



**Consolidated Financial Statements**

**As at and For the Year Ended**

**31 December 2024**

**INDEPENDENT AUDITOR'S REPORT  
TO THE SHAREHOLDERS OF QATAR NATIONAL BANK (Q.P.S.C.)**

**Report on the audit of the consolidated financial statements**

**Opinion**

We have audited the consolidated financial statements of Qatar National Bank (Q.P.S.C.) (the "Bank") and its subsidiaries (together referred to as the "Group"), which comprise the consolidated statement of financial position as at 31 December 2024, and the consolidated statement of income, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2024 and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards.

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the consolidated financial statements section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* (IESBA Code) together with the ethical requirements that are relevant to our audit of the consolidated financial statements in the State of Qatar, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Key audit matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current year. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the consolidated financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

**INDEPENDENT AUDITOR'S REPORT  
TO THE SHAREHOLDERS OF QATAR NATIONAL BANK (Q.P.S.C.) (CONTINUED)**

**Report on the audit of the consolidated financial statements (continued)**

**Key audit matters (continued)**

| Key audit matter  | How our audit addressed the key audit matter  |
|---|---|
| <b>Impairment of loans and advances to customers</b>  |   |
| <p>At 31 December 2024, the Group reported total gross loans and advances of QR 926 billion (2023: QR 870 billion) and QR 33.7 billion of expected credit loss provisions (ECL) (2023: QR 34.2 billion), comprising QR 7.4 billion of ECL against Stage 1 and 2 exposures (2023: QR 7.8 billion) and QR 26.3 billion against exposures classified under Stage 3 (2023: QR 26.4 billion).</p> <p>The process of estimating Expected Credit Losses (ECL) on credit risk associated with loans and advances in accordance with IFRS 9 Financial Instruments (IFRS 9) involves use of complex models, significant management judgement and is subject to a high degree of estimation uncertainty. Considering this and the significance of the balances described above, it has been considered as a key audit matter.</p> <p>Notes 4(b) and 10 to the consolidated financial statements provide details of material accounting policies and more details about the loans and advances and the related ECL.</p> | <p>Our audit procedures included the following, among others:</p> <ul style="list-style-type: none"> <li>• Evaluated the appropriateness of the accounting policies adopted based on the requirements of IFRS 9, our business understanding, and industry practice.</li> <li>• Considered, assessed and tested relevant controls over credit initiation, monitoring and settlement, and those relating to the calculation of impairment allowances.</li> <li>• Involved our internal specialist to assess the reasonableness of the ECL methodology including model risk parameters and challenge the significant assumptions / judgements relating to credit risk grading, significant increase in credit risk, definition of default, probability of default, macro-economic variables, and recovery rates including any impact of the economic uncertainties.</li> <li>• Assessed the completeness of the data used as input for the ECL model and the mathematical accuracy through the modelling processes.</li> <li>• For a sample of exposures, performed procedures to evaluate: <ul style="list-style-type: none"> <li>• correctness of exposure at default and appropriateness of probability of default and loss given default in the calculation of ECL;</li> <li>• timely identification of exposures with a significant increase in credit risk and appropriateness of the Group's staging; and the ECL calculation.</li> </ul> </li> </ul> |

**INDEPENDENT AUDITOR'S REPORT  
TO THE SHAREHOLDERS OF QATAR NATIONAL BANK (Q.P.S.C.) (CONTINUED)**

**Report on the audit of the consolidated financial statements (continued)**

**Key audit matters (continued)**

| Key audit matter   | How our audit addressed the key audit matter   |
|--|--|
| <b>Impairment of loans and advances to customers (continued)</b> |  |
|  | <ul style="list-style-type: none"><li>Assessed the impairment allowance for individually impaired loans and advances (stage 3) in accordance with IFRS 9.</li><li>Assessed the disclosures included in the consolidated financial statements and assessed their compliance with the requirements of IFRS Accounting Standards.</li></ul> |

**Other information**

Other information consists of the information included in the Group's annual report (the "Annual Report"), other than the Group's consolidated financial statements and our auditor's report thereon. Management is responsible for the other information. The Group's Annual Report is expected to be made available to us after the date of this auditor's report. Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements, or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**Responsibilities of management and the Board of Directors for the consolidated financial statements**

Management of the Bank is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group'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 Group or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the Group's financial reporting process.

**Auditor's responsibilities for the audit of the consolidated financial statements**

Our objectives are to obtain reasonable assurance about whether the consolidated 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 guarantee that an audit conducted in accordance with ISAs 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 consolidated financial statements.

**INDEPENDENT AUDITOR'S REPORT  
TO THE SHAREHOLDERS OF QATAR NATIONAL BANK (Q.P.S.C.) (CONTINUED)**

**Report on the audit of the consolidated financial statements (continued)**

**Auditor's responsibilities for the audit of the consolidated financial statements (continued)**

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

- Identify and assess the risks of material misstatement of the consolidated 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, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures 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 Group'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 consolidated 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 Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Board of Directors 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 the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

**INDEPENDENT AUDITOR'S REPORT  
TO THE SHAREHOLDERS OF QATAR NATIONAL BANK (Q.P.S.C.) (CONTINUED)**

**Report on the audit of the consolidated financial statements (continued)**

**Auditor's responsibilities for the audit of the consolidated financial statements (continued)**

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

**Report on other legal and regulatory requirements**

We have obtained all the information and explanations, which we considered necessary for the purpose of our audit. We confirm that we are not aware of any contraventions by the Bank of its Articles of Association and the amendments thereto, the Qatar Commercial Companies Law No. 11 of 2015, whose certain provisions were subsequently amended by Law No.8 of 2021, during the financial year that would have had a material adverse effect on the Group's consolidated financial position or performance.

Ziad Nader  
of Ernst & Young  
Qatar Auditors Registry Number 258

Doha - State of Qatar

**Qatar National Bank (Q.P.S.C.)**  
**Consolidated Statement of Financial Position**  
**As at 31 December 2024**

|  | Notes | 2024<br>QR000        | 2023<br>QR000        |
|--|-------|----------------------|----------------------|
| <b>ASSETS</b>  |       |                      |                      |
| Cash and Balances with Central Banks                           | 8     | 84,535,430           | 87,820,365           |
| Due from Banks   | 9     | 95,973,695           | 86,476,920           |
| Loans and Advances to Customers                                | 10    | 910,757,751          | 852,987,250          |
| Investment Securities  | 11    | 175,322,674          | 172,732,325          |
| Investments in Associates                                      | 12    | 7,861,377            | 7,849,360            |
| Property and Equipment   | 13    | 7,655,238            | 6,713,427            |
| Intangible Assets  | 14    | 2,072,464            | 2,642,601            |
| Other Assets   | 15    | 13,738,001           | 13,762,765           |
| <b>Total Assets</b>  |       | <b>1,297,916,630</b> | <b>1,230,985,013</b> |
| <b>LIABILITIES</b>   |       |                      |                      |
| Due to Banks   | 16    | 171,203,038          | 156,991,401          |
| Customer Deposits  | 17    | 887,009,612          | 857,106,277          |
| Debt Securities  | 18    | 39,648,217           | 36,288,867           |
| Other Borrowings   | 19    | 33,867,536           | 29,400,073           |
| Other Liabilities  | 20    | 52,403,181           | 40,991,301           |
| <b>Total Liabilities</b>                                       |       | <b>1,184,131,584</b> | <b>1,120,777,919</b> |
| <b>EQUITY</b>  |       |                      |                      |
| Issued Capital   | 22    | 9,236,429            | 9,236,429            |
| Treasury Shares  | 22    | (660,730)            | -                    |
| Legal Reserve  | 22    | 25,326,037           | 25,326,037           |
| Risk Reserve   | 22    | 13,000,000           | 12,000,000           |
| Fair Value Reserve   | 22    | (1,203,198)          | (587,777)            |
| Foreign Currency Translation Reserve                           | 22    | (30,217,047)         | (29,157,890)         |
| Other Reserves   | 22    | (1,116,210)          | (820,506)            |
| Retained Earnings  | 22    | 78,179,864           | 73,102,343           |
| <b>Total Equity Attributable to Equity Holders of the Bank</b> |       | <b>92,545,145</b>    | <b>89,098,636</b>    |
| Non - Controlling Interests                                    | 23    | 1,239,901            | 1,108,458            |
| Instruments Eligible for Additional Tier 1 Capital             | 24    | 20,000,000           | 20,000,000           |
| <b>Total Equity</b>  |       | <b>113,785,046</b>   | <b>110,207,094</b>   |
| <b>Total Liabilities and Equity</b>                            |       | <b>1,297,916,630</b> | <b>1,230,985,013</b> |

These consolidated financial statements were approved by the Board of Directors on 13 January 2025 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 40 form an integral part of these consolidated financial statements.



**Qatar National Bank (Q.P.S.C.)**  
**Consolidated Income Statement**  
**For the Year Ended 31 December 2024**

|   | Notes | 2024<br>QR000       | 2023<br>QR000       |
|---|-------|---------------------|---------------------|
| Interest Income   | 25    | 125,322,712         | 97,133,328          |
| Interest Expense  | 26    | (92,503,393)        | (66,716,288)        |
| <b>Net Interest Income</b>  |       | <b>32,819,319</b>   | <b>30,417,040</b>   |
| Fee and Commission Income   | 27    | 7,963,044           | 6,299,126           |
| Fee and Commission Expense  |       | (3,398,238)         | (2,518,224)         |
| <b>Net Fee and Commission Income</b>  |       | <b>4,564,806</b>    | <b>3,780,902</b>    |
| Net Foreign Exchange Gain   | 28    | 2,815,882           | 3,332,022           |
| Income from Investment Securities   | 29    | 364,709             | 484,256             |
| Other Operating Income  |       | 164,443             | 462,884             |
| <b>Operating Income</b>   |       | <b>40,729,159</b>   | <b>38,477,104</b>   |
| Staff Expenses  | 30    | (4,896,473)         | (4,108,382)         |
| Depreciation  | 13    | (831,935)           | (660,050)           |
| Other Expenses  | 31    | (3,503,945)         | (3,044,632)         |
| Net ECL / Impairment Losses on Loans and Advances to Customers                      | 10    | (8,134,654)         | (8,691,980)         |
| Net ECL / Impairment Losses on Investment Securities                                |       | (25,200)            | (23,521)            |
| Net ECL / Impairment Losses on Other Financial Assets                               |       | (276,149)           | (937,611)           |
| Amortisation  |       | (216,167)           | (132,569)           |
| Other Provisions  |       | (158,633)           | (59,830)            |
|   |       | <b>(18,043,156)</b> | <b>(17,658,575)</b> |
| Share of Results of Associates  | 12    | 619,786             | 646,384             |
| <b>Profit Before Net Monetary Loss Arising from Hyperinflation and Income Taxes</b> |       | <b>23,305,789</b>   | <b>21,464,913</b>   |
| Net Monetary Loss Arising from Hyperinflation                                       |       | (3,539,271)         | (3,503,094)         |
| <b>Profit Before Income Taxes</b>   |       | <b>19,766,518</b>   | <b>17,961,819</b>   |
| Income Tax Expense  | 32    | (2,824,076)         | (2,296,519)         |
| <b>Profit for the Year</b>  |       | <b>16,942,442</b>   | <b>15,665,300</b>   |
| <b>Attributable to:</b>   |       |                     |                     |
| Equity Holders of the Bank  |       | 16,716,882          | 15,511,337          |
| Non - Controlling Interests   |       | 225,560             | 153,963             |
| <b>Profit for the Year</b>  |       | <b>16,942,442</b>   | <b>15,665,300</b>   |
| Basic and Diluted Earnings Per Share (QR)   | 33    | 1.69                | 1.55                |

The attached notes 1 to 40 form an integral part of these consolidated financial statements.



**Qatar National Bank (Q.P.S.C.)**  
**Consolidated Statement of Comprehensive Income**  
**For the Year Ended 31 December 2024**

|  | <b>2024</b>        | <b>2023</b>        |
|--|--------------------|--------------------|
|  | <b>QR000</b>       | <b>QR000</b>       |
| <b>Profit for the Year</b>   | <b>16,942,442</b>  | <b>15,665,300</b>  |
| <b>Other Comprehensive Income that is or may be Reclassified to the Consolidated Income Statement in Subsequent Periods:</b> |                    |                    |
| Foreign Currency Translation Differences for Foreign Operations  | (4,690,796)        | (4,849,983)        |
| Share of Other Comprehensive Income of Associates  | (295,949)          | (439,718)          |
| Effective Portion of Changes in Fair Value of Cash Flow Hedges   | (362,946)          | (571,322)          |
| Effective Portion of Changes in Fair Value of Net Investment in Foreign Operation  | (181,448)          | (165,428)          |
| Investments in Debt Instruments Measured at FVOCI  |                    |                    |
| Net Change in Fair Value   | (71,508)           | (139,086)          |
| Net Amount Transferred to Income Statement   | (26,158)           | (39,988)           |
| <b>Other Comprehensive Income that will not be Reclassified to the Consolidated Income Statement in Subsequent Periods:</b>  |                    |                    |
| Net Change in Fair Value of Investments in Equity Instruments  |                    |                    |
| Designated at FVOCI  | 35,021             | (569,331)          |
| Effects of Hyperinflation  | 3,472,860          | 2,494,032          |
| <b>Total Other Comprehensive Loss for the Year, net of Income Tax</b>  | <b>(2,120,924)</b> | <b>(4,280,824)</b> |
| <b>Total Comprehensive Income for the Year</b>   | <b>14,821,518</b>  | <b>11,384,476</b>  |
| <b>Attributable to:</b>  |                    |                    |
| Equity Holders of the Bank   | 14,746,562         | 11,269,591         |
| Non - Controlling Interests  | 74,956             | 114,885            |
| <b>Total Comprehensive Income for the Year</b>   | <b>14,821,518</b>  | <b>11,384,476</b>  |

The attached notes 1 to 40 form an integral part of these consolidated financial statements.

**Qatar National Bank (Q.P.S.C.)**  
**Consolidated Statement of Changes in Equity**  
**For the Year Ended 31 December 2024**

|   | Equity Attributable to Equity Holders of the Bank |                    |                   |                   |                       |   |                    |                      |  |                                   |   |                     |
|---|---|--------------------|-------------------|-------------------|-----------------------|---|--------------------|----------------------|--|-----------------------------------|---|---------------------|
|   | Issued<br>Capital                                 | Treasury<br>Shares | Legal<br>Reserve  | Risk<br>Reserve   | Fair Value<br>Reserve | Foreign<br>Currency<br>Translation<br>Reserve | Other<br>Reserves  | Retained<br>Earnings | Equity<br>Attributable to<br>Equity Holders<br>of the Bank | Non -<br>Controlling<br>Interests | Instruments<br>Eligible for<br>Additional<br>Tier 1 Capital | Total               |
|   | QR000   | QR000              | QR000             | QR000             | QR000                 | QR000   | QR000              | QR000                | QR000  | QR000                             | QR000   | QR000               |
| Balance at 1 January 2024   | 9,236,429   | -                  | 25,326,037        | 12,000,000        | (587,777)             | (29,157,890)                                  | (820,506)          | 73,102,343           | 89,098,636   | 1,108,458                         | 20,000,000  | 110,207,094         |
| <b>Total Comprehensive Income for the Year</b>  |   |                    |                   |                   |                       |   |                    |                      |  |                                   |   |                     |
| Profit for the Year   | -   | -                  | -                 | -                 | -                     | -   | -                  | 16,716,882           | 16,716,882   | 225,560                           | -   | 16,942,442          |
| Total Other Comprehensive Loss  | -   | -                  | -                 | -                 | (615,459)             | (1,059,157)                                   | (295,704)          | -                    | (1,970,320)  | (150,604)                         | -   | (2,120,924)         |
| <b>Total Comprehensive (Loss) / Income for the Year</b>                               | -   | -                  | -                 | -                 | (615,459)             | (1,059,157)                                   | (295,704)          | <b>16,716,882</b>    | <b>14,746,562</b>  | <b>74,956</b>                     | -   | <b>14,821,518</b>   |
| Reclassification of Net Change in Fair Value of Equity Instruments upon Derecognition | -   | -                  | -                 | -                 | 38                    | -   | -                  | (38)                 | -  | -                                 | -   | -                   |
| Transfer to Risk Reserve  | -   | -                  | -                 | 1,000,000         | -                     | -   | -                  | (1,000,000)          | -  | -                                 | -   | -                   |
| Transfer to Social and Sports Fund  | -   | -                  | -                 | -                 | -                     | -   | -                  | (296,440)            | (296,440)  | -                                 | -   | (296,440)           |
| <b>Transactions Recognised Directly in Equity</b>                                     | -   | -                  | -                 | -                 | -                     | -   | -                  | -                    | -  | -                                 | -   | -                   |
| Dividend for the Year 2023 (Note 22)  | -   | -                  | -                 | -                 | -                     | -   | -                  | (6,003,679)          | (6,003,679)  | -                                 | -   | (6,003,679)         |
| Interim Dividend for the Year 2024 (Note 22)  | -   | -                  | -                 | -                 | -                     | -   | -                  | (3,048,021)          | (3,048,021)  | -                                 | -   | (3,048,021)         |
| Shares Repurchased (Note 22)  | -   | (660,730)          | -                 | -                 | -                     | -   | -                  | -                    | (660,730)  | -                                 | -   | (660,730)           |
| Dividend Appropriation for Instruments Eligible for Additional Capital                | -   | -                  | -                 | -                 | -                     | -   | -                  | (1,150,000)          | (1,150,000)  | -                                 | -   | (1,150,000)         |
| Other Movements   | -   | -                  | -                 | -                 | -                     | -   | -                  | (141,183)            | (141,183)  | 56,487                            | -   | (84,696)            |
| <b>Total Transactions Recognised Directly in Equity</b>                               | -   | (660,730)          | -                 | -                 | -                     | -   | -                  | <b>(10,342,883)</b>  | <b>(11,003,613)</b>  | <b>56,487</b>                     | -   | <b>(10,947,126)</b> |
| <b>Balance at 31 December 2024</b>  | <b>9,236,429</b>                                  | <b>(660,730)</b>   | <b>25,326,037</b> | <b>13,000,000</b> | <b>(1,203,198)</b>    | <b>(30,217,047)</b>                           | <b>(1,116,210)</b> | <b>78,179,864</b>    | <b>92,545,145</b>  | <b>1,239,901</b>                  | <b>20,000,000</b>   | <b>113,785,046</b>  |
| <b>Balance at 1 January 2023</b>  | <b>9,236,429</b>                                  | <b>-</b>           | <b>25,326,037</b> | <b>11,000,000</b> | <b>890,129</b>        | <b>(26,833,105)</b>                           | <b>(381,451)</b>   | <b>65,848,784</b>    | <b>85,086,823</b>  | <b>969,962</b>                    | <b>20,000,000</b>   | <b>106,056,785</b>  |
| <b>Total Comprehensive Income for the Year</b>  |   |                    |                   |                   |                       |   |                    |                      |  |                                   |   |                     |
| Profit for the Year   | -   | -                  | -                 | -                 | -                     | -   | -                  | 15,511,337           | 15,511,337   | 153,963                           | -   | 15,665,300          |
| Total Other Comprehensive Loss  | -   | -                  | -                 | -                 | (1,477,906)           | (2,324,785)                                   | (439,055)          | -                    | (4,241,746)  | (39,078)                          | -   | (4,280,824)         |
| <b>Total Comprehensive (Loss) / Income for the Year</b>                               | -   | -                  | -                 | -                 | (1,477,906)           | (2,324,785)                                   | (439,055)          | <b>15,511,337</b>    | <b>11,269,591</b>  | <b>114,885</b>                    | -   | <b>11,384,476</b>   |
| Transfer to Risk Reserve  | -   | -                  | -                 | 1,000,000         | -                     | -   | -                  | (1,000,000)          | -  | -                                 | -   | -                   |
| Transfer to Social and Sports Fund  | -   | -                  | -                 | -                 | -                     | -   | -                  | (294,911)            | (294,911)  | -                                 | -   | (294,911)           |
| <b>Transactions Recognised Directly in Equity</b>                                     | -   | -                  | -                 | -                 | -                     | -   | -                  | -                    | -  | -                                 | -   | -                   |
| Dividend for the Year 2022  | -   | -                  | -                 | -                 | -                     | -   | -                  | (5,541,857)          | (5,541,857)  | -                                 | -   | (5,541,857)         |
| Dividend Appropriation for Instruments Eligible for Additional Capital                | -   | -                  | -                 | -                 | -                     | -   | -                  | (1,150,000)          | (1,150,000)  | -                                 | -   | (1,150,000)         |
| Other Movements   | -   | -                  | -                 | -                 | -                     | -   | -                  | (271,010)            | (271,010)  | 23,611                            | -   | (247,399)           |
| <b>Total Transactions Recognised Directly in Equity</b>                               | -   | -                  | -                 | -                 | -                     | -   | -                  | <b>(6,962,867)</b>   | <b>(6,962,867)</b>   | <b>23,611</b>                     | -   | <b>(6,939,256)</b>  |
| <b>Balance at 31 December 2023</b>  | <b>9,236,429</b>                                  | <b>-</b>           | <b>25,326,037</b> | <b>12,000,000</b> | <b>(587,777)</b>      | <b>(29,157,890)</b>                           | <b>(820,506)</b>   | <b>73,102,343</b>    | <b>89,098,636</b>  | <b>1,108,458</b>                  | <b>20,000,000</b>   | <b>110,207,094</b>  |

The attached notes 1 to 40 form an integral part of these consolidated financial statements.

**Qatar National Bank (Q.P.S.C.)**  
**Consolidated Statement of Cash Flows**  
**For the Year Ended 31 December 2024**

|  | Notes | 2024<br>QR000       | 2023<br>QR000       |
|--|-------|---------------------|---------------------|
| <b>Cash Flows from Operating Activities</b>                    |       |                     |                     |
| Profit Before Income Taxes                                     |       | 19,766,518          | 17,961,819          |
| <b>Adjustments for:</b>  |       |                     |                     |
| Interest Income  | 25    | (125,322,712)       | (97,133,328)        |
| Interest Expense   | 26    | 92,503,393          | 66,716,288          |
| Depreciation   | 13    | 831,935             | 660,050             |
| Net ECL / Impairment Losses on Loans and Advances to Customers | 10    | 8,134,654           | 8,691,980           |
| Net ECL / Impairment Losses on Investment Securities           |       | 25,200              | 23,521              |
| Net ECL / Impairment Losses on Other Financial Assets          |       | 276,149             | 937,611             |
| Other Provisions   | 21    | 262,878             | 126,553             |
| Dividend Income  | 29    | (99,217)            | (107,412)           |
| Net Gain on Sale of Property and Equipment                     |       | (10,696)            | (41,166)            |
| Net Gain on Sale of Investment Securities                      | 29    | (130,368)           | (280,756)           |
| Amortisation of Intangible Assets                              |       | 216,167             | 132,569             |
| Net Amortisation of Premium or Discount on Investments         |       | (17,760,634)        | (6,202,390)         |
| Net Share of Results of Associates                             | 12    | (413,611)           | (473,347)           |
| Net Monetary Loss Arising from Hyperinflation                  |       | 3,539,271           | 3,503,094           |
|  |       | <b>(18,181,073)</b> | <b>(5,484,914)</b>  |
| <b>Changes in:</b>   |       |                     |                     |
| Due from Banks   |       | (4,214,107)         | (135,741)           |
| Loans and Advances to Customers                                |       | (92,251,738)        | (82,454,092)        |
| Other Assets   |       | (10,525,489)        | (3,536,405)         |
| Due to Banks   |       | 18,184,235          | 17,038,038          |
| Customer Deposits  |       | 72,530,416          | 44,976,013          |
| Other Liabilities  |       | 10,931,483          | 2,528,041           |
| <b>Cash used in Operations</b>                                 |       | <b>(23,526,273)</b> | <b>(27,069,060)</b> |
|  |       |                     |                     |
| Interest Received  |       | 120,544,982         | 90,063,723          |
| Interest Paid  |       | (92,203,809)        | (59,178,859)        |
| Dividends Received   |       | 99,217              | 107,412             |
| Income Tax Paid  |       | (2,173,821)         | (2,553,677)         |
| Other Provisions Paid  | 21    | (133,143)           | (77,216)            |
| <b>Net Cash from Operating Activities</b>                      |       | <b>2,607,153</b>    | <b>1,292,323</b>    |
| <b>Cash Flows from Investing Activities</b>                    |       |                     |                     |
| Acquisition of Investment Securities                           |       | (211,258,433)       | (193,983,510)       |
| Proceeds from Sale / Redemption of Investment Securities       |       | 219,097,499         | 177,496,441         |
| Dividend from Associates                                       |       | 206,175             | 173,037             |
| Additions to Property and Equipment                            | 13    | (1,478,677)         | (1,243,961)         |
| Proceeds from Disposal of Property and Equipment               |       | 50,030              | 79,450              |
| <b>Net Cash from / (used in) Investing Activities</b>          |       | <b>6,616,594</b>    | <b>(17,478,543)</b> |

**Qatar National Bank (Q.P.S.C.)**  
**Consolidated Statement of Cash Flows (Continued)**  
**For the Year Ended 31 December 2024**

|  | Notes | 2024<br>QR000             | 2023<br>QR000             |
|--|-------|---------------------------|---------------------------|
| <b>Cash Flows from Financing Activities</b>                            |       |                           |                           |
| Payment of Coupon on Instrument Eligible for Additional Tier 1 Capital |       | (1,150,000)               | (1,082,917)               |
| Proceeds from Issuance of Debt Securities                              | 18    | 8,630,395                 | 3,685,243                 |
| Repayment of Debt Securities   | 18    | (7,567,728)               | (2,261,848)               |
| Proceeds from Issuance of Other Borrowings                             | 19    | 11,079,454                | 7,987,291                 |
| Repayment of Other Borrowings  | 19    | (5,746,872)               | (3,472,552)               |
| Payment of Lease Liabilities   |       | (233,529)                 | (203,591)                 |
| Purchase of Treasury Shares  | 22    | (660,730)                 | -                         |
| Interim Dividend Paid  | 22    | (3,048,021)               | -                         |
| Final Dividend Paid  |       | (6,009,867)               | (5,540,393)               |
| <b>Net Cash used in Financing Activities</b>                           |       | <b><u>(4,706,898)</u></b> | <b><u>(888,767)</u></b>   |
| <b>Net Increase / (Decrease) in Cash and Cash Equivalents</b>          |       | <b>4,516,849</b>          | <b>(17,074,987)</b>       |
| Effects of Exchange Rate Fluctuations on Cash Held                     |       | (1,435,770)               | (2,110,827)               |
| Cash and Cash Equivalents at 1 January                                 |       | 108,127,812               | 127,313,626               |
| <b>Cash and Cash Equivalents at 31 December</b>                        | 39    | <b><u>111,208,891</u></b> | <b><u>108,127,812</u></b> |

The attached notes 1 to 40 form an integral part of these consolidated financial statements.

**Qatar National Bank (Q.P.S.C.)**  
**Notes to the Consolidated Financial Statements**  
**As at and For the Year Ended 31 December 2024**

**1. REPORTING ENTITY**

Qatar National Bank (Q.P.S.C.) ('QNB' or 'the Bank' or 'the Parent Bank') was incorporated in the State of Qatar on 6 June 1964 as a Joint Stock Company under Amiri Decree No. 7 issued in 1964. The registered office of the Bank is in Doha, State of Qatar.

The Bank together with its subsidiaries (together referred to as the 'Group') is engaged in conventional and Islamic banking activities operating through its branches, associates and subsidiaries.

The principal subsidiaries of the Group are as follows:

| <b>Name of subsidiary</b>                                       | <b>Referred to As</b> | <b>Country of Incorporation</b> | <b>Year of Incorporation/ Acquisition</b> | <b>Ownership %</b> |
|---|-----------------------|---------------------------------|---|--------------------|
| QNB International Holdings Limited                              | QIHL                  | Luxembourg                      | 2004                                      | 100%               |
| QNB Property France   | QNB Property France   | France                          | 2008                                      | 100%               |
| QNB Capital LLC   | QNB Capital           | Qatar                           | 2008                                      | 100%               |
| QNB (Suisse) SA   | QNB Suisse            | Switzerland                     | 2009                                      | 100%               |
| Qatar National Bank Syria S.A.E.                                | QNB Syria             | Syria                           | 2009                                      | 50.8%              |
| QNB Finance Ltd.  | QNB Finance           | Cayman Islands                  | 2010                                      | 100%               |
| PT Bank QNB Indonesia Tbk                                       | QNB Indonesia         | Indonesia                       | 2011                                      | 91.57%             |
| QNB Financial Services WLL                                      | QNB FS                | Qatar                           | 2011                                      | 100%               |
| Mansour Bank for Investment PJSC                                | Mansour Bank          | Iraq                            | 2012                                      | 54.2%              |
| Qatar National Bank Tunisia                                     | QNB Tunisia           | Tunisia                         | 2013                                      | 99.998%            |
| Qatar National Bank (S.A.E.)<br>(formerly known as QNB AL AHLI) | QNB Egypt             | Egypt                           | 2013                                      | 95.0%              |
| QNB Bank A.S.<br>(formerly known as QNB Finansbank)             | QNB Turkiye           | Turkiye                         | 2016                                      | 99.88%             |
| QNB (Derivatives) Limited                                       | QNB Derivatives       | Cayman Islands                  | 2017                                      | 100%               |
| Digital-Q-FS Limited  | Digital-Q-FS          | United Kingdom                  | 2022                                      | 100%               |

**2. BASIS OF PREPARATION**

**a) Statement of Compliance**

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ('IFRS') Accounting Standards.

**b) Basis of Measurements**

The consolidated financial statements have been prepared on the historical cost basis, except for the following items, which are measured at fair value:

- Derivative Financial instruments
- Investments measured at fair value through profit or loss ('FVPL')
- Other Financial assets designated at fair value through profit or loss ('FVPL')
- Financial investment measured at fair value through other comprehensive income ('FVOCI')
- Recognised financial assets and financial liabilities designated as hedged items in qualifying fair value hedge relationships to the extent of risks being hedged.

**c) Functional and Presentation Currency**

These consolidated financial statements are presented in Qatari Riyals ('QR'), which is the Bank's functional and presentation currency. Except as otherwise indicated, financial information presented in QR has been rounded to the nearest thousands.

**d) Use of Estimates and Judgements**

The preparation of the consolidated financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual figures may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected. Information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the consolidated financial statements are described in note 5.

### **3. MATERIAL ACCOUNTING POLICY INFORMATION**

The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements, except for the effects of adoption of new standards as described in note 3(ac).

#### **a) Basis of Consolidation**

The consolidated financial statements comprise the financial statements of the Group and its subsidiaries as at the end of the reporting period.

#### **(i) Business Combinations**

For acquisitions meeting the definition of a business under IFRS 3, the acquisition method of accounting is used as at the acquisition date, which is the date on which control is transferred to the Group.

The Group measures goodwill at the acquisition date as the total of:

- The fair value of the consideration transferred; plus
- The recognised amount of any non-controlling interest in the acquiree; plus if the business combination is achieved in stages, the fair value of the existing equity interest in the acquiree; less
- The net recognised amount (generally fair value) of the identifiable assets acquired, including any assets which the acquiree has not previously recognized, and liabilities assumed.

When this total is negative, a bargain purchase gain is recognised immediately in the consolidated income statement.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in the consolidated income statement.

Costs related to the acquisition, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

Any contingent consideration payable is recognised at fair value at the acquisition date. If the contingent consideration is classified as equity, it is not re-measured and settlement is accounted for within equity. Otherwise, subsequent changes to the fair value of the contingent consideration are recognised in the consolidated income statement.

If the business combination is achieved in stages, any previously held equity interest is re-measured at its acquisition date at fair value and any resulting gain or loss is recognised in the consolidated income statement. It is then considered in the determination of goodwill.

#### **(ii) Subsidiaries**

Subsidiaries are all entities (including structured entities) controlled by the Group. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

The accounting policies of subsidiaries have been aligned to the Group accounting policies.

#### **(iii) Loss of Control**

Upon the loss of control, the Group derecognises the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in the consolidated income statement. If the Group retains any interest in the former subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently, it is accounted for as an equity-accounted investee or in accordance with the Group's accounting policy for financial instruments, depending on the level of influence retained.

### **3. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)**

#### **a) Basis of Consolidation (continued)**

##### **(iv) Non-Controlling Interests and Transactions therewith**

The Group has elected to measure the non-controlling interests in the acquiree at the proportionate share of the acquiree's identifiable net assets. Interests in the equity of subsidiaries not attributable to the Bank are reported in the consolidated equity as non-controlling interests. Profits or losses attributable to non-controlling interests are reported in the consolidated income statement as profit or loss attributable to non-controlling interests. Losses applicable to the non-controlling interest in a subsidiary are allocated to the non-controlling interest even if doing so causes the non-controlling interest to have a deficit balance.

The Group treats transactions with non-controlling interests as transactions with equity holders of the Group. For purchases from non-controlling interests, the difference between any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

When the Group ceases to have control or significant influence, any retained interest in the entity is re-measured to its fair value, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequent accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are transferred to the consolidated income statement.

If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income is transferred to the consolidated income statement where appropriate.

##### **(v) Transactions Eliminated on Consolidation**

Intra-group balances, transactions and unrealised gains arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised losses are also eliminated only to the extent that there is no Expected Credit Loss (ECL) or impairment.

##### **(vi) Associates**

Associates are entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights.

Investments in associates are accounted using the equity method of accounting and are initially recognised at cost (including transaction costs directly related to acquisition of investment in the associate). The Group's investment in associates includes goodwill (net of any accumulated impairment losses) identified on acquisition.

The Group's share of its associates' post-acquisition profits or losses is recognised in the consolidated income statement, its share of post-acquisition movements in other comprehensive income of the associate is recognised in reserves. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate. Dilution gains and losses in associates are recognised in the consolidated income statement.

For preparation of the consolidated financial statements, equal accounting policies for similar transactions and other events in similar circumstances are used.

The Group's share of the results of associates is based on the financial statements made up to a date not earlier than three months before the date of the consolidated statement of financial position, adjusted to conform with the accounting policies of the Group. Intergroup gains on transactions are eliminated to the extent of the Group's interest in the investee.

##### **(vii) Funds Management**

The Group manages and administers assets held in unit trusts and other investment vehicles on behalf of investors. The financial statements of these entities are not included in these consolidated financial statements except when the Group controls the entity. Information about the Group's funds management is set out in Note 37.

### **3. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)**

#### **b) Foreign Currency**

##### **(i) Foreign Currency Transactions and Balances**

Foreign currency transactions are transactions denominated, or that require settlement, in a foreign currency and are translated into the respective functional currencies of the operations at the spot exchange rates on the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated into the functional currency at the spot exchange rate on that date. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are re-translated into the functional currency at the spot exchange rate on the date that the fair value was determined. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate on the date of the transaction. Foreign currency differences resulting from the settlement of foreign currency transactions and arising on translation at period end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the consolidated income statement.

Changes in the fair value of investment securities denominated in a foreign currency classified as measured at FVOCI are analysed between translation differences resulting from changes in the amortised cost of the security and other changes in the carrying amount of security. Translation differences related to changes in amortised cost are recognised in the consolidated income statement, and other changes in the carrying amount are recognised in other comprehensive income.

Translation differences on non-monetary financial assets, such as equity instruments classified as measured at FVOCI are included in other comprehensive income.

##### **(ii) Foreign Operations**

The results and financial position of all the Group's entities, that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- Assets and liabilities for each statement of financial position presented are translated at the closing rate at the reporting date;
- Income and expenses for each income statement are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and
- All resulting exchange differences are recognised in other comprehensive income.

Exchange differences arising from the above process are reported in shareholders' equity as 'foreign currency translation reserve'.

When a foreign operation is disposed of, or partially disposed of when control is not retained, such exchange differences are recognised in the consolidated income statement as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

When the settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely in the foreseeable future, foreign exchange gains and losses arising from such a monetary item are considered to form part of the net investment in the foreign operation and are recognised in other comprehensive income, and presented in the foreign currency translation reserve in equity.

#### **c) Financial Assets and Financial Liabilities**

##### **(i) Recognition**

The Group initially recognises loans and advances to customers, due from / to banks, customer deposits, debt securities and other borrowings on the date at which they are originated. All other financial assets and liabilities are initially recognised on the trade date at which the Group becomes a party to the contractual provisions of the instrument.



### **3. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)**

#### **c) Financial Assets and Financial Liabilities (continued)**

##### **(ii) Classification and Initial Measurement**

##### **Financial Assets**

On initial recognition, a financial asset is classified as measured at: amortised cost, FVOCI or FVPL.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVPL:

- The asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt instrument is measured at FVOCI only if it meets both of the following conditions and is not designated as at FVPL:

- The asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in fair value in OCI. This election is made on an investment-by-investment basis.

All other financial assets are classified as measured at FVPL.

In addition, on initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

##### **Business model assessment**

The Group makes an assessment of the objective of a business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- The stated policies and objectives for the portfolio and the operation of those policies in practice;
- How the performance of the portfolio is evaluated and reported to the Group's management;
- The risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- How managers of the business are compensated; and
- The frequency, volume and timing of sales in prior periods, the reasons for such sales and its expectations about future sales activity.

Financial assets that are held for trading or managed and whose performance is evaluated on a fair value basis are measured at FVPL because they are neither held to collect contractual cash flows nor held both to collect contractual cash flows and to sell financial assets.

##### **Assessment of whether contractual cash flows are solely payments of principal and interest**

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making the assessment, the Group considers contingent events that would change the amount and timing of cash flows, prepayment and extension terms, terms that limit the Group's claim to cash flows from specified assets and features that modify consideration of the time value of money.

### **3. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)**

#### **c) Financial Assets and Financial Liabilities (continued)**

##### **(ii) Classification and Initial Measurement (continued)**

###### **Reclassifications**

Financial assets are not reclassified subsequent to their initial recognition, except in the period after the Group changes its business model for managing financial assets.

###### **Financial Liabilities**

The Group has classified and measured its financial liabilities at amortised cost.

##### **(iii) Derecognition**

###### **Financial Assets**

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or when it transfers the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred, or in which the Group neither transfers nor retains substantially all the risks and rewards of ownership and it does not retain control of the financial asset.

Any interest in transferred financial assets that qualify for derecognition that is created or retained by the Group is recognised as a separate asset or liability in the consolidated statement of financial position.

On derecognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset transferred), and consideration received (including any new asset obtained less any new liability assumed) and any cumulative gain or loss that had been recognised in OCI is recognised in the consolidated income statement, except in case of equity investment securities designated as at FVOCI, where this difference is recognised in OCI and is not recognised in the consolidated income statement on derecognition of such securities.

The Group enters into transactions whereby it transfers assets recognised on its consolidated statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets or a portion of them. If all or substantially all risks and rewards are retained, then the transferred assets are not derecognised. Transfers of assets with retention of all or substantially all risks and rewards include, for example, securities lending and repurchase transactions.

When assets are sold to a third party with a concurrent total rate of return swap on the transferred assets, the transaction is accounted for as a secured financing transaction similar to repurchase transactions as the Group retains all or substantially all the risks and rewards of ownership of such assets.

In transactions in which the Group neither retains nor transfers substantially all the risks and rewards of ownership of a financial asset and it retains control over the asset, the Group continues to recognise the asset to the extent of its continuing involvement, determined by the extent to which it is exposed to changes in the value of the transferred asset.

In certain transactions the Group retains the obligation to service the transferred financial asset for a fee. The transferred asset is derecognised if it meets the derecognition criteria. An asset or liability is recognised for the servicing contract, depending on whether the servicing fee is more than adequate (asset) or is less than adequate (liability) for performing the servicing.

###### **Financial Liabilities**

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled or expire.

### **3. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)**

#### **c) Financial Assets and Financial Liabilities (continued)**

##### **(iv) Modification of financial assets and liabilities**

###### **Financial Assets**

If the terms of a financial asset are modified, the Group evaluates whether the cash flows of the modified asset are substantially different.

If the cash flows are substantially different, then the contractual rights to cash flows from the original financial asset are deemed to have expired. In this case, the original financial asset is derecognised and a new financial asset is recognised at fair value.

If the cash flows of the modified asset carried at amortised cost are not substantially different, then the modification does not result in derecognition of the financial asset.

In this case, the Group recalculates the gross carrying amount of the financial asset and recognises the amount arising from adjusting the gross carrying amount as a modification gain or loss in the consolidated income statement.

If such a modification is carried out because of financial difficulties of the borrower, then the gain or loss is presented together with ECL / impairment losses. In other cases, it is presented as interest income.

###### **Financial Liabilities**

The Group derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value.

The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in the consolidated income statement.

##### **(v) Offsetting**

Financial assets and liabilities are offset and the net amount presented in the consolidated statement of financial position when, and only when, the Group has a legal right to set off the recognised amounts and it intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Income and expenses are presented on a net basis only when permitted under IFRS, or for gains and losses arising from a group of similar transactions such as in the Group's trading activity.

##### **(vi) Measurement Principles**

###### **- Amortised Cost Measurement**

The amortised cost of a financial asset or liability is the amount at which the financial asset or liability is measured at initial recognition, minus principal repayments, plus or minus the cumulative amortisation using the effective interest rate method of any difference between the initial amount recognised and the maturity amount, minus any reduction for ECL / impairment loss.

The calculation of effective interest rate includes all fees paid or received that are an integral part of the effective interest rate.

### **3. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)**

#### **c) Financial Assets and Financial Liabilities (continued)**

##### **(vi) Measurement Principles (continued)**

###### **- Fair Value Measurement**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal market of the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability which the Group has access to as at that date. The fair value of a liability reflects its non-performance risk.

The fair value of financial instruments traded in active markets at the reporting date is based on their quoted market price or dealer price quotations (bid prices). For unlisted investments, the Group recognises any change in the fair value, when they have reliable indicators to support such a change.

The fair value of investments in mutual funds and portfolios whose units are unlisted are measured at the net asset value adjusted for market characteristics reported as at the end of the reporting period.

Assets and long positions are measured at bid price; liabilities and short positions are measured at asking price. Where the Group has positions with offsetting risks, mid-market prices are used to measure the offsetting risk positions and a bid or asking price adjustment is applied only to the net open position as appropriate. Fair values reflect the credit risk of the instrument and includes adjustments to take account of the credit risk of the Group entity and the counterparty where appropriate. Fair value estimates obtained from models are adjusted for any other factors, such as liquidity risk or model uncertainties; to the extent that the Group believes a third-party market participant would take them into account in pricing a transaction.

##### **(vii) Expected Credit Losses (ECL) / Impairment**

The Group recognises loss allowances for expected credit losses (ECL) / impairment on the following financial instruments that are not measured at FVPL:

- Financial assets that are debt instruments; and
- Loan commitments and financial guarantee contracts.

No ECL / impairment loss is recognised on equity instruments. Impairment and ECL are used interchangeably throughout these consolidated financial statements.

The Group measures loss allowances at an amount equal to lifetime ECL, except for the following, for which they are measured as 12-month ECL:

- Debt investment securities that are determined to have low credit risk at the reporting date; and
- Other financial instruments on which credit risk has not increased significantly since their initial recognition

12-month ECL are the portion of ECL that result from default events on financial instruments that are possible with the 12 months after the reporting date.

###### **Measurement of ECL**

ECL are a probability-weighted estimate of credit losses. They are measured as follows:

- Financial assets that are not credit-impaired at the reporting date: as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive);
- Financial assets that are credit-impaired at the reporting date: as the difference between the gross carrying amount and the present value of estimated future cash flows;
- Undrawn loan commitments: as the present value of the difference between the contractual cash flows that are due to the Group if the commitment is drawn down and the cash flows that the Group expects to receive; and
- Financial guarantee contracts: the expected payments to reimburse the holder less any amounts that the Group expects to recover.

When discounting future cash flows, the original effective interest rate or an approximation thereof is used for most financial assets.

### **3. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)**

#### **c) Financial Assets and Financial Liabilities (continued)**

##### **(vii) Expected Credit Losses (ECL) / Impairment (continued)**

##### **Restructured financial assets**

If the terms of a financial asset are renegotiated or modified or an existing financial asset is replaced with a new one due to financial difficulties of the borrower, then an assessment is made of whether the financial asset should be derecognised and ECL / impairment are measured as follows:

- If the expected restructuring will not result in derecognition of the existing asset, then the expected cash flows arising from the modified financial asset are included in calculating the cash shortfalls from the existing asset.
- If the expected restructuring will result in derecognition of the existing asset, then the expected fair value of the new asset is treated as the final cash flow from the existing financial asset at the time of its derecognition. This amount is included in calculating the cash shortfalls from the existing financial asset that are discounted from the expected date of derecognition to the reporting date using the original effective interest rate of the existing financial asset.

##### **Credit-impaired financial assets**

At each reporting date, the Group assesses whether financial assets carried at amortised cost and debt financial assets carried at FVOCI are credit impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- Significant financial difficulty of the borrower or issuer;
- A breach of contract such as a default or past due event;
- The restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;
- It is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
- The disappearance of an active market for a security because of financial difficulties.

##### **Financial guarantee contracts held**

The Group assesses whether a financial guarantee contract held is an integral element of a financial asset that is accounted for as a component of that instrument or is a contract that is accounted for separately. If the Group determines that the guarantee is an integral element of the financial asset, then the Group considers the effect of the protection when measuring the fair value of the financial asset and when measuring ECL.

#### **d) Cash and Cash Equivalents**

Cash and cash equivalents include notes and coins on hand, unrestricted balances held with central banks and highly liquid financial assets with original maturities of three months or less that are subject to an insignificant risk of change in their fair value, and are used by the Group in the management of its short-term commitments. Cash and cash equivalents are carried at amortised cost in the consolidated statement of financial position.

#### **e) Due from banks**

Due from banks are financial assets which are mainly money market placements with fixed or determinable payments and fixed maturities that are not quoted in an active market. Money market placements are not entered into with the intention of immediate or short-term resale. Due from banks are initially measured at cost, being the fair value of the consideration given. Following the initial recognition, due from banks are stated at amortised cost.

#### **f) Loans and Advances to Customers**

Loans and advances to customers are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and that the Group does not intend to sell immediately or in the near term.

Loans and advances to customers are initially measured at the transaction price, which is the fair value plus incremental direct transaction costs, and subsequently measured at their amortised cost using the effective interest rate method, except for the financial assets which are classified to be measured at FVPL, which are measured at fair value with changes recognised immediately in the consolidated income statement. Following the initial recognition, loans and advances are stated at the amortised cost.

### **3. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)**

#### **f) Loans and Advances to Customers (continued)**

When the Group purchases a financial asset and simultaneously enters into an agreement to resell the asset (or a substantially similar asset) at a fixed price on a future date (reverse repo or stock borrowing), the arrangement is accounted for as a loan or advance, and the underlying asset is not recognised in the Group's consolidated financial statements.

#### **g) Investment Securities**

The 'investment securities' include:

- Debt investment securities measured at amortised cost; these are initially measured at fair value plus incremental direct transaction costs, and subsequently at their amortised cost using the effective interest method;
- Debt and equity investment securities mandatorily measured at FVPL or designated as at FVPL; these are measured at fair value with fair value changes recognised immediately in consolidated income statement;
- Debt securities measured at FVOCI; and
- Equity investment securities designated as at FVOCI.

For debt securities measured at FVOCI, gains and losses are recognised in OCI, except for the following, which are recognised in the consolidated income statement in the same manner as for financial assets measured at amortised cost:

- Interest revenue using the effective interest method;
- ECL / impairment and reversals; and
- Foreign exchange gains and losses.

When a debt security measured at FVOCI is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to consolidated income statement.

The Group elects to present in OCI changes in the fair value of certain investments in equity. The election is made on an instrument by instrument basis on initial recognition and is irrevocable. Gains and losses on such equity instruments are never reclassified to consolidated income statement and no ECL / impairment is recognised in consolidated income statement. Dividends are recognised in consolidated income statement, unless they clearly represent a recovery of part of the cost of the investment, in which case they are recognised in OCI. Cumulative gains and losses recognised in OCI are transferred to retained earnings on disposal of an investment.

#### **h) Derivatives**

##### **(i) Derivatives Held for Risk management Purposes and Hedge Accounting**

Derivatives held for risk management purposes include all derivative assets and liabilities that are not classified as trading assets or liabilities. Derivatives held for risk management purposes are measured at fair value on the consolidated statement of financial position. The Group designates certain derivatives held for risk management as well as certain non-derivative financial instruments as hedging instruments in qualifying hedging relationships. On initial designation of the hedge, the Group formally documents the relationship between the hedging derivative instrument(s) and hedged item(s), including the risk management objective and strategy in undertaking the hedge, together with the method that will be used to assess the effectiveness of the hedging relationship. The Group makes an assessment, both at the inception of the hedge relationship as well as on an ongoing basis, as to whether the hedging instrument(s) is (are) expected to be highly effective in offsetting the changes in the fair value or cash flows of the respective hedged item(s) during the period for which the hedge is designated, and on an ongoing basis. The Group makes an assessment for a cash flow hedge of a forecast transaction, as to whether the forecast transaction is highly probable to occur and presents an exposure to variations in cash flows that could ultimately affect the consolidated income statement.

##### **Fair Value Hedges**

When a derivative is designated as the hedging instrument in a hedge of the change in fair value of a recognised asset or liability or a firm commitment that could affect the consolidated income statement, changes in the fair value of the derivative are recognised immediately in profit or loss together with changes in the fair value of the hedged item that are attributable to the hedged risk. If the hedging derivative expires or is sold, terminated, or exercised, or the hedge no longer meets the criteria for fair value hedge accounting, or the hedge designation is revoked, then hedge accounting is discontinued prospectively. Any adjustment up to that point to a hedged item, for which the effective interest rate method is used, is amortised to the consolidated income statement as part of the recalculated effective interest rate of the item over its remaining life.

### **3. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)**

#### **h) Derivatives (continued)**

##### **(i) Derivatives Held for Risk management Purposes and Hedge Accounting (continued)**

###### **Cash Flow Hedges**

When a derivative is designated as the hedging instrument in a hedge of the variability in cash flows attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction that could affect the consolidated income statement, the effective portion of changes in the fair value of the derivative is recognised in other comprehensive income in the hedging reserve. The amount recognised in other comprehensive income is reclassified to the consolidated income statement as a reclassification adjustment in the same period as the hedged cash flows affect the consolidated income statement and in the same line item in the statement of comprehensive income. Any ineffective portion of changes in the fair value of the derivative is recognised immediately in the consolidated income statement.

If the hedging derivative expires or is sold, terminated, or exercised, or the hedge no longer meets the criteria for cash flow hedge accounting, or the hedge designation is revoked, then hedge accounting is discontinued prospectively. In a discontinued hedge of a forecast transaction the cumulative amount recognised in other comprehensive income from the period when the hedge was effective is reclassified from equity to the consolidated income statement as a reclassification adjustment when the forecast transaction occurs and affects the consolidated income statement. If the forecast transaction is no longer expected to occur, then the balance in other comprehensive income is reclassified immediately to the consolidated income statement as a reclassification adjustment.

###### **Hedges of a Net Investment in Foreign Operation**

Hedges of a net investment in a foreign operation, including a hedge of a monetary item that is accounted for as part of the net investment, are accounted for in a way similar to cash flow hedges. Gains or losses on the hedging instrument relating to the effective portion of the hedge are recognised as other comprehensive income while any gains or losses relating to the ineffective portion are recognised in the consolidated income statement. On disposal of the foreign operation, the cumulative value of any such gains or losses recorded in equity is transferred to the consolidated income statement.

###### **Other Non-Trading Derivatives**

When a derivative is not held for trading, and is not designated in a qualifying hedge relationship, all changes in its fair value are recognised immediately in the consolidated income statement.

###### **Hedges directly affected by interest rate benchmark reform**

When the basis for determining the contractual cash flows of the hedged item or hedging instrument changes as a result of IBOR reform and therefore there is no longer uncertainty arising about the cash flows of the hedged item or the hedging instrument, the Group amends the hedge documentation of that hedging relationship to reflect the change(s) required by IBOR reform. For this purpose, the hedge designation is amended only to make one or more of the following changes:

- designating an alternative benchmark rate as the hedged risk;
- updating the description of the hedged item, including the description of the designated portion of the cash flows or fair value being hedged; or
- updating the description of the hedging instrument.

The Group amends the description of the hedging instrument only if the following conditions are met:

- it makes a change required by IBOR reform by changing the basis for determining the contractual cash flows of the hedging instrument or using another approach that is economically equivalent to changing the basis for determining the contractual cash flows of the original hedging instrument; and
- the original hedging instrument is not derecognised.

### **3. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)**

#### **h) Derivatives (continued)**

##### **(i) Derivatives Held for Risk management Purposes and Hedge Accounting (continued)**

The Group amends the formal hedge documentation by the end of the reporting period during which a change required by IBOR reform is made to the hedged risk, hedged item or hedging instrument. These amendments in the formal hedge documentation do not constitute the discontinuation of the hedging relationship or the designation of a new hedging relationship.

If changes are made in addition to those changes required by IBOR reform described above, then the Group first considers whether those additional changes result in the discontinuation of the hedge accounting relationship. If the additional changes do not result in the discontinuation of the hedge accounting relationship, then the Group amends the formal hedge documentation for changes required by IBOR reform as mentioned above.

When the interest rate benchmark on which the hedged future cash flows had been based is changed as required by IBOR reform, for the purpose of determining whether the hedged future cash flows are expected to occur, the Group deems that the hedging reserve recognised in other comprehensive income for that hedging relationship is based on the alternative benchmark rate on which the hedged future cash flows will be based.

##### **(ii) Derivatives Held for Trading Purposes**

The Group's derivative trading instruments includes forward foreign exchange contracts and interest rate swaps. The Group sells these derivatives to customers in order to enable them to transfer, modify or reduce current and future risks. These derivative instruments are fair valued as at the end of the reporting date and the corresponding fair value changes are taken to the consolidated income statement.

#### **i) Property and Equipment**

##### **(i) Recognition and Measurement**

Items of property and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When parts of an item of property or equipment have different useful lives, they are accounted for as separate items (major components) of property and equipment.

The gain or loss on disposal of an item of property and equipment is determined by comparing the proceeds from disposal with the carrying amount of the item of property and equipment, and is recognised in other income / other expenses in the consolidated income statement.

##### **(ii) Subsequent Costs**

The cost of replacing a component of an item of property or equipment is recognised in the carrying amount of the item, if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of property and equipment are recognised in the consolidated income statement as incurred.

##### **(iii) Depreciation**

The depreciable amount is the cost of property and equipment, or other amount substituted for cost, less its residual value. Depreciation is recognised in the consolidated income statement on a straight-line basis over the estimated useful lives of each part of an item of property and equipment as this closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset and is based on cost of the asset less its estimated residual value. Land is not depreciated.



### **3. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)**

#### **i) Property and Equipment (continued)**

##### **(iii) Depreciation (continued)**

The estimated useful lives for the current and prior years are as follows:

|                         | <b>Years</b> |
|-------------------------|--------------|
| Buildings               | 10 to 50     |
| Equipment and Furniture | 3 to 12      |
| Motor Vehicles          | 4 to 7       |
| Leasehold Improvements  | 4 to 10      |

Freehold land is stated at cost.

Depreciation methods, useful lives and residual values are reassessed at each reporting date and adjusted prospectively, if appropriate.

#### **j) Intangible Assets**

Goodwill that arises upon the acquisition of subsidiaries is included under intangible assets. Subsequent to initial recognition, goodwill is measured at cost less accumulated impairment losses. Intangible assets also include Core Deposit Intangibles ('CDI') acquired in a business combination which are recognised at fair value at the acquisition date. CDI has a finite useful life and is carried at cost less accumulated amortisation. Amortisation is calculated using the straight-line method to allocate the cost of CDI and licences over their estimated useful life ranging between 6 and 12 years. Intangible assets (such as operating licenses) with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the Cash Generating Unit ('CGU') level.

#### **k) Impairment of Non-Financial Assets**

The carrying amounts of the Group's non-financial assets, other than deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For goodwill and intangible assets that have indefinite useful lives or that are not yet available for use, the recoverable amount is estimated each year at the same time. An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generate cash inflow from continuing use, that are largely independent of the cash inflows of other assets or CGUs. Subject to an operating segment ceiling test, for the purposes of goodwill impairment testing, CGUs to which goodwill has been allocated are aggregated, so that the level at which impairment testing is performed reflects the lowest level at which goodwill is monitored for internal reporting purposes. Goodwill acquired in a business combination is allocated to the groups of CGUs that are expected to benefit from the synergies of the combination.

The Group's corporate assets do not generate separate cash inflows and are utilised by more than one CGU. Corporate assets are allocated to CGUs on a reasonable and consistent basis and tested for impairment as part of the testing of the CGU to which the corporate asset is allocated.

Impairment losses are recognised in the consolidated income statement. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the CGU (group of CGUs) and then to reduce the carrying amount of the other assets in the CGU (group of CGUs) on a pro-rata basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date, for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

### **3. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)**

#### **l) Provisions**

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

#### **m) Financial Guarantees**

Financial guarantees are contracts that require the Group to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the terms of a debt instrument. Financial guarantee liabilities are recognised initially at their fair value, and the initial fair value is amortised over the life of the financial guarantee. The financial guarantee liability is subsequently carried at the higher of this amortised amount and the present value of any expected payment when a payment under the guarantee has become probable.

#### **n) Employee Benefits**

##### **Defined Benefit Plan**

The Group makes a provision for all termination indemnity payable to eligible employees in accordance with its regulations, calculated on the basis of the individual's final salary and period of service at the end of the reporting period. The expected costs of these benefits are accrued over the period of employment. The provision for employees' termination benefits is included in other provisions within other liabilities.

##### **Defined Contribution Scheme - Qatari Employees**

With respect to Qatari employees, the Group makes a contribution to the State administered Qatari Pension Fund calculated as a percentage of the employees' salaries. The Group's obligations are limited to these contributions. The cost is considered as part of staff expenses and is disclosed in note 30.

#### **o) Share Capital and Reserves**

##### **(i) Share Issue Costs**

Incremental costs directly attributable to the issue of an equity instrument are deducted from the initial measurement of the equity instruments.

##### **(ii) Dividends on Ordinary Shares**

Dividends on ordinary shares are recognised in equity in the period in which they are paid, or approved by the Bank's shareholders. Dividends for the year that are declared after the end of the reporting period are dealt as a separate disclosure. Interim dividends are deducted from equity when they are declared and are no longer at the discretion of the Bank. Dividends on ordinary shares paid during an interim period are approved by the Qatar Central Bank, as per QFMA decision number 7 of 2023 as amended by QFMA decision number 5 of 2024.

##### **(iii) Treasury Shares**

Own equity instruments that are repurchased (treasury shares) are recognised at cost and deducted from equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments. Any difference between the carrying amount and the consideration, if reissued, is recognised in the equity.

#### **p) Interest Income and Expense**

Interest income and expense are recognised in the consolidated income statement using the effective interest rate method. The effective interest rate is the rate that exactly discounts the estimated future cash payments and receipts through the expected life of the financial asset or liability (or, where appropriate, a shorter period) to the carrying amount of the financial asset or liability. When calculating the effective interest rate, the Group estimates future cash flows considering all contractual terms of the financial instrument, but not future credit losses.

### **3. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)**

#### **p) Interest Income and Expense (continued)**

For the financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the net carrying amount of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

The calculation of the effective interest rate includes all transaction costs and fees paid or received that are an integral part of the effective interest rate. Transaction costs include incremental costs that are directly attributable to the acquisition or issue of a financial asset or liability.

Interest income and expense include:

- Interest on financial assets and financial liabilities measured at amortised cost calculated on an effective interest rate basis;
- The effective portion of fair value changes in qualifying hedging derivatives designated in cash flow hedges of variability in interest cash flows, in the same period that the hedged cash flows affect interest income / expense;
- The ineffective portion of fair value changes in qualifying hedging derivatives designated in cash flow hedges of interest rate risk; and
- Fair value changes in qualifying derivatives and related hedged items, related to hedge ineffectiveness, in fair value hedges of interest rate risk.

#### **q) Fee and Commission Income and Expense**

Fee and commission income and expense that are integral to the effective interest rate on a financial asset or liability are included in the measurement of the effective interest rate.

Other fee and commission income, including account servicing fees, investment management fees, sales commission, placement fees and syndication fees, are recognised over time as the related services are performed. When a loan commitment is not expected to result in the draw-down of a loan, the related loan commitment fees are recognised over time on a straight-line basis over the commitment period. In case of these services, the control is considered to be transferred over time as the customer is benefited from these services over the tenure of the service period. Other fee and commission expense relate mainly to transaction and service fee, which are recognised in the consolidated income statement as an expense as the services are received.

#### **r) Income from Investment Securities**

Gains or losses on the sale of investment securities are recognised in the consolidated income statement as the difference between fair value of the consideration received and the carrying amount of the investment securities, except in case of equity securities designated as at FVOCI, where any cumulative gain / loss recognised in OCI is not recognised in the consolidated income statement on derecognition of such securities.

#### **s) Dividend Income**

Dividend income is recognised when the right to receive income is established.

#### **t) Taxation**

Taxes are calculated based on tax laws and regulations in jurisdictions in which the Group operates. The amount of the tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes. The parent company operations inside Qatar are not currently subject to income tax. QNB Capital LLC's operations are subject to tax as per the Qatar Financial Centre Authority tax regulations. QNB Financial Services Limited's operations are subject to income tax based on non-resident share of owners in the parent company.

Deferred tax assets are recognised for deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent it is probable that taxable profit will be available to utilise these. Deferred tax liabilities are recognised for taxable temporary differences. Deferred tax assets and liabilities are measured using tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date, and reflects uncertainty related to income taxes, if any.

### **3. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)**

#### **u) Earnings per Share**

The Group presents basic and diluted earnings per share ('EPS') data for its ordinary shares.

Basic EPS is calculated by dividing the profit or loss attributable to equity holders of the Bank, adjusted for the dividend appropriation for instruments eligible for additional Tier 1 Capital, if any, by the weighted average number of ordinary shares outstanding during the period.

Diluted EPS is determined by dividing the profit or loss attributable to equity holders of the Bank, adjusted for the dividend appropriation for instruments eligible for additional Tier 1 Capital, if any by the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

#### **v) Segment Reporting**

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components, whose operating results are reviewed regularly by the Group management committees to make decisions about resources allocated to each segment and assess its performance, and for which discrete financial information is available.

#### **w) Fiduciary Activities**

The Group acts as fund manager and in other fiduciary capacities that result in the holding or placing of assets on behalf of individuals, corporates and other institutions. These assets and any income arising thereon are excluded from these consolidated financial statements, as they are not assets of the Group.

#### **x) Repossessed Collateral**

Reposessed collateral against settlement of customers' debts are stated within the consolidated statement of financial position under 'Other assets' at their acquisition value net of allowance for impairment.

According to Qatar Central Bank (QCB) instructions, the Group should dispose of any land and properties acquired against settlement of debts for Qatar operations within a period not exceeding three years from the date of acquisition although this period can be extended after obtaining approval from QCB.

#### **y) Comparatives**

Except when a standard or an interpretation permits or requires otherwise, all amounts are reported or disclosed with comparative information.

#### **z) Appropriations for Instruments Eligible for Additional Capital**

Appropriations for Instruments Eligible for Additional Capital are treated as dividends.

#### **aa) Leases**

At inception of a contract, the Group assesses whether a contract is, or contains, a lease based on if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The Group has decided to separate the lease and non-lease component in the underlying contracts based on their relative standalone prices.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any prepaid and accrued lease expenses. The right-of-use asset is subsequently depreciated using the straight-line method over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and is adjusted for extension in lease terms or cancellation of the leases.

### **3. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)**

#### **aa) Leases (continued)**

The lease liability is initially measured at the present value of the lease payments which are discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate, which is based on the weighted average rate applied in the Group's principal markets adjusted for the nature of the asset, lease term, security and any other relevant assumptions. The lease liability is subsequently measured at amortised cost using the effective interest method. The finance cost incurred related to the lease liabilities is included in the 'interest expense' in the consolidated income statement.

The Group has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets (where the leased asset value is less than QAR 36,500) and short-term leases (where the lease term is less than 12 months). The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

The Group presents right-of-use assets in 'property and equipment' and lease liabilities in 'other liabilities' in the consolidated statement of financial position. The deferred tax impact, if any, is recognized in accordance with the relevant tax regulations and is accounted under IAS 12.

#### **ab) Application of International Accounting Standard 29, 'Financial Reporting in Hyperinflationary Economies**

##### **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 are as follows:

| <b>Date</b>      | <b>Index</b> |
|------------------|--------------|
| 31 December 2024 | 2,684.55     |
| 31 December 2023 | 1,859.38     |

The basic principles, in relation to the financial information of QNB Turkiye, applied in the accompanying consolidated financial statements, are summarized as follows:

##### 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. Since QNB Group's comparative amount are presented in a stable currency, these comparative amounts are not restated. The cumulative impact for previous years had been reflected through other comprehensive income.

##### 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.

### **3. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)**

#### **ab) Application of International Accounting Standard 29, 'Financial Reporting in Hyperinflationary Economies (continued)**

- 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.

#### **ac) New Amendments to Existing Standards**

The following amendments to IFRS have been applied by the Group in preparation of these consolidated financial statements.

| <b>Amendment to Standards</b>  | <b>Effective date</b> |
|--|-----------------------|
| Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants - Amendments to IAS 1 | 1 January 2024        |
| Lease Liability in a Sale and Leaseback - Amendments to IFRS 16  | 1 January 2024        |
| Disclosures: Supplier Finance Arrangements - Amendments to IAS 7 and IFRS 7  | 1 January 2024        |

The adoption of these amendments do not have significant impact on the consolidated financial statements.

#### **ad) Standards / Amendments issued but not yet effective**

The forthcoming requirements of new Standard and amendments to existing Standards are applicable for future reporting periods.

| <b>New Standards and Amendment to Existing Standards</b>   | <b>Effective date</b> |
|--|-----------------------|
| Lack of Exchangeability – Amendments to IAS 21   | 1 January 2025        |
| Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7                                | 1 January 2026        |
| Annual Improvements to IFRS Accounting Standards – Volume 11   | 1 January 2026        |
| IFRS 18, Presentation and Disclosure in Financial Statements   | 1 January 2027        |
| IFRS 19, Subsidiaries without Public Accountability: Disclosures   | 1 January 2027        |
| Sale or Contribution of Assets between an Investor and its Associate or Joint Venture – Amendments to IFRS 10 and IAS 28 | Deferred indefinitely |

The Group is currently evaluating the impact of these new standards and amendments to existing standards. The Group will adopt these on annual periods beginning on or after the effective date.

### **4. FINANCIAL RISK MANAGEMENT**

#### **I. Financial Instruments**

##### **Definition and Classification**

Financial instruments cover all financial assets and liabilities of the Group. Financial assets include cash balances, on demand balances and placements with banks, investment securities, loans and advances to customers and banks and certain other financial assets. Financial liabilities include customer deposits, due to banks and certain other financial liabilities. Financial instruments also include contingent liabilities and commitments included in off-balance sheet items and derivative financial instruments.

Note 3 explains the accounting policies used to recognise and measure the major financial instruments and their related income and expense.

#### **4. FINANCIAL RISK MANAGEMENT (Continued)**

##### **II. Risk Management**

###### **a) Risk Management Framework**

Risk is inherent in the Group's activities but it is managed through a process of ongoing identification, measurement and monitoring, subject to risk limits and other controls. This process of risk management is critical to the Group's continuing profitability and each individual within the Group is accountable for the risk exposures relating to their responsibilities. The Group is exposed to credit risk, liquidity risk, operational risk and market risk, which include trading and non-trading risks.

###### **Risk Management Structure**

The Board of Directors is ultimately responsible for identifying and controlling risks, however, there are separate independent bodies responsible for managing and monitoring risks.

###### **Risk Committee**

The Risk Committee has the overall responsibility for the development of the risk strategy and implementing principles, frameworks, policies and limits.

###### **Risk Measurement and Reporting Systems**

Monitoring and controlling risks is primarily performed based on limits established by the Group. These limits reflect the business strategy and market environment of the Group as well as the level of risk that the Group is willing to accept, with additional emphasis on selected industries.

Information compiled from all businesses is examined and processed in order to analyse, control and identify early risks. This information is presented and explained to the Board of Directors, the Risk Committee and the head of each business division.

###### **Internal Audit**

Risk management processes throughout the Group are audited by the Group Internal Audit function, as part of each audit which examines both the adequacy and compliance with the procedures, in addition to the specific audit of the Group risk function itself as per the approved audit plan.

Internal Audit discusses the results of all assessments with management and reports its findings and recommendations to the Group Board Audit and Compliance Committee.

###### **Risk Mitigation**

As part of its overall risk management, the Group uses derivatives and other instruments to manage exposures resulting from changes in interest rates, foreign currencies, equity risks, credit risks and exposures arising from forecast transactions. The risk profile is assessed before entering into hedge transactions, which are authorised by the appropriate level of seniority within the Group.

The effectiveness of all hedge relationships is monitored by Risk Management on a monthly basis. In a situation of hedge ineffectiveness, the Group will enter into a new hedge relationship to mitigate risk on a continuous basis.

###### **b) Credit Risk**

The Group manages its credit risk exposure through diversification of its investments, capital markets and lending and financing activities to avoid undue concentrations of risks with individuals or groups of customers in specific locations or businesses. It also obtains collaterals where appropriate. The types of collaterals obtained may include cash, treasury bills and bonds, mortgages over real estate properties and pledges over shares.

The Group uses the same credit risk procedures when entering into derivative transactions as it does for traditional lending products.

Note 10 discloses the distribution of loans and advances and financing activities by industry wise sector. Note 35 discloses the geographical distribution of the Group's assets and liabilities.

**Qatar National Bank (Q.P.S.C.)**  
**Notes to the Consolidated Financial Statements**  
**As at and For the Year Ended 31 December 2024**

(All amounts are shown in thousands of Qatari Riyals)

**4. FINANCIAL RISK MANAGEMENT (Continued)**

**II. Risk Management**

**b) Credit Risk (continued)**

The following table shows the maximum exposure to credit risk on the consolidated statement of financial position and certain off-balance sheet items. The maximum exposure is shown gross, before the effect of mitigation through the use of master netting and collateral agreements.

|   | <b>Gross Maximum Exposure</b> |                      |
|---|-------------------------------|----------------------|
|   | <b>2024</b>                   | <b>2023</b>          |
| Cash and Balances with Central Banks (Excluding Cash on Hand) | 74,726,835                    | 75,893,118           |
| Due from Banks  | 95,973,695                    | 86,476,920           |
| Loans and Advances to Customers                               | 910,757,751                   | 852,987,250          |
| Investment Securities (Debt)                                  | 172,937,170                   | 170,140,768          |
| Other Assets  | 9,446,706                     | 9,123,323            |
|   | <b>1,263,842,157</b>          | <b>1,194,621,379</b> |
| Guarantees  | 79,946,470                    | 66,412,802           |
| Letters of Credit   | 47,238,072                    | 52,073,480           |
| Unutilised Credit Facilities                                  | 155,967,555                   | 128,681,127          |
| <b>Total</b>  | <b>1,546,994,254</b>          | <b>1,441,788,788</b> |

**Risk Concentration for Maximum Exposure to Credit Risk by Industry Sector**

An industry sector analysis of the Group's financial assets and contingent liabilities, before and after taking into account collateral held or other credit enhancements, is as follows:

|                     | <b>Gross<br/>Maximum<br/>Exposure<br/>2024</b> | <b>Net<br/>Maximum<br/>Exposure<br/>2024</b> | <b>Gross<br/>Maximum<br/>Exposure<br/>2023</b> | <b>Net<br/>Maximum<br/>Exposure<br/>2023</b> |
|---------------------|--|--|--|--|
| Government          | 208,246,222                                    | -  | 211,544,811                                    | -  |
| Government Agencies | 228,443,766                                    | 220,795,971                                  | 219,347,147                                    | 218,908,951                                  |
| Industry            | 46,948,644                                     | 39,883,358                                   | 43,900,155                                     | 37,536,523                                   |
| Commercial          | 390,552,701                                    | 330,805,546                                  | 342,529,575                                    | 292,204,168                                  |
| Services            | 456,071,152                                    | 447,548,085                                  | 412,606,211                                    | 402,427,735                                  |
| Contracting         | 9,306,959                                      | 5,706,167                                    | 12,344,713                                     | 9,659,928                                    |
| Real Estate         | 120,530,506                                    | 64,455,233                                   | 112,650,245                                    | 56,331,229                                   |
| Personal            | 86,544,156                                     | 70,393,215                                   | 82,686,525                                     | 63,017,825                                   |
| Others              | 350,148  | 325,636                                      | 4,179,406                                      | 3,924,830                                    |
| <b>Total</b>        | <b>1,546,994,254</b>                           | <b>1,179,913,211</b>                         | <b>1,441,788,788</b>                           | <b>1,084,011,189</b>                         |

**Credit Quality**

The credit quality of financial assets is managed by the Group using internal and external credit risk ratings. The Group follows an internal obligor risk rating (ORR) mechanism for grading relationships across its credit portfolio. The Group utilises a ten-scale credit rating system with positive and negative modifiers, giving a total scale range of 22, of which 19 (with positive and negative modifiers) relate to performing and three to non-performing. Within performing, ORR 1 to 4- represents investment grade, ORR 5+ to 7+ represents sub-investment grade and 7 and 7- represent watch list. ORR 8 to 10 represents sub-standard, doubtful and loss respectively. All credits are assigned a rating in accordance with the defined criteria. The Group endeavours continuously to improve upon the internal credit risk rating methodologies and credit risk management policies and practices to reflect the true underlying credit risk of the portfolio and the credit culture in the Group. All lending relationships are reviewed at least once in a year and more frequently in the case of non-performing assets.



**Qatar National Bank (Q.P.S.C.)**  
**Notes to the Consolidated Financial Statements**  
**As at and For the Year Ended 31 December 2024**

(All amounts are shown in thousands of Qatari Riyals)

**4. FINANCIAL RISK MANAGEMENT (Continued)**

**II. Risk Management**

**b) Credit Risk (continued)**

The following table sets out information about the credit quality of financial assets, commitments and financial guarantees.

**Cash and Balances with Central Banks (Excluding Cash on Hand) and Due from Banks**

|                                   | <b>2024</b>        |                  |                |                    |
|-----------------------------------|--------------------|------------------|----------------|--------------------|
|                                   | <b>Stage 1</b>     | <b>Stage 2</b>   | <b>Stage 3</b> | <b>Total</b>       |
| Investment Grade - ORR 1 to 4     | 147,360,260        | 315,048          | -              | 147,675,308        |
| Sub-investment Grade - ORR 5 to 7 | 20,043,270         | 3,231,476        | -              | 23,274,746         |
| Substandard - ORR 8               | -                  | -                | -              | -                  |
| Doubtful - ORR 9                  | -                  | -                | -              | -                  |
| Loss - ORR 10                     | -                  | -                | 721,512        | 721,512            |
|                                   | <b>167,403,530</b> | <b>3,546,524</b> | <b>721,512</b> | <b>171,671,566</b> |
| Loss Allowance                    |                    |                  |                | (971,036)          |
| <b>Carrying Amount</b>            |                    |                  |                | <b>170,700,530</b> |

|                                   | <b>2023</b>        |                  |                |                    |
|-----------------------------------|--------------------|------------------|----------------|--------------------|
|                                   | <b>Stage 1</b>     | <b>Stage 2</b>   | <b>Stage 3</b> | <b>Total</b>       |
| Investment Grade - ORR 1 to 4     | 141,800,094        | -                | -              | 141,800,094        |
| Sub-investment Grade - ORR 5 to 7 | 17,799,415         | 2,845,994        | -              | 20,645,409         |
| Substandard - ORR 8               | -                  | -                | -              | -                  |
| Doubtful - ORR 9                  | -                  | -                | 583,622        | 583,622            |
| Loss - ORR 10                     | -                  | -                | -              | -                  |
|                                   | <b>159,599,509</b> | <b>2,845,994</b> | <b>583,622</b> | <b>163,029,125</b> |
| Loss Allowance                    |                    |                  |                | (659,087)          |
| <b>Carrying Amount</b>            |                    |                  |                | <b>162,370,038</b> |

**Loans and Advances to Customers**

|                                   | <b>2024</b>        |                   |                   |                    |
|-----------------------------------|--------------------|-------------------|-------------------|--------------------|
|                                   | <b>Stage 1</b>     | <b>Stage 2</b>    | <b>Stage 3</b>    | <b>Total</b>       |
| Investment Grade - ORR 1 to 4     | 721,055,845        | 1,551,708         | -                 | 722,607,553        |
| Sub-investment Grade - ORR 5 to 7 | 152,522,854        | 43,113,220        | -                 | 195,636,074        |
| Substandard - ORR 8               | -                  | -                 | 3,820,929         | 3,820,929          |
| Doubtful - ORR 9                  | -                  | -                 | 7,254,110         | 7,254,110          |
| Loss - ORR 10                     | -                  | -                 | 15,103,343        | 15,103,343         |
|                                   | <b>873,578,699</b> | <b>44,664,928</b> | <b>26,178,382</b> | <b>944,422,009</b> |
| Loss Allowance                    |                    |                   |                   | (33,664,258)       |
| <b>Carrying Amount</b>            |                    |                   |                   | <b>910,757,751</b> |

|                                   | <b>2023</b>        |                   |                   |                    |
|-----------------------------------|--------------------|-------------------|-------------------|--------------------|
|                                   | <b>Stage 1</b>     | <b>Stage 2</b>    | <b>Stage 3</b>    | <b>Total</b>       |
| Investment Grade - ORR 1 to 4     | 661,798,437        | 4,681,513         | -                 | 666,479,950        |
| Sub-investment Grade - ORR 5 to 7 | 150,077,446        | 44,296,365        | -                 | 194,373,811        |
| Substandard - ORR 8               | -                  | -                 | 1,259,464         | 1,259,464          |
| Doubtful - ORR 9                  | -                  | -                 | 10,355,110        | 10,355,110         |
| Loss - ORR 10                     | -                  | -                 | 14,739,930        | 14,739,930         |
|                                   | <b>811,875,883</b> | <b>48,977,878</b> | <b>26,354,504</b> | <b>887,208,265</b> |
| Loss Allowance                    |                    |                   |                   | (34,221,015)       |
| <b>Carrying Amount</b>            |                    |                   |                   | <b>852,987,250</b> |

**Qatar National Bank (Q.P.S.C.)**  
**Notes to the Consolidated Financial Statements**  
**As at and For the Year Ended 31 December 2024**

(All amounts are shown in thousands of Qatari Riyals)

**4. FINANCIAL RISK MANAGEMENT (Continued)**

**II. Risk Management**

**b) Credit Risk (continued)**

**Investment Securities (Debt)**

|                                   | <b>2024</b>        |                |                |                    |
|-----------------------------------|--------------------|----------------|----------------|--------------------|
|                                   | <b>Stage 1</b>     | <b>Stage 2</b> | <b>Stage 3</b> | <b>Total</b>       |
| Investment Grade - ORR 1 to 4     | 117,401,395        | -              | -              | 117,401,395        |
| Sub-investment Grade - ORR 5 to 7 | 54,612,384         | 7,216          | -              | 54,619,600         |
| Substandard - ORR 8               | -                  | -              | -              | -                  |
| Doubtful - ORR 9                  | -                  | -              | -              | -                  |
| Loss - ORR 10                     | -                  | -              | 121,519        | 121,519            |
|                                   | <b>172,013,779</b> | <b>7,216</b>   | <b>121,519</b> | <b>172,142,514</b> |
| Loss Allowance                    |                    |                |                | (316,399)          |
| <b>Carrying Amount</b>            |                    |                |                | <b>171,826,115</b> |

  

|                                   | <b>2023</b>        |                |                |                    |
|-----------------------------------|--------------------|----------------|----------------|--------------------|
|                                   | <b>Stage 1</b>     | <b>Stage 2</b> | <b>Stage 3</b> | <b>Total</b>       |
| Investment Grade - ORR 1 to 4     | 110,136,090        | -              | -              | 110,136,090        |
| Sub-investment Grade - ORR 5 to 7 | 59,688,826         | 315,872        | -              | 60,004,698         |
| Substandard - ORR 8               | -                  | -              | 82,257         | 82,257             |
| Doubtful - ORR 9                  | -                  | -              | 11,109         | 11,109             |
| Loss - ORR 10                     | -                  | -              | 60,702         | 60,702             |
|                                   | <b>169,824,916</b> | <b>315,872</b> | <b>154,068</b> | <b>170,294,856</b> |
| Loss Allowance                    |                    |                |                | (315,100)          |
| <b>Carrying Amount</b>            |                    |                |                | <b>169,979,756</b> |

**Loan commitments and Financial Guarantees**

|                                   | <b>2024</b>        |                  |                |                    |
|-----------------------------------|--------------------|------------------|----------------|--------------------|
|                                   | <b>Stage 1</b>     | <b>Stage 2</b>   | <b>Stage 3</b> | <b>Total</b>       |
| Investment Grade - ORR 1 to 4     | 152,250,631        | 551,136          | -              | 152,801,767        |
| Sub-investment Grade - ORR 5 to 7 | 125,448,597        | 5,467,778        | -              | 130,916,375        |
| Substandard - ORR 8               | -                  | -                | 65,012         | 65,012             |
| Doubtful - ORR 9                  | -                  | -                | 25,306         | 25,306             |
| Loss - ORR 10                     | -                  | -                | 452,756        | 452,756            |
|                                   | <b>277,699,228</b> | <b>6,018,914</b> | <b>543,074</b> | <b>284,261,216</b> |
| Loss Allowance                    |                    |                  |                | (1,109,119)        |
| <b>Carrying Amount</b>            |                    |                  |                | <b>283,152,097</b> |

  

|                                   | <b>2023</b>        |                  |                |                    |
|-----------------------------------|--------------------|------------------|----------------|--------------------|
|                                   | <b>Stage 1</b>     | <b>Stage 2</b>   | <b>Stage 3</b> | <b>Total</b>       |
| Investment Grade - ORR 1 to 4     | 140,655,132        | 608,088          | -              | 141,263,220        |
| Sub-investment Grade - ORR 5 to 7 | 101,849,768        | 4,548,862        | -              | 106,398,630        |
| Substandard - ORR 8               | -                  | -                | 47,748         | 47,748             |
| Doubtful - ORR 9                  | -                  | -                | 437,443        | 437,443            |
| Loss - ORR 10                     | -                  | -                | 166,922        | 166,922            |
|                                   | <b>242,504,900</b> | <b>5,156,950</b> | <b>652,113</b> | <b>248,313,963</b> |
| Loss Allowance                    |                    |                  |                | (1,146,554)        |
| <b>Carrying Amount</b>            |                    |                  |                | <b>247,167,409</b> |

**Qatar National Bank (Q.P.S.C.)**  
**Notes to the Consolidated Financial Statements**  
**As at and For the Year Ended 31 December 2024**

(All amounts are shown in thousands of Qatari Riyals)

**4. FINANCIAL RISK MANAGEMENT (Continued)**

**II. Risk Management**

**b) Credit Risk (continued)**

**Write off**

Financial assets are written off (either partially or in full) when there is no reasonable expectation of recovering a financial asset in its entirety or a portion thereof. This is generally the case when the Group determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. This assessment is carried out at the individual asset level. Recoveries of amounts previously written off are recognised when cash is received. Financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due. Write-offs are subject to regulatory approvals, if any.

**Collateral**

The Group obtains collateral and other credit enhancements in ordinary course of business from counterparties. On an overall basis, during the year there was no material deterioration in the quality of collateral held by the Group, beyond what was observed in markets, where QNB Group is present. In addition, there were no changes in collateral policies of the Group.

|   | <b>2024</b>       | <b>2023</b>       |
|---|-------------------|-------------------|
| Collateral held against credit-impaired loans and advances  | <b>11,937,889</b> | <b>11,725,000</b> |
| Contractual amount of financial assets written off during the year, subject to enforcement activity | <b>8,584,482</b>  | <b>3,155,100</b>  |

**Inputs, assumptions and techniques used for estimating impairment**

**Significant increase in credit risk**

When determining whether the risk of default on a financial instrument has increased significantly since initial recognition, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis including internal credit risk grading system, external risk ratings, where available, delinquency status of accounts, credit judgement and, where possible, relevant historical experience. The Group may also determine that an exposure has undergone a significant increase in credit risk based on particular qualitative indicators that it considers are indicative of such and whose effect may not otherwise be fully reflected in its quantitative analysis on a timely basis.

**Credit risk grades**

Credit risk grades are defined using qualitative and quantitative factors that are indicative of risk of default. These factors vary depending on the nature of the exposure and the type of borrower. Exposures are subject to on-going monitoring, which may result in an exposure being moved to a different credit risk grade.

**Generating the term structure of Probability of Default (PD)**

The Group employs statistical models to analyse the data collected and generate estimates of PD of exposures and how these are expected to change as a result of the passage of time. This analysis includes the identification and calibration of relationships between changes in default rates and changes in key macro-economic factors, across various geographies in which the Group has exposures.

**Renegotiated financial assets**

The contractual terms of a loan may be modified for a number of reasons, including changing market conditions, customer retention and other factors not related to a current or potential credit deterioration of the customer. An existing loan whose terms have been modified may be derecognised and the renegotiated loan recognised as a new loan at fair value. Where possible, the Group seeks to restructure loans rather than to take possession of collateral, if available. This may involve extending the payment arrangements and documenting the agreement of new loan conditions. Management continuously reviews renegotiated loans to ensure that all criteria are met and that future payments are likely to occur.

**Qatar National Bank (Q.P.S.C.)**  
**Notes to the Consolidated Financial Statements**  
**As at and For the Year Ended 31 December 2024**

(All amounts are shown in thousands of Qatari Riyals)

**4. FINANCIAL RISK MANAGEMENT (Continued)**

**II. Risk Management**

**b) Credit Risk (continued)**

The accounts which are restructured due to credit reasons in past 12 months are classified under Stage 2.

**Definition of default**

The Group considers a financial asset to be in default when:

- the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or
- the borrower is past due more than 90 days on any material credit obligation to the Group; or
- the borrower is rated 9 or 10.

In assessing whether a borrower is in default, the Group also considers indicators that are:

- quantitative – e.g. overdue status and non-payment on another obligation of the same issuer to the Group; and
- based on data developed internally and obtained from external sources.

Inputs into the assessment of whether a financial instrument is in default and their significance may vary over time to reflect changes in circumstances. The definition of default largely aligns with that applied by the Group for regulatory capital purposes.

**Incorporation of forward-looking information**

The Group employs statistical models to incorporate macro-economic factors on historical default rates. In case none of the above macro - economic parameters are statistically significant or the results of forecasted PDs are deviated significantly from the present forecast of the economic conditions, qualitative PD overlay shall be used by management after analysing the portfolio as per the diagnostic tool.

Incorporating forward looking information increases the level of judgement as to how changes in these macroeconomic factors will affect the Expected Credit Loss (ECL) applicable to the stage 1 and stage 2 exposures which are considered as performing. The methodologies and assumptions involved, including any forecasts of future economic conditions, are reviewed periodically.

The assessment of SICR and the calculation of ECL both incorporate forward-looking information. The Group uses mathematical function which links the credit cycle index (CCI ) with PD as a key input to ECL. These economic variables and their associated impact on the PD, EAD and LGD vary by financial instrument. Forecasts of these economic variables (the “base economic scenario”) are provided by the Group’s Economics team on a quarterly basis and provide the best estimate view of the economy over the next five years. After five years, to project the economic variables out for the full remaining lifetime of instrument, a mean reversion approach has been used.

Scenarios are incorporated through the forward looking factors selected which are essentially credit cycle index factors (CCI) that are conditioned and then used as an input to the various ECL components. The CCI calculation is derived through the construction of suitable credit cycles based on economic variables that can be used as proxy to describe credit activities within each country of operation. CCI can be derived from a number of historical factors, such as risky yields, credit growth, credit spreads, default or NPL rates data. Interdependency exists between macro-economic factors as well as risk drivers for a range of scenarios and the CCI, given its integral part in driving the economic or business cycles. Qatar scenarios included the following assumptions:

|  | 2024         | 2023         |
|--|--------------|--------------|
| Average oil price range (USD / Barrel) | 60 – 87      | 46 - 82      |
| GDP Growth Rate                        | 1.2% to 2.4% | 1.6% to 2.4% |
| Inflation                              | 0.7% to 1.8% | 0.8% to 3.2% |

**Qatar National Bank (Q.P.S.C.)**  
**Notes to the Consolidated Financial Statements**  
**As at and For the Year Ended 31 December 2024**

(All amounts are shown in thousands of Qatari Riyals)

**4. FINANCIAL RISK MANAGEMENT (Continued)**

**II. Risk Management**

**b) Credit Risk (continued)**

The following weightings were assigned to each macro-economic scenario at QNB parent company level which are based on the CCI:

|               | 2024 | 2023 |
|---------------|------|------|
| Upside Case   | 5%   | 5%   |
| Base Case     | 80%  | 80%  |
| Downside Case | 15%  | 15%  |

The following table shows the loss allowance on loans and advances to customers assuming each forward-looking scenario (e.g. base, upside and downside) were weighted 100% instead of applying scenario probability weights across the three scenarios.

|   | 2024        | 2023        |
|---|-------------|-------------|
| 100% Upside case, loss allowance would be higher / (lower) by   | (1,096,313) | (1,026,368) |
| 100% Base case, loss allowance would be higher / (lower) by     | (322,836)   | (189,068)   |
| 100% Downside case, loss allowance would be higher / (lower) by | 832,574     | 1,039,873   |

These estimates are based on comparisons performed during the year.

**Measurement of ECL**

The key inputs into the measurement of ECL are the term structure of the following variables:

- probability of default (PD);
- loss given default (LGD);
- exposure at default (EAD).

These parameters are generally derived from internally developed statistical models and other historical data. They are adjusted to reflect forward-looking information as described above.

PD estimates are estimates at a certain date, which are calculated based on statistical rating models. These statistical models are primarily based on internally compiled data comprising both quantitative and qualitative factors and are supplemented by external credit assessment data where available.

LGD is the magnitude of the likely loss if there is a default. The Group estimates LGD parameters based on the history of recovery rates of claims against defaulted counterparties. The LGD models consider the forecasted collateral value and recovery costs of any collateral that is integral to the financial asset.

LGD estimation includes:

- 1) Cure Rate: Defined as the ratio of accounts which have fallen to default and have managed to move backward to the performing accounts.
- 2) Recovery Rate: Defined as the ratio of liquidation value to market value of the underlying collateral at the time of default would also account for expected recovery rate from a general claim on the individual's assets for the unsecured portion of the exposure.
- 3) Discounting Rate: Defined as the opportunity cost of the recovery value not being realized on the day of default adjusted for time value.

EAD represents the expected exposure in the event of a default. The Group derives the EAD from the current exposure to the counterparty and potential changes to the current amount allowed under the contract including amortisation. The EAD of a financial asset is its gross carrying amount. For lending commitments and financial guarantees, the EAD includes the amount drawn, as well as potential future amounts that may be drawn under the contract, which are estimated based on historical observations and forward-looking forecasts.

Where modelling of a parameter is carried out on a collective basis, the financial instruments are grouped on the basis of shared risk characteristics that include credit risk grading, product type and geographic location of the borrower. The groupings are subject to regular review to ensure that exposures within a particular group remain appropriately homogeneous.

**Qatar National Bank (Q.P.S.C.)**  
**Notes to the Consolidated Financial Statements**  
**As at and For the Year Ended 31 December 2024**

(All amounts are shown in thousands of Qatari Riyals)

**4. FINANCIAL RISK MANAGEMENT (Continued)**

**II. Risk Management**

**b) Credit Risk (continued)**

**Loss allowance**

The following tables show reconciliations from the opening to the closing balance of the loss allowance by class of financial instruments.

**Cash and Balances with Central Banks (Excluding Cash on Hand) and Due from Banks**

|  | <b>2024</b>    |                |                |                               |
|--|----------------|----------------|----------------|-------------------------------|
|  | <b>Stage 1</b> | <b>Stage 2</b> | <b>Stage 3</b> | <b>Total ECL / Impairment</b> |
| Balance at 1 January                         | 287,333        | 19,694         | 352,060        | 659,087                       |
| Transfers to Stage 1                         | -              | -              | -              | -                             |
| Transfers to Stage 2                         | (95)           | 95             | -              | -                             |
| Transfers to Stage 3                         | -              | -              | -              | -                             |
| ECL / Impairment Allowance for the Year, net | 18,107         | 10,398         | 293,744        | 322,249                       |
| Amounts Written Off                          | -              | -              | -              | -                             |
| Foreign Currency Translation                 | (1,124)        | (9,172)        | (4)            | (10,300)                      |
| <b>Balance at 31 December</b>                | <b>304,221</b> | <b>21,015</b>  | <b>645,800</b> | <b>971,036</b>                |

|  | <b>2023</b>    |                |                |                               |
|--|----------------|----------------|----------------|-------------------------------|
|  | <b>Stage 1</b> | <b>Stage 2</b> | <b>Stage 3</b> | <b>Total ECL / Impairment</b> |
| Balance at 1 January                         | 135,609        | 12,470         | -              | 148,079                       |
| Transfers to Stage 1                         | -              | -              | -              | -                             |
| Transfers to Stage 2                         | (15,999)       | 15,999         | -              | -                             |
| Transfers to Stage 3                         | -              | (115,782)      | 115,782        | -                             |
| ECL / Impairment Allowance for the Year, net | 170,860        | 108,309        | 236,268        | 515,437                       |
| Amounts Written Off                          | -              | -              | -              | -                             |
| Foreign Currency Translation                 | (3,137)        | (1,302)        | 10             | (4,429)                       |
| <b>Balance at 31 December</b>                | <b>287,333</b> | <b>19,694</b>  | <b>352,060</b> | <b>659,087</b>                |

**Loans and Advances to Customers**

|  | <b>2024</b>      |                  |                   |                               |
|--|------------------|------------------|-------------------|-------------------------------|
|  | <b>Stage 1</b>   | <b>Stage 2</b>   | <b>Stage 3</b>    | <b>Total ECL / Impairment</b> |
| Balance at 1 January                         | 2,851,725        | 4,988,431        | 26,380,859        | 34,221,015                    |
| Transfers to Stage 1                         | 38,179           | (38,179)         | -                 | -                             |
| Transfers to Stage 2                         | (59,760)         | 59,760           | -                 | -                             |
| Transfers to Stage 3                         | (119,825)        | (932,734)        | 1,052,559         | -                             |
| ECL / Impairment Allowance for the Year, net | 173,780          | 1,014,659        | 8,734,938         | 9,923,377                     |
| Amounts Written Off                          | -                | -                | (9,011,376)       | (9,011,376)                   |
| Foreign Currency Translation                 | (323,409)        | (248,600)        | (896,749)         | (1,468,758)                   |
| <b>Balance at 31 December</b>                | <b>2,560,690</b> | <b>4,843,337</b> | <b>26,260,231</b> | <b>33,664,258</b>             |

**Qatar National Bank (Q.P.S.C.)**  
**Notes to the Consolidated Financial Statements**  
**As at and For the Year Ended 31 December 2024**

(All amounts are shown in thousands of Qatari Riyals)

**4. FINANCIAL RISK MANAGEMENT (Continued)**

**II. Risk Management**

**b) Credit Risk (continued)**

**Loans and Advances to Customers**

|  | <b>2023</b>      |                  |                   |                               |
|--|------------------|------------------|-------------------|-------------------------------|
|  | <b>Stage 1</b>   | <b>Stage 2</b>   | <b>Stage 3</b>    | <b>Total ECL / Impairment</b> |
| Balance at 1 January                         | 2,511,635        | 4,030,285        | 23,327,375        | 29,869,295                    |
| Transfers to Stage 1                         | -                | -                | -                 | -                             |
| Transfers to Stage 2                         | (8,442)          | 8,442            | -                 | -                             |
| Transfers to Stage 3                         | -                | (586,610)        | 586,610           | -                             |
| ECL / Impairment Allowance for the Year, net | 1,196,439        | 2,132,152        | 7,054,587         | 10,383,178                    |
| Amounts Written Off                          | -                | -                | (3,891,415)       | (3,891,415)                   |
| Foreign Currency Translation                 | (847,907)        | (595,838)        | (696,298)         | (2,140,043)                   |
| <b>Balance at 31 December</b>                | <b>2,851,725</b> | <b>4,988,431</b> | <b>26,380,859</b> | <b>34,221,015</b>             |

**Investment Securities (Debt)**

|  | <b>2024</b>    |                |                |                               |
|--|----------------|----------------|----------------|-------------------------------|
|  | <b>Stage 1</b> | <b>Stage 2</b> | <b>Stage 3</b> | <b>Total ECL / Impairment</b> |
| Balance at 1 January                         | 151,750        | 18,729         | 144,621        | 315,100                       |
| Transfers to Stage 1                         | -              | -              | -              | -                             |
| Transfers to Stage 2                         | -              | -              | -              | -                             |
| Transfers to Stage 3                         | -              | (6)            | 6              | -                             |
| ECL / Impairment Allowance for the Year, net | 43,160         | (17,960)       | -              | 25,200                        |
| Amounts Written Off                          | -              | -              | (21,222)       | (21,222)                      |
| Foreign Currency Translation                 | (2,613)        | (2)            | (64)           | (2,679)                       |
| <b>Balance at 31 December</b>                | <b>192,297</b> | <b>761</b>     | <b>123,341</b> | <b>316,399</b>                |

|  | <b>2023</b>    |                |                |                               |
|--|----------------|----------------|----------------|-------------------------------|
|  | <b>Stage 1</b> | <b>Stage 2</b> | <b>Stage 3</b> | <b>Total ECL / Impairment</b> |
| Balance at 1 January                         | 129,198        | 17,959         | 144,733        | 291,890                       |
| Transfers to Stage 1                         | -              | -              | -              | -                             |
| Transfers to Stage 2                         | (113)          | 113            | -              | -                             |
| Transfers to Stage 3                         | -              | -              | -              | -                             |
| ECL / Impairment Allowance for the Year, net | 22,860         | 662            | (1)            | 23,521                        |
| Amounts Written Off                          | -              | -              | -              | -                             |
| Foreign Currency Translation                 | (195)          | (5)            | (111)          | (311)                         |
| <b>Balance at 31 December</b>                | <b>151,750</b> | <b>18,729</b>  | <b>144,621</b> | <b>315,100</b>                |

**Qatar National Bank (Q.P.S.C.)**  
**Notes to the Consolidated Financial Statements**  
**As at and For the Year Ended 31 December 2024**

(All amounts are shown in thousands of Qatari Riyals)

**4. FINANCIAL RISK MANAGEMENT (Continued)**

**II. Risk Management**

**b) Credit Risk (continued)**

**Loan Commitments and Financial Guarantees**

|  | 2024           |                |                |                        |
|--|----------------|----------------|----------------|------------------------|
|  | Stage 1        | Stage 2        | Stage 3        | Total ECL / Impairment |
| Balance at 1 January                         | 579,907        | 230,473        | 336,174        | 1,146,554              |
| Transfers to Stage 1                         | 58             | (58)           | -              | -                      |
| Transfers to Stage 2                         | (10,979)       | 10,979         | -              | -                      |
| Transfers to Stage 3                         | (1,854)        | (10,273)       | 12,127         | -                      |
| ECL / Impairment Allowance for the Year, net | (111,913)      | 25,133         | 102,875        | 16,095                 |
| Amounts Written Off                          | -              | -              | -              | -                      |
| Foreign Currency Translation                 | (32,978)       | (9,575)        | (10,977)       | (53,530)               |
| <b>Balance at 31 December</b>                | <b>422,241</b> | <b>246,679</b> | <b>440,199</b> | <b>1,109,119</b>       |

|  | 2023           |                |                |                        |
|--|----------------|----------------|----------------|------------------------|
|  | Stage 1        | Stage 2        | Stage 3        | Total ECL / Impairment |
| Balance at 1 January                         | 405,529        | 161,498        | 114,548        | 681,575                |
| Transfers to Stage 1                         | -              | -              | -              | -                      |
| Transfers to Stage 2                         | (3,112)        | 3,112          | -              | -                      |
| Transfers to Stage 3                         | -              | 14,616         | (14,616)       | -                      |
| ECL / Impairment Allowance for the Year, net | 265,082        | 56,090         | 221,488        | 542,660                |
| Amounts Written Off                          | -              | -              | -              | -                      |
| Foreign Currency Translation                 | (87,592)       | (4,843)        | 14,754         | (77,681)               |
| <b>Balance at 31 December</b>                | <b>579,907</b> | <b>230,473</b> | <b>336,174</b> | <b>1,146,554</b>       |

**Gross carrying value of financial instruments**

The following tables show reconciliations from the opening to the closing balance of the gross carrying value of financial instruments.

**Cash and Balances with Central Banks (Excluding Cash on Hand) and Due from Banks**

|   | 2024               |                  |                |                    |
|---|--------------------|------------------|----------------|--------------------|
|   | Stage 1            | Stage 2          | Stage 3        | Total              |
| Balance at 1 January                    | 159,599,509        | 2,845,994        | 583,622        | 163,029,125        |
| Transfers to Stage 1                    | -                  | -                | -              | -                  |
| Transfers to Stage 2                    | (30,130)           | 30,130           | -              | -                  |
| Transfers to Stage 3                    | -                  | -                | -              | -                  |
| New financial assets, net of repayments | 19,331,629         | 974,939          | 139,722        | 20,446,290         |
| Amounts Written Off                     | -                  | -                | -              | -                  |
| Foreign Currency Translation            | (11,497,478)       | (304,539)        | (1,832)        | (11,803,849)       |
| <b>Balance at 31 December</b>           | <b>167,403,530</b> | <b>3,546,524</b> | <b>721,512</b> | <b>171,671,566</b> |



**Qatar National Bank (Q.P.S.C.)**  
**Notes to the Consolidated Financial Statements**  
**As at and For the Year Ended 31 December 2024**

(All amounts are shown in thousands of Qatari Riyals)

**4. FINANCIAL RISK MANAGEMENT (Continued)**

**II. Risk Management**

**b) Credit Risk (continued)**

**Cash and Balances with Central Banks (Excluding Cash on Hand) and Due from Banks**

|   | 2023               |                  |                |                    |
|---|--------------------|------------------|----------------|--------------------|
|   | Stage 1            | Stage 2          | Stage 3        | Total              |
| Balance at 1 January                    | 167,631,809        | 2,828,172        | -              | 170,459,981        |
| Transfers to Stage 1                    | -                  | -                | -              | -                  |
| Transfers to Stage 2                    | -                  | 979              | (979)          | -                  |
| Transfers to Stage 3                    | (584,612)          | -                | 584,612        | -                  |
| New financial assets, net of repayments | (8,171,331)        | (352,837)        | -              | (8,524,168)        |
| Amounts Written Off                     | -                  | -                | -              | -                  |
| Foreign Currency Translation            | 723,643            | 369,680          | (11)           | 1,093,312          |
| <b>Balance at 31 December</b>           | <b>159,599,509</b> | <b>2,845,994</b> | <b>583,622</b> | <b>163,029,125</b> |

**Loans and Advances to Customers**

|   | 2024               |                   |                   |                    |
|---|--------------------|-------------------|-------------------|--------------------|
|   | Stage 1            | Stage 2           | Stage 3           | Total              |
| Balance at 1 January                    | 811,875,883        | 48,977,878        | 26,354,504        | 887,208,265        |
| Transfers to Stage 1                    | 1,546,711          | (1,546,711)       | -                 | -                  |
| Transfers to Stage 2                    | (4,089,845)        | 4,089,845         | -                 | -                  |
| Transfers to Stage 3                    | (720,573)          | (7,842,528)       | 8,563,101         | -                  |
| New financial assets, net of repayments | 86,444,679         | 2,748,956         | 1,026,630         | 90,220,265         |
| Amounts Written Off                     | -                  | -                 | (9,011,376)       | (9,011,376)        |
| Foreign Currency Translation            | (21,478,156)       | (1,762,512)       | (754,477)         | (23,995,145)       |
| <b>Balance at 31 December</b>           | <b>873,578,699</b> | <b>44,664,928</b> | <b>26,178,382</b> | <b>944,422,009</b> |

|   | 2023               |                   |                   |                    |
|---|--------------------|-------------------|-------------------|--------------------|
|   | Stage 1            | Stage 2           | Stage 3           | Total              |
| Balance at 1 January                    | 764,068,720        | 49,721,798        | 23,680,113        | 837,470,631        |
| Transfers to Stage 1                    | -                  | -                 | -                 | -                  |
| Transfers to Stage 2                    | (1,978,755)        | 1,978,755         | -                 | -                  |
| Transfers to Stage 3                    | -                  | (4,583,194)       | 4,583,194         | -                  |
| New financial assets, net of repayments | 47,805,409         | 1,556,621         | 1,918,517         | 51,280,547         |
| Amounts Written Off                     | -                  | -                 | (3,891,415)       | (3,891,415)        |
| Foreign Currency Translation            | 1,980,509          | 303,898           | 64,095            | 2,348,502          |
| <b>Balance at 31 December</b>           | <b>811,875,883</b> | <b>48,977,878</b> | <b>26,354,504</b> | <b>887,208,265</b> |

**Qatar National Bank (Q.P.S.C.)**  
**Notes to the Consolidated Financial Statements**  
**As at and For the Year Ended 31 December 2024**

(All amounts are shown in thousands of Qatari Riyals)

**4. FINANCIAL RISK MANAGEMENT (Continued)**

**II. Risk Management**

**b) Credit Risk (continued)**

**Investment Securities (Debt)**

|   | 2024               |              |                |                    |
|---|--------------------|--------------|----------------|--------------------|
|   | Stage 1            | Stage 2      | Stage 3        | Total              |
| Balance at 1 January                    | 169,824,916        | 315,872      | 154,068        | 170,294,856        |
| Transfers to Stage 1                    | -                  | -            | -              | -                  |
| Transfers to Stage 2                    | -                  | -            | -              | -                  |
| Transfers to Stage 3                    | -                  | (591)        | 591            | -                  |
| New financial assets, net of repayments | 9,176,897          | (307,230)    | (11,754)       | 8,857,913          |
| Amounts Written Off                     | -                  | -            | (21,222)       | (21,222)           |
| Foreign Currency Translation            | (6,988,034)        | (835)        | (164)          | (6,989,033)        |
| <b>Balance at 31 December</b>           | <b>172,013,779</b> | <b>7,216</b> | <b>121,519</b> | <b>172,142,514</b> |

|   | 2023               |                |                |                    |
|---|--------------------|----------------|----------------|--------------------|
|   | Stage 1            | Stage 2        | Stage 3        | Total              |
| Balance at 1 January                    | 157,960,615        | 254,554        | 149,457        | 158,364,626        |
| Transfers to Stage 1                    | -                  | -              | -              | -                  |
| Transfers to Stage 2                    | (7,281)            | 7,281          | -              | -                  |
| Transfers to Stage 3                    | -                  | -              | -              | -                  |
| New financial assets, net of repayments | 11,463,435         | 54,037         | 4,611          | 11,522,083         |
| Amounts Written Off                     | -                  | -              | -              | -                  |
| Foreign Currency Translation            | 408,147            | -              | -              | 408,147            |
| <b>Balance at 31 December</b>           | <b>169,824,916</b> | <b>315,872</b> | <b>154,068</b> | <b>170,294,856</b> |

**Loan Commitments and Financial Guarantees**

|                               | 2024               |                  |                |                    |
|-------------------------------|--------------------|------------------|----------------|--------------------|
|                               | Stage 1            | Stage 2          | Stage 3        | Total              |
| Balance at 1 January          | 242,504,900        | 5,156,950        | 652,113        | 248,313,963        |
| Transfers to Stage 1          | 43,242             | (43,242)         | -              | -                  |
| Transfers to Stage 2          | (1,176,634)        | 1,176,634        | -              | -                  |
| Transfers to Stage 3          | (16,405)           | (63,376)         | 79,781         | -                  |
| New contracts originated, net | 54,639,975         | (35,023)         | (147,180)      | 54,457,772         |
| Amounts Written Off           | -                  | -                | -              | -                  |
| Foreign Currency Translation  | (18,295,850)       | (173,029)        | (41,640)       | (18,510,519)       |
| <b>Balance at 31 December</b> | <b>277,699,228</b> | <b>6,018,914</b> | <b>543,074</b> | <b>284,261,216</b> |

**Qatar National Bank (Q.P.S.C.)**  
**Notes to the Consolidated Financial Statements**  
**As at and For the Year Ended 31 December 2024**

(All amounts are shown in thousands of Qatari Riyals)

**4. FINANCIAL RISK MANAGEMENT (Continued)**

**II. Risk Management**

**b) Credit Risk (continued)**

**Loan Commitments and Financial Guarantees**

|                               | 2023               |                  |                |                    |
|-------------------------------|--------------------|------------------|----------------|--------------------|
|                               | Stage 1            | Stage 2          | Stage 3        | Total              |
| Balance at 1 January          | 193,152,541        | 5,653,322        | 720,353        | 199,526,216        |
| Transfers to Stage 1          | -                  | -                | -              | -                  |
| Transfers to Stage 2          | (705,249)          | 705,249          | -              | -                  |
| Transfers to Stage 3          | -                  | (55,448)         | 55,448         | -                  |
| New contracts originated, net | 48,894,205         | (1,268,917)      | (124,109)      | 47,501,179         |
| Amounts Written Off           | -                  | -                | -              | -                  |
| Foreign Currency Translation  | 1,163,403          | 122,744          | 421            | 1,286,568          |
| <b>Balance at 31 December</b> | <b>242,504,900</b> | <b>5,156,950</b> | <b>652,113</b> | <b>248,313,963</b> |

**c) Market Risk**

The Group takes on exposure to market risks from interest rates, foreign exchange rates and equity prices due to general and specific market movements. The Group applies an internal methodology to estimate the market risk of positions held and the maximum losses expected, based upon a number of assumptions for various changes in market conditions. The Group has a set of limits on the value of risk that may be accepted, which is monitored on a daily basis.

**Equity Price Risk**

Equity price risk, is the risk that the fair values of equities decrease as a result of changes in the levels of equity indices and the value of individual stocks. The effect on equity due to a reasonably possible change in equity indices, with all other variables held constant, is as follows:

|                           | Change in<br>Equity Price | Effect on Carrying<br>Value of Investments |        |
|---------------------------|---------------------------|--|--------|
|                           | %                         | 2024                                       | 2023   |
| <b>Indices on Markets</b> |                           |  |        |
| Qatar Stock Exchange      | ±5                        | 5,912                                      | 12,749 |
| Bourse De Tunis           | ±5                        | 88   | 216    |
| Borsa Istanbul            | ±5                        | 2,737                                      | 18,883 |
| New York Stock Exchange   | ±5                        | 2,083                                      | -      |

**Qatar National Bank (Q.P.S.C.)**  
**Notes to the Consolidated Financial Statements**  
**As at and For the Year Ended 31 December 2024**

(All amounts are shown in thousands of Qatari Riyals)

**4. FINANCIAL RISK MANAGEMENT (Continued)**

**II. Risk Management**

**c) Market Risk (continued)**

**Foreign Exchange Risk**

The Group takes on exposure to the effect of fluctuations in prevailing foreign currency exchange rates on its financial position. The Group has a set of limits on the level of currency exposure, which are monitored daily. The Group has the following significant net exposures denominated in foreign currencies which are subject to market risk:

|                             | QR               | US\$               | Euro            | Pound Sterling   | Other Currencies | Total                |
|-----------------------------|------------------|--------------------|-----------------|------------------|------------------|----------------------|
| <b>At 31 December 2024:</b> |                  |                    |                 |                  |                  |                      |
| Assets                      | 313,717,752      | 597,027,521        | 90,886,984      | 51,400,063       | 244,884,310      | <b>1,297,916,630</b> |
| Liabilities and Equity      | 309,399,151      | 602,217,181        | 90,815,010      | 51,537,666       | 243,947,622      | <b>1,297,916,630</b> |
| <b>Net Exposure</b>         | <b>4,318,601</b> | <b>(5,189,660)</b> | <b>71,974</b>   | <b>(137,603)</b> | <b>936,688</b>   | <b>-</b>             |
| <b>At 31 December 2023:</b> |                  |                    |                 |                  |                  |                      |
| Assets                      | 301,316,366      | 566,116,751        | 93,980,216      | 47,707,740       | 221,863,940      | <b>1,230,985,013</b> |
| Liabilities and Equity      | 300,146,089      | 567,137,237        | 94,035,781      | 48,184,234       | 221,481,672      | <b>1,230,985,013</b> |
| <b>Net Exposure</b>         | <b>1,170,277</b> | <b>(1,020,486)</b> | <b>(55,565)</b> | <b>(476,494)</b> | <b>382,268</b>   | <b>-</b>             |

The following table indicates the effect of a reasonably possible movement of the currency rate against the Qatari Riyal on the income statement, with all other variables held constant:

|                  | Change in Currency Rate | Effect on Consolidated Income Statement |           |
|------------------|-------------------------|---|-----------|
| Currency         | %                       | 2024                                    | 2023      |
| US\$             | +3                      | (155,690)                               | (30,615)  |
| Euro             | +3                      | 2,159                                   | (1,667)   |
| Pound Sterling   | +3                      | (4,128)                                 | (14,295)  |
| Egyptian Pound   | +3                      | 203,885                                 | 208,445   |
| Turkish Lira     | +3                      | 21,534                                  | (34,357)  |
| Other Currencies | +3                      | (197,318)                               | (162,620) |
| US\$             | -3                      | 155,690                                 | 30,615    |
| Euro             | -3                      | (2,159)                                 | 1,667     |
| Pound Sterling   | -3                      | 4,128                                   | 14,295    |
| Egyptian Pound   | -3                      | (203,885)                               | (208,445) |
| Turkish Lira     | -3                      | (21,534)                                | 34,357    |
| Other Currencies | -3                      | 197,318                                 | 162,620   |

**Qatar National Bank (Q.P.S.C.)**  
**Notes to the Consolidated Financial Statements**  
**As at and For the Year Ended 31 December 2024**

(All amounts are shown in thousands of Qatari Riyals)

**4. FINANCIAL RISK MANAGEMENT (Continued)**

**II. Risk Management**

**c) Market Risk (continued)**

**Interest rate risk**

Interest rate risk reflects the risk of a change in interest rates, which might affect future earnings or the fair value of financial instruments. Exposure to interest rate risk is managed by the Group using, asset and liability management and, where appropriate, various derivatives. Maturities of assets and liabilities have been determined on the basis of contractual pricing. The following table summarises the repricing profile of the Group's assets, liabilities and off-balance sheet exposures:

|   | <b>Within<br/>3 Months</b> | <b>3 - 12<br/>Months</b> | <b>1 - 5<br/>Years</b> | <b>More than<br/>5 Years</b> | <b>Non-Interest<br/>Sensitive</b> | <b>Total</b>         | <b>Effective<br/>Interest<br/>Rate</b> |
|---|----------------------------|--------------------------|------------------------|------------------------------|-----------------------------------|----------------------|--|
| <b>At 31 December 2024:</b>                         |                            |                          |                        |                              |                                   |                      |  |
| Cash and Balances with                              |                            |                          |                        |                              |                                   |                      |  |
| Central Banks                                       | 22,119,843                 | -                        | -                      | -                            | 62,415,587                        | 84,535,430           |  |
| Due from Banks                                      | 74,310,172                 | 4,070,033                | 1,100,162              | 1,971,907                    | 14,521,421                        | 95,973,695           | 5.11%                                  |
| Loans and Advances                                  | 608,044,268                | 243,202,297              | 27,022,276             | 14,112,289                   | 18,376,621                        | 910,757,751          | 9.16%                                  |
| Investments   | 84,605,659                 | 22,287,684               | 50,009,657             | 12,046,163                   | 14,234,888                        | 183,184,051          | 13.46%                                 |
| Other Assets  | -                          | -                        | -                      | -                            | 23,465,703                        | 23,465,703           |  |
| <b>Total Assets</b>                                 | <b>789,079,942</b>         | <b>269,560,014</b>       | <b>78,132,095</b>      | <b>28,130,359</b>            | <b>133,014,220</b>                | <b>1,297,916,630</b> |  |
| Due to Banks  | 136,048,223                | 32,214,061               | 275,154                | -                            | 2,665,600                         | 171,203,038          | 5.28%                                  |
| Customer Deposits                                   | 501,530,363                | 218,158,861              | 59,433,392             | 7,228,859                    | 100,658,137                       | 887,009,612          | 7.86%                                  |
| Debt Securities                                     | 6,469,945                  | 8,077,627                | 14,680,352             | 9,885,752                    | 534,541                           | 39,648,217           | 6.64%                                  |
| Other Borrowings                                    | 32,135,094                 | 10,257                   | 1,496,546              | -                            | 225,639                           | 33,867,536           | 5.01%                                  |
| Other Liabilities                                   | -                          | -                        | -                      | -                            | 52,403,181                        | 52,403,181           |  |
| Total Equity  | -                          | -                        | -                      | -                            | 113,785,046                       | 113,785,046          |  |
| <b>Total Liabilities and Equity</b>                 | <b>676,183,625</b>         | <b>258,460,806</b>       | <b>75,885,444</b>      | <b>17,114,611</b>            | <b>270,272,144</b>                | <b>1,297,916,630</b> |  |
| Balance Sheet Items                                 | 112,896,317                | 11,099,208               | 2,246,651              | 11,015,748                   | (137,257,924)                     | -                    |  |
| Off-Balance Sheet Items                             | (8,574,303)                | (916,338)                | 921,376                | 8,444,532                    | 124,733                           | -                    |  |
| <b>Interest Rate Sensitivity<br/>Gap</b>            | <b>104,322,014</b>         | <b>10,182,870</b>        | <b>3,168,027</b>       | <b>19,460,280</b>            | <b>(137,133,191)</b>              | <b>-</b>             |  |
| <b>Cumulative Interest Rate<br/>Sensitivity Gap</b> | <b>104,322,014</b>         | <b>114,504,884</b>       | <b>117,672,911</b>     | <b>137,133,191</b>           | <b>-</b>                          | <b>-</b>             |  |
| <b>At 31 December 2023:</b>                         |                            |                          |                        |                              |                                   |                      |  |
| Cash and Balances with                              |                            |                          |                        |                              |                                   |                      |  |
| Central Banks                                       | 23,790,082                 | -                        | -                      | -                            | 64,030,283                        | 87,820,365           |  |
| Due from Banks                                      | 66,183,374                 | 1,872,892                | 1,180,170              | 2,160,038                    | 15,080,446                        | 86,476,920           | 3.66%                                  |
| Loans and Advances                                  | 514,688,281                | 253,625,877              | 22,028,943             | 18,777,655                   | 43,866,494                        | 852,987,250          | 7.82%                                  |
| Investments   | 82,679,045                 | 31,054,603               | 39,072,001             | 13,358,976                   | 14,417,060                        | 180,581,685          | 11.97%                                 |
| Other Assets  | -                          | -                        | -                      | -                            | 23,118,793                        | 23,118,793           |  |
| <b>Total Assets</b>                                 | <b>687,340,782</b>         | <b>286,553,372</b>       | <b>62,281,114</b>      | <b>34,296,669</b>            | <b>160,513,076</b>                | <b>1,230,985,013</b> |  |
| Due to Banks  | 112,542,491                | 41,676,895               | 584,879                | -                            | 2,187,136                         | 156,991,401          | 3.07%                                  |
| Customer Deposits                                   | 511,737,405                | 208,092,695              | 38,264,394             | 7,274,177                    | 91,737,606                        | 857,106,277          | 6.69%                                  |
| Debt Securities                                     | 4,634,350                  | 5,954,928                | 15,184,587             | 9,995,139                    | 519,863                           | 36,288,867           | 3.87%                                  |
| Other Borrowings                                    | 29,177,269                 | 9,785                    | 3,667                  | -                            | 209,352                           | 29,400,073           | 6.08%                                  |
| Other Liabilities                                   | -                          | -                        | -                      | -                            | 40,991,301                        | 40,991,301           |  |
| Total Equity  | -                          | -                        | -                      | -                            | 110,207,094                       | 110,207,094          |  |
| <b>Total Liabilities and Equity</b>                 | <b>658,091,515</b>         | <b>255,734,303</b>       | <b>54,037,527</b>      | <b>17,269,316</b>            | <b>245,852,352</b>                | <b>1,230,985,013</b> |  |
| Balance Sheet Items                                 | 29,249,267                 | 30,819,069               | 8,243,587              | 17,027,353                   | (85,339,276)                      | -                    |  |
| Off-Balance Sheet Items                             | (473,697)                  | (1,320,610)              | (5,941,981)            | 7,952,400                    | (216,112)                         | -                    |  |
| <b>Interest Rate Sensitivity<br/>Gap</b>            | <b>28,775,570</b>          | <b>29,498,459</b>        | <b>2,301,606</b>       | <b>24,979,753</b>            | <b>(85,555,388)</b>               | <b>-</b>             |  |
| <b>Cumulative Interest Rate<br/>Sensitivity Gap</b> | <b>28,775,570</b>          | <b>58,274,029</b>        | <b>60,575,635</b>      | <b>85,555,388</b>            | <b>-</b>                          | <b>-</b>             |  |

Other assets includes property and equipment and intangible assets.

**Qatar National Bank (Q.P.S.C.)**  
**Notes to the Consolidated Financial Statements**  
**As at and For the Year Ended 31 December 2024**

(All amounts are shown in thousands of Qatari Riyals)

**4. FINANCIAL RISK MANAGEMENT (Continued)**

**II. Risk Management**

**c) Market Risk (continued)**

The following table demonstrates the sensitivity to a possible and reasonable change in interest rates, with all other variables held constant, of the Group's consolidated income statement. The sensitivity of the consolidated income statement is the effect of the assumed changes in interest rates on the net interest income for one year, based on the floating rate of non-trading financial assets and financial liabilities including the effect of hedging instruments.

|                  | <b>Increase in<br/>Basis Points</b> | <b>Sensitivity of<br/>Net Interest<br/>Income</b> | <b>Decrease in<br/>Basis Points</b> | <b>Sensitivity of<br/>Net Interest<br/>Income</b> |
|------------------|-------------------------------------|---|-------------------------------------|---|
| <b>2024</b>      |                                     |   |                                     |   |
| <b>Currency</b>  |                                     |   |                                     |   |
| Qatari Riyal     | 10                                  | 82,763  | 10                                  | (82,763)  |
| US\$             | 10                                  | 23,302  | 10                                  | (23,302)  |
| Euro             | 10                                  | 1,430   | 10                                  | (1,430)   |
| Pound Sterling   | 10                                  | 4,875   | 10                                  | (4,875)   |
| Other Currencies | 10                                  | 2,848   | 10                                  | (2,848)   |

|                  | <b>Increase in<br/>Basis Points</b> | <b>Sensitivity of<br/>Net Interest<br/>Income</b> | <b>Decrease in<br/>Basis Points</b> | <b>Sensitivity of<br/>Net Interest<br/>Income</b> |
|------------------|-------------------------------------|---|-------------------------------------|---|
| <b>2023</b>      |                                     |   |                                     |   |
| <b>Currency</b>  |                                     |   |                                     |   |
| Qatari Riyal     | 10                                  | 85,160  | 10                                  | (85,160)  |
| US\$             | 10                                  | 30,203  | 10                                  | (30,203)  |
| Euro             | 10                                  | (10,181)  | 10                                  | 10,181  |
| Pound Sterling   | 10                                  | 1,482   | 10                                  | (1,482)   |
| Other Currencies | 10                                  | (2,828)   | 10                                  | 2,828   |

**d) Liquidity Risk**

Liquidity risk is the risk that an institution will be unable to meet its funding requirements. Liquidity risk can be caused by market disruptions or credit downgrades, which may cause certain sources of funding to cease immediately. To mitigate this risk, the Group has a diversification of funding sources and a diversified portfolio of high quality liquid assets and readily marketable securities.

**Qatar National Bank (Q.P.S.C.)**  
**Notes to the Consolidated Financial Statements**  
**As at and For the Year Ended 31 December 2024**

(All amounts are shown in thousands of Qatari Riyals)

**4. FINANCIAL RISK MANAGEMENT (Continued)**

**II. Risk Management**

**d) Liquidity Risk (continued)**

The following table summarises the maturity profile of the Group's assets and liabilities. The contractual maturities of assets and liabilities have been determined on the basis of the remaining period at the statement of financial position date to the contractual maturity date and do not take account of the effective maturities as indicated by the Group's deposit retention history. Management monitors the maturity profile to ensure that adequate liquidity is maintained.

|                                     | <b>Within<br/>1 Month</b> | <b>1 - 3<br/>Months</b> | <b>3 - 12<br/>Months</b> | <b>1 - 5<br/>Years</b> | <b>More than<br/>5 Years</b> | <b>Total</b>         |
|-------------------------------------|---------------------------|-------------------------|--------------------------|------------------------|------------------------------|----------------------|
| <b>At 31 December 2024:</b>         |                           |                         |                          |                        |                              |                      |
| Cash and Balances with              |                           |                         |                          |                        |                              |                      |
| Central Banks                       | 25,564,937                | -                       | -                        | -                      | 58,970,493                   | 84,535,430           |
| Due from Banks                      | 83,521,490                | 2,122,464               | 5,842,711                | 2,515,030              | 1,972,000                    | 95,973,695           |
| Loans and Advances                  | 127,227,314               | 48,219,135              | 103,221,242              | 507,000,476            | 125,089,584                  | 910,757,751          |
| Investments                         | 27,515,604                | 18,506,911              | 18,122,803               | 79,191,152             | 39,847,581                   | 183,184,051          |
| Other Assets                        | 14,065,731                | 283,126                 | 397,565                  | 5,826,226              | 2,893,055                    | 23,465,703           |
| <b>Total Assets</b>                 | <b>277,895,076</b>        | <b>69,131,636</b>       | <b>127,584,321</b>       | <b>594,532,884</b>     | <b>228,772,713</b>           | <b>1,297,916,630</b> |
| Due to Banks                        | 66,921,064                | 30,460,870              | 41,415,676               | 32,246,223             | 159,205                      | 171,203,038          |
| Customer Deposits                   | 336,695,717               | 143,135,071             | 233,332,689              | 164,637,128            | 9,209,007                    | 887,009,612          |
| Debt Securities                     | -                         | 1,776,772               | 8,612,168                | 18,838,565             | 10,420,712                   | 39,648,217           |
| Other Borrowings                    | 116,932                   | 4,238                   | 9,122,694                | 24,623,672             | -                            | 33,867,536           |
| Other Liabilities and Equity        | 35,431,285                | 3,542,182               | 7,900,645                | 2,441,075              | 116,873,040                  | 166,188,227          |
| <b>Total Liabilities and Equity</b> | <b>439,164,998</b>        | <b>178,919,133</b>      | <b>300,383,872</b>       | <b>242,786,663</b>     | <b>136,661,964</b>           | <b>1,297,916,630</b> |
| <b>On-Balance Sheet Gap</b>         | <b>(161,269,922)</b>      | <b>(109,787,497)</b>    | <b>(172,799,551)</b>     | <b>351,746,221</b>     | <b>92,110,749</b>            | <b>-</b>             |
| <b>Contingent and Other Items</b>   | <b>26,143,823</b>         | <b>22,962,162</b>       | <b>178,303,662</b>       | <b>34,468,858</b>      | <b>29,344,811</b>            | <b>291,223,316</b>   |
| <b>At 31 December 2023:</b>         |                           |                         |                          |                        |                              |                      |
| Cash and Balances with              |                           |                         |                          |                        |                              |                      |
| Central Banks                       | 27,988,326                | -                       | -                        | -                      | 59,832,039                   | 87,820,365           |
| Due from Banks                      | 76,406,119                | 3,733,367               | 2,059,990                | 2,091,873              | 2,185,571                    | 86,476,920           |
| Loans and Advances                  | 143,972,788               | 44,258,743              | 96,611,990               | 388,329,638            | 179,814,091                  | 852,987,250          |
| Investments                         | 39,956,344                | 13,267,232              | 29,236,669               | 59,637,961             | 38,483,479                   | 180,581,685          |
| Other Assets                        | 13,834,660                | 303,987                 | 468,364                  | 5,781,708              | 2,730,074                    | 23,118,793           |
| <b>Total Assets</b>                 | <b>302,158,237</b>        | <b>61,563,329</b>       | <b>128,377,013</b>       | <b>455,841,180</b>     | <b>283,045,254</b>           | <b>1,230,985,013</b> |
| Due to Banks                        | 53,967,018                | 32,113,604              | 45,398,000               | 25,431,622             | 81,157                       | 156,991,401          |
| Customer Deposits                   | 332,486,016               | 116,934,802             | 202,634,716              | 195,247,021            | 9,803,722                    | 857,106,277          |
| Debt Securities                     | 298,855                   | 4,619,534               | 6,195,975                | 15,180,409             | 9,994,094                    | 36,288,867           |
| Other Borrowings                    | 3,620,319                 | 188,440                 | 6,765,868                | 18,825,103             | 343                          | 29,400,073           |
| Other Liabilities and Equity        | 25,937,342                | 2,631,675               | 8,455,124                | 989,224                | 113,185,030                  | 151,198,395          |
| <b>Total Liabilities and Equity</b> | <b>416,309,550</b>        | <b>156,488,055</b>      | <b>269,449,683</b>       | <b>255,673,379</b>     | <b>133,064,346</b>           | <b>1,230,985,013</b> |
| <b>On-Balance Sheet Gap</b>         | <b>(114,151,313)</b>      | <b>(94,924,726)</b>     | <b>(141,072,670)</b>     | <b>200,167,801</b>     | <b>149,980,908</b>           | <b>-</b>             |
| <b>Contingent and Other Items</b>   | <b>113,434,553</b>        | <b>15,883,680</b>       | <b>78,205,823</b>        | <b>26,512,855</b>      | <b>29,042,396</b>            | <b>263,079,307</b>   |

Other assets includes property and equipment and intangible assets.

|   |             |             |
|---|-------------|-------------|
| <b>Liquidity Coverage Ratio</b>                   | <b>2024</b> | <b>2023</b> |
| Liquidity Coverage Ratio, maintained by QNB Group | 179%        | 206%        |
| Liquidity Coverage Ratio, minimum requirement     | 100%        | 100%        |

**Qatar National Bank (Q.P.S.C.)**  
**Notes to the Consolidated Financial Statements**  
**As at and For the Year Ended 31 December 2024**

(All amounts are shown in thousands of Qatari Riyals)

**4. FINANCIAL RISK MANAGEMENT (Continued)**

**II. Risk Management**

**d) Liquidity Risk (continued)**

**Maturity analysis of undiscounted cash flows**

The following table summarises the maturity profile of the Group's financial liabilities at 31 December based on contractual undiscounted repayment obligations.

|                                  | <b>Within<br/>1 month</b> | <b>1 - 3<br/>months</b> | <b>3 - 12<br/>months</b> | <b>1 - 5<br/>years</b> | <b>More than<br/>5 years</b> | <b>Total</b>         |
|----------------------------------|---------------------------|-------------------------|--------------------------|------------------------|------------------------------|----------------------|
| <b>At 31 December 2024:</b>      |                           |                         |                          |                        |                              |                      |
| Due to Banks                     | 72,230,584                | 31,540,526              | 50,972,648               | 47,134,013             | 189,191                      | 202,066,962          |
| Customer Deposits                | 336,717,443               | 146,873,520             | 246,343,385              | 171,627,385            | 17,478,607                   | 919,040,340          |
| Debt Securities                  | 177,927                   | 1,848,571               | 8,612,433                | 21,642,599             | 10,435,294                   | 42,716,824           |
| Other Borrowings                 | 191,440                   | 135,276                 | 9,759,885                | 25,832,649             | -                            | 35,919,250           |
| Lease Liabilities                | 11,013                    | 11,012                  | 48,463                   | 317,441                | 141,288                      | 529,217              |
| Derivative Financial Instruments |                           |                         |                          |                        |                              |                      |
| - Contractual Amounts            |                           |                         |                          |                        |                              |                      |
| Payable - Forward Contracts      | 74,600,496                | 43,270,928              | 39,514,280               | 3,361,531              | -                            | 160,747,235          |
| Receivable - Forward Contracts   | (73,438,813)              | (46,716,697)            | (30,735,167)             | (1,563,662)            | -                            | (152,454,339)        |
| Payable/(Receivable) - Others    | (95,256)                  | 5,107                   | 624,609                  | 1,264,718              | 4,207,662                    | 6,006,840            |
| <b>Total</b>                     | <b>410,394,834</b>        | <b>176,968,243</b>      | <b>325,140,536</b>       | <b>269,616,674</b>     | <b>32,452,042</b>            | <b>1,214,572,329</b> |
| <b>At 31 December 2023:</b>      |                           |                         |                          |                        |                              |                      |
| Due to Banks                     | 54,174,948                | 33,080,849              | 56,902,167               | 37,926,698             | 3,479,856                    | 185,564,518          |
| Customer Deposits                | 345,032,744               | 116,992,284             | 213,065,952              | 200,035,424            | 18,405,539                   | 893,531,943          |
| Debt Securities                  | 141,010                   | 4,684,496               | 6,621,840                | 18,053,595             | 10,564,967                   | 40,065,908           |
| Other Borrowings                 | 3,631,572                 | 214,776                 | 10,430,840               | 19,791,474             | -                            | 34,068,662           |
| Lease Liabilities                | 11,516                    | 11,871                  | 56,565                   | 301,888                | 194,912                      | 576,752              |
| Derivative Financial Instruments |                           |                         |                          |                        |                              |                      |
| - Contractual Amounts            |                           |                         |                          |                        |                              |                      |
| Payable - Forward Contracts      | 41,686,393                | 45,394,366              | 51,515,131               | 2,130,577              | -                            | 140,726,467          |
| Receivable - Forward Contracts   | (41,227,767)              | (45,205,555)            | (51,336,425)             | (2,078,553)            | -                            | (139,848,300)        |
| Payable/(Receivable) - Others    | (106,965)                 | (1,094,961)             | 649,454                  | 1,157,904              | 79,527                       | 684,959              |
| <b>Total</b>                     | <b>403,343,451</b>        | <b>154,078,126</b>      | <b>287,905,524</b>       | <b>277,319,007</b>     | <b>32,724,801</b>            | <b>1,155,370,909</b> |



**Qatar National Bank (Q.P.S.C.)**  
**Notes to the Consolidated Financial Statements**  
**As at and For the Year Ended 31 December 2024**

(All amounts are shown in thousands of Qatari Riyals)

**4. FINANCIAL RISK MANAGEMENT (Continued)**

**II. Risk Management**

**e) Operational Risk**

Operational risk is the risk of direct or indirect loss due to an event or action causing failure of technology, process infrastructure, personnel and other risks having an operational risk impact. The Group seeks to minimise actual or potential losses from operational risk failure through a framework of policies and procedures that identify, assess, control, manage and report those risks. Controls include effective segregation of duties, access, authorisation and reconciliation procedures, staff education and assessment processes.

**f) Other Risks**

Other risks to which the Group is exposed are regulatory risk, legal risk and reputational risk. Regulatory risk is controlled through a framework of compliance policies and procedures. Legal risk is managed through the effective use of internal and external legal advisers. Reputational risk is controlled through the regular examination of issues, that are considered to have reputational repercussions for the Group, with guidelines and policies being issued as appropriate.

The Group provides custody and corporate administration to third parties in relation to mutual funds marketed or managed by the Group. These services give rise to legal and operational risk. Such risks are mitigated through detailed daily procedures and internal audits to assure compliance. Note 37 lists the funds marketed by the Group.

**g) Capital Management**

The Group maintains an actively managed capital base to cover risks inherent in the business. The adequacy of the Group's capital is monitored using, among other measures, the rules and ratios established by the Basel Committee on Banking Supervision and adopted by Qatar Central Bank in supervising the Group.

The primary objectives of the Group's capital management are to ensure that the Group complies with externally imposed capital requirements and that the Group maintains strong credit ratings and healthy capital ratios in order to support its business and to maximise shareholders' value.

**Capital Adequacy**

|  | 2024               | 2023               |
|--|--------------------|--------------------|
| Common Equity Tier 1 (CET 1) Capital                 | 88,276,857         | 82,829,469         |
| Eligible Additional Tier 1 (AT1) Capital Instruments | 20,000,000         | 20,000,000         |
| Additional Tier 1 Capital                            | 74,680             | 80,842             |
| Additional Tier 2 Capital                            | 6,529,033          | 5,935,517          |
| <b>Total Eligible Capital</b>                        | <b>114,880,570</b> | <b>108,845,828</b> |
| Risk Weighted Assets for Credit Risk                 | 515,137,148        | 466,982,415        |
| Risk Weighted Assets for Market Risk                 | 5,180,412          | 1,825,370          |
| Risk Weighted Assets for Operational Risk            | 59,678,704         | 50,230,820         |
| <b>Total Risk Weighted Assets</b>                    | <b>579,996,264</b> | <b>519,038,605</b> |
| CET 1 Ratio  | 14.6%              | 14.8%              |
| Tier 1 Capital Ratio                                 | 18.1%              | 18.7%              |
| Total Capital Ratio                                  | 19.2%              | 19.8%              |

The above ratios are calculated based on Total Eligible Capital after deducting interim dividends paid to date and proposed final dividends for the second half of the year ended 31 December 2024.

The proposed final dividends for second half of 2024 have been computed based on total issued shares, net of shares repurchased, until the end of the reporting period.

**Qatar National Bank (Q.P.S.C.)**  
**Notes to the Consolidated Financial Statements**  
**As at and For the Year Ended 31 December 2024**

(All amounts are shown in thousands of Qatari Riyals)

**4. FINANCIAL RISK MANAGEMENT (Continued)**

**g) Capital Management (continued)**

The Group follows Basel III Capital Adequacy Ratio (CAR) calculation in accordance with Qatar Central Bank (QCB) regulations. QCB issued guidelines on Basel III Framework for Conventional Banks – Pillar 1 Guidelines for Capital Adequacy in 2022 (commonly known as Basel III reforms or Basel IV) that were effective from 1 January 2024. The Group's CAR calculation has been prepared as per QCB's guidelines. In addition, QCB has increased the DSIB buffer for the Group to 3.5% from 2.5% with effect from 1 January 2024.

The minimum requirements for Capital Adequacy Ratio under Basel III for QNB as per QCB regulations are as follows:

|  | <b>Without<br/>Capital<br/>Conservation<br/>Buffer</b> | <b>Capital<br/>Conservation<br/>Buffer</b> | <b>Additional<br/>DSIB charge</b> | <b>ICAAP Capital<br/>Charge</b> | <b>Total</b> |
|--|--|--|-----------------------------------|---------------------------------|--------------|
| Minimum limit for CET 1 ratio          | 6.0%   | 2.5%                                       | 3.5%                              | 0.0%                            | <b>12.0%</b> |
| Minimum limit for Tier 1 capital ratio | 8.0%   | 2.5%                                       | 3.5%                              | 0.0%                            | <b>14.0%</b> |
| Minimum limit for Total capital ratio  | 10.0%  | 2.5%                                       | 3.5%                              | 1.0%                            | <b>17.0%</b> |

**5. USE OF ESTIMATES AND JUDGEMENTS**

**a) Key Sources of Estimation Uncertainty**

The Group makes estimates and assumptions that affect the reported amounts of assets and liabilities. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

**(i) Allowances for Credit Losses**

Assessment whether credit risk on the financial asset has increased significantly since initial recognition and incorporation of forward- looking information in the measurement of ECL / impairment.

**(ii) Determining Fair Value**

The determination of fair value for financial assets and liabilities, for which there is no observable market price requires the use of valuation techniques as described in the accounting policies. For financial instruments that trade infrequently and have little price transparency, fair value is less objective, and requires varying degrees of judgement depending on liquidity, concentration, uncertainty of market factors, pricing assumptions and other risks affecting the specific instrument.

**(iii) Valuation of Financial Instruments**

The Group's accounting policy on fair value measurements is discussed in the material accounting policy information section. The Group measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements.

Level 1: Quoted market price (unadjusted) in an active market for an identical instrument.

Level 2: Valuation techniques based on observable inputs, either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques where all significant inputs are directly or indirectly observable from market data.

Level 3: Valuation techniques using significant unobservable inputs. This category includes all instruments where the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments where significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

**Qatar National Bank (Q.P.S.C.)**  
**Notes to the Consolidated Financial Statements**  
**As at and For the Year Ended 31 December 2024**

(All amounts are shown in thousands of Qatari Riyals)

**5. USE OF ESTIMATES AND JUDGEMENTS (Continued)**

**a) Key Sources of Estimation Uncertainty (continued)**

**(iii) Valuation of Financial Instruments (continued)**

Fair values of financial assets and financial liabilities that are traded in active markets are based on quoted market prices or dealer price quotations. For all other financial instruments the Group determines fair values using valuation techniques.

Valuation techniques include net present value and discounted cash flow models, comparison to similar instruments for which market observable prices exist, Black-Scholes and polynomial option pricing models and other valuation models. Assumptions and inputs used in valuation techniques include risk-free and benchmark interest rates, credit spreads and other premia used in estimating discount rates, bond and equity prices, foreign currency exchange rates, equity and equity index prices and expected price volatilities and correlations. The objective of valuation techniques is to arrive at a fair value determination that reflects the price of the financial instrument at the reporting date, that would have been determined by market participants acting at arm's length.

The following table 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:

|                             | Level 1           | Level 2           | Level 3  | Total             |
|-----------------------------|-------------------|-------------------|----------|-------------------|
| <b>At 31 December 2024:</b> |                   |                   |          |                   |
| Derivative Assets           | -                 | 7,517,972         | -        | 7,517,972         |
| Investment Securities       | 37,757,905        | 15,044,157        | -        | 52,802,062        |
| <b>Total</b>                | <b>37,757,905</b> | <b>22,562,129</b> | <b>-</b> | <b>60,320,034</b> |
| Derivative Liabilities      | 4                 | 9,914,743         | -        | 9,914,747         |
| <b>Total</b>                | <b>4</b>          | <b>9,914,743</b>  | <b>-</b> | <b>9,914,747</b>  |
| <b>At 31 December 2023:</b> |                   |                   |          |                   |
| Derivative Assets           | -                 | 7,128,139         | -        | 7,128,139         |
| Investment Securities       | 31,754,032        | 24,756,630        | -        | 56,510,662        |
| <b>Total</b>                | <b>31,754,032</b> | <b>31,884,769</b> | <b>-</b> | <b>63,638,801</b> |
| Derivative Liabilities      | 40                | 5,492,025         | -        | 5,492,065         |
| <b>Total</b>                | <b>40</b>         | <b>5,492,025</b>  | <b>-</b> | <b>5,492,065</b>  |

There have been no transfers between Level 1 and Level 2 (2023: Nil).

Financial assets and liabilities not measured at fair value, for which fair value is disclosed, would be largely classified as Level 2 in fair value hierarchy.

**b) Critical Accounting Judgements in Applying the Group's Accounting Policies**

**i) Going concern**

The Group's management has made an assessment of the Group's ability to continue as a going concern and is satisfied that the Group has resources to continue in the business for the foreseeable future. Furthermore, the management is not aware of any material uncertainties that may cast significant doubt upon the Group's ability to continue as a going concern. Therefore, the financial statements continue to be prepared on the going concern basis.

**(ii) Financial Asset and Liability Classification**

Assessment of the business model within which the assets are held and assessment of whether the contractual terms of the financial asset are solely payments of principal and interest on the principal amount outstanding. Refer to note 7 for further information.

**Qatar National Bank (Q.P.S.C.)**  
**Notes to the Consolidated Financial Statements**  
**As at and For the Year Ended 31 December 2024**

(All amounts are shown in thousands of Qatari Riyals)

**5. USE OF ESTIMATES AND JUDGEMENTS (Continued)**

**b) Critical Accounting Judgements in Applying the Group's Accounting Policies (continued)**

**(iii) Qualifying Hedge Relationships**

In designating financial instruments in qualifying hedge relationships, the Group has determined that it expects the hedges to be highly effective over the period of the hedging relationship.

In accounting for derivatives as cash flow hedges, the Group has determined that the hedged cash flow exposure relates to highly probable future cash flows.

**(iv) ECL / Impairment of Investments in Equity and Debt Securities**

Assessment of whether credit risk on the financial asset has increased significantly since initial recognition and incorporation of forward-looking information in the measurement of ECL / impairment. Refer to note 4 Inputs, assumptions and techniques used for estimating ECL / impairment of financial assets for more information.

**(v) Useful Lives of Property and Equipment**

The Group's management determines the estimated useful life of property and equipment for calculating depreciation. This estimate is determined after considering the expected usage of the asset, physical wear and tear and technical or commercial obsolescence.

**(vi) Useful Lives of Intangible Assets**

The Group's management determines the estimated useful life of its intangible assets for calculating amortisation. This estimate is determined after considering the expected economic benefits to be received from the use of intangible assets.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

**(vii) Impairment of non-financial assets**

The Group assesses whether there are any indicators of impairment for all non-financial assets at each reporting date. All non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable. When value in use calculations are undertaken, management must estimate the expected future cash flows from the asset and choose a suitable discount rate in order to calculate the present value of those cash flows.

**(viii) Funds Management**

All the funds are governed by the respective regulations where the appointment and removal of fund managers is controlled through respective regulations and the Group's aggregate economic interest in each fund is not significant. As a result, the Group has concluded that it acts as an agent for the investors in these funds, and therefore has not consolidated these funds.

**(ix) Provision for employee's end of service benefits**

The Group measures its obligation for the post-employment benefits of its employees based on the provisions of the Qatar Labour Law and contractual obligations. These results are not materially different from the requirements of IAS 19.

**c) Climate-related matters**

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

**Qatar National Bank (Q.P.S.C.)**  
**Notes to the Consolidated Financial Statements**  
**As at and For the Year Ended 31 December 2024**

(All amounts are shown in thousands of Qatari Riyals)

**6. OPERATING SEGMENTS**

The Group organises and manages its operations through four main business segments, as described below, which are the Group's strategic business units. For each strategic business units, the Group management committee reviews internal management reports on at least a quarterly basis. The strategic business units offer different products and services and are managed separately because they require different strategies.

**Corporate Banking**

Corporate banking includes loans, deposits, investment and advisory services and other products and services with corporate customers and undertaking the Group's funding and centralised risk management activities through borrowings, issue of debt securities, use of derivatives for risk management purposes and investing in liquid assets such as short-term placements and corporate and government debt securities.

**Consumer banking**

Consumer banking includes loans, deposits and other diversified range of products and services to retail customers.

**Asset and Wealth Management**

Assets and wealth management includes loans, deposits, assets management, brokerage and custody services to high net worth customers.

**International Banking**

International banking includes loans, deposits and other products and services with corporate and individual customers in the Group's international locations.

**Qatar National Bank (Q.P.S.C.)**  
**Notes to the Consolidated Financial Statements**  
**As at and For the Year Ended 31 December 2024**

(All amounts are shown in thousands of Qatari Riyals)

**6. OPERATING SEGMENTS (Continued)**

|   | Qatar Operations     |                     |                                   |  |                          |               |
|---|----------------------|---------------------|-----------------------------------|--|--------------------------|---------------|
|   | Corporate<br>Banking | Consumer<br>Banking | Asset<br>and Wealth<br>Management | Unallocated and<br>Intra-group<br>Transactions | International<br>Banking | Total         |
| As at and for the year ended 31 December 2024 |                      |                     |                                   |  |                          |               |
| Revenue:                                      |                      |                     |                                   |  |                          |               |
| Net Interest Income                           | 15,982,002           | 1,029,594           | 848,085                           | 397,817  | 14,561,821               | 32,819,319    |
| Net Fee and Commission Income                 | 1,142,686            | 297,402             | 348,219                           | 3,422  | 2,773,077                | 4,564,806     |
| Net Foreign Exchange Gain                     | 504,948              | 192,065             | 117,249                           | (9,622)  | 2,011,242                | 2,815,882     |
| Income from Investment Securities             | 81,608               | -                   | -                                 | -  | 283,101                  | 364,709       |
| Other Operating Income                        | -                    | 128                 | 506                               | -  | 163,809                  | 164,443       |
| Share of Results of Associates                | 614,909              | -                   | -                                 | -  | 4,877                    | 619,786       |
| Total Segment Revenue                         | 18,326,153           | 1,519,189           | 1,314,059                         | 391,617  | 19,797,927               | 41,348,945    |
| Reportable Segment Profit                     | 9,896,876            | 892,295             | 1,067,932                         | 512  | 4,859,267                | 16,716,882    |
| Reportable Segment                            |                      |                     |                                   |  |                          |               |
| Investments                                   | 111,094,625          | -                   | 6,988                             | -  | 64,221,061               | 175,322,674   |
| Loans and Advances                            | 660,298,678          | 10,637,992          | 43,628,618                        | -  | 196,192,463              | 910,757,751   |
| Customer Deposits                             | 426,605,312          | 41,256,084          | 44,759,768                        | -  | 374,388,448              | 887,009,612   |
| Assets  | 939,493,644          | 43,807,749          | 46,647,042                        | (340,523,345)                                  | 608,491,540              | 1,297,916,630 |
| As at and for the year ended 31 December 2023 |                      |                     |                                   |  |                          |               |
| Revenue:                                      |                      |                     |                                   |  |                          |               |
| Net Interest Income                           | 16,918,621           | 869,555             | 753,733                           | 244,055  | 11,631,076               | 30,417,040    |
| Net Fee and Commission Income                 | 1,101,252            | 357,435             | 307,565                           | 8,757  | 2,005,893                | 3,780,902     |
| Net Foreign Exchange Gain                     | 414,082              | 173,086             | 156,420                           | 4,818  | 2,583,616                | 3,332,022     |
| Income from Investment Securities             | 94,812               | -                   | -                                 | -  | 389,444                  | 484,256       |
| Other Operating Income                        | -                    | 122                 | 503                               | 722  | 461,537                  | 462,884       |
| Share of Results of Associates                | 646,216              | -                   | -                                 | -  | 168                      | 646,384       |
| Total Segment Revenue                         | 19,174,983           | 1,400,198           | 1,218,221                         | 258,352  | 17,071,734               | 39,123,488    |
| Reportable Segment Profit                     | 10,156,942           | 744,363             | 1,011,026                         | (115,887)                                      | 3,714,893                | 15,511,337    |
| Reportable Segment                            |                      |                     |                                   |  |                          |               |
| Investments                                   | 105,846,480          | -                   | 5,196                             | -  | 66,880,649               | 172,732,325   |
| Loans and Advances                            | 629,430,385          | 10,169,262          | 37,609,517                        | -  | 175,778,086              | 852,987,250   |
| Customer Deposits                             | 414,648,186          | 38,570,429          | 42,840,874                        | -  | 361,046,788              | 857,106,277   |
| Assets  | 905,556,289          | 41,329,570          | 45,127,704                        | (322,527,344)                                  | 561,498,794              | 1,230,985,013 |

**Qatar National Bank (Q.P.S.C.)**  
**Notes to the Consolidated Financial Statements**  
**As at and For the Year Ended 31 December 2024**

(All amounts are shown in thousands of Qatari Riyals)

**7. FINANCIAL ASSETS AND LIABILITIES**

The following table sets out the carrying amounts and fair values of the Group's financial assets and financial liabilities:

|                             | Fair value through<br>profit or loss -<br>mandatory |                         | Fair value through other<br>comprehensive income |                         | Amortised Cost       | Total Carrying<br>Amount | Fair Value           |
|-----------------------------|---|-------------------------|--|-------------------------|----------------------|--------------------------|----------------------|
|                             | Debt inst-<br>ruments                               | Equity inst-<br>ruments | Debt inst-<br>ruments                            | Equity inst-<br>ruments |                      |                          |                      |
| <b>At 31 December 2024:</b> |   |                         |  |                         |                      |                          |                      |
| Cash and Balances with      |   |                         |  |                         |                      |                          |                      |
| Central Banks               | -   | -                       | -  | -                       | 84,535,430           | 84,535,430               | 84,535,430           |
| Due from Banks              | -   | -                       | -  | -                       | 95,973,695           | 95,973,695               | 95,973,695           |
| Loans and Advances          | -   | -                       | -  | -                       | 910,757,751          | 910,757,751              | 908,178,194          |
| Investment Securities:      |   |                         |  |                         |                      |                          |                      |
| At Fair Value               | 1,080,606   | 485,913                 | 49,335,952                                       | 1,899,591               | -                    | 52,802,062               | 52,802,062           |
| At Amortised Cost           | -   | -                       | -  | -                       | 122,520,612          | 122,520,612              | 120,275,587          |
|                             | <b>1,080,606</b>                                    | <b>485,913</b>          | <b>49,335,952</b>                                | <b>1,899,591</b>        | <b>1,213,787,488</b> | <b>1,266,589,550</b>     | <b>1,261,764,968</b> |
| Due to Banks                | -   | -                       | -  | -                       | 171,203,038          | 171,203,038              | 171,203,038          |
| Customer Deposits           | -   | -                       | -  | -                       | 887,009,612          | 887,009,612              | 886,575,611          |
| Debt Securities             | -   | -                       | -  | -                       | 39,648,217           | 39,648,217               | 39,648,217           |
| Other Borrowings            | -   | -                       | -  | -                       | 33,867,536           | 33,867,536               | 33,816,605           |
|                             | -   | -                       | -  | -                       | <b>1,131,728,403</b> | <b>1,131,728,403</b>     | <b>1,131,243,471</b> |
| <b>At 31 December 2023:</b> |   |                         |  |                         |                      |                          |                      |
| Cash and Balances with      |   |                         |  |                         |                      |                          |                      |
| Central Banks               | -   | -                       | -  | -                       | 87,820,365           | 87,820,365               | 87,820,365           |
| Due from Banks              | -   | -                       | -  | -                       | 86,476,920           | 86,476,920               | 86,476,920           |
| Loans and Advances          | -   | -                       | -  | -                       | 852,987,250          | 852,987,250              | 851,042,353          |
| Investment Securities:      |   |                         |  |                         |                      |                          |                      |
| At Fair Value               | 134,438   | 612,807                 | 53,784,667                                       | 1,978,750               | -                    | 56,510,662               | 56,510,662           |
| At Amortised Cost           | -   | -                       | -  | -                       | 116,221,663          | 116,221,663              | 114,527,688          |
|                             | <b>134,438</b>                                      | <b>612,807</b>          | <b>53,784,667</b>                                | <b>1,978,750</b>        | <b>1,143,506,198</b> | <b>1,200,016,860</b>     | <b>1,196,377,988</b> |
| Due to Banks                | -   | -                       | -  | -                       | 156,991,401          | 156,991,401              | 156,991,401          |
| Customer Deposits           | -   | -                       | -  | -                       | 857,106,277          | 857,106,277              | 857,968,763          |
| Debt Securities             | -   | -                       | -  | -                       | 36,288,867           | 36,288,867               | 36,302,361           |
| Other Borrowings            | -   | -                       | -  | -                       | 29,400,073           | 29,400,073               | 29,351,374           |
|                             | -   | -                       | -  | -                       | <b>1,079,786,618</b> | <b>1,079,786,618</b>     | <b>1,080,613,899</b> |

**Qatar National Bank (Q.P.S.C.)**  
**Notes to the Consolidated Financial Statements**  
**As at and For the Year Ended 31 December 2024**

(All amounts are shown in thousands of Qatari Riyals)

| <b>8. CASH AND BALANCES WITH CENTRAL BANKS</b>     | <b>2024</b>       | <b>2023</b>       |
|--|-------------------|-------------------|
| Cash   | 9,808,595         | 11,927,247        |
| Balance with Qatar Central Bank - Cash Reserve     | 27,841,609        | 31,647,844        |
| Balance with Qatar Central Bank - Other Balances   | 7,822,844         | 9,750,000         |
| Balances with Other Central Banks - Cash Reserves  | 31,128,884        | 28,184,195        |
| Balances with Other Central Banks - Other Balances | 6,876,502         | 6,279,652         |
| Accrued Interest                                   | 1,072,669         | 45,731            |
| Allowance for Impairment                           | (15,673)          | (14,304)          |
| <b>Total</b>                                       | <b>84,535,430</b> | <b>87,820,365</b> |

Cash reserves are mandatory reserves and cannot be used to fund the Group's day-to-day operations.

| <b>9. DUE FROM BANKS</b> | <b>2024</b>       | <b>2023</b>       |
|--------------------------|-------------------|-------------------|
| Current Accounts         | 16,835,845        | 15,309,438        |
| Placements               | 67,904,037        | 59,942,907        |
| Loans                    | 9,253,001         | 9,375,671         |
| Accrued Interest         | 2,936,175         | 2,493,687         |
| Allowance for Impairment | (955,363)         | (644,783)         |
| <b>Total</b>             | <b>95,973,695</b> | <b>86,476,920</b> |

| <b>10. LOANS AND ADVANCES TO CUSTOMERS</b>  | <b>2024</b>        | <b>2023</b>        |
|---|--------------------|--------------------|
| <b>a) By Type</b>   |                    |                    |
| Loans   | 852,867,287        | 794,959,967        |
| Overdrafts  | 69,273,865         | 70,017,196         |
| Bills Discounted  | 3,868,321          | 5,278,895          |
|   | <b>926,009,473</b> | <b>870,256,058</b> |
| Accrued Interest  | 18,458,470         | 17,039,054         |
| Deferred Profit   | (45,934)           | (86,847)           |
| Expected Credit Losses - Performing Loans and Advances to Customers - Stage 1 and 2 | (7,404,027)        | (7,840,156)        |
| Impairment on Non-performing Loans and Advances to Customers - Stage 3              |                    |                    |
| - Specific provision  | (20,395,493)       | (21,239,697)       |
| - Interest in suspense  | (5,864,738)        | (5,141,162)        |
| <b>Loans and Advances to Customers</b>  | <b>910,757,751</b> | <b>852,987,250</b> |

**b) By Industry**

| <b>At 31 December 2024:</b> | <b>Loans and Advances</b> | <b>Overdrafts</b> | <b>Bills Discounted</b> | <b>Total</b>       |
|-----------------------------|---------------------------|-------------------|-------------------------|--------------------|
| Government                  | 48,139,152                | 43,743,099        | -                       | 91,882,251         |
| Government Agencies         | 232,764,626               | 3,377,280         | -                       | 236,141,906        |
| Industry                    | 42,204,233                | 916,404           | 277,876                 | 43,398,513         |
| Commercial                  | 140,766,402               | 3,657,685         | 901,425                 | 145,325,512        |
| Services                    | 242,666,513               | 10,554,816        | 1,591,738               | 254,813,067        |
| Contracting                 | 7,910,543                 | 1,401,605         | 59,257                  | 9,371,405          |
| Real Estate                 | 72,064,492                | 1,482,293         | 467,520                 | 74,014,305         |
| Personal                    | 84,625,679                | 4,134,576         | 569,107                 | 89,329,362         |
| Others                      | 184,117                   | 6,107             | 1,398                   | 191,622            |
| <b>Total</b>                | <b>871,325,757</b>        | <b>69,273,865</b> | <b>3,868,321</b>        | <b>944,467,943</b> |



**Qatar National Bank (Q.P.S.C.)**  
**Notes to the Consolidated Financial Statements**  
**As at and For the Year Ended 31 December 2024**

(All amounts are shown in thousands of Qatari Riyals)

**10. LOANS AND ADVANCES TO CUSTOMERS (Continued)**

**b) By Industry (continued)**

| <b>At 31 December 2023:</b> | <b>Loans and<br/>Advances</b> | <b>Overdrafts</b> | <b>Bills<br/>Discounted</b> | <b>Total</b>       |
|-----------------------------|-------------------------------|-------------------|-----------------------------|--------------------|
| Government                  | 48,025,998                    | 44,642,938        | -                           | 92,668,936         |
| Government Agencies         | 215,387,839                   | 1,860,172         | -                           | 217,248,011        |
| Industry                    | 38,199,775                    | 1,697,197         | 431,785                     | 40,328,757         |
| Commercial                  | 126,737,326                   | 5,639,763         | 1,434,817                   | 133,811,906        |
| Services                    | 223,758,305                   | 9,649,124         | 2,522,797                   | 235,930,226        |
| Contracting                 | 11,772,860                    | 523,062           | 133,073                     | 12,428,995         |
| Real Estate                 | 66,275,423                    | 2,944,585         | 749,134                     | 69,969,142         |
| Personal                    | 81,196,679                    | 3,031,706         | -                           | 84,228,385         |
| Others                      | 644,816                       | 28,649            | 7,289                       | 680,754            |
| <b>Total</b>                | <b>811,999,021</b>            | <b>70,017,196</b> | <b>5,278,895</b>            | <b>887,295,112</b> |

The amounts include interest receivable and exclude ECL / impairment and deferred profit.

**c) ECL / Impairment on Loans and Advances to Customers**

|   | <b>Corporate<br/>Lending</b> | <b>Small<br/>Business<br/>Lending</b> | <b>Consumer<br/>Lending</b> | <b>Residential<br/>Mortgages</b> | <b>Total</b>      |
|---|------------------------------|---------------------------------------|-----------------------------|----------------------------------|-------------------|
| Balance as at 1 January 2024            | 26,916,501                   | 1,575,460                             | 5,658,925                   | 70,129                           | 34,221,015        |
| Foreign Currency Translation            | (956,178)                    | (111,811)                             | (394,952)                   | (5,817)                          | (1,468,758)       |
| Allowances Made during the Year         | 10,526,014                   | 684,824                               | 2,187,672                   | 7,715                            | 13,406,225        |
| Recoveries during the Year              | (2,934,991)                  | (225,850)                             | (321,683)                   | (324)                            | (3,482,848)       |
| Written off / Transfers during the Year | (8,700,902)                  | (92,510)                              | (217,886)                   | (78)                             | (9,011,376)       |
| <b>Balance as at 31 December 2024</b>   | <b>24,850,444</b>            | <b>1,830,113</b>                      | <b>6,912,076</b>            | <b>71,625</b>                    | <b>33,664,258</b> |
| Balance as at 1 January 2023            | 23,294,098                   | 1,514,477                             | 4,984,146                   | 76,574                           | 29,869,295        |
| Foreign Currency Translation            | (1,295,706)                  | (181,085)                             | (657,607)                   | (5,645)                          | (2,140,043)       |
| Allowances Made during the Year         | 9,710,104                    | 398,557                               | 1,851,701                   | 4,767                            | 11,965,129        |
| Recoveries during the Year              | (1,091,045)                  | (134,340)                             | (351,075)                   | (5,491)                          | (1,581,951)       |
| Written off / Transfers during the Year | (3,700,950)                  | (22,149)                              | (168,240)                   | (76)                             | (3,891,415)       |
| <b>Balance as at 31 December 2023</b>   | <b>26,916,501</b>            | <b>1,575,460</b>                      | <b>5,658,925</b>            | <b>70,129</b>                    | <b>34,221,015</b> |

The reconciliation of movement ECL allowance to the ECL amount recognised in profit and loss is as follows:

|   | <b>2024</b>      | <b>2023</b>       |
|---|------------------|-------------------|
| ECL Allowances Made during the Year                       | 13,406,225       | 11,965,129        |
| ECL Recoveries during the Year                            | (3,482,848)      | (1,581,951)       |
| <b>Net Movement in ECL Allowance during the Year</b>      | <b>9,923,377</b> | <b>10,383,178</b> |
| Interest Suspended during the Year - from Interest Income | (1,505,749)      | (1,669,050)       |
| Recoveries of Balances Previously Written Off             | (282,974)        | (22,148)          |
| <b>Net ECL Recognised in Profit and Loss</b>              | <b>8,134,654</b> | <b>8,691,980</b>  |

**d) Net ECL / Impairment during the Year**

|                        | <b>2024</b>      | <b>2023</b>      |
|------------------------|------------------|------------------|
| Corporate Lending      | 5,870,357        | 7,135,055        |
| Small Business Lending | 437,347          | 158,764          |
| Consumer Lending       | 1,820,945        | 1,399,504        |
| Residential Mortgages  | 6,005            | (1,343)          |
| <b>Total</b>           | <b>8,134,654</b> | <b>8,691,980</b> |

**e) Loans pledged**

|                             | <b>2024</b> | <b>2023</b> |
|-----------------------------|-------------|-------------|
| Loans pledged as collateral | 28,280,272  | 32,591,716  |

**Qatar National Bank (Q.P.S.C.)**  
**Notes to the Consolidated Financial Statements**  
**As at and For the Year Ended 31 December 2024**

(All amounts are shown in thousands of Qatari Riyals)

| <b>11. INVESTMENT SECURITIES</b>  | <b>Notes</b> | <b>2024</b>        | <b>2023</b>        |
|---|--------------|--------------------|--------------------|
| Investments measured at Fair Value Through Profit or Loss (FVPL)              | 11 a)        | 1,566,519          | 747,245            |
| Investments measured at Fair Value Through Other Comprehensive Income (FVOCI) | 11 b)        | 50,197,903         | 54,952,070         |
| Investments measured at Amortised Cost (AC)                                   | 11 c)        | 119,570,245        | 113,056,867        |
| Accrued interest  | 11 d)        | 3,988,007          | 3,976,143          |
| <b>Total</b>  |              | <b>175,322,674</b> | <b>172,732,325</b> |

**a) Investments measured at Fair Value Through Profit or Loss**

|                           | <b>2024</b>      |                 |                  |
|---------------------------|------------------|-----------------|------------------|
|                           | <b>Quoted</b>    | <b>Unquoted</b> | <b>Total</b>     |
| Mutual Funds and Equities | 485,913          | -               | 485,913          |
| Debt Securities           | 1,080,606        | -               | 1,080,606        |
| <b>Total</b>              | <b>1,566,519</b> | <b>-</b>        | <b>1,566,519</b> |

  

|                           | <b>2023</b>    |                 |                |
|---------------------------|----------------|-----------------|----------------|
|                           | <b>Quoted</b>  | <b>Unquoted</b> | <b>Total</b>   |
| Mutual Funds and Equities | 612,807        | -               | 612,807        |
| Debt Securities           | 134,438        | -               | 134,438        |
| <b>Total</b>              | <b>747,245</b> | <b>-</b>        | <b>747,245</b> |

**b) Investments measured at Fair Value Through Other Comprehensive Income**

|                                | <b>2024</b>       |                 |                   |
|--------------------------------|-------------------|-----------------|-------------------|
| <b>By investment type</b>      | <b>Quoted</b>     | <b>Unquoted</b> | <b>Total</b>      |
| Mutual Funds and Equities      | 1,146,637         | 752,954         | 1,899,591         |
| State of Qatar Debt Securities | 15,447,963        | -               | 15,447,963        |
| Other Debt Securities          | 32,850,349        | -               | 32,850,349        |
| <b>Total</b>                   | <b>49,444,949</b> | <b>752,954</b>  | <b>50,197,903</b> |

  

|                                | <b>2023</b>       |                 |                   |
|--------------------------------|-------------------|-----------------|-------------------|
| <b>By investment type</b>      | <b>Quoted</b>     | <b>Unquoted</b> | <b>Total</b>      |
| Mutual Funds and Equities      | 1,703,948         | 274,802         | 1,978,750         |
| State of Qatar Debt Securities | 20,376,306        | -               | 20,376,306        |
| Other Debt Securities          | 32,597,014        | -               | 32,597,014        |
| <b>Total</b>                   | <b>54,677,268</b> | <b>274,802</b>  | <b>54,952,070</b> |

  

|  | <b>2024</b>       | <b>2023</b>       |
|--|-------------------|-------------------|
| <b>By interest-rate type</b>                     |                   |                   |
| Mutual Funds and Equities (Non-interest bearing) | 1,899,591         | 1,978,750         |
| Fixed Rate Securities                            | 45,938,483        | 50,613,567        |
| Floating Rate Securities                         | 2,359,829         | 2,359,753         |
|  | <b>50,197,903</b> | <b>54,952,070</b> |

|   |               |               |
|---|---------------|---------------|
| Expected Credit Losses (Stage 1 and 2) on FVOCI debt securities, included in Fair Value Reserve in Equity | <b>30,449</b> | <b>26,574</b> |
| Impairment allowance (Stage 3), included in carrying value of FVOCI debt securities                       | <b>51,588</b> | -             |

**Qatar National Bank (Q.P.S.C.)**  
**Notes to the Consolidated Financial Statements**  
**As at and For the Year Ended 31 December 2024**

(All amounts are shown in thousands of Qatari Riyals)

**11. INVESTMENT SECURITIES (Continued)**

**c) Investments measured at Amortised Cost**

|                  |                                | <b>2024</b>       |                   |                    |
|------------------|--------------------------------|-------------------|-------------------|--------------------|
|                  |                                | <b>Quoted</b>     | <b>Unquoted</b>   | <b>Total</b>       |
| <b>By Issuer</b> |                                |                   |                   |                    |
|                  | State of Qatar Debt Securities | 30,857,826        | -                 | 30,857,826         |
|                  | Other Debt Securities          | 38,381,299        | 50,331,120        | 88,712,419         |
| <b>Total</b>     |                                | <b>69,239,125</b> | <b>50,331,120</b> | <b>119,570,245</b> |

|                  |                                | <b>2023</b>       |                   |                    |
|------------------|--------------------------------|-------------------|-------------------|--------------------|
|                  |                                | <b>Quoted</b>     | <b>Unquoted</b>   | <b>Total</b>       |
| <b>By Issuer</b> |                                |                   |                   |                    |
|                  | State of Qatar Debt Securities | 25,711,897        | -                 | 25,711,897         |
|                  | Other Debt Securities          | 40,576,111        | 46,768,859        | 87,344,970         |
| <b>Total</b>     |                                | <b>66,288,008</b> | <b>46,768,859</b> | <b>113,056,867</b> |

|                         |                          | <b>2024</b>       |                   |                    |
|-------------------------|--------------------------|-------------------|-------------------|--------------------|
|                         |                          | <b>Quoted</b>     | <b>Unquoted</b>   | <b>Total</b>       |
| <b>By Interest Rate</b> |                          |                   |                   |                    |
|                         | Fixed Rate Securities    | 62,381,702        | -                 | 62,381,702         |
|                         | Floating Rate Securities | 6,857,423         | 50,331,120        | 57,188,543         |
| <b>Total</b>            |                          | <b>69,239,125</b> | <b>50,331,120</b> | <b>119,570,245</b> |

|                         |                          | <b>2023</b>       |                   |                    |
|-------------------------|--------------------------|-------------------|-------------------|--------------------|
|                         |                          | <b>Quoted</b>     | <b>Unquoted</b>   | <b>Total</b>       |
| <b>By Interest Rate</b> |                          |                   |                   |                    |
|                         | Fixed Rate Securities    | 60,414,131        | 402,023           | 60,816,154         |
|                         | Floating Rate Securities | 5,873,877         | 46,366,836        | 52,240,713         |
| <b>Total</b>            |                          | <b>66,288,008</b> | <b>46,768,859</b> | <b>113,056,867</b> |

|  | <b>2024</b> | <b>2023</b> |
|--|-------------|-------------|
| ECL / Impairment allowance, included in carrying value of amortised cost debt securities | 234,362     | 288,526     |

| <b>d) Accrued Interest</b>  | <b>2024</b>      | <b>2023</b>      |
|---|------------------|------------------|
| Investments measured at Fair Value Through Other Comprehensive Income (FVOCI) | 1,037,640        | 811,347          |
| Investments measured at Amortised Cost (AC)                                   | 2,950,367        | 3,164,796        |
|   | <b>3,988,007</b> | <b>3,976,143</b> |

| <b>e) Investment securities under repurchase agreements</b>               | <b>2024</b> | <b>2023</b> |
|---|-------------|-------------|
| Carrying amount of investment securities sold under repurchase agreements | 44,505,208  | 39,842,323  |
| Fair value of investment securities sold under repurchase agreements      | 44,456,177  | 40,316,303  |

| <b>12. INVESTMENTS IN ASSOCIATES</b> | <b>2024</b>      | <b>2023</b>      |
|--------------------------------------|------------------|------------------|
| <b>Balance as at 1 January</b>       | 7,849,360        | 7,902,221        |
| Foreign Currency Translation         | (1,683)          | (31,366)         |
| Share of results                     | 619,786          | 646,384          |
| Cash Dividend                        | (206,175)        | (173,037)        |
| Other Movements / Disposals          | (399,911)        | (494,842)        |
| <b>Balance as at 31 December</b>     | <b>7,861,377</b> | <b>7,849,360</b> |

**Qatar National Bank (Q.P.S.C.)**  
**Notes to the Consolidated Financial Statements**  
**As at and For the Year Ended 31 December 2024**

(All amounts are shown in thousands of Qatari Riyals)

**12. INVESTMENTS IN ASSOCIATES (Continued)**

| Name of Associate                                 | Country | Principal business | Ownership % |       |
|---|---------|--------------------|-------------|-------|
|   |         |                    | 2024        | 2023  |
| Housing Bank for Trade and Finance (HBTF)         | Jordan  | Banking            | 38.6        | 38.6  |
| Al Jazeera Finance Company                        | Qatar   | Financing          | 20.0        | 20.0  |
| Commercial Bank International (CBI)               | UAE     | Banking            | 40.0        | 40.0  |
| Ecobank Transnational Incorporated (ETI)          | Togo    | Banking            | 20.1        | 20.1  |
| Bantas  | Turkiye | Security Services  | 33.3        | 33.3  |
| QNB Saglik Hayat Sigorta ve Emeklilik (Note 12.1) | Turkiye | Pension Fund       | 100.0       | 100.0 |

**12.1 Acquisition of additional stake in associate by QNB Turkiye**

In January 2023, QNB Turkiye acquired 51% stake of Cigna Finans (it already held 49% stake earlier), making it a fully owned subsidiary of QNB Turkiye. The transaction resulted in recognition of gain on step acquisition of QR 252.8 million, reported in other operating income in 2023 and recognition of intangible assets of QR 260.3 million. The company was renamed as QNB Saglik Hayat Sigorta ve Emeklilik.

The following table shows the summarised selected financial information of the Group's investment in direct and material Associates:

|   | HBTF       | CBI        | ETI         |
|---|------------|------------|-------------|
| <b>Balance as at and for the period ended 30 September 2024</b> |            |            |             |
| Total Assets  | 47,244,398 | 20,809,649 | 96,683,161  |
| Total Liabilities   | 40,144,945 | 17,745,602 | 90,795,821  |
| Total Equity  | 7,099,453  | 3,064,047  | 5,887,340   |
| Market Price per Share (QR)                                     | 17.11      | 0.98       | 0.05        |
| Operating Income  | 1,726,172  | 523,929    | 5,408,749   |
| Profit for the Period   | 610,888    | 228,653    | 1,239,740   |
| Other comprehensive Income                                      | 76,285     | 1,514      | (1,379,451) |

**Balance as at and for the period ended 30 September 2023**

|                             |            |            |             |
|-----------------------------|------------|------------|-------------|
| Total Assets                | 44,582,202 | 18,572,635 | 96,996,994  |
| Total Liabilities           | 37,968,877 | 15,754,643 | 90,718,304  |
| Total Equity                | 6,613,325  | 2,817,992  | 6,278,690   |
| Market Price per Share (QR) | 17.49      | 0.60       | 0.07        |
| Operating Income            | 1,724,026  | 412,945    | 5,431,579   |
| Profit for the Period       | 580,849    | 139,386    | 1,143,019   |
| Other Comprehensive Income  | (3,834)    | 3,852      | (2,003,651) |

| Group's share of profit in associates | 2024           | 2023           |
|---------------------------------------|----------------|----------------|
| Housing Bank for Trade and Finance    | 283,536        | 287,838        |
| Commercial Bank International         | 102,984        | 69,195         |
| Ecobank Transnational Incorporated    | 216,402        | 278,060        |
| Other associates                      | 16,864         | 11,291         |
|                                       | <b>619,786</b> | <b>646,384</b> |

**Qatar National Bank (Q.P.S.C.)**  
**Notes to the Consolidated Financial Statements**  
**As at and For the Year Ended 31 December 2024**

(All amounts are shown in thousands of Qatari Riyals)

**12. INVESTMENTS IN ASSOCIATES (Continued)**

| <b>Dividend received from associates</b> | <b>2024</b>    | <b>2023</b>    |
|--|----------------|----------------|
| Housing Bank for Trade and Finance       | 199,778        | 140,290        |
| Ecobank Transnational Incorporated       | -              | 23,059         |
| Other associates                         | 6,397          | 9,688          |
|  | <b>206,175</b> | <b>173,037</b> |

**13. PROPERTY AND EQUIPMENT**

|   | <b>Land<br/>&amp; Buildings</b> | <b>Leasehold<br/>Improvements</b> | <b>Equipment<br/>&amp; Furniture</b> | <b>Motor<br/>Vehicles</b> | <b>Total</b>      |
|---|---------------------------------|-----------------------------------|--------------------------------------|---------------------------|-------------------|
| <b>Cost:</b>  |                                 |                                   |                                      |                           |                   |
| Balance as at 1 January 2024                          | 6,415,202                       | 1,283,492                         | 5,782,540                            | 187,099                   | 13,668,333        |
| Additions   | 524,246                         | 32,386                            | 896,404                              | 25,641                    | 1,478,677         |
| Disposals   | (64,663)                        | (24,074)                          | (9,027)                              | (1,328)                   | (99,092)          |
| Foreign Currency Translation / Others                 | (32,771)                        | 167,875                           | 766,001                              | 15,652                    | 916,757           |
|   | <b>6,842,014</b>                | <b>1,459,679</b>                  | <b>7,435,918</b>                     | <b>227,064</b>            | <b>15,964,675</b> |
| <b>Accumulated Depreciation:</b>                      |                                 |                                   |                                      |                           |                   |
| Balance as at 1 January 2024                          | 1,340,236                       | 1,170,587                         | 4,348,135                            | 95,948                    | 6,954,906         |
| Charged during the Year                               | 161,895                         | 45,925                            | 601,735                              | 22,380                    | 831,935           |
| Disposals   | (31,143)                        | (21,479)                          | (6,802)                              | (334)                     | (59,758)          |
| Foreign Currency Translation / Others                 | (54,270)                        | 123,270                           | 512,937                              | 417                       | 582,354           |
|   | <b>1,416,718</b>                | <b>1,318,303</b>                  | <b>5,456,005</b>                     | <b>118,411</b>            | <b>8,309,437</b>  |
| <b>Net Carrying Amount as at<br/>31 December 2024</b> | <b>5,425,296</b>                | <b>141,376</b>                    | <b>1,979,913</b>                     | <b>108,653</b>            | <b>7,655,238</b>  |
| <b>Cost:</b>  |                                 |                                   |                                      |                           |                   |
| Balance as at 1 January 2023                          | 6,940,467                       | 1,266,298                         | 4,968,782                            | 180,175                   | 13,355,722        |
| Additions   | 347,013                         | 16,319                            | 862,316                              | 18,313                    | 1,243,961         |
| Disposals   | (88,807)                        | (36,603)                          | (80,560)                             | (2,732)                   | (208,702)         |
| Foreign Currency Translation / Others                 | (783,471)                       | 37,478                            | 32,002                               | (8,657)                   | (722,648)         |
|   | <b>6,415,202</b>                | <b>1,283,492</b>                  | <b>5,782,540</b>                     | <b>187,099</b>            | <b>13,668,333</b> |
| <b>Accumulated Depreciation:</b>                      |                                 |                                   |                                      |                           |                   |
| Balance as at 1 January 2023                          | 1,302,996                       | 1,148,392                         | 3,880,170                            | 82,669                    | 6,414,227         |
| Charged during the Year                               | 193,496                         | 38,376                            | 409,989                              | 18,189                    | 660,050           |
| Disposals   | (58,138)                        | (36,241)                          | (74,156)                             | (1,883)                   | (170,418)         |
| Foreign Currency Translation / Others                 | (98,118)                        | 20,060                            | 132,132                              | (3,027)                   | 51,047            |
|   | <b>1,340,236</b>                | <b>1,170,587</b>                  | <b>4,348,135</b>                     | <b>95,948</b>             | <b>6,954,906</b>  |
| <b>Net Carrying Amount as at<br/>31 December 2023</b> | <b>5,074,966</b>                | <b>112,905</b>                    | <b>1,434,405</b>                     | <b>91,151</b>             | <b>6,713,427</b>  |

**Qatar National Bank (Q.P.S.C.)**  
**Notes to the Consolidated Financial Statements**  
**As at and For the Year Ended 31 December 2024**

(All amounts are shown in thousands of Qatari Riyals)

**13. PROPERTY AND EQUIPMENT (Continued)**

Details of right-of-use assets included in afore-mentioned class of assets are as follows:

|                                       | Land<br>& Buildings | Equipment<br>& Furniture | Motor<br>Vehicles | Total            |
|---------------------------------------|---------------------|--------------------------|-------------------|------------------|
| Balance as at 1 January 2024          | 342,583             | 2,566                    | 7,414             | <b>352,563</b>   |
| Additions                             | 201,831             | 1,622                    | 18,504            | <b>221,957</b>   |
| Disposals                             | (30,138)            | -                        | -                 | <b>(30,138)</b>  |
| Depreciation                          | (118,465)           | (1,842)                  | (5,743)           | <b>(126,050)</b> |
| Foreign Currency Translation / Others | (14,520)            | (151)                    | 1,323             | <b>(13,348)</b>  |
| <b>Balance as at 31 December 2024</b> | <b>381,291</b>      | <b>2,195</b>             | <b>21,498</b>     | <b>404,984</b>   |
| Balance as at 1 January 2023          | 375,059             | 4,005                    | 18,839            | 397,903          |
| Additions                             | 153,427             | 85                       | 704               | 154,216          |
| Disposals                             | (22,453)            | -                        | -                 | (22,453)         |
| Depreciation                          | (108,621)           | (1,784)                  | (5,496)           | (115,901)        |
| Foreign Currency Translation / Others | (54,829)            | 260                      | (6,633)           | (61,202)         |
| <b>Balance as at 31 December 2023</b> | <b>342,583</b>      | <b>2,566</b>             | <b>7,414</b>      | <b>352,563</b>   |

**14. INTANGIBLE ASSETS**

|                                       | Goodwill<br>(Note 14.1) | Core Deposit<br>Intangibles<br>(Note 14.2) | Operating /<br>other licences<br>(Note 14.3) | Total            |
|---------------------------------------|-------------------------|--|--|------------------|
| <b>Cost</b>                           |                         |  |  |                  |
| Balance as at 1 January 2024          | 1,068,415               | 932,907                                    | 1,720,436                                    | 3,721,758        |
| Foreign Currency Translation / Others | (347,724)               | -  | (259,337)                                    | (607,061)        |
| Additions                             | -                       | -  | 171,360                                      | 171,360          |
| <b>Balance as at 31 December 2024</b> | <b>720,691</b>          | <b>932,907</b>                             | <b>1,632,459</b>                             | <b>3,286,057</b> |

**Accumulated Amortisation**

|  |                |                  |                  |                    |
|--|----------------|------------------|------------------|--------------------|
| Balance as at 1 January 2024                 | -              | (857,927)        | (221,230)        | (1,079,157)        |
| Amortisation Charge                          | -              | (74,980)         | (59,456)         | (134,436)          |
| Balance as at 31 December 2024               | -              | <b>(932,907)</b> | <b>(280,686)</b> | <b>(1,213,593)</b> |
| <b>Net Book Value as at 31 December 2024</b> | <b>720,691</b> | <b>-</b>         | <b>1,351,773</b> | <b>2,072,464</b>   |

**Cost**

|                                       |                  |                |                  |                  |
|---------------------------------------|------------------|----------------|------------------|------------------|
| Balance as at 1 January 2023          | 1,369,266        | 932,907        | 1,804,457        | 4,106,630        |
| Foreign Currency Translation          | (300,851)        | -              | (363,157)        | (664,008)        |
| Other movements                       | -                | -              | 279,136          | 279,136          |
| <b>Balance as at 31 December 2023</b> | <b>1,068,415</b> | <b>932,907</b> | <b>1,720,436</b> | <b>3,721,758</b> |

**Accumulated Amortisation**

|  |                  |                  |                  |                    |
|--|------------------|------------------|------------------|--------------------|
| Balance as at 1 January 2023                 | -                | (782,462)        | (145,751)        | (928,213)          |
| Amortisation Charge                          | -                | (75,465)         | (75,479)         | (150,944)          |
| Balance as at 31 December 2023               | -                | <b>(857,927)</b> | <b>(221,230)</b> | <b>(1,079,157)</b> |
| <b>Net Book Value as at 31 December 2023</b> | <b>1,068,415</b> | <b>74,980</b>    | <b>1,499,206</b> | <b>2,642,601</b>   |

**Qatar National Bank (Q.P.S.C.)**  
**Notes to the Consolidated Financial Statements**  
**As at and For the Year Ended 31 December 2024**

(All amounts are shown in thousands of Qatari Riyals)

**14. INTANGIBLE ASSETS (Continued)**

**14.1 Goodwill**

|               | <b>2024</b>    | <b>2023</b>      |
|---------------|----------------|------------------|
| QNB Egypt     | 531,031        | 872,843          |
| Mansour Bank  | 100,335        | 100,335          |
| QNB Indonesia | 49,288         | 53,769           |
| QNB Tunisia   | 40,037         | 41,468           |
| <b>Total</b>  | <b>720,691</b> | <b>1,068,415</b> |

**14.2 Core deposit intangibles**

|              | <b>2024</b> | <b>2023</b>   |
|--------------|-------------|---------------|
| QNB Egypt    | -           | 73,096        |
| QNB Tunisia  | -           | 1,865         |
| Mansour Bank | -           | 19            |
| <b>Total</b> | <b>-</b>    | <b>74,980</b> |

**14.3 Operating / other licenses**

|  | <b>2024</b>      | <b>2023</b>      |
|--|------------------|------------------|
| Operating license pertaining to acquisition of subsidiaries: |                  |                  |
| QNB Turkiye  | 590,308          | 706,065          |
| QNB Egypt  | 210,852          | 346,572          |
| QNB Tunisia  | 14,953           | 15,488           |
| Mansour Bank   | 5,739            | 5,739            |
| QNB Indonesia  | 3,950            | 7,670            |
| QNB Saglik Hayat Sigorta ve Emeklilik owned by QNB Turkiye   | 198,710          | 212,647          |
| Other purchased licences / software                          | 327,261          | 205,025          |
| <b>Total</b>   | <b>1,351,773</b> | <b>1,499,206</b> |

**Impairment Tests for Goodwill and Intangible Assets with Indefinite Lives**

The Group performed its annual impairment test in accordance with its accounting policy and performed a sensitivity analysis of the underlying assumptions used in the value-in-use calculations. The recoverable amounts of cash-generating units were higher than the carrying amounts. Consequently, no impairment was considered necessary as at the end of the reporting period (2023: Nil).

The intangible assets with finite lives have a remaining amortisation period ranging between 1 to 4 year(s). Recoverable amount of goodwill and other intangible assets with indefinite useful life for QNB Egypt, which includes, corporate and consumer banking CGUs, is calculated using value-in-use method based on following inputs. A discount rate of 14.6% (2023: 18.3%) and a terminal growth rate of 5.1% (2023: 3.8%) were used to estimate the recoverable amount. To determine the recoverable amounts, cash flow estimates were considered for five years (2023: five years).

**Qatar National Bank (Q.P.S.C.)**  
**Notes to the Consolidated Financial Statements**  
**As at and For the Year Ended 31 December 2024**

(All amounts are shown in thousands of Qatari Riyals)

|  |                    |                    |
|--|--------------------|--------------------|
| <b>15. OTHER ASSETS</b>  | <b>2024</b>        | <b>2023</b>        |
| Prepaid Expenses   | 2,793,209          | 2,141,545          |
| Positive Fair Value of Derivatives (Note 36)   | 7,517,972          | 7,128,139          |
| Sundry Debtors   | 743,682            | 873,124            |
| Deferred Tax Asset (Note 32)   | 357,950            | 955,291            |
| Properties acquired against debt   | 284,270            | 267,290            |
| Accrued fees and commission  | 206,022            | 144,781            |
| Transition / clearing balances   | 979,030            | 977,279            |
| Income taxes receivable  | 57,826             | 13,032             |
| Other taxes receivable   | 6,222              | 505                |
| Capital expenditure in progress  | 117,630            | 127,310            |
| Others   | 674,188            | 1,134,469          |
| <b>Total</b>   | <b>13,738,001</b>  | <b>13,762,765</b>  |
| <b>16. DUE TO BANKS</b>  | <b>2024</b>        | <b>2023</b>        |
| Balances Due to Central Banks  | 1,294,838          | 1,679,493          |
| Current Accounts   | 1,370,762          | 507,643            |
| Deposits   | 128,240,176        | 122,946,025        |
| Repurchase Agreements  | 36,422,903         | 27,356,549         |
| Interest Payable   | 3,874,359          | 4,501,691          |
| <b>Total</b>   | <b>171,203,038</b> | <b>156,991,401</b> |
| <b>17. CUSTOMER DEPOSITS</b>   | <b>2024</b>        | <b>2023</b>        |
| <b>a) By Type</b>  |                    |                    |
| Current and Call Accounts  | 153,187,921        | 154,839,177        |
| Saving Accounts  | 25,834,060         | 24,097,026         |
| Time Deposits  | 697,905,467        | 668,465,517        |
| Interest Payable   | 10,082,164         | 9,704,557          |
| <b>Total</b>   | <b>887,009,612</b> | <b>857,106,277</b> |
| <b>b) By Sector</b>  | <b>2024</b>        | <b>2023</b>        |
| Government   | 41,614,237         | 52,168,239         |
| Government Agencies  | 175,667,209        | 183,711,100        |
| Individuals  | 146,393,101        | 137,169,081        |
| Corporate  | 513,252,901        | 474,353,300        |
| Interest Payable   | 10,082,164         | 9,704,557          |
| <b>Total</b>   | <b>887,009,612</b> | <b>857,106,277</b> |
| <b>18. DEBT SECURITIES</b>   | <b>2024</b>        | <b>2023</b>        |
| Face value of bonds  | 39,114,354         | 35,783,161         |
| Less: Unamortised premium / discount   | (678)              | (14,157)           |
| Interest Payable   | 534,541            | 519,863            |
| <b>Total</b>   | <b>39,648,217</b>  | <b>36,288,867</b>  |
| The following table shows movement of the debt securities issued by the Group as at the end of the reporting period: |                    |                    |
|  | <b>2024</b>        | <b>2023</b>        |
| Balance as at 1 January  | 36,288,867         | 35,152,720         |
| Issuances during the year  | 8,630,395          | 3,685,243          |
| Repayments   | (7,567,728)        | (2,261,848)        |
| Interest accrued   | 544,131            | 417,640            |
| Other movements / Foreign exchange translation   | 1,752,552          | (704,888)          |
| <b>Balance as at 31 December</b>   | <b>39,648,217</b>  | <b>36,288,867</b>  |



**Qatar National Bank (Q.P.S.C.)**  
**Notes to the Consolidated Financial Statements**  
**As at and For the Year Ended 31 December 2024**

(All amounts are shown in thousands of Qatari Riyals)

**18. DEBT SECURITIES (Continued)**

The following table shows the maturity profile of the debt securities outstanding as at the end of the reporting period.

| <b>Year of Maturity</b> | <b>2024</b>       | <b>2023</b>       |
|-------------------------|-------------------|-------------------|
| 2024                    | -                 | 11,114,364        |
| 2025                    | 10,388,940        | 6,142,987         |
| 2026                    | 4,961,206         | 4,722,070         |
| 2027                    | 3,638,137         | 3,637,650         |
| 2028                    | 619,632           | 677,702           |
| 2029                    | 9,619,590         | -                 |
| 2032                    | -                 | 1,101,303         |
| 2033                    | 1,105,177         | -                 |
| 2047                    | 3,227,206         | 3,073,529         |
| 2048                    | 3,542,821         | 3,369,302         |
| 2060                    | 2,545,508         | 2,449,960         |
| <b>Total</b>            | <b>39,648,217</b> | <b>36,288,867</b> |

The above debt securities are denominated in USD, GBP, EUR and AUD and comprise of fixed and floating interest rates.

**19. OTHER BORROWINGS**

The following table shows the movement in other borrowings issued by the Group as at the end of the reporting period:

|  | <b>2024</b>       | <b>2023</b>       |
|--|-------------------|-------------------|
| Balance as at 1 January                        | 29,400,073        | 25,593,253        |
| Issuances during the year                      | 11,079,454        | 7,987,291         |
| Repayments                                     | (5,746,872)       | (3,472,552)       |
| Other movements / Foreign exchange translation | (870,297)         | (841,255)         |
| Interest accrued                               | 5,178             | 133,336           |
| <b>Balance as at 31 December</b>               | <b>33,867,536</b> | <b>29,400,073</b> |

The following table shows the maturity profile of the other borrowings outstanding as at the end of the reporting period.

| <b>Year of Maturity</b> | <b>2024</b>       | <b>2023</b>       |
|-------------------------|-------------------|-------------------|
| 2024                    | -                 | 10,574,627        |
| 2025                    | 9,243,864         | 6,703,871         |
| 2026                    | 14,999,432        | 12,070,296        |
| 2027                    | 8,114,419         | 50,080            |
| 2028                    | 8,180             | 856               |
| 2029                    | 1,501,641         | 343               |
| <b>Total</b>            | <b>33,867,536</b> | <b>29,400,073</b> |

The above are mainly denominated in USD, EUR, CNY and EGP and comprise of fixed and floating interest rates.

The Group hedged part of the currency risk of its net investment in foreign operations using foreign currency borrowings. During October 2024, the hedging instrument matured (2023: EUR 1.75 billion). Up to the date of maturity of hedging instrument, the designated net investment hedge was highly effective.

**Qatar National Bank (Q.P.S.C.)**  
**Notes to the Consolidated Financial Statements**  
**As at and For the Year Ended 31 December 2024**

(All amounts are shown in thousands of Qatari Riyals)

| <b>20. OTHER LIABILITIES</b>   | <b>2024</b>       | <b>2023</b>       |
|--|-------------------|-------------------|
| Expense Payable  | 2,769,947         | 2,101,583         |
| Other Provisions (Note 21)   | 594,923           | 518,574           |
| Negative Fair Value of Derivatives (Note 36)                           | 9,914,747         | 5,492,065         |
| Unearned Revenue   | 2,692,171         | 4,024,005         |
| Social and Sports Fund   | 296,440           | 294,911           |
| Deferred Tax Liability (Note 32)                                       | 51,547            | 43,096            |
| Margin Accounts  | 2,279,840         | 1,703,144         |
| Allowance for Impairment for Loan Commitments and Financial Guarantees | 1,109,119         | 1,146,554         |
| Lease liabilities (Note 20.1)  | 398,346           | 530,501           |
| Sundry Creditors   | 1,793,578         | 1,242,522         |
| Acceptances  | 17,515,213        | 12,148,525        |
| Pay Warrants   | 171,129           | 309,568           |
| Liability for Coupon payment on Additional Tier 1 Capital              | 1,150,000         | 1,150,000         |
| Items in the course of transmission                                    | 2,858,416         | 1,749,228         |
| Income Tax Payable   | 1,052,636         | 1,139,363         |
| Other Tax Payable  | 800,102           | 547,794           |
| Provision for Insurance Policyholders' rights                          | 642,098           | 733,639           |
| Others   | 6,312,929         | 6,116,229         |
| <b>Total</b>   | <b>52,403,181</b> | <b>40,991,301</b> |

| <b>20.1 Breakdown of Lease Liabilities</b> | <b>2024</b>    | <b>2023</b>    |
|--|----------------|----------------|
| Current portion                            | 53,057         | 73,540         |
| Non-current portion                        | 345,289        | 456,961        |
|  | <b>398,346</b> | <b>530,501</b> |

| <b>21. OTHER PROVISIONS</b>                 | <b>Staff<br/>Indemnity</b> | <b>Legal<br/>Provision</b> | <b>Other<br/>Provision</b> | <b>Total</b>   |
|---|----------------------------|----------------------------|----------------------------|----------------|
| Balance as at 1 January 2024                | 369,781                    | 29,765                     | 119,028                    | 518,574        |
| Foreign Currency Translation                | (42,371)                   | (2,738)                    | (8,277)                    | (53,386)       |
| Provisions Made, net                        | 104,245                    | 46,102                     | 112,531                    | 262,878        |
|   | <b>431,655</b>             | <b>73,129</b>              | <b>223,282</b>             | <b>728,066</b> |
| Provisions Paid, Written off or Transferred | (43,248)                   | (49,476)                   | (40,419)                   | (133,143)      |
| <b>Balance as at 31 December 2024</b>       | <b>388,407</b>             | <b>23,653</b>              | <b>182,863</b>             | <b>594,923</b> |
| Balance as at 1 January 2023                | 448,765                    | 72,907                     | 87,154                     | 608,826        |
| Foreign Currency Translation                | (105,734)                  | (19,715)                   | (14,140)                   | (139,589)      |
| Provisions Made, net                        | 66,723                     | 13,507                     | 46,323                     | 126,553        |
|   | <b>409,754</b>             | <b>66,699</b>              | <b>119,337</b>             | <b>595,790</b> |
| Provisions Paid, Written off or Transferred | (39,973)                   | (36,934)                   | (309)                      | (77,216)       |
| <b>Balance as at 31 December 2023</b>       | <b>369,781</b>             | <b>29,765</b>              | <b>119,028</b>             | <b>518,574</b> |

**22. EQUITY**

**a) Issued Capital**

The authorised, issued and fully paid up share capital of the Bank totalling QR9,236 million consists of 9,236,428,570 ordinary shares of QR1 each. Qatar Investment Authority holds 50% of the ordinary shares of the Bank with the remaining 50% are available for members of the public. All shares issued are of the same class and carry equal rights.

**Qatar National Bank (Q.P.S.C.)**  
**Notes to the Consolidated Financial Statements**  
**As at and For the Year Ended 31 December 2024**

(All amounts are shown in thousands of Qatari Riyals)

**22. EQUITY (Continued)**

**b) Treasury Shares**

On 11 September 2024, the Board of Directors of Qatar National Bank (Q.P.S.C.) approved to buy back a percentage of the Bank's shares for a value up to QR 2.9 billion.

On 29 September 2024, the Group announced that it has obtained all applicable approvals from Qatar Central Bank and Qatar Financial Market Authority to proceed with its share repurchased. The Group commenced share repurchases from 9 October 2024. The following table summarizes the shares repurchased until the end of the reporting period.

|   | <b>2024</b>    |
|---|----------------|
| Total number of shares repurchased  | 38,330,000     |
| Average price of shares repurchased, per share (Qatari Riyal)   | 17.24          |
| <b>Total Value of Shares Repurchased (thousands of Qatari Riyals)</b>   | <b>660,730</b> |
| Weighted average number of shares purchased<br>from 9 October 2024 to 31 December 2024 (for the purpose of EPS calculation) | 4,360,066      |

**c) Legal Reserve**

In accordance with Qatar Central Bank Law, at least 10% of the profit for the year is required to be transferred to the legal reserve until the reserve equals 100% of the paid up capital. This reserve is not available for distribution, except in circumstances specified in the Qatar Commercial Companies Law and after Qatar Central Bank approval. When bonus shares are proposed, an increase in the legal reserve is proposed equivalent to the increase in capital to enhance the financial position of the Group.

The proceeds received from the rights issue, net of any directly attributable transaction costs, are directly credited to share capital (nominal value of shares) and legal reserve (share premium on rights issue) when shares have been issued higher than their nominal value.

**d) Risk Reserve**

In accordance with Qatar Central Bank regulations, a risk reserve is made to cover contingencies on loans and advances and financing activities, with a minimum requirement of 2.5% of the total direct facilities after excluding provisions for credit losses, deferred profits, exposures granted to or guaranteed by the Government and exposures against cash collaterals.

**e) Fair Value Reserve**

|                                       | <b>Hedges of a<br/>Net Investment<br/>in Foreign<br/>Operation</b> | <b>Cash Flow<br/>Hedges</b> | <b>Fair Value<br/>Through Other<br/>Comprehensive<br/>Income</b> | <b>Total</b>       |
|---------------------------------------|--|-----------------------------|--|--------------------|
| Balance as at 1 January 2024          | 181,448  | (370,523)                   | (398,702)  | (587,777)          |
| Foreign Currency Translation          | -  | (19,003)                    | 56,924   | 37,921             |
| Revaluation Impact                    | -  | (343,943)                   | (101,784)  | (445,727)          |
| Reclassified to Income Statement      | -  | -                           | (26,126)   | (26,126)           |
| Other movements                       | (181,448)  | (79)                        | 38   | (181,489)          |
| Net Movement during the Year          | (181,448)  | (344,022)                   | (127,872)  | (653,342)          |
| <b>Balance as at 31 December 2024</b> | <b>-</b>   | <b>(733,548)</b>            | <b>(469,650)</b>   | <b>(1,203,198)</b> |

**Qatar National Bank (Q.P.S.C.)**  
**Notes to the Consolidated Financial Statements**  
**As at and For the Year Ended 31 December 2024**

(All amounts are shown in thousands of Qatari Riyals)

**22. EQUITY (Continued)**

**e) Fair Value Reserve (continued)**

|                                       | Hedges of a<br>Net Investment<br>in Foreign<br>Operation | Cash Flow<br>Hedges | Fair Value<br>Through Other<br>Comprehensive<br>Income | Total            |
|---------------------------------------|--|---------------------|--|------------------|
| Balance as at 1 January 2023          | 346,876  | 200,570             | 342,683  | 890,129          |
| Foreign Currency Translation          | -  | (114,724)           | (141,976)  | (256,700)        |
| Revaluation Impact                    | (165,428)  | (456,598)           | (559,951)  | (1,181,977)      |
| Reclassified to Income Statement      | -  | -                   | (39,939)   | (39,939)         |
| Other movements                       | -  | 229                 | 481  | 710              |
| Net Movement during the Year          | (165,428)  | (456,369)           | (599,409)  | (1,221,206)      |
| <b>Balance as at 31 December 2023</b> | <b>181,448</b>   | <b>(370,523)</b>    | <b>(398,702)</b>                                       | <b>(587,777)</b> |

**f) Foreign Currency Translation Reserve**

The translation reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations.

**g) Other Reserves**

Other reserves represent mainly a general reserve which, in accordance with the Bank's Articles of Association, shall be employed according to a resolution of the General Assembly upon the recommendation from the Board of Directors and after Qatar Central Bank approval. Currency translation adjustments and share of changes recognised directly in associates' equity are not available for distribution. Details of other reserves are as follows:

|   | 2024               | 2023             |
|---|--------------------|------------------|
| General Reserve   | 1,688,162          | 1,684,341        |
| Share of Changes Recognised Directly in Associates' Equity, excluding Share of Profit | (2,804,372)        | (2,504,847)      |
| <b>Total</b>  | <b>(1,116,210)</b> | <b>(820,506)</b> |

**h) Retained Earnings**

Retained earnings include the Group's share in profit of associates. These profits are distributable to the shareholders only to the extent of the cash dividend received.

**i) Dividend**

The table below shows the details of cash dividends:

| For the year ended 31<br>December 2024         | Dividend<br>type | Status   | Date of<br>Distribution | Dividend<br>per share (QR) | Total Dividend<br>(QR 000) |
|--|------------------|----------|-------------------------|----------------------------|----------------------------|
| First half ended 30 June 2024                  | Interim          | Paid     | 17 July 2024            | 0.33                       | 3,048,021                  |
| Second half ended 31 December 2024             | Final            | Proposed | Note below              | 0.37                       | 3,403,296                  |
| <b>Total for 2024</b>                          |                  |          |                         | <b>0.70</b>                | <b>6,451,317</b>           |
| <b>For the year ended 31<br/>December 2023</b> |                  |          |                         |                            |                            |
| For year ended 31 December 2023                | Final            | Paid     | 12 February 2024        | <b>0.65</b>                | <b>6,003,679</b>           |

Note: The proposed final dividend is subject to the approval of Qatar Central Bank and the General Assembly.

The proposed final dividends for second half of 2024 have been computed based on total issued shares, net of shares repurchased, until the end of the reporting period.

**Qatar National Bank (Q.P.S.C.)**  
**Notes to the Consolidated Financial Statements**  
**As at and For the Year Ended 31 December 2024**

(All amounts are shown in thousands of Qatari Riyals)

**23. NON-CONTROLLING INTERESTS**

|               | <b>2024</b>      | <b>2023</b>      |
|---------------|------------------|------------------|
| QNB Syria     | 315,475          | 306,010          |
| QNB Indonesia | 22,136           | 23,627           |
| Mansour Bank  | 572,486          | 384,948          |
| QNB Tunisia   | (2)              | (1)              |
| QNB Egypt     | 309,226          | 379,732          |
| QNB Turkiye   | 20,580           | 14,142           |
|               | <b>1,239,901</b> | <b>1,108,458</b> |

The ownership of non-controlling interests are as follows:

|               | <b>2024</b> | <b>2023</b> |
|---------------|-------------|-------------|
| QNB Syria     | 49.19%      | 49.19%      |
| QNB Indonesia | 8.43%       | 4.37%       |
| Mansour Bank  | 45.81%      | 45.81%      |
| QNB Tunisia   | 0.002%      | 0.002%      |
| QNB Egypt     | 5.03%       | 5.03%       |
| QNB Turkiye   | 0.12%       | 0.12%       |

**24. INSTRUMENTS ELIGIBLE FOR ADDITIONAL TIER 1 CAPITAL**

In 2016, QNB raised Additional Tier 1 Perpetual Capital ('Note') by issuing unsecured perpetual non-cumulative unlisted note for an amount of QR10 billion. In 2018, QNB issued another series of Additional Tier 1 Perpetual Capital ('Note') for an amount of QR10 billion with similar terms and conditions as described below.

The distributions (i.e. coupon payments) are discretionary and non-cumulative and payable annually until the call date being six years from date of issuance.

These Notes rank junior to the QNB's existing unsubordinated obligations including existing depositors, pari-passu to all current and future subordinated obligations and senior to the ordinary shares issued by the Bank. These Notes have no fixed redemption date and the Bank can only redeem the Notes in the limited circumstances and other general redemption conditions solely at the Bank's discretion. The Bank might be required to write-off the Note, if a "loss absorption" event is triggered. These Notes have been classified within total equity.

**25. INTEREST INCOME**

|                        | <b>2024</b>        | <b>2023</b>       |
|------------------------|--------------------|-------------------|
| Due from Central Banks | 936,692            | 1,122,496         |
| Due from Banks         | 11,216,095         | 7,099,732         |
| Debt Securities        | 19,098,042         | 16,014,853        |
| Loans and Advances     | 94,071,883         | 72,896,247        |
| <b>Total</b>           | <b>125,322,712</b> | <b>97,133,328</b> |

The amounts reported above include interest income, calculated using the effective interest method, that relate to the following items:

|   | <b>2024</b>        | <b>2023</b>       |
|---|--------------------|-------------------|
| Financial assets measured at amortised cost | 117,559,320        | 91,148,105        |
| Financial assets measured at fair value     | 7,763,392          | 5,985,223         |
| <b>Total</b>                                | <b>125,322,712</b> | <b>97,133,328</b> |

**26. INTEREST EXPENSE**

|                   | <b>2024</b>       | <b>2023</b>       |
|-------------------|-------------------|-------------------|
| Due to Banks      | 20,612,821        | 10,959,180        |
| Customer Deposits | 66,157,291        | 49,460,408        |
| Debt Securities   | 1,527,534         | 1,414,386         |
| Lease liabilities | 41,141            | 30,863            |
| Others            | 4,164,606         | 4,851,451         |
| <b>Total</b>      | <b>92,503,393</b> | <b>66,716,288</b> |

**Qatar National Bank (Q.P.S.C.)**  
**Notes to the Consolidated Financial Statements**  
**As at and For the Year Ended 31 December 2024**

(All amounts are shown in thousands of Qatari Riyals)

| <b>27. FEE AND COMMISSION INCOME</b> | <b>2024</b>      | <b>2023</b>      |
|--------------------------------------|------------------|------------------|
| Loans and Advances                   | 973,574          | 707,898          |
| Off-Balance Sheet Items              | 891,791          | 820,634          |
| Bank Services                        | 5,221,550        | 4,113,180        |
| Investment Activities for Customers  | 673,087          | 440,328          |
| Others                               | 203,042          | 217,086          |
| <b>Total</b>                         | <b>7,963,044</b> | <b>6,299,126</b> |

  

| <b>28. NET FOREIGN EXCHANGE GAIN</b>  | <b>2024</b>      | <b>2023</b>      |
|---------------------------------------|------------------|------------------|
| Dealing in Foreign Currencies         | 231,351          | 884,772          |
| Revaluation of Assets and Liabilities | 3,004,132        | 3,188,692        |
| Revaluation of Derivatives            | (419,601)        | (741,442)        |
| <b>Total</b>                          | <b>2,815,882</b> | <b>3,332,022</b> |

  

| <b>29. INCOME FROM INVESTMENT SECURITIES</b>  | <b>2024</b>    | <b>2023</b>    |
|---|----------------|----------------|
| Net Gain from Sale of Investments Measured at Amortised Cost                            | 1,100          | -              |
| Net Gain from Sale of Investments Measured at Fair Value                                | 129,268        | 280,756        |
| Dividend Income   | 99,217         | 107,412        |
| Changes in Fair Value of Financial Assets measured at Fair Value through Profit or Loss | 135,124        | 96,088         |
| <b>Total</b>  | <b>364,709</b> | <b>484,256</b> |

  

| <b>30. STAFF EXPENSES</b> | <b>2024</b>      | <b>2023</b>      |
|---------------------------|------------------|------------------|
| Staff Costs               | 4,700,082        | 3,951,910        |
| Staff Pension Fund Costs  | 92,146           | 89,749           |
| Staff Indemnity Costs     | 104,245          | 66,723           |
| <b>Total</b>              | <b>4,896,473</b> | <b>4,108,382</b> |

  

| <b>31. OTHER EXPENSES</b>   | <b>2024</b>      | <b>2023</b>      |
|-----------------------------|------------------|------------------|
| Training                    | 80,079           | 75,135           |
| Advertising                 | 466,145          | 480,750          |
| Professional Fees           | 344,930          | 265,489          |
| Communication and Insurance | 547,736          | 485,169          |
| Occupancy and Maintenance   | 434,593          | 416,103          |
| Leasing                     | 31,856           | 33,928           |
| Computer and IT Costs       | 898,821          | 757,415          |
| Printing and Stationery     | 94,142           | 61,512           |
| Directors' Fees             | 23,200           | 16,940           |
| Others                      | 582,443          | 452,191          |
| <b>Total</b>                | <b>3,503,945</b> | <b>3,044,632</b> |

**Qatar National Bank (Q.P.S.C.)**  
**Notes to the Consolidated Financial Statements**  
**As at and For the Year Ended 31 December 2024**

(All amounts are shown in thousands of Qatari Riyals)

| <b>32. INCOME TAXES</b>                               | <b>2024</b>       | <b>2023</b>       |
|---|-------------------|-------------------|
| Current Income Tax                                    | 2,395,856         | 2,716,094         |
| Deferred Tax Charge / (Benefit)                       | 446,654           | (489,511)         |
| Adjustments to Prior Period Corporate Taxes           | (18,434)          | 69,936            |
| Pillar Two Taxes                                      | -                 | -                 |
| <b>Income Tax Expense</b>                             | <b>2,824,076</b>  | <b>2,296,519</b>  |
| <b>Profit Before Tax</b>                              | <b>19,766,518</b> | <b>17,961,819</b> |
| Less: Profit not Subject to Tax                       | (13,762,539)      | (12,315,312)      |
| <b>Profit Subject to Tax</b>                          | <b>6,003,979</b>  | <b>5,646,507</b>  |
| Weighted Average Tax Rates                            | 24.16%            | 24.69%            |
| Tax Calculated Based on the Weighted Average Tax Rate | 1,450,367         | 1,393,927         |
| Effect of Income not Subject to Taxation              | (44,987)          | 2,242             |
| Effect of Expenses not Deductible For Tax Purposes    | 1,437,130         | 830,414           |
| Adjustments to Prior Periods Corporate Taxes          | (18,434)          | 69,936            |
| <b>Income Tax Expense</b>                             | <b>2,824,076</b>  | <b>2,296,519</b>  |

**Movement in Deferred Tax Balances**

| <b>As at and for the year ended<br/>31 December 2024</b> | <b>Net balance<br/>as at<br/>1 January<br/>2024</b> | <b>Recognised in</b>        |   | <b>Deferred Tax</b> |                |                  |
|--|---|-----------------------------|---|---------------------|----------------|------------------|
|  |   | <b>income<br/>statement</b> | <b>other compreh-<br/>ensive income</b> | <b>Net</b>          | <b>Asset</b>   | <b>Liability</b> |
|  |   |                             |   |                     |                |                  |
| Expected Credit Losses                                   | 804,324   | (58,443)                    | -                                       | 745,881             | 755,894        | (10,013)         |
| Property and Equipment                                   | 330,550   | (20,396)                    | -                                       | 310,154             | 322,912        | (12,758)         |
| Employee Related Accruals                                | 130,661   | 1,284                       | 5,643                                   | 137,588             | 128,294        | 9,294            |
| Unearned Revenue   | 75,080  | (2,349)                     | -                                       | 72,731              | 72,731         | -                |
| Investment Securities                                    | (88,711)  | (371,710)                   | 20,045                                  | (440,376)           | (410,060)      | (30,316)         |
| Tax Losses Carried Forward                               | 51,614  | (20,797)                    | -                                       | 30,817              | 30,817         | -                |
| Others   | (391,323)   | 25,757                      | (184,826)                               | (550,392)           | (542,638)      | (7,754)          |
| <b>Deferred tax assets / (liabilities)</b>               | <b>912,195</b>                                      | <b>(446,654)</b>            | <b>(159,138)</b>                        | <b>306,403</b>      | <b>357,950</b> | <b>(51,547)</b>  |

| <b>As at and for the year ended<br/>31 December 2023</b> | <b>Net balance<br/>as at<br/>1 January<br/>2023</b> | <b>Recognised in</b>        |   | <b>Deferred Tax</b> |                |                  |
|--|---|-----------------------------|---|---------------------|----------------|------------------|
|  |   | <b>income<br/>statement</b> | <b>other compreh-<br/>ensive income</b> | <b>Net</b>          | <b>Asset</b>   | <b>Liability</b> |
|  |   |                             |   |                     |                |                  |
| Expected Credit Losses                                   | 534,220   | 270,104                     | -                                       | 804,324             | 824,843        | (20,519)         |
| Property and Equipment                                   | (52,281)  | 382,831                     | -                                       | 330,550             | 330,550        | -                |
| Employee Related Accruals                                | 158,349   | (29,962)                    | 2,274                                   | 130,661             | 130,661        | -                |
| Unearned Revenue   | 49,934  | 25,146                      | -                                       | 75,080              | 75,080         | -                |
| Investment Securities                                    | 208,077   | (356,570)                   | 59,782                                  | (88,711)            | (88,711)       | -                |
| Tax Losses Carried Forward                               | 136,802   | (85,188)                    | -                                       | 51,614              | 51,614         | -                |
| Others   | (691,478)   | 283,150                     | 17,005                                  | (391,323)           | (368,746)      | (22,577)         |
| <b>Deferred tax assets / (liabilities)</b>               | <b>343,623</b>                                      | <b>489,511</b>              | <b>79,061</b>                           | <b>912,195</b>      | <b>955,291</b> | <b>(43,096)</b>  |

| <b>Expiry of deferred tax recognised on carried forward tax losses</b> | <b>2024</b>   | <b>2023</b>   |
|--|---------------|---------------|
| 2025 - 2029  | 30,817        | 51,614        |
|  | <b>30,817</b> | <b>51,614</b> |

**Impact of Pillar Two Legislation**

Qatar, the jurisdiction of the parent company has committed to adopt and implement the Base Erosion and Profit Shifting (BEPS) Pillar Two Anti Global Base Erosion ("GloBE") Rules, which have multiple mechanisms that aim to ensure that large multinational enterprises maintain a minimum effective tax of 15% calculated on the profits / income in every jurisdiction that QNB Group operates. For the year ended 31 December 2024, Qatar operations of the parent company are exempt from income tax.

**Qatar National Bank (Q.P.S.C.)**  
**Notes to the Consolidated Financial Statements**  
**As at and For the Year Ended 31 December 2024**

(All amounts are shown in thousands of Qatari Riyals)

**32. INCOME TAXES (Continued)**

**Impact of Pillar Two Legislation (Continued)**

The Group has performed an assessment of its potential exposure to Pillar Two income taxes based on the 2023 country-by-country reporting and 2024 financial information for the constituent entities in the Group.

The Group has considered the Transitional Country-by-Country Safe Harbour (TCSH) relief offered by OECD for the year 2024. Based on the analysis, most jurisdictions meet the TCSH and therefore the Pillar Two income tax is deemed to be zero in those jurisdictions. Jurisdictions that do not meet the TCSH, are either not subject to a charging mechanism under GloBE in 2024 or are not expected to trigger any Pillar Two income tax.

The preceding table shows the profit not subject to tax in Qatar, and is expected to be subject to Qualified Domestic Minimum Top-up Tax (QDMTT) of 15% for the financial year beginning 1 January 2025. The Group continues to follow Pillar Two legislative developments, as further countries enact the Pillar Two model rules, to evaluate the potential future impact on its consolidated income statement, financial position and cash flows.

The Group has applied the mandatory exception to recognizing and disclosing information about deferred tax assets and liabilities arising from Pillar Two income taxes.

**33. BASIC AND DILUTED EARNINGS PER SHARE**

Earnings per share for the Group is calculated by dividing profit for the year attributable to equity holders of the Bank, further adjusted for the dividend appropriation for instruments eligible for additional Tier 1 Capital, by the weighted average number of ordinary shares in issue during the year.

|   | 2024          | 2023          |
|---|---------------|---------------|
| Profit for the Year Attributable to Equity Holders of the Bank                      | 16,716,882    | 15,511,337    |
| Less: Dividend Appropriation for Instruments Eligible for Additional Tier 1 Capital | (1,150,000)   | (1,150,000)   |
| Net Profit for the Year Attributable to Equity Holders of the Bank                  | 15,566,882    | 14,361,337    |
| Weighted Average Number of Shares (Note 33.1)                                       | 9,232,068,504 | 9,236,428,570 |
| <b>Earnings Per Share (QR) - Basic and Diluted</b>                                  | <b>1.69</b>   | <b>1.55</b>   |

**33.1 Weighted Average Number of Shares**

|  | 2024                 | 2023                 |
|--|----------------------|----------------------|
| Number of Shares at the beginning of the year                              | 9,236,428,570        | 9,236,428,570        |
| Weighted Average Number of Shares repurchased during the year (note 22(b)) | (4,360,066)          | -                    |
| <b>Weighted Average Number of Shares outstanding during the year</b>       | <b>9,232,068,504</b> | <b>9,236,428,570</b> |

**34. CONTINGENT LIABILITIES**

|                              | 2024               | 2023               |
|------------------------------|--------------------|--------------------|
| Unutilised Credit Facilities | 156,578,487        | 129,278,050        |
| Guarantees                   | 80,259,624         | 66,720,876         |
| Letters of Credit            | 47,423,105         | 52,315,037         |
| Others                       | 6,962,100          | 14,765,344         |
| <b>Total</b>                 | <b>291,223,316</b> | <b>263,079,307</b> |

**Unutilised Credit Facilities**

Commitments to extend credit represent contractual commitments to make loans and revolving credits. The majority of these expire in the next year. Since commitments may expire without being drawn upon, the total contractual amounts do not necessarily represent future cash requirements.

**Guarantees and Letters of Credit**

Guarantees and letters of credit commit the Group to make payments on behalf of customers in the case of a specific event. Guarantees and standby letters of credit carry the same credit risk as loans.



**Qatar National Bank (Q.P.S.C.)**  
**Notes to the Consolidated Financial Statements**  
**As at and For the Year Ended 31 December 2024**

(All amounts are shown in thousands of Qatari Riyals)

**35. GEOGRAPHICAL DISTRIBUTION**

|                                       | <b>Qatar</b>       | <b>Other GCC<br/>Countries</b> | <b>Europe</b>      | <b>North<br/>America</b> | <b>Others</b>      | <b>Total</b>         |
|---------------------------------------|--------------------|--------------------------------|--------------------|--------------------------|--------------------|----------------------|
| <b>Balance as at 31 December 2024</b> |                    |                                |                    |                          |                    |                      |
| Cash and Balances with                |                    |                                |                    |                          |                    |                      |
| Central Banks                         | 42,712,661         | 1,581,552                      | 26,477,498         | -                        | 13,763,719         | 84,535,430           |
| Due from Banks                        | 59,717,629         | 2,728,165                      | 14,502,830         | 10,937,118               | 8,087,953          | 95,973,695           |
| Loans and Advances to Customers       | 714,565,288        | 16,714,585                     | 118,894,213        | 6,608,189                | 53,975,476         | 910,757,751          |
| Investments                           | 101,935,872        | 8,854,405                      | 33,703,301         | 8,322,998                | 30,367,475         | 183,184,051          |
|                                       | <b>918,931,450</b> | <b>29,878,707</b>              | <b>193,577,842</b> | <b>25,868,305</b>        | <b>106,194,623</b> | <b>1,274,450,927</b> |
| Other Assets                          |                    |                                |                    |                          |                    | 23,465,703           |
| <b>Total Assets</b>                   |                    |                                |                    |                          |                    | <b>1,297,916,630</b> |
| Due to Banks                          | 20,698,292         | 42,982,085                     | 59,451,557         | 3,061,191                | 45,009,913         | 171,203,038          |
| Customer Deposits                     | 512,621,164        | 27,566,905                     | 187,556,152        | 3,792,250                | 155,473,141        | 887,009,612          |
| Debt Securities                       | -                  | -                              | 29,976,558         | -                        | 9,671,659          | 39,648,217           |
| Other Borrowings                      | -                  | 5,122,915                      | 22,523,366         | -                        | 6,221,255          | 33,867,536           |
|                                       | <b>533,319,456</b> | <b>75,671,905</b>              | <b>299,507,633</b> | <b>6,853,441</b>         | <b>216,375,968</b> | <b>1,131,728,403</b> |
| Other Liabilities                     |                    |                                |                    |                          |                    | 52,403,181           |
| Total Equity                          |                    |                                |                    |                          |                    | 113,785,046          |
| <b>Total Liabilities and Equity</b>   |                    |                                |                    |                          |                    | <b>1,297,916,630</b> |
| Guarantees                            | 52,818,081         | 4,602,681                      | 18,429,375         | -                        | 4,409,487          | 80,259,624           |
| Letters of Credit                     | 31,510,587         | 1,457,648                      | 7,917,261          | -                        | 6,537,609          | 47,423,105           |
| Unutilised Credit Facilities          | 25,152,991         | 1,540,843                      | 112,439,218        | -                        | 17,445,435         | 156,578,487          |
| <b>Balance as at 31 December 2023</b> |                    |                                |                    |                          |                    |                      |
| Cash and Balances with                |                    |                                |                    |                          |                    |                      |
| Central Banks                         | 49,575,393         | 2,692,459                      | 20,659,849         | -                        | 14,892,664         | 87,820,365           |
| Due from Banks                        | 24,824,384         | 1,487,709                      | 26,964,793         | 14,400,573               | 18,799,461         | 86,476,920           |
| Loans and Advances to Customers       | 677,209,164        | 14,815,079                     | 100,004,623        | 8,061,909                | 52,896,475         | 852,987,250          |
| Investments                           | 97,843,966         | 7,964,291                      | 25,703,466         | 1,052,966                | 48,016,996         | 180,581,685          |
|                                       | <b>849,452,907</b> | <b>26,959,538</b>              | <b>173,332,731</b> | <b>23,515,448</b>        | <b>134,605,596</b> | <b>1,207,866,220</b> |
| Other Assets                          |                    |                                |                    |                          |                    | 23,118,793           |
| <b>Total Assets</b>                   |                    |                                |                    |                          |                    | <b>1,230,985,013</b> |
| Due to Banks                          | 21,037,852         | 37,548,324                     | 54,455,085         | 1,779,195                | 42,170,945         | 156,991,401          |
| Customer Deposits                     | 496,059,489        | 22,609,469                     | 174,758,947        | 6,793,507                | 156,884,865        | 857,106,277          |
| Debt Securities                       | -                  | -                              | 27,107,040         | -                        | 9,181,827          | 36,288,867           |
| Other Borrowings                      | -                  | 3,326,330                      | 23,058,617         | -                        | 3,015,126          | 29,400,073           |
|                                       | <b>517,097,341</b> | <b>63,484,123</b>              | <b>279,379,689</b> | <b>8,572,702</b>         | <b>211,252,763</b> | <b>1,079,786,618</b> |
| Other Liabilities                     |                    |                                |                    |                          |                    | 40,991,301           |
| Total Equity                          |                    |                                |                    |                          |                    | 110,207,094          |
| <b>Total Liabilities and Equity</b>   |                    |                                |                    |                          |                    | <b>1,230,985,013</b> |
| Guarantees                            | 40,000,189         | 1,508,858                      | 18,774,106         | -                        | 6,437,723          | 66,720,876           |
| Letters of Credit                     | 41,256,680         | 1,404,452                      | 4,268,956          | -                        | 5,384,949          | 52,315,037           |
| Unutilised Credit Facilities          | 21,200,494         | 1,924,868                      | 91,183,366         | -                        | 14,969,322         | 129,278,050          |

Other assets includes property and equipment and intangible assets.

**Qatar National Bank (Q.P.S.C.)**  
**Notes to the Consolidated Financial Statements**  
**As at and For the Year Ended 31 December 2024**

(All amounts are shown in thousands of Qatari Riyals)

**36. DERIVATIVES**

The following table shows the positive and negative fair values of derivative financial instruments, together with the notional amounts analysed by the term to maturity. The notional amounts, which provide an indication of the volumes of the transactions outstanding at the year end, do not necessarily reflect the amounts of future cash flows involved. These notional amounts, therefore, are neither indicative of the Group's exposure to credit risk, which is generally limited to the positive fair value of the derivatives, or market risk.

|                                |                        |                        |                    | Notional / Expected amount by term to maturity |                  |              |                      |
|--------------------------------|------------------------|------------------------|--------------------|--|------------------|--------------|----------------------|
|                                | Positive<br>Fair Value | Negative<br>Fair Value | Notional<br>Amount | Within<br>3 Months                             | 3 - 12<br>Months | 1-5<br>Years | More than<br>5 Years |
| At 31 December 2024:           |                        |                        |                    |  |                  |              |                      |
| Derivatives Held for Trading:  |                        |                        |                    |  |                  |              |                      |
| Forward Foreign Exchange       |                        |                        |                    |  |                  |              |                      |
| Contracts                      | 488,666                | 2,159,672              | 168,319,214        | 123,290,279                                    | 41,549,542       | 3,479,393    | -                    |
| Interest Rate Swaps            | 320,936                | 195,094                | 76,400,918         | 6,866,815                                      | 8,262,953        | 46,923,120   | 14,348,030           |
| Cross Currency Swaps           | 154,343                | 234,505                | 40,290,805         | 36,761,874                                     | 3,258,332        | 270,599      | -                    |
| Options / Others               | 51,959                 | 109,428                | 7,913,060          | 4,442,353                                      | 3,397,779        | 72,928       | -                    |
| Derivatives Held as Cash Flow  |                        |                        |                    |  |                  |              |                      |
| Hedges:                        |                        |                        |                    |  |                  |              |                      |
| Interest Rate Swaps            | 657,648                | 146,685                | 25,910,804         | 324,449  | 2,809,790        | 19,907,890   | 2,868,675            |
| Cross Currency Swaps           | 62,799                 | 1,441,176              | 47,173,010         | 198,333  | 12,696,076       | 27,916,353   | 6,362,248            |
| Derivatives Held as Fair Value |                        |                        |                    |  |                  |              |                      |
| Hedges:                        |                        |                        |                    |  |                  |              |                      |
| Interest Rate Swaps            | 5,567,163              | 5,516,876              | 19,312,176         | 503,523  | 12,223           | 3,981,176    | 14,815,254           |
| Cross Currency Swaps           | 214,458                | 111,311                | 3,533,516          | -  | 379,696          | 3,153,820    | -                    |
| Total                          | 7,517,972              | 9,914,747              | 388,853,503        | 172,387,626                                    | 72,366,391       | 105,705,279  | 38,394,207           |
| At 31 December 2023:           |                        |                        |                    |  |                  |              |                      |
| Derivatives Held for Trading:  |                        |                        |                    |  |                  |              |                      |
| Forward Foreign Exchange       |                        |                        |                    |  |                  |              |                      |
| Contracts                      | 1,320,932              | 224,024                | 144,785,751        | 89,363,821                                     | 53,190,281       | 2,231,649    | -                    |
| Interest Rate Swaps            | 439,999                | 335,008                | 78,536,702         | 9,682,421                                      | 8,106,473        | 42,368,418   | 18,379,390           |
| Cross Currency Swaps           | 248,311                | 92,771                 | 54,465,496         | 50,381,989                                     | 3,991,633        | 91,874       | -                    |
| Options                        | 9,395                  | 35,785                 | 3,861,669          | 2,132,435                                      | 1,708,100        | 21,134       | -                    |
| Derivatives Held as Cash Flow  |                        |                        |                    |  |                  |              |                      |
| Hedges:                        |                        |                        |                    |  |                  |              |                      |
| Interest Rate Swaps            | 778,562                | 91,063                 | 32,510,904         | 7,962,971                                      | 5,042,921        | 16,430,631   | 3,074,381            |
| Cross Currency Swaps           | 180,009                | 912,005                | 41,778,539         | 2,305,731                                      | 9,949,672        | 24,896,889   | 4,626,247            |
| Derivatives Held as Fair Value |                        |                        |                    |  |                  |              |                      |
| Hedges:                        |                        |                        |                    |  |                  |              |                      |
| Interest Rate Swaps            | 3,795,061              | 3,796,371              | 16,958,935         | 97,736   | 2,180,098        | 417,443      | 14,263,658           |
| Cross Currency Swaps           | 355,870                | 5,038                  | 553,879            | 107,226  | 172,278          | 274,375      | -                    |
| Total                          | 7,128,139              | 5,492,065              | 373,451,875        | 162,034,330                                    | 84,341,456       | 86,732,413   | 40,343,676           |

**Qatar National Bank (Q.P.S.C.)**  
**Notes to the Consolidated Financial Statements**  
**As at and For the Year Ended 31 December 2024**

(All amounts are shown in thousands of Qatari Riyals)

| <b>36. DERIVATIVES (Continued)</b>                             | <b>2024</b> | <b>2023</b> |
|--|-------------|-------------|
| Cash collaterals / margin provided for derivative transactions |             |             |
| Included as part of Due from Banks                             | 9,699,434   | 6,217,035   |
| Cash collaterals / margin received for derivative transactions |             |             |
| Included as part of Due to Banks                               | 1,242,087   | 1,445,467   |

**Swaps**

Swaps are commitments to exchange one set of cash flows for another. In the case of interest rate swaps, counterparties generally exchange fixed and floating interest payments in a single currency without exchanging principal. In the case of currency swaps, fixed interest payments and principal are exchanged in different currencies. In the case of cross-currency interest rate swaps, principal, fixed and floating interest payments are exchanged in different currencies. In the case of credit default swaps the counterparties agree to make payments with respect to defined credit events based on specified notional amounts.

**Forwards and futures**

Forwards and futures are contractual agreements to either buy or sell a specified currency, commodity or financial instrument at a specified price and date in the future. Forwards are customised contracts transacted in the over-the-counter market. Foreign currency and interest rate futures are transacted in standardised amounts on regulated exchanges and changes in future contract values are settled daily.

**Forward rate agreements**

Forward rate agreements are individually negotiated interest rate futures that call for a cash settlement of the difference between a contracted interest rate and the market rate on a specified future date, on a notional principal for an agreed period of time.

**Options**

Options are contractual agreements under which the seller (writer) grants the purchaser (holder) the right, but not the obligation, to either buy or sell at fixed future date or at any time during a specified period, a specified amount of a currency, commodity or financial instrument at a pre-determined price.

**Caps and floors**

An interest rate cap or floor is a contractual arrangement under which the buyer receives money at the end of each specific period, in which the agreed interest rate exceeds or is below the agreed strike price of the cap or floor.

**Derivatives Held for Hedging Purposes**

The Group has adopted a comprehensive system for the measurement and management of risk. Part of the risk management process involves reducing the Group's exposure to fluctuations in foreign exchange rates and interest rates to acceptable levels within the guidelines issued by the Qatar Central Bank. The Group has established levels of currency risk by setting limits on counterparty and currency position exposures. Positions are monitored on a daily basis and hedging strategies are used to ensure positions are maintained within the established limits. The Group has established a level of interest rate risk by setting limits on interest rate gaps for stipulated periods. Asset and liability interest rate gaps are reviewed on a periodic basis and hedging strategies are used to reduce interest rate gaps within the established limits.

As part of its asset and liability management, the Group uses derivatives for hedging purposes in order to adjust its own exposure to currency and interest rate risks. This is generally achieved by hedging specific transactions in the consolidated statement of financial position.

**Qatar National Bank (Q.P.S.C.)**  
**Notes to the Consolidated Financial Statements**  
**As at and For the Year Ended 31 December 2024**

(All amounts are shown in thousands of Qatari Riyals)

**36. DERIVATIVES (Continued)**

**Derivatives Held for Hedging Purposes (Continued)**

The Group uses interest rate swaps to hedge against the cash flow risk arising on certain floating rate liabilities. In such cases, the hedging relationship and objective, including details of the hedged items and hedging instruments, are formally documented and the transactions are accounted for as cash flow hedges.

The Group uses interest rate swap contracts to mitigate part of the risk of a potential increase in the fair value of its fixed rate customer's deposits in foreign currencies to the extent caused by declining market interest rates. These transactions are accounted as fair value hedges.

**Derivatives Held for Trading Purposes**

Most of the Group's derivative trading activities relate to sales, positioning and arbitrage. Sales activities involve offering products to customers in order to enable them to transfer, modify or reduce current and future risks. Positioning involves managing market risk positions with the expectation of profiting from favourable movements in prices, rates or indices. Arbitrage involves identifying and profiting from price differentials between markets or products. The Group also uses forward foreign exchange contracts and currency swaps to hedge against specifically identified currency risks.

**37. MUTUAL FUNDS AND FUNDS UNDER MANAGEMENT**

As part of the Group's investment activities, the following mutual funds were marketed by the Group:

|                | <b>2024</b> | <b>2023</b> |
|----------------|-------------|-------------|
| Funds Marketed | 3,018,380   | 151,922     |

The Group's investment activities also include management of certain investment funds, as follows:

|                                    | <b>2024</b> | <b>2023</b> |
|------------------------------------|-------------|-------------|
| Third Party Funds Under Management | 55,704,529  | 36,227,048  |

The financial statements of above mentioned funds are not consolidated with the financial statements of the Group as these funds have no recourse to the general assets of the Group and the Group has no recourse to the assets of the funds.

**38. RELATED PARTIES**

The Group has transactions in the ordinary course of business with directors, officers of the Group and entities over which they have significant influence and control. The key management personnel are those persons having authority and responsibility in making financial and operating decisions. At the statement of financial position date, such significant balances included:

|  | <b>2024</b> | <b>2023</b> |
|--|-------------|-------------|
| <b>Statement of Financial Position Items</b> |             |             |
| Loans and Advances                           | 3,424,377   | 3,561,825   |
| Deposits                                     | 1,762,858   | 1,576,395   |
| Contingent Liabilities and Other Commitments | 77,547      | 35,276      |
| <b>Income Statement Items</b>                |             |             |
| Interest and Commission Income               | 198,691     | 204,012     |
| Interest and Commission Expense              | 92,850      | 81,389      |

**Qatar National Bank (Q.P.S.C.)**  
**Notes to the Consolidated Financial Statements**  
**As at and For the Year Ended 31 December 2024**

(All amounts are shown in thousands of Qatari Riyals)

| <b>38. RELATED PARTIES (Continued)</b>          | <b>2024</b> | <b>2023</b> |
|---|-------------|-------------|
| <b>Associates</b>                               |             |             |
| Due from banks                                  | 1,116,667   | 1,256,738   |
| Interest and Commission Income                  | 65,412      | 69,778      |
| Due to banks                                    | 167,333     | 1,648       |
| Interest and Commission Expense                 | 898         | 1,916       |
| <b>Compensation of key management personnel</b> | <b>2024</b> | <b>2023</b> |
| Salaries and Other Benefits                     | 49,985      | 46,708      |
| End of Service Indemnity Benefits               | 3,338       | 2,071       |
| <b>Transactions with Government of Qatar</b>    | <b>2024</b> | <b>2023</b> |
| Loans and advances                              | 87,005,977  | 89,091,153  |
| Customer deposits                               | 22,764,845  | 26,864,303  |

All the transactions with the related parties are substantially on the same terms, including interest rates and collateral, as those prevailing in comparable transactions with unrelated parties, in accordance with QCB regulations.

**39. CASH AND CASH EQUIVALENTS**

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

|   | <b>2024</b>               | <b>2023</b>               |
|---|---------------------------|---------------------------|
| Cash and Balances with Central Banks    | 25,564,937                | 27,988,326                |
| Due from Banks Maturing in Three Months | 85,643,954                | 80,139,486                |
| <b>Total</b>                            | <b><u>111,208,891</u></b> | <b><u>108,127,812</u></b> |

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

**40. COMPARATIVE FIGURES**

Certain prior year amounts have been reclassified for better presentation in order to conform with the current year presentation.

**Qatar National Bank (Q.P.S.C.)**  
**Supplementary Information to the Consolidated Financial Statements**  
**As at and For the Year Ended 31 December 2024**

(All amounts are shown in thousands of Qatari Riyals)

**PARENT COMPANY**

The statement of financial position and income statement of the parent company are presented below:

**(i) Statement of Financial Position as at 31 December:**

|  | <b>2024</b>          | <b>2023</b>          |
|--|----------------------|----------------------|
| <b>ASSETS</b>  |                      |                      |
| Cash and Balances with Central Banks                           | 46,449,576           | 55,898,275           |
| Due from Banks   | 88,852,212           | 82,323,815           |
| Loans and Advances to Customers                                | 784,771,835          | 743,432,169          |
| Investment Securities  | 124,762,038          | 119,035,802          |
| Investments in Subsidiaries and Associates                     | 35,640,567           | 34,384,332           |
| Property and Equipment   | 3,784,372            | 3,571,555            |
| Other Assets   | 10,022,979           | 10,409,893           |
| <b>Total Assets</b>  | <b>1,094,283,579</b> | <b>1,049,055,841</b> |
| <b>LIABILITIES</b>   |                      |                      |
| Due to Banks   | 173,576,984          | 177,068,535          |
| Customer Deposits  | 738,302,433          | 704,293,313          |
| Other Borrowings   | 29,731,939           | 25,766,302           |
| Other Liabilities  | 36,231,241           | 28,116,590           |
| <b>Total Liabilities</b>                                       | <b>977,842,597</b>   | <b>935,244,740</b>   |
| <b>EQUITY</b>  |                      |                      |
| Issued Capital   | 9,236,429            | 9,236,429            |
| Treasury Shares  | (660,730)            | -                    |
| Legal Reserve  | 25,326,037           | 25,326,037           |
| Risk Reserve   | 13,000,000           | 12,000,000           |
| Fair Value Reserve   | (1,040,339)          | (474,504)            |
| Foreign Currency Translation Reserve                           | (1,606,912)          | (1,765,982)          |
| Other Reserves   | (1,035,247)          | (734,813)            |
| Retained Earnings  | 53,221,744           | 50,223,934           |
| <b>Total Equity Attributable to Equity Holders of the Bank</b> | <b>96,440,982</b>    | <b>93,811,101</b>    |
| Instruments Eligible for Additional Tier 1 Capital             | 20,000,000           | 20,000,000           |
| <b>Total Equity</b>  | <b>116,440,982</b>   | <b>113,811,101</b>   |
| <b>Total Liabilities and Equity</b>                            | <b>1,094,283,579</b> | <b>1,049,055,841</b> |

**Qatar National Bank (Q.P.S.C.)**  
**Supplementary Information to the Consolidated Financial Statements**  
**As at and For the Year Ended 31 December 2024**

(All amounts are shown in thousands of Qatari Riyals)

**(ii) Income Statement for the Year Ended 31 December:**

|  | <b>2024</b>       | <b>2023</b>       |
|--|-------------------|-------------------|
| Interest Income  | 68,749,064        | 64,080,645        |
| Interest Expense   | (47,730,575)      | (44,155,241)      |
| <b>Net Interest Income</b>                                     | <b>21,018,489</b> | <b>19,925,404</b> |
| Fee and Commission Income                                      | 3,100,429         | 2,904,582         |
| Fee and Commission Expense                                     | (1,132,632)       | (921,277)         |
| <b>Net Fee and Commission Income</b>                           | <b>1,967,797</b>  | <b>1,983,305</b>  |
| Net Foreign Exchange Gain                                      | 994,790           | 819,058           |
| Income from Investment Securities                              | 246,976           | 298,551           |
| Other Operating Income   | 129               | 954               |
| <b>Operating Income</b>  | <b>24,228,181</b> | <b>23,027,272</b> |
| Staff Expenses   | (2,083,758)       | (1,949,422)       |
| Depreciation   | (182,661)         | (181,472)         |
| Other Expenses   | (1,595,497)       | (1,338,339)       |
| Net ECL / Impairment Losses on Loans and Advances to Customers | (5,610,216)       | (5,911,457)       |
| Net ECL / Impairment Losses on Investment Securities           | (11,874)          | (27,765)          |
| Net ECL / Impairment Losses on Other Financial Assets          | (374,639)         | (701,921)         |
| Amortisation   | (300,000)         | -                 |
| Other Provisions   | (41,518)          | (33,197)          |
| <b>Profit Before Income Taxes</b>                              | <b>14,028,018</b> | <b>12,883,699</b> |
| Income Tax Expense   | (37,063)          | (81,126)          |
| <b>Profit for the Year</b>                                     | <b>13,990,955</b> | <b>12,802,573</b> |

**iii) Accounting Policies for Financial Information of the Parent Bank**

Statement of financial position and income statement of the parent bank are prepared using the same accounting policies followed for the consolidated financial statements except for investment in subsidiaries and associates, which are not consolidated and carried at cost.