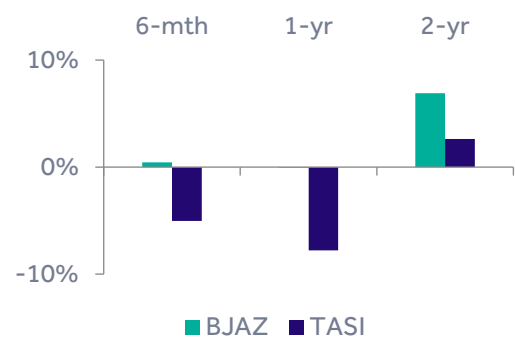


Market Data	
52-week high/low	SAR 15.43/11.75
Market Cap	SAR 16,656 mln
Shares Outstanding	1, 281mln
Free-float	88.9%
12-month ADTV	2,467,105
Bloomberg Code	BJAZ AB



■ Remarkable Growth Y/Y and Q/Q

May 06, 2025

Upside to Target Price	(1.5%)	Rating	Neutral
Expected Dividend Yield	3.0%	Last Price	SAR 13.20
Expected Total Return	1.5%	12-mth target	SAR 13.00

BJAZ	1Q2025	1Q2024	Y/Y	4Q2024	Q/Q	RC Estimate
Net Fin. & Invest. Income	754	620	22%	735	3%	799
Total Operating Income	1,079	888	21%	967	12%	1,057
Net Income	361	300	20%	280	29%	324
Net Financing	100,571	84,116	20%	96,912	4%	101,479
Deposits	109,644	97,268	13%	108,187	1%	113,596

(All figures are in SAR mln)

- The bank continued to deliver strong momentum in its loan book, up +20% Y/Y and +4% Q/Q to reach SAR 101 bln, in line with our forecast of SAR 101 bln. Deposits grew by +13% Y/Y and +1% Q/Q to SAR 110 bln, slightly below our expectations. The SAR 1.5 bln net increase in deposits lagged behind the SAR 3.7 bln increase in net financing Q/Q, pushing the loan-to-deposit ratio (LDR) to 92%, up from 90% in 4Q2024. Net Financing & Investment Income rose remarkably by +22% Y/Y but a modest +3% Q/Q to SAR 754 mln. NIMs for 1Q 2025 increased by 15bps at 2.19% versus 2.03% in the previous quarter. This improvement was mainly supported by an increase in Net Financing & Investment Income.
- Operating income surged by +21% Y/Y and +12% Q/Q, settling at SAR 1.1 bln, driven mainly by robust growth in non-funded income, especially fees from banking services, dividend, and exchange income. 30% of total operating income in 1Q 2025 came from non-funded income. Operating expenses are up +15% Y/Y, and +1% Q/Q, driven by higher spending on staff-related costs and strategic initiatives, particularly digital transformation. Sequentially, the cost-to-income ratio improved significantly to 52% in 1Q25 compared to 58% in previous quarter, reflecting improved operating efficiency but remains elevated as compared to peers.
- Impairment charges totaled SAR 103 mln, up +87% Y/Y and +12% Q/Q, pushed the cost of risk to 38 bps (+18 bps Y/Y, +5bps Q/Q).
- BJAZ has delivered a 1Q bottom-line of SAR 361 mln, demonstrating +20% Y/Y and +29% Q/Q growth, beating our estimates of SAR 324 mln. The sequential improvement was supported largely by non-funded income which grew +40% Q/Q, which indicates that the bank has maintained a well-diversified income mix across segments. We retain our Neutral recommendation with a target price of SAR 13.00, as the stock currently trades near its fair value.

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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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