QNB FINANCIAL SERVICES

Earnings Flash Note

AlRayan Bank

2Q 2026/6M 2026

AlRayan Bank (MARK)

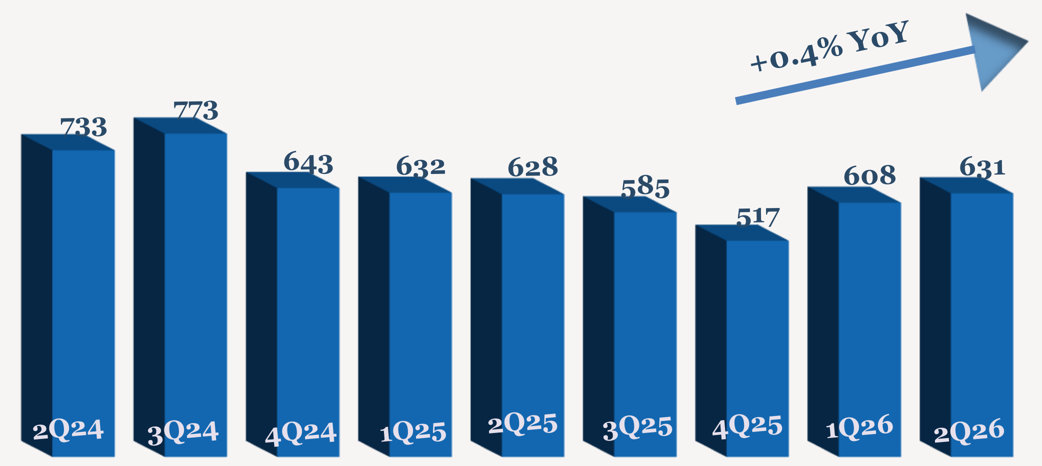
- **Net profit fell 21.1% YoY to QR326mn (-9.6% QoQ) in 2Q2026,** primarily due to lower total income. For 6M2026, net profit fell 16.3% to QR687mn.
- **Net interest & investment income rose by 0.4% YoY to QR631mn (+3.7% QoQ)** in 2Q2026. For 6M2026, net interest and investment income fell 1.7% to QR1,238mn.
- **Cost to income ratio came to 30.3% in 2Q2026 (vs 27.9% in 2Q2025 and 29.9% in 1Q2026).** For 6M2026, cost to income ratio came at 30.1% vs 27.6% in 6M2025.
- **As of 2Q2026-end, Loans & advances were QR113.7bn (+1.5% YoY, +1.6 QoQ)** while Customer deposits increased by 8.4% YoY to QR120.0bn (+3.6% QoQ).
- **For 2Q2026, EPS was QR0.035 vs QR0.045 in 2Q2025**. For 6M2026, EPS came at QR0.074 vs. QR0.088 in 6M2025.
- **As of 2Q2026-end, the book value per share stood at QR2.60 (2Q2025:** QR2.59).
- **As of 21st July 2026, the stock has decreased 9.3% YTD, underperforming** the QSE Index which was down 6.1% YTD.
- **The stock is currently trading at a TTM P/B multiple of 0.8x, lower than its** 3Y historical average of 0.9x. For now, we maintain our PT of QR 2.414/share and Market perform rating.

2Q/6M 2026 Earnings Performance

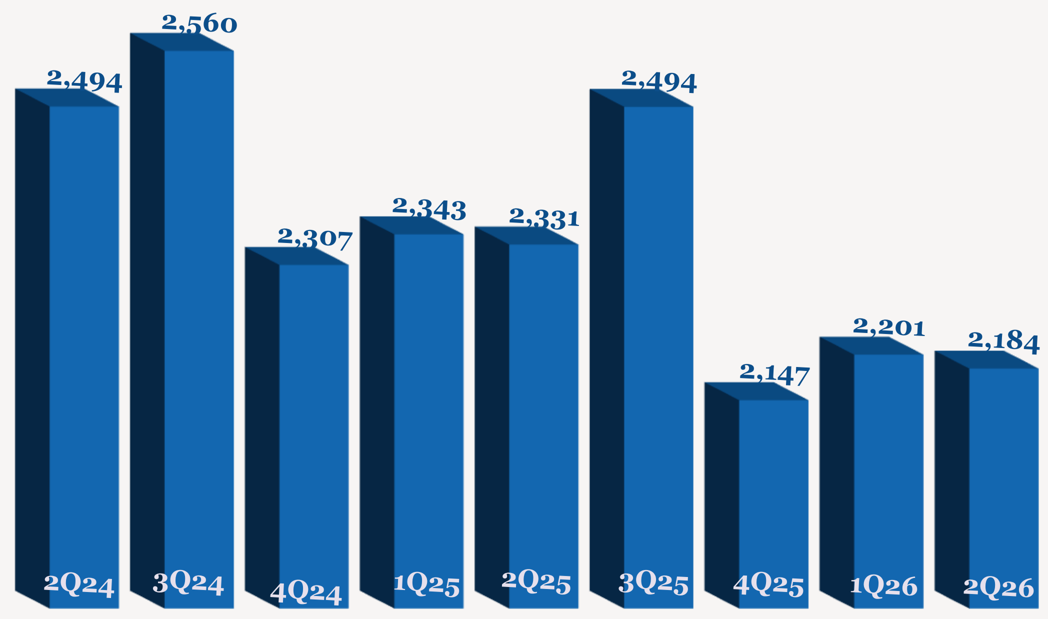
	2Q2026	2Q2025	YoY	1Q2026	QoQ	6M2026	6M2025	YoY
Net Interest & Investment Income	631	628	0.4%	608	3.7%	1,238	1,260	-1.7%
Net Interest Margin %	1.5%	1.6%		1.5%		1.5%	1.6%	
Net Fee and Commission Income	57	84	-32.9%	99	-42.8%	156	185	-15.7%
Total Income	2,184	2,331	-6.3%	2,201	-0.7%	4,385	4,674	-6.2%
Cost/Income Ratio %	30.3%	27.9%		29.9%		30.1%	27.6%	
Net Profit to Equity	326	414	-21.1%	361	-9.6%	687	821	-16.3%
Book Value Per Ordinary Share (QR)	2.60	2.59	0.4%	2.56	1.5%	2.60	2.59	0.4%
EPS (QR)	0.035	0.045	-21.1%	0.039	-9.6%	0.074	0.088	-16.3%
Loans & Advances	113,732	112,096	1.5%	111,992	1.6%	113,732	112,096	1.5%
Customer Deposits	119,961	110,667	8.4%	115,784	3.6%	119,961	110,667	8.4%

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

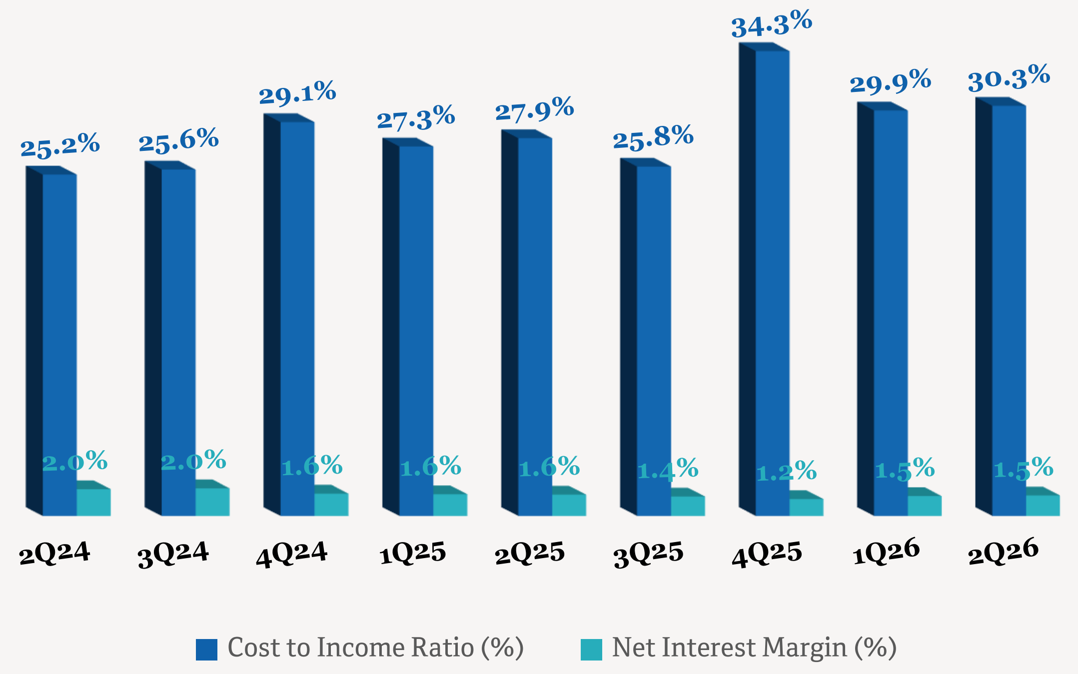
Quarterly Net Interest & Investment Income Trend (QRmn)



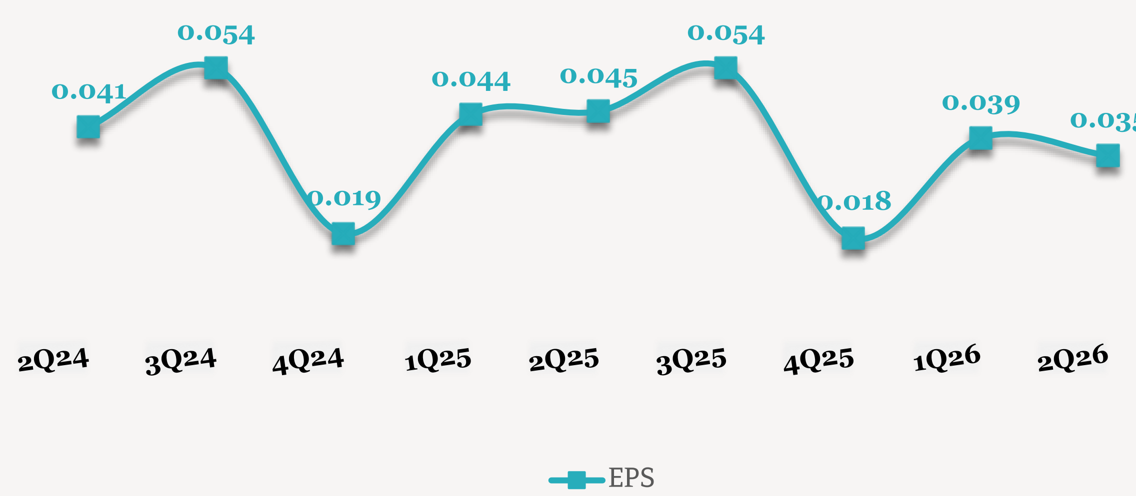
Quarterly Total Income Trend (QRmn)



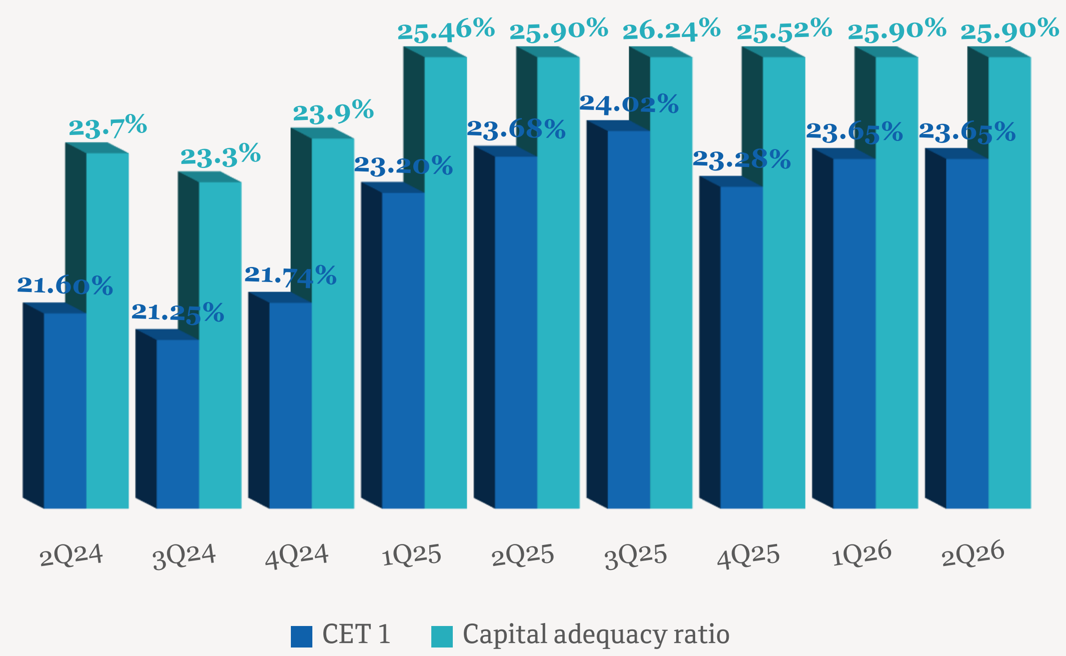
Quarterly Ratio Trend



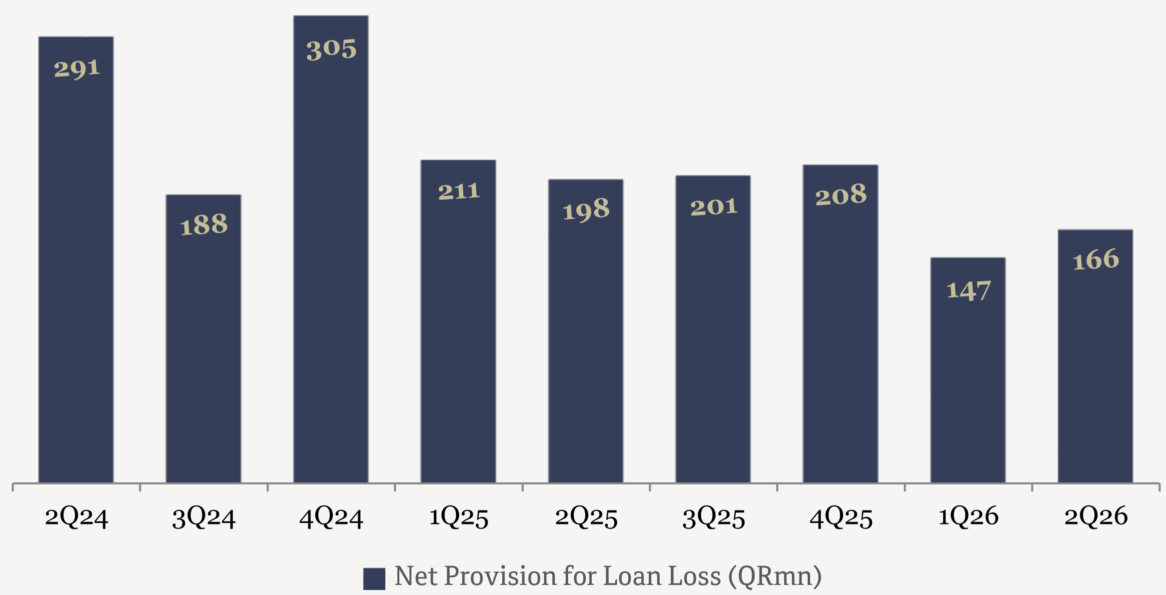
EPS (QR) Trend



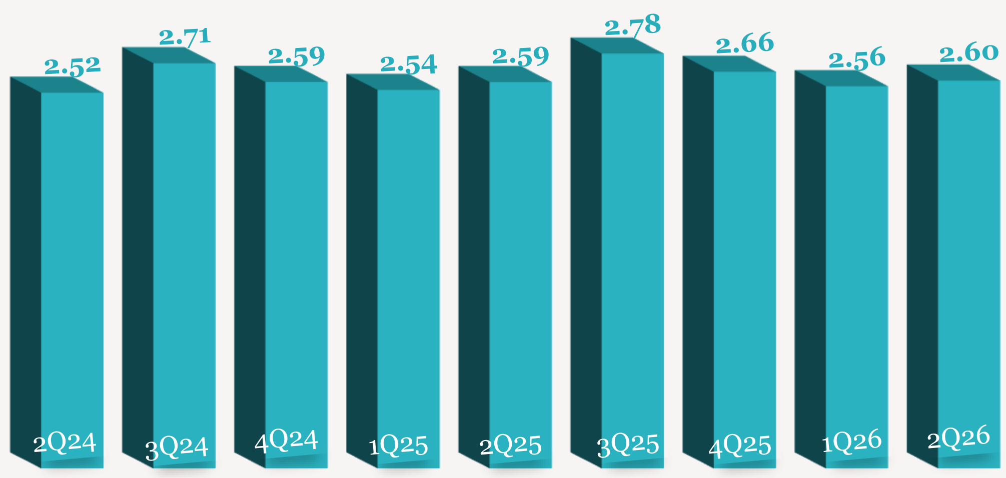
Capital Adequacy Ratios (%)



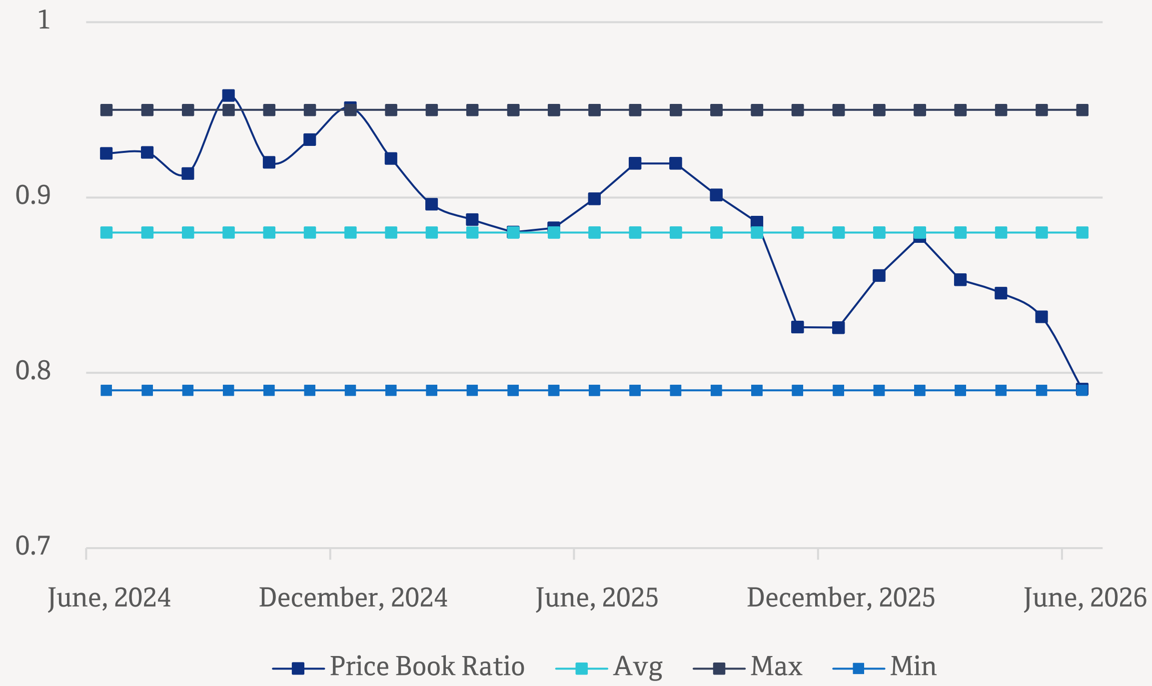
Net Provision for Loan Loss (QR mn)



Book Value Per Share (QR)



P/B Multiple Band (x)



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