



Investor Relations Presentation

June 2017

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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

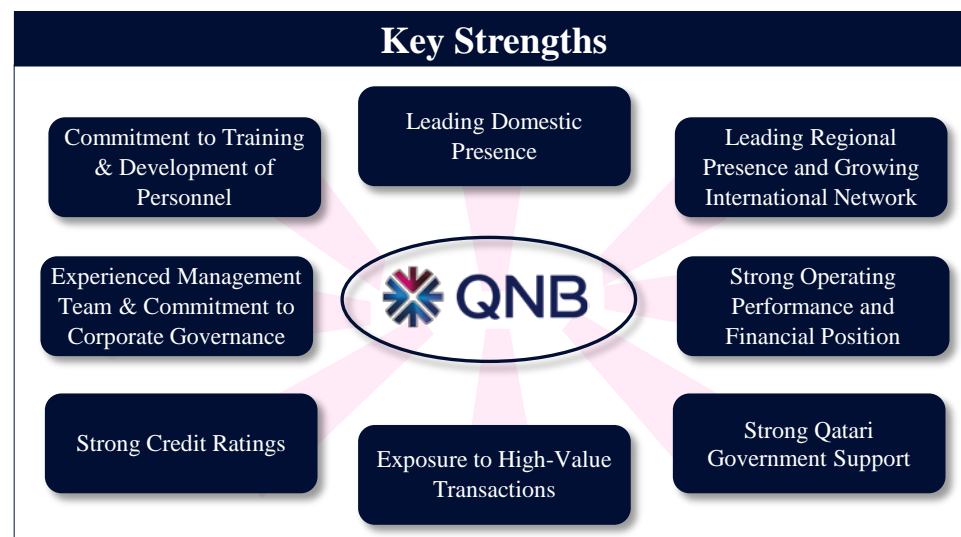
Overview	<ul style="list-style-type: none"> Established in 1964 as the first Qatari owned bank Owned (50%) by the Government of Qatar via the Qatar Investment Authority (QIA) Largest bank in Qatar by market cap., assets, loans, deposits and profit Largest bank in MEA by total assets, loans, deposits and profit
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Credit Rating					Capital Intelligence
		Moody's	S&P	Fitch	
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 31 countries around the world across 3 continents, through more than 1,250 locations, supported by more than 4,300 ATMs and employing more than 27,900 staff.¹
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Stock/Share Parameters	<ul style="list-style-type: none"> Listed on Qatar Exchange (QNBK) Market cap. of USD32.2bn Share price of USD34.89 per share Price to Book 2.0x (31-Dec-16) Price to Earnings 11.3x (31-Dec-16)
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Financials² (in USD billion)			
	2017	2016	5yr CAGR
Total Assets	211.0	190.0	18%
Loans & Advances	151.7	136.4	19%
Deposits	154.4	134.2	18%
Operating Income ³	3.02	3.17	14%
Profit ⁴	1.83	1.72	10%
Coverage Ratio	110%	127%	-
NPL Ratio	1.8%	1.8%	-
Net Interest Margin	2.69%	2.90%	-



1: Source: QNB



2: Source: June 2017 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

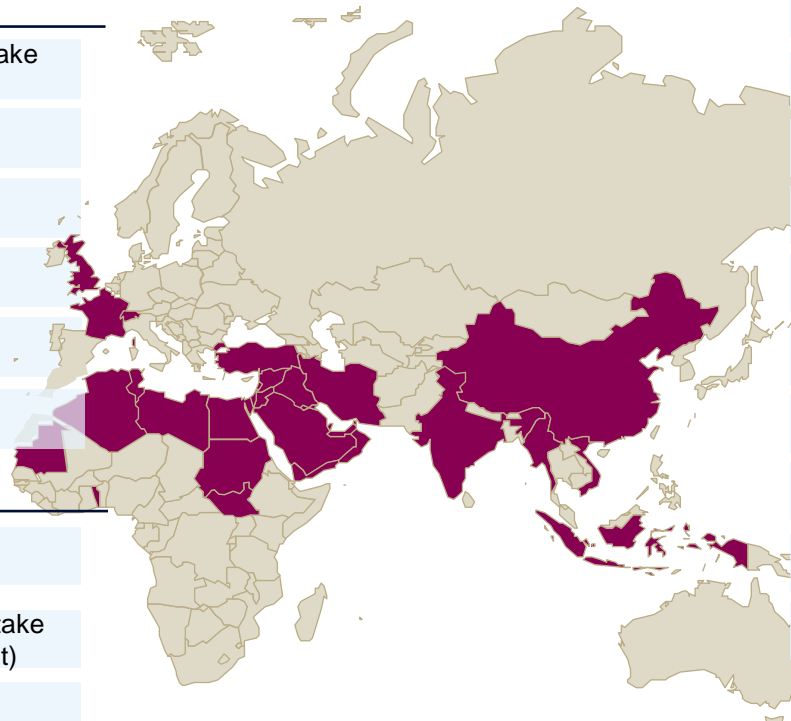
-  **South Sudan:** (1 Branch)
-  **Togo:** (1,265 Branches¹, 20.1% stake in Ecobank)

Asia






-  **Indonesia:** (48 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:** (210 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:** (5 Branches)
-  **Algeria:** (7² Branches)
-  **Mauritania:** (1 Branch)



Middle East

-  **Qatar:** (67 Branches)
 -  **KSA:** (1 Branch)
 -  **UAE:** (26 (+1²) Branches, 40.0% stake in CBI)
 -  **Syria:** (15 (+30²) Branches, 50.8% stake in QNB-Syria)
 -  **Palestine:** (15² 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)
 -  **Jordan:** (134² (+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:** (588 Branches, 99.88% stake in Finansbank A.Ş.)



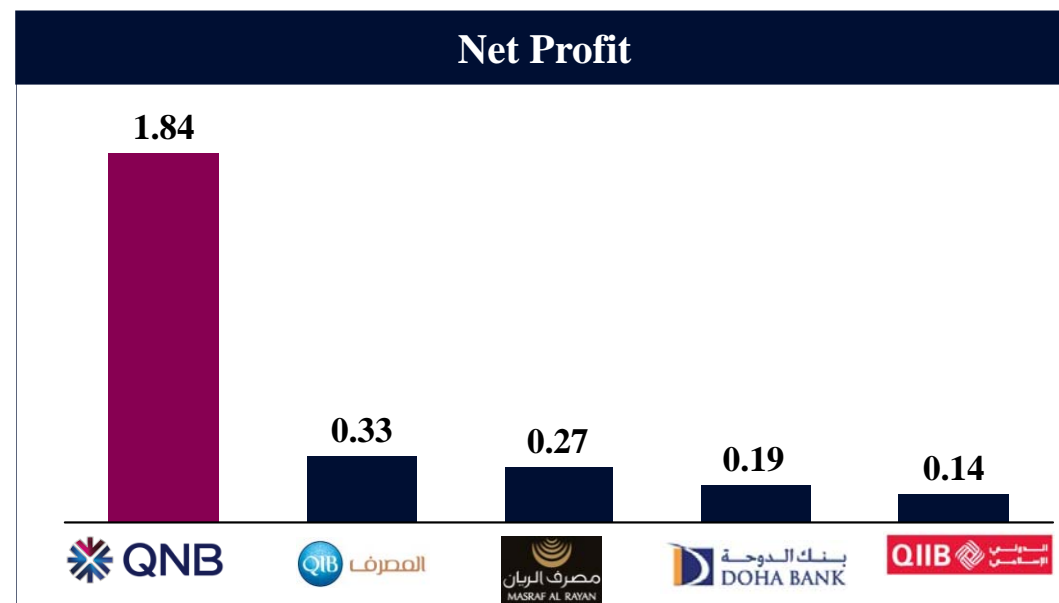
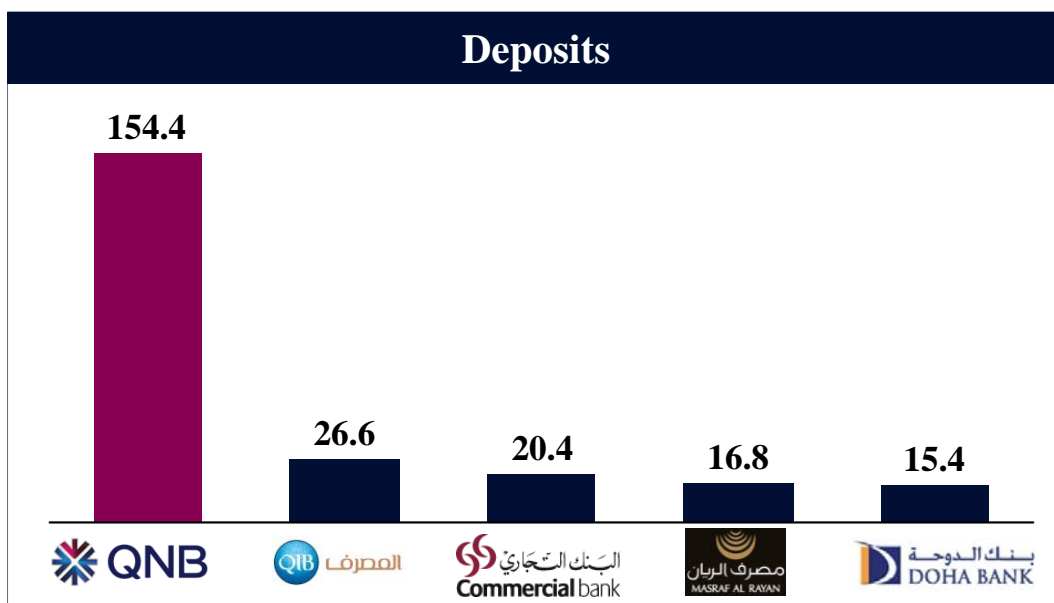
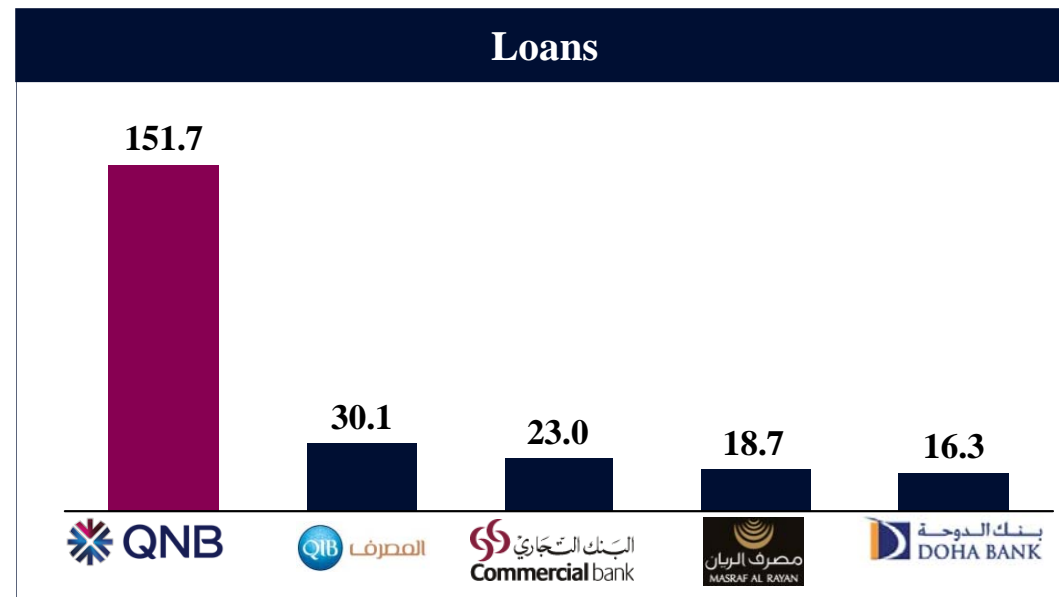
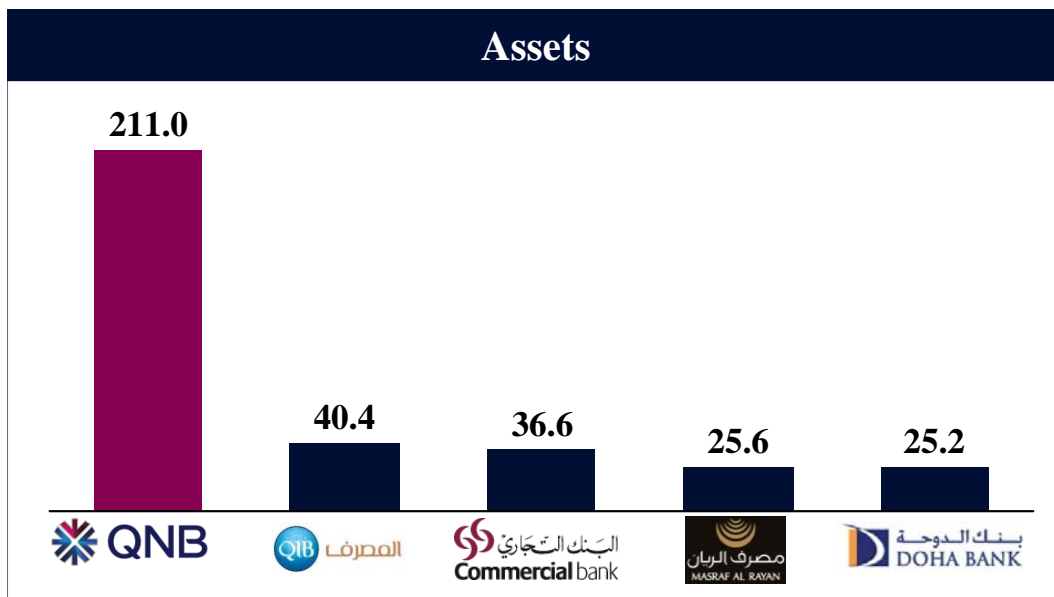
1: The branch data for Ecobank is as at 31 May 2016
 2: Includes the branches / representative offices from subsidiaries and associates
 3: Dormant



QNB Comparative Positioning – Qatar and MEA

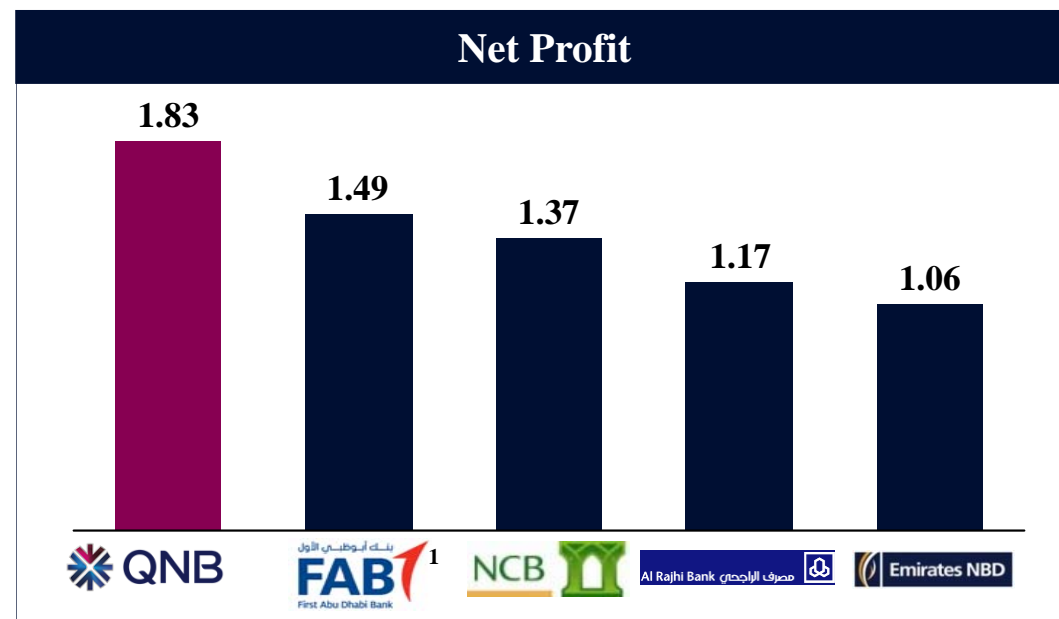
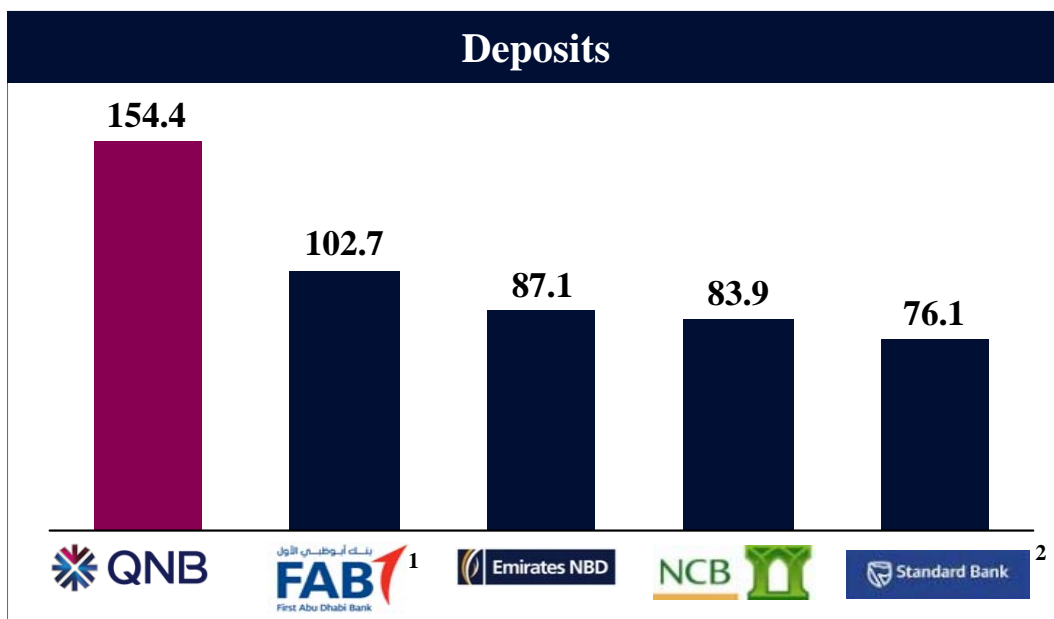
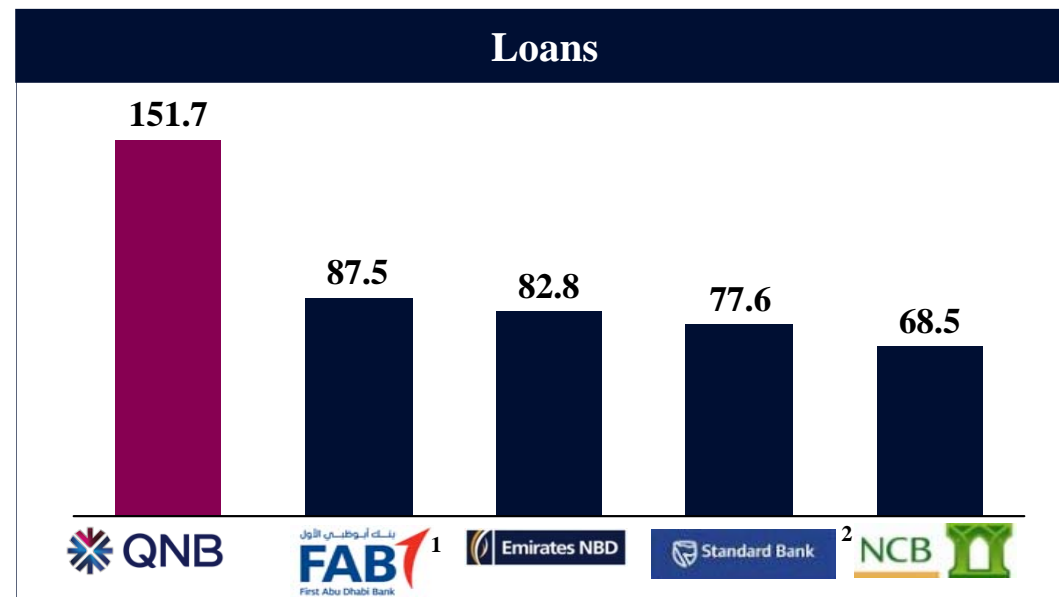
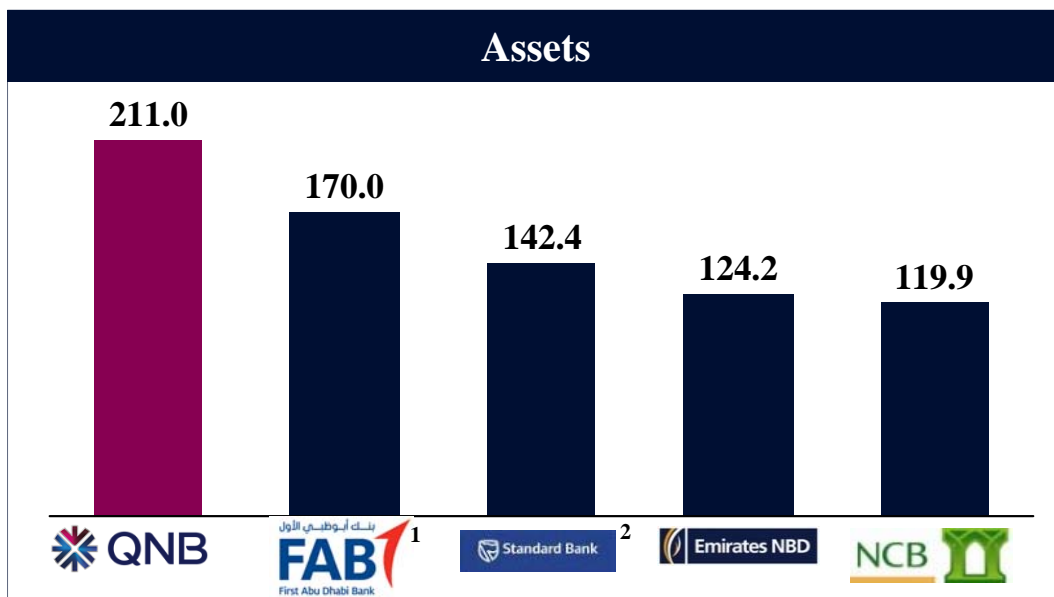
Top 5 Domestic Banks – June 2017

QNB continues to excel in the domestic market



Top 5 MEA Banks – June 2017

QNB improved its position as the leading bank in the region



Note: All amounts are in USD billions

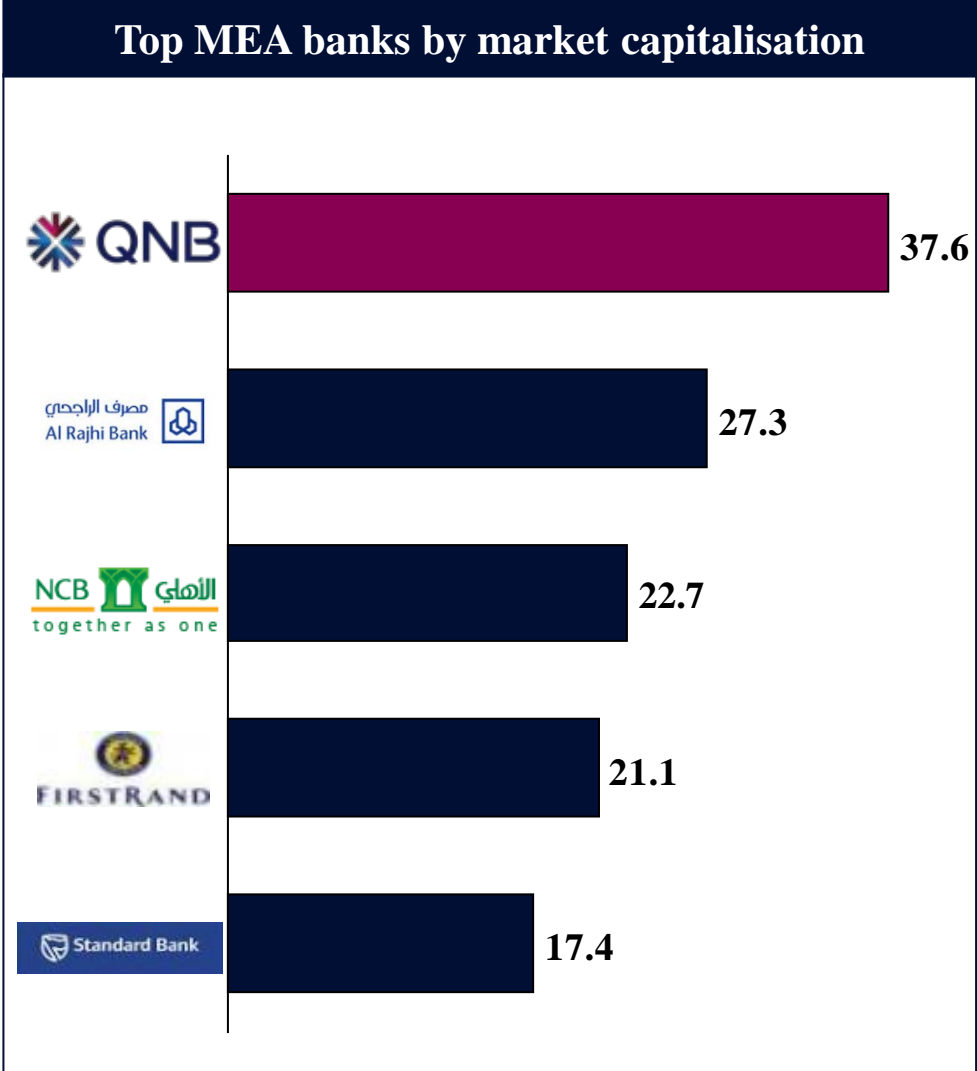
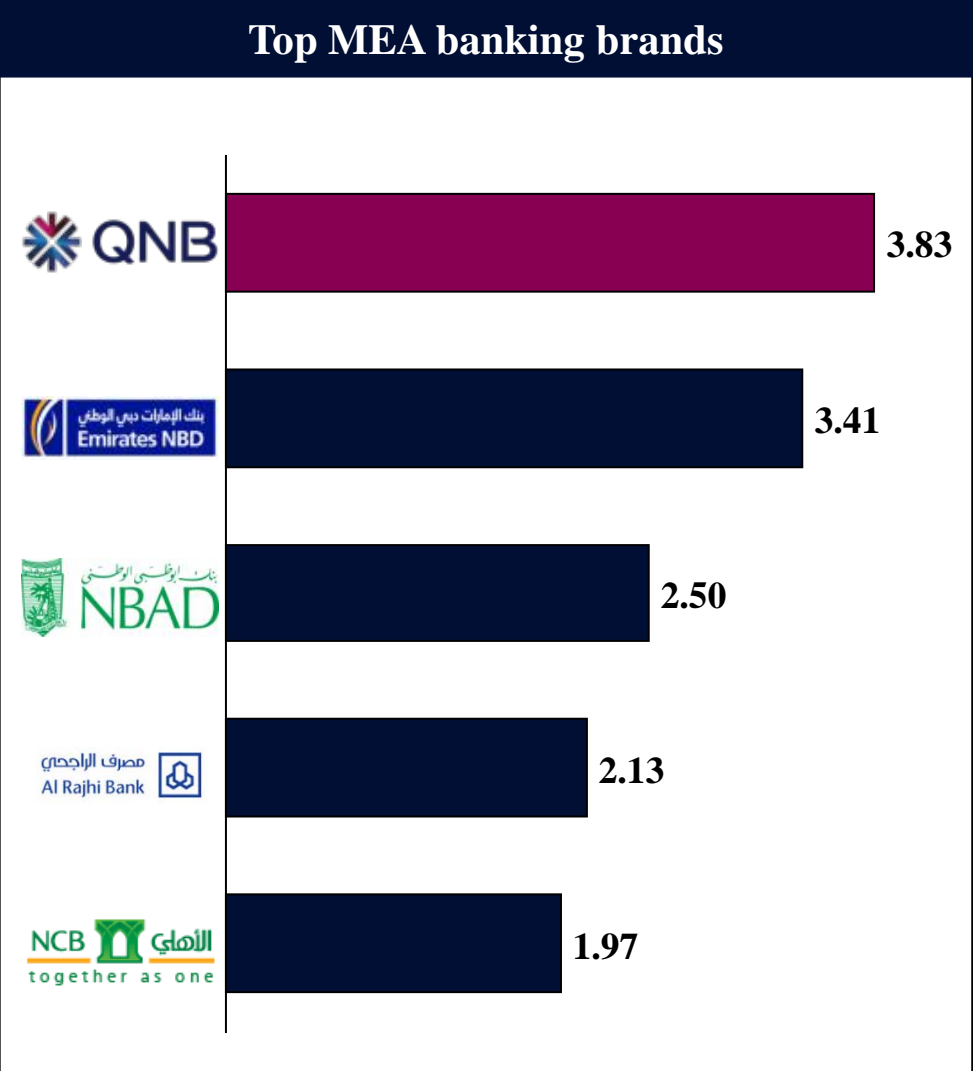
Source: Companies' June 2017 Press Release or Financial Statements if available.

1: This information is sourced from the Pro Forma Condensed Consolidated Financial Information for June 2017, published to illustrate the effects of the merger.

2: Standard Bank's results are based on March 2017 Financial Statements, as June 2017 results are not yet published.

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-16)





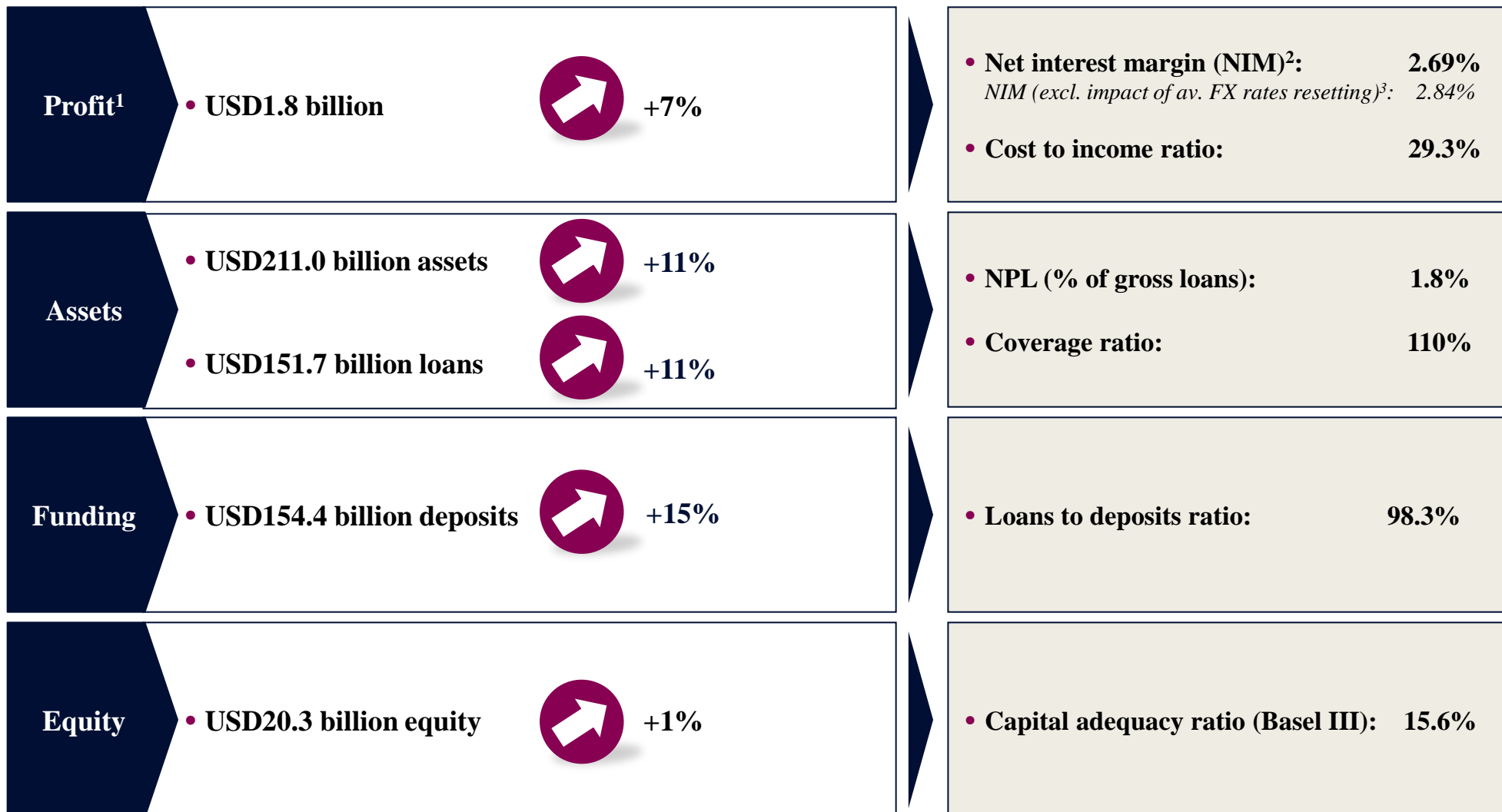
Financial Highlights – as at 30 June 2017

QNB continues to demonstrate sustainable profitable growth

Financial Highlights (as at 30 June 2017)



Growth vs. June 2016

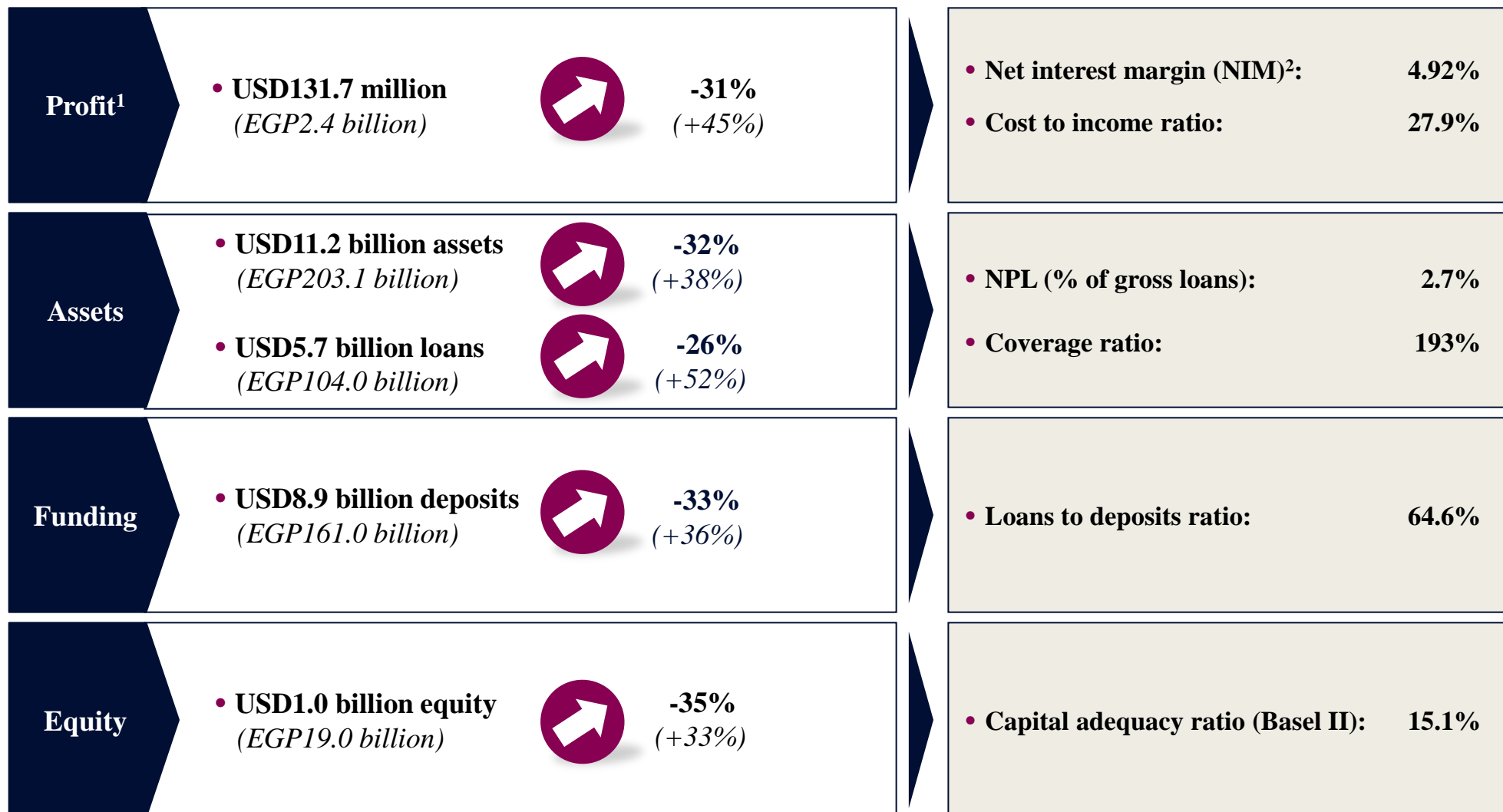


QNB ALAHLI

Highlights (as at 30 June 2017)



Growth vs. June 2016

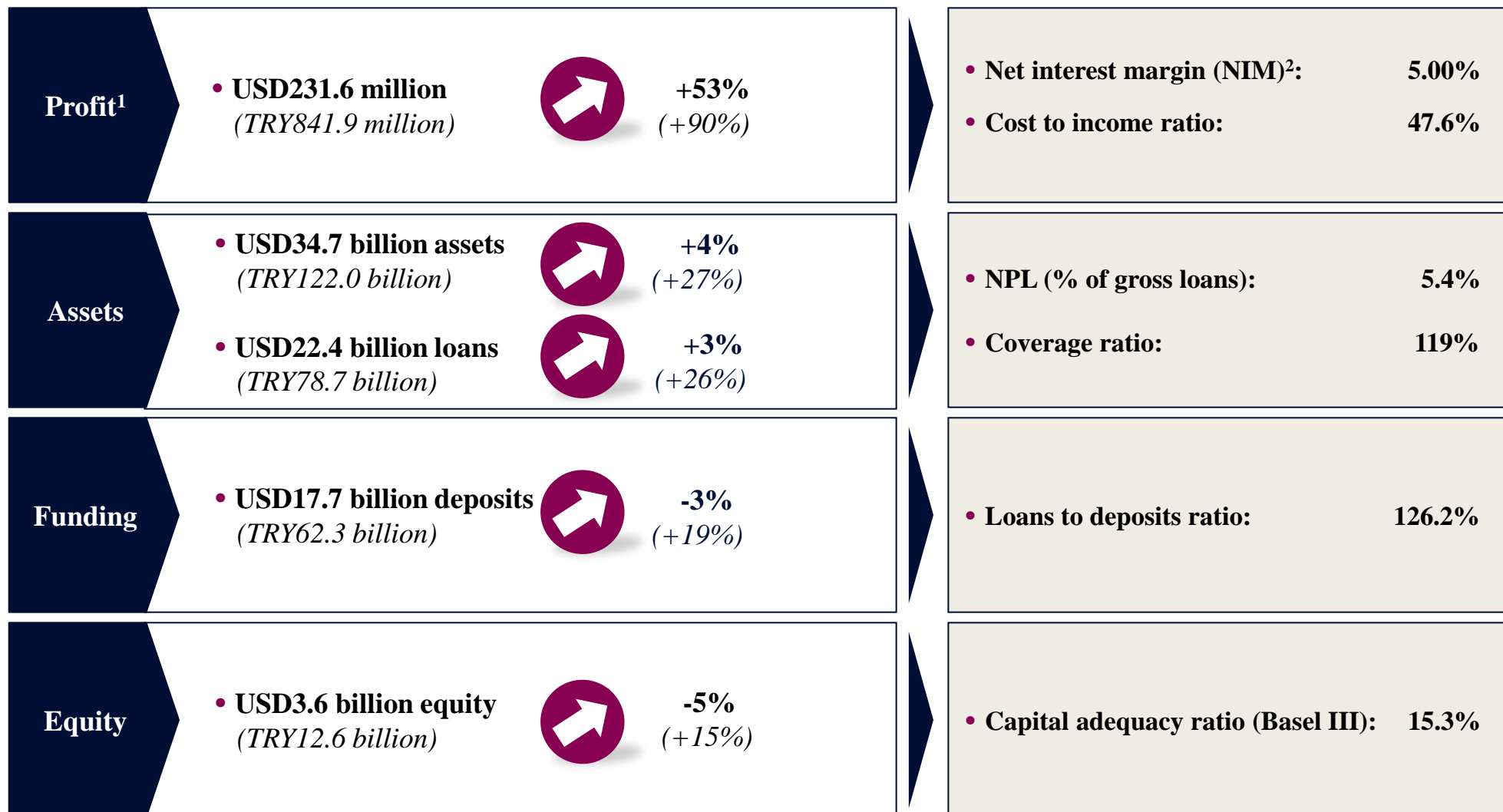


QNB FINANSBANK

Highlights (as at 30 June 2017)



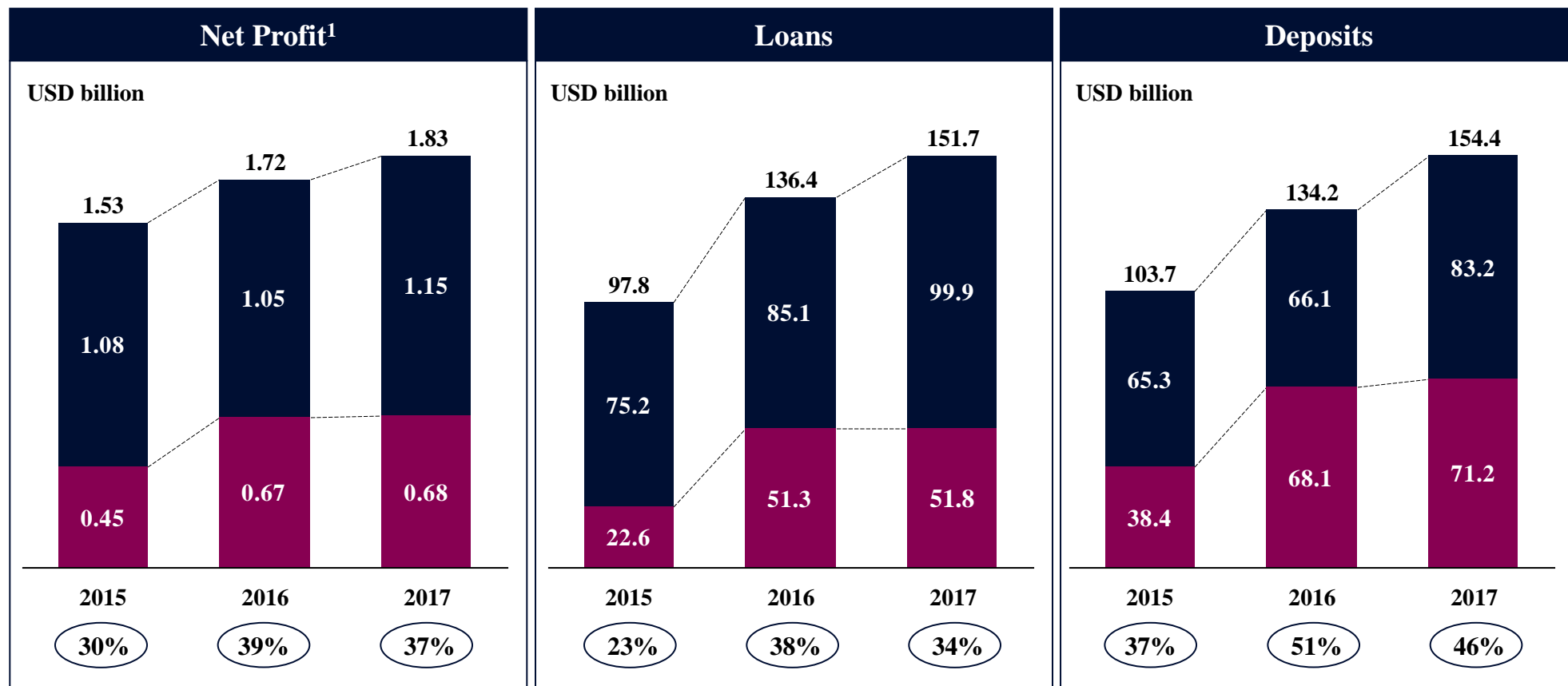
Growth vs. June 2016



Increasing geographical diversification positively contributes to growth

Geographical Contribution (as at 30 June)

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

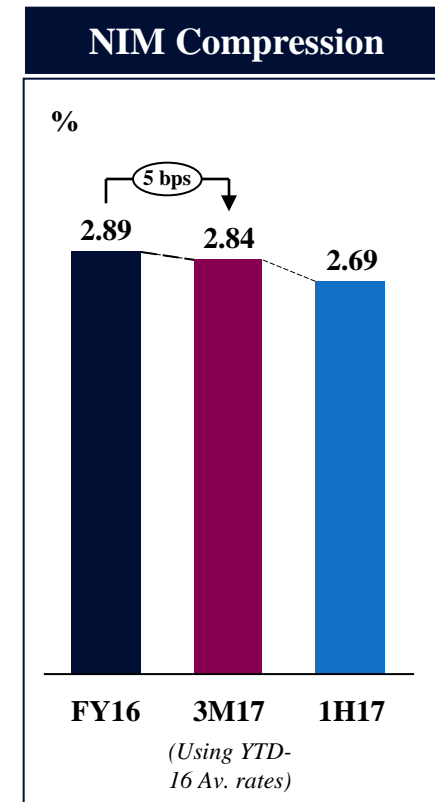
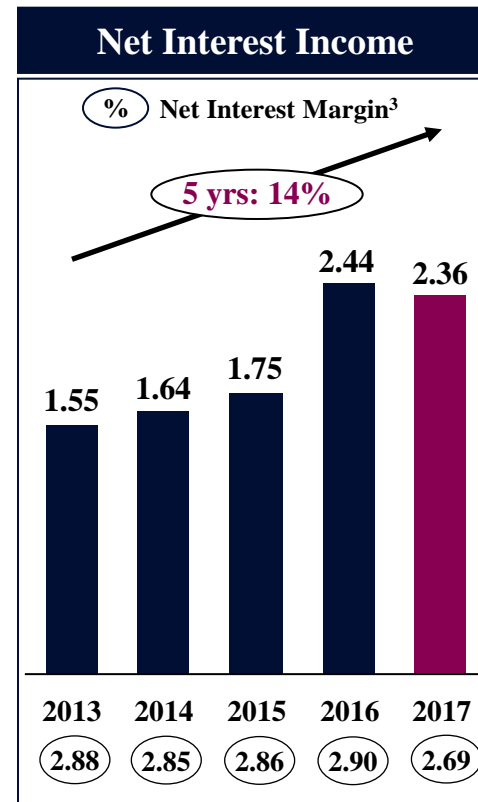
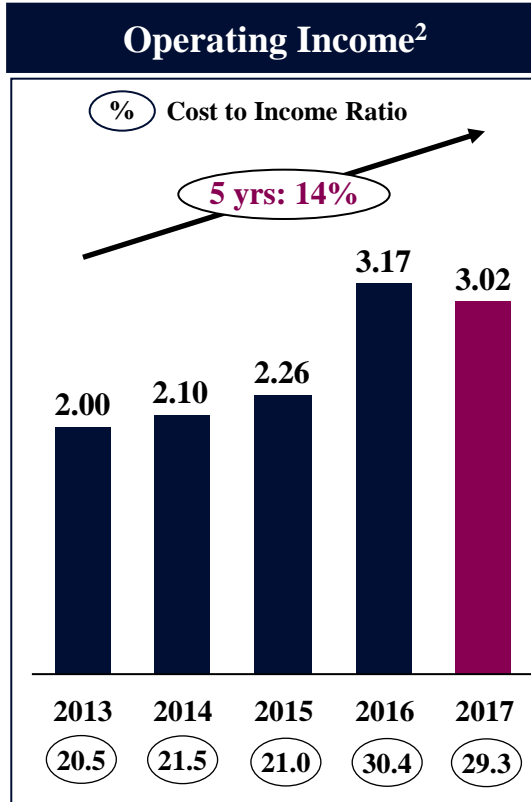
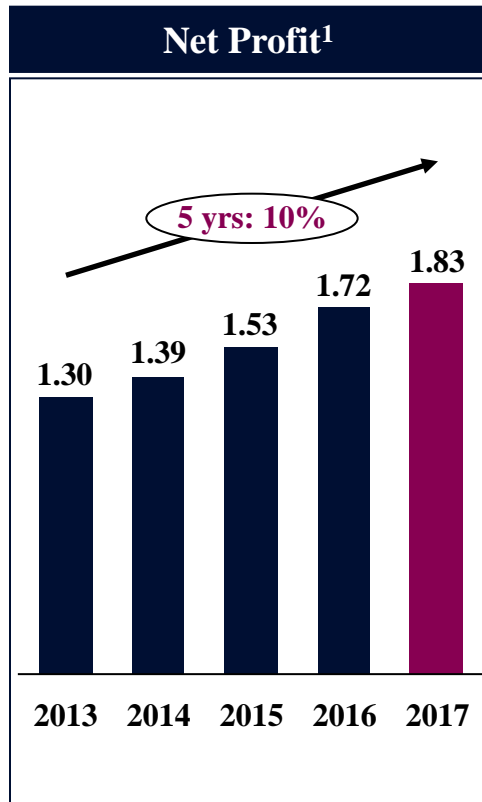


- Profit from international operations increased by USD221 Mn (49%) from 2015 to 2017

- Loans from international operations increased by USD29.2 Bn (129%) from 2015 to 2017
- Deposits from international operations increased by USD32.7 Bn (85%) from 2015 to 2017

Consistently High Profitability

Income Statement Breakdown (USD billion as at 30 June)



- Net profit increased 7% from June 2016
- Profit growth is inline with the 2017 profit growth target range
- 2012-2017 CAGR of 10%

- Operating income decreased 4% from June 2016, mainly due to av. FX rate movements for QNBAA (EGP)
- When excluding the EGP devaluation impact the operating income would have increased by 6%
- Efficiency ratio well within the target range

- NII decreased 3% from June 2016, mainly due to av. FX rate movements for QNBAA (EGP)
- When excluding the EGP devaluation impact the NII would have increased by 7%
- Strong NIM with the current size of more than USD200 billion of total assets

- Decline of 5bps in the NIM observed, when calculated using YTD-16 av. FX rates for QNBAA & QNB Finansbank
- The remaining decline in NIM of 15bps is due to resetting of the av. FX rates in 2017



Source: June 2017 Financial Report

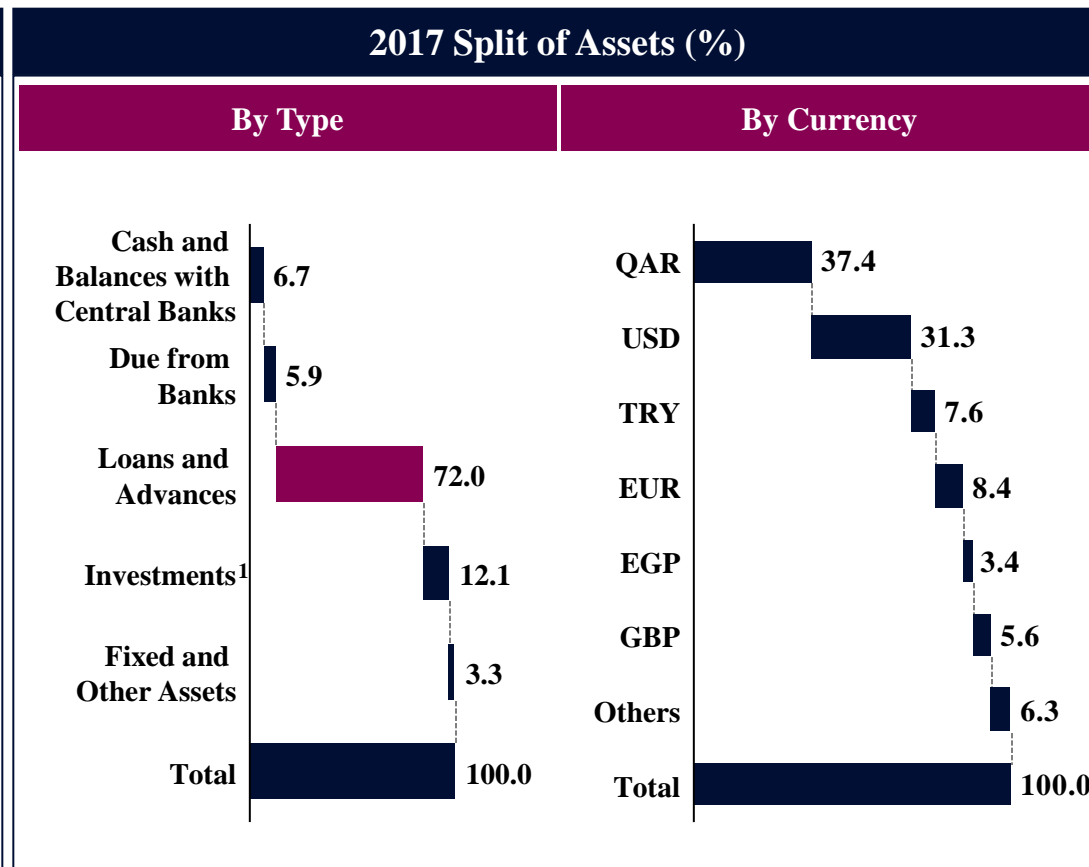
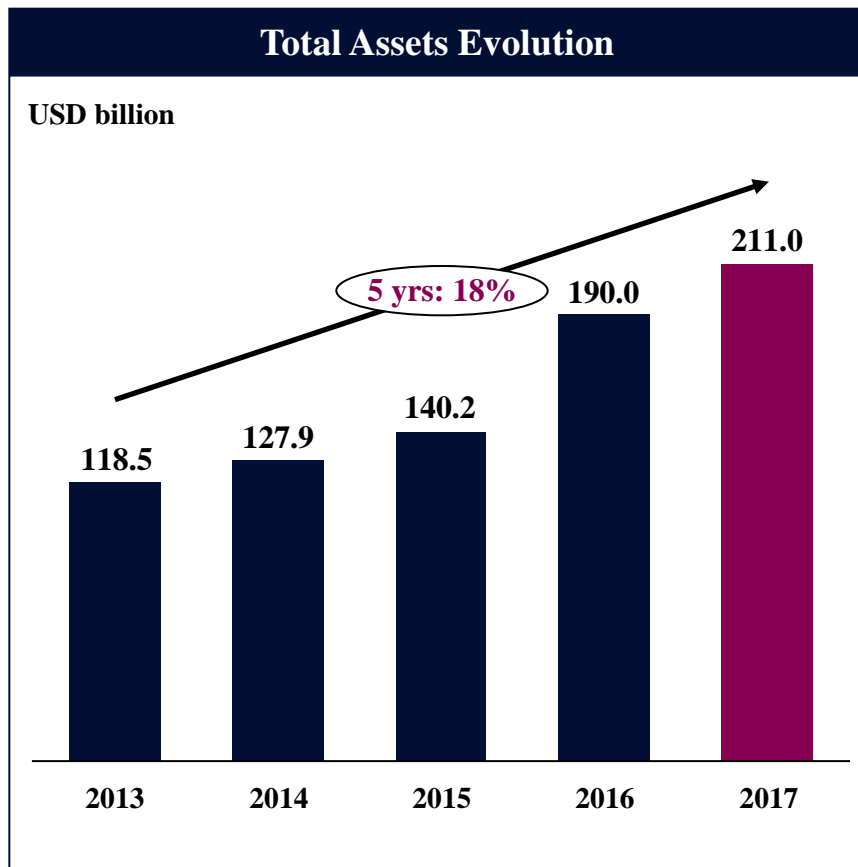
1: Profit Attributable to Equity Holders of the Bank

2: Operating Income includes Share of Results of Associates

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

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

Assets Analysis (as at 30 June)

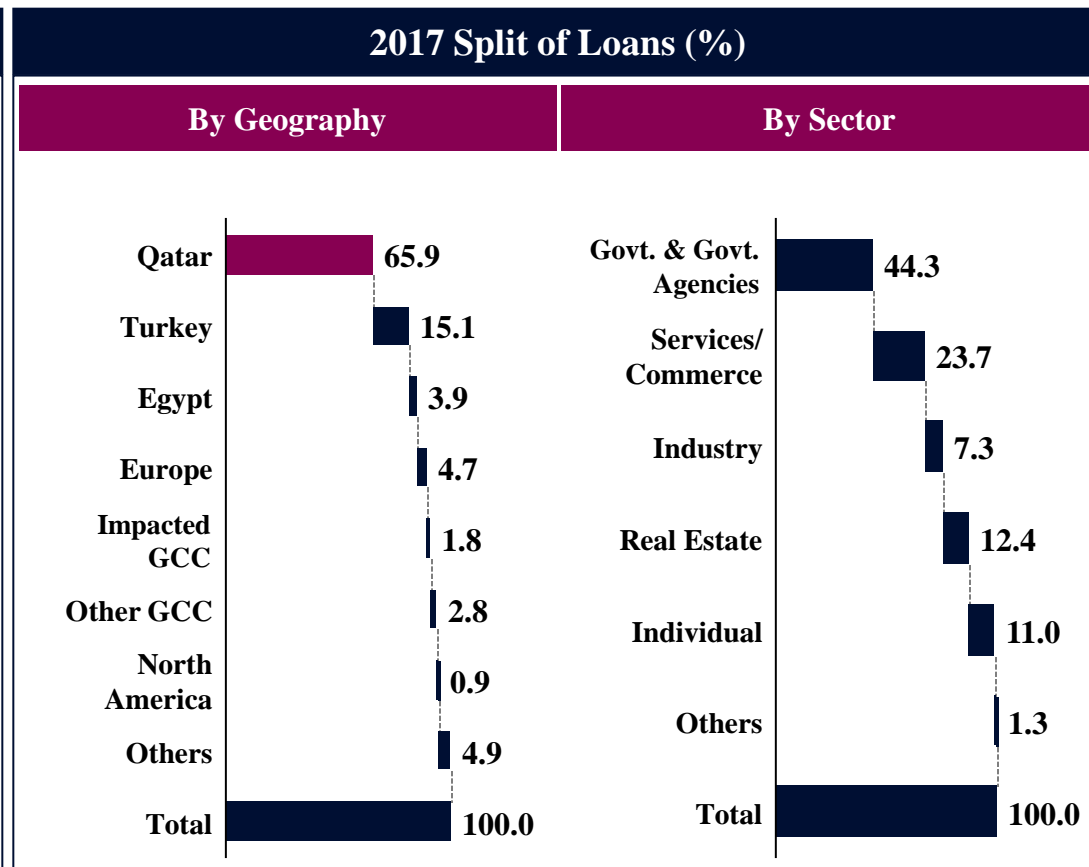
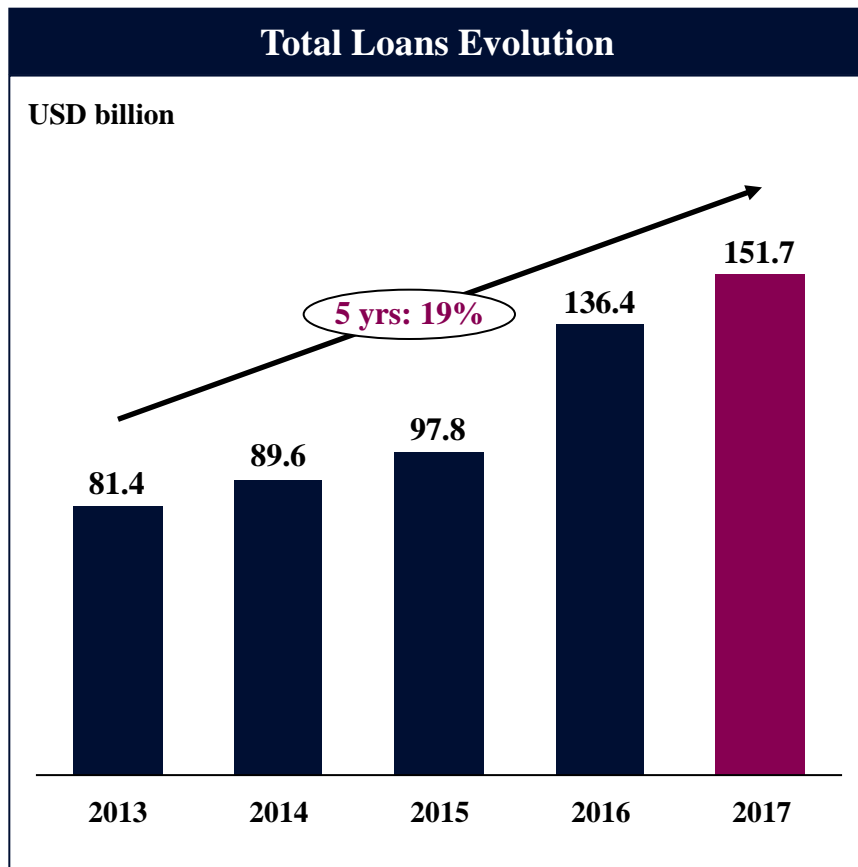


- Assets increased 11% from June 2016
- 2012-2017 CAGR of 18%

- Loans and advances represent 72% of total assets
- USD and QAR currencies account for 69% of total assets

Good loan growth

Loans Analysis (as at 30 June)

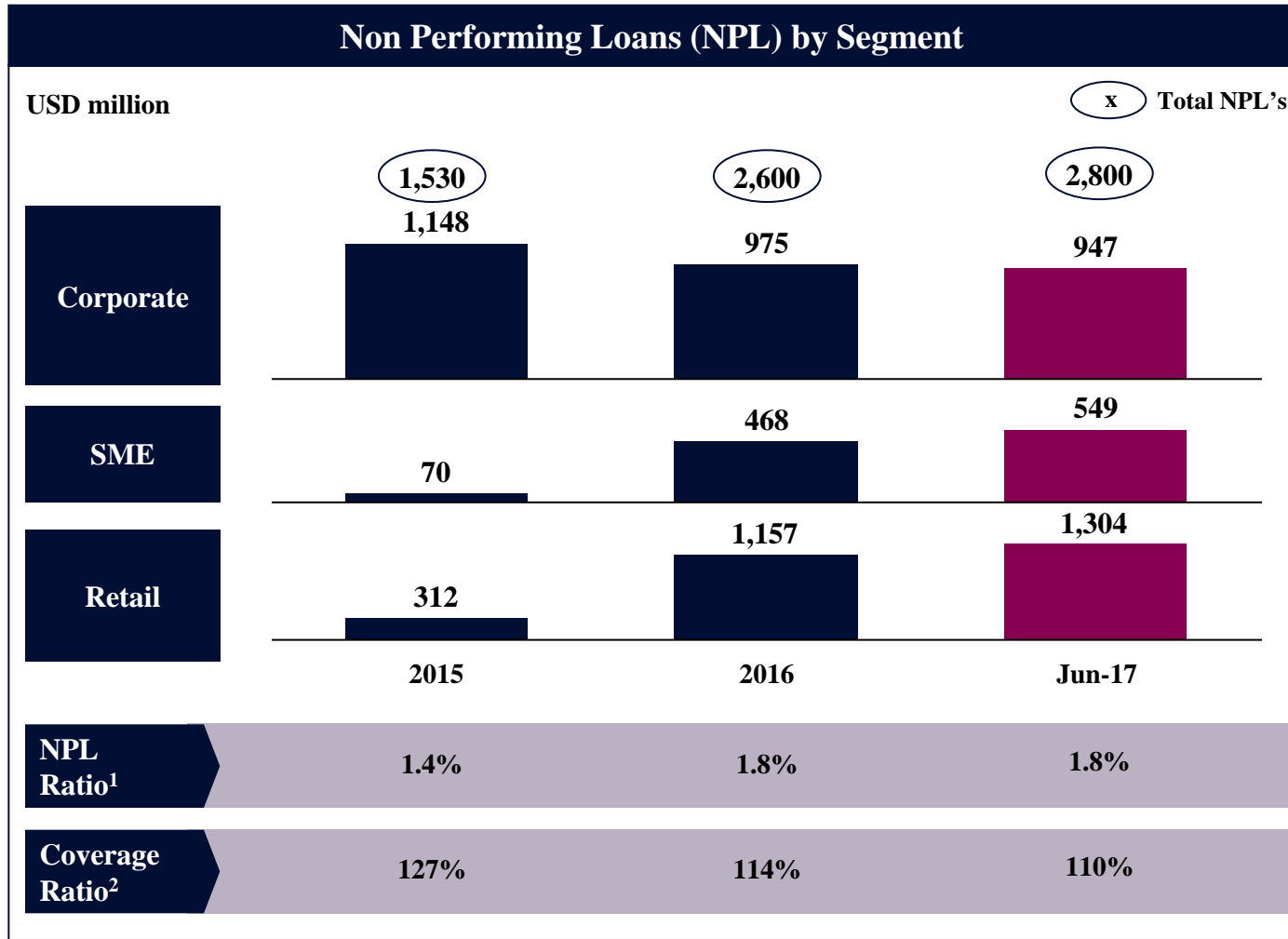


- Loans increased 11% from June 2016
- 2012-2017 CAGR of 19%

- Loans denominated in USD represent 36% of total loans
- Loan exposures are of a high quality with 44% concentration to Government and public sector entities

High quality lending portfolio is highlighted by low NPL ratios

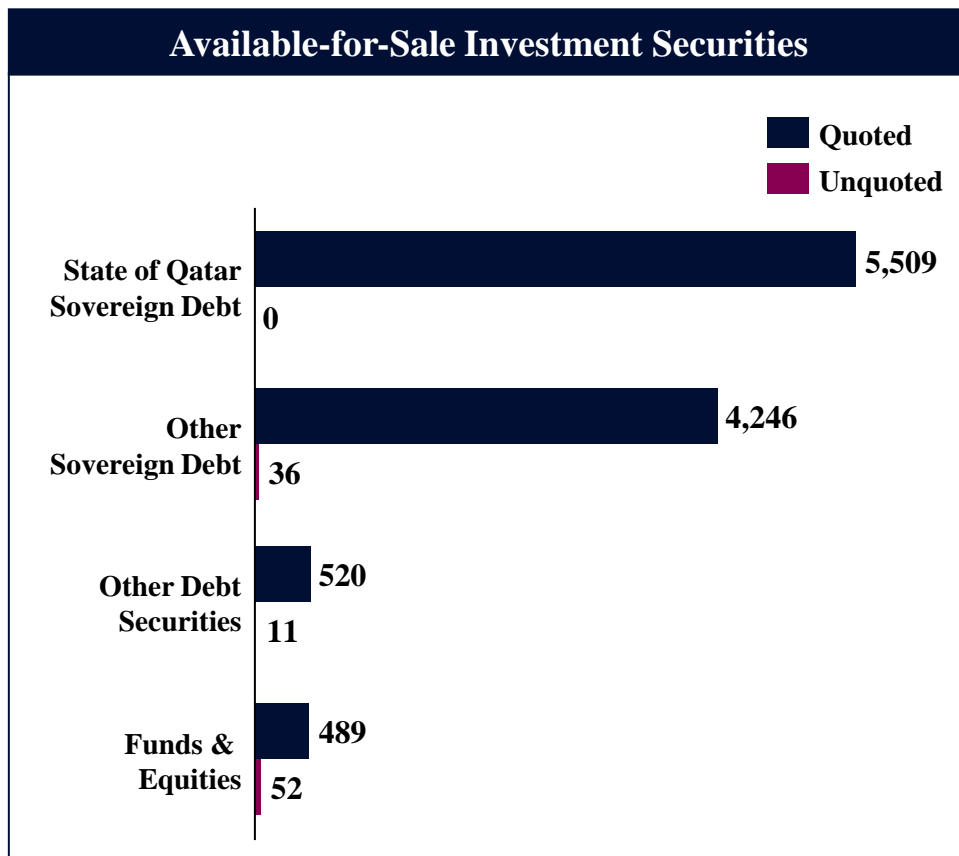
Asset Quality Analysis (as at December unless stated)



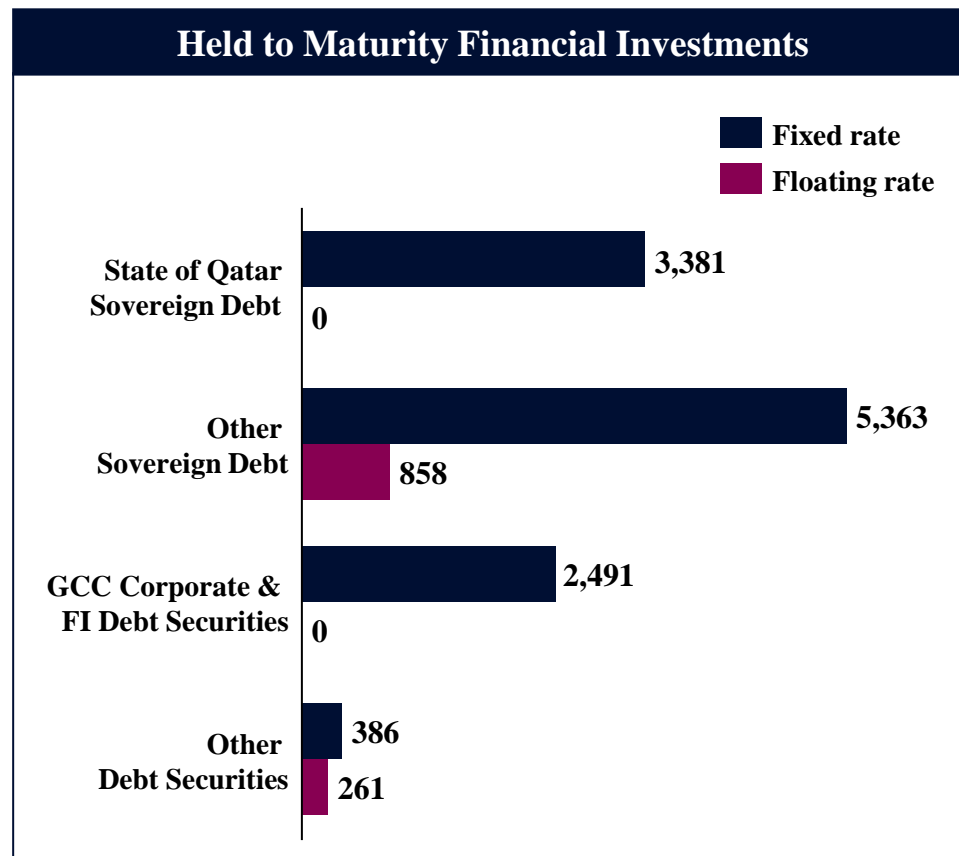
- QNB has continued to increase its provisions in response to the global economic situation
- The bank's coverage ratio has remained robust amidst the economic slowdown, with a coverage of 110% as at 30 June 2017
- Past dues are NPL after 90 days
- There is the additional security of a risk reserve of USD1,923 million which is greater than the 2.5% QCB requirements

High quality investment portfolio with 83% of securities rated AA or Sovereign

Investments Analysis (USD million as at 30 June 2017)



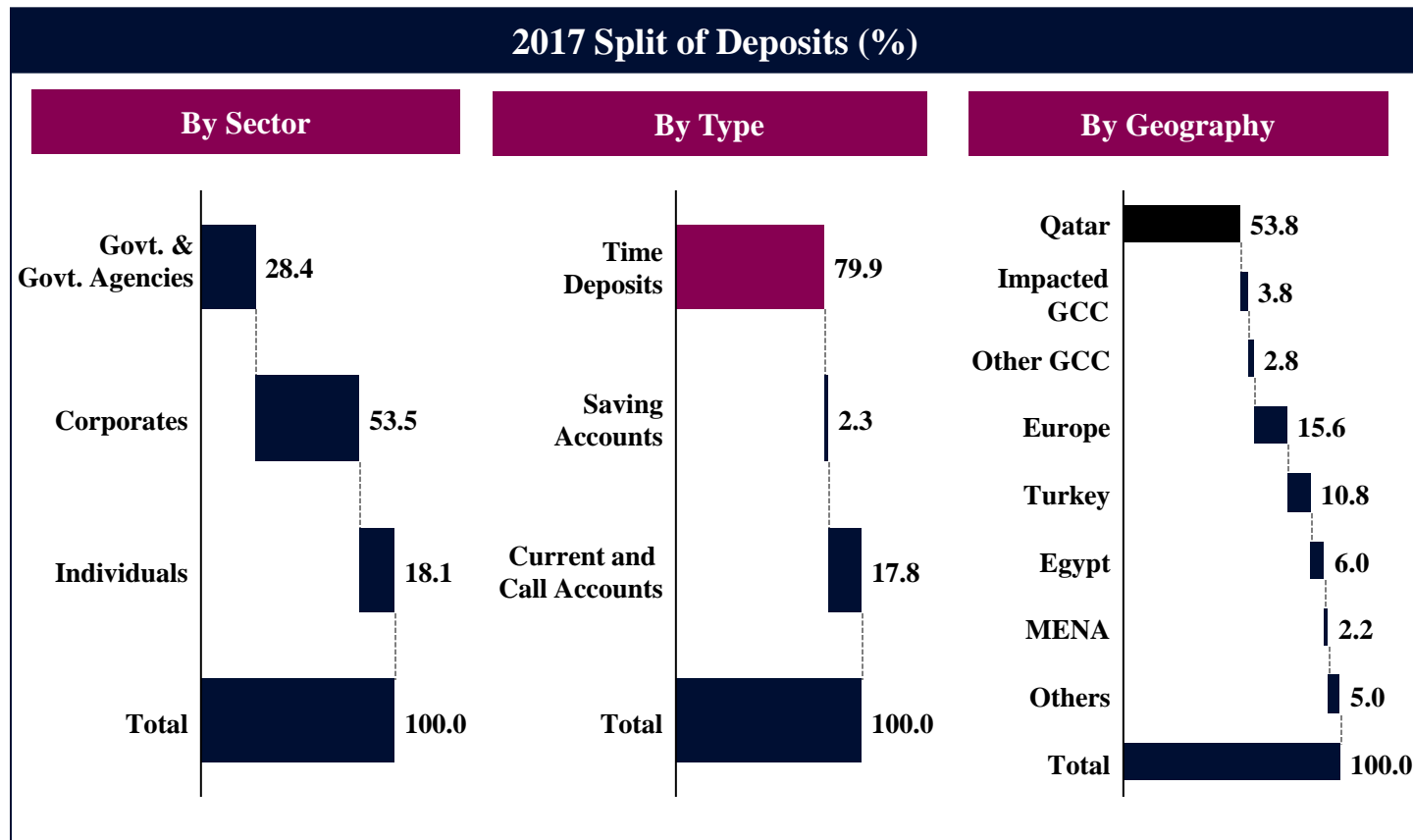
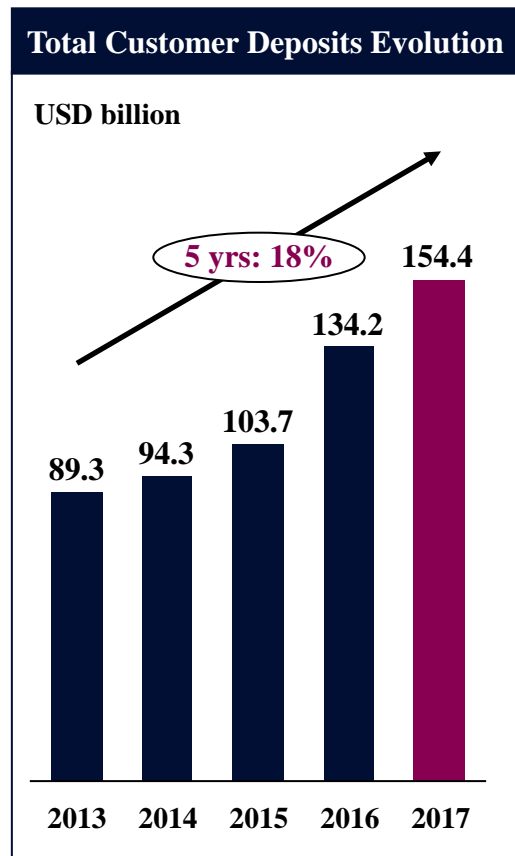
- Quoted securities account for 99% of Available-for-Sale Investment securities



- Majority of Other Sovereign Debt is Government Guaranteed

Robust growth in customer deposits and funding

Funding Analysis (as at 30 June)

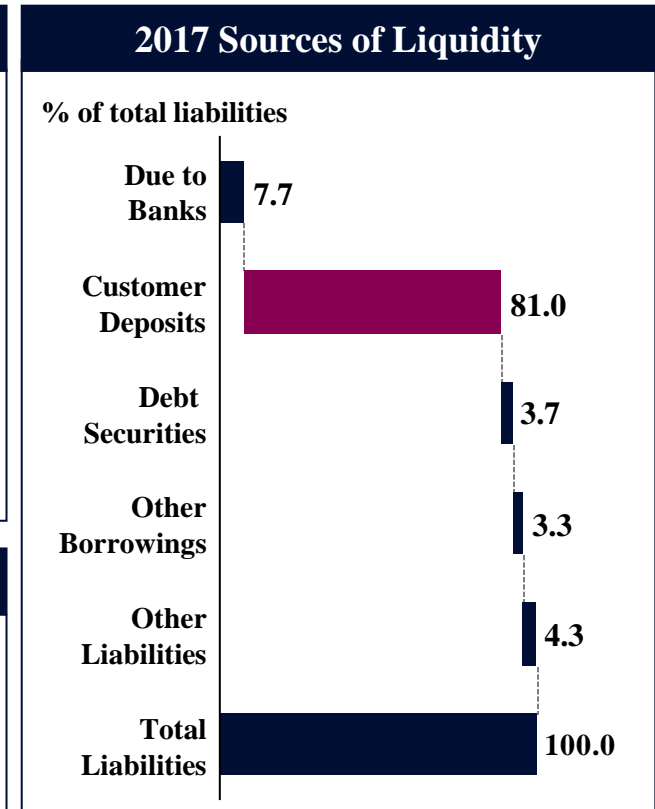
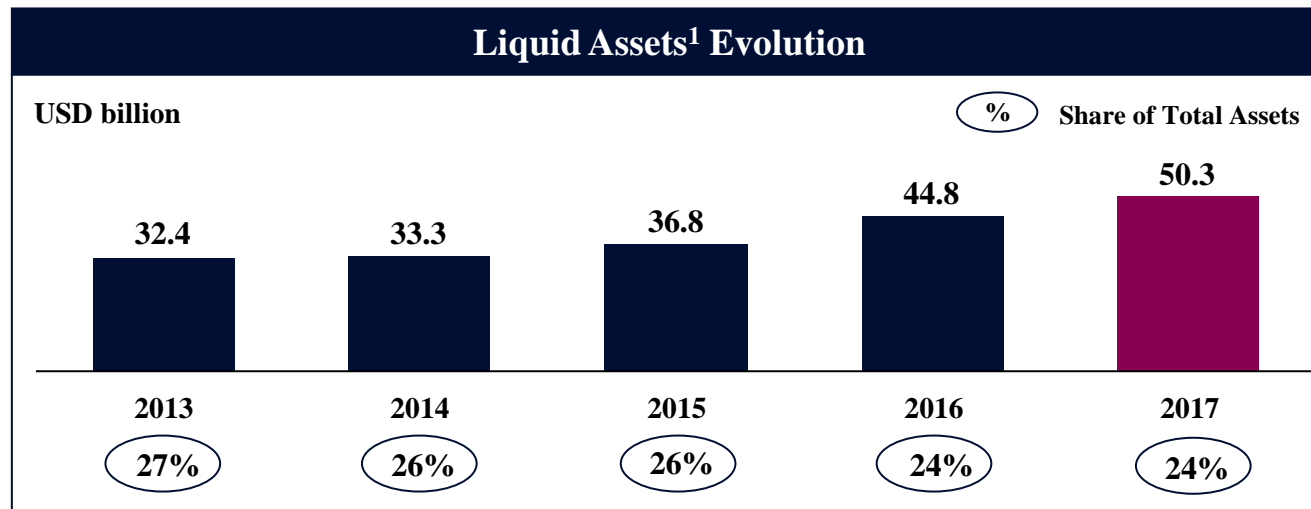
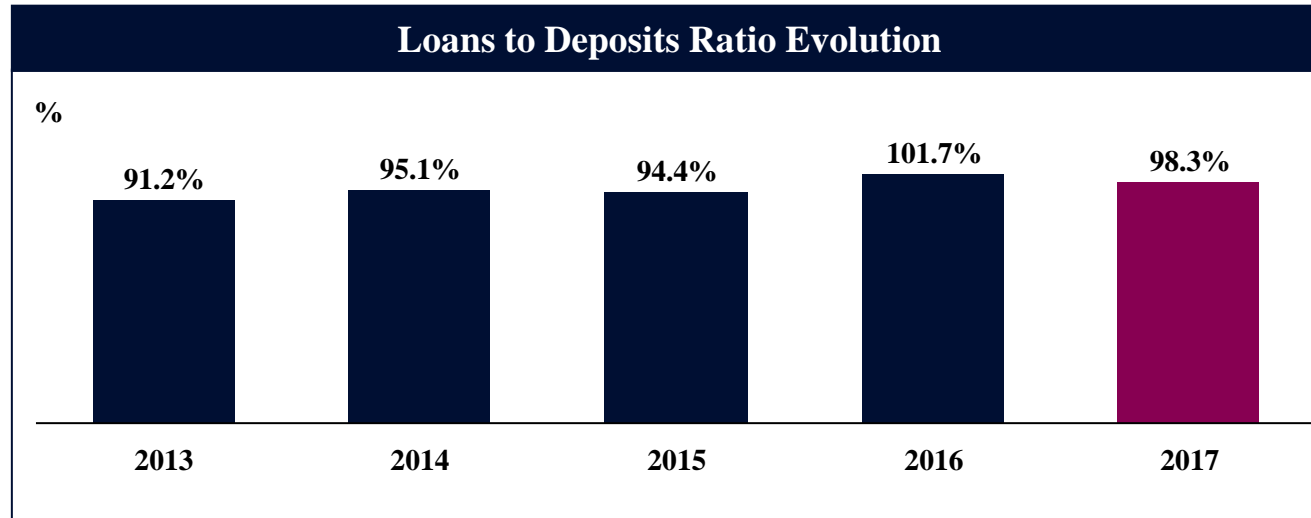


- Deposits increased 15% from June 2016
- 2012-2017 CAGR of 18%

- QNB remains the public sector's preferred bank
- USD, TRY and EGP denominated deposits represent 42%, 7% and 4% of total deposits respectively

Solid liquidity profile

Liquidity Analysis (as at 30 June)



2017 Liquidity Ratios

• LCR:	131%
• NSFR:	93%

Sources of Institutional Funding

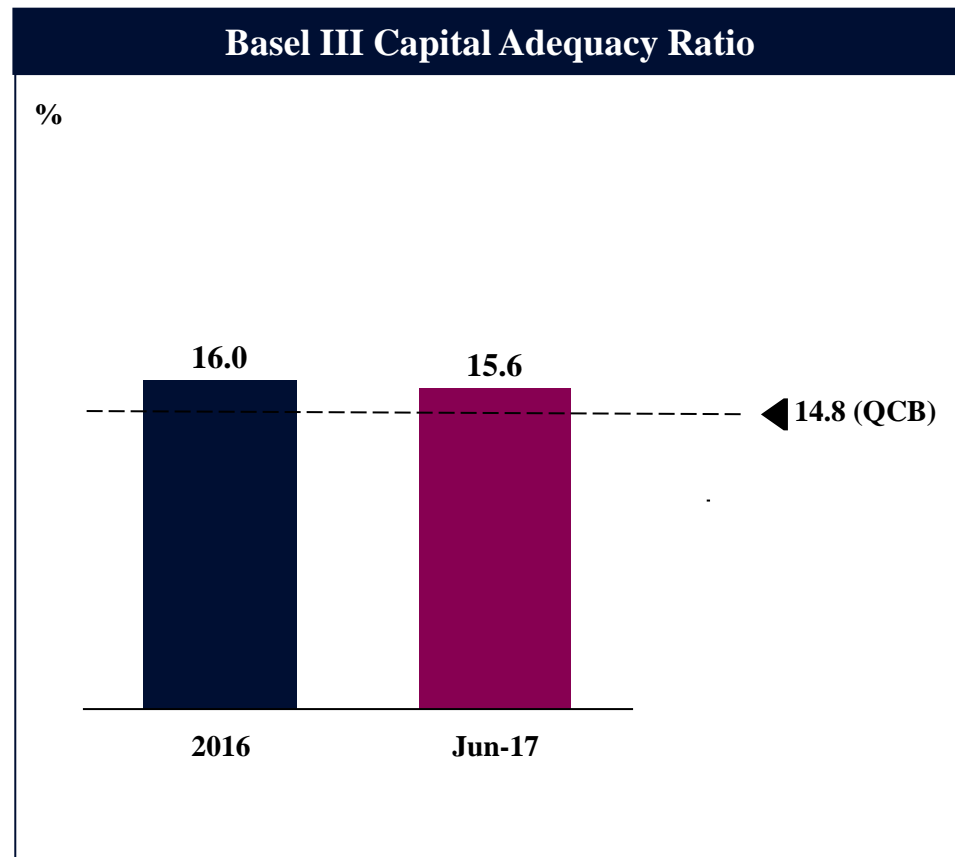
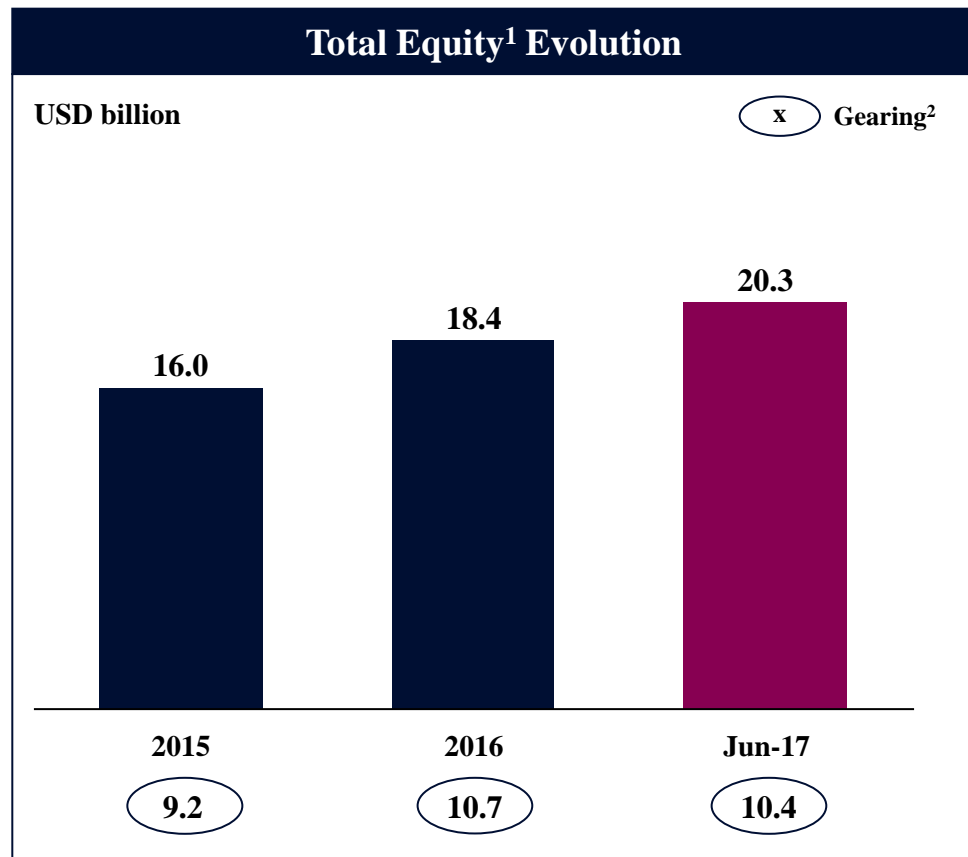
EMTN and Certificate of Deposits

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 USD17.5 billion and outstanding is USD11.4 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), J.P. Morgan Securities plc, Mitsubishi UFJ Securities International plc, Mizuho International plc, QNB Capital LLC, Standard Chartered Bank, HSBC Bank plc and Morgan Stanley
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 USD10.1 billion
Average Life	<ul style="list-style-type: none"> Average residual life of 99 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, JP Morgan Securities Plc 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 unless stated)



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

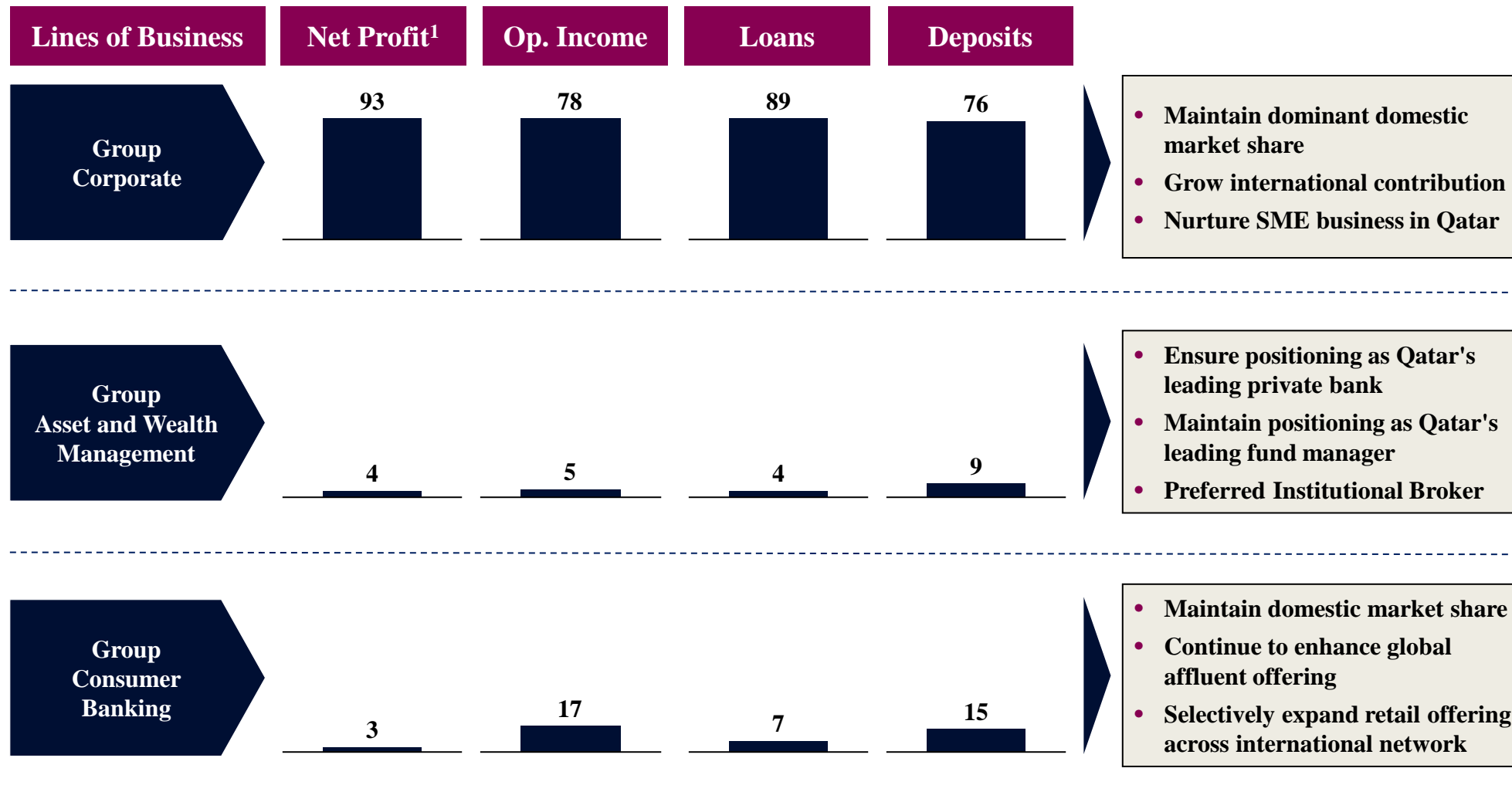
- Capital adequacy ratio is above QCB and Basel III requirements including the applicable DSIB buffer of 0.625%



Source: June 2017 Financial Report
 1: Total Equity excludes fair value reserve, proposed dividend and non-controlling interest
 2: Defined as total assets to total equity

Diversifying business mix will bolster sustainable growth

Business Mix Contribution (% share as at 30 June 2017)



QNB Group Financials

Key data (as at 30 June 2017)

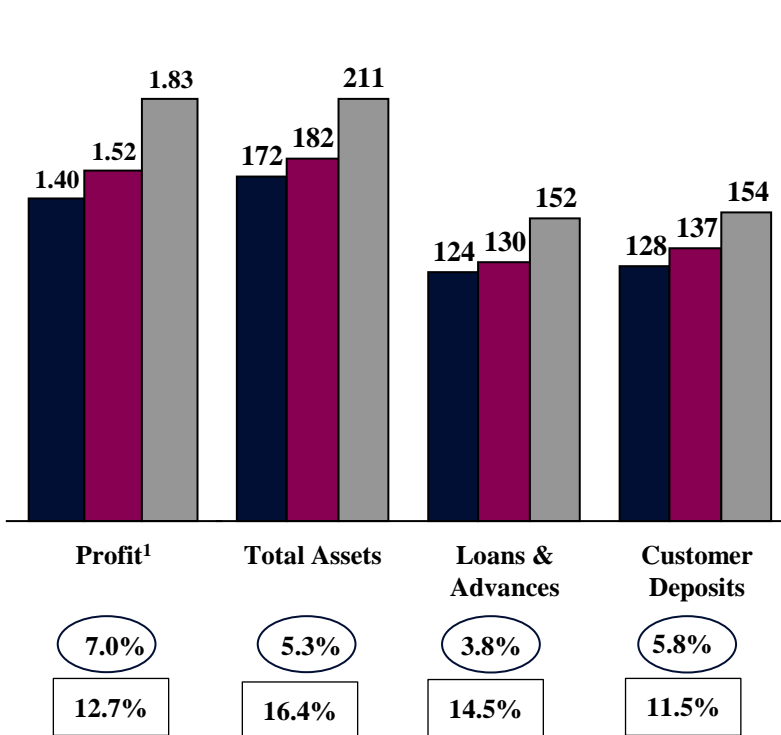
■ QNB ■ QNB incl. QNB ALAHLI ■ QNB incl. QNB Finansbank

○ Contribution of QNB AA

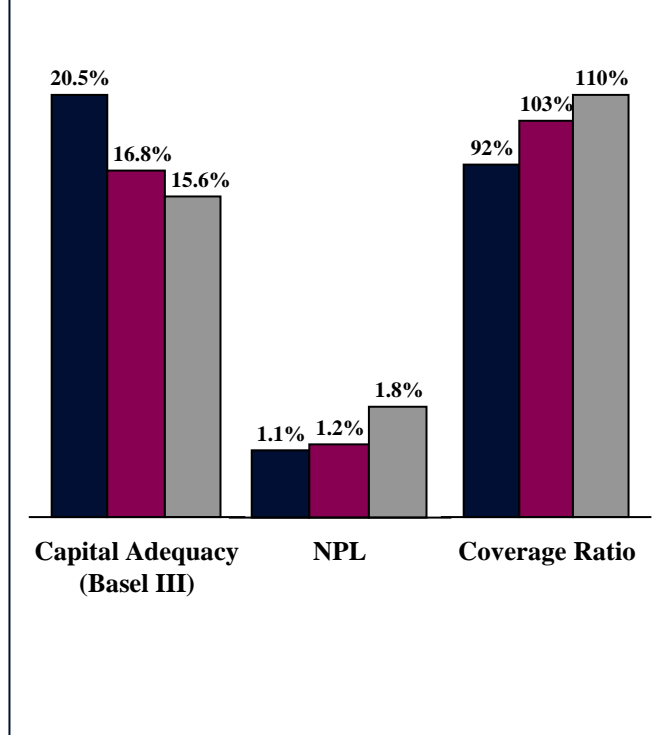
□ Contribution of QNB Finansbank

Financials

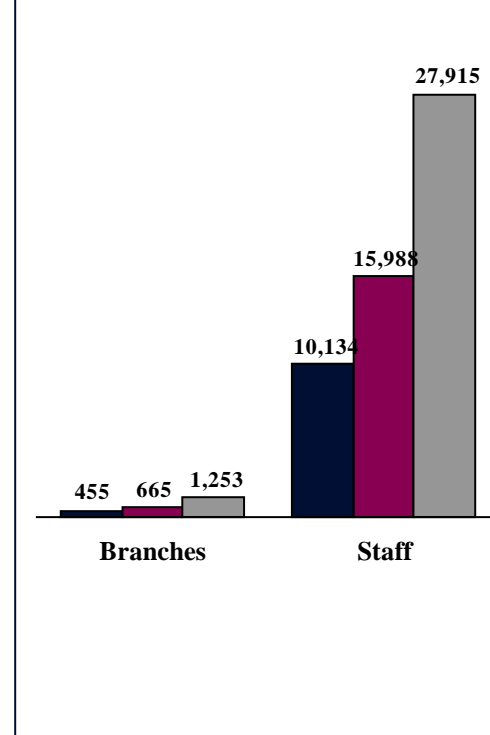
USD billion



Ratios



Presence



- Results finalised under International Financial Reporting Standards (IFRS)
- Capital Adequacy (Basel III) on consolidation 15.6%

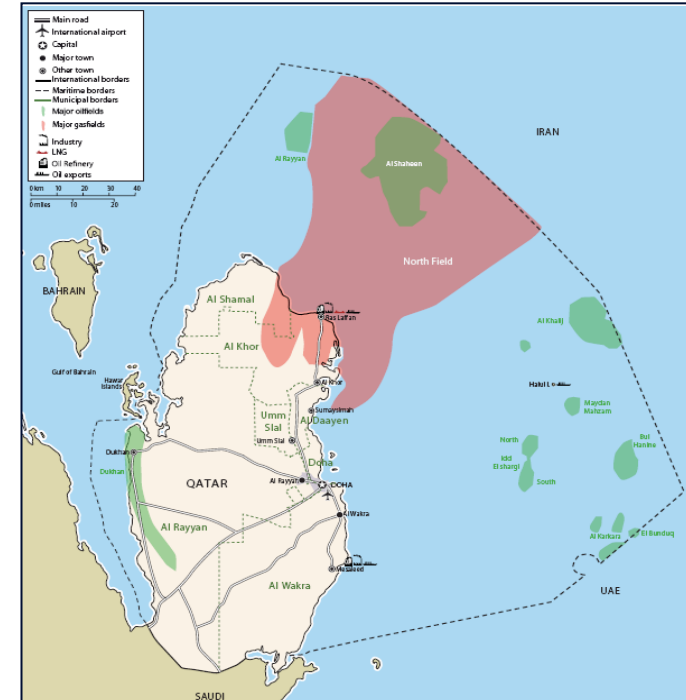
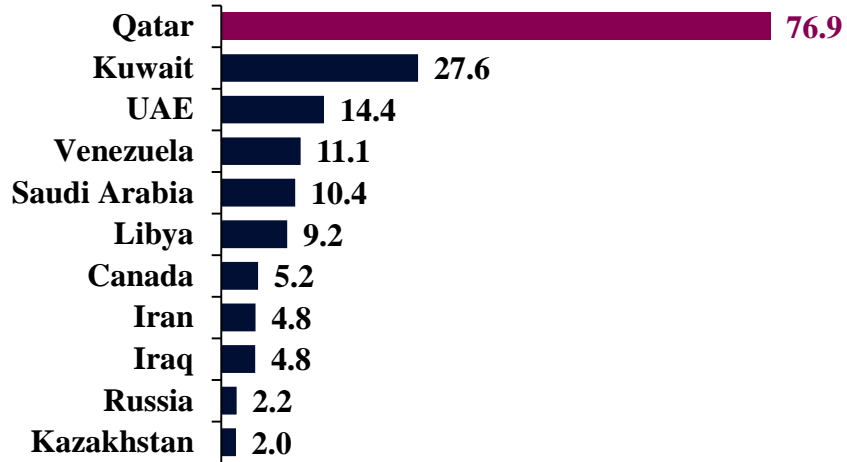


Economic Overview

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

Oil and Gas Reserves Per Capita (2015)

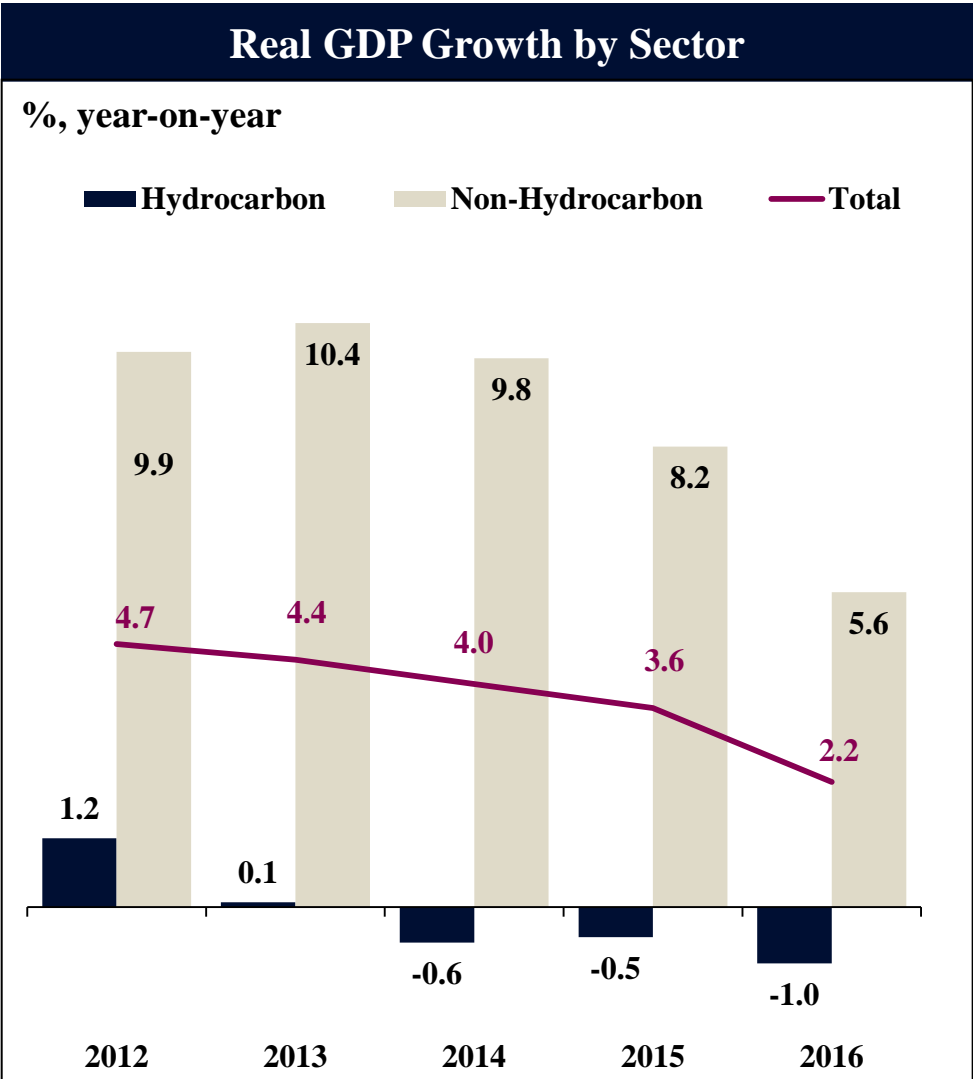
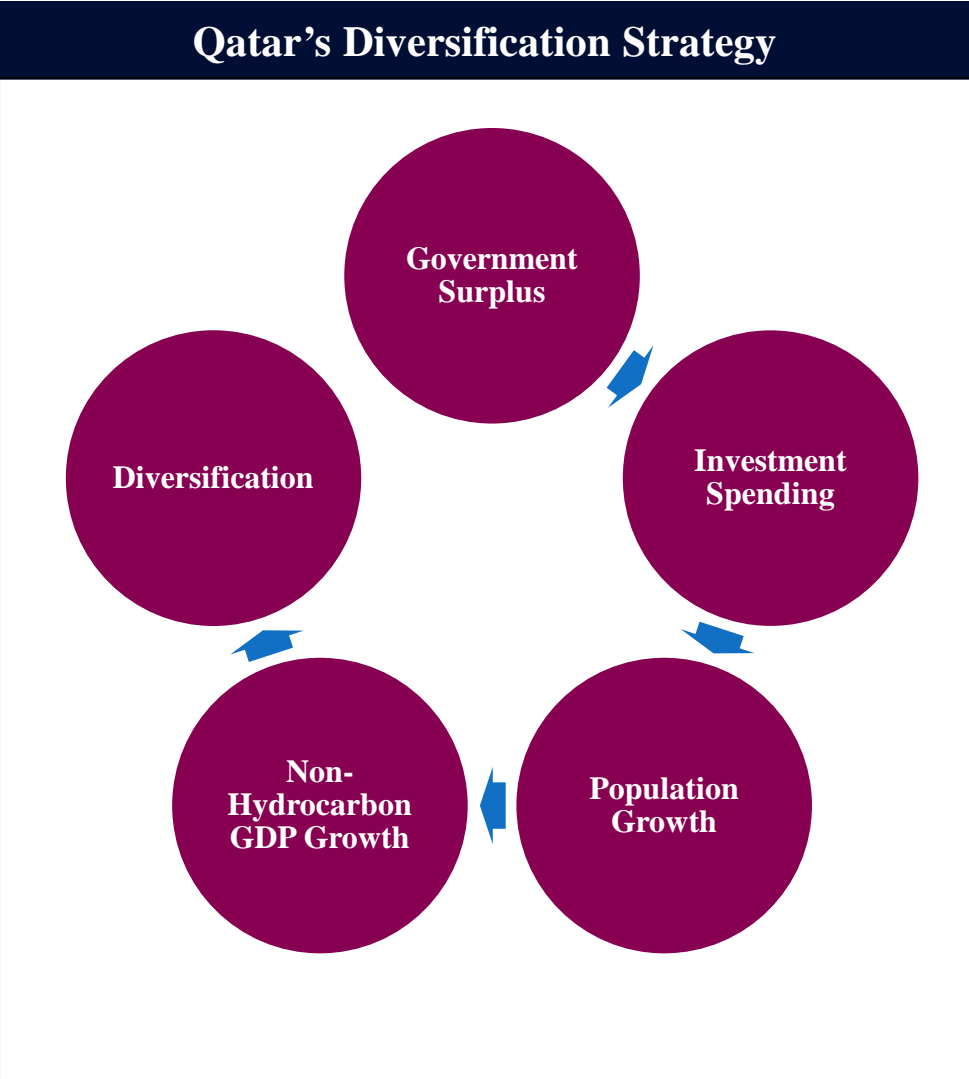
k barrels of oil equivalent (boe)



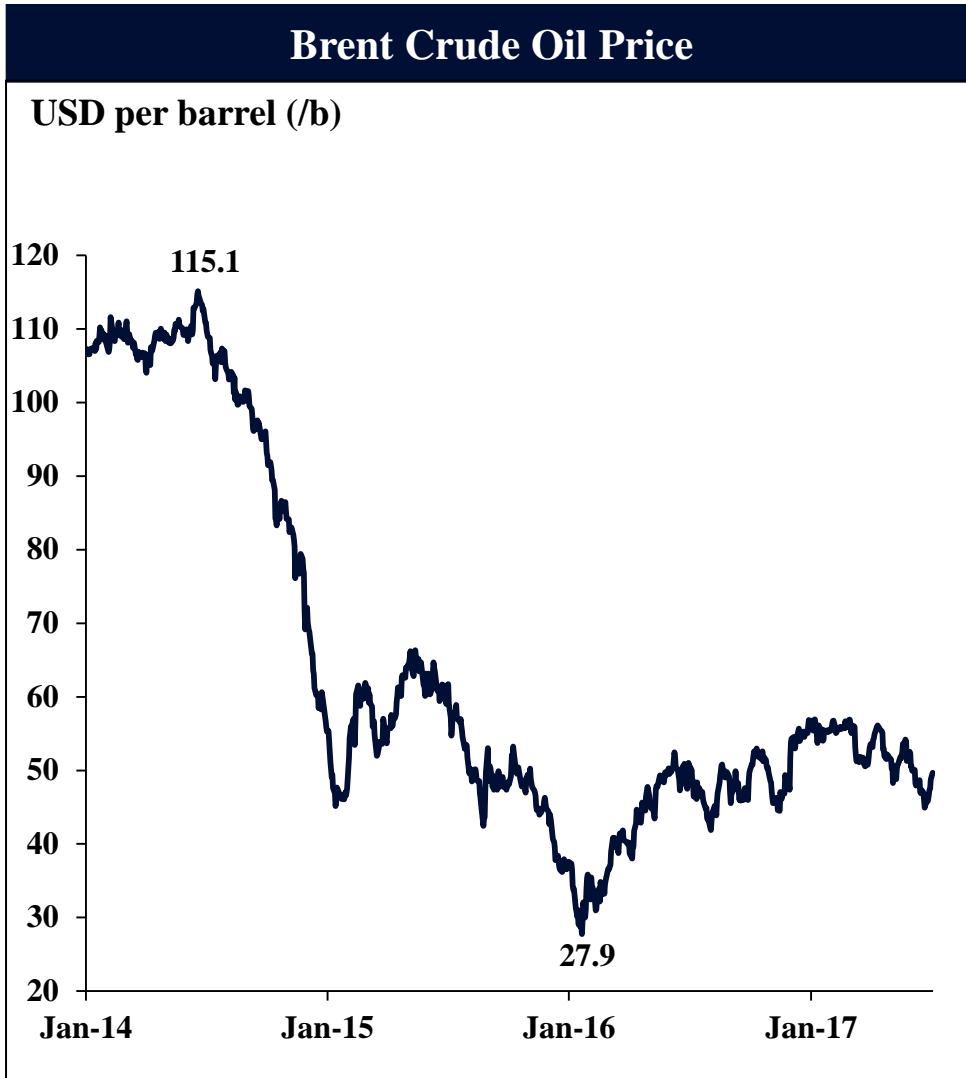
- Qatar is endowed with major oil and gas resources, especially in relation to the size of its population
- At current extraction rates, Qatar's proven gas reserves will last at least another 134 years and oil reserves for 39 years

- 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)

Large infrastructure investment projects have driven diversification and strong growth in the non-hydrocarbon sector

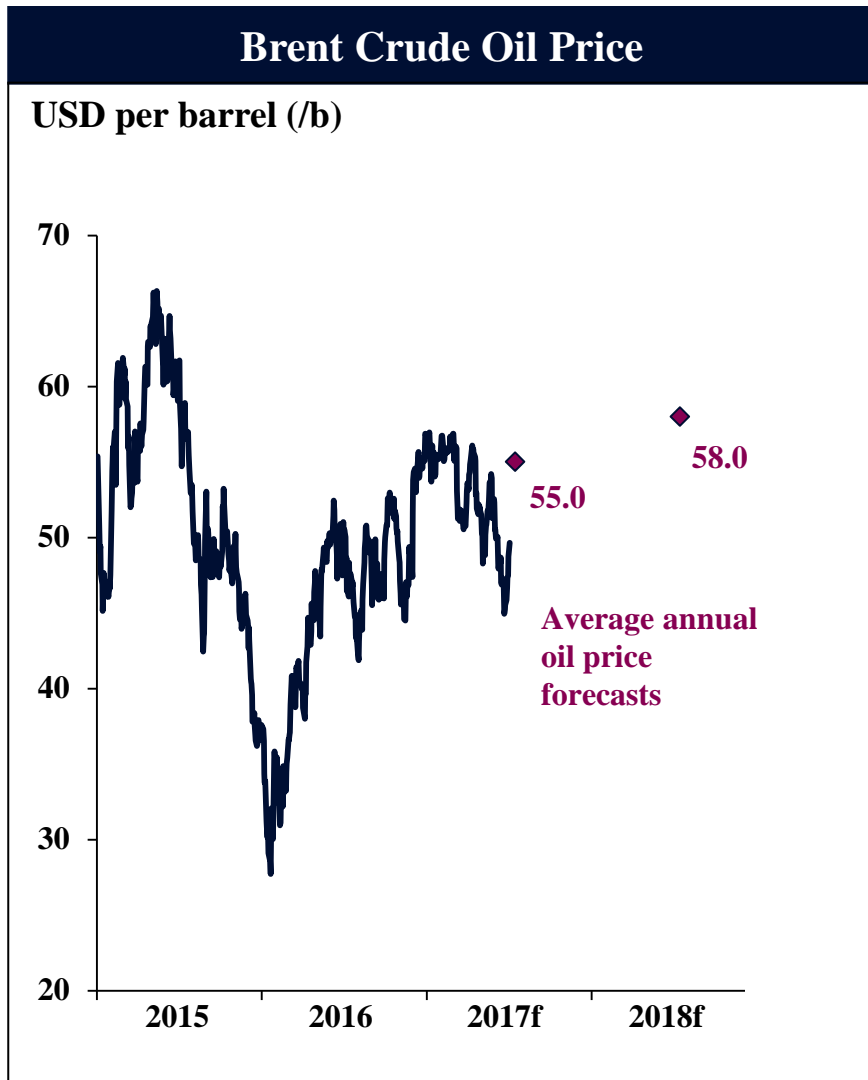


Oil prices have rebounded from multi-year lows as excess supply in oil markets has diminished



- At the start of 2016, Brent crude prices fell close to a 13-year low, reaching USD27.9/b
- Since then, oil prices have recovered, mainly owing to two factors:
 - 1) High-cost producers were pushed out of the market in the face of low global oil prices
 - 2) Markets rallied on OPEC agreement to curb output by about 1.2 million barrels per day (m b/d), the first such cut in eight years

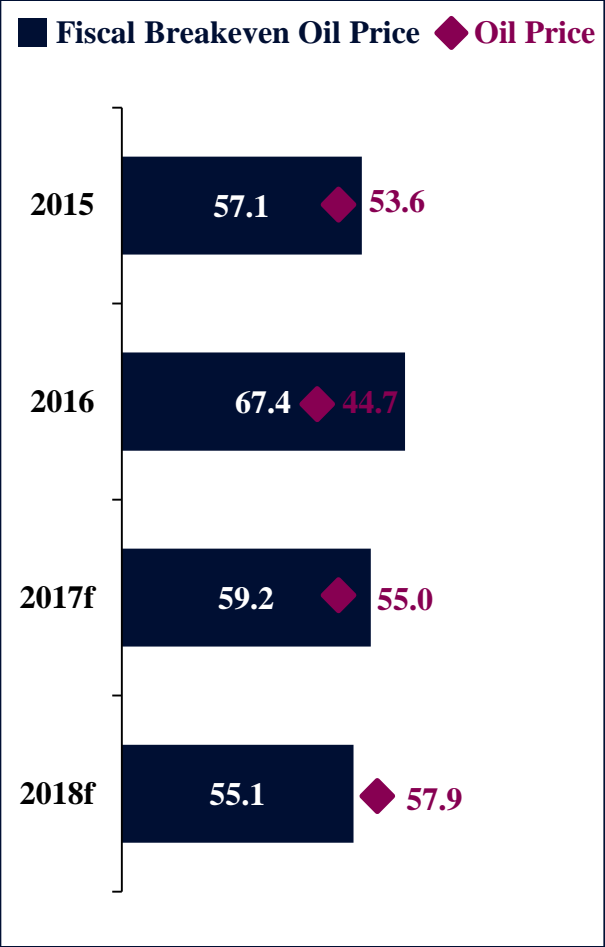
We expect Brent oil prices to be range-bound at USD55-60/b over the medium term



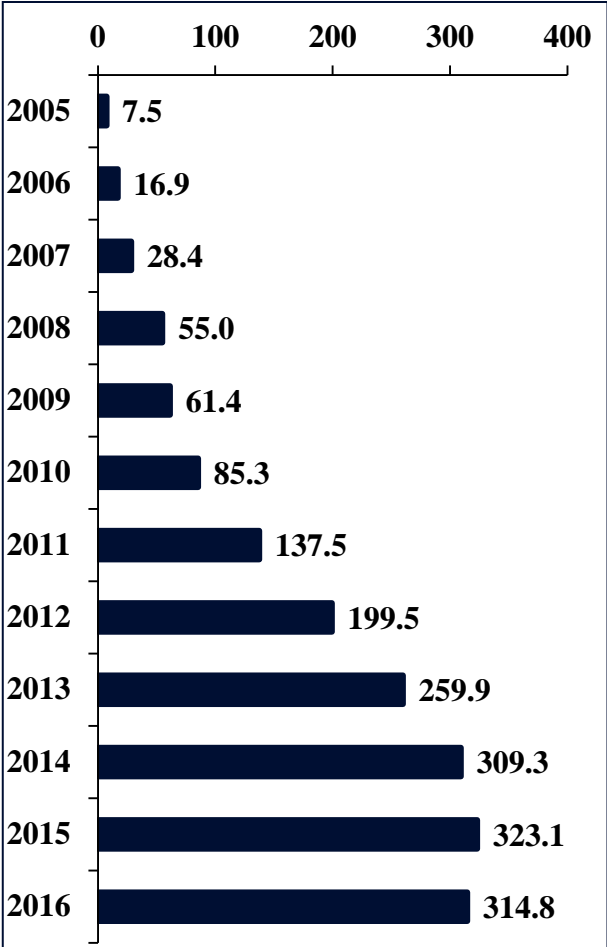
- OPEC cuts have expedited the clearing of oil markets
- In isolation, these production cuts and the undersupply of oil markets in 2017 should help raise prices to above USD60/b
- However, higher oil prices will encourage re-entrance of high-cost producers
- The average breakeven price for US shale is estimated at around USD55/b
- Therefore we expect oil prices to be range-bound between USD55-60/b

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

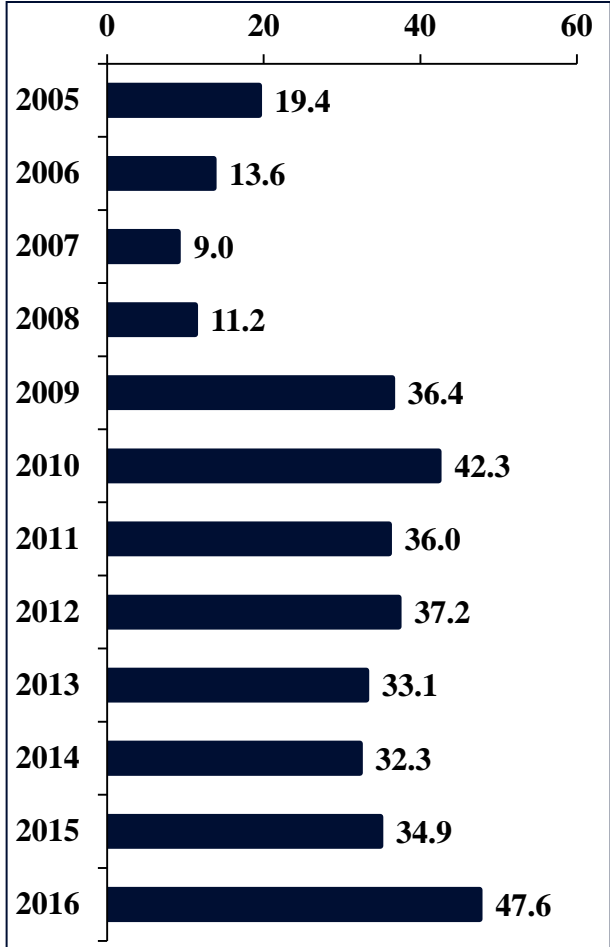
Fiscal Breakeven Oil Prices



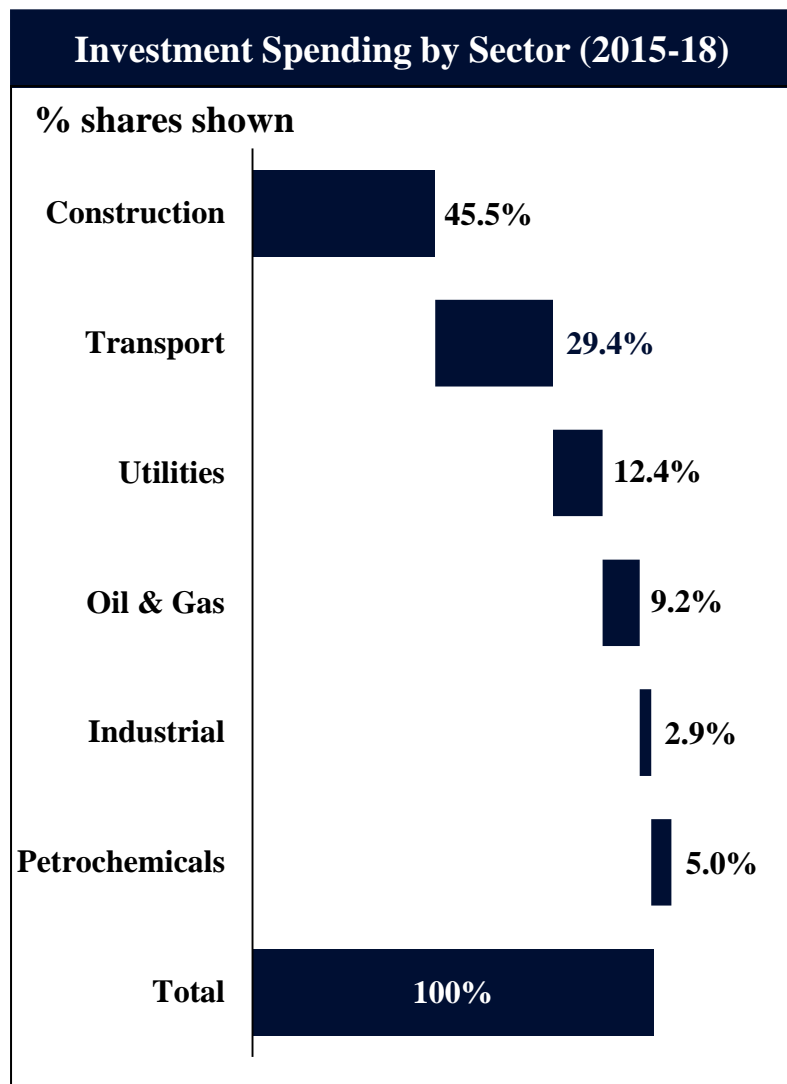
Accumulated Current Account Surpluses (bn USD, 2005-16)



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

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- These statements typically contain words such as "expects" and "anticipates" and words of similar import.*
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- None of the future projections, expectations, estimates or prospects in this presentation should be taken as forecasts or promises nor should they be taken as implying any indication, assurance or guarantee that the assumptions on which such future projections, expectations, estimates or prospects have been prepared are correct or exhaustive or, in the case of the assumptions, fully stated in the presentation.*
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