



Earnings Flash Note

Masraf Al Rayan

4Q 2023 / FY 2023



Masraf Al Rayan (MARK)

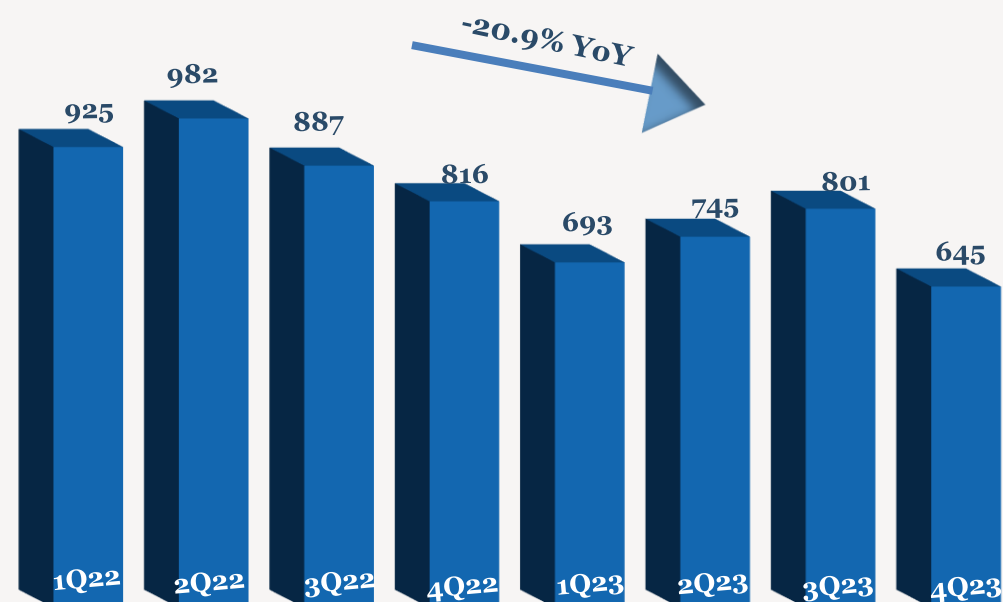
- > Net profit jumped 15x YoY to QR214.1mn (-54.7% QoQ) in 4Q2023 primarily driven by higher total net income from financing and investing activities (+17.0% YoY). For FY2023, net profit was up by 8.0% YoY to QR1,452mn.
- > Net interest & investment income fell by 20.9% YoY to QR645mn (-19.5% QoQ) largely due to higher finance cost and return to investment account holders in 4Q2023 while for FY2023, it fell by 20.1% YoY to QR2,884mn.
- > Cost to income ratio declined by 1.8ppts YoY and 2.7ppts to 21.8% in 4Q2023. For FY2023, cost of income ratio came at 24.7% compared to 24.0% in FY2022 (excluding one-time charges).
- > As of 4Q23-end, Loans & advances were QR108.2bn (-8.2% YoY, -1.6% QoQ) while Customer deposits decreased by 4.7% YoY to QR92.7bn (+0.2% QoQ).
- > For 4Q2023, EPS came at QR0.023 vs. QR0.001 in 4Q2022 while for FY2023, EPS was 0.151 vs 0.140 in FY2022.
- > As of 4Q23-end, the book value per share stood at QR2.53 (FY22: QR2.48).
- > As of 23rd Jan 2024, the stock has decreased 2.5% YTD, outperforming the QSE index, which was down by 4.3% YTD.
- > The stock is currently trading at a TTM P/B multiple of 1.0x, lower than its 3Y historical average of 1.7x. For now, we maintain our PT of QR 2.77/share and accumulate rating.
- > The Board announced a DPS of QR0.100 for 2023 which translates into a yield of 3.9%.

4Q/FY 2023 Earnings Performance

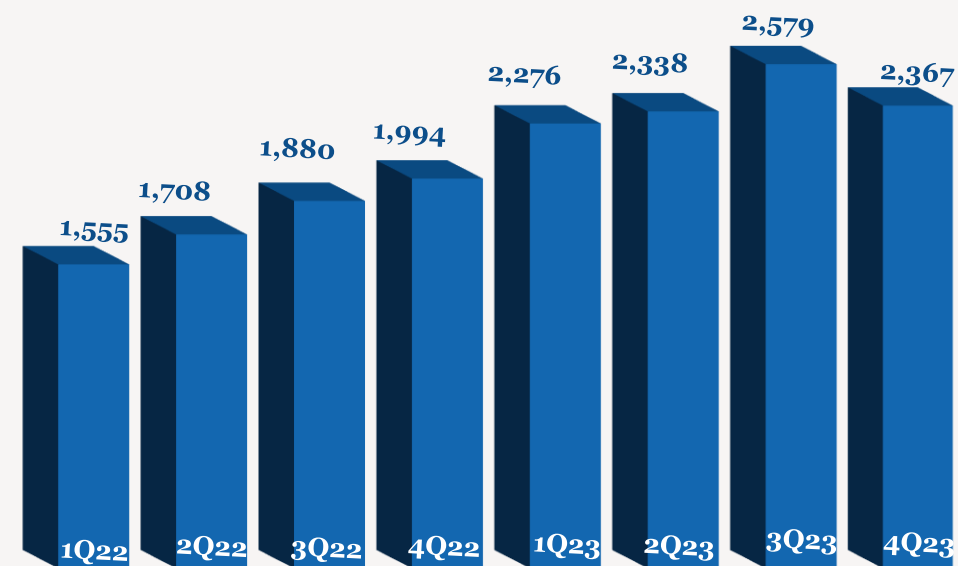
	4Q2023	4Q2022	YoY	3Q2023	QoQ	FY2023	FY2022	YoY
Net Interest & Investment Income	645	816	-20.9%	800.8	-19.5%	2,884	3,610	-20.1%
Net Interest Margin %	1.7%	2.1%		2.1%		1.9%	2.3%	
Net Fee and Commission Income	-10	-7	NM	119.4	NM	319	328	-2.9%
Total Income	2,367	1,994	18.7%	2,579	-8.2%	9,560	7,137	34.0%
Cost/Income Ratio %	21.8%	23.6%		24.5%		24.6%	27.2%	
Net Profit to Equity	214	13	1,523.9%	473	-54.7%	1,406	1,298	8.3%
Book Value Per Ordinary Share (QR)	2.53	2.48	2.1%	2.65	-4.2%	2.53	2.48	2.1%
EPS (QR)	0.023	0.001	NM	0.051	-64.5%	0.151	0.140	8.3%
Loans & Advances	108,228	117,859	-8.2%	109,947	-1.6%	108,228	117,859	-8.2%
Customer Deposits	92,724	97,292	-4.7%	92,509	0.2%	92,724	97,292	-4.7%

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

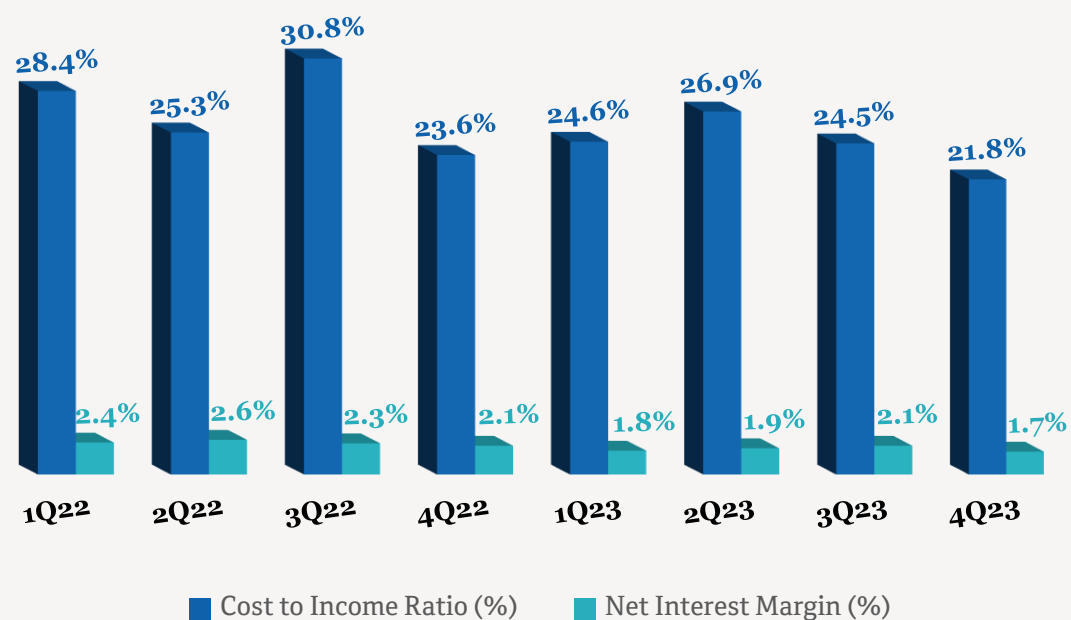
Quarterly Net Interest & Investment Income Trend (QRmn)



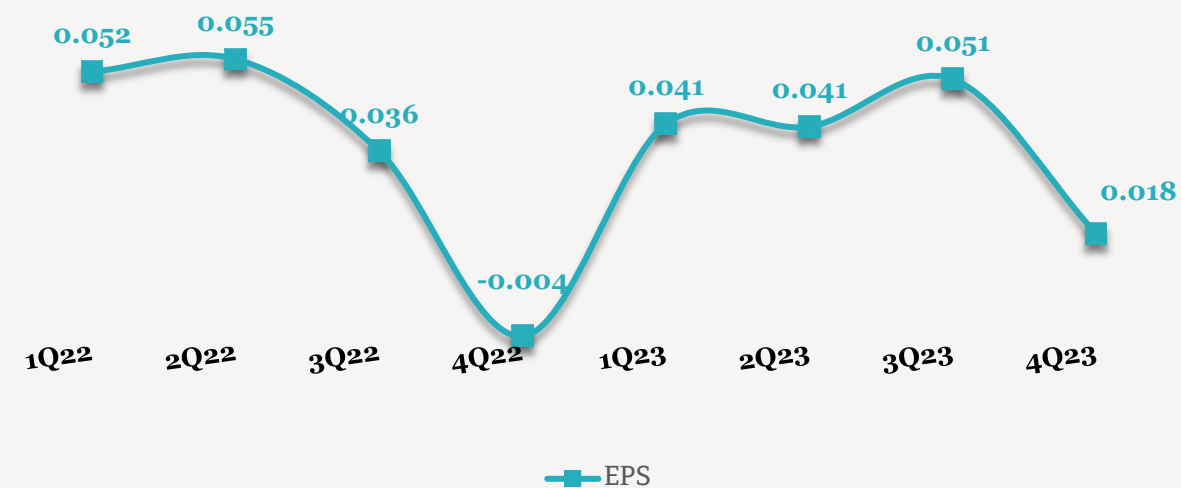
Quarterly Total Income Trend (QRmn)



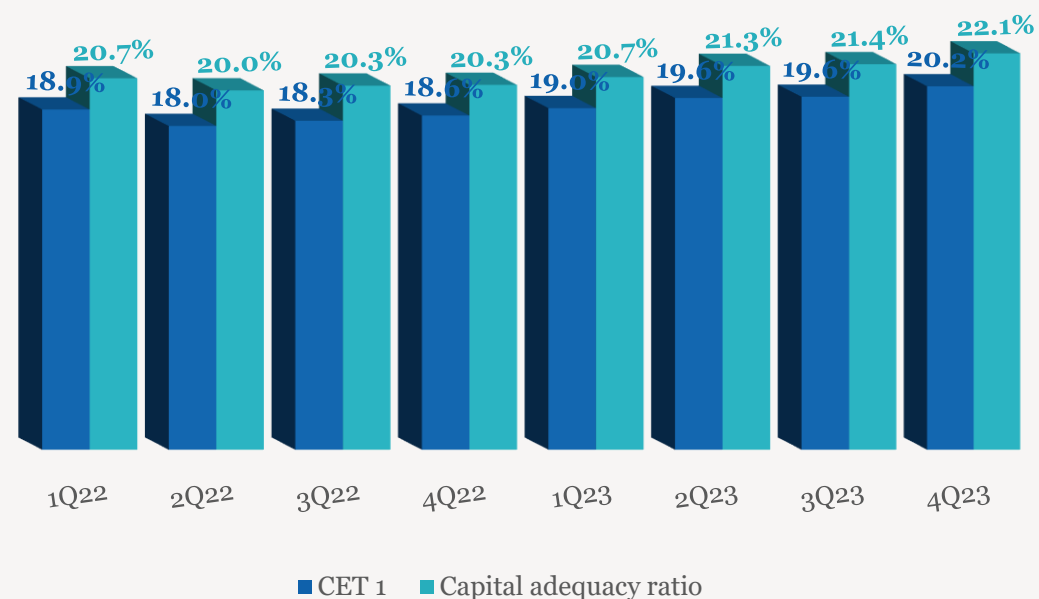
Quarterly Ratio Trend



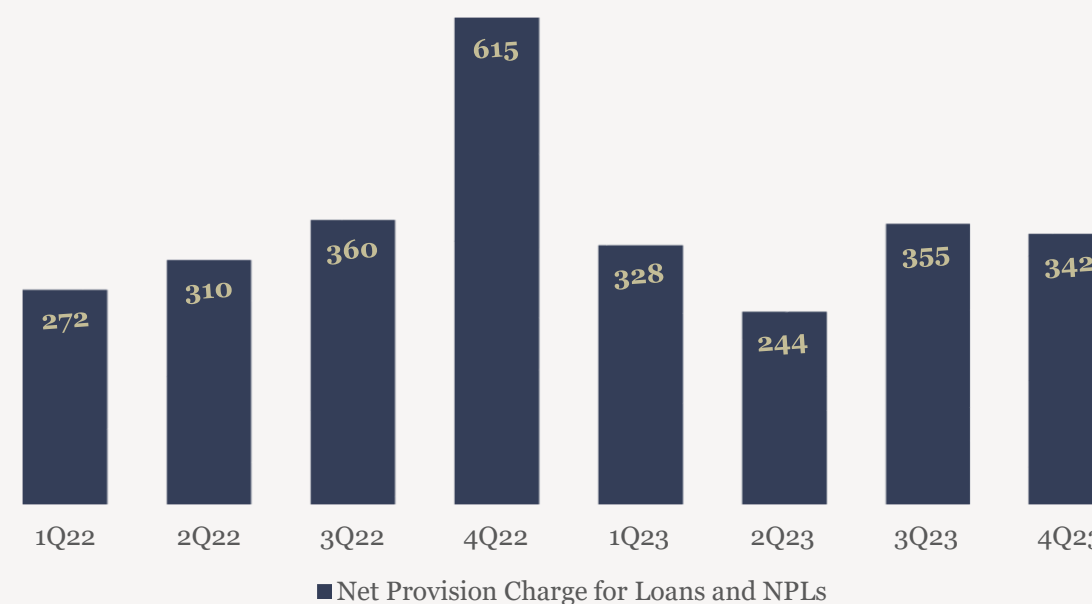
EPS (QR) Trend



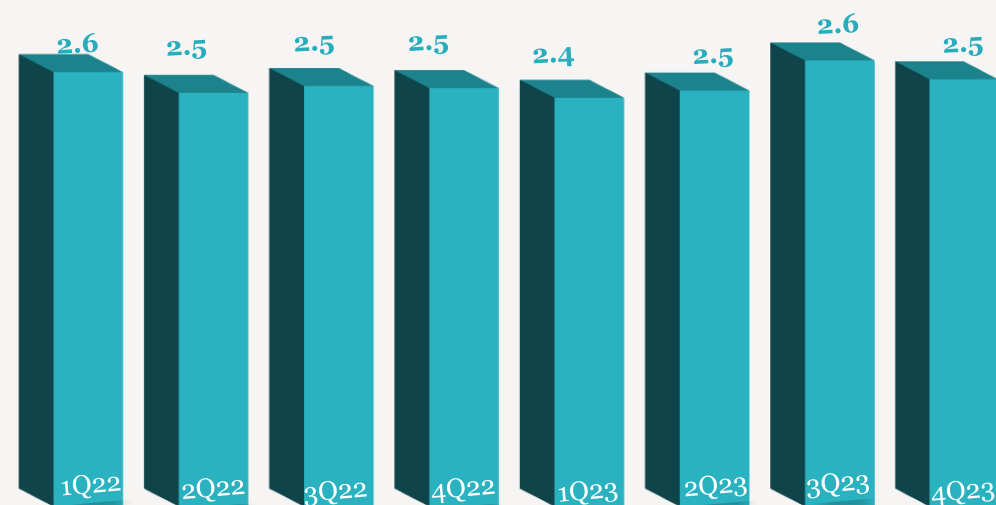
Capital Adequacy Ratios (%)



Net Provision for Loan Loss (QR mn)



Book Value Per Share (QR)



P/B Multiple Band (x)



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