



Investor Relations Presentation

December 2018

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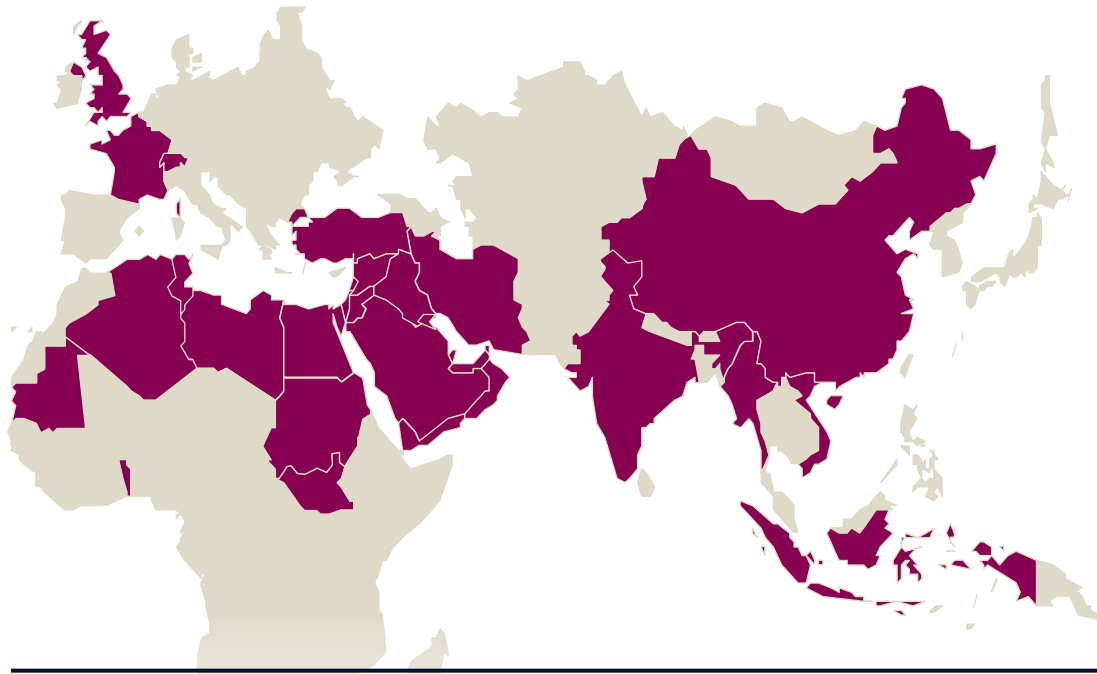
All figures in US Dollars have been converted from Qatari Riyals based on the exchange rate of 1 US Dollar = 3.6405 Qatari Riyals

In certain cases, numbers may be rounded for presentation purposes

QNB at a Glance



QNB is a strong and highly rated bank with a growing international footprint



-  **#1 bank in the Middle East and Africa across all financial metrics**
-  **International network with presence in more than 31 countries**
-  **Most valuable banking brand in the Middle East and Africa, worth USD 5.0 Bn¹**
-  **Over 29,000 employees serving more than 23 million customers**

Solid financial strength

Top-tier credit ratings

USD 49.5 Bn
Market Cap.

USD 3.8 Bn
Net Profit

A
Standard & Poor's

Aa3
Moody's

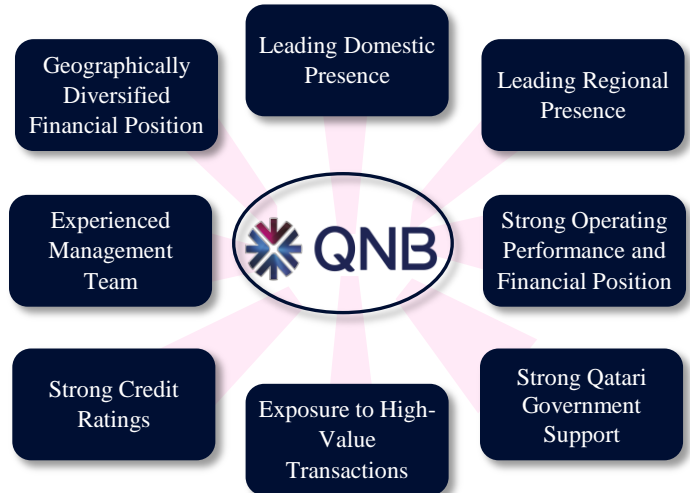
USD 236.8 Bn
Assets

USD 3.9
EPS

AA-
Capital Intelligence

A+
Fitch



Key Strengths









¹ Brand Finance © 2019
Source: December 2018 Financial Report

QNB's International Footprint






Sub-Saharan Africa

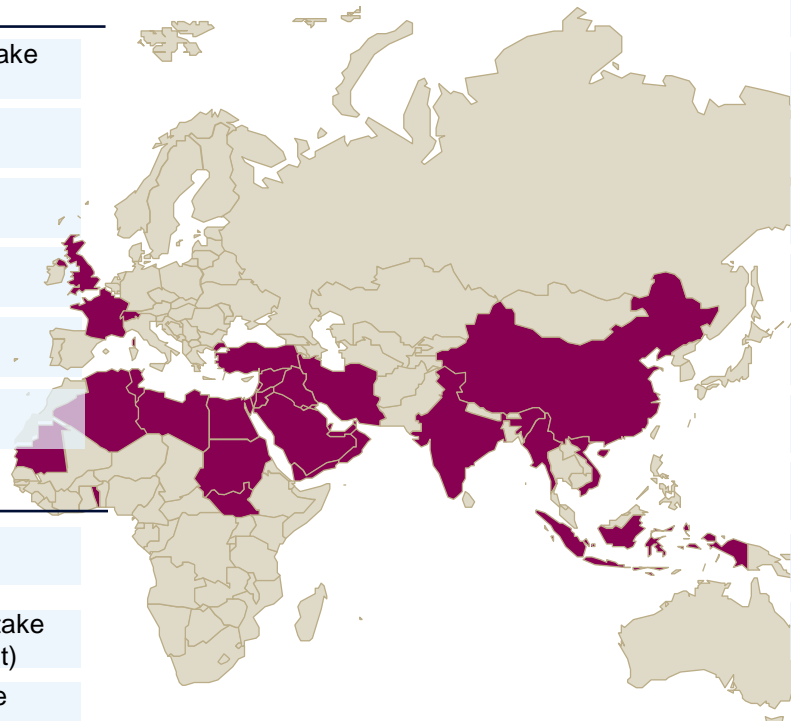
	South Sudan: (1 Branch)
	Togo: (927 Branches ¹ , 20.1% stake in Ecobank)

Asia


















	Indonesia: (37 Branches, 90.96% 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: (219 Branches, 95.0% stake in QNB ALAHLI)
	Libya: (36 ² (+1 ²) Branches, 49.0% stake in Bank of Commerce & Development)
	Tunisia: (34 Branches, 99.99% stake in QNB Tunisia)
	Sudan: (5 Branches)
	Algeria: (7 ² Branches)
	Mauritania: (1 Branch)



Middle East

Qatar: (61 Branches)	
KSA: (1 Branch)	
UAE: (13 (+1 ²) Branches, 40.0% stake in CBI)	
Syria: (15 (+31 ²) Branches, 50.8% stake in QNB-Syria)	
Palestine: (15 ² Branches)	
Iraq: (9 (+1 ²) Branches, 54.2% stake in Mansour Bank)	
Oman: (6 Branches)	
Bahrain: (1 ² (+1 ²) Branch)	
Kuwait: (2 Branches)	
Lebanon: (1 Branch)	
Yemen: (1 Branch)	
Iran: (1 Representative office ³)	
Jordan: (129 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: (541 Branches, 99.88% stake in QNB Finansbank)	



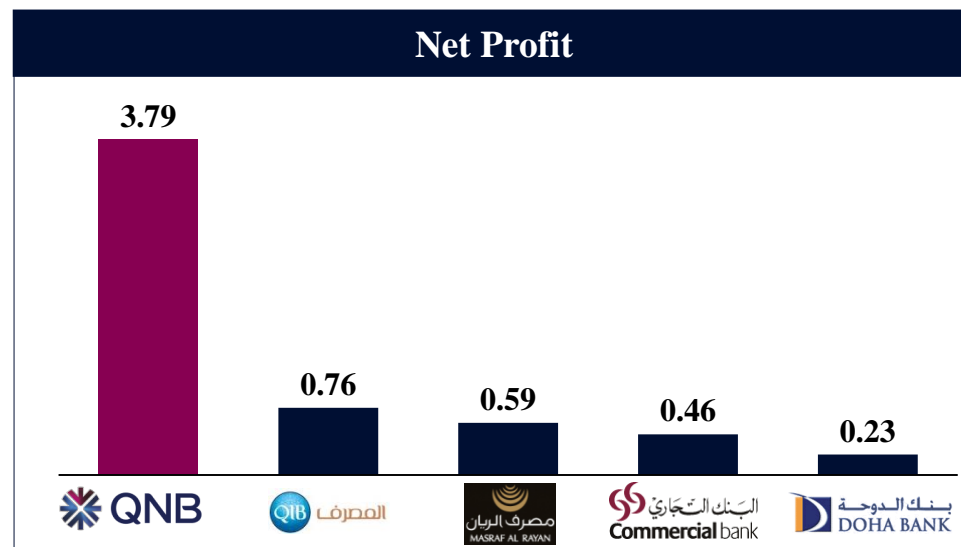
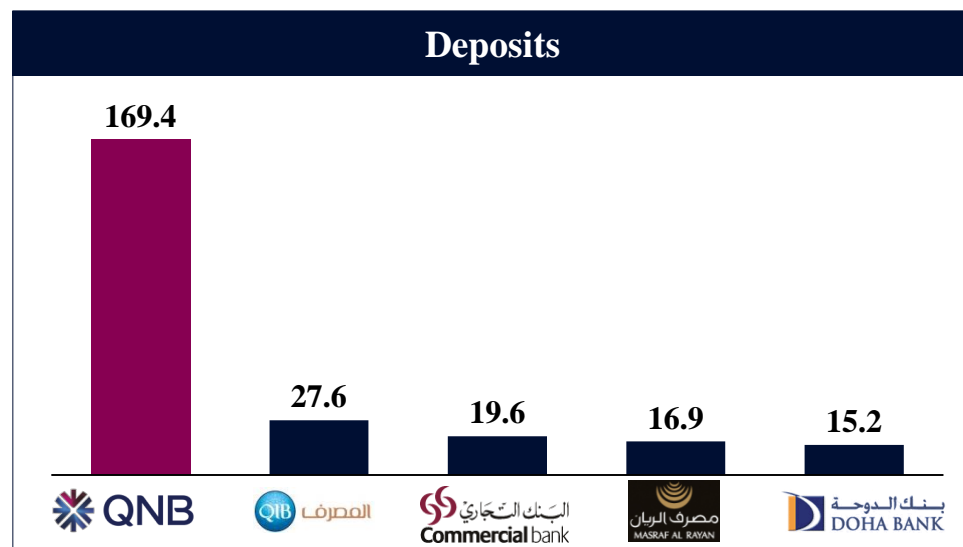
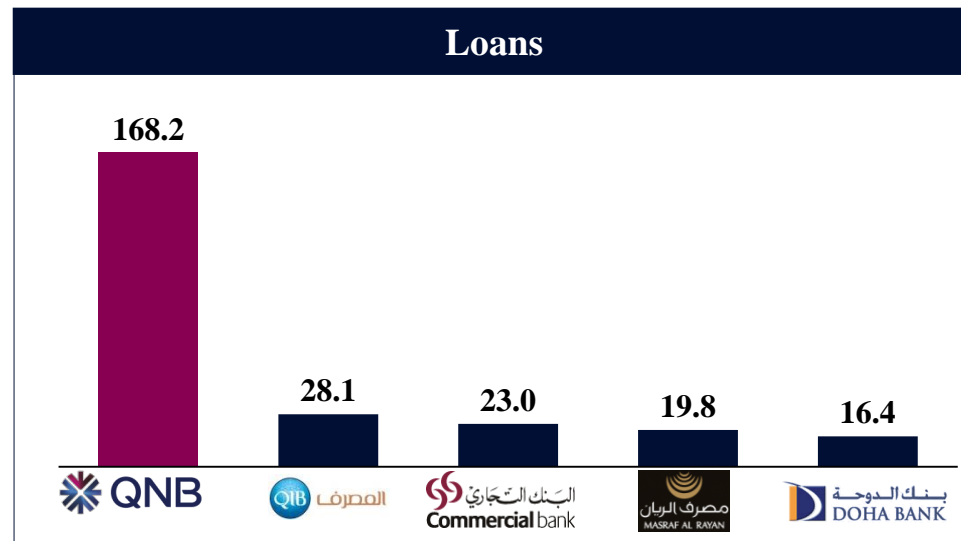
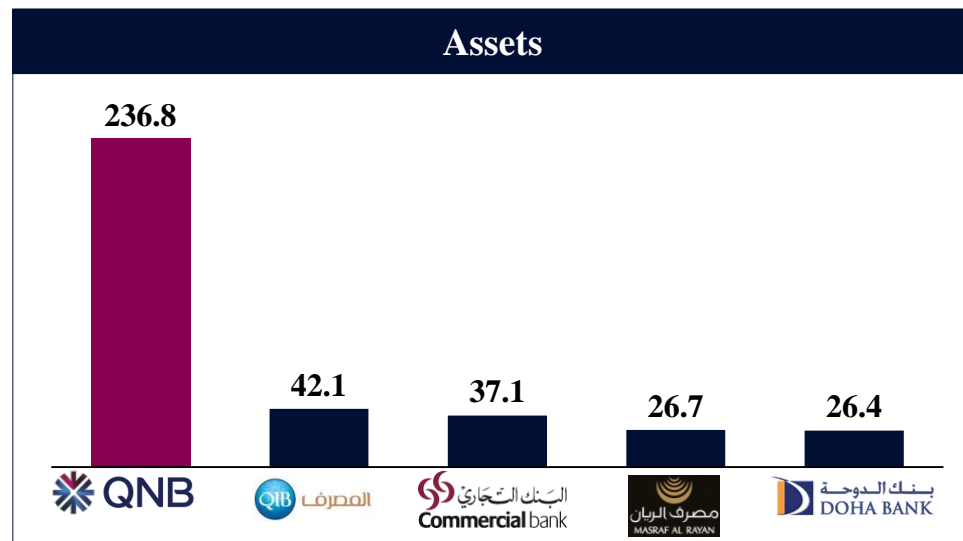
1: The branch data for Ecobank is as at 30 June 2018
 2: Includes the branches / representative offices from subsidiaries and associates
 3: Dormant



QNB Comparative Positioning – Qatar and MEA

Top 5 Domestic Banks – December 2018

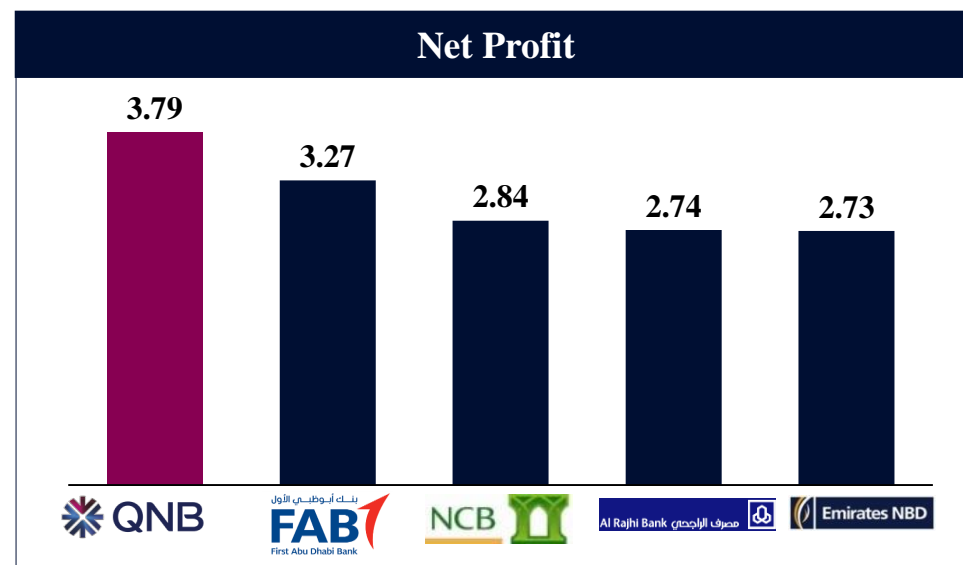
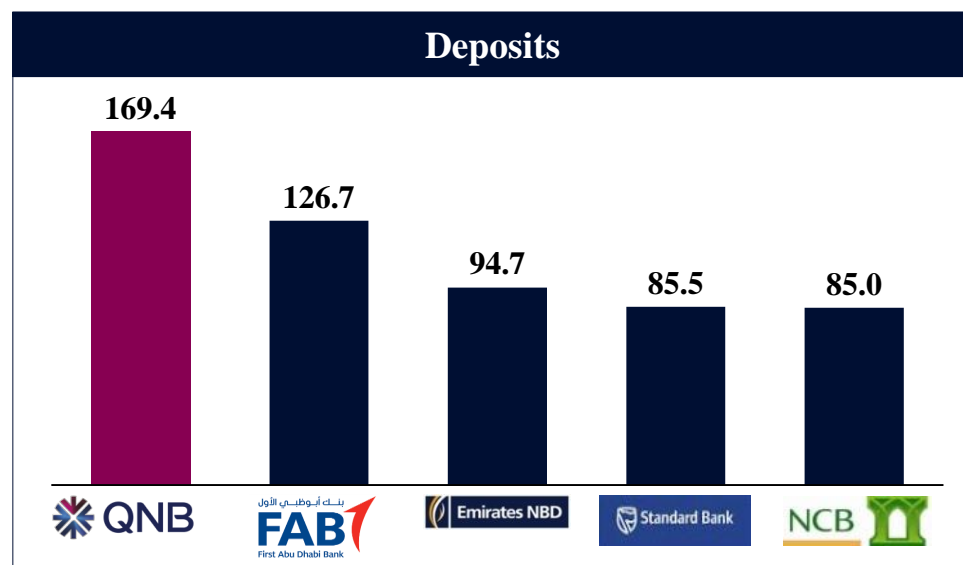
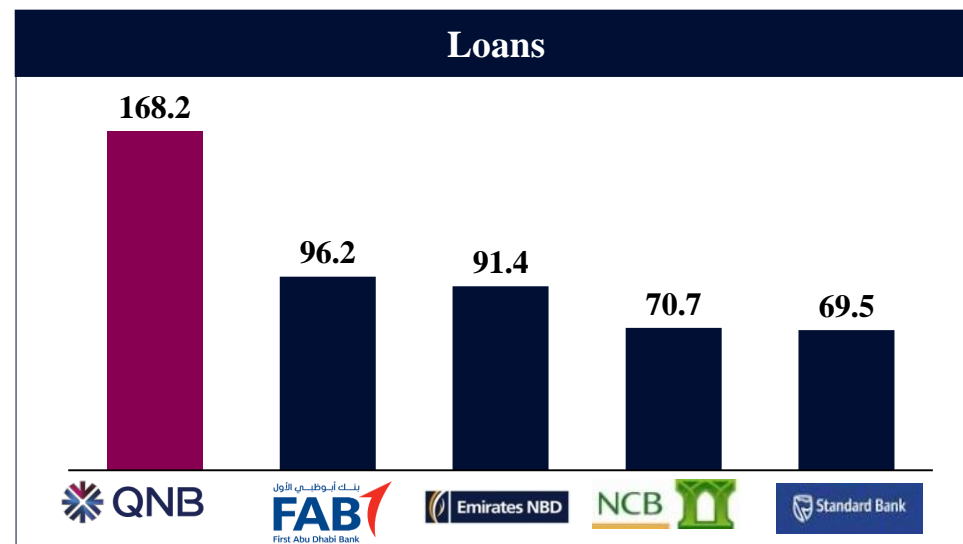
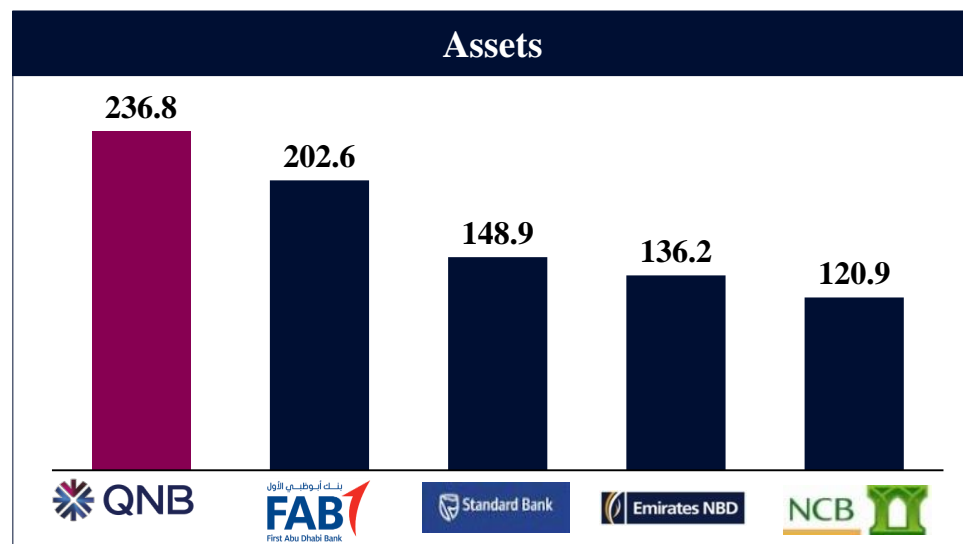
QNB continues to excel in the domestic market



Note: All amounts are in USD billions
Source: Banks' December 2018 Press Release or Financial Statements, if available

Top 5 MEA Banks – December 2018

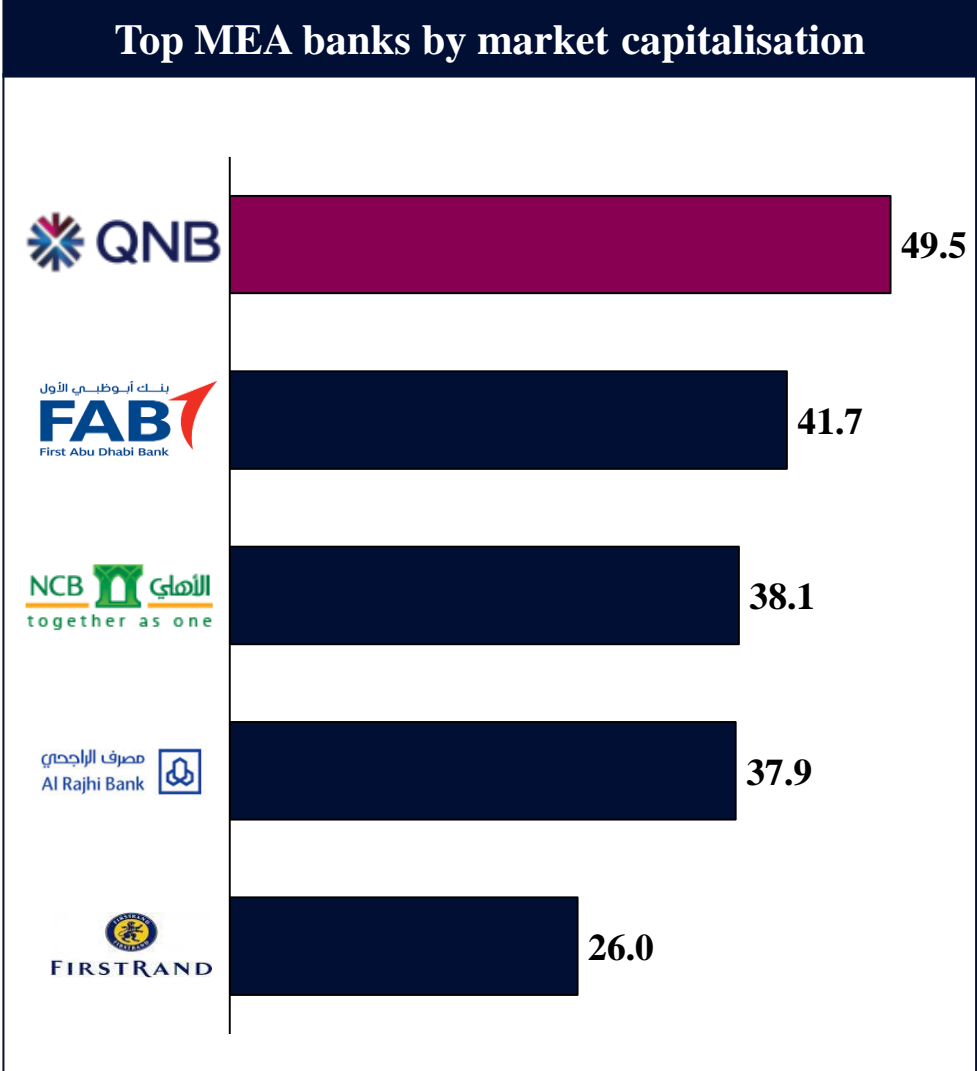
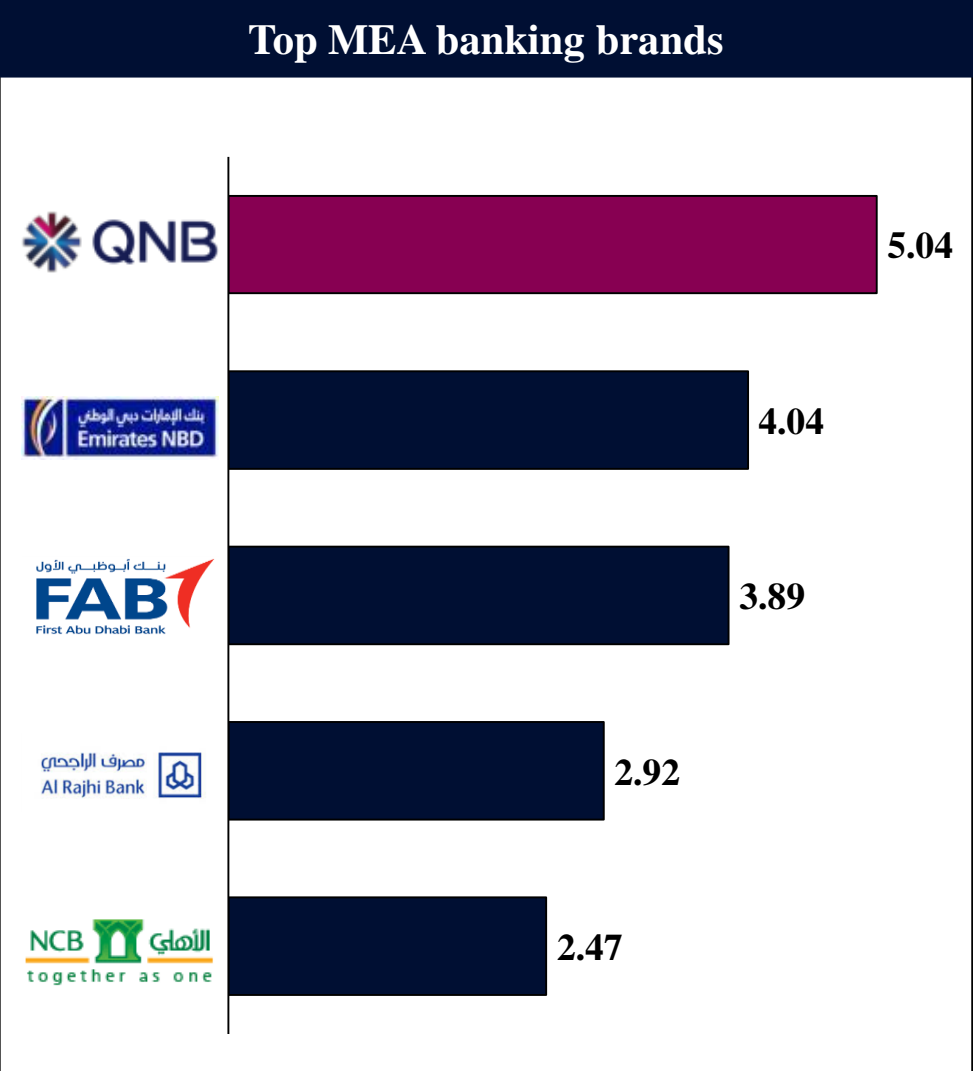
QNB maintained its position as the leading bank in the region across all categories



Note: All amounts are in USD billions
 Source: Banks' December 2018 Press Release or Financial Statements, if available.
 Standard Bank's results are as of June 2018 due to unavailability of December 2018 results

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-18)




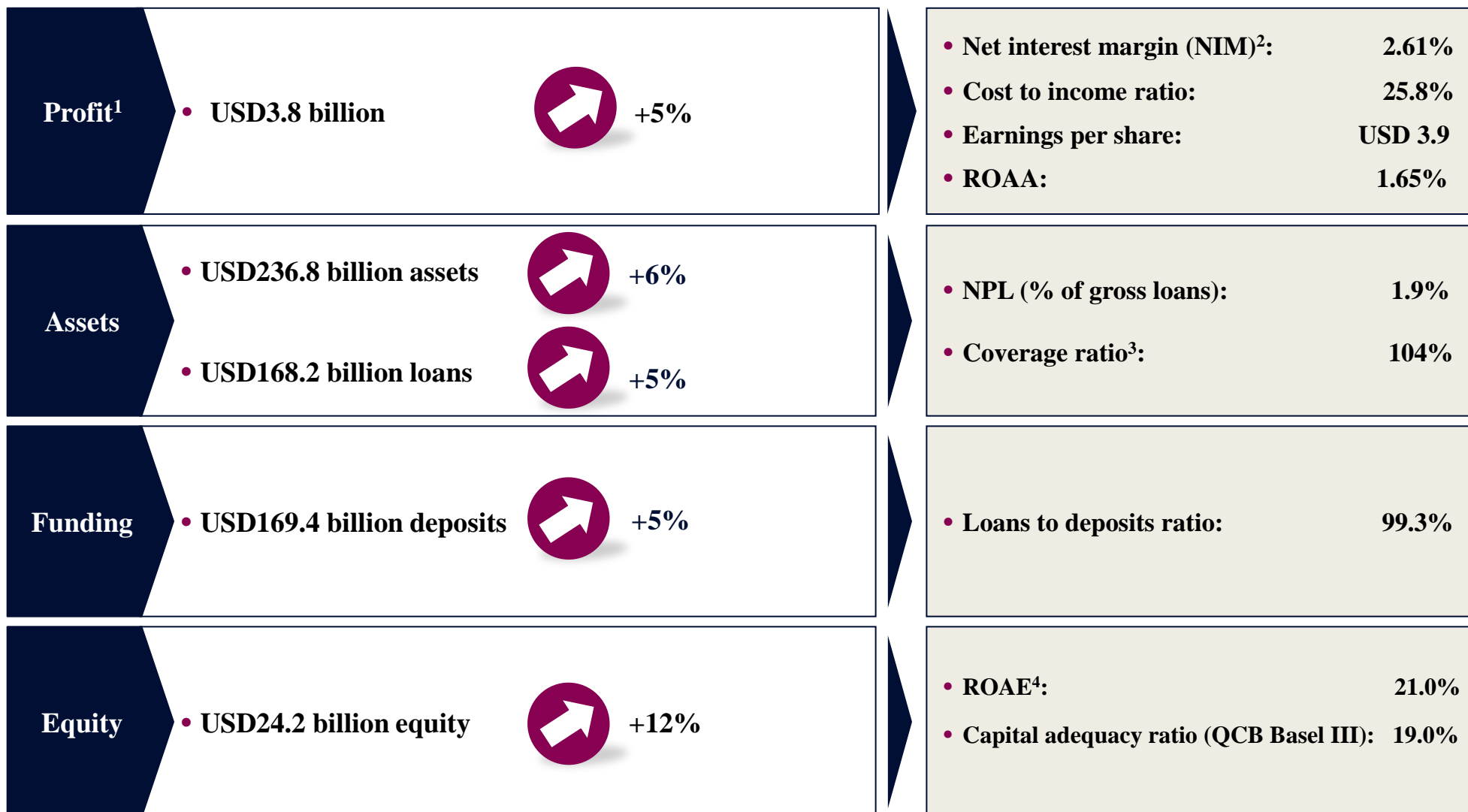


Financial Highlights – as at 31 December 2018

QNB demonstrate sustainable profit growth

Financial Highlights (as at 31 December 2018)

 Growth vs. December 2017

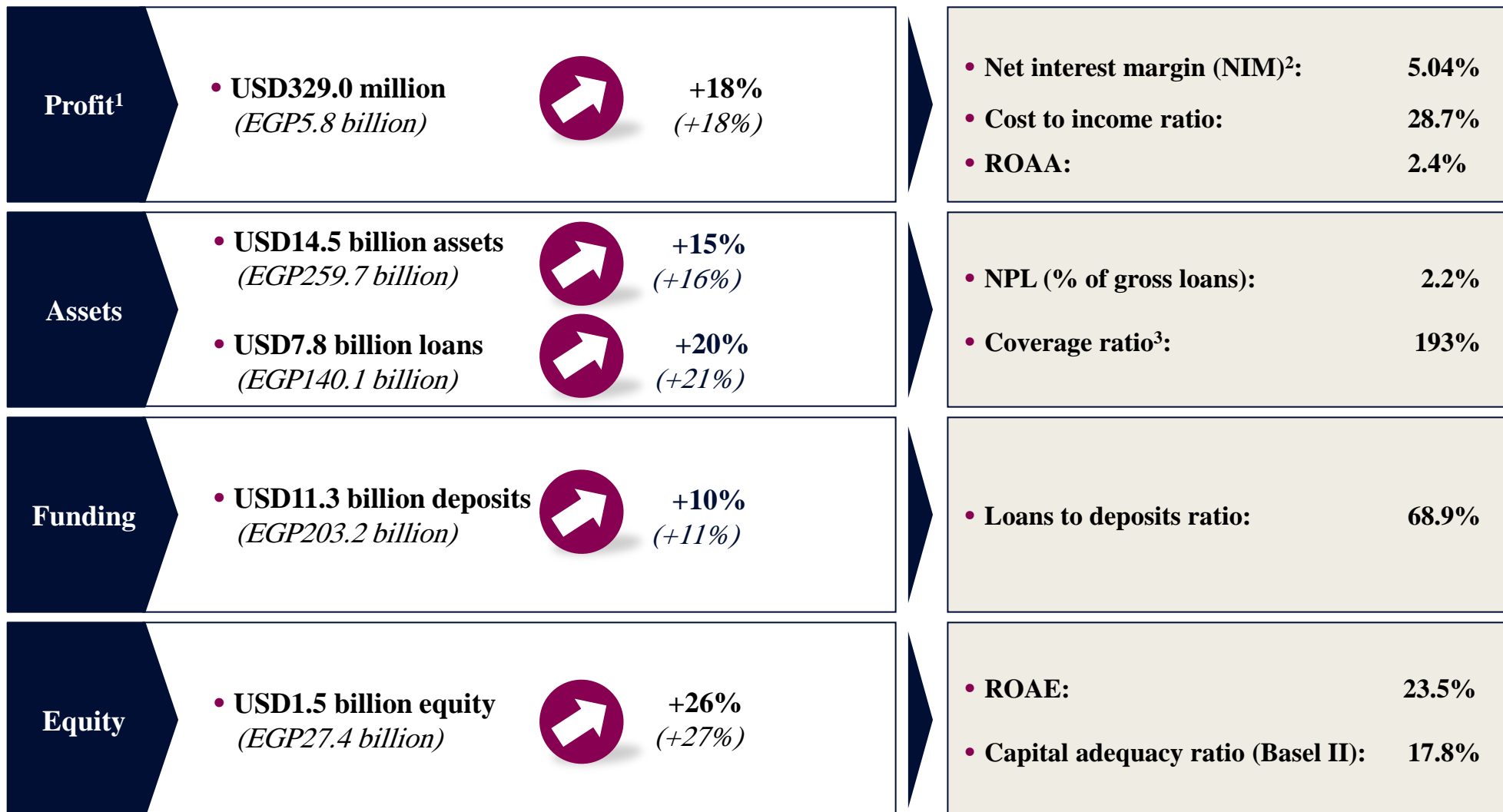


QNB ALAHLI

Highlights (as at 31 December 2018)



Growth vs. December 2017








QNB FINANSBANK

Highlights (as at 31 December 2018)



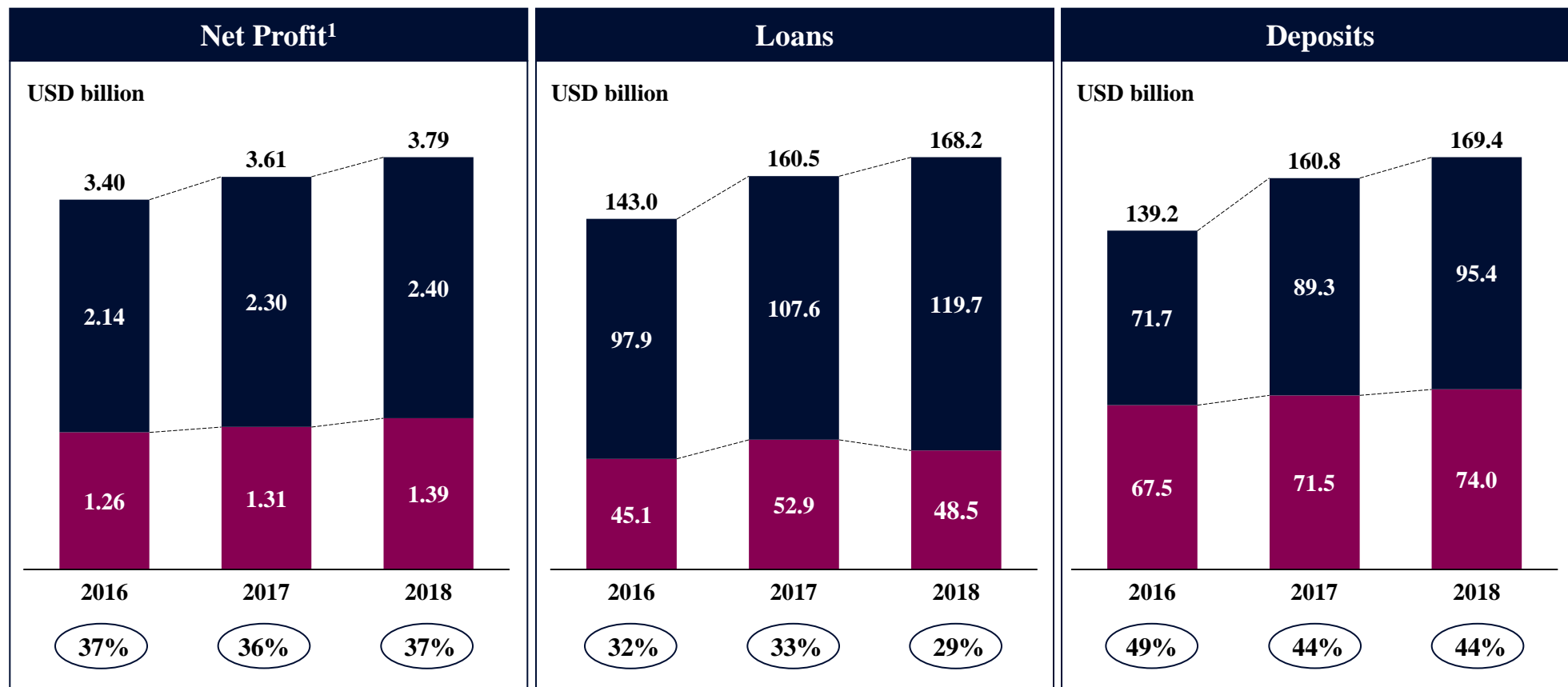
Growth vs. December 2017

Profit¹	<ul style="list-style-type: none"> • USD527.4 million (TRY2.6 billion)  <ul style="list-style-type: none"> • +13% (+50%) 	<ul style="list-style-type: none"> • Net interest margin (NIM)²: 5.03% • Cost to income ratio: 38.0% • ROAA: 1.6%
Assets	<ul style="list-style-type: none"> • USD31.7 billion assets (TRY167.6 billion) • USD19.4 billion loans (TRY102.6 billion)  <ul style="list-style-type: none"> • -10% (+25%)  <ul style="list-style-type: none"> • -18% (+15%) 	<ul style="list-style-type: none"> • NPL (% of gross loans): 5.2% • Coverage ratio³: 114%
Funding	<ul style="list-style-type: none"> • USD17.3 billion deposits (TRY91.7 billion)  <ul style="list-style-type: none"> • -9% (+26%) 	<ul style="list-style-type: none"> • Loans to deposits ratio: 111.9%
Equity	<ul style="list-style-type: none"> • USD2.8 billion equity (TRY14.7 billion)  <ul style="list-style-type: none"> • -22% (+8%) 	<ul style="list-style-type: none"> • ROAE: 16.9% • Capital adequacy ratio (Basel III): 14.8%

Increasing geographical diversification positively contributes to growth

Geographical Contribution (as at 31 December)

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

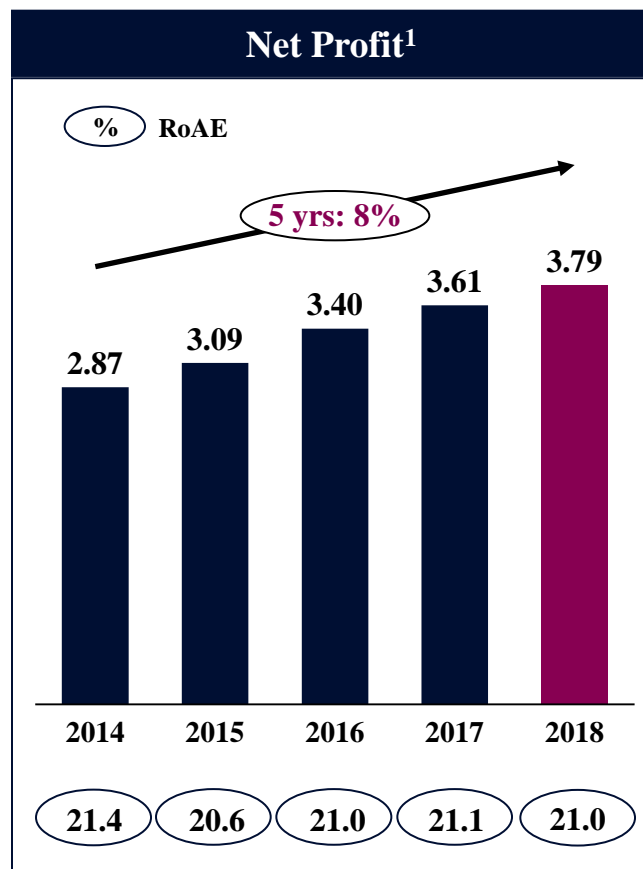


- Profit from international operations increased by USD135 Mn (11%) from 2016 to 2018

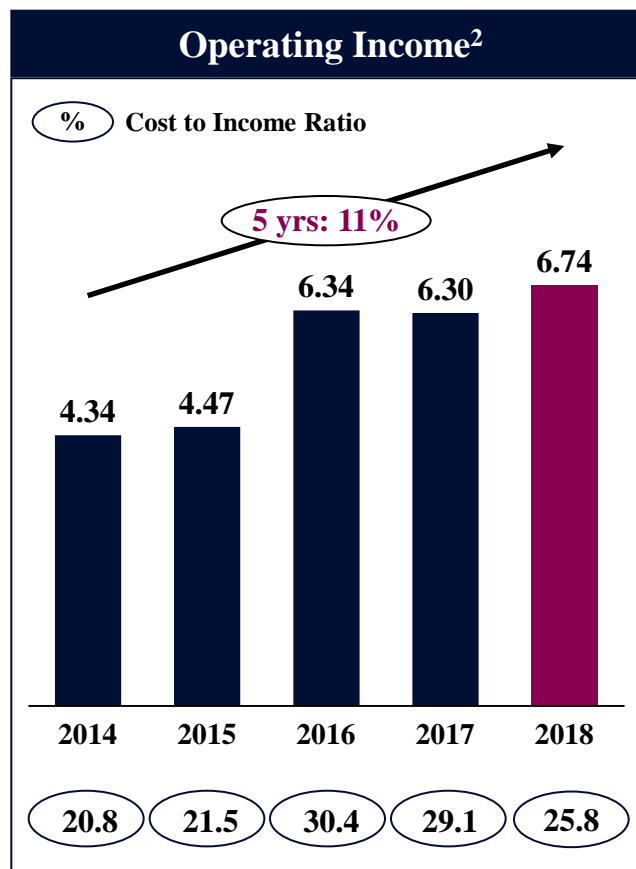
- Loans from Intl operations decreased by USD3.4 Bn (8%) from 2016 to 2018
- Deposits from Intl operations increased by USD6.5 Bn (10%) from 2016 to 2018

Consistent High Profitability

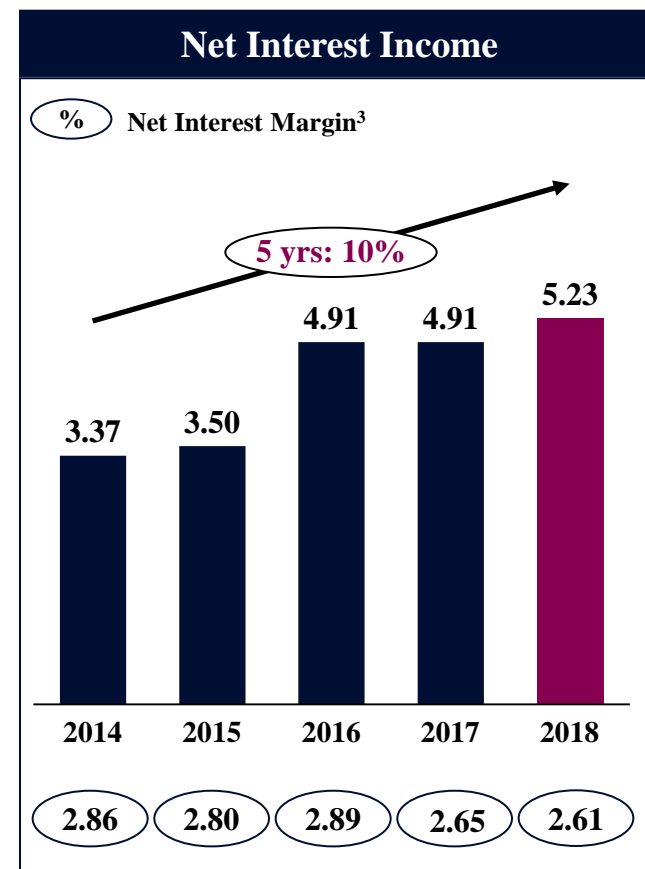
Income Statement Breakdown (USD billion as at 31 December)



- Net profit increased by 5% from December 2017
- 2013-2018 CAGR of 8%



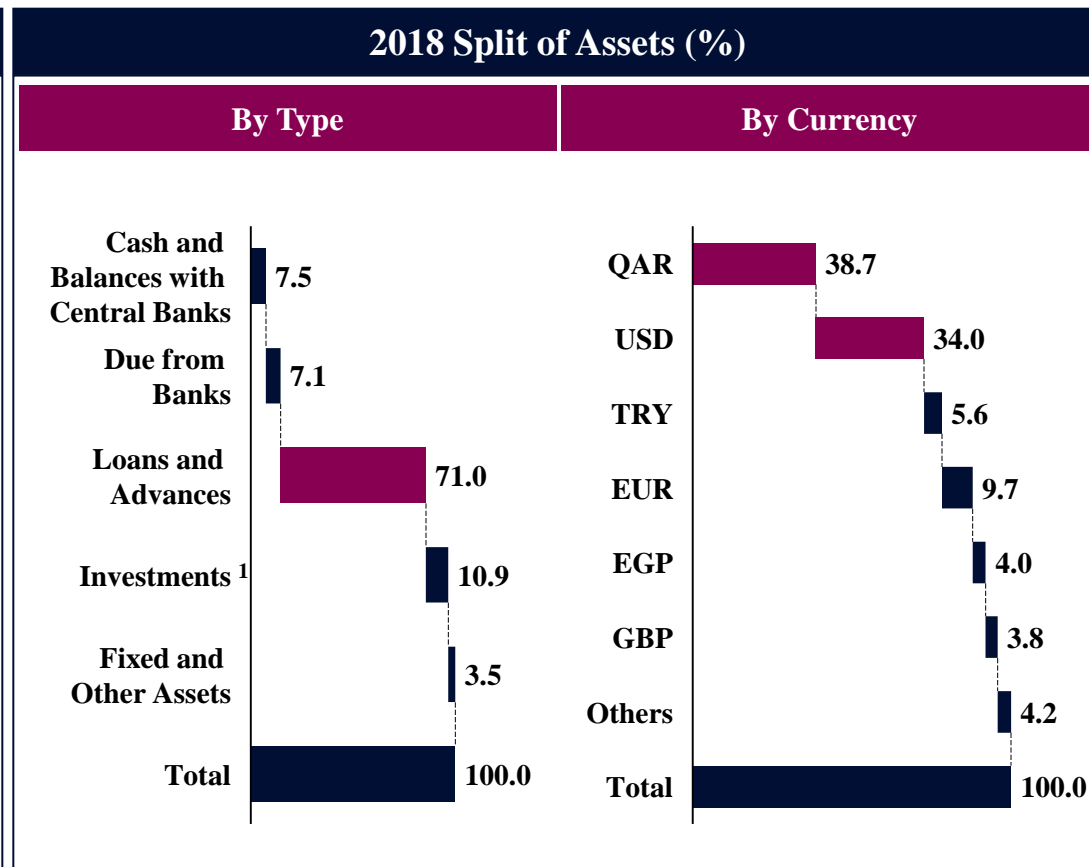
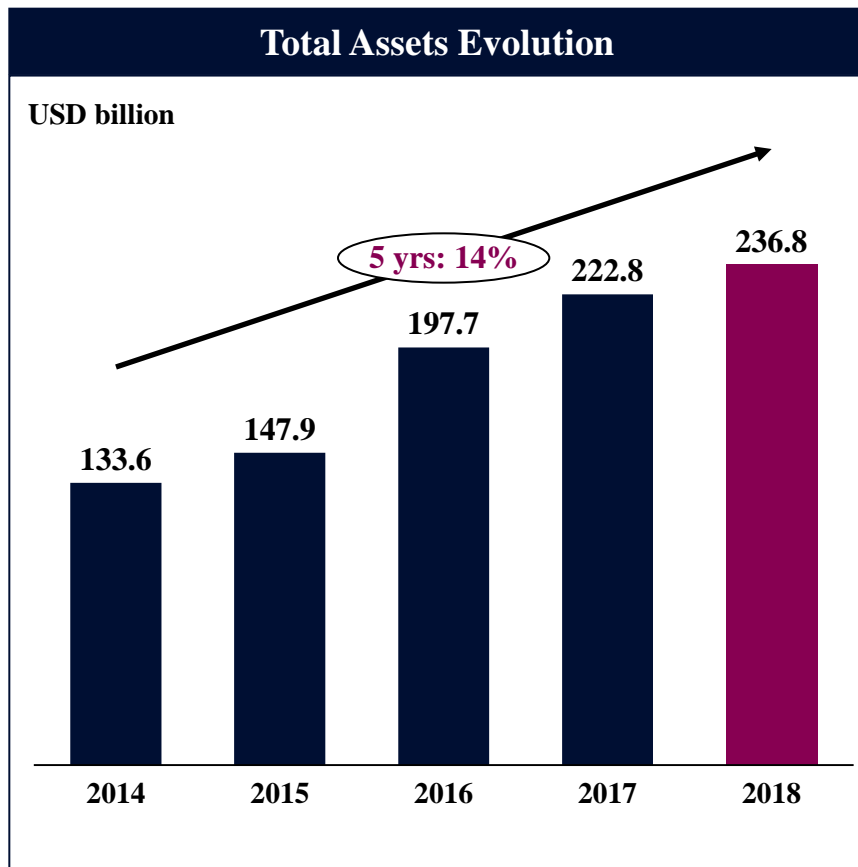
- Operating income increased by 7% from December 2017
- 2013-2018 CAGR of 11%



- NII increased by 6% from December 2017
- Strong NIM with the current size of more than USD235 billion of total assets

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

Assets Analysis (as at 31 December)

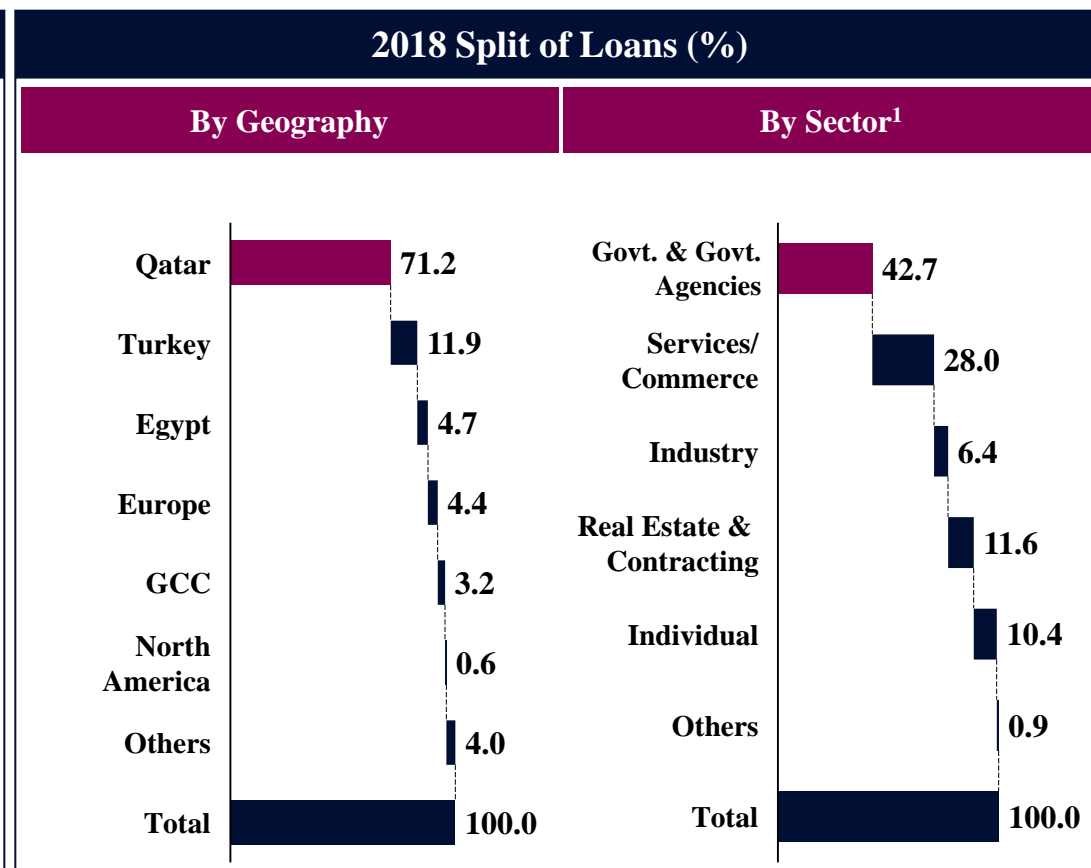
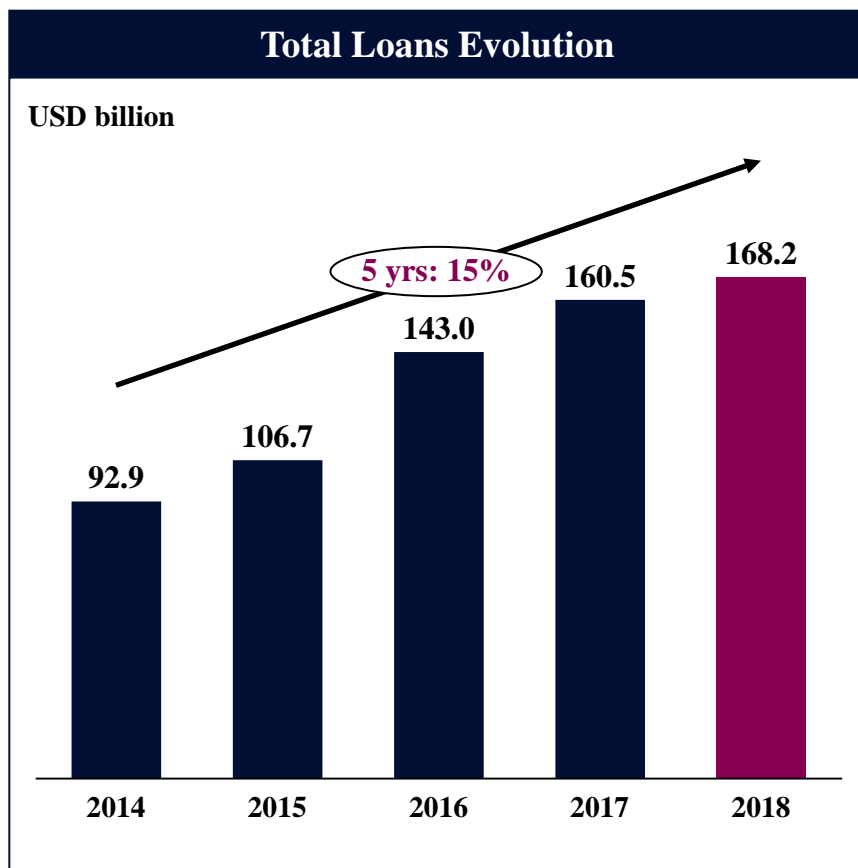


- Assets increased 6% from December 2017
- 2013-2018 CAGR of 14%

- Loans and advances represent 71% of total assets
- USD and QAR currencies account for 73% of total assets

Good loan growth

Loans Analysis (as at 31 December)

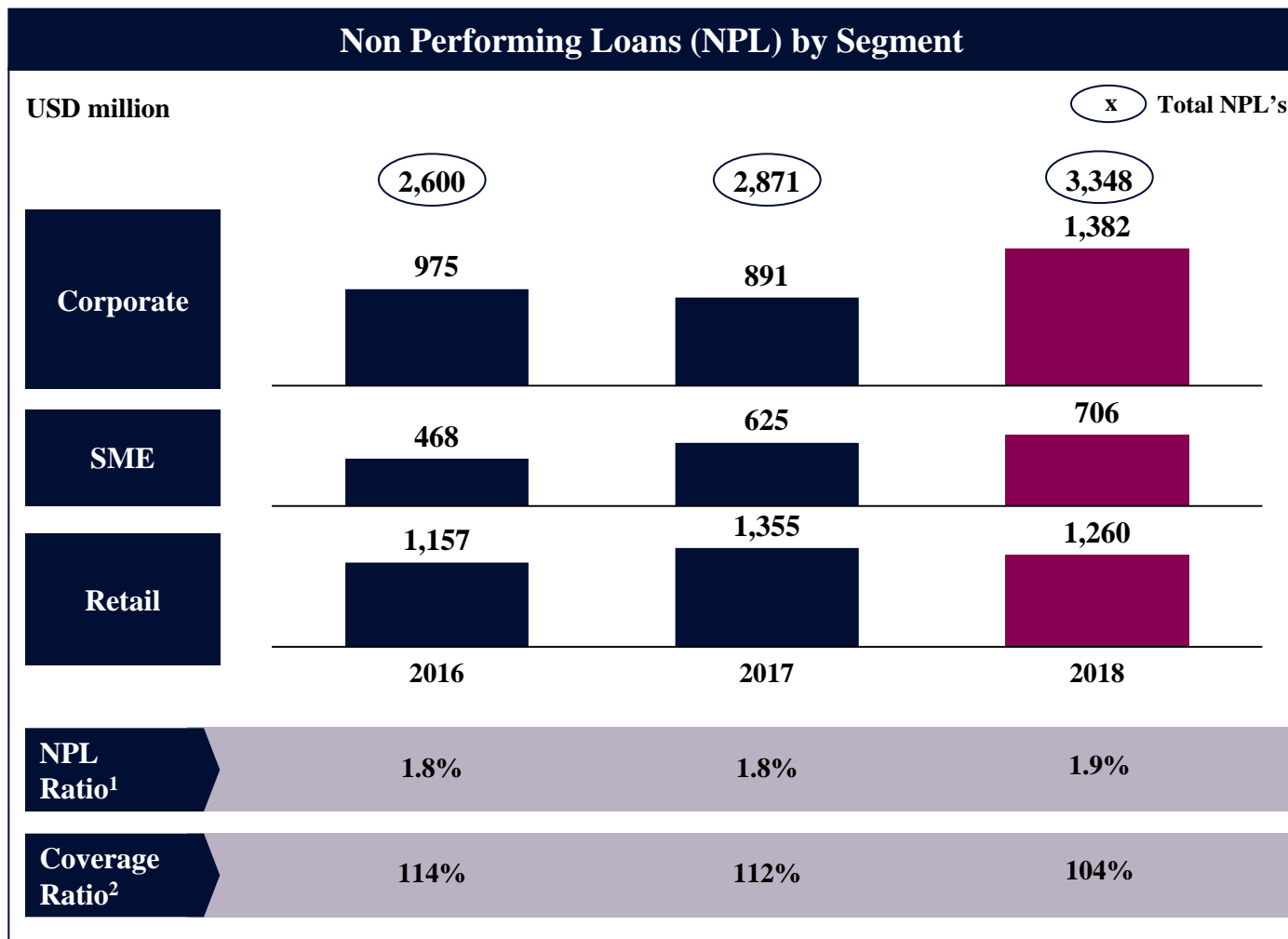


- Loans increased 5% from December 2017
- 2013-2018 CAGR of 15%

- Loans denominated in USD represent 38% of total loans
- Loan exposures are of a high quality with more than 42% concentration to Government and public sector entities

High quality lending portfolio is highlighted by low NPL ratios

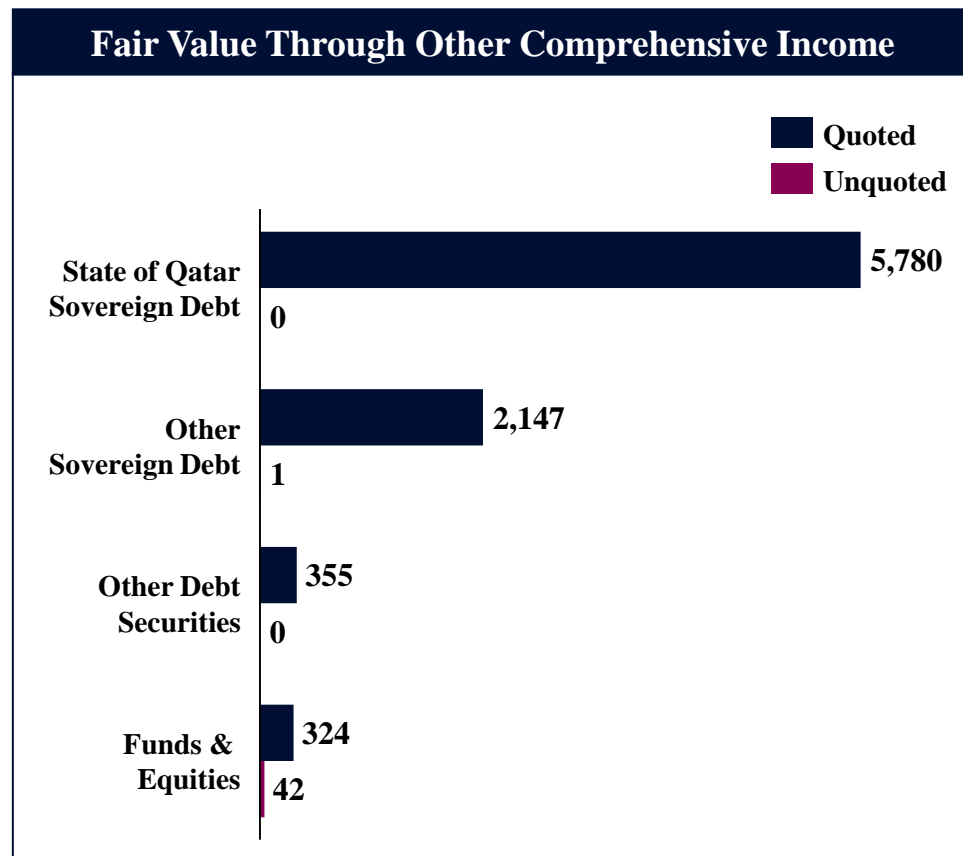
Asset Quality Analysis (as at 31 December)



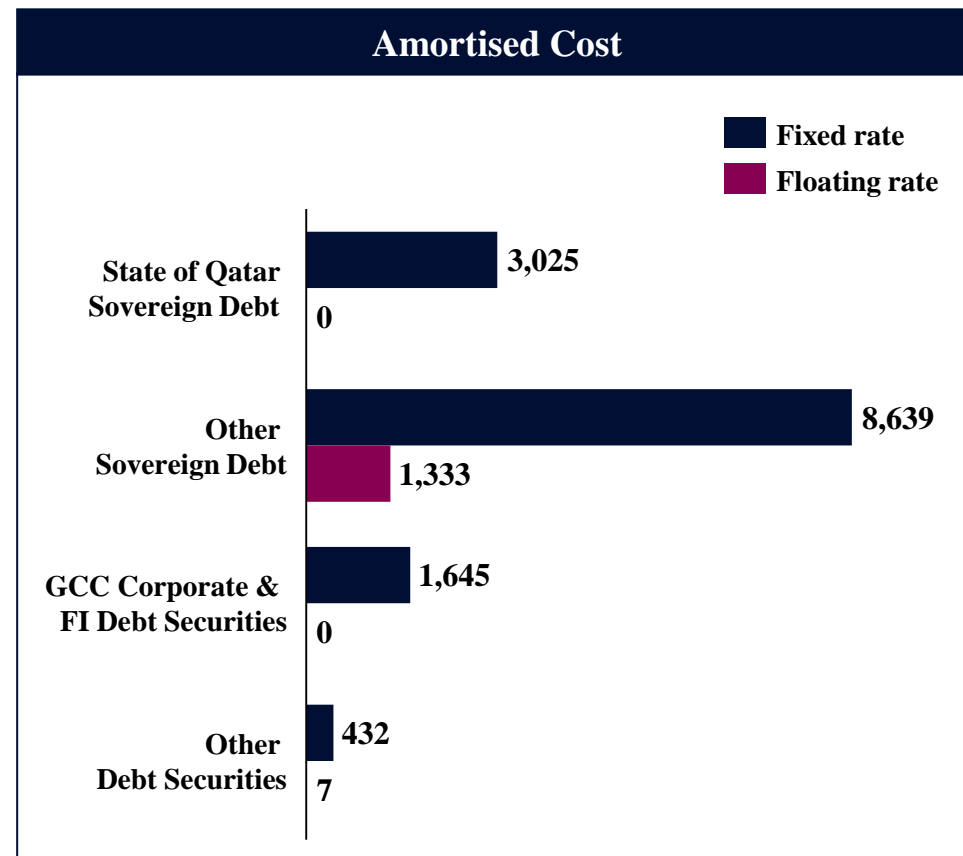
- QNB has continued to increase its provisions in response to the global economic situation
- The bank's coverage ratio has remained robust amidst the economic slowdown, with a coverage of 104% as at 31 December 2018
- Past dues are NPL after 90 days default
- There is an additional risk reserve of USD2,198 million which is greater than the 2.5% QCB requirements

High quality investment portfolio with 88% of securities rated AA or Sovereign

Investments Analysis (USD million as at 31 December 2018)



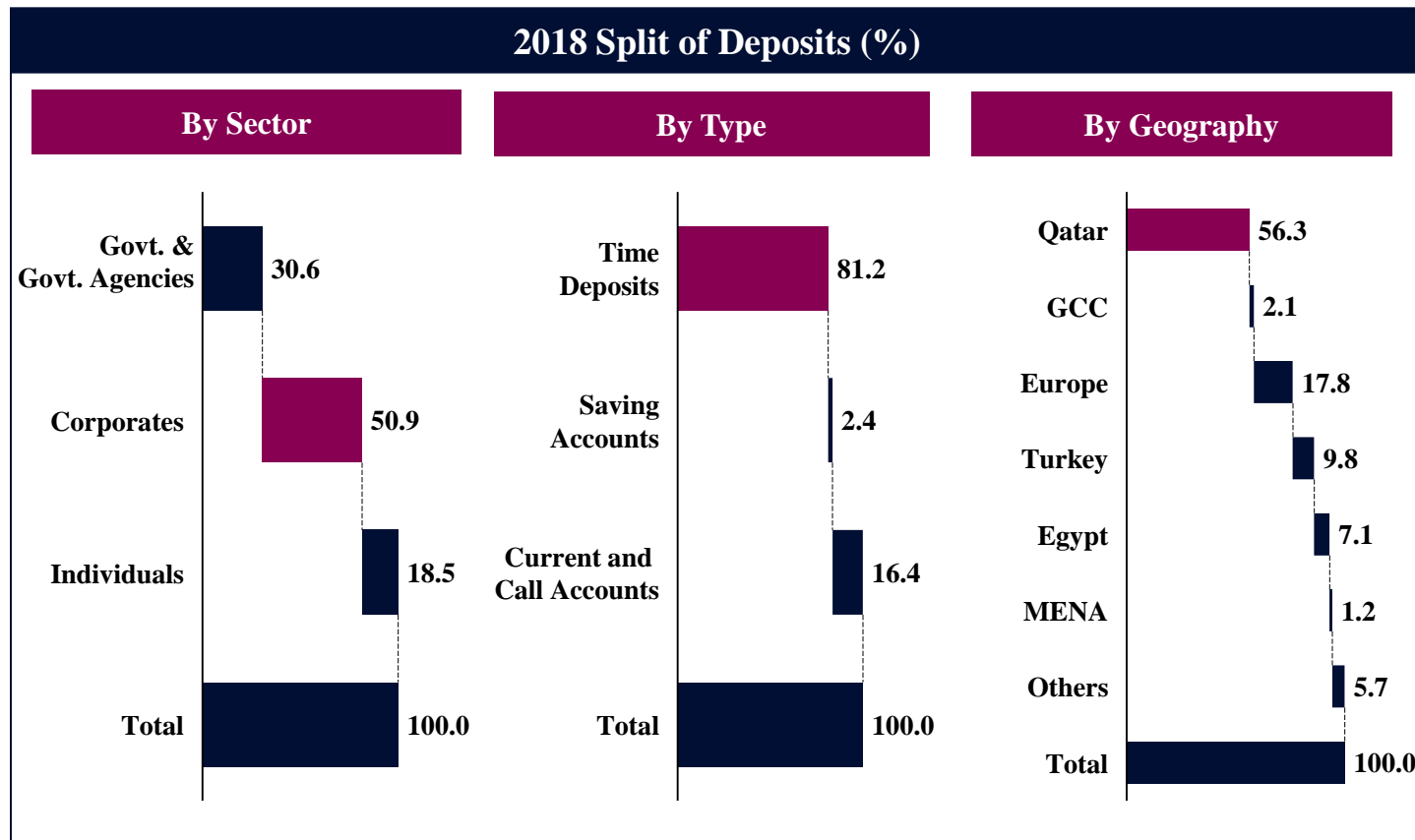
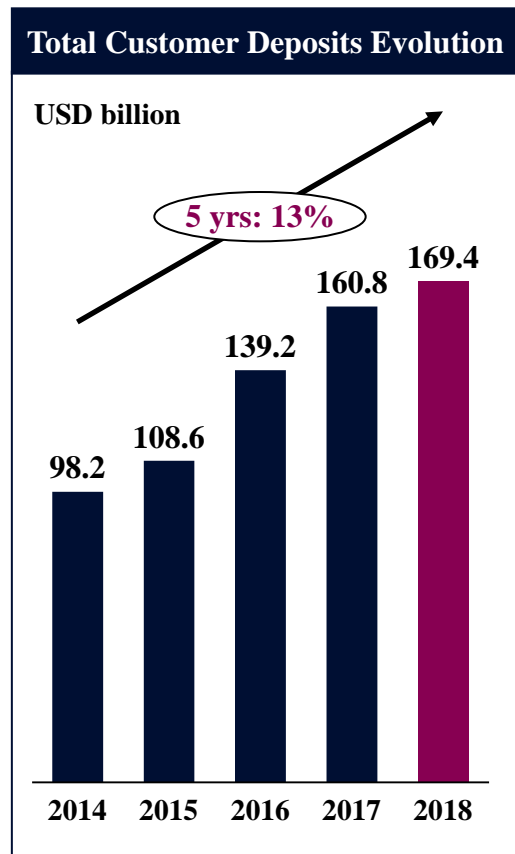
- Quoted securities account for 99% of FVOCI Investment securities



- Majority of the Amortised Cost Investment Securities are Government Guaranteed

Robust growth in customer deposits and funding

Funding Analysis (as at 31 December)

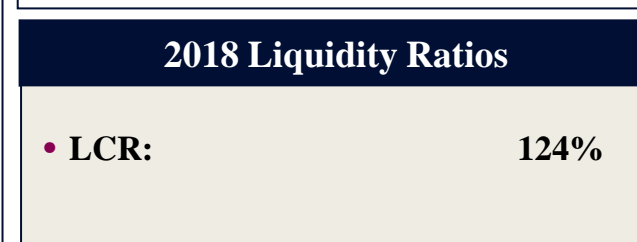
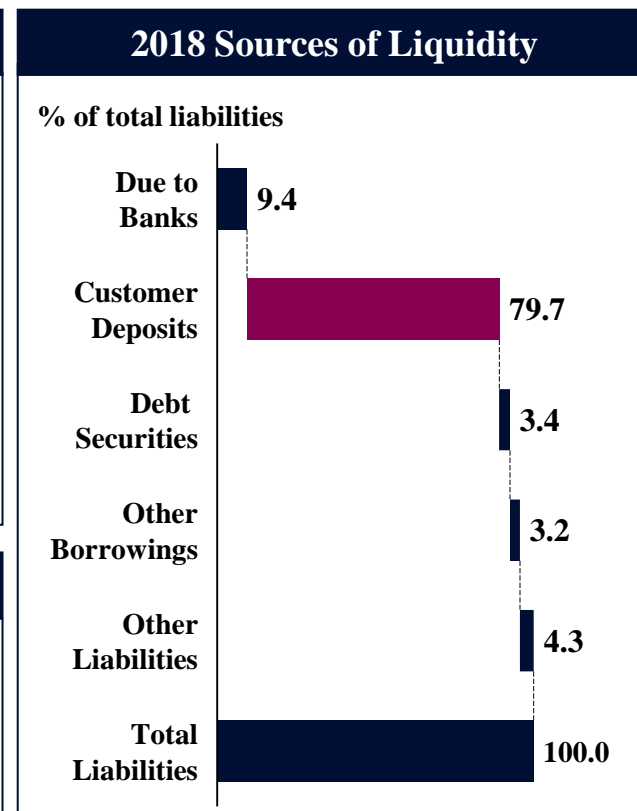
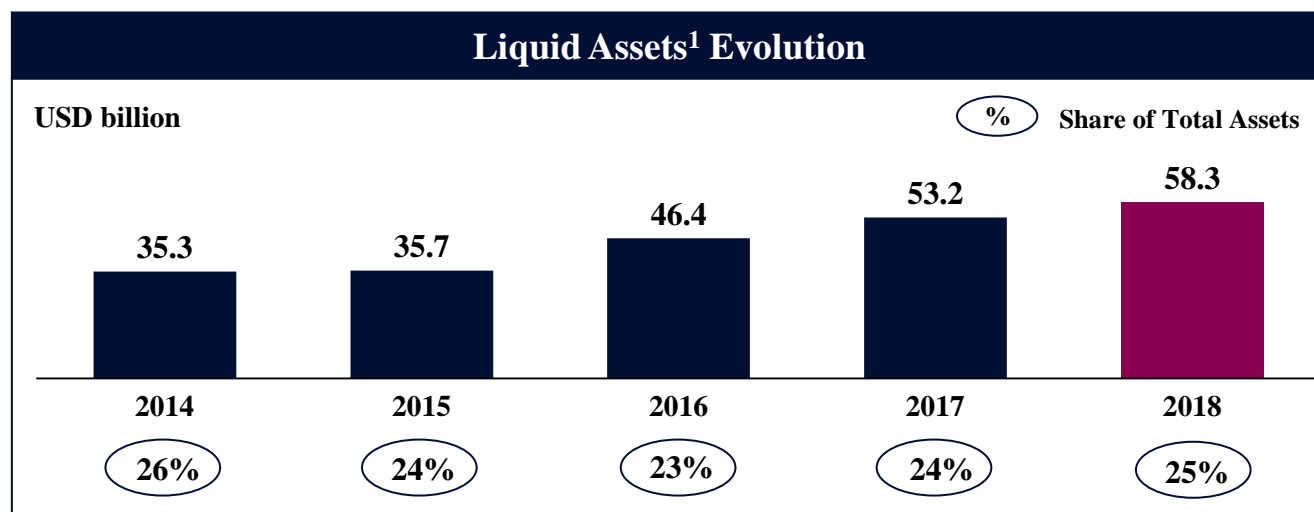
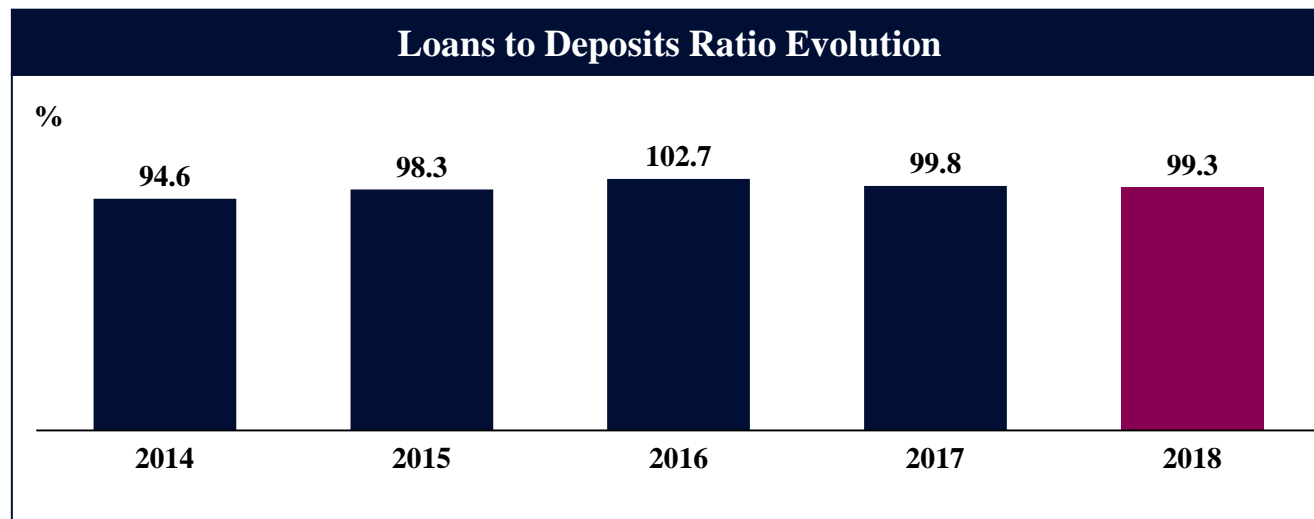


- Deposits increased 5% from December 2017
- 2013-2018 CAGR of 13%

- QNB remains the public sector's preferred bank
- USD, EGP and TRY denominated deposits represent 50%, 5% and 6% of total deposits respectively

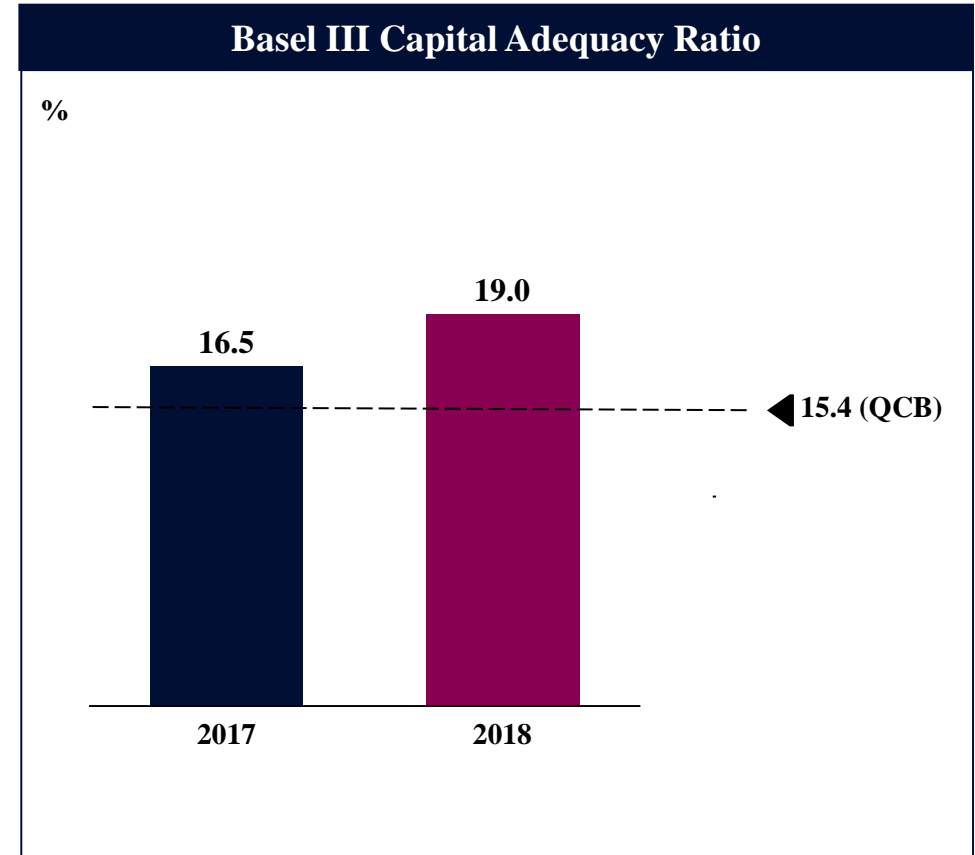
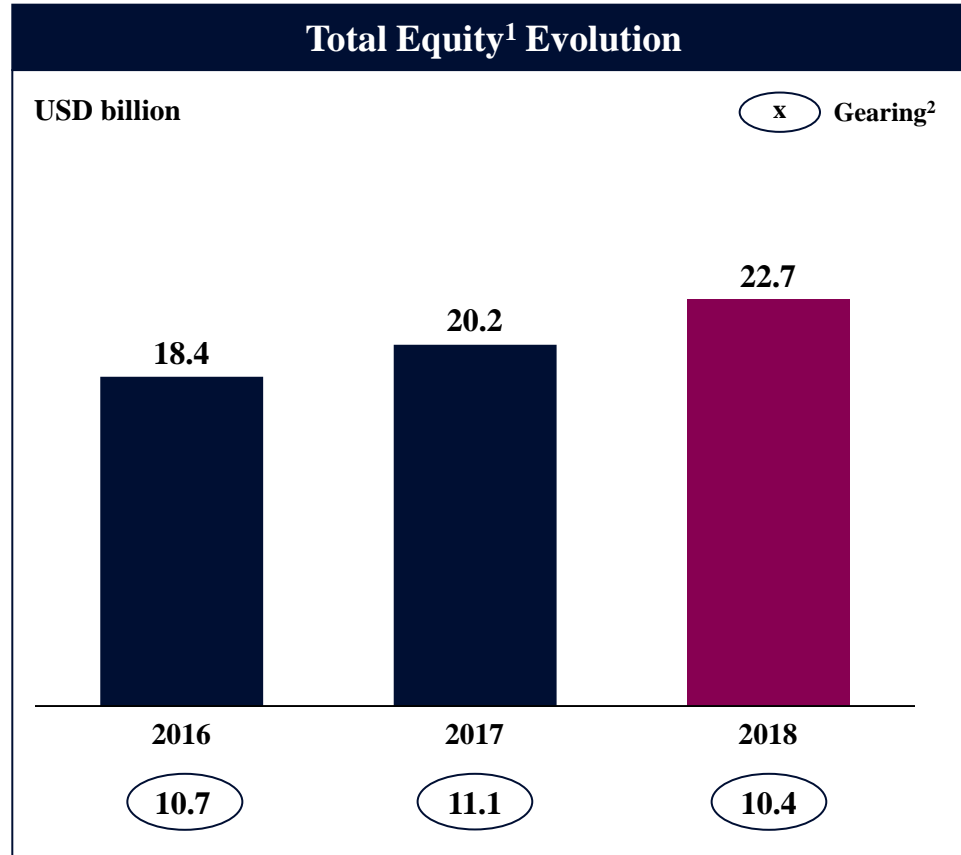
Solid liquidity profile

Liquidity Analysis (as at 31 December)



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

Capital Analysis (as at 31 December)

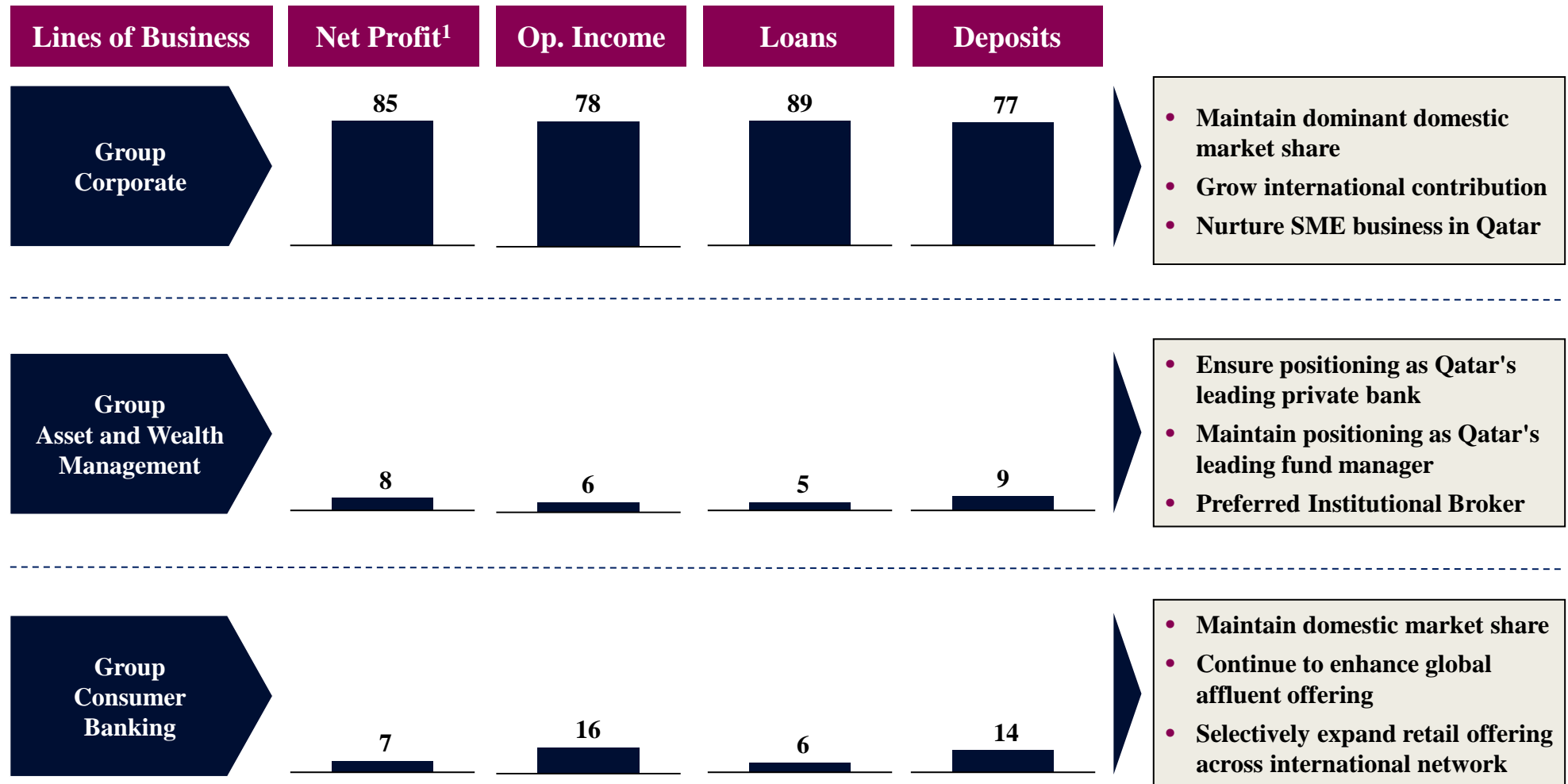


- Capital base has been regularly increased in line with the strong performance of QNB's balance sheet

- Capital adequacy ratio is above QCB and Basel III requirements including the applicable DSIB buffer of 1.875%

Diversifying business mix will bolster sustainable growth

Business Mix Contribution (% share as at 31 December 2018)



IFRS 9 Implementation: Additional buffer for long term earnings stability

Financial Impacts

- QNB implemented IFRS 9 with effect from 1 January 2018 based on the QCB guidelines.
- As per QCB instructions, ECL impact has been treated as Tier 2 Capital for CAR purposes with no amortisation of the transition impact.
- Impact of ‘Classification and Measurement’ (C&M) requirements are not significant to the QNB.

Coverage ratio¹

<i>As of 31 December 2018</i>	Stage1	Stage2	Stage3 (NPL)
Due from Banks and Balances with Central Banks	0.1%	3.3%	-
Loans	0.3%	8.3%	104.1%
Investments	0.1%	5.3%	116.1%

Cost of Risk²

<i>31 December 2018</i>	Stage1	Stage2	Stage3 (NPL)	Total
Cost of Risk	5bps	6bps	39bps	50bps

QNB Group Financials

Key data (as at 31 December 2018)

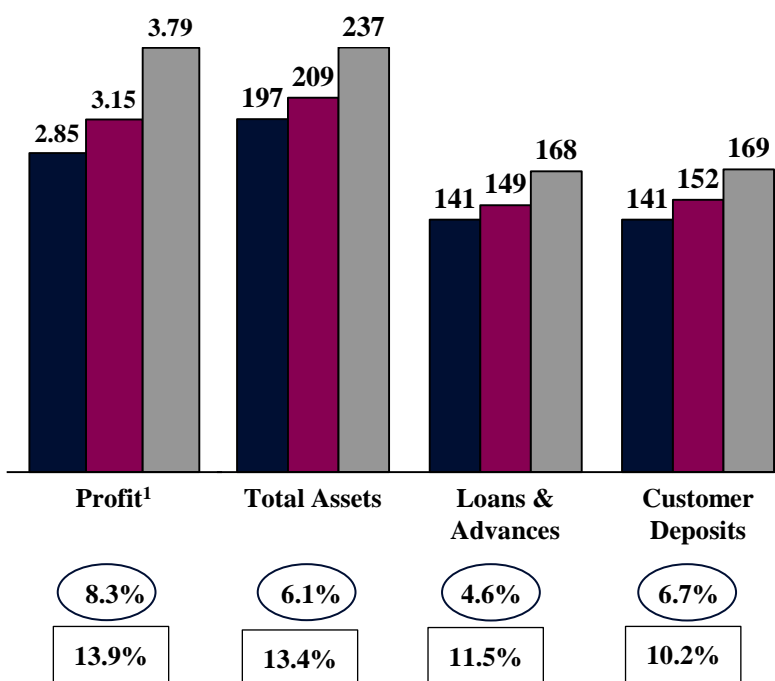
■ QNB ■ QNB incl. QNB ALAHLI ■ QNB incl. QNB Finansbank

○ Contribution of QNB AA

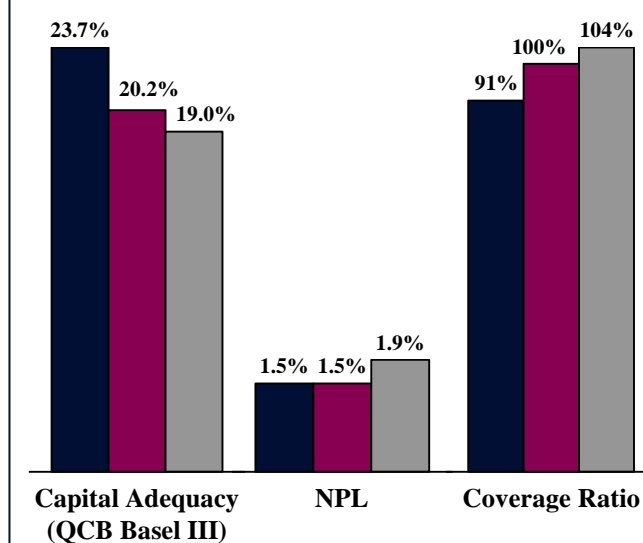
□ Contribution of QNB Finansbank

Financials

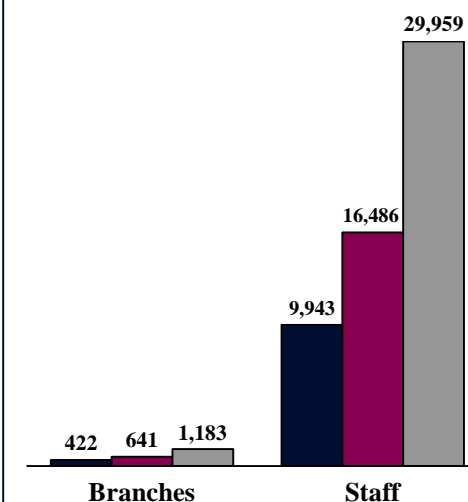
USD billion



Ratios



Presence



- Results finalised under International Financial Reporting Standards (IFRS)
- Capital Adequacy Ratio: 19.0%

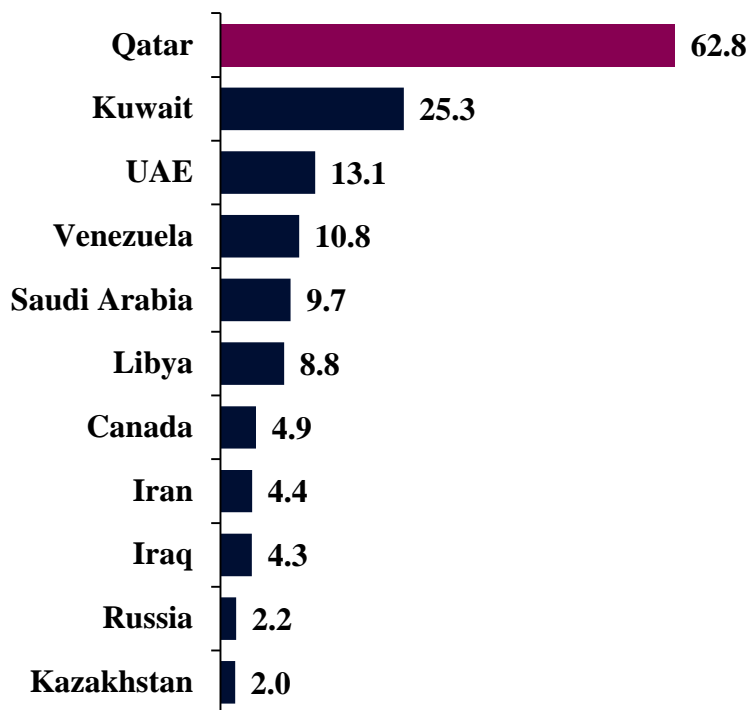


Economic Overview

Qatar's hydrocarbon wealth makes it the world's richest country

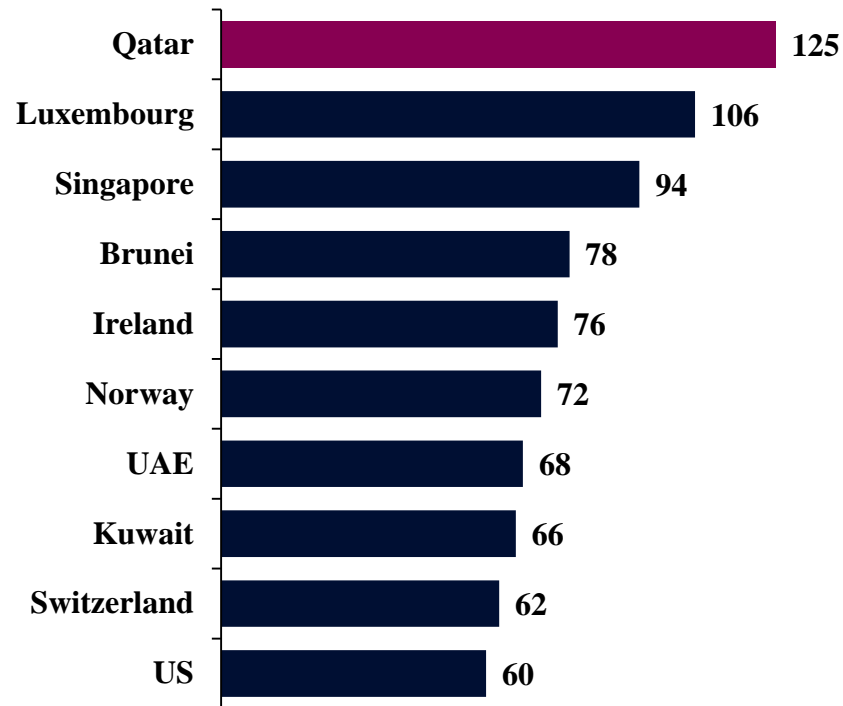
Oil and gas reserves per capita (2017)

k barrels of oil equivalent (boe)



GDP per capita (2017)

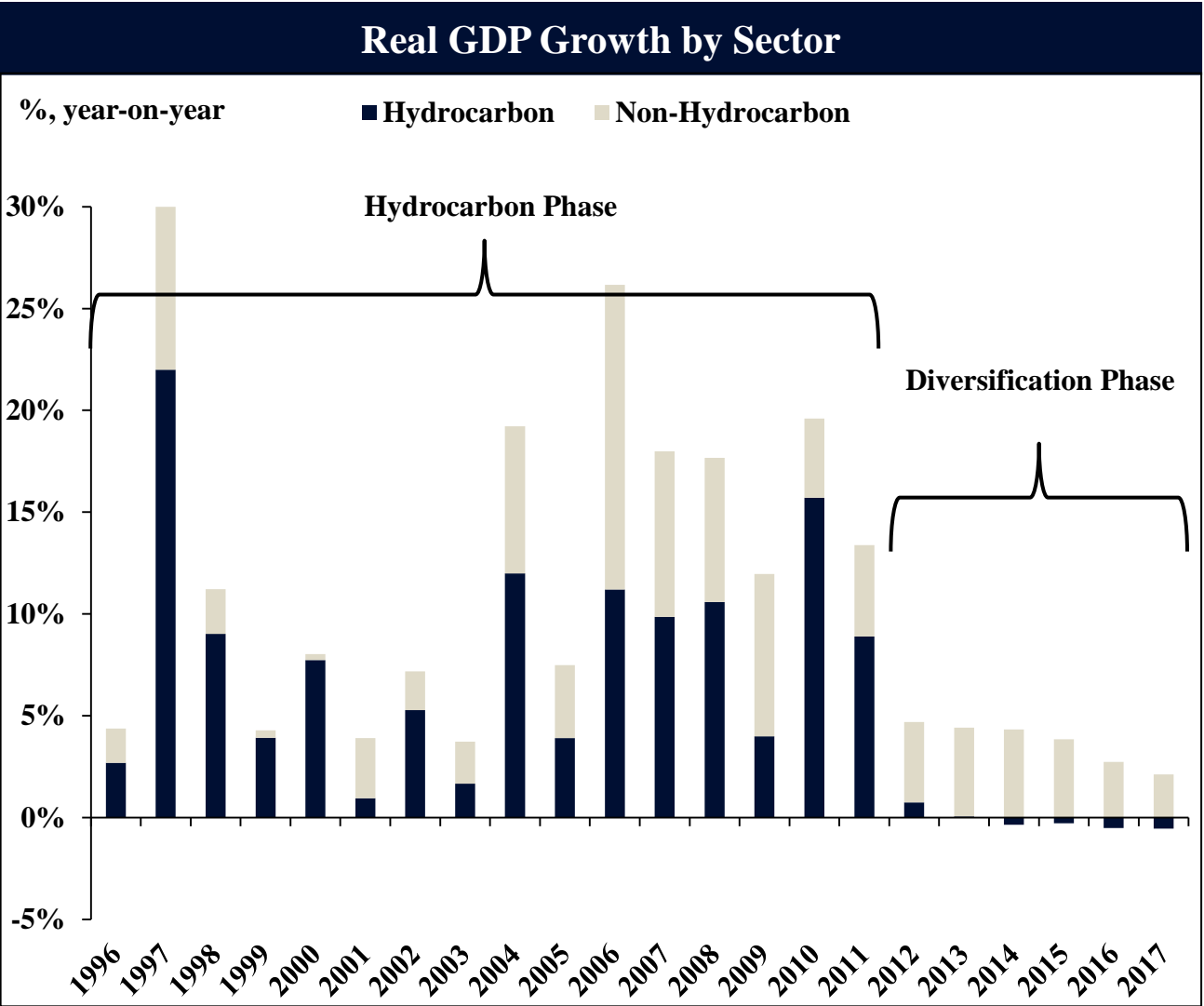
k USD PPP



At current extraction rates, Qatar's proven gas reserves would last for another 141 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 National Vision 2030 is supported by a large infrastructure investment programme

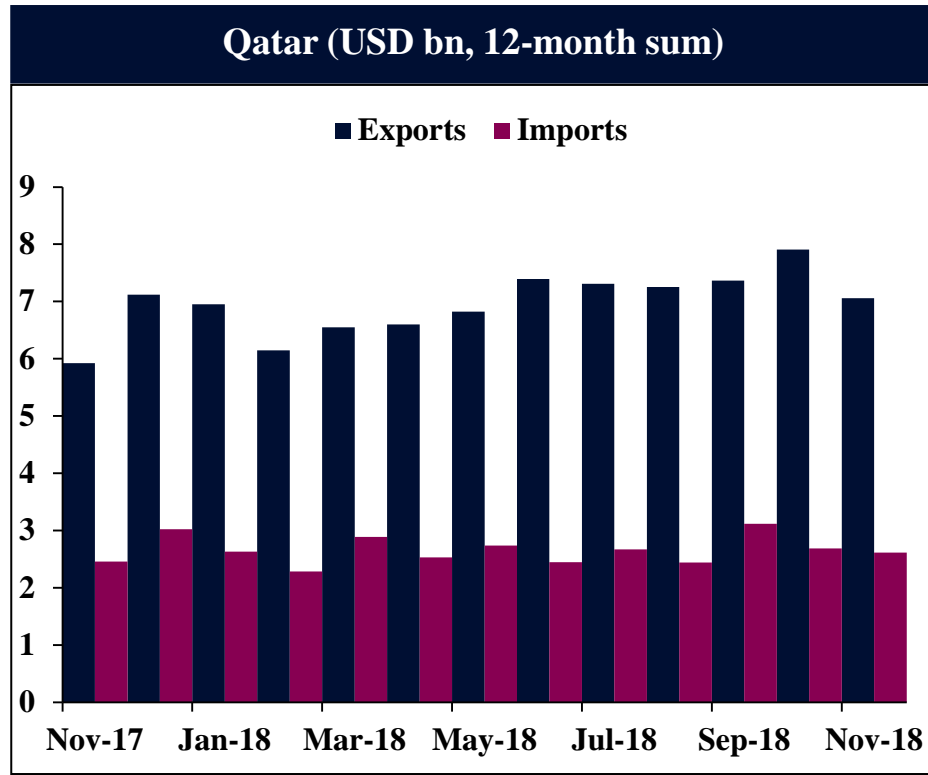
Major Projects Pipeline as of September 2018

	Project	Budget (bn USD)	End
Construction	Lusail Mixed-Use Development	45.0	2022
	Education City	8.8	2019
	FIFA World Cup Stadiums	4.0	2020
Transport	Qatar Integrated Rail	40.0	2026
	Ashghal Expressway Programme	20.0	2020
	Hamad International Airport, Phase I, II & III	23.5	2020
	Ashghal Local Roads & Drainage	14.6	2022
	Hamad Port, Phases II & III	9.4	2025
Oil	Bul Hanine Oilfield Redevelopment	11.0	2021

Comments

- New investment sectors are opening up to support self sufficiency and long-term growth
- Focus areas for investment are the transport, construction, logistics and manufacturing sectors
- In parallel to the diversification phase, new investment opportunities are expected to arise from the increase in LNG production over the medium-term

Qatar's fundamentals resilient despite the blockade



- Imports have recovered since the blockade
- New trade routes have been established
- Exports have grown despite the blockade

Financial Soundness Indicators (2015-2017, %)

	2015	2016	2017
Capital Adequacy			
Tier 1 capital/ risk-weighted assets	15.2	15.7	16.5
Regulatory capital/ risk-weighted assets	15.6	16.1	16.8
Asset Quality			
Non-performing loans/ total loans	1.6	1.3	1.6
Liquidity			
Liquid assets/ total assets	28.5	29.6	28.2
Total loans/ total deposits	112.4	113.7	108.8
Total loans/ total assets	67.5	66.7	67.1
Profitability			
Return on assets	2.0	1.7	1.5
Return on equity	16.2	14.6	13.9

- Financial system remains resilient and healthy
- Capital adequacy and liquidity metrics improved in 2017 while asset quality was steady
- Robust public-sector deposit mobilization helped drive overall deposit growth at 13.2% in 2017

Qatar is one of the highest rated sovereigns in the world, ranking above a number of advanced economies

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, Taiwan, Macau, Cayman Islands, Faroe Islands									
	A1	Chile, China, Japan, Saudi Arabia, Estonia, Czech									
	A2	Bermuda, Slovakia, Poland, Botswana, Ireland									
	A3	Iceland, Mexico, Latvia, Lithuania, Malaysia, Malta, Peru									
	Baa1	Spain, Thailand, Slovenia, Mauritius									
	Baa2	India, Indonesia, Uruguay, Philippines, Bulgaria, Panama, Colombia									
	Baa3	Italy, Portugal, Oman, Hungary, South Africa, Kazakhstan, Bahamas, Romania									
Non-Investment Grade											
Ba1	Ba2	Ba3	B1	B2	B3	Caa1	Caa2	Caa3	Ca	C	

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- These statements typically contain words such as "expects" and "anticipates" and words of similar import.*
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