

Al Rajhi Bank (RJHI)

Recommendation	ACCUMULATE	Risk Rating	R-3
Share Price	SAR102.50	Target Price	SAR122.04
Implied Upside	19.1%		

Largest Islamic Banking Brand Globally; Initiate With Accumulate

Al Rajhi Bank is the largest Islamic bank globally by assets and market cap. The bank holds the #1 position in the KSA with 25%/23% market shares in loans/deposits. Moreover, RJHI commands the largest market share in retail lending (39.9%) and the 2nd largest in corporate lending (15%). Established in 1978, the bank's strategy is to continue to dominate the retail space, evidenced by the market share of its loan portfolio, and maintain its solid market share in corporate lending. Meanwhile, the retail segment of its loan book grew by a CAGR (2019-24) of 20% vs. 27% for the corporates. Although RJHI has been an outperformer on a total-return basis as the stock appreciated 9.1% YTD vs. TASI's -3.8% and TASI Banking Index's +6.7%, we believe the stock still has upside despite its premium P/B valuation due to its strong franchise and brand value. Consequently, we initiate coverage with a target price of SAR122.04 and an Accumulate rating.

Highlights

- **We assume a bottom-line CAGR of 14.7% over 2024-2030e.** The growth in net income is expected to be driven by net interest income (14.0% 6-year CAGR attributable to NIM expansion), healthy non-funded income (mainly fees and f/x income) and costs containment. Net income is modeled to grow primarily from margin expansion due to further rate cuts as 1) the bank has the lowest CoFs among its peers as ~66% of deposits are non-interest bearing and 2) in a decreasing interest rate environment, RJHI significantly benefits as the loan book is long-term in nature with fixed rates, while deposits are short-term in nature. As such, the deposit book reprices downward before the loan portfolio. *Having said this, there could be further upside to our estimates if margins expand more than forecasted and non-funded income exceeds our estimates.*
- **RJHI boasts a robust RoTE, far greater than its peers and one of the highest in the GCC.** We pencil in a RoTE to increase from 23.5% in 2025e to 25.0% by 2030e.
- **Al Rajhi Bank is the largest retail banking franchise/brand with a 39.9% market share in this segment and also the largest lender with 25% market share; we estimate an overall loan book CAGR of 10.1% during 2024-30e.** RJHI is predominately a retail bank with its loan book split among the retail (64%), corporate (29%) and SME (7%) segments as of 9M2025. Although retail-centric, the bank's loan book went from 80%/20% retail/corporate in 2021 to 68/32 in FY2024. Moreover, RJHI's market share in corporate loans jumped from 6% in 2015 to 15% in 9M2025, becoming the 2nd largest lender in this space after SNB.
- **RJHI's cost-to-income ratio is at exceptionally low levels given that the bank's operations are heavily skewed to retail; C/I ratio decreased from 33.9% in 2015 to 22.5% in 9M2025.** Al Rajhi Bank has done a good job of maintaining its cost-to-income ratio in the mid-to-low 20%'s level given that it is predominantly a retail operation (cost-intensive business). Opex grew by a CAGR of 4.3% (2019-2024) vs. 10.5% in revenue and generated JAWs of 5.9%. *We believe this cost management is driven by the bank's economies of scale, achieving digital to manual ratio of 96:4, increase of automation & efficiency from 25% (2023) to 58% in 9M2025, proportion of capabilities centralized & standardized of 49.6% in 9M2025 vs. 13.5% in FY2023, among other initiatives undertaken by management.*
- **RJHI enjoys superior asset quality despite its tilt toward retail.** So far in 3Q2025, RJHI's NPL ratio was flat at 0.76% vs. FY2024. The bank has maintained its NPL ratio below 1% from 2017 to date; the highest NPL ratio reached was 3.32% in 2009.
- **CoR is not modeled to spike as RJHI's asset quality is pristine.** We estimate CoR to remain at ~30bps levels as there are no signs of pressure on asset quality. CoR reached 159bps in 2010 and has normalized at 32bps as of 2024 (9M2025: 31bps).
- **Al Rajhi Bank has always traded at rich multiples.** The stock currently trades at 20% and 24% discounts to its 4-year average P/B and P/E ratios, respectively. On the other hand, RJHI is also trading at a 49% premium to its peers on a P/B basis. We believe that the premium P/B valuation is due to RJHI's strong franchise and brand value. We are of the view that this trend will not reverse in the medium-term and the stock will continue to trade at a premium to its peers.

Catalysts

- 1) Lifting FOL to 100% could attract ~SAR18bn in MSCI & FTSE inflows, 2) stabilization/recovery in oil prices & 3) progress in KSA's long-term growth objectives and diversification initiatives of the economy

Recommendation, Valuation and Risks

- **Recommendation and valuation: We assign a Price Target of SAR118.32 and Accumulate rating.** RJHI is trading at a 2026e P/TB and P/E of 3.3x and 15.4x, respectively.
- **Risks:** 1) Depressed oil prices remain the biggest risk for RJHI and the Saudi banking sector and 2) Greater-than-expected asset quality deterioration

Key Data

Current Market Price (SAR)	102.50
Dividend Yield (%)	2.6
Bloomberg Ticker	RJHI AB
Reuters Ticker	1120.SE
ISIN	SA0007879113
Sector	Banks
52wk High/52wk Low (SAR)	113.00/87.80
3-m Average Volume ('mn)	3.95
Mkt. Cap. (\$ bn/SAR bn)	109.3/410.0
Shares Outstanding (mn)	4,000.0
FOL Limit* (%)	49.00
Current FO* (%)	16.0
1-Year Total Return (%)	13.4
Fiscal Year End	December 31

Source: Bloomberg (as of November 12, 2025), *Tadawul (as of November 12, 2025); Note: * Foreign Ownership Limit

Key Financial Data and Estimates

(In SAR mn)	2024	2025e	2026e	2027e
EPS (SAR)	4.67	5.76	6.64	7.55
EPS Growth (%)	18.3	23.4	15.1	13.7
P/E (x)	21.9	17.8	15.4	13.6
TBVPS (SAR)	24.5	28.1	31.2	34.7
P/TB (x)	4.2	3.6	3.3	3.0
RoTE (%)	23.1	25.6	26.1	26.5
DPS (SAR)	2.71	2.71	3.25	4.00
Dividend Yield (%)	2.6	2.6	3.2	3.9

Source: Company data, QNBFS estimates; Note: All data based on current number of shares

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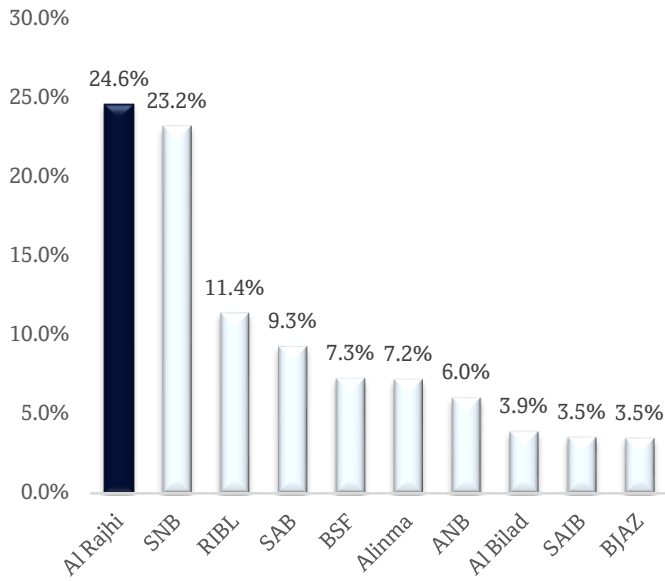
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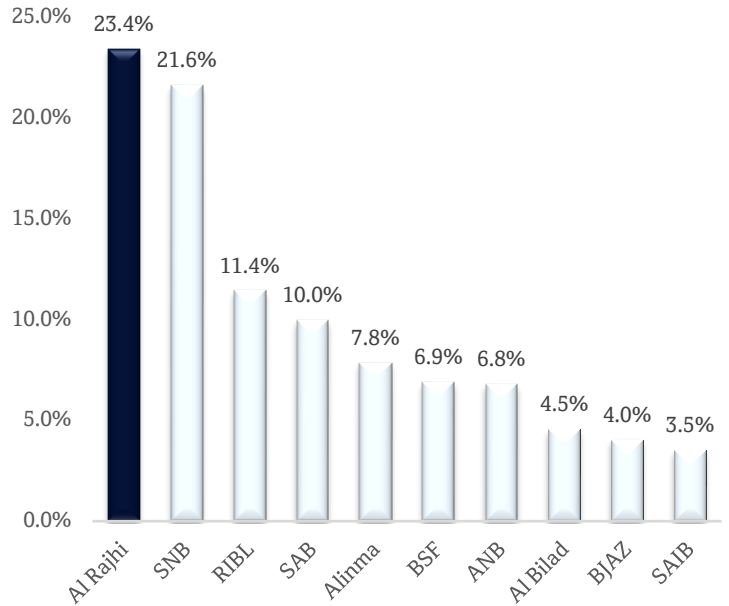
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KSA Banking Landscape

2024 Loans Market Share: RJHI is the Incumbent

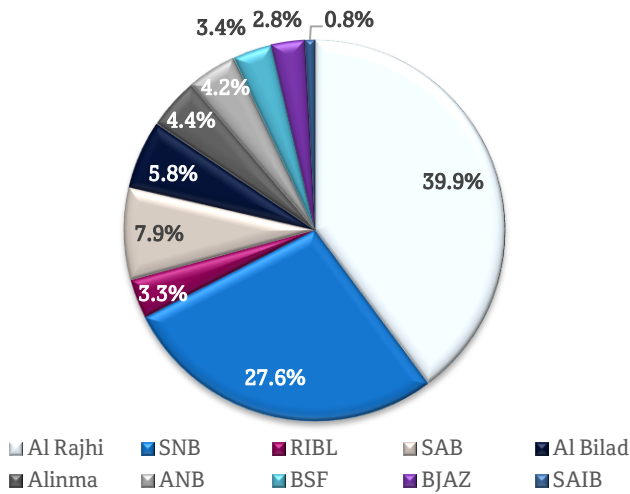


2024 Deposits Market Share: RJHI Dominates



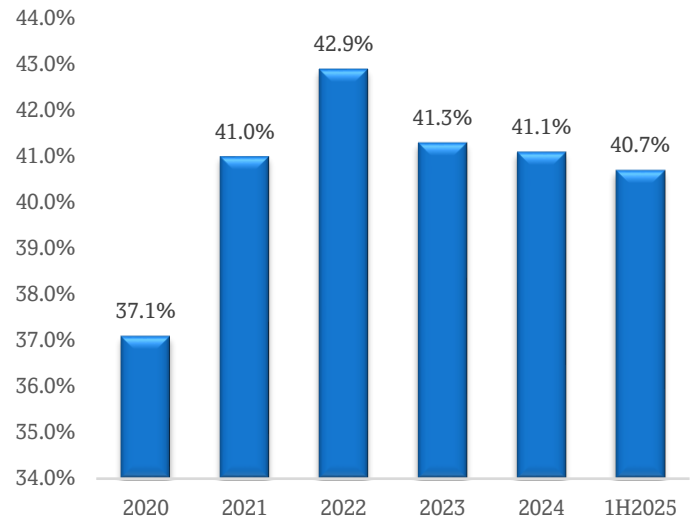
Source: Company financials

9M2025 Retail Loans Share: RJHI Leader in Retail Loans

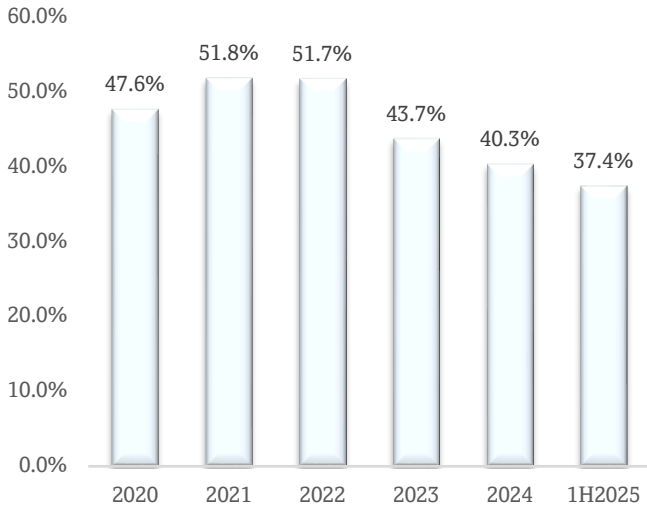


Source: Company financials

Mortgage Loans: RJHI Commands Largest Share

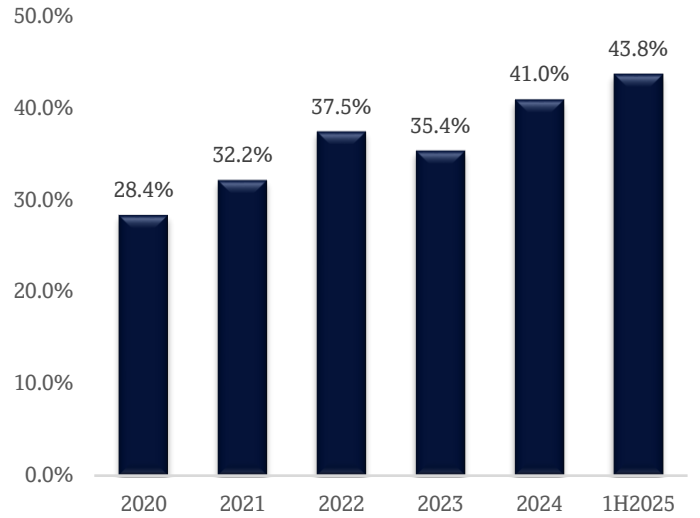


Car Loans: RJHI Maintains #1 Market Share

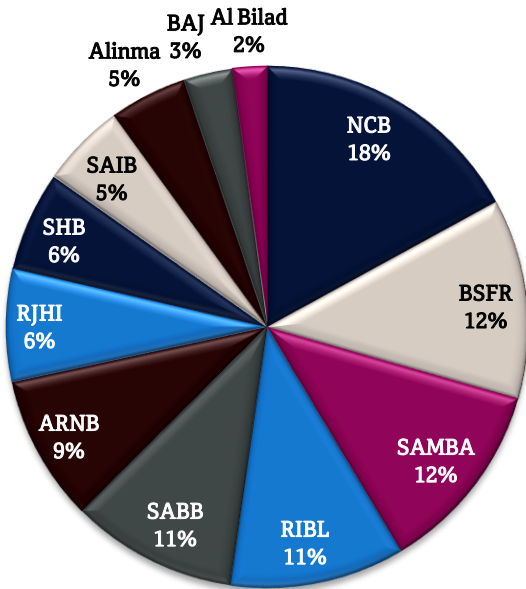


Source: Company financials

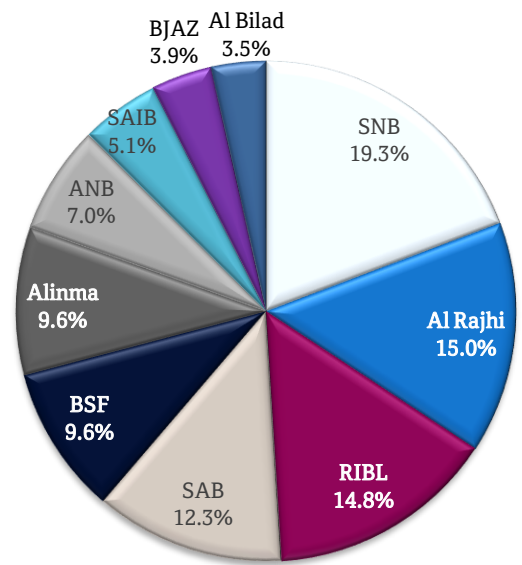
POS Terminals: Largest Distribution of POS Terminals



Corporate Loans 2015: RJHI's Market Share Went From 6%



..... To 15% Making it the 2nd Largest Lender in This Segment



Source: Company financials

Valuation

We value RJHI using the Residual Income Model (RI) based on a fundamental P/B:

We derive RJHI's fair value by employing the RI valuation technique (*based on a fundamental P/B*), which is calculated based on the sum of its beginning book value, present value of interim residuals (net income minus equity charge) and the present value of the terminal value (we apply a fundamental P/B multiple based on the Gordon Growth Model to the ending book value at the end of our forecast horizon). We derive the P/B from the Gordon Growth Model: $P/B = (RoE-g)/(Ke-g)$. This model uses sustainable return on equity (RoE) based on the median over our forecast period, cost of equity (Ke) and expected long-term growth in earnings (g) to arrive at fundamental/justified P/B. **Based on this method, we arrive at a fundamental P/B of 3.0x.**

We add KSA's 10-year CDS rate of 0.996% to the 10-year US government bond yield (4.0%) to arrive at a risk-free rate of 5.0%. We factor in an adjusted beta of 1.0x. Finally, we add a local equity risk premium of 7.0% to arrive at a Ke of 12.0%.

Valuation Methodologies

Fundamental P/B		RI Based on Fundamental P/B	
Sustainable RoE (%)	26.0	Beginning Tangible BVPS (2025) (SAR)	24.9
Cost of Equity (%)	12.0	Present Value of Interim Residuals (SAR)	37.2
Terminal Growth Rate (%)	5.0	Present Value of Terminal Value (SAR)	60.80
Fundamental P/B (x)	3.0	Current Market Price (SAR)	102.50
		12-Month Target Price (SAR)	122.04
		Upside/(Downside) Potential (%)	19.1

Source: QNB FS Research

Forecast

	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	Terminal
Beginning BVPS	24.9	28.6	31.7	35.2	39.1	43.3	48.2	54.4	61.4	70.0	80.3	93.0
EPS Forecast	5.8	6.6	7.5	8.6	9.6	10.6	11.9	13.6	15.5	17.8	20.7	24.2
DPS Forecast	2.71	3.25	4.00	4.50	5.00	5.50	5.75	6.50	7.00	7.50	8.00	8.50
Adjustment	0.7	-0.2	0.0	-0.3	-0.3	-0.3	0.0	0.0	0.0	0.0	0.0	0.0
Forecast BVPS	28.6	31.7	35.2	39.1	43.3	48.2	54.4	61.4	70.0	80.3	93.0	108.6
Equity Charge	3.0	3.4	3.8	4.2	4.7	5.2	5.8	6.5	7.4	8.4	9.6	11.2
Residual Income	2.8	3.2	3.7	4.4	4.9	5.4	6.1	7.1	8.1	9.4	11.0	13.0
Terminal Value												217.5
Discounted Interim Residuals	2.70	2.78	2.90	3.02	3.02	2.99	3.03	3.11	3.20	3.31	3.46	3.64
Discounted Terminal Value												60.80

Growth(Net Income)		15.1%	13.7%	13.8%	11.5%	10.9%	12.3%	14.0%	14.2%	15.0%	15.9%	16.9%
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RoE	23.2%	23.2%	23.8%	24.4%	24.5%	24.5%	24.8%	25.0%	25.3%	25.5%	25.8%	26.0%
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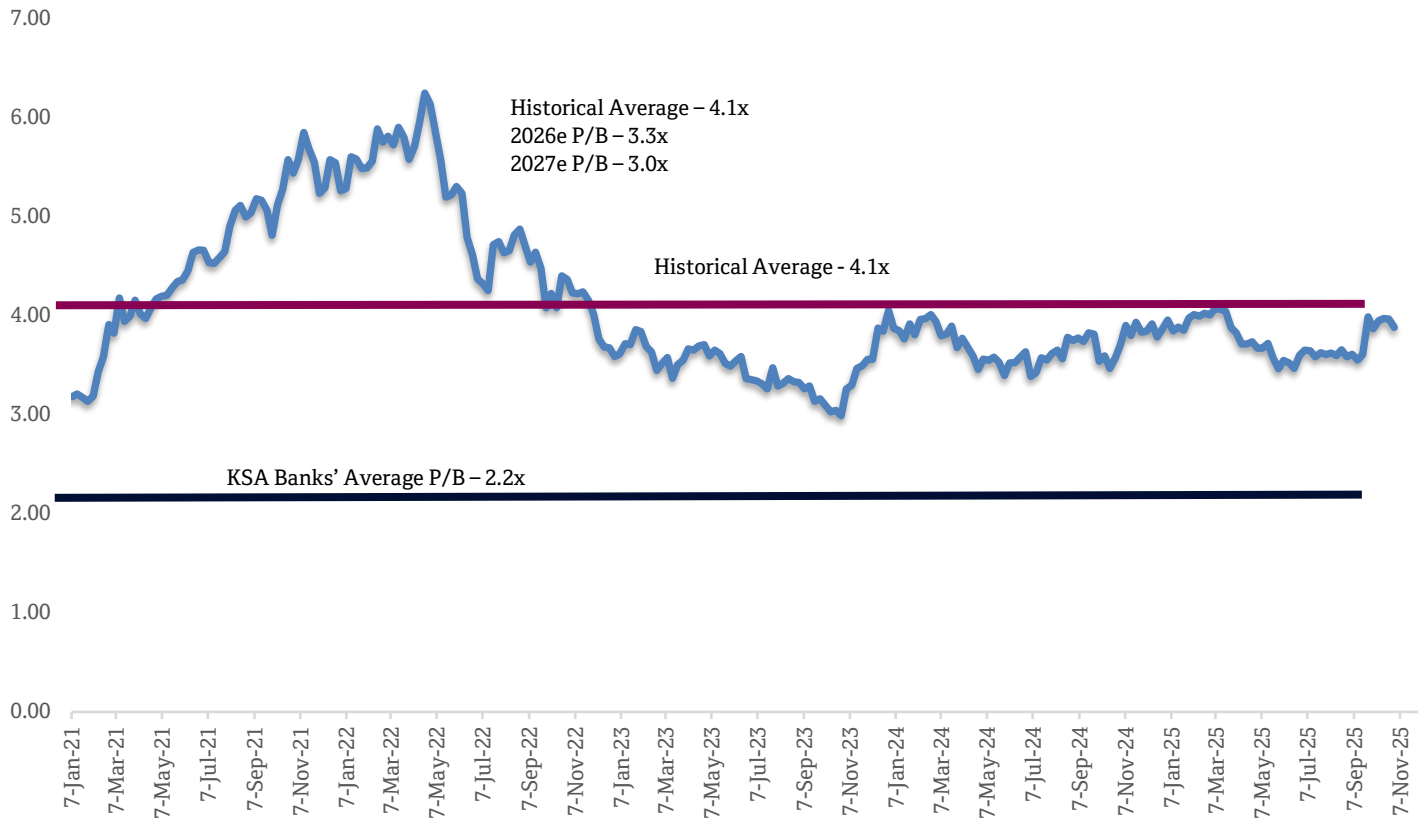
Implied P/B	4.9x	4.3x	3.8x	3.5x	3.1x	2.8x	2.5x	2.2x	2.0x	1.7x	1.5x	1.3x
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Source: QNB FS Research

Sensitivity Analysis

122.04	10.00%	11.00%	12.00%	13.00%	14.00%
4.00%	171.39	138.47	114.43	96.26	82.12
4.50%	180.42	144.01	117.98	98.59	83.70
5.00%	191.27	150.48	122.04	101.22	85.45
5.50%	204.52	158.13	126.72	104.21	87.40
6.00%	221.08	167.31	132.18	107.61	89.60

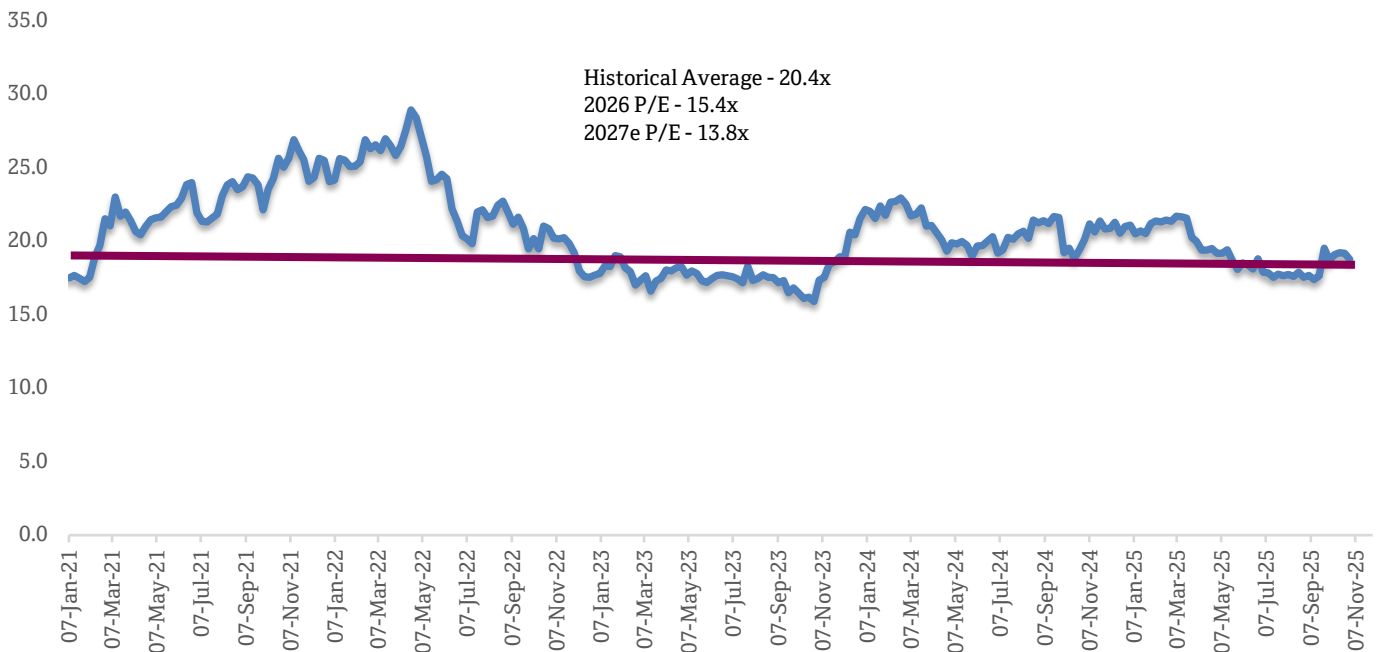
Trading at a 20% discount to its Average P/B...



Source: Bloomberg

Al Rajhi Bank has always traded at rich multiples. The stock currently trades at a 20% and 24% discount on its 4-year average P/B and P/E ratios, respectively. On the other hand, the stock is also trading at a 49% premium to its peers on a P/B basis. *We believe that the premium P/B valuation is due to RJHI's robust profitability, strong asset quality and brand value. We are of the view that this trend will not reverse in the medium-to long-term horizon and the stock will continue to trade at a premium to its peers.*

...And a 24% discount to its Historical Average P/E



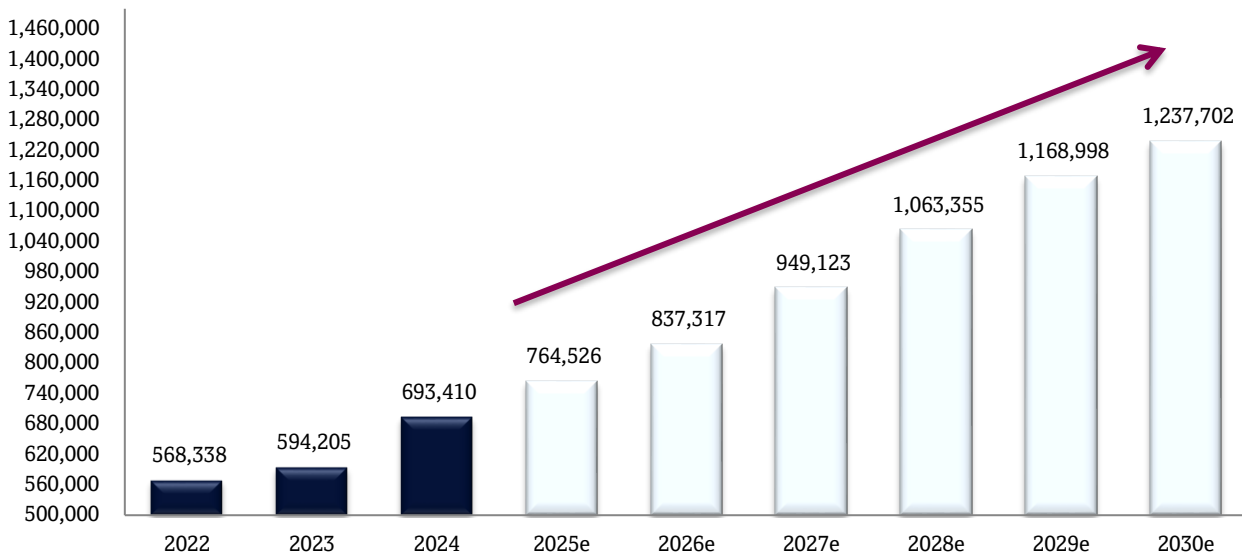
Source: Bloomberg

Key Forecasts

Loan Portfolio

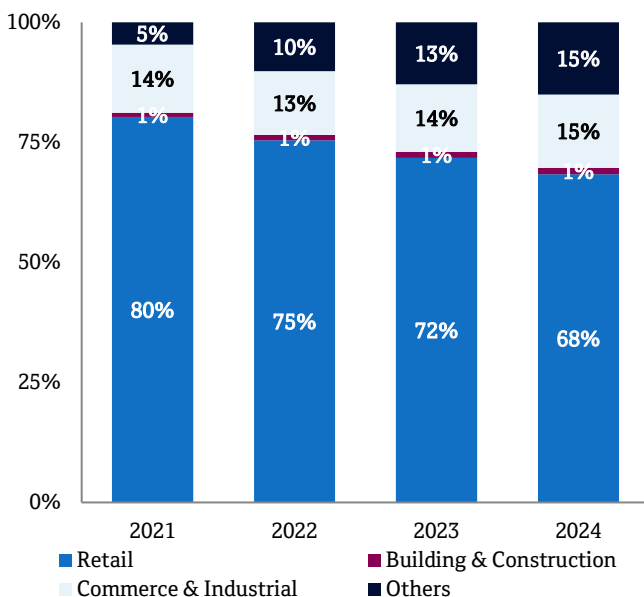
Al Rajhi Bank is the largest retail banking franchise/brand with a 39.9% (9M2025) market share in this segment and also the largest lender with 25% market share; we estimate an overall loan book CAGR of 10.1% during 2024-30e. RJHI is predominately a retail bank with its loan book split between the retail (64%), corporate (29%) and SME (7%) segments as of 9M2025. Although retail-centric, the bank's loan book went from 80%/20% retail/corporate in 2021 to 68/32 in FY2024. Moreover, RJHI's market share in corporate loans jumped from 6% in 2015 to 15% in 9M2025, becoming the 2nd largest lender in this space after SNB. Hence, the corporate segment led the growth in the loan book, expanding by 34.6% vs. retail growth of 9.0%. We are of the view that the bank's strategy is to maintain its dominance in the retail space, while achieving loan growth through the corporate, mortgage and SME segments. So far on a YTD basis, net loans have grown by 9.0% vs. 10.4% for the sector. As such we expect net loans to gain by 10.3% in 2025 followed by 9.5% in 2026 and 13.4% in 2027. Moreover, we grow the loan book by 12.0% and 9.9% in 2028 and 2029. Our growth estimates are based on KSA's long-term growth objectives and diversification initiatives of the economy. We expect the loan book to grow from SAR693.41bn in 2024 to SAR1.24tn in 2030.

Loans to Exhibit 10.1% CAGR (SAR mn) vs. 20.0% (2018-24)

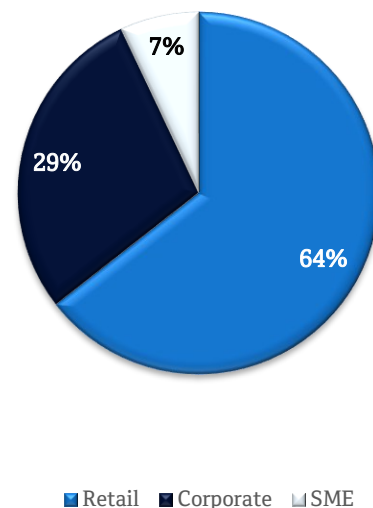


Source: Company data, QNB FS Research

Loans Dominated by Retail; Corporates Gained Share

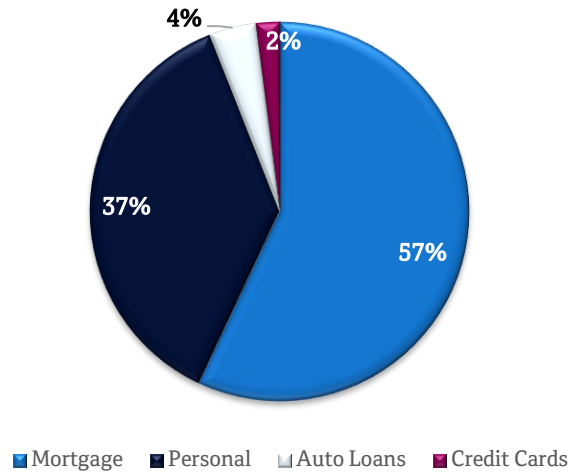


3Q2025: SMEs 7% of Total Loans



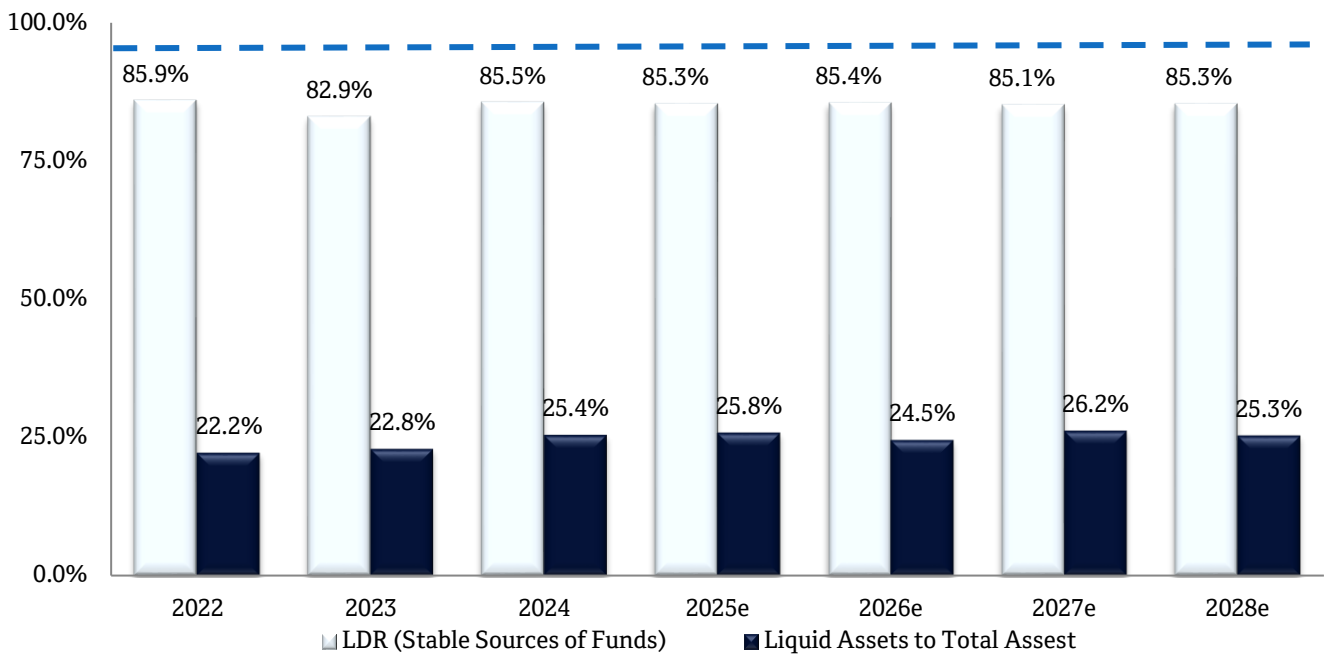
Source: Company data, QNB FS Research

Retail Book is Dominated by Mortgage and Personal Loans



Source: Company data, QNB FS Research

RJHI Enjoys a Healthy Liquidity Position with Liquid Assets to Total Assets of ~26% and LDR (Loans to stable sources of funds) Below SAMA's 90% limit. Given RJHI's conservative nature, we do not assume any pressure on the LDR.

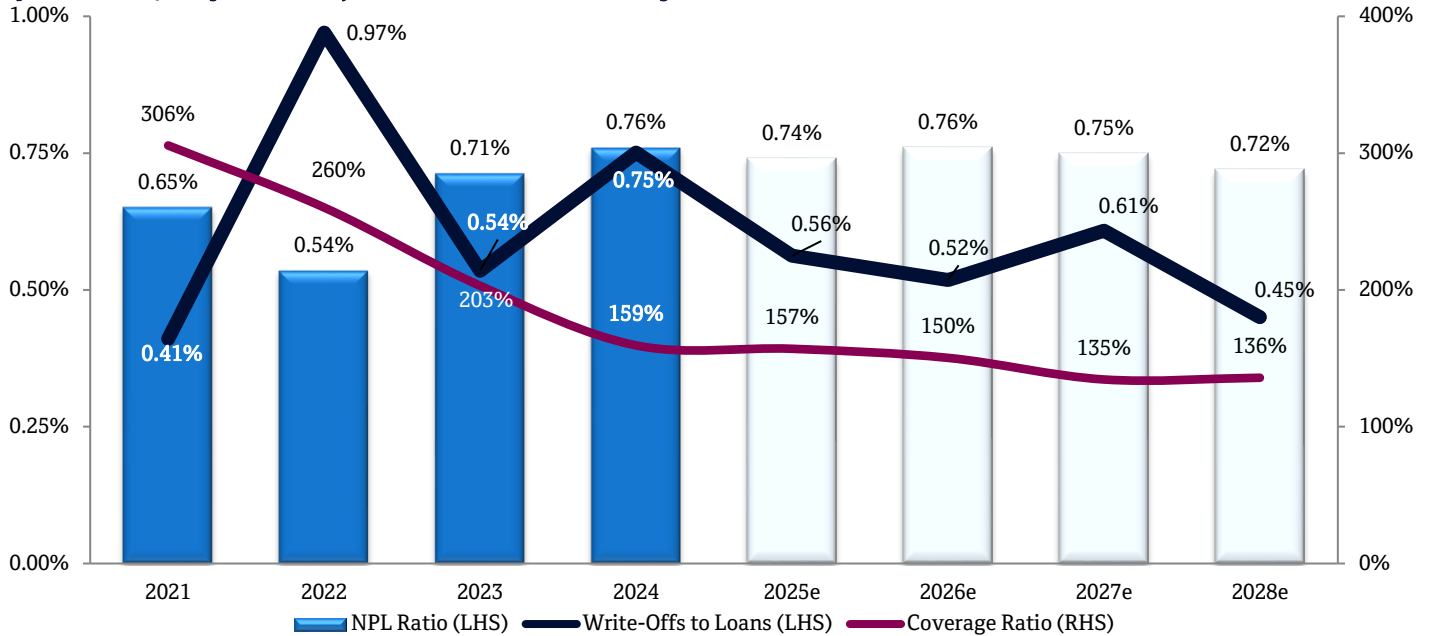


Source: Company data, QNB FS Research

Asset Quality

RJHI enjoys superior asset quality despite its tilt towards retail. So far in 3Q2025, RJHI's NPL ratio remained flat at 0.76% vs. FY2024. The bank has maintained its NPL ratio below 1% from 2017 to date; the highest NPL ratio reached was 3.32% in 2009. Management has been reducing this ratio through a combination of conservative underwriting, recoveries/reversals and write-offs. As such, we do not assume any material deterioration in asset quality for 2025 and in our forecast horizon. Furthermore, we also expect the coverage ratio to remain above 100%, which should safeguard the bank in case loans are impaired more than estimated. Stage 2 Loans are 2% of total loans with a coverage of 11%, which is a positive.

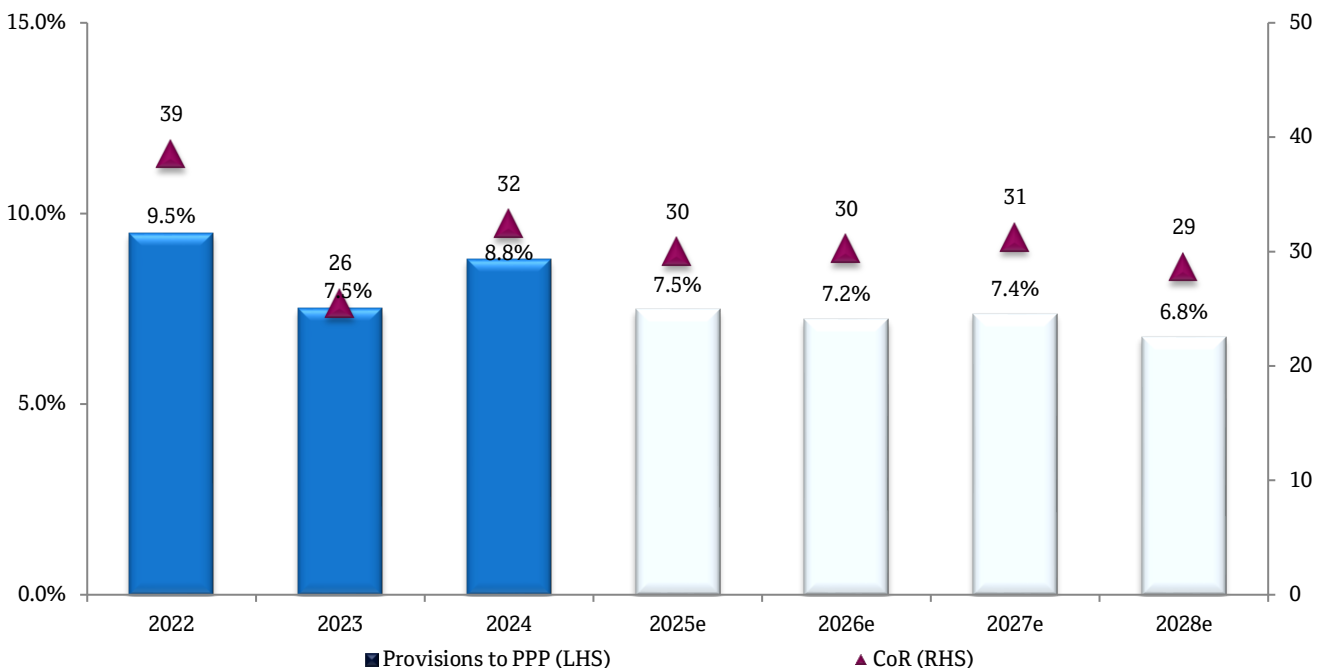
Superior Asset Quality With One of the Lowest NPL Ratios Amongst its GCC Peers



Source: Company data, QNB FS Research

CoR is not modeled to spike as RJHI's asset quality is pristine. We estimate CoR to remain at ~30bps levels as there are no signs of pressure on asset quality. CoR reached 159bps in 2010 and has normalized at 32bps as of 2024 (9M2025: 31bps).

Cost of Risk to Remain at 30bps Levels In-line With Recent Trends

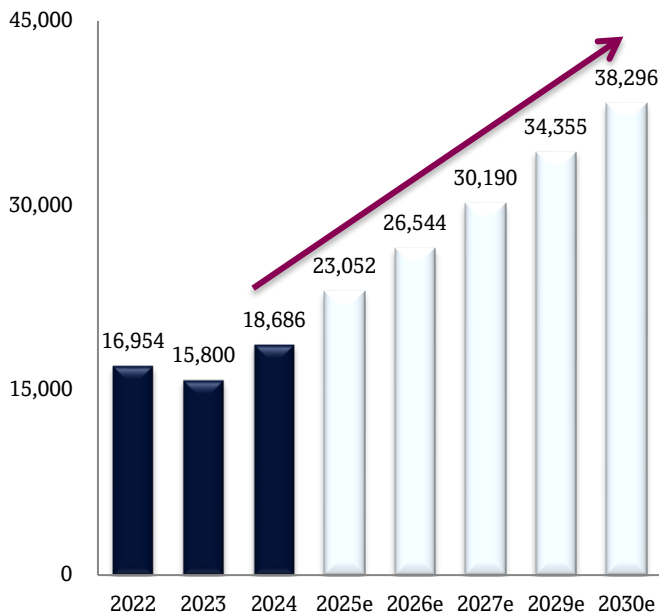


Source: Company data, QNB FS Research

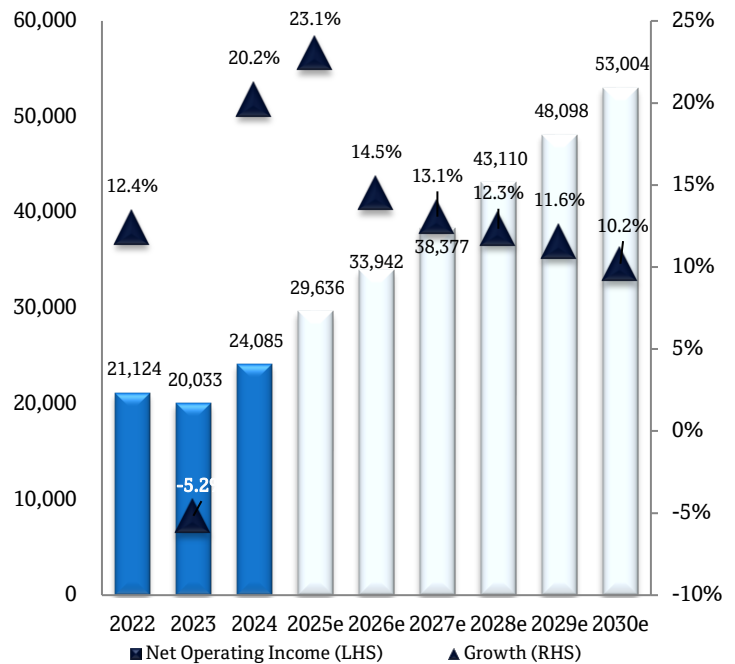
Operating Performance

We assume a bottom-line CAGR of 14.7% over 2024-2030e. The growth in net income is expected to be driven by net interest income (14.0% 6-year CAGR attributable to NIM expansion), healthy non-funded income (mainly fees and f/x income) and costs containment. Net income is modeled to grow primarily from margin expansion due to further rate cuts as 1) the bank has the lowest CoFs among its peers as ~66% of deposits are non-interest bearing and 2) in a decreasing interest rate environment, RJHI significantly benefits as the loan book is long-term in nature with fixed rates, while deposits are short-term in nature. As such, the deposit book reprices downwards before the loan portfolio. *Having said this, there could be further upside to our estimates if margins expand more than forecasted and non-funded income exceeds our estimates.*

Net Income (SAR mn) to Surge 14.7%

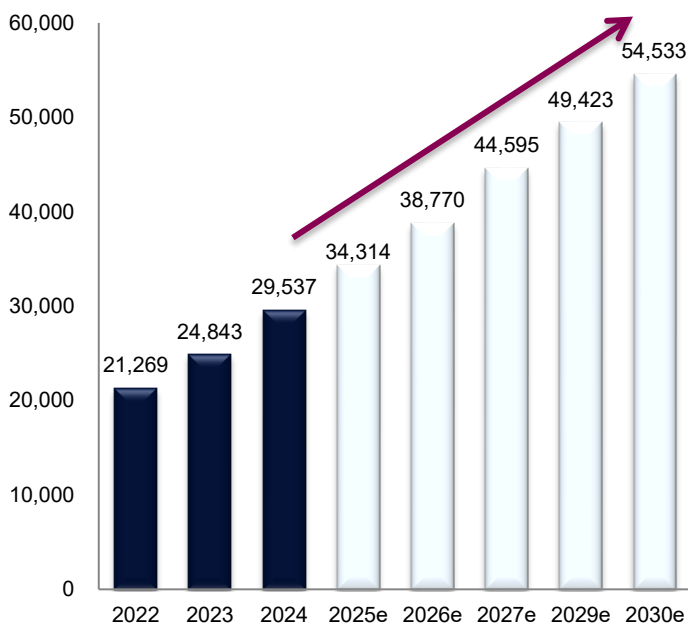


Net Operating Income (SAR mn)

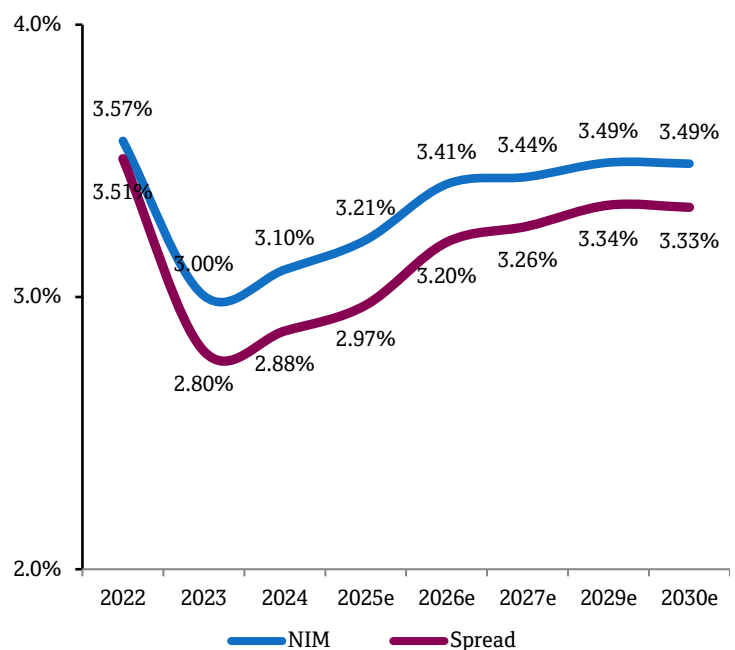


Source: Company data, QNB FS Research

Net Interest Income (SAR mn) to Surge 14.0%



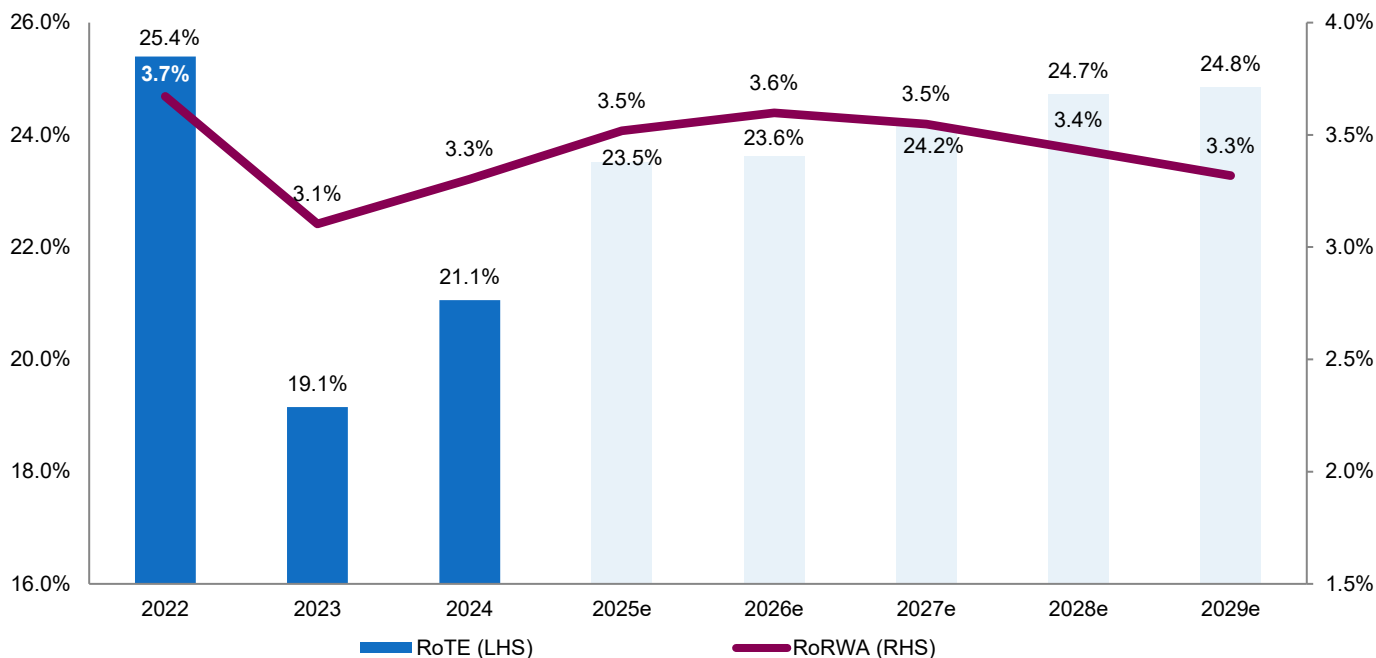
NIMs To Expand With Rate Cuts



Source: Company data, QNB FS Research

RJHI boasts a robust RoTE, far greater than its peers and one of the highest in the GCC. We pencil in a RoTE to increase from 23.5% in 2025e to 25.0% by 2030e.

RoE to Remain Superior on NIM Expansion; RoRWAs to Stay Above 3%, Which is Very Robust

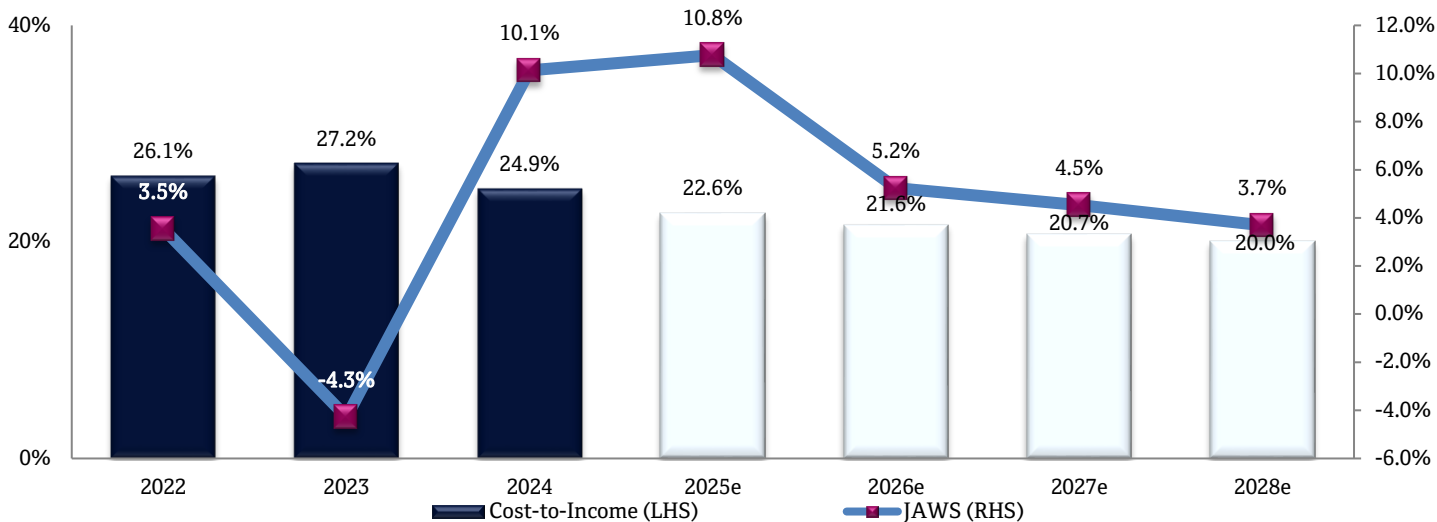


Source: Company data, QNB FS Research

Efficiency

RJHI's cost-to-income ratio is at exceptionally low levels given that the bank's operations are heavily skewed to retail; C/I ratio decreased from 33.9% in 2015 to 22.5% in 9M2025. Al Rajhi Bank has done a good job of maintaining its cost-to-income ratio in the mid-to-low 20%'s level given that it's predominately a retail operation (cost intensive business). Opex grew by a CAGR (2019-2024) of 4.3% vs. 10.5% in revenue and generated JAWs of 5.9%. We believe this cost management is driven by the bank's economies of scale, achieving digital to manual ratio of 96:4, increase of automation & efficiency from 25% (2023) to 58% in 9M2025, % of capabilities centralized & standardized of 49.6% in 9M2025 vs. 13.5% in FY2023 among other initiatives undertaken by management. Going forward, we estimate the bank's cost-to-income ratio to further go down while generating positive JAWs.

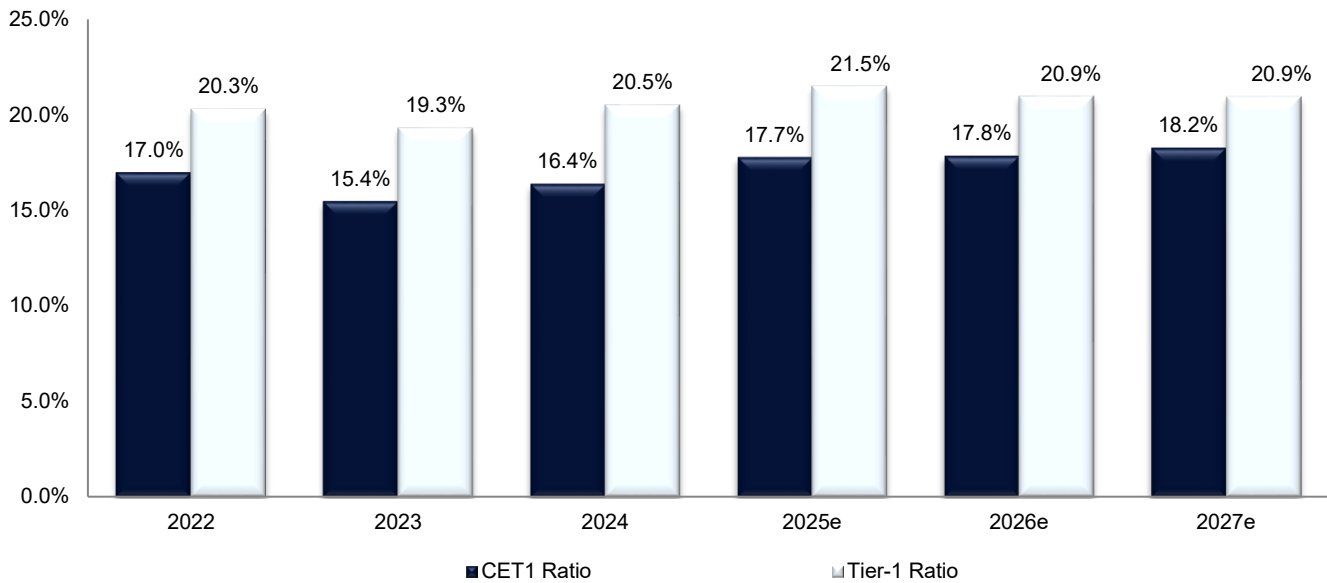
Operating Efficiency to Remain Robust



Source: Company data, QNB FS Research

Capitalization

Robust capitalization levels. RJHI has always maintained strong capitalization levels through strong profitability and retention rate. Moreover, we do not expect this trend to reverse. It is also noteworthy, the bank generates high double-digit RoEs and RoRWAs > 3.0%



Source: Company data, QNB FS Research

Company Description

Al Rajhi Bank is the largest bank in KSA with a 25%/23% market share in loans/deposits. Moreover, RJHI commands the largest market share in retail lending (40%), 2nd largest corporate lending (15%) and is the largest Islamic bank globally by assets and market cap. Established in 1978, Al Rajhi Bank is a universal bank offering Shari'ah compliant services to retail, corporate and SME customers, brokerage and asset/wealth management and treasury services. The bank has a network more than 500 branches in KSA (Malaysia: 13 branches; Jordan: 13 branches and 2 in Kuwait) and over 4,300 ATMs.

Major Shareholders

Shareholders	Investor Type	Share (%)
Abdullah Sulaiman Abdul Aziz Al Rajhi	Chairman	2.18
Vanguard Group	Institutional	2.10
Black Rock	Institutional	1.50
Total		5.78

Source: Bloomberg

Detailed Financial Statements

Income Statement (In SAR mn)	2022	2023	2024	2025e	2026e	2027e	2028e
Net Interest Income	22,173	21,269	24,843	29,537	34,314	38,770	44,595
Fees & Commissions	4,624	4,226	4,693	5,725	6,200	6,944	6,389
FX Income	1,162	1,246	1,293	1,474	1,581	1,640	1,658
Other Income	616	790	1,227	1,567	1,184	1,042	1,256
Non-Interest Income	6,402	6,262	7,212	8,766	8,965	9,626	9,303
Total Revenue	28,575	27,531	32,055	38,302	43,280	48,396	53,898
Operating Expenses	(7,451)	(7,498)	(7,971)	(8,666)	(9,338)	(10,019)	(10,788)
Net Operating Income	21,124	20,033	24,085	29,636	33,942	38,377	43,110
Net Provisions & Impairments	(2,001)	(1,504)	(2,117)	(2,215)	(2,453)	(2,824)	(2,914)
Net Profit Before Non-Recurring Income	19,123	18,529	21,968	27,421	31,488	35,553	40,196
Non-Recurring Income	-	-	-	-	-	-	-
Net Profit Before Tax & Zakat	19,123	18,529	21,968	27,421	31,488	35,553	40,196
Minority Interest	-	-	9.0	25.4	25.3	25.3	25.3
Zakat/Taxes	(1,972)	(1,908)	(2,237)	(2,822)	(3,241)	(3,659)	(4,138)
Net Profit Before AT1 Sukuk Cost	17,151	16,621	19,722	24,574	28,222	31,868	36,033
AT1 Sukuk Cost	(197)	(821)	(1,036)	(1,522)	(1,679)	(1,679)	(1,679)
Attributable Net Profit	16,954	15,800	18,686	23,052	26,544	30,190	34,355
EPS	4.24	3.95	4.67	5.76	6.64	7.55	8.59

Source: Company data, QNB FS Research

Balance Sheet (In SAR mn)	2022	2023	2024	2025e	2026e	2027e	2028e
Cash & Balances with Central Bank	42,052	41,768	53,245	62,133	61,998	73,850	81,604
Interbank Loans	25,656	9,507	19,530	34,404	25,120	39,863	31,901
Net Investments	102,146	134,299	176,068	183,068	197,938	238,591	262,917
Net Loans	568,338	594,205	693,410	764,526	837,317	949,123	1,063,355
Other Assets	12,835	15,468	18,240	20,820	22,728	25,400	29,496
Net PP&E	11,339	12,853	13,894	13,716	13,802	13,895	13,996
Total Assets	762,366	808,098	974,387	1,078,668	1,158,902	1,340,723	1,483,268
Liabilities							
Interbank Deposits	70,839	97,247	173,435	197,464	203,925	270,836	301,076
Customer Deposits	564,925	573,101	628,239	675,356	729,385	820,558	906,717
Sukuk	0	3,789	8,451	14,032	14,032	14,032	14,032
Other Liabilities	26,377	27,202	41,124	44,603	51,761	61,426	72,335
Tier-1 Sukuk	16,500	16,500	23,554	28,943	28,943	28,943	28,943
Tier-2 Sukuk	-	-	-	3,749	3,749	3,749	3,749
Total Liabilities	678,641	717,839	874,801	964,148	1,031,796	1,199,544	1,326,852
Total Shareholders' Equity	83,725	90,259	99,585	114,520	127,106	141,179	156,416
Total Liabilities & Shareholders' Equity	762,366	808,098	974,387	1,078,668	1,158,902	1,340,723	1,483,268
BVPS	20.93	22.56	24.87	28.60	31.74	35.25	39.05
TBVPS	20.63	22.19	24.51	28.09	31.23	34.74	38.54
RWAs	497,973	520,330	611,439	698,977	776,464	925,099	1,075,369
RWAs/Total Assets	65%	64%	63%	65%	67%	69%	73%
Average IEAs	620,501	707,902	801,270	920,435	1,005,055	1,126,655	1,276,387
Average IEAs/Total Assets	90%	90%	90%	90%	90%	90%	90%
Average IBLs	581,348	653,994	740,950	848,480	918,840	1,027,759	1,164,515
Average IBLs/Average Liabilities	94%	94%	93%	92%	92%	92%	92%

Source: Company data, QNB FS Research

Key Ratios	2022	2023	2024	2025e	2026e	2027e	2028e
Profitability (%)							
RoTE (Attributable)	25.4	19.1	21.1	23.5	23.6	24.2	24.7
RoAA (Attributable)	2.4	2.0	2.1	2.2	2.4	2.4	2.4
RoRWA (Attributable)	3.7	3.1	3.3	3.5	3.6	3.5	3.4
NIM (% of IEAs)	3.57	3.00	3.10	3.21	3.41	3.44	3.49
NIM (% of RWAs)	4.80	4.18	4.39	4.51	4.65	4.56	4.46
NIM (% of AAs)	3.20	2.71	2.79	2.88	3.07	3.10	3.16
Spread	3.5	2.8	2.9	3.0	3.2	3.3	3.3
JAWS	3.5	-4.3	10.1	10.8	5.2	4.5	3.7
Efficiency (%)							
Cost-to-Income	26.1	27.2	24.9	22.6	21.6	20.7	20.0
Liquidity (%)							
LDR (Stable Sources of Funds)	85.9	82.9	85.5	85.3	85.4	85.1	85.3
Loans/Assets	74.5	73.5	71.2	70.9	72.3	70.8	71.7
Liquid Assets-to-Total Assets	22.2	22.8	25.4	25.8	24.5	26.2	25.3
Deposits to Assets	74.1	70.9	64.5	62.6	62.9	61.2	61.1
Wholesale Funding to Loans	12.5	17.0	26.2	28.2	26.5	30.4	30.0
IEAs to IBLs	1.08	1.08	1.08	1.09	1.10	1.09	1.10
Asset Quality (%)							
NPL Ratio	0.54	0.71	0.76	0.74	0.76	0.75	0.72
NPL to Shareholders' Equity	3.7	4.8	5.4	5.0	5.1	5.1	4.9
NPL to Tier-1 Capital	3.7	4.8	5.7	5.0	4.7	4.4	3.9
Coverage Ratio	260	203	159	157	150	135	136
ALL/Average Loans	1.5	1.5	1.3	1.2	1.2	1.1	1.0
PLL/RWAs	0.4	0.3	0.4	0.3	0.3	0.3	0.3
Net Write-Offs/Loans	1.0	0.5	0.8	0.6	0.5	0.6	0.5
Cost of Risk (%)	39	26	32	30	30	31	29
Capitalization (%)							
CET1 Ratio	17.0	17.2	15.4	16.4	17.7	17.8	18.2
Tier-1 Ratio	20.3	20.4	19.3	20.5	21.5	20.9	20.9
CAR	21.4	21.5	20.2	21.4	22.4	21.9	21.8
Leverage (x)	9.1	9.0	9.8	9.4	9.1	9.5	9.5
Growth (%)							
Net Interest Income	8.7	-4.1	16.8	18.9	16.2	13.0	15.0
Net Funded Income	20.2	-2.2	15.2	21.5	2.3	7.4	-3.4
Total Revenue	11.1	-3.7	16.4	19.5	13.0	11.8	11.4
Opex	7.6	0.6	6.3	8.7	7.8	7.3	7.7
Net Operating Income	12.4	-5.2	20.2	23.1	14.5	13.1	12.3
Net Provisions & Impairments	-14.7	-24.8	40.7	4.6	10.8	15.1	3.2
Net Income (Headline)	16.3	-3.1	18.5	24.8	14.8	12.9	13.1
Net Income (Attributable)	15.0	-6.8	18.3	23.4	15.1	13.7	13.8
Loans	25.5	4.6	16.7	10.3	9.5	13.4	12.0
Deposits	10.3	1.4	9.6	7.5	8.0	12.5	10.5
Net Investments	20.4	31.6	31.2	3.9	8.1	20.6	10.2
RWAs	17.0	4.5	17.5	14.3	11.1	19.1	16.2

Source: Company data, QNB FS Research

Recommendations		Risk Ratings	
<i>Based on the range for the upside / downside offered by the 12-month target price of a stock versus the current market price</i>		<i>Reflecting historic and expected price volatility versus the local market average and qualitative risk analysis of fundamentals</i>	
OUTPERFORM	Greater than +20%	R-1	Significantly lower than average
ACCUMULATE	Between +10% to +20%	R-2	Lower than average
MARKET PERFORM	Between -10% to +10%	R-3	Medium / In-line with the average
REDUCE	Between -10% to -20%	R-4	Above average
UNDERPERFORM	Lower than -20%	R-5	Significantly above average

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