

Derayah Operating Profit up 37% YoY for 2Q 2025, ROAE at 41.2%

Total Number of Client Accounts '000 +9% YTD 581	2Q25 Operating Income ₪ Mn +11% YOY 235	1H25 Operating Income ₪ Mn +2% YOY 444
Total Assets Under Custody (AUC) ₪ Bn +16% YTD 35.1	2Q25 Net Profit ₪ Mn +17% YOY 107	1H25 Net Profit ₪ Mn -6% YOY 213

Riyadh, August 5, 2025 — Derayah Financial (Derayah, Tadawul: 4084) reported total operating income of ₪ 235 million for the second quarter of 2025 - a robust growth of 11% year-over-year (YoY) — bringing first half of 2025 total operating income to ₪ 444 million, representing a 2% YoY increase.

Top line growth in 2Q 2025 was primarily fueled by higher trading volumes on our platform, driving a robust performance in brokerage operations, as well as higher asset management revenues driven by a 14% year-on-year increase in assets under management (AUM), reaching ₪ 17.2 billion by the end of the quarter. This was further supported by ongoing success in our investments' strategy, evident in the favorable revaluation gains from our private holdings. However, topline growth was partially offset by lower special commission income during the period due to interest rate cut compared to the same period.

Operating profit for the first half of 2025 reached ₪ 273 million, up 7% YoY on increased revenues and controlled expenses, with second-quarter operating profit coming at ₪ 141 million, marking a strong 37% YoY increase.

Net profit for the first half of 2025 was ₪ 213 million, down 6% YoY, reflecting the Company's share in the losses from its associate, digital bank D360, however, excluding the impact of our investment in associate, the core business generated a net profit of ₪ 276 million, an increase of 8% YoY. For the second quarter, net profit excluding the D360 impact reached ₪ 145 million, up 36% compared to the same period last year.

Mr. Mohammed AlShammasi, Chief Executive Officer

"The second quarter of 2025 was marked by heightened market volatility, driven by US tariff policy announcements and geopolitical tensions in the Middle East. Amid this challenging backdrop, we are pleased to have delivered solid results, underscoring Derayah's resilience and ability to perform across varying market conditions.

Throughout the quarter, we remained focused on deepening the value we deliver to clients by



enhancing our capabilities and broadening our product suite, including progressing on our Securities Borrowing and Lending (SBL) offering, and the successful relaunch of Derayah Smart.

We are also encouraged by the ongoing structural shifts in the Saudi market, notably the opening of the exchange to foreign retail investors residing in the GCC. We believe these developments represent long-term tailwinds for our platform, and the enhancements we are making today will enable us to fully capture these opportunities.

In another development this quarter, Derayah has appointed the “Shariyah Review Bureau” to oversee compliance with Sharia principles across our operations, activities, and product suite. We believe this step will further strengthen our appeal to a broader base of investors.”

Mr. Bilal Bushnaq, Chief Financial Officer

“In the first half of 2025, Derayah demonstrated the resilience and agility of its business model. We delivered strong brokerage revenues, while maintaining stability in our asset management segment despite subdued market performance.

Our private investments also continued to yield results, with investment income exceeding ₪ 30 million in the second quarter of 2025.

Maintaining strict cost discipline remains a key priority. We delivered a year-on-year reduction in operating expenses, contributing to sustained profitability. For the first half of 2025, return on average equity stood at 41.2%, while the efficiency ratio improved to 38.5%, highlighting strong operating leverage.

D360’s growth journey continues to progress, with the platform gaining scale and expanding its customer base. While this early-stage venture currently weighs on our profitability, it remains a key pillar of our long-term growth strategy. In the second quarter, we participated in D360’s rights issue, investing ₪ 98 million.

Excluding the impact of D360, net profit for 2Q 2025 increased by 36% year-over-year — underscoring the strength of our core operations.

Reflecting this strong performance and in line with our dividend policy, Derayah declared a cash dividend for Q2 2025 at ₪ 0.33 per share.”

1H 2025 Key Highlights

- Client accounts increased by c. 48,500 or 9% YTD, exceeding a total of 580,000
- Total assets under custody (AUC) increased by 16% YTD to exceed ₪ 35 billion
- Total assets under management (AUM) were stable YTD at ₪ 17.2 billion
- Net profit for 1H 2025 of ₪ 213 million, with return on average equity of 41.2%
- 1H 2025 core net profit (excluding losses from associates) at ₪ 276 million, +8% YoY
- Total operating income increased by 2% YoY to ₪ 444 million
- The cost-to-income ratio improved by 2.8 ppts YoY to 38.5%



Total operating income increased by 2% YoY to ₪ 444 million in 1H 2025, primarily driven by strong brokerage revenues and investment gains, partially offset by lower asset management revenues and special commission income:

- **Brokerage revenue** rose 11% YoY in 1H 2025 to ₪ 269 million, supported by increased market volatility and improved trading activity in 2Q 2025. This contributed to an acceleration in brokerage revenue growth to 18% YoY in the second quarter.

Non-margin trading revenue across local and international markets increased by 11% YoY to ₪ 252 million in 1H 2025, with 2Q 2025 growth reaching 20% YoY. This continued strong performance was driven by increasing trading activity on our platform with traded values exceeding ₪ 120 billion in 2Q 2025 (+33% QoQ; +80% YoY) bringing 1H 2025 traded values to over ₪ 212 billion (+20% YoY).

These results underscore the diversification of our brokerage platform, which enables us to capture growth opportunities beyond domestic market cycles — where traded values declined further during the second quarter.

Revenue from Sharia-compliant margin lending solutions grew by 21% YoY in 1H 2025, supported by improved net margins resulting from lower funding costs. However, in 2Q 2025 margin trading revenue remained relatively flat YoY as higher net fees were offset by 4% decline in margin book size.

- **Asset management revenue** in 1H 2025 declined 10% YoY to ₪ 63 million, largely due to muted performance fees stemming from subdued market returns and lower subscription fees. This was partially offset by a 34% YoY increase in management fees, supported by robust AUM growth which increased 14% YoY to ₪ 17.2 billion. Asset management revenue YoY growth in 2Q 2025 stood at 9%.

As part of the strategy to grow AUMs and expand private market offerings, Derayah launched a new open-ended Credit Income Fund in July 2025, targeting US and European private credit markets. Upcoming launches later in the year include an AI and Frontier Technologies feeder fund and a local private credit fund focused on fintech lending in Saudi Arabia. On the real estate front, the sector is being reshaped by regulatory reforms that boost transparency, unlock land supply, and attract foreign investment. Our strategy aligns with these shifts, focusing on high-growth areas like mixed-use, residential, and hospitality projects. To capitalize on this momentum, we plan to launch two new real estate funds in 2025 totaling ₪ 600 million, targeting residential development.

- **Special commission income** came in at ₪ 79 million for 1H 2025 with total assets under custody (AUC) growing 16% YTD, exceeding ₪ 35 billion as of end-June 2025. The second quarter marked notable progress in the Securities Borrowing and Lending (SBL) offering in the local market. While still in its early phase, this service is expected to accelerate with the rollout of our fully automated lending model. Growth will also be supported by recent regulatory developments, particularly the introduction of close-out netting regulations, which are anticipated to lower credit risk and capital requirements — thereby enhancing market efficiency and expanding capacity for both trading and lending activities.
- **Investment gains** totaled ₪ 28 million for 1H 2025 and ₪ 30 million in 2Q 2025, driven primarily by positive revaluation of private investments. These gains reflect Derayah's strategic focus on building additional income streams through selective, synergistic investments in high-quality private assets. Starting 4Q 2024, these investments have been revalued on a semi-annual basis.



Total operating expenses decreased by 5% YoY to ₪ 171 million in 1H 2025 and declined by 14% YoY in 2Q 2025, primarily due to the elevated professional expenses incurred in 2Q 2024. As a result, the Company improved its cost-to-income ratio, which reached 38.5% for 1H 2025 — a 2.8 percentage point improvement YoY.

Derayah recorded a share of loss in associate of ₪ 62 million, attributable to its investment in the digital bank D360. This loss reflects the Company's share of the results of operations of the associate which is accounted for using the equity method.

In the second quarter of 2025, Derayah participated in the bank's rights issue with a total investment of ₪ 98 million. Derayah views this investment as a strategic opportunity to unlock revenue synergies by offering its broad suite of investment products and solutions to D360's growing customer base. Since its full-scale launch, the bank has experienced rapid growth, attracting over 1.2 million customers by June-end 2025.

Net profit for 1H 2025 totaled ₪ 213 million, down 6% YoY. However, profitability strengthened in 2Q 2025, with a 1% sequential increase and a 17% YoY growth. Return on average equity (ROAE) for 1H 2025 stood at a healthy 41.2%.



2Q/1H 2025 Selected Operating and Financial Metrics

₹ Bn	2Q 2025	1Q 2025	Δ%	4Q 2024	Δ%
Operating metrics					
Total number of customer accounts, '000	581	555	+4%	532	+9%
Total assets under custody (AUC) ¹	35	36	-4%	30	+16%
Total assets under management (AUM)	17	18	-5%	17	0%

₹ Mn	1H 2025	1H 2024	Δ%	2Q 2025	2Q 2024	Δ%
Selected Financial Metrics						
Brokerage Service	269	242	+11%	135	115	+18%
Asset Management Service	63	70	-10%	30	28	+8%
Special Commission Income	79	109	-27%	37	66	-44%
Gain on investments & Other ²	33	14	+141%	33	4	+676%
Total Operating Income	444	434	+2%	235	212	+11%
Total Operating Expenses	(171)	(179)	-5%	(94)	(109)	-14%
Net Operating Profit	273	255	+7%	141	103	+37%
Share of Loss in an Associate	(62)	(26)	+138%	(38)	(15)	+152%
Profit Before Zakat	220	234	-6%	111	91	+21%
Zakat	(7)	(6)	+8%	(4)	0	NA
Net Profit for the period	213	228	-6%	107	92	+17%
Return on average equity ³	41.2%	48.1%	-6.9%	41.2%	48.1%	-6.9%
Net profit margin	48.0%	52.5%	-4.5%	45.6%	43.3%	+2.3%
Cost to Income Ratio	38.5%	41.3%	-2.8%	39.8%	51.5%	-11.7%

¹ Includes securities and cash

² Includes Rental income on investment property and Dividend income

³ Last Twelve Months Net Profit/ Average Equity



₹ Mn	2Q 2025	1Q 2025	Δ%	4Q 2024	Δ%
Balance Sheet					
Total Non-Current Assets	912	757	21%	770	19%
Total Current Assets	439	532	-17%	457	-4%
Total assets	1,351	1,289	5%	1,226	10%
Total Current Liabilities	90	85	6%	152	-40%
Total Non-Current Liabilities	139	120	16%	117	19%
Total liabilities	230	205	12%	269	-15%
Share Capital	499	499	0%	499	0%
Retained Earnings	587	556	6%	429	37%
Total Shareholders' Equity	1,122	1,084	3%	958	17%
Total liabilities and equity	1,351	1,289	5%	1,226	10%

Earnings Call

The Company is holding an earnings call to discuss 1H 2025 financial results with analysts and investors on Wednesday, 6 August 2025, at 3:00 pm Riyadh time (1:00 pm London, 4:00 pm Dubai, 8:00 am New York).

For further details about the call, including dial-in details, please contact Investor Relations on investor.relations@derayah.com

Additional Information

The 2Q 2025 financial statements, earnings release, earnings presentation, and financial data supplement will be available on the Investor Relations website of Derayah Financial at: www.ir.derayah.com

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