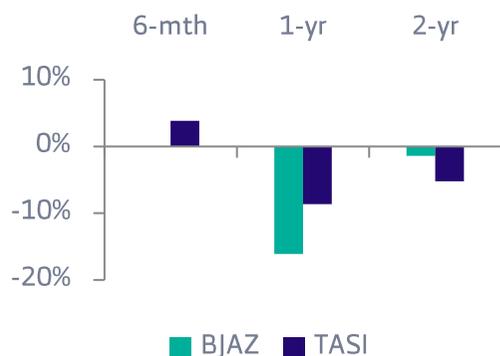


Market Data	
52-week high/low	SAR 15.43/10.81
Market Cap	SAR 16,169 mln
Shares Outstanding	1,281 mln
Free-float	88.9%
12-month ADTV	2,995,740
Bloomberg Code	BJAZ AB



Operating Strength Tempered by Elevated Provisions

February 05, 2026

Upside to Target Price	3.0%	Rating	Neutral
Expected Dividend Yield	4.4%	Last Price	SAR 12.62
Expected Total Return	7.4%	12-mth target	SAR 13.00

BJAZ	4Q2025	4Q2024	Y/Y	3Q2025	Q/Q	RC Estimate
Net Fin. & Invest. Income	773	735	5%	711	9%	783
Total Operating Income	1,185	967	23%	1,098	8%	1,153
Net Income	362	280	29%	400	(10%)	412
Net Financing	110,862	96,912	14%	107,812	3%	110,254
Deposits	115,395	108,187	7%	115,283	0%	117,589

(All figures are in SAR mln)

- BJAZ continued to deliver strong momentum in its loan book, rising +14% Y/Y and +3% Q/Q to reach SAR 110.9 bln, broadly in line with our forecast of SAR 110.3 bln. Deposits increased by +7% Y/Y while remaining flat on a quarterly basis at SAR 115 bln. During the quarter, net financing growth of SAR 3.1 bln significantly outpaced the modest SAR 0.1 bln increase in deposits, resulting in a higher loan-to-deposit ratio (LDR) of 96%, compared to 94% in 3Q2025.
- Net Fin. & Invest. Income rose by +5% Y/Y and +9% Q/Q to SAR 773 mln, almost matching our estimate of 783 mln. The sequential improvement was primarily supported by higher asset yields alongside easing funding costs. NIMs expanded sequentially by 11 bps to 2.01%, close to our estimate of 2.03%, although they declined by 9 bps Y/Y.
- Operating income increased by +23% Y/Y and +8% Q/Q to SAR 1.2 bln, driven mainly by stronger Net Fin. & Invest Income, in addition to higher non-funded income. Operating expenses rose by +9% Y/Y and +4% Q/Q to SAR 611 mln, in line with our estimate of SAR 609 mln, reflecting higher staff-related costs. Consequently, the cost-to-income ratio improved to 51.5% in 4Q25, down from 53.5% in the previous quarter and below our estimate of 52.8%, indicating improvement in operating efficiency. However, it remains elevated versus peers.
- Impairment charges totaled SAR 100 mln, up +9% Y/Y and +85% Q/Q, mainly due to higher provisioning related to commercial exposures. Cost of risk rose to 54 bps (vs. 12 bps in 3Q25) and came in above of our estimate of 26 bps.
- Net income reached SAR 362 mln, up +29% Y/Y but down -10% Q/Q, and below our estimate of SAR 412 mln. The sequential decline was largely driven by higher impairment charge which more than offset the strength in operating income. The Bank declared a cash dividend of SAR 0.50 per share for 2H25. We maintain our Neutral recommendation with a target price of SAR 13.00, as the stock currently trades close its fair value, offering limited upside in the near term.

Reem M. Alkhulayfi
reem.alkhulayfi@riyadcapital.com
 +966-11-486-5860

■ 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

Riyad Capital is a Saudi closed joint stock company with paid-up capital of SAR 500 million. Licensed by the Saudi Arabian Capital Market Authority (No. 07070-37). Commercial Registration No. 1010239234. Head Office: 3128 Financial Boulevard, 6671 Al Aqeeq Dist., Riyadh 13519, Kingdom of Saudi Arabia

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.