

Company

Al Rajhi Bank

1Q26 Result Review

Rating

Buy

Bloomberg Ticker

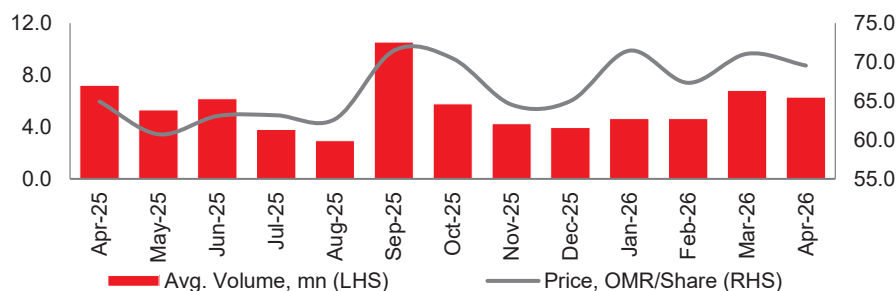
RJHI AB

Date

27 April 2026

Results

Target Price (SAR)	75.93
Total Return	14.1%

**Income surge driven by margin expansion and fee growth**

Al Rajhi delivered strong top-line growth in 1Q26, with operating income increasing 14% YoY to SR 10.5bn, exceeding our estimates. The growth is attributable to an 18% YoY rise in net yield income, supported by a 38 bps YoY expansion in NIMs and healthy 4% YoY loan growth. Moreover, fee income increased by 17% YoY.

SME expansion and a low C/I contribute to profitability

Net Income attributable to shareholders grew by 14% YoY. This was driven by higher operating income and a sector-leading cost-to-income ratio at 23.3%. Profitability was further supported by balance sheet growth, with large corporates and SMEs growing by 8% YoY and 48%, respectively.

U-Capital View

Al Rajhi continues to deliver strong profitability reinforced by superior operational efficiency and robust demand across high-yielding segments. The bank recently implemented a 50% capital increase, reflected in our target price of SAR 75.9/share.

Financial Summary

SAR bn	1Q25	2Q25	3Q25	4Q25	1Q26	1Q26e	YoY	QoQ	Var.
P&L									
Op. Income	9.2	9.6	9.9	10.4	10.5	9.8	14%	1%	7%
Op. Expenses	(2.1)	(2.1)	(2.2)	(2.7)	(2.5)	(2.4)	18%	-8%	4%
Total Impairment	(0.5)	(0.6)	(0.6)	(0.6)	(0.6)	(0.7)	20%	1%	-9%
Net Income (Owners)	5.9	6.2	6.4	6.4	6.8	6.2	14%	6%	9%
BS									
Total Assets	1,020.6	1,039.0	1,059.2	1,043.3	1,051.3	1,044.9	3%	1%	1%
Total Equity	134.1	134.0	137.5	142.9	152.6	146.1	14%	7%	5%
Financing, net	722.8	741.7	756.0	752.8	753.7	773.2	4%	0%	-3%
Customers' Deposits	657.2	642.0	670.2	667.3	678.7	684.3	3%	2%	-1%
Ratios									
Cost to Income	22.7%	22.3%	22.4%	25.7%	23.3%	24.0%			
Loans to Cust. Deposit	110.0%	115.5%	112.8%	112.8%	111.0%	113.0%			
RoE (TTM)					16.8%				
P/E (TTM)					17.8				
P/B*					2.8				

Source: Financials, Tadawul, Bloomberg, U Capital Research *P/B is calculated based on total equity.

Current Market Price (SAR)	69.5
52wk High / Low (SAR)	75.3/58.5
12m Average Vol. (mn)	5,078.6
Mkt. Cap. (USD/SAR bn)	111.3/417
Shares Outstanding (mn)	6,000.0
Free Float (%)	98%
3M ADTV (SAR mn)	417.9
6M ADTV (SAR mn)	348.1
P/E'26e (x)	10.7
P/B'26e (x)	2.2
Dividend Yield '26e (%)	4.9%
Price Perf. (1m/3m) (%)	0/-3.8

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last report





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Disclaimer

Recommendation

BUY

Greater than 10%

HOLD

Between
0% and +10%

SELL

Lower than 0%

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