Aljazira Bank 1H 2026 Earnings Release

Aljazira Bank Delivers Strong Financial Performance Continuing to Grow Business: Net Income in 1H 2026 Rises by 14% YoY to ⃁848 Million While Total Assets Grow by 15% YoY to ⃁181 Billion

Riyadh, 27 July 2026

1H 2026 Financial Results highlights:

Net financing ^	Deposits ^	Net income ^
⃁ bn, +9% YTD	⃁ bn, +15% YTD	⃁ mln, +14% YoY
121.0	**132.7**	**848**
Cost of risk v	**Net Margin v**	**CAR Pillar 1 ^**
-8 bps YoY	-11 bps YoY	+128 bps YoY
0.30%	**2.06%**	**19.2%**

- **Net income** increased by 14% YoY to ⃁848 million (Q2 2026: ⃁443 million, +9% sequentially), with return on tangible equity of 8.6%.
- **Total operating income** increased by 9% YoY to ⃁2,368 million. Fee and other income comprised 30% of total operating income.
- **Net margin** was 2.06% in 1H 2026, as cost of funding normalized, while net financing and investment income grew 10% YoY to ⃁1,661 million.
- **Operating expenses** increased by 8% YoY, growing slower than income and delivering positive operating jaws; cost-to-income ratio improved by 48 bps YoY to 51.78% (Q2 2026: 50.85%, down 190 bps sequentially).
- **Cost of risk** is 30 bps in 1H 2026, down 8 bps YoY, reflecting good asset quality (Q2 2026: 41 bps, up 21 bps sequentially from 20 bps in Q1).
- **Net financing** increased to ⃁121.0 billion as of end-1H 2026, up 17% YoY and 6% sequentially, driven by both corporate and retail segments; total assets grew to ⃁181.2 billion, up 15% YoY and 5% sequentially.
- **Customers' deposits** rose 7% sequentially and 16% YoY to ⃁132.7 billion, share of **CASA** reached 44.6% of total customer's deposits, up 3.0 ppt YTD.
- **Liquidity** remained robust and comfortably within regulatory limits in Q2 2026, with the Liquidity Coverage Ratio (LCR) at 196.0%, the Net Stable Funding Ratio (NSFR) at 114.3%, the SAMA-weighted regulatory Loan-to-deposit Ratio (LDR) at 76.0%, and the headline Loan-to-deposit Ratio at 84.0%.
- **Total equity** grew by 21% YoY and by +2% sequentially to ⃁23.4 billion, supported by retained earnings and the successful ⃁1,464 million Tier 1 Sukuk issuance.
- **Total capital adequacy ratio** (CAR) Pillar 1 is 19.2% as of 30 June 2026, up 1.3 ppt YoY and down 0.4 ppt sequentially.

Strong 1H 2026 performance with continued business expansion and consistent progress on strategy execution

Riyadh, 27 July 2026 – Aljazira Bank's net income for 1H 2026 reached ⃁848 million, a strong 14% increase YoY. In Q2 2026 net income amounted to ⃁443 million, up 9% sequentially. The solid bottom-line performance was driven by 9% growth in total operating income, positive operating jaws as expense growth (8% YoY) trailed income growth, and a lower net impairment charge supported by continued strong recoveries.

The balance sheet continued to expand, with total assets up 15% YoY and 5% sequentially to ⃁181.2 billion, driven by sustained growth in commercial and retail financing. Customer deposits increased 16% YoY and 7% sequentially, reflecting the Bank's strong funding franchise.

Commenting on the 1H 2026 results, Mr. Naif A. Abdulkareem, CEO and Managing Director, stated:

"Aljazira Bank is delighted to present a strong set of results for 1H 2026, achieved through a combination of continued growth momentum – particularly in the financing portfolio, rigorous cost discipline, a strong focus on increasing non-funded revenues, and sound asset quality.

"We are relentlessly improving our operational systems and customer service, strengthening digital capabilities, and becoming a more agile and sophisticated organization. Coupled with recent successful rebranding, this allows Aljazira Bank to continue acquiring new customers and deepening existing relationships – scaling up our successful business model through growth in the financing book, a strong inflow of customer deposits, and an enhanced funding structure.

"In 1H 2026, we further reinforced our capital base through a Tier 1 Sukuk issuance. This robust capital position allows the Bank to pursue attractive business opportunities in a strong, vibrant and resilient Saudi market.

"We remain well on track to deliver on our full year guidance in 2026 and to achieve our strategic aim of becoming the bank of choice for affluent individuals, corporates, and institutions. Aljazira Bank remains fully committed to delivering sustainable long-term shareholder value."

Mr. Hani S. Noori, Senior Vice President and Chief Financial Officer, remarked:

"Solid 1H 2026 results were driven by successful execution of the Bank's transformation strategy combined with strict cost and risk discipline. Positive operating jaws and a lower cost of risk supported resilient profitability even as net margin normalized from the strong levels seen in the first quarter. We reaffirm our full-year guidance and look forward to further improving the Bank's performance for the remainder of the year. With a robust capital position, strong customer franchise and sound funding base, Aljazira Bank is well positioned to pursue profitable growth."

ajb بنك الجزيرة aljazira bank

Income Statement Summary

For the period ending 30 June 2026

⃁ Mn	1H 2026	1H 2025	YoY % Change	2Q 2026	1Q 2026	QoQ % Change
Net financing & investment income	1,661	1,516	+10%	842	819	+3%
Fee & other income	707	665	+6%	374	333	+12%
Total operating income	2,368	2,181	+9%	1,216	1,152	+6%
Total operating expenses before impairment charge	(1,226)	(1,140)	+8%	(618)	(608)	+2%
Impairment charge, net	(171)	(200)	-14%	(97)	(74)	+30%
Net operating income	971	841	+15%	501	470	+7%
Share in net income of an associate	4	7	-38%	2	2	+49%
Net income for the period before Zakat & income tax	975	848	+15%	503	472	+7%
Zakat & income tax	(127)	(105)	+21%	(60)	(67)	-9%
Net income for the period	848	743	+14%	443	405	+9%
EPS, ⃁	0.51	0.50	+0.34%	0.26	0.24	+8.26%

Key Financial Ratios

For the period ending 30 June 2026

⃁ Mn	1H 2026	1H 2025	YoY % Change	2Q 2026	1Q 2026	QoQ % Change
Net margin	2.06%	2.17%	-0.11%	2.02%	2.10%	-7 bps
Cost-to-income	51.78%	52.26%	-0.48%	50.85%	52.75%	-190 bps
Cost of risk	0.30%	0.38%	-0.08%	0.41%	0.20%	+21 bps
ROTE	8.59%	9.21%	-0.63%	9.00%	8.36%	+64 bps

Net income increased by 14% YoY to ⃁848 million in 1H 2026, driven by higher net financing and investment income and a lower net impairment charge. In Q2 2026, net income rose 9% sequentially to ⃁443 million.

Total operating income increased by 9% YoY to ⃁2,368 million, with net financing and investment income up 10% and fee and other income up 6%. Fee and other income represented 30% of total operating income, underpinning the Bank’s diversified revenue mix and strategic focus on growing non-interest revenues.

Operating expenses increased 8% YoY to ⃁1,226 million, growing slower than total operating income and thus delivering positive operating jaws. Cost-to-income ratio improved by 48 bps YoY to 51.78%, with Q2 2026 cost-to-income at 50.85%, down 190 bps sequentially.

Impairment charge decreased 14% YoY to ⃁171 million, driven by continued strong recoveries. Cost of risk stood at 30 bps in 1H 2026, down 8 bps YoY, though it rose 21 bps sequentially to 41 bps in Q2 2026 from 20 bps in Q1 2026.

Return on tangible equity was 8.59% in 1H 2026, compared to 9.21% in 1H 2025.

Balance Sheet Summary

as of 30 June 2026

⃁ Mn	2Q 2026	1Q 2026	QoQ % Change	2Q 2025	YoY % Change
Cash & Interbank	15,888	14,438	+10%	13,540	+17%
Investments, net	40,964	40,232	+2%	37,594	+9%
Financing, net	120,962	114,266	+6%	103,702	+17%
Other assets, net	3,370	4,178	-19%	2,949	+14%
Total assets	**181,184**	**173,114**	**+5%**	**157,785**	**+15%**
Due to banks & other FI	20,144	21,068	-4%	19,899	+1%
Customers' deposits	132,738	123,958	+7%	114,155	+16%
Subordinated Sukuk	2,008	2,042	-2%	2,006	+0%
Other liabilities, net	2,895	3,041	-5%	2,422	+20%
Total liabilities	**157,784**	**150,110**	**+5%**	**138,482**	**+14%**
Equity attributable to shareholders of the Bank	**15,186**	**14,790**	**+3%**	**14,429**	**+5%**
Tier 1 sukuk	8,214	8,214	0%	4,875	+68%
Total equity	**23,400**	**23,004**	**+2%**	**19,304**	**+21%**

The Bank's business mix remains well diversified, with all segments contributing to operating and net income.

The balance sheet continued to expand, with total assets increasing 15% YoY and 5% sequentially to ⃁181.2 billion. Asset growth was supported by a healthy increase in net financing, up 17% YoY and 6% sequentially, reflecting strong origination capabilities and a strategic focus on commercial financing and project finance.

Net investments rose by 9% YoY and 2% sequentially to ⃁41.0 billion (⃁40,964 million).

Customers' deposits recorded strong growth of 7% sequentially and 16% YoY, reaching ⃁132.7 billion, while share of CASA reached 44.6% of total customer's deposits, up 3.0 ppt YTD, reflecting both improved market liquidity and the Bank's strong customer franchise.

Total equity grew by 21% YoY and by +2% sequentially to ⃁23.4 billion, supported by retained earnings and the successful ⃁1,464 million Tier 1 Sukuk issuance.

Asset Quality Highlights

as of 30 June 2026

⃁ Mn	2Q 2026	1Q 2026	QoQ % Change	2Q 2025	YoY % Change
NPL ratio	0.87%	1.32%	-44 bps	1.47%	-59 bps
NPL coverage ratio	177.42%	151.24%	+26.18 ppt	162.40%	+15.02 ppt
Stage 3 ratio	2.27%	2.26%	+1 bp	3.16%	-90 bps
Stage 3 coverage ratio	46.76%	64.45%	-17.69 ppt	58.42%	-11.66 ppt

NPL ratio improved to 0.87% in Q2 2026, down 44 bps sequentially and 59 bps YoY, following the Stage 3 reclassifications seen in Q1 2026. NPL coverage ratio strengthened to a robust 177.42%, up 26.18 ppt sequentially. Stage 3 ratio was broadly stable at 2.27% (+1 bp sequentially), while Stage 3 coverage ratio declined to 46.76%, down 17.69 ppt sequentially.

Capital Adequacy and Liquidity Highlights

as of 30 June 2026

⃁ Mn	2Q 2026	1Q 2026	QoQ % Change	2Q 2025	YoY % Change
Risk weighted assets	135,948	131,089	+4%	121,491	+12%
RWA density	75.0%	75.7%	-0.7 ppt	77.1%	2.1 ppt
Total Tier 1 equity	23,389	23,039	+2%	19,099	+22%
Total capital	26,086	25,741	+1%	21,755	+20%
Tier 1 ratio	17.2%	17.6%	-0.4 ppt	15.7%	+1.5 ppt
CAR Pillar 1	19.2%	19.6%	-0.4 ppt	17.9%	+1.3 ppt
LCR	196.0%	168.0%	+28.0 ppt	124.7%	+71.2 ppt
NSFR	114.3%	115.2%	-0.9 ppt	112.8%	+1.5 ppt

SAMA weighted LDR	76.0%	75.5%	+0.5 ppt	73.8%	+2 ppt
Headline LDR	84.0%	92.2%	-8.2 ppt	90.8%	-6.8 ppt

Risk-weighted assets reached ⃁135,9 billion, up 4% sequentially, with RWA density declining 0.7 ppt to 75.0%, reflecting growth in both funded and non-funded exposures.

Total capital adequacy ratio (CAR Pillar 1) was 19.2% as of 30 June 2026, down 0.4 ppt sequentially, while the Tier 1 ratio decreased 0.4 ppt to 17.2%. Capital ratios remain well supported by retained earnings generation and positive other comprehensive income movements, partially offset by growth in RWAs.

The Bank's liquidity remained robust and comfortably within regulatory limits in Q2 2026, with the LCR at 196.0%, the NSFR at 114.3%, the SAMA-weighted regulatory LDR at 76.0%, and the headline LDR at 84.0%.

Operating Segment Highlights

Personal Banking Highlights

for the period ending 30 June 2026

⃁ Mn	1H 2026	1H 2025	YoY % Change	2Q 2026	1Q 2026	QoQ % Change
Net financing & investment income	984.7	912.1	+8%	502.5	482.2	+4%
Fee & other income	180.3	239.9	-25%	80.2	100.1	-20%
Total operating income	1,165.1	1,151.9	+1%	582.7	582.3	0%
Operating expenses before impairment charge	(820.5)	(772.0)	+6%	(412.9)	(407.6)	+1%
Impairment charge, net	(41.4)	(22.4)	+85%	(22.7)	(18.8)	+21%
Net income for the period before Zakat & income tax	303.1	357.5	-15%	147.2	155.9	-6%

as of 30 June 2026

⃁ Mn	2Q 2026	1Q 2026	QoQ % Change	2Q 2025	YoY % Change
Total Assets	53,649	51,456	+4%	47,381	+13%
Total Liabilities	43,996	47,387	-7%	48,906	-10%

The Personal Banking segment reported net income before Zakat of ⃁303.1 million in 1H 2026, down 15% YoY, as a 25% reduction in fee and other income more than offset 8% growth in net financing and investment income and higher impairment charges. In Q2 2026, segment net income before Zakat was ⃁147.2 million, down 6% sequentially.

Total Personal Banking assets rose 13% YoY and 4% sequentially to ⃁53.6 billion), while total liabilities were ⃁44.0 billion, down 10% YoY and 7% sequentially.

Corporate Banking Highlights

for the period ending 30 June 2026

⃁ Mn	1H 2026	1H 2025	YoY % Change	2Q 2026	1Q 2026	QoQ % Change
Net financing & investment income	553.1	528.9	+5%	281.1	272.0	+3%
Fee & other income	171.6	161.1	+7%	76.4	95.2	-20%
Total operating income	724.7	689.9	+5%	357.5	367.2	-3%
Operating expenses before impairment charge	(179.5)	(151.5)	+19%	(92.3)	(87.3)	+6%
Impairment charge, net	(130.0)	(177.4)	-27%	(73.5)	(56.5)	+30%
Net income for the period before Zakat & income tax	415.2	361.0	+15%	191.7	223.5	-14%

as of 30 June 2026

⃁ Mn	2Q 2026	1Q 2026	QoQ % Change	2Q 2025	YoY % Change
Total Assets	65,173	60,473	+8%	54,560	+19%
Total Liabilities	71,021	59,280	+20%	53,721	+32%

The Corporate Banking segment delivered a strong performance, with net income before Zakat rising 15% YoY to ⃁415.2 million in 1H 2026, driven by 7% YoY growth in fee and other income and 5% YoY growth in net financing and investment income, supported by a 27% YoY reduction in impairment charge. In Q2 2026, segment net income before Zakat was ⃁191.7 million, down 14% sequentially as impairment charges rose 30% sequentially.

Total Corporate Banking assets increased 19% YoY and 8% sequentially to ⃁65.2 billion. Total liabilities rose 32% YoY and 20% sequentially to ⃁71.0 billion, driven by strong deposit growth.

Brokerage and Asset Management Highlights

for the period ending 30 June 2026

⃁ Mn	1H 2026	1H 2025	YoY % Change	2Q 2026	1Q 2026	QoQ % Change
Net financing & investment income	58.3	69.0	-15%	29.6	28.7	+3%
Fee & other income	199.5	232.1	-14%	111.9	87.6	+28%
Total operating income	**257.8**	**301.1**	**-14%**	**141.5**	**116.3**	**+22%**
Operating expenses	(133.0)	(131.9)	+1%	(66.2)	(66.8)	-1%
Share in net income of an associate	0.6	1.0	-38%	0.4	0.2	+50%
Net income for the period before Zakat & income tax	**125.5**	**170.1**	**-26%**	**75.7**	**49.7**	**+52%**

Brokerage and Asset Management segment reported a 26% YoY decline in net income before Zakat in 1H 2026 to ⃁125.5 million, as a 14% reduction in fee and other income and a 15% reduction in net financing and investment income. In Q2 2026, segment net income before Zakat rose sharply to ⃁75.7 million, up 52% sequentially, supported by a 28% sequential increase in fee and other income.

Treasury and Investment Highlights

for the period ending 30 June 2026

⃁ Mn	1H 2026	1H 2025	YoY % Change	2Q 2026	1Q 2026	QoQ % Change
Net financing & investment income	98.5	5.7	+1638%	46.4	52.1	-11%
Fee & other income	229.6	207.1	+11%	107.9	121.7	-11%
Total operating income	**328.1**	**212.7**	**+54%**	**154.4**	**173.7**	**-11%**
Operating expenses before impairment charge	(93.7)	(84.8)	+10%	(47.3)	(44.7)	+6%
Impairment charge, net	0.2	(0.1)	-312%	(0.7)	0.9	-178%
Net income for the period before Zakat & income tax	**234.5**	**127.8**	**+84%**	**106.4**	**128.1**	**-17%**

as of 30 June 2026

⃁ Mn	2Q 2026	1Q 2026	QoQ % Change	2Q 2025	YoY % Change
Total Assets	57,483	56,329	+2%	50,650	+13%
Total Liabilities	40,533	41,136	-1%	33,193	+22%

Treasury and Investment segment net income before Zakat rose 84% YoY to ⃁234.5 million in 1H 2026, driven by a substantial increase in net financing and investment income. In Q2 2026, segment net income before Zakat was ⃁106.4 million, down 17% sequentially.

Treasury and Investment segment assets rose 13% YoY and 2% sequentially to ⃁57.5 billion, while liabilities increased 22% YoY and decreased 1% sequentially to ⃁40.5 billion.

About Aljazira Bank

Aljazira Bank (ajb) is a joint Stock Company incorporated in the Kingdom of Saudi Arabia and established pursuant to Royal Decree No. 46/M dated Jumada Al-Thani 12, 1395H (i.e. June 21, 1975). The Bank commenced its business on Shawwal 16, 1396H (October 9, 1976) with the takeover of the National Bank of Pakistan's (NBP) branches in the Kingdom of Saudi Arabia. The Bank operates under commercial registration No. 4030010523 dated Rajab 29, 1396H (July 27, 1976) issued in Jeddah. The issued and fully paid-up share capital of the Bank amounts to ⃁12,813 million divided into 1,281 million shares of ⃁10 each.

The objective of the Bank is to provide a full range of Shari'ah compliant banking products and services to Retail and Corporate customers including current accounts, saving accounts, Murabaha, Istisna'a, Ijarah, Tawarruq, Musharaka, Wa'ad foreign exchange, credit cards and Sukuk which are approved and supervised by an independent Shari'ah Committee. The Bank conducts its business through the Bank's departments and branches all over the Kingdom and has no branches operating abroad.

The Bank is recognized as one of the leading Shari'ah compliant fast-growing financial institution in Saudi Arabia, which provides individuals, businesses, and institutions with innovative Shari'ah compliant financial services through professional and dedicated staff.

Additional Information

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The full financial statements, earnings release, investor and earnings presentations will be made available on our website at:
https://ir.aljazirabank.com.sa/