



مصرف الريان  
MASRAF AL RAYAN

# Investor Presentation

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## Financial Results- Q1 2023

April, 2023



# Content

Introduction to Masraf Al Rayan

Financial Highlights and Performance

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# Introduction to Masraf Al Rayan

# Introduction to Masraf Al Rayan Corporate Profile

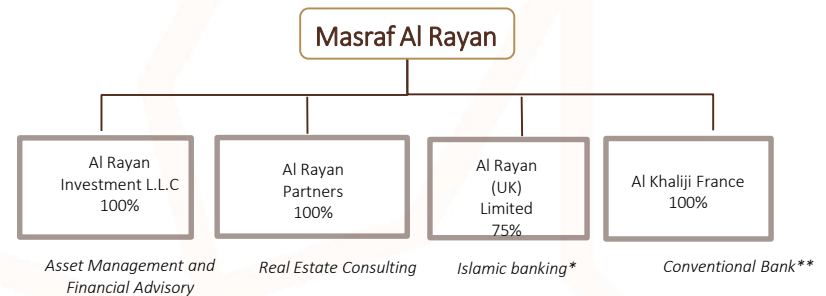
## Overview

<p><b>Profile</b></p>	<ul style="list-style-type: none"> <li>Islamic bank incorporated in Qatar on January 4 2006 and licensed by the Qatar Central Bank</li> <li>Classified as a DSIB (Domestic Systemically Important Bank)</li> <li>Legal merger completed on December 1, 2021 with Al Khaliji commercial Bank P.Q.S.C</li> </ul>
<p><b>Business Lines</b></p>	<ul style="list-style-type: none"> <li>Corporate Banking &amp; SME</li> <li>Retail &amp; Private Banking</li> <li>Treasury &amp; Financial Institutions</li> <li>Asset Management &amp; Financial Advisory</li> <li>International Operations (UK, France and U.A.E)</li> </ul>
<p><b>Market Share</b></p>	<ul style="list-style-type: none"> <li>2nd largest listed Islamic bank in Qatar by total assets (33 % market share)*</li> <li>3rd largest listed Qatari bank by total loans (10% market share)**</li> </ul>
<p><b>Public Listing</b></p>	<ul style="list-style-type: none"> <li>Ordinary shares listed on the Qatar Stock Exchange</li> <li>3rd largest bank in Qatar by market capitalization(QAR 27.5 b)***</li> <li>Total ordinary shares issued 9.3 billion</li> </ul>
<p><b>Rating</b></p>	<ul style="list-style-type: none"> <li>MAR's credit rating re-affirmed at A1</li> <li>Negative outlook, baseline credit assessment and adjusted baseline credit assessment: baa2</li> </ul>

## 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 (Published Financial statement); \*\* As of Dec 2022 (QCB Balance sheet) , \*\*\* As of 31 March 2023 (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:	31.3 %Corporations, & 34.8% Retail
Shareholders count:	185 K (of which 133 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

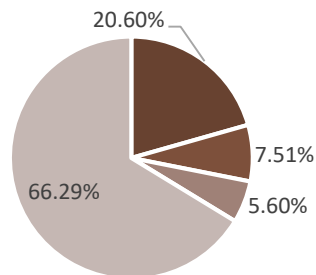
Market cap

- QAR 27.5 bn

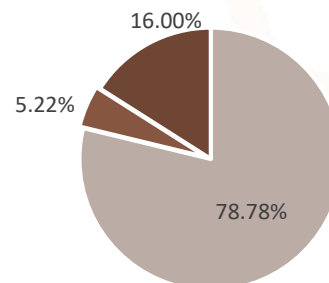
Valuation multiples

- P/B 1.22

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

### 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



Mr. Abdullah Nasser Al Misnad

**Other positions:**

- Chairman, Qatari Investors Group
- Chairman, Vodafone



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



Mr. Turki Mohammed Al Khater

**Other positions:**

- Chairman, United Development Company
- Board Member, Ooredoo (Qatar).
- President, General Retirement & Social Insurance Authority



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



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 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 20.73%) 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

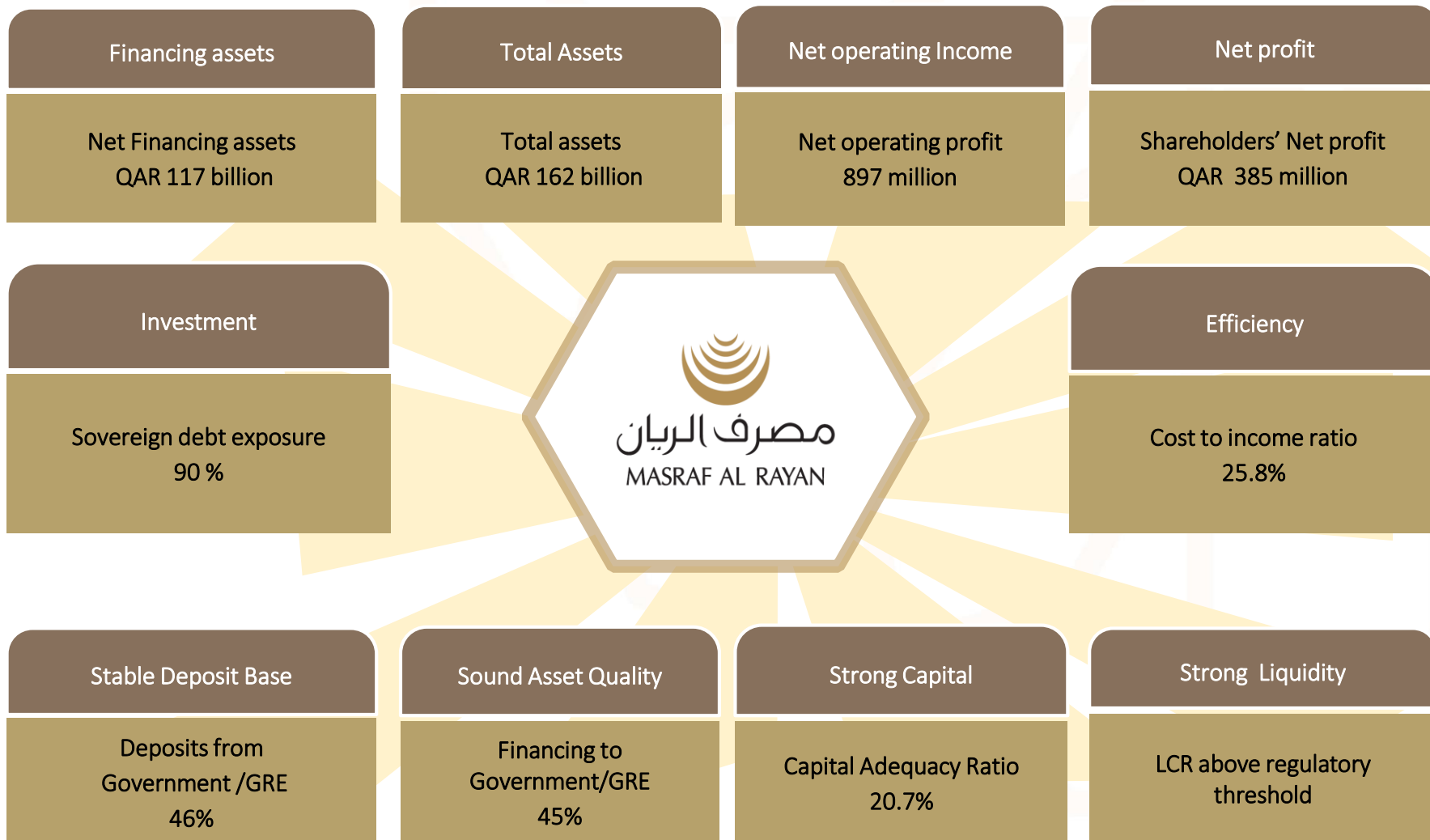
- Members of the Board including the Chairman are highly respected individuals within the wider Govt. set up
- Highly experienced management team with extended years of experience
- Continuously evolving and strengthening corporate governance framework by adopting global best practices





# Introduction to Masraf Al Rayan

## Strong and stable bank



# 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

## Q1-2023 Summary

### Balance Sheet

- Total assets QAR 162,189 million compared to QAR 167,533 million on 31 December 2022;
- Financing activities at QAR 116,522 million compared to QAR 117,859 million on 31 December 2022;
- Investments securities at QAR 30,300 million, compared to QAR 31,477 million on 31 December 2022;
- Customer deposits totaled QAR 93,689 million compared to QAR 97,292 million on 31 December 2022;

### Income statement

- Net profit totalled QAR 385 million for Q1 2023, compared to QAR 488 million for the same period in 2022;
- Total income for Q1 2023 totalled QAR 2,276 million as compared to QAR 1,555 million for the same period in 2022

### Financial Ratios

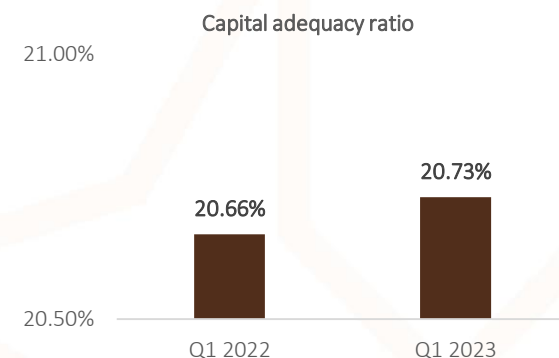
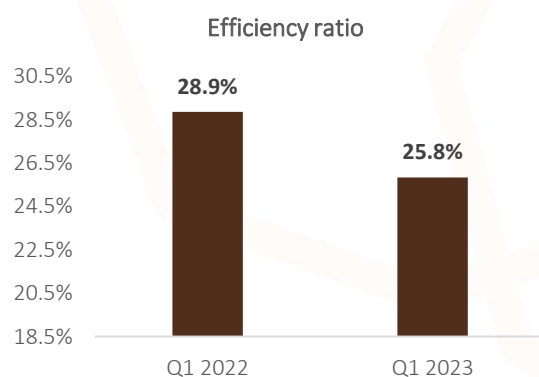
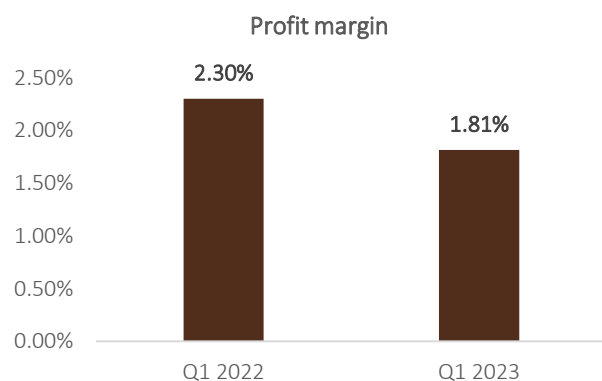
- Profit margin of 1.81 %;
- Return on average equity of 6.75%;
- Earnings per share for the period is QAR 0.041;
- Book value per share at QAR 2.42;
- Operational Efficiency ratio is 25.8%
- Non-performing financing (NPF) ratio of 6.17%

# Financial Highlights and Performance

## Income statement Q1-2023

Income statement (QAR million)	Q1 2023	Q1 2022	YoY
Operating income	2,276	1,555	46.3%
Net operating profit	897	1,095	-18.1%
Operating expenses	232	316	+26.6%
Pre impairment profit	665	779	-14.6%
Net Impairment Charges	272	287	5.2%
Net profit	393	492	-20.1%
Net profit attributable to shareholders	385	488	-21.1%

- Net profit attributable to the Equity holders of the bank totalled QAR 385 million for the Q1 2023.
- Operating expenses dropped by 26.6%, compared to Q1-2022.



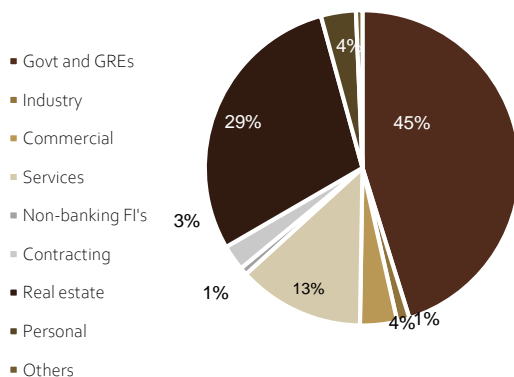
# Financial Highlights and Performance

## Balance Sheet Q1-2023

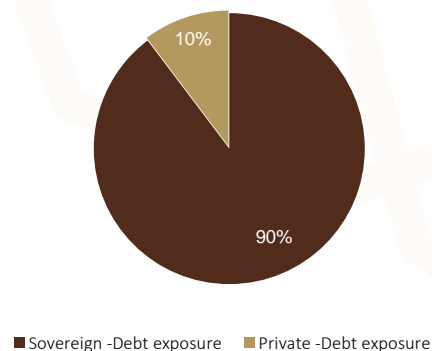
Balance Sheet (QAR billion)	Q1 2023	Q1 2022	YoY
Total Assets	162	171	-5.1%
Financing assets	117	122	-4.7%
Investments securities	30	32	-4.9%
Deposits	94	101	-7.4%
Total Equity	24	25	-5.6%

- **Financing Assets QAR 117 b:** of which 45 % exposure to Govt. & GRE's;
- **Investment securities QAR 30 b:** of which 90% exposure is Sovereign Debt;
- **Deposits QAR 94 b:** well diversified mix of Govt., Corporate and Personal banking segments

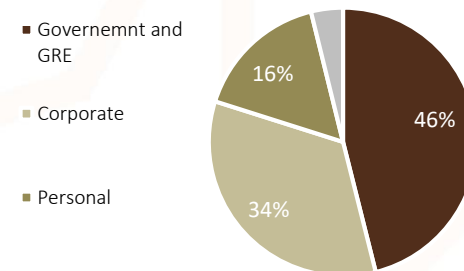
Financing Assets - Breakdown by Industry



Investment securities



Customer deposits - Breakdown by Sector

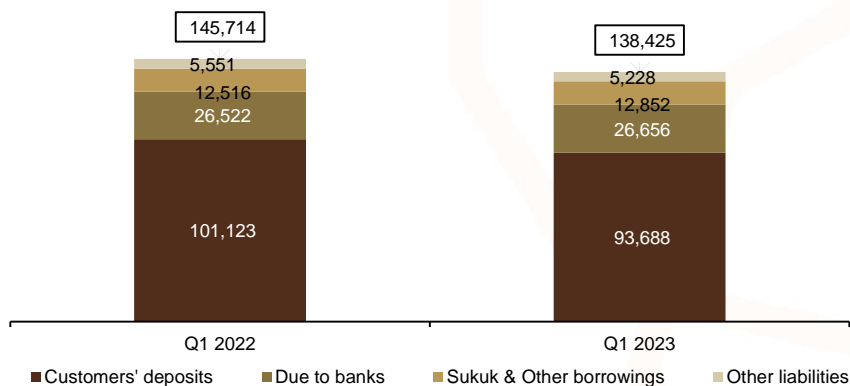




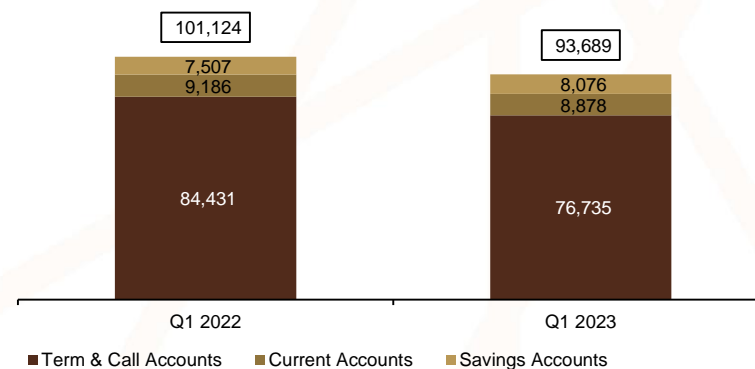
# Financial Highlights and Performance

## Funding & Liquidity Q1-2023

### Funding Mix – QAR m



### Deposit Mix – QAR m



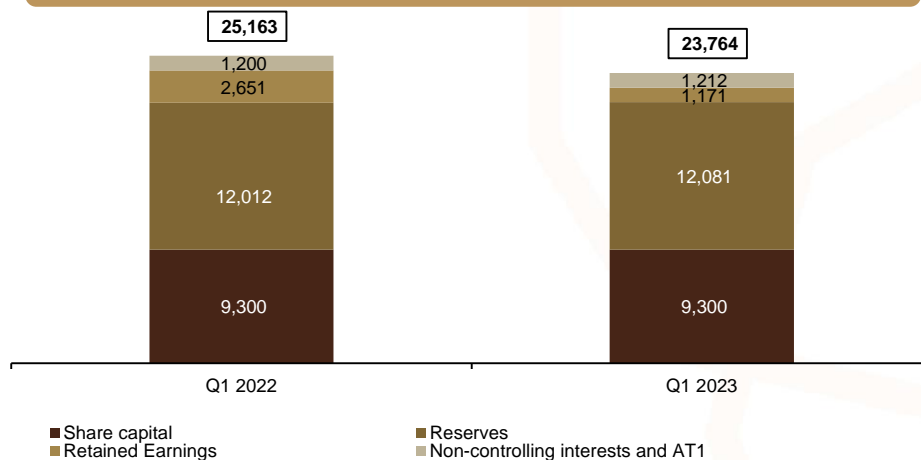
### Key Highlights

- 90% 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, 10 % Sukuk & other borrowings and 70% Customer Deposits);

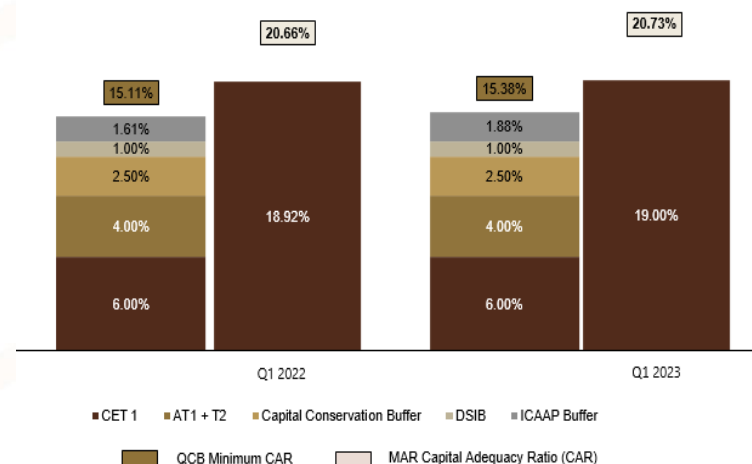
# Financial Highlights and Performance

## Capital Adequacy Q1-2023

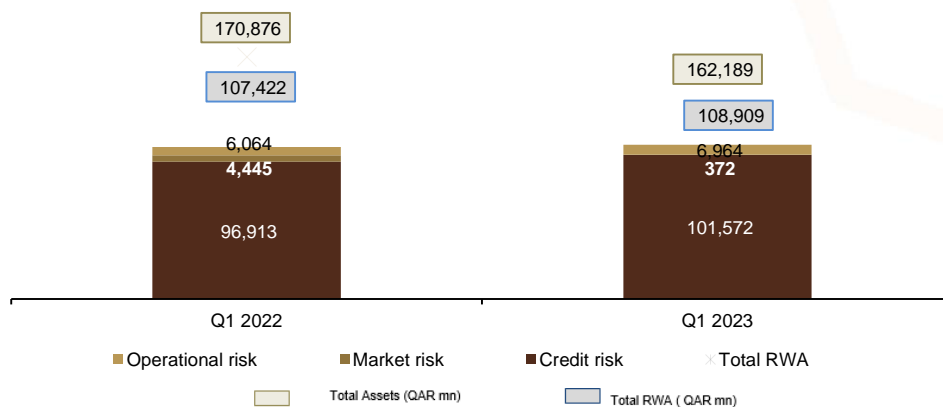
### Equity Breakup



### Capitalisation %



### Risk Weighted Assets



### Key Highlights

- Strong capitalization level - CAR (inclusive of CET1 capital of 19%) of 20.73% as at 31 March 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 31 March 2023;

# Operating Segments

# Operating Segments Q1-2023

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



	Q1 2023	
	QAR mn	% of Total*
<b>Total Assets</b>	78,373	48.3%
<b>Total Revenue</b>	1,216	53.4%
<b>Net operating income</b>	567	63.2%

## 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



	Q1 2023	
	QAR mn	% of Total*
<b>Total Assets</b>	28,468	17.6%
<b>Total Revenue</b>	467	20.5%
<b>Net operating income</b>	302	33.7%

## 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



	Q1 2023	
	QAR mn	% of Total*
<b>Total Assets</b>	13,882	8.6%
<b>Total Revenue</b>	140	6.2%
<b>Net operating income</b>	83	9.3%



# Operating Segments Q1-2023

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

	Q1 2023	
	QAR mn	% of Total*
<b>Total Assets</b>	37,671	23.2%
<b>Total Revenue</b>	399	17.5%
<b>Net operating income</b>	-109	-12.1%

## 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

	Q1 2023	
	QAR mn	% of Total*
<b>Total Assets</b>	198	0.1%
<b>Total Revenue</b>	14	0.6%
<b>Net operating income</b>	14	1.5%

\* Excluding unallocated and non-Sharia compliant assets, revenues and profit related to central functions, and non-core business functions, which accounted for 2.2% of total assets as at 31 March 23

# Financial Statements

# Financial Statements

## Balance Sheet Q1-2023

QAR mn	Q1 2023	Q4 2022	Q1 2022
Cash and Balances with central banks	5,094	5,088	5,571
Due from Banks	3,358	6,109	4,606
Financing Assets	116,522	117,859	122,251
Investment Securities	30,300	31,477	31,867
Investment in Associates	319	346	355
Fixed assets	933	902	754
Intangible assets	1,650	1,679	1,764
Other assets	4,012	4,074	3,708
<b>Total Assets</b>	<b>162,189</b>	<b>167,533</b>	<b>170,876</b>
Due to banks	26,656	28,805	26,522
Customer current accounts	8,878	8,737	9,186
Sukuk Financing	7,913	7,682	7,716
Other Borrowings	4,939	3,843	4,800
Other liabilities	5,228	5,629	5,551
<b>Total Liabilities</b>	<b>53,614</b>	<b>54,696</b>	<b>53,776</b>
<b>Equity of Investment Account holders</b>	<b>84,810</b>	<b>88,555</b>	<b>91,938</b>
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	24	33	61
Foreign currency translation reserve	(126)	(149)	(103)
Other reserves	141	141	127
Retained earnings	1,171	1,716	2,651
<b>Total Equity Attributable to Equity Holders of the Bank</b>	<b>22,552</b>	<b>23,084</b>	<b>23,964</b>
Non-Controlling interest	212	198	199
Instrument eligible as additional capital	1,000	1,000	1,000
<b>Total Equity</b>	<b>23,764</b>	<b>24,282</b>	<b>25,163</b>
<b>Total Liabilities, Equity of Investment Account Holders and Equity</b>	<b>162,189</b>	<b>167,533</b>	<b>170,876</b>

# Financial Statements

## Income statement Q1-202

QAR mn	Q1 2023	Q1 2022
Net income from financing activities	1,702	1,086
Net income from investing activities	370	299
<b>Total Net Income from Financing and Investing Activities</b>	<b>2,072</b>	<b>1,385</b>
Fee and commission income	116	94
Fee and commission expense	(2)	(6)
<b>Net Fee and Commission Income</b>	<b>114</b>	<b>87</b>
Net foreign exchange gain	50	72
Share of results of associates	13	10
Gain on sale of investment in an associate	17	-
Other income	11	0.4
<b>Total Income</b>	<b>2,276</b>	<b>1,555</b>
Staff costs	(94)	(182)
Depreciation	(42)	(52)
Other expenses	(84)	(77)
Finance expense	(514)	(139)
<b>Total Expenses</b>	<b>(735)</b>	<b>(450)</b>
Net (impairment losses) / reversal on due from banks	3	1
Net (impairment losses) / reversal on financing assets	(328)	(272)
Net (impairment losses) / reversal on investments	(8)	(9)
Net (impairment losses) / reversal on other balance sheet exposures	62	(7)
<b>Profit for the Period before Return to Investment Account Holders</b>	<b>1,269</b>	<b>819</b>
Less: Return to investment account holders	(865)	(321)
<b>Profit for the Period before Tax</b>	<b>404</b>	<b>498</b>
Tax expense	(11)	(5)
<b>Net Profit for the Year / Period</b>	<b>393</b>	<b>492</b>
<b>Net profit to equity holders (QAR mn)</b>	<b>385</b>	<b>488</b>





مصرف الريان  
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THANK YOU

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