



Investor Relations Presentation

December 2019

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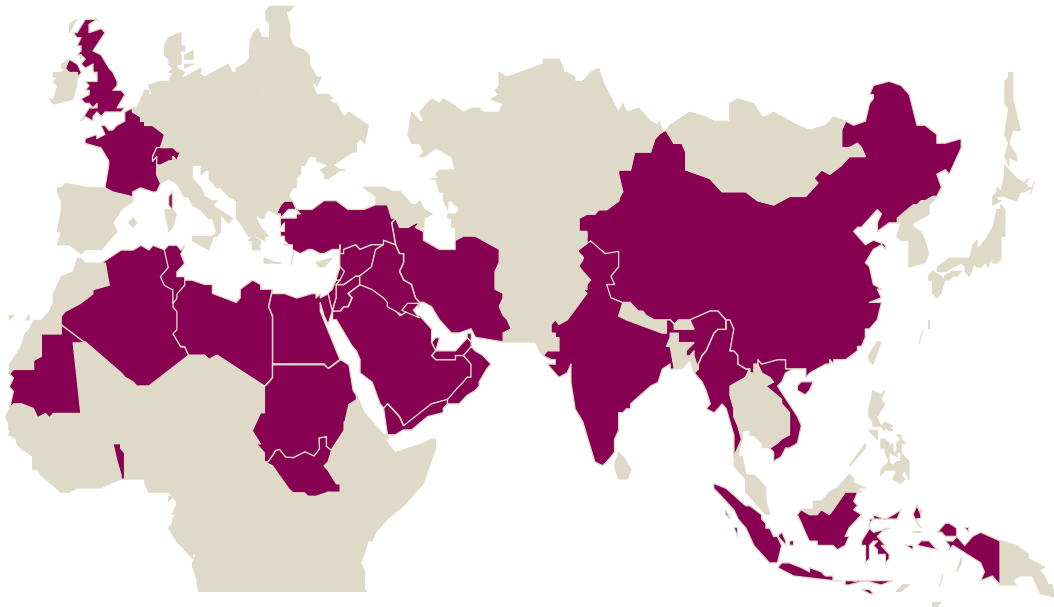
All figures in US Dollars have been converted from Qatari Riyals based on the exchange rate of 1 US Dollar = 3.6405 Qatari Riyals

In certain cases, numbers may be rounded for presentation purposes

QNB at a Glance



QNB is a strong and highly rated bank with a growing international footprint



#1 bank in the Middle East and Africa across all financial metrics



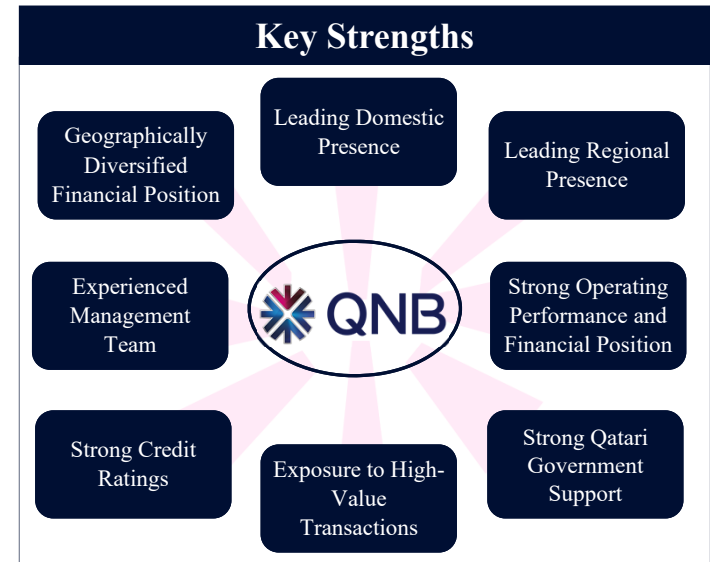
International network with presence in more than 31 countries



Most valuable banking brand in the Middle East and Africa, worth USD 6.0 Bn¹



About 29,000 employees serving around 25 million customers



Solid financial strength

Top-tier credit ratings

USD 52.2 Bn
Market Cap.

USD 3.94 Bn
Net Profit²

A
Standard & Poor's

Aa3
Moody's

USD 259.5 Bn
Assets

USD 0.4
EPS

AA-
Capital Intelligence

A+
Fitch




Source: December 2019 Financial Report
1: Brand Finance © 2020
2: Profit Attributable to Equity Holders of the Bank


QNB's International Footprint

Sub-Saharan Africa


 **South Sudan:** (1 Branch)


 **Togo:** (888 Branches¹, 20.1% stake in Ecobank)


Asia


 **Indonesia:** (21 Branches, 92.48% stake In QNB Indonesia)

 **Singapore:** (1 Branch)


 **India:** (1 Branch)


 **China / Hong Kong:** (1 Branch⁴, 1 Representative office)


 **Vietnam:** (1 Representative office)


 **Myanmar:** (1 Representative office)


North Africa

 **Egypt:** (227 Branches, 95.0% stake in QNB ALAHLI)

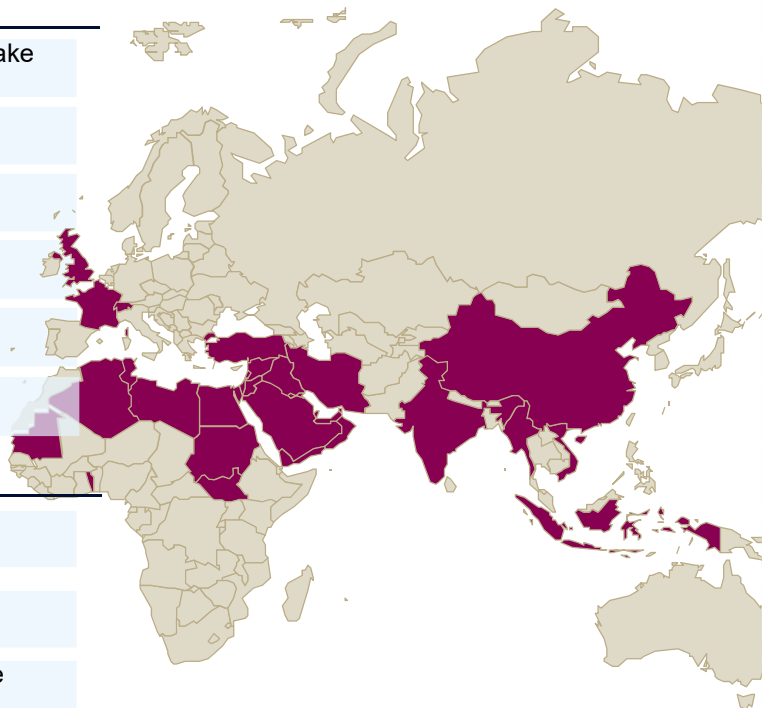
 **Libya:** (1² Representative office)

 **Tunisia:** (34 Branches, 99.99% stake in QNB Tunisia)

 **Sudan:** (5 Branches)

 **Algeria:** (7² Branches)


 **Mauritania:** (1 Branch)




Middle East


Qatar: (60 Branches) 

KSA: (1 Branch) 


UAE: (8 (+1²) Branches, 40.0% stake in CBI) 

Syria: (15 (+30²) Branches, 50.8% stake in QNB Syria) 

Palestine: (15² Branches) 

Iraq: (9 (+1²) Branches, 54.2% stake in Mansour Bank) 


Oman: (6 Branches) 


Bahrain: (1² (+1²) Branch) 

Kuwait: (2 Branches) 

Lebanon: (1 Branch) 

Yemen: (1 Branch) 


Iran: (1 Representative office³) 


Jordan: (127² (+3²) Branches, 34.5% stake in Housing Bank of Trade & Finance) 

Europe

United Kingdom: (1 (+1²) Branch) 

France: (1 Branch) 

Switzerland: (1 Office, 100% stake in QNB Suisse SA) 

Turkey: (524 Branches, 99.88% stake in QNB Finansbank) 



1: The branch data for Ecobank is as at 30 September 2019

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

3: Dormant

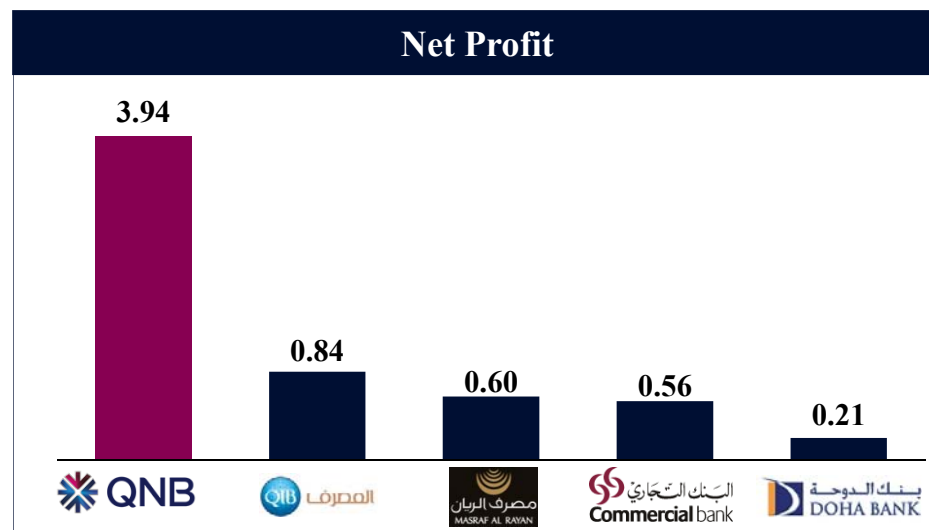
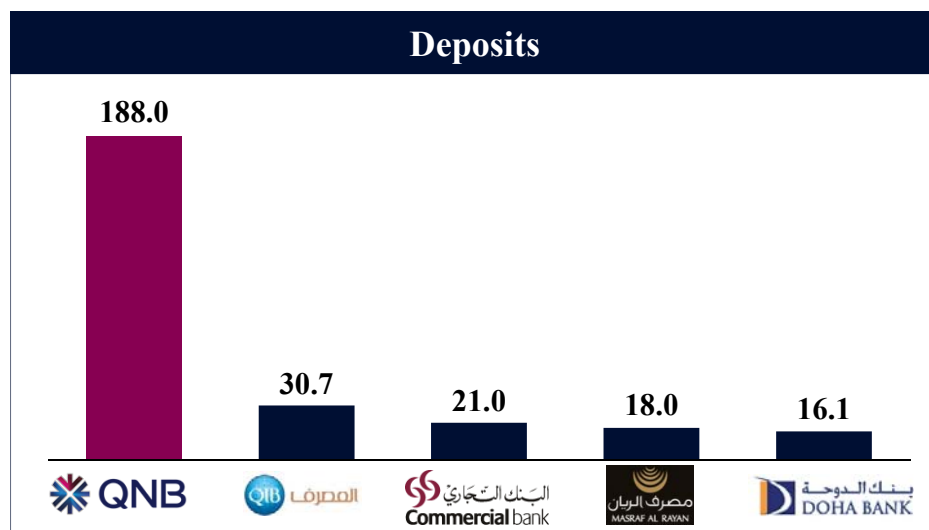
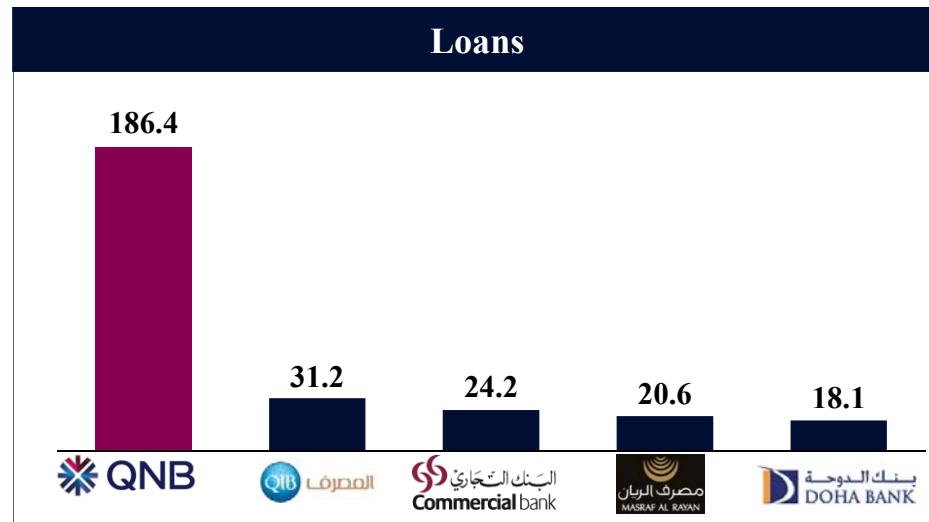
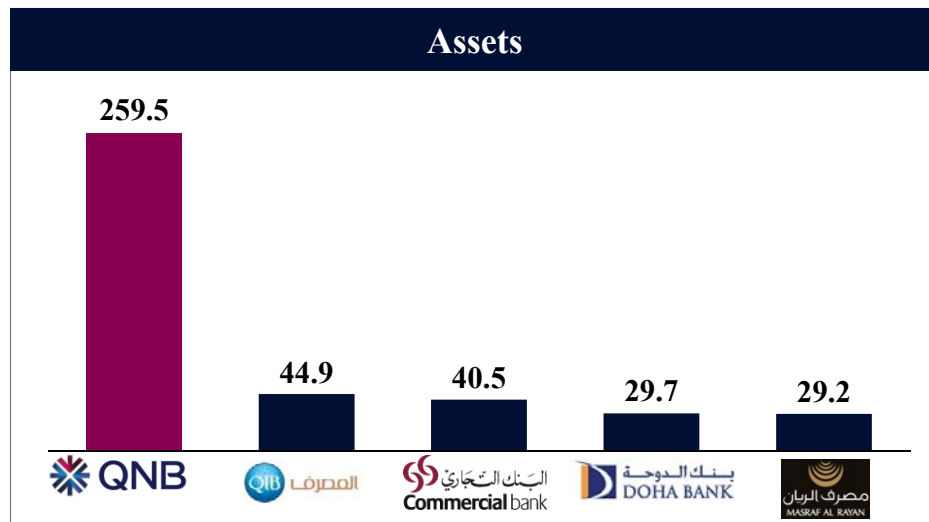
4. Regulatory approval has been obtained by QNB Group to open a branch in Hong Kong



QNB Comparative Positioning – Qatar and MEA

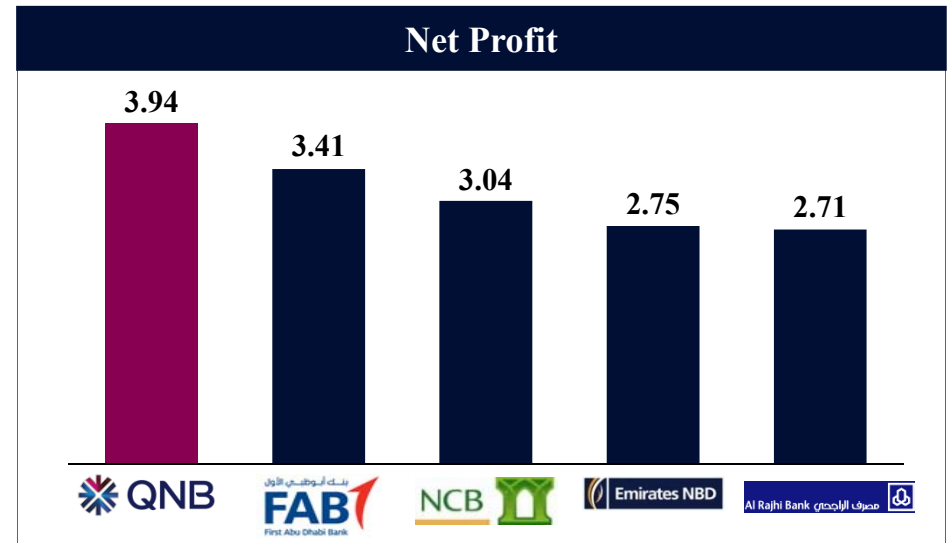
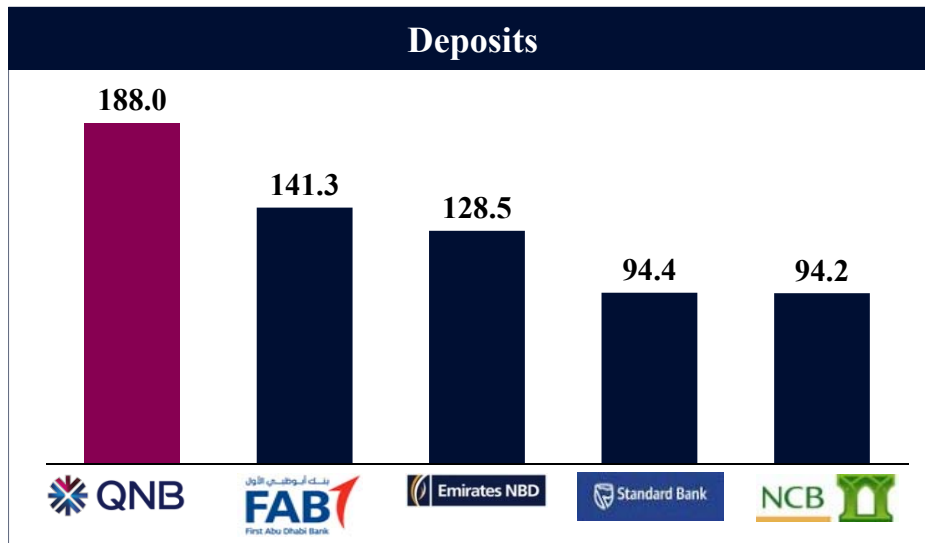
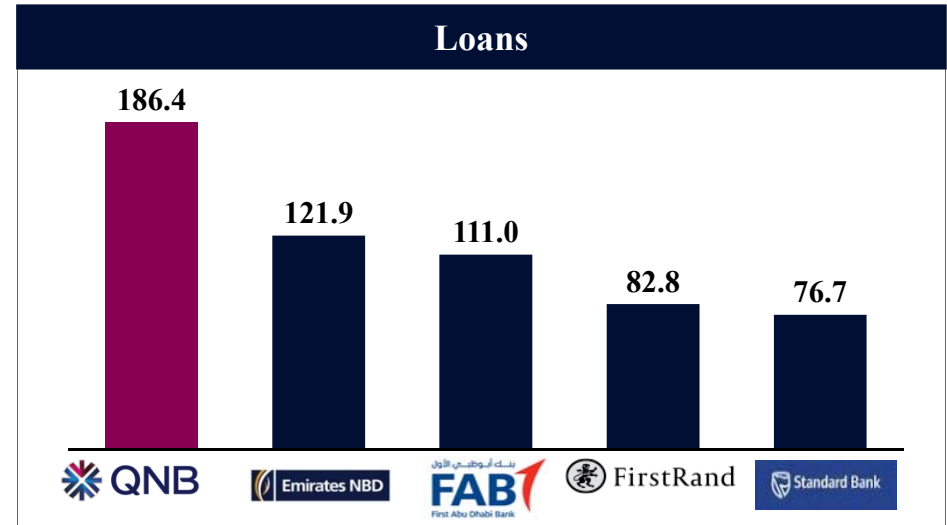
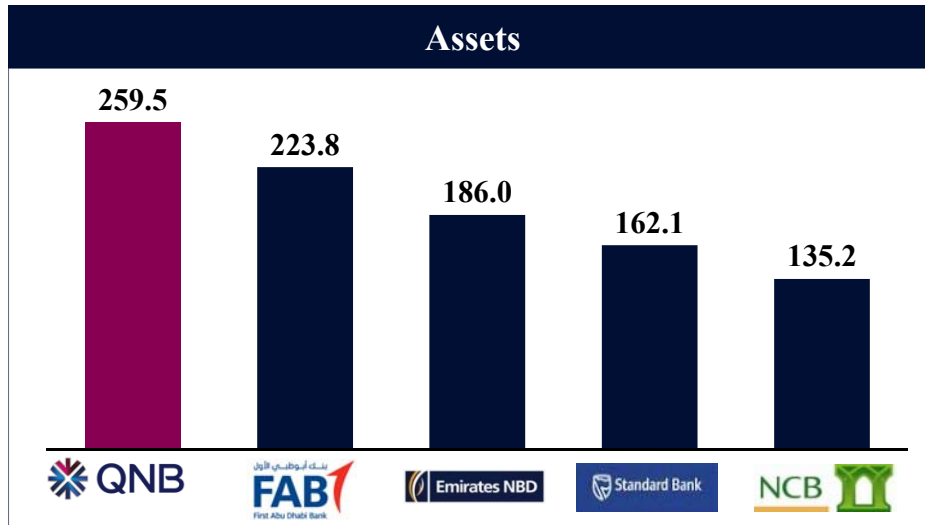
Top 5 Domestic Banks – December 2019

QNB continues to excel in the domestic market



Top 5 MEA Banks – December 2019

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



Note: All amounts are in USD billions
 Source: Banks' December 2019 Press Release or Financial Statements, if available.
 Emirates NBD Net Profit has been adjusted for one-off profits from sale of associates amounting to USD1.2bn

QNB is the leading financial institution in the MEA region with regards to brand value and market capitalisation

Brand value and market capitalisation (USD Bn as at 31-Dec-19)





Financial Highlights – as at 31 December 2019

QNB demonstrate sustainable profit growth

Financial Highlights (as at 31 December 2019)



Growth vs. December 2018








QNB ALAHLI

Highlights (as at 31 December 2019)









Growth vs. December 2018

Profit¹	<ul style="list-style-type: none">• USD433.4 million (EGP7.3 billion)		+32% (+24%)	<ul style="list-style-type: none">• Net interest margin (NIM)²: 5.84%• Cost to income ratio: 29.0%• ROAA: 2.7%
Assets	<ul style="list-style-type: none">• USD17.2 billion assets (EGP275.5 billion)• USD9.9 billion loans (EGP158.9 billion)	 	+19% (+6%) +26% (+13%)	<ul style="list-style-type: none">• NPL (% of gross loans): 2.2%• Coverage ratio³: 150%
Funding	<ul style="list-style-type: none">• USD12.9 billion deposits (EGP206.9 billion)		+13% (+1%)	<ul style="list-style-type: none">• Loans to deposits ratio: 76.8%
Equity	<ul style="list-style-type: none">• USD2.1 billion equity (EGP34.3 billion)		+40% (+25%)	<ul style="list-style-type: none">• ROAE⁴: 23.9%• Capital adequacy ratio (Basel II): 20.7%

QNB FINANSBANK

Highlights (as at 31 December 2019)

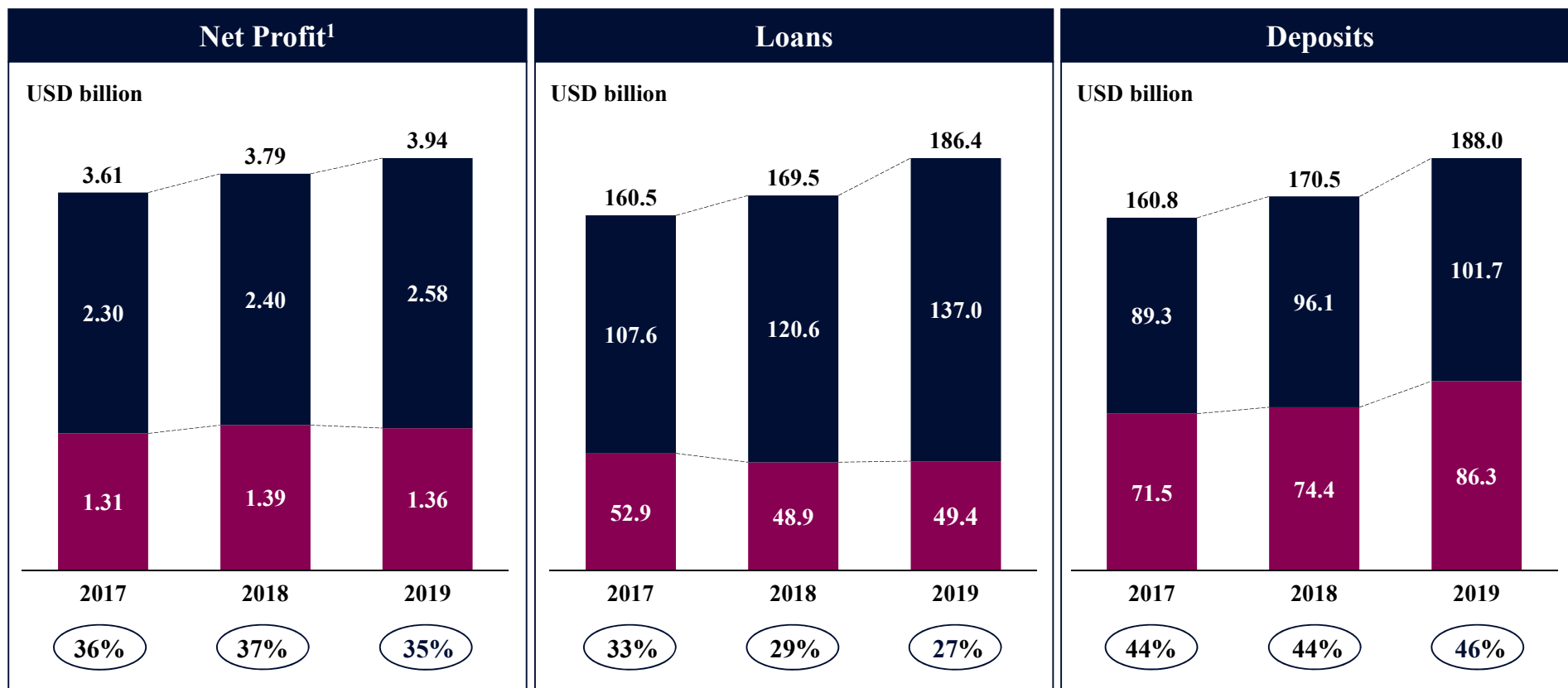
 Growth vs. December 2018

Profit ¹	<ul style="list-style-type: none"> • USD504.4 million (TRY2.9 billion)  -4% (+12%) 	<ul style="list-style-type: none"> • Net interest margin (NIM)²: 4.46% • Cost to income ratio: 42.3% • ROAA: 1.6%
Assets	<ul style="list-style-type: none"> • USD32.4 billion assets (TRY192.9 billion)  +2% (+15%) • USD20.6 billion loans (TRY122.4 billion)  +4% (+17%) 	<ul style="list-style-type: none"> • NPL (% of gross loans): 4.8% • Coverage ratio³: 90%
Funding	<ul style="list-style-type: none"> • USD19.0 billion deposits (TRY113.0 billion)  +9% (+22%) 	<ul style="list-style-type: none"> • Loans to deposits ratio: 108.3%
Equity	<ul style="list-style-type: none"> • USD2.8 billion equity (TRY16.8 billion)  +1% (+14%) 	<ul style="list-style-type: none"> • ROAE⁴: 18.0% • Capital adequacy ratio (Basel III): 15.2%

Geographical diversification positively contributes to growth

Geographical Contribution (as at 31 December)

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

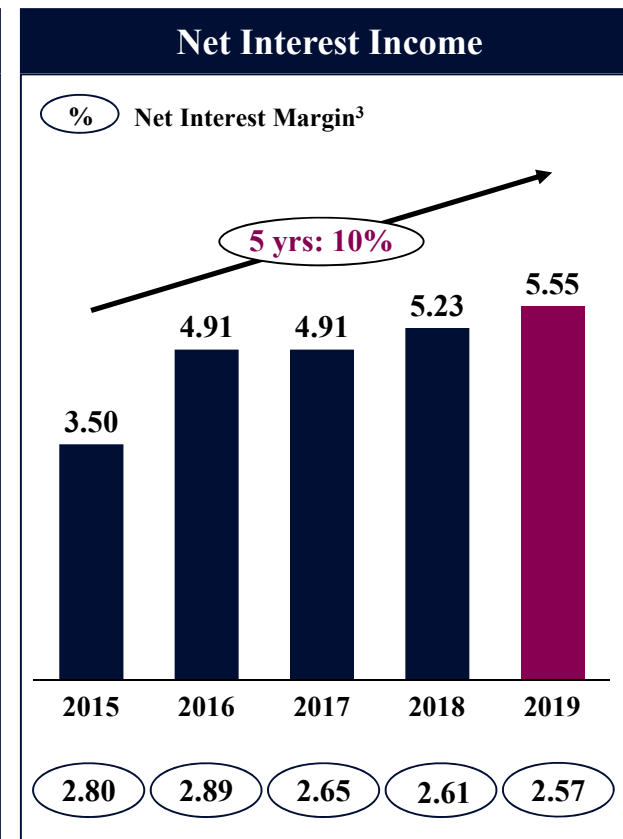
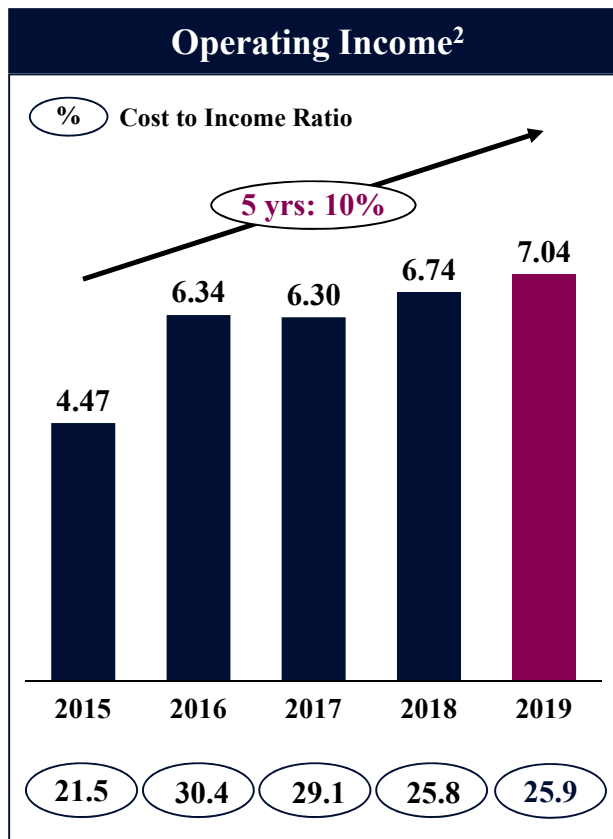
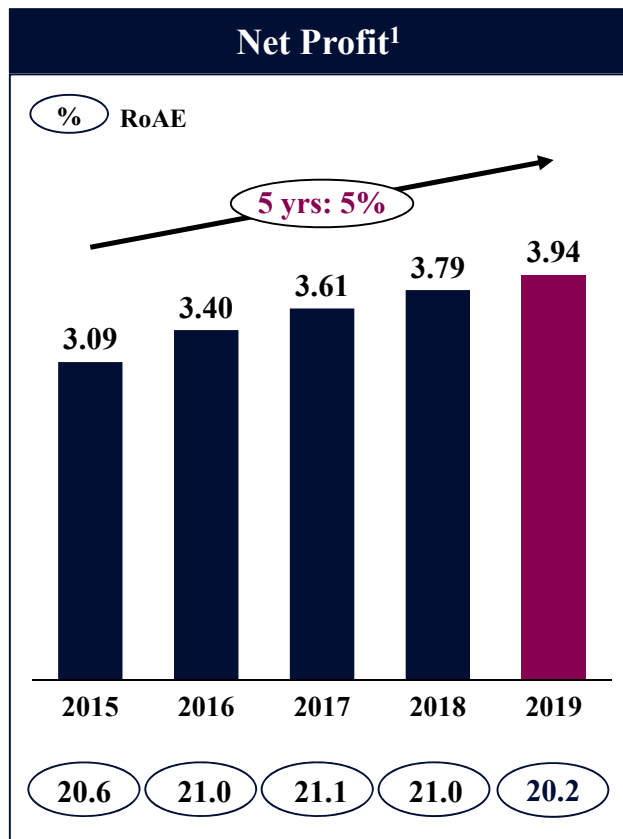


- Profit from international operations increased by USD54.3 Mn (4%) from 2017 to 2019

- Loans from Intl operations decreased by USD3.5 Bn (7%) from 2017 to 2019
- Deposits from Intl operations increased by USD14.8 Bn (21%) from 2017 to 2019

Consistent High Profitability

Income Statement Breakdown (USD billion as at 31 December)



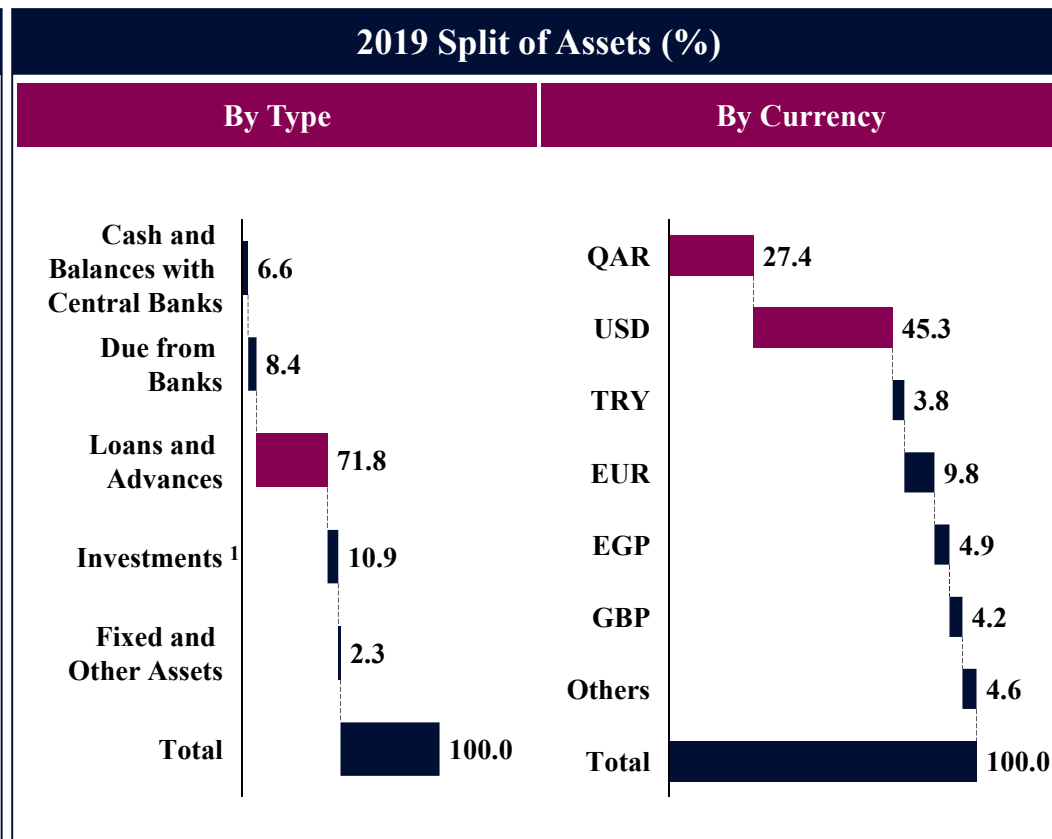
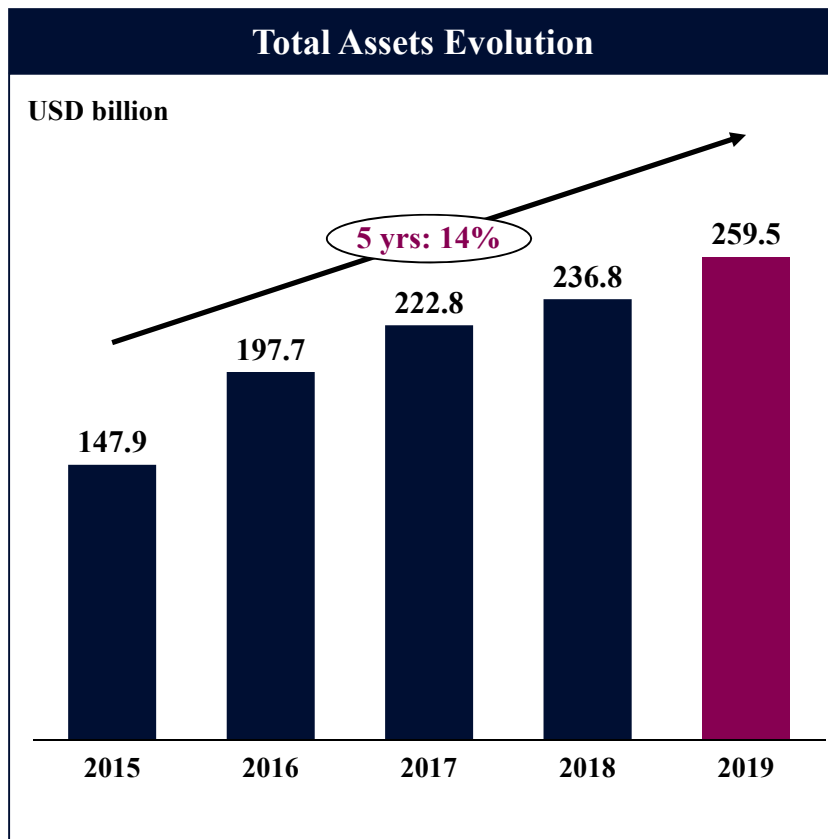
- Net profit increased by 4% from December 2018
- 2014-2019 CAGR of 5%

- Operating income increased by 4.4% from December 2018
- 2014-2019 CAGR of 10%

- NII increased by 6% from December 2018
- Strong NIM with the current size of more than USD250 billion of total assets

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

Assets Analysis (as at 31 December)

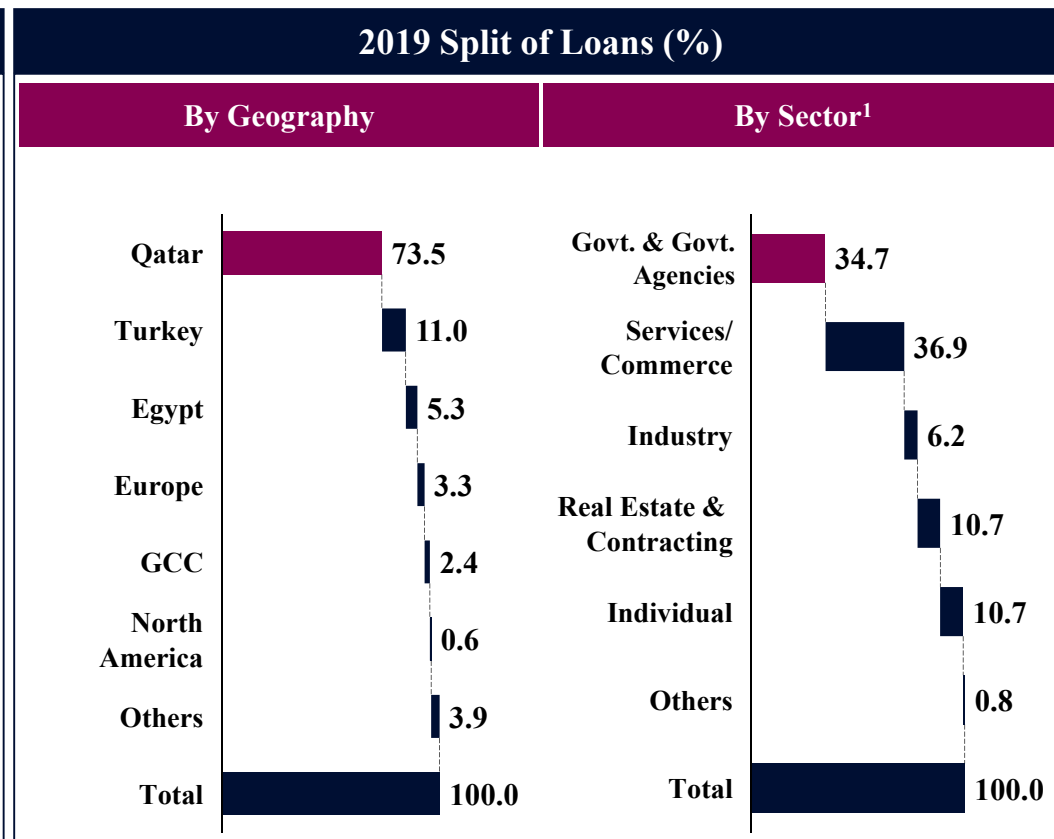
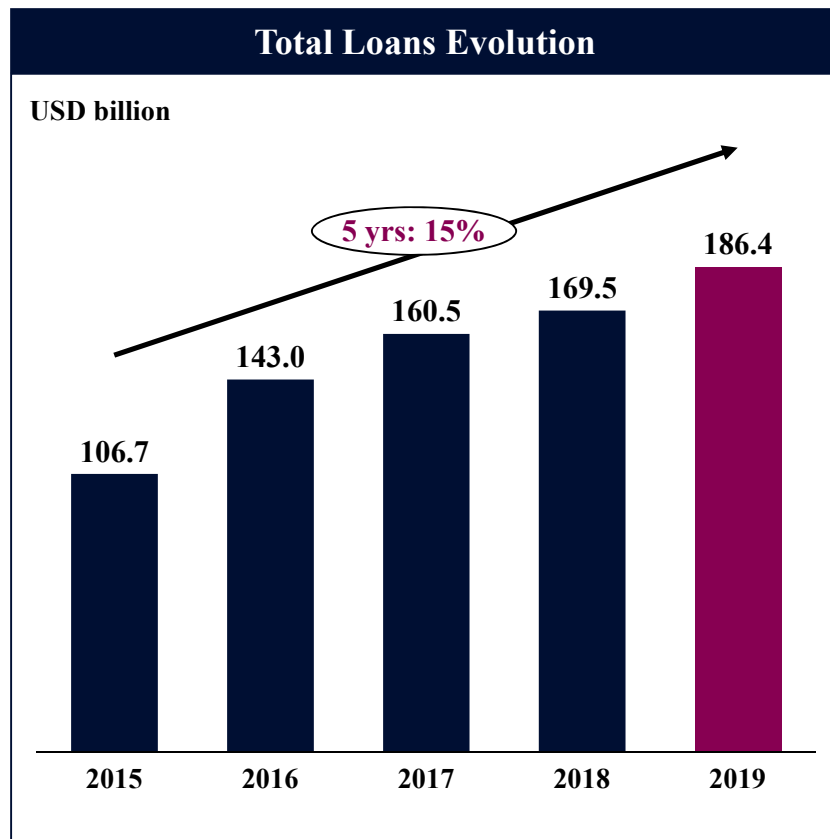


- Assets increased 10% from December 2018
- 2014-2019 CAGR of 14%

- Loans and advances represent 72% of total assets
- USD and QAR currencies account for 73% of total assets

Good loan growth

Loans Analysis (as at 31 December)

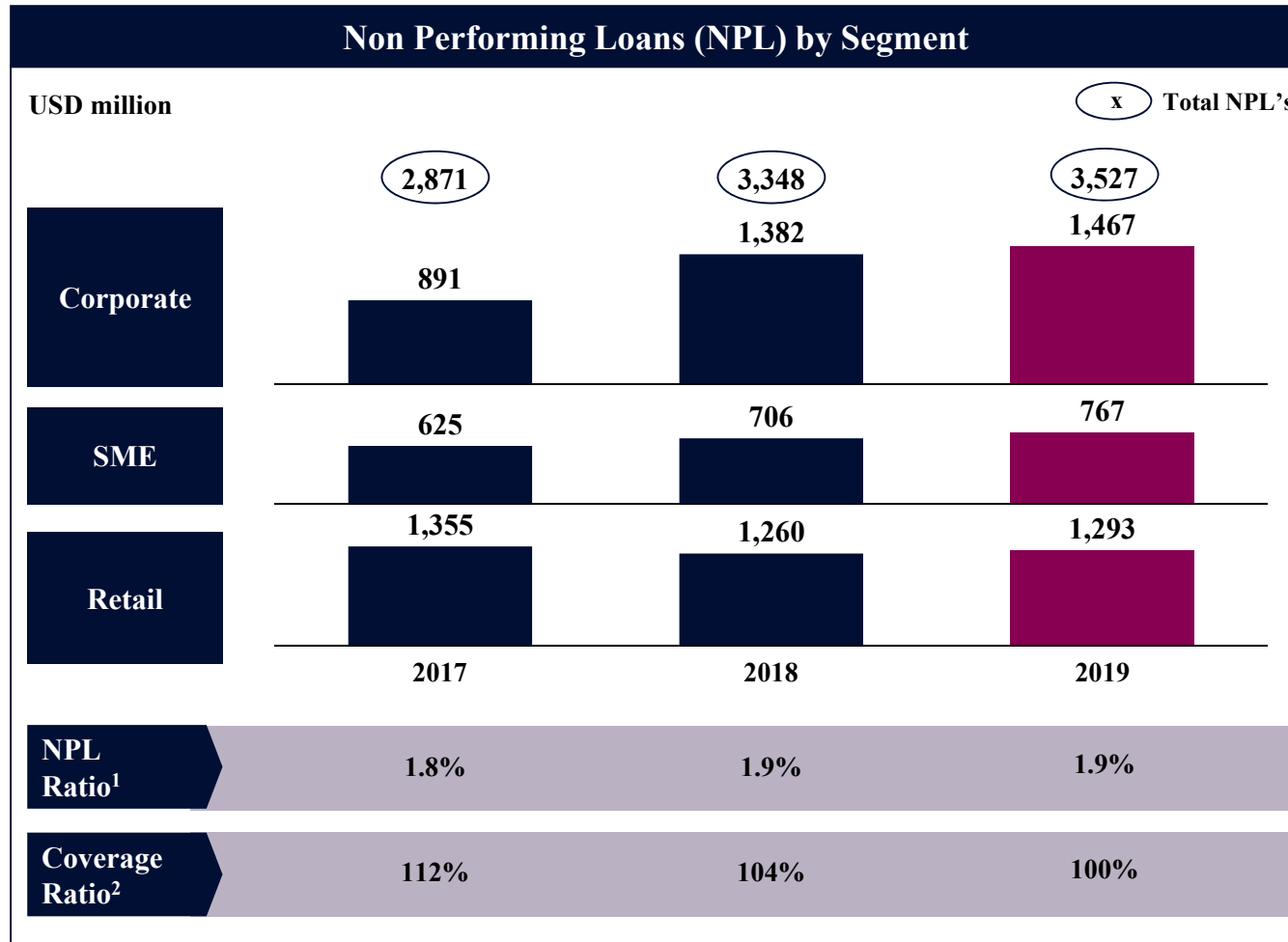


- Loans increased 10% from December 2018
- 2014-2019 CAGR of 15%

- Loans denominated in USD represent 58% of total loans
- Loan exposures are of a high quality with 35% concentration to Government and public sector entities

High quality lending portfolio is highlighted by low NPL ratios

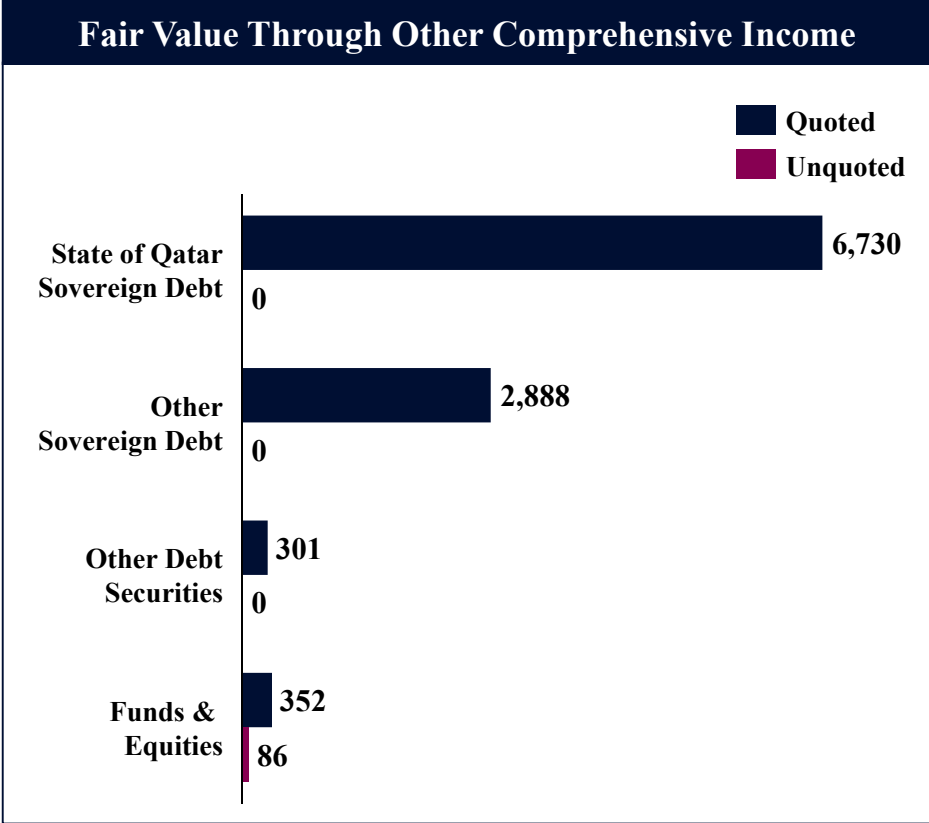
Asset Quality Analysis (as at 31 December)



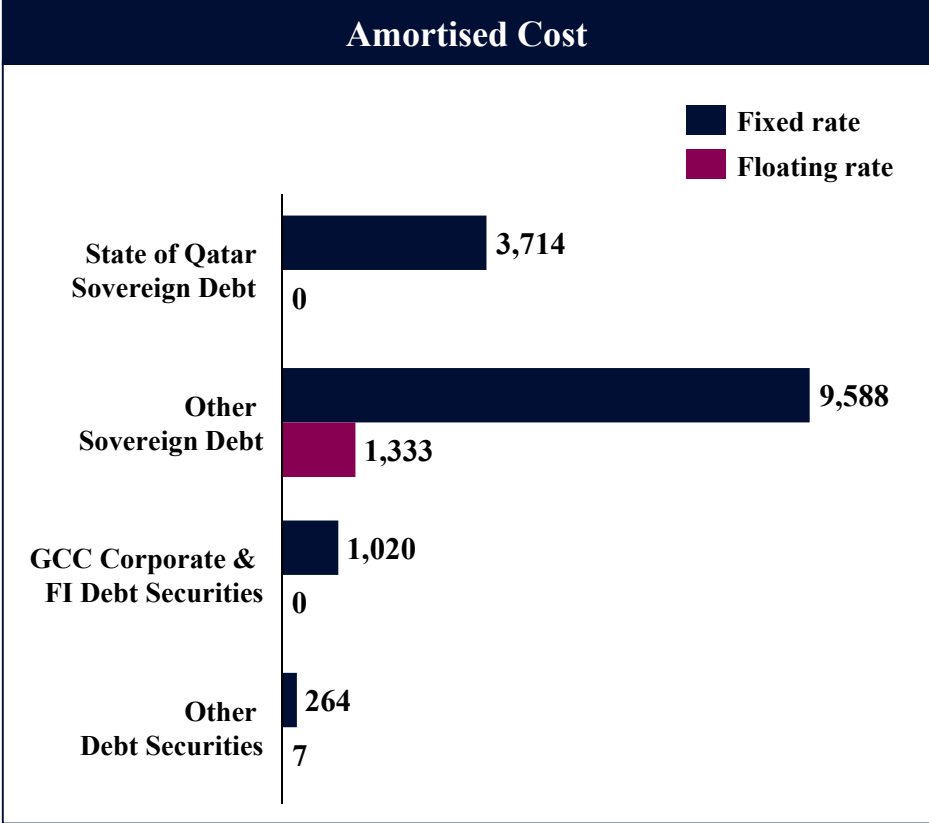
- QNB has continued to increase its provisions in response to the global economic situation
- The bank's coverage ratio has remained robust amidst the economic slowdown, with a coverage of 100% as at 31 December 2019
- Past dues are NPL after 90 days default
- There is an additional risk reserve of USD2,335 million which is greater than the 2.5% QCB requirements

High quality investment portfolio with 89% of securities rated AA or Sovereign

Investments Analysis (USD million as at 31 December 2019)



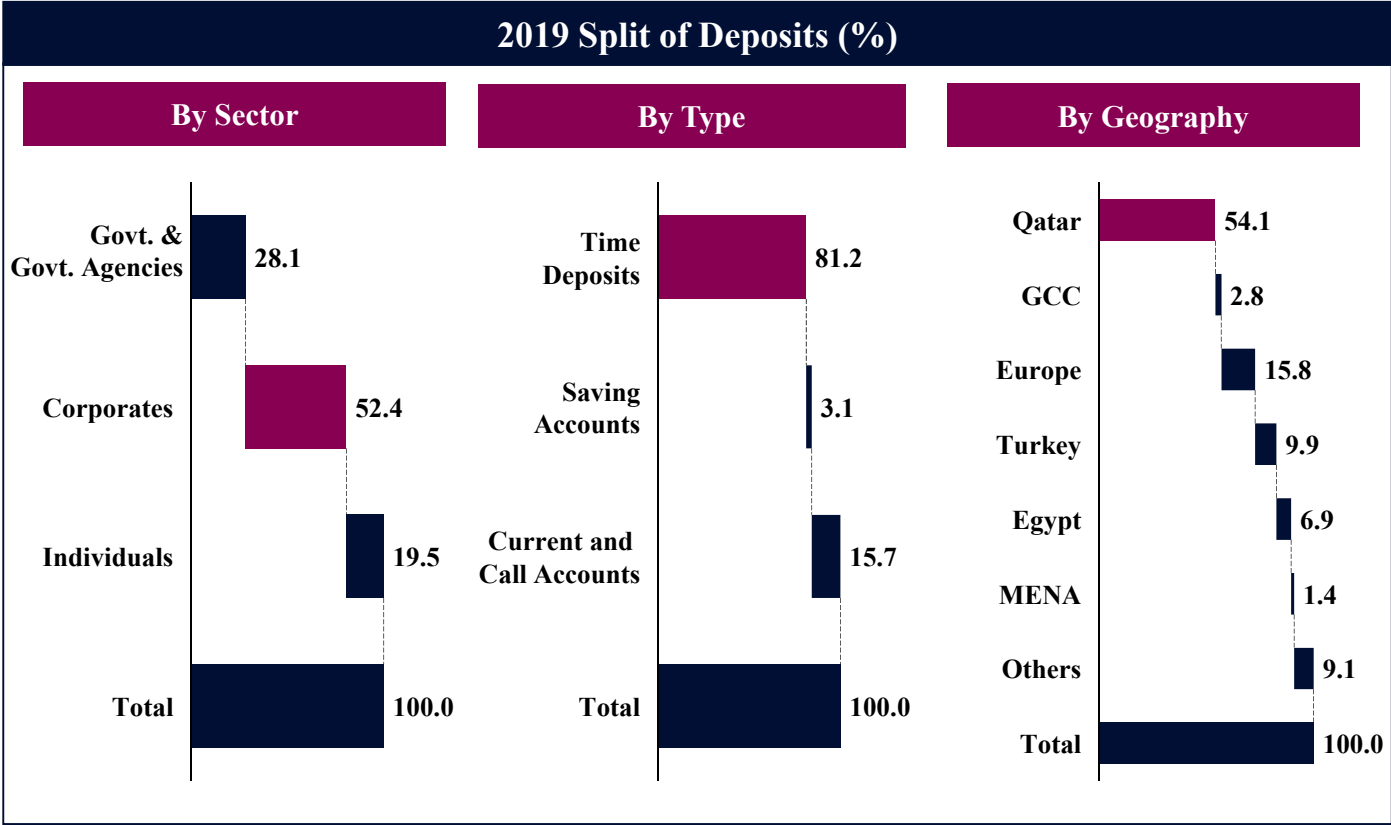
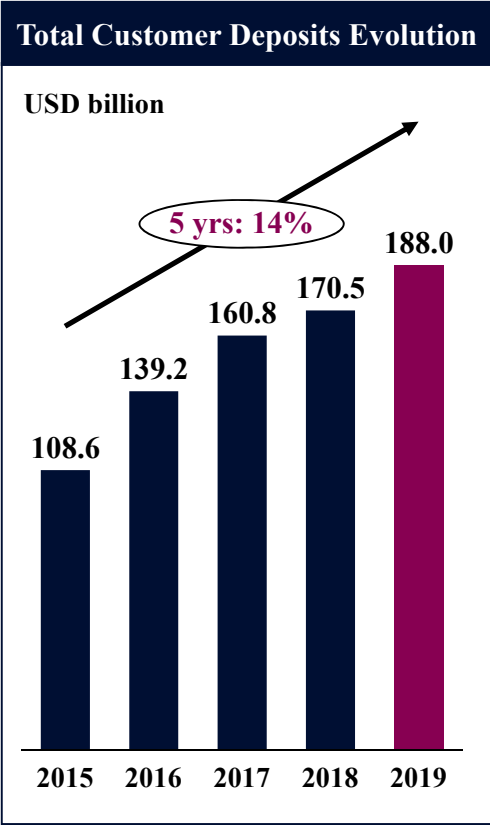
- Quoted securities account for 99% of FVOCI Investment securities



- Majority of the Amortised Cost Investment Securities are Government Guaranteed

Robust growth in customer deposits and funding

Funding Analysis (as at 31 December)

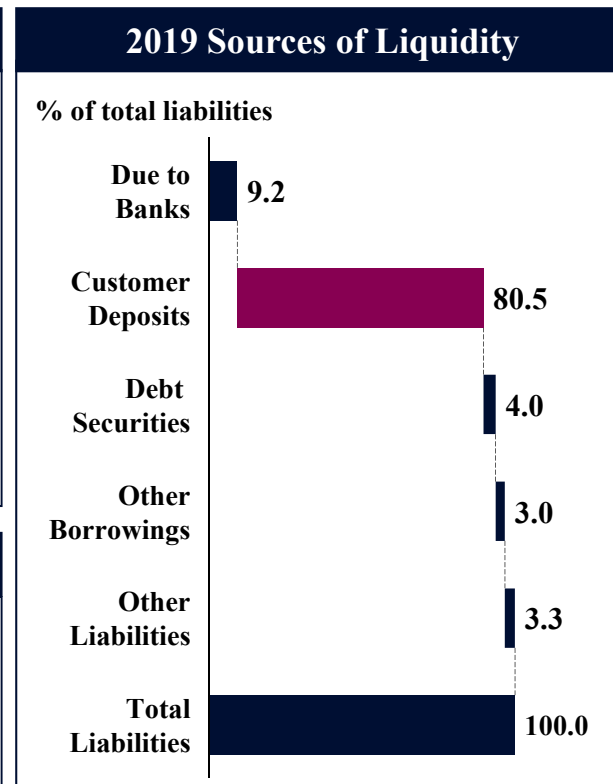
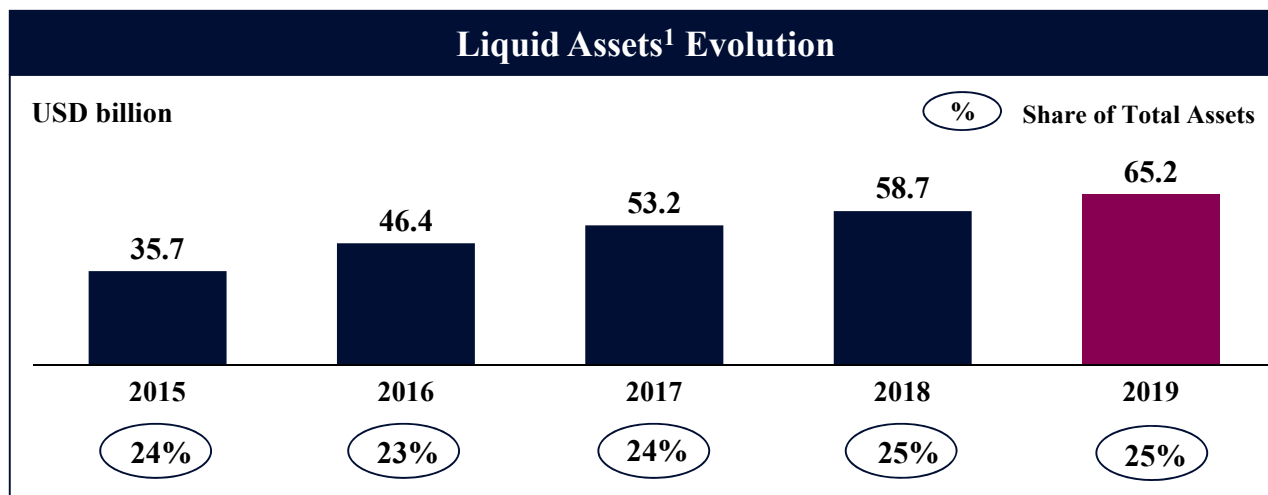
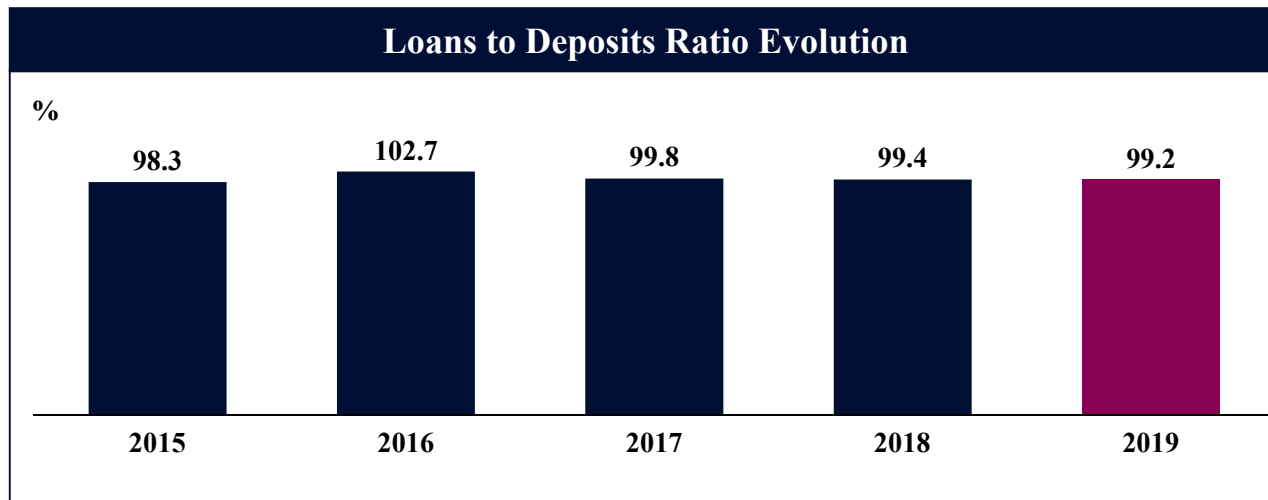


- Deposits increased 10% from December 2018
- 2014-2019 CAGR of 14%

- QNB remains the public sector’s preferred bank
- USD, EGP and TRY denominated deposits represent 45%, 6% and 5% of total deposits respectively

Solid liquidity profile

Liquidity Analysis (as at 31 December)

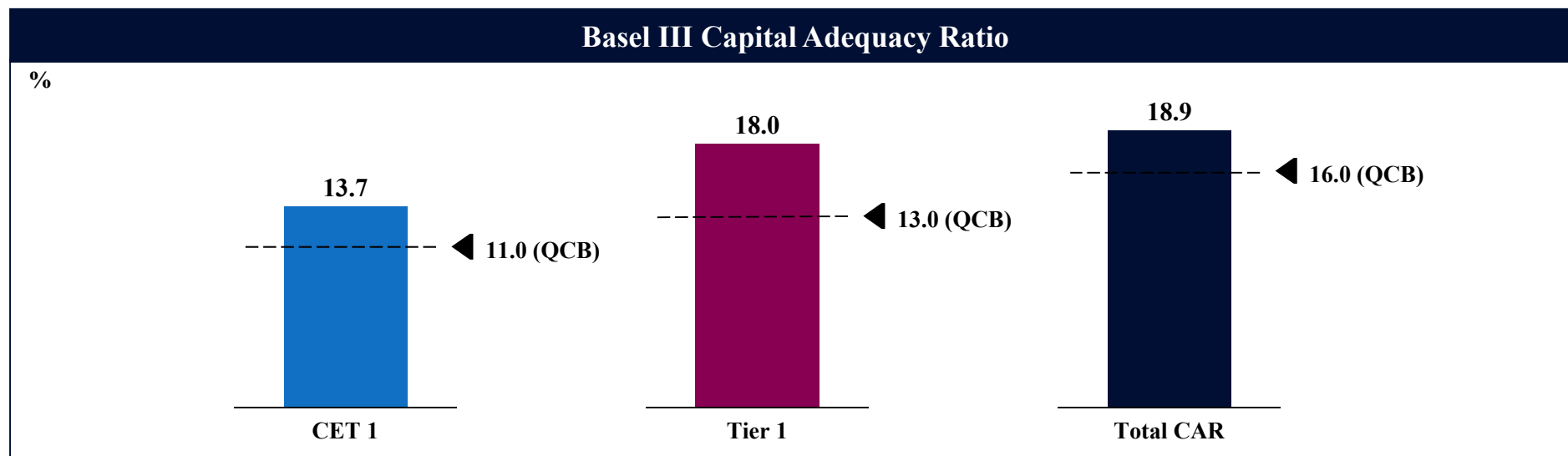


2019 Liquidity Ratio

• LCR:	160%
• NSFR:	104%

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

Capital Analysis (as at 31 December)



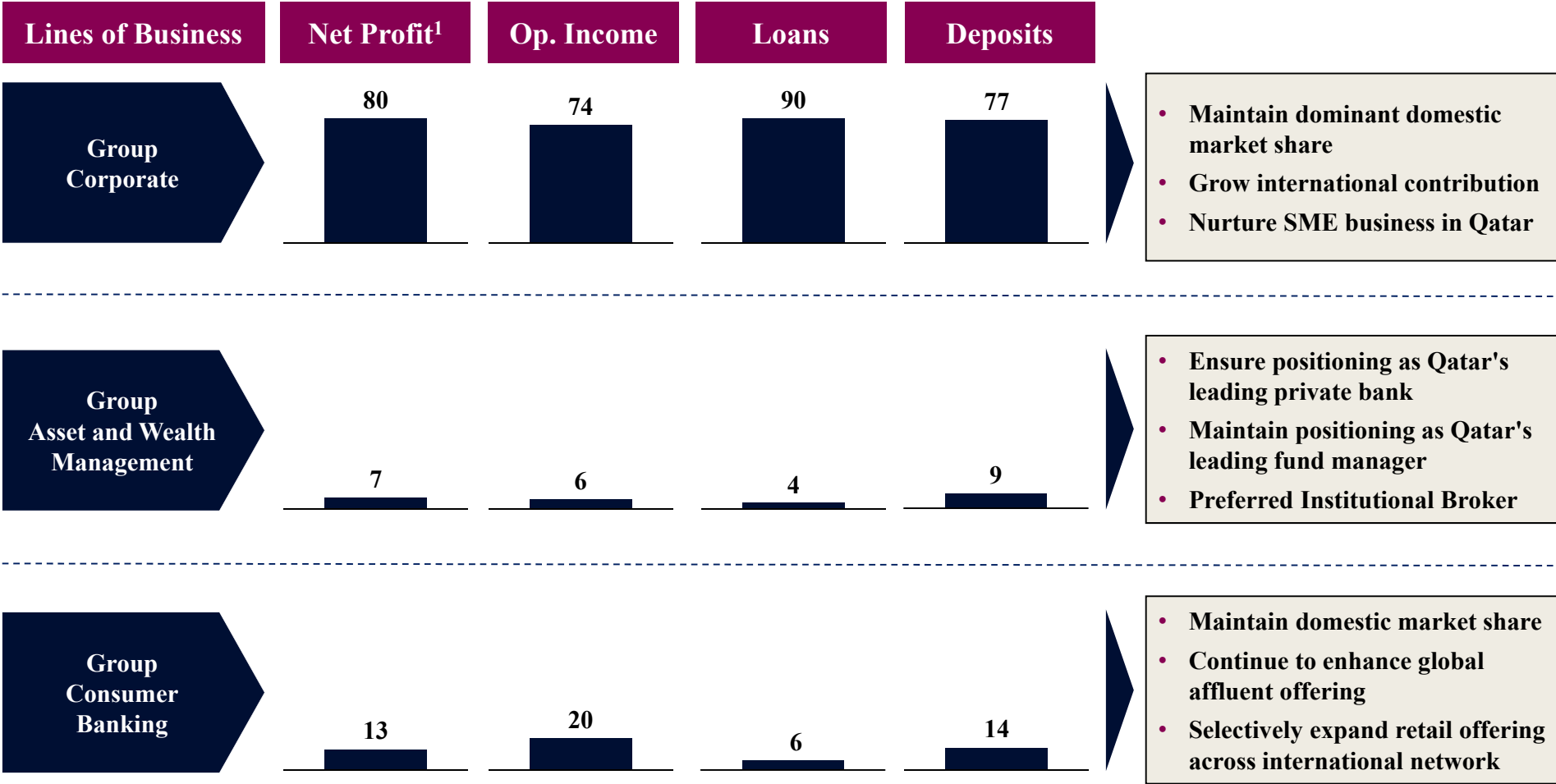
- Capital adequacy ratio is above QCB and Basel III requirements including the applicable DSIB buffer of 2.5% (effective 01-Jan-19)

Minimum CAR Requirements

%	Without buffers	Capital Conservation Buffer	DSIB Charge	ICAAP Charge	Total Requirement
CET 1 ratio	6.0	2.5	2.5	-	11.0
Tier 1 ratio	8.0	2.5	2.5	-	13.0
Total CAR	10.0	2.5	2.5	1.0	16.0

Diversifying business mix will bolster sustainable growth

Business Mix Contribution (% share as at 31 December 2019)



IFRS 9 - Additional buffer for long term earnings stability

Financial Impacts

- QNB implemented IFRS 9 with effect from 1 January 2018 based on the QCB guidelines.
- As per QCB instructions, ECL impact has been treated as Tier 2 Capital for CAR purposes with no amortisation of the transition impact.

Coverage ratio¹

<i>As of 31 December 2019</i>	Stage1	Stage2	Stage3 (NPL)
Due from Banks and Balances with Central Banks	0.03%	2.3%	-
Loans	0.2%	8.2%	100.0%
Investments	0.1%	5.6%	100.0%

Cost of Risk²

<i>31 December 2019</i>	Stage1 and Stage 2 (Combined)	Stage3 (NPL)	Total
Cost of Risk	10bps	38bps	48bps

QNB Group Financials

Key data (as at 31 December 2019)

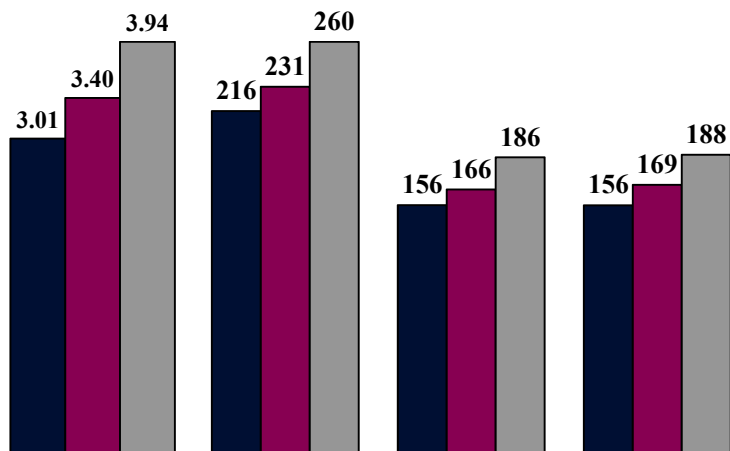
■ QNB ■ QNB incl. QNB ALAHLI ■ QNB incl. QNB Finansbank

○ Contribution of QNB AA

□ Contribution of QNB Finansbank

Financials

USD billion



10.9%

12.5%

6.6%

12.5%

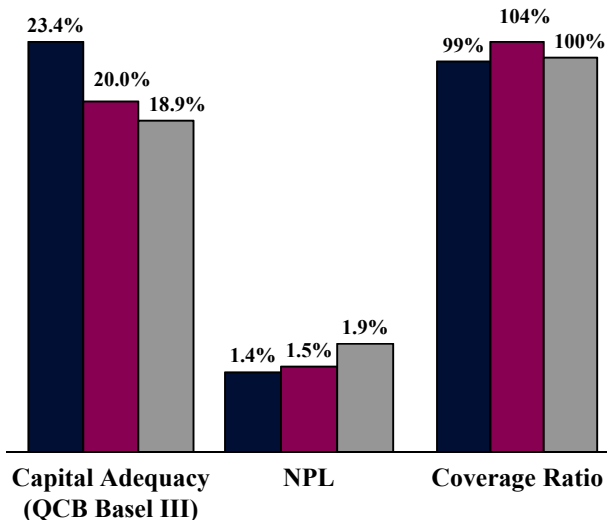
5.3%

11.0%

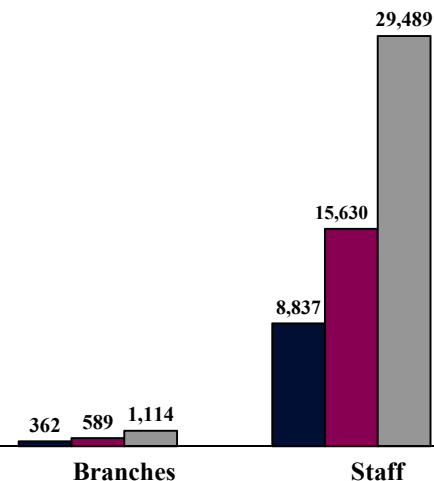
6.9%

10.1%

Ratios



Presence



- Results finalised under International Financial Reporting Standards (IFRS)
- Capital Adequacy Ratio: 18.9%

Sustainability



QNB Group is committed to enhancing its Environmental, Social and Governance Practices

Established Policy,
Strategy and
Governance

Sustainable finance



Sustainable operations



Beyond banking



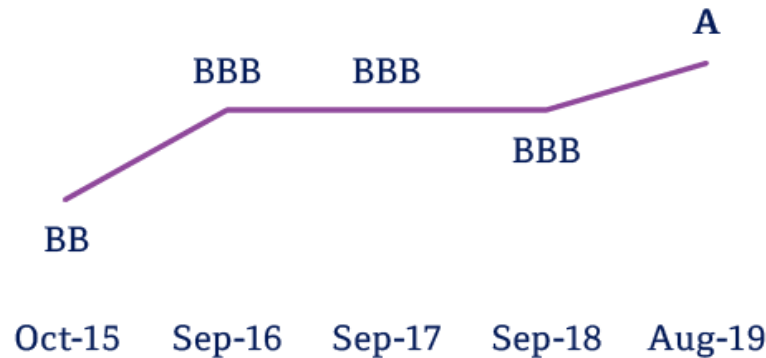
Achieved 100%
ESG disclosure to
Qatar Stock Exchange



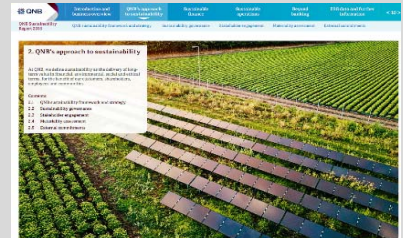
Awarded MSCI ESG Rating "A"



ESG Rating history



Published 1st
Sustainability/ESG
Report



Joined United Nations
Global Compact



Sustainability for QNB is the delivery of long-term value in financial, environmental, social and ethical terms, for the benefit of our customers, shareholders, employees and communities.

QNB Group Sustainability Framework

Our sustainability framework consists of three pillars:

‘**Sustainable finance**’ is the integration of ESG criteria into QNB’s financing activities to deliver profit with purpose.

‘**Sustainable operations**’ is the integration of ESG criteria into our business operations and across our supply chain to ensure we operate ethically and efficiently.

‘**Beyond banking**’ refers to QNB’s Corporate Social Responsibility (CSR) activities in the communities where we operate.

All three pillars support QNB’s goal of sustainable financial performance, through reducing risks, opening up new business opportunities and strengthening our brand.

QNB 2018 Sustainability highlights

- 33% women in Group Executive Management
- 21 sustainable financial products and services offered to customers (e.g. Green Economy Financing Facility)
- 20% reduction in carbon intensity (CO₂/employee) since 2015
- 5.4 million transactions performed via Mobile Money Wallet by previously underserved customers
- QR 26.5 billion loan portfolio to SMEs and microenterprises
- 44% transactions completed via digital channels
- 2.7% community investment as a % of pre-tax profit

Stakeholder engagement



Customers
24 million
businesses &
individuals

- Engagement through customer satisfaction survey, Customer Care Centre, mobile and online banking and complaints management



Investors
50% QIA /
50% Public

- Public reports, quarterly calls and investor road shows



Employees
Approx. 30
thousand

- Employee engagement survey, learning and development programs and training needs analysis



**Regulators &
Government**

- Strict adherence to laws and regulations
- Public disclosures (e.g., Annual and Corporate Governance Report)



Society

- Products and services with environmental or social benefits and CSR activities



Suppliers
3000+
suppliers

- Transparent tendering and bidding
- Timely payments and supplier audits

Above are highlights from Sustainability Report 2018. Full electronic report on our website www.qnb.com Investor Relations Section

Introduction to QNB Green, Social and Sustainability Bond Framework

Defining an ambitious Framework, in line with best practices and standards

Rationale for issuing



QNB intends to:

- Align its sustainability strategy to its funding strategy
- Support the development of a sustainable financial market
- Contribute to the UN Sustainable Development Goals (SDGs)
- Diversify the investor base targeting sustainable outcomes, while fostering relationship with existing investors

Following best practices & recent market standards



QNB's Framework:

- Is in line with the ICMA Green Bond Principles, Social Bond Principles, and Sustainability Bond Guidelines
- Follows the recommendations of draft EU Technical Expert Group (TEG) report on the EU Taxonomy
- Reflecting current best practices and standards

QNB Green, Social, Sustainability Bond Framework description



Use of Proceeds

- Under this Framework, **Green** and **Social** and **Sustainability Bonds** can be issued to (re)finance loans with environmental and/or social benefit



Project Evaluation & Selection

- In accordance with the Eligibility Criteria and carried out by the Green, Social and Sustainability Bond Committee ("GSBC")



Management of proceeds

- Bonds net proceeds will be managed in a portfolio approach



Reporting

- Allocation reporting annually until full allocation
- Impact reporting at issuance or post-issuance



External Review

- SPO and pre-issuance verification by Sustainalytics
- Post-issuance verification on allocation report by external auditor

QNB's Framework is aligned with the 2018 ICMA Green Bond Principles, Social Bond Principles and Sustainability Bond Guidelines

QNB Green and Social “Use of Proceeds”

Applying strict Eligibility Criteria when selecting green and/or social projects



Green Bond Use of Proceeds



Green Buildings

New and existing certified buildings, top 15% most energy efficient buildings, refurbished buildings with 30% improvement in energy efficiency



Renewable Energy

Wind, Solar, Hydro (less than 25MW), Bioenergy, Geothermal, Tidal, Grid infrastructure for renewable energy



Clean Transportation

Low carbon vehicles (EVs, hybrid, hydrogen) and related infrastructure (Electric Rail, EV charge points)



Energy Efficiency

District heating & cooling, Smart grids, energy meters and improvements to electricity transmission efficiency



Environmentally sustainable management of living natural resources and land

Sustainable and certified agriculture, forestry and fishery



Sustainable water and wastewater management

Waste water treatment, sustainable urban drainage systems, improvements to water infrastructure



Pollution Prevention and Control

Waste management and recycling, waste to energy and technologies to reduce emissions to air



Social Bond Use of Proceeds



Access to essential services

Public, not-for-profit, free or subsidised essential services such as healthcare and education



Socio-economic advancement and empowerment

Loans to SMEs, microfinance and entrepreneur clients



Social Housing

development, construction, operation and maintenance of affordable or social housing

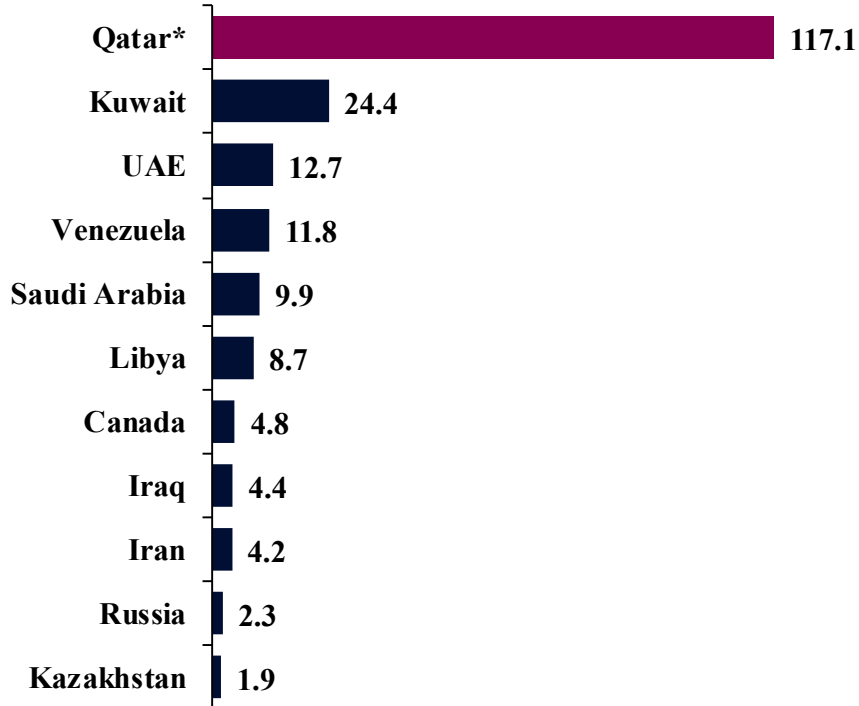


Economic Overview

Qatar's hydrocarbon wealth makes it the world's richest country

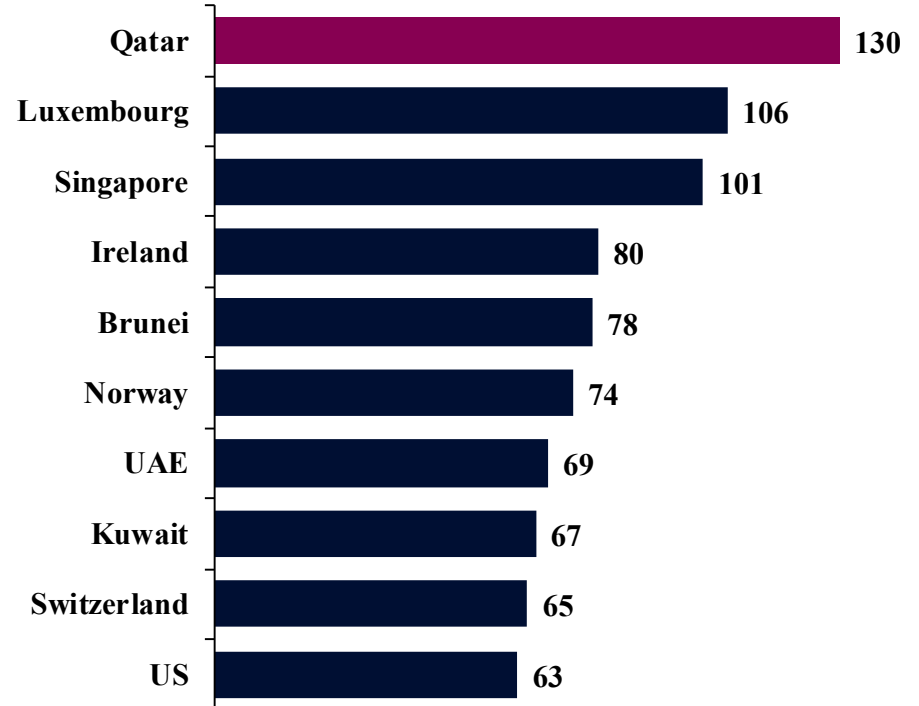
Oil and gas reserves per capita (2018)

k barrels of oil equivalent (boe)



GDP per capita (2018)

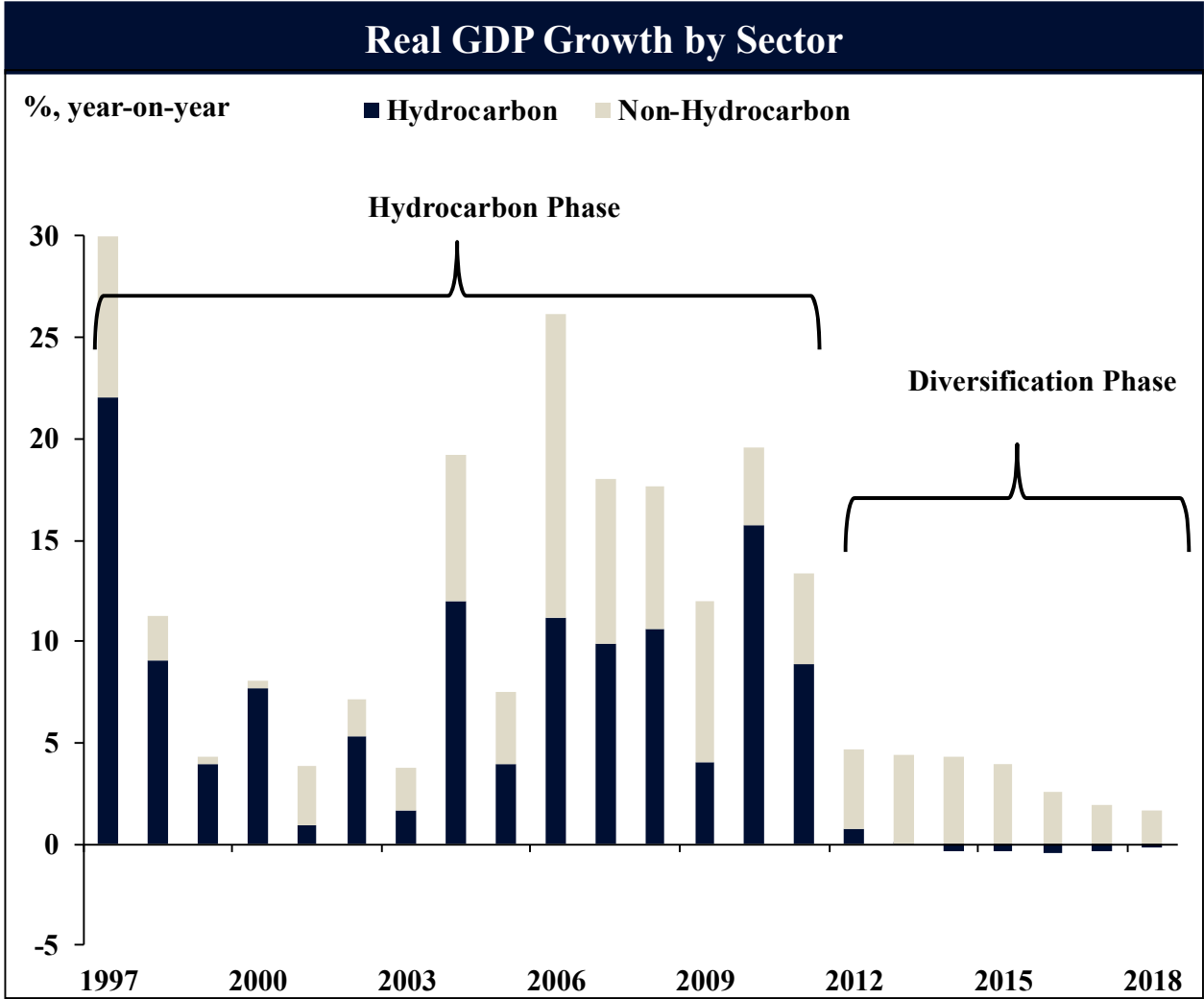
k USD PPP



At current extraction rates, Qatar's proven gas reserves would last for over a hundred years

Development of the hydrocarbon sector has made Qatar the world's richest country

Qatar accumulated large reserves during its hydrocarbon expansion and is now using these reserves to diversify the economy through major investments



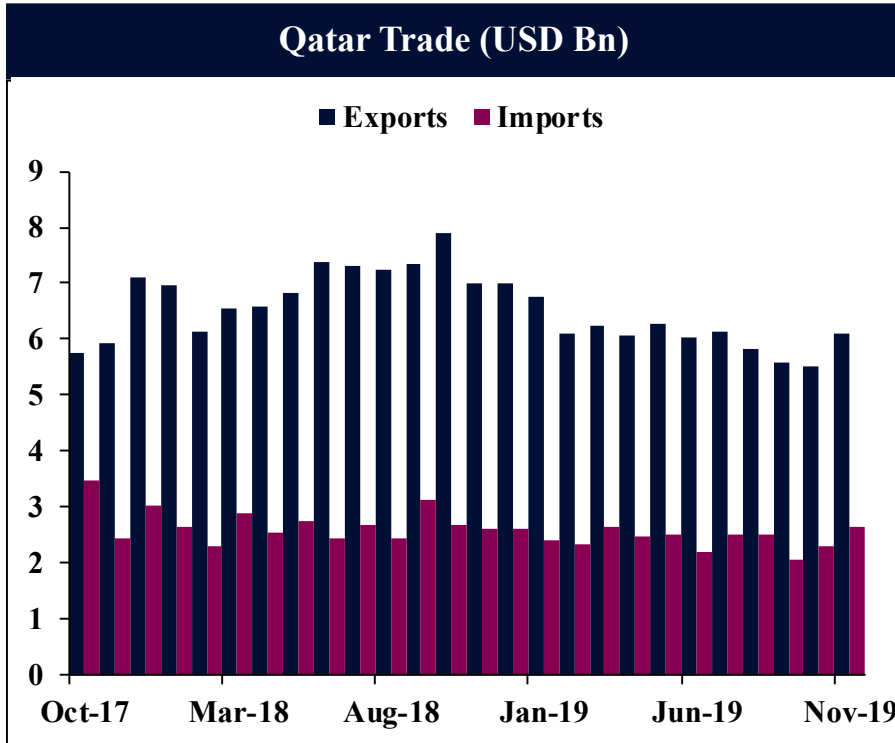
Qatar's National Vision 2030 aims to create a knowledge based and diversified economy

Qatar's National Vision 2030 is supported by a large infrastructure investment programme

Major Projects Pipeline as of December 2019			
	Project	Budget (USD Bn)	End
Cons- truction	Lusail Mixed-Use Development	45.0	2025
	Sharq Crossing	8.0	2022
	FIFA World Cup Stadiums	5.0	2020
Transport	Qatar Integrated Rail	44.0	2026
	Ashghal Expressway Programme	25.0	2022
	Hamad International Airport	25.0	2022
	Ashghal Local Roads & Drainage	18.1	2022
	Hamad Port	9.4	2025
Oil	Bul Hanine Oilfield Redevelopment	11.0	2021

Comments
<ul style="list-style-type: none"> • New investment sectors are opening up to support self sufficiency and long-term growth • Focus areas for investment are the transport, construction, logistics and manufacturing sectors • In parallel to the diversification phase, new investment opportunities are expected to arise from the increase in LNG production over the medium-term

Qatar's fundamentals resilient despite the blockade



- Imports have recovered since the blockade
- New trade routes have been established
- Exports have grown despite the blockade

Financial Soundness Indicators (2016-2018, %)

	2016	2017	2018
Capital Adequacy			
Tier 1 capital/risk-weighted assets	15.7	16.5	17.0
Regulatory capital/risk-weighted assets	16.1	16.8	18.0
Asset Quality			
Non-performing loans/total loans	1.3	1.6	1.9
Liquidity			
Liquid assets/total assets	29.6	28.2	29.1
Total loans/total deposits	113.7	108.8	114.1
Total loans/total assets	66.7	67.1	66.6
Profitability			
Return on assets	1.7	1.5	1.6
Return on equity	14.6	13.9	15.3

- Financial system remains resilient and healthy
- Capital adequacy improved in 2018 while asset quality remains high

Qatar is one of the highest rated sovereigns in the world, ranking above a number of advanced economies

Moody's Sovereign Ratings ¹										
Investment Grade	AAA	US, Germany, Canada, Australia, N Zealand, Switz'nd, Norway, Sweden, Denmark, Neth'lands, Lux'bourg, Singapore								
	Aa1	Austria, Finland								
	Aa2	UK, France, South Korea, Hong Kong, Isle of Man, Faroe Islands								
	Aa3	Qatar, Belgium, Czech, Taiwan, Macau, Cayman Islands								
	A1	Chile, China, Japan, Saudi Arabia, Estonia								
	A2	Bermuda, Iceland, Slovakia, Poland, Botswana, Ireland, Malta								
	A3	Mexico, Latvia, Lithuania, Malaysia, Peru								
	Baa1	Spain, Thailand, Slovenia, Mauritius, Panama								
	Baa2	India, Indonesia, Uruguay, Philippines, Bulgaria, Colombia								
	Baa3	Italy, Portugal, Hungary, South Africa, Kazakhstan, Bahamas, Romania, Russia								
Non-Investment Grade										
Ba1	Ba2	Ba3	B1	B2	B3	Caa1	Caa2	Caa3	Ca	C

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