الخليجي
al khaliji

Investor Presentation

Q3, 2021 Results

October 2021

next generation banking

بنك الجيل القادم

al khaliji outlook

- Clear strategic direction
- Stable shareholder base
- Strong and professional Board of Directors
- Prudent and experienced Group Executives and Management
- Conservative risk management policies in place
- Robust capital adequacy ratio and a highly liquid balance sheet

- Financial Overview
- Financial Information
- Business Overview & Strategy
- Shareholder Information

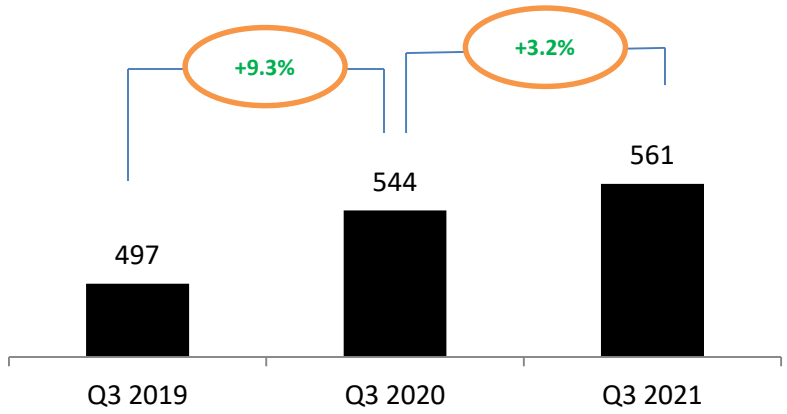
Financial Overview

Introduction

- ✓ Established in 2007 and headquartered in Doha, Qatar.
- ✓ Qatari Government entities are major shareholders with 49%+ ownership.
- ✓ Present in Qatar, France and UAE.
- ✓ Businesses: Wholesale, Treasury and Personal Banking.
- ✓ Listed on the Qatar Exchange since August 2007; 3.6 billion listed shares with Market Cap. circa QAR 8.06 billion

(Oct 12, 2021).

YTD Net Profit (QAR Million)



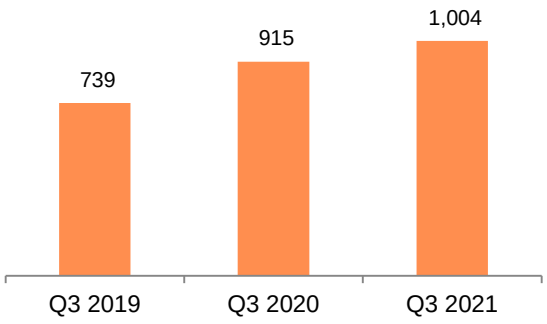
Source: al khaliji financial statements

Balance Sheet - QAR million	Q3 2021	Q3 2020	Change
Total Assets	58,521	55,304	6%
Net Loans & Advances	36,250	32,640	11%
Deposits	32,223	30,101	7%
Total Equity	7,854	7,282	8%
Non-Performing Loans (%)	1.62%	1.82%	-11%
NPL Coverage Ratio (%)	195%	146%	34%
Capital Adequacy Ratio (%)	20.3%	18.06%	9%

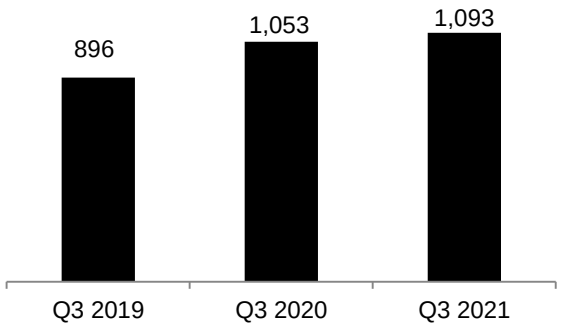
Income Statement - QAR million	YTD 2021	YTD 2020	Change
Revenue	1,093	1,053	4%
Expenses	238	269	-11%
Net Impairment Charges	282	228	24%
Net Profit	561	544	3%
Cost Income Ratio	21.8%	25.6%	-15%
Earnings Per Share (QAR)	0.16	0.15	3%
Rating	Fitch A / Stable Moody's A3 / Stable		

Financial Performance I – Income Statement Highlights

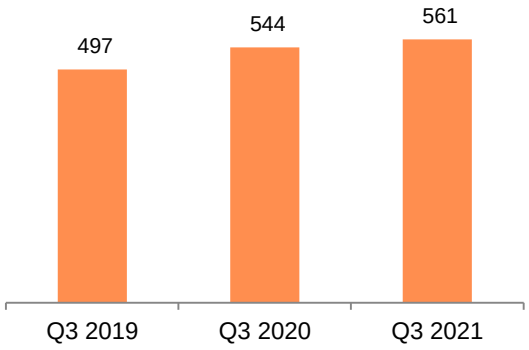
Net Interest Income (QAR Millions) - YTD



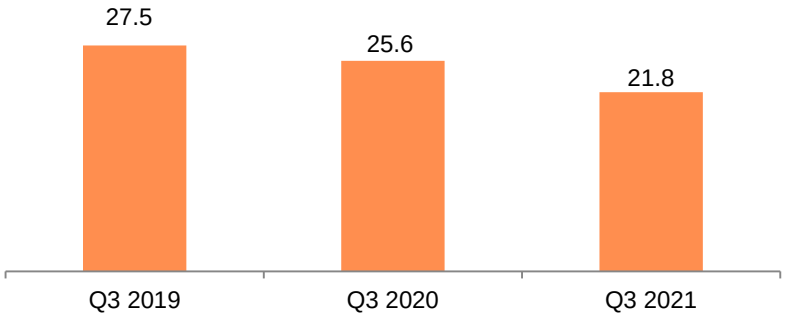
Operating Income (QAR Millions) -YTD



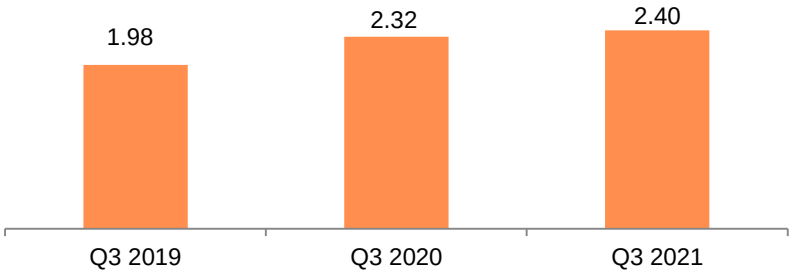
Net Profit (QAR Millions) - YTD



Cost to Income ratio (%)



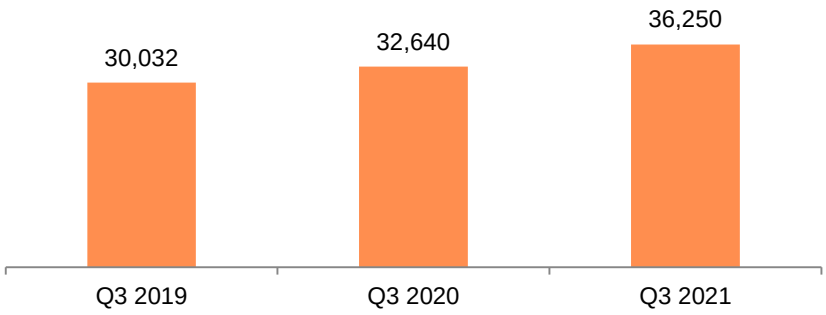
Net Interest Margin (%)



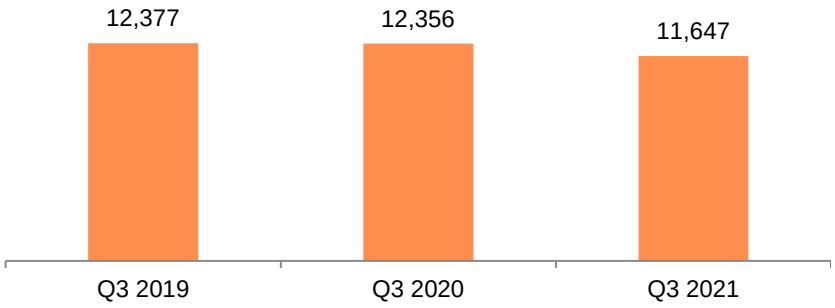
Source: al khaliji financial statements

Financial Performance II – Balance Sheet Highlights

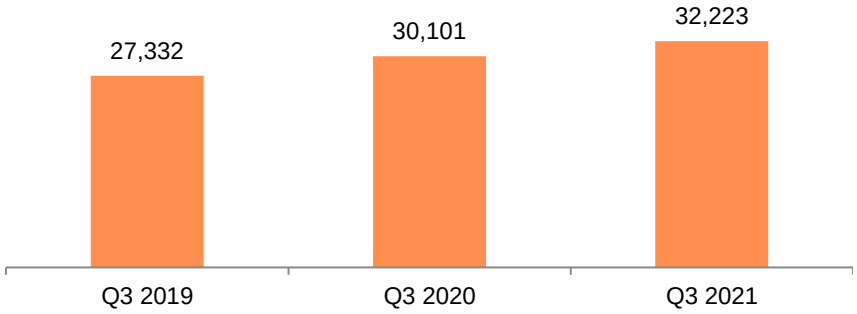
Total Loans (QAR Million)



Total Investments (QAR Million)



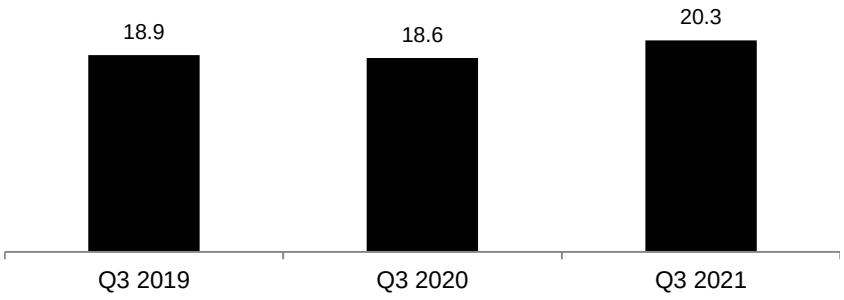
Total Deposits (QAR Million)



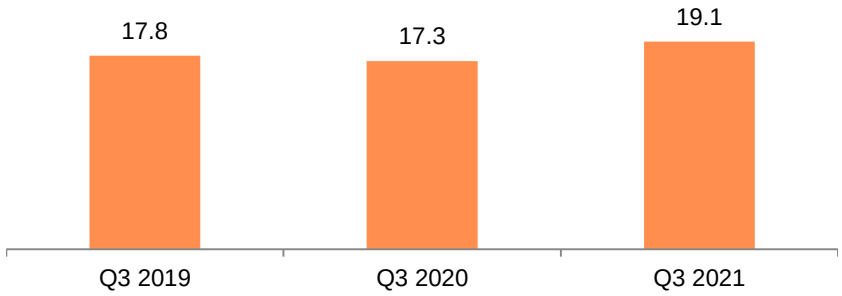
Source: al khaliji financial statements

Financial Performance III – Capital Adequacy and Returns

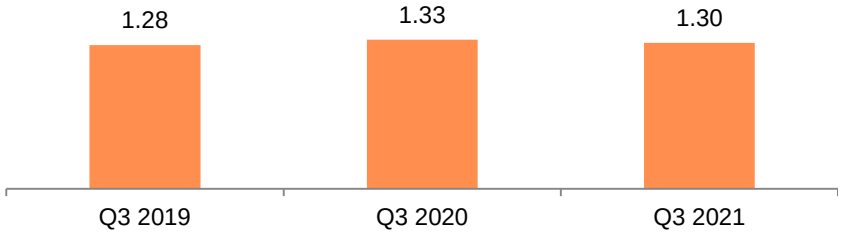
Capital Adequacy Ratio (%)



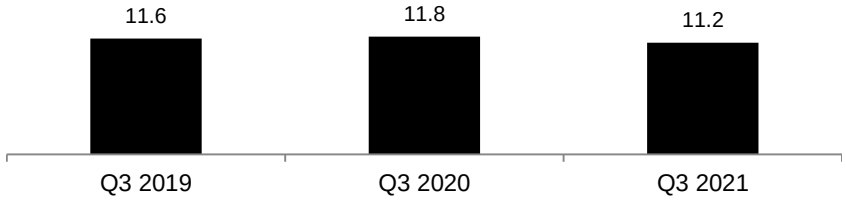
Tier I Capital ratio (%)



Return on Avg. Assets (%)



Return on Avg. Shareholders Equity (%)



Source: al khaliji financial statements

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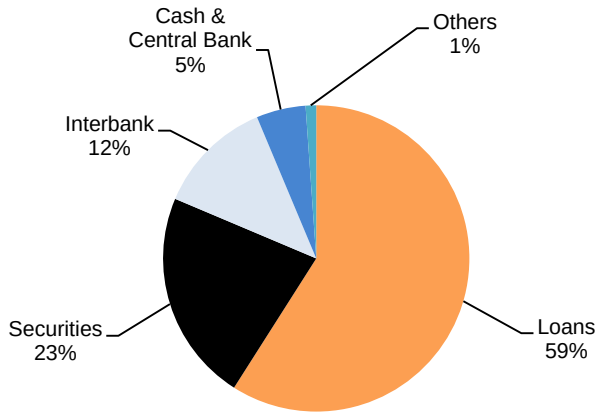
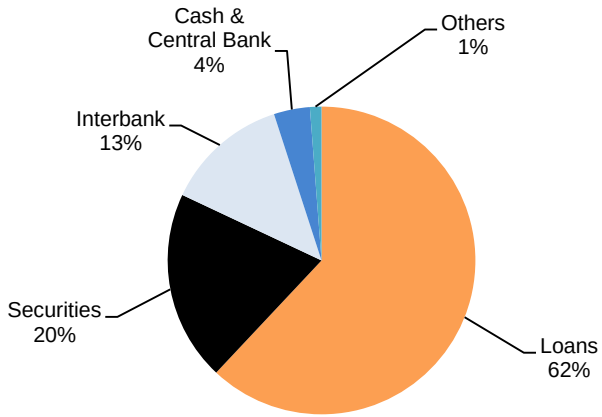
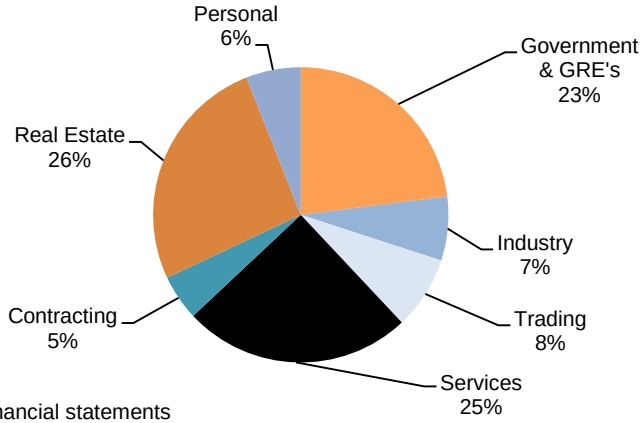
Financial Information – Balance Sheet

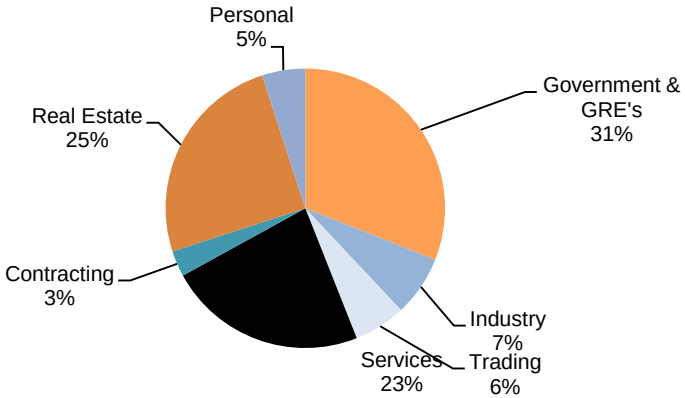
Q3 2020	Breakdown of Total Assets	Q3 2021





Q3 2020	Breakdown of Total Loans	Q3 2021

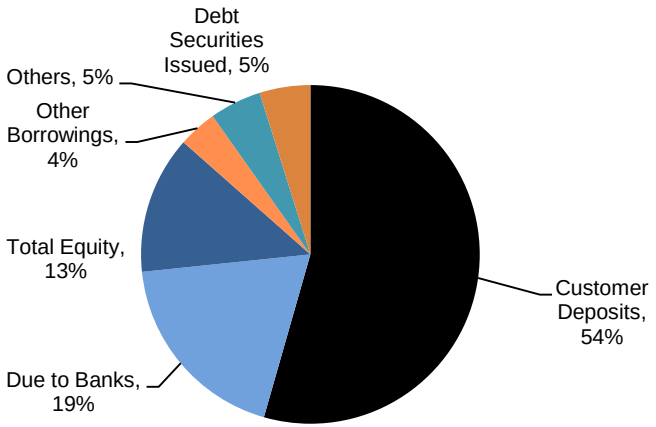


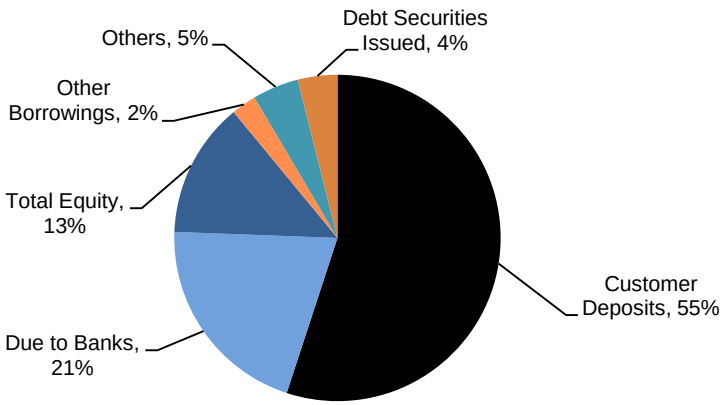


Source: al khaliji financial statements

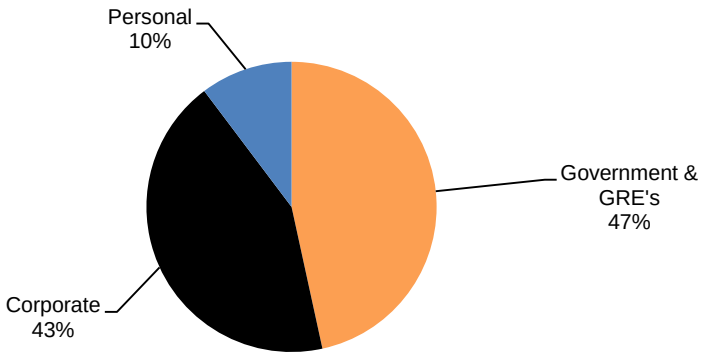
Financial Information – Funding Mix

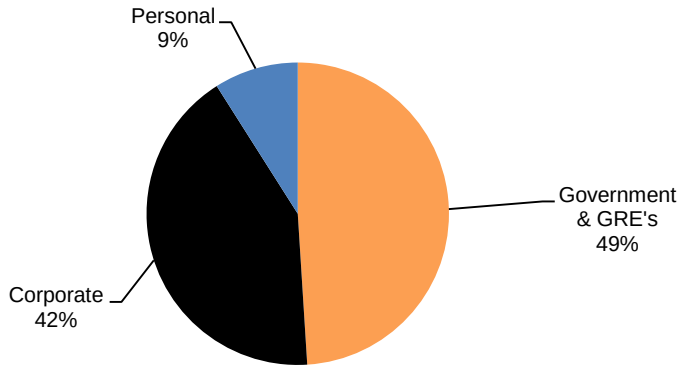
Q3 2020 | Funding Mix | Q3 2021





Q3 2020 | Customer Deposits | Q3 2021

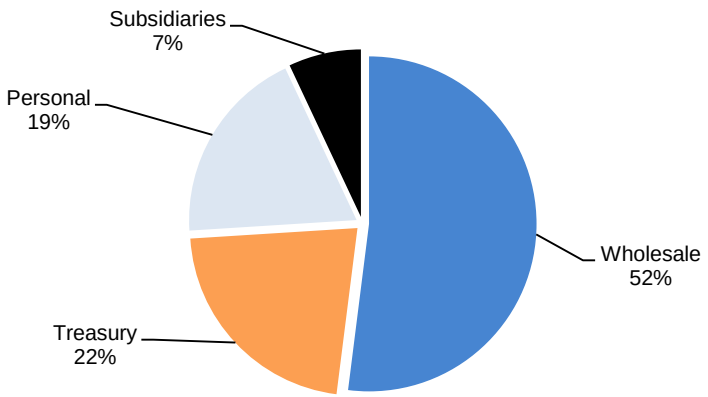


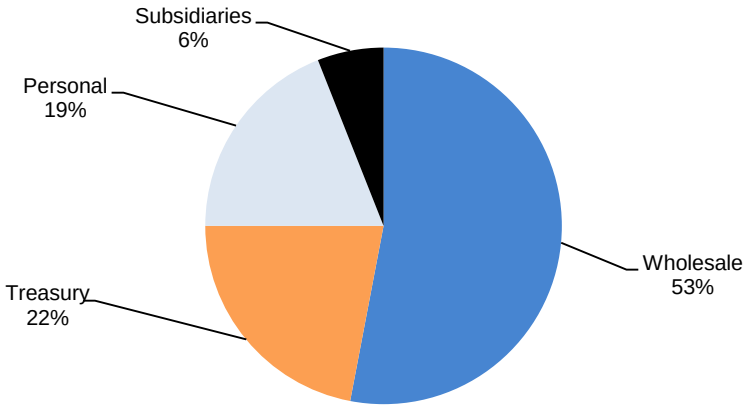


Source: al khaliji financial statements

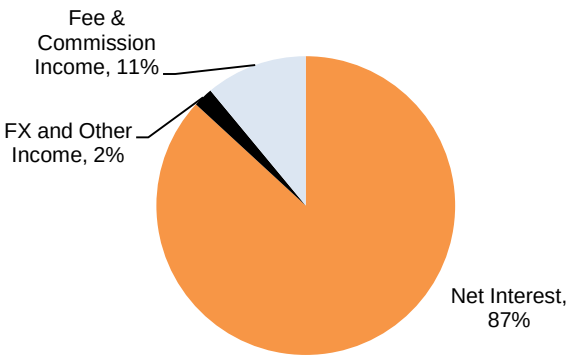
Financial Information – Revenue Analysis

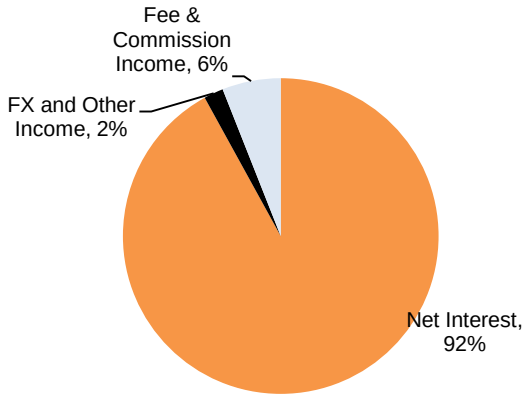
Q3 2020 | Revenue Analysis by Businesses | Q3 2021





Q3 2020 | Revenue Analysis by Types | Q3 2021





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Strategy remains consistent across the Group

- Qatar centric, the 'Trusted Bank' for Local Corporates and a 'Bank of Choice' for High Net Worth Qatari Clients (Onshore Wealth)
- Strong Corporate Banking franchise with participation in infrastructure build out in Qatar and increased exposure to Government and GRE's
- Superior Private and Premium banking business model
- Focus on asset quality
- Treasury focused on continued diversification of funding
- Continued growth in profitability driven by Qatar business lines

al khaliji Businesses

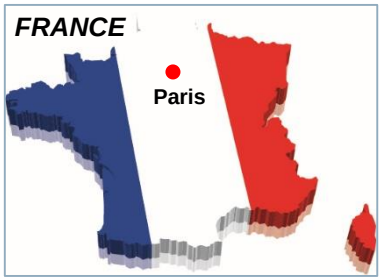
Product Offering

al khaliji

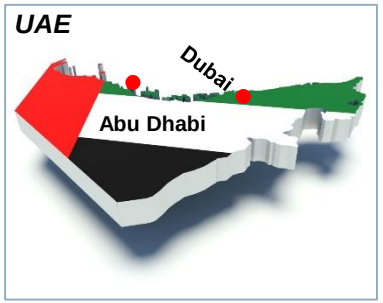
- Wholesale Banking
  - Corporate
  - SME
  - International
- Treasury
- Personal Banking
  - Premium
  - Private

Geographic Footprint & Service Channels

- 2 Branches
- 23 ATMs
- 24/7 Contact Center
- Internet banking
- Mobile banking



- 1 Branch / Head Office
- Internet banking



- 2 Branches
- 3 ATMs
- 24/7 Contact Center
- Internet banking
- Mobile banking

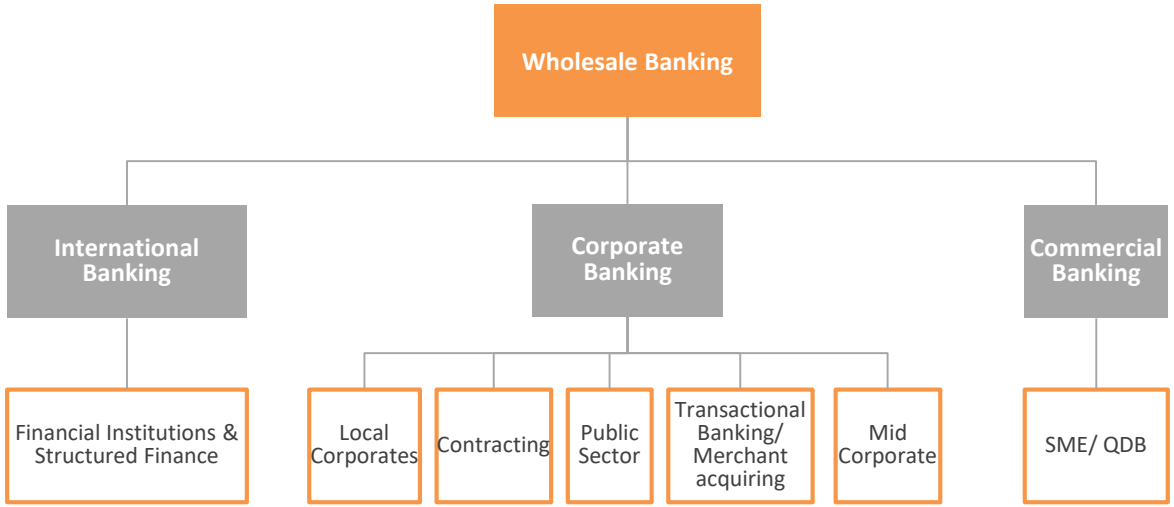
Wholesale Banking – Qatar Business overview

- To be bank of choice for Local Corporates
- Group is composed of industry focused teams
- Caters to large corporates primarily in Qatar
- Provides a unique consultative and holistic approach to client relationships
- Growth underpinned by robust portfolio quality
- Strong focus on growing fee income business
- SMEs focused on predominately liability gathering

Qatar coverage (Q3 of 2021)

- QAR 26.5 Bn loans
- QAR 28.3 Bn deposits
- QAR 6.9 Bn non-funded

Functional Chart



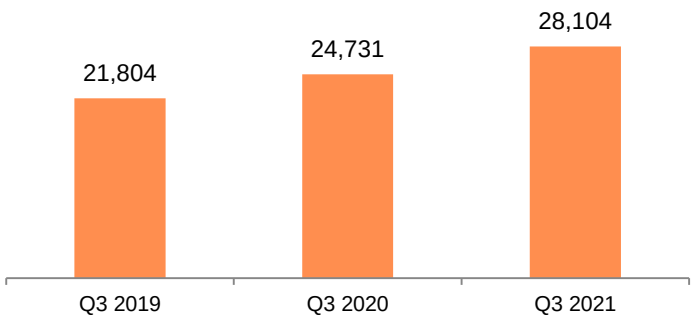
Product Range
Working capital and Trade financing
Capex financing
Syndicated loans / Credit underwriting
Contract and Project financing
Liability / Transactional banking
Supply chain financing
Risk management products
Corporate advisory (DCM)
QDB - Al Dhameen indirect finance
Leasing

Wholesale Banking – Continued franchise growth

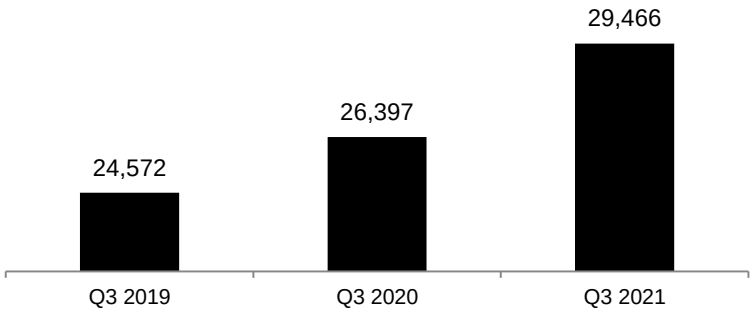
- Increased client acquisition of our chosen customers and we continue to win quality business
- Qatar Loans at QAR 26.5 Bn with prudent management of our loan book, growth in loans to Qatar clients, reduced exposure to non Qatari clients
- Closer relationship with GRE's
- Continue to attract and maintain the strong deposit base
- Close co-operation between Corporate Banking and Private Banking has allowed a more focused approach to winning business

Wholesale Banking

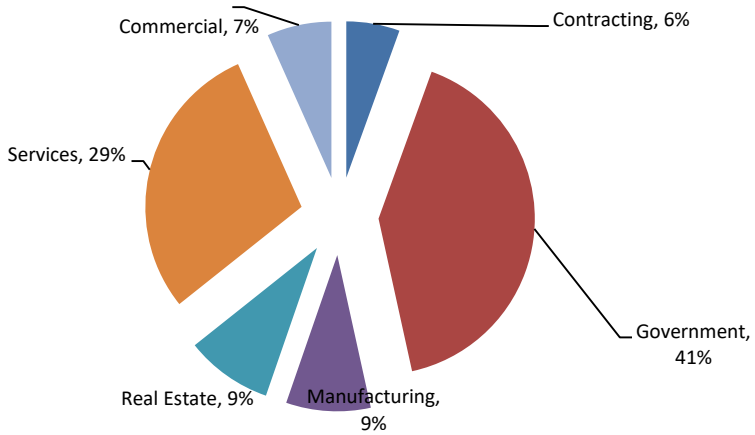
Total Assets (QAR Million)



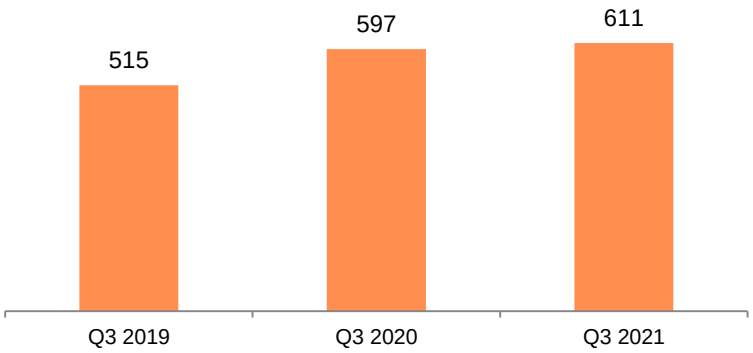
Total Liabilities (QAR Million)



Loan Portfolio Analysis (Q3 2021)



Operating Income (QAR Million) - YTD



Source: al khaliji financial statements

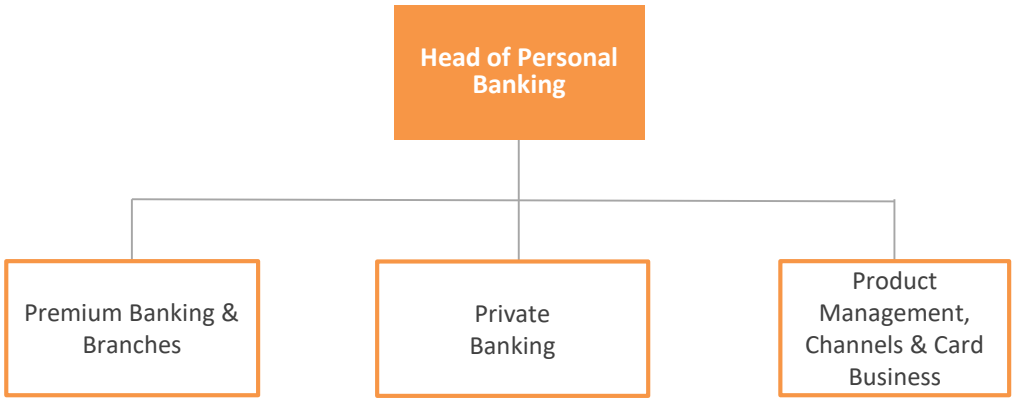
Personal Banking – Qatar Business Overview

- To be No.1 Local Bank for Premium & High Net Worth Qatari Clients (Onshore Wealth)
- Business unit is comprised of Private and Premium Banking
- Private Banking Value proposition focuses on accelerated growth approach in the preferred customer base to build market share on both sides of the balance sheet within HNW/UHNW segments. It is being additionally expanded through International Real estate Investments & cross border banking.
- Premium Banking Value proposition focuses on acquiring customers through Darbi and Student Banking propositions for Qatari Nationals and "employee partnerships and New to Qatar programs" for Expats for select companies additionally supported by Refer & Reward program

Qatar Coverage (Q3 of 2021)

- QAR 8.4 Bn Total Assets
- QAR 2.2 Bn Liabilities
- Business Opportunities being widened

Functional Chart



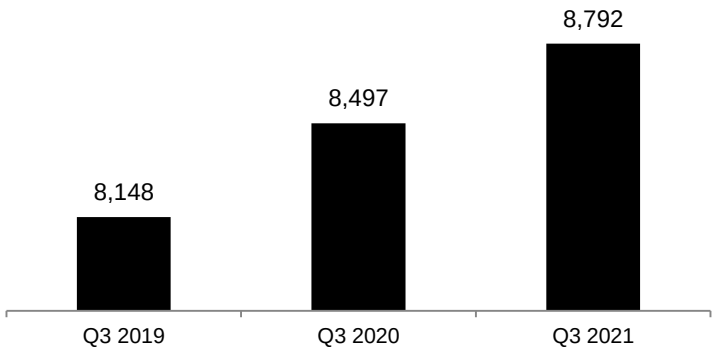
Product Range & Service Differentiation
Mortgage, Real Estate, Project Finance, Lending against securities, Personal, Auto loans, Overdraft, Loans against investment portfolios
Credit Cards, business and personal solutions
Fusion, Current, Savings and Term Deposit accounts
Bespoke International Real estate Investment solutions
Darbi, Student Banking (Qatari programs), New to Qatar, Employer Partnerships, Door Step Banking

Personal Banking – Continued franchise growth

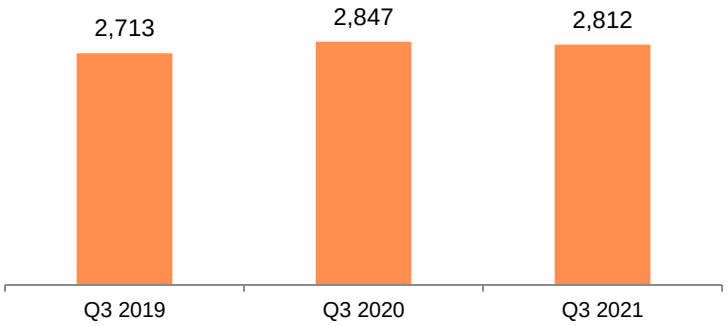
- Committed to support State of Qatar's initiatives to assist our valued customers
- Continuous client acquisition of our preferred customers and we continue to win quality business
- Continue to build balance sheet through diversified assets & active portfolio monitoring
- Servicing our client base through multiple channels:
  - A network of 26 ATMs and 5 branches across three countries;
  - Internet banking platforms and mobile banking application
  - Phone banking and SMS banking
- Concluded successful summer campaign to acquire Premium Banking clients
- Acquired prestigious merchant relationships to enhance Merchant Acquiring Business

Personal Banking

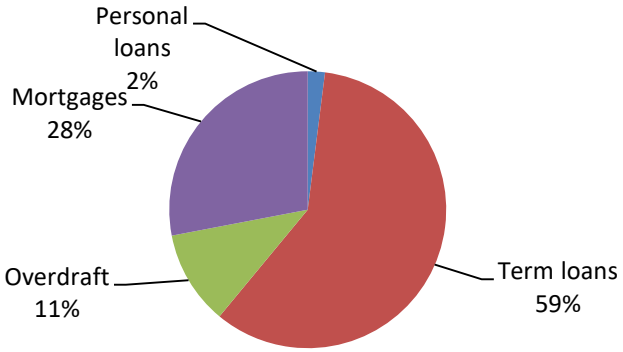
Total Assets (QAR Million)



Total Liabilities (QAR Million)



Loan Portfolio Analysis Q3 2021



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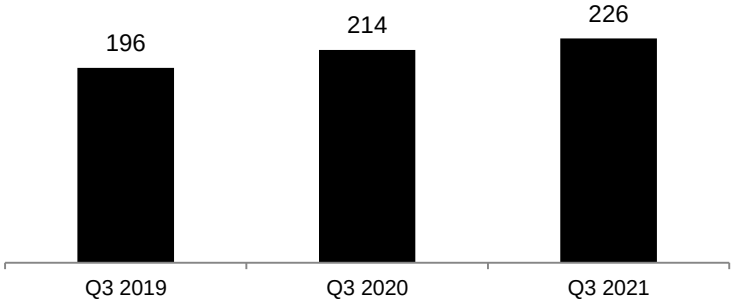
Operating Income (QAR Million) - YTD



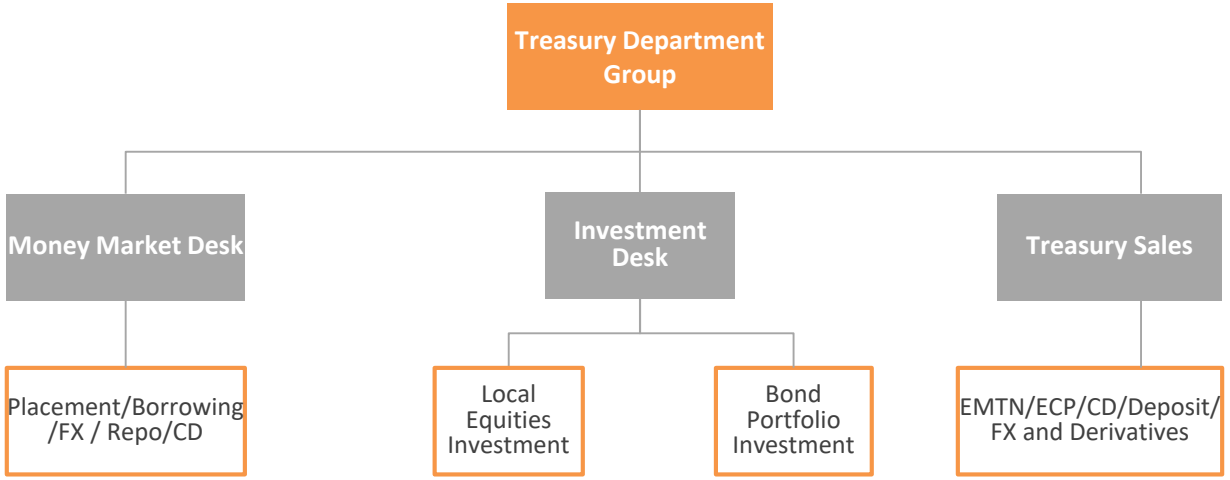
Treasury Department – Qatar Business overview

- Achieve cost-effective funding across currencies for the bank's operational needs; optimize funding mix
- Diversify funding sources to attract liquidity via ECP/CDs as well as private placements under EMTN programs
- Expand client base for treasury sales to foreign institutions with Qatar-focused transaction requirements
- Target stable accrual and dividend income from investments in Qatari Equities

Qatar coverage (Q3 of 2021)

- QAR 19.4 Bn Total Assets
- QAR 17.3 Bn Total Liabilities

Functional Chart



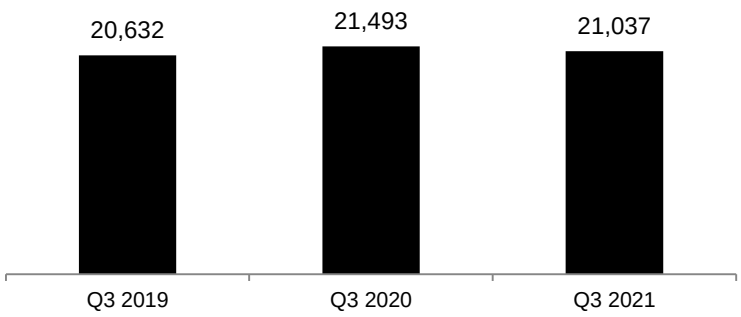
Product Range
Money Market Placement / Borrowing
EMTN Debt Issuances / CD, CP Issuance
Fixed Income (Bond Investments in FCY/LCY)
FX Spot / Forward / FX Swap
Interest Rate Swap / Cross Currency Swap
Options
Equity portfolio (focusing on Qatari equities only)
Repo / Reverse Repo

Success and Strengths of Treasury

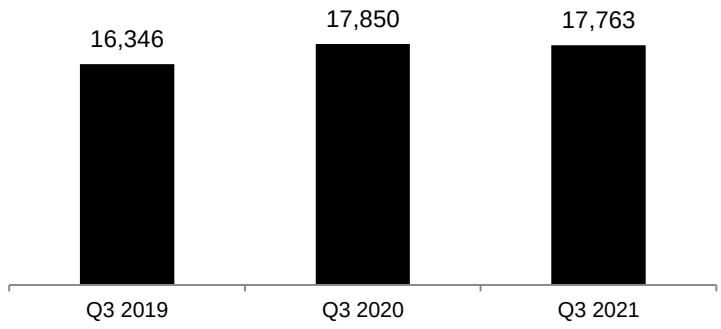
- Quality investment portfolio:
  - Stable NII from high credit quality book
  - High liquidity - reflected in consistent LCR of +100%
- Strong relationships with leading regional and global counterparties
- Market-standard documentation executed with wider counterparty base (GMRAs, ISDAs, CSAs), ability to transact at fine pricing
- SPV in netting friendly jurisdiction (Cayman Island) has been set up to transact OTC derivative trades
- Front office team with extensive product and transaction knowledge
- Skill set encompasses funding & liquidity management, FX, Treasury sales, fixed income, equities, derivatives and hedging
- Staff within the Front Office, Treasury Operations, and Market Risk teams possess relevant qualifications
- Optimal management of funding sources and liquidity, with major impact on bottom line
- Arranged successful bond issuance as JLM/Book-runner for Sovereigns/FIs including State of Qatar and Qatari Financial Institutions

Treasury

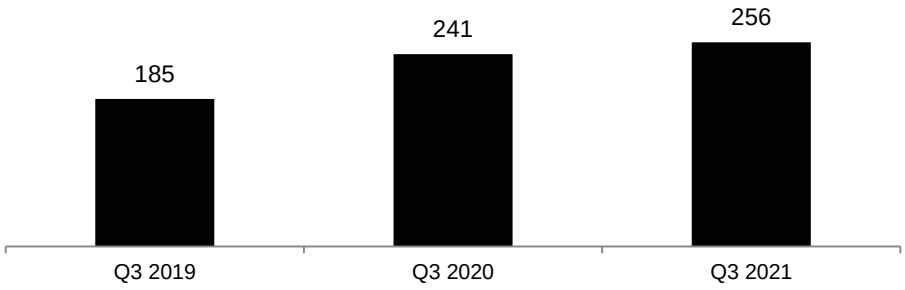
Total Assets (QAR Million)



Total Liabilities (QAR Million)



Operating Income (QAR Million) - YTD



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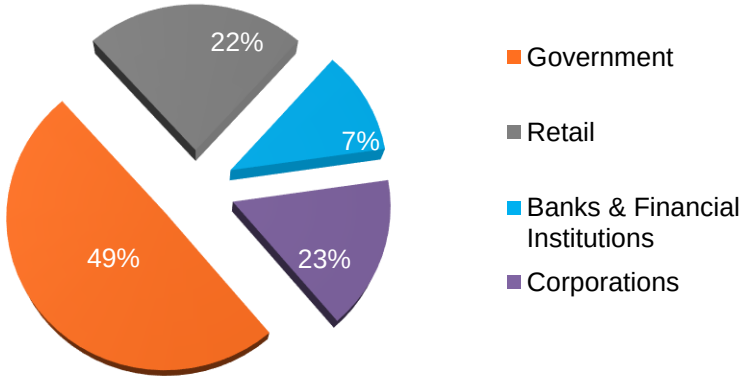
Shareholder Ownership



Nationality	Percent
Qatar	88%
Kuwait	2%
Oman	1%
Others	9%

12,812 institutional and retail shareholders as at Sep 30, 2021

Major Shareholder	Category	Domicile	Share
Qatar Investment Authority (QIA)*	Government	Qatar	40.34%
Al Faisal International Investment Co.	Corporation	Qatar	7.46%
Pension and Retirement General Authority	Government	Qatar	7.71%

* Indirectly through related subsidiaries
Source: QCSD as of September 30, 2021

Board of Directors

The board that supports our vision to be truly next generation

H.E Sheikh Hamad Bin Faisal Bin Thani Al-Thani

Chairman and Managing Director, Re-appointed by QIA/Qatar Holding (QH) (Qatar)

Vice Chairman, Qatari Investors Group
Board Member, Qatari Businessmen Association
Board Member, Qatar Insurance Company (QIC)
Board Member, Vodafone Qatar

Abdulla Bin Nasser Al-Misnad

Non Executive Member

(Qatar)

Sheikh Mohammed Feisal Al Thani

Non-Executive Member, representative of Al Faisal Intl for Invest.

(Qatar)

Sheikh Mohammed Mansoor Al Thani

Non-Executive Member, representative of QIA/QH

(Qatar)

Faisal Abdulla Al Mana

Independent and Non-Executive Member

(Qatar)

Abdul Salam Al-Murshidi

Independent and Non-Executive Member

(Oman)

Tariq Ahmad Al Malki Al Jehani

Independent and Non-Executive Member

(Qatar)

Ebtesam Saleh HH Al Mannai

Non-Executive Member representative of QIA/QH

(Qatar)

Abdulla Ali M A AL-Kuwari

Non-Executive Member representative of QIA/QH

(Qatar)

Dividend Distribution

	2014	2015	2016	2017	2018	2019	2020
Net profit (QAR Million)	563	626	427	551	608	646	683
Cash Dividend	QAR 1	QAR 1	QAR 0.75	QAR 0.75	QAR 0.75	QAR 0.075	QAR 0.056
Cash Dividend (% of Capital)	10%	10%	7.5%	7.5%	7.5%	7.5%	5.6%
Dividend Payout Ratio (% of Net Profit)	64%	58%	63%	49%	44%	42%	30%
Dividend yield*	5%	6%	4.4%	5.3%	6.5%	5.7%	3.05%

*As per closing price as at December 31

Focusing to increase value for our Shareholders

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