



Investor Relations Presentation

September 2016

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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

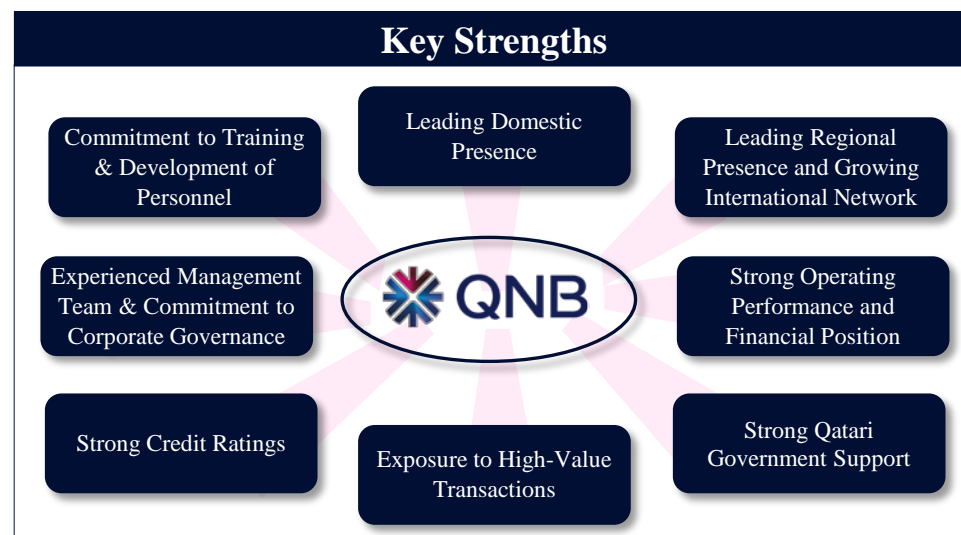
Overview	<ul style="list-style-type: none"> Established in 1964 as the first Qatari owned bank Owned (50%) by the Government of Qatar via the Qatar Investment Authority (QIA) Largest bank in Qatar by market cap., assets, loans, deposits and profit Largest bank in MEA by total assets, loans, deposits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

Presence	<ul style="list-style-type: none"> QNB Group, subsidiaries and associate companies operate in more than 30 countries around the world across 3 continents, through more than 1,200 locations, supported by more than 4,300 ATMs and employing more than 27,300 staff.¹
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Stock/Share Parameters	<ul style="list-style-type: none"> Listed on Qatar Exchange (QNBK) Market cap. of USD36.0bn Share price of USD42.85 per share Price to Book 2.1x (31-Dec-15) Price to Earnings 10.9x (31-Dec-15)
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Financials ² (in USD billion)			
	2016	2015	5yr CAGR
Total Assets	195.9	143.1	21%
Loans & Advances	139.3	100.7	25%
Deposits	137.5	104.7	21%
Operating Income ³	4.82	3.40	20%
Profit ⁴	2.65	2.40	12%
Coverage Ratio	130%	127%	-
NPL Ratio	1.8%	1.5%	-
Net Interest Margin	2.92%	2.82%	-



1: Source: QNB



2: Source: September 2016 Financial Report

3: Operating Income includes Share of Results of Associates







4: Profit Attributable to Equity Holders of the Bank

QNB's International Footprint

Sub-Saharan Africa

-  **South Sudan:** (1 Branch)
-  **Togo:** (1,268 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)
-  **Myanmar:** (1 Representative office)





North Africa

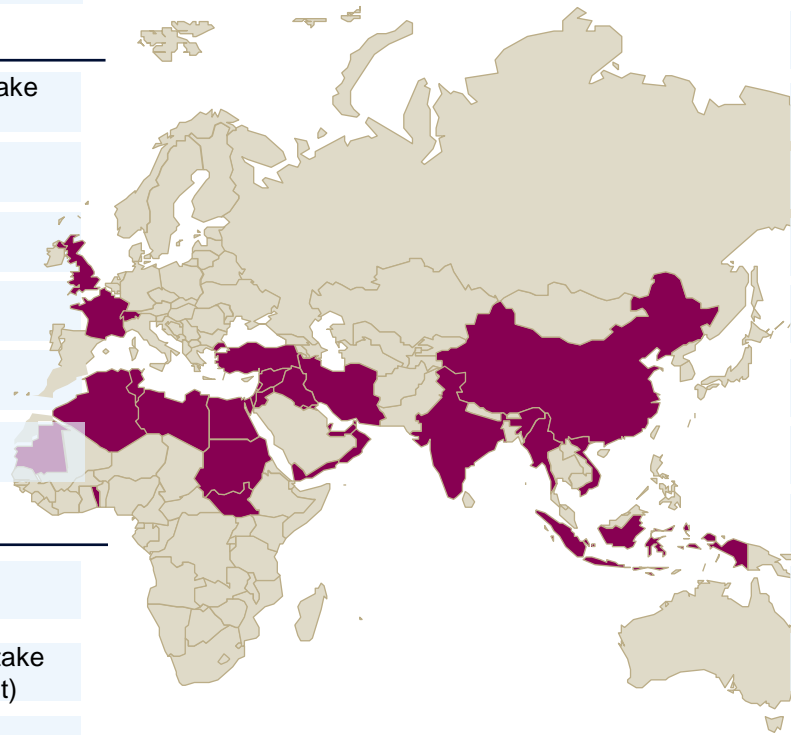
-  **Egypt:** (201 Branches, 97.1% stake in QNB ALAHLI)
-  **Libya:** (36² (+1²) Branches, 49.0% stake in Bank of Commerce & Development)
-  **Tunisia:** (34 Branches, 99.9% stake in QNB Tunisia)
-  **Sudan:** (6 Branches)
-  **Algeria:** (7² Branches)
-  **Mauritania:** (1 Branch)

Middle East

-  **Qatar:** (67 Branches)
-  **Jordan:** (130² (+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:** (13² Branches)
-  **Iraq:** (9 (+1²) Branches, 50.8% stake in Bank Mansour)
-  **Oman:** (6 Branches)
-  **Bahrain:** (1² (+1²) Branch)
-  **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)
-  **Turkey:** (629 Branches, 99.88% stake in Finansbank A.Ş.)



1: Ecobank share of 20.0%, as at 30 September 2016, includes ordinary shares and QNB's convertible preference shares. The branch data for Ecobank is as at 31 December 2015.
 2: Includes the branches / representative offices from subsidiaries and associates
 3: Dormant

Rating Excerpts

**STANDARD
& POOR'S**
RATINGS SERVICES

“A+”

“Our stable outlook on Qatar National Bank (QNB) reflects the bank’s resilient financial performance supported by its core franchise in Qatar as well as its expected extraordinary support from the Qatari Government”

May 31st, 2016

MOODY'S

“Aa3”

“The standalone rating reflects: (1) consistently high profitability levels, supported by QNB's dominant market position and government relationships; (2) strong asset quality and sound capitalisation; (3) strong funding and liquidity metrics supported by growth in both its domestic private and international deposit base and (4) increasing business diversification derived from non-domestic operations.”

May 20th, 2016

FitchRatings “AA-”

“Profitability is stronger than that of most peers. Risk appetite is fairly conservative despite rapid growth and expansion into some higher-risk markets. We note however that QNB has a good track record of integrating and managing subsidiaries in weaker operating environments”

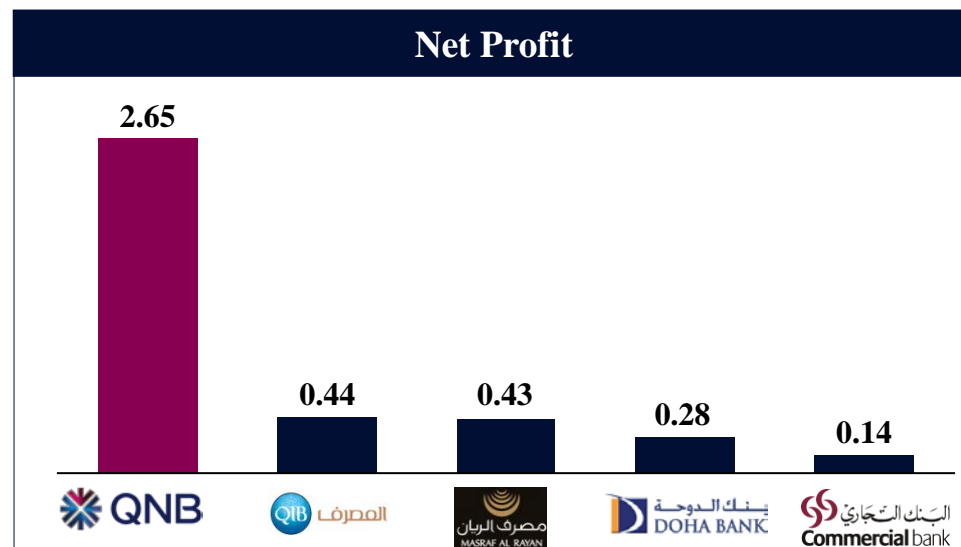
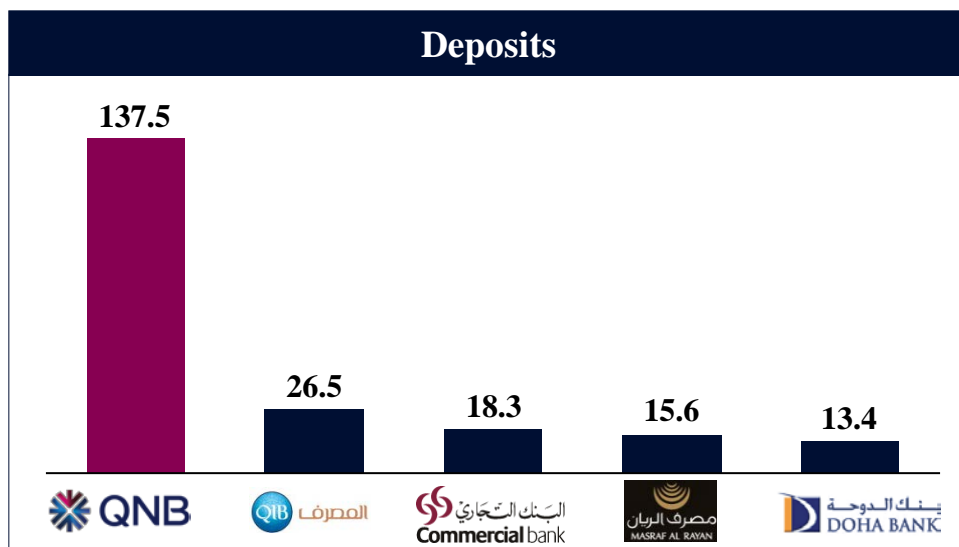
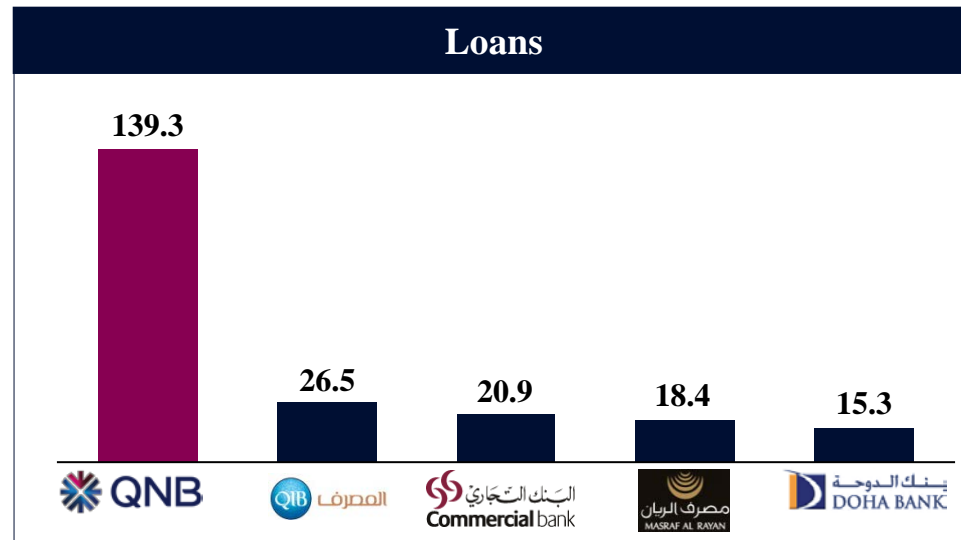
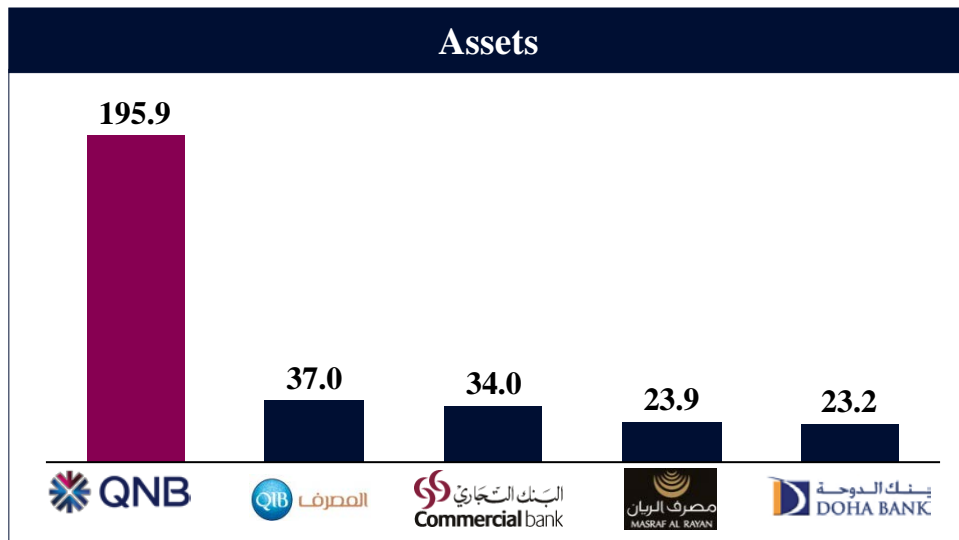
April 21st, 2016



QNB Comparative Positioning – Qatar and MEA

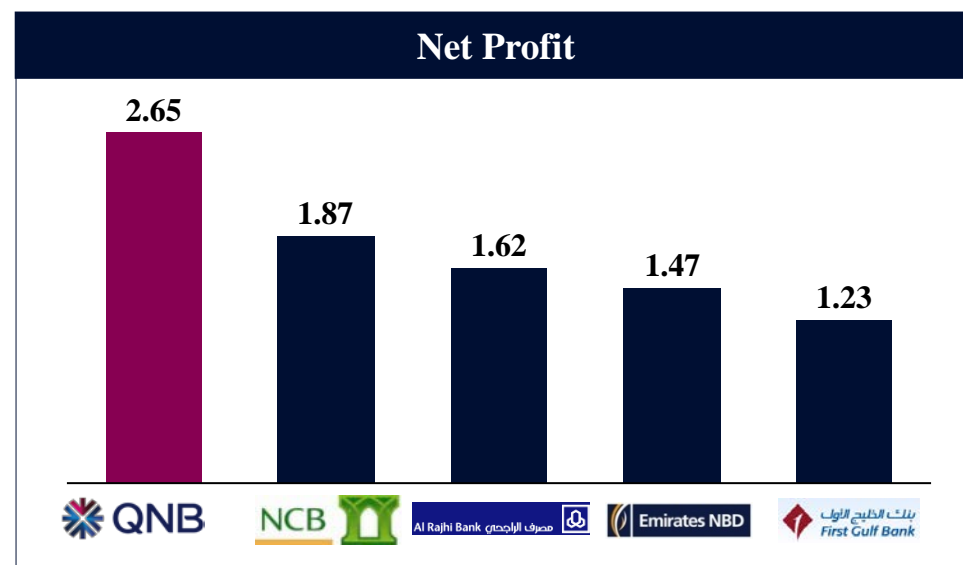
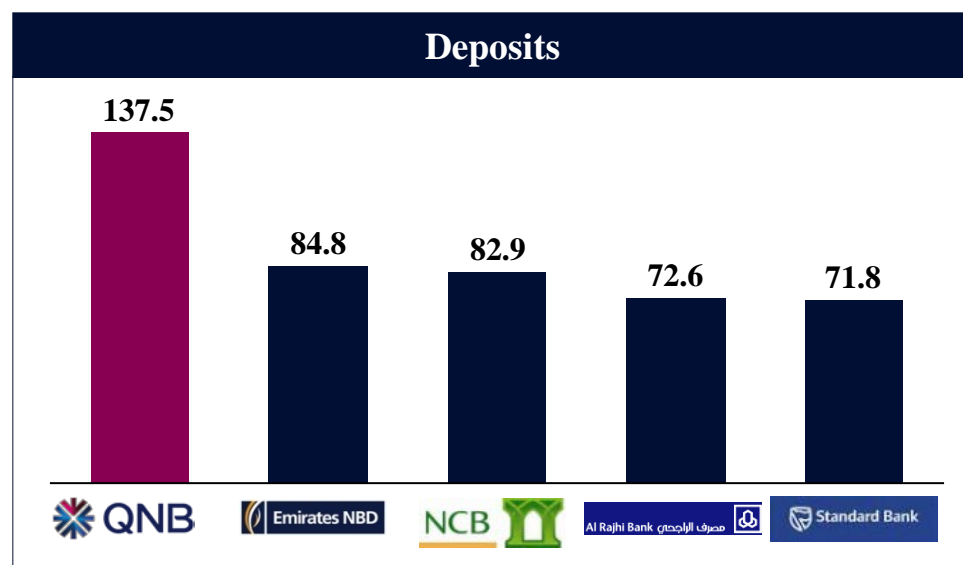
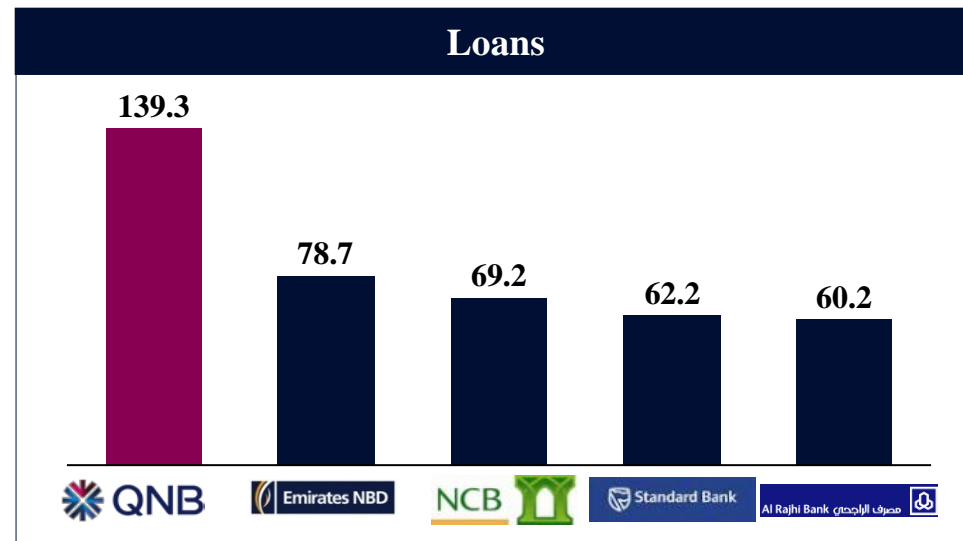
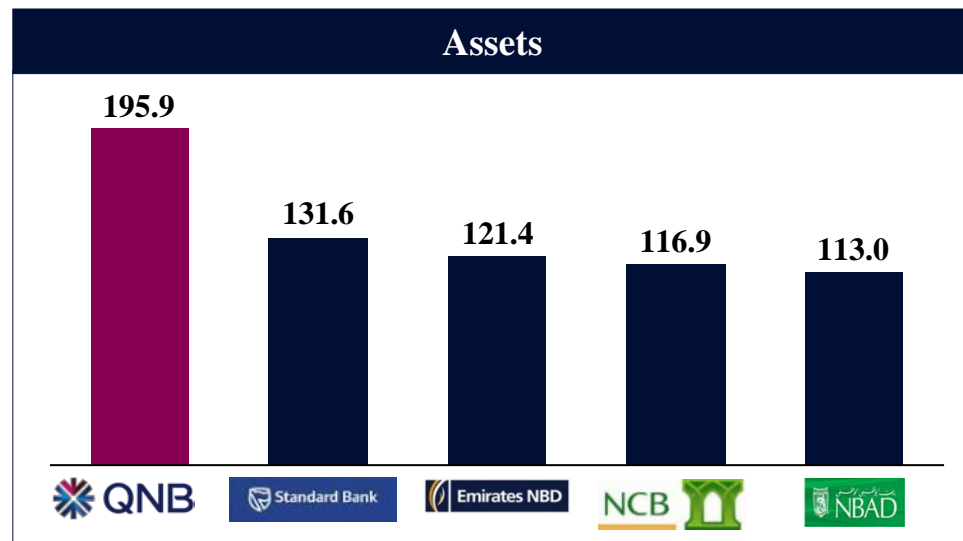
Top 5 Domestic Banks – September 2016

QNB continues to excel in the domestic market



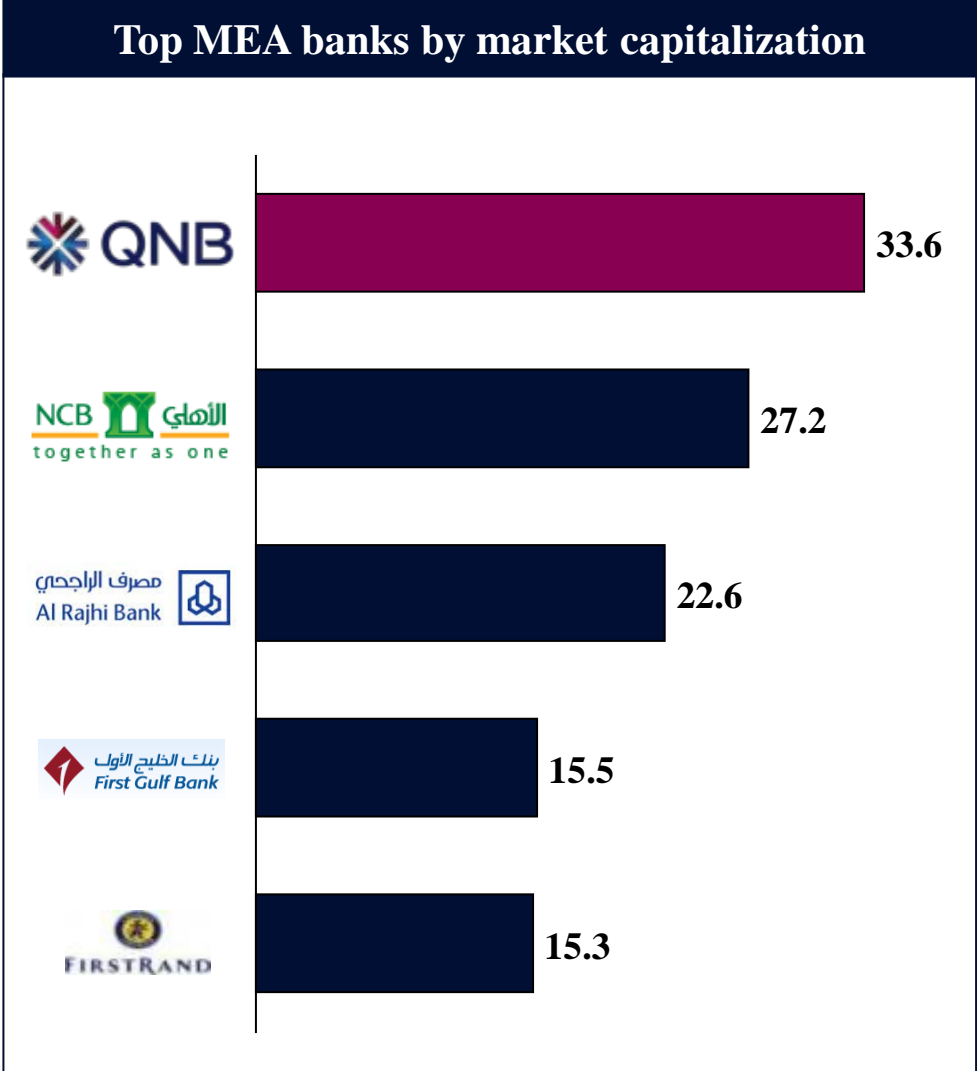
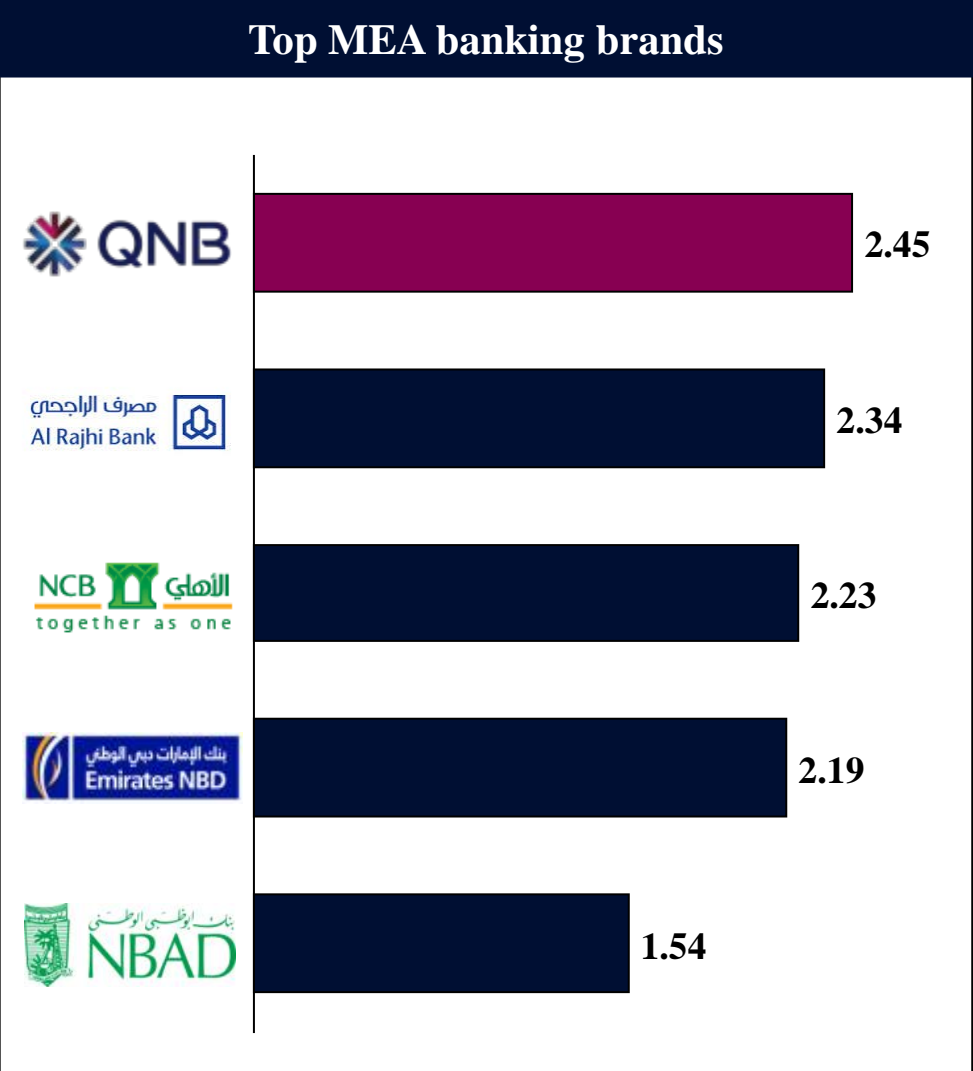
Top 5 MEA Banks – September 2016

QNB improved its position as the leading bank in the region



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-15)




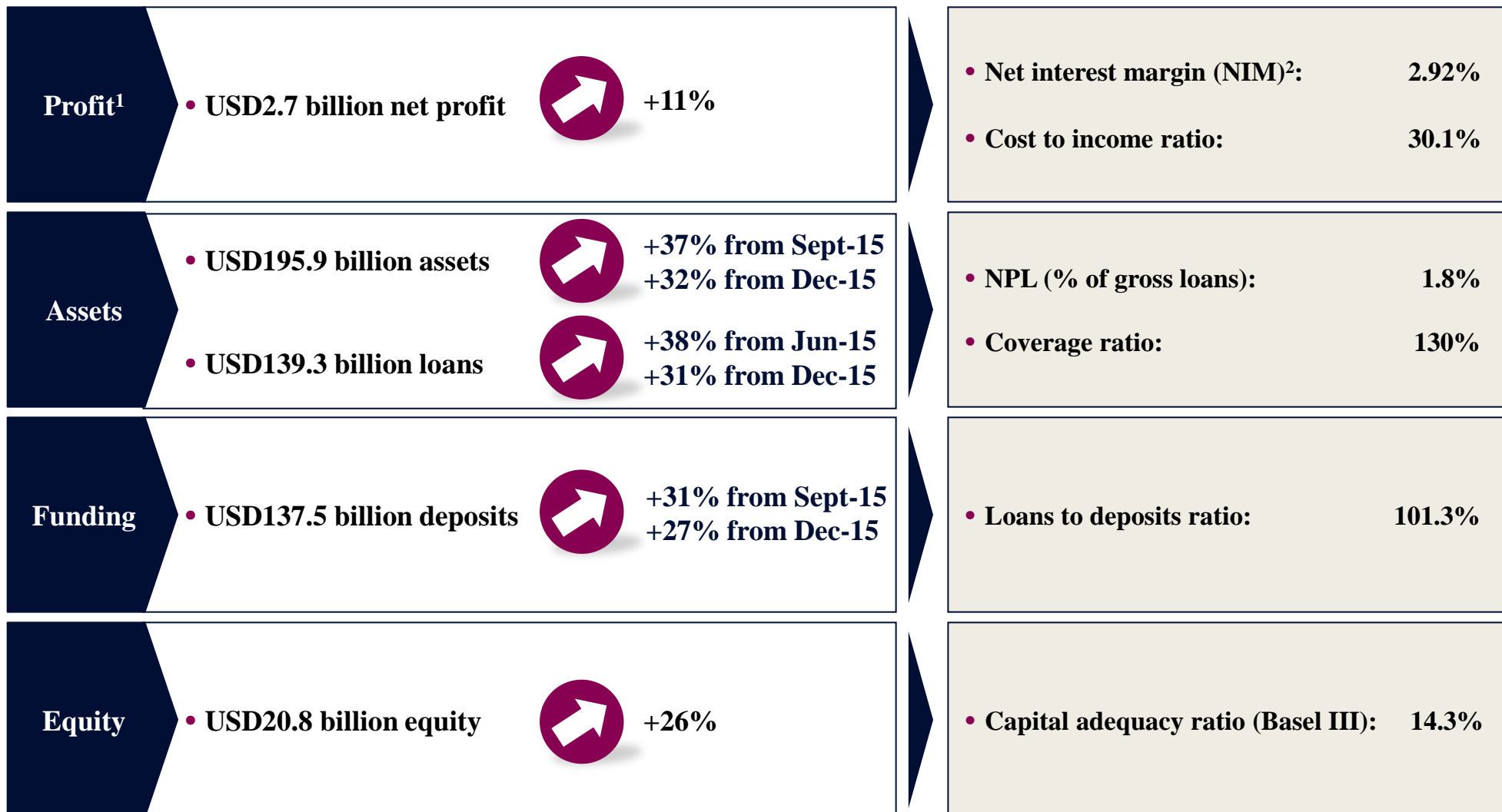


Financial Highlights – as at 30 September 2016

QNB continues to demonstrate sustainable profitable growth

Financial Highlights (as at 30 September 2016)

 Growth vs. September 2015




Source: September 2016 Financial Report

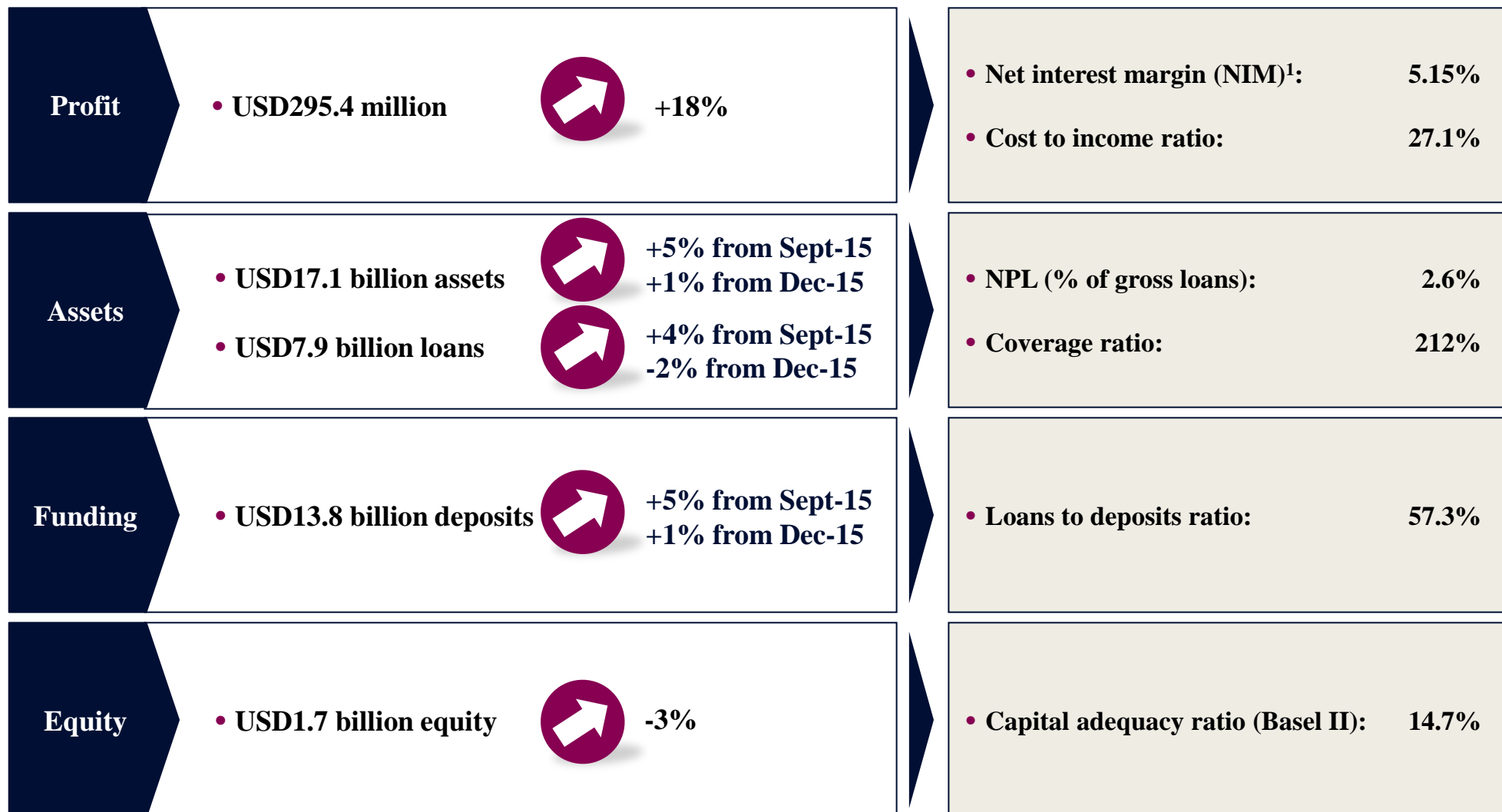
1: Profit Attributable to Equity Holders of the Bank

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

QNB ALAHLI


Highlights (as at 30 September 2016)

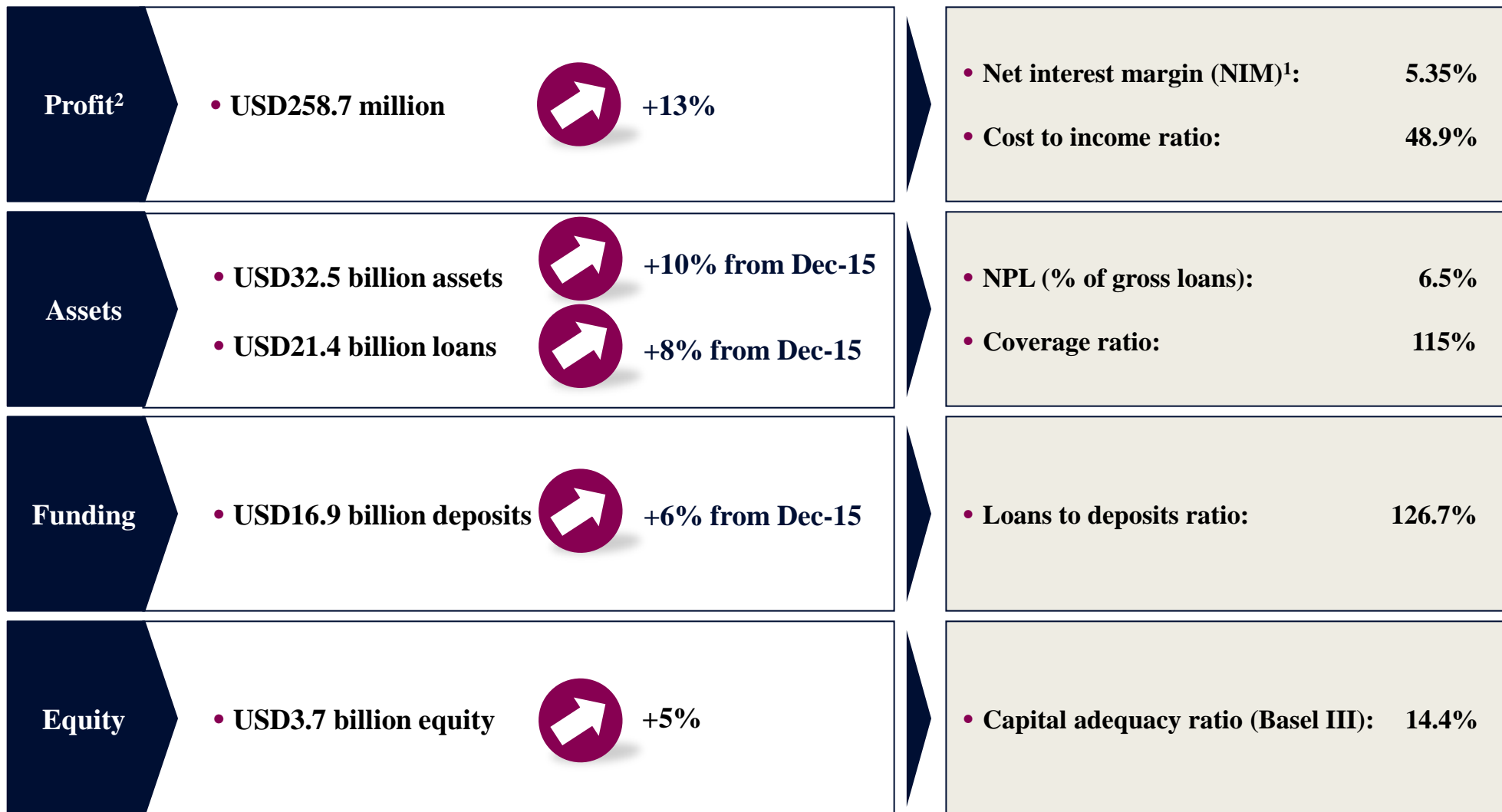
 Growth vs. September 2015



Finansbank A.Ş.

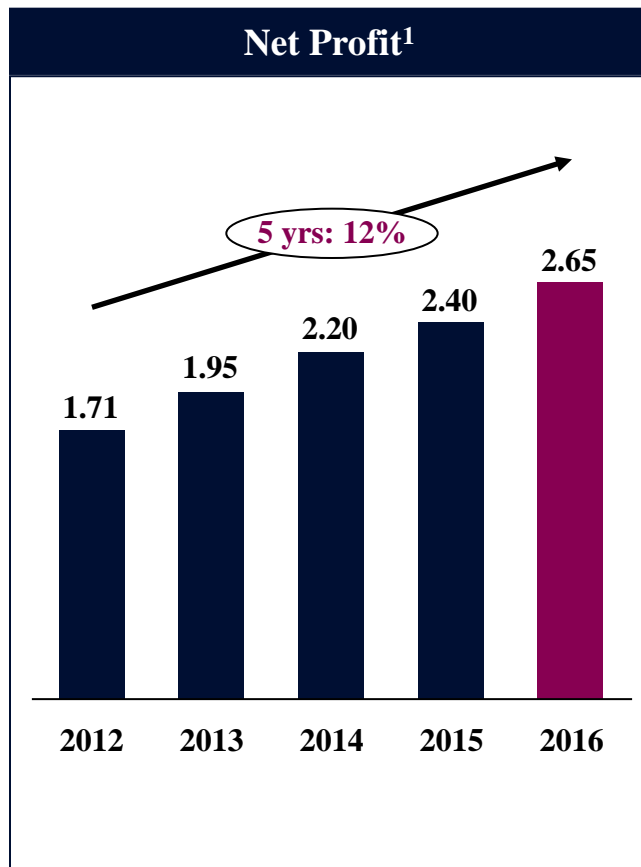
Highlights (as at 30 September 2016)

 Growth vs. September 2015

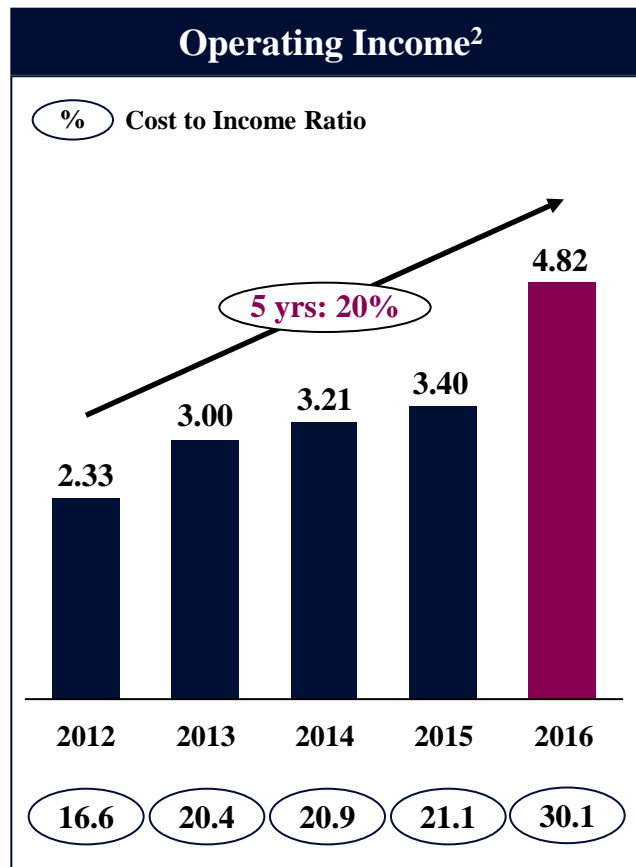


Strong profitability growth

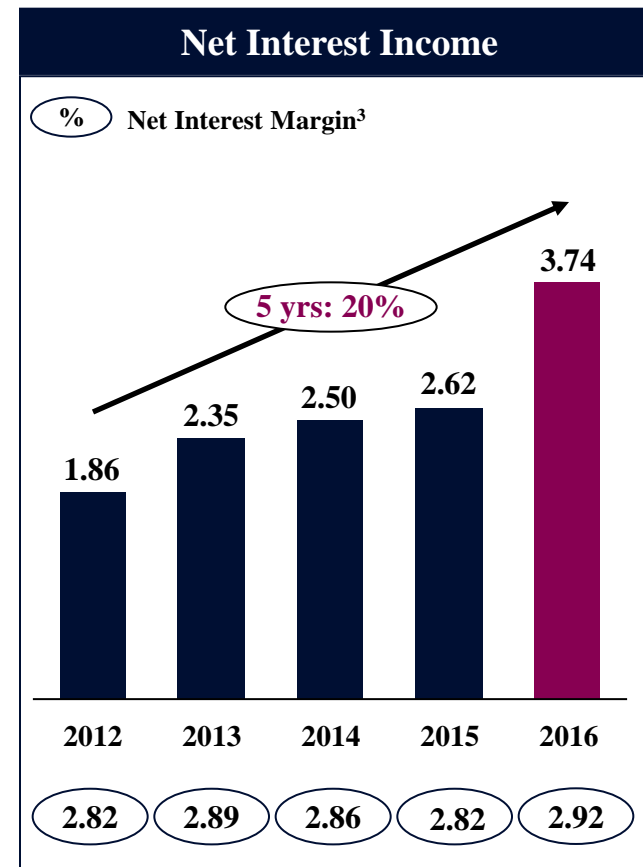
Income Statement Breakdown (USD billion as at 30 September)



- Net profit increased 11% from Sept. 2015
- 2011-2016 CAGR of 12%



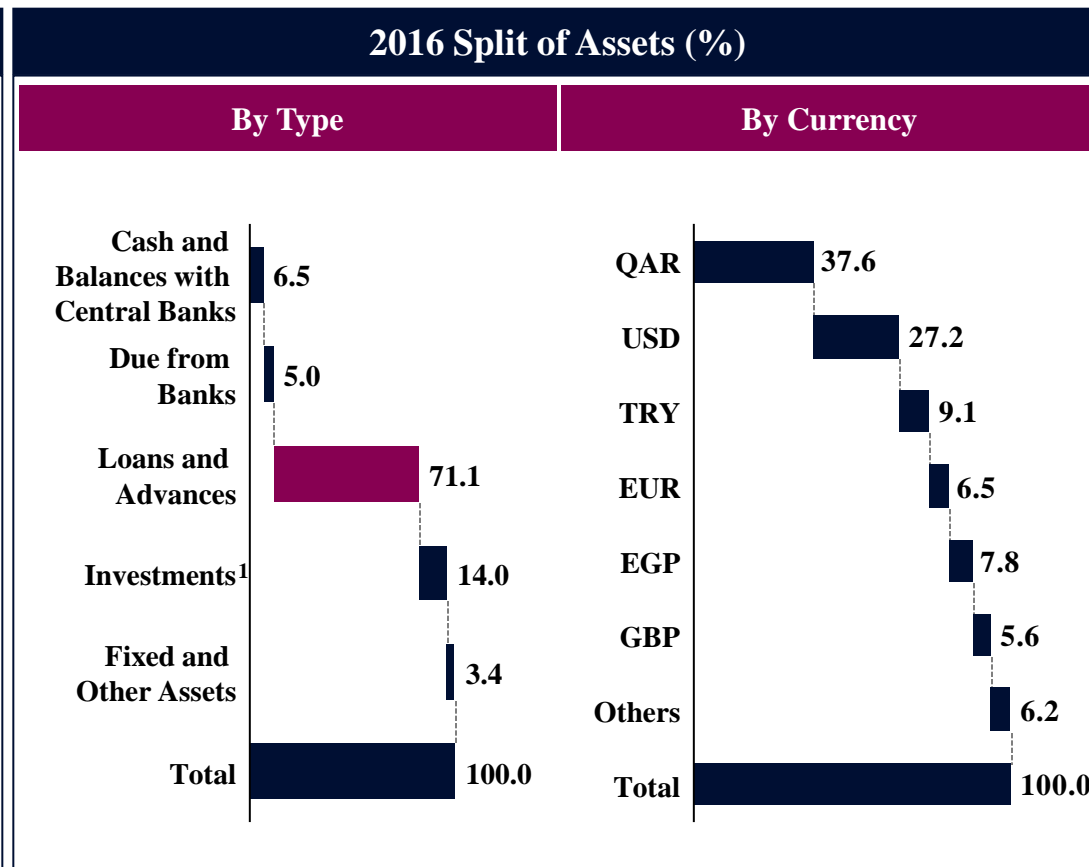
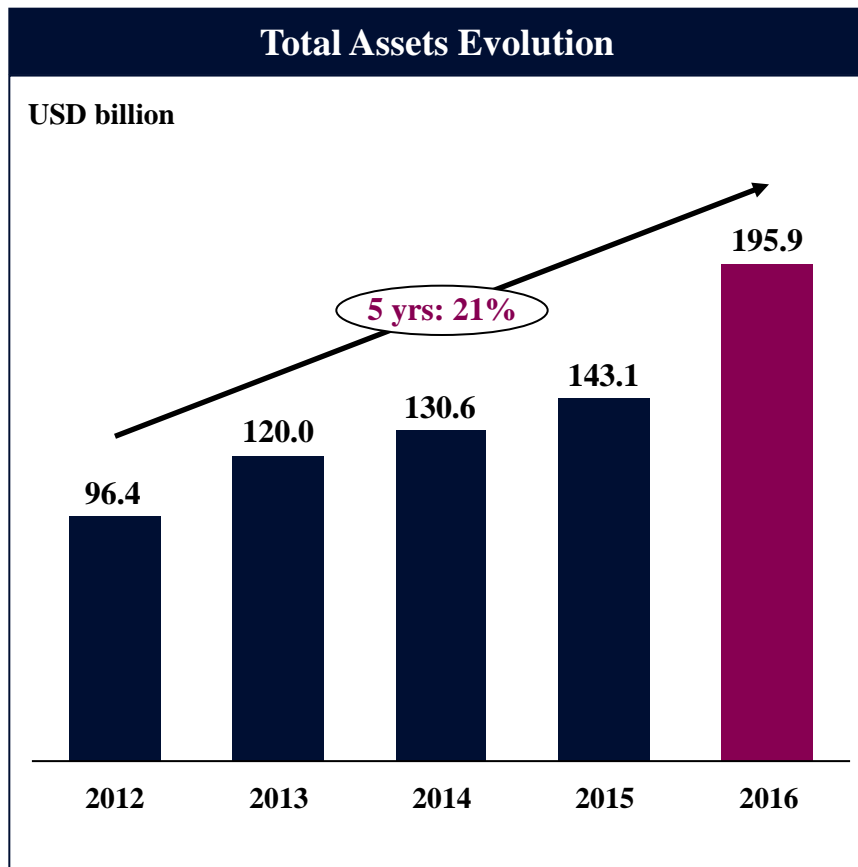
- Operating income increased 42% from September 2015
- 2011-2016 CAGR of 20%



- NII increased 43% from September 2015
- 2011-2016 CAGR of 20%

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

Assets Analysis (as at 30 September)

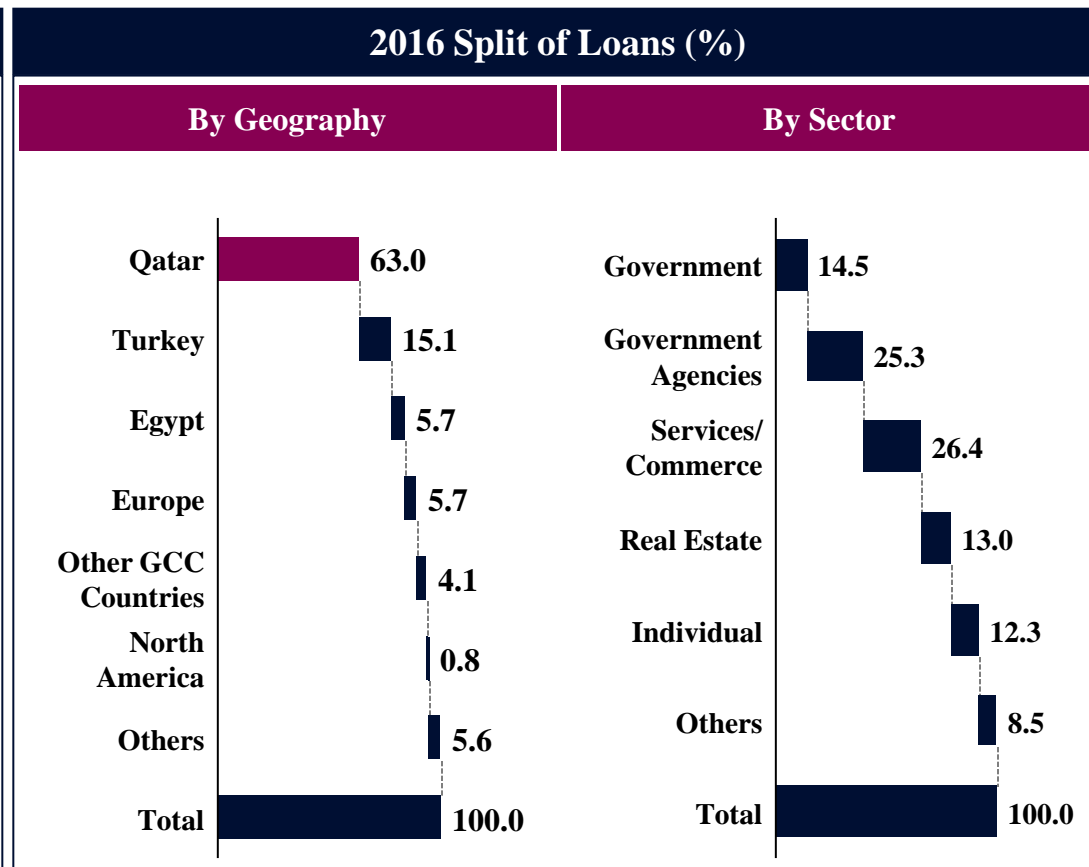
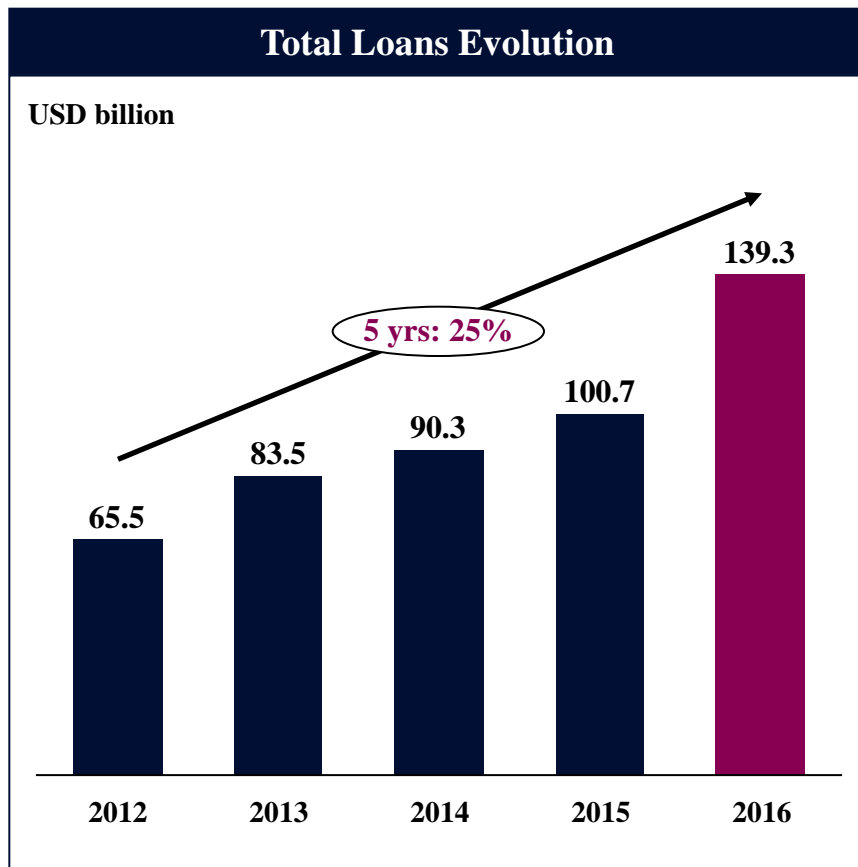


- Assets increased 37% from September 2015
- 2011-2016 CAGR of 21%

- Loans and advances represent 71% of total assets
- USD and QAR currencies account for 65% of total assets

Good loan growth

Loans Analysis (as at 30 September)

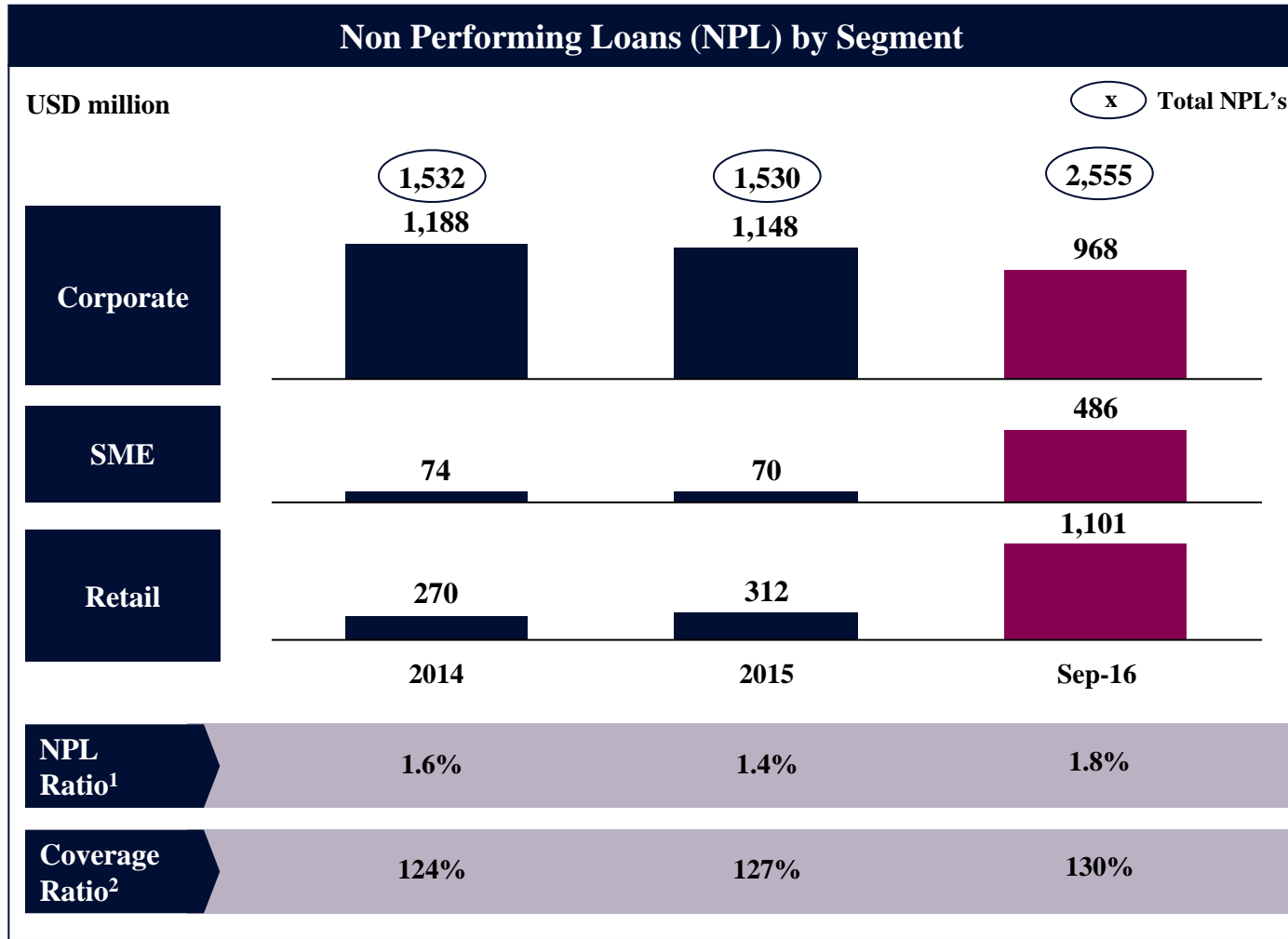


- Loans increased 38% from September 2015
- 2011-2016 CAGR of 25%

- Loans denominated in USD represent 32% of total loans
- Loan exposures are of a high quality with 40% concentration to Government and public sector entities

High quality lending portfolio is highlighted by low NPL ratios

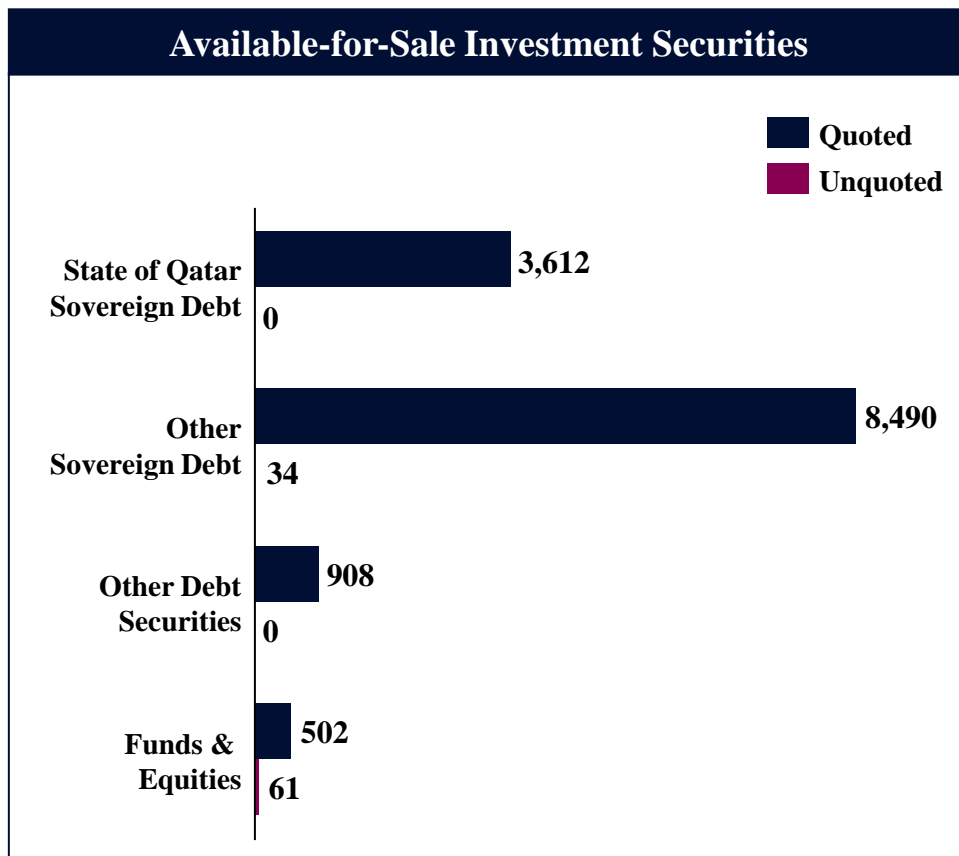
Asset Quality Analysis (as at December unless stated)



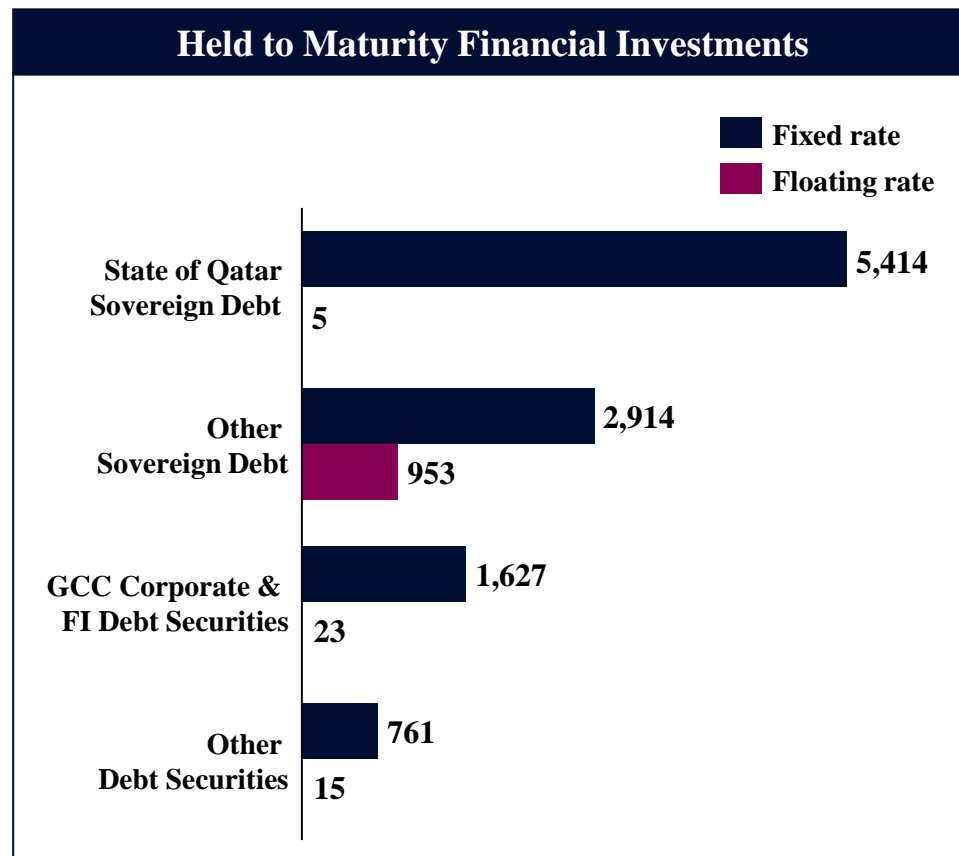
- QNB has continued to increase its provisions in response to the global economic situation
- The bank's coverage ratio has remained robust amidst the economic slowdown, with a coverage of 130% as at 30 September 2016
- Past dues are NPL after 90 days
- There is the additional security of a risk reserve of USD1,373 million which is greater than the 2.5% QCB requirements

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

Investments Analysis (USD million as at 30 September 2016)



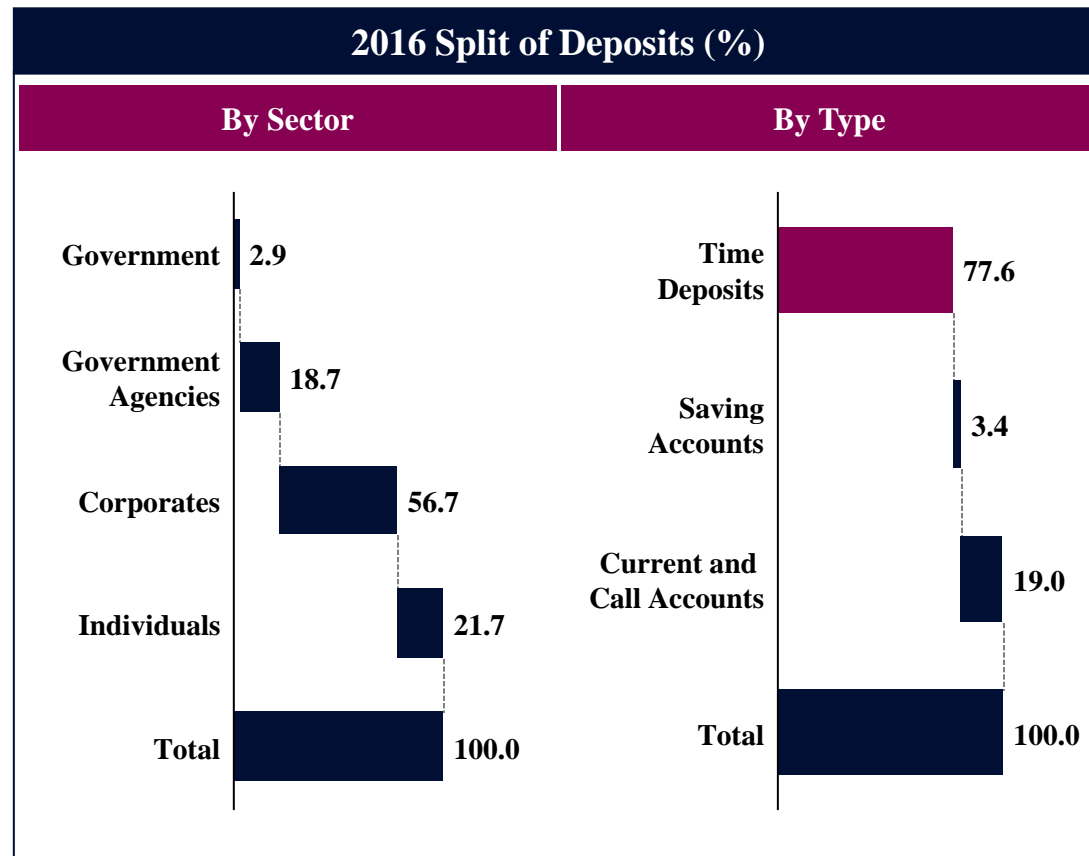
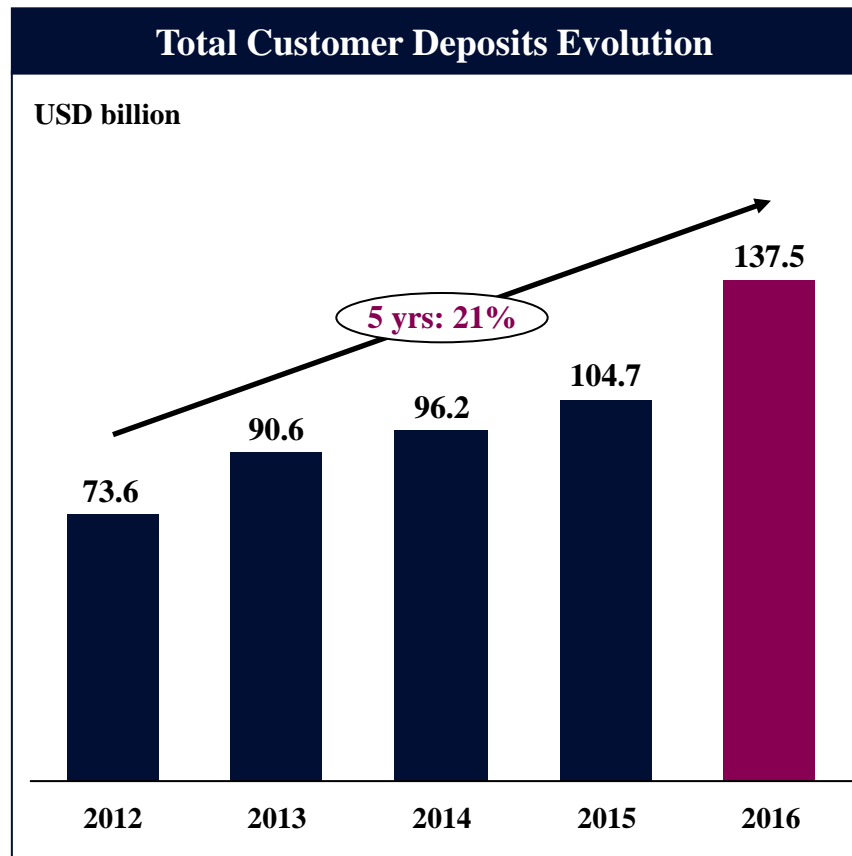
- Quoted securities account for 99% of Available-for-Sale Investment securities



- Majority of Other Sovereign Debt is Government Guaranteed

Robust growth in customer deposits and funding

Funding Analysis (as at 30 September)

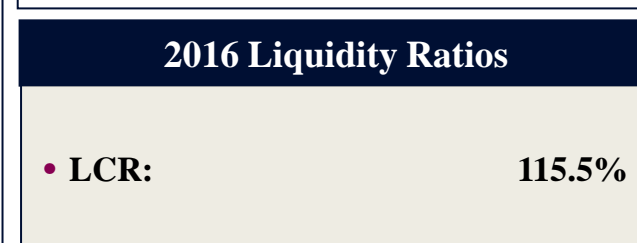
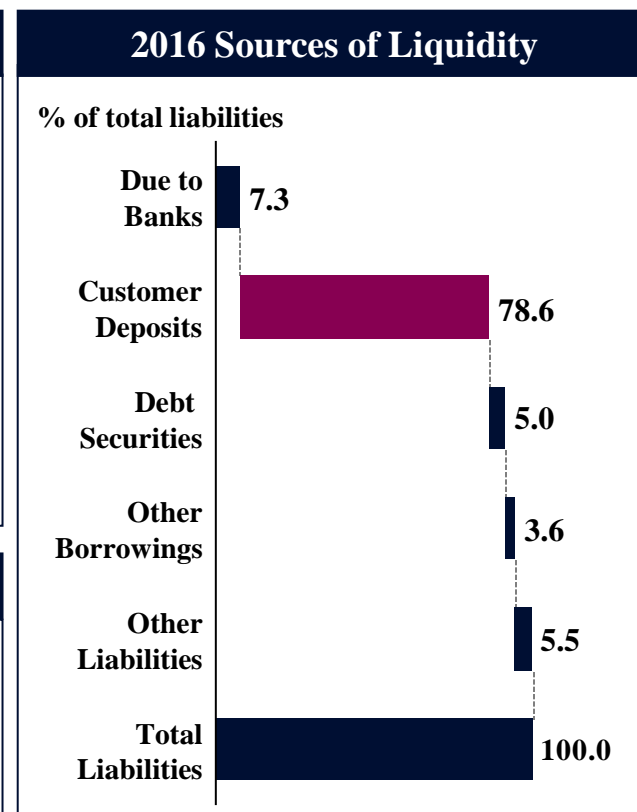
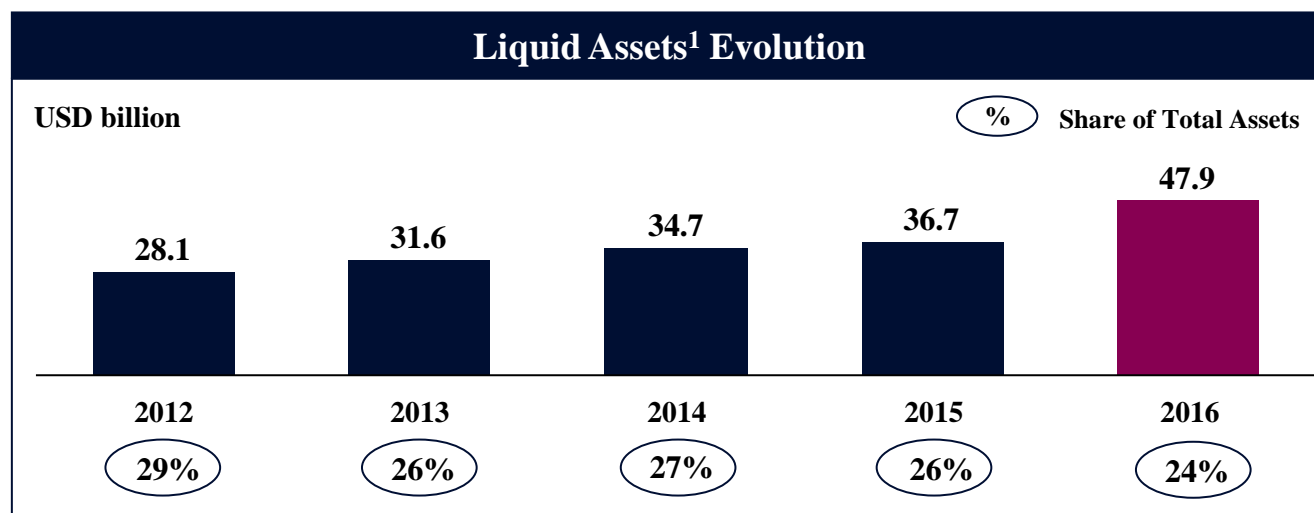
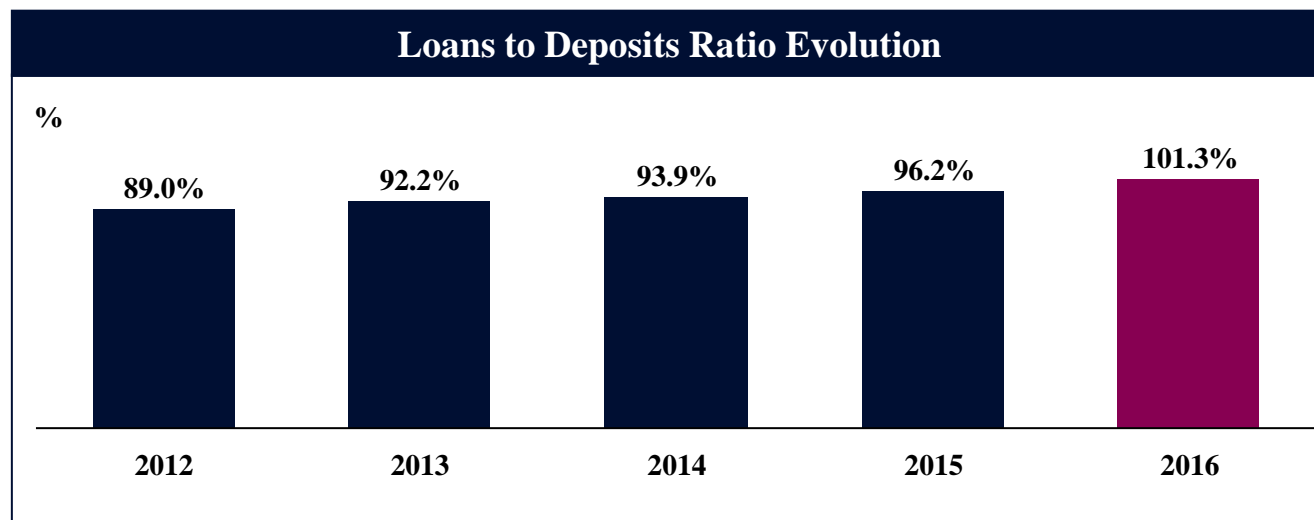


- Deposits increased 31% from September 2015
- 2011-2016 CAGR of 21%

- QNB remains the public sector's preferred bank
- USD, TRY and EGP denominated deposits represent 39%, 7% and 8% of total deposits respectively

Solid liquidity profile

Liquidity Analysis (as at 30 September)



Sources of Institutional Funding

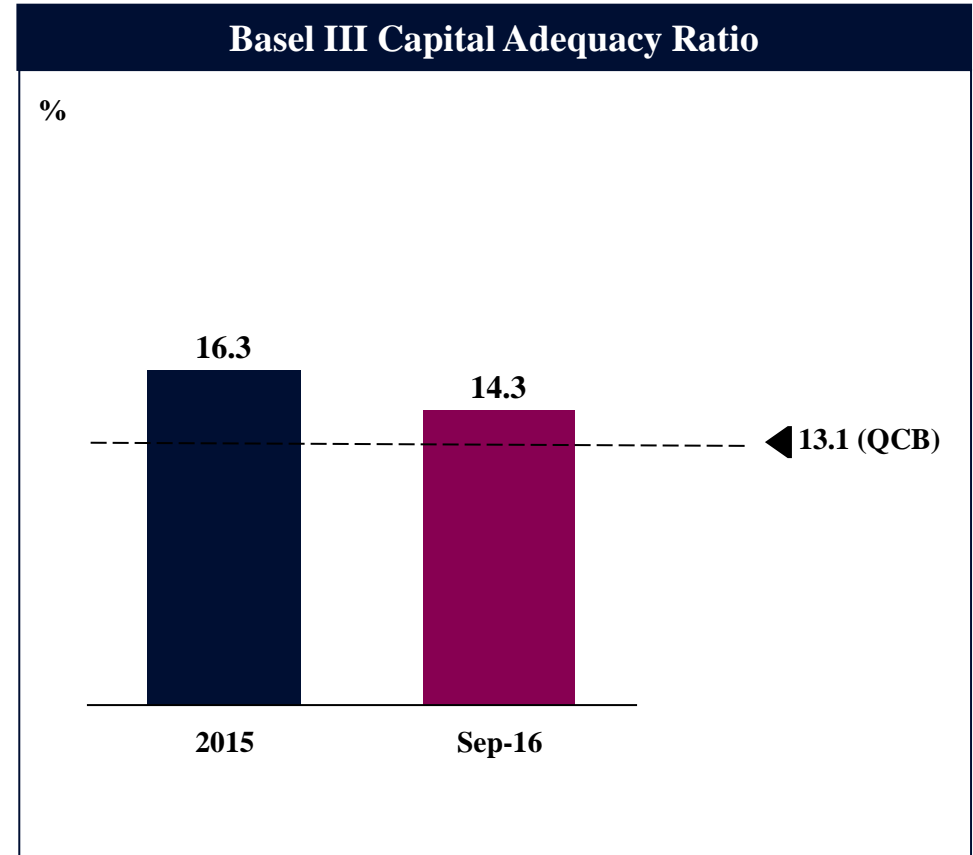
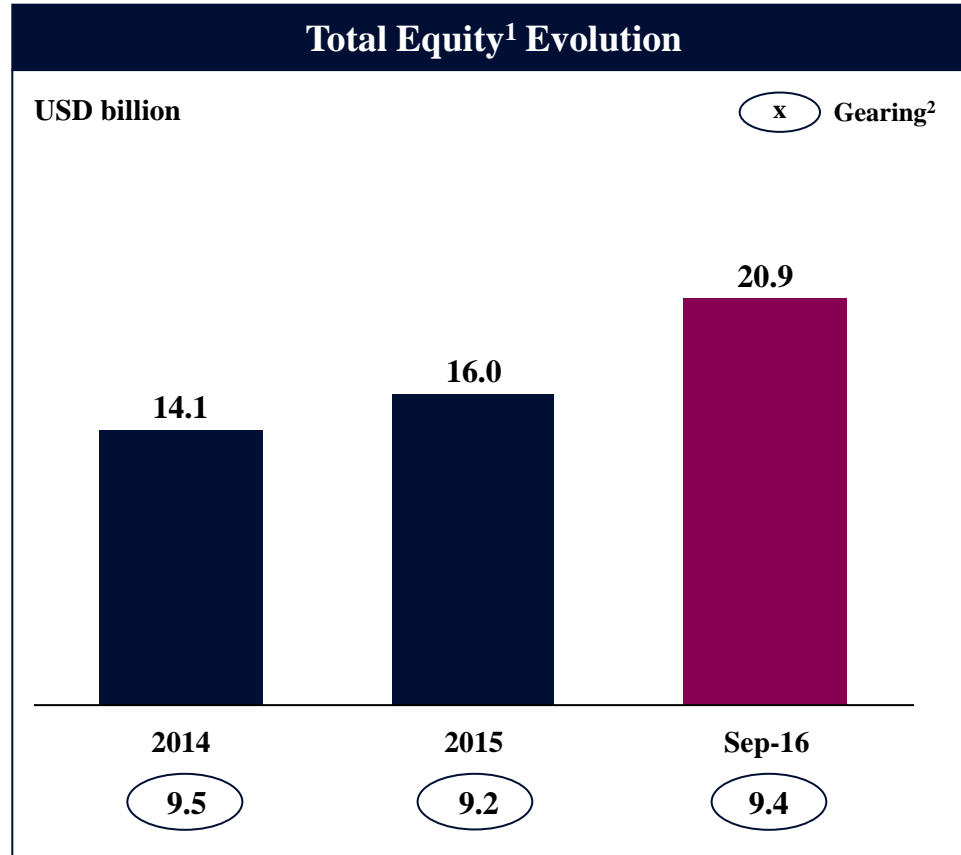
EMTN and Certificate of Deposits

EMTN ¹	
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 11.8 billion
Currencies	<ul style="list-style-type: none"> Issued in AUD, CHF, CNY, EUR, HKD, JPY, SGD 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 and Standard Chartered Bank
Market Awards	<ul style="list-style-type: none"> 2016 mtn-i award for '2016 Rising Star – Asia MTN Issuer'
Allocation from Last Issuance	<ul style="list-style-type: none"> Asia 31% / Europe: 37% / Middle East: 29% / Others 3%

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 10.7 billion
Average Life	<ul style="list-style-type: none"> Average residual life of 91 days
Currencies	<ul style="list-style-type: none"> Issuances in CHF, EUR, GBP, JPY, USD and other currencies available on request
Dealers	<ul style="list-style-type: none"> Bank of America Merrill Lynch, Barclays Bank plc, Citigroup Global Markets Limited, ING Bank NV, BRED Banque Populaire 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)



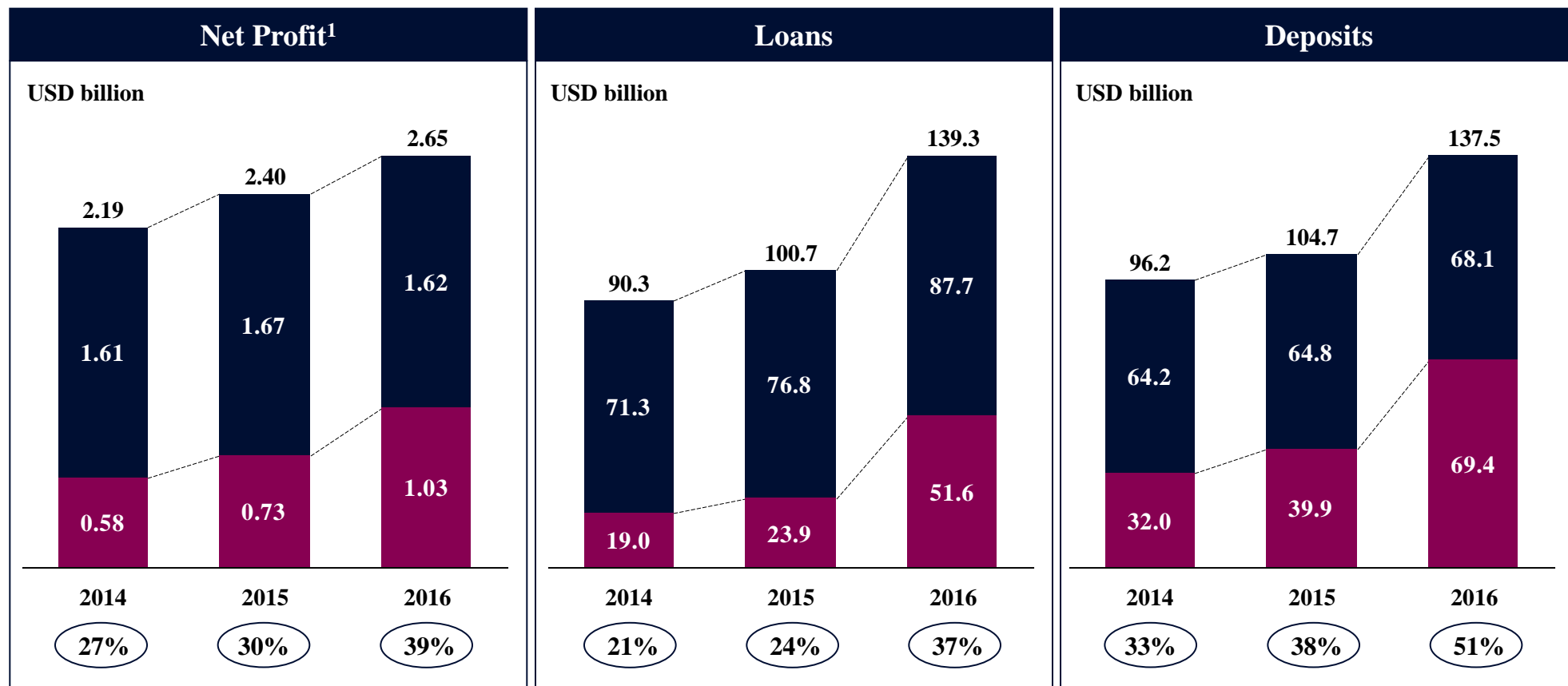
- Capital base has been regularly increased in line with the strong performance of QNB's balance sheet

- Capital adequacy ratio is above QCB and Basel III requirements including the applicable DSIB buffer of 0.625% for 2016

Increasing geographical diversification positively contributes to growth

Geographical Contribution (as at 30 September)

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

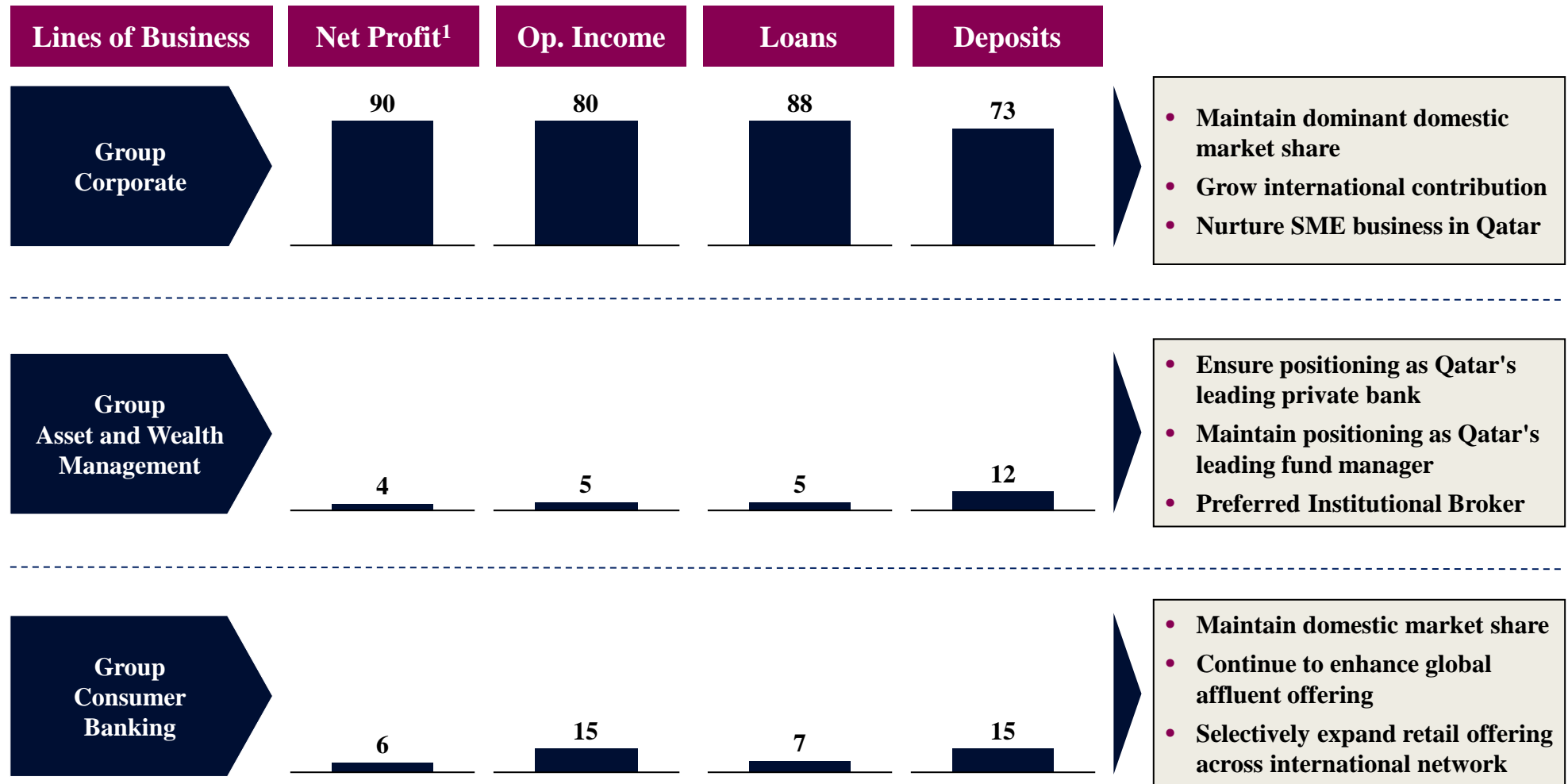


- Profit from international operations increased by USD445 Mn (76%) from 2014 to 2016

- Loans from international operations increased by USD32.5 Bn (171%) from 2014 to 2016
- Deposits from international operations increased by USD37.4 Bn (117%) from 2014 to 2016

Diversifying business mix will bolster sustainable growth

Business Mix Contribution (% share as at 30 September 2016)



QNB Group Financials

Key data (as at 30 September 2016)

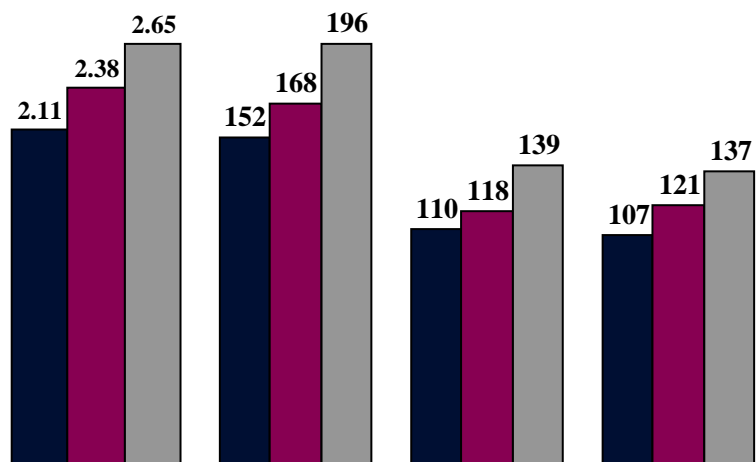
■ QNB ■ QNB incl. QNB ALAHLI ■ QNB incl. Finansbank

○ Contribution of QNB AA

□ Contribution of Finansbank

Financials

USD billion



10.8%

9.7%

8.7%

16.6%

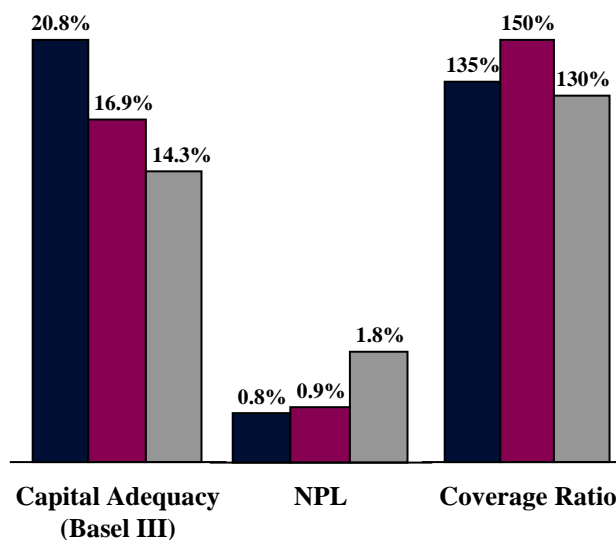
5.7%

15.4%

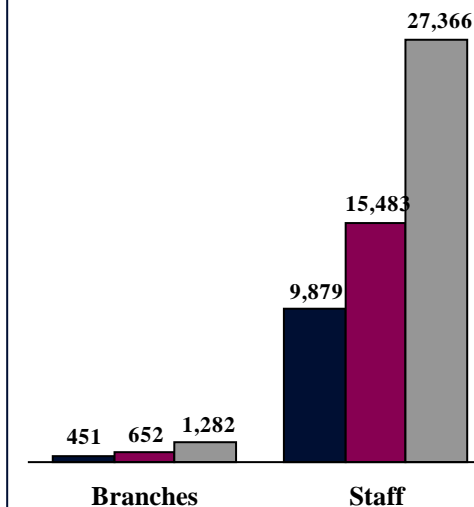
10.0%

12.3%

Ratios



Presence



- Results finalised under International Financial Reporting Standards (IFRS)
- Capital Adequacy (Basel III) on consolidation 14.3%

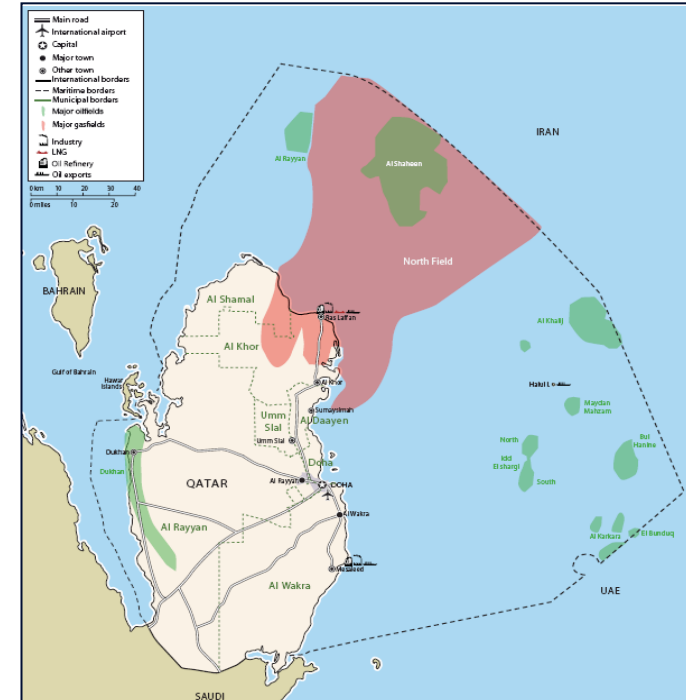
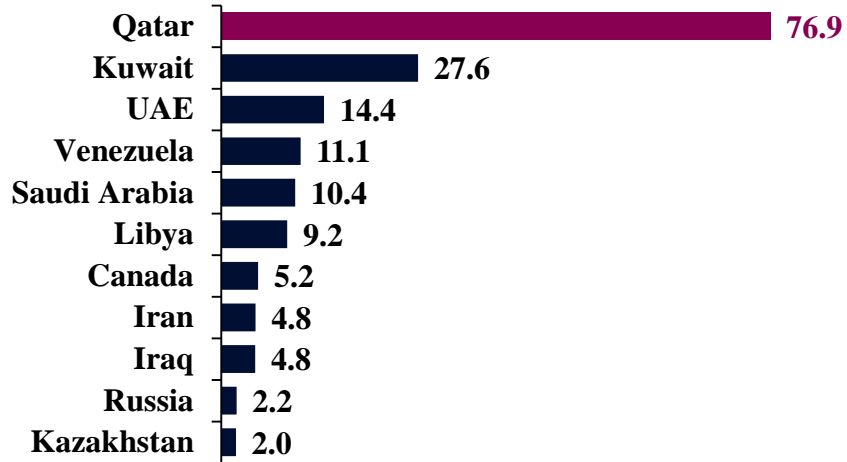


Economic Overview

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

Oil and Gas Reserves Per Capita (2015)

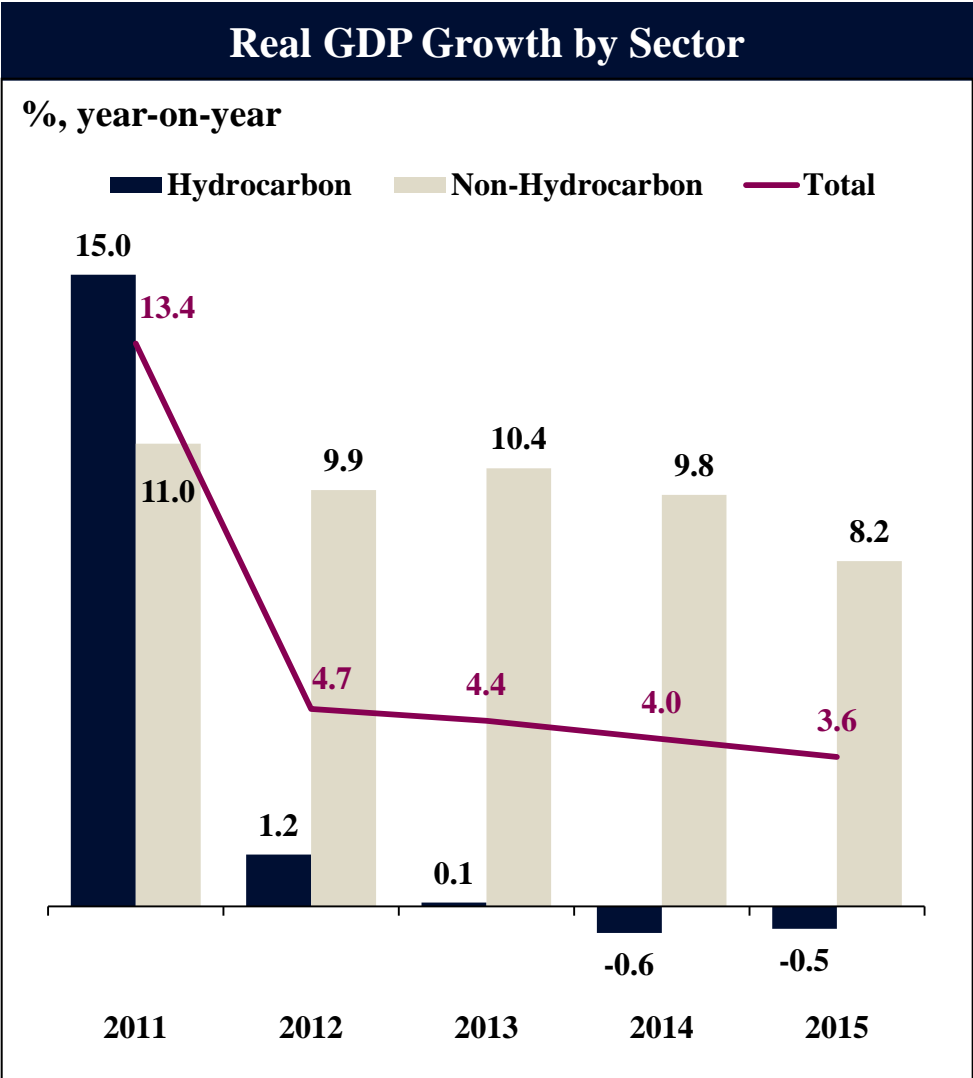
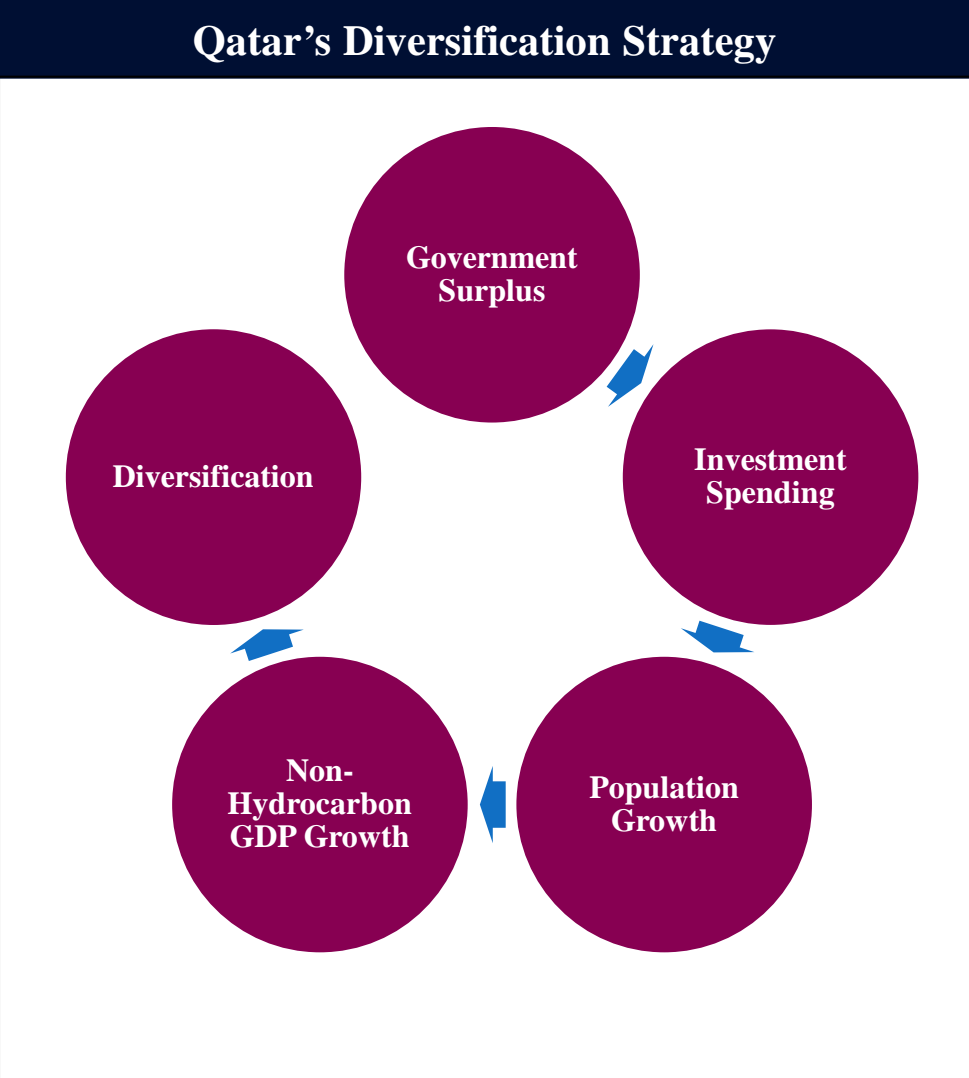
k barrels of oil equivalent (boe)



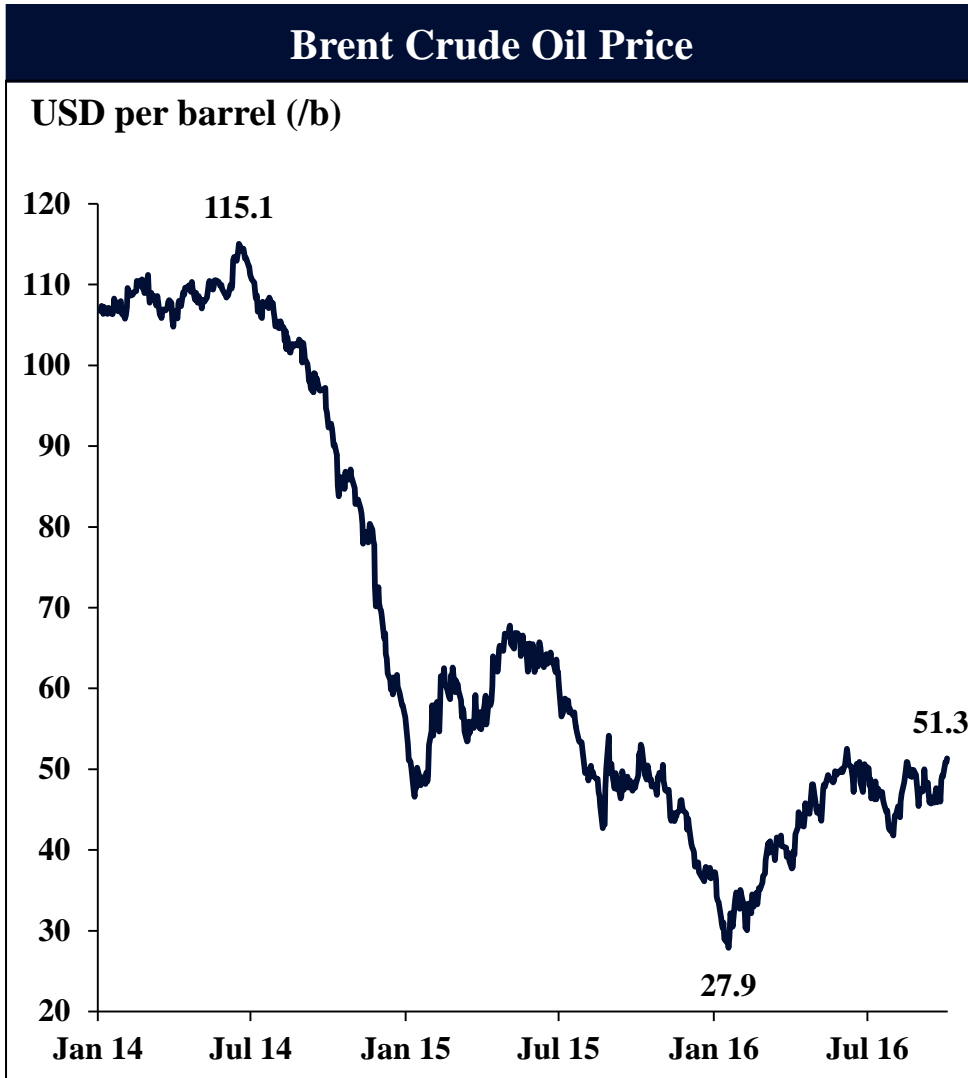
- Qatar is endowed with major oil and gas resources, especially in relation to the size of its population
- At current extraction rates, Qatar's proven gas reserves will last at least another 135 years and oil reserves for 40 years

- 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)

Since 2011, large infrastructure investment projects have driven diversification and strong growth in the non-hydrocarbon sector

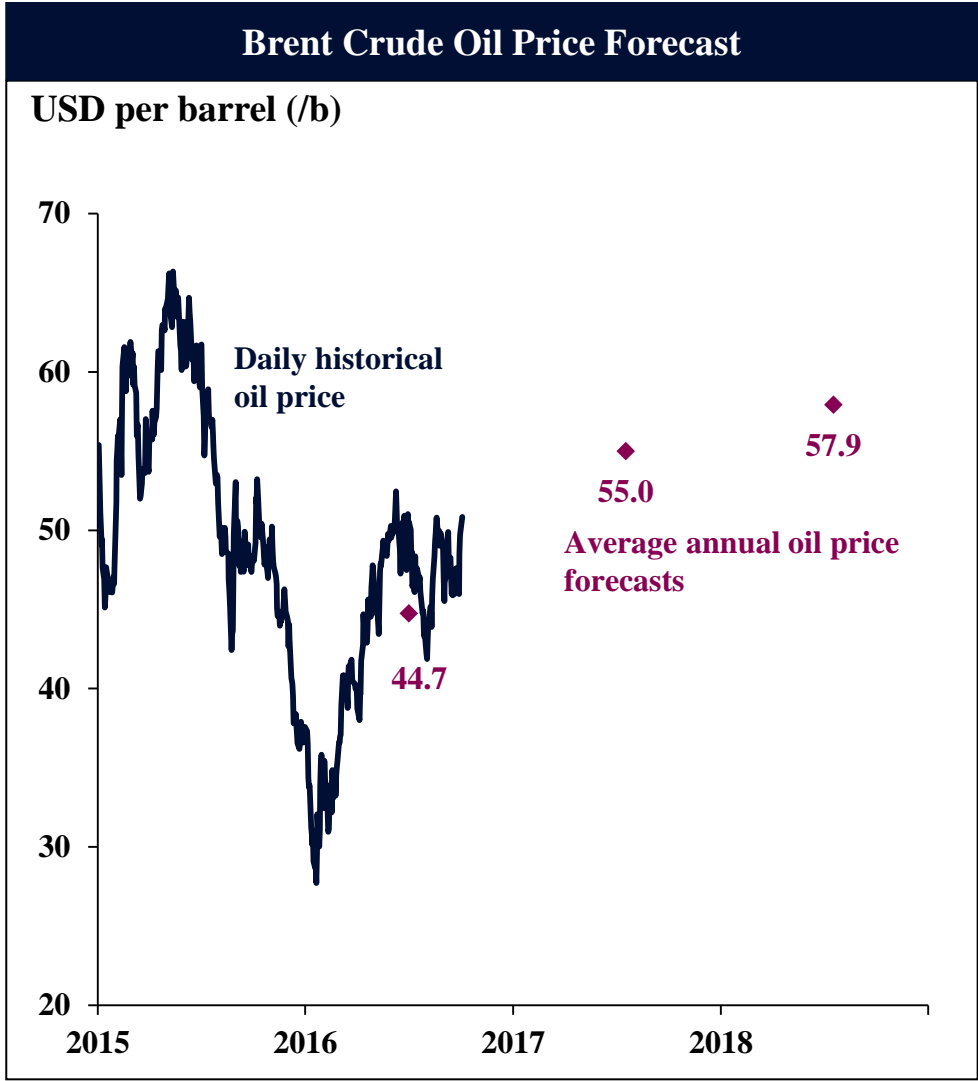


Oil prices have fallen significantly since mid-2014, but they have recovered during 2016



- Oil prices fell from USD115.1/b in June 2014 to a low of USD27.9/b in January 2016 due to rising supply and weaker demand
- Oil prices have recovered since then and are now hovering around USD50/b
- The recovery is due to:
 - Strong growth in global demand for oil
 - Lower production in the US in response to lower prices
 - A recent OPEC agreement to cut production

We expect prices to average USD45/b in 2016 before recovering further in 2017-18, notwithstanding short-term volatility



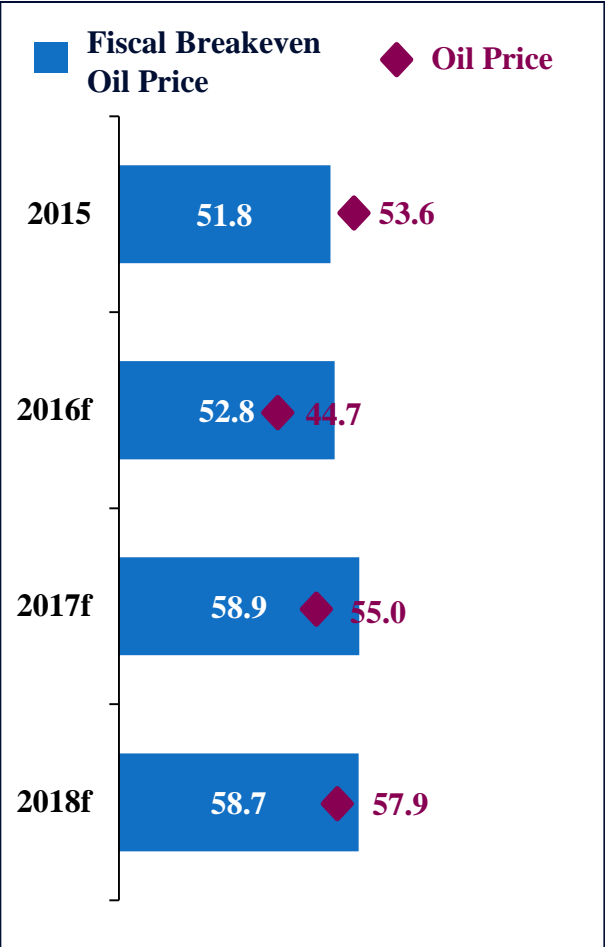
- ### Comments
- Oil markets are oversupplied by 1.7m b/d
 - In 2016, excess supply should be reduced by
 - 1.3m b/d of additional demand
 - 0.6m b/d of US supply cuts
 - But this will be partially offset by additional supply from Iran and the rest of OPEC

Given the fundamentals, our forecast remains broadly unchanged

We expect a gradual increase in oil prices, averaging USD45/b in 2016 rising to USD58/b in 2018

Low breakeven oil prices, accumulated savings and moderate public debt place Qatar in a strong position to withstand low oil prices

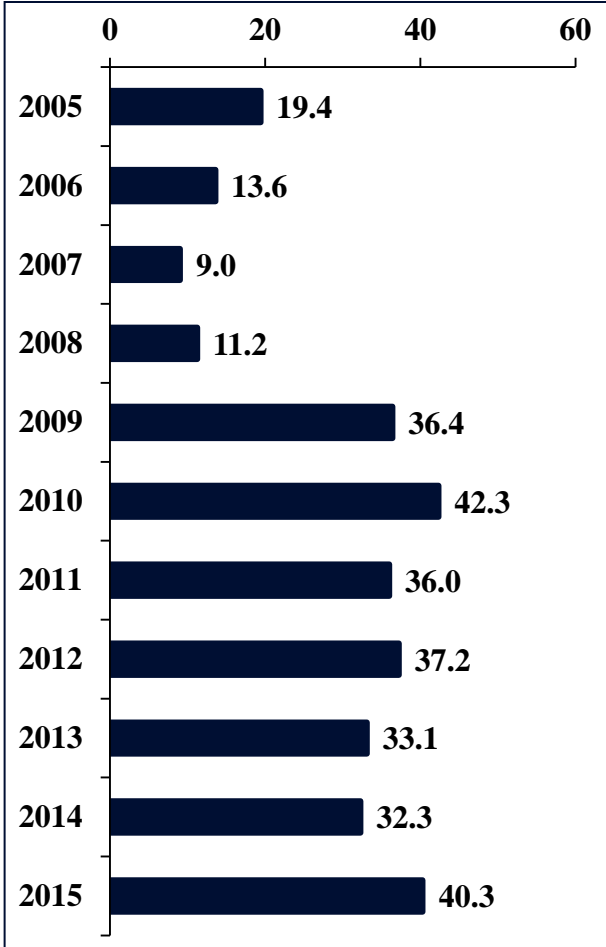
Fiscal Breakeven Oil Prices



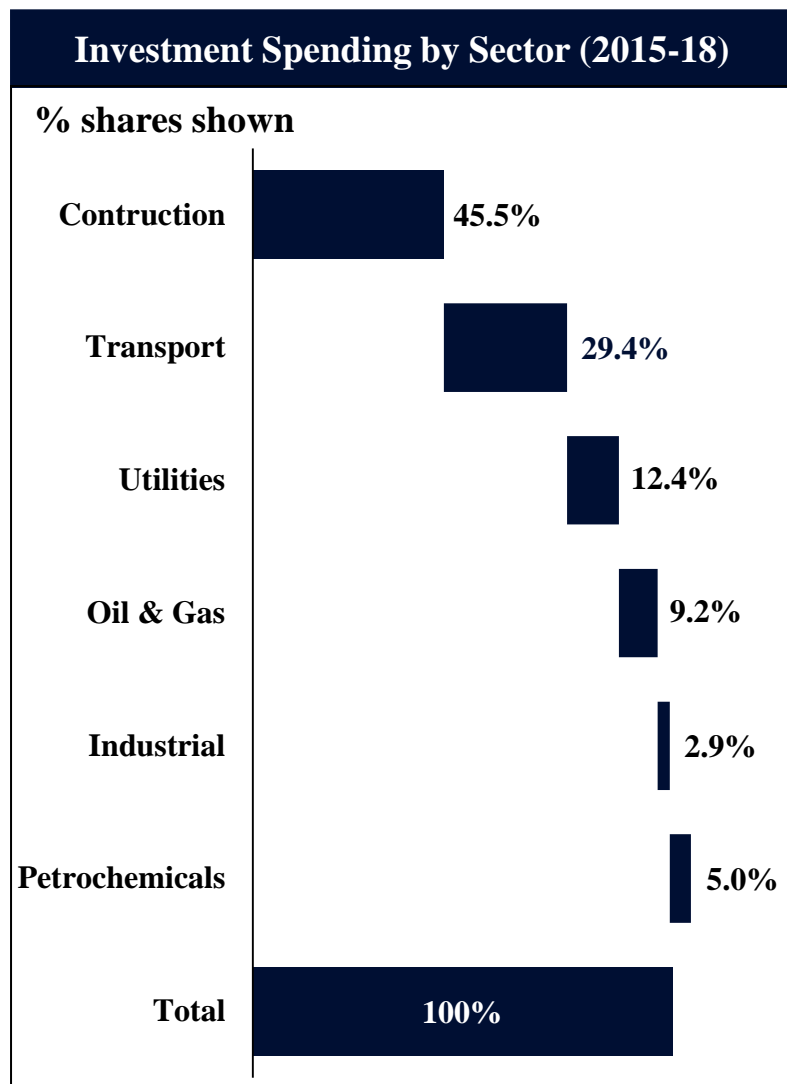
Accumulated Current Account Surpluses (bn USD, 2005-15)



Public Debt (% GDP)



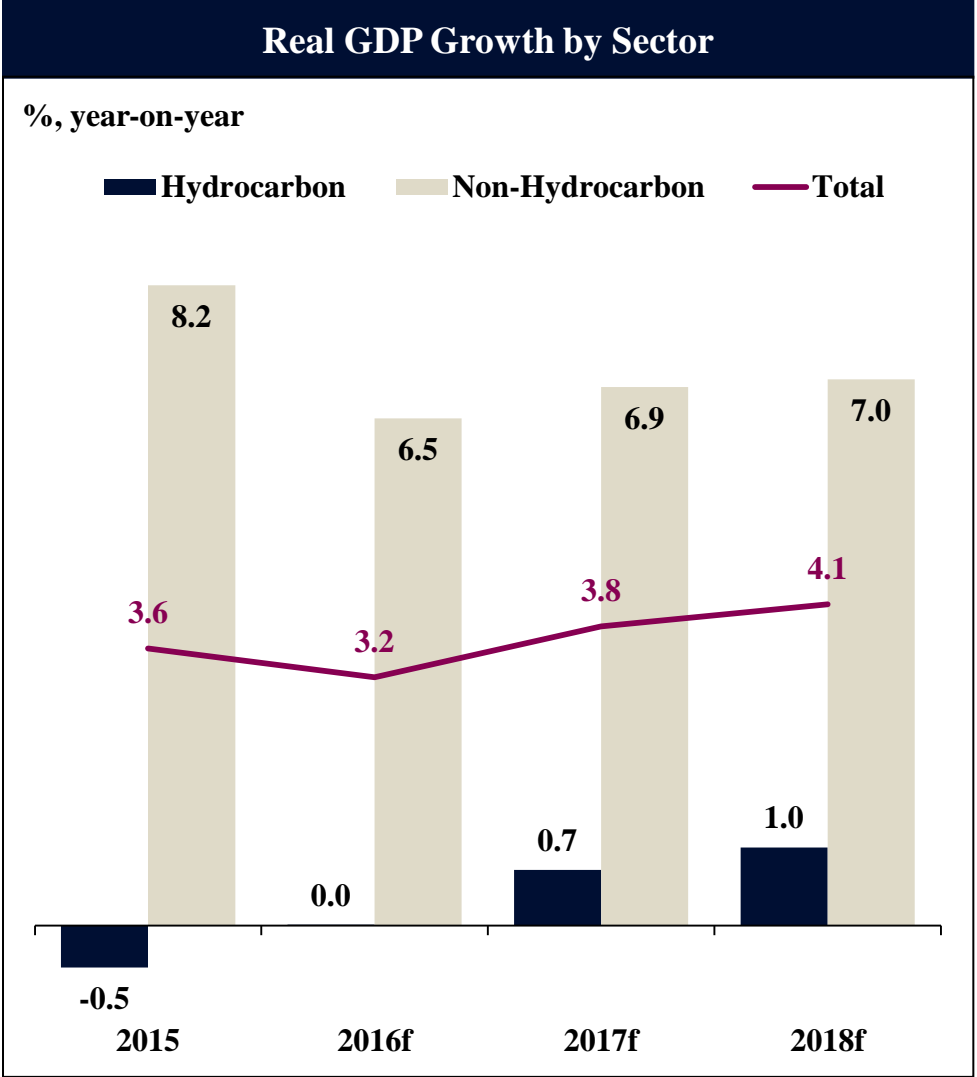
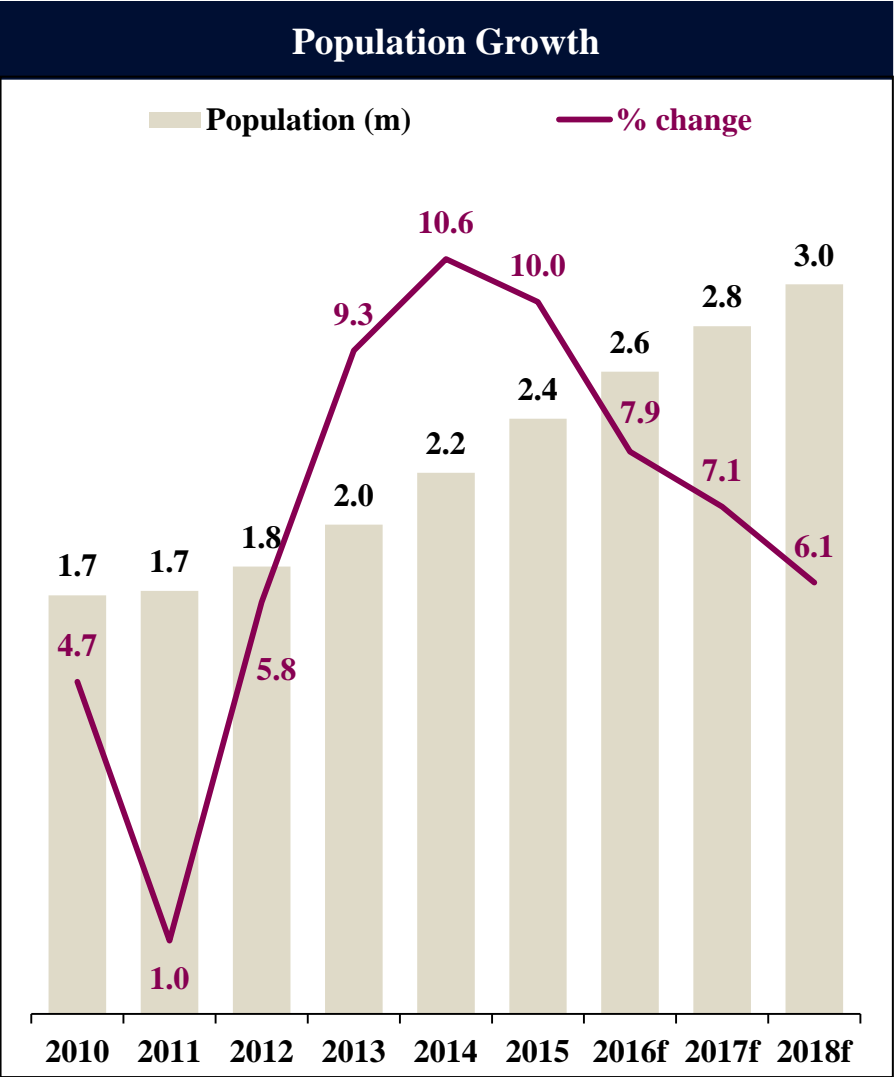
Large investment spending focused on construction and transport will be a key driver of the economy going forward



Major Projects

	Project	Budget (bn USD)	End
Construction	Lusail Mixed-Use Development	45.0	2019
	Barwa Al Khor Development	10.0	2025
Transport	Qatar Integrated Rail	40.0	2026
	Hamad International Airport, Phase I & II	23.5	2020
	Ashghal Expressway Programme	20.0	2018
	Ashghal Local Roads & Drainage	14.6	2019
	Hamad Port	7.4	2020
Oil and Gas	Bul Hanine Oilfield Redevelopment	11.0	2028
	Barzan Gas Development	10.3	2020

Population growth coupled with investment spending are expected to accelerate real GDP growth



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