



مصرف الريان
MASRAF AL RAYAN

Investor Presentation

Financial Results- Q3 2023

October, 2023

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Introduction to Masraf Al Rayan

Introduction to Masraf Al Rayan Corporate Profile

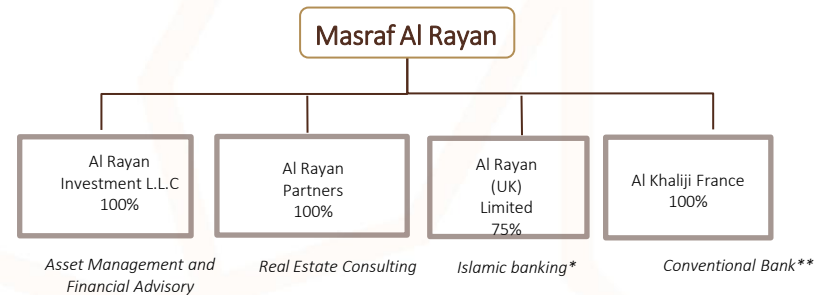
Overview

Profile	<ul style="list-style-type: none"> Islamic bank incorporated in Qatar on January 4 2006 and licensed by the Qatar Central Bank Classified as a DSIB (Domestic Systemically Important Bank) Legal merger completed on December 1, 2021 with Al Khaliji commercial Bank P.Q.S.C
Business Lines	<ul style="list-style-type: none"> Corporate Banking & SME Retail & Private Banking Treasury & Financial Institutions Asset Management & Financial Advisory International Operations (UK, France and U.A.E)
Market Share	<ul style="list-style-type: none"> 2nd largest listed Islamic bank in Qatar by total assets (31 % market share)* 3rd largest listed Qatari bank by total loans (9.5 % market share)**
Public Listing	<ul style="list-style-type: none"> Ordinary shares listed on the Qatar Stock Exchange 3rd largest bank in Qatar by market capitalization(QAR 20.7 b)*** Total ordinary shares issued 9.3 billion
Rating	<ul style="list-style-type: none"> MAR's credit rating re-affirmed at A1 Negative outlook, baseline credit assessment and adjusted baseline credit assessment: baa2

Network



Subsidiaries



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

** Masraf Al Rayan owns 100% of Al Khaliji France (S.A) which also operates 2 branches in U.A.E and 1 branch in Paris, France

Masraf Al Rayan has 100% ownership in MAR Sukuk Ltd., Lusail Waterfront Investment Co, AKCB Finance Ltd, AKCB Markets Ltd, Lusail Limited, and MAR Finance LLC

* As of Q3 2023 (Published Financial statement); ** As of August 2023 (QCB Balance sheet) , *** As of 30 September 2023 (Qatar exchange)

Introduction to Masraf Al Rayan

Ownership structure

Shareholding Structure

Qatari Ownership:	78.79% (mainly Govt. & GREs)
Govt. /GRE:	33.70% (Major shareholders below)
Other Shareholding:	30.41% Corporations, & 35.89% Retail
Shareholders count:	183 K (of which 132 K Outside Qatar)
Listing:	Qatar Stock Exchange
Regulators	Qatar central Bank; Qatar Financial Market Authority

Credit Rating (Moody's)

Long-term and short-term foreign currency and local currency issuer ratings: **A1/Prime-1**

Baseline credit assessment and adjusted baseline credit assessment: **baa2**

Counterparty Risk Assessment: **Aa3(cr)/Stable(cr)**

Negative outlook

Share Overview

MAR shares

- listed on the Qatar Stock Exchange

Symbol

- MARK

ISIN

- QA000A0M8VM3

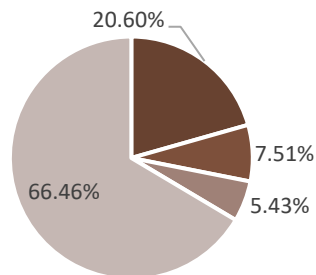
Market cap

- QAR 20.7 bn

Valuation multiples

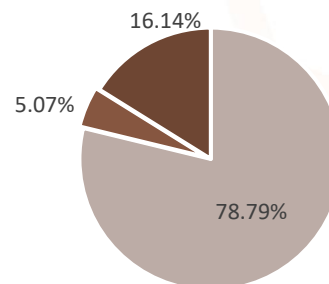
- P/B 0.89

Top Shareholders



■ QIA
■ QAF investment portfolio
■ Pension Fund
■ Others

Shareholding by Country



■ Qatar ■ GCC ■ Other



Introduction to Masraf Al Rayan

Our Board of Directors

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

Chairman of the Board



H.E. Sheikh Mohamed Bin Hamad Bin Qassim Al Thani

Other positions:

- Minister of Industry of Commerce
- Member of Supreme Council of Economic Affairs and Investment
- Chairman of Board of Qatar Stock Exchange
- Chairman of Advisory Board of Investment Promotion Agency
- Chairman of Board of Qatar Financial Center Authority
- Board member, Qatar Investment Authority
- Board member, Qatar Energy

Vice Chairman & Chair of the Executive



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

Other positions:

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

Board Members



Sheikh Ali Bin Jassim M Al-Thani

Other positions:

- Board Member, Qatar General insurance and reinsurance
- CEO adviser, QIA
- Vice Chairman, Al Nuran Bank
- Board member, Al Salam International Investment



Mr. Ahmed Al Hamadi
(subject to QCB approval)

Other positions:

- President, General Retirement & Social Insurance Authority
- Chairman, United Development Company



Mr. Nasser Jaralla S. Jaralla Al Marri

Other positions:

- Board member, United Development Company
- Board Member, Vodafone
- Chairman, Head of Finance Department at Ministry of Defence



Sheikh Nasser Bin Hamad Al Thani

Other positions:

- Board Member, Ooredoo (Oman).
- Chief Commercial Officer, Ooredoo



Mr. Abdulrahman Mohammed Al Khayareen

Other positions:

- Board Member, Barwa Real estate



Mohamed Jaber Ahmed Khasim Al Sulaiti

Other positions:

- CEO and MD of Al Ahed Holding



Abdulla Hamad Al Minsad

Other positions:

- Head of Executive office of the HE Prime minister
- Deputy CEO, Qatar Free Zone



Mohammed Al Saadi



Introduction to Masraf Al Rayan Management team



FAHAD AL KHALIFA
Group Chief Executive Officer



HAMAD AL KUBAISI
Group Chief HR Officer



OMAR AL EMADI
Group Chief Business Officer



STUART RENNIE
Group Chief Operation Officer



ALEXIS NEESON
Group Chief Risk Officer



RONAN DODGSON
Acting Group Chief Financial Officer



TAHIR PIRZADA
GM, Group Treasurer and FI



EMAN AL NAEMI
AGM, Corporate Communications



MUTAZ DANA
GM, Group Compliance and AML



ADEL ATTIA
GM, Group Internal Audit



ABDELMONEM EL HASSAN
GM, Group Legal Council



FAWZI SIAM
AGM, Sharia Audit



Introduction to Masraf Al Rayan

A bank with many strengths



Strong fundamentals underpinned by Qatari government related franchise, stable profitability and high capitalization

- Robust capitalization (CAR 21.45 %) well above the regulatory threshold of 13.50% for a DSIB
- Financing exposure to Government and GREs entities 47% of portfolio
- Strong liquidity and well diversified funding base

Diversified and innovative product/service offerings and improved geographical diversification

- Wide array of Sharia compliant financing products, deposit accounts, treasury/investment products & advisory services
- Focus on product innovation and providing customized solutions
- Established presence in the UK , France and UAE servicing European, Qatari, other GCC customers

Strong shareholding structure and likelihood of support from Qatari authorities

- Majority Qatari ownership holding approximately 79%
- Strong government related franchise with a solid domestic asset base and funding source
- Possibility of receiving Govt. support if needed (given Govt.'s in the past supported Qatari banks)

Experienced management team and commitment to corporate governance

- Members of the Board including the Chairman are highly respected individuals within the wider Govt. set up
- Highly experienced management team with extended years of experience
- Continuously evolving and strengthening corporate governance framework by adopting global best practices



Introduction to Masraf Al Rayan

Strong and stable bank



Introduction to Masraf Al Rayan Sustainability Governance

- First Islamic bank in Qatar to launch **Sustainable Financing Framework (SSF)**; which enables:
 - ESG-linked funding opportunities to investors;
 - Use of proceeds to finance eligible assets;
 - Introduce ESG concepts in the bank;
 - Set clear ESG targets as part of strategy development;
- **MARs SSF** is **independently rated** - S&P Global Ratings, assessed the bank's Framework as 'strong' in its ESG criteria, as part of an independent Second Party Opinion;
- An **ESG Governance Committee** ("Committee") at senior management monitors implementation of Framework;
- Following establishment of the framework, the Bank launched the country's first Islamic **green deposit** in April 2022;



Introduction to Masraf Al Rayan

Product offering – Full suite of Islamic Banking Products



Retail Banking	Private Banking	Wholesale Banking	Treasury & FI	Investment Banking
Auto finance, Home finance, Personal finance Credit cards	Real estate and Project finance Bespoke investment solutions	Direct finance: Murabaha, Mudaraba, Ijara, Itisna'a, Tawaruq	MM placements: Murabaha, Wakala based Sukuk debt issuance	Asset Management: Mutual funds
Time deposits Saving accounts Current accounts	Business planning Credit planning and management	Trade finance: Letter of credit, Murabaha LC, Finance Guarantee	Sukuk investment in LCY/FCY Equity investment	Financial Advisory: Equity Capital Market & Debt Capital Market
Digital banking, ATMs	Asset management/ Wealth protection	Syndicated financing Cash management	FX SWAP/Forward Profit rate swap Options	Financial Advisory : M&A, IPO's



Introduction to Masraf Al Rayan

Key Recognitions in 2023, 2022



Financial Highlights and Performance

Financial Highlights and Performance

Q3-2023 Summary

Balance Sheet

- Total assets QAR 164,374 million compared to QAR 167,533 million on 31 December 2022;
- Financing activities at QAR 109,974 million compared to QAR 117,859 million on 31 December 2022;
- Investments securities at QAR 36,811 million, compared to QAR 31,477 million on 31 December 2022;
- Customer deposits totaled QAR 92,509 million compared to QAR 97,292 million on 31 December 2022;

Income statement

- Net profit totalled QAR 1,238 million for Q3 2023, compared to QAR 1,331 million for the same period in 2022;
- Total income for Q3 2023 totalled QAR 7,192 million as compared to QAR 5,148 million for the same period in 2022

Financial Ratios

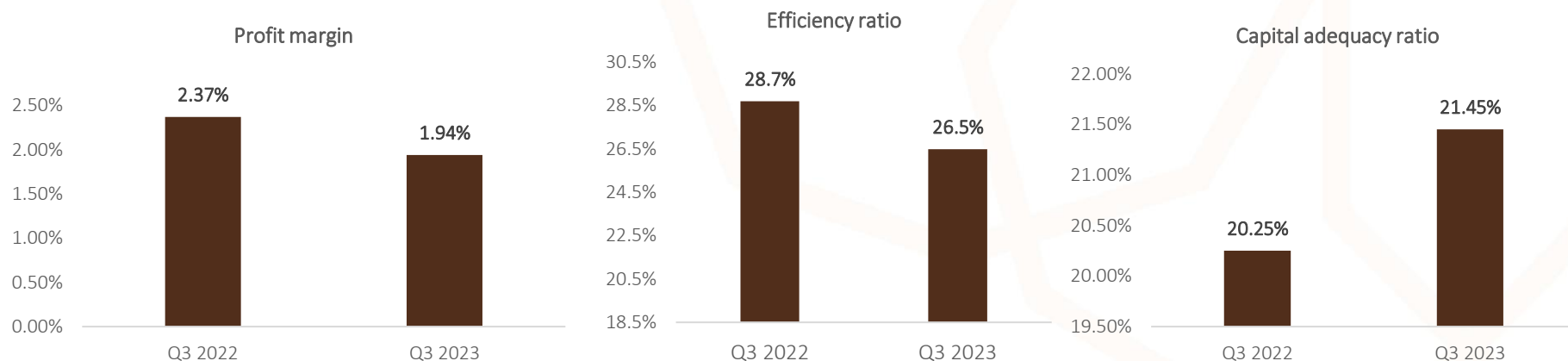
- Net Profit margin of 1.94 %;
- Return on average equity of 7.10%;
- Earnings per share for the period is QAR 0.133;
- Book value per share at QAR 2.51;
- Operational Efficiency ratio is 26.5%
- Non-performing financing (NPF) ratio of 6.47%

Financial Highlights and Performance

Income statement Q3-2023

Income statement (QAR million)	Q3 2023	Q3 2022	YoY
Operating income	7,192	5,148	39.7%
Net operating profit	2,845	3,415	-16.7%
Operating expenses	753	980	-23.1%
Pre impairment profit	2,091	2,435	-14.1%
Net Impairment Charges	829	1,089	-23.9%
Net profit	1,262	1,346	-6.2%
Net profit attributable to shareholders	1,238	1,331	-7.0%

- Net profit attributable to the Equity holders of the bank totalled QAR 1,238 million for the Q3 2023.
- Operating expenses dropped by 23.1%, compared to Q3-2022.



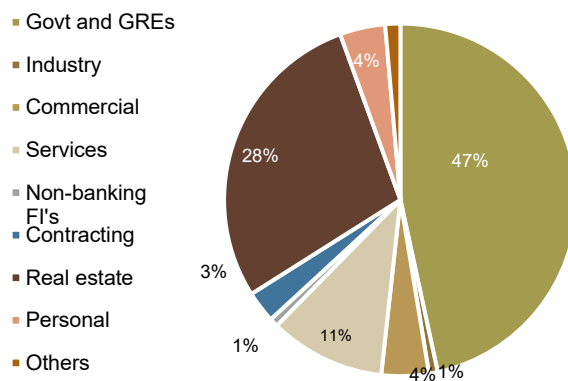
Financial Highlights and Performance

Balance Sheet Q3-2023

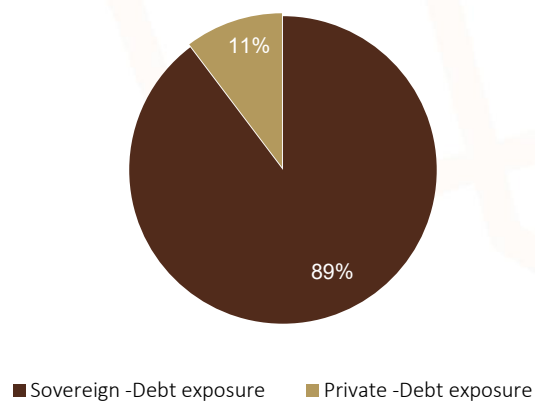
Balance Sheet (QAR billion)	Q3 2023	Q3 2022	YoY
Total Assets	164	164	0.2%
Financing assets	110	117	-5.7%
Investments securities	37	32	15.2%
Deposits	93	93	-0.9%
Total Equity	25	24	1.4%

- **Financing Assets QAR 110 b:** of which 47 % exposure to Govt. & GRE's;
- **Investment securities QAR 37 b:** of which 89% exposure is Sovereign Debt;
- **Deposits QAR 93 b:** well diversified mix of Govt., Corporate and Personal banking segments

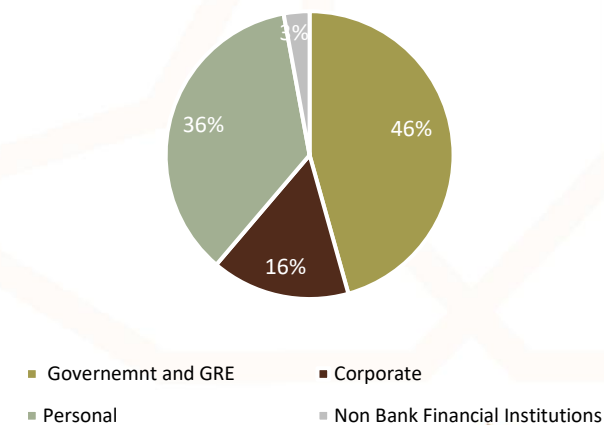
Financing Assets - Breakdown by Industry



Investment securities



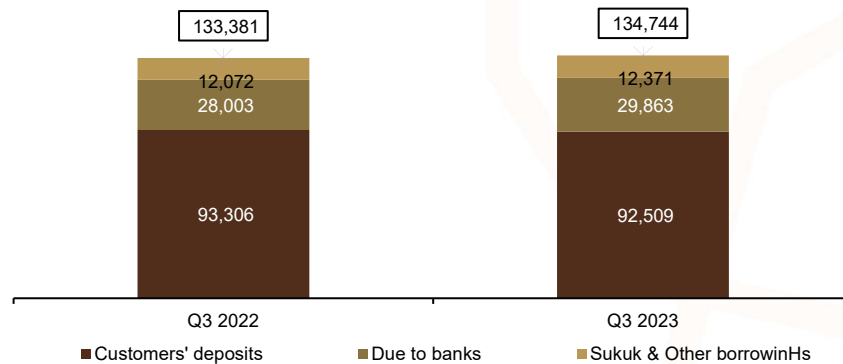
Customer deposits - Breakdown by Sector



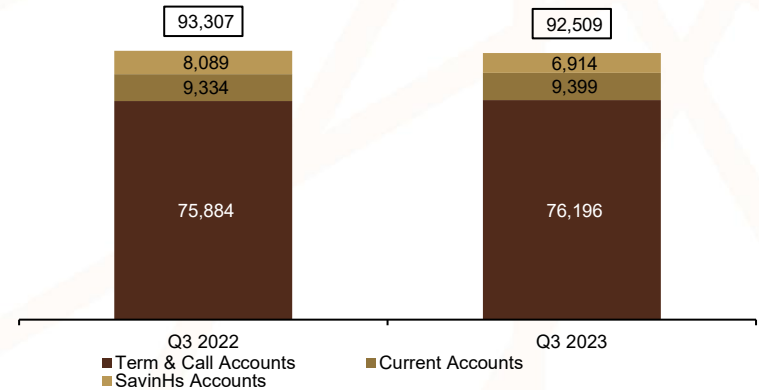
Financial Highlights and Performance

Funding & Liquidity Q3-2023

Funding Mix – QAR m



Deposit Mix – QAR m



Key Highlights

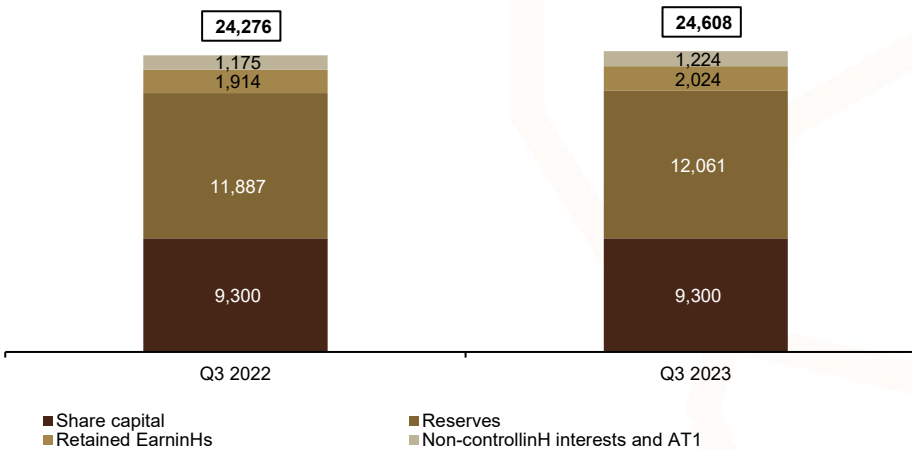
- 89 % Investment book being High Quality Sovereign Debt, provides access to liquidity through Repo funding;
- MAR Sukuk Programme established in 2018, to further diversify funding base;
- Well diversified funding mix (22.2 % Due to Banks, 9.2 % Sukuk & other borrowings and 68.7% Customer Deposits);



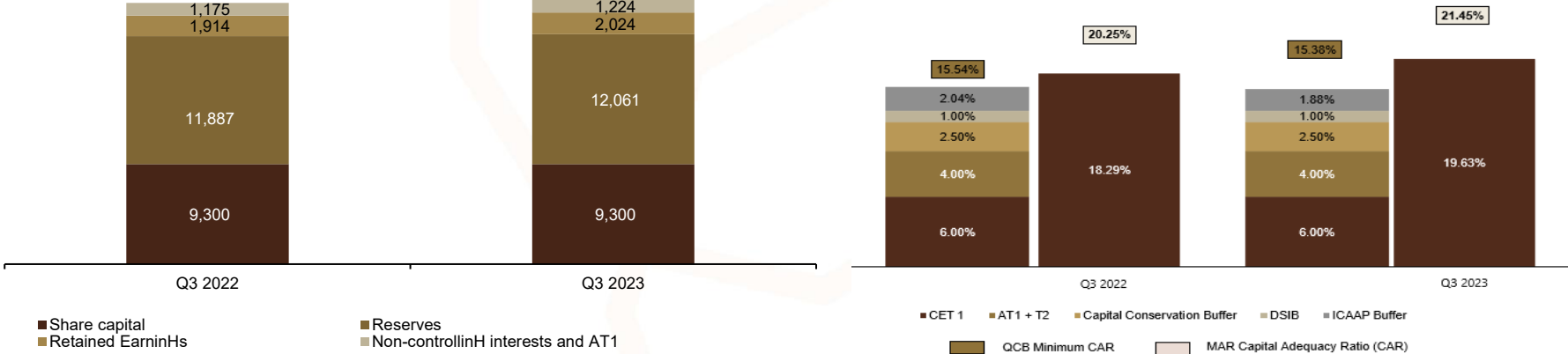
Financial Highlights and Performance

Capital Adequacy Q3-2023

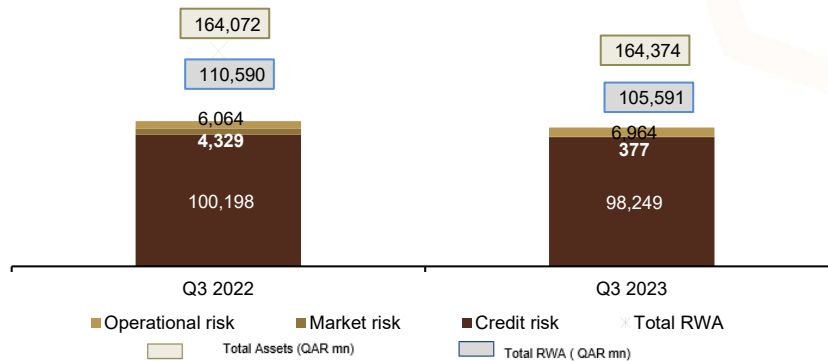
Equity Breakup



Capitalisation %



Risk Weighted Assets



Key Highlights

- Strong capitalization level - CAR (inclusive of CET1 capital of 19.65 %) of 21.45% as at 30 Sep 2023, well above the minimum regulatory requirements of 13.50% (including ICAAP buffer: 15.38%);
- As a Domestic Systemically Important Bank (DSIB), the Bank is required to maintain an additional buffer of 1.00% as of 30 Sep 2023;



Operating Segments

Operating Segments Q3-2023

For the purpose of financial reporting, the Bank provides breakdown by five segments that are managed separately based on the Bank's management and internal reporting structure

Corporate Banking

- Core driver of the Bank's business.
 - Diverse range of Sharia compliant financial products and services and cash management services
 - Principal products include Murabaha, Ijarah, Ijarah Muntahia Bittamleek, Musharaka and Istisna'a.
 - Client base includes Govt. and GREs, large corporates and small and medium enterprises



	Q3 2023	
	QAR mn	% of Total*
Total Assets	73,496	44.7%
Total Revenue	3,810	53.0%
Net operating income	1,903	66.9%

Retail Banking

- Diverse range of Sharia compliant retail banking products and services
 - Wide network of branches and ATMs, as well as alternative distribution channels (internet banking, mobile banking and telephone banking)
 - Private Banking segment focuses on providing a high-quality service to high net worth individuals in Qatar and abroad



	Q3 2023	
	QAR mn	% of Total*
Total Assets	27,881	17.0%
Total Revenue	1,434	19.9%
Net operating income	847	29.8%

International Operations

- Represents contribution from the Bank's international location, Al Rayan Bank PLC (UK based subsidiary)
 - Al Rayan Bank PLC is the oldest and largest Sharia Compliant Retail Bank in the UK
 - Al Rayan Bank PLC services over 85,000 personal, business and premier customers and currently has branches strategically located across the UK



	Q3 2023	
	QAR mn	% of Total*
Total Assets	14,075	8.6%
Total Revenue	471	6.6%
Net operating income	261	9.2%



Operating Segments Q3-2023

For the purpose of financial reporting, the Bank provides breakdown by five segments that are managed separately based on the Bank's management and internal reporting structure

Treasury and Financial Institutions

- 4
- Core driver of the Bank's business.
 - Undertake the Group's funding and centralized risk management activities through borrowings, sukuk and debt financing, use of Shari'a compliant instruments for risk management purposes and investing in liquid assets such as short-term placements and corporate and government debt securities

	Q3 2023	
	QAR mn	% of Total*
Total Assets	45,285	27.6%
Total Revenue	1,289	17.9%
Net operating income	-354	-12.5%

Asset Management and Financial Advisory

- 5
- Represents contribution from the Bank's fully-owned investment banking arm, Al Rayan Investment LLC (ARI);
 - ARI has three business segments: (i) Asset Management (ii) Financial Advisory and (iii) Strategic Investments
 - ARI's strategy is to provide investment products and services to meet clients' needs

	Q3 2023	
	QAR mn	% of Total*
Total Assets	199	0.1%
Total Revenue	48	0.7%
Net operating income	48	1.7%

* Excluding unallocated and non-Sharia compliant assets, revenues and profit related to central functions, and non-core business functions, which accounted for 2.1% of total assets as at 30 Sep 23



Financial Statements

Financial Statements

Balance Sheet Q3-2023

QAR mn	Q3 2023	Q4 2022	Q3 2022
Cash and Balances with central banks	5,231	5,088	5,289
Due from Banks	5,632	6,109	3,051
Financing Assets	109,947	117,859	116,641
Investment Securities	36,811	31,477	31,968
Investment in Associates	335	346	345
Fixed assets	949	902	767
Intangible assets	1,593	1,679	1,707
Other assets	3,875	4,074	4,303
Total Assets	164,374	167,533	164,072
Due to banks	29,863	28,805	28,003
Customer current accounts	9,399	8,737	9,334
Sukuk Financing	7,786	7,682	7,615
Other Borrowings	4,585	3,843	4,457
Other liabilities	5,022	5,629	6,414
Total Liabilities	56,656	54,696	55,822
Equity of Investment Account holders	83,110	88,555	83,973
Share Capital	9,300	9,300	9,300
Legal Reserve	9,644	9,644	9,644
Risk Reserve	2,399	2,399	2,283
Fair value reserve	33	33	55
Foreign currency translation reserve	(156)	(149)	(221)
Other reserves	141	141	127
Retained earnings	2,024	1,716	1,914
Total Equity Attributable to Equity Holders of the Bank	23,385	23,084	23,101
Non-Controlling interest	224	198	175
Instrument eligible as additional capital	1,000	1,000	1,000
Total Equity	24,608	24,282	24,276
Total Liabilities, Equity of Investment Account Holders and Equity	164,374	167,533	164,072

Financial Statements

Income statement Q3-2023

QAR mn	Q3 2023	Q3 2022
Net income from financing activities	5,395	3,624
Net income from investing activities	1,192	903
Total Net Income from Financing and Investing Activities	6,587	4,527
Fee and commission income	335	342
Fee and commission expense	(7)	(2)
Net Fee and Commission Income	328	340
Net foreign exchange gain	138	246
Share of results of associates	37	23
Gain on sale of investment in an associate	17	-
Other income	86	12.5
Total Income	7,192	5,148
Staff costs	(296)	(401)
Depreciation	(125)	(136)
Other expenses	(299)	(426)
Finance expense	(1,653)	(592)
Total Expenses	(2,372)	(1,555)
Net (impairment losses) / reversal on due from banks	14	(9)
Net (impairment losses) / reversal on financing assets	(928)	(942)
Net (impairment losses) / reversal on investments	16	(49)
Net (impairment losses) / reversal on other balance sheet exposures	69	(89)
Profit for the Period before Return to Investment Account Holders	3,991	2,504
Less: Return to investment account holders	(2,695)	(1,141)
Profit for the Period before Tax	1,296	1,363
Tax expense	(34)	(17)
Net Profit for the Year / Period	1,262	1,346
Net profit to equity holders (QAR mn)	1,238	1,331



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THANK YOU

