



Earnings Flash Note
Masraf Al Rayan
1Q 2024



Masraf Al Rayan (MARK)

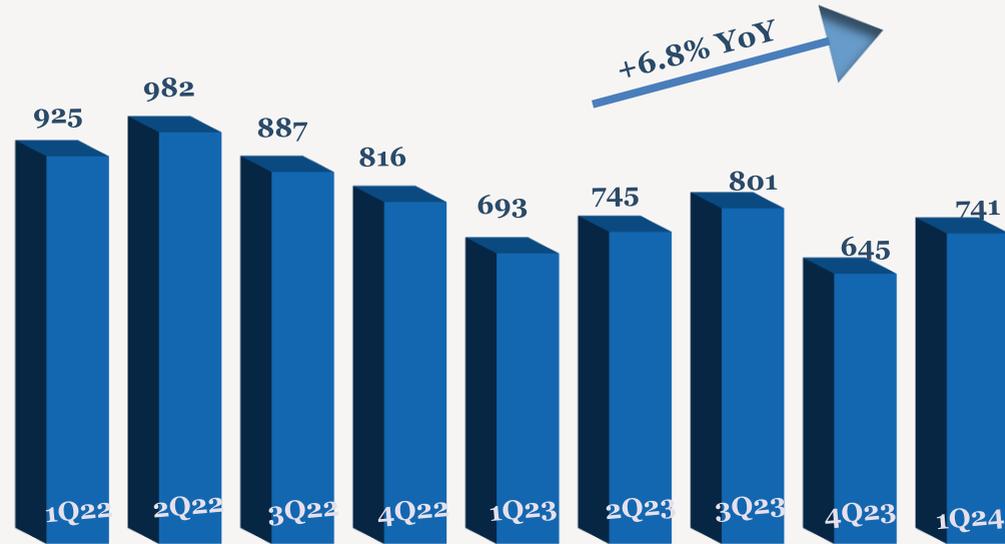
- > Net profit jumped 5.5% YoY to QR406mn (+89.7% QoQ) in 1Q2024 primarily driven by higher total net income from financing and investing activities and higher share of results of associates.
- > Net interest & investment income rose by 6.8% YoY to QR741mn (+14.9% QoQ) in 1Q2024.
- > Cost to income ratio increased by 0.6ppts YoY (+3.4ppts QoQ) to 25.2% in 1Q2024.
- > As of 1Q24-end, Loans & advances were QR107.0bn (-12.5% YoY, -1.1% QoQ) while Customer deposits increased by 12.4% YoY to QR105.3.7bn (+13.6% QoQ).
- > For 1Q2024, EPS came at QR0.044 vs. QR0.041 in 1Q2023,
- > As of 1Q2024-end, the book value per share stood at QR2.48 (1Q2023: QR2.42).
- > As of 25th April 2024, the stock has decreased 6.0% YTD, outperforming the QSE index, which was down by 11.0% YTD.
- > The stock is currently trading at a TTM P/B multiple of 0.9x, lower than its 3Y historical average of 1.5x. For now, we maintain our PT of QR 2.62/share and market perform rating.

1Q 2024 Earnings Performance

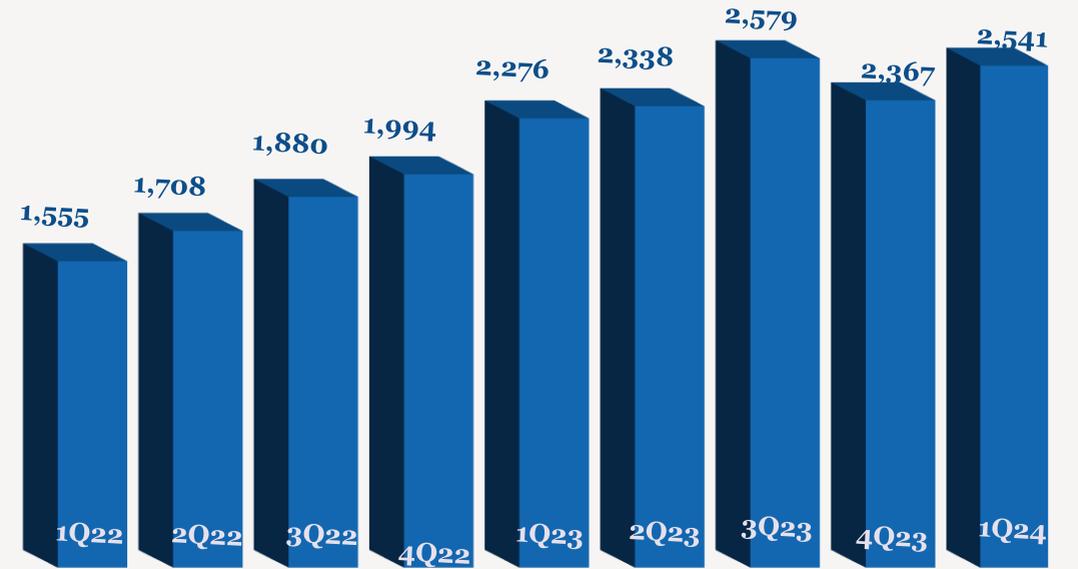
| | 1Q2024 | 1Q2023 | YoY | 4Q2023 | QoQ |
|------------------------------------|---------|---------|--------|---------|--------|
| Net Interest & Investment Income | 741 | 693 | 6.8% | 645 | 14.9% |
| Net Interest Margin % | 1.98% | 1.76% | | 1.69% | |
| Net Fee and Commission Income | 69 | 114 | -38.9% | N/M | N/M |
| Total Income | 2,541 | 2,276 | 11.7% | 2,367 | 7.4% |
| Cost/Income Ratio % | 25.22% | 24.62% | | 21.83% | |
| Net Profit to Equity | 406 | 385 | 5.5% | 214 | 89.7% |
| Book Value Per Ordinary Share (QR) | 2.48 | 2.42 | 2.1% | N/M | N/M |
| EPS (QR) | 0.044 | 0.041 | 5.5% | 0.018 | 141.6% |
| Loans & Advances | 106,997 | 122,251 | -12.5% | 108,228 | -1.1% |
| Customer Deposits | 105,330 | 93,689 | 12.4% | 92,724 | 13.6% |

Note: Values are expressed in QR'mn unless explicitly stated

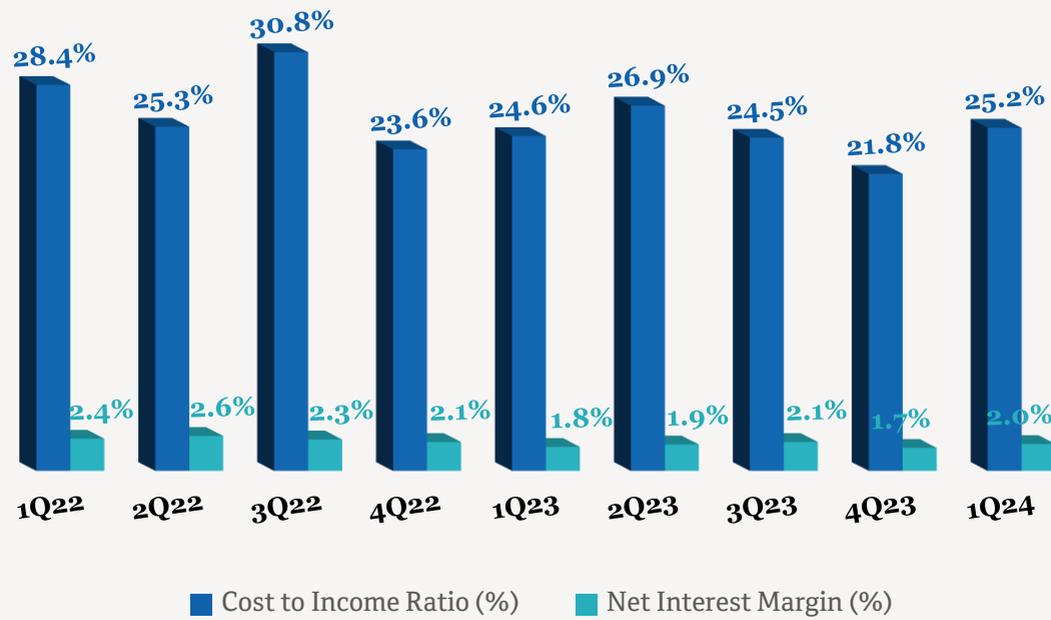
Quarterly Net Interest & Investment Income Trend (QRmn)



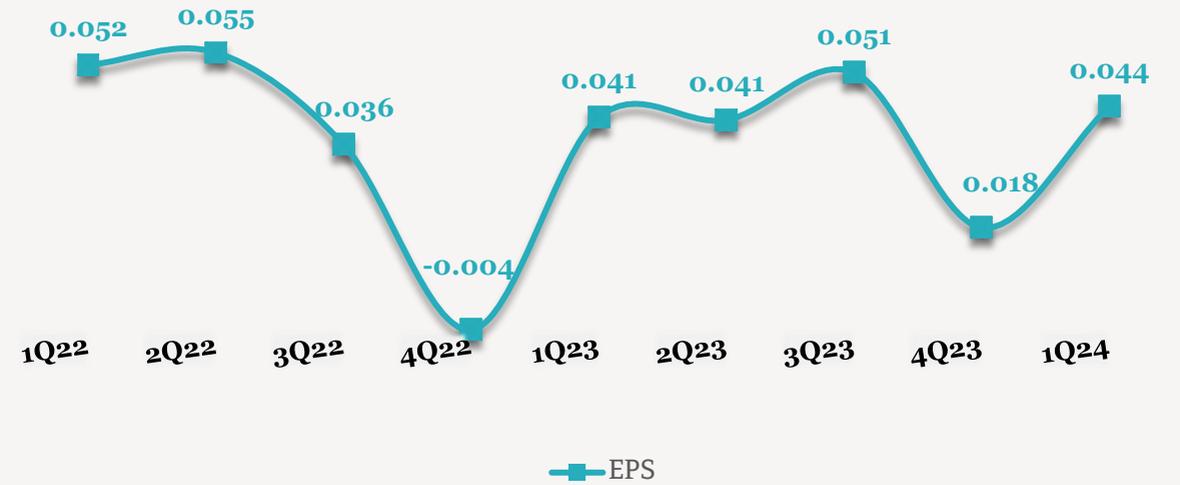
Quarterly Total Income Trend (QRmn)



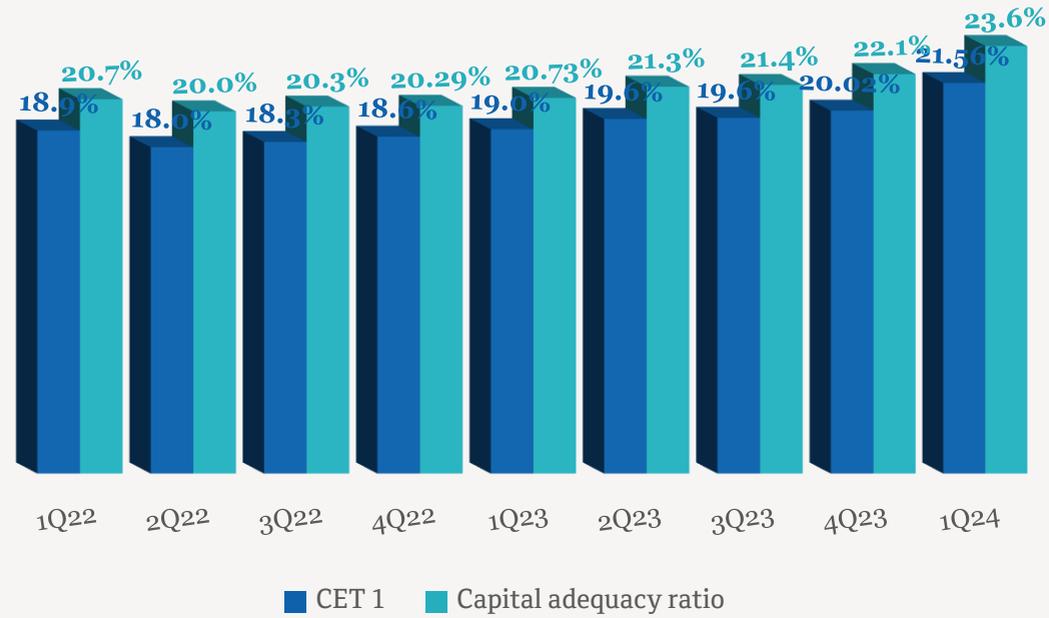
Quarterly Ratio Trend



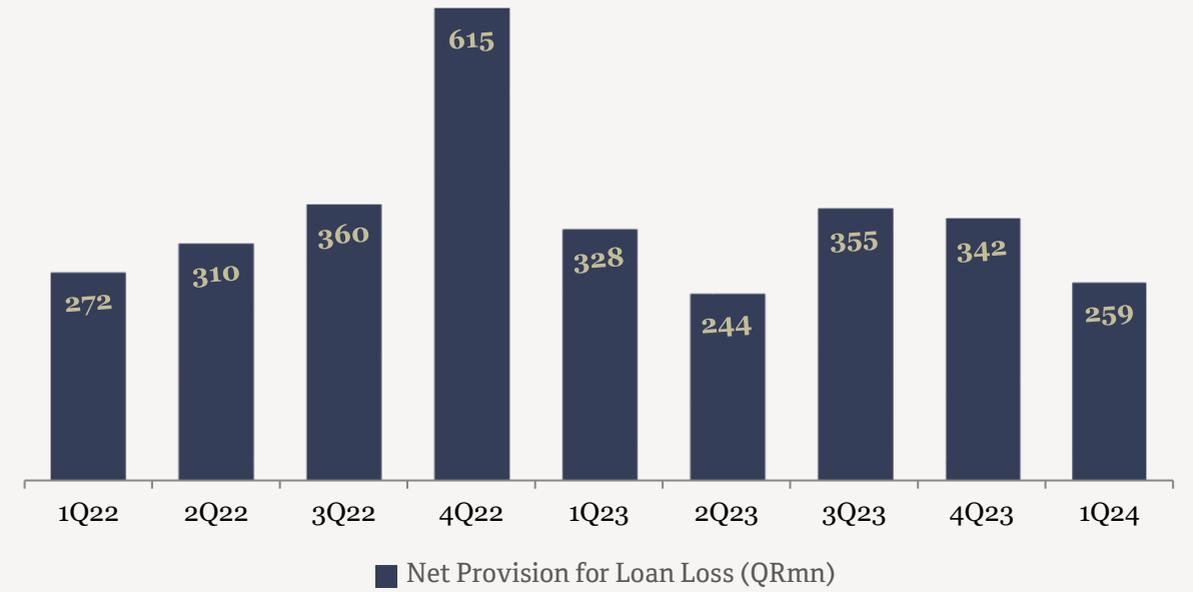
EPS (QR) Trend



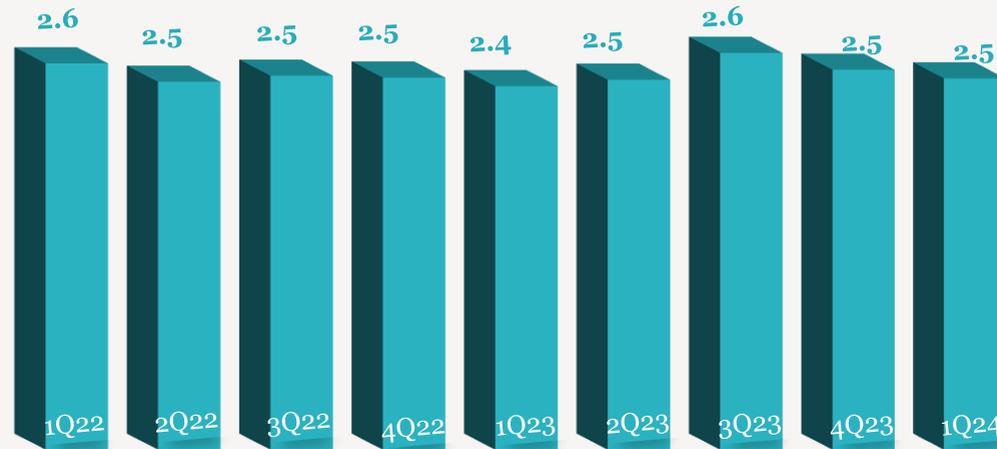
Capital Adequacy Ratios (%)



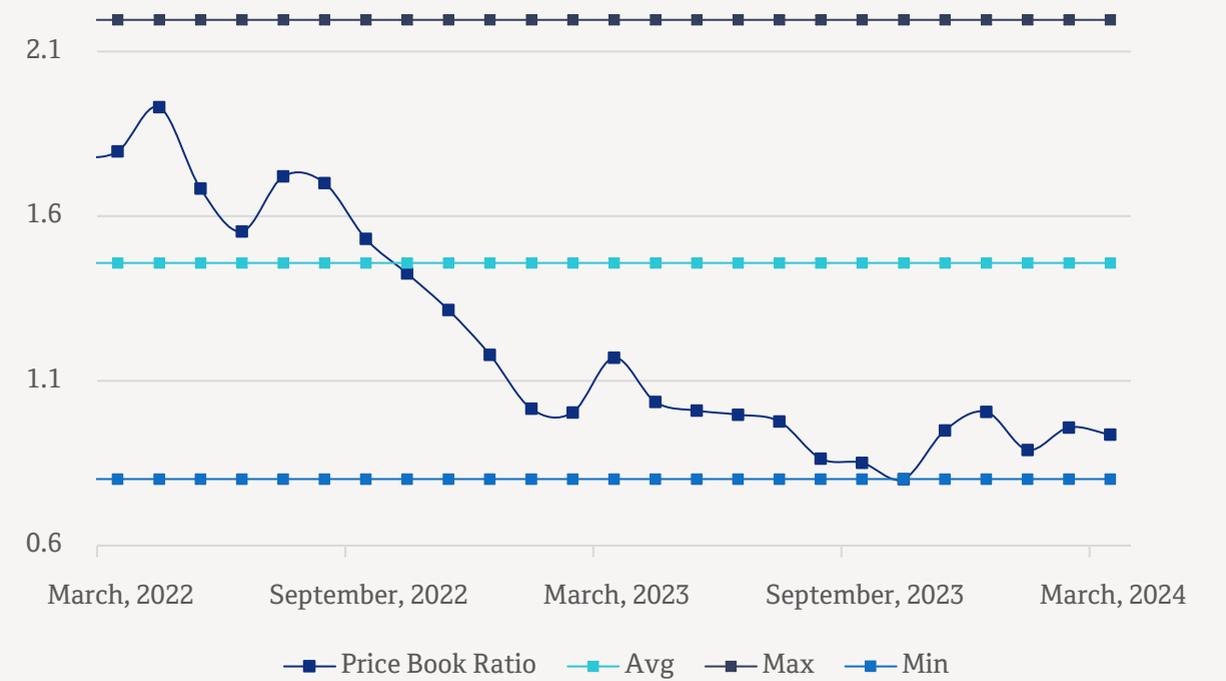
Net Provision for Loan Loss (QR mn)



Book Value Per Share (QR)



P/B Multiple Band (x)



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