

البنك الأهلي
ahlibank



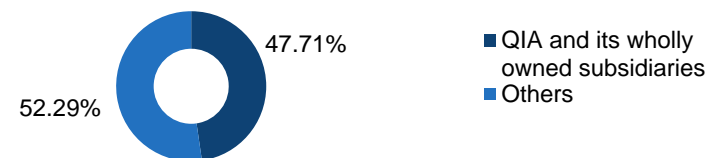
Investor Presentation Q3 2023

Overview

Overview

- Founded in 1983 and listed on the Qatar Stock Exchange,
 - Market cap of QAR 9.46 bln (as of 30 Sep 2023)
 - Has a network of 11 branches and 90 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 24%
- 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 230% including ECL provisions as of Sept 2023)
- Good capital position with Basel III Capital Adequacy Ratio (CAR) of 20.6% as of Sept 2023.
- 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 12.7% as of Sept 2023

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) solid capital and healthy liquidity (2) strong profitability and (3) contained level of reported problem loans and improved provisioning coverage,” Moody’s, June, 2023

Key Indicators	2021		2022		Sep 2022		Sep 2023	
	QAR mln	US\$ mln	QAR mln	US\$ mln	QAR mln	US\$ mln	QAR mln	US\$ mln
Total Assets	48,093	13,212	48,575	13,345	48,710	13,382	59,559	16,362
Total Net Loans	33,570	9,223	34,032	9,349	34,068	9,359	34,600	9,505
Total Customer Deposits	27,925	7,672	28,954	7,954	27,485	7,551	29,390	8,074
Total Equity	7,685	2,111	7,975	2,191	7,786	2,139	8,036	2,208
CAR (Basel III)	20.6%		20.5%		20.3%		20.6%	
C / I Ratio	25.0%		22.4%		23.3%		24.0%	
RoAE	11.3%		11.7%		11.6%		12.1%	

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 term loan bilateral facility from US\$ 250 mln 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



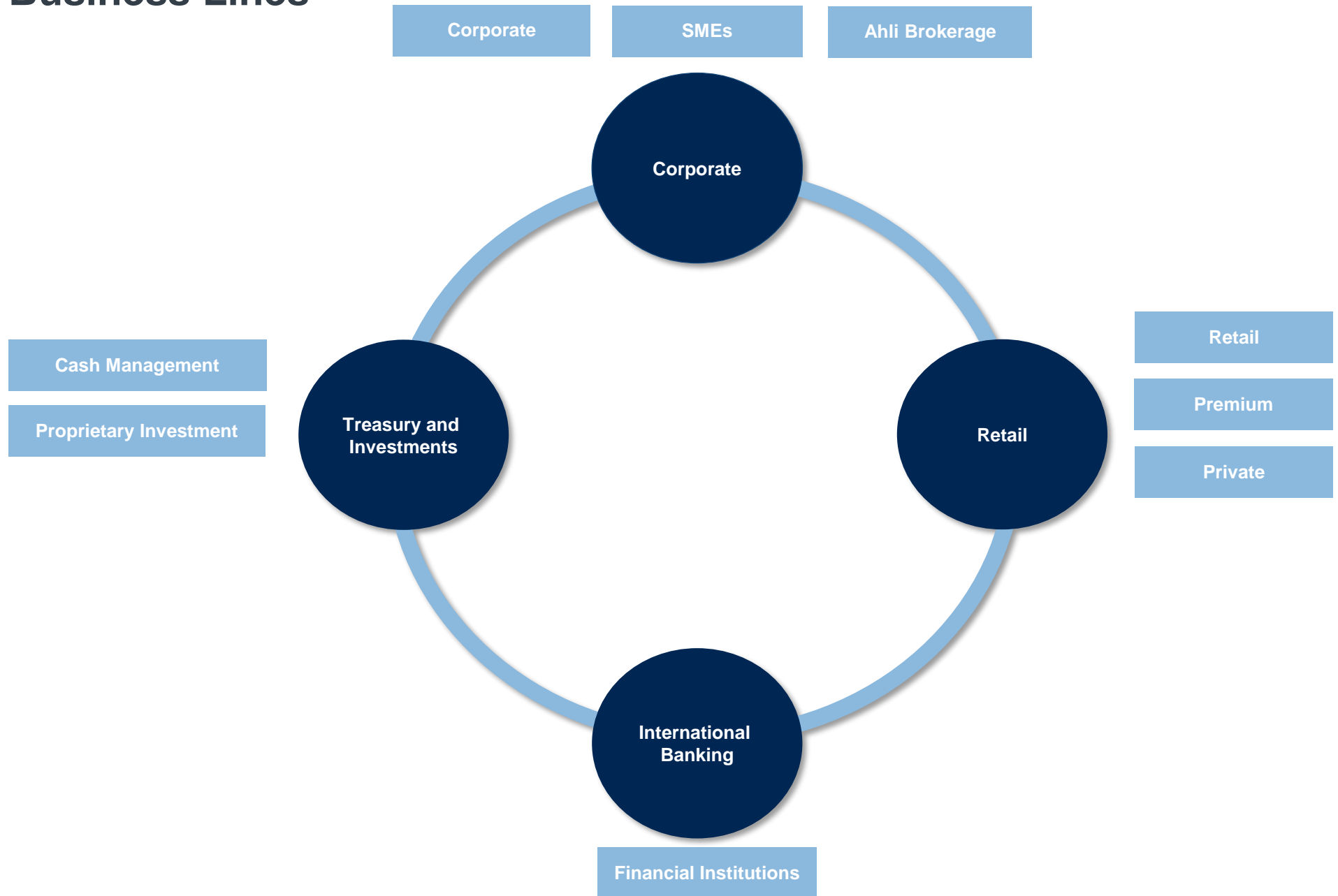
International Federation of Red Cross and Red Crescent Societies



The Qatar Society for Rehabilitation of Special Needs



Business Lines



Executive Summary – 2023

1. Good Performance with Net Profit of QR 615 mln and YoY growth of 8.5%;
2. Stable Capital Adequacy Ratio of 20.6%
3. NPL Ratio stood at 2.55% (2022: 2.57%) with an improved coverage of 230% (2022: 199%)
4. Loan growth of 1.7% vis-à-vis Dec 2022
5. Deposits grew by 1.5% during Q3 2023.
6. 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 – 4.50% (from Oct 2023)**
 - c) **A mandatory additional reserve on net negative foreign currency assets of the bank (5% - less than 1 year, 3% - 1 to 2 years and no reserve for greater than 2 years) from October 2023.**
7. Integrated annual report including the ESG report mandated by the Qatar Stock Exchange
8. Multiple Digitization and Automation initiatives continue to be the focus across the Bank.

Key Performance Highlights

QAR Million

	Sep 2023	Sep 2022	Growth
Net Interest Income	996	892	11.6% ↑
Operating Income	1,133	1,088	4.1% ↑
Net Profit	615	567	8.5% ↑
	Sep 2023	Dec-22	Growth
Total Assets	59,559	48,575	22.6% ↑
Loans & Advances	34,600	34,032	1.7% ↑
Customer Deposits	29,390	28,954	1.5% ↑
NPL	927	916	1.2% ↑
Total Provisions	2,132	1,822	17.0% ↑
NPL Coverage	230%	199%	15.6% ↑
NPL Ratio	2.55%	2.57%	0.78% ↓

P&L – YTD Sep 2023

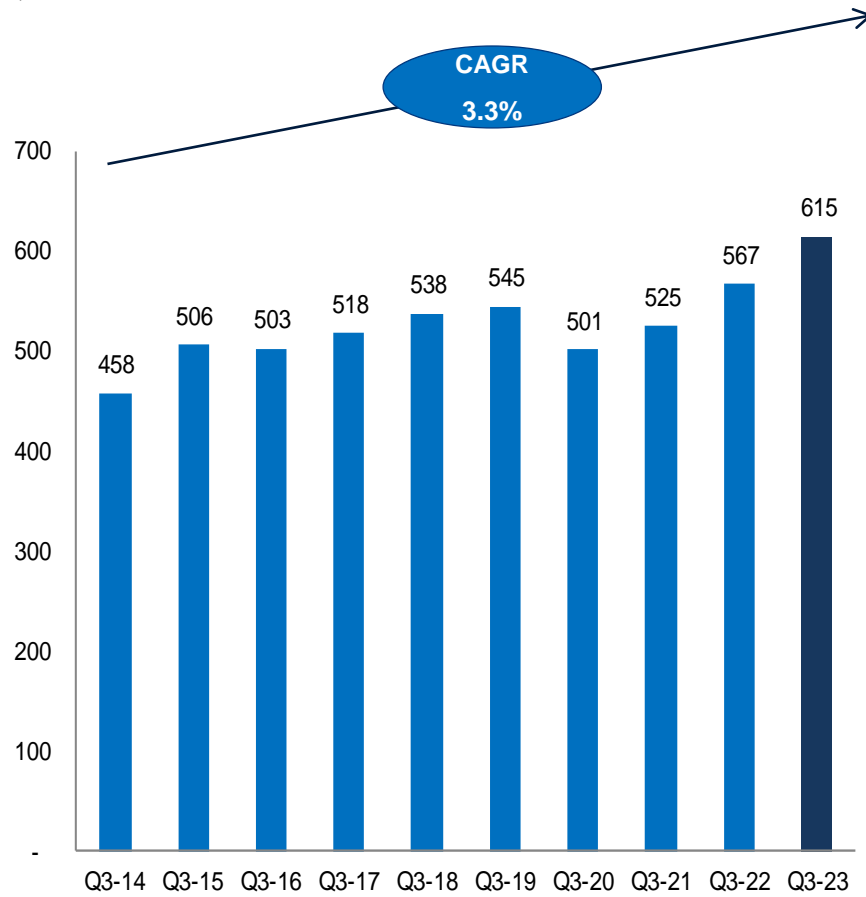
QAR '000	Actuals		YOY Variance Fav/(Adv)
	Sep-23	Sep-22	
Interest income	2,327,324	1,399,418	66.3%
Interest expense	1,331,589	507,069	-162.6%
Net interest income	995,735	892,349	11.6%
Fees and other income	139,232	177,815	-21.7%
Income on investment securities	(2,322)	17,881	-113.0%
Total operating income	1,132,645	1,088,045	4.1%
Staff Expenses	138,555	133,758	-3.6%
Other expenses and depreciation	133,075	120,041	-10.9%
Total operating expenses	271,630	253,799	-7.0%
Net operating income before provisions	861,015	834,246	3.2%
Provisions for loan losses- ECL/Specific	303,491	307,215	1.2%
Recoveries of provisions	(57,795)	(39,869)	45.0%
Net Provisions	245,697	267,345	8.1%
Net Profit	615,318	566,901	8.5%

Balance Sheet – as at Sep 2023

QR 'Mln	Sep-23	Dec-22	Variance	
			Amount	%
Cash and Balances with central bank (includes Statutory reserve: QR 1.3 bln)	5,775	1,807	3,968	220%
Due from Banks	10,463	3,768	6,694	178%
Loans and Advances	34,600	34,032	568	2%
SOQ	22	262	(240)	-92%
Other Loans (including interest receivable)	34,578	33,770	808	2%
Investments	8,075	8,339	(265)	-3%
Others	646	629	17	3%
Total assets	59,559	48,575	10,984	23%
Due to Banks	14,580	3,988	10,592	266%
Customer Deposits	29,390	28,954	436	2%
Medium Term Funding	1,462	1,460	2	0%
EMTN	5,456	5,481	(26)	0%
Others	635	717	(81)	-11%
Total Liabilities	51,523	40,600	10,923	27%
Shareholder's Equity	6,944	6,883	61	1%
AT-1	1,092	1,092	-	0%
Total Liabilities & Equity	59,559	48,575	10,984	23%

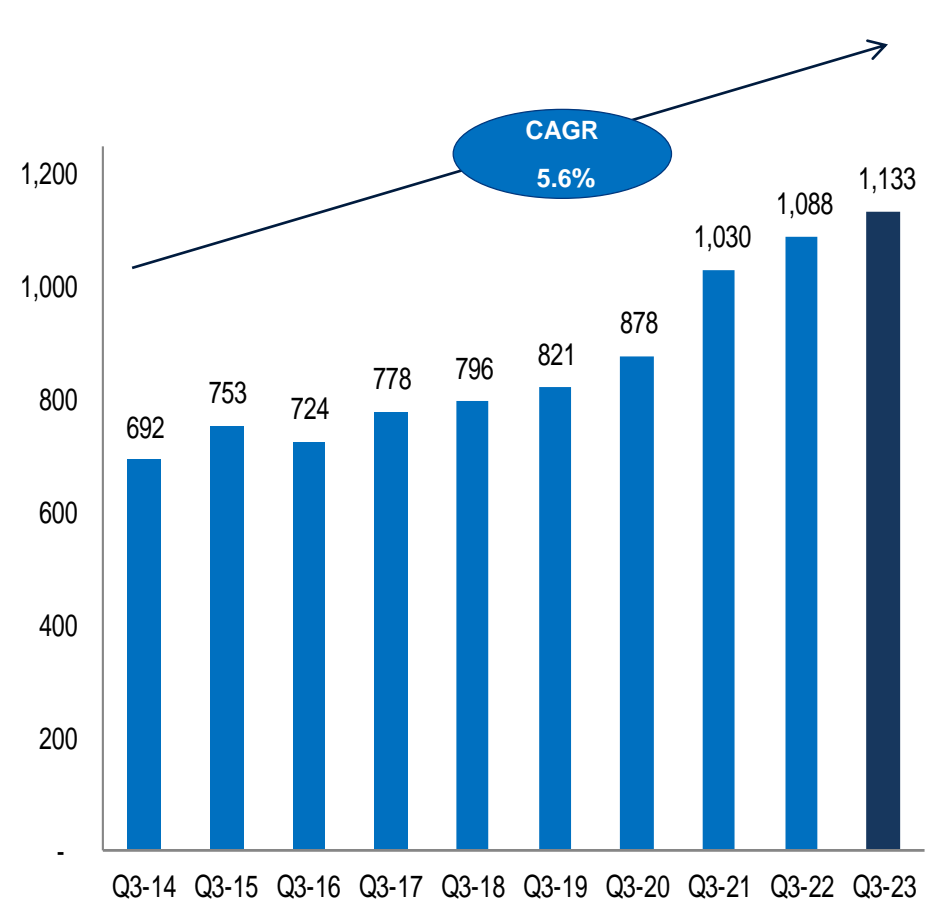
Steady Operating Income

QAR mln



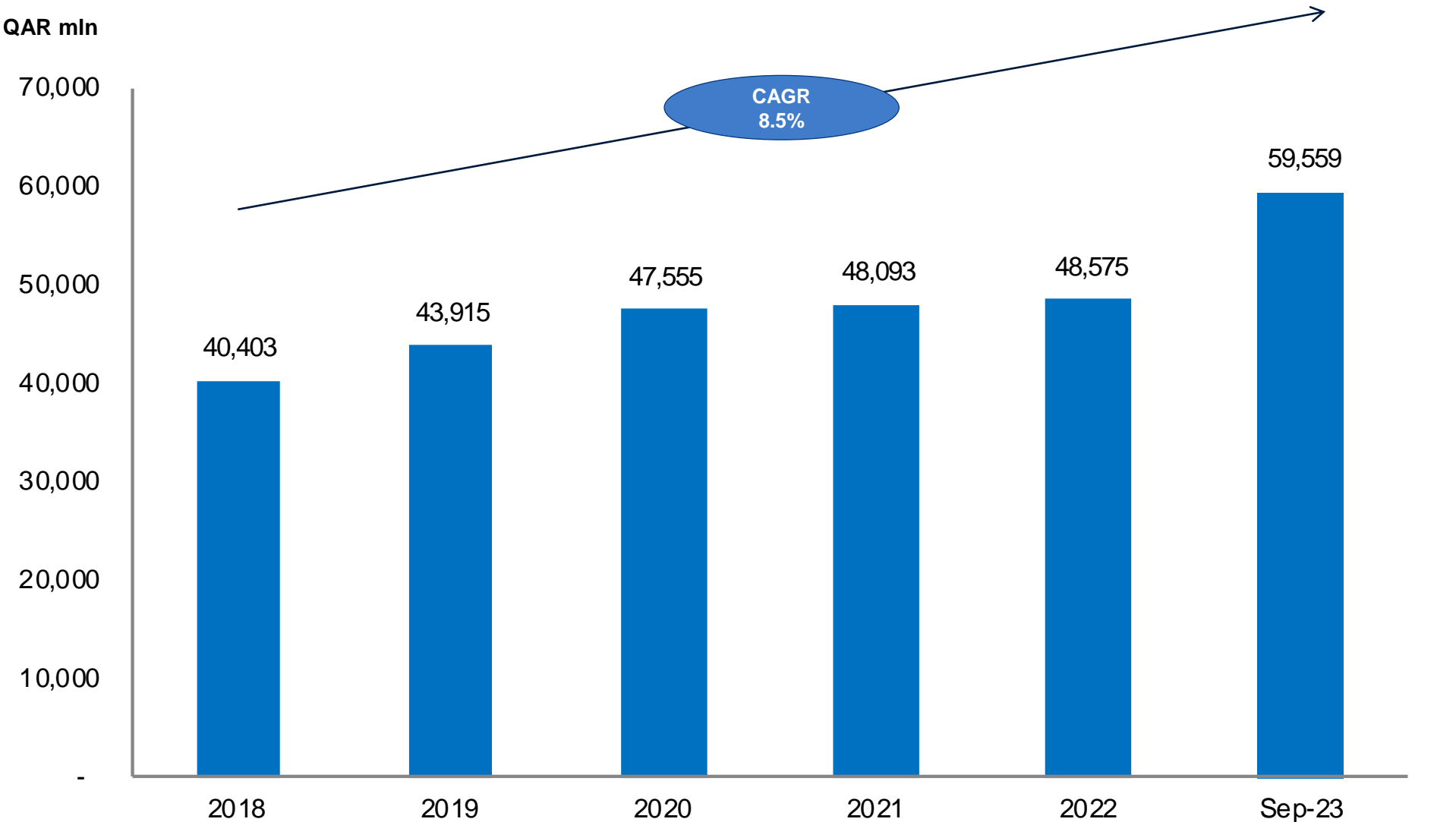
Net Profit

QAR mln

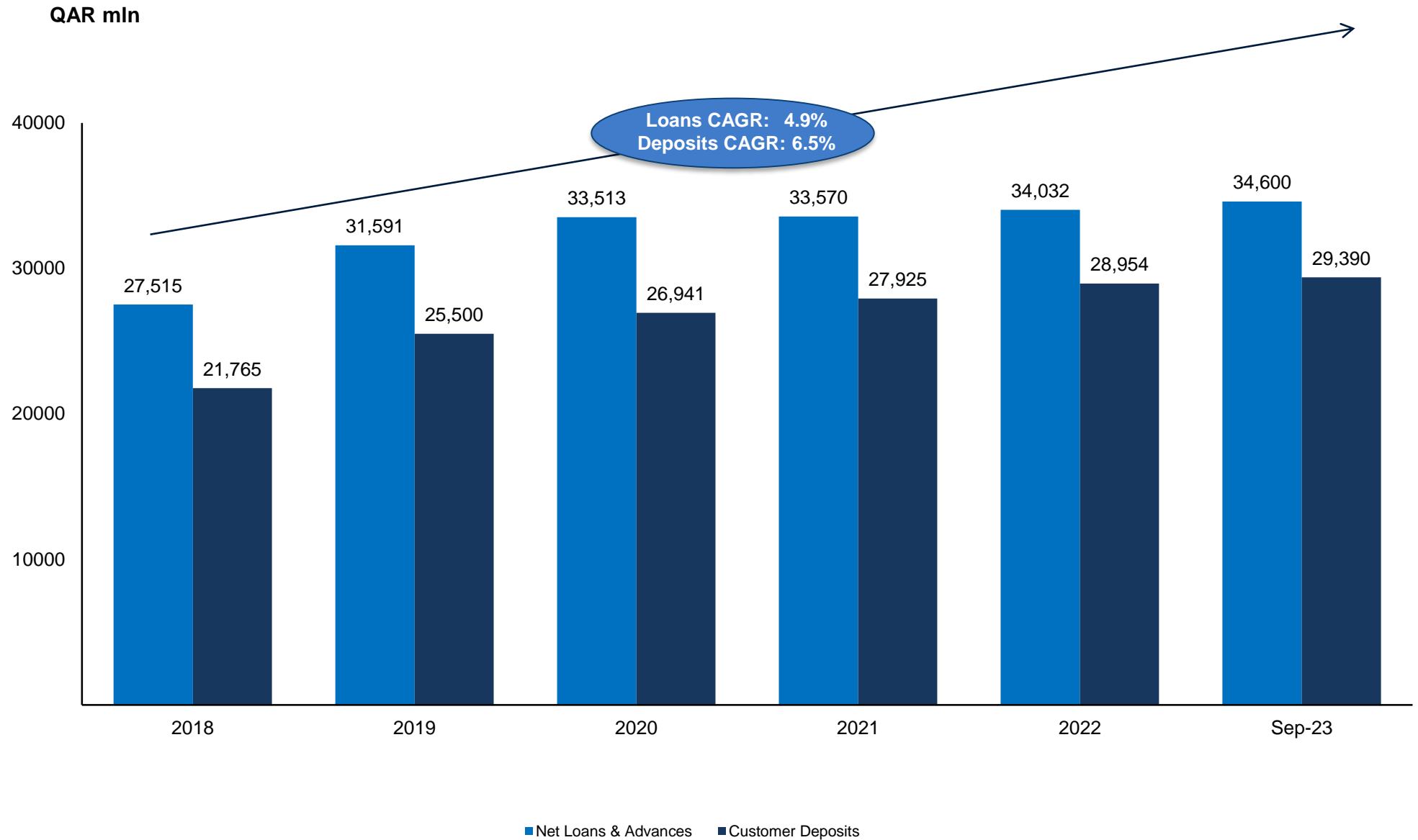


Operating Income

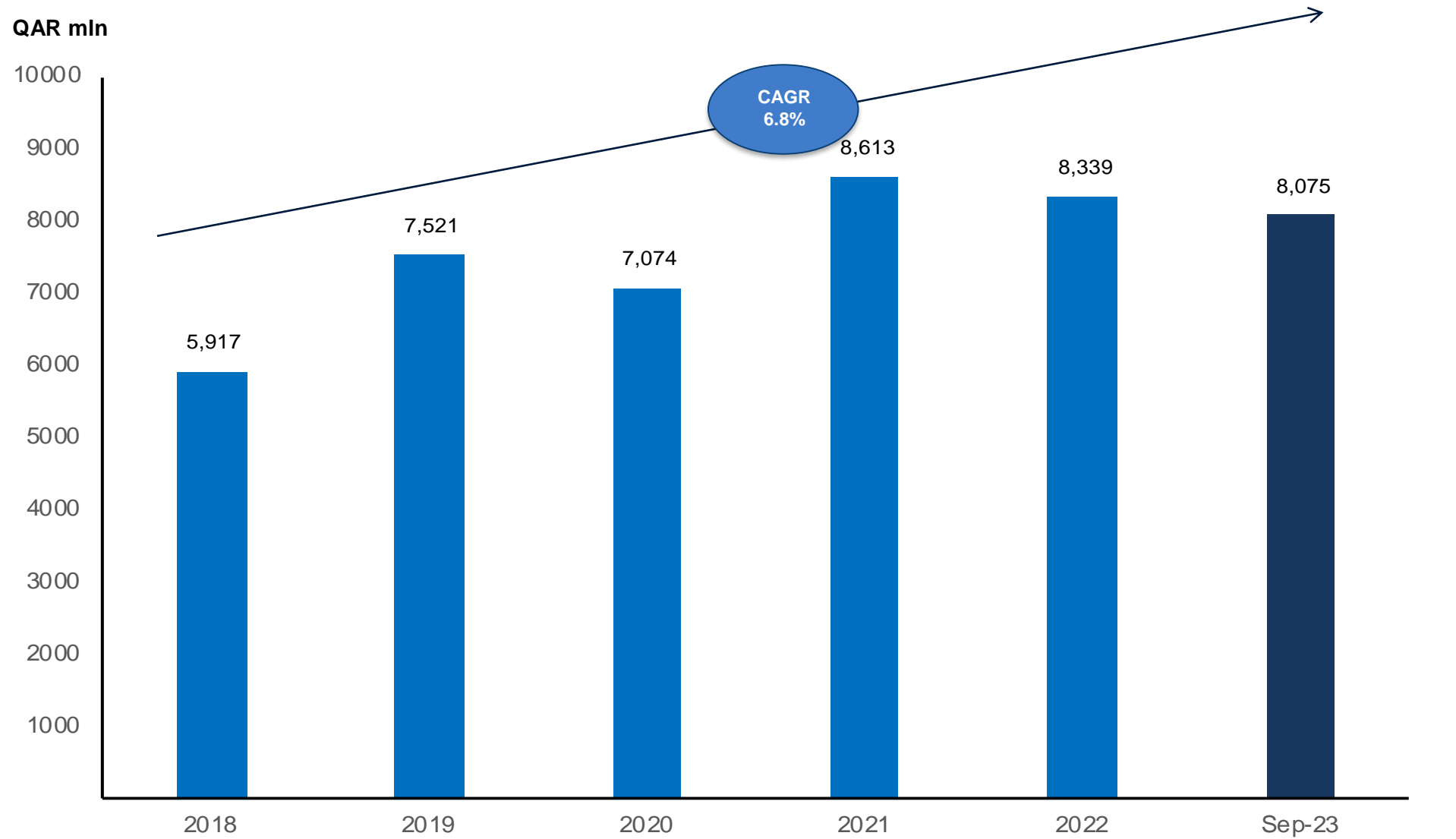
Total Assets – Trend



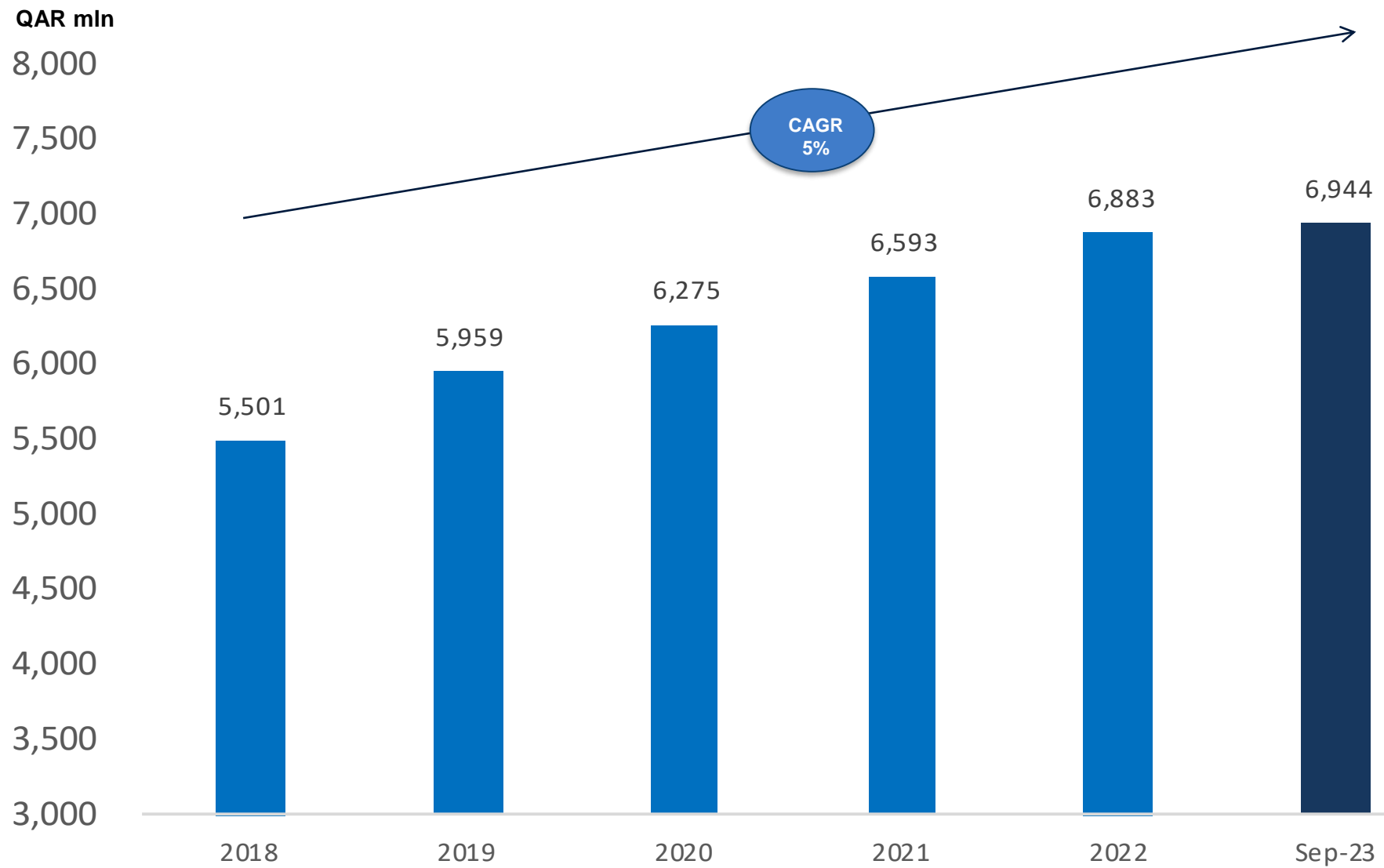
Net Loans & Advances / Customer Deposits – Trend



Proprietary Investments – Trend

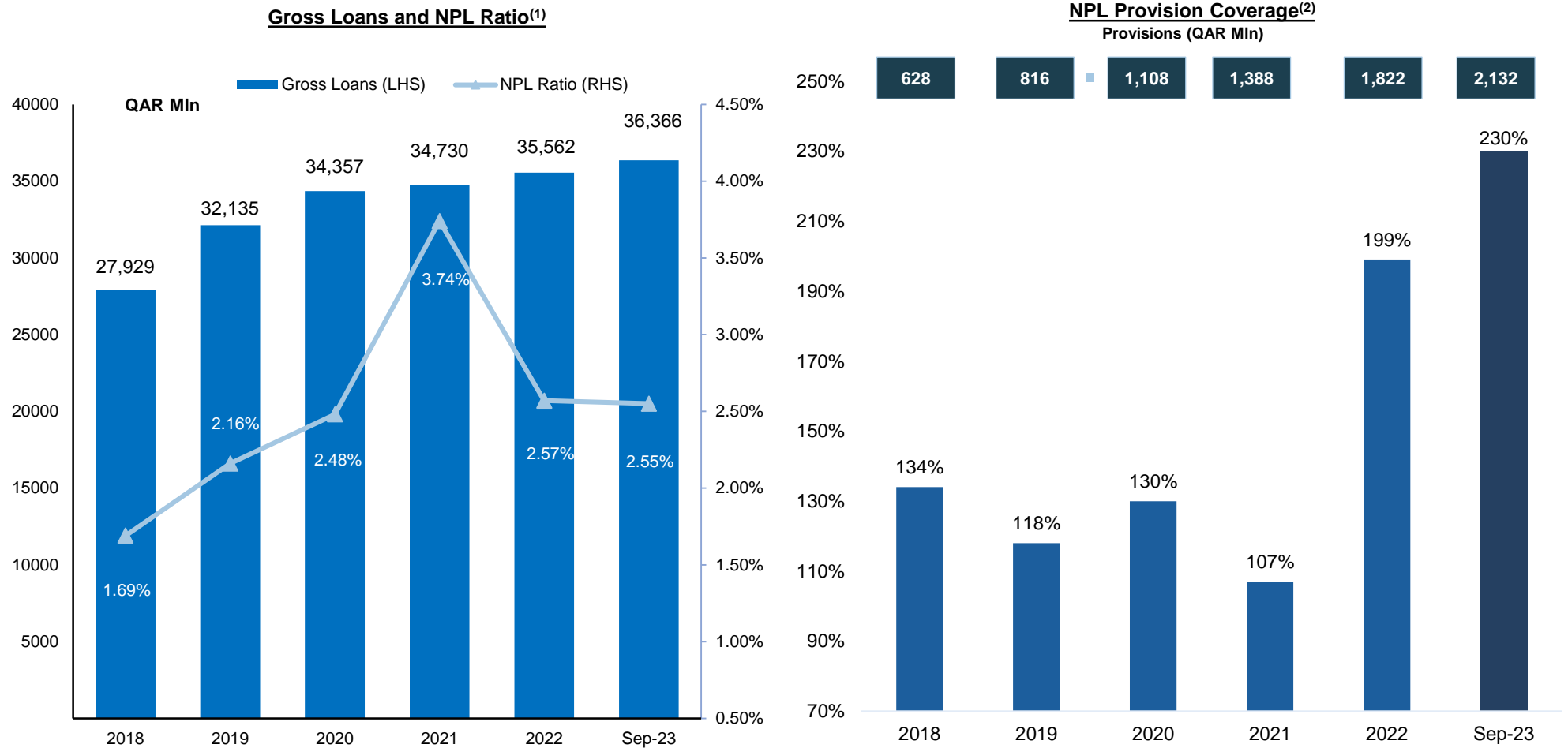


Shareholder's Funds – Trend



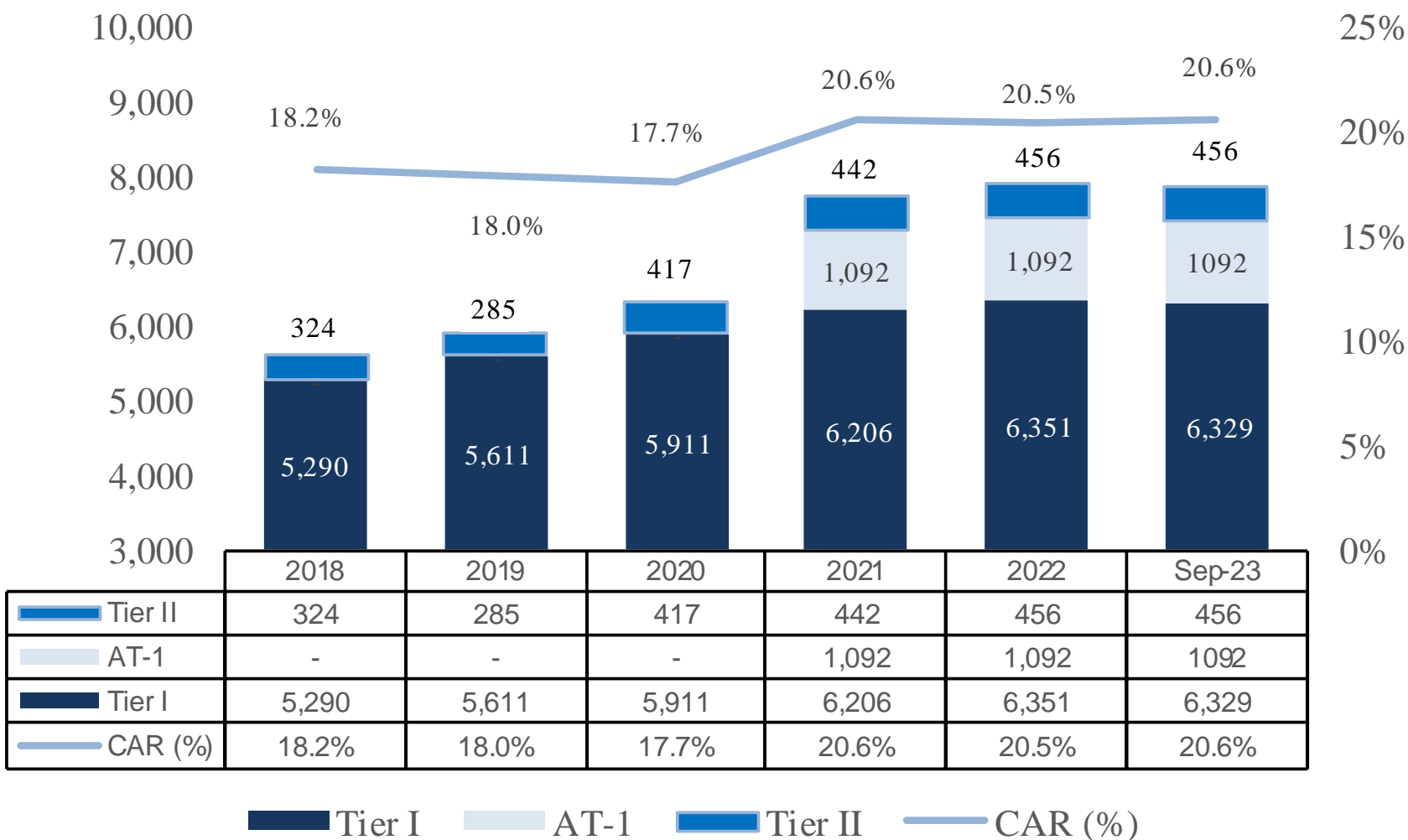
Asset Quality

NPL ratio of 2.55% and a coverage of 230% as at Sept 2023



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

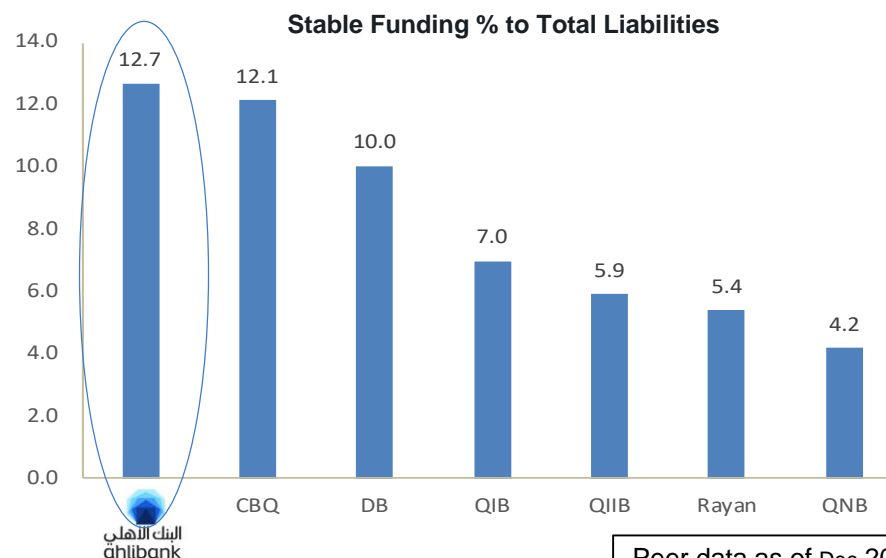
- 5-year US\$ 500 mln EMTN tranche I was issued in Apr 2016 carrying a coupon rate of 3.625% and was 2.4 times oversubscribed. Repaid in April 2021.
- 5 year US\$ 500 mln EMTN tranche II was issued in Feb 2017 at a coupon rate of 3.50% and was 4 times oversubscribed. Repaid in February 2022.
- 5 year 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.
- Perpetual debt of US\$ 300 mln was issued in February 2021 @4% to be repriced in 2027.
- 5 year US\$ 500 mln EMTN tranche V was issued in July 2021 at a coupon rate of 2% at significant oversubscription.
- Term loan bilateral facility increased from US\$ 250 Mln to US\$ 400 Mln maturing in April 2026

Description,	Principal (QAR mln)	Maturity	Original Tenor
Term Loan Facility (US\$)	1,456.0	April 2026	4 years
EMTN Tranche 3 (US\$)	1,820.0	Sept 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	6,916.0		

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.
- 5 Tranches of 5 year US\$ 500 mln EMTN each completed, thereby improving the maturity profile.
- Term loan bilateral facility increased from US\$250 Mln to US\$ 400 Mln maturing in April 2026
- First tranche of US\$ 500 mln repaid in April 2021
- Second tranche of US\$ 500 mln repaid in February 2022

Maturity Profile



Peer data as of Dec 2022

Market Positioning

Cost to Income (%)				
	2020	2021	2022	Sep-23
QIIB	21.2	19.8	19.7	19.7
QIB	20.9	18.9	18.2	18.3
QNB	25.7	23.6	20.9	21.7
ABQ	25.6	25.4	23.1	24.0
Rayan	21.6	22.0	29.1	26.1
Dukhan	0.0	0.0	28.6	31.2
CBQ	27.3	30.6	22.7	28.5
DB	31.7	30.5	33.4	36.8

Return on Assets (%)				
	2020	2021	2022	Sep-23
QIIB	1.40	1.46	1.59	1.95
QIB	1.70	1.83	2.02	2.08
Dukhan	0.00	0.00	1.14	1.43
CBQ	0.73	1.26	1.48	1.73
ABQ	1.50	1.44	1.55	1.56
QNB	1.12	1.15	1.17	1.20
Rayan	1.93	1.28	0.80	0.94
DB	0.47	0.44	0.54	0.61

Return on Equity (%)				
	2020	2021	2022	Sep-23
QNB	15.2	15.9	16.3	17.2
QIIB	13.9	14.3	14.6	16.3
QIB	16.6	17.5	17.7	16.2
CBQ	6.1	11.2	13.6	15.2
Dukhan	0.0	0.0	9.7	11.5
ABQ	11.3	10.9	11.0	12.1
Rayan	15.9	10.7	5.8	6.7
DB	5.4	4.7	5.3	5.8

NIM (%)				
	2020	2021	2022	Sep-23
QIB	2.72	2.74	2.83	2.82
QIIB	2.35	2.31	2.15	2.36
QNB	2.18	2.24	2.58	2.35
CBQ	2.12	2.30	2.46	2.27
ABQ	2.07	2.18	2.56	2.28
Dukhan	0.00	0.00	1.93	1.50
DB	1.99	2.27	2.09	1.64
Rayan	2.37	2.30	2.06	1.45

Peer data as of June 2023

Disclaimer:

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