



IR Call Transcript (Edited Version)

QNB Group Q2 2025 Results

CORPORATE PARTICIPANTS

Ramzi Talat A. Mari *Qatar National Bank (Q.P.S.C.) - Group Chief Financial Officer*

Noor Mohammad Al-Naimi *Senior Executive Vice President, Group Treasury*

Durraiz Khan *Qatar National Bank (Q.P.S.C.) - Senior Vice President, Group Financial Consolidation*

Mark Abrahams *Qatar National Bank (Q.P.S.C.) - Executive Vice President - Group Treasury*

CONFERENCE CALL PARTICIPANTS

Andrew Brudenell *Ashmore*

Aybek Islamov *HSBC*

Chiro Ghosh *SICO*

Jon Peace *UBS*

Amogelang Mokgatlhe *Steyn Capital Management*

Waruna Kumarage *SICO*

Rahul Rajan *Bank of America*

Salome Skhirtladze *Bloomberg Intelligence*

PRESENTATION

Rahul Bajaj *Citi*

Hello everyone, and thank you for joining us today.

This is Rahul Bajaj and on behalf of Arqam Capital, I am pleased to welcome you to Qatar National Bank's Q2 2025 Earnings Conference Call.

I have with me here today from QNB management Mr Ramzi Mari, the Group Chief Financial Officer, Ms Noor Mohamed Al Naimi, Group Treasury and Financial Institutions, and Mr Mark Abrahams, Group Treasury Trading. Without further delay, I'll now pass on the call Mark for opening remarks.

Mark Abrahams *Qatar National Bank (Q.P.S.C.) - Executive Vice President - Group Treasury*

Thank you very much, Rahul and Citi, for hosting our call today.

Before we begin our call, it is customary to remind that this call is for investors and analysts only and media should disconnect.

We will begin by giving a brief overview of the global and regional macro-economic backdrop. We will then present briefly the quarterly financial results. And finally, we will open the floor to Questions and Answers.

The global economy is set to expand by 2.8% in 2025, moderately lower from last year and a touch below its long-term trend of around 3%. The macro-economic environment is volatile, on the back of US policy uncertainties and a fluid geopolitical landscape. Central banks in advanced economies have frontloaded a significant process of monetary easing, and more is expected as policy rates are taken from restrictive territory towards neutral or accommodative levels over H2 2025 and throughout 2026. In the Middle East, geopolitical tensions have eased significantly on the back of an Iran-Israel ceasefire.

Moderate oil and gas prices continue to support significant fiscal and external revenues in the GCC, resulting in either twin surpluses or the execution of large investment projects. This adds to the momentum created by structural reforms and the continued expansion of international tourism. Non-oil GDP growth in the GCC remains favorable, mainly based on population growth, a large pipeline of CAPEX projects, energy infrastructure expansion, and robust FDI inflows. Also for Qatar, the macroeconomic environment remains positive.

With total exports of USD 123.2 Bn and central government revenues of USD 57.5 Bn over the last four quarters, Qatar benefits from a robust fiscal and current account position. Domestic activity has also been strong and gained further momentum, with an expansion of 2.4% in GDP and 3.4% of non-hydrocarbon GDP in 2024. This was driven by dynamic sectors such as wholesale and retail trade, accommodation and food services, and financial services. Preliminary data on Qatar GDP figures for Q1 2025 and composite Purchasing Managers (PMI) survey data suggest continued strength this year, with non-hydrocarbon GDP expanding by 5.3% year-on-year and PMIs at expansion territory for five months.

Importantly, Qatar continues to lay the foundations for GDP growth over the medium- and long-term through new projects. On the hydrocarbon front, tailwinds from investments in increasing gas production will drive economic growth, with eight new LNG trains planned under the flagship North Field Expansion project, one of the largest capital expenditure projects in the region and industrial engineering projects in the world. These investments, to be executed in three phases, are expected to increase Qatar's LNG production by 85% to 142 million tonnes per annum (MTPA) by 2030.

Qatar is also ramping up efforts to diversify its economy and increase private sector engagement. On the non-hydrocarbon front, the country further consolidated its position as a regional and international hub for business, investments, commerce, tourism and culture. This accelerated the execution of Qatar National Vision 2030 and assisted in the ongoing transition towards a knowledge-based economy. The North Field Expansion project will also include an equivalent expansion of Qatar's refining, downstream and petrochemical capacity. Positive spill-overs from these projects will combine with diversification efforts and structural reforms to boost economic activity and spending in the broader manufacturing and services sectors.

GDP growth is expected to remain strong and then accelerate in the coming years, projected at 2.4% in 2025, 5.2% in 2026 and 7.9% in 2027. As a result, the economic expansion continues in Qatar while the banking sector is resilient and healthy, presenting significant growth, ample liquidity, adequate levels of capitalization, high asset quality, and robust profitability.

I will now move on to QNB's financial results for the six months ended 30th of June 2025.

Key financial results are as follows, net profit was 8.4 billion Qatari riyals or 2.3 billion US dollars, growth of 3% compared to last year. The growth in net profit was partially impacted due to global minimum taxes effective in 2025. Excluding the impact of these taxes, on a like for like basis, net profit is up 11%.

Robust revenue growth resulted in an increase in operating income to 21.8 billion Qatari riyals or 6 billion US dollars, up 8%, demonstrating QNB Group's success in maintaining growth across the range of revenue sources.

QNB's cost to income ratio remained strong at 23.0%, which is one of the best ratios among large financial institutions in the Middle East and Africa region.

Total assets are at 1.354 trillion Qatari riyals or 372 billion US dollars, up by 7 percent from same period last year. Loans and advances reached 962 billion Qatari riyals or 264 billion US dollars, up 9%.

QNB Group remained successful in attracting deposits, which resulted in an increase in customer funding by 5 percent from June 2024, to reach 935 billion Qatari riyals or 257 billion US dollars. The Group's regulatory loan to deposit ratio remained stable at 96.6 percent.

QNB Group's ratio of non-performing loans to gross loans remained stable at 2.9 percent reflecting the high quality of the Group's loan book and the effective management of credit risk. In addition, the coverage ratio on stage 3 loans remains at 100%.

Total equity increased to QR119 billion, up by 8% from June 2024. The bank's Capital Adequacy Ratio (CAR), at 19.2%, is comfortably higher than both QCB and the latest Basel III Reform requirements.

In relation to QNB buyback program, QNB has completed buy back of approximately 116.1 million shares at a cost of QR 1.96 billion till June 30, 2025. The buyback execution is in progress.

The Board of Directors of QNB have approved an interim cash dividend in respect of the six month period ended 30 June 2025 of QR0.35 per share. This is subject to approval of Qatar Central Bank.

We will now turn to questions and answers.

QUESTIONS AND ANSWERS

Q - Chiro Ghosh *SICO*

This is Chiro Ghosh from SICO Bahrain. I have a couple of questions from my side.

First is from the asset quality perspective. So we see that the Turkey business, there has been some asset quality deterioration. And on the other hand, Egypt has done well, if you can shed some light on the asset quality developing in these two geographies? That's my first question.

Second is, we are seeing a continued - the share of deposits from the non-Qatari geographies, the share of deposits have actually continued to rise. If you can throw some light on what is the outlook? And what would be the strategy going forward?

And third is, if you can shed some light on the hyperinflation loss, how should we modulate from here on? These are my three questions.

A - Durraiz Khan *Qatar National Bank (Q.P.S.C.) - Senior Vice President, Group Financial Consolidation*

Thank you, Chiro. This is Durraiz Khan. In terms of your first question in terms of asset quality, in both Turkey and Egypt. Yes, you have correctly pointed out that asset quality indicators in Turkey have deteriorated. And the reason is obvious, the benchmark rates are all-time high and have been for quite some time. The NPLs have gone in Turkey in December from 2.5% to 2.9% in March and 3.2% in June.

We expect that they are - the interest rate outlook is expected to be more accommodative in second half of the year as inflation is under control. And we expect that NPLs would peak around the 3.5% level at this time for the full year.

In terms of Egypt, the NPLs have continued to improve. From December, they have gone from 5.3% to now 5.1%. We expect inflation is at its peak in Egypt and may improve as interest rate becomes more accommodative in Egypt as well. So from an asset quality perspective, we expect Turkey to be near peak and Egypt to be at peak.

Having said that, our cost of risk guidance remains the same because in both of these geographies, we have a lot of provisions built in in Stage 2 and Stage 1 for NPLs. In terms of share of deposits for non-Qatari depositors, it is simply a function of liquidity, cost and pricing.

As long as we have the balance between the right duration at the right cost, we will basically prefer a particular set of deposit over the other. Having said that, whenever we are going for non-resident deposits, we always try to ensure that the duration of deposits is longer in nature, at least over one year and preferably over two years.

In terms of hype inflation, the way you model it, it's fairly simple, net equity and the enterprise multiplied by the average inflation rate for the year. As inflation rates will come down, the hyperinflation charge will come down as it has been coming down in the recent quarters.

Q - Chiro Ghosh *SICO*

Perfect. Thank you very much. That's all from my side.

Host - Rahul Bajaj *Citi*

The next question comes from Salome Skhirtladze. You can unmute your line and ask your question.

Q - Salome Skhirtladze *Bloomberg Intelligence*

Thank you for the presentation. I have two questions.

On the loan growth side, I see quite significant growth coming from the international markets. Turkey, Egypt clear, but there is some contribution from other regions. If you could please break down the growth sources and highlight of what part comes from the Saudi Arabia market?

And the second one on the funding side. That was - the growth was basically funded from the interbank and borrowings while domestic deposit growth was quite muted. So if you could give us your guidance on the funding structure going forward and whether we should anticipate higher share from these two sources going forward. Thanks.

A - Durraiz Khan *Qatar National Bank (Q.P.S.C.) - Senior Vice President, Group Financial Consolidation*

Thank you, Salomi. For the loan growth, yes, we have had quite strong growth in both Q1 and Q2. And we would like to just reiterate that we are actually upgrading the guidance for the loan growth for full year. Previously, we were talking about for the group, 5% to 7% loan growth. Now we are talking about 7% to 9% loan growth for full year. For deposits, we had previously 5% to 7%. We are updating this to 6% to 8%. For asset growth, we were talking about 5% to 7%. We are now upgrading it to 6% to 8% for full year.

Coming back to your question, loan growth has been particularly strong in the second quarter. Sequentially, almost half of the loan growth has come from Turkey, followed by all other divisions, particularly the contribution of Saudi Arabia. Yes, there is growth in terms of large numbers. It would not be there.

In terms of overall funding mix, no, it's simply a matter of timing, seasonality that probably interbank or other borrowings and disabilities are slightly higher. All of these are longer duration, other borrowings or debt securities that we have taken in Q2. But it's simply on a larger scheme of things on an overall basis, we don't expect any significant change in our funding profile.

Q - Salome Skhirtladze *Bloomberg Intelligence*

Thank you.

Host - Rahul Bajaj *Citi*

The next question comes from Jon Peace. You can unmute your line and ask your question.

Q - Jon Peace *UBS*

Thank you. So the first question, please, is on the net interest margin. I think for the second quarter, it's probably at the lower end of your annual guidance of 260 to 265. So I just wanted to check that you were still happy with that guidance and what actions you might take in the second half of the year to offset any further rate reductions?

And the second question, please, is on the share buyback. Do you think you'll complete it in the third quarter? Or is it more likely to be spread across the third and the fourth quarters? And any thoughts as to whether you might repeat that going forward? Thank you.

A - Durraiz Khan *Qatar National Bank (Q.P.S.C.) - Senior Vice President, Group Financial Consolidation*

In terms of the net interest margin in Q2 versus Q1, the primary reason for the decline was coming in from Turkey as they had the late Q1 rate hike, which impacted net interest margin. As Turkey rates become more accommodative and rate cuts are expected as the rest of the year, we would expect that net interest margin, particularly in Turkey would recover. Other franchises, net interest margin has been stable or have been increasing. So we stick to the guidance of 260 basis points to 265 basis points.

In terms of your second question on share buyback, it's simply a matter of timing. Usually, second half of the year, the volumes are lower. So we may finish Q3, we may finish Q4. It depends on what are the volumes in the market. And as we inch closer to the program, we will then go back to the Board, giving the feedback on the existing programs and then seek their guidance on how to continue.

Q - Jon Peace *UBS*

Thank you.

Host - Rahul Bajaj *Citi*

Our next question comes from Rahul Rajan. If you could unmute your line and ask your question.

Q - Rahul Rajan *Bank of America*

Hi, good day. Thank you for taking the question. A couple of questions from my end. First up is on the guidance part. You mentioned the revised guidance on the balance sheet aspects. Do you have any revised guidance from a P&L perspective from the bottom line and the asset or cost of risk front, that's number one.

Number two is on the effective tax rate. I think this quarter has come in at around 17.9%, 18%. 1st quarter was around 18%, 19%. So do you think that this is sort of the stable growth effective tax rates that we can assume going forward for the rest of the year and the subsequent years.

And sorry, my last question is on the LDR. Could you please help us understand about the regulatory LDR versus the standard LDR. How is it different in terms of computation, is it that longer-dated deposits have a higher weight or some nuances on that front, please? Thank you so much.

A - Durraiz Khan *Qatar National Bank (Q.P.S.C.) - Senior Vice President, Group Financial Consolidation*

Yes. In terms of your first question, any change in the guidance for cost of risk or profit and loss - no change. We actually updated the guidance in last - first quarter of the year. So we are sticking to the same guidance - profit before the impact of pillar 2 taxes, 10% to 12%, profit after impact of late to 1% to 3%.

Again, similar cost of risk guidance remains the same - 80 basis points to 85 basis points, no change in that guidance. . Effective tax rate, yes, as we have said, effective tax rate that was in Q1 is very similar to that in Q2 and is expected to be similar as inflation probably comes down, then there might be some delta because of hyperinflation charge because that's not tax deductible. But on an overall basis, we don't expect any major changes in the effective tax rate.

In terms of LDR, calculation versus regulatory versus what is reported on the balance sheet. Principally, the regulatory ratio also includes longer-dated debt securities and other borrowings, whereas on the balance sheet, they come in a different line.

So that is the primary change. And there are other changes slightly in the deposit number itself. But why LDR from a regulatory perspective is slightly lower is because the denominator of deposits also includes debt securities and other borrowings, which are above, I think, more than two years.

Q - Rahul Rajan *Bank of America*

Thank you. If I could, sorry, please ask a follow-up on the earlier question on the buyback as well. You mentioned that you expect the buyback to happen in the next 2 quarters. Any update on what happens to the bought back shares in terms of cancellation? Or do you go and sell that back to the market? Any update on that, please? Thank you.

A - Durraiz Khan *Qatar National Bank (Q.P.S.C.) - Senior Vice President, Group Financial Consolidation*

We have stated this previously as well that at this time, we don't have any plans to sell the shares back. We don't need to. From a capital adequacy perspective, we are above. In terms of cancellation, as we have stated, the current rules are quite restrictive in terms of along the cancellation, we would, given the parameters under which we are operating, at this time, we would keep the shares.

Q - Rahul Rajan *Bank of America*

Thank you so much.

Host - Rahul Bajaj *Citi*

Our next question comes from Aybek Islamov. If you could unmute your microphone and ask your question.

Q - Aybek Islamov *HSBC*

Yes, good afternoon, everyone. Thank you for the presentation. A couple of questions from me, please. The first one is regarding the tax rate, right, should we expect to see any offset from the operating costs. I recall you mentioned that there are certain social contributions and so on and so forth that QNB does. So should we expect to see some improvement on the operating cost side, which will offset the increase in the effective tax rate. And how soon should we see that improvement? Is it second half 2025 or later? That's my first question.

Secondly, with regards to earnings diversification, I remember that back in the days, QNB used to mention this target of 50-50 split between international and domestic earnings. I believe you are below that kind of 50-50 split today. What are your thoughts about the diversification targets that you mentioned in the past? Any comments? Thank you.

A - Durraiz Khan *Qatar National Bank (Q.P.S.C.) - Senior Vice President, Group Financial Consolidation*

Yes. Thank you for the questions. In terms of tax rate, the way social contributions are accounted for already is built in the current tax rate. So we, as we have said, the effective tax rate is not going to change because the way we are treating it in Q1 and Q2 is expected to continue in future as well. So we pay social contribution directly, and it is disclosed separately in the statement of change in Equity, which has taken us a covered that.

When we are computing the taxes, we are assuming that the similar treatment, those will be allowed as cover taxes in the future as well. In terms of earnings diversification, of course, we are lower than where we want to be. But at the same time, we have ensured that from an overall basis, our profitability has continued to grow consistently year-on-year despite challenges that we have obtained.

We would like to improve this diversification, but at a measured pace and through sustainable investment in our current operations in international markets. That's the right way to improve it, and that will take us time to reach where we want to be.

Q - Aybek Islamov *HSBC*

Thank you.

Host - Rahul Bajaj *Citi*

Our next question comes from Waruna Kumarage. If you could unmute your microphone and ask your question.

Q - Waruna Kumarage *SICO*

Yes. Thank you very much. So I have a couple of questions. So the first one is related to the contingent liabilities. I presume these are off-balance sheet items such as LCs and stuff like that. So year-to-date, this has increased by about 9%, which is higher than the loan growth.

So I mean, I just want to understand where this is coming from? Are these related to the any particular large projects which are happening in Qatar and plus going forward, what is your expectation regarding this? And because some of these kind of facilities generate some kind of income.

And secondly, on the fee income side itself, this first half also, there is a very strong growth in fee income, about 10% compared to last year. So, I want to understand - I mean, I want to know whether you expect a similar trend going forward in terms of the full year commission income. Thank you.

A - Durraiz Khan *Qatar National Bank (Q.P.S.C.) - Senior Vice President, Group Financial Consolidation*

In terms of the contingent liabilities, the growth that we have - you're saying it's slightly higher than on loans, but our loans have also grown very strongly if you compare it versus December and versus last year. So both contingent liabilities as well as loans have been growing very strongly. The growth is quite balanced. It's coming principally from our Qatar operations and coming in from our Turkish operations as well.

Of course, growth in fee and contingent liabilities reflected in the commission line, which is also growing very strongly.

We expect the fee and commission to continue to grow at the same rate. We don't have a specific guidance for each line. We stick to the profitability guidance that we have given that post impact of taxes, we expect the profitability would be around 1%, 2%, 3%. Obviously, volume-driven increases will be there in different lines, and that will be reflected in profitability as we go along the year.

Q - Waruna Kumarage *SICO*

Okay. Thank you. If I may ask one more question. What kind of expectation do you have in terms of the OpEx because OpEx I think, I guess, it's primarily driven by non-Qatar operations like Turkey because inflation has been driving. So going forward, what is your expectation on the nondomestic operations, the cost increase?

A - Durraiz Khan *Qatar National Bank (Q.P.S.C.) - Senior Vice President, Group Financial Consolidation*

In terms of income operations, the main OpEx lines, the maximum increase that we give is between 5% to 6%. That's the maximum. Most lines are actually below that 5% to 6%. However, as you are aware, both Turkey and Egypt have inflation rates, which are extremely high. That is the place where most of the OpEx growth actually comes from.

But what we see in both of these markets, inflation is moderating. And what we see for the rest of the year is what is the Q1 and Q2 numbers are expected to continue in both of these markets, assuming no the inflation continues on the same pace.

Q - Waruna Kumarage *SICO*

Okay. So you were saying that we can expect 5% to 6% kind of a growth at the group level?

A - Durraiz Khan *Qatar National Bank (Q.P.S.C.) - Senior Vice President, Group Financial Consolidation*

No, it will be higher because both of these in both of these franchises, the growth is at a high single-digit rates growth. I'm talking about Qatar. In Qatar, the growth is low single digits, whereas in these franchises, it's higher. Resultantly, the growth number will be higher.

Q - Waruna Kumarage *SICO*

Okay. Thank you.

Host - Rahul Bajaj *Citi*

Our next question comes from Amogelang Mokgatlhe. If you could unmute your microphone and ask your question.

Q - Amogelang Mokgatlhe *Steyn Capital Management*

Hi. I just wanted to ask, could you please provide an update on guidance for Egypt is any? And it would also be helpful to understand how you view the current 15% guidance in the context of like the ongoing inflation, which is running at a similar rate? Thank you.

A - Durraiz Khan *Qatar National Bank (Q.P.S.C.) - Senior Vice President, Group Financial Consolidation*

For Egypt, the earnings guidance is upgraded in local currency. In Q1, we talked about 1% to 2% growth, whereas we are now talking about 4% to 7% growth for Egypt in local currency. And we have upgraded because we have had strong top line performance in Egypt for this year.

Q - Amogelang Mokgatlhe *Steyn Capital Management*

Okay. Thank you.

Host - Rahul Bajaj *Citi*

Our next question comes from Andrew Brudenell. If you could unmute your line and ask your question.

Q - Andrew Brudenell *Ashmore*

Thank you very much, guys, for this. So lots of interesting information, particularly on the international side. I guess, its asset growth, as you said. You have upped the guidance for that across the balance sheet, which is great to see, mostly driven by international, but then earnings growth is not expected to sort of see that commensurate.

Like I know you upgraded it in the first quarter, but I would assume that the stronger second quarter in International will give us a sense there might be some more earnings coming through. So is that not happening because as you say, it's related to sort of commensurate OpEx growth due to inflation? Or is it a little bit more related to NIM?

And can you just talk a little bit about kind of the NIM dynamics? Like what's happening in Qatar just remind us how you expect that to pan out? And then I would have thought as Turkey is growing faster, and you ought to see some better NIM there that, that actually would help earnings growth towards the bottom line. So can you just sort of square that circle for me, please?

A - Durraiz Khan *Qatar National Bank (Q.P.S.C.) - Senior Vice President, Group Financial Consolidation*

So Andy, if you go back to Q1, we had very strong balance sheet growth in Q1 as well. And the question came up as to why are we not updating the guidance because we have almost done at that time, almost half of what we had given for the full year.

And our view was that though we updated the earnings guidance, but we said that we would like to see how the balance sheet is performing in Q2. So simply, it's a continuation of what happened in Q1 and now that we have seen that the balance sheet has what was expected in Q2 has become more clear, we have upgraded the guidance for the balance sheet. How we expect the second half to perform. As we have said, we expect Turkey actually to improve the NIMs and the driver of the NIM improvement happened in Q2 because of Turkey that would recover.

In terms of other, why there's no stronger growth in profit, if you actually compare on a like-for-like basis, we have taken a significant hit in terms of taxes this year. And despite that, we are basically Qatar earnings, which were never taxed are now being taxed at effective rate of 15%, almost we have taken this hit, which shows the very strong growth that is coming in from all parts of the franchise. So that is the primary reason why we are stronger. We are more comfortable at this time in terms of balance sheet growth.

And in terms of profitability, we had already updated the guidance. This is simply a continuation of both of the things. It's simply we have confirmed it now. We knew about it, and we said, let's wait for one more quarter before we can confirm.

Q - Andrew Brudenell *Ashmore*

Yes. Okay. Okay. Any more you can give on kind of where NIMs can go breaking down sort of international versus domestic, please? Kind of what you're expecting rate wise?

A - Durraiz Khan *Qatar National Bank (Q.P.S.C.) - Senior Vice President, Group Financial Consolidation*

See if in the second half, if the Fed rate cuts happen and followed by QCB, we would expect the impact of that to come in primarily in 2026 or probably very late 2025. So from that perspective, it would not be this year's story. We would expect Turkish NIMs to recover as other parts of the operations, the NIMs would be broadly similar as we have seen in the first half of the year

Q - Andrew Brudenell *Ashmore*

Okay. Thanks. And just maybe just one more, just on going to the domestic business and those international has taken most of the headlines this quarter. I mean the Qatar loan growth is still pretty decent, particularly versus the peers that we've seen so far. Could you maybe split - give us a little detail around that?

Like were there any repayments suggesting that the growth - actually the growth was even higher - you touched on some trickle-down impact in credit demand, which most of the other banks, most of the other peers are not seeing. So could you give us an update on that, please? And then anything else you're seeing in the real estate and tourism space, which are obviously the areas that people are hoping can really turn around to help the domestic economy? Thank you.

A - Durraiz Khan *Qatar National Bank (Q.P.S.C.) - Senior Vice President, Group Financial Consolidation*

So in terms of domestic loan growth, it's not really appreciated enough, but it is something that continues to deliver for us year in year out despite whatever challenges that happen. And this is quite balanced and year in year out coming in both from the public sector as well as the private sector - certain quarters the public sector is higher, certain quarters the private sector is higher.

In terms of repayments, yes, there had been certain repayments. So excluding that prepayments, loan growth was even higher. We don't have any major exposure to the hospitality and hotels, so really not much to talk about over there. But on an overall basis, the domestic loan growth has continued to perform as expected year in year out and will continue to be the very strong growth engine for QNB going forward.

Q - Andrew Brudenell *Ashmore*

Okay. Sorry, maybe I wasn't clear that the North Field expansion spending by the government, the trickle down from that, sorry, is that happening? Or is that a 2026 event to your line?

A - Durraiz Khan *Qatar National Bank (Q.P.S.C.) - Senior Vice President, Group Financial Consolidation*

Some of it is appearing in the contingent lines and indirectly also on the balance sheet lines. And that will continue to be the growth driver for future.

Q - Andrew Brudenell *Ashmore*

Okay. Thanks

Host - Rahul Bajaj *Citi*

Our next question comes from Rahul Rajan. If you could unmute your line and ask your question.

Q - Rahul Rajan *Bank of America*

Thank you so much for taking up question once again. A very quick question. On the P&L line, I see a line called other operating income, which was substantially higher this quarter at around QAR127 billion versus historical averages. So is there any one-offs in this line item that we see? Or if you could just help us understand what's driving this growth? Thank you.

A - Durraiz Khan *Qatar National Bank (Q.P.S.C.) - Senior Vice President, Group Financial Consolidation*

There were one-offs, but coming in from Turkey in this line. .

Q - Rahul Rajan *Bank of America*

Could you help us quantify the ones, please so that will help us better model numbers?

A - Durraiz Khan *Qatar National Bank (Q.P.S.C.) - Senior Vice President, Group Financial Consolidation*

There were one-offs, but coming in from Turkey in this line. .

Q - Rahul Rajan *Bank of America*

Got it. Thank you.

Host - Rahul Bajaj *Citi*

There are no further questions. At this time, I will now hand back to presenters for closing remarks. Thanks for taking the time to attend the call. If there are no further questions, maybe we can close the call now. Thank you.
