

## Earnings Flash Note

Al Rayan Bank

2Q 2025/6M 2025



## Al Rayan Bank (MARK)

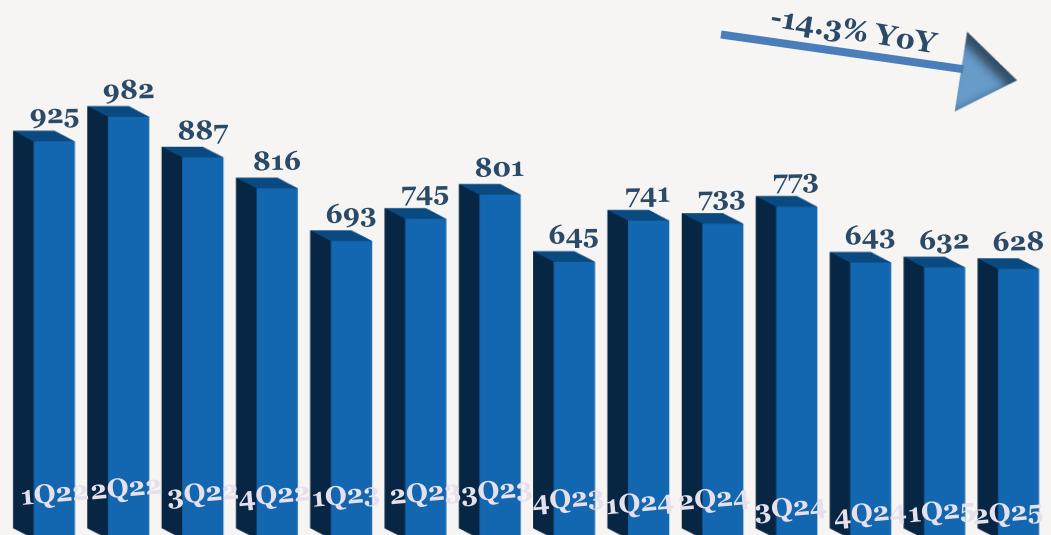
- > **Net profit rose 8.1% YoY to QR414mn (+1.6% QoQ) in 2Q2025** due to net credit provisions dropping by 31.9% YoY, countering a 9.0% drop in net operating income. Sequentially, the bottom-line moved up by 1.6% due to a 6.0% drop in credit provisions. For 6M2025, net profit rose 4.1% to QR821mn.
- > **Net interest & investment income fell by 14.3% YoY to QR628mn (-0.6% QoQ)** in 2Q2025. For 6M2025, net interest and investment income declined 14.5% to QR1,260mn.
- > **Cost to income ratio increased by 2.7ppts YoY (+0.6ppts QoQ) to 27.9% in 2Q2025.** For 6M2025, cost to income ratio rose 2.4% to 27.6%.
- > **As of 2Q2025-end, Loans & advances were QR112.1bn (+3.4% YoY, +0.8QoQ)** while Customer deposits increased by 1.6% YoY to QR110.7bn (-0.7% QoQ).
- > **For 2Q2025, EPS was QR0.045 vs QR0.041 in 2Q2024.** For 6M2025, EPS was QR0.088 vs QR0.085 in 6M2024.
- > **As of 2Q2025-end, the book value per share stood at QR2.59 (2Q2024: QR2.52).**
- > **As of 22<sup>nd</sup> July 2025, the stock has decreased 5.2% YTD, Underperforming the QSE Index which was up 5.4% YTD.**
- > **The stock is currently trading at a TTM P/B multiple of 0.9x, lower than its 3Y historical average of 1.1x.** For now, we maintain our PT of QR 2.623/share and Market Perform rating.

### 2Q/6M 2025 Earnings Performance

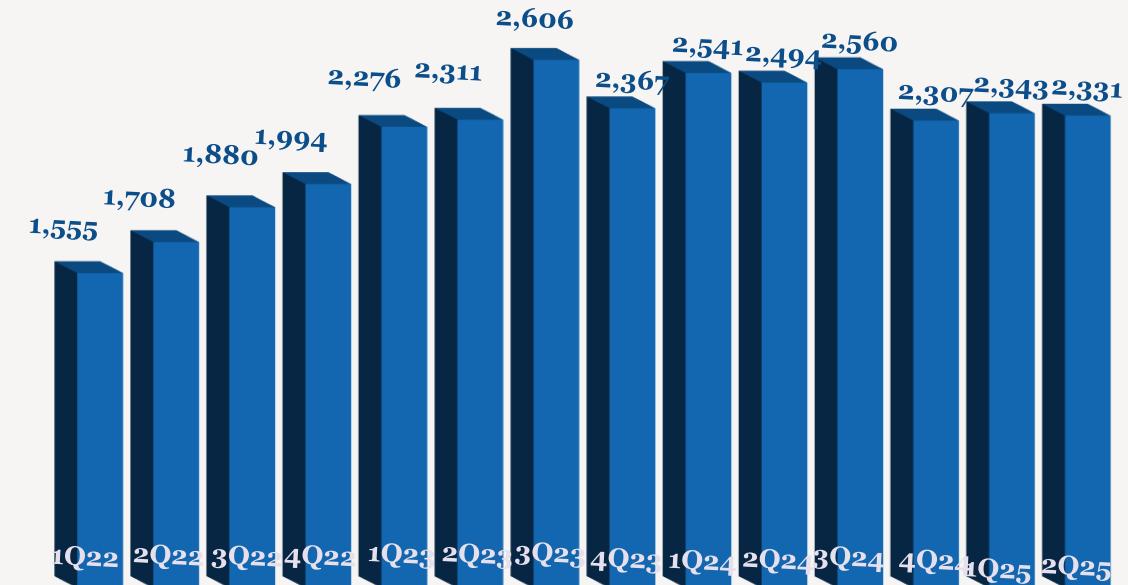
	2Q2025	2Q2024	YoY	1Q2025	QoQ	6M2025	6M2024	YoY
Net Interest & Investment Income	628	733	-14.3%	632	-0.6%	1,260	1,474	-14.5%
Net Interest Margin %	1.6%	2.0%		1.6%		1.6%	2.0%	
Net Fee and Commission Income	84	70	20.4%	100	-15.7%	185	140	32.2%
Total Income	2,331	2,494	-6.5%	2,343	-0.5%	4,674	5,036	-7.2%
Cost/Income Ratio %	27.9%	25.2%		27.3%		27.6%	25.2%	
Net Profit to Equity	414	383	8.1%	408	1.6%	821	789	4.1%
Book Value Per Ordinary Share (QR)	2.59	2.52	2.8%	2.54	2.1%	2.59	2.52	2.8%
EPS (QR)	0.045	0.041	8.1%	0.044	1.6%	0.088	0.085	4.1%
Loans & Advances	112,096	108,409	3.4%	111,251	0.8%	112,096	108,409	3.4%
Customer Deposits	110,667	108,935	1.6%	111,452	-0.7%	110,667	108,935	1.6%

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

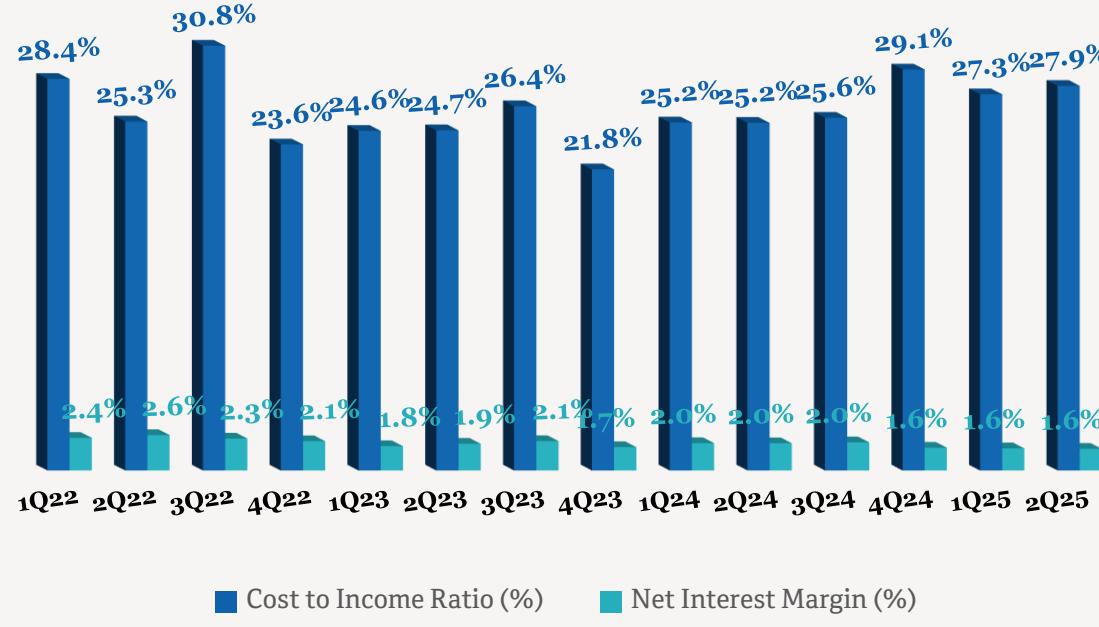
## Quarterly Net Interest & Investment Income Trend (QRmn)



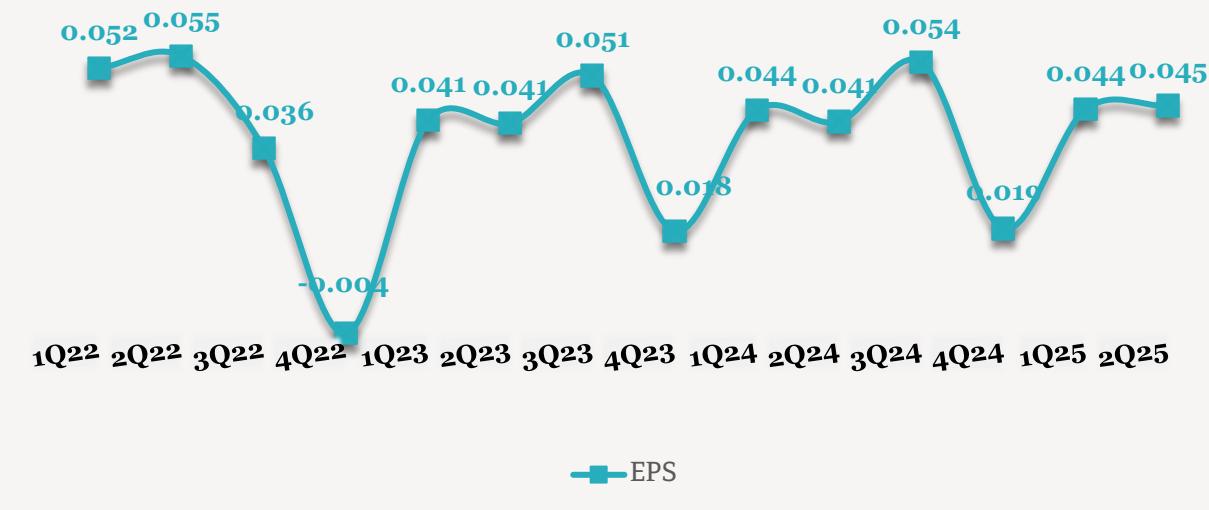
## Quarterly Total Income Trend (QRmn)



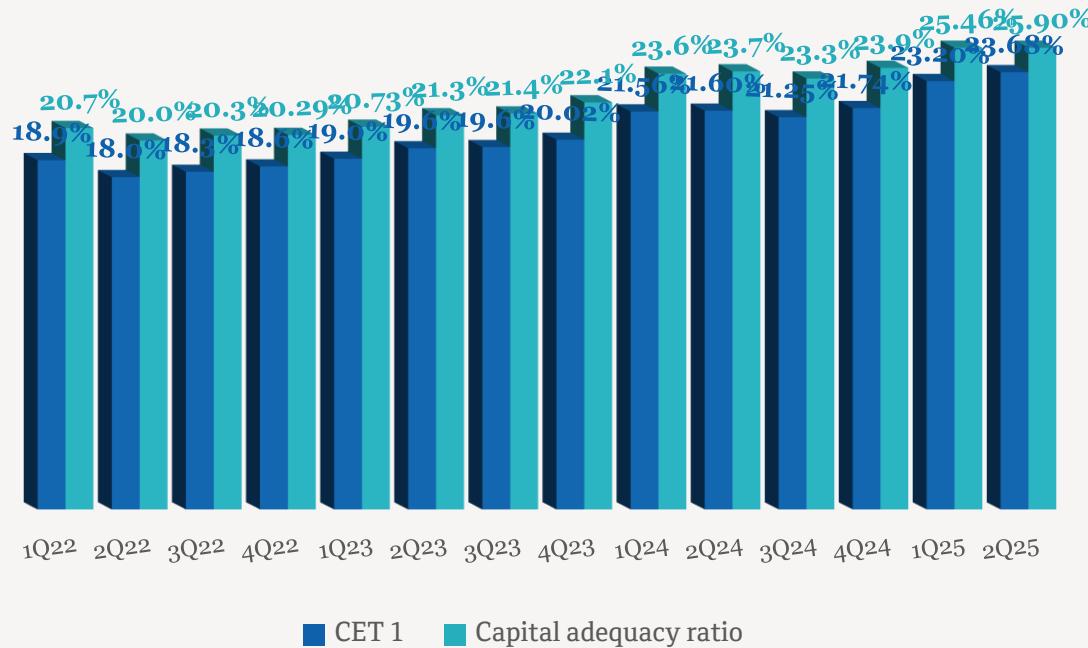
## Quarterly Ratio Trend



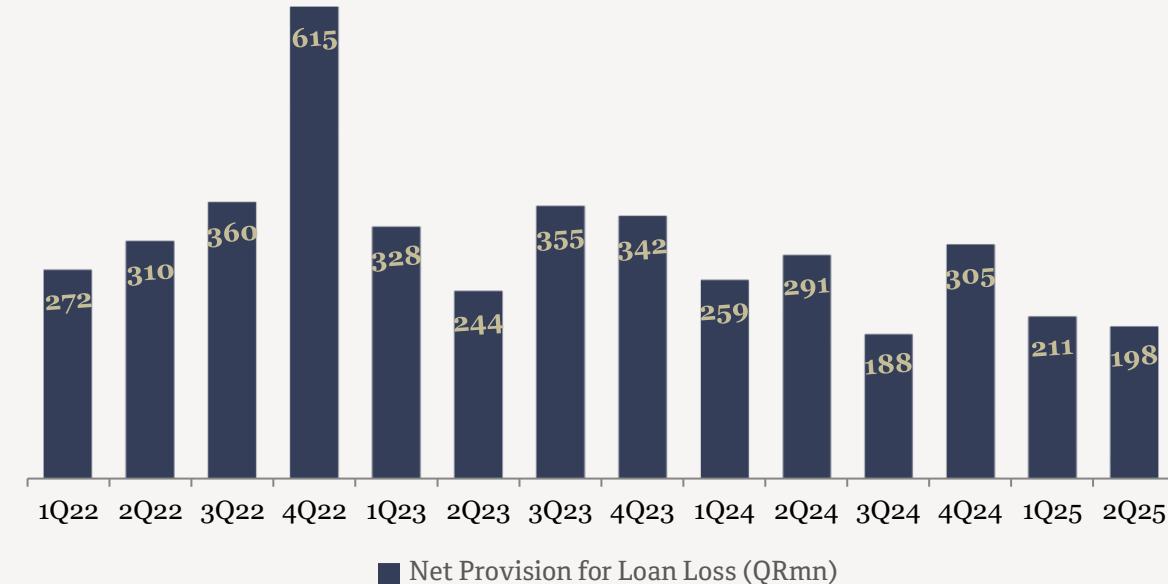
## EPS (QR) Trend



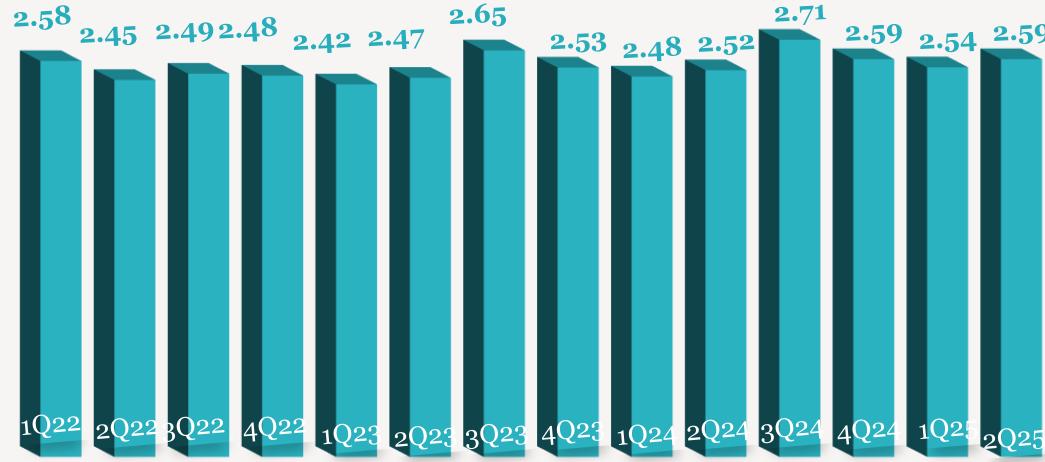
## Capital Adequacy Ratios (%)



## Net Provision for Loan Loss (QR mn)



## Book Value Per Share (QR)



## P/B Multiple Band (x)



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