

البنك الأهلي
ahlibank



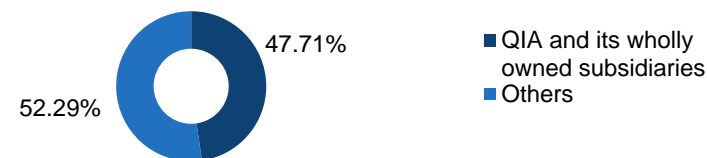
Investor Presentation Q1 2022

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 10.06 bln (as of 31 March 2022)
 - Has a network of 14 branches and 83 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 26.1%
- Effective risk management and high quality loan book as proven by low non-performing assets
 - NPL ratio stood at 3.76% and conservatively provisioned (coverage of 113% including ECL provisions as of March 2022)
- Good capital position with Basel III Capital Adequacy Ratio (CAR) of 20.8% as of March 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 16.4% as of March 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		Mar 2021		Mar 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	49,067	13,480	46,435	12,757
Total Net Loans	33,513	9,207	33,570	9,223	34,100	9,368	33,570	9,223
Total Customer Deposits	26,941	7,401	27,925	7,672	28,575	7,850	27,684	7,605
Total Equity	6,275	1,724	7,685	2,111	7,193	1,976	7,466	2,051
CAR (Basel III)	17.7%		19.9%		20.6%		20.8%	
C / I Ratio	25.6%		25.0%		25.4%		26.1%	
RoAE	11.3%		11.3%		12.1%		11.8%	

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. A new social media platform has also been launched to stay engaged with the 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 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

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



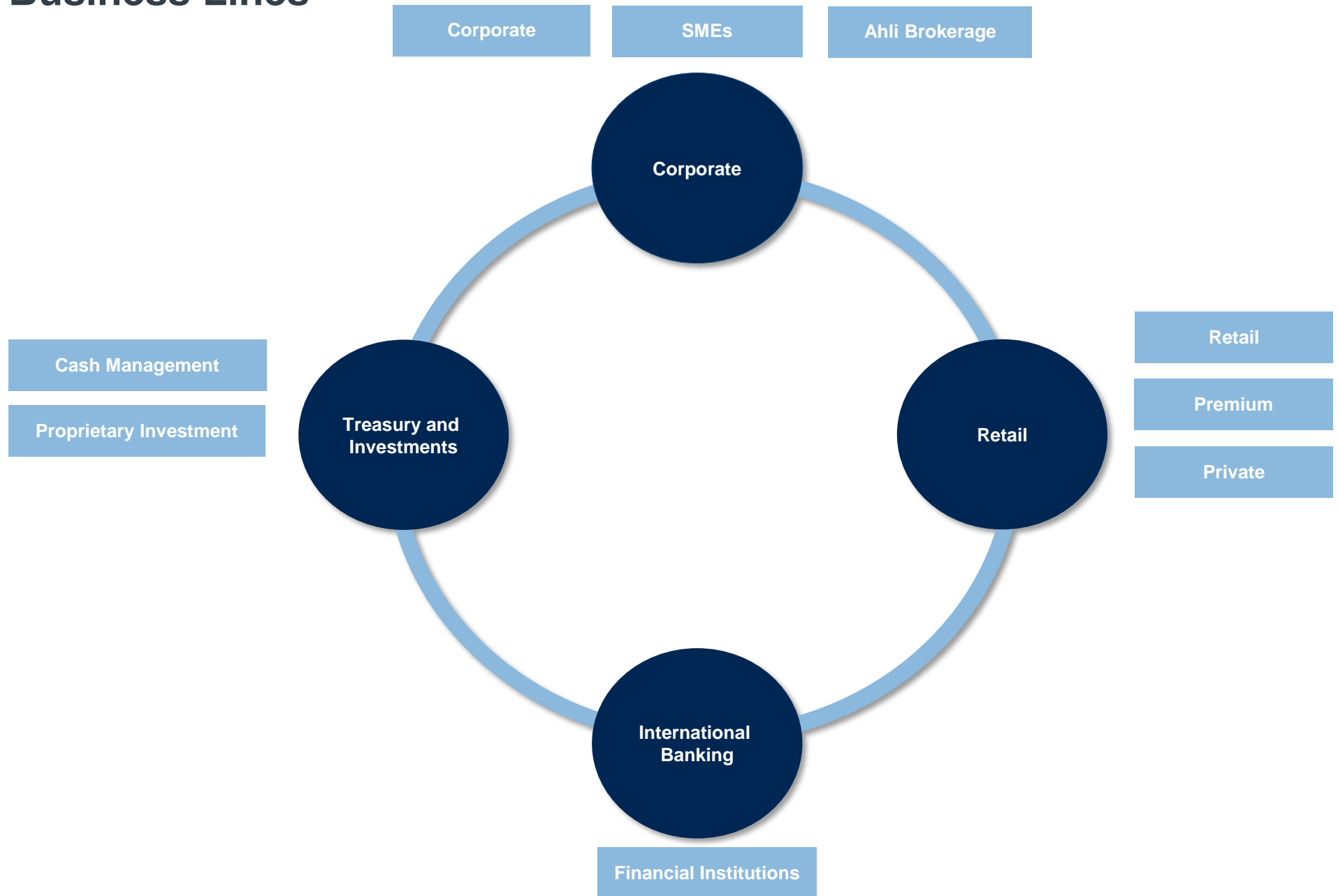
International Federation of Red Cross and Red Crescent Societies



The Qatar Society for Rehabilitation of Special Needs



Business Lines



Executive Summary – Q1 2022

- 1) Satisfactory Performance for the quarter with net profit growth of 2.6%;
- 2) Capital Adequacy Ratio of 20.83% Post dividend
- 3) Tranche II of EMTN of USD 500mln was repaid in February 2022
- 4) NPL Ratio stood at 3.76% (2021 : 3.74%) with an improved coverage of 113% (2021 : 107%)
- 5) Loans and Advances ; Support to industry
 - 1) Deferment of SME & Non-SME loan dues till 31st Mar 2022, now extended for further three months to June 2022
 - 2) QCB mandated New loans provided to corporate customers @1.5% ; Current exposure ~QR 2.2 billion
 - 3) QDB guaranteed loan for SME's disbursed ; Current exposure ~QR 74 mln;
- 6) Funding
REPO facility for QR2.3billion availed from QCB @ ZERO interest to fund the above loans ; extended till June 2022
- 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

Key Highlights

	Mar 2022	Mar 2021	Growth
Net Interest Income	QAR 246 Mln	QAR 257 Mln	-4.2% ↓
Operating Income	QAR 326 Mln	QAR 321 Mln	2% ↑
Net Profit	QAR 191 Mln	QAR 187 Mln	2.6% ↑
	Mar 2022	December 2021	Growth
Total Assets	QAR 46,435 Mln	QAR 48,093 Mln	-3.4% ↓
Loans & Advances	QAR 33,570 Mln	QAR 33,570 Mln	0%
Customer Deposits	QAR 27,684 Mln	QAR 27,925 Mln	-0.9% ↓
EMTN	QAR 5,443 Mln	QAR 7,315 Mln	-25.6% ↓

NPL	QAR 1,310 Mln	QAR 1,298 Mln	0.9% ↑
Total Provisions	QAR 1,474 Mln	QAR 1,388 Mln	6.2% ↑
NPL Coverage	113%	107%	5.6% ↑
NPL Ratio	3.76%	3.74%	0.02% ↑

P&L-YTD March 2022

QAR '000	Actuals		YOY Variance Fav/(Adv)
	Mar-22	Mar-21	
Interest income	399,567	422,526	-5%
Interest expense	153,468	165,558	7%
Net interest income	246,099	256,968	-4%
Fees and other income	59,091	54,933	8%
Income on Investment securities	21,042	8,917	136%
Total operating income	326,232	320,819	2%
Staff Expenses	44,090	42,611	-3%
Other expenses and Depreciation	41,012	38,931	-5%
Total operating expenses	85,102	81,542	-4%
Net operating income before provisions	241,130	239,277	1%
Provisions for loan losses- ECL/Specific	74,789	55,257	-35%
Recoveries of provisions	(25,111)	(2,546)	886%
Net Provisions	49,678	52,710	6%
Net Profit	191,452	186,566	2.6%

Balance Sheet – 31 March 2022

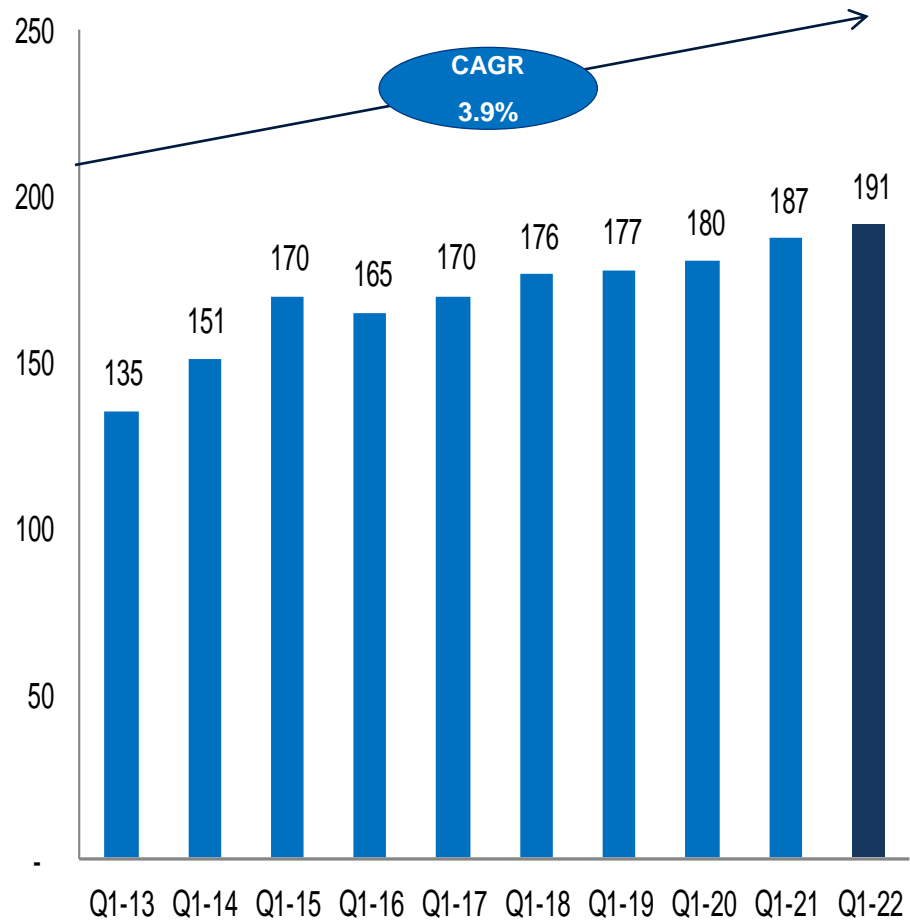
QR 'Mln	Mar-22	Dec-21	Variance	
			Amount	%
Cash and Balances with central bank (includes Statutory reserve: QR 1.22 bln)	1,938	2,443	(505)	-21%
Due from Banks	2,084	3,001	(917)	-31%
Loans and Advances	33,570	33,570	0	0%
SOQ	664	526	138	26%
Special Loans @ 1.5%	2,204	2,231	(27)	-1.2%
Other Loans (including interest receivable)	30,702	30,813	(111)	-0.4%
Investments	8,349	8,613	(265)	-3%
Others	494	466	28	6%
Total assets	46,435	48,093	(1,659)	-3%
0% QCB Support	2,300	2,300	-	-
Customer Deposits	27,684	27,925	(241)	-1%
Medium Term Funding	1,093	1,093	0	0%
EMTN	5,443	7,315	(1,872)	-26%
Others	2,449	1,775	674	38%
Total Liabilities	38,968	40,408	(1,440)	-4%
Shareholder's Equity	6,374	6,593	(219)	-3%
AT-1	1,092	1,092	-	-
Total Liabilities & Equity	46,435	48,093	(1,659)	-3%

Extended till 30 June 2022

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

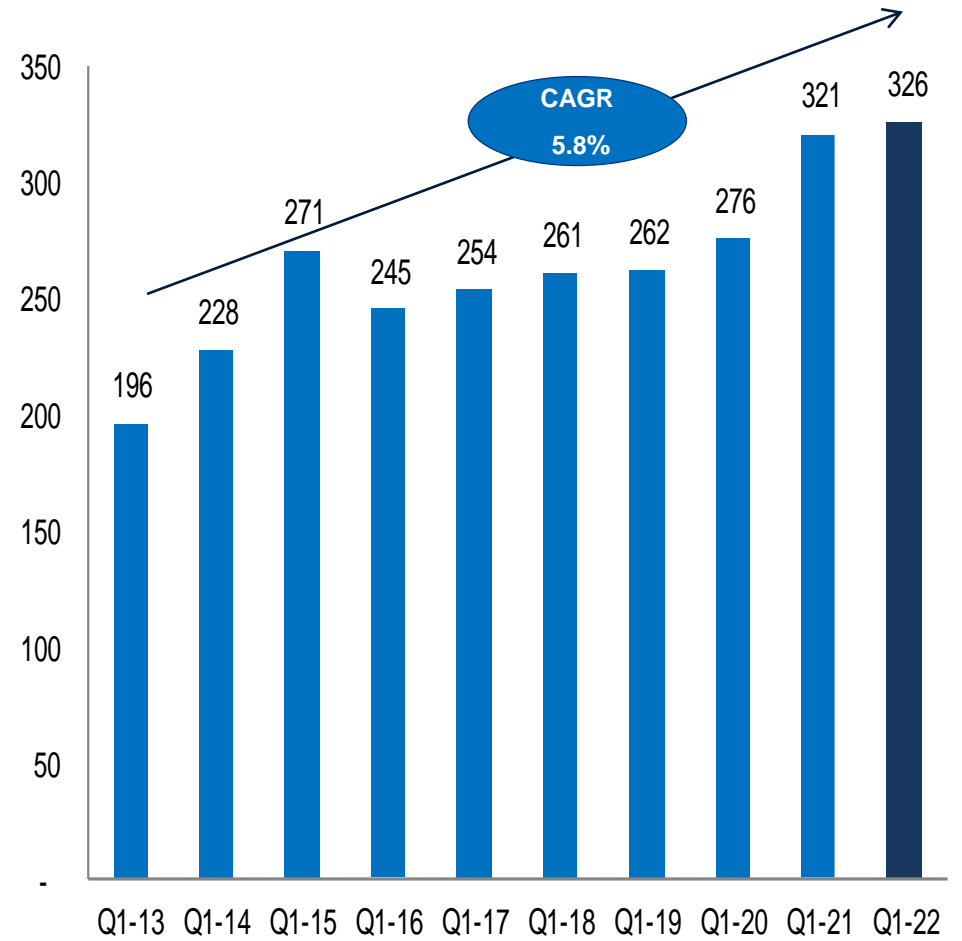
Steady Operating Income

QAR mln



Net Profit

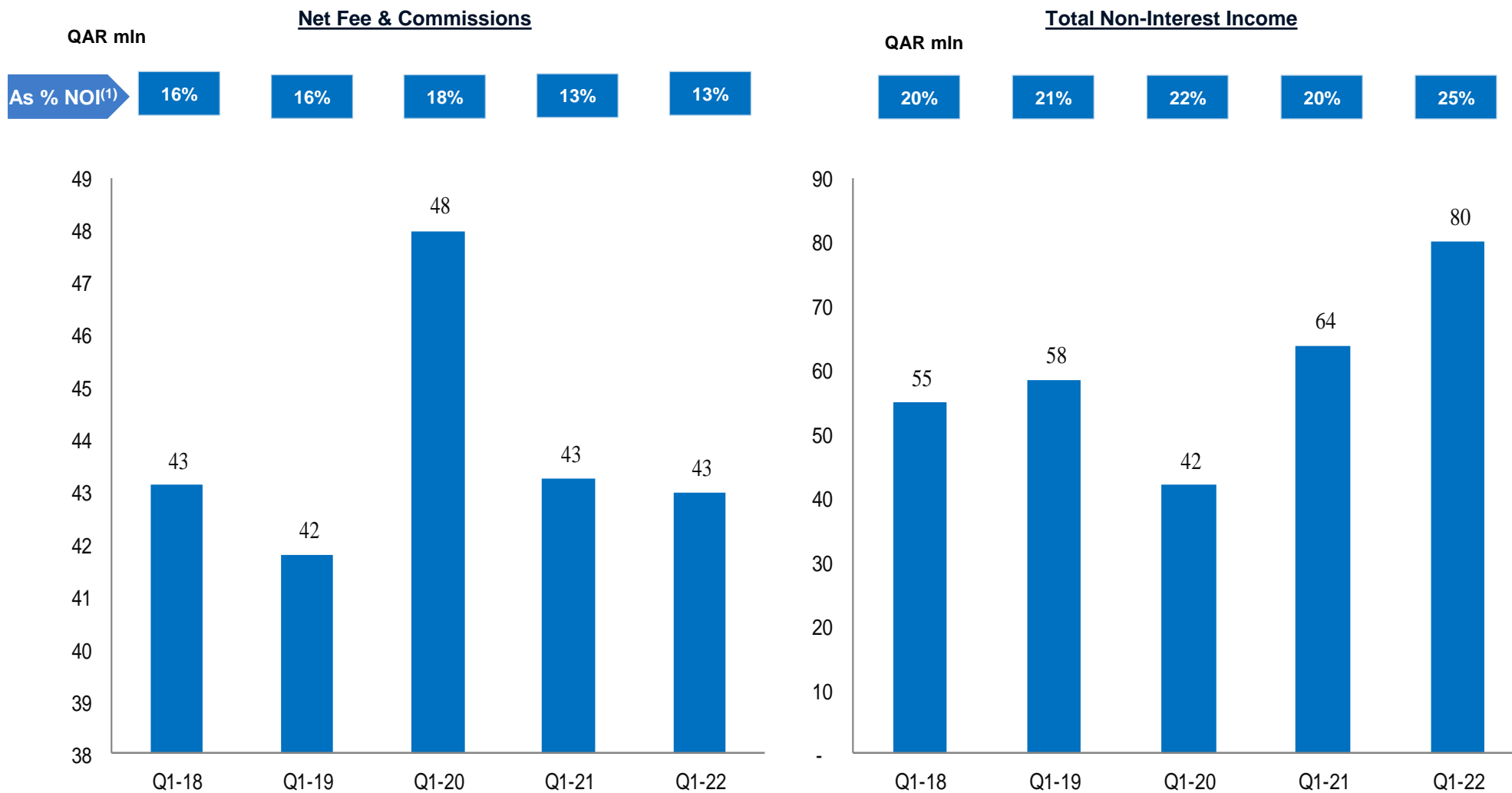
QAR mln



Operating Income

Diversified Revenues

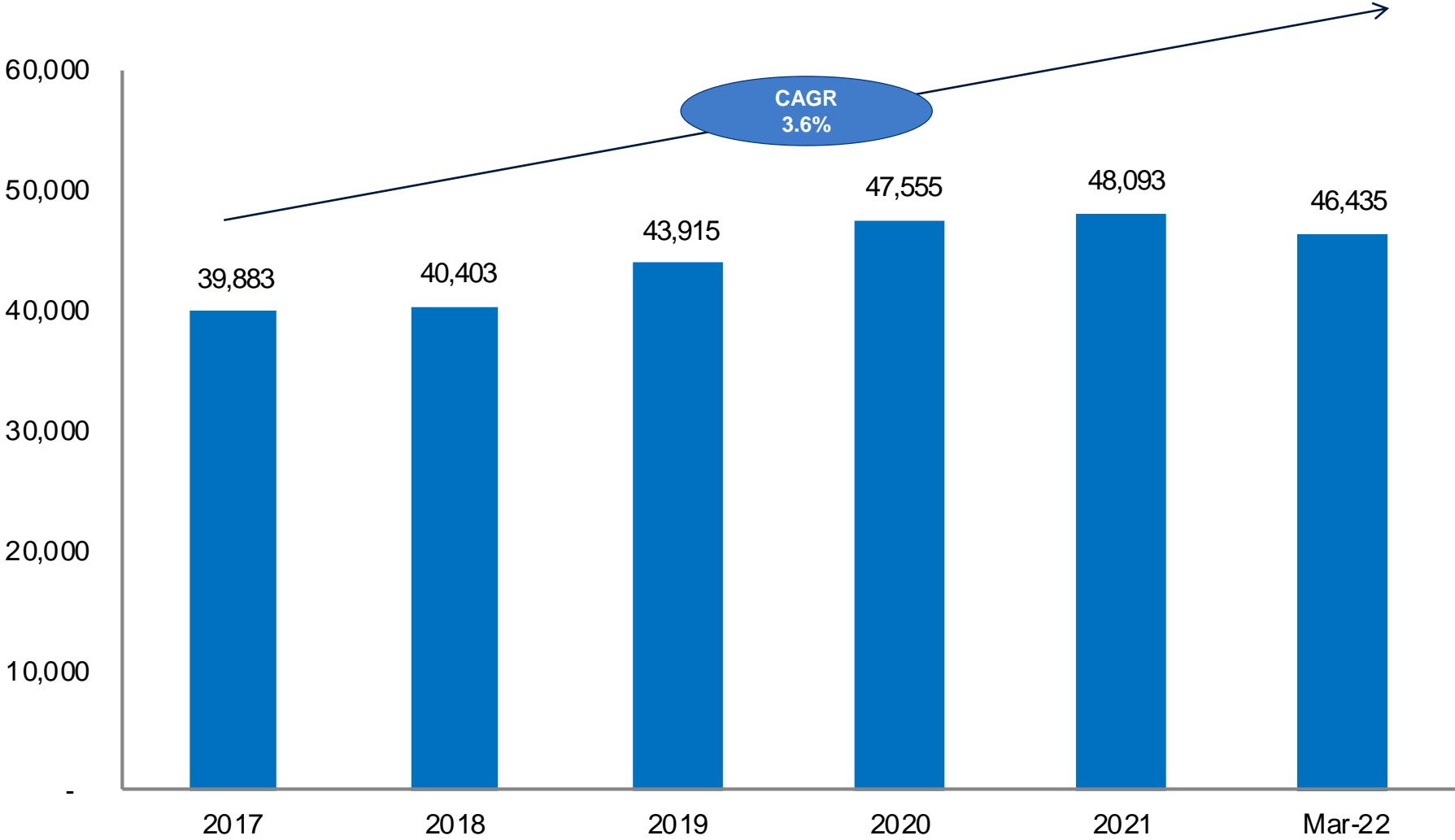
ABQ benefits from diversified revenues with non-interest income representing **25%** of net operating income in Q1-2022



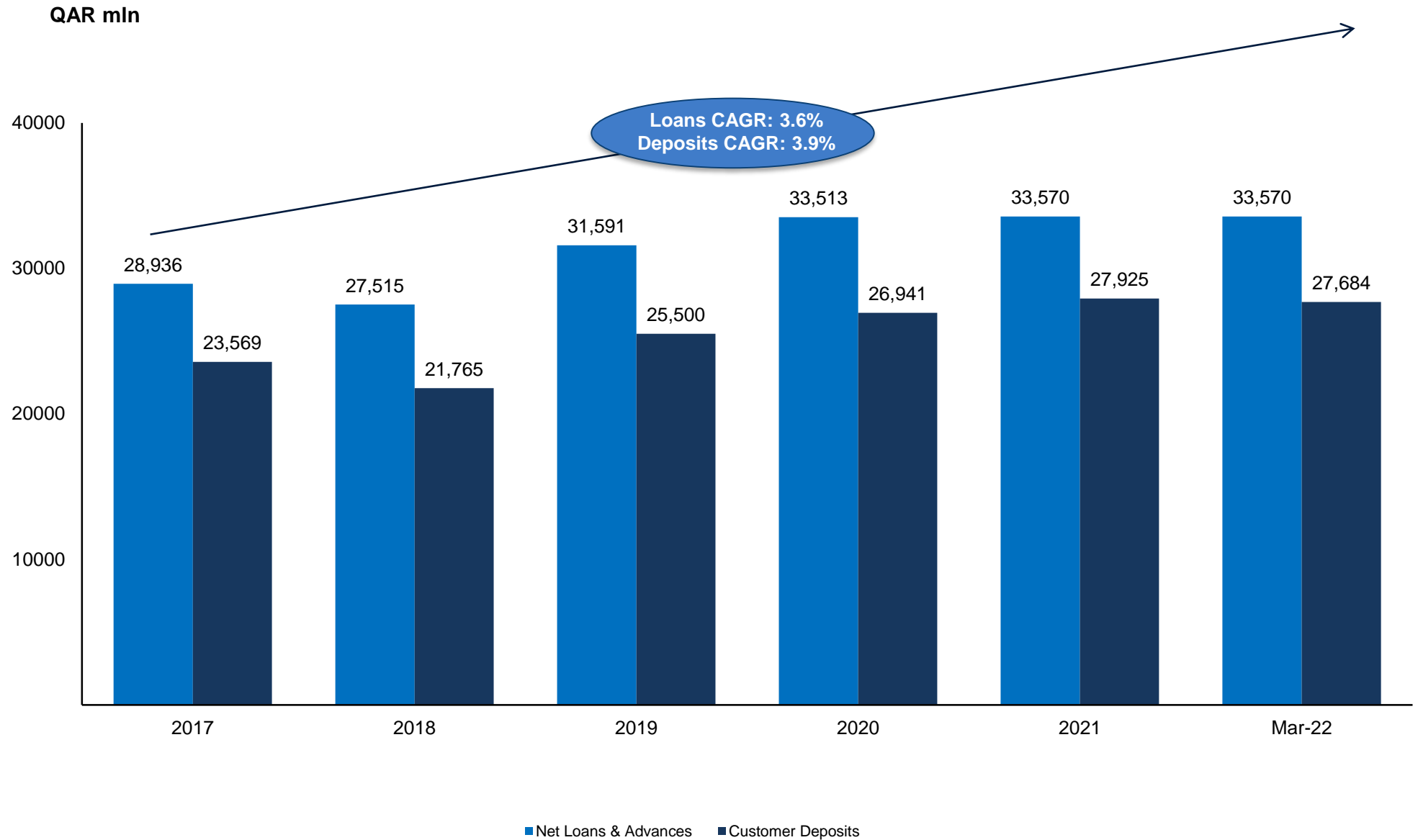
1. Net Operating Income.

Total Assets – Trend

QAR mln

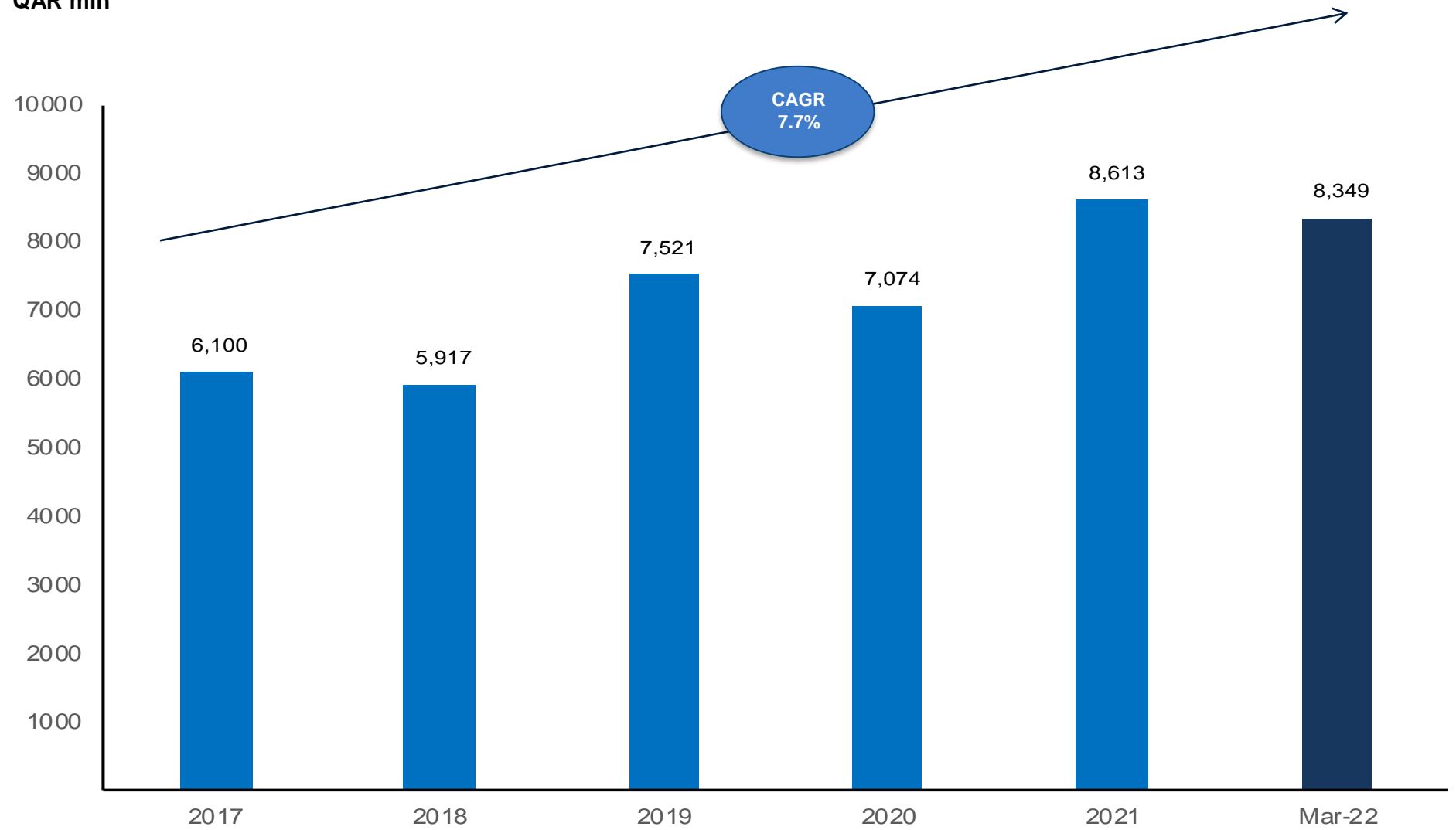


Net Loans & Advances / Customer Deposits – Trend

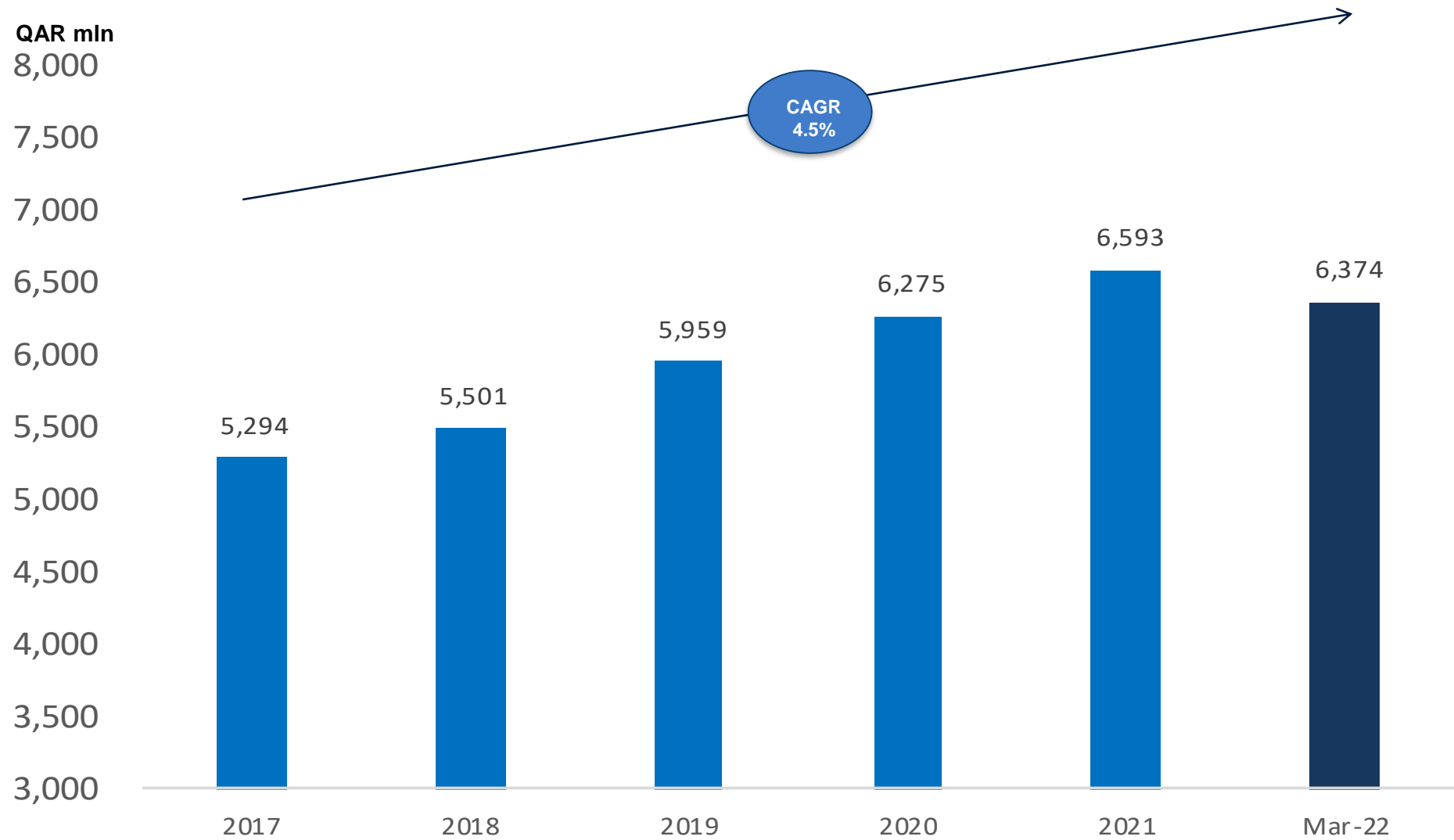


Proprietary Investments – Trend

QAR mln



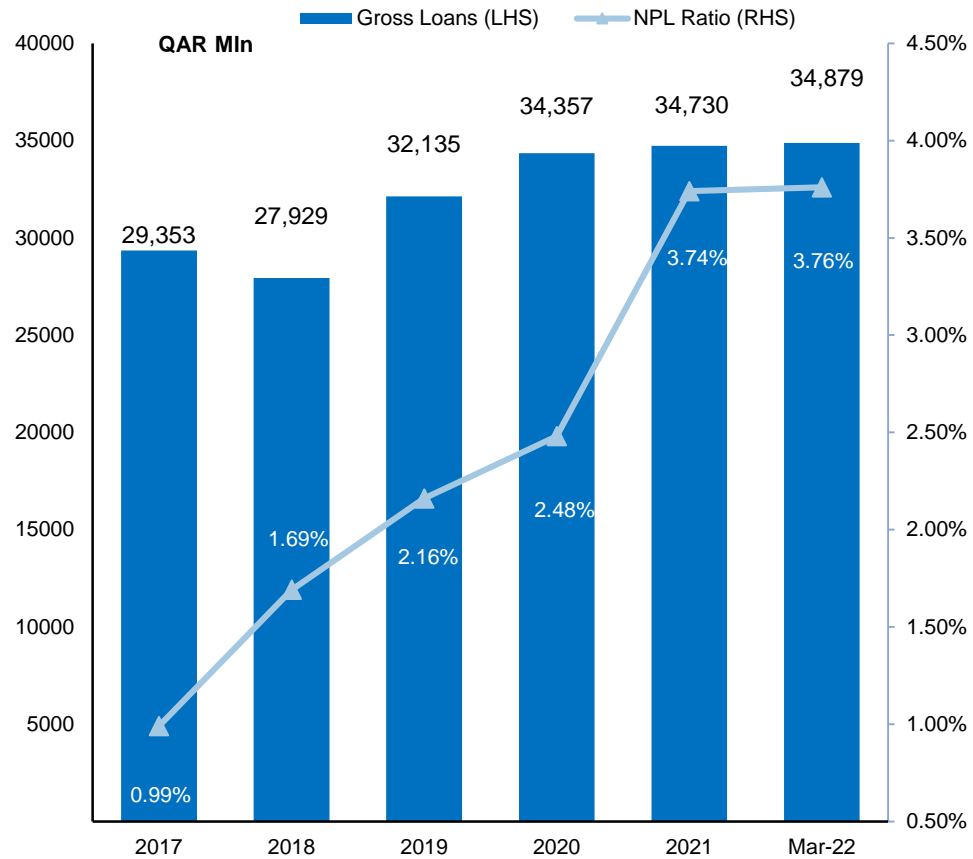
Shareholder's Funds – Trend



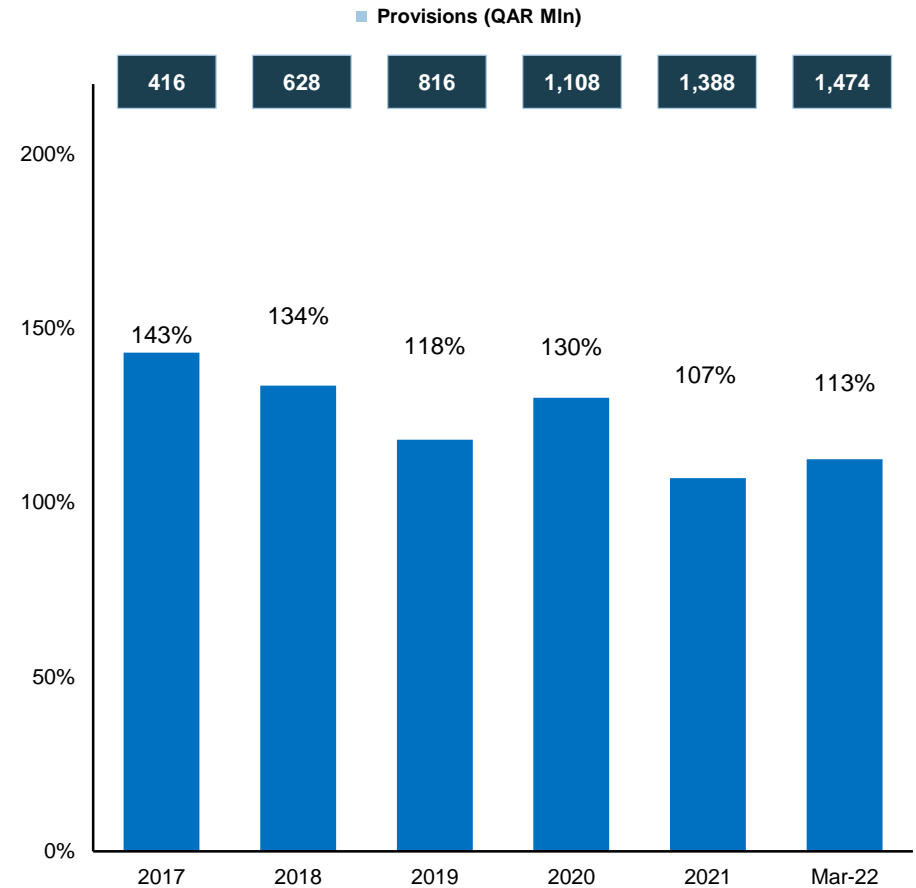
Asset Quality

NPL ratio of 3.76% and a coverage of 113% as at 31st March 2022

Gross Loans and NPL Ratio⁽¹⁾

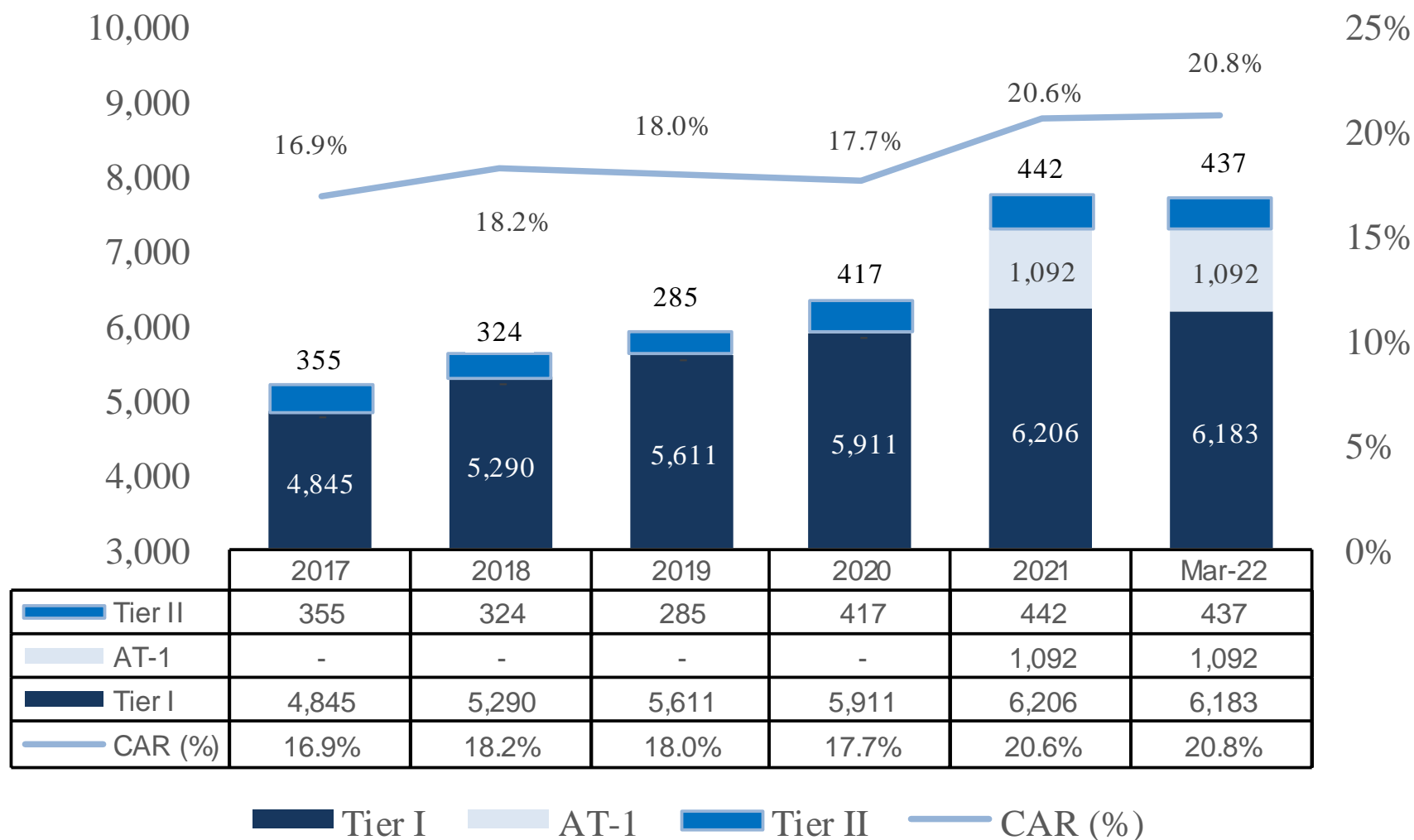


NPL Provision Coverage⁽²⁾



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

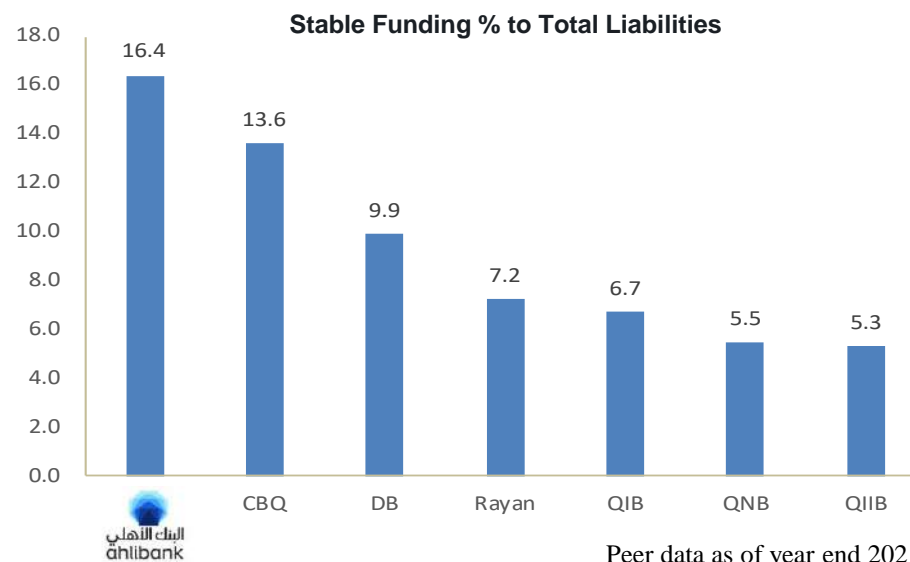
- 5-year US\$ 500 mln EMTN tranche I was issued in Apr 2016 carrying a coupon rate of 3.625% and was 2.4 times oversubscribed. Repaid in April 2021.
- 5 year US\$ 500 mln EMTN tranche II was issued in Feb 2017 at a coupon rate of 3.50% and was 4 times oversubscribed
- 5 year US\$ 500 mln EMTN tranche 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.

Description,	Principal (QAR mln)	Maturity	Original Tenor
Term Loan Facility (US\$)	182.0	Jul 2022	2 years
Term Loan Facility (US\$)	910.0	Nov 2023	3 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	6,552.0		

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



Market Positioning

Cost to Income (%)				
	2019	2020	2021	Q1-2022
QIB	23.8	20.9	18.9	17.5
QIIB	24.2	21.2	19.8	20.1
QNB	27.7	25.7	23.6	22.3
Rayan	22.9	21.6	22.0	25.6
ABQ	27.4	25.6	25.0	26.1
DB	37.1	31.7	30.1	29.9
CBQ	29.9	27.3	30.6	30.4

Return on Assets (%)				
	2019	2020	2021	Q1-2022
QIIB	1.62	1.40	1.46	1.72
QIB	1.82	1.70	1.83	1.69
ABQ	1.66	1.50	1.49	1.66
CBQ	1.25	0.73	1.26	1.54
DB	0.53	0.47	0.48	1.40
QNB	1.49	1.12	1.15	1.24
Rayan	2.13	1.93	1.28	1.19

Return on Equity (%)				
	2019	2020	2021	Q1-2022
QNB	19.4	15.2	15.9	17.5
QIIB	15.1	13.9	14.3	16.9
QIB	17.9	16.6	17.5	15.9
CBQ	10.7	6.1	11.2	14.3
DB	5.8	5.4	5.0	14.1
ABQ	11.9	11.3	11.3	11.8
Rayan	16.5	15.9	10.7	8.7

NIM (%)				
	2019	2020	2021	Q1-2022
QIB	2.47	2.72	2.75	2.84
DB	1.58	1.99	2.30	2.43
CBQ	2.06	2.12	2.30	2.41
QNB	2.26	2.18	2.24	2.33
Rayan	2.04	2.37	2.30	2.15
ABQ	1.81	2.07	2.19	2.05
QIIB	2.32	2.35	2.31	2.00

Banking Partners' Footprint

Who do we principally work with?



SEB

ING

BARCLAYS COMMERZBANK

HSBC

Standard Chartered

MIZUHO

البنك العربي الافريقي الدولي
Arab African International Bank

HSBC

BARCLAYS

Commonwealth Bank

GCC Countries	Banks
UAE	
KSA	
Bahrain	
Oman	
Kuwait	

Disclaimer:

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