

## MARK Alert – Adjusting Price Target to Reflect 10-for-1 Stock Split; No Impact on Balance Sheet

- **MARK's 10-for-1 stock split goes into effect today.** Masraf Al Rayan's (MARK) 10-for-1 stock split has resulted in 7,500,000,000 shares vs. 750,000,000 previously.
- **Price will change.** Following the stock split, the price has changed to QR3.62 vs. previous close of QR36.20.
- **Our Price Target will be adjusted following the stock split.** Our Price Target on MARK will be adjusted to QR3.40 from QR34.00.
- **No Impact on capital.** The bank's capital will remain the same at QR12.3bn as of 1Q2019.
- **No impact on market cap.** Market cap remains the same at QR27.2bn/\$7.5bn.
- **No Impact on ownership structure.** Ownership structure will remain unchanged.
- **Recommendation & valuation:** MARK trades at a P/E and P/B of 12.4x and 2.0x based on our 2019 estimates, respectively. We maintain our Market Perform rating.

### Recommendations

*Based on the range for the upside / downside offered by the 12-month target price of a stock versus the current market price*

**OUTPERFORM** Greater than +20%

**ACCUMULATE** Between +10% to +20%

**MARKET PERFORM** Between -10% to +10%

**REDUCE** Between -10% to -20%

**UNDERPERFORM** Lower than -20%

### Risk Ratings

*Reflecting historic and expected price volatility versus the local market average and qualitative risk analysis of fundamentals*

**R-1** Significantly lower than average

**R-2** Lower than average

**R-3** Medium / In-line with the average

**R-4** Above average

**R-5** Significantly above average

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