



# Investor Relations Presentation

June 2024



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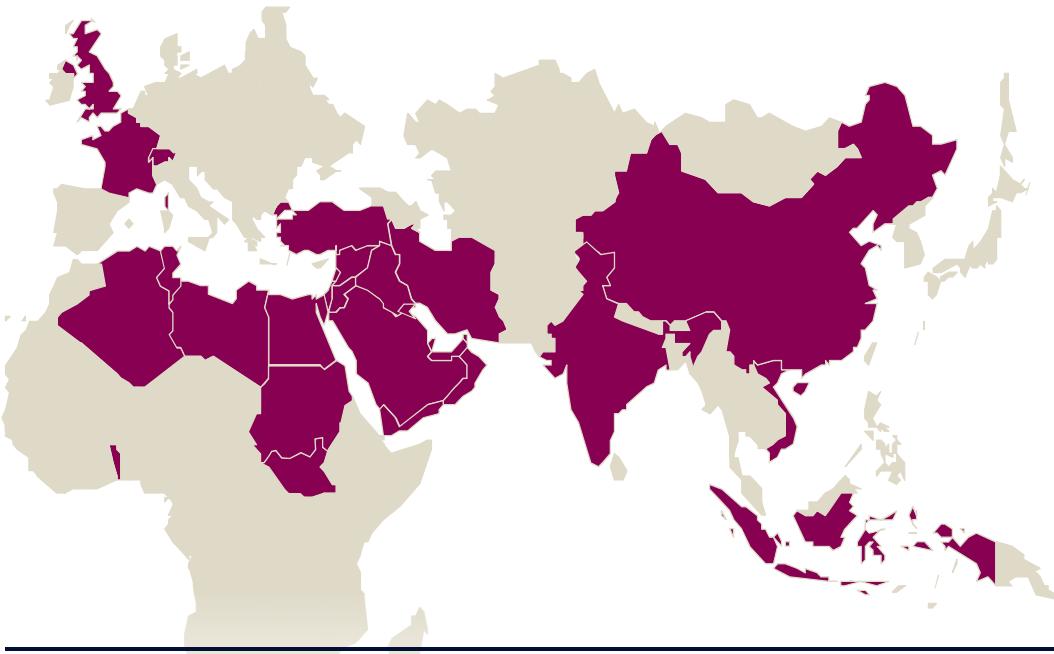
## Notes:

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 is a strong and highly rated bank with international footprint



## Solid financial strength

**USD 37.2 Bn**

Market Cap.

**USD 2.24 Bn**

Net Profit<sup>2</sup>

**USD 346.3 Bn**

Assets

**USD 0.23**

EPS

## Top-tier credit ratings

**A+**

Standard &  
Poor's

**Aa2**

Moody's

**AA**

Capital Intelligence

**A+**

Fitch

#1 bank in the Middle East and Africa across all balance sheet metrics

International network with presence in more than 28 countries

Most valuable banking brand in the Middle East and Africa, worth USD 7.7 Bn<sup>1</sup>

About 30,000 employees operating from more than 900 locations

## Key Strengths

Geographically Diversified Financial Position

Leading Domestic Presence

Leading Regional Presence

Experienced Management Team

Strong Operating Performance and Financial Position

Strong Credit Ratings



Exposure to High-Value Transactions

Strong Qatari Government Support

# QNB's International Footprint

## Sub-Saharan Africa



**South Sudan:** (1 Branch)



**Togo:** (650 Branches<sup>3</sup> across Africa, though 20.1% stake in Ecobank)

## Asia



**Indonesia:** (8 Branches, 95.63% stake in QNB Indonesia)



**Singapore:** (1 Branch)



**India:** (1 Branch)



**China / Hong Kong:** (1 Representative office, 1 Branch)



**Vietnam:** (1 Representative office)

## North Africa



**Egypt:** (234 Branches, 95.0% stake in QNB ALAHLI)



**Libya:** (1<sup>1</sup> Representative office)



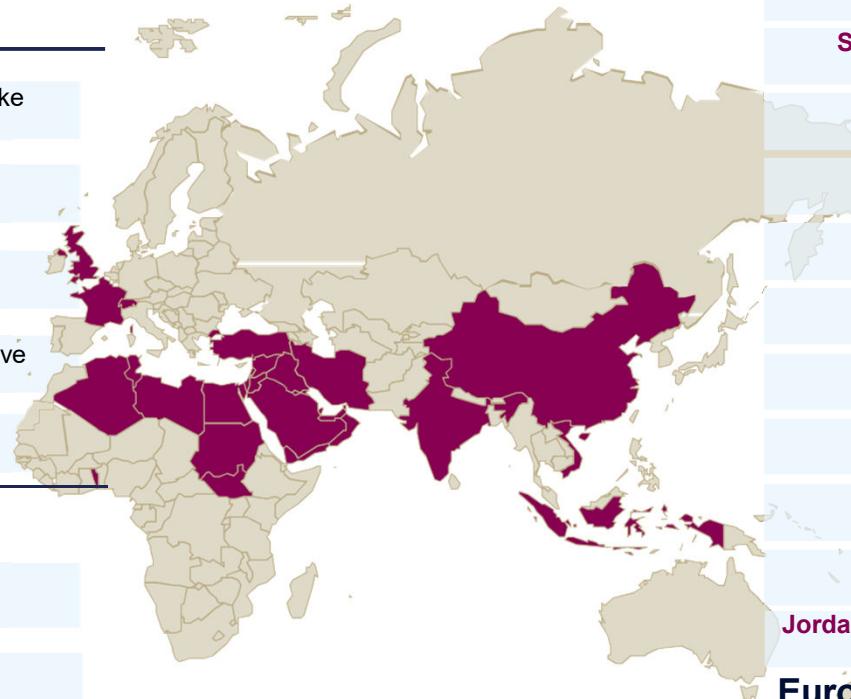
**Tunisia:** (29 Branches, 99.99% stake in QNB Tunisia)



**Sudan:** (1 Branch)



**Algeria:** (9<sup>1</sup> Branches)



## Middle East

**Qatar:** (48 Branches)



**KSA:** (2 Branches)



**UAE:** (6<sup>1</sup> +1<sup>1</sup> Branches, 40.0% stake in CBI)



**Syria:** (7 +24<sup>1</sup> Branches, 50.8% stake in QNB Syria)



**Palestine:** (15<sup>1</sup> Branches)



**Iraq:** (8 +1<sup>1</sup> Branches, 54.2% stake in Mansour Bank)



**Oman:** (5 Branches)



**Bahrain:** (1<sup>1</sup> +1<sup>1</sup> Branch)



**Kuwait:** (1 Branch)



**Lebanon:** (1 Branch)



**Yemen:** (1 Branch)



**Iran:** (1 Representative office<sup>2</sup>)



**Jordan:** (104<sup>1</sup> +3<sup>1</sup>) Branches, 38.6% stake in Housing Bank of Trade & Finance)



## Europe

**United Kingdom:** (1 +1<sup>1</sup> Branch and 100% stake in Digital Q-FS Limited)



**France:** (1 Branch)



**Switzerland:** (1 Branch, 100% stake in QNB Suisse SA)



**Turkiye:** (435 Branches, 99.88% stake in QNB Finansbank)



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

2: Dormant

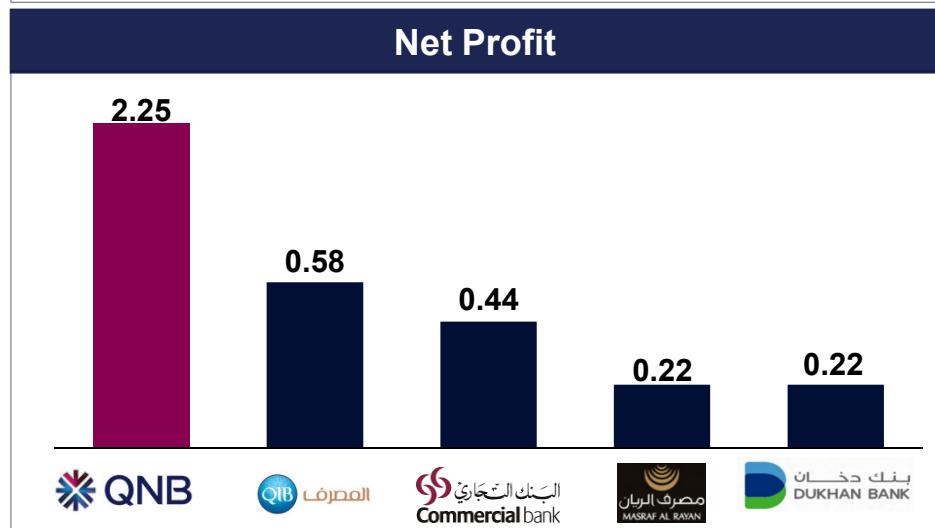
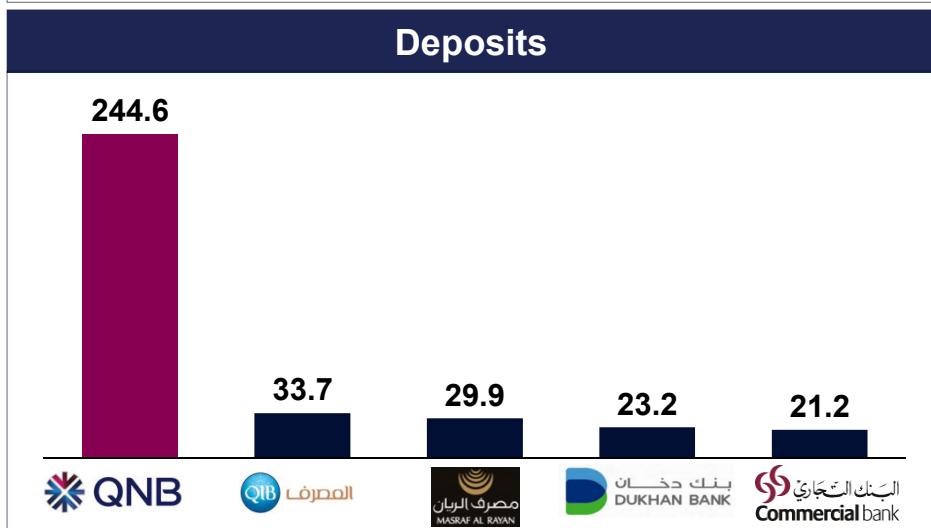
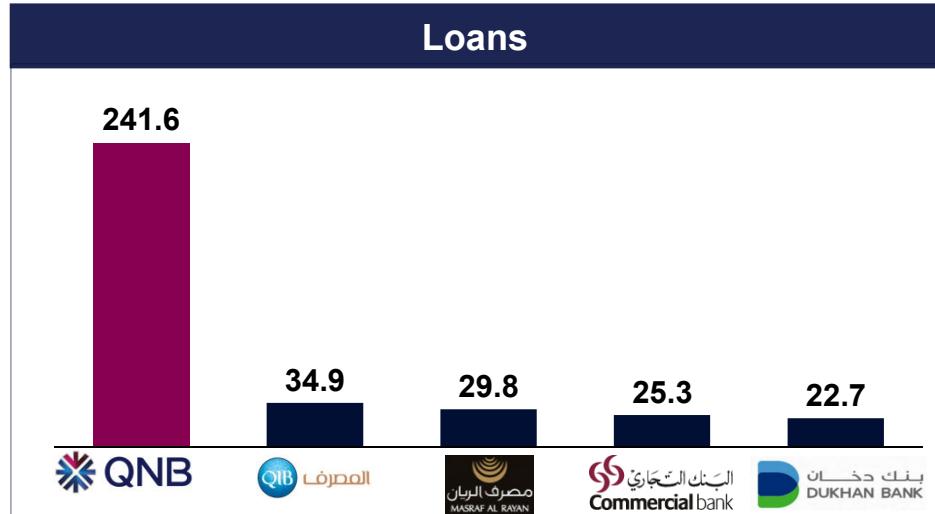
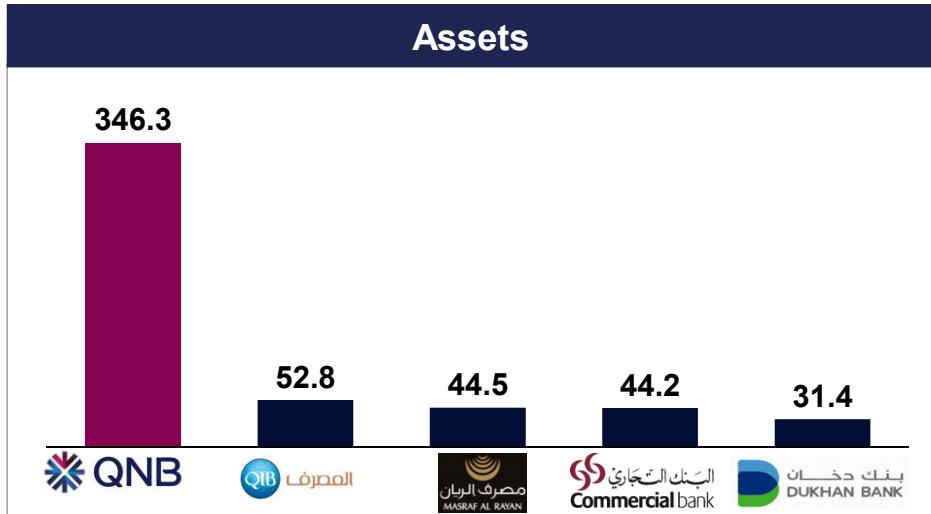
3: The branch data for Ecobank is as at May 2024



# **QNB Comparative Positioning – Qatar and MEA**

# Top 5 Listed Domestic Banks – June 2024

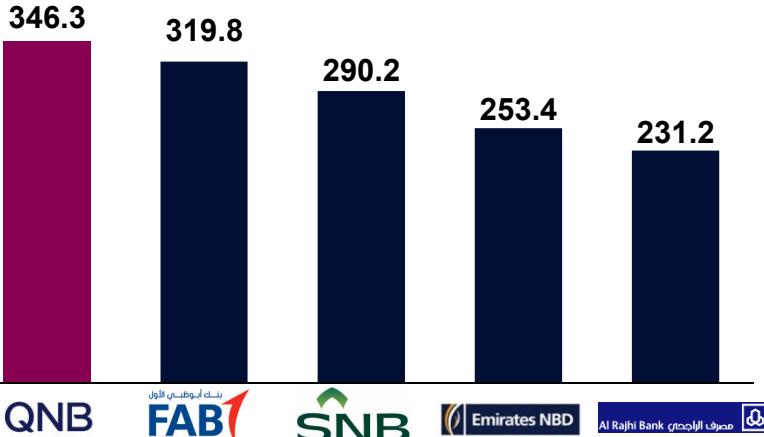
QNB continues to excel in the domestic market



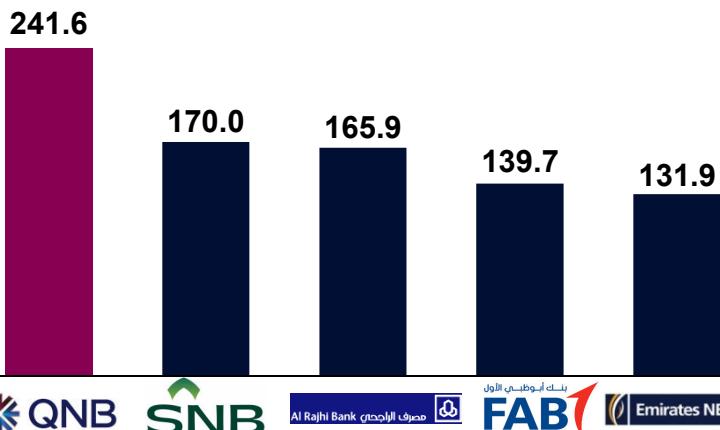
# Top 5 Listed MEA Banks – June 2024

QNB maintains its position as the leading bank in the region across all balance sheet categories

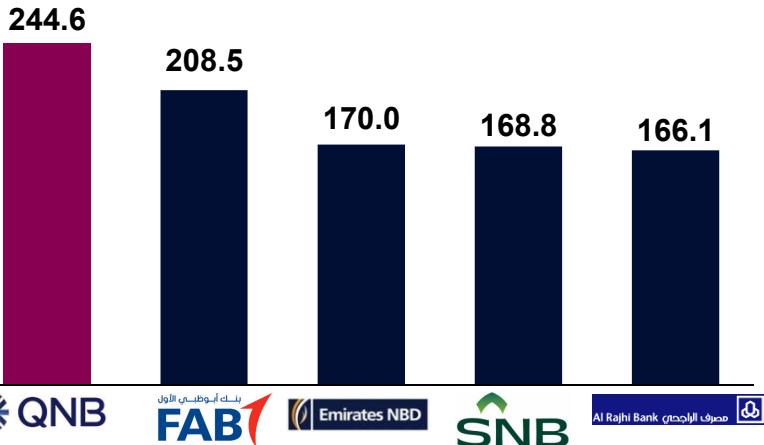
Assets



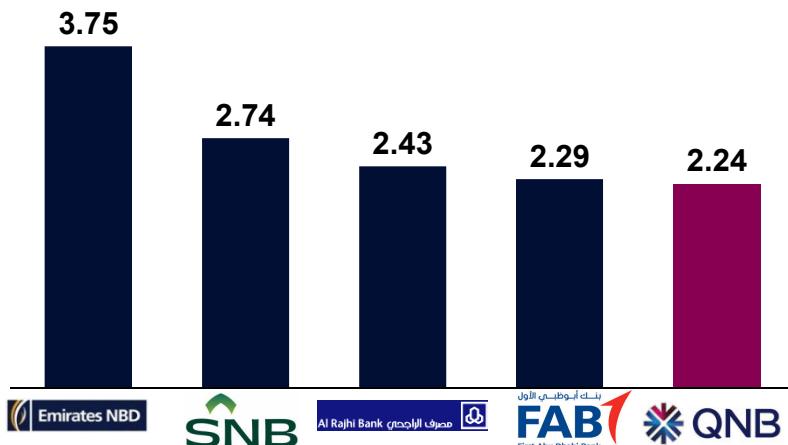
Loans



Deposits

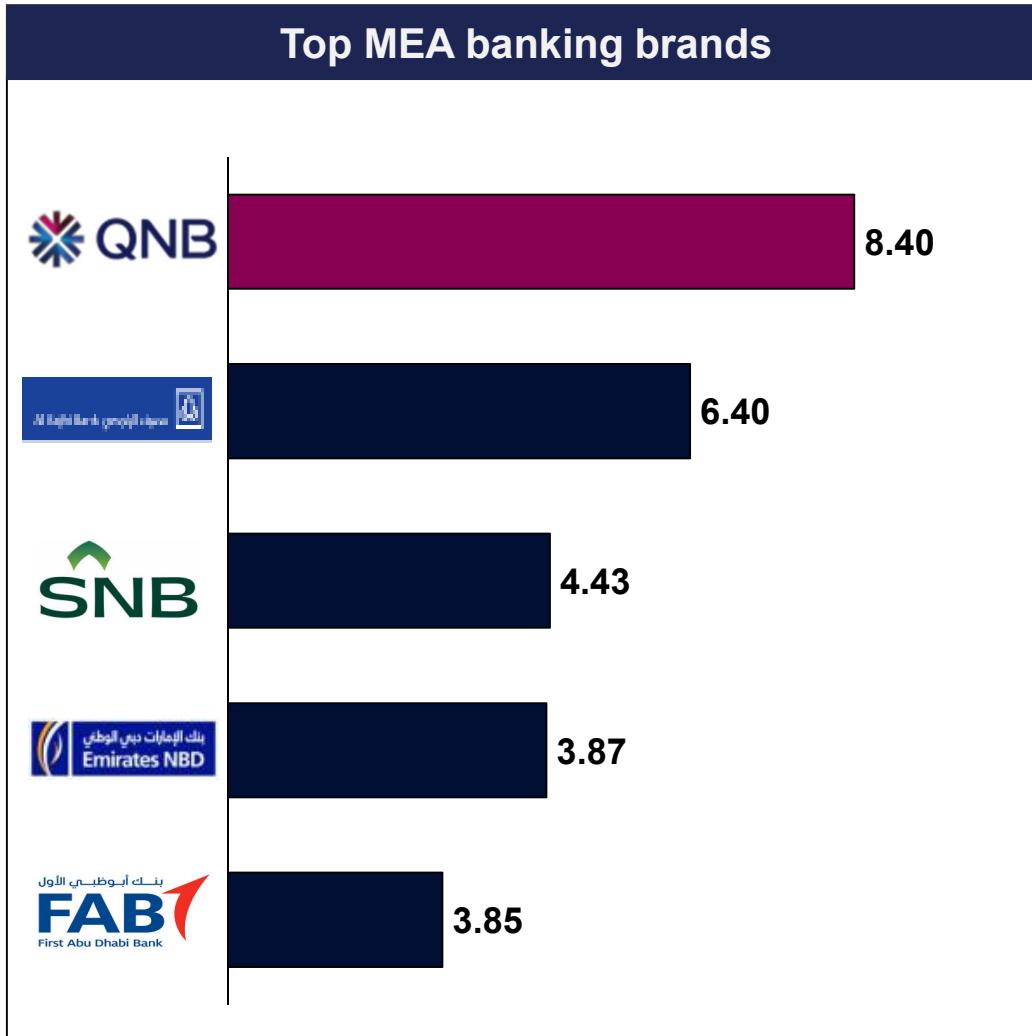


Net Profit



# QNB is the leading financial institution in the MEA region with regards to brand value

Brand value (USD Bn)



### Key highlights

- QNB retains the most valuable Banking Brand in Middle East and Africa region
- 2024 Brand Value for Group increased to USD 8.4 billion
- Brand Strength Index (BSI) for QNB Group increased to 86 from 85.2
- In the 2024 Global Banking Brands League Tables, QNB rank moved up 5 places to 40<sup>th</sup> position
- In the 2024 Global 500 Brands (all categories), QNB moved up 15 places to 259<sup>th</sup> position from 290<sup>th</sup> spot from 2023





# Financial Highlights

# QNB Group demonstrate sustainable growth

## Financial Highlights (as at 30 June 2024)



Growth vs. June 2023

### Profit<sup>1</sup>

- USD2.24 billion



+7%

- Net interest margin (NIM)<sup>2</sup>: 2.61%
- Cost to income ratio: 22.4%
- Earnings per share: USD 0.23

### Assets

- USD346.3 billion assets
- USD241.5 billion loans



+5%



+7%

- NPL (% of gross loans): 3.0%
- Coverage ratio<sup>3</sup>: 100%

### Funding

- USD244.6 billion deposits



+6%

- Loans to deposits ratio: 98.7%

### Equity

- USD30.2 billion equity



+6%

- Capital adequacy ratio: (QCB Basel III Reforms) 19.2%

Source: Financial Statements

1: Profit Attributable to Equity Holders of the Bank

2: Net interest margin calculated as net interest income over average earnings assets excluding the impact of inflation accounting

3: Based on Stage 3 provisions, excluding interest accrued



# QNB ALAHLI

## Financial Highlights (as at 30 June 2024)



Growth vs. June 2023

### Profit<sup>1</sup>

- **USD296.2 million**  
(EGP12.3 billion)



17%  
(+60%)

### Assets

- **USD15.7 billion assets**  
(EGP753.4 billion)
- **USD6.4 billion loans**  
(EGP307.7 billion)



-12%  
(+36%)



-19%  
(+26%)

### Funding

- **USD13.2 billion deposits**  
(EGP633.0 billion)



-11%  
(+38%)

### Equity

- **USD1.6 billion equity**  
(EGP77.3 billion)



-16%  
(+30%)

- Net interest margin (NIM)<sup>2</sup>: 6.39%
- Cost to income ratio: 19.8%

- NPL (% of gross loans): 5.5%
- Coverage ratio<sup>2</sup>: 81%

- Loans to deposits ratio: 48.6%

- Capital adequacy ratio:  
(QCB Basel II) 22.6%

Source: QNB ALAHLI under International Financial Reporting Standards

1: Profit Attributable to Equity Holders of the Bank

2: Net interest margin calculated as net interest income over average earnings assets on a standalone basis

3: Based on Stage 3 provisions, excluding interest accrued

# QNB FINANSBANK

## Financial Highlights (as at 30 June 2024)



Growth vs. June 2023

### Profit<sup>1</sup>

- **USD13.2 million**  
(TRY0.4 billion)



**-95%**  
(-93%)

### Assets

- **USD40.1 billion assets**  
(TRY1,320 billion)
- **USD23.2 billion loans**  
(TRY764.4 billion)



**+15%**  
(+60%)



**+14%**  
(+58%)

### Funding

- **USD23.9 billion deposits**  
(TRY785.9 billion)



**+6%**  
(+47%)

### Equity

- **USD3.5 billion equity**  
(TRY115.3 billion)



**+26%**  
(+77%)

• Net interest margin (NIM)<sup>2</sup>: **6.60%**

• Cost to income ratio: **35.9%**

• NPL (% of gross loans): **1.8%**

• Coverage ratio<sup>3</sup>: **116%**

• Loans to deposits ratio: **97.3%**

• Capital adequacy ratio:  
**(QCB Basel III)** **12.9%**

*After BRSA Relaxation Measures* **14.0%**

Source: QNB Finansbank under International Financial Reporting Standards (includes Enapra Bank A.S.)

1: Profit Attributable to Equity Holders of the Bank

2: Net interest margin calculated as net interest income over average earnings assets on a standalone basis

3: Based on Stage 3 provisions, excluding interest accrued



# Enpara Digital Bank (pro-forma standalone operations)

Financial Highlights (as at 30 June 2024)



Growth vs. June 2023

## Profit<sup>(1)</sup>

- **USD166.3 million  
(TRY5.5 billion)**  
25%<sup>(2)</sup> of QNB Finansbank



**+16%**  
(+61%)

## Assets

- **USD2.4 billion loans  
(TRY79.0 billion)**  
10% of QNB Finansbank



**+17%**  
(+62%)

## Funding

- **USD3.8 billion deposits  
(TRY124.8 billion)**  
16% of QNB Finansbank



**+12%**  
(+55%)

## Clients

- **6.8 million registered clients**



**+31%**

- **Cost to income ratio:** 20.7%
- **Net Interest Margin (NIM):** 10.2%

- **NPL (% of gross loans):** 3.7%
- **Retail Loans Market Share<sup>(3)</sup>:** 4.3%
- **Credit Cards Market Share<sup>(3)</sup>:** 3.2%

- **Loans to deposits ratio:** 63.3%
- **Retail Deposits Market Share<sup>(3)</sup>:** 2.2%

- **Average Daily Logins:** 3.8 million
- **Digital Onboarding Market Share** 17.0%

Enpara is currently the Digital Banking division of QNB Finansbank. Enpara balances are still included in QNB Finansbank while Enpara is undergoing spin-off process.  
The above are selected financial highlights of these operations:

(1) Profit Before Tax

(2) % of non-IAS QNB Finansbank Profit Before Tax

(3) Market share among privately owned banks

(4) All financial information is non-IAS 29



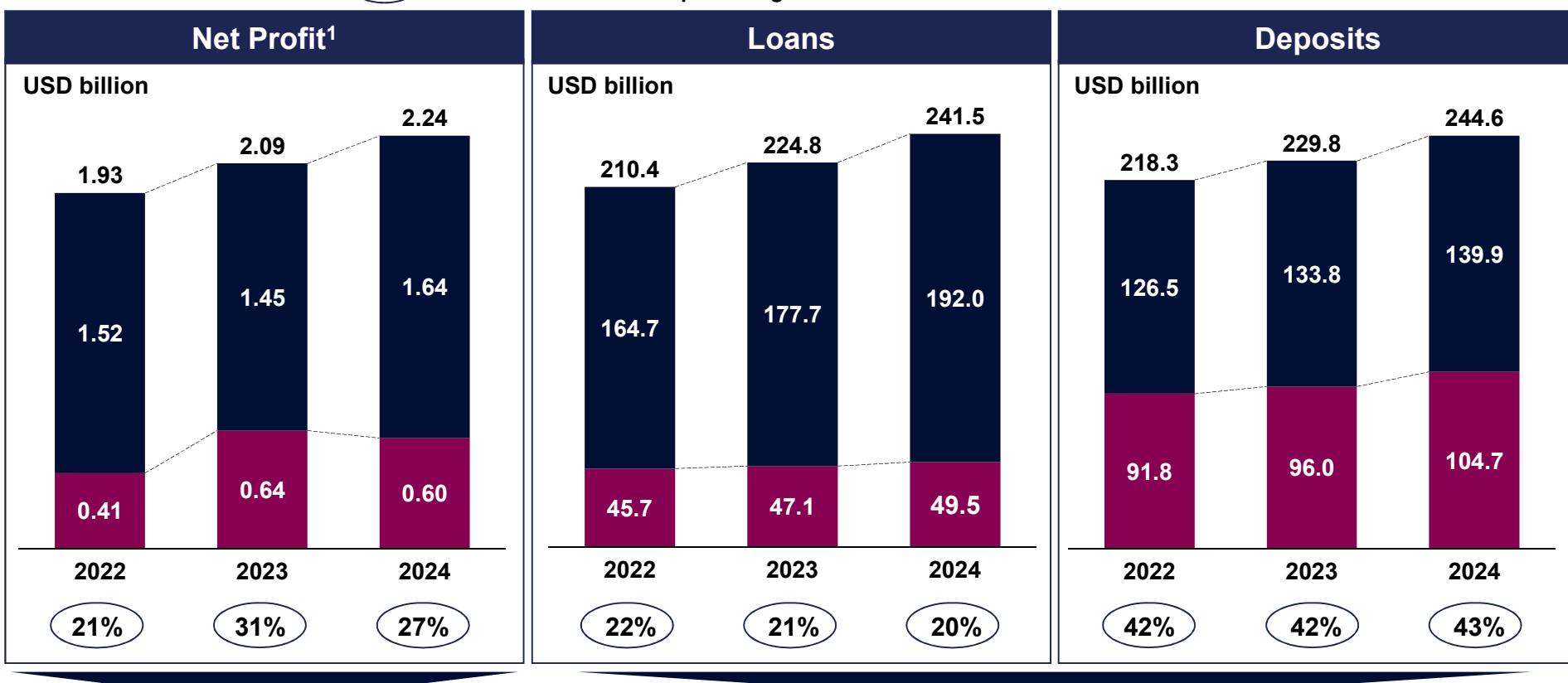
# Strong domestic franchise with widespread geographical footprint contributes to diversification and growth

## Geographical Contribution (as at 30 June)

Domestic   International

%

Share of International as percentage of the total

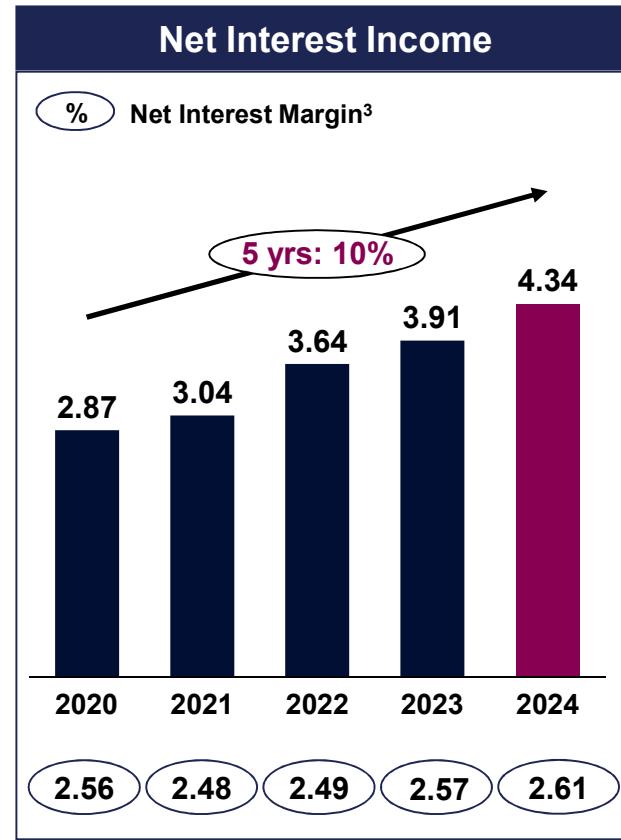
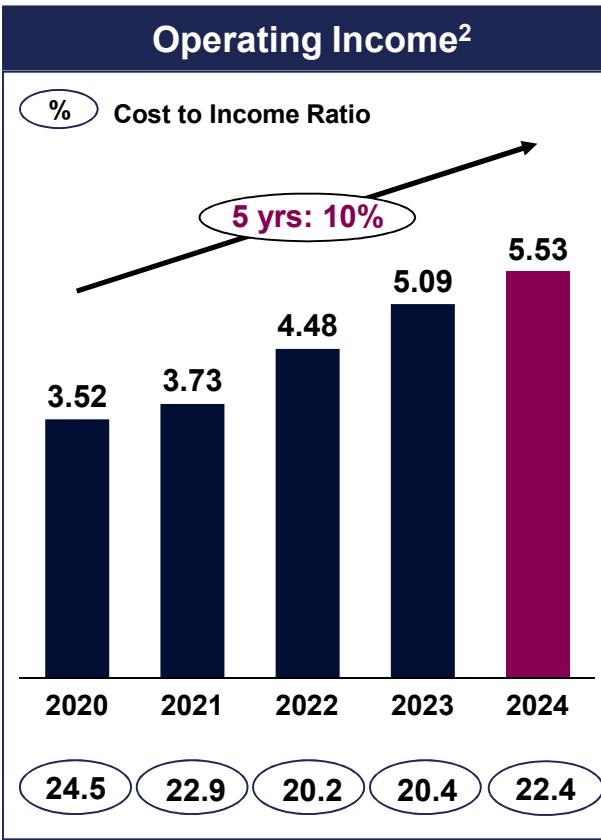
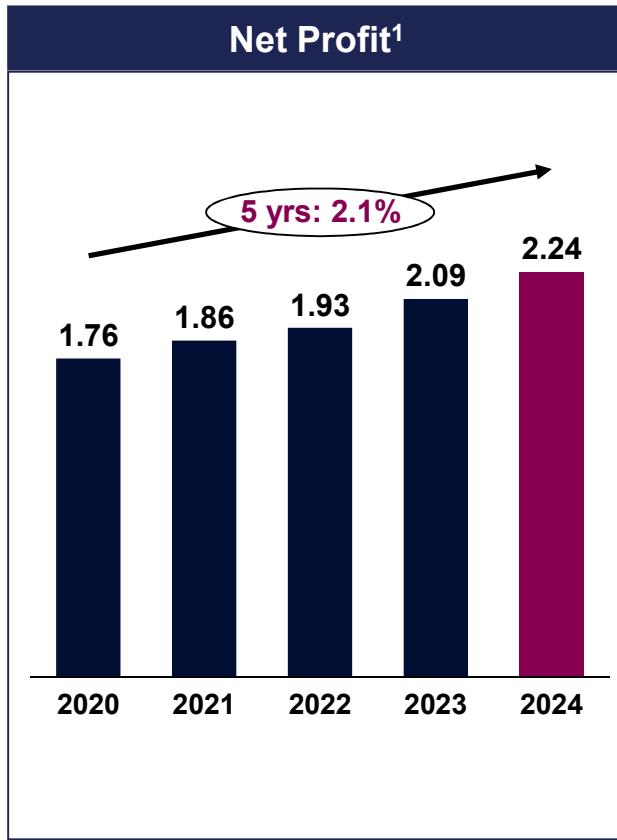


- Profit from international operations increased by USD0.19 Bn (46%) from 2022 to 2024

- Loans from Intl operations increased by USD3.8 Bn (8%) from 2022 to 2024
- Deposits from Intl operations increased by USD12.9 Bn (14%) from 2022 to 2024

# Consistent Profitability and Cost Discipline

## Income Statement Breakdown (USD billion as at 30 June)



- Net Profit increased by 7.3% from June 2023

- Operating income increased by 9% from June 2023
- Best-in-class efficiency

- NII increased by 11% from 2023
- Strong NIM with the current size of USD346 billion of total assets

Source: Financial Statements

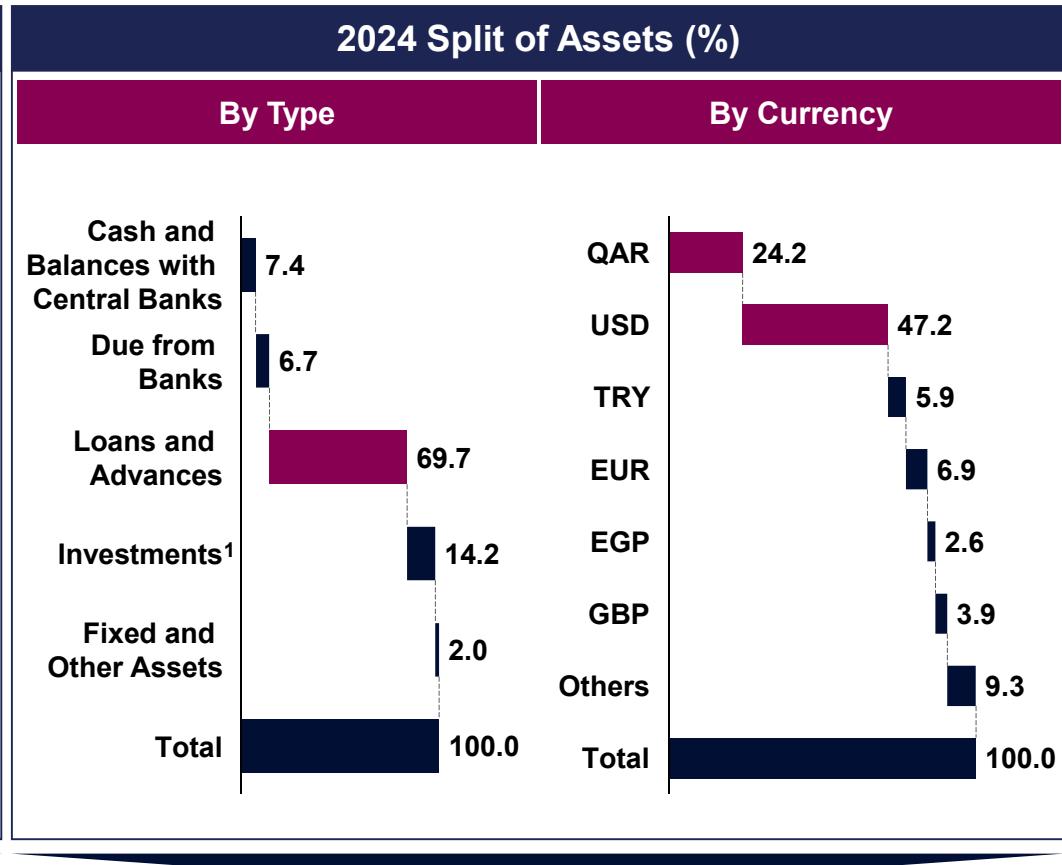
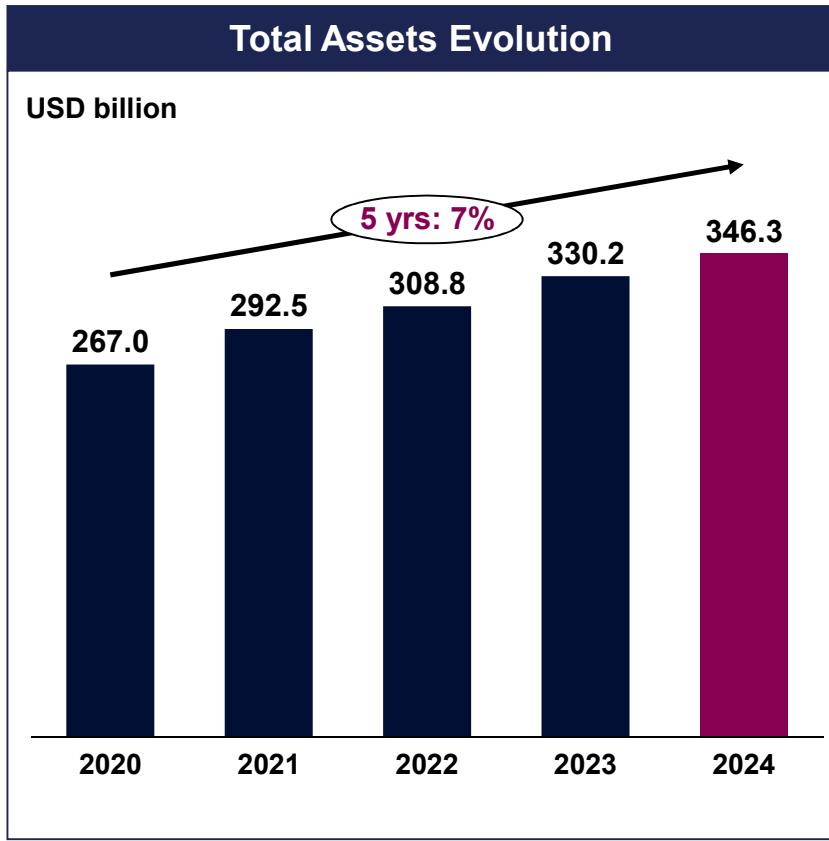
1: Profit Attributable in Equity Holders of the Bank

2: Operating Income includes Share of Results of Associates

3: Net interest margin calculated as net interest income over average interest earning assets

# Asset growth driven by lending activities mainly in USD and QAR

## Assets Analysis (as at 30 June)

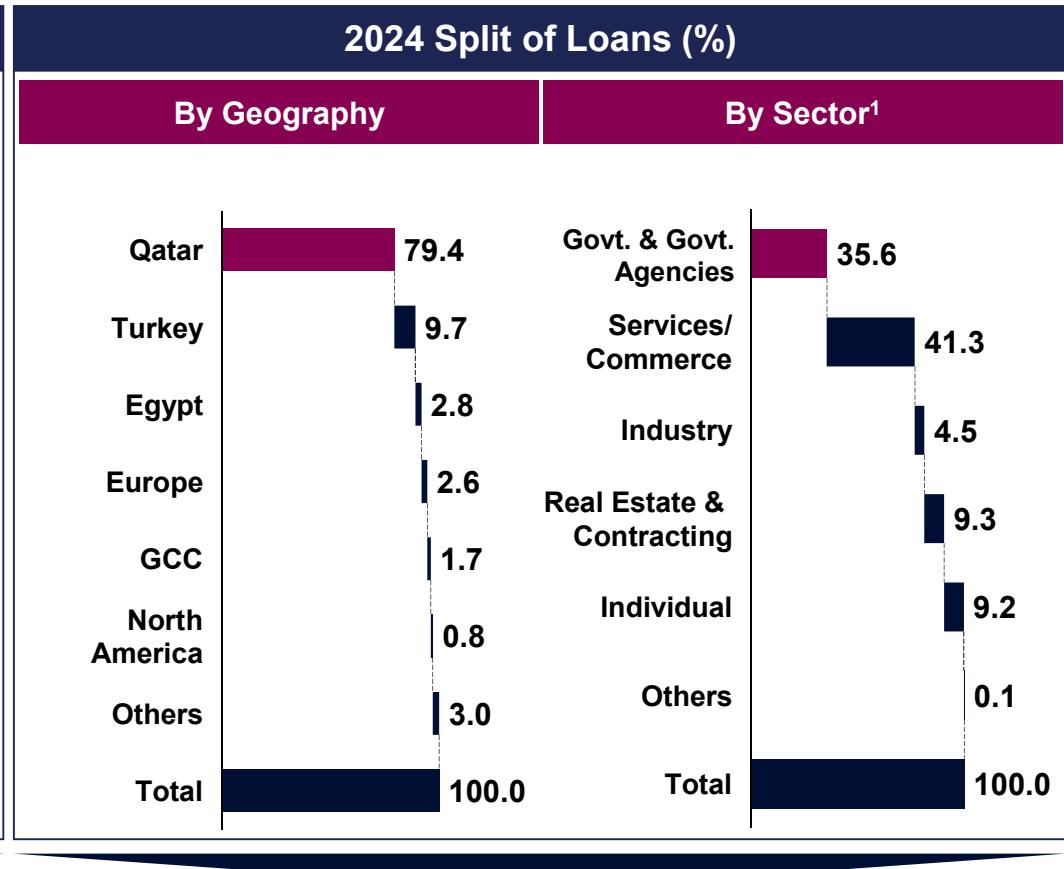
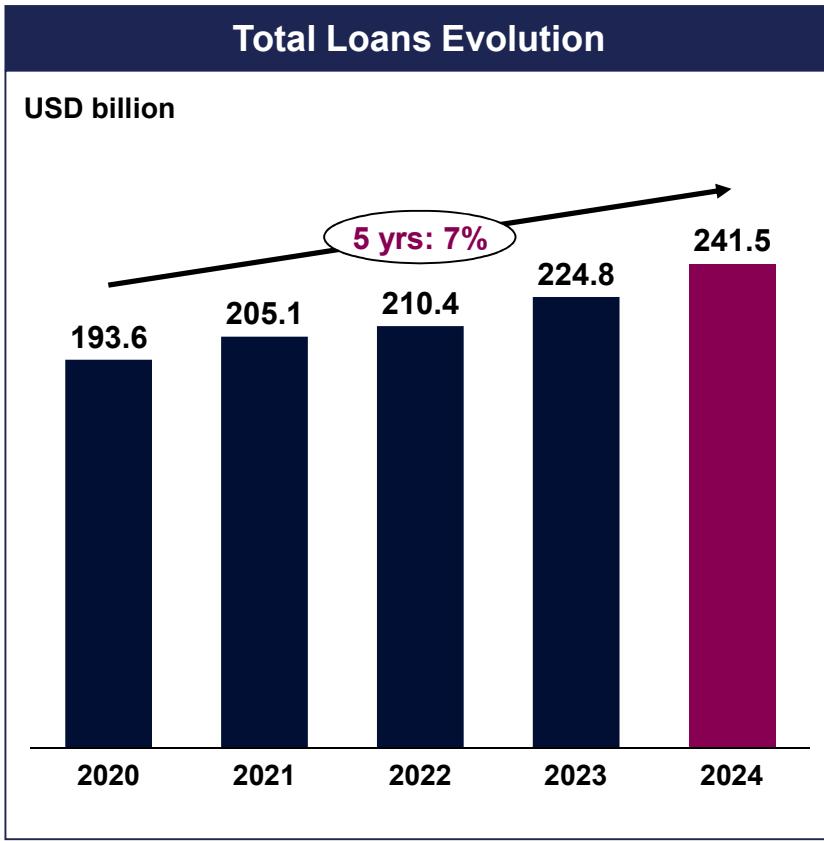


- Assets increased by 5% from June 2023

- Loans and advances represent 70% of total assets
- USD and QAR currencies account for about 71% of total assets

# Stable loan momentum

## Loan Analysis (as at 30 June)

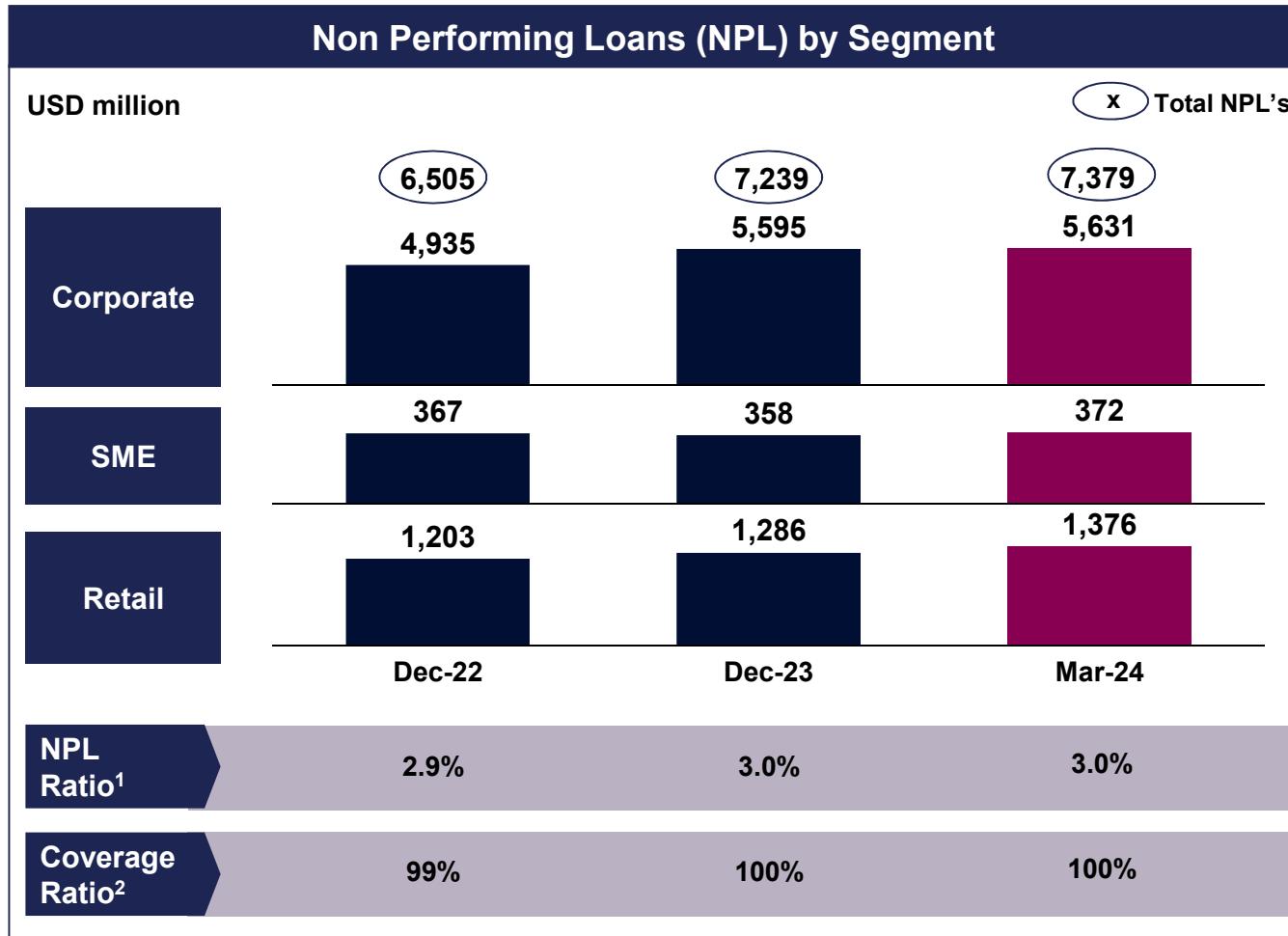


- Loans increased by 7% compared to June 2023

- Loans denominated in USD represent 64% of total loans
- Loan exposures are of a high quality with 36% concentration to Government and public sector entities

# High quality lending portfolio is underpinned by low NPL ratios

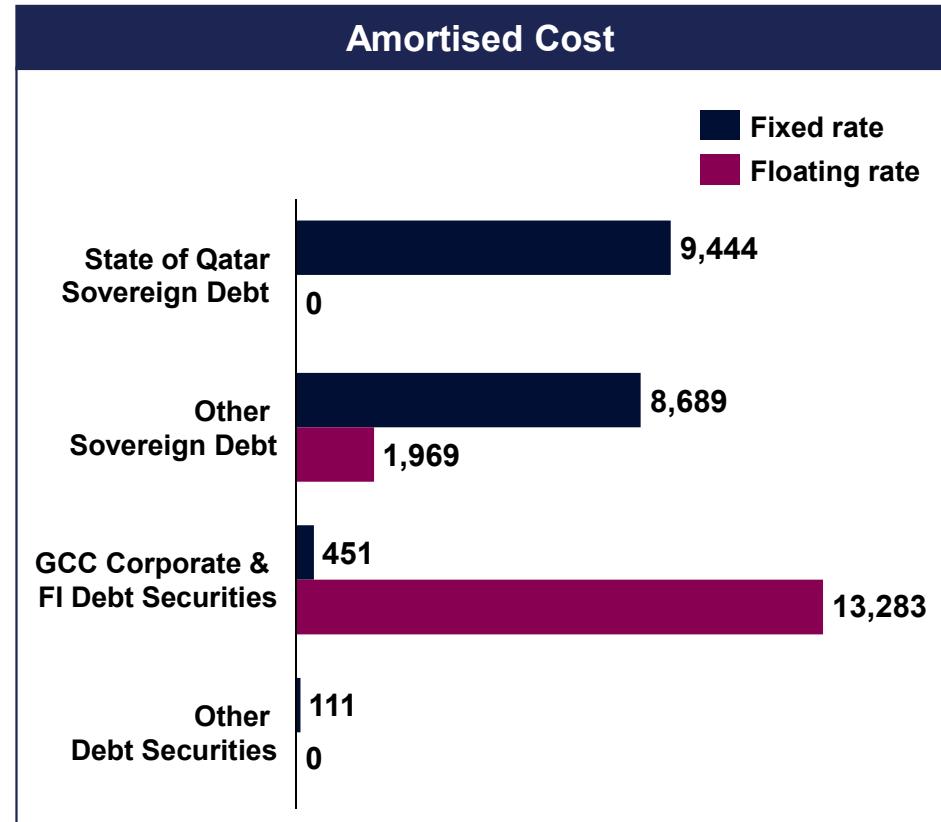
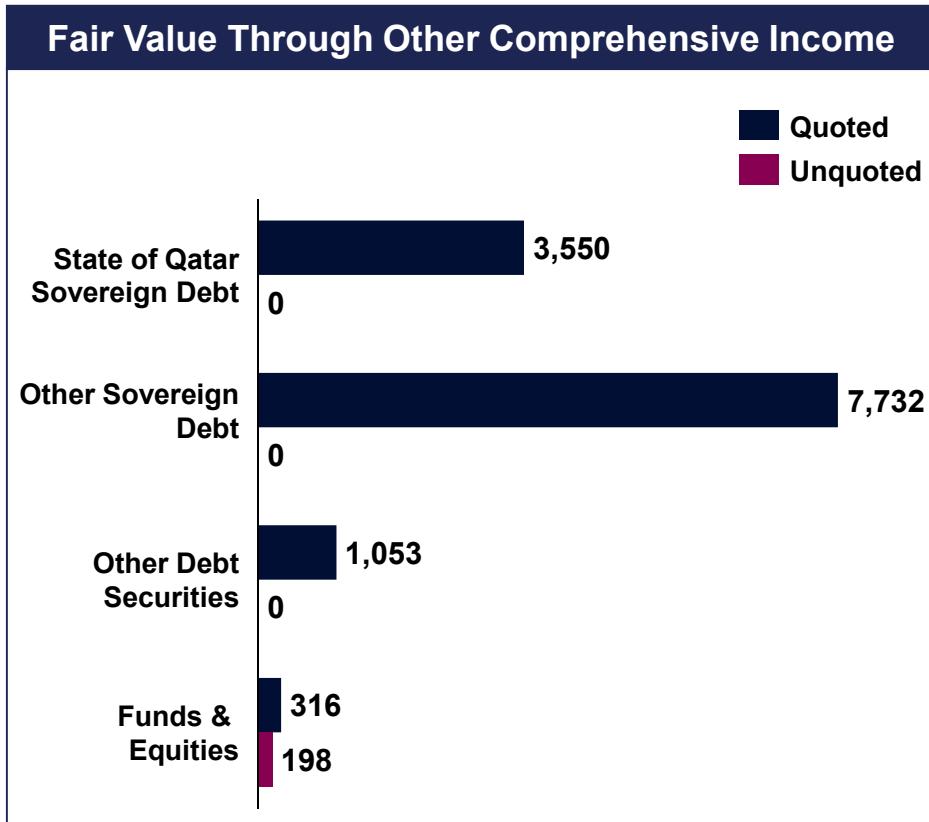
## Asset Quality Analysis



- QNB has continued to increase its provisions in response to the global economic situation on account of economic headwinds and uncertainties
- The bank's coverage ratio has remained robust amidst the economic slowdown, with a coverage of 100% as at June 2024
- Past dues are NPL after 90 days default
- There is an additional risk reserve of USD3,296 million which is greater than the 2.5% QCB requirements

# High quality investment portfolio with 67% of securities rated AA or Sovereign

Investments Analysis (USD million as at June 2024)

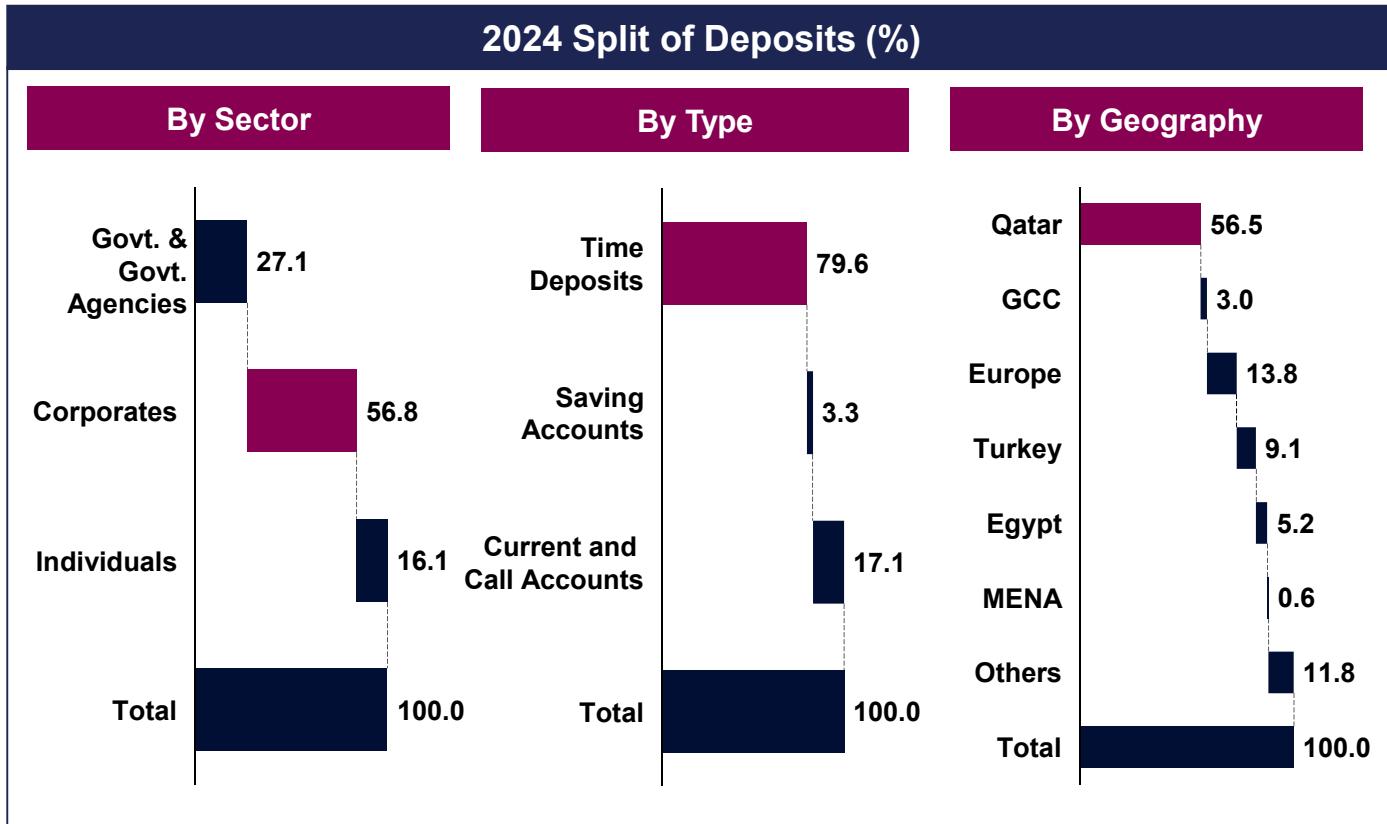
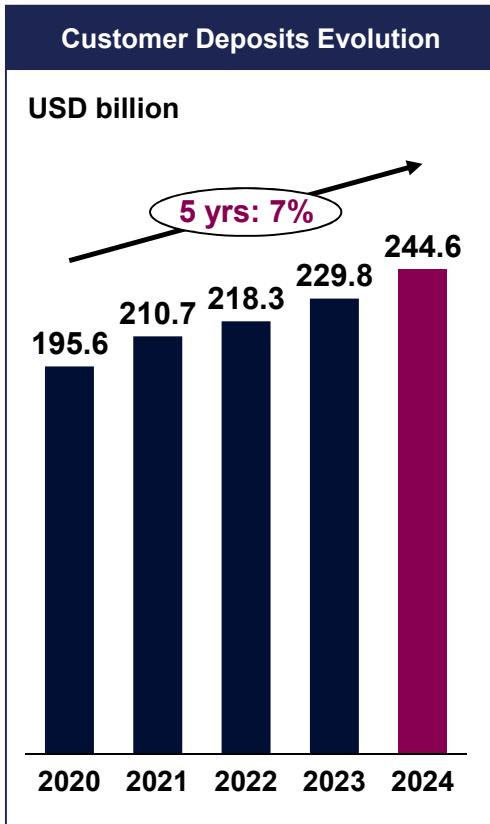


- Quoted securities account for 98% of FVOCI Investment securities

- Good mix of both fixed and floating rates securities

# Robust growth in customer deposits and funding

## Funding Analysis (as at 30 June)

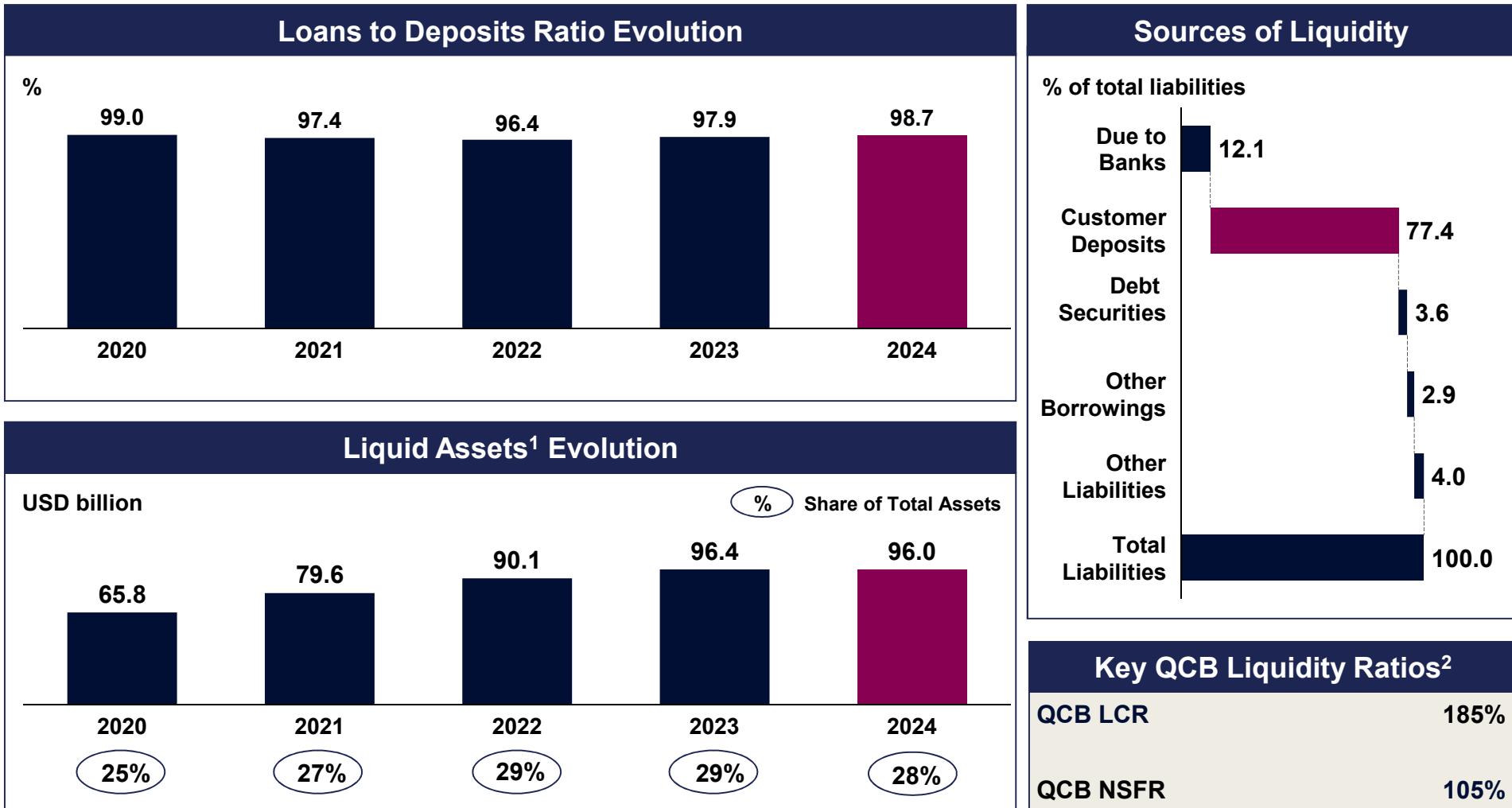


- Deposits increased by 6% from June 2023

- QNB remains the public sector's preferred bank
- USD, EGP and TRY denominated deposits represent 47%, 4% and 7% of total deposits respectively

# Solid liquidity profile

## Liquidity Analysis (as at 30 June)



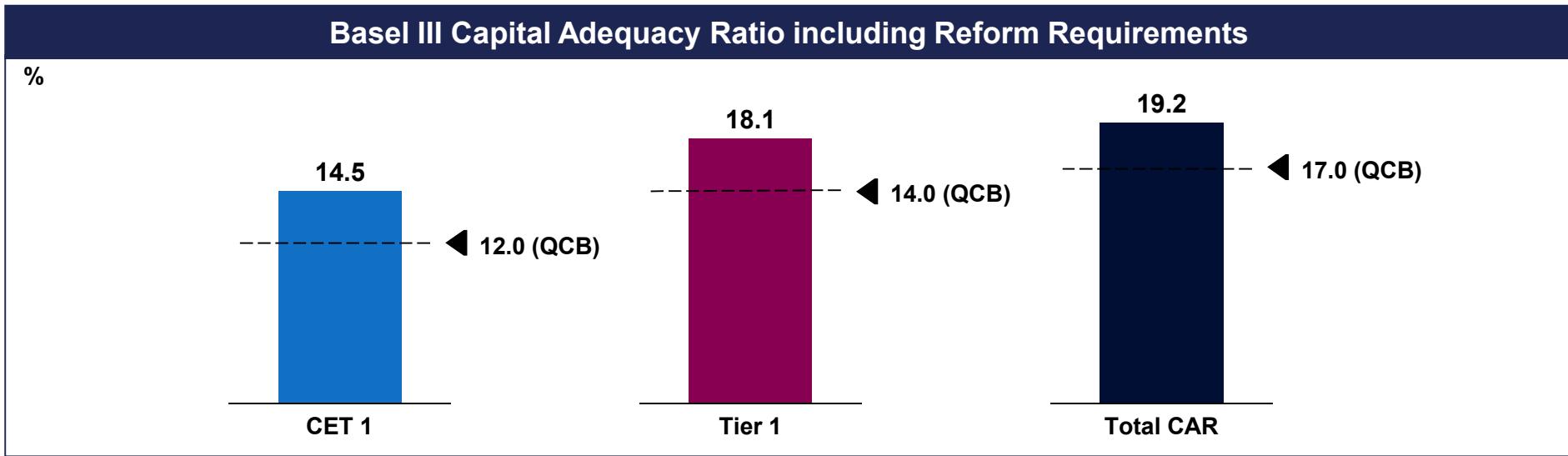
Source: Financial Statements

1: Liquid Assets calculated as the sum of Cash and Balances with Central Bank, Due from Banks and Investment Securities

2: QCB Liquidity ratios are more restrictive than standard Basel definitions for non-resident funding

# Strong capital adequacy ratio maintained above both QCB and Basel III reform requirements

Capital Analysis (as at 30 June)



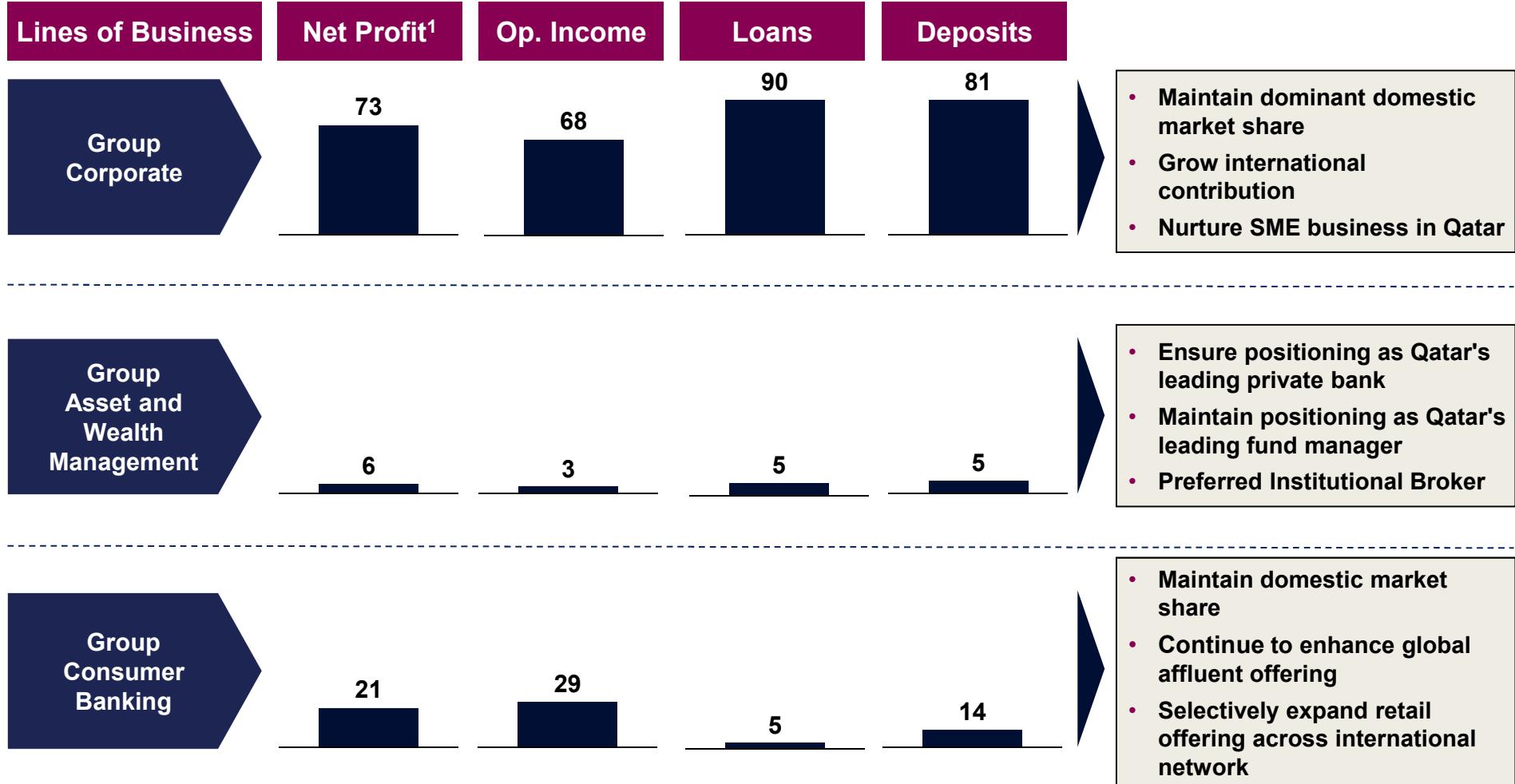
- Capital adequacy ratio is above QCB and Basel III reform requirements including the applicable DSIB<sup>1</sup> buffer of 3.5%

### Minimum CAR Requirements

%	Without buffers	Capital Conservation Buffer	DSIB Charge <sup>1</sup>	ICAAP Charge	Total Requirement
CET 1 ratio	6.0	2.5	3.5	-	12.0
Tier 1 ratio	8.0	2.5	3.5	-	14.0
Total CAR	10.0	2.5	3.5	1.0	17.0

# Diversifying business mix bolsters sustainable growth

## Business Mix Contribution (% share as at 30 June)



# IFRS 9 – Additional buffers for earnings stability

Financial Impacts	<ul style="list-style-type: none"> <li>• QNB implemented IFRS 9 with effect from 1 January 2018 based on the QCB guidelines.</li> <li>• As per QCB instructions, ECL impact has been treated as Tier 2 Capital for CAR purposes with no amortisation of the transition impact.</li> </ul>
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Coverage ratio <sup>1</sup>			
June 2024	Stage 1	Stage 2	Stage 3
<b>Due from Banks and Balances with Central Banks</b>	0.2%	0.7%	86.6%
<b>Loans</b>	0.3%	9.3%	99.9%
<b>Investments</b>	0.1%	10.5%	92.1%
<b>Off balance sheet</b>	0.2%	5.6%	70.4%

Cost of Risk for Lending <sup>2</sup>			
June 2024	Stage 1 & Stage 2	Stage 3 (NPL)	Total
<b>Cost of Risk</b>	4 bps	77 bps	81 bps

# QNB Group Financials

Key data (as at June 2024)

■ QNB excluding QNB AA and QNB Finansbank ■ QNB incl. QNB ALAHILI ■ QNB incl. QNB Finansbank

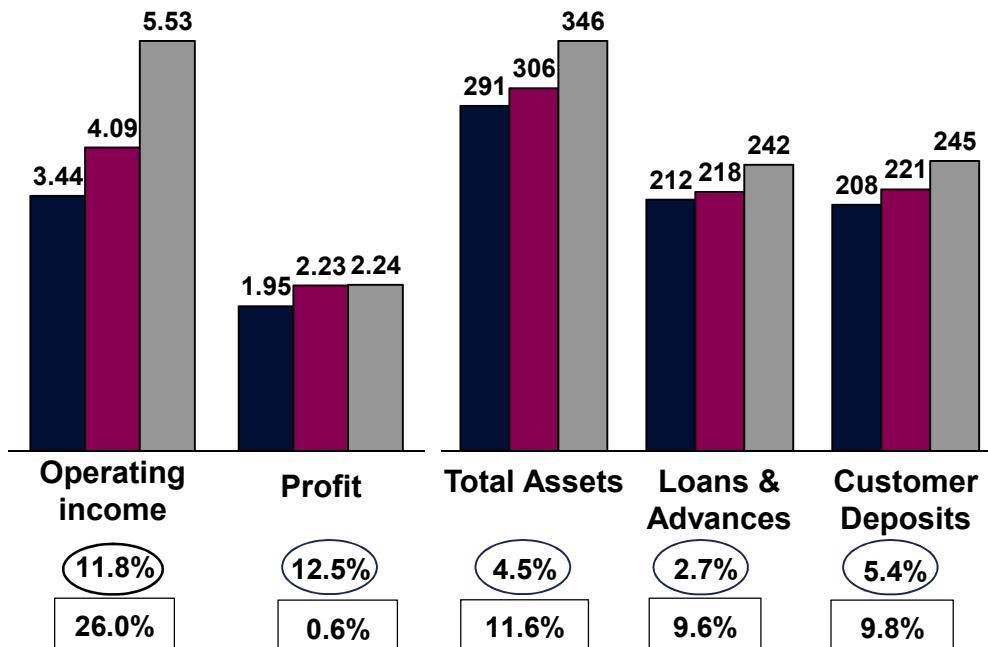
%  
%

Contribution of QNB AA

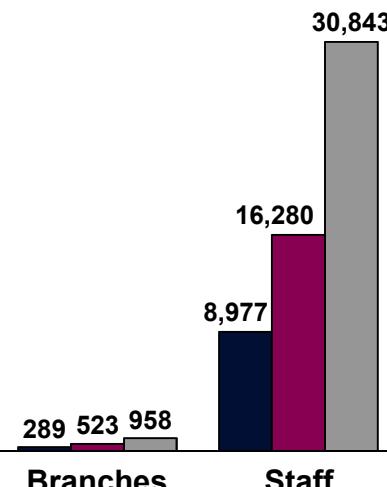
Contribution of QNB Finansbank

## Financials

USD billion



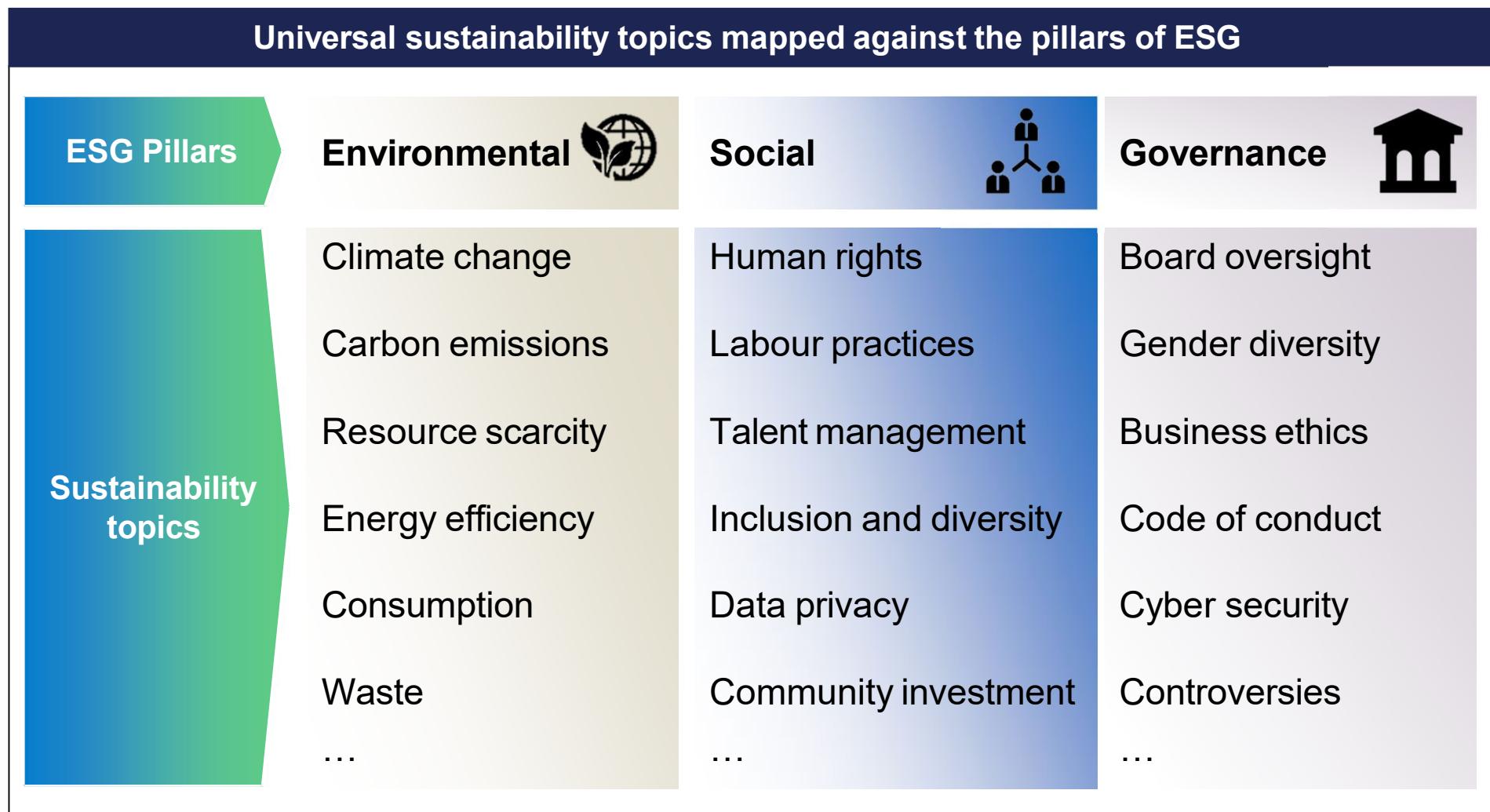
## Presence



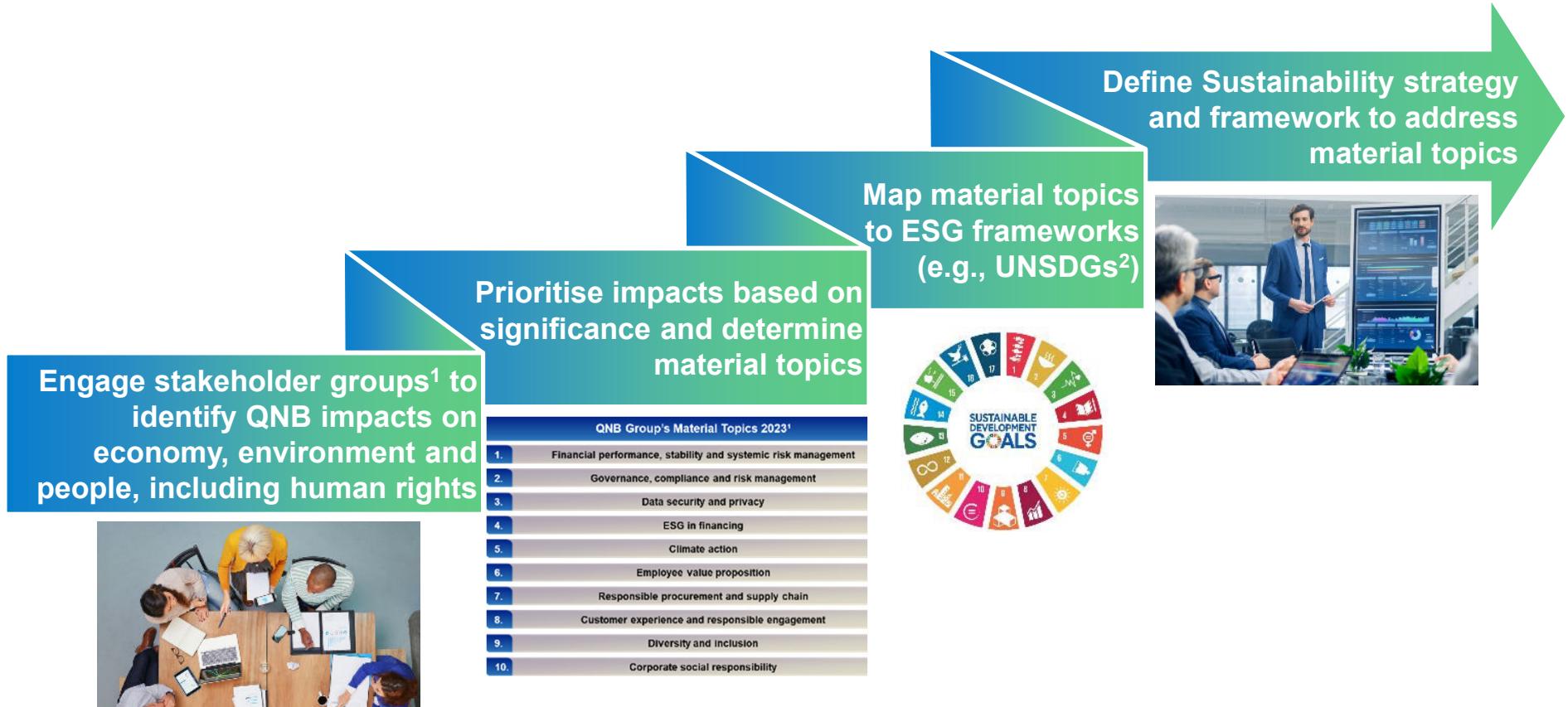


# Sustainability

# Sustainability entails delivering positive impact in the pillars and topics of Environmental, Social and Governance (ESG)



# QNB engages key stakeholder groups to formulate, prioritise and report upon the sustainability topics most material to them

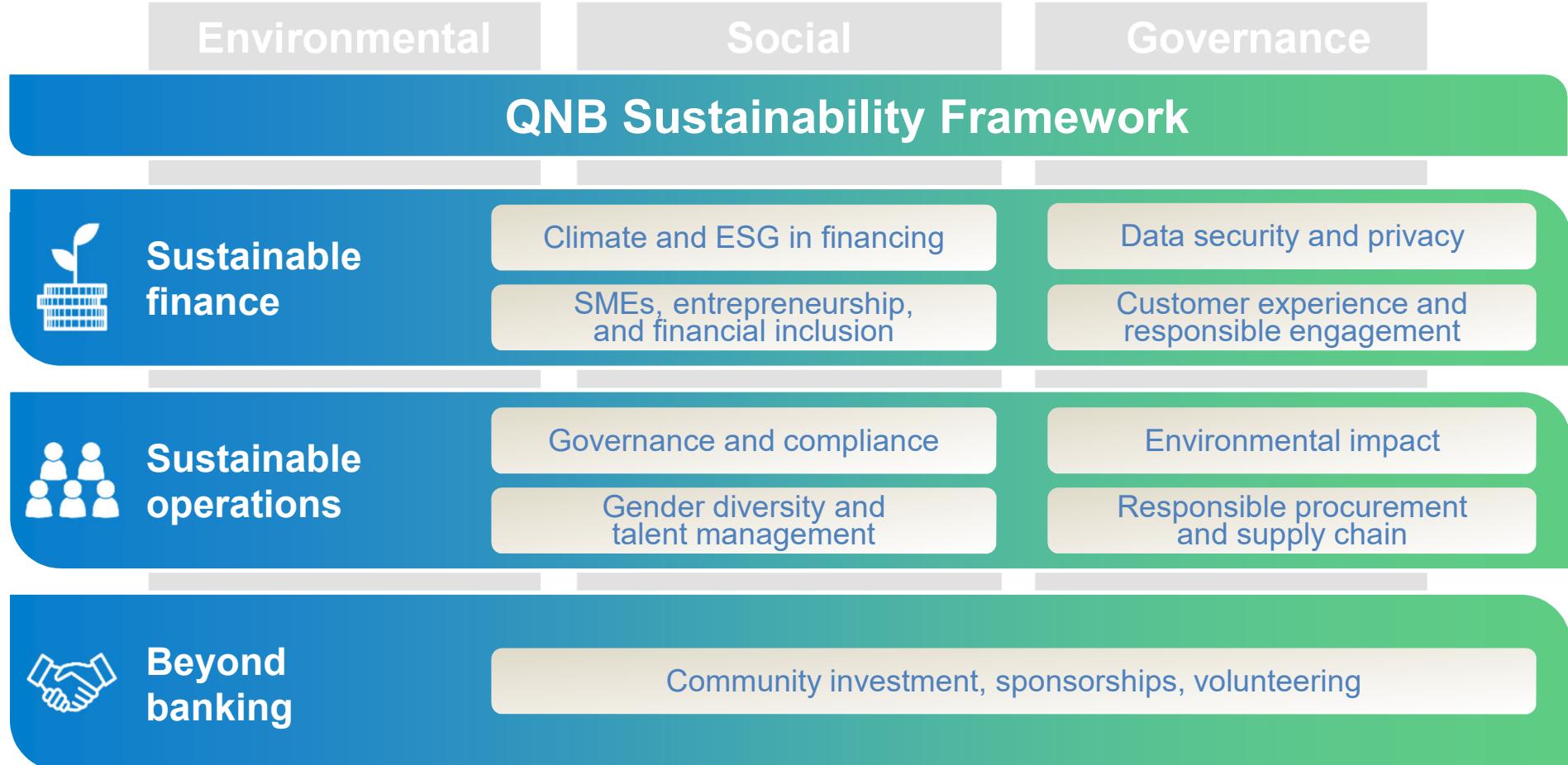


**Based upon this approach, QNB has compiled a comprehensive list of relevant economic, ethical, social and environmental impact areas**

<sup>1</sup> In 2023, the list of stakeholder groups has been significantly expanded to capture wide spectrum of QNB impacts and included customers, investors, employees, regulators and government, society, suppliers, correspondent banks, rating agencies, academia, QSE, vendors and partners

<sup>2</sup> United Nations Sustainable Development Goals

# **QNB has established its sustainability framework and strategy along the pillars of ESG to actively and positively address material topics**



# QNB has delivered and achieved a number of key ESG milestones across all areas of our sustainability framework

As at 31 December 2023

Non-exhaustive



## Sustainable finance *Transition to Greener Economy*



USD 9 Bn  
of sustainable  
financing



Sustainable  
Finance and  
Product  
Framework



ESRM<sup>1</sup>, climate  
scenarios, scope  
3 emissions



37 sustainable  
products and  
services



## Sustainable operations *Operate to Succeed*



Independent  
assurance for GRI  
and selected KPIs



UNGC,  
UNEP FI,  
UN WEP  
Signatory<sup>2</sup>



Carbon  
reduction  
initiatives



Employee &  
third-party  
focus



## Beyond banking *Contribute to Society*



Health and  
Environment



Youth and  
Education



Social and  
Humanitarian



Sport and  
Culture

# Sustainable finance at a glance

As at 31 December 2023

Non-exhaustive

Financing		Customer experience
<b>Climate scenarios and scope 3 financed emissions</b> Covering >95% portfolio	<b>USD 9 Bn</b> Sustainable financing portfolio, including environmentally friendly, low carbon activities	<b>87%</b> Digital transactions (online & mobile as a % of total)
<b>Award-winning SFPF<sup>1</sup></b> Market-leading and comprehensive ESG financing framework	<b>USD 3.8 Bn</b> Value of loan portfolio to SMEs and microenterprises	<b>0</b> Data security breaches
<b>Limited high-risk sector exposure</b> Direct exposure to high-risk sectors <sup>2</sup> limited to approx. 1% of total loan book	<b>37</b> Number of sustainable financial products and services offered to customers	<b>79</b> Net Promoter Score (NPS) achieved in Qatar



# QNB is proactively addressing both climate risk and opportunities in its governance, financing and engagement activities

## Evaluating and managing risks

- Group governance in line with TCFD
- ESRM: exclusions, sector guidelines, prohibited activities, risk categorisation
- Climate portfolio analysis, including physical and transition risk
- Scope 3 financed emissions



Our direct exposure to high-risk sectors<sup>2</sup> is approximately 1% of loan book

## Identifying and capturing opportunities

- Market leading Sustainable Finance and Product Framework
- Targets, KPIs, link to Executive and employee compensation
- Client and market dialogue and engagement
- Partnerships and collaboration
- Industry standards and developments



<sup>1</sup> Commitment to exclude and exit coal financing in our major subsidiary QNB Finansbank. All legacy exposure was successfully run-off in 2023, ahead of 2032 target

<sup>2</sup> High risk sectors including coal, oil and gas, metals and mining, and palm oil

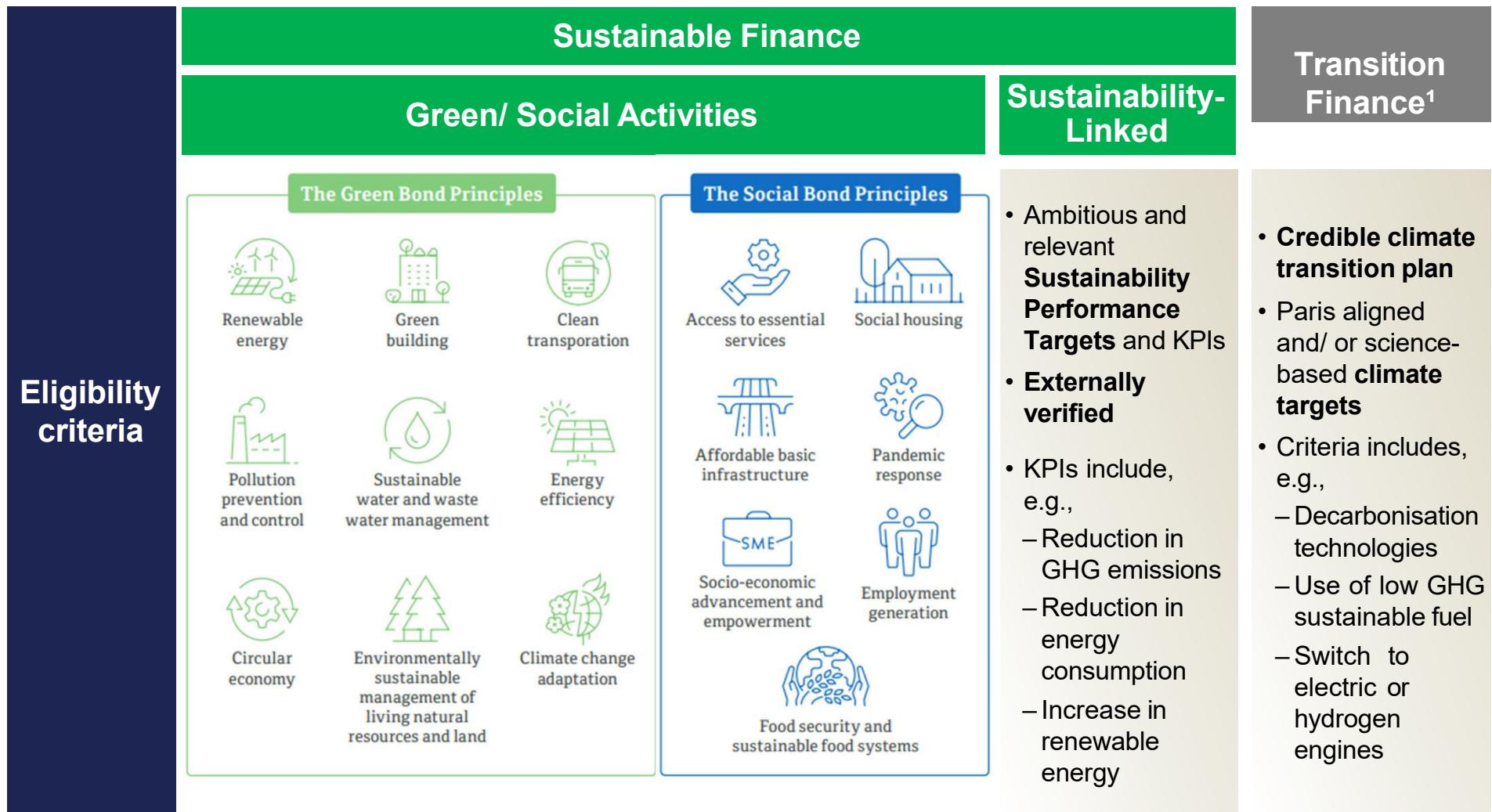
# QNB's SFPF<sup>1</sup> is the first of its type in Qatar, market leading in region, and aligned with international principles

Framework and SPO	 	<ul style="list-style-type: none"><li>• <a href="#">QNB Group Sustainable Finance and Product Framework (SFPF)</a></li><li>• <a href="#">ISS Corporate Solutions Second Party Opinion (SPO)</a></li></ul>	
SFPF scope		<h3>Sustainable Finance</h3> <h4>Green/ Social Activities</h4>	<h3>Transition Finance<sup>2</sup></h3>
Classification	<p>Dedicated Green/ Social <u>Use of Proceeds (UoP)</u> activity or project</p> <p>Financing “<u>Pure Play</u>” company &gt;90% revenue from Green/ Social UoP</p>	<p>Financing with <u>Sustainability-Linked</u> pricing component</p>	<p>Financing for “Hard- to-abate” sectors<sup>2</sup> to <u>transition</u> business practices</p> <p>Non-green sectors</p>
International principles, taxonomies, and guidelines	    	   	    

1 Sustainable Finance and Product Framework

2 Includes Manufacturing, Transportation, Energy, Non-Green hydrogen, in line with international/ regional peer frameworks

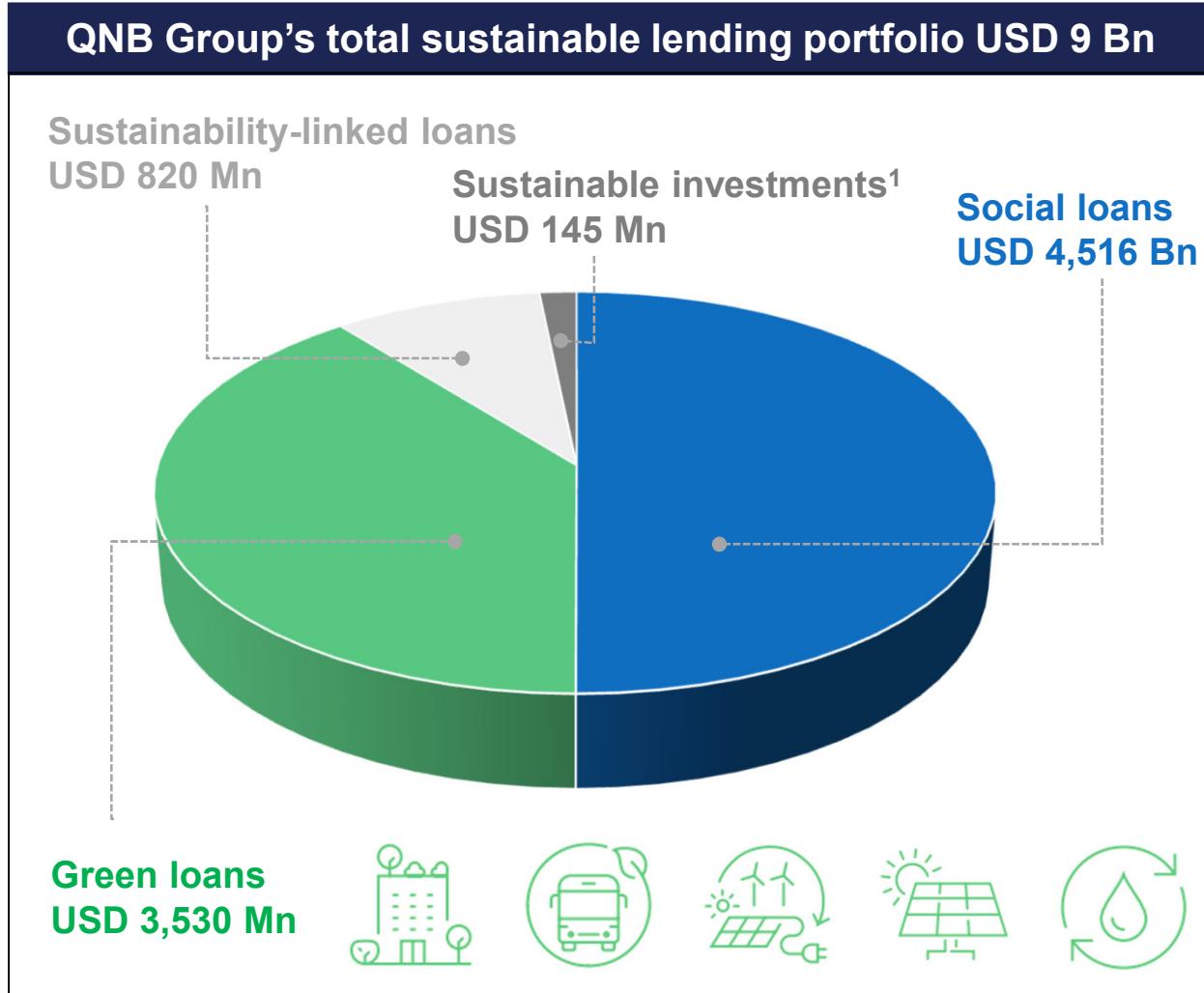
# QNB's SFPF is aligned with international taxonomies, eligibility criteria, and standards to enable and drive ESG and climate financing



<sup>1</sup> Includes Manufacturing, Transportation, Energy, Non-Green hydrogen, in line with international/ regional peer frameworks

# QNB continues to leverage the SFPF and client engagement to further develop and grow its sustainability portfolio

As at 31 December 2023

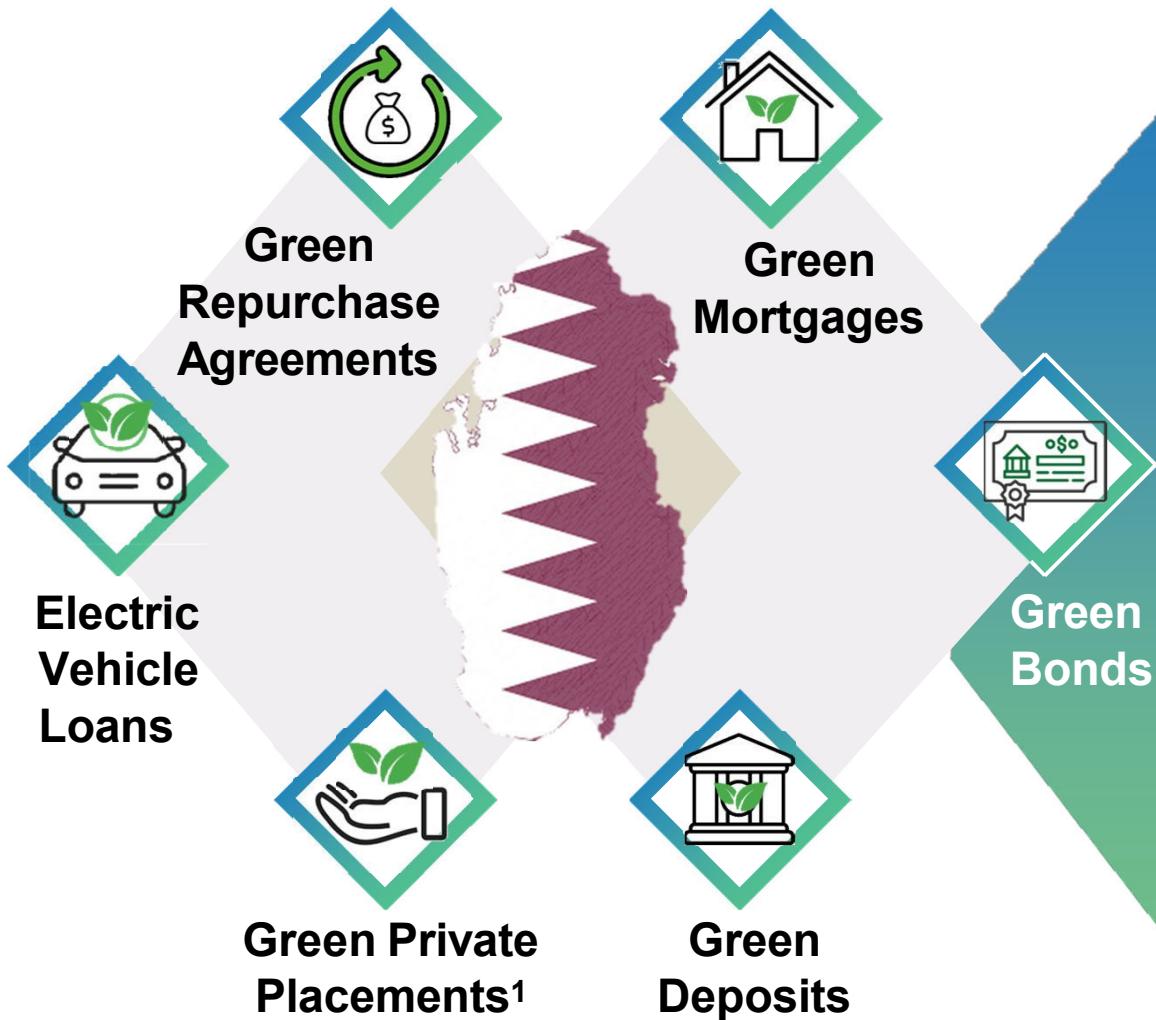


**>70%**  
Increase in green financing since 2020

Participation in sustainability-linked syndicated lending worth  
**USD >13 Bn**  
with direct participation of over  
**USD 820 Mn**

EBRD's first investment in a green bond private placement<sup>2</sup>

**QNB is recognised as a leader in sustainable financing, launching a number of pioneering products and transactions into the market**



### Environmental impact of QNB's debut USD 600 Mn Green Bond issuance



**486,072 tCO<sub>2</sub>e**

Lifetime avoided GHG emissions



**744,682 MWh**

Lifetime avoided electricity use



**26,078,467 m<sup>3</sup>**

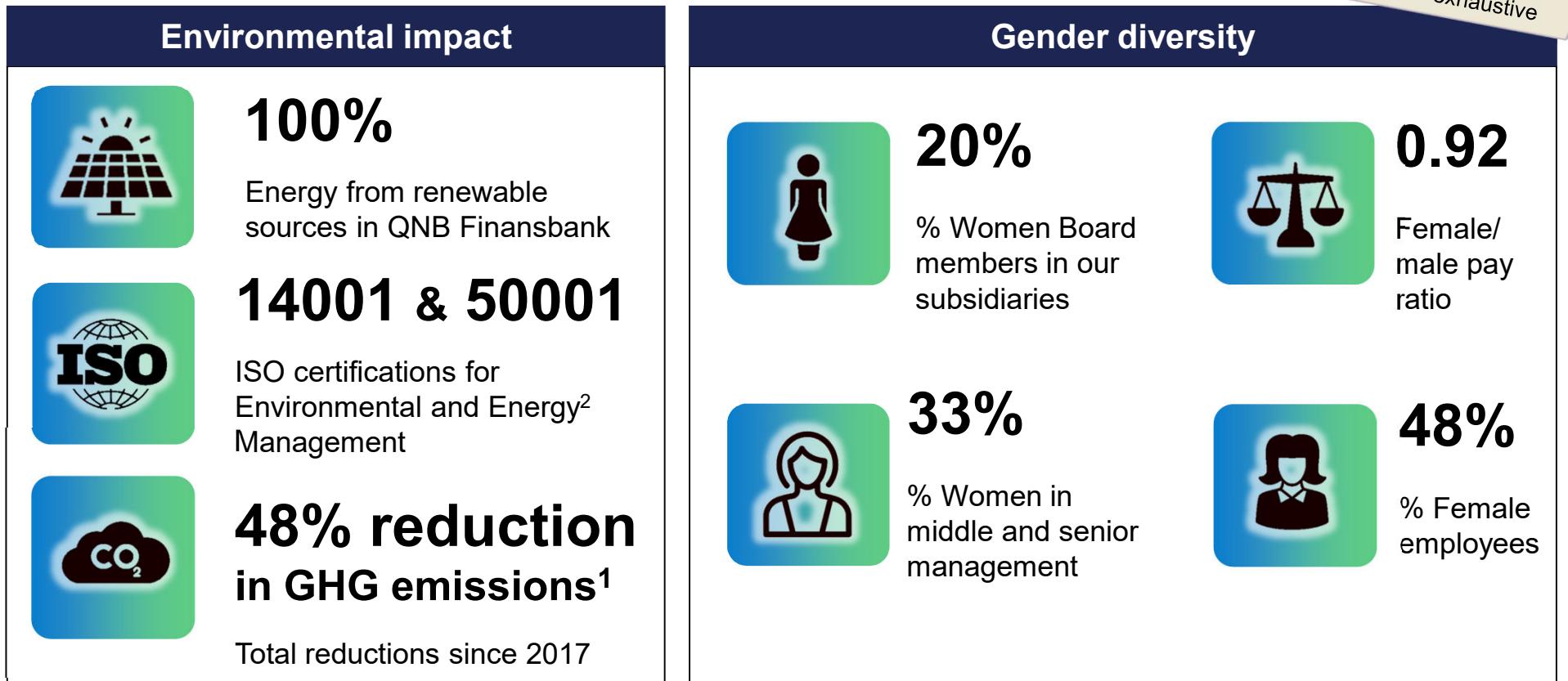
Lifetime wastewater treated

<sup>1</sup> First green bond private placements by Qatari banking group, through major subsidiary QNB Finansbank

# Sustainable operations at a glance

As at 31 December 2023

Non-exhaustive



Deloitte & Touche Middle East provided independent limited assurance in 2023 on:  
Female employment rate, Percentage of female Board members in subsidiaries, and GHG Scope 1 and Scope 2 emissions

# Integrating ESG into our operations to align with international best practices and embed sustainability in our DNA

## Commitment to global and regional frameworks



United Nations  
Global Compact



TCFD



SUSTAINABLE DEVELOPMENT GOALS

Independent assurance on reporting<sup>1</sup>



- 100% renewable energy sources for operations in Türkiye
- Installed solar energy stations in all owned, stand-alone, buildings in Egypt

## Protecting environment and society

## Focus on our people – employee value proposition



- Continued emphasis on diversity, inclusion, and nationalisation for our people and talent
- Focus on learning and development, capabilities building, and succession



Supplier Code  
of Conduct



- Established Third Party Risk Management assessments
- Embedded Supplier Code of Conduct as part of centralised procurement requirement
- Conducted site visits and inspections for 100% of manpower suppliers<sup>2</sup> in Qatar

## Enhancing Third Party Risk Management (TPRM)



# QNB is recognised as a regional leader in climate financing and ESG initiatives through external ratings and international awards

As at 30 June 2024

Disclosures	2021	2022	2023	Rank (GCC Banks)
<b>MSCI</b> 	AA First in GCC	A	A	#1= 
<b>S&amp;P Global</b>	42 (62 <sup>nd</sup> percentile)	46 (83 <sup>rd</sup> percentile)	50 (85 <sup>th</sup> percentile)	#1 
 <b>SUSTAINALYTICS</b>	Medium risk (22.4)	Medium risk (22.9)	Medium risk (21.1)	#3
	D	C	B	#1 

Non-exhaustive



5X

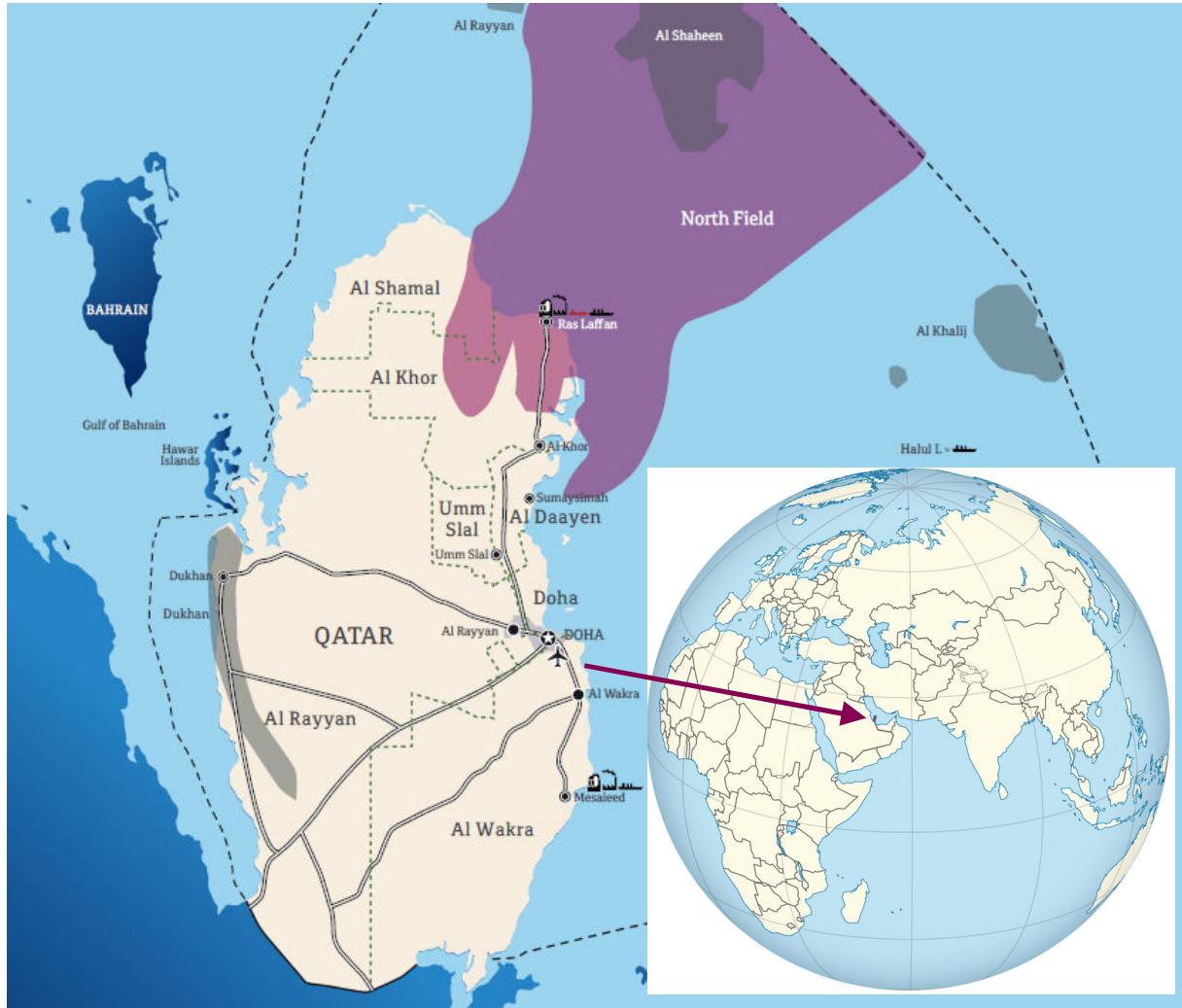
Sustainable Finance  
Awards in 2024  
(Global Finance)

- Best bank for Sustainable Finance in ME and Qatar
- Best bank for Green Bonds in ME
- Best bank for Sustainable Project Finance in ME



# Economic Overview

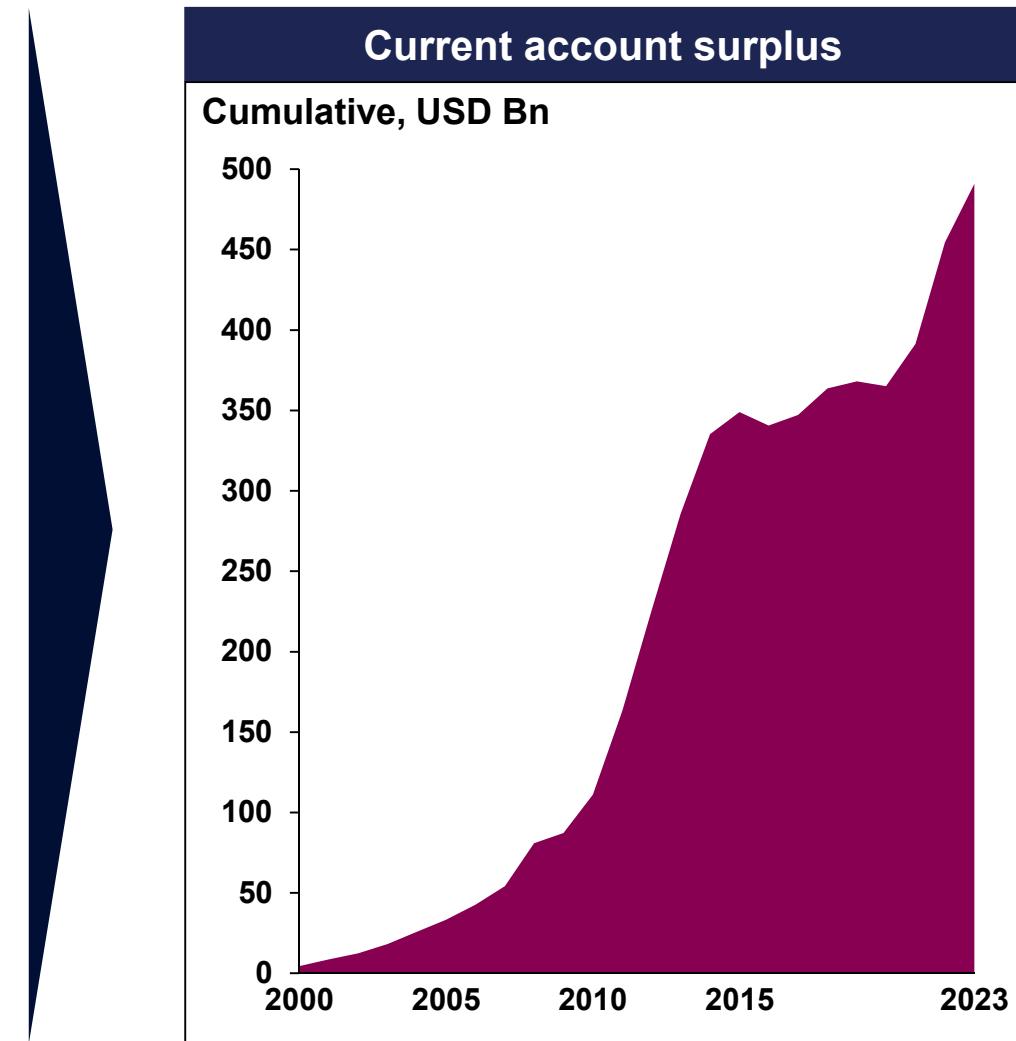
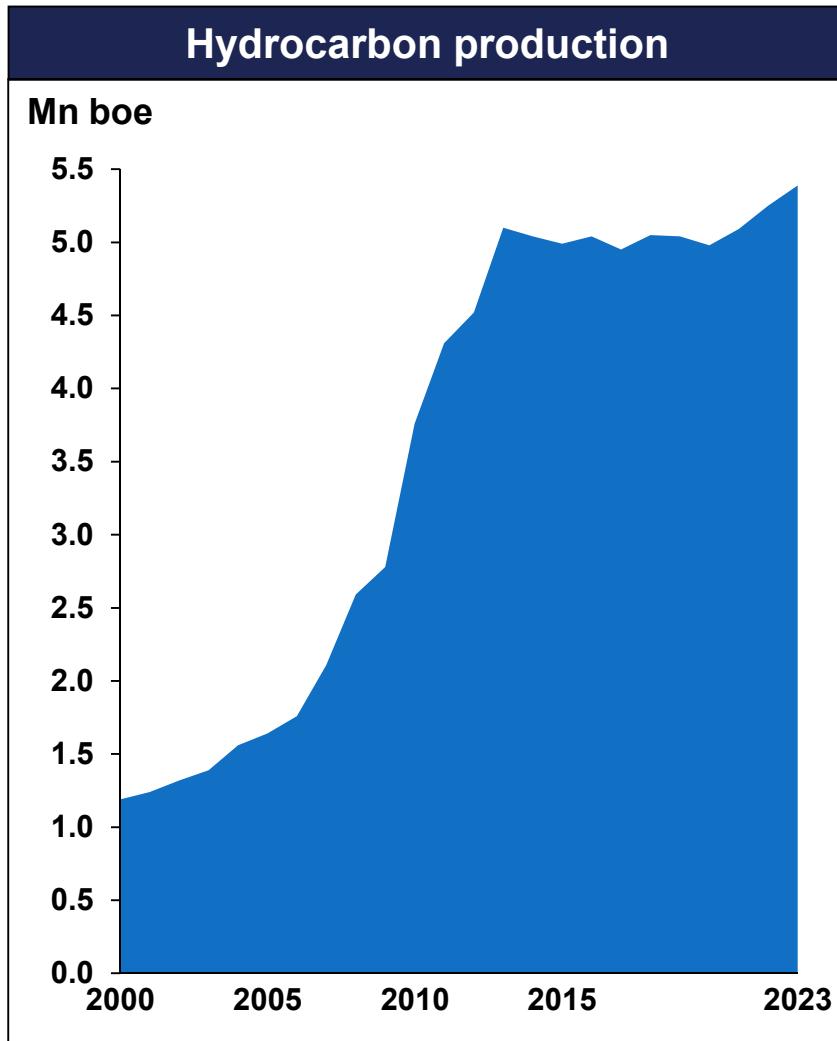
# Qatar is strategically located between Europe and Asia and possesses one of the largest gas reserves in the world



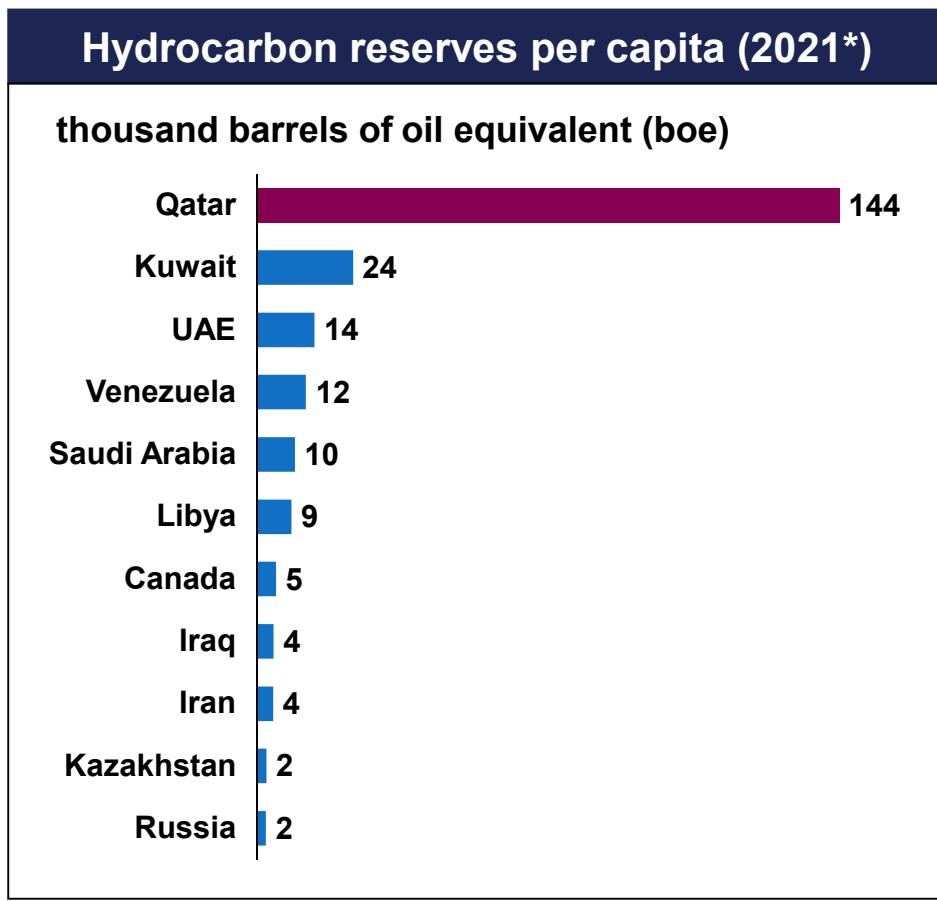
## Comments

- Qatar is a peninsula located in the Persian Gulf and is a member of the Gulf Cooperation Council (GCC)
- Qatar's total population is around 3 million
- Qatar is endowed with the world's largest hydrocarbon reserves on a per capita basis
- Qatar's hydrocarbon reserves are mostly held in the North Field; the world's largest non-associated gas field
- Qatar is one of the world's largest exporters of liquefied natural gas (LNG)

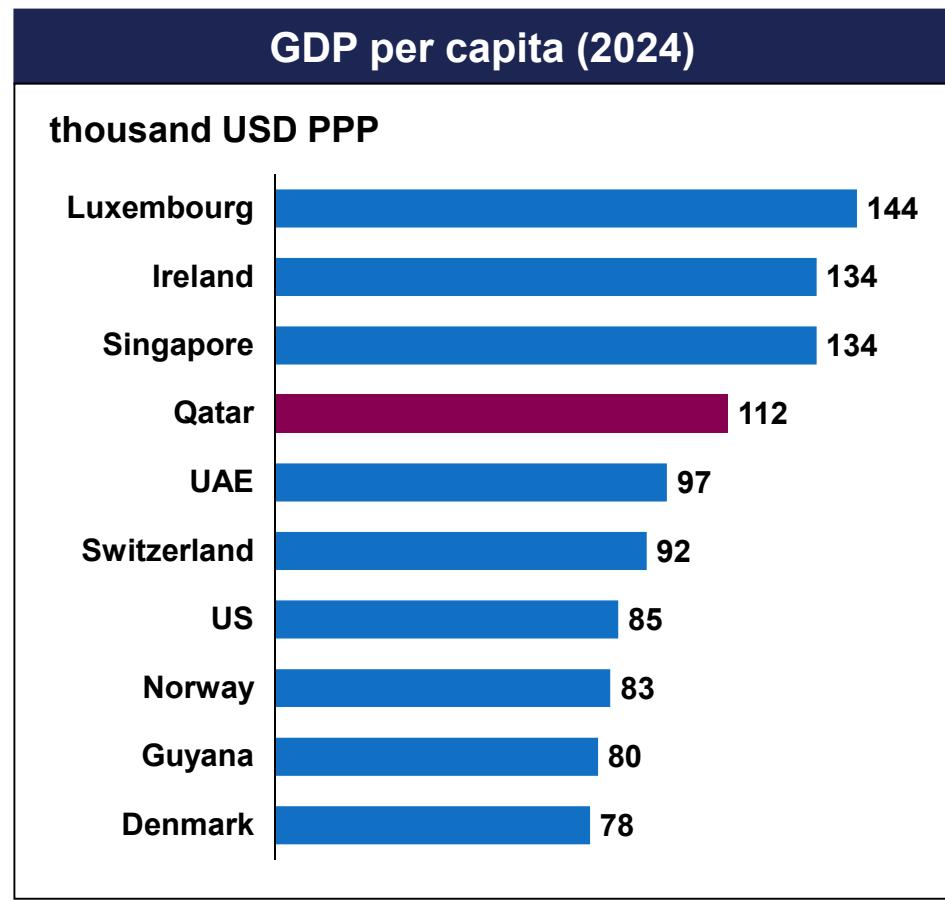
# **Qatar's hydrocarbon production generates significant wealth via exports and has fueled substantial current account surpluses**



# The development of Qatar's vast hydrocarbon reserves make it one of the richest countries in the world



At current extraction rates, Qatar's proven gas reserves would last for over a hundred years



Development of the hydrocarbon sector has made Qatar one of the world's richest countries

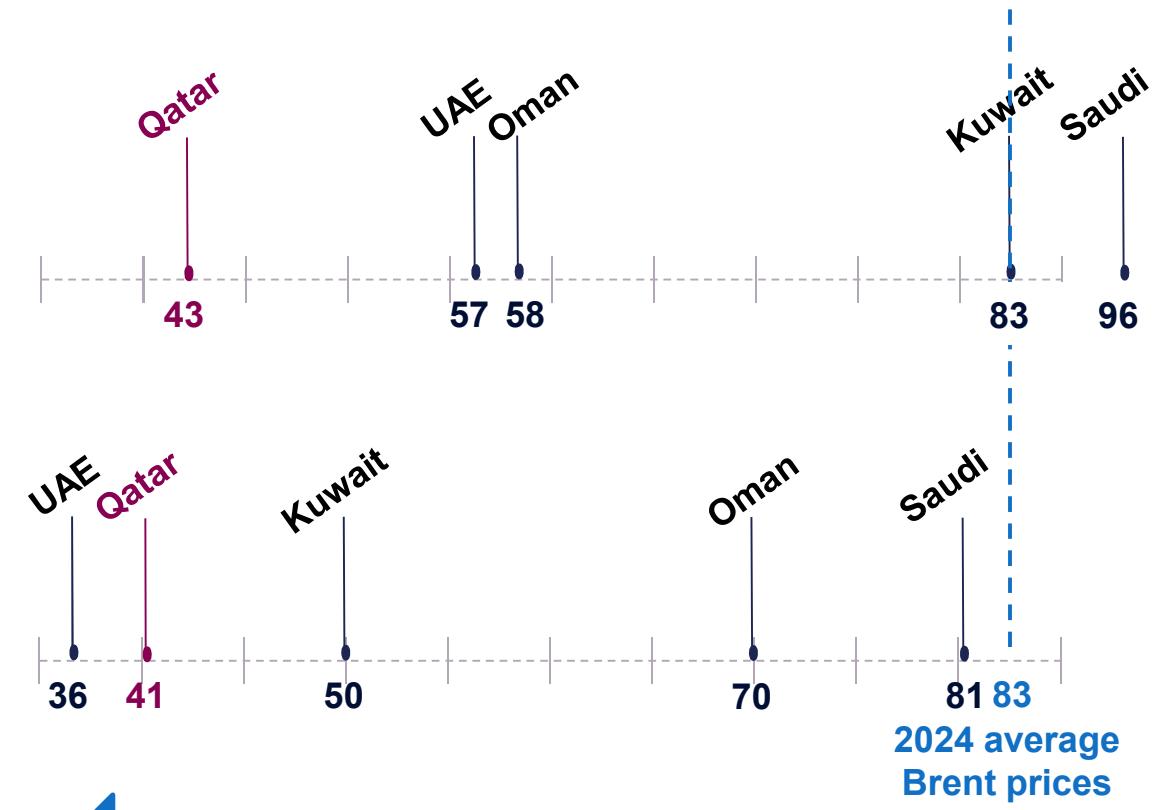
# Robust fiscal and external position allows for significant surpluses even at much lower oil prices



Definition	GCC projected breakeven prices 2024 (USD per barrel)
------------	--

- Brent crude oil price at which the fiscal account would be at balance

- Brent crude oil price at which the external current account would be at balance



+  
surpluses

-  
surpluses

# Qatar benefits from solid trade relations and robust energy partnerships

## Qatar's external sector

Directions of trade (2023)			
Exports		Imports	
Destination	(USD Bn)	Source	(USD Bn)
China	19.3	US	5.0
South Korea	12.3	China	4.5
India	11.8	Italy	2.0
Japan	7.8	India	1.8
Singapore	7.1	Germany	1.8
UAE	4.2	UK	1.0
Taiwan	3.4	Japan	1.0
Italy	3.4	France	1.0
Pakistan	3.3	Switzerland	0.9
Belgium	2.5	Oman	0.8



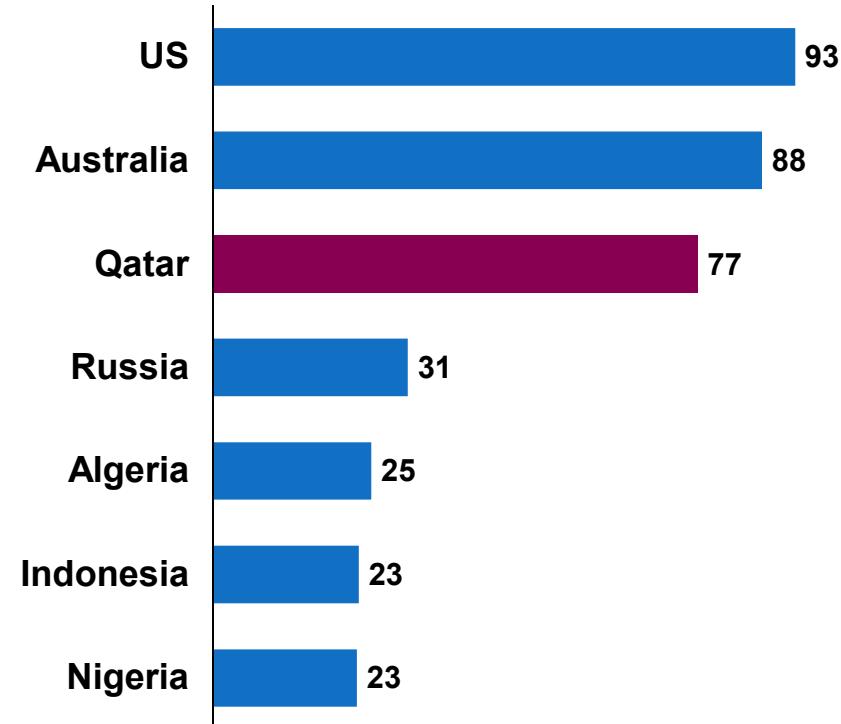
- **HC:** LNG, condensates, oil, gas
- **Non-HC:** petrochemicals, fertilizers, chemicals, plastics, steel, aluminium, machinery and transport equipment

- **Investment related:** capital goods and intermediary goods used as inputs for production
- **Consumer goods:** finished products that are ready for consumption or distribution for end user

# Qatar is a leading LNG exporter and benefits from a clear cost advantage vis-à-vis other exporters

LNG export capacity (2024)

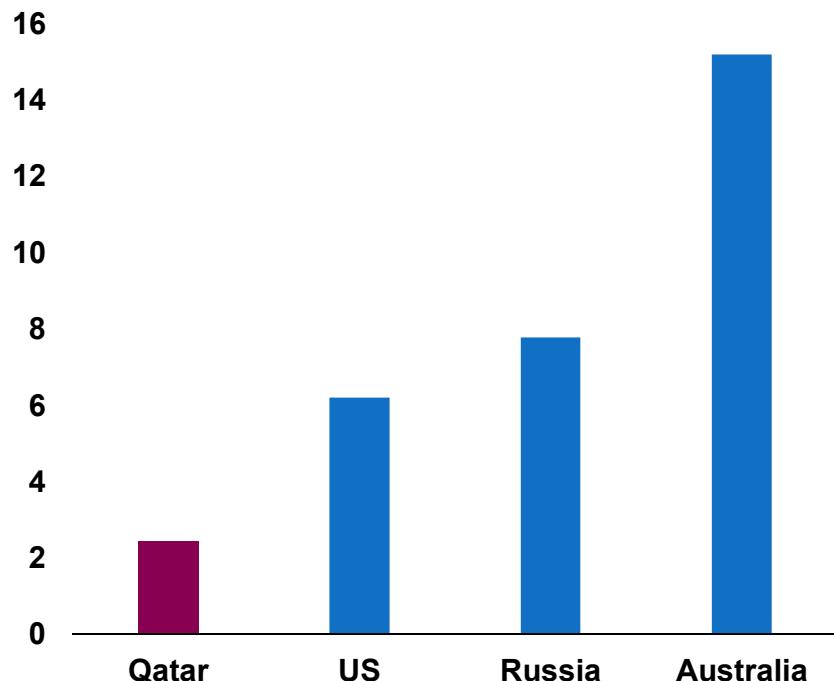
Million metric tons per annum (Mtpa)



Qatar is consistently amongst the three largest exporters of LNG globally

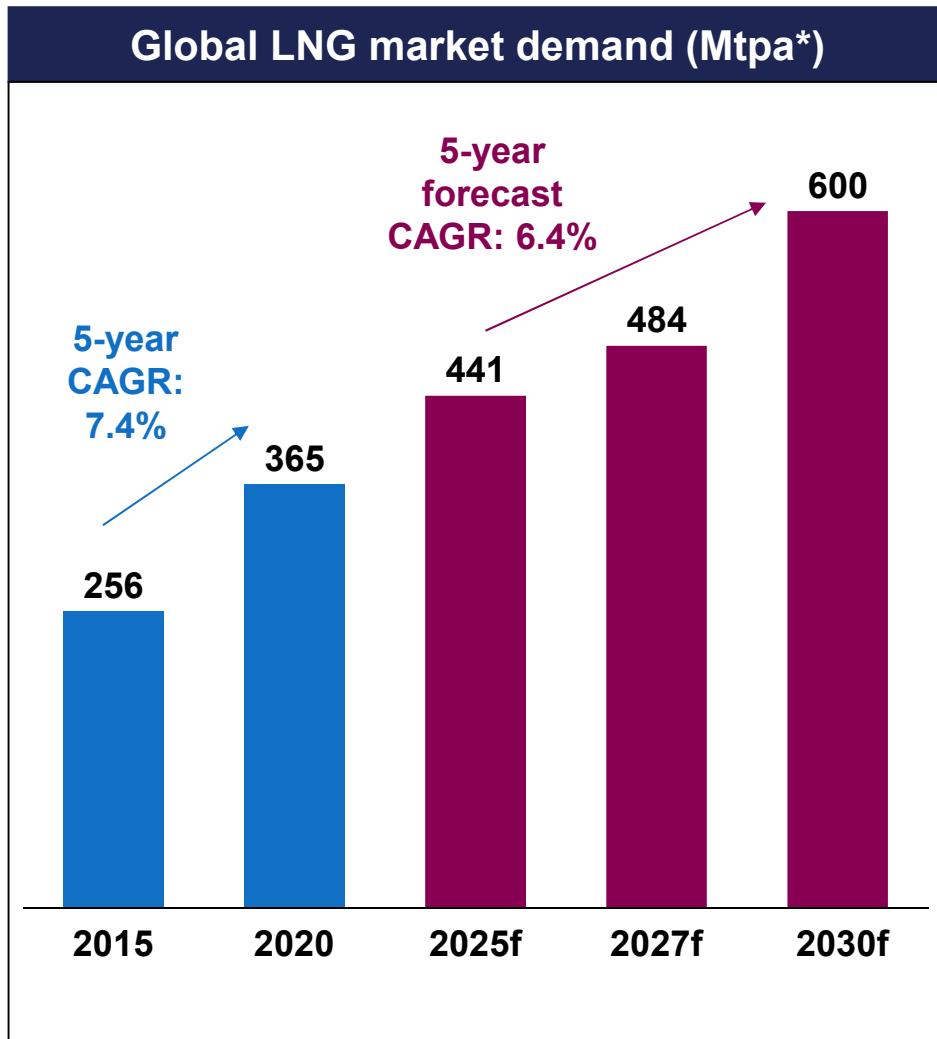
LNG projects cost curve

USD/mmBtu



Qatar's LNG production is at the bottom of the global LNG cost curve, allowing for flexibility and resilience

# Long-term prospects for LNG demand remain robust, creating attractive opportunities for suppliers that are competitive and reliable



## Rationale – the case for gas

### Energy security

- Natural gas is critical to global energy demand

### Sustainable position

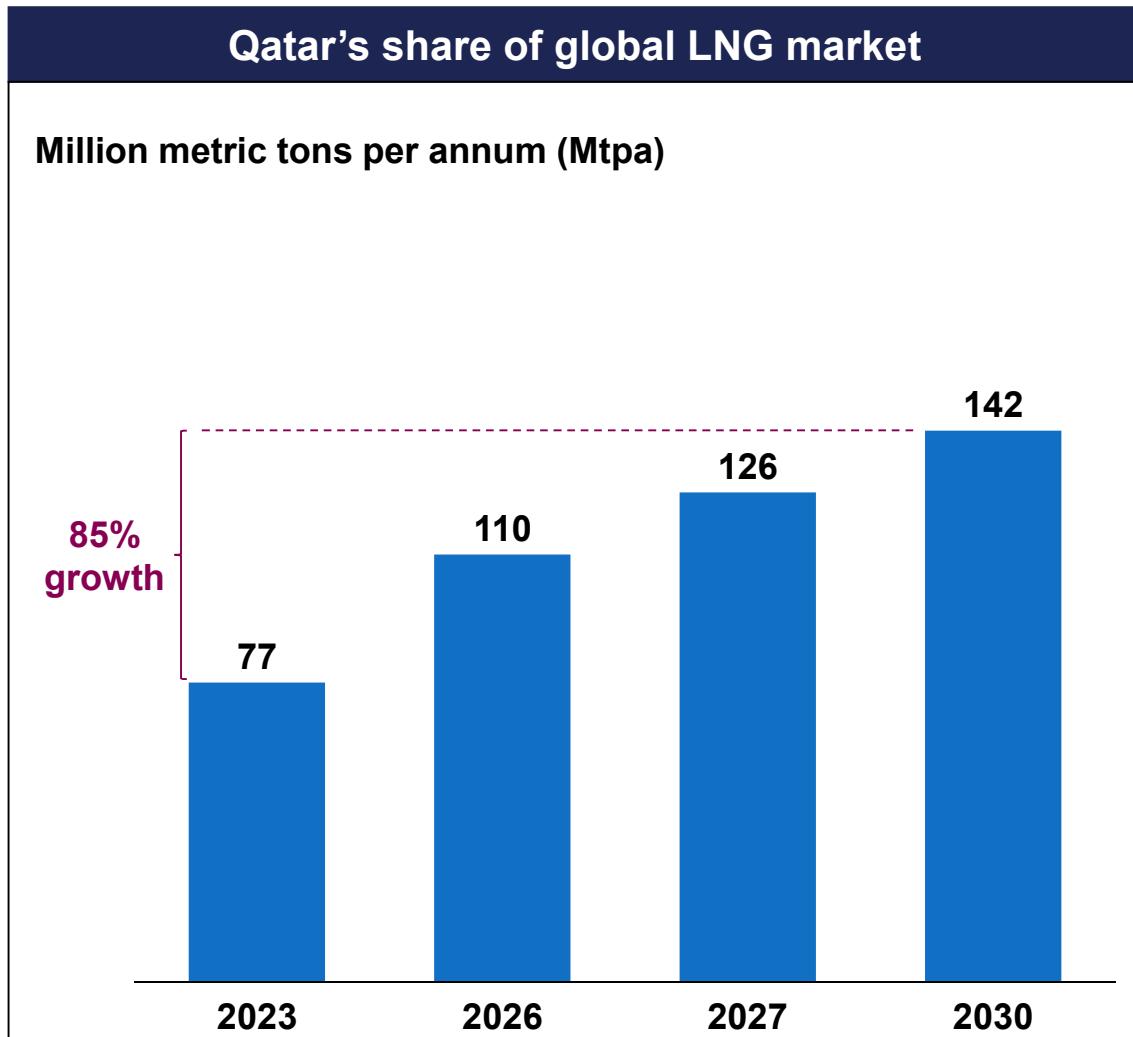
- Natural gas is the cleanest fossil fuel in terms of carbon dioxide emission
- Natural gas is generally considered a “transition” fossil fuel

### Robust growth potential

- Increase in demand from Asia due to growth and the bigger share in energy matrixes

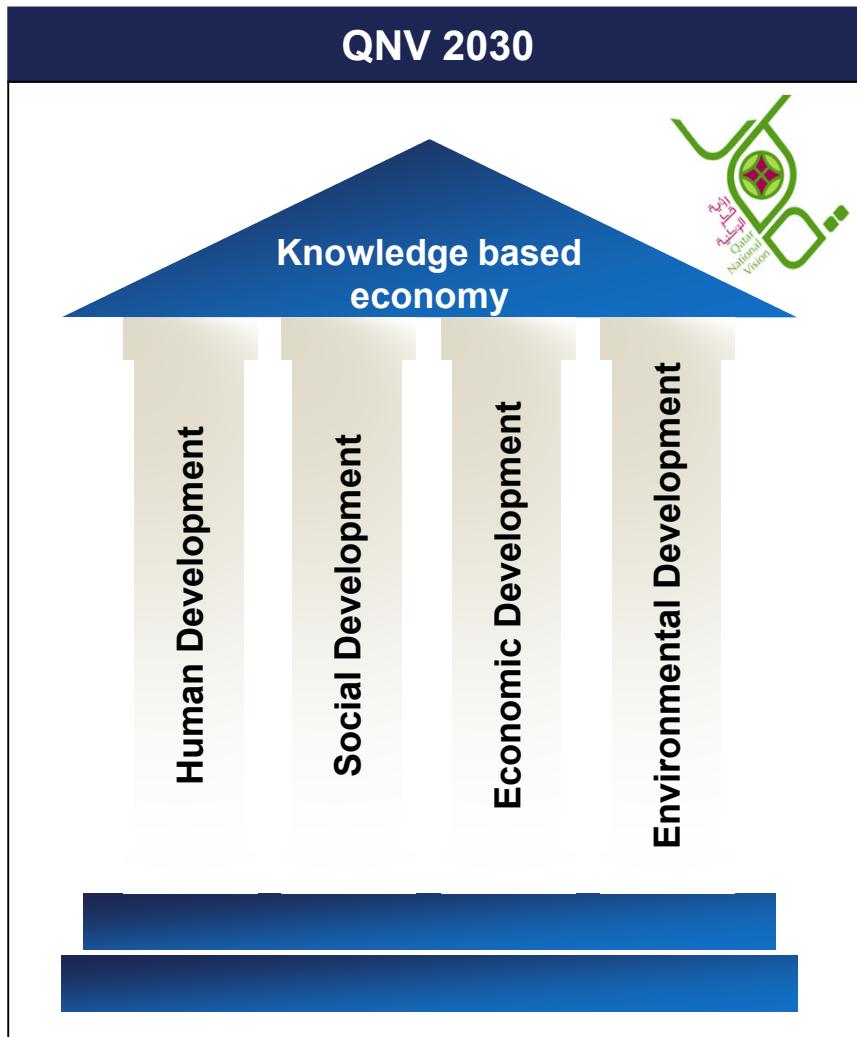
Given the size and quality of its reserves, Qatar has a global competitive cost advantage that makes it a low cost producer

# Qatar is responding to this demand and opportunity with the North Field Expansion project, which will increase LNG output by 85%



- Globally Qatar is the largest LNG exporter with a market share of 20-30% of total LNG exports
- In 2017, Qatar decided to lift the moratorium on the North Field output
- Eight new LNG trains will increase Qatar's LNG production by 85% to 142 million tonnes per annum. There are three phases within the North Field Expansion:
  - Phase I, North Field East, will increase Qatar's annual production from 77 to 110 million tonnes, with first gas expected from four trains by 2026
  - Phase II, North Field South, will increase production to 126 million tonnes, with first gas by 2027
  - Phase III, North Field West, will then further boost output to 142 million tonnes by 2030
- The LNG expansion will also unleash further downstream growth, as abundant feedstock favors the petrochemical and manufacturing sector

# To reduce reliance on hydrocarbon (HC) revenues, Qatar introduced a diversification strategy via Qatar National Vision 2030 (QNV 2030)



## Comments

QNV 2030 aims to promote diversification away from oil and foster human, social, economic and environmental development:

### Human development

- To enable all of Qatar's people to sustain a prosperous society

### Social development

- To maintain a just and caring society based on high moral standards and capable of playing a prominent role in the global partnership for development

### Economic development

- To achieve a competitive and diversified economy capable of meeting the needs of, and securing a high standard of living for, all its people for the present and for the future

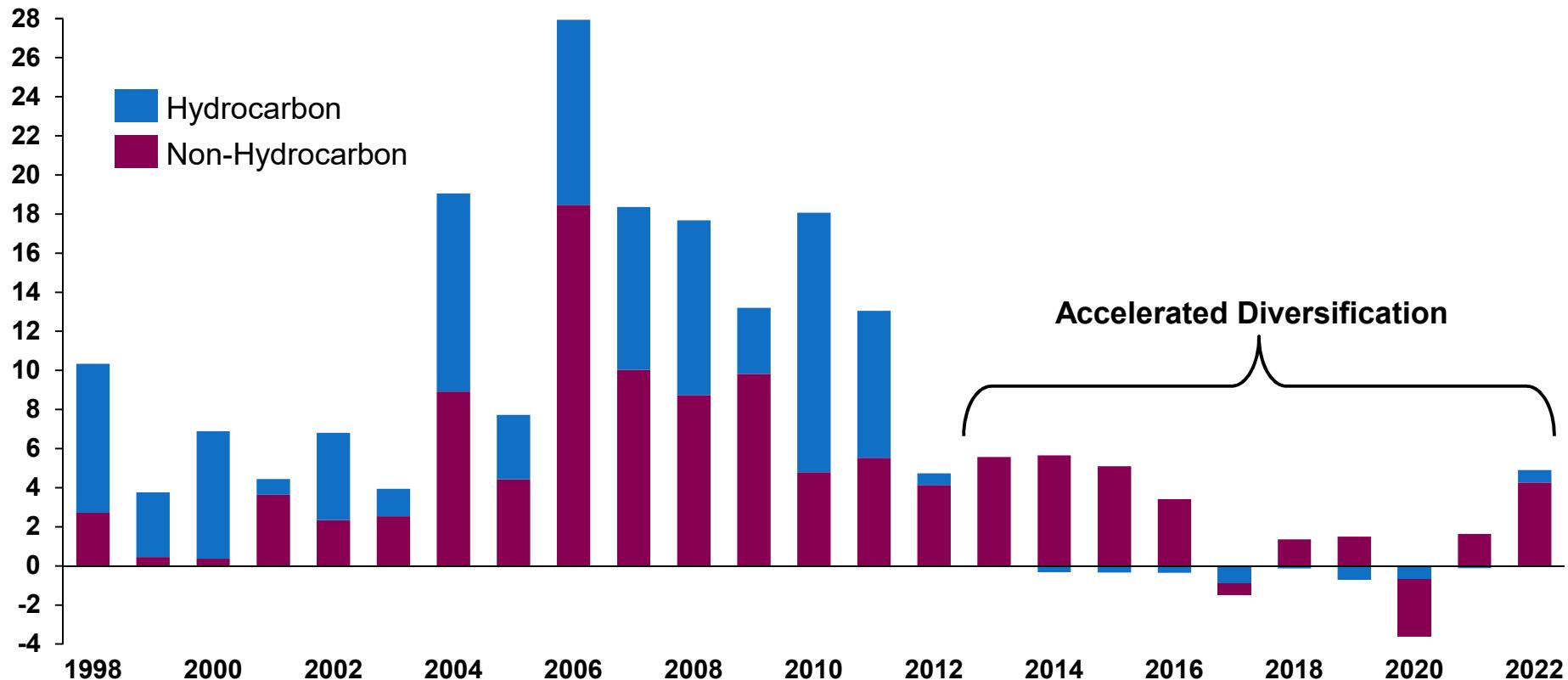
### Environmental development

- To ensure harmony among economic growth, social development and environmental protection

# Economic diversification has accelerated over the last decade in order to achieve the QNV 2030

## Real GDP growth by sector

%, year-on-year



# **Qatar's 3<sup>rd</sup> National Development Strategy (QNDS3) aims to support the execution of the QNV 2030 through seven key strategic outcomes**

## **Qatar's NDS 3 (2024 – 2030)**

### **1. Sustainable Economic Growth**



- Adopt a sustainable growth model to transform into a competitive, productive, diversified, and innovative economy.

### **2. Fiscal Sustainability**



- Strengthen the long-term stability, health, and resilience of the government budget and its balance sheet.

### **3. Future-ready Workforce**



- Enable and develop citizens into globally competitive individuals and attract high-skilled expatriates as long-term partners in Qatar's transformation journey.

### **4. Cohesive Society**



- Preserve Qatar's values and strong family bonds, fostering active citizenship, an integrated community, and harmonious society to thrive in a globalized world.

### **5. Quality of Life**



- Provide quality of life for all through excellence in healthcare and public safety, with a vibrant cultural life, becoming a best-in-class environment for families.

### **6. Environmental Sustainability**



- Conserve natural resources, protect ecosystems, reduce greenhouse gas emissions, and build resilience against future environmental threats.

### **7. Government Excellence**



- Become a world-class provider of government services to citizens, residents, businesses, and institutions, and a top nation for effective, efficient, and transparent governance.

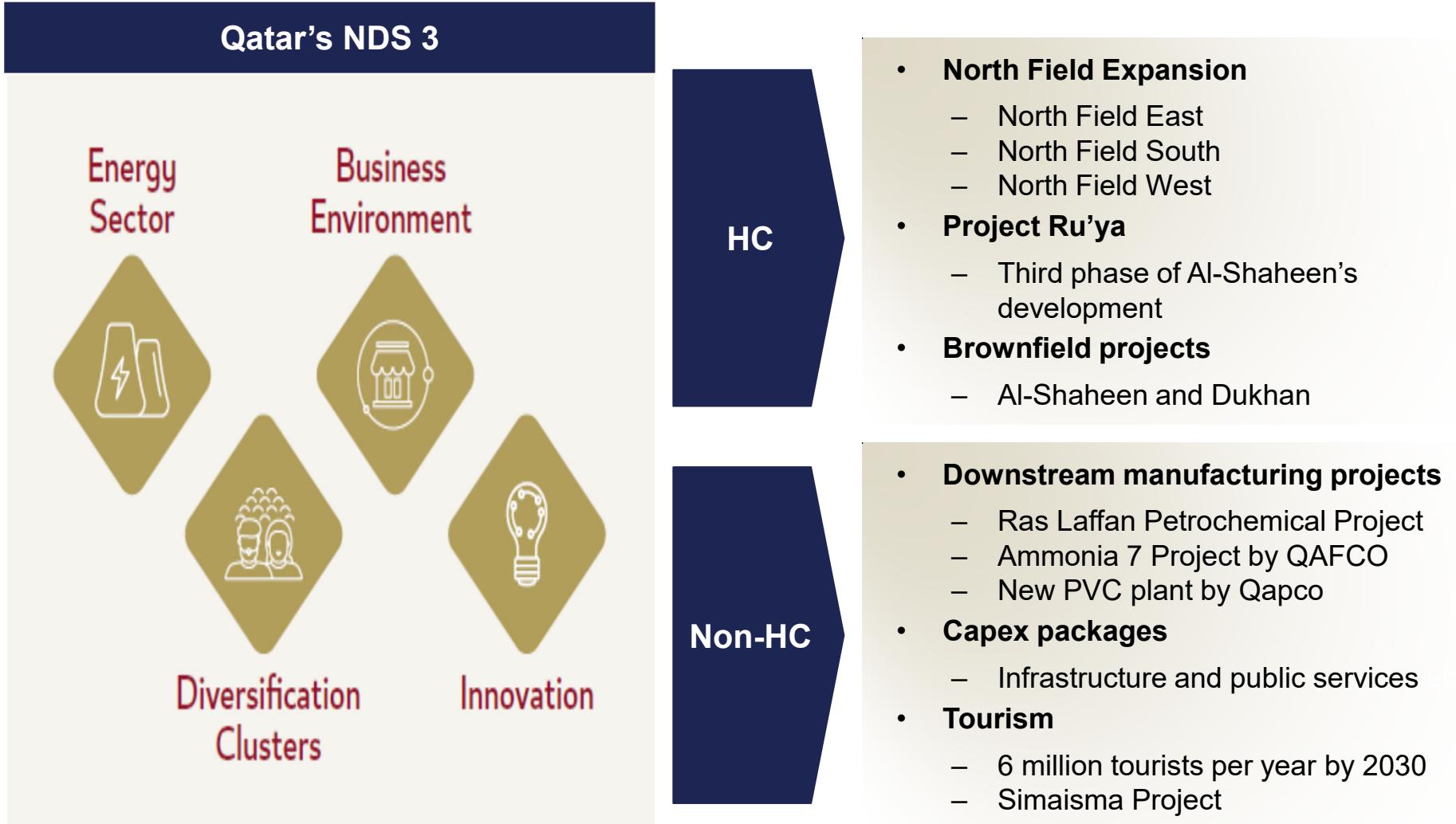
# Qatar's sustainable economic growth model incorporates four key elements



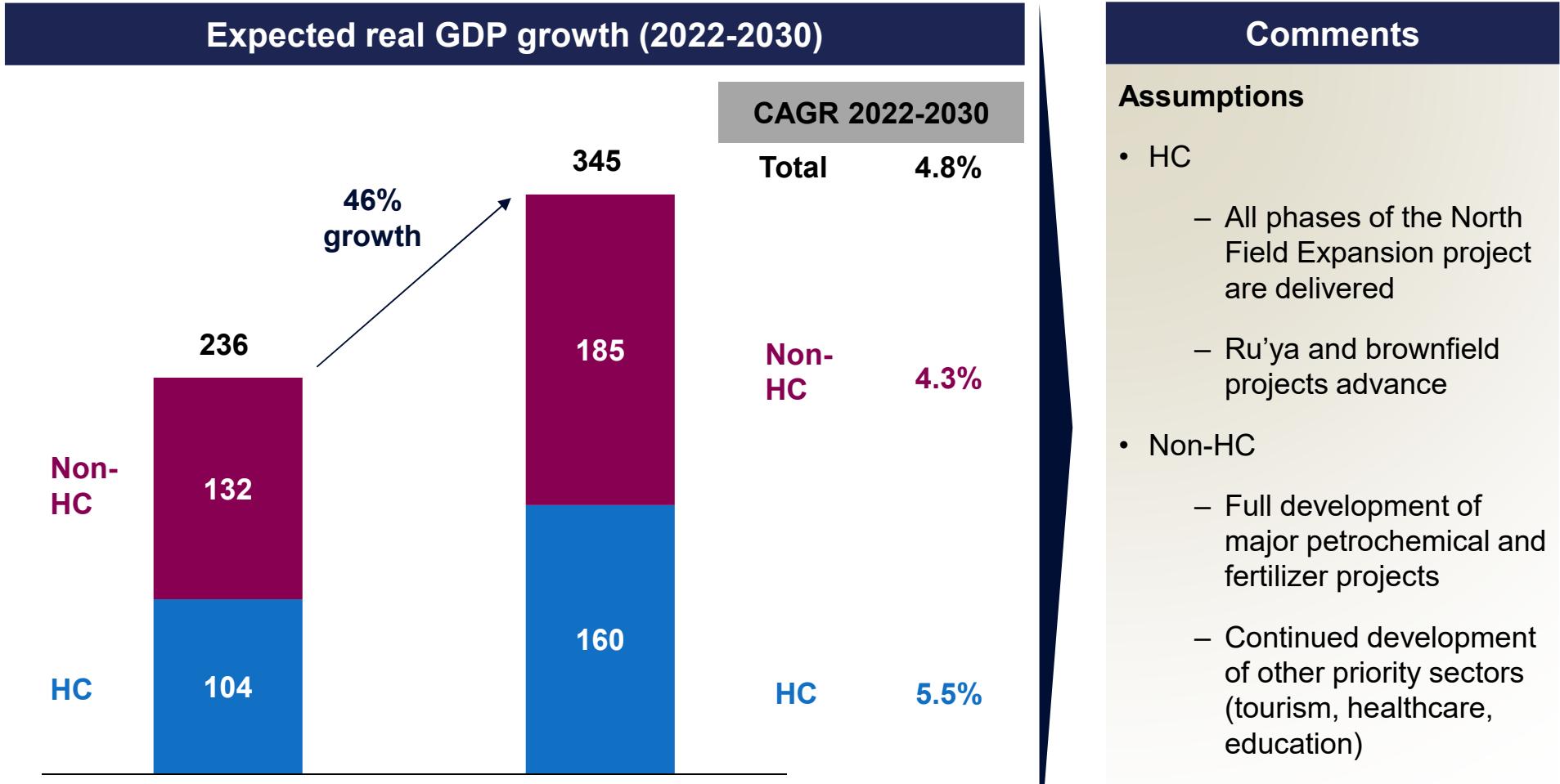
- ## Sustainable Economic Growth Model
- ### Energy Sector
- Qatar will further strengthen its role as a global energy leader and build a position in new emerging fields of low-carbon energy.
- ### Business Environment
- To position Qatar to have one of the top business environments for both domestic and international investors.
- ### Diversification Clusters
- Four identified clusters: growth clusters (manufacturing, logistics, tourism), enabling clusters (IT & digital, financial services, education), national resilience clusters (food & agriculture, health services), and future clusters (green tech, media)
- ### Innovation
- Bolster Qatar's innovation ecosystem and increase its impact in propelling productivity advancements and economic growth.



# Qatar's development strategy spurs economic growth along two dimensions

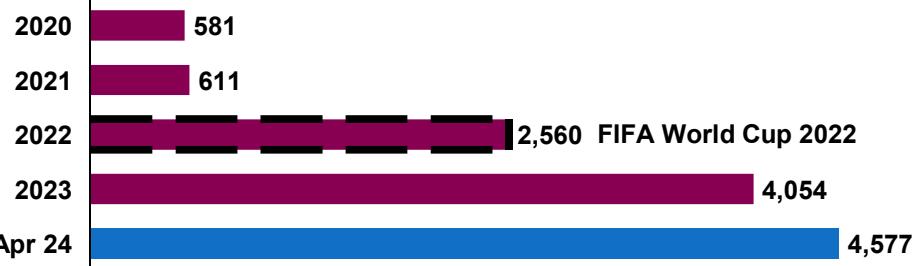


# Qatar's development strategy is set to achieve significant growth over the next several years

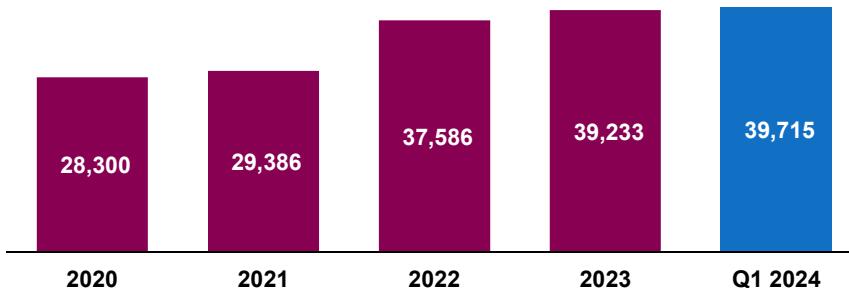


# Post-World Cup tourism surge is set to continue on state-of-the-art infrastructure, good value and the targeting of adjacent markets

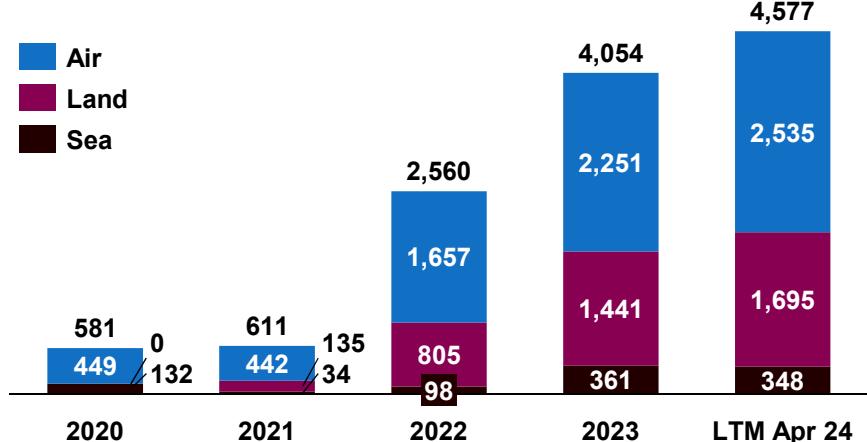
Total visitors (thousands)



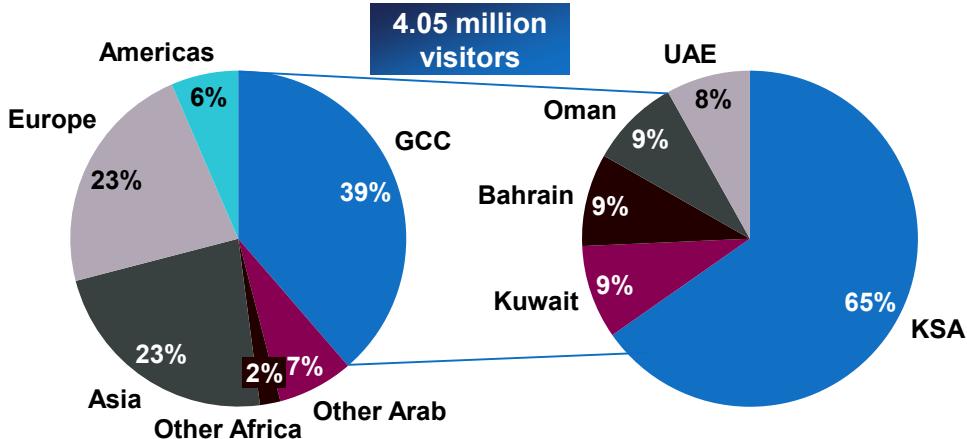
Hotel room keys



Mode of visit (thousands)



Visitor arrivals by region in 2023



# Given its wealth and stable outlook, Qatar is one of the highest rated sovereigns in the world

Standard & Poor's Sovereign Ratings*		Moody's Sovereign Ratings*																						
Investment Grade	AAA	Germany, Canada, Switzerland, Norway, Sweden, Netherlands, Luxembourg, Singapore											Aaa	Germany, Canada, Switzerland, Norway, Sweden, Netherlands, Luxembourg, Singapore, US										
	AA+	US, Austria, Finland, Taiwan, Hong Kong											Aa1	Austria, Finland										
	AA	<b>Qatar, UK, South Korea, Abu Dhabi, Ireland, Belgium</b>											Aa2	<b>Qatar, France, South Korea, Abu Dhabi</b>										
	AA-	France, Czech Republic, Slovenia											Aa3	Czech Republic, Ireland, Taiwan, Hong Kong, UK, Belgium										
	A+	China, Japan, Kuwait, Estonia, Slovakia, Iceland											A1	China, Japan, Kuwait, Estonia, Saudi Arabia										
	A	Saudi Arabia, Chile, Spain, Lithuania											A2	Chile, Iceland, Lithuania, Slovakia, Poland										
	A-	Portugal, Poland, Malaysia											A3	Slovenia, Malaysia, Portugal										
	BBB+	Thailand, Philippines, Croatia											Baa1	Thailand, Spain, Bulgaria										
	BBB	Italy, Mexico, Indonesia, Panama											Baa2	Mexico, Indonesia, Philippines, Croatia, Hungary, Kazakhstan, Colombia										
	BBB-	India, Hungary, Kazakhstan, Romania, Greece											Baa3	Italy, India, Romania, Panama										
Non-Investment Grade																								
Standard & Poor's		BB+	BB	BB-	B+	B	B-	CCC+	CCC	CCC-	CC	CC	C											
Moody's		Ba1	Ba2	Ba3	B1	B2	B3	Caa1	Caa2	Caa3	Ca	Ca	C											

\* Non-exhaustive as of 2<sup>nd</sup> of July 2024

Source: Bloomberg, Standard & Poor's, Moody's, QNB analysis

# Qatar's banking and financial system remains resilient and healthy

	2020	2021	2022	2023
<b>Capital Adequacy</b>				
Tier 1 capital/risk-weighted assets	17.6	18.0	18.1	18.2
Regulatory capital/risk-weighted assets	18.8	19.2	19.3	19.2
<b>Asset Quality</b>				
Non-performing loans/total loans	2.0	2.4	3.7	3.9
<b>Liquidity</b>				
Liquid assets/total assets	28.1	28.4	26.3	26.9
Total loans/total deposits	122.9	121.5	123.3	127.1
Total loans/total assets	67.6	67.2	66.6	66.1
<b>Profitability</b>				
Return on assets	1.4	1.4	1.4	1.5
Return on equity	13.7	14.7	14.0	14.9

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- These statements typically contain words such as "expects" and "anticipates" and words of similar import.
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