

البنك الأهلي  
ahlibank



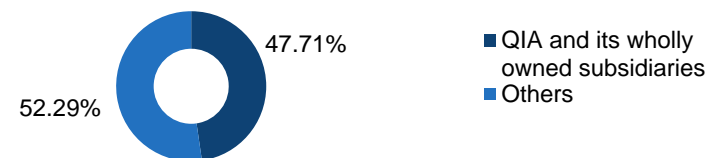
# Investor Presentation Q2 2023

# Overview

## Overview

- Founded in 1983 and listed on the Qatar Stock Exchange,
  - Market cap of QAR 9.99 bln (as of 30 Jun 2023)
  - Has a network of 11 branches and 86 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 23.7%
- Effective risk management and high quality loan book as proven by low non-performing assets
  - NPL ratio stood at 2.49% and conservatively provisioned (coverage of 224% including ECL provisions as of Jun 2023)
- Good capital position with Basel III Capital Adequacy Ratio (CAR) of 20.6% as of June 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 16% as of June 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) sound capital and adequate liquidity buffers, (2) strong profitability,” Moody’s, July, 2022

Key Indicators	2021		2022		Jun 2022		Jun 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	49,204	13,518	50,999	14,011
Total Net Loans	33,570	9,223	34,032	9,349	34,344	9,435	35,076	9,636
Total Customer Deposits	27,925	7,672	28,954	7,954	26,750	7,349	30,524	8,386
Total Equity	7,685	2,111	7,975	2,191	7,574	2,081	7,803	2,144
CAR (Basel III)	20.6%		20.5%		20.2%		20.6%	
C / I Ratio	25.0%		22.4%		25.3%		23.7%	
RoAE	11.3%		11.7%		10.2%		10.7%	

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

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

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



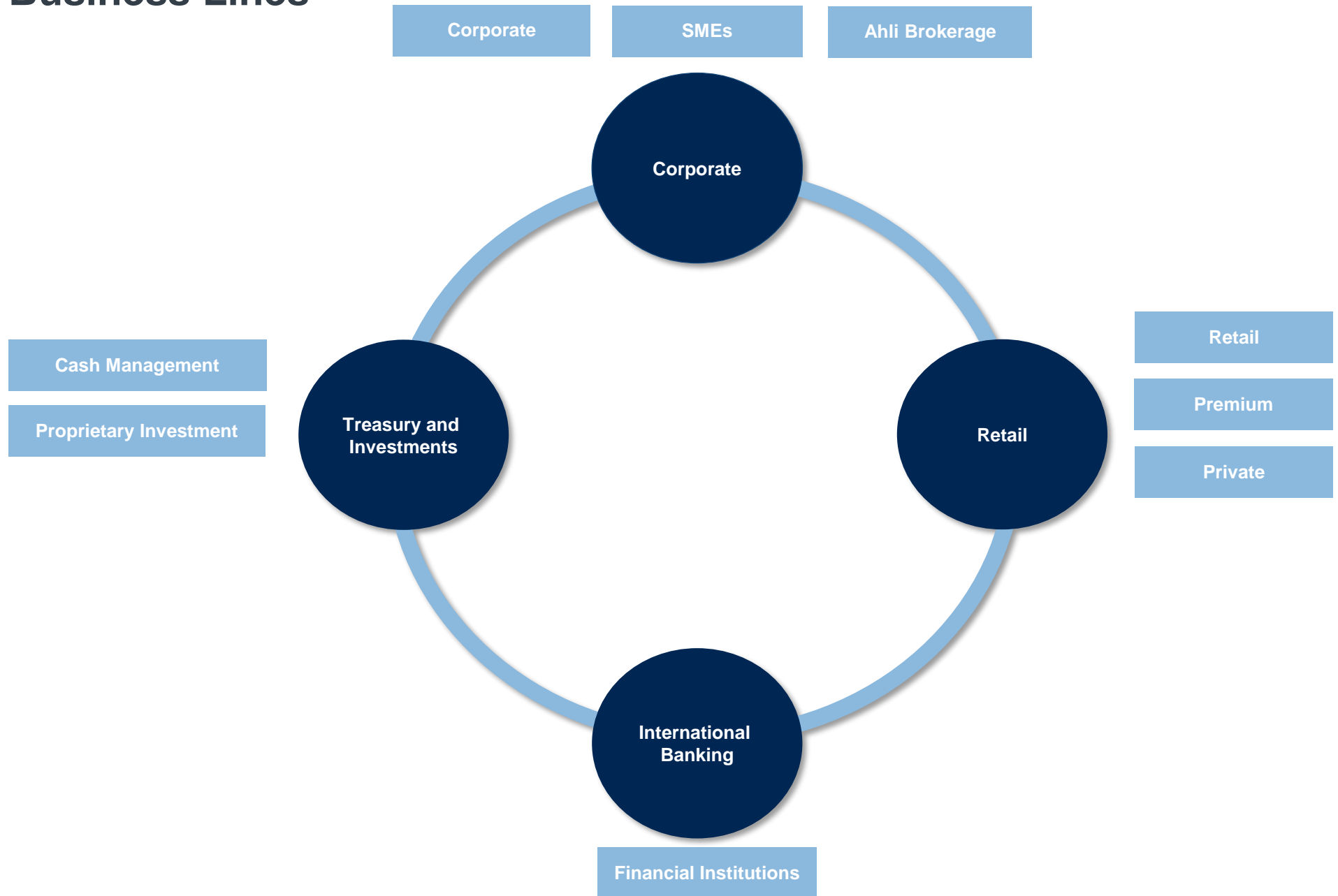
International Federation of Red Cross and Red Crescent Societies



The Qatar Society for Rehabilitation of Special Needs



# Business Lines



# Executive Summary – 2023

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1. Good H1 Performance with Net Profit of QR 360 mln and YoY growth of 8.8%;
2. Stable Capital Adequacy Ratio of 20.6%
3. NPL Ratio stood at 2.49% (2022: 2.57%) with an improved coverage of 224% (2022: 199%)
4. Loan growth of 3.1% vis-à-vis Dec 2022
5. Deposits grew by 5.4% during H1 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 a) Resident deposits – 4.50%(same)
  - c) Non resident deposits (i) 9% for less than 1 year maturity, (ii) 7% for 1 to 2 years, (iii) 4.50% for >2 years
7. Annual report would be an integrated report including the ESG report mandated by the Qatar Stock Exchange
8. Digitization and Automation continue to be the focus in H2 2023 with several initiatives across the Bank.

# Key Performance Highlights

QAR Million

	Jun 2023	Jun 2022	Growth
<b>Net Interest Income</b>	632	532	18.9% ↑
<b>Operating Income</b>	724	660	9.8% ↑
<b>Net Profit</b>	360	331	8.8% ↑
	Jun 2023	Dec-22	Growth
<b>Total Assets</b>	50,999	48,575	5.0% ↑
<b>Loans &amp; Advances</b>	35,076	34,032	3.1% ↑
<b>Customer Deposits</b>	30,524	28,954	5.4% ↑
<b>NPL</b>	915	916	0.1% ↓
<b>Total Provisions</b>	2,051	1,822	12.6% ↑
<b>NPL Coverage</b>	224%	199%	12.6% ↑
<b>NPL Ratio</b>	2.49%	2.57%	3.11% ↓

# P&L – YTD Jun 2023

QAR '000	Actuals		YOY Variance Fav/(Adv)
	Jun-23	Jun-22	
Interest income	1,467,918	840,544	74.6%
Interest expense	835,596	308,818	-170.6%
<b>Net interest income</b>	<b>632,322</b>	<b>531,726</b>	<b>18.9%</b>
Fees and other income	93,659	119,766	-21.8%
Income on investment securities	(1,862)	8,195	-122.7%
<b>Total operating income</b>	<b>724,119</b>	<b>659,687</b>	<b>9.8%</b>
Staff Expenses	92,592	87,801	-5.5%
Other expenses and depreciation	79,265	79,290	0.0%
<b>Total operating expenses</b>	<b>171,857</b>	<b>167,091</b>	<b>-2.9%</b>
<b>Net operating income before provisions</b>	<b>552,262</b>	<b>492,596</b>	<b>12.1%</b>
Provisions for loan losses- ECL/Specific	237,405	190,480	-24.6%
Recoveries of provisions	(44,881)	(28,644)	56.7%
<b>Net Provisions</b>	<b>192,524</b>	<b>161,836</b>	<b>-19.0%</b>
<b>Net Profit</b>	<b>359,738</b>	<b>330,760</b>	<b>8.8%</b>

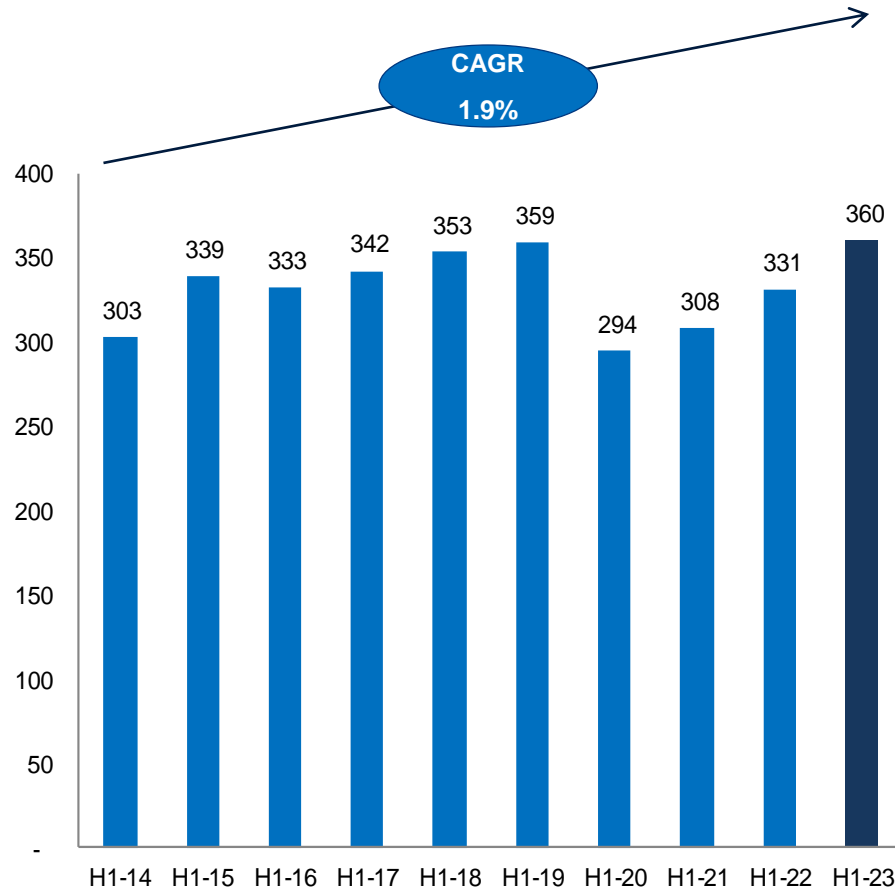


## Balance Sheet – as at June 2023

QR 'Mln	Jun-23	Dec-22	Variance	
			Amount	%
<b>Cash and Balances with central bank (includes Statutory reserve: QR 1.3 bln)</b>	<b>2,147</b>	<b>1,807</b>	<b>340</b>	<b>19%</b>
<b>Due from Banks</b>	<b>5,037</b>	<b>3,768</b>	<b>1,268</b>	<b>34%</b>
<b>Loans and Advances</b>	<b>35,076</b>	<b>34,032</b>	<b>1,044</b>	<b>3%</b>
SOQ	105	262	(157)	-60%
Other Loans (including interest receivable)	34,970	33,770	1,200	4%
<b>Investments</b>	<b>8,111</b>	<b>8,339</b>	<b>(229)</b>	<b>-3%</b>
<b>Others</b>	<b>627</b>	<b>628</b>	<b>(2)</b>	<b>0%</b>
<b>Total assets</b>	<b>50,999</b>	<b>48,575</b>	<b>2,423</b>	<b>5%</b>
<b>Due to Banks</b>	<b>5,012</b>	<b>3,988</b>	<b>1,024</b>	<b>26%</b>
<b>Customer Deposits</b>	<b>30,524</b>	<b>28,954</b>	<b>1,570</b>	<b>5%</b>
<b>Medium Term Funding</b>	<b>1,460</b>	<b>1,460</b>	<b>1</b>	<b>0%</b>
<b>EMTN</b>	<b>5,485</b>	<b>5,481</b>	<b>4</b>	<b>0%</b>
<b>Others</b>	<b>713</b>	<b>718</b>	<b>(5)</b>	<b>-1%</b>
<b>Total Liabilities</b>	<b>43,194</b>	<b>40,601</b>	<b>2,594</b>	<b>6%</b>
<b>Shareholder's Equity</b>	<b>6,711</b>	<b>6,883</b>	<b>(171)</b>	<b>-2%</b>
<b>AT-1</b>	<b>1,092</b>	<b>1,092</b>	<b>-</b>	<b>0%</b>
<b>Total Liabilities &amp; Equity</b>	<b>50,999</b>	<b>48,575</b>	<b>2,423</b>	<b>5%</b>

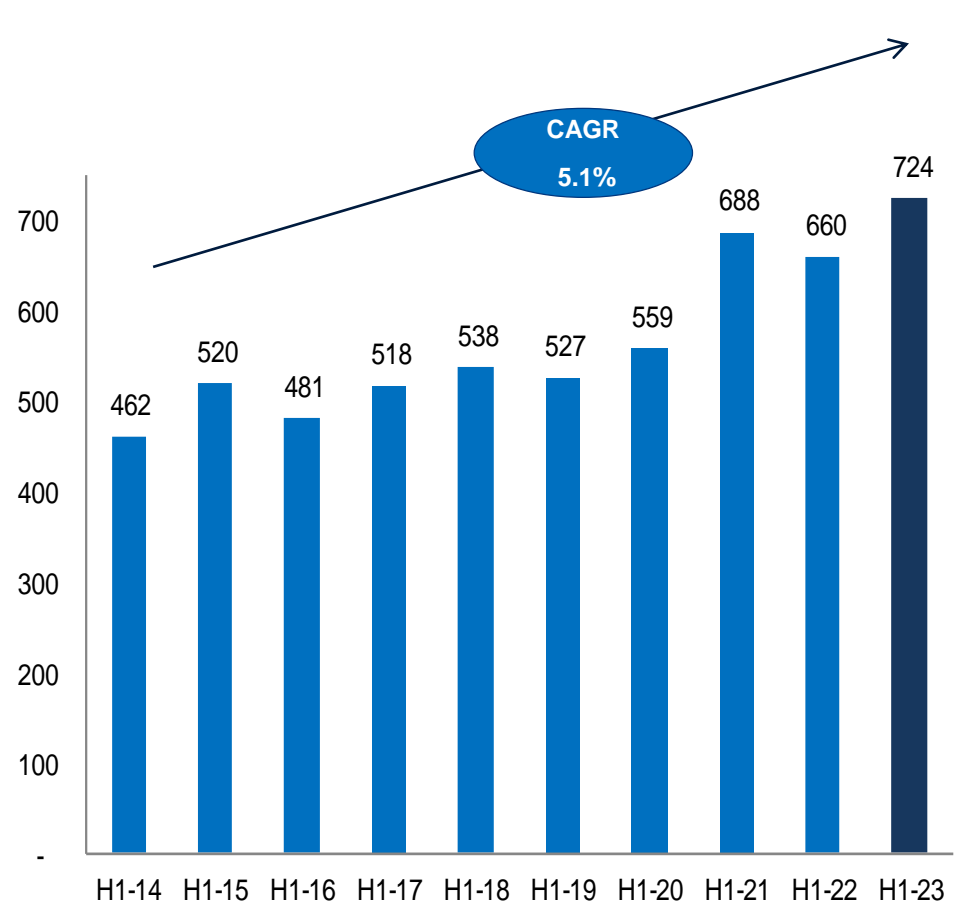
# Steady Operating Income

QAR mln



**Net Profit**

QAR mln



**Operating Income**

# Total Assets – Trend

QAR mln

60,000

50,000

40,000

30,000

20,000

10,000

-

2018

2019

2020

2021

2022

Jun-23

40,403

43,915

47,555

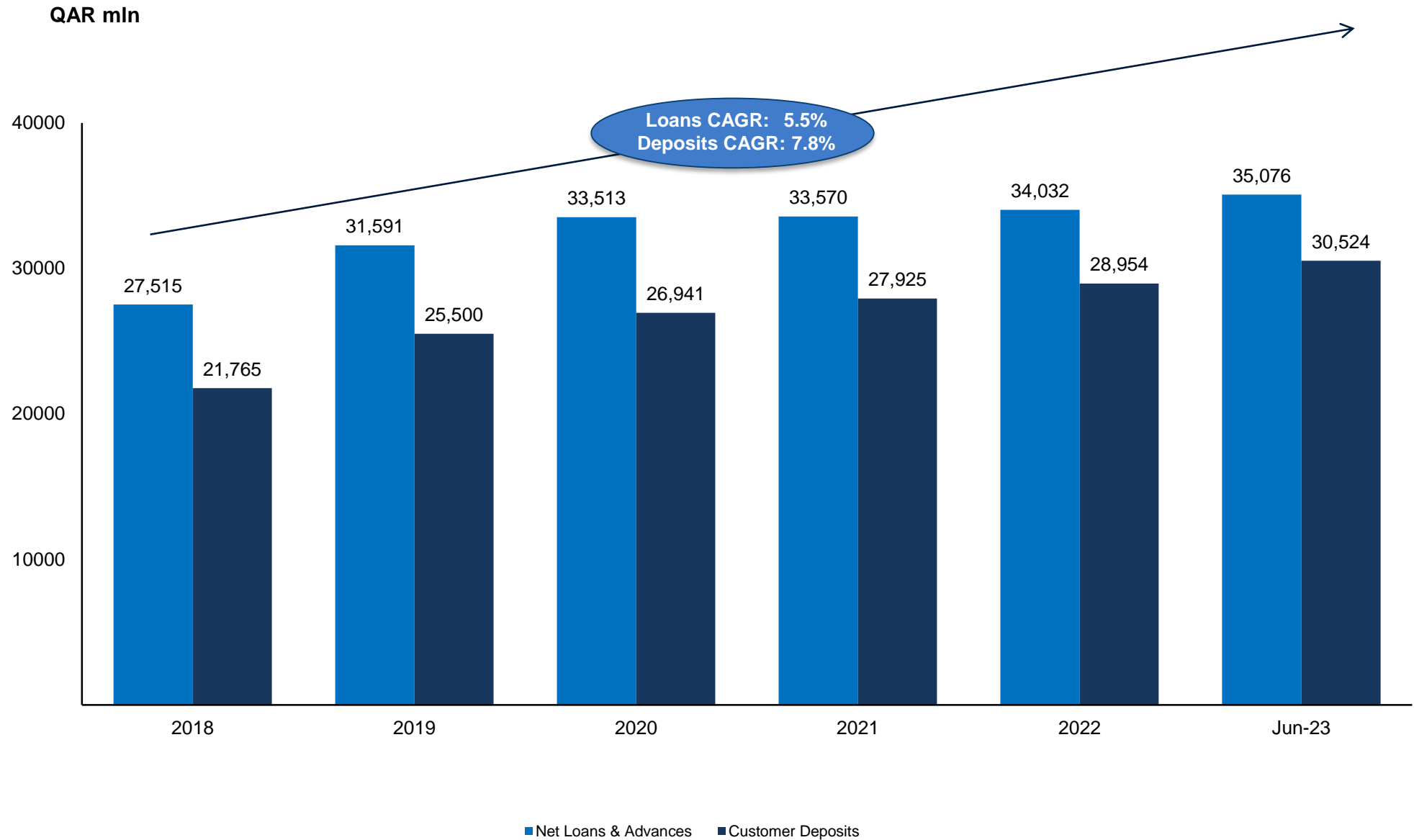
48,093

48,575

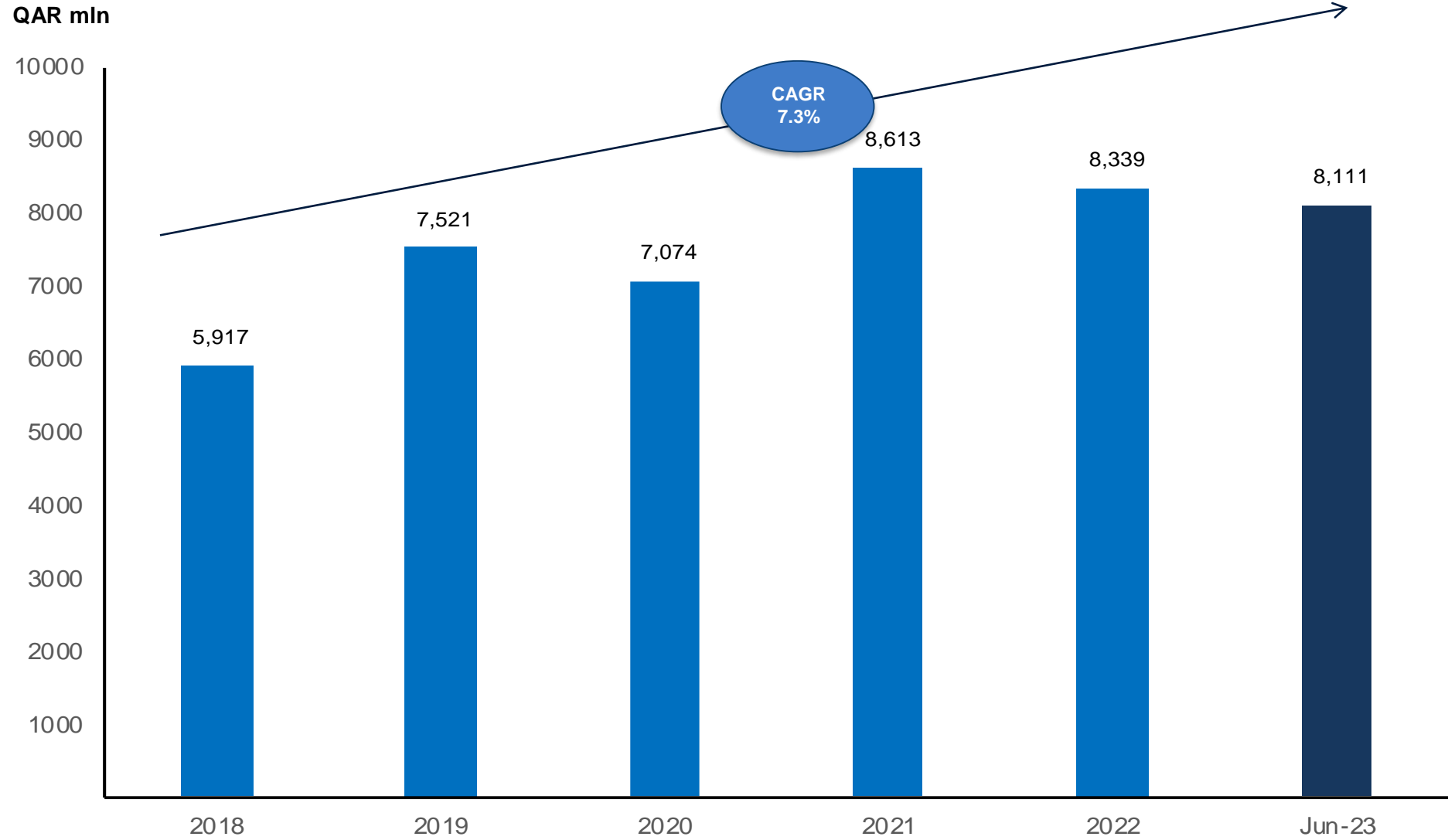
50,999

CAGR  
5.3%

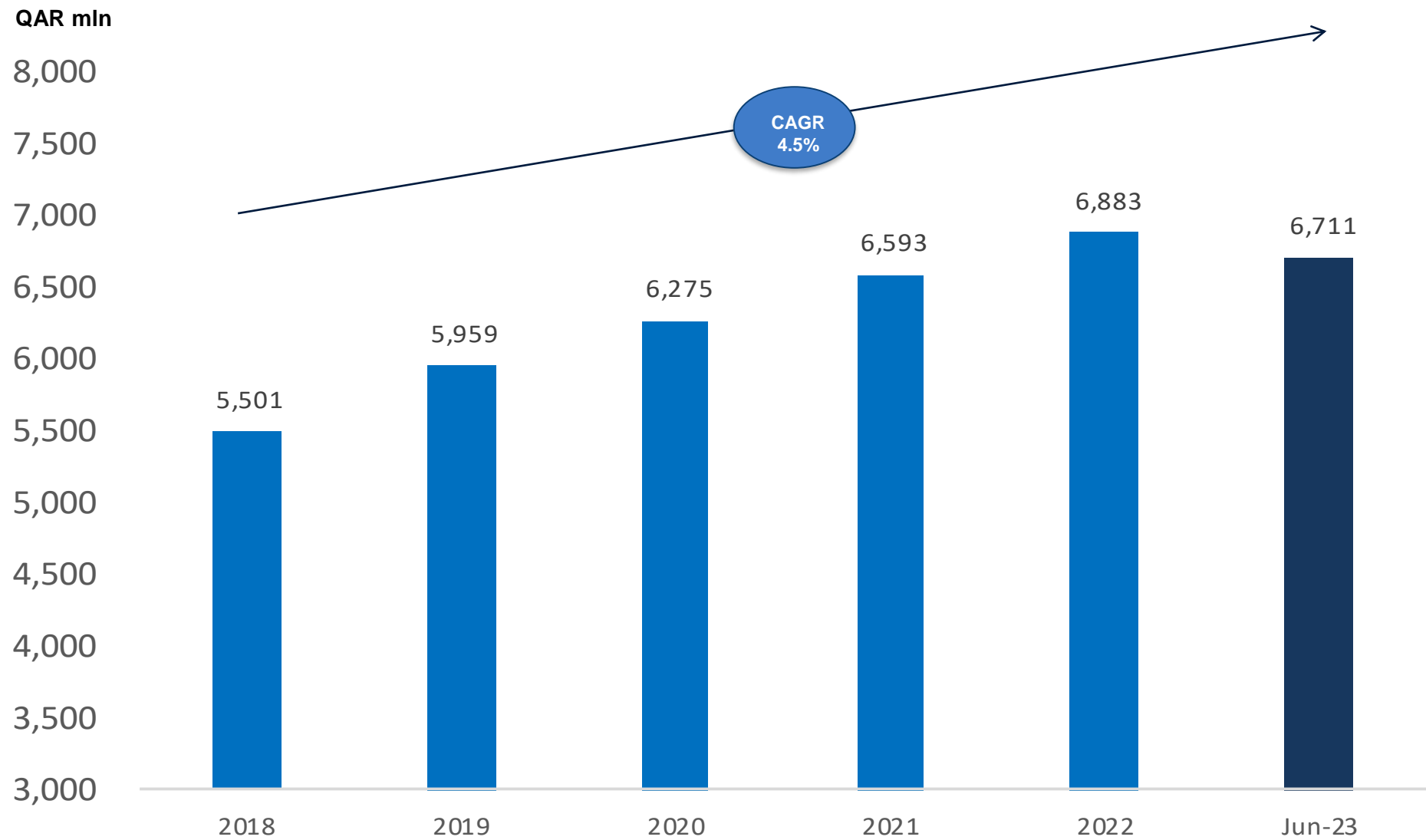
# Net Loans & Advances / Customer Deposits – Trend



# Proprietary Investments – Trend

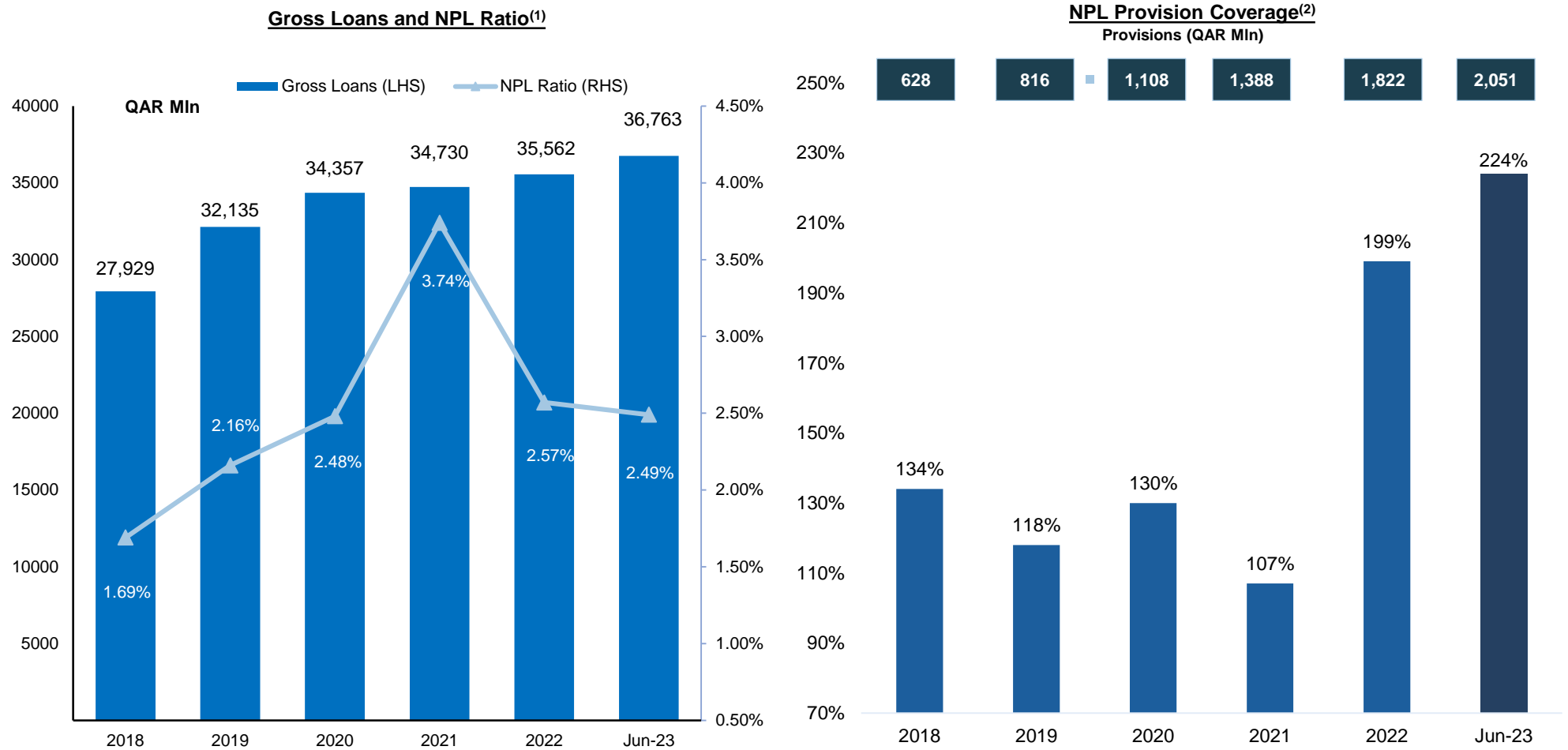


# Shareholder's Funds – Trend



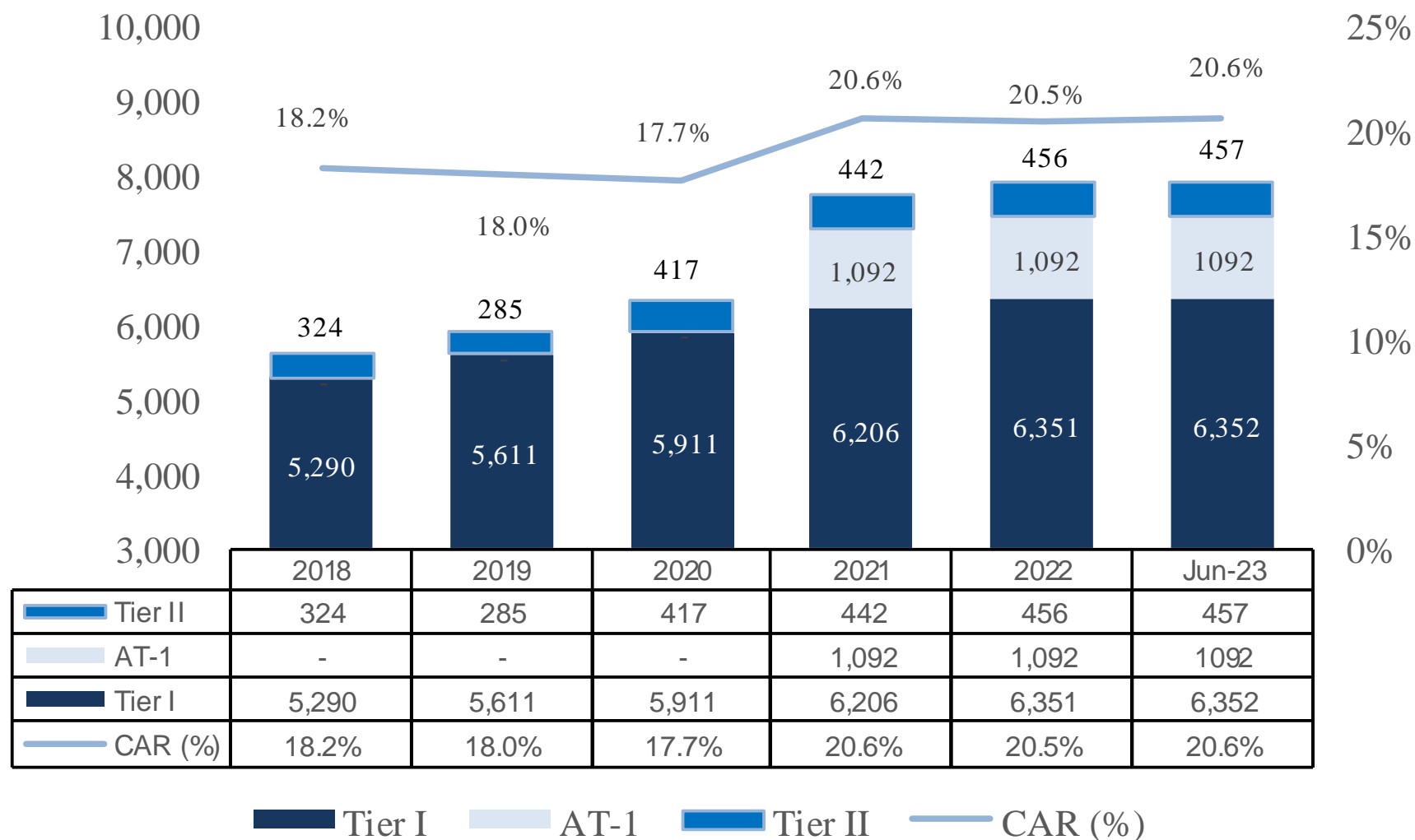
# Asset Quality

**NPL ratio of 2.49% and a coverage of 224% as at June 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

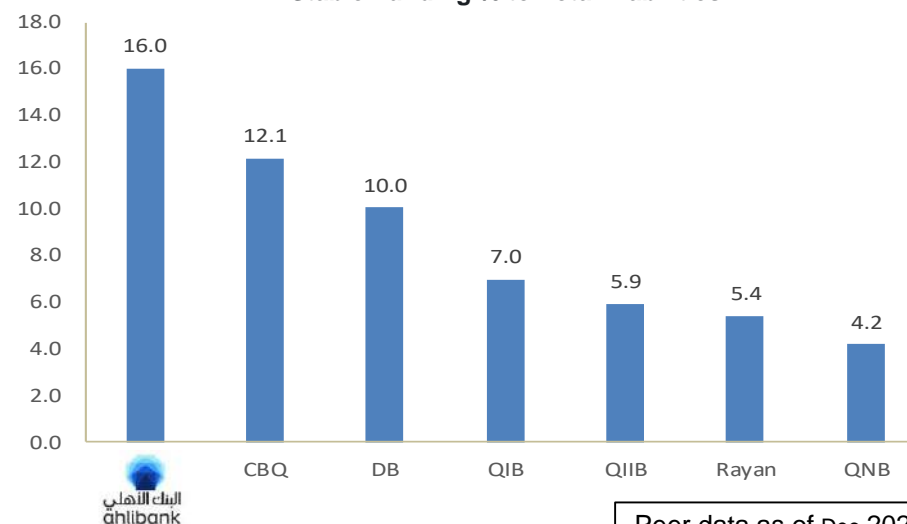
Description,	Principal (QAR mln)	Maturity	Original Tenor
Term Loan Facility (US\$)	1,456.0	April 2026	4 years
EMTN Tranche 3 (US\$)	1,820.0	Sept 2024	5 years
EMTN Tranche 4 (US\$)	1,820.0	Sept 2025	5 years
EMTN Tranche 5 (US\$)	1,820.0	July 2026	5 years
<b>Total</b>	<b>6,916.0</b>		

## 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

Stable Funding % to Total Liabilities



Peer data as of Dec 2022

# Market Positioning

Cost to Income (%)				
	2020	2021	2022	Jun-23
QIB	20.9	18.9	18.2	18.2
QIIB	21.2	19.8	19.7	19.7
QNB	25.7	23.6	20.9	20.9
CBQ	27.3	30.6	22.7	22.7
<b>ABQ</b>	<b>25.6</b>	<b>25.4</b>	<b>23.1</b>	<b>23.7</b>
Dukhan	0.0	0.0	28.6	28.6
Rayan	21.6	22.0	29.1	29.1
DB	31.7	30.5	33.4	33.4

Return on Assets (%)				
	2020	2021	2022	Jun-23
QIB	1.70	1.83	2.02	2.02
QIIB	1.40	1.46	1.59	1.59
CBQ	0.73	1.26	1.48	1.48
<b>ABQ</b>	<b>1.50</b>	<b>1.44</b>	<b>1.55</b>	<b>1.46</b>
QNB	1.12	1.15	1.17	1.17
Dukhan	0.00	0.00	1.14	1.14
Rayan	1.93	1.28	0.80	0.80
DB	0.47	0.44	0.54	0.54

Return on Equity (%)				
	2020	2021	2022	Jun-23
QIB	16.6	17.5	17.7	17.7
QNB	15.2	15.9	16.3	16.3
QIIB	13.9	14.3	14.6	14.6
CBQ	6.1	11.2	13.6	13.6
<b>ABQ</b>	<b>11.3</b>	<b>10.9</b>	<b>11.0</b>	<b>10.7</b>
Dukhan	0.0	0.0	9.7	9.7
Rayan	15.9	10.7	5.8	5.8
DB	5.4	4.7	5.3	5.3

NIM (%)				
	2020	2021	2022	Jun-23
QIB	2.72	2.74	2.83	2.83
QNB	2.18	2.24	2.58	2.58
CBQ	2.12	2.30	2.46	2.46
<b>ABQ</b>	<b>2.07</b>	<b>2.18</b>	<b>2.56</b>	<b>2.33</b>
QIIB	2.35	2.31	2.15	2.15
DB	1.99	2.27	2.09	2.09
Rayan	2.37	2.30	2.06	2.06
Dukhan	0.00	0.00	1.93	1.93

Peer data as of Dec 2022

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