

Press Release



Financial Results
For The Three Months Ended
31 March 2024

QNB Group's First Quarter 2024 Net Profit reached QAR 4.1 billion

Key Highlights

- **Net Profit reached QAR4.1 billion, up by 7% from March 2023.**
- **Total Assets reached QAR1,237 billion, up by 5% from March 2023.**
- **Loans and Advances reached QAR867 billion, up by 7% from March 2023.**
- **Customer Deposits reached QAR880 billion, up by 6% from March 2023.**
- **Loans to deposits ratio stood at 98.6%.**
- **Cost to income (efficiency) ratio stood at 21.7%.**
- **Earnings per share reached QAR0.42, up by 8% from March 2023.**
- **Total Equity reached QAR105 billion, up by 3% from March 2023.**
- **Moody's and Fitch upgraded QNB's credit ratings to Aa2 and A+, respectively.**
- **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.**

QNB, the largest financial institution in the Middle East and Africa (MEA) region, announced its results for the three months ended 31 March 2024.

Key indicators of the financial results for the first quarter of 2024 are as follows:

Financial Highlights

(QAR billion)	March 2024	March 2023	Increase
Net Profit	4.1	3.9	7%
Operating Income	10.4	9.3	11%
Total Assets	1,237	1,178	5%
Loans and Advances	867	810	7%
Customer Deposits	880	828	6%
Total Equity	105	103	3%

Key Performance Indicators	March 2024	March 2023	December 2023
Earnings Per Share (QAR)	0.42	0.39	1.55
Cost to Income Ratio	21.7%	21.7%	20.0%
Loans to Deposits Ratio	98.6%	97.9%	99.5%
NPL Ratio	2.9%	2.9%	3.0%
Coverage Ratio	98%	104%	100%
Capital Adequacy Ratio (CAR)	19.1%	19.3%	19.8%
Liquidity Coverage Ratio (LCR)	162%	118%	206%
Net Stable Funding Ratio (NSFR)	104%	106%	104%

Creating long-term shareholder value through sustainable and profitable growth

Income statement results: Net profit for the three months ended 31 March 2024 reached QAR4.1 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 11% to reach QAR10.4 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 21.7%, which is considered one of the best ratios among large financial institutions in the MEA region.

Balance sheet drivers: Total Assets as at 31 March 2024 reached QAR1,237 billion, an increase of 5% from 31 March 2023, mainly driven by good growth in loans and advances by 7% to reach QAR867 billion. Diversified customer deposits generation helped to increase customer deposits by 6% to reach QAR880 billion from 31 March 2023. QNB's loans to deposits ratio stood at 98.6% as at 31 March 2024.

Credit quality: The ratio of non-performing loans to gross loans stood at 2.9% as at 31 March 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 QAR1.7 billion, representing a decrease of 31% compared to March 2023. Also, loan loss coverage ratio stood at 98%, which reflects the prudent approach adopted by the Group towards non-performing loans.

Regulatory ratios: QNB Group's Capital Adequacy Ratio (CAR) as at 31 March 2024 amounted to 19.1%. Liquidity Coverage Ratio (LCR) and Net Stable Funding Ratio (NSFR) as at 31 March 2024 amounted to 162% and 104% respectively. These ratios are higher than the regulatory minimum requirements of the Qatar Central Bank and Basel Committee.

Top-tier credit ratings

During the first quarter of 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

Following conducive market conditions, 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 billion in March 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 Investment Bank in Qatar by Global Finance
- Best in Service Bank in Qatar in Euromoney's Trade Finance Survey

Sustainability

In first quarter of 2024, QNB Group published its latest annual Sustainability Report, documenting its continued commitment, progress, and accomplishments of QNB's ESG journey for the year 2023. The report marks QNB Group as one of the few banks in the Middle East to receive independent limited assurance on its preparation in accordance with the Global Reporting Initiative (GRI) Universal Standards, as well as assurance on key ESG KPIs, including female employment rate, female Board of Directors in subsidiaries, and greenhouse gas (GHG) emissions.

QNB Group continues to engage the market, clients, and partners to champion, raise awareness, and drive collective action on key ESG topics. As a domestic ESG champion and regional leader, we continue to share QNB Group's journey, experiences, and knowledge to uplift the banking sector throughout the region. Enabled by the market leading QNB Group Sustainable Finance and Product Framework, we pioneered the successful execution of the first domestic interbank green deposit, green deposit placements with a large sovereign wealth fund, and the launch of QNB's inaugural green guarantee.

Group statistics

QNB Group supported by 30,000 staff operating from 900 locations and over 5,000 ATMs.