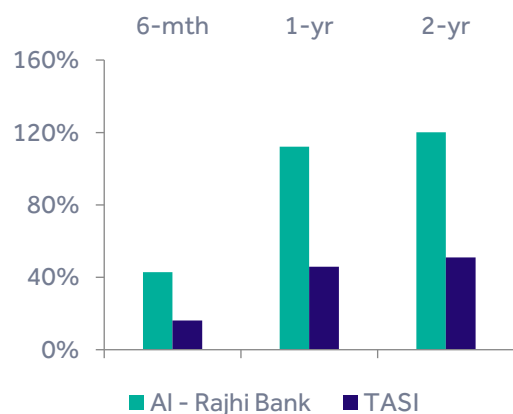


Market Data	
52-week high/low	SAR 151.80/82.80
Market Cap	SAR 375,000 mln
Shares Outstanding	2,500 mln
Free-float	90.34%
12-month ADTV	3,425,684
Bloomberg Code	RJHI AB



Net Income Tops SAR 4.0 bln in 4Q

February 14, 2022

Upside to Target Price	(9.3%)	Rating	Neutral
Expected Dividend Yield	2.0%	Last Price	SAR 150.00
Expected Total Return	(7.3%)	12-mth target	SAR 136.00

Al Rajhi Bank	4Q2021	4Q2020	Y/Y	3Q2021	Q/Q	RC Estimate
Net Financing Income	5,355	4,638	15%	5,215	3%	5,488
Total Operating Income	6,854	5,794	18%	6,578	4%	6,919
Net Income	4,012	3,121	29%	3,794	6%	4,000
Net Financing	452,831	315,712	43%	420,954	8%	444,552
Deposits	512,072	382,631	34%	478,331	7%	497,420

(All figures are in SAR mln)

- Al Rajhi has sustained its net financing's uptrend since 2019, especially with a strong growth during 2021 by adding on average above SAR 30 bln each quarter (as result of the growth in retail loans), to end the year at SAR 453 bln. Similarly, it outperformed the sector by managing to increase its deposits to SAR 512 bln (up +34% Y/Y, compared to the total banking sector deposits which increased by +8% Y/Y).
- For 4Q, net financing income increased by +15% Y/Y to SAR 5.4 bln, due to the rise in financing income, though the funding costs were also higher. Operating income followed a similar trend to increase by +18% Y/Y to reach SAR 6.9 bln. All items mentioned above match our estimates. For 2021, total operating income of SAR 25.7 bln was up by +24% Y/Y due to higher net financing income, fees from banking services, exchange income, and other operating income.
- Total OpEx for 2021 increased by +4% Y/Y reaching SAR 9.3 bln, due to an increase in most of the expense items, including provisions which was up by +8% Y/Y to reach SAR 2.3 bln. Consequently, total OpEx for 4Q2021 increased by +3% to reach SAR 2.4 bln.
- Net income for the year soared by +39% to reach SAR 14.7 bln, mainly due to the increase in operating income. Accordingly, Al Rajhi bank hit a new record by reporting net income above SAR 4.0 bln in 4Q2021, matching our expectations. We increase our target price to SAR 136.00 but maintain a Neutral rating.

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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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