



Investor Relations Presentation December 2012

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QNB at a Glance



QNB at a Glance: Overview

Overview

- 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
- Listed on Qatar Exchange (QNBK)

Credit Rating

	Moody's	S&P	Fitch	Capital Intelligence
LT	Aa3	A+	A+	AA-
ST	P-1	A-1	A1+	F1
Outlook	Stable	Stable	Stable	Stable

Presence

- QNB Group, subsidiaries and associate companies operate in 24 countries around the world, through 400 branches and offices, supported by more than 800 ATMs, and employing almost 8,800 staff

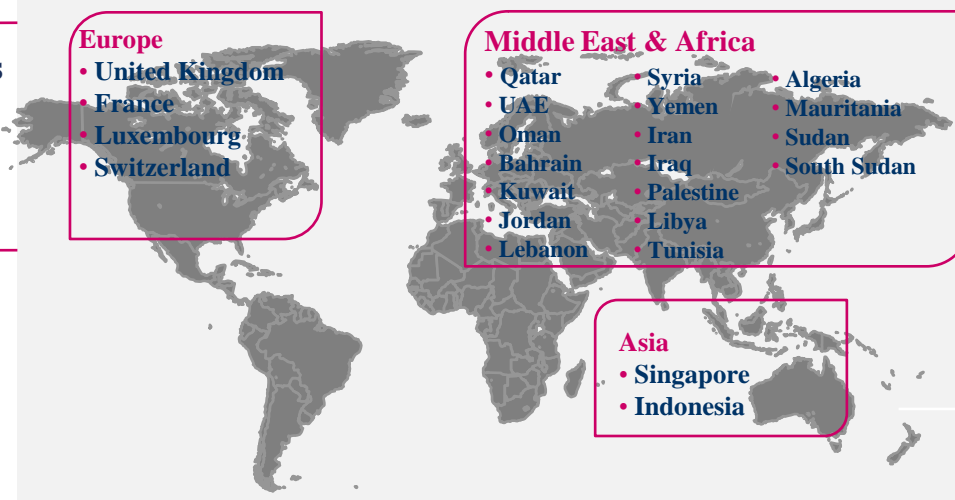
Stock Info

Market Cap (Share Price: QR130.9)	US\$25.2 bn
Price/Earnings	11.0
Price/Book	2.1

December 2012 Financials (in US\$)


































	2012	2011	5yr CAGR
Total Assets	100.8 bn	82.9 bn	26%
Loans & Advances	68.7 bn	53.3 bn	30%
Operating Income	3.16 bn	2.80 bn	27%
Profit	2.29 bn	2.06 bn	27%
Coverage Ratio	115%	119%	

Global Presence



QNB operates through branches, representative offices and subsidiaries/associates

Overview of International Network

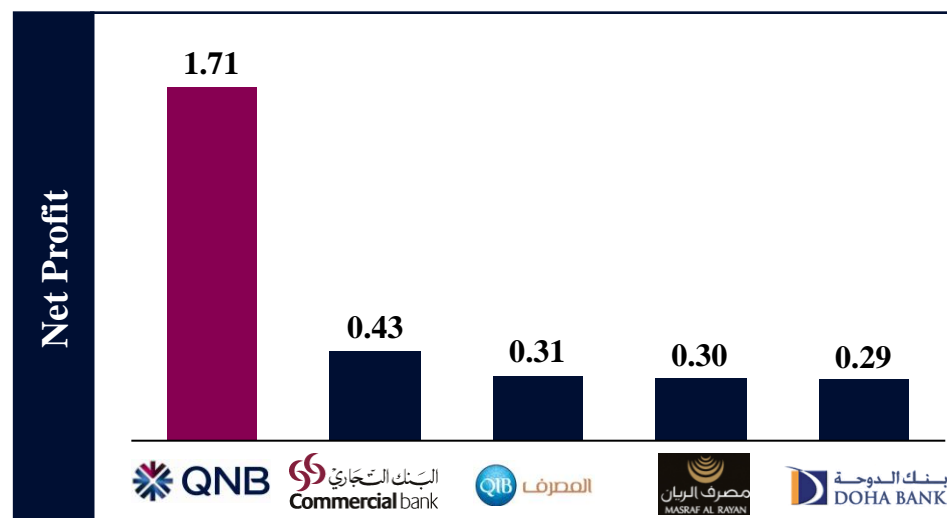
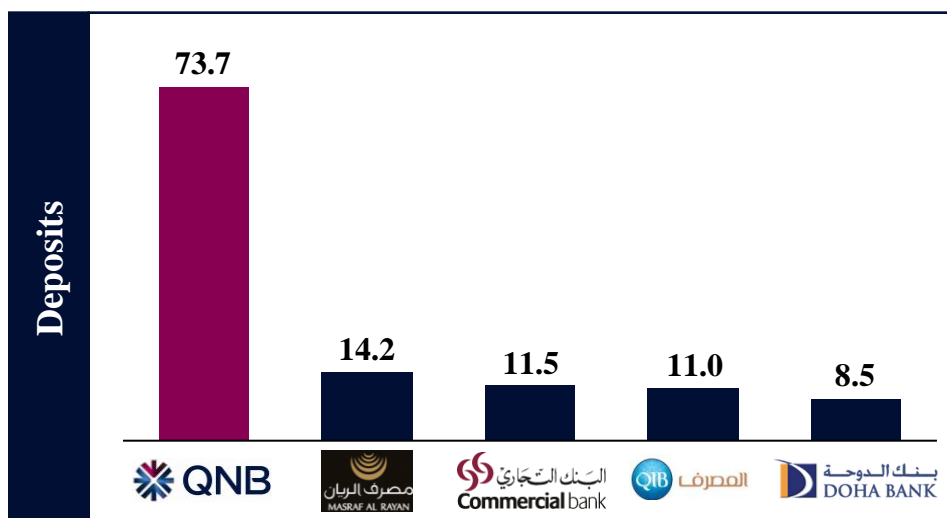
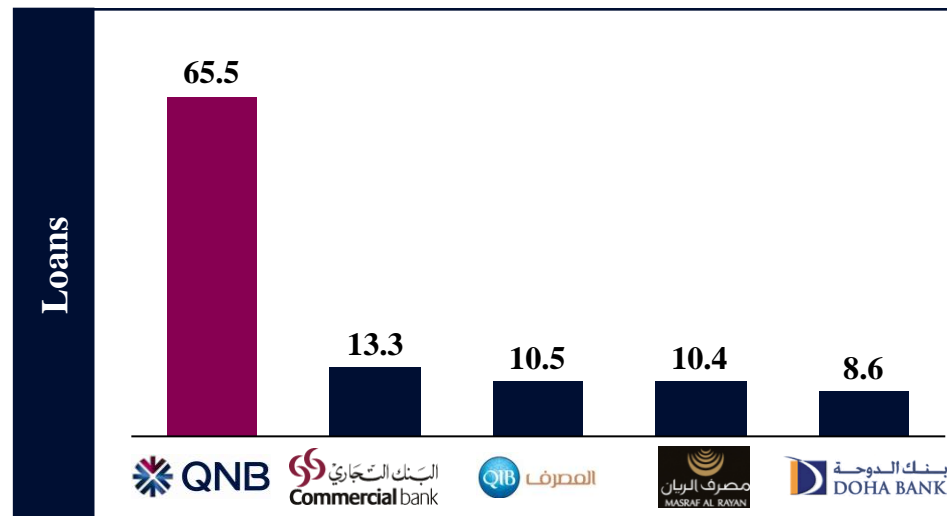
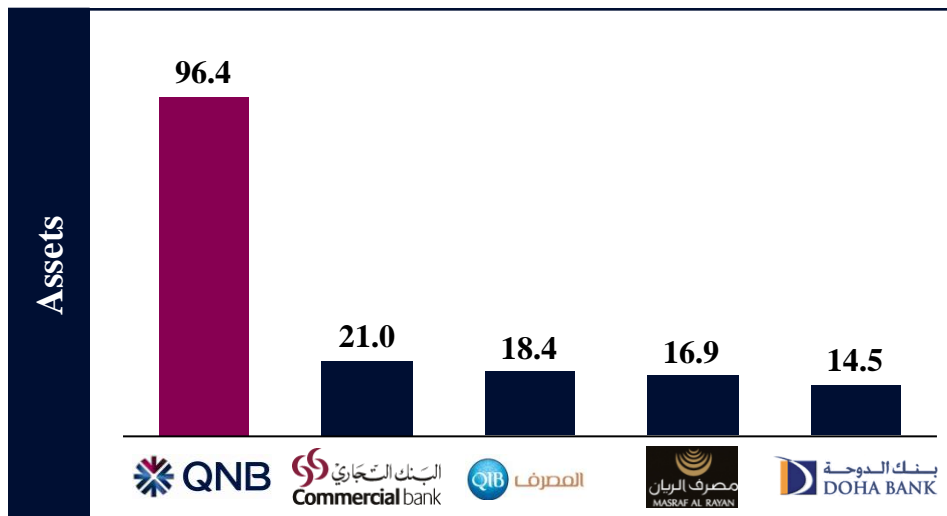
Type of Operation by Geography					Subsidiaries and Associates	Country	Ownership
Subsidiaries and Associates					QNB Capital	Qatar	100%
					QNB Financial Services	Qatar	100%
					QNB Banque Privée	Switzerland	100%
					QNB Kesawan	Indonesia	70%
Branches					QNB Syria	Syria	51%
					Mansour Bank	Iraq	51%
					Tunisian Qatari Bank	Tunisia	50%
					Bank of Commerce & Development	Libya	49%
Representative Offices					Commercial Bank International	UAE	40%
					Housing Bank for Trade & Finance	Jordan	35%
					Al Jazeera Finance Company	Qatar	20%



QNB Comparative Positioning – Qatar and MENA

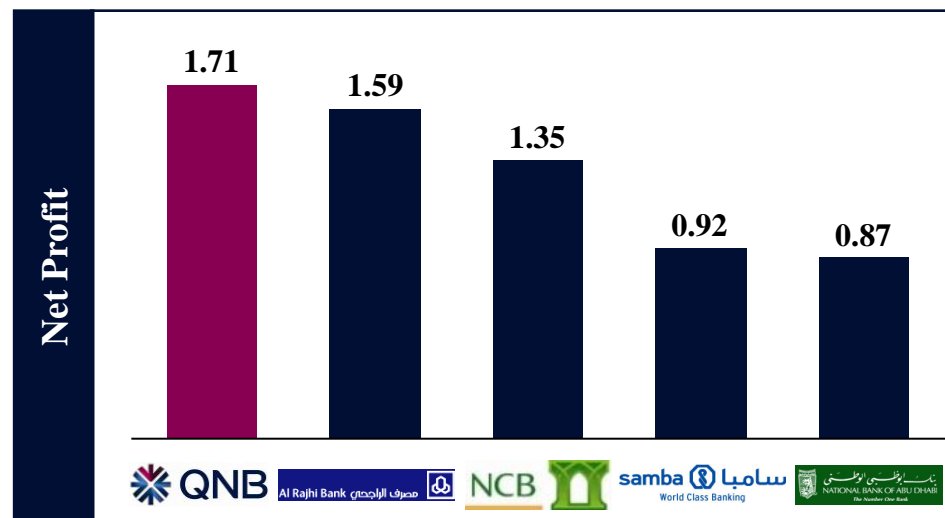
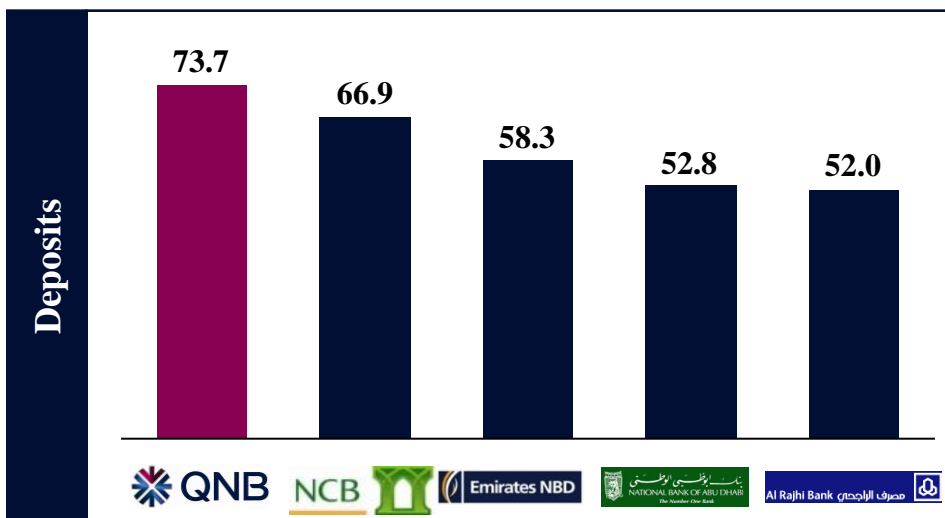
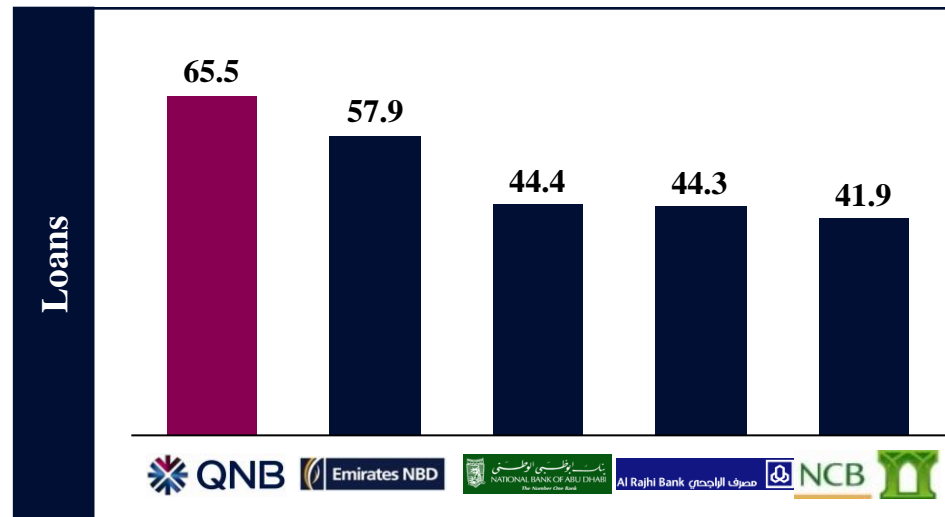
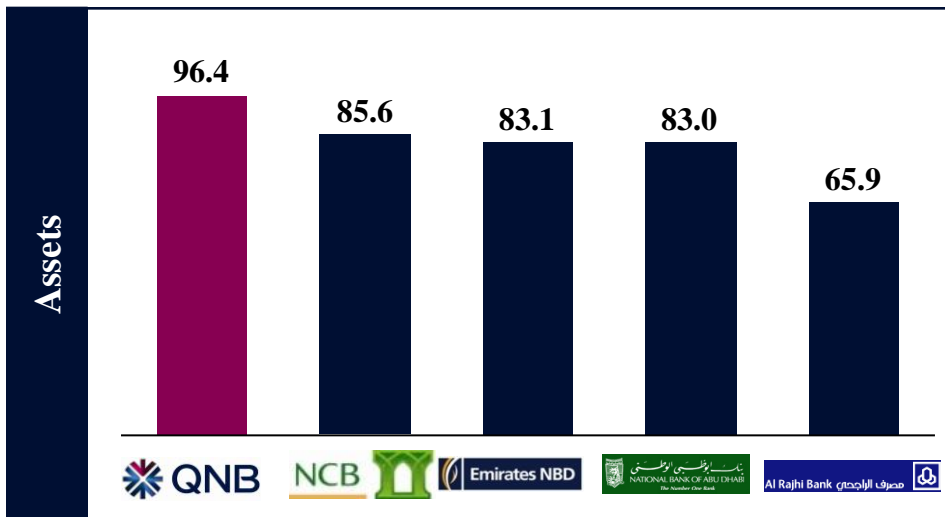
QNB is the dominant bank in Qatar...

QNB vs. Domestic Peers (USD Bn as at 30/09/2012)



... and a leading MENA player

QNB vs. Regional MENA Peers (USD Bn as at 30/09/2012)





Financial Highlights – December 2012

QNB continues to demonstrate sustainable profitable growth

2012 Highlights



Growth vs. 2011


Profit


- USD 2.29 Bn net profit

 +11%

Assets

- USD 100.8 Bn assets
- USD 68.7 Bn loans

 +22%

 +29%


Funding

- USD 74.2 Bn customer deposits

 +35%

Equity

- USD 13.2 Bn equity

 +13%

• Net interest margin (NIM): 2.72%

• Efficiency ratio: 16.8%

• Earnings per share (EPS): USD 3.3

• RoAA: 2.49%

• NPL (% of assets): 1.3%

• Coverage ratio: 115%

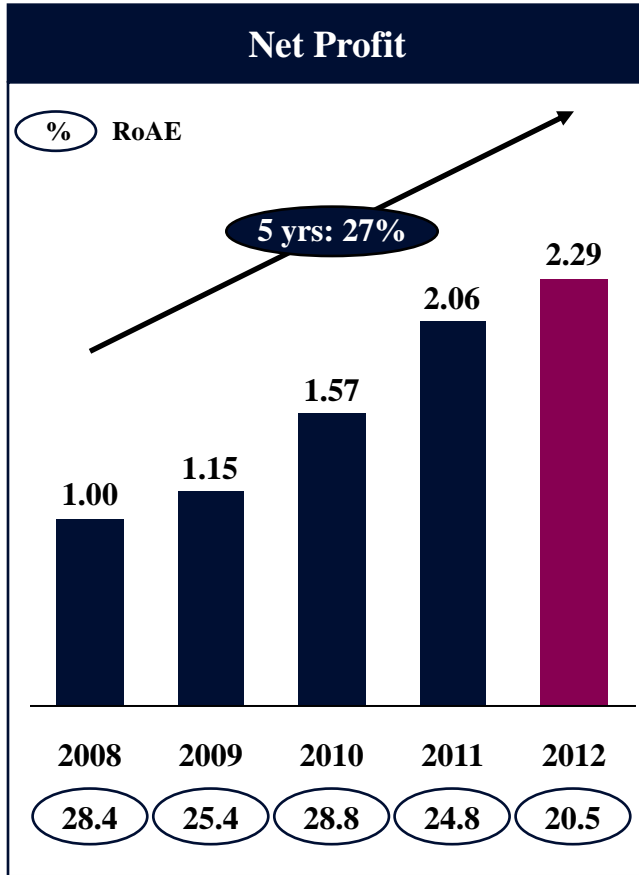
• Loans to deposits ratio: 92.6%

• RoAE: 20.5%

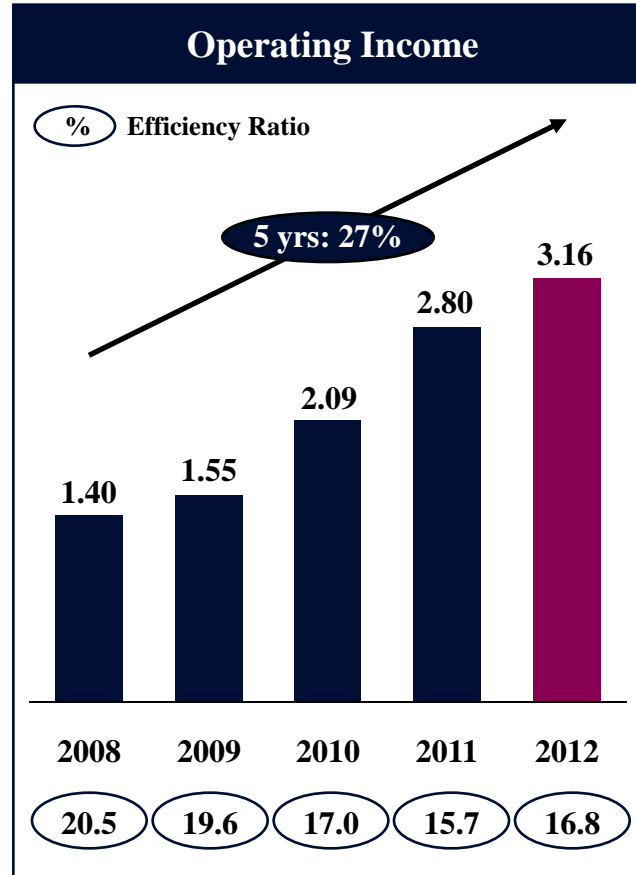
• Capital adequacy ratio: 21.0%

Strong profitability growth

Income Statement Breakdown (USD Bn)



- Net profit increased 11% from 2011
- Strong RoAE above 20%
- 2007-2012 CAGR of 27%



- Operating income increased 13% from 2011
- 2007-2012 CAGR of 27%



- NII increased 17% from 2011
- NIM expanded by 68bps since 2008
- 2007-2012 CAGR of 36%

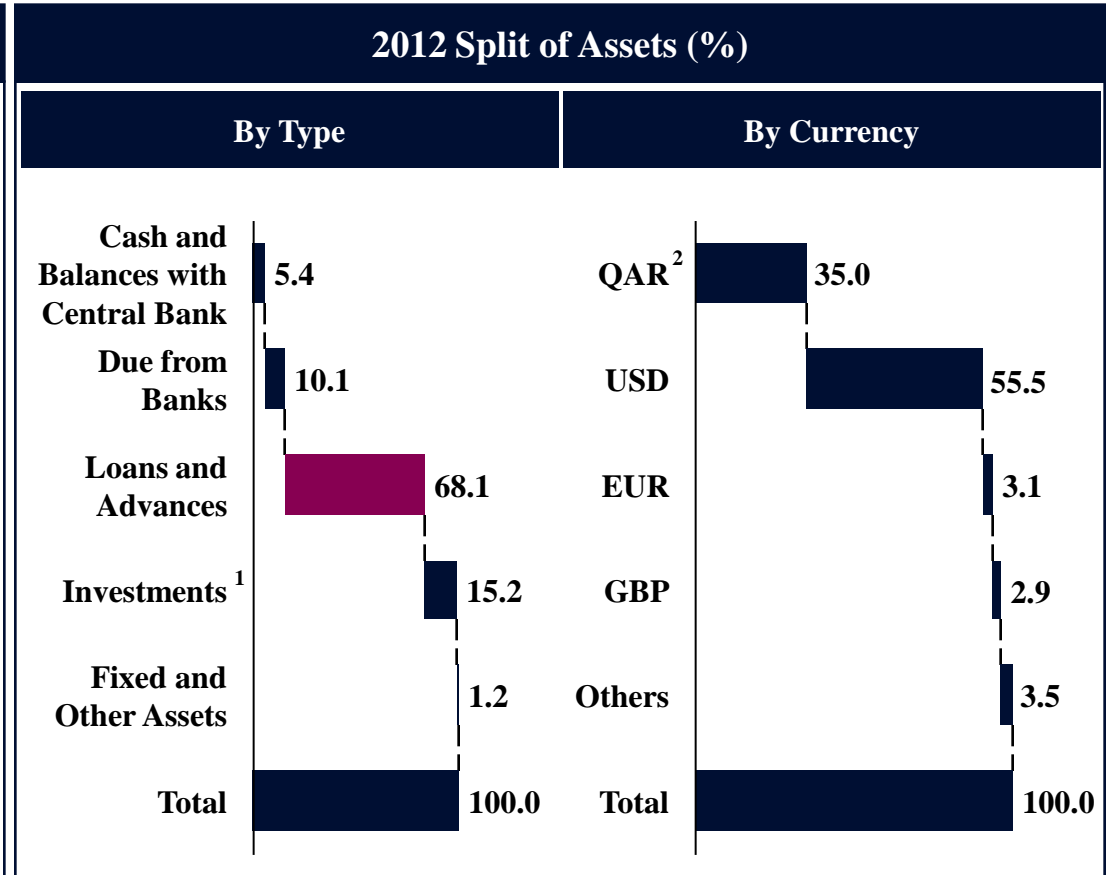
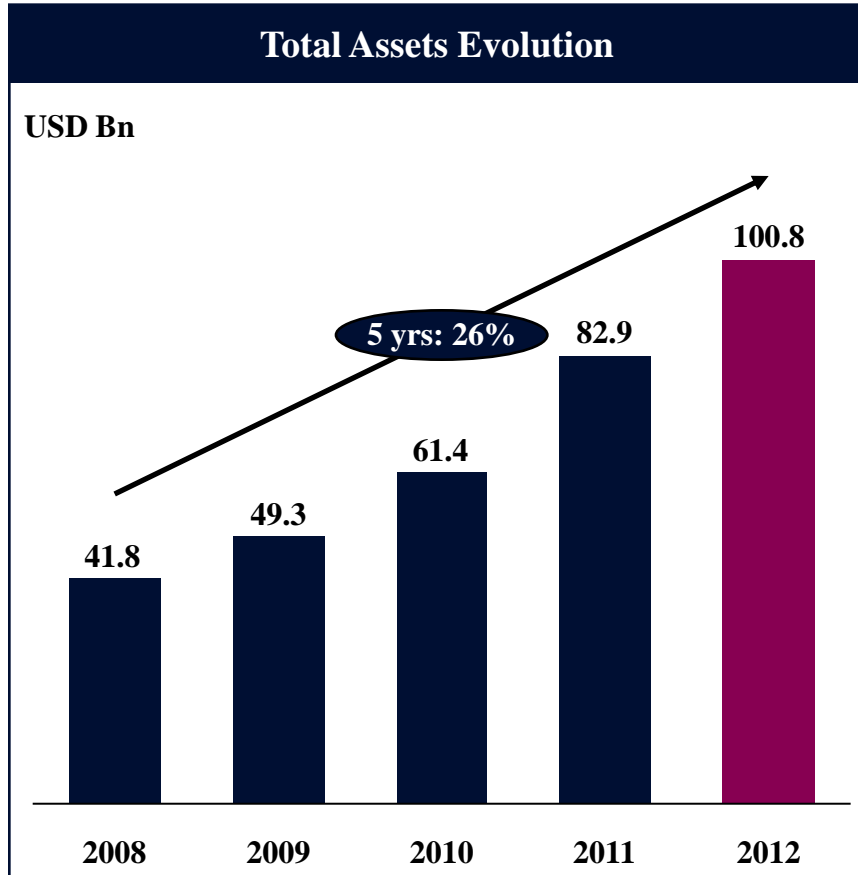
Robust quarterly growth has been consistently delivered

Quarterly Income Statement

Income Statement					
USD 000s	Q4 2011 ¹	Q1 2012	Q2 2012	Q3 2012	Q4 2012
• Net Interest Income	660,731	617,098	615,340	623,109	657,770
– FX Gain	46,783	44,849	41,709	37,854	39,972
– Fees and Commissions	100,742	92,631	88,646	84,663	92,472
– Invest. Income – Dividends	0	4,858	12,741	0	8
– Invest. Income – Capital Gains	21,098	595	8,135	7,024	14,943
– Invest. Income – Associates	4,470	10,138	16,698	21,067	21,587
– Other Income	2,480	483	826	582	708
• Total Other Income	175,573	153,554	168,755	151,190	169,690
• Total Operating Income	836,304	770,652	784,095	774,299	827,460
• G&A Expenses	(138,485)	(123,385)	(132,175)	(131,598)	(143,638)
• Total Operating Profit	697,819	647,267	651,920	642,701	683,822
• Loan Loss Provisions	(109,356)	(73,255)	(70,392)	(65,370)	(81,041)
• Other Provisions & Taxes	(13,748)	(23,416)	(1,473)	2,440	(22,633)
• Net Profit	574,715	550,596	580,055	579,771	580,148

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

Assets Analysis

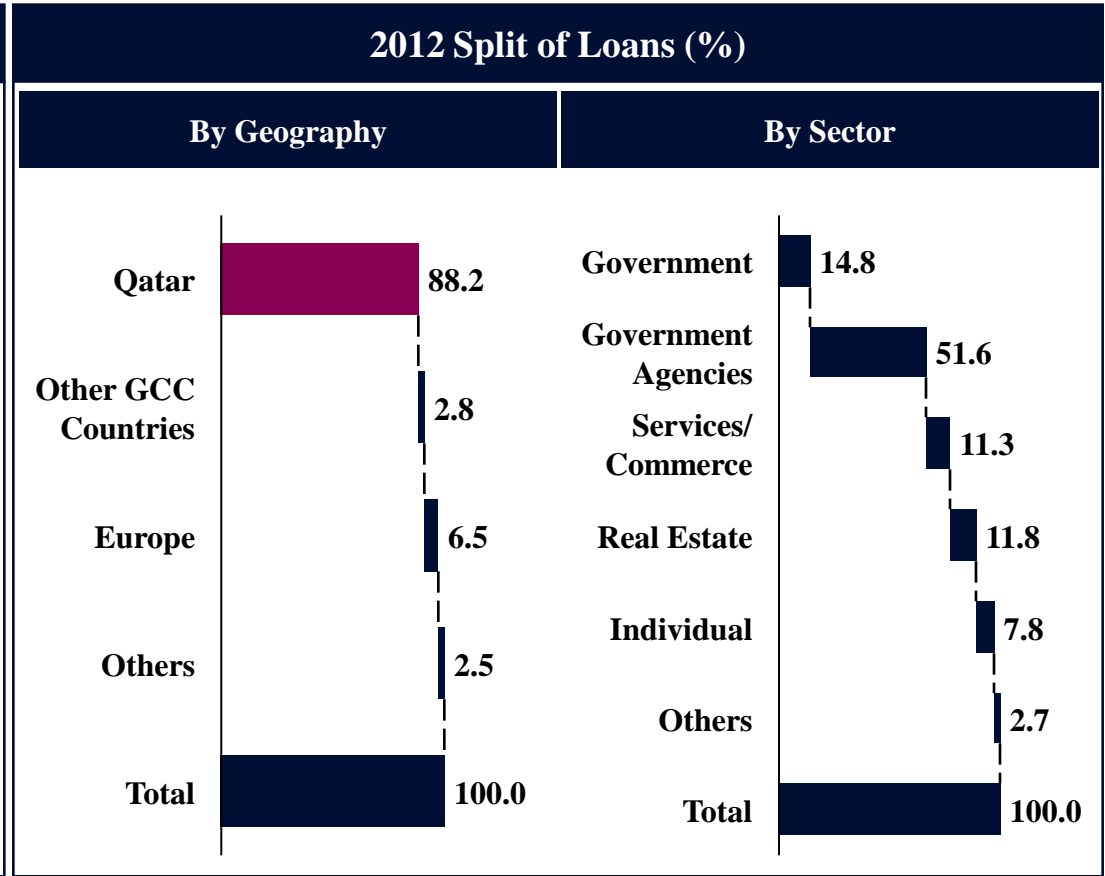


- 2012 year on year growth was 22%
- 2007-2012 CAGR of 26%

- Loans and advances represent 68% of total assets
- USD and QAR currencies account for 91% of total assets

Strong loan growth fueled by domestic economic tailwinds

Loans Analysis

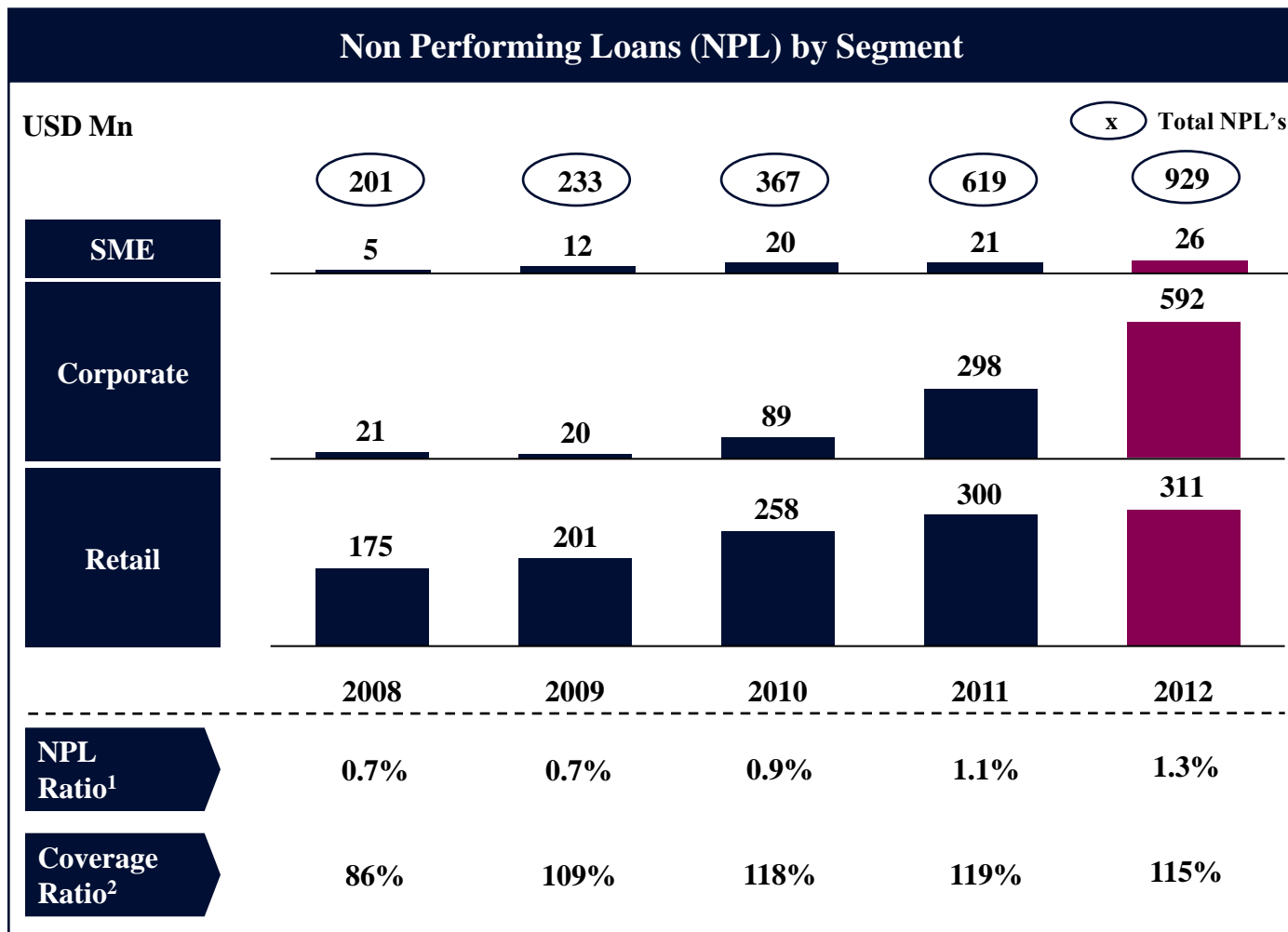


- 2012 year on year growth was 29%
- 2007-2012 CAGR of 30%

- Qatari entities account for 88% of total loans
- Loan exposures are of high quality with significant concentration in Government and Government Agencies

High quality lending portfolio is highlighted by low NPL ratios

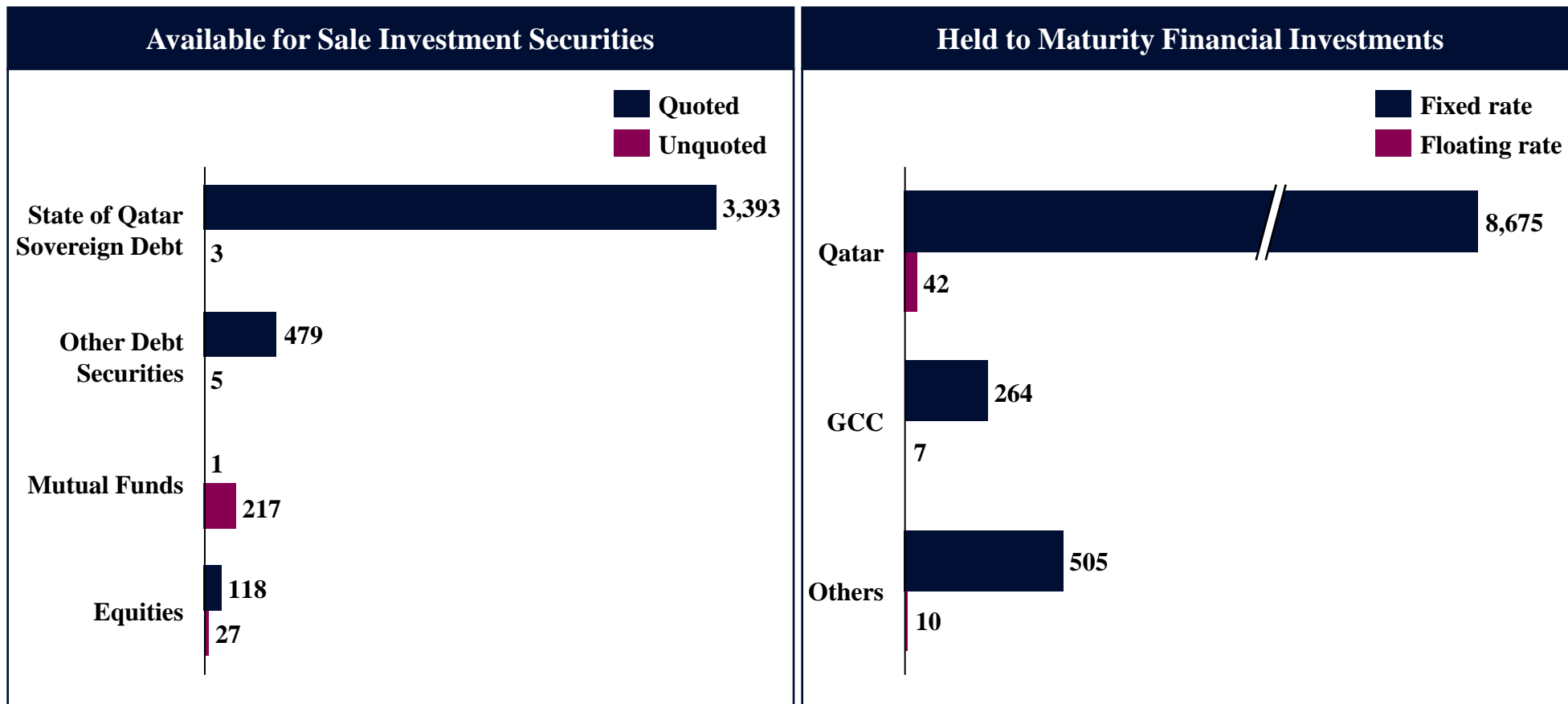
Asset Quality Analysis



- One of the lowest NPL ratio among MENA banks
- QNB has continued to increase its provisions in response to the global economic situation
- The bank's provisions coverage has remained strong amidst the economic slowdown, with a coverage of 115% as at December 2012
- An additional risk reserve of USD 41.2 Mn was taken in 2012 to bring the total balance to USD 481 Mn representing nearly 3.5% of private lending against QCB requirement of only 2.00%

High quality investment portfolio with 87% of securities rated AA or better

Investments Analysis (USD Mn as at 31/12/2012)

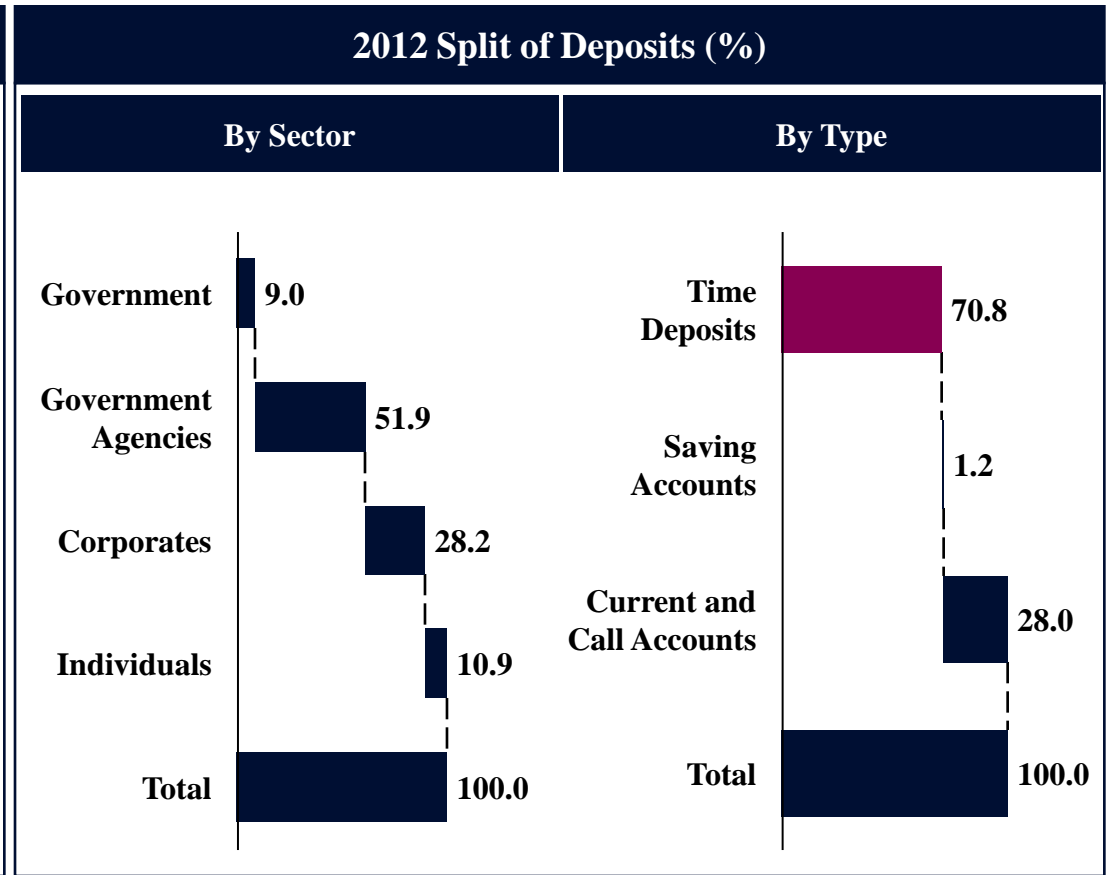
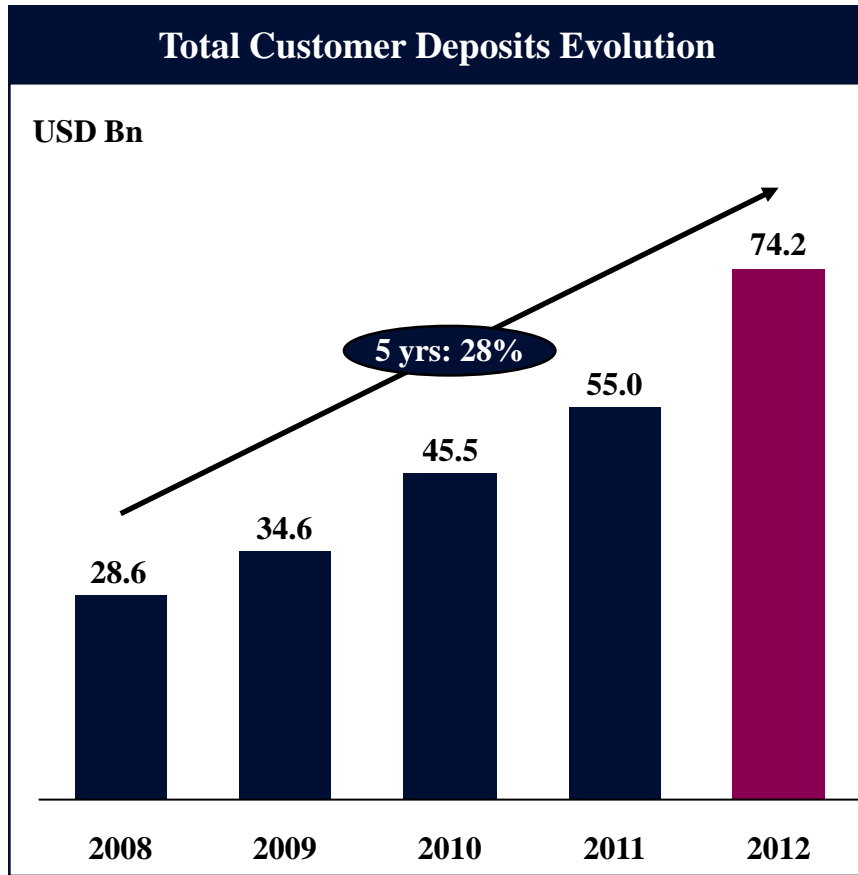


- Quoted securities account for 94% of available for sale investment securities

- Majority of held to maturity financial investments are State of Qatar sovereign bonds

Robust growth in customer deposits and funding

Funding Analysis

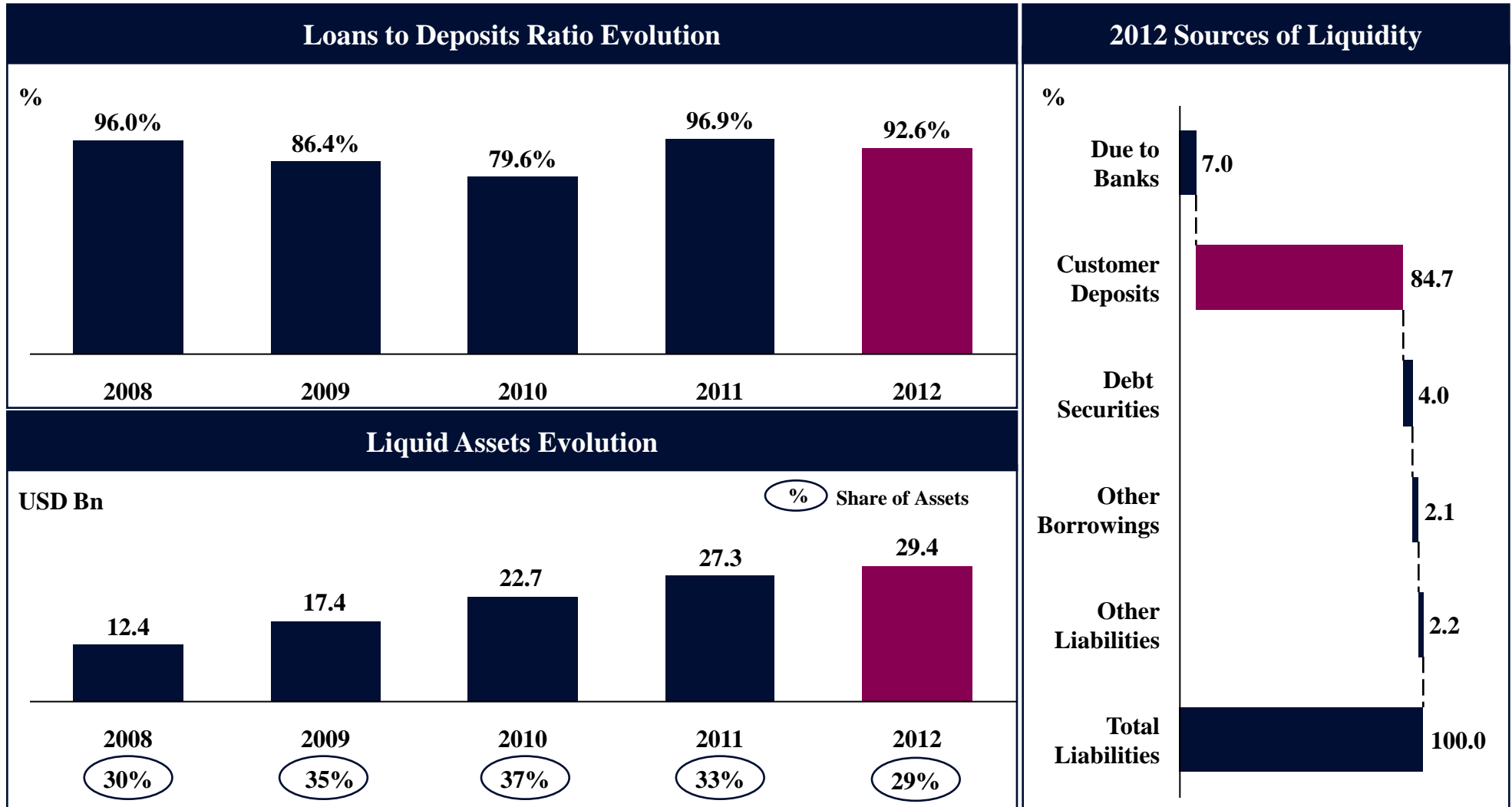


- 2012 year on year growth was 35%
- 2007-2012 CAGR of 28%

- QNB remains the public sector's preferred bank
- Time deposits account for 71% of deposits

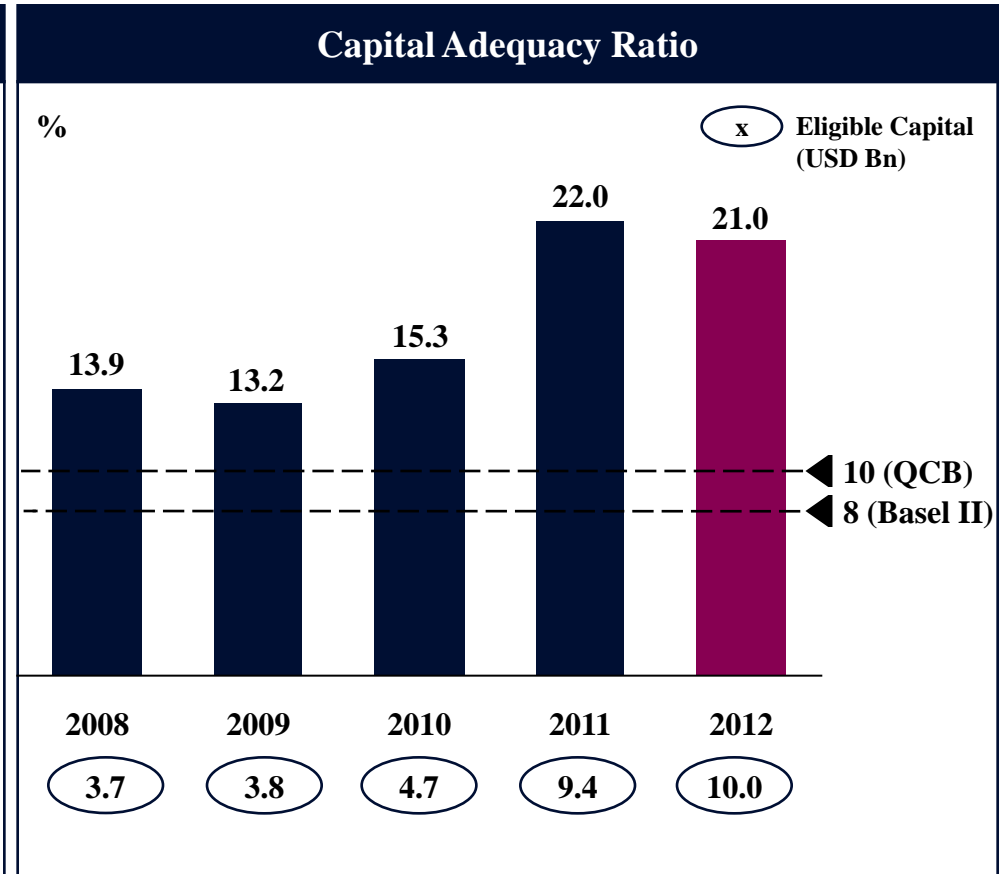
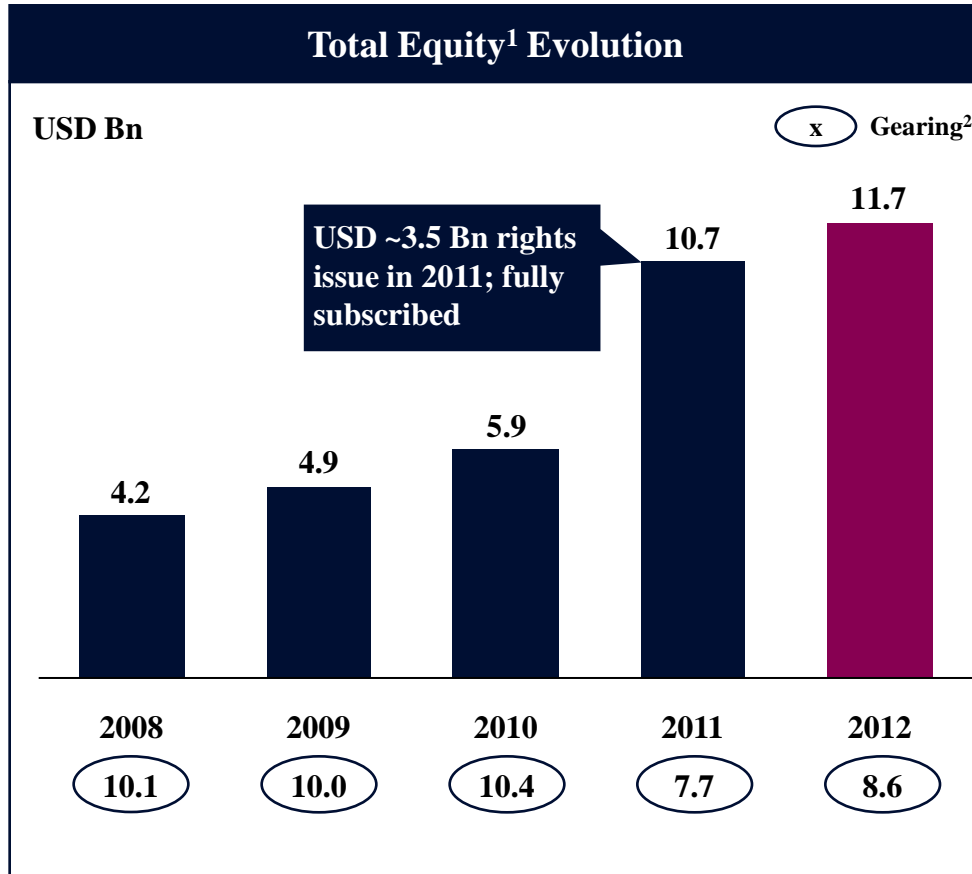
Solid liquidity profile with loans to deposit ratio consistently below 100%

Liquidity Analysis



Strong capital adequacy ratio maintained that are above QCB's and Basel II requirements

Capital Analysis



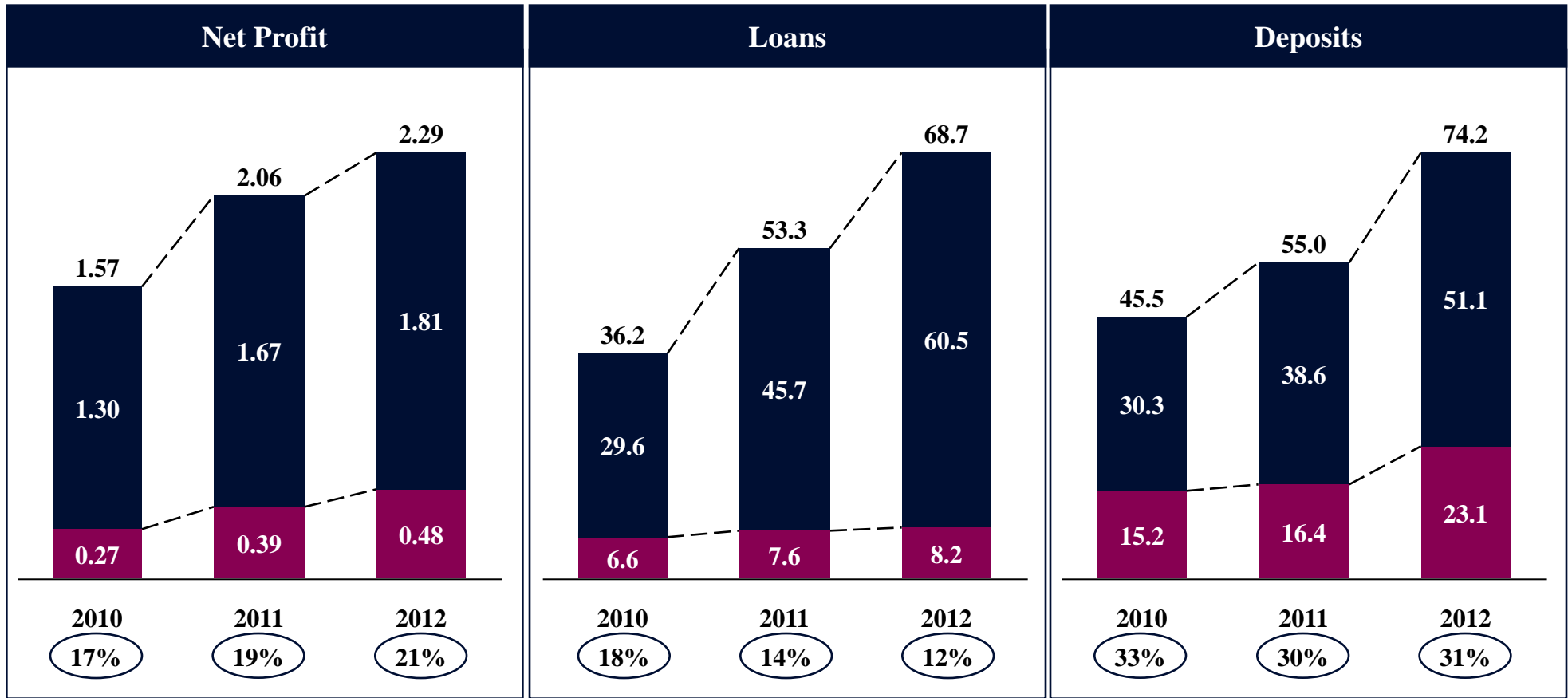
- Capital base has been regularly increased in line with the strong surge in QNB's balance sheet

- Capital adequacy ratio have been consistently maintained above QCB and Basel II requirements
- Eligible capital is all in the form of Tier 1 capital

Growing geographical diversification positively contributes to growth

Geographical Contribution (USD Bn)

■ Domestic
 ■ International
 % Share of International

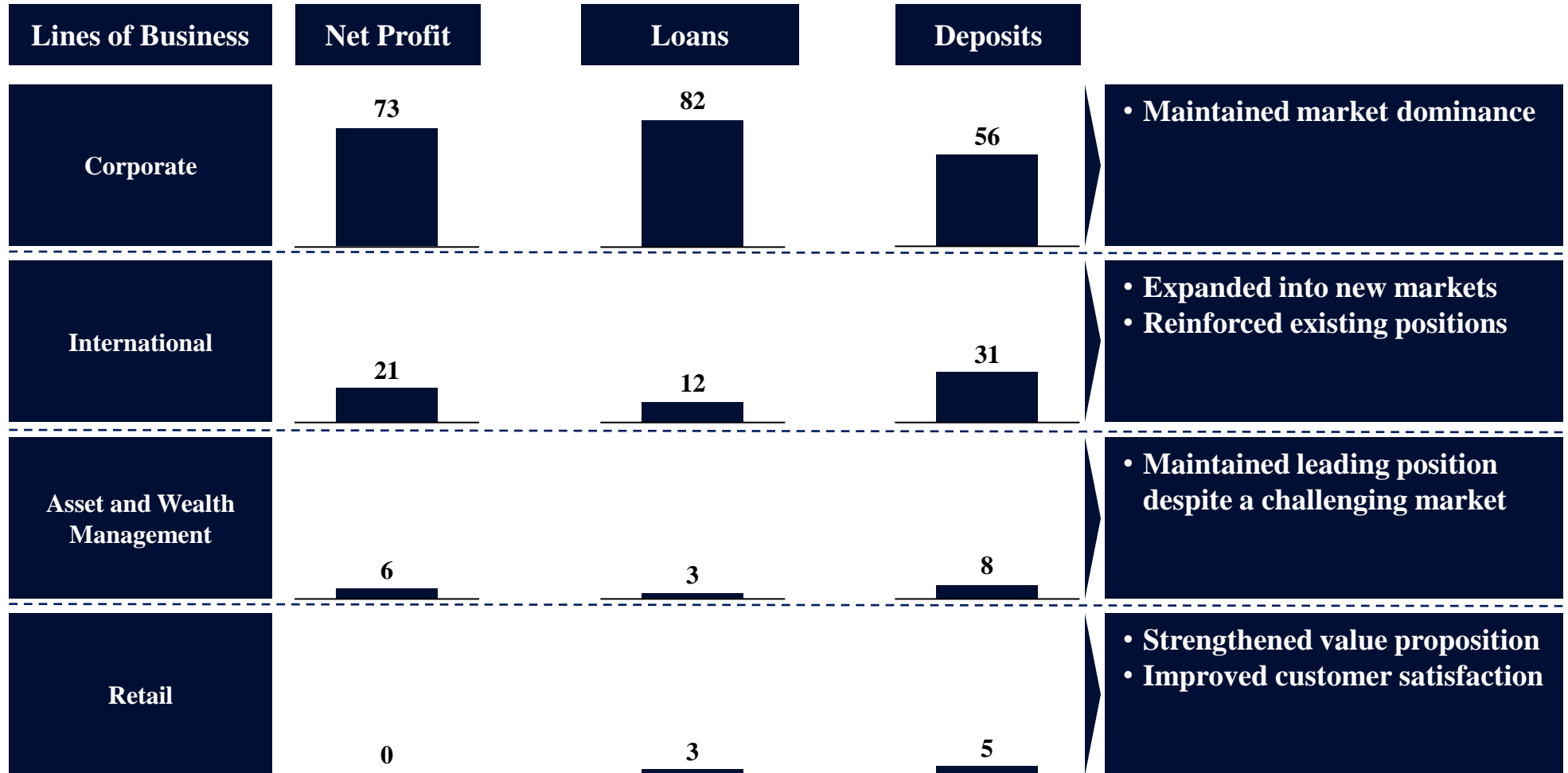


• Profit from international operations increased by USD 0.2 Bn (+77%) from 2010 to 2012

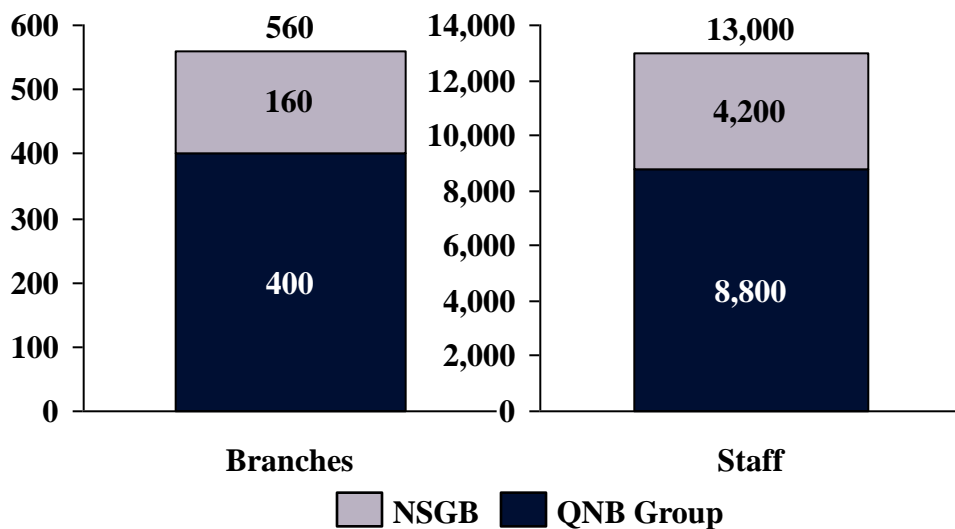
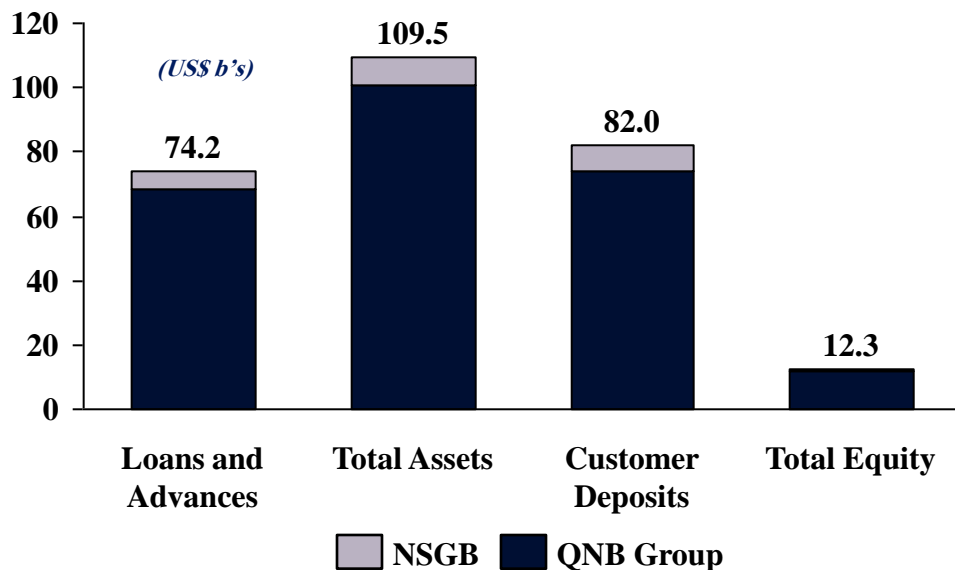
• Loans and deposits from international operations increased by USD 1.6 Bn (+25%) and USD 7.9 Bn (+52%) respectively, from 2010 to 2012

Diversifying business mix will bolster sustainable growth

Business Mix Contribution (% share as at 31/12/2012)



Post Acquisition Group Financials (77.17% purchased)



Balance Sheet (Using NSGB Sep-12 Accounts)

(US\$ billion)	QNB Group	QNB Incl. NSGB	Growth %
Loans and Advances	68.7	74.2	8.0%
Total Assets	100.8	109.5	8.7%
Customer Deposits	74.2	82.0	10.6%
Total Equity	12.0	12.3	
Capital Adequacy Ratio	21.0%	15.9%	
NPL Ratio	1.3%	1.5%	
Coverage Ratio	115%	114%	

Highlights

- Capital Adequacy on consolidation 15.9%.
- US\$1.0b of Goodwill assumed in purchase of 77.17% from Société Générale.
- Including NSGB would increase the staffing requirements for the new Group to 13,000.
- If 100% is purchased then Capital Adequacy and Goodwill would be 15.3% and US\$1.4b respectively



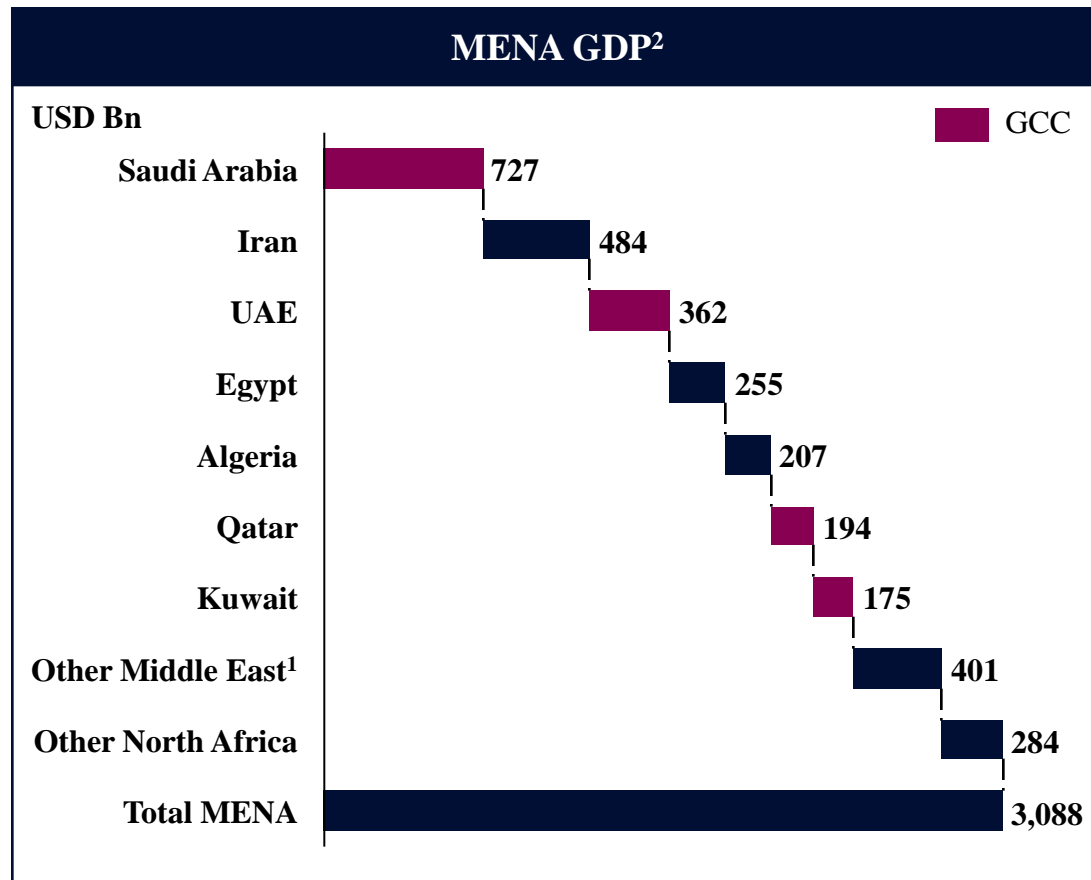
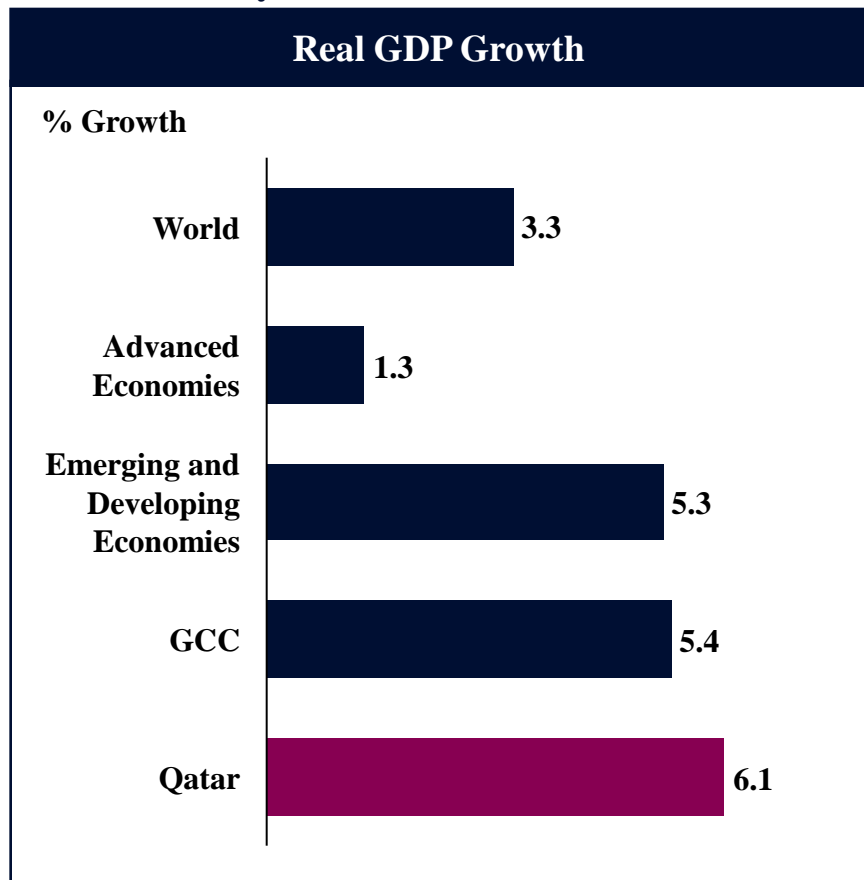
Note: NSGB based on Egyptian GAAP compliant accounts published in September 2012 and QNB December 2012 Results / FX rate USD:EGP is 1:6.54



Economic Overview

The GCC has been protected from weak growth in advanced economies and Qatar leads the group

2012 GDP Analysis

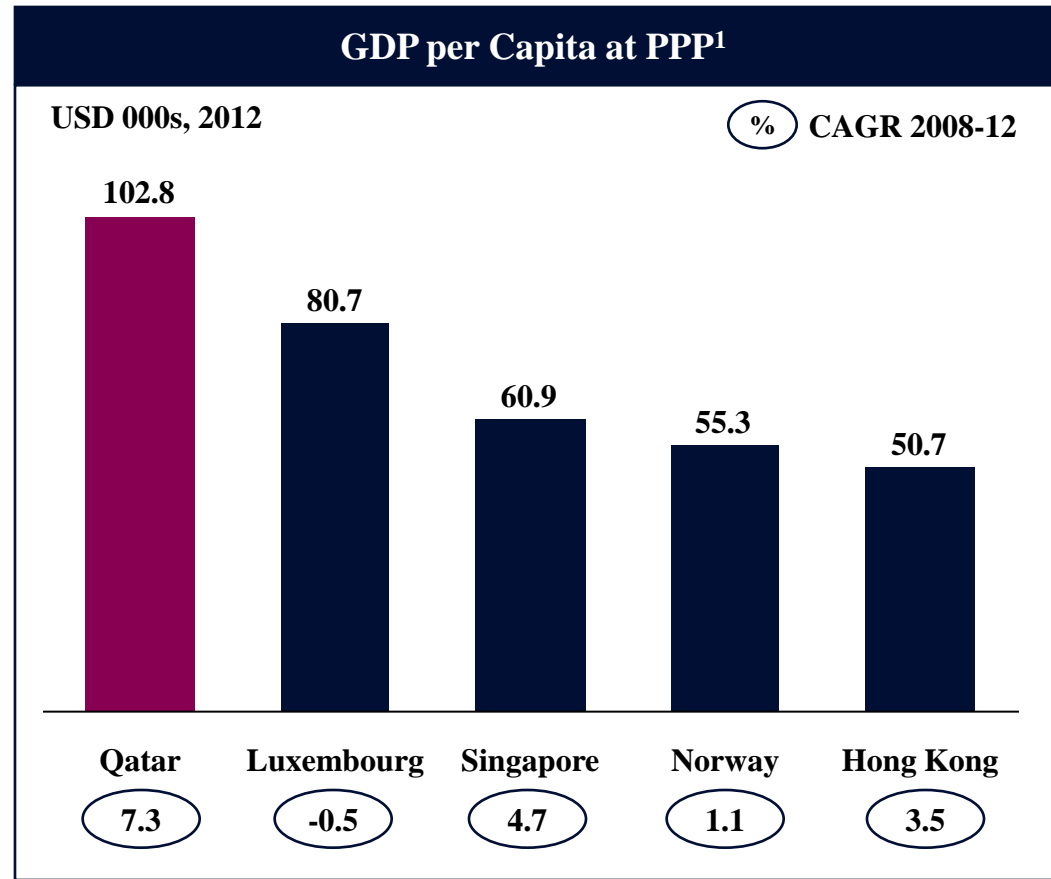
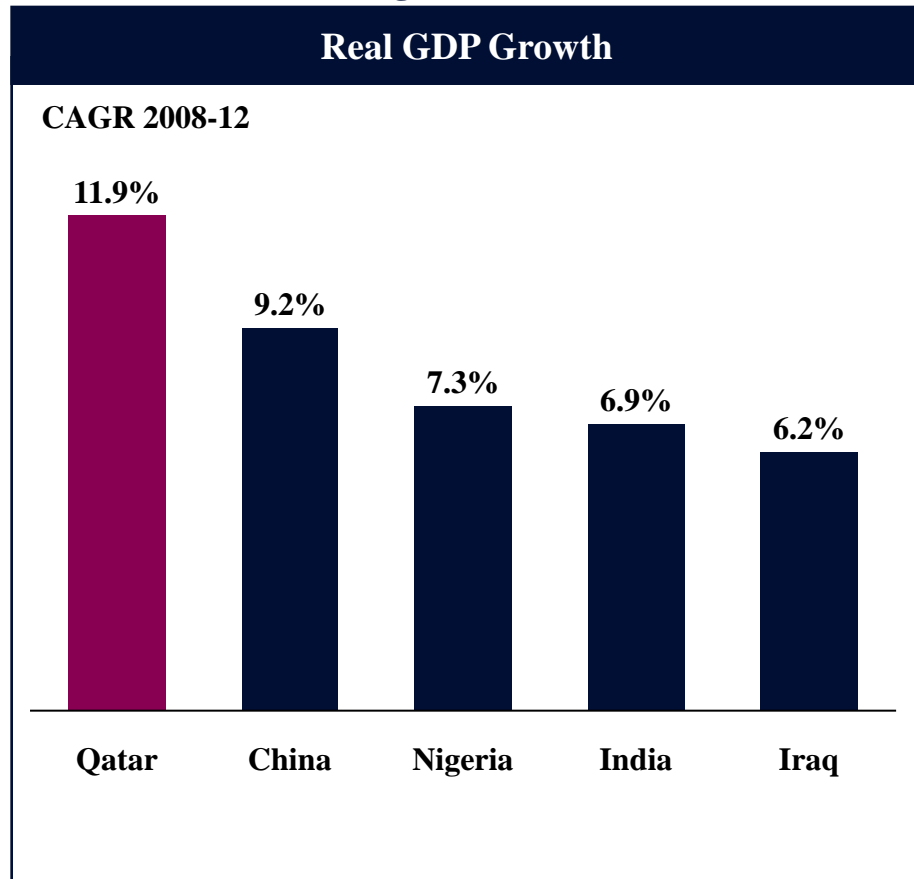


- GCC has experienced the highest real GDP growth in the world
- Qatar leads within the GCC

- MENA GDP is dominated by oil exporters
- GCC (USD 1.6 Trn) accounts for 51% of MENA GDP

Qatar is the world's fastest growing economy and has the highest GDP per capita

World's Fastest Growing (Selected) and Richest Economies

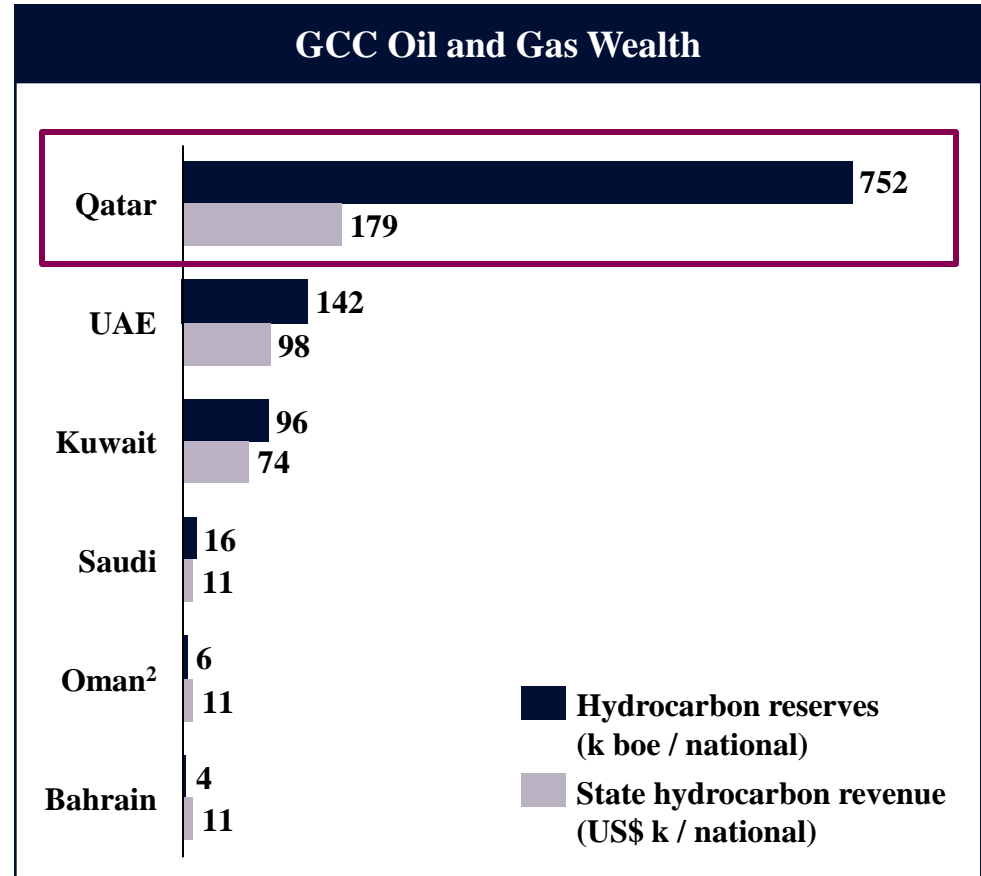
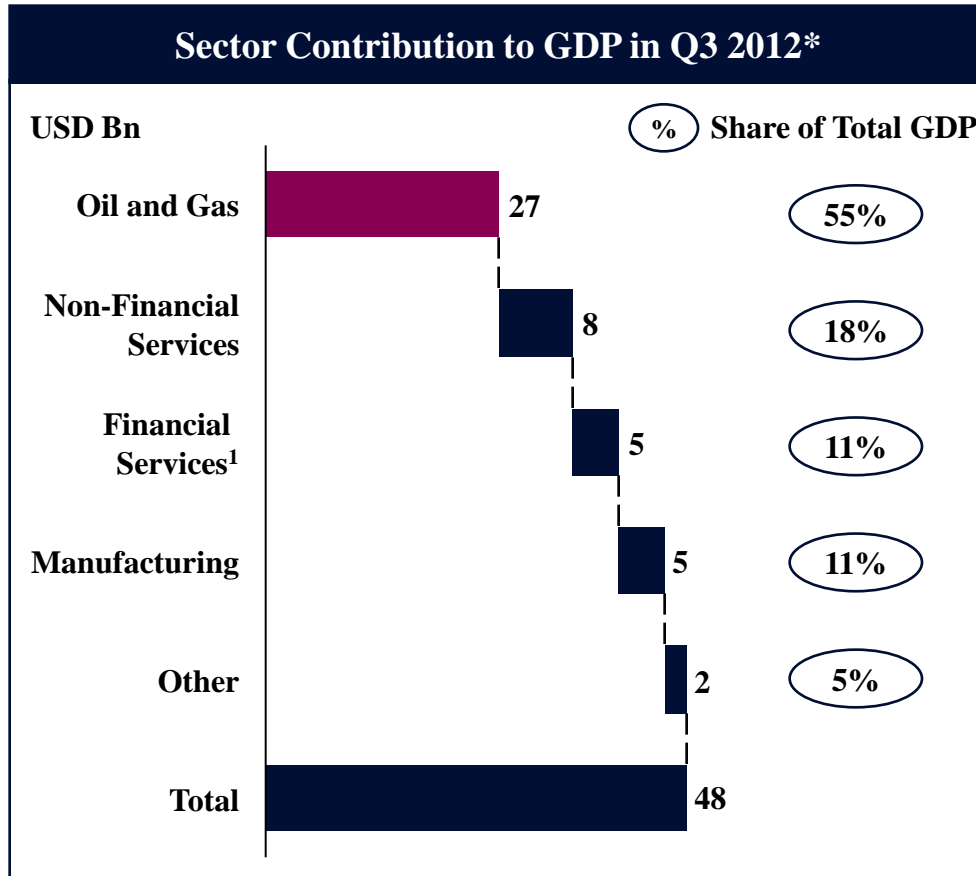


• In the last 5 years Qatar has outperformed GDP growth compared to other fast-growing economies in the world

• Qatar's GDP per capita passed USD 100,000 in 2012 and is 27% higher than Luxembourg

Qatar's oil and gas sector is the major contributor to GDP which reached USD 48 Bn in Q3 2012

Qatar's Key Economic Sectors



- The oil and gas sector is the largest contributor to GDP
- Qatar is the world's leading exporter of LNG
- Total GDP in 2012 was an estimated US\$194bn

- Qatar has the largest hydrocarbon wealth in the GCC on the basis of reserves as well as revenue per national
- Qatar has the largest gas field in the world

¹ The manufacturing sector is closely linked to the oil and gas sector primarily focused on petroleum refining and petrochemicals production

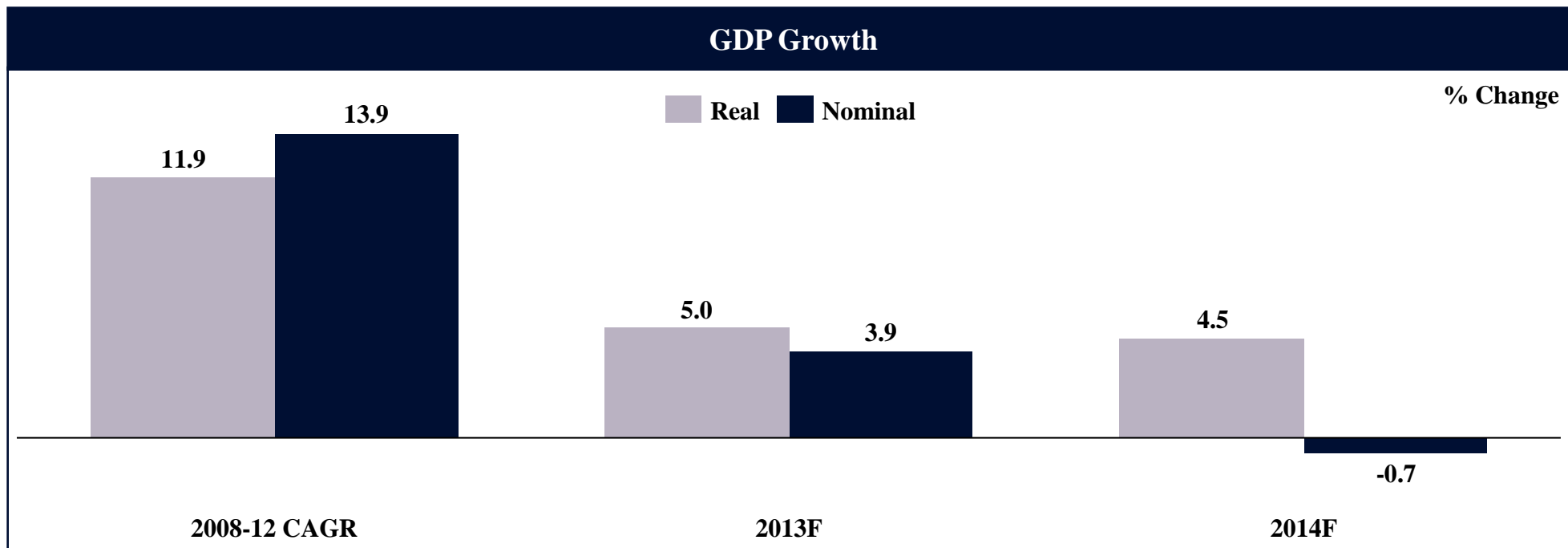
² Bahrain's reserve figure includes its 50% share in Abu Safah field, which is not usually included in its official reserves

* Preliminary

Source: Qatar Statistical Authority, BP, IMF and QNB analysis

GDP growth is expected to remain strong but may slow from recent highs

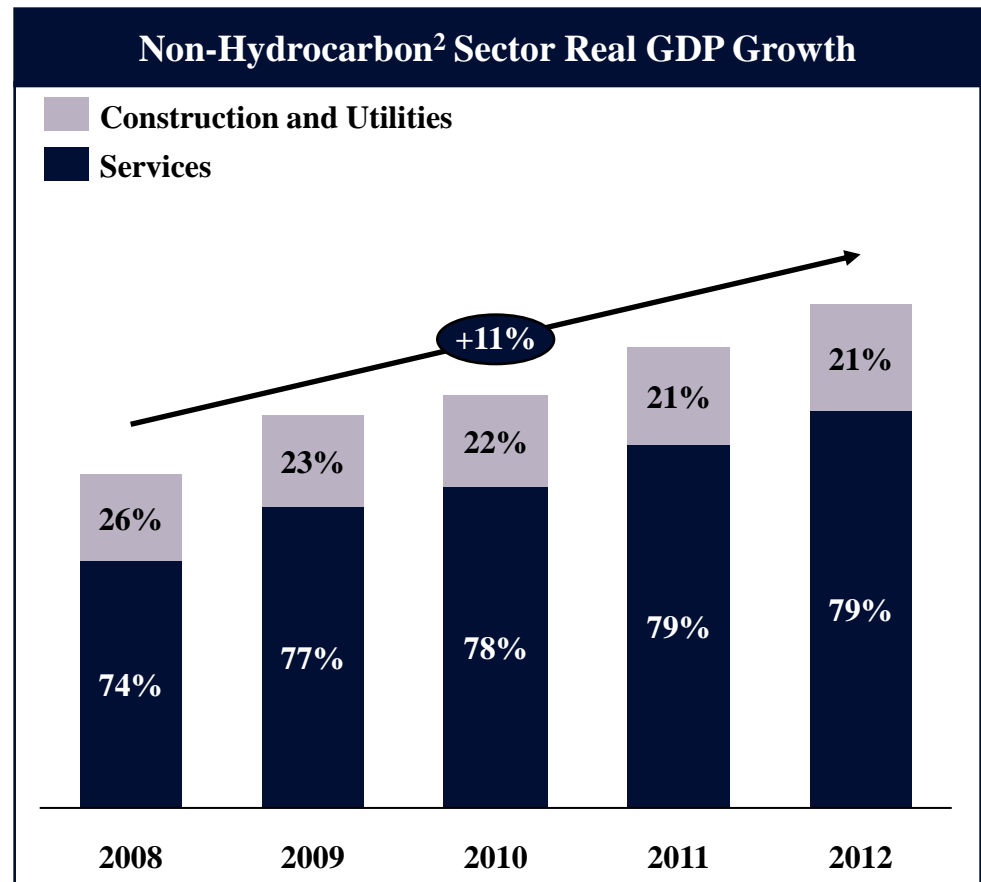
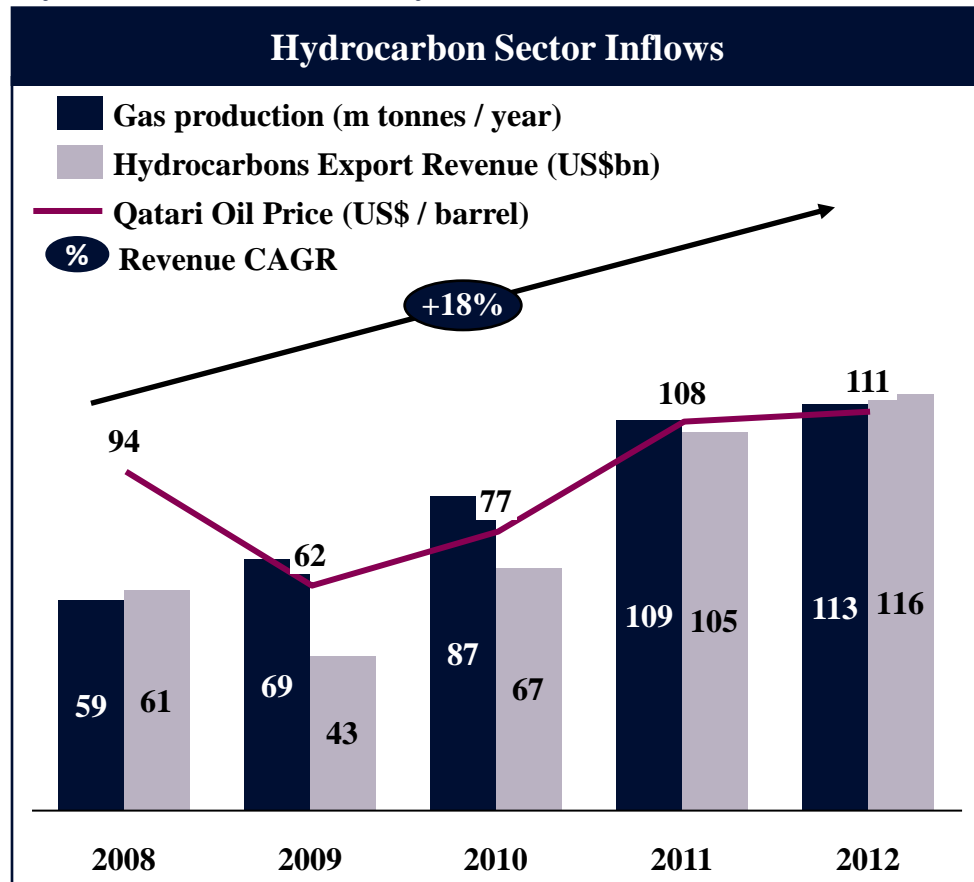
QNB Group GDP forecasts for Qatar



- Minimal new oil and gas production projects will be completed in 2013-14, which should lead to flat growth in the hydrocarbons sector and a slowdown in overall GDP growth
- Falling oil prices will lead to nominal GDP growth being lower than real GDP growth
- In 2013-14, GDP growth will be driven by the non-oil sector, which is expected to expand at 5.8% (real) and 6.4% (nominal)

The government is redistributing the strong inflows from hydrocarbons export revenues to diversify the economy

Hydrocarbon and Non-Hydrocarbon Sectors

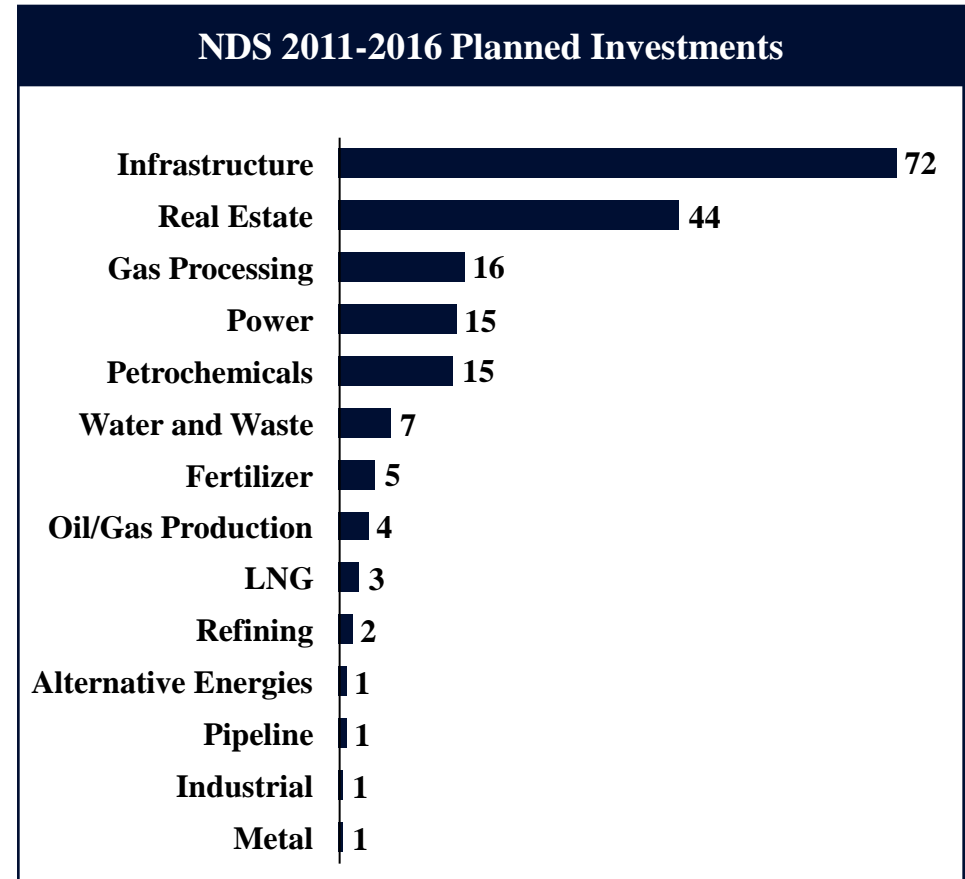
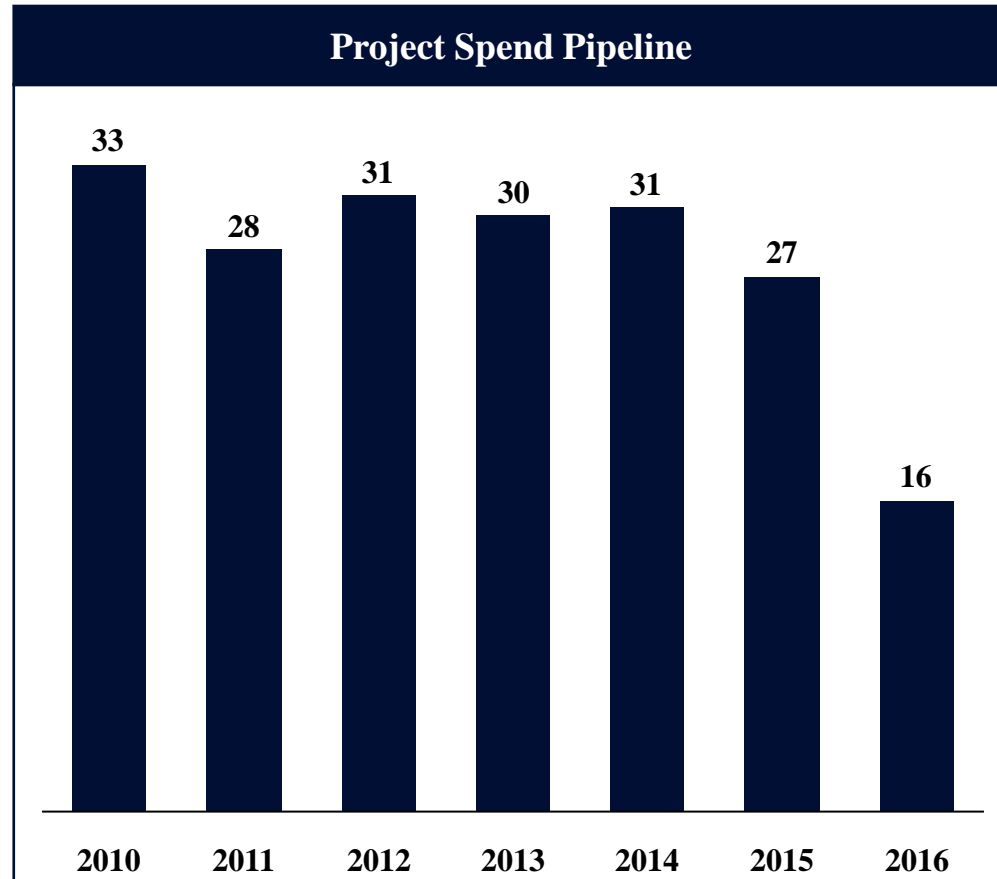


- High oil prices and rising production have resulted in strong hydrocarbon revenue inflow
- Hence, Government expenditure¹ has grown rapidly

- Government expenditure has nurtured growth in the non-hydrocarbon sector

Looking ahead, the Government has planned large scale capital outlays to upgrade the infrastructure...

Qatar's Launched Project Investments (USD Bn)



> USD 185 Bn of planned projects will be executed to support the National Development Strategy 2011-2016

Disclaimer

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