

## Aljazira Bank Q1 2026 Preliminary Earnings Release

**Bank Aljazira Delivers Solid Financial Performance Combined With Strong Growth: Net Income Rises by 12% YoY to ∞ 405 Million While Total Assets Grew 13% YoY to ∞ 173 Billion**

*Riyadh, 21/04/2026*

Q1 2026 Financial Results highlights:

- ▀ **Net income** increased by 12% YoY and 12% QoQ to ∞405 million with return on tangible equity at 8.4%.
- ▀ **Total operating income** increased by 7% YoY to ∞ 1,152 million supported by expanding net financing and investment income and fee and other income, which comprised a sizeable 29% of total operating income.
- ▀ **Net margin** continued to expand and reached 2.10% in Q1 2026 compared to 2.01% in the previous quarter, supported by 9% YoY and 6% QoQ increase in net financing and investment income.
- ▀ **Operating expenses** increased by 7% YoY and remained flat QoQ, cost -to-income ratio stood at 52.75%.
- ▀ **Cost of risk** declined to 20 bps in Q1 2026, down by 19 bps YoY and 34 bps QoQ, reflecting stable credit quality and higher recoveries.
- ▀ **Net financing** increased to ∞ 114.3 bn in Q1 2026, up 14% YoY and 3% YTD driven by both corporate and retail segments, total assets grew to ∞ 173.1 bn.
- ▀ **Customer Deposits** increased to ∞ 124 bn in Q1 2026, up 13% YoY and 7% YTD driven by CASA and time deposits growth.
- ▀ **Shareholder's equity** increased by 6% YTD and by 21% YoY supported by the successful ∞ 1,464 million Tier 1 Sukuk issuance in Q1 2026.

Commenting on the Q1 2026 results, Mr. Naif A. Abdulkareem, CEO and Managing Director of Aljazira Bank, stated:

"In Q1 2026 Aljazira Bank delivered 12% rise in net income and further expanded net margin. The growth momentum continued as we increased financing across all business lines as well as investment book. Asset growth was strongly supported by strong inflow of customers' deposits, underpinning strength of our banking franchise operating under new brand identity since the beginning of the year.

“Aljazira Bank remains committed to balancing growth with discipline as we are strengthening our digital capabilities and investing in talent, innovation and customer satisfaction, and deliver consistent progress in achieving the strategic aim to be the bank of choice for affluent individuals, corporates, and institutions.

“In Q1 2026 we further reinforced our capital base with Tier 1 Sukuk issuance. Robust capital allows the Bank to pursue attractive business opportunities in a strong, vibrant and resilient Saudi market.

“Overall, the Q1 2026 results demonstrate successful execution of Aljazira Bank’s strategy, strength of business model and unwavering strong commitment to deliver sustainable long-term shareholder value.”



### **Strong result underscore a sound business model and continued focus on operational performance and strategic transformation**

Aljazira Bank delivered a solid financial performance in Q1 2026 with net income increasing by 12% YoY to ∞ 405 million. Net income before Zakat and Tax reached ∞ 472 million, up 15% YoY while return on tangible equity stood at 8.4%.

Total operating income increased by 7% YoY to ∞ 1,152 million, driven by 9% increase in net financing and investment income and 3% growth in fee and other income. Net margin improved to 2.10%, compared to 2.01% in the previous quarter, representing a 9 bps sequential increase. Fee and other income represented 29% of total operating income, underpinning diversity of the Bank’s revenue mix and strategic focus on growing non-interest revenues. Operating expenses increased by 7% YoY with the cost-to-income at 52.75% , up 0.34 ppt YoY. Net impairment charge dropped by 28% YoY and 26% QoQ supported by higher recoveries in Q1 2026. As a result, cost of risk decreased to 20 bps, down by 19 bps YoY.

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

The balance sheet continued to expand with total assets increasing by 13% YoY and by 4% YTD to ∞ 173.1 billion. Net financing grew by 14% YoY and by 3% YTD, while net investments increased by 9% YoY and 3% YTD. This growth reflects the Bank’s strong origination capabilities and strategic focus on commercial lending and affluent customer base. Asset growth was supported by robust increase in customers’ deposits which grew by 13% YoY and 7% YTD.

Shareholders' equity increased by 21% YoY and by 6% YTD to ∞ 23.0 billion, supported by the issuance of Tier 1 Sukuk in Q1 2026, further strengthening the Bank's capital position.



### Income Statement Summary

for the period ending 31 March 2026

∞ Mn	1Q 2026	1Q 2025	YoY % Change	4Q 2025	QoQ % Change
Net financing & investment income	819	754	+9%	773	+6%
Fee & other income	334	325	+3%	412	-19%
<b>Total operating income</b>	<b>1,152</b>	<b>1,079</b>	<b>+7%</b>	<b>1,185</b>	<b>-3%</b>
Total operating expenses before impairment charge	(608)	(566)	+7%	(611)	-0.4%
Impairment charge, net	(74)	(103)	-28%	(100)	-26%
<b>Net operating income</b>	<b>470</b>	<b>411</b>	<b>+14%</b>	<b>475</b>	<b>-1%</b>
Share in net income of an associate	2	1	+23%	5	-66%
<b>Net income for the period before Zakat &amp; income tax</b>	<b>472</b>	<b>412</b>	<b>+15%</b>	<b>479</b>	<b>-2%</b>
Zakat & income tax	(67)	(51)	+31%	(117)	-43%
<b>Net income for the period</b>	<b>405</b>	<b>361</b>	<b>+12%</b>	<b>362</b>	<b>+12%</b>



### Key financial ratios

for the period ending 31 March 2026

∞ Mn	1Q 2026	1Q 2025	YoY % Change	4Q 2025	QoQ % Change
Net margin	2.10%	2.19%	-9 bps	2.01%	+9 bps
Cost-to-income	52.75%	52.42%	+0.34 ppt	51.53%	+1.22 ppt
Cost of risk	0.20%	0.38%	-19 bps	0.54%	-0.34 bps
Return on tangible equity	8.4%	10.4%	-2.1 ppts	7.0%	+1.3 ppt



## Balance Sheet Summary

as of 31 March 2026

∞ Mn	1Q 2026	4Q 2025	QoQ % Change	1Q 2025	YoY % Change
Cash & Interbank	14,438	13,085	+10%	13,032	+11%
Investments, net	40,232	38,968	+3%	36,923	+9%
Financing, net	114,266	110,862	+3%	100,571	+14%
Other assets, net	4,178	3,009	+39%	2,842	+47%
<b>Total assets</b>	<b>173,114</b>	<b>165,924</b>	<b>+4%</b>	<b>153,369</b>	<b>+13%</b>
Due to banks & other FI	21,068	23,912	-12%	20,246	+4%
Customers' deposits	123,958	115,395	+7%	109,644	+13%
Subordinated Sukuk	2,042	2,007	+2%	2,041	+0%
Other liabilities, net	3,041	2,834	+7%	2,356	+29%
<b>Total liabilities</b>	<b>150,110</b>	<b>144,149</b>	<b>+4%</b>	<b>134,288</b>	<b>+12%</b>
<b>Equity attributable to shareholders of the Bank</b>	<b>14,790</b>	<b>15,025</b>	<b>-2%</b>	<b>14,206</b>	<b>+4%</b>
Tier 1 sukuk	8,214	6,750	+22%	4,875	+68%
<b>Total equity</b>	<b>23,004</b>	<b>21,775</b>	<b>+6%</b>	<b>19,081</b>	<b>+21%</b>



## Additional Information

Contact our Investor Relations Team:

[IR@Aljazirabank.com.sa](mailto:IR@Aljazirabank.com.sa)

The full financial statements, earnings release, investor and earnings presentations will be made available on our website at:

<https://ir.aljazirabank.com.sa/>