



Investor Relations Presentation

December 2015

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Notes:

All figures in US Dollars have been converted from Qatari Riyals based on the exchange rate of 1 US Dollar = 3.6405 Qatari Riyals

In certain cases, numbers may be rounded for presentation purposes

QNB at a Glance



QNB at a Glance: Overview

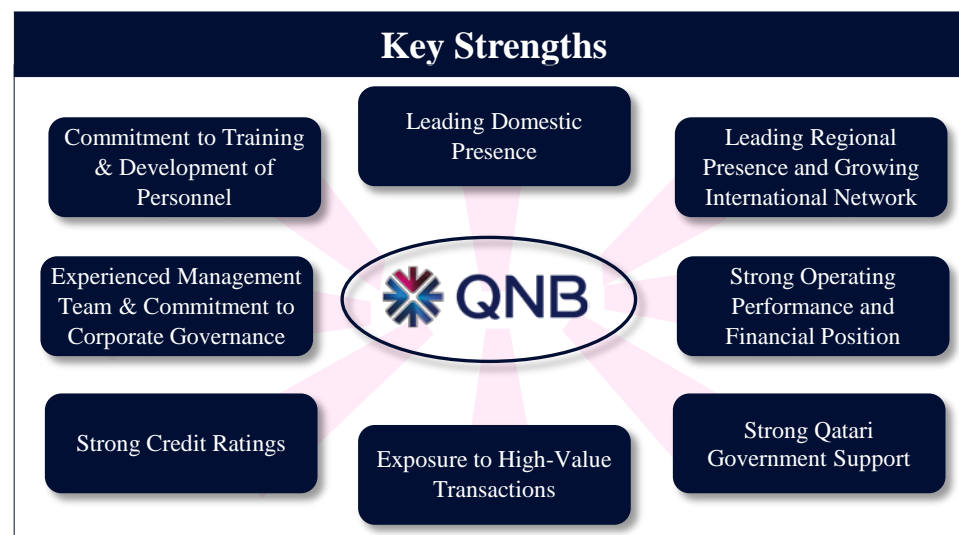
Overview	<ul style="list-style-type: none"> Established in 1964 as the first Qatari owned bank Owned (50%) by the Government of Qatar via the Qatar Investment Authority (QIA) Largest bank in Qatar by market cap., assets, loans, deposits and profit. Largest bank in MENA by total assets, loans, deposits and profit.
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Credit Rating				Capital Intelligence
	Moody's	S&P	Fitch	
LT	Aa3	A+	AA-	AA-
ST	P-1	A-1	F1+	A1+
Outlook	Stable	Stable	Stable	Stable

Presence	<ul style="list-style-type: none"> QNB Group, subsidiaries and associate companies operate in more than 27 countries around the world across 3 continents, through more than 635 locations, supported by more than 1,390 ATMs and employing more than 15,200 staff. ¹
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Stock/Share Parameters	<ul style="list-style-type: none"> Listed on Qatar Exchange (QNBK) Market cap. of USD33.6bn Share price of USD48.07 per share Price to Book 2.1x Price to Earnings 10.9x
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Financials² (in USD billion)			
	2015	2014	5yr CAGR
Total Assets	147.9	133.6	19%
Loans & Advances	106.7	92.9	25%
Deposits	108.6	98.2	19%
Operating Income ³	4.5	4.3	16%
Profit ⁴	3.1	2.9	15%
Coverage Ratio	127%	124%	-
NPL Ratio	1.4%	1.6%	-
Net Interest Margin	2.80%	2.86%	-







QNB's International Footprint





Sub-Saharan Africa

-  **South Sudan:** (1 Branch)
-  **Togo:** (1,265 Branches, 20.0% stake in Ecobank¹)


Asia

-  **Indonesia:** (49 Branches, 82.59% stake In QNB Indonesia)
-  **Singapore:** (1 Branch)
-  **India:** (1 Office, 100% stake)
-  **China:** (1 Representative office)
-  **Vietnam:** (1 Representative office)

North Africa

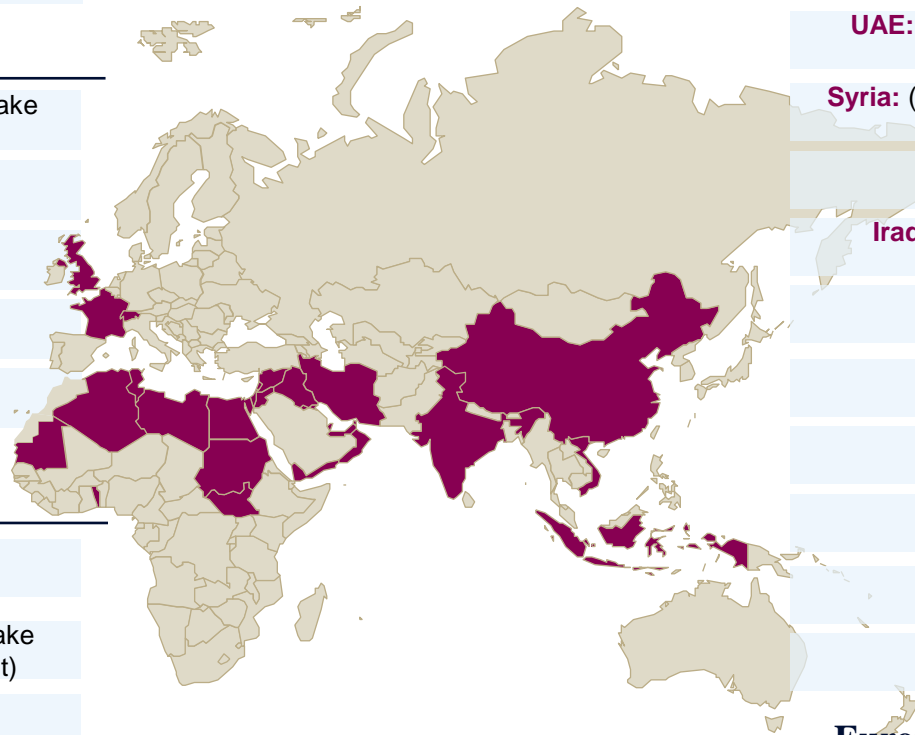
-  **Egypt:** (186 Branches, 97.1% stake in QNB ALAHLI)
-  **Libya:** (36² (+1) Branches, 49.0% stake in Bank of Commerce & Development)
-  **Tunisia:** (34 Branches, 99.9% stake in QNB Tunisia)
-  **Sudan:** (6 Branches)
-  **Algeria:** (6 Branches²)
-  **Mauritania:** (1 Branch)

Middle East

-  **Qatar:** (73 Branches)
-  **Jordan:** (159² (+3²) Branches, 34.5% stake in Housing Bank of Trade & Finance)
-  **UAE:** (27 (+1²) Branches, 40.0% stake in CBI)
-  **Syria:** (15 (+30²) Branches, 50.8% stake in QNB-Syria)
-  **Palestine:** (13 Branches²)
-  **Iraq:** (9 (+1²) Branches, 50.8% stake in Bank Mansour)
-  **Oman:** (6 Branches)
-  **Bahrain:** (1 Branch²)
-  **Kuwait:** (1 Branch)
-  **Lebanon:** (1 Branch)
-  **Yemen:** (1 Branch)
-  **Iran:** (1 Representative office³)

Europe

-  **United Kingdom:** (1 (+1²) Branch)
-  **France:** (1 Branch)
-  **Switzerland:** (1 Office, 100% stake in QNB Banque Privée)



¹: Ecobank share of 20.0%, as at 31 December 2015, includes ordinary shares and QNB's convertible preference shares. The branch data for Ecobank is as at 31 December 2014.

²: Includes the branches / representative offices from subsidiaries and associates

³: Dormant

Rating Excerpts



“A+” with “Stable” outlook

“QNB has an unrivalled leading position in a narrow but wealthy domestic market, and its international expansion is gradually eroding its domestic concentration...”

August 12th, 2015

MOODY'S

“Aa3” with “Stable” outlook

“Consistently high profitability levels supported by its dominant market position and government relationships.”

September 17th, 2015

FitchRatings *“AA-” with “Stable” outlook*

“Fitch makes a distinction between QNB's SRF (Support Rating Floor) and that of the other banks in Qatar, as a result of its status as the flagship bank in the sector, its role in the Qatari banking sector and close business links with the state.”

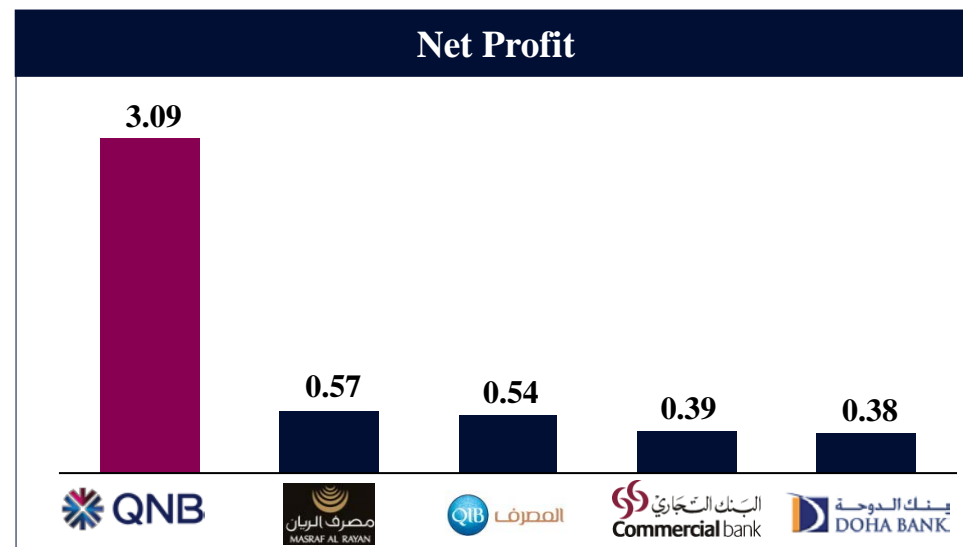
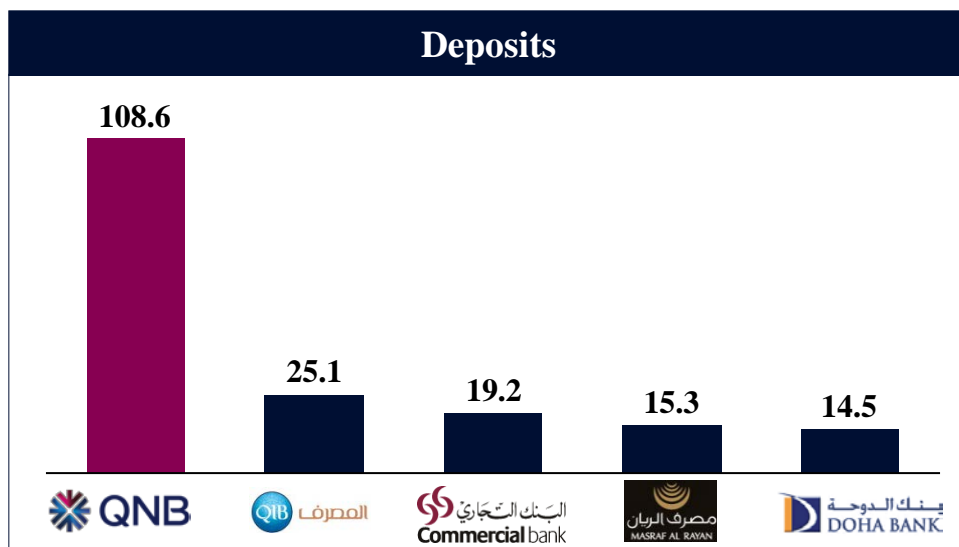
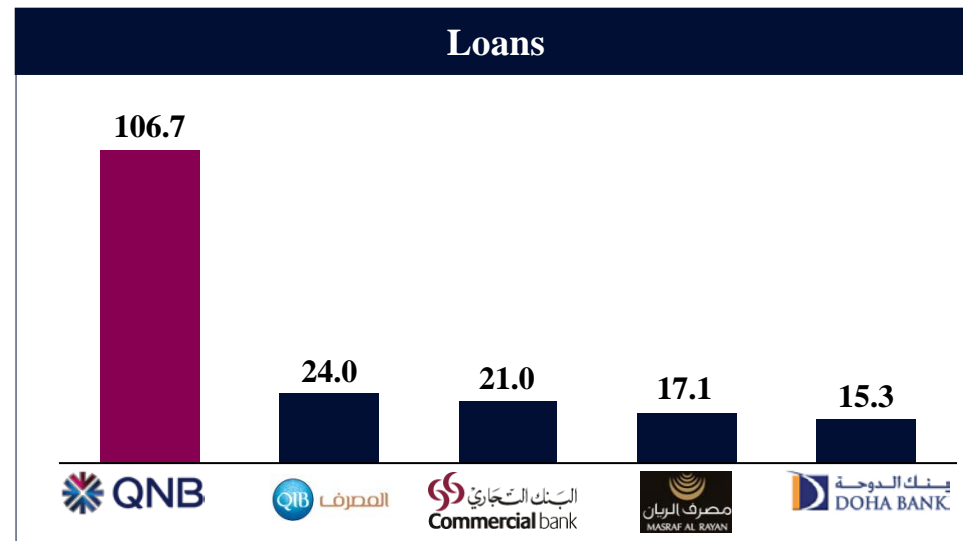
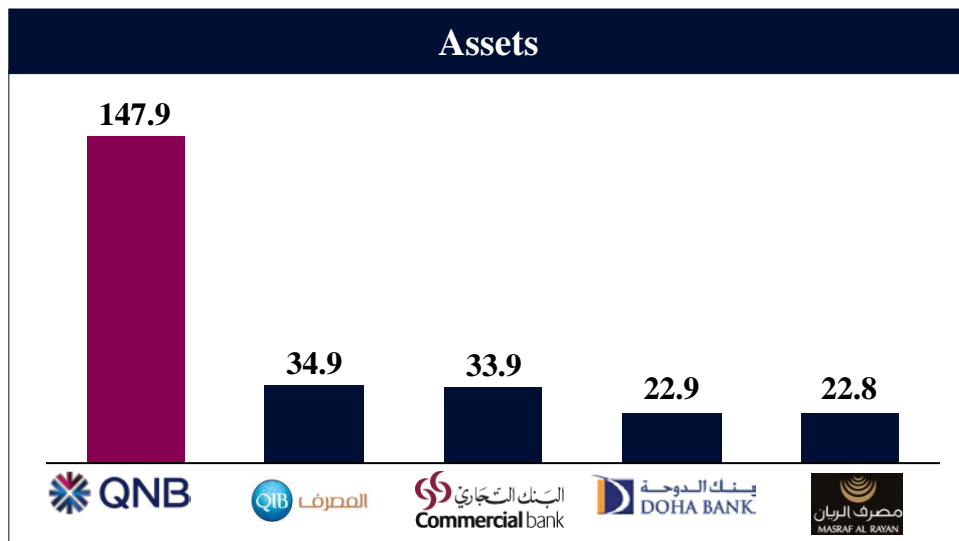
March 11th, 2015



QNB Comparative Positioning – Qatar and MENA

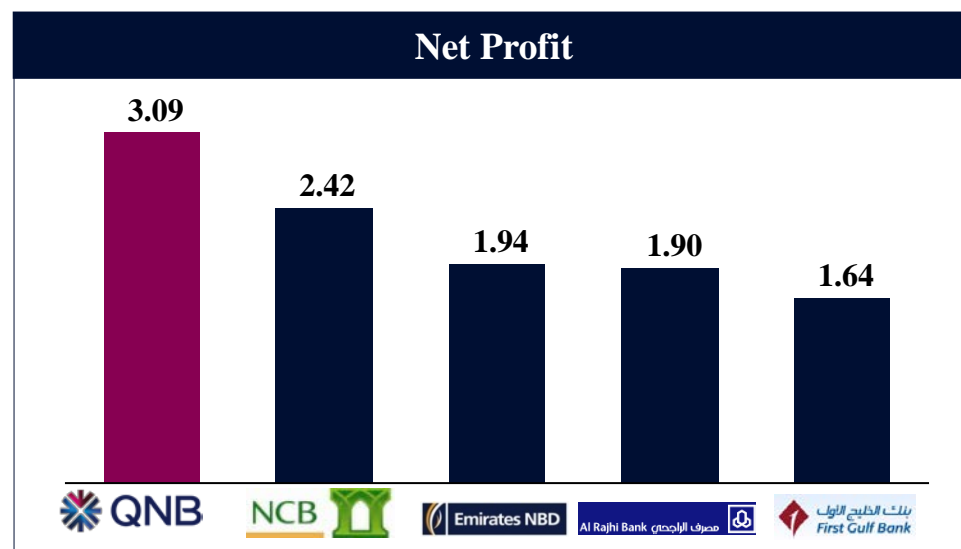
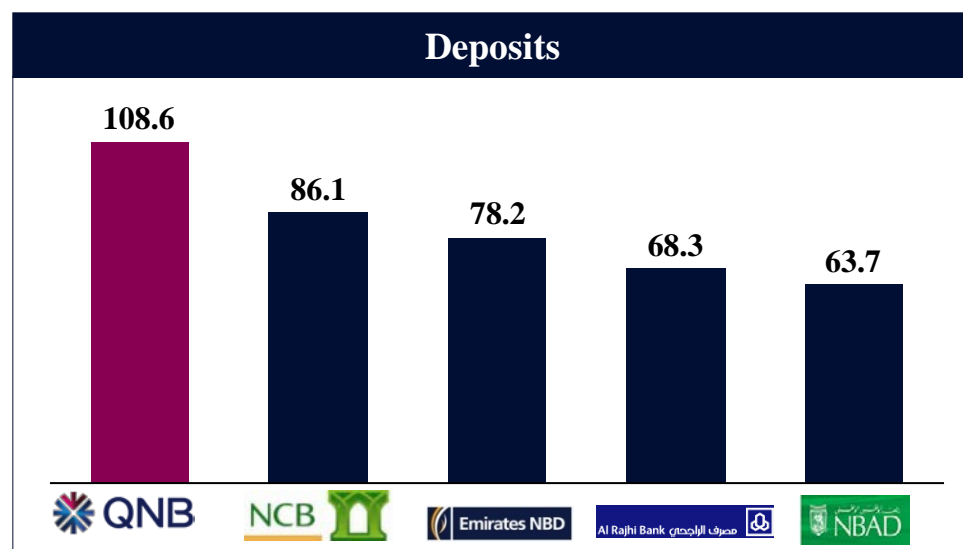
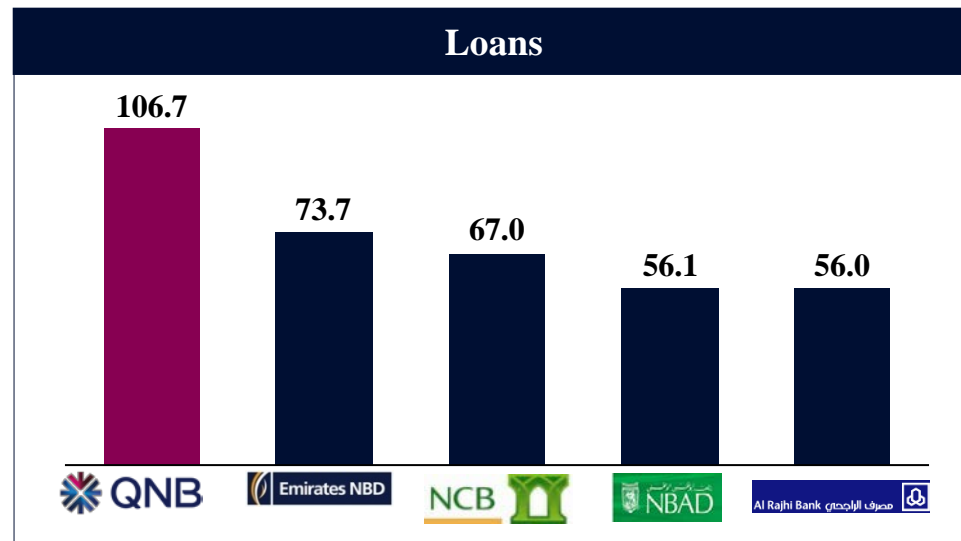
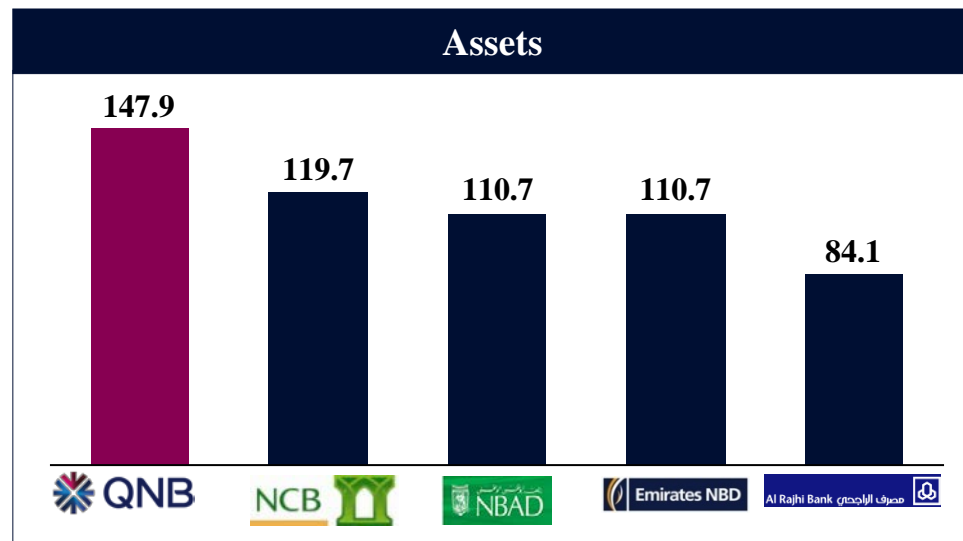
Top 5 Domestic Banks – December 2015

QNB continues to excel in the domestic market



Top 5 Regional Banks – December 2015

QNB maintained its position as the leading bank in the region across all categories




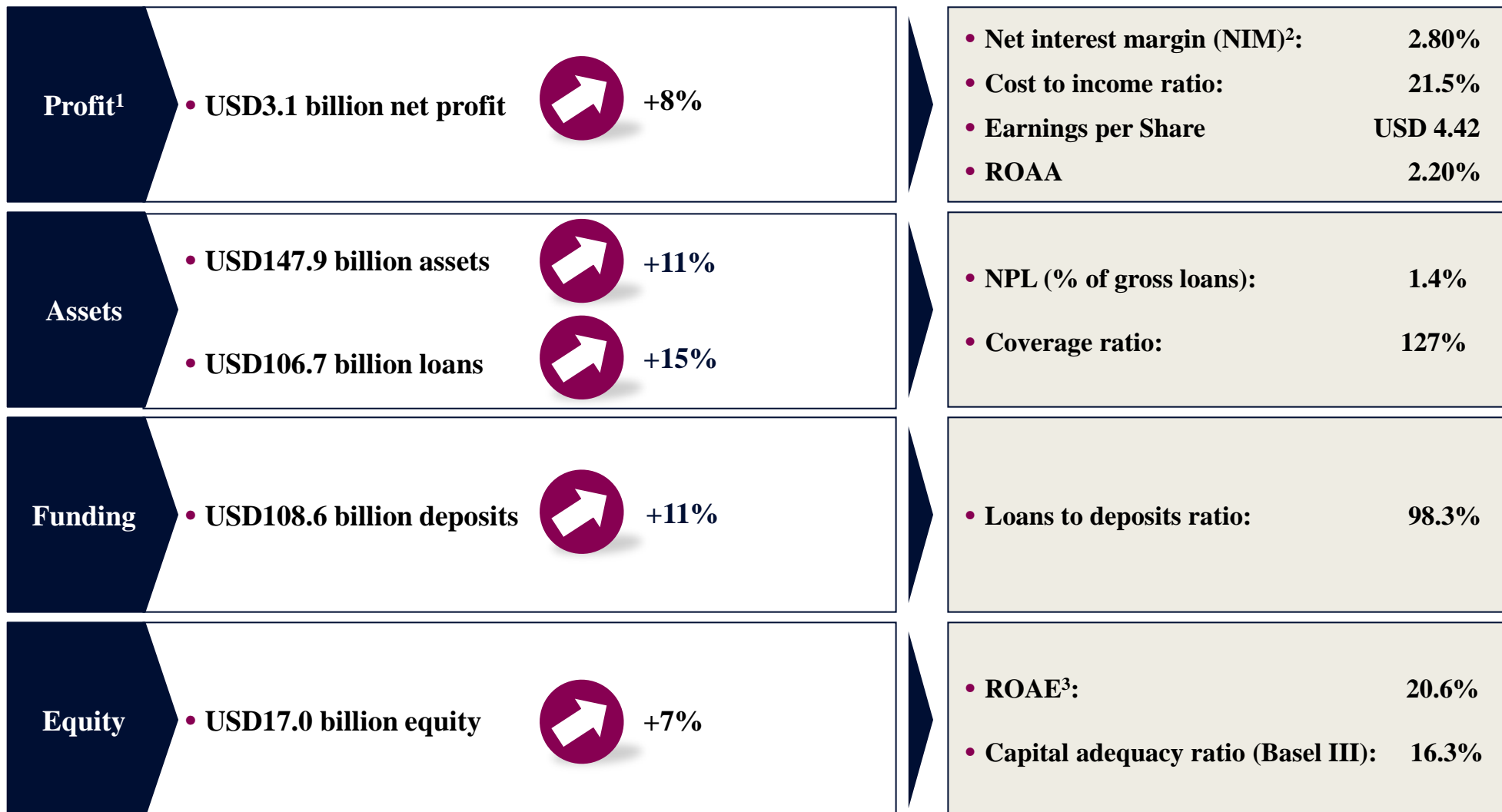


Financial Highlights – as at 31 December 2015

QNB continues to demonstrate sustainable profitable growth

Financial Highlights (as at 31 December 2015)

 Growth vs. December 2014



Source: December 2015 Financial Report


1: Profit Attributable to Equity Holders of the Bank

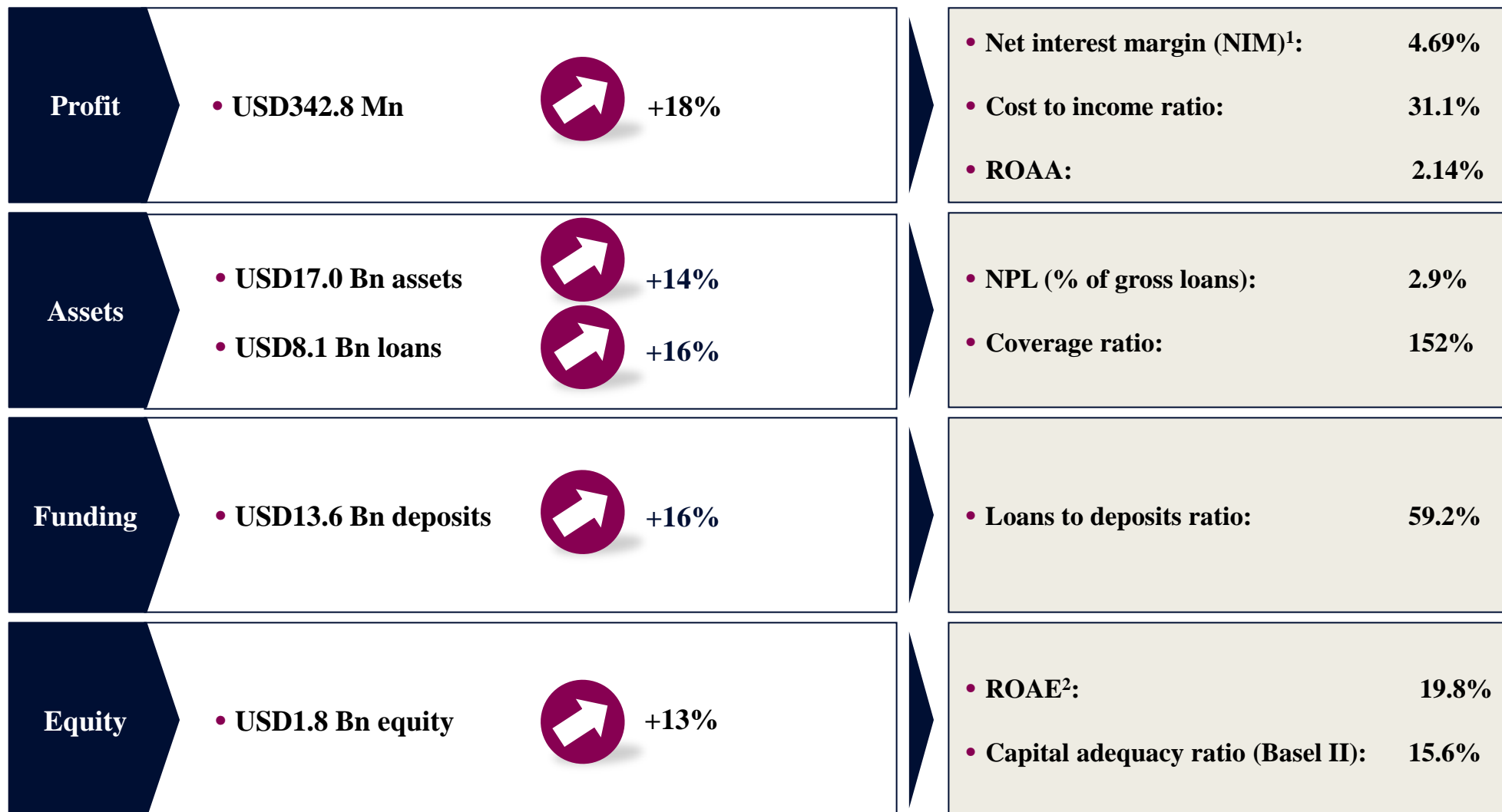
2: Net interest margin calculated as net interest income over average earning assets

3: RoAE uses Average Equity which excludes fair value reserve, proposed dividend and non-controlling interest

QNB ALAHLI

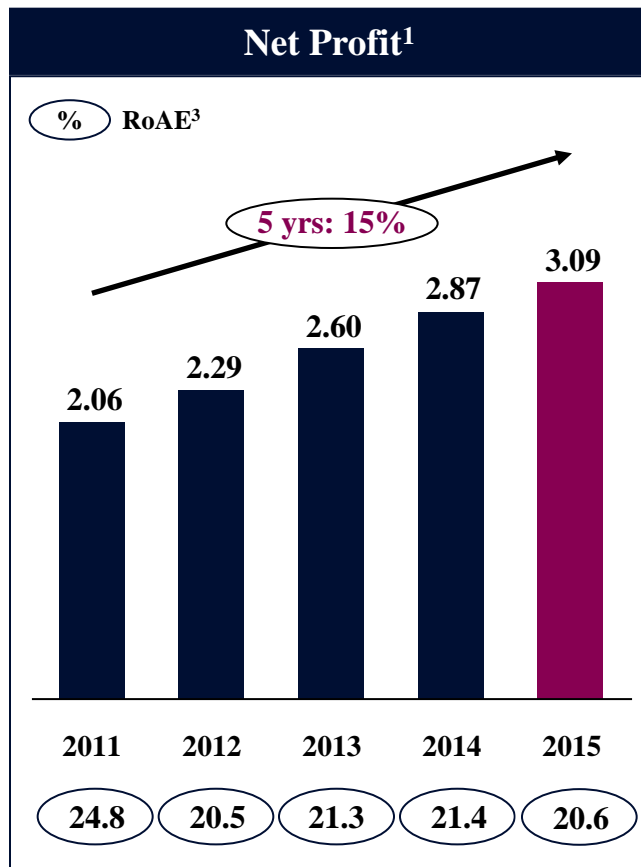
Highlights (as at 31 December 2015)

 Growth vs. December 2014

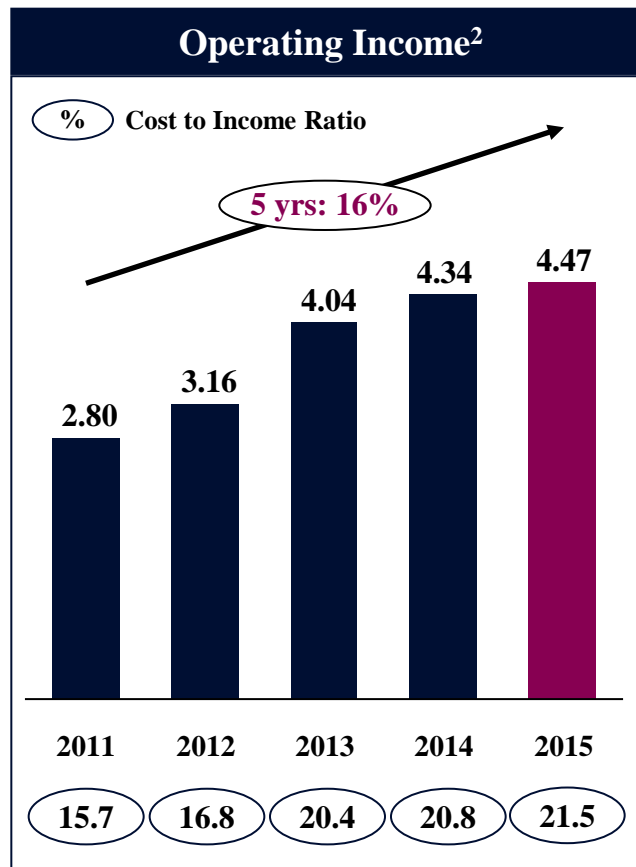


Strong profitability growth

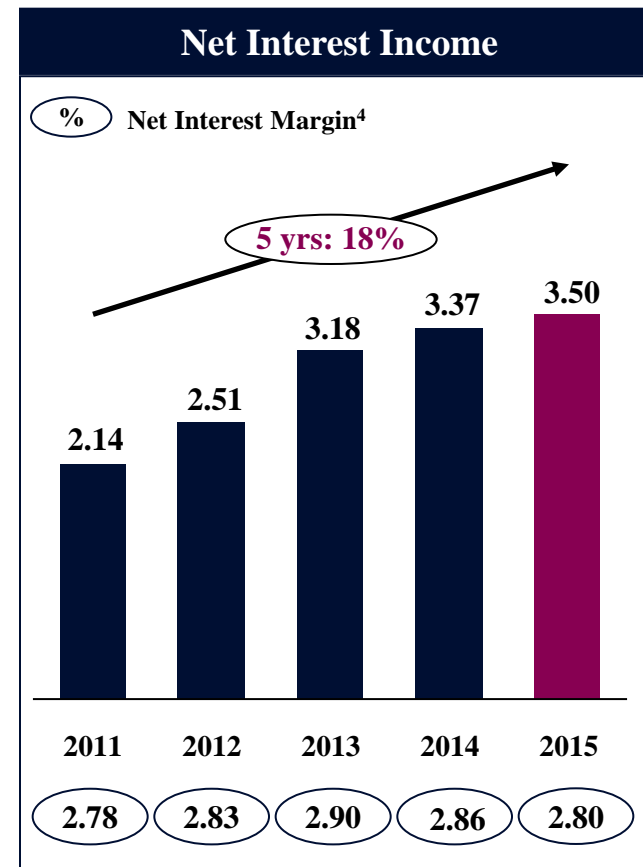
Income Statement Breakdown (USD billion as at 31 December)



- Net profit increased 8% from 2014
- 2010-2015 CAGR of 15%



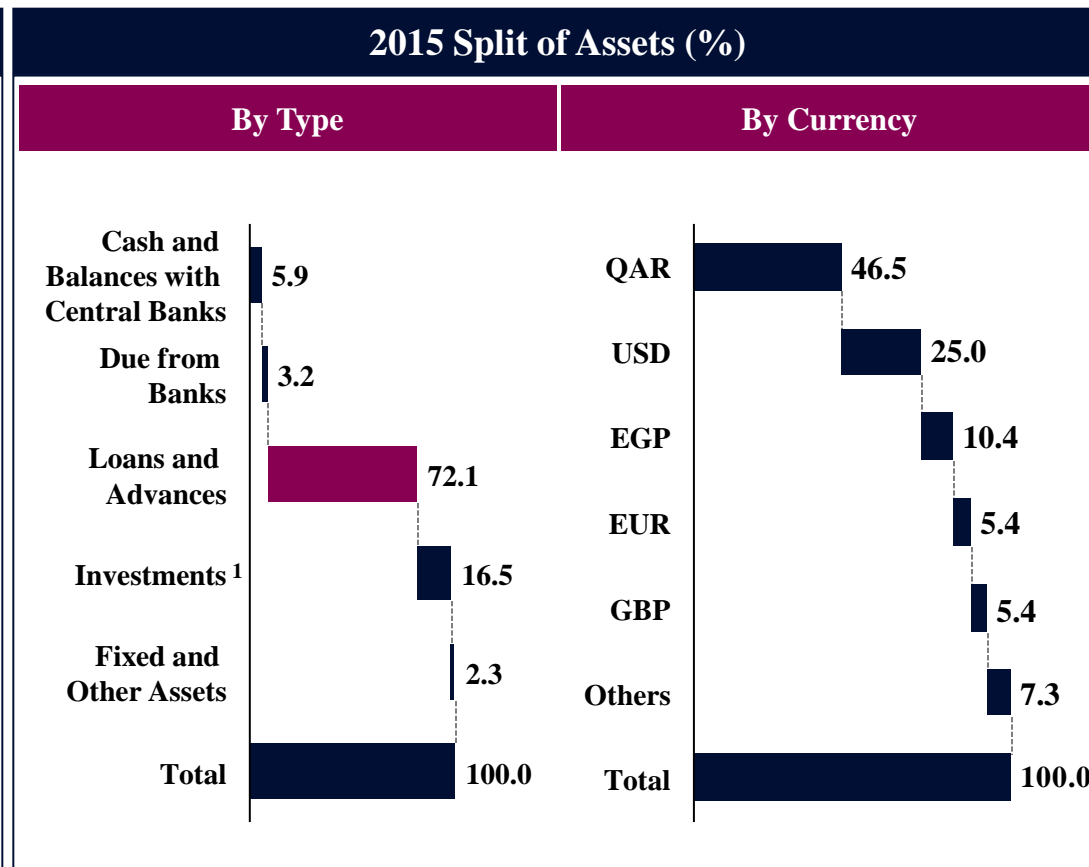
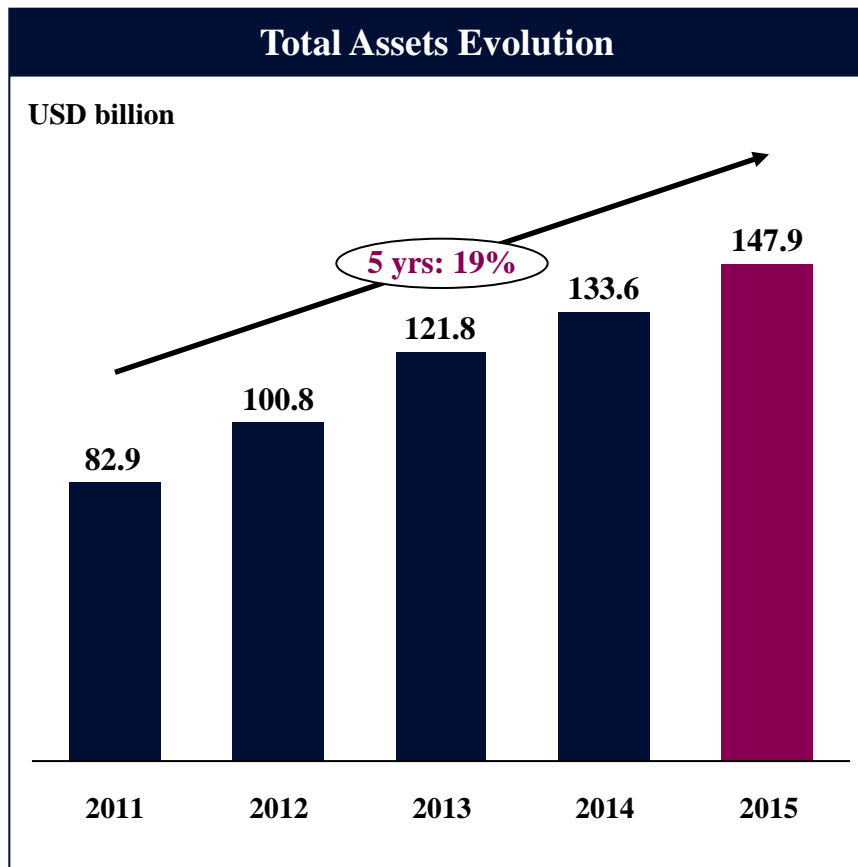
- Operating income increased 3% from 2014
- 2010-2015 CAGR of 16%



- NII increased 4% from 2014
- NIM decreased by 6bps since 2014 as cost of funds increased

Good asset growth driven by lending activities mainly in QAR and USD

Assets Analysis (as at 31 December)

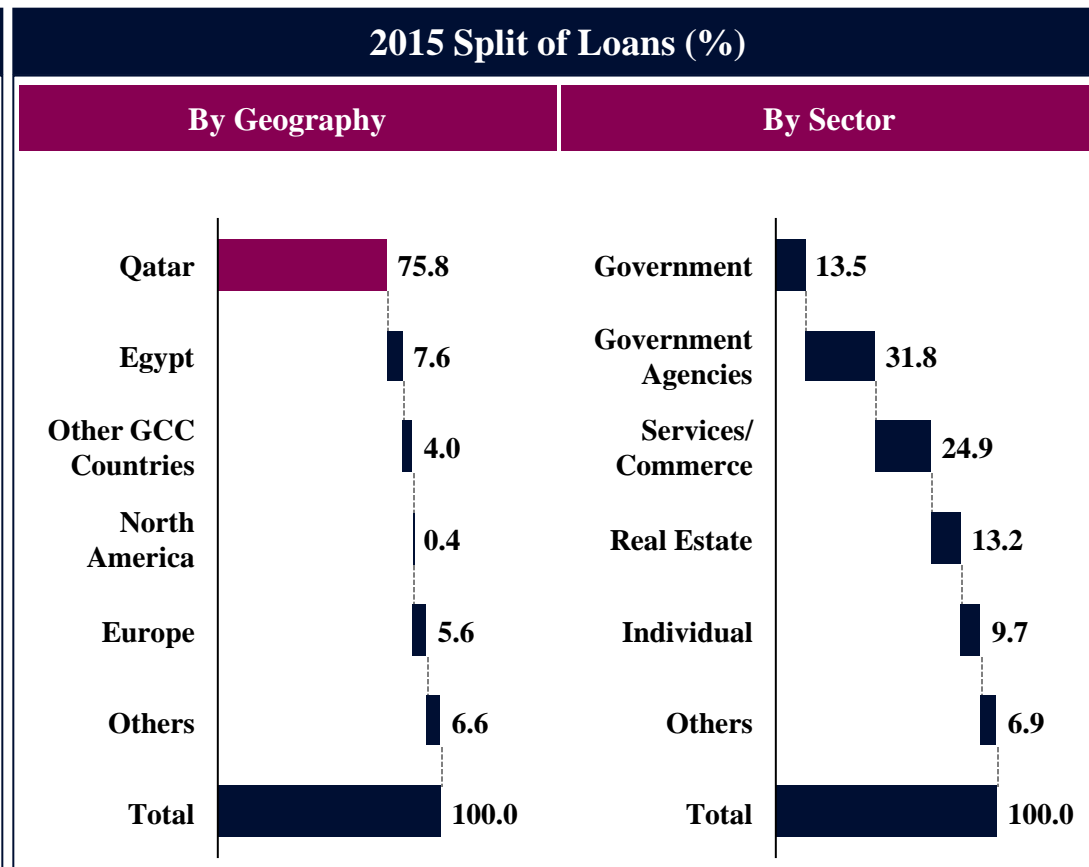
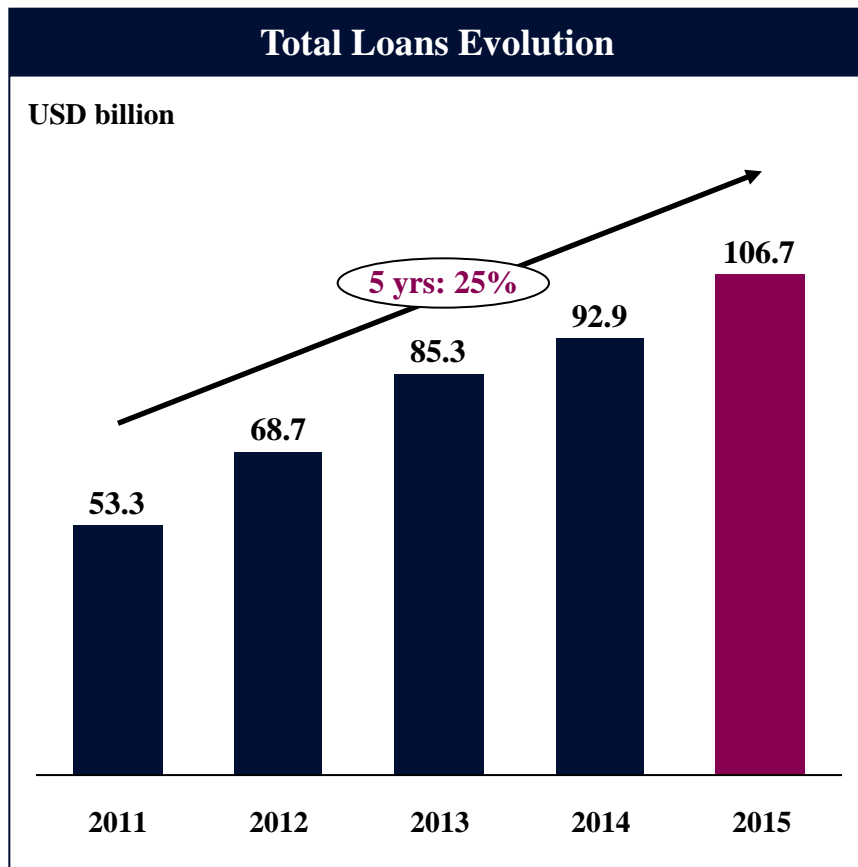


- Assets increased 11% from December 2014
- 2010-2015 CAGR of 19%

- Loans and advances represent 72% of total assets
- USD and QAR currencies account for 72% of total assets

Good loan growth

Loans Analysis (as at 31 December)

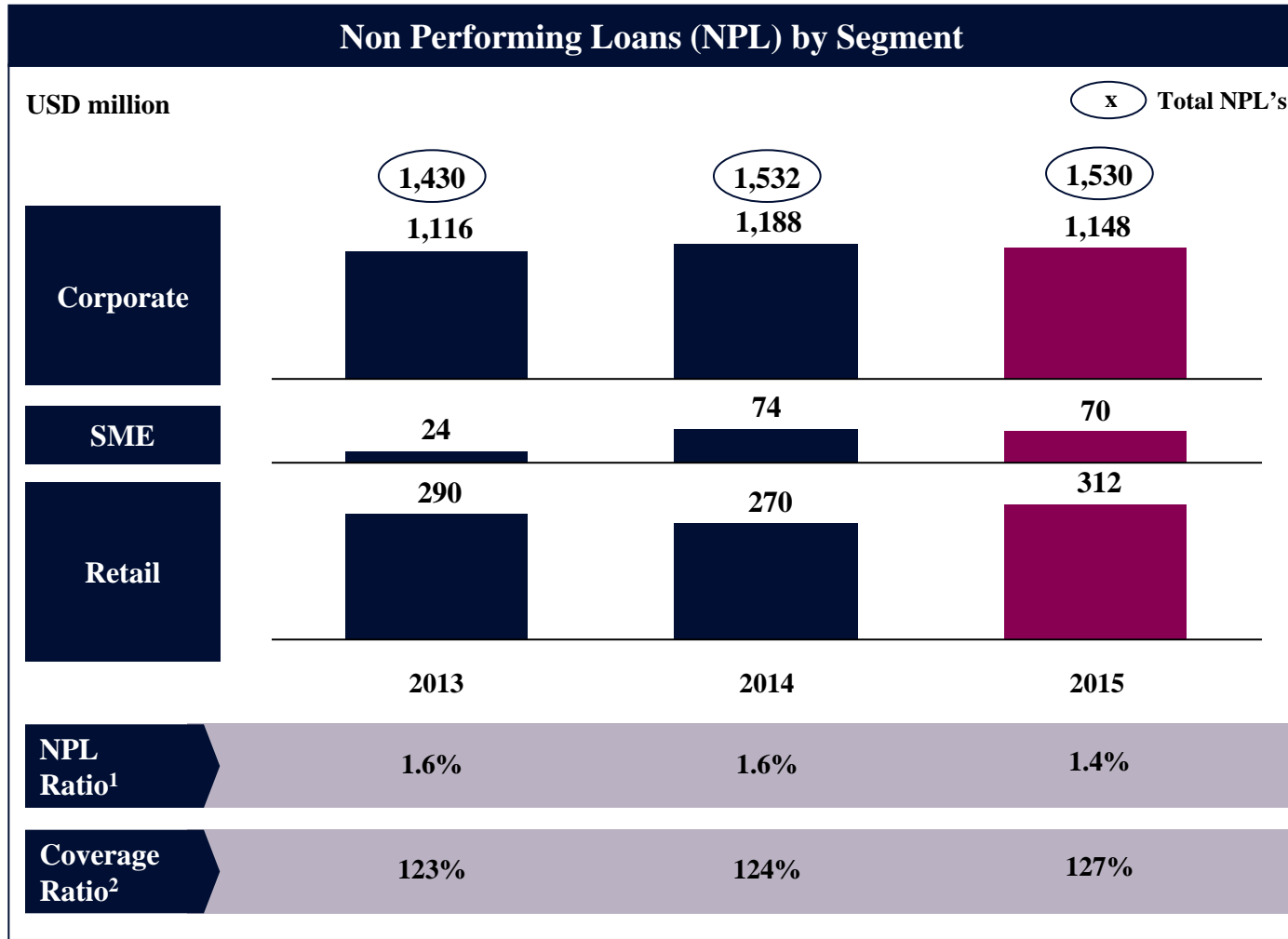


- Loans increased 15% from December 2014
- 2010-2015 CAGR of 25%

- Loans denominated in USD represent 32% of total loans
- Loan exposures are of a high quality with 45% concentration to Government and public sector entities

High quality lending portfolio is highlighted by low NPL ratios

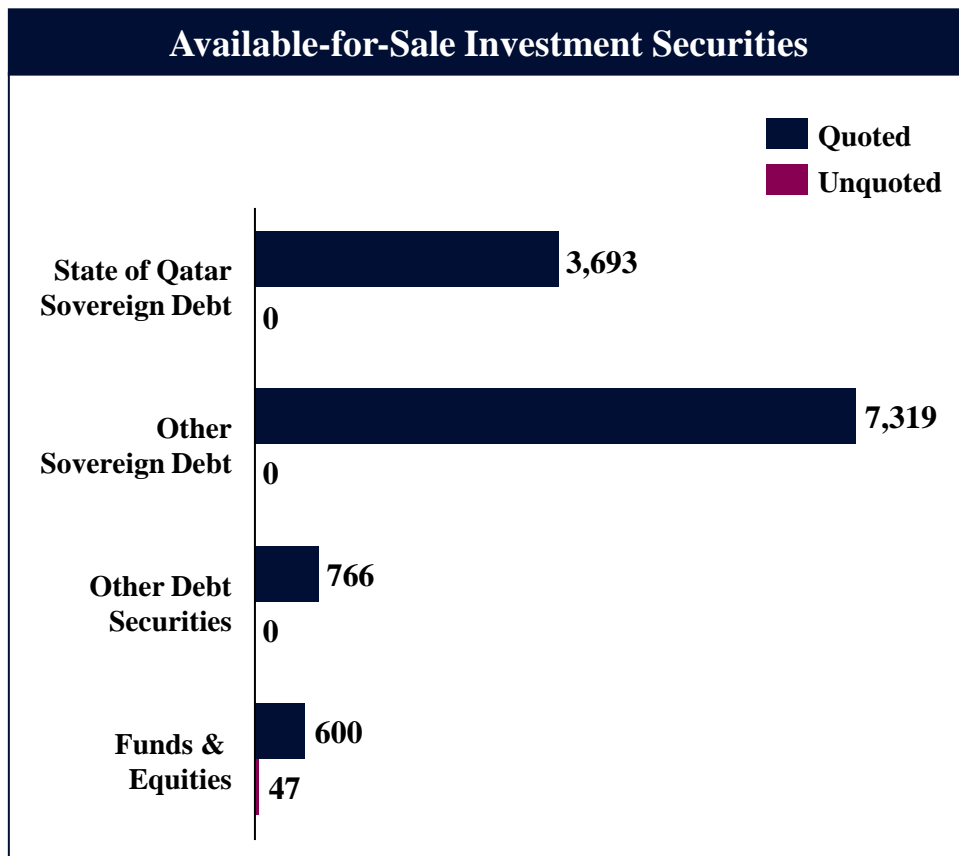
Asset Quality Analysis (as at December unless stated)



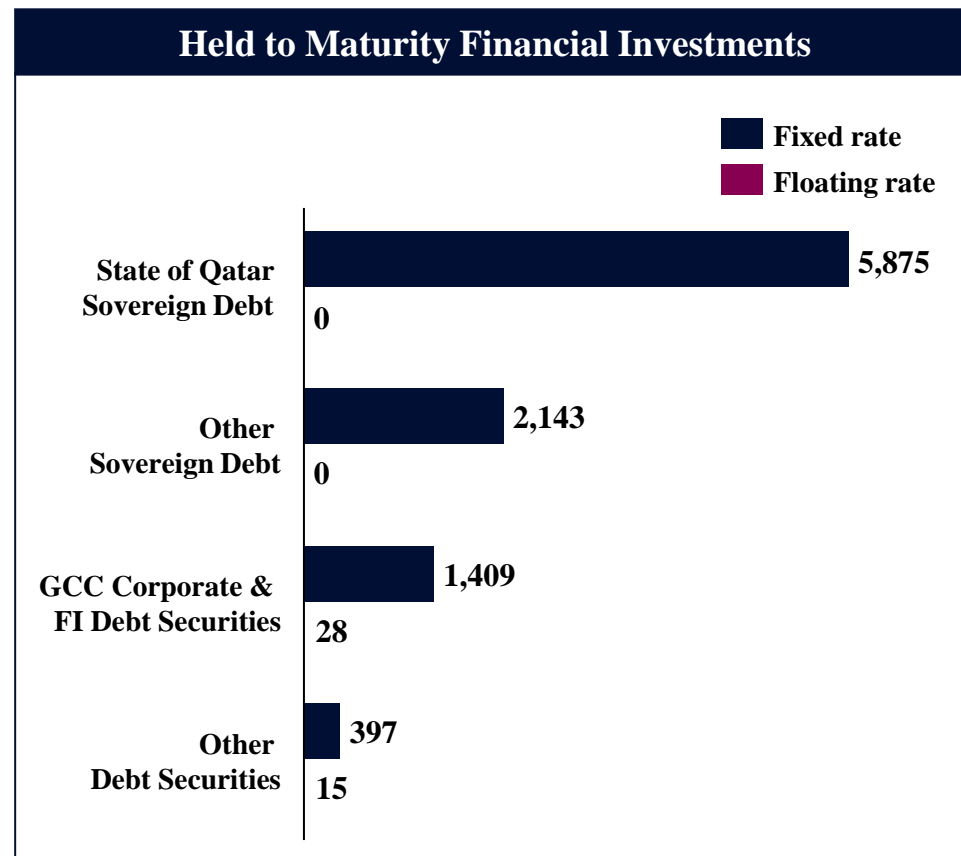
- QNB has continued to increase its provisions in response to the global economic situation
- The bank's coverage ratio has remained robust amidst the economic slowdown, with a coverage of 127% as at 31 December 2015
- Past dues are NPL after 90 days
- There is the additional security of a risk reserve of USD1,373 Mn which is greater than the 2.5% QCB requirements

High quality investment portfolio with 86% of securities rated AA or better

Investments Analysis (USD million as at 31 December 2015)



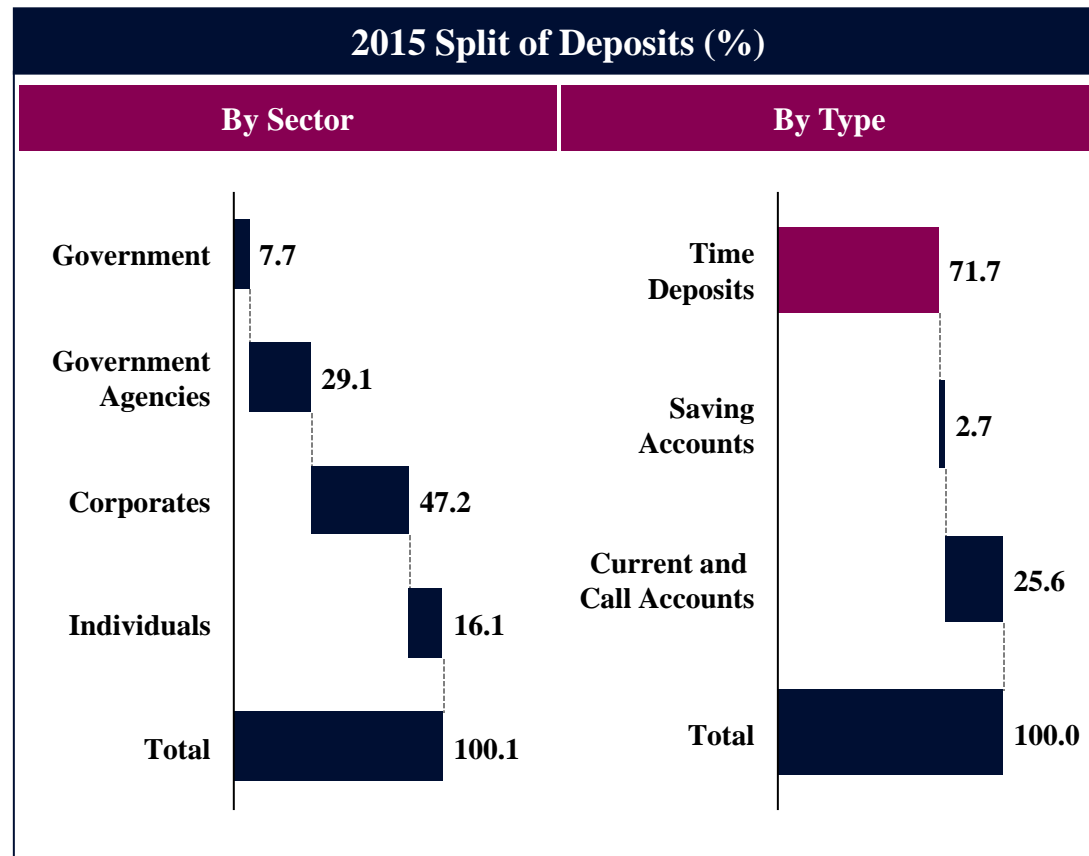
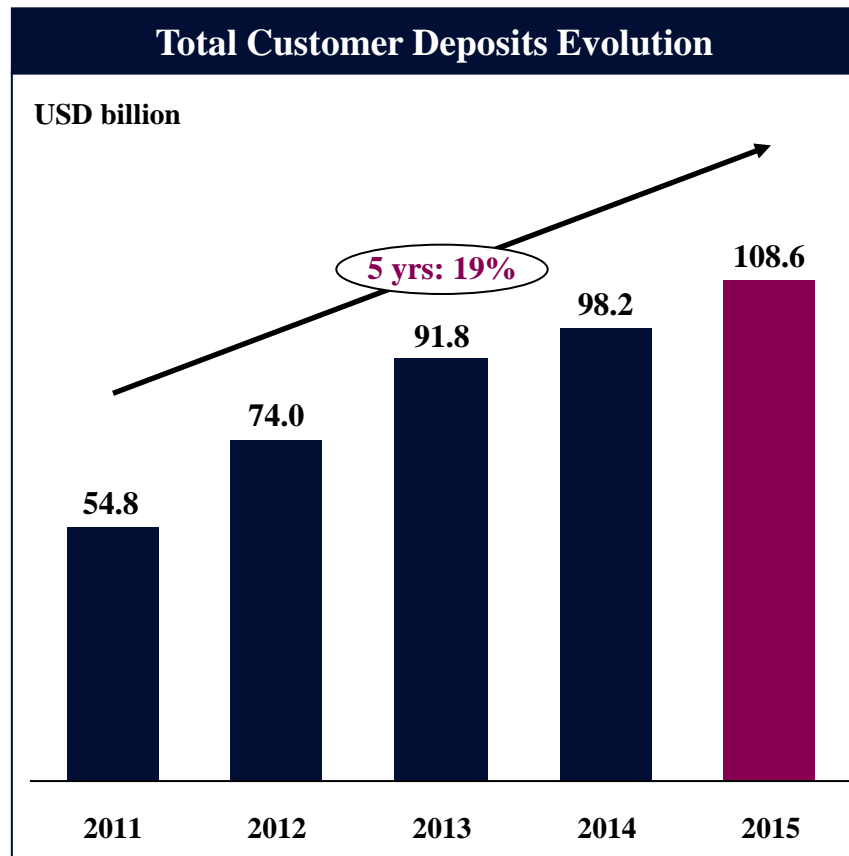
- Quoted securities account for 99% of Available-for-Sale Investment securities



- Majority of Other Sovereign Debt is Government Guaranteed

Robust growth in customer deposits and funding

Funding Analysis (as at 31 December)

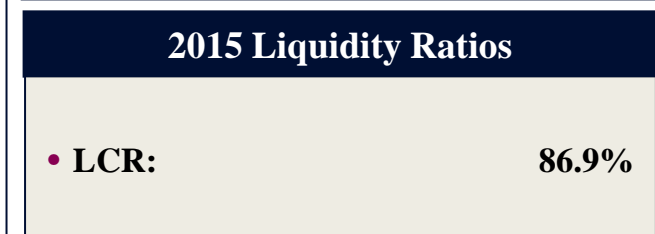
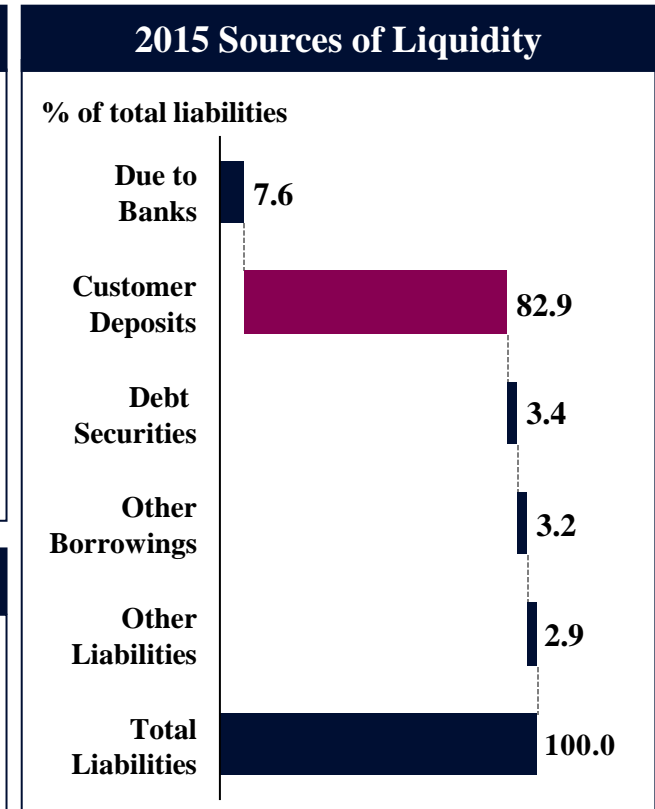
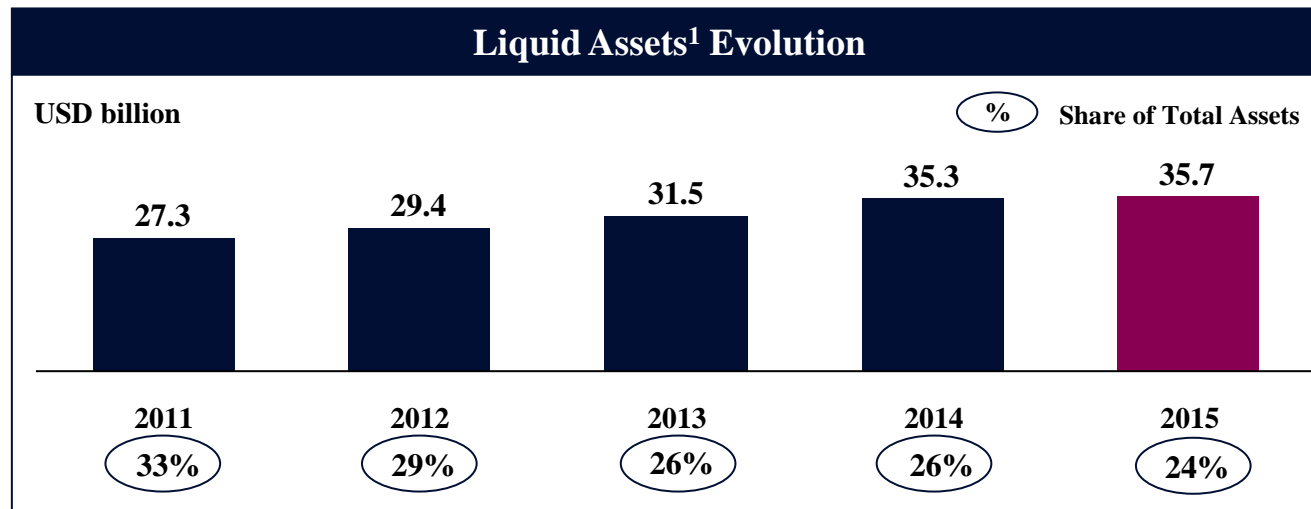
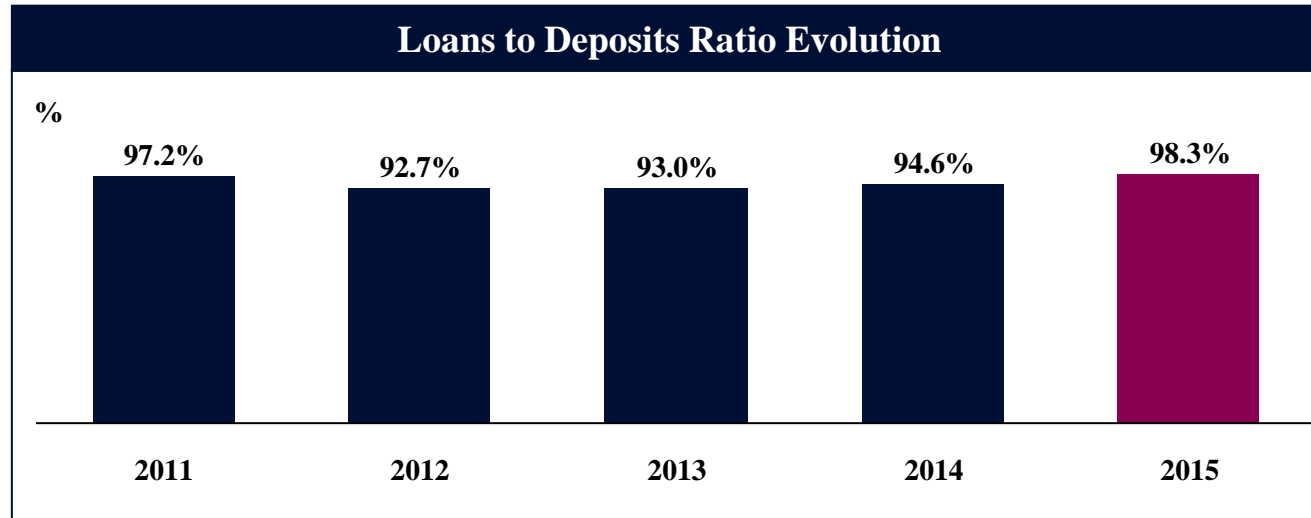


- Deposits increased 11% from December 2014
- 2010-2015 CAGR of 19%

- QNB remains the public sector's preferred bank
- USD denominated deposits represent 41% of total deposits
- EGP denominated deposits represent 10% of total deposits

Solid liquidity profile above regulatory minimums

Liquidity Analysis (as at 31 December)



Sources of Institutional Funding

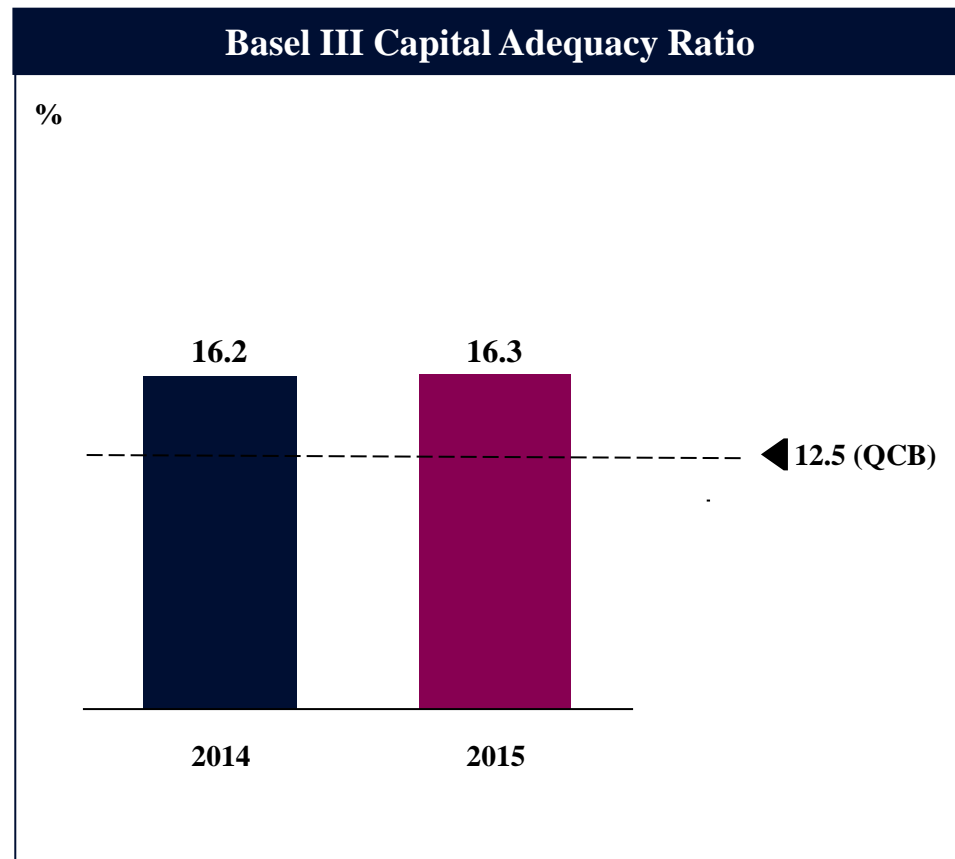
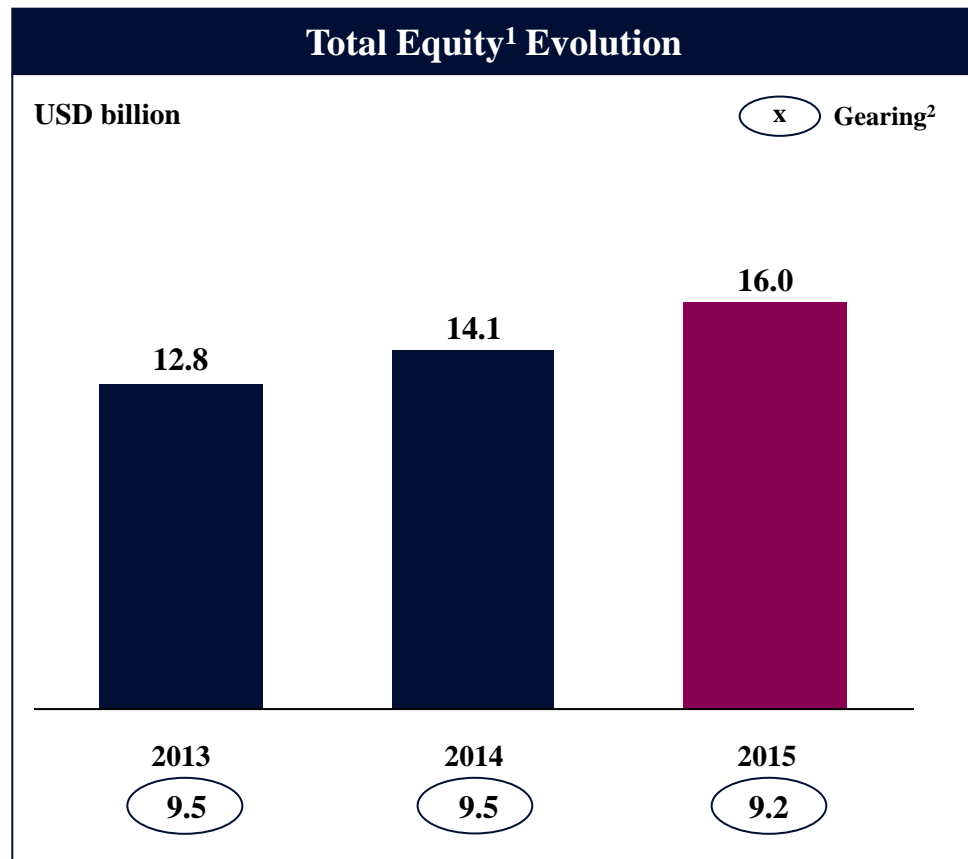
EMTN and Certificate of Deposits

EMTN	
Set-Up	<ul style="list-style-type: none"> November 2011 in Reg S format
Current Values	<ul style="list-style-type: none"> Programme limit USD 12.5 billion and outstanding is USD 6.0 billion
Currencies	<ul style="list-style-type: none"> Issued in CHF, CNY, EUR, HKD, JPY and USD
Daily Postings	<ul style="list-style-type: none"> Provided to the dealer group
Dealers	<ul style="list-style-type: none"> ANZ Banking Group, Barclays Bank plc, Citigroup Global Markets Limited, Commerzbank AG, Deutsche Bank AG (London Branch), HSBC Bank plc, J.P. Morgan Securities plc, Mitsubishi UFJ Securities International plc, Mizuho International plc, QNB Capital LLC, Standard Chartered Bank and The Royal Bank of Scotland plc
Market Awards	<ul style="list-style-type: none"> 2013 mtn-i award for ‘Accommodating International Investors’
Allocation from Last Issuance	<ul style="list-style-type: none"> Middle East: 40% / Europe: 42% / Asia 18%

Certificate of Deposits	
Set-Up	<ul style="list-style-type: none"> Issued by QNB London Branch and regulated by the FCA and the PRA
Establishment Date	<ul style="list-style-type: none"> Product launched in September 2012
Current Values	<ul style="list-style-type: none"> Outstanding is USD 7.5 billion
Average Life	<ul style="list-style-type: none"> Average residual life of 142 days
Currencies	<ul style="list-style-type: none"> Issuances in CHF, EUR, GBP, USD and other currencies available on request
Dealers	<ul style="list-style-type: none"> Bank of America Merrill Lynch, Barclays Bank plc, BNP Paribas, Citigroup Global Markets Limited, ING Bank NV and The Royal Bank of Scotland plc

Strong capital adequacy ratio maintained above both QCB and Basel III requirements

Capital Analysis (as at 31 December)



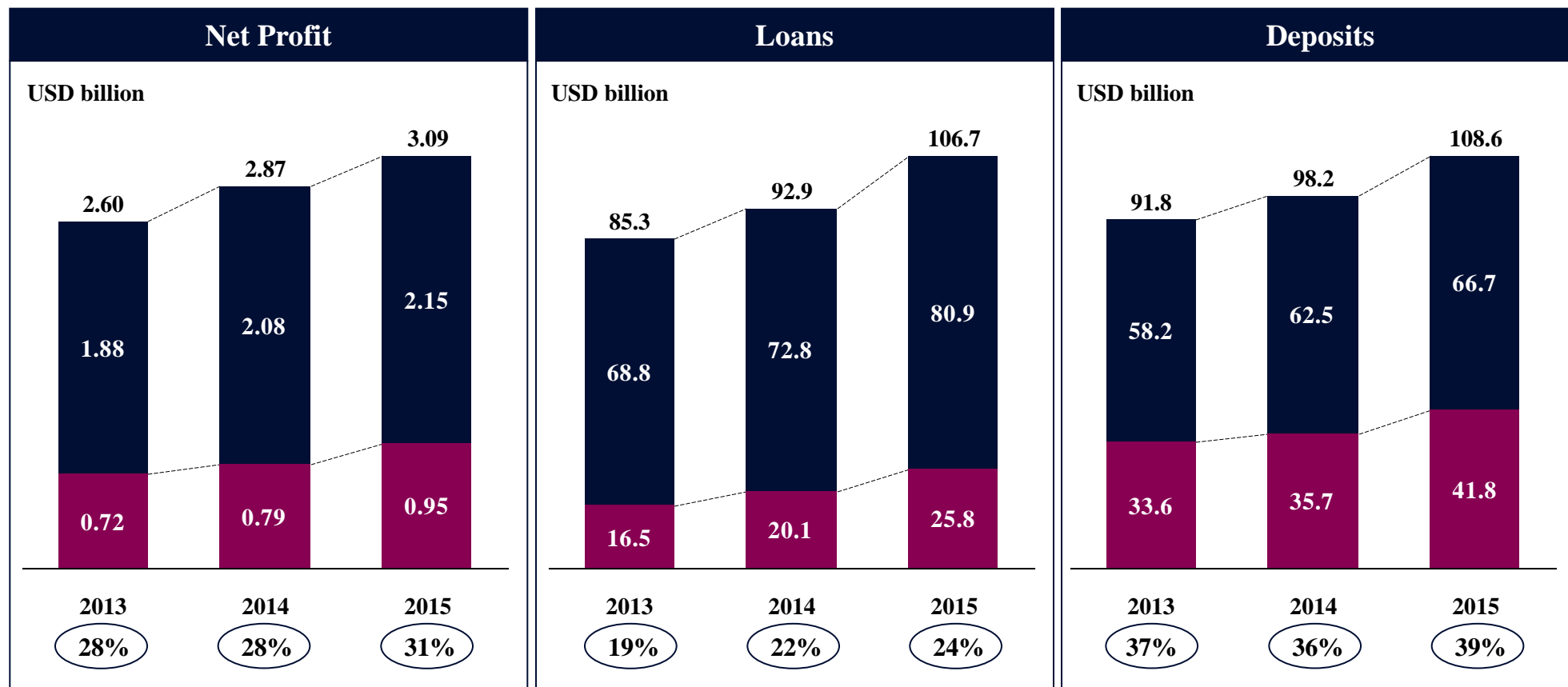
- Capital base has been regularly increased in line with the strong performance of QNB's balance sheet

- Capital adequacy ratio is above QCB and Basel III requirements

Increasing geographical diversification positively contributes to growth

Geographical Contribution (as at 31 December)

■ Domestic
 ■ International
 % Share of International as percentage of the total

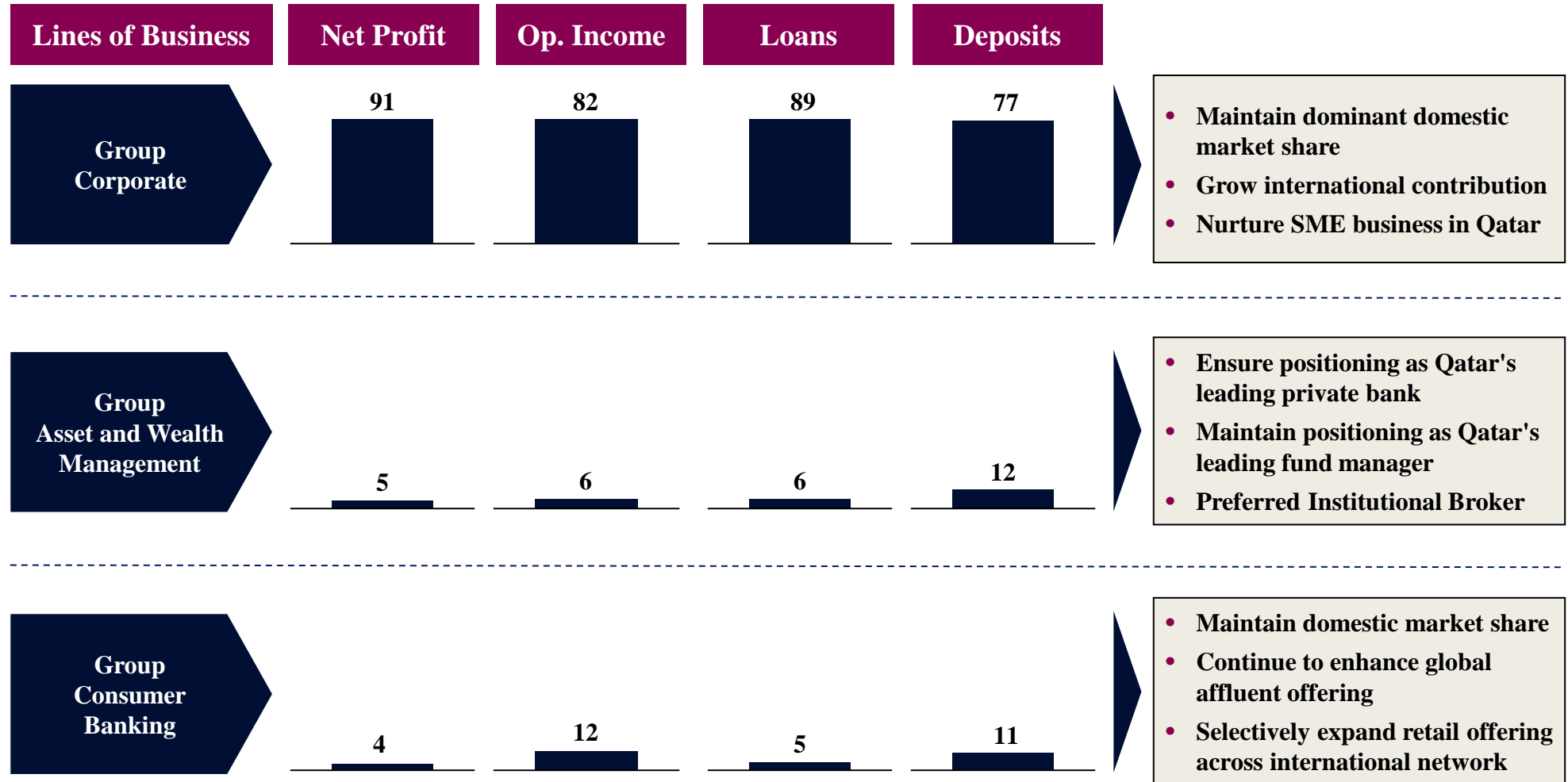


- Profit from international operations increased by USD226 Mn (31%) from 2013 to 2015

- Loans from international operations increased by USD9.3 Bn (56%) from 2013 to 2015
- Deposits from international operations increased by USD8.2 Bn (24%) from 2013 to 2015

Diversifying business mix will bolster sustainable growth

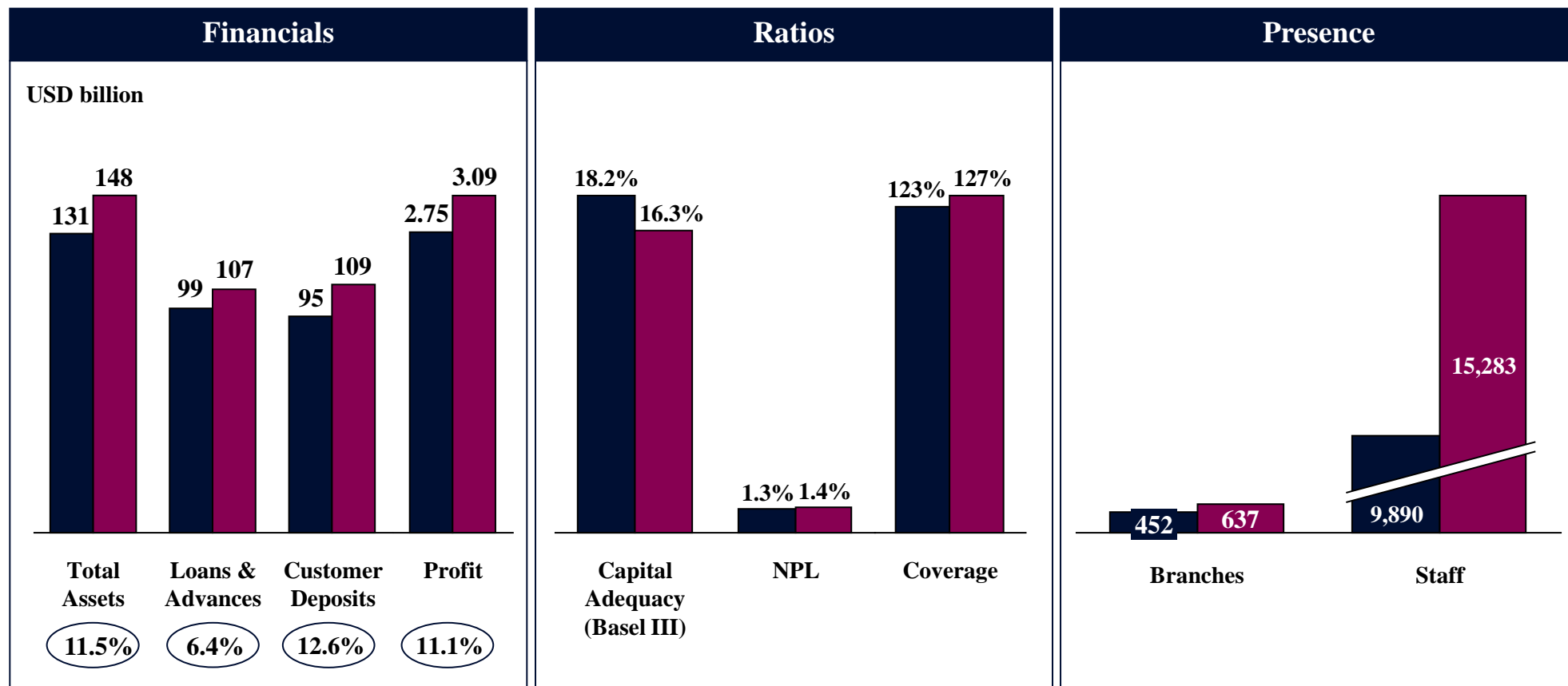
Business Mix Contribution (% share as at 31 December 2015)



QNB Group Financials

Key data (as at 31 December 2015)

■ QNB ■ QNB incl. QNB ALAHLI (○) Contribution

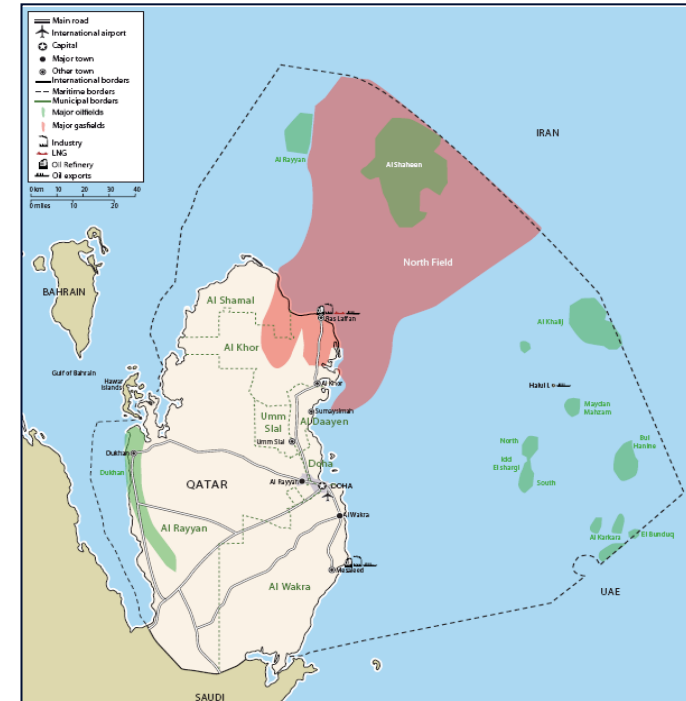
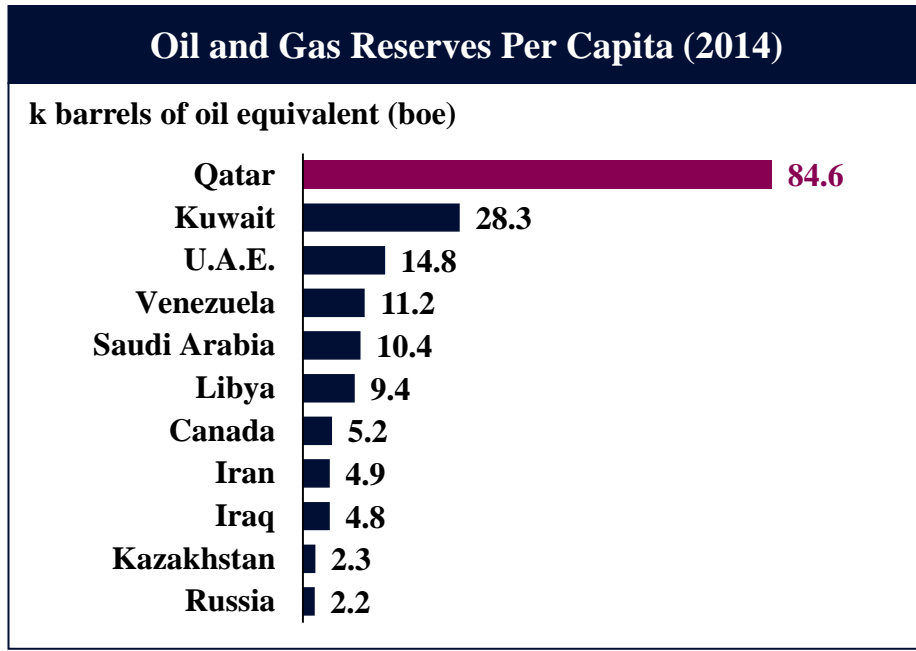


- Results finalised under International Financial Reporting Standards (IFRS)
- Capital Adequacy (Basel III) on consolidation 16.3%



Economic Overview

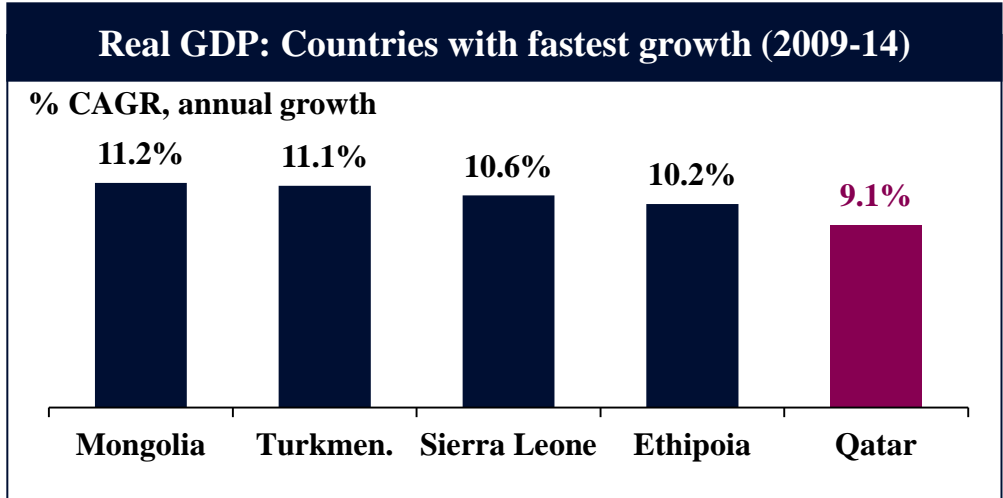
Qatar oil and gas wealth per capita is the highest in the world ...



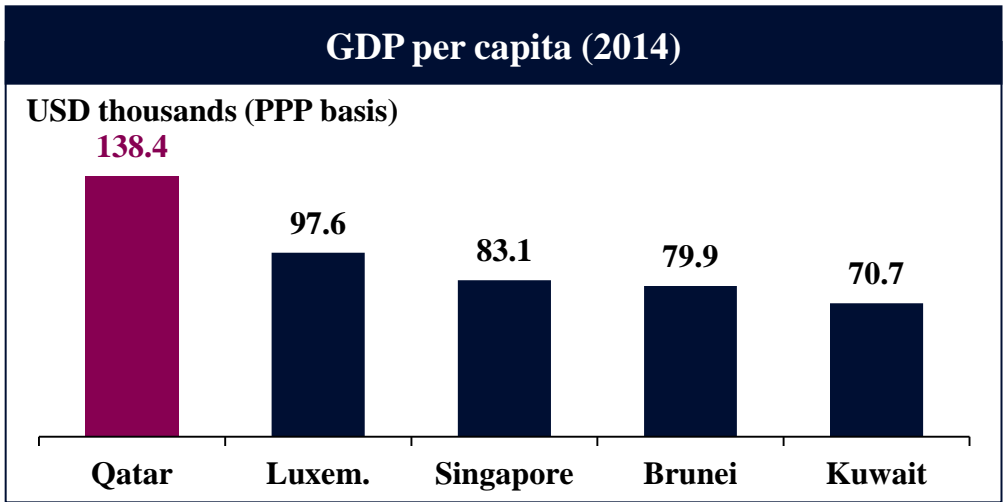
- Qatar is endowed with major oil and gas resources, especially in relation to the size of its population
- At current extraction rates, Qatar's proven gas reserves will last at least another 138 years and oil reserves for 36 years

- Qatar's hydrocarbons reserves are mostly held in the North Field, which contains 59% of GCC gas reserves and 13% of global gas reserves
- Qatar has 26bn barrels of crude oil and condensate reserves (1.5% of global reserves)

... and Qatar was one of the world's fastest growing economies during 2009-14

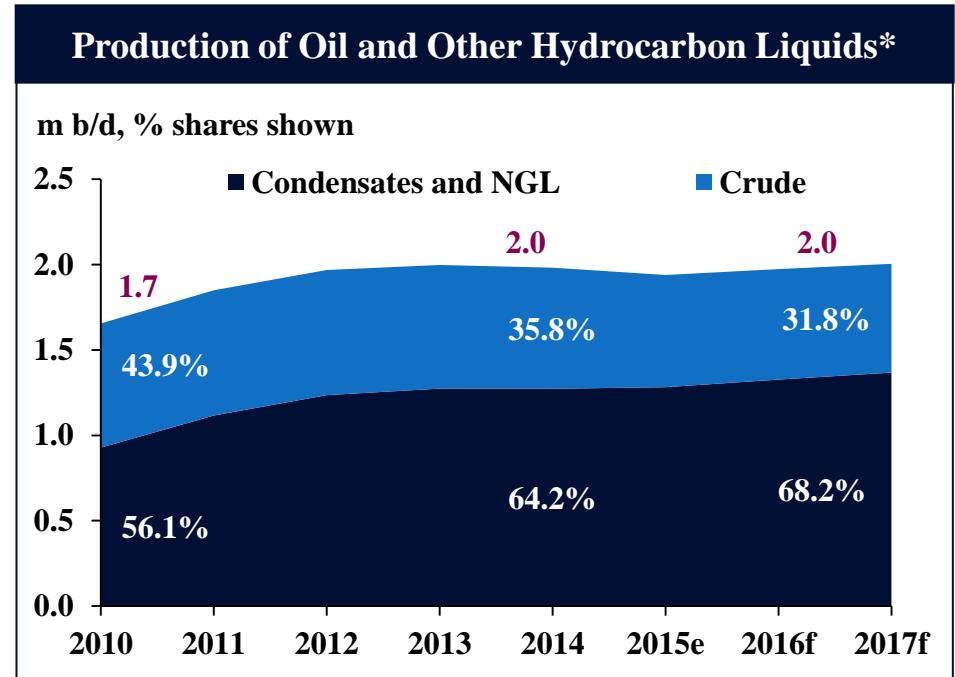
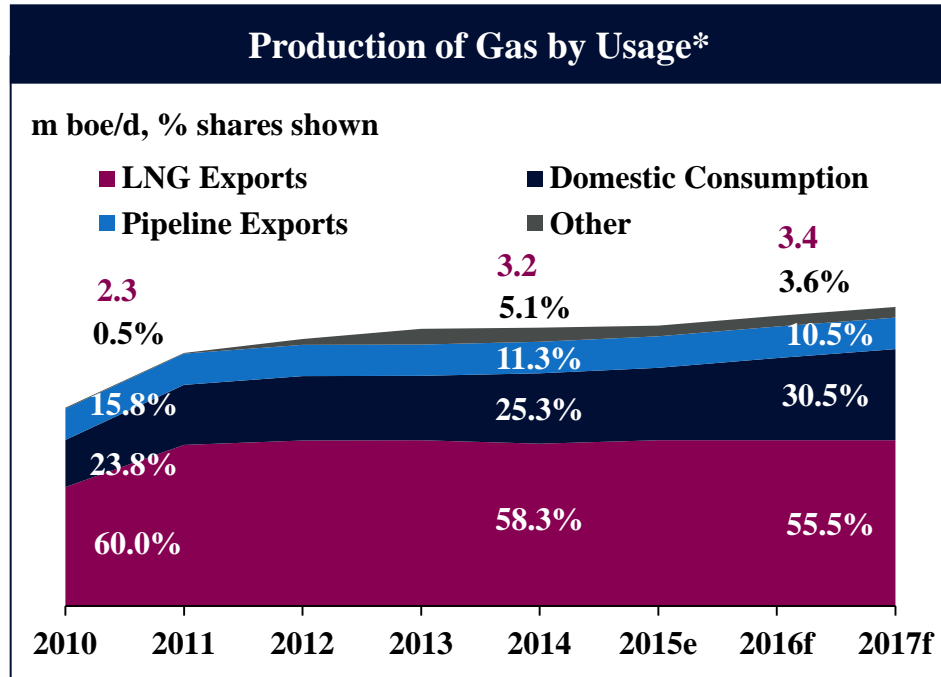


- Qatar's compound annual real growth rate of 9.1% during 2009-14 was one of the world's fastest, driven by the expansion in LNG production and investment in infrastructure



- GDP per capita was USD138.4k in 2014, the highest globally
- Qatar had one of the highest percentage of millionaire households in the world (11.6%) in 2014

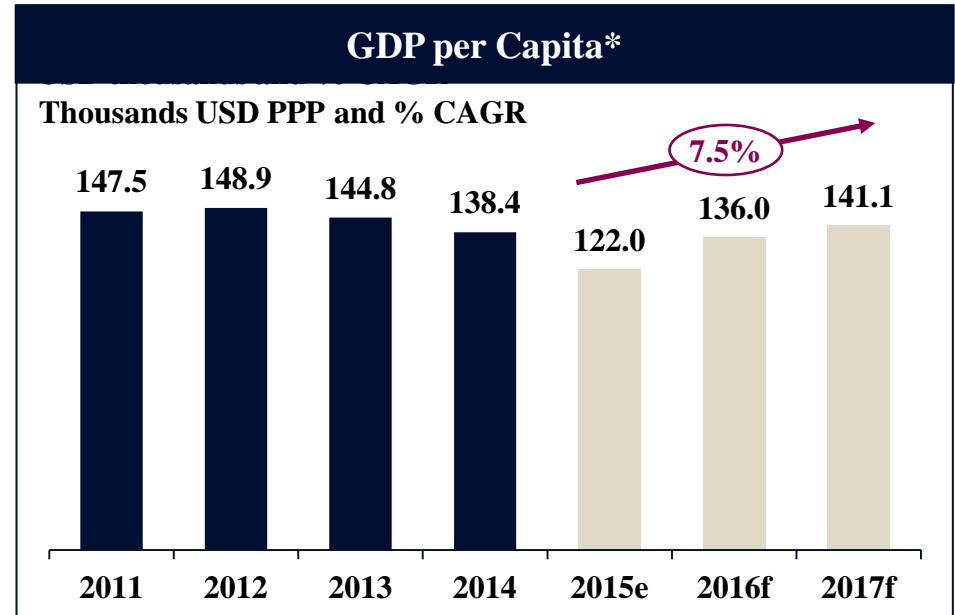
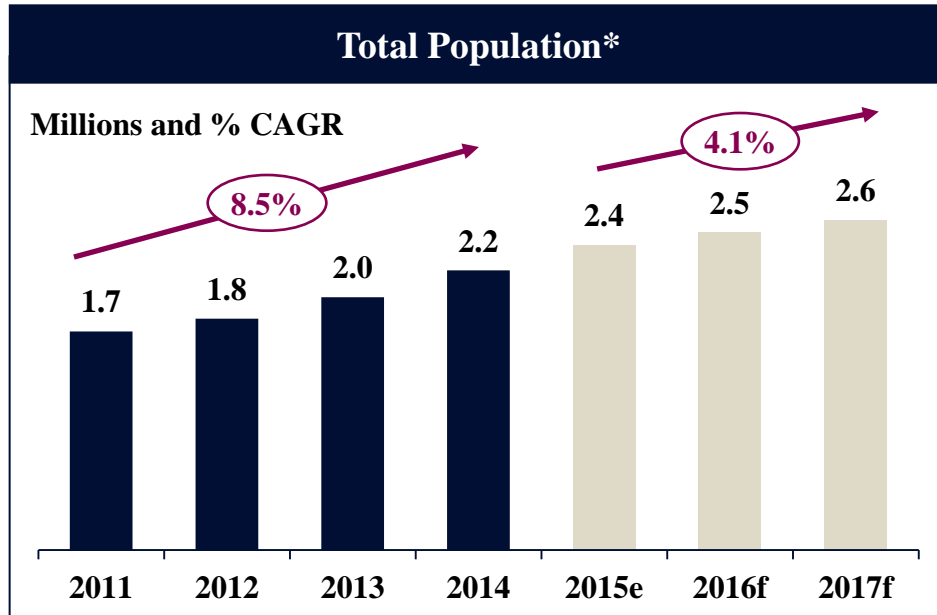
Hydrocarbon growth has been driven by a large expansion in gas production; but has now plateaued given the moratorium on gas exploration



- LNG exports have plateaued with no increases planned, but production for domestic use is set to rise
- In order to meet rising domestic demand, the Barzan project has been initiated, and as a result the share of gas production for domestic use is projected to increase to 30.5% by 2017 from 25.3% in 2014

- Falling crude oil production will be more than offset by rising production of other hydrocarbon liquids
- Going forward, condensate and NGL production is likely to continue rising as the Barzan project comes on stream

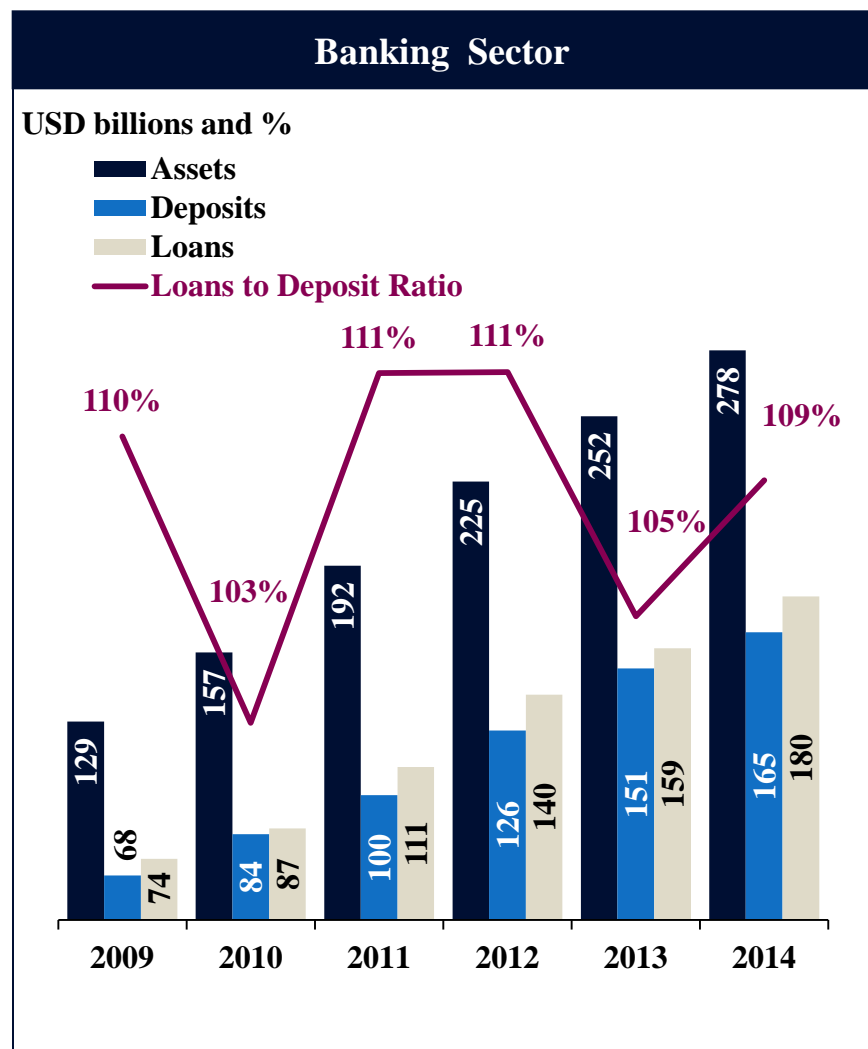
The economic expansion has driven population growth and created significant wealth



- Population growth reached 9.3% in 2013 and 10.6% in 2014 on a large influx of expatriate workers to fill the jobs created by the surge in project spending
- Population is expected to reach 2.6m by 2017 as the government ramps up its infrastructure investments in preparation for the 2022 World Cup

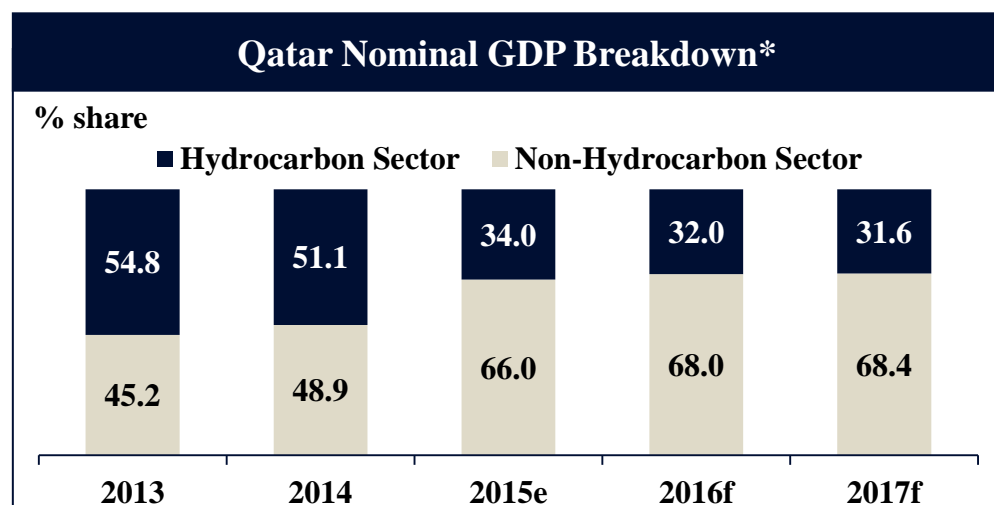
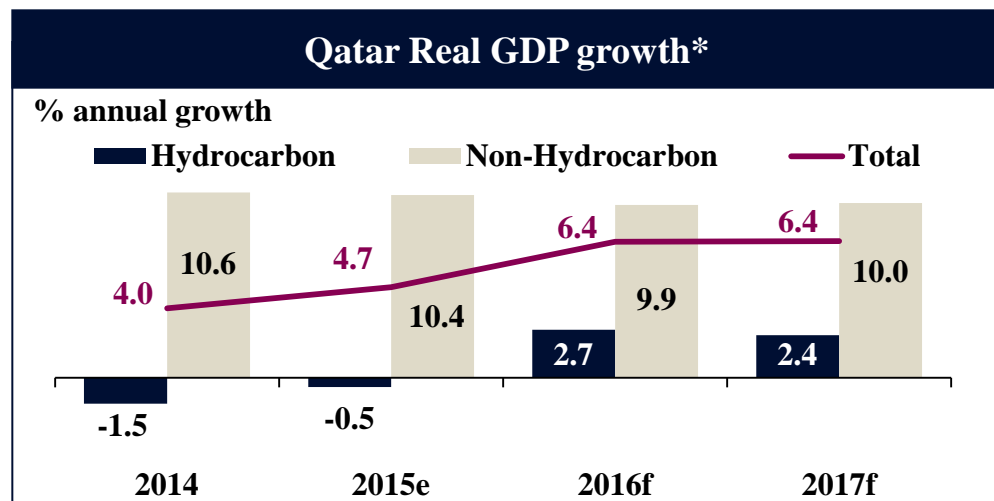
- GDP per capita has grown rapidly in recent years, becoming the highest in the world, although it is expected to fall in 2015 in line with lower international oil prices
- GDP per capita is expected to recover to USD141k by 2017 on strong non-hydrocarbon GDP growth

Qatar's banking sector is growing rapidly and remains highly profitable



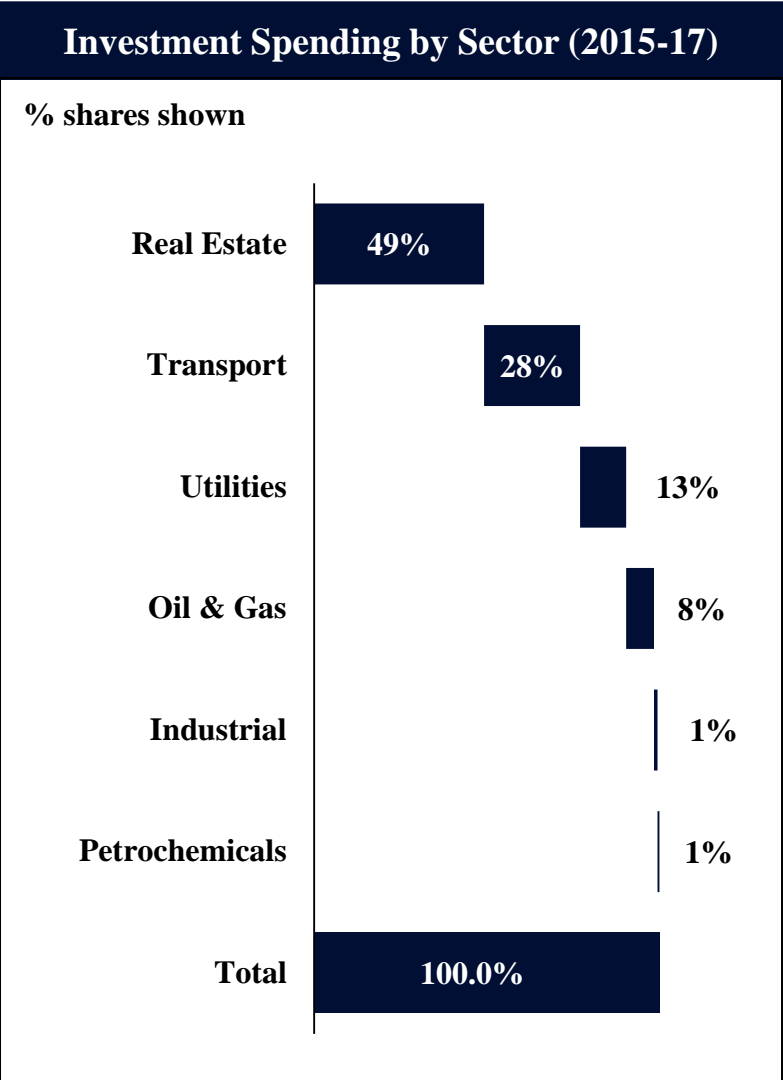
- Assets saw a healthy expansion over the period Dec-2009 to Dec-2014, growing by a CAGR of 16.5%
- Deposits grew strongly by a CAGR of 19.5% over Dec-2009 to Dec-2014, underpinned by large fiscal surpluses and rapid population growth
- Loans grew by a CAGR of 19.2% over Dec-2009 to Dec-2014 due to large project financing and growing consumer lending
- Average return on equity for the banking sector was 16.5% at end-2014
- Average non-performing loans remained low at 1.7% of total loans at end-2014

The non-hydrocarbon sector will drive growth in the next few years



- Qatar is well-positioned to withstand low oil prices thanks to a low fiscal breakeven oil price, the accumulation of significant past savings and low public debt
- Growth is underpinned by large government infrastructure projects, which also draw in workers, further boosting aggregate demand
- The share of the non-hydrocarbon sector in nominal GDP is forecast to rise from 48.9% in 2014 to 68.4% in 2017 as the economy becomes more diversified

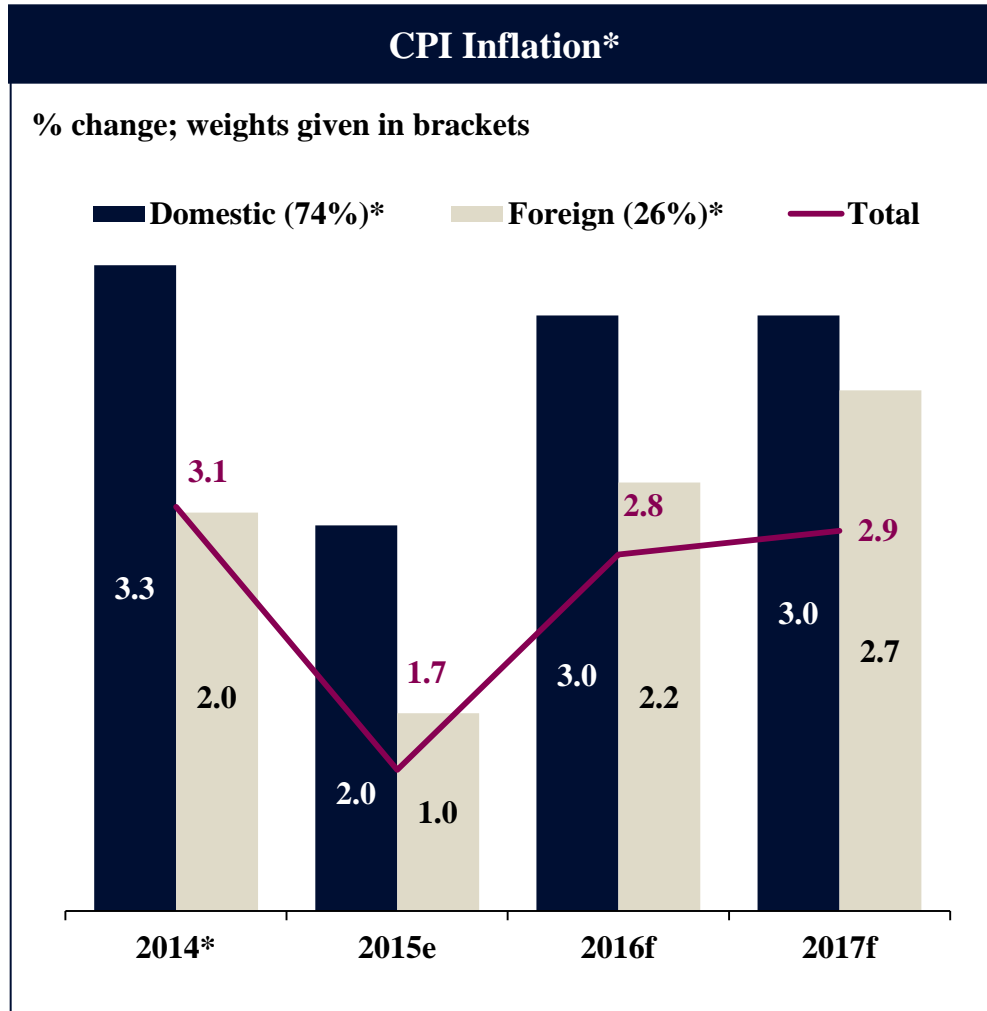
Large investment spending focused on real estate and transport will be a key driver of the economy going forward



Major Projects

	Project	Budget (bn USD)	End
Real Estate	Lusail Mixed-Use Development	45.0	2022
	Barwa Al Khor Development	10.0	2025
Transport	Qatar Integrated Rail	40.0	2026
	Ashghal Expressway Programme	20.0	2018
	Hamad International Airport	15.5	2020
	Ashghal Local Roads & Drainage	14.6	2019
	Hamad Port	7.4	2020
Oil and Gas	Bul Hanine Oilfield Redevelopment	11.0	2022
	Barzan Gas Development	10.3	2023

Inflation is moderating on lower international commodity prices and slowing rent inflation, but should pick up gradually going forward



- Lower international food prices were witnessed in 2015 due to slowing world demand growth and the build-up in stocks after good global harvests
- Domestic inflation is estimated to have remained weak in 2015, despite strong population growth, as additional housing units led to lower rent inflation
- Overall inflation is projected to pick up in 2016 and 2017 owing to the expected recovery in food prices and higher oil prices in 2017
- CPI weights were revised in January 2015, with the share of rents revised down, which should help keep overall inflation lower going forward

Strong fundamentals have kept CDS spreads low

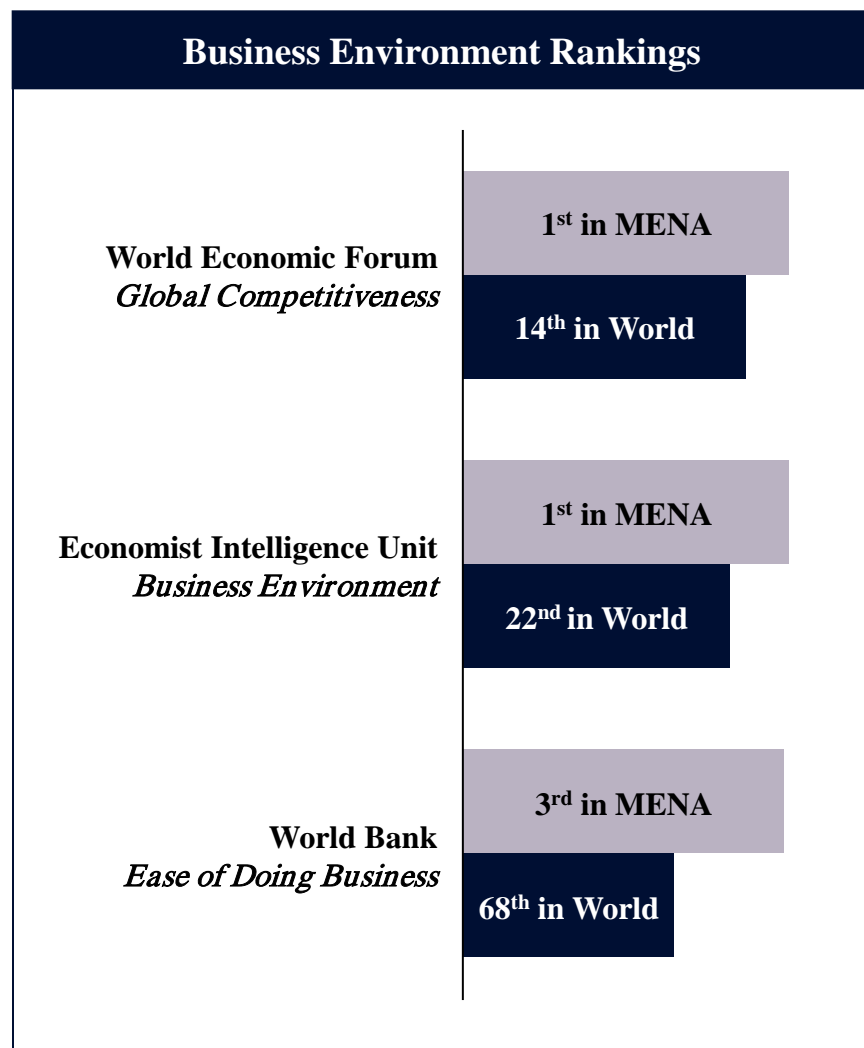
Qatar Credit Default Swap (CDS) Spreads, 5-year USD

CDS spreads are the annual cost of insuring sovereign debt against default in basis points



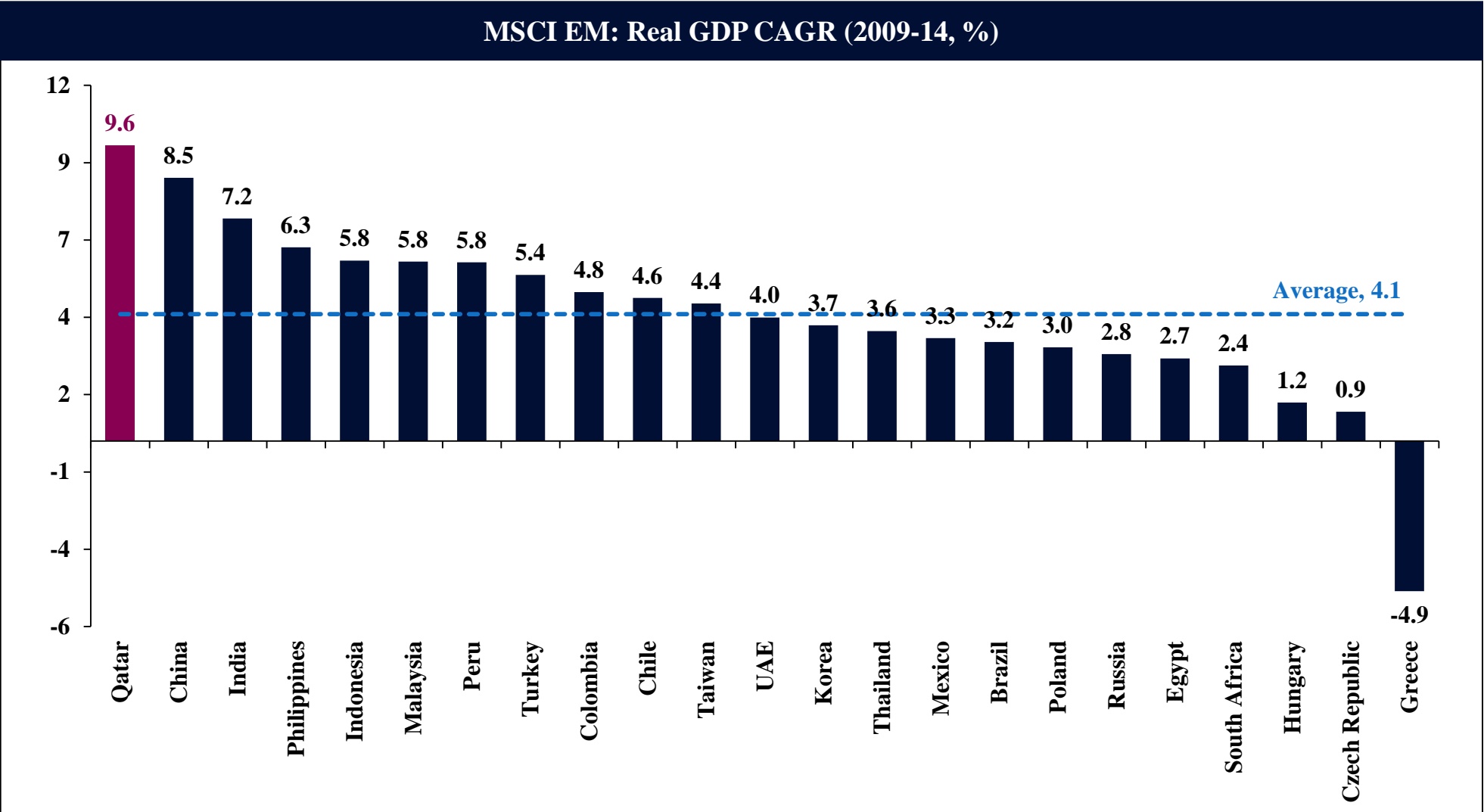
- Strong fiscal and economic fundamentals have kept Qatar's CDS spreads low, notwithstanding the recent drop in oil prices
- Qatar's CDS spreads are among the lowest regionally as they are supported by the country's robust economic and resource-driven strengths as well as its strong fiscal and external balances

Qatar's business environment is one of the strongest in the MENA region

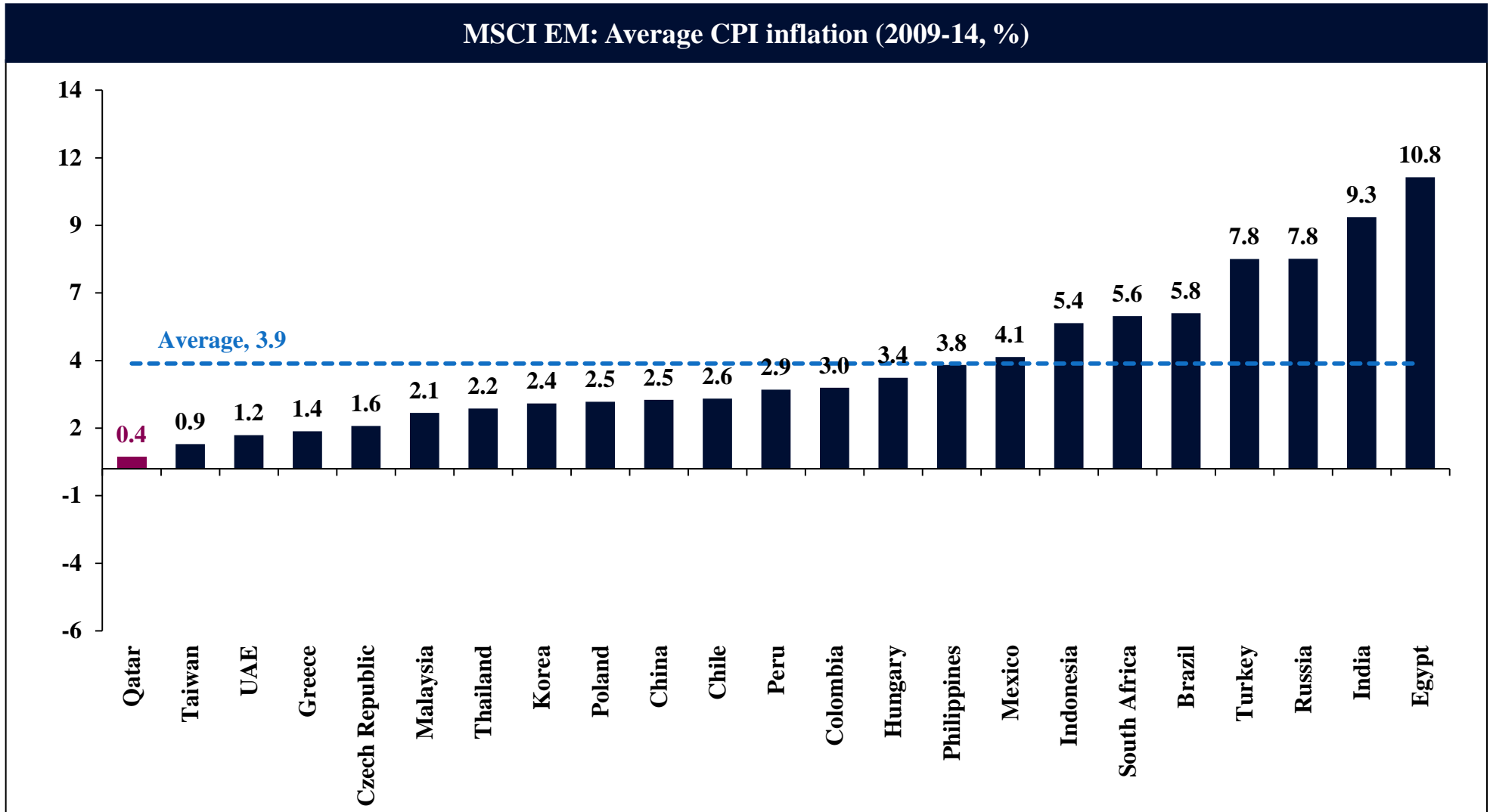


- ### Contributing factors
- **Strong economic fundamentals**
 - Strong growth and successful focus on diversification
 - High levels of government spending and personal consumption
 - Enabling infrastructure (power, transport, telecoms etc.)
 - Strong banking system
 - Stability provided by the currency peg to US dollar
 - **Low tax environment**
 - Low corporate taxes, e.g. 10% on foreign company profits (ex-hydrocarbons sector)
 - No personal or employment taxes
 - No VAT, low import duties
 - **Enabling regulation and favorable business environment**
 - Flexible labour laws
 - Strong institutional framework, low level of corruption, high efficiency of government institutions and strong security
 - Innovative structures – e.g. Qatar Financial Centre

Qatar is the fastest growing economy in the MSCI Emerging Market group...

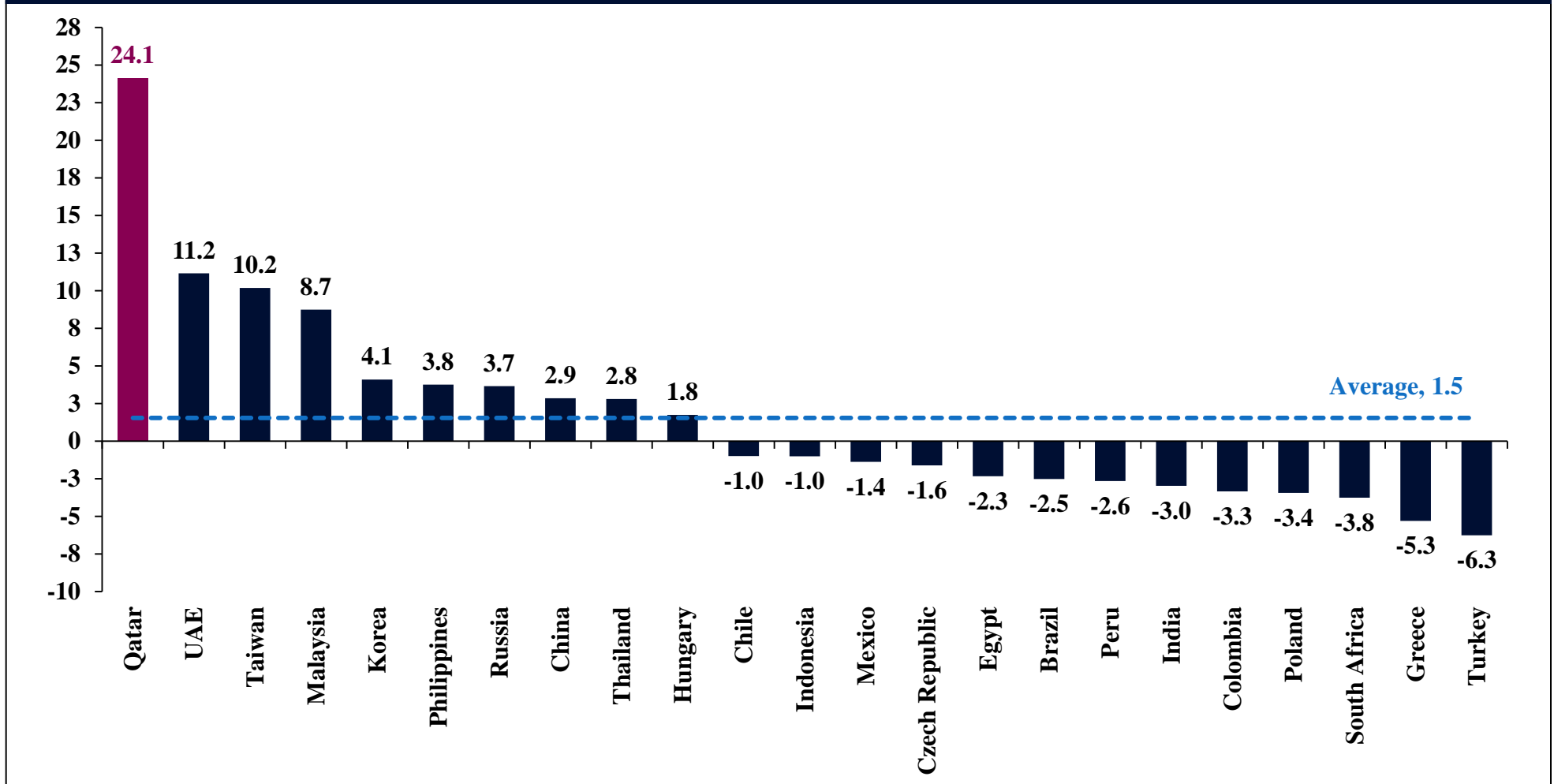


...with the lowest inflation rate...



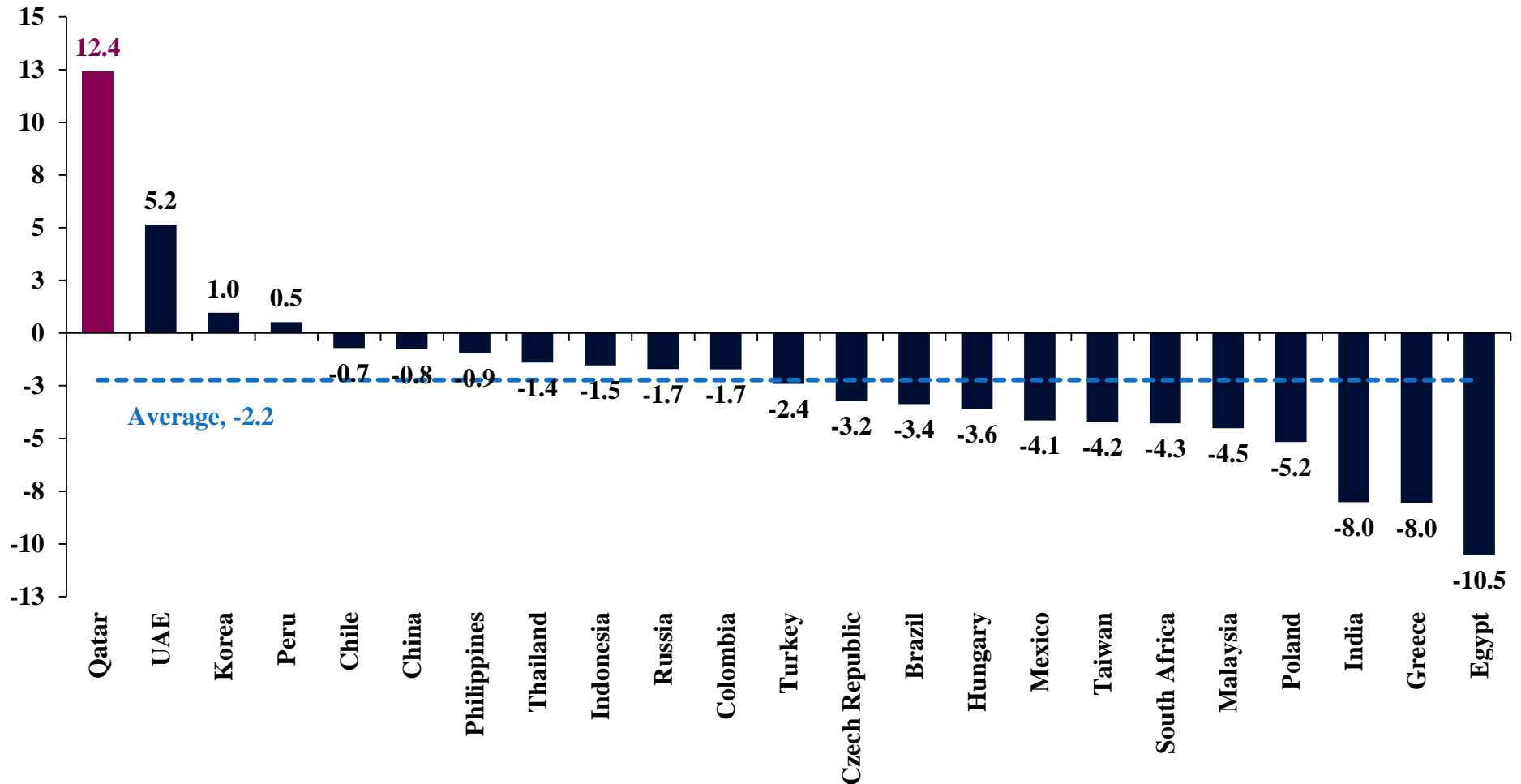
...the highest current account surplus...

MSCI EM: Average Current Account Balances (2009-14, % of GDP)



...and the highest fiscal surplus

MSCI EM: Average General Government Fiscal Balance (2009-14, % of GDP)



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