

Company

Al Rajhi Bank

3Q25 Result Review

Rating

Under Review (UR)

Bloomberg Ticker

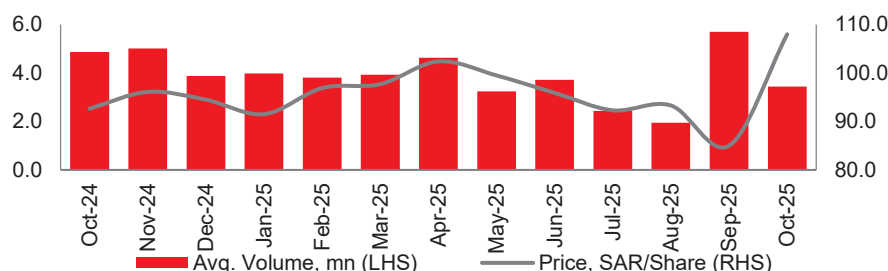
RJHI AB

Date

26 October 2025

Results

Target Price SAR	UR
Upside/ Downside	--

**Operating income increased by 17% YoY**

Al Rajhi Bank's operating income rose 17% YoY to SAR 9.9bn in 3Q25, driven by a 14% increase in net financing and investment income and a 27% rise in fee and other income. Non-yield income sustained strong momentum, supported by management initiatives to enhance fee income, resulting in higher fees from banking services.

Sector-best cost efficiency drives profit

The bank's net income to owners increased 25% YoY to SAR 6.4bn in 3Q25, supported by improved cost efficiency and strong operating income growth. The cost-to-income ratio improved to 22.4% in 3Q25 from 24.5% in 3Q24, the best in the sector.

U-Capital View

Al Rajhi is maintaining one of highest loan growth rates in sector with healthy financial metrics. The stock recently gained on expectations that the CMA may relax the 49% foreign ownership cap, which could drive further inflows given the bank's strong fundamentals, liquidity and large index weight. The stock is currently under review and we will update the target price and rating once detailed financial results are available.

Current Market Price (SAR)	108.0
52wk High / Low (SAR)	113.0/82.6
12m Average Vol. (mn)	3.8
Mkt. Cap. (USD/SAR bn)	115.2/432.0
Shares Outstanding (mn)	4,000.0
Free Float (%)	97.8%
3M ADTV (SAR mn)	360.2
6M ADTV (SAR mn)	335.5
P/E'26e (x)	15.9
P/B'26e (x)	3.2
Dividend Yield'26e (%)	2.2%
Price Perf. (1m/3m) (%)	3.0/13.3

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last report**Financial Summary**

(SAR bn)	3Q24	4Q24	1Q25	2Q25	3Q25	3Q25e	YoY	QoQ	Var.	9M24	9M25	YoY
P&L												
Op. Income	8.4	8.8	9.2	9.6	9.9	9.8	17%	3%	1%	23.3	28.7	23%
Op. Expenses	(2.1)	(2.1)	(2.1)	(2.1)	(2.2)	(2.2)	7%	3%	1%	(5.9)	(6.4)	9%
Total Impairment	(0.7)	(0.6)	(0.5)	(0.6)	(0.6)	(0.6)	-17%	-5%	-6%	(1.6)	(1.7)	8%
Zakat	(0.6)	(0.6)	(0.7)	(0.7)	(0.7)	(0.7)	27%	4%	1%	(1.6)	(2.1)	31%
Net Income (Owners)	5.1	5.5	5.9	6.2	6.4	6.3	25%	3%	2%	14.2	18.4	30%
BS												
Total Assets	902.6	974.4	1,023.1	1,039.0	1,059.2		17%	2%		902.6	1,059.2	17%
Shareholders' Equity	94.9	99.5	105.0	105.0	108.5*		14%	3%		94.9	108.5	14%
Financing, net	649.0	693.4	722.8	741.7	756.0		16%	2%		649.0	756.0	16%
Customers' Deposits	622.6	628.2	629.2	642.0	670.2		8%	4%		622.6	670.2	8%
Ratios												
Cost to Income	24.5%	23.4%	22.7%	22.3%	22.4%	22.3%				25.4%	22.5%	
Loans to Cust. Deposit	104.2%	110.4%	114.9%	115.5%	112.8%					104.2%	112.8%	
RoE (TTM)					22.9%							
P/E (TTM)					18.1							
P/B					4.0							

Source: Financials, Tadawul, Bloomberg, U Capital Research

*- Shareholders' equity calculated as Total Equity deducting minority – Perpetual Tier 1 capital for 2Q25



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Recommendation

BUY	ACCUMULATE	HOLD	REDUCE	SELL
Greater than 20%	Between +10% and +20%	Between +10% and -10%	Between -10% and -20%	Lower than -20%

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