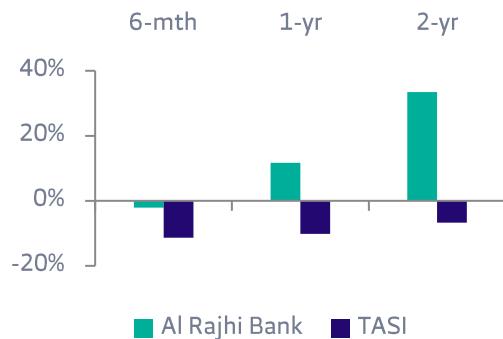


Market Data	
52-week high/low	SAR 104.00/80.10
Market Cap	SAR 378,000 mln
Shares Outstanding	4,000 mln
Free-float	97.81%
12-month ADTV	4,058,153
Bloomberg Code	RJHI AB



## Robust Earnings, Financing Growth Y/Y

July 21, 2025

Upside to Target Price 21.7%  
 Expected Dividend Yield 3.4%  
 Expected Total Return 25.1%

Rating Buy  
 Last Price SAR 94.50  
 12-mth target SAR 115.00

Al Rajhi Bank	2Q2025	2Q2024	Y/Y	1Q2025	Q/Q	RC Estimate
Net Fin. & Invest. Income	7,305	5,857	25%	7,097	3%	7,358
Total Operating Income	9,603	7,637	26%	9,200	4%	9,675
Net Income	6,151	4,698	31%	5,906	4%	6,267
Net Financing	741,715	621,891	19%	722,785	3%	751,697
Deposits	641,987	622,572	3%	629,229	2%	635,521

(All figures are in SAR mln)

- Al Rajhi Bank's net financing grew by +3% Q/Q and +19% Y/Y to reach SAR 742 bln, while deposits rose +2% Q/Q and +3% Y/Y to SAR 642 bln. The bank remarkably added SAR 19 bln in net financing on a sequential basis, while deposits increased by SAR 13 bln, resulting in a higher loan-to-deposit ratio (LDR) at 116% from 115% in 1Q2025. Management highlighted a +12% Y/Y growth in retail financing driven by 15% rise in mortgage financing and 7% in total consumer financing, while corporate financing grew by 38%. Net Financing and Investment Income recorded a substantial increase of +25% Y/Y and +3% Q/Q, reaching SAR 7.3 bln, in line with our estimates of SAR 7.4 bln.
- NIMs were at 3.13% representing a 9bps increase Y/Y. Cost of risk was recorded at 32 bps for 2Q higher by 3bps Q/Q, mainly due to the increase in impairment charges of +14% Q/Q to SAR 600 mln. Operating income has increased by +4% Q/Q and +26% Y/Y to SAR 9.6 bln, in line with our estimates. Cost-to Income ratio has improved to 22.3% (from 22.7% in 1Q2025), sustaining its market-leading cost efficiency.
- Al Rajhi Bank has reported a 2Q bottom-line of SAR 6.2 bln, reflecting a +4% Q/Q, and +31% Y/Y growth, matching our estimates. This growth was led by solid net financing and investment income, while non-yield income also contributed positively, achieving +9% Q/Q growth. The bank continues to deliver outstanding performance, with total assets significantly grown during the first half of the year, reaching SAR 1.04 tln marking a growth of +20% Y/Y and a +7% YTD. AlRajhi continued to lead on return metrics, with ROE and ROA at 24% and 2.4%, respectively. Given this momentum, we reaffirm our positive outlook and maintain our recommendation and target price.

**Reem M. Alkhulayfi**  
 reem.alkhulayfi@riyadcapital.com  
 +966-11-486-5680

## ■ 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](mailto:research@riyadcapital.com)

Riyad Capital is a Saudi Closed Joint Stock Company with Paid up capital of SR 500 million, licensed by the Saudi Arabian Capital Market Authority NO.07070-37. Commercial Registration No: 1010239234. Head Office: Granada Business Park 2414 Al-Shohda Dist. – Unit No 69, Riyadh 13241 - 7279 Saudi Arabia. Ph: 920012299.

The information in this report was compiled in good faith from various public sources believed to be reliable. Whilst all reasonable care has been taken to ensure that the facts stated in this report are accurate and that the forecasts, opinions and expectations contained herein are fair and reasonable. Riyad Capital makes no representations or warranties whatsoever as to the accuracy of the data and information provided and, in particular, Riyad Capital does not represent that the information in this report is complete or free from any error. This report is not, and is not to be construed as, an offer to sell or solicitation of an offer to buy any financial securities. Accordingly, no reliance should be placed on the accuracy, fairness or completeness of the information contained in this report. Riyad Capital accepts no liability whatsoever for any loss arising from any use of this report or its contents, and neither Riyad Capital nor any of its respective directors, officers or employees, shall be in any way responsible for the contents hereof. Riyad Capital or its employees or any of its affiliates or clients may have a financial interest in securities or other assets referred to in this report. Opinions, forecasts or projections contained in this report represent Riyad Capital's current opinions or judgment as at the date of this report only and are therefore subject to change without notice. There can be no assurance that future results or events will be consistent with any such opinions, forecasts or projections which represent only one possible outcome. Further, such opinions, forecasts or projections are subject to certain risks, uncertainties and assumptions that have not been verified and future actual results or events could differ materially. The value of, or income from, any investments referred to in this report may fluctuate and/or be affected by changes. Past performance is not necessarily an indicative of future performance. Accordingly, investors may receive back less than originally invested amount. This report provides information of a general nature and does not address the circumstances, objectives, and risk tolerance of any particular investor. Therefore, it is not intended to provide personal investment advice and does not take into account the reader's financial situation or any specific investment objectives or particular needs which the reader may have. Before making an investment decision the reader should seek advice from an independent financial, legal, tax and/or other required advisers due to the investment in such kind of securities may not be suitable for all recipients. This research report might not be reproduced, nor distributed in whole or in part, and all information, opinions, forecasts and projections contained in it are protected by the copyright rules and regulations.