



**Interim Condensed Consolidated Financial Statements**

**30 September 2019**



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**Independent auditor's report on review of interim condensed consolidated financial statements to the Board of Directors of Qatar National Bank (Q.P.S.C.)**

**Introduction**

We have reviewed the accompanying 30 September 2019 interim condensed consolidated financial statements of Qatar National Bank (Q.P.S.C.) (the 'Bank') and its subsidiaries (together the 'Group'), which comprise:

- the interim consolidated statement of financial position as at 30 September 2019;
- the interim consolidated statement of income for the three and nine month periods ended 30 September 2019;
- the interim consolidated statement of comprehensive income for the three and nine month period ended 30 September 2019;
- the interim consolidated statement of changes in equity for the nine month period ended 30 September 2019;
- the interim condensed consolidated statement of cash flows for the nine month period ended 30 September 2019; and
- notes to the interim condensed consolidated financial statements.

The Board of Directors of the Bank is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with International Accounting Standard 34, '*Interim Financial Reporting*' ('IAS 34') and applicable provisions of the Qatar Central Bank regulations. Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

**Scope of Review**


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

**Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the accompanying 30 September 2019 interim condensed consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34 and applicable provisions of the Qatar Central Bank regulations.

9 October 2019  
Doha  
State of Qatar



  
Gopal Balasubramaniam  
KPMG  
Qatar Auditor's Registry Number 251  
Licensed by QFMA: External  
Auditor's License No. 120153

**Qatar National Bank (Q.P.S.C.)**  
**Interim Consolidated Statement of Financial Position**  
**As at 30 September 2019**

	Notes	30 September 2019 (Reviewed) QR000	30 September 2018 (Reviewed) QR000	31 December 2018 (Audited) QR000
<b>ASSETS</b>				
Cash and Balances with Central Banks		63,637,356	62,977,336	64,691,667
Due from Banks		74,143,958	58,788,047	61,748,844
Loans and Advances to Customers	3	653,028,970	607,287,797	617,125,304
Investment Securities	4	93,071,684	86,077,873	87,387,823
Investment in Associates		7,072,249	7,543,768	7,682,698
Property and Equipment		5,173,928	4,395,120	4,697,205
Intangible Assets		3,984,926	3,900,131	3,880,970
Other Assets		11,693,849	20,531,814	14,983,088
<b>Total Assets</b>		<b>911,806,920</b>	<b>851,501,886</b>	<b>862,197,599</b>
<b>LIABILITIES</b>				
Due to Banks		70,087,021	73,732,735	74,137,901
Customer Deposits		662,539,112	618,413,932	620,587,594
Debt Securities		33,024,803	28,936,700	26,209,791
Other Borrowings		25,195,164	25,621,916	25,109,644
Other Liabilities		28,105,256	29,181,863	27,877,948
<b>Total Liabilities</b>		<b>818,951,356</b>	<b>775,887,146</b>	<b>773,922,878</b>
<b>EQUITY</b>				
Issued Capital		9,236,429	9,236,429	9,236,429
Legal Reserve		25,326,037	25,326,037	25,326,037
Risk Reserve		8,000,000	7,500,000	8,000,000
Fair Value Reserve	5	(1,727,390)	(230,522)	(973,557)
Foreign Currency Translation Reserve		(16,027,527)	(17,729,728)	(16,209,852)
Other Reserves		308,943	1,051,556	683,722
Retained Earnings		46,653,674	39,491,449	41,206,855
<b>Total Equity Attributable to Equity Holders of the Bank</b>		<b>71,770,166</b>	<b>64,645,221</b>	<b>67,269,634</b>
Non - Controlling Interests		1,085,398	969,519	1,005,087
Instruments Eligible for Additional Tier 1 Capital		20,000,000	10,000,000	20,000,000
<b>Total Equity</b>		<b>92,855,564</b>	<b>75,614,740</b>	<b>88,274,721</b>
<b>Total Liabilities and Equity</b>		<b>911,806,920</b>	<b>851,501,886</b>	<b>862,197,599</b>

These interim condensed consolidated financial statements were approved by the Board of Directors on 9 October 2019 and were signed on its behalf by:

  
**Ali Shareef Al-Emadi**  
Chairman

  
**Abdulla Mubarak Al-Khalifa**  
Acting Group Chief Executive Officer

The attached notes 1 to 13 form an integral part of these interim condensed consolidated financial statements.

**Qatar National Bank (Q.P.S.C.)**  
**Interim Consolidated Statement of Income**  
**For the Three and Nine Month Periods Ended 30 September 2019**

	Three Months to 30 September 2019 (Reviewed) QR000	Three Months to 30 September 2018 (Reviewed) QR000	Nine Months to 30 September 2019 (Reviewed) QR000	Nine Months to 30 September 2018 (Reviewed) QR000
Interest Income	13,183,338	12,769,966	40,516,450	36,934,241
Interest Expense	(8,084,573)	(8,047,031)	(25,573,602)	(22,796,767)
<b>Net Interest Income</b>	<b>5,098,765</b>	<b>4,722,935</b>	<b>14,942,848</b>	<b>14,137,474</b>
Fees and Commission Income	1,263,733	1,080,544	3,605,480	3,425,550
Fees and Commission Expense	(302,071)	(241,330)	(825,757)	(702,639)
<b>Net Fees and Commission Income</b>	<b>961,662</b>	<b>839,214</b>	<b>2,779,723</b>	<b>2,722,911</b>
Net Foreign Exchange Gain	262,213	336,638	846,504	868,816
Income from Investment Securities	29,592	67,530	80,317	119,774
Other Operating Income	74,614	18,135	105,318	57,409
<b>Operating Income</b>	<b>6,426,846</b>	<b>5,984,452</b>	<b>18,754,710</b>	<b>17,906,384</b>
Staff Expenses	(881,077)	(776,436)	(2,593,139)	(2,514,983)
Depreciation	(177,917)	(100,018)	(523,976)	(335,725)
Other Expenses	(624,936)	(606,163)	(1,786,453)	(1,941,778)
Net ECL / Impairment Losses on Loans and Advances to Customers	(618,355)	(683,993)	(1,924,740)	(1,659,651)
Net ECL / Impairment Recoveries / (Losses) on Investment Securities	3,515	(4,711)	33,501	(7,111)
Net ECL / Impairment Recoveries / (Losses) on Other Financial Instrument	(34,918)	107,716	(158,416)	47,356
Amortisation of Intangible Assets	(18,830)	(17,934)	(54,871)	(52,540)
Other Reversals / (Provisions)	20,308	(27,590)	15,382	(70,734)
	<b>(2,332,210)</b>	<b>(2,109,129)</b>	<b>(6,992,712)</b>	<b>(6,535,166)</b>
Share of Results of Associates	90,003	113,649	319,385	359,541
<b>Profit Before Income Tax</b>	<b>4,184,639</b>	<b>3,988,972</b>	<b>12,081,383</b>	<b>11,730,759</b>
Income Tax Expense	(319,854)	(242,809)	(790,177)	(841,350)
<b>Profit for the Period</b>	<b>3,864,785</b>	<b>3,746,163</b>	<b>11,291,206</b>	<b>10,889,409</b>
<b>Attributable to:</b>				
Equity Holders of the Bank	3,837,528	3,724,808	11,210,477	10,822,452
Non - Controlling Interests	27,257	21,355	80,729	66,957
<b>Profit for the Period</b>	<b>3,864,785</b>	<b>3,746,163</b>	<b>11,291,206</b>	<b>10,889,409</b>
Earnings Per Share (QR) (Basic and Diluted) (note 12)	0.39	0.39	1.13	1.14
Weighted Average Number of Shares (note 12)	9,236,428,570	9,236,428,570	9,236,428,570	9,236,428,570

The attached notes 1 to 13 form an integral part of these interim condensed consolidated financial statements.

**Qatar National Bank (Q.P.S.C.)**  
**Interim Consolidated Statement of Comprehensive Income**  
**For the Three and Nine Month Periods Ended 30 September 2019**

	Three Months to 30 September 2019 (Reviewed) QR000	Three Months to 30 September 2018 (Reviewed) QR000	Nine Months to 30 September 2019 (Reviewed) QR000	Nine Months to 30 September 2018 (Reviewed) QR000
<b>Profit for the Period</b>	<b>3,864,785</b>	<b>3,746,163</b>	<b>11,291,206</b>	<b>10,889,409</b>
<b>Other Comprehensive Income Items that are or may be Reclassified to Consolidated Income Statement in Subsequent Periods:</b>				
Foreign Currency Translation Differences for Foreign Operations	463,132	(2,965,227)	222,341	(5,508,839)
Share of Other Comprehensive Income of Associates	(137,522)	382,114	(374,996)	219,969
Effective Portion of Changes in Fair Value of Cash Flow Hedges	(594,838)	(87,472)	(1,473,848)	712,166
Effective Portion of Changes in Fair Value of Net Investment in Foreign Operations	355,485	78,369	427,854	354,056
Investments in Debt Instruments Measured at FVOCI				
Net Change in Fair Value	121,073	(83,642)	149,241	(443,921)
Net Amount Transferred to Income Statement	(1)	931	(3,261)	(7,998)
<b>Other Comprehensive Items that will not be Reclassified to Consolidated Income Statement:</b>				
Net Change in Fair Value of Investments in Equity Instruments Designated at FVOCI	49,746	79,807	149,357	205,891
<b>Total Other Comprehensive Income for the Period, net of Income Tax</b>	<b>257,075</b>	<b>(2,595,120)</b>	<b>(903,312)</b>	<b>(4,468,676)</b>
<b>Total Comprehensive Income for the Period</b>	<b>4,121,860</b>	<b>1,151,043</b>	<b>10,387,894</b>	<b>6,420,733</b>
<b>Attributable to:</b>				
Equity Holders of the Bank	4,085,794	1,136,559	10,268,964	6,416,665
Non - Controlling Interests	36,066	14,484	118,930	4,068
<b>Total Comprehensive Income for the Period</b>	<b>4,121,860</b>	<b>1,151,043</b>	<b>10,387,894</b>	<b>6,420,733</b>

The attached notes 1 to 13 form an integral part of these interim condensed consolidated financial statements.

**Qatar National Bank (Q.P.S.C.)**  
**Interim Consolidated Statement of Changes in Equity**  
**For the Nine Month Period Ended 30 September 2019**

	Equity Attributable to Equity Holders of the Bank										Total
	Issued	Legal	Risk	Fair Value	Foreign	Other	Retained	Equity	Non	Instruments	
	Capital	Reserve	Reserve	Reserve	Currency	Reserves	Earnings	Attributable to	Controlling	Eligible for	
	QR000	QR000	QR000	QR000	Translation	QR000	QR000	Equity Holders	Interests	Additional	
					Reserve			of the Bank	QR000	Tier 1 Capital	
					QR000			QR000		QR000	
Balance at 1 January 2018	9,236,429	25,326,037	7,500,000	(1,169,875)	(12,369,012)	832,429	38,397,772	67,753,780	992,560	10,000,000	78,746,340
Impact of Adopting IFRS 9, net of tax	-	-	-	120,537	-	-	(4,059,280)	(3,938,743)	(23,396)	-	(3,962,139)
<b>Restated Balance at 1 January 2018</b>	<b>9,236,429</b>	<b>25,326,037</b>	<b>7,500,000</b>	<b>(1,049,338)</b>	<b>(12,369,012)</b>	<b>832,429</b>	<b>34,338,492</b>	<b>63,815,037</b>	<b>969,164</b>	<b>10,000,000</b>	<b>74,784,201</b>
<b>Total Comprehensive Income for the Period</b>											
Profit for the Period	-	-	-	-	-	-	10,822,452	10,822,452	66,957	-	10,889,409
Other Comprehensive Income	-	-	-	819,682	(5,444,677)	219,208	-	(4,405,787)	(62,889)	-	(4,468,676)
<b>Total Comprehensive Income for the Period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>819,682</b>	<b>(5,444,677)</b>	<b>219,208</b>	<b>10,822,452</b>	<b>6,416,665</b>	<b>4,068</b>	<b>-</b>	<b>6,420,733</b>
<b>Transactions Recognised Directly in Equity</b>											
Dividend for the Year 2017	-	-	-	-	-	-	(5,541,857)	(5,541,857)	-	-	(5,541,857)
Reclassification of Net Change in Fair Value of Equity Instruments upon derecognition	-	-	-	-	-	-	250	250	-	-	250
Net Movement in Non-controlling Interests	-	-	-	(866)	83,961	(81)	84,579	167,593	(3,713)	-	163,880
Other Movements	-	-	-	-	-	-	(212,467)	(212,467)	-	-	(212,467)
<b>Total Transactions Recognised Directly in Equity</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(866)</b>	<b>83,961</b>	<b>(81)</b>	<b>(5,669,495)</b>	<b>(5,586,481)</b>	<b>(3,713)</b>	<b>-</b>	<b>(5,590,194)</b>
<b>Balance at 30 September 2018</b>	<b>9,236,429</b>	<b>25,326,037</b>	<b>7,500,000</b>	<b>(230,522)</b>	<b>(17,729,728)</b>	<b>1,051,556</b>	<b>39,491,449</b>	<b>64,645,221</b>	<b>969,519</b>	<b>10,000,000</b>	<b>75,614,740</b>
Balance at 1 January 2019	9,236,429	25,326,037	8,000,000	(973,557)	(16,209,852)	683,722	41,206,855	67,269,634	1,005,087	20,000,000	88,274,721
<b>Total Comprehensive Income for the Period</b>											
Profit for the Period	-	-	-	-	-	-	11,210,477	11,210,477	80,729	-	11,291,206
Other Comprehensive Income	-	-	-	(753,833)	187,099	(374,779)	-	(941,513)	38,201	-	(903,312)
<b>Total Comprehensive Income for the Period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(753,833)</b>	<b>187,099</b>	<b>(374,779)</b>	<b>11,210,477</b>	<b>10,268,964</b>	<b>118,930</b>	<b>-</b>	<b>10,387,894</b>
<b>Transactions with Equity Holders, Recognised Directly in Equity</b>											
Dividend for the Year 2018	-	-	-	-	-	-	(5,541,857)	(5,541,857)	-	-	(5,541,857)
Reclassification of Net Change in Fair Value of Equity Instruments upon derecognition	-	-	-	-	-	-	617	617	-	-	617
Net Movement in Non-controlling Interests	-	-	-	-	(4,774)	-	7,283	2,509	(2,509)	-	-
Other Movements	-	-	-	-	-	-	(229,701)	(229,701)	(36,110)	-	(265,811)
<b>Total Transactions Recognised Directly in Equity</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(4,774)</b>	<b>-</b>	<b>(5,763,658)</b>	<b>(5,768,432)</b>	<b>(38,619)</b>	<b>-</b>	<b>(5,807,051)</b>
<b>Balance at 30 September 2019</b>	<b>9,236,429</b>	<b>25,326,037</b>	<b>8,000,000</b>	<b>(1,727,390)</b>	<b>(16,027,527)</b>	<b>308,943</b>	<b>46,653,674</b>	<b>71,770,166</b>	<b>1,085,398</b>	<b>20,000,000</b>	<b>92,855,564</b>

The attached notes 1 to 13 form an integral part of these interim condensed consolidated financial statements.

**Qatar National Bank (Q.P.S.C.)**  
**Interim Condensed Consolidated Statement of Cash Flows**  
**For the Nine Month Period Ended 30 September 2019**

	Note	Nine Months to 30 September 2019 (Reviewed) QR000	Nine Months to 30 September 2018 (Reviewed) QR000	Year to 31 December 2018 (Audited) QR000
<b>Net Cash Flows from Operating Activities</b>		<b>822,226</b>	<b>11,501,854</b>	<b>21,371,487</b>
<b>Cash Flows from Investing Activities</b>				
Acquisitions of Investment Securities		(43,611,596)	(41,935,042)	(65,880,410)
Proceeds from Sale / Redemption of Investment Securities		42,492,423	51,744,246	75,013,056
Additions to Property and Equipment		(377,467)	(985,689)	(1,221,108)
Proceeds from Sale of Property and Equipment		5,734	9,512	11,722
<b>Net Cash Flows from / (used in) Investing Activities</b>		<b>(1,490,906)</b>	<b>8,833,027</b>	<b>7,923,260</b>
<b>Cash Flows from Financing Activities</b>				
Issuance of Instrument Eligible for Additional Capital		-	-	10,000,000
Payment of Coupon on Instruments Eligible for Additional Capital		-	-	(450,000)
Proceeds from Issuance of Debt Securities		9,367,156	12,228,733	11,591,005
Repayment of Debt Securities		(1,942,569)	(7,690,156)	(10,418,447)
Proceeds from Issuance of Other Borrowings		12,284,645	16,393,063	15,260,224
Repayment of Other Borrowings		(11,726,334)	(13,626,654)	(13,528,893)
Payment of Rents for Lease Contracts		(233,442)	-	-
Dividends Paid		(5,537,451)	(5,545,533)	(5,546,000)
<b>Net Cash Flows from Financing Activities</b>		<b>2,212,005</b>	<b>1,759,453</b>	<b>6,907,889</b>
Net Increase in Cash and Cash Equivalents		1,543,325	22,094,334	36,202,636
Effects of Exchange Rate Changes on Cash and Cash Equivalents		(170,741)	(1,971,854)	(1,880,649)
Cash and Cash Equivalents as at 1 January		91,811,862	57,489,875	57,489,875
<b>Cash and Cash Equivalents at 30 September / 31 December</b>	11	<b>93,184,446</b>	<b>77,612,355</b>	<b>91,811,862</b>

The attached notes 1 to 13 form an integral part of these interim condensed consolidated financial statements.

**Qatar National Bank (Q.P.S.C.)**  
**Notes to the Interim Condensed Consolidated Financial Statements**  
**For the Three and Nine Month Periods Ended 30 September 2019**

**1. BASIS OF PREPARATION AND ACCOUNTING POLICIES**

The accompanying interim condensed consolidated financial statements are prepared in accordance with IAS 34 - "Interim Financial Reporting" and the applicable provisions of Qatar Central Bank (QCB) Regulations. These interim condensed consolidated financial statements should be read in conjunction with the 2018 annual consolidated financial statements of the Group, except for the effects of adoption of IFRS 16 as described below.

The interim condensed consolidated financial statements do not contain all information and disclosures required for full consolidated financial statements prepared in accordance with International Financial Reporting Standards and the applicable provisions of QCB regulations. In addition, results for the three and nine month periods ended 30 September 2019 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2019.

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

The significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended 31 December 2018.

The Group's financial risk management objectives and policies are consistent with those disclosed in the consolidated financial statements for the year ended 31 December 2018.

The following standard has been applied by the Group in preparation of these interim condensed consolidated financial statements. The adoption of the below standard did not result in changes to previously reported net profit or equity of the Group.

**IFRS 16 Leases (Effective 1 January 2019)**

IFRS 16 was issued in January 2016. It has resulted in almost all leases being recognised on the statement of financial position by the lessee, as the distinction between operating and finance leases is removed. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognised. The only exceptions are short-term and low-value leases.

The Group has applied the standard from its mandatory adoption date of 1 January 2019. The Group has applied the simplified transition approach and has not restated comparative amounts, prior to the date of adoption of the standard. As allowed under IFRS 16, the right-of-use assets are measured at the amount of the lease liabilities on adoption (adjusted for any prepaid or accrued lease expenses).

Further the Group has used the following practical expedients on initial application:

- used the Group's previous assessment of which existing contracts are, or contain a lease;
- where the unexpired lease term on initial application date is less than 12 months or leases are of low value items (USD10,000 or less), then the Group has elected to use the short-term lease exemption; and
- exclude initial direct costs from the measurement of right-of-use asset at the date of initial application.

The Group's activities as a lessor are not material and hence, do not have any significant impact on its interim condensed consolidated financial statements.

When measuring lease liabilities, the Group discounted lease payments using its incremental borrowing rate as at 1 January 2019. The weighted average rate applied in the Group's principal markets was based on benchmark yield rates.

The following amounts have been recognised under the new standard and included with in the respective headings of the interim consolidated statement of financial position and interim consolidated statement of income:

	<b>30 September 2019 (Reviewed) QR000</b>	<b>1 January 2019 (Reviewed) QR000</b>
Right-of-use assets	568,333	695,750
Lease liabilities	572,737	645,188
Lease commitments for short-term leases and low-value assets (recognition exemption)	8,304	32,952
	<b>Three Months to 30 September 2019 (Reviewed) QR000</b>	<b>Nine Months to 30 September 2019 (Reviewed) QR000</b>
Depreciation charge for right-of-use assets	67,452	197,488
Interest expense on lease liabilities	14,283	44,320
Expense relating to short-term leases and leases of low-value assets	9,450	27,844
Total cash outflow for leases	108,343	233,442

**Standard Issued but not yet Effective**

IFRS 17 Insurance Contracts is effective from 1 January 2021. The Group is currently evaluating the impact of this new standard. The Group will adopt this new standard on the effective date.



**Qatar National Bank (Q.P.S.C.)**  
**Notes to the Interim Condensed Consolidated Financial Statements**  
**For the Nine Month Period Ended 30 September 2019**

**2. SEGMENT INFORMATION**

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

	Qatar Operations			International Banking	Unallocated and Intra-group Transactions	Total
	Corporate Banking	Consumer Banking	Asset and Wealth Management			
	QR000	QR000	QR000			
<b>As at and for the nine month period ended 30 September 2019:</b>						
<b>External Revenue:</b>						
Net Interest Income	6,582,622	529,429	629,503	7,152,555	48,739	14,942,848
Net Fees and Commission Income	523,984	230,106	184,823	1,849,512	(8,702)	2,779,723
Net Foreign Exchange Gain	397,843	108,776	127,551	203,193	9,141	846,504
Income from Investment Securities	45,043	-	-	35,274	-	80,317
Other Operating Income	47	5	-	103,765	1,501	105,318
Share of Results of Associates	276,123	-	-	43,262	-	319,385
<b>Total Segment Revenue</b>	<b>7,825,662</b>	<b>868,316</b>	<b>941,877</b>	<b>9,387,561</b>	<b>50,679</b>	<b>19,074,095</b>
<b>Reportable Segment Profit</b>	<b>6,629,589</b>	<b>361,186</b>	<b>777,415</b>	<b>3,835,413</b>	<b>(393,126)</b>	<b>11,210,477</b>
<b>Reportable Segment Investments</b>	<b>52,529,238</b>	<b>-</b>	<b>14,087</b>	<b>40,528,359</b>	<b>-</b>	<b>93,071,684</b>
<b>Reportable Segment Loans and Advances</b>	<b>438,301,064</b>	<b>11,059,984</b>	<b>26,437,920</b>	<b>177,230,002</b>	<b>-</b>	<b>653,028,970</b>
<b>Reportable Segment Customer Deposits</b>	<b>281,039,880</b>	<b>26,454,959</b>	<b>52,695,429</b>	<b>302,348,844</b>	<b>-</b>	<b>662,539,112</b>
<b>Reportable Segment Assets</b>	<b>617,108,231</b>	<b>27,757,944</b>	<b>54,699,431</b>	<b>455,843,893</b>	<b>(243,602,579)</b>	<b>911,806,920</b>
<b>As at and for the nine month period ended 30 September 2018:</b>						
<b>External Revenue:</b>						
Net Interest Income	6,150,649	408,319	457,206	7,056,342	64,958	14,137,474
Net Fees and Commission Income	494,435	174,606	195,994	1,855,764	2,112	2,722,911
Net Foreign Exchange Gain	347,535	95,174	86,164	335,859	4,084	868,816
Income from Investment Securities	95,348	-	-	24,426	-	119,774
Other Operating Income	653	2	407	56,347	-	57,409
Share of Results of Associates	331,446	-	-	28,095	-	359,541
<b>Total Segment Revenue</b>	<b>7,420,066</b>	<b>678,101</b>	<b>739,771</b>	<b>9,356,833</b>	<b>71,154</b>	<b>18,265,925</b>
<b>Reportable Segment Profit</b>	<b>6,451,720</b>	<b>187,910</b>	<b>574,110</b>	<b>3,788,914</b>	<b>(180,202)</b>	<b>10,822,452</b>
<b>Reportable Segment Investments</b>	<b>49,726,922</b>	<b>-</b>	<b>14,034</b>	<b>36,336,917</b>	<b>-</b>	<b>86,077,873</b>
<b>Reportable Segment Loans and Advances</b>	<b>398,489,866</b>	<b>10,908,801</b>	<b>24,141,472</b>	<b>173,747,658</b>	<b>-</b>	<b>607,287,797</b>
<b>Reportable Segment Customer Deposits</b>	<b>270,073,062</b>	<b>25,573,508</b>	<b>52,807,464</b>	<b>269,959,898</b>	<b>-</b>	<b>618,413,932</b>
<b>Reportable Segment Assets</b>	<b>578,466,673</b>	<b>26,501,461</b>	<b>55,646,007</b>	<b>405,125,577</b>	<b>(214,237,832)</b>	<b>851,501,886</b>

**Qatar National Bank (Q.P.S.C.)**  
**Notes to the Interim Condensed Consolidated Financial Statements**  
**For the Nine Month Period Ended 30 September 2019**

**3. LOANS AND ADVANCES TO CUSTOMERS**

	<b>30 September 2019 (Reviewed) QR000</b>	<b>30 September 2018 (Reviewed) QR000</b>	<b>31 December 2018 (Audited) QR000</b>
Loans and Advances to Customers	661,732,047	618,329,570	628,666,997
Deferred Profit	(18,869)	(20,734)	(17,570)
Accrued Interest	7,974,684	4,502,587	4,618,607
Expected Credit Losses - Performing Loans and Advances to Customers - Stage 1 and 2	(3,606,758)	(4,020,226)	(3,453,286)
Impairment on Non-performing Loans and Advances to Customers - Stage 3	(13,052,134)	(11,503,400)	(12,689,444)
<b>Net Loans and Advances to Customers</b>	<b>653,028,970</b>	<b>607,287,797</b>	<b>617,125,304</b>

The aggregate amount of non performing loans and advances to customers amounted to QR12,500 million or 1.9% of total loans and advances to customers (31 December 2018: QR12,188 million or 1.9% of total loans and advances to customers).

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

	<b>30 September 2019</b>				<b>31 December 2018</b>
	<b>Stage 1 (Reviewed) QR000</b>	<b>Stage 2 (Reviewed) QR000</b>	<b>Stage 3 (Reviewed) QR000</b>	<b>Total (Reviewed) QR000</b>	<b>Total (Audited) QR000</b>
Gross Exposures - Loans and Advances to Customers	627,928,337	29,259,825	12,499,700	669,687,862	633,268,034

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

	<b>30 September 2019</b>				<b>30 September 2018</b>
	<b>Stage 1 (Reviewed) QR000</b>	<b>Stage 2 (Reviewed) QR000</b>	<b>Stage 3 (Reviewed) QR000</b>	<b>Total (Reviewed) QR000</b>	<b>Total (Reviewed) QR000</b>
Opening Balance of Provisions as at 1 January	1,668,145	1,785,141	12,689,444	16,142,730	11,700,755
ECL Impact of Initial Application of IFRS 9	-	-	-	-	4,248,925
ECL / Impairment Charge for the Period (Net)	(31,568)	318,042	1,833,053	2,119,527	1,875,195
Foreign Currency Translation for the Period	(20,081)	(41,607)	179,313	117,625	(2,263,608)
Transfers from Stage 1 to 2	(354,898)	354,898	-	-	-
Transfers from Stage 2 to 3	-	(71,314)	71,314	-	-
Write-offs during the Period	-	-	(1,720,990)	(1,720,990)	(37,641)
<b>Closing Balance as at 30 September</b>	<b>1,261,598</b>	<b>2,345,160</b>	<b>13,052,134</b>	<b>16,658,892</b>	<b>15,523,626</b>

ECL / impairment charge for the period includes interest in suspense of QR194.8 million (30 September 2018: QR215.5 million).

The ECL Day 1 impact reported in the interim condensed consolidated financial statements as of 30 September 2018 was updated in the annual consolidated financial statements as of 31 December 2018. Therefore, this note should be read in conjunction with the disclosure made in Note 3(aa) (i) to the annual audited consolidated financial statements as of 31 December 2018.

**4. INVESTMENT SECURITIES**

	<b>30 September 2019 (Reviewed) QR000</b>	<b>30 September 2018 (Reviewed) QR000</b>	<b>31 December 2018 (Audited) QR000</b>
Investment Securities at Fair Value Through Profit or Loss (FVPL)	181,617	75,642	63,651
Investment Securities at Fair Value Through Other Comprehensive Income (FVOCI)	36,423,283	31,469,719	31,487,720
Investment Securities at Amortised Cost (AC), net	55,070,828	53,373,132	54,900,629
Accrued interest	1,395,956	1,159,380	935,823
<b>Total</b>	<b>93,071,684</b>	<b>86,077,873</b>	<b>87,387,823</b>

The above includes impairment allowance in respect of debt securities amounting to QR129.5 million (31 December 2018: QR162.6 million).

**Qatar National Bank (Q.P.S.C.)**  
**Notes to the Interim Condensed Consolidated Financial Statements**  
**For the Nine Month Period Ended 30 September 2019**

**5. FAIR VALUE RESERVE**

	<b>30 September 2019 (Reviewed) QR000</b>	<b>30 September 2018 (Reviewed) QR000</b>	<b>31 December 2018 (Audited) QR000</b>
Cash Flow Hedges	(1,849,389)	528,981	(376,317)
Fair Value Through Other Comprehensive Income	(2,672)	(331,546)	(294,057)
Hedges of a Net Investment in Foreign Operations	124,671	(427,957)	(303,183)
<b>Total</b>	<b>(1,727,390)</b>	<b>(230,522)</b>	<b>(973,557)</b>

The Fair Value Reserve for Investments at Fair Value Through Other Comprehensive Income include the loss allowance amounting to QR6.9 million (31 December 2018: QR19.0 million).

**6. DIVIDEND**

The cash dividend in respect of the year ended 31 December 2018 of QR6.0 per share, amounting to a total of QR5,542 million, was approved by the shareholders at the Annual General Assembly meeting on 10 February 2019.

**7. CONTINGENT LIABILITIES AND OTHER COMMITMENTS**

	<b>30 September 2019 (Reviewed) QR000</b>	<b>30 September 2018 (Reviewed) QR000</b>	<b>31 December 2018 (Audited) QR000</b>
<b>Contingent Liabilities</b>			
Unused Facilities	107,714,921	100,019,682	106,459,940
Guarantees	59,533,937	63,664,114	62,525,170
Letters of Credit	28,951,170	24,908,292	24,986,784
<b>Others</b>	<b>15,093,613</b>	<b>21,673,707</b>	<b>18,321,994</b>
<b>Total</b>	<b>211,293,641</b>	<b>210,265,795</b>	<b>212,293,888</b>

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

	<b>30 September 2019</b>				<b>31 December 2018</b>
	<b>Stage 1 (Reviewed) QR000</b>	<b>Stage 2 (Reviewed) QR000</b>	<b>Stage 3 (Reviewed) QR000</b>	<b>Total (Reviewed) QR000</b>	<b>Total (Audited) QR000</b>
Gross Exposures - Contingent Liabilities	193,388,686	2,538,111	273,231	196,200,028	193,971,894

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

	<b>30 September 2019</b>				<b>30 September 2018</b>
	<b>Stage 1 (Reviewed) QR000</b>	<b>Stage 2 (Reviewed) QR000</b>	<b>Stage 3 (Reviewed) QR000</b>	<b>Total (Reviewed) QR000</b>	<b>Total (Reviewed) QR000</b>
Opening Balance of Provisions as at 1 January	131,183	34,458	128,519	294,160	77,185
ECL Impact of Initial Application of IFRS 9	-	-	-	-	336,499
ECL / Impairment Charge for the Period (Net)	59,257	14,395	89,081	162,733	(74,651)
Foreign Currency Translation for the Period	504	(216)	4,196	4,484	(40,523)
<b>Closing Balance as at 30 September</b>	<b>190,944</b>	<b>48,637</b>	<b>221,796</b>	<b>461,377</b>	<b>298,510</b>

**Qatar National Bank (Q.P.S.C.)**  
**Notes to the Interim Condensed Consolidated Financial Statements**  
**For the Nine Month Period Ended 30 September 2019**

**8. RELATED PARTY DISCLOSURES**

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

	<b>30 September 2019 (Reviewed) QR000</b>	<b>30 September 2018 (Reviewed) QR000</b>	<b>31 December 2018 (Audited) QR000</b>
<b>Statement of Financial Position Items</b>			
Loans and Advances to Customers	2,750,038	3,896,444	3,028,379
Customer Deposits	394,135	1,018,403	431,693
Contingent Liabilities and Other Commitments	72,526	77,754	84,541
<b>Statement of Income Items</b>			
Interest and Commission Income	105,524	103,027	141,972
Interest and Commission Expense	6,379	3,715	4,907
<b>Associates</b>			
Due from banks	1,414,201	770,746	1,179,715
Interest and Commission Income	61,795	1,888	56,205
Due to banks	86,907	183,664	183,664
Interest and Commission Expense	1,191	2,346	2,346
<b>Compensation of key management personnel is as follows:</b>			
Salaries and Other Benefits	32,734	41,719	46,054
End of Service Indemnity Benefits	761	878	1,135

The Group also has significant commercial transactions with the State of Qatar, which owns 50% of the Bank's outstanding shares through Qatar Investment Authority, amounting to QR79,521 million included in loans and advances (31 December 2018: QR126,368 million) and QR7,949 million included in customer deposits (31 December 2018: QR12,212 million).

**9. CAPITAL ADEQUACY**

	<b>30 September 2019 (Reviewed) QR000</b>	<b>30 September 2018 (Reviewed) QR000</b>	<b>31 December 2018 (Audited) QR000</b>
Common Equity Tier 1 (CET 1) Capital	57,055,044	47,719,861	56,373,490
Eligible Additional Tier 1 (AT 1) Capital Instruments	20,000,000	10,000,000	20,000,000
Additional Tier 1 Capital	90,247	94,024	90,609
Additional Tier 2 Capital	4,046,567	4,423,952	3,839,001
<b>Total Eligible Capital</b>	<b>81,191,858</b>	<b>62,237,837</b>	<b>80,303,100</b>
<b>Risk Weighted Assets</b>	<b>446,119,551</b>	<b>399,745,967</b>	<b>422,003,410</b>
Total Capital Ratio	18.2%	15.6%	19.0%

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

- Minimum limit without Capital Conservation buffer is 10%
- Minimum limit including Capital Conservation buffer, ICAAP buffer and the applicable Domestically Systemically Important Bank ("DSIB") buffer for 2019 is 16.0%.

**10. FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS**

The table below analyses financial instruments measured at fair value at the end of the reporting period, by the level in the fair value hierarchy into which the fair value measurement is categorised:

	<b>Level 1 QR000</b>	<b>Level 2 QR000</b>	<b>Level 3 QR000</b>	<b>Total QR000</b>
<b>At 30 September 2019:</b>				
Derivative Assets Held for Risk Management	2,358	5,507,221	-	5,509,579
Investment Securities	35,769,250	1,338,172	-	37,107,422
	<b>35,771,608</b>	<b>6,845,393</b>	<b>-</b>	<b>42,617,001</b>
Derivative Liabilities Held for Risk Management	1,695	5,698,122	-	5,699,817
	<b>1,695</b>	<b>5,698,122</b>	<b>-</b>	<b>5,699,817</b>
<b>At 31 December 2018:</b>				
Derivative Assets Held for Risk Management	1,856	9,248,712	-	9,250,568
Investment Securities	28,463,280	3,692,670	-	32,155,950
	<b>28,465,136</b>	<b>12,941,382</b>	<b>-</b>	<b>41,406,518</b>
Derivative Liabilities Held for Risk Management	2,115	5,798,148	-	5,800,263
	<b>2,115</b>	<b>5,798,148</b>	<b>-</b>	<b>5,800,263</b>

**Qatar National Bank (Q.P.S.C.)**  
**Notes to the Interim Condensed Consolidated Financial Statements**  
**For the Nine Month Period Ended 30 September 2019**

**11. CASH AND CASH EQUIVALENTS**

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

	<b>30 September 2019 (Reviewed) QR000</b>	<b>30 September 2018 (Reviewed) QR000</b>	<b>31 December 2018 (Audited) QR000</b>
Cash and Balances with Central Banks	31,088,609	32,161,963	34,605,083
Due from Banks Maturing in Three months	<u>62,095,837</u>	<u>45,450,392</u>	<u>57,206,779</u>
<b>Total</b>	<b><u>93,184,446</u></b>	<b><u>77,612,355</u></b>	<b><u>91,811,862</u></b>

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

**12. SHARE SPLIT**

On 10 February 2019, at the Extraordinary General Meeting of the Bank, the shareholders approved the par value of the ordinary share to be QR1 instead of QR10, as per the instructions of Qatar Financial Markets Authority (QFMA), and amendment of the related Articles of Association. The share split was implemented on 12 June 2019 and has led to an increase in the number of authorised and outstanding shares from 923,642,857 to 9,236,428,570. Consequently, Earnings Per Share for comparative periods has been restated to reflect this.

**13. COMPARATIVE INFORMATION**

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