



Earnings Flash Note

Masraf Al Rayan

2Q 2024/6M 2024



Masraf Al Rayan (MARK)

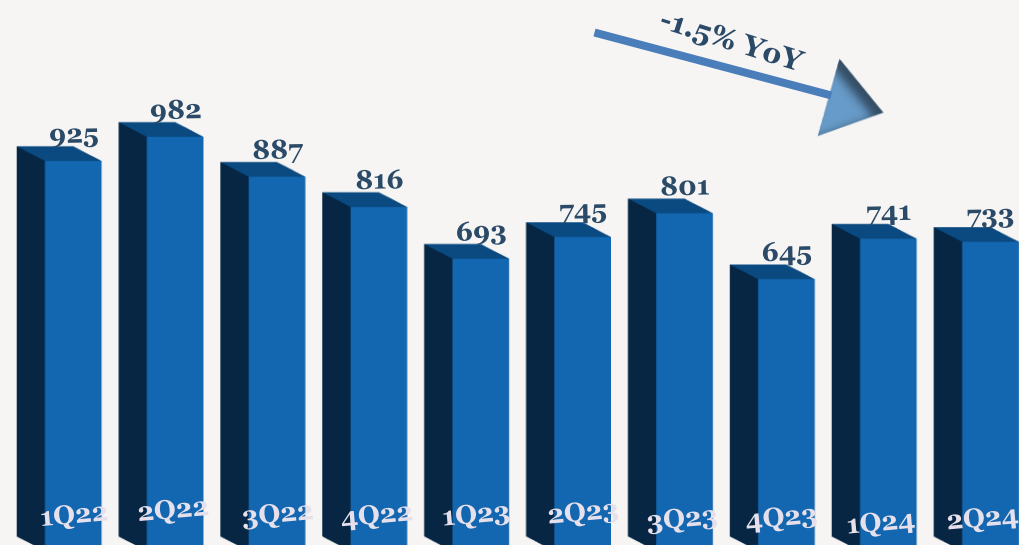
- > Net profit rose 0.9% YoY to QR383mn (-5.7% QoQ) in 2Q2024 primarily on account of higher total income and lower total expense, however, largely offset by increased return to investment account holders. For 6M2024 net profit rose 3.2% to QR789mn.
- > Net interest & investment income fell by 1.5% YoY to QR733mn (-1.0% QoQ) in 2Q2024. For 6M2024, net interest and investment income was up 2.5% to QR1,474mn.
- > Cost to income ratio increased by 0.5ppts YoY (flat QoQ) to 25.2% in 2Q2024. For 6M2024, cost to income ratio was 25.2% vs 23.6% in 6M2023.
- > As of 2Q24-end, Loans & advances were QR108.4bn (-3.0% YoY, +1.3% QoQ) while Customer deposits increased by 22.6% YoY to QR108.9bn (+3.4% QoQ).
- > For 2Q2024, EPS came broadly flat at QR0.041 in 2Q2023, for 6M2024, EPS was QR0.085 vs QR0.082 in 6M2023.
- > As of 2Q2024-end, the book value per share stood at QR2.52 (2Q2023: QR2.47).
- > As of 18th July 2024, the stock has decreased 12.0% YTD, underperforming the QSE index, which was down by 6.3% YTD.
- > The stock is currently trading at a TTM P/B multiple of 0.9x, lower than its 3Y historical average of 1.4x. For now, we maintain our PT of QR 2.62/share and market perform rating.

2Q/6M 2024 Earnings Performance

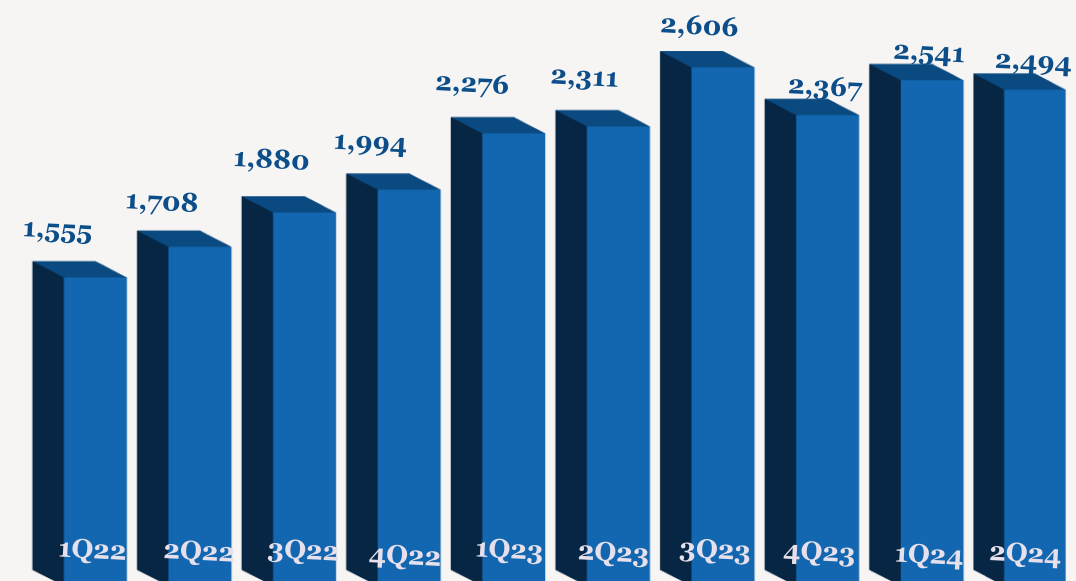
	2Q2024	2Q2023	YoY	1Q2024	QoQ	6M2024	6M2023	YoY
Net Interest & Investment Income	733	745	-1.5%	741	-1.0%	1,474	1,438	2.5%
Net Interest Margin %	1.97%	1.94%		1.98%		2.0%	1.9%	
Net Fee and Commission Income	70	68	2.9%	69	0.9%	140	158	-11.7%
Total Income	2,494	2,311	7.9%	2,541	-1.9%	5,036	4,563	10.4%
Cost/Income Ratio %	25.2%	24.7%		25.2%		25.2%	23.6%	
Net Profit to Equity	383	380	0.9%	406	-5.7%	789	765	3.2%
Book Value Per Ordinary Share (QR)	2.52	2.47	2.0%	2.48	1.6%	2.52	2.47	2.0%
EPS (QR)	0.041	0.041	0.9%	0.044	-5.7%	0.085	0.082	3.2%
Loans & Advances	108,409	111,812	-3.0%	106,997	1.3%	108,409	111,812	-3.0%
Customer Deposits	108,935	88,864	22.6%	105,330	3.4%	108,935	88,864	22.6%

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

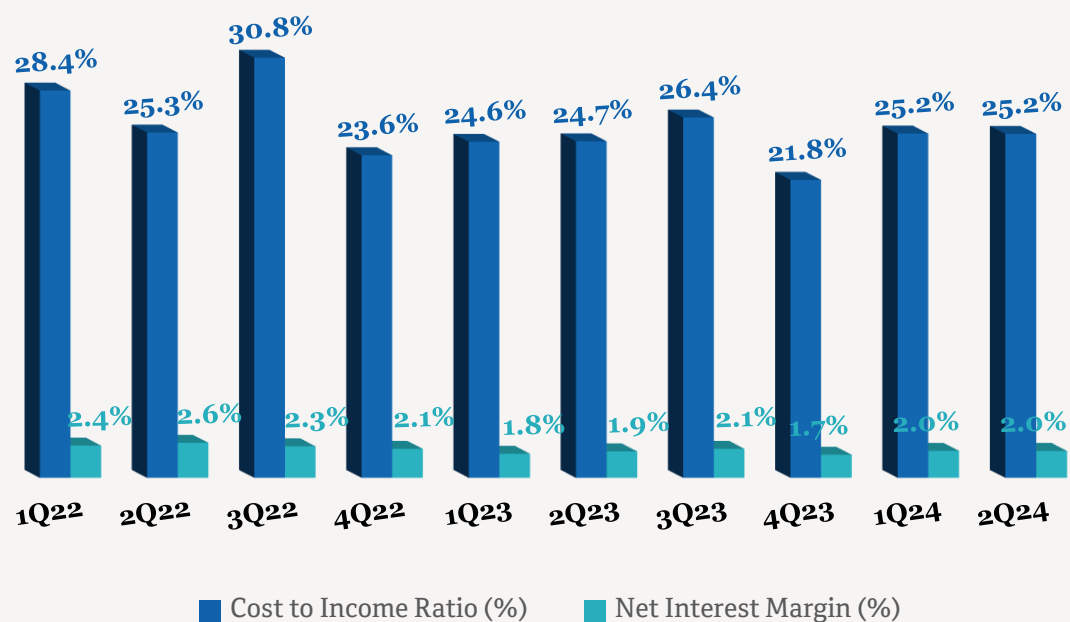
Quarterly Net Interest & Investment Income Trend (QRmn)



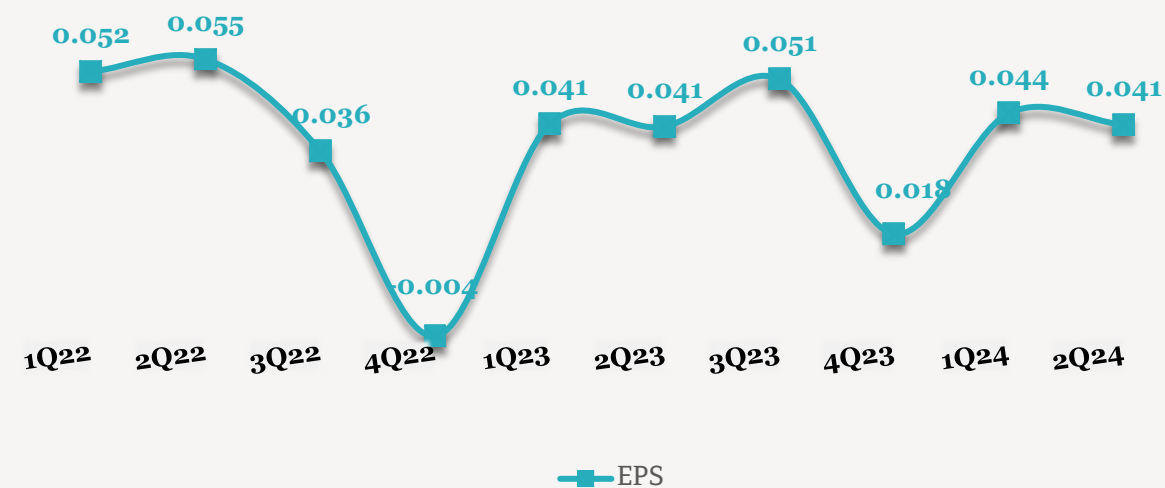
Quarterly Total Income Trend (QRmn)



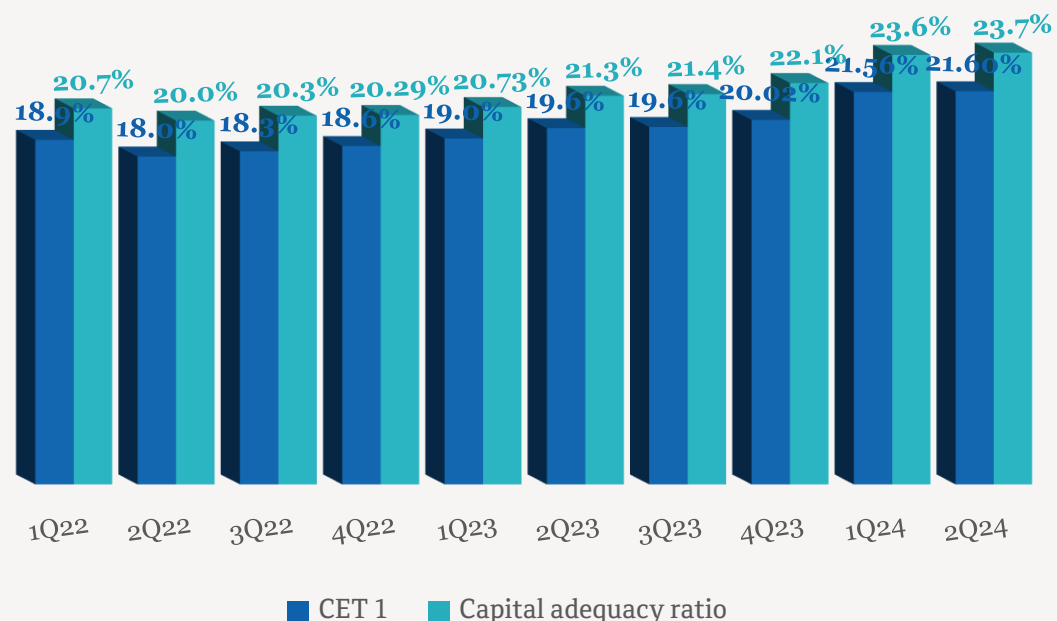
Quarterly Ratio Trend



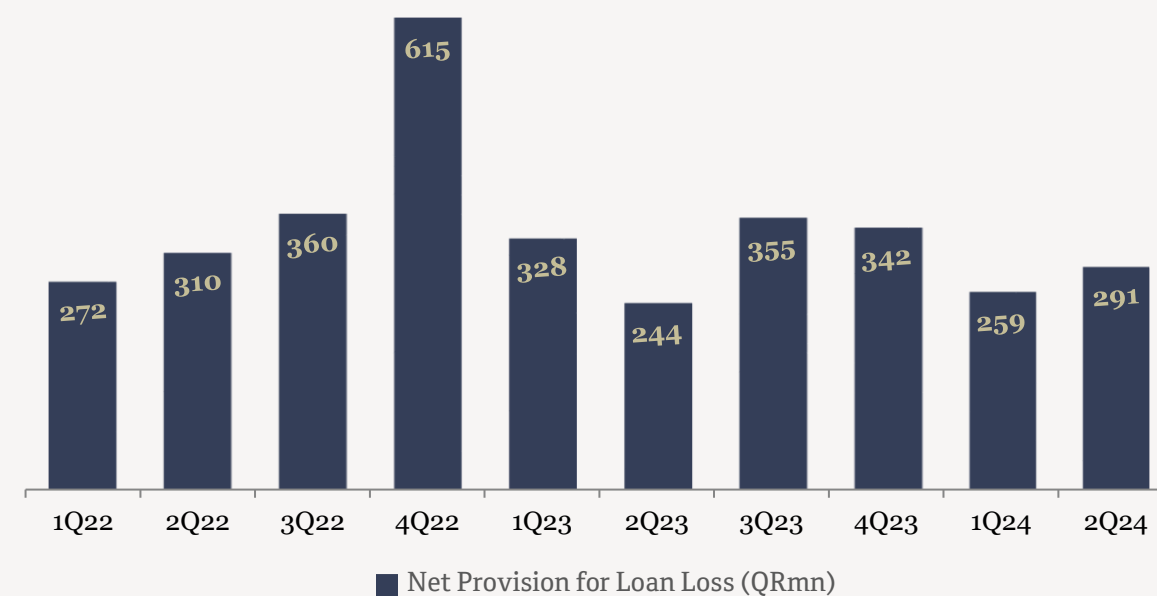
EPS (QR) Trend



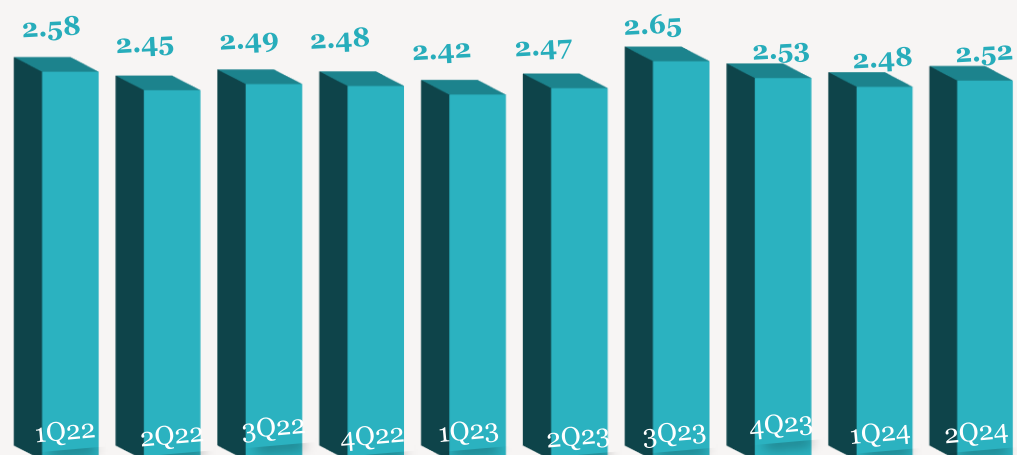
Capital Adequacy Ratios (%)



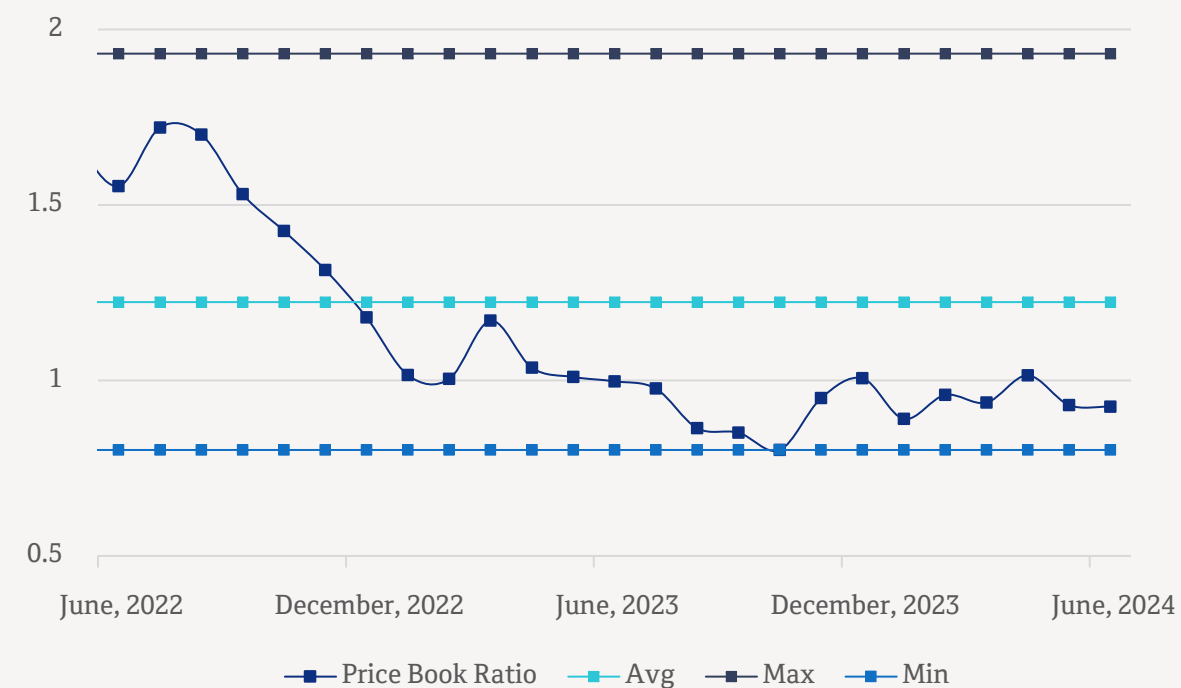
Net Provision for Loan Loss (QR mn)



Book Value Per Share (QR)



P/B Multiple Band (x)



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