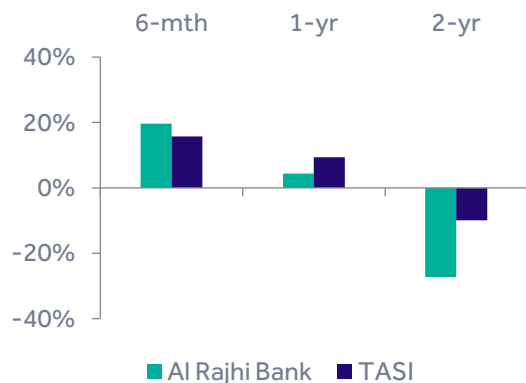


Market Data	
52-week high/low	SAR 92.50/63.10
Market Cap	SAR 321,200 mln
Shares Outstanding	4,000 mln
Free-float	97.81%
12-month ADTV	4,168,501
Bloomberg Code	RJHI AB



Record Quarterly Net Income

April 30, 2024

Upside to Target Price	2.1%	Rating	Neutral
Expected Dividend Yield	2.9%	Last Price	SAR 80.30
Expected Total Return	5.0%	12-mth target	SAR 82.00

Al Rajhi Bank	1Q2024	1Q2023	Y/Y	4Q2023	Q/Q	RC Estimate
Net Financing Income	5,647	5,125	10%	5,550	2%	5,641
Total Operating Income	7,229	6,781	7%	7,051	3%	7,101
Net Income	4,405	4,145	6%	4,171	6%	4,291
Net Financing	608,990	577,011	6%	594,205	2%	603,118
Deposits	603,978	556,197	9%	573,101	5%	590,294

(All figures are in SAR mln)

- Although Net Financing grew by SAR 14.8 bln on a sequential basis (+2%) to SAR 609 bln, deposits increased more by SAR 27.9 bln (+5% Q/Q) to SAR 604 bln. Management has highlighted mortgage growth of +6.2% Y/Y while corporate financing and SME financing grew by +19.1% Y/Y and +24.3% Y/Y, respectively. Consequently, simple LDR declined from 103% in the preceding quarter to 101% in 1Q2024.
- Net Financing and Investment Income augmented by +2% Q/Q to SAR 5.65 bln, matching our SAR 5.64 bln estimate. NIM expanded by 3bps Y/Y as yields improved but was almost flat Q/Q to 3.03%.
- Operating expenses fell -5% Q/Q to SAR 1.89 bln, helping in a sequential improvement in the cost to income ratio from 28.3% to 26.2%.
- 1Q Net impairment charge of SAR 421 mln is up +4% Q/Q and +17% Y/Y. Cost of risk grew marginally by 1bps Q/Q to 0.27%.
- Net income of SAR 4.4 bln (+5% Q/Q) is a new quarterly record. Despite a healthy return on equity north of 19%, the stock trades close to our SAR 82.00 target. We maintain a Neutral stance.

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Stock Rating

Buy	Neutral	Sell	Not Rated
Expected Total Return Greater than +15%	Expected Total Return between -15% and +15%	Expected Total Return less than -15%	Under Review/ Restricted

The expected percentage returns are indicative, stock recommendations also incorporate relevant qualitative factors
For any feedback on our reports, please contact research@riyadcapital.com

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