



Investor Relations Presentation April 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 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 335 branches and offices, supported by more than 650 ATMs, and employing almost 7,000 staff.

Stock Info

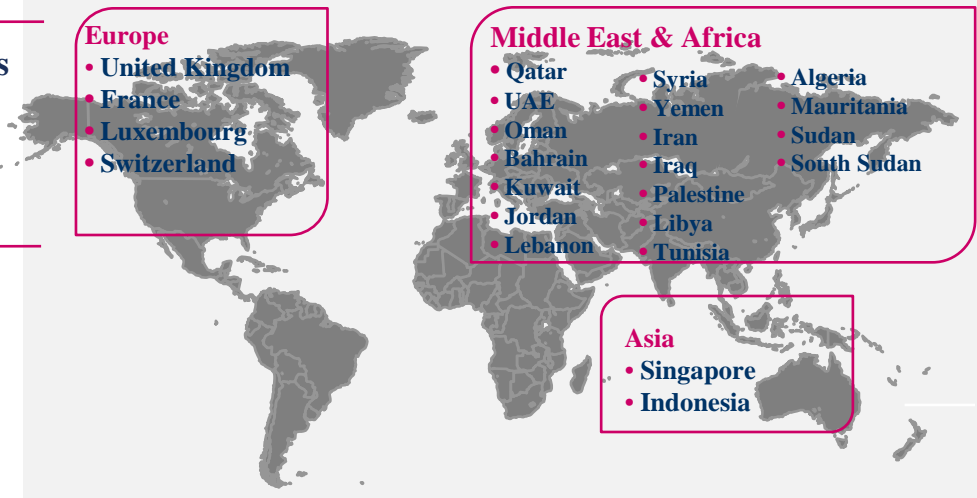
(Share Price as at 31/03/2012; ratios based on year-end 2011 financials)

Market Cap	US\$26.0 bn
(Share Price: QR135.1)	
Price/Earnings	12.2
Price/Book	2.3

March 2012 Financials (in US\$)





























	2012	2011	5yr CAGR
Total Assets	85.5 bn	66.7 bn	35%
Loans & Advances	55.3 bn	38.6 bn	34%
Operating Income	0.77 bn	0.62 bn	26%
Profit	0.55 bn	0.47 bn	25%
NPL Coverage	127%	121%	

Global Presence



QNB operates through branches, representative offices and subsidiaries/associates

Overview of International Network

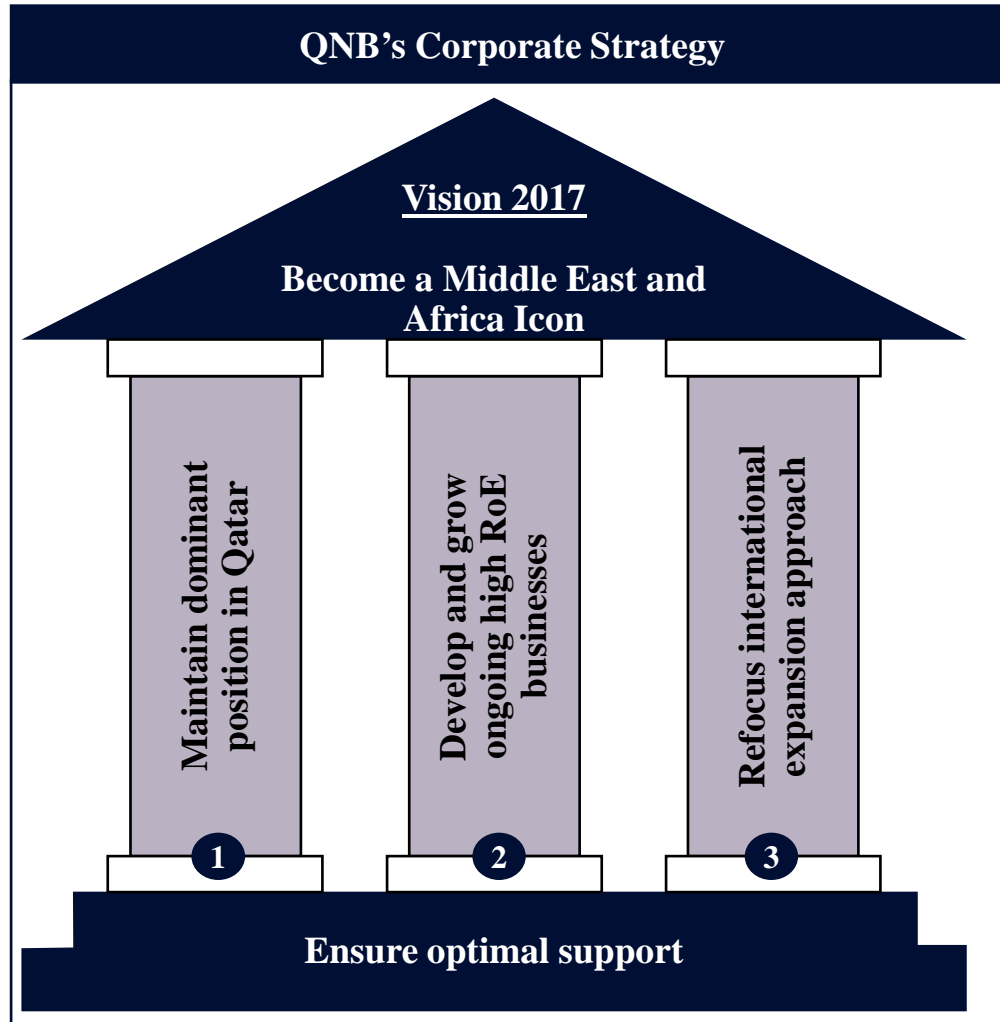
Type of Operation by Geography					Subsidiaries and Associates	Country	Ownership
Subsidiaries and Associates					QNB Capital	Qatar	100%
					QNB Financial Services	Qatar	100%
					QNB Banque Privée	Switzerland	100%
					Bank Kesawan	Indonesia	70%
Branches					QNB Syria	Syria	51%
					Tunisian Qatari Bank	Tunisia	50%
					Housing Bank for Trade & Finance	Jordan	35%
Representative Offices					Commercial Bank International	UAE	24%
					Mansour Bank	Iraq	23%
					Al Jazeera Finance Company	Qatar	20%

QNB's vision for 2017 is "To become a Middle East and Africa Icon"



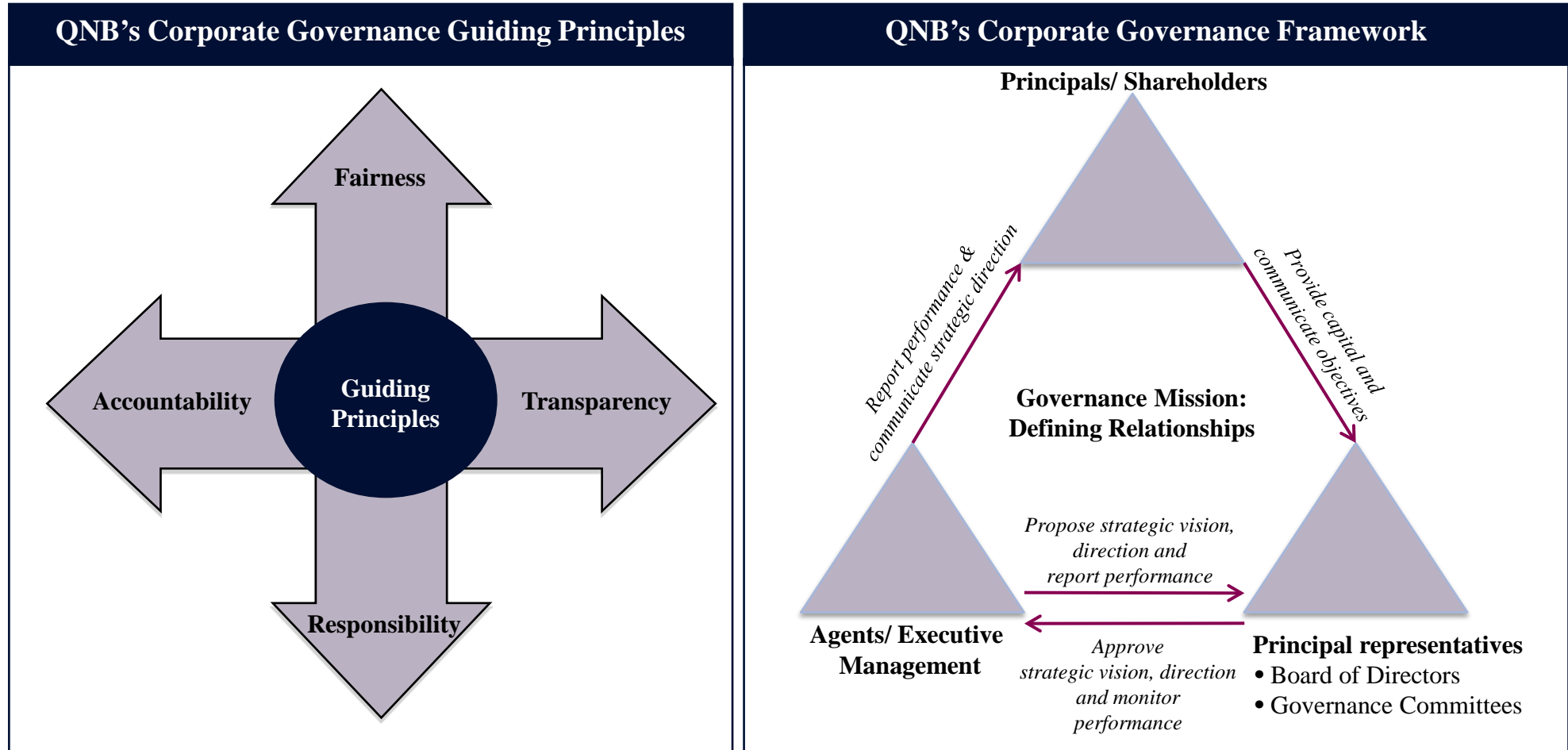
A corporate level strategy has been developed along three pillars to realize QNB's 2017 vision

Overview of Corporate Strategy



QNB's corporate governance framework is based on four guiding principles and aims to prevent any principal-agent conflict of interest

Corporate Governance Guiding Principles and Framework



QNB's governance framework ensures management decisions are in the best interests of shareholders

QNB's corporate governance architecture cascades from Board of Directors to Management Committees...

Corporate Governance Architecture



...and ensures shareholders' objectives are translated into clearly defined action plans with active execution oversight by the Board

Corporate Governance Architecture

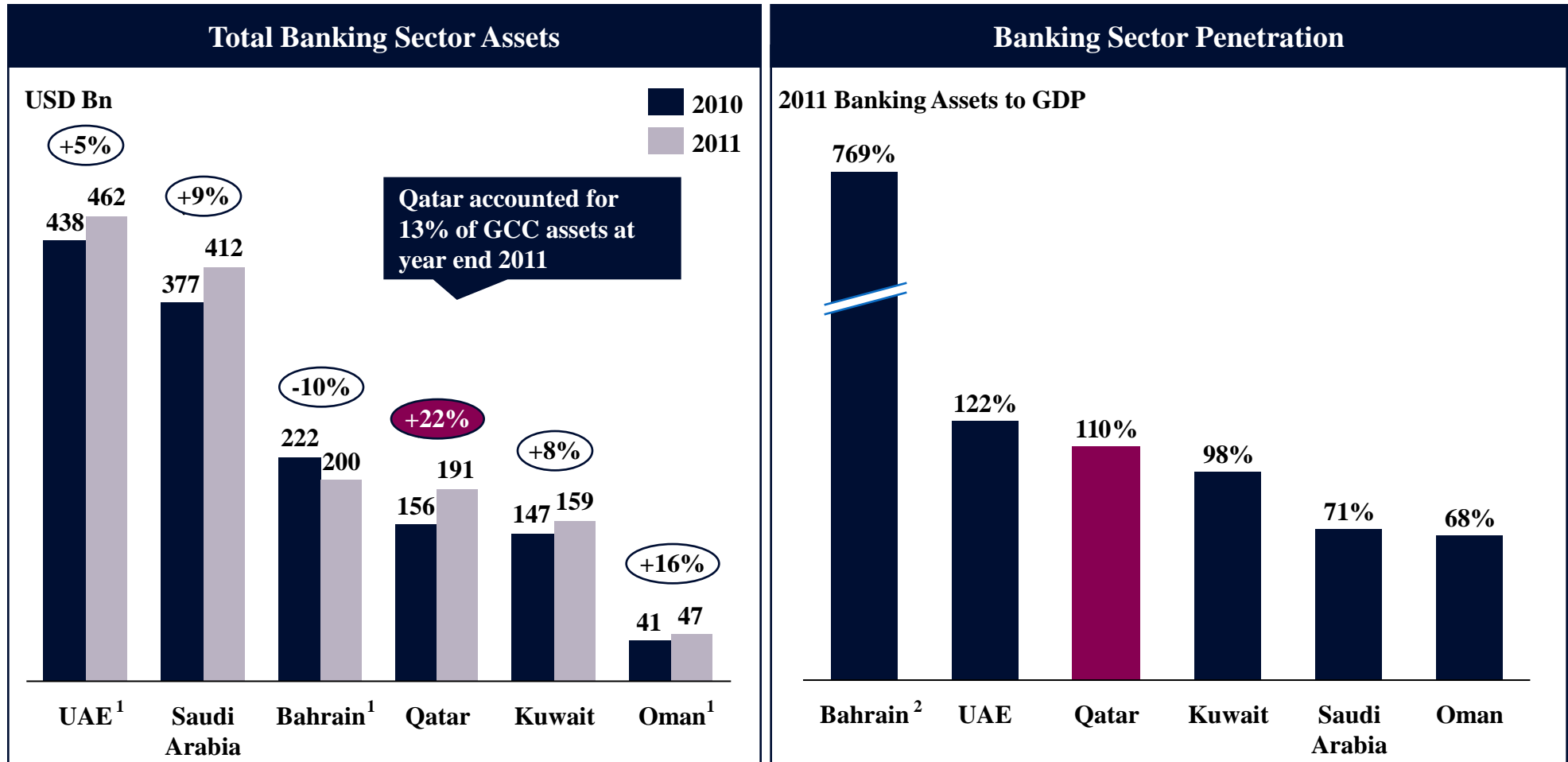




Qatar Banking Sector

Qatar's banking sector has experienced the strongest growth in the GCC, however penetration levels are still low compared to peers

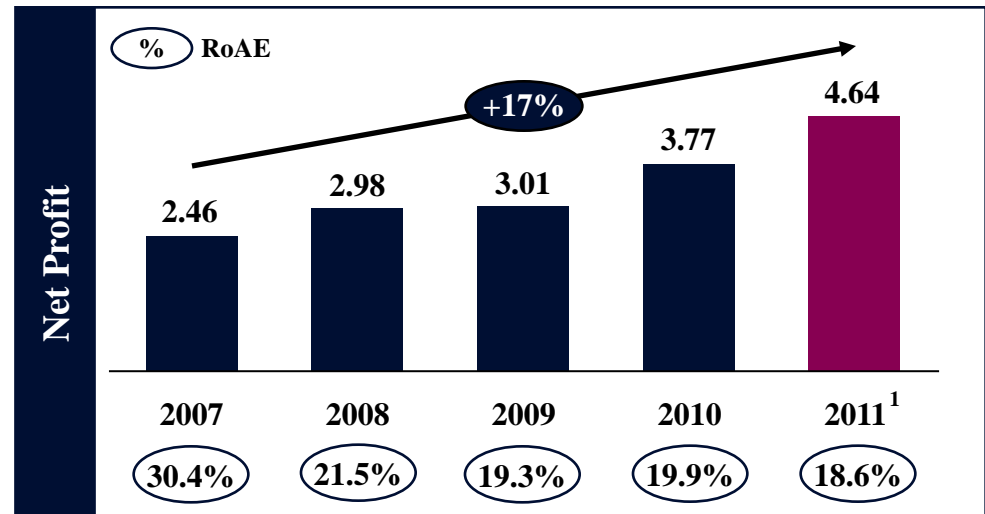
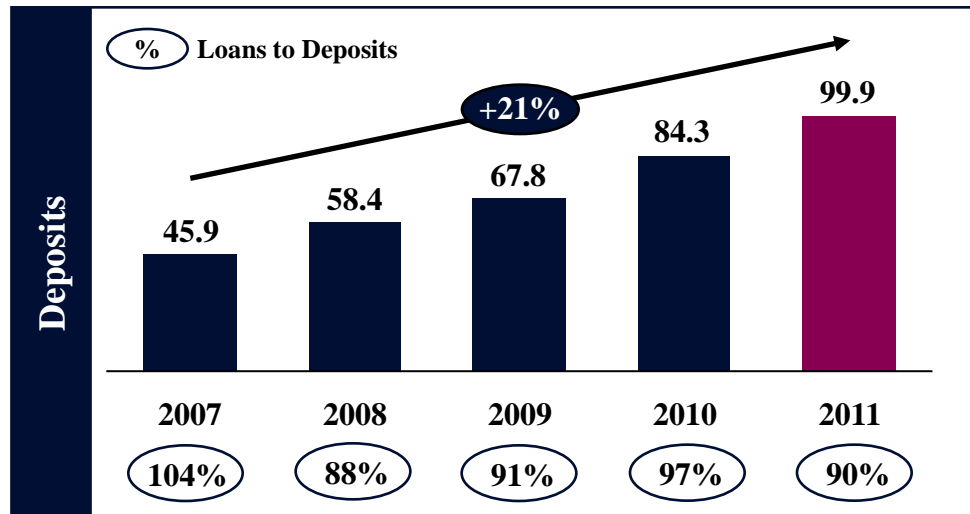
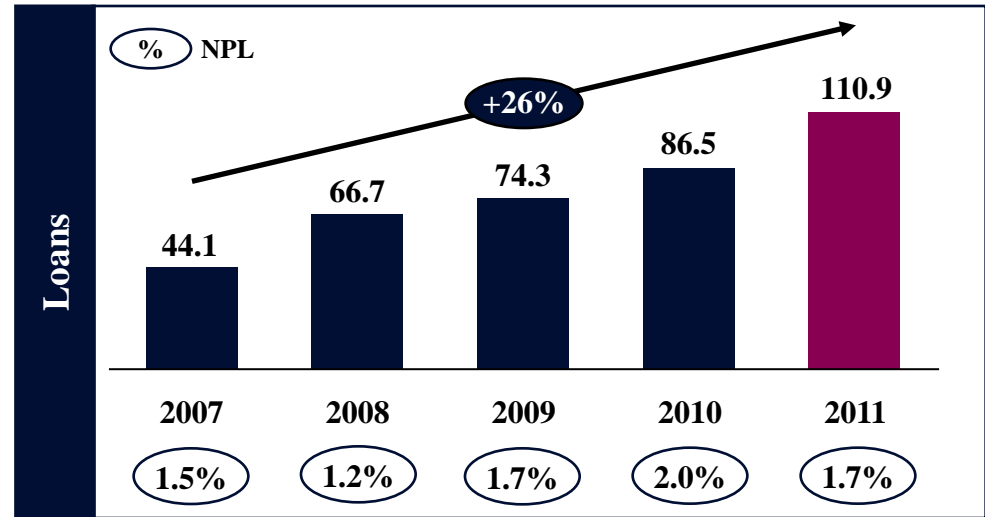
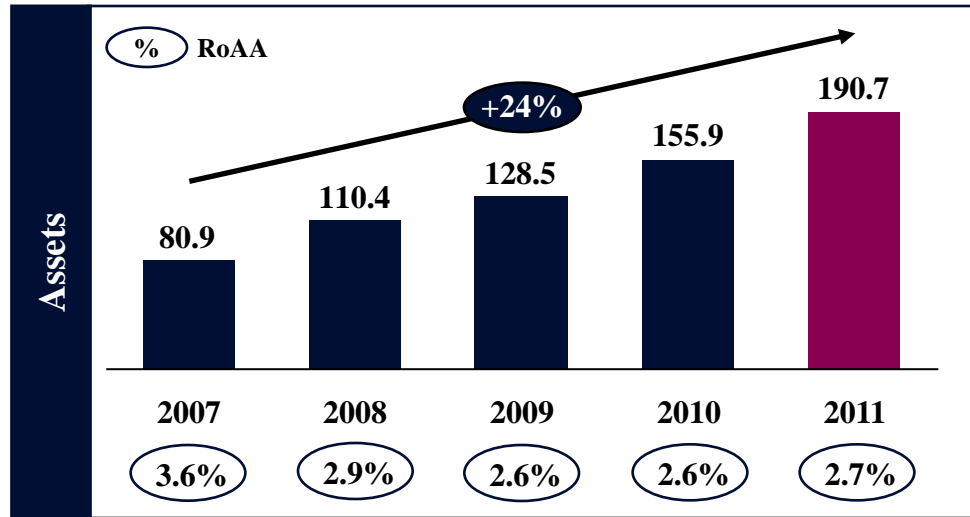
Benchmark of Qatar Banking Sector vs. GCC



Qatar's current banking penetration levels provide ample room for further expansion

All key banking sectors metrics have expanded rapidly over the last five years while asset quality remains high as well as stable

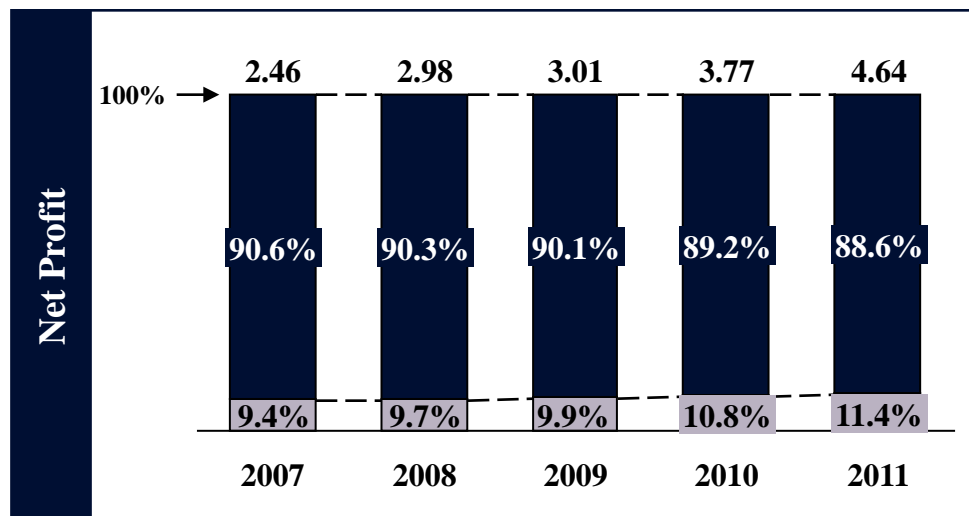
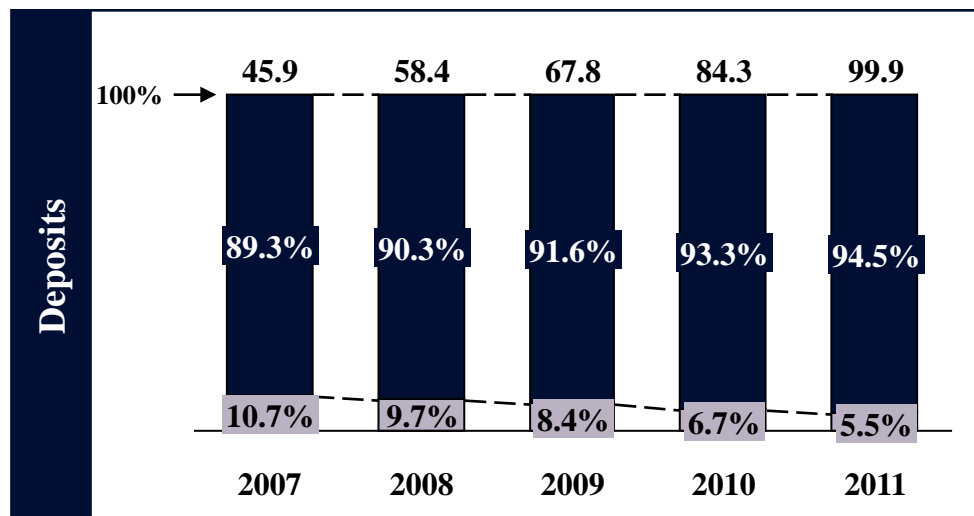
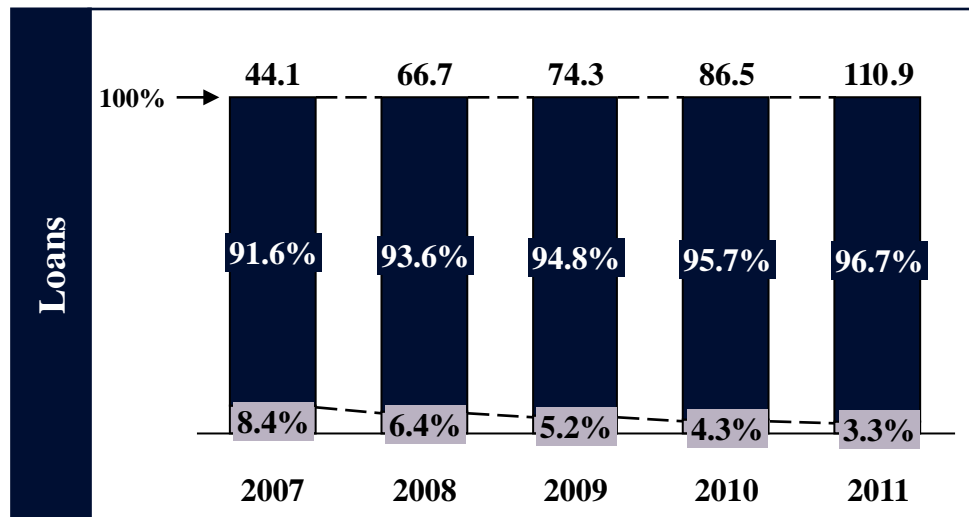
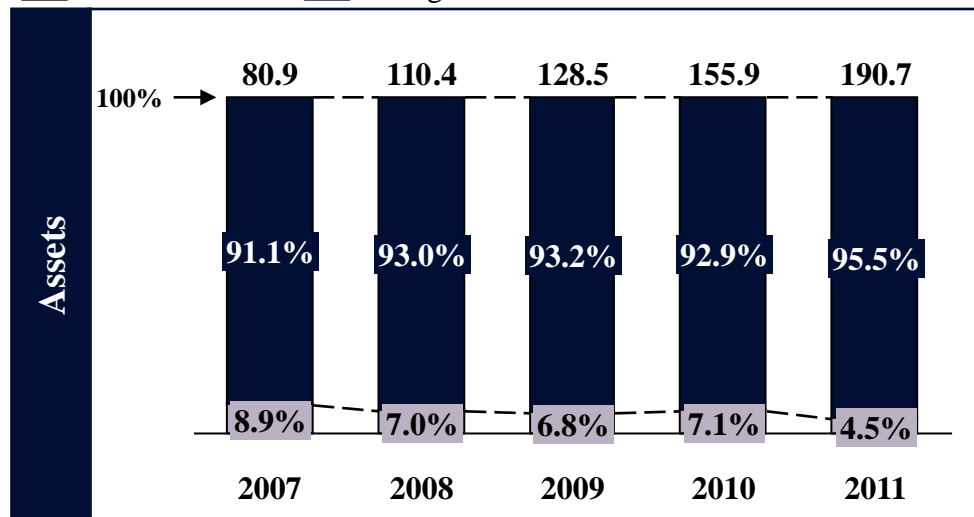
Qatar Banking Sector Growth (USD Bn)



The banking sector is dominated by domestic players

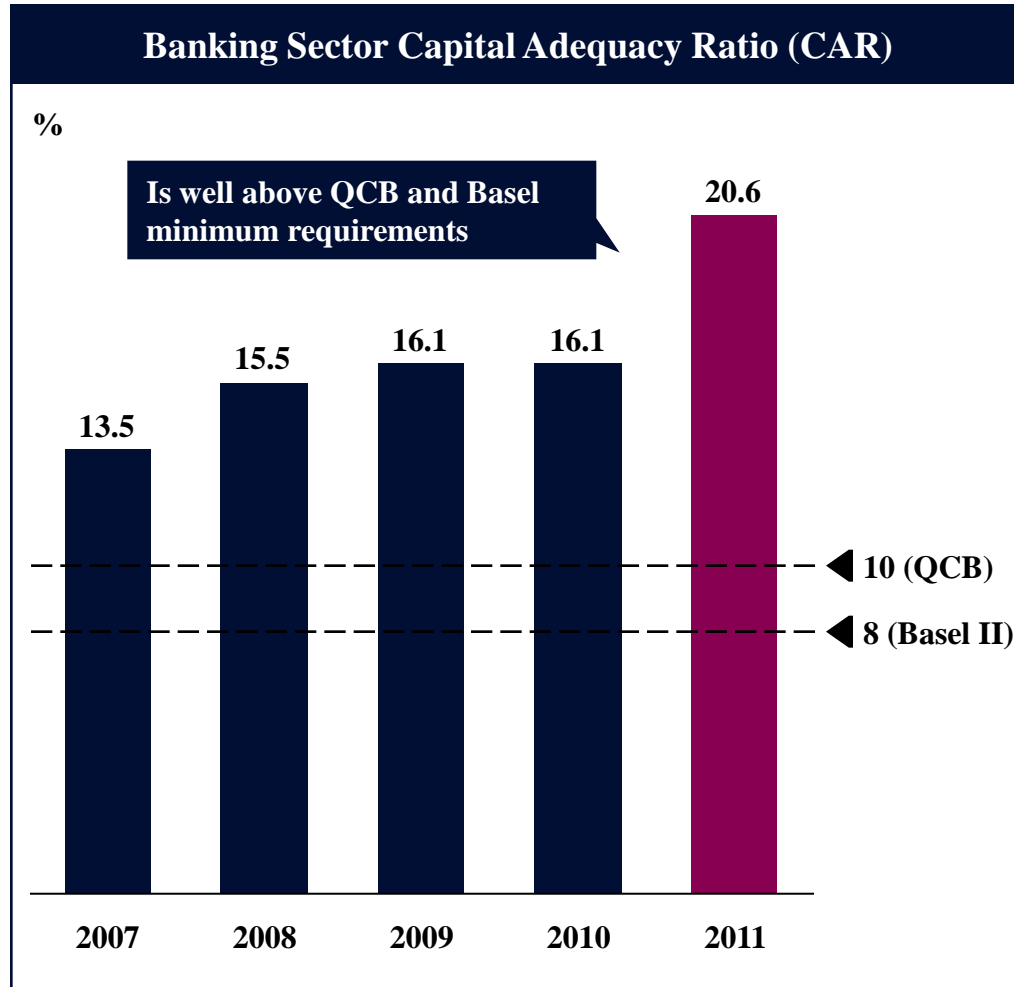
Qatar Banking Sector Split by Nationality (USD Bn)

■ Domestic banks ■ Foreign banks



Qatar Central Bank's prudent oversight ensures the banking sector is well protected, however the regulatory environment is evolving

Qatar Banking Sector Regulation



Regulatory Environment

Focus on capital adequacy and risk management

- QCB has taken a proactive role in the supervision of the banking sector to ensure it remains well capitalized
- QCB has applied the Basel II framework since 2007 and is ahead of schedule for the implementation of the Basel III¹

Evolving regulatory environment

- QCB has introduced new regulations that impact market structure and competitive dynamics, for e.g.,
 - In April, QCB introduced maximum limits², capped interest rates and durations for personal loans against salaries³

- Qatar's banking sector CAR has remained high in recent years
- Caps on interest rates and terms have resulted in commoditization of retail banking products as the ability to differentiate on price has become limited

¹ The timeline for the completion of different aspects of the Basel III framework falls between 2013 and 2019

² For the amount and maturity: USD 549,500 over six years for Qatari nationals and USD 110,000 over four years for expatriates

³ On personal loans against salary at 1.5% over its benchmark interest rate

Source: Qatar Central Bank and QNB analysis

Qatar has a vibrant banking sector with 18 active financial institutions and with new players entering, the competitive intensity is increasing

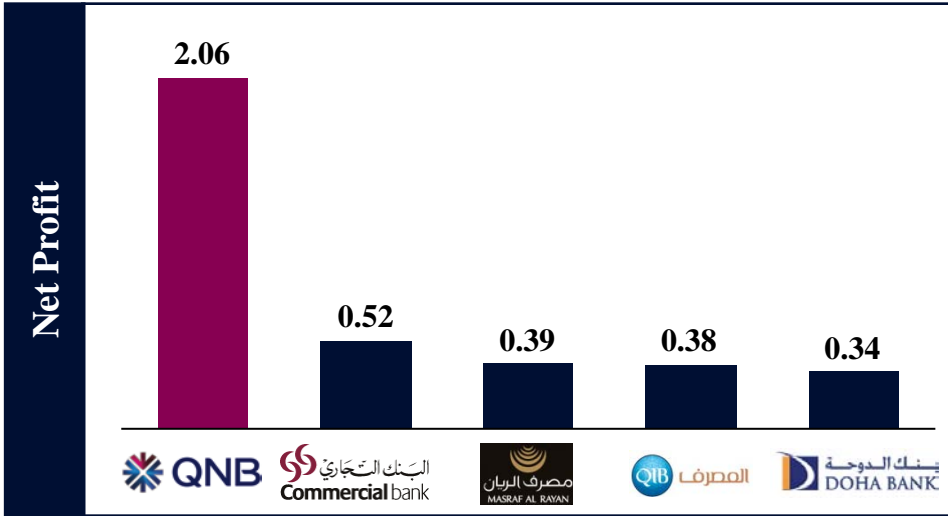
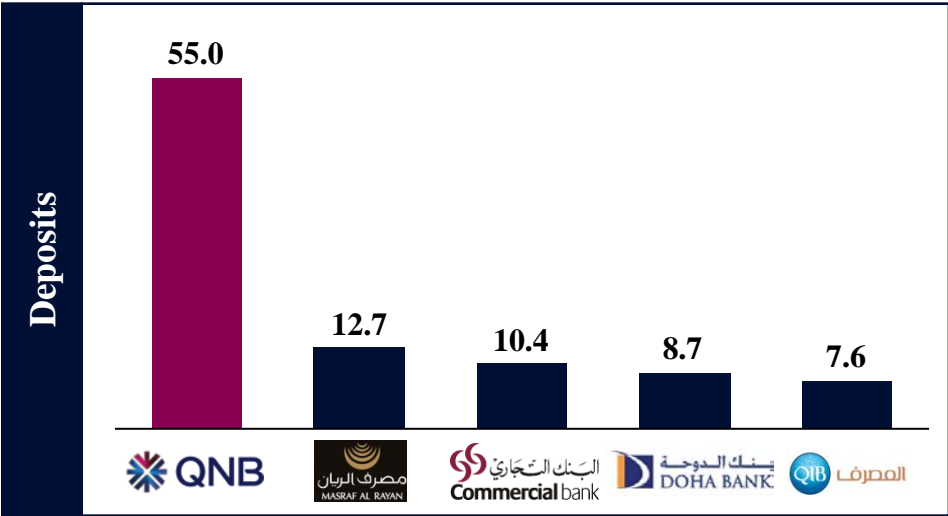
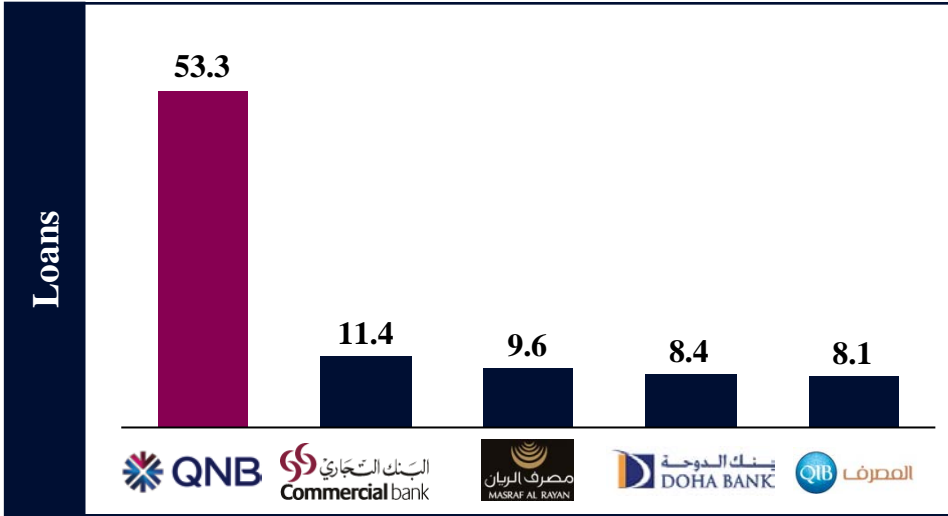
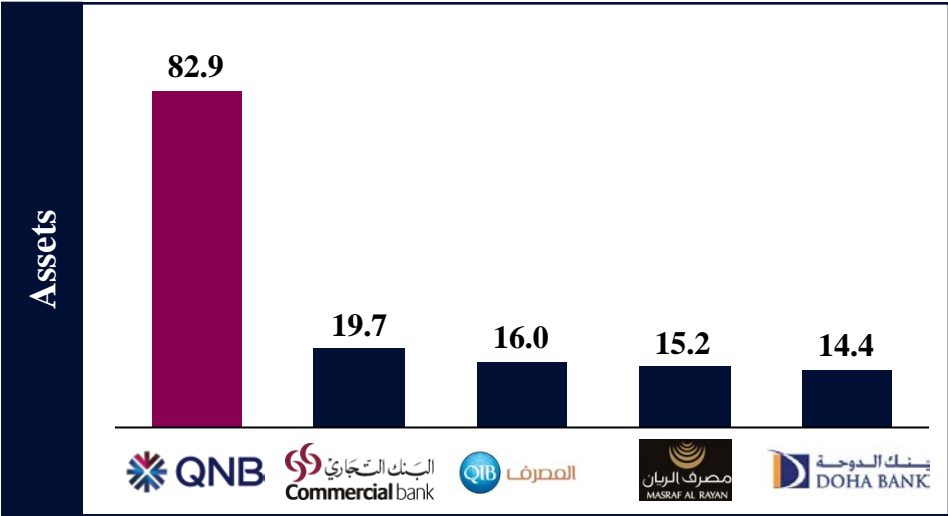
Qatar Banking Sector Competitive Landscape



- The market comprises:
 - 6 commercial banks
 - 4 Islamic banks
 - 7 foreign banks
 - 1 specialized bank
- Commercial banks account for the bulk of the banking sector with share above 70%
- Market is attracting new entrants encouraged by incentives offered by the Qatar Financial Centre (QFC)

QNB is the dominant bank in Qatar...

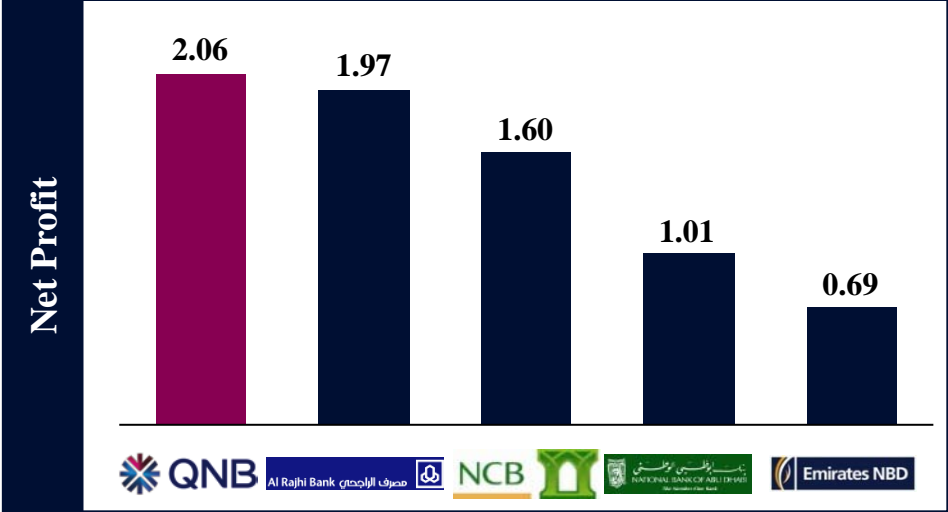
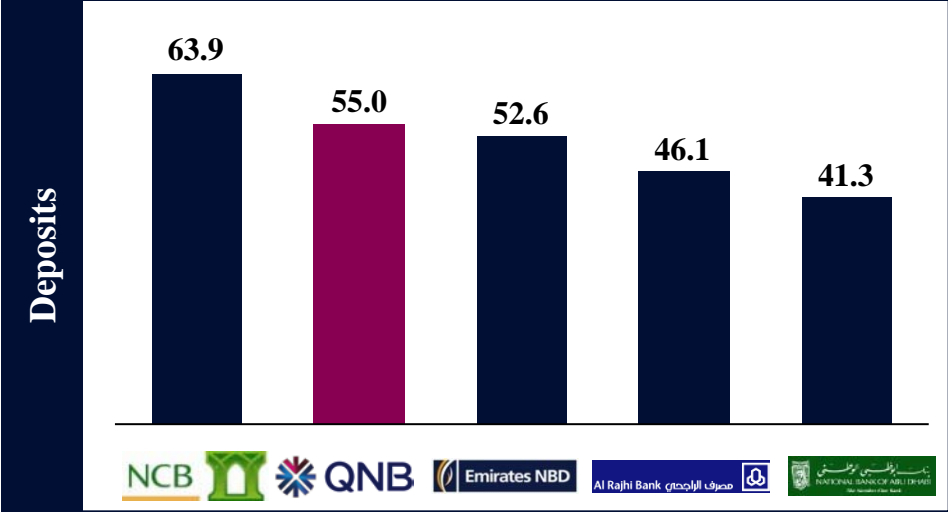
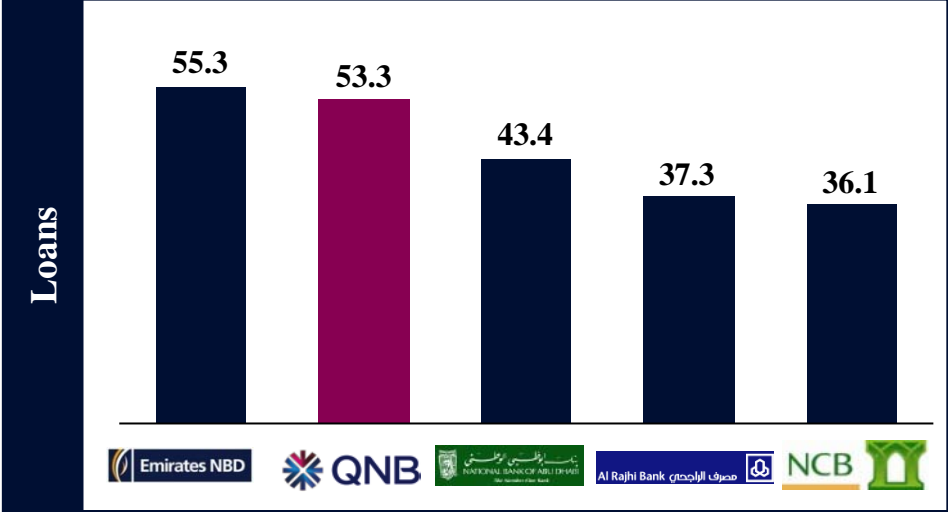
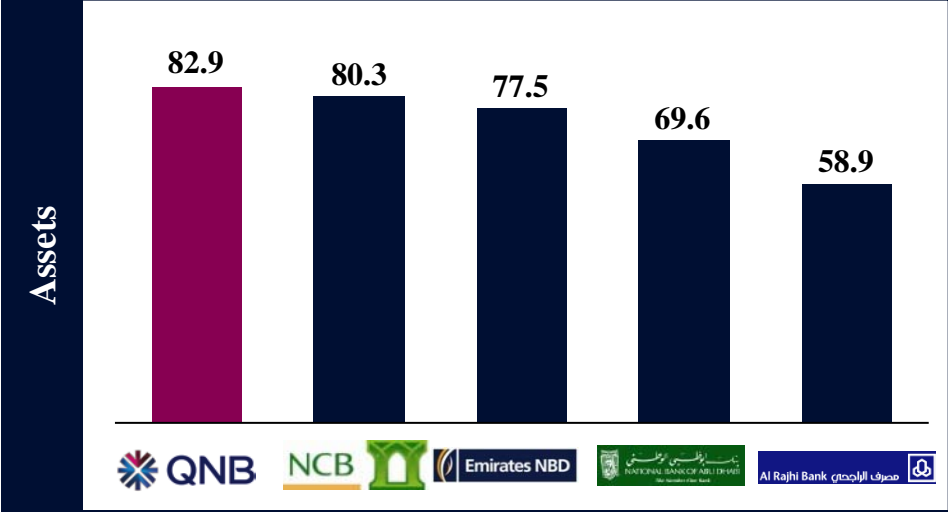
QNB vs. Domestic Peers (USD Bn as at 31/12/2011)



Source: Companies' annual reports

... and a leading MENA player

QNB vs. Regional MENA Peers (USD Bn as at 31/12/2011)



Source: Companies' annual reports



Financial Highlights – March 2012

QNB continues to demonstrate sustainable profitable growth

Quarter 1 2012 Highlights



Growth vs. March 2011

Profit

- USD 0.55 Bn net profit

+17%

Assets

- USD 85.5 Bn assets
- USD 55.3 Bn loans

+28%

+43%

Funding

- USD 60.0 Bn customer deposits

+21%

Capital

- USD 11.5 Bn equity

+71%

- Net interest margin: 2.84%
- Efficiency ratio: 16.0%

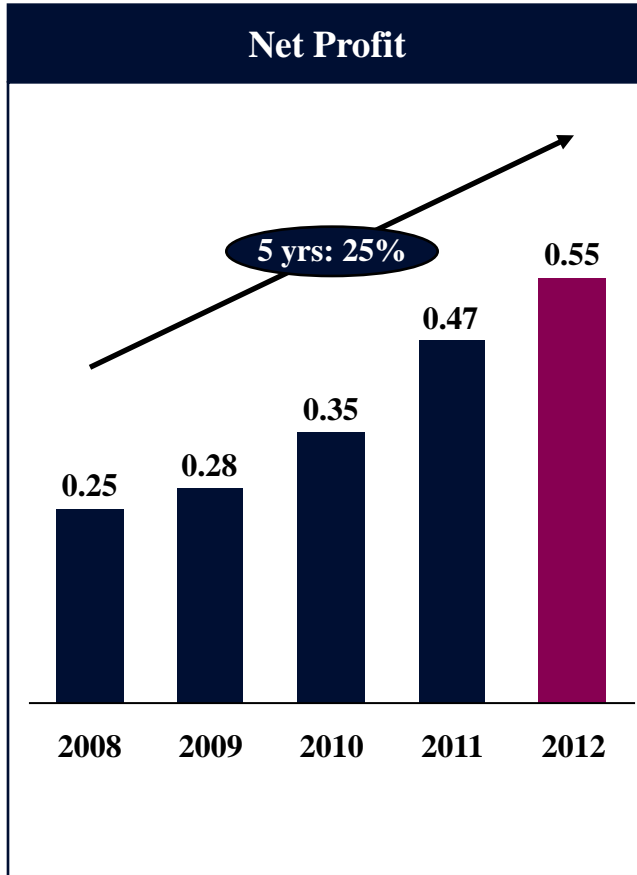
- NPL (% of assets): 1.1%
- Coverage ratio: 127%

- Loans to deposits ratio: 92.1%

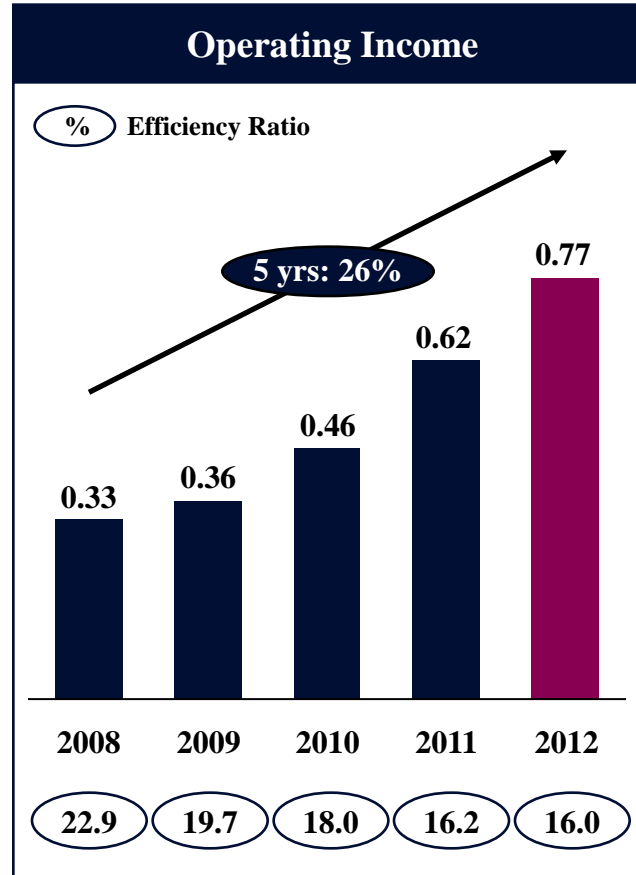
- Capital adequacy ratio: 21.8%

Strong profitability growth driven by margin expansion and efficiency gains

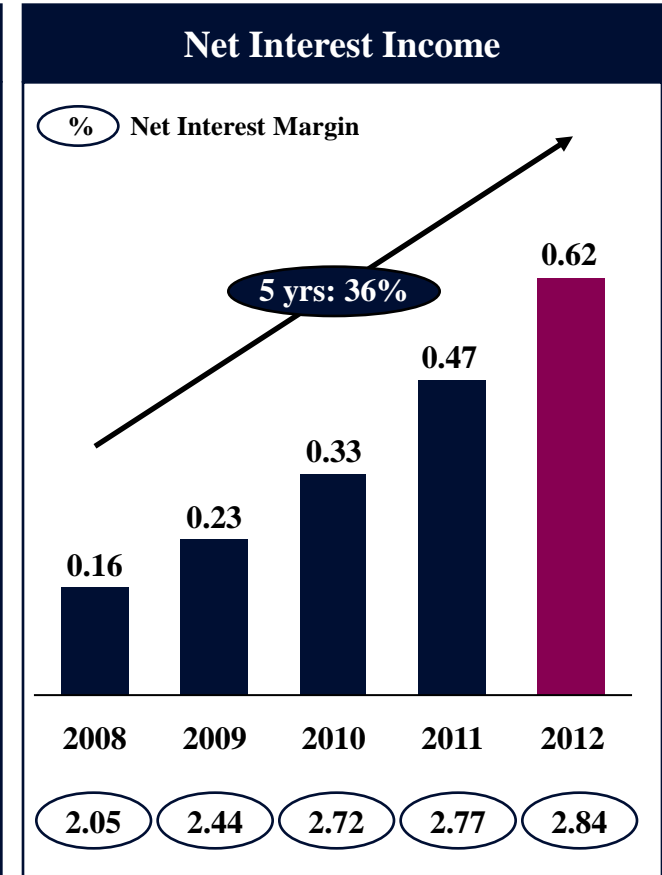
Income Statement Breakdown (USD Bn as at March)



- Net profit increased 17% from March 2011
- 2007-2012 CAGR of 25%



- Operating income increased 24% from March 2011
- 2007-2012 CAGR of 26%



- NII increased 32% since 1Q11
- NIM expanded by 79bps since 2008
- 2007-2012 CAGR of 36%

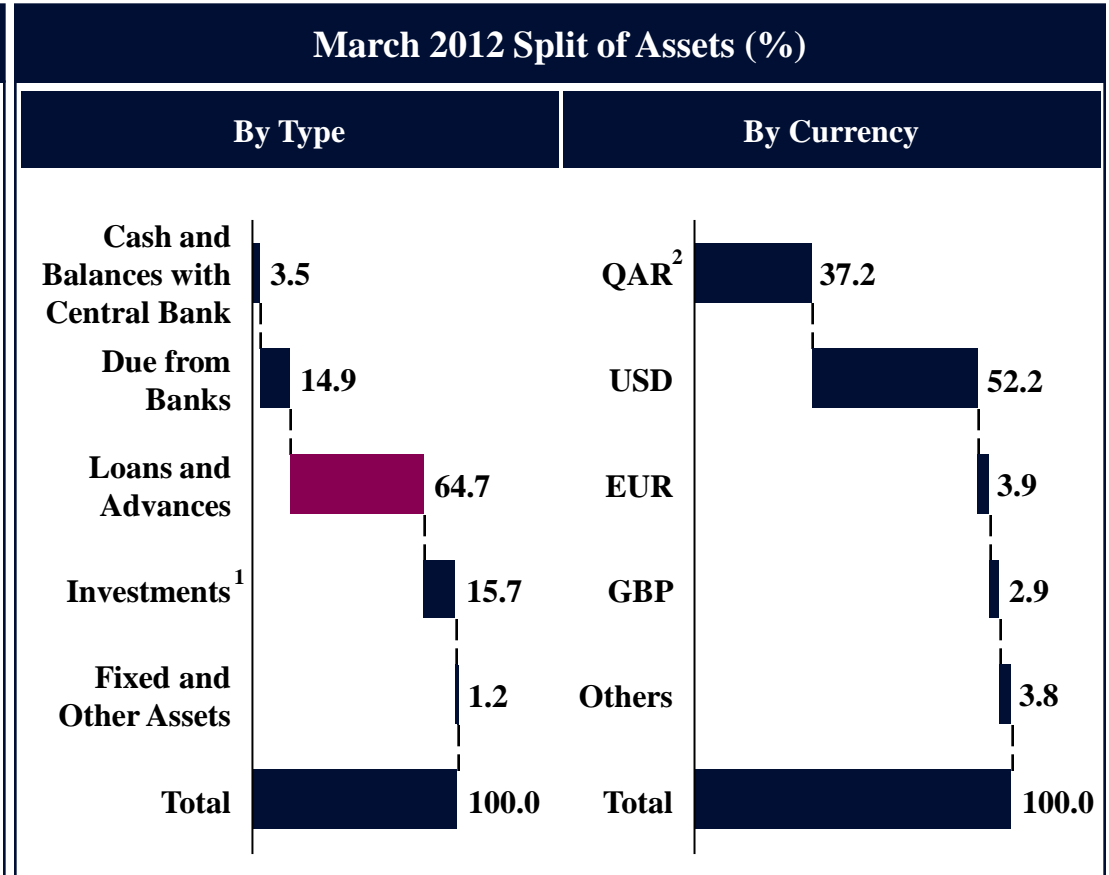
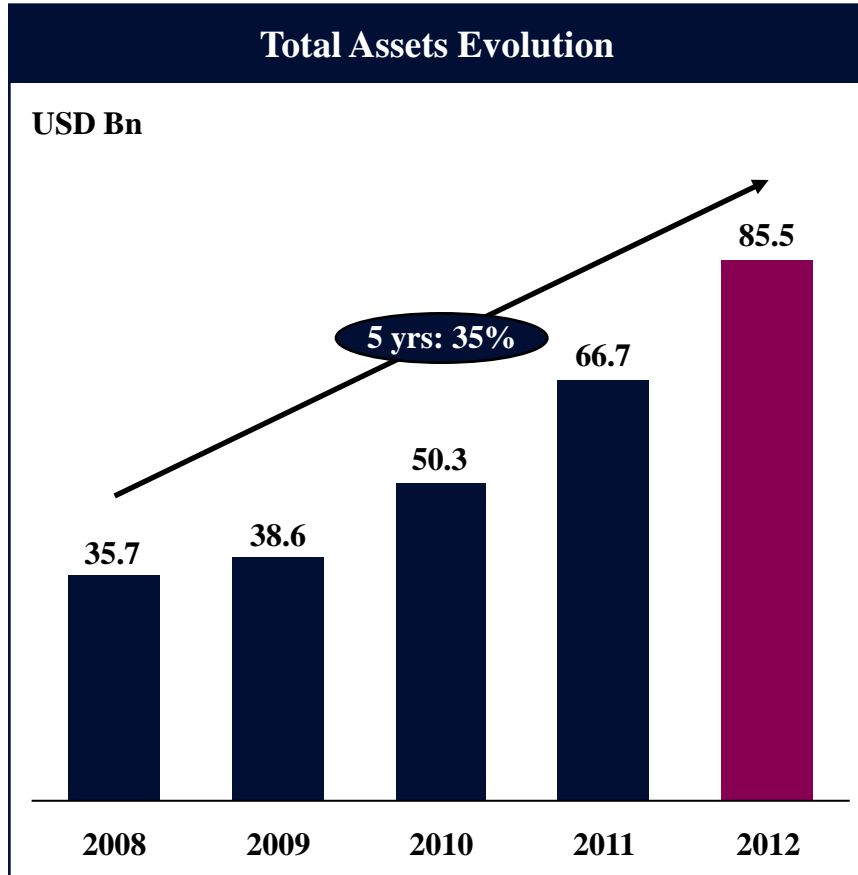
Robust quarterly growth has been consistently delivered

Quarterly Income Statement

Income Statement					
USD 000s	Q1 2011	Q2 2011	Q3 2011	Q4 2011 ¹	Q1 2012
• Net Interest Income	469,020	481,015	531,475	660,731	617,098
– FX Gain	26,311	29,255	39,143	46,783	44,849
– Fees and Commissions	78,333	86,694	90,500	100,742	92,631
– Invest. Income – Dividends	9,583	6,700	4	0	4,858
– Invest. Income – Capital Gains	21,820	21,786	20,902	21,098	595
– Invest. Income – Associates	12,410	15,099	13,662	4,470	10,138
– Other Income	1,954	3,883	1,590	2,480	483
• Total Other Income	150,411	163,417	165,801	175,573	153,554
• Total Operating Income	619,431	644,432	697,276	836,304	770,652
• G&A Expenses	(100,055)	(100,243)	(100,556)	(138,485)	(123,385)
• Total Operating Profit	519,376	544,189	596,720	697,819	647,267
• Loan Loss Provisions	(48,691)	(57,409)	(68,782)	(109,356)	(73,255)
• Other Provisions & Taxes	(1,863)	10,236	(5,871)	(13,748)	(23,416)
• Net Profit	468,822	497,016	522,067	574,715	550,596

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

Assets Analysis (as at March)

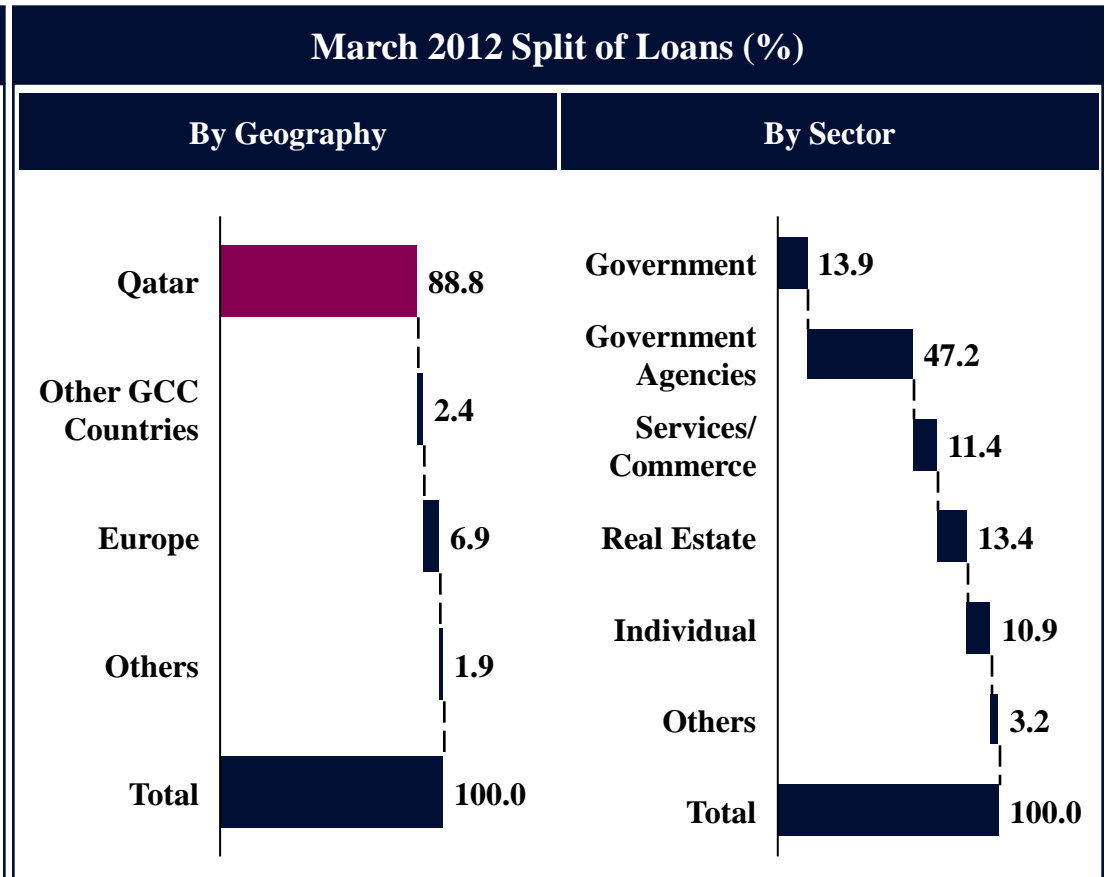
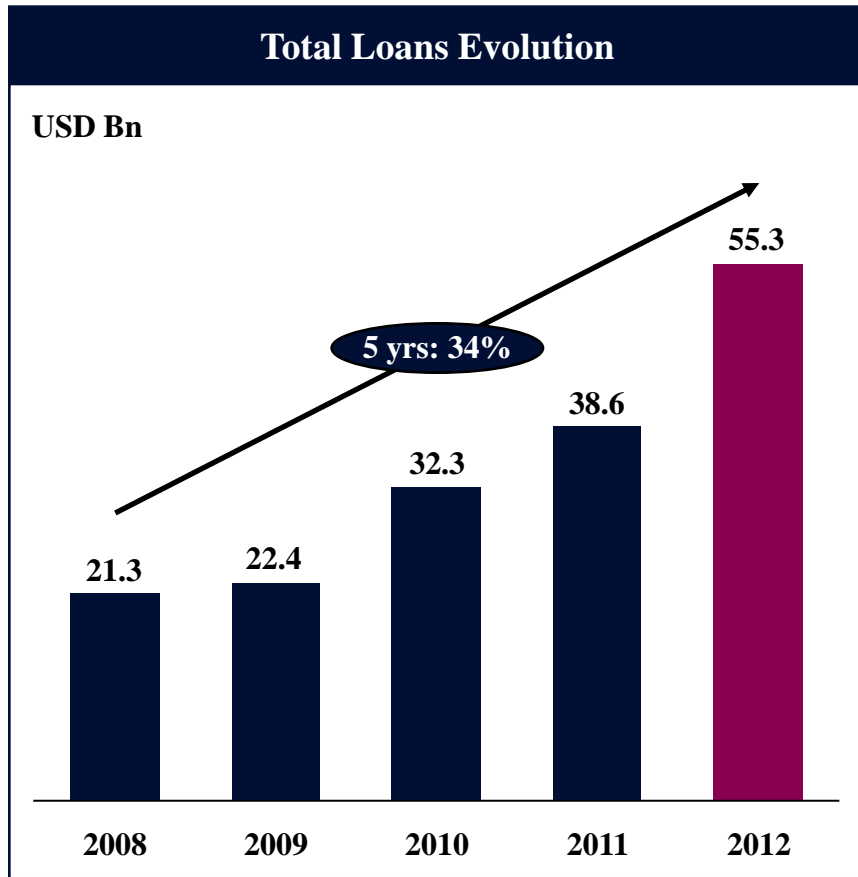


- March 2012 year on year growth was 28%
- March 2012 growth since December 2011 was 3%
- 2007-2012 CAGR of 35%

- Loans and advances represent 65% of total assets
- USD and QAR currencies account for 89% of total assets

Strong loan growth fueled by domestic economic tailwinds

Loans Analysis (as at March)

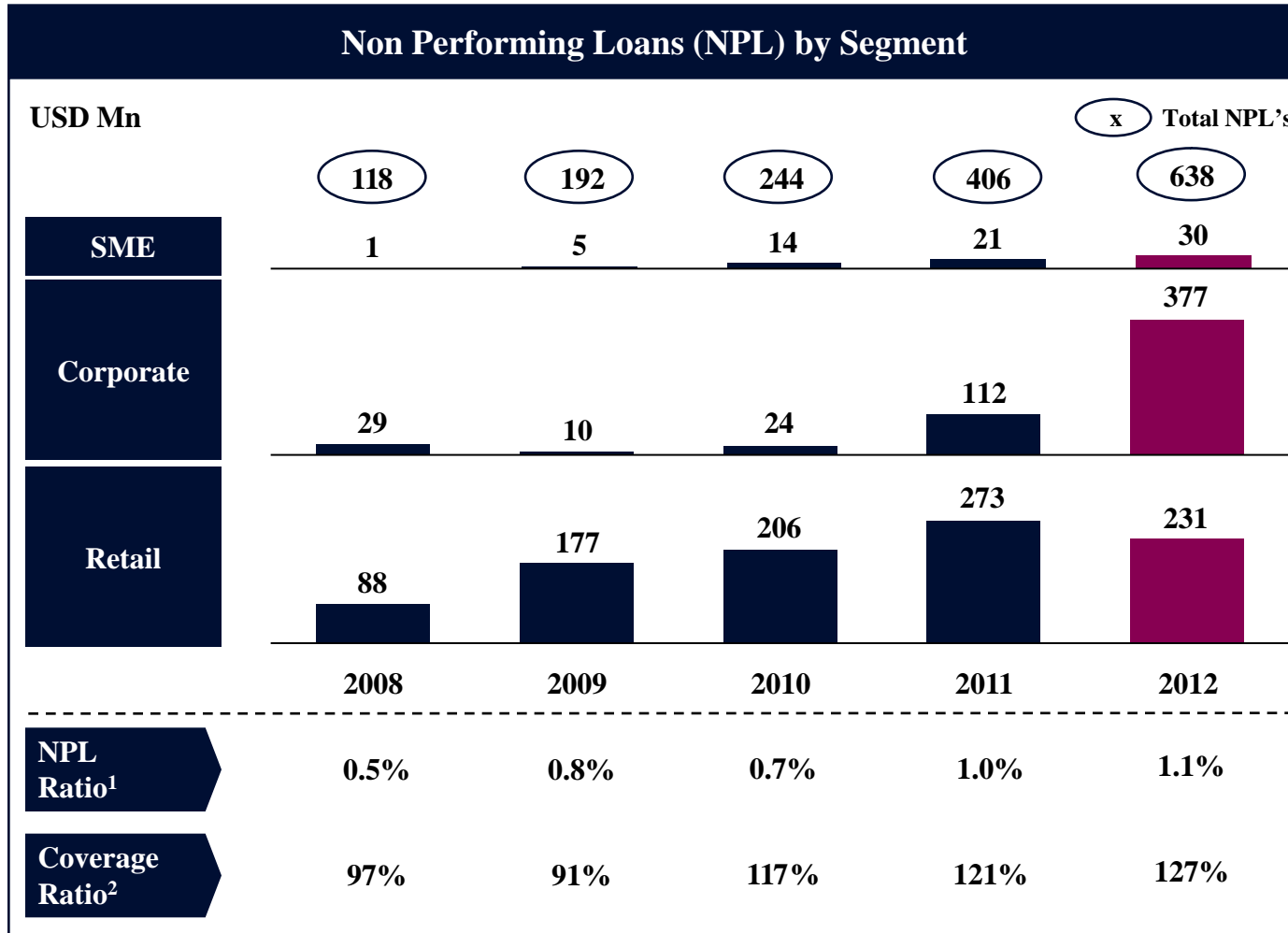


- March 2012 year on year growth was 43%
- March 2012 growth since December 2011 was 4%
- 2007-2012 CAGR of 34%

- Qatari entities account for 89% 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

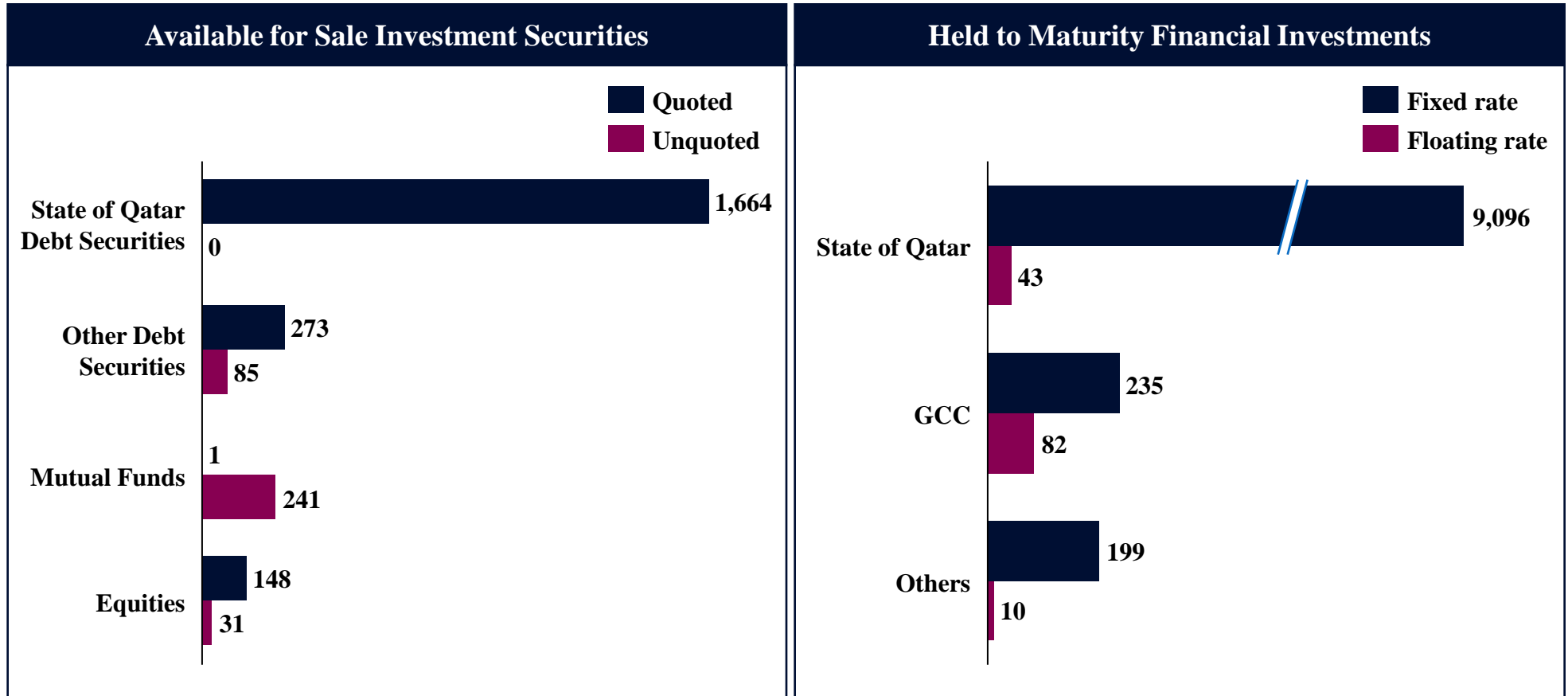
Asset Quality Analysis (as at March)



- One of the lowest NPL ratio among MENA banks
- Since 2008, QNB has increased its provisions in response to the global financial crisis
- The bank's provisions coverage has remained strong amidst the economic slowdown, with a coverage of 127% as at March 2012
- An additional risk reserve of USD 27.5 Mn was taken in 2011 to bring the total balance to USD 440 Mn representing nearly 3.25% of private lending against QCB requirement of only 1.50%

High quality investment portfolio with 90% of securities rated AA or better

Investments Analysis (USD Mn as at 31/03/2012)

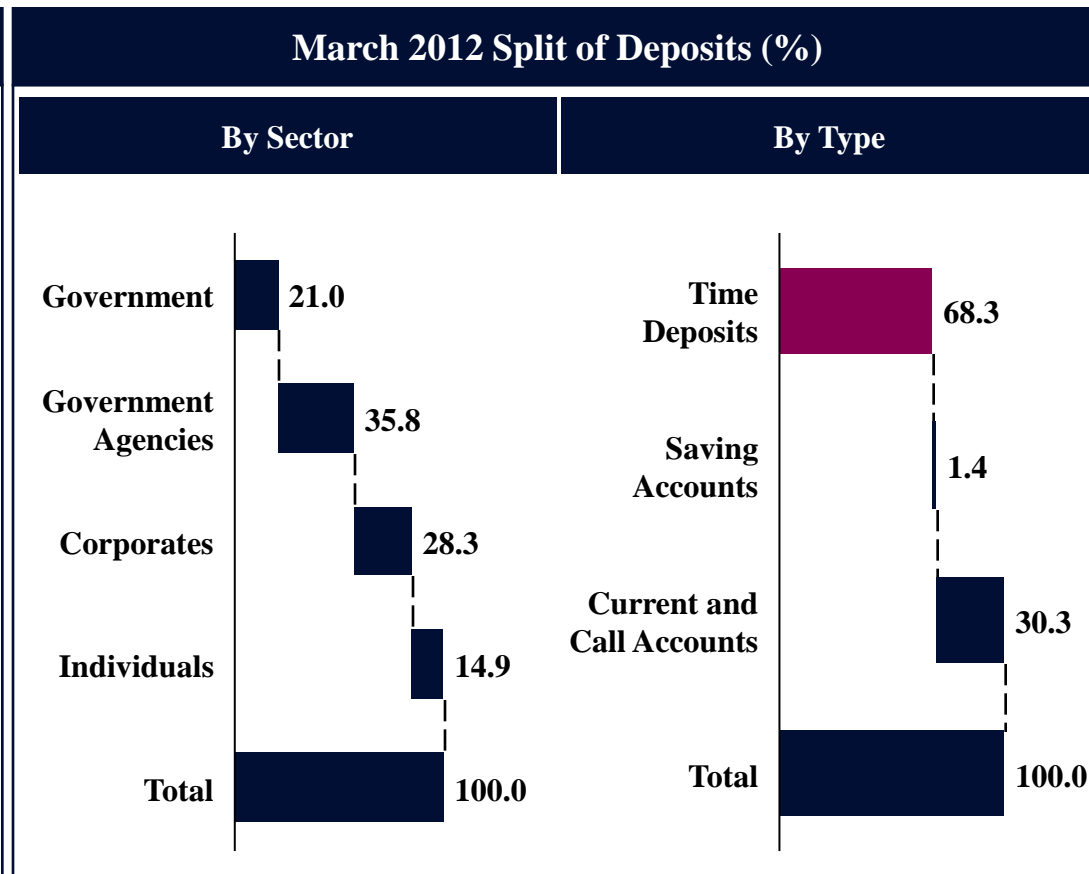
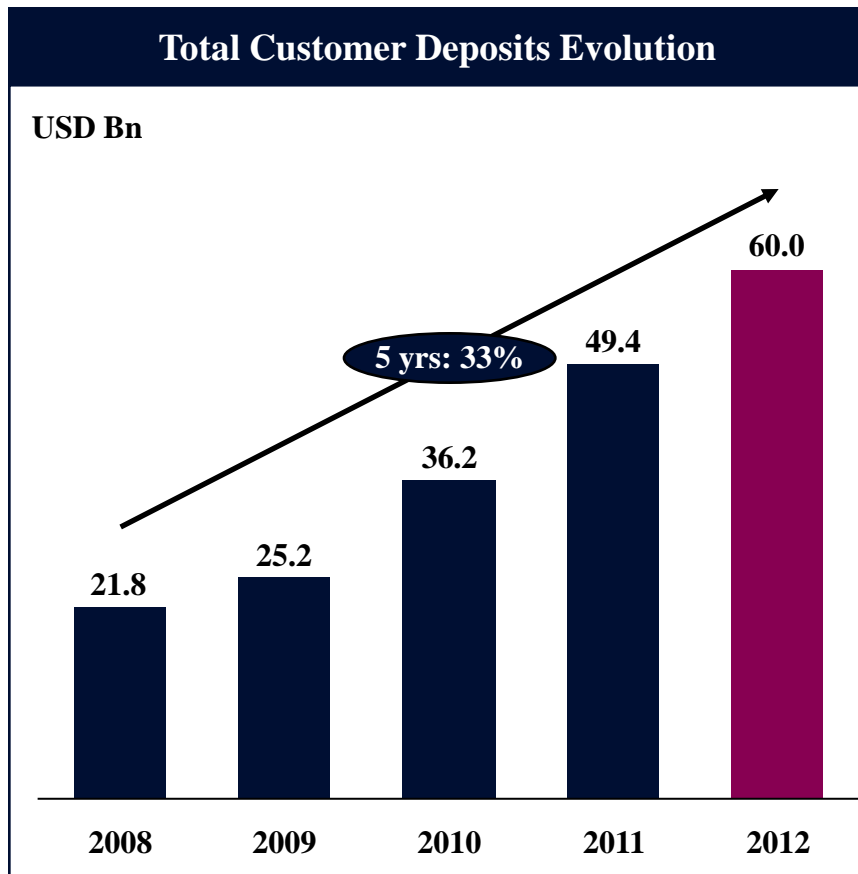


• Quoted securities account for 85% of available for sale investment securities

• Majority of held to maturity financial investments are sovereign bonds in Qatari Riyals

Robust growth in customer deposits and funding

Funding Analysis (as at March)

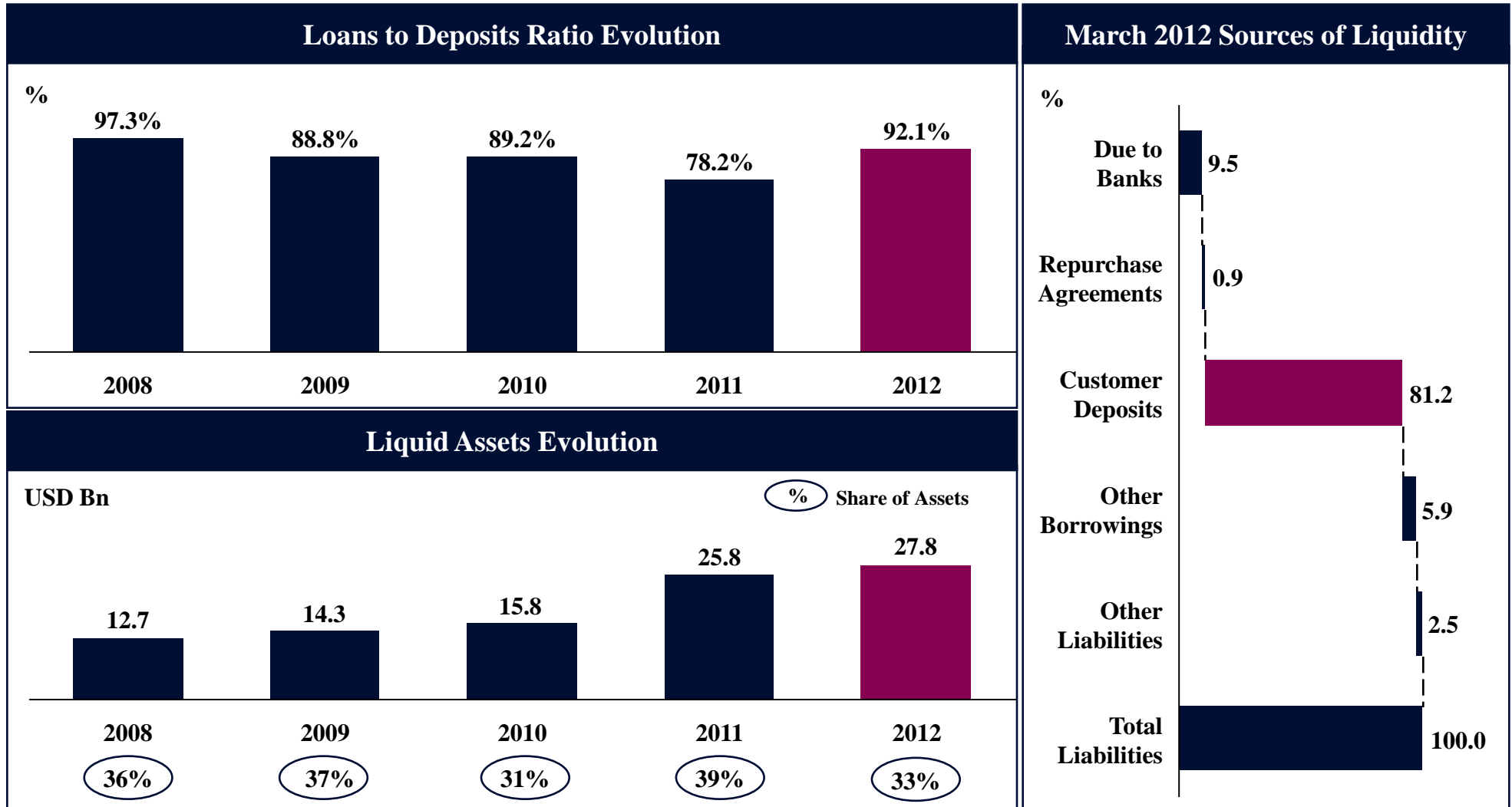


- March 2012 year on year growth was 21%
- March 2012 growth since December 2011 was 9%
- 2007-2012 CAGR of 33%

- QNB remains the public sector's preferred bank
- Time deposits account for 68% of deposits

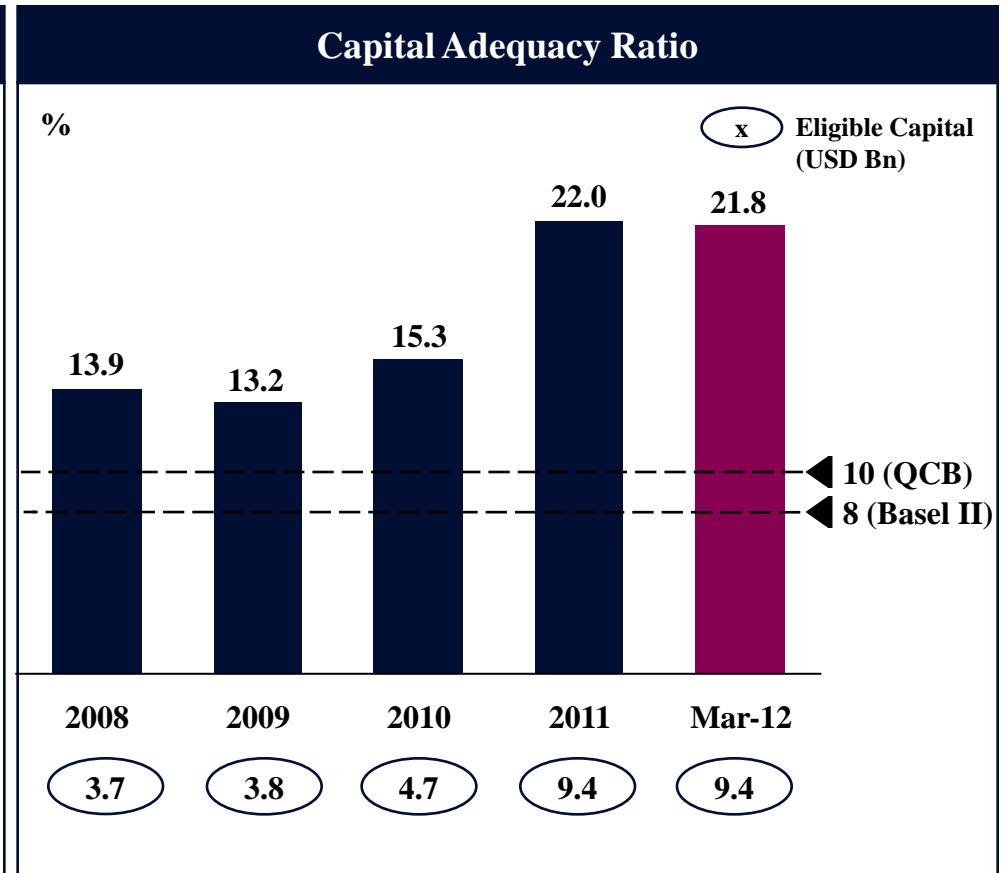
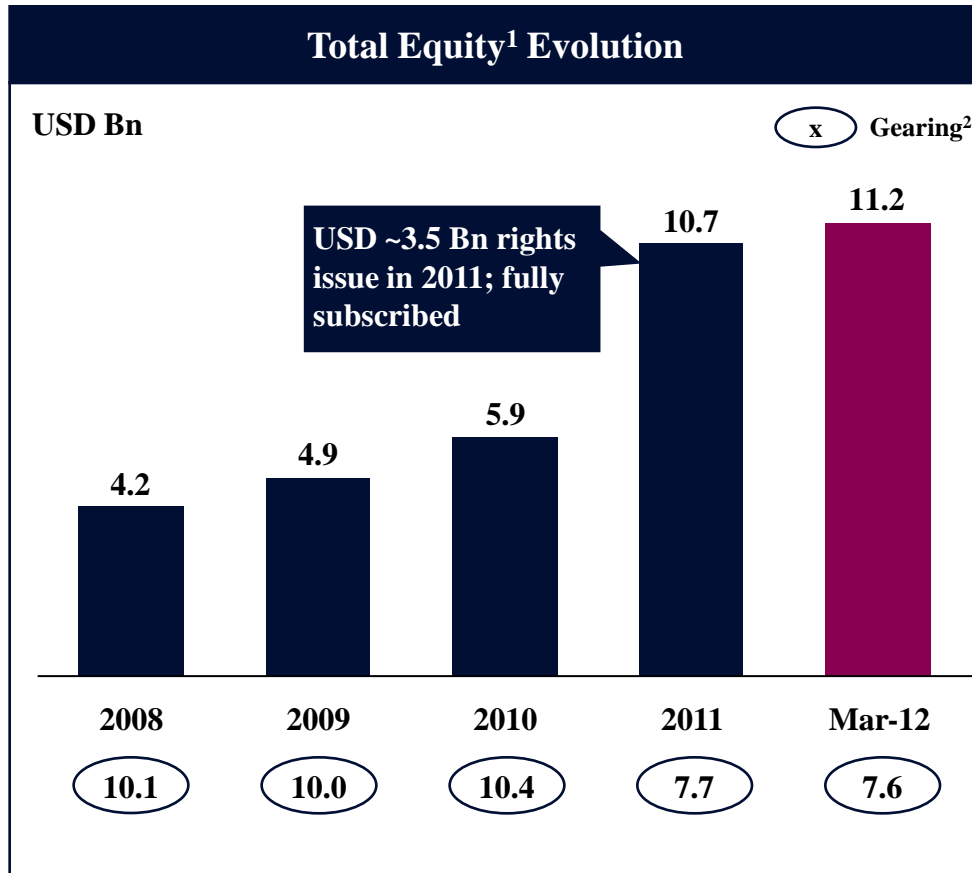
Solid liquidity profile with loans to deposit ratio consistently below 100%

Liquidity Analysis (as at March)



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

Capital Analysis (as at December unless otherwise stated)



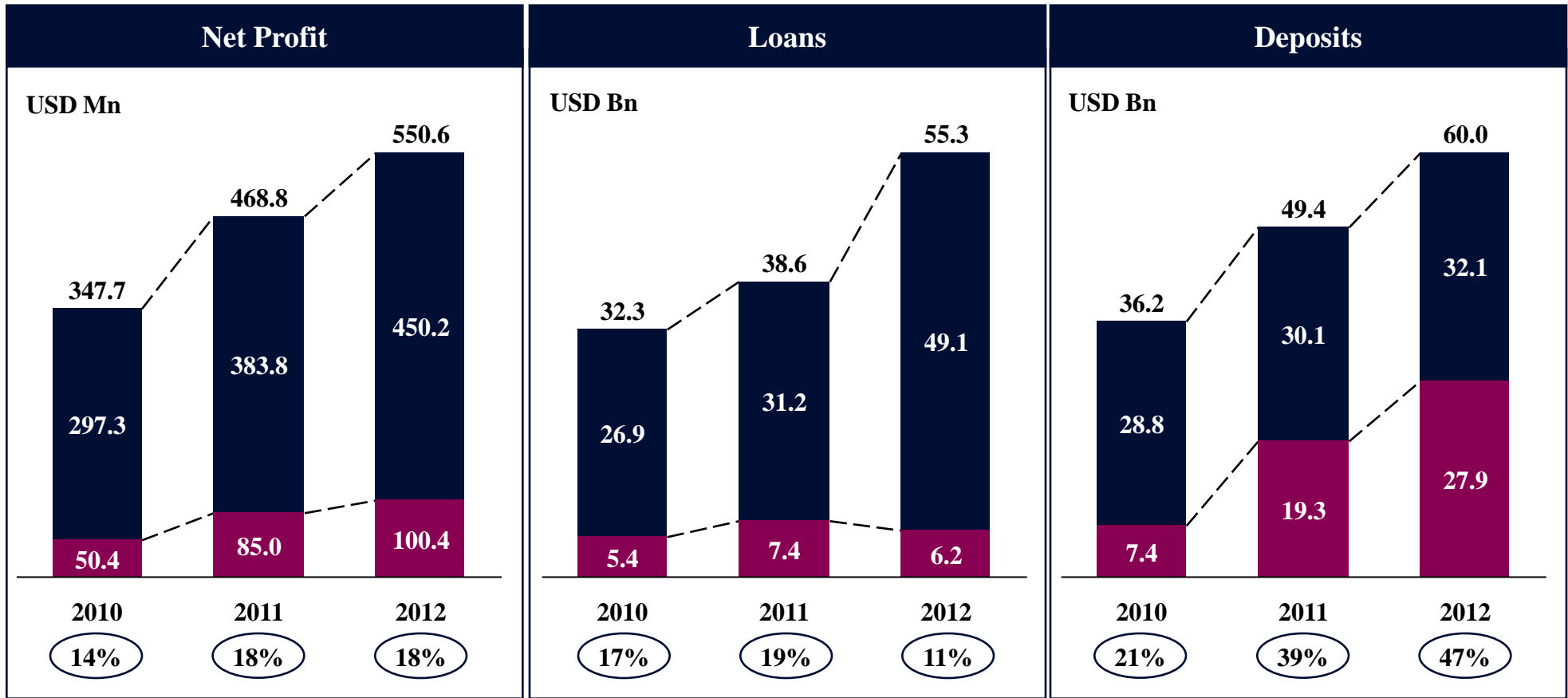
- Capital base has been regularly increased in line with the strong surge in QNB's balance sheet

- 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 (as at March)

■ Domestic
 ■ International
 % Share of International

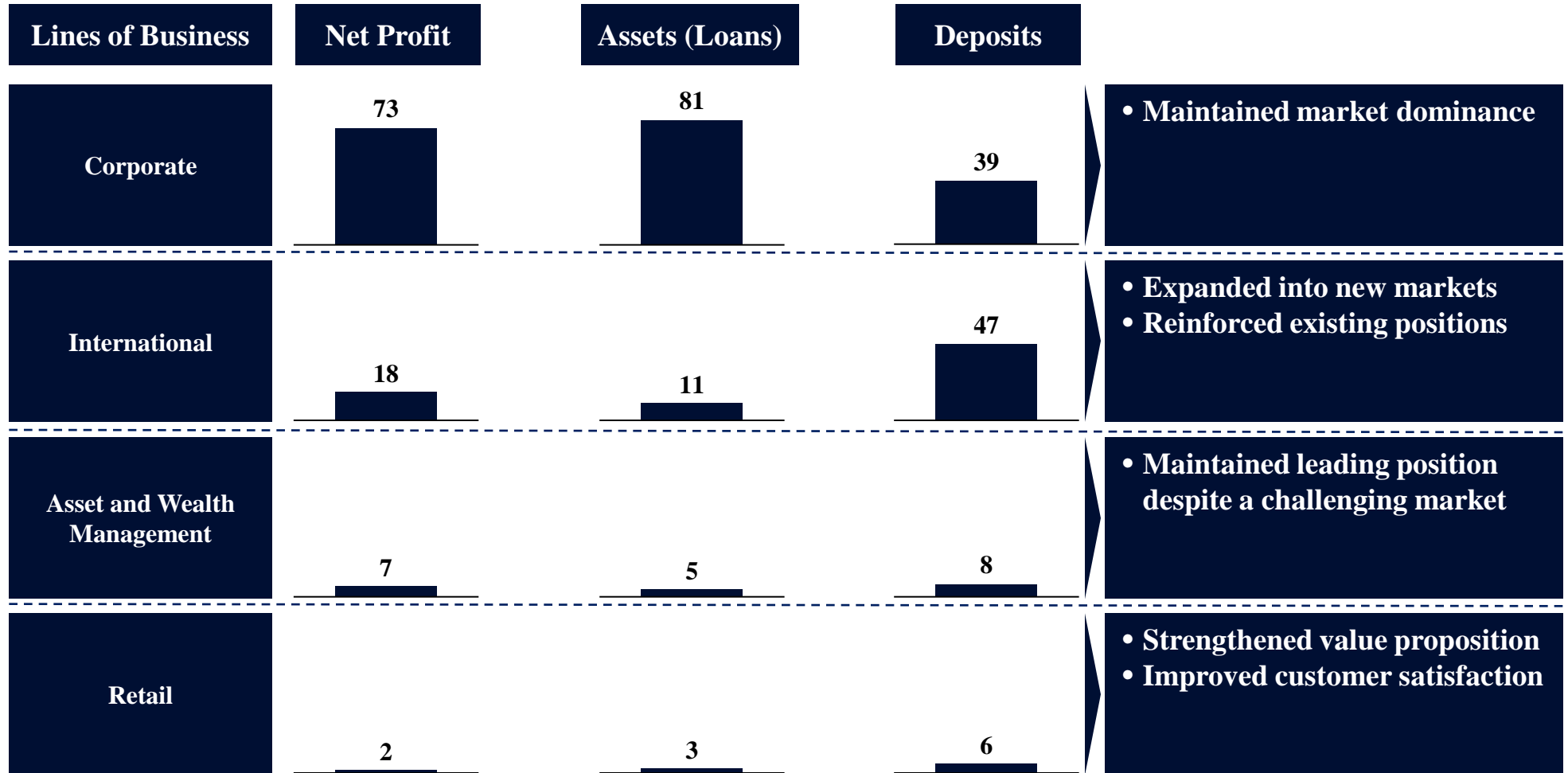


• Profit from international operations increased by USD 50 Mn (+99%) from 2010 to 2012

• Loans and deposits from international operations increased by USD 0.8 Bn (+15%) and USD 20.5 Bn (+275%) respectively, from 2010 to 2012

Diversifying business mix will bolster sustainable growth

Business Mix Contribution (% share as at 31/03/2012)

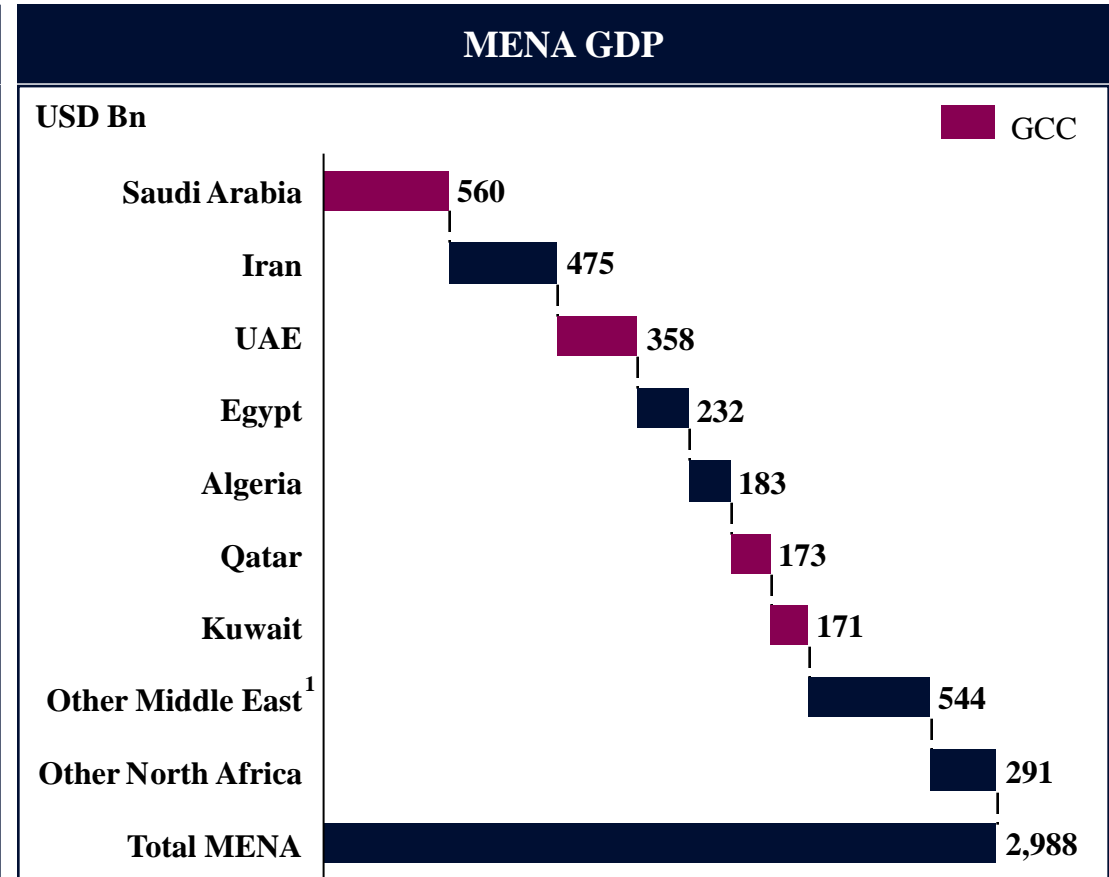
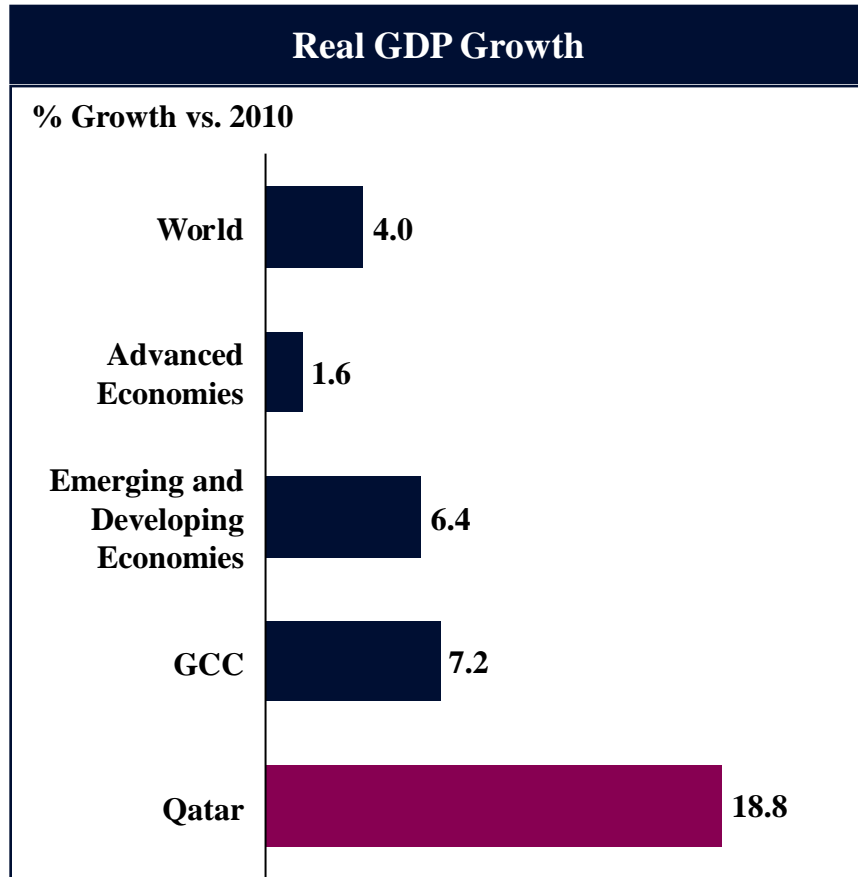




Economic Overview

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

GDP Analysis (as at 31/12/2011)

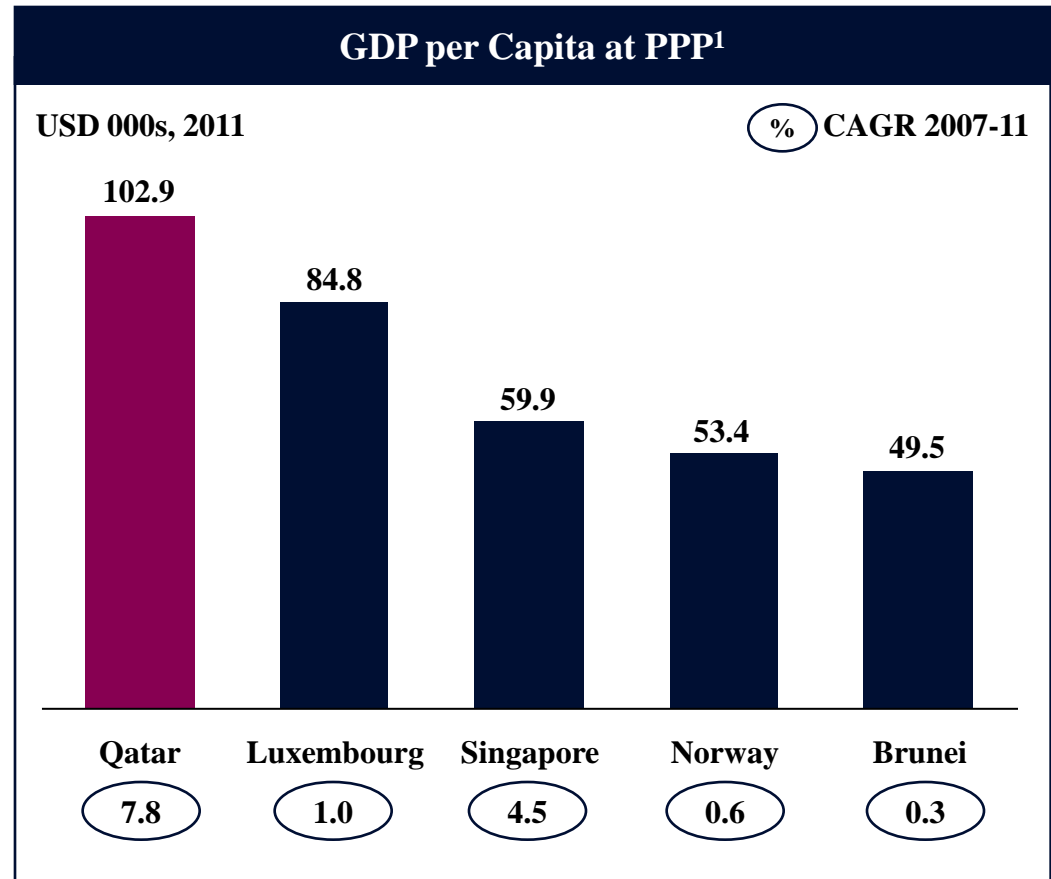
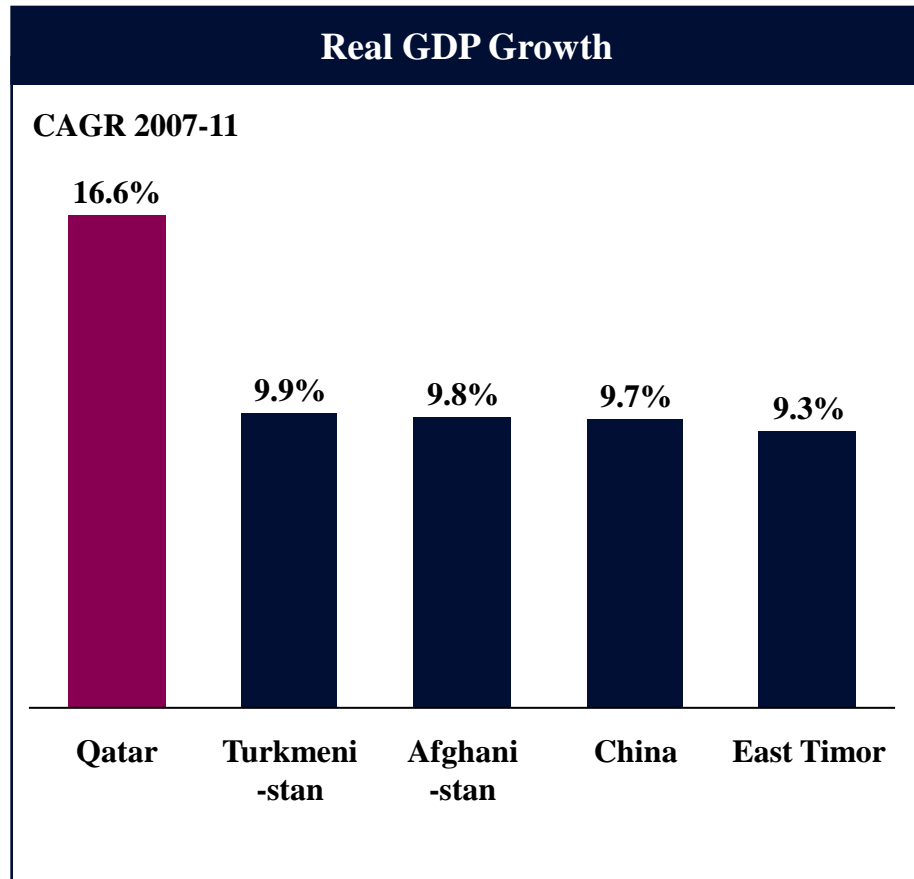


- GCC has experienced the highest real GDP growth in the world
- Qatar leads within the GCC

- MENA GDP is dominated by oil exporters
- GCC accounts for more than 40% of MENA GDP (USD 1.3 Trn)

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

World's Fastest Growing and Richest Economies

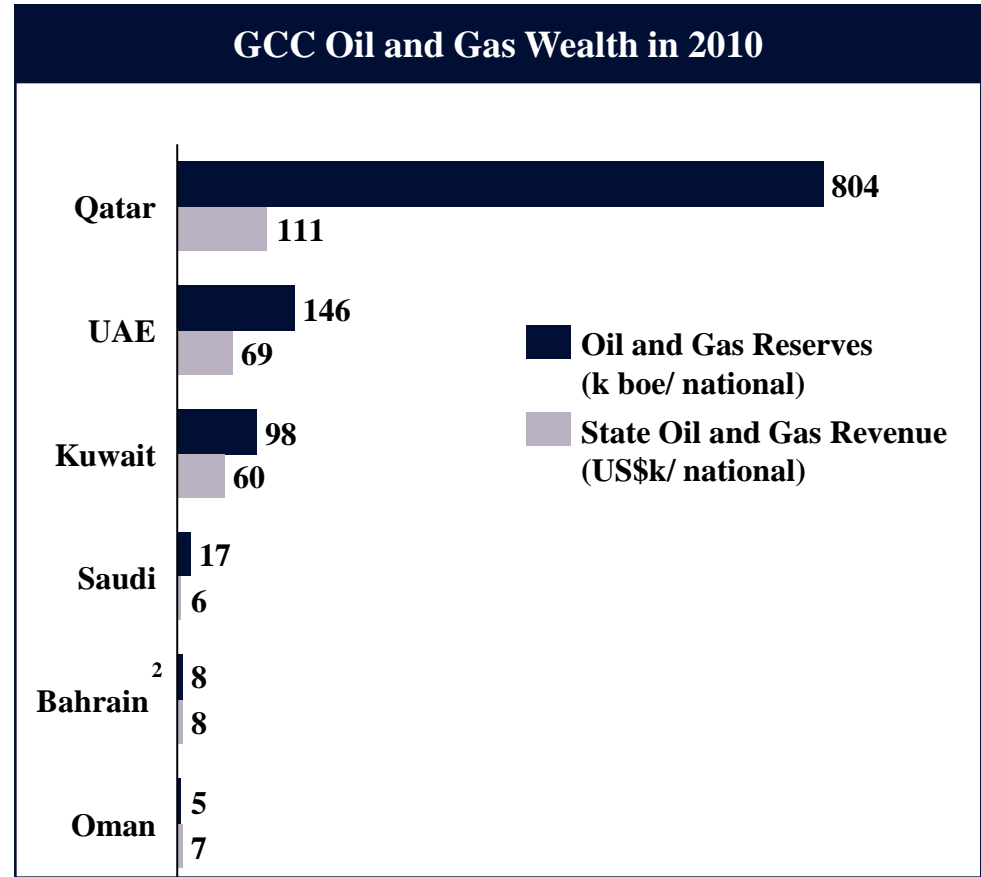
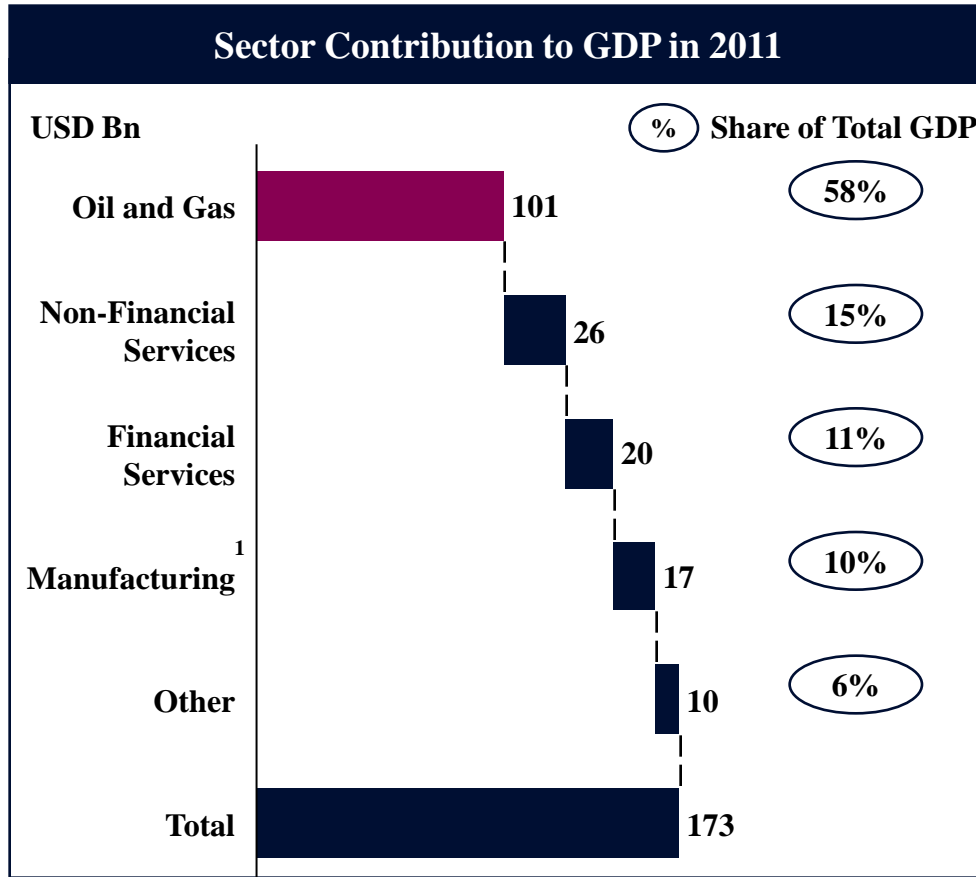


• In the last 5 years Qatar has outperformed GDP growth compared to other fast growing economies in the world

• Qatar's GDP per capita surpassed the USD 100,000 threshold in 2011 and is ~20% higher than Luxembourg

Qatar's oil and gas sector is the major contributor to GDP which reached USD 173 Bn in 2011

Qatar's Key Economic Sectors

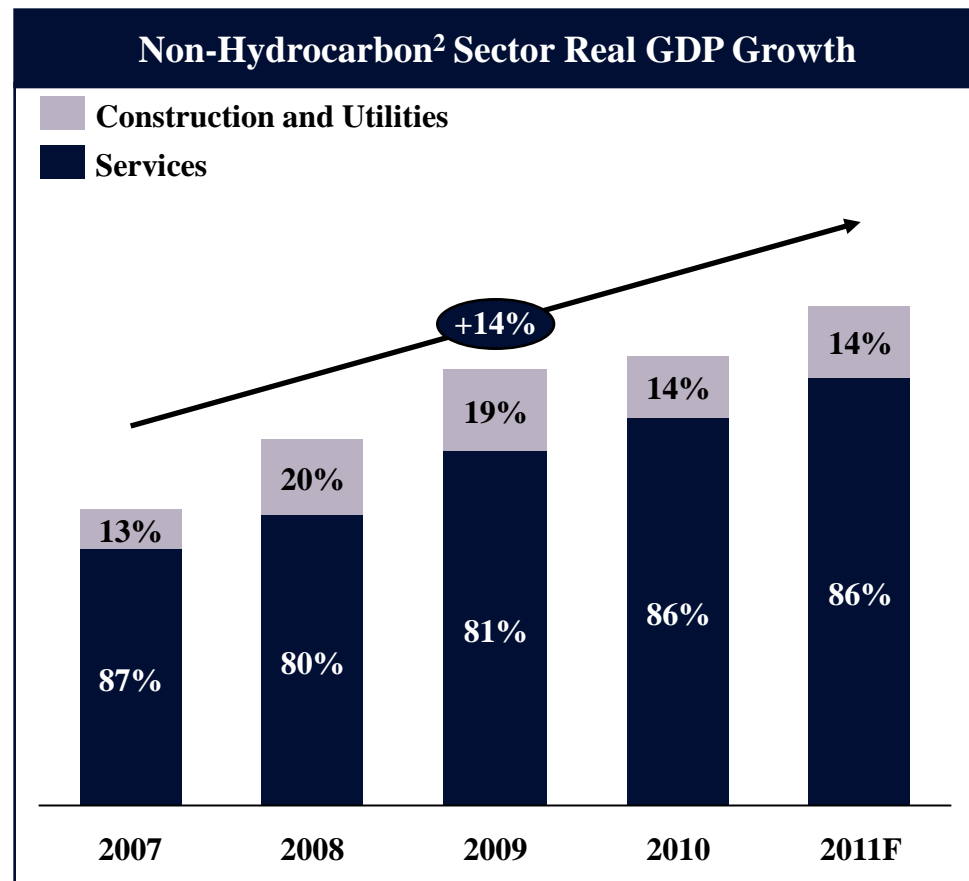
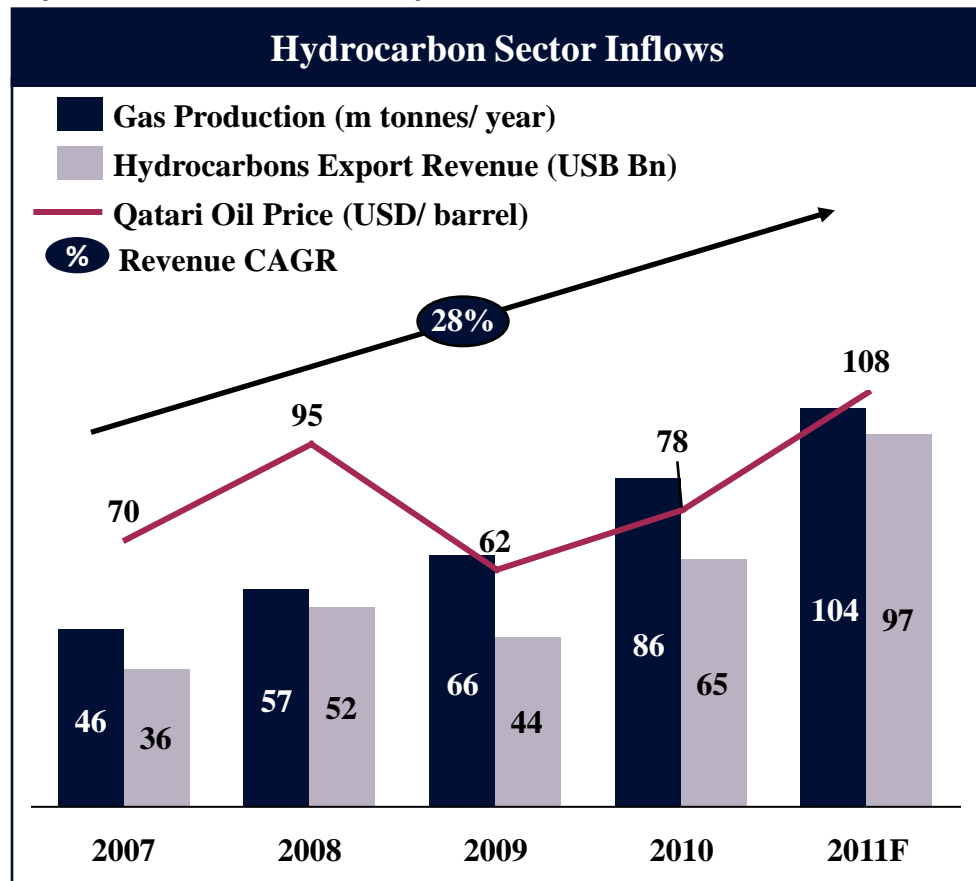


- Oil and gas sector is the largest contributor to GDP
- Qatar is the world's leading exporter of LNG

- 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

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

Hydrocarbon and Non-Hydrocarbon Sectors

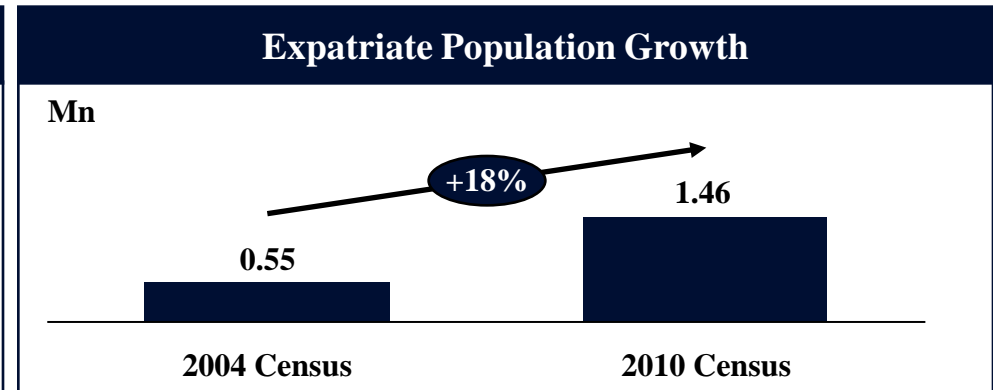
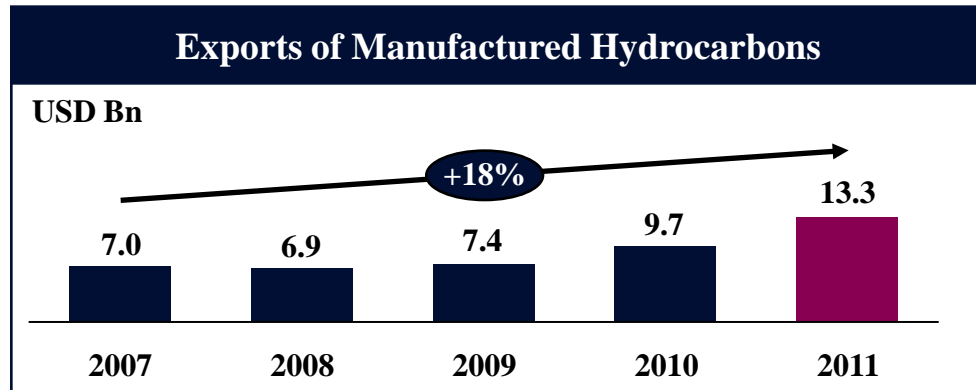


- High oil prices and rising production have resulted in strong hydrocarbon revenue inflow
- Hence, Government expenditure¹ has grown rapidly

- Government's expenditure has nurtured the growth of the non-hydrocarbon sector

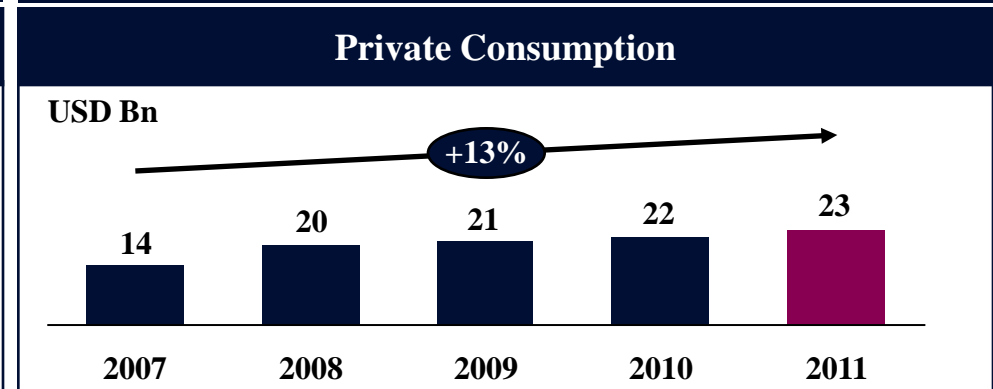
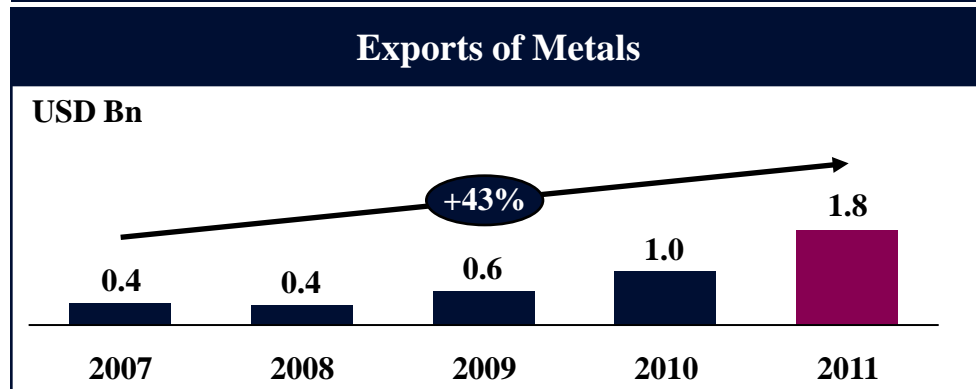
Economic diversification is being achieved by leveraging natural resources which is leading to population and consumption growth

Qatar's Economic Diversification and Impact



- Increasing focus on processing of raw hydrocarbons into refined fuels, liquefied, petrochemicals and fertilizers

- Growing non-hydrocarbon sector has led to significant growth in expatriate population

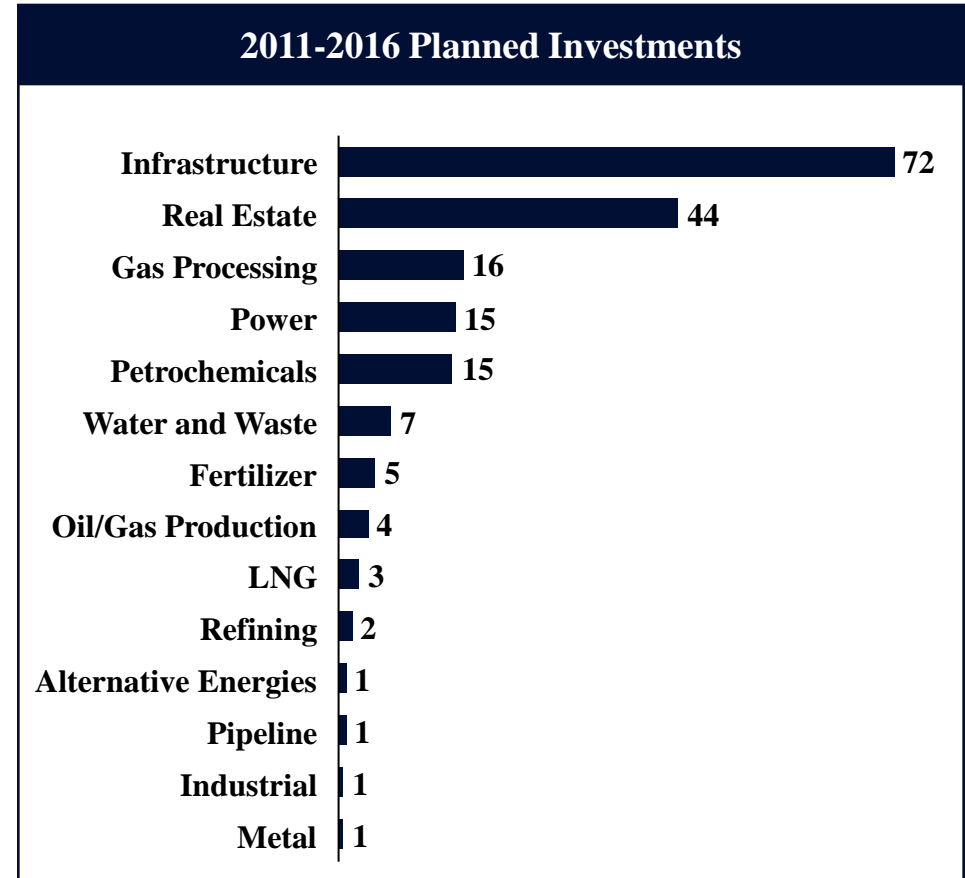
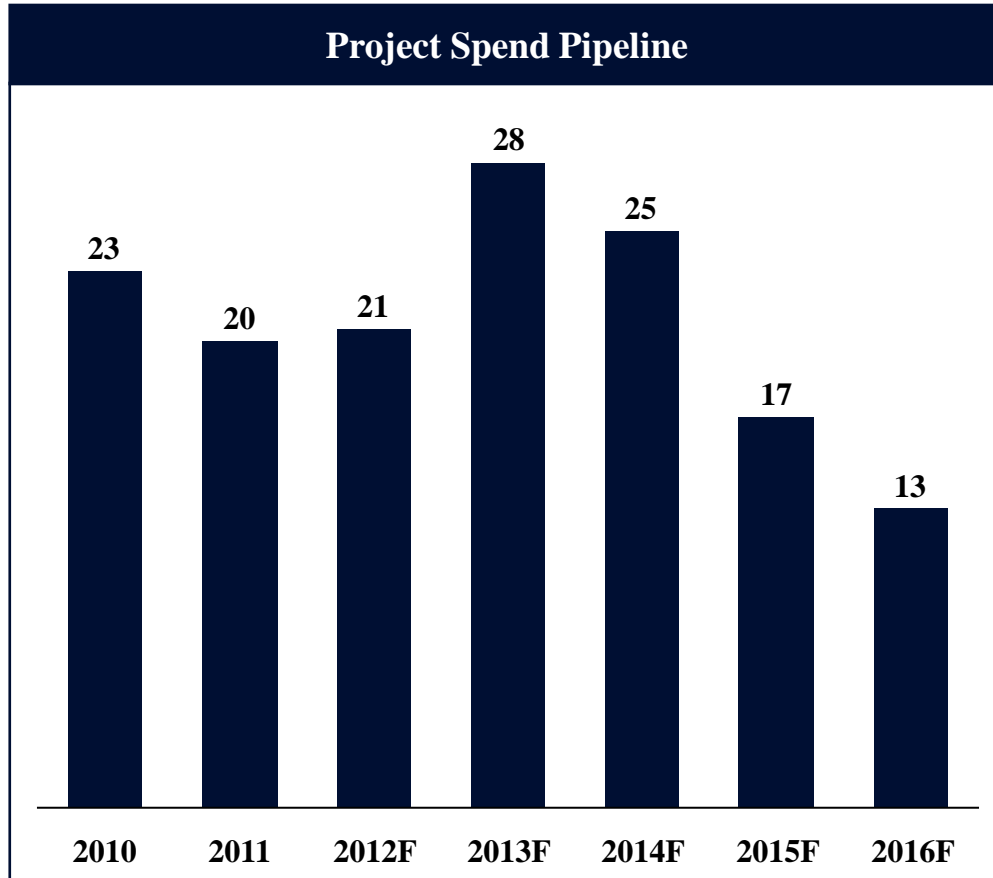


- Leveraging abundance of energy resources to establish energy-intensive industries such as metals production

- Expanding population adds impetus to domestic demand, particularly in the private sector

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

Qatar's Projected 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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