

Daily Bulletin

August 6, 2025

- > KSA's banking sector assets increase by 14.1% YoY in Jun-25
- > Cenomi Centers delivers strong 2Q25, profit up 34.2% YoY

KSA's banking sector assets increase by 14.1% YoY in Jun-25

Saudi banks reported aggregate assets of SAR 4.8 tn in June 2025, reflecting a marginal increase of 0.2% MoM and a growth of 14.1% YoY. Saudi National Bank continued to lead the sector with the largest asset base, reaching SAR 1.2 tn. Notably, Riyadh Bank posted the highest deposit growth in our coverage universe, with deposits increasing by 14.8% YoY (vs. median: 7.3%) to SAR 316.8 bn.

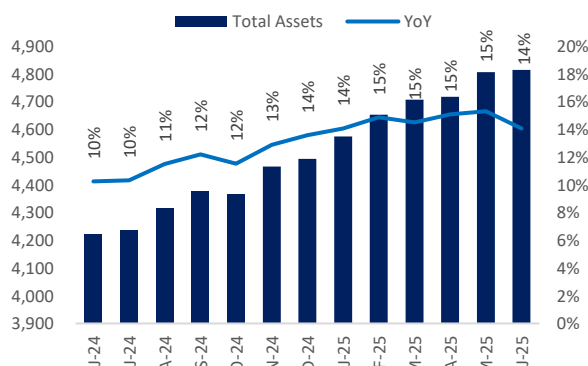
Total loans and advances rose to SAR 3.2 tn, up 0.6% MoM and 15.8% YoY. The investment portfolio stood at SAR 734.4 bn, reflecting an increase of 0.8% MoM and 12.5% YoY. Loans and advances accounted for 66.2% of total assets during the month, while investments constituted 15.3%. Al Rajhi Bank held the largest loan book at SAR 741.7 bn as of June 2025, followed by Saudi National Bank at SAR 714.8 bn. Riyadh Bank also led in loan growth, with total loans and advances expanding by 21.8% YoY in 1H25, compared to the median growth of 16.0% across our banking universe.

Customer deposits reached SAR 2.9 tn, rising 1.1% MoM and 7.7% YoY. Demand deposits stood at SAR 1,495.3 bn, down 0.5% MoM but up 5.2% YoY. Time and savings deposits rose by 1.2% MoM and 21.7% YoY to SAR 1,099.9 bn. As a share of total deposits, demand deposits declined 125 bps YoY to 52.0%, while time and savings deposits increased 439 bps YoY to 38.2%.

The headline LDR stood at 110.8% in June 2025 for the industry, down 54 bps MoM but up 772 bps YoY. Among our coverage banks, Al Rajhi recorded the largest YoY increase in LDR, rising from 99.9% in June 2024 to 115.5% in June 2025. The sector's regulatory LDR came in at 81.6%, down from 82.7% in May 2025 and up from 79.3% in June 2024.

We reiterate our 'Overweight' rating on the Saudi banking sector, with SAB and ALINMA offering the highest upside.

Total banking assets (SAR bn)



Source: SAMA, anb research

ANBC banking coverage

	TP (SAR)	Price (SAR)*	Upside	2025 PER(x)	2025 PBV(x)
ALRAJHI	106	96	11%	16.7	2.6
ALINMA	33	26	27%	10.6	1.4
ALBILAD	32	27	21%	13.4	2.1
RIBL	31	27	13%	8.2	1.1
SAB	42	32	32%	8.3	0.9
SNB	46	36	26%	9.5	1.2

Source: Tadawul, anb research

*Closing price as of 5 August 2025

Cenomi Centers delivers strong 2Q25, profit up 34.2% YoY

Cenomi Centers reported a net profit of SAR 474.7 mn in 2Q25, marking an increase of 34.2% YoY. The increase was led primarily by other operating income, derived from the booking of gain of SAR 9.9 mn from the sale of Al-Kharj Land and higher gross margin (+~100 bps). Cenomi also realized a net fair value gain on investment properties of SAR 208.6 mn in 2Q25. Company's 1H25 net profit increased by 29.2%. However, after adjusting for on-offs such as Al-Kharj gain in 1H25 and SAR 50.6 mn finance cost write-off in 1H24, net profit rose by 16.5% YoY.

Revenue remained flat in 2Q25, down slightly by 0.7% YoY, due to absence of contribution from Dhahran Mall. Notably, Dhahran Mall's 1st phase was handed over in Feb-25, ensuing lower rental and media revenues. The footfall continued to increase, rising by 0.6% YoY in 1H25, reaching 66.5 mn visitors. Markedly, this is the company's historically highest footfall number for the first half.

Company's major projects of Jawharat Jeddah and Jawharat Riyadh reached the completion rate of 99% and 98%, respectively. Cenomi is seeing active interest in these properties, with pre-leasing reaching 92% at Jeddah and 85% at Riyadh site. These developments are projected to add ~ SAR 650 mn to Cenomi's EBITDA, translating into 40% of current EBITDA. Company expects 15 mn and 20 mn annual visitors in Jeddah and Riyadh project, once complete.

Cenomi's like-for-like occupancy decreased slightly by 90bps QoQ, reaching 92.2% in 2Q25. Leasing activity remained strong in 1H25, with 1,111 leases being renewed. Company also added 174 new brands, including high-end labels such as Harry Winston, Blancpain and Breguet.

Cenomi Centers is targeting a growth of 46% in Gross Leased Area (GLA) by 2027, reaching 1.8 mn sqm. This will be achieved via the completion of projects, namely, Jawharat Riyadh, Jawharat Jeddah, Jawharat Al Khobar, Jubail Marina Mall, U Walk Qassim, and Murcia Mall.

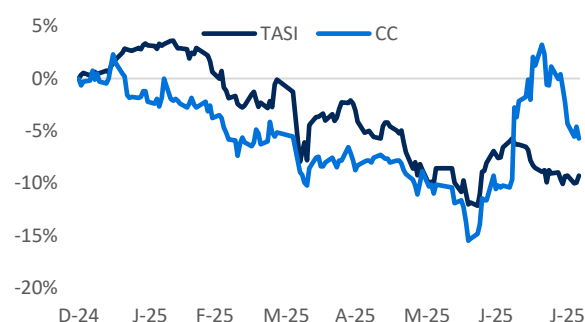
Cenomi Centers is currently trading at SAR 20.5/share, down 5.7% YTD, faring better than TASI, which is down 9.3% over the same period. The stock is currently trading at a 2025e P/E of 9.1x and has a consensus target price of SAR 22.5/share, translating into a potential upside of 10.1%.

Cenomi Centers financials (SAR mn)

	2Q25	2Q24	YoY(%)	1Q25	QoQ(%)
Revenue	582.6	586.5	-1	590.6	-1
COGS	-93.2	-101	-8	-78.9	18
Gross profit	489.4	485.5	1	511.7	-4
Gross margin (%)	84	83		87	
Operating profit	637.9	518.6	23	398.2	60
Opt. margin (%)	109	88		67	
Net income	474.7	353.8	34	222.7	113
Net margin (%)	81	60		38	
EPS	1.00	0.74		0.47	

Source: Company financials, anbc research

Relative price chart



Source: Bloomberg, anbc research

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