



مصرف الريان
MASRAF AL RAYAN

Investor Presentation

Financial Results- 2022

January, 2023

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Introduction to Masraf Al Rayan

Introduction to Masraf Al Rayan Corporate Profile

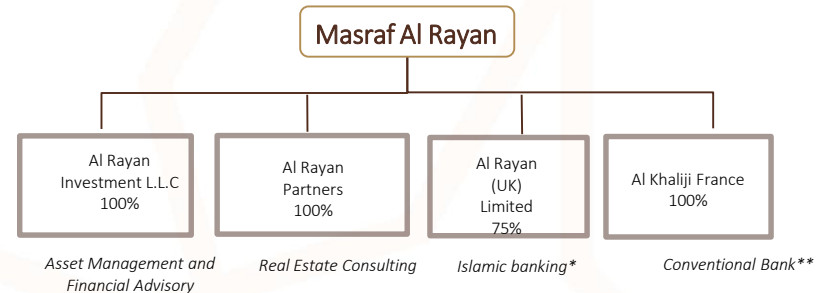
Overview

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 (33 % market share)* 3rd largest listed Qatari bank by total loans (10% 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 29.5 b)*** Total ordinary shares issued 9.3 billion
Rating	<ul style="list-style-type: none"> MAR's credit rating re-affirmed at A1 Stable 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 Falcon Ltd, AKCB Markets Ltd, Lusail Limited, and MAR Finance LLC

* As of Q4 2022 (Quarterly Financial statement); ** As of 31 Dec 2022 (QCB Balance sheet) , *** As of 31 Dec 2022 (Qatar exchange)

Introduction to Masraf Al Rayan

Ownership structure

Shareholding Structure

Qatari Ownership:	79% (mainly Govt. & GREs)
Govt. /GRE:	33.9% (Major shareholders below)
Other Shareholding:	31.2 %Corporations, & 34.9% Retail
Shareholders count:	186 K (of which 135 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)**

Stable outlook

Share Overview

MAR shares

- listed on the Qatar Stock Exchange

Symbol

- MARK

ISIN

- QA000A0M8VM3

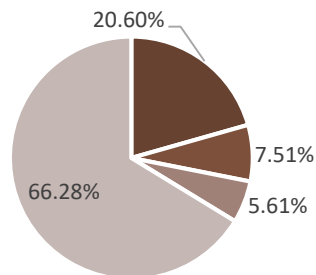
Market cap

- QAR 29.5 bn

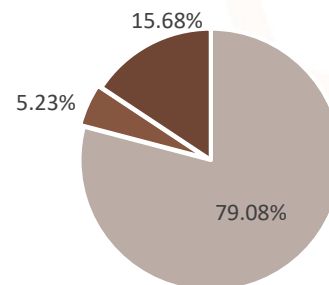
Valuation multiples

- P/B 1.28

Top Shareholders



Shareholding by Country



- QIA
- QAF investment portfolio
- Qatar
- GCC
- Other
- Pension Fund
- Others

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

Board Members

Mr. Abdullah Nasser Al Misnad



Other positions:

- Founder and Owner, Al Misnad Company
- Chairman, Qatari Investors Group
- Chairman, Vodafone Qatar

Mr. Nasser Jaralla S. Jaralla Al Marri



Other positions:

- Board member, United Development Company
- Board Member, Vodafone

Mr. Turki Mohammed Al Khater



Other positions:

- Chairman, United Development Company
- Board Member, Ooredoo (Qatar).

Mr. Abdulla Ahmed Al Maleki Al Jahni



Other positions:

- Board Member, Qatar Business Council

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
- Board Member, Qatar Insurance Company (QIC)
- Board Member, Vodafone Qatar
- Board member, Free Zone Authority

Sheikh Nasser Bin Hamad Al Thani



Other positions:

- Board Member, Ooredoo (Oman).

Sheikh Ali Bin Jassim M Al-Thani



Other positions:

- Board Member, Champs Elysees 26
- Board Member, Nuran Bank
- Board Member, Hapag Lloyd.

Group Chief Executive Officer



Fahad Al Khalifa

Other positions:

- Board member, Al Khaliji France S.A. – France
- Board member, AL Rayan Bank PLC- UK

Mr. Abdulrahman Mohammed Al Khayareen



Mr. Tami Ahmad Ali Al Binali



Mr. Mohammed Ibrahim Al Abdulla



Introduction to Masraf Al Rayan Management team



**FAHAD BIN ABDULLA
AL KHALIFA**
Group Chief Executive Officer



HAMAD AL KUBAISI
Group Chief Human
Resources Officer



MOHAMMED AL EMADI
Group Chief Business Officer



OMAR AL EMADI
Group Chief Risk Officer



RONAN DODGSON
Acting Group Chief Financial
Officer



TAHIR PIRZADA
GM, Group Treasurer and FI



EMAN AL NAEMI
AGM, Corporate
Communications



STUART RENNIE
Group Chief Operating Officer



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 20.29%) well above the regulatory threshold of 13.50% for a DSIB
- Financing exposure to Government and GREs entities 45 % 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

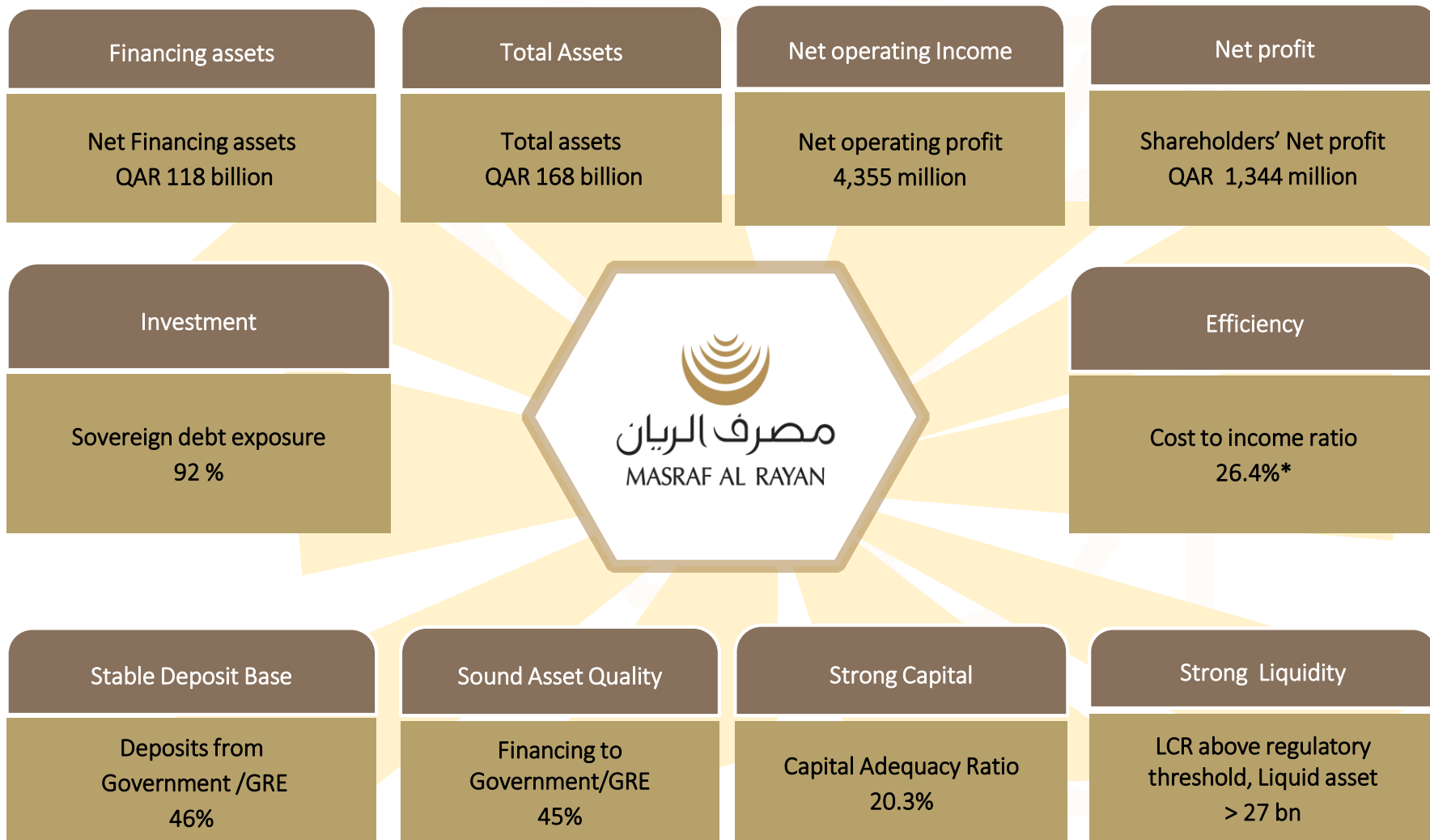
- Majority Qatari ownership (mainly the Govt. & GREs) holding approximately 79%
- Strong government related franchise with a solid domestic asset base and funding source
- Possibility of receiving Govt. support if needed (given Govt.'s in the past supported Qatari banks)

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



* Excluding one-off merger expenses

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

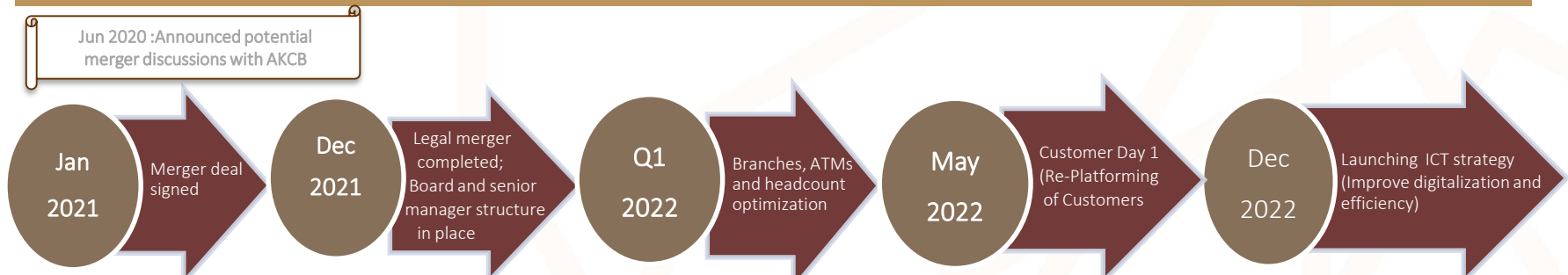
Key Recognitions in 2021, 2022



Post merger integration update

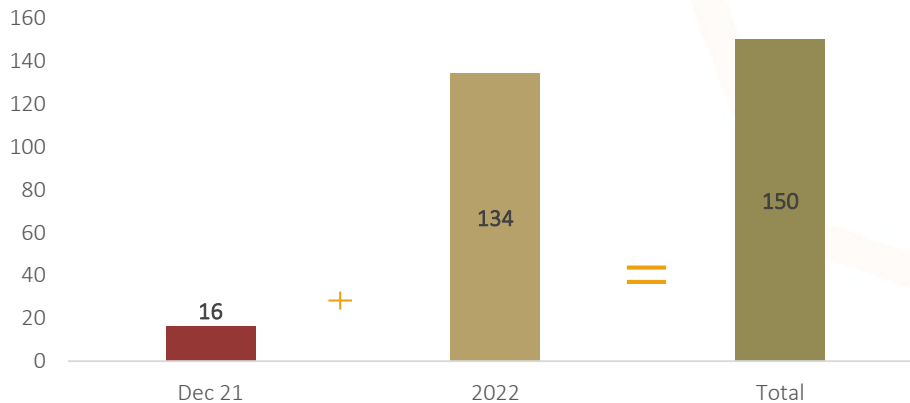
Introduction to Masraf Al Rayan Merger with AKCB – Integration update

Merger & Integration Timelines

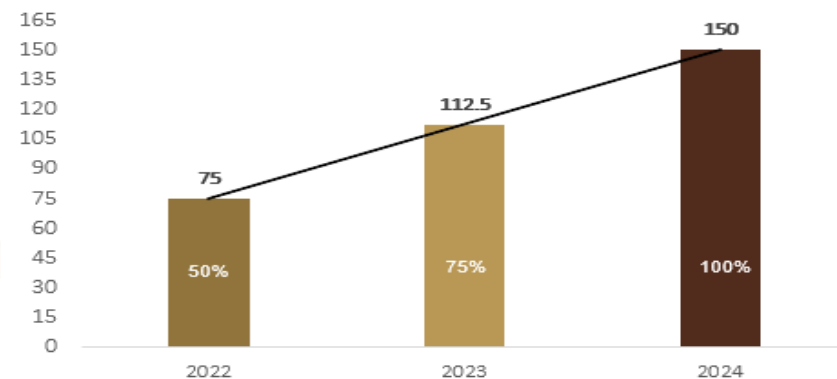


A journey completed less than 2 years (Integration completed within 6 months after Legal Merger)

Integration one-off expenses (QAR mil)



Synergies effect (QAR mil)



Integration costs

Total Integration costs landed at QAR 150 m, Vs 185 m initially estimated.

Synergies

Targeted Synergy is QAR 150 m per annum, once fully phased in;

Financial Highlights and Performance



Financial Highlights and Performance

2022 Summary

Balance Sheet

- Total assets reached QAR 167,533 million compared to QAR 174,155 million on 31 December 2021%;
- Financing activities at QAR 117,859 million compared to QAR 120,880 million on 31 December 2021;
- Investments securities at QAR 31,477 million, compared to QAR 32,752 million on 31 December 2021;
- Customer deposits totaled QAR 97,292 million compared to QAR 106,956 million on 31 December 2021;

Income statement

- Net profit totalled QAR 1,344 million for 2022, compared to QAR 1,718 million for the same period in 2021;
- Total income for 2022 totalled QAR 7,240 million as compared to QAR 5,107 million for the same period in 2021

Financial Ratios

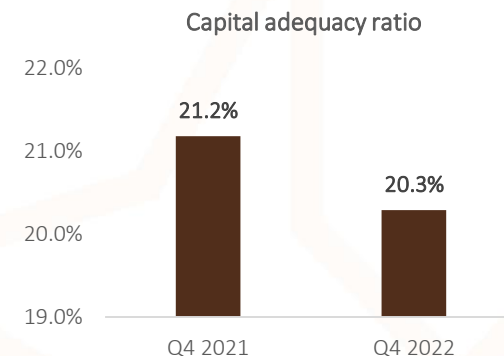
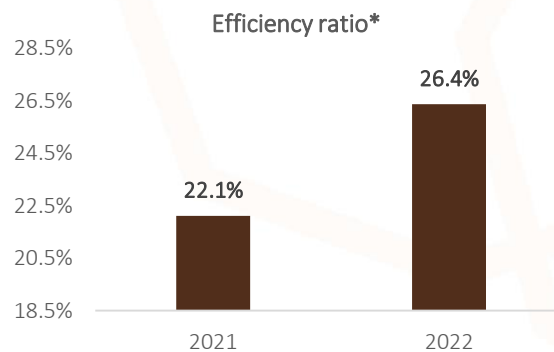
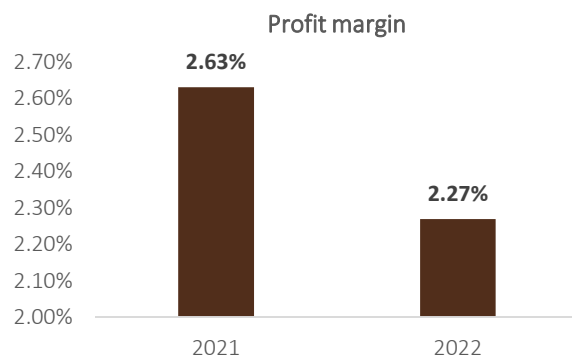
- Profit margin of 2.27%;
- Return on average equity of 5.78%;
- Earnings per share for the period reached QAR 0.14;
- Book value per share reached QAR 2.48;
- Operational Efficiency ratio is 29.4% (excluding merger one-off costs, 26.4%)
- Non-performing financing (NPF) ratio of 5.99%

Financial Highlights and Performance

Income Statement

Income statement (QAR million)	2022	2021	YoY
Operating income	7,240	5,107	41.8%
Net operating profit	4,355	3,629	20.0%
Operating expenses	1,282	801	60.0%
Pre impairment profit	3,073	2,827	8.7%
Net Impairment Charges	1,710	1,097	55.9%
Net profit	1,363	1,731	-21.2%
Net profit attributable to shareholders	1,344	1,718	-21.7%

- Net profit attributable to the Equity holders of the bank totalled QAR 1,344 million for the 2022.
- Operating expenses include QAR 134 million one-off merger related expenses.



*Excluding one-off merger expenses

Financial Highlights and Performance

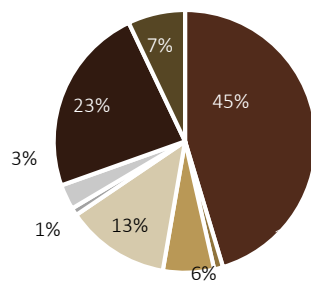
Balance Sheet

Balance Sheet (QAR billion)	2022	2021	YoY
Total Assets	168	174	-3.8%
Financing assets	118	121	-2.5%
Investments securities	31	33	-3.9%
Deposits	97	107	-9.0%
Total Equity	24	25	-1.6%

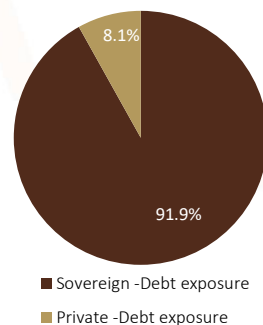
- **Financing Assets QAR 118 b:** of which 45 % exposure to Govt. & GRE's;
- **Investment securities QAR 31 b:** of which 92% exposure is Sovereign Debt;
- **Deposits QAR 97 b:** well diversified mix of Govt., Corporate and Personal banking segments

Financing Assets - Breakdown by Industry

- Govt and GREs
- Industry
- Commercial
- Services
- NBFI
- Contracting
- Real estate
- Personal
- Others

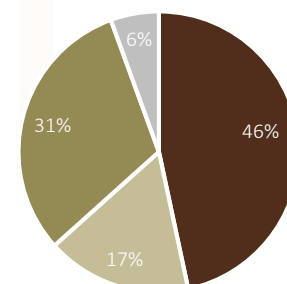


Investment securities



Customer deposits - Breakdown by Sector

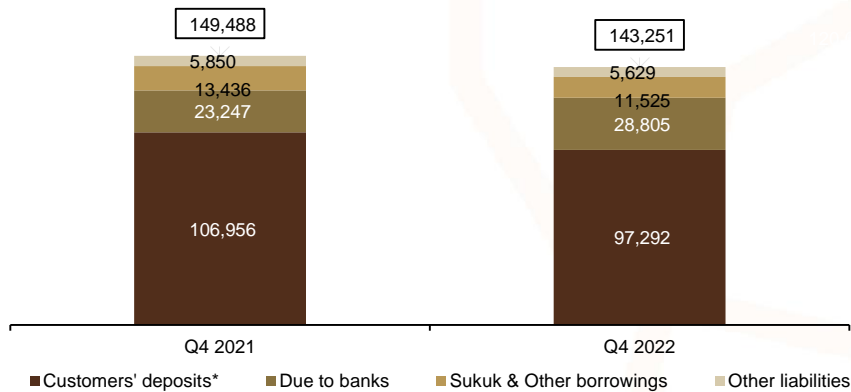
- Govt & GREs
- Corporate
- Personal
- NBFI



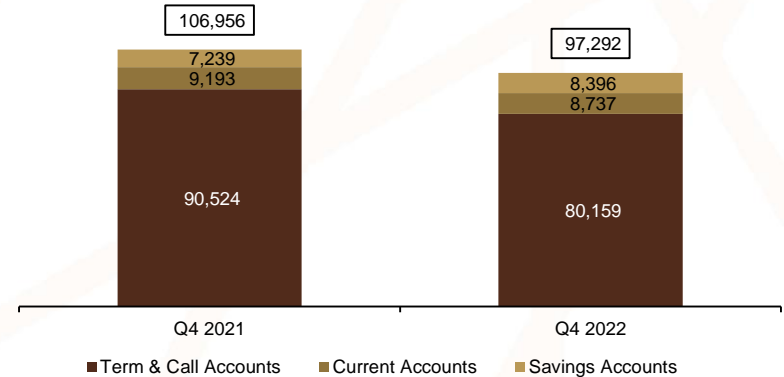
Financial Highlights and Performance

Funding & Liquidity

Funding Mix – QAR m



Deposit Mix – QAR m



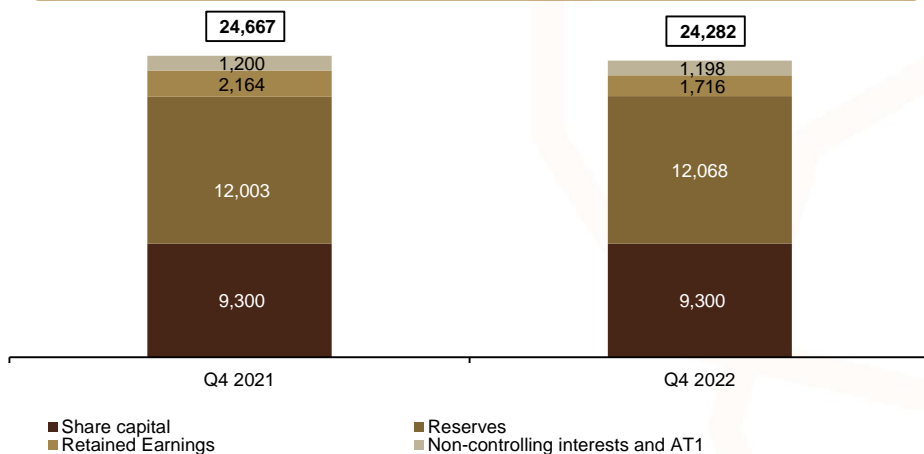
Key Highlights

- 92% Investment book being High Quality Sovereign Debt, provides access to liquidity through Repo funding;
- MAR Sukuk Programme established in 2019, to further diversify funding base;
- Well diversified funding mix (20% Due to Banks, 9% Sukuk & other borrowings and 71% Customer Deposits);

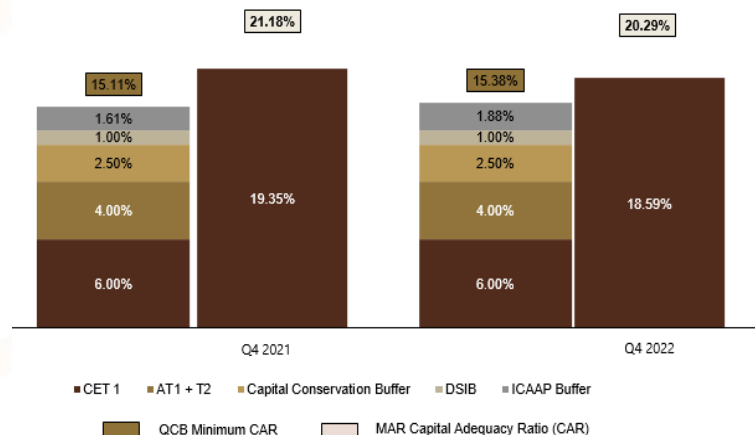
Financial Highlights and Performance

Capital Adequacy

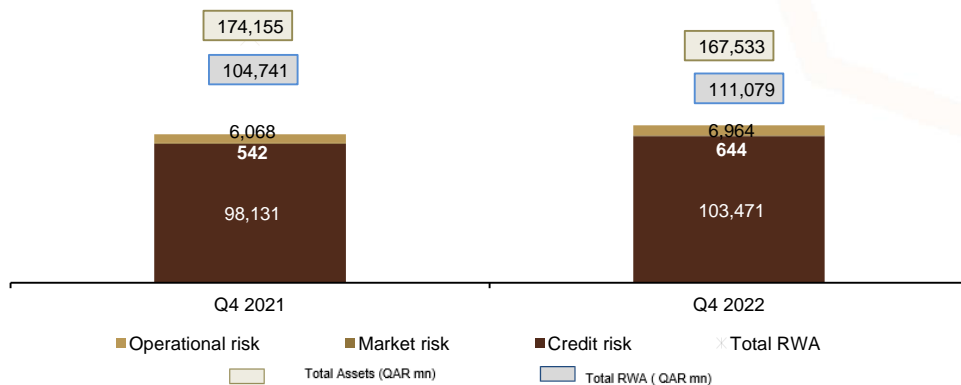
Equity Breakup



Capitalisation %



Risk Weighted Assets



Key Highlights

- Strong capitalization level - CAR (inclusive of CET1 capital of 18.6%) of 20.3% as at 31 Dec 2022, 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 31 Dec 2022;



Operating Segments

Operating Segments

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



	2022	
	QAR m	% of Total*
Total Assets	79,652	47.5%
Total Revenue	3,663	50.6%
Profit Before Tax	648	46.7%

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



	2022	
	QAR m	% of Total*
Total Assets	28,370	16.9%
Total Revenue	1,544	21.3%
Profit Before Tax	1,167	84.2%

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



	2022	
	QAR m	% of Total*
Total Assets	13,469	8.0%
Total Revenue	382	5.3%
Profit Before Tax	105	7.6%



Operating Segments

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

	2022	
	QAR m	% of Total*
Total Assets	42,041	25.1%
Total Revenue	1,542	21.3%
Profit Before Tax	449	32.4%

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

	2022	
	QAR m	% of Total*
Total Assets	185	0.1%
Total Revenue	67	0.9%
Profit Before Tax	47	3.4%

* Excluding unallocated and non-Sharia compliant assets, revenues and profit related to central functions, and non-core business functions, which accounted for 2.3% of total assets as at 31 Dec 22

Financial Statements

Financial Statements

Balance Sheet

QAR mn	2022	2021	Variance%
Cash and Balances with central banks	5,088	5,221	-2.5%
Due from Banks	6,109	9,156	-33.3%
Financing Assets	117,859	120,880	-2.5%
Investment Securities	31,477	32,753	-3.9%
Investment in Associates	346	349	-0.9%
Fixed assets	902	715	26.2%
Intangible assets	1,679	1,802	-6.8%
Other assets	4,073	3,279	24.2%
Total Assets	167,533	174,155	-3.8%
Due to banks	28,805	23,247	23.9%
Customer current accounts	8,737	9,193	-5.0%
Sukuk Financing	7,682	7,736	-0.7%
Other Borrowings	3,843	5,700	-32.6%
Other liabilities	5,629	5,849	-3.8%
Total Liabilities	54,696	51,725	5.7%
Equity of Investment Account holders	88,555	97,764	-9.4%
Share Capital	9,300	9,300	0.0%
Legal Reserve	9,644	9,644	0.0%
Risk Reserve	2,399	2,283	5.1%
Fair value reserve	33	36	-9.1%
Foreign currency translation reserve	(149)	(87)	-70.2%
Other reserves	141	127	10.4%
Retained earnings	1,716	2,164	-20.7%
Total Equity Attributable to Equity Holders of the Bank	23,084	23,467	-1.6%
Non-Controlling interest	198	199	-0.7%
Instrument eligible as additional capital	1,000	1,000	0.0%
Total Equity	24,282	24,666	-1.6%
Total Liabilities, Equity of Investment Account Holders and Equity	167,533	174,155	-3.8%

Financial Statements

Income statement

QAR mn	2022	2021	2022 vs 2021
Net income from financing activities	5,244	3,711	41.3%
Net income from investing activities	1,251	884	41.4%
Total Net Income from Financing and Investing Activities	6,495	4,595	41.3%
Fee and commission income	436	329	32.3%
Fee and commission expense	(4)	(5)	-27.4%
Net Fee and Commission Income	432	324	33.3%
Net foreign exchange gain	271	173	56.9%
Share of results of associates	27	14	98.5%
Other income	15	1	1082.7%
Total Income	7,240	5,107	41.8%
Staff costs	(522)	(428)	21.9%
Depreciation	(178)	(68)	161.5%
Other expenses	(559)	(301)	86.3%
Finance expense	(1,031)	(529)	94.8%
Total Expenses	(2,290)	(1,326)	72.8%
Net (impairment losses) / reversal on due from banks	(13)	(1)	972.2%
Net (impairment losses) / reversal on financing assets	(1,557)	(910)	71.0%
Net (impairment losses) / reversal on investments	(53)	(189)	-71.8%
Net (impairment losses) / reversal on other balance sheet exposures	(87)	3	-2418.6%
Profit for the Period before Return to Investment Account Holders	3,240	2,684	20.7%
Less: Return to investment account holders	(1,855)	(949)	95.5%
Profit for the Period before Tax	1,385	1,735	-20.2%
Tax expense	(22)	(4)	366.1%
Net Profit for the Year / Period	1,363	1,731	-21.2%
Net profit to equity holders (QAR mn)	1,344	1,718	-21.7%



مصرف الريان
MASRAF AL RAYAN

THANK YOU

