

البنك الأهلي
ahlibank



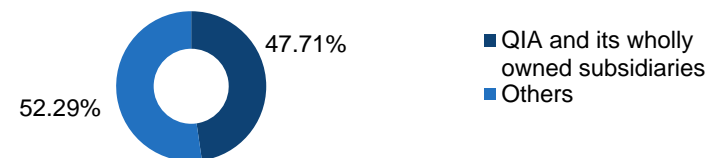
Investor Presentation H1 2022

Overview

Overview

- Founded in 1983 and listed on the Qatar Stock Exchange, ABQ is the 5th largest conventional bank in Qatar in terms of assets
 - Market cap of QAR 10.00 bln (as of 30 June 2022)
 - Has a network of 14 branches and 85 ATMs throughout Qatar
 - Best regulated banking sector in the Middle East through the QCB, according to the World Bank
- Offers its wholesale and retail banking services with a focus on the Qatari market:
 - Qatar has been a steady and growing economy over the past decade
 - The bank is operating under IFRS 9 and Basel III frameworks
- Long term IDR of “A-” by Fitch and A2/Prime I by Moody's deposit rating
- Efficiently run bank with a cost income ratio at 25.3%
- Effective risk management and high quality loan book as proven by low non-performing assets
 - NPL ratio stood at 2.55% and conservatively provisioned (coverage of 174% including ECL provisions as of June 2022)
- Good capital position with Basel III Capital Adequacy Ratio (CAR) of 20.2% as of June 2022
- ABQ has access to a number of funding sources, with the diversification of funding and proportion of medium and long-term debt in the funding portfolio increasing in recent years – stable medium / long term debt accounts for 16.6% as of June 2022

Shareholding Structure



- 52.29% of shareholders are Qatari firms and individuals
- QIA and its wholly owned subsidiaries directly own the remaining 47.71% of the shares
- No other shareholder owns more than 5% of the bank's shares
- “ABQ's A2 deposit rating reflects our assessment of a very high likelihood of government support in case of need. Ahli Bank's BCA rating reflects the bank's (1) sound capital and adequate liquidity buffers, (2) strong profitability, and (3) low reported level of problem loans.” Moody's, 8 December, 2021

Key Indicators	2020		2021		Jun 2021		Jun 2022	
	QAR mln	US\$ mln	QAR mln	US\$ mln	QAR mln	US\$ mln	QAR mln	US\$ mln
Total Assets	47,555	13,065	48,093	13,212	47,799	13,132	49,204	13,518
Total Net Loans	33,513	9,207	33,570	9,223	35,080	9,637	34,344	9,435
Total Customer Deposits	26,941	7,401	27,925	7,672	28,312	7,778	26,750	7,349
Total Equity	6,275	1,724	7,685	2,111	7,319	2,011	7,574	2,081
CAR (Basel III)	17.7%		20.6%		20.5%		20.2%	
C / I Ratio	25.6%		25.0%		25.5%		25.3%	
RoAE	11.3%		11.3%		10.1%		10.2%	

ABQ Has Been at the Heart of the Community for Over 35 Years

1983	<ul style="list-style-type: none"> Incorporated as Al-Ahli Bank of Qatar part of CitiBank operations
1987	<ul style="list-style-type: none"> ABQ began to operate as a standalone entity
2004	<ul style="list-style-type: none"> Ahli United Bank (AUB) acquires a 40% stake through issue of new shares with a ten year renewable management agreement
2008	<ul style="list-style-type: none"> QIA announces 20% equity infusion in Qatar's listed banks based on December 2008 share capital. As a result, ABQ received QAR 642 mln support during 2010 and 2011
2011	<ul style="list-style-type: none"> Ahli Brokerage Co is launched as a fully owned Licensed Brokerage House on the Qatar Exchange
2012	<ul style="list-style-type: none"> 20% rights issue to Qatari Shareholders raising capital of QAR 448 mln
2013	<ul style="list-style-type: none"> Qatar Foundation for Education, Science and Community Development (Qatar Foundation) acquires a 29.41% stake in ABQ from AUB New Strategic Plan approved by the Board New Organization Structure in place to focus on business banking and strengthen corporate governance
2014	<ul style="list-style-type: none"> New brand reflecting the identity of the bank: "at the heart of the community" Debut Syndicated Facility of US\$ 200 mln, 3-year loan
2015	<ul style="list-style-type: none"> Redesign of 6 branches, enhancing customer experience Strengthened stable funding profile through additional medium term loans – US\$ 200 mln
2016	<ul style="list-style-type: none"> Awarded debut Moody's Rating - A2/Prime-1 deposit ratings ABQ raises additional funds through the issuance of US\$ 500 mln 3.625% notes due 2021 ABQ successfully closes a 3 year US\$195 mln Club Term Loan Facility
2017	<ul style="list-style-type: none"> ABQ second EMTN bond issue of US\$ 500 mln to the international debt capital market Increased 3-year committed bank funding to US\$ 250 mln and extended maturity up to 2020 Qatar Foundation transferred its 29.41% stake in ABQ to Qatar Investment Authority, which increased QIA⁽¹⁾'s stake in the bank to 47.7% Ahlibank launches Bancassurance in partnership with QGIRCO (Qatar General Insurance and Re-Insurance Company)
2018	<ul style="list-style-type: none"> Increased and extended the tenor of US\$ 200 mln of committed stable funding
2019	<ul style="list-style-type: none"> ABQ issued third tranche of EMTN bond for US\$ 500 mln to the international debt capital market New stable funding of US\$50 mln raised and extension of US\$250 mln committed bilateral facility till June 2022
2020	<ul style="list-style-type: none"> ABQ issued fourth tranche of EMTN bond for US\$ 500 mln to the international debt capital market in September 2020 Committed bilateral facilities of US\$ 50 mln and US\$ 250 mln were extended until July 2022 and November 2023, respectively. ABQ successfully launched a redesigned online and mobile banking platform with an easy user interface to enhance the digital banking experience of its customers.
2021	<ul style="list-style-type: none"> Successfully placed \$300 mln of AT1 bonds in February 2021 Repaid first tranche of EMTN US\$ 500 Mln in April 2021 Repaid US \$ 140 mln Asian Club Loan ABQ issued fifth tranche of EMTN Bond for US\$ 500 mln to the International Capital Market in July 2021
2022	<ul style="list-style-type: none"> Repaid second tranche of EMTN US\$ 500 Mln in February 2022 Increased committed bilateral facility to US \$ 400 Mln and extended tenor to April 2026

Source: Company data. 1. QIA and its wholly owned subsidiaries.

“At the heart of the community” – Corporate Social Responsibility

Our brand identity is a modern interpretation of a potent symbol from Qatar’s past, the oyster shell. The shell protects and nurtures its treasure, growing it over time, just as we seek to grow and protect our customers’ assets.

We ask, we listen, and we act on what we learn. We respond by producing products that genuinely meet the needs of our community. We are who we are because of our community. And that’s why we go further for our customers and our stakeholders.

Inspired



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Considered



We will always stay actively involved with our community. We aim to be a sensitive bank: knowledgeable, experienced, and insightful. We offer what our customers tell us they need most: reliable and effective products and advice they can trust.



Engaged

We are always straightforward, approachable, and responsive. We are an active part of the community. We never forget that our customers are also our neighbours.



Corporate Social Responsibility



International Federation of Red Cross and Red Crescent Societies



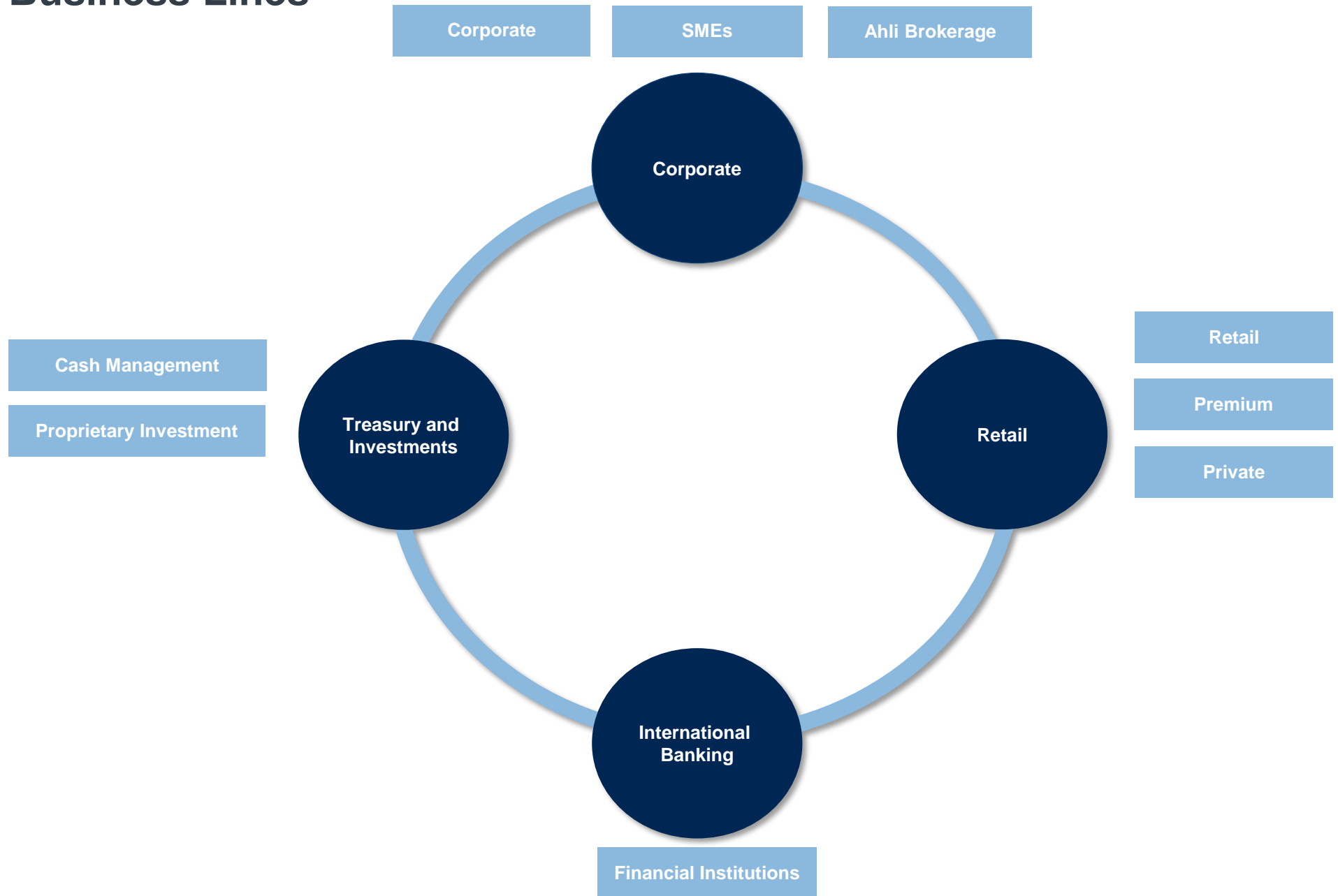
Thyroid Cancer Conference



The Qatar Society for Rehabilitation of Special Needs



Business Lines



Executive Summary – H1 2022

- 1) Steady Performance for the half year with net profit growth of 7.2%;
- 2) Capital Adequacy Ratio of 20.2% Post dividend
- 3) Tranche II of EMTN of USD 500mln was repaid in February 2022
- 4) NPL Ratio stood at 2.55% (2021 : 3.74%) with an improved coverage of 174% (2021 : 107%)
- 5) Loans and Advances ; Support to industry
 - 1) QCB mandated New loans provided to corporate customers @1.5% ; Current exposure ~QR 1.98 billion
 - 2) QDB guaranteed loan for SME's disbursed ; Current exposure ~QR 72 mln;
- 6) Funding
REPO facility for QR1.47billion availed from QCB @ ZERO interest to fund the above loans ;
- 7) Regulatory developments
 - a) Loans to deposit ratio – Maximum 100% ; **Debt securities (EMTN) added in denominator and weighted as per residual maturity**
 - b) QCB Mandatory Reserve requirement on Customer Deposits a) Resident deposits – 4.50%(same)
Non resident deposits (i) 9% for less than 1 year maturity, (ii) 7% for 1 to 2 years, (iii) 4.50% for >2 years
- 8) Appointed a global advisory firm to assist in developing a comprehensive ESG Strategy.

Key Highlights

QAR Million

	June 2022	June 2021	Growth
Net Interest Income	532	554	-4.0% ↓
Operating Income	660	688	-4.0% ↓
Net Profit	331	308	7.2% ↑
	June 2022	Dec 2021	Growth
Total Assets	49,204	48,093	2.3% ↑
Loans & Advances	34,344	33,570	2.3% ↑
Customer Deposits	26,750	27,925	-4.2% ↓
EMTN	5,477	7,315	-25.1% ↓
AT1	1,092	1,092	0.0%
Shareholders Equity	6,482	6,593	-1.7% ↓
NPL	912	1,298	-29.8% ↓
Total Provisions	1,591	1,388	14.6% ↑
NPL Coverage	174%	107%	67.6% ↑
NPL Ratio	2.55%	3.74%	-1.19% ↓

P&L-YTD June 2022

QAR '000	Actuals		YOY Variance Fav/(Adv)
	Jun-22	Jun-21	
Interest income	840,544	873,337	-3.8%
Interest expense	308,818	319,248	3.3%
Net interest income	531,726	554,089	-4.0%
Fees and other income	119,766	115,965	3.3%
Income on Investment securities	8,195	17,474	-53.1%
Total operating income	659,687	687,528	-4.0%
Staff Expenses	87,801	97,499	9.9%
Other expenses and Depreciation	79,291	77,737	-2.0%
Total operating expenses	167,091	175,236	4.6%
Net operating income before provisions	492,596	512,292	-3.8%
Provisions for loan losses- ECL/Specific	190,479	219,291	13.1%
Recoveries of provisions	(28,644)	(15,426)	85.7%
Net Provisions	161,836	203,865	20.6%
Net Profit	330,760	308,427	7.2%

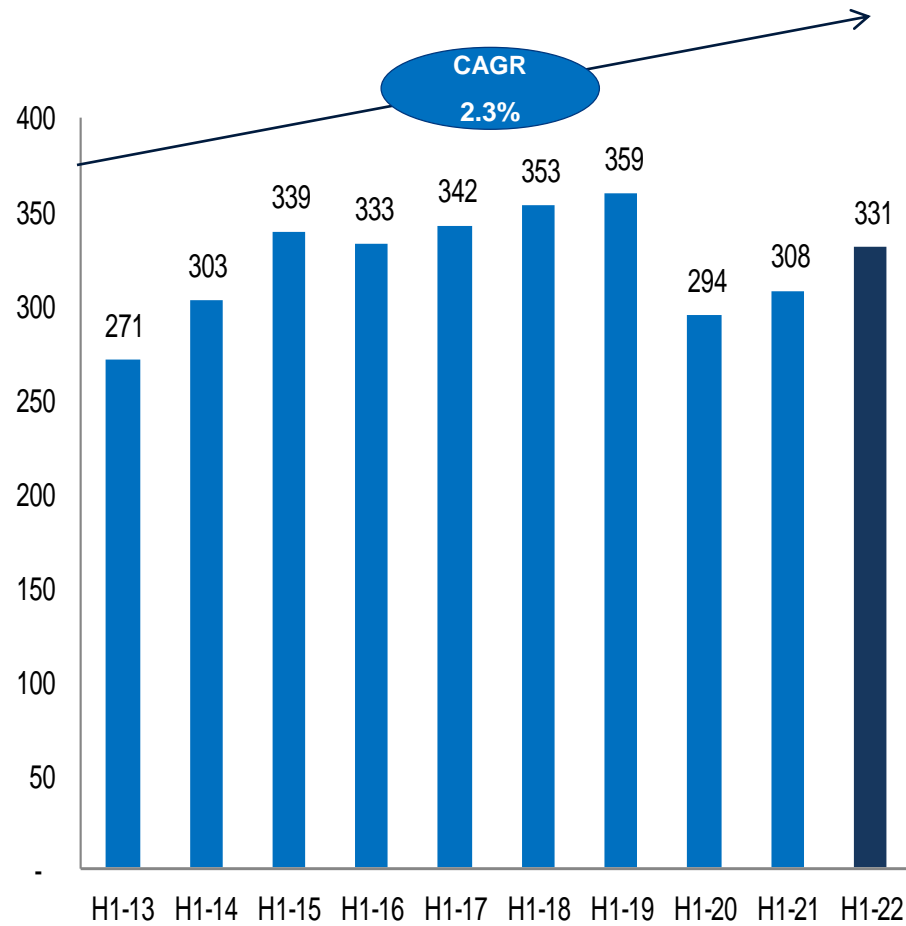
Balance Sheet – 30 June 2022

QR 'Mln	Jun-22	Dec-21	Variance	
			Amount	%
Cash and Balances with central bank (includes Statutory reserve: QR 1.20 bln)	2,783	2,443	339	14%
Due from Banks	3,136	3,001	135	5%
Loans and Advances	34,344	33,570	774	2%
SOQ	655	526	129	24%
Special Loans @ 1.5%	1,981	2,231	(250)	-11%
Other Loans (including interest receivable)	31,708	30,813	895	3%
Investments	8,436	8,613	-178	-2%
Others	505	466	40	8%
Total assets	49,204	48,093	1,111	2%
0% QCB Support	1,468	2,300	(832)	-36%
Customer Deposits	26,750	27,925	-1,175	-4%
Medium Term Funding	1,640	1,093	547	50%
EMTN	5,477	7,315	-1,838	-25%
Others	6,297	1,775	4,522	255%
Total Liabilities	41,631	40,408	1,223	3%
Shareholder's Equity	6,482	6,593	-112	-2%
AT-1	1,092	1,092	-	0%
Total Liabilities & Equity	49,204	48,093	1,111	2%

Repaid US \$500 mln of Tranche 2 on Feb 2022

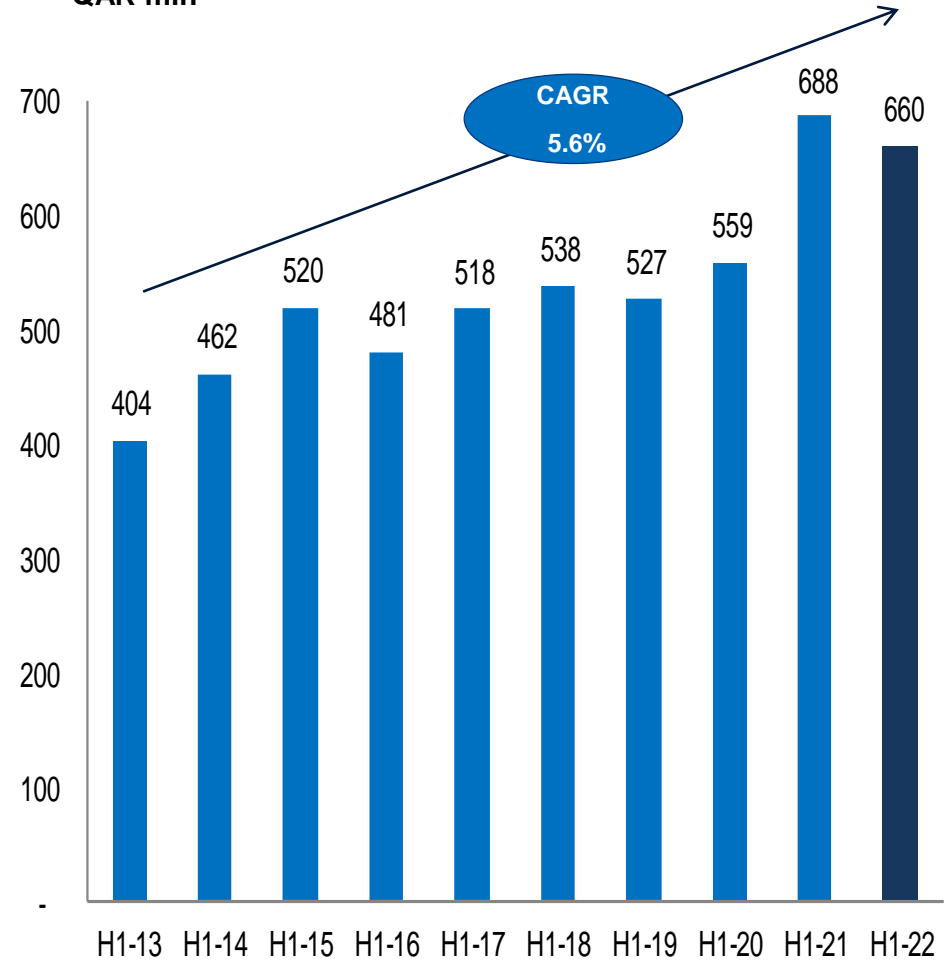
Steady Operating Income

QAR mln



Net Profit

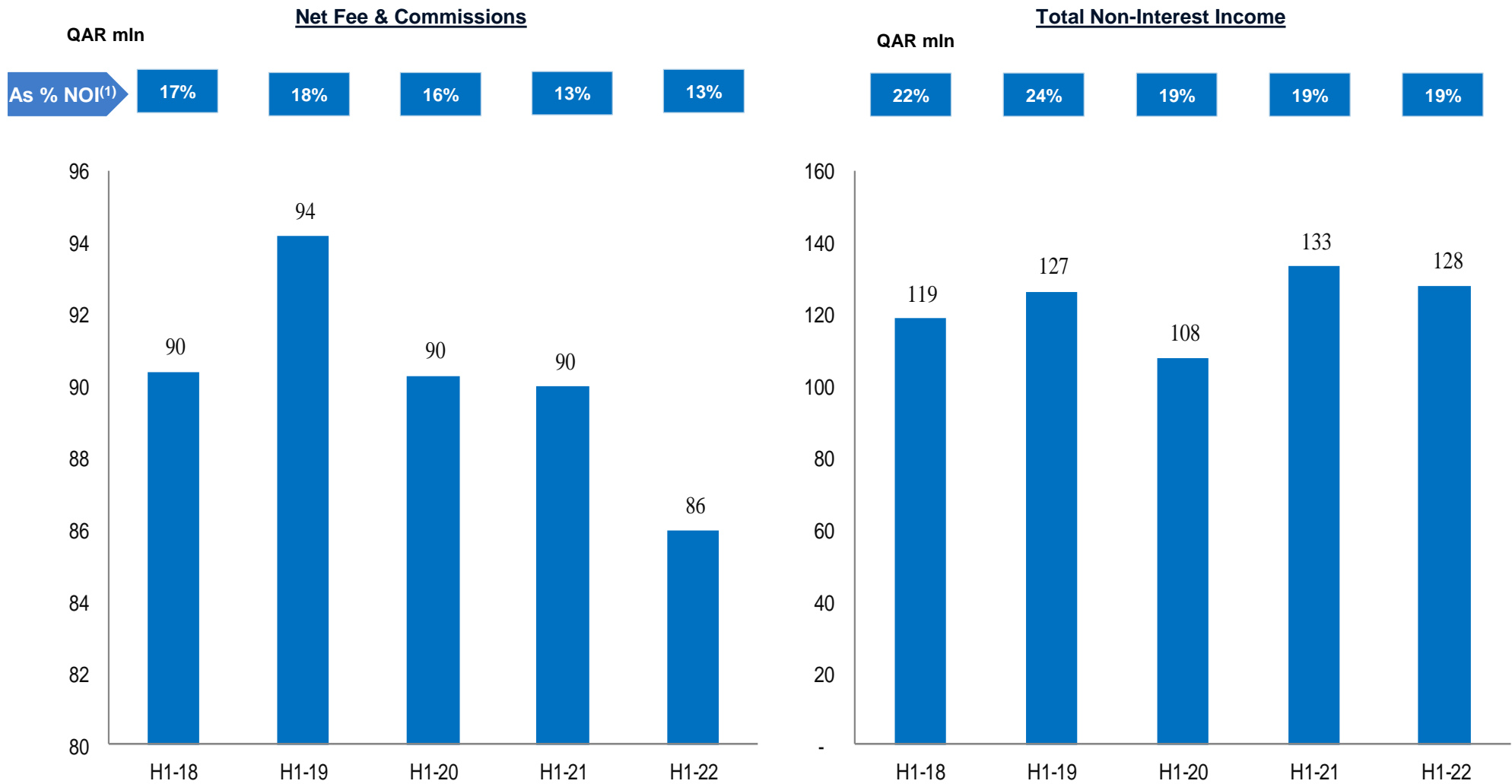
QAR mln



Operating Income

Diversified Revenues

ABQ benefits from diversified revenues with non-interest income representing 19% of net operating income in H1-2022



1. Net Operating Income.

Total Assets – Trend

QAR mln

60,000

50,000

40,000

30,000

20,000

10,000

-

2017

2018

2019

2020

2021

Jun-22

39,883

40,403

43,915

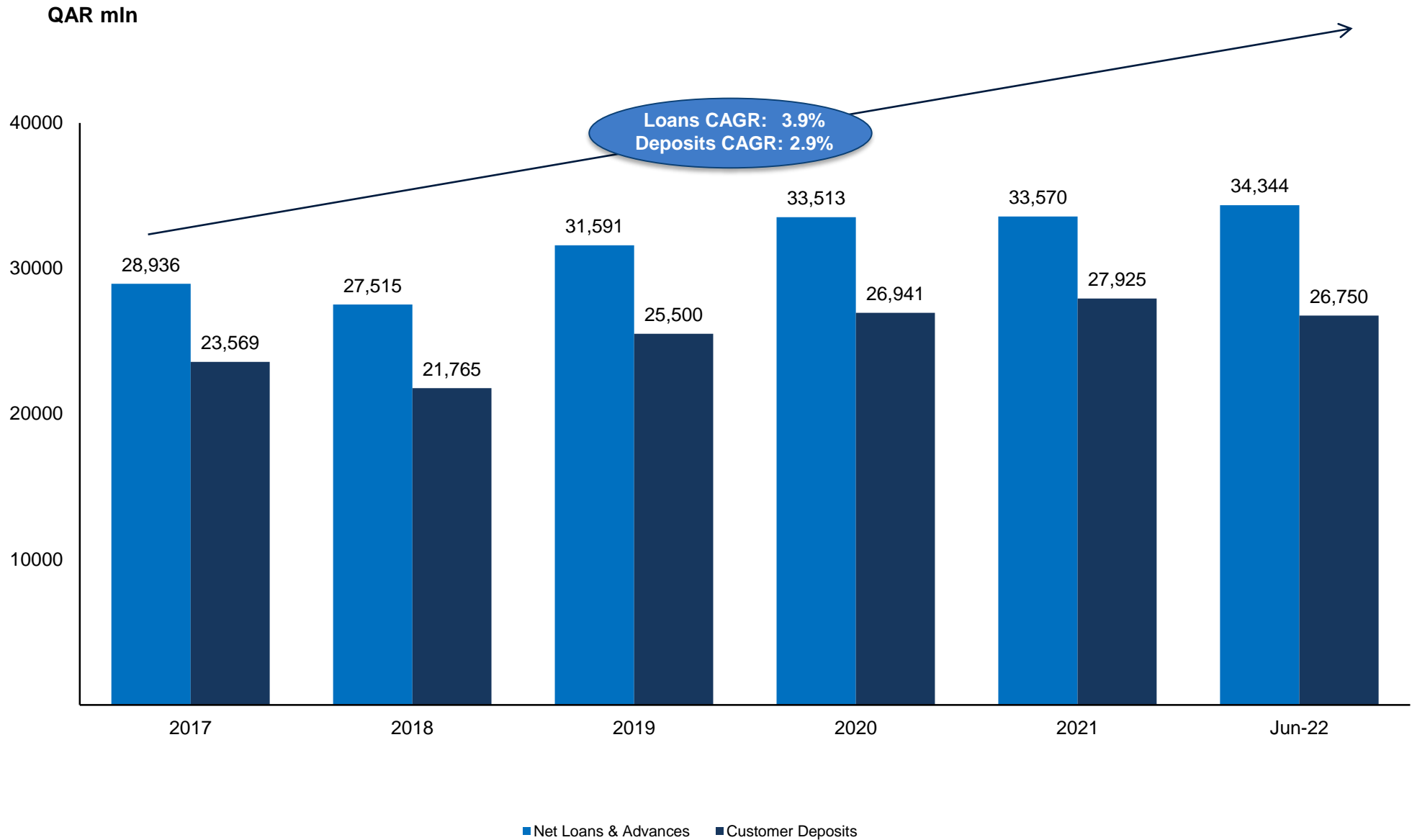
47,555

48,093

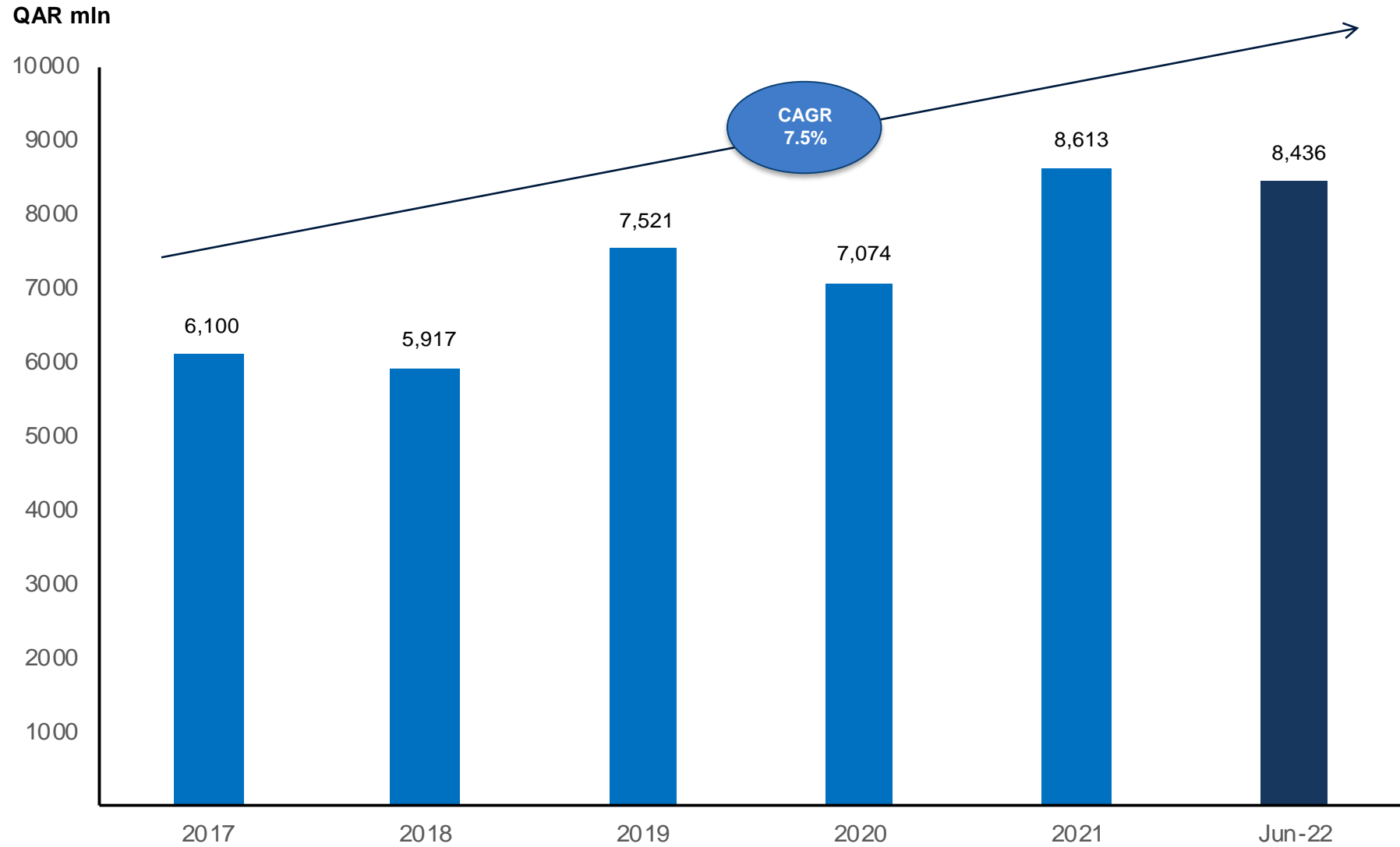
49,204

CAGR
4.8%

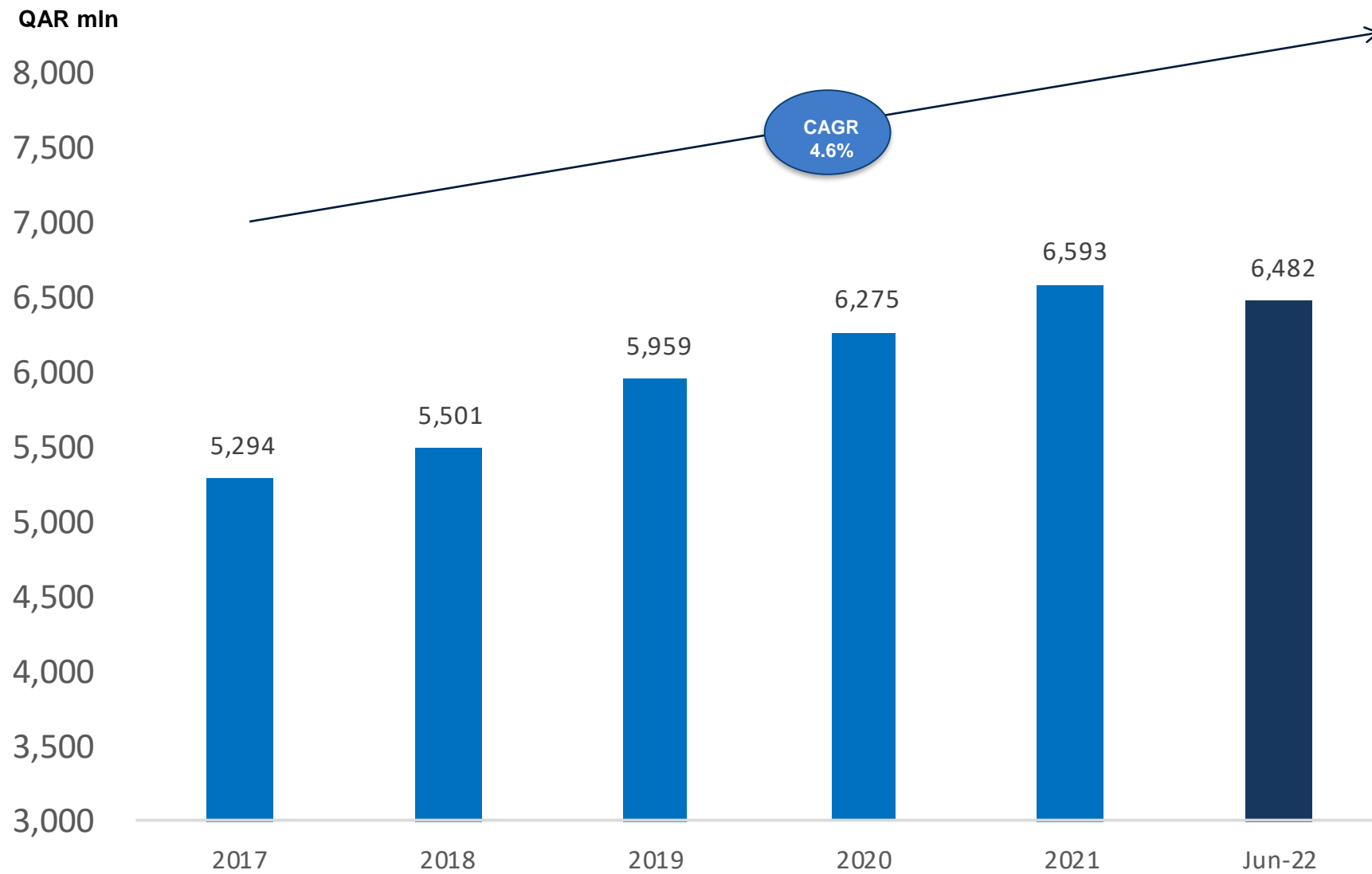
Net Loans & Advances / Customer Deposits – Trend



Proprietary Investments – Trend



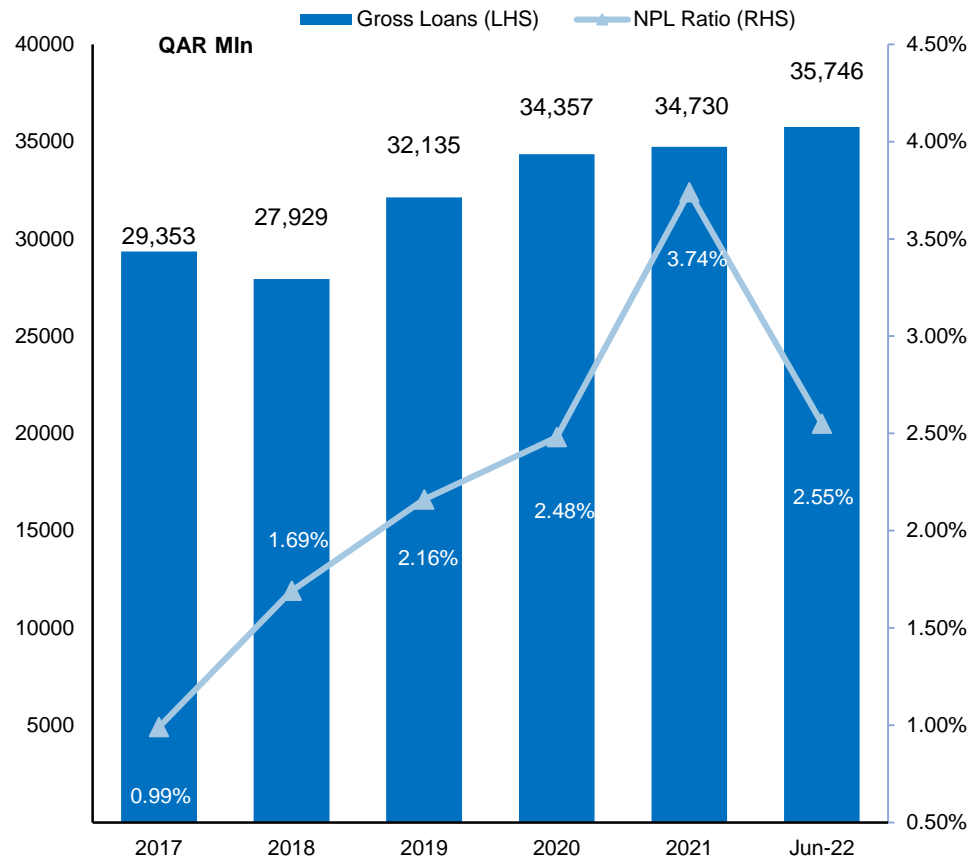
Shareholder's Funds – Trend



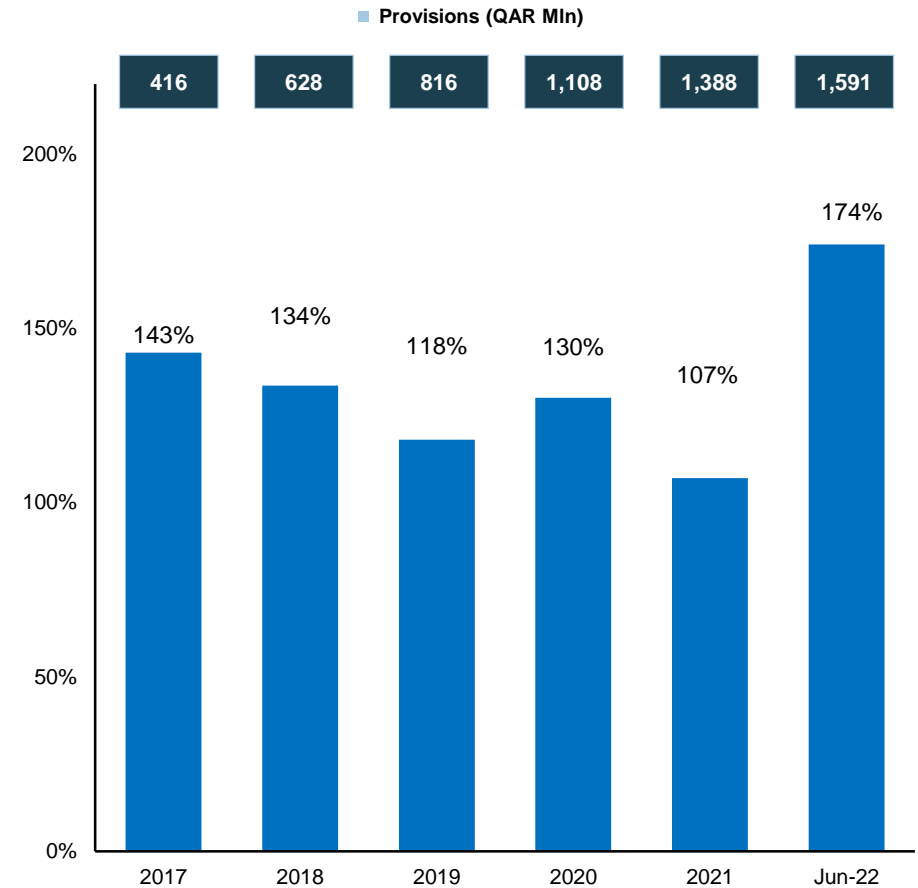
Asset Quality

NPL ratio of 2.55% and a coverage of 174% as at 30 June 2022

Gross Loans and NPL Ratio⁽¹⁾

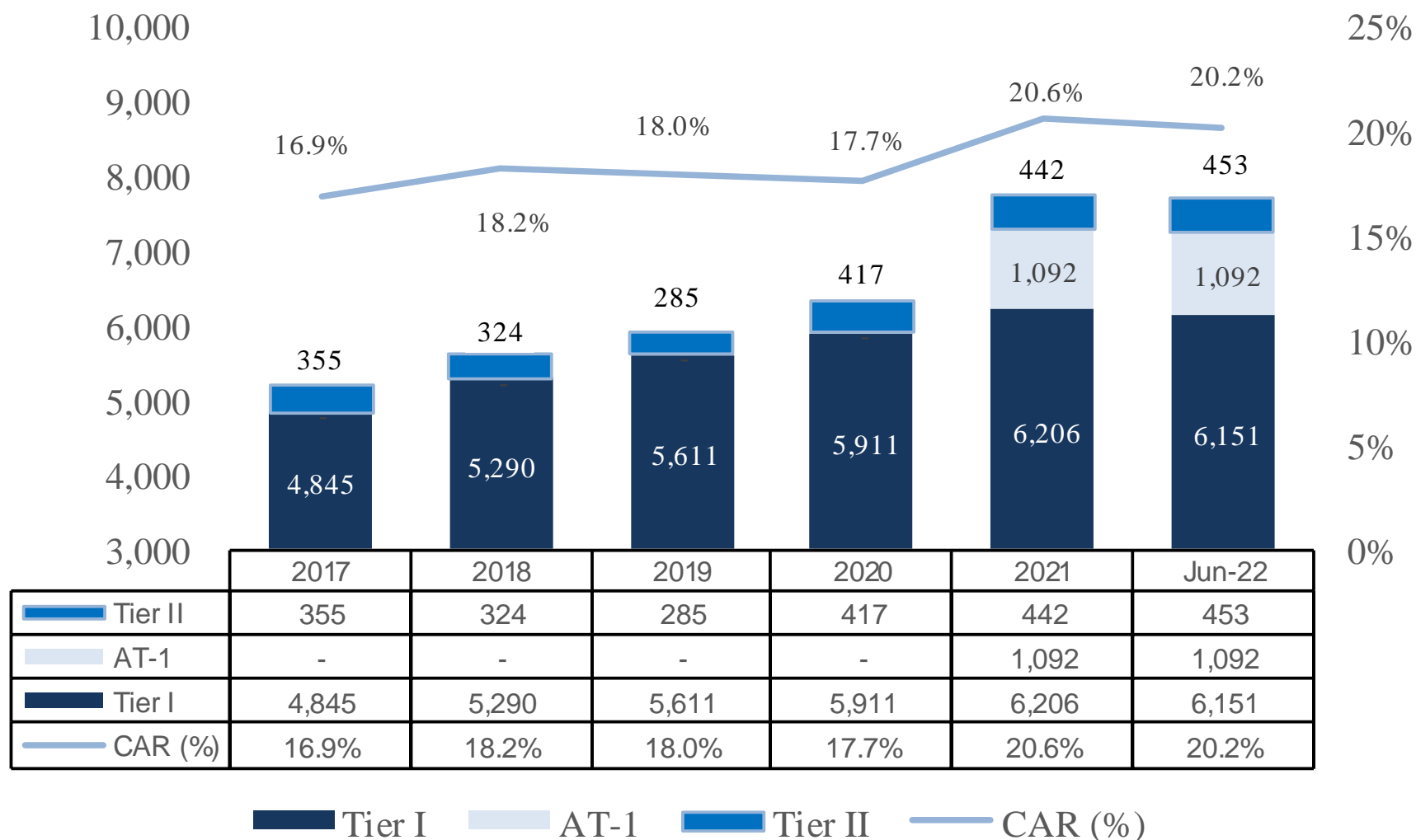


NPL Provision Coverage⁽²⁾



1. Non-Performing Loans divided by gross loans.
2. Loan loss impairment provision divided by non-performing loans.

Capital Adequacy Ratio



Diversified Funding Mix

Debut Syndicated Bank Facilities (Sep 2014)

- 3-year US\$ 200 mln Syndicated Term Loan Facility for general corporate funding purposes carrying a margin of 120 basis points over LIBOR
- Syndication was launched in an initial amount of US\$ 100 mln and closed significantly oversubscribed
- Refinanced by a new 3 year US\$ 195 mln STLF in Sep 2016.

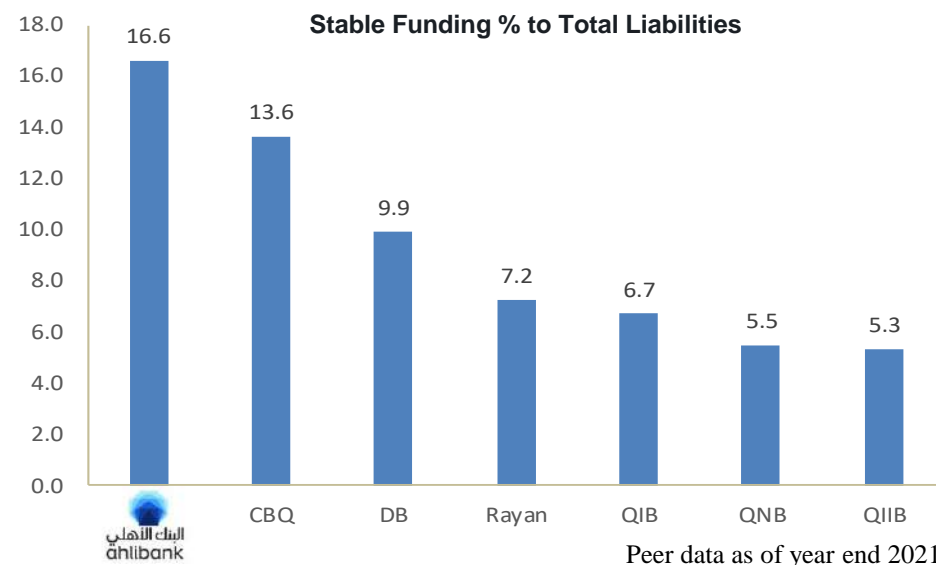
Fundraising in International Debt Capital Markets

- 5-year US\$ 500 mln EMTN tranche I was issued in Apr 2016 carrying a coupon rate of 3.625% and was 2.4 times oversubscribed. Repaid in April 2021.
- 5 year US\$ 500 mln EMTN tranche II was issued in Feb 2017 at a coupon rate of 3.50% and was 4 times oversubscribed
- 5 year US\$ 500 mln EMTN tranche III was issued in Sep 2019 at a coupon rate of 3.125% and was 3.5 times oversubscribed
- 5 year US\$ 500 mln EMTN tranche IV was issued in Sep 2020 at a coupon rate of 1.875% and was oversubscribed 3 times.
- 5 year US\$ 500 mln EMTN tranche V was issued in July 2021 at a coupon rate of 2% at significant oversubscription.
- Term loan facility from Barclays increased to US\$ 400 Mln maturing in April 2026

Maturity Profile

- With the new facilities, we have significantly improved our funding profile, positioning ourselves in line with most peers, and demonstrated our ability to access capital markets
- In 2018, increased and extended the tenor of approximately US\$ 200 mln of committed , stable funding.
- In 2019,increased the Asian club loan financing to US\$ 100 mln (additional US\$50 mln) and extended US\$ 250 mln committed bilateral facility to Nov 2023
- 5 Tranches of 5 year US\$ 500 mln EMTN each completed, thereby improving the maturity profile.
- *First tranche of US\$ 500 mln repaid in April 2021
- Second tranche of US\$ 500 mln repaid in February 2022

Maturity Profile



Description,	Principal (QAR mln)	Maturity	Original Tenor
Term Loan Facility (US\$)	182.0	Jul 2022	2 years
Term Loan Facility (US\$)	1,456.0	April 2026	4 years
EMTN Tranche 3 (US\$)	1,820.0	Sep 2024	5 years
EMTN Tranche 4 (US\$)	1,820.0	Sept 2025	5 years
EMTN Tranche 5 (US\$)	1,820.0	July 2026	5 years
Total	7,098.0		

Market Positioning

Cost to Income (%)				
	2019	2020	2021	H1-2022
QIB	23.8	20.9	18.9	17.5
QIIB	24.2	21.2	19.8	20.0
QNB	27.7	25.7	23.6	21.5
Rayan	22.9	21.6	22.0	24.7
ABQ	27.4	25.6	25.0	25.3
CBQ	29.9	27.3	30.6	26.5
DB	37.1	31.7	30.1	31.8

Return on Assets (%)				
	2019	2020	2021	H1-2022
QIB	1.82	1.70	1.83	1.80
QIIB	1.62	1.40	1.46	1.65
CBQ	1.25	0.73	1.26	1.52
ABQ	1.66	1.50	1.49	1.42
Rayan	2.13	1.93	1.28	1.21
QNB	1.49	1.12	1.15	1.19
DB	0.53	0.47	0.48	1.13

Return on Equity (%)				
	2019	2020	2021	H1-2022
QIB	17.9	16.6	17.5	16.7
QNB	19.4	15.2	15.9	16.6
QIIB	15.1	13.9	14.3	16.0
CBQ	10.7	6.1	11.2	14.3
DB	5.8	5.4	5.0	11.3
ABQ	11.9	11.3	11.3	10.2
Rayan	16.5	15.9	10.7	8.8

NIM (%)				
	2019	2020	2021	H1-2022
QIB	2.47	2.72	2.74	2.83
CBQ	2.06	2.12	2.30	2.41
QNB	2.26	2.18	2.24	2.41
DB	1.58	1.99	2.30	2.33
Rayan	2.04	2.37	2.30	2.24
ABQ	1.81	2.07	2.19	2.21
QIIB	2.32	2.35	2.31	1.98

Banking Partners' Footprint

Who do we principally work with?



SEB

ING



HSBC



HSBC



GCC Countries	Banks
UAE	
KSA	
Bahrain	
Oman	
Kuwait	

Disclaimer:

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