



Investor Presentation

31 March 2018

1. Overview of Masraf Al Rayan

2. Key Financial Highlights

2.1 Profitability

2.2 Balance Sheet

2.3 Asset Quality

2.4 Capitalisation

3. Overview of Qatar

4. Key Contacts

1. Overview of Masraf Al Rayan

Overview of Masraf Al Rayan Q.P.S.C. (MAR or Bank)

Profile

- Fully Shariah compliant bank incorporated in Qatar on 4 January 2006 and licensed by the Qatar Central Bank
- Classified as a DSIB (domestic systemically important bank)

Business Lines

- Corporate Banking & SME
- Retail & Private Banking
- Treasury
- Investment Banking

Market Share

- 2nd largest Islamic bank in Qatar by total assets* (29.2% market share)
- 4th largest amongst all listed Qatari banks by total assets* (7% market share)

Public Listing

- Ordinary shares listed on the Qatar Stock Exchange
- 2nd largest bank in Qatar by market capitalisation (USD 7.3 bn)

Rating

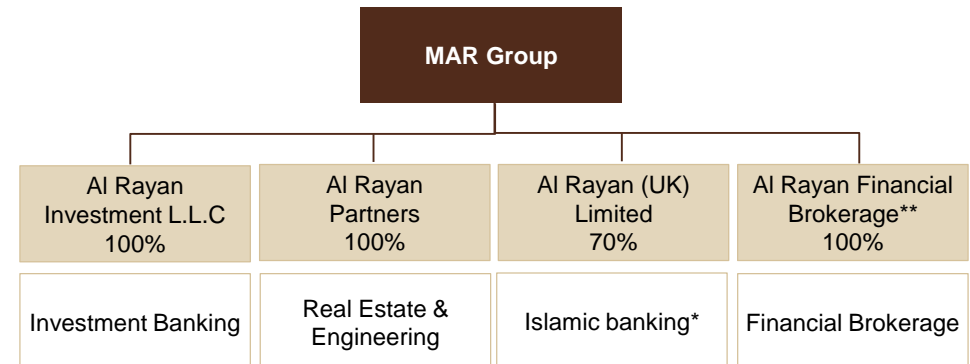
- Moody's upgraded standalone and long-term issuer ratings from A2 to A1 as of 25 August 2016
- Ratings affirmed at A1 by Moody's as of 5 July 2017, however, outlook changed from Stable to Negative

*as at 31 March 2018.

Branch Network



Subsidiaries



*Via Al Rayan Bank Plc (formerly known as Islamic Bank of Britain Plc)

** license is frozen for two years

1. Overview of Masraf Al Rayan Cont.

Board Composition

- The principal role of the Board is to oversee the implementation of the Bank's strategic initiatives and its functions within the agreed framework in accordance with relevant statutory and regulatory structures

Chairman & Managing Director



Dr. Hussain Ali Al Abdulla

Other positions:

- Minister of State & Board Member - QIA
- Board Member - Qatar Supreme Council for Economic Affairs and Investment
- Chairman - Kirnaf Investment and Instalment Company
- Board Member - Gulf Investment Corporation (Kuwait)
- Board Member - Volkswagen (Germany)

Group CEO



Mr. Adel Mustafawi

Other positions:

- Vice Chairman - Qatar Sports Investment
- Vice Chairman - Paris Saint Germain F.C
- Board Member - Kirnaf Investment & Installment Company
- Board Member - Al Rayan Bank PLC
- Board Member - Malomatia

Board Members

Mr. Turki Mohammed Al Khater

Vice Chairman

- *Select other roles:* Chairman - United Development Company, Board Member - Ooredoo (Qatar), President - General Retirement and Social Insurance Authority

Sheikh Nasser Bin Hamad Al Thani

Board Member

- *Select other roles:* Board Member - Starlink, Board Member - Ooredoo (Algeria and Kuwait), Chief New Business Officer - Ooredoo (Qatar)

Dr. Menahi Khalid M. A. Al Hajri

Board Member

- *Select other roles:* Director of Preventive Security Directorate - Ministry of Interior of the State of Qatar

Mr. Sheikh Ali Bin Jassim M Al-Thani

Board Member

- *Select other roles:* Chairman - Qatar Navigation, Board Member - Nakilat

Mr. Nasser Jaralla S. Jaralla Al Marri

Board Member

- *Select other roles:* Acting Chairman of Financial Affairs Authority - Qatar Armed Forces, Board Member - United Development Company

Mr. Abdulla Ahmed Al Maleki Al Jahni

Board Member

- *Select other roles:* Vice Chairman of Insurance Committee - Qatar Chamber, Board Member - Qatar Business Council

H. E. Sheikh Faisal Bin Saud Al-Thani

Board Member

- *Select other roles:* Acting Director of Industrial Portfolio - Qatar Investment Authority, Chairman - Sadeem Technology Company

Mr. Ali Mohammed A S Alobaidli

Board Member

- *Select other roles:* CEO - Ezdan Holding

2. Key Financial Highlights

Balance Sheet

- Total assets reached \$28,428 million compared to \$25,924 million on 31 March 2017, an increase of 9.7%.
- Financing activities increased to \$19,862 million compared to \$18,544 million on 31 March 2017, an increase of 7.1%.
- Investments reached \$6,893 million compared to \$4,274 million as of 31 March 2017, an increase of 61.3%.
- Customer deposits totaled \$17,216 million compared to \$17,325 million on 31 March 2017, a decrease of 0.6%.

Income statement

- Net profit totalled \$146 million for three months ended 31 March 2018, compared to \$140 million made during corresponding period 2017.
- Operating income for the period increased by 21.9% at \$339 million as compared to \$278 million for the same period in 2017.

Financial Ratios

- Return on average assets of **2.1%**
- Return on average shareholders' equity of the Bank of **17.0%**
- Earnings per share for the period reached QAR **0.708**
- Book value per share reached **\$4.30**
- Operational Efficiency ratio is **22.8%**.

2.1 Profitability

(USD Million)

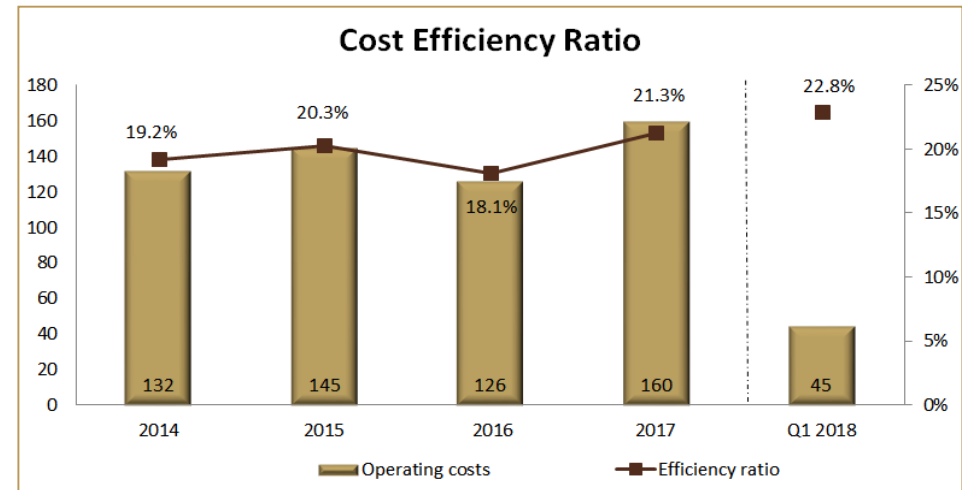
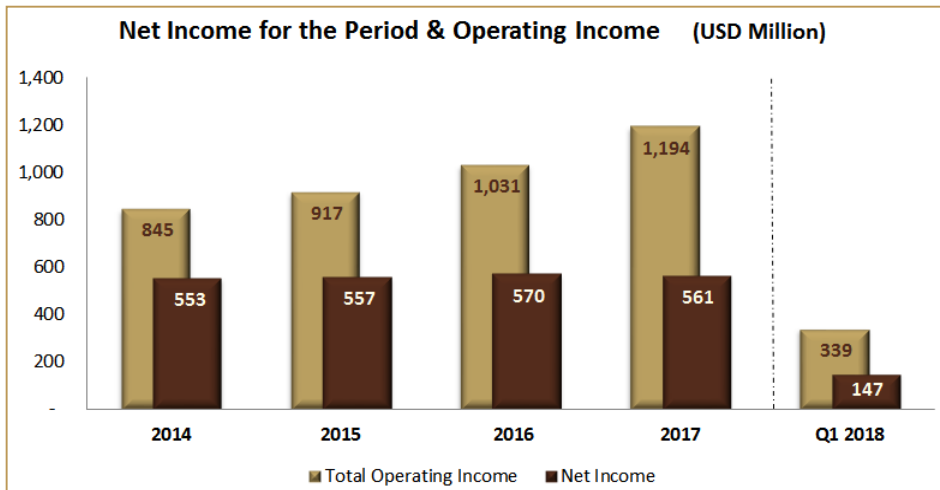
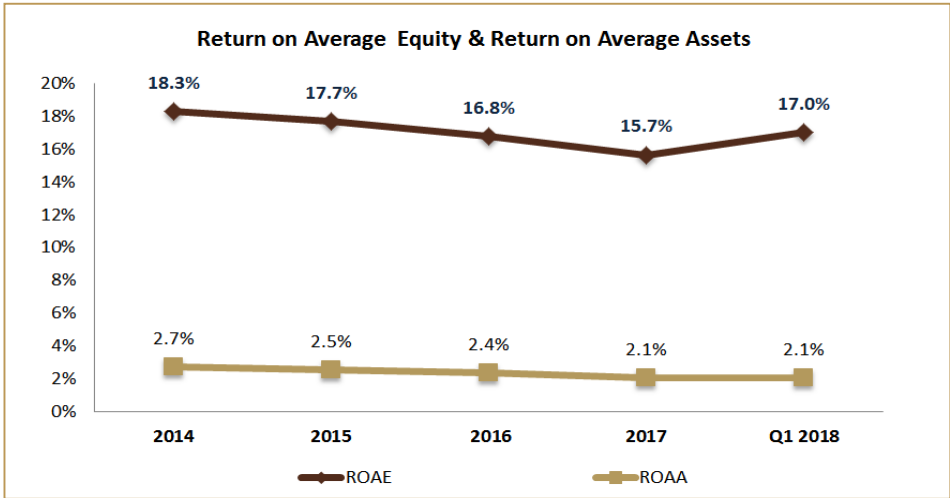
SUMMARY INCOME STATEMENT	2014	2015	2016	2017	Q1 2018
Operating Income	845	917	1,031	1,194	339
Return to investment accountholders and Finance expenses	(156)	(202)	(334)	(442)	(143)
Administrative, net impairment and tax	(136)	(158)	(127)	(191)	(49)
Net Income	553	557	570	561	147
Net Income to Equity holders of the bank	550	570	570	557	146

EFFICIENCY

Return on average equity (ROAE)	18.3%	17.7%	16.8%	15.7%	17.0%
Return on average assets (ROAA)	2.7%	2.5%	2.4%	2.1%	2.1%
Efficiency ratio	19.2%	20.3%	18.1%	21.3%	22.8%

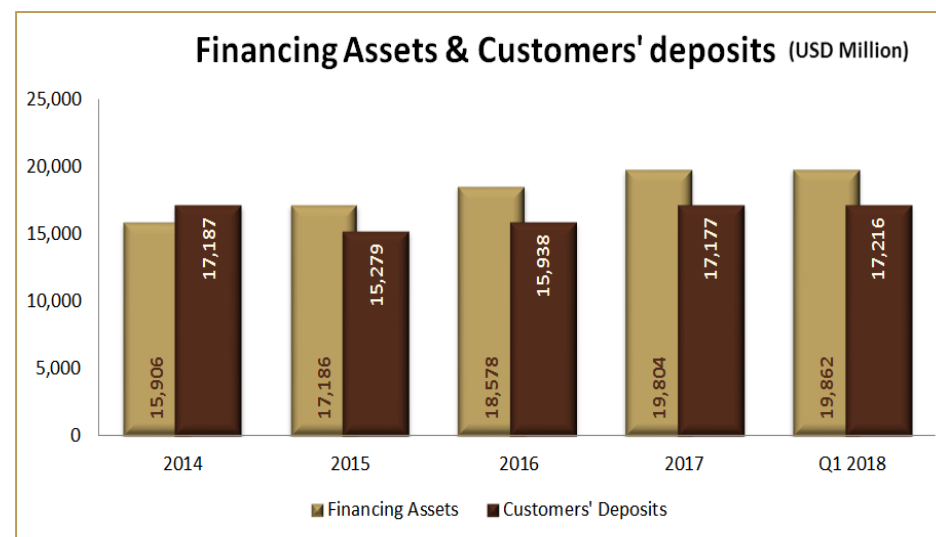
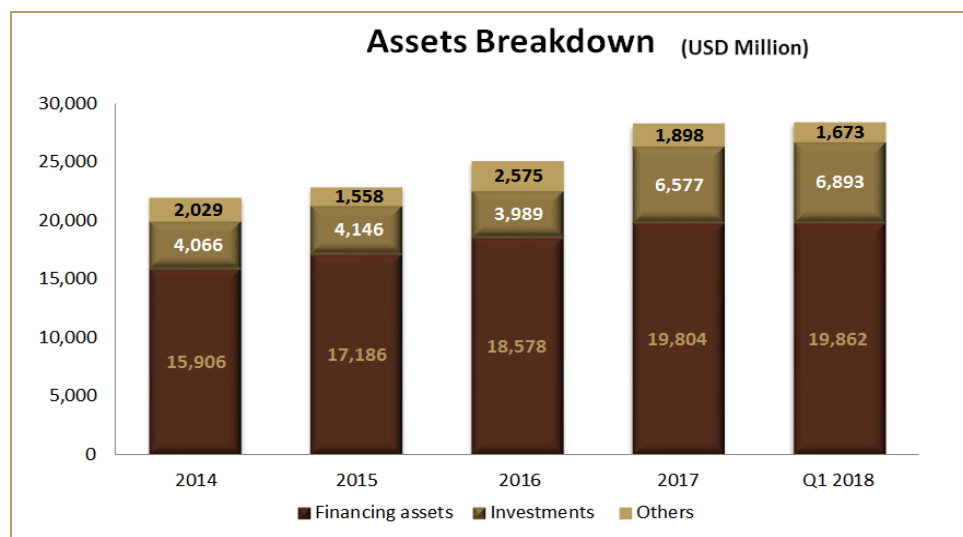
Stable Profitability

- Masraf AlRayan is maintaining a leading position on the return on average assets, which stood at 2.1% on 31 March 2018.
- The bank has a track record of generating high returns for its shareholders. The Bank's return on average equity (ROAE) stood in excess of 15% from 2013 to 2017, while earning per share increased from QAR2.27 to QAR2.70 during this time.



2.2 Balance Sheet

	(USD Million)				
SUMMARY BALANCE SHEET	2014	2015	2016	2017	Q1 2018
Total assets	22,001	22,890	25,142	28,279	28,428
Financing assets	15,906	17,186	18,578	19,804	19,862
Investments	4,066	4,146	3,989	6,577	6,893
Customers' deposits	17,187	15,279	15,938	17,177	17,216
Total Equity	3,219	3,395	3,536	3,678	3,280
Book Value per share (USD)	4.16	4.41	4.65	4.83	4.30



2.2 Balance Sheet cont'd

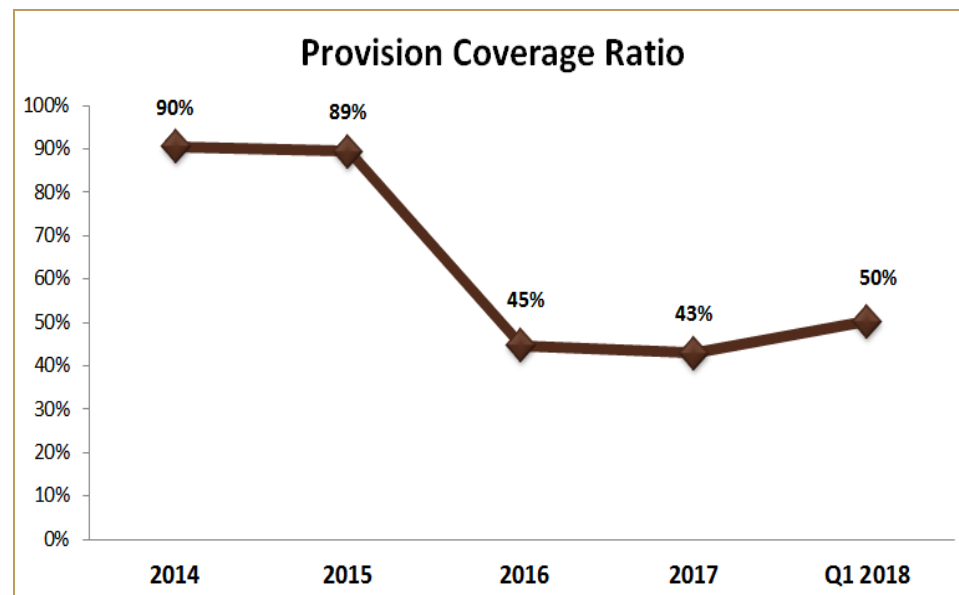
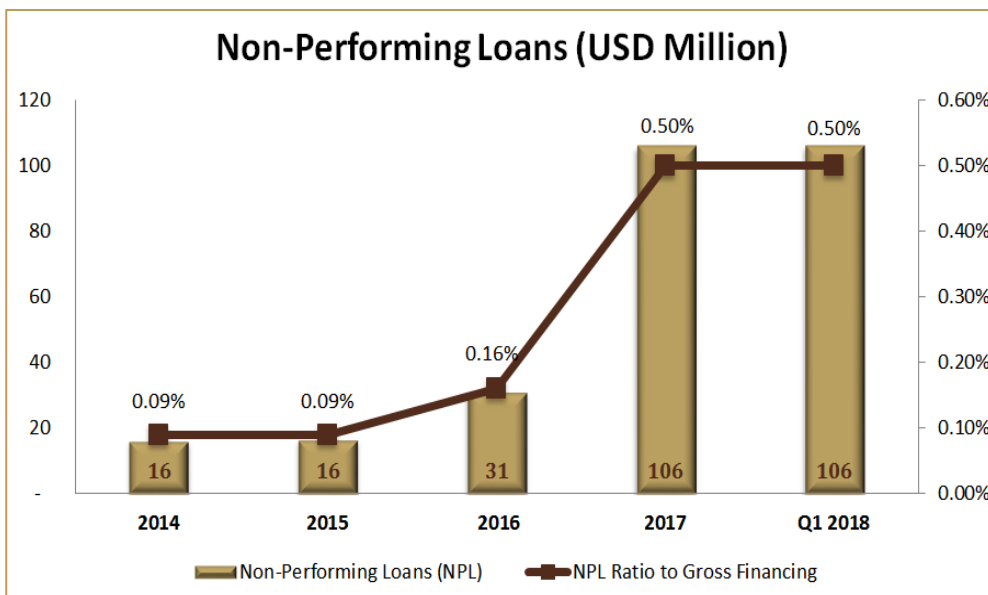
SUBSIDIARIES & ASSOCIATES

List of the Bank's subsidiaries and associates as at 31 March 2018

Entity Name	Country	Capital	Activity	Ownership %
SUBSIDIARIES:				
Al Rayan Investment L.L.C.	Qatar	USD 100,000,000	Investment Banking	100%
Al Rayan Financial Brokerage	Qatar	QAR 50,000,000	Financial Brokerage	100%
Al Rayan (UK) Limited	UK	GBP 100,000,000	Islamic Banking	70%
Al Rayan Partners	Qatar	QAR 10,000,000	Real Estate Consulting	100%
Lusail Waterfront Investment	Cayman Islands	USD 50,000	Investment activities	100%
ASSOCIATES:				
Ci-San Trading W.L.L.	Qatar	QAR 30,600,000	Investing and trading	50.00%
Kirnaf Finance Company	KSA	SAR 600,000,000	Leasing	48.76%
Linc Facility Services W.L.L.	Qatar	QAR 6,000,000	Facility Management	33.50%
Daman Islamic Insurance - Beema	Qatar	QAR 200,000,000	Insurance	20.00%
National Mass Housing	Oman	OMR 15,000,000	Real Estate services	20.00%

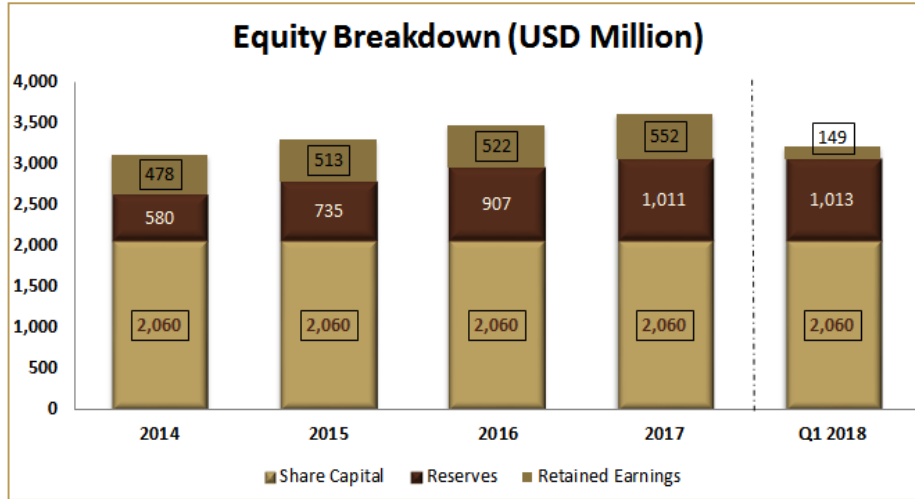
Strong Asset Quality

- Prudent governance supported by strong credit underwriting standards.
- The Bank's quality of assets, in addition to its prudent credit risk management policies and procedures, have enabled the Bank to continue registering a non-performing loan ratio (NPF ratio) of 0.50 % as of 31 March 2018, one of the lowest NPF ratios in the banking industry.
- Conservative provision coverage ratio of 50.3%.

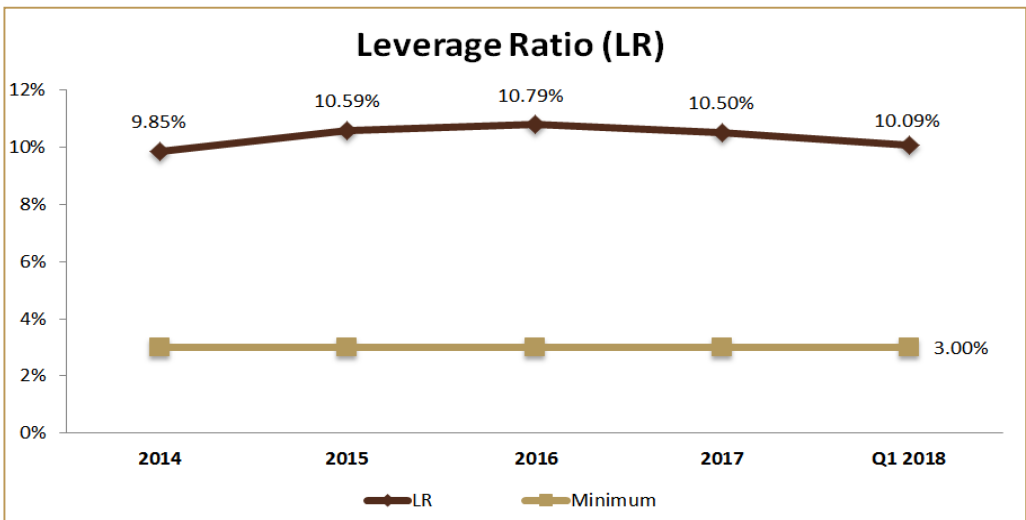
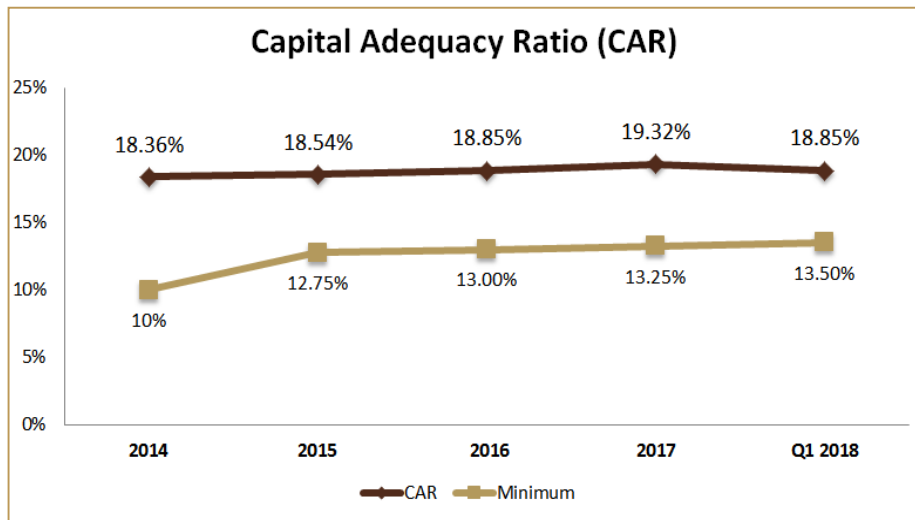


2.4 Capitalisation

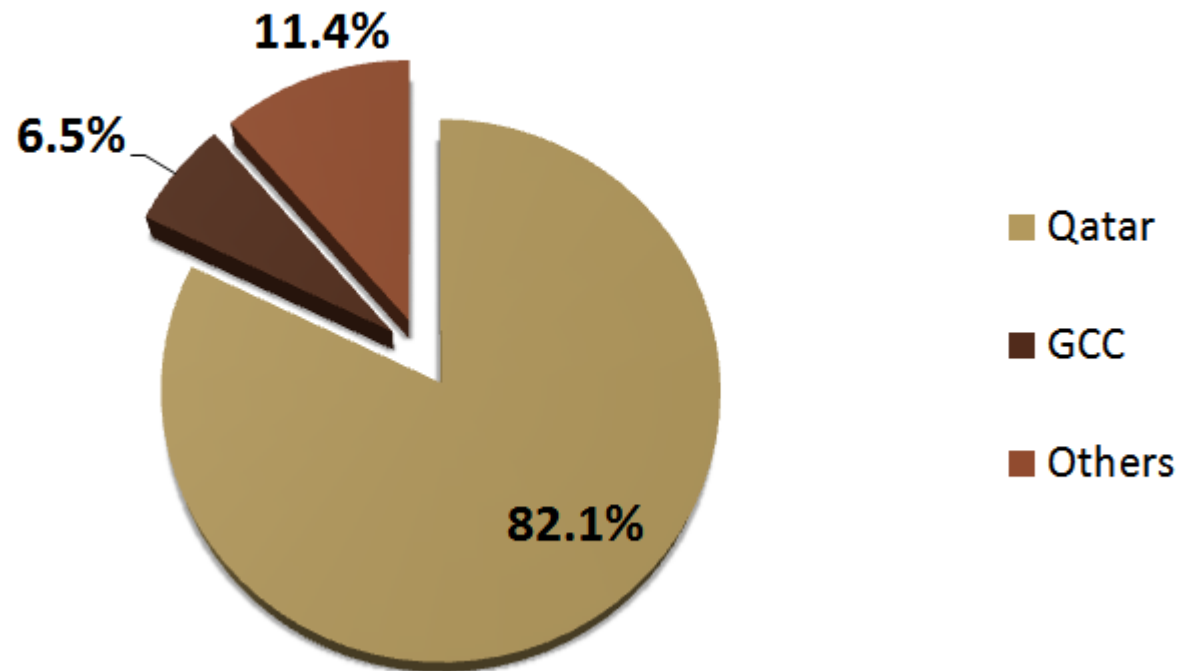
Strengthened Capital



- MAR has a strong capital base with a capital adequacy ratio of 18.85% with a core capital Tier 1 ratio of 17.92% as at 31 March 2018, which highlights that the Bank is well capitalized.
- Well maintained non-risk based leverage ratio.
- MAR complies with the QCB's Basel III requirements to maintain a total capital adequacy ratio in excess of 13.50%.
- MAR is categorized as a Domestic Systemically Important Bank ("DSIB") and is therefore required to hold an additional capital buffer. An additional capital buffer of 0.25 per cent. applied from January 2015 and will be phased in to ultimately reach 1.0 per cent. of Risk Weighted Assets (to be met solely by core equity Tier 1 capital).



Shareholders' Information March 2018



3. Overview of Qatar

Economic Fundamentals

- It is widely confirmed that the economic impact of the blockage has all but faded with the nominal GDP rising 9.4% in Q4, 2017, as per MDPS recent figures. The IMF has also expressed a similar view on the issue.
- Qatari Government's strong fiscal and economic policy direction is also helping the economy to grow at the fastest rate among the GCC countries in spite of the crisis. For example, the estimated expenditure for 2017 is at QAR 198.4 billion and QAR 93.2 billion (or 47.0%) of that is allocated for the major projects.
- So, the key driver for growth in Qatar is infrastructure spending, while oil prices have also significantly improved.
- Qatar is also the largest exporter of LNG with a global market share of 31%.
- Qatar has also been enjoying the top rank since 2011, in terms of its per capita income—i.e., Qatar is the richest country in the world.

Rating

- The country also still enjoys one of the highest credit ratings in the world—Aa3/AA-/AA- by the Moody's, S&P and Fitch because of the government's sound macroeconomic policy and resilience.

Outlook

- The outlook for the Qatari economy has improved, as the oil prices have picked up—e.g., Qatar's December trade surplus jumped 39.1%, y/y, according to recent data. Qatar's money supply (M2) also increased in December by 21.3%, y/y, which is a sign of liquidity in the country improving.
- The country will also almost halve its fiscal budget deficit in 2018, as per the State budget figures, recently tabled by Qatar Ministry of Finance (projected Qatar fiscal deficit is QAR28.3 Bn vs. QAR46.5 Bn in the prior year).

3. Overview of Qatar cont'd

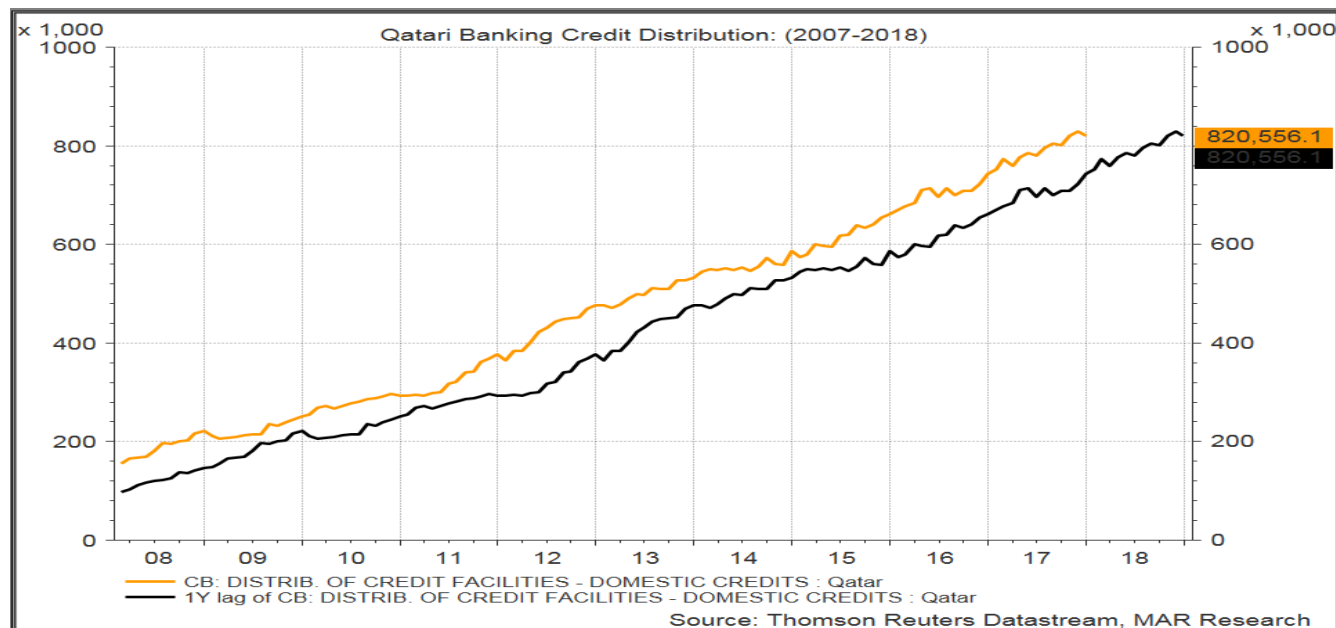
Overview of the Qatari Banking Sector

Snapshot of the Qatari Banking Sector

- A total of 18 banks licensed by the Qatar Central Bank:

Banks	No.
Islamic banks	4
Conventional banks	6
State-owned bank	1
Foreign banks	7

- Banks' total assets stood at USD \$374.6 billion, as December 31, 2017
- Qatari Banks credit growth rate and distribution have also been above trend since 2007 (See chart below).



4. Key Contacts

Group Chief Executive Officer

Adel Mustafawi

+974 4423 5800

Adel.Mustafawi@alrayan.com

Chief Operating Officer

Ahmed Sheikh

+974 4423 5600

Ahmed.Sheikh@alrayan.com

Al Rayan Investment

Haithem Katerji, Chief Investment Officer

+974 4423 5770

Haithem.AI-Katerji@alrayan.com

Treasury

Hassan Al Hamadi, AGM, Head of Treasury

+974 4423 5686

Hassan.alhamadi@alrayan.com

Wholesale Banking

Mohammed Ismail AlEmadi, AGM, Head of Corporate Banking

+974 4423 5717

Mohammed.AI-Emadi@alrayan.com

SME Banking

Mahboob Haider, AGM, Head of SME

+974 4423 5747

Mahboob.Haider@alrayan.com

Retail Banking

Hamad Aljamali, AGM, Head of Retail Banking

+974 4423 5711

Hamad.Aljamali@alrayan.com

Financial Control

Muhammad Tauseef Malik, AGM, Acting Head of Finance

+974 4423 5668

[Muhammad.Malik@alrayan.com](mailto:Muhhammad.Malik@alrayan.com)

Corporate Communication

Aalaedin Khirawi, Corporate Communication Officer

+974 4423 5612

Aalaedin.Khirawi@alrayan.com