



مصرف الريان
MASRAF AL RAYAN

Investor Presentation

Financial Results- Q3 2022

October, 2022

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MASRAF AL RAYAN

Introduction to Masraf Al Rayan

Introduction to Masraf Al Rayan Corporate Profile

Overview

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)
- Legal merger completed on December 1, 2021 with Al Khaliji commercial Bank P.Q.S.C

Business Lines

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

Market Share

- 2nd largest listed Islamic bank in Qatar by total assets (32 % market share)*
- 3rd largest listed Qatari bank by total loans (10% market share)**

Public Listing

- Ordinary shares listed on the Qatar Stock Exchange
- 3rd largest bank in Qatar by market capitalization(QAR 38.3 b)***
- Total ordinary shares issued 9.3 billion

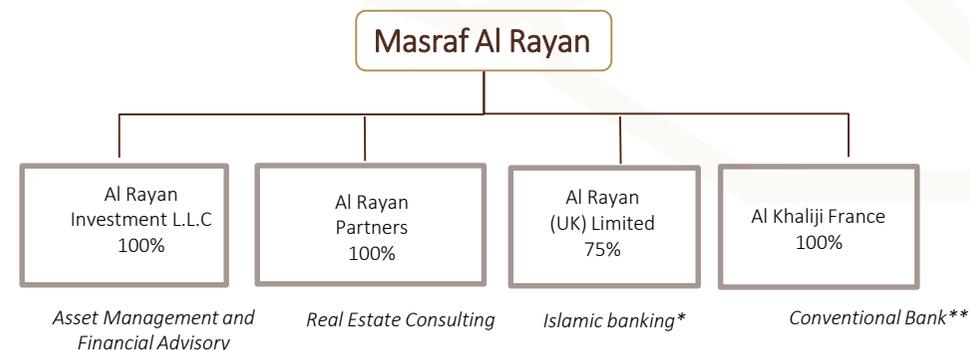
Rating

- 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

Introduction to Masraf Al Rayan

Ownership structure

Shareholding Structure

Total Shareholders	187 k (of which 136 k or 20.70% non-resident)
Govt. /GRE Shareholding*	34% (see major shareholders below)
Other shareholding	Corporations 31.7%, Retail 34.2%
Listing	Qatar Stock Exchange
Regulators	Qatar Central Bank; Qatar Financial Markets Authority

Credit Rating (Moody's)

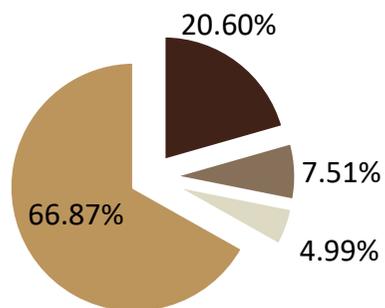
Long-term and short-term foreign currency and local currency issuer ratings: **A1/Prime-1**

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

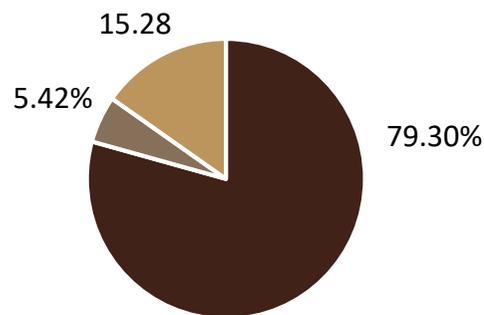
Counterparty Risk Assessment: **Aa3(cr)/Stable(cr)**

Stable outlook

Top Shareholders



Shareholding by Country



■ QIA ■ QAF Investment Portfolio ■ Pension fund ■ Other

■ Qatar ■ GCC ■ Other

Share Overview

MAR shares

- listed on the Qatar Stock Exchange

Symbol

- MARK

ISIN

- QA000A0M8VM3

Market cap

- QAR 38.3 bn

Valuation multiples

- P/B 1.65

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
- 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. 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

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. Abdulrahman Mohammed Al Khayareen



Mr. Mohammed Ibrahim Al Abdulla

Mr. Tami Ahmad Ali Al Binali



Introduction to Masraf Al Rayan Management team



FAHAD 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
AGM Strategy & Project GCEO Office



TAHIR PIRZADA
AGM, Group Treasurer and Financial Institutions



EMAN H. AL-NAE
Head of Corporate Affs



STUART RENNIE
Group Chief Operating Officer



MUTAZ JAMAL FAHAD DANA
Group Compliance and AML Officer



ADEL AYAD FAYEZ ATTIA
AGM, Group Internal Audit



ABDELMONEM EL HASSAN
AGM, Group Legal Counsel



FAWZI MAHAMOUD S. SIAM
Executive Manager, Sharia Audit

Introduction to Masraf Al Rayan

A bank with many strengths

Strong fundamentals underpinned by consistently high asset quality, earnings growth and strong capitalization

- Robust capitalization (CAR 20.25%) well above the regulatory threshold of 13.50% for a DSIB
- Financing exposure to Government and GREs entities 45 % of portfolio
- Strong efficiency - one of the lowest cost to income ratio in the Qatari banking industry

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

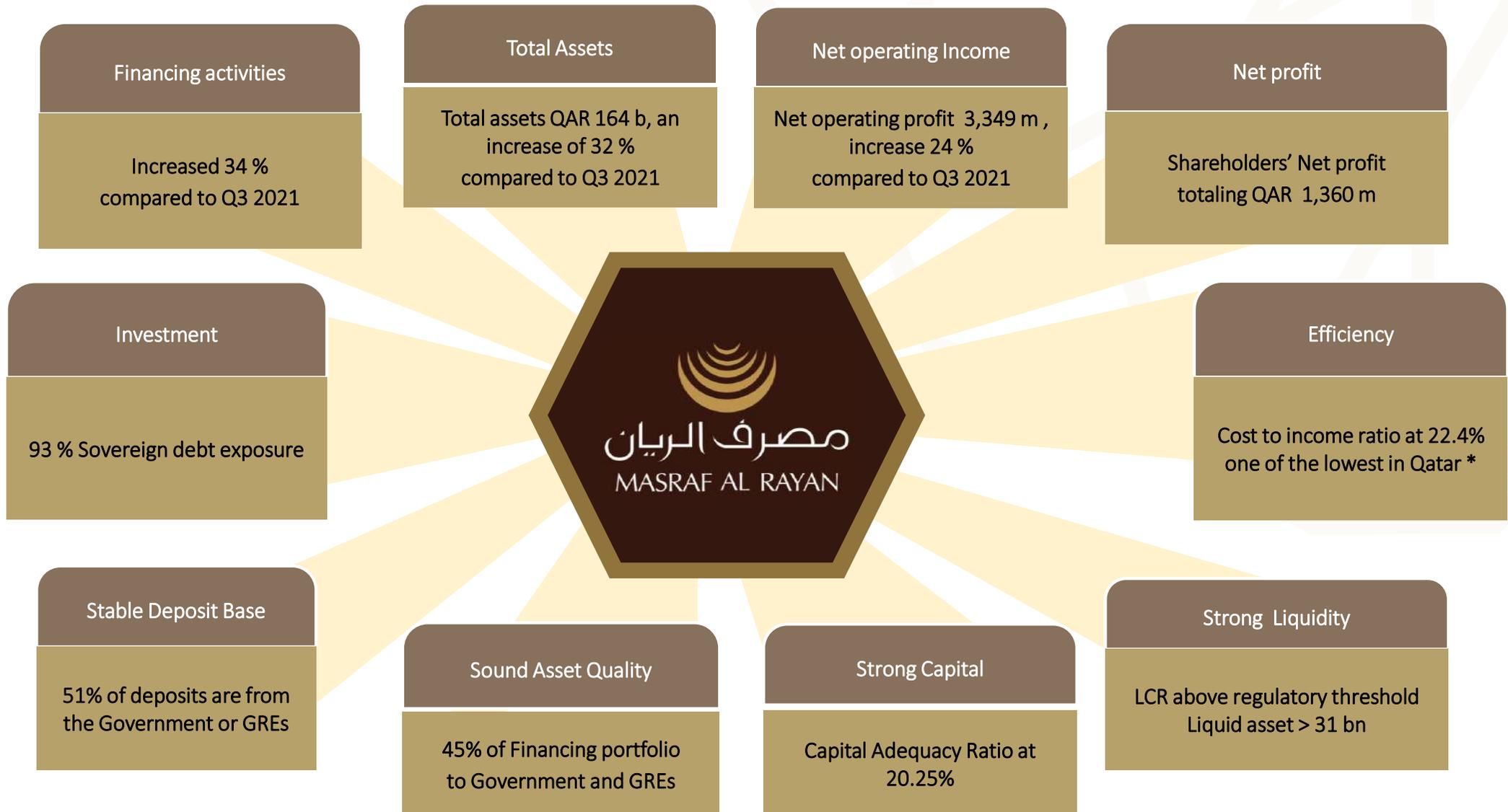
- Majority Qatari ownership (mainly the Govt. & GREs) holding approximately 79%
- Strong government related franchise with a solid domestic asset base and funding source
- Possibility of receiving Govt. support if needed (given Govt.'s in the past supported Qatari banks)

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 a cumulative experience of over 100 years
- Continuously evolving and strengthening corporate governance framework by adopting global best practices

Introduction to Masraf Al Rayan

A 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;



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





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Post merger integration update

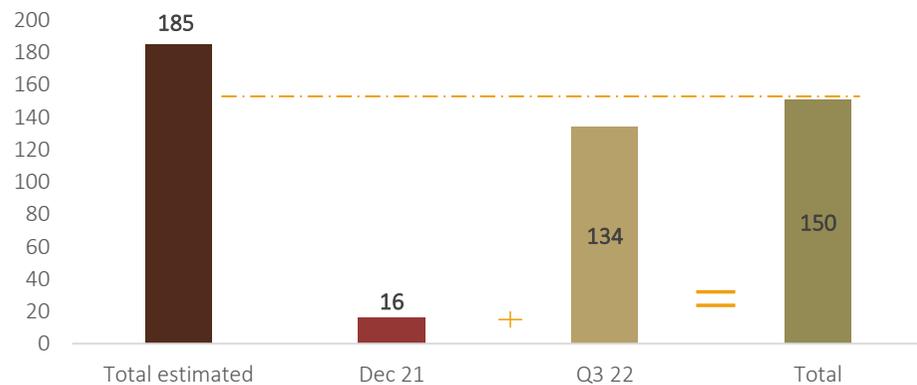
Introduction to Masraf Al Rayan Merger with AKCB – Integration update

Merger & Integration Timelines

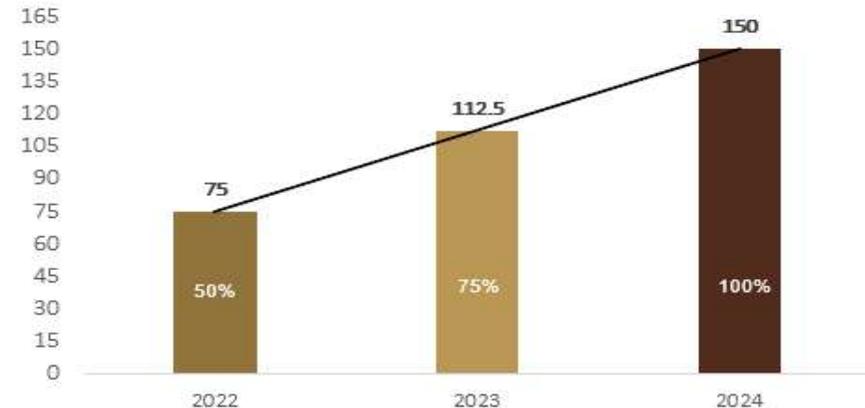


A journey completed less than 2 years (Integration completed within 6 months after Legal Merger!)

Integration one-off expenses (QAR mil)



Synergies effect (QAR mil)



Integration costs

QAR 185 m QAR– estimated as 1.25 x fully phased in synergy target of QAR 150 m;

Synergies

QAR 150 m QAR – targeted synergies per annum, once fully phased in;



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Financial Highlights and Performance

Financial Highlights and Performance

Q3 2022 - Summary

Balance Sheet

- Total assets reached QAR 164,102 million compared to QAR 174,034 million on 31 December 2021;
- Financing activities at QAR 116,630 million compared to QAR 120,807 million on 31 December 2021;
- Investments securities decreased to QAR 31,985 million compared to QAR 32,775 million on 31 December 2021;
- Customer deposits totaled QAR 93,307 million compared to QAR 106,956 million on 31 December 2021,

Income statement

- Net profit totalled QAR 1,360 million for the period ended 30 Sep 2022 compared to QAR 1,713 million for the same period in 2021;
- Total income for the period ended 30 Sep 2022 totalled QAR 5,136 million as compared to QAR 3,742 million for the same period in 2021.

Financial Ratios

- Net profit margin of 2.37%;
- Annualized return on average equity of 7.77%;
- Earnings per share for the period reached QAR 0.146;
- Book value per share is at QAR 2.49;
- Operational Efficiency ratio is 22.4% (excluding merger one-off costs)
- Non-performing financing (NPF) ratio of 3.30%

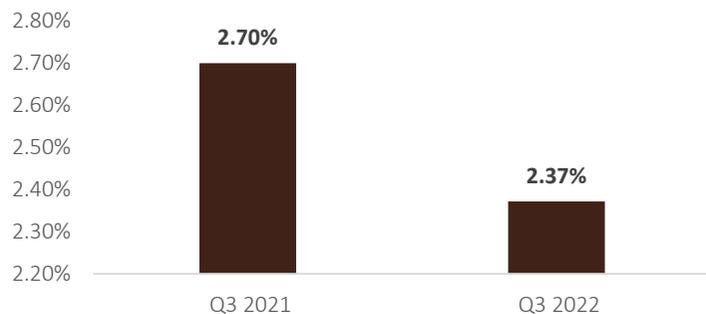
Financial Highlights and Performance

Income Statement

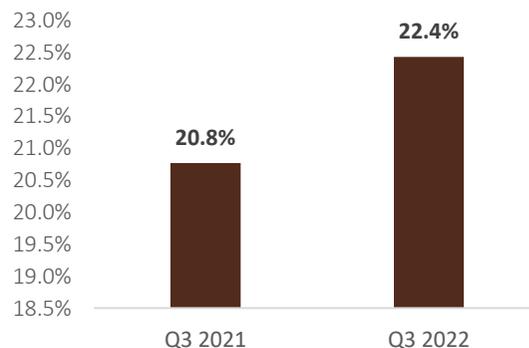
Income statement (QAR million)	Q3 2022	Q3 2021	YoY
Total income	5,136	3,742	37%
Net operating profit	3,349	2,708	24%
Operating expenses	885	562	57%
Pre impairment profit	2,464	2,146	15%
Net Impairment Charges	1,089	422	158%
Net profit attributable to shareholders	1,360	1,713	-20%

- Net profit attributable to the Equity holders of the bank totalled QAR 1,360 million for the period ended 30 September 2022.
- Operating expenses include QAR 134 million one-off merger related expenses.

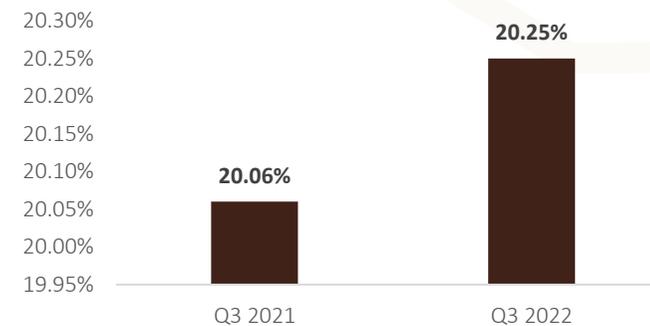
Profit margin



Efficiency ratio



Capital adequacy ratio



* Excluding one-off merger expenses

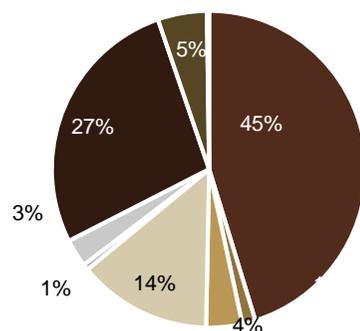
Financial Highlights and Performance

Balance Sheet

Balance Sheet (QAR billion)	Q3 2022	Q4 2021	YoY
Total Assets	164	174	-6%
Financing assets	117	121	-3%
Investments securities	32	33	-2%
Deposits	93	107	-13%
Total Equity	24	25	-1%

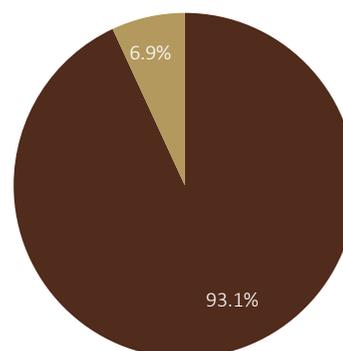
- **Financing Assets QAR 117 b:** of which 45 % exposure to Govt. & GRE's;
- **Investment securities QAR 32 b:** of which 93% exposure is Sovereign Debt;
- **Deposits QAR 93 b:** well diversified mix of Govt., Corporate and Personal banking segments

Financing Assets - Breakdown by Industry



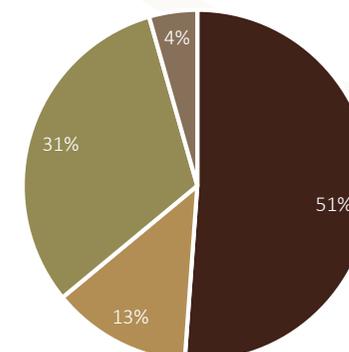
- Govt and GREs
- Services
- Real estate
- Industry
- Non-banking FI's
- Personal
- Commercial
- Contracting
- Others

Investment securities



- Debt type investments
- Equity type investments

Customer deposits - Breakdown by Sector

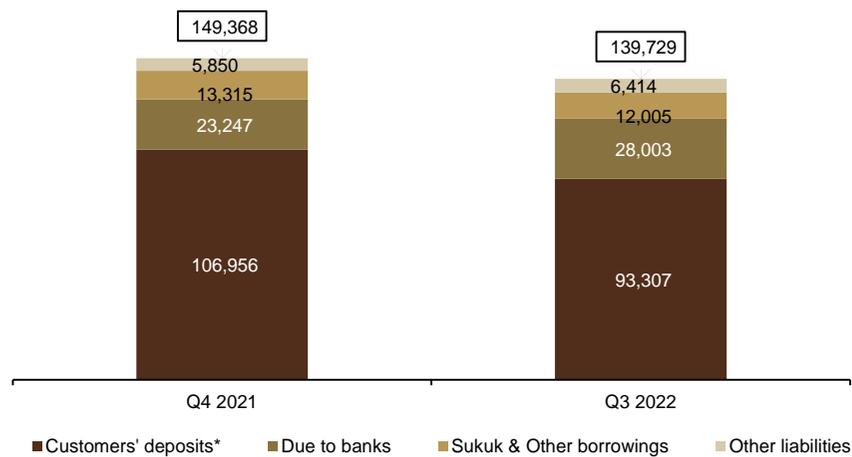


- Government and GRE
- Corporate
- Personal
- Non Bank Financial Institutions

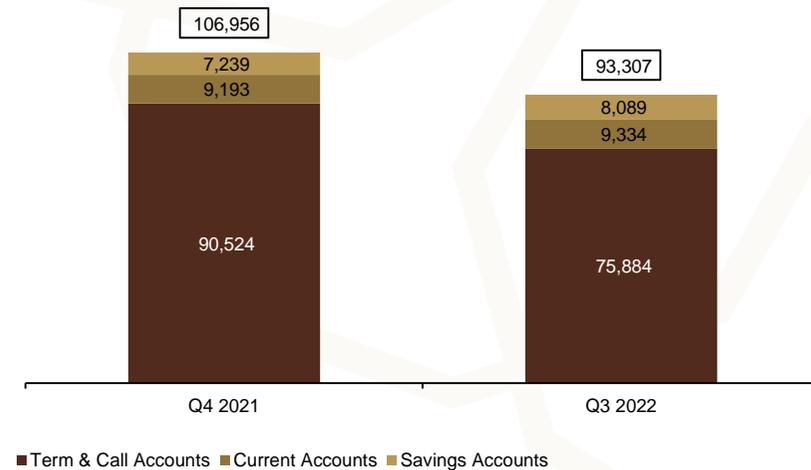
Financial Highlights and Performance

Funding & Liquidity

Funding Mix – QAR m



Deposit Mix – QAR m



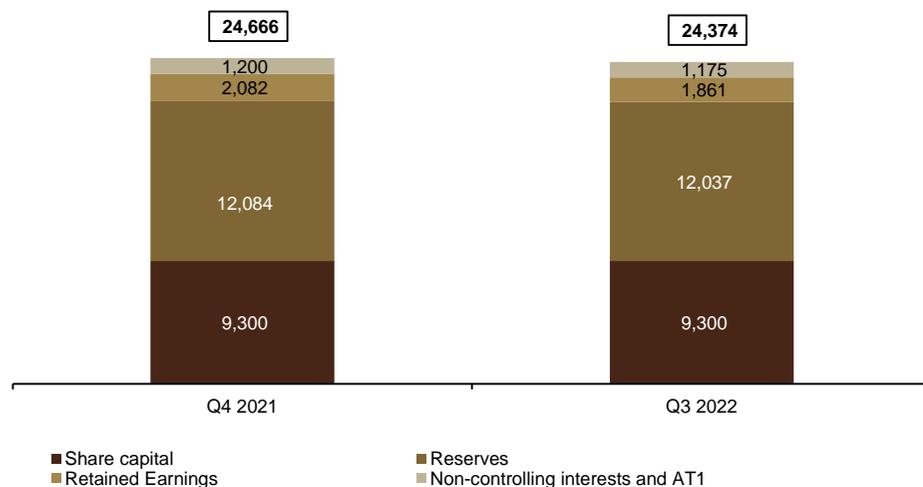
Key Highlights

- 93% 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 (21% Due to Banks, 9% Sukuk & other borrowings and 70% Customer Deposits);

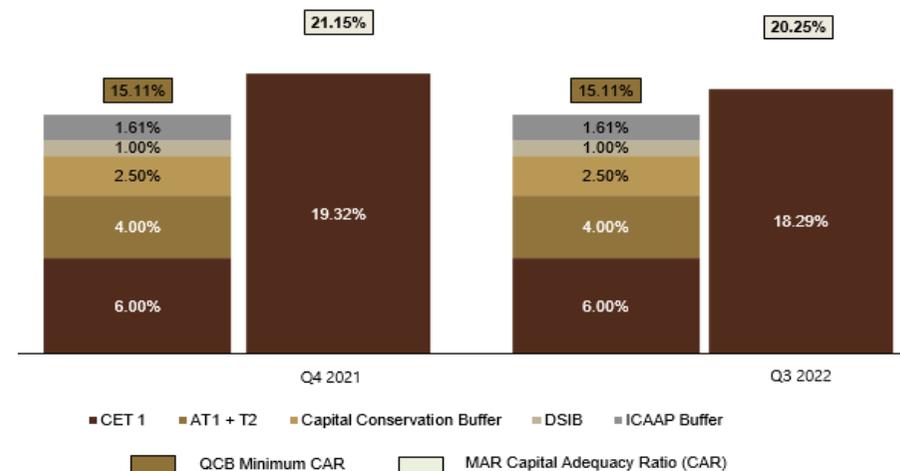
Financial Highlights and Performance

Capital Adequacy

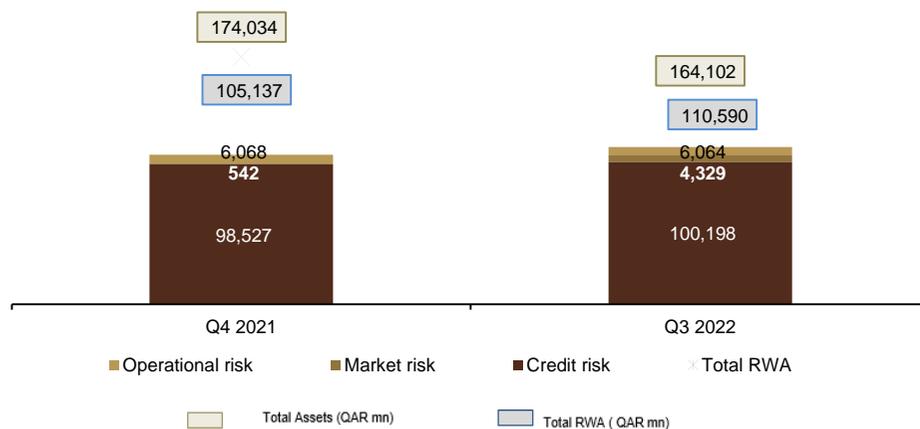
Equity Breakup



Capitalisation %



Risk Weighted Assets



Key Highlights

- Strong capitalization level - CAR (inclusive of CET1 capital of 18.29%) of 20.25% as at 30 Sep 2022, 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 30 Sep 2022;



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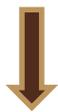
Operating Segments

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



	Q3 2022	
	QAR m	% of Total

Total Assets	78,825	48.0%
Total Revenue	2,611	50.8%
Profit Before Tax	1,311	94.2%

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 2022	
	QAR m	% of Total

Total Assets	29,394	17.9%
Total Revenue	1,082	21.1%
Profit Before Tax	314	22.5%

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 2022	
	QAR m	% of Total

Total Assets	12,241	7.5%
Total Revenue	266	5.2%
Profit Before Tax	80	5.7%

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

	Q3 2022	
	QAR m	% of Total
Total Assets	39,300	23.9%
Total Revenue	1,084	21.1%
Profit Before Tax	331	23.8%

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 2022	
	QAR m	% of Total
Total Assets	184	0.1%
Total Revenue	58	1.1%
Profit Before Tax	43	3.1%

* Excluding unallocated and non-Sharia compliant assets, revenues and profit related to central functions, and non-core business functions, which accounted for 2.5% of total assets as at 30 Sep 22



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MASRAF AL RAYAN

Financial Statements

Financial Statements

Published Balance Sheet

QAR mn	Q3 2022	Q4 2021	Variance%
Cash and Balances with central banks	5,289	5,221	1%
Due from Banks	3,051	9,156	-67%
Financing Assets	116,630	120,807	-3%
Investment Securities	31,985	32,775	-2%
Investment in Associates	345	349	-1%
Fixed assets	767	715	7%
Intangible assets	1,759	1,759	0%
Other assets	4,277	3,253	31%
Total Assets	164,102	174,034	-6%
Due to banks	28,003	23,247	20%
Customer current accounts	9,334	9,193	2%
Sukuk Financing	7,548	7,615	-1%
Other Borrowings	4,457	5,700	-22%
Other liabilities	6,414	5,850	10%
Total Liabilities	55,756	51,604	8%
Equity of Investment Account holders	83,973	97,764	-14%
Share Capital	9,300	9,300	0%
Legal Reserve	9,644	9,644	0%
Risk Reserve	2,283	2,283	0%
Fair value reserve	55	36	51%
Foreign currency translation reserve	(72)	(6)	1109%
Other reserves	127	127	0%
Retained earnings	1,861	2,082	-11%
Total Equity Attributable to Equity Holders of the Bank	23,198	23,467	-1%
Non-Controlling interest	175	200	-12%
Instrument eligible as additional capital	1,000	1,000	0%
Total Equity	24,374	24,666	-1%
Total Liabilities, Equity of Investment Account Holders and Equity	164,102	174,034	-6%

Financial Statements

Published Income statement

QAR mn	Q3'22	Q3'21	Q3'22 vs Q3'21
Net income from financing activities	3,686	2,726	35%
Net income from investing activities	897	638	41%
Total Net Income from Financing and Investing Activities	4,584	3,364	36%
Fee and commission income	342	247	39%
Fee and commission expense	(2)	(2)	-21%
Net Fee and Commission Income	340	245	39%
Net foreign exchange gain	177	118	51%
Share of results of associates	23	14	65%
Other income	12	2	447%
Total Income	5,136	3,742	37%
Staff costs	(401)	(317)	27%
Depreciation	(41)	(39)	5%
Other expenses	(426)	(206)	106%
Finance expense	(646)	(398)	62%
Total Expenses	(1,514)	(960)	58%
Net (impairment losses) / reversal on due from banks	(9)	(1)	556%
Net (impairment losses) / reversal on financing assets	(942)	(239)	294%
Net (impairment losses) / reversal on investments	(49)	(189)	-74%
Net (impairment losses) / reversal on other balance sheet exposures	(89)	8	-1277%
Profit for the Period before Return to Investment Account Holders	2,533	2,361	7%
Less: Return to investment account holders	(1,141)	(636)	79%
Profit for the Period before Tax	1,392	1,725	-19%
Tax expense	(17)	(1)	2203%
Net Profit for the Year / Period	1,375	1,724	-20%
Net profit to equity holders (QAR mn)	1,360	1,713	-12%

THANK YOU

