

**BASE PROSPECTUS SUPPLEMENT DATED 14 APRIL 2020
TO THE BASE PROSPECTUS DATED 18 MARCH 2020**



(an exempt company incorporated in the Cayman Islands with limited liability)

**U.S.\$17,500,000,000
Medium Term Note Programme**

guaranteed by

Qatar National Bank (Q.P.S.C.)

(incorporated as a Qatari Public Shareholding Company)

This base prospectus supplement (this “**Base Prospectus Supplement**”), which constitutes a supplementary prospectus for the purposes of Article 23 of Regulation (EU) 2017/1129 (the “**Prospectus Regulation**”), is supplemental to, and should be read in conjunction with, the base prospectus dated 18 March 2020 (the “**Base Prospectus**”) and is prepared in connection with the U.S.\$17,500,000,000 Medium Term Note Programme (the “**Programme**”) established by QNB Finance Ltd (the “**Issuer**”) and guaranteed by Qatar National Bank (Q.P.S.C.) (“**QNB**” or the “**Guarantor**”). Terms defined in the Base Prospectus shall, unless the context otherwise requires, have the same meaning when used in this Base Prospectus Supplement. To the extent that there is any inconsistency between any statement in this Base Prospectus Supplement and any statement in the Base Prospectus, the statements in this Base Prospectus Supplement will prevail.

Investors should be aware of their rights under Article 23(2) of the Prospectus Regulation. In accordance with Article 23(2) of the Prospectus Regulation, investors who have agreed to purchase or subscribe for Notes before this Base Prospectus Supplement is published have the right, exercisable before the end of the period of two working days beginning with the working day after the date on which this Base Prospectus Supplement is published, to withdraw their acceptances, which right shall therefore expire at the close of business on 16 April 2020. Investors wishing to withdraw their acceptances should contact their brokers for details of how to exercise this right.

The Base Prospectus and this Base Prospectus Supplement can be viewed on the website of the Regulatory News Service operated by the London Stock Exchange plc at <http://www.londonstockexchange.com/exchange/news/market-news/market-news-home.html>.

This Base Prospectus Supplement has been approved by the United Kingdom Financial Conduct Authority (the “**FCA**”), as competent authority under the Prospectus Regulation.

The purpose of this Base Prospectus Supplement is to:

- (a) incorporate by reference into the Base Prospectus the Guarantor’s interim condensed consolidated financial statements as at, and for the three months ended, 31 March 2020 (the “**Guarantor Q1 2020 Financial Statements**”);
- (b) draw attention to certain information contained within the Guarantor Q1 2020 Financial Statements by reproducing the same in full herein; and
- (c) update the risk factors to disclose certain material developments in respect of QNB and its business.

IMPORTANT NOTICES

The Issuer and the Guarantor each accepts responsibility for the information contained in this Base Prospectus Supplement. To the best of the knowledge of the Issuer and the Guarantor, the information contained in this Base Prospectus Supplement is in accordance with the facts and this Base Prospectus Supplement makes no omission likely to affect its import.

To the extent that there is any inconsistency between any statement in or incorporated by reference into the Base Prospectus by this Base Prospectus Supplement and any other statement in or incorporated by reference in the Base Prospectus, the statements in or incorporated by reference into the Base Prospectus by this Base Prospectus Supplement will prevail.

Save as disclosed in this Base Prospectus Supplement or in any document incorporated by reference in this Base Prospectus Supplement, no other significant new factor, material mistake or inaccuracy relating to information included in the Base Prospectus has arisen or been noted, as the case may be, since the publication of the Base Prospectus.

The web links included in this Base Prospectus Supplement are included for information purposes only and, other than in relation to the Guarantor Q1 2020 Financial Statements which are incorporated by reference into the Base Prospectus, the websites and their content are not incorporated into, and do not form part of, this Base Prospectus Supplement or the Base Prospectus.

UPDATES TO THE BASE PROSPECTUS

With effect from the date of this Base Prospectus Supplement:

- (a) the Guarantor Q1 2020 Financial Statements, which were published via the Regulatory News Service of the London Stock Exchange plc on 14 April 2020 and which have been (1) previously published and (2) filed with the FCA, shall be incorporated in, and form part of, the Base Prospectus;

We draw your attention, in particular, to the following information contained within the Guarantor Q1 2020 Financial Statements, which describes the potential effect of the COVID 19 pandemic on the Guarantor's operating environment including its interim results and the related uncertainties, and which is reproduced in full below:

- (i) Emphasis of matter paragraph included in the independent auditor's report on review of the Guarantor Q1 2020 Financial Statements; and

“Emphasis of Matter

We draw attention to Note 14 of the interim condensed consolidated financial statements, which describes the potential effect of the COVID 19 pandemic on the Group's operating environment including its interim results and the related uncertainties. Our conclusion is not modified in respect of this matter.”

- (ii) Note 14 of the Guarantor Q1 2020 Financial Statements,

“14. IMPACT OF COVID-19 AND REVISION TO FORWARD LOOKING INFORMATION WITH RESPECT TO EXPECTED CREDIT LOSSES

The coronavirus (“COVID-19”) pandemic has spread across various geographies globally, causing disruption to business and economic activities. COVID-19 has brought about uncertainties in the global economic environment. The fiscal and monetary authorities, both domestic and international, have announced various support measures across the globe to counter possible adverse implications.

In addition, QNB Group's operations are partially concentrated in economies that are relatively dependent on the price of crude oil. As at the end of the financial reporting period, oil prices have witnessed unprecedented volatility. QNB Group is closely monitoring the situation and has activated its business continuity planning and other risk management practices to manage the potential business disruption COVID-19 outbreak may have on its operations and financial performance.

The uncertainties caused by COVID-19, and the volatility in oil prices have required the Group to update the inputs and assumptions used for the determination of expected credit losses (“ECLs”) as at 31 March 2020. ECLs were estimated based on a range of forecast economic conditions as at that date and considering that the situation is fast evolving, the Group has considered the impact of higher volatility in the forward-looking macro-economic factors, when determining the severity and likelihood of economic scenarios for ECL determination.

This volatility has been reflected through adjustment in the methods of scenario construction and the underlying weightages assigned to these scenarios. The forward-looking factors used are determined from statistical distribution of credit cycle index (CCI) factors, which can be derived from a number of historical observed factors such as risk yields, credit growth, credit spreads or defaults. Interdependency exists between the CCI and these factors as applicable in the relevant economies, which for Qatar base and downside scenarios include average oil price between USD57/barrel to USD33.8 /barrel, GDP range 0.0% to -0.67%, Inflation -0.6% to 1.8% etc., (31 December 2019:

Oil USD 60/barrel to USD 62/barrel, GDP 1.9% to 3.5%, Inflation 1.9% to 2.2% etc.). The weightings assigned to each macro-economic scenario at QNB parent company level are based on the CCI, and as at 31 March 2020, were 70% to the Base Case 25% to Downside and 5% to the Upside Case. (31 December 2019: 80% to the Base Case, 10% to Downside and Upside Case). The situation is fast evolving and accordingly any downside scenarios will be reassessed if adverse conditions continue.

QNB Group also updated the relevant forward-looking information of QNB Group's international operations with respect to the weightings of the relevant macroeconomic scenarios relative to the economic climate of the respective market in which it operates.

In addition to the assumptions outlined above, QNB Group has given specific consideration to the relevant impact of COVID-19 on the qualitative and quantitative factors when determining the significant increase in credit risk and assessing the indicators of impairment for the exposures in potentially affected sectors. This has resulted in staging downgrade of certain exposures and recognition of relevant ECLs and impairment allowances as disclosed in note 3 to the interim condensed consolidated financial statements.

QNB has considered potential impacts of the current economic volatility in determination of the reported amounts of the Group's financial and non-financial assets and these are considered to represent management's best assessment based on observable information. Markets however remain volatile and the recorded amounts remain sensitive to market fluctuations."

- (b) the following shall be deemed to be added as the third paragraph under the risk factor headed "QNB's business, financial condition, results of operations and prospects are and will continue to be affected by global and regional financial markets and economic conditions" on pages 9 to 10 of the Base Prospectus:

In addition, the COVID-19 outbreak is currently having an indeterminable adverse impact on the world economy. COVID-19 was first identified in Wuhan, Hubei Province, China in late 2019. In response to the rapid spread of COVID-19, the Chinese government imposed travel restrictions and quarantines to help limit risk of infection. However, while the spread of COVID-19 has slowed in China, it has continued to spread in many countries around the world, leading the World Health Organisation to declare the outbreak a global pandemic on 11 March 2020.

In March 2020, the United States, certain EU countries and countries in the Middle East, including Qatar, began imposing restrictions on travel and on the freedom of movement of people. These measures, while aimed to slow the spread of COVID-19, are expected to significantly reduce economic activity. It is currently unclear how long these restrictions will be in place and what their ultimate impact will be on global and regional economies.

Whilst the direct and indirect impact of the COVID-19 outbreak remains uncertain, a number of central banks and governments have announced financial stimulus packages in anticipation of a very significant negative impact on GDP during 2020. Concerns remain as to whether these policy tools will counter anticipated macro-economic risks and a prolongation of the outbreak could significantly adversely affect economic growth, affect specific industries or countries or affect QNB's employees and business operations in affected countries.

In the event these conditions persist, QNB's business, financial condition, results of operations, liquidity and prospects are likely to be negatively affected. The outbreak has led to a weakening in gross domestic product ("GDP") in many of the jurisdictions in

which the Guarantor operates, and the probability of a more adverse economic scenario for at least the short term is substantially higher than as at 31 December 2019. Under IFRS 9, GDP is one of the factors that affects the modelling of Expected Credit Losses (“ECL”). The economic scenarios for Qatar which are used to calculate ECL at 31 December 2019, are set out on Note 4 (II) (b) of the Guarantor’s audited consolidated financial statements as at and for the year ended 31 December 2019. These scenarios do not, however, reflect the global impacts of COVID-19 as at the end of the financial reporting period.

Should the COVID-19 outbreak continue to cause disruption to economic activity globally through 2020, there could be adverse impacts on our financial assets. There could be further impacts on our income due to lower lending and transaction volumes. Other potential risks include credit rating migration which could negatively impact our risk-weighted assets and capital position, and potential liquidity stress due, among other factors, to increased customer drawdowns, notwithstanding the significant initiatives that governments and central banks have put in place to support funding and liquidity. In addition, lower interest rates globally will negatively impact net interest income.

- (c) copies of the Guarantor Q1 2020 Financial Statements can be viewed on the website of the London Stock Exchange plc at the following web link:

http://www.rns-pdf.londonstockexchange.com/rns/4593J_1-2020-4-12.pdf

- (d) for the avoidance of doubt, any documents incorporated by reference in the Guarantor Q1 2020 Financial Statements shall not form part of this Base Prospectus Supplement or the Base Prospectus;
- (e) paragraph (6) under the section “General Information” of the Base Prospectus shall be updated with the following wording:

“There has been no significant change in the financial or trading position of the Guarantor or of the QNB Group since 31 March 2020 and there has been no material adverse change in the prospects of the Guarantor or of the QNB Group since 31 December 2019. There has been no significant change in the financial or trading position of the Issuer since 31 December 2019 and there has been no material adverse change in the prospects of the Guarantor or of the QNB Group since 31 December 2019.”; and

- (f) each reference in this Base Prospectus Supplement and the Base Prospectus to the “Base Prospectus” shall be read and construed as a reference to the Base Prospectus as supplemented by this Base Prospectus Supplement.