Ahli Bank SAOG

Investor Presentation
2024

Disclaimer

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Rounding

Rounding differences may appear throughout the presentation

Macro Economic Overview

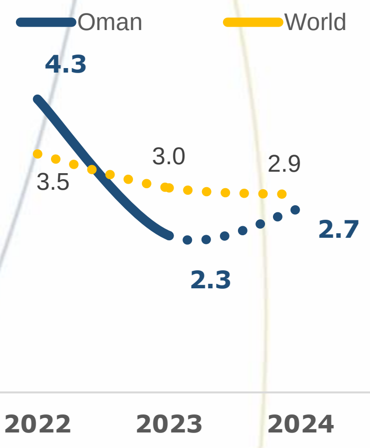
ahlibank Overview

Financial Track Record

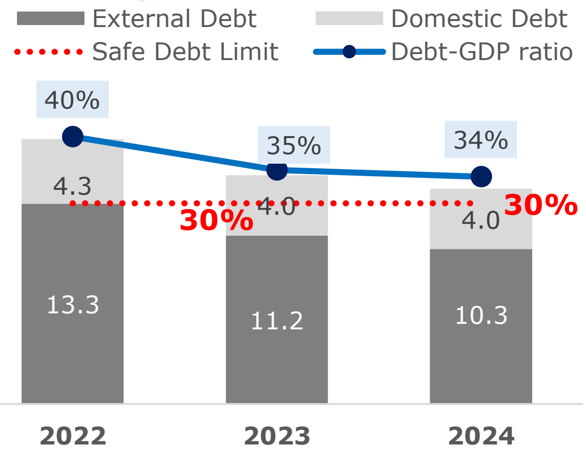
Financial Performance

Macro Economic Overview

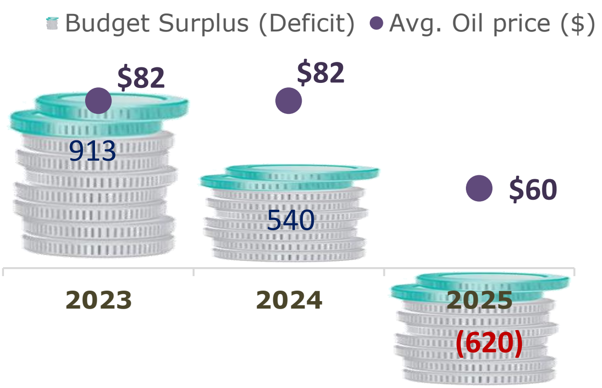
GDP growth



Public Debt



Fiscal Surplus



Credit Rating

	2023	2024
FitchRatings	BB+ (Stable)	**BB+ (Positive)**
S&P	BB+ (Stable)	**BBB- (Stable)**
Moody's	Ba1 (Stable)	**Ba1 (Positive)**

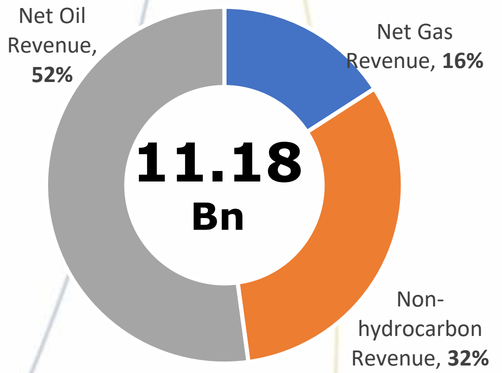
- **Projected GDP growth for 2025 is around 3.1%**
- Prudent fiscal management to **reduce public debt** and attract foreign direct investment
- Fiscal surplus RO 913 Mn in 2023 and RO 540 Mn for the year 2024 (preliminary results) with the oil price remaining stable at US$ 82 per barrel. **Budget for 2025 is a deficit of RO 620 Mn.**
- **Alternative energy** projects like the green hydrogen facility powered by wind and solar energy to increase share of renewable energy to 30% by 2030 (Currently 5.5%)
- Oman moved in to **investment grade** with the rating uplift by S&P in 2024

Operating Environment

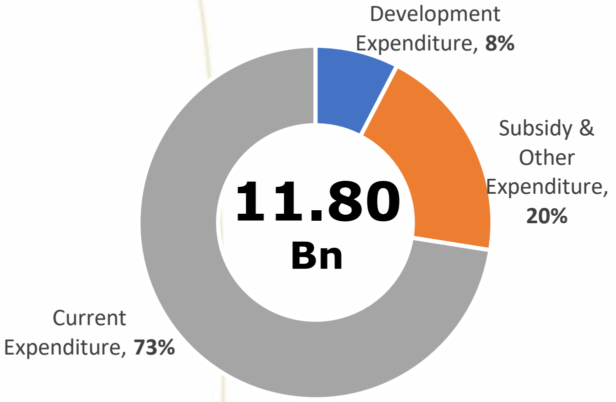
2024 Budget Estimates		2025 Budget Estimates
60 $ per barrel	Average Oil Prices	60 $ per barrel
1,031K Barrels per day	Average Oil Production	1,001K Barrels per day
11,010	Revenue	11,180
11,650	Spending	11,800
(640)	Deficit	(620)

Change in %					
Revenue	1.5%	Spending	(1.3%)	Deficit	(5.5%)

Revenue



Spending



Development and Investment

- **RO 1.80bn Oman Investment Authority**
- **RO 1.50bn Energy Development Oman**
- **RO 0.90bn Development projects**

RO 4.2bn

Social Sector and Basic Services

- **Education**
- **House**
- **Health**
- **Social welfare**

RO 5.0bn

National Programs

- National Program for Fiscal Sustainability and Development (***Estidamah***)
- National Program for Economic Diversification (***Tanwea'a***)
- Government Digital Transformation program
- National Program for Investment and Exports Development (***Nazdahir***)
- National Employment Program (***Tashgheel***)
- National Zero Neutrality Program

Key initiatives

- ***Education*** – 20 New public schools
- ***Health*** - 9 Government hospitals; *Central Public Health Laboratory*
- ***Culture sports and youth*** - *Cultural Complex*
- ***Urban Planning*** – *Sultan Haitham City*
- ***Infra*** - *Muscat Express Highway Expansion; Sharqiyah Expressway completion; Enhancing road networks*
- ***Tourism*** - *Hawiyat Najm Park; Waterfront at Al Ashkharah*
- ***Agriculture**: Development of 3 new Dams, 1 fishing port, 2 new ports*

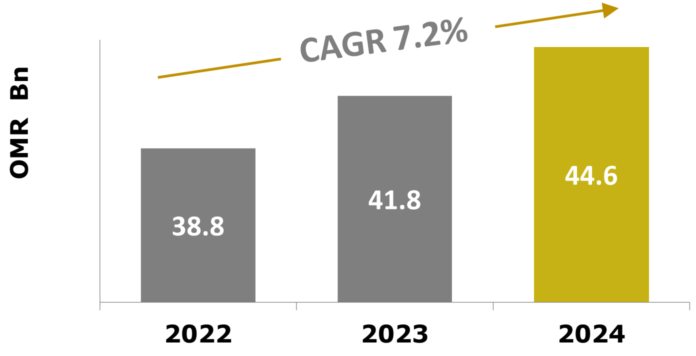
PPP Program

- ***Education -*** Operation of public-school buses
- ***Health*** - Sohar Rehabilitation Center Project; *Diagnostic services in Muscat and Batinah*
- ***IT & Com - T****he Oman Business Platform Project*
- ***Government Infra - N****ew MOCIIP headquarters*

Source: MOF A guide to the State's General Budget for the Fiscal Year 2024

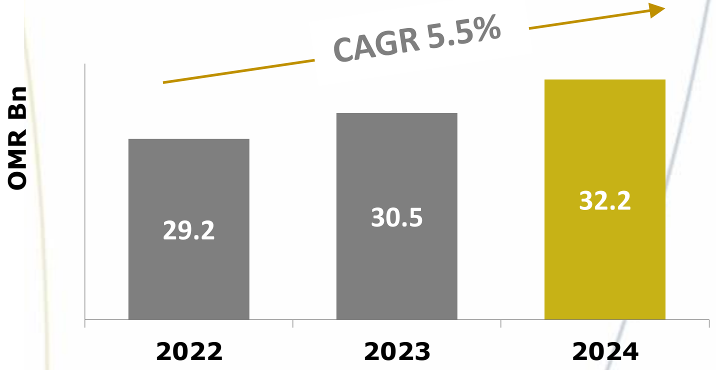
Oman Banking Performance

Total Banking Assets

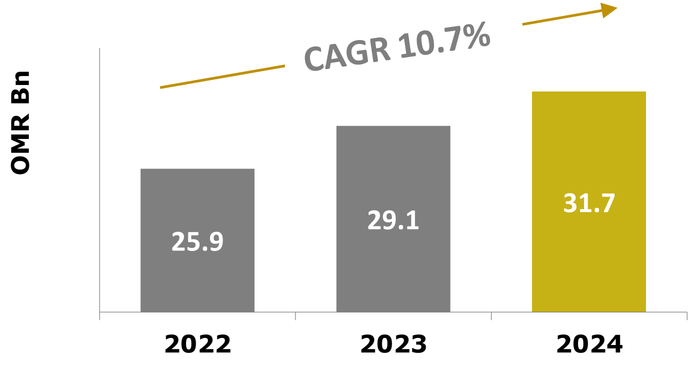


Source: CBO Statistical Bulletin

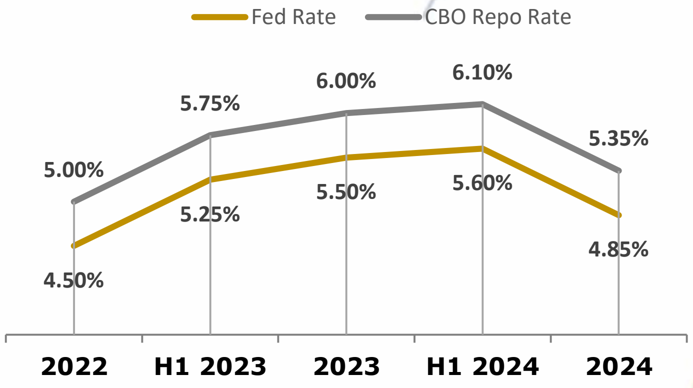
Loans & Advances



Customer Deposits



Fed and CBO Repo Rates



- **Strong credit fundamentals** with economic growth and improved liquidity
- **Sound capitalization** provides loan-loss absorption capacity. Average CAR of 18%
- **Profitability and performance metrics** improved as indicated by the average growth of 15.2% in NPAT of the listed banks for 2024
- **Asset quality has remained stable** with average Gross NPL at 4.3%

Source: CBO publication

Macro Economic Overview

ahlibank overview

Financial Track Record

Financial Performance

Board of Directors and Management Team

Board of Directors

Chairman

Hamdan Ali Nasser Al Hinai

Deputy Chairmen

Anwar Hilal Al Jabri

Ibrahim Said Badar Al Eisri

Board of Directors

Abdul Hameed Ahmed Al Bulushi

Salim Ali Hamed Al Hasni

Qais Abdullah Al Kharusi

Abdullah Saif Ali Al Rajhi

Sulaiman Abdullah Al Balushi

Ali Said Ali Al Uraimi

Executive Management

Chief Executive Officer

Said Abdullah Al Hatmi

Deputy CEO Business Group

Bilal Anwar

Deputy CEO Support Services

Abdullah Salim Al Jabri

Senior General Manager Wholesale banking

Hanaa Mohammed Al Kharusi

Senior General Manager Strategy, Transformation, Projects & Technology

Taher Al Bakhsh Al Balushi

General Manager Risk Management

Fahad Freish Al Shuaili

Corporate Governance Structure

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Board Committees

1. Audit & Compliance Committee
2. Executive & Credit Committee
3. Executive Risk Committee
4. Nomination & Remuneration Committee
5. Digital Transformation Committee

Management Committees

1. Executive Management Committee
2. Credit & Investment Committee
3. Credit Risk Management Committee
4. Special Asset Committee
5. Asset & liability Committee
6. Operational Risk Committee
7. Product & Consumer Protection Committee
8. Technology & Digital Transformation Committee
9. Technology Delivery Committee

About ahlibank

ahlibank

VISION

To be a vibrant and innovative center of banking in Oman to drive the economic and social development

MISSION

To be trusted and preferred banking partner, dedicated to creating unique value for our employees, customers, shareholders and society

VALUES

INTEGRITY

RESPONSIBILITY

INNOVATION

EXCELLENCE

SUSTAINABILITY

Strategic Objectives

ahlibank

STRATEGIC OBJECTIVES

- Asset Growth
- Deposit Diversification
- Enhanced Fee Income
- Operational Efficiency

STRATEGIC PRIORITIES

- Digital Transformation
- Focus on Islamic Banking
- Grow Investment Banking
- Focus on Premium / Private Banking
- Greenfield Financing
- Tier 1 Capital
- Human Capital

ahlibank – over the years

ahlibank – Evolution

- Commercial banking operations commenced in 2007
- 49 Branches, including 25 Islamic branches and 16 state of art Digital branches
- Strong institutional shareholding
- Market share of 9.5% in Loans and 8.7% in Deposits
- Fitch ratings has assigned a credit rating of **BB with a Positive Outlook**

Key Performance Highlights

Total Assets
10.3% CAGR
OMR 3.08 Bn 2022
OMR 3.75 Bn 2024

Deposits
9.5% CAGR
OMR 2.30 Bn 2022
OMR 2.76 Bn 2024

Net Loans
9.9 %CAGR
OMR 2.50 Bn 2022
OMR 3.02 Bn 2024

Branch Network
42 Branches 2022
49 Branches 2024

Key Highlights

- **Total Assets over > RO 3.7 Bn**
- **Gross Loans** increased by **RO 322.7 Mn** during the year
- **Customer deposits** increased by **RO 287.1 Mn**, during the year
- **One of the Lowest NPL ratio in the industry**
- **Issuance of Mandatory Convertible Bonds of RO 10.4Mn.**
- **Exercise of call option of RO 20Mn AT1 Capital** followed by **fresh issuance of AT 1 capital of RO 40Mn**

- **Launched new funds –** Islamic Money Market, Leverage fixed income, Balance Fund & Real Estate Fund
- **Shariah compliant investment & financial solutions for Private Banking customers**
- **Participated in Green Field Loans & Financings**
- Seamlessly navigating path of **digital transformation**, achieving milestones as per set timelines
- **Omanization ratio of 94%; Female staff ratio of 40%**

Delivering Sustainable Growth

Solid track record of superior and sustainable shareholders returns

ahlibank

Shareholder's Return

Return on Average Equity
11.1%

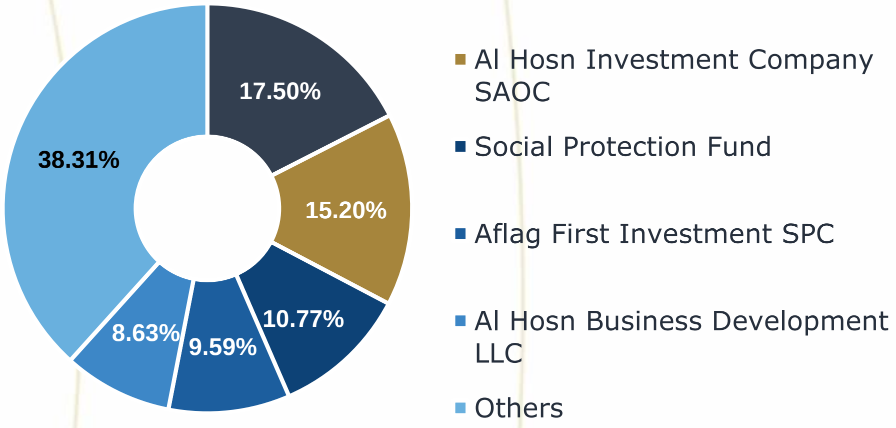
Consistent Dividend Payout ratio of over
50%

Robust Business Model

Efficient operating model
c.42.8%
Cost to income ratio

Prudent approach to risk
c. 4.1%
One of the **lowest NPL** in the industry

Strong Institutional Shareholding – Feb'25



Consistent Dividend Payments

2024 Cash Dividends
5 Bz per share

Mandatory Convertible Bonds issue (in lieu of dividends)
5 bz per share

OMR 11.8 MN	Coupon 6%	2 Years

Strong Financial Track Record

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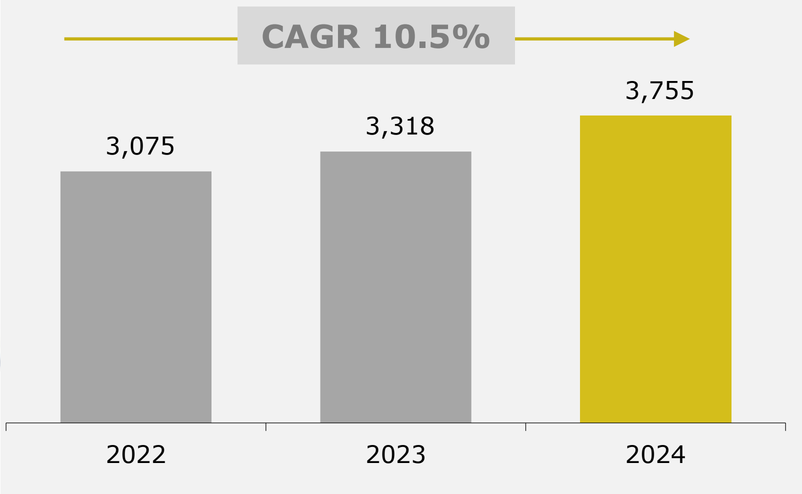
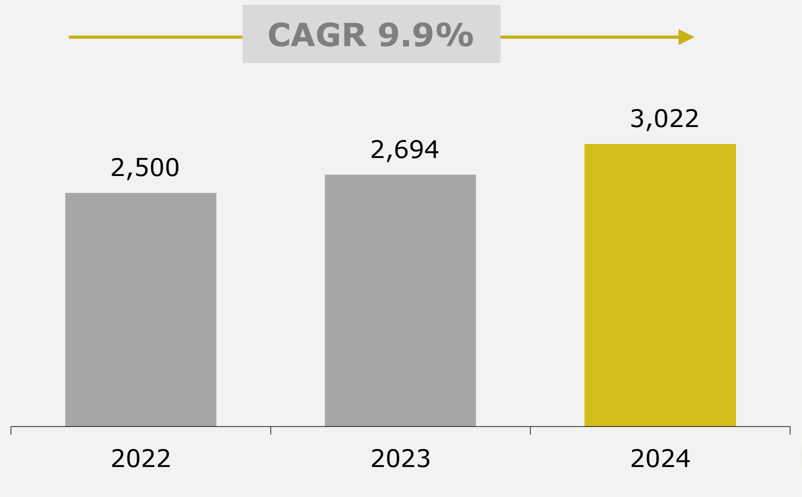
Ahli Bank

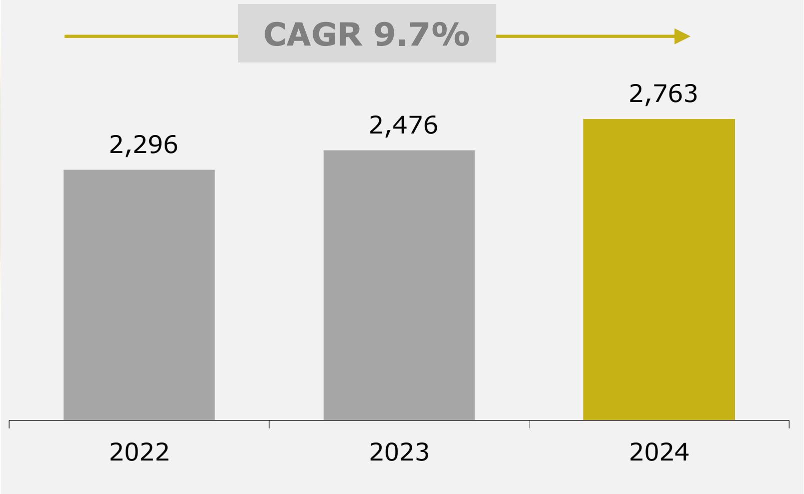
Total Assets (RO 'Mn)



Loans & Advances, Net (RO 'Mn)



Customer Deposits (RO 'Mn)



Macro Economic Overview

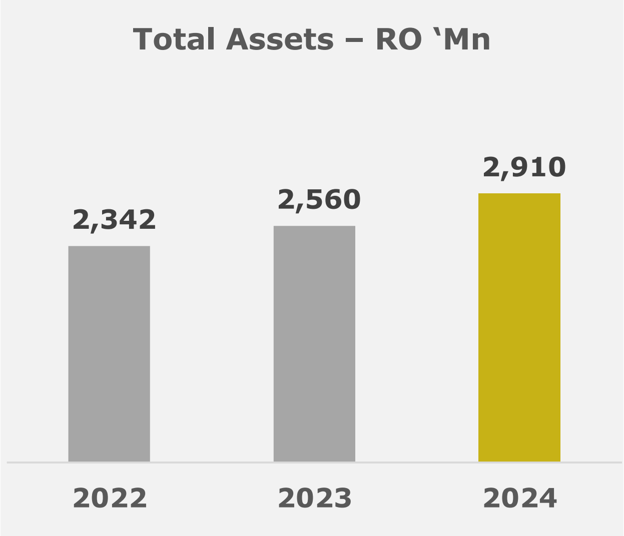
ahlibank overview

Financial Track Record

Financial Performance

Business Segments – Wholesale Banking

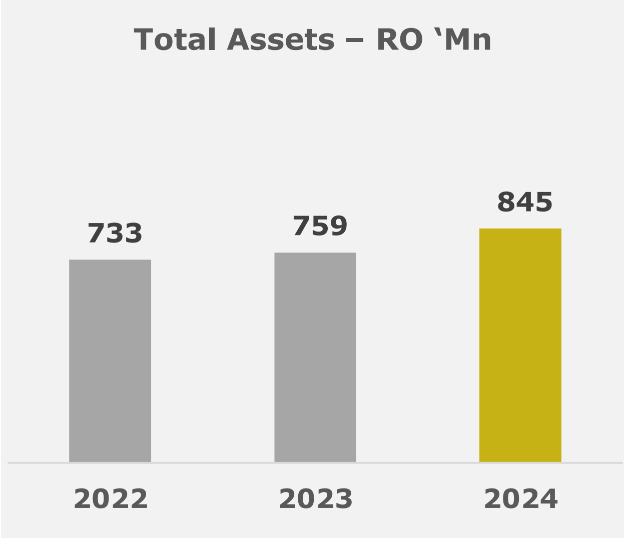
Corporate Banking & SME	➢ Offering **full array of services** through sector specific teams ➢ Includes Government Banking, Corporate Liabilities & E-channels team ➢ Continuous focus on the sectors that form part of the Sultanate's **diversification strategy and Vision 2040** ➢ **Supporting SMEs** through **crowd funding platform Tamkeen** ➢ As part of long-term strategy, the Bank plans to strengthen its procedures to help fund ESG projects
Treasury & FI	➢ Provides a comprehensive package of services to **corporate, commercial and government institutions**. ➢ Financial Institutions Group covers **global relationships with other financial institutions**
Investment Banking	➢ A **full-service financial advisory** and fundraising platform with proven track record across products categories. ➢ Acted as **issue manager for one of the biggest IPOs in Sultanate** ➢ **Cross border transactions and regional** origination and placement capabilities. ➢ Asset management division offers a **diverse range of investment solutions** for its institutional and high net worth clients including mutual funds and investment advisory services across asset classes. ➢ Brokerage division is a **leading player in the Muscat Stock Exchange** servicing broad range of institutional and retail clients.



Business Segments – Retail Banking

Retail, Premium, Private Banking & Wealth Management Services

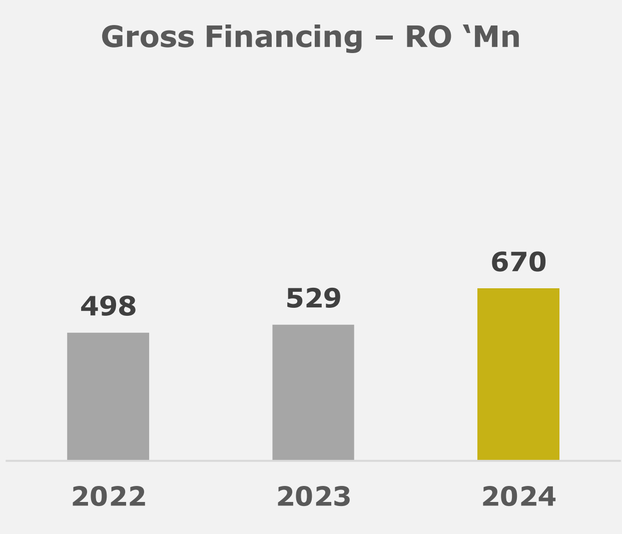
- Strong emphasis on **designing and offering innovative products and services**
- Consists of **specialized teams** dedicated for **Retail, Premium, Private Banking, Wealth management** and **Islamic Banking customers**.
- Offering services through multiple distribution channels including **49 branches across the Sultanate of Oman (including 24 Islamic branches)**
- Bank opened its first digital branch in 2022, **"ahli express",** and by end of 20224, **16 Multi-Functional Kiosk** were operational.
- Bank continues to **focus on expansion of retail network including digital branches.**
- **Widen customer base of target segment** both under conventional and Islamic banking business.
- **Wealth Management Services** offer a comprehensive and integrated approach to financial stewardship for HNWI, through app based **Wealth Management Portal**

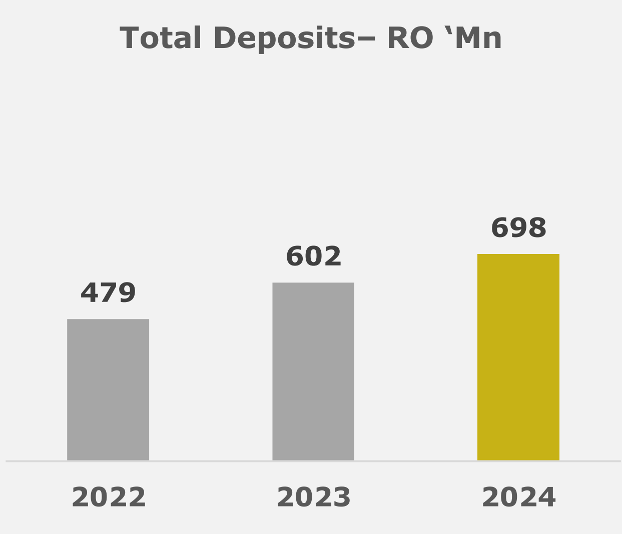


Islamic Banking – ahli Islamic

Wide array of Sharia Compliant products and Services

- ahli Islamic has posted a robust growth since its launch in 2013
- **Sharia-compliant products and services** offered through 25 dedicated branches caters to all customer segments - institutional, corporate, SME and retail
- **First Islamic Bank in Oman to digitally onboard customers through Mobile Banking platform**
- **First Islamic Bank in Oman to offer IPO leverage**
- Continued expansion of retail business **including digital branches** with focus of deposit mobilization
- ahli Islamic offers unmatched unique Sharia compliant products to customers under all categories – Deposits, Financing, Cards, FX, Transfers etc.
- **Contributed 21% in overall operating income of the Bank**





Macro Economic Overview

ahlibank overview

Financial Track Record

2024 Performance

another successful year

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1 Strategic Expansion

- ✓ Opened **3 New Branches** Al Suwaiq
  - ✓ Al-Khoudh 6
  - ✓ Al Ansab
- ✓ 7 **ahli Express** machines introduced (3 Conventional and 4 Islamic)
- ✓ Opening of **Al Shumookh Centre**

2 New products/services

- ✓ First Islamic Bank to launch **Crowd Funding** "Tamkeen"
- ✓ Launch of **Al Majd** Premium Segment
- ✓ Launch of **AhliPoS**
- ✓ **Sharia Compliant Investment banking Products** in PB
- ✓ **Corporate Credit Card and Prepaid Cards** Launched

3 Technology initiatives

- ✓ Launch of new Corporate Banking Services (VAM, Islamic B2B)
- ✓ Launch of a new state of the art **data center**
- ✓ Launch of Personal Finance Manager(**PFM**)
- ✓ **Instant issuance** of Credit Cards
- ✓ Launch of **Digi Trade**
- ✓ Relaunch of **Retail MB** with improved UI/UX
- ✓ Launch of **Enterprise Fraud Risk** Management System

4 Balance Sheet Growth

- ✓ **Asset growth** of 13.2% crossing OMR 3.7Bn
- ✓ **Retail Deposits** reached **OMR 1.27 Bn** (46% of customer deposit)
- ✓ **9.5% Market Share in Loans and advances**
- ✓ **AT1 Capital** replacement and issuance of MCB

5 Revenues

- ✓ Surpassed **OMR 100 Mn Total Income for the first time** in FY 2024
- ✓ **14% YoY growth in NPAT** higher than 10% growth of all listed banks

Key Metrics

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البنك الأهلي

Balance Sheet

RO 'Mn	Dec 24	Dec 23	Var
Total Assets	3,755	3,318	13.2%
Loans and advances, net	3,022	2,694	12.2%
Customer Deposits	2,763	2,476	11.6%
Equity	558	521	7.1%

Profit & Loss

RO 'Mn	Dec 24	Dec 23	Var
Total Operating Income	108.31	98.54	9.9%
Impairment Charge	13.43	13.09	2.6%
Operating Expenses	46.40	43.13	(7.6%)
Net Profit after Tax	41.66	36.45	14.3%

Key Ratios

RO 'Mn	Dec 24	Dec 23	Var
ROAE	11.1%	10.7%	0.4%
ROAA	1.2%	1.1%	0.1%
Cost to Income ratio	42.8%	43.8%	1.0%
NPL	4.1%	3.9%	(0.2)%
CAR	15.7%	17.4%	(1.7)%

Operating performance and Profitability

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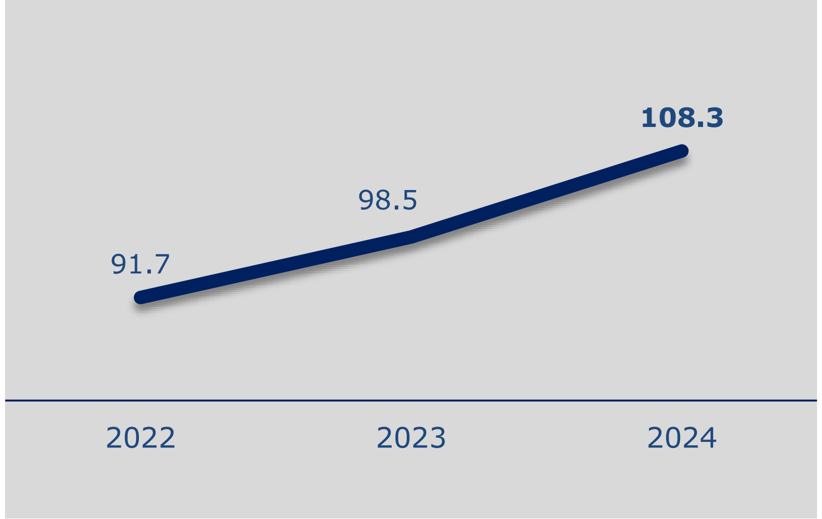
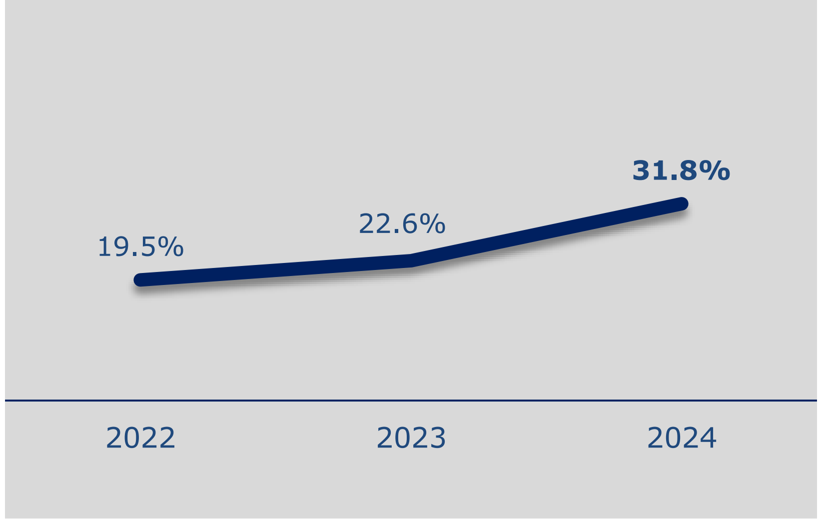
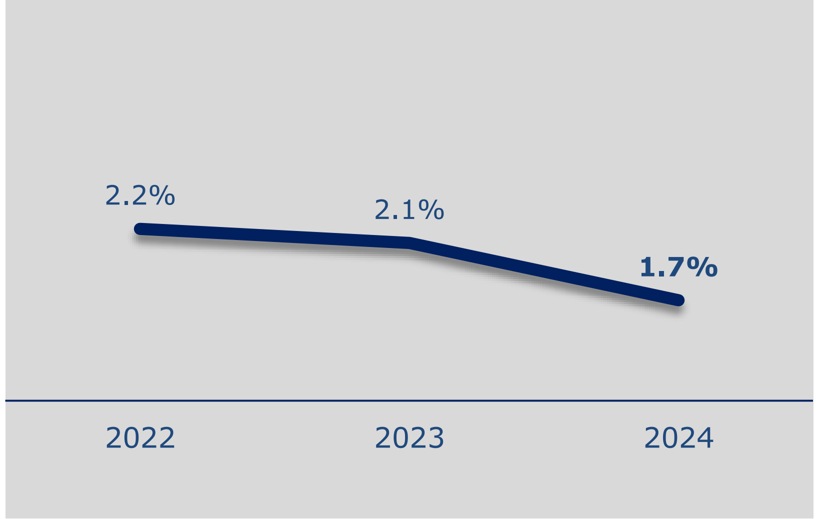
Operating Income – RO 'Mn



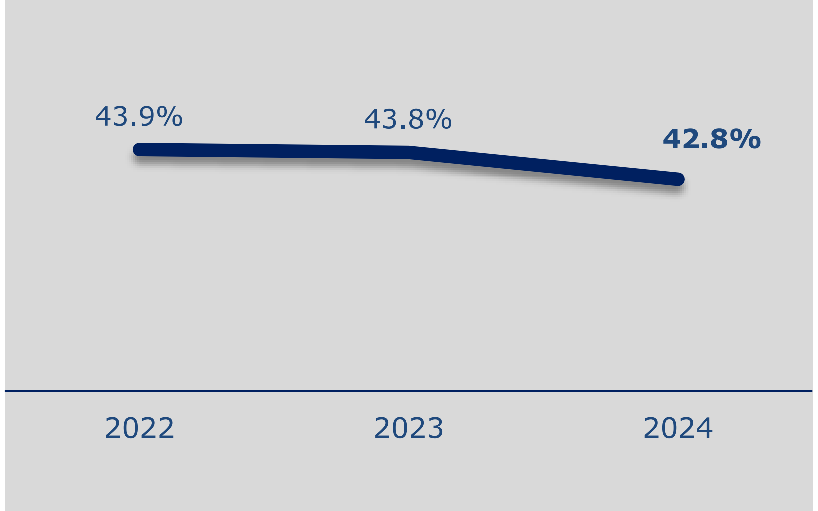
Other Income to Total Income



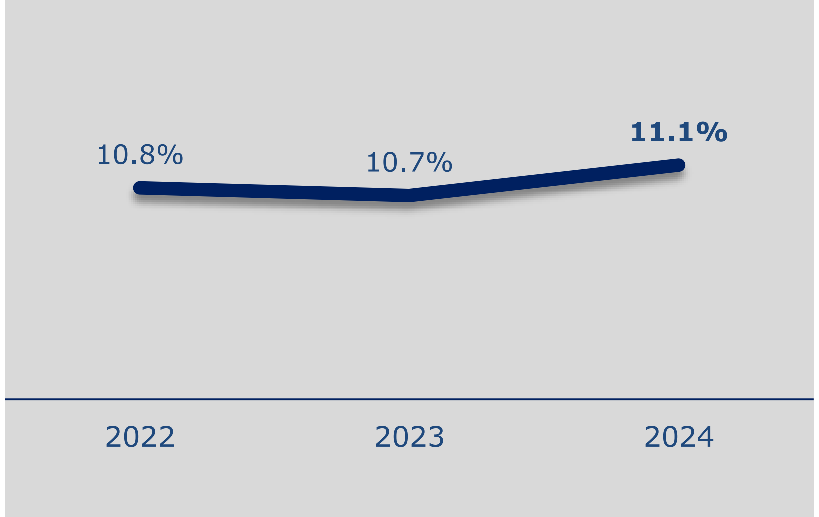
Net Interest Spread



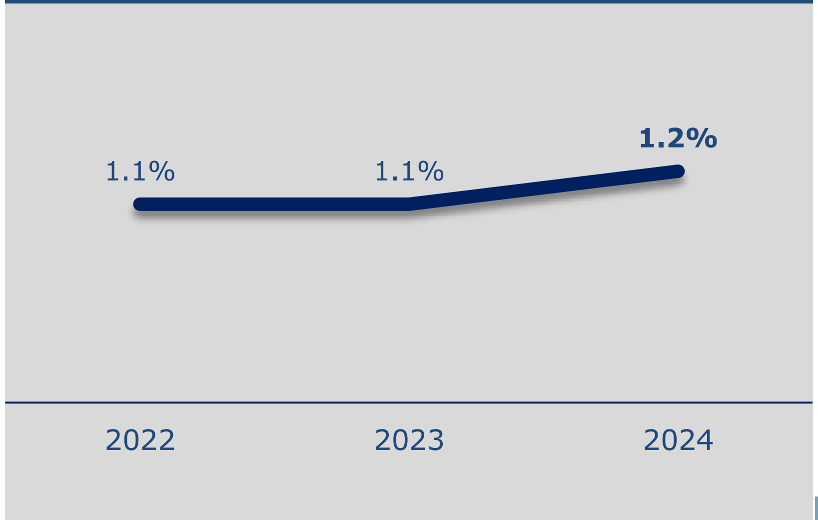
Cost to Income



ROAE



ROAA



Loans and Financing

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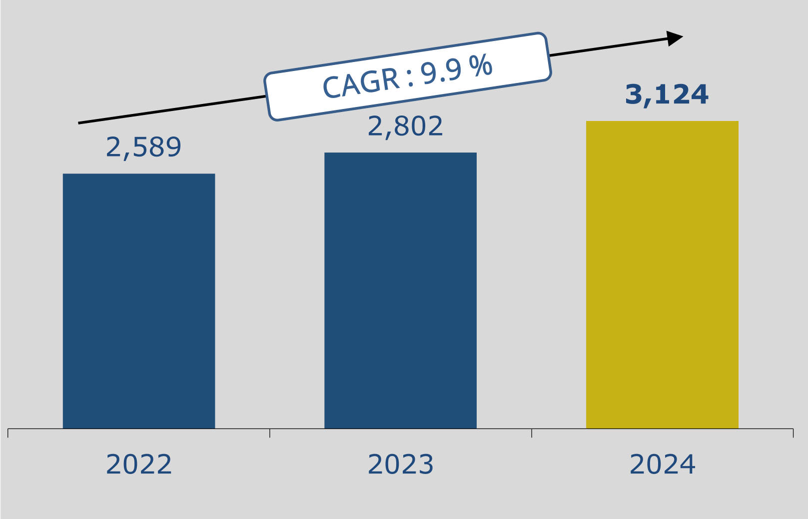
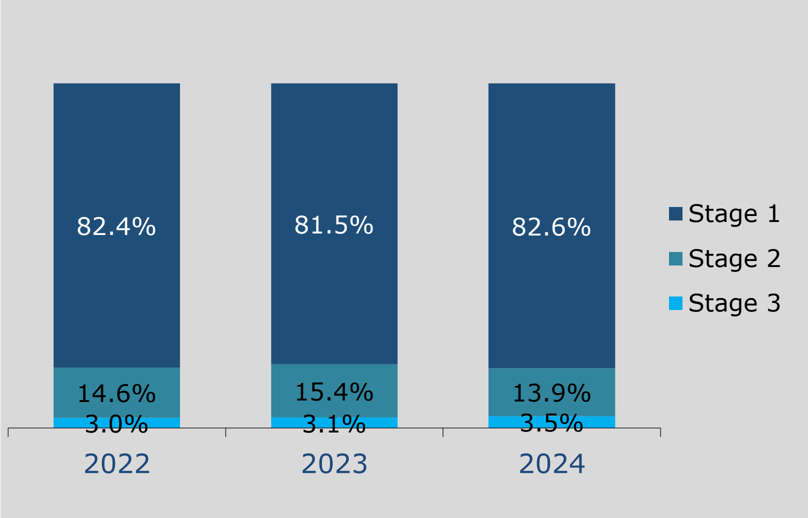
Focused on asset quality, one of the lowest NPLs in the industry

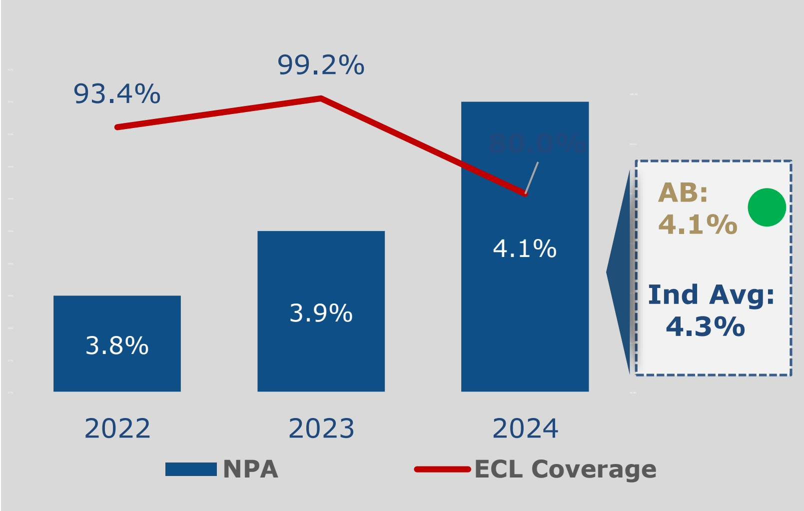
Gross Loans and Financing



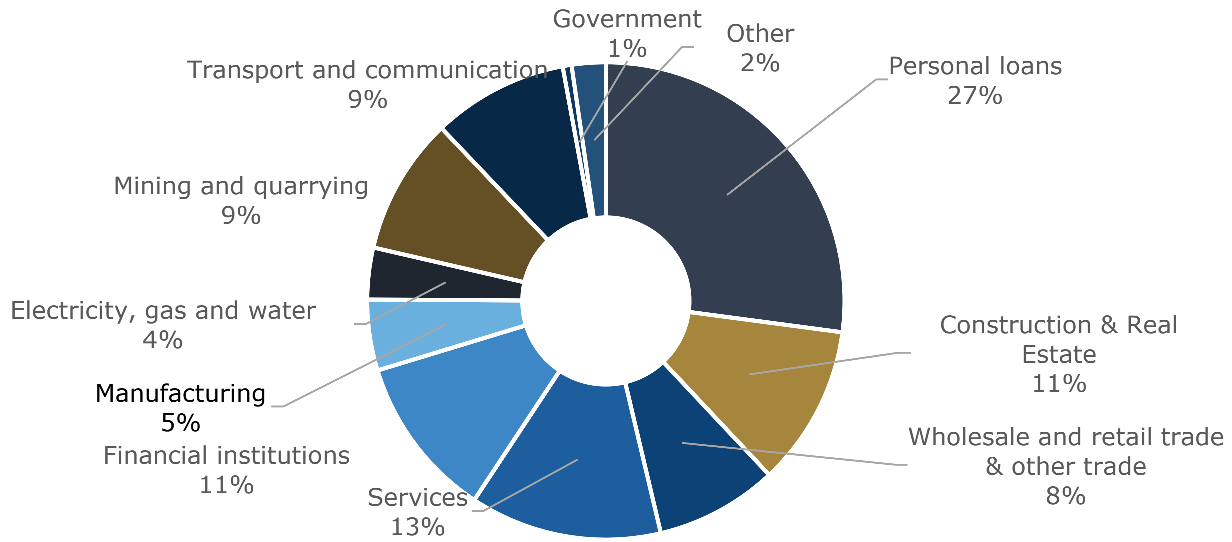
Stage wise Exposure



NPL and Coverage



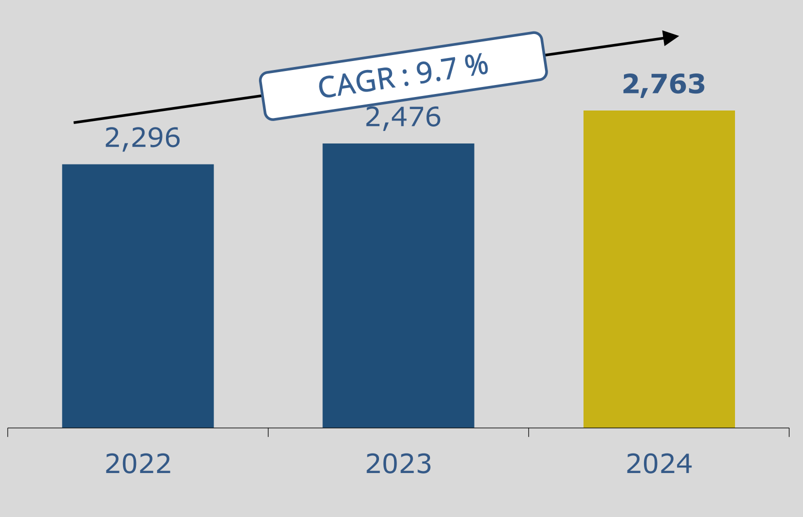
Sector wise distribution of Loans



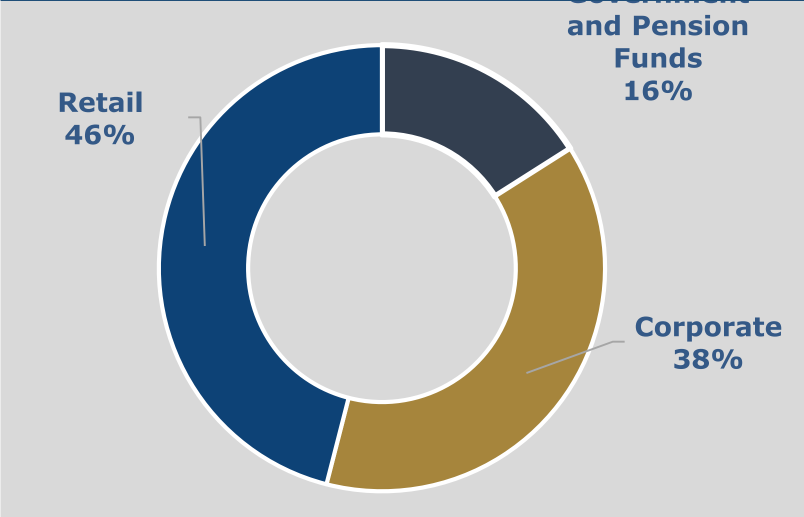
Funding

Significant increase in the retail contribution; less dependency on volatile deposits

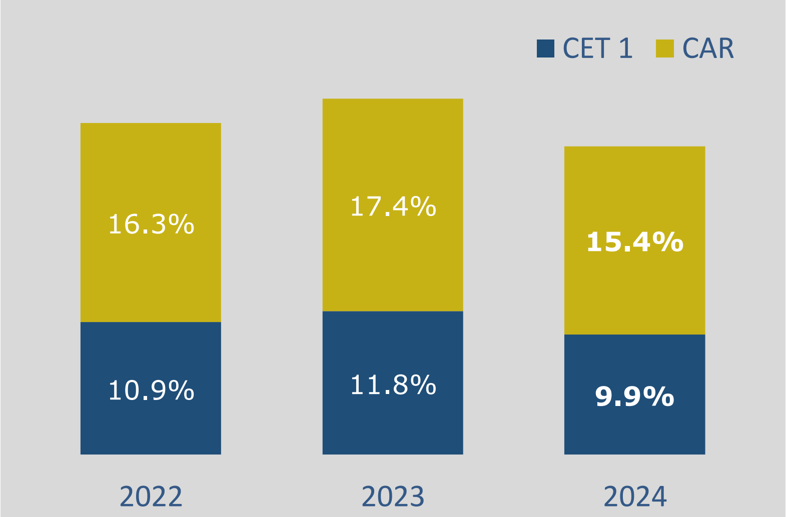
Customer Deposits



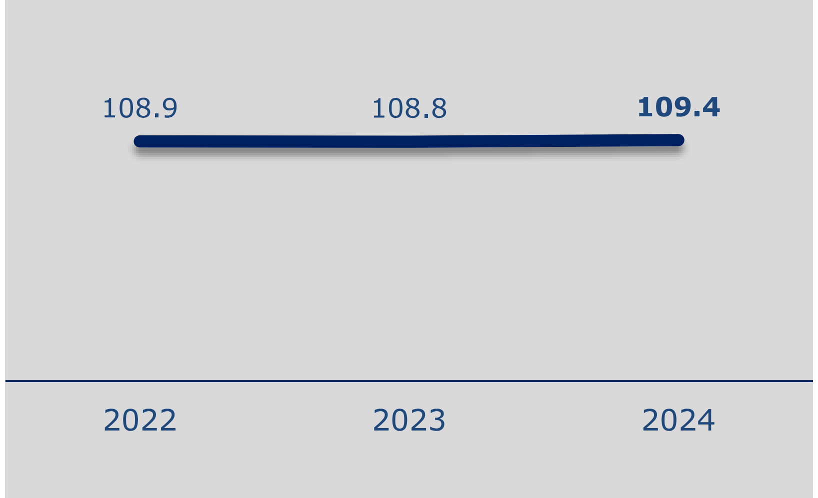
Deposit Segments



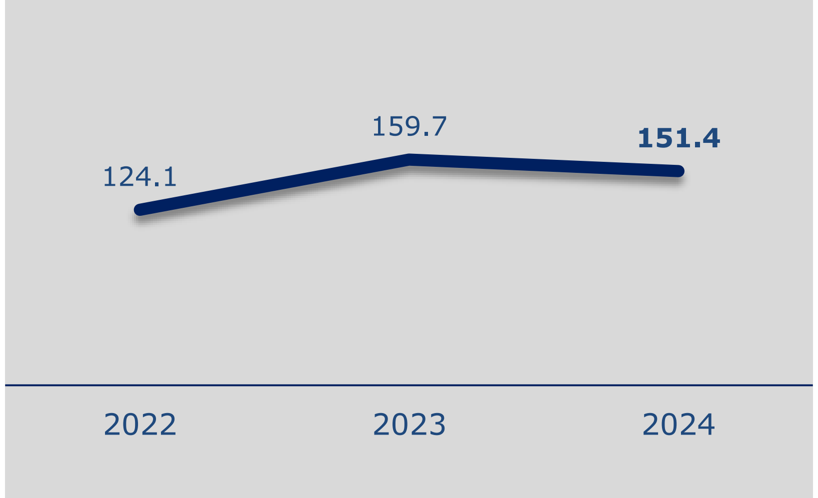
Capital Adequacy



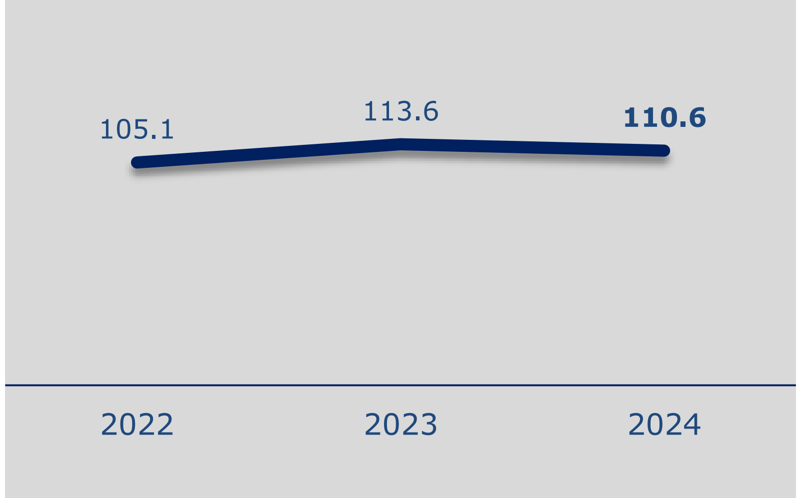
Net Loans to Deposits Ratio %



Liquidity Coverage Ratio %



Net Stable Funding Ratio %



Our Award-Winning Achievements

In 2024, we were honored with several prestigious awards, reflecting our commitment to excellence and innovation:

Excellence in Corporate Banking & Innovative Solutions

Awarded at the Alam Al Iktisaad Awards 2024, recognizing us for our outstanding performance in corporate banking and innovative financial solutions.

Best Performing Company – Large Cap

Awarded at the Alam Al Iktisaad Awards 2024, highlighting our strong overall performance in the large-cap category.

Best Conventional Bank in Oman

Conferred by the Union of Arab Banks, acknowledging our leading status and forward-thinking vision in the Sultanate's banking sector.

Excellence in Digital Banking

Received at the OER Live DX Oman event, celebrating our innovative contributions to the digital banking landscape.

Excellence in Private Banking

Awarded at the New Age Banking Summit 2024, recognizing our superior services in private banking.

Excellence in Corporate Banking

Also honored at the New Age Banking Summit 2024, highlighting our exceptional performance in corporate banking services.

Excellence in Digital Transformation

Recognized at the New Age Banking Summit 2024 for our successful digital transformation initiatives.

Excellence in Retail Cutting-Edge Products and Services

Awarded to ahli islamic in recognition our enhanced Sharia-compliant digital offerings, and innovative products and services that deliver an exceptional banking experience to customers.

MENA Corporate Bank of the Year

Awarded for offering our corporate customers a comprehensive and innovative portfolio of products and services catered to their needs with ease and efficiency.

Annexures

Annexures : Balance Sheet

RO 'Mn	Dec 24	Dec 23	Var
ASSETS			
Cash and balances with CBO	194.6	171.9	13.2%
Due from banks	113.3	88.2	28.5%
Loans and advances, net	3022.3	2694.2	12.2%
Investment securities	344.2	303.3	13.5%
Property and equipment	48.4	41.1	17.8%
Other assets	32.1	19.7	62.9%
TOTAL ASSETS	**3,754.9**	**3,318.4**	**13.2%**
LIABILITIES			
Due to banks	343.9	185.8	85.1%
Customers' deposits	2762.8	2475.7	11.6%
Borrowed funds	0.0	38.5	(100.0%)
Other liabilities	90.1	97.0	(7.1%)
TOTAL LIABILITIES	**3,196.8**	**2,797.0**	**14.3%**
EQUITY			
Share capital	245.0	245.0	0.0%
Reserves and Retained earning	133.7	127.4	4.9%
TOTAL SHAREHOLDERS' EQUITY	**378.7**	**372.4**	**1.7%**
Additional Tier 1 Capital	179.4	149.0	20.4%
TOTAL EQUITY	558.1	521.4	7.0%
TOTAL EQUITY & LIABILITIES	**3,754.9**	**3,318.4**	**13.2%**

Annexures : Income Statement

RO 'Mn	Dec 24	Dec 23	Var
Net Interest Income	73.90	76.30	(3.1%)
Other operating income	34.41	22.24	54.7%
Total Operating Income	**108.31**	**98.54**	**9.9%**
Net impairment on financial assets	13.43	13.09	(2.6%)
Operating income after impairment	**94.88**	**85.45**	**11.0%**
Total Operating expenses	**46.40**	**43.13**	**(7.6%)**
Profit before taxation	**48.48**	**42.32**	**14.6%**
Tax expense	6.82	5.87	(16.2%)
Net Profit after taxation	**41.66**	**36.45**	**14.3%**