



Al Rayan Bank

MARK · Q.P.S.C.

Full Year 2025 Financial Results & Valuation Review

Equity Research · Qatar Securities Co. (P.Q.S.C.) · May 2026

FAIR VALUE: QAR 1.94 – 2.26 · Upside +3.4%

NET PROFIT (EQUITY HOLDERS)

QAR 1,328.6mn

FY2025

TOTAL ASSETS

QAR 181.26bn

FY2025 · +5.94% YoY

TOTAL CAR

25.31%

vs 13.50% QCB minimum

CURRENT MARKET PRICE

QAR 2.184

P/E 15.84x · P/B 0.853x

Al Rayan Bank (MARK) · FY2025 Actuals · Fair Value: QAR 1.94 – 2.26

NET PROFIT

QAR 1,328.6mn

FY2025 - Equity Holders

▼ **-11.82% vs FY2024**

EPS (QAR)

0.1380

FY2025 · LTM: 0.1553

▼ **-12.10% vs FY2024**

ROE

5.47%

FY2025 · FY2026E: 5.98%

▼ **vs 6.33% FY2024**

NET FINANCING MARGIN

1.42%

FY2025 · FY2026E: 1.46%

▼ **-68bps vs FY2024**

CET1 CAPITAL RATIO

23.07%

QCB min: 9.50%

▲ **+133bps vs FY2024**

TOTAL CAR

25.31%

QCB min: 13.50%

Headroom: **+11.81pp**

FINANCING ASSETS

QAR 118.19bn

FY2025

▲ **+7.41% vs FY2024**

BVPS (QAR)

2.6352

FY2025 · Q1-2026: 2.5605

P/B: **0.853x**

DPS (QAR)

0.11

FY2025 · Yield: 5.01%

Payout: **79.77%**

STAGE 3 (DEC-25)

5.11%

QAR 6,320mn impaired

Coverage: **67.85%**

P/E (LTM)

15.84x

Q1-2026 trailing

Price **QAR 2.184**

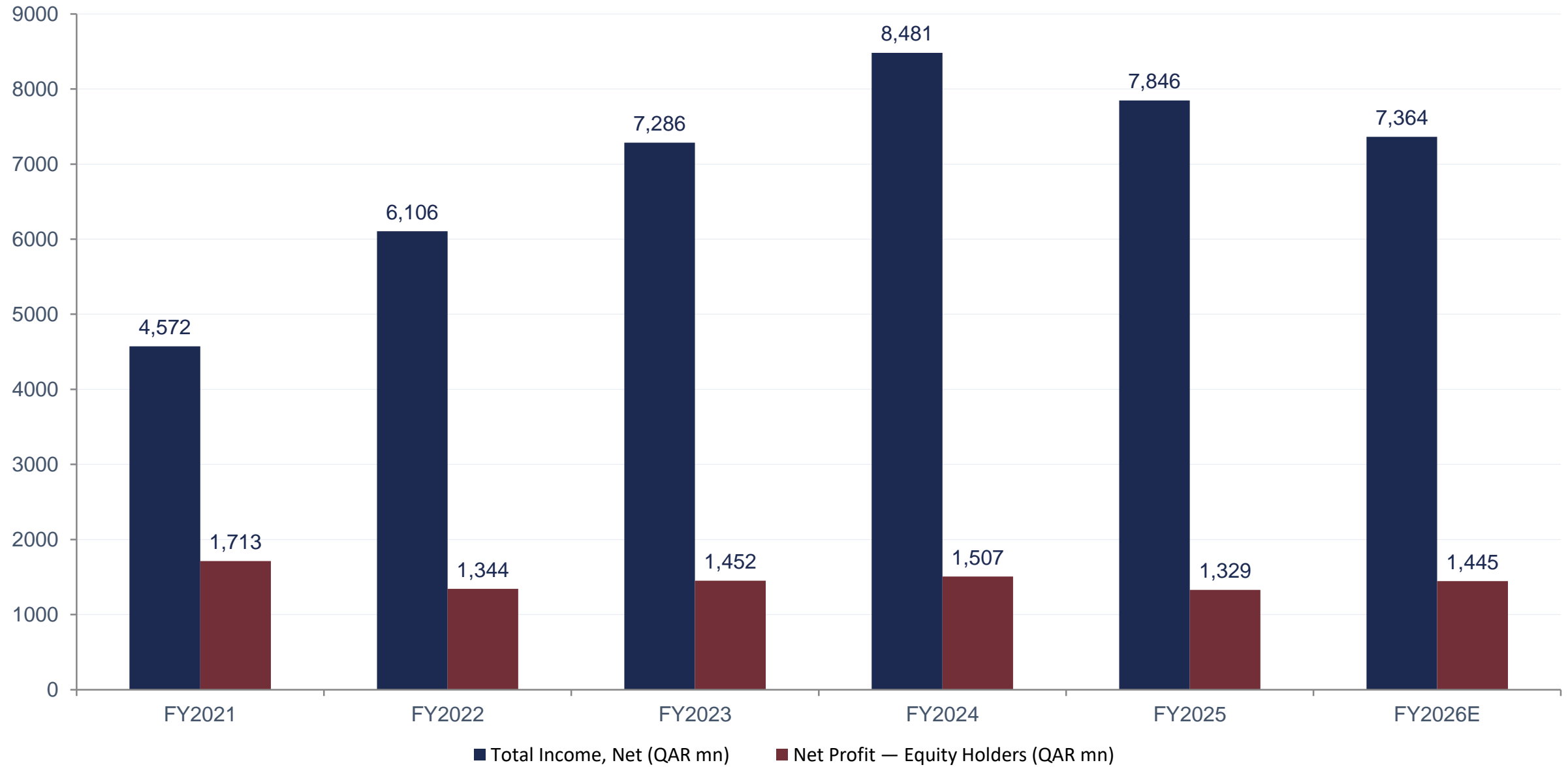
FAIR VALUE

QAR 2.26

P/E floor: QAR 1.94

Upside: **+3.4%**

Al Rayan Bank (MARK) · FY2021 – FY2026E Annualized · QAR mn

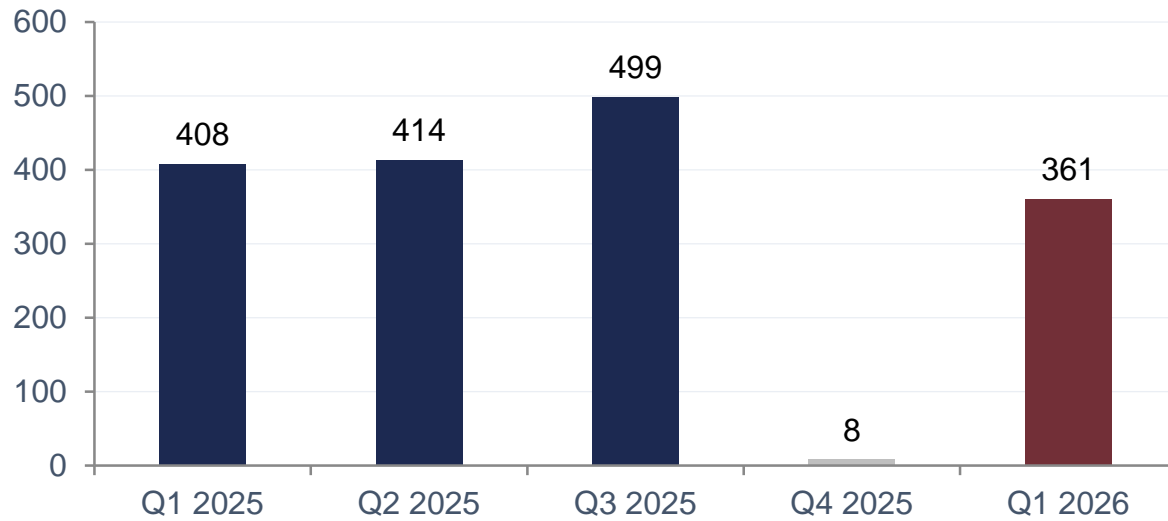


Al Rayan Bank (MARK) · QAR mn (÷ 1,000) · FY2026E = Q1-2026 × 4

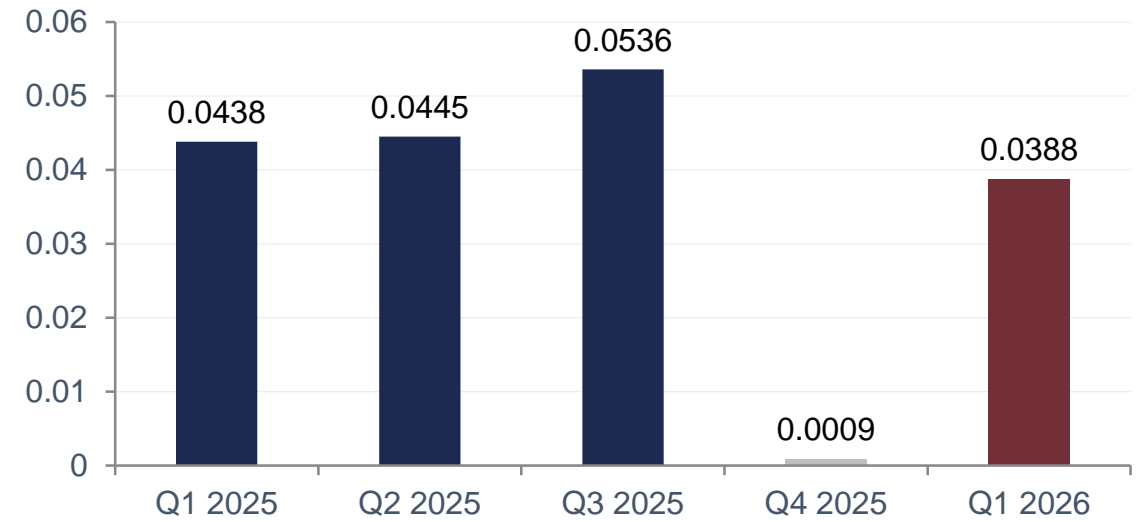
LINE ITEM (QAR mn)	FY2021	FY2022	FY2023	FY2024	FY2025	FY2026E
Net Fin. & Investing Income	4,066	5,464	6,616	7,850	6,858	6,601
Net Fee & Commission Income	324	328	319	299	428	396
TOTAL INCOME (Net)	4,572	6,106	7,286	8,481	7,846	7,364
Total Operating Expenses	(796)	(1,156)	(874)	(920)	(951)	(956)
Net ECL - Financing	(910)	(1,556)	(1,270)	(1,043)	(818)	(589)
Net Profit - Equity Holders	1,713	1,344	1,452	1,507	1,329	1,445
EPS (QAR)	0.2170	0.1400	0.1510	0.1570	0.1380	0.1553

Al Rayan Bank (MARK) · Q1 2025 – Q1 2026 · * Q4 2025: QAR 208.5mn deferred tax charge

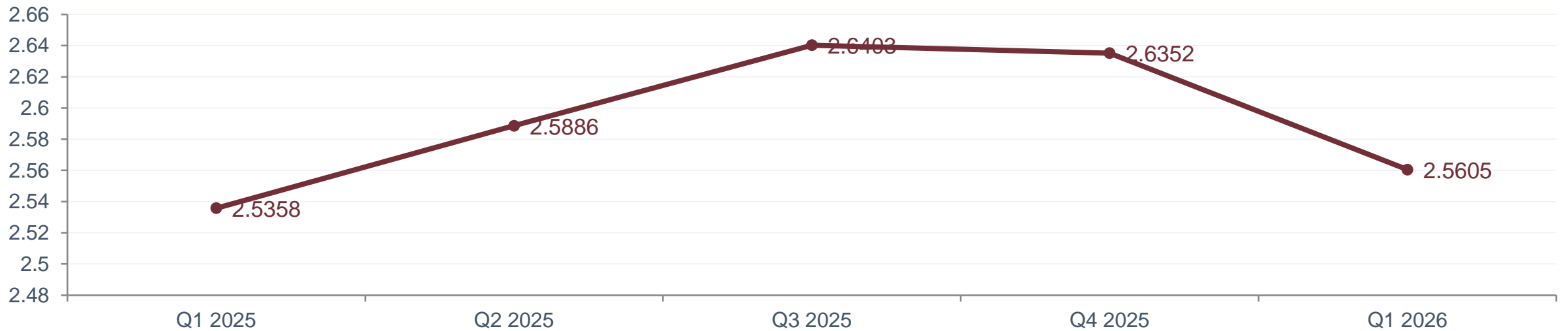
Net Profit - Equity Holders (QAR mn)



EPS (QAR) - 4 decimal places



BVPS per Quarter (QAR) - 4 decimal places

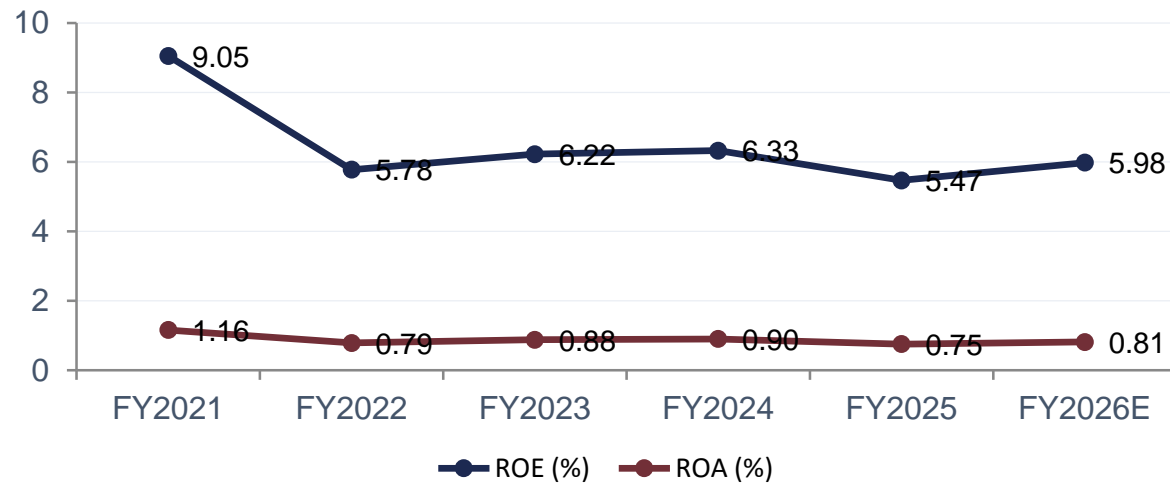


Al Rayan Bank (MARK) · Q1 2025 – Q1 2026 · * Q4 2025 net profit impacted by QAR 208.5mn deferred tax charge

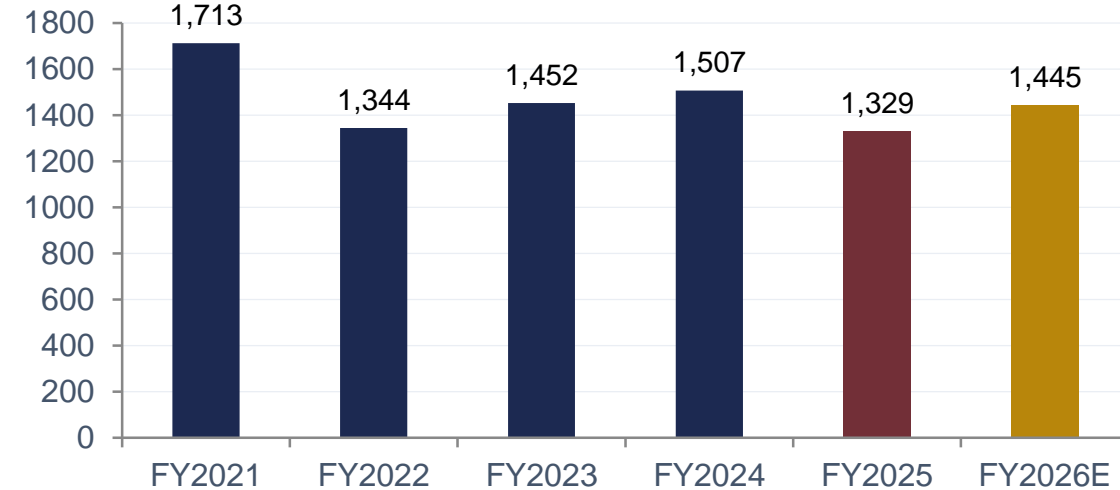
METRIC	Q1 2025	Q2 2025	Q3 2025	Q4 2025 *	Q1 2026
Net Profit - Equity Holders (QAR '000)	407,525	413,858	498,944	8,268	361,148
EPS (QAR)	0.0438	0.0445	0.0536	0.0009	0.0388
BVPS (QAR)	2.5358	2.5886	2.6403	2.6352	2.5605
Cost-to-Income Ratio	11.89%	12.23%	11.71%	12.72%	12.98%
Net Profit Margin	20.88%	20.98%	23.95%	0.79%	19.97%
Financing-to-Deposit Ratio	99.82%	101.29%	99.82%	106.34%	96.73%
P/E (trailing annualized)	14.30x	14.50x	14.82x	15.35x	15.84x

Al Rayan Bank (MARK) · FY2021 – FY2026E · All ratios from Excel

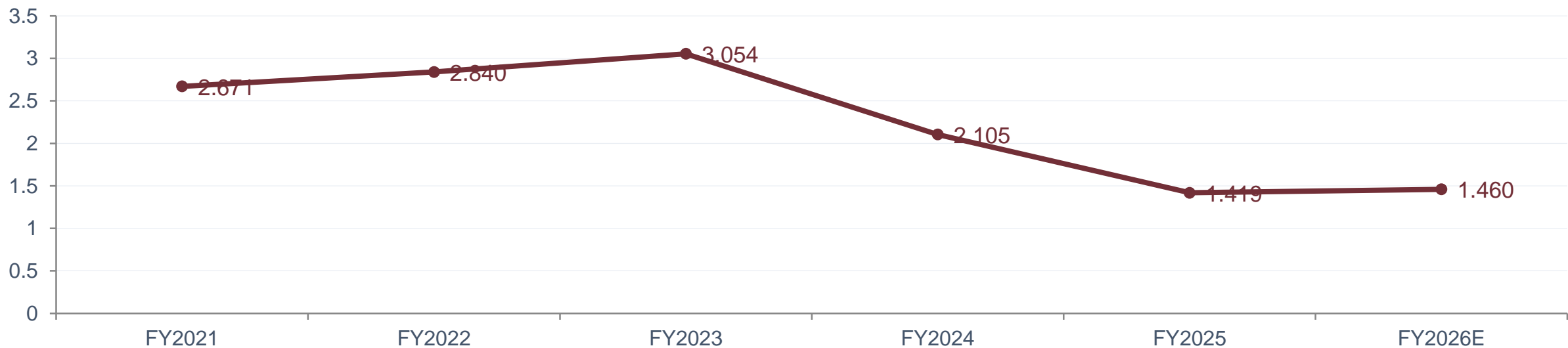
ROE & ROA (%)



Net Profit - Equity Holders (QAR mn)

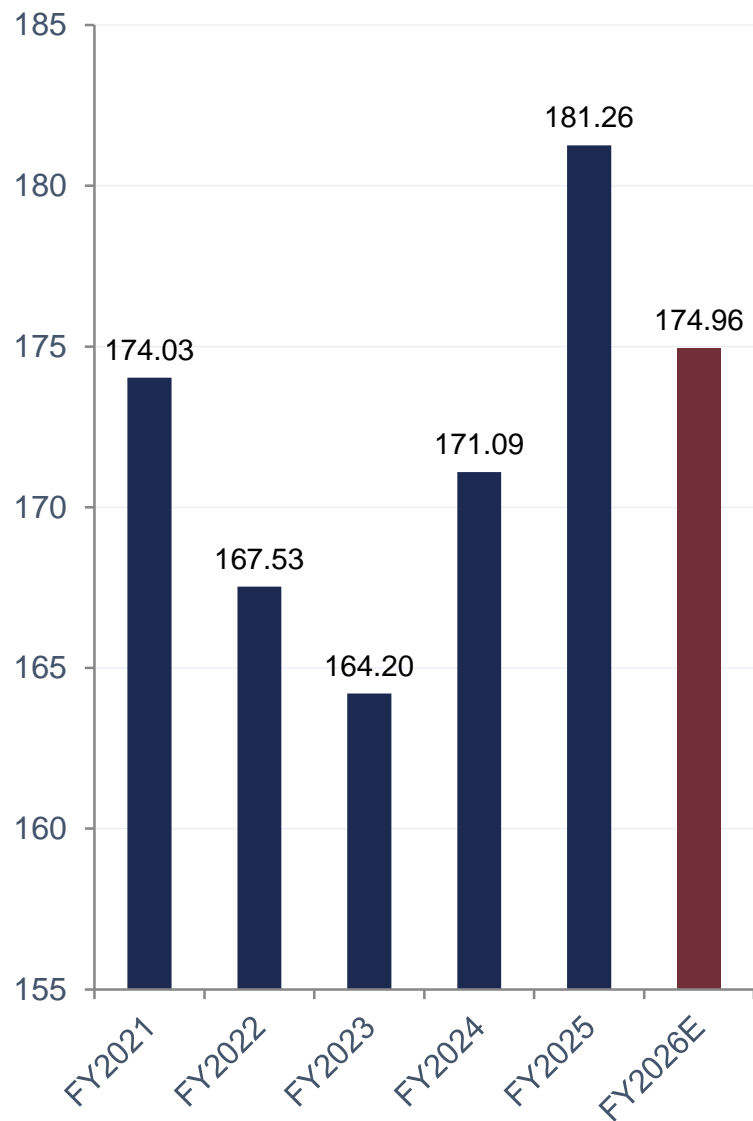


Net Financing Margin (%) - Peak 3.054% (FY2023) → FY2025: 1.419% → FY2026E: 1.460%

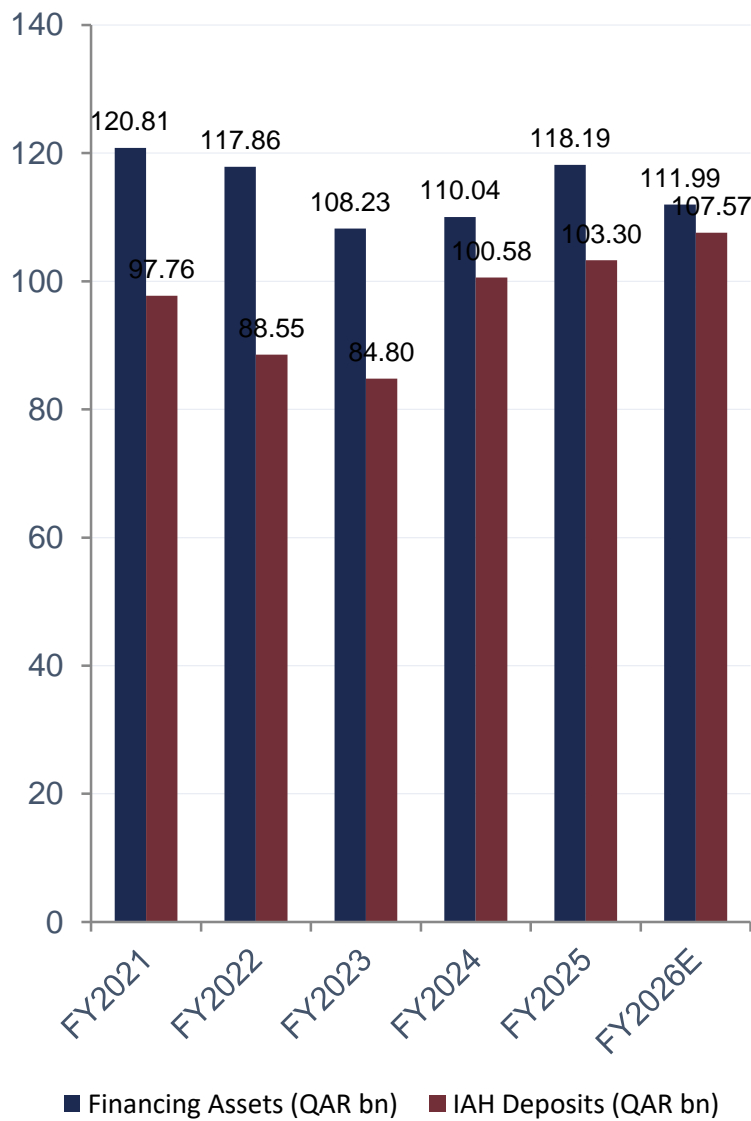


Al Rayan Bank (MARK) · FY2021 – FY2026E · QAR bn (2 decimal places)

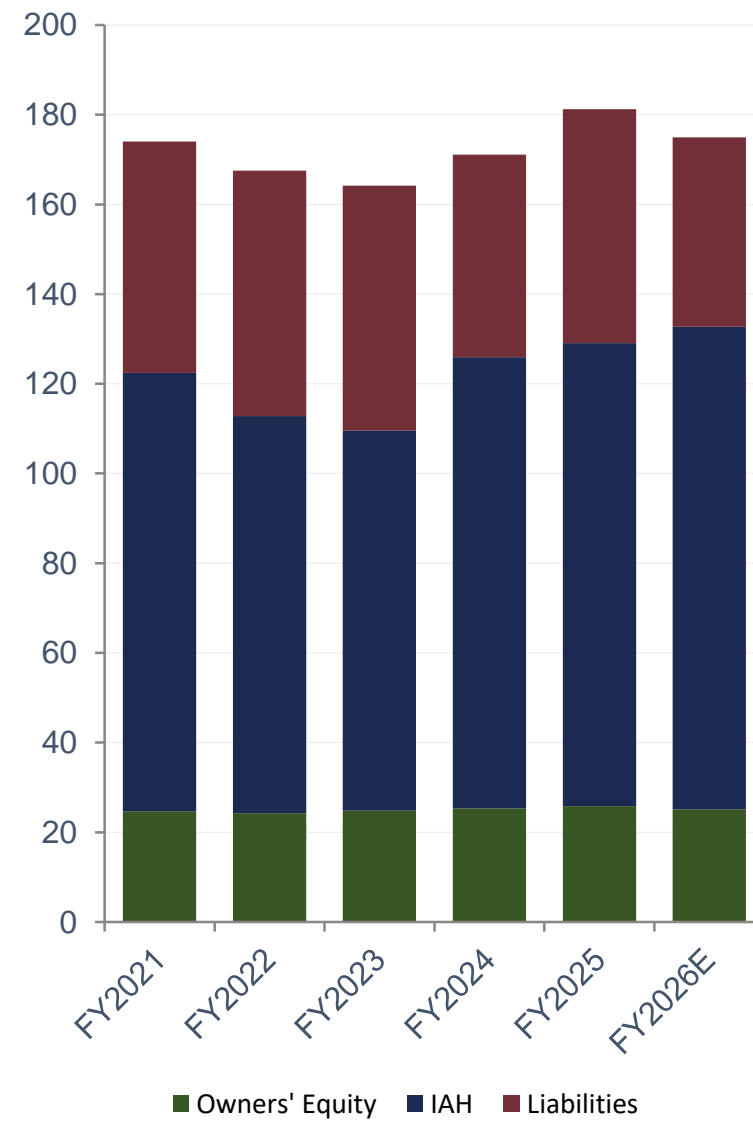
Total Assets (QAR bn)



Financing Assets vs IAH (QAR bn)



Funding Structure - Stacked (QAR bn)

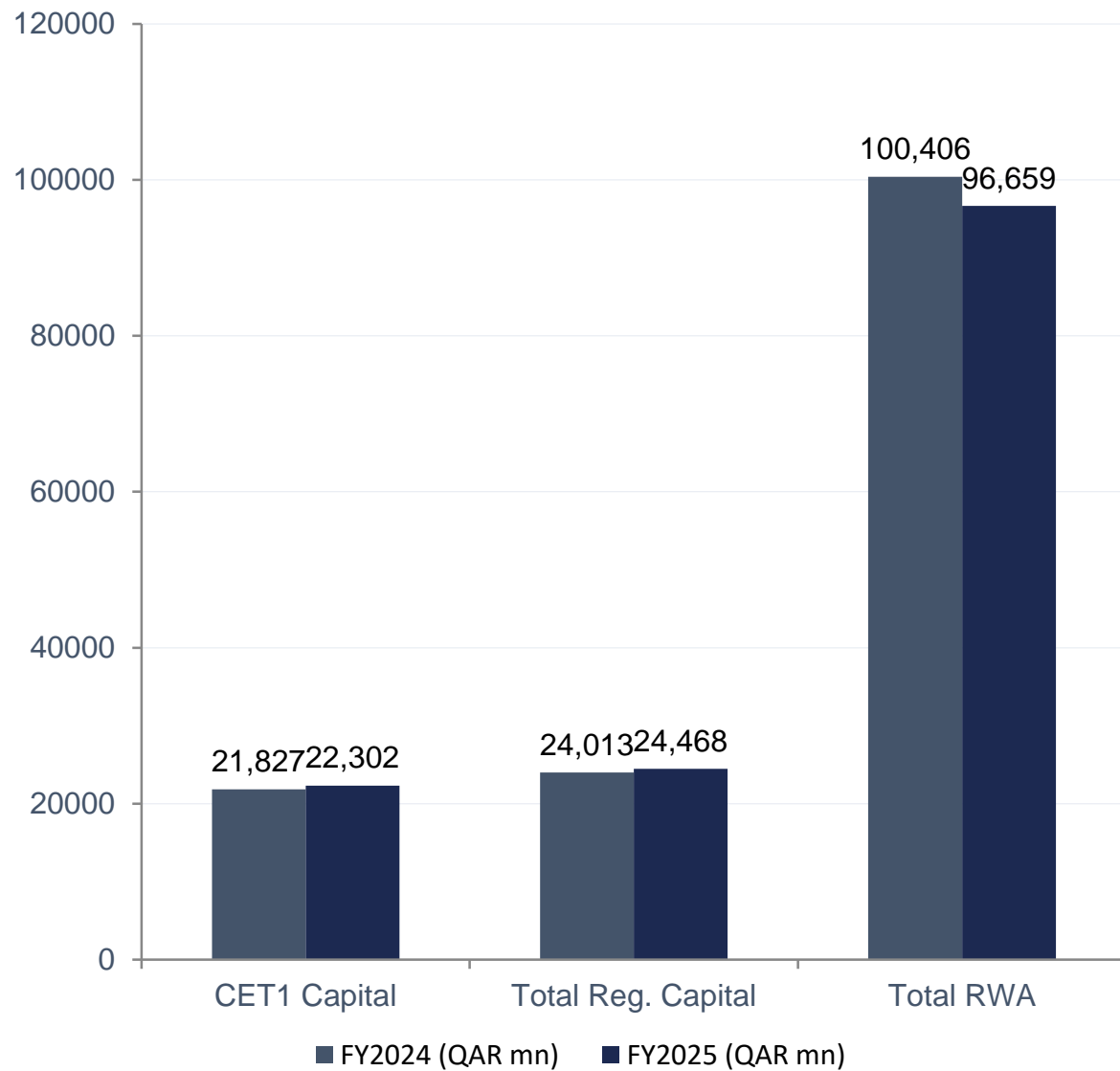


Al Rayan Bank (MARK) · FY2021 – FY2026E · QAR '000 exact · All verified from Excel

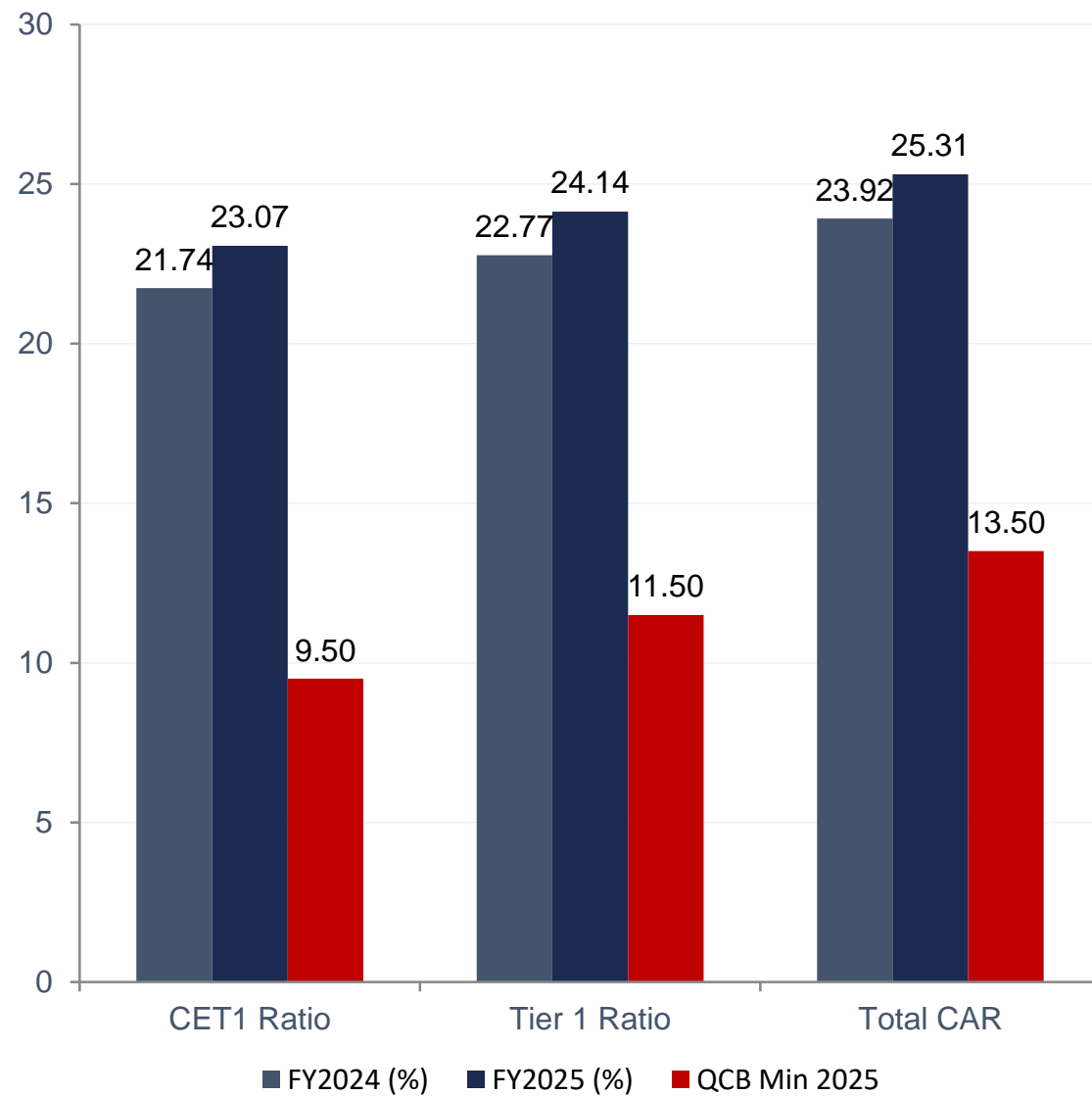
LINE ITEM	FY2021	FY2022	FY2023	FY2024	FY2025	FY2026E
Financing Assets	120,806,731	117,859,281	108,228,181	110,039,563	118,188,326	111,991,940
Investment Securities	32,775,088	31,476,658	38,598,973	43,767,223	45,919,939	47,657,087
TOTAL ASSETS	174,033,860	167,533,213	164,199,535	171,093,777	181,258,047	174,963,651
IAH (Deposits)	97,763,630	88,554,879	84,799,440	100,579,622	103,299,319	107,570,566
Total Liabilities	51,603,942	54,696,394	54,593,596	45,183,299	52,158,989	42,286,118
Total Owners' Equity	24,666,288	24,281,940	24,806,499	25,330,856	25,799,739	25,106,967

Al Rayan Bank (MARK) · Source: ECL Excel File (CAR Sheet)

Regulatory Capital & RWA (QAR mn)



Capital Ratios (%) vs QCB Minimum

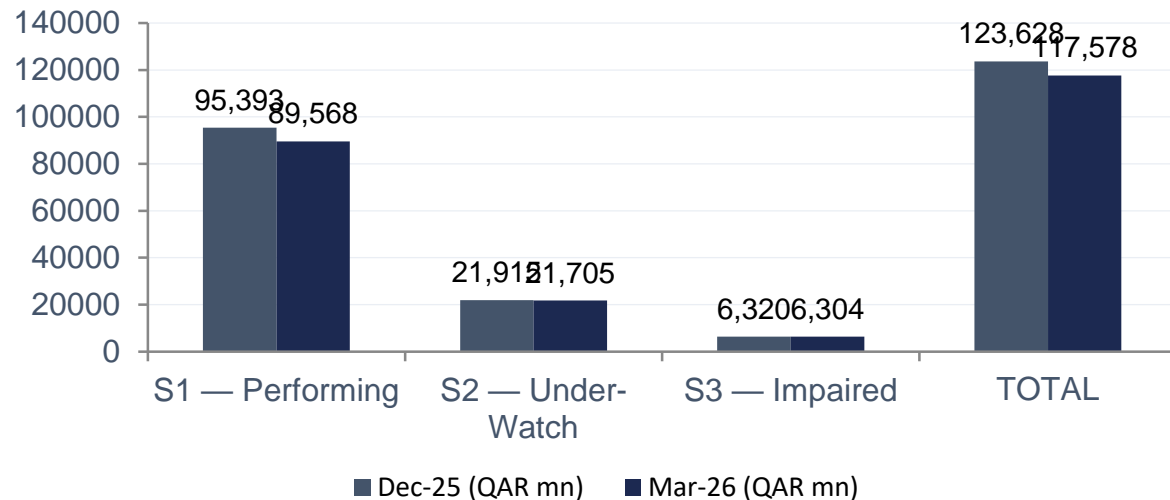


Al Rayan Bank (MARK) · Source: ECL Excel File (CAR Sheet) · QAR '000 for capital amounts

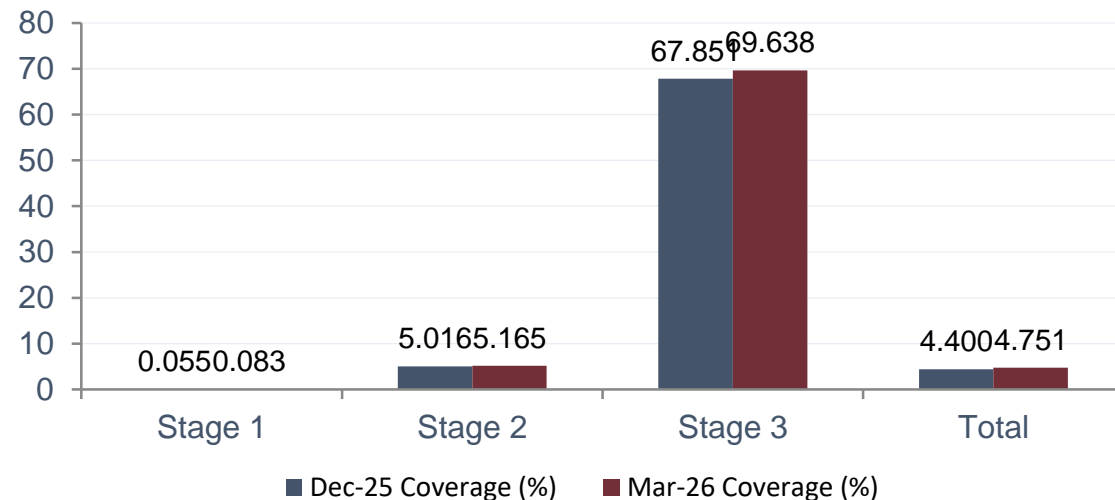
METRIC	FY2025	FY2024	VARIANCE	QCB MIN	HEADROOM
CET1 Capital (QAR '000)	22,302,461	21,827,526	+474,935	n.a.	n.a.
Total Regulatory Capital (QAR '000)	24,468,411	24,012,875	+455,536	n.a.	n.a.
Total Risk-Weighted Assets (QAR '000)	96,659,295	100,405,527	(3,746,232)	n.a.	n.a.
CET1 Ratio (incl. CCB & DSIB)	23.07%	21.74%	+133bps	9.50%	13.57%
Tier 1 Ratio (incl. CCB & DSIB)	24.14%	22.77%	+137bps	11.50%	12.64%
Total CAR (incl. CCB & DSIB)	25.31%	23.92%	+139bps	13.50%	11.81%

Al Rayan Bank (MARK) · Dec-25 vs Mar-26 · Source: ECL Excel File

Financing Exposure by Stage (QAR mn)



ECL Coverage by Stage (%) - 3dp

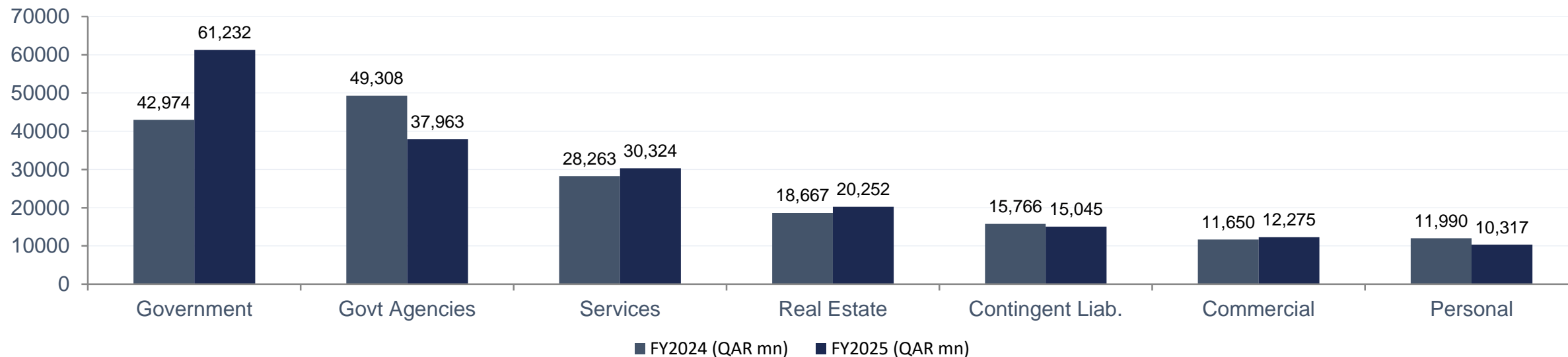


FINANCING ASSETS ECL DETAIL - QAR '000

STAGE	Exposure Mar-26	Exposure Dec-25	Allowance Mar-26	Cov. Mar-26	Cov. Dec-25
S1 - Performing	89,568,419	95,392,921	74,231	0.083%	0.055%
S2 - Under-Watch	21,704,760	21,914,762	1,121,134	5.165%	5.016%
S3 - Impaired	6,304,450	6,320,268	4,390,324	69.638%	67.851%
TOTAL	117,577,629	123,627,951	5,585,689	4.751%	4.400%

Al Rayan Bank (MARK) · FY2025 vs FY2024 · Source: ECL Excel File

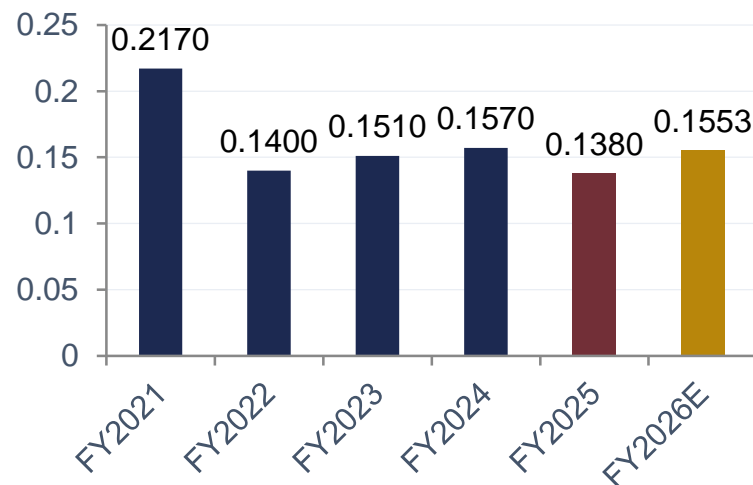
Credit Exposure by Sector (QAR mn)



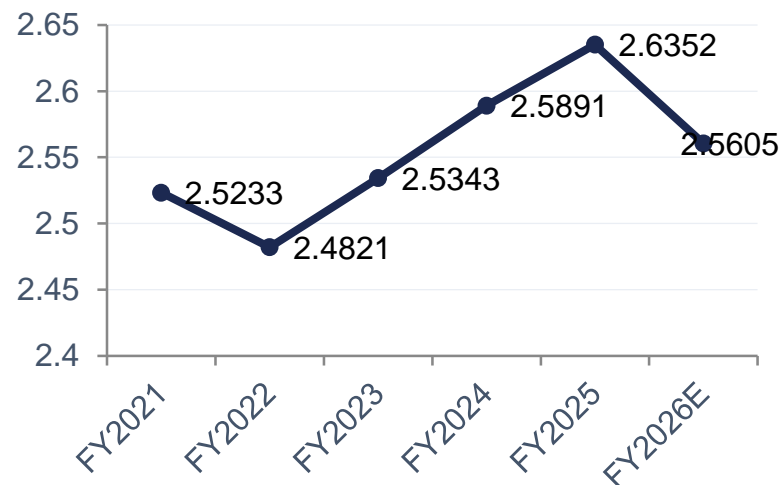
SECTOR	FY2025 (QAR '000)	FY2024 (QAR '000)	Change	Share FY2025
Government	61,232,261	42,974,421	+18,257,840	31.88%
Govt Agencies	37,962,834	49,307,535	-11,344,701	19.77%
Services	30,323,501	28,262,769	+2,060,732	15.79%
Real Estate	20,251,629	18,666,926	+1,584,703	10.54%
Contingent Liab.	15,044,812	15,765,859	-721,047	7.83%
Commercial	12,274,561	11,650,027	+624,534	6.39%
Personal	10,316,842	11,990,005	-1,673,163	5.37%
TOTAL	192,069,566	183,001,676	+9,067,890	100.00%

Al Rayan Bank (MARK) · All values in QAR · Small numbers shown to 4 decimal places

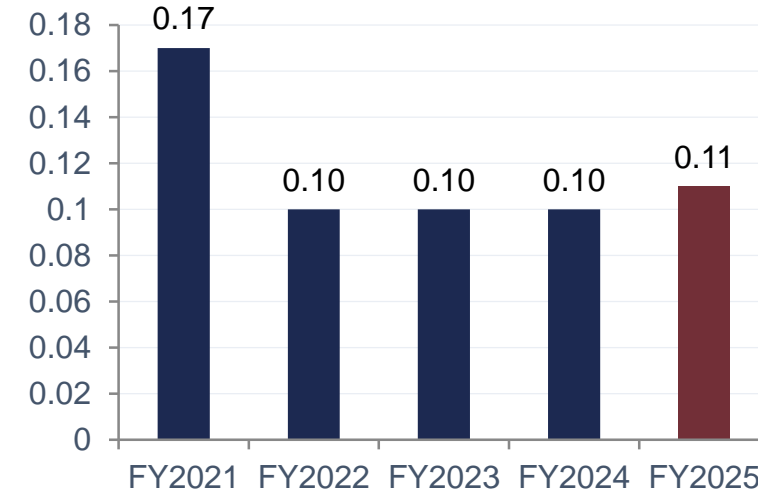
Annual EPS (QAR) - 4dp



BVPS (QAR) - 4dp



DPS (QAR) - 2dp



METRIC (QAR)	FY2021	FY2022	FY2023	FY2024	FY2025	LTM / FY2026E
EPS (as reported)	0.2170	0.1400	0.1510	0.1570	0.1380	0.1553
BVPS	2.5233	2.4821	2.5343	2.5891	2.6352	2.5605
DPS	0.17	0.10	0.10	0.10	0.11	-
Dividend Yield	3.66%	3.15%	3.86%	4.06%	5.01%	-
P/B	-	-	-	-	0.83x	0.853x

Al Rayan Bank (MARK) · FY2025 Results · Based on Excel-verified figures

STRENGTHS

- Total CAR 25.31% - +11.81pp above QCB 13.50% minimum
- CET1 23.07% - +13.57pp above 9.50% regulatory floor
- Government + Govt Agency: 51.6% of total exposure (sovereign anchor)
- Fee income grew +43.20% YoY → QAR 428.0mn in FY2025
- Total assets QAR 181.26bn · Off-BS AUM QAR 3.94bn
- DPS QAR 0.11 - Yield 5.01% at QAR 2.184

OPPORTUNITIES

- Qatar Vision 2030 infrastructure - large sovereign financing pipeline
- Portfolio repositioning toward higher-yield assets → NFM recovery
- Selective repricing of existing financing book → margin uplift
- IAH funding cost optimization → reduce profit distribution drag
- Sukuk market leadership - repeat mandates with sovereign counterparties
- ECL normalization - Stage 3 peak; recoveries could release reserves

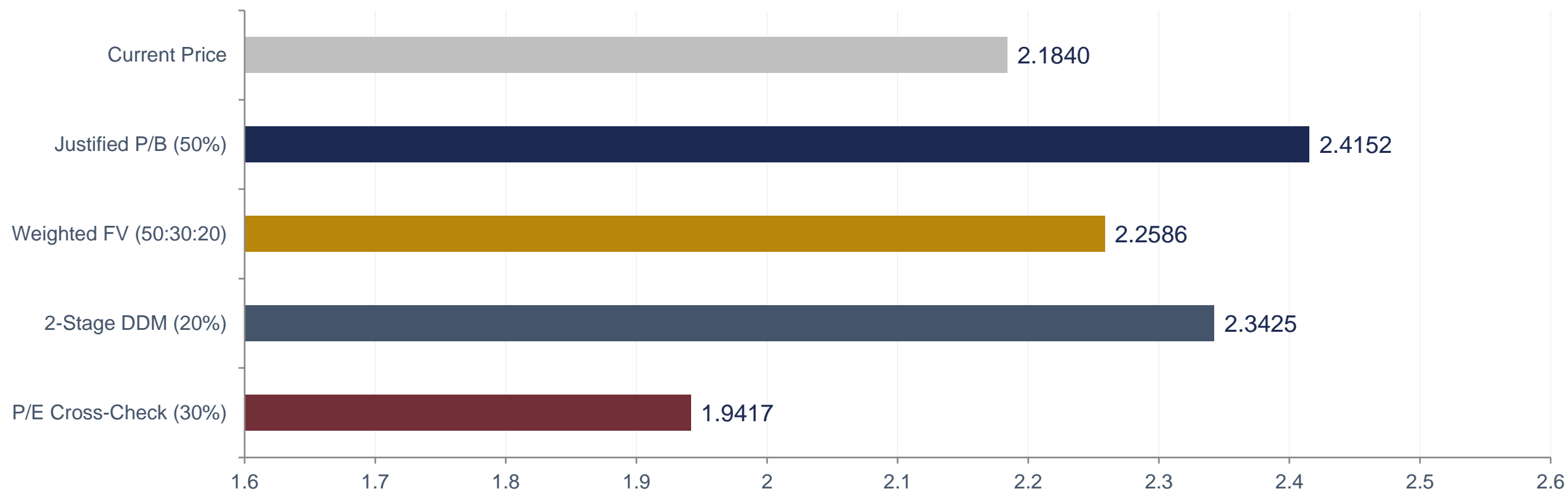
WEAKNESSES

- NFM 1.419% - vs 3.054% peak (FY2023)
- ROE 5.47% - below Ke 8.28% (ROE < Ke spread)
- Stage 3: QAR 6,320mn (5.11%) - elevated impaired exposure
- Stage 2 under-watch: QAR 21.9bn (17.7%) - migration risk
- Q4 2025: QAR 208.5mn deferred tax - earnings volatility
- FDR 106.34% - partially funded by market borrowings

RISKS

- Further NFM compression - rate declines or IAH profit rate pressure
- Stage 2 → Stage 3 migration risk - QAR 21.9bn under-watch
- QCB / IFRS regulatory changes may require capital adjustments
- High IAH reliance (57%) - funding sensitivity to rate dynamics
- Tax uncertainty - QAR 231.4mn FY2025 vs QAR 33.5mn FY2024
- Re-rating requires NFM $\geq 2.0\%$ and ROE $\geq 8\%$ - execution dependent

Al Rayan Bank (MARK) · Fair Value: QAR 1.9417 (P/E floor) – QAR 2.2586 (weighted blended) · Inputs from Excel



FAIR VALUE RANGE: **QAR 1.9417 – QAR 2.2586** · Upside to blended: +3.42% · Current price: QAR 2.184

JUSTIFIED P/B · 50%

QAR 2.4152

Norm. ROE: 7.9793% · Ke: 8.2788% · g: 3.0% · Justified P/B: 0.9433x · BVPS: QAR 2.5605

P/E CROSS-CHECK · 30%

QAR 1.9417

Applied P/E: 12.5x · LTM EPS: QAR 0.1553 · Ann. Net Profit: QAR 1,444,592k · Shares: 9,300,000k

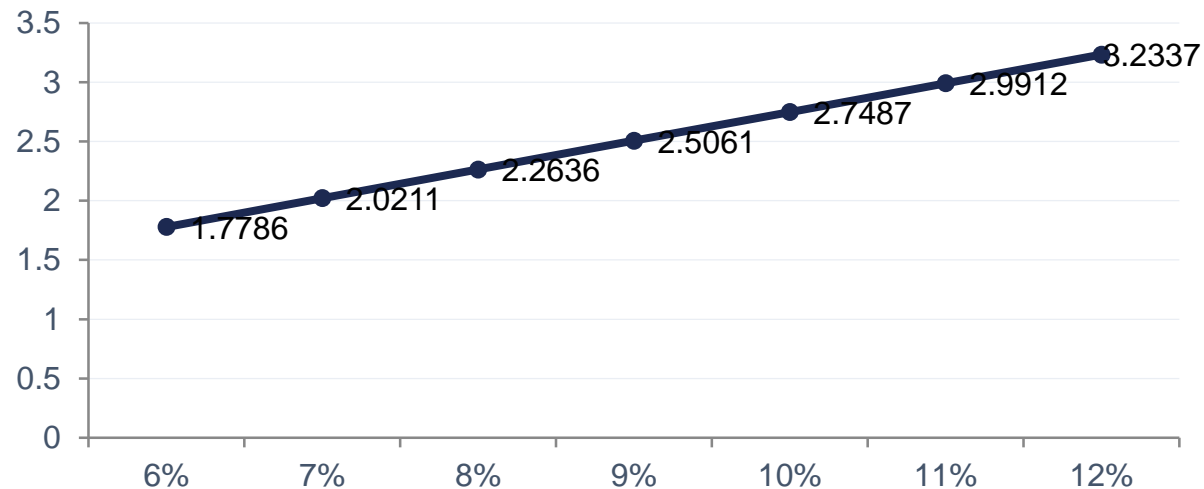
2-STAGE DDM · 20%

QAR 2.3425

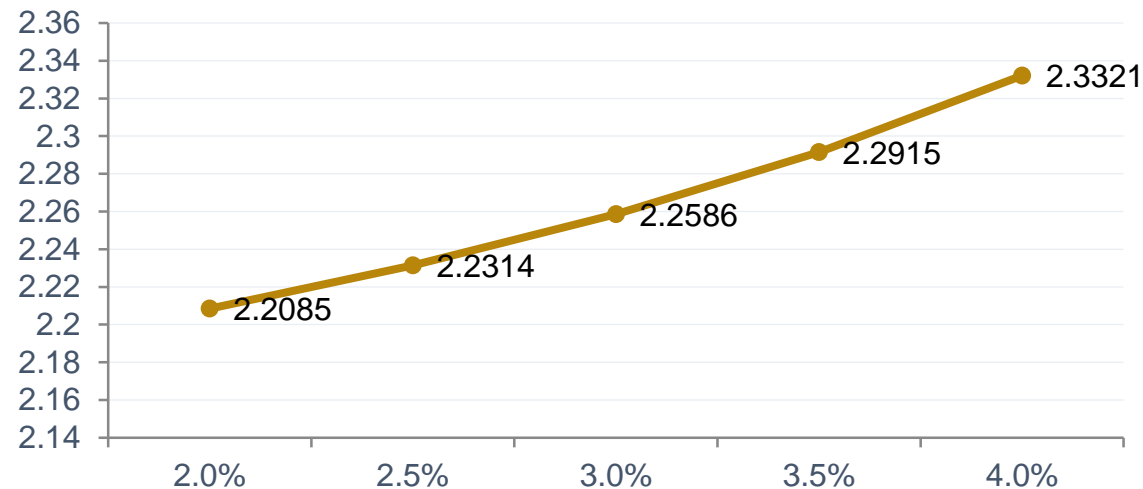
Base DPS: QAR 0.11 · Y1 DPS: QAR 0.1155 · Y1-Y5 growth: 5.00% · Terminal g: 3.0% · Ke: 8.2788%

Al Rayan Bank (MARK) · All scenarios from Excel model · Current price QAR 2.184 · Base case: 8% ROE / g 3.0% highlighted

Weighted FV vs Normalized ROE (Ke fixed 8.28%)



Weighted FV vs Terminal Growth Rate (Ke & ROE fixed)



ROE SENSITIVITY TABLE - Ke = 8.2788%, g = 3.00% (Base case: 8% highlighted)

NORM. ROE	P/B Fair Value	P/E Fair Value	DDM Fair Value	Weighted FV	Upside / (Down)
6%	QAR 1.4552	QAR 1.9417	QAR 2.3425	QAR 1.7786	-18.56%
7%	QAR 1.9402	QAR 1.9417	QAR 2.3425	QAR 2.0211	-7.46%
8%	QAR 2.4253	QAR 1.9417	QAR 2.3425	QAR 2.2636	+3.65%
9%	QAR 2.9103	QAR 1.9417	QAR 2.3425	QAR 2.5061	+14.75%
10%	QAR 3.3954	QAR 1.9417	QAR 2.3425	QAR 2.7487	+25.86%
11%	QAR 3.8804	QAR 1.9417	QAR 2.3425	QAR 2.9912	+36.96%
12%	QAR 4.3655	QAR 1.9417	QAR 2.3425	QAR 3.2337	+48.06%

QAR **1.94 – 2.26**

Fair Value · Upside: +3.4%

FV (P/E floor)	QAR 1.9417
FV (weighted)	QAR 2.2586
Current Price	QAR 2.184
Upside	+3.42%
LTM P/E	15.84x
P/B (Q1-2026)	0.853x
DPS / Yield	QAR 0.11 / 5.01%
EPS FY2025	QAR 0.1380
CET1 / Total CAR	23.07% / 25.31%
Stage 3 Dec-25	5.11% · Cov: 67.85%
NFM FY2025/2026E	1.419% / 1.460%
ROE FY2025 / Ke	5.469% / 8.28%

1**Strong Capital - CET1 23.07%, Total CAR 25.31%**

Total CAR provides 11.81pp headroom above QCB minimum of 13.50%. CET1 of 23.07% is 13.57pp above the 9.50% floor. RWA contracted 3.73% to QAR 0.10bn, further strengthening capital ratios. This position supports capacity to absorb ECL charges on Stage 2 (QAR 21.9bn) and Stage 3 (QAR 6.3bn) without breaching thresholds.

2**NFM Is the Key Valuation Pivot - 1.419% FY2025, 1.460% FY2026E**

NFM compressed from 3.054% (FY2023 peak) to 1.419% (FY2025). ROE of 5.469% remains below Ke of 8.28%, creating a negative ROE-Ke spread. Justified P/B at current assumptions: 0.9433x vs actual P/B 0.853x. ROE sensitivity: at 9% → FV QAR 2.5061 (+14.75%); at 10% → QAR 2.7487 (+25.86%).

3**Yield of 5.01% Provides Near-Term Return · ECL Normalizing**

DPS QAR 0.11 (payout 79.77%) yields 5.01% at QAR 2.184. ECL charges declined -21.6% YoY to QAR 817.9mn in FY2025, improving further to QAR 589.0mn FY2026E. Beta sensitivity: β 0.80 → FV QAR 2.2679; β 1.10 → QAR 2.0277. Terminal g 4.0% → FV QAR 2.3321 (+6.78%).



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