



Interim Condensed Consolidated Financial Statements
31 March 2023

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

Introduction

We have reviewed the accompanying interim condensed consolidated financial statements of Qatar National Bank (Q.P.S.C.) (the "Bank") and its subsidiaries (the "Group") as at 31 March 2023, comprising of the interim consolidated statement of financial position as at 31 March 2023 and the related interim consolidated statements of income, comprehensive income, changes in equity and cash flows for the three months period then ended, and the related explanatory notes.

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

Scope of review

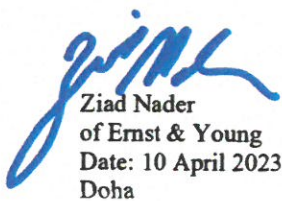
We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial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

Conclusion

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

Other matter

The interim condensed consolidated financial statements as at 31 March 2022 were reviewed and the consolidated financial statements as at 31 December 2022 were audited by another auditor, whose reports dated 11 April 2022 and 17 January 2023, respectively, expressed an unmodified review conclusion and audit opinion.



Ziad Nader
of Ernst & Young
Date: 10 April 2023
Doha



Qatar National Bank (Q.P.S.C.)
Interim Consolidated Statement of Financial Position
As at 31 March 2023

	Notes	31 March 2023 (Reviewed) QR000	31 March 2022 (Reviewed) QR000	31 December 2022 (Audited) QR000
ASSETS				
Cash and Balances with Central Banks		97,219,061	80,793,173	91,563,936
Due from Banks		82,416,384	94,225,611	96,259,687
Loans and Advances to Customers	3	809,774,705	763,216,278	807,601,336
Investment Securities	4	155,518,310	141,582,931	159,913,041
Investment in Associates		7,797,713	7,586,783	7,902,221
Property and Equipment		7,049,661	4,961,145	6,941,495
Intangible Assets		3,365,443	3,619,757	3,178,417
Other Assets		14,768,661	12,507,064	15,858,879
Total Assets		1,177,909,938	1,108,492,742	1,189,219,012
LIABILITIES				
Due to Banks		151,242,367	129,171,223	142,814,699
Customer Deposits		827,517,150	788,059,846	842,278,655
Debt Securities		33,669,773	40,541,446	35,152,720
Other Borrowings		25,748,637	24,832,767	25,593,253
Other Liabilities		37,085,400	27,984,885	37,322,900
Total Liabilities		1,075,263,327	1,010,590,167	1,083,162,227
EQUITY				
Issued Capital		9,236,429	9,236,429	9,236,429
Legal Reserve		25,326,037	25,326,037	25,326,037
Risk Reserve		11,000,000	10,000,000	11,000,000
Fair Value Reserve	5	342,724	908,775	890,129
Foreign Currency Translation Reserve		(27,585,734)	(26,071,798)	(26,833,105)
Other Reserves		(570,843)	(7,794)	(381,451)
Retained Earnings		63,949,364	57,467,238	65,848,784
Total Equity Attributable to Equity Holders of the Bank		81,697,977	76,858,887	85,086,823
Non - Controlling Interests		948,634	1,043,688	969,962
Instruments Eligible for Additional Tier 1 Capital		20,000,000	20,000,000	20,000,000
Total Equity		102,646,611	97,902,575	106,056,785
Total Liabilities and Equity		1,177,909,938	1,108,492,742	1,189,219,012

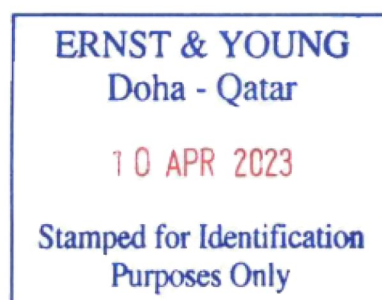
These interim condensed consolidated financial statements were approved by the Board of Directors on 10 April 2023 and were signed on its behalf by:



Ali Ahmed Al-Kuwari
Chairman of the Board of Directors



Abdulla Mubarak Al-Khalifa
Group Chief Executive Officer



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

Qatar National Bank (Q.P.S.C.)
Interim Consolidated Statement of Income
For the Three Month Period Ended 31 March 2023

	Three Months to 31 March 2023 (Reviewed) QR000	Three Months to 31 March 2022 (Reviewed) QR000
Interest Income	20,942,716	11,510,640
Interest Expense	(13,736,152)	(5,248,261)
Net Interest Income	7,206,564	6,262,379
Fees and Commission Income	1,355,174	1,156,226
Fees and Commission Expense	(533,847)	(348,583)
Net Fees and Commission Income	821,327	807,643
Net Foreign Exchange Gain	522,788	400,990
Income from Investment Securities	300,687	30,353
Other Operating Income	312,200	31,760
Operating Income	9,163,566	7,533,125
Staff Expenses	(1,028,565)	(877,703)
Depreciation	(167,567)	(129,652)
Other Expenses	(820,261)	(596,323)
Net ECL / Impairment Losses on Loans and Advances to Customers	(2,499,081)	(1,889,773)
Net ECL / Impairment Losses on Investment Securities	(5,118)	(8,458)
Net ECL / Impairment Losses on Other Financial Instruments	(71,989)	(92,584)
Amortisation of Intangible Assets	(38,382)	(20,192)
Other Provisions	(7,373)	(10,693)
	(4,638,336)	(3,625,378)
Share of Results of Associates	133,693	187,719
Profit Before Income Taxes and Net Monetary Loss Arising from Hyperinflation	4,658,923	4,095,466
Income Tax Credit / (Charge) (note 12)	21,466	(453,487)
Profit for the Period Before Net Monetary Loss Arising from Hyperinflation	4,680,389	3,641,979
Net Monetary Loss Arising from Hyperinflation	(764,071)	-
Profit for the Period	3,916,318	3,641,979
Attributable to:		
Equity Holders of the Bank	3,881,745	3,616,015
Non - Controlling Interests	34,573	25,964
Profit for the Period	3,916,318	3,641,979
Earnings Per Share (QR) (Basic and Diluted) (note 13)	0.39	0.36

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

Qatar National Bank (Q.P.S.C.)
Interim Consolidated Statement of Comprehensive Income
For the Three Month Period Ended 31 March 2023

	Three Months to 31 March 2023 (Reviewed) QR000	Three Months to 31 March 2022 (Reviewed) QR000
Profit for the Period	3,916,318	3,641,979
Other Comprehensive (Loss) / Income Items that are or may be Reclassified to Consolidated Income Statement in Subsequent Periods:		
Foreign Currency Translation Differences for Foreign Operations	(1,964,261)	(2,535,599)
Share of Other Comprehensive Income of Associates	(190,228)	(54,187)
Effective Portion of Changes in Fair Value of Cash Flow Hedges	(36,767)	1,651,722
Effective Portion of Changes in Fair Value of Net Investment in Foreign Operations	(101,534)	148,508
Investments in Debt Instruments Measured at FVOCI Net Change in Fair Value	580,749	(65,912)
Net Amount Transferred to Income Statement	(222,338)	-
Other Comprehensive (Loss) / Income Items that will not be Reclassified to Consolidated Income Statement:		
Net Change in Fair Value of Investments in Equity Instruments Designated at FVOCI	(770,699)	342,394
Effects of Hyperinflation	1,184,202	-
Total Other Loss for the Period, net of Income Taxes	(1,520,876)	(513,074)
Total Comprehensive Income for the Period	<u>2,395,442</u>	<u>3,128,905</u>
Attributable to:		
Equity Holders of the Bank	2,392,319	3,182,319
Non - Controlling Interests	3,123	(53,414)
Total Comprehensive Income for the Period	<u>2,395,442</u>	<u>3,128,905</u>

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

Qatar National Bank (Q.P.S.C.)
Interim Consolidated Statement of Changes in Equity
For the Three Month Period Ended 31 March 2023

	Equity Attributable to Equity Holders of the Bank										Total
	Issued	Legal	Risk	Fair Value	Foreign	Other	Retained	Equity	Non	Instruments	
	Capital	Reserve	Reserve	Reserve	Currency	Reserves	Earnings	Attributable to	Controlling	Eligible for	
	QR000	QR000	QR000	QR000	Translation	QR000	QR000	Equity	Interests	Additional	
					Reserve			of the Bank	QR000	Tier 1 Capital	
					QR000			QR000		QR000	
Balance at 1 January 2023	9,236,429	25,326,037	11,000,000	890,129	(26,833,105)	(381,451)	65,848,784	85,086,823	969,962	20,000,000	106,056,785
Total Comprehensive Income for the Period											
Profit for the Period	-	-	-	-	-	-	3,881,745	3,881,745	34,573	-	3,916,318
Other Comprehensive Loss	-	-	-	(547,405)	(752,629)	(189,392)	-	(1,489,426)	(31,450)	-	(1,520,876)
Total Comprehensive Income / (Loss) for the Period	-	-	-	(547,405)	(752,629)	(189,392)	3,881,745	2,392,319	3,123	-	2,395,442
Transactions with Equity Holders,											
Recognised Directly in Equity											
Dividend for the Year 2022 (note 6)	-	-	-	-	-	-	(5,541,857)	(5,541,857)	-	-	(5,541,857)
Other Movements	-	-	-	-	-	-	(239,308)	(239,308)	(24,451)	-	(263,759)
Total Transactions Recognised Directly in Equity	-	-	-	-	-	-	(5,781,165)	(5,781,165)	(24,451)	-	(5,805,616)
Balance at 31 March 2023	9,236,429	25,326,037	11,000,000	342,724	(27,585,734)	(570,843)	63,949,364	81,697,977	948,634	20,000,000	102,646,611
Balance at 1 January 2022	9,236,429	25,326,037	10,000,000	(1,169,550)	(23,613,712)	46,141	59,117,808	78,943,153	1,113,494	20,000,000	100,056,647
Total Comprehensive Income for the Period											
Profit for the Period	-	-	-	-	-	-	3,616,015	3,616,015	25,964	-	3,641,979
Other Comprehensive Income / (Loss)	-	-	-	2,078,325	(2,458,086)	(53,935)	-	(433,696)	(79,378)	-	(513,074)
Total Comprehensive Income / (Loss) for the Period	-	-	-	2,078,325	(2,458,086)	(53,935)	3,616,015	3,182,319	(53,414)	-	3,128,905
Transactions with Equity Holders,											
Recognised Directly in Equity											
Dividend for the Year 2021 (note 6)	-	-	-	-	-	-	(5,080,036)	(5,080,036)	-	-	(5,080,036)
Other Movements	-	-	-	-	-	-	(186,549)	(186,549)	(16,392)	-	(202,941)
Total Transactions Recognised Directly in Equity	-	-	-	-	-	-	(5,266,585)	(5,266,585)	(16,392)	-	(5,282,977)
Balance at 31 March 2022	9,236,429	25,326,037	10,000,000	908,775	(26,071,798)	(7,794)	57,467,238	76,858,887	1,043,688	20,000,000	97,902,575

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

Qatar National Bank (Q.P.S.C.)
Interim Consolidated Statement of Cash Flows
For the Three Month Period Ended 31 March 2023

	Three Months to 31 March 2023 (Reviewed) QR000	Three Months to 31 March 2022 (Reviewed) QR000	Year to 31 December 2022 (Audited) QR000
Cash Flows from Operating Activities			
Profit Before Income Taxes	3,894,852	4,095,466	17,168,512
Adjustments for:			
Interest Income	(20,942,716)	(11,510,640)	(59,671,733)
Interest Expense	13,736,152	5,248,261	30,807,135
Depreciation	167,567	129,652	624,388
Net ECL / Impairment Losses on Loans and Advances to Customers	2,499,081	1,889,773	8,785,090
Net ECL / Impairment Losses on Investment Securities	5,118	8,458	62,057
Net ECL / Impairment Losses on Other Financial Instruments	71,989	92,584	296,761
Other Provisions	7,373	10,693	122,095
Dividend Income	(20,552)	(15,750)	(55,285)
Net Gain on Sale of Property and Equipment	(12,390)	(8,456)	(6,919)
Net Gain on Sale of Investment Securities	(280,135)	(14,603)	(265,986)
Amortisation of Intangible Assets	38,382	20,192	77,546
Net Amortisation of Premium or Discount on Investments	895,752	256,473	(3,351,819)
Net Share of Results of Associates	(133,693)	(187,719)	(370,978)
Net Monetary Loss Arising from Hyperinflation	764,071	-	1,745,116
	690,851	14,384	(4,034,020)
<i>Changes in:</i>			
Due from Banks	(2,396,466)	(14,457,412)	583,859
Loans and Advances to Customers	(12,822,419)	(13,825,011)	(83,925,088)
Other Assets	4,366,101	248,749	(31,078,344)
Due to Banks	8,677,002	19,779,290	35,275,224
Customer Deposits	(4,010,185)	22,631,620	111,275,723
Other Liabilities	(1,951,812)	(3,115,433)	6,553,034
Cash from Operations	(7,446,928)	11,276,187	34,650,388
Interest Received	17,976,573	10,945,651	53,620,058
Interest Paid	(16,504,819)	(5,074,108)	(26,824,083)
Dividends Received	20,552	15,750	55,285
Income Tax Paid	(169,964)	(257,238)	(2,314,547)
Other Provisions Paid	(108,097)	(2,468)	(68,487)
Net Cash Flow (used in) / from Operating Activities	(6,232,683)	16,903,774	59,118,614
Cash Flows from Investing Activities			
Acquisitions of Investment Securities	(30,369,957)	(21,841,386)	(89,976,146)
Proceeds from Sale / Redemption of Investment Securities	38,014,035	19,059,693	65,297,786
Additions to Property and Equipment	(715,975)	(179,340)	(1,335,072)
Proceeds from Sale of Property and Equipment	6,295	9,668	119,201
Net Cash Flows from / (used in) Investing Activities	6,934,398	(2,951,365)	(25,894,231)

Qatar National Bank (Q.P.S.C.)
Interim Consolidated Statement of Cash Flows (Continued)
For the Three Month Period Ended 31 March 2023

	Note	Three Months to 31 March 2023 (Reviewed) QR000	Three Months to 31 March 2022 (Reviewed) QR000	Year to 31 December 2022 (Audited) QR000
Cash Flows from Financing Activities				
Payment of Coupon on Instruments Eligible for Additional Capital		(1,082,917)	(1,000,000)	(1,000,000)
Proceeds from Issuance of Debt Securities		964,712	591,425	1,591,695
Repayment of Debt Securities		(2,420,067)	(140,105)	(5,739,025)
Proceeds from Issuance of Other Borrowings		3,441	225,066	4,167,335
Repayment of Other Borrowings		45,830	(1,298,021)	(3,558,972)
Payment of Rents for Lease Contracts		(39,136)	(61,411)	(192,591)
Dividends Paid		(5,508,419)	(5,051,308)	(5,079,312)
Net Cash Flows used in Financing Activities		<u>(8,036,556)</u>	<u>(6,734,354)</u>	<u>(9,810,870)</u>
Net (Decrease) / Increase in Cash and Cash Equivalents		(7,334,841)	7,218,055	23,413,513
Effects of Exchange Rate Changes on Cash and Cash Equivalents		(942,944)	(1,030,631)	(2,760,347)
Cash and Cash Equivalents as at 1 January		127,313,626	106,660,460	106,660,460
Cash and Cash Equivalents at 31 March		<u>119,035,841</u>	<u>112,847,884</u>	<u>127,313,626</u>
/ 31 December	11			

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

Qatar National Bank (Q.P.S.C.)
Notes to the Interim Condensed Consolidated Financial Statements
For the Three Month Period Ended 31 March 2023

1. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION

The accompanying interim condensed consolidated financial statements are prepared in accordance with IAS 34 '*Interim Financial Reporting*'. These interim condensed consolidated financial statements should be read in conjunction with the 2022 annual consolidated financial statements of the Group.

The interim condensed consolidated financial statements do not contain all information and disclosures required for full consolidated financial statements prepared in accordance with International Financial Reporting Standards. In addition, results for the three month period ended 31 March 2023 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2023.

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

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended 31 December 2022.

The Group has consistently applied the accounting policies as applied in the annual consolidated financial statements for the year ended 31 December 2022.

The Group's financial risk management objectives and policies are consistent with those disclosed in the consolidated financial statements for the year ended 31 December 2022.

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

Description	Effective from
Classification of Liabilities as Current or Non-current (Amendments to IAS 1)	1 January 2023
IFRS 17 Insurance Contracts and amendments to IFRS 17 Insurance Contracts	1 January 2023
Definition of Accounting Estimate (Amendments to IAS 8)	1 January 2023
Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2)	1 January 2023
Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12)	1 January 2023
Amendments Issued but not yet Effective	
Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28)	Deferred indefinitely

The Group is currently evaluating the impact of this amendment. The Group will adopt it is implemented.

Qatar National Bank (Q.P.S.C.)
Notes to the Interim Condensed Consolidated Financial Statements
For the Three Month Period Ended 31 March 2023

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

Classification of Turkey as a hyperinflationary economy

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

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

The restatements were calculated by means of conversion factors derived from the consumer price indices. Such index as announced by Turkish Statistical Institute and conversion factors used to restate the balances are as follows:

Date	Index
31 March 2023	1,269.75
31 December 2022	1,128.45
31 March 2022	843.64
31 December 2021	686.95

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

Adjustment for prior periods

- Adjustment of the historical carrying values of non-monetary assets and liabilities and the various items of equity from their date of acquisition or inclusion in the consolidated statement of financial position to the end of the reporting period to reflect the changes in purchasing power of the currency caused by inflation, according to the indices published by the Turkish Statistical Institute. The cumulative impact for previous years had been reflected through other comprehensive income in 2022. Since QNB Group's comparative amount are presented in a stable currency, these comparative amounts are not restated.

Adjustment for current period

- Monetary assets and liabilities, which are carried at amounts current at the date of statement of financial position, are not restated because they are already expressed in terms of the monetary unit current at the date of statement of financial position.

- Non-monetary assets and liabilities, which are not carried at amounts current at the date of statement of financial position, and components of shareholders' equity are restated by applying the relevant conversion factors.

- All items in the statement of income are restated by applying the conversion factors from the date on which the transaction originated except for those amounts deriving from non-monetary items, which are calculated based on the restated values of the related items.

- The effect of application indices on the Group's net monetary position is included in the statement of income as monetary gain or loss.

- All items in the statement of cash flows are expressed in a measuring unit current at the date of statement of financial position; they are therefore restated by applying the relevant conversion factors from the date on which the transaction originated.

Qatar National Bank (Q.P.S.C.)
Notes to the Interim Condensed Consolidated Financial Statements
For the Three Month Period Ended 31 March 2023

2. SEGMENT INFORMATION

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

	Qatar Operations				International Banking	Total
	Corporate Banking	Consumer Banking	Asset and Wealth Management	Unallocated & Intra-group Transactions		
	QR000	QR000	QR000	QR000	QR000	QR000
As at and for the three month period ended 31 March 2023:						
Revenue:						
Net Interest Income	3,802,912	187,832	203,647	27,009	2,985,164	7,206,564
Net Fees and Commission Income	256,217	73,514	94,740	(916)	397,772	821,327
Net Foreign Exchange Gain	66,012	46,086	76,514	1,257	332,919	522,788
Income from Investment Securities	14,157	-	-	-	286,530	300,687
Other Operating Income	-	25	-	56	312,119	312,200
Share of Results of Associates	136,117	-	-	-	(2,424)	133,693
Total Segment Revenue	4,275,415	307,457	374,901	27,406	4,312,080	9,297,259
Reportable Segment Profit	2,307,567	178,875	313,567	(59,177)	1,140,913	3,881,745
Reportable Segment Investments	100,045,008	-	1,636	-	55,471,666	155,518,310
Reportable Segment Loans and Advances	598,064,134	10,064,801	30,567,184	-	171,078,586	809,774,705
Reportable Segment Customer Deposits	403,039,104	38,440,204	44,043,467	-	341,994,375	827,517,150
Reportable Segment Assets	868,233,032	39,637,723	45,539,746	(313,840,791)	538,340,228	1,177,909,938

Qatar National Bank (Q.P.S.C.)
Notes to the Interim Condensed Consolidated Financial Statements
For the Three Month Period Ended 31 March 2023

2. SEGMENT INFORMATION (CONTINUED)

	Qatar Operations				International Banking	Total
	Corporate Banking	Consumer Banking	Asset and Wealth Management	Unallocated & Intra-group Transactions		
	QR000	QR000	QR000	QR000		
As at and for the three month period ended 31 March 2022:						
Revenue:						
Net Interest Income	3,759,935	153,950	170,207	17,650	2,160,637	6,262,379
Net Fees and Commission Income	170,145	80,178	78,939	2,122	476,259	807,643
Net Foreign Exchange Gain	85,921	49,760	30,864	(4,978)	239,423	400,990
Income from Investment Securities	12,321	-	(2,374)	-	20,406	30,353
Other Operating Income	3,500	24	-	(36)	28,272	31,760
Share of Results of Associates	179,369	-	-	-	8,350	187,719
Total Segment Revenue	4,211,191	283,912	277,636	14,758	2,933,347	7,720,844
Reportable Segment Profit	2,438,509	130,221	215,761	(72,895)	904,419	3,616,015
Reportable Segment Investments	90,259,518	-	157	-	51,323,256	141,582,931
Reportable Segment Loans and Advances	563,937,557	9,537,841	22,297,044	-	167,443,836	763,216,278
Reportable Segment Customer Deposits	368,974,657	36,166,527	43,262,337	-	339,656,325	788,059,846
Reportable Segment Assets	802,807,579	37,791,483	44,274,451	(321,151,018)	544,770,247	1,108,492,742

Qatar National Bank (Q.P.S.C.)
Notes to the Interim Condensed Consolidated Financial Statements
For the Three Month Period Ended 31 March 2023

3. LOANS AND ADVANCES TO CUSTOMERS

	31 March 2023 (Reviewed) QR000	31 March 2022 (Reviewed) QR000	31 December 2022 (Audited) QR000
Loans and Advances to Customers	828,046,491	783,481,134	825,098,856
Deferred Profit	(15,940)	(26,112)	(45,630)
Accrued Interest	14,016,504	7,308,806	12,417,405
Expected Credit Losses - Performing Loans and Advances to Customers - Stage 1 and 2	(7,614,172)	(4,979,134)	(6,541,920)
Impairment on Non-performing Loans and Advances to Customers - Stage 3	(24,658,178)	(22,568,416)	(23,327,375)
Net Loans and Advances to Customers	<u>809,774,705</u>	<u>763,216,278</u>	<u>807,601,336</u>

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

	31 March 2023 (Reviewed) QR000	31 March 2022 (Reviewed) QR000	31 December 2022 (Audited) QR000
Stage 1	767,809,762	719,675,484	764,068,720
Stage 2	50,582,739	52,717,283	49,721,798
Stage 3	23,654,554	18,371,061	23,680,113
Total Gross Exposures	<u>842,047,055</u>	<u>790,763,828</u>	<u>837,470,631</u>

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

	31 March 2023			
	Stage 1 (Reviewed) QR000	Stage 2 (Reviewed) QR000	Stage 3 (Reviewed) QR000	Total (Reviewed) QR000
Opening Balance of Provisions as at 1 January 2023	2,511,635	4,030,285	23,327,375	29,869,295
ECL / Impairment Charge for the Period (Net)	704,773	472,438	1,662,702	2,839,913
Foreign Currency Translation for the Period	(76,950)	(38,115)	(252,046)	(367,111)
Transfers from Stage 1 to 2	(9)	9	-	-
Transfers from Stage 3 to 2	-	10,106	(10,106)	-
Transfer to ECL for contingent liabilities	-	-	(15,198)	(15,198)
Write-offs during the Period	-	-	(54,549)	(54,549)
Closing Balance as at 31 March 2023	<u>3,139,449</u>	<u>4,474,723</u>	<u>24,658,178</u>	<u>32,272,350</u>

Qatar National Bank (Q.P.S.C.)
Notes to the Interim Condensed Consolidated Financial Statements
For the Three Month Period Ended 31 March 2023

3. LOANS AND ADVANCES TO CUSTOMERS (CONTINUED)

	31 March 2022			
	Stage 1 (Reviewed) QR000	Stage 2 (Reviewed) QR000	Stage 3 (Reviewed) QR000	Total (Reviewed) QR000
Opening Balance of Provisions as at 1 January 2022	1,430,091	3,382,515	21,418,237	26,230,843
ECL / Impairment Charge for the Period (Net)	147,782	315,386	1,694,765	2,157,933
Foreign Currency Translation for the Period	(100,307)	(196,333)	(394,623)	(691,263)
Transfers from Stage 1 to 2	(42,524)	42,524	-	-
Write-offs during the Period	-	-	(149,963)	(149,963)
Closing Balance as at 31 March 2022	1,435,042	3,544,092	22,568,416	27,547,550

ECL / impairment charge for the period includes interest in suspense and recoveries of balances previously written off, net for QR341 million (31 March 2022: QR268.2 million).

4. INVESTMENT SECURITIES

	31 March 2023 (Reviewed) QR000	31 March 2022 (Reviewed) QR000	31 December 2022 (Audited) QR000
Investment Securities at Fair Value Through Profit or Loss (FVPL)	504,003	352,385	348,855
Investment Securities at Fair Value Through Other Comprehensive Income (FVOCI)	36,454,527	29,109,754	36,939,459
Investment Securities at Amortised Cost (AC), net	115,101,407	109,499,479	118,250,846
Accrued Interest	3,458,373	2,621,313	4,373,881
Total	155,518,310	141,582,931	159,913,041

The above includes impairment allowance in respect of debt securities amounting to QR272.7 million (31 December 2022: QR272.4 million).

5. FAIR VALUE RESERVE

	31 March 2023 (Reviewed) QR000	31 March 2022 (Reviewed) QR000	31 December 2022 (Audited) QR000
Cash Flow Hedges	163,896	684,081	200,570
Fair Value Through Other Comprehensive Income	(66,514)	248,174	342,683
Hedges of a Net Investment in Foreign Operations	245,342	(23,480)	346,876
Total	342,724	908,775	890,129

The Fair Value Reserve for Investments at Fair Value Through Other Comprehensive Income include the loss allowance amounting to QR23 million (31 December 2022: QR19.5 million).

6. DIVIDEND

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

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

Qatar National Bank (Q.P.S.C.)
Notes to the Interim Condensed Consolidated Financial Statements
For the Three Month Period Ended 31 March 2023

7. CONTINGENT LIABILITIES AND OTHER COMMITMENTS

	31 March 2023 (Reviewed) QR000	31 March 2022 (Reviewed) QR000	31 December 2022 (Audited) QR000
Contingent Liabilities			
Unused Facilities	118,063,746	93,863,834	97,096,361
Guarantees	61,046,138	58,892,645	61,151,974
Letters of Credit	40,799,131	50,586,806	41,277,881
Others	14,431,272	10,865,764	14,152,894
Total	234,340,287	214,209,049	213,679,110

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

	31 March 2023 (Reviewed) QR000	31 March 2022 (Reviewed) QR000	31 December 2022 (Audited) QR000
Stage 1	213,103,820	197,027,322	193,152,541
Stage 2	6,141,841	6,014,226	5,653,322
Stage 3	663,354	301,737	720,353
Total Gross Exposures	219,909,015	203,343,285	199,526,216

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

	31 March 2023			
	Stage 1 (Reviewed) QR000	Stage 2 (Reviewed) QR000	Stage 3 (Reviewed) QR000	Total (Reviewed) QR000
Opening Balance of Provisions as at 1 January 2023	405,529	161,498	114,548	681,575
ECL / Impairment Charge for the Period (Net)	72,907	10,097	(15,976)	67,028
Foreign Currency Translation for the Period	(3,660)	(2,249)	5,314	(595)
Transfer from ECL for loans and advances	-	15,198	-	15,198
Closing Balance as at 31 March 2023	474,776	184,544	103,886	763,206

	31 March 2022			
	Stage 1 (Reviewed) QR000	Stage 2 (Reviewed) QR000	Stage 3 (Reviewed) QR000	Total (Reviewed) QR000
Opening Balance of Provisions as at 1 January 2022	295,578	118,851	128,658	543,087
ECL / Impairment Charge for the Period (Net)	6,035	39,025	9,459	54,519
Foreign Currency Translation for the Period	(11,831)	(6,129)	(22,521)	(40,481)
Transfers during the Period	(6)	6	-	-
Closing Balance as at 31 March 2022	289,776	151,753	115,596	557,125

Qatar National Bank (Q.P.S.C.)
Notes to the Interim Condensed Consolidated Financial Statements
For the Three Month Period Ended 31 March 2023

8. RELATED PARTY DISCLOSURES

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

	31 March 2023 (Reviewed) QR000	31 March 2022 (Reviewed) QR000	31 December 2022 (Audited) QR000
Statement of Financial Position Items			
Loans and Advances to Customers	3,435,739	3,175,067	3,421,567
Customer Deposits	1,759,986	1,563,757	1,610,328
Contingent Liabilities and Other Commitments	40,519	41,136	37,632
Statement of Income Items			
Interest and Commission Income	47,185	31,883	127,459
Interest and Commission Expense	19,683	5,583	33,711
Associates			
Due from banks	1,095,446	1,358,067	1,623,880
Interest and Commission Income	11,259	11,213	57,482
Due to banks	30,528	136,684	147,546
Interest and Commission Expense	315	15	600

Compensation of key management personnel is as follows:

Salaries and Other Benefits	34,738	34,481	48,345
End of Service Indemnity Benefits	424	321	1,121

The Group also has significant commercial transactions with the State of Qatar, which owns 50% of the Bank's outstanding shares through Qatar Investment Authority, amounting to QR83,929 million included in loans and advances (31 December 2022: QR96,904 million) and QR25,294 million included in customer deposits (31 December 2022: QR69,562 million).

9. CAPITAL ADEQUACY

	31 March 2023 (Reviewed) QR000	31 March 2022 (Reviewed) QR000	31 December 2022 (Audited) QR000
Common Equity Tier 1 (CET 1) Capital	73,061,775	68,001,571	75,501,023
Eligible Additional Tier 1 (AT 1) Capital Instruments	20,000,000	20,000,000	20,000,000
Additional Tier 1 Capital	66,975	72,687	67,542
Additional Tier 2 Capital	5,699,999	5,593,950	5,856,732
Total Eligible Capital	98,828,749	93,668,208	101,425,297
Risk Weighted Assets	511,605,880	495,456,106	517,113,381
Total Capital Ratio	19.3%	18.9%	19.6%

Qatar National Bank (Q.P.S.C.)
Notes to the Interim Condensed Consolidated Financial Statements
For the Three Month Period Ended 31 March 2023

9. CAPITAL ADEQUACY (CONTINUED)

The Group follows Basel III Capital Adequacy Ratio (CAR) calculation in accordance with Qatar Central Bank (QCB) regulations. The minimum accepted total Capital Adequacy Ratio requirements under Basel III as per QCB Requirements is as follows:

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

10. FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

The table below analyses financial instruments measured at fair value at the end of the reporting period, by the level in the fair value hierarchy into which the fair value measurement is categorised. There is no change in fair value hierarchy compared to 31 December 2022.

	Level 1 QR000	Level 2 QR000	Level 3 QR000	Total QR000
At 31 March 2023: (Reviewed)				
Derivative Assets Held for Risk Management	-	8,948,955	-	8,948,955
Investment Securities	34,141,044	3,857,858	-	37,998,902
	<u>34,141,044</u>	<u>12,806,813</u>	<u>-</u>	<u>46,947,857</u>
Derivative Liabilities Held for Risk Management	1,089	5,168,377	-	5,169,466
	<u>1,089</u>	<u>5,168,377</u>	<u>-</u>	<u>5,169,466</u>
At 31 December 2022: (Audited)				
Derivative Assets Held for Risk Management	100	10,594,440	-	10,594,540
Investment Securities	37,424,077	1,339,551	-	38,763,628
	<u>37,424,177</u>	<u>11,933,991</u>	<u>-</u>	<u>49,358,168</u>
Derivative Liabilities Held for Risk Management	5,909	6,049,176	-	6,055,085
	<u>5,909</u>	<u>6,049,176</u>	<u>-</u>	<u>6,055,085</u>

11. CASH AND CASH EQUIVALENTS

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

	31 March 2023 (Reviewed) QR000	31 March 2022 (Reviewed) QR000	31 December 2022 (Audited) QR000
Cash and Balances with Central Banks	43,376,735	34,479,566	36,820,885
Due from Banks with Original of Three Months or Less	75,659,106	78,368,318	90,492,741
Total	<u>119,035,841</u>	<u>112,847,884</u>	<u>127,313,626</u>

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

12. INCOME TAX CREDIT / (CHARGE)

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

Qatar National Bank (Q.P.S.C.)
Notes to the Interim Condensed Consolidated Financial Statements
For the Three Month Period Ended 31 March 2023

13. BASIC AND DILUTED EARNINGS PER SHARE

	Three Months to 31 March 2023 (Reviewed) QR000	Three Months to 31 March 2022 (Reviewed) QR000
Profit for the Period Attributable to Equity Holders of the Bank	3,881,745	3,616,015
Less: Dividend Appropriation for Instruments Eligible for Additional Tier 1 Capital	(287,500)	(250,000)
Net Profit for the Period Attributable to Equity Holders of the Bank	<u>3,594,245</u>	<u>3,366,015</u>
Weighted Average Number of Shares	9,236,428,570	9,236,428,570
Earnings Per Share (QR) - Basic and Diluted	<u><u>0.39</u></u>	<u><u>0.36</u></u>

14. COMPARATIVE INFORMATION

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