

Executive Summary

- Qatar’s population grew by 15.2% year-on-year in October 2013 to reach 2.02m in line with our forecast for an average population growth of 10.9% in 2013 as the government ramps up infrastructure spending
- Qatar’s international reserves rose to USD39.3bn in September 2013 as foreign exchange receipts grew on high hydrocarbon prices
- Inflation slowed for the fifth consecutive month to 2.7% year-on-year in September 2013 on lower rents

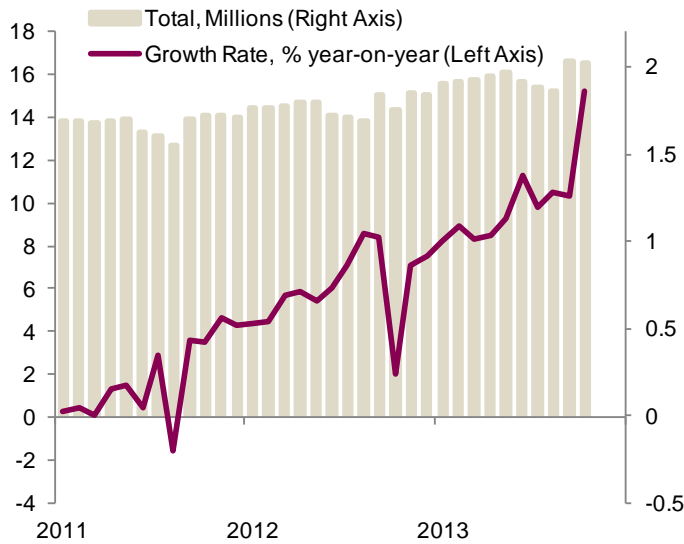
Qatar’s population surges in October 2013

Qatar’s population grew by 15.2% year-on-year in October 2013 to reach 2.02m. Population growth in recent months has been driven up by the large ramp up in infrastructure spending in preparation for the 2022 World Cup.

The latest population figures for October are in line with QNB Group’s full-year forecast of 10.9% population growth in 2013. The larger population will lead to higher economic growth by boosting aggregate domestic consumption and investment in housing and services.

Qatar’s population continues to surge

Population (millions and % year-on-year)

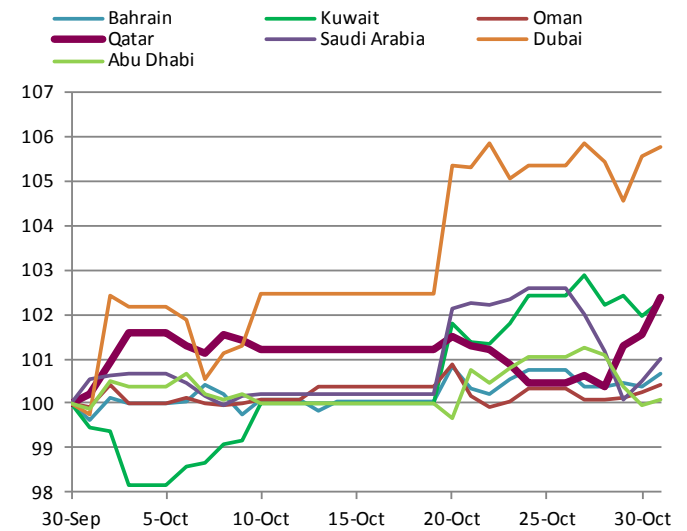


Sources: Qatar Statistics Authority (QSA) and QNB Group analysis

QNB Economics Weekly Commentary

- [Indonesia’s Enormous Potential is Challenged by Short Term Instability and Underinvestment](#)
- [Where Is the Global Economy Heading](#)
- [Political Deadlock Could Impact the Credibility of the US Dollar](#)
- [Qatar’s Economy Maintains Its Strong Growth Momentum](#)

Stockmarket Indices (rebased with 30 Sep 2013 = 100)



Sources: Bloomberg and QNB Group analysis

The GCC markets posted positive returns during October 2013. Dubai’s benchmark index (DFMGI) was the top performer, surging 5.8% month-on-month (MoM). The second best performing market was Qatar, rising 2.4% MoM followed by Kuwait, up 2.3% MoM. Other regional indices also generated gains (in the range of 0.4% to 1.0%) for the month of October 2013. On the other hand, Abu Dhabi’s benchmark index was flat MoM.

After posting a flattish performance in September, the Qatari equity market rebounded in October. On the banking sector front, some banks are contemplating issuing Tier I bonds, which will help improve their capital adequacy ratios (CARs) as well as provide additional funds propelling loan book growth.

Kingdom of Saudi Arabia Economic Insight 2013



QNB Group has recently published the Kingdom of Saudi Arabia Insight 2013, providing an overview of its economy, with historical data, in-depth analysis and forecasts.

The report is available on the QNB [website](#) along with the recently published [Qatar Economic Insight 2013](#)

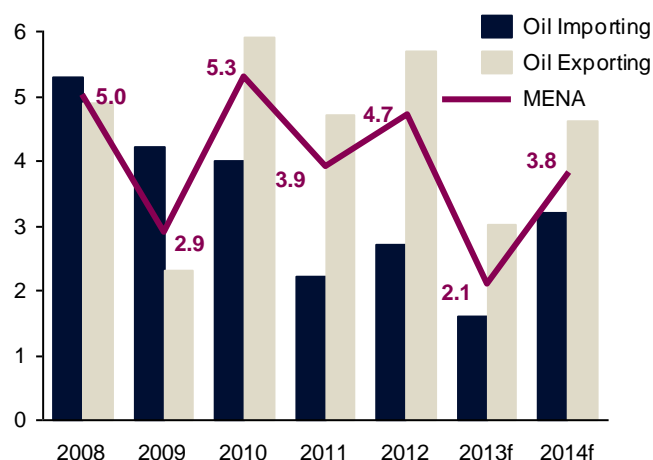
GCC countries, in particular Qatar, continue to lead MENA growth

The latest International Monetary Fund (IMF) World Economic Outlook (WEO) projections suggest that economic performance in the Middle East and North Africa (MENA) region remains mixed. On the one hand, growth in the oil importing countries of the MENA region remains subdued as political uncertainty and lack of investment is holding back growth. On the other hand, oil exporting countries, including the Gulf Cooperation Council (GCC), continue to grow rapidly, boosted by large infrastructure projects.

According to QNB Group, this dual speed development will continue over the next two years, with GCC countries acting as the locomotive for growth in the MENA region and the main source of investment and financing.

Real GDP growth rates

(% change year-on-year, 2008 – 2014f)



Sources: IMF and QNB Group analysis

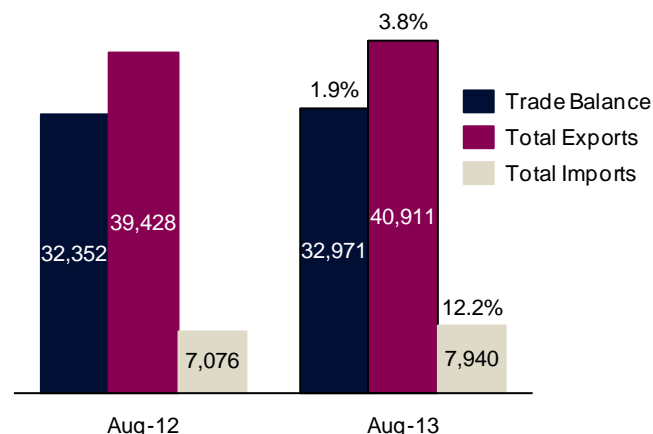
Qatar foreign merchandise trade surplus widened to QR33.0bn in August 2013

Qatar posted a trade surplus of QR33.0bn in August. The surplus widened by 1.9% year-on-year owing to higher export receipts, primarily from petroleum gases and other gaseous hydrocarbons (up 17.6% year-on-year in August 2013).

Total exports in August stood at QAR40.9bn and imports QAR7.9bn. Japan topped the export destination in August and accounted for 27% of Qatar's exports, followed by South Korea (18%) and India (9%). Among Qatar's major import items in August were motor cars and other vehicles as well as iron and steel and other related articles which was up 243% year-on-year, in line with our forecasts for a ramp up in infrastructure spending, telephone sets and aircraft spare parts. USA was the largest exporter to Qatar in July (10%) followed by China (9%) and Japan (8%).

Higher export growth drives trade surplus

Trade Balance (QAR Millions, and % change yoy)



Sources: QSA and QNB Group analysis

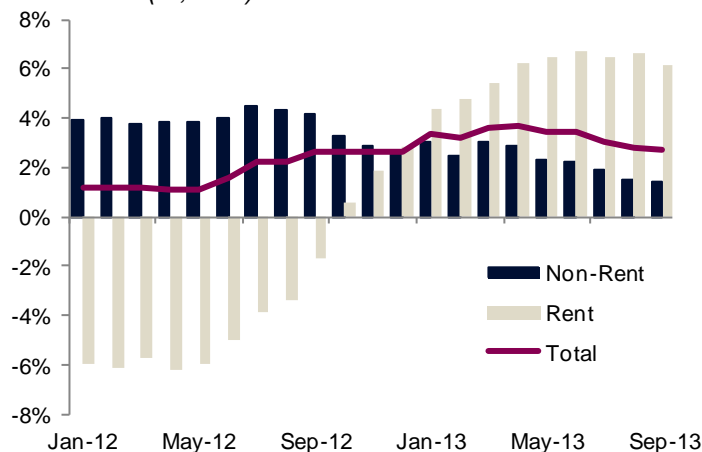
Qatar inflation edges down to 2.7% year-on-year in September 2013 on both lower rent and non-rent components

Inflation fell for the fifth consecutive month to 2.7% year-on-year in September 2013. Rent, Fuel and Energy group, which is the most influential and carry the greatest weight of 32.2% in the CPI basket, saw its index fall to 6.1% year-on-year in September (down 0.2% month-on-month). Among the other sectors, the highest inflation was witnessed in Entertainment, Recreation and Culture, which rose up 9.1% compared to the same period last year.

We expect the further pickup in population growth to drive consumer demand and push inflation up to 3.8% in 2014. There is an upside risk for inflation if the rollout of major infrastructure projects runs into capacity constraints.

Rental costs decline along with falling non-rental inflation

CPI Inflation (% YoY)



Sources: Qatar Central Bank (QCB), QSA and QNB Group analysis

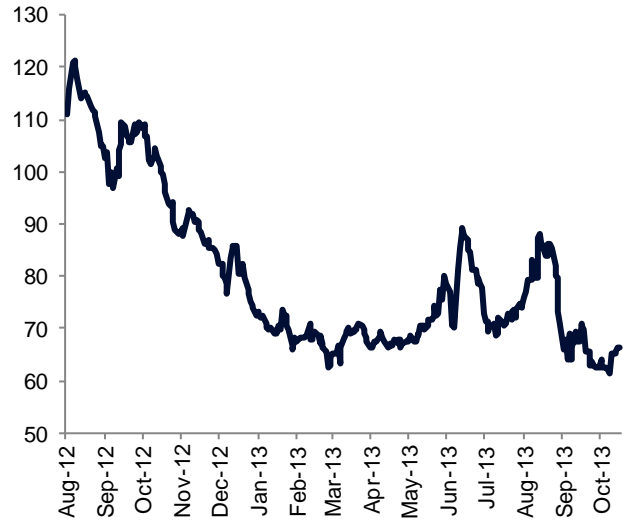
Strong fundamentals have lowered Qatar's CDS Spreads in October 2013

Strong fiscal and economic fundamentals have reduced Qatar Credit Default Swap (CDS) spreads to historic lows in October 2013.

Qatar CDS spreads are amongst the lowest regionally as they are supported by the country's robust economic growth and resource-driven wealth as well as its strong fiscal and external positions.

Qatar CDS spreads continues on stable path

(basis points above US Treasuries for a 5yr bond)



Sources: Bloomberg and QNB Group analysis

Qatar's international reserves rose to USD39.3bn in September 2013

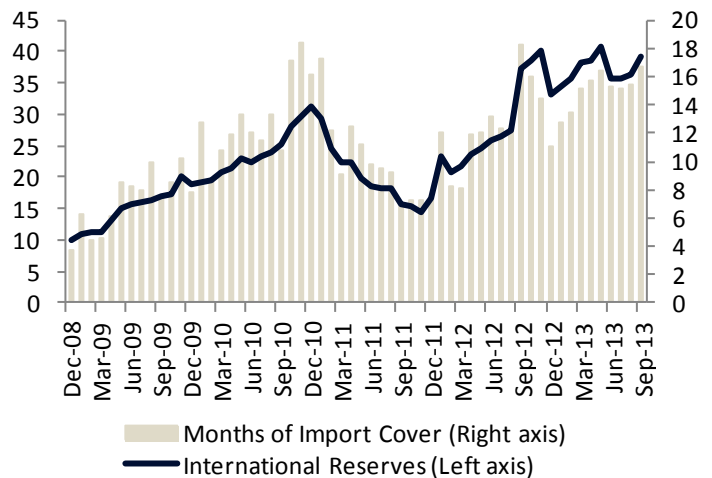
Qatar's international reserves have risen by USD6.2bn since end-2012 to stand at USD39.3bn in September 2013. As a result, import cover stood at 16.7 months which is well above the IMF recommended level of 3 months for pegged exchange rates.

Qatar's international reserves have been steadily rising over the years as foreign exchange receipts from exports have grown. The pullback in reserves in 2011 was largely due to capital outflows for the purchase of foreign assets.

Going forward, QNB Group expects international reserves to rise up gradually for the remainder of this year and in 2014.

International reserves edge higher in September 2013

(USD billions, left axis; months of import cover, right axis)



Sources: QCB and QNB Group analysis

Economic News

- **Qatar economic activity is soaring on back of large infrastructure projects** – According to a report by QNB Group, large infrastructure projects such as the Doha Metro Rail and Hamad International Airport would accelerate Qatar's economic activity until the year-end, playing an increasing role to develop the country's non-hydrocarbon sector until 2015. Many expatriate workers are entering Qatar to respond to higher labor demand from infrastructure spending. The QNB Group report said this increased level of job growth and higher disposable incomes should boost domestic consumption, which will be a key driving force for GDP growth over the medium-term. With Qatar's population more than tripling in the last 12 years, there has been a reciprocal increase in the number of vehicles on the roads (876,039 vehicles in 2012, compared with 287,500 in 2000). Furthermore, the Consumer Price Index (CPI) has stabilized at a moderate level (3.1%) in August 2013. Rents are rising but the rate of rental increases has been slowing in recent months, while non-rent inflation has fallen. The latest CPI data is in line with QNB Group's forecast for 3.6% inflation in 2013 as a whole, which would increase slightly to 3.8% in 2014. Meanwhile, Qatar's real GDP expanded at a robust 6% YoY pace, spurred by double-digit growth in various sectors such as construction, transport, communication, financial and business services. QNB Group expects the real GDP growth to accelerate during 2H2013, reaching 6.5% for the entire year and 6.8% in 2014, powered by large infrastructure projects and higher population. (Gulf-Times.com)
- **MDPS: Qatar's real growth in GDP stood at 6.0% in 2Q2013** – According to preliminary data released by the

Ministry of Development Planning & Statistics (MDPS), Qatar's real growth in GDP has slowed slightly to 6.0% YoY in 2Q2013 from a revised 6.1% in 1Q2013 due to a slowdown in hydrocarbon production as well as the manufacturing, trade, restaurants and hotel sectors. Output from the mining & quarrying sector including production of oil & gas that accounts for more than 40% of GDP, rose 1.0% YoY in 2Q2013. The MDPS data showed that financial and real estate sectors grew 15.4%, while the construction sector rose 11.4%, as Qatar pushed forward with infrastructure projects worth billions of dollars. (GulfBase.com)

- **QCB issues T-bills worth QR4bn** – The Qatar Central Bank (QCB) has issued treasury bills worth QR4bn on October 1, 2013. Yield on the 93-day T-bills rose to 0.97% from 0.87% for 91-days and it was up to 1.36% from 1.15% for 182-day T-bills, while for 273-day notes, yield increased to 1.57% from 1.22%. (QCB)
- **Foreign firms in Qatar must have 30% local stake** – The Prime Minister and Minister of Interior HE Sheikh Abdullah bin Nasser Al Thani has issued directives that no foreign company will be allowed to set up operations in the country without having at least a 30% joint venture with a local company. Any foreign business setting up operations in Qatar will not be allowed more than 70% ownership, as it must give at least 30% equity to a local company. (Peninsula Qatar)

Private Sector News

Finance

- **QEWS net profit declines 4.3% QoQ in 3Q2013** – Qatar Electricity & Water Company (QEWS) reported a net profit of QR417.3mn in 3Q2013, indicating a decline of 4.3% QoQ (+22.8% YoY). Bloomberg consensus for net income was QR402.3mn. Basic earnings per share amounted to QR10.54 for the nine months period ended on September 30, 2013 as compared to QR9.76 for the corresponding period in 2012. The company's sales rose by 2.8% QoQ (+4.6% YoY) to QR806.4mn. We maintain our annual estimates. For 2013 and 2014 revenue, we pencil in QR2,856mn and QR2,903mn, respectively. Our 2013 and 2014 EPS estimates are QR13.61 and QR14.44, respectively. Low-risk play deeply linked to Qatar's growth story. Despite a lack of significant near-to-medium-term growth catalysts, we continue to remain bullish longer term on QEWS. The company is Qatar's leading listed electricity/desalinated water producer and possesses a low-risk business model (minimal demand/cost risk), with secure and visible earnings and cash flows.
- **MARK 3Q2013 net income in-line with estimates** – Masraf Al Rayan (MARK) reported a net income to shareholders of QR429.5mn vs. our estimate of

QR430.2mn and Bloomberg consensus of QR420.8mn. On a QoQ basis the bottom-line is up 2.1%, QR420.6mn in 2Q2013. The growth came on the back of slight increase in income from financing and investing activities. MARK did not book any provisions in the quarter. Income from financing activities increased by 1.7% QoQ, while profit to investment account holders increased by 3.3%. Hence, net financing income only improved by 1.2% QoQ. On the other hand, income from investing activities grew by 5.3% QoQ helping the bottom-line grow by 2.1% QoQ. Regional expansion is on the cards. MARK has expressed its intention to buy a 40% stake in a Libyan bank. The acquisition will cost around QR1bn and is in line with our view that the bank will diversify within the MENA region for long-term growth potential. However, post the announcement there has been no significant update on this front. We maintain our FY2013 estimates and price target to QR27.60. We expect public sector loans to pick up in coming months. This, along with relatively tight lid on deposits rates, will help MARK to post a net profit of QR1.67bn in FY2013. On the DPS front, we maintain our cash DPS forecast of QR1.10 and 1.20 for 2013 and 2014, respectively. (QNBFS Research, QE)

- **CBQK profit down 45.8% QoQ in 3Q2013** – Commercial Bank of Qatar's (CBQK) net profit dropped by 45.8% QoQ (-48.8% YoY) to QR280.9mn. Net interest income expanded by 39.8% QoQ (+39.1% YoY) to QR642.8mn, while net fee and commission income declined by 12.4% QoQ (+8.0% YoY) to QR144.5mn. Total loans and advances stood at QR64.9bn at the end of Q3 2013, up 33.5% YTD, while customer deposits rose 39.4% YTD to QR57.7bn. As such the LDR stood at 112.4%. (QE)
- **CBQK intends to raise QR2bn Tier 1 perpetual capital notes** – The Commercial Bank of Qatar (CBQK) intends to raise additional Tier 1 perpetual capital notes worth QR2bn to enhance its capital adequacy ratios and to support future growth. The notes are expected to enhance the bank's capital adequacy ratio by ~2.2%. This proposed issue will be a local private placement that is expected to be completed in December 2013. (Company Press Release)
- **Ooredoo earns QR2.07bn net profit on NGN, affiliates' gain** – Growing demand for new products in next generation networks (NGN) and impressive performances of group companies in Qatar, Algeria and Iraq have enabled Ooredoo Group to post a nine-month net profit of QR2.07bn and revenue of QR25.7bn. The net profit attributable to Ooredoo's shareholders represented a 4% YoY decrease, but that includes foreign exchange losses primarily from Indosat (Indonesia). Excluding this, the net profit to shareholders stood at the same level as in 3Q2012 and increased by 12% for the nine months in 2013. Meanwhile, as of September 30, the group's consolidated customer base stood at 89.6mn subscribers compared with 89.2mn in the same period last year, representing 0.4% YoY growth. In September 2013, Ooredoo's customer base in Qatar stood at 2.8mn as compared to 2.4mn in the same period in 2012. (Gulf-Times.com)
- **BRES reports net profit of QR268.3mn in 3Q2013** – Barwa Real Estate Company (BRES) reported a net profit of QR268.3mn in 3Q2013 as compared to QR40.6mn in 2Q2013 (up 44.7% YoY). Total revenues and gains rose by 56.9% QoQ (+19.8% YoY) to QR571.3mn in 3Q2013. EPS amounted to QR1.20 for the nine months ended September 30, 2013 as compared to QR2.00 for the corresponding period in 2012. (QE)
- **WDAM reports QR47.2mn net profit in 9M2013** – Widam Food Company (WDAM) posted net profit of QR47.2 million for the nine months period ended September 30, 2013 vs. a net profit of QR62.1 million for the corresponding period last year. The company's Earnings per Share (EPS) amounted to QR2.63 for the period ended September 30, 2013 versus QR3.45 for the corresponding period in 2012. (QE)
- **MRDS reports QR7.7mn net profit in 9M2013** – Mazaya Qatar Real Estate Development (MRDS) posted a net profit of QR7.7 million for the nine months period ended September 30, 2013 vs. a net profit of QR 4.4 million for the corresponding period last year. The company's Earnings per Share (EPS) amounted to QR0.077 for the period ended September 30, 2013 vs. QR0.044 for the corresponding period in 2012. (QE)
- **KCBK's weak 3Q2013 profitability due to muted gains from investment securities** – KCBK posted a net profit of QR107.7mn in 3Q2013, dropping by 32.3% QoQ (-7.6% YoY). Net profit declined primarily on the back of a significant drop in investment gains. Gains from investment securities (representing 33% of net operating income) was the thrust of profitability in 2Q2013, expanding by 365.5% QoQ (-10.3% YoY) to reach QR93.9mn vs. QR20.2mn in 1Q2013 (QR104.6mn in 2Q2012). However, in 3Q2013 gains plunged by 81.8% QoQ (-71.1% YoY). The bank's net interest income dropped by 10.6% QoQ (+8.5% YoY). Moreover, TTM NIMs was flattish in 9M2013, reaching 1.99% vs. ~2.04% in 1H2013 (1.79% at the end of 2012). Net fees and commissions remained under pressure, dropping by 21.8% QoQ (+62.9% YoY) likely due to heavy competition in the corporate sector. Nevertheless, KCBK's RoAE marginally deteriorated in 9M2013 to 9.7% vs. 10.2% in 1H2013 (9.3% at the end of 2012). Loans significantly expanded QoQ and YTD. Al Khaliji's loan book grew by 7.2% QoQ (+22.6% YTD). (QNBFS Research, QE)
- **QNNS 3Q2013 net profit pulled down by Milaha Capital** – Milaha posted net profit of QR204.3mn for 3Q2013, a drop of 10.9% QoQ (+3.9% YoY). Net income slightly fell short of our forecast. Milaha Capital's revenue fell by 32.8% QoQ mainly due to the lack of dividends and muted investment gains. Generally Milaha Capital enjoys a robust first quarter. (QNBFS Research, QE)
- **IQCD reports weaker-than-expected 3Q2013 results.** In-line with the general trend, seen thus far, of weaker-than-expected 3Q results posted by Qatari companies, IQCD reported results that missed our estimates/consensus. IQCD reported QR1.77bn in net income (-12% QoQ, -32% YoY). A significant drop in fertilizer profitability and a weaker-than-expected top-line contribution from steel led to the earnings miss, in our view. Overall group EBITDA declined by around 13% sequentially to QR1.8bn. Petrochemicals benefited from improved pricing and lack of shutdowns, as expected. Revenue of QR1.4bn increased by ~24% QoQ with net profit rising by ~22% to around QR1bn. Improvement in LDPE and MTBE prices along with volume growth (15/20 day unplanned shutdowns in LDPE/MTBE lines in 2Q) boosted results. Fertilizers were affected by lower urea prices along with planned maintenance-related downtime. Revenue of QAR1.3bn fell 22% QoQ, tracking the decline in realized urea prices. Net profit of QR334mn (-54% QoQ), was also well below our model. Besides weaker urea prices, volumes were also hurt by planned downtime (ammonia: 28 days, urea: 23 days), According to IQCD, its urea prices declined by more than 21% QoQ (-\$80/MT) to close at a 3-year low of \$293/MT, which was down more than \$100/MT since early-2013. Steel segment impacted by volume decline. Revenue of QAR1.3bn declined ~6% QoQ with volumes impacted by 72 days of planned/unplanned maintenance-related downtime (vs. 52 days in 2Q). Revenue was also impacted as DRI/HBI stocks were reserved for the EF5 Greenfield steel melt shop (resulting in ~169,000 MT and ~17,000 MT, respectively, in lower sales volume).

Net profit declined ~10% QoQ to ~QR402mn with margins still robust at ~30% (vs. ~31% in 2Q2013 and ~32% in 1Q2013). (QNBFS Research, QE)

- **DHBK 3Q2013 net income misses estimates** – Doha Bank (DHBK) reported a net profit of QR328.6mn for 3Q2013, down 6.9% QoQ. Interest expense for the quarter was up 13.7% QoQ. The stellar growth in deposits (17.7% QoQ) also contributed to higher interest expenses, in our view. On the other hand, interest income only increased by 2.5% QoQ. Net fees and commissions declined by 9.4% QoQ. On the provisions front, the bank recorded combined provisions (loans and investments) of QR75.0mn in 3Q2013 vs. QR48.6mn in 2Q2013. Customer deposits increase by 17.7% QoQ. The loan book grew by 7.6% QoQ (+15.3% YTD) while deposits gained by 17.7% QoQ (16.6% YTD). This led to a LTD of 97% at the end of 3Q2013 vs. 106% at the end of 2Q2013. (QNBFS Research, QE)
- **QIBK 3Q2013 results in line with our estimates** – QIBK posted a net profit (to equity) of QR345.1mn in 3Q2013. Net income increased by 1.8% QoQ. Profitability was driven by net financing income (+9.6% QoQ). Moreover, income from investing activities (QR226.7mn) expanded by 11.8% QoQ. However, net fees & commissions contracted by 9.9% QoQ. The loan book expanded but deposit book was down slightly (QoQ). QIBK's loan book expanded by 4.9% QoQ (+0.5% YTD). Equity of unrestricted investment account holders (URIA) ticked up by 1.3% QoQ (-1.9% YTD). However, customers' deposits in current account dropped by 8.5% QoQ (+33.7% YTD). Customer deposits and URIA combined declined by 1.5% QoQ (+5.6% YTD). Hence, the loan-to-deposit ratio increased to 95% vs. 89% at the end of 2Q2013. In terms of the investment book, total investments increased by 2.1% QoQ. Growth was driven by fixed income securities (+2.6% QoQ) while equity investments receded by 2% QoQ. (QNBFS Research, QE)
- **GWCS 3Q2013 Results hit by higher expenses and provisions** – Gulf Warehousing reported a net profit of QR22.7mn vs. QR31.4mn in 2Q2013. However, for the nine months of 2013, the bottom-line is up 24.5% YoY. Increased cost/expenses and provisions for Imdad. Overall revenue came in line. However, direct costs increased 11.9% QoQ, which was above our estimates. Furthermore, general and administrative (G&A) expenses increased by 201.6% QoQ to QR8.2mn vs. QR2.7mn in 2Q2013 (this line item has been volatile in the past as well). On the Imdad front, the company booked a provision of QR2.4mn vs. QR0.2mn in 2Q2013 (we do not forecast provisions). We maintain our estimates with a price target of QR40.53. (QNBFS Research, QE)
- **UDCD reports net profit of QR180.4mn in 3Q2013** – United Development Company (UDCD) has reported a net profit of QR180.4mn in 3Q2013, reflecting an increase of 55.5% QoQ (+51.9% YoY). Revenue fell by 32.8% QoQ (-31.1% YoY) to QR513mn in 3Q2013. The main driver of profitability was a 48.6% QoQ (-51.4% YoY) drop in COGS. EPS amounted to QR1.50 for the

nine months ended September 30, 2013 as compared to QR1.24 for the corresponding period in 2012. (QE)

- **QNCD posts a net profit of QR86.5mn in 3Q2013** – Qatar National Cement (QNCD) posted a net profit of QR86.5mn in 3Q2013 vs. QR116.9mn in 2Q2013. The decline is on the back of lower sales, which is down 22.4% QoQ to QR208mn vs. QR268mn in 2Q2013. We believe Ramadan and the summer break led to a decline in sales volume. (QNBFS Research, QE)
- **QIIK 3Q2013 net income up 12.5% QoQ** – QIIK (Qatar International Islamic Bank) posted a net profit of QR202.9mn in 3Q2013. QIIK posted QR180.3mn in 2Q2013, implying a growth of 12.5% QoQ. The QoQ growth in earnings was mainly due to higher income from share of results from associates, lower foreign exchange loss on translation of investment in associates and lower provisions vs. our estimates. The loan book and deposits expanded on a QoQ and YTD basis. QIIK's loan book grew by 9.3% QoQ (+44.5% YTD), while total deposits (URIA & current accounts) grew by 12.9% QoQ (+24.9% YTD). However, the improved loan book did not make a significant impact on income from financing activities, which expanded by only 1.9% (QIIK has been aggressively targeting the public sector in the last few quarters). On the other hand, share of unrestricted investment account holders (URIA) increased by 13.0% QoQ. Hence, net financing income declined by 2.3% QoQ. Furthermore, income from investing activities declined by 18.8% QoQ. We maintain our estimates and reiterate our price target of QR57.18. For 2013 and 2014, we expect QIIK to post earnings of QR729mn and QR782mn, respectively. We feel the bank will increase DPS to QR3.75 for 2013 (QR3.50 DPS for the last two years). (QNBFS Research, QE)
- **QNB Group issues dual-tranche dollar denominated bonds** – QNB Group issued a \$1.5bn dual-tranche dollar denominated bonds. The group issued a \$750mn three-year floating rate notes. QNB Group also issued a \$750mn five-year, fixed-rate tranche. The group mandated HSBC Holdings, Standard Chartered, JP Morgan Chase, Royal Bank of Scotland and its own investment banking arm for this sale. (QE)
- **QNB Group reports net profit of QR7.1bn for nine months ended on September 30** – QNB Group has reported a net profit of QR7.1bn for the nine months ended on September 30, 2013, reflecting an increase of 14.1% YoY. Earnings per share reached QR10.2 as compared to QR8.9 in September 2012. The bank's total assets at the end of September 2013 stood at QR437bn, indicating a YoY increase of 24.5%. Loans & advances rose by 27.4% YoY to QR304bn, while customer deposits increased 23.3% YoY to QR331bn. (QNB Group Press Release)
- **QCB to adopt IBAN system next year** – The Qatar Central Bank (QCB) Governor HE Sheikh Abdullah Saoud Al-Thani said the International Bank Account Number (IBAN) will be adopted early next year as a standard for identifying and numbering all bank accounts in Qatar. He stated that the new IBAN system will be applicable to all bank accounts operating in the country as part of the comprehensive strategy for the

adoption of modern technology in order to enhance systems provided to bank customers. (Qatar Tribune)

- **KCBK sets initial price guidance for its debut bond offering** – Al Khalij Commercial Bank (KCBK) announced that it has completed the senior bond issue of \$500mn under its Euro Medium Term Note Program (EMTN) with a tenor of 5 years and a coupon of 3.25% (195 basis points over mid-swaps). (Reuters, QE)
- **DHBK seeks nod for its Tier 1 capital notes worth QR2bn** – Doha Bank's (DHBK) board of directors has recommended to the extraordinary general assembly of shareholders to approve the issuance of Tier 1 capital notes amounting to QR2bn. The issuer will either be Doha Bank or a special purpose vehicle wholly owned by the Qatari lender as deemed appropriate by its management. Doha Bank said the issue date will be on or before March 30, 2014 and will be perpetual, but callable only after six years. DHBK's Chairman Sheikh Fahad bin Mohamed bin Jabor al-Thani said the proposed Tier 1 Capital Notes will enhance the bank's prospects in achieving its strategic goals and will strengthen its lending capacity in view of the anticipated boom in the Qatari economy in the coming years. In our view, the bond will help improve the Tier I ratio of the bank, and the bank is unlikely to go ahead with the previously announced international GDR option. Furthermore, we expect other medium sized banks to announce their plans of Tier I bonds over the coming months. (Gulf-Times.com, QNBFS Research)
- **Nakilat reports 3Q2013 net profit of QR193mn** – Qatar Gas Transport Company Ltd. (QGTS) has reported a net profit of QR193mn for 3Q2013 (+6% QoQ, +7% YoY), which was 8% below our estimate of QR211mn. QGTS has reported a net profit of QR552.5mn for the nine months period ended September 30, 2013 in comparison to a net profit of QR562.2mn for the corresponding period last year. Earnings per Share (EPS) amounted to QR1.00 for the period ended September 30, 2013 as compared to QR1.02 for the corresponding period in 2012. (QE, QNBFS Research)
- **QIGD reports net profit of QR69.2mn in 3Q2013** – Qatari Investors Group (QIGD) has reported a net profit of QR69.2mn in 3Q2013 up 18.9% and 95.3% QoQ and YoY, respectively. Revenue declined by 12.5% QoQ to QR130.5mn in 3Q2013. However, revenue increased YoY by 17.4%. Earnings per Share (EPS) amounted to QR1.45 for the nine months ended September 30, 2013 versus QR0.80 for the corresponding period in 2012. (QE)
- **QFLS reports net profit of QR370.5mn in 3Q2013** – Qatar Fuel Company (QFLS) has reported a net profit of QR370.5mn in 3Q2013, reflecting an increase of 18.9% QoQ (+17.7% YoY). Revenue rose to QR3.6bn in 3Q2013 from QR3.0bn in 2Q2013. (QE)
- **NLCS net profit declines 75.4% QoQ** – National Leasing has reported a net profit of QR7.5mn in 3Q2013, a decrease of 75.4% QoQ (-85.9% YoY). Income from core business fell by 4.5% QoQ (-79.6 YoY) to QR31.9mn in 3Q2013. Earnings per share amounted to QR1.69 for the nine months ended September 30, 2013 versus QR3.66 for the corresponding period in 2012. (QE)
- **IHGS reports net profit of QR2.6mn in 3Q2013** – Islamic Holding Group (IHGS) has reported a net profit of QR2.6mn in 3Q2013, reflecting an increase of 13.8% QoQ (+82.6% YoY). Net brokerage and commission income rose by 7.9% QoQ (+25% YoY) to QR3.5mn in 3Q2013. (QE)
- **Qatar Holding buys NYSE Euronext's 12% stake in QE** – Qatar Holding, the investment arm of the Qatar Investment Authority, has purchased 12% stake held by NYSE Euronext in the Qatar Exchange (QE) and is now the sole owner of QE. However, cooperation between QE and NYSE Euronext will continue in different fields such as technology and expertise. (QE)
- **CBQK acquires further 3.4% stake in Alternatifbank** – The Commercial Bank of Qatar (CBQK) has acquired a further 3.4% stake in Turkey-based Alternatifbank through a public tender offer. Earlier in June 2013, CBQK had purchased 70.84% stake in Alternatifbank, paying two-times of the book value. The Turkish company Anadolu Holding, from whom CBQK acquired the majority stake, continues to own a 25% stake in Alternatifbank. (Reuters)
- **KCBK appoints four banks for debut bond issue** – Al Khalij Commercial Bank (KCBK) has appointed BNP Paribas, HSBC, the investment banking arm of QNB Group and Standard Chartered to arrange meetings with fixed income investors ahead of a potential debut bond issue. These roadshows are set to begin from October 3. (Reuters)
- **QEWS inks \$450mn financing deal for RAF A2 desalination plant** – Qatar Electricity & Water Company (QEWS) has signed a \$450mn financing deal with QNB Group (QNBK), Barwa Bank, Masraf Al Rayan (MARK) and Qatar Islamic Bank (QIBK) to fund the construction of a desalination plant at Ras Abu Fontas. This plant will have a capacity to produce 36mn imperial gallons per day (MIGD), representing 10% of Qatar's water production. QNBK, who is the conventional mandated lead arranger, will provide \$162mn conventional debt tranche, conventional standby facility and conventional interest rate hedging worth \$18mn. Moreover, QNBK will also act as the global & conventional facility agent, global onshore & offshore security trustee, onshore & offshore account bank and coordinating & documentation bank for QEWS. Barwa Bank, MARK and QIBK will be the mandated lead arrangers and will provide \$90mn each under the Islamic facility tranche. QIBK will also act as the Islamic facility agent and Islamic security trustee. This plant will start its operations from June 2015. (QE, Reuters)
- **QNB Group launches its new Business Banking program** – QNB Group has launched a new program called "Business Banking", which is an innovative product that supports national economic development and comes in time to address mandates of Qatar National Vision 2030. Business banking is an innovative platform studded with detailed business oriented solutions from QNB that will enable all current and

future business owners to expand or start a business by granting them easy, convenient and quick access to finance their small to medium businesses. (QNB Press Release & AME Info)

- **QIBK contributes to co-finance Qatar Rail Red Line-North underground project** – Qatar Islamic Bank (QIBK) has contributed to co-finance the Qatar Rail - Red Line North underground project as part of a consortium of banks. This will extend a club deal to the tune of QR2.1bn to a JV that is constructing the Red Line North underground for Qatar Railways. The club financing from the consortium, whose other members are Barwa Bank and Union National Bank, is for the JV among Impreglio, S K Engineering & Construction and Galfar Al Misnad Engineering & Contracting. (QE, Gulf-Times.com)
- **MERS, QATI replaces KCBK, MRDS on the QE Index** – Al Meera Consumer Goods Company (MERS) and the Qatar Insurance Company (QATI) have replaced Al Khalij Commercial Bank (KCBK) and Mazaya Qatar (MRDS) in the 20-stock QE Index effective from October 1, 2013. Meanwhile, a total of 40 stocks have been included in the QE All Share Index calculation as

of October 1. Ahlibank Qatar has joined the index, while Mannai Corporation has been removed. Further, Qatar National Cement has joined the QE Al Rayan Islamic Index, which has increased that index's member count to 18. Ezdan is yet to qualify for All Share inclusion. (QE)

- **ORDS to launch 4G services, opens new HQ, flagship store** – Ooredoo's (ORDS) Chairman HE Sheikh Abdullah bin Mohamed bin Saud al-Thani said the company will launch a major upgrade of 4G services in Qatar on October 1. All Ooredoo customers will be able to access ultra-fast 4G long term evolution (LTE) mobile broadband service, which will be available in most populated areas of the country from tomorrow. Meanwhile, ORDS has opened its new flagship shop and headquarters on the Airport Road. (Gulf-Times.com)
- **Sidra centre to open in 2015** – Qatar Foundation's (QF) President Saad al Muhannadi said construction of the Sidra Medical & Research Centre building is nearing completion and the hospital is expected to welcome patients by 1Q2015. (Qatar Tribune)

National Accounts

Nominal GDP (QR bn)	2009	2010	2011	2012	Q2 13	YoY%	QoQ%
Total	356.0	455.4	624.2	700.3	181.1	6.1%	-2.1%
Oil & Gas	159.5	239.7	370.2	404.7	100.3	0.5%	-5.7%
Non-Oil	196.5	215.7	254.0	295.6	80.8	13.9%	2.8%
Agriculture and Fishing	0.4	0.5	0.6	0.6	0.2	9.2%	0.4%
Industry	33.6	40.8	56.7	68.9	27.8	10.4%	3.3%
Manufacturing	33.6	40.8	56.7	68.9	17.4	5.0%	1.9%
Electricity, Gas and Water	1.8	2.1	2.4	2.6	0.8	9.7%	51.1%
Construction	25.5	27.5	28.3	31.0	9.4	21.9%	3.1%
Services	132.1	140.9	162.1	188.1	51.9	16.5%	2.5%
Trade, Restaurants and Hotels	29.8	31.5	35.6	39.5	10.2	8.7%	5.3%
Transport and Communications	16.2	18.1	21.0	23.4	6.0	12.1%	-5.1%
Financial and Business Services	58.1	60.3	65.6	71.2	20.7	22.0%	4.0%
Social Services	4.1	4.5	5.0	5.7	1.6	17.7%	6.4%
Government Services	32.1	37.4	46.2	60.9	17.0	17.0%	2.9%
Household Services	1.8	1.9	2.0	2.3	0.7	15.9%	0.7%
Imputed Bank Service Charges	-10.2	-12.7	-13.4	-14.8	-4.2	17.7%	7.3%
Import Duties	3.1	3.8	3.9	4.3	1.1	-6.7%	6.4%

Source: QSA

Real GDP (% change, YoY)	2009	2010	2011	2012	Q1 13	Q2 13	QoQ%
Total	12.0	16.7	13.0	6.2	6.1	6.0	0.6
Oil & Gas	4.5	28.9	15.7	1.7	0.5	1.0	-0.5
Non-Oil	17.6	8.6	10.8	10.0	10.6	9.9	1.4
Agriculture and Fishing	-17.0	19.7	5.4	4.5	5.9	6.2	-0.8
Industry	6.1	23.4	14.0	4.6	11.9	9.0	2.9
Manufacturing	13.7	17.6	10.4	11.8	12.5	6.4	0.4
Electricity, Gas and Water	-0.4	13.5	7.9	10.5	8.6	5.7	46.6
Construction	6.9	9.5	10.5	10.6	11.7	11.4	2.7
Services	21.9	6.9	10.3	9.2	10.1	11.0	0.3
Trade, Restaurants and Hotels	15.7	2.5	12.9	7.7	10.5	5.0	3.7
Transport and Communications	22.7	10.2	12.4	12.1	7.9	13.6	-3.9
Financial and Business Services	25.8	7.4	6.3	6.7	10.5	15.4	-0.2
Social Services	21.5	1.9	3.0	7.9	9.3	12.5	5.2
Government Services	23.6	8.7	13.1	11.5	9.4	9.6	2.9
Household Services	4.3	2.2	0.8	6.0	8.5	9.7	0.7
Imputed Bank Service Charges	1.0	3.3	16.4	8.0	4.9	11.6	7.3
Import Duties	-11.3	17.8	-1.1	13.7	0.8	-8.8	6.5

Source: QSA

N.B. Data which is new or revised this month is shown in **red**.

Balance of Payments

Balance of Payments (USD bn)	2009	2010	2011	2012	Q2 13	QoQ%	YoY%
Current Account Balance	6.4	23.8	52.0	61.6	15.8	-20.3%	6.5%
Trade Balance (Goods)	25.6	53.9	87.4	102.2	26.2	-9.3%	8.3%
Exports	48.0	74.8	114.3	133.0	33.8	-6.5%	2.7%
Imports	-22.5	-20.9	-26.9	-30.8	-7.7	4.2%	-12.7%
Invisibles	-19.2	-30.1	-35.4	-40.6	-10.4	15.0%	8.9%
Services	-3.9	-5.8	-9.5	-14.0	-4.4	25.5%	11.8%
Income	-9.4	-12.9	-13.3	-12.1	-2.4	-8.3%	6.0%
Transfers	-5.8	-11.4	-12.7	-14.5	-3.5	23.7%	7.4%
Capital & Financial Account Balance	0.6	-10.7	-62.6	-44.5	-17.3	26%	78%
Capital Account	-1.8	-2.1	-3.6	-6.2	-1.0	4%	-34%
Financial Account	2.4	-8.6	-59.0	-38.3	-16.3	28%	100%
Direct Investment (outwards)	-3.2	-1.9	-6.0	-1.8	-2.9	1185%	38%
Direct Investment (into Qatar)	8.1	4.7	-0.1	0.3	-0.4	-204%	137%
Portfolio investment (net)	-	-	-	2.8	-3.9	-14%	34%

Sources: QCB, QSA, UNCTAD; Note: Not all Balance of Payment lines are shown in the table

Top 5 Export Destinations (USD bn)	2009	2010	2011	2012	Q2 13	QoQ%	YoY%
Japan	14.5	19.7	27.4	32.6	8.3	-9.3%	5.0%
Korea	7.6	10.8	18.9	23.2	5.4	-23.0%	-8.4%
India	3.7	5.6	10.3	14.7	3.7	27.2%	-8.5%
European Economic Community (EEC)	4.0	9.1	17.0	11.9	3.1	24.3%	-1.3%
China	1.2	2.2	4.3	7.0	1.7	-12.1%	-0.4%

Top 5 Import Sources (USD bn)	2009	2010	2011	2012	Q2 13	QoQ%	YoY%
European Economic Community (EEC)	8.1	7.1	6.6	7.4	1.9	-11.6%	24.7%
United States	3.1	3.5	3.1	3.9	1.2	-23.6%	151.3%
United Arab Emirates	1.8	2.3	3.0	3.2	0.8	0.0%	0.8%
Saudi Arabia	1.3	1.7	2.2	2.4	0.6	0.0%	0.8%
United Kingdom	1.1	1.4	1.5	1.8	0.4	-23.3%	28.0%

Source: IMF Direction of Trade Statistics - sometimes differ from QSA

Crude oil (USD / barrel)	2009	2010	2011	2012	Sep-13	MoM%	YoY%
Oil production ('000 bpd)	781.0	733.0	734.0	733.7	717.0	0.4%	-2.4%
Qatar average price	62.0	77.7	108.4	111.2	111.7	2.3%	-1.0%
Dukhan	62.6	78.4	109.7	111.8	113.4	2.6%	-0.7%
Marine	61.6	77.2	107.5	110.6	111.0	2.1%	-1.2%

Sources: OPEC (Direct communications), Reuters

Budget, Population, Money & Prices

Government Budget	2008/09	2009/10	2010/11	2011/12	Q1 13	QoQ%	YoY%
Balance	41.3	47.7	12.3	45.0	15.0		
% of GDP	9.8%	13.4%	2.7%	7.7%	8.1%		
Revenue	141.2	169.3	156.1	219.3	79.6	54.0%	47.4%
Expenditure	100.0	121.6	143.8	174.4	64.6	49.0%	44.4%

Population (m people in Qatar)	2009	2010	2011	2012	Oct-13	MoM%	YoY%
Total	1.64	1.72	1.73	1.83	2.02	-0.5%	15.2%
Male	1.27	1.30	1.30	1.37	1.50	-0.6%	14.5%
Female	0.37	0.42	0.43	0.46	0.52	-0.2%	17.3%
Total (Seasonally Adjusted)	1.61	1.66	1.67	1.77	1.96	0.7%	10.5%

Source: QSA; Monthly data based on number of people in Qatar and annual data based on residency

Inflation (% ch, 12mth rolling average YoY)	2009	2010	2011	2012	Sep-13	MoM%	YoY%
Overall (weights shown below)	-4.9	-2.4	1.9	1.9	3.1	0.3	2.7
Food, beverages & tobacco (13.2%)	1.3	2.1	4.3	3.7	2.4	0.8	0.7
Clothing & footwear (5.8%)	-4.5	-1.3	7.5	2.8	0.6	0.6	0.3
Rents, water & maintenance (32.2%)	-12.0	-12.8	-4.8	-3.3	4.9	0.4	6.1
Furniture, textiles & appliances (8.2%)	-2.0	4.1	2.9	4.9	2.8	-0.2	1.4
Health care (2.0%)	1.7	3.5	2.6	1.5	2.1	0.0	2.4
Transport & communication (20.5%)	-4.4	2.6	6.4	2.2	1.4	-0.6	0.5
Entertainment, leisure & culture (10.9%)	-1.2	2.9	2.0	6.0	7.6	0.2	9.1
Miscellaneous goods & services (7.2%)	7.3	4.7	5.6	4.8	-0.2	0.4	-4.5

Source: QSA

Money Supply (QR bn)	2009	2010	2011	2012	Sep-13	MoM%	YoY%
Broad money (M2)	215.1	264.7	310.0	381.1	450.9	4.5%	20.4%
M1	53.1	68.3	81.8	90.9	110.3	10.0%	22.5%
Quasi-money	162.0	196.4	228.1	290.1	340.6	2.9%	19.7%

Interest rates (% , end period)	2009	2010	2011	2012	Sep-13	MoM bp	YoY bp
QCB deposit	2.00	1.50	0.75	0.75	0.75	0.0	0.0
QCB lending	5.50	5.50	4.50	4.50	4.50	0.0	0.0
Interbank overnight	2.01	1.39	0.74	0.77	0.93	10.9	15.8
Demand deposit	1.99	1.34	0.62	0.65	0.67	0.6	2.1
Overdraft	8.75	8.19	7.42	6.63	5.84	-8.3	-109.1
Credit card	20.00	19.92	10.69	9.11	7.86	-55.3	-345.9

Source: QCB

Banking Sector Snapshot : September 2013

Review and Outlook

Deposits increased by 3.2% MoM (+14.8% YTD) while loans remained flattish (-0.01% MoM, +9.0% YTD) in the month of September 2013. Going forward, we expect activity in the banking sector to pick up in the coming months. Hence, we expect loan growth of 10% to 15% for 2013 vs. 9.0% YTD.

The banking sector's loan-to-deposit ratio (LDR) dropped to 106% at the end of September 2013 vs. 109% in August 2013. Going forward, some banks are contemplating issuing Tier I bonds (eg. Doha Bank), which will help improve their capital adequacy ratios (CARs) as well as provide additional funds propelling loan book growth.

Public sector deposits expanded by 10.7% MoM (+26.1 YTD) after a flattish performance in August, while private sector deposits ticked up 1.2% MoM (+14.0% YTD). Delving into segment details, the government institutions segment (represents ~60% of public sector deposits) expanded by 12.4% MoM (+32.2% YTD) as opposed to sluggish performance during the previous month. Moreover, the government segment continued its positive momentum, growing by 11.2% MoM (+25.3% YTD). Furthermore, the semi-government institutions segment increased by 3.4% MoM (+7.3% YTD). On the private sector front, the consumer segment exhibited flattish performance MoM (+12.9% YTD), while the companies & institutions segment increased by 2.2% MoM (+15.1% YTD).

The overall loan book remained flattish in the month of September. Total domestic public sector loans slipped by 0.6% MoM (+3.0% YTD). The government segment decreased by 2.2% MoM (-5.4% YTD). On the other hand, the government institutions' segment (represents ~67% of public sector loans) remained flattish MoM (+0.3% MoM, +8.7% YTD). We believe public sector loan growth will be the primary driver of the overall loan book in the fourth quarter of 2013 and 2014. Our assumption is based on the expected uptick in project mobilizations in the coming months. Private sector loans were flattish MoM (+10.1% YTD). Real Estate segment (contributes ~29% to private sector loans) loans retreated by 1.0% MoM (down 3.4% YTD). On the other hand, Consumption and others (contributes ~30% to private sector loans) registered a growth of 2.5% MoM (+12.3% YTD) vs. flattish performance in August.

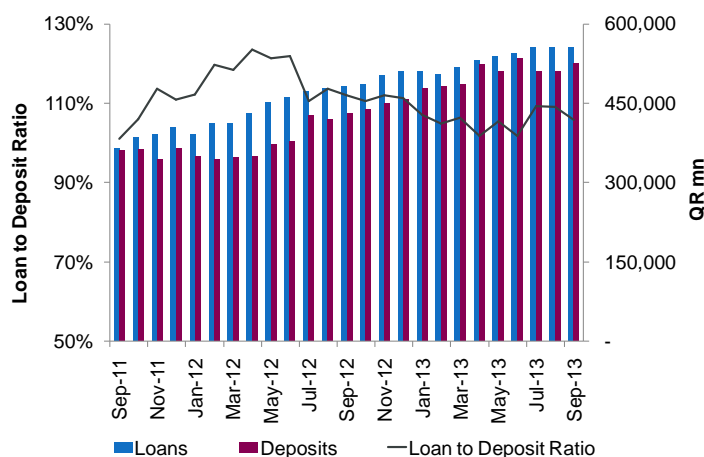
Specific loan-loss provisioning stood at 1.4% of average trailing 12-months loans vs. 1.3% in August 2013.

Banking Sector Index vs. QE All Share Index



Source: Bloomberg

Banking Sector - Loan to Deposit (LDR)



Source: Qatar Central Bank (QCB)

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Banking Sector – Key Stats

Banks	Closing Price	Change YTD (%)	EPS 2013E (QR)	P/E 2013E (x)	P/B (x)	Dividend Yield 2013 (%)
QE Banks & Financial Services Index	2,315.90	18.81	N/A	N/A	1.8	4.6
Al Ahli Bank (ABQK)	55.80	13.88	4.1	13.6	2.1	5.5
Al Khalij Commercial Bank (KCBK)*	18.80	10.65	1.5	12.2	1.3	5.3
Commercial Bank of Qatar (CBQK)	66.60	(6.06)	7.9	8.5	1.2	7.7
Doha Bank (DHBK)*	54.40	17.34	5.6	9.7	1.6	6.4
Masraf Al Rayan (MARK)*	29.50	19.00	2.2	13.3	2.3	3.7
Qatar International Islamic Bank (QIIK)*	56.70	9.04	4.8	11.8	1.7	6.6
Qatar Islamic Bank (QIBK)*	66.80	(10.93)	5.3	12.7	1.4	6.0
Qatar National Bank (QNBK)	162.80	24.37	13.8	11.8	2.3	3.3

Sources: QNBFS estimates (*), Bloomberg estimates and data

Banking Sector Indicators

(In QR mn)	2011	2012	Jan-13	1Q-13	2Q-13	Jul-13	Aug-13	3Q-13	Change MoM	Change YTD
Total Assets	694,301	820,512	828,418	848,293	878,862	876,140	871,020	883,767	1.5%	7.7%
Total Credit (Loans)	403,563	510,048	511,162	517,690	543,834	556,219	556,044	555,975	0.0%	9.0%
Total Deposits	363,612	458,066	477,512	486,662	534,802	508,984	509,474	525,953	3.2%	14.8%
Loan to Deposit Ratio	111%	111%	107%	106%	102%	109%	109%	106%		
Credit Facilities (Geographic)										
Total Domestic Credit	376,695	478,305	478,652	479,776	499,441	512,182	511,457	511,128	-0.1%	6.9%
Total International Credit	26,867	31,743	32,510	37,914	44,394	44,037	44,587	44,848	0.6%	41.3%
Domestic Credit Facilities - Public Sector										
Government	40,801	51,746	55,203	49,964	50,559	54,552	50,032	48,938	-2.2%	-5.4%
Government Institutions	90,619	139,585	134,555	137,306	151,387	150,875	151,182	151,676	0.3%	8.7%
Semi-Government Institutions	17,750	27,222	26,762	20,004	24,323	25,731	25,249	24,474	-3.1%	-10.1%
Total Domestic Public Sector Credit	149,170	218,553	216,520	207,274	226,269	231,158	226,462	225,088	-0.6%	3.0%
Domestic Credit Facilities - Private Sector										
General Trade	26,855	33,280	34,052	33,337	33,515	33,835	35,488	35,562	0.2%	6.9%
Industry	6,534	9,339	9,332	9,703	10,166	10,710	10,071	10,472	4.0%	12.1%
Contractors	16,220	16,546	16,877	17,434	18,493	20,226	20,409	20,209	-1.0%	22.1%
Real Estate	76,220	85,562	87,615	86,245	78,955	80,663	83,496	82,642	-1.0%	-3.4%
Consumption & Others	71,986	78,587	76,850	87,127	81,632	86,123	86,079	88,216	2.5%	12.3%
Services	29,709	36,438	37,407	38,657	50,411	49,468	49,452	48,939	-1.0%	34.3%
Total Domestic Private Sector Credit	227,525	259,752	262,132	272,502	273,172	281,025	284,994	286,039	0.4%	10.1%
Deposit Details (Geographic)										
Resident Deposits	343,777	417,337	435,269	444,944	494,432	470,720	472,702	497,800	5.3%	19.3%
Non-resident Deposits	19,835	40,729	42,243	41,718	40,370	38,264	36,772	28,153	-23.4%	-30.9%
Deposits - Public Sector (Domestic)										
Government	40,825	44,557	46,773	36,666	41,704	41,446	50,214	55,840	11.2%	25.3%
Government Institutions	57,351	104,378	112,029	121,899	141,533	130,122	122,795	138,023	12.4%	32.2%
Semi Government Institutions	27,700	31,794	31,763	26,123	36,247	33,639	32,989	34,117	3.4%	7.3%
Total Public Sector Deposit	125,876	180,729	190,565	184,688	219,484	205,208	205,997	227,979	10.7%	26.1%
Deposits - Private Sector (Domestic)										
Personal	103,093	116,257	116,831	126,938	133,674	131,884	131,096	131,241	0.1%	12.9%
Companies & Institutions	114,809	120,350	127,873	133,317	141,274	133,629	135,609	138,579	2.2%	15.1%
Total Private Sector Deposit	217,902	236,607	244,704	260,255	274,948	265,512	266,704	269,820	1.2%	14.0%

Source: QCB

Qatar Exchange Monthly Performance								
Company Name	Price (Oct 31)	% Change 5-Day	% Change Monthly	Market Cap. QR Million	TTM P/E	P/B	Div.	Yield
Qatar National Bank	166.00	3.75	(0.48)	116,155	12.6	2.3		3.6
Qatar Islamic Bank	67.70	1.35	(1.46)	15,997	14.8	1.4		5.5
Commercial Bank of Qatar	66.30	(0.15)	(3.07)	16,406	9.4	1.2		9.0
Doha Bank	55.00	0.92	2.23	14,210	9.6	1.6		7.5
Al Ahli Bank	55.50	(0.54)	(0.54)	7,053	13.6	2.1		5.4
Qatar International Islamic Bank	57.30	1.24	2.69	8,673	12.1	1.7		6.1
Masraf Al Rayan	29.35	0.00	2.09	22,013	13.2	2.2		3.4
Al Khaliji Bank	18.83	0.16	2.90	6,779	14.2	1.3		5.3
National Leasing	30.50	(0.49)	(11.72)	1,509	12.9	1.2		6.6
Diala Holding	20.46	(2.11)	(5.19)	454	N/M	2.1		N/A
Qatar & Oman Investment	12.35	0.82	(4.26)	389	25.9	1.2		4.0
Islamic Holding Group	42.15	4.46	0.36	169	22.6	3.0		2.7
Banking and Financial Services				209,807				
Zad Holding	68.10	0.15	2.56	891	9.0	0.7		5.9
Qatar German Co. for Medical Devices	15.10	1.96	0.33	174	N/M	0.9		N/A
Salam International Investment	12.20	(0.41)	1.16	1,395	10.8	0.8		5.7
Medicare Group	49.05	1.55	1.13	1,380	22.5	1.8		3.7
Qatar Cinema & Film Distribution	44.20	0.00	(11.60)	252	33.8	1.8		4.5
Qatar Fuel	283.80	0.64	0.39	18,438	15.4	3.1		3.5
Qatar Meat and Livestock	48.25	(1.13)	(6.85)	869	14.4	3.8		8.3
Al Meera Consumer Goods	135.50	(0.73)	2.65	2,710	18.6	2.2		5.9
Consumer Goods and Services				26,109				
Qatar Industrial Manufacturing	50.30	0.60	0.60	1,992	9.4	1.5		6.0
Qatar National Cement	102.30	0.29	1.29	5,023	11.8	2.0		5.9
Industries Qatar	159.50	4.25	6.40	96,498	11.9	3.0		4.8
Qatari Investors Group	31.50	0.80	8.62	3,916	16.8	1.9		2.4
Qatar Electricity and Water	159.00	2.58	0.76	15,900	10.5	2.8		4.6
Mannai Corp.	88.90	2.18	5.21	4,056	8.8	1.7		5.4
Aamal	14.25	0.35	(0.35)	8,550	13.4	1.3		N/A
Gulf International Services	58.60	3.17	16.97	8,712	14.4	3.0		2.6
Industrials				144,646				
Qatar Insurance	63.50	2.58	5.83	8,155	10.0	1.7		3.2
Doha Insurance	25.00	(3.29)	(2.72)	644	11.4	1.3		3.6
Qatar General Insurance & Reinsurance	54.20	(4.91)	5.24	3,124	3.6	0.9		1.6
Al Khaleej Takaful Insurance	38.80	(1.40)	(3.48)	663	13.8	1.1		2.1
Qatar Islamic Insurance	56.90	1.61	(0.18)	854	13.4	3.1		6.2
Insurance				13,439				
United Development	22.00	1.85	1.43	7,419	9.1	0.7		4.5
Barwa Real Estate	26.80	0.56	7.20	10,429	15.3	0.8		5.6
Ezdan Real Estate	17.11	0.65	(0.64)	45,384	N/M	1.6		0.8
Mazaya Qatar Real Estate Development	11.38	(0.96)	(1.22)	1,138	17.2	1.0		5.3
Real Estate				64,370				
Qatar Telecom	139.00	0.65	(0.57)	44,525	16.9	1.8		3.6
Vodafone Qatar	9.11	0.66	1.00	7,702	N/M	1.3		N/A
Telecoms				52,226				
Qatar Navigation (Milaha)	86.20	1.29	7.35	9,872	10.1	0.8		4.4
Gulf Warehousing	40.20	1.52	(0.62)	1,912	19.2	2.4		N/A
Qatar Gas Transport (Nakilat)	19.15	1.48	0.74	10,724	14.0	3.0		5.2
Transportation				22,508				
Qatar Exchange				533,106				

Source: Bloomberg, * Trailing Twelve Months

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