



**Consolidated Financial Statements**

**As at and For the Year Ended**

**31 December 2024**

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

	Notes	2024 QR000	2023 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 QR000	2023 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><u>(2,120,924)</u></b>	<b><u>(4,280,824)</u></b>
<b>Total Comprehensive Income for the Year</b>	<b><u><u>14,821,518</u></u></b>	<b><u><u>11,384,476</u></u></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><u><u>14,821,518</u></u></b>	<b><u><u>11,384,476</u></u></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 Capital	Treasury Shares	Legal Reserve	Risk Reserve	Fair Value Reserve	Foreign Currency Translation Reserve	Other Reserves	Retained Earnings	Equity Attributable to Equity Holders of the Bank	Non - Controlling Interests	Instruments Eligible for Additional Tier 1 Capital	Total
	QR000	QR000	QR000	QR000	QR000	QR000	QR000	QR000	QR000	QR000	QR000	QR000
<b>Balance at 1 January 2024</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>
<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>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(615,459)</b>	<b>(1,059,157)</b>	<b>(295,704)</b>	<b>16,716,882</b>	<b>14,746,562</b>	<b>74,956</b>	<b>-</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>	<b>-</b>	<b>(660,730)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(10,342,883)</b>	<b>(11,003,613)</b>	<b>56,487</b>	<b>-</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>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1,477,906)</b>	<b>(2,324,785)</b>	<b>(439,055)</b>	<b>15,511,337</b>	<b>11,269,591</b>	<b>114,885</b>	<b>-</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>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(6,962,867)</b>	<b>(6,962,867)</b>	<b>23,611</b>	<b>-</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 QR000	2023 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 QR000	2023 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><u>111,208,891</u></u></b>	<b><u><u>108,127,812</u></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.) (formerly known as QNB AL AHLI)	QNB Egypt	Egypt	2013	95.0%
QNB Bank A.S. (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.

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**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 Maximum Exposure 2024</b>	<b>Net Maximum Exposure 2024</b>	<b>Gross Maximum Exposure 2023</b>	<b>Net Maximum Exposure 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.

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**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>

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**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.)**  
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**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.

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**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:

	<b>2024</b>	<b>2023</b>
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%

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**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:

	<b>2024</b>	<b>2023</b>
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.

	<b>2024</b>	<b>2023</b>
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.

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**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>

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

**II. Risk Management**

**b) Credit Risk (continued)**

**Loans and Advances to Customers**

	<b>2023</b>			<b>Total ECL / Impairment</b>
	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</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>Total ECL / Impairment</b>
	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</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>Total ECL / Impairment</b>
	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</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.)**  
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**4. FINANCIAL RISK MANAGEMENT (Continued)**

**II. Risk Management**

**b) Credit Risk (continued)**

**Loan Commitments and Financial Guarantees**

	<b>2024</b>			<b>Total ECL / Impairment</b>
	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	
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 Amounts Written Off	(111,913)	25,133	102,875	16,095
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>

	<b>2023</b>			<b>Total ECL / Impairment</b>
	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	
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 Amounts Written Off	265,082	56,090	221,488	542,660
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**

	<b>2024</b>			<b>Total</b>
	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	
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>

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**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**

	<b>2023</b>			<b>Total</b>
	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	
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**

	<b>2024</b>			<b>Total</b>
	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	
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>

	<b>2023</b>			<b>Total</b>
	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	
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>

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

**II. Risk Management**

**b) Credit Risk (continued)**

**Investment Securities (Debt)**

	<b>2024</b>			<b>Total</b>
	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	
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>

	<b>2023</b>			<b>Total</b>
	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	
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**

	<b>2024</b>			<b>Total</b>
	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	
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>

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

**II. Risk Management**

**b) Credit Risk (continued)**

**Loan Commitments and Financial Guarantees**

	<b>2023</b>			<b>Total</b>
	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	
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:

	<b>Change in Equity Price</b>	<b>Effect on Carrying Value of Investments</b>	
	<b>%</b>	<b>2024</b>	<b>2023</b>
<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	-

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**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:

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

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**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 3 Months</b>	<b>3 - 12 Months</b>	<b>1 - 5 Years</b>	<b>More than 5 Years</b>	<b>Non-Interest Sensitive</b>	<b>Total</b>	<b>Effective Interest 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 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 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 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 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.

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**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 Basis Points</b>	<b>Sensitivity of Net Interest Income</b>	<b>Decrease in Basis Points</b>	<b>Sensitivity of Net Interest 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 Basis Points</b>	<b>Sensitivity of Net Interest Income</b>	<b>Decrease in Basis Points</b>	<b>Sensitivity of Net Interest 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.

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**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 1 Month</b>	<b>1 - 3 Months</b>	<b>3 - 12 Months</b>	<b>1 - 5 Years</b>	<b>More than 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%

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**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 1 month</b>	<b>1 - 3 months</b>	<b>3 - 12 months</b>	<b>1 - 5 years</b>	<b>More than 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>

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**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**

	<b>2024</b>	<b>2023</b>
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	<b>14.6%</b>	<b>14.8%</b>
Tier 1 Capital Ratio	<b>18.1%</b>	<b>18.7%</b>
Total Capital Ratio	<b>19.2%</b>	<b>19.8%</b>

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.

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**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 Capital Conservation Buffer</b>	<b>Capital Conservation Buffer</b>	<b>Additional DSIB charge</b>	<b>ICAAP Capital 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.

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**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.

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**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.

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**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.

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**6. OPERATING SEGMENTS (Continued)**

	Qatar Operations				International Banking	Total
	Corporate Banking	Consumer Banking	Asset and Wealth Management	Unallocated and Intra-group Transactions		
<b>As at and for the year ended 31 December 2024</b>						
<b>Revenue:</b>						
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
<b>Total Segment Revenue</b>	<b>18,326,153</b>	<b>1,519,189</b>	<b>1,314,059</b>	<b>391,617</b>	<b>19,797,927</b>	<b>41,348,945</b>
<b>Reportable Segment Profit</b>	<b>9,896,876</b>	<b>892,295</b>	<b>1,067,932</b>	<b>512</b>	<b>4,859,267</b>	<b>16,716,882</b>
<b>Reportable Segment</b>						
<b>Investments</b>	111,094,625	-	6,988	-	64,221,061	175,322,674
<b>Loans and Advances</b>	660,298,678	10,637,992	43,628,618	-	196,192,463	910,757,751
<b>Customer Deposits</b>	426,605,312	41,256,084	44,759,768	-	374,388,448	887,009,612
<b>Assets</b>	939,493,644	43,807,749	46,647,042	(340,523,345)	608,491,540	1,297,916,630
<b>As at and for the year ended 31 December 2023</b>						
<b>Revenue:</b>						
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
<b>Total Segment Revenue</b>	<b>19,174,983</b>	<b>1,400,198</b>	<b>1,218,221</b>	<b>258,352</b>	<b>17,071,734</b>	<b>39,123,488</b>
<b>Reportable Segment Profit</b>	<b>10,156,942</b>	<b>744,363</b>	<b>1,011,026</b>	<b>(115,887)</b>	<b>3,714,893</b>	<b>15,511,337</b>
<b>Reportable Segment</b>						
<b>Investments</b>	105,846,480	-	5,196	-	66,880,649	172,732,325
<b>Loans and Advances</b>	629,430,385	10,169,262	37,609,517	-	175,778,086	852,987,250
<b>Customer Deposits</b>	414,648,186	38,570,429	42,840,874	-	361,046,788	857,106,277
<b>Assets</b>	905,556,289	41,329,570	45,127,704	(322,527,344)	561,498,794	1,230,985,013

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**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 profit or loss - mandatory		Fair value through other comprehensive income		Amortised Cost	Total Carrying Amount	Fair Value
	Debt inst- ruments	Equity inst- ruments	Debt inst- ruments	Equity inst- 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>

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<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>

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

**b) By Industry (continued)**

<b>At 31 December 2023:</b>	<b>Loans and Advances</b>	<b>Overdrafts</b>	<b>Bills 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 Lending</b>	<b>Small Business Lending</b>	<b>Consumer Lending</b>	<b>Residential 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	<b>28,280,272</b>	<b>32,591,716</b>

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<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><u>175,322,674</u></b>	<b><u>172,732,325</u></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><u>1,566,519</u></b>	<b><u>-</u></b>	<b><u>1,566,519</u></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><u>747,245</u></b>	<b><u>-</u></b>	<b><u>747,245</u></b>

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

	<b>2024</b>		
	<b>Quoted</b>	<b>Unquoted</b>	<b>Total</b>
<b>By investment type</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><u>49,444,949</u></b>	<b><u>752,954</u></b>	<b><u>50,197,903</u></b>
	<b>2023</b>		
	<b>Quoted</b>	<b>Unquoted</b>	<b>Total</b>
<b>By investment type</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><u>54,677,268</u></b>	<b><u>274,802</u></b>	<b><u>54,952,070</u></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><u>50,197,903</u></b>	<b><u>54,952,070</u></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>	<b>-</b>

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**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

**d) Accrued Interest**

	<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>

**e) Investment securities under repurchase agreements**

	<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

**12. INVESTMENTS IN ASSOCIATES**

	<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>

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**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)
<b>Balance as at and for the period ended 30 September 2023</b>			
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)
<b>Group's share of profit in associates</b>		<b>2024</b>	<b>2023</b>
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>

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**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><u>206,175</u></b>	<b><u>173,037</u></b>

**13. PROPERTY AND EQUIPMENT**

	<b>Land &amp; Buildings</b>	<b>Leasehold Improvements</b>	<b>Equipment &amp; Furniture</b>	<b>Motor 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><u>6,842,014</u></b>	<b><u>1,459,679</u></b>	<b><u>7,435,918</u></b>	<b><u>227,064</u></b>	<b><u>15,964,675</u></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><u>1,416,718</u></b>	<b><u>1,318,303</u></b>	<b><u>5,456,005</u></b>	<b><u>118,411</u></b>	<b><u>8,309,437</u></b>
<b>Net Carrying Amount as at 31 December 2024</b>	<b><u>5,425,296</u></b>	<b><u>141,376</u></b>	<b><u>1,979,913</u></b>	<b><u>108,653</u></b>	<b><u>7,655,238</u></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><u>6,415,202</u></b>	<b><u>1,283,492</u></b>	<b><u>5,782,540</u></b>	<b><u>187,099</u></b>	<b><u>13,668,333</u></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><u>1,340,236</u></b>	<b><u>1,170,587</u></b>	<b><u>4,348,135</u></b>	<b><u>95,948</u></b>	<b><u>6,954,906</u></b>
<b>Net Carrying Amount as at 31 December 2023</b>	<b><u>5,074,966</u></b>	<b><u>112,905</u></b>	<b><u>1,434,405</u></b>	<b><u>91,151</u></b>	<b><u>6,713,427</u></b>

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

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

	Land & Buildings	Equipment & Furniture	Motor 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 (Note 14.1)	Core Deposit Intangibles (Note 14.2)	Operating / other licences (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>
<b>Accumulated Amortisation</b>				
Balance as at 1 January 2024	-	(857,927)	(221,230)	(1,079,157)
Amortisation Charge	-	(74,980)	(59,456)	(134,436)
<b>Balance as at 31 December 2024</b>	<b>-</b>	<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>
<b>Cost</b>				
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>
<b>Accumulated Amortisation</b>				
Balance as at 1 January 2023	-	(782,462)	(145,751)	(928,213)
Amortisation Charge	-	(75,465)	(75,479)	(150,944)
<b>Balance as at 31 December 2023</b>	<b>-</b>	<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>

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**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).

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<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>

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**18. DEBT SECURITIES (Continued)**

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

Year of Maturity	2024	2023
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><u>39,648,217</u></b>	<b><u>36,288,867</u></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:

	2024	2023
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><u>33,867,536</u></b>	<b><u>29,400,073</u></b>

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

Year of Maturity	2024	2023
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><u>33,867,536</u></b>	<b><u>29,400,073</u></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.

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<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 Indemnity</b>	<b>Legal Provision</b>	<b>Other 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.

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**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 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 Net Investment in Foreign Operation</b>	<b>Cash Flow Hedges</b>	<b>Fair Value Through Other Comprehensive 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>

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**22. EQUITY (Continued)**

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

	<b>Hedges of a Net Investment in Foreign Operation</b>	<b>Cash Flow Hedges</b>	<b>Fair Value Through Other Comprehensive Income</b>	<b>Total</b>
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:

	<b>2024</b>	<b>2023</b>
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:

<b>For the year ended 31 December 2024</b>	<b>Dividend type</b>	<b>Status</b>	<b>Date of Distribution</b>	<b>Dividend per share (QR)</b>	<b>Total Dividend (QR 000)</b>
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 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.

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<b>23. NON-CONTROLLING INTERESTS</b>	<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><u>1,239,901</u></b>	<b><u>1,108,458</u></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.

<b>25. INTEREST INCOME</b>	<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><u>125,322,712</u></b>	<b><u>97,133,328</u></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><u>125,322,712</u></b>	<b><u>97,133,328</u></b>

<b>26. INTEREST EXPENSE</b>	<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><u>92,503,393</u></b>	<b><u>66,716,288</u></b>

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	<b>2024</b>	<b>2023</b>
<b>27. FEE AND COMMISSION INCOME</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><u>7,963,044</u></b>	<b><u>6,299,126</u></b>
<b>28. NET FOREIGN EXCHANGE GAIN</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><u>2,815,882</u></b>	<b><u>3,332,022</u></b>
<b>29. INCOME FROM INVESTMENT SECURITIES</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><u>364,709</u></b>	<b><u>484,256</u></b>
<b>30. STAFF EXPENSES</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><u>4,896,473</u></b>	<b><u>4,108,382</u></b>
<b>31. OTHER EXPENSES</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><u>3,503,945</u></b>	<b><u>3,044,632</u></b>

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	2024	2023
<b>32. INCOME TAXES</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**

As at and for the year ended 31 December 2024	Net balance as at 1 January 2024	Recognised in		Deferred Tax		
		income statement	other compreh- ensive income	Net	Asset	Liability
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>

As at and for the year ended 31 December 2023	Net balance as at 1 January 2023	Recognised in		Deferred Tax		
		income statement	other compreh- ensive income	Net	Asset	Liability
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>

	2024	2023
<b>Expiry of deferred tax recognised on carried forward tax losses</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.

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**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.

	<b>2024</b>	<b>2023</b>
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	<u>(1,150,000)</u>	<u>(1,150,000)</u>
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)	<u>9,232,068,504</u>	<u>9,236,428,570</u>
<b>Earnings Per Share (QR) - Basic and Diluted</b>	<b><u>1.69</u></b>	<b><u>1.55</u></b>

**33.1 Weighted Average Number of Shares**

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

**34. CONTINGENT LIABILITIES**

	<b>2024</b>	<b>2023</b>
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><u>291,223,316</u></b>	<b><u>263,079,307</u></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.

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**35. GEOGRAPHICAL DISTRIBUTION**

	<b>Qatar</b>	<b>Other GCC Countries</b>	<b>Europe</b>	<b>North 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.

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**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.

	Positive Fair Value	Negative Fair Value	Notional Amount	Notional / Expected amount by term to maturity			
				Within 3 Months	3 - 12 Months	1-5 Years	More than 5 Years
<b>At 31 December 2024:</b>							
<b>Derivatives Held for Trading:</b>							
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	-
<b>Derivatives Held as Cash Flow</b>							
<b>Hedges:</b>							
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
<b>Derivatives Held as Fair Value</b>							
<b>Hedges:</b>							
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	-
<b>Total</b>	<b>7,517,972</b>	<b>9,914,747</b>	<b>388,853,503</b>	<b>172,387,626</b>	<b>72,366,391</b>	<b>105,705,279</b>	<b>38,394,207</b>
<b>At 31 December 2023:</b>							
<b>Derivatives Held for Trading:</b>							
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	-
<b>Derivatives Held as Cash Flow</b>							
<b>Hedges:</b>							
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
<b>Derivatives Held as Fair Value</b>							
<b>Hedges:</b>							
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	-
<b>Total</b>	<b>7,128,139</b>	<b>5,492,065</b>	<b>373,451,875</b>	<b>162,034,330</b>	<b>84,341,456</b>	<b>86,732,413</b>	<b>40,343,676</b>

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<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.

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**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

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<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>		
Salaries and Other Benefits	49,985	46,708
End of Service Indemnity Benefits	3,338	2,071
<b>Transactions with Government of Qatar</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.

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**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><u>1,094,283,579</u></b>	<b><u>1,049,055,841</u></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><u>977,842,597</u></b>	<b><u>935,244,740</u></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><u>96,440,982</u></b>	<b><u>93,811,101</u></b>
Instruments Eligible for Additional Tier 1 Capital	20,000,000	20,000,000
<b>Total Equity</b>	<b><u>116,440,982</u></b>	<b><u>113,811,101</u></b>
<b>Total Liabilities and Equity</b>	<b><u>1,094,283,579</u></b>	<b><u>1,049,055,841</u></b>

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**(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	<u>(47,730,575)</u>	<u>(44,155,241)</u>
<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	<u>(1,132,632)</u>	<u>(921,277)</u>
<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	<u>(41,518)</u>	<u>(33,197)</u>
<b>Profit Before Income Taxes</b>	<b>14,028,018</b>	<b>12,883,699</b>
Income Tax Expense	<u>(37,063)</u>	<u>(81,126)</u>
<b>Profit for the Year</b>	<b><u>13,990,955</u></b>	<b><u>12,802,573</u></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.