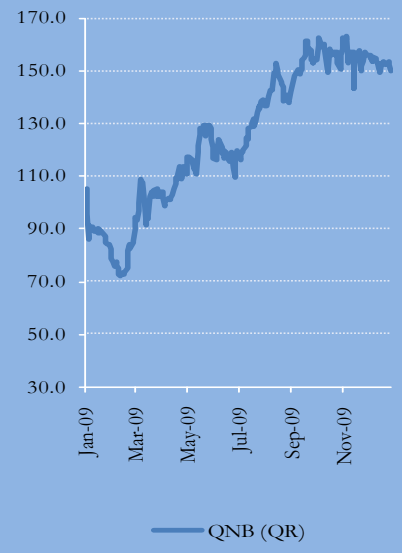
Market Data	
Bloomberg:	QNBK QD
Reuters:	QNBK.QA
CMP (13 January 2010):	QR 150.1
O/S (mn):	301.1
Market Cap (QR mn):	45,198
Market Cap (US$ mn):	12,407
Price/EPS 2010e (x):	10.3
Price/BV 2010e (x):	2.2

Price Performance	1-Yr
High (QR):	163.0
Low (QR):	72.2
Average Volume (000):	14,551



*Source: Zawya & **Global** Research*

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Qatar National Bank – 2009 Review

- **Qatar National Bank (QNB)** announced 2009 full-year results. The bank recorded a net income of QR4.2bn (EPS: QR14.0) in 2009, up by 15.0% from 2008 level of QR3.7bn (EPS: QR12.3). On a quarterly basis, net income was QR1.06bn in 4Q2009, almost unchanged if compared to 3Q2009. The board of directors is recommending cash dividends of 40% par (QR4.0 per share), and bonus shares of 30%.

- Net interest income (excluding net Islamic income) was QR3.3bn in 2009, up by 32.1% a year earlier. This growth was driven by an increase in interest income by 4.6%, combined with a drop in interest expense by 14.6%. The major factor in this drop was the cost of funds of "due to banks & financials", which declined by more than half. Net Islamic income grew by 26.2% to reach QR412mn at the end of the period. Our estimates show that spread has increased from 2.69% in 2008 to 3.06% in 2009, which is a normal in a high risk environment.

- Net fees & commissions was QR967.7mn in 2009, as compared to QR916.5mn in 2008. Net income from investments declined from QR569.3mn in 2008 to QR142mn in 2009. General & administrative expenses were 23.8% of profits in 2009, as compared to 25.8% in 2008.

- Total assets grew by 18% YoY, recording QR179.3bn. Net Loans was up by 8.7% YoY to QR108.8bn. Meanwhile, deposits (including unrestricted investment account) increased to QR125.9bn, up by 20.7% YoY. Thus, LTD was 86% in 2009, down from 96% a year earlier.

- The bank has limited exposure to Saad & Qaisabi groups, and QNB was able to maintain NPL ratio at 2008 level of 0.7% (2009: QR849.0mn / 2008: QR731.5mn). In terms of provisions, the bank recorded QR281mn in 2009, of which 82.8% was from retail (including mortgages).

QR (bn)	2009	2008	% Change
Net Income	4.2	3.7	15.0%
Assets	179.3	152.0	18.0%
Deposits	125.9	104.3	20.7%
Net Loans & Advances	108.8	100.1	8.7%
Net Interest Income	3.3	2.5	32.1%

Source: Company's Reports

- Capital Adequacy ratio stood 13.2% in 2009, down from 13.9% in 2008. Qatar Central Bank minimum requirement is 10.0%

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