

**Company**

# Al Rajhi Bank

## 4Q25 Result Review

**Rating**

Buy

**Bloomberg Ticker**

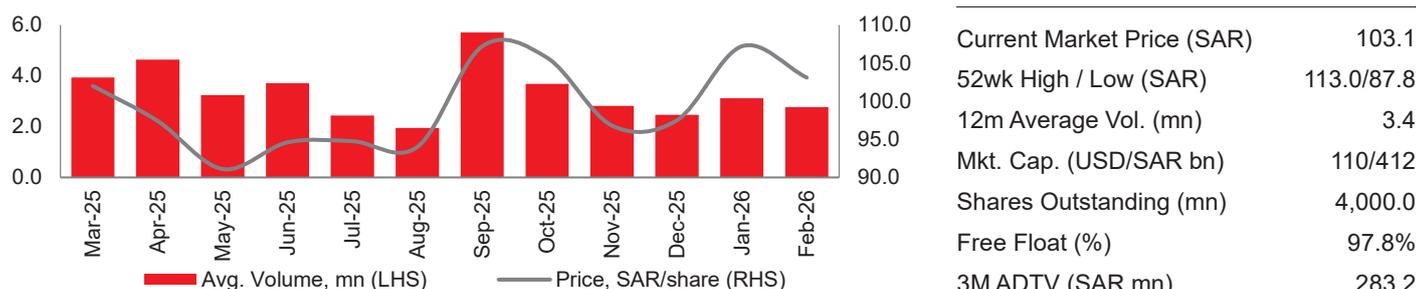
RJHI AB

**Date**

25 February 2026

**Results**

<b>Target Price SAR</b>	<b>113.0</b>
<b>Total Return</b>	<b>13.1%</b>

**Strong operating income driven by financing growth**

Al Rajhi Bank delivered solid topline growth in 4Q25 with operating income increasing 19% YoY to SAR 10.4bn, driven by continued growth in its core banking activities. The financing book expanded 9% YoY to SAR 752.8bn. For FY25, operating income rose 22% YoY to SAR 39.1bn, supported by sustained loan growth.

**High profit growth supported by operating income growth**

The company delivered strong earnings growth in 4Q25, with net income increasing 16% YoY to SAR 6.4bn, despite a sharp 39% YoY rise in operating expenses. The increase in costs was due to higher general and administrative expenses, depreciation, and employee-related benefits. However, robust operating income growth offset these pressures. For FY25, net income rose 26% YoY to SAR 24.8bn.

**U-Capital View**

Al Rajhi Bank continues to deliver healthy loan growth supported by strong franchise strength and sustained demand across key lending segments. We expect the bank to maintain a similar performance trajectory. Accordingly, we have updated our target price to SAR 113.0/share and updated to Buy rating.

Current Market Price (SAR)	103.1
52wk High / Low (SAR)	113.0/87.8
12m Average Vol. (mn)	3.4
Mkt. Cap. (USD/SAR bn)	110/412
Shares Outstanding (mn)	4,000.0
Free Float (%)	97.8%
3M ADTV (SAR mn)	283.2
6M ADTV (SAR mn)	344.8
P/E'26e (x)	15.7
P/B'26e (x)	3.3
Dividend Yield '26e (%)	3.5%
Price Perf. (1m/3m) (%)	-5.3/5.7

**Research Department**

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**Financial Summary**

(SAR bn)	4Q24	1Q25	2Q25	3Q25	4Q25	4Q25e	YoY	QoQ	Var.	FY24	FY25	YoY
<b>P&amp;L</b>												
Op. Income	8.8	9.2	9.6	9.9	10.4	9.9	19%	5%	5%	32.1	39.1	22%
Op. Expenses	(2.1)	(2.1)	(2.0)	(2.2)	(2.9)	(2.2)	39%	31%	30%	(8.0)	(9.1)	15%
Total Impairment	(0.6)	(0.5)	(0.6)	(0.6)	(0.6)	(0.6)	13%	10%	9%	(2.1)	(2.3)	10%
Net Income (Owners)	5.5	5.9	6.2	6.4	6.4	6.4	16%	0%	-1%	19.7	24.8	26%
<b>BS</b>												
Total Assets	972.4	1,023.1	1,039.0	1,059.2	1,043.3		7%	-2%		972.4	1,043.3	7%
Shareholders' Equity	99.5	105.0	105.0	108.8	114.1		15%	5%		99.5	114.1	15%
Financing, net	693.4	722.8	741.7	756.0	752.8		9%	0%		693.4	752.8	9%
Customers' Deposits	655.0	629.2	642.0	670.2	667.3		2%	0%		655.0	667.3	2%
<b>Ratios</b>												
Cost to Income	23.4%	22.7%	21.0%	22.0%	27.4%	22.1%				24.9%	23.3%	
Loans to Cust. Deposit	105.9%	114.9%	115.5%	112.8%	112.8%					105.9%	112.8%	
RoE (TTM)					22.9%							
P/E (TTM)					16.6							
P/B					3.6							

Source: Financials, Tadawul, Bloomberg, U Capital Research

\*- Shareholders' equity calculated as Total Equity deducting minority – Perpetual Tier 1 capital for 3Q25

## Disclaimer

### Recommendation

**BUY**

Greater than +10%

**HOLD**

Between  
0% and +10%

**SELL**

Lower than 0%

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