

QNB

Investor Relations Presentation

December 2010



Forward Looking Statement

This presentation and subsequent discussion may contain certain forward-looking statements with respect to the financial condition, results of operations and business of the Group. These forward-looking statements represent the Group's expectations or beliefs concerning future events and involve known and unknown risks and uncertainty that could cause actual results, performance or events to differ materially from those expressed or implied in such statements. Additional detailed information concerning important factors that could cause actual results to differ materially is available in our Annual Report.

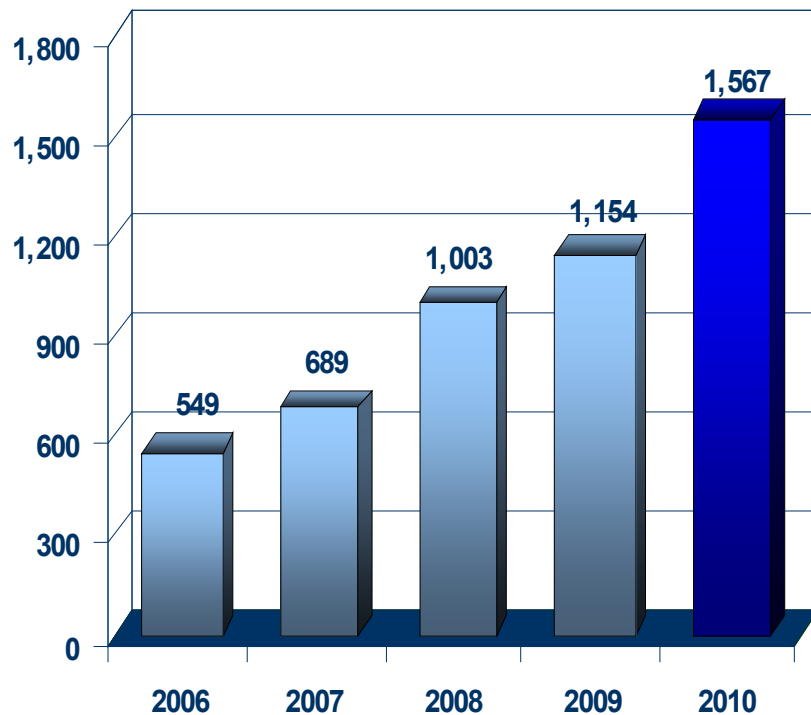
QNB Group's Profit & Asset Evolution

US\$ Million

Profit

Cumulative Average Annual Growth (CAGR)

2005 – 2010 = 30.1%

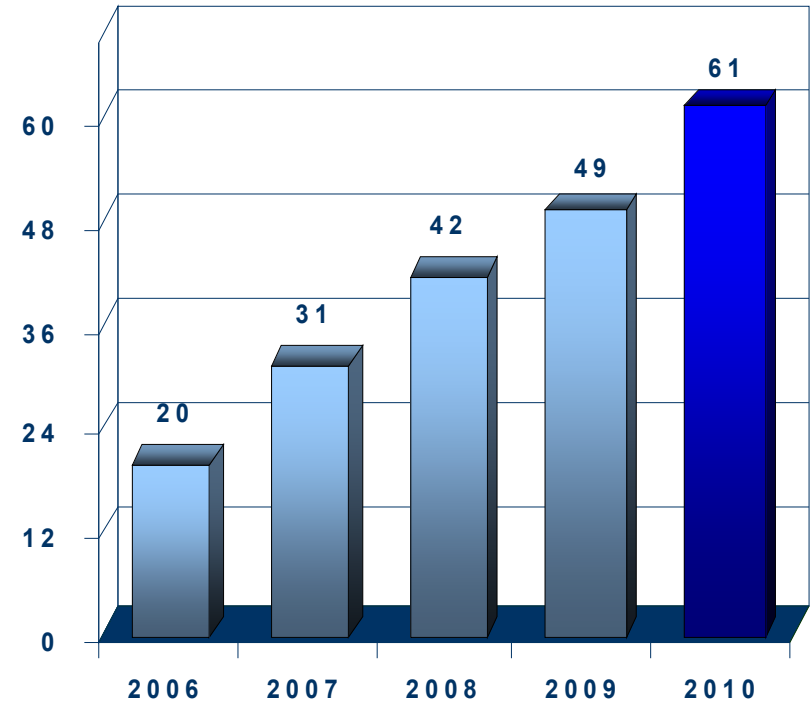


US\$ Billion

Total Assets

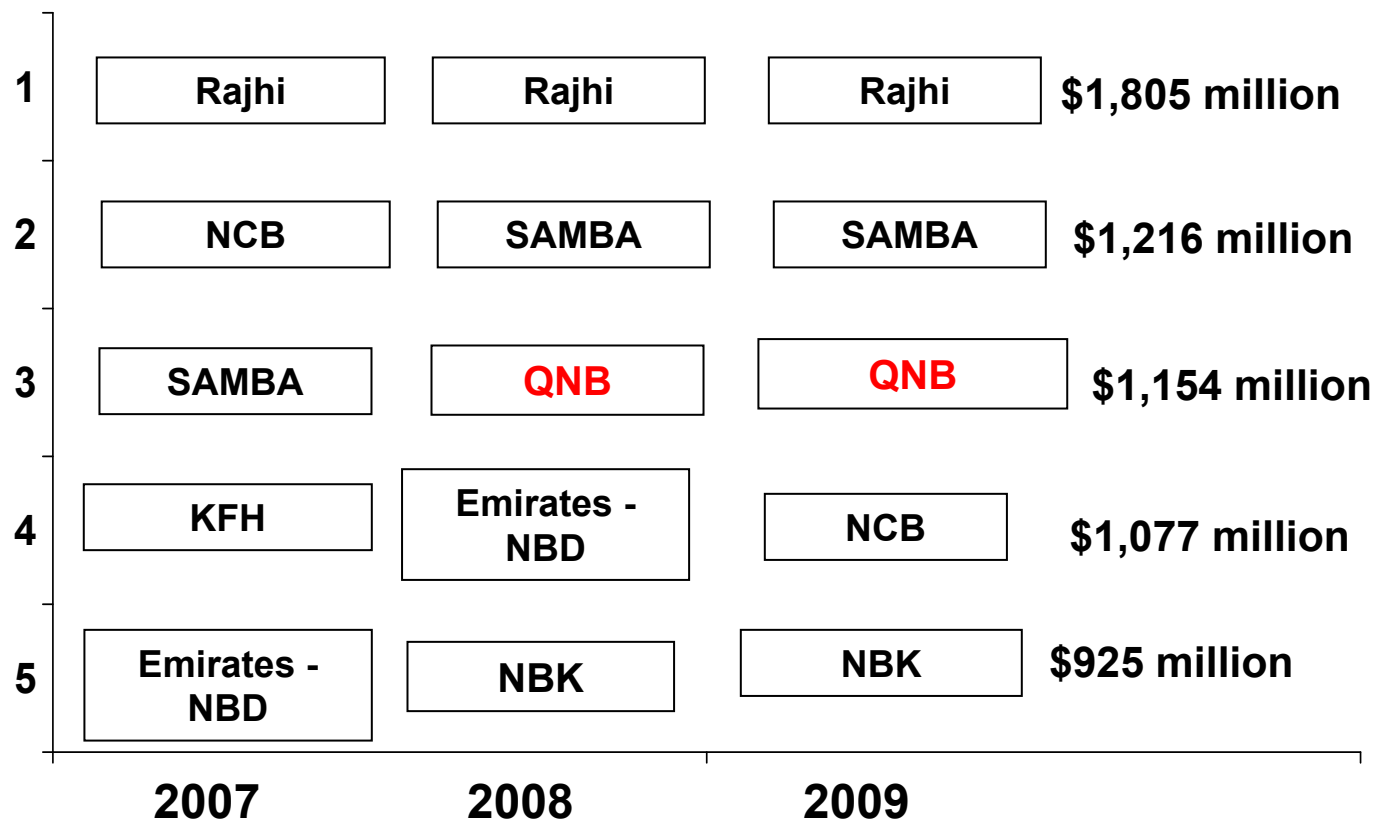
Cumulative Average Annual Growth (CAGR)

2005 – 2010 = 34.9%



MENA Ranking – Top 5 Banks – Net Profit

Ranking by Profit

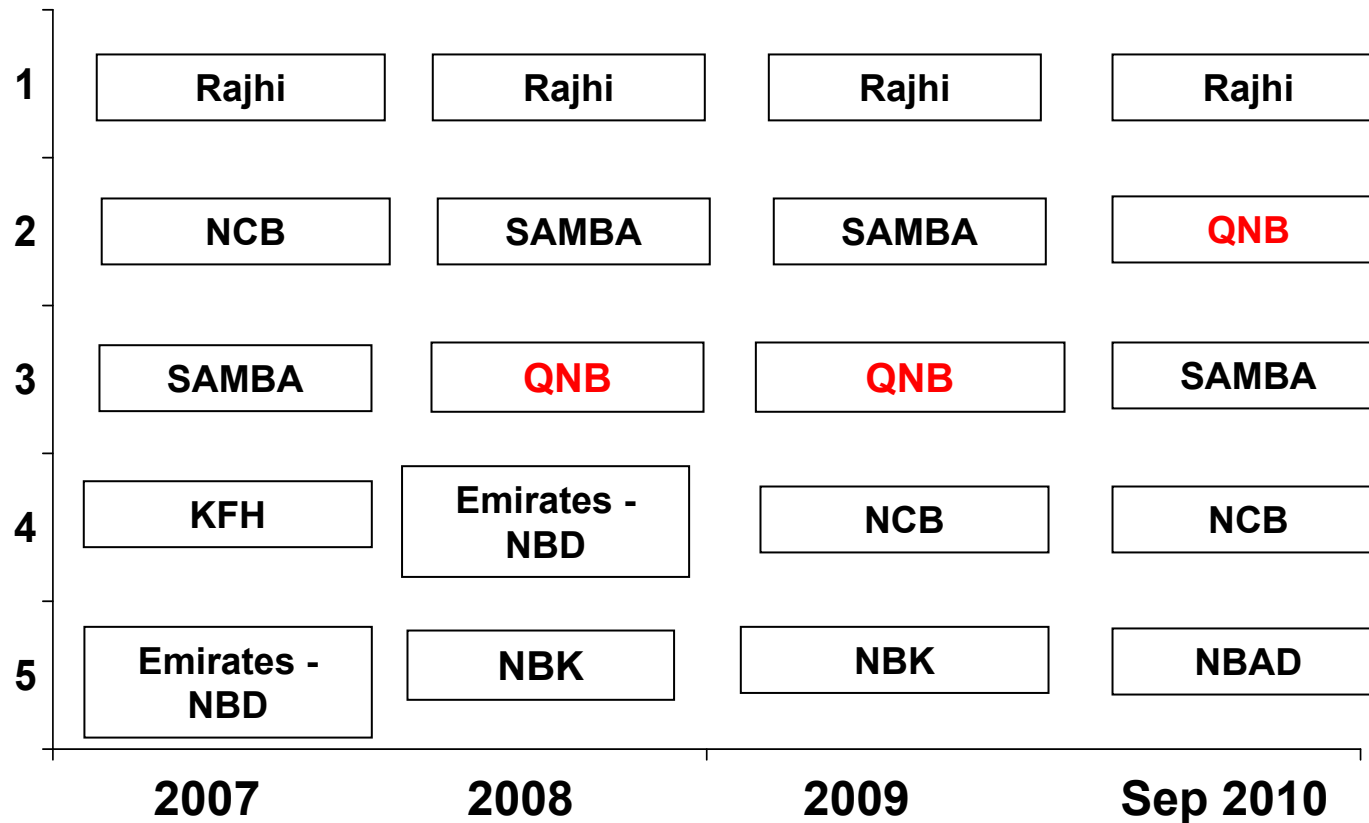


QNB's Ranking **11**

\$ Million **\$689**

MENA Ranking – Top 5 Banks – Net Profit

Ranking by Profit



QNB's
Ranking

11

Banking Sector : Overview

Qatar has a competitive and vibrant Banking Sector, with 18 Financial Institutions

Commercial Banks

Qatar National Bank*	Commercialbank*	Doha Bank*
Ahlibank*^a	International Bank of Qatar^a	Al khaliji Bank

* Also offer Islamic products & services through dedicated branches.

^a Partially-owned by GCC Institutions.

Islamic Institutions

Qatar Islamic Bank	International Islamic
Masraf Al Rayan	Barwa Bank

Local Branches of Foreign Banks

HSBC	BNP Paribas	Arab Bank	Mashreqbank
Standard Chartered	United Bank Ltd.	Bank Saderat Iran	

Specialized

Qatar Development Bank

100% Government-owned

Performance Excellence

First Bank Established in Qatar

Stable Shareholders' Structure since Inception. 50% stake by Qatar Investment Authority, with the remainder by private investors

Sustained Growth in Profitability with Diversified Income Sources

Best Bank in Qatar Award from The Banker, Euromoney, Global Finance, and Asian Banker

Dominant Domestic Market Share

Assets	44.0%
Loans	47.7%
Deposits	58.0%

Top MENA Bank with Total Assets of US\$61.4 billion in Dec. 2010

Largest Domestic Network

43 branches & offices

16 Islamic branches

More than 170 ATMs

Largest International Network covering 24 countries through Branches, Rep Offices, and Associates



Performance Excellence

First Conventional Bank in Qatar to offer Islamic Banking

(market Share of 18.5 % of Total Islamic Banks Assets)

First Qatari Bank to launch Local Equity Funds. One of the Largest Fund Manager in the region

High Asset Quality with an NPLs Ratio of 0.9% in Dec. 2010



Strong Capital Adequacy Ratio 15.3% in Dec. 2010 compared with 8% for Basel II and 10% for Qatar Central Bank

Highest Credit Rating among regional banks

Moody's:	Aa3
Standard & Poor's:	A+
Capital Intelligence:	AA-
Fitch:	A+

Comprehensive Banking Activities

- Retail
- Corporate
- Treasury
- Investment
- Islamic
- Asset & Wealth Management
- QNB Capital

Ratings

QNB's credit rating is the highest in Qatar and is among the highest in the region. During 2010, QNB's rating was affirmed from all rating agencies.

- **In July 2010, Fitch affirmed QNB's rating and Outlook.**
- **In March 2010, Standard & Poor's and Capital Intelligence affirmed QNB's ratings and Outlook.**
- **In January 2010, Moody's affirmed QNB's ratings and Outlook.**
- **In September 2009, Fitch Ratings affirmed QNB's ratings and Outlook.**
- **In February 2009, Standard & Poor's affirmed QNB's ratings and Outlook.**
- **In June 2009, Capital Intelligence affirmed QNB's ratings, with a Stable Outlook.**
- **In June 2008, Capital Intelligence raised QNB's Long term foreign currency rating to AA-, from A+, and its Short-term rating to A1+, from A1.**

	Moody's	S&P	Capital Intelligence	Fitch
QNB Long-Term Rating	Aa3	A+	AA-	A+

Subsidiaries, Associates and Overseas Network

Subsidiaries & Associates

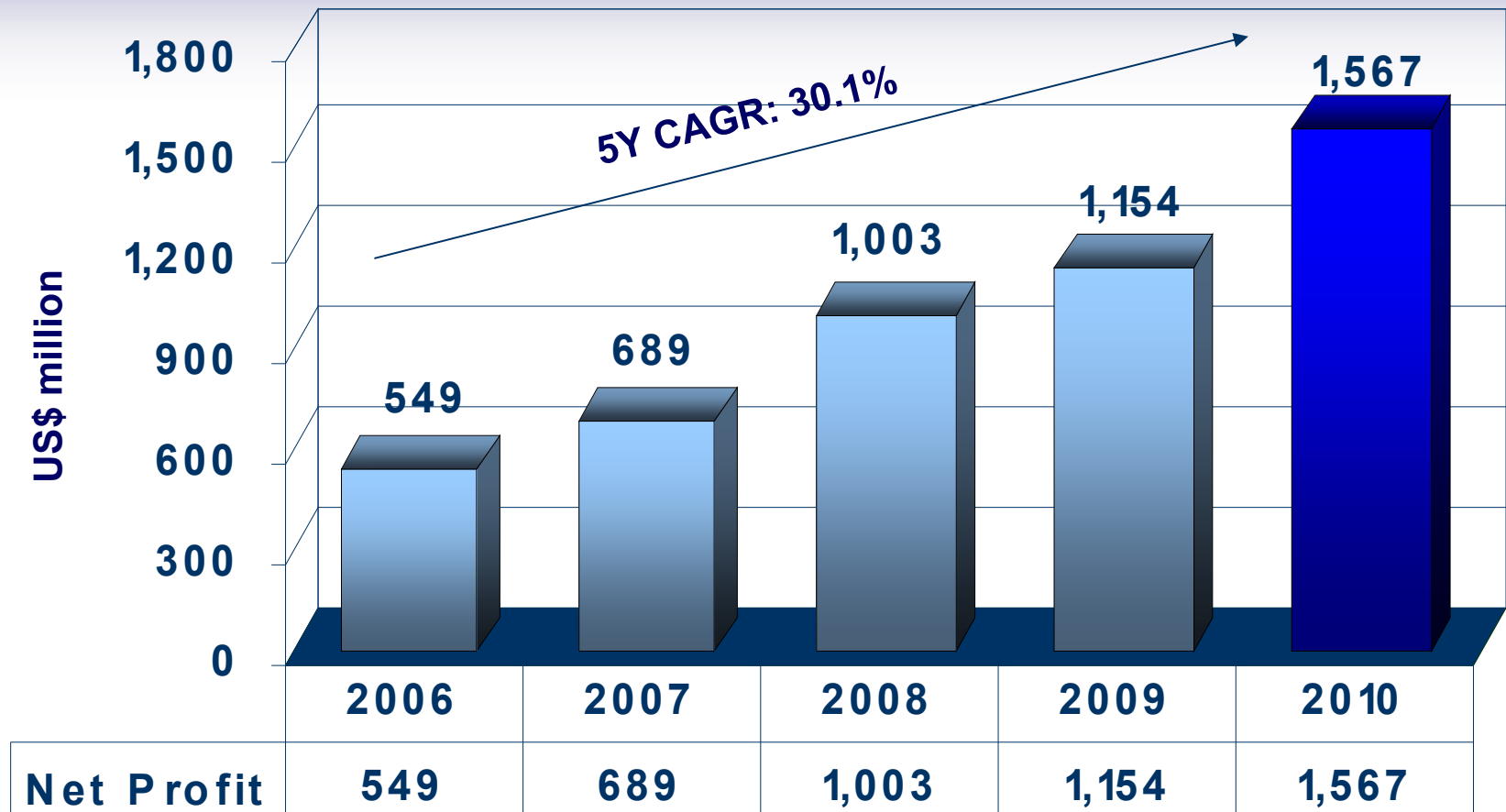
QNB Group	Country	% Ownership
QNB International Holding	Luxemburg	100.0%
QNB Capital	Qatar	100.0%
QNB Banque Privée (Suisse)	Switzerland	100.0%
Qatar – Tunisian Bank	Tunisia	50.0%
QNB – Syria	Syria	50.8%
Housing Bank for Trade & Finance	Jordan	34.4%
Commercial Bank International	UAE	23.8%
Al Mansour Bank	Iraq	23.1%
Al Jazira Finance Company	Qatar	20.0%

International Network

Branches	UK, France, Kuwait, Oman, Yemen, Sudan, Mauritania, Lebanon and Singapore
Rep Offices	Libya and Iran

Financial Results 2006 - 2010

Net Profit

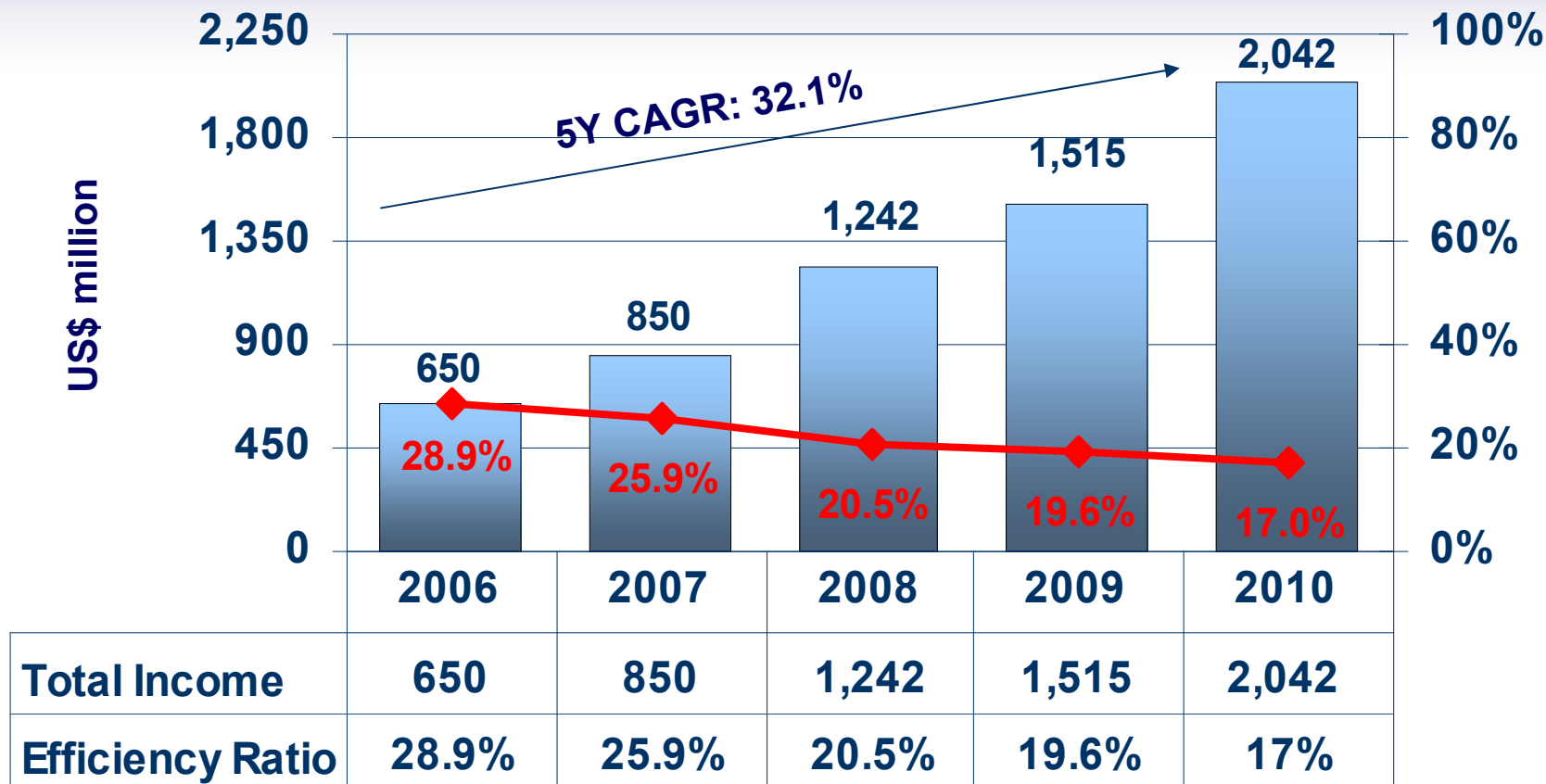


Net profit increased to US\$1.57 billion up by 35.8% from last year.

Net Profit by Quarter

	Q4	Q1	Q2	Q3	Q4
US\$000	2009	2010	2010	2010	2010
Net interest income	279,607	326,696	377,314	401,194	453,649
FX gain	21,760	23,738	24,784	24,061	25,945
Fees and commissions	75,588	77,349	78,552	77,217	74,792
Investment income- Dividends	0	9,245	238	1,796	2
Investment Capital Gain	10,644	1,180	13,581	11,131	22,226
Invest. Income - Associates	21,191	16,077	18,389	11,854	13,096
Other income	1,911	1,295	547	1,012	3,243
Total other income	131,093	128,885	136,091	127,071	139,303
Total Operating income	410,700	455,581	513,405	528,265	592,953
G&A Expenses	(91,613)	(82,208)	(84,190)	(89,515)	(98,998)
Total Operating Profit	319,088	373,373	429,215	438,750	493,955
Loan loss Provisions	(18,129)	(25,351)	(26,641)	(32,474)	(63,224)
Other Provisions and Taxes	(5,715)	(324)	(7,652)	(7,842)	(4,613)
Net profit	295,243	347,697	394,921	398,434	426,119

Total Income Exc. Capital Gain



Total income exc. capital gain increased to US\$2.0 billion up by 34.7% from last year.

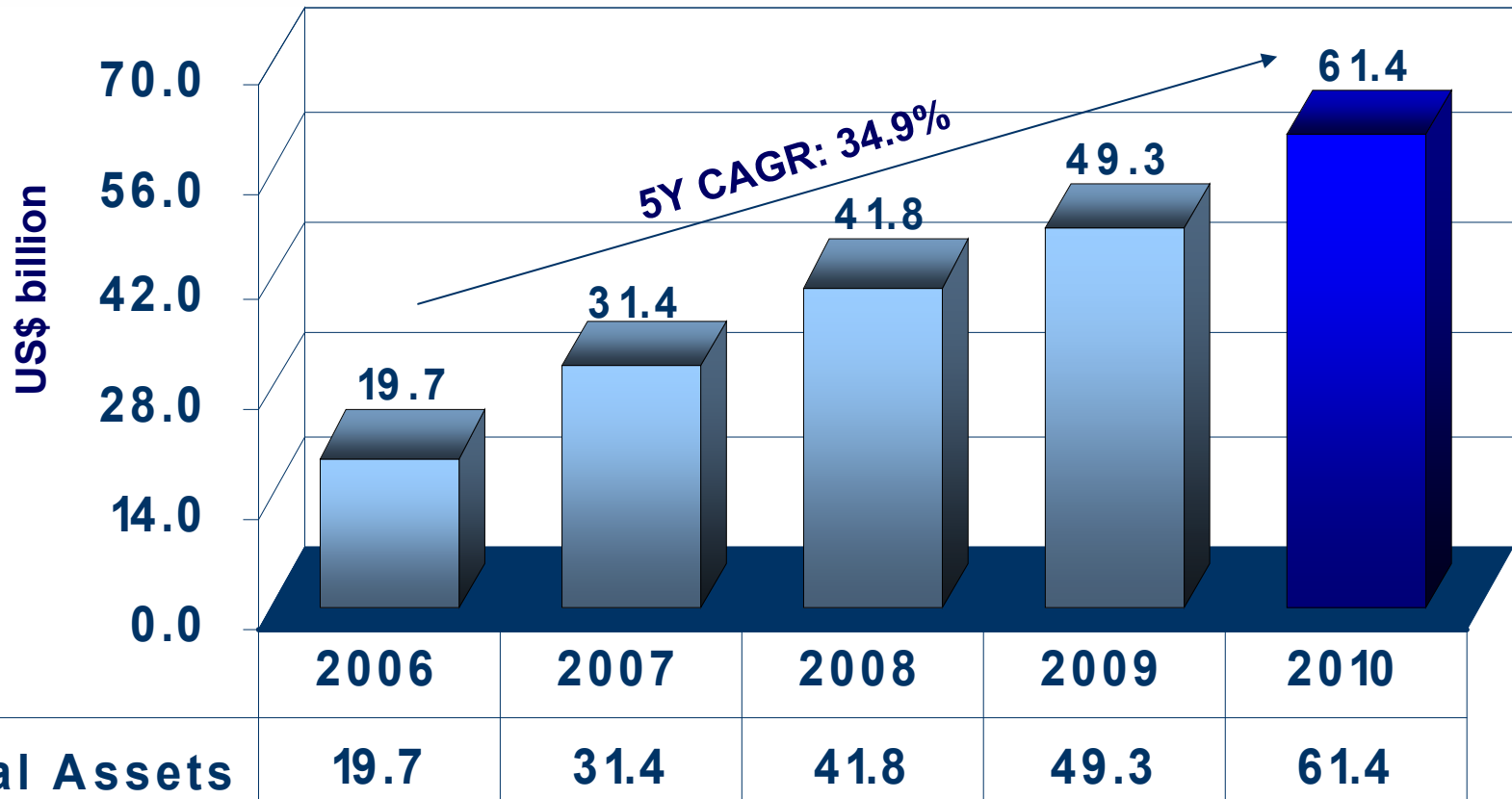
Efficiency ratio improved to 17.0% from 19.6% last year.

Earnings Per Share



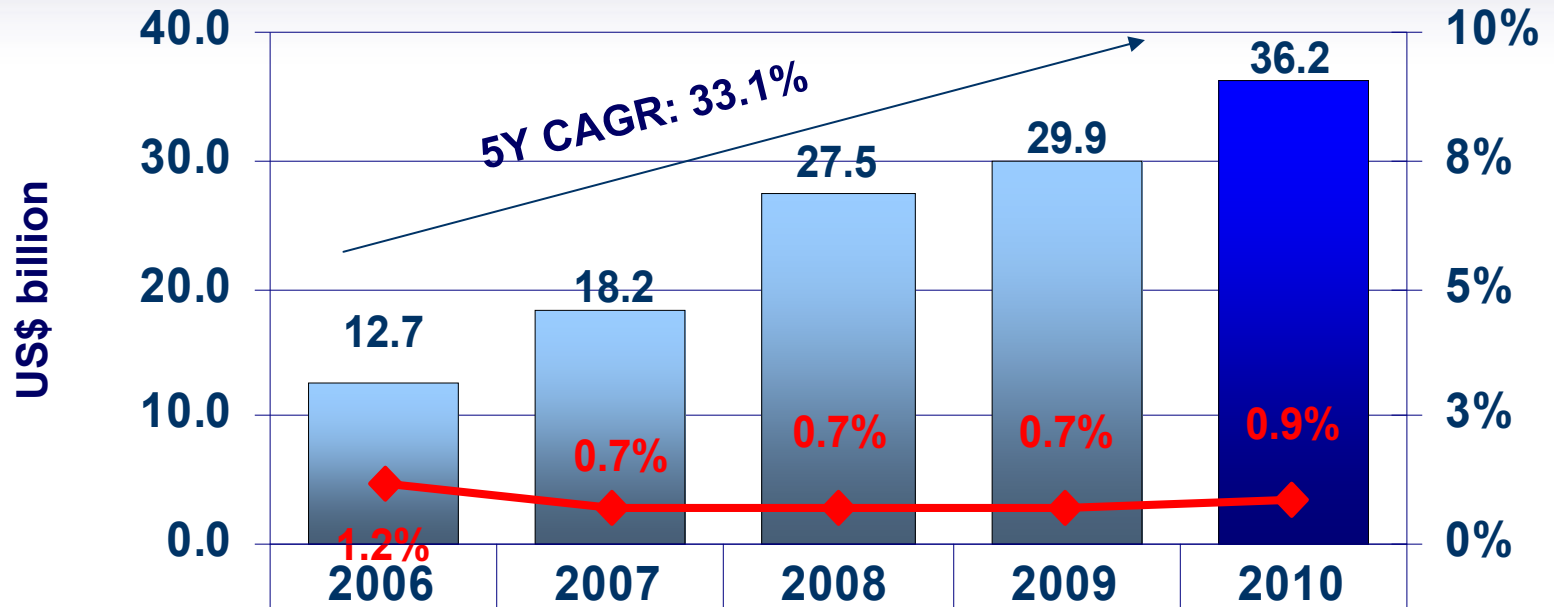
Earnings per share increased to US\$4.0 for the year 2010 from US\$2.9 for 2009

Total Assets



Total Assets increased to US\$61.4 billion up by 24.6% from last year.

Loans and Advances



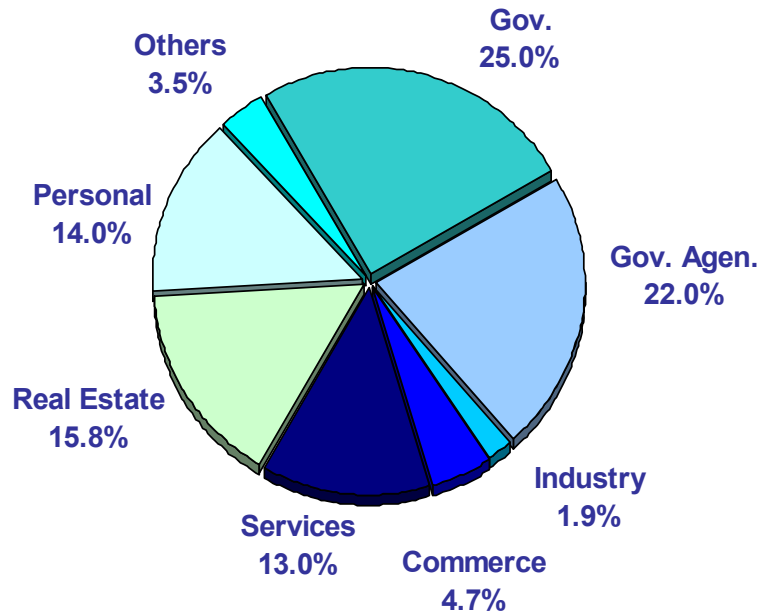
Total Loans	12.7	18.2	27.5	29.9	36.2
NPL % T. Loans	1.2%	0.7%	0.7%	0.7%	0.9%

Loans & advances increased to US\$36.2 billion up by 21.1% from last year.

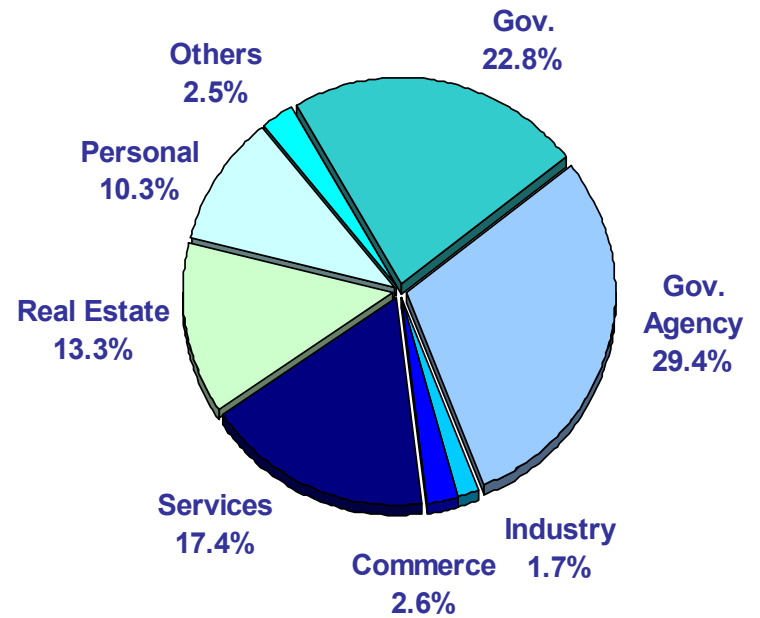
NPL as % of loans and advances stood at only 0.9%

Loans and Advances by Segment

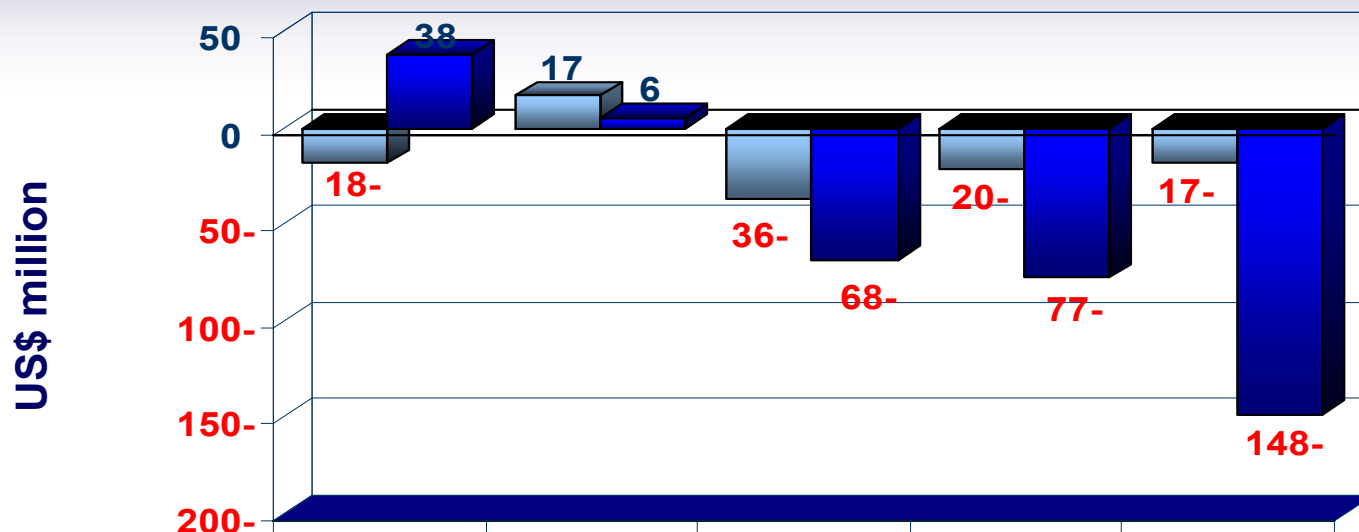
2009



2010



(Provision) / Recovery for Impairment of Loans and Investments

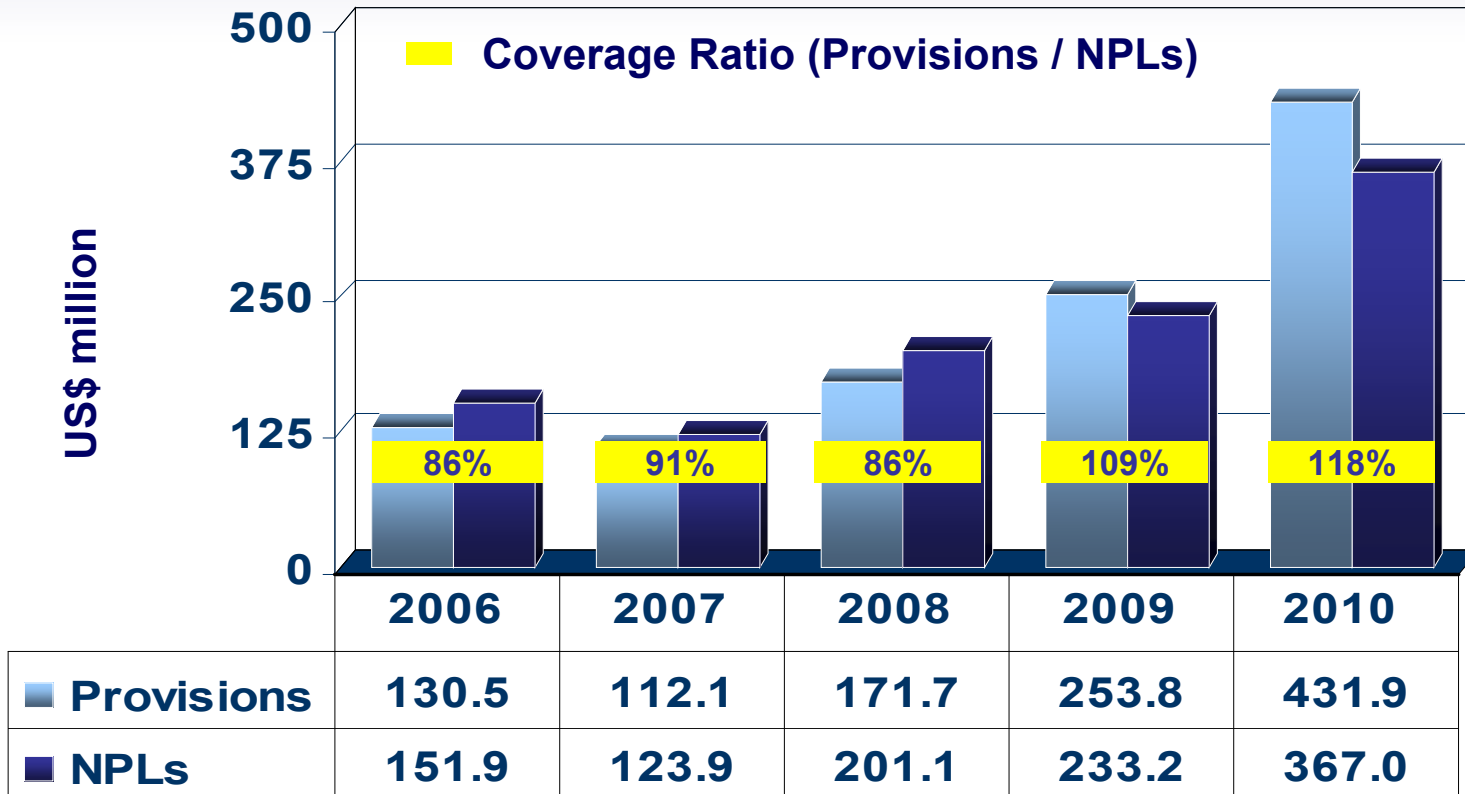


■ Investments (Provisions) / Recoveries	(18.1)	17.0	(35.7)	(20.3)	(17.3)
■ Loan Loss (Provisions) / Recoveries	38.2	5.5	(68.1)	(77.2)	(147.7)
Net Impact on PL	20.1	22.5	(103.8)	(97.5)	(165.0)

Total Impairment **provisions** for loan loss and investments amounted to US\$165.0 million in 2010 compared to US\$97.5 million in 2009.

An additional Risk reserve of US\$24.7m was taken to bring total balance to US\$412 million representing nearly 2.25% of private lending against QCB requirement of only 1.50%

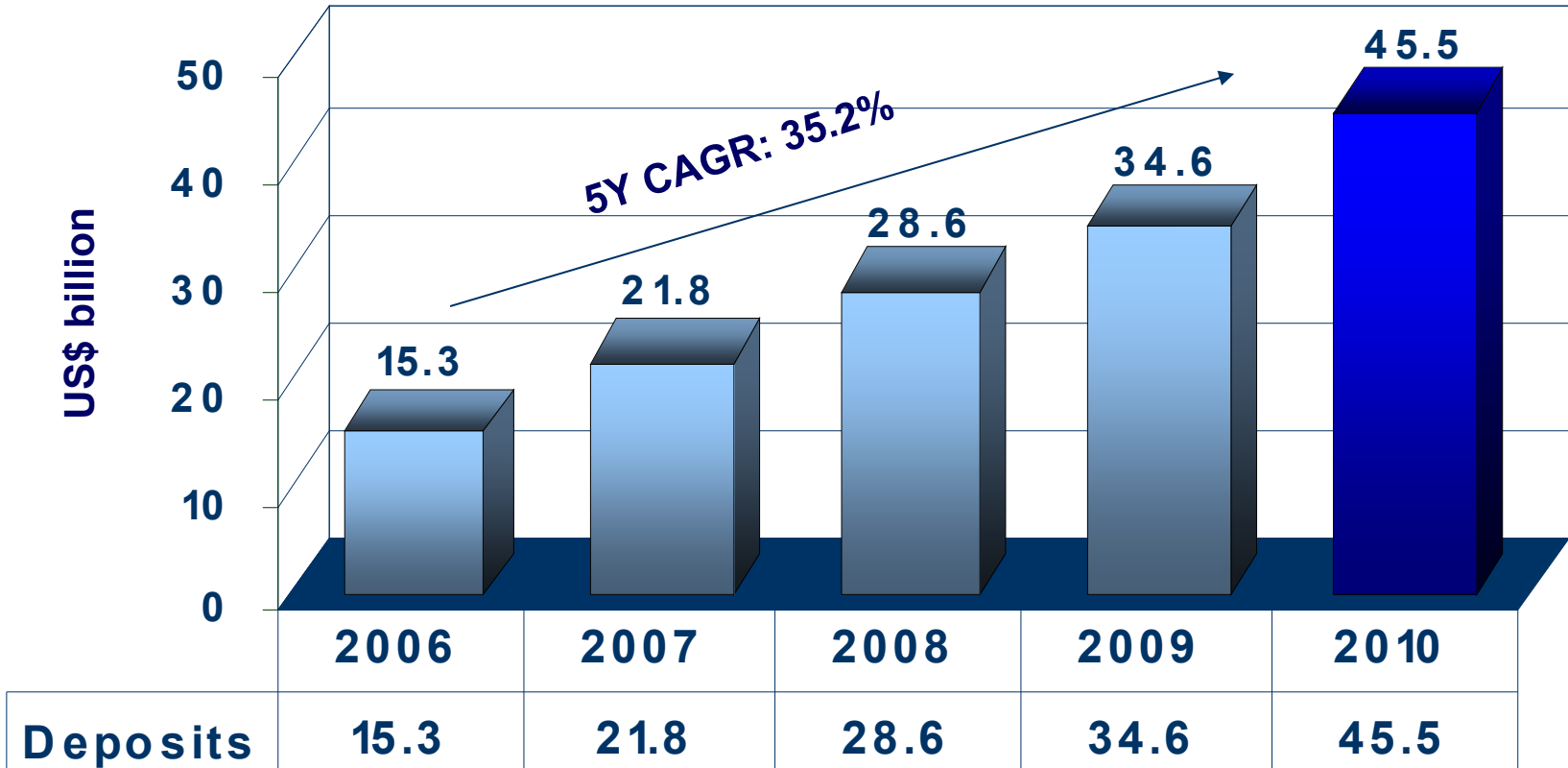
Strong NPL Coverage Ratio



Total coverage of non performing loans improved to 118% compared to 109% in 2009.

Total loan loss provisions and interest in suspense increased by 70% to US\$431.9 million.

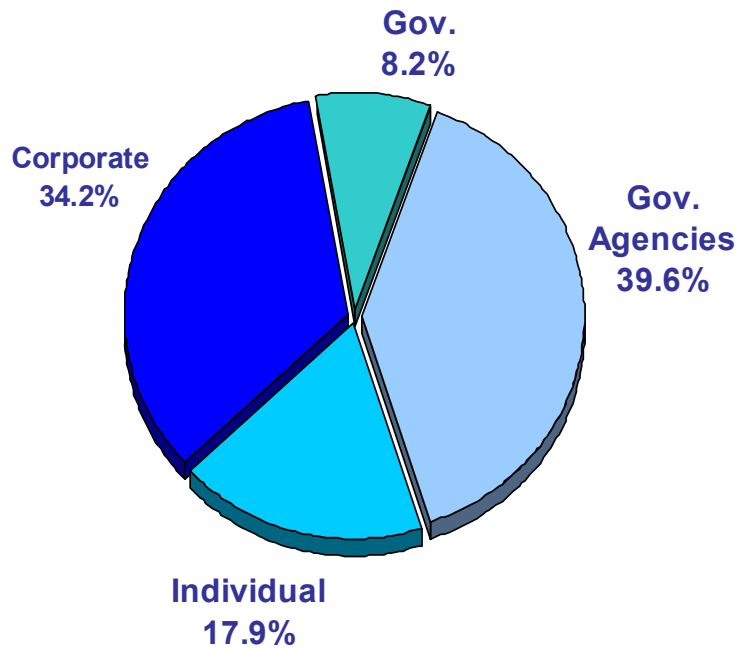
Customer Deposits and Unrestricted Investment Accounts



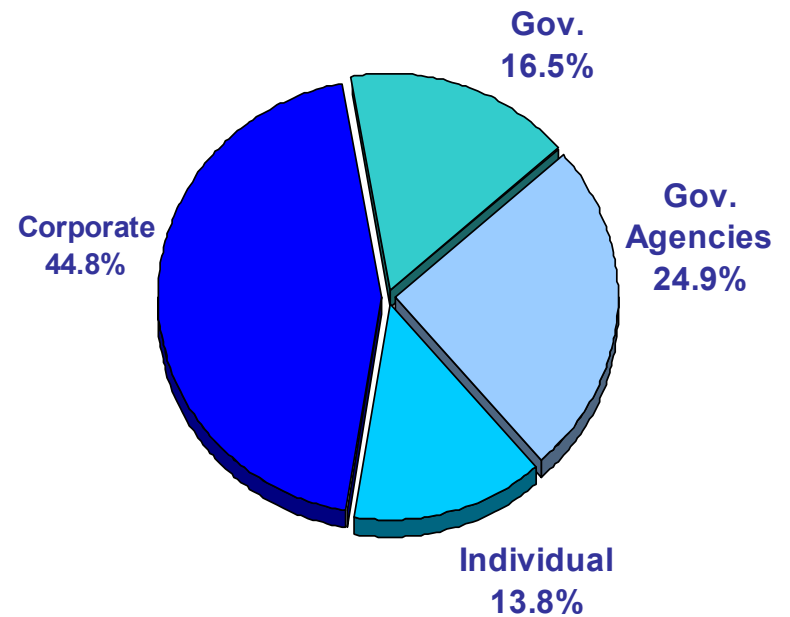
Customer deposits and unrestricted investment accounts increased to US\$45.5 billion up by 31.5% from last year.

Customer Deposits by Segment

2009



2010

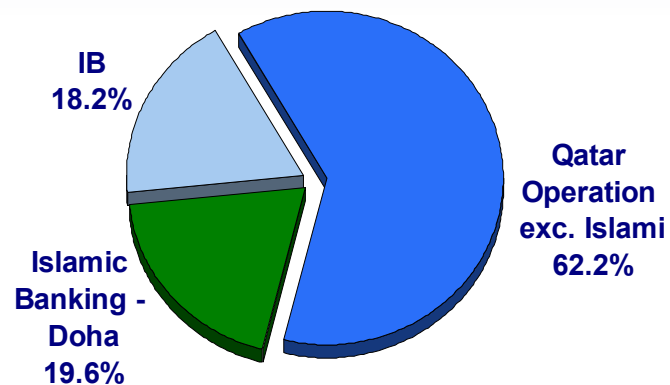
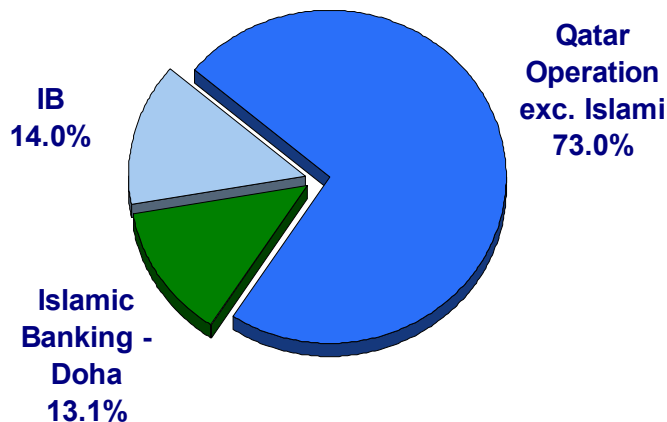


Loans & Deposits by Segment

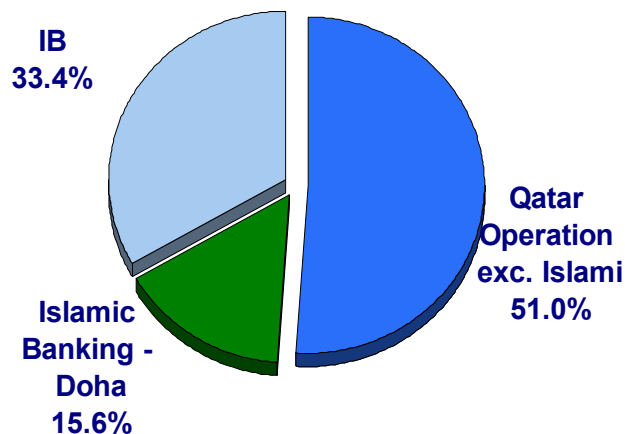
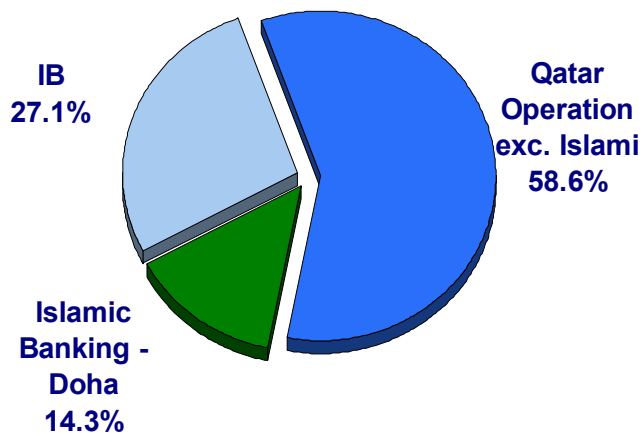
December 2009

December 2010

Loans



Deposits



Islamic Banking - Including Sudan



Financing Activities	1.2	1.9	4.0	7.4
Total Assets	2.0	3.7	6.0	8.8
Net Profit	40.7	91.0	115.5	248.3

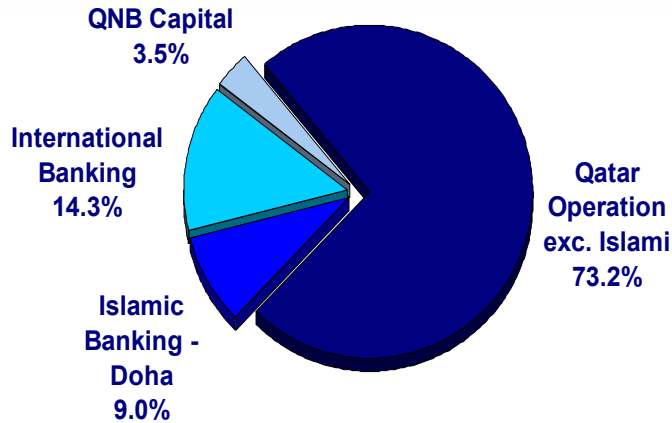
Total assets increased by 46.4% to US\$8.8 billion.

Financing activities increased by 86.2% to US\$7.4 billion.

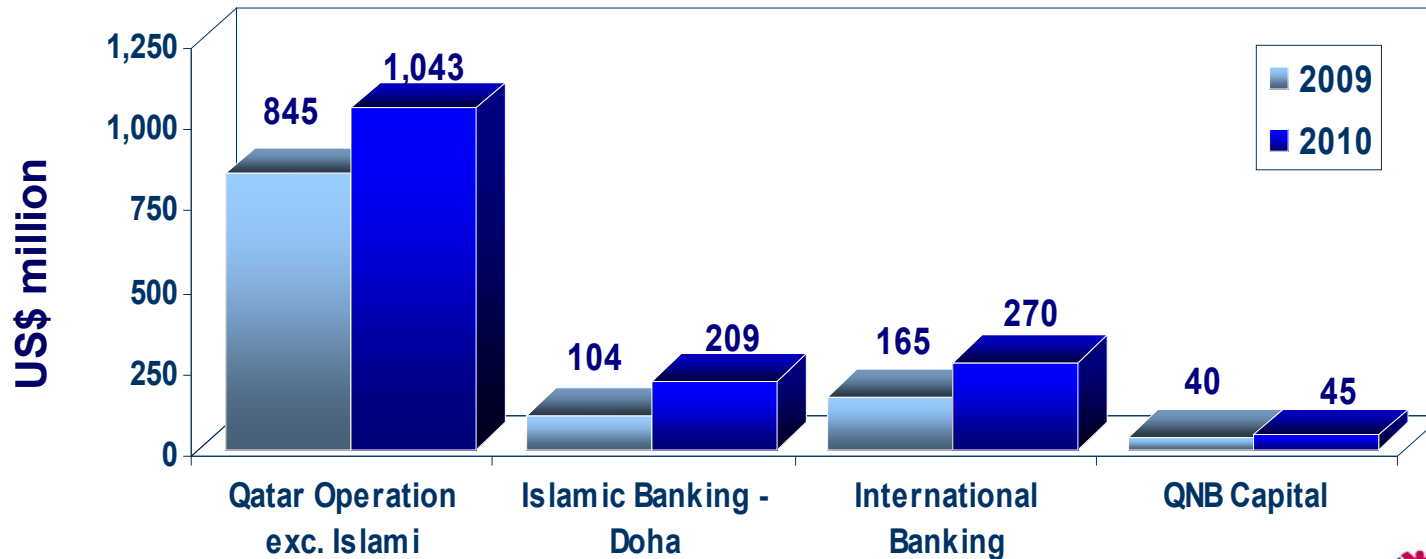
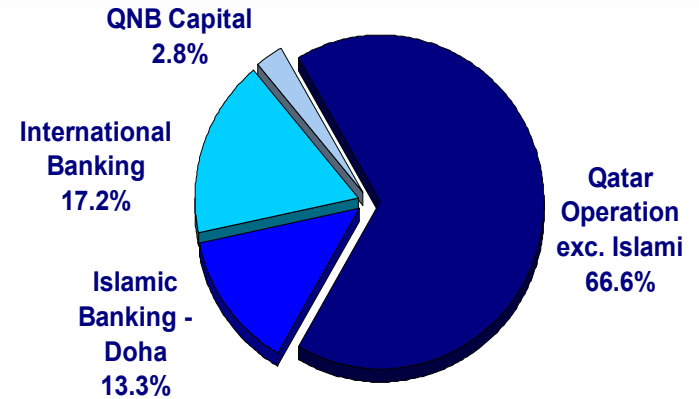
Net profit increased by 115% to US\$248 million.

Net Profit by Sector

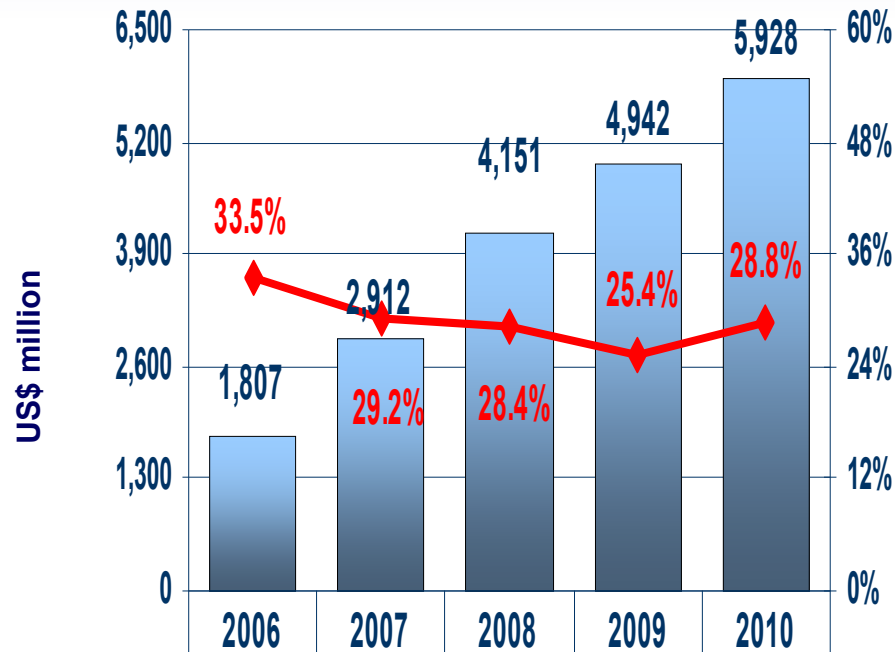
2009



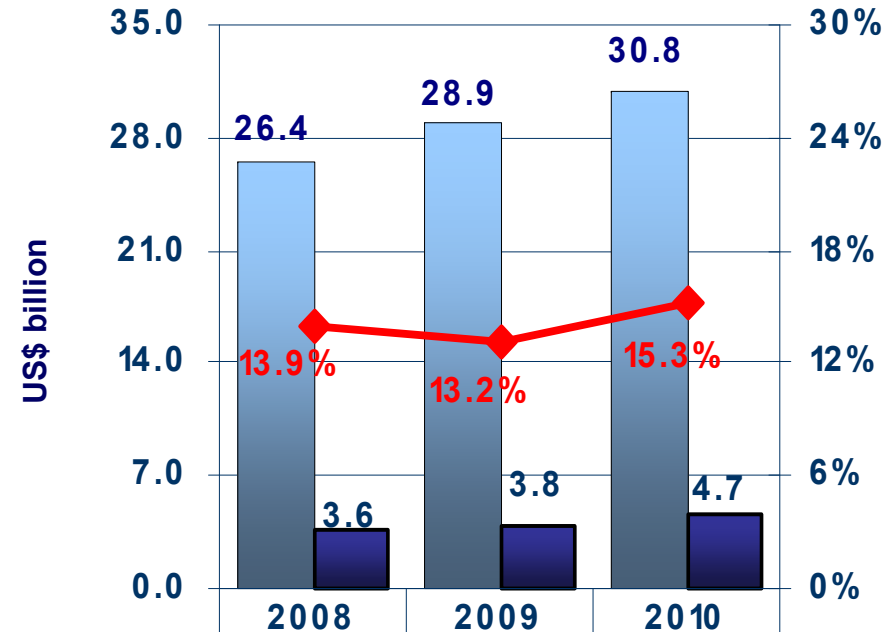
2010



Strong Capital Growth with Stable Returns



Equity exc. FVR	1,807	2,912	4,151	4,942	5,928
ROAE	33.5%	29.2%	28.4%	25.4%	28.80%



RWA	26.4	28.9	30.8
Tier 1 Capital	3.6	3.8	4.7
CAR	13.9%	13.2%	15.3%

2010 Main Non-Financial Achievements

- Completed increasing QNB – Syria capital to USD300 million and increasing QNB Group's share to 50.8%
- Completed all important step for the acquisition of controlling stake in Kisawan bank in Indonesia and Bank of Commerce and Development in Libya
- Opened 6 new branches/offices in Qatar to bring total number of locations to 59 covering conventional and Islamic operations, in addition to 170 ATMs
- Increased operation in Oman to 3 branches, Sudan to 3 branches and Syria to 15 branches.
- Started operations in Mauritania and received approval for 2 new branches in Lebanon to increase total international operations to 24 countries
- Maintained QNB's strong rating from all Rating Agencies
- Complete issuing the first Reg S bond issue amounting to US\$1.5 billion, one of the largest and best priced issues in the history of the region
- Acted as Joint Lead Manager and Financial Advisor for different bond issues for Q.Tel, Qatari Diar and State of Qatar
- Won Best Bank Award from Euromoney, The Banker and Global Finance

Economic Update

Gross Domestic Product

Supported by high energy prices and large investments on projects and infrastructure, Qatar has recorded a very high GDP growth rate in recent years, averaging Nominal 27.2% during 2005-2009 and 17.4% in Real Terms.

(\$ Million)	2005	2006	2007	2008	2009
Oil & Gas Sector	25,300	35,770	45,781	59,080	45,419
Non-Oil & Gas Sector	17,740	24,727	34,970	51,632	52,894
Total GDP	43,040	60,497	80,751	110,712	98,313
% Change	35.9%	40.6%	33.5%	37.1%	-11.2%

Source: Qatar Statistics Authority.

Gross Domestic Product

The Non-Oil and Gas Sector Currently Accounts for the Largest Contribution to GDP, while the Gas Sector has overtaken the Oil Sector.

(\$ Million)	2007	2008	2009
Gas Sector	21,688	26,799	24,039
% Change	44.2%	23.6%	-10.3%
Oil Sector	24,093	32,281	21,380
% Change	16.3%	34.0%	-33.8%
Oil & Gas Sector	45,781	59,080	45,419
Non-Oil & Gas Sector	34,970	51,632	52,894
Total GDP	80,751	110,712	98,313

Source: Qatar Statistics Authority.

Gross Domestic Product

Nominal GDP Increased by 21.4% for the First Three Quarters of 2010.

(\$ Million)	2004	2009*	Jan-Sep 2009*	Jan-Sep 2010*	% Change
Oil & Gas Sector	17,286	45,419	30,755	44,384	44.3%
Non-Oil & Gas Sector	14,448	52,894	39,881	41,379	3.8%
- Manufacturing	3,295	7,792	5,850	6,489	10.9%
- Agriculture & Fishing	58	87	64	69	7.7%
- Electricity & Water	407	1,075	853	884	3.7%
- Building & Construction	1,765	7,083	5,494	4,894	-10.9%
- Trade, Restaurants & Hotels	1,689	6,579	4,898	5,166	5.5%
- Transport & Communications	1,104	6,235	4,650	5,242	12.7%
- Finance, Ins. & Real Estate	2,727	11,916	9,058	9,381	3.6%
- Other Services	3,402	12,128	9,013	9,254	2.7%
Total GDP	31,734	98,313	70,636	85,763	21.4%

*Preliminary

Source: Qatar Statistics Authority.

Gross Domestic Product

Supported by the Natural Gas Sector and growth in the Non-oil and Gas sector Qatar's economy is expected witness strong growth in 2010 and 2011.

(\$ Million)	2009	2010*	2011*
Oil & Gas Sector	45,419	64,698	87,542
Non-Oil & Gas Sector	52,894	61,271	70,492
Total Nominal GDP	98,313	125,970	158,034
% Change	-11.2%	28.1%	25.5%
Real GDP growth rate	8.7%	14.5%	16.0%

* QNB Estimates.

Source: Qatar Statistics Authority.

GCC Economic Outlook

Real GDP Growth	2008	2009	2010	2011
Qatar	15.8%	8.6%	16.0%	18.6%
Saudi Arabia	4.2%	0.6%	3.4%	4.5%
UAE	7.4%	-2.5%	2.4%	3.2%
Kuwait	8.5%	-4.8%	2.3%	4.4%
Bahrain	6.3%	2.9%	3.5%	4.0%
Oman	7.8%	3.4%	4.7%	4.7%

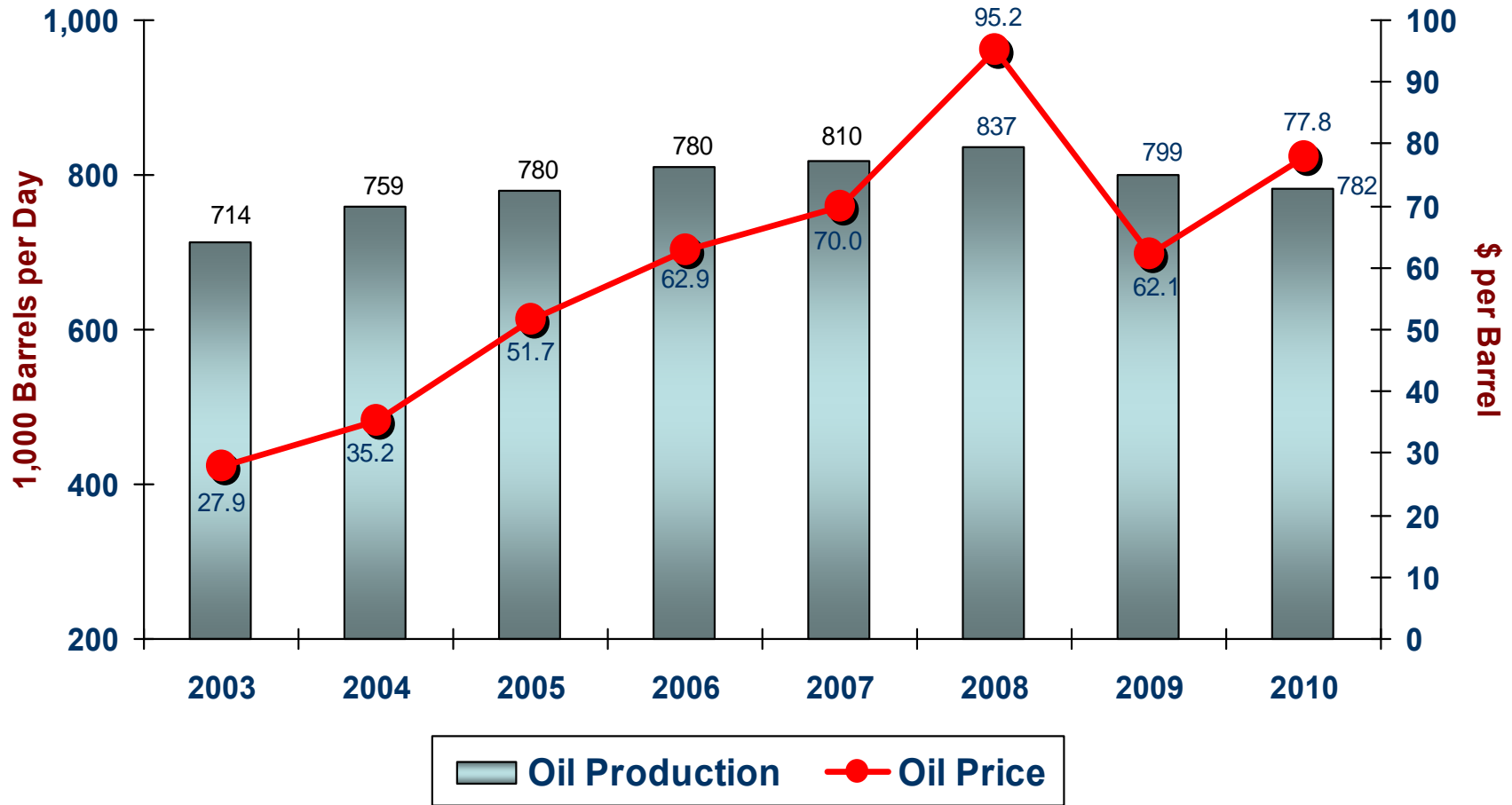
➤ Higher average oil prices of \$78 p/b in 2010, compared to \$62 p/b in 2009, GCC countries will witness better real GDP growth rates in 2010.

➤ GCC Monetary and Fiscal policies are supporting growth, however confidence levels have to rise for a full economic recovery.

Source: IMF.

Oil Production and Prices

Oil Production and Prices

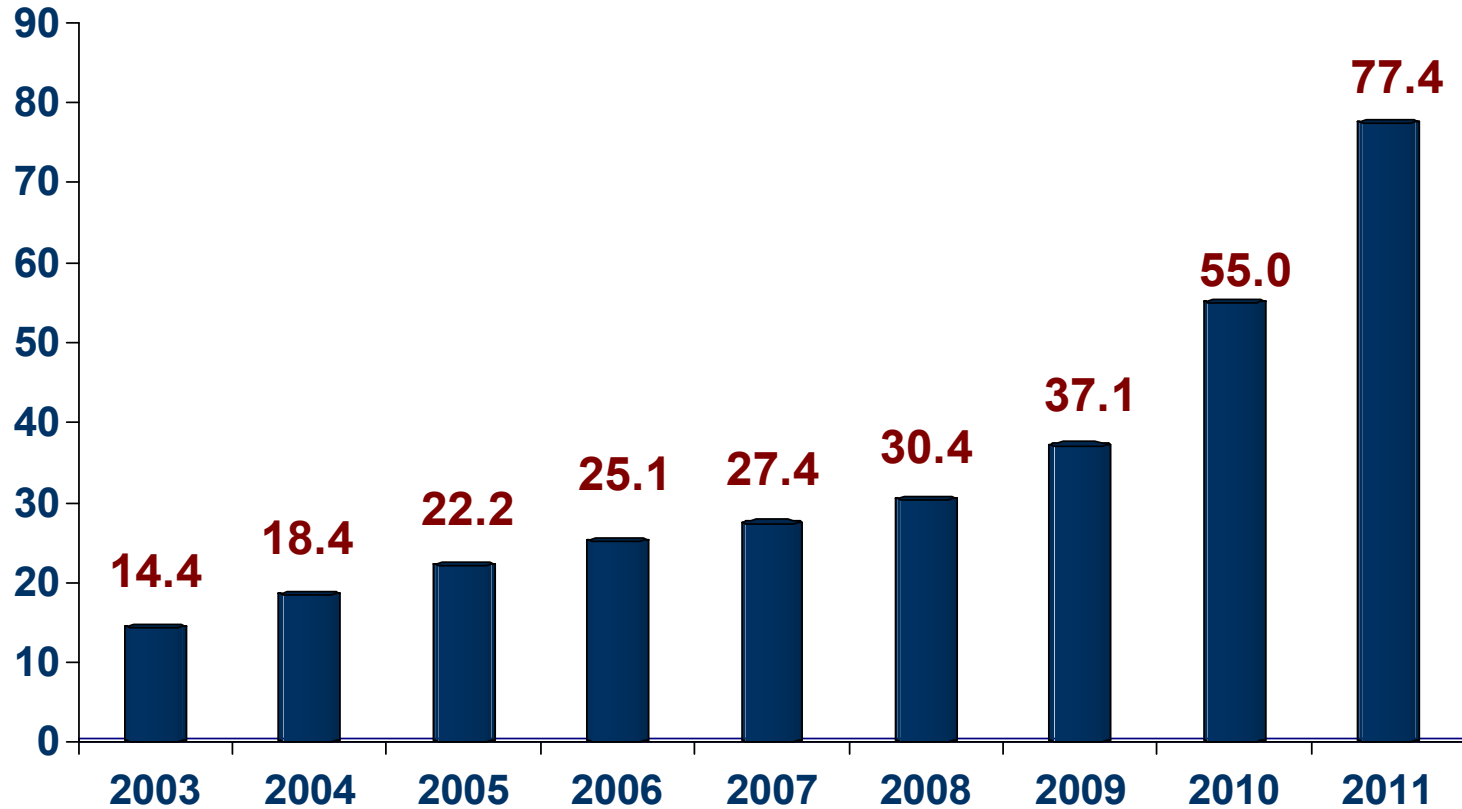


Source: Middle East Economic Survey.

LNG Exports are Increasing Rapidly

Qatar is currently the largest LNG exporter in the world.

Million Tons



Source: Qatargas and RasGas.

State Budget

Qatar's Budget Surplus for the Past Ten Fiscal Years amounted to \$52 Billion.

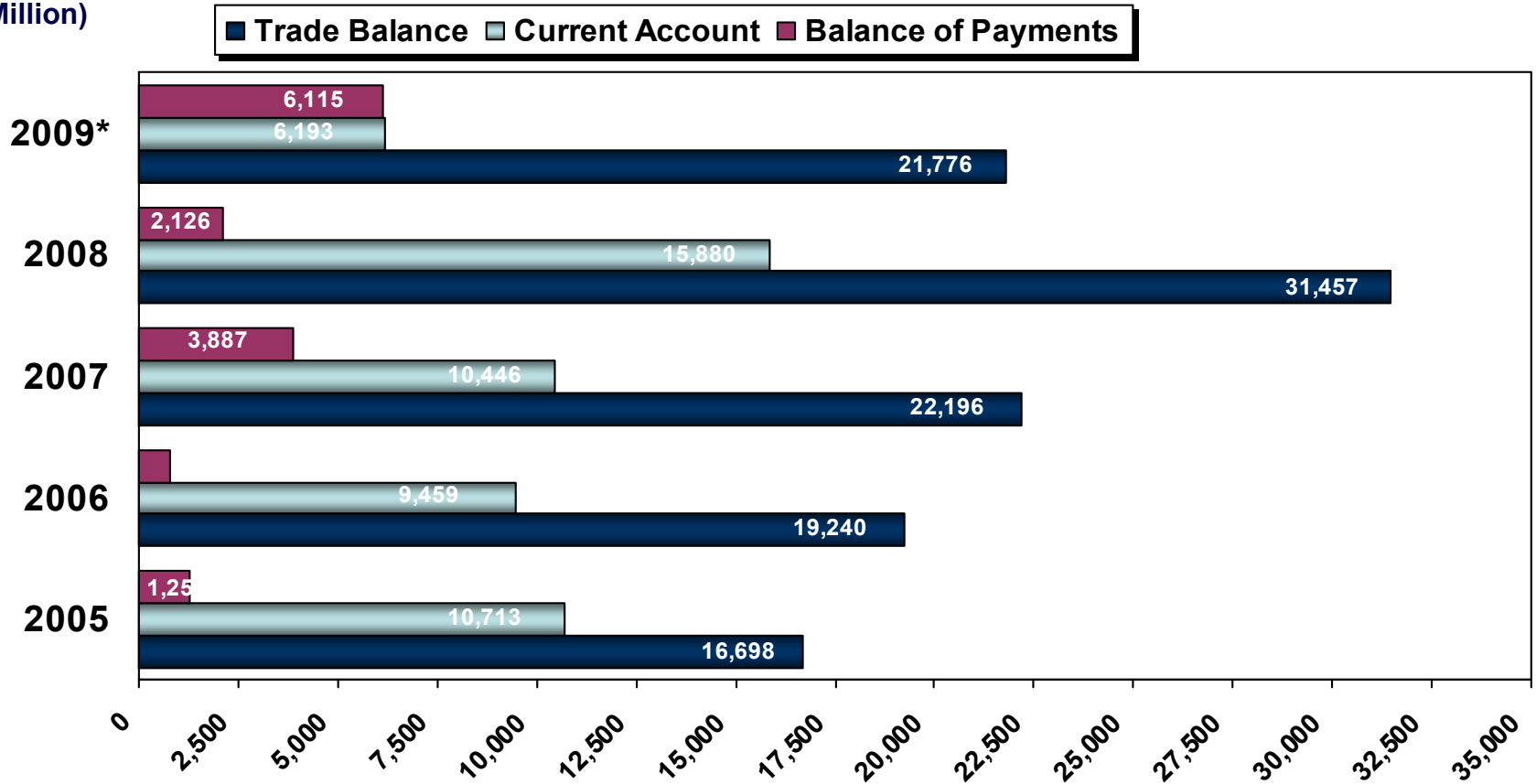
(\$ Million)	2007/08 Actual	2008/09 Actual	2009/10 Prelim.	2009/10 Budget	2010/11 Budget
Total Revenues	32,380	38,734	42,494	24,368	35,028
Total Expenditures	23,695	27,279	29,694	25,962	32,390
Surplus / (Deficit)	8,685	11,455	12,800	(1,594)	2,638
Budget Surplus / (Deficit) as % of GDP	10.8%	10.3%	13.0%	--	--
Budget Oil Price Assumption, \$ p/b	\$40	\$55	\$40	\$40	\$55
Actual Oil Price \$ p/b	\$79.5	\$82.8	\$69.8		

Source: Ministry of Economy and Finance.

Balance of Payments

Exports have grown by an Average of 21.2% from 2005-2009, with the Balance of Payments Surplus reaching \$6.1 Billion in 2009.

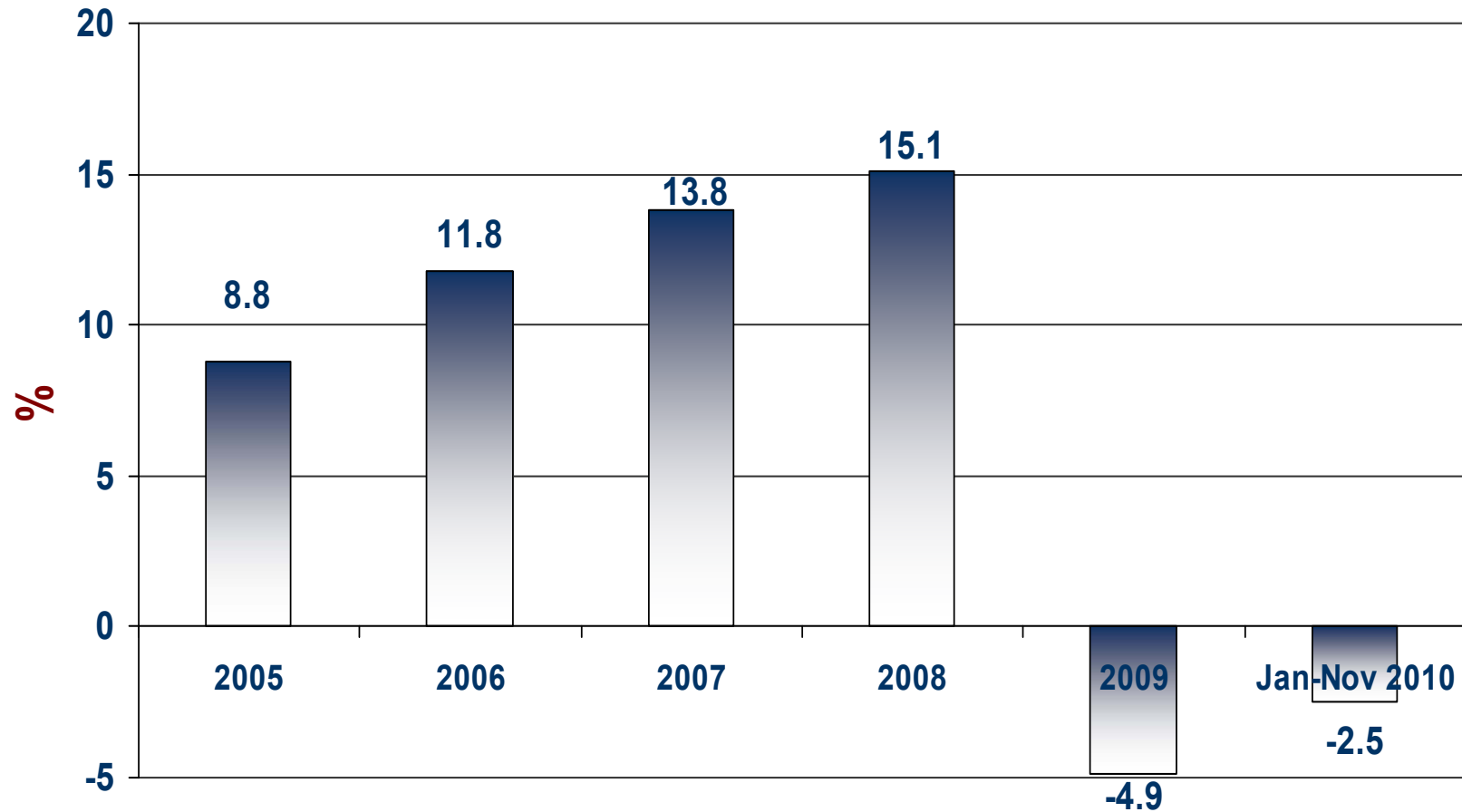
(\$ Million)



Source: Qatar Statistics Authority and Qatar Central Bank.

Inflation

Qatar witnessed a Deflation of 4.9% in 2009.



Source: Qatar Statistics Authority.

THANK YOU