

Press Release



**Financial Results
For The Six Months Ended
30 June 2024**

QNB Group's six months Net Profit surged to QAR8.2 billion

Key Highlights

- **Net Profit reached QAR8.2 billion, up by 7% from June 2023.**
- **Total Assets reached QAR1,261 billion, up by 5% from June 2023.**
- **Loans and Advances reached QAR879 billion, up by 7% from June 2023.**
- **Customer Deposits reached QAR891 billion, up by 6% from June 2023.**
- **Earnings per share reached QAR0.82, up by 8% from June 2023.**
- **Total Equity reached QAR110 billion, up by 6% from June 2023.**
- **Moody's and Fitch upgraded QNB's credit ratings to Aa2 and A+, respectively.**

Proposed Interim Cash Dividends

Interim Cash Dividends of 33% of the nominal value of the share, payable to eligible shareholders as at the close of trading on 17 July 2024.

Doha, 8 July 2024:

QNB Group, the largest financial institution in the Middle East and Africa, celebrates its 60th anniversary this year, marking its establishment in 1964 as the first and oldest financial and banking institution in Qatar. This milestone crowns a continuous journey of success during which the group transformed from a local bank into one of the largest and most profitable financial institutions in the region.

QNB Group's Board of Directors in their meeting held today approved the financial results for the six months period ended 30 June 2024.

Further, the Board of Directors after considering QNB's strong record of retained earnings and sufficient regulatory reserves, authorised an interim cash dividend distribution of 33% of the nominal share value (QAR0.33 per share), payable to eligible shareholders as at the close of trading on 17 July 2024. The proposed interim cash dividend distribution is subject to approval by the Qatar Central Bank (QCB). This interim dividend proposal is a first ever in QNB's 60 year history and primarily aims to reward QNB's long term shareholders.

Key indicators of the financial results for the six months period ended 30 June 2024 were as follows:

Financial Highlights

(QAR billion)	June 2024	June 2023	Increase
Net Profit	8.2	7.6	7%
Operating Income	20.1	18.5	9%
Total Assets	1,261	1,202	5%
Loans and Advances	879	819	7%
Customer Deposits	891	836	6%
Total Equity	110	104	6%

Key Performance Indicators	June 2024	June 2023	December 2023
Earnings Per Share (QAR)	0.82	0.76	1.55
Cost to Income Ratio	22.4%	20.4%	20.0%
Loans to Deposits Ratio	98.7%	97.9%	99.5%
NPL Ratio	3.0%	3.0%	3.0%
Coverage Ratio	100%	99%	100%
Capital Adequacy Ratio (CAR)	19.2%	19.0%	19.8%
Liquidity Coverage Ratio (LCR)	185%	146%	206%
Net Stable Funding Ratio (NSFR)	105%	106%	104%

Creating long-term shareholder value through sustainable and profitable growth

Income statement results: Net profit for the six months ended 30 June 2024 reached QAR8.2 billion, an increase of 7% compared to same period last year. This demonstrates the resilience of QNB Group's financial results. Operating Income increased by 9% to reach QAR20.1 billion which reflects the Group's ability to maintain growth across a range of revenue sources.

QNB Group's efficiency (cost to income) ratio stood at 22.4%, which is considered one of the best ratios among large financial institutions in the MEA region.

Balance sheet drivers: Total Assets as at 30 June 2024 reached QAR1,261 billion, an increase of 5% from 30 June 2023, mainly driven by good growth in loans and advances by 7% to reach QAR879 billion. Diversified customer deposits generation helped to increase customer deposits by 6% to reach QAR891 billion from 30 June 2023. QNB's loans to deposits ratio stood at 98.7% as at 30 June 2024.

Credit quality: The ratio of non-performing loans to gross loans stood at 3% as at 30 June 2024, one of the lowest amongst financial institutions in the MEA region, reflecting the high quality of the Group's loan book and the effective management of credit risk. Also during the period, loan loss charge decreased to QAR3.5 billion, representing a decrease of 26% compared to June 2023. Also, loan loss coverage ratio stood at 100%, which reflects the prudent approach adopted by the Group towards non-performing loans.

Regulatory ratios: QNB Group's Capital Adequacy Ratio (CAR) as at 30 June 2024 amounted to 19.2%. Liquidity Coverage Ratio (LCR) and Net Stable Funding Ratio (NSFR) as at 30 June 2024 amounted to 185% and 105% respectively. These ratios are higher than the regulatory minimum requirements of the Qatar Central Bank and Basel III requirements.

Supporting Financial Sector Strategic Plan

QNB Financial Services (QNBFS) acted as the borrower for the first onshore securities lending & borrowing transaction in Qatar which was overseen by Qatar Stock Exchange (QSE) and Edaa Qatar as part of their market development efforts. This transaction marked a key milestone for the 3rd Financial Sector Strategic Plan (3FSS) launched by the Qatar Central Bank.

Top-tier credit ratings

During 2024, Moody's and Fitch upgraded QNB's credit ratings to Aa2 and A+ respectively, which reaffirms QNB's rating as the highest-rated bank in Qatar and one of the highest-rated banks in the world with ratings of Aa2 from Moody's, A+ from S&P and A+ from Fitch. These ratings are a testament to QNB Group's capital strength, governance, prudent risk management, business and operating model. This provides QNB Group with a competitive advantage when accessing global capital markets for wholesale funding and enables QNB to continue its growth and expansion plans.

QNB Group's financial strength reflects its top tier credit ratings, which demonstrates the confidence that institutional, corporate and individual customers have in QNB Group's performance and long-term strategy, providing assurances to investors and market participants.

Diversified funding sources

During the six months period ended 30 June 2024, QNB embarked on a public debt issuance under its EMTN programme, namely, a USD1.0 billion five-year public bond issuance in London Stock Exchange (LSE) in January 2024 and Formosa bond for USD1.0 billion in April 2024 with a dual listing in Taipei Exchange and LSE.

These deals attracted strong interest around the world from key global investors, reflecting investors' confidence in QNB Group's financial strength and its position as the largest financial institution in the Middle East and Africa region and demonstrates our standing as a high quality issuer.

Creating and delivering value

Based on QNB Group's continuous strong performance, driven by its strength and international footprint, the QNB brand remains the most valuable banking brand in the MEA region by Brand Finance, with a brand value of USD8.4 billion, placing the Group in the 39th position globally among the Top 50 most valuable banking brands in the world. This reflects the success of the QNB Group's continued efforts to serve its diverse customer base. QNB's Brand Strength Index (BSI) increased to 86, up from 85 in 2023.

QNB Group also received a number of prestigious awards during this period:

- Best Private Bank in Qatar by Euromoney
- Best Retail Bank for Digital Customer Experience in both Qatar and the Middle East by The Digital Banker

- Best Bank for Cash Management in Qatar by Global Finance

Sustainability

QNB Group continues to engage the market, clients and partners to raise awareness and drive collective action on sustainability. Enabled by the market leading QNB Group Sustainable Finance and Product Framework, we maintain our position as a pioneer in sustainable financing. As well as the first domestic interbank green deposit and inaugural green guarantee, QNB recently supported the State of Qatar as Global Coordinator for its inaugural USD2.5 billion green bond issuance.

During this quarter, QNB's subsidiary in Türkiye successfully issued its first USD500 million sustainable Eurobond, marking another milestone for QNB Group.

QNB Group's latest annual Sustainability Report includes independent assurance on key ESG KPIs, including greenhouse gas (GHG) emissions, female employment rate, and female Board of Directors in subsidiaries. QNB Group remains the only bank amongst its regional peers to receive independent assurance on its preparation in accordance with the Global Reporting Initiative (GRI) Universal Standards.

Group statistics

QNB Group's presence spans more than 28 countries across three continents operating from approximately 900 locations, 5,000 ATMs supported by 30,000 staff.