

Chairman’s Report

Dear Shareholders,

On behalf of the Board of Directors, it is my pleasure to present the financial statements of Ahli Bank for the year ending 31 December 2021.

Since the beginning of 2021, we have seen the positive effects of the government’s continuous efforts to mitigate the pandemic’s economic impact, which has resulted in volatile markets and disrupted businesses at the onset. We are now amidst a shifting and optimistic global environment and experiencing the effects of gradual economic recovery.

Oman’s banking & finance sector is undergoing a paradigm shift, achieving operational excellence and capitalizing on new opportunities to offer more efficient, secure and real-time alternative delivery and service channels while enhancing its digital capacities and capabilities to support economic recovery.

Ahli Bank’s reported profit and asset growth in the current year is a positive indicator of this recovery. Its stability during this period is resulting from the government measures and initiatives that ensured sufficient liquidity support for the banking system. Moreover, the Bank’s swift execution of its business plan, its consistent compliance with regulatory requirements, along with the strengthening of its traditional and digital banking products and services, as well as leveraging on its digital potential contributed to its growth.

The start of the year has seen the Bank’s rollout of several products and services for the conventional and Islamic banking segments alongside the development and enhancement of its existing products, services and infrastructure. A key focus is the Bank’s digital transformation project, which will significantly improve its services, strengthen its offerings and reinforce its current position in the market in the long term.

Moving forward, Ahli Bank continues to align its business activities, operations and initiatives with the goals of Oman Vision 2040 under the wise leadership of His Majesty the Sultan and is committed to support and contribute to the social and economic development of the Sultanate.

Financial Performance

Ahli Bank continues to grow steadily in terms of its asset portfolio and most of its key financial indicators:

|                                 | 31-Dec-21  | 31-Dec-20 | Growth % |
|---------------------------------|------------|-----------|----------|
|                                 | RO Million |           |          |
| Net Loans, Advances & Financing | 2,402.0    | 2,218.9   | 8.3%     |
| Total Assets                    | 3,052.6    | 2,702.5   | 13.0%    |
| Customers' Deposits             | 2,181.4    | 1,924.7   | 13.3%    |
| Equity                          | 427.0      | 388.4     | 9.9%     |
|                                 |            |           |          |

|                       |      |      |       |
|-----------------------|------|------|-------|
| Operating Income      | 82.4 | 71.5 | 15.3% |
| Operating Expenses    | 35.6 | 30.1 | 18.3% |
| Profit for the Period | 27.6 | 24.0 | 15.2% |

Amid the exceptional circumstances, the Bank’s total assets grew by 13.0 per cent in 2021, reaching RO3.05 billion, compared to RO2.70 billion in 2020. Customer deposits went up by a 13.3 per cent to reach RO2.18 billion compared to RO1.92billion. The Bank’s net loans, advances, and financing grew by 8.3 per cent reaching RO2.40 billion. The Bank’s operating income increased by 15.3 per cent, reaching RO82.4 million in 2021. The Operating expenses increased by 18.3%, while the profit for the period grew by 15.2 per cent, to reach RO 27.6 million.

## Highlights and Key Milestones

In March 2021, the Bank raised share capital of RO 30 million through a rights issue, strengthening the Tier I capital of the Bank and meeting the Bank’s capital requirement to support business growth.

Ahli Bank has made significant progress in building its retail and corporate business, diversifying its portfolio to cater to the demands of the corporate in the Sultanate, differentiating the needs of the premium and private banking segments as well as the SME segments, in order to support key economic growth projects.

The Bank has also launched a wide range of products and services that cater to niche segments in the society. The Bank has proven its keenness to provide more innovative, value-added conventional, and Islamic banking services to its customers.

Furthermore, the ahli Global Equity Fund was launched to cater to investors seeking avenues, at their discretion for long-term capital appreciation by investing in a diversified portfolio of high-quality businesses that offer growth-at-a-reasonable-price. The Fund provides an attractive platform for clients to invest in global markets. The Bank has also launched Mutual Funds, opening up lucrative avenues for customers to invest and seek a ‘better tomorrow’. The investment vehicle will provide access to a host of global mutual funds to invest as per each customer’s preference.

ahlibank has stepped up its digital roadmap, adding services such as the introduction of a new mobile app-based account opening service wherein, all new-to-bank customers can now open an account just within a minute. The Ahli Islamic mobile banking and Internet application, has been strengthened to include new features as well as account opening service for customers.

Apart from these digital channels, the Bank widened its current branch network with the opening of three conventional branches and three Islamic branches during the year.

Ahli Bank’s Investment Banking division also announced the successful completion of a bond issuance as an issue manager and financial advisor. The issue has generated a positive response and widespread interest from investors.

The efforts and commitment to consistently provide quality customer service culminates in a roster of achievement awards for the year. The Bank received two awards at the prestigious OER Oman Banking & Finance Awards 2021: “Excellence in Private Banking in Oman” for ahlibank, “Excellence in Islamic Retail Banking” for Ahli Islamic. It also received the JP Morgan Chase “Elite Quality Recognition Award 2021” for maintaining an outstanding 99.9% modification-free rate for the Bank’s remittance in USD.

## Corporate Social Responsibility

Ahli Bank’s real success is reflected in its commitment to adhere to sustainable business practices, balance business growth with its moral and social responsibilities, and to drive value through active involvement and participation in community and national initiatives. The Bank demonstrated its CSR commitment by participating in the nationwide COVID-19 vaccination campaign and the cyclone “Shaheen” relief drive.

Ahli Bank also remains committed to developing the skills and capabilities of the youth by providing a platform to prepare them for suitable career opportunities in the banking sector. The relaunched Graduate Development Program (GDP) “Himam” and the Bank’s support to the National Leadership Program “Etimad,” are proofs of this commitment.

## Looking Ahead

As Ahli Bank marches ahead on its remarkable growth path and looks forward to a new year, it is committed to support the continuous development of Oman’s banking sector and play a pivotal role in the country’s progress. It will strive to sustain its growth and innovation momentum –expanding its branch network, building and diversifying its retail and corporate portfolio, and strengthening its digital capabilities and infrastructure. The Bank has also embarked on the ambitious project of expanding its head office building as a smart and innovative infrastructure, which will continue to contribute towards creating a suitable, stimulating and performance-driven work environment.

With its financial strength, human capital and consistent achievements, Ahli Bank looks towards establishing itself as a benchmark for professional customer service and transform itself into a leading financial institution in the Sultanate.

## Acknowledgments

On behalf of the Board of Directors, I would like to thank Ahli Bank’s stakeholders for their unwavering trust and faith in us. Their support has been instrumental in leading us to where we are now.

We share the national agenda for growth and remain fully supportive and committed to the economic development initiatives and plans of His Majesty Sultan Haitham bin Tarik under the Oman Vision 2040.

I would also wish to acknowledge the notable efforts of the Bank’s Executive Management team and our employees for their dedication and contribution to the continued success and growth of the Bank. Lastly, and most importantly, I would like to thank our customers for their loyalty and trust in our services and I look forward to their patronage and support in the coming year and the years to come.

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**Hamdan Ali Nasser Al Hinai**

Chairman