

# Masraf Al Rayyan Bank Q3 2024 Results

Masraf Al Rayyan Bank, a leading Islamic financial institution in Qatar, has released its Q3' 2024 results, showcasing decent performance and growth across key financial metrics.



شركة قطر للأوراق المالية (ش.م.خ.ق)  
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# Quarterly Financial Performance

1	Q3 2024 EPS: 0.054, Revenue: 927.3M
2	Q2 2024 EPS: 0.041, Revenue: 914.1M
3	Q1 2024 EPS: 0.044, Revenue: 914.2M
4	Q4 2023 EPS: 0.018, Revenue: 641.7M







# Net Interest Margin Trends

Q1 2023	2.147
Q2 2023	2.021
Q3 2023	1.932
Q4 2023	1.838
Q1 2024	1.785
Q2 2024	1.729
Q3 2024	1.682

# Quarterly Net Income in million

406.1

Q1 2024

383

Q2 2024

499.2

Q3 2024

# Stock Price Reactions to Earnings

Report Date	Price Change
17-Jul-24	-0.9%
25 Apr 2024	0.0%
24 Jan 2024	-5.4%
26 Oct 2023	0.0%





# Financial Performance Overview

## 1 Dividend Yield

Attractive 4.2% dividend yield for investors.

## 2 P/E Ratio

Moderate P/E ratio of 15.5x indicates fair valuation.

## 3 Net Income

Impressive net income of 1.288 billion.

## 4 Price to Book

Favorable 0.9x price-to-book ratio suggests potential undervaluation.



# Factors Driving Profit Surge

## Investment Activities

Revenues from investment activities surged by 332 million riyals in 9 months.

## Fixed-Income Returns

Enhanced returns on fixed-income instruments boosted profits.

## Loan Balance Increase

Higher loan balances contributed to increased financing activity revenues.





# Nine Months Net Profit Trend

24-Sep	1,288.2
23-Sep	1,237.6
22-Sep	1,331.2
21-Sep	1713.3
20-Sep	1662.3



# Impact of Reduced Loan Loss Provisions

## 1 Provision Reduction

A significant decrease of 210 million riyals in non-performing loan provisions was observed during this quarter. This reduction is a positive indicator of the bank's improving asset quality and reduced credit risk. It signifies that the bank has experienced a decline in the number of borrowers who are unable to meet their loan obligations, leading to a lower need for provisions to cover potential losses.

## 2 Financial Performance

This substantial decrease in provisions had a positive impact on the bank's financial performance. The reduction in provisions directly boosted the bank's profitability, contributing to a significant increase in net income for the quarter.

## 3 Profit Boost

The reduced provisions played a crucial role in driving the net profit increase. By allocating less capital for loan loss provisions, the bank was able to retain more earnings, ultimately contributing to a higher net profit for the quarter.



# Asset Quality: Gross NPLs





# Non-Performing Loan Ratio

1

Q1 2023

Non-performing loan ratio: 6.197% - Total non-performing loans were 7,451 million Qatari Riyals.

2

Q3 2023

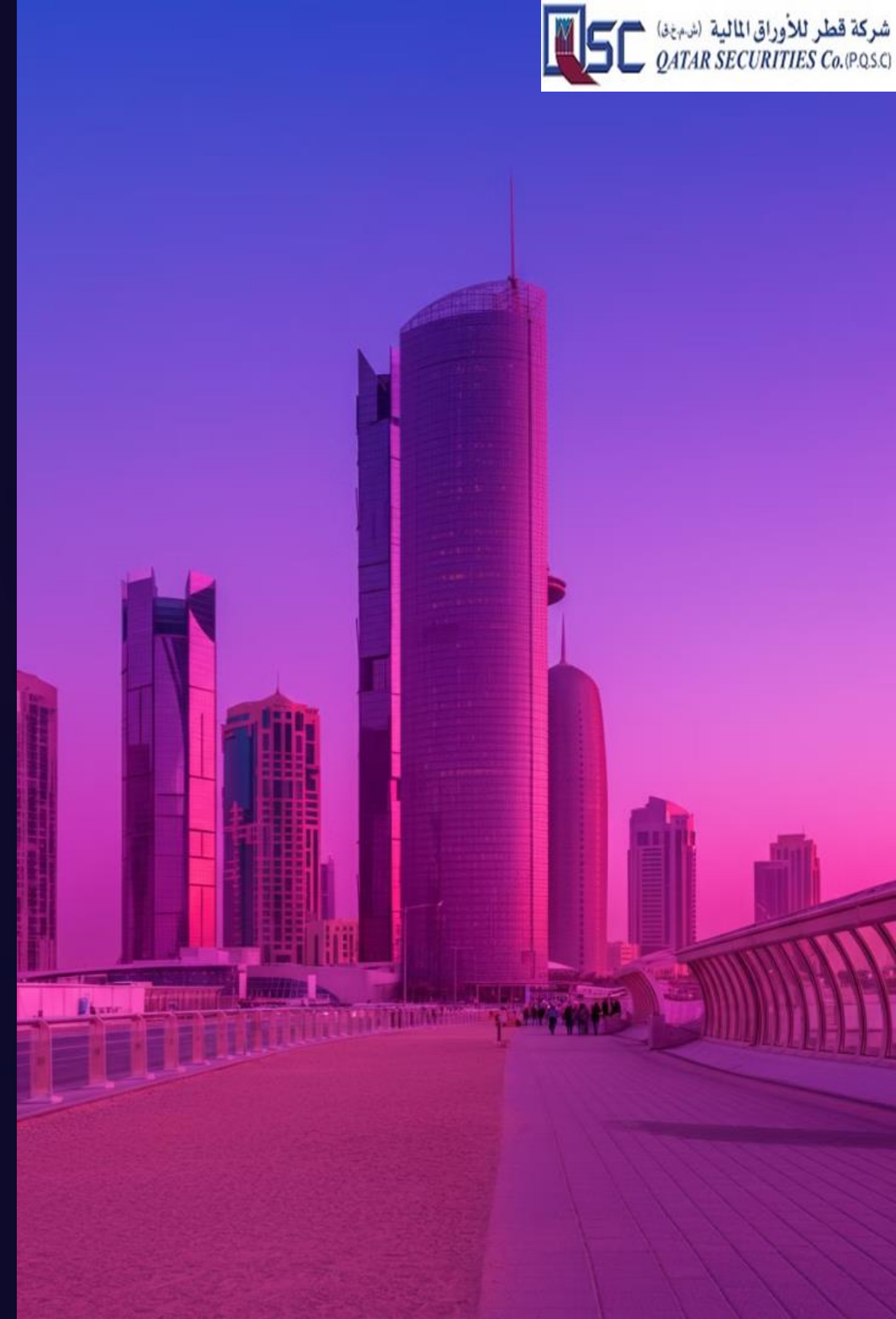
Non-performing loan ratio: 6.506% - Total non-performing loans remained at 6,641 million Qatari Riyals.

3

Q3 2024

Non-performing loan ratio: 5.939% - The ratio slightly decreased to 5.939% from 6.506% in the previous quarter.

# Provision for Loan Losses





# Non-Performing Loans Analysis

## Quarterly Change

NPLs increased by 166 million quarterly, indicating a slight increase in the number of loans that are considered non-performing. This could be attributed to factors such as economic conditions .

## Annual Change

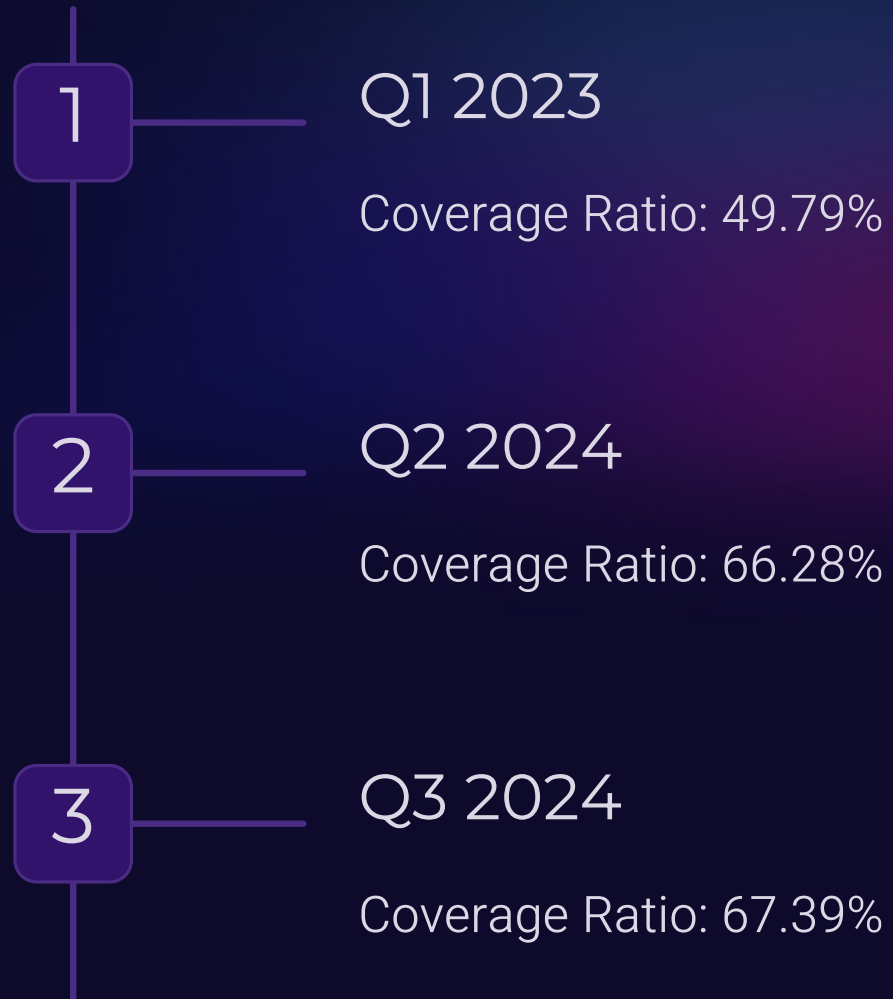
NPLs decreased by about 626 million annually, reflecting a significant improvement in asset quality over the year. This positive trend highlights the bank's proactive efforts in managing loan risk and improving creditworthiness.

## Overall Trend

The overall trend shows a consistent improvement in long-term asset quality. This demonstrates the bank's strong commitment to responsible lending practices and a well-defined strategy for managing credit risk.



# Provision Coverage Ratio Improvement





# Financial Performance Trends

- 1

FY 2022

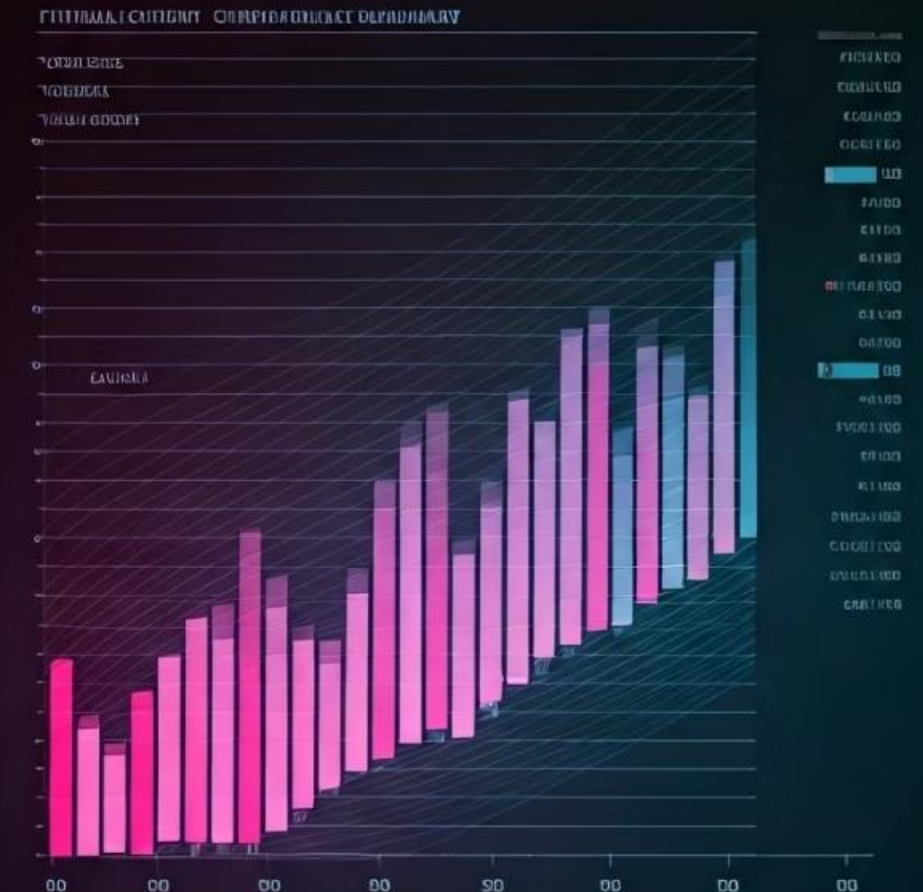
Net Revenue: 5,527 million
- 2

FY 2023

Net Revenue: 8,310 million
- 3

LTM 2024

Net Revenue: 8,853 million



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# Profitability Metrics

Net Profit Margin

TTM: 16.67% vs Industry: 45.33%

Return on Equity

TTM: 6.17% vs 5YA: 10.29%

Return on Assets

TTM: 0.93% vs 5YA: 1.39%



# Loan Loss Allowance and Net Loans

1

Q4 2022

Allowance: 3,381M, Net Loans: 116,736M

2

Q2 2024

Allowance: 4,402M, Net Loans: 106,736M

3

Q3 2024

Allowance: 4,586.9M, Net Loans: 110,036M

# CASA Ratio

## CASA Ratio

CASA Ratio Q3 2024	14.08%
CASA Ratio Q1 2023	18.10%
CASA Ratio Q2 2024	15.97%
CASA Ratio Q4 2022	17.63%







# Net Loans

Q1 2023	Q2 2023	Q3 2023	Q4 2023	Q1 2024	Q2 2024	Q3 2024
116,522.5	111,811.5	109,947.4	108,228.2	106,997.0	108,409.3	110,036.9

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