



Investor Relations Presentation

September 2015

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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

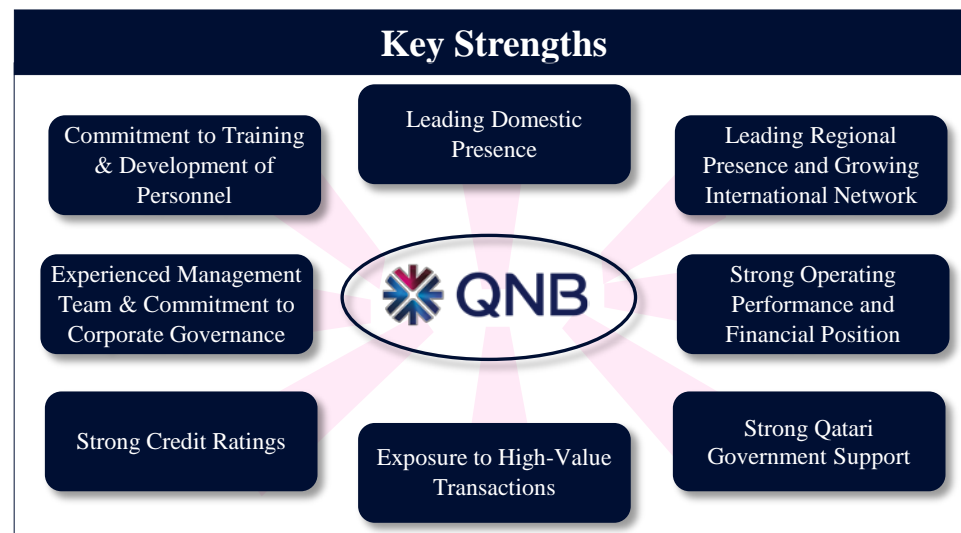
Overview	<ul style="list-style-type: none"> Established in 1964 as the first Qatari owned bank Owned (50%) by the Government of Qatar via the Qatar Investment Authority (QIA) Largest bank in Qatar by market cap., assets, loans, deposits and profit. Largest bank in MENA by total assets, loans, deposits 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 635 locations, supported by more than 1,350 ATMs and employing more than 15,000 staff. ¹
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Stock/Share Parameters	<ul style="list-style-type: none"> Listed on Qatar Exchange (QNBK) Market cap. of USD36.0bn Share price of USD51.50 per share Price to Book 2.9x (31-Dec-14) Price to Earnings 14.2x (31-Dec-14)
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Financials² (in USD billion)			
	Sep-15	Sep-14	5yr CAGR
Total Assets	143.1	130.6	22%
Loans & Advances	100.7	90.3	25%
Deposits	104.7	96.2	22%
Operating Income ³	3.40	3.21	18%
Profit ⁴	2.40	2.20	16%
Coverage Ratio	127%	124%	-
NPL Ratio	1.5%	1.6%	-
Net Interest Margin	2.82%	2.86%	-



1: Source: QNB



2: Source: September 2015 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, 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)

North Africa

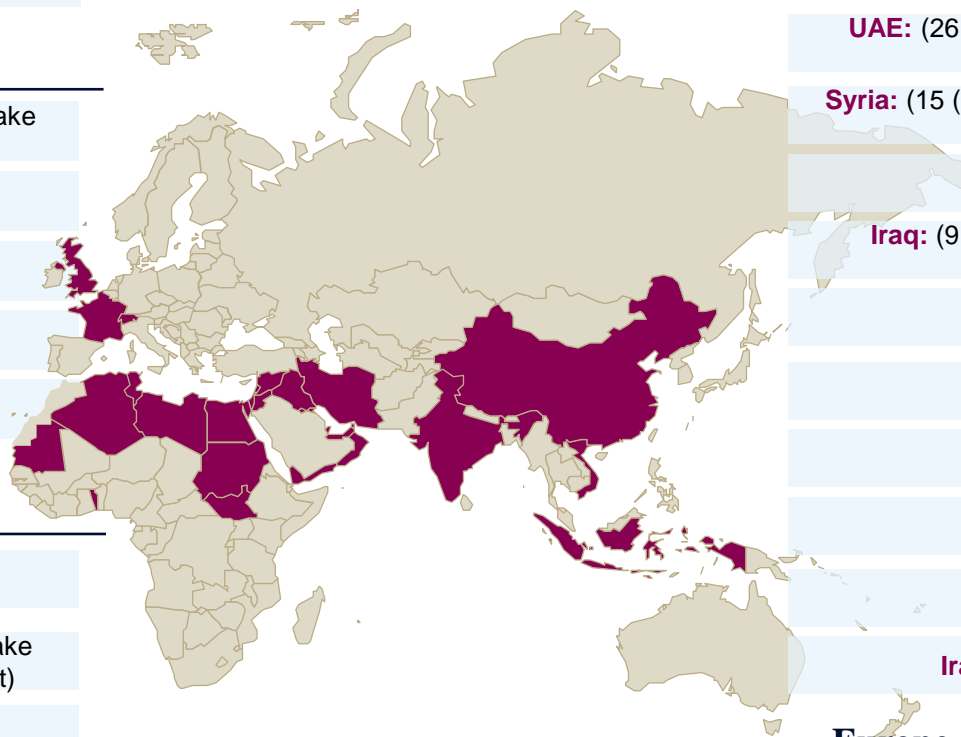
-  **Egypt:** (181 Branches, 97.1% stake in QNB ALAHLI)
-  **Libya:** (36² (+1) Branches, 49.0% stake in Bank of Commerce & Development)
-  **Tunisia:** (34 Branches, 99.9% stake in QNB Tunisia)
-  **Sudan:** (6 Branches)
-  **Algeria:** (6 Branches²)
-  **Mauritania:** (1 Branch)

Middle East

-  **Qatar:** (80 Branches)
-  **Jordan:** (155² (+3²) Branches, 34.5% stake in Housing Bank of Trade & Finance)
-  **UAE:** (26 (+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)



1: Ecobank share of 20.0%, as at 30 September 2015, includes ordinary shares and QNB's convertible preference shares. The branch data for Ecobank is as at 31 December 2014.

2: Includes the branches / representative offices from subsidiaries and associates

3: Dormant

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.”

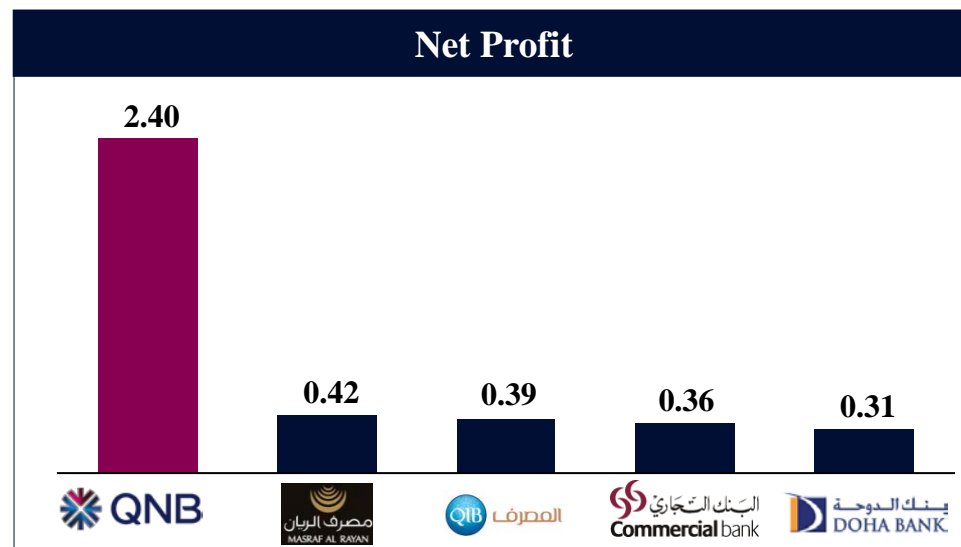
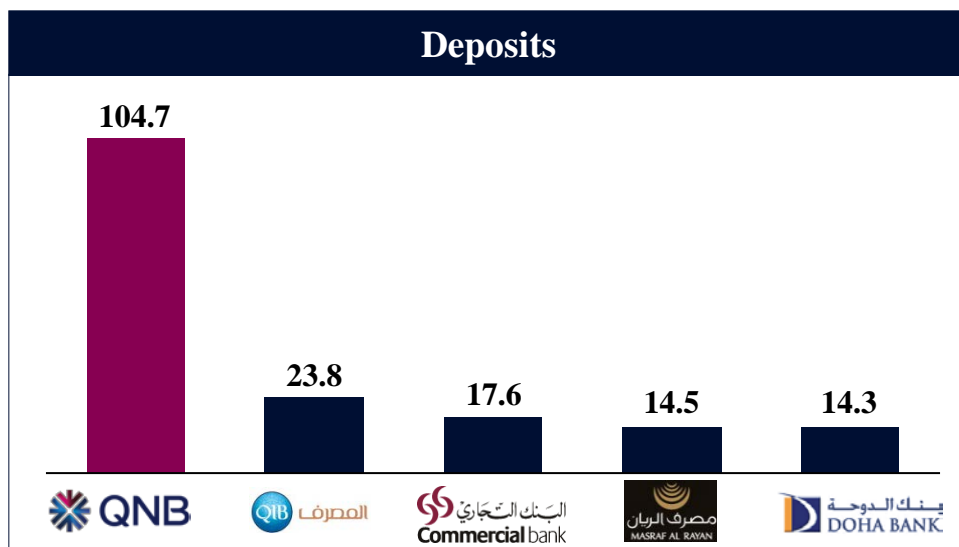
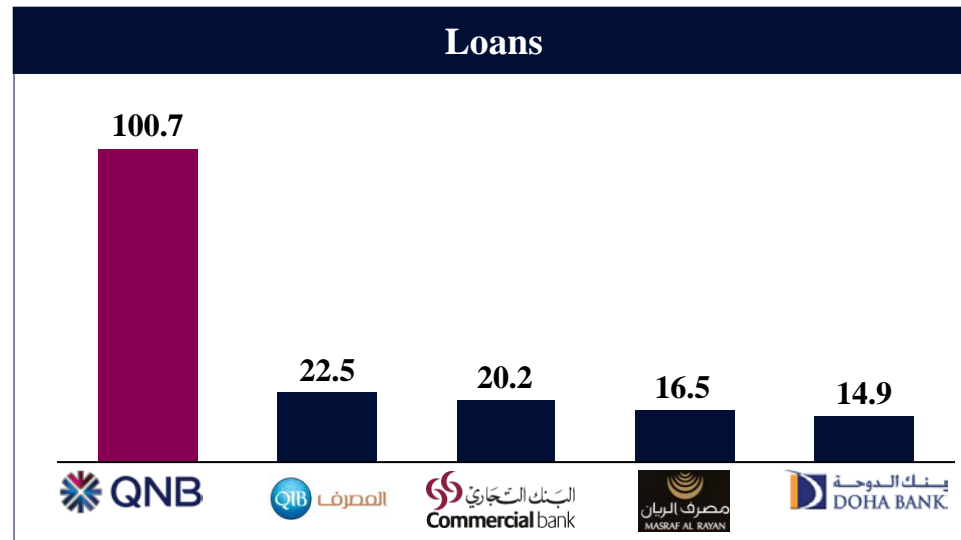
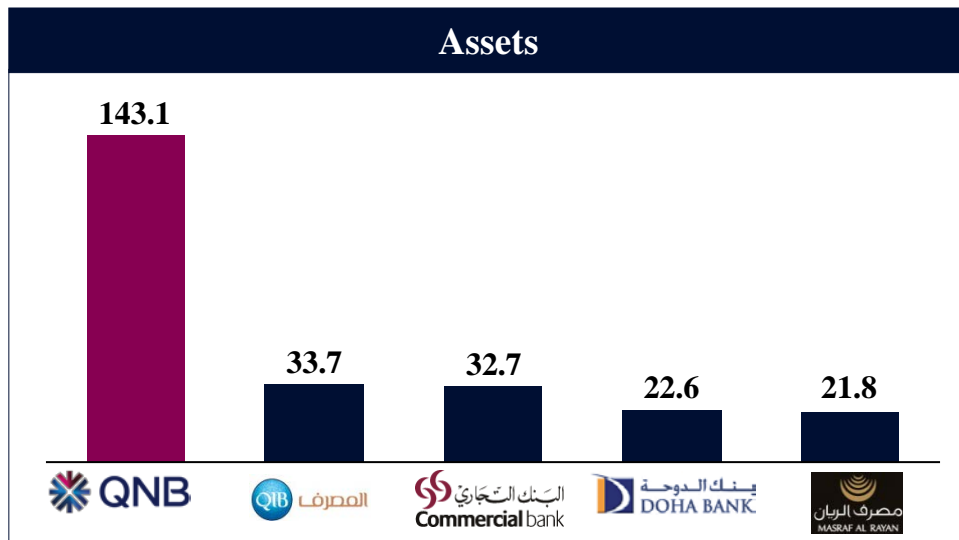
March 11th, 2015



QNB Comparative Positioning – Qatar and MENA

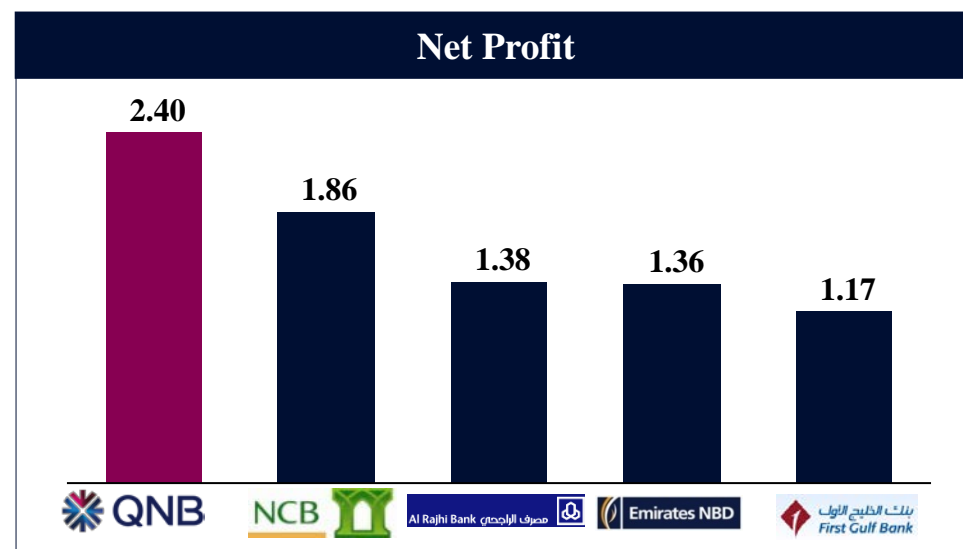
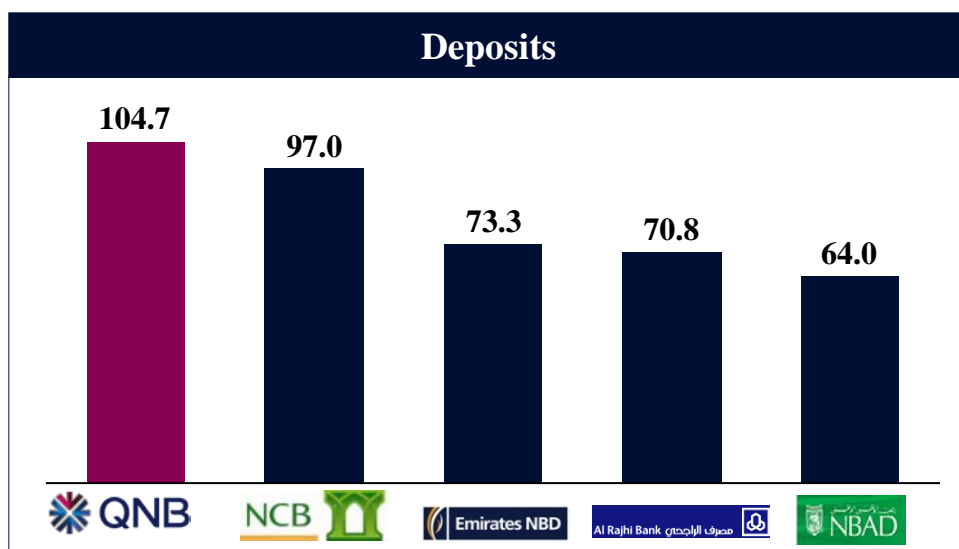
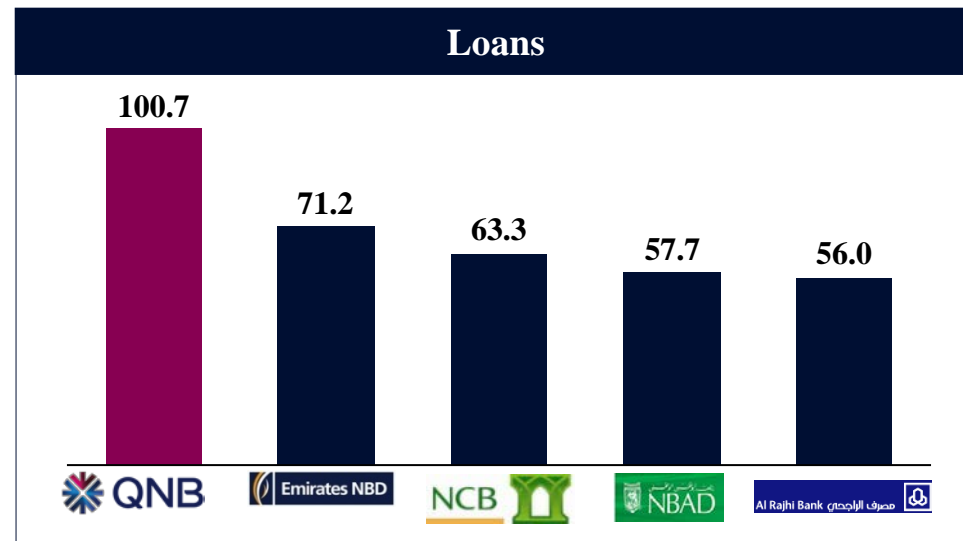
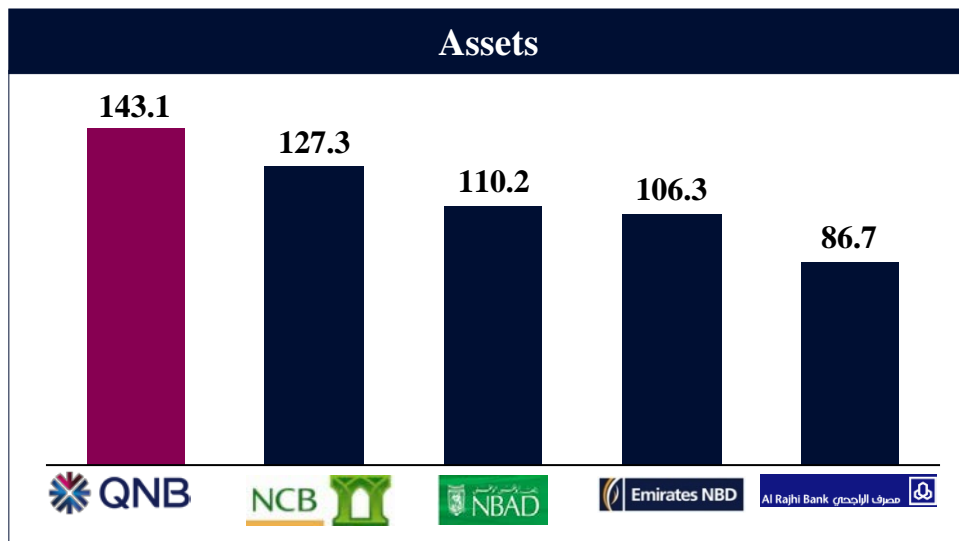
Top 5 Domestic Banks – September 2015

QNB continues to excel in the domestic market



Top 5 Regional Banks – September 2015

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




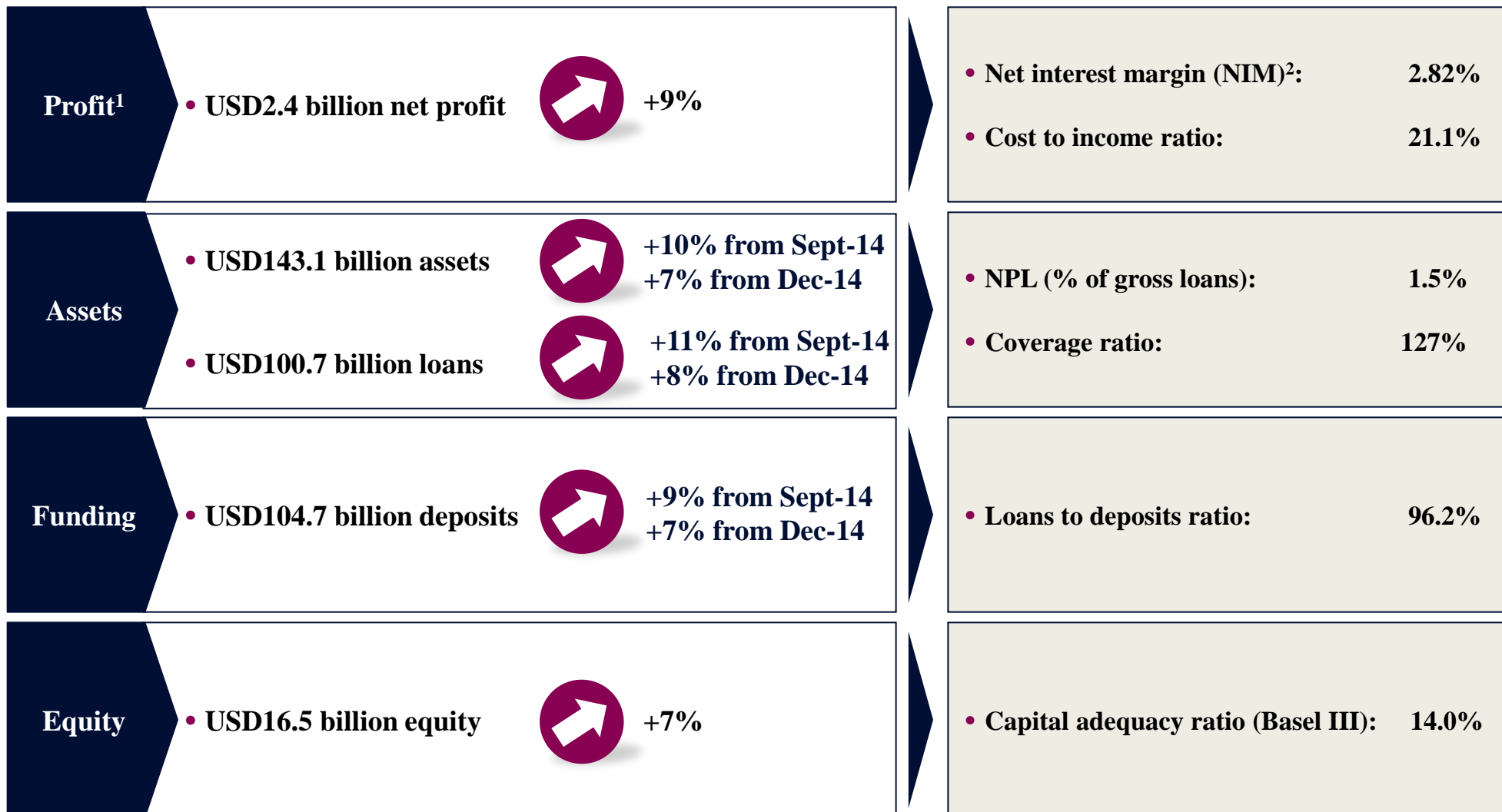


Financial Highlights – as at 30 September 2015

QNB continues to demonstrate sustainable profitable growth

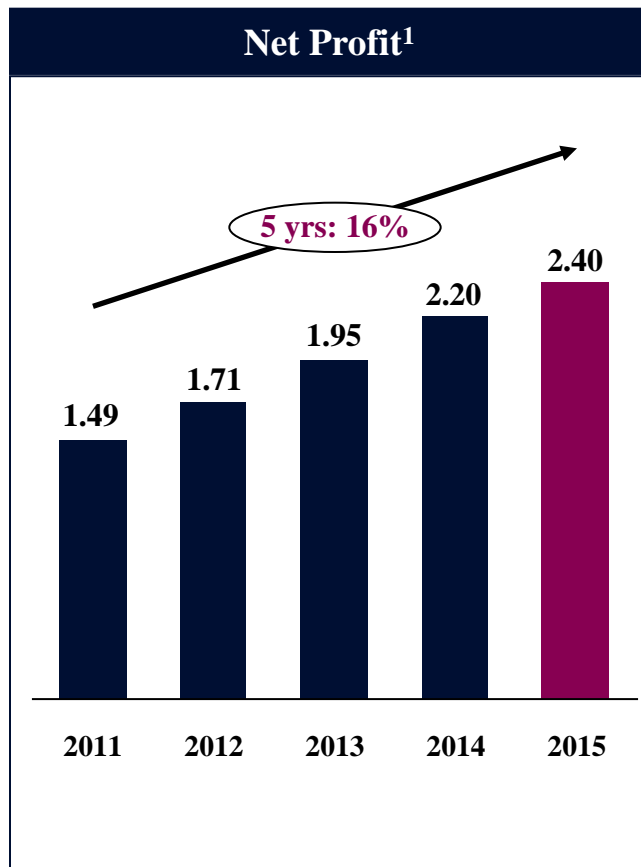
Financial Highlights (as at 30 September 2015)

 Growth vs. September 2014 unless stated

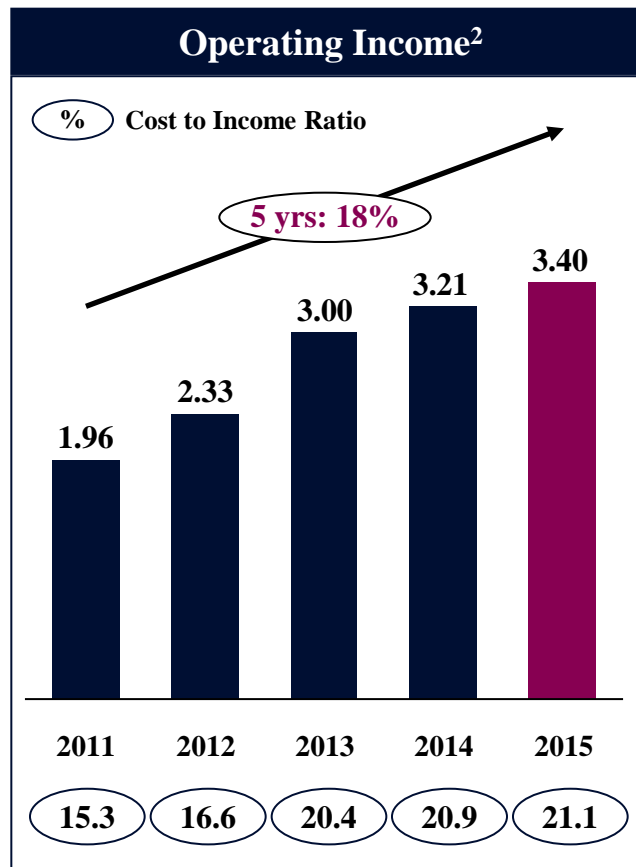


Strong profitability growth

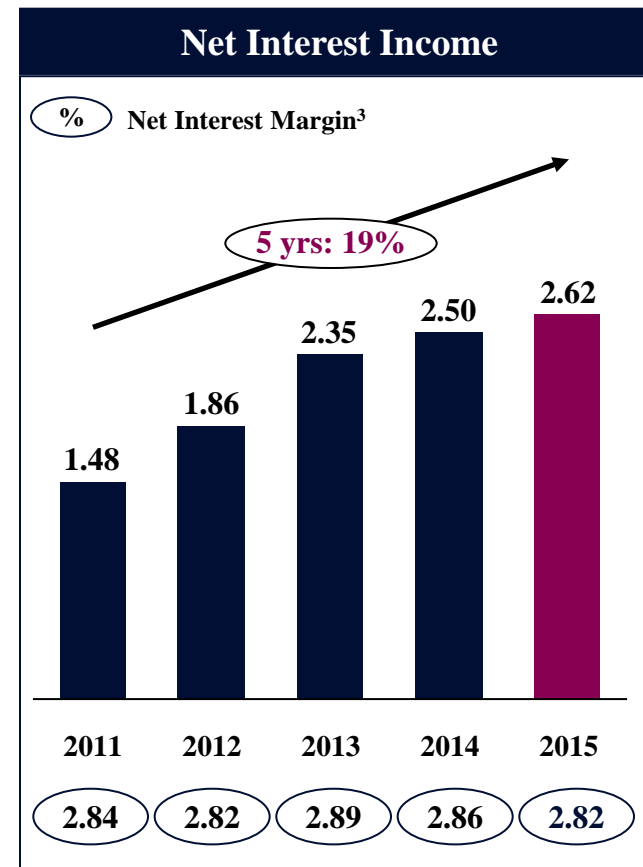
Income Statement Breakdown (USD billion as at 30 September)



- Net profit increased 9% from Sept. 2014
- 2010-2015 CAGR of 16%



- Operating income increased 6% from Sept. 2014
- 2010-2015 CAGR of 18%



- NII increased 5% from Sept. 2014
- 2010-2015 CAGR of 19%

Robust quarterly growth has been consistently delivered

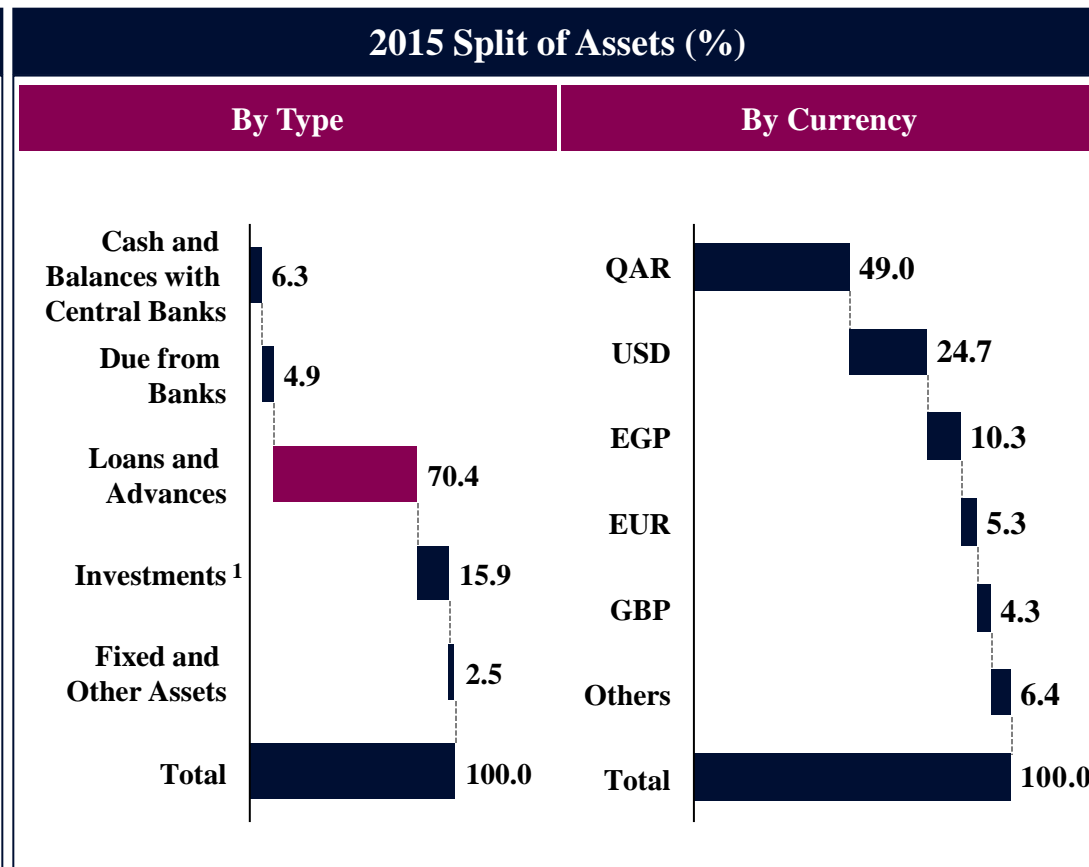
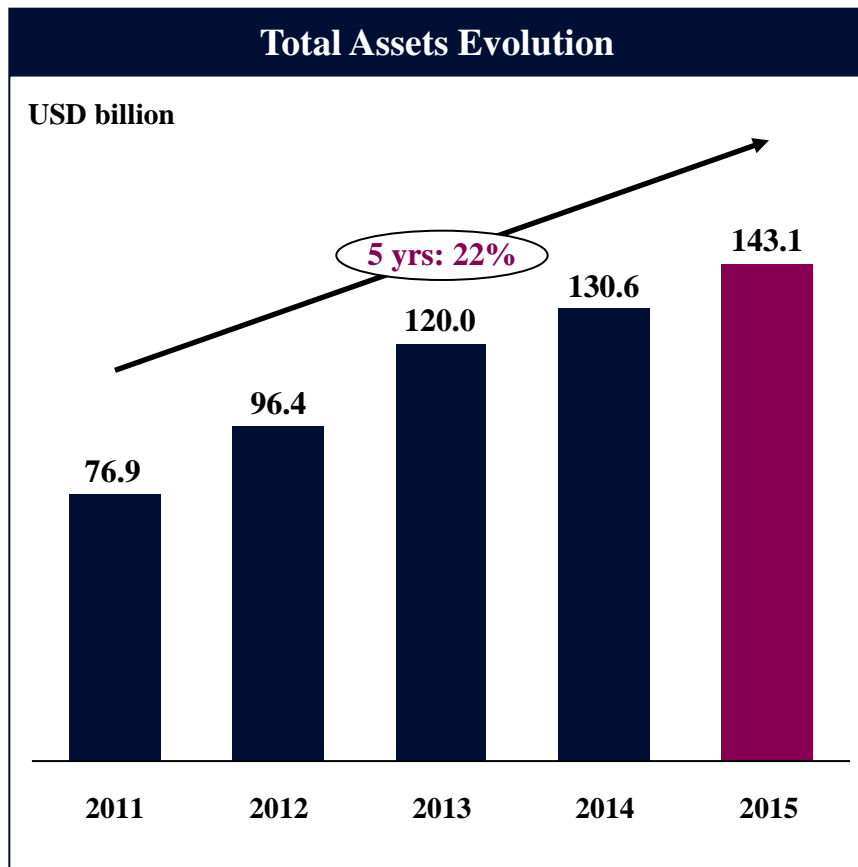
Quarterly Income Statement

Income Statement					
USD 000s	Q3 2014	Q4 2014	Q1 2015	Q2 2015	Q3 2015
• Net Interest Income	855,537	872,477	866,194	883,438	872,742
– FX Gain	65,223	54,716	57,015	54,771	51,656
– Fees and Commissions	150,685	154,119	151,666	159,912	150,393
– Investment Income	5,870	(7,930)	6,842	6,205	30,895
– Other Income	13,080	10,608	1,073	1,333	292
• Total Other Income	234,858	211,513	216,596	222,221	233,236
• Total Operating Income	1,090,395	1,083,991	1,082,790	1,105,659	1,105,978
• G&A Expenses	(219,403)	(230,104)	(238,261)	(236,783)	(242,393)
• Total Operating Profit	870,992	853,887	844,529	868,876	863,585
• Investment Income - Associates	17,739	43,701	13,222	56,300	35,688
• Loan Loss Provisions	(13,962)	(158,617)	(42,331)	(46,685)	25,028
• Other Provisions & Taxes	(68,955)	(65,351)	(80,580)	(78,682)	(63,479)
• Net Profit	805,814	673,621	734,840	799,809	860,822

- QNB Group results are produced in compliance with International Financial Reporting Standards
- For greater transparency, QNB Group is one of the earliest financial institutions in the region to publish its quarterly and year-end financial results

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

Assets Analysis (as at 30 September)

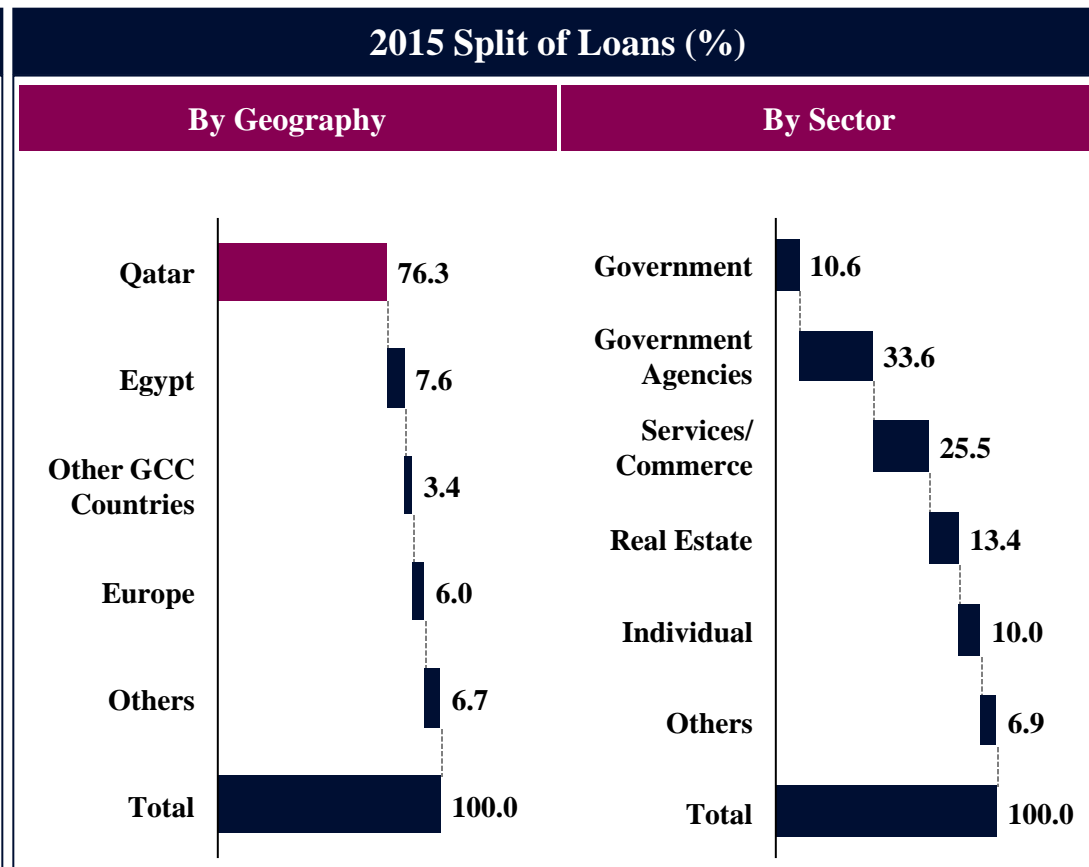
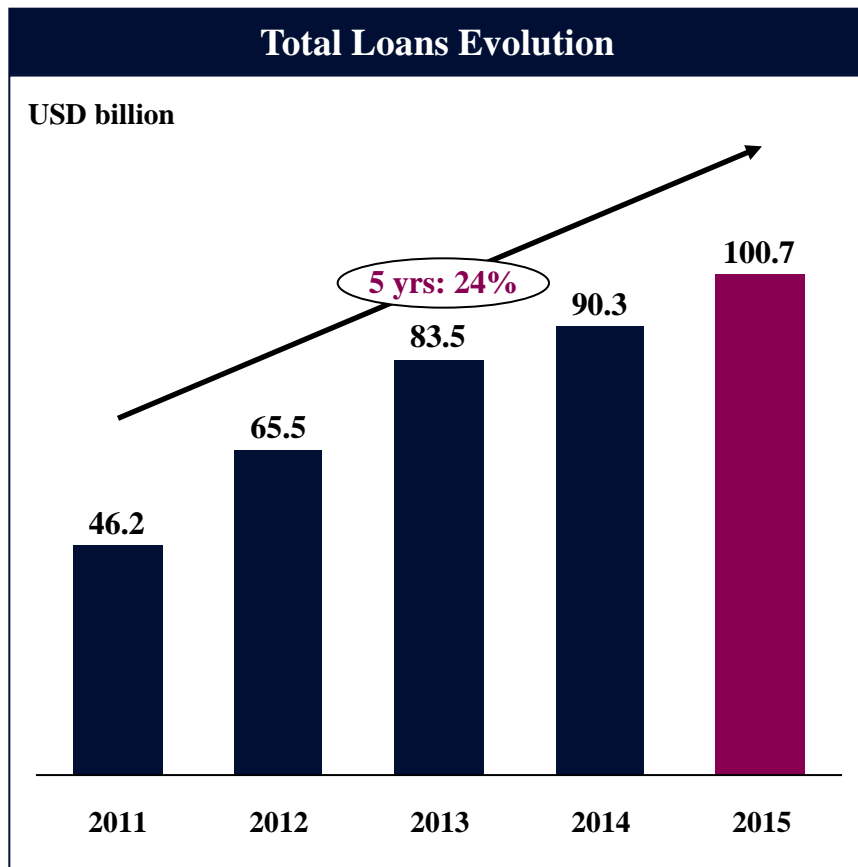


- Assets increased 10% from September 2014
- 2010-2015 CAGR of 22%

- Loans and advances represent 70% of total assets
- USD and QAR currencies account for 74% of total assets

Good loan growth

Loans Analysis (as at 30 September)

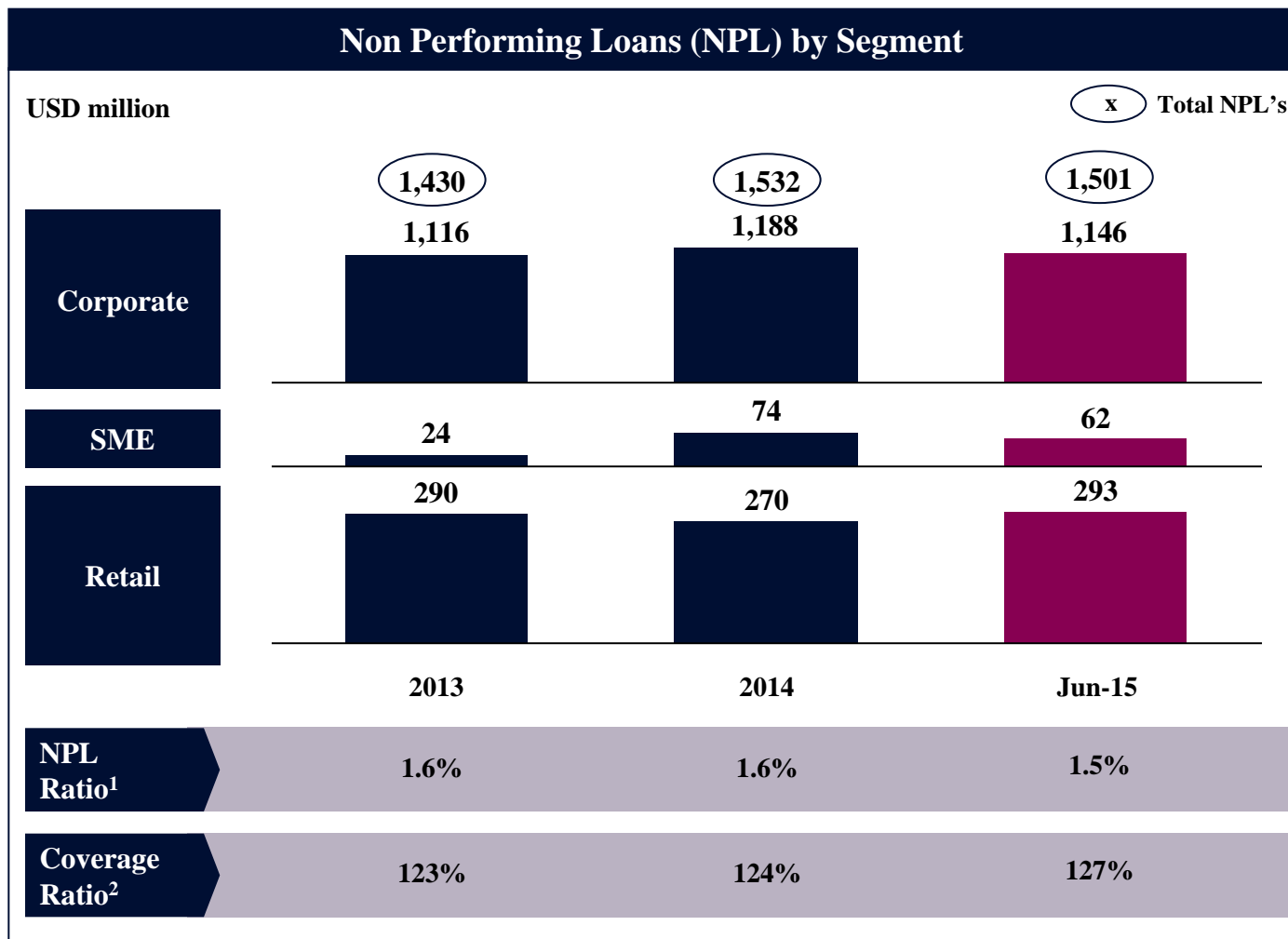


- Loans increased 11% from September 2014
- 2010-2015 CAGR of 24%

- Loans denominated in USD represent 28% of total loans
- Loan exposures are of a high quality with 44% concentration to Government and public sector entities

High quality lending portfolio is highlighted by low NPL ratios

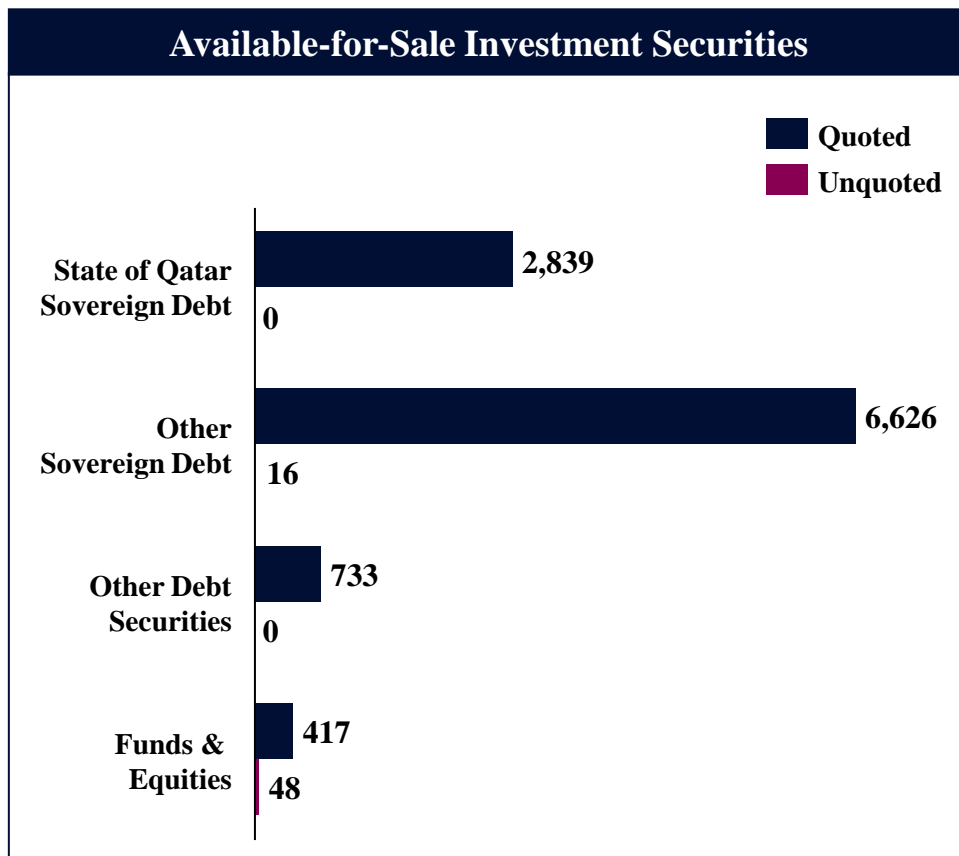
Asset Quality Analysis (as at December unless stated)



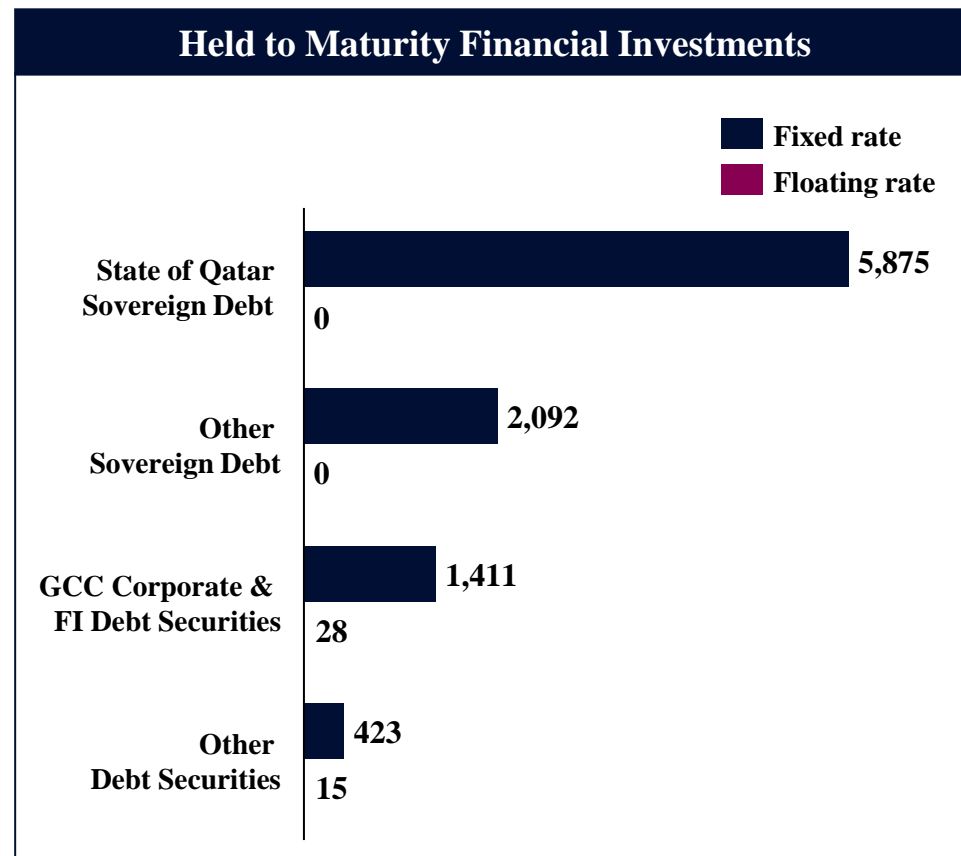
- QNB has continued to increase its provisions in response to the global economic situation
- The bank's coverage ratio has remained robust amidst the economic slowdown, with a coverage of 127% as at 30 September 2015
- Past dues are NPL after 90 days
- There is the additional security of a risk reserve of USD961 Mn representing close to 3.00% of private lending (representing the QCB minimum requirement)

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

Investments Analysis (USD million as at 30 September 2015)



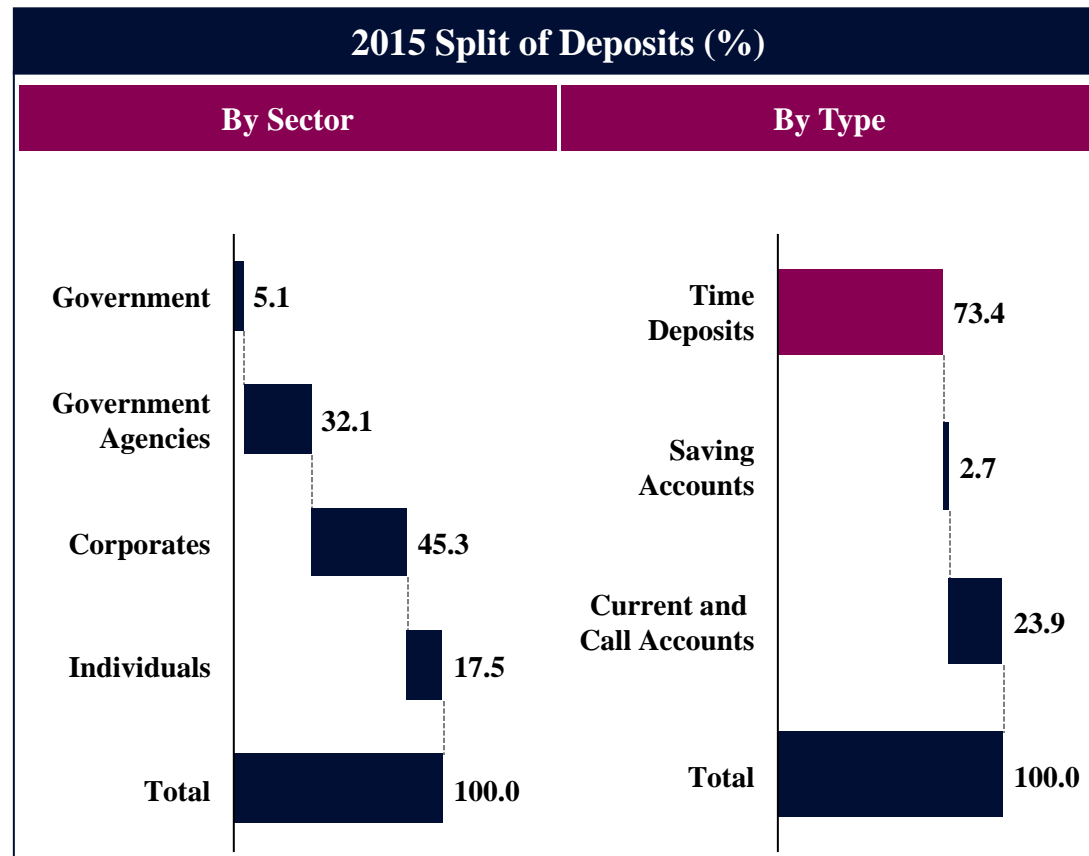
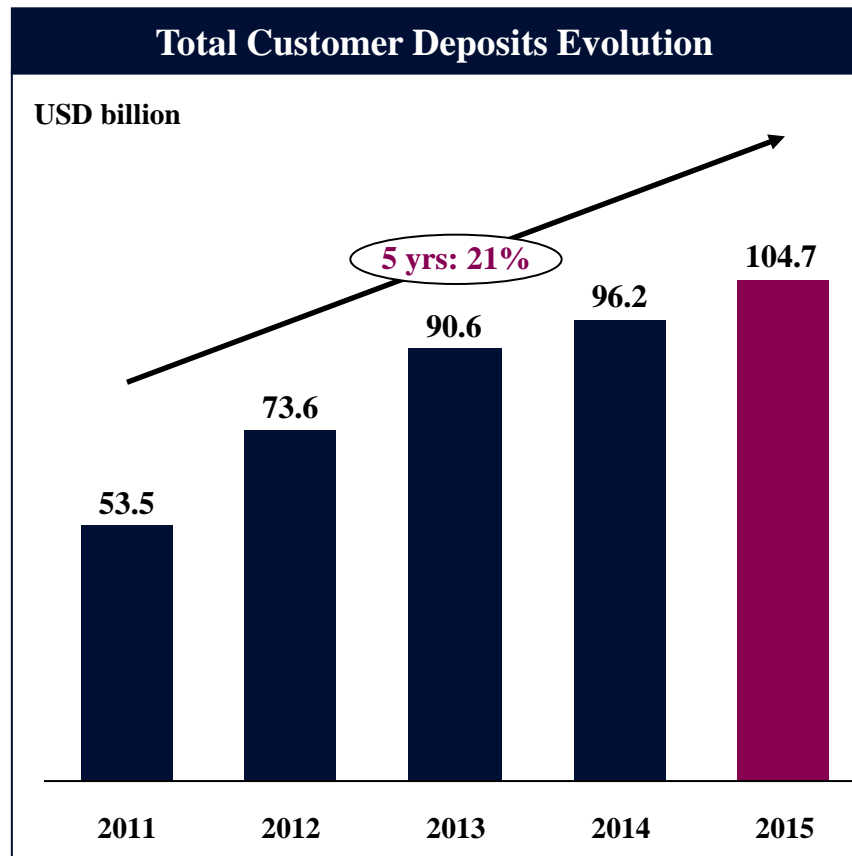
- Quoted securities account for 99% of Available-for-Sale Investment securities



- Majority of Other Sovereign Debt is Government Guaranteed

Robust growth in customer deposits and funding

Funding Analysis (as at 30 September)

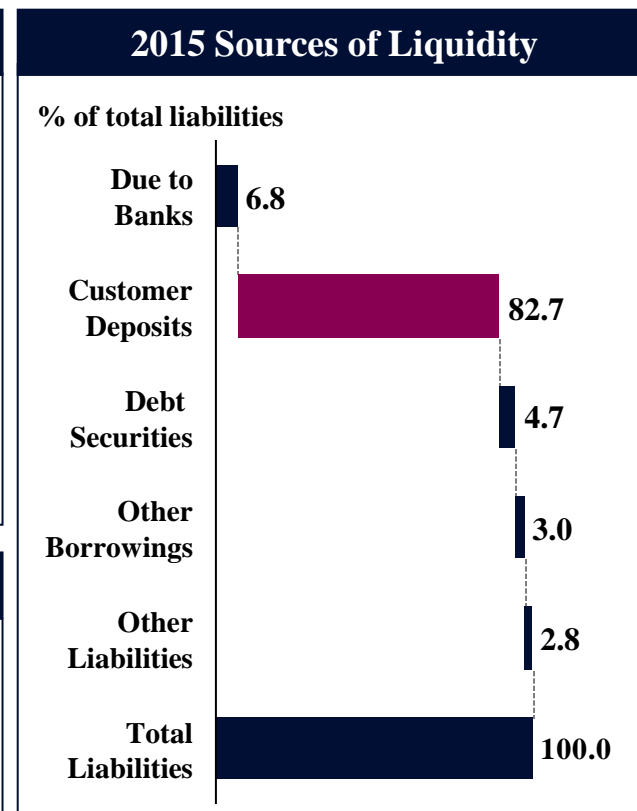
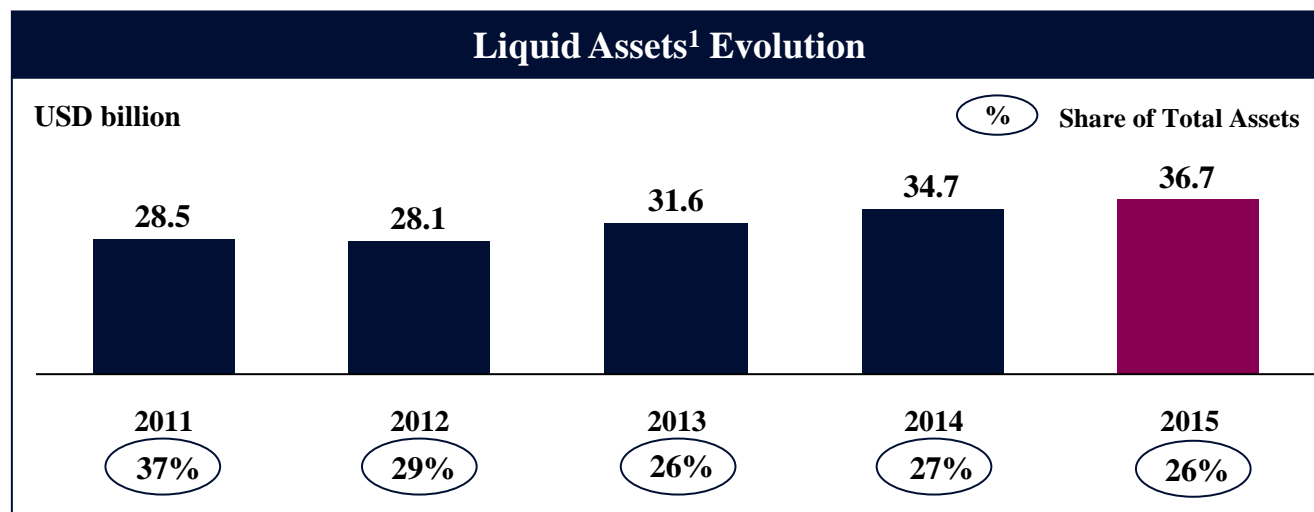
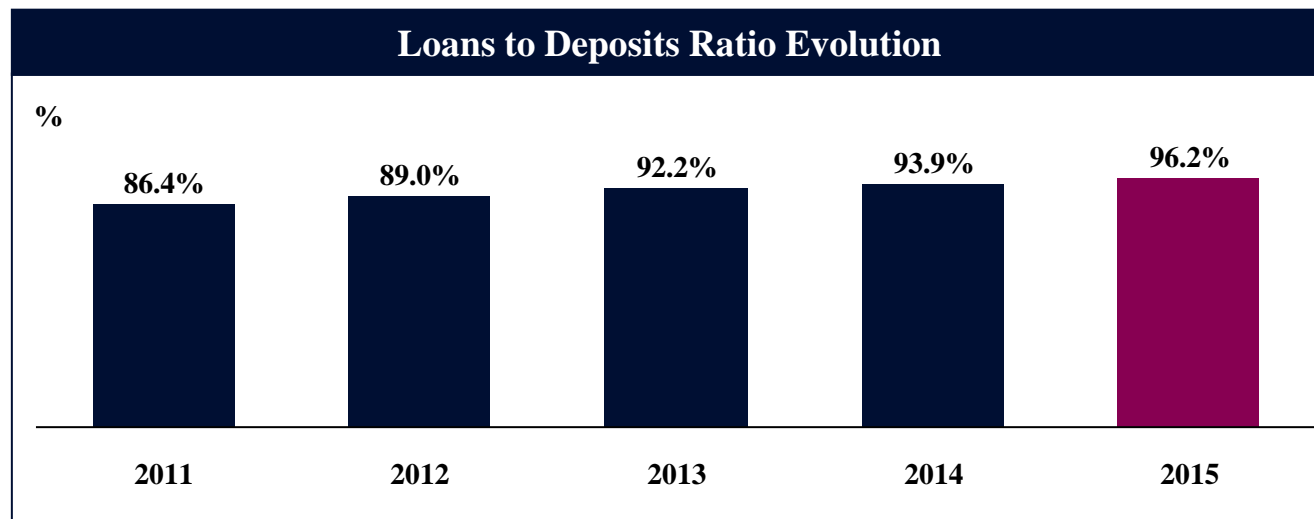


- Deposits increased 9% from September 2014
- 2010-2015 CAGR of 21%

- QNB remains the public sector's preferred bank
- USD denominated deposits represent 37% of total deposits
- EGP denominated deposits represent 10% of total deposits

Solid liquidity profile with loans to deposits ratio consistently below 97%

Liquidity Analysis (as at 30 September)



2015 Liquidity Ratios

• LCR:	95.1%
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Sources of Institutional Funding

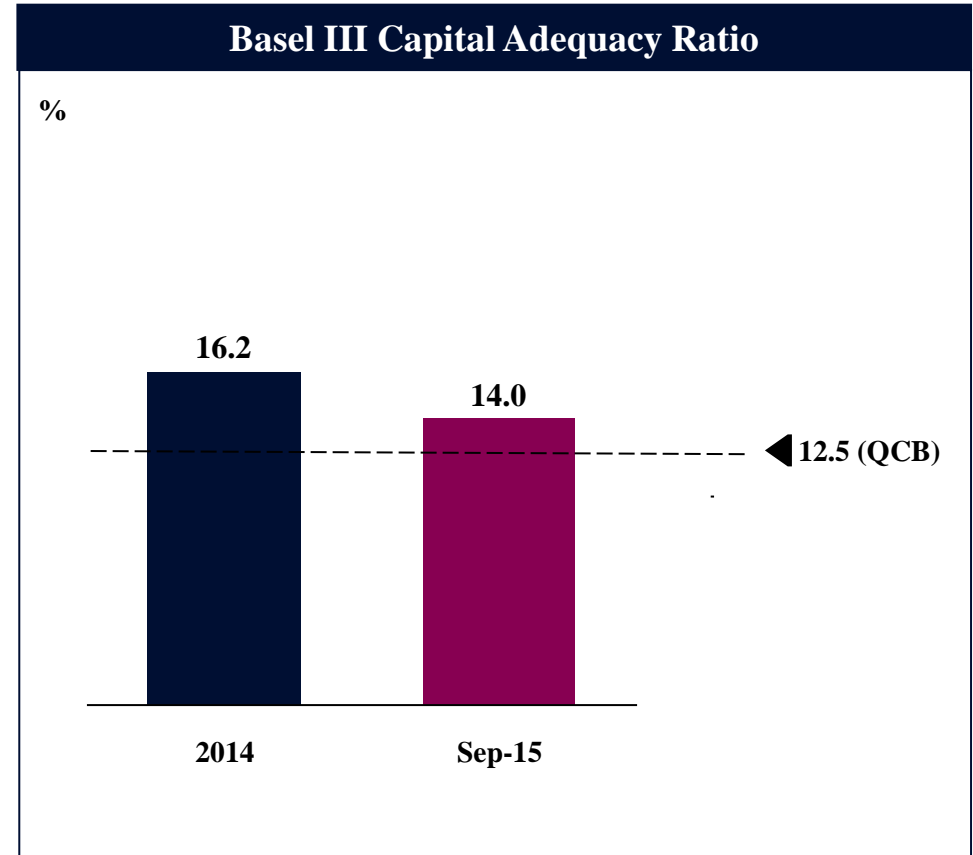
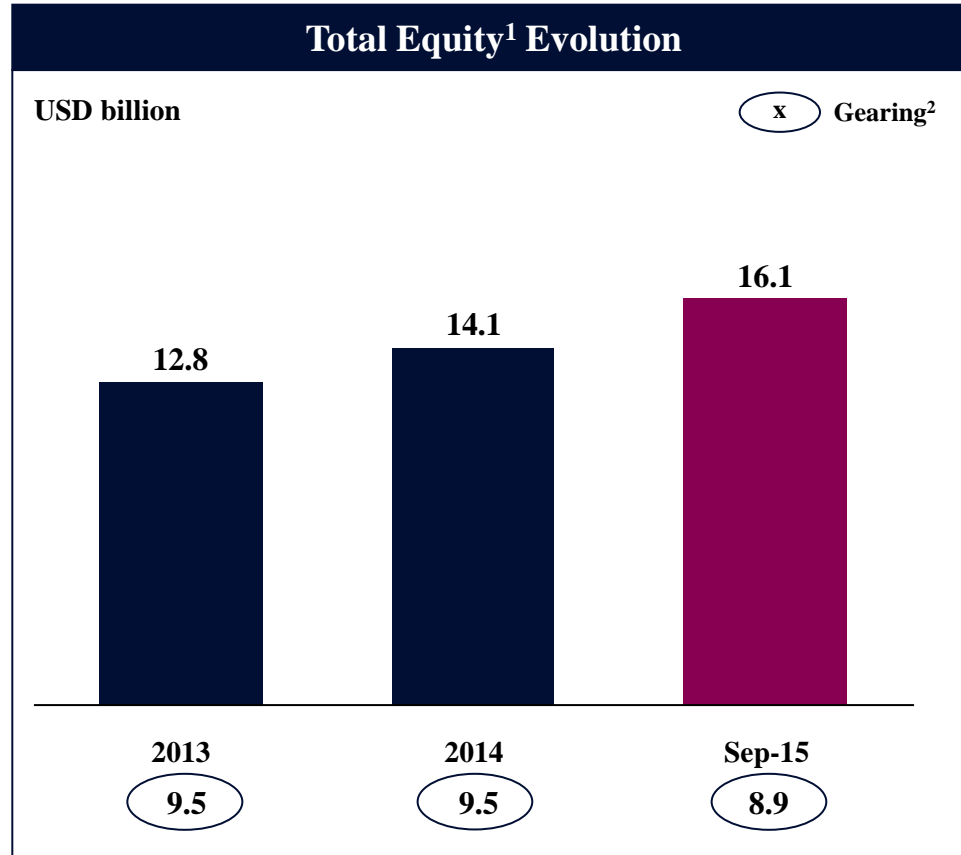
EMTN and Certificate of Deposits

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 5.8 billion
Currencies	<ul style="list-style-type: none"> Issued in CHF, CNY, EUR, HKD, JPY 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, Standard Chartered Bank and The Royal Bank of Scotland plc
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 7.1 billion
Average Life	<ul style="list-style-type: none"> Average residual life of 72 days
Currencies	<ul style="list-style-type: none"> Issuances in CHF, EUR, GBP, USD and other currencies available on request
Dealers	<ul style="list-style-type: none"> Bank of America Merrill Lynch, Barclays Bank plc, BNP Paribas, 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 unless stated)



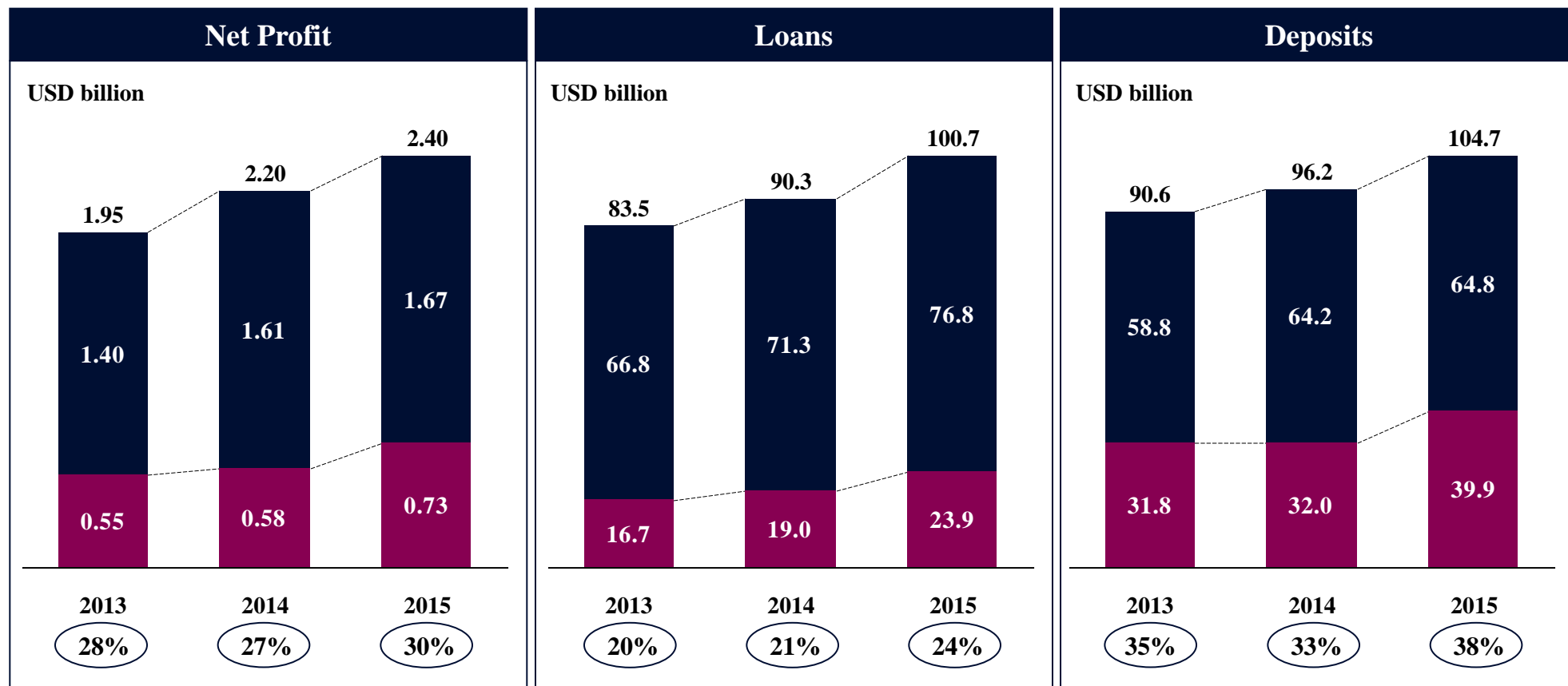
- Capital base has been regularly increased in line with the strong performance of QNB's balance sheet

- Capital adequacy ratio is above QCB and Basel III requirements

Increasing geographical diversification positively contributes to growth

Geographical Contribution (as at 30 September)

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

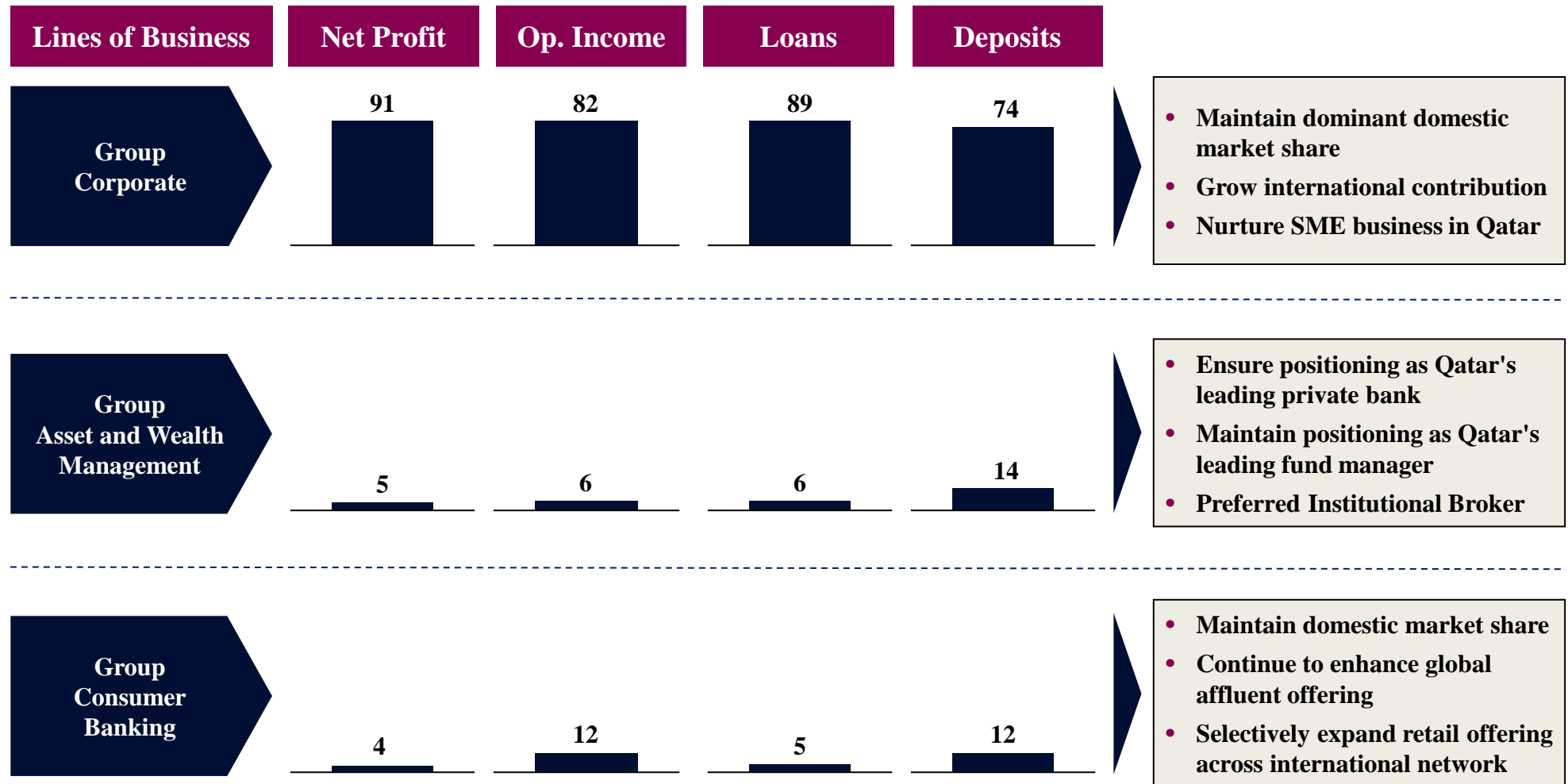


- Profit from international increased by USD175 Mn (32%) from 2013 to 2015
- Dec-14 Share of International profit: 28%

- Loans from international operations increased by USD7.2 Bn (43%) from 2013 to 2015
- Deposits from international operations by USD8.1 Bn (25%) from 2013 to 2015
- Dec-14 Share of International Loans: 22% / Share of International Deposits: 36%


Diversifying business mix will bolster sustainable growth






Business Mix Contribution (% share as at 30 September 2015)



QNB ALAHLI

Highlights (as at 30 September 2015)

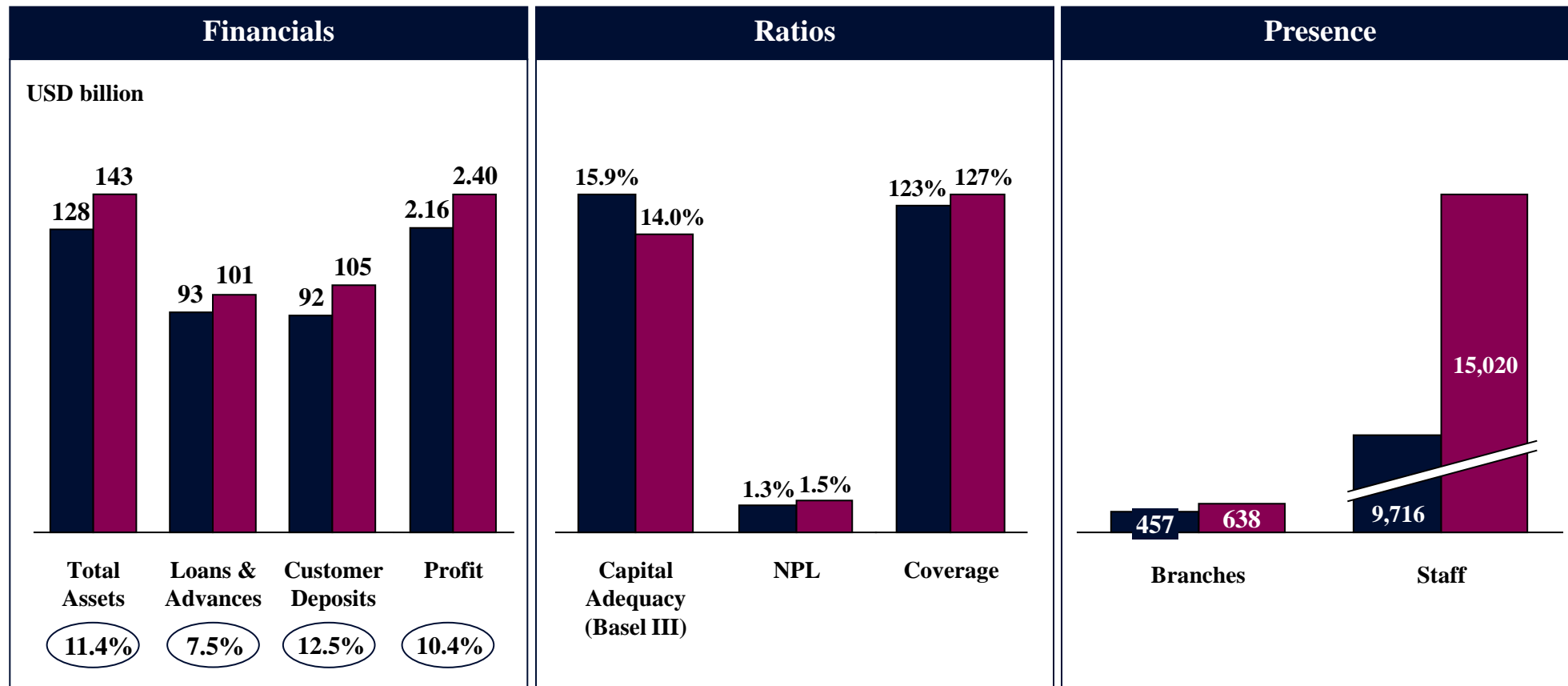
 Growth vs. September 2014 unless stated

Profit	<ul style="list-style-type: none"> • USD249.4 Mn  +16% 	<ul style="list-style-type: none"> • Net interest margin (NIM)¹: 4.68% • Cost to income ratio: 30.7%
Assets	<ul style="list-style-type: none"> • USD16.4 Bn assets  +20% from Sept-14 +9% from Dec-14 • USD7.6 Bn loans  +15% from Sept-14 +9% from Dec-14 	<ul style="list-style-type: none"> • NPL (% of gross loans): 3.0% • Coverage ratio: 148%
Funding	<ul style="list-style-type: none"> • USD13.1 Bn deposits  +18% from Sept-14 +10% from Dec-14 	<ul style="list-style-type: none"> • Loans to deposits ratio: 57.9%
Equity	<ul style="list-style-type: none"> • USD1.8 Bn equity  +17% 	<ul style="list-style-type: none"> • Capital adequacy ratio (Basel II): 16.5%

QNB Group Financials

Key data (as at 30 September 2015)

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

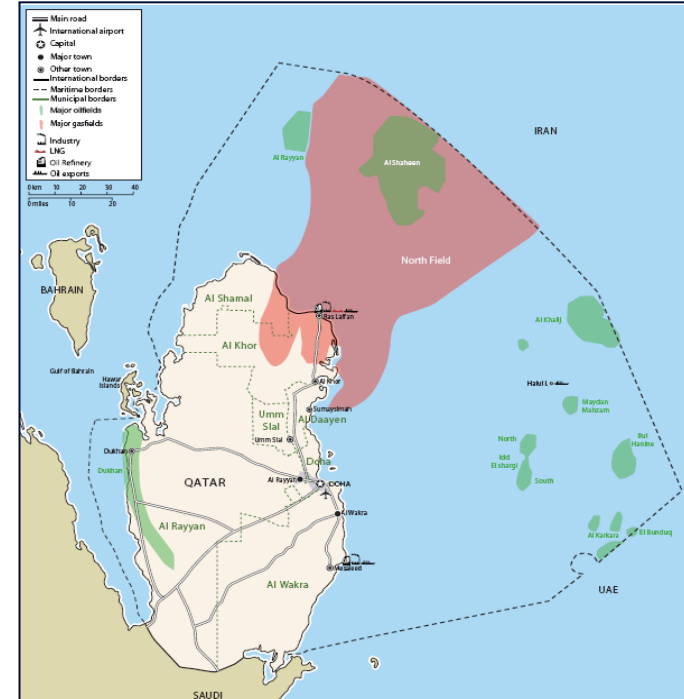
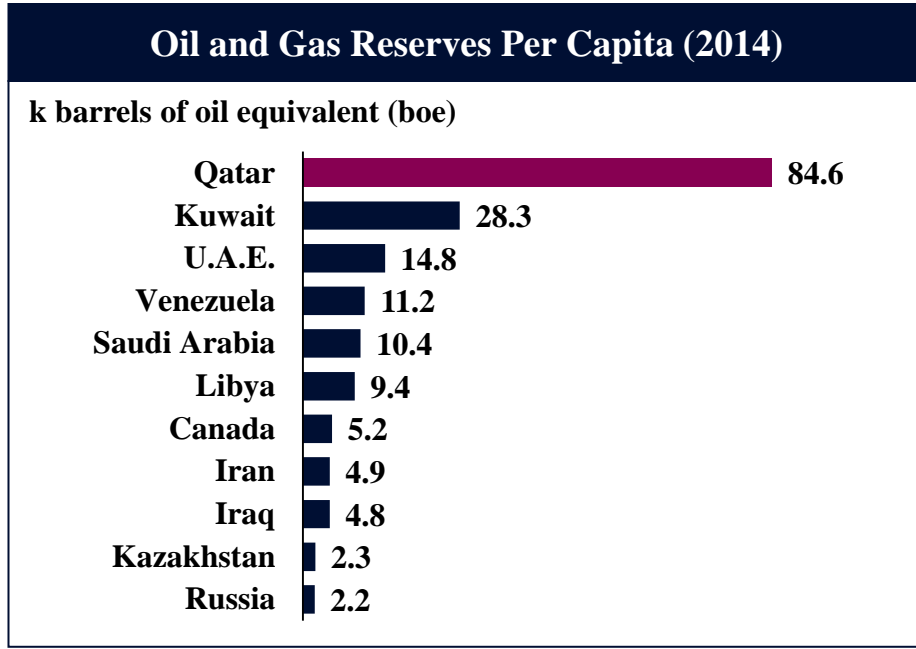


- Results finalised under International Financial Reporting Standards (IFRS)
- Capital Adequacy (Basel III) on consolidation 14.0%

Economic Overview



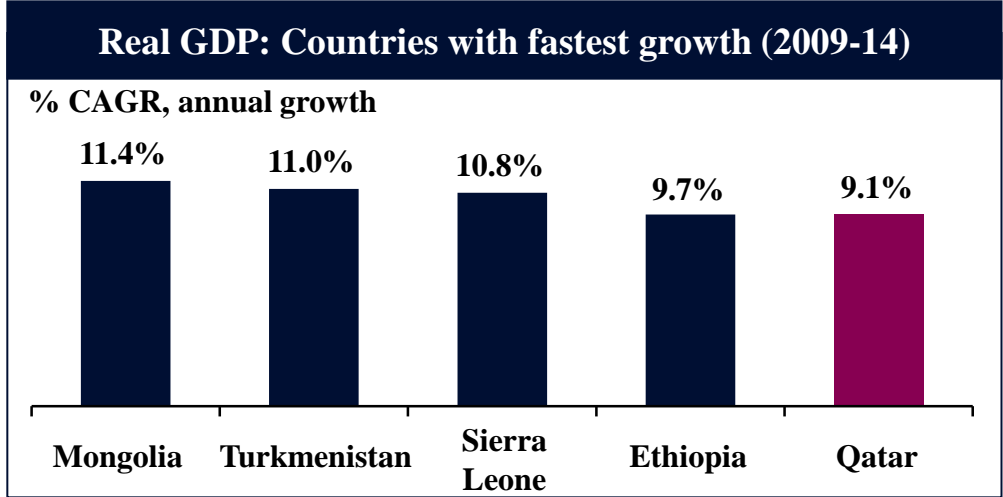
Qatar oil and gas wealth per capita is the highest in the world ...



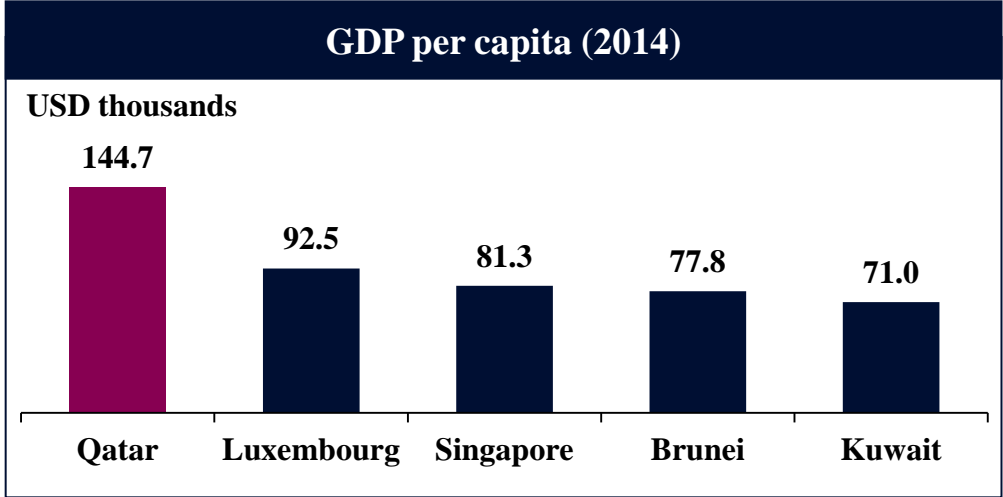
- Qatar is endowed with major oil and gas resources, especially in relation to the size of its population
- At current extraction rates, Qatar’s proven gas reserves will last at least another 138 years and oil reserves for 36 years

- 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)

... and Qatar was one of the world's fastest growing economies during 2009-14

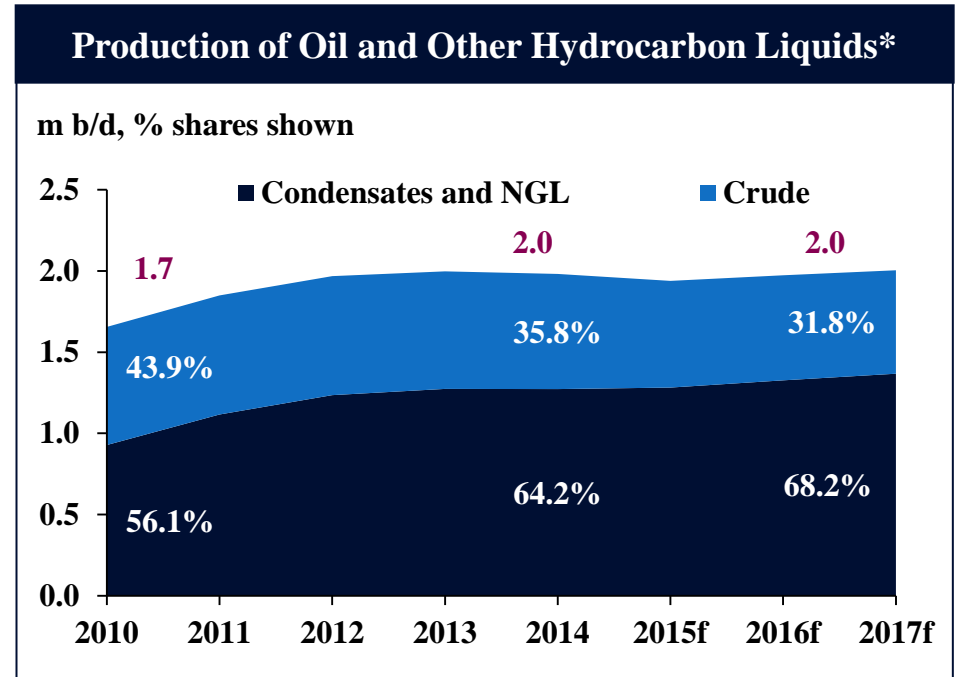
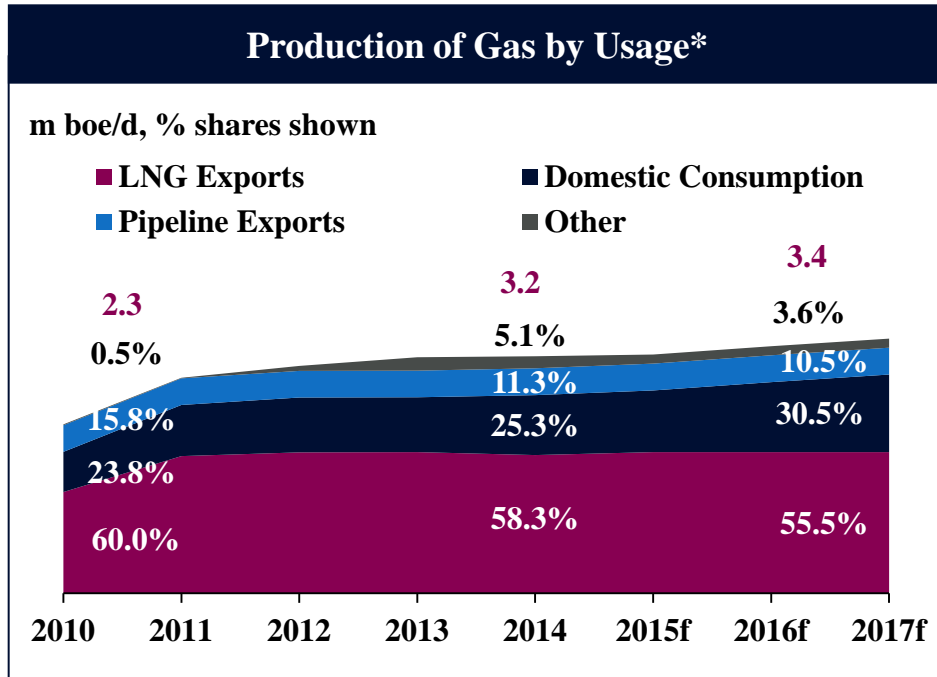


- Qatar's compound annual real growth (CAGR) of 9.1% during 2009-14 was one of the world's fastest, driven by the expansion in LNG production and investment in infrastructure



- GDP per capita was USD144.7k in 2014, the highest globally
- Qatar had one of the highest percentage of millionaire households in the world (11.6%) in 2014

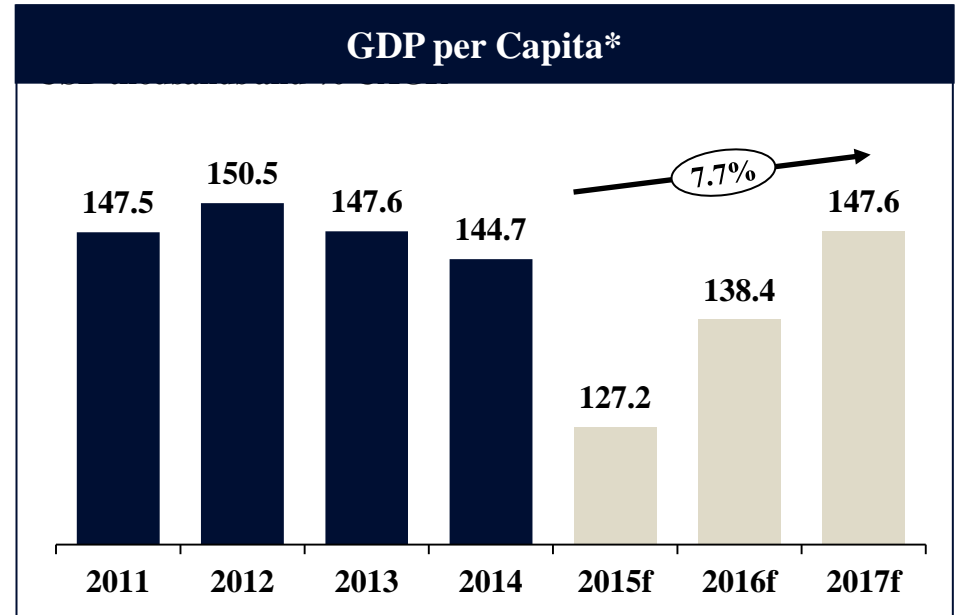
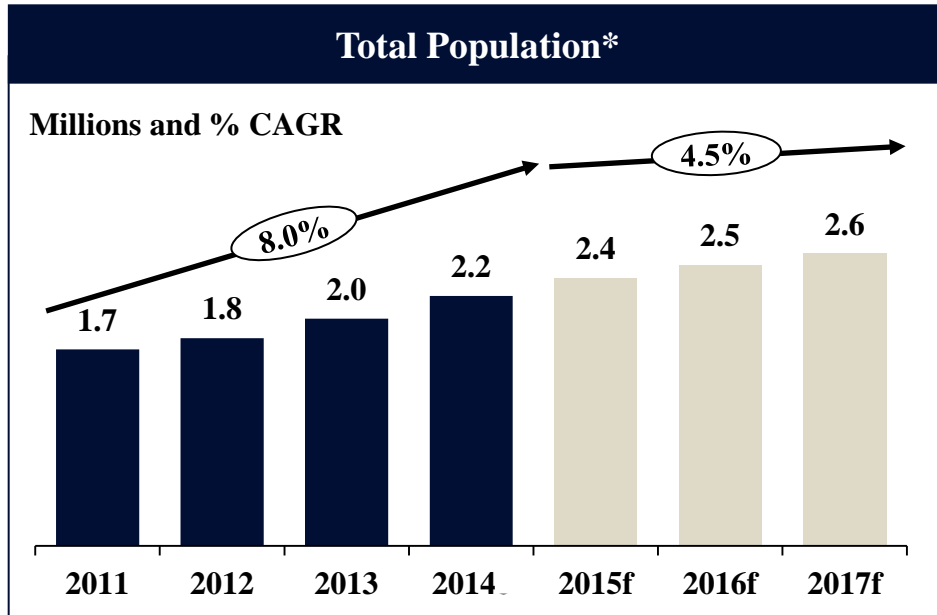
Hydrocarbon growth has been driven by a large expansion in gas production; but has now plateaued given the authorities' moratorium on gas exploration



- LNG exports have plateaued with no increases planned, but production for domestic use is set to rise
- In order to meet rising domestic demand, the Barzan project has been initiated, and as a result the share of gas production for domestic use is projected to increase to 30.5% by 2017 from 25.3% in 2014

- Falling crude oil production will be more than offset by rising production of other hydrocarbon liquids
- Going forward, condensate and NGL production is likely to continue rising as the Barzan project comes on stream

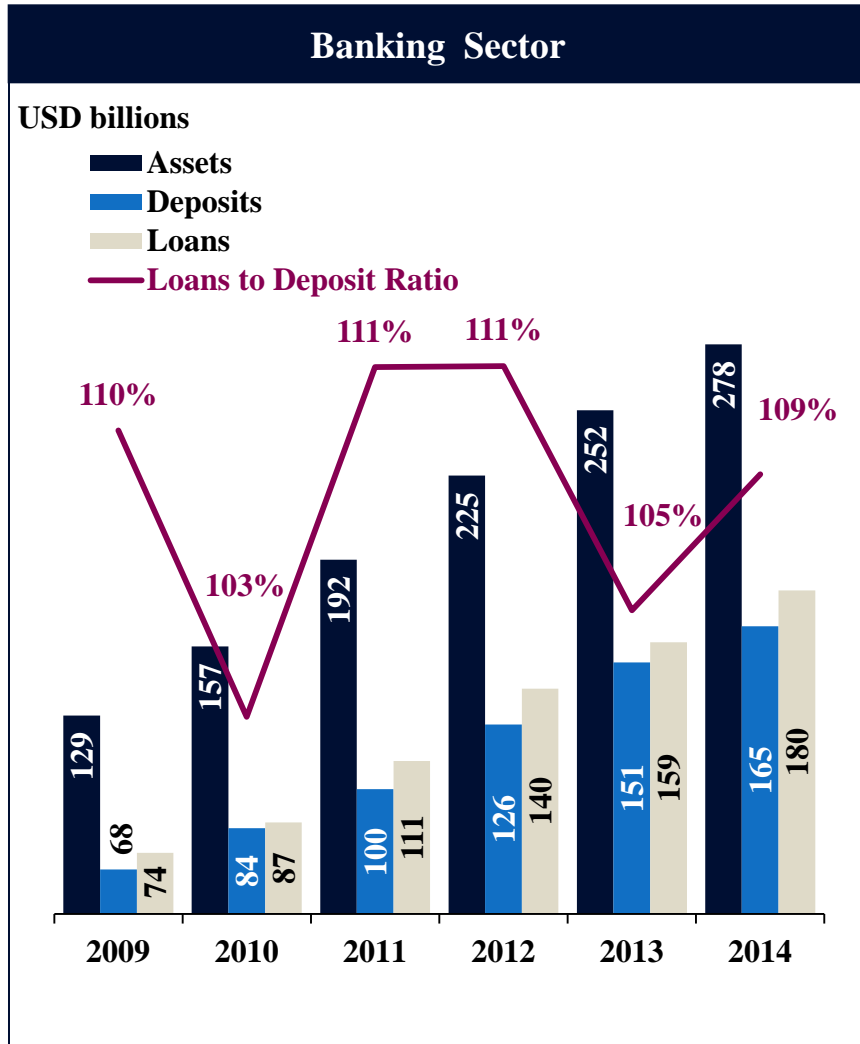
The expansion has driven population growth and created significant wealth



- Population growth reached 9.3% in 2013 and 10.6% in 2014 on a large influx of expatriate workers to fill the jobs created by the surge in project spending
- Population is expected to reach 2.6m by 2017 as the government ramps up its infrastructure investments in preparation for the 2022 World Cup

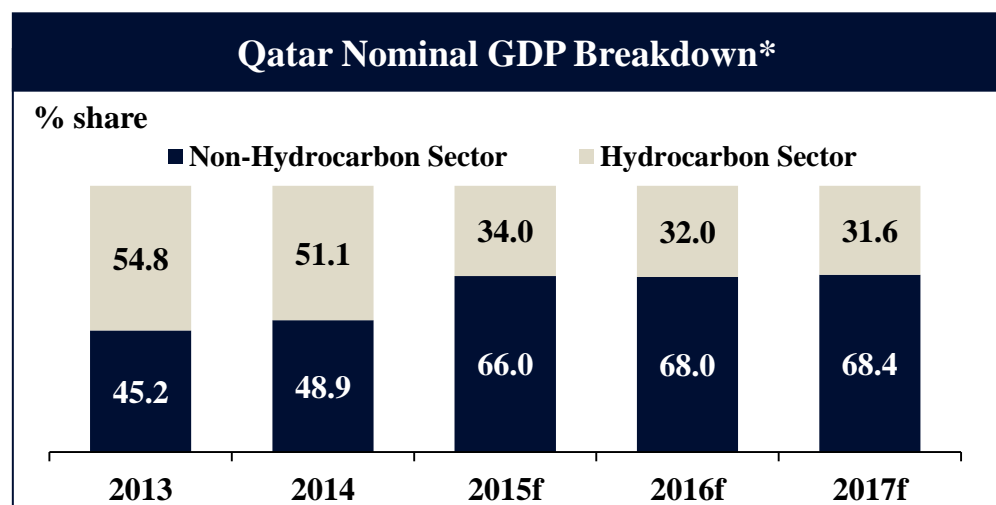
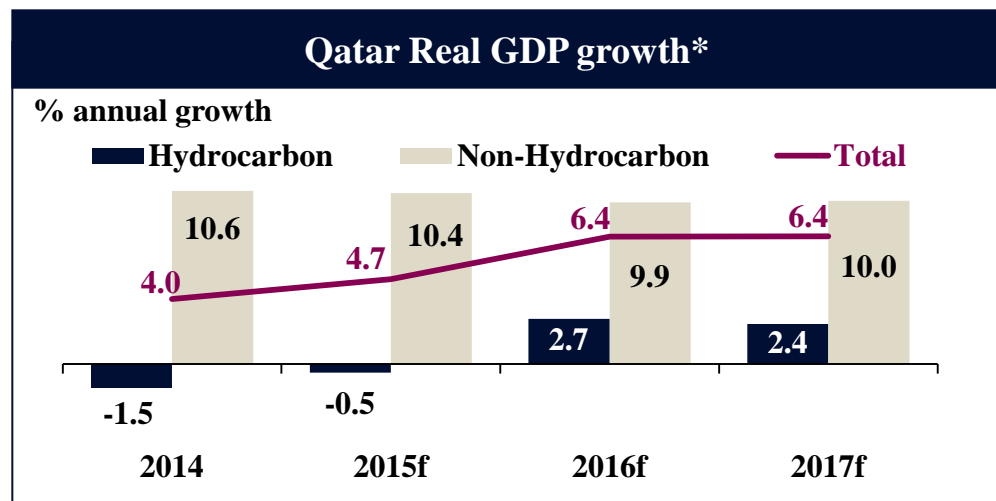
- GDP per capita has grown rapidly in recent years, becoming the highest in the world, although it is expected to fall in 2015 in line with lower international oil prices
- GDP per capita is expected to recover to USD148k by 2017 on accelerating GDP growth

Qatar's banking sector is growing rapidly and remains highly profitable



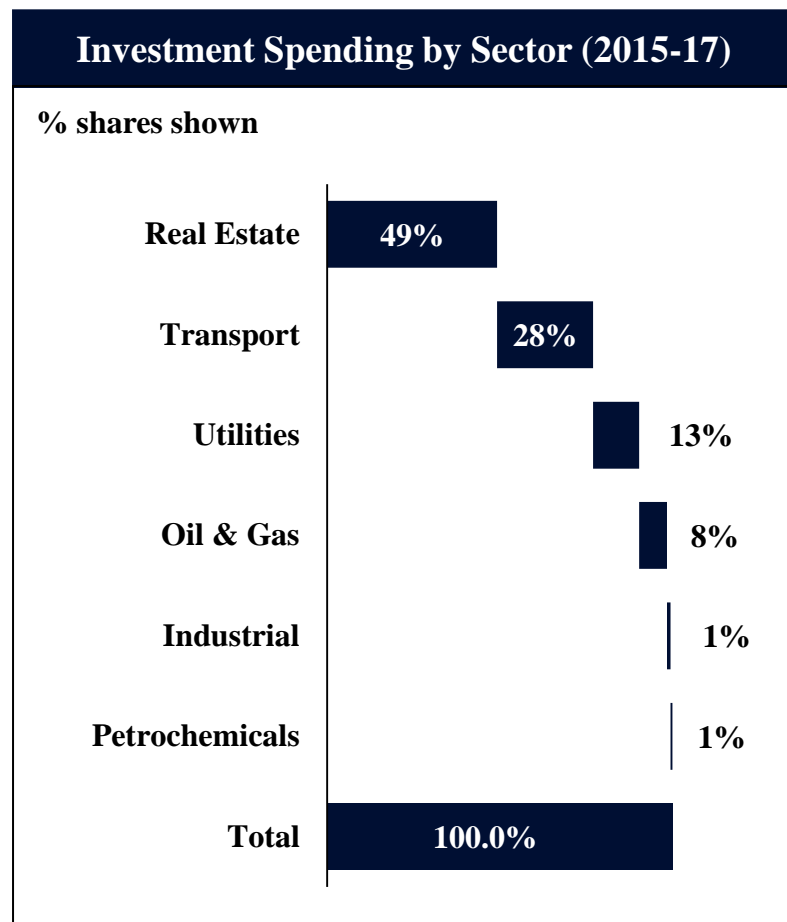
- Assets saw a healthy expansion over the period Dec-2009 to Dec-2014, growing by a CAGR of 16.5%
- Deposits grew strongly by a CAGR of 19.5% over Dec-2009 to Dec-2014, underpinned by large fiscal surpluses and rapid population growth
- Loans grew by a CAGR of 19.2% over Dec-2009 to Dec-2014 due to large project financing and growing consumer lending
- Average return on equity for the banking sector was 16.5% at end-2014
- Average non-performing loans remained low at 1.7% of total loans at end-2014

The non-hydrocarbon sector will drive growth in the next few years



- Qatar is well-positioned to withstand lower oil prices thanks to a low fiscal breakeven oil price, the accumulation of significant past savings and low public debt
- Growth is underpinned by large government infrastructure projects, which also draw in workers, further boosting aggregate demand
- The share of the non-hydrocarbon sector in nominal GDP is forecast to rise from 48.9% in 2014 to 68.4% in 2017 as the economy becomes more diversified

Growth in the non-hydrocarbon sector is driven by higher project spending

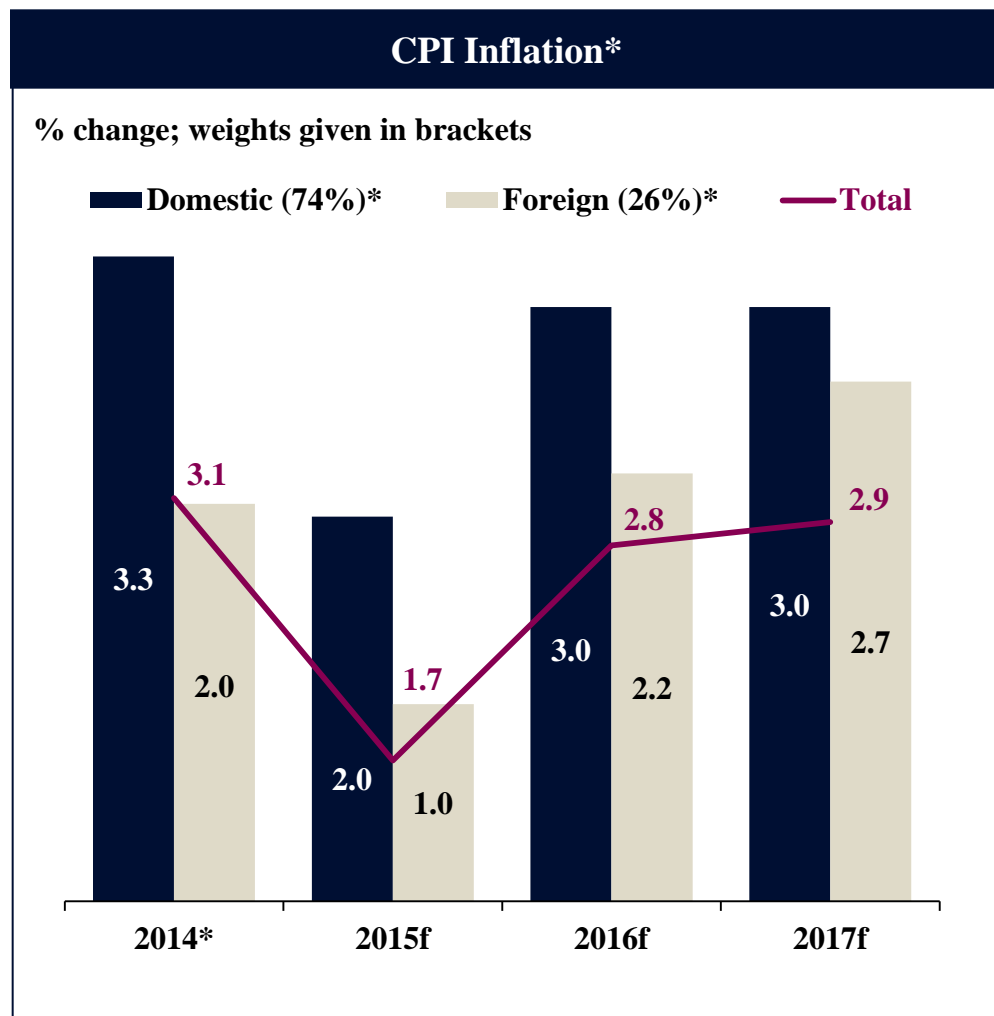


Major Projects

	Project	Budget (USD bn)	End
Real Estate	Lusail Mixed-Use Development	45.0	2019
	Barwa Al Khor Development	10.0	2025
	Airport City	9.0	2042
Transport	Qatar Integrated Rail	40.0	2026
	Ashghal Expressway Programme	20.0	2018
	Hamad International Airport	15.5	2020
	Ashghal Local Roads & Drainage	14.6	2019
Oil and Gas	Bul Hanine Oilfield Redevelopment	11.0	2028
	Barzan Gas Development	10.3	2020

- Investment spending is set to rise going forward, sustaining high growth, with the focus shifting to real estate and transport projects

Inflation is moderating on lower international commodity prices and slowing rent inflation, but should pick up gradually going forward

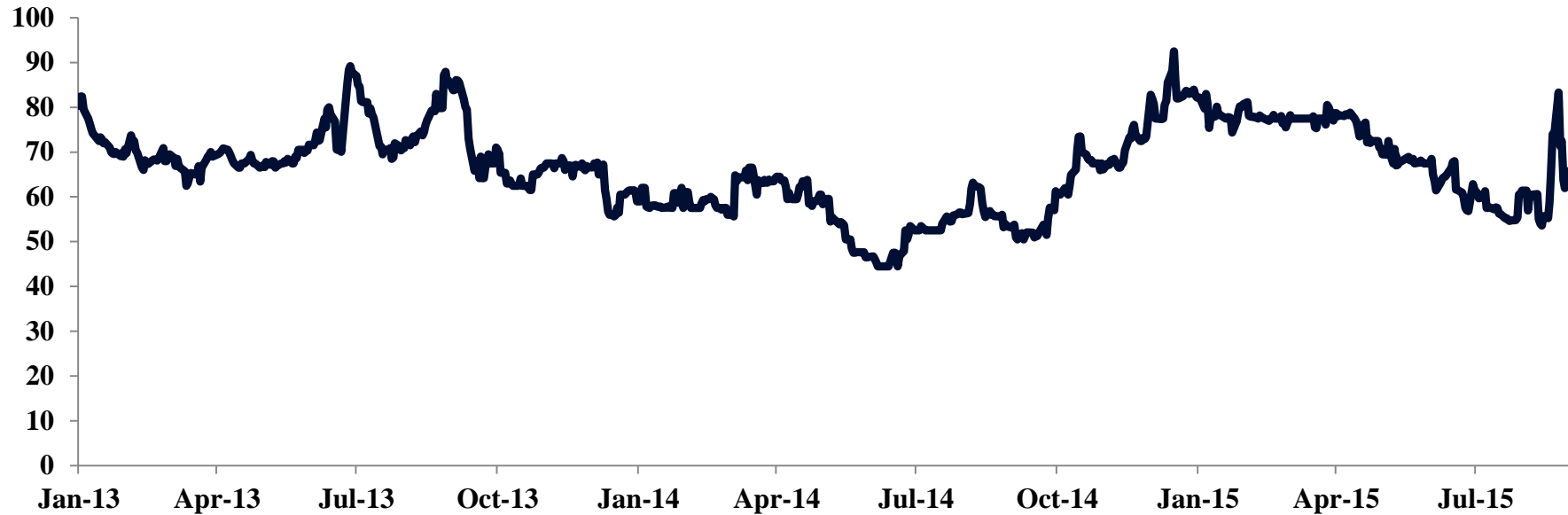


- Lower international food prices are expected in 2015 due to slowing world demand growth and the build-up in stocks after good global harvests
- Domestic inflation is expected to remain weak in 2015, despite strong population growth, as additional housing units lead to lower rent inflation
- Overall inflation is projected to pick up in 2016 and 2017 owing to the expected recovery in food prices and higher oil prices in 2017
- CPI weights were revised in January 2015, with the share of rents revised down, which should help keep overall inflation lower going forward

Strong fundamentals have kept CDS spreads low

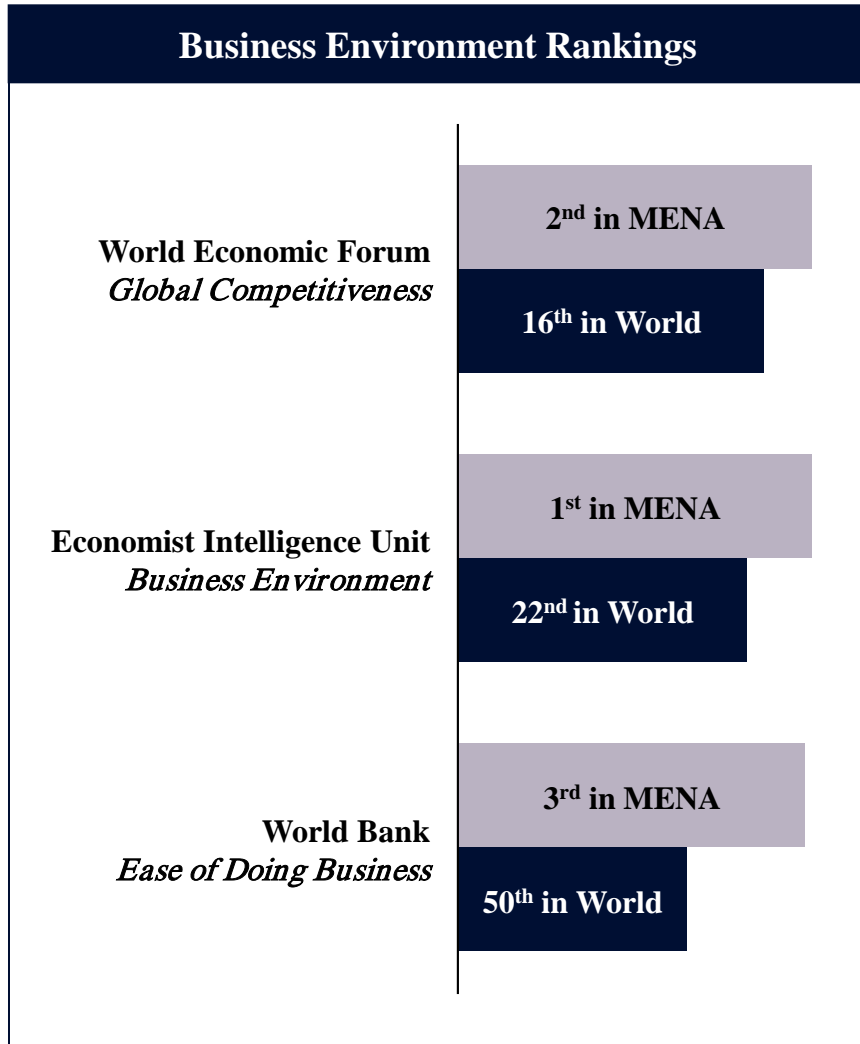
Qatar Credit Default Swap (CDS) Spreads, 5-year USD

CDS spreads are the annual cost of insuring sovereign debt against default in basis points



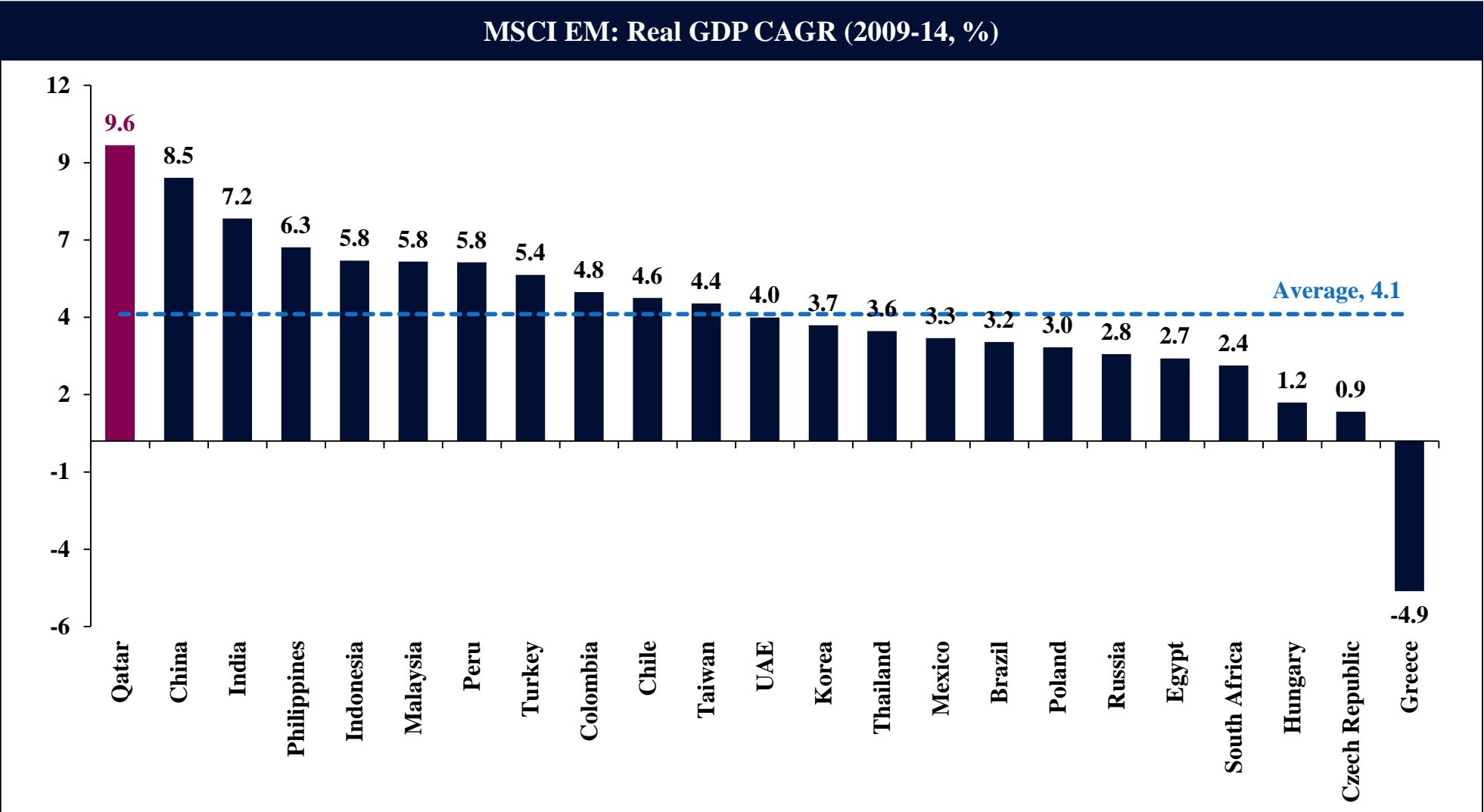
- Strong fiscal and economic fundamentals have kept Qatar's CDS spreads low, notwithstanding the recent drop in oil prices
- Qatar's CDS spreads are amongst the lowest regionally as they are supported by the country's robust economic and resource-driven strengths as well as its strong fiscal and external balance sheets

Qatar's business environment is one of the strongest in the MENA region

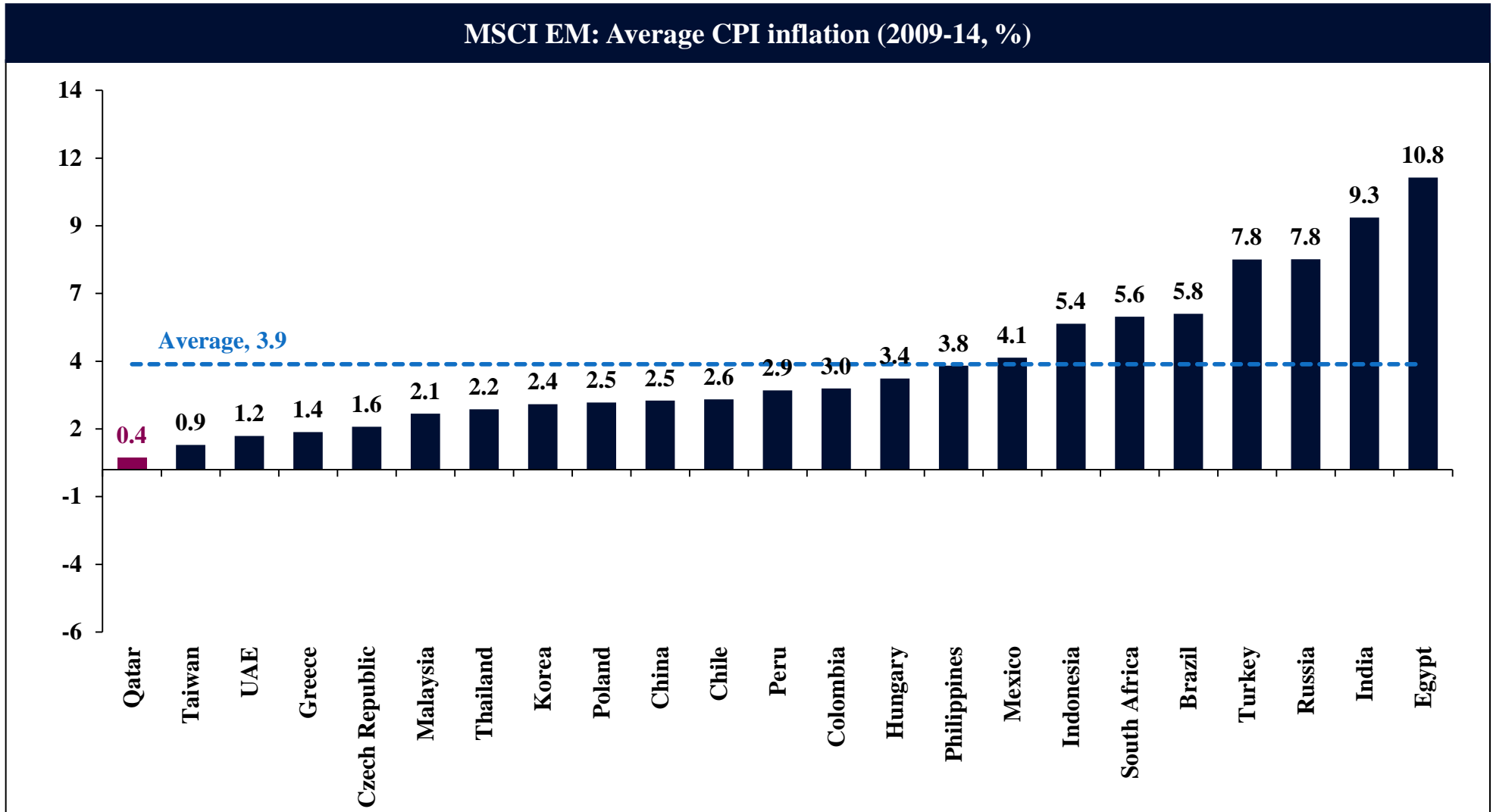


- ### Contributing factors
- **Strong economic fundamentals**
 - Strong growth and successful focus on diversification
 - High levels of government spending and personal consumption
 - Enabling infrastructure (power, transport, telecoms etc.)
 - Strong banking system
 - Stability provided by the currency peg to US dollar
 - **Low tax environment**
 - Low corporate taxes, e.g. 10% on foreign company profits (ex-hydrocarbons sector)
 - No personal or employment taxes
 - No VAT, low import duties
 - **Enabling regulation and favorable business environment**
 - Flexible labour laws
 - Strong institutional framework, low level of corruption, high efficiency of government institutions and strong security
 - Innovative structures – e.g. Qatar Financial Centre

Qatar is the fastest growing economy in the MSCI Emerging Market group...

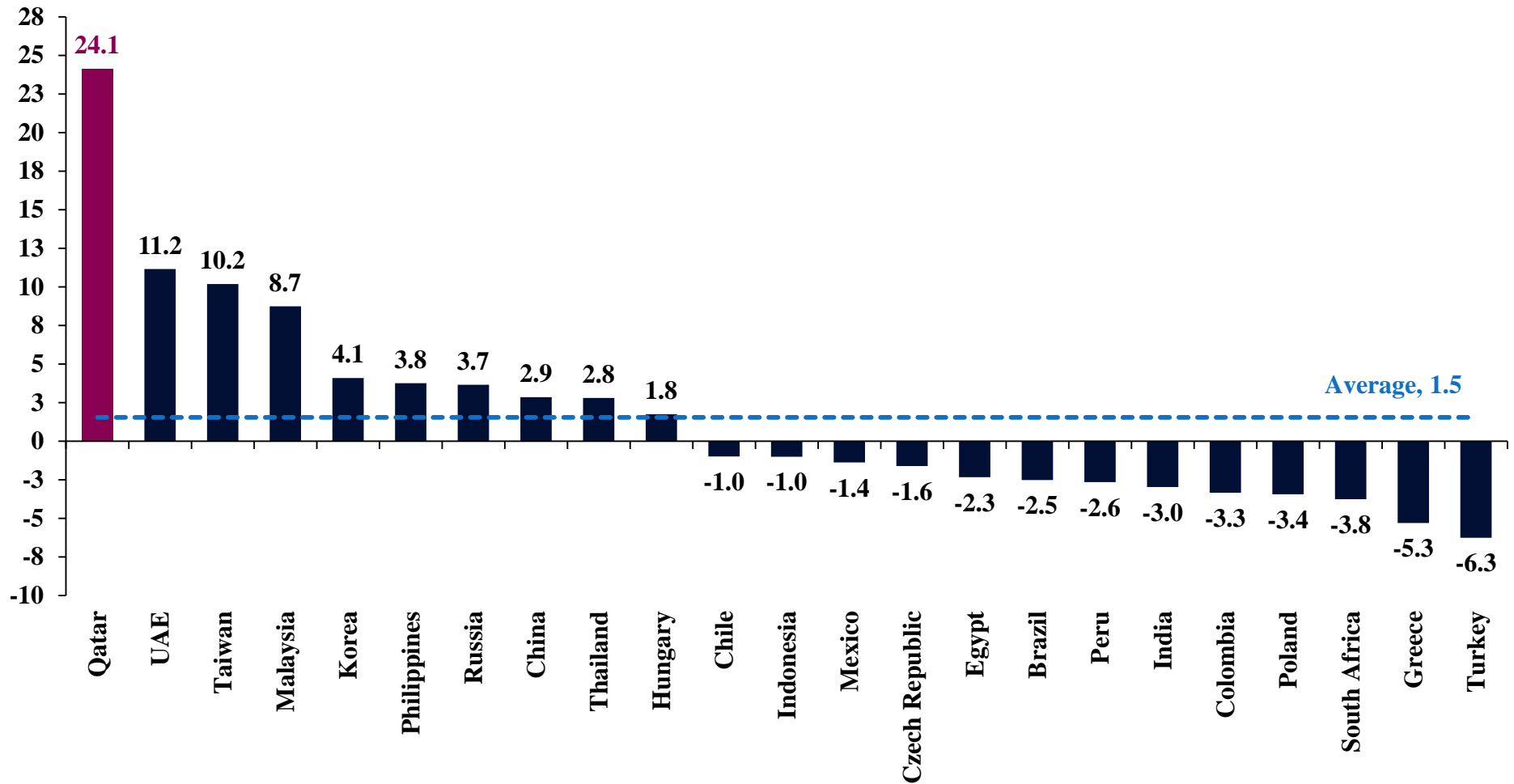


...with the lowest inflation rate...



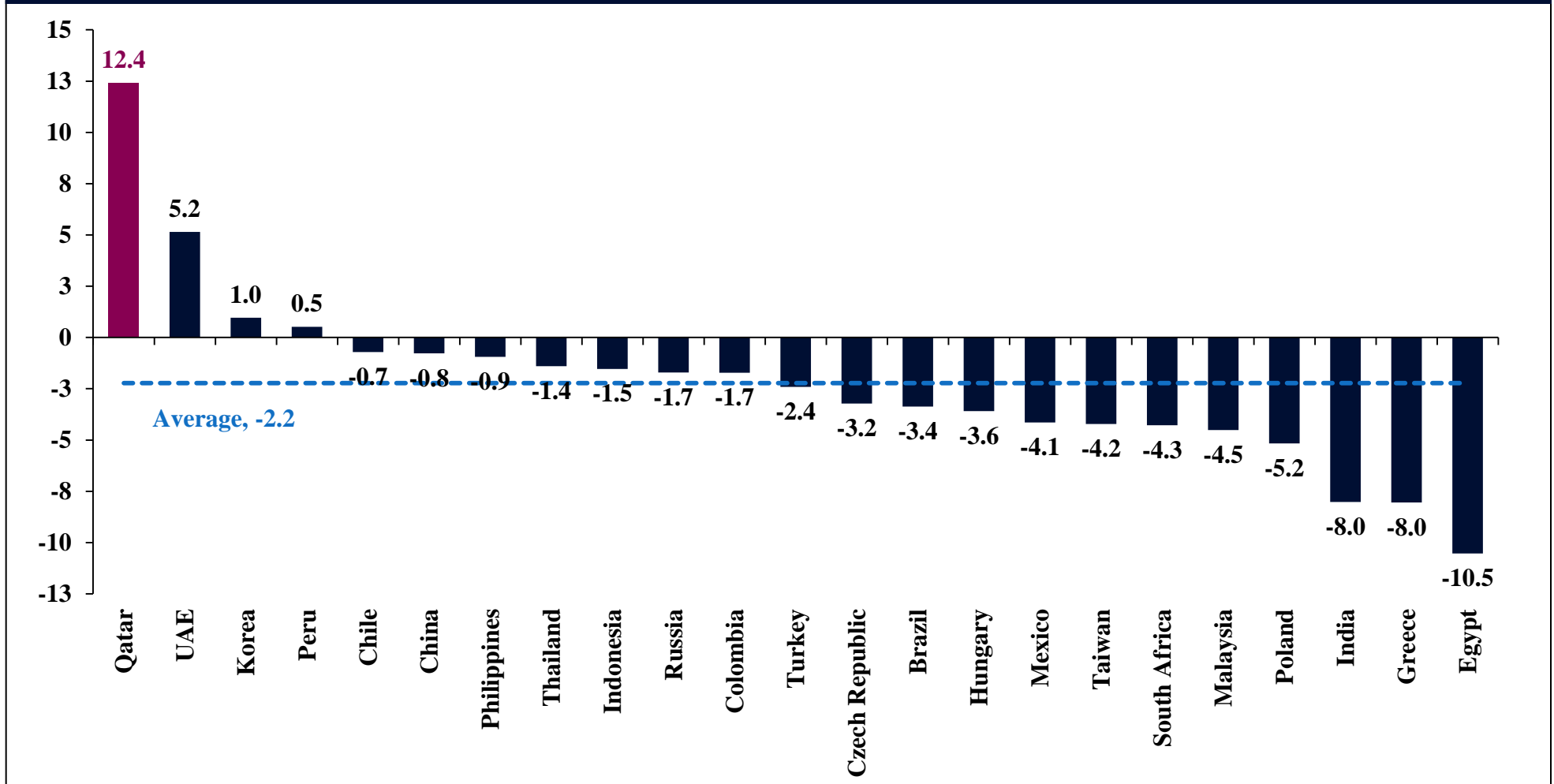
...the highest current account surplus...

MSCI EM: Average Current Account Balances (2009-14, % of GDP)



...and the highest fiscal surplus

MSCI EM: Average General Government Fiscal Balance (2009-14, % of GDP)



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