

Daily Bulletin

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BJAZ net profit up 29% YoY to SAR 362 mn in 4Q25

Last Price: SAR 12.0 | Consensus Target Price: SAR 12.9 | YoY Performance: -17%

Bank AlJazira (BJAZ) reported a net profit of SAR 362 mn (Adj. EPS: SAR 0.21) in 4Q25, up 29% YoY and down 10% QoQ. The result came in line with the consensus net profit of SAR 351 mn, up 3.1%. The earnings growth was driven by an 77% YoY rise in non-interest income and 5% YoY growth in net-interest income. Profitability was further supported by improving cost efficiency, with cost to income ratio declining 6.34 ppt YoY to 51.5% during 4Q25. Along with result, bank has announced a DPS of SAR 0.5 for the year end 2025. The bank had resumed the payout after 2022.

Net interest income for 4Q25 arrived at SAR 773 mn, up 5% YoY and 9% QoQ, taking the 2025 net interest income to SAR 3 bn, up 14% YoY. The growth during the year was driven by a 20% YoY increase in net interest income from financing to SAR 2.5 bn, while net interest income from investments declined by 13% to SAR 451 mn. NIM during 4Q25 declined by 9 bps YoY to 2.01%, given the decline in interest rates. For the full year, NIM arrived at 2.00%, down 3 bps YoY.

Non-interest income (NII) during the quarter was recorded at SAR 412 mn, up 77% YoY (+6% QoQ). For 2025, non-interest income rose to SAR 1,465 mn, up 28% YoY, led by growth in fee income, FVIS, exchange income and dividend income. NII now constitute 33% of total operating income of the bank, which will help bank to mitigate negative impact of declining interest income owing to decreasing interest rates.

During 4Q25 operating expenses amounted to SAR 611 mn, up 9% YoY and 4% QoQ. Operating cost to income ratio improved to 51.5% during the quarter, compared to 57.9% in 4Q24. For 2025, operating expenses rose 10% YoY to SAR 2,338 mn due to higher salaries and employee-related expenses, and elevated other general and administrative expenses. Operating cost to income ratio for the year arrived at 52.4% (-3.7 ppt YoY), in line with the bank's 2025 guidance of below 55%.

Impairment provisions increased 9% YoY to SAR 100 mn (+85% QoQ) during 4Q25. For the full year 2025, impairment provisions amounted to SAR 354 mn (+29% YoY), mainly due to higher provisioning requirements for commercial lending and absence of reversal recorded last year. During 2024, BJAZ recorded an impairment reversal of SAR 43 mn for other real estate. In line with higher provisions, cost of risk for 2025 came at 36 bps, up 4 bps on YoY basis. Cost of risk was slightly above the bank's 2025 guidance of 30-35 bps.

As of Dec-25, the bank recorded total assets of SAR 166 bn, up 11% YoY, supported by 14% YoY increase in net financing to SAR 111 bn. The increase in net financing is driven by both corporate and retail loans. Deposits for 2025 arrived at SAR 115 bn, up 7% YoY. Headline LDR rose 649 bps YoY to 96.1% as of Dec-25 from 89.6% in 2024.

BJAZ' stock has declined 17% YoY, underperforming TASI which slipped 8% over the same period. The company is currently trading at a 2026e P/B of 0.77x, with a consensus target price of SAR 12.9/share, offering a potential upside of 7.2%.

Relative price chart



Source: Tadawul, anbc research

Financials – SAR mn

	4Q24	4Q25	YoY (%)	2025	YoY (%)
Net Int. Income	735	773	5	3,000	14
Non-Int. Income	232	412	77	1,465	28
Total Income	967	1,185	22	4,464	18
Oper. expenses	(560)	(611)	9	(2,338)	10
Impairment prov.	(92)	(100)	9	(354)	29
Net Income	280	362	29	1,506	22
Adj. EPS	0.15	0.21	-	1.00	-
Assets	149,119	165,924	11		
Investments	36,406	38,968	7		
Loans & Advances	96,912	110,862	14		
Deposits	108,187	115,395	7		

Source: Earning release, anbc research

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