



Investor Presentation

31 December 2021

1. Introduction to Masraf Al Rayan



2. Financial Highlights and Performance

3. Operating Segments

4. Historical Financial Statements

Introduction to Masraf Al Rayan

Corporate Profile

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

Profile

- Islamic bank incorporated in Qatar on January 4 2006 and licensed by the Qatar Central Bank
- Classified as a DSIB (Domestic Systemically Important Bank)
- Completed merger with Al Khaliji commercial Bank P.Q.S.C on December 1, 2021

Business Lines

- Corporate Banking & SME
- Retail & Private Banking
- Treasury and Financial Institutions
- Asset Management and Financial Advisory
- International Operations (UK, France and U.A.E)

Market Share

- 2nd largest listed Islamic bank in Qatar by total assets (34% market share)*
- 3rd largest listed Qatari bank by total assets (10% market share)*

Public Listing

- Ordinary shares listed on the Qatar Stock Exchange
- 3rd largest bank in Qatar by market capitalization (QAR 43.2 bn)**
- Total ordinary shares issued 9.3 billion

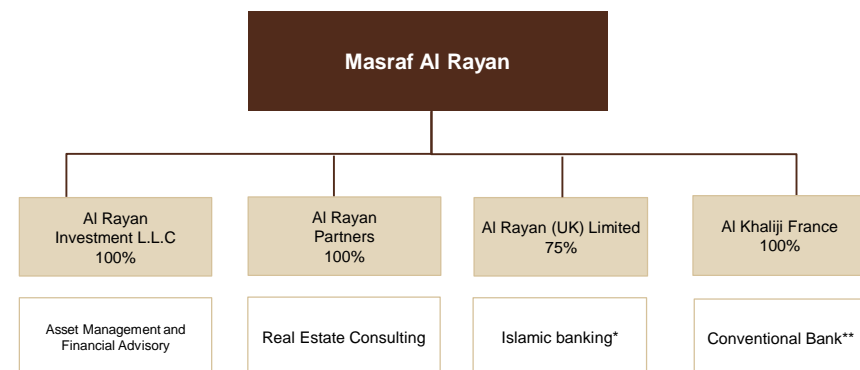
Rating

- MAR's credit rating re-affirmed at A1 / Stable

Branch Network



Subsidiaries



Source: Qatar Central Bank, Bloomberg

* As of 30th September 2021

** As of 30th December 2021

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

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

Masraf Al Rayan owns 100% stake in AI Rayan Financial Brokerage ("ARFB"). However, operations of ARFB ceased since 12-Jan-2017.

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

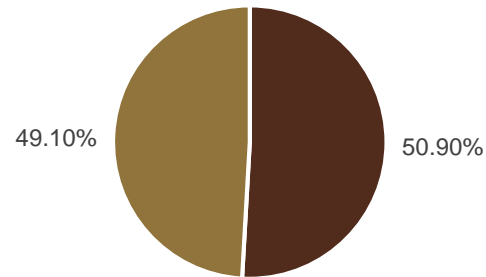
Introduction to Masraf Al Rayan

Ownership Structure

Shareholding Structure

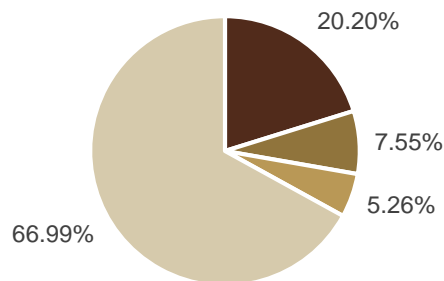
- Government, Government-related entities (GREs) and Qatari Institutional investors hold approx. 50.90% of MAR's shares
- Considering both direct and indirect interest, significant shareholders comprised of QIA (20.20%), QAF Investment Portfolio (7.55%) and General Retirement & Pension Fund (5.26%) – therefore Govt./GRE ownership of +33%

Shareholding by Investor Type



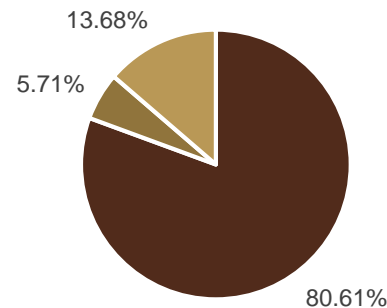
- Govt, GREs & Qatari institutions
- Qatari retail and foreign investors

Top Shareholders



- Qatar Investment Authority (QIA)
- QAF Investment Portfolio
- Pension Fund
- Other

Shareholding by Country



- Qatar
- GCC
- Other

Credit Rating

- 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

Moody's rating

Share Overview

- MAR shares** listed on the Qatar Stock Exchange
- Symbol:** MARK
- ISIN:** QA000A0M8VM3
- Market cap:** QAR 43.2 bn
- Valuation multiples:** P/E 20.71; P/B 1.83

Introduction to Masraf Al Rayan

Board Composition

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



HE 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 Committee



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

Group Chief Executive Officer



Fahad Al Khalifa

Other positions:

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

Board Members

Mr. Abdullah Nasser Al Misnad

Other positions:

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

Mr. Turki Mohammed Al Khater

Other positions:

- Board member, Al Rayan Bank PLC- UK
- Chairman, United Development Company
- Board Member, Ooredoo (Qatar).

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, Happag Lloyd.

Mr. Mohammed Ibrahim Al Abdulla

Mr. Nasser Jaralla S. Jaralla Al Marri

Other positions:

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

Mr. Abdulla Ahmed Al Maleki Al Jahni

Other positions:

- Board Member, Qatar Business Council

Mr. Abdulrahman Mohammed Al Khayareen

Mr. Tami Ahmad Ali Al Binali

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Financial Highlights and Performance

Summary

Balance Sheet

- Total assets reached QAR 174,039 million compared to QAR 121,115 million on 31 December 2020, an increase of 43.7%
- Financing activities increased to QAR 120,553 million compared to QAR 85,983 million on 31 December 2020, an increase of 40.2%
- Investments increased to QAR 32,891 million compared to QAR 21,120 million on 31 December 2020, an increase of 55.7%
- Customer deposits totaled QAR 106,957 million compared to QAR 68,918 million on 31 December 2020, an increase of 55.2%

Income statement

- Net profit totalled QAR 1,718 million for the year ended 31 December 2021 compared to QAR 2,175 million for the same period in 2020.
- Total income for the year ended 31 December 2021 increased by 1.2% totalling QAR 5,106 million as compared to QAR 5,046 million for the same period in 2020.

Financial Ratios

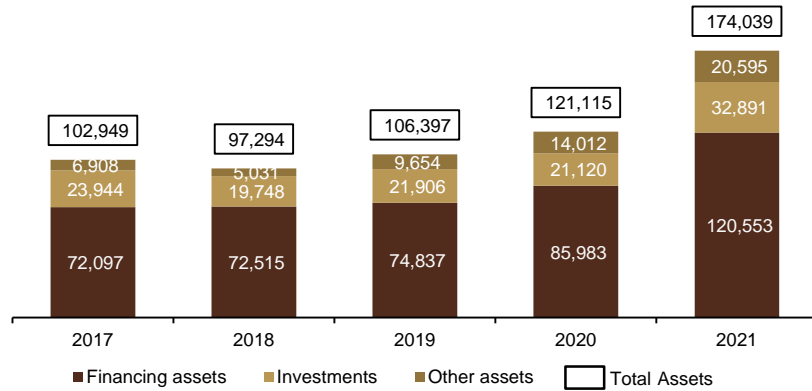
- Annualized return on average assets of **1.38%***
- Annualized return on average shareholders' equity of **11.38%***
- Earnings per share for the period reached **QAR 0.218**
- Book value per share reached **QAR 2.53**
- Operational Efficiency ratio is **22.08%**
- Non-performing financing (NPF) ratio of **1.67%**

**Average assets and average shareholder's equity are based on 11 months MAR standalone, and 1 month of the merged bank*

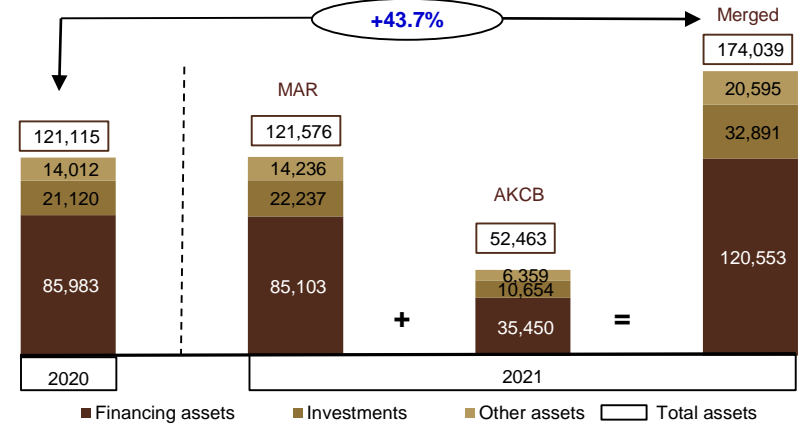
Financial Highlights & Performance

Balance Sheet – Assets & Liabilities – QAR Million

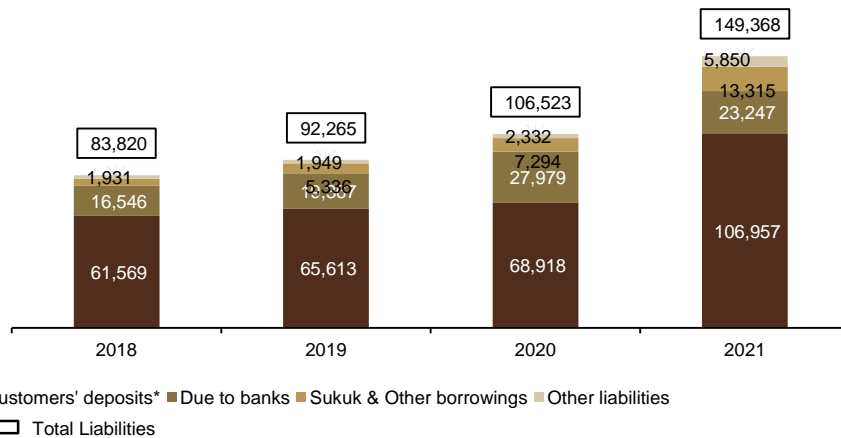
Assets



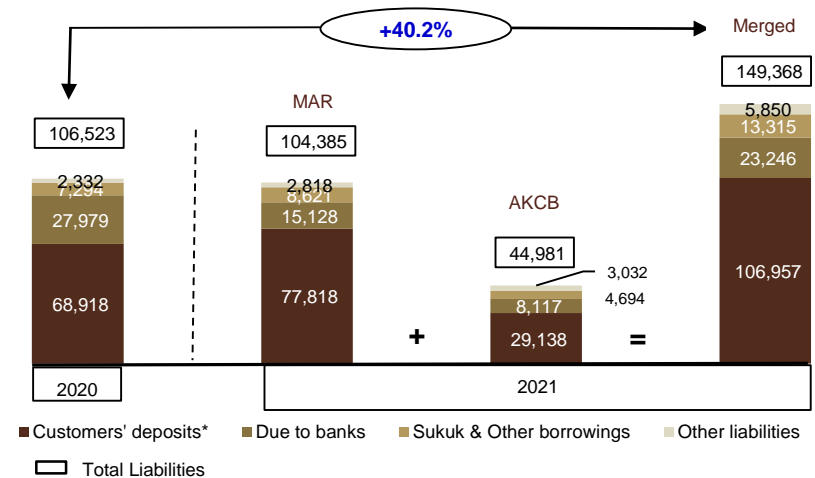
Assets – Merger effect



Liabilities



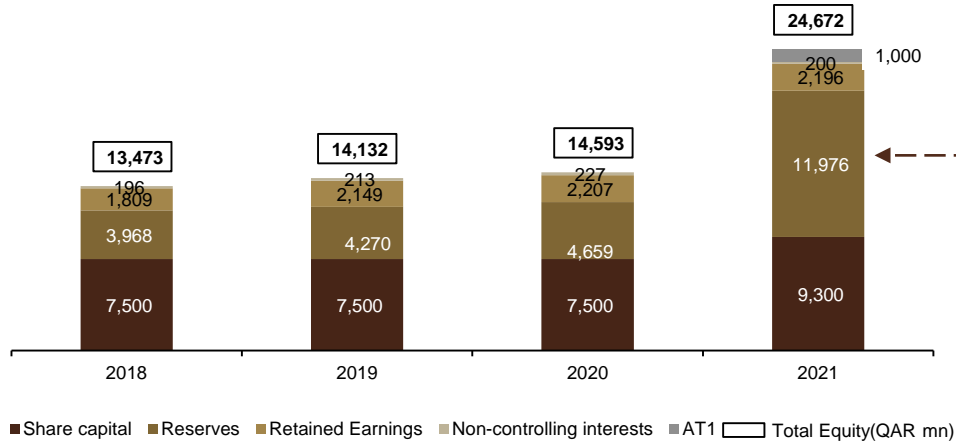
Liabilities – Merger effect



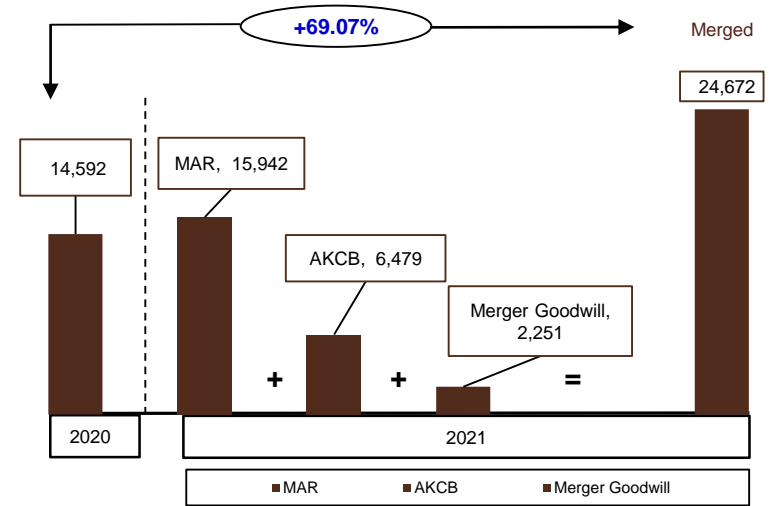
Financial Highlights & Performance

Balance Sheet - Equity – QAR Million

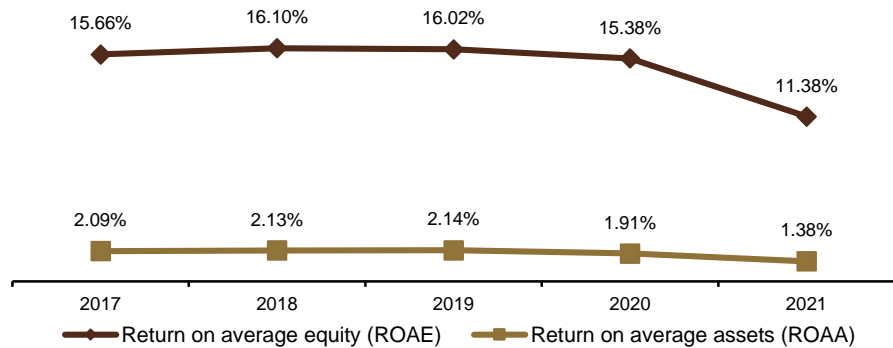
Equity Breakup



Equity - Merger effect

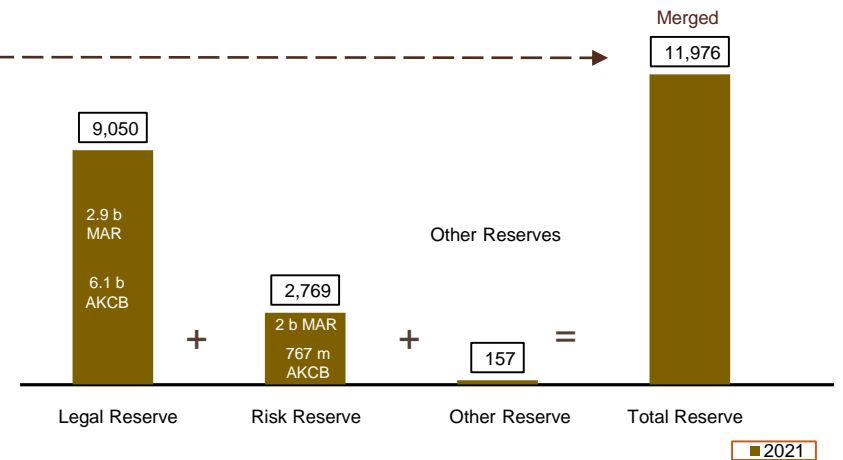


Annualized Return on Assets & Shareholder's Equity*



*Attributable to equity holders

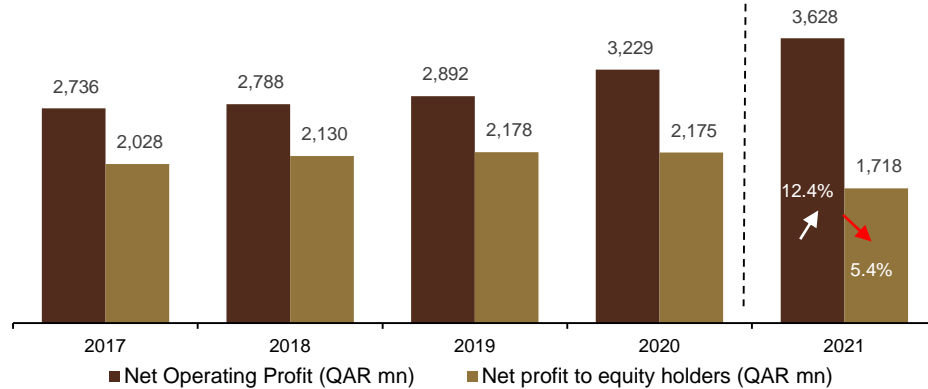
Reserves Breakup



Financial Highlights & Performance

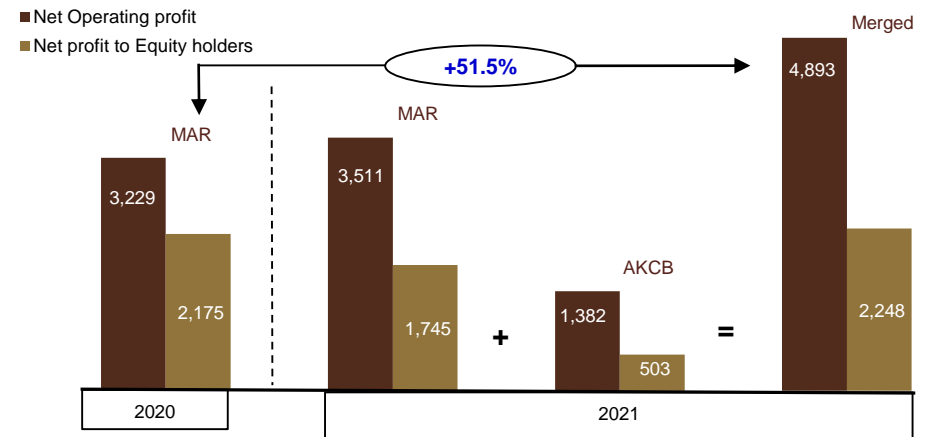
Income Statement – QAR Million

Profitability *



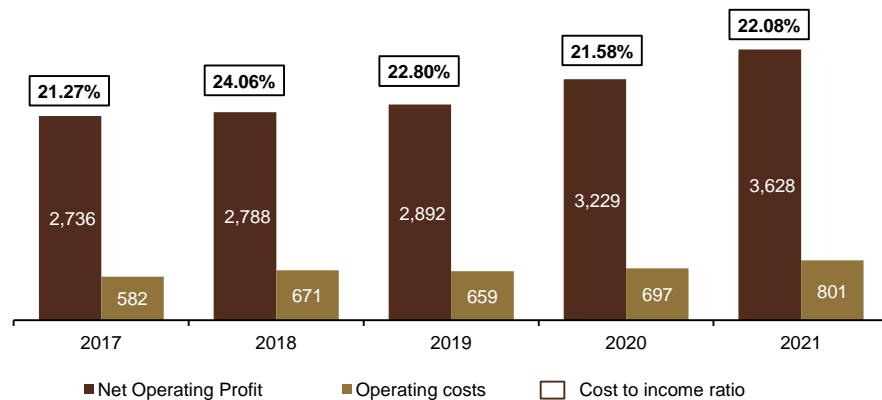
* Financial Statements include 1 month (December 2021) results of al khaliji bank P.Q.S.C whereas prior years only have Masraf al Rayan.

Profitability- Pro-forma**



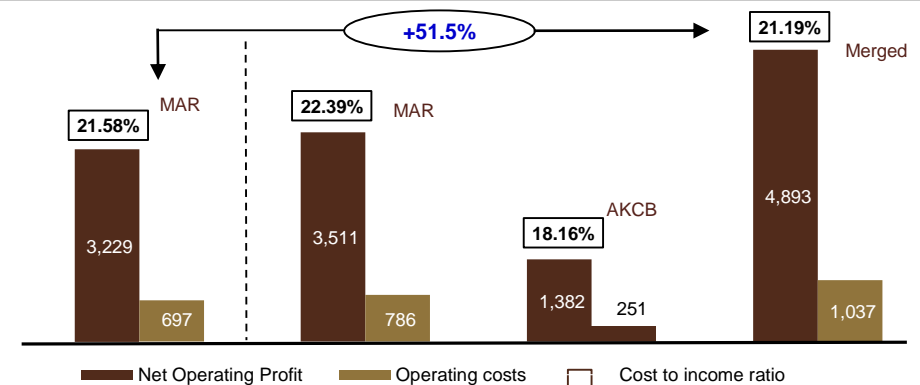
** Pro-forma figures are a hypothetical presentation of the results of Masraf Al Rayan had the merger with Al Khaliji Bank P.Q.S.C taken effect from January 1, 2021.

Operating Efficiency



*Attributable to equity holders

Operating Efficiency – Pro-forma*

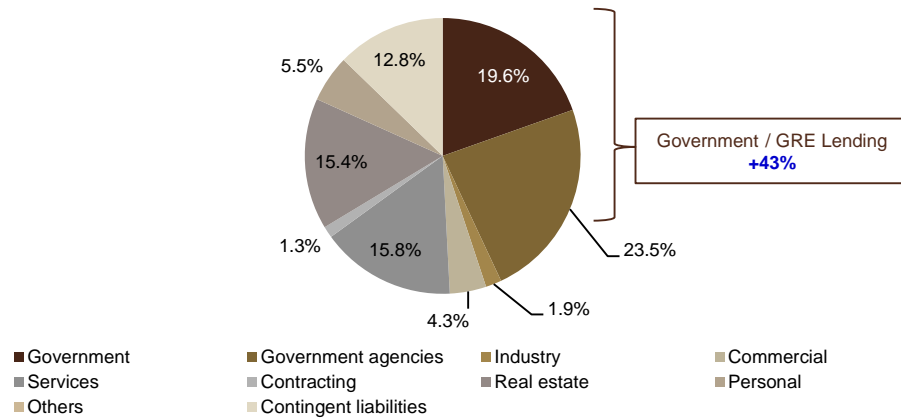


*Pro-forma figures includes hypothetically the operating income/expense of al khaliji bank P.Q.S.C for the full year, had the merger taken effect from January 1, 2021.

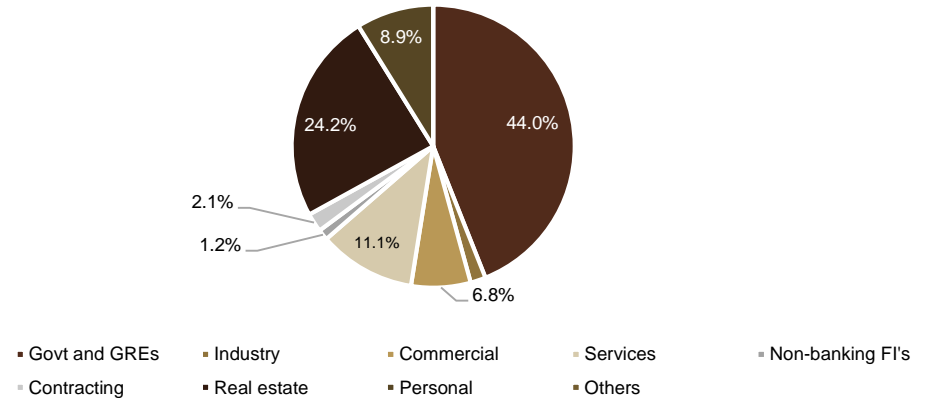
Financial Highlights & Performance

Balance Sheet – QAR Million

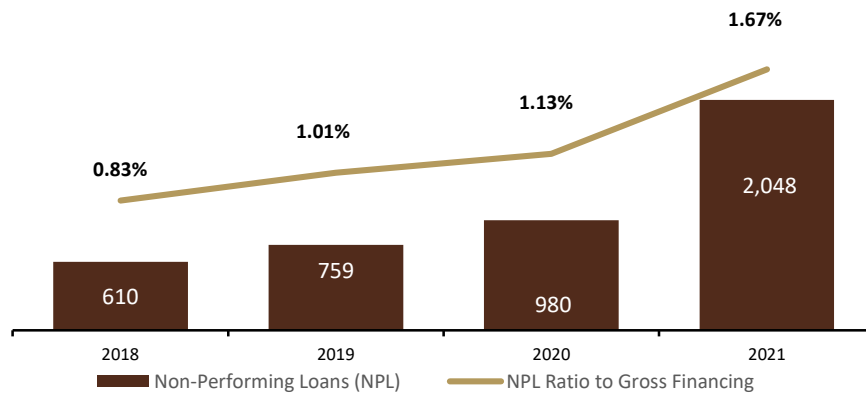
Gross Exposure - Funded & Unfunded – Q4 2021



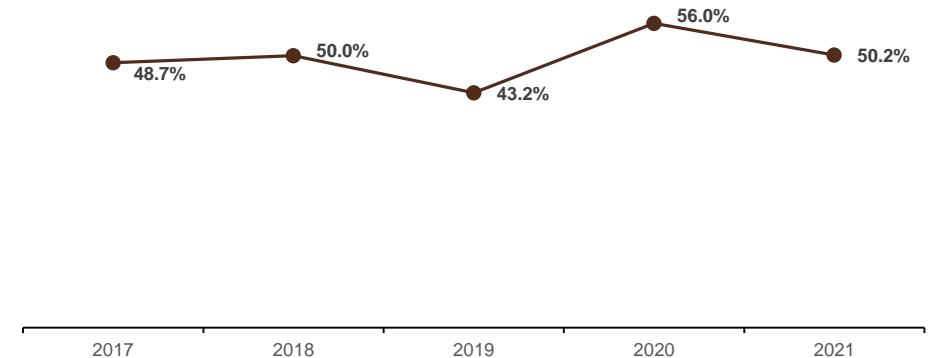
Financing Assets Breakdown by Industry – Q4 2021



Non-Performing Financing Assets (Stage 3)



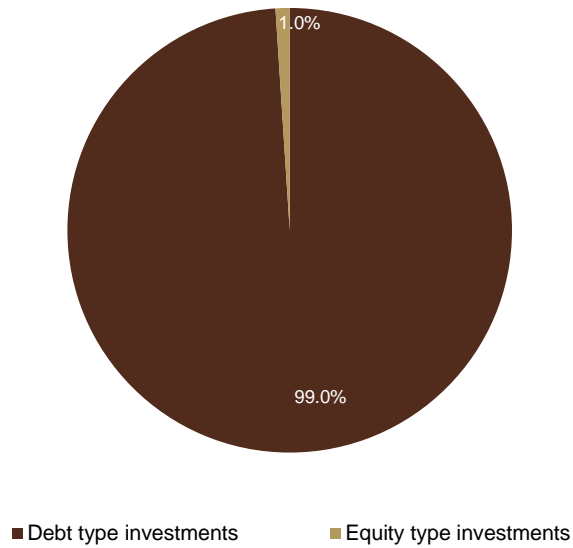
Non-Performing Financing Coverage Ratio (Stage 3)*



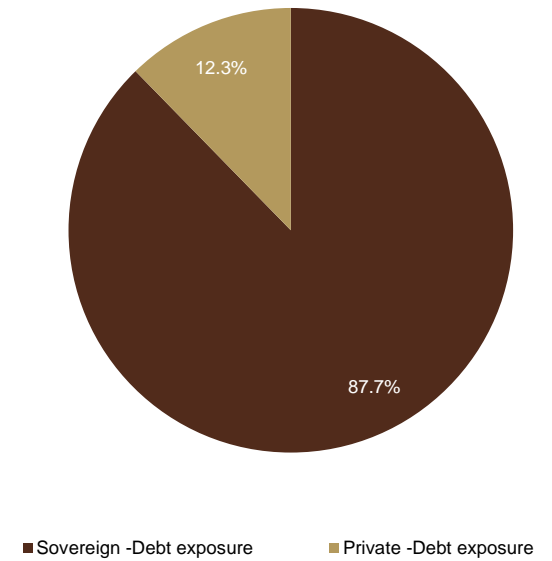
* Not accounting for collateral

Breakdown of Investment Securities – Q4 2021 - %

Investments by Asset Class



Sovereign vs. Private Debt Exposure*

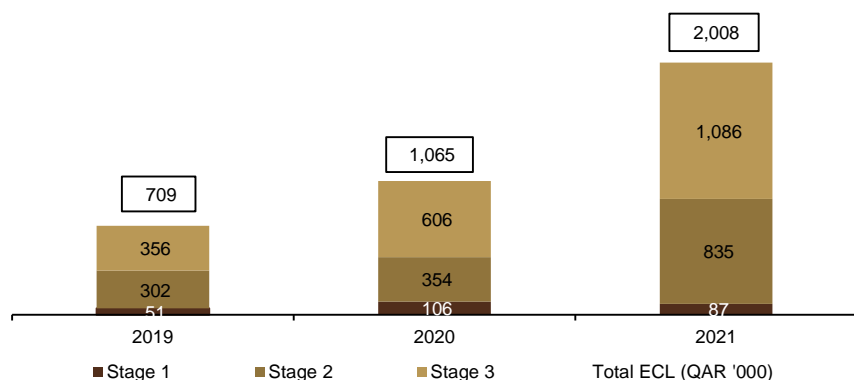


*% of total debt investments including impairments

Financial Highlights & Performance

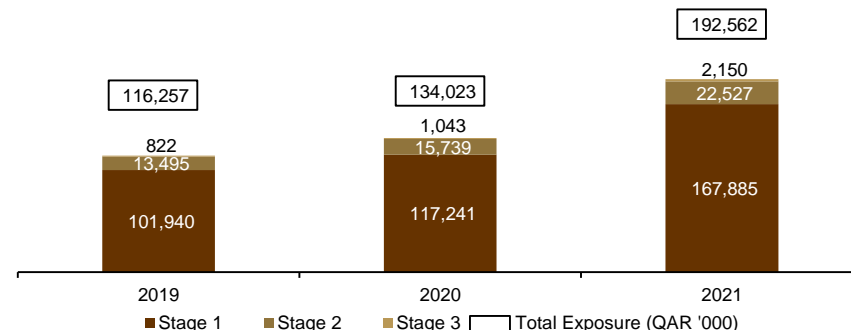
Balance Sheet – Expected Credit Loss (ECL) analysis – QAR Million

ECL on all exposures - by Stages*

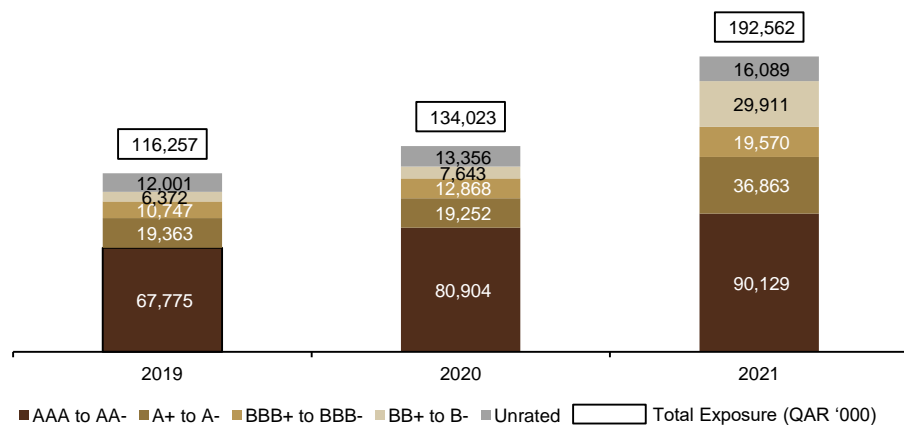


* AKCB financing assets was absorbed in MAR (net of ECL) therefore, not included in the ECL balances

All exposures subject to ECL - by Stages



Exposure by Rating Grade



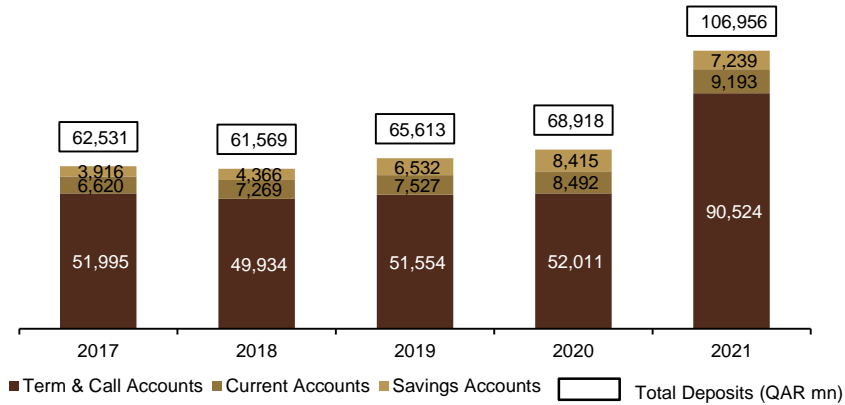
Key Highlights

- ECL calculation was adopted by the Bank in January 2018 and adjustments to the carrying amounts of financial assets and liabilities at the date of transition were recognized in the opening retained earnings and non-controlling interest of FY 2018
- Stage 1 includes financial assets on initial recognition and that do not have a significant increase in credit risk since initial recognition. The Bank has over 87% of the exposure classified as Stage 1 helping it reduce its overall ECL
- Over 43% of the total exposure is to the Government or Government related entities which are highly rated and carry no ECL charge

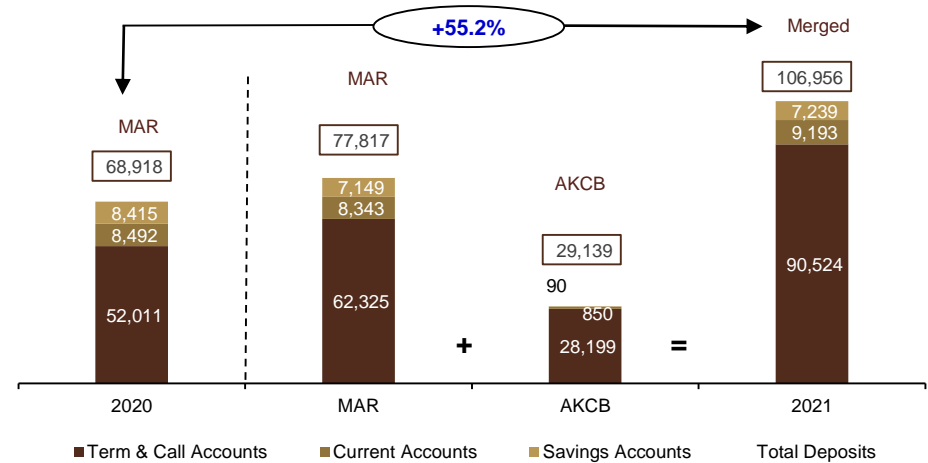
Financial Highlights & Performance

Funding & Liquidity – QAR Million

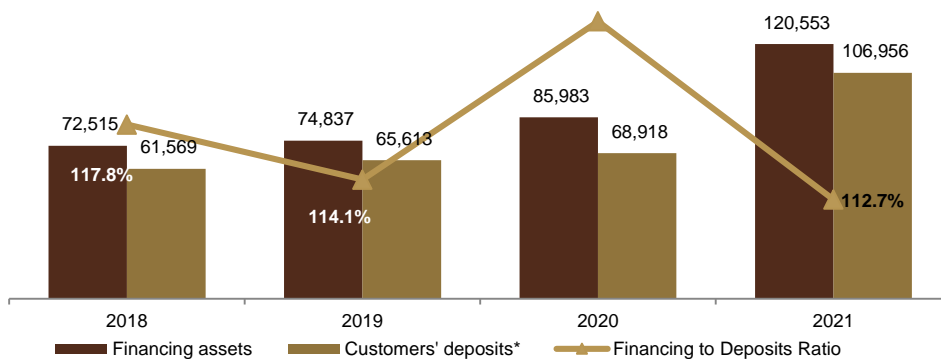
Deposit Mix



Deposit Mix



Financing Assets and Customer Deposits



*Includes equity of investment account holders

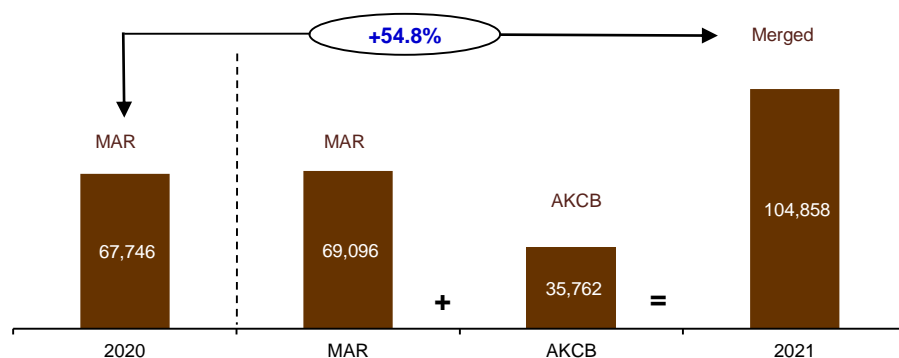
Key Highlights

- As part of its strategic initiative, MAR established a sukuk programme to diversify its funding base
- MAR's international presence also provides access to attractive funding terms on a bilateral or club deal basis, from Money Markets lines to 3-year maturity on an unsecured basis
- The Bank's USD deposit campaign targets international Money Market funds

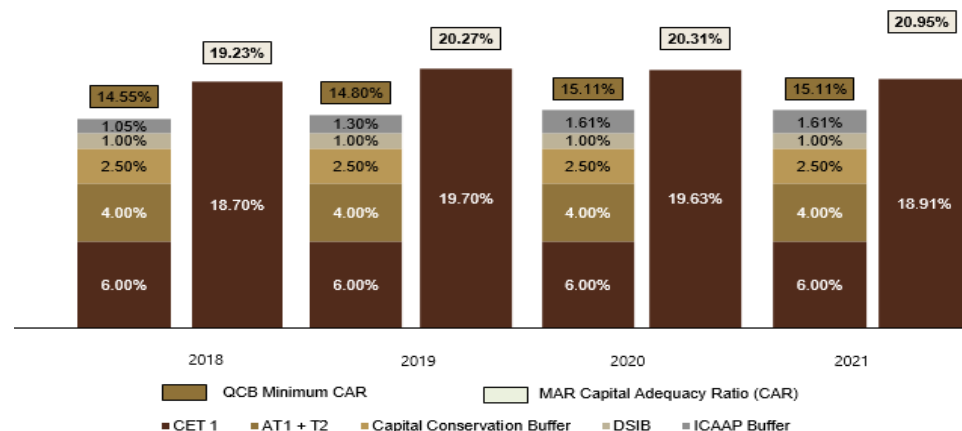
Financial Highlights & Performance

Capital Adequacy – QAR Million

Risk Weighted Assets (RWA)



Capitalisation %



Key Highlights

- Strong capitalization level - CAR (inclusive of CET1 capital of 18.91%) of 20.95% as at 31 December 2021, well above the minimum regulatory requirements of 13.50% (including ICAAP buffer: 15.11%);
- As a Domestic Systemically Important Bank (DSIB), the Bank is required to maintain an additional buffer of 1.00% as of 31 December 2021;
- Growth in risk weighted assets (11.7% CAGR for the period 2016–2021), reaching QAR 105 bn as of 31 December 2021.
- 2016–2021 CAGR for Assets at 13.7% vs 11.7% for RWA indicating focus on low RWA / better quality assets.

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Introduction to Masraf Al Rayan

Segments Overview

- ▶ 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



	2020		2021	
	QAR m	% of Total*	QAR m	% of Total*
Total Assets	51,240	42.7%	81,545	47.8%
Total Revenue	2,132	42.4%	2,310	45.4%
Profit Before Tax	1,297	48.7%	1,572	63.5%

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



	2020		2021	
	QAR m	% of Total*	QAR m	% of Total*
Total Assets	25,333	21.1%	30,282	17.8%
Total Revenue	1,495	29.7%	1,363	26.8%
Profit Before Tax	1,016	38.1%	320	12.9%

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



	2020		2021	
	QAR m	% of Total*	QAR m	% of Total*
Total Assets	11,170	9.3%	13,937	8.2%
Total Revenue	315	6.3%	330	6.5%
Profit Before Tax	29	1.1%	46	1.8%

* Excludes unallocated assets, liabilities and revenues related to some central functions and non-core business functions which accounted for 2.0% of total assets as at 31 December 21 (0.9% of total assets as at FY 2020)

**As of 31 December 2021

- ▶ 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

- ▶ 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.



	2020		2021	
	QAR m	% of Total*	QAR m	% of Total*
Total Assets	32,072	26.7%	44,545	26.1%
Total Revenue	1,040	20.7%	1040	20.4%
Profit Before Tax	302	11.3%	508	20.5%

Asset Management and Financial Advisory

- ▶ 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
- ▶ Assets under management (AUM) of over USD 1,327mn**



	2020		2021	
	QAR m	% of Total*	QAR m	% of Total*
Total Assets	263	0.2%	237	0.1%
Total Revenue	43	0.9%	48	0.9%
Profit Before Tax	20	0.8%	29	1.2%

* Excludes unallocated assets, liabilities and revenues related to some central functions and non-core business functions which accounted for 2.0% of total assets as at 31 December 21 (0.9% of total assets as at FY 2020)

**As of 31 December 2021

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Historical Financials

Consolidated Income Statement

QAR mn	2018	2019	2020	2020	2021*
Net income from financing activities	3,539	3,710	3,680	3,680	3,711
Net income from investing activities	838	931	925	925	890
Total Net Income from Financing and Investing Activities	4,377	4,641	4,605	4,606	4,600
Fee and commission income	319	391	263	263	329
Fee and commission expense	(4)	(3)	(2)	(2)	(6)
Net Fee and Commission Income	315	388	261	261	324
Net foreign exchange gain	152	162	158	158	167
Share of results of associates	22	20	18	18	14
Other income	8	10	4	4	1
Total Income	4,874	5,221	5,046	5,046	5,106
Staff costs	(375)	(395)	(386)	(386)	(428)
Depreciation	(15)	(18)	(25)	(25)	(68)
Other expenses	(279)	(246)	(283)	(283)	(300)
Finance expense	(760)	(838)	(672)	(672)	(529)
Total Expenses	(1,429)	(1,497)	(1,366)	(1,366)	(1,326)
Net (impairment losses) / reversal on due from banks	-	-	-	(0)	(1)
Net (impairment losses) / reversal on financing assets	15	(55)	(299)	(299)	(910)
Net (impairment losses) / reversal on investments	(9)	(1)	(58)	(58)	(189)
Net (impairment losses) / reversal on other balance sheet exposures	16	11	5	5	4
Profit for the Period before Return to Investment Account Holders	3,467	3,679	3,328	3,328	2,684
Less: Return to investment account holders	(1,326)	(1,491)	(1,145)	(1,145)	(949)
Profit for the Period before Tax	2,141	2,188	2,183	2,183	1,735
Tax expense	(2)	(1)	(2)	(2)	(5)
Net Profit for the Year / Period	2,139	2,187	2,181	2,181	1,730

* Financial Statements include 1 month (December 2021) results of al khaliji bank P.Q.S.C whereas prior years only have Masraf al Rayan.

Historical Financials

Consolidated Statement of Financial Position

QAR mn	2017	2018	2019	2020	2021 *
Cash and Balances with central banks	2,800	3,027	3,123	7,071	5,221
Due from Banks	3,312	1,513	6,035	6,308	9,156
Financing Assets	72,097	72,515	74,837	85,983	120,553
Investment Securities	23,423	19,222	21,379	20,586	32,542
Investment in Associates	520	526	527	534	349
Fixed assets	160	189	228	271	715
Intangible assets	-	-	-	-	2,251
Other assets	636	302	267	362	3,253
Total Assets	102,948	97,295	106,396	121,115	174,039
Due to banks	25,123	16,546	19,367	27,979	23,247
Customer current accounts	6,621	7,269	7,527	8,492	9,193
Sukuk Financing	-	1,721	3,334	6,023	7,615
Other Borrowings	-	2,053	2,002	1,271	5,700
Other liabilities	1,904	1,932	1,948	2,332	5,850
Total Liabilities	33,648	29,521	34,178	46,097	51,604
Equity of Investment Account holders	55,910	54,300	58,086	60,426	97,764
Share Capital	7,500	7,500	7,500	7,500	9,300
Legal Reserve	2,066	2,279	2,497	2,714	9,049
Risk Reserve	1,508	1,575	1,636	1,797	2,769
Fair value reserve	3	10	24	25	36
Foreign currency translation reserve	(8)	(14)	(10)	(4)	(6)
Other reserves	113	119	123	126	127
Retained earnings	2,009	1,809	2,149	2,207	2,196
Total Equity Attributable to Equity Holders of the Bank	13,191	13,278	13,919	14,365	23,472
Non-Controlling interest	199	196	213	227	200
Instrument eligible as additional capital					1,000
Total Equity	13,390	13,474	14,132	14,592	24,671
Total Liabilities, Equity of Investment Account Holders and Equity	102,948	97,295	106,396	121,115	174,039

* Financial Statements include 1 month (December 2021) results of al khaliji bank P.Q.S.C whereas prior years only have Masraf al Rayan.