ajb بنك الجزيرة
aljazira bank

Earnings Presentation

1H 2026

July 27, 2026

Strong increase of net income combined with healthy asset growth

- **Net Income increase** driven by funded and unfunded revenues
- Maintained **strong growth momentum** expanding commercial and consumer financing
- High **customer acquisition** rates owing to rapid transformation and operational excellence
- Impressive **inflow of customers' deposits** driven by greater brand recognition and growing market share
- Stable and healthy risk metrics reflect **sound asset quality**
- **Costs-to-assets consistently decreasing** on strict costs discipline
- **Capital replenished organically and reinforced** by successful Tier 1 Sukuk issuance

Net Income H1'26

⃁ 848 mn — +14% YoY

Net Margin H1'26

2.06% — -11 bps YoY

Cost of Risk H1'26

0.30% — -8 bps YoY; -5 bps YTD

Net Financing H1'26

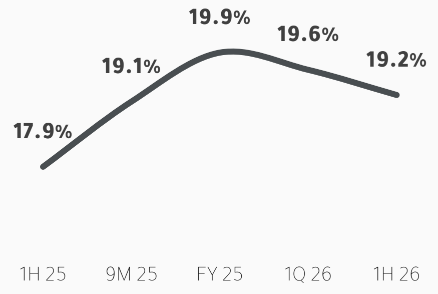
⃁ 121 bn — +17% YoY; +9% YTD

Customers' Deposits H1'26

⃁ 133 bn — +16% YoY; +15% YTD

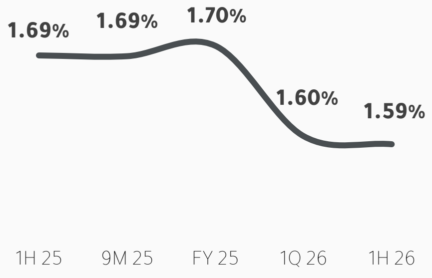
CAR Pillar 1 H1'26

19.2% — +128 bps YoY; -76 bps YTD



Costs-to-assets* H1'26

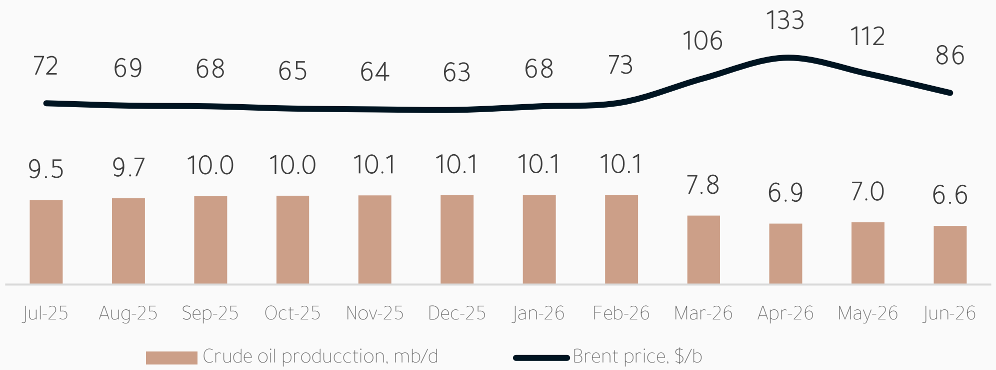
1.59% — -9 bps YoY; -11 bps YTD



* Cost to Average Earning Assets

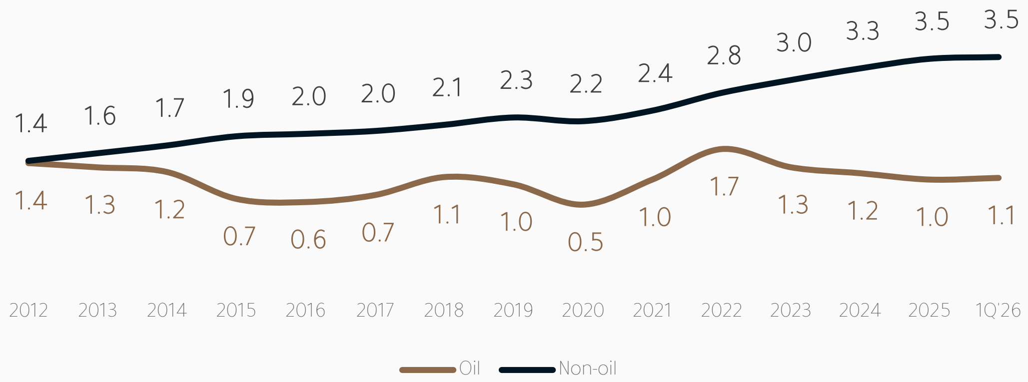
Macro Recovery Fuels Corporate Credit Momentum

KSA crude oil production, mb/d



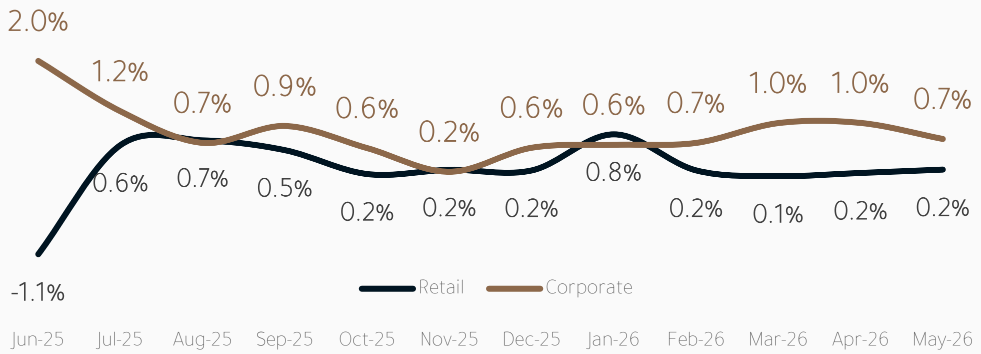
Source: Refinitiv, OPEC

KSA GDP at current prices by sectors (⃁ tn)

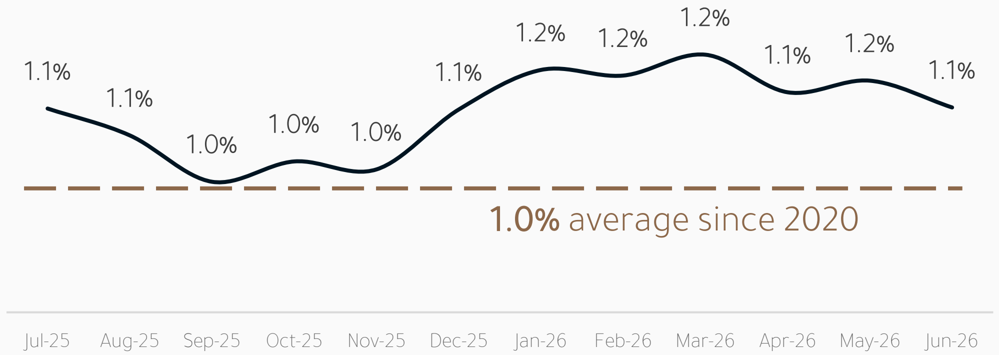


Source: GASTAT

KSA Retail vs Corporate loan growth (m/m % change)



3M SAIBOR-SOFR spread (%)

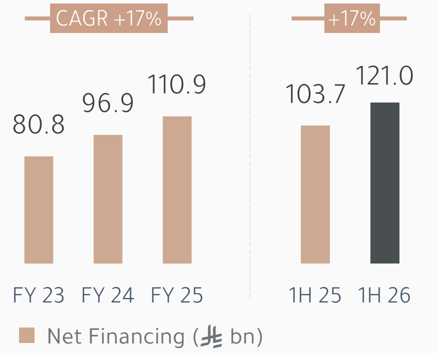


01.

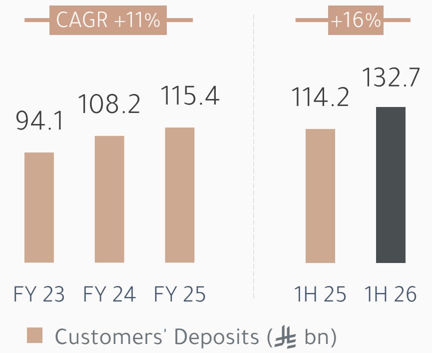
Strategic progress

Consistent delivery on strategic priorities: growing scale and improving profitability

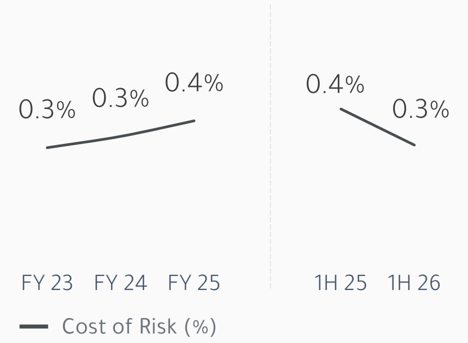
Growing Scale



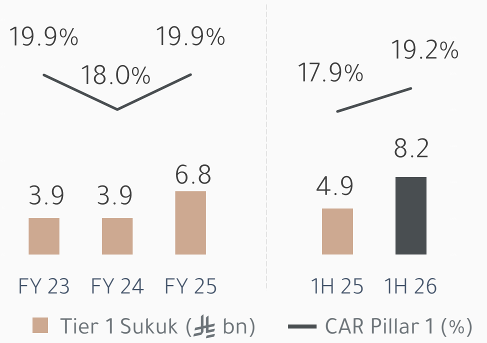
Building Liquidity



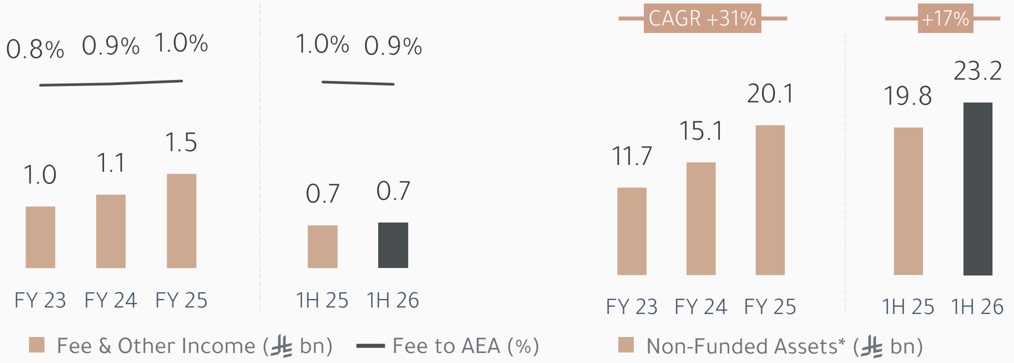
Controlling Risks



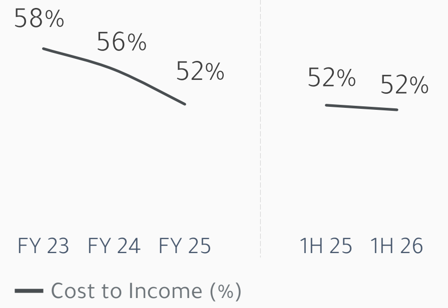
Strengthening Capital



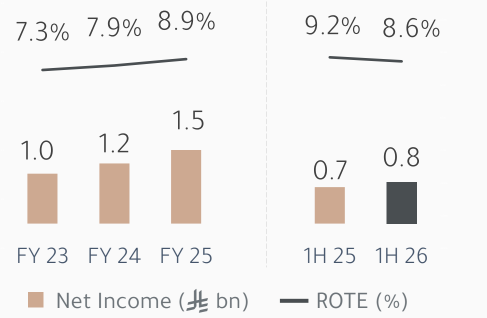
Diversifying Revenues



Improving Efficiency



Rising Profitability



* Includes letters of credit and letters of guarantee

Strategy execution: progressing across all business segments

Pillars

Corporate Segment	Retail Segment	Treasury / Brokerage & AM
Large & Mid-corporates	Becoming the "bank-of-choice" for Affluent	Revenue Growth & Diversification / Market Access
Small and Medium-sized Enterprises	Growing Core Assets & Deposits	Balance Sheet & Liquidity Optimization
Unfunded Assets	Build Core Digital Capabilities	Market Positioning & Partnerships / Cross-selling & Client Capture
Enhancing Offerings & Services	Optimize Branch Footprint to Decrease Costs	Platform & Infrastructure Advancement / Digital-First Experience

1H 2026 key progress

Corporate Segment	Retail Segment	Treasury / Brokerage & AM
• Double digit funded portfolio growth	• Strong growth in affluent customers segment	• More diversified funding
• Faster growth in unfunded assets	• New product launches	• Stronger focus on digital FX capabilities

Operational transformation powers business growth

What we achieved

- modernized critical systems
- accelerated digital delivery
- strengthened resilience
- developed data and AI capabilities
- improved internal execution
- materially reduced recurring technology costs
- customer journeys across assisted and non-assisted channels through CRM

techMAL Garage: in-house strategic technology platform

Consolidates the design, development, and delivery of customer-facing digital journeys and channels through modern agile ways of working—accelerating time to market, improving customer experience, reducing reliance on external vendors, and optimizing delivery costs.

Products developed:

- Aljazira Mobile / Aljazira Online
- Fawri Mobile
- Thrift Savings Plan digital services
- Aljazira Business
- Corporate website
- AI -enabled Aljazira Employee App

GenAI and agentic AI framework for next-generation banking

- Transactional Banking
- Support & Advisor
- Sales Force

02.

ESG Highlights

ajb continues to deliver impactful ESG initiatives across its operations

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1H 2026 Recycling Performance

4,325 kg

recyclable waste collected and recycled, offsetting 4,635 kg of CO_2 emissions, equal to 10.9 m^3 of landfill, 24,973 kW of energy and 30,275 gallons of water saved.

1H 2026 Reverse Vending Machine

46,007 Items

recycled, including 17 kg of Aluminum and 1,122 kg of recycled plastics.

Electricity Consumption

Successfully remained **below the newly adopted annual target of 2.0%** of the baseline budget, supported by continued facility-efficiency measures. Q2 2026 electricity consumption remained 5.9% below baseline target.

2027 Climate Targets

2% Reduction in energy, water, and paper consumption

2% increase in recycling

1st GHG emissions assessment

S

Employees

Hand in Hand Survey results reflected strong employee momentum, with job connectivity up **73%**, internal empowerment up **70%** and featured interaction up **93%**.

Customers

- Completed workshops with multiple teams across ajb for **Customer Journey Design Project**,.
- Launched **Your Journey with Us in 2025** through the ajb app, enabling customers to view their annual financial expense reports with greater ease and clarity.

Communities

- Obtained the **Social Impact Investment Certificate** issued by the NCNP, reflecting ajb's commitment to sustainable social impact
- **Qard Hasan reached ⃁ 100 mn**, a major milestone
- Donated **⃁ 1 mn** through EHSAN

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Raising Awareness on Islamic Banking

- **Seminar organized** by Shariah Group in partnership with the Association of Social Economics titled **Developments in the Islamic Finance Industry**
- **Latest publication on AAOIFI's Standards from Competition and Prizes to Repurchase** launched and announced among employees.

Governance / Compliance Best Practices

- Launched Phase 1 of the **Anti-Fraud Reporting Development and Automation** initiative to strengthen enterprise data assets, automate regulatory reporting and improve the quality and accuracy of data submitted to regulators.
- Announced **PCI DSS Certification Version 4.0.1** for 2025/2026, reinforcing payment-card data security and compliance controls.

Key Awards & Recognitions:

- **CSR Award in Arab States (Banking Sector)** – Awarded by the RNSR in partnership with the UNDP
- **Best Bank in Islamic Finance** by Global Trade Review
- **Outstanding Innovation in Retail Customer Service** and Exceptional Growth in MSME Sector Award by The Digital Banker

03.

Financial Performance

Balance sheet | asset growth supported by robust liquidity

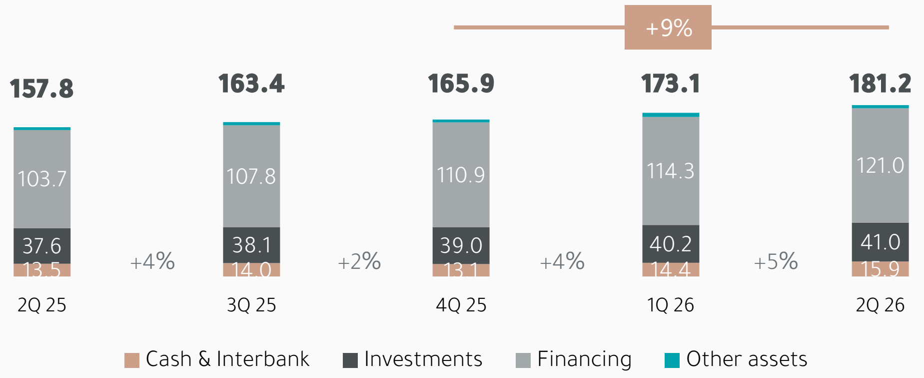
- Strong **growth of Financing and Investment portfolio** supported by sizeable inflow of customers' deposits

- **Total equity increased** by 2% QoQ and 7% YTD supported by organic generation and successful Tier 1 Sukuk issuance

⃁ Mn	2Q 2026	1Q 2026	QoQ % Change	4Q 2025	YTD % Change
Cash & Interbank	15,888	14,438	+10%	13,085	+21%
Investments	40,964	40,232	+2%	38,968	+5%
Financing	120,962	114,266	+6%	110,862	+9%
Other assets	3,369	4,178	-19%	3,009	+12%
Total assets	**181,184**	**173,114**	**+5%**	**165,924**	**+9%**
Due to banks & other FI	20,144	21,068	-4%	23,912	-16%
Customers' deposits	132,738	123,958	+7%	115,395	+15%
Subordinated Sukuk	2,008	2,042	-2%	2,007	+0%
Other liabilities	2,895	3,041	-5%	2,834	+2%
Total liabilities	**157,784**	**150,110**	**+5%**	**144,149**	**+9%**
Equity attributable to shareholders of the Bank	**15,186**	**14,790**	**+3%**	**15,025**	**+1%**
Tier 1 sukuk	8,214	8,214	-	6,750	+22%
Total equity	**23,400**	**23,004**	**+2%**	**21,775**	**+7%**

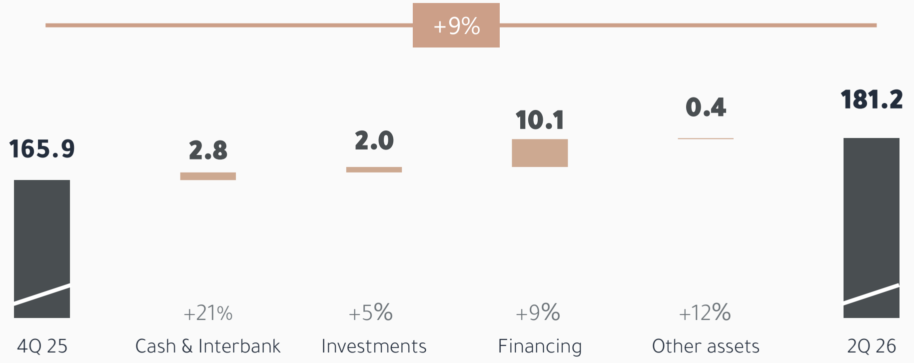
Total Assets (⃁Bn)

2Q 2026



Total Assets Movement (⃁Bn)

2Q 2026



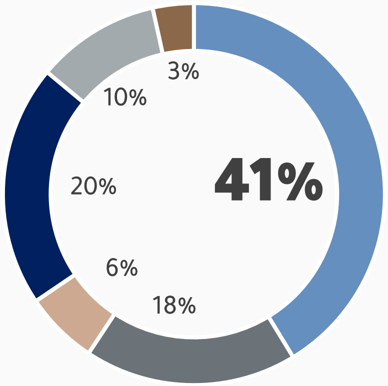
Financing | diversified mix, solid growth aligned with strategic priorities

Financing composition

2Q 2026

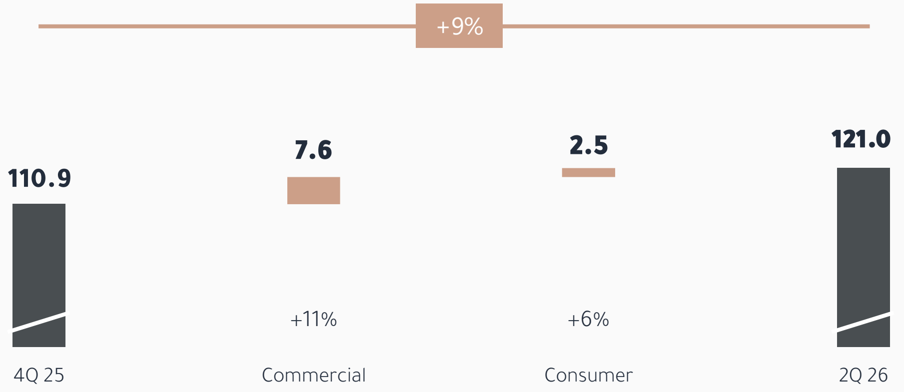
Commercial 65.4%
- Large corporates
- Mid corporates
- MSME

Consumer 34.6%
- Residential financing
- Personal financing
- Other



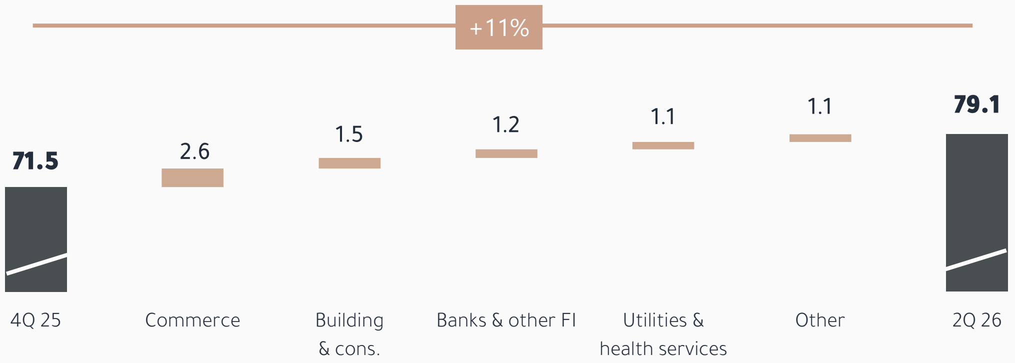
Financing Movement (⃁Bn)

2Q 2026



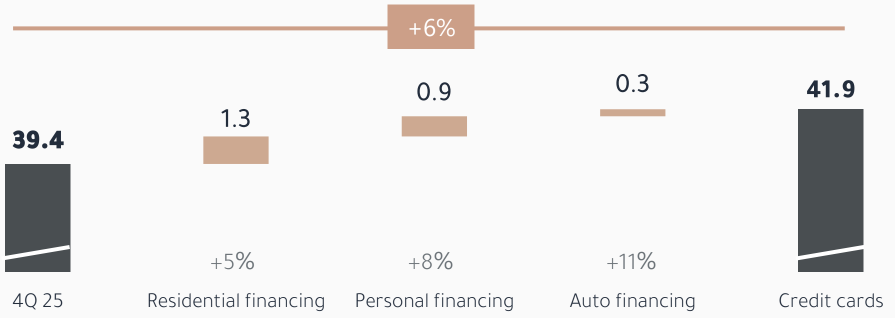
Commercial Financing Movement (⃁Bn)

2Q 2026

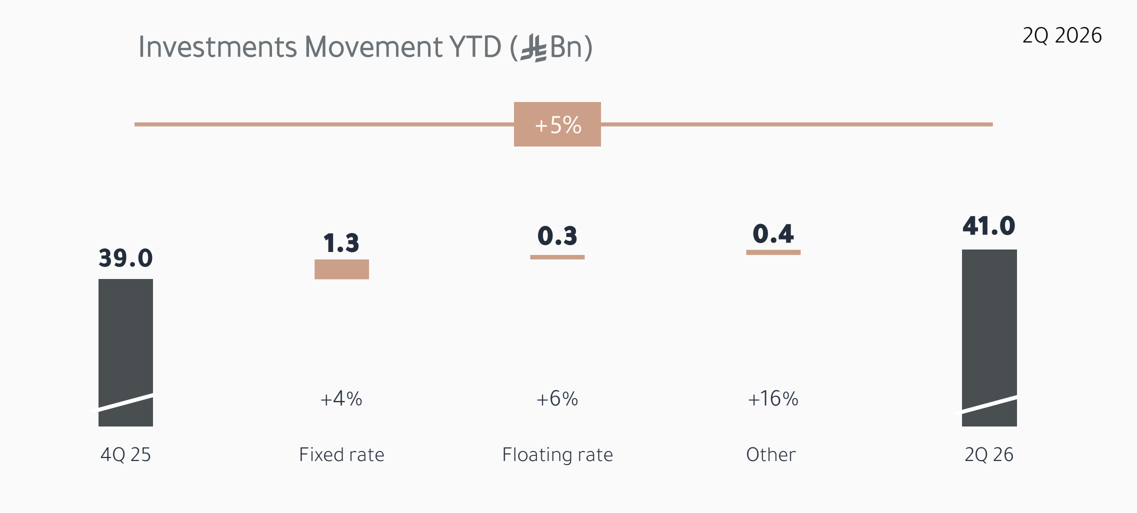


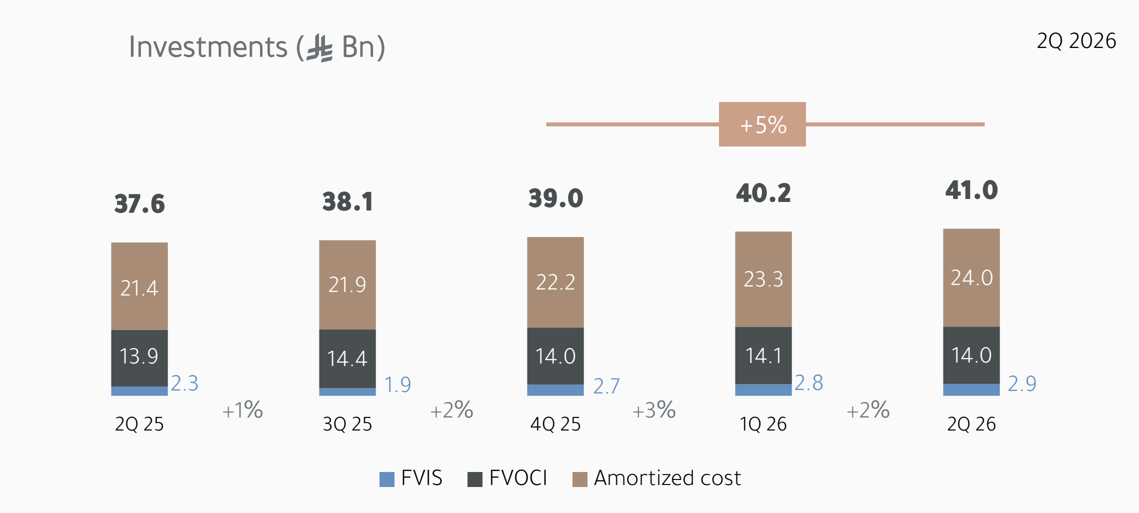
Consumer Financing Movement (⃁Bn)

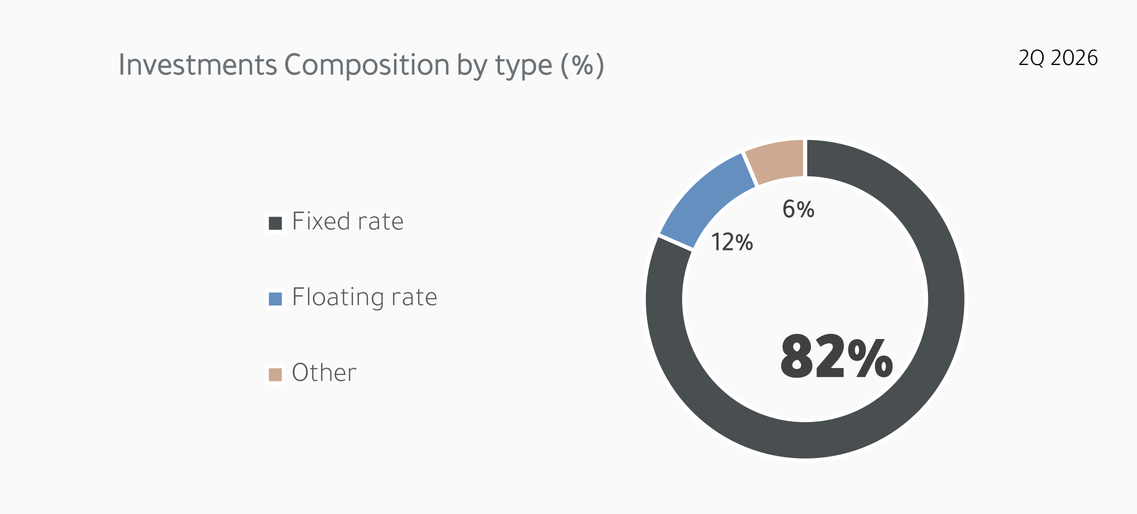
2Q 2026

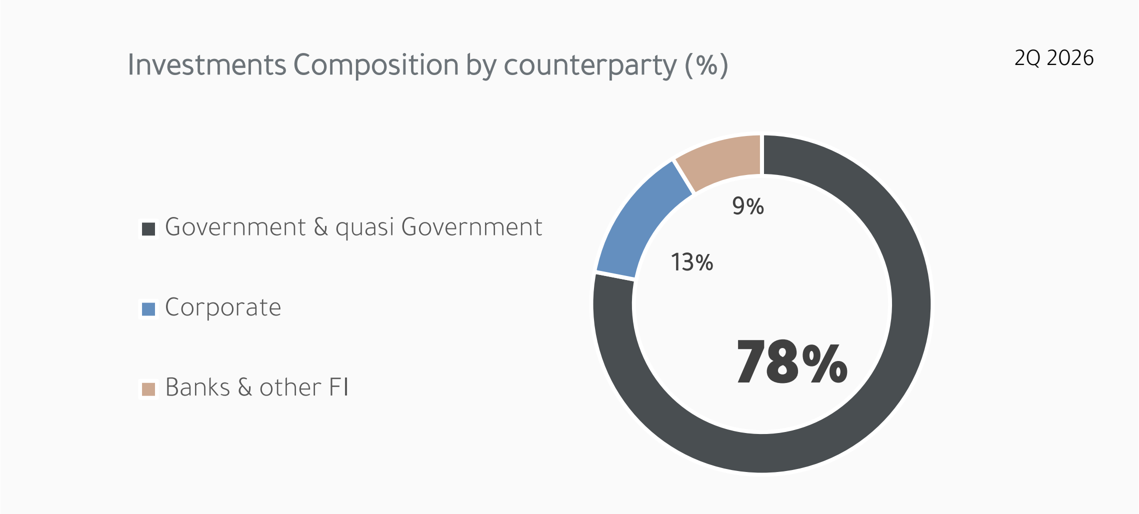


Investments | portfolio focused on fixed income and top-quality issuers





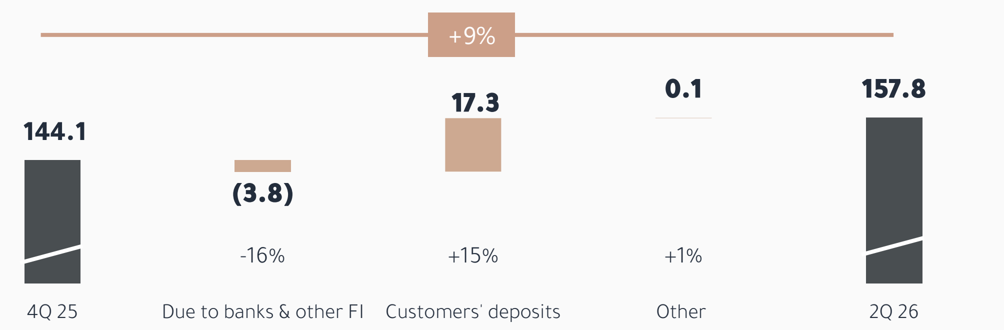




Liquidity | strong customer franchise ensures comfortable liquidity position

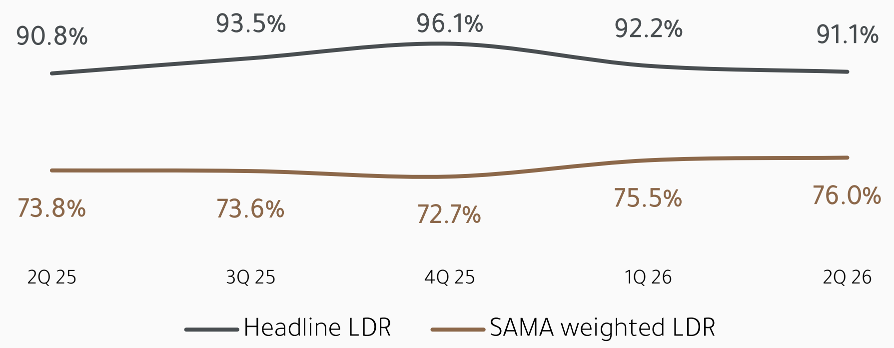
Total Liabilities Movement YTD (⃁Bn)

2Q 2026



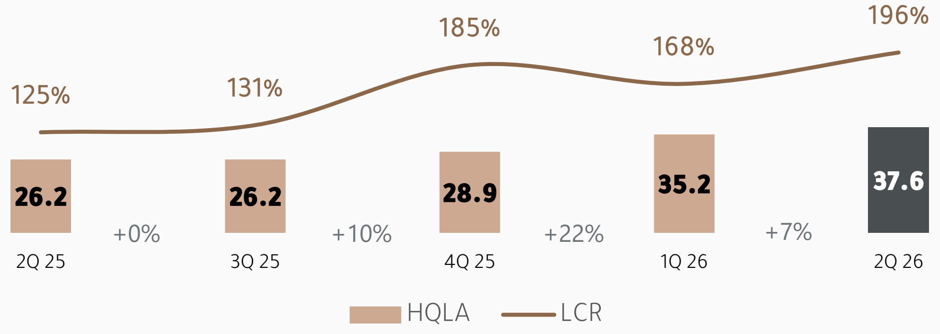
Loans to Customers' Deposit Ratios (%)

2Q 2026



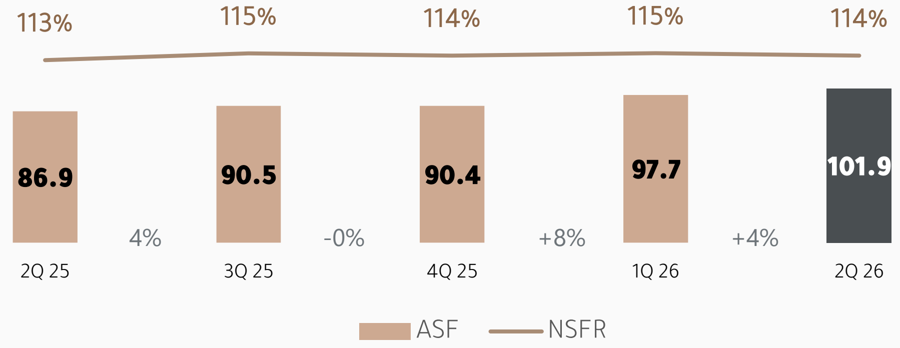
HQLA (⃁Bn)

2Q 2026



Total Available Stable Funding* (⃁Bn)

2Q 2026

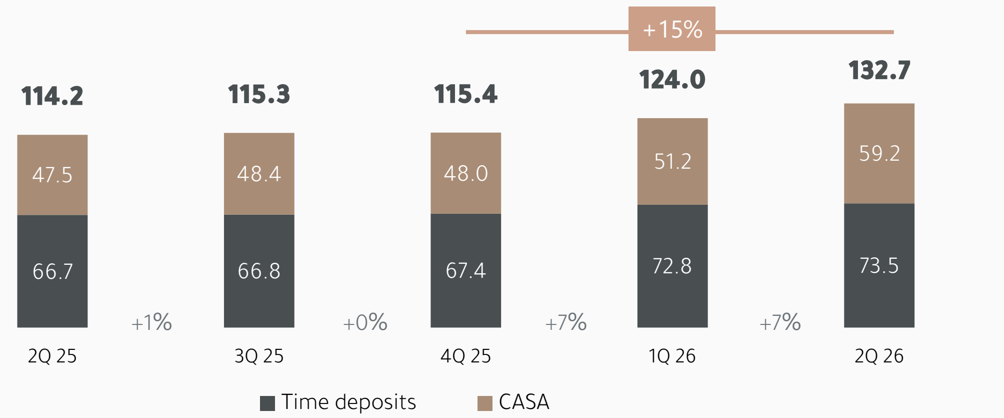


*ASF is the portion of capital and liabilities expected to be reliable over the time horizon considered by the NSFR, which extends to one year.

Deposits | notable CASA increase underpins ajb's growing market share

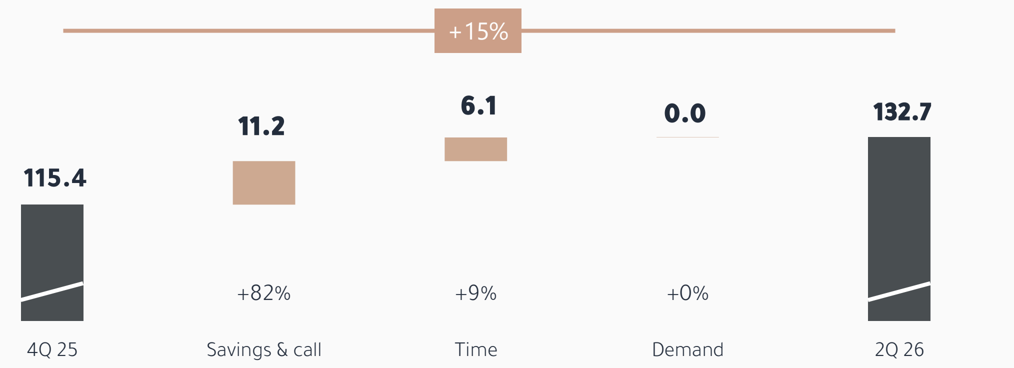
Customers' Deposits (⃁ Bn)

2Q 2026



Customers' Deposits Movement (⃁ Bn)

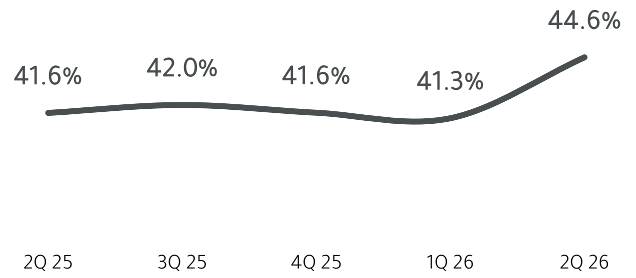
2Q 2026



CASA % of Total (%)

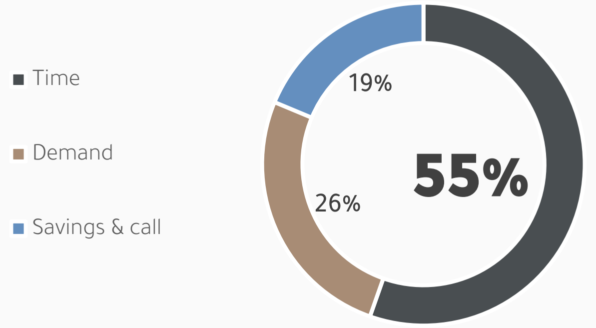
2Q 2026

CASA consists of demand, savings and call accounts.



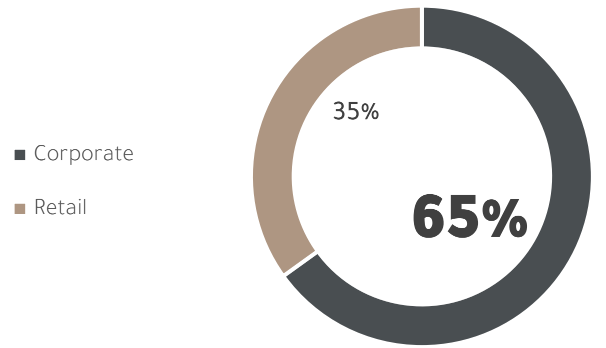
Deposits Composition by Type

2Q 2026



Deposits Composition by Segment

2Q 2026



Income Statement | results equally driven by funded and unfunded revenues

Impressive **14% YoY net Income growth during 1H 2026** driven by stronger Net financing & investment income

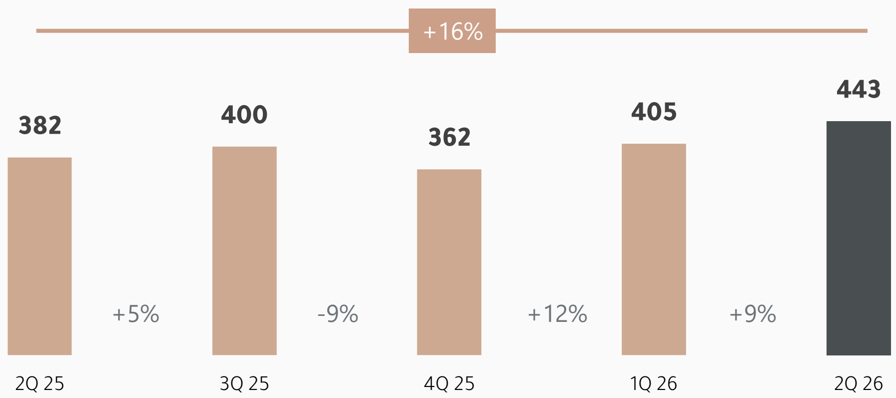
Growth of **unfunded income** reflects successful strategy execution, unfunded income accounts **for 30% of total revenues in 1H 2026**

Costs growth continued to slow down sequentially reflecting disciplined approach on the back of continued investments in technology and transformation

﷼ Mn	1H 2026	1H 2025	YoY % Change	2Q 2026	2Q 2025	YoY % Change
Net financing & investment income	1,661	1,516	+10%	842	762	+11%
Fee & other income	708	665	+6%	374	340	+10%
Total operating income	**2,368**	**2,181**	**+9%**	**1,216**	**1,102**	**+10%**
Operating expenses	(1,226)	(1,140)	+8%	(618)	(574)	+8%
Impairment charge	(171)	(200)	-14%	(97)	(97)	-0%
Net operating income	**971**	**841**	**+15%**	**501**	**431**	**+16%**
Share in net income of an associate	4	7	-38%	2	5	-54%
Net income for the period before zakat & income tax	**975**	**848**	**+15%**	**503**	**436**	**+15%**
Zakat & income tax	(127)	(105)	+21%	(60)	(54)	+12%
Net income for the period	**848**	**743**	**+14%**	**443**	**382**	**+16%**

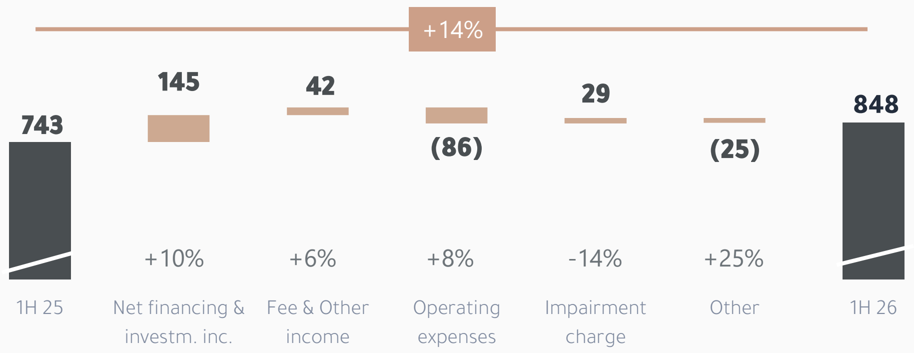
2Q 2026

Quarterly Net Income (﷼Mn)



2Q 2026

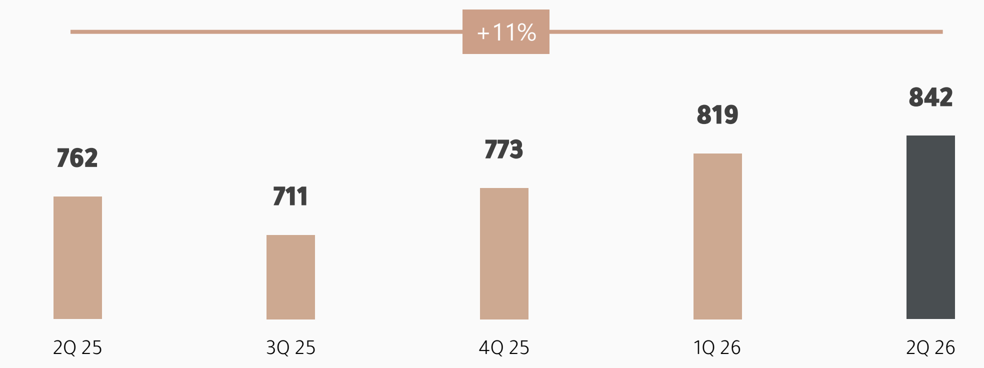
Net Income for the Period Movement YoY (﷼Mn)



Net financing & investment income | cost of funds stabilized

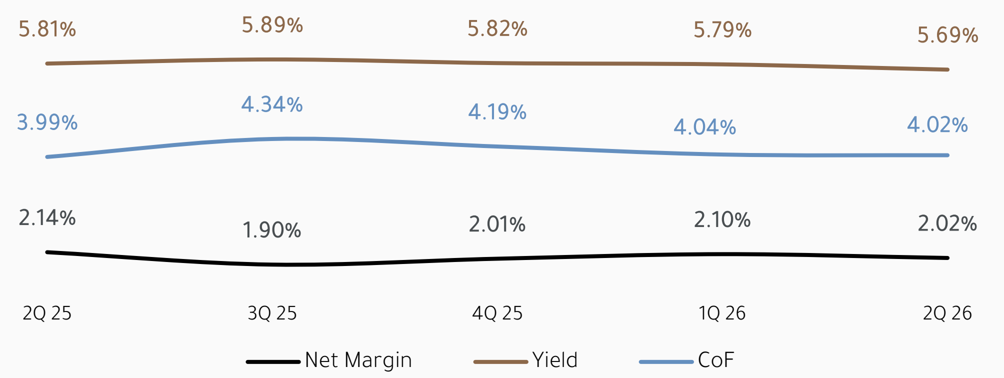
Net Financing & Investment Income (⃁ mn)

2Q 2026



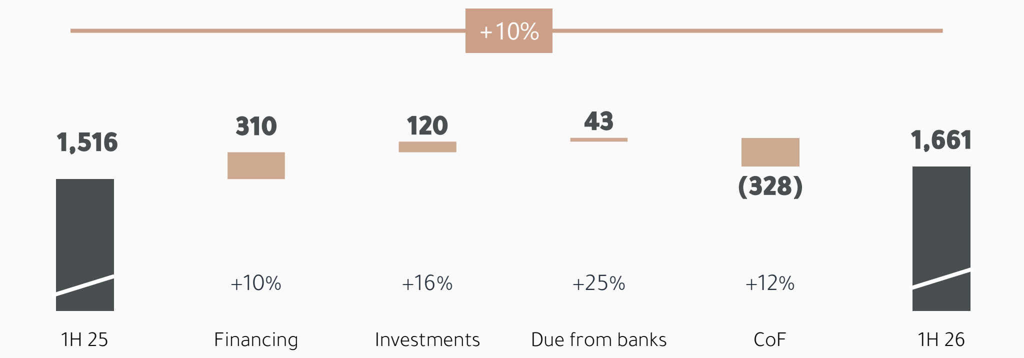
Quarterly Net Margin (%)

2Q 2026



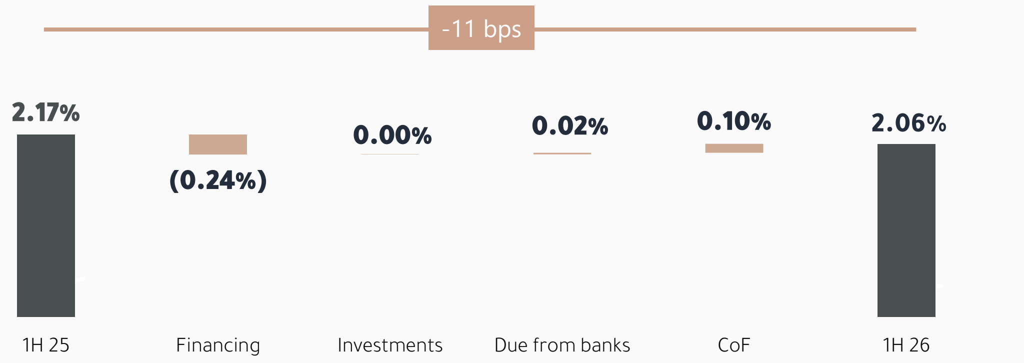
Net Financing & Investment Income Movement (⃁ Mn)

1H 2026



Net Margin Movement (%)

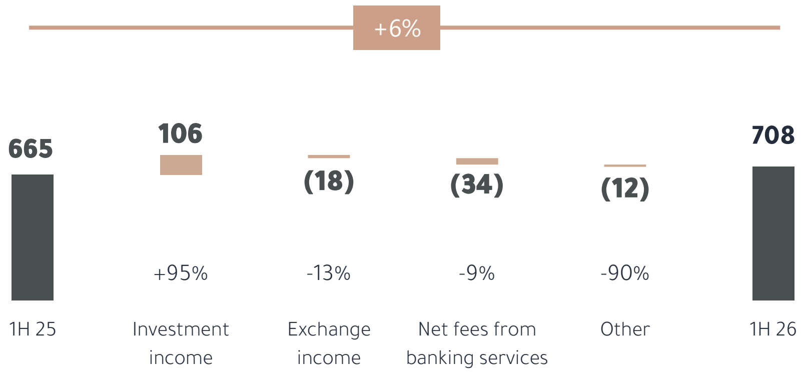
1H 2026



Fee & other income | robust increase of unfunded portfolio drives fee growth

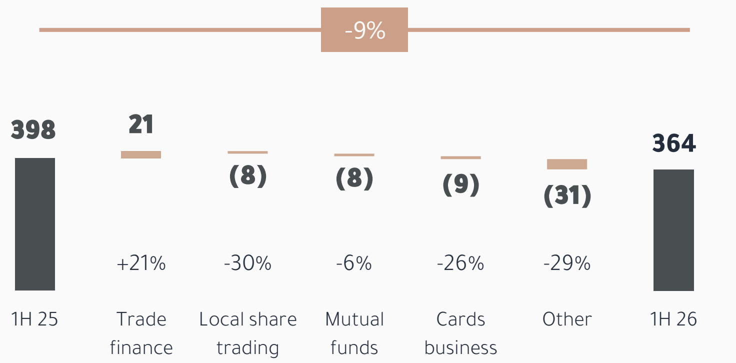
Fee & Other Income Movement (⃁ Mn)

1H 2026



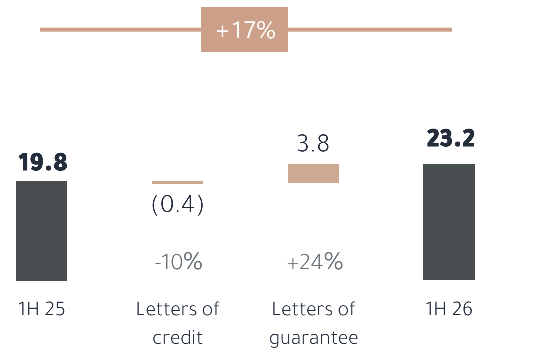
Net Fee Income From Banking Services Movement (⃁ Mn)

1H 2026



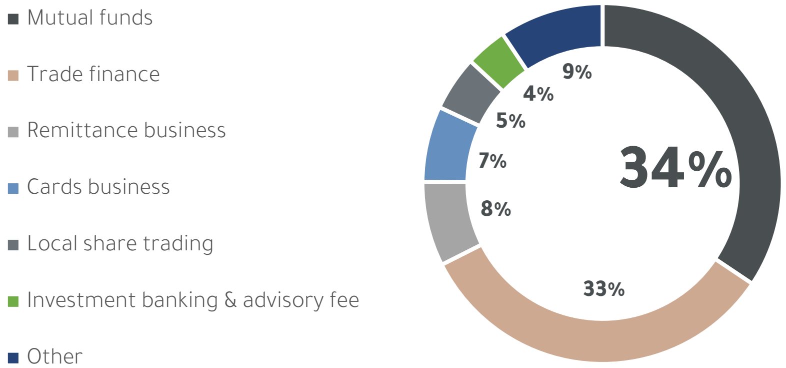
Non-Funded Exposure (⃁ Bn)

1H 2026



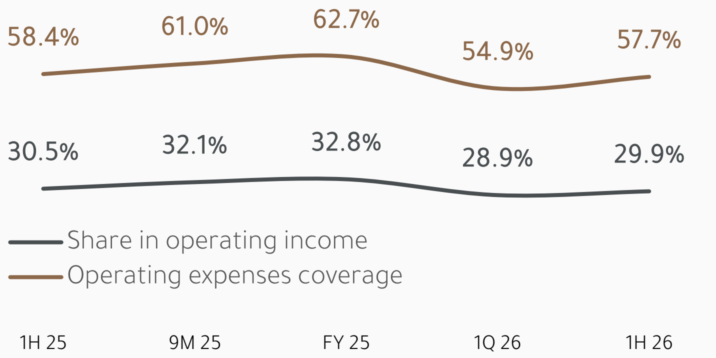
Net Fee Income From Banking Services Composition (%)

1H 2026



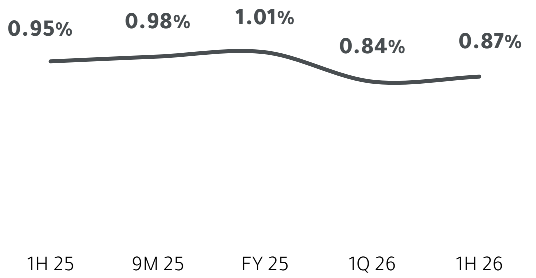
Fee & Other Income Share and Coverage (%)

1H 2026

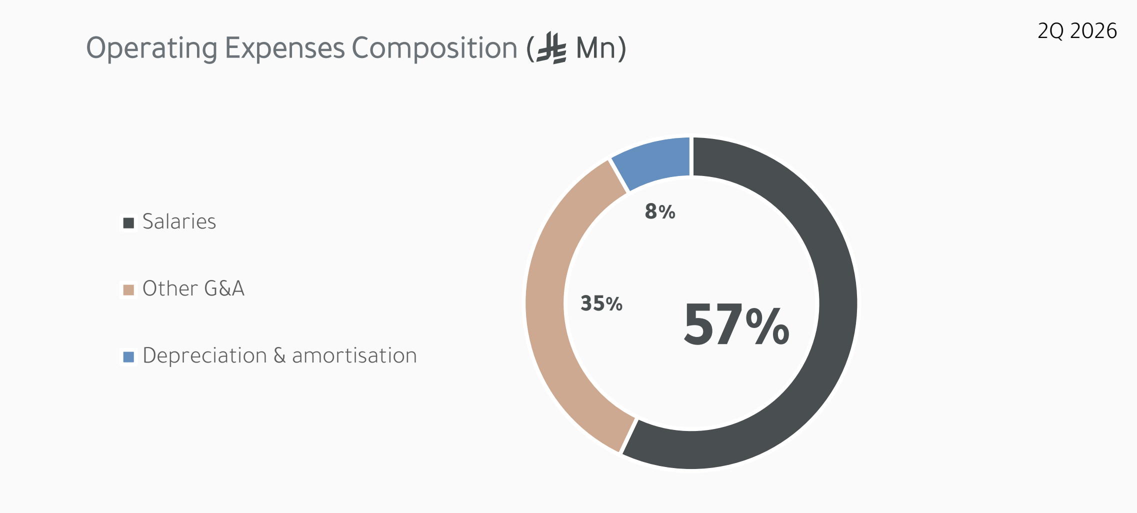


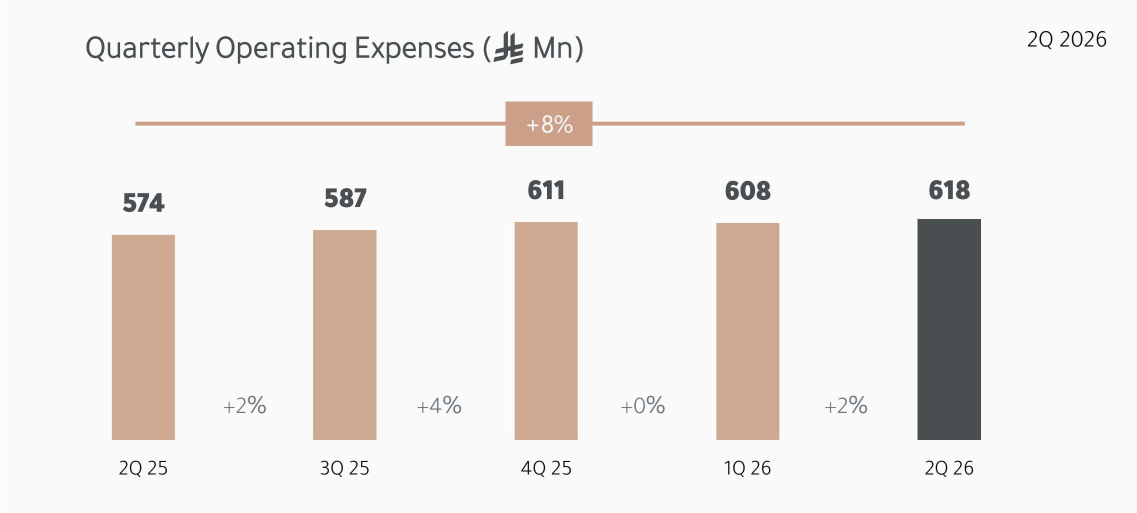
Fee income to Average Earning Assets (%)

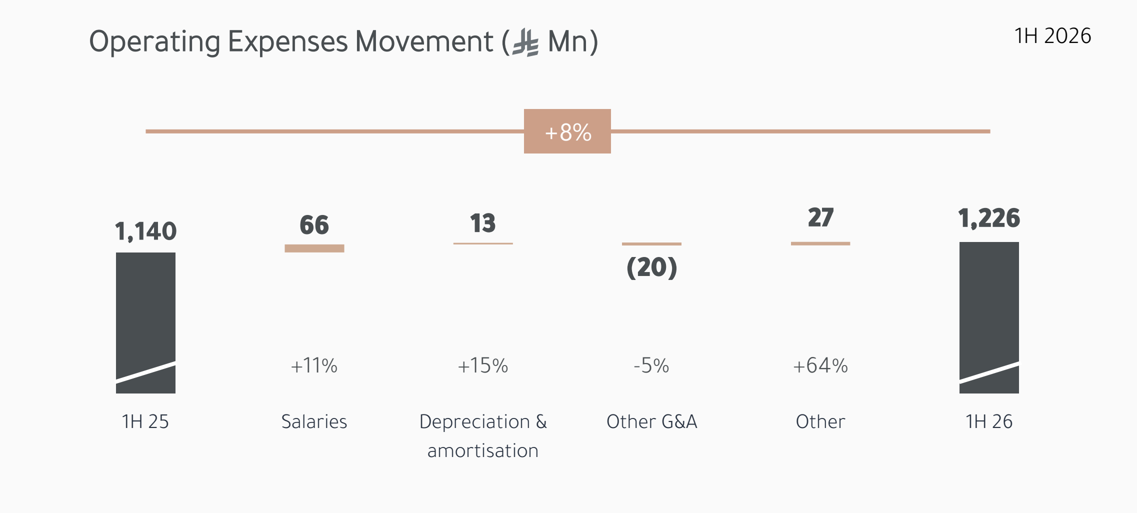
1H 2026

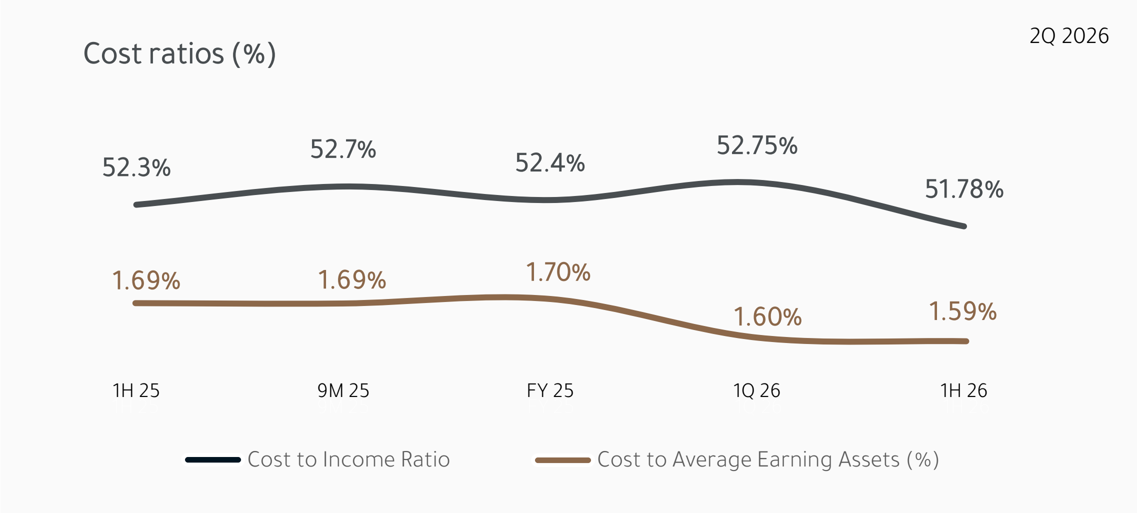


Operating Expenses | cost-to-assets ratio consistently improving





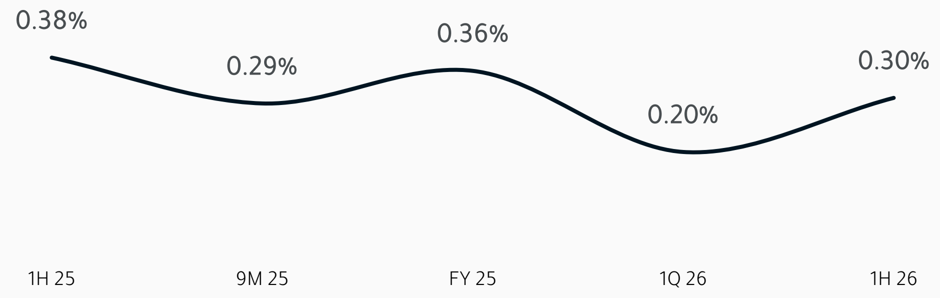




Credit quality | moderate cost of risk, healthy coverage and lower NPLs

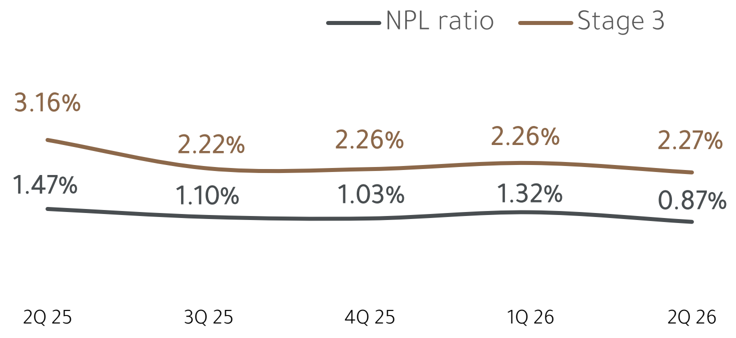
Cost of Risk* (%)

2Q 2026



NPL Ratio and Stage 3 Share (%)

2Q 2026



NPL Coverage Ratio

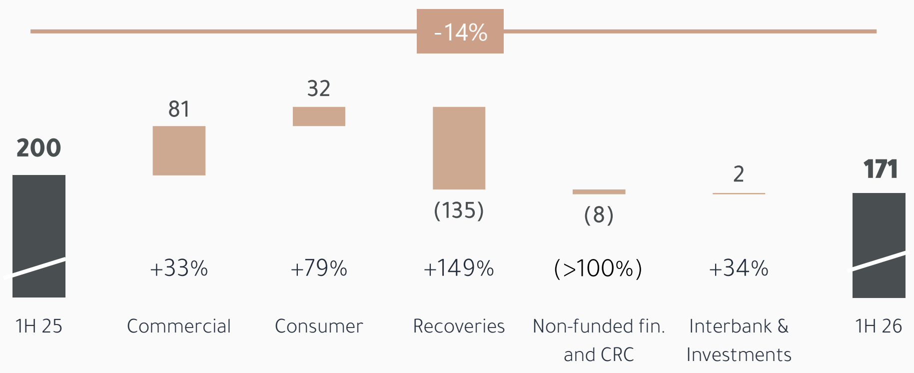
1H 2026

177%

-9 ppts YTD

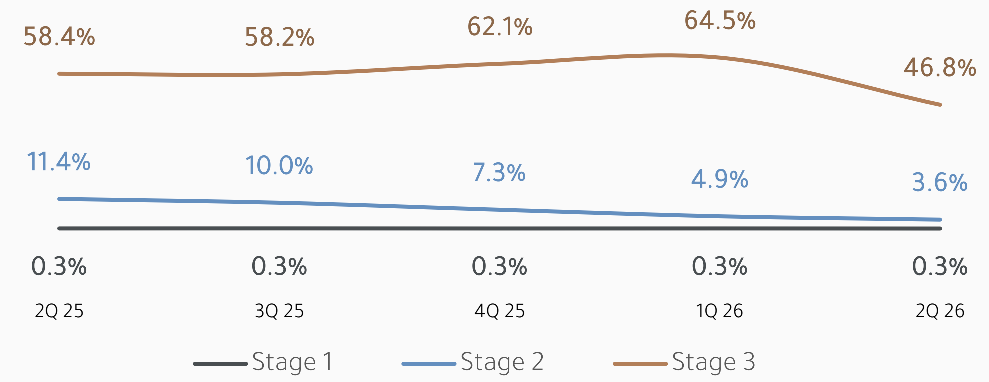
Impairment Charge for Financing Movement (⃁Mn)

2Q 2026



Stagewise Coverage (%)

2Q 2026

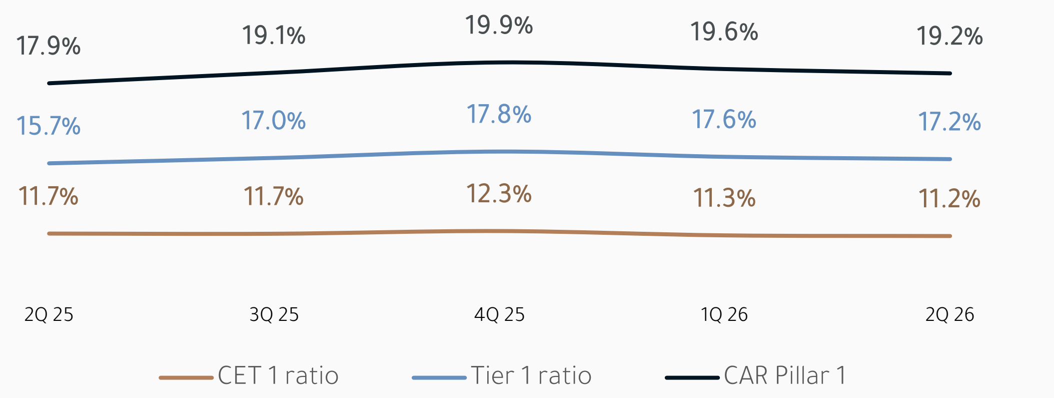


*Cost of risk is calculated based on the total impairment charge for financing, net of recoveries.

Capital | capital organic generation coupled with successful T1 issuance

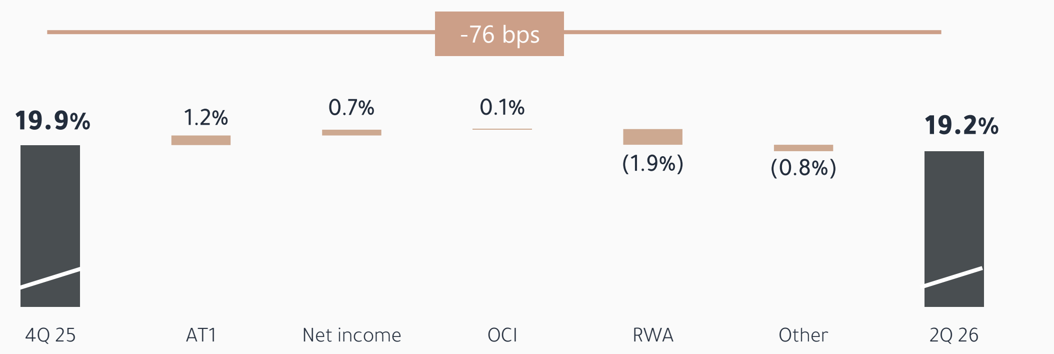
Capital Ratios (%)

2Q 2026



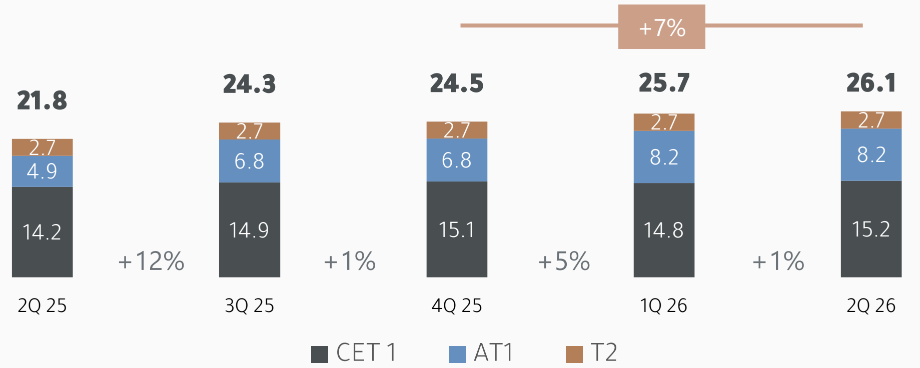
CAR Pillar 1 Movement (%)

2Q 2026



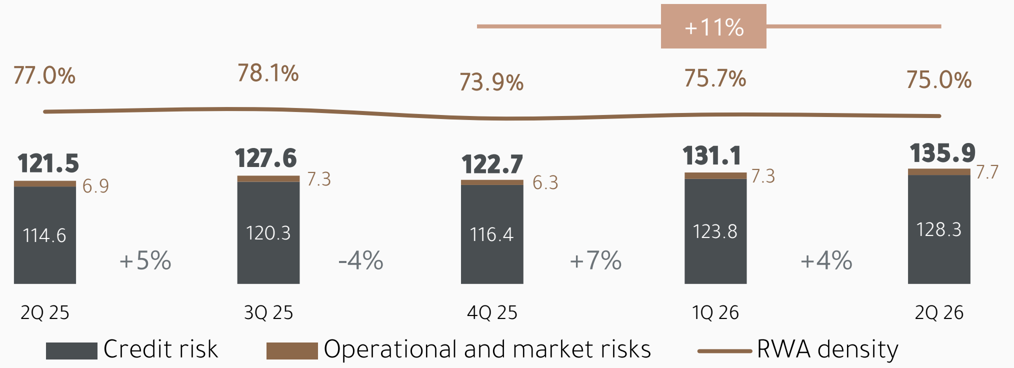
Total Capital (⃀Bn)

2Q 2026



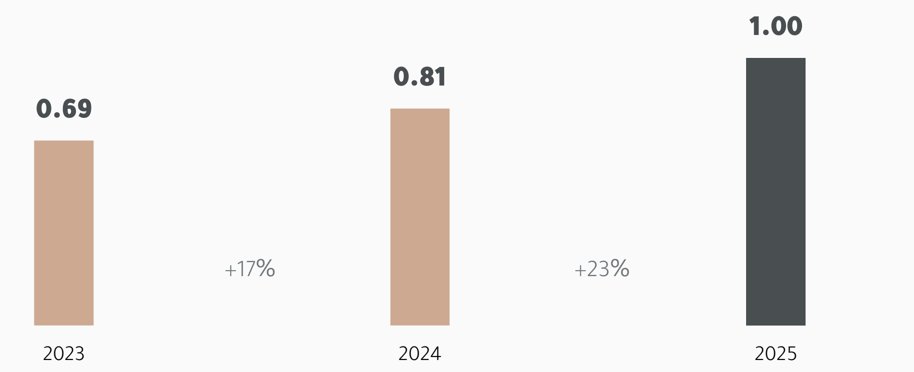
Risk Weighted Assets (⃀Bn)

2Q 2026

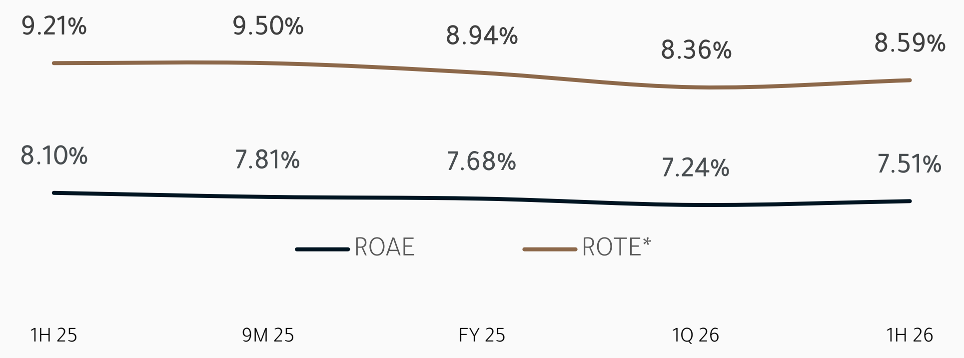


Profitability | capital and asset returns demonstrate YoY improvement

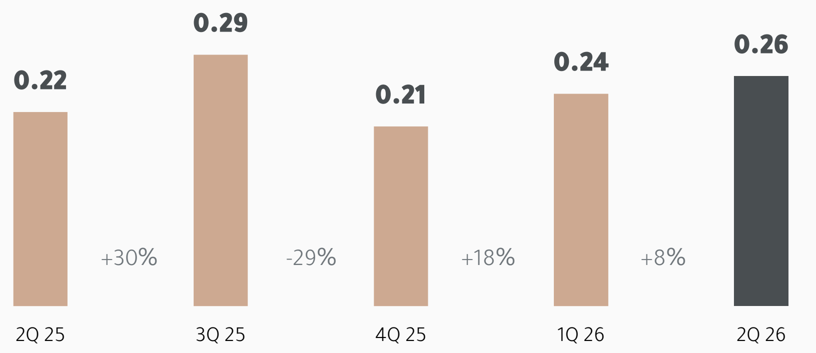
EPS (⃁) FY 2025



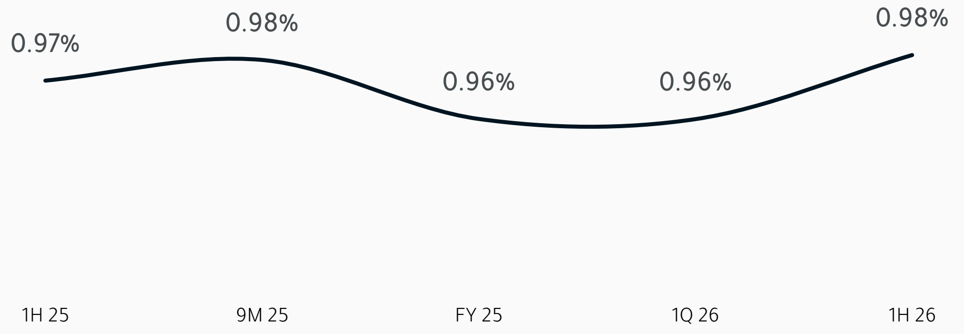
Return on Equity (%) 2Q 2026



Quarterly EPS (⃁) 2Q 2026

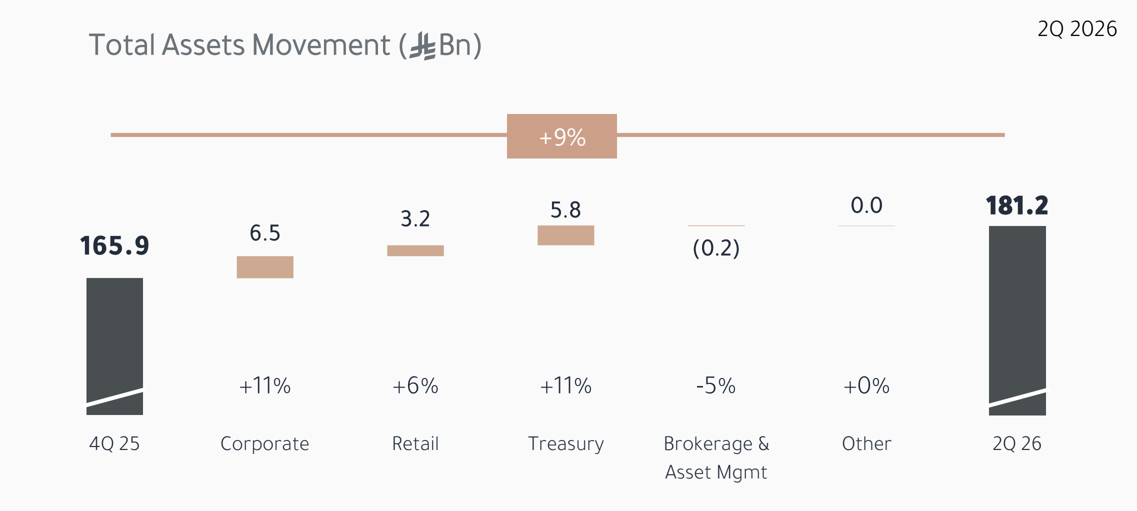


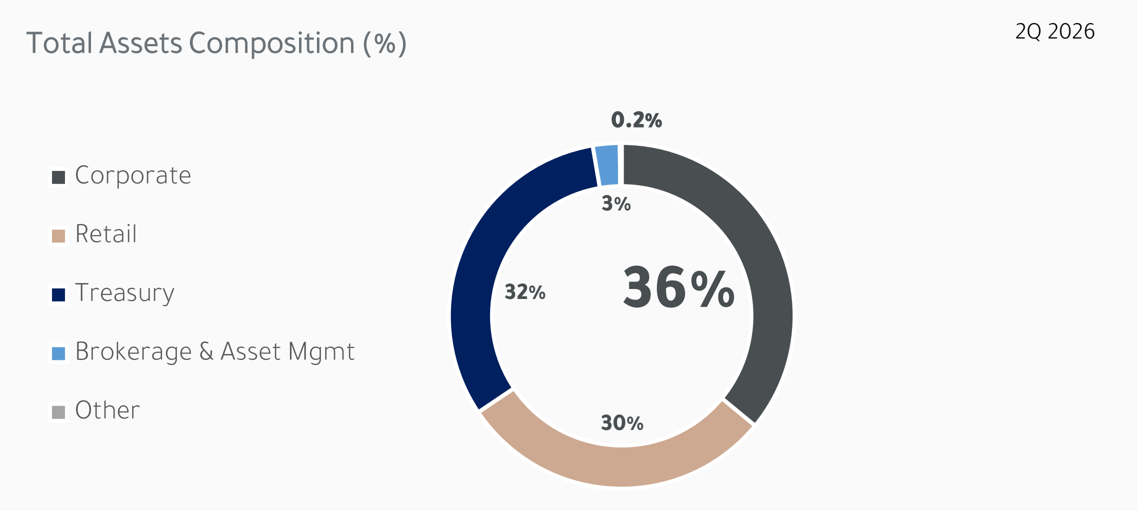
ROAA (%) 2Q 2026

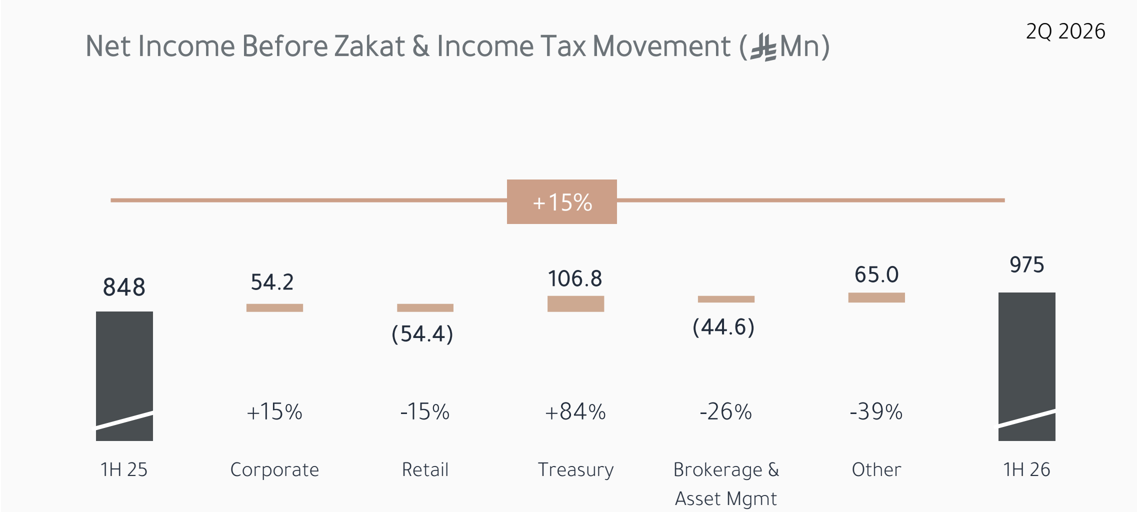


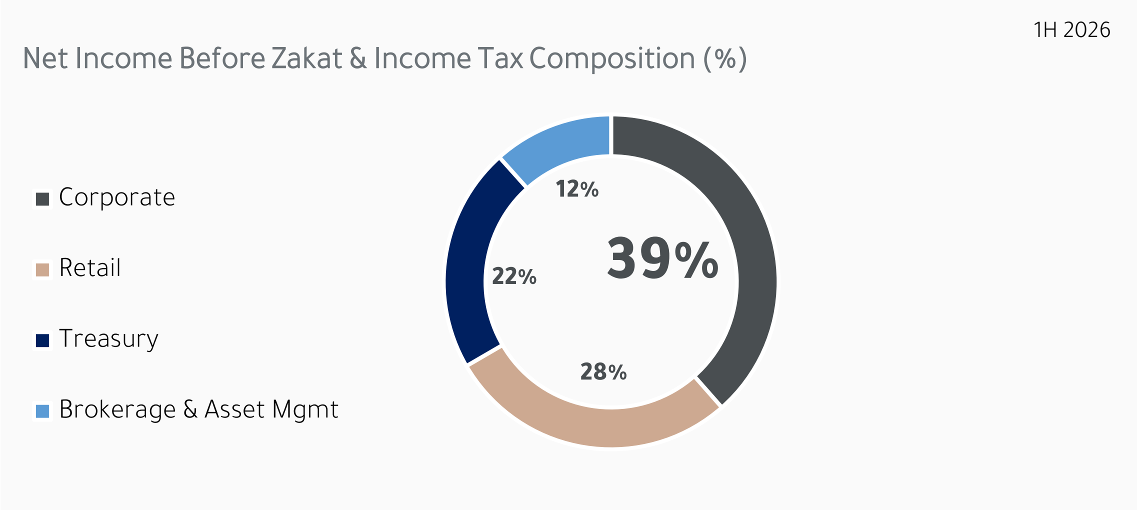
* Return on tangible equity (ROTE) is calculated using net profit attributable to shareholders (excluding Tier 1 interest payment) and average shareholders' equity (excluding Tier 1 capital).

Segments | all business segments fairly contributing to net result









Guidance

Guidance Metric	FY 2025 Actual	1H 2026 Actual	FY 2026 Guidance
Financing growth	+14%	+9.1% YTD	Low-teens digit ↑*
Net Margin	2.06%	2.06%	2.05% - 2.10%
Cost of Risk	36 bps	30 bps	35 - 40 bps
Cost to Income	52.4%	51.8%	below 52%
Tier 1	17.8%	17.2%	>17.0%
ROAE after zakat and tax	7.68%	7.51%	>7.75%

* Revised from 'high-single' to 'Low-teens' digit

Q&A

Appendix

Connect with us

Investors Relations Contacts

IR@aljazirabank.com.sa

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- Financial Statements
- Basel III disclosure
- Board Directors Report
- Annual Report

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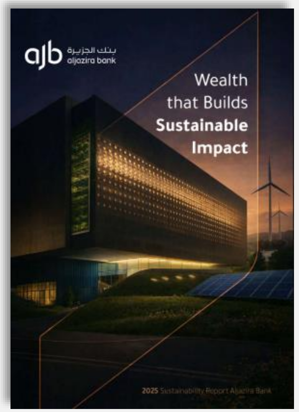
Sustainability Report 2025



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