



Investor Relations Presentation

December 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

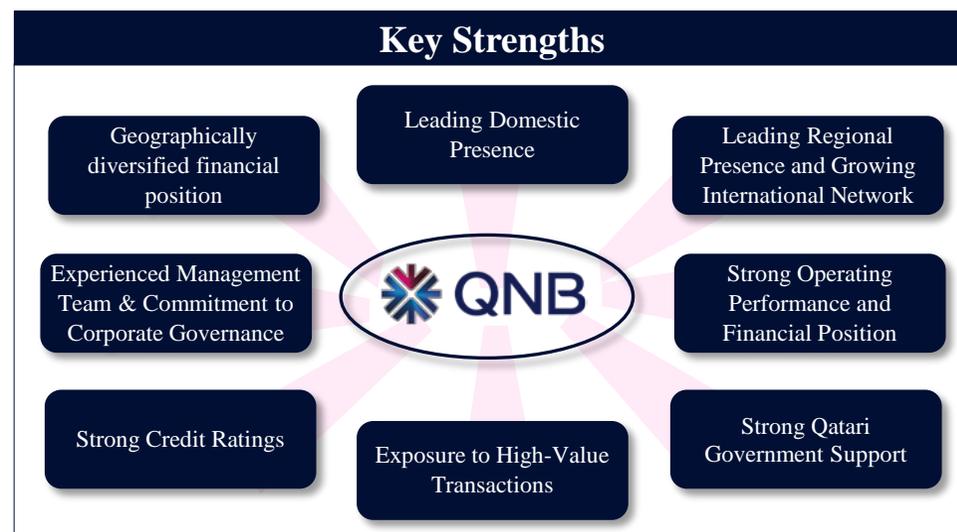
Overview	<ul style="list-style-type: none"> Established in 1964 as the first Qatari owned bank Owned (50%) by the Government of Qatar via the Qatar Investment Authority (QIA) Largest bank in Qatar by market cap., assets, loans, deposits and profit Largest bank in MEA by total assets, loans, deposits and profit
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Credit Rating				Capital Intelligence
		Moody's	S&P	Fitch
LT		Aa3	A	A+
ST		P-1	A-1	F1
				AA-
				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 1,230 locations, supported by more than 4,300 ATMs and employing more than 28,200 staff. ¹
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Stock/Share Parameters	<ul style="list-style-type: none"> Listed on Qatar Exchange (QNBK) Market cap. of USD32.0bn Share price of USD34.61 per share Price to Book 1.6x (31-Dec-17) Price to Earnings 9.2x (31-Dec-17)
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Financials² (in USD billion)			
	2017	2016	5yr CAGR
Total Assets	222.8	197.7	17%
Loans & Advances	160.5	143.0	19%
Deposits	160.8	139.2	17%
Operating Income ³	6.3	6.3	15%
Profit ⁴	3.6	3.4	10%
Coverage Ratio	112%	114%	-
NPL Ratio	1.8%	1.8%	-
Loans to Deposits ratio	99.8%	102.7%	-



1: Source: QNB

2: Source: December 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

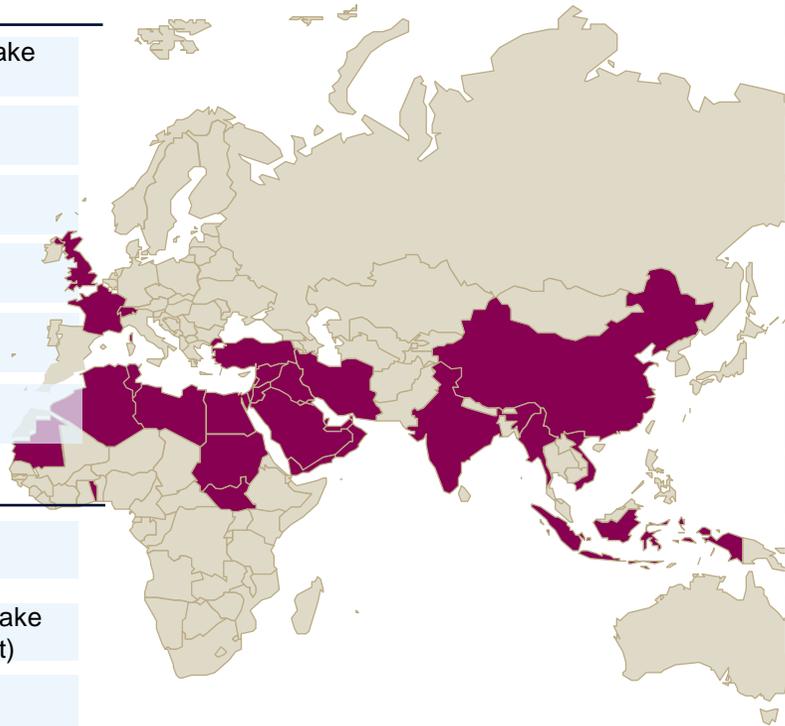
	South Sudan: (1 Branch)
	Togo: (1,265 Branches ¹ , 20.1% stake in Ecobank)

Asia

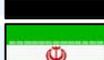
	Indonesia: (48 Branches, 82.59% stake In QNB Indonesia)
	Singapore: (1 Branch)
	India: (1 Branch)
	China: (1 Representative office)
	Vietnam: (1 Representative office)
	Myanmar: (1 Representative office)

North Africa

	Egypt: (215 Branches, 97.1% 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: (65 Branches)	
KSA: (1 Branch)	
UAE: (17 (+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, 50.8% stake in Bank Mansour)	
Oman: (6 Branches)	
Bahrain: (1 ² (+1 ²) Branch)	
Kuwait: (1 Branch)	
Lebanon: (1 Branch)	
Yemen: (1 Branch)	
Iran: (1 Representative office ³)	
Jordan: (130 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: (579 Branches, 99.88% stake in Finansbank A.Ş.)	



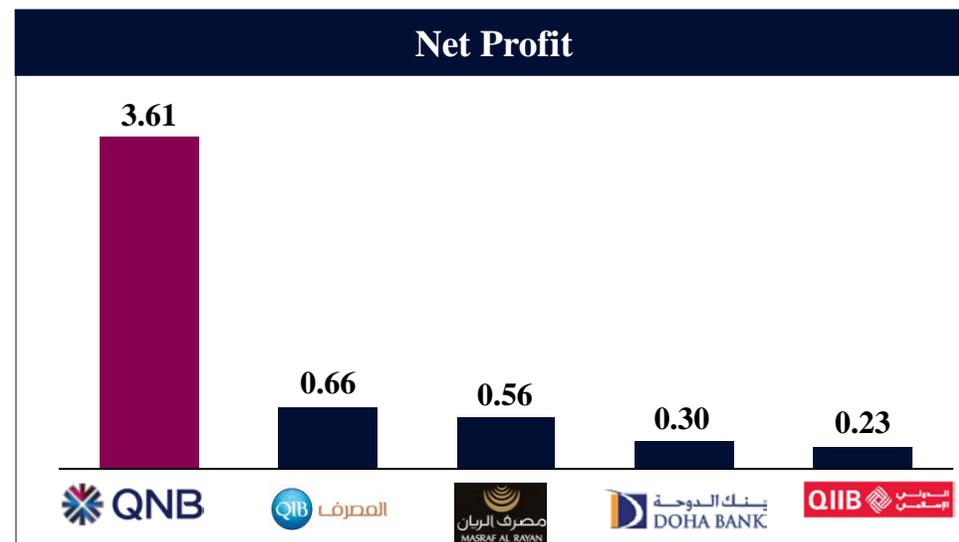
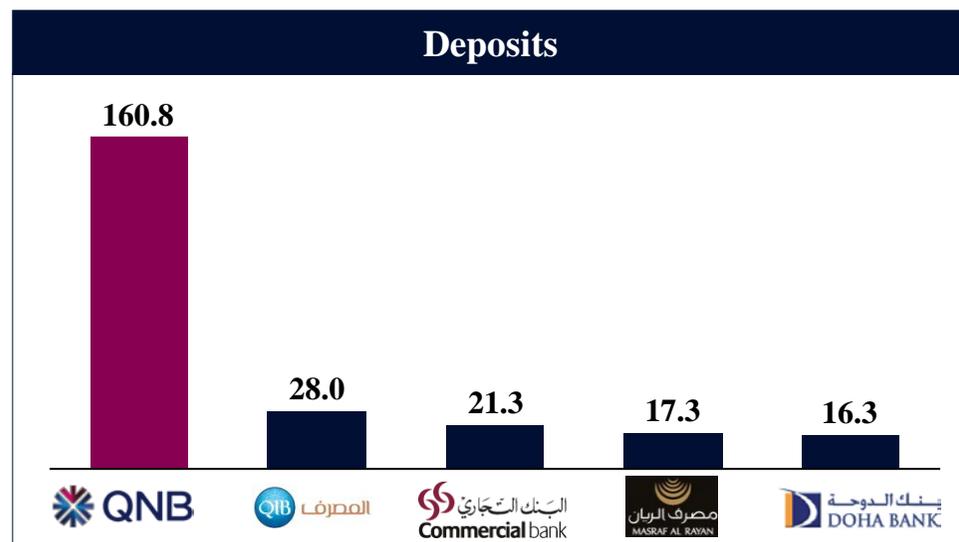
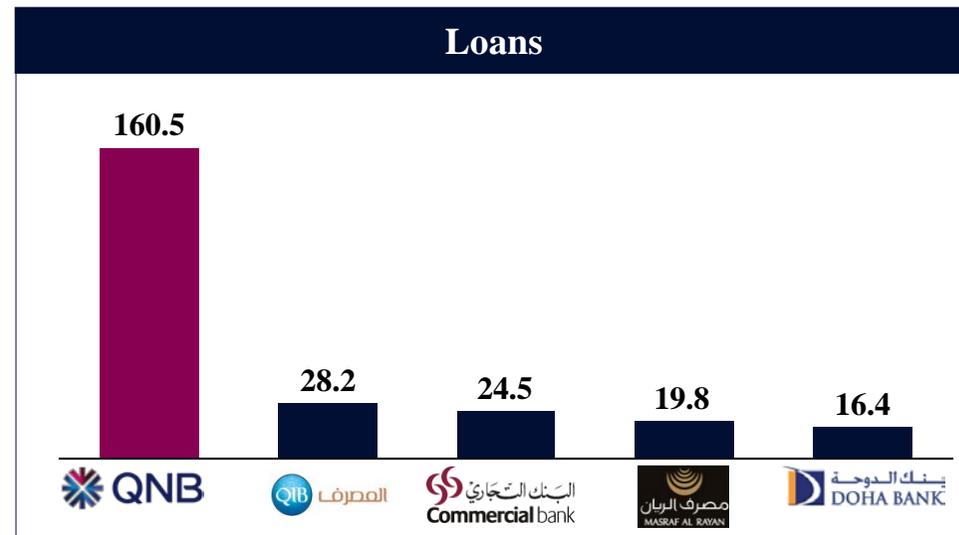
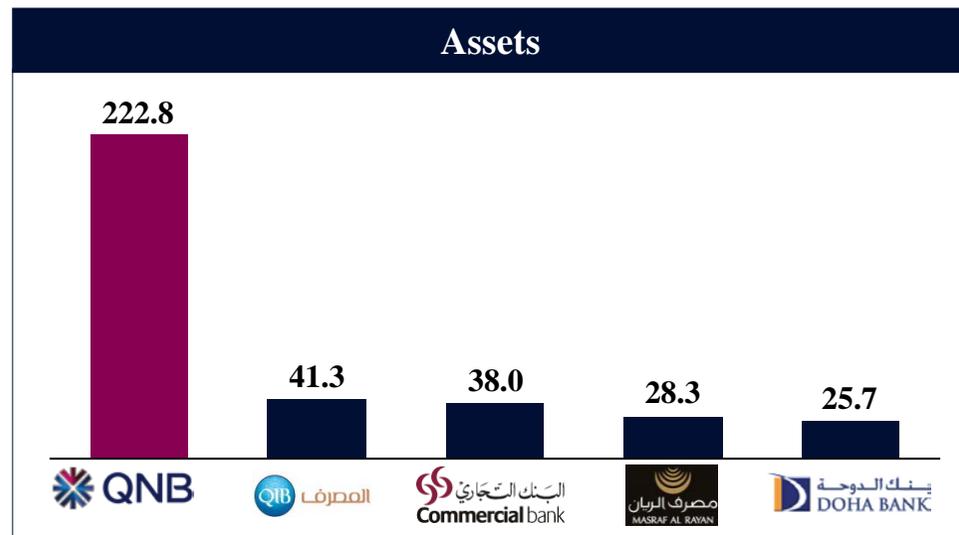
1: The branch data for Ecobank is as at 30 June 2017
 2: Includes the branches / representative offices from subsidiaries and associates
 3: Dormant



QNB Comparative Positioning – Qatar and MEA

Top 5 Domestic Banks – December 2017

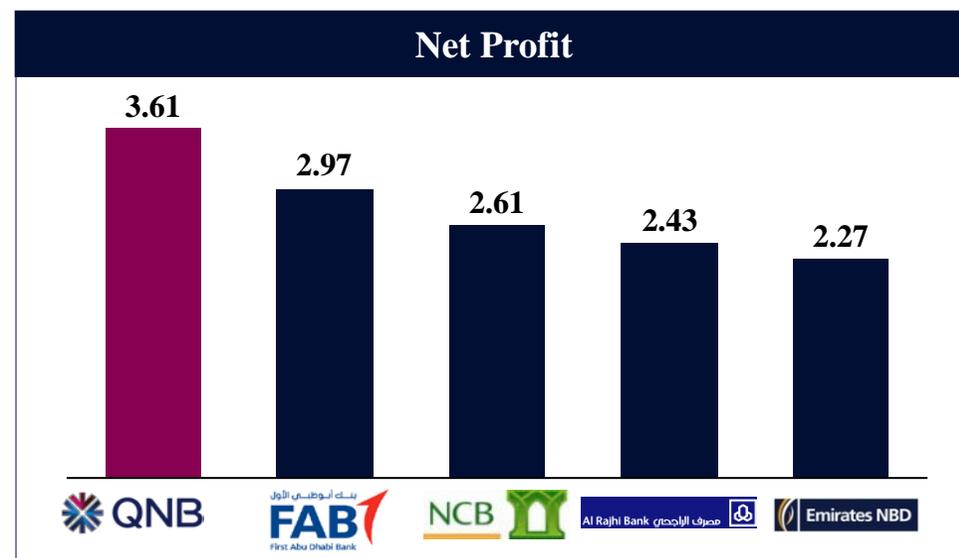
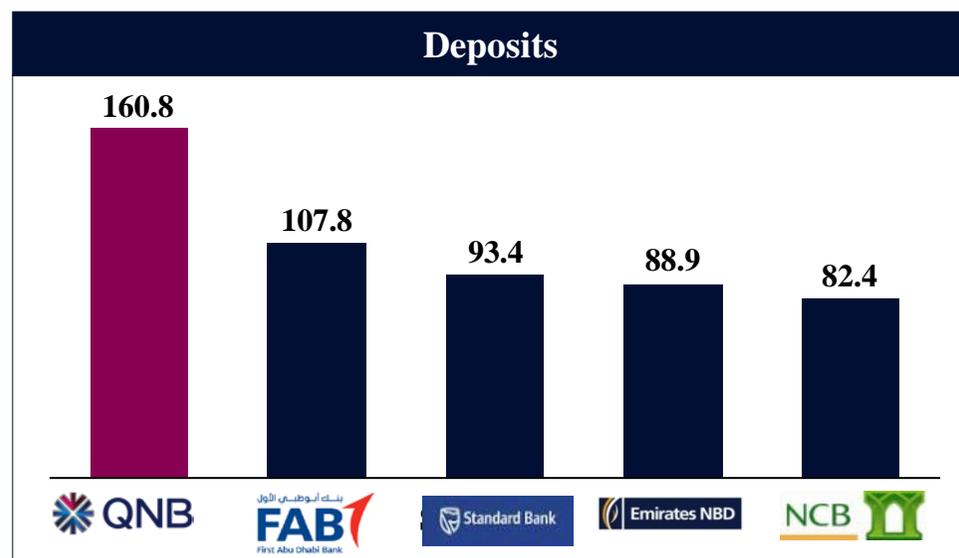
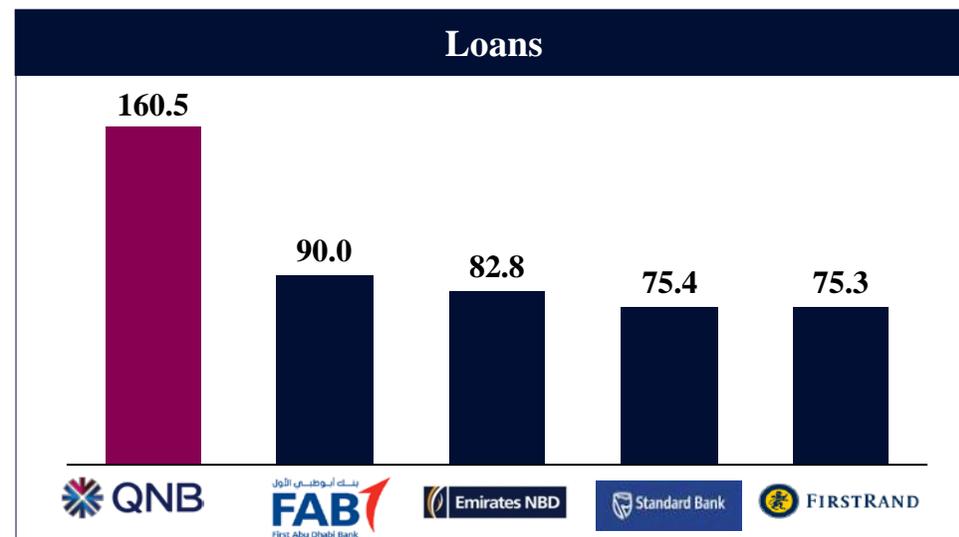
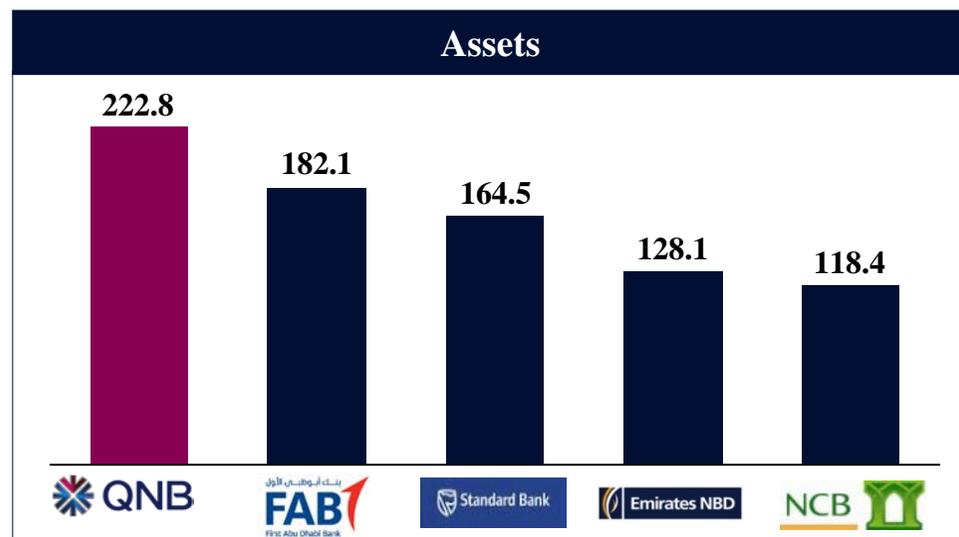
QNB continues to excel in the domestic market



Note: All amounts are in USD billions
Source: Companies' December 2017 Press Release or Financial Statements if available

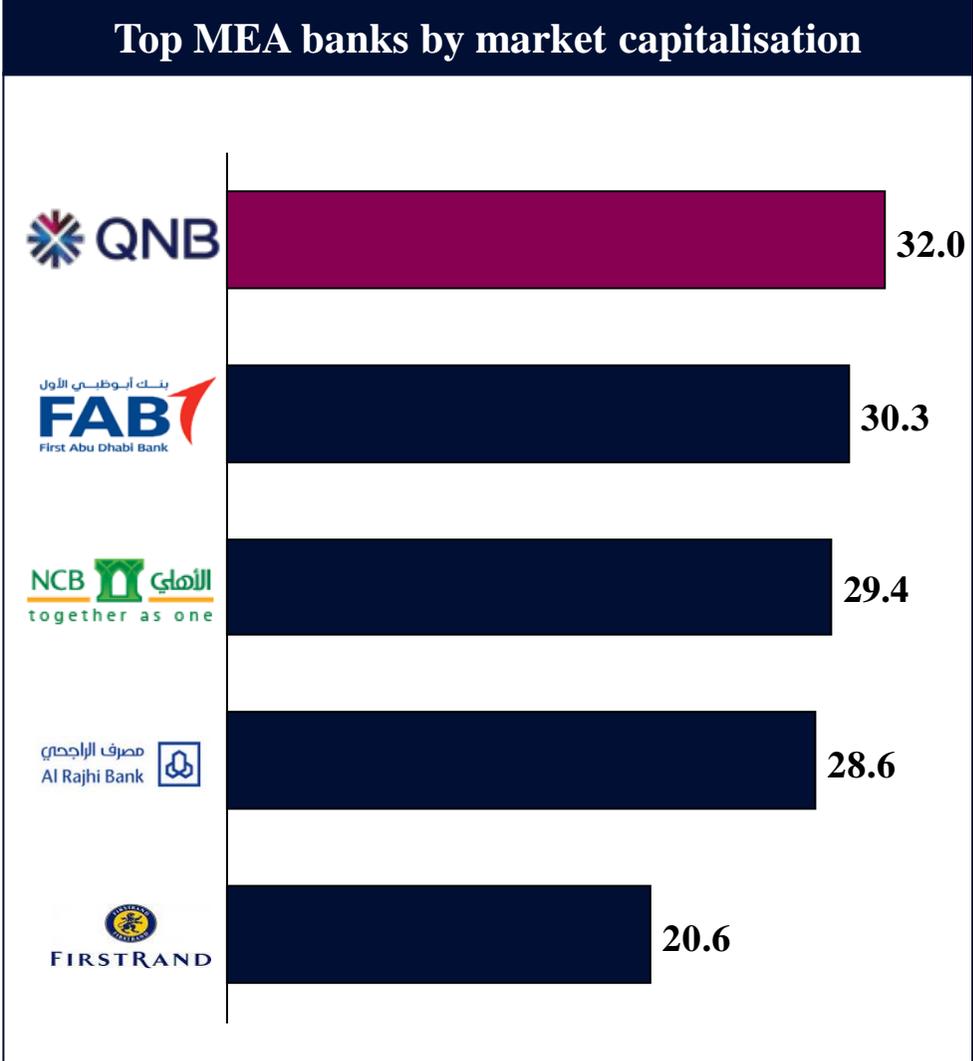
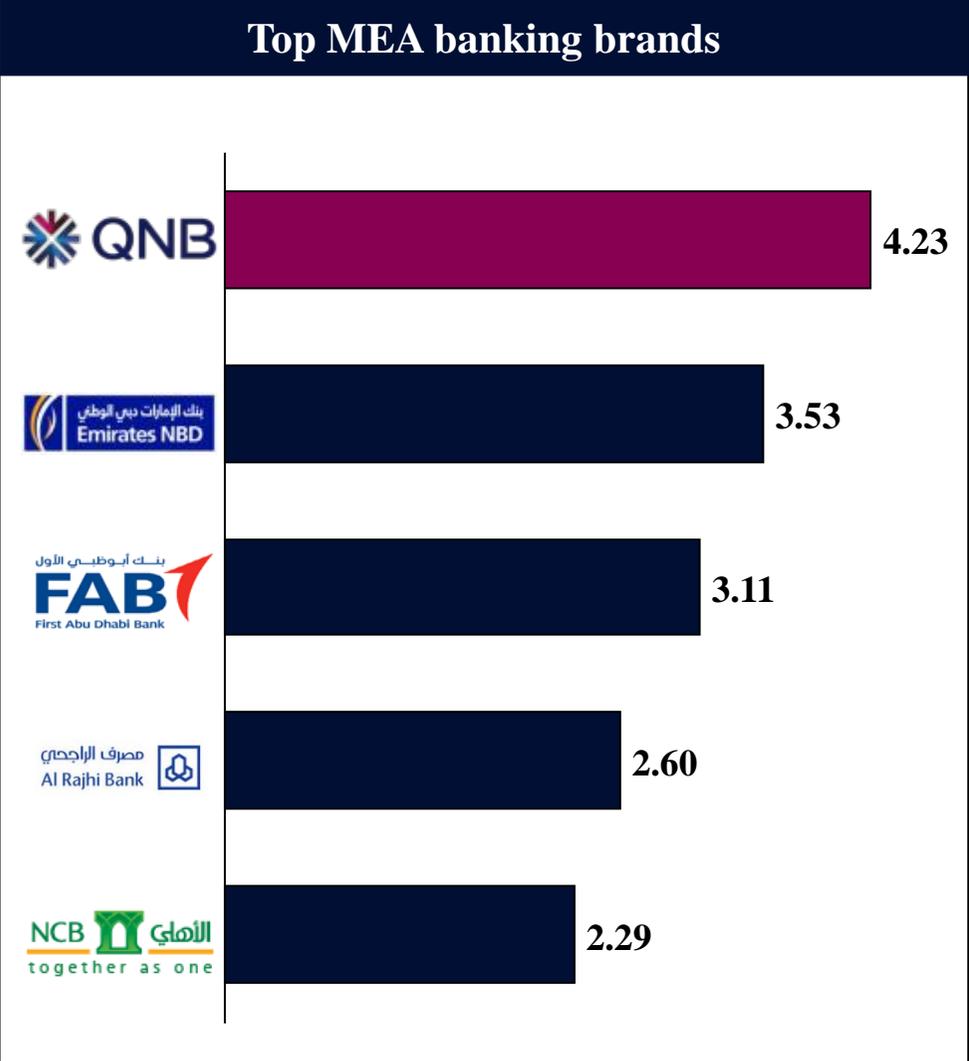
Top 5 MEA Banks – December 2017

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



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 31 December 2017

QNB demonstrate sustainable profit growth

Financial Highlights (as at 31 December 2017)

 Growth vs. December 2016



Source: December 2017 Financial Report

1: Profit Attributable to Equity Holders of the Bank

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

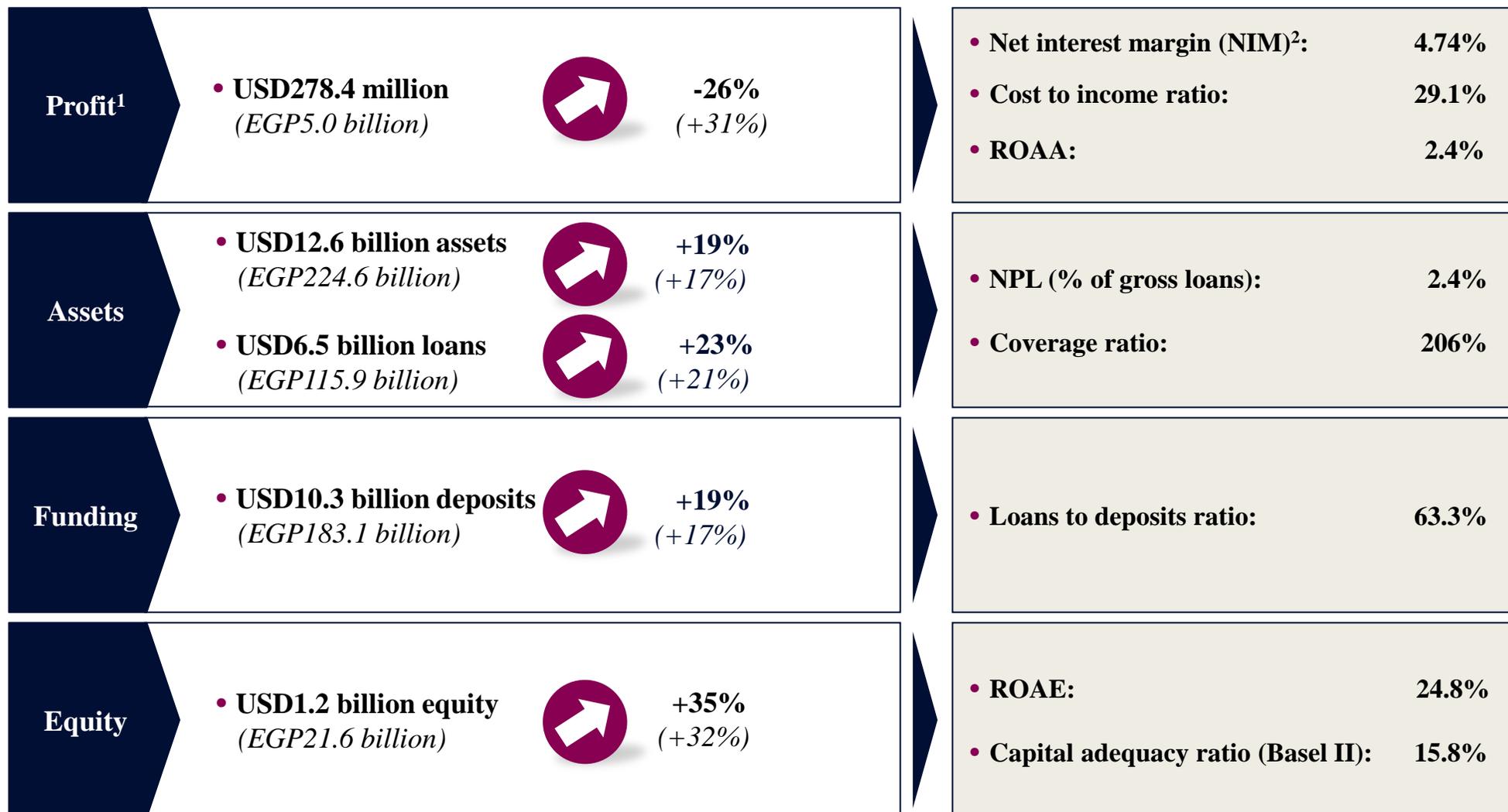
3: NIM is calculated using YTD-16 av. FX rates applicable for QNBAA & QNB Finansbank, excluding the significant impact of average rate resetting from 2017.

4: RoAE uses Average Equity excluding fair value reserve, proposed dividends and non-controlling interest.

QNB ALAHLI

Highlights (as at 31 December 2017)

 Growth vs. December 2016

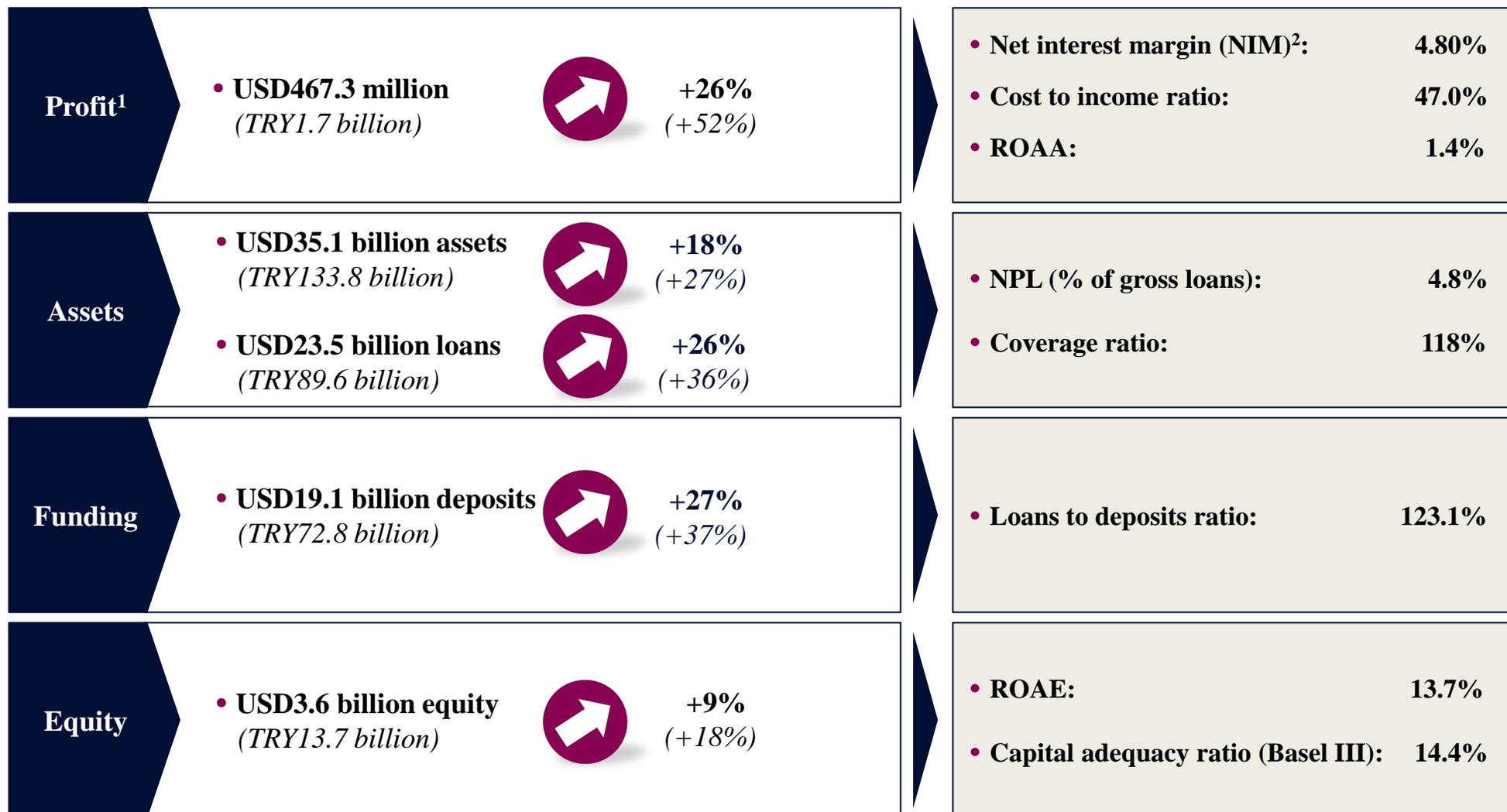


QNB FINANSBANK

Highlights (as at 31 December 2017)



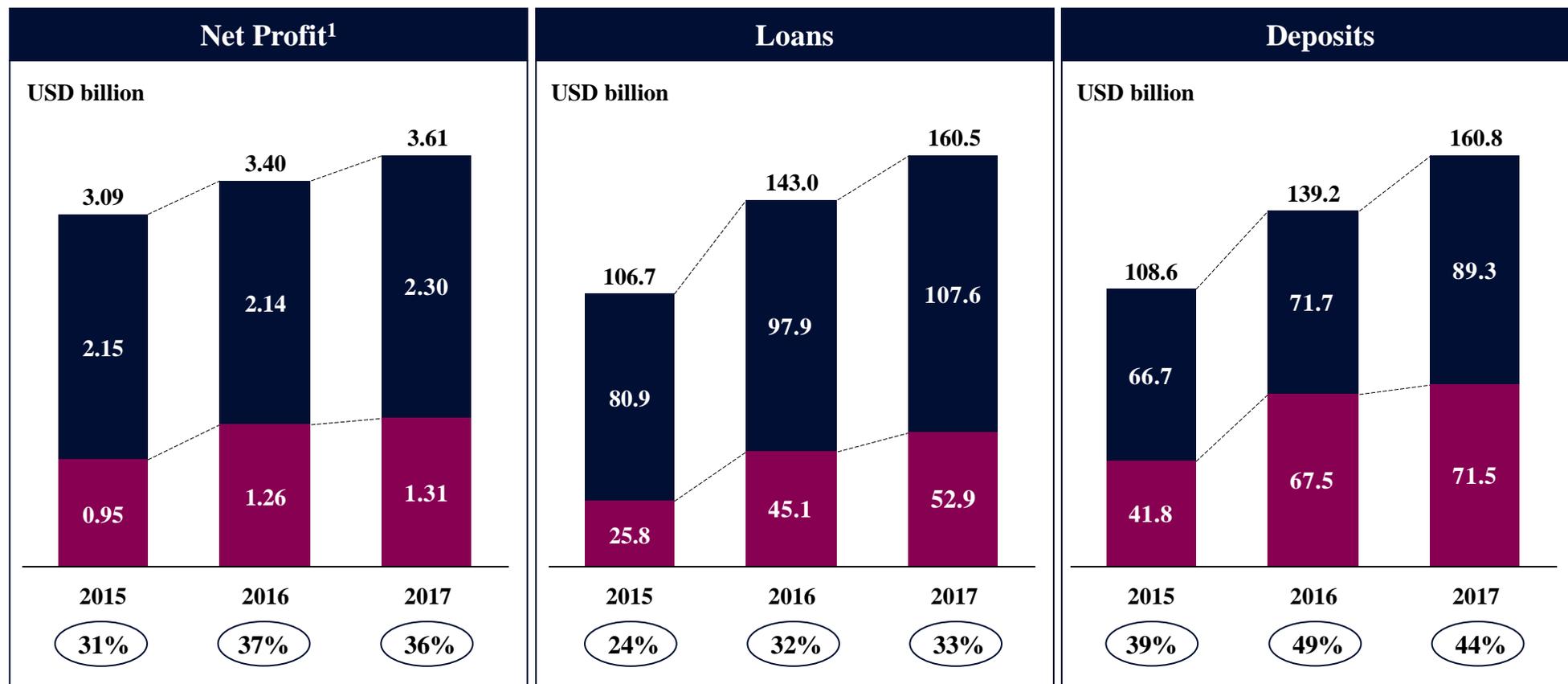
Growth vs. December 2016



Increasing geographical diversification positively contributes to growth

Geographical Contribution (as at 31 December)

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

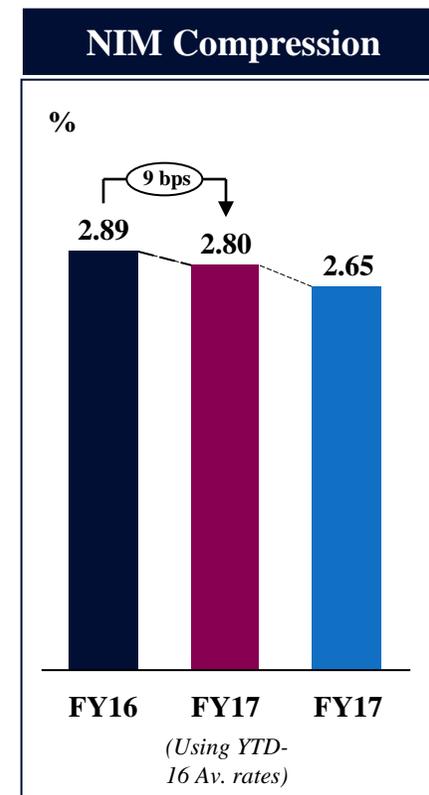
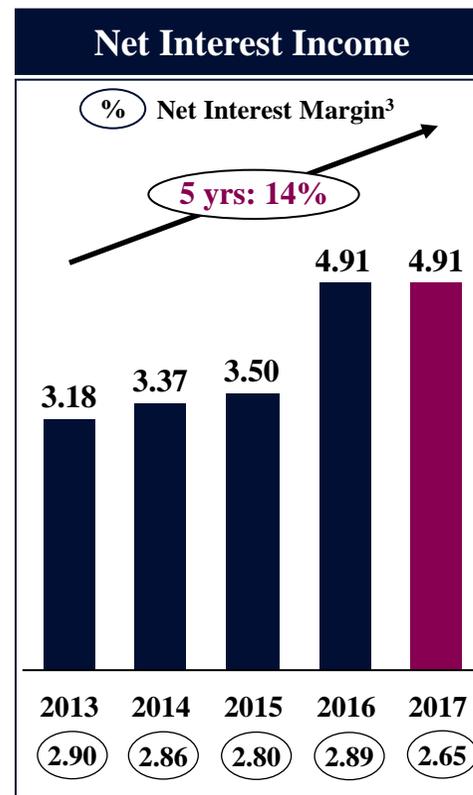
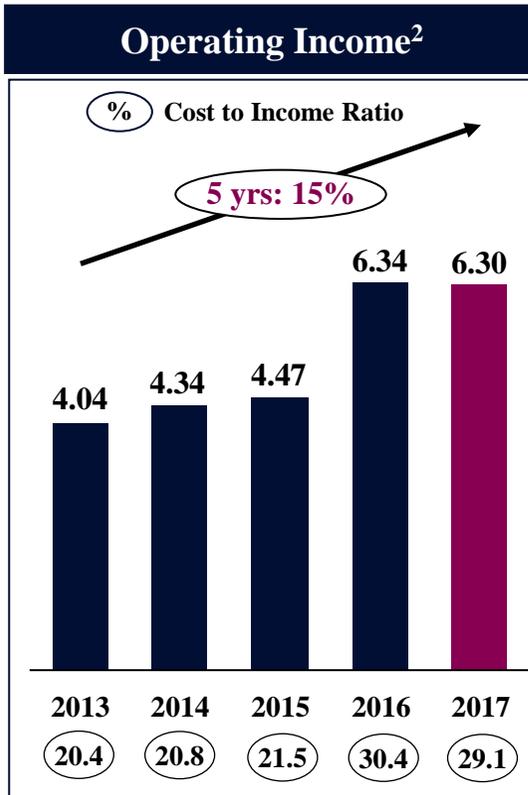
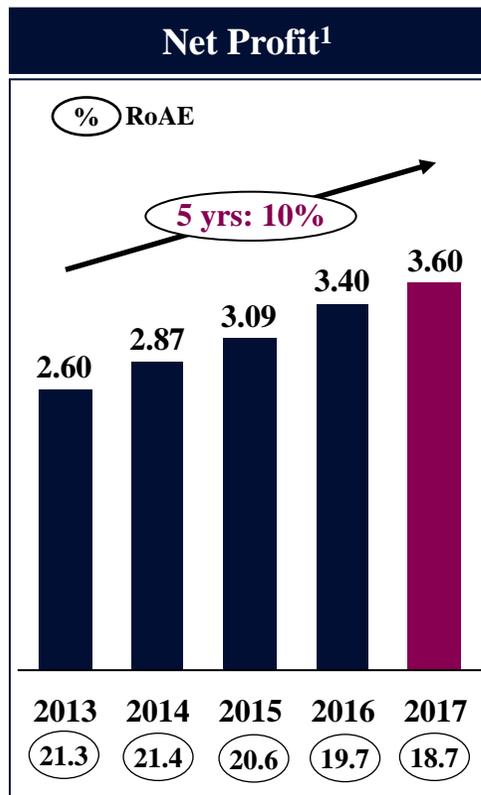


- Profit from international operations increased by USD360 Mn (38%) from 2015 to 2017

- Loans from international operations increased by USD27.1 Bn (105%) from 2015 to 2017
- Deposits from international operations increased by USD29.7 Bn (71%) from 2015 to 2017

Consistently High Profitability

Income Statement Breakdown (USD billion as at 31 December)



- Net profit increased 6% from December 2016
- Profit growth is inline with the 2017 profit growth target range
- 2012-2017 CAGR of 10%

- Operating income slightly decreased by 1% from Dec-16, 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 remained same from Dec-16, 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 USD220 billion of total assets

- Decline of 9bps 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: December 2017 Financial Report

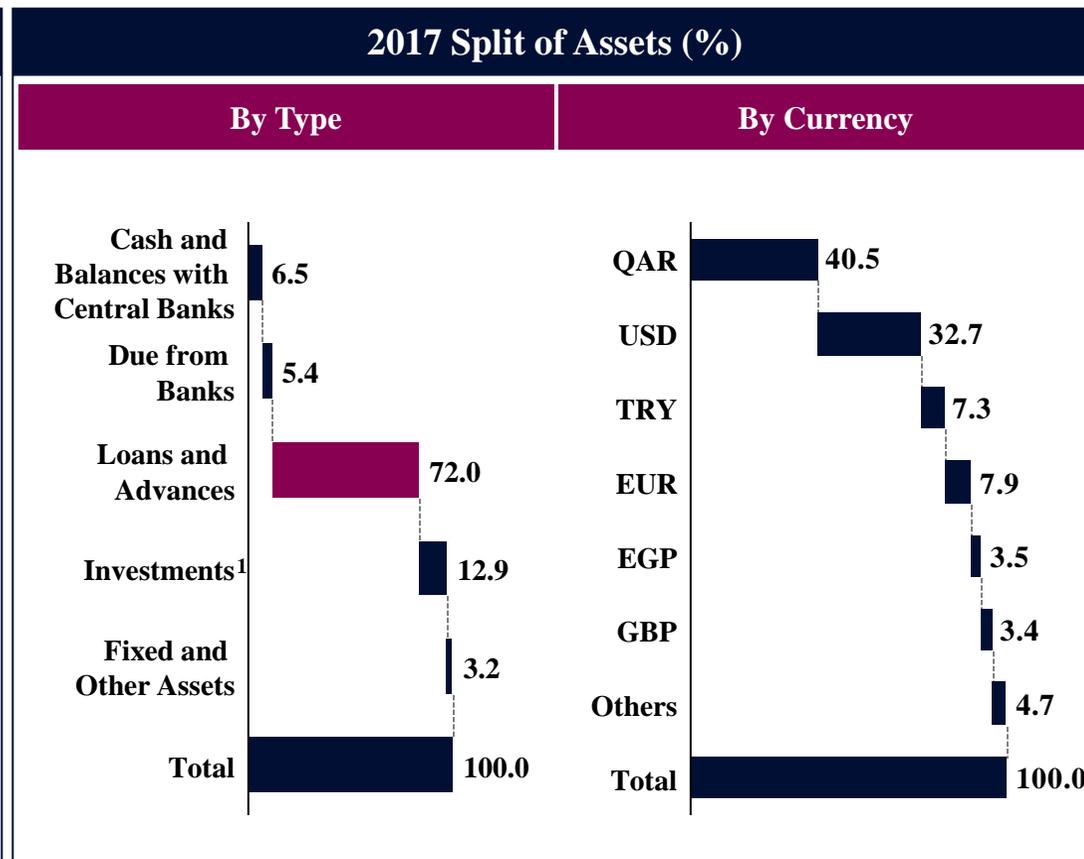
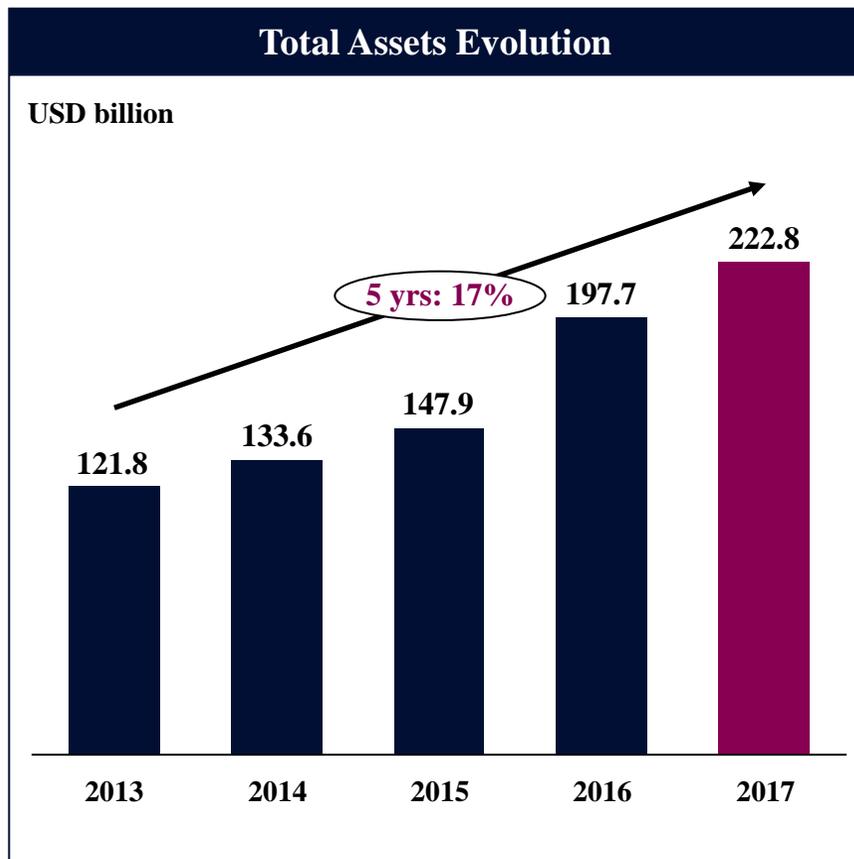
1: Profit Attributable to Equity Holders of the Bank

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 31 December)

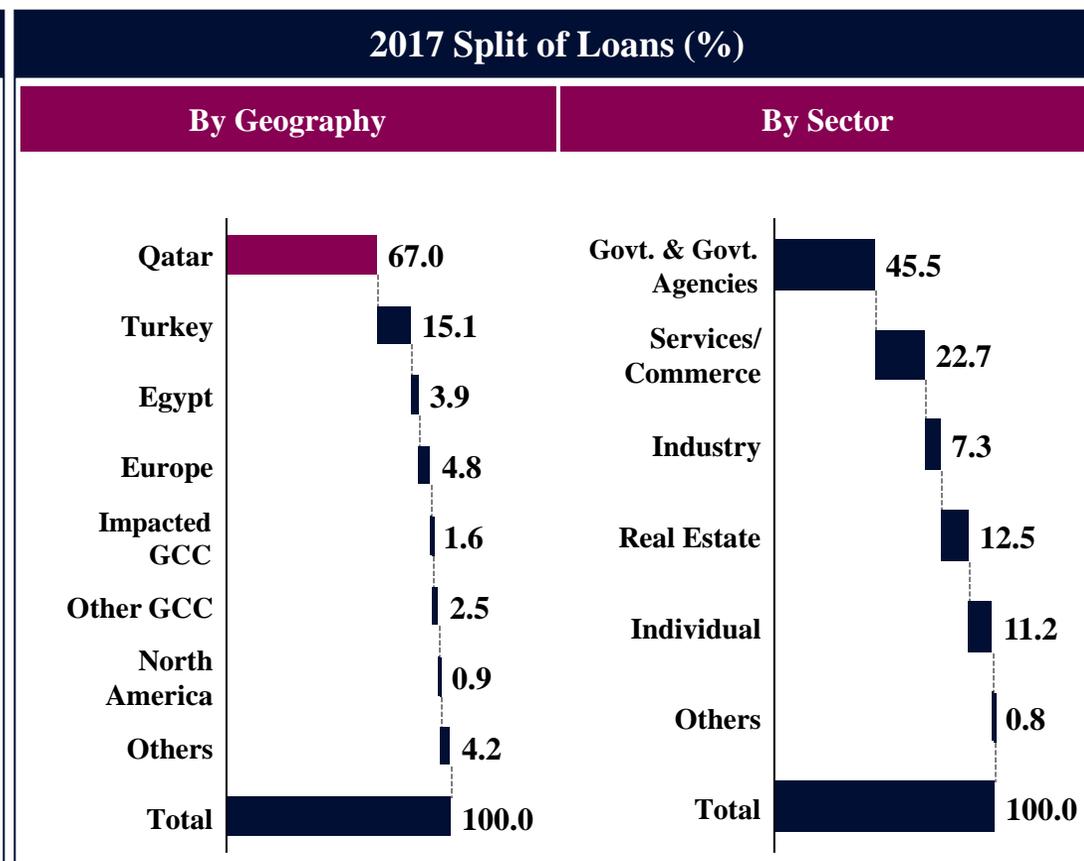


- Assets increased 13% from December 2016
- 2012-2017 CAGR of 17%

- 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)

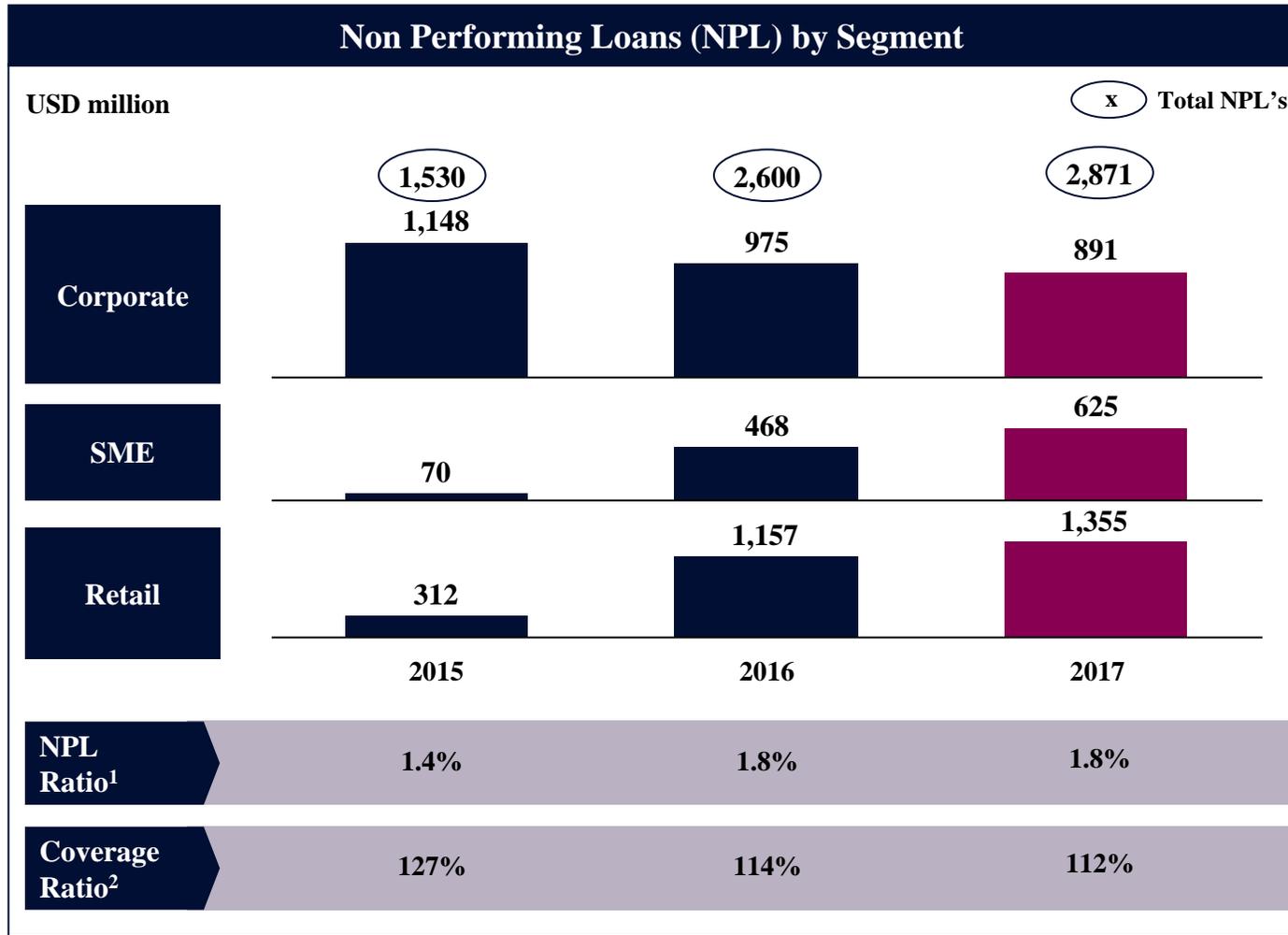


- Loans increased 12% from December 2016
- 2012-2017 CAGR of 19%

- Loans denominated in USD represent 34% of total loans
- Loan exposures are of a high quality with 46% concentration to Government and public sector entities

High quality lending portfolio is highlighted by low NPL ratios

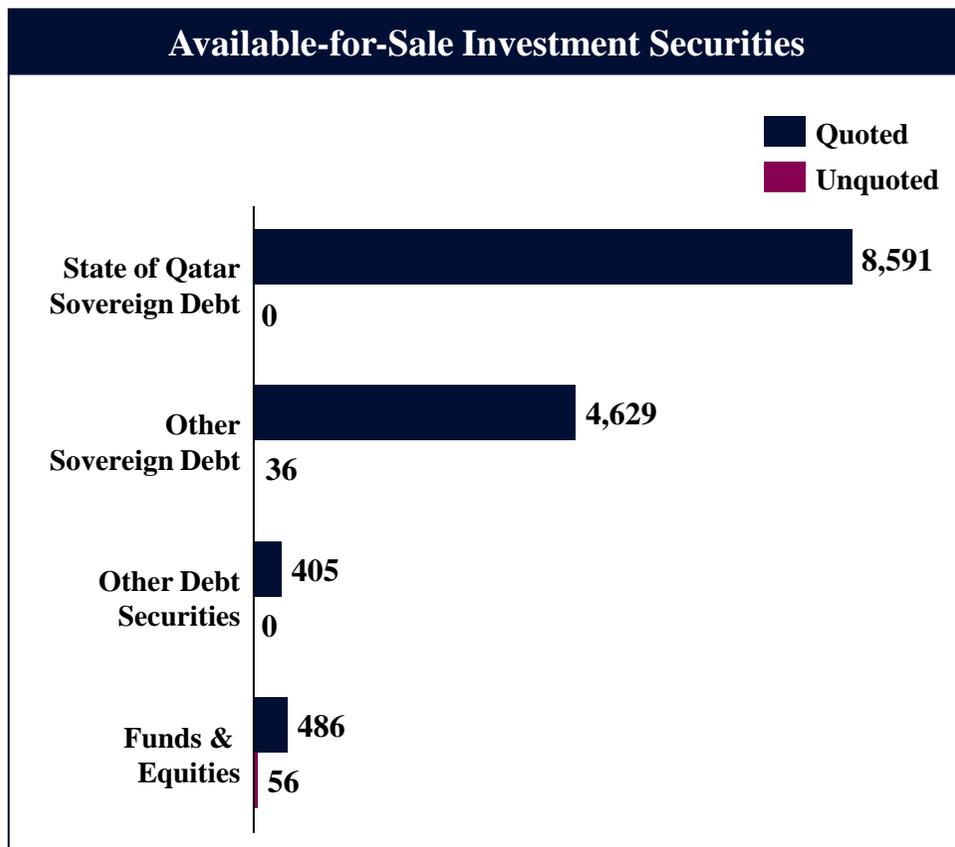
Asset Quality Analysis (as at 31 December)



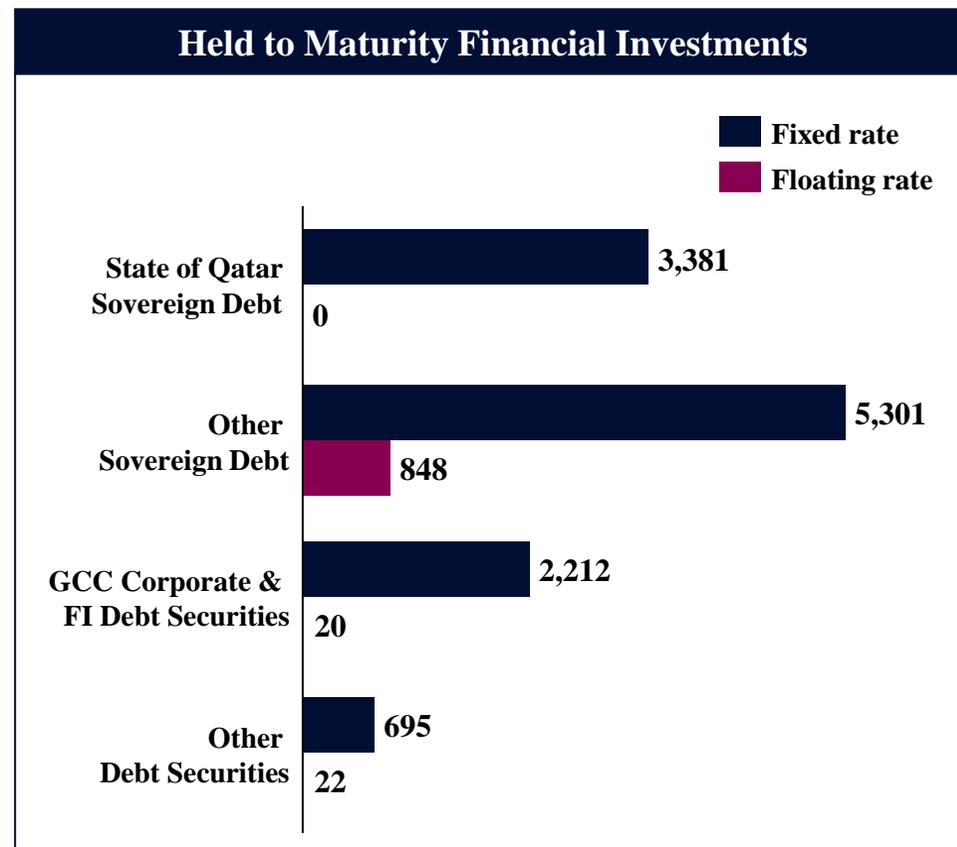
- QNB has continued to increase its provisions in response to the global economic situation
- The bank's coverage ratio has remained robust amidst the economic slowdown, with a coverage of 112% as at 31 December 2017
- Past dues are NPL after 90 days
- There is the additional security of a risk reserve of USD2,060 million which is greater than the 2.5% QCB requirements

High quality investment portfolio with 84% of securities rated AA or Sovereign

Investments Analysis (USD million as at 31 December 2017)



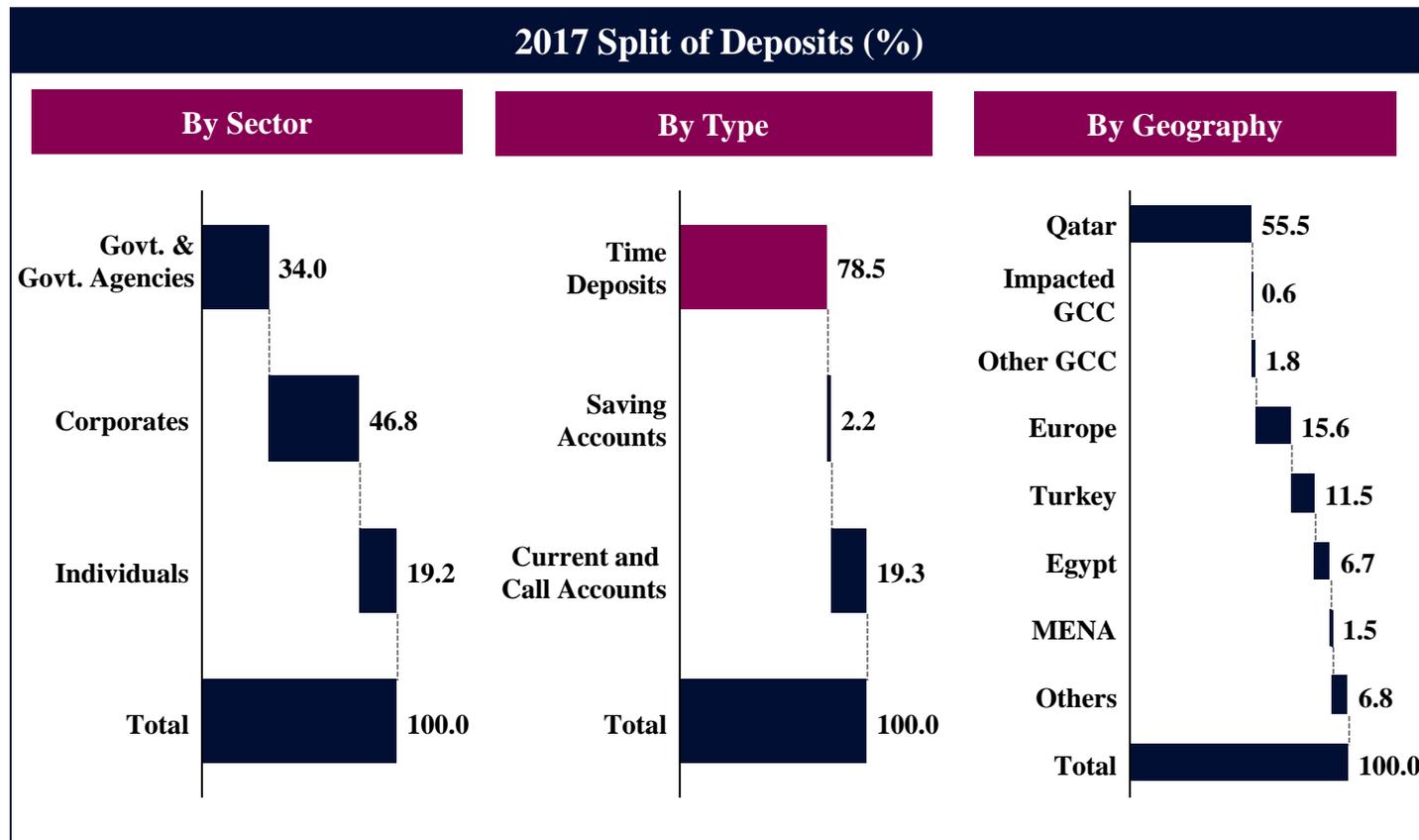
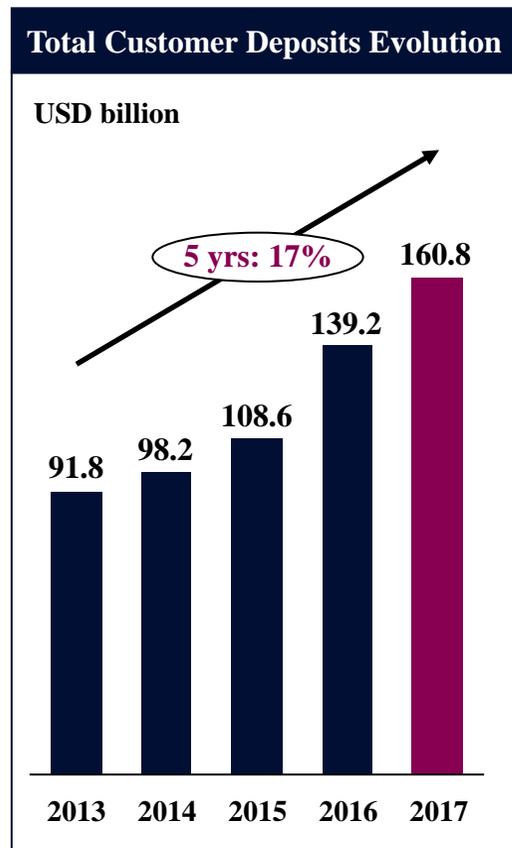
- Quoted securities account for 99% of Available-for-Sale Investment securities



- Majority of Other Sovereign Debt is Government Guaranteed

Robust growth in customer deposits and funding

Funding Analysis (as at 31 December)

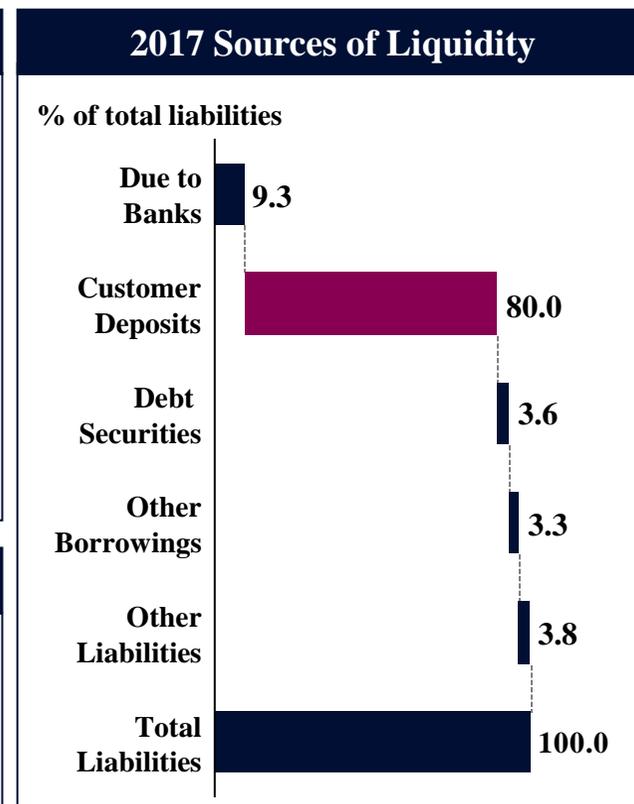
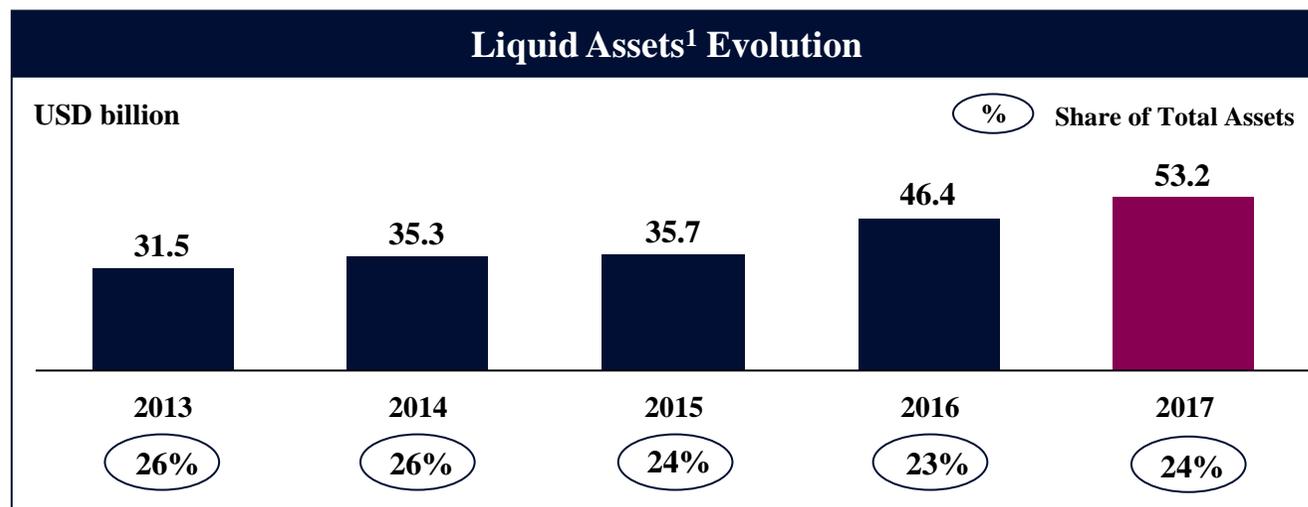
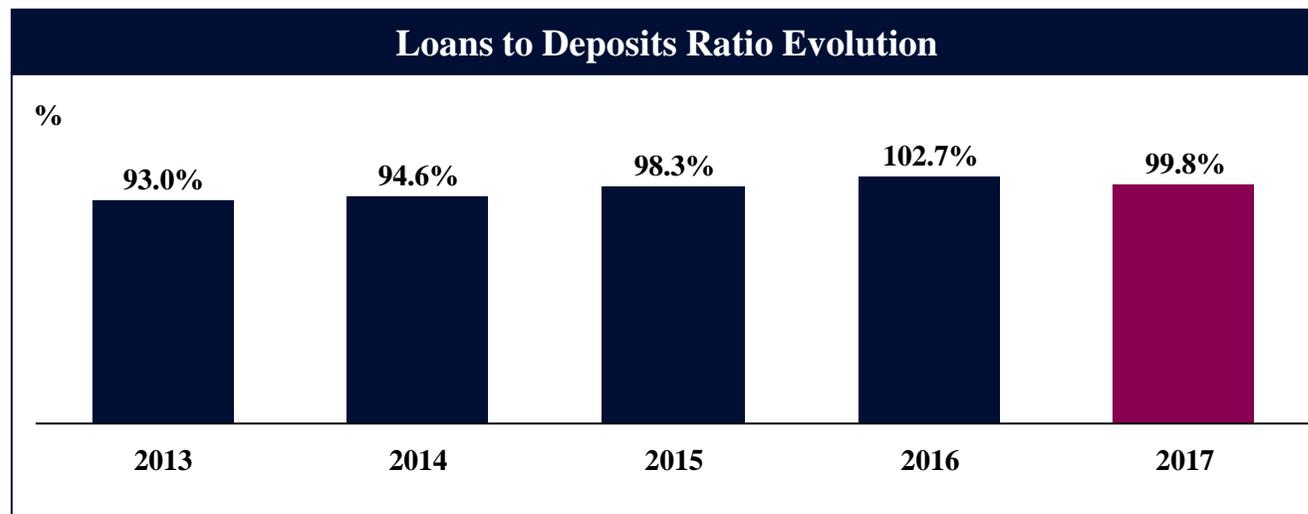


- Deposits increased 16% from December 2016
- 2012-2017 CAGR of 17%

- QNB remains the public sector's preferred bank
- USD, TRY and EGP denominated deposits represent 47%, 7% and 5% of total deposits respectively

Solid liquidity profile

Liquidity Analysis (as at 31 December)

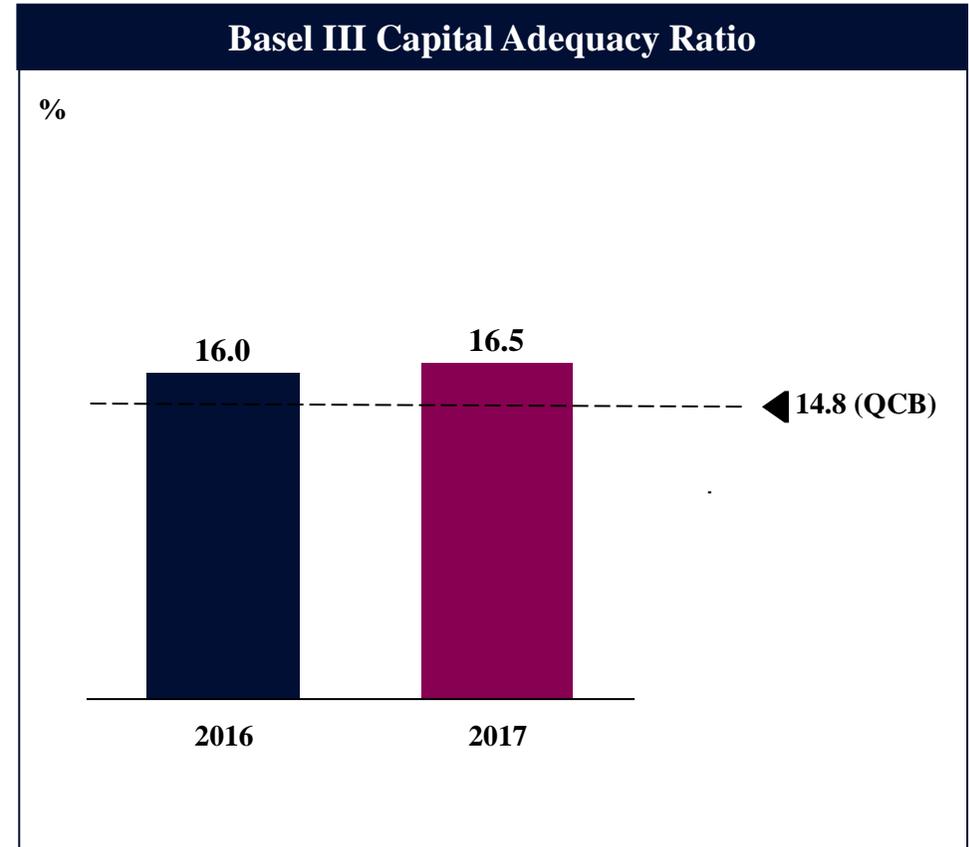
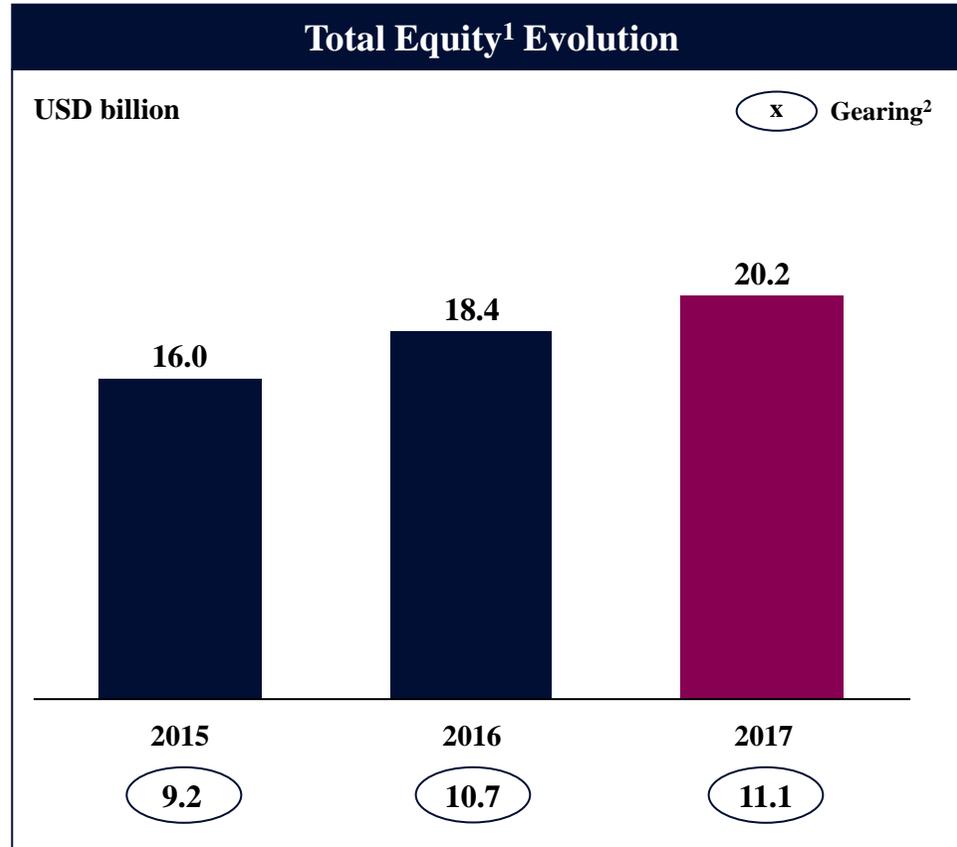


2017 Liquidity Ratios

• LCR:	135%
• NSFR:	96%

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

Capital Analysis (as at 31 December)

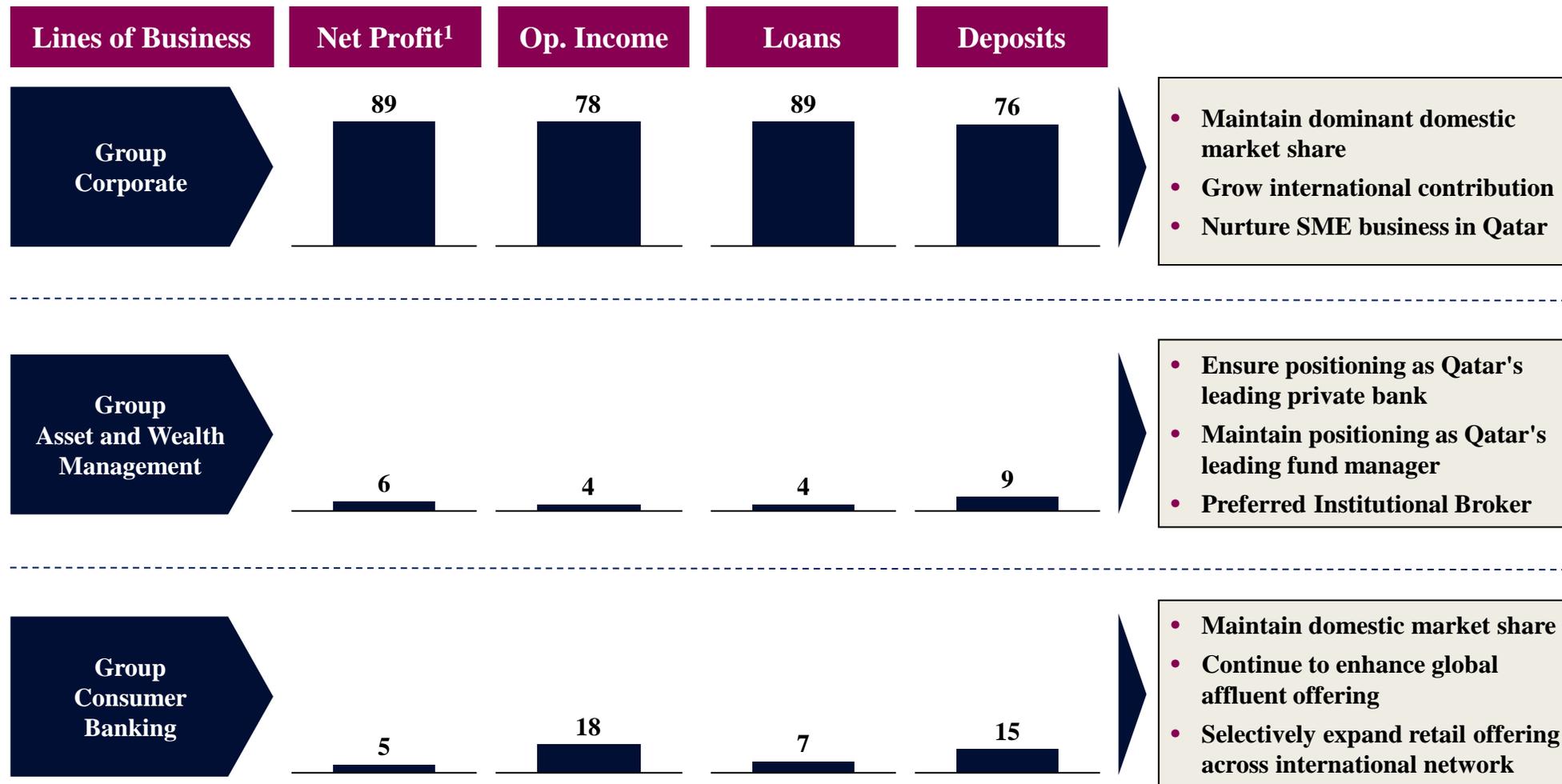


- Capital base has been regularly increased in line with the strong performance of QNB's balance sheet

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

Diversifying business mix will bolster sustainable growth

Business Mix Contribution (% share as at 31 December 2017)



IFRS 9 Implementation: Additional buffer for long term earnings stability

Implementation Update

- QNB will implement IFRS 9 with effect from 1 January 2018 based on the QCB guidelines
- Day1 impact arising from IFRS 9 Expected Credit Loss (ECL) model would be charged to the Opening Retained Earnings as of 1 January 2018
- As per QCB guidelines, Day1 ECL impact to be treated as Tier 2 Capital for CAR purposes

Pro-forma Financial Impacts

- Day1 ECL impact is estimated to be USD644 million which covers all financial assets excluding NPLs
- The reported CAR as of 31 December 2017 is estimated to be decreased by 0.03%
- Impact of 'Classification and Measurement' (C&M) requirements are not material to QNB Group
- IFRS 9 financial impacts are subject to QCB approval

Impacts of IFRS 9 implementation on Capital Adequacy Ratio

	CAR – before IFRS 9 Implementation	CAR – after IFRS 9 Implementation	Min. CAR requirements – effective from 1 Jan 2018 ¹
CET 1 Ratio	14.02%	13.42%	10.38%
Tier 1 Capital Ratio	16.47%	15.88%	12.38%
Total Capital Ratio	16.49%	16.46%	15.38%

QNB Group Financials

Key data (as at 31 December 2017)

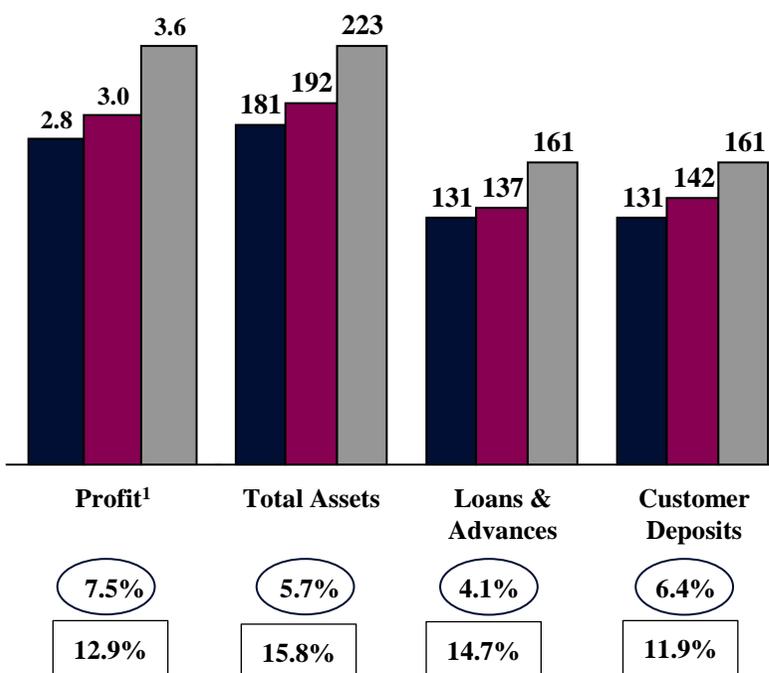
■ QNB ■ QNB incl. QNB ALAHLI ■ QNB incl. QNB Finansbank

○ Contribution of QNB AA

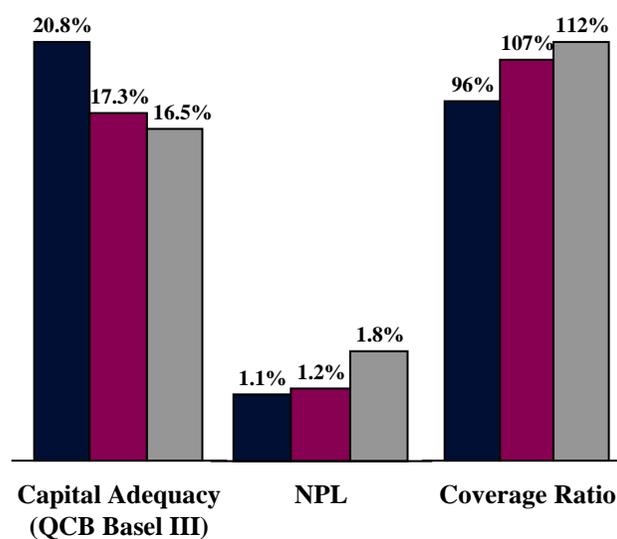
□ Contribution of QNB Finansbank

Financials

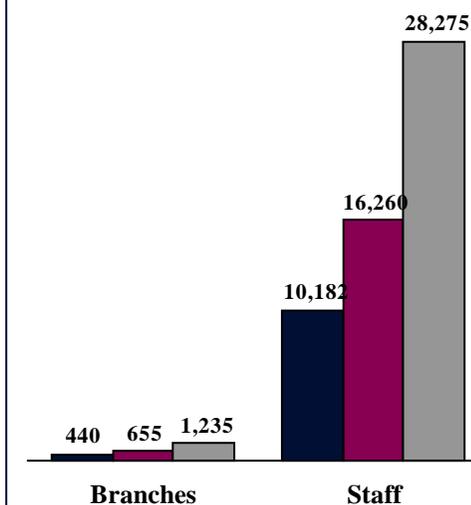
USD billion



Ratios



Presence



- Results finalised under International Financial Reporting Standards (IFRS)
- Capital Adequacy Ratio: 16.5%

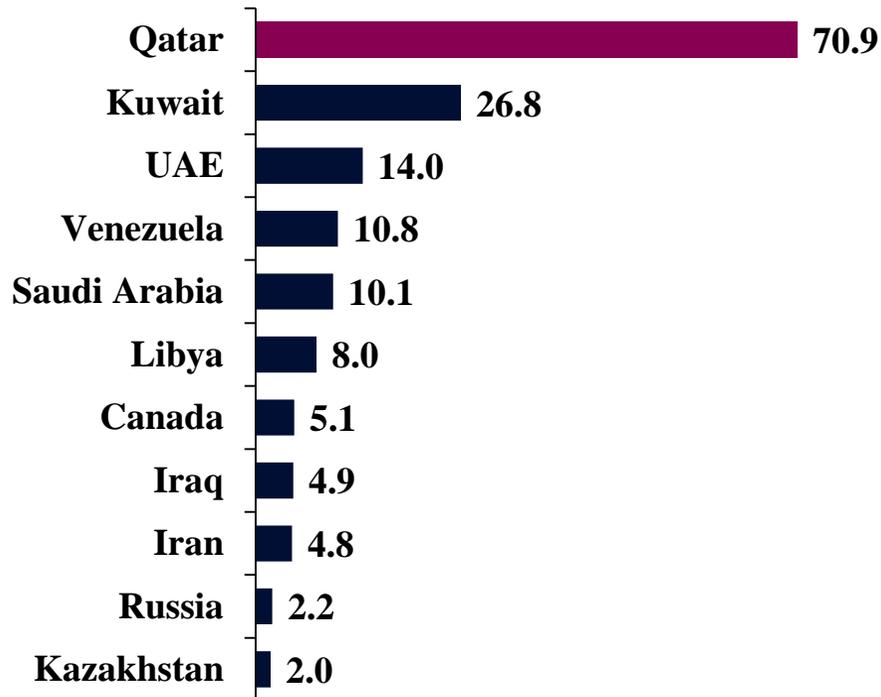


Economic Overview

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

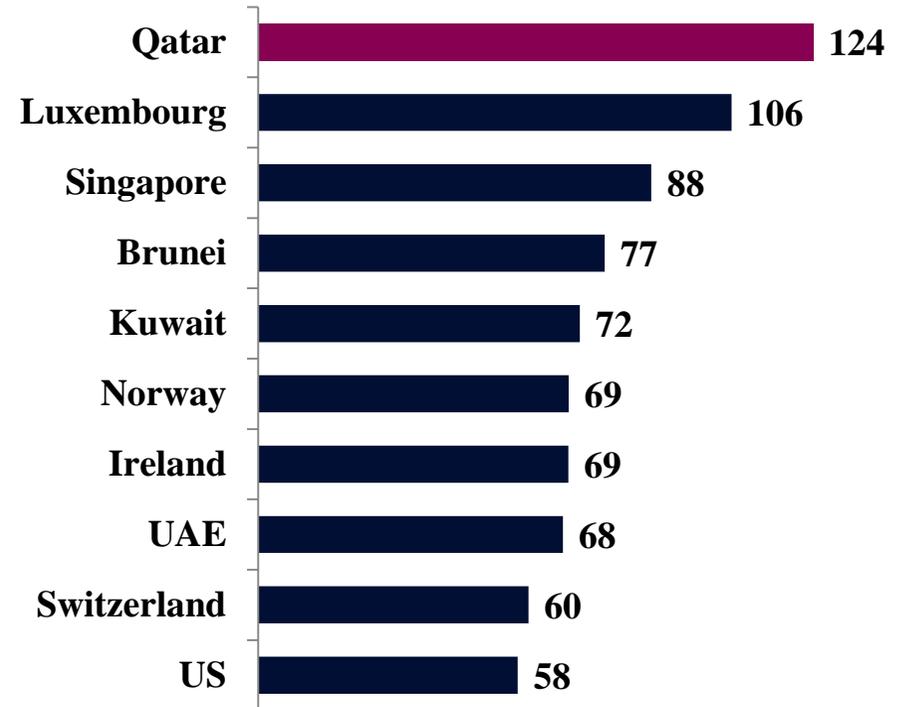
Oil and gas reserves per capita (2016)

k barrels of oil equivalent (boe)



GDP per capita (2016)

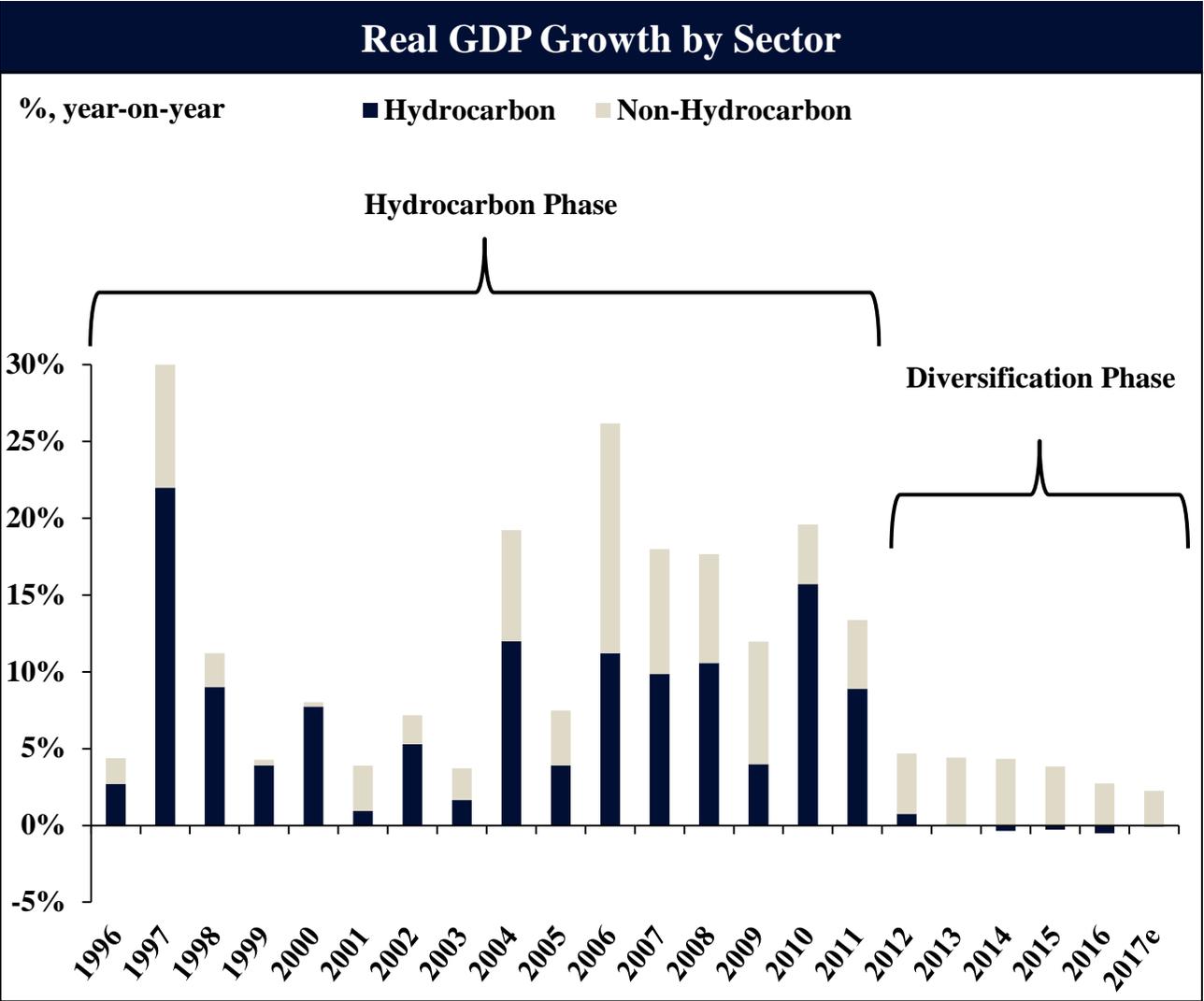
k USD PPP



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

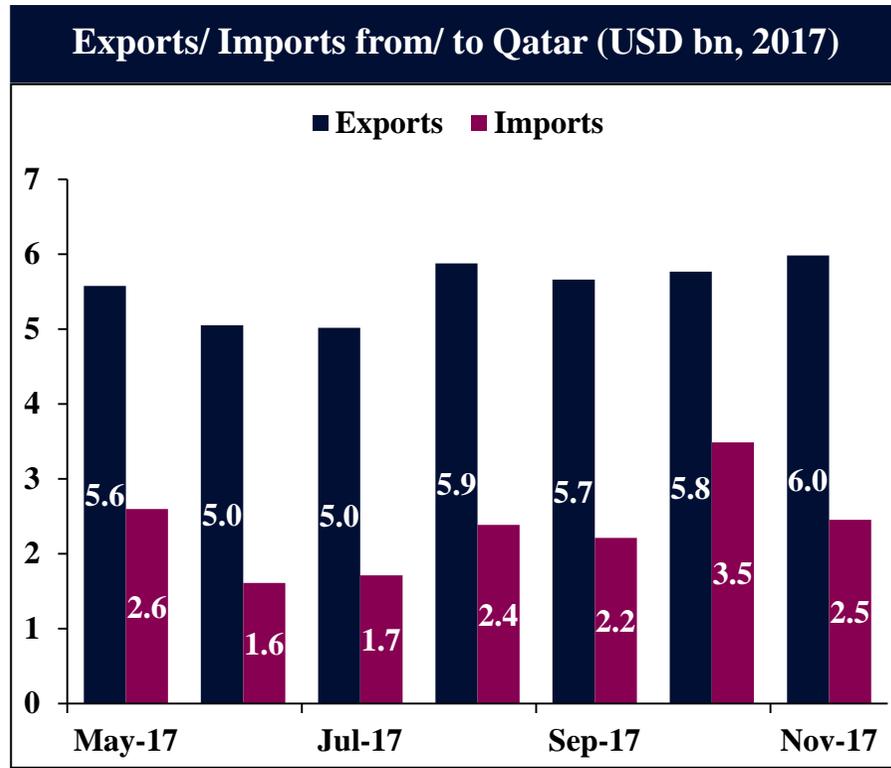
• Development of the hydrocarbon sector has made Qatar the world's richest country

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

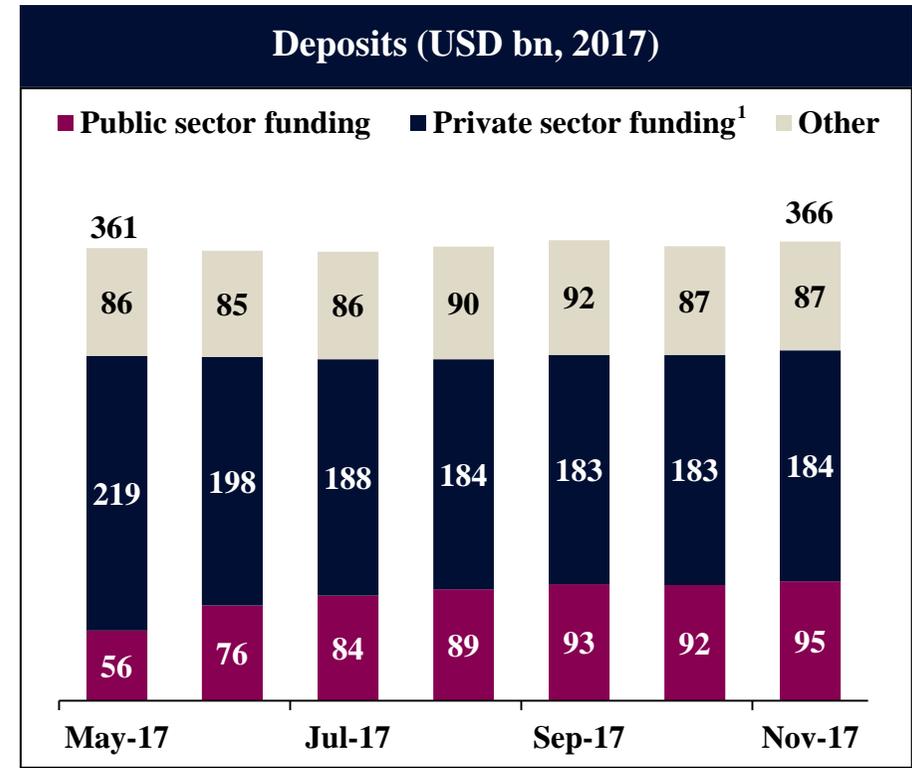


Qatar's National Vision 2030 aims to create a knowledge based and diversified economy

Qatar's fundamentals remain on a stable footing



- Imports have recovered since the blockade
- New trade routes have been established
- Exports have remained unaffected by the blockade



- Outflows from the banking system have been more than offset by public sector inflows
- Outflows have dissipated from USD21bn in June to positive inflows of USD1bn in November

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, Oman, Panama, Colombia								
	Baa3	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

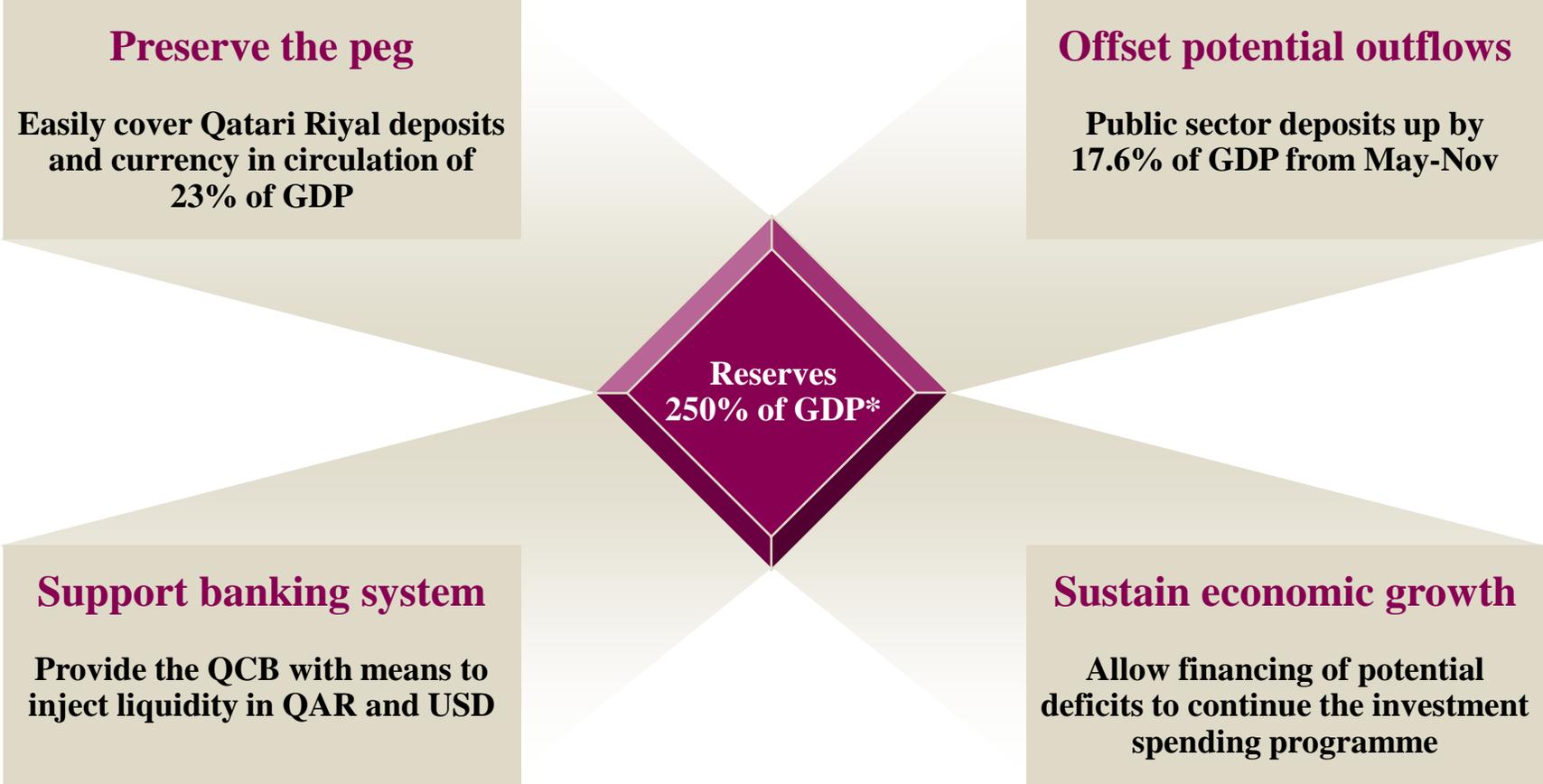
Qatar’s large infrastructure investment programme remains undisrupted; new potential for further investment is arising in the medium to long-term

Project Pipeline			
	Project	Budget (bn USD)	End
Cons- truction	Lusail Mixed-Use Development	45.0	2019
	Barwa Al Khor Development	10.0	2025
	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	2018
	Ashghal Local Roads & Drainage	14.6	2019
Oil and Gas	Bul Hanine Oilfield Redevelopment	11.0	2028
	Barzan Gas Development	10.3	2020

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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