

Market Data	
52-week high/low	SAR 70.20/51.00
Market Cap	SAR 144,500 mln
Shares Outstanding	2,500 mln
Free-float	91.5%
12-month ADTV	6,864,573
Bloomberg Code	RJHI AB

Net Financing and Deposits Surge

July 26, 2020

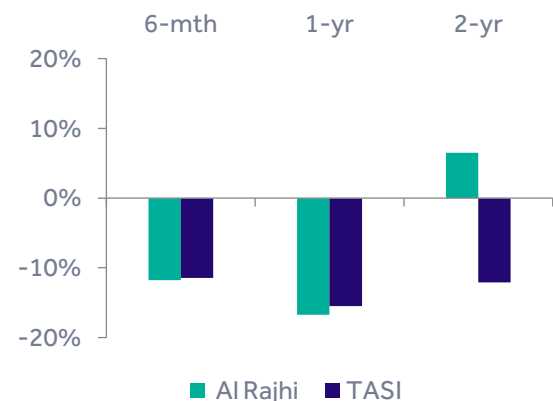
Upside to Target Price	0.2%	Rating	Neutral
Expected Dividend Yield	1.7%	Last Price	SAR 58.90
Expected Total Return	1.9%	12-mth target	SAR 59.00

Al Rajhi Bank	2Q2020	2Q2019	Y/Y	1Q2020	Q/Q	RC Estimate
Net Financing Income	3,968	4,061	(2%)	4,110	(3%)	3,873
Total Operating Income	4,808	4,861	(1%)	4,968	(3%)	4,723
Net Income	2,436	2,534	(4%)	2,380	2%	2,056
Net Financing	274,928	238,496	15%	261,385	5%	267,569
Deposits	334,665	300,563	11%	315,661	6%	326,111

(All figures are in SAR mln)

- The bank has continued to increase its net financing since 1Q2019. For 2Q2020, SAR 13.5 bln were added Q/Q, while deposits grew at a higher pace at +6% Q/Q (SAR 19.0 bln rise). Thus, LDR declined from 83% last quarter to 82%.
- Net financing income dropped by -3% Q/Q and -2% Y/Y to SAR 4.0 bln. Non-core income declined by -2% Q/Q but was up +5% Y/Y to SAR 840 mln.
- On a quarterly basis, operating expenses declined by -10% to SAR 2.1 bln, primarily due to a decrease in salaries and employees' related benefits, although there was an increase in G&A expenses and depreciation. In addition, provisions were lower at SAR 458 mln compared to SAR 693 mln in 1Q2020.
- Net income after zakat of SAR 2.4 billion (-4% Y/Y, +2% Q/Q) beat our SAR 2.1 billion estimate. We reduce our target price slightly from SAR 60.00 to SAR 59.00 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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