

## Invitation to the Ordinary General Assembly Meeting

Greetings,

The Board of Directors of Masraf Al Rayan has the honor to invite all shareholders to the annual Ordinary General Assembly Meeting that will be held at 6.30 p.m. on Tuesday, 23 February 2016 at Salwa Ballroom, Doha Sheraton Hotel. In case the required quorum is not reached in the first meeting, a second meeting will be held on 1 March 2016 at the same time and venue.

### Agenda

1. Discussion of Board of Directors report on the activities of Masraf Al Rayan and its financial position for the fiscal year ended on 31st December 2015 and the future plans of the Bank.
2. Discussion of Shari'ah Supervisory Board report on compliance of Masraf Al Rayan to Shari'ah rules for fiscal year ended on 31st December 2015.
3. Discussion and approval of the External Auditors report on the Balance Sheet and Income Statement of Masraf Al Rayan as presented by the Board of Directors for the fiscal year ended on 31st December 2015.
4. Discussion and approval of the financial Statements for Masraf Al Rayan for the fiscal year ended on 31st December 2015.
5. Discussion and approval of the proposals of the Board of Directors regarding appropriation and cash dividend of QR 1.75 per share, representing 17.5% of the paid-up capital for the fiscal year 2015.
6. Discussion and approval of the Corporate Governance Report of Masraf Al Rayan for the year 2015.
7. Discussion and approval of absolving the Chairman and Members of Board of Directors from all responsibilities for the fiscal year ended on 31st December 2015, fixing their remuneration for the year ended on 31st December 2015 and approve the new guide of rules of compensation and the remuneration of the Board of Directors.
8. Appointing the External Auditors of Masraf Al Rayan for fiscal year 2016 and approve their fees.

### Notes:

1. All Shareholders are requested to be present at the meeting venue one hour before the start time of the meeting, to register their attendance and to receive the participation form.
2. If you are unable to attend the meeting for any reason, please authorize another shareholder to attend the meeting on your behalf, using the proxy form over leaf, duly signed by you. In case of the company, the form must be signed by the authorized person(s) and company stamp must be affixed.
3. It is not permitted to grant proxy to a non-shareholder of the bank or to a member of Board of Directors. The number of shares held by a proxy holder must not exceed 5% of the total bank's share (37,500,000 shares).
4. A Statement will be prepared containing details mentioned in Article No. 122 of Commercial Companies Law No. 11 of year 2015. These details include remuneration granted to the Chairman and Members of the Board of Directors in cash and in kind as well as their bonuses and the amounts spent on advertisement and donations. This statement will be made available at the Shareholder's Affairs Unit of Masraf Al Rayan one week prior to the General Assembly Meeting.
5. This invitation shall be legal for all shareholders with no need for sending private e-invitations in accordance with the provisions of Article 126 of the Commercial Companies Law No. 11 of year 2015.
6. Masraf Al Rayan 2015 Corporate Governance Report is available on [www.alrayan.com](http://www.alrayan.com).

### Chairman and Managing Director's Statement

#### Dear Distinguished Shareholders,

Assalamu aliukum wa rahmato Allah

On behalf of the members of the Board of Directors, I would like to welcome you and present the report for the year ended on 31st December, 2015.

During the last 10 years, and throughout three eras of former panels, your Board of Directors continued to capitalize in its well rooted values and established traditions to serve, protect and grow the assets and investments of our customers and shareholders, and to assume responsibility for the risks we face, while our principles of dedication and commitment continued towards more progress and delivery of distinct Sharia compliant banking products and services.

The year 2015 was indeed, a difficult year; however, we managed to maintain our momentum to stay on the same path which ultimately led Moody's Investors Service, the renowned credit rating international agency, to affirm Masraf Al Rayan at "A2/Prime-1" with Outlook "positive".

The 2015 financial results are excellent, with QAR 2,073 million in net profit, a 3.6% growth compared to 2014, total assets reaching QAR 83,026 million, a 3.7% growth rate compared to 2014. Financing activities increased to QAR 62,261 million, a growth rate of 7.5%. Investments also increased from QAR 14,804 million to QAR 15,094 million. Customer deposits dropped by 11.1% to QAR 55,623 million, compared to the QAR 62,571 in 2014, and shareholders' equity, before distribution, reached QAR 12,044 million with a growth rate of 6.1% from 2014.

In terms of financial indicators, Masraf Al Rayan maintained a high return on assets at 2.5% and return on Shareholders' Equity reached, before distribution 17.2%. Earnings per share reached QAR 2.764 and the book value per share reached QAR 16.06 (before distribution), compared to QAR 15.14 in 2014. Capital adequacy ratio reached 18.54% based on Basel-III standards, and operational efficiency ratio (cost - income ratio) at 22.1% continues to be one of the best in the region.

The notable effort exerted in managing the quality of our assets in addition to the prudent credit risk management policies and procedures together have enabled Masraf Al Rayan to continue registering a Non-performing loans (NPL) ratio of 0.09% which is regarded to be one of the lowest in the banking industry.

As a way of strengthening our financial standing, we decided to transfer 20% of the 2015 net profit to the legal reserves instead of the minimum of 10% as specified in Masraf Al Rayan's Articles of Associations and the new companies Law No (11) of 2015.

At the board meeting held on January 18th, 2016, Board of Directors recommended a cash dividend distribution of QAR 1.75 per share; representing 17.5% of the paid-up capital.

Masraf Al Rayan continued to exert the necessary effort to expand geographically, exploring opportunities in Asia and in Africa, however some turned to be inadequate in terms of yielding the desirable results and appropriate value for Masraf Al Rayan's shareholders, while we continue to examine other prospects, which we will be announced when we reach a positive indication of their relevance, value and manageability. I would like to highlight to all shareholders that "Al Rayan Bank-UK registered, by the end of 2015, a net profit of £ 10 million after a decade of continuous losses.

Internally, Masraf Al Rayan continued throughout 2015 to deliver new service solutions to enhance customer experience by offering high quality and flexible customer services in line with the best international banking practices. Masraf Al Rayan was voted the winner of the 2015 World Islamic Banking Conference Financial Performance Awards, held in Kingdom of Bahrain, across all 3 categories, country, regional and global.

With respect to human resources and training, Masraf Al Rayan continued throughout 2015 to pay the utmost attention to develop all employees and specially Qataris by undergoing training programs through which more than 11,122 training hours were completed, an increase of 42% from 2014.

At the social responsibility level towards humanity and the environment, Masraf Al Rayan was keen to provide support to individuals and groups involved in building better communities and preserving the environment and promoting healthy practices through a wide range of sporting, social and humanitarian activities.

Before concluding my report, I am honored on behalf of the Board of Directors to express our cordial acknowledgment and gratitude to His Highness Sheikh Tamim Bin Hamad Al Thani, the Emir of the State of Qatar for his judicious vision and directions to guide the success of the economy of the State of Qatar. I would also like to thank His Excellency Sheikh Abdullah Bin Saud Al Thani, the Governor of Qatar Central Bank and His Excellency Sheikh Fahad Bin Faisal Al-Thani, Deputy Governor of Qatar Central Bank for their support of the banking sector and for their role in maintaining and safeguarding the financial stability of the State of Qatar.

My thanks and appreciation also go to Masraf Al Rayan's Shareholders, Customers, Executive Management and Staff, who presented an outstanding collective effort during 2015 to achieve these results, and are bearing the responsibility to continue to achieve better results in the years to come.

In conclusion, I hope that we were successful in carrying out our responsibilities towards both shareholders and customers.

Assalamu aliukum wa rahmato Allah

**Dr. Hussain Ali Al Abdulla**  
Chairman & Managing Director

### CONSOLIDATED STATEMENT OF FINANCIAL POSITION As at 31 December

	2015 QAR '000	2014 QAR '000
<b>ASSETS</b>		
Cash and balances with Qatar Central Bank	2,736,915	3,311,311
Due from banks	2,376,269	3,602,772
Financing assets	62,261,455	57,906,940
Investment securities	14,624,801	14,288,311
Investment in associates	469,052	423,998
Investment property	-	91,250
Fixed assets	147,482	119,236
Other assets	410,255	350,450
<b>TOTAL ASSETS</b>	<b>83,026,229</b>	<b>80,094,268</b>
<b>LIABILITIES, EQUITY OF INVESTMENT ACCOUNT HOLDERS AND EQUITY</b>		
<b>LIABILITIES</b>		
Due to banks	13,344,591	4,560,293
Customer current accounts	6,183,762	4,878,252
Other liabilities	1,700,149	1,242,922
<b>TOTAL LIABILITIES</b>	<b>21,228,502</b>	<b>10,681,467</b>
<b>EQUITY OF INVESTMENT ACCOUNT HOLDERS</b>	<b>49,439,504</b>	<b>57,692,301</b>
<b>EQUITY</b>		
Share capital	7,500,000	7,500,000
Legal reserve	1,447,869	1,033,195
Risk reserve	1,136,540	1,008,646
Fair value reserves	12,590	28,805
Foreign currency translation reserve	(1,479)	63
Other reserves	80,468	41,165
Retained earnings	1,867,805	1,740,641
<b>TOTAL EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE BANK</b>	<b>12,043,793</b>	<b>11,352,515</b>
Non-controlling interests	314,430	367,985
<b>TOTAL EQUITY</b>	<b>12,358,223</b>	<b>11,720,500</b>
<b>TOTAL LIABILITIES, EQUITY OF INVESTMENT ACCOUNT HOLDERS AND EQUITY</b>	<b>83,026,229</b>	<b>80,094,268</b>

These consolidated financial statements were approved by the Board of Directors on 18 January 2016 and were signed on its behalf by:

**Dr. Hussain Ali Al-Abdulla**  
Chairman & Managing Director

**Adel Mustafawi**  
Group Chief Executive Officer

### CONSOLIDATED INCOME STATEMENT For the year ended 31 December

	2015 QAR '000	2014 QAR '000
Net income from financing activities	2,333,464	2,101,135
Net income from investing activities	408,612	470,947
<b>Total net income from financing and investing activities</b>	<b>2,742,076</b>	<b>2,572,082</b>
Fee and commission income	239,671	217,117
Fee and commission expense	(1,418)	(1,522)
<b>Net fee and commission income</b>	<b>238,253</b>	<b>215,595</b>
Foreign exchange gain	107,878	86,751
Share of results of associates	55,648	9,613
Gain on sale of investment in an associate	186,143	186,143
Other income	6,793	7,435
<b>TOTAL INCOME</b>	<b>3,336,791</b>	<b>3,077,619</b>
Staff costs	(291,904)	(262,790)
Depreciation	(15,472)	(16,112)
Other expenses	(244,813)	(199,990)
Finance expense	(118,205)	(55,044)
<b>TOTAL EXPENSES</b>	<b>(670,394)</b>	<b>(533,936)</b>
Net recoveries and reversals / (impairment losses) on financing assets	567	(12,394)
Net impairment losses on investment securities	(47,344)	(508)
<b>PROFIT FOR THE YEAR BEFORE RETURN TO INVESTMENT ACCOUNT HOLDERS</b>	<b>2,619,620</b>	<b>2,530,781</b>
Less: Return to investment account holders	(618,625)	(511,474)
<b>PROFIT BEFORE TAX FOR THE YEAR</b>	<b>2,000,995</b>	<b>2,019,307</b>
Tax credit / (expense)	25,142	(2,116)
<b>NET PROFIT FOR THE YEAR</b>	<b>2,026,137</b>	<b>2,017,191</b>
<b>Net profit for the year attributable to:</b>		
Equity holders of the Bank	2,073,369	2,002,243
Non-controlling interests	(47,232)	14,948
	<b>2,026,137</b>	<b>2,017,191</b>
<b>BASIC AND DILUTED EARNINGS PER SHARE (QAR)</b>	<b>2.764</b>	<b>2.670</b>