

QNB Group Net Profit Up by 30.8% to Reach QR2.7 billion in Six Months

QNB AI Islami Net Profit Up by 140% to Reach QR443.2 million



QNB Group total assets increased by 26.5% to reach QR186.0 billion

H.E. Yousef Hussein Kamal, Chairman of the Board of Directors of Qatar National Bank (QNB), announced that, once again, QNB was able to deliver a strong growth across the range of its activities both domestically and internationally which positively contributed to its profitability that surpassed QR2.7 billion. The level of profitability for the first half of 2010 was higher than the level of profitability for all of 2007, clearly demonstrating QNB's ability to record exceptional growth for the benefits of shareholders. H.E. added: "These outstanding financial results demonstrate once again QNB's strong capabilities and its leading position among the leading financial institutions in the Middle East and North Africa Region."

For the six months ended 30 June 2010, net profit reached QR2.7 billion, up 30.8% on the net profit delivered in June 2009. Total assets grew since June 2009 to QR186.0 billion, representing an increase of QR38.9 billion, or 26.5%. Loans and advances and financing activities grew to QR117.6 billion, representing an increase of QR34.7 billion, or 41.9%. Customer deposits and unrestricted investment accounts also increased by QR36.4 billion (35.4%) during the period to reach QR139.2 billion.

Net operating income exceeded by QR797.7 million (29.2%) to reach QR3.5 billion. This was mainly due to the increase in net interest income and

income from financing activities of QR792.2 million (44.7%) to reach QR2.6 billion. Net fees and commission income grew by QR89.5 million (18.7%) to QR567.6 million. Net gains from foreign currency transactions increased by QR24.8 million (16.3%) to reach QR176.6 million.

Total equity attributable to the Bank shareholders grew since June 2009 to QR21.1 billion, representing an increase of QR3.4 billion, or 19.0%.

QNB AI Islami also succeeded in achieving excellent results during the first half of 2010, with net profit increasing by 140% to reach QR443.2 million. Financing activities increased by QR15.8 billion (203%) since June 2009 to reach QR23.5 billion. QNB AI Islami total assets increased by QR15.0 billion (106%) to reach QR29.2 billion.

Mr. Ali Shareef Al Emadi, QNB's Group Chief Executive Officer, said: "These excellent results for the first half of 2010 clearly reflect the successful implementation of QNB's strategic objectives across the range of business activities including the international expansion plans. It is also a reflection of the effective risk management framework that was vital in avoiding the negative consequences of the international financial crisis. Mr. Al Emadi added: "QNB is keen on enhancing its service quality and on providing customers with distinctive and innovative products that cater to their growing needs and expectations."

In regard of QNB's international expansion plans, efforts are underway to increase the number of foreign branches in Oman and Sudan in order to enhance the ability to meet an increased level of activities. A similar process is also occurring in Syria

QNB AI Islami total assets increased by 106% to reach QR29.2 billion

whereby a number of new branches were recently established. Efforts are also underway in Syria to establish additional branches in various provinces across the country to increase the network to 15 branches by early next year. Other significant developments include the listing of QNB – Syria in the parallel market of the Damascus Stock Market. Also, QNB's Group stake in QNB – Syria is being increased to 55% from 49% along with an increase of its share capital to \$300 million from \$100 million currently. This is a clear reflection of our confidence towards the promising outlook of the Syrian banking sector and the increasing opportunities available to QNB – Syria.

QNB continues to play a leading role in the financing of various projects of the private and public sectors across the range of economic activities. The Bank also played a key role in Qatar Telecom's revolving credit facility that amounted to \$2 billion in which QNB played a role as Initial Mandated Lead Arranger, Bookrunner and General Financial Advisor. This facility was successfully closed drawing a strong response with total subscription of almost twice the original target.

A recognition of QNB's leading market position and its ability to deliver sustained growth in all activities is the affirmation by Standard & Poor's of QNB's credit ratings in March 2010, with a long-term rating of A+ and

QNB Group Key Performance Indicators

	June 2010	June 2009	Growth
Net Profit	QR2.7 billion	QR2.1 billion	30.8% ↑
Total Assets	QR186.0 billion	QR147.1 billion	26.5% ↑
Loans and Advances and Financing Activities	QR117.6 billion	QR82.9 billion	41.9% ↑
Customer Deposits and Unrestricted Investment Accounts	QR139.2 billion	QR102.8 billion	35.4% ↑
Total Equity Attributable to the Bank Shareholders	QR21.1 billion	QR17.7 billion	19.0% ↑
Earnings per Share	QR6.9	QR5.3	30.8% ↑

QNB AI Islami Key Performance Indicators

	June 2010	June 2009	Growth
Net Profit	QR443.2 million	QR184.8 million	140% ↑
Total Assets	QR29.2 billion	QR14.2 billion	106% ↑
Financing Activities	QR23.5 billion	QR7.8 billion	203% ↑
Customer Deposits and Unrestricted Investment Accounts	QR24.2 billion	QR11.2 billion	116% ↑



short-term rating of A1, with a Stable Outlook. QNB's ratings from the leading international ratings agencies including S&P, Capital Intelligence, Fitch and Moody's are the highest and on par with a small group of leading financial institutions in the region.

Further evidence of QNB's leading position in the banking sector, the Bank was selected once again in 2010 as the Best Bank in Qatar from Euromoney. The Euromoney Awards for Excellence is among the most respected global awards for

excellence that takes into account business volume, innovation, leadership, credit ratings, quality of assets, efficiency ratios and key performance indicators among factors considered for the award.

Subsidiaries & Associates of QNB Group

QNB Group	Country	% Ownership
QNB International Holding	Luxemburg	100%
QNB Capital	Qatar	100%
QNB Switzerland	Switzerland	100%
Qatar – Tunisian Bank	Tunisia	50%
QNB – Syria	Syria	49%
Housing Bank for Trade & Finance	Jordan	34%
Commercial Bank International	UAE	24%
Al Mansour Bank	Iraq	23%
Al Jazira Islamic Company	Qatar	20%

Algeria, Bahrain, France, Guernsey, Iran, Iraq, Jersey, Jordan, Kuwait, Libya, Luxemburg, Oman, Palestine, Qatar, Singapore, Sudan, Switzerland, Syria, Tunisia, UK, UAE and Yemen

Major Achievements During the Period

- Acted as the Mandated Lead Arranger and Coordinating Bank multiple currency term-loan of \$275 million to purchase three new container vessels.
- Affirmation of credit rating by Standard & Poor's and Capital Intelligence, with QNB ratings being one of the highest amongst financial institutions in the region.
- New branches were established in Syria and efforts are underway to further increase the branch network in Oman, Sudan and Syria.
- QNB Capital was the Award of Best IPO in the Middle East.
- QNB Syria shares were listed on the parallel market at the Damascus Stock Exchange.
- Ranking rose to 210 in The Banker Magazine Top 500 Banking Brands in the World, up 39 places from the 2009 survey.
- Launched Qatar's first co-branded Titanium MasterCard in partnership with MasterCard International and Qatar Airways.
- Launched Cash Deposit Card allowing round-the-clock cash deposits at over 45 QNB Cash Deposit ATMs.
- Launched e-payment system in the form of prepaid cards (Thimaar) with the Ministry of Endowments and Islamic Affairs.
- Qatarization ratio stood at 54% in June 2010.

Net Profit (QR million)



Net profit increased by 30.8% to QR2.7 billion

Total Assets (QR billion)



Total assets increased by 26.5% to QR186.0 billion

Loans and Advances and Financing Activities (QR billion)



Loans and advances and financing activities increased by 41.9% to QR117.6 billion

