



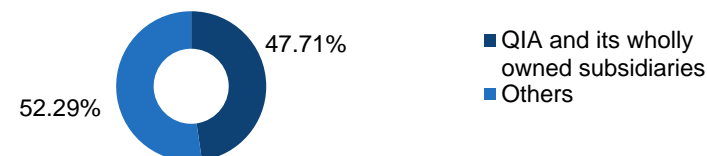
# Investor Presentation H1 2021

# Overview

## Overview

- Founded in 1983 and listed on the Qatar Stock Exchange, ABQ is the 5<sup>th</sup> largest conventional bank in Qatar in terms of assets
  - Market cap of QAR 8.87 bln (as of 30 June 2021)
  - Has a network of 14 branches and 76 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 25.5%
- Effective risk management and high quality loan book as proven by low non-performing assets
  - NPL ratio – 2.26% and conservatively provisioned (coverage of 158% including ECL provisions as at 30 June 2021)
- Strong capital position with Basel III Capital Adequacy Ratio (CAR) of 20.5% as at 30 June 2021 post AT1 issuance in February 2021
- 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 16.3% as of July 2021 post issuance of Tranche 5 and repayment of EMTN Tranche 1

## 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) strong asset quality, (2) sound capital, and (3) strong profitability." Moody's, 18 December, 2020

Key Indicators	2019		2020		Jun 2020		Jun 2021	
	QAR mln	US\$ mln	QAR mln	US\$ mln	QAR mln	US\$ mln	QAR mln	US\$ mln
Total Assets	43,915	12,065	47,555	13,065	43,750	12,019	47,799	13,132
Total Net Loans	31,591	8,679	33,513	9,207	31,938	8,774	35,080	9,637
Total Customer Deposits	25,500	7,005	26,941	7,401	24,926	6,848	28,312	7,778
Total Equity	5,959	1,637	6,275	1,724	5,892	1,619	6,227	1,711
CAR (Basel III)	18.0%		17.7%		17.2%		20.5%	
C / I Ratio	27.3%		25.6%		27.7%		25.5%	
RoAE	11.9%		11.3%		10.1%		10.0%	

# 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> <li>A new social media platform has also been launched to stay engaged with the 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>ABQ issued fifth tranche of EMTN Bond for US\$ 500 mln to the International Capital Market in July 2021</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

Considered

البنك الأهلي  
ahlibank



Engaged

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.

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



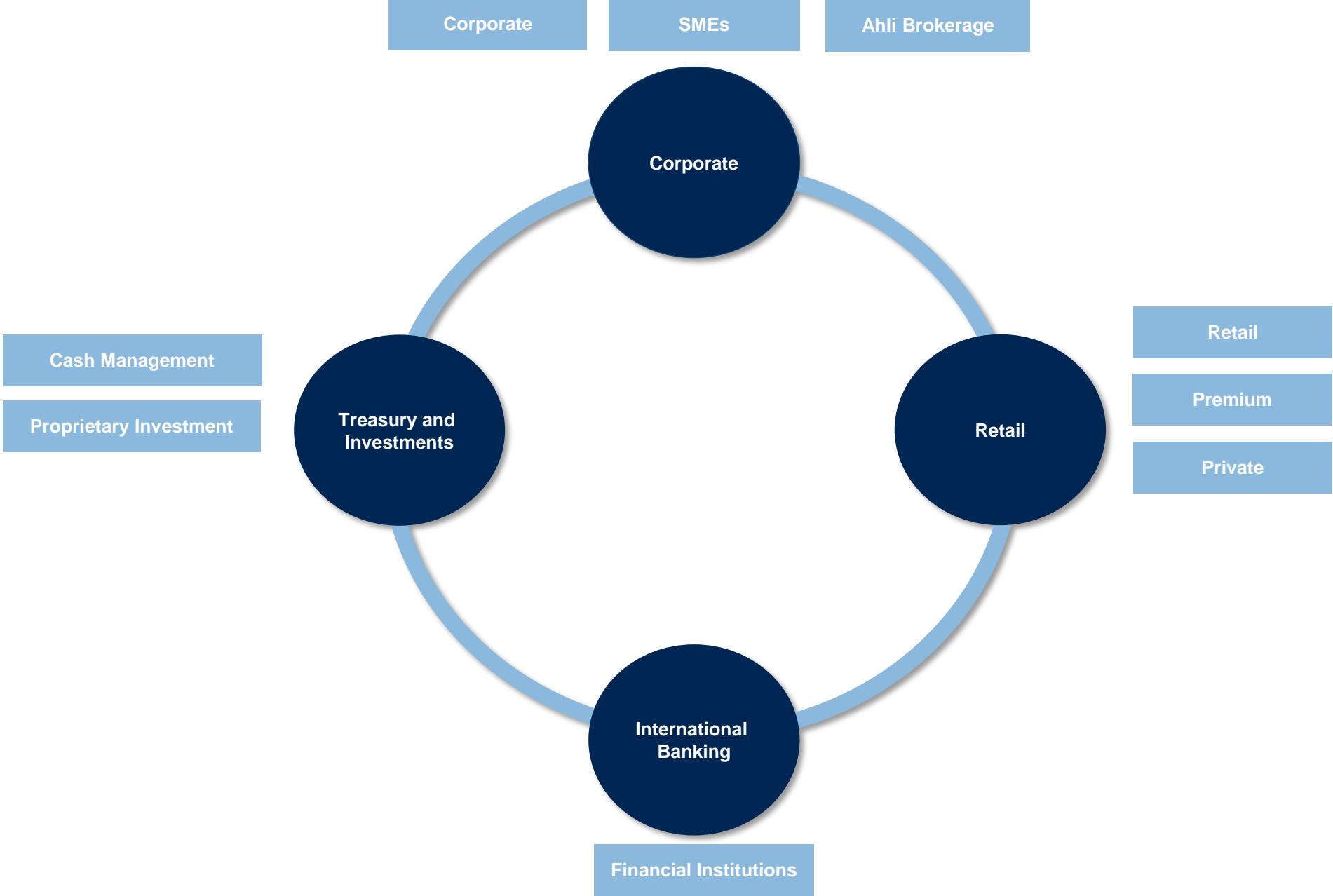
Thyroid Cancer Conference



The Qatar Society  
for Rehabilitation  
of Special Needs



# Business Lines










# Executive Summary: H1 2021

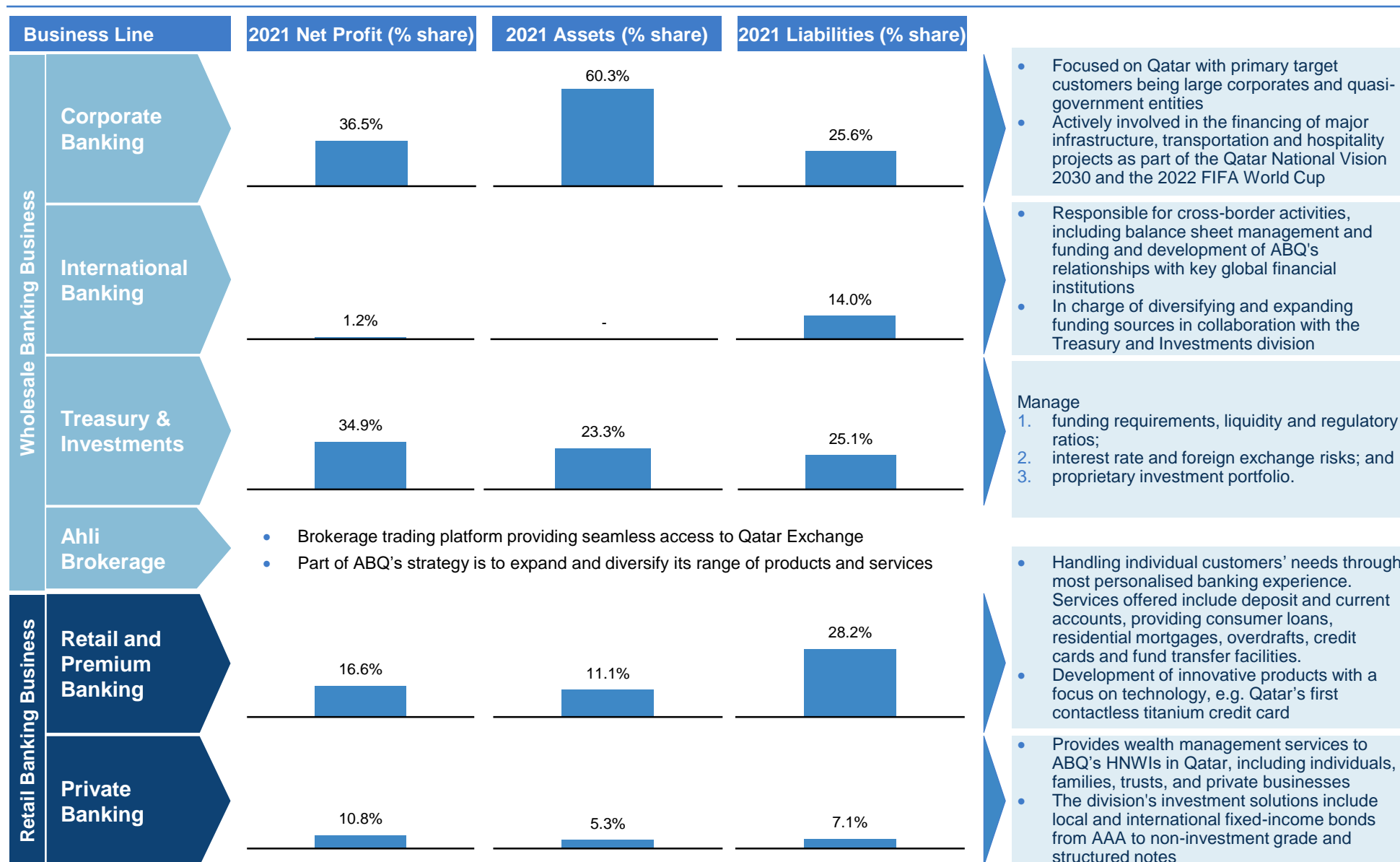
---

- 1) Steady Performance in H1 2021 with strong operating profits (+27% YoY); Net Profit grew by 4.7% YoY
  - 2) The Bank successfully completed the Issuance of USD300 Million Additional Tier 1 Capital in the international markets at a coupon of 4% which was the lowest rate in the Banking Industry in Qatar and MENA region for this instrument by a conventional Bank”.
  - 3) EMTN 1st Tranche for USD500mln @ 3.625% coupon rate was repaid on 13th April 2021
  - 4) Tranche 5 of EMTN successfully issued during Q2 2021 for USD 500mln @ coupon rate of 2%; Start date 6<sup>th</sup> July 2021
  - 5) Uninterrupted Banking Services ; Resilient Technology Stack
    1. ABQ’s robust Technology platforms that offers various services 24/7 , 365 days , was working full swing providing uninterrupted banking services to our customers;
    2. WFH: Working from home was put in place to deliver the services ; 30% of the staff was enabled within 1 month
    3. Currently, normal working and full attendance restored
- 1) Loans and Advances
    - a) Deferment of SME & Non-SME loan dues by 6 months (16th March 2020 to 16th Sep 2020,15th June 2021, 15th Sep 2021 extended on case to case basis;
    - b) QCB mandated New loans provided to corporate customers @1.5% ; Current exposure ~QR 2.2 billion
    - c) QDB guaranteed loan for SME’s disbursed ; Current exposure ~QR 63 mln; application date extended to 30th Sep 2021 (Loan tenor 4 years)
  - 2) Funding
    - a) REPO facility for QR2.3billion availed from QCB @ ZERO interest to fund the above loans  
The facility was extended from 17th December to 16th June 2021; now extended to 30th Sep 2021 Utilization stands at ~QR2.3 billion which is tied to STL (Loans)

## Key Highlights

	June 2021	June 2020	Growth
<b>Net Interest Income</b>	QAR 554 Mln	QAR 451 Mln	23% 
<b>Operating Profit</b>	QAR 512 Mln	QAR 404 Mln	27% 
<b>Net Profit</b>	QAR 308 Mln	QAR 294 Mln	4.7% 
	June 2021	Dec 2020	Growth
<b>Total Assets</b>	QAR 47,799 Mln	QAR 47,555 Mln	1% 
<b>Loans &amp; Advances</b>	QAR 35,080 Mln	QAR 33,513 Mln	5% 
<b>Customer Deposits</b>	QAR 28,312 Mln	QAR 26,941 Mln	5% 
<b>AT-1</b>	QAR 1,092 Mln	-	
<b>Shareholders Equity</b>	QAR 6,227 Mln	QAR 6,275 Mln	1% 

# Overview of Key Business Lines

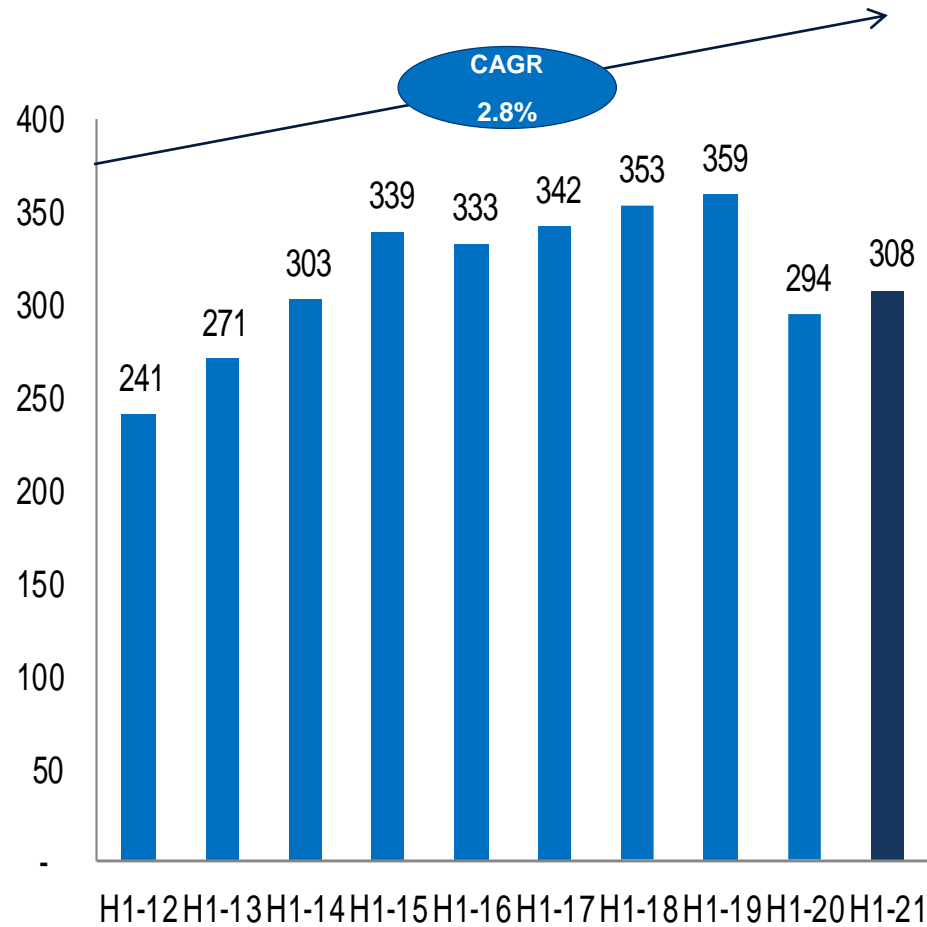


1. Based on spot balances as of 30 June 2021.



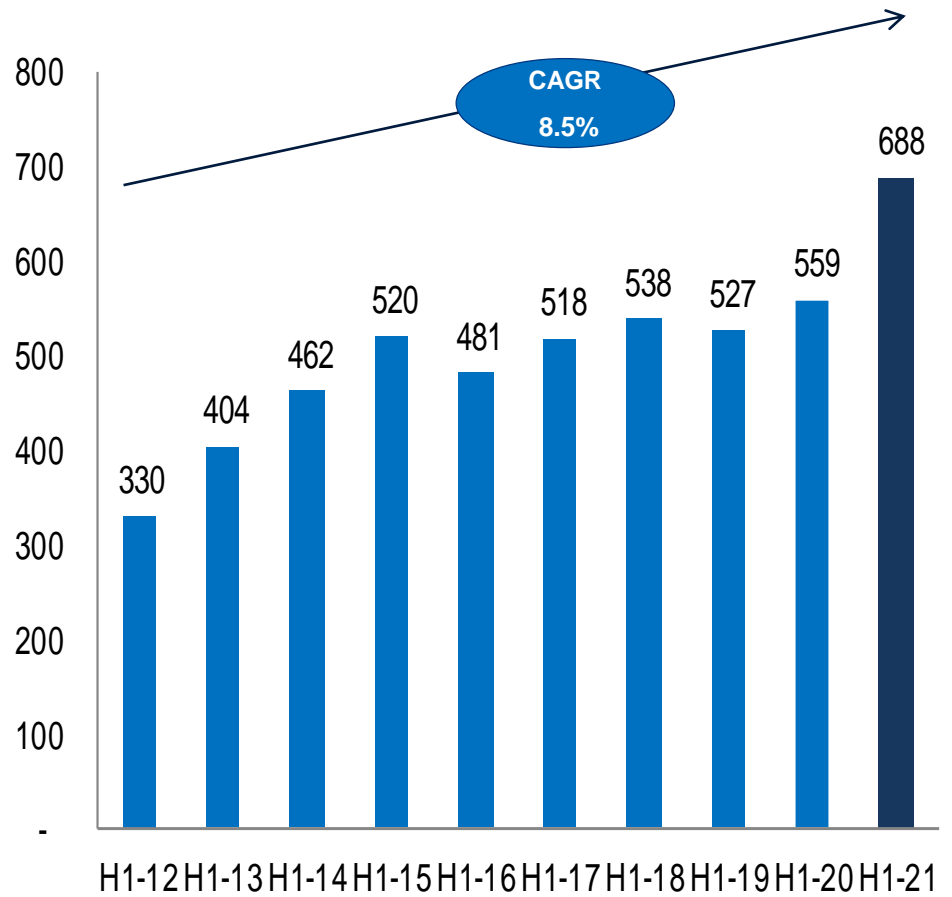
# Steady Operating Income

QAR mln



**Net Profit**

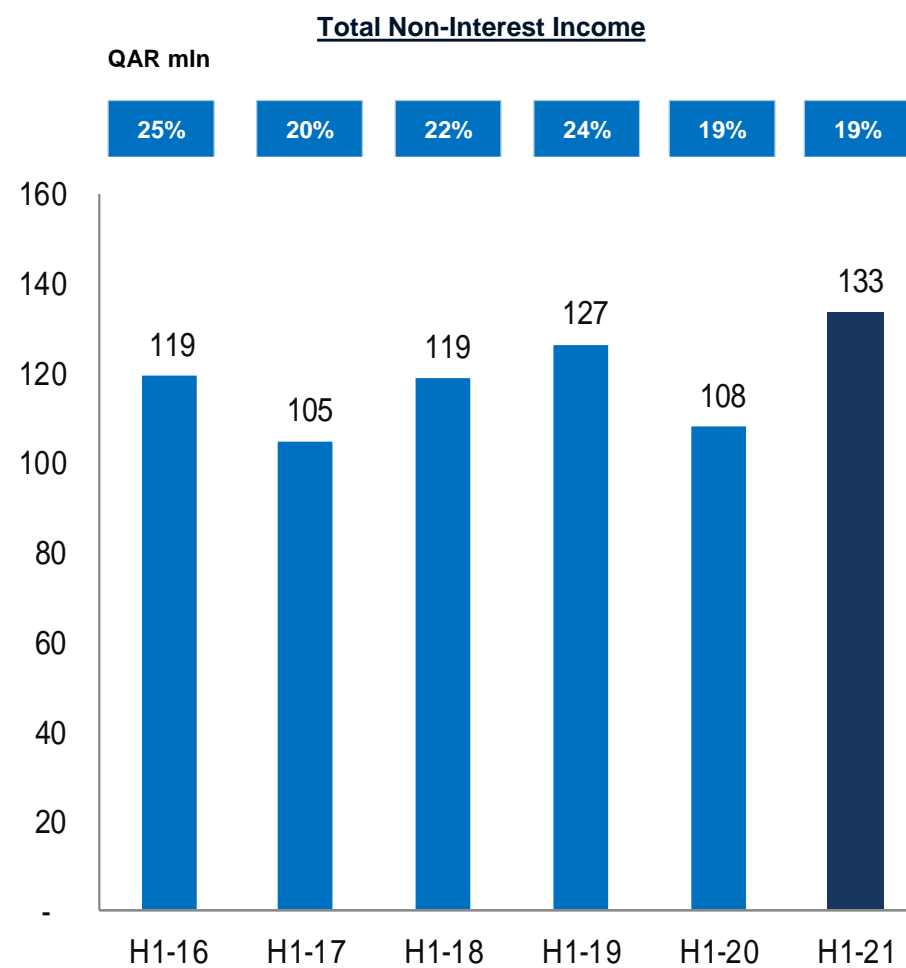
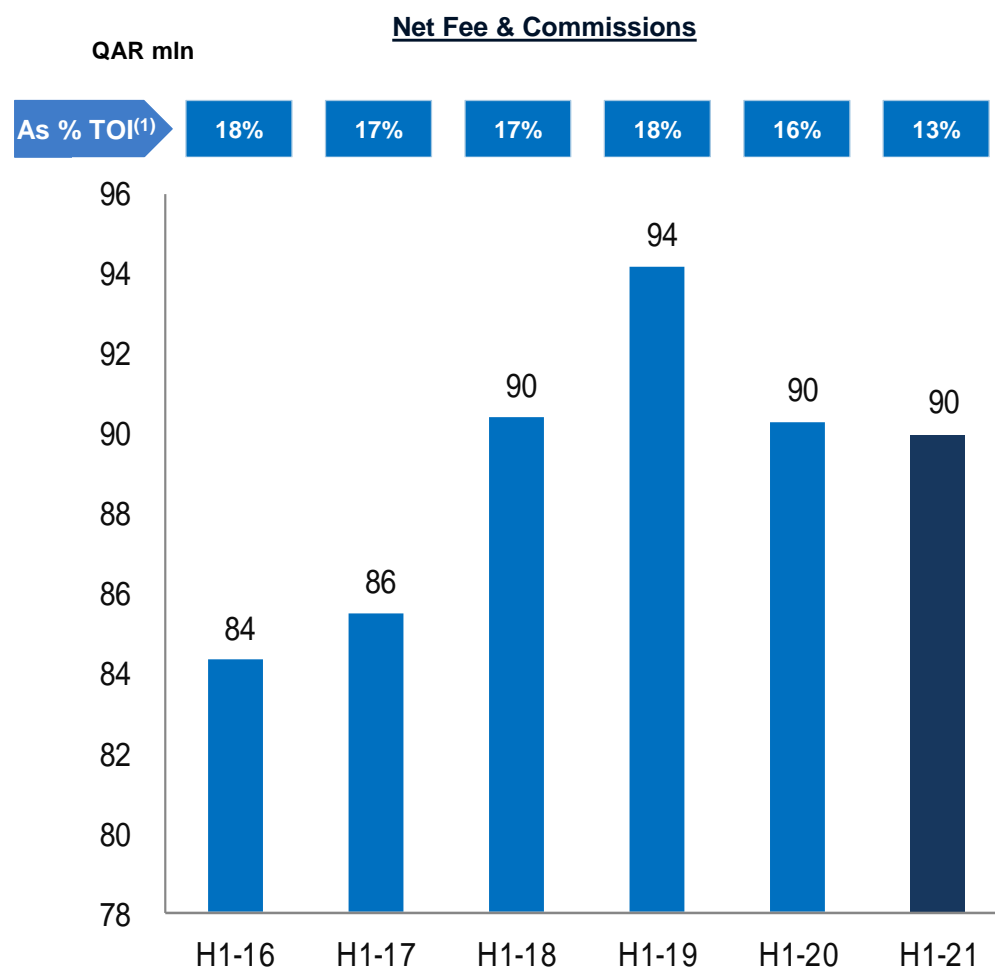
QAR mln



**Operating Income**

# Diversified Revenues

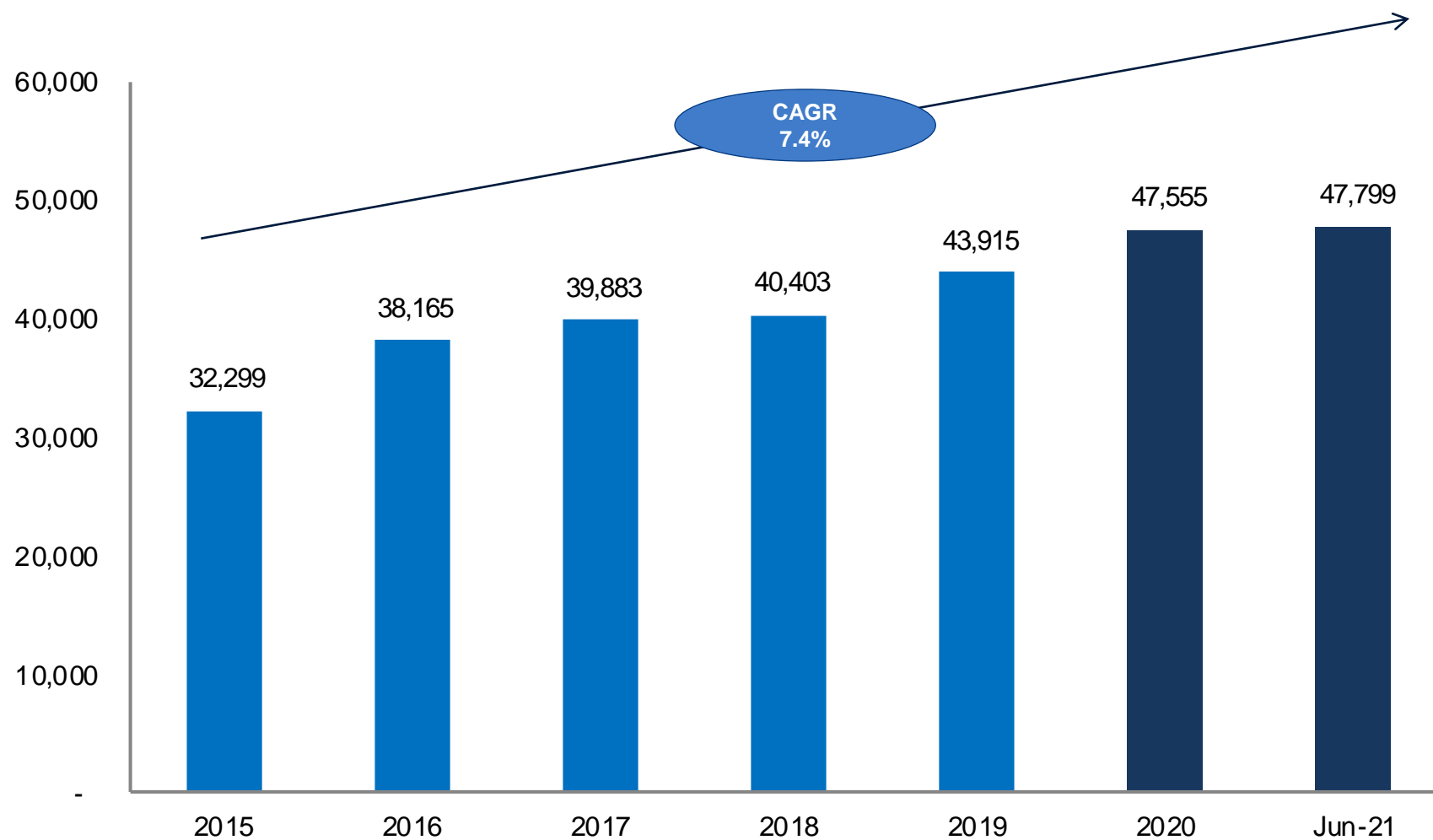
ABQ benefits from diversified revenues with non-interest income representing **19%** of Total operating income in H1 2021



1. Total Operating Income.

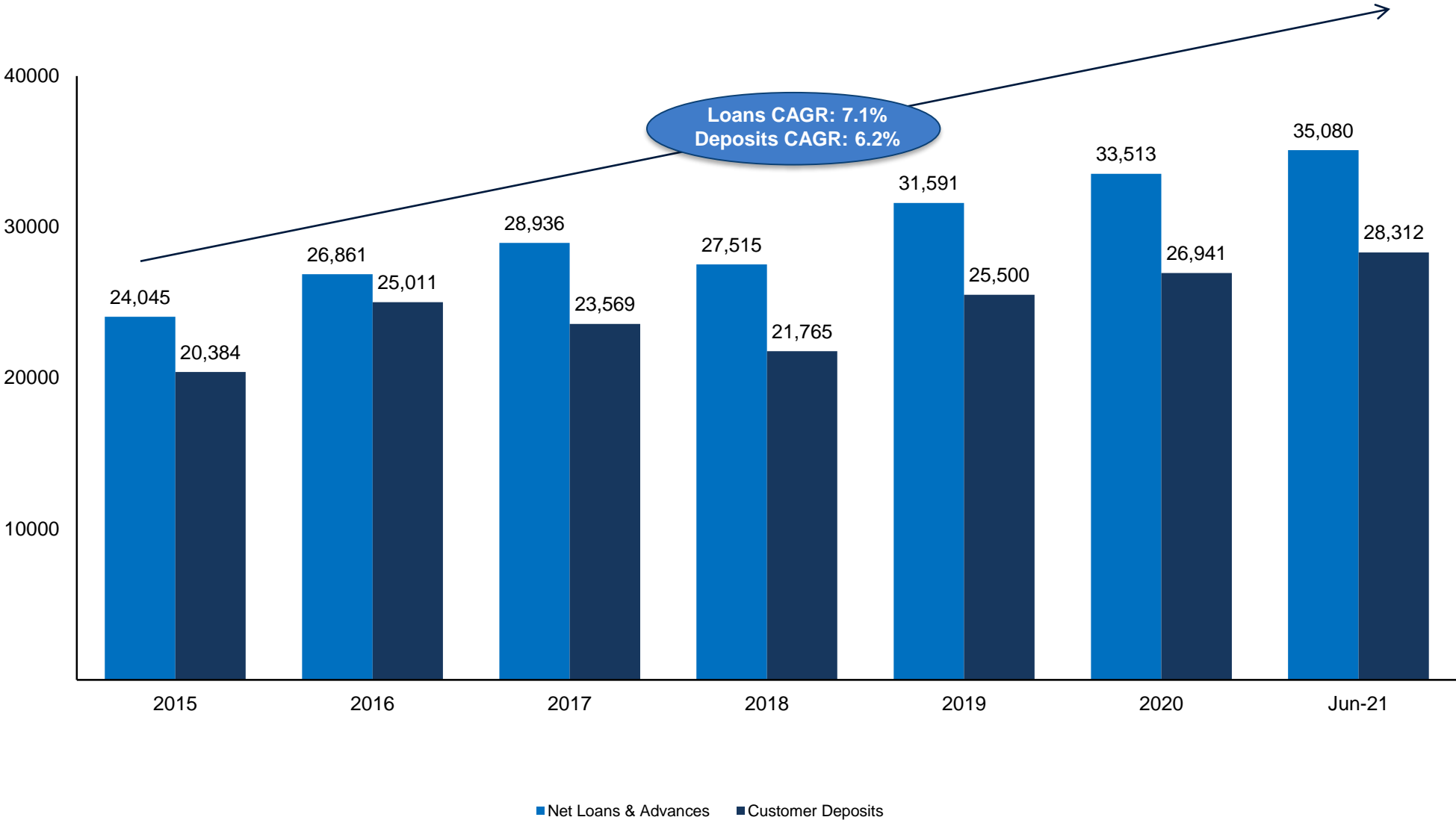
# Total Assets – Trend

QAR mln

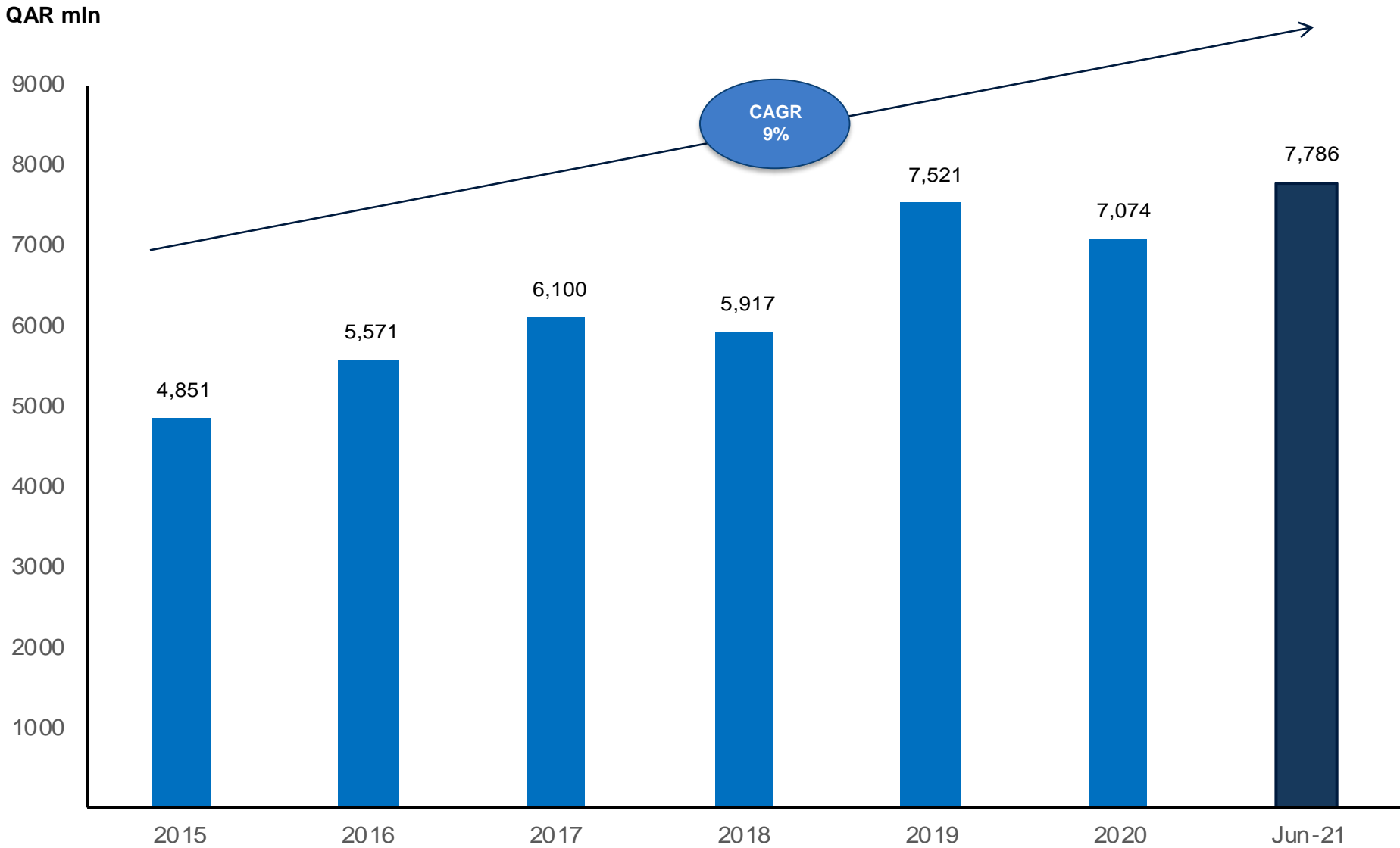


# Net Loans & Advances / Customer Deposits – Trend

QAR mln

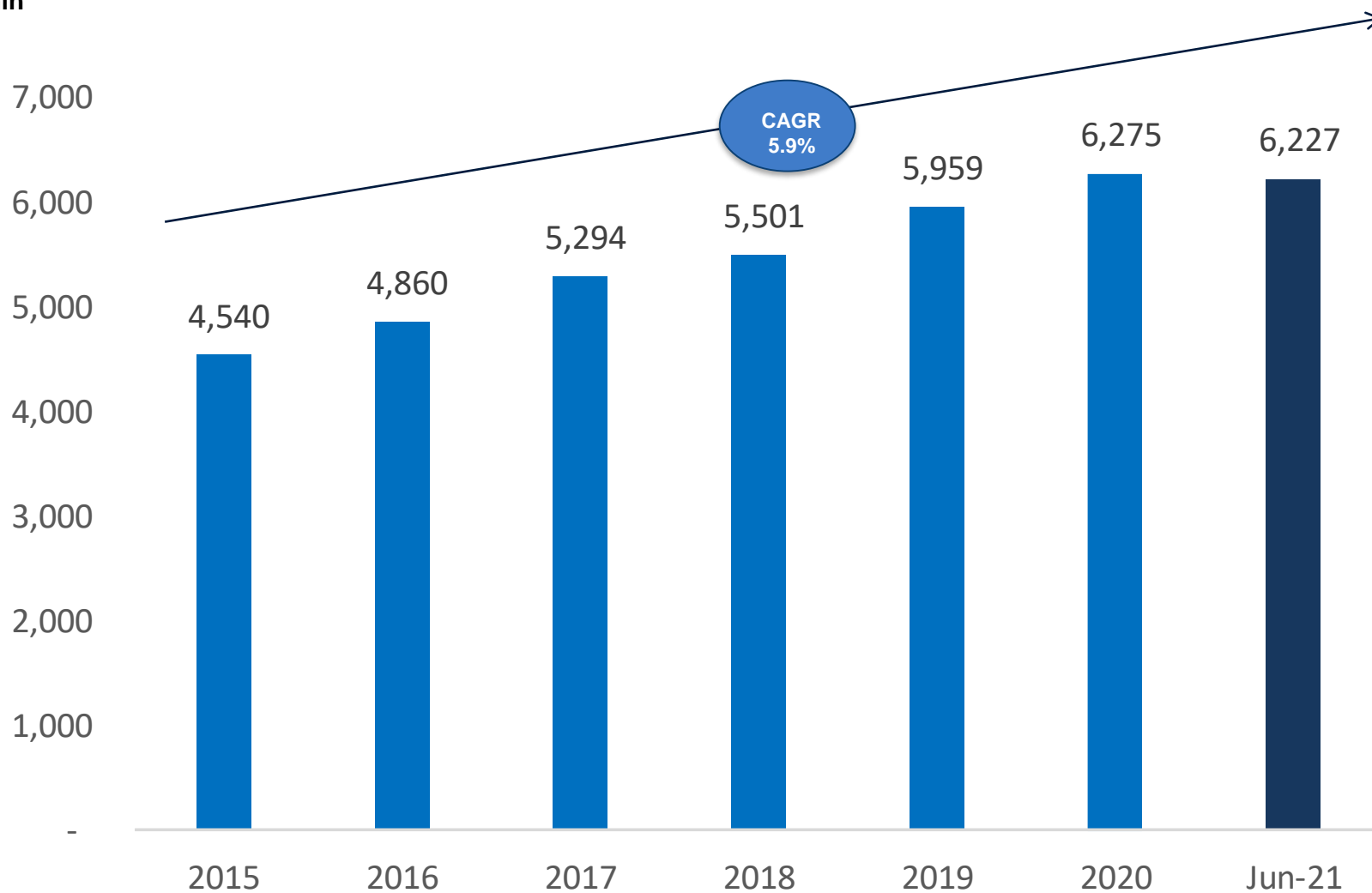


# Proprietary Investments – Trend



## Shareholder's Funds – Trend

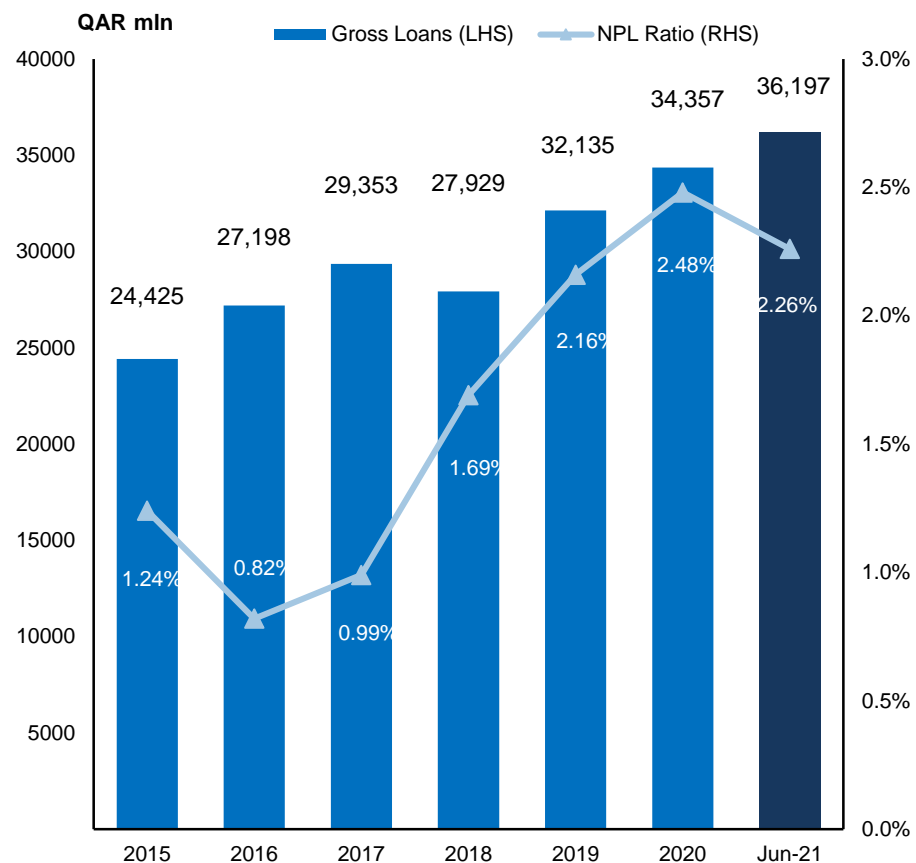
QAR mln



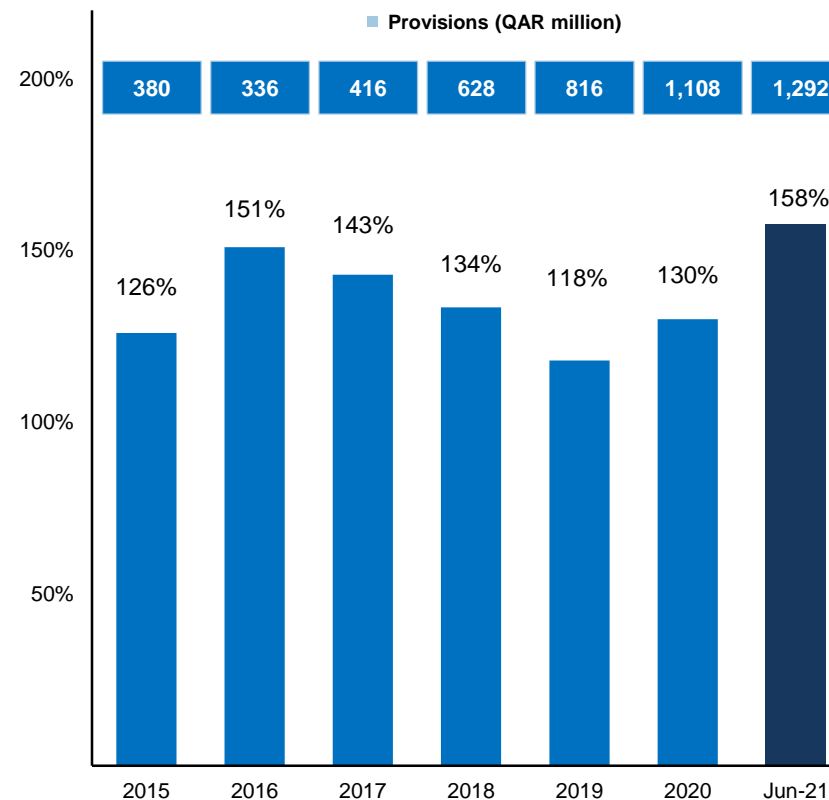
# Asset Quality

NPL ratio of 2.26% and a coverage ratio of 158% as of June 2021

**Gross Loans and NPL Ratio<sup>(1)</sup>**

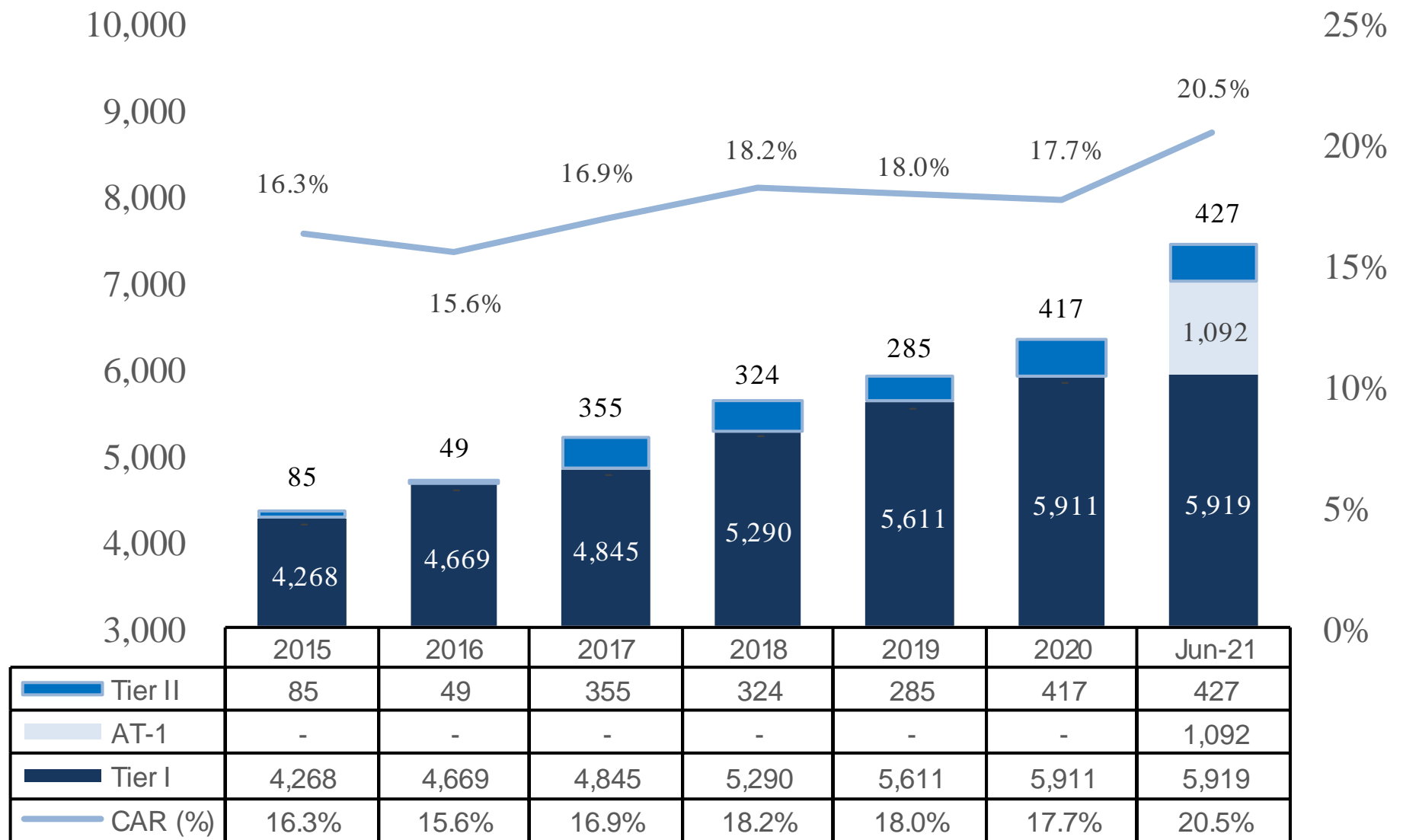


**NPL Provision Coverage<sup>(2)</sup>**



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

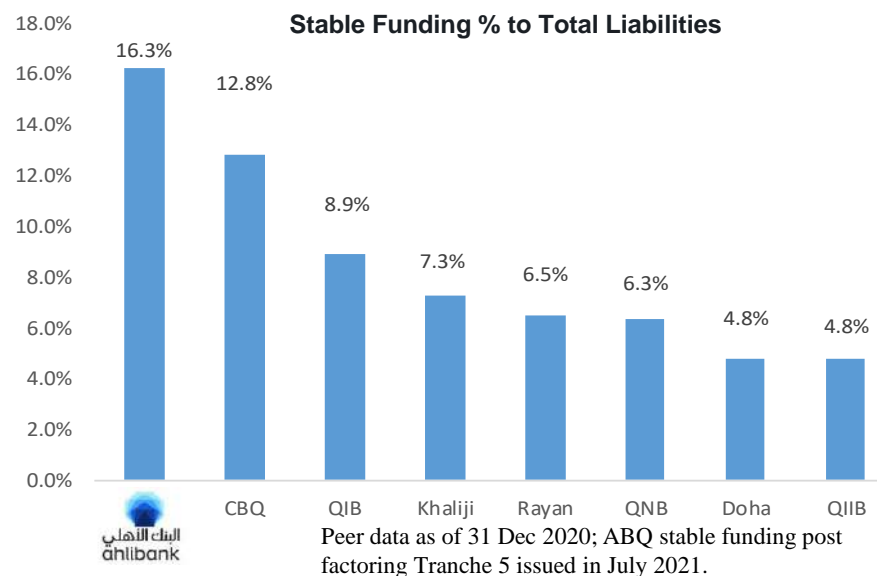
- 5-year US\$ 500 mln EMTN tranche I was issued in Apr 2016 carrying a coupon rate of 3.625% and was 2.4 times oversubscribed. Repaid in April 2021.
- 5 year US\$ 500 mln EMTN tranche II was issued in Feb 2017 at a coupon rate of 3.50% and was 4 times oversubscribed
- 5 year US\$ 500 mln EMTN tranche 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\$)	36.4	Dec 2021	2 years
Term Loan Facility (US\$)	182.0	Jul 2022	2 years
Term Loan Facility (US\$)	364.0	Dec 2021	2 years
Term Loan Facility (US\$)	109.2	Dec 2021	3 years
Term Loan Facility (US\$)	910.0	Nov 2023	3 years
EMTN Tranche 2 (US\$)	1,820.0	Feb 2022	5 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
<b>Total</b>	<b>8,881.6</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.
- 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 on 13 April 2021

## Maturity Profile



# Market Positioning

Cost to Income (%)				
	2018	2019	2020	H1-2021
QIB	26.63	23.80	20.87	18.21
Rayan	24.16	22.93	21.63	19.17
QIIB	25.65	24.20	21.17	19.31
Khaliji	30.26	29.32	26.86	23.33
QNB	27.26	27.69	25.72	24.25
<b>ABQ</b>	<b>28.10</b>	<b>27.37</b>	<b>25.63</b>	<b>25.49</b>
DB	38.79	37.12	31.73	29.68
CBQ	35.90	29.90	27.32	31.92

Return on Assets (%)				
	2018	2019	2020	H1-2021
Rayan	2.11	2.13	1.93	1.87
QIB	1.68	1.82	1.70	1.68
QIIB	1.70	1.62	1.40	1.60
CBQ	1.03	1.25	0.73	1.52
<b>ABQ</b>	<b>1.73</b>	<b>1.66</b>	<b>1.50</b>	<b>1.30</b>
QNB	1.58	1.49	1.12	1.22
Khaliji	1.01	1.15	1.14	1.21
DB	0.66	0.53	0.47	0.96

Return on Equity (%)				
	2018	2019	2020	H1-2021
QNB	20.50	19.36	15.25	16.93
Rayan	16.83	16.55	15.95	16.40
QIB	17.23	17.93	16.59	16.33
QIIB	14.75	15.06	13.87	16.22
CBQ	9.05	10.68	6.12	13.48
Khaliji	9.89	10.31	10.40	10.59
DB	6.70	5.85	5.40	10.39
<b>ABQ</b>	<b>12.61</b>	<b>11.85</b>	<b>11.33</b>	<b>9.97</b>

NIM (%)				
	2018	2019	2020	H1-2021
QIB	2.30	2.47	2.72	2.84
Rayan	2.09	2.04	2.37	2.61
QIIB	2.42	2.32	2.35	2.46
<b>ABQ</b>	<b>1.95</b>	<b>1.81</b>	<b>2.07</b>	<b>2.29</b>
CBQ	1.70	2.06	2.12	2.27
Khaliji	1.41	1.60	2.11	2.25
DB	1.91	1.58	1.99	2.23
QNB	2.40	2.26	2.18	2.21

# Banking Partners' Footprint

Who do we principally work with?



SEB



HSBC



HSBC



GCC Countries	Banks
UAE	
KSA	
Bahrain	
Oman	
Kuwait	

**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.