits | - | - | - | - | - | - | - | - |
| 3 | Unsecured wholesale funding, of which: | 6,780,350 | 3,009,222 | 7,960,392 | 3,725,050 | 4,731,363 | 2,079,755 | 2,971,283 | 1,576,943 |
| (i) | Operational deposits | - | - | - | - | - | - | - | - |
| (ii) | Non-operational deposits | 6,780,350 | 3,009,222 | 7,960,392 | 3,725,050 | 4,731,363 | 2,079,755 | 2,971,283 | 1,576,943 |
| (iii) | Unsecured debt | - | - | - | - | - | - | - | - |
| 4 | Secured Wholesale Funding | | - | | - | | - | | - |
| 5 | Additional requirements, of which | - | - | - | - | - | - | - | - |
| (i) | Outflows related to derivative exposures and other collateral requirements | - | - | - | - | - | - | - | - |
| (ii) | Outflows related to loss of funding on debt products | - | - | - | - | - | - | - | - |
| (iii) | Credit and liquidity facilities | - | - | - | - | - | - | - | - |
| 6 | Other Contractual funding obligations | 110,855 | 110,855 | 175,814 | 175,814 | 146,639 | 146,639 | 69,572 | 69,572 |
| 7 | Other Contingent funding obligations | 7,827,012 | 353,498 | 6,302,536 | 270,382 | 6,466,939 | 274,270 | 6,545,961 | 289,712 |
| 8 | TOTAL CASH OUTFLOWS | | 3,473,575 | | 4,171,246 | | 2,500,664 | | 1,936,227 |
| Cash Inflows | | | | | | | | | |
| 9 | Secured lending | 3,661,118 | - | 2,386,419 | - | 1,938,054 | - | 1,088,176 | - |
| 10 | Inflows from fully performing exposures | 1,621,926 | 909,983 | 2,735,867 | 1,555,233 | 1,743,062 | 913,792 | 1,592,206 | 872,506 |
| 11 | Other cash inflows | 34,904 | 34,904 | 70,247 | 70,247 | 53,117 | 53,117 | 66,321 | 66,321 |
| 12 | TOTAL Cash Inflows | 5,317,948 | 944,887 | 5,192,533 | 1,625,479 | 3,734,232 | 966,909 | 2,746,702 | 938,827 |
| Total Adjusted Value | | | | | | | | | |
| 21 | Total HQLA | | 6,591,740 | | 5,269,513 | | 4,644,892 | | 3,583,413 |
| 22 | Total Net cash outflows* | | 2,528,688 | | 2,545,767 | | 1,533,755 | | 997,400 |
| 23 | Liquidity Coverage Ratio (%) | | 260.68% | | 206.99% | | 302.84% | | 359.28% |

The Net Cash Outflows is higher of Total Cash Outflows less Total Cash Inflows and 25% of the Total Cash outflows



INDIA BRANCH

Qatar National Bank (Q.P.S.C.) - India Branch
(Incorporated in Qatar with Limited Liability)

Schedules forming part of the financial statements (Continued)

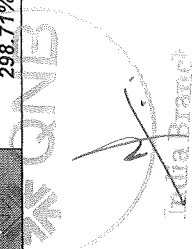
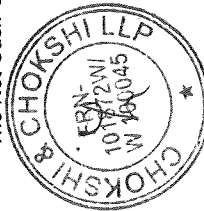
for the year ended 31 March 2022

(Currency in Indian Rupees)

(Rs. in 000s)

| | Quarter ended 31 Mar 21 | | Quarter ended 31 Dec 20 | | Quarter ended 30 Sep 20 | | Quarter ended 30 Jun 20 | |
|-----------------------------------|--|--------------------------------|----------------------------------|--------------------------------|----------------------------------|--------------------------------|----------------------------------|--------------------------------|
| | Total Unweighted Value (average) | Total Weighted Value (average) | Total Unweighted Value (average) | Total Weighted Value (average) | Total Unweighted Value (average) | Total Weighted Value (average) | Total Unweighted Value (average) | Total Weighted Value (average) |
| High quality liquid assets | | | | | | | | |
| 1 | | 3,878,821 | | 4,258,166 | | 3,112,699 | | 3,383,963 |
| Cash Outflows | | | | | | | | |
| 2 | Retail deposits and deposits from small business customers, of which: | - | - | - | - | - | - | - |
| (i) | Stable deposits | - | - | - | - | - | - | - |
| (ii) | Less Stable deposits | - | - | - | - | - | - | - |
| 3 | Unsecured wholesale funding, of which: | 3,143,906 | 2,648,163 | 1,089,426 | 2,678,320 | 1,141,638 | 4,789,139 | 2,006,927 |
| (i) | Operational deposits | - | - | - | - | - | - | - |
| (ii) | Non-operational deposits | 3,143,906 | 2,648,163 | 1,089,426 | 2,678,320 | 1,141,638 | 4,789,139 | 2,006,927 |
| (iii) | Unsecured debt | - | - | - | - | - | - | - |
| 4 | Secured Wholesale Funding | - | - | - | - | - | - | - |
| 5 | Additional requirements, of which | - | - | - | - | - | - | - |
| (i) | Outflows related to derivative exposures and other collateral requirements | - | - | - | - | - | - | - |
| (ii) | Outflows related to loss of funding on debt products | - | - | - | - | - | - | - |
| (iii) | Credit and liquidity facilities | - | - | - | - | - | - | - |
| 6 | Other Contractual funding obligations | 96,213 | 58,009 | 58,009 | 14,833 | 14,833 | 30,070 | 30,070 |
| 7 | Other Contingent funding obligations | 7,735,610 | 8,047,199 | 356,656 | 7,676,678 | 352,418 | 4,813,782 | 213,106 |
| 8 | TOTAL CASH OUTFLOWS | 1,709,921 | 1,504,091 | 1,504,091 | 1,508,890 | 1,508,890 | 2,250,103 | 2,250,103 |
| Cash Inflows | | | | | | | | |
| 9 | Secured lending | 1,009,109 | 1,063,692 | - | 503,090 | - | 987,125 | - |
| 10 | Inflows from fully performing exposures | 1,231,015 | 1,249,049 | 789,122 | 905,611 | 521,774 | 1,764,739 | 1,082,262 |
| 11 | Other cash inflows | 45,163 | 34,671 | 34,671 | 32,695 | 32,695 | 34,987 | 34,987 |
| 12 | TOTAL Cash Inflows | 2,285,288 | 2,347,412 | 823,793 | 1,441,396 | 554,469 | 2,786,851 | 1,117,249 |
| Total Adjusted Value | | | | | | | | |
| 21 | Total HQLA | | | 4,258,166 | | 3,112,699 | | 3,383,963 |
| 22 | Total Net cash outflows* | | | 680,298 | | 954,420 | | 1,132,854 |
| 23 | Liquidity Coverage Ratio (%) | | | 625.93% | | 326.14% | | 298.71% |

* The Net Cash Outflows is higher of Total Cash Outflows less Total Cash Inflows and 25% of the Total Cash outflows



Schedules forming part of the financial statements (Continued)
for the year ended 31 March 2022

(Currency in Indian Rupees)

5.6. Qualitative disclosure around LCR

The Bank measures and monitors LCR in line with RBI's circular dated 9 June 2014 on "Basel III Framework on Liquidity Standards - Liquidity Coverage Ratio (LCR), Liquidity Risk Monitoring Tools and LCR Disclosure Standards", as amended. LCR guidelines aims to ensure that a bank maintains an adequate level of unencumbered High Quality Liquid Assets (HQLAs) that can be converted into cash to meet its liquidity needs for a 30 calendar day time horizon under a significantly severe liquidity stress scenario. At a minimum, the stock of liquid assets should enable a bank to survive until day 30 of the stress scenario, by which time it is assumed that appropriate corrective actions can be taken.

The Banks LCR comes to 260.68% based on daily average of three months (Q4 FY21-22) and is above the minimum regulatory requirement of 100%. Average HQLA during the quarter was Rs. 6,591,740 (000s) which was held 100% in the form of Level 1 assets. Quarterly LCR reported in the table above is calculated on a simple average of daily LCR position.

The Bank has been maintaining HQLA primarily in the form of SLR investments over and above mandatory requirement and regulatory dispensation allowed on NDTL. SLR investments of the Bank considered for HQLA consists of Treasury Bills which provides timely liquidity to the Branch. The Branch does not hold any Level 2A or Level 2B Assets. The Bank has been maintaining high LCR primarily due to higher HQLA in the form of SLR investment over and above regulatory requirements. Outflows majorly comprise of Term Deposits and Interbank Borrowing. The Bank's major source of funding apart from Capital are term deposit and interbank borrowing. Term deposits are mainly from corporates and for borrowing the bank has resorted to the Interbank Money Market.

In line with the RBI guidelines, only committed undrawn limits, if any, have been considered for calculation of outflows. Inflows majorly consist of Loans and Interbank placements in the Money Market.

The Bank has not entered into any derivative contracts since inception.

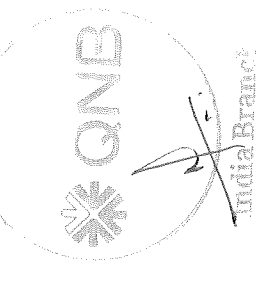
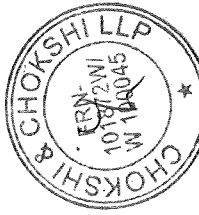
The Bank has only one branch in India and all liquidity requirements are monitored on a real time basis.

The Bank does not have any currency mismatch in the LCR.

Overall liquidity management including LCR of the Bank is guided by Asset Liability Committee ('ALCO') which also strategizes the balance sheet profile of the Bank. There is no other material inflow or outflow not captured in the LCR common template. In addition to daily / monthly LCR reporting, Bank also prepares Structural Liquidity statements to assess the liquidity needs of the bank on an ongoing basis

5.7. Net Stable Funding Ratio (NSFR)

- Net Stable Funding Ratio (NSFR) guidelines ensure reduction in funding risk over a longer time horizon by requiring banks to fund their activities with sufficiently stable sources of funding in order to mitigate the risk of future funding stress. The NSFR is defined as the amount of Available Stable Funding relative to the amount of Required Stable Funding
- $NSFR = \text{Available Stable Funding (ASF)} / \text{Required Stable Funding (RSF)} \geq 100\%$



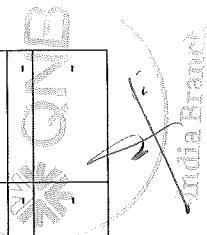
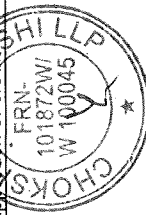
Schedules forming part of the financial statements (Continued)
for the year ended 31 March 2022

(Currency in Indian Rupees)

5.8. Net Stable Funding Ratio (NSFR) (Continued)

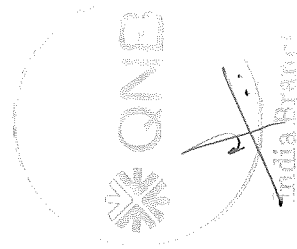
(Rs. 000s)

| ASF Item | As on Quarter ended 31 March 2022 | | | | As on Quarter ended 31 December 2021* | | | |
|--|---------------------------------------|-----------|------------|----------------|---------------------------------------|-----------|------------|----------------|
| | Unweighted Value by residual maturity | | | Weighted value | Unweighted Value by residual maturity | | | Weighted value |
| | No Maturity | < 6 M | 6M to < 1Y | | No Maturity | < 6 M | 6M to < 1Y | |
| 1. Capital: (2+3) | - | - | 2,672,367 | 2,672,367 | - | - | 3,039,728 | 3,039,728 |
| 2. Regulatory Capital | - | - | 2,672,367 | 2,672,367 | - | - | 3,039,728 | 3,039,728 |
| 3. Other Capital Instruments | - | - | - | - | - | - | - | - |
| 4. Retail deposits and deposits of small business customers (5+6) | - | - | - | - | - | - | - | - |
| 5. Stable deposits | - | - | - | - | - | - | - | - |
| 6. Less stable deposits | - | - | - | - | - | - | - | - |
| 7. Wholesale funding (8+9) | - | 6,106,347 | 4,208,063 | 60,083 | - | 5,716,988 | 2,680,000 | 5,258,021 |
| 8. Operational deposits | - | - | - | - | - | - | - | - |
| 9. Other wholesale funding | - | 6,106,347 | 4,208,063 | 60,083 | - | 5,716,988 | 2,680,000 | 5,258,021 |
| 10. Other Liabilities (11+12) | 69,297 | 1,422,672 | 488,931 | 148,544 | 171,332 | 2,246,001 | 181,247 | - |
| 11. NSFR derivative liabilities | - | - | - | - | - | - | - | - |
| 12. All other liabilities and equity not included in the above categories | 69,297 | 1,422,672 | 488,931 | 148,544 | 171,332 | 2,246,001 | 181,247 | - |
| 13. Total ASF (1+4+7+10) | - | - | - | 7,889,655 | - | - | - | 8,297,749 |
| RSF Item | | | | | | | | |
| 14. Total NSFR high quality liquid assets (HQLA) | - | - | - | 168,214 | - | - | - | 131,384 |
| 15. Deposits held at other financial institutions for operational purposes | - | - | - | - | - | - | - | - |
| 16. Performing loans and securities (17+18+19+21+23) | - | 4,584,696 | 726,140 | 3,075,408 | - | 7,487,128 | 626,897 | 6,496,618 |
| 17. Performing loans to financial institutions secured by level 1 HQLA | - | - | - | - | - | - | - | - |
| 18. Performing loans to financial institutions secured by non-level 1 HQLA and unsecured performing loans to financial institutions | - | 959,999 | 373,750 | 1,227,500 | - | 1,434,731 | 342,500 | 1,346,460 |
| 19. Performing loans to non-financial corporate clients, loans to retail and small business customers, and loans to sovereigns, central banks, and PSEs, of which: | - | 3,624,697 | 352,390 | 1,847,908 | - | 6,052,397 | 284,397 | 5,150,159 |
| 20. With a risk weight of less than or equal to 35% under the Basel II standardised approach of credit risk | - | 2,406,871 | 145,415 | 275,000 | - | 3,769,943 | 296,500 | 3,155,872 |
| 21. Performing residential mortgages, of which | - | - | - | - | - | - | - | - |
| 22. With a risk weight of less than or equal to 35% under the Basel II standardised approach of credit risk | - | - | - | - | - | - | - | - |



* Auditors have relied upon the information presented by the management as above

The Banks NSFR comes to 147.80% as at the year ended 31 March 2022 and is above the minimum regulatory requirement of 100% set out by RBI guidelines effective from 01 October 2021. The Available Stable Funding (ASF) of Rs. 7,889,655 (000s) against a RSF requirement of Rs. 5,337,974 (000s). ASF is defined as the portion of capital and liabilities expected to be reliable over the time horizon considered for the NSFR, which extends to one year. Overall liquidity management of the Bank is guided by Asset Liability Committee ('ALCO') which also strategizes the balance sheet profile of the Bank. In addition to monthly NSFR reporting, Bank also computes LCR and Structural Liquidity statements on a daily basis to assess the liquidity needs of the bank. Management is of the view that the Bank has sufficient liquidity cushion to meet its likely future commitments.



Schedules forming part of the financial statements (Continued)
for the year ended 31 March 2022

(Currency in Indian Rupees)

5.10. Investments

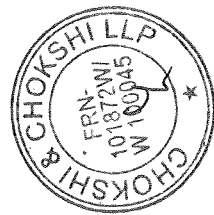
a) Composition of Investment Portfolio

The composition of Investment portfolio as at 31 March 2022 is as follows:

The composition of investment portfolio as at 31 March 2022 is as follows.

| Particulars | Investments in India | | | | | | Investments outside India | | | | Total Investments | |
|--|-----------------------|---------------------------|--------|----------------------|--------------------------------------|--------|----------------------------|---|---------------------------------|--------|-------------------|---------------------------------|
| | Government Securities | Other Approved Securities | Shares | Debentures and Bonds | Subsidiaries and / or joint ventures | Others | Total Investments in India | Government Securities (including local authorities) | Subsidiaries and Joint ventures | Others | | Total Investments Outside India |
| Held to Maturity | - | - | - | - | - | - | - | - | - | - | - | - |
| Gross | - | - | - | - | - | - | - | - | - | - | - | - |
| Less: Provision for Non-performing Investments | - | - | - | - | - | - | - | - | - | - | - | - |
| Net | - | - | - | - | - | - | - | - | - | - | - | - |
| Available for Sale | 3,365,930 | - | - | - | - | - | - | - | - | - | - | 3,365,930 |
| Gross | 3,365,930 | - | - | - | - | - | - | - | - | - | - | 3,365,930 |
| Less: Provision for Non-performing Investments | - | - | - | - | - | - | - | - | - | - | - | - |
| Net | 3,365,930 | - | - | - | - | - | - | - | - | - | - | 3,365,930 |
| Held for Trading | - | - | - | - | - | - | - | - | - | - | - | - |
| Gross | - | - | - | - | - | - | - | - | - | - | - | - |
| Less: Provision for Non-performing Investments | - | - | - | - | - | - | - | - | - | - | - | - |
| Net | - | - | - | - | - | - | - | - | - | - | - | - |
| Total Investments | 3,365,930 | - | - | - | - | - | - | - | - | - | - | 3,365,930 |
| Gross | 3,365,930 | - | - | - | - | - | - | - | - | - | - | 3,365,930 |
| Less: Provision for Non-performing Investments | - | - | - | - | - | - | - | - | - | - | - | - |
| Net | 3,365,930 | - | - | - | - | - | - | - | - | - | - | 3,365,930 |

* Securities of face value Rs. 5,000 (000s) are kept as margin with clearing corporation of India Limited (CCIL) towards securities settlement.



Schedules forming part of the financial statements (Continued)
for the year ended 31 March 2022

(Currency in Indian Rupees)

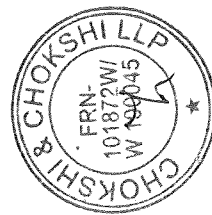
The composition of investment portfolio as at 31 March 2021 (previous year) is as follows:

| Particulars | Investments in India | | | | | | Investments outside India | | | | Total Investments | |
|--|-----------------------|---------------------------|--------|----------------------|--------------------------------------|--------|----------------------------|---|---------------------------------|--------|-------------------|---------------------------------|
| | Government Securities | Other Approved Securities | Shares | Debentures and Bonds | Subsidiaries and / or joint ventures | Others | Total Investments in India | Government Securities (Including local authorities) | Subsidiaries and Joint ventures | Others | | Total Investments Outside India |
| Held to Maturity | - | - | - | - | - | - | - | - | - | - | - | - |
| Gross | - | - | - | - | - | - | - | - | - | - | - | - |
| Less: Provision for Non-performing Investments | - | - | - | - | - | - | - | - | - | - | - | - |
| Net | - | - | - | - | - | - | - | - | - | - | - | - |
| Available for Sale | 2,464,717 | - | - | - | - | - | - | - | - | - | - | 2,464,717 |
| Gross | 2,464,717 | - | - | - | - | - | - | - | - | - | - | 2,464,717 |
| Less: Provision for Non-performing Investments | - | - | - | - | - | - | - | - | - | - | - | - |
| Net | 2,464,717 | - | - | - | - | - | - | - | - | - | - | 2,464,717 |
| Held for Trading | - | - | - | - | - | - | - | - | - | - | - | - |
| Gross | - | - | - | - | - | - | - | - | - | - | - | - |
| Less: Provision for Non-performing Investments | - | - | - | - | - | - | - | - | - | - | - | - |
| Net | - | - | - | - | - | - | - | - | - | - | - | - |
| Total Investments | 2,464,717 | - | - | - | - | - | - | - | - | - | - | 2,464,717 |
| Gross | 2,464,717 | - | - | - | - | - | - | - | - | - | - | 2,464,717 |
| Less: Provision for Non-performing Investments | - | - | - | - | - | - | - | - | - | - | - | - |
| Net | 2,464,717 | - | - | - | - | - | - | - | - | - | - | 2,464,717 |

* Securities of face value Rs. 5,000 (000s) are kept as margin with clearing corporation of India Limited (CCIL) towards securities settlement.

b) Sale and transfers to/from HTM category

There is no sale / transfer to / from HTM category during the year ended 31 March 2022 (Previous Year – Nil)



Schedules forming part of the financial statements (Continued)
for the year ended 31 March 2022

(Currency in Indian Rupees)

c) Movement of Provisions for depreciation and Investment Fluctuation Reserve

(Rs. in 000s)

| Particulars | Year ended 31 March 2022 | Year ended 31 March 2021 |
|---|--------------------------|--------------------------|
| i) Movement of provisions held towards depreciation on investments: | | |
| a) Opening balance | - | - |
| b) Add: Provisions made during the year | - | - |
| c) Less: Write off / write back of excess provisions during the year | - | - |
| d) Closing balance | - | - |
| ii) Movement of Investment Fluctuation Reserve: | | |
| e) Opening balance | - | - |
| a) Add: Amount transferred during the year | - | - |
| b) Less: Drawdown | - | - |
| c) Closing balance | - | - |
| iii) Closing balance in IFR as a percentage of closing balance of investments in AFS and HFT / current category | - | - |

d) Non - SLR investment portfolio

i. Non Performing non-SLR investments

(Rs. in 000s)

| Sr. No. | Particulars | Year ended 31 March 2022 | Year ended 31 March 2021 |
|---------|---|--------------------------|--------------------------|
| a) | Opening balance | - | - |
| b) | Additions during the year since 1 st April | - | - |
| c) | Reductions during the above period | - | - |
| d) | Closing balance | - | - |
| e) | Total provisions held | - | - |

ii. Issuer composition of non-SLR investments

(Rs. in 000s)

| Sr. No. | Issuer | Amount | | Extent of private placements | | Extent of 'Below Investment Grade' Securities | | Extent of 'Unrated' Securities | | Extent of 'Unlisted' Securities | |
|---------|-------------------------------------|--------|----|------------------------------|----|---|----|--------------------------------|----|---------------------------------|----|
| (1) | (2) | (3) | | (4) | | (5) | | (6) | | (7) | |
| | | CY | PY | CY | PY | CY | PY | CY | PY | CY | PY |
| a) | PSUs | - | - | - | - | - | - | - | - | - | - |
| b) | FIs | - | - | - | - | - | - | - | - | - | - |
| c) | Banks | - | - | - | - | - | - | - | - | - | - |
| d) | Private Corporates | - | - | - | - | - | - | - | - | - | - |
| e) | Subsidiaries/ Joint Ventures | - | - | - | - | - | - | - | - | - | - |
| f) | Others | - | - | - | - | - | - | - | - | - | - |
| g) | Provision held towards depreciation | - | - | - | - | - | - | - | - | - | - |
| | Total | - | - | - | - | - | - | - | - | - | - |

iii. Repo / Reverse Repo Transactions (in face value terms)

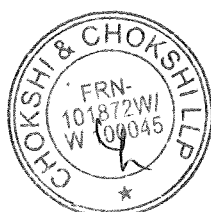
Details of Repo / Reverse Repo transactions undertaken during the year ended 31 March 2022 are as follows:

(Rs. in 000s)

| Particulars | Minimum Outstanding during the Year** | Maximum Outstanding during the Year | Daily average Outstanding during the Year* | As at 31 March 2022 |
|---|---------------------------------------|-------------------------------------|--|---------------------|
| Securities Sold under repos | | | | |
| i. Government Securities | - | - | - | - |
| ii. Corporate Debt Securities | - | - | - | - |
| iii. Any other securities | - | - | - | - |
| Securities purchased under reverse repo | | | | |
| i. Government Securities | 10,000 | 4,880,000 | 2,243,863 | 2,770,000 |
| ii. Corporate Debt Securities | - | - | - | - |
| iii. Any other securities | - | - | - | - |

*All the days in the financial year are considered for the purpose of calculation.

** Nil outstanding on any day is ignored for reckoning minimum outstanding.



Schedules forming part of the financial statements (Continued)
for the year ended 31 March 2022

(Currency in Indian Rupees)

Details of Repo / Reverse Repo transactions undertaken during the year ended 31 March 2021
(Previous year) are as follows:

(Rs. in 000s)

| Particulars | Minimum Outstanding during the Year** | Maximum Outstanding during the Year | Daily average Outstanding during the Year* | As at 31 March 2021 |
|---|---------------------------------------|-------------------------------------|--|---------------------|
| Securities Sold under repos | | | | |
| iv. Government Securities | 40,000 | 40,000 | 110 | - |
| v. Corporate Debt Securities | - | - | - | - |
| Securities purchased under reverse repo | | | | |
| iv. Government Securities | 10,000 | 2,000,000 | 881,534 | 340,000 |
| v. Corporate Debt Securities | - | - | - | - |

*All the days in the financial year are considered for the purpose of calculation.

** Nil outstanding on any day is ignored for reckoning minimum outstanding.

5.11.Asset quality

a) Classification of advances and provisions held

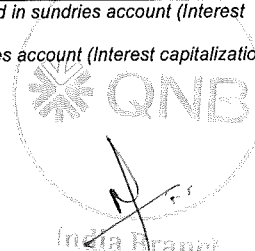
As at 31 March 2022

(Rs. in 000s)

| Particulars | Standard | Non-Performing | | | | Total |
|---|-------------------------|----------------|----------------------|------|-------------------------------|-----------|
| | Total Standard advances | Sub-standard | Doubtful | Loss | Total Non-Performing Advances | |
| Gross Standard Advances and NPAs | | | | | | |
| A. Opening balance | 5,575,572 | 500,000 | - | - | 500,000 | 6,075,572 |
| B. Add: Additions during the year | | | | | 31,482 ^b | |
| C. Less: Reductions during the year* | | | | | - | |
| Closing balance (A+B-C) | 8,386,243 | - | 531,482 ^a | - | 531,482 ^a | 8,917,725 |
| *Reduction in GNPA due to: | | | | | | |
| Upgradation | | | | | - | - |
| Recoveries (excluding recoveries from upgraded accounts) | | | | | - | - |
| Technical Prudential write-offs | | | | | | |
| Write-offs other than those under iii above | | | | | - | - |
| Provisions (excluding Floating Provisions) | | | | | | |
| Opening balance of provision held | 23,032 | 100,000 | - | - | 100,000 | 123,032 |
| Add: Fresh provisions made during the year | | | | | 400,000 | 414,999 |
| Less: Excess provision reversed / Write-off loans | | | | | - | - |
| Closing balance of provisions held | 38,031 | - | 500,000 | | 500,000 | 538,031 |
| Net NPAs | | | | | | |
| Opening balance | | 400,000 | - | - | 400,000 | |
| Add: Fresh additions during the year | | | | | - | |
| Less: Reductions during the year | | | | | 400,000 | |
| Closing balance | | - | - | - | - | |
| Floating Provisions | | | | | | |
| Opening balance | | | | | | - |
| Add: Fresh additions during the year | | | | | | - |
| Less: Reductions during the year | | | | | | - |
| Closing balance | | | | | | - |
| Technical Write-offs and the recoveries made thereon | | | | | | |
| Opening balance of technical / prudential write-off accounts | | | | | | - |
| Add: Technical Prudential write-offs during the year | | | | | | - |
| Less: Recoveries made from previously technical / prudential write-off accounts during the year | | | | | | - |
| Closing balance | | | | | | - |

a. Principal due of NPA plus Funded Interest Term Loan (FITL) where the corresponding contra credit is parked in sundries account (Interest capitalization – Restructured accounts), in respect of NPA accounts.

b. Represents the Funded Interest Term Loan (FITL) where the corresponding contra credit is parked in sundries account (Interest capitalization – Restructured accounts), in respect of NPA accounts.



Qatar National Bank (Q.P.S.C.) - India Branch
(Incorporated in Qatar with Limited Liability)

Schedules forming part of the financial statements (Continued)
for the year ended 31 March 2022

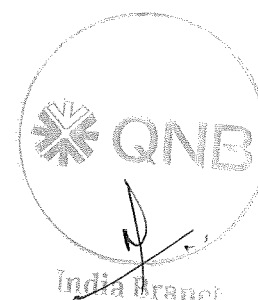
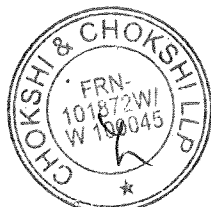
(Currency in Indian Rupees)
As at 31 March 2021*

(Rs. in 000s)

| Particulars | Standard | Non-Performing | | | | Total |
|---|-------------------------------|------------------|----------|------|--------------------------------------|-----------|
| | Total Standard advances | Sub- standard | Doubtful | Loss | Total Non- Performing Advances | |
| Gross Standard Advances and NPAs | | | | | | |
| D. Opening balance | 7,170,300 | - | - | - | - | 7,170,300 |
| E. Add: Additions during the year | | | | | 500,000 | |
| F. Less: Reductions during the year* | | | | | - | |
| Closing balance (A+B-C) | 5,575,572 | 500,000 | - | - | 500,000 | 6,075,572 |
| *Reduction in GNPA due to: | | | | | | |
| Upgradation | | | | | - | - |
| Recoveries (excluding recoveries from upgraded accounts) | | | | | - | - |
| Technical Prudential write-offs | | | | | | |
| Write-offs other than those under iii above | | | | | - | - |
| | | | | | | |
| Provisions (excluding Floating Provisions) | | | | | | |
| Opening balance of provision held | 29,287 | - | - | - | - | 29,287 |
| Add: Fresh provisions made during the year | | | | | 100,000 | 100,000 |
| Less: Excess provision reversed / Write-off loans | | | | | - | 6,255 |
| Closing balance of provisions held | 23,032 | 100,000 | - | - | 100,000 | 123,032 |
| | | | | | | |
| Net NPAs | | | | | | |
| Opening balance | | - | - | - | - | |
| Add: Fresh additions during the year | | | | | 400,000 | |
| Less: Reductions during the year | | | | | - | |
| Closing balance | | 400,000 | - | - | 400,000 | |
| | | | | | | |
| Floating Provisions | | | | | | |
| Opening balance | | | | | | - |
| Add: Fresh additions during the year | | | | | | - |
| Less: Reductions during the year | | | | | | - |
| Closing balance | | | | | | - |
| | | | | | | |
| Technical Write-offs and the recoveries made thereon | | | | | | |
| Opening balance of technical / prudential write- off accounts | | | | | | - |
| Add: Technical Prudential write-offs during the year | | | | | | - |
| Less: Recoveries made from previously technical / prudential write-off accounts during the year | | | | | | - |
| Closing balance | | | | | | - |

*Auditors have relied upon the information presented by the management as above

| Ratios (in per cent) | Year ended 31 March 2022 | Year ended 31 March 2021 |
|-----------------------------|--------------------------|--------------------------|
| Gross NPA to Gross Advances | 5.96% | 8.23% |
| Net NPA to Net Advances | 0.00% | 6.69% |
| Provision Coverage Ratio | 100% | 20% |



Schedules forming part of the financial statements (Continued)
for the year ended 31 March 2022

(Currency in Indian Rupees)

b) Sector-wise Advances and Gross NPAs

(Rs. in 000s)

| Sr. No. | Sector | Year ended 31 March 2022 | | | Year ended 31 March 2021 | | |
|---------|--|----------------------------|----------------|--|----------------------------|----------------|--|
| | | Outstanding Total Advances | Gross NPAs | % of Gross NPAs to total advances in that sector | Outstanding Total Advances | Gross NPAs | % of Gross NPAs to total advances in that sector |
| I) | Priority Sector | | | | | | |
| a) | Agriculture and allied activities | - | - | 0% | - | - | 0% |
| b) | Advances to industries sector eligible for Priority sector lending | 888,533 | - | 0% | 1,163,697 | - | 0% |
| c) | Services | 476,137 | - | 0% | 993,750 | - | 0% |
| d) | Personal Loans | - | - | 0% | - | - | 0% |
| | Subtotal I | 1,364,670 | - | 0% | 2,157,447 | - | 0% |
| II) | Non-Priority Sector | | | | | | |
| a) | Agriculture and allied activities | - | - | 0% | - | - | 0% |
| b) | Industry | 3,670,581 | - | 0% | 909,374 | - | 0% |
| c) | Services | 3,882,471 | 531,482 | 13.69% | 3,008,750 | 500,000 | 16.20% |
| d) | Personal Loans | - | - | 0% | - | - | - |
| | Subtotal II | 7,553,055 | 531,482 | 7.04% | 3,918,124 | 500,000 | 12.76% |
| | Total (I +II) | 8,917,725 | 531,482 | 5.96% | 6,075,572 | 500,000 | 8.23% |

c) Overseas assets, NPAs and Revenue

(Rs. in 000s)

| Particulars | Year ended 31 March 2022 | Year ended 31 March 2021 |
|---------------|--------------------------|--------------------------|
| Total Assets | - | - |
| Total NPAs | - | - |
| Total Revenue | - | - |

d) Particulars of resolution plan and restructuring

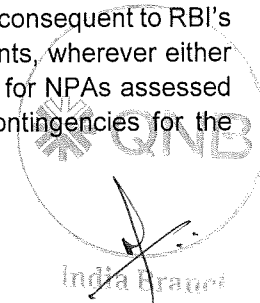
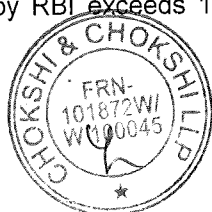
During the financial year ended 31 March 2022, the Bank has not initiated any resolution plan under the 'Prudential Framework for Resolution of Stressed Assets' issued vide circular DBR.No.BP.BC.45/21.04.048/2018-19 dated 07 June 2019. (Previous year - Nil)

Bank had declared one account as NPA as at 31 March 2021 and was upgraded to standard post implementation of One Time Restructuring (OTR) on 26 April 2021, in line with the RBI guidelines under notification RBI/2020-21/16/DOR.No.BP.BC/3/21.04.048/ 2020-21 dated 06-Aug-20. The Provision of 20% was made for the period ended 31 March 2021 and the same was retained post the implementation of the OTR plan. However, the OTR plan failed on 31 January 2022 and subsequently the account was downgraded to doubtful-1 based on the original NPA date and an additional provision of 5% was created as per regulatory requirements. Subsequently due to adverse development in the account and potential erosion in security value, the account was considered as unsecured and the total provision was increased to 100% as at 31 Mar 2022.

RBI in the select scope inspection report dated 01 April 2022 has informed that the restructuring was not implemented by all banks within the cut-off date. Hence, the restructure should be considered to have been implemented in terms of Para 17 of Prudential framework of Resolution of Stressed Assets dated 07 June 2019 and advised that the Bank needs to make an additional provision of 20% for non-implementation of the resolution plan within 180 days of invocation by all lenders. Since the account was already 100% provided as at 31 Mar 2022, there was no incremental provision required to be made.

e) Divergence in asset classification and provisioning

In terms of the RBI circular no. DBR.BP.BC.No.32/21.04.018/2018-19 dated April 1, 2019 banks are required to disclose the divergences in asset classification and provisioning consequent to RBI's annual supervisory process in their notes to accounts to the financial statements, wherever either or both of the following conditions are satisfied: (a) the additional provisioning for NPAs assessed by RBI exceeds 10 per cent of the reported profit before provisions and contingencies for the



Schedules forming part of the financial statements (Continued)
for the year ended 31 March 2022

(Currency in Indian Rupees)

reference period and (b) the additional Gross NPAs identified by RBI exceed 15 per cent of the published incremental Gross NPAs for the reference period.

Based on the condition mentioned in RBI circular, no disclosure on divergence in asset classification and provisioning for NPAs is required with respect to RBI's supervisory process for FY2020 and FY2021.

f) Disclosure on transfer of loan exposure

During the year ended 31 Mar 2022, the bank has not transferred or acquired any loan to / from other entities. (Previous year - Nil)

g) Details of financial assets sold to Asset Reconstruction Companies (ARCs)

i. Details of sales

| Particulars | (Rs. in 000s) | |
|--|--------------------------|--------------------------|
| | Year ended 31 March 2022 | Year ended 31 March 2021 |
| a) Number of accounts | - | - |
| b) Aggregate value (net of provisions) of accounts sold to ARCs | - | - |
| c) Aggregate consideration | - | - |
| d) Additional consideration realised in respect of accounts transferred in earlier years | - | - |
| e) Aggregate gain / loss over net book value | - | - |

ii. Investments in Security Receipts (SRs)

The details of investment in Security Receipts for the year ended 31 Mar 2022 is as follows: (Previous Year- Nil)

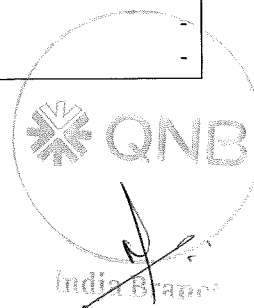
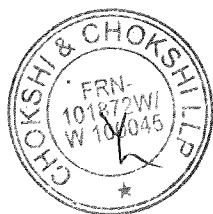
| Particulars | (Rs. in 000s) | | |
|--|--------------------------------|--|----------------------------------|
| | SRs issued within past 5 years | SRs issued more than 5 years ago but within past 8 years | SRs issued more than 8 years ago |
| a) Book value of SRs where NPA sold by the bank are the underlying | - | - | - |
| Provisions held against (a) | - | - | - |
| b) Book value of SRs where NPAs sold by other banks/ financial institutions / non-banking financial companies are the underlying | - | - | - |
| Provisions held against (b) | - | - | - |
| Total (a) + (b) | - | - | - |

h) Details of non performing financial assets purchased / sold from/ to other banks / financial institution / NBFCs (Excluding ARCs)

There were no instances of purchase/sale of non-performing assets during the year ended 31 March 2022 (Previous year - Nil (000s)).

| Details of non-performing financial assets purchased | (Rs. in 000s) | |
|--|---------------------|---------------------|
| | As at 31 March 2022 | As at 31 March 2021 |
| 1 (a) No of accounts purchased during the year | - | - |
| (b) Aggregate outstanding | - | - |
| 2 (a) of these no of accounts restructured during the year | - | - |
| (b) Aggregate outstanding | - | - |

| Details of non-performing financial assets sold | (Rs. in 000s) | |
|---|---------------------|---------------------|
| | As at 31 March 2022 | As at 31 March 2021 |
| 1. No of accounts sold | - | - |
| 2. Aggregate outstanding | - | - |
| 3. Aggregate consideration received | - | - |



Schedules forming part of the financial statements (Continued)
for the year ended 31 March 2022

(Currency in Indian Rupees)

i) Fraud accounts

There were no instances of fraud during the year ended 31 March 2022 (Previous year – Nil)

(Rs. in 000s)

| | As at 31 March 2022 | As at 31 March 2021 |
|---|------------------------|------------------------|
| Number of frauds reported | - | - |
| Amount involved in fraud | - | - |
| Amount of provision made for such frauds | - | - |
| Amount of unamortised provision debited from 'other reserves' as at the end of the year | - | - |

j) Disclosure under Resolution framework for COVID-19 related stress

Status of implementation of relief package as at 31 March 2022

(Rs. in 000s)

| Type of borrower | (A) Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of the previous half – year | Of (A) aggregate debt that slipped into NPA during the half-year | Of (A) amount written off during the half-year | Of (A) amount paid by the borrowers during the half- year | Exposure to accounts classified as standard consequent to implementation of resolution plan – position as at the end of this half year |
|-------------------|---|--|--|--|--|
| Personal Loans | - | - | - | - | - |
| Corporate persons | 500,000 | - | - | - | 531,482 |
| Of which, MSMEs | - | - | - | - | - |
| Others | - | - | - | - | - |
| Total | 500,000 | - | - | - | 531,482 |

Bank had declared one account as NPA as at 31 March 2021 and was upgraded to standard post implementation of One Time Restructuring (OTR) on 26 April 2021, in line with the RBI guidelines under notification RBI/2020-21/16/DOR.No.BP.BC/3/21.04.048/ 2020-21 dated 06-Aug-20. The Provision of 20% was made for the period ended 31 March 2021 and the same was retained post the implementation of the OTR plan. However, the OTR plan failed on 31 January 2022 and subsequently the account was downgraded to doubtful-1 based on the original NPA date and an additional provision of 5% was created as per regulatory requirements. Subsequently due to adverse development in the account and potential erosion in security value, the account was considered as unsecured and the total provision was increased to 100% as at 31 Mar 2022.

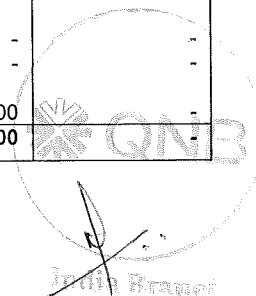
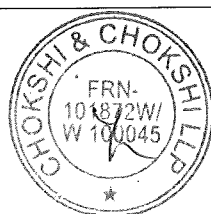
RBI in the select scope inspection report dated 01 April 2022 has informed that the restructuring was not implemented by all banks within the cut-off date. Hence, the restructure should be considered to have been implemented in terms of Para 17 of Prudential framework of Resolution of Stressed Assets dated 07 June 2019 and advised that the Bank needs to make an additional provision of 20% for non-implementation of the resolution plan within 180 days of invocation by all lenders. Since the account was already 100% provided as at 31 Mar 2022, there was no incremental provision required to be made.

5.12. Exposure

a) Exposure to real estate sector

(Rs. in 000s)

| Category | As at 31 March 2022 | As at 31 March 2021 |
|--|------------------------|------------------------|
| a) Direct Exposure | | |
| (i) Residential Mortgages - Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented; | - | - |
| (ii) Commercial Real Estate - Lending secured by mortgages on commercial real estates (office buildings, retail space, multi-purpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure would also include non-fund based (NFB) limits; | - | - |
| (iii) Investments in Mortgage Backed Securities (MBS) and other securitised exposures - | | |
| a. Residential | - | - |
| b. Commercial Real Estate | - | - |
| b) Indirect Exposure - Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs). | 180,000 | - |
| Total Exposure to Real Estate Sector | 180,000 | - |



Schedules forming part of the financial statements (Continued)
for the year ended 31 March 2022

(Currency in Indian Rupees)

b) Exposure to real Capital market

(Rs. in 000s)

| Category | As at 31 March 2022 | As at 31 March 2021 |
|--|------------------------|------------------------|
| (i) direct investment in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt; | - | - |
| (ii) advances against shares/bonds/ debentures or other securities or on clean basis to individuals for investment in shares (including IPOs/ESOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds; | - | - |
| (iii) advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security; | - | - |
| (iv) advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares/convertible bonds/convertible debentures/units of equity oriented mutual funds does not fully cover the advances ; | - | - |
| (v) secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers; | - | - |
| (vi) loans sanctioned to corporates against the security of shares / bonds/debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources; | - | - |
| (vii) bridge loans to companies against expected equity flows/issues; | - | - |
| (viii) underwriting commitments taken up by the Banks in respect of primary issue of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds; | - | - |
| (ix) financing to stockbrokers for margin trading; | - | - |
| (x) all exposures to Venture Capital Funds (both registered and unregistered) | - | - |
| Total Exposure to Capital Market | - | - |

c) Risk category-wise country exposure

(Rs. in 000s)

| Risk Category | Exposure (net) as at 31 March 2022 | Provision held as at 31 March 2022 | Exposure (net) as at 31 March 2021 | Provision held as at 31 March 2021 |
|-----------------|---------------------------------------|--|--|--|
| Insignificant | - | - | - | - |
| Low | - | - | - | - |
| Moderately low | - | - | - | - |
| Moderate | 182,333 | 2,279 | - | - |
| Moderately High | - | - | - | - |
| High | - | - | - | - |
| Very High | - | - | - | - |
| Total | 182,333 | 2,279 | - | - |

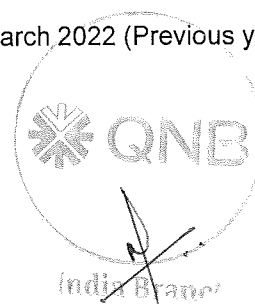
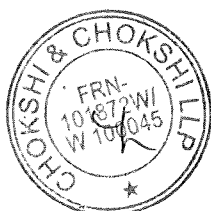
d) Unsecured advances

(Rs. in 000s)

| Particulars | Exposure (net) as at 31 March 2022 | Provision held as at 31 March 2021 |
|--|---------------------------------------|---------------------------------------|
| Total unsecured advances of the bank | 732,500 | 282,500 |
| Out of the above, amount of advances for which intangible securities such as charge over rights, licenses, authority etc., have been taken | - | - |
| Estimated value of such intangible securities | - | - |

e) Factoring exposure

The Bank did not have any factoring exposure during the year ended 31 March 2022 (Previous year - Nil (000s)).



Schedules forming part of the financial statements (Continued)
for the year ended 31 March 2022

(Currency in Indian Rupees)

f) Intra group exposure

The Bank did not have any Intra Group Exposure during the year ended 31 March 2022 (Previous year - Nil (000s)).

g) Unhedged foreign currency exposure

The Bank has put in place a framework to compute incremental provisioning and capital requirements on account of unhedged foreign currency exposure of its clients. As per the assessment carried out as at 31 March 2022, there was a requirement of maintaining incremental provision, however there was no requirement of additional capital on account of unhedged foreign currency exposure on its borrowers during the year ended 31 March 2022.

| (Rs. in 000s) | | |
|--------------------------|---------------------|---------------------|
| Particulars | As at 31 March 2022 | As at 31 March 2021 |
| Incremental provision | 1,577 | 730 |
| Incremental capital held | - | - |

The assessment of unhedged foreign currency exposure is an ongoing process at the Bank. The Bank undertakes a quarterly assessment of the risks arising out of the foreign currency exposure of their corporate clients and takes suitable steps to insulate it from such risks. These steps include rigorous assessment of foreign exchange (FX) risks for a client during annual review of its credit facilities including under stress testing/downside scenarios and, if found material, downgrading the Obligor Risk Rating of the client.

5.13. Concentration of deposits, advances, exposure and NPAs

a) Concentration of deposits

| (Rs. in 000s) | | |
|---|---------------------|---------------------|
| Particulars | As at 31 March 2022 | As at 31 March 2021 |
| Total Deposits of twenty largest depositors | 11,324,366 | 4,701,499 |
| Percentage of Deposits of twenty largest depositors of Total Deposits of the Bank | 100% | 100% |

b) Concentration of Advances*

| (Rs. in 000s) | | |
|--|---------------------|---------------------|
| Particulars | As at 31 March 2022 | As at 31 March 2021 |
| Total Advances of twenty largest borrowers | 10,267,762 | 7,882,900 |
| Percentage of Advances of twenty largest borrowers of Total Advances of the Bank | 72% | 86% |

* Advances have been computed based on credit exposure, i.e. funded and non-funded limits including derivatives exposures where applicable. The sanctioned limits or outstanding, whichever is higher, has been reckoned. However, in case of fully drawn term loans, where there is no scope for re-drawal of any portion of the sanctioned limit, the outstanding has been reckoned as credit exposure.

c) Concentration of Exposure**

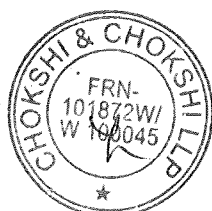
| (Rs. in 000s) | | |
|--|---------------------|---------------------|
| Particulars | As at 31 March 2022 | As at 31 March 2021 |
| Total Exposure of twenty largest borrowers/customers | 10,892,923 | 8,390,158 |
| Percentage of Exposures of twenty largest borrowers/customers of Total Exposure of the Bank on borrowers/customers | 66% | 91% |

** Exposure computed as per RBI guidelines

d) Concentration of NPAs

| (Rs. in 000s) | | |
|---|---------------------|---------------------|
| Particulars | As at 31 March 2022 | As at 31 March 2021 |
| Total Exposure of top twenty NPA accounts | 531,482* | 500,000 |
| Percentage of exposures of the top twenty NPA exposures to total Gross NPAs | 100% | 100% |

* Principal due of NPA plus Funded Interest Term Loan (FITL) where the corresponding contra credit is parked in sundries account (Interest capitalization - Restructured accounts), in respect of NPA accounts.



Schedules forming part of the financial statements (Continued)
for the year ended 31 March 2022

(Currency in Indian Rupees)

5.14. Derivatives

a) Forward rate agreement / interest rate swap

The Bank has not dealt with any Forward Rate Agreements (FRA)/Interest Rate Swaps (IRS) during the year ended 31 March 2022 (Previous year - Nil (000s)).

| Particulars | (Rs. in 000s) | |
|---|------------------------|------------------------|
| | As at 31 March 2022 | As at 31 March 2021 |
| i) The Notional principal of swap agreements | - | - |
| ii) Losses which would be incurred if counterparties failed to fulfill their obligations under the agreements | - | - |
| iii) Collateral required by the Bank upon entering into swaps | - | - |
| iv) Concentration of credit risk arising from the swaps | - | - |
| v) The fair value of the swap book | - | - |

b) Exchange traded interest rate derivatives

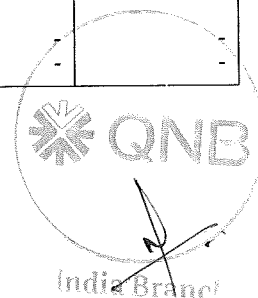
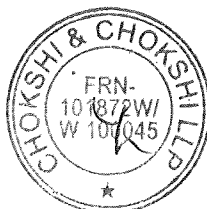
The Bank has not dealt with any Exchange Traded Interest Rate Derivatives during the year ended 31 March 2022 (Previous year - Nil (000s)).

| Sr. | Particulars | (Rs. in 000s) | |
|-------|---|---------------|---|
| | | Amount | |
| (i) | Notional principal amount of exchange traded interest rate derivatives undertaken during the year | - | - |
| (ii) | Notional principal amount of exchange traded interest rate derivatives outstanding as on 31 March 22 | - | - |
| (iii) | Notional principal amount of exchange traded interest rate derivatives outstanding and not "highly effective" | - | - |
| (iv) | Mark-to-market value of exchange traded interest rate derivatives outstanding and not "highly effective" | - | - |

c) Disclosures on risk exposure in derivatives

The Bank has not entered into any derivative transactions during the year ended 31 March 2022 (Previous year - Nil (000s)).

| Sr. No. | Particulars | As at 31 March 2022 | | As at 31 March 2021 | |
|---------|---|---------------------|---------------------------|---------------------|---------------------------|
| | | Currency Derivative | Interest rate derivatives | Currency Derivative | Interest rate derivatives |
| | | | | | |
| 1 | Derivative (Notional Principal Amount) | | | | |
| | a) For hedging | - | - | - | - |
| | b) For trading | - | - | - | - |
| 2 | Marked to Market Positions | | | | |
| | a) Asset (+) | - | - | - | - |
| | b) Liability (-) | - | - | - | - |
| 3 | Credit Exposure | - | - | - | - |
| 4 | Likely impact of one percent change in interest rate (100*PV01) | | | | |
| | On hedging derivatives | - | - | - | - |
| | On trading derivatives | - | - | - | - |
| 5 | Maximum and minimum of 100PV01 observed during the year | | | | |
| | a) On hedging | | | | |
| | - Maximum | - | - | - | - |
| | - Minimum | - | - | - | - |
| | b) On trading | | | | |
| | - Maximum | - | - | - | - |
| | - Minimum | - | - | - | - |



Schedules forming part of the financial statements (Continued)
for the year ended 31 March 2022

(Currency in Indian Rupees)

d) Credit default swaps

The Bank has not entered into credit default swap transactions during the year ended 31 March 2022 (Previous year - Nil (000s)).

5.15. Disclosures related to securitisation

The Bank did not have any securitisation exposure during the year ended 31 March 2022 (Previous year - Nil (000s)).

5.16. Off-balance sheet SPVs sponsored

The Bank did not float/sponsor any off-balance sheet SPV's during the year ended 31 March 2022 (Previous year - Nil (000s)).

5.17. Transfer to Depositor Education and Awareness Fund (DEA Fund)

There is no amount to the credit of any account which has not been operated upon for a period of ten years or any deposit or any amount remaining unclaimed for more than ten years that needs to be transferred to DEAF under the provisions of Section 26A of the Banking Regulation Act, 1949.

(Rs. in 000s)

| Particulars | As at 31 March 2022 | As at 31 March 2021 |
|--|------------------------|------------------------|
| Opening balance of amounts transferred to DEAF | - | - |
| Add: Amounts transferred to DEAF during the year | - | - |
| Less: Amounts reimbursed by DEAF towards claims | - | - |
| Closing balance of amounts transferred to DEAF | - | - |

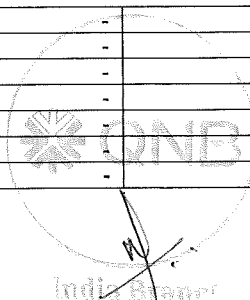
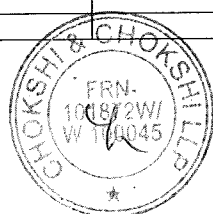
5.18. Disclosure on complaints

- a) Summary information on complaints received by the bank from customers and from the offices of Banking Ombudsman (OBOs)*

| Sr. No. | Particulars | As at 31 March 2022 | As at 31 March 2021 |
|---------|---|------------------------|------------------------|
| | Complaints received by the bank from its customers | | |
| 1. | Number of complaints pending at the beginning of the year | - | - |
| 2. | Number of complaints received during the year | - | - |
| 3. | Number of complaints disposed during the year | - | - |
| | 3.1 Of which, number of complaints rejected by the bank | - | - |
| 4. | Number of complaints pending at the end of the year | - | - |
| | Maintainable complaints received by the bank from OBCs | | |
| 5. | Number of maintainable complaints received by the bank from OBCs | - | - |
| | 5.1 Of 5, number of complaints resolved in favor of the bank by BOs | - | - |
| | 5.2 Of 5, number of complaints resolved through conciliation / mediation / advisories issued by BOs | - | - |
| | 5.3 Of 5, number of complaints resolved after passing of Awards by BOs against the bank | - | - |
| 6. | Number of Awards unimplemented within the stipulated time (other than those appealed | - | - |

- b) Top five grounds of complaints received by the bank from customers*

| Ground of complaints, (i.e. complaints relating to) | Number of complaints pending at the beginning of the year | Number of complaints received during the year | % increase / decrease in the number of the complaints received over the previous year | Number of complaints pending at the end of the year | Of 5, number of complaints pending beyond 30 days |
|---|---|---|---|---|---|
| 1 | 2 | 3 | 4 | 5 | 6 |
| Current Year | | | | | |
| Ground - 1 | - | - | - | - | - |
| Ground - 2 | - | - | - | - | - |
| Ground - 3 | - | - | - | - | - |
| Ground - 4 | - | - | - | - | - |
| Ground - 5 | - | - | - | - | - |
| Others | - | - | - | - | - |
| Total | - | - | - | - | - |



Schedules forming part of the financial statements (Continued)
for the year ended 31 March 2022

(Currency in Indian Rupees)

| | Previous Year | | | | |
|--------------|---------------|---|---|---|---|
| Ground - 1 | - | - | - | - | - |
| Ground - 2 | - | - | - | - | - |
| Ground - 3 | - | - | - | - | - |
| Ground - 4 | - | - | - | - | - |
| Ground - 5 | - | - | - | - | - |
| Others | - | - | - | - | - |
| Total | - | - | - | - | - |

* Auditors have relied upon the information presented by the management as above

5.19. Disclosures of penalties imposed by the Reserve Bank of India

- During the year ending 31 March 2022, the Reserve Bank of India (RBI) has not imposed any penalties to the bank (*previous year - Nil*)
- No penalty has been levied on the Bank for contravention under the provisions of the Payment and Settlement Act, 2007, Government securities Act, 2016 (for bouncing SGL) (*previous year - Nil*)
- There were no default in reverse repo transaction (*previous year - Nil*)

5.20. Disclosures on remuneration

In terms of guidelines issued by RBI vide circular no. DOR.Appt.BC.No.23/29.67.001/2019-20 dated 4 Nov 2019 on "Compensation of Whole time Directors/Chief Executive Officers/ Risk takers and Control function staff, etc.", the bank has submitted a letter to RBI stating that Qatar Central Bank (QCB) regulations do not require the bank to adopt FSB principles and as a result the bank is not following FSB. However, the bank has confirmed that its compensation structure for India, including that of CEO, is in conformity with guidelines prescribed by the Reserve Bank of India for private sector banks in India, to the extent applicable. "

5.21. Other Disclosures

- Business Ratios

| Sr. No. | Particulars | For the year ended 31 March 2022 | For the year ended 31 March 2021 |
|---------|--|-------------------------------------|-------------------------------------|
| i. | Interest income as a percentage to working funds | 4.24% | 5.52% |
| ii. | Non-Interest Income as a percentage to working funds | 0.77% | 1.41% |
| iii. | Cost of deposits | 4.17% | 5.94% |
| iv. | Net interest Margin | 1.75% | 2.20% |
| v. | Operating Profit/(Loss) as a percentage to working funds | 0.11% | 0.07% |
| vi. | Return on assets (%) | (1.70)% | (0.88)% |
| vii. | Business (deposits plus advances) per employee (Rs.000s) | 758,105 | 444,878 |
| viii. | Net profit/(loss) per employee (Rs.000s.) | (9,247) | (3,114) |

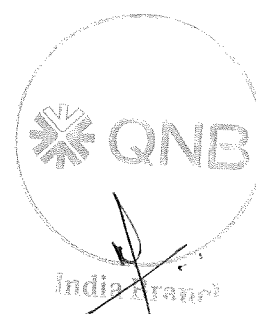
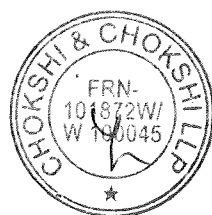
** Determined on the basis of circular DOR.ACC.REC. No 45/21.04.018/2021-22 dated 30 August 2021, issued by Reserve Bank of India.

- Bancassurance business**

The Bank has not undertaken Bancassurance business during the year ended 31 March 2022 (*Previous year - Nil (000s)*).

- Marketing and distribution**

The Bank has not received any fees / remuneration in respect of marketing and distribution function during the year ended 31 March 2022 (*Previous year - Nil (000s)*).



Schedules forming part of the financial statements (Continued)
for the year ended 31 March 2022

(Currency in Indian Rupees)

d) Disclosure regarding Priority Sector Lending Certificates (PSLCs)

The amount of PSLCs (category wise) purchased and sold during the year

(Rs. in 000s)

| Sr. No. | Type of PSLC's | Year ended 31 March 2022 | | Year ended 31 March 2021 | |
|---------|--------------------------|--------------------------|------|--------------------------|----------------|
| | | Purchase | Sold | Purchase | Sold |
| 1. | PSLC - Agriculture | - | - | - | - |
| 2. | PSLC - SF/MF | - | - | - | - |
| 3. | PSLC - Micro Enterprises | - | - | - | 400,000 |
| 4. | PSLC - General | - | - | 2,020,000 | - |
| | Total | - | - | 2,020,000 | 400,000 |

The payment made for the purchase of the PSLC has been included in 'Other Expenditures' under the head schedule 16 on operating expenses.

e) Implementation of IFRS converged Indian Accounting Standards (Ind AS)

RBI vide circular DBR.BP.BC.No.29/21.07.001/2018-19 dated 22 March 2019 deferred implementation of Ind AS till further notice. However, RBI requires all banks to submit Proforma Ind AS financial statements every half year. Accordingly, the Bank is preparing and submitting to RBI Proforma Ind AS financial statements every half year.

f) Provisions and contingencies shown under the head profit and loss account

(Rs. in 000s)

| Sr. No. | Particulars | For the year ended 31 March 2022 | For the year ended 31 March 2021 |
|---------|-------------------------------------|----------------------------------|----------------------------------|
| i. | Provisions for NPI | - | - |
| ii. | Provisions towards NPA | 400,000 | 100,000 |
| iii. | Provision on Standard Assets | 14,999 | (6,254) |
| iii. | Provision made towards Income tax | 27,252 | 19,755 |
| iv. | Deferred Tax Asset | (187,203) | (44,531) |
| v. | Other Provisions and Contingencies* | 1,729 | - |
| | Total | 256,177 | 68,969 |

* The provision of Rs.1,729 ('000s) represents 0.5% of total operating income as at 31 March 2022 created in line with RBI letter dated 04 May 2022 on automation of IRAC norms. This provision is subject to reversal once compliance under IRAC norms are certified.

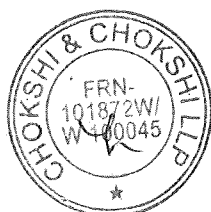
g) Payment of DICGC Insurance Premium

| Sr. No. | Particulars | For the year ended 31 March 2022 | For the year ended 31 March 2021 |
|---------|-------------------------------------|----------------------------------|----------------------------------|
| i. | Payment of DICGC Insurance Premium | 9,825 | 7,295 |
| ii. | Arrears in payment of DICGC premium | - | - |

6. Disclosure requirements as per the Accounting standards

6.1. Accounting Standard 5: Net Profit or loss for the period, Prior Period Items, and changes in Accounting Policies

- During the year, there were no material prior period income / expenditure items.
- There is no change in the Significant Accounting Policies adopted during the financial year 2021-2022 as compared to those followed in the previous financial year 2020-2021.



Schedules forming part of the financial statements (Continued)
for the year ended 31 March 2022

(Currency in Indian Rupees)

6.2. Accounting Standard – 15 “Employee Benefits”

a) Gratuity

The following tables summarize the components of net benefit expense recognized in the profit and loss account and the funded status and the amounts recognized in the balance sheet for the benefit plan.

Profit and Loss account – Net employee benefit expense (recognised in the employee cost)

| Particulars | (Rs. in 000s) | |
|---|-------------------------------------|-------------------------------------|
| | For the year ended 31 March 2022 | For the year ended 31 March 2021 |
| Current service cost | 1,409 | 1,129 |
| Interest cost of benefit obligation | 336 | 225 |
| Expected return on plan assets | - | - |
| Net actuarial (gain)/loss recognized in the year | 2,146 | 551 |
| Past service cost | - | - |
| Net benefit expense | - | - |
| Expected return on plan assets | - | - |
| Total expenses recognised in Profit and loss account | 3,891 | 1,905 |

Balance Sheet

| Particulars | (Rs. in 000s) | |
|---|------------------------|------------------------|
| | As at 31 March 2022 | As at 31 March 2021 |
| Present value of defined benefit obligation | 9,314 | 5,423 |
| Fair value of plan assets | - | - |
| Funded status [Surplus/(Deficit)] | (9,314) | (5,423) |
| Unrecognized past service cost | - | - |
| Net liability | (9,314) | (5,423) |

Change in the present value of the defined benefit obligation are as follows:

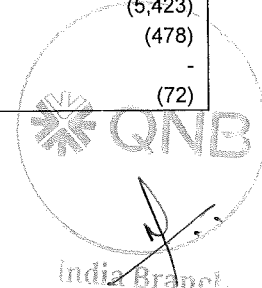
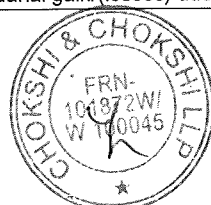
| Particulars | (Rs. in 000s) | |
|---|------------------------|------------------------|
| | As at 31 March 2022 | As at 31 March 2021 |
| Opening defined benefit obligation | 5,423 | 3,518 |
| Interest cost | 336 | 1,129 |
| Current service cost | 1,409 | 225 |
| Benefits paid | - | - |
| Actuarial (gains)/losses on obligation | 2,146 | 551 |
| Closing defined benefit obligation | 9,314 | 5,423 |

Change in the fair value of the plan assets are as follows:

| Particulars | (Rs. in 000s) | |
|--|------------------------|------------------------|
| | As at 31 March 2022 | As at 31 March 2021 |
| Opening fair value of plan assets | - | - |
| Expected return | - | - |
| Contribution by employer | - | - |
| Benefits paid | - | - |
| Actuarial gains/(losses) | - | - |
| Closing fair value of plan assets | - | - |

Experience history

| Particulars | (Rs. in 000s) | |
|---|------------------------|------------------------|
| | As at 31 March 2022 | As at 31 March 2021 |
| Defined benefit obligation at the end of the period | (9,314) | (5,423) |
| Planned asset at the end of the period | - | - |
| Funded Status | (9,314) | (5,423) |
| Experience gain/(losses) adjustment on plan liabilities | (2,364) | (478) |
| Experience gain/(losses) adjustment on plan assets | - | - |
| Actuarial gain/(losses) due to change on assumptions | 219 | (72) |



Schedules forming part of the financial statements (Continued)
for the year ended 31 March 2022

(Currency in Indian Rupees)

Principal actuarial assumptions at the balance sheet date

| Particulars | As at 31 March 2022 | As at 31 March 2021 |
|------------------------|------------------------|------------------------|
| Discount Rate | 6.60% | 6.20% |
| Salary Escalation Rate | 5.00% | 5.00% |
| Withdrawal rate | 10.00% | 10.00% |
| Mortality Rate | IALM (2006-08)Ult | IALM (2006-08)Ult |

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

b) Compensated absence:

The charge for compensated absence for the year ended 31 March 2022 is Rs. 2,044 (000s) (Previous year - Rs. 980(000s)).

6.3. Accounting Standard – 17 “Segment Reporting”

a) Business Segments

In terms of RBI's revised guidelines on segment reporting issued on 18 April 2007 vide RBI Circular No.DBOD.No.BP.BC.81/21.04.018/2006-07, the Bank has classified and disclosed its operations under two segments viz. Treasury and Corporate Banking which are considered as primary reporting segments. The principal activities of the primary reporting segments are as follows:

| Segment | Principal Activity | Revenue/Expenses |
|-------------------|--|--|
| Treasury | Treasury activities comprise of liquidity management, foreign exchange investments in government securities and money market operations. | Revenue consists of interest earned on investments, gain/(loss) on Foreign Exchange. Expenses consist of interest on funds borrowed. Expense include staff costs, premises costs and overhead expenses allocated to division under predetermined ratio by management |
| Corporate Banking | Corporate Banking activities comprise of funded and non-funded facilities, cash management activities and fee based activities | Revenue consists of interest earned on loans and advances and fee income on various services. Expense include staff costs, premises costs and overhead expenses allocated to division under predetermined ratio by management |

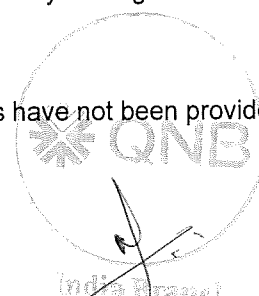
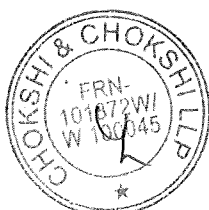
(Rs. in 000s)

| Business Segment | Treasury | | Corporate Banking | | Total | |
|---------------------------|-----------|-----------|-------------------|-----------|-------------------|------------------|
| | 2022 | 2021 | 2022 | 2021 | 2022 | 2021 |
| Revenue | 184,189 | 153,468 | 525,964 | 436,922 | 710,153 | 590,390 |
| Results | 11,840 | 86,097 | (412,817) | (185,609) | (400,977) | (99,512) |
| Unallocated Expenses | | | | | - | - |
| Operating Profit | | | | | (400,977) | (99,512) |
| Income Taxes | | | | | 160,551 | 24,776 |
| Extraordinary Profit/Loss | | | | | - | - |
| Net Profit/Loss | | | | | (240,426) | (74,736) |
| Other Information | | | | | | |
| Segment Assets | 6,681,166 | 2,985,838 | 8,400,776 | 5,994,049 | 15,081,942 | 8,979,887 |
| Unallocated Assets | | | | | 382,165 | 190,051 |
| Total Assets | | | | | 15,464,107 | 9,169,938 |
| Segment Liabilities | 3,853,205 | 1,085,173 | 8,463,301 | 4,763,087 | 12,316,506 | 5,848,260 |
| Unallocated Liabilities | | | | | 3,147,601 | 3,321,648 |
| Total Liabilities | | | | | 15,464,107 | 9,169,938 |

In computing the above disclosure, certain assumptions and estimates are made by management.

b) Geographical Segments

The business of the Bank is in India. Accordingly, geographical segment results have not been provided.



Schedules forming part of the financial statements (Continued)
for the year ended 31 March 2022

(Currency in Indian Rupees)

6.4. Accounting Standard - 18 "Related Party Disclosure"

The information required in this regard in accordance with AS 18 on "Related Party disclosures", and RBI guidelines, is provided below.

Name and nature of relationship of related parties

| Relationship | Name |
|--|---|
| Head Office | Qatar National Bank (Q.P.S.C.), Qatar and its branches |
| Subsidiary of Head Office (with whom the Bank has transactions during the year) | QNB FinansBank, Turkey, QNB Al Ahli Egypt QNB Tunisia |
| Key Management Personnel | Mr. Gaurav Gupta, Chief Executive Officer-India |

(Rs. in 000s)

| Particulars | Nature of Related Party | As at 31 March 2022 | Maximum Outstanding during the year | As at 31 March 2021 | Maximum Outstanding during the year |
|-------------------------------|-------------------------|---------------------|-------------------------------------|---------------------|-------------------------------------|
| Deposits / Vostro | Head Office | 12,311 | 1,360,052 | 5,015 | 5,015 |
| Nostro Balances | Head Office | 1,914 | 472,992 | 1,420 | 3,558 |
| Borrowings | Head Office | 877,118 | 1,083,368 | - | 150,173 |
| Guarantees / Letter of Credit | Head Office | 40,549 | 40,549 | 39,114 | 39,114 |
| Guarantees / Letter of Credit | Subsidiary | 458,850 | 697,180 | 419,681 | 419,681 |
| Other Liabilities | Head Office | 148,546 | 205,693 | 135,813 | 185,899 |

Payment made by Head Office on behalf of the Bank for:

(Rs. in 000s)

| Particulars | During the Year 2021-22 | During the Year 2020-21 |
|--|-------------------------|-------------------------|
| Acquisition of fixed assets | 8,220 | 2,702 |
| Payment of operating expenses and allocation | 31,614 | 24,121 |
| Management fees | 25,358 | 25,200 |

Transactions with the Head office and subsidiaries during the year:

(Rs. in 000s)

| Particulars | Nature of Related Party | During the Year 2021-22 | During the Year 2020-21 |
|----------------------|-------------------------|-------------------------|-------------------------|
| Interest expense | Head Office | 3,241 | 195 |
| Advisory fees earned | Head Office | 58,388 | 70,739 |
| Other Income | Head Office | 137 | - |
| Other Income | Subsidiary | 2,485 | 50 |
| Operating expenses | Head Office | 82 | 1,011 |

The Bank has not disclosed details pertaining to related parties where under a category there is only one entity / person. There has been only one person under Key Management personnel at any given point of time, and therefore, those details are not disclosed.

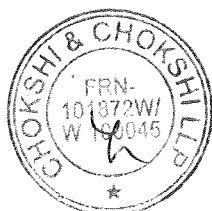
6.5. Accounting Standard - 19 "Leases"

The Bank has entered into operating lease for certain assets relating to business operations. Total of future minimum lease payments are as follows:

(Rs. in 000s)

| Particulars | As at 31 March 2022 | As at 31 March 2021 |
|--|---------------------|---------------------|
| Not more than one year | 43,170 | 24,156 |
| Later than one year and not later than five year | 169,243 | Nil |
| Later than five years | Nil | Nil |

Lease payments recognized in the Profit and Loss account during the year is Rs. 45,329 ('000s) (Previous year Rs. 40,890 ('000s)).



Schedules forming part of the financial statements (Continued)
for the year ended 31 March 2022

(Currency in Indian Rupees)

6.6. Accounting Standard - 22 "Accounting for Taxes on Income"

a) Current Tax:

During the year, the bank has debited to the profit & loss account Rs. 27,252 (000s) (previous year Rs. 19,755 (000s)) on account of current tax. The current tax in India has been calculated in accordance with the provisions of the Income tax Act, 1961.

b) Deferred Tax:

The major components giving rise to the deferred tax assets and liabilities are as under:

(Rs. in 000s)

| Description | As at 31 March 2022 | As at 31 March 2021 |
|---|------------------------|------------------------|
| Deferred tax assets | | |
| Depreciation differences | 16,446 | 13,622 |
| Provision on gratuity | 4,068 | 2,369 |
| Provision on compensated absence | 2,247 | 1,424 |
| Provision for bonus | 2,424 | 1,612 |
| Rent equalisation reserve | 648 | 1,056 |
| General provision on standard assets and others | 17,394 | 10,061 |
| Provision on non-performing asset | 218,400 | 43,680 |
| Deferred tax assets (net) | 261,627 | 73,824 |

6.7. Accounting Standard - 28 "Impairment of Assets"

In the opinion of the Bank's management, there is no indication of impairment to the non-monetary assets during the year. (Previous year – Nil)

6.8. Accounting Standard - 29 "Provisions, Contingent Liabilities and Contingent Assets"

a) Description of Contingent liabilities

| Sr. No. | Particulars | Brief Description |
|---------|--|--|
| 1 | Claims against the Bank not acknowledged as debt | There are no claims outstanding against the Bank which are not acknowledged as debt for the current year (previous year – Nil) |
| 2 | Liability for partly paid investments | The bank did not have any partly paid investment during the current year (previous year-Nil) |
| 3 | Liability on account of outstanding forward exchange contract | There were no outstanding forward exchange contract as at the year-end (Previous year – Nil) |
| 4 | Guarantees given on behalf of constituents, acceptance, endorsements and other obligations | As part of its commercial banking activities, the Bank issues documentary credits and guarantees on behalf of its customers. Documentary credit enhances the credit standing of the customer. Guarantee generally represents irrevocable assurance that the Bank will make payment in event of the customer failing to fulfil its financial or performance obligations |
| 5 | Other items for which the Bank is contingently liable | There were no other items for which the Bank was contingently liable during the current year (previous year – Nil) |

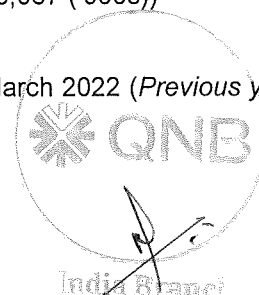
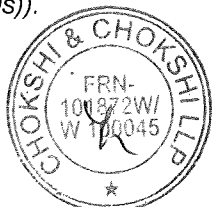
7. Additional disclosures

7.1. Capital

- Capital infused during the year by Head Office was Rs. Nil (Previous Year - Nil ('000s)).
- The Head Office expenses of Rs. 52,459 ('000s) debited to the Profit and Loss account and not remitted has been considered as part of Tier I capital during the current financial year as per the RBI mailbox clarification dated 08 April 2008. (Previous Year - Rs. 50,087 ('000s))

7.2. Subordinated debt

The Bank has not raised any subordinated debt during the year ended 31 March 2022 (Previous year - Nil (000s)).



Schedules forming part of the financial statements (Continued)
for the year ended 31 March 2022

(Currency in Indian Rupees)

7.3. Operating expenses

During the financial year ended 31 March 2022, under other expenses in Schedule 16, expenses in excess of 1% of total income were as follows:

| Particulars | (Rs. in 000s) | |
|-----------------------------|----------------------------------|----------------------------------|
| | For the year ended 31 March 2022 | For the year ended 31 March 2021 |
| Head Office management fees | 27,640 | 27,468 |
| Bank charges | - | 10,962 |
| Travelling expenses | - | - |

7.4. Letter of comfort issued by the Bank

The Bank had not issued or sanctioned any Letter of Comfort (LOC) or Letter of Undertaking (LOU) during the year ended 31 March 2022 (*Previous year - Nil (000s)*).

7.5. Disclosure on Nostro Accounts

There are no outstanding entry more than one month in the nostro account which is pending for reconciliation as at 31 March 2022. Further the Bank has not written off / back any outstanding entry to the debit/credit of the profit and loss account during the year ended 31 March 2022 (*Previous year - Nil (000s)*).

7.6. Disclosure on Internal office accounts

Inter office accounts are reconciled on an ongoing basis and there are no open items which may impact the profit and loss account for the current year (previous year – Nil)

7.7. Large Exposure Framework (LEF)

As per regulatory guidelines, with effect from April 1, 2019 in case of single counterparty, the sum of all the exposure values of a bank to a single counterparty must not be higher than 20 percent of the bank's available eligible capital base at all times. In exceptional cases, Board of bank may allow an additional 5 percent exposure of the bank's available eligible capital base. In case of group of connected counterparties, the sum of all the exposure values of a bank to a group of connected counterparties must not be higher than 25 percent of the bank's available eligible capital base at all times.

The eligible capital base for this purpose is the effective amount of Tier 1 capital fulfilling the criteria defined in Master Circular on Basel III– Capital Regulation / Master Direction on 'Basel III Capital Regulations' as per the last audited balance sheet.

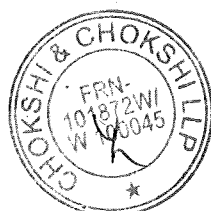
Due to the increase in provision to 100% on one NPA account the Tier 1 Capital base of the Bank was estimated to have reduced to INR 2,672,367 (000s) as at 31st March 2022 based on unaudited financials. As a consequence, various exposure limits specified in the Large Exposure Framework (LEF) of RBI are reduced. Even though the exposure limits are required to be maintained as per audited financials, the Bank has on a conservative and proactive basis reduced the limits based on unaudited financials for Corporate Borrowers and Inter-Bank exposures.

Based on the capital which had been reduced on the basis of the unaudited financials on a conservative basis, the Bank was in excess of the limits for QNB Group and another Inter-Bank exposures as on 31 March 2022. The same was informed to RBI along with a remediation plan. Subsequently, the position was regularized in respect of QNB Group on 11 April 2022 and in respect of the other interbank group on 23 May 2022, by effecting a reduction in the outstanding balances.

It is to be noted that there is no excess as at 31 March 2022 in case exposure limits based on audited financials for FY20-21 are considered.

7.8. Scheme for Sustainable Structuring of Stressed Assets (S4A)

Disclosure is not applicable as there are no such cases for the year ended 31 March 2022 (*Previous year - Nil (000s)*).



Schedules forming part of the financial statements (Continued)
for the year ended 31 March 2022

(Currency in Indian Rupees)

7.9. Disclosure on Borrowing and Lending activities

The Bank, as part of its normal banking business, grants loans and advances, makes investments, provides guarantees to and accept deposits and borrowings from its customers, other entities and persons. These transactions are part of the Bank's normal banking business and are undertaken in accordance with the guidelines prescribed by the Reserve Bank of India.

Other than the transactions described above, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Bank to or in any other persons or entities, including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in other persons or entities identified by or on behalf of the Bank (Ultimate Beneficiaries) or provide any guarantee, security or like on behalf of the Ultimate Beneficiaries.

The Bank has also not received any fund from any persons or entities, including foreign entities ('Funding Party') with the understanding, whether recorded in writing or otherwise, that the Bank shall whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

7.10. Flexible Structuring of Existing Loans

Disclosure is not applicable as there are no such cases during the year ended 31 March 2022 (*Previous year - Nil (000s)*).

7.11. Disclosures on Strategic Debt Restructuring Scheme (accounts which are currently under the stand-still period)

Disclosure is not applicable as there are no such cases during the year ended 31 March 2022 (*Previous year - Nil (000s)*).

7.12. Disclosures on Change in Ownership outside SDR Scheme (accounts which are currently under stand-still period)

Disclosure is not applicable as there are no such cases during the year ended 31 March 2022 (*Previous year - Nil (000s)*).

7.13. Disclosures on Change in Ownership of Projects Under Implementation (accounts which are currently under the stand-still period)

Disclosure is not applicable as there are no such cases during the year ended 31 March 2022 (*Previous year - Nil (000s)*).

7.14. Payment to Micro, Small & Medium Enterprises under the MSME development Act, 2006

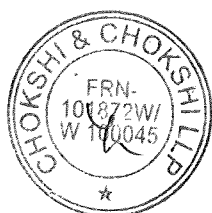
There has been no reported case of delay in payments to micro and small enterprises or of interest payments due to delays in such payments during the years ended 31 March 2022 and 31 March 2021. The determination has been made based on the information available with the Bank.

7.15. Investments in Security Receipts (SR's)

The Bank has not invested in security receipts during the year ended 31 March 2022 (*Previous year - Nil (000s)*).

7.16. Transfer pricing

The Bank has a comprehensive system of maintenance of information and documents required by transfer pricing legislation under section 92-92F of the Income Tax Act, 1961. Management is of the opinion that international transactions are at arm's length so that the above legislation will not have material impact on the financial statements, particularly on the amount of tax expense and that of provision for taxes.



Schedules forming part of the financial statements (Continued)
for the year ended 31 March 2022

(Currency in Indian Rupees)

7.17. Counter Cyclical Provisioning Buffer (CCPB)

RBI vide circular no. DOR.STR.REC.10/21.04.048/2021-22 dated 05 May 2021 on utilisation of Floating Provision/ Counter Cyclical Provisioning Buffer' has allowed the banks, to utilize up to 100 per cent of CCPB held by them as on 31 December 2020, for making specific provisions for Non-Performing Assets (NPAs) as per the policy approved by the Bank.

The Bank did not hold any CCPB as on 30 December 2020 and hence not utilised during the year for making any specific provision for NPAs.

7.18. LIBOR Transition

The bank does not have any LIBOR based transactions during the year which could have a financial impact due to LIBOR transition. (Previous Year - Nil)

7.19. Corporate Social responsibility (CSR)

The CSR provisions under the Companies Act, 2013 does not apply to the Bank as it does not meet the following criteria:

- a) A net worth of Rs. 500 crore or more; or
- b) A turnover of Rs. 1,000 crore or more; or
- c) A net profit of Rs. 5 crore or more in any fiscal year.

7.20. In accordance with the instructions in the RBI circular RBI/2021-22/17 DOR.STR.REC.4/21.04.048/2021-22 dated 07 April 2021, the Bank shall refund / adjust 'interest on interest' to all borrowers including those who had availed of working capital facilities during the moratorium period, irrespective of whether moratorium had been fully or partially availed, or not availed. The Bank had made a provision of Rs. 107('000s) in the financial statements for the year ended 31 March 2021. As on 31 March 2021, the Bank held a specific liability of Rs. 107('000s) which is debited to interest income to meet the obligation towards refund of interest on interest to eligible borrowers as prescribed by the RBI. This was refunded to the customer during the current financial year.

7.21. The Bank does not have any pending litigation which would have any impact on the financial position.

7.22. The Bank did not have any long term contracts including derivative contract for which there were any material foreseeable losses.

7.23. Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

For M/s Chokshi & Chokshi LLP

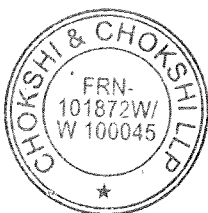
Chartered Accountants

ICAI Firm Registration No: 101872W/W100045



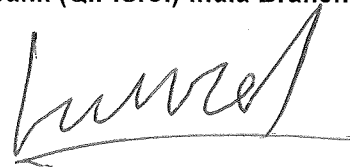
Hardik Yampat
Partner

Membership No: 194467



Mumbai
28 June 2022

For Qatar National Bank (Q.P.S.C.)-India Branch



Gaurav Gupta
Chief Executive Officer



Mumbai
28 June 2022