

البنك الأهلي
ahlibank



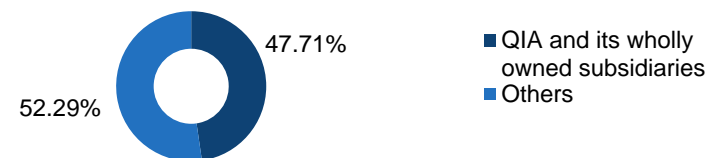
Investor Presentation Q3 2024

Overview

Overview

- Founded in 1983 and listed on the Qatar Stock Exchange,
 - Market cap of QAR 9.54 bln (as of 30 Sep 2024)
 - Has a network of 11 branches and 94 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 updated 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 20%
- Effective risk management and high quality loan book as proven by low non-performing assets
 - NPL ratio stood at 2.78% and conservatively provisioned (coverage of 246% including ECL provisions as of 30 Sep 2024)
- Good capital position with Basel III Capital Adequacy Ratio (CAR) of 22.8% as of 30 Sep 2024. (based on new Basel guidelines wef 1 Jan 2024)
- 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 7.9% as of 30 Sep 2024.

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 good provisioning coverage,” Moody’s, June, 2024

Key Indicators	2022		2023		Q3 2023		Q3 2024	
	QAR mln	US\$ mln	QAR mln	US\$ mln	QAR mln	US\$ mln	QAR mln	US\$ mln
Total Assets	48,575	13,345	60,464	16,611	59,559	16,362	61,545	16,908
Total Net Loans	34,032	9,349	34,754	9,548	34,600	9,505	34,940	9,599
Total Customer Deposits	28,954	7,954	29,645	8,144	29,390	8,074	33,750	9,272
Total Equity	7,975	2,191	8,245	2,265	8,036	2,208	8,235	2,262
CAR (Basel III)	20.5%		21.0%		20.6%		22.8%	
C / I Ratio	22.4%		22.8%		24.0%		20.0%	
RoAE	11.7%		12.2%		12.1%		12.4%	

ABQ Has Been at the Heart of the Community for Over 40 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 AU
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%
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 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
2024	<ul style="list-style-type: none"> ABQ incorporated a wholly owned subsidiary in QFC, ABQ Innovate LLC for providing consulting services across multiple domains Repaid third tranche of EMTN US\$ 500 mln in September 2024

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



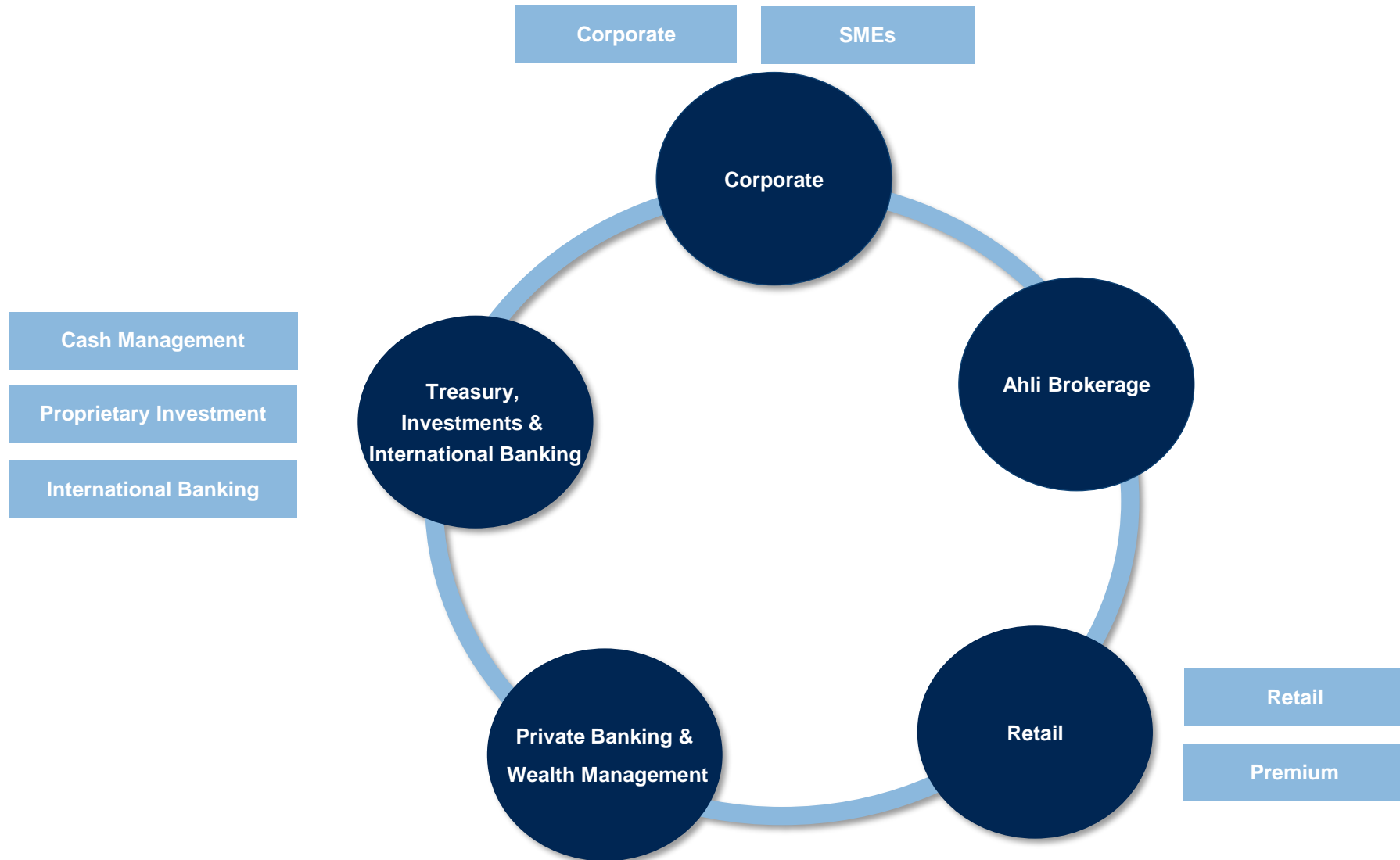
International Federation of Red Cross and Red Crescent Societies



The Qatar Society for Rehabilitation of Special Needs



Business Lines



Executive Summary – 2024

1. Steady Performance with Net Profit of QR 647 mln and YoY growth of 5.2%;
2. Stable Capital Adequacy Ratio of 22.8% (based on new Basel guidelines wef 1 Jan 2024)
3. NPL Ratio stood at 2.78% (2023: 2.51%) with an enhanced coverage of 246% (2023: 234%)
4. Loan book maintained at QR 34.94 bln vis-à-vis QR 34.75 bln in Dec 2023
5. Deposits increased by 13.8% during 2024 (QR 33.75 bln) vis-a vis Dec 23 (QR 29.65 bln)
6. Third tranche of EMTN of US\$ 500 mln repaid successfully in Sep 2024
7. Regulatory developments
 - a) Loans to deposit ratio – Maximum 100% ; Debt securities (EMTN) added in denominator and weighted as per residual maturity
 - b) Required Cash reserve ratio – 4.5% on total customer deposits and additionally,
On the maturity mismatch between foreign currency assets and liabilities (if the gap is negative) the following % are applicable.
 - i) less than 1 year – 5%
 - ii) 1 to 2 years - 3%
 - iii) greater than 2 years - NIL
8. ESG strategy and roadmap for the Bank is being rolled out.
9. Multiple Digitization and Automation initiatives continue to be the focus across the Bank

Key Performance Highlights

	Sep 2024	Sep 2023	Growth
Net Interest Income	1,270	996	27.6% ↑
Operating Income	1,420	1,133	25.4% ↑
Net Profit	647	615	5.2% ↑
	Sep 2024	Dec 2023	Growth
Total Assets	61,545	60,464	1.8% ↑
Loans & Advances	34,940	34,754	0.5% ↑
Customer Deposits	33,750	29,645	13.8% ↑
EMTN	3,643	5,489	-33.6% ↓

NPL	1,029	914
Total Provisions	2,534	2,135
NPL Coverage	246%	234%
NPL Ratio	2.78%	2.51%

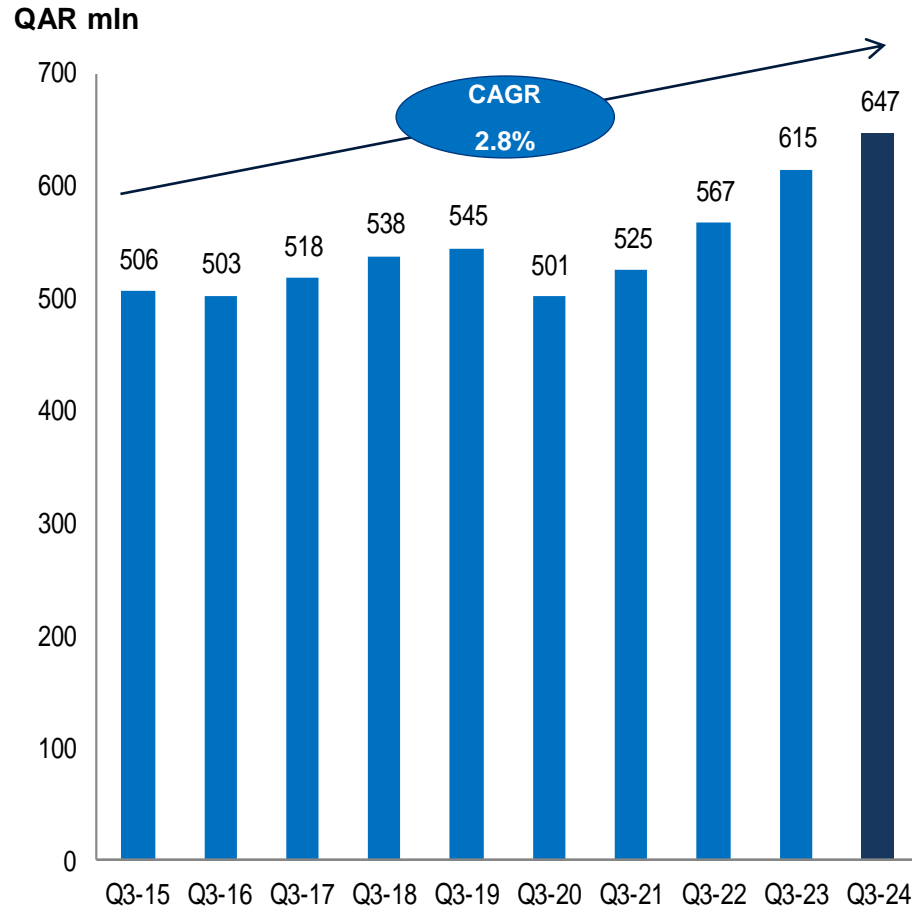
P&L – YTD Sep 2024

QAR '000	Estimated	Actuals	YOY
	Sep-24	Sep-23	Variance Fav/(Adv)
Interest income	2,690,460	2,327,324	16%
Interest expense	1,420,221	1,331,589	(7%)
Net interest income	1,270,239	995,735	28%
Fees and other income (Including FX)	149,681	136,910	9%
Total operating income	1,419,920	1,132,645	25%
Staff Expenses	139,900	138,555	(1%)
Other expenses and Depreciation	144,648	133,075	(9%)
Total operating expenses	284,548	271,630	(5%)
Net operating income before provisions	1,135,372	861,015	32%
Provisions for loan losses- ECL/Specific	563,204	303,491	(86%)
Recoveries of provisions	(83,982)	(57,795)	45%
	479,222	245,697	(95%)
Provision for repossessed collateral (D ring land)	9,000	-	-
Net Provisions	488,222	245,697	(99%)
Net Profit	647,150	615,318	5%

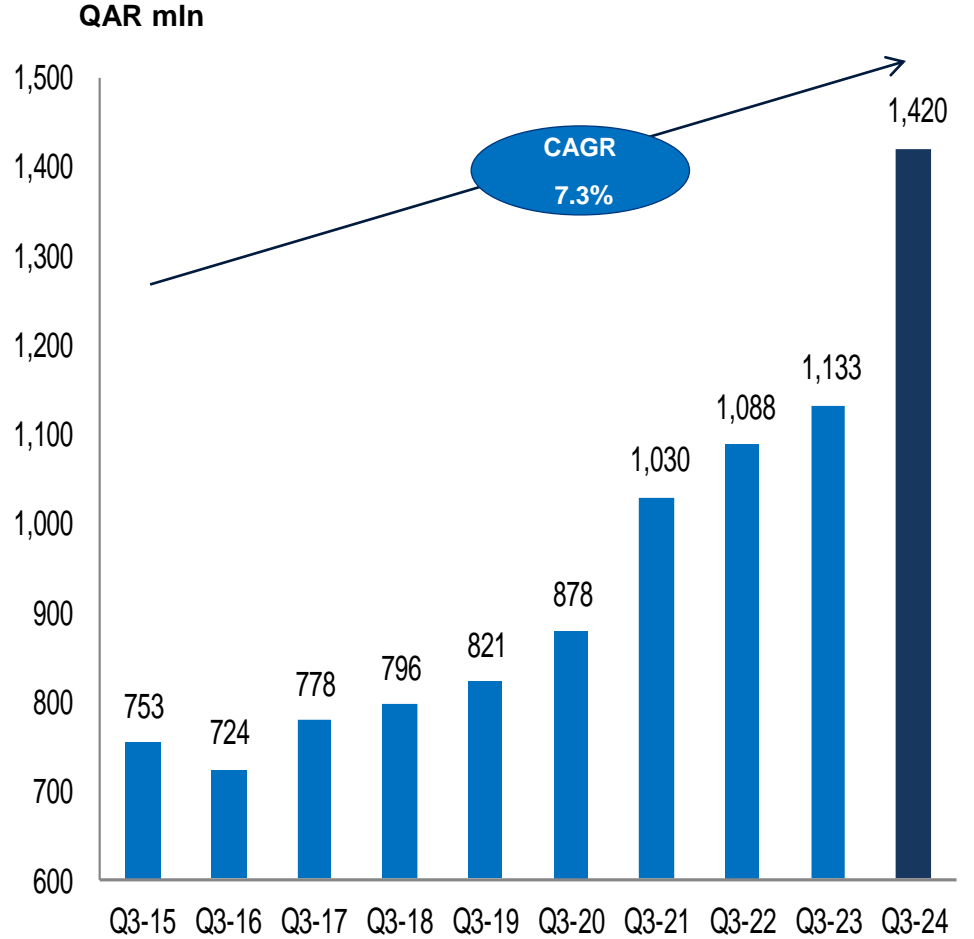
Balance Sheet – as at Sep 2024

QR 'Mln	Sep-24	Dec-23	Variance	
			Amount	%
Cash and Balances with central bank (includes Statutory reserve: QR 1.47 bln)	1,984	1,855	129	7%
Due from Banks	14,460	14,760	-299	(2%)
Loans and Advances	34,940	34,754	186	1%
SOQ	22	278	(256)	(92%)
Other Loans	34,918	34,476	442	1%
Investments	9,465	8,382	1,082	13%
Others	697	713	-16	(2%)
Total assets	61,545	60,464	1,081	2%
Due to Banks	13,803	15,001	-1,199	(8%)
Customer Deposits	33,750	29,645	4,105	14%
Medium Term Funding	1,461	1,462	-1	(0%)
EMTN	3,643	5,489	-1,846	(34%)
Others	654	622	32	5%
Total Liabilities	53,310	52,219	1,091	2%
Shareholder's Equity	7,143	7,153	-10	(0%)
AT-1	1,092	1,092	-	0%
Total Liabilities & Equity	61,545	60,464	1,081	2%

Steady Operating Income

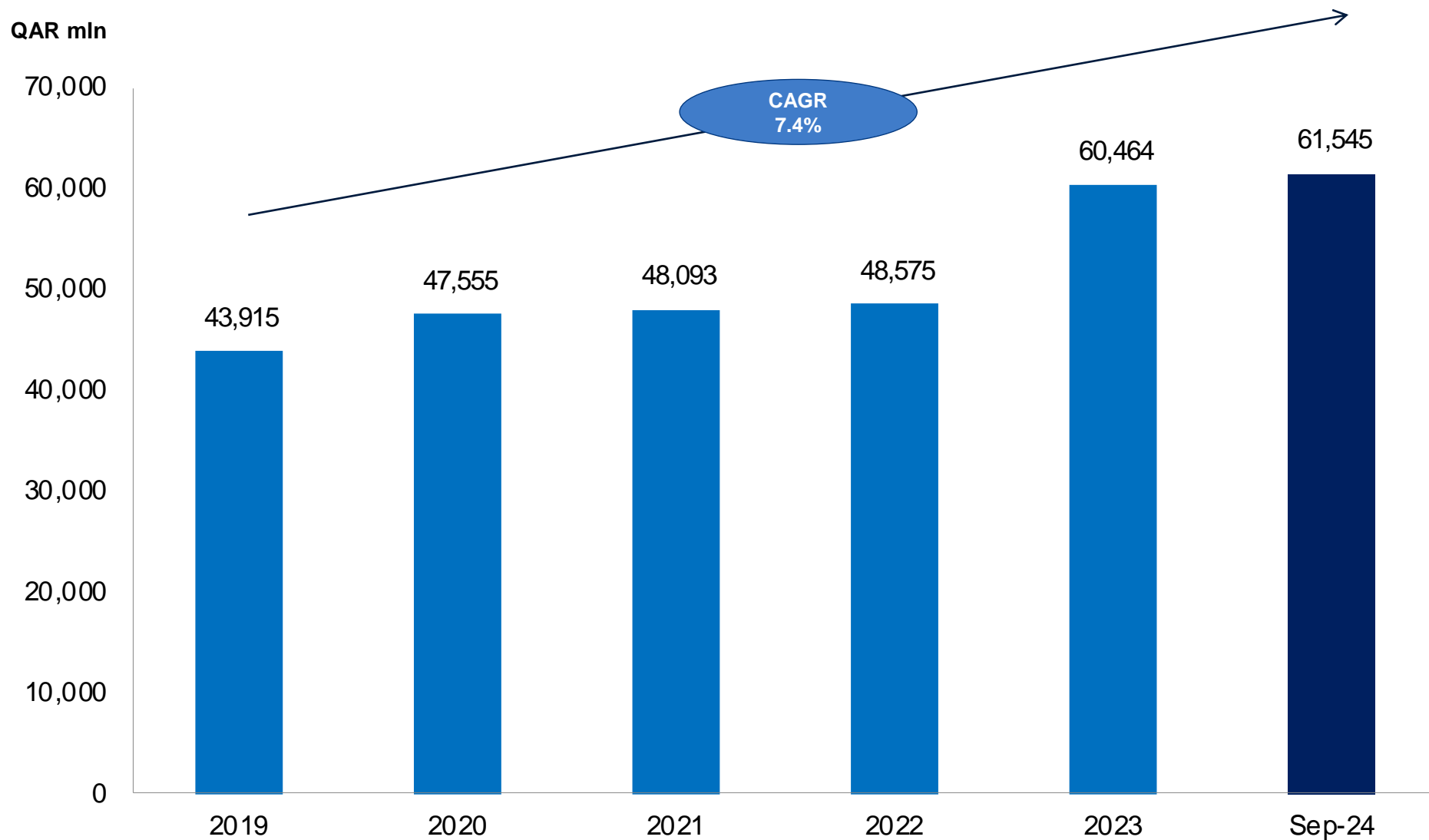


Net Profit

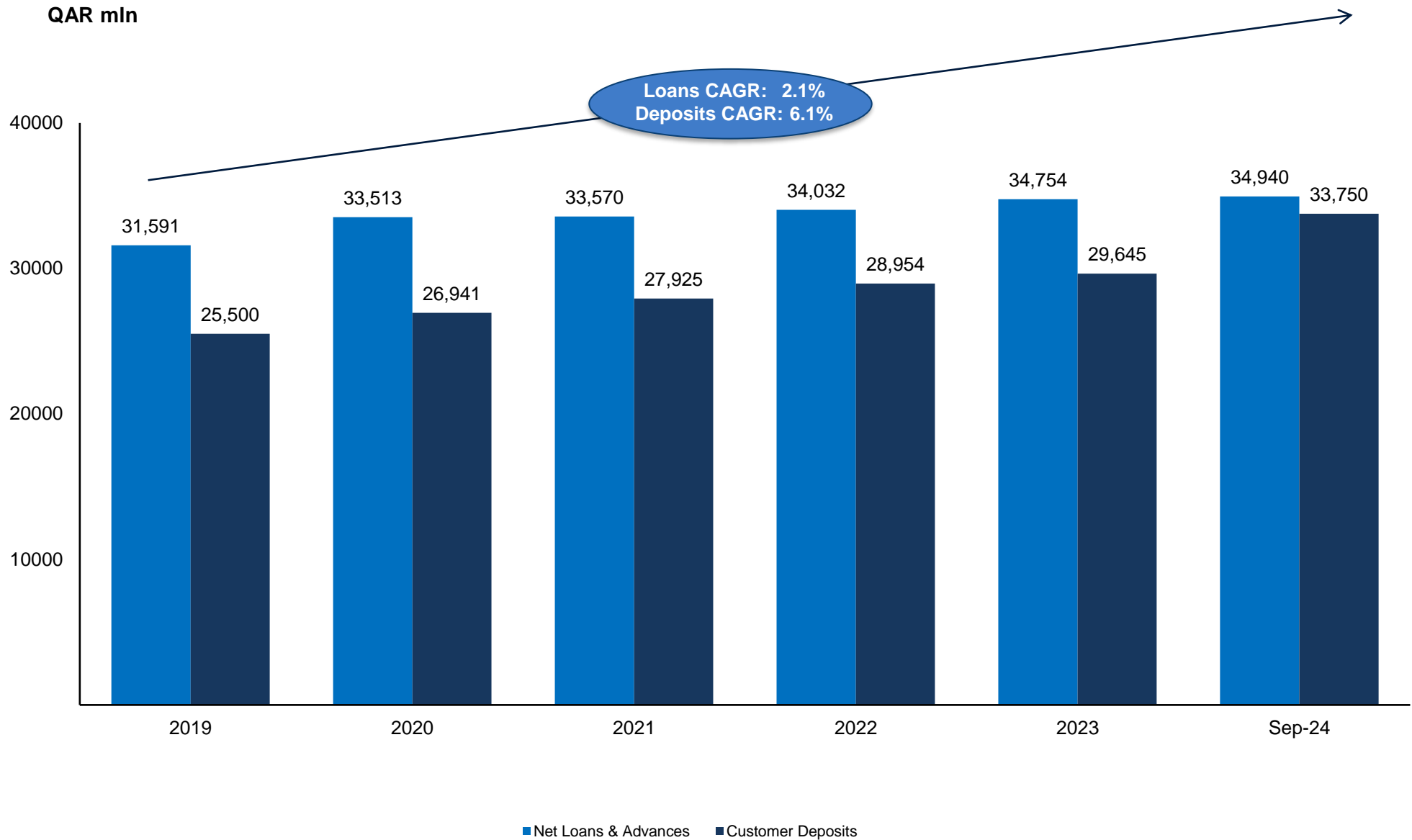


Operating Income

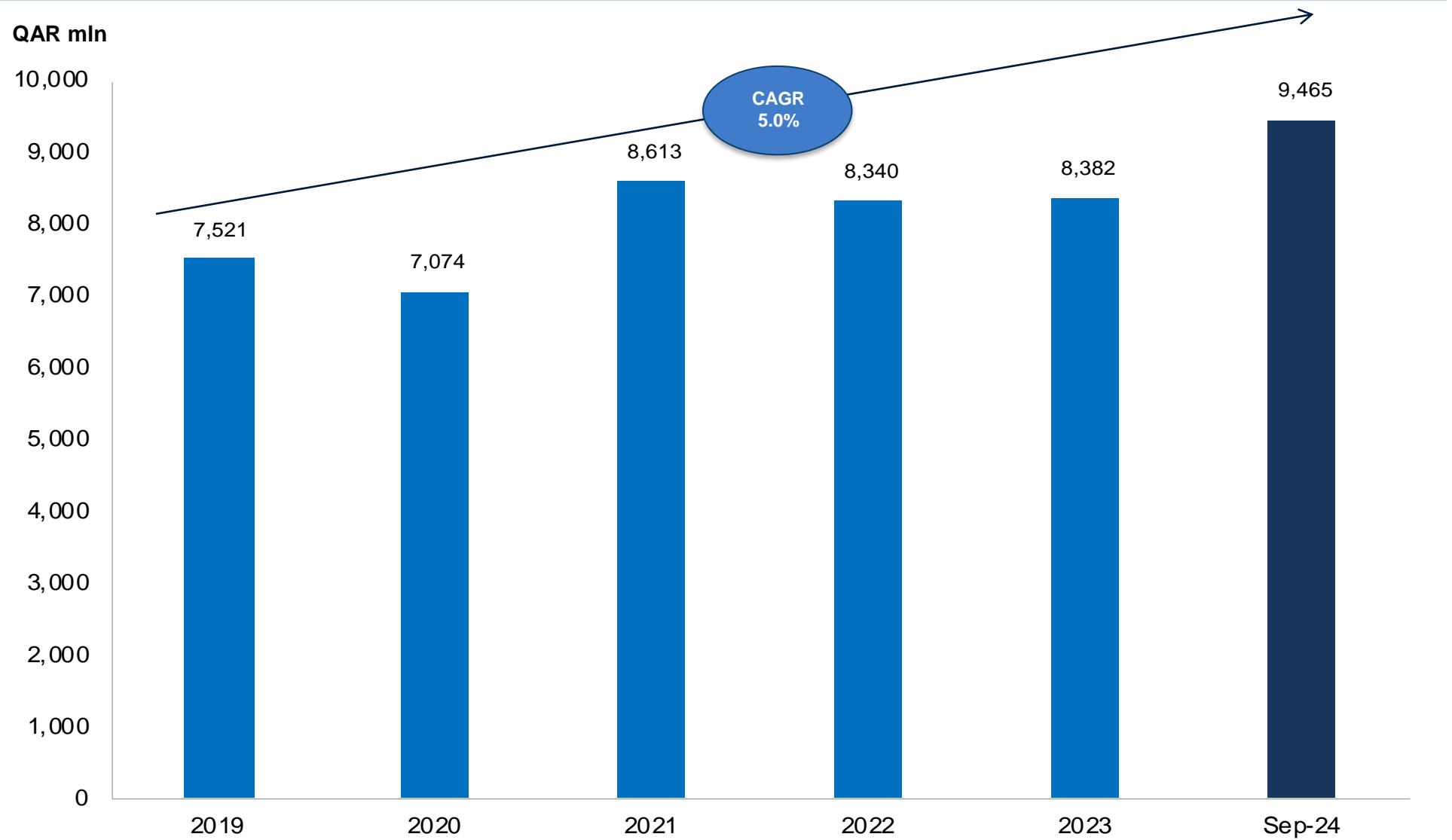
Total Assets – Trend



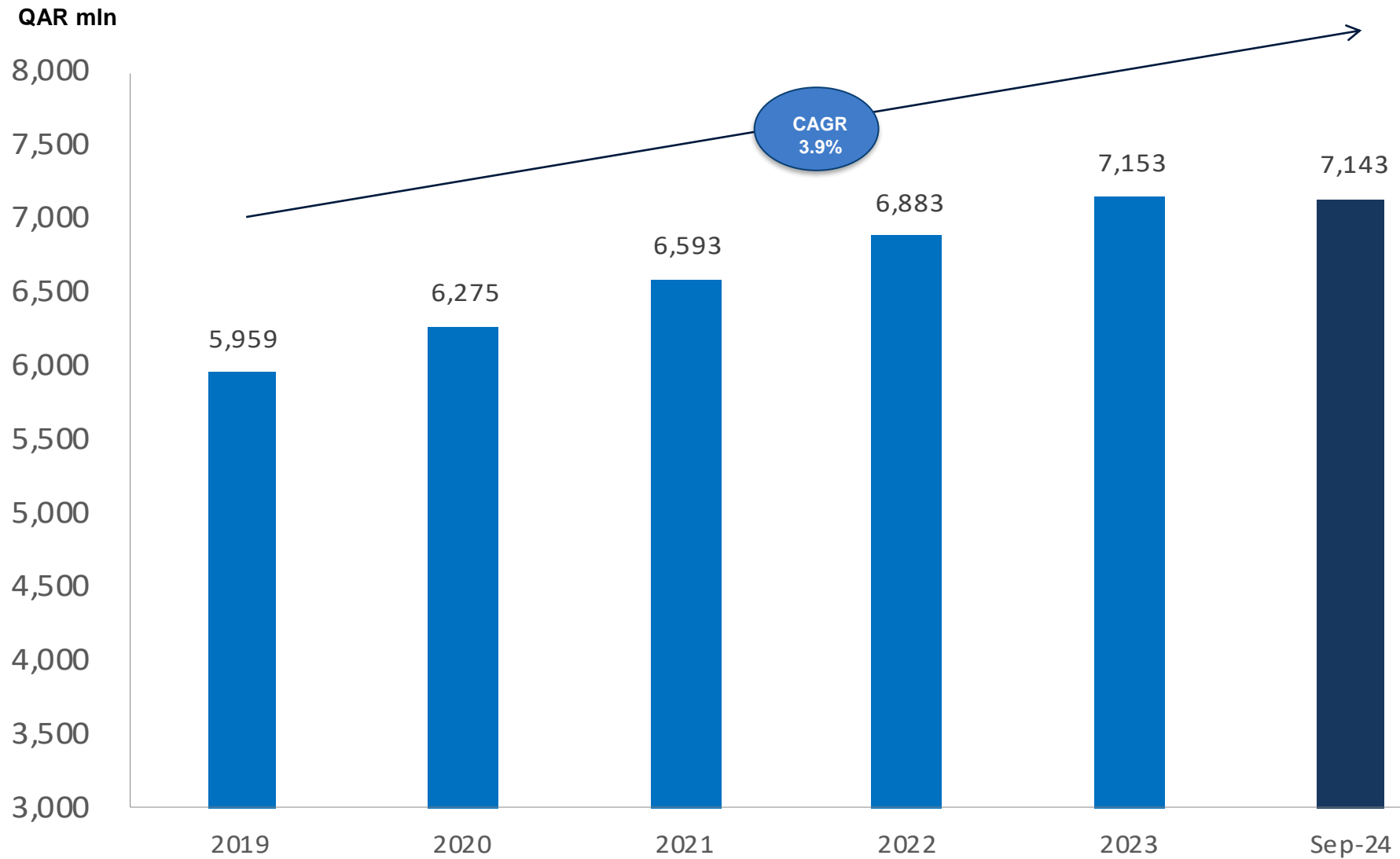
Net Loans & Advances / Customer Deposits – Trend



Proprietary Investments – Trend



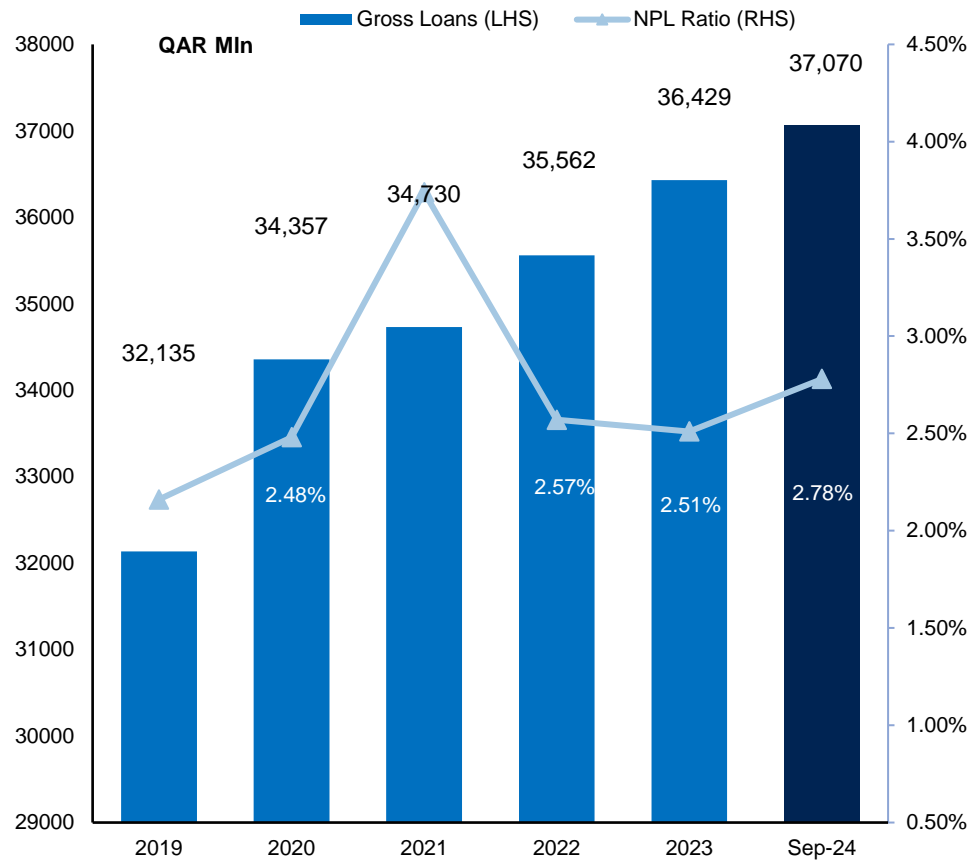
Shareholder's Funds – Trend



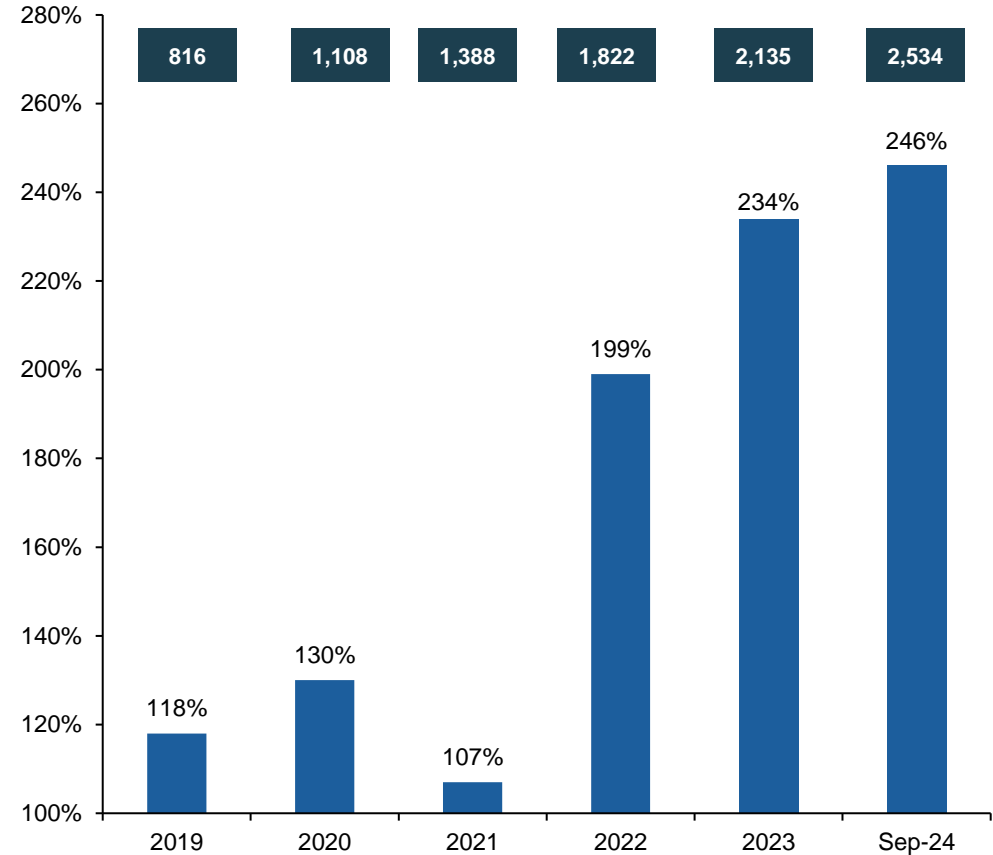
Asset Quality

NPL ratio of 2.78% and a coverage of 246% as at Sep 2024

Gross Loans and NPL Ratio⁽¹⁾



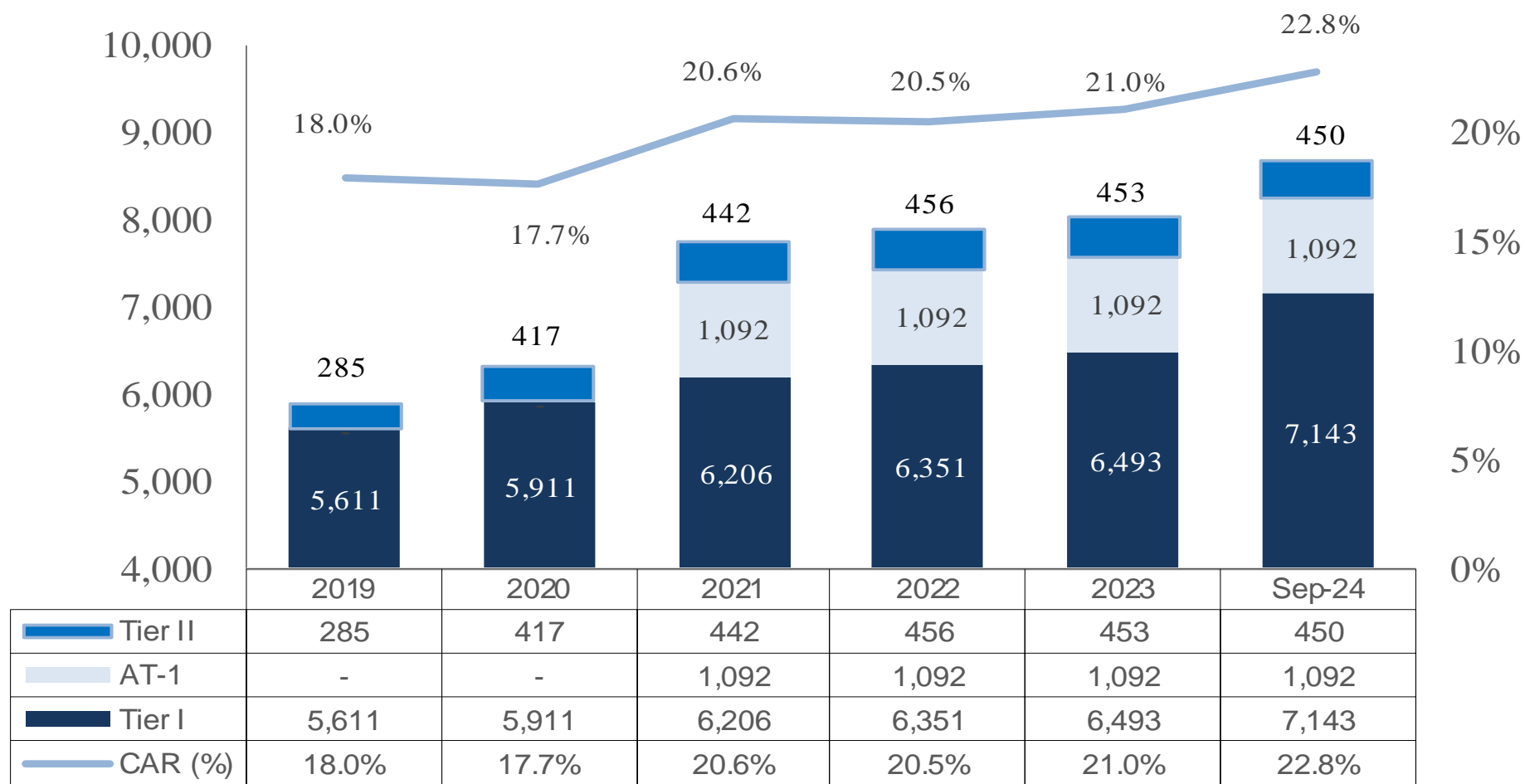
NPL Provision Coverage⁽²⁾



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

Capital Adequacy Ratio

QAR mln



Tier I
 AT-1
 Tier II
 CAR (%)

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

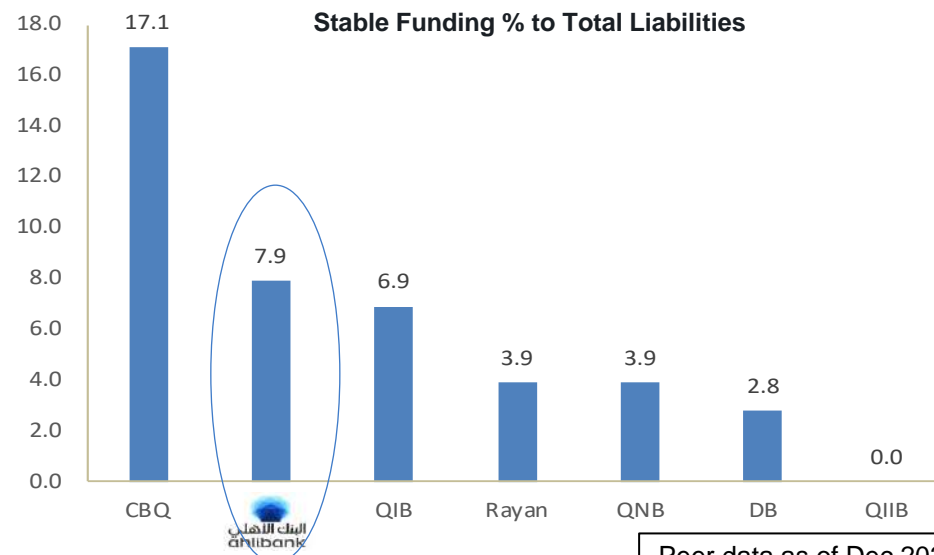
- 5-year US\$ 500 mln EMTN tranche I was issued in Apr 2016 carrying a coupon rate of 3.625% and was 2.4 times oversubscribed. Repaid in April 2021.
- 5 year US\$ 500 mln EMTN tranche II was issued in Feb 2017 at a coupon rate of 3.50% and was 4 times oversubscribed. Repaid in February 2022.
- 5 year 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 4 (US\$)	1,820.0	Sept 2025	5 years
EMTN Tranche 5 (US\$)	1,820.0	July 2026	5 years
Total	5,096.0		

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
- Third tranche of US\$ 500 mln repaid in September 2024

Maturity Profile



Peer data as of Dec 2023

Market Positioning

Cost to Income (%)				
	2021	2022	2023	Q3-2024
QIB	18.9	18.2	17.8	18.4
ABQ	25.4	23.1	23.4	20.0
QIIB	19.8	19.7	18.9	21.3
QNB	23.6	20.9	21.3	23.7
CBQ	30.6	22.7	27.7	24.3
Rayan	22.0	27.4	25.1	25.8
Dukhan	0.0	28.6	33.9	33.5
DB	30.5	32.9	42.0	38.3

Return on Assets (%)				
	2021	2022	2023	Q3-2024
QIB	1.83	2.02	2.23	2.07
QIIB	1.46	1.59	1.81	2.04
CBQ	1.26	1.48	1.67	1.76
ABQ	1.44	1.55	1.60	1.44
Dukhan	0.00	1.14	1.14	1.26
QNB	1.15	1.17	1.20	1.24
Rayan	1.28	0.80	0.89	0.98
DB	0.44	0.58	0.60	0.66

Return on Equity (%)				
	2021	2022	2023	Q3-2024
QNB	12.6	13.1	13.6	14.3
QIB	14.5	14.9	14.8	13.6
QIIB	7.1	11.1	11.5	12.8
ABQ	9.3	9.4	10.1	12.4
CBQ	9.2	10.0	10.9	11.5
Dukhan	8.0	8.6	10.4	9.8
Rayan	10.0	5.3	6.0	6.5
DB	3.3	3.8	4.1	4.7

NIM (%)				
	2021	2022	2023	Q3-2024
QIB	2.74	2.83	2.88	2.74
ABQ	2.18	2.56	2.45	2.60
QNB	2.24	2.58	2.50	2.38
QIIB	2.31	2.15	2.41	2.11
CBQ	2.30	2.37	2.24	2.07
Dukhan	0.00	1.95	1.51	1.60
Rayan	2.30	2.06	1.40	1.45
DB	2.27	2.13	1.72	1.36

Peer data as of Jun 2024

Disclaimer:

The description in this Investor Relations Presentation is provided for information purposes only and is not intended to advise any person to invest in the Bank or to induce or attempt to induce any person or entity to invest in any particular bank product. The information and opinions contained herein are provided for personal use and informational purposes only and are subject to change without notice.