



Investor Presentation

30 September 2018

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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* (28.8% market share)
- 4th largest amongst all listed Qatari banks by total assets* (6.8% market share)

Public Listing

- Ordinary shares listed on the Qatar Stock Exchange
- 3rd largest bank in Qatar by market capitalisation (USD 7.2 bn)*

Rating

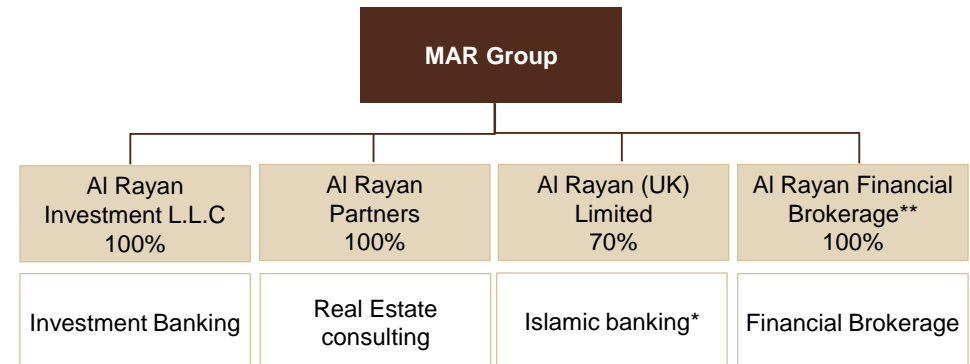
- On 16 July 2018 Moody's has re-affirmed MAR's ratings at A1 with stable outlook

*as at 30 June 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 \$27,360 million compared to \$27,088 million on 30 September 2017, an increase of 1.0%.
- Financing activities increased to \$20,370 million compared to \$18,811 million on 30 September 2017, an increase of 8.3%.
- Investments reached \$5,346 million on 30 September 2018.
- Customer deposits totaled \$17,711 million compared to \$16,496 million on 30 September 2017, an increase of 7.4%.

Income statement

- Net profit totalled \$448 million for nine months ended 30 September 2018, compared to \$429 million made during corresponding period in 2017.
- Operating income for the period increased by 15.4% at \$1,006 million as compared to \$872 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 **16.7%**
- Earnings per share for the period reached QAR **2.176**
- Book value per share reached **\$4.70**
- Operational Efficiency ratio is **23.12%**.

2.1 Profitability

(USD Million)

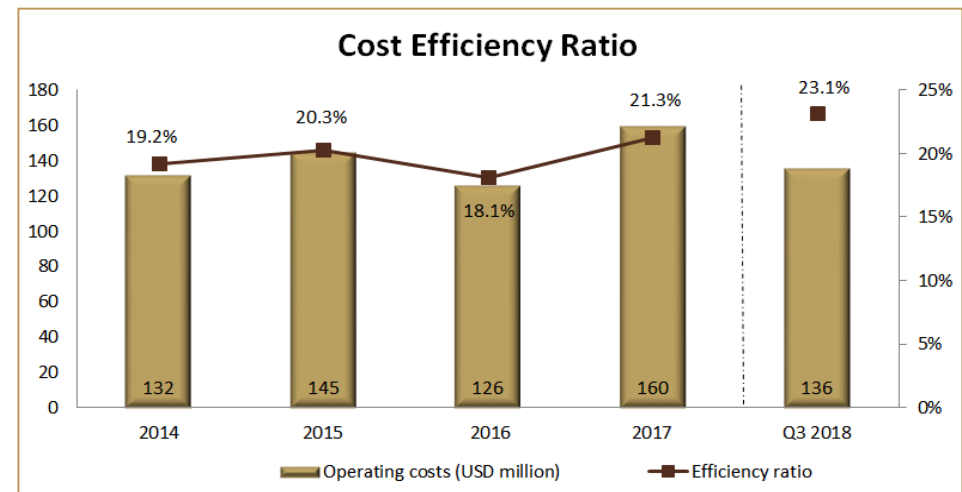
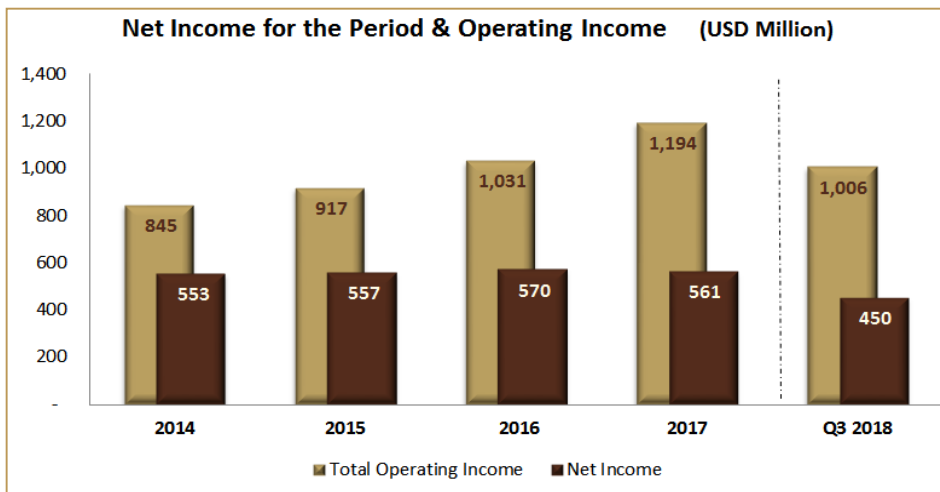
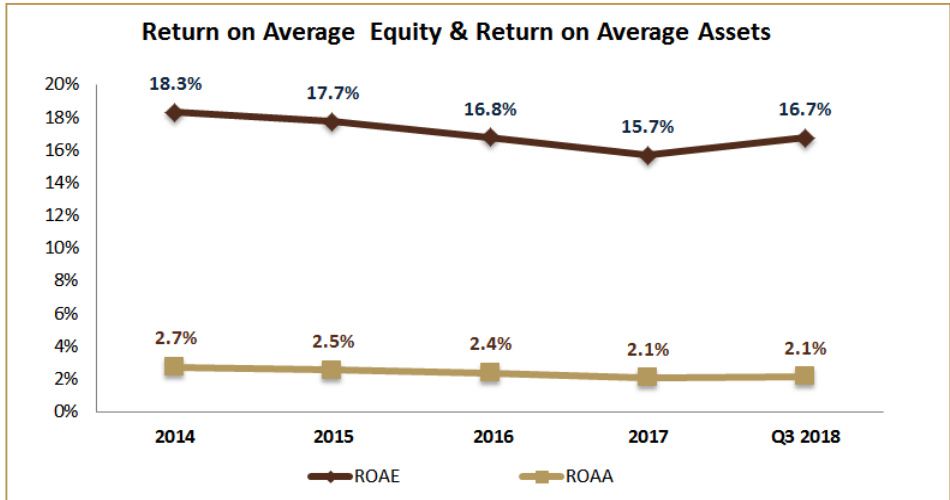
| SUMMARY INCOME STATEMENT | 2014 | 2015 | 2016 | 2017 | Q3 2018 |
|---|-------------|-------------|-------------|-------------|----------------|
| Operating Income | 845 | 917 | 1,031 | 1,194 | 1,006 |
| Return to investment accountholders and Finance expenses | (156) | (202) | (334) | (442) | (418) |
| Administrative, net impairment and tax | (136) | (158) | (127) | (191) | (138) |
| Net Income | 553 | 557 | 570 | 561 | 450 |
| Net Income to Equity holders of the bank | 550 | 570 | 570 | 557 | 448 |

EFFICIENCY

| | | | | | |
|---------------------------------|-------|-------|-------|-------|--------------|
| Return on average equity (ROAE) | 18.3% | 17.7% | 16.8% | 15.7% | 16.7% |
| 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% | 23.1% |

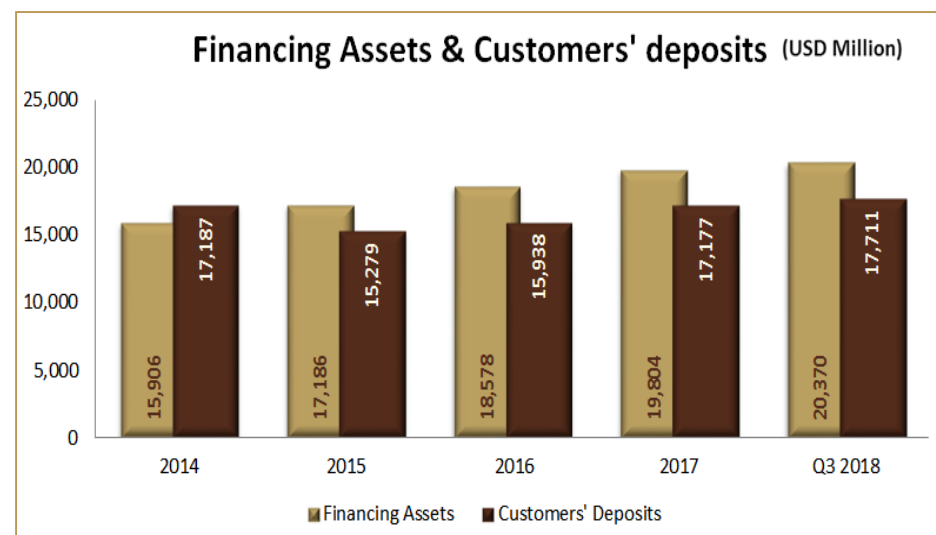
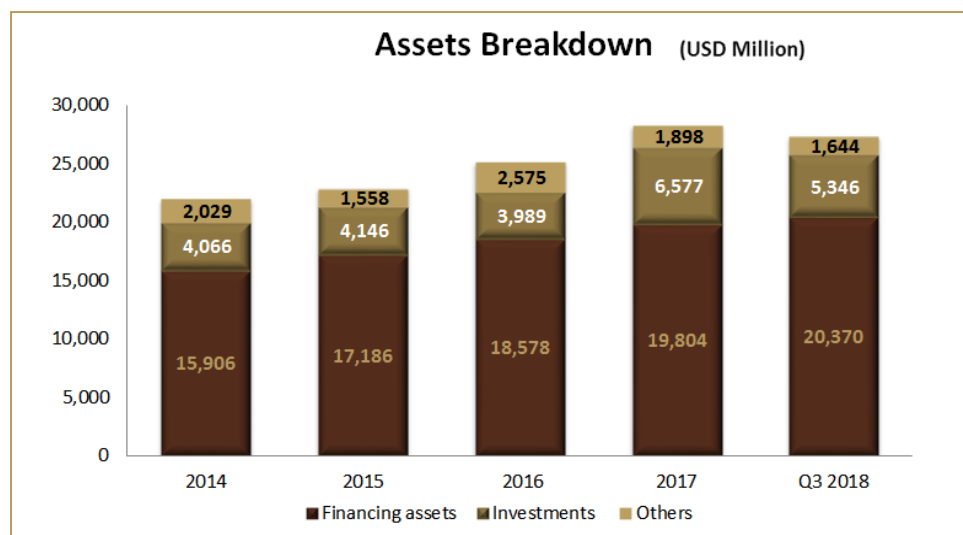
Stable Profitability

- Masraf AlRayan is maintaining a leading position on the return on average assets, which stood at 2.1% p.a. on 30 September 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 2014 to 2018, while earning per share increased from QAR2.67 to QAR2.91 during this time.



2.2 Balance Sheet

| | (USD Million) | | | | |
|------------------------------|---------------|-------------|-------------|-------------|----------------|
| SUMMARY BALANCE SHEET | 2014 | 2015 | 2016 | 2017 | Q3 2018 |
| Total assets | 22,001 | 22,890 | 25,142 | 28,279 | 27,360 |
| Financing assets | 15,906 | 17,186 | 18,578 | 19,804 | 20,370 |
| Investments | 4,066 | 4,146 | 3,989 | 6,577 | 5,346 |
| Customers' deposits | 17,187 | 15,279 | 15,938 | 17,177 | 17,711 |
| Total Equity | 3,219 | 3,395 | 3,536 | 3,678 | 3,580 |
| Book Value per share (USD) | 4.16 | 4.41 | 4.65 | 4.83 | 4.70 |



2.2 Balance Sheet cont'd

SUBSIDIARIES & ASSOCIATES

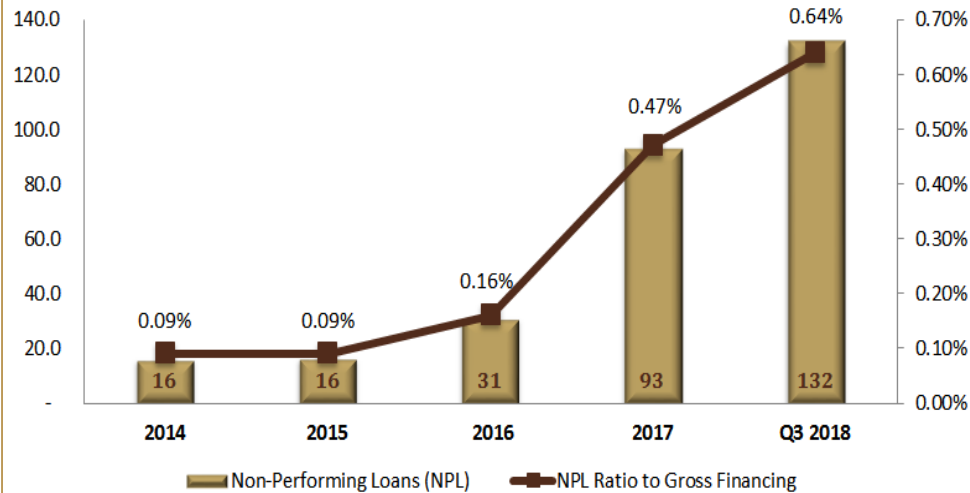
List of the Bank's subsidiaries and associates as at 30 September 2018:

| 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 | Investment activities | 70% |
| Al Rayan Partners | Qatar | QAR 10,000,000 | Real Estate Consulting | 100% |
| Lusail Waterfront Investment Co. | 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% |

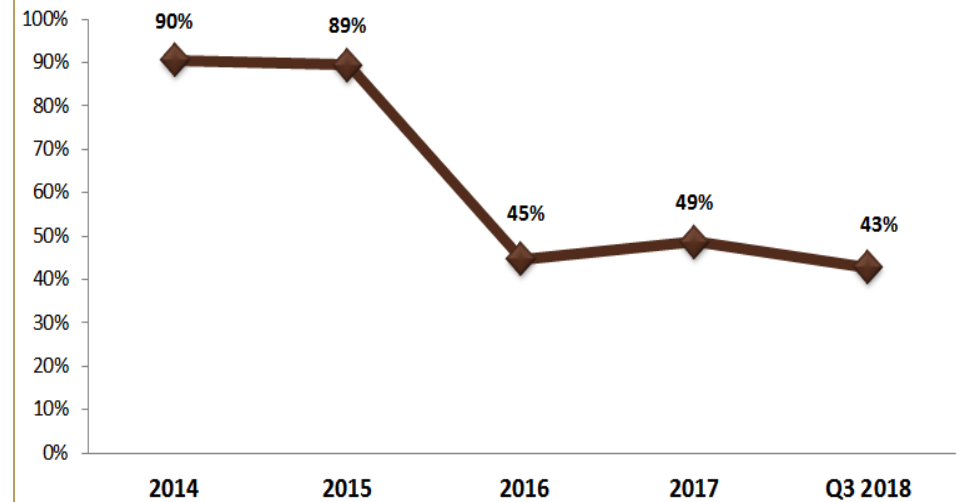
Strong Asset Quality

- 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 0.64 % as of 30 September 2018, one of the lowest NPF ratios in the banking industry.
- Conservative provision coverage ratio of 42.7%.

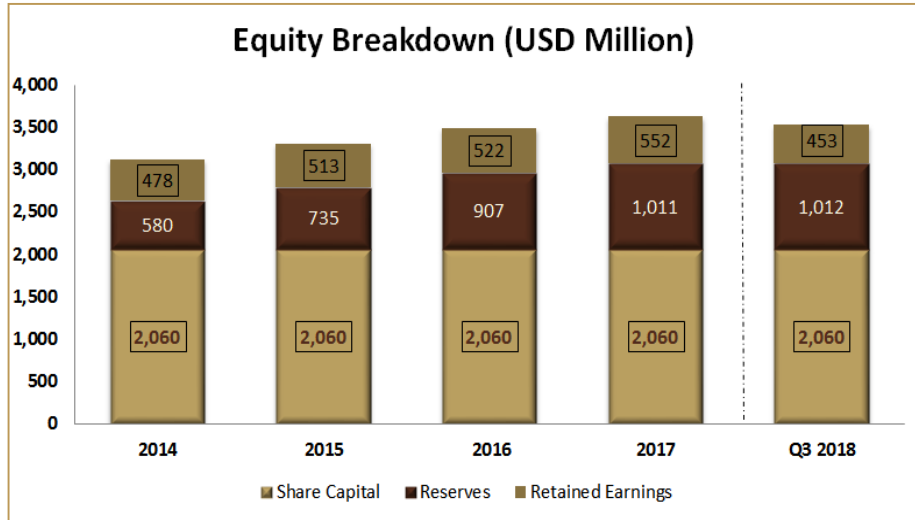
Non-Performing Loans (USD Million)



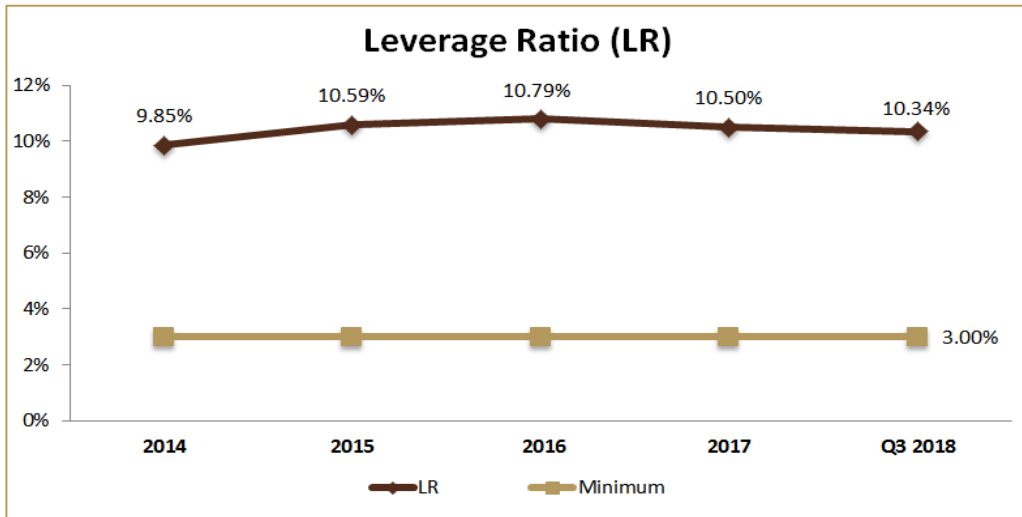
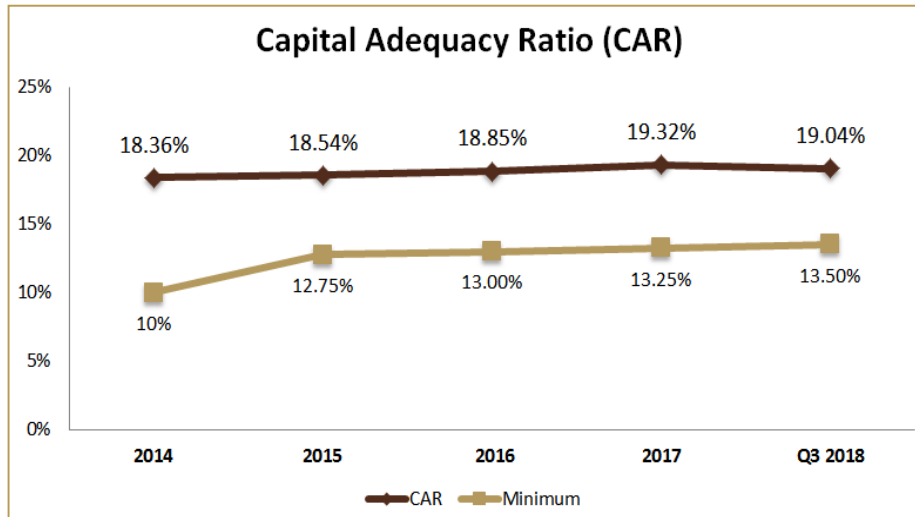
Provision Coverage Ratio



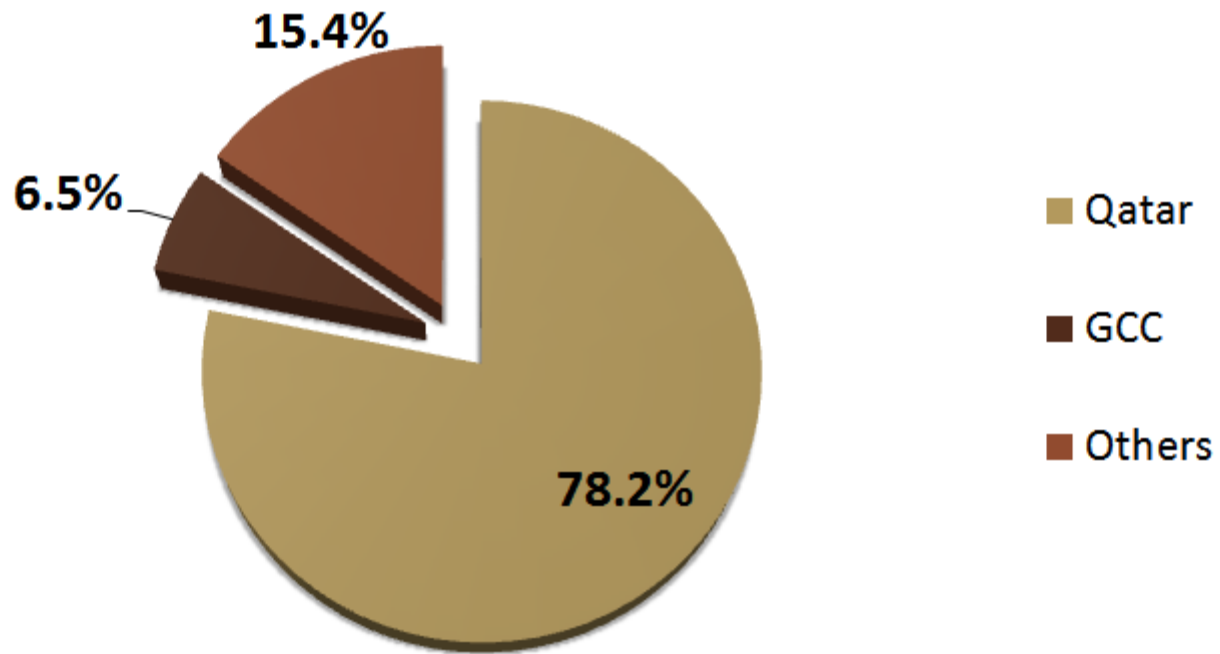
Strengthened Capital



- MAR has a strong capital base with a capital adequacy ratio of 19.04% with a common equity Tier 1 (CET 1) ratio of 18.18% as at 30 September 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 of 1% (to be met solely by core equity Tier 1 capital).



Shareholders' Information September 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 was at QAR 198.4 billion and QAR 93.2 billion (or 47.0%) of that is allocated for the major projects (2018 State will also be tabled soon by mid-December).
- 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's budget is now also in surplus and will remain so, going forward, according to the recent figures from the Ministry of Finance

3. Overview of Qatar cont'd

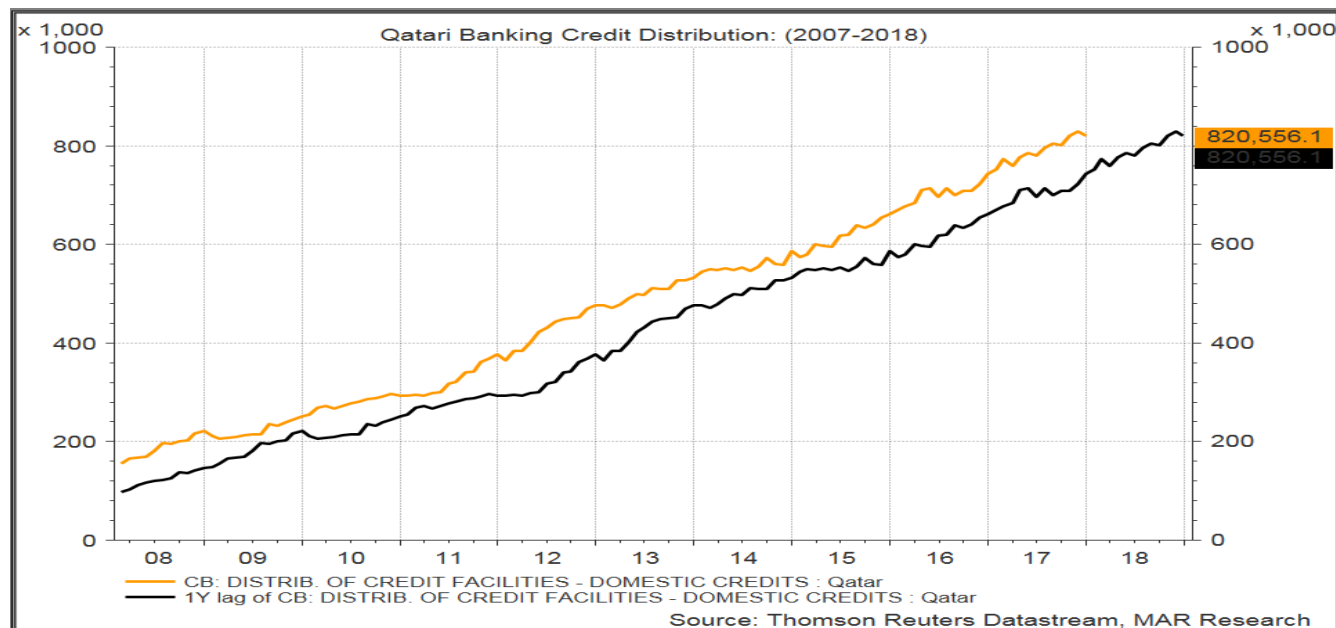
Overview of the Qatari Banking Sector

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

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.Al-Katerji@alrayan.com

Treasury

Mahmood Ahmed, Executive Manager, Treasury +974 4423 5686 Mahmood.ahmed@alrayan.com

Wholesale Banking

Mohammed Ismail AlEmadi, GM, Corporate Banking +974 4423 5717 Mohammed.Al-Emadi@alrayan.com

SME Banking

Mahboob Haider, AGM, Head of SME +974 4423 5747 Mahboob.Haider@alrayan.com

Retail Banking

Hamad Aljamali, GM, Retail & Private Banking +974 4423 5711 Hamad.Aljamali@alrayan.com

Financial Control

Muhammad Tauseef Malik, GM, Financial Controls +974 4423 5668 Muhhammad.Malik@alrayan.com

Financial Institutions

Nadia Laribi, Relationship Manager Manager, Financial Institutions +974 4423 7208 Nadia.Laribi@alrayan.com

Corporate Communication

Aalaedin Khirawi, Manager, Corporate Communication +974 4423 5612 Aalaedin.Khirawi@alrayan.com