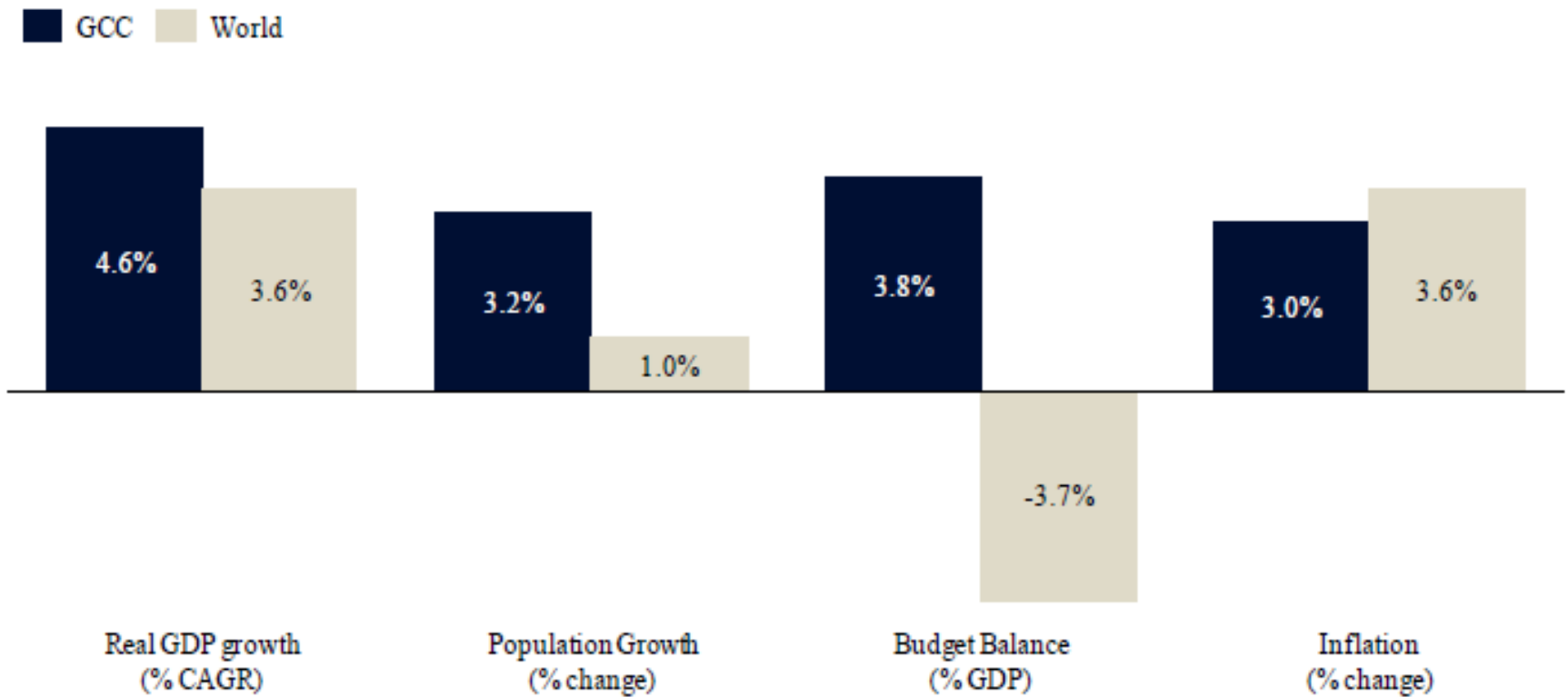


GCC - An Economic Powerhouse in the Making

15 November 2012

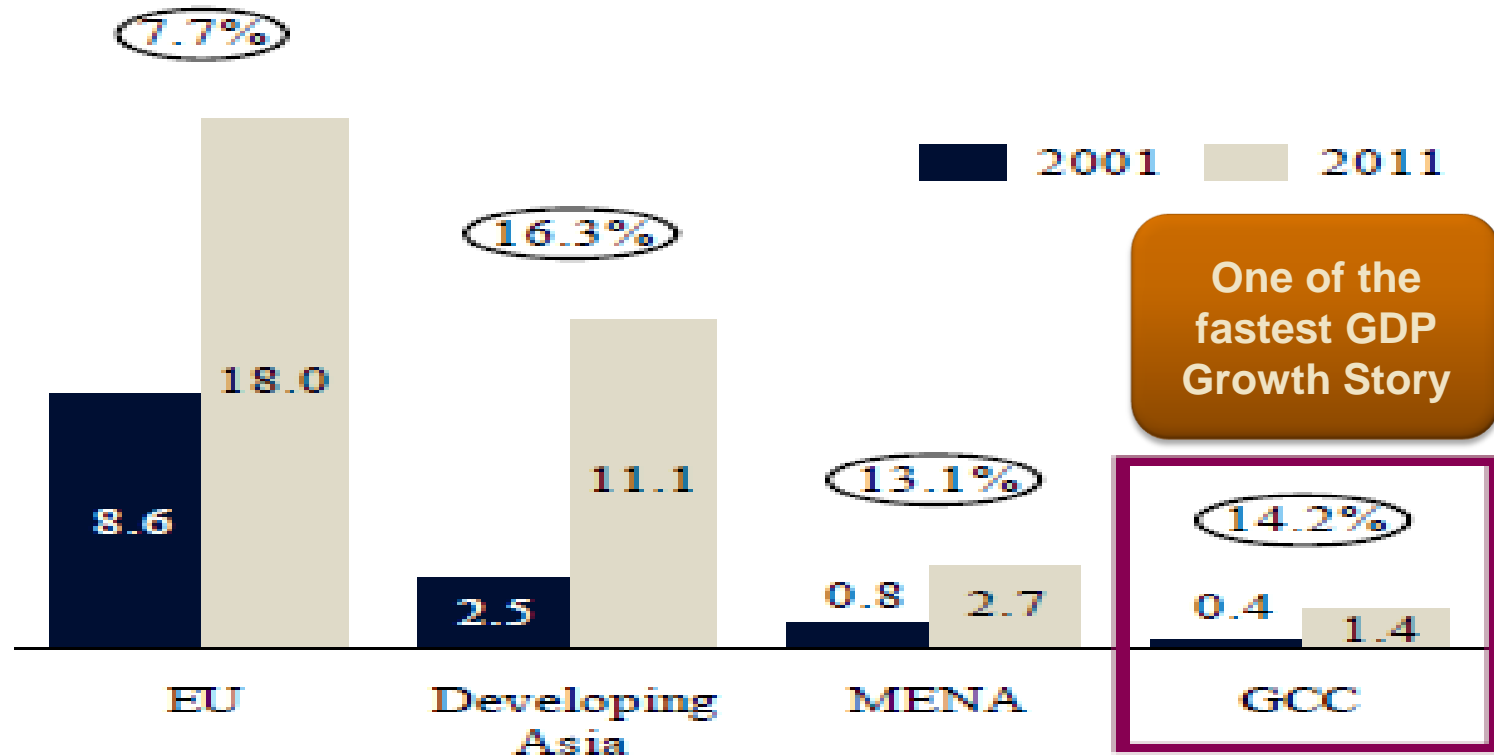
A COLLECTION OF THOUGHTS PRESENTATION

Where Knowledge Shared is Knowledge Gained



Source: IMF World Economic Outlook (WEO), QNB Group forecasts

Key Economic Indicators - Benchmarking 2012-2013



Source: National statistical authorities, IMF WEO database, QNB Group estimates

Global Nominal GDP Growth (US\$trn, % CAGR shown)

Strong Fiscal, Current Account and Foreign Asset Position

GCC: Fiscal and External Balances, and Net External Assets

| | Fiscal Balance (%, GDP) | | | Current Account Balance (\$ billion) | | | Net Foreign Assets* (\$ billion) | | |
|--------------|----------------------------|-------------|------------|---|------------|------------|-------------------------------------|--------------|--------------|
| | 2011e | 2012f | 2013f | 2011e | 2012f | 2013f | 2011e | 2012f | 2013f |
| GCC | 11.4 | 12.0 | 7.4 | 327 | 356 | 262 | 1,605 | 1,904 | 2,139 |
| Saudi Arabia | 12.6 | 15.4 | 9.9 | 154 | 166 | 119 | 613 | 736 | 812 |
| UAE | 4.4 | 4.7 | 1.6 | 38 | 51 | 34 | 503 | 565 | 619 |
| Kuwait | 26.1 | 26.1 | 16.9 | 55 | 58 | 47 | 396 | 457 | 515 |
| Qatar | 10.1 | 8.5 | 5.5 | 66 | 69 | 55 | 59 | 107 | 160 |
| Oman | 9.5 | 6.5 | 2.3 | 11 | 10 | 4 | 16 | 19 | 22 |
| Bahrain | -2.1 | -0.8 | -9.1 | 3 | 4 | 3 | 18 | 20 | 21 |

*Net Foreign Assets = Foreign Assets - Foreign Liabilities

Foreign Assets = Official Reserves + Foreign Assets of Banks + SWFs

Banking Soundness Indicators

percent, latest available month for 2017

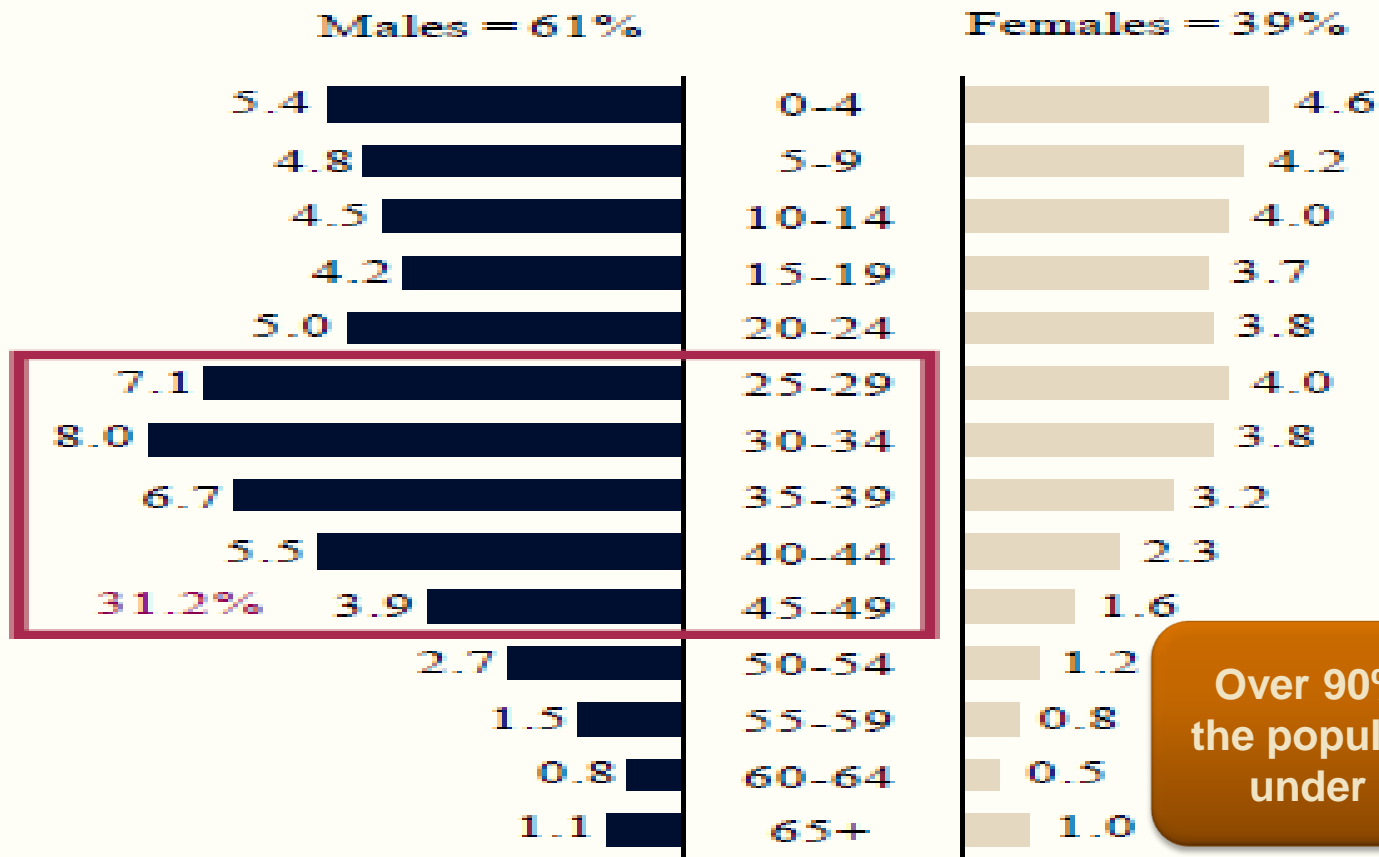
| | Capital Adequacy | NPLs to Total Loans | Provisions to NPLs | Loans to Deposits |
|--------------|------------------|---------------------|--------------------|-------------------|
| Bahrain | 19.5 | 3.7 | | 72 |
| Kuwait | 18.5 | 7.3 | 30* | 111 |
| Oman | 15.6 | 3.3 | 104 | 103 |
| Qatar | 16.1 | 2.0 | 95 | 92 |
| Saudi Arabia | 17.1 | 2.8 | 130 | 78 |
| UAE | 20.8 | 8.0 | 84 | 100 |

Long Term Ratings (2011)

| Sovereign | S&P | Moody's | Fitch |
|------------------|----------------|----------------|--------------|
| Qatar | AA | Aa2 | N/R |
| Kuwait | AA | Aa2 | AA |
| UAE | Not Rated | Aa2 | Not Rated |
| Saudi Arabia | AA- | Aa3 | AA- |
| Oman | A | A1 | N/R |
| Bahrain | BBB | Baa1 | BBB |
| Singapore | AAA | Aaa | AAA |
| Germany | AAA | Aaa | AAA |
| US | AA+ | Aaa | AAA |
| Japan | AA- | Aa3 | AA |

Source: S&P, Moody's, Fitch, QNB Group analysis

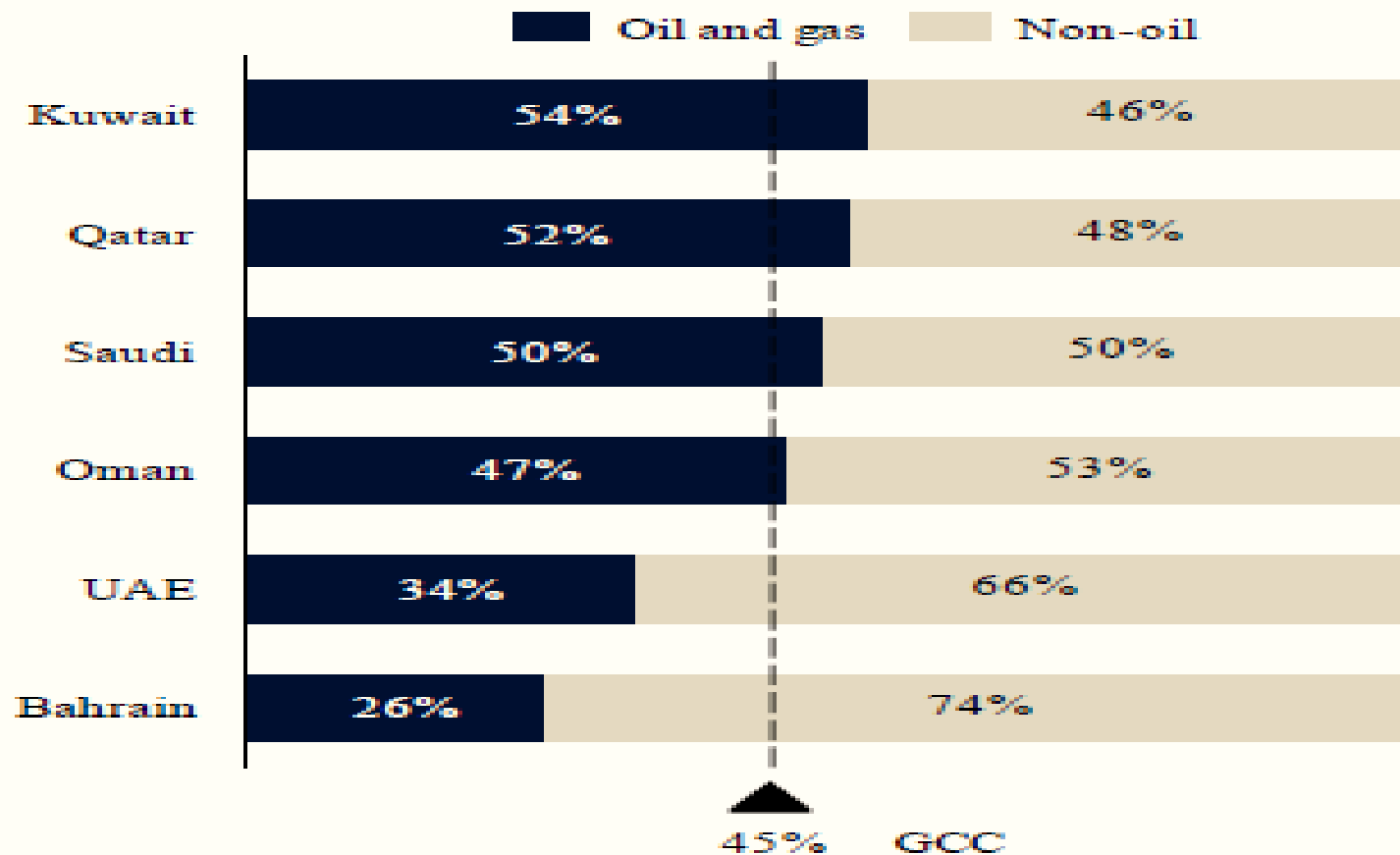
GCC Population by Age and Gender (2010) (% of total GCC population)



Over 90% of the population under 50

Source: National statistical authorities and QNB Group estimates

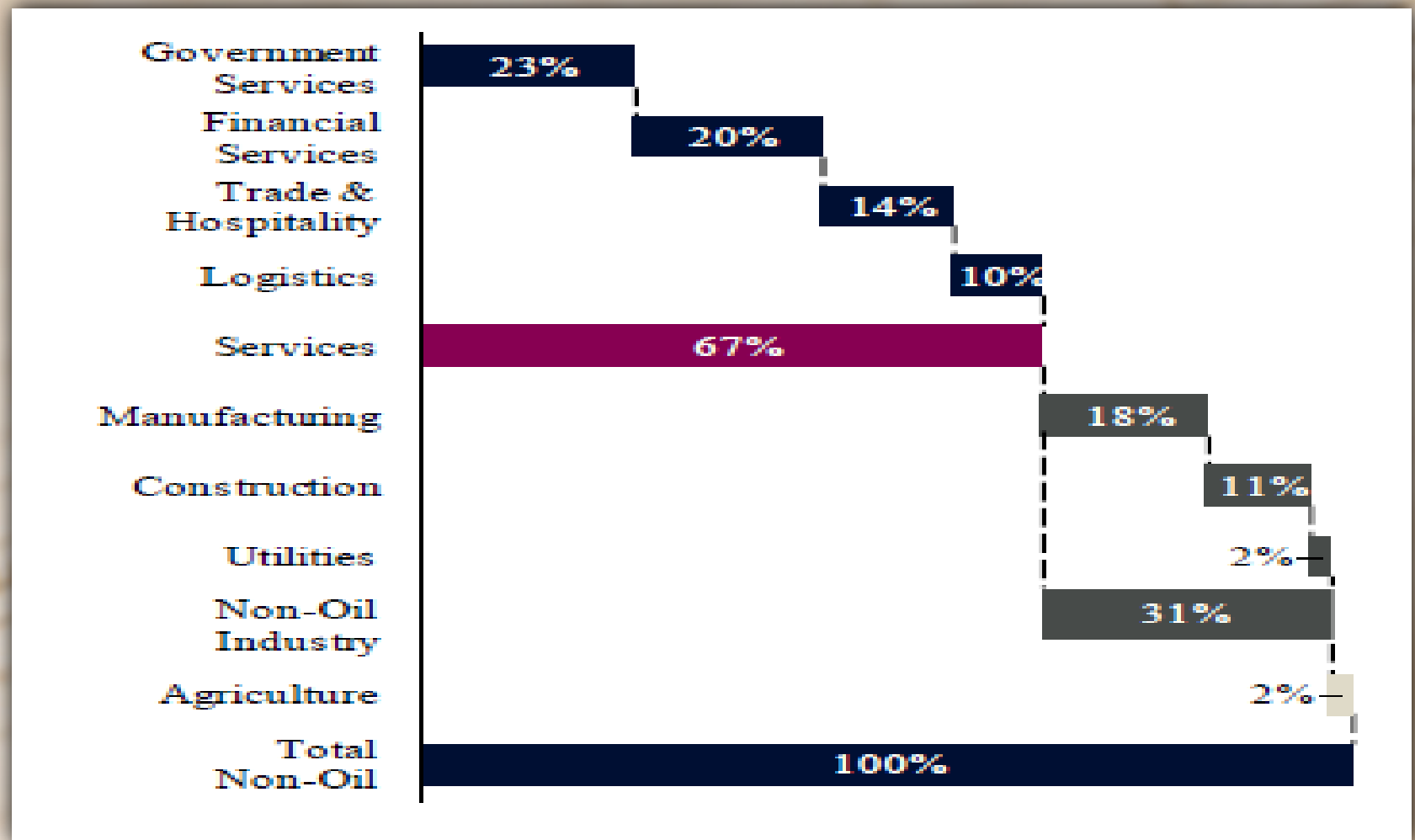
Breakdown of GCC Nominal GDP by Country (2007-11) (average % shares of GDP)



Source: National statistical authorities

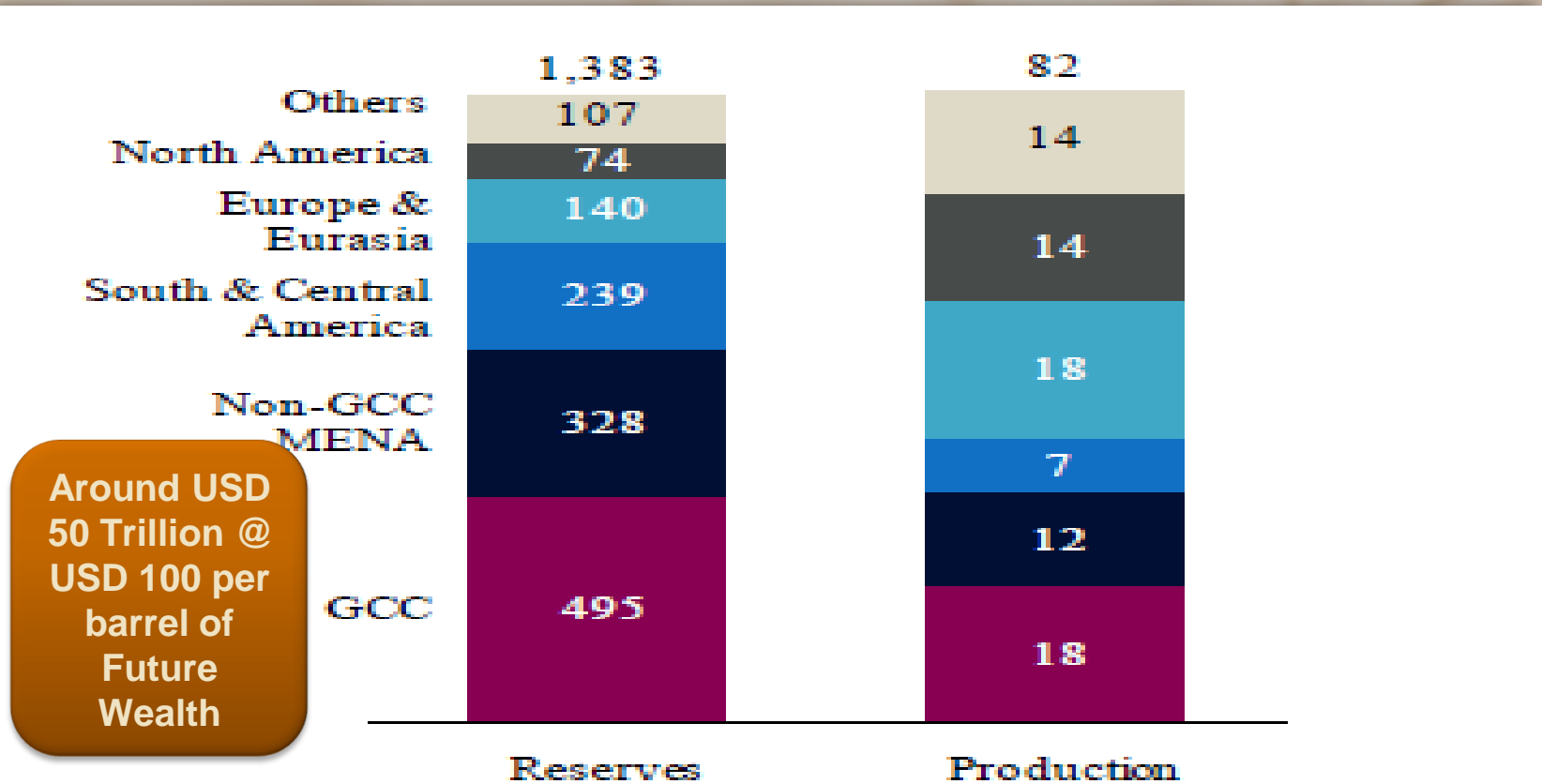
Non-Oil GDP by Sector (2011)

(% share)



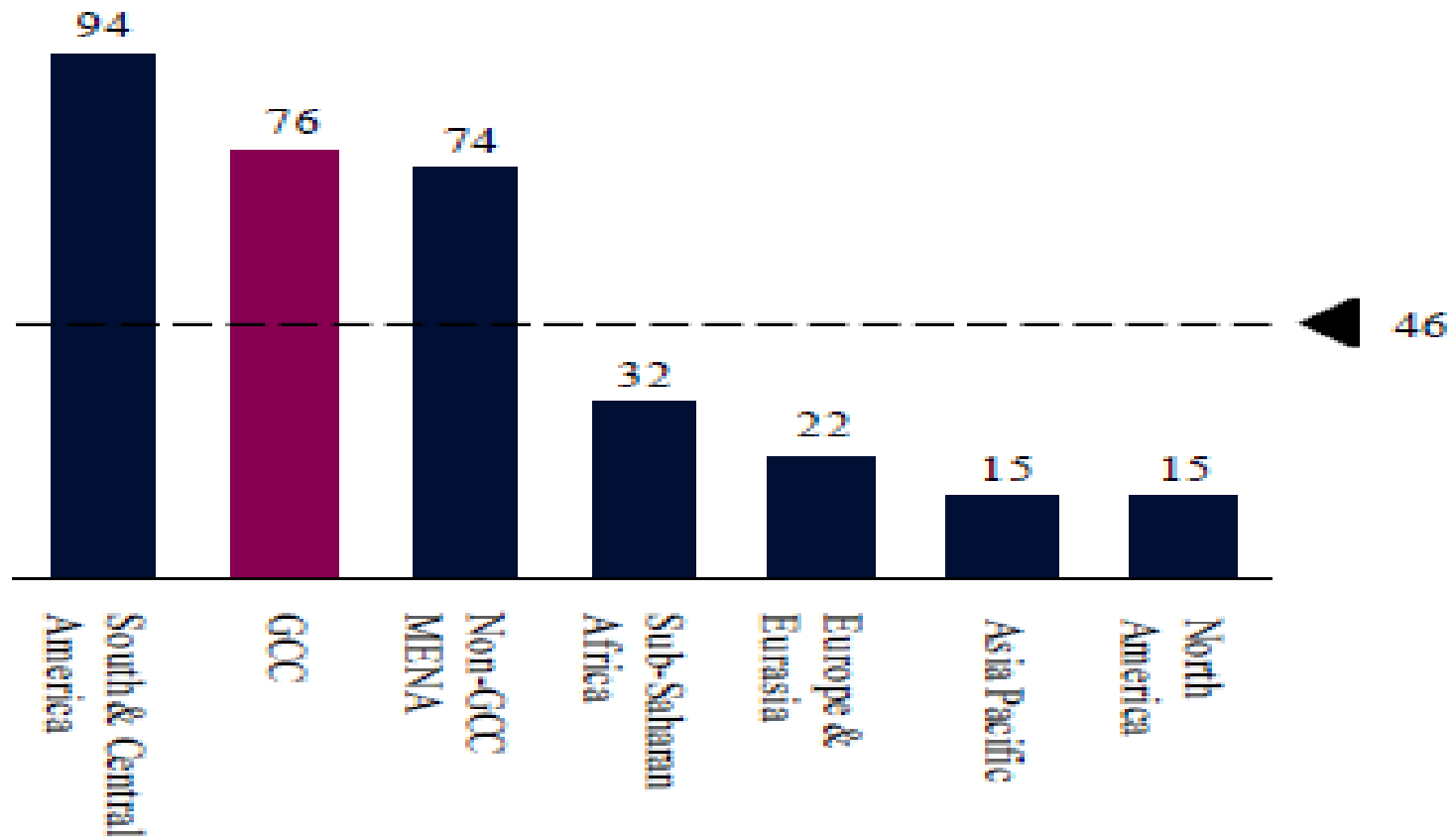
World Proven Oil Reserves and Oil Production (2010)

(reserves in bn barrels and production in m b/d)



Source: BP Statistical Review of World Energy and QNB Group analysis

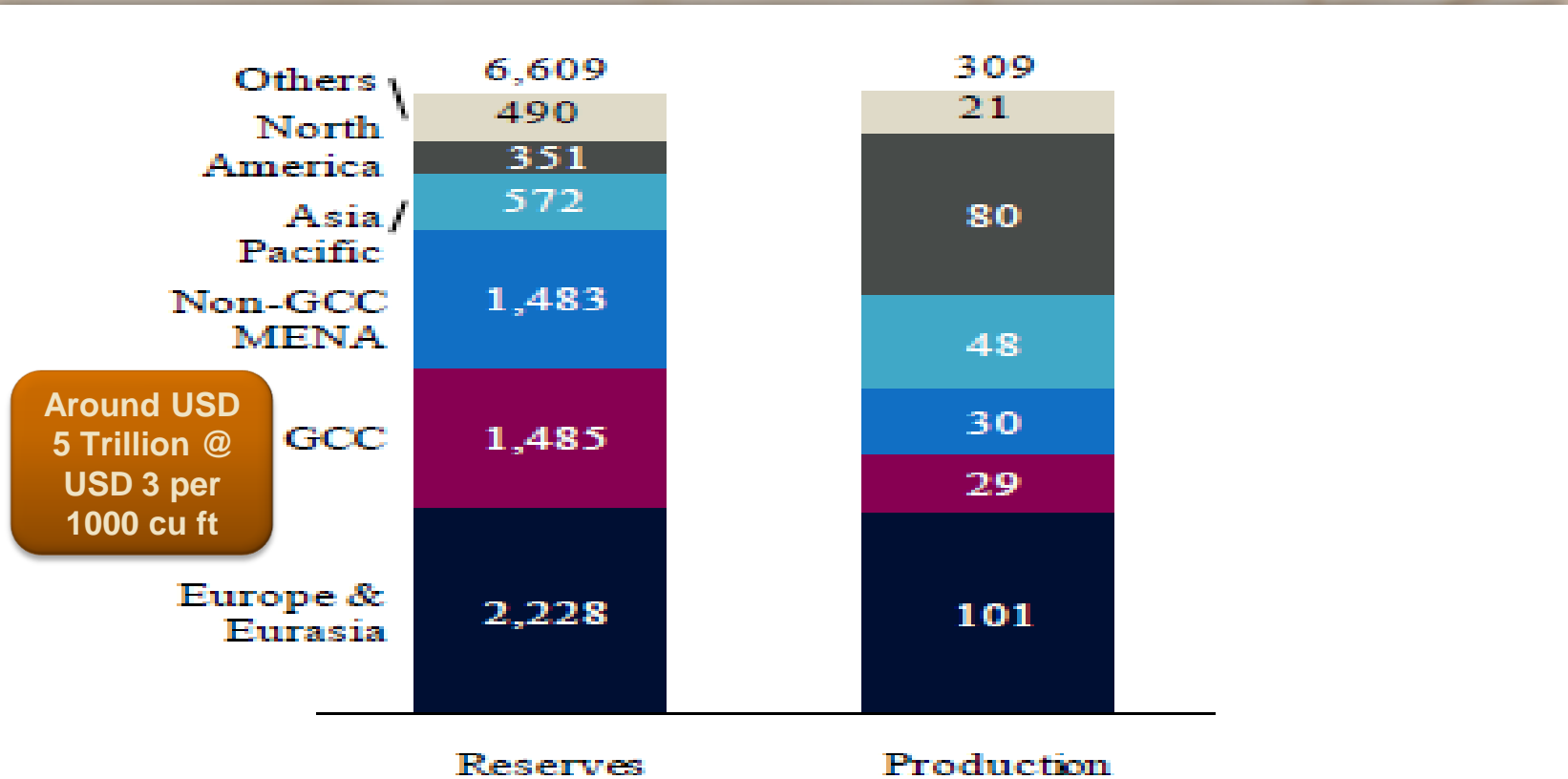
World Oil Reserves-to-Production Ratios (2010) (years of production at prevailing levels)



Source: BP Statistical Review of World Energy and QNB Group analysis

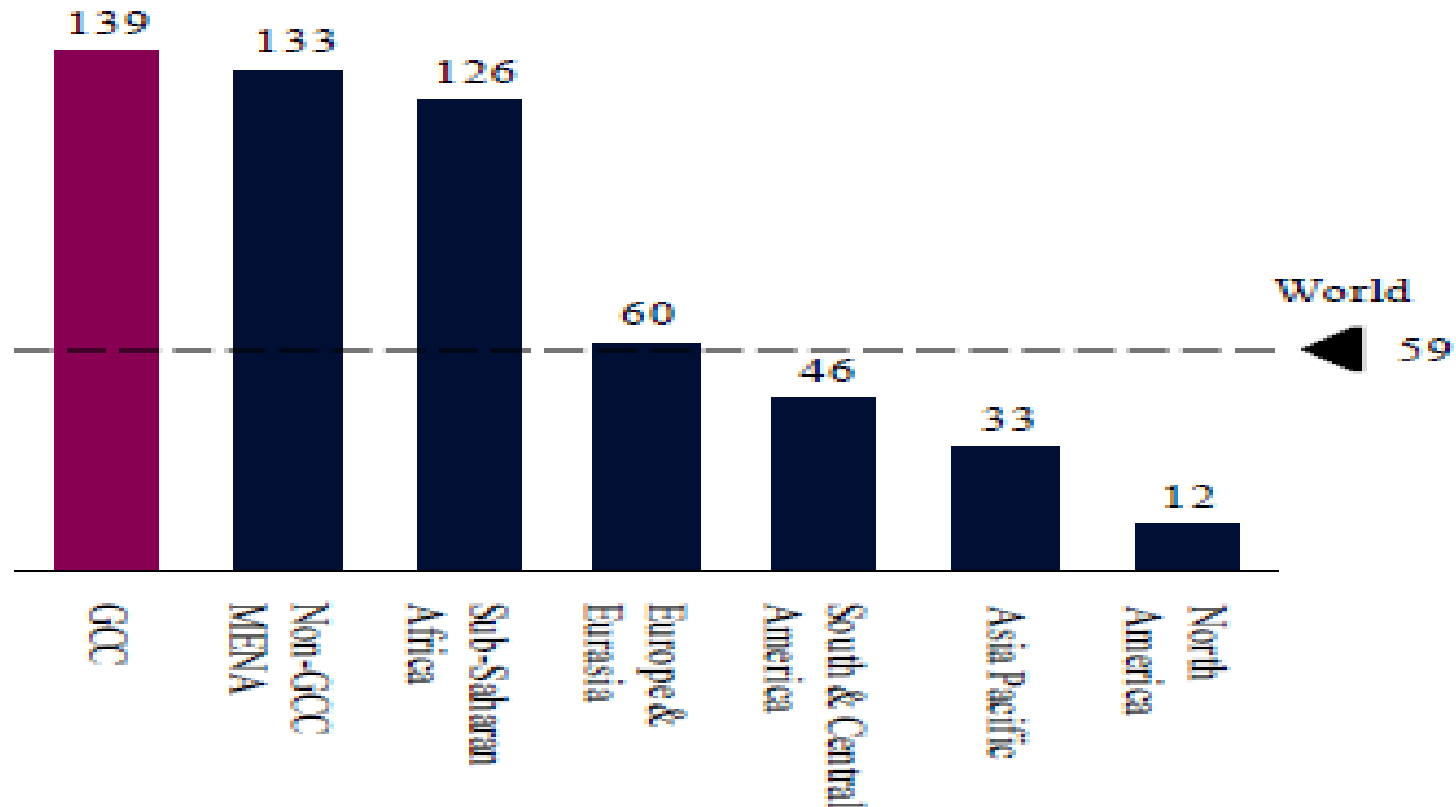
World Proven Gas Reserves and Gas Production (2010)

(reserves in trn cu ft and production in bn cu ft/d)



Source: BP Statistical Review of World Energy and QNB Group analysis

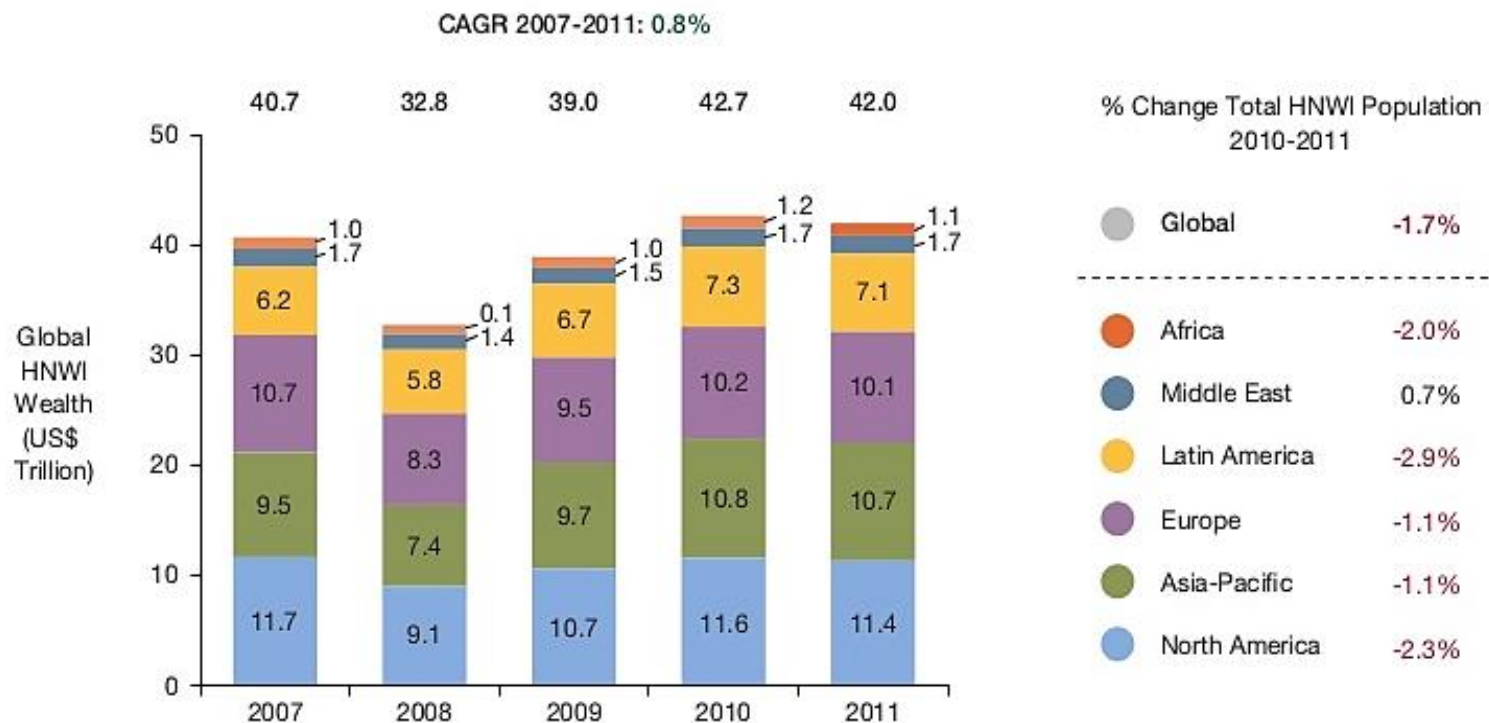
World Gas Reserves-to-Production Ratios (2010) (years of production at prevailing levels)



Source: BP Statistical Review of World Energy and QNB Group analysis

HNWI Wealth Distribution 2007-11 (by Region)

(US\$ Trillion)



Note: Chart numbers and quoted percentages may not add up due to rounding
Source: Capgemini Lorenz Curve Analysis, 2012

Sovereign Wealth Fund Rankings

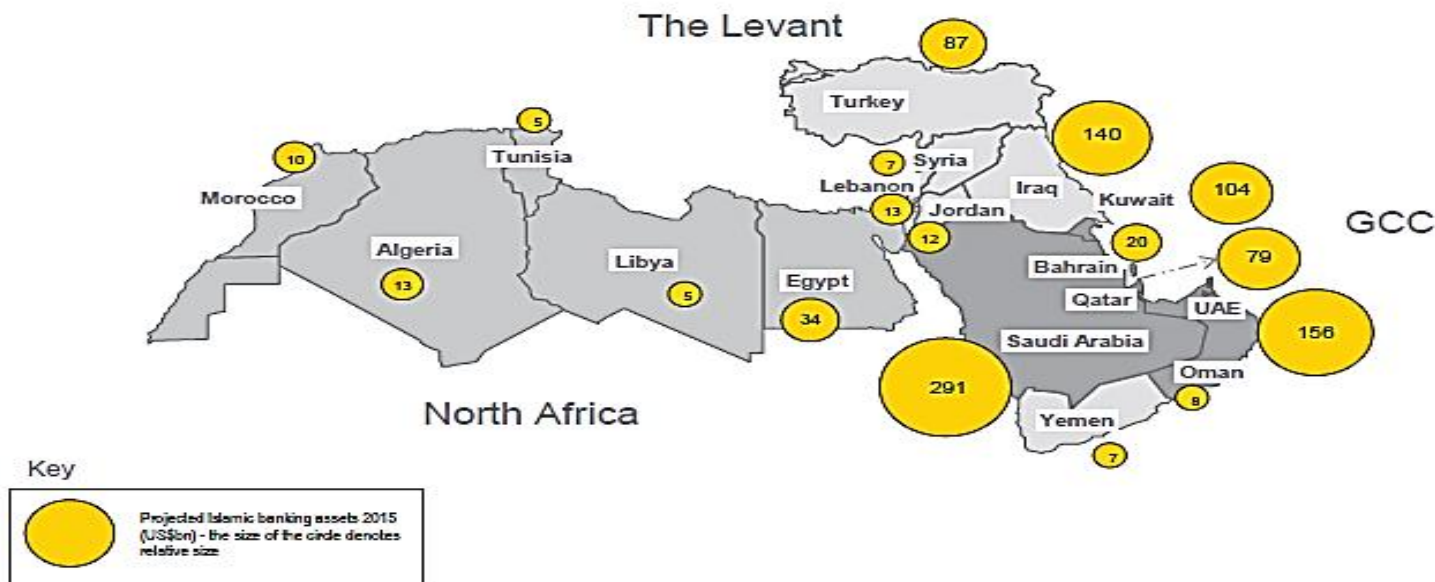
(Largest Sovereign Wealth Funds by Assets Under Management)

| Country | Fund Name | Assets \$Billion | Inception | Origin | Linaburg-Maduell Transparency Index |
|-------------------|---|------------------|-----------|---------------|-------------------------------------|
| UAE – Abu Dhabi | Abu Dhabi Investment Authority | \$627 | 1976 | Oil | 5 |
| Norway | Government Pension Fund – Global | \$611 | 1990 | Oil | 10 |
| China | SAFE Investment Company | \$567.9** | 1997 | Non-Commodity | 4 |
| Saudi Arabia | SAMA Foreign Holdings | \$532.8 | n/a | Oil | 4 |
| China | China Investment Corporation | \$439.6 | 2007 | Non-Commodity | 7 |
| Kuwait | Kuwait Investment Authority | \$296 | 1953 | Oil | 6 |
| China – Hong Kong | Hong Kong Monetary Authority Investment Portfolio | \$293.3 | 1993 | Non-Commodity | 8 |
| Singapore | Government of Singapore Investment Corporation | \$247.5 | 1981 | Non-Commodity | 6 |
| Singapore | Temasek Holdings | \$157.2 | 1974 | Non-Commodity | 10 |
| Russia | National Welfare Fund | \$149.7* | 2008 | Oil | 5 |
| China | National Social Security Fund | \$134.5 | 2000 | Non-Commodity | 5 |
| Qatar | Qatar Investment Authority | \$100 | 2005 | Oil | 5 |
| Australia | Australian Future Fund | \$80 | 2006 | Non-Commodity | 10 |
| UAE – Dubai | Investment Corporation of Dubai | \$70 | 2006 | Oil | 4 |
| UAE – Abu Dhabi | International Petroleum Investment Company | \$65.3 | 1984 | Oil | 9 |
| Libya | Libyan Investment Authority | \$65 | 2006 | Oil | 1 |
| Kazakhstan | Kazakhstan National Fund | \$58.2 | 2000 | Oil | 8 |
| Algeria | Revenue Regulation Fund | \$56.7 | 2000 | Oil | 1 |
| UAE – Abu Dhabi | Mubadala Development Company | \$48.2 | 2002 | Oil | 10 |
| South Korea | Korea Investment Corporation | \$43 | 2005 | Non-Commodity | 9 |

MENA Islamic Banking Assets – 2015 Forecast (US\$bn)

By 2015, the MENA Islamic banking industry is projected to be worth \$990bn... a significant growth story (2010: \$416bn assets)

MENA Islamic Banking Assets - 2015 Forecast (US\$bn)



Source: 2010 Company Reports, Global Insight, EY perspective

GCC Challenges & Opportunities

Fiscal Cushion

Hydrocarbon Reserve Wealth USD 54 tln

Transparency

SWF & HNWI wealth of over USD 3 tln

Geopolitical Risk

One of the fastest growing GDP Story

Under-developed Financial Sector

Young Population and only very little population to share the considerable large pool of wealth

Human Resources Skill Gap

Enormous growth potential for education, health, tourism and retail sector providing opportunities for Private Sector Investments

Strategic Location Proximity to over 3 billion consumers with rising middle class

Islamic Banking

Final Words

The views expressed in this presentation are purely of the presenter and do not represent the views of the Ministry of Finance, Oman.

Disclaimer: This is an informative Seminar and needs to be used as such. The topic is dynamic and the Presenter shall not be held liable for any business decision taken based on this session. Each Business & individual makes their decision on specific circumstances and the business environment at the time of decision making.

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QUESTIONS

15 November 2012

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