

Comparison Between



Bank of America

and

MASRAF AL RAYAN

Top
Research Paper

Prepared by

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In fulfillment of

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1. Introduction

The global economy trembled in 2018, with GDP growing by 3.6% down from 3.8% in 2017 (IMF, 2018). The International Monetary Fund (hereinafter mentioned as the IMF) (2018) expects global GDP to slowdown further in 2019 to grow by 3.3%. Despite the economic slowdown, Banks earning climbed by 44.1% in 2018 over 2017, and some European banks recorded above 20% in profit growth (Bloomberg, 2019). Also, the United States Banking sector registered a new record in net income, reaching USD 273 billion (Bloomberg, 2019). Interest rates delivered an increase of 8.1% in total income for global banks, where loans, and lease balances were up by 2.1% (Bloomberg, 2019).

As argued by the IMF (2018), despite its vulnerability, the financial sector is considered as the cornerstone of the world economy. It contributes to around 12.5% of the global GDP (IMF, 2018). Also, Capital transfers have a positive effect on economic growth, both direct and indirect, direct via the banking sector, and indirect via financial development in general (Tonguraia & Vithessonhib, 2018).

The only economy which did not suffer the meltdown of the economy in 2018 was the United States, with a soaring job market coupled with strong domestic demand and good performance across the banking sector (IMF, 2018).

Similarly, Qatar GDP by grew 2.2% in 2018 and is expected to accelerate further in 2019 to grow by 2.6% driven by the expansion of the non-oil sector, mainly banks and hospitality (Economy, 2018). Looking at the banking sector, Qatar's Bank assets grown exponentially in less than two decades, for example as stated by Ibrahim and Harrigan (2012) bank assets in Qatar reached QR 94 billion during 2012 were bank assets to GDP ratio reached 110% during the same year up from 80% in 2011.

The numbers we have discussed either in Qatar or in the United States shows us the importance of the banking sector is an economic catalyst to both nations. The role of banks is imperative in stimulating consumption, balancing the financial sector, and assist the government in regulating the market.

Therefore, this report has chosen two banks in order to compare their strategies from different perspectives. The first bank is the bank of America (hereinafter mentioned as BoFA), headquartered in the state of North Carolina, city of Charlotte, in The United States of America. BoFA was founded in 1998 and still operating under its name till today. The second bank is MASRAF AL RAYAN (hereinafter mentioned as MAR) was established on January 4, 2006, and was listed as a Qatari Shareholding Company under clause 68 of Qatar commercial company law 5 of 2002 and acquired a license from the central bank of Qatar to start its operations (Alrayan, 2019).

2. Overview of Selected Banks

2.1. Bank of America

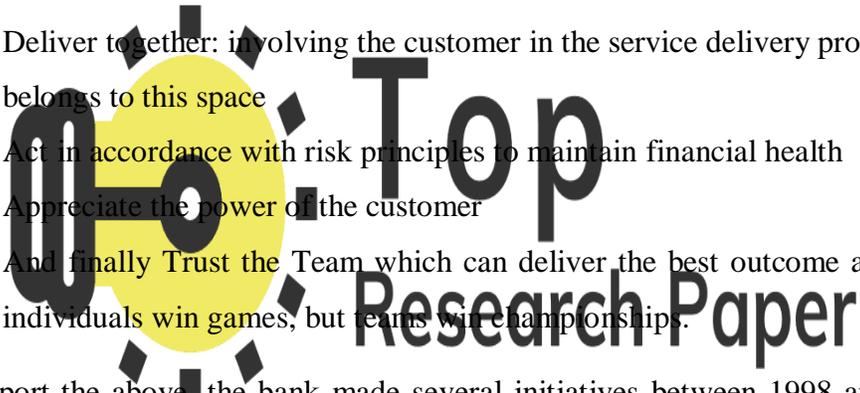
The Bank of America was founded around 250 years ago and took different names until the establishment of the current entity which still holds its name since 1998 (the year of founding BoFA) (Bank of America, 2019). During its early days in 1850, the BoFA supported the economic and social revolution in the United States of America. In 1850, the number of inhabitants in Chicago, the mother town of BoFA boomed from 30,000 to 109,000 were the city had 12 around banks. During those days, banks used to print their money using gold and silver reserve to back their failure, and with minimal financial regulations, banks were failing (Bank of America, 2019). Therefore, a group of merchants and city leaders decided to establish a bank that all merchants can trust, and that was the start if BoFA (Bank of America, 2019).

In 1998, the entity took the name it has today (Bank of America) and started the business in the city of Charlotte, North Carolina. Afterward, the operations of the bank expanded to have a footprint in 35 countries across the Americas (United States, Canada, and Latin America), Middle East, Africa, Europe, Asia, and Australia, (Bank of America, 2019), operating around 4,488 branches (Bankrate, 2019).

Since then the bank is guided by one golden rule or main objective, which is how to make the financial life of people better. This is being done through driving job creation, facilitating investment activities, while controlling risks and allowing clients to have a healthy financial portfolio. The mission statement of the BoFA is to deliver long term value to its shareholders by focusing on four objectives:

- Gain market share: Attracting more customers across individuals, companies, and institutions
- Expand based on a customer-focused strategy: make the customer at the heart of growing the business by securing all his financial needs
- Managing the financial risk properly: Managing risks well in order to ensure the financial health of customers.
- Grow in a sustainable context: in order to maintain the integrity of the Bank, the management focuses on growth while maintaining operational excellence, consistency, governance, and values.

In addition, the BoFA has developed a set of values that are worth looking into, which provides a competitive advantage. The values are as follows:

- 
- Deliver together: involving the customer in the service delivery process to feel that he/she belongs to this space
 - Act in accordance with risk principles to maintain financial health
 - Appreciate the power of the customer
 - And finally Trust the Team which can deliver the best outcome as the old saying says, individuals win games, but teams win championships.

To support the above, the bank made several initiatives between 1998 and 2004 and provided money with low-interest rates to support housing loans, small businesses, and provide shelter to the homeless with over than half a billion USD (Wietfeld, 2011).

The bank launched its website in the early 2000s, which can be accessed through the following link: <https://www.bankofamerica.com/>. The website contains several online services, information about the bank, and a portal of investors. In addition, it has special portals for wealth management and institutions. Most of the day-to-day activities can be done through the website, including credit cards applications, loans, auto loans, investment activities, and so on.

The ownership of the bank currently stands as follows:

- Institutional investors: 69% (Berkshire Hathaway, nearly 10%)
- Banks Top Executives (CEO, COO & CRO, being the biggest): 31%

Ownership information has been derived from Investopedia (Investopedia, 2019)

2.2. MASRAF AL RAYAN

In 2004, Al Rayan Bank PLC, formerly the Islamic Bank of Britain, was found in 2004. Headquartered in Birmingham and London United Kingdom (Al Rayan Bank, 2019). During 2006, MAR was established on January 4, 2006, and was listed as a Qatari Shareholding Company under clause 68 of Qatar commercial company law 5 of 2002 and acquired a license from the central bank of Qatar to start its operations (Alrayan, 2019). In the same year, MAR acquired Al Rayan Bank PLC. The MAR is headquartered in Doha – Qatar. Total branches reached 15 in Doha and five across different cities in the United Kingdom. Ownership of the bank is currently divided as follows:

- 45% held by the founders (Government of Qatar with about 9%)
- 55% of public shares

Source: (Alrayan, 2019)

MAR activities vary between banking, financing, and investment activities. The vision of the bank is to be a “leading and innovative international financial institution with Corporate, Retail, SME, and Private Banking, as well as Treasury (Alrayan, 2019).” The capital of the bank currently stands at QR 7,500 million, and it is considered as a fully Islamic bank. MAR is committed to safeguarding, growing, and stewarding the assets of the customers; as if they belong to the bank in the first place. The bank aims to set high standard performance and service delivery within Islamic banking and beyond by achieving the following:

- Dedicated performance
- Prestigious and intrinsic services
- Enabling aspirations into real projects
- Continuous development and consistency in excellence
- Preserve the Islamic nature and go beyond

The bank’s website can be accessed through the following link:

<https://www.alrayan.com/english/home>

3. Marketing

In this section we will illustrate the products, services, promotion, and social media approaches followed by both BoFA and MAR.

3.1. Bank of America

BoFA offers 6 categories of credit cards and under each category there are different types of each category, which can be identified as below:

- Cards for students: designed specifically for students with three sub-categories that doesn't have any annual fees.
 - o Bank of America® Cash Rewards for Students
 - o Bank of America® Travel Rewards for Students, this category has no foreign transaction fees as well
 - o BankAmericard® for Students
- Credit Cards to Build Credit: cards used to build or rebuild credit
 - o BankAmericard® Secured
- Points Rewards Cards: allows users to earn unlimited rewards
 - o Bank of America® Travel Rewards
 - o Bank of America® Premium Rewards®
- Lower Interest Rate Credit Cards:
 - o BankAmericard®
- Travel Rewards Credit Cards: allow user to collect miles and access travel lounges
 - o Alaska Airlines Visa®
 - o Spirit Airlines World Mastercard®
 - o Allegiant World Mastercard®
 - o Amtrak Guest Rewards® World Mastercard®
 - o Air France KLM World Elite Mastercard®
 - o Norwegian Cruise Line®
 - o Royal Caribbean®
 - o Virgin Atlantic
 - o Asiana Visa Signature®
 - o Celebrity Cruises®
- Cash Rewards Credit Cards:
 - o Susan G. Komen® Cash Rewards Visa® credit card from Bank of America
 - o MLB®
 - o World Wildlife Fund
 - o U.S. Pride

These cards range from cash rewards, interest savings, travel rewards, premium rewards to student-focused product cards. The cards are both VISA and MasterCard based. The benefits of these are that not only do they earn you a number of different points based on the type of card, but, they can

earn you cash rewards, discount offers on certain purchases as well as savings on interest charged on the card (Bank of America, 2019).

After discussing the products, we look at the services offered by BoFA. The bank offers investment opportunities with a total of 11 different portfolios. These range from managed portfolios to simplified options and services for experienced traders to platforms for every investor. The benefit in utilising these services include the fact that the bank will offer its expertise in guiding through investors who partake in these activities. These services give the investor an opportunity to grow their investment portfolio and thus also save for retirement purposes. These services also assist the investor to become financially aware of the financial market (Bank of America, 2019). In addition, the bank offers Auto and housing loans that could grant the customer an approval in up to 60 seconds. Also, the bank offers two types of saving, the reward savings and child savings which can be filled online in order to minimize waiting time going to a physical location.

Similar to all entities that would like to attract customers banks use promotion tools to market their products and services. BoFA posts on its official Facebook site, what are the bank offerings, new products, what's in the pipeline, new products and offerings, and updates. For example, the last post by BoFA was that the bank is offering cash back promotions and deals for users of its banking app with the promise of doing so easily unlike using coupons or promo codes. Also, BoFA uses social media platforms significantly and have official accounts on Facebook, twitter, Instagram, LinkedIn, Pinterest, and YouTube. For example, on Facebook the bank has over 2 million followers. It also has an instant messaging platform on the page in which responses are immediate hence maintaining closeness with its customers. Besides, the bank uses social media platforms to advertise its latest promotions through links to the products and videos showcasing the various projects and initiatives that the bank is involved in.

3.2. MASRAF AL RAYAN

Similar to BoFA, MAR also provides credit cards, yet with a limited variety as it only offers four distinct types. All being VISA based, these are Gold, Platinum, Infinite, and Signature. They are all described as leading to value creation, comfort giving and convenience banking at the same time offering the best customer experience. The benefits include flexible repayment options, cash withdrawal of funds available, certain reward points earned, travel benefits, and protection from online scams.

On the other hand, MAR offers investment opportunities, which are managed in-house with equities' experts with a special focus on GCC and Turkey. This programme has three different tiers classified as follows

- 1- Al Rayan GCC Fund is a Shari'a compliant mutual fund in Qatar that invests in GCC listed stock and fixed investment products that provide low fees with enhanced performance (AlRayyan, AlRayyan, 2019).
- 2- Al Rayan Qatar ETF, which is an Islamic, single-country exchange traded fund listed on the Qatar Stock Exchange. The fund tracks the activities of the biggest Shari'a compliant Qatari stocks to trade in (AlRayyan, 2019).
- 3- The Global Market Snapshot, which is a service that provides information on global markets and how they perform with interest for the GCC. The benefits include safe trading for the investor by the bank, educating investors about financial markets and basically giving the investor the opportunity to grow their wealth (AlRayyan, 2019).

As for promotions, the bank is currently running a string of promotions for holders of their cards across various fields of interest. These offers give Masraf clients discounts when they make use of certain facilities. An example is a room rate discount offer for overnight stays at the Sapphire Plaza Hotel with a 10% discount on the room rate. The condition though is that it must not be used with any other existing offer (Al Rayan Bank, 2019). In addition, MAR uses social media platforms extensively. On Facebook the bank does not seem to have a legitimate social media account. The username purporting to be the official bank seems to be used for personal postings and as such cannot be relied upon effectively meaning that the bank's name is being misused on the social media site. The only media presence visible is that of the UK based subsidiary of MAR which is the Al Rayan Bank - UK.

4. Human Resources

4.1. Bank of America

According to Statista (2019), BoFA currently employees around 136,502. It's Board of Directors is composed of 16 members as follows:

1. Brian T. Moynihan - Chairman, President & CEO
2. Clayton Rose – Director
3. Maria Zuber – Director
4. Pierre de Weck – Director
5. Lionel Nowell – Director
6. Arnold Donald – Director
7. David Yost – Director
8. Linda Hudson – Director
9. Jack Bovender – Director
10. Sharon Allen – Director
11. Michael White – Director
12. Thomas Woods – Director
13. Monica Lazona – Director
14. Frank Brumble – Director
15. Susan Bies – Director
16. Thomas May – Director



Source: (Wietfeld, 2011)

An example of a job description at BoFA stands for Ms. Sheri B. Bronstein: Chief Human Resources Officer: In her role she utilizes her efforts to secure a great place for employees to work and focus on performance management in rewarding employees. In this capacity she leads the global team and responsible for recruiting (Bank of America, 2019).

4.2. MASRAF AL RAYAN

The total number of employees at MAR stands at 300 which is less than 1% of that of BoFA (Al Rayan Bank, 2019). The Board of directors is composed of six members as follows:

- 1- Mr. Nasser Jaralla Al-Marri – Chairman
- 2- H. E. Sheikh Faisal Bin Saud Al-Thani - Vice Chairman
- 3- Mr. Mohammed Ismail Al-Emadi - Board Member
- 4- Mr. Hamad Hassan Aljamali - Board Member
- 5- Mr. Mahboob Ghulam Haider - Board Member
- 6- Mr. Khalid Abdullah Al-Attiya - Board Member

Source: (Al Rayan Bank, 2019).

There is no official job description currently posted on MAR's website.

5. Accounting

The following tables summarizes financial and accounting data for both BoFA and MAR:

Figure 1 - BoFA Accounting Details

Bank of America	
Total Assets	USD 2,377.164 billion dollars
Assets Year-on-year growth	USD 91.2 billion dollars (4% from 2017)
Market capitalization	USD 288.67 billion dollars
Capital adequacy ratio	13.2% based on Basel-III standards & US banking regulations
Dividend: Distributed	@ USD 0.60 cents per share representing 2.13%
Share price	USD 28,18 dollars per share

Source: (Al Rayan Bank, 2019) and (Macrotrends, 2019)

Figure 2 - BoFA Balance Sheet

Balance Sheet Overview

Table 5 Selected Balance Sheet Data

(Dollars in millions)	December 31		% Change
	2018	2017	
Assets			
Cash and cash equivalents	\$ 177,404	\$ 157,434	13%
Federal funds sold and securities borrowed or purchased under agreements to resell	261,131	212,747	23
Trading account assets	214,348	209,358	2
Debt securities	441,763	440,130	—
Loans and leases	946,896	936,740	1
Allowance for loan and lease losses	(9,601)	(10,393)	(8)
All other assets	322,677	335,200	(4)
Total assets	\$ 2,354,607	\$ 2,281,234	3
Liabilities			
Deposits	\$ 1,381,476	\$ 1,309,545	5
Federal funds purchased and securities loaned or sold under agreements to repurchase	186,988	176,865	6
Trading account liabilities	68,220	81,187	(16)
Short-term borrowings	20,189	32,666	(38)
Long-term debt	229,340	227,402	1
All other liabilities	202,969	186,423	9
Total liabilities	2,089,182	2,014,088	4
Shareholders' equity	265,325	267,146	(1)
Total liabilities and shareholders' equity	\$ 2,354,607	\$ 2,281,234	3

Assets

At December 31, 2018, total assets were approximately \$2.4 trillion, up \$73.3 billion from December 31, 2017. The increase in assets was primarily due to higher securities borrowed or purchased under agreements to resell due to investment of excess cash levels in higher yielding assets and increased client activity, and higher cash and cash equivalents driven by deposit growth.

Cash and Cash Equivalents

Cash and cash equivalents increased \$20.0 billion primarily driven by deposit growth, partially offset by investment of short-term excess cash into securities purchased under agreements to resell, and loan growth.

Federal Funds Sold and Securities Borrowed or Purchased Under Agreements to Resell

Federal funds transactions involve lending reserve balances on a short-term basis. Securities borrowed or purchased under agreements to resell are collateralized lending transactions utilized to accommodate customer transactions, earn interest rate spreads, and obtain securities for settlement and for collateral. Federal funds sold and securities borrowed or purchased under agreements to resell increased \$48.4 billion due to investment of excess cash levels in higher yielding assets and a higher level of customer financing activity.

Trading Account Assets

Trading account assets consist primarily of long positions in equity and fixed-income securities including U.S. government and agency securities, corporate securities and non-U.S. sovereign debt. Trading account assets increased \$5.0 billion primarily driven by additional inventory in fixed-income, currencies and commodities (FICC) to meet expected client demand.

Debt Securities

Debt securities primarily include U.S. Treasury and agency securities, mortgage-backed securities (MBS), principally agency MBS, non-U.S. bonds, corporate bonds and municipal debt. We use the debt securities portfolio primarily to manage interest rate

and liquidity risk and to take advantage of market conditions that create economically attractive returns on these investments. Debt securities increased \$1.6 billion primarily driven by the deployment of deposit inflows. In 2018, the Corporation transferred available-for-sale (AFS) debt securities with an amortized cost of \$64.5 billion to held to maturity. For more information on debt securities, see Note 4 – Securities to the Consolidated Financial Statements.

Loans and Leases

Loans and leases increased \$10.1 billion primarily due to net loan growth driven by client demand for commercial loans and increases in residential mortgage. For more information on the loan portfolio, see Credit Risk Management on page 66.

Allowance for Loan and Lease Losses

The allowance for loan and lease losses decreased \$79.2 million primarily due to the impact of improvements in credit quality from a stronger economy and continued runoff and sales in the non-core consumer real estate portfolio. For additional information, see Allowance for Credit Losses on page 82.

Liabilities

At December 31, 2018, total liabilities were approximately \$2.1 trillion, up \$75.1 billion from December 31, 2017, primarily due to deposit growth.

Deposits

Deposits increased \$71.9 billion primarily due to an increase in retail deposits.

Federal Funds Purchased and Securities Loaned or Sold Under Agreements to Repurchase

Federal funds transactions involve borrowing reserve balances on a short-term basis. Securities loaned or sold under agreements to repurchase are collateralized borrowing transactions utilized to accommodate customer transactions, earn interest rate spreads and finance assets on the balance sheet. Federal funds purchased and securities loaned or sold under agreements to repurchase increased \$10.1 billion primarily due to an increase in matched book funding within Global Markets.

Figure 3 - BoFA Income Statement

Bank of America Corporation and Subsidiaries

Consolidated Statement of Income

(In millions, except per share information)	2018	2017	2016
Interest Income			
Loans and leases	\$ 40,811	\$ 36,221	\$ 33,228
Debt securities	11,724	10,471	9,167
Federal funds sold and securities borrowed or purchased under agreements to resell	3,176	2,360	1,118
Trading account assets	4,811	4,474	4,423
Other interest income	6,247	4,023	3,121
Total interest income	66,769	57,579	51,057
Interest expense			
Deposits	4,495	1,931	1,015
Short-term borrowings	5,839	3,538	2,390
Trading account liabilities	1,358	1,204	1,018
Long-term debt	7,646	6,230	5,578
Total interest expense	19,337	12,912	9,961
Net interest income	47,432	44,667	41,096
Noninterest income			
Card income	6,051	5,902	5,851
Service charges	7,767	7,815	7,638
Investment and brokerage services	14,160	13,836	13,340
Investment banking income	5,327	6,011	5,241
Trading account profits	8,540	7,277	6,902
Other income	1,970	1,841	3,624
Total noninterest income	43,815	42,685	42,605
Total revenue, net of interest expense	91,247	87,352	83,701
Provision for credit losses	3,282	3,306	3,597
Noninterest expense			
Personnel	31,880	31,931	32,018
Occupancy	4,066	4,000	4,038
Equipment	1,705	1,692	1,804
Marketing	1,674	1,746	1,703
Professional fees	1,699	1,888	1,971
Data processing	3,222	3,139	3,007
Telecommunications	699	600	746
Other general operating	8,436	9,639	9,796
Total noninterest expense	63,381	54,743	55,083
Income before income taxes	34,684	29,213	25,021
Income tax expense	6,437	10,061	7,190
Net income	\$ 28,147	\$ 18,232	\$ 17,822
Preferred stock dividends	1,461	1,614	1,882
Net income applicable to common shareholders	\$ 26,686	\$ 16,618	\$ 16,140
Per common share information			
Earnings	\$ 2.64	\$ 1.63	\$ 1.57
Diluted earnings	2.61	1.56	1.49
Average common shares issued and outstanding	10,096.5	10,105.6	10,284.1
Average diluted common shares issued and outstanding	10,236.9	10,778.4	11,046.8

Consolidated Statement of Comprehensive Income

(Dollars in millions)	2018	2017	2016
Net income	\$ 28,147	\$ 18,232	\$ 17,822
Other comprehensive income (loss), net-of-tax:			
Net change in debt and equity securities	(3,963)	61	(1,345)
Net change in debt valuation adjustments	749	(293)	(176)
Net change in derivatives	(63)	64	182
Employee benefit plan adjustments	(405)	288	(524)
Net change in foreign currency translation adjustments	(254)	86	(87)
Other comprehensive income (loss)	(3,816)	206	(1,930)
Comprehensive income	\$ 24,331	\$ 18,438	\$ 15,892

See accompanying Notes to Consolidated Financial Statements.

Figure 4 - MAR Accounting Details

MASRAF AL RAYAN	
Total Assets	QAR 100,314 million
Assets Year-on-year growth	QAR 2.1 billion (5.04% growth)
Market capitalization	QAR 7.5 billion
Capital adequacy ratio	19.28% based on the Basel-III standards & QCB regulations
Dividend: Distributed	@2:00QAR per share representing 20% value on paid up capital
Share price	QAR 10 per share
Source: (RAYYAN, 2018)	

Figure 5 - MAR Balance Sheet

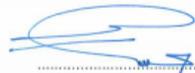
Masraf Al Rayan (Q.P.S.C.)		QAR '000s	
CONSOLIDATED STATEMENT OF FINANCIAL POSITION			
As at 31 December			
	Notes	2018	2017
ASSETS			
Cash and balances with Qatar Central Bank	8	3,026,994	2,799,819
Due from banks	9	1,496,296	3,311,900
Financing assets	10	72,163,836	72,097,080
Investment securities	11	19,005,273	23,423,469
Investment in associates	12	525,859	520,287
Fixed assets	13	188,979	159,951
Other assets	14	886,976	636,466
TOTAL ASSETS		97,294,213	102,948,972
LIABILITIES, EQUITY OF INVESTMENT ACCOUNT HOLDERS AND EQUITY			
LIABILITIES			
Due to banks	15	16,483,776	25,123,319
Customer current accounts	16	7,268,816	6,620,840
Sukuk financing	17	1,717,832	-
Other borrowings	18	2,042,938	-
Other liabilities	19	2,007,017	1,904,529
TOTAL LIABILITIES		29,520,379	33,648,688
EQUITY OF INVESTMENT ACCOUNT HOLDERS	20	54,300,051	55,910,346
EQUITY			
Share capital	21	7,500,000	7,500,000
Legal reserve	21	2,278,783	2,065,741
Risk reserve	21	1,574,695	1,507,567
Fair value reserves	21	9,768	3,074
Foreign currency translation reserve	21	(13,809)	(7,519)
Other reserves	21	118,910	113,001
Retained earnings		1,808,968	2,009,007
TOTAL EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE BANK		13,277,315	13,190,871
Non-controlling interest	22	196,468	199,067
TOTAL EQUITY		13,473,783	13,389,938
TOTAL LIABILITIES, EQUITY OF INVESTMENT ACCOUNT HOLDERS AND EQUITY		97,294,213	102,948,972
<p>These consolidated financial statements were approved by the Board of Directors on 21 January 2019 and were signed on its behalf by:</p>			
 Dr. Hussain Ali Al Abdulla Chairman and Managing Director		 Adel Mustafawi Group Chief Executive Officer	
<p>The attached notes 1 to 39 form part of, and should be read in conjunction with, these consolidated financial statements.</p>			
1			

Figure 6 - MAR Income Statement

Masraf Al Rayan (Q.P.S.C.)		QAR '000s	
CONSOLIDATED INCOME STATEMENT			
For the year ended 31 December			
	Notes	2018	2017
Income from financing activities	23	3,538,629	3,100,667
Income from investing activities	24	838,228	792,002
Total income from financing and investing activities		4,376,857	3,892,669
Fee and commission income		318,734	278,647
Fee and commission expense		(3,596)	(4,913)
Net fee and commission income	25	315,138	273,734
Foreign exchange gain (net)	26	152,479	142,527
Share of results of associates	12	21,904	28,203
Other income	27	7,900	9,164
TOTAL INCOME		4,874,278	4,346,297
Staff costs	28	(374,583)	(327,698)
Depreciation	13	(14,589)	(16,865)
Other expenses	29	(279,251)	(232,621)
Finance expense		(759,856)	(494,812)
TOTAL EXPENSES		(1,428,279)	(1,071,996)
Net reversals on due from banks		387	-
Net recoveries and reversals / (impairment losses) on financing assets	10(b)	14,591	(107,818)
Net impairment losses on investment securities		(9,014)	(5,621)
Net reversals on off balance sheet exposures subject to credit risk		16,092	-
PROFIT FOR THE YEAR BEFORE RETURN TO INVESTMENT ACCOUNT HOLDERS		3,468,055	3,160,862
Less: Return to investment account holders	20(c)	(1,326,114)	(1,115,406)
PROFIT BEFORE TAX FOR THE YEAR		2,141,941	2,045,456
Tax expense		(2,432)	(4,719)
NET PROFIT FOR THE YEAR		2,139,509	2,040,737
Net profit for the year attributable to:			
Equity holders of the Bank		2,130,415	2,028,145
Non-controlling interest		9,094	12,592
		2,139,509	2,040,737
BASIC AND DILUTED EARNINGS PER SHARE (QAR)	33	2.841	2.704

The attached notes 1 to 39 form part of, and should be read in conjunction with, these consolidated financial statements.

6. Bank Tools and Calculators

6.1. Bank of America

The bank has four categories of tools and calculators as follows:

1- Personal banking:

Under this category, individuals can progress their individual transactions online for ease of transparency and efficiency. This category includes creating saving accounts, performing day to day transactions, and mobile banking (Bank of America, 2019).

2- Small business:

Allow companies to enjoy separate debit, deposit, and creating employee cards (Bank of America, 2019). In addition, it allows managers to keep record tracking of employees and their cards.

3- Wealth management:

In association with MERRILL a subsidiary of BoFA provides sophisticated banking solutions for customers to manage their portfolios (Bank of America, 2019). In addition, BoFA provides several calculation tools that allows individuals to how to align their capitals with their spending and create their own budgets (Bank of America, 2019). Besides, BoFA provides a college planning tool calculator that assesses one's readiness for college education by estimating the projected costs of college education based on the duration of study plus a savings plan on a monthly basis to go ahead with such plans. This tool is powerful in giving the student financial knowledge and to be prepared for their educational journey in a planned way. It will also help in them not getting any debt related to education (Bank of America, 2019).

6.2. MASRAF AL RAYAN

The bank has a financial loan calculator on its webpage that lets a prospective client, who is either a Qatari national or an expatriate, calculate the amount of the repayment as installments in the event they take up a loan with the bank. This is based on several factors such as age, current income, and current liabilities to mention a few. This is meant to assist the client in knowing whether they will be able to afford taking out such a loan beforehand, giving them the opportunity to also plan ahead and avoid risk (Al Rayan Bank, 2019).

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