



مصرف الريان
MASRAF AL RAYAN

Investor Presentation

Financial Results- 2023

January 2024

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Introduction to Masraf Al Rayan

Introduction to Masraf Al Rayan Corporate Profile

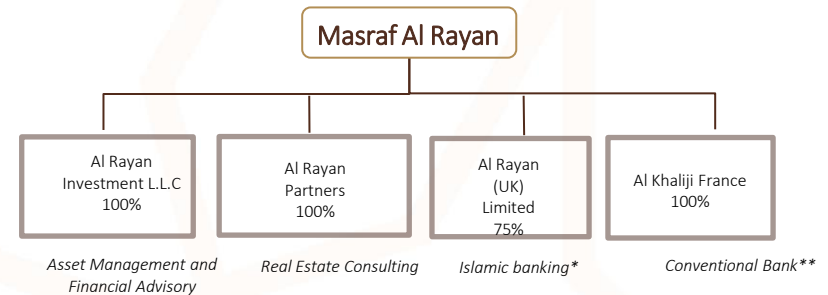
Overview

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 % 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 24.7 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

Introduction to Masraf Al Rayan

Ownership structure

Shareholding Structure

Qatari Ownership:	79.61% (mainly Govt. & GREs)
Govt. /GRE:	33.99% (Major shareholders below)
Other Shareholding:	30.82% Corporations, & 35.19% Retail
Shareholders count:	181 K (of which 130 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)/Negative(cr)**

Outlook: Negative

Share Overview

MAR shares

- listed on the Qatar Stock Exchange

Symbol

- MARK

ISIN

- QA000A0M8VM3

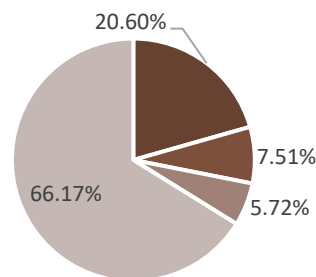
Market cap

- QAR 24.7 bn

Valuation multiples

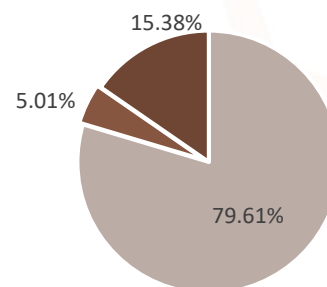
- P/B 1.05

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

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



RANA AL ASAAD

GM Retail and Private Banking



ALEXIS NEESON

Group Chief Risk Officer



RONAN DODGSON

Acting Group Chief Financial Officer



STUART RENNIE

Group Chief Operation 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 21.84%) well above the regulatory threshold of 13.50% for a DSIB
- Financing exposure to Government and GREs entities 49% 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 80%
- 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)

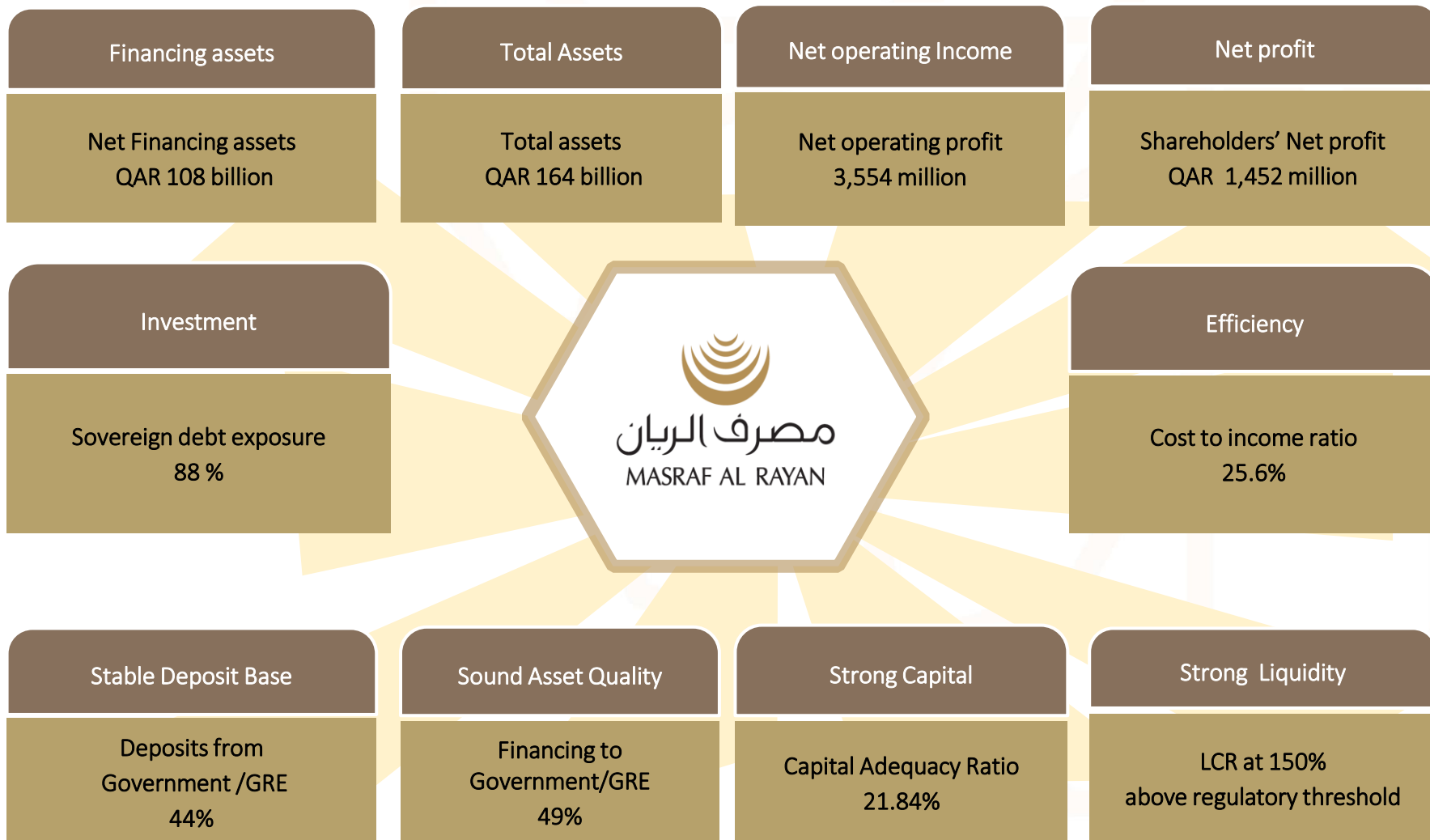
Experienced management team and commitment to corporate governance

- 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

2023 Summary

Balance Sheet

- Total assets QAR 164,200 million compared to QAR 167,533 million on 31 December 2022;
- Financing activities at QAR 108,228 million compared to QAR 117,859 million on 31 December 2022;
- Investments securities at QAR 38,599 million, compared to QAR 31,477 million on 31 December 2022;
- Customer deposits totaled QAR 92,724 million compared to QAR 97,292 million on 31 December 2022;

Income statement

- Net profit totalled QAR 1,452 million in 2023, compared to QAR 1,344 million in 2022;
- Total income for 2023 totalled QAR 9,560 million as compared to QAR 7,137 million for the same period in 2022

Financial Ratios

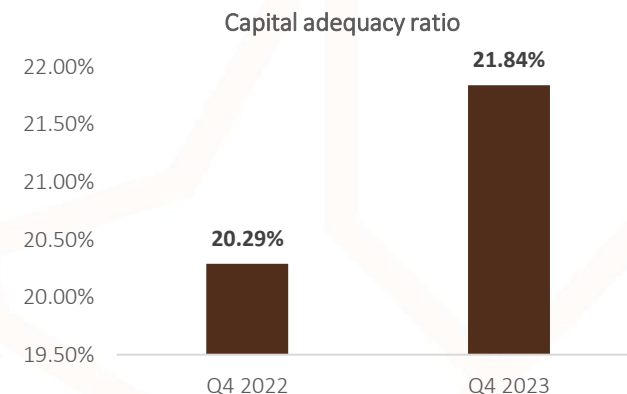
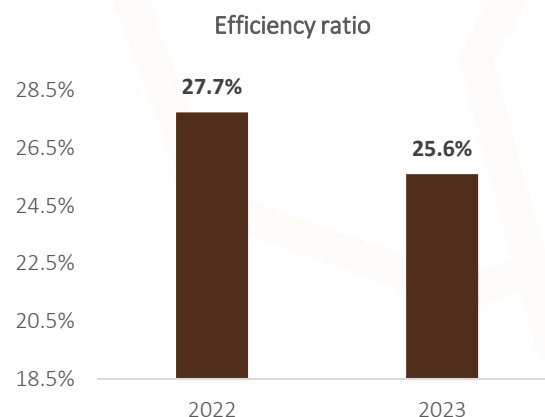
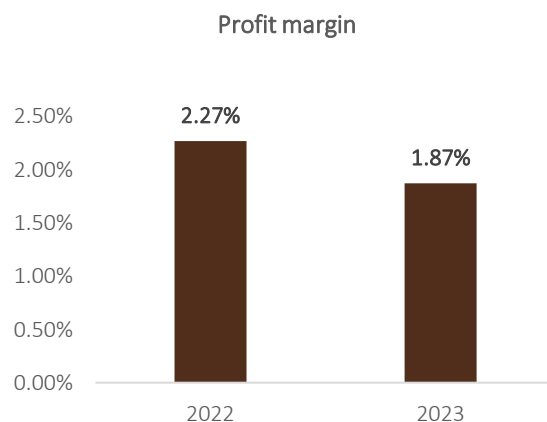
- Net Profit margin of 1.87 %;
- Return on average equity of 6.03%;
- Earnings per share for the period is QAR 0.151;
- Book value per share at QAR 2.53;
- Operational Efficiency ratio is 25.6%
- Non-performing financing (NPF) ratio of 5.71%

Financial Highlights and Performance

Income statement 2023

Income statement (QAR million)	2023	2022	YoY
Operating income	9,560	7,137	34.0%
Net operating profit	3,554	4,251	-16.4%
Operating expenses	909	1,178	-22.8%
Pre impairment profit	2,645	3,073	-13.9%
Net Impairment Charges	1,165	1,710	-31.9%
Net profit	1,480	1,363	8.6%
Net profit attributable to shareholders	1,452	1,344	8.0%

- Net profit attributable to the Equity holders of the bank totalled QAR 1,452 million in 2023.
- Operating expenses dropped by 22.8%, compared to 2022, and by 12.9% excluding one-off merger costs incurred in 2022 (QAR 134m).



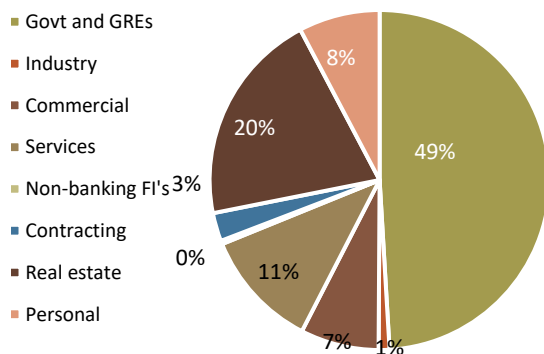
Financial Highlights and Performance

Balance Sheet 2023

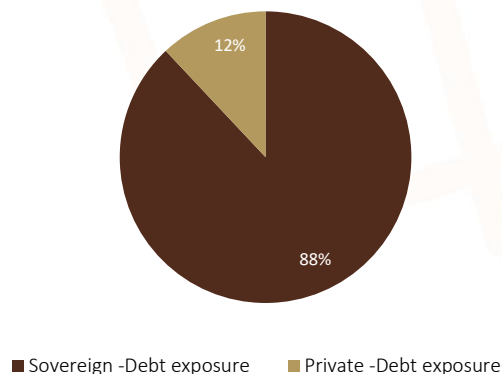
Balance Sheet (QAR billion)	2023	2022	YoY
Total Assets	164	168	-2.0%
Financing assets	108	118	-8.2%
Investments securities	39	31	22.6%
Deposits	93	97	-4.7%
Total Equity	25	24	2.2%

- **Financing Assets QAR 108 b:** of which 49 % exposure to Govt. & GRE's;
- **Investment securities QAR 39 b:** of which 88% exposure is Sovereign Debt;
- **Deposits QAR 93 b:** well diversified mix of Govt., Corporate and Personal banking segments

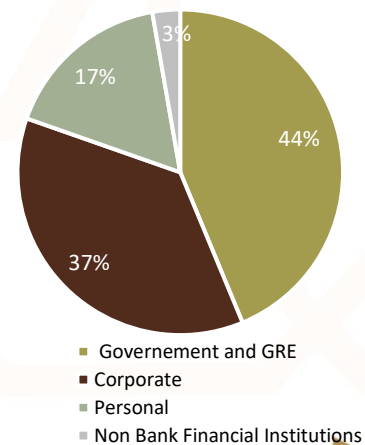
Financing Assets - Breakdown by Industry



Investment securities



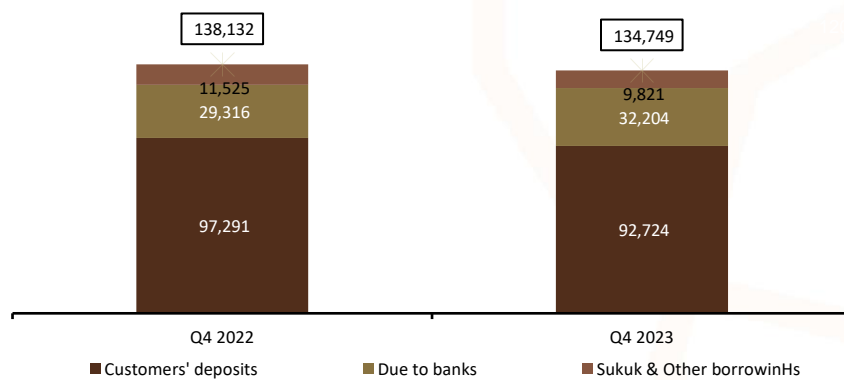
Customer deposits - Breakdown by Sector



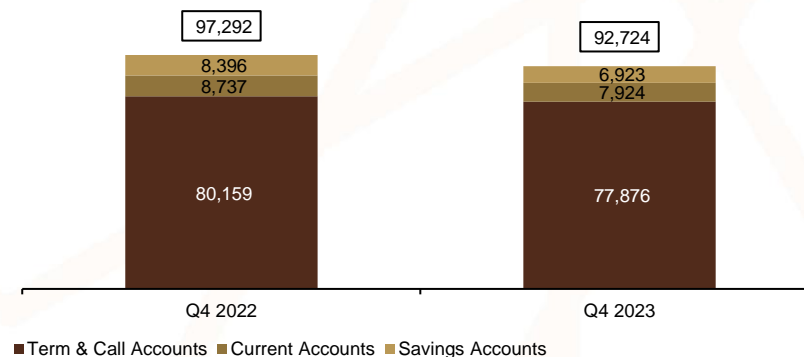
Financial Highlights and Performance

Funding & Liquidity 2023

Funding Mix – QAR m



Deposit Mix – QAR m



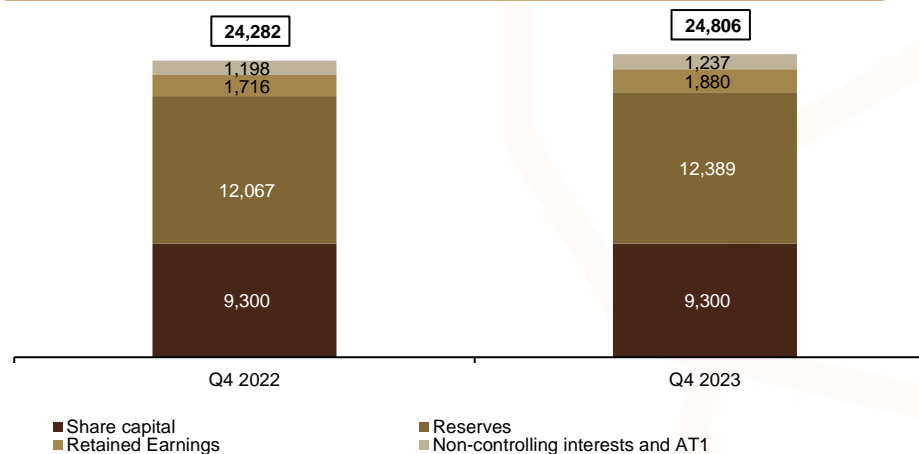
Key Highlights

- 88 % of the investment book is High Quality Sovereign Debt, provides access to liquidity through Repo funding;
- 85 % of the investment book is Government state of Qatar,
- MAR Sukuk Programme established in 2018, to further diversify funding base;
- Well diversified funding mix (23.9 % Due to Banks, 7.3 % Sukuk & other borrowings and 68. 8% Customer Deposits);

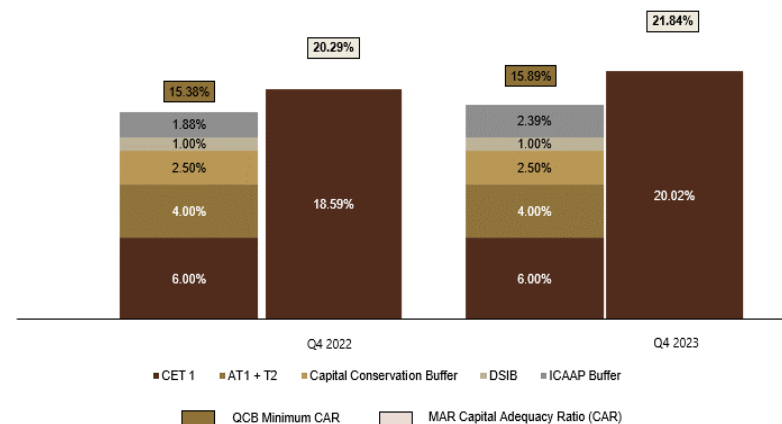
Financial Highlights and Performance

Capital Adequacy 2023

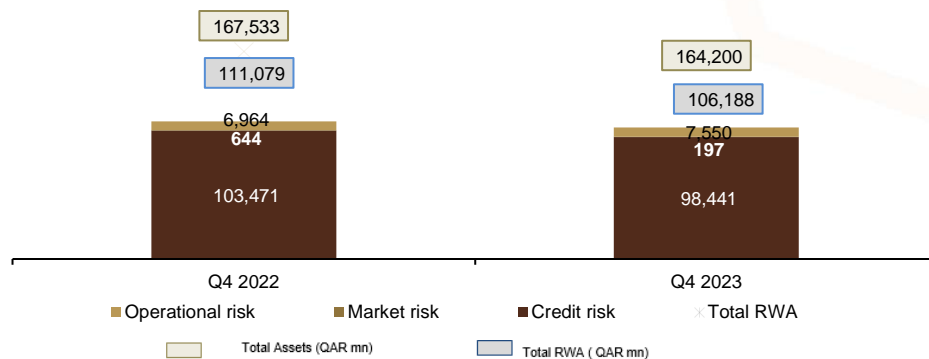
Equity Breakup



Capitalisation %



Risk Weighted Assets



Key Highlights

- Strong capitalization level - CAR (inclusive of CET1 capital of 20.02 %) of 21.84% as of 31 Dec 2023, well above the minimum regulatory requirements of 13.50% (including ICAAP buffer: 15.89%);
- As a Domestic Systemically Important Bank (DSIB), the Bank is required to maintain an additional buffer of 1.00% as of 31 Dec 2023;

Operating Segments

Operating Segments 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



	2023	
	QAR mn	% of Total*
Total Assets	70,766	43.1%
Total Revenue	4,997	52.3%
Net operating income	2,395	67.4%

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



	2023	
	QAR mn	% of Total*
Total Assets	28,055	17.1%
Total Revenue	1,861	19.5%
Net operating income	1,032	29.0%

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



	2023	
	QAR mn	% of Total*
Total Assets	14,509	8.8%
Total Revenue	635	6.6%
Net operating income	320	9.0%



Operating Segments 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

	2023	
	QAR mn	% of Total*
Total Assets	46,999	28.6%
Total Revenue	1,854	19.4%
Net operating income	-405	-11.4%

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

	2023	
	QAR mn	% of Total*
Total Assets	369	0.2%
Total Revenue	58	0.6%
Net operating income	58	1.6%

* 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 31 Dec 23

Financial Statements

Financial Statements

Balance Sheet 2023

QAR mn	2023	2022
Cash and Balances with central banks	4,993	5,088
Due from Banks	5,663	6,300
Financing Assets	108,228	117,859
Investment Securities	38,599	31,477
Investment in Associates	348	346
Fixed assets	969	915
Intangible assets	1,565	1,679
Other assets	3,835	3,869
Total Assets	164,200	167,533
Due to banks	32,204	29,316
Customer current accounts	7,924	8,737
Sukuk Financing	5,236	7,682
Other Borrowings	4,586	3,843
Other liabilities	4,644	5,118
Total Liabilities	54,594	54,696
Equity of Investment Account holders	84,799	88,555
Share Capital	9,300	9,300
Legal Reserve	9,644	9,644
Risk Reserve	2,662	2,399
Fair value reserve	41	33
Foreign currency translation reserve	(111)	(149)
Other reserves	153	141
Retained earnings	1,880	1,716
Total Equity Attributable to Equity Holders of the Bank	23,569	23,084
Non-Controlling interest	238	198
Instrument eligible as additional capital	1,000	1,000
Total Equity	24,807	24,282
Total Liabilities, Equity of Investment Account Holders and Equity	164,200	167,533

Financial Statements

Income statement 2023

QAR mn	2023	2022
Net income from financing activities	7,184	5,244
Net income from investing activities	1,705	1,251
Total Net Income from Financing and Investing Activities	8,889	6,495
Fee and commission income	440	436
Fee and commission expense	(121)	(108)
Net Fee and Commission Income	319	328
Net foreign exchange gain	197	271
Share of results of associates	51	27
Gain on sale of investment in an associate	17	-
Other income	87	16
Total Income	9,560	7,137
Staff costs	(433)	(522)
Depreciation	(174)	(187)
Other expenses	(267)	(447)
Finance expense	(2,274)	(1,031)
Total Expenses	(3,148)	(2,187)
Net (impairment losses) / reversal on due from banks	14	(13)
Net (impairment losses) / reversal on financing assets	(1,270)	(1,557)
Net (impairment losses) / reversal on investments	21	(53)
Net (impairment losses) / reversal on other balance sheet exposures	70	(87)
Profit for the Period before Return to Investment Account Holders	5,247	3,240
Less: Return to investment account holders	(3,732)	(1,855)
Profit for the Period before Tax	1,515	1,385
Tax expense	(35)	(22)
Net Profit for the Year / Period	1,480	1,363
Net profit to equity holders (QAR mn)	1,452	1,344



مصرف الريان
MASRAF AL RAYAN

THANK YOU

