



Investor Relations Presentation

June 2018

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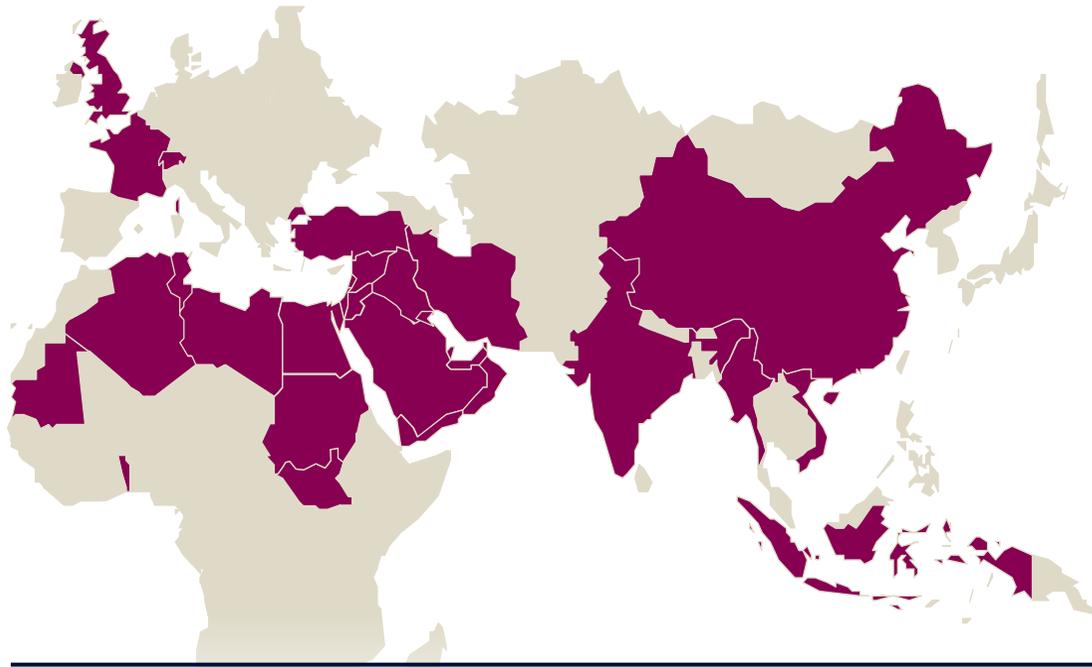
All figures in US Dollars have been converted from Qatari Riyals based on the exchange rate of 1 US Dollar = 3.6405 Qatari Riyals

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 4.2 Bn¹
- Over 29,000 employees serving more than 22 million customers

Solid financial strength

Top-tier credit ratings

USD 38.6 Bn
Market Cap.

USD 1.95 Bn
Net Profit

A
Standard & Poor's

Aa3
Moody's

USD 232.3 Bn
Assets

USD 2.0
EPS

AA-
Capital Intelligence

A+
Fitch

Key Strengths



¹ Brand Finance © 2018
Source: June 2018 Financial Report

QNB's International Footprint

Sub-Saharan Africa

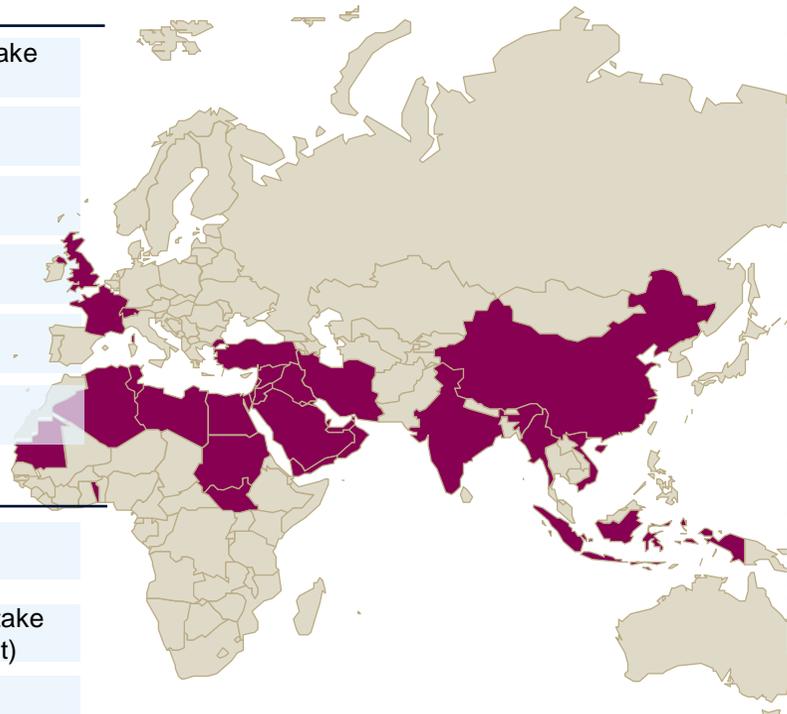
	South Sudan: (1 Branch)
	Togo: (927 Branches ¹ , 20.1% stake in Ecobank)

Asia

	Indonesia: (41 Branches, 90.96% stake In QNB Indonesia)
	Singapore: (1 Branch)
	India: (1 Branch)
	China: (1 Representative office)
	Vietnam: (1 Representative office)
	Myanmar: (1 Representative office)

North Africa

	Egypt: (216 Branches, 95.0% stake in QNB ALAHLI)
	Libya: (36 ² (+1 ²) Branches, 49.0% stake in Bank of Commerce & Development)
	Tunisia: (34 Branches, 99.9% stake in QNB Tunisia)
	Sudan: (5 Branches)
	Algeria: (7 ² Branches)
	Mauritania: (1 Branch)



Middle East

Qatar: (64 Branches)	
KSA: (1 Branch)	
UAE: (15 (+1 ²) Branches, 40.0% stake in CBI)	
Syria: (15 (+30 ²) Branches, 50.8% stake in QNB-Syria)	
Palestine: (15 ² Branches)	
Iraq: (9 (+1 ²) Branches, 54.2% stake in Mansour Bank)	
Oman: (6 Branches)	
Bahrain: (1 ² (+1 ²) Branch)	
Kuwait: (2 Branches)	
Lebanon: (1 Branch)	
Yemen: (1 Branch)	
Iran: (1 Representative office ³)	
Jordan: (128 ² (+3 ²) Branches, 34.5% stake in Housing Bank of Trade & Finance)	
Europe	
United Kingdom: (1 (+1 ²) Branch)	
France: (1 Branch)	
Switzerland: (1 Office, 100% stake in QNB Suisse SA)	
Turkey: (541 Branches, 99.88% stake in QNB Finansbank)	



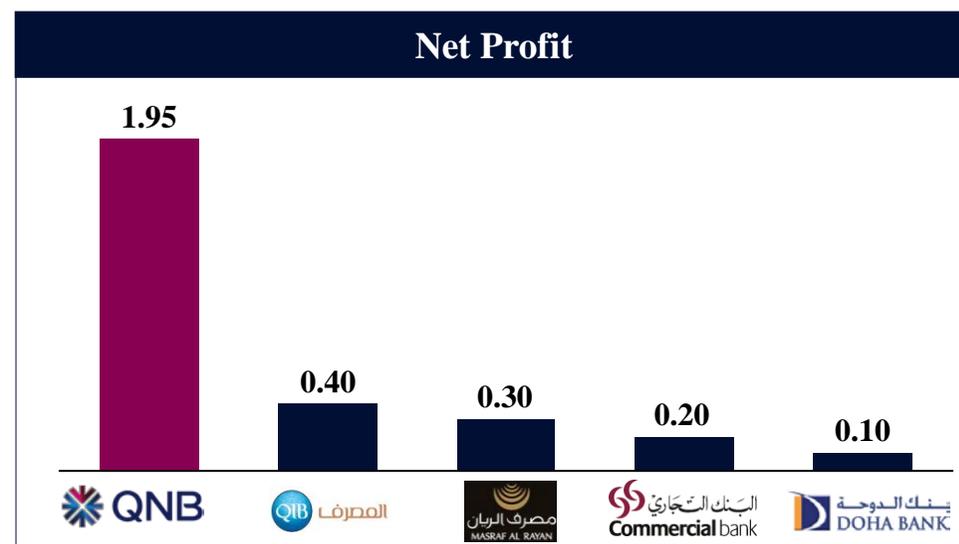
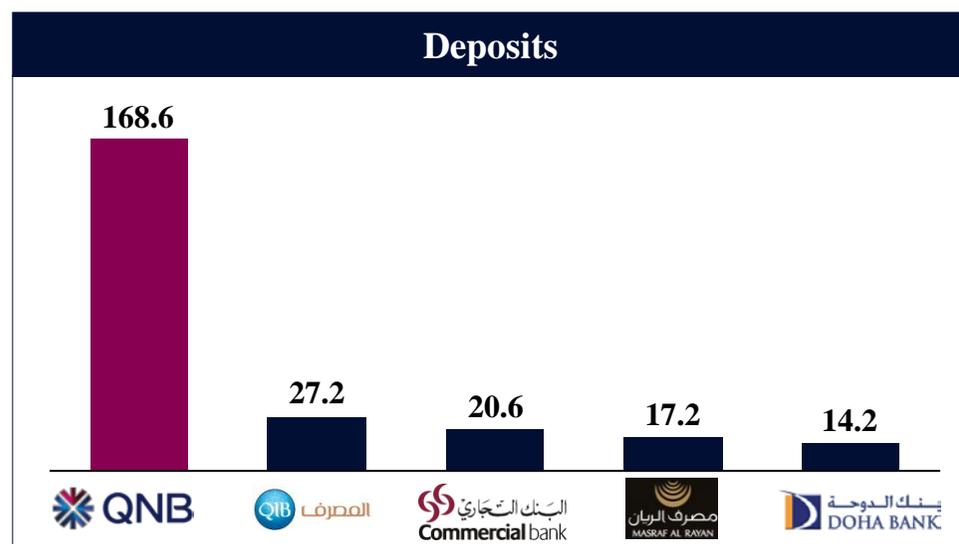
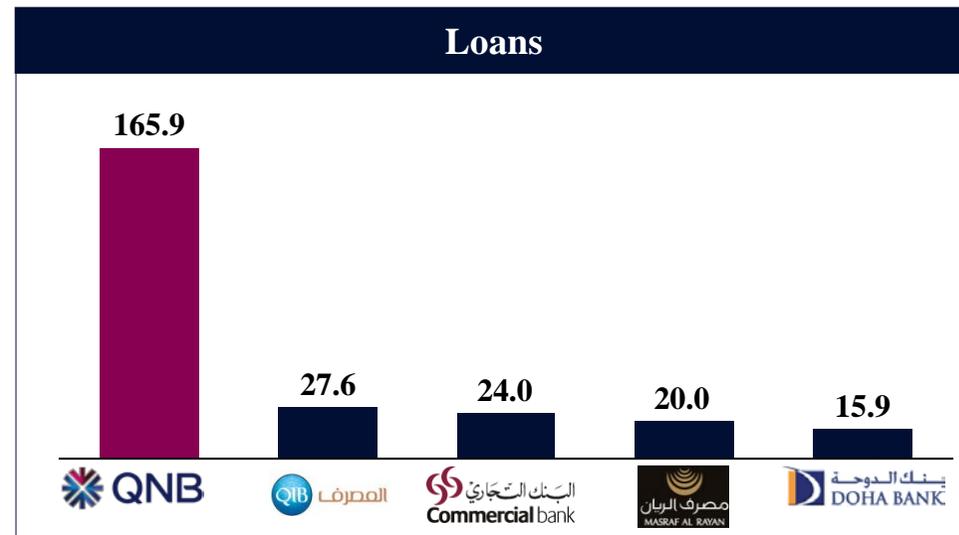
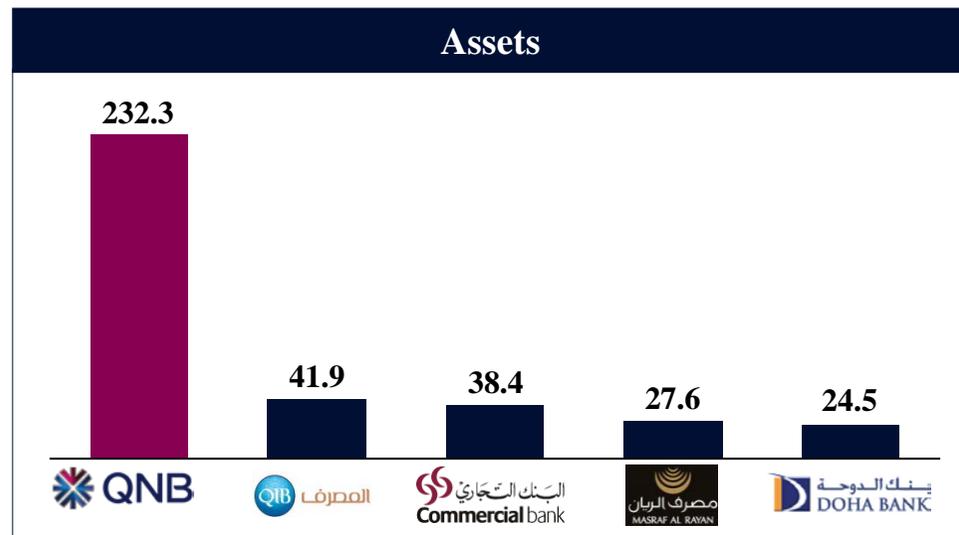
1: The branch data for Ecobank is as at 31 March 2018
 2: Includes the branches / representative offices from subsidiaries and associates
 3: Dormant



QNB Comparative Positioning – Qatar and MEA

Top 5 Domestic Banks – June 2018

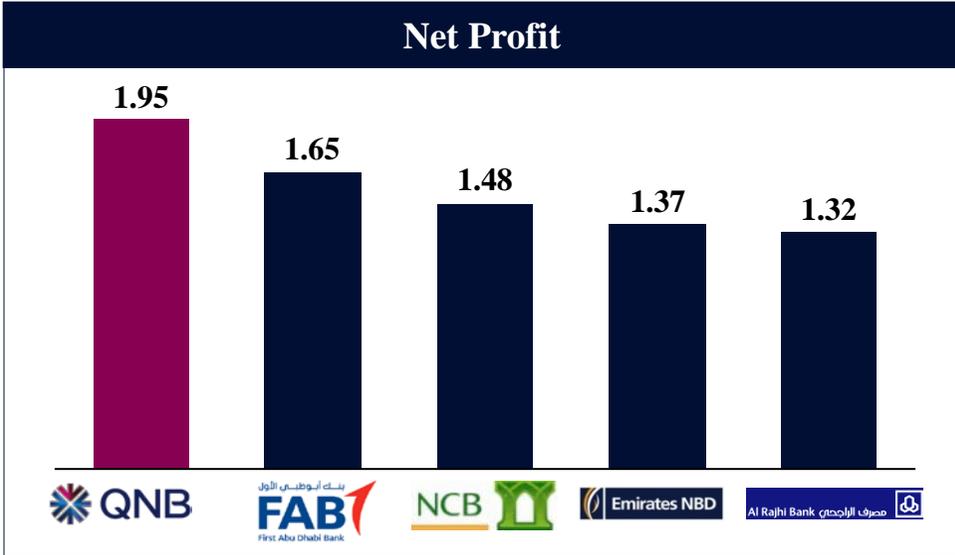
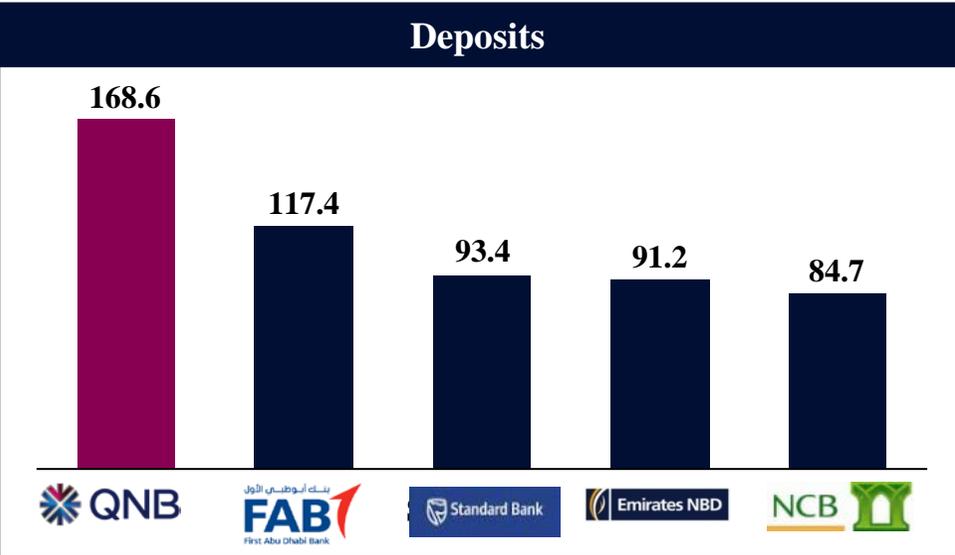
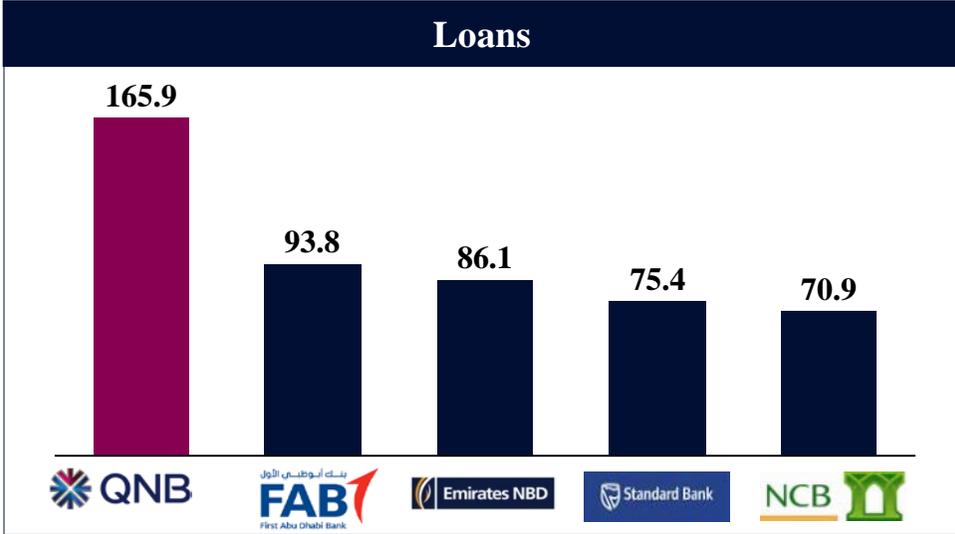
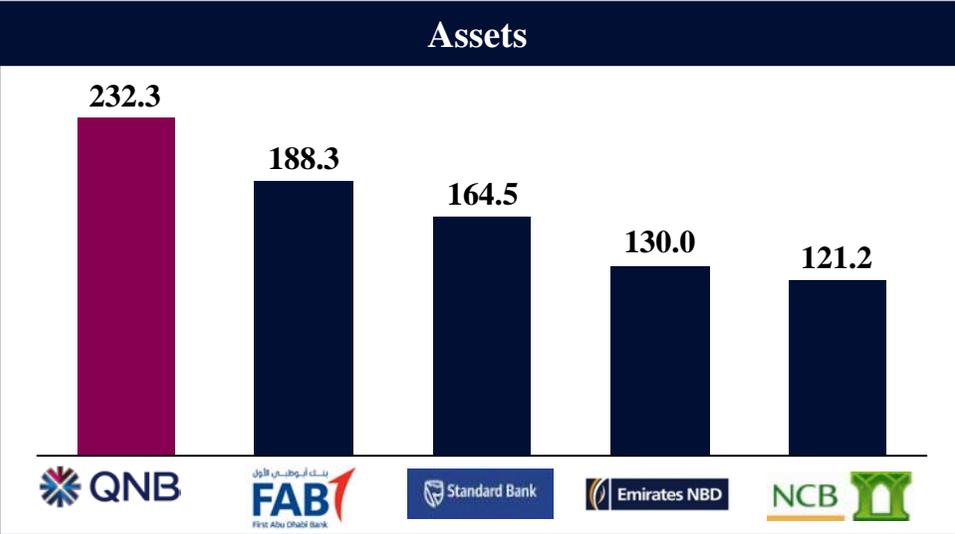
QNB continues to excel in the domestic market



Note: All amounts are in USD billions
Source: Banks' June 2018 Press Release or Financial Statements, if available

Top 5 MEA Banks – June 2018

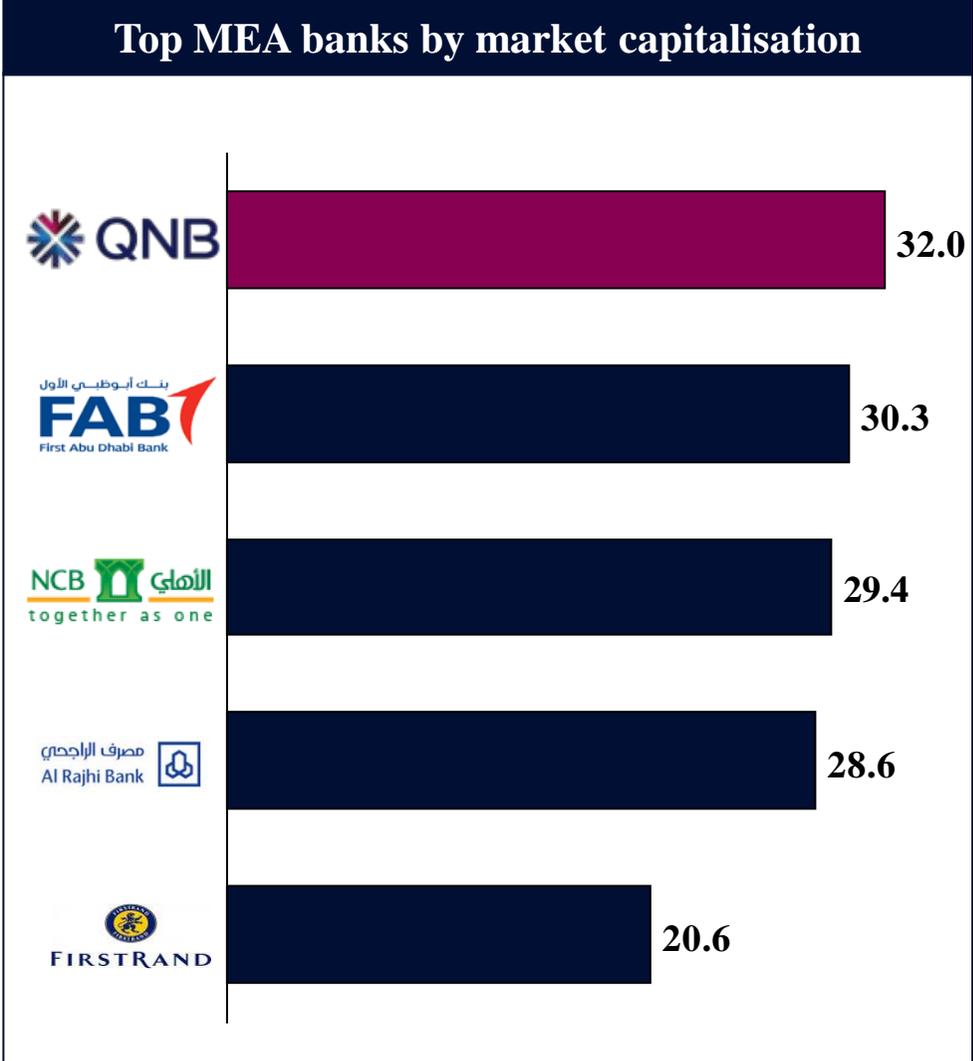
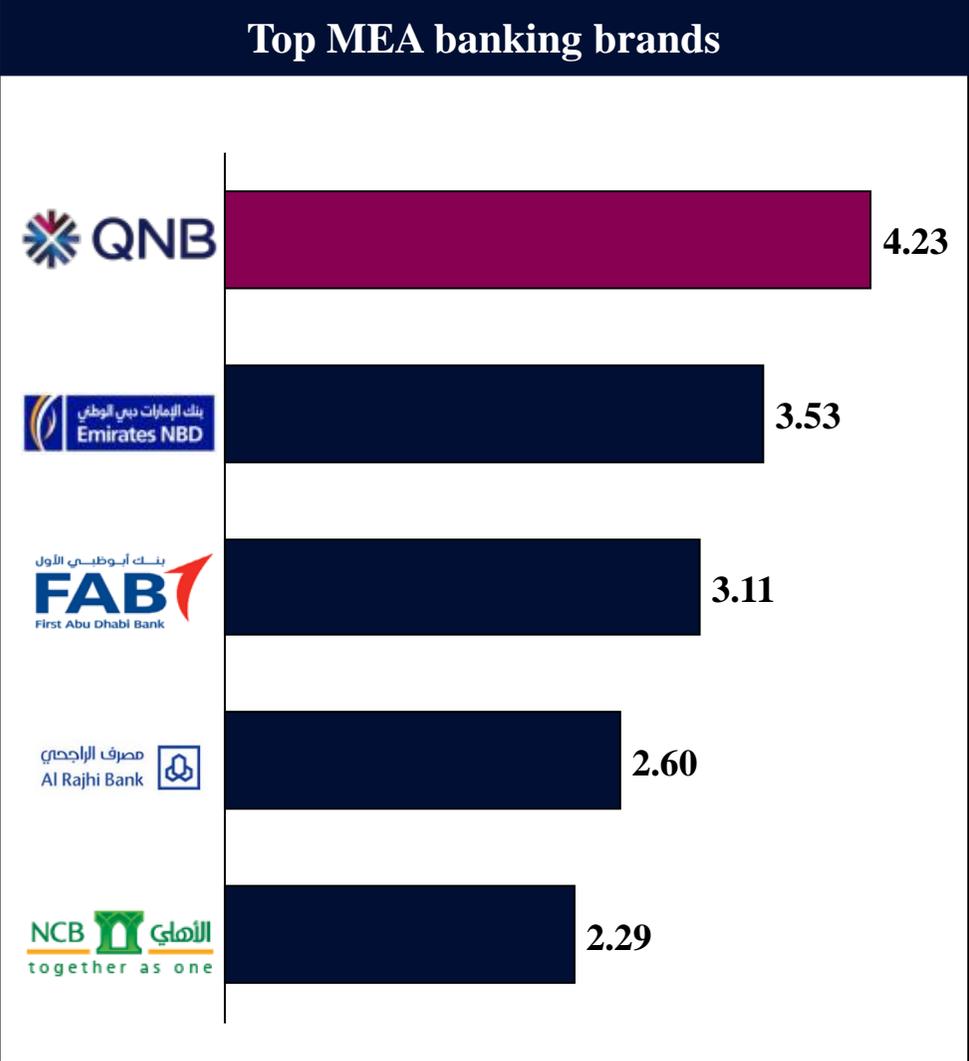
QNB maintained its position as the leading bank in the region across all categories



Note: All amounts are in USD billions
 Source: Banks' June 2018 Press Release or Financial Statements, if available.
 Standard Bank's results are as of December 2017 due to unavailability of June 2018 results.

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-17)





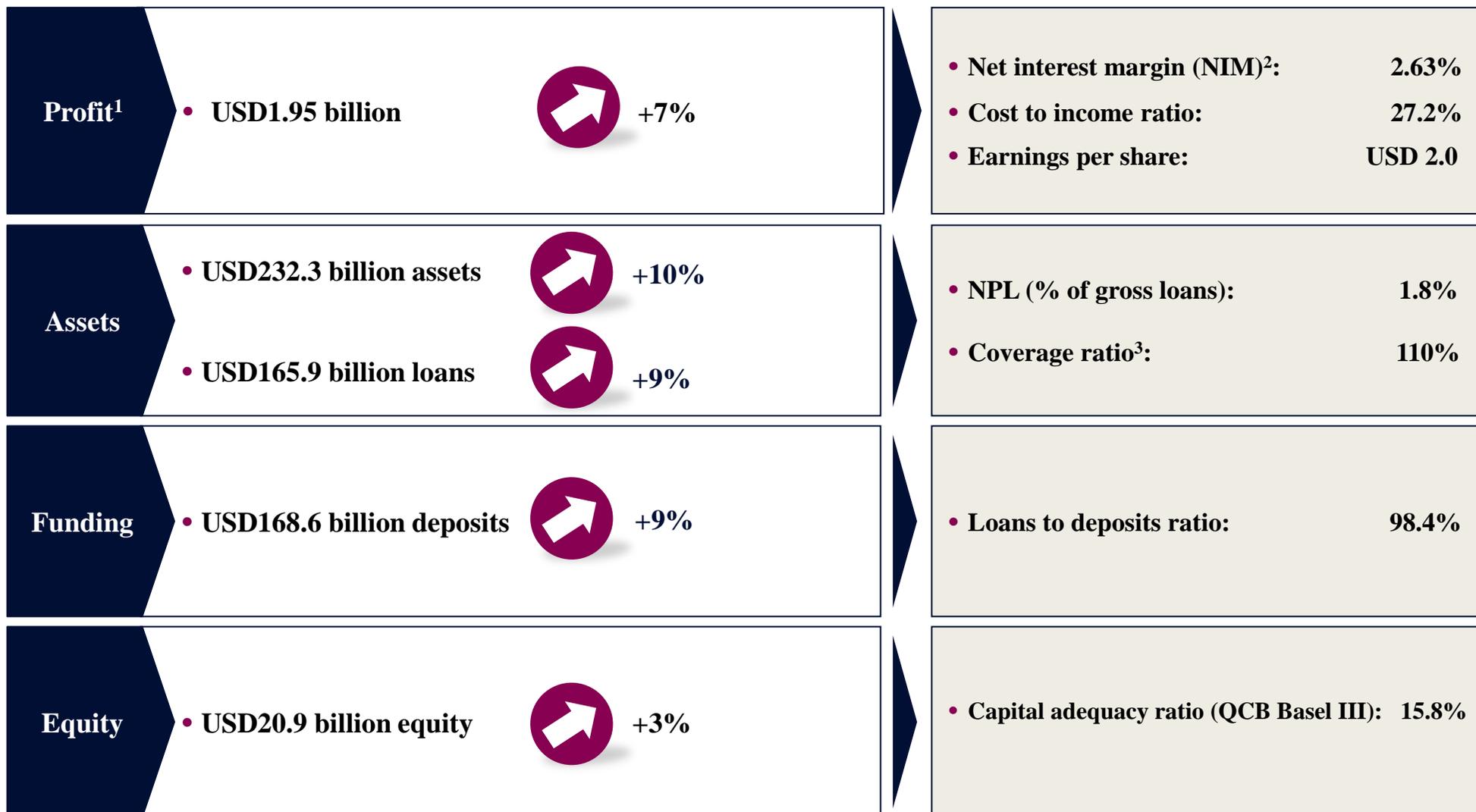
Financial Highlights – as at 30 June 2018

QNB demonstrate sustainable profit growth

Financial Highlights (as at 30 June 2018)



Growth vs. June 2017

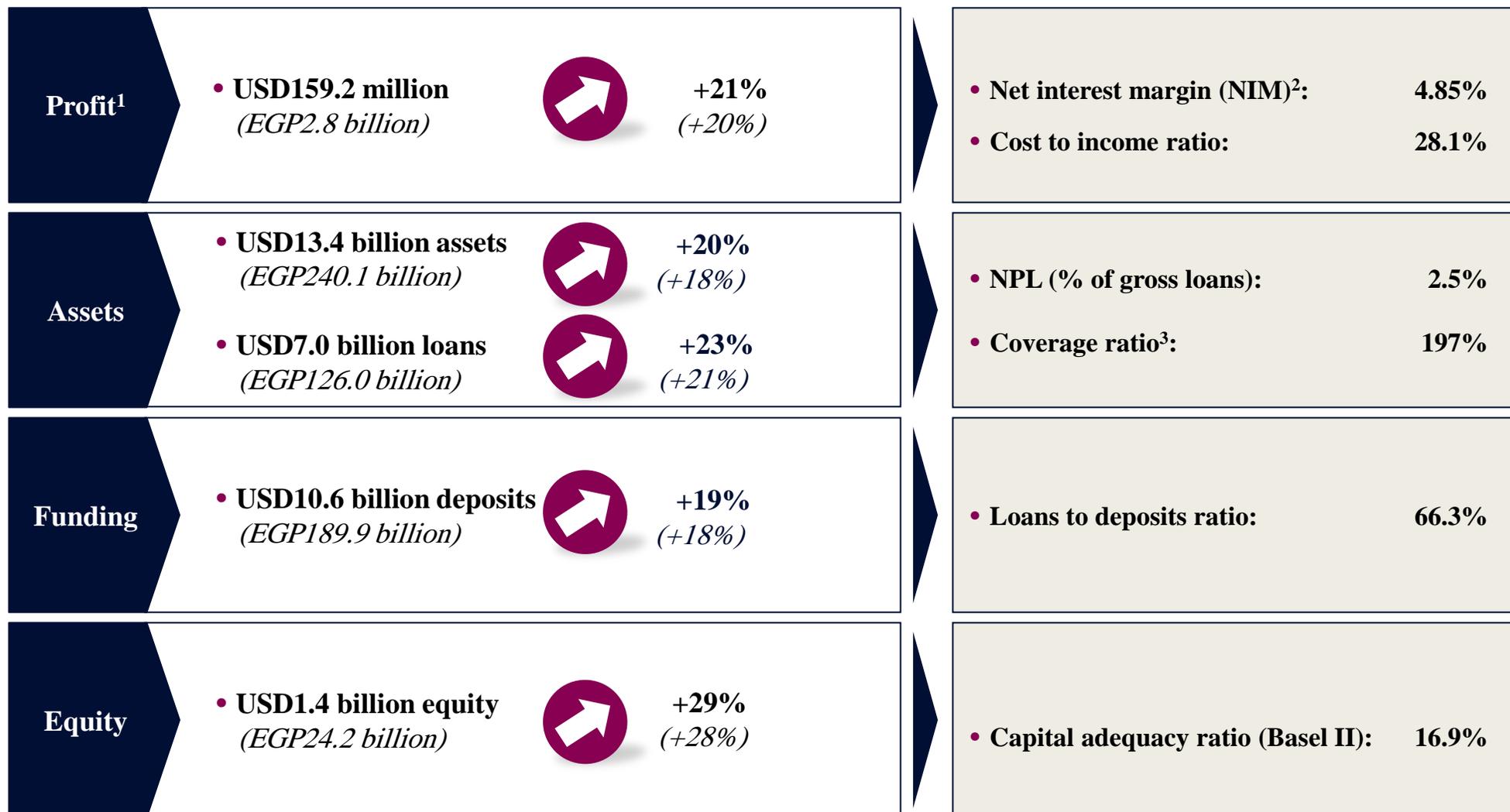


QNB ALAHLI

Highlights (as at 30 June 2018)



Growth vs. June 2017

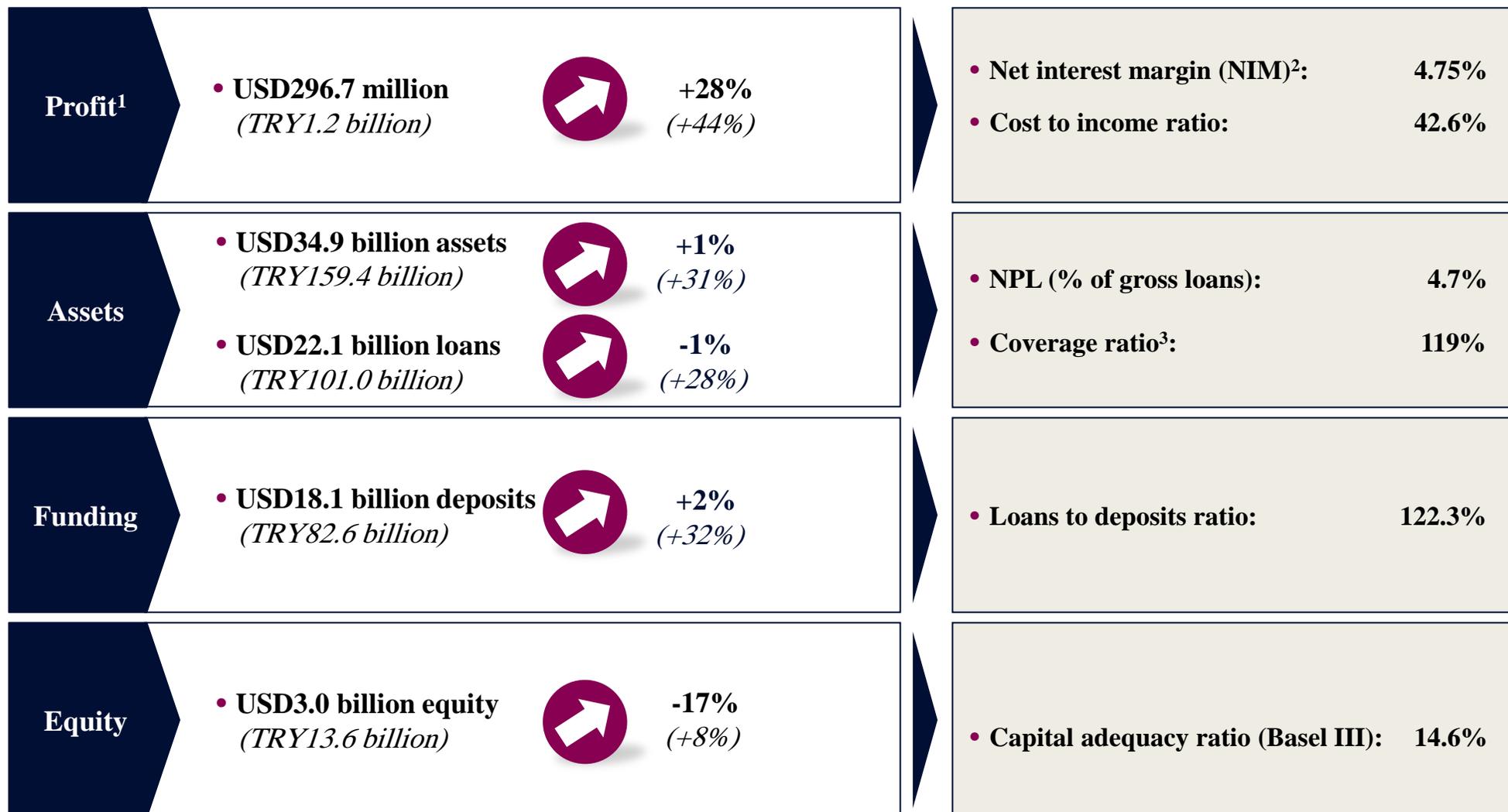


QNB FINANSBANK

Highlights (as at 30 June 2018)



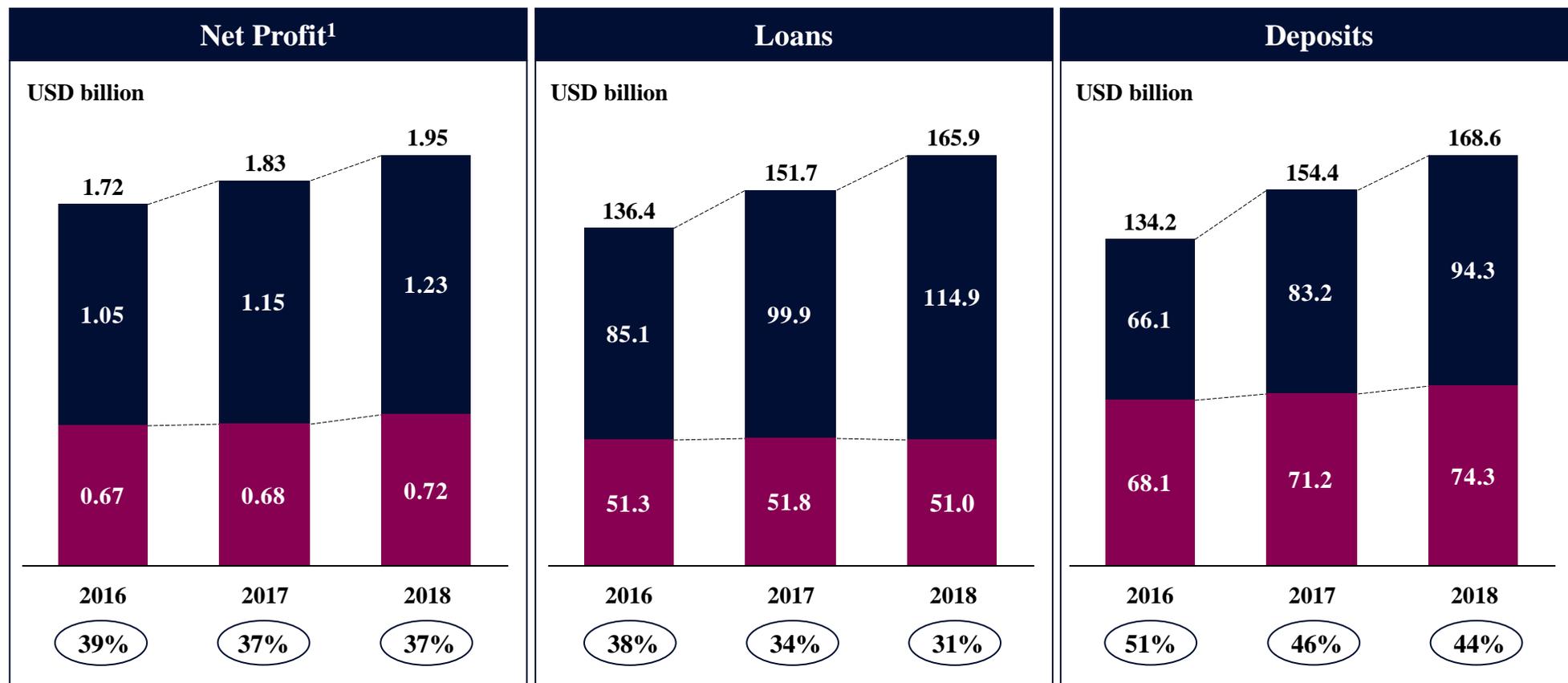
Growth vs. June 2017



Increasing geographical diversification positively contributes to growth

Geographical Contribution (as at 30 June)

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

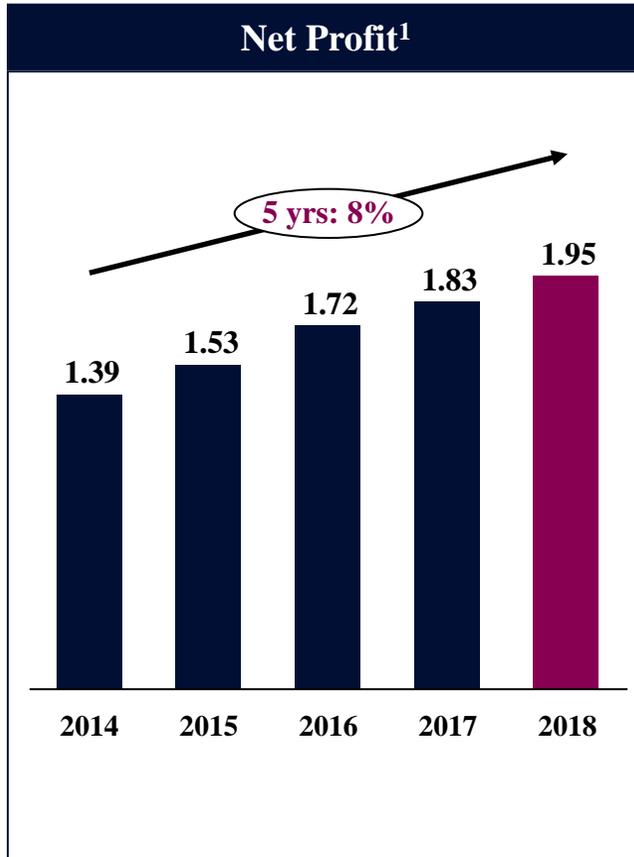


- Profit from international operations increased by USD44 Mn (6%) from 2016 to 2018

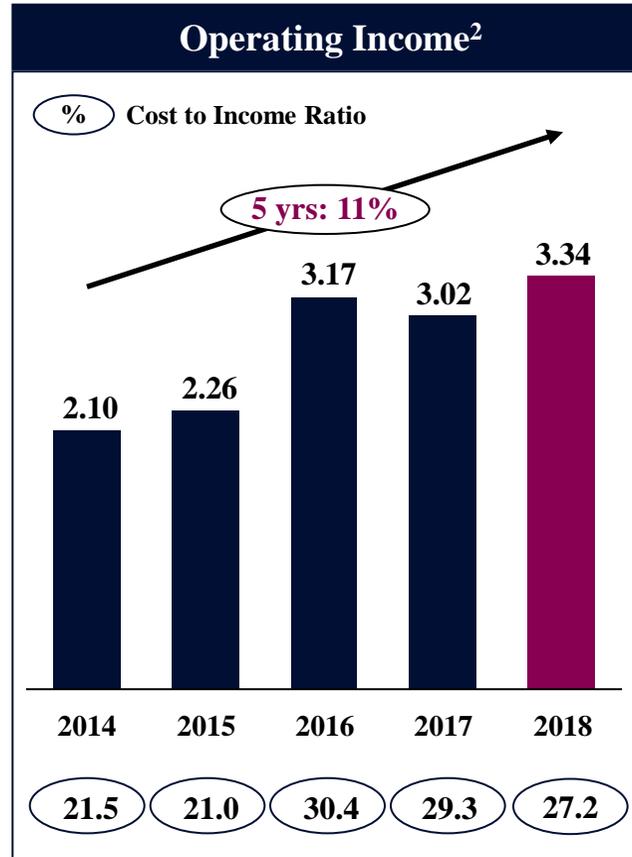
- Loans from Intl operations slightly decreased by USD212 Mn (0.4%) from 2016 to 2018
- Deposits from international operations increased by USD6.2 Bn (9%) from 2016 to 2018

Consistent Robust Profitability

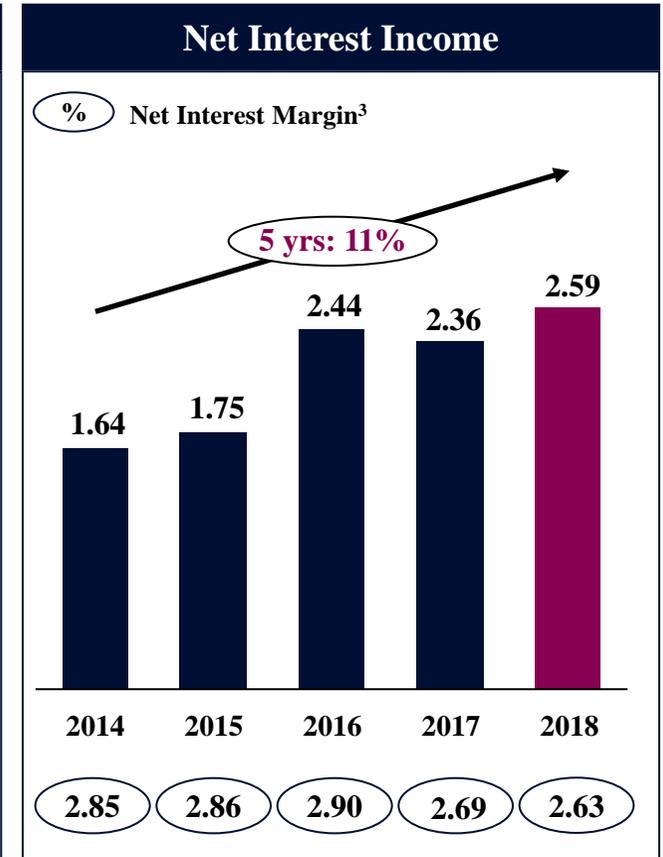
Income Statement Breakdown (USD billion as at 30 June)



- Net profit increased 7% from June 2017
- 2013-2018 CAGR of 8%



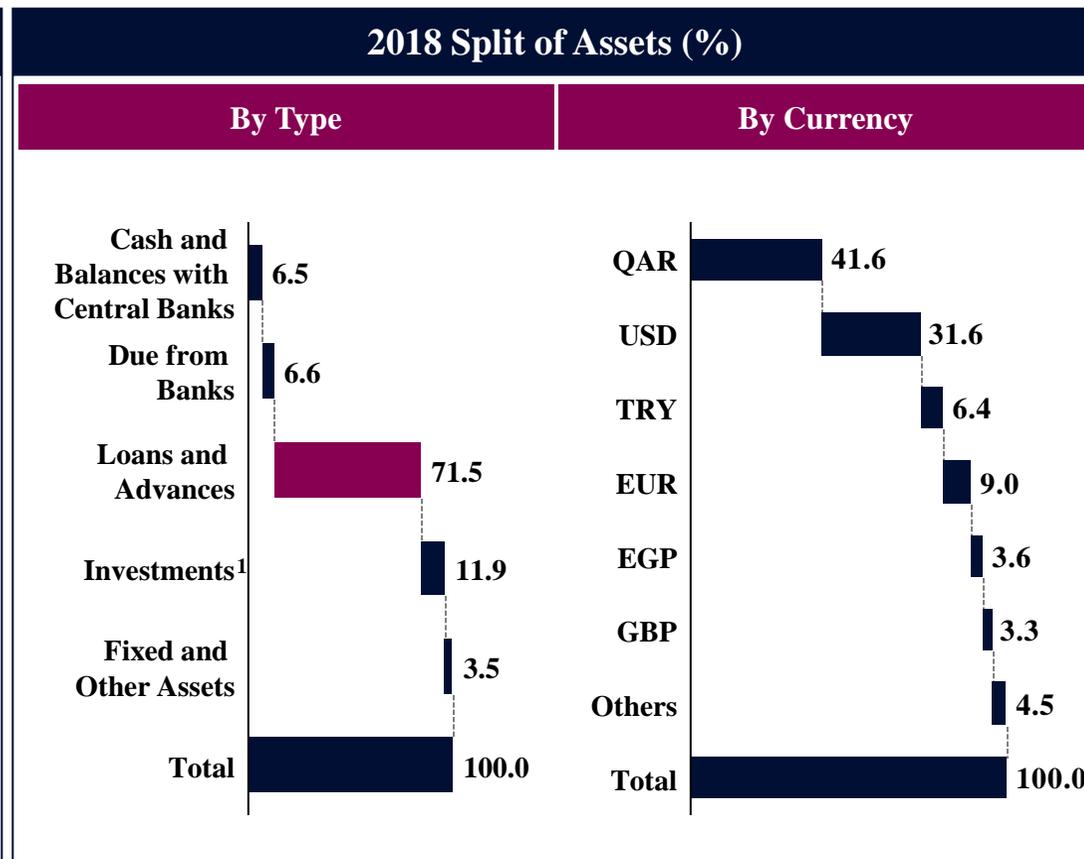
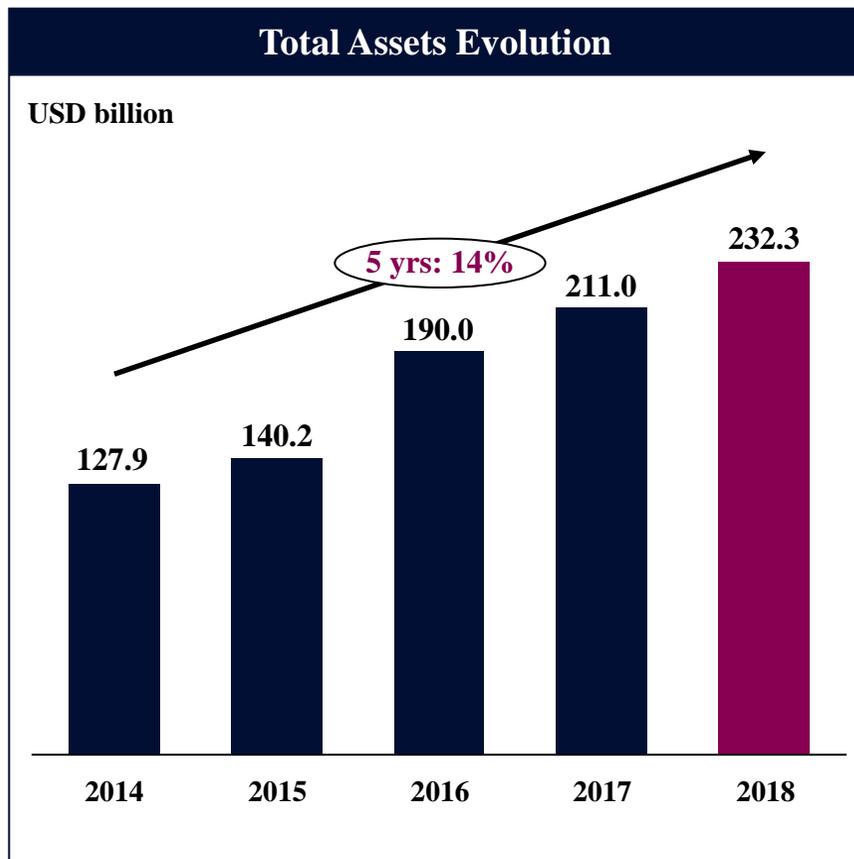
- Operating income increased 10% from June 2017
- 2013-2018 CAGR of 11%



- NII increased 10% from June 2017
- Strong NIM with the current size of more than USD230 billion of total assets

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

Assets Analysis (as at 30 June)

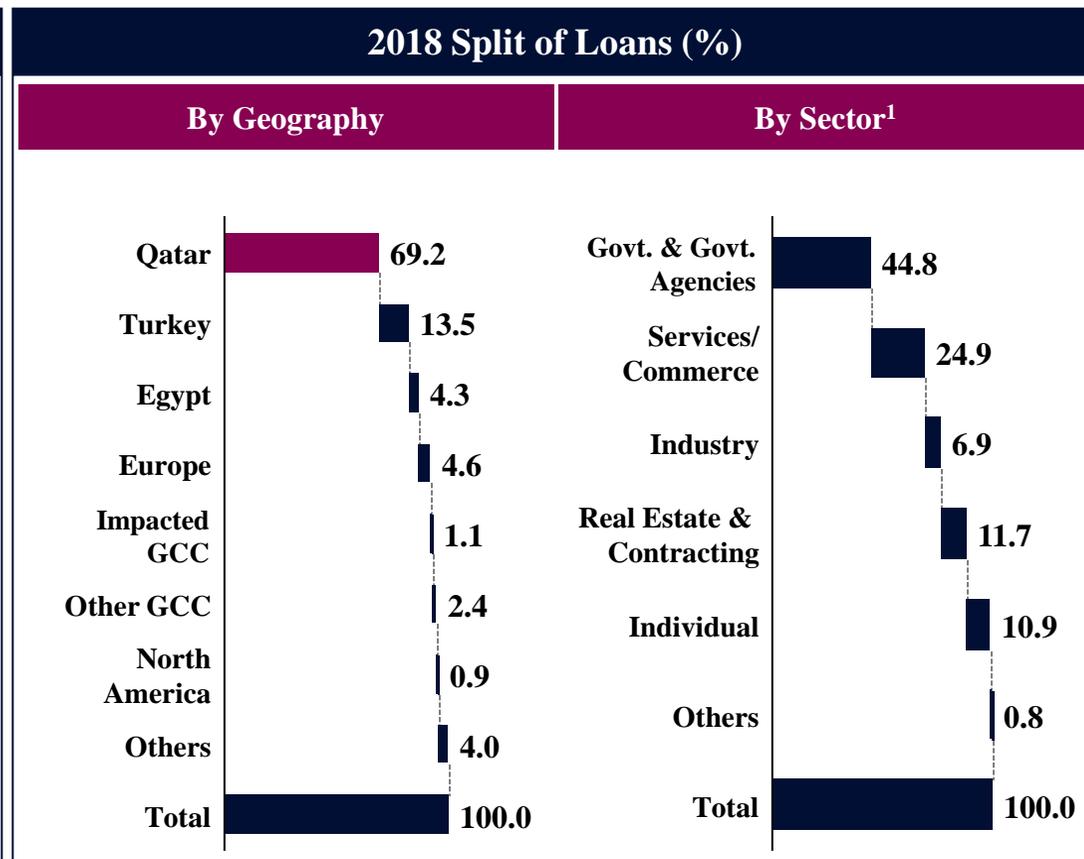
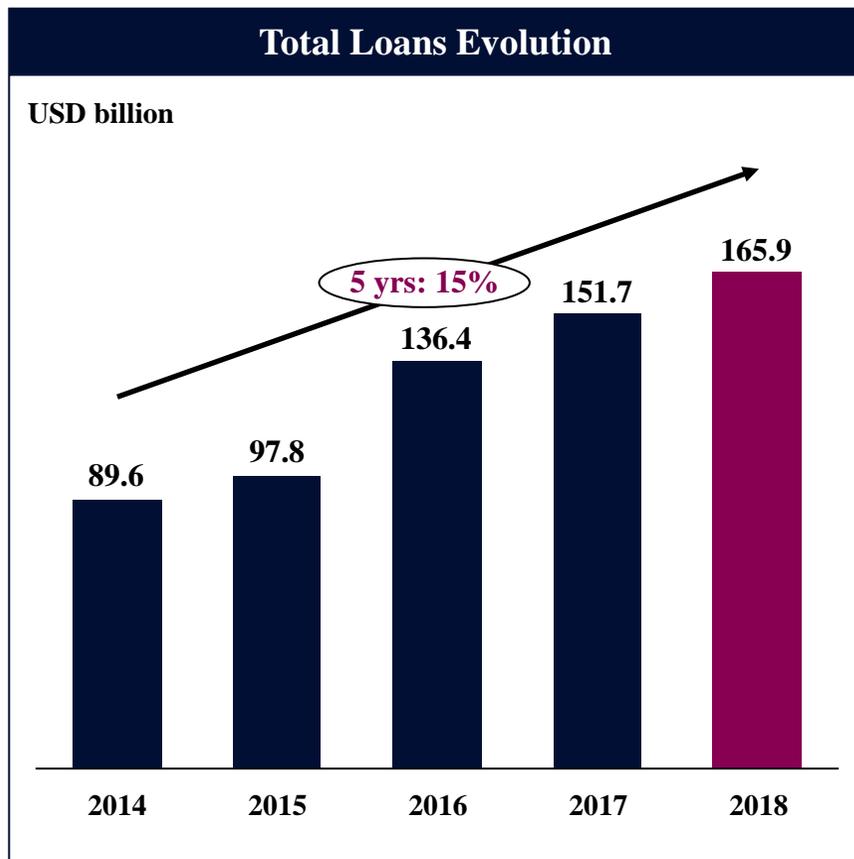


- Assets increased 10% from June 2017
- 2013-2018 CAGR of 14%

- 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 30 June)

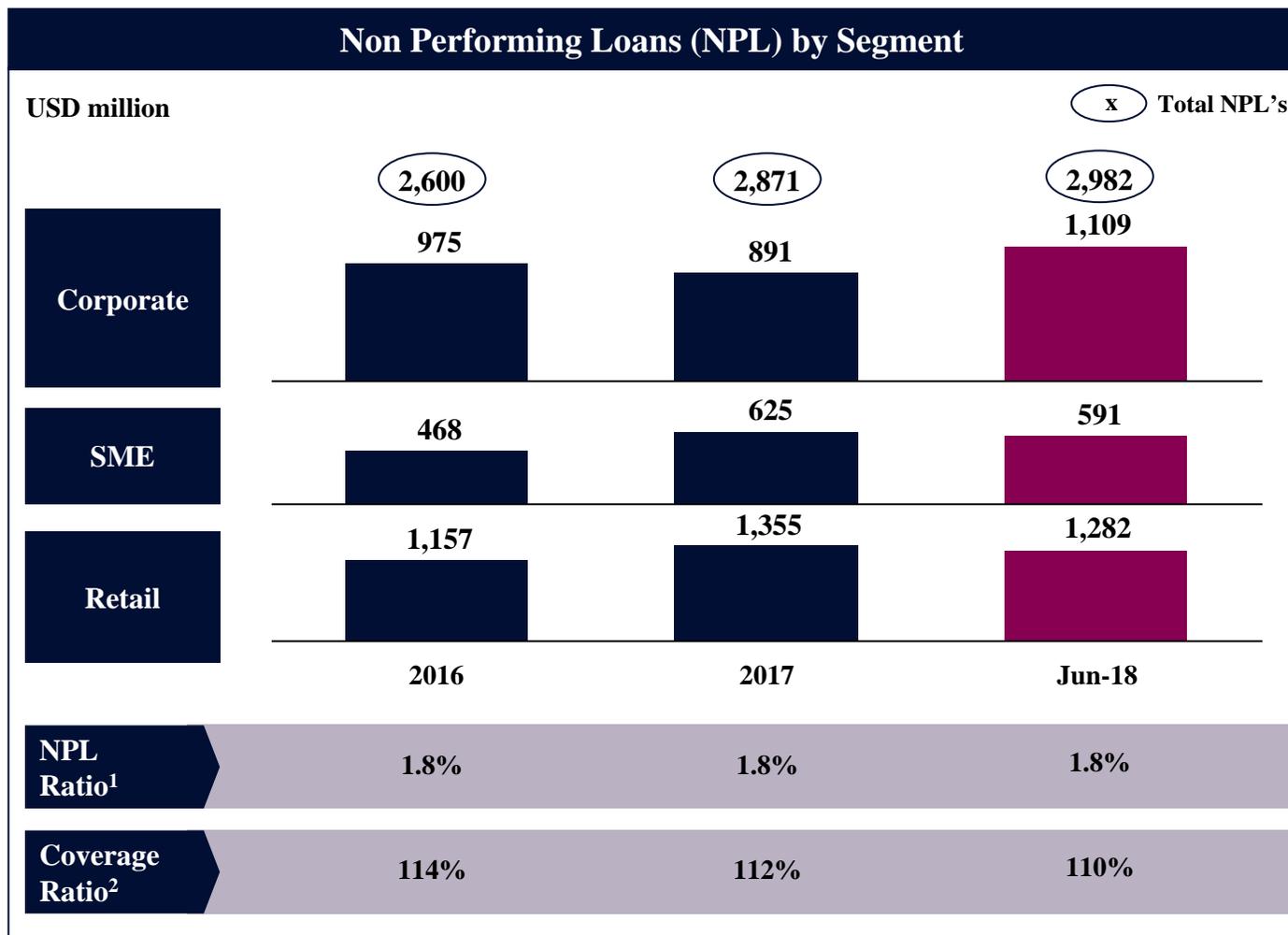


- Loans increased 9% from June 2017
- 2013-2018 CAGR of 15%

- Loans denominated in USD represent 34% 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

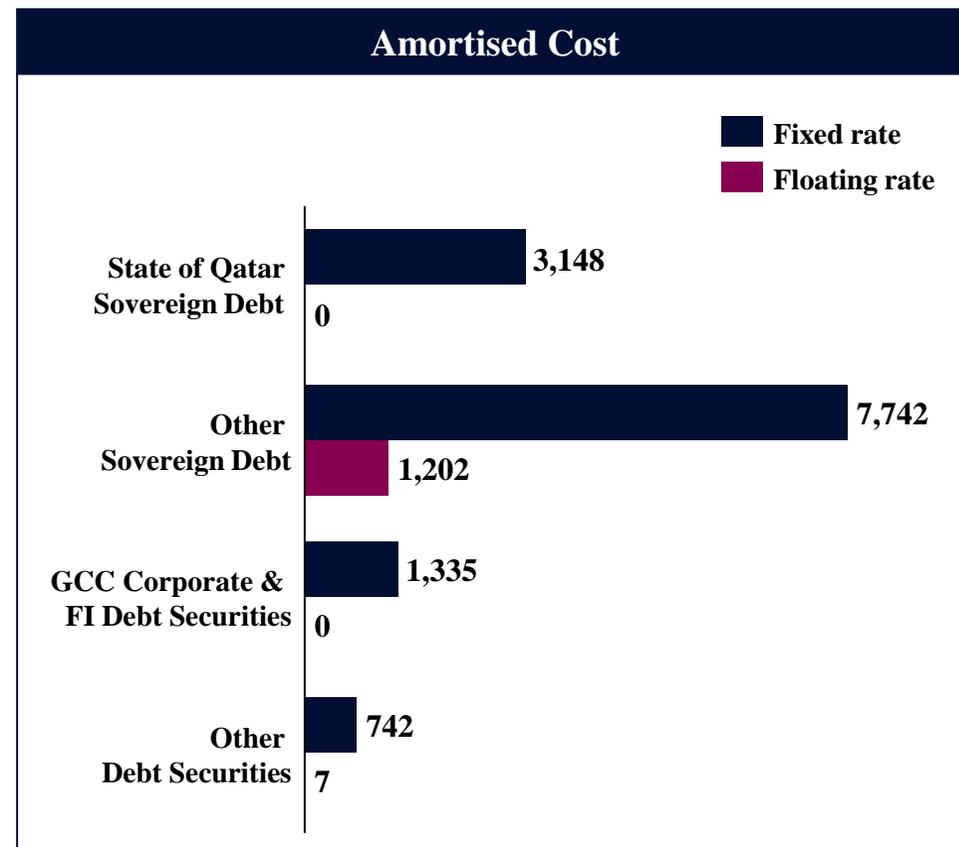
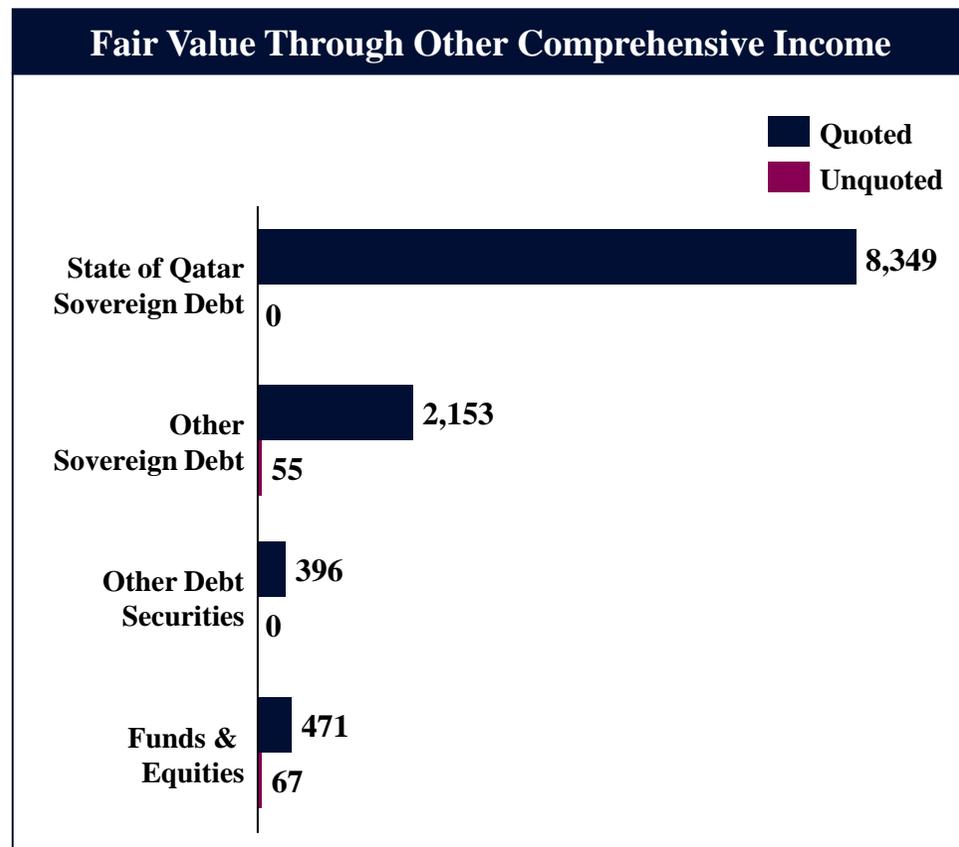
Asset Quality Analysis (as at 31 December unless stated)



- 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 110% as at 30 June 2018
- Past dues are NPL after 90 days default
- There is the additional security of a risk reserve of USD2,060 million which is greater than the 2.5% QCB requirements

High quality investment portfolio with 88% of securities rated AA or Sovereign

Investments Analysis (USD million as at 30 June 2018)

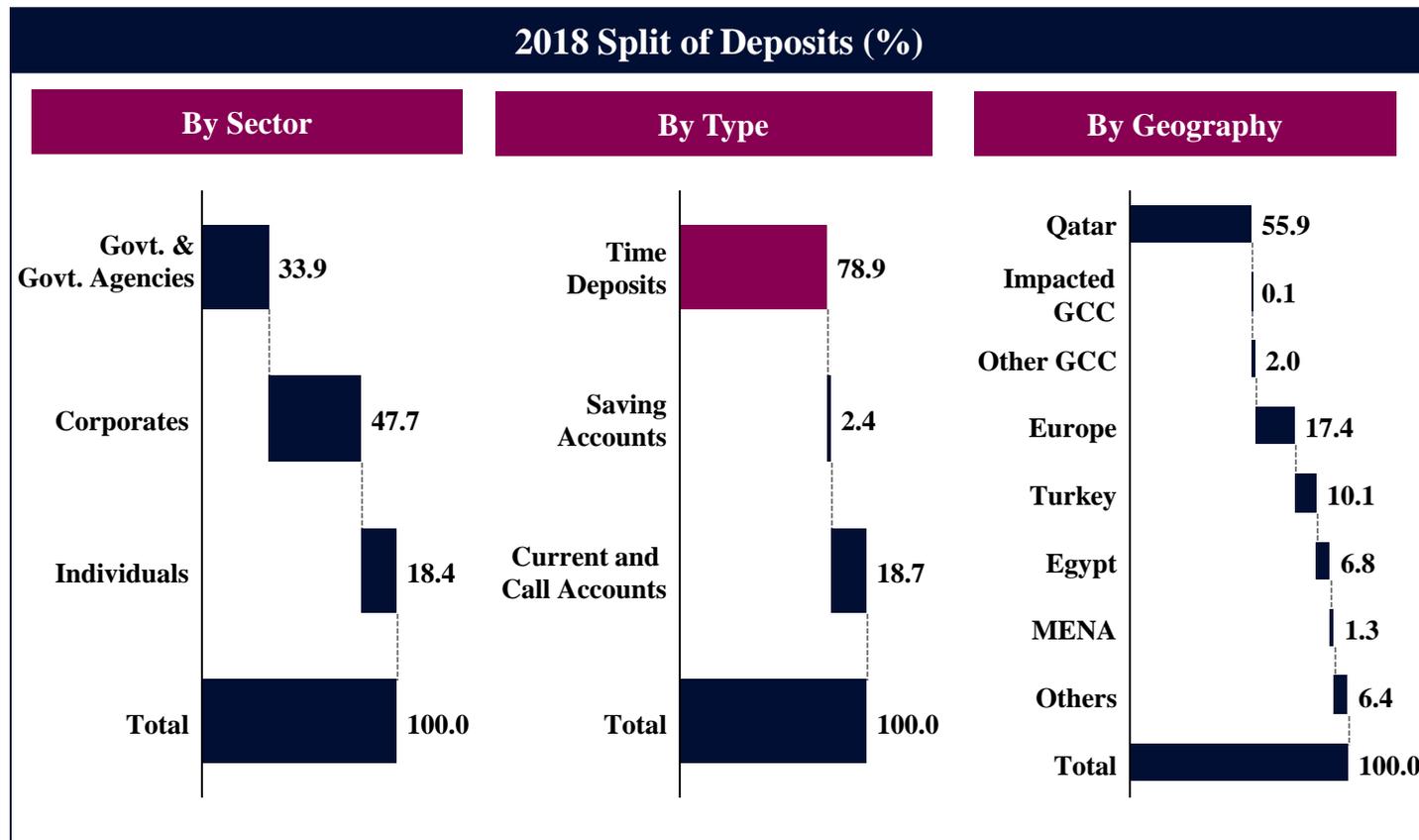
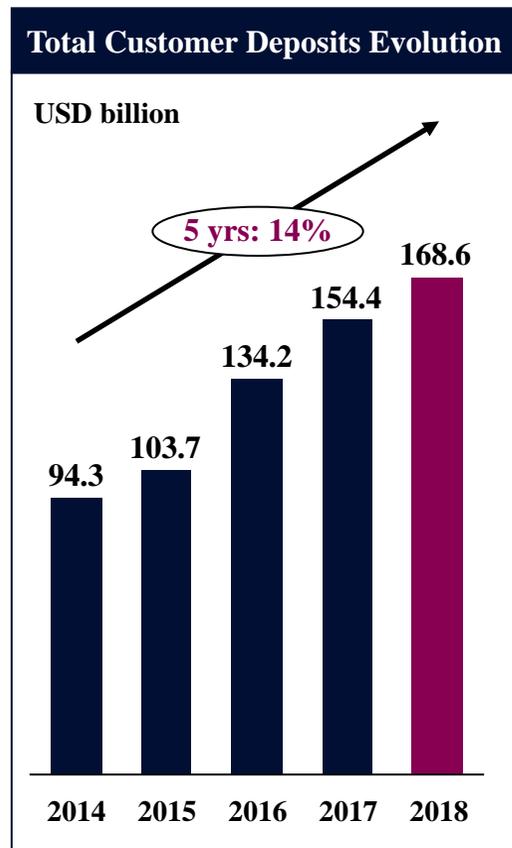


- Quoted securities account for 99% of FVOCI Investment securities

- Majority of Other Sovereign Debt is Government Guaranteed

Robust growth in customer deposits and funding

Funding Analysis (as at 30 June)

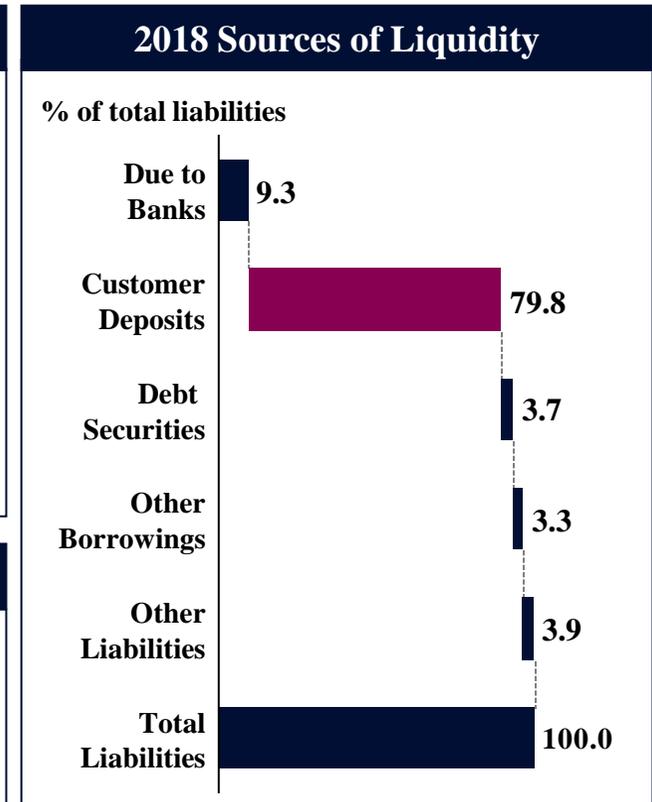
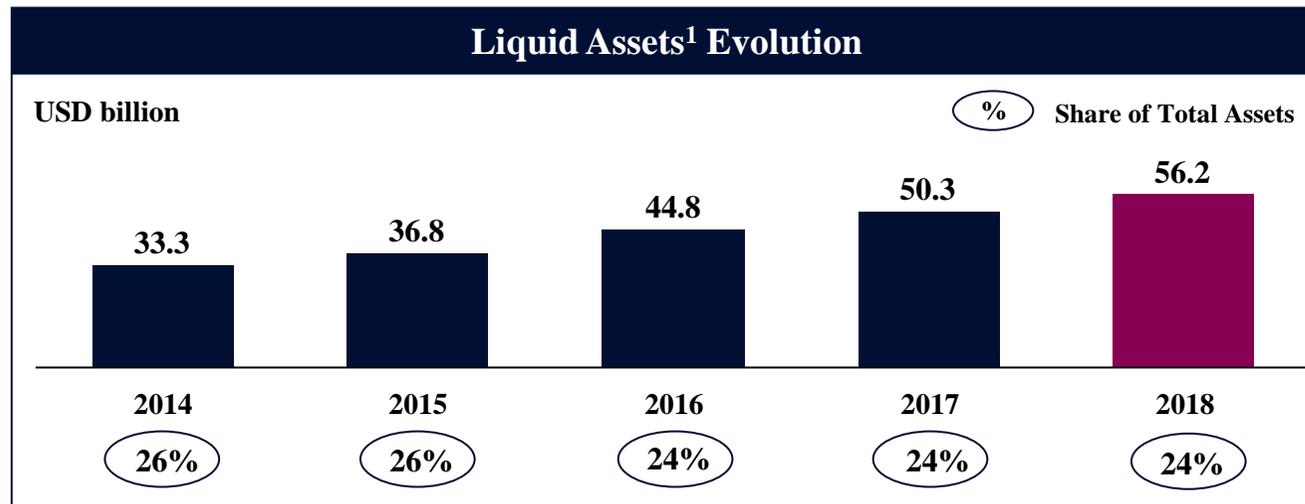
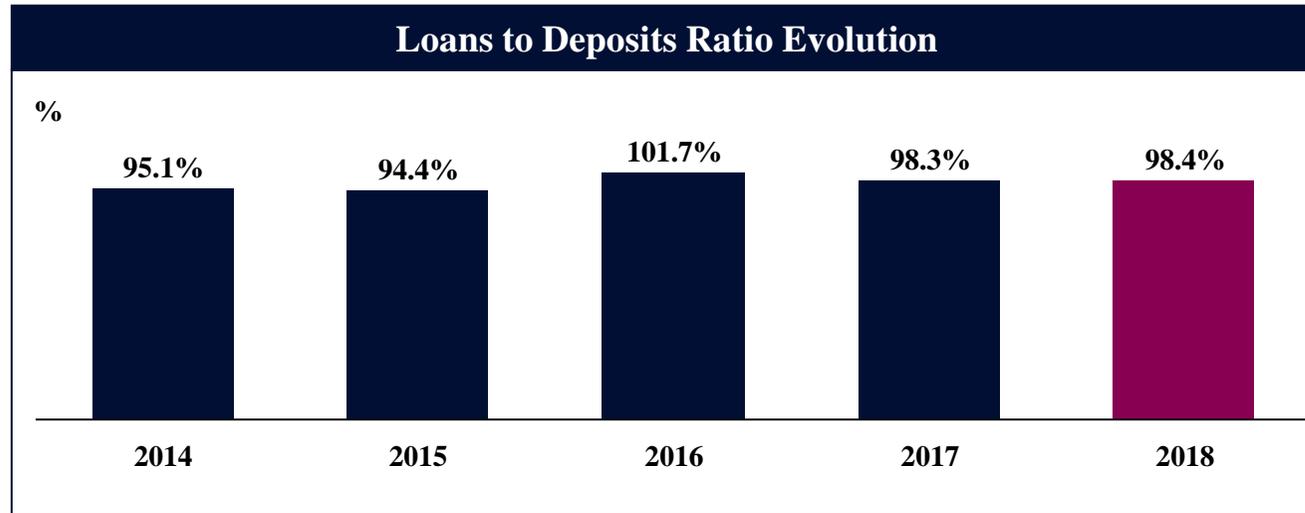


- Deposits increased 9% from June 2017
- 2013-2018 CAGR of 14%

- QNB remains the public sector's preferred bank
- USD, TRY and EGP denominated deposits represent 47%, 6% and 5% of total deposits respectively

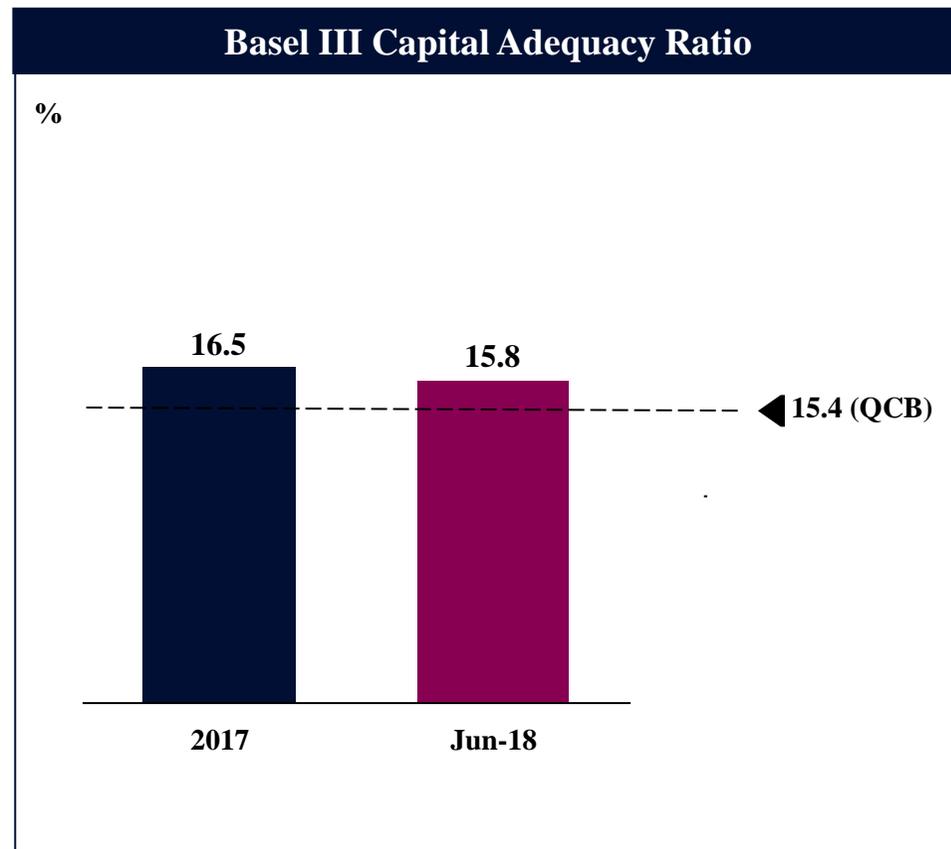
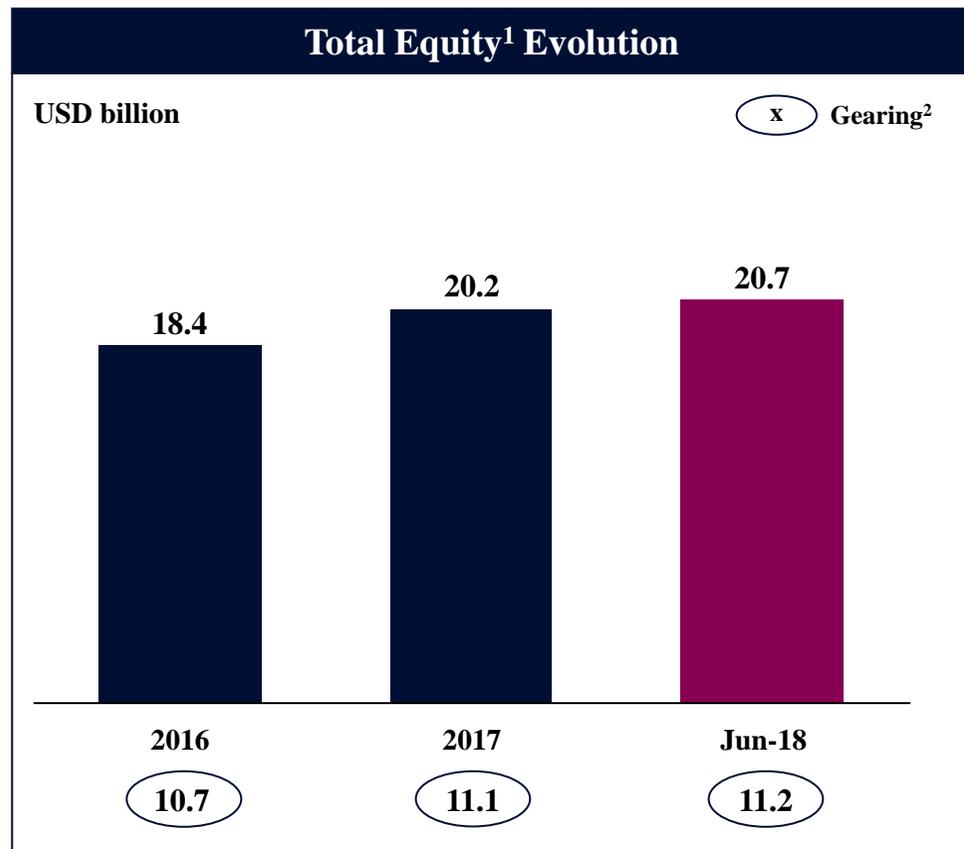
Solid liquidity profile

Liquidity Analysis (as at 30 June)



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

Capital Analysis (as at 31 December unless stated)

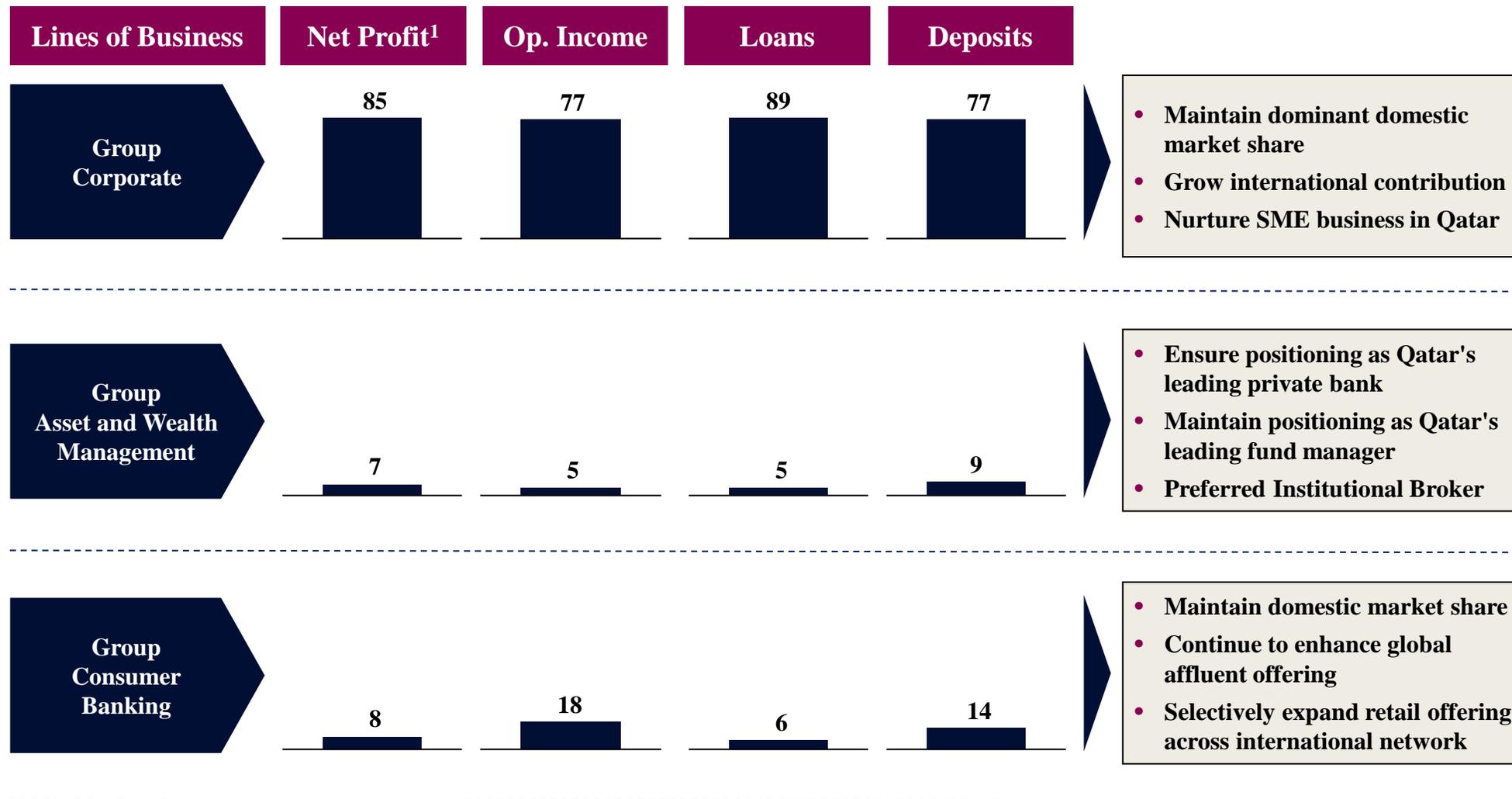


- Capital base has been regularly increased in line with the strong performance of QNB's balance sheet

- Capital adequacy ratio is above QCB and Basel III requirements including the applicable DSIB buffer of 1.875%

Diversifying business mix will bolster sustainable growth

Business Mix Contribution (% share as at 30 June 2018)



IFRS 9 Implementation: Additional buffer for long term earnings stability

Financial Impacts

- QNB implemented IFRS 9 with effect from 1 January 2018 based on the QCB guidelines.
- Day1 transition impact amounted to USD696 million (net of tax) from IFRS 9 has been charged to the opening retained earnings as of 1 January 2018.
- As per QCB instructions, ECL impact has been treated as Tier 2 Capital for CAR purposes with no amortisation of the transition impact.
- Impact of 'Classification and Measurement' (C&M) requirements are not significant to the QNB.

Coverage ratio¹

<i>As of 30 June 2018</i>	Stage1	Stage2	Stage3 (NPL)
Due from Banks and Balances with Central Banks	0.1%	23.1%	-
Loans	0.2%	9.5%	109.6%
Investments	0.1%	4.2%	112.4%

Cost of Risk²

<i>30 June 2018</i>	Stage1	Stage2	Stage3 (NPL)	Total
Cost of Risk	1bps	5bps	31bps	37bps

QNB Group Financials

Key data (as at 30 June 2018)

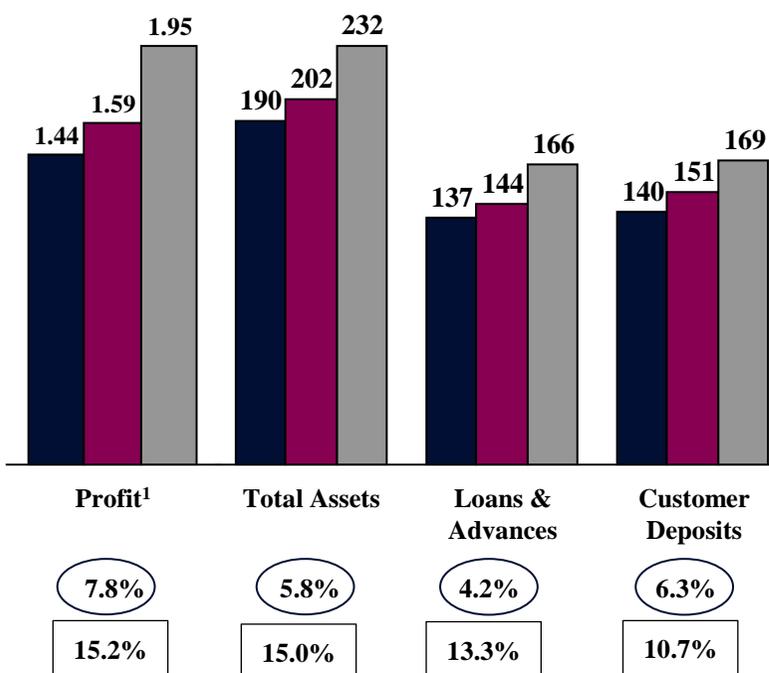
■ QNB ■ QNB incl. QNB ALAHLI ■ QNB incl. QNB Finansbank

○ Contribution of QNB AA

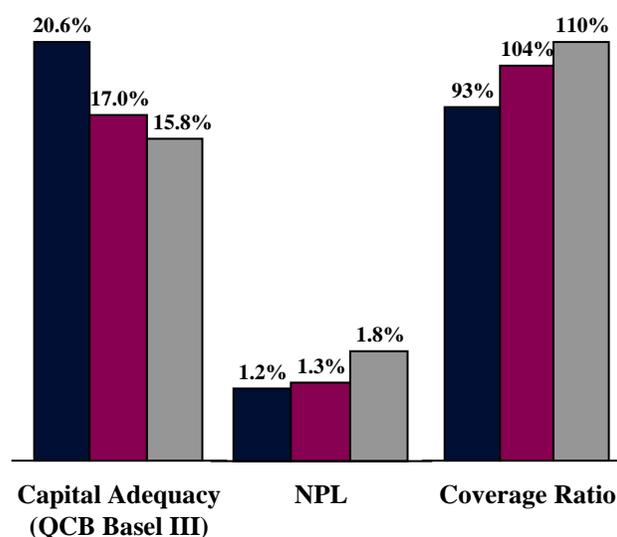
□ Contribution of QNB Finansbank

Financials

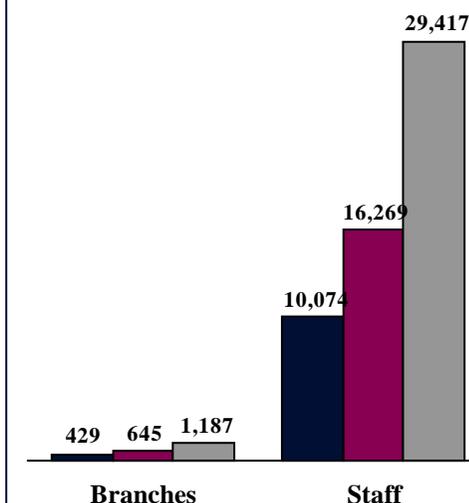
USD billion



Ratios



Presence



- Results finalised under International Financial Reporting Standards (IFRS)
- Capital Adequacy Ratio: 15.8%

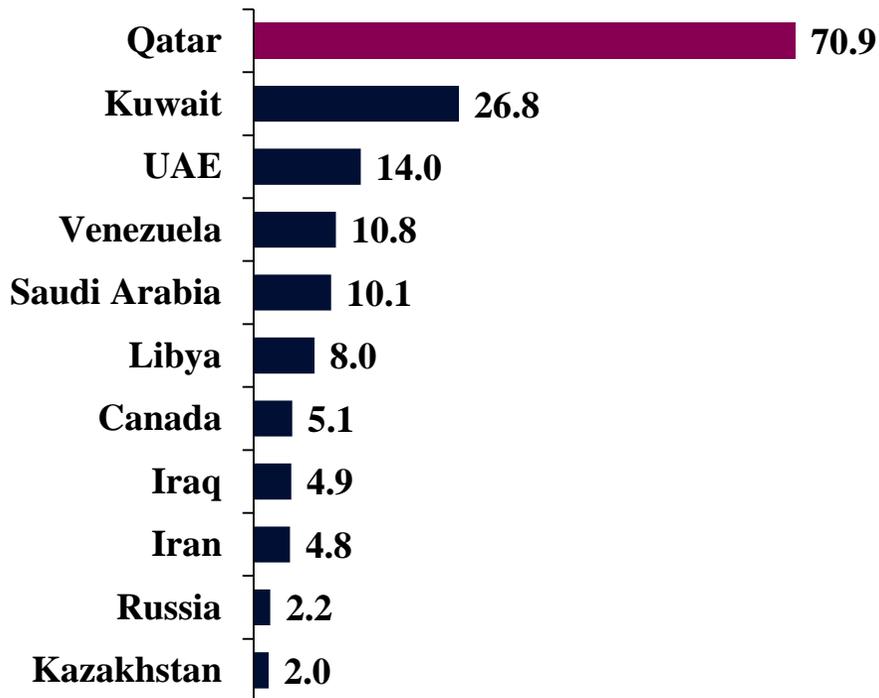


Economic Overview

Qatar is endowed with major oil and gas reserves, making it the richest country in the world

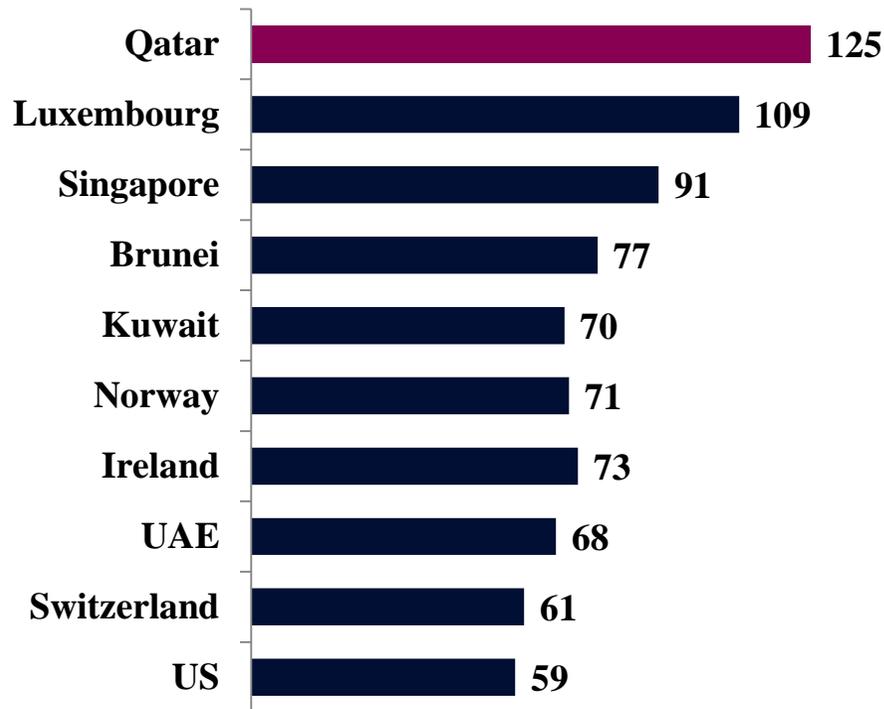
Oil and gas reserves per capita (2017)

k barrels of oil equivalent (boe)



GDP per capita (2017)

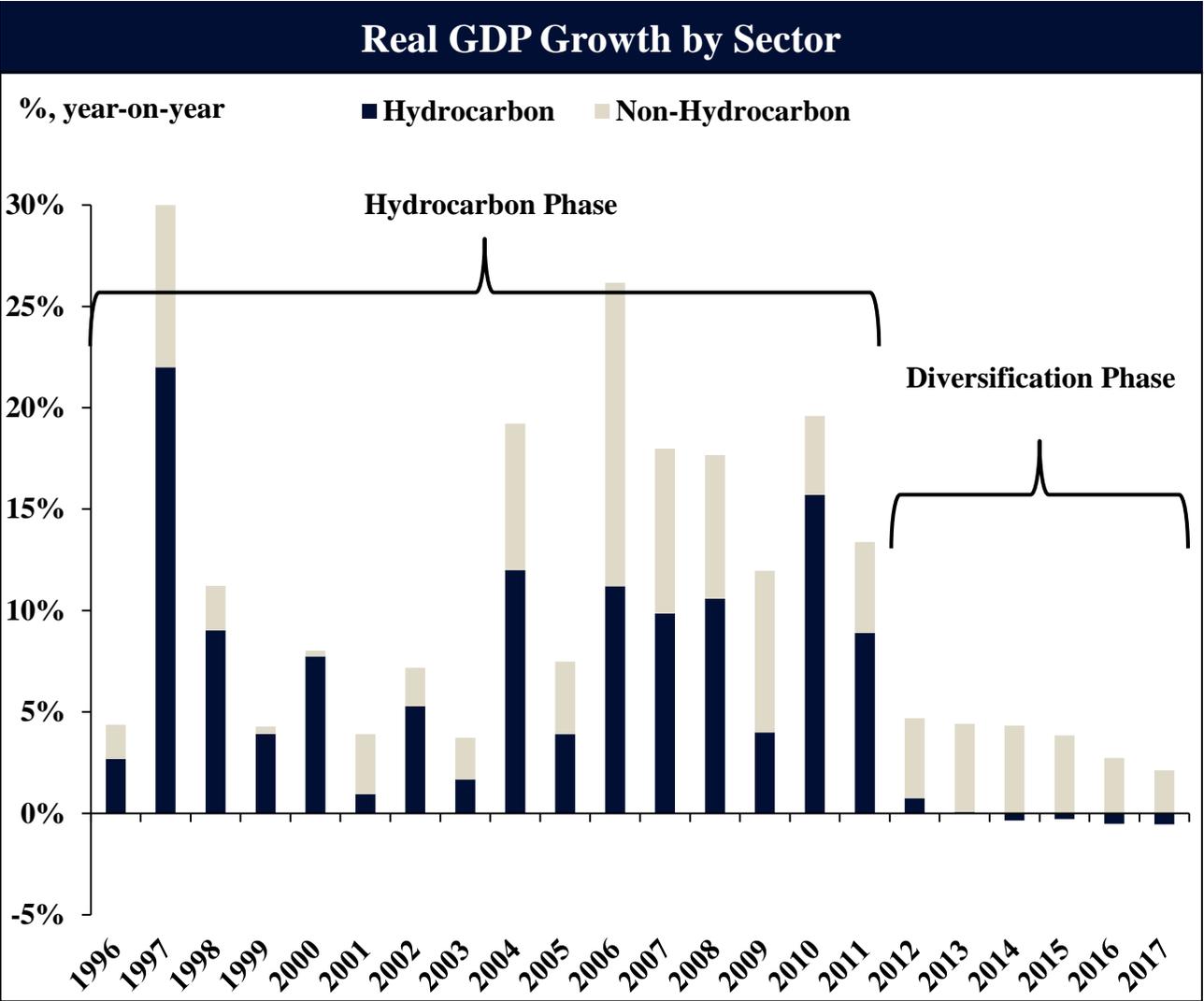
k USD PPP



• At current extraction rates, Qatar's proven gas reserves would last for another 135 years

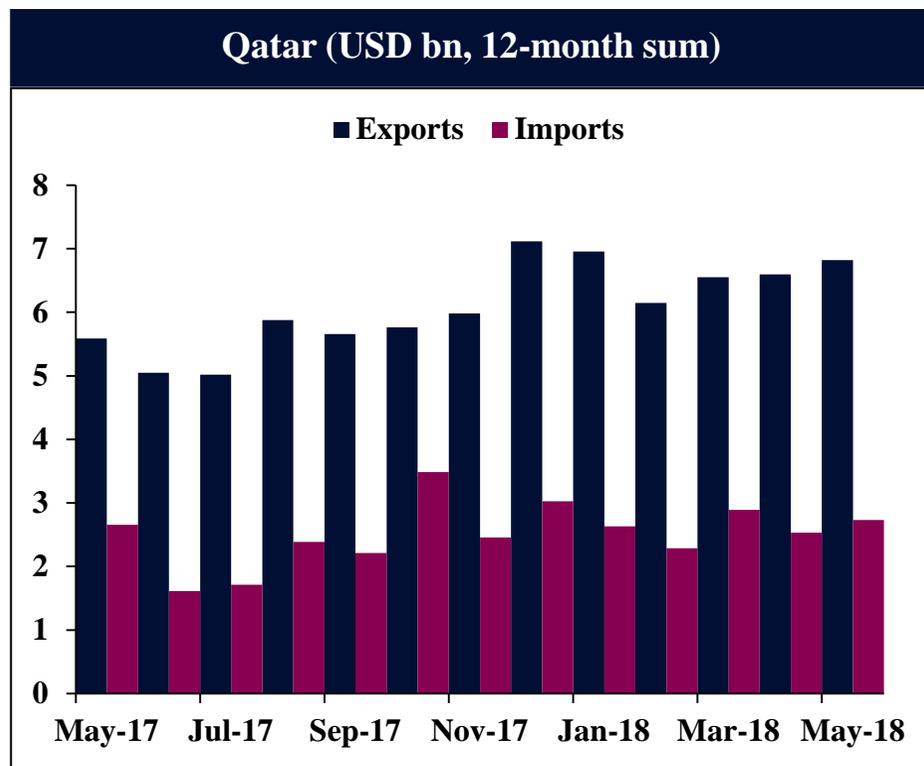
• Development of the hydrocarbon sector has made Qatar the world's richest country

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 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 (2015-2017, %)

	2015	2016	2017
Capital Adequacy			
Tier 1 capital/risk-weighted assets	15.2	15.7	16.5
Regulatory capital/risk-weighted assets	15.6	16.1	16.8
Asset Quality			
Non-performing loans/capital	1.9	1.7	1.7
Non-performing loans/total loans	1.6	1.3	1.6
Liquidity			
Liquid assets/total assets	28.5	29.6	28.2
Total loans/total deposits	112.4	113.7	108.8
Total loans/total assets	67.5	66.7	67.1
Profitability			
Return on assets	2.0	1.7	1.5
Return on equity	16.2	14.6	13.9

- Financial system remains resilient and healthy
- Capital adequacy and liquidity metrics improved in 2017 while asset quality was steady
- Robust public-sector deposit mobilization helped drive overall deposit growth at 13.2% in 2017

Qatar remains one of the highest rated sovereigns in the world

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									
	Aa3	Qatar, Belgium, Chile, Taiwan, Macau, Cayman Islands, Faroe Islands									
	A1	China, Japan, Saudi Arabia, Estonia, Czech									
	A2	Bermuda, Slovakia, Poland, Botswana, Ireland									
	A3	Iceland, Mexico, Latvia, Lithuania, Malaysia, Malta, Peru									
	Baa1	Thailand, Slovenia, Mauritius									
	Baa2	India, Italy, Spain, Uruguay, Philippines, Bulgaria, Panama, Colombia									
	Baa3	Oman, Hungary, South Africa, Kazakhstan, Bahamas, Romania, Indonesia									
Non-Investment Grade											
Ba1	Ba2	Ba3	B1	B2	B3	Caa1	Caa2	Caa3	Ca	C	

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

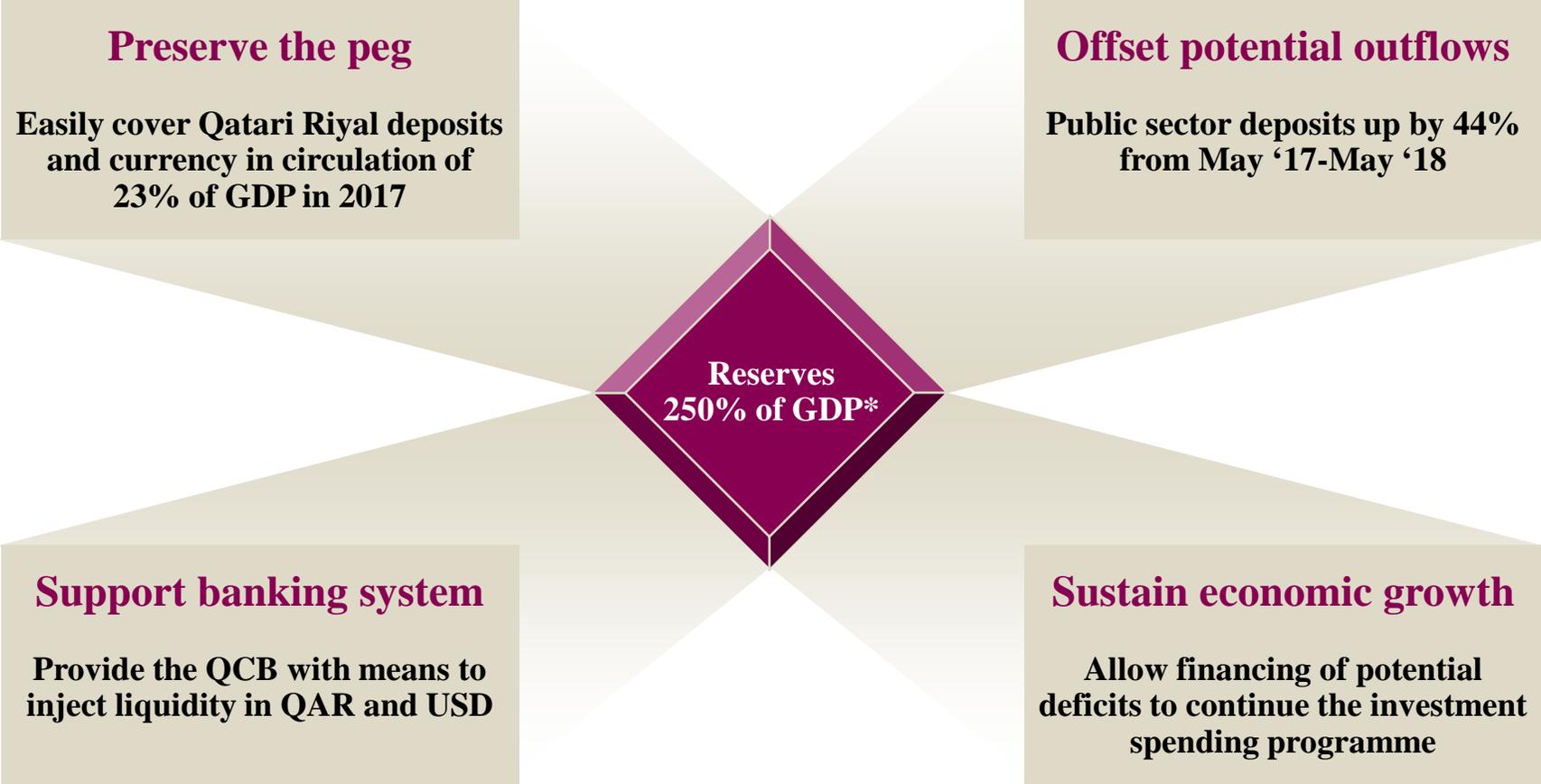
Qatar’s large infrastructure investment programme remains undisrupted; new potential for further investment is arising in the medium to long-term

Project Pipeline			
	Project	Budget (bn USD)	End
Cons- truction	Lusail Mixed-Use Development	45.0	2022
	Education City	9.0	2019
	Qetaifan Island North	3.0	2023
Transport	Qatar Integrated Rail	40.0	2026
	Hamad International Airport, Phase I & II	23.5	2020
	Ashghal Expressway Programme	20.0	2020
	Ashghal Local Roads & Drainage	14.6	2022
Oil and Gas	Bul Hanine Oilfield Redevelopment	11.0	2021
	Barzan Gas Development	10.3	2023

Potential Investment Opportunities

- New investment sectors are opening up to support self sufficiency, such as:
 - 1) **Transport and logistics:** to build on increased activity at Hamad port
 - 2) **Food production:** to create large-scale dairy and poultry facilities
 - 3) **Tourism:** to relax visa regulations and investment in new leisure facilities
 - 4) **LNG:** to build infrastructure to enable the planned 30% increase in LNG production in 5-7 years time

With sustainable and growing reserves Qatar can maintain the peg, offset outflows, support banks and continue its investment spending



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