



Investor Relations Presentation

March 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

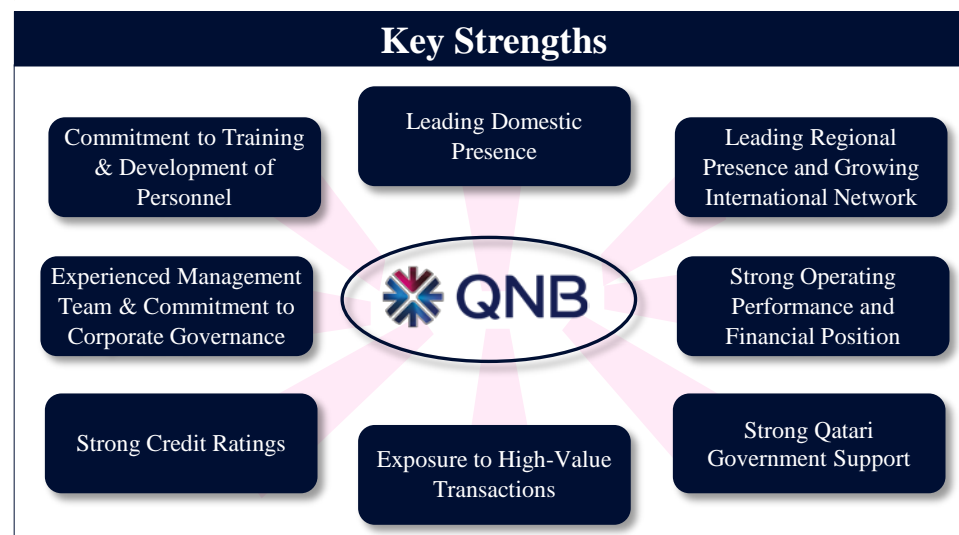
Overview	<ul style="list-style-type: none"> Established in 1964 as the first Qatari owned bank Owned (50%) by the Government of Qatar via the Qatar Investment Authority (QIA) Largest bank in Qatar by market cap., assets, loans, deposits and profit. Largest bank in MEA by total assets, loans, deposits 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+
	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 640 locations, supported by more than 1,400 ATMs and employing more than 15,300 staff. ¹
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Stock/Share Parameters	<ul style="list-style-type: none"> Listed on Qatar Exchange (QNBK) Market cap. of USD32.5bn Share price of USD38.68 per share Price to Book 2.1x (31-Dec-15) Price to Earnings 10.9x (31-Dec-15)
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Financials² (in USD billion)			
	2016	2015	5yr CAGR
Total Assets	151.1	137.8	18%
Loans & Advances	110.4	94.9	23%
Deposits	110.7	100.5	18%
Operating Income ³	1.12	1.10	12%
Profit ⁴	0.79	0.73	11%
Coverage Ratio	120%	129%	-
NPL Ratio	1.4%	1.5%	-
Net Interest Margin	2.78%	2.85%	-



1: Source: QNB


2: Source March 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:** (+1,250 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:** (192 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:** (7 Branches²)


 **Mauritania:** (1 Branch)


Middle East


Qatar: (72 Branches) 


Jordan: (128² (+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) 

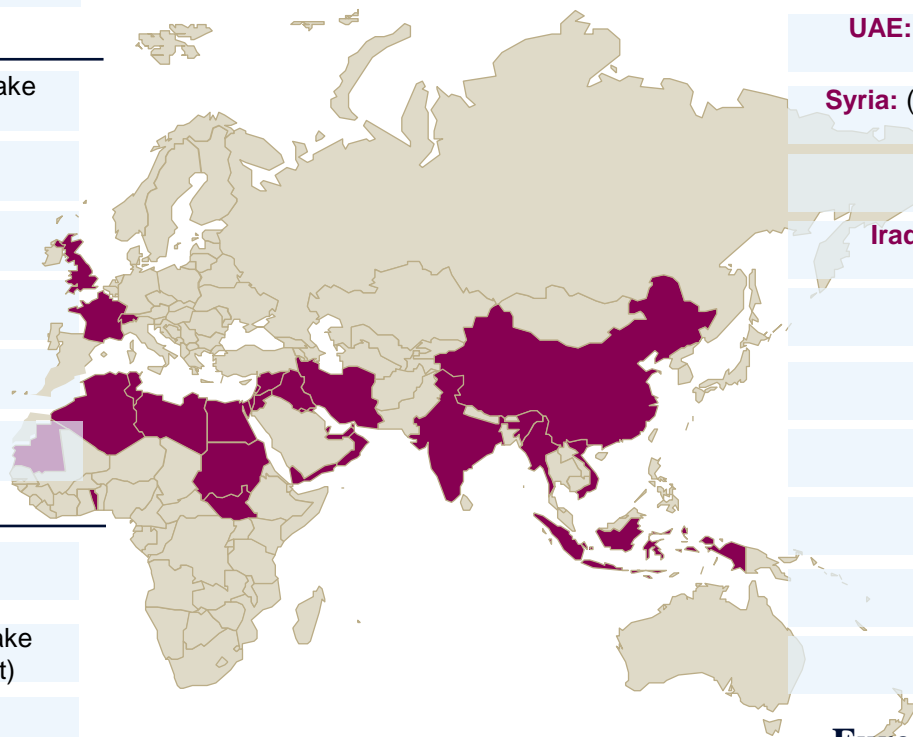
Iran: (1 Representative office³) 

Europe

United Kingdom: (1 (+1²) Branch) 

France: (1 Branch) 

Switzerland: (1 Office, 100% stake in QNB Banque Privée) 



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.”

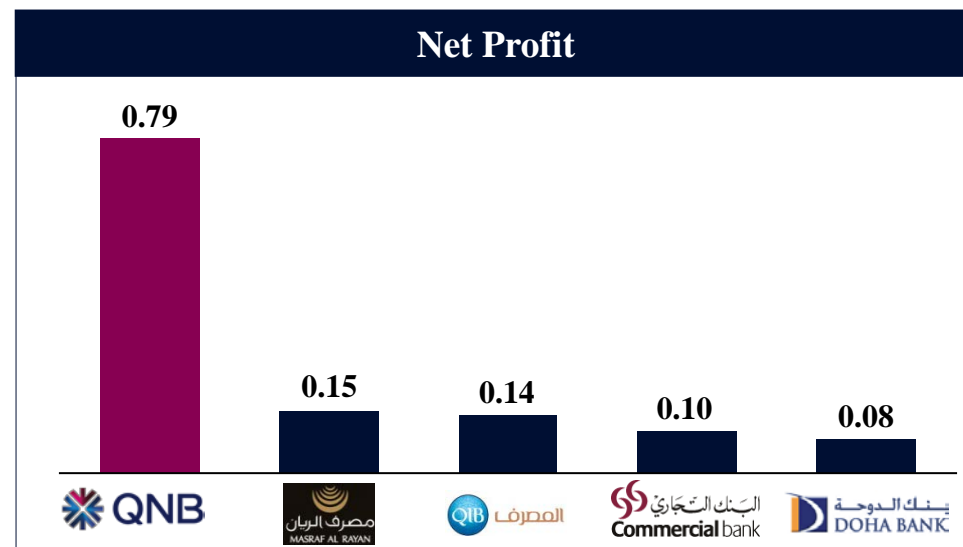
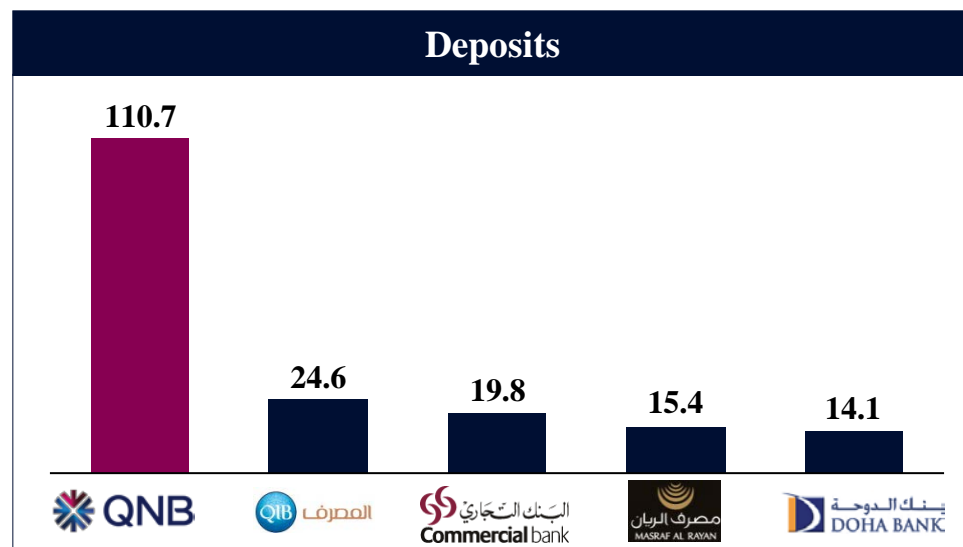
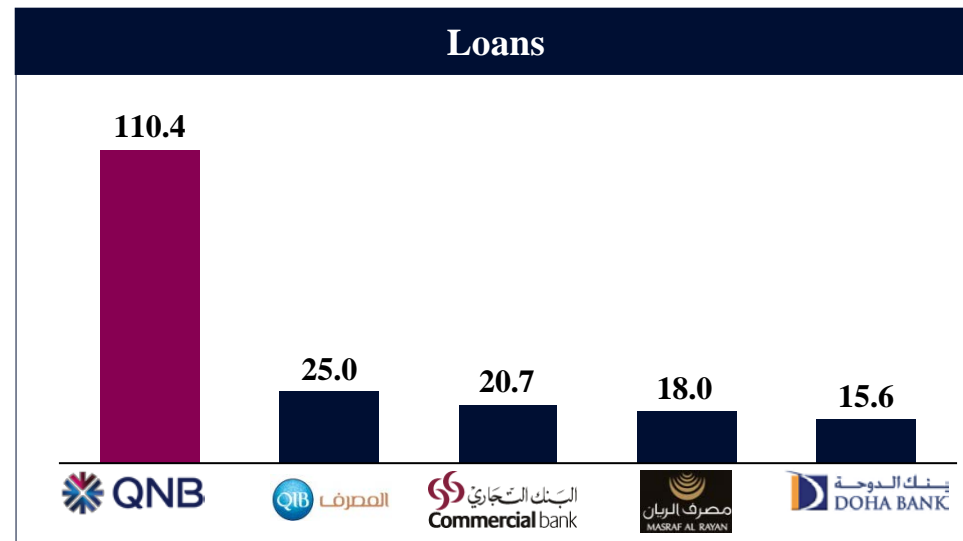
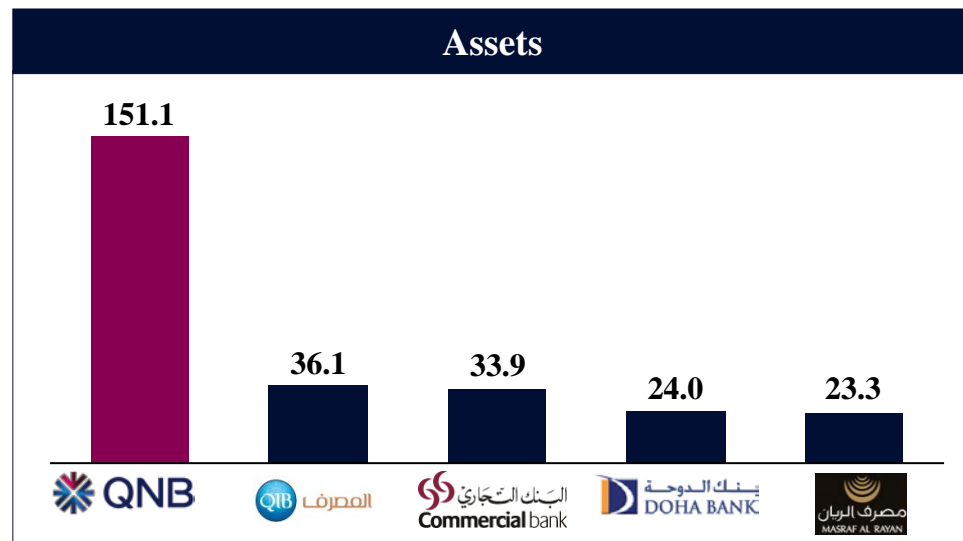
March 11th, 2015



QNB Comparative Positioning – Qatar and MEA

Top 5 Domestic Banks – March 2016

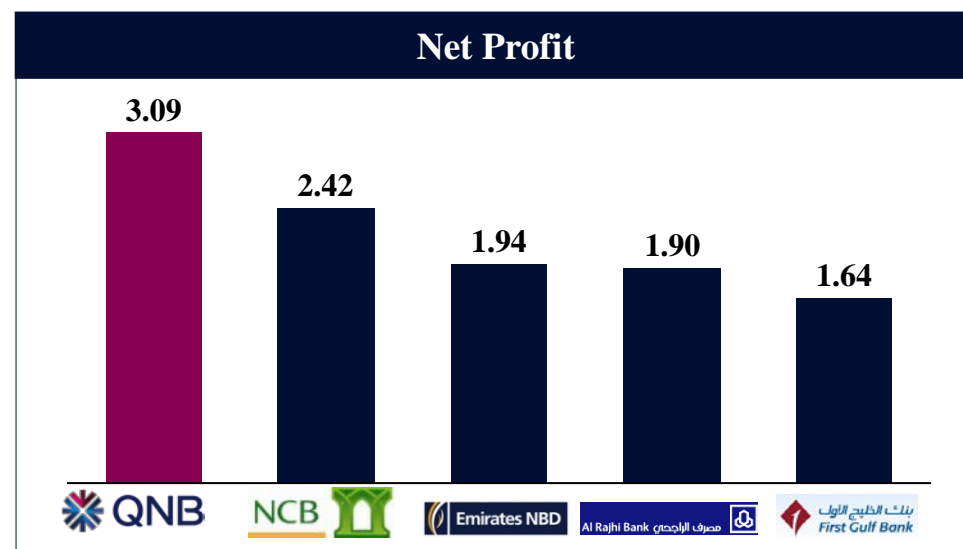
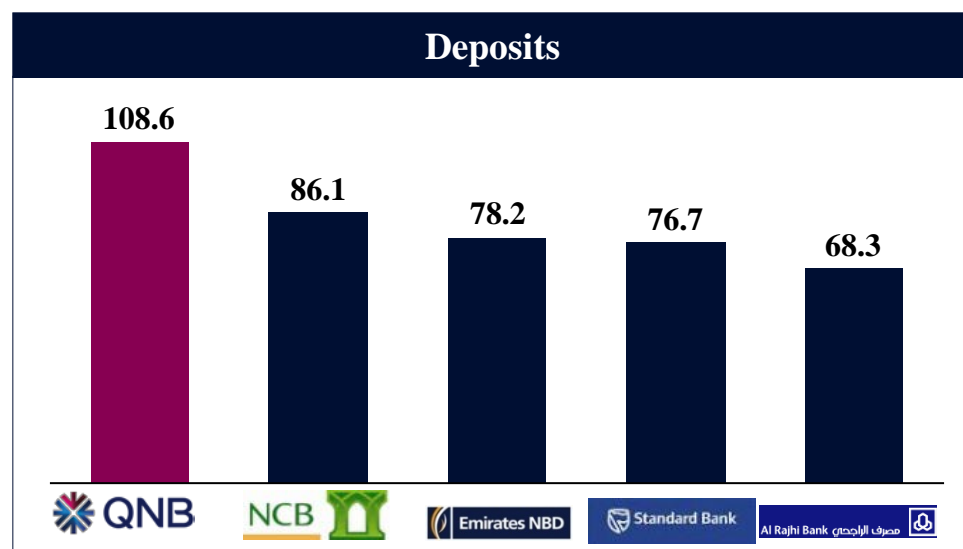
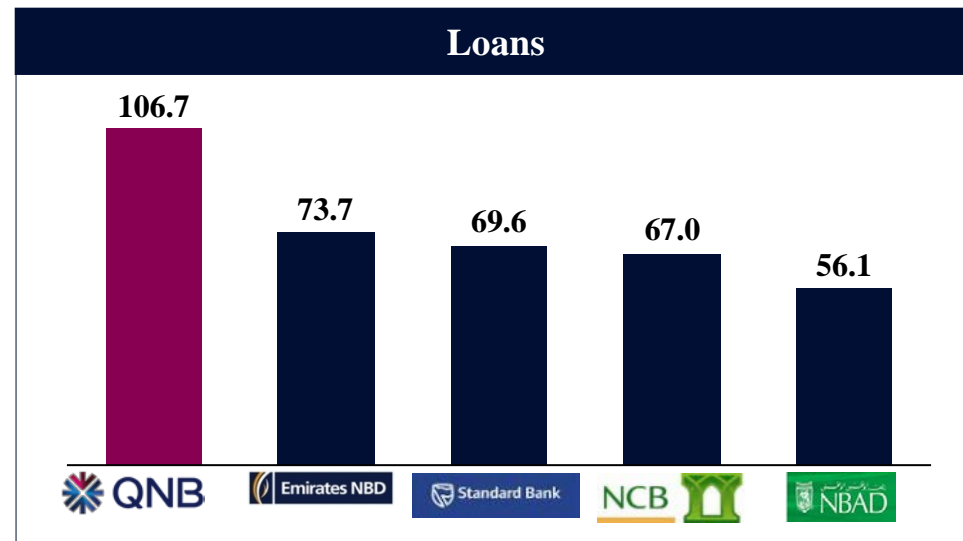
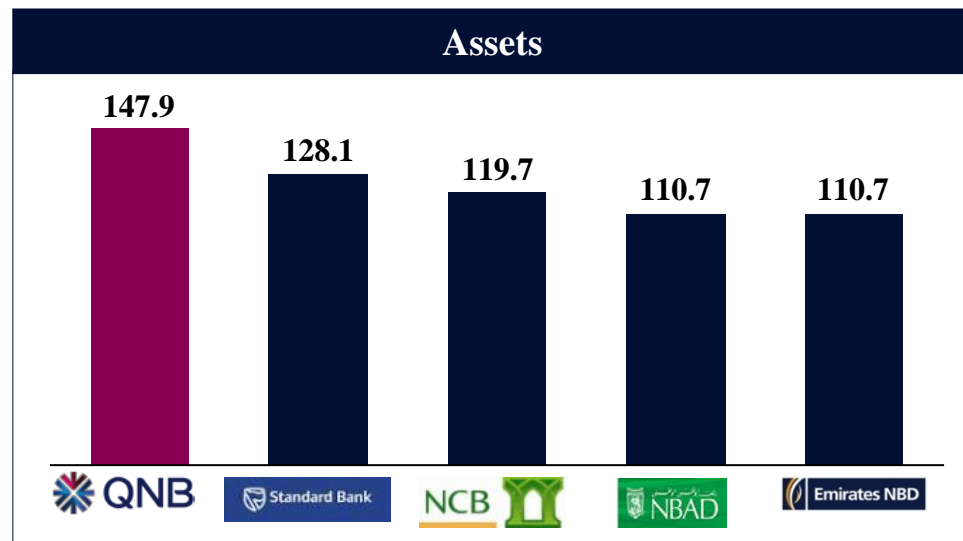
QNB continues to excel in the domestic market



Note: All amounts are in USD billions
Source: Companies' March 2016 Press Release or Financial Statements if available

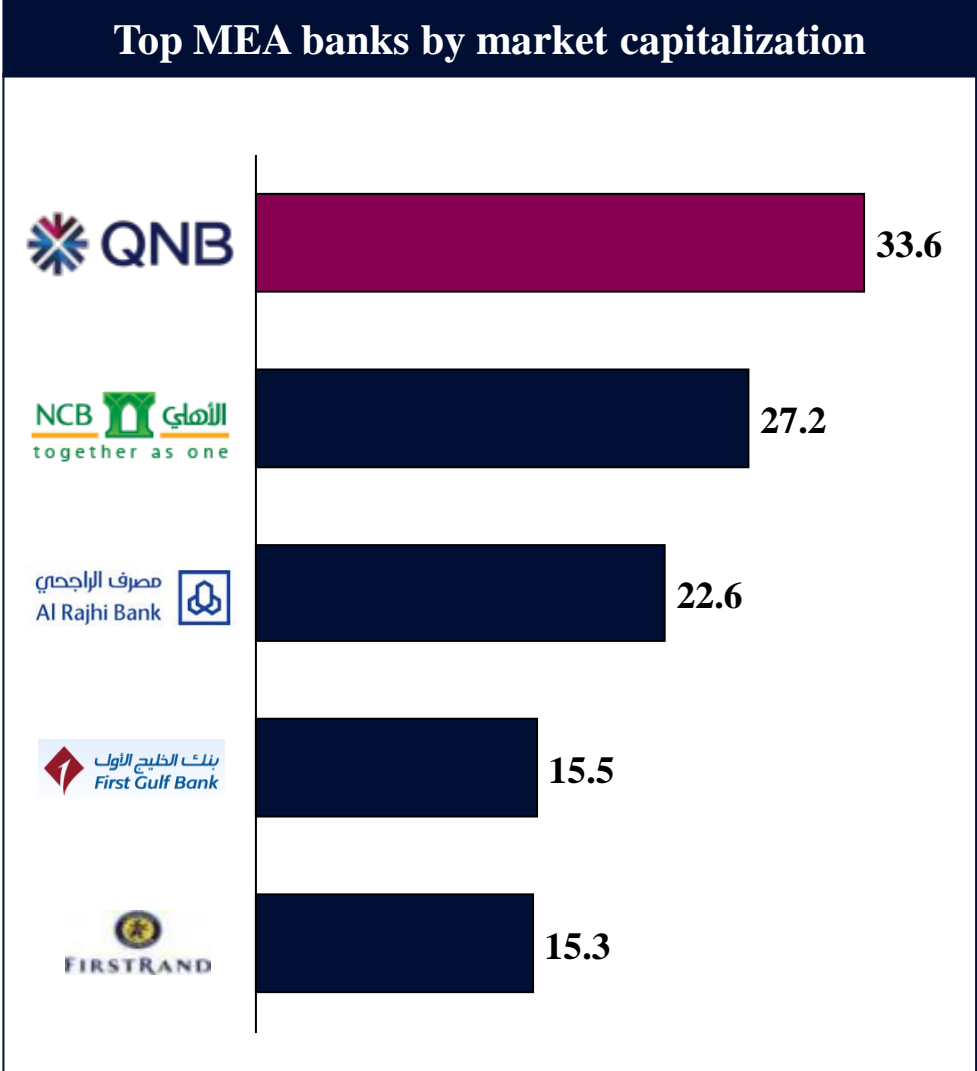
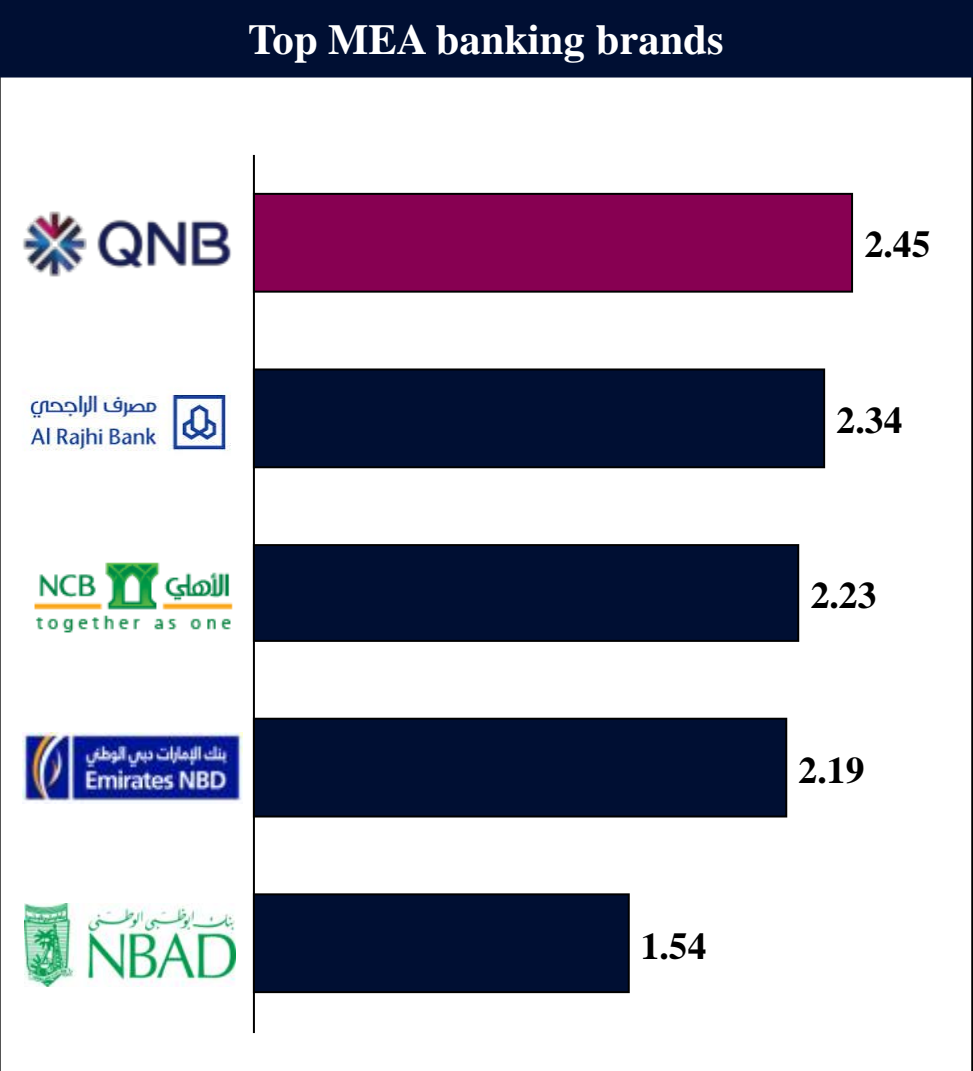
Top 5 MEA Banks – December 2015

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)





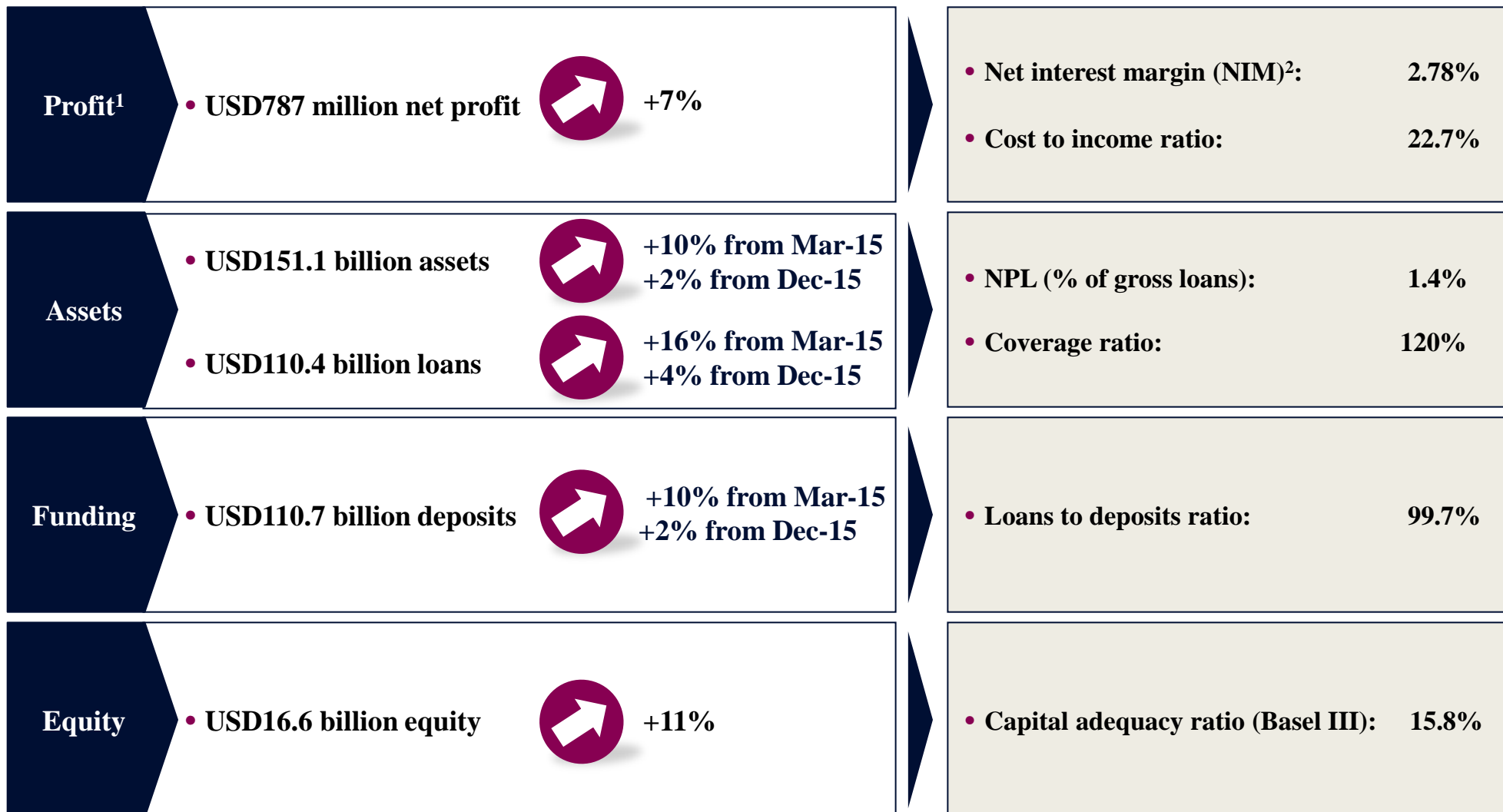
Financial Highlights – as at 31 March 2016

QNB continues to demonstrate sustainable profitable growth

Financial Highlights (as at 31 March 2016)



Growth vs. March 2015



Source: March 2016 Financial Report

1: Profit Attributable to Equity Holders of the Bank

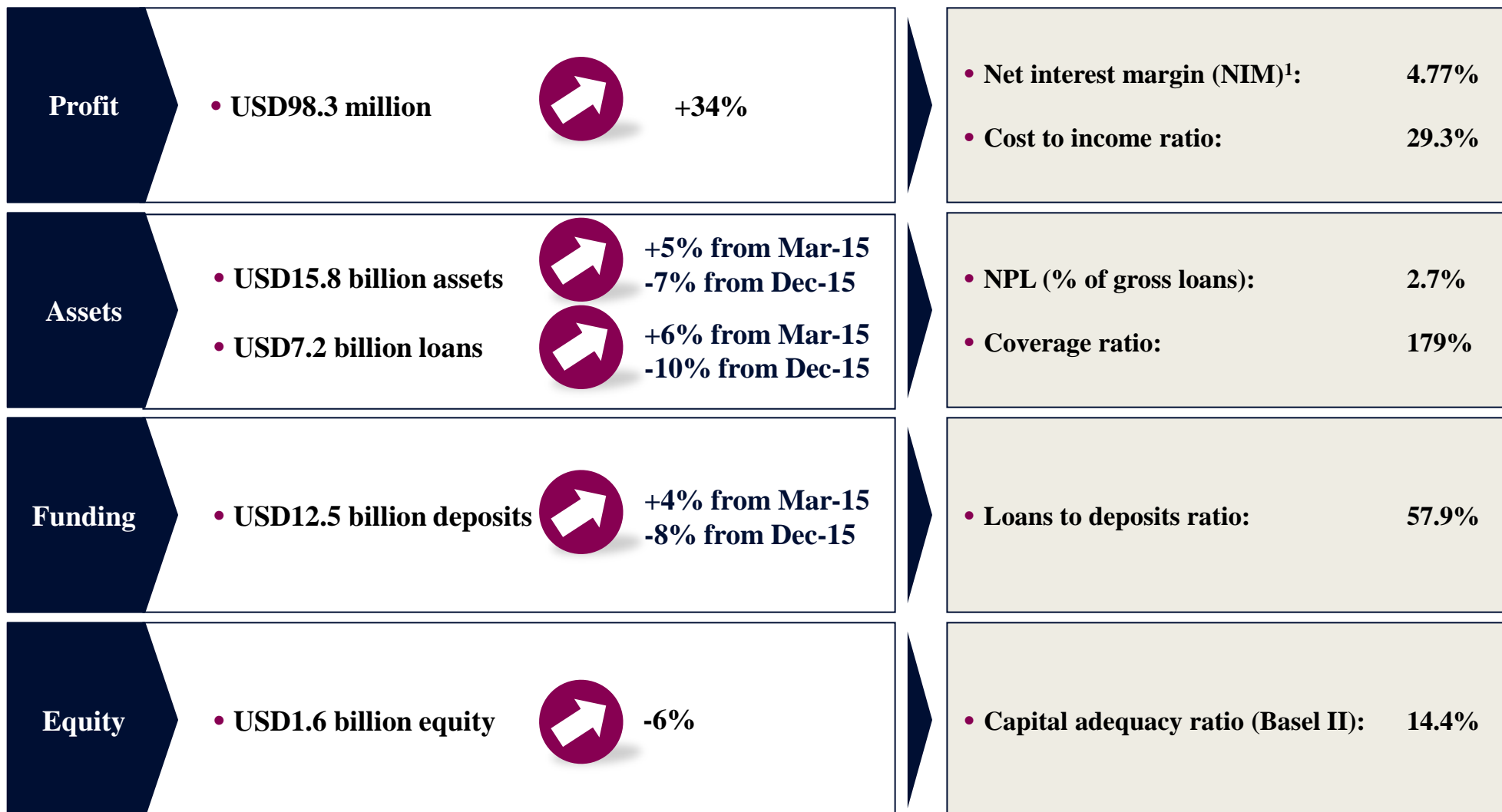
2: Net interest margin calculated as net interest income over average earning assets

QNB ALAHLI

Highlights (as at 31 March 2016)

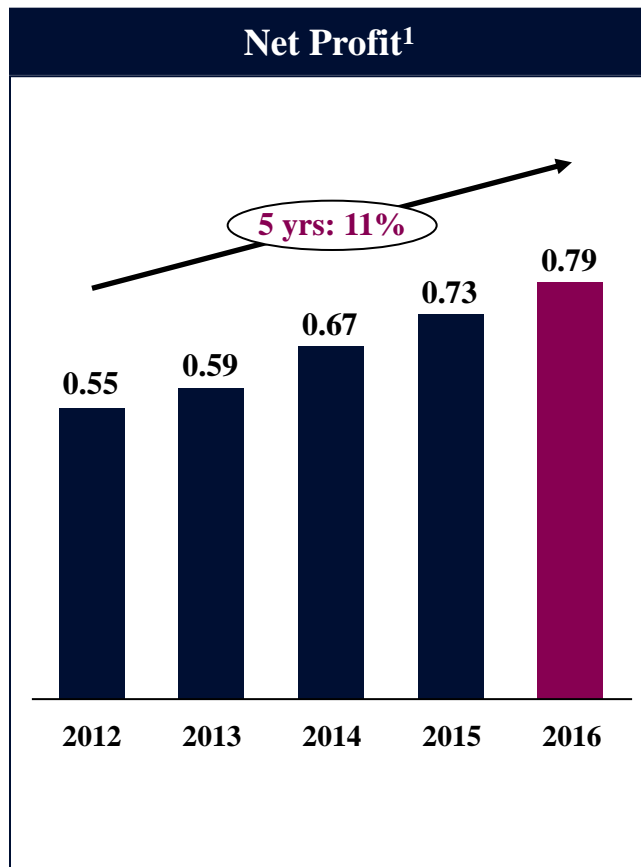


Growth vs. March 2015

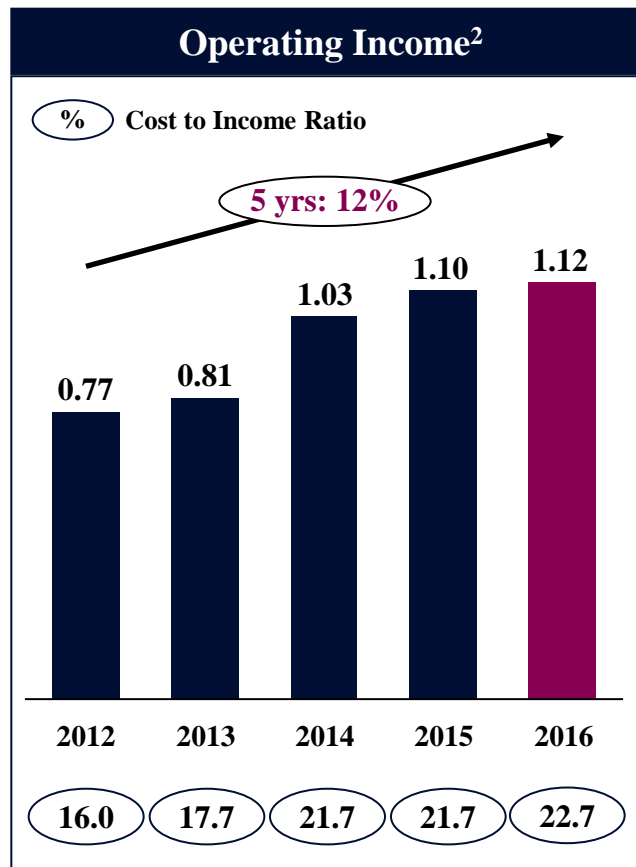


Strong profitability growth

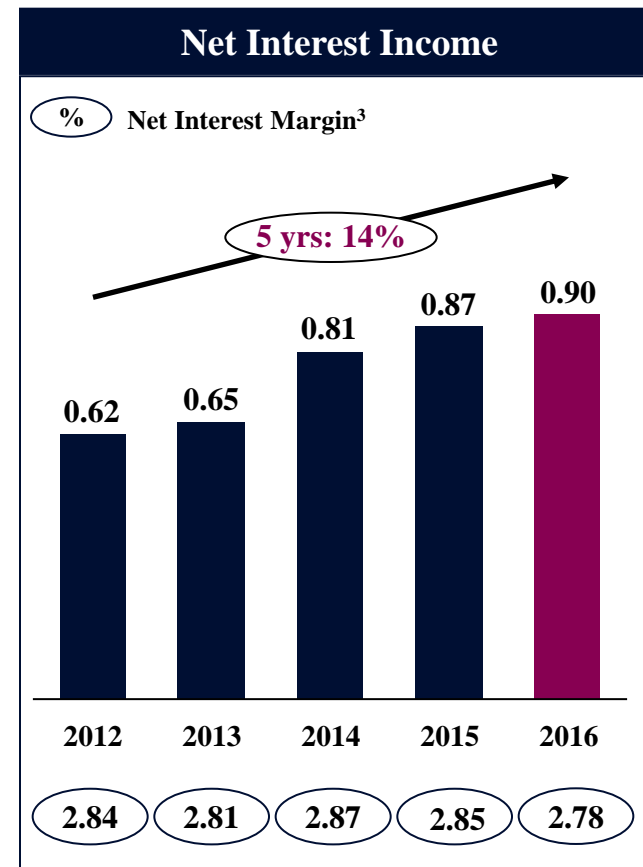
Income Statement Breakdown (USD billion as at 31 March)



- Net profit increased 7% from March 2015
- 2011-2016 CAGR of 11%



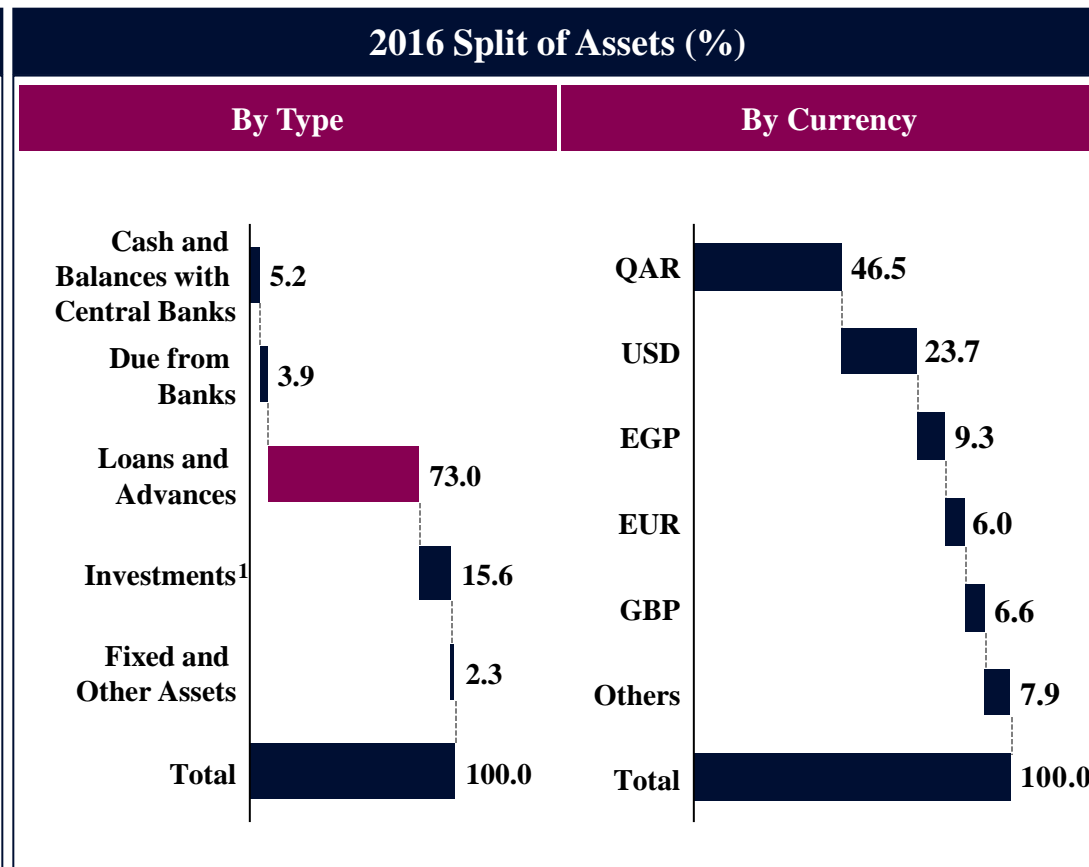
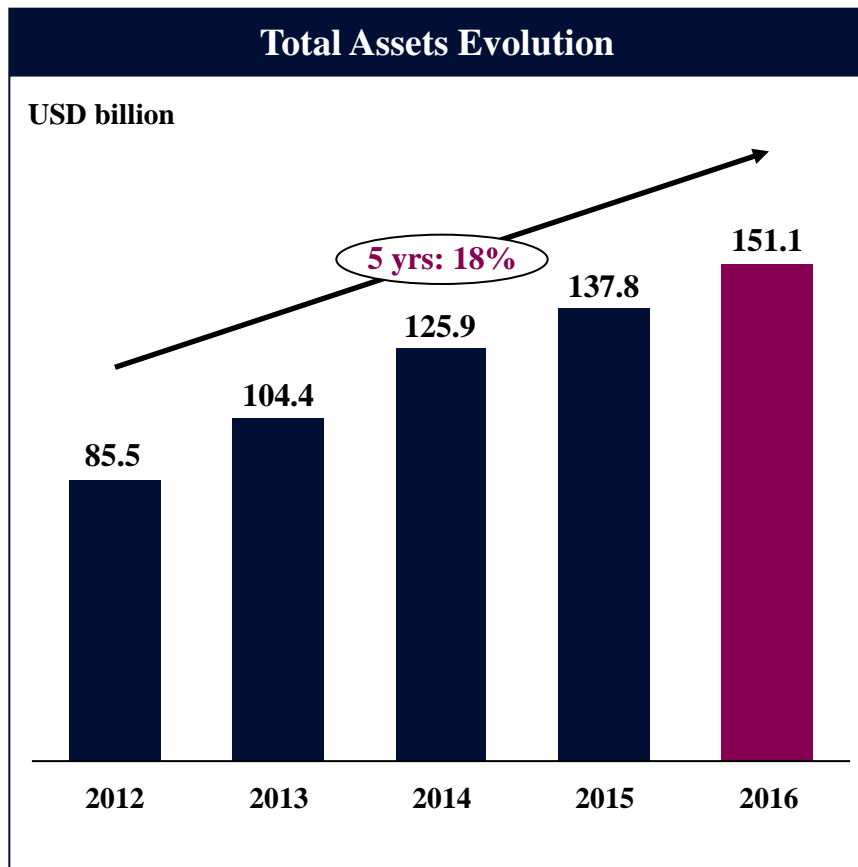
- Operating income increased 2% from March 2015
- 2011-2016 CAGR of 12%



- NII increased 4% from March 2015
- NIM decreased by 7bps from March 2015 as cost of funds increased

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

Assets Analysis (as at 31 March)

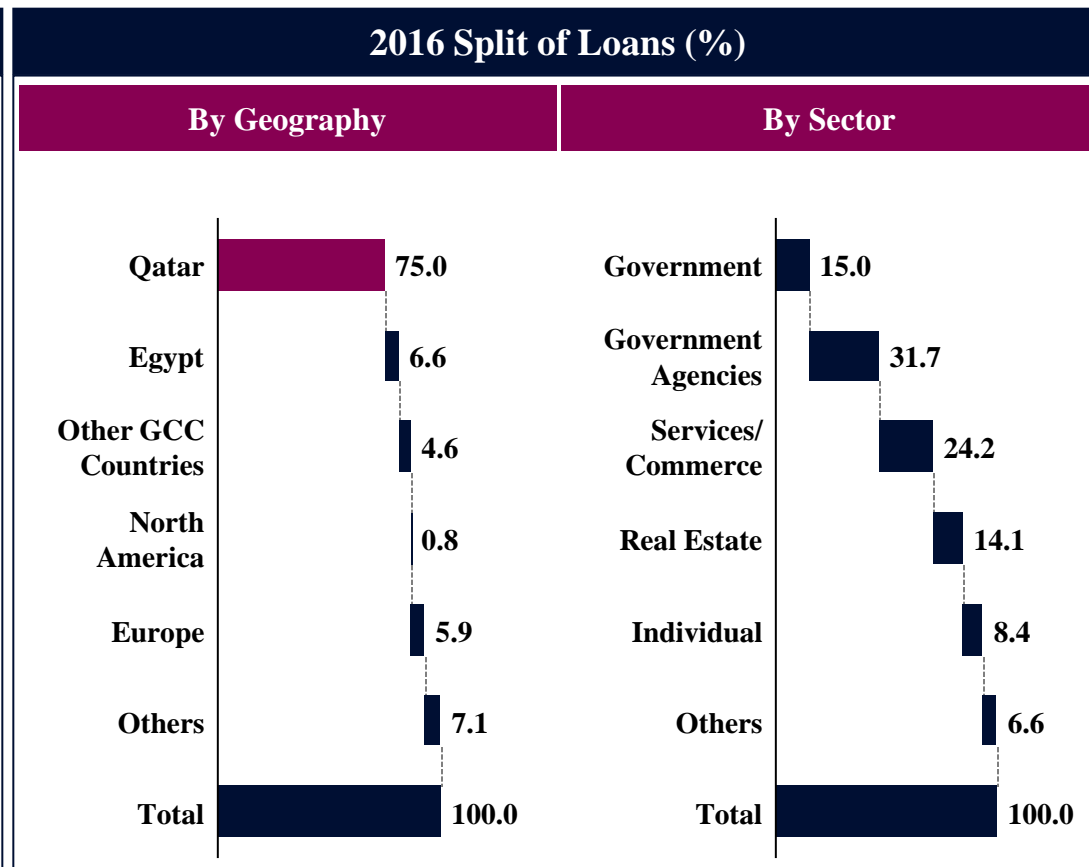
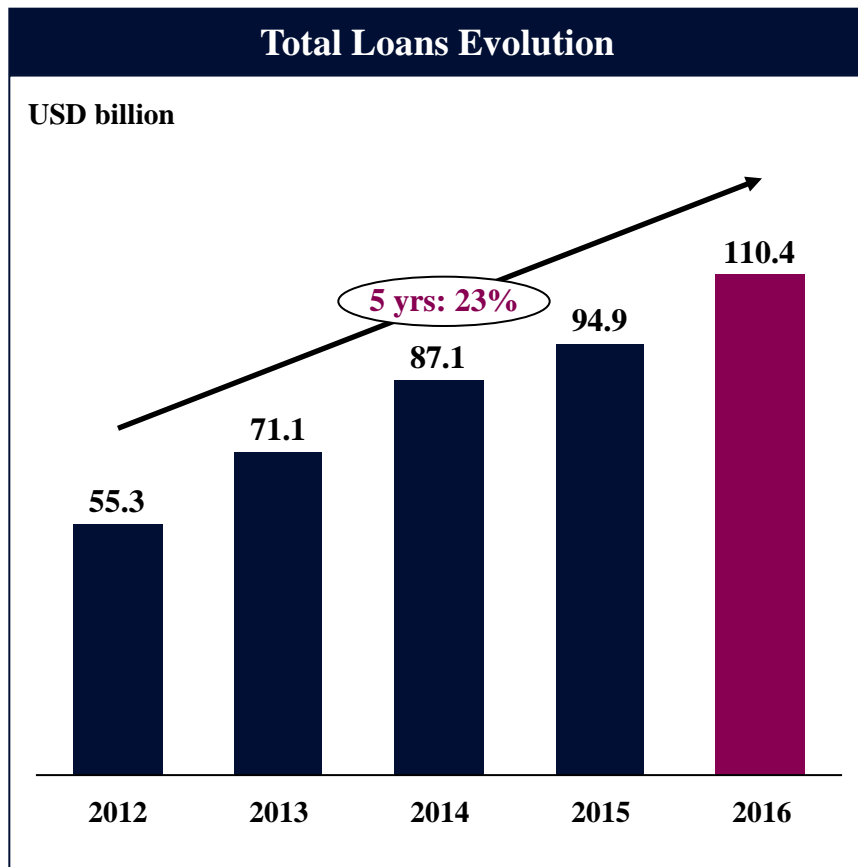


- Assets increased 10% from March 2015
- 2011-2016 CAGR of 18%

- Loans and advances represent 73% of total assets
- USD and QAR currencies account for 70% of total assets

Good loan growth

Loans Analysis (as at 31 March)

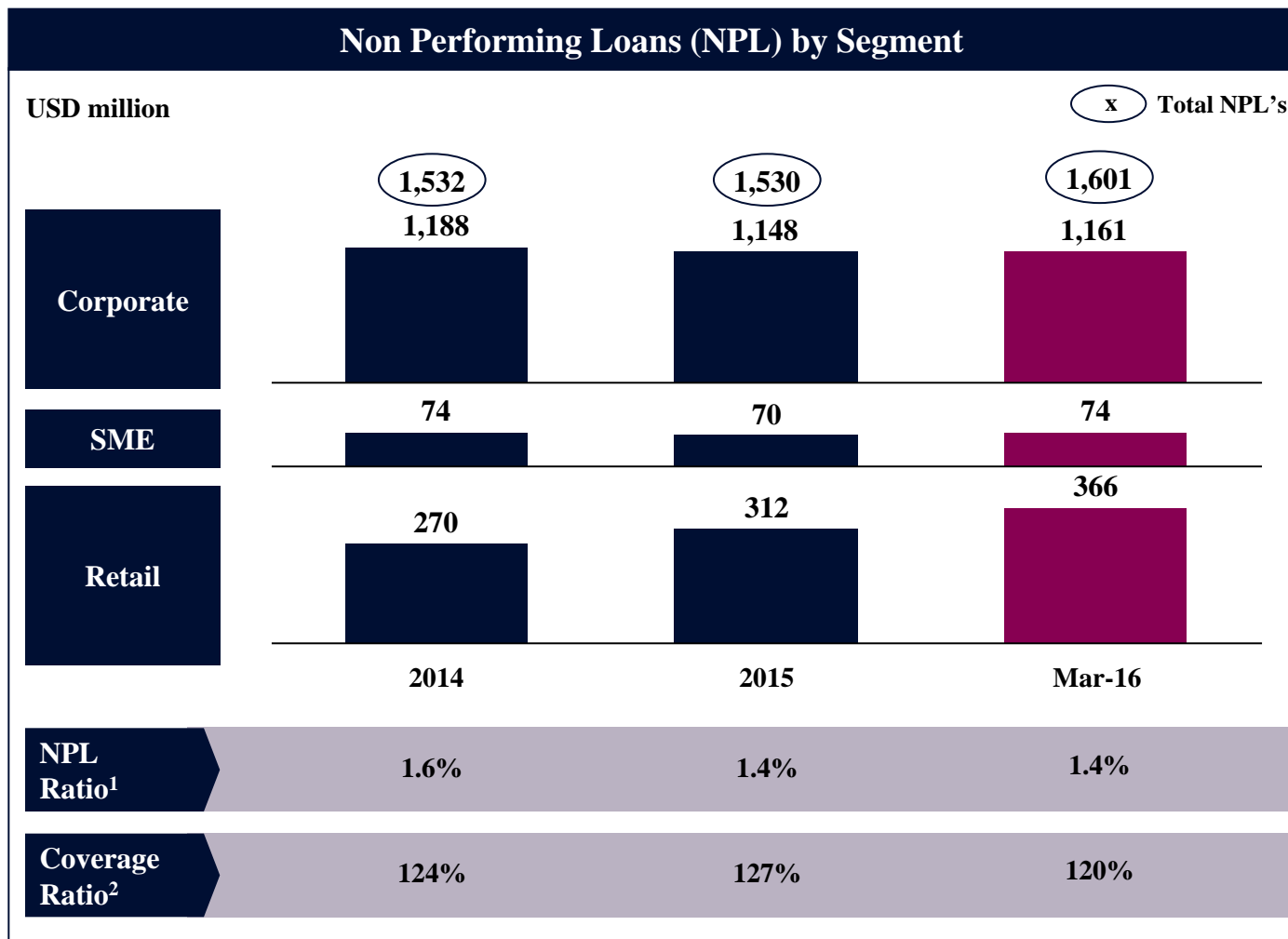


- Loans increased 16% from March 2015
- 2011-2016 CAGR of 23%

- Loans denominated in USD represent 33% of total loans
- Loan exposures are of a high quality with 47% concentration to Government and public sector entities

High quality lending portfolio is highlighted by low NPL ratios

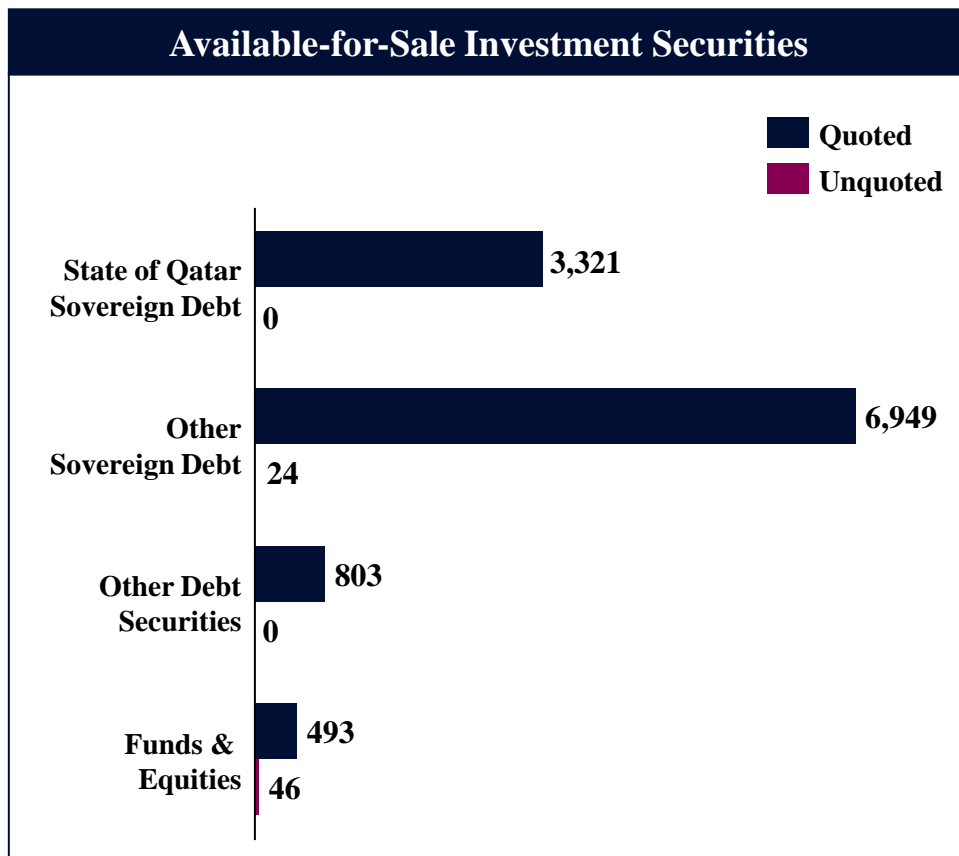
Asset Quality Analysis (as at December unless stated)



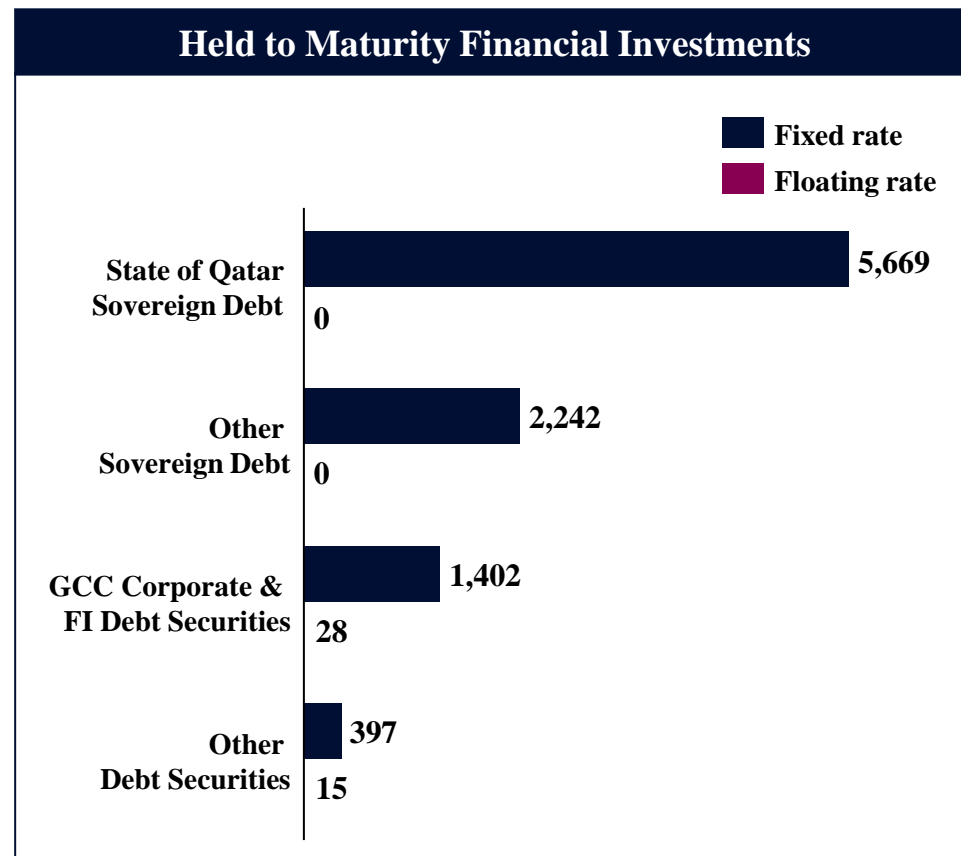
- QNB has continued to increase its provisions in response to the global economic situation
- The bank's coverage ratio has remained robust amidst the economic slowdown, with a coverage of 120% as at 31 March 2016
- Past dues are NPL after 90 days
- There is the additional security of a risk reserve of USD1,373 million which is greater than the 2.5% QCB requirements

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

Investments Analysis (USD million as at 31 March 2016)



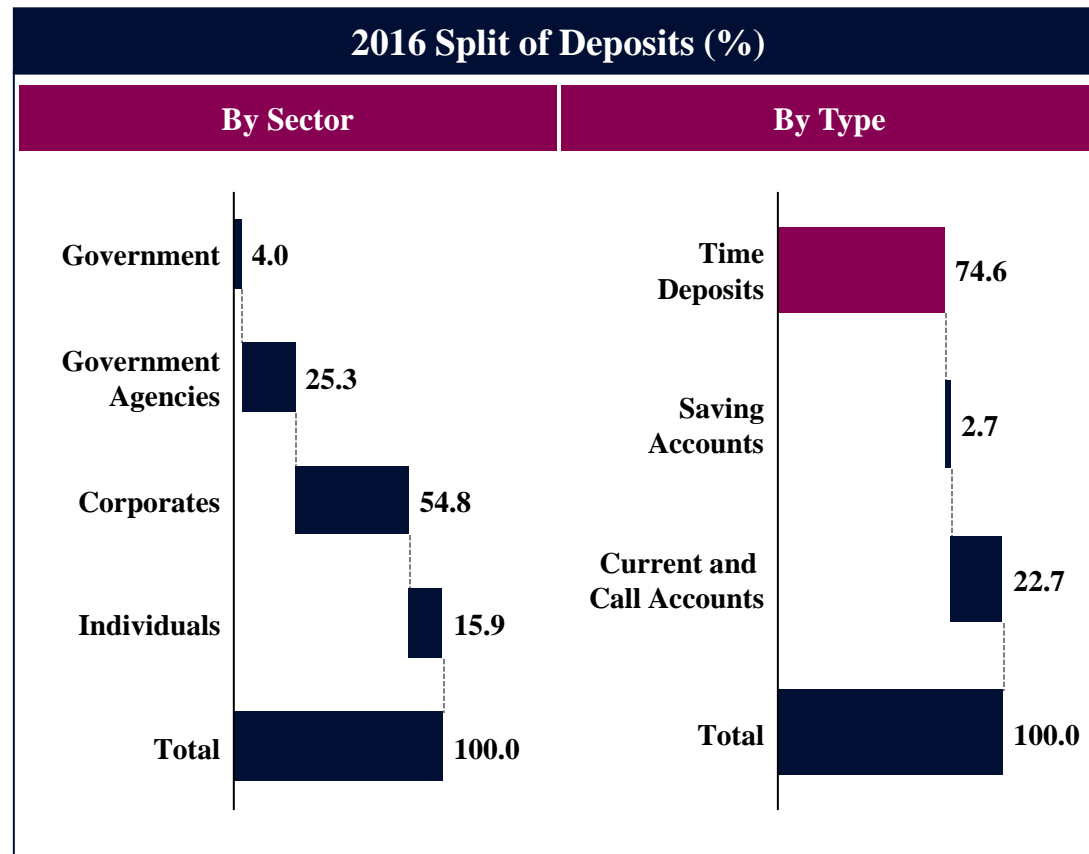
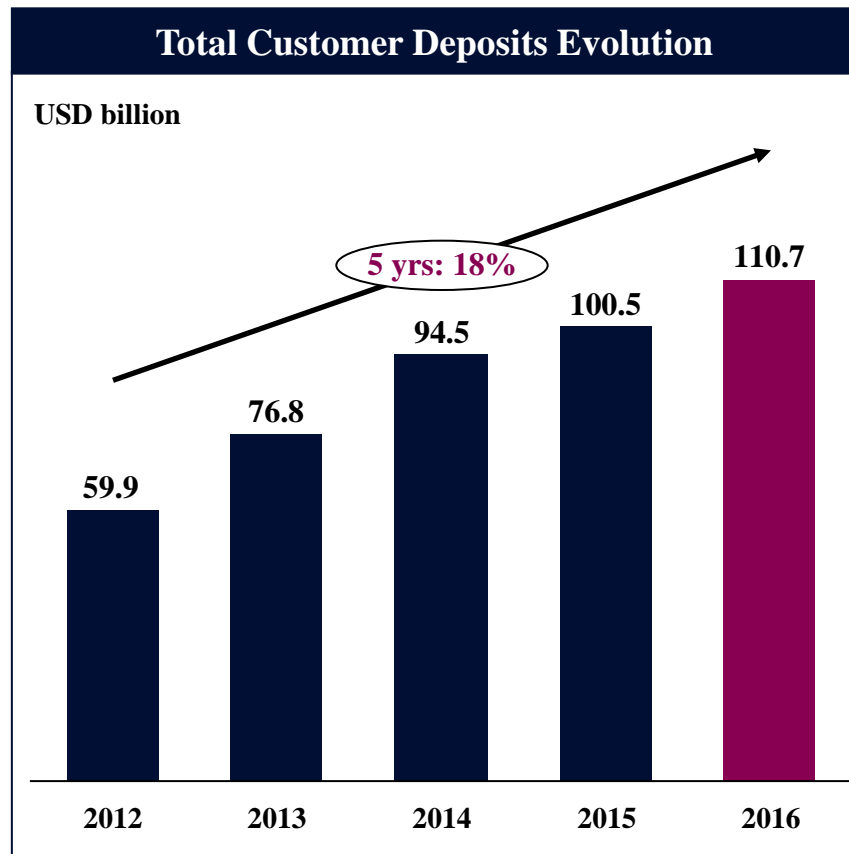
- Quoted securities account for 99% of Available-for-Sale Investment securities



- Majority of Other Sovereign Debt is Government Guaranteed

Robust growth in customer deposits and funding

Funding Analysis (as at 31 March)

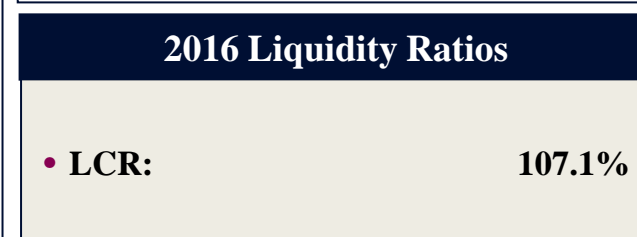
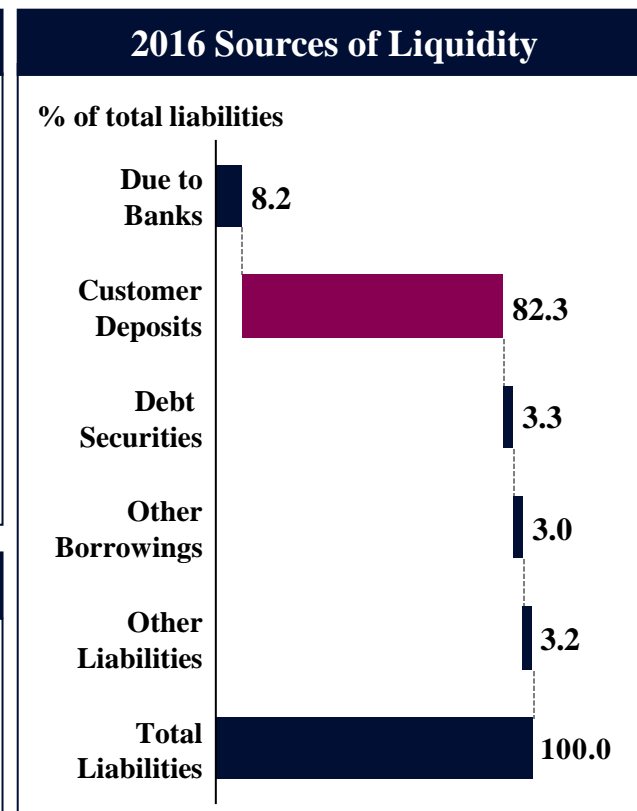
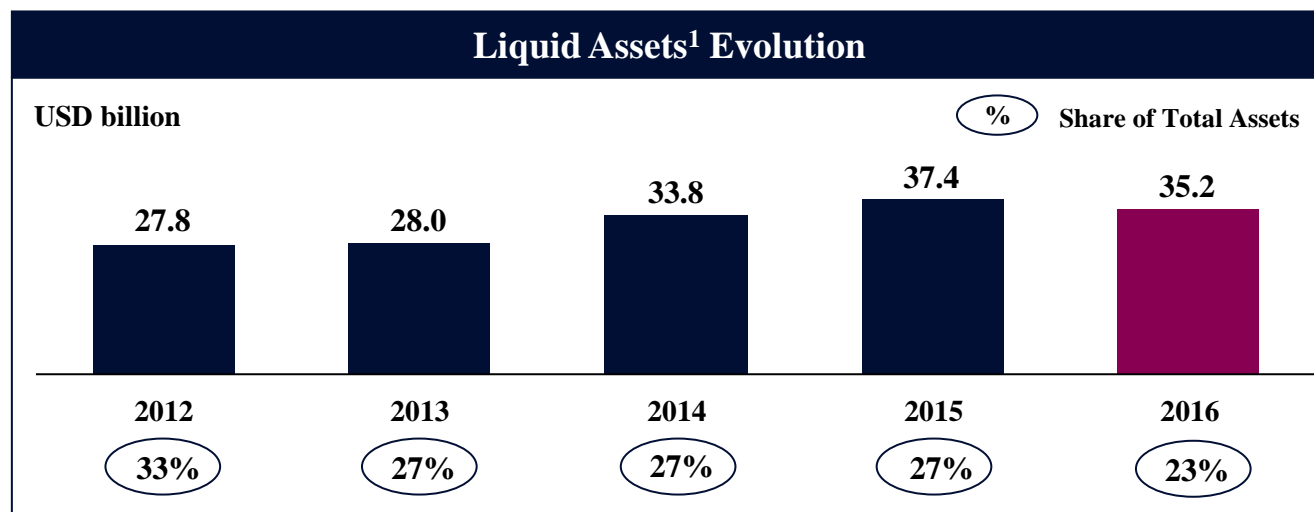
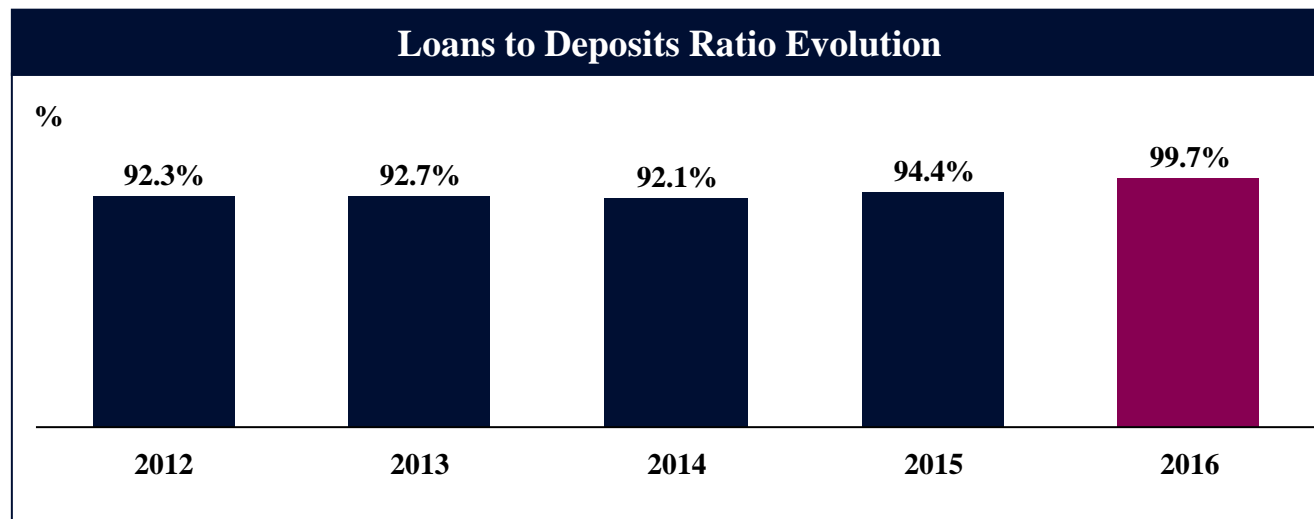


- Deposits increased 10% from March 2015
- 2011-2016 CAGR of 18%

- QNB remains the public sector's preferred bank
- USD denominated deposits represent 39% of total deposits
- EGP denominated deposits represent 9% of total deposits

Solid liquidity profile above regulatory minimums

Liquidity Analysis (as at 31 March)



Sources of Institutional Funding

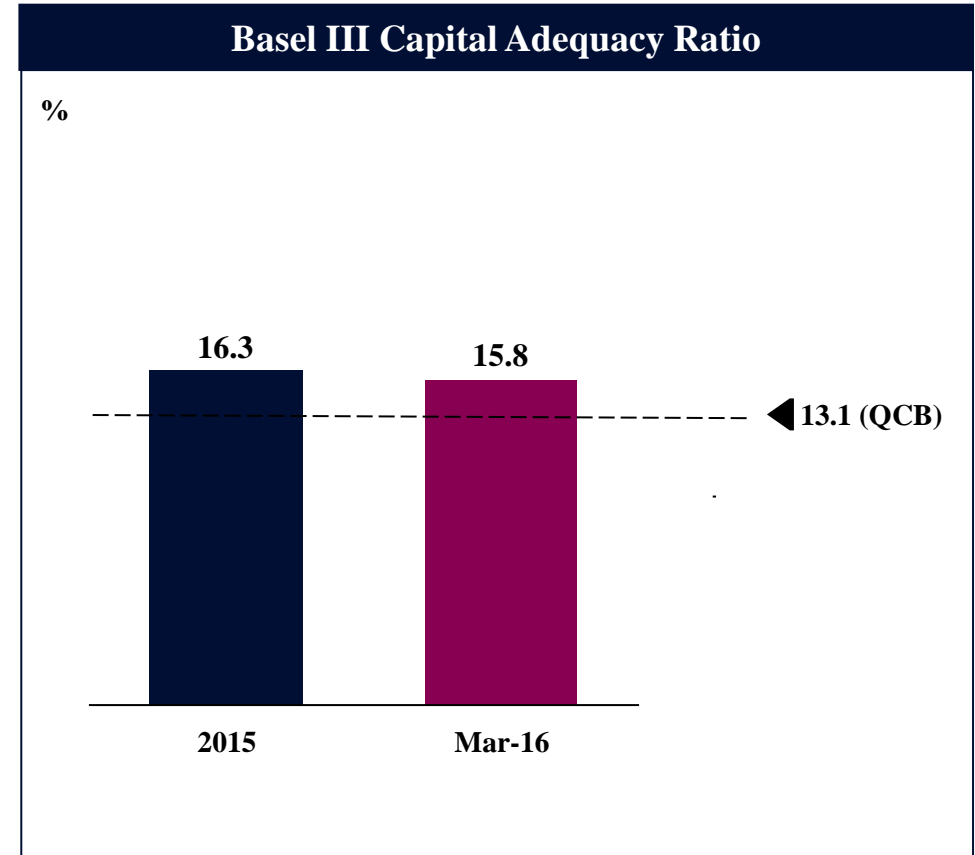
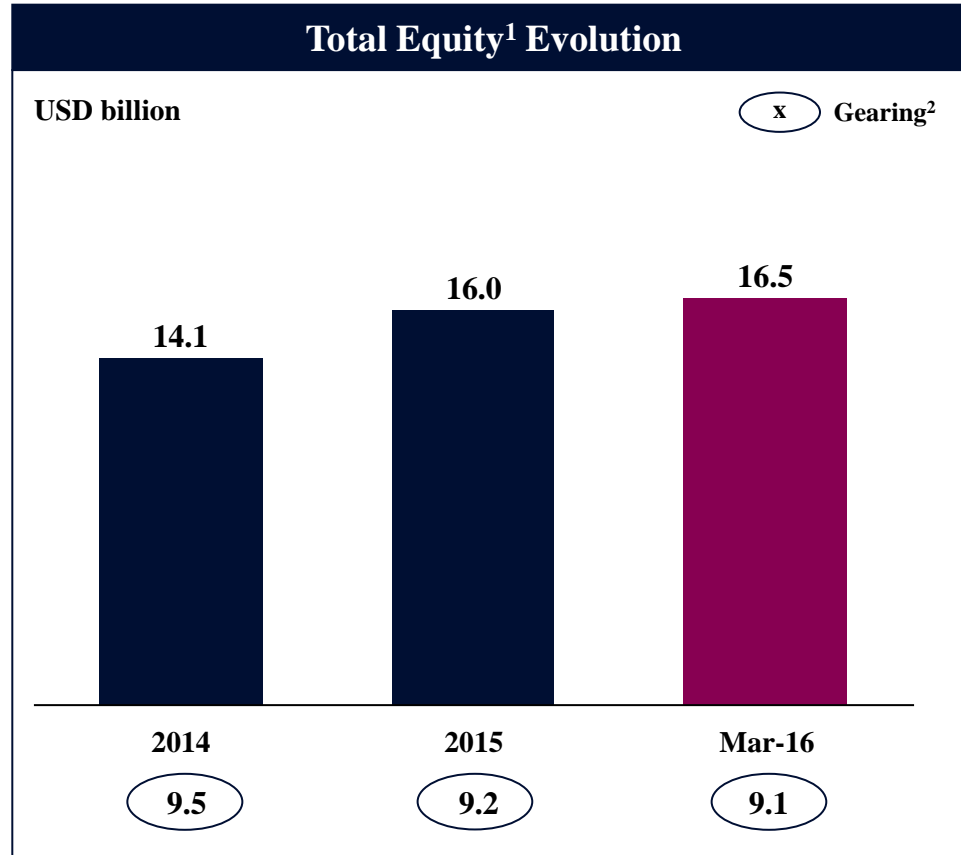
EMTN and Certificate of Deposits

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 7.0 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"> 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 8.3 billion
Average Life	<ul style="list-style-type: none"> Average residual life of 75 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 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)



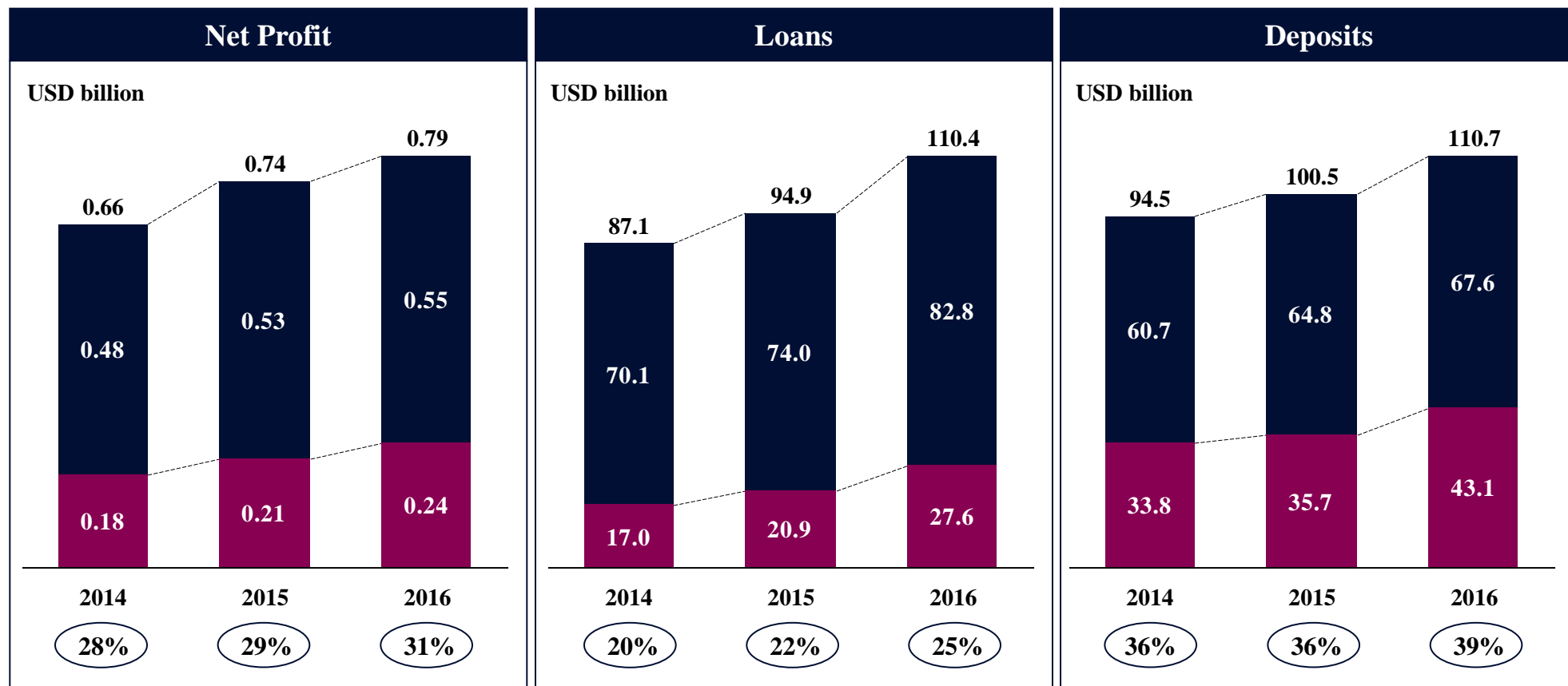
- Capital base has been regularly increased in line with the strong performance of QNB's balance sheet

- 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 31 March)

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

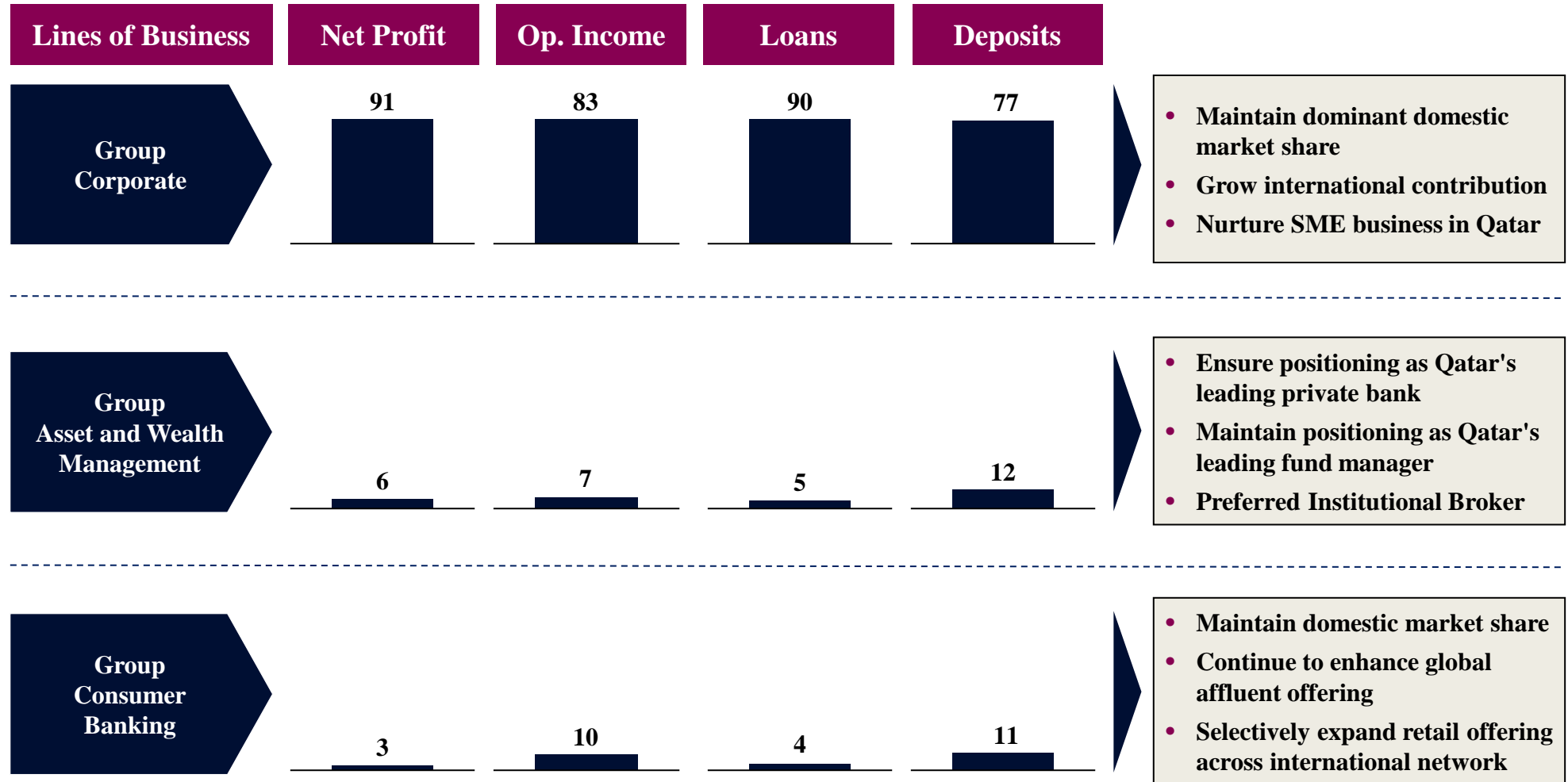


- Profit from international operations increased by USD62 Mn (33%) from 2014 to 2016

- Loans from international operations increased by USD10.6 Bn (62%) from 2014 to 2016
- Deposits from international operations increased by USD9.3 Bn (27%) from 2014 to 2016

Diversifying business mix will bolster sustainable growth

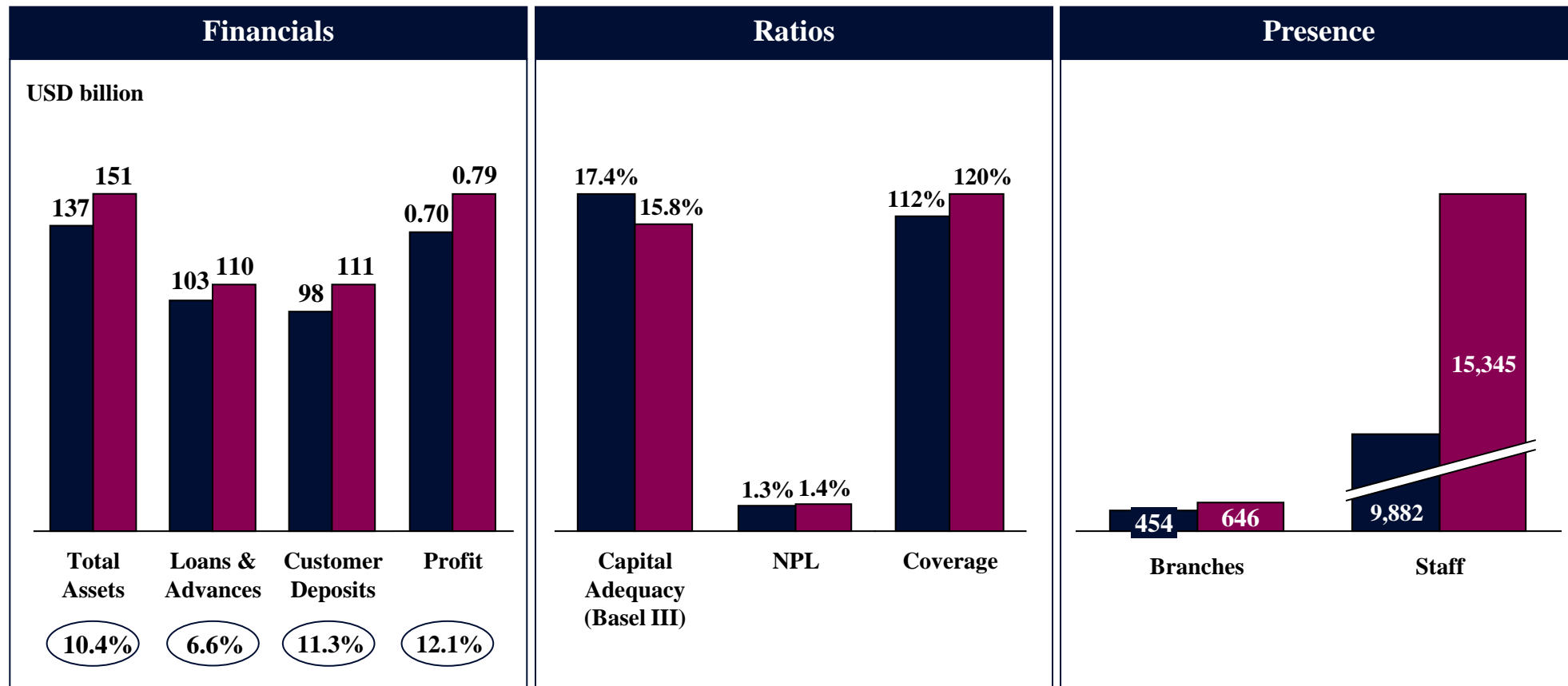
Business Mix Contribution (% share as at 31 March 2016)



QNB Group Financials

Key data (as at 31 March 2016)

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



- Results finalised under International Financial Reporting Standards (IFRS)
- Capital Adequacy (Basel III) on consolidation 15.8%

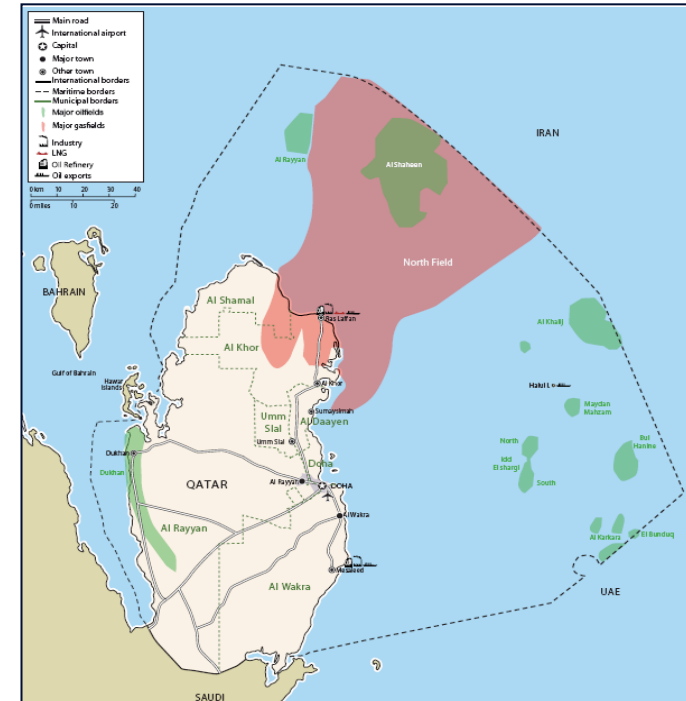
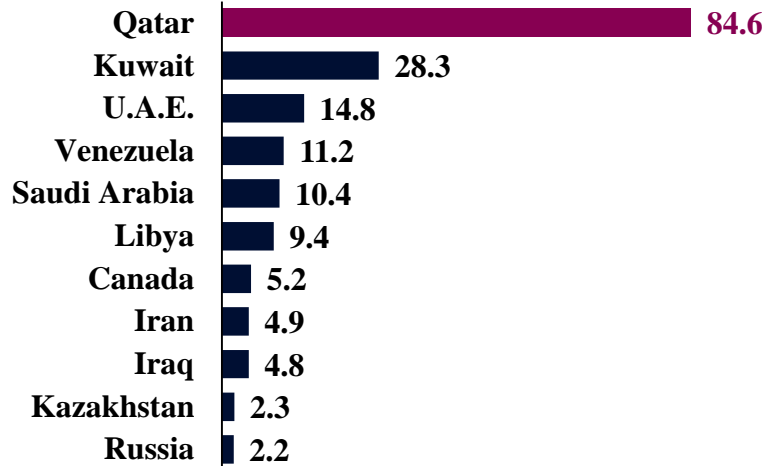


Economic Overview

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

Oil and Gas Reserves Per Capita (2014)

k barrels of oil equivalent (boe)

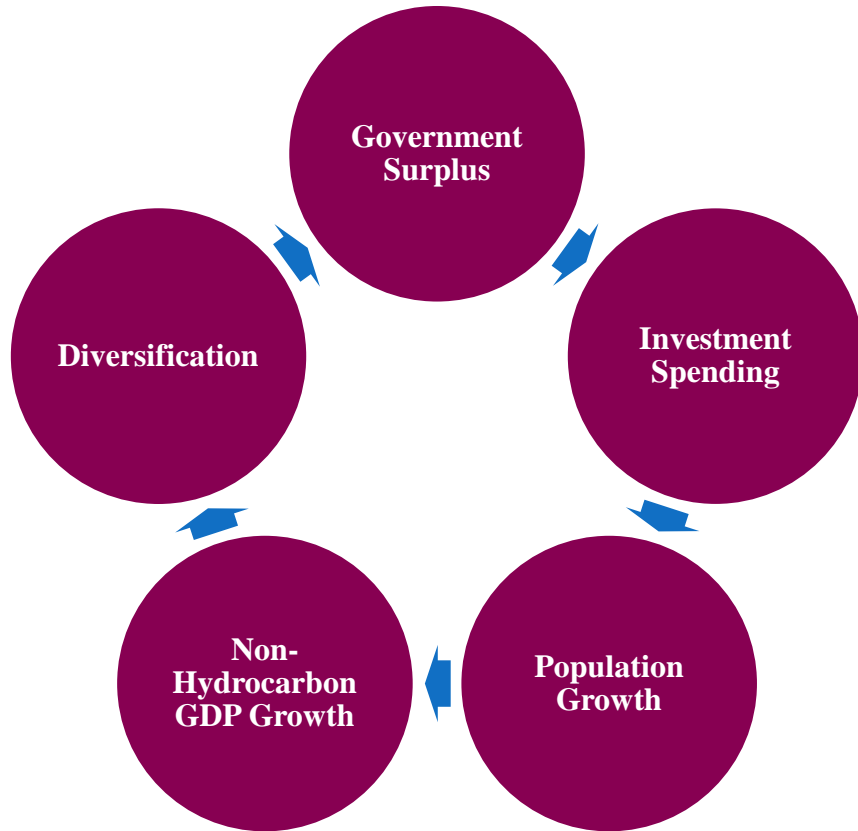


- Qatar is endowed with major oil and gas resources, especially in relation to the size of its population
- At current extraction rates, Qatar's proven gas reserves will last at least another 138 years and oil reserves for 36 years

- 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)

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

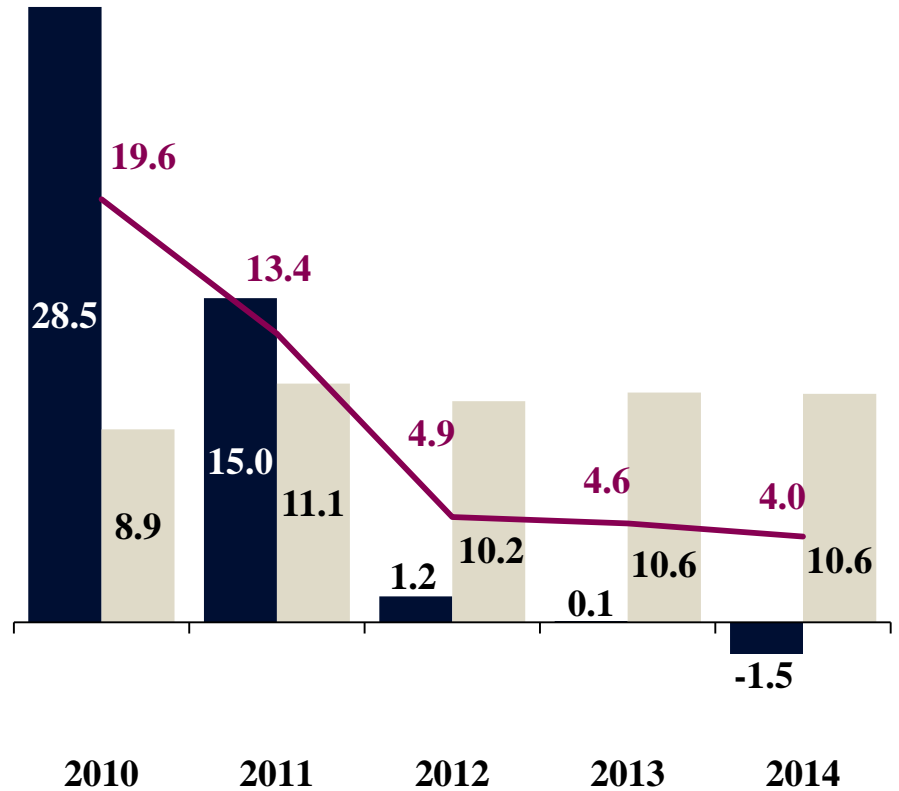
Qatar's Diversification Strategy



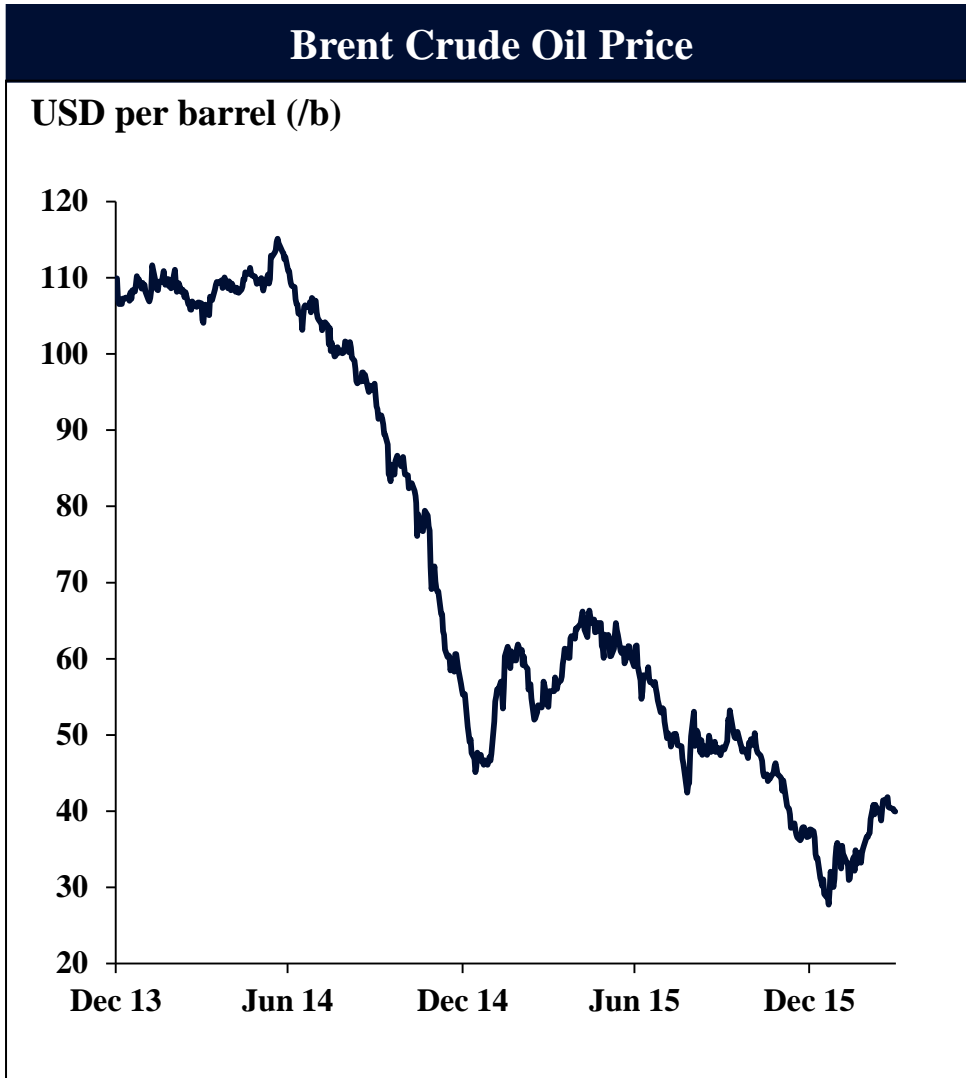
Real GDP Growth by Sector

%, year-on-year

■ Hydrocarbon ■ Non-Hydrocarbon — Total

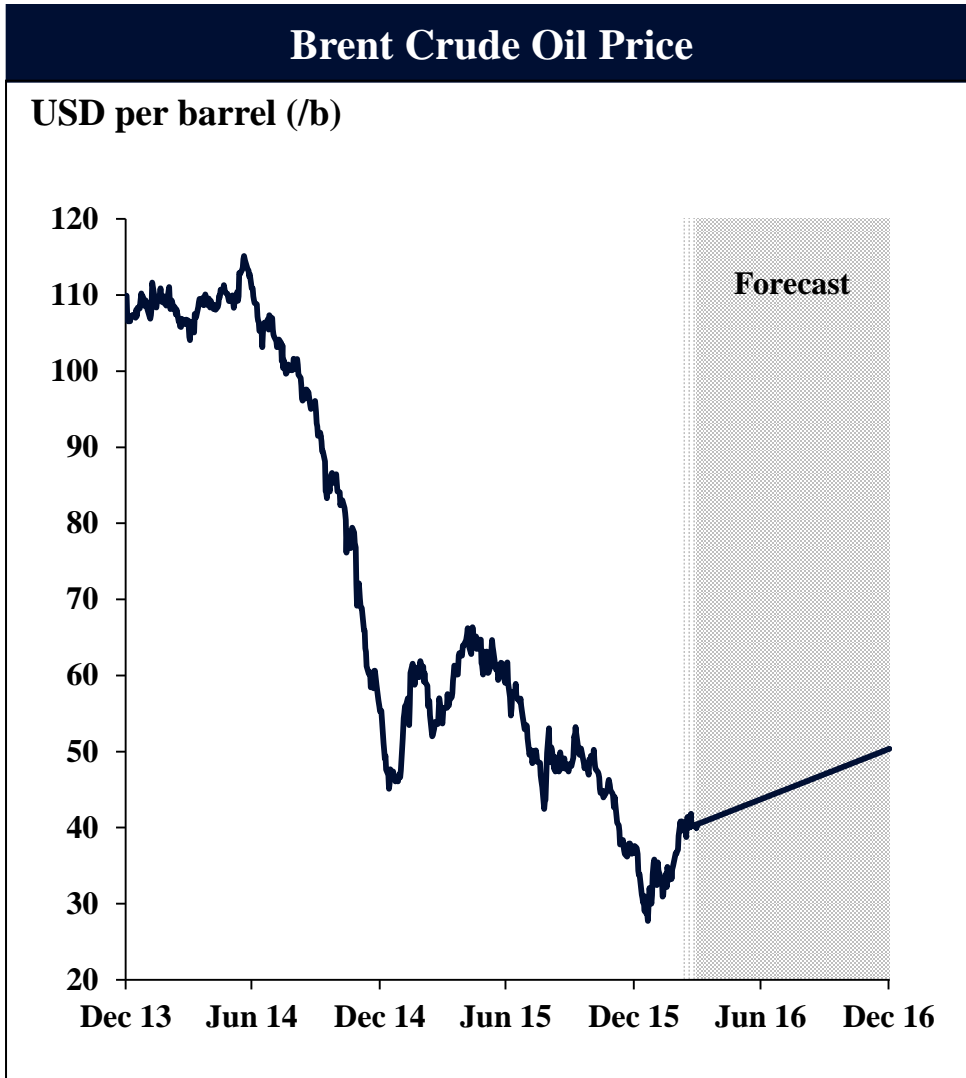


Oil prices have fallen by two thirds since mid-2014



- Oil prices have fallen from USD115/b in June 2014 and are now hovering around USD40/b currently
- Reasons for the sharp decline include:
 - Large production growth from US shale producers
 - Increased production from OPEC
 - Weak global demand due to subdued economic recovery

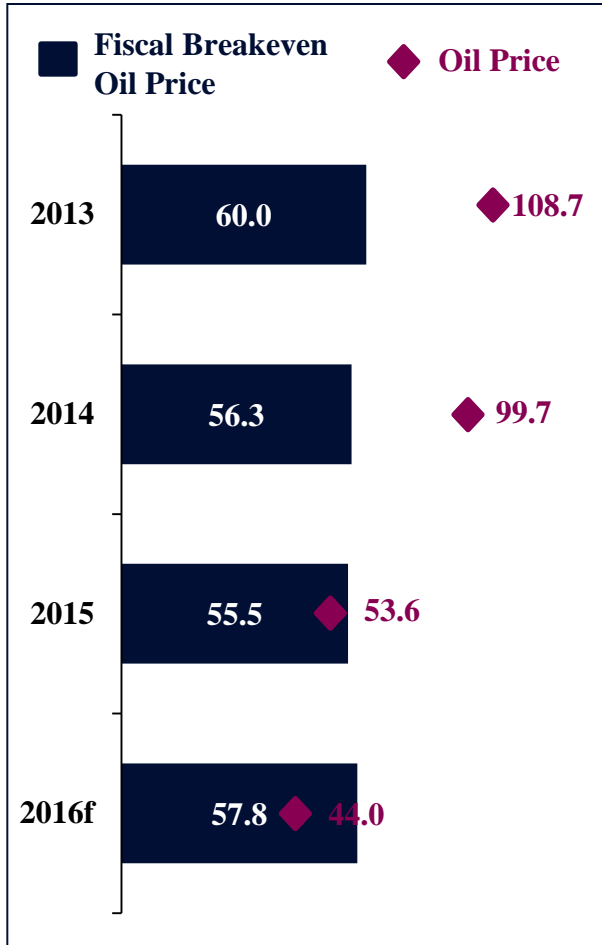
Brent oil prices are expected to average USD44/b in 2016 as excess supply is projected to be reduced



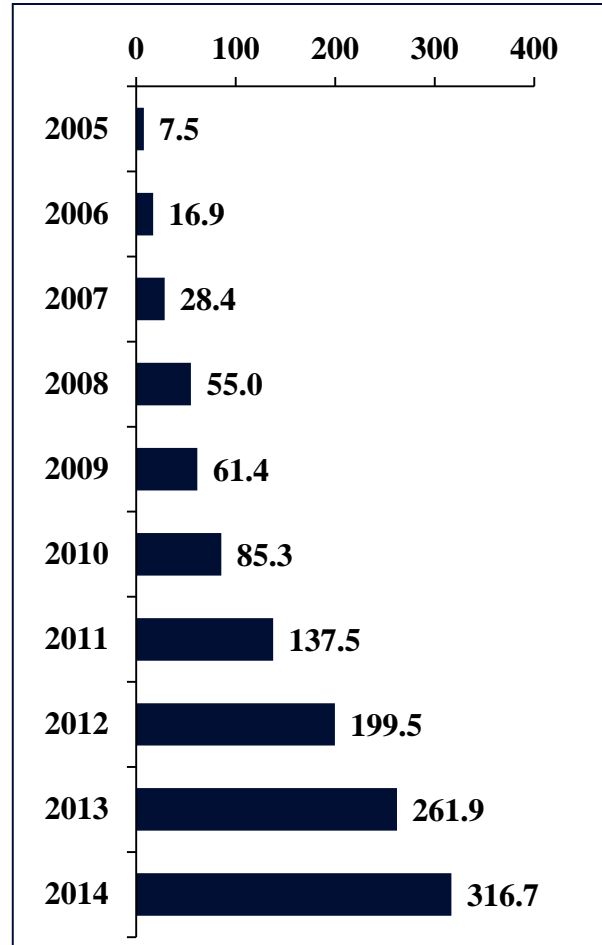
- Oil markets are currently oversupplied by 1.6m b/d
- Oversupply is expected to be reduced in 2016 due to:
 - 1.2m b/d of additional demand mainly from China and other Asian countries
 - 0.4m b/d of production cuts from US shale
 - However, additional production of 0.4m b/d, from Iran is expected
- The rest of OPEC is projected to maintain production at current levels

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

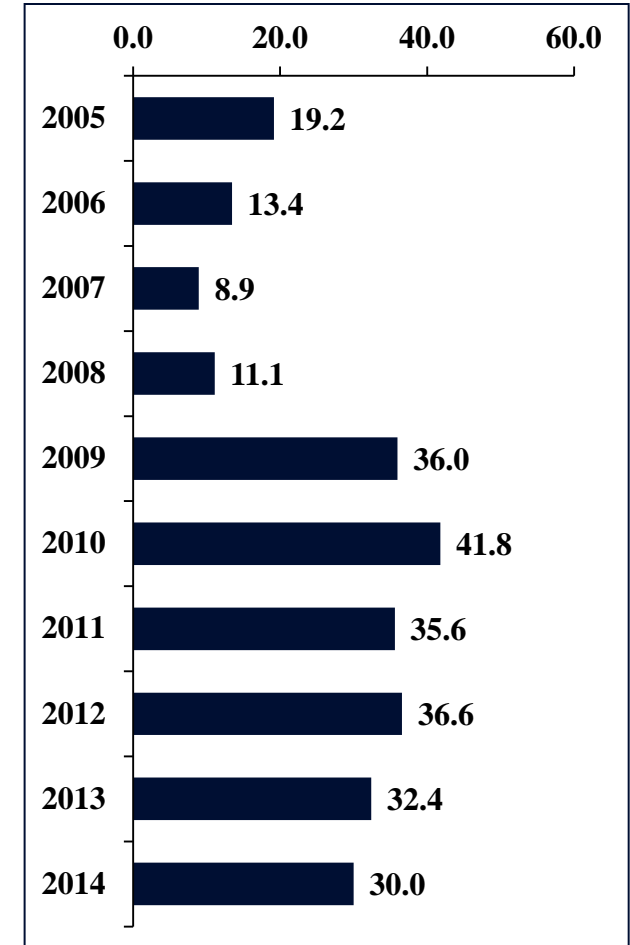
Fiscal Breakeven Oil Prices



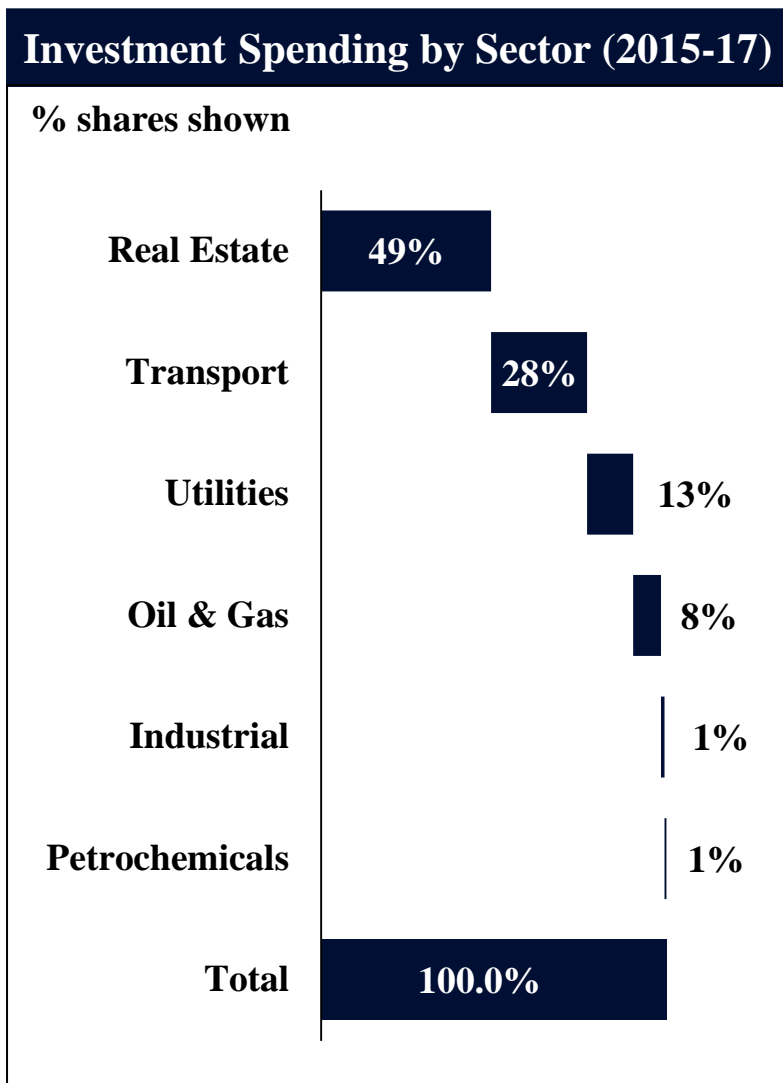
Accumulated Current Account Surpluses (USD bn, 2005-14)



Public Debt (% GDP)



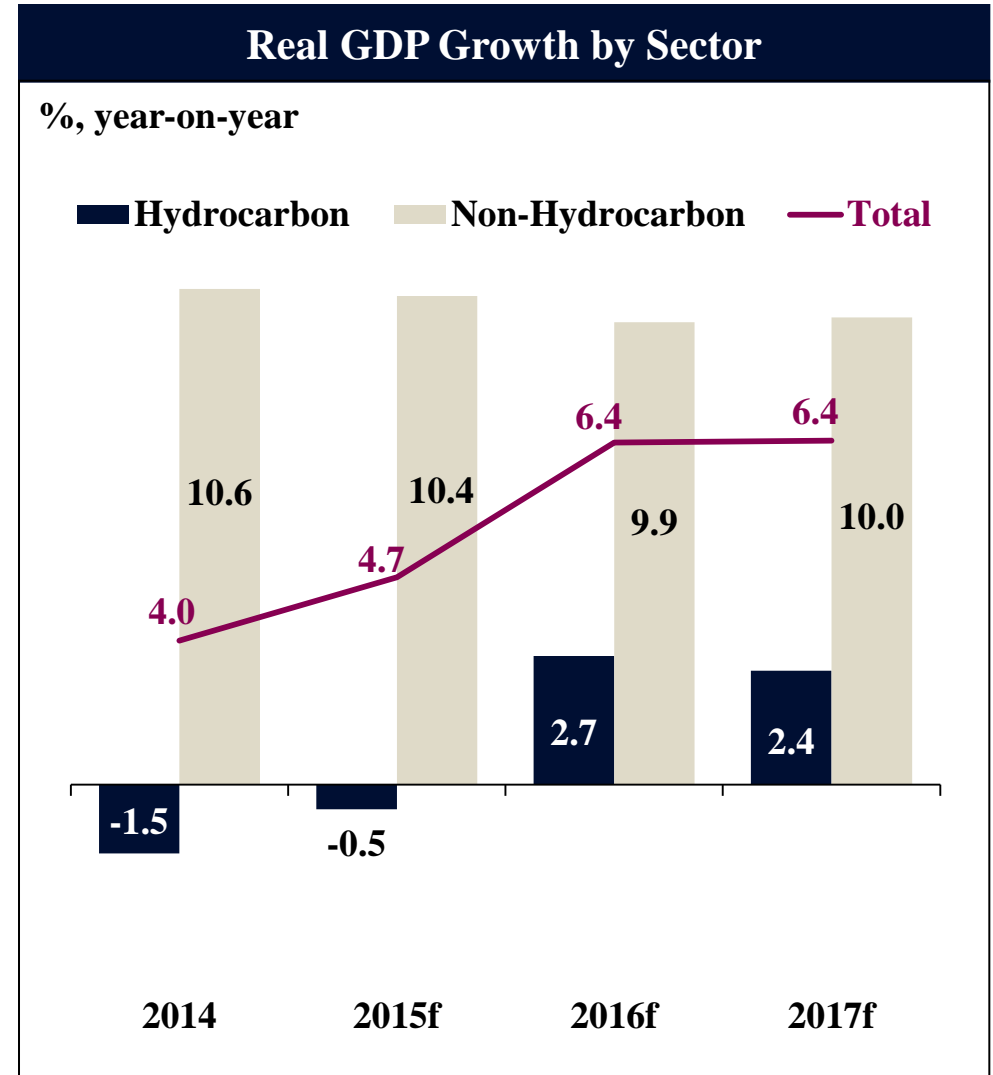
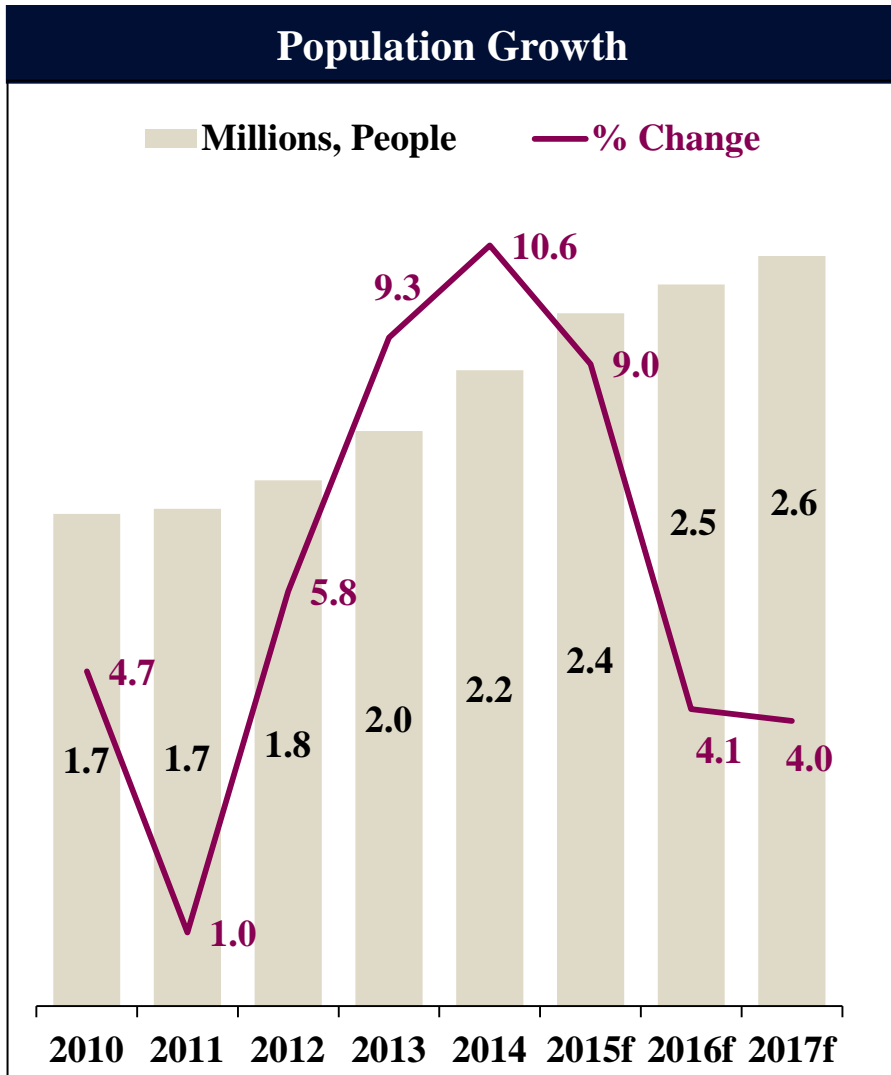
Large investment spending focused on real estate and transport will be a key driver of the economy going forward



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
	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	2022
	Barzan Gas Development	10.3	2023

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



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