

Market Data	
52-week high/low	SAR 92.50/63.10
Market Cap	SAR 352,400 mln
Shares Outstanding	4,000 mln
Free-float	97.81%
12-month ADTV	5,319,870
Bloomberg Code	RJHI AB

Earnings Match Estimates

Upside to Target Price (6.9%)
 Expected Dividend Yield 2.3%
 Expected Total Return (4.6%)

Rating Neutral
 Last Price SAR 88.10
 12-mth target SAR 82.00

January 31, 2024

Al Rajhi Bank	4Q2023	4Q2022	Y/Y	3Q2023	Q/Q	RC Estimate
Net Financing Income	5,549	5,579	(1%)	5,401	3%	5,441
Total Operating Income	7,050	7,264	(3%)	6,873	3%	6,977
Net Income	4,170	4,405	(5%)	4,155	0%	4,189
Net Financing	594,205	568,338	5%	590,826	1%	599,554
Deposits	573,101	564,925	1%	565,719	1%	576,223

(All figures are in SAR mln)

- Al Rajhi maintained its uptrend in Net Financing by adding SAR 3.4 bln on a sequential basis to end 2023 at SAR 594 bln, higher +5% Y/Y and +1% Q/Q. Deposits also grew +1% sequentially to SAR 573 bln.
- Due to hike in interest rates, Funding Costs increased by +74% Y/Y and +13% Q/Q. Gross Financing and Investment Income was also higher both Y/Y and Q/Q by +25% and +7%, respectively. Net Financing and Investment Income was -1% lower but increased by +3% Q/Q to SAR 5.5 bln, in-line with our estimates.
- 2023 Non-core income of SAR 6.3 bln declined by -2% Y/Y. The decline Y/Y was primarily due to lower fees from banking services. Hence, total Operating Income declined -4% Y/Y to SAR 27.5 bln.
- Total OpEx of SAR 9.0 bln fell by -5% Y/Y in 2023 due to a -25% Y/Y decline in provisions for 2023 coupled with lower general and administrative expenses, despite an increase in depreciation and amortization expense and salaries and employees related benefits.
- Al Rajhi Bank reported a bottom-line of SAR 4.2 bln (-5% Y/Y) in 4Q2023, matching our expectations. We maintain our TP but downgrade to Neutral as the stock has rallied substantially since our last report.

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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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