Company

Al Rajhi Bank

2Q26 Result Review

Rating

Buy

Bloomberg Ticker

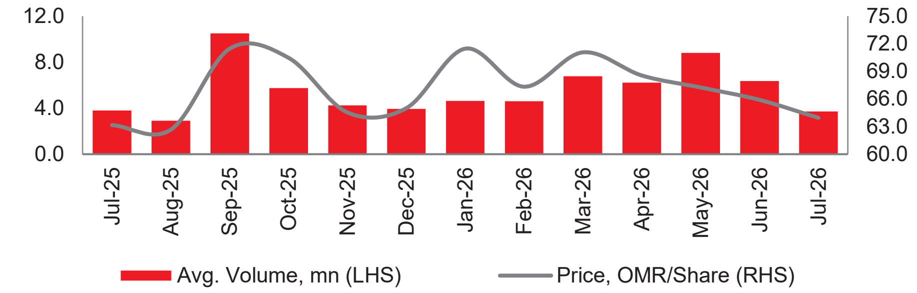
RJHI AB

Date

26 July 2026

Results

Target Price (SAR)	79.8
Total Return	25.3%



Current Market Price (SAR)	64.0
52wk High / Low (SAR)	75.3/60.1
12m Average Vol. (m)	5.3
Mkt. Cap. (USD/SAR bn)	104 / 384
Shares Outstanding (mn)	6,000
Free Float (%)	97.8%
3M ADTV (SAR mn)	384.5
6M ADTV (SAR mn)	397.8
P/E'26e (x)	12.3
PB'26e (x)	2.3
Dividend Yield '26e (%)	3.5
Price Perf. (1m/3m) (%)	-3.6%/-7.5%

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Operating income up 13% YoY in 2Q26

Operating income increased by 13% YoY to SAR 10.9bn in 2Q26, supported by a 14% YoY increase in net special commission income and a 12% YoY growth in fees and other income.

Profitability supported by higher operating income

Net income attributable to shareholders after equity sukuk payments increased by 15% YoY, reflecting higher operating income. This was partially offset by higher operating expenses, up 12% YoY, due to an increase in general and administrative expenses and salaries and employees' related benefits.

U-Capital View

Al Rajhi Bank continues to deliver strong financial performance, underpinned by robust revenue growth, best-in-class operating efficiency, and healthy expansion across its non-retail lending portfolio. These strengths provide a solid foundation for sustainable earnings growth and reinforce the bank's long-term investment case. We expect this positive trajectory to persist, and therefore maintain our Buy recommendation with a target price of SAR 79.8/share.

Financial Summary

SAR bn	2Q25	3Q25	4Q25	1Q26	2Q26	YoY	QoQ	1H25	1H26	YoY
P&L										
Op. Income	9.6	9.9	10.4	10.5	10.9	13%	3%	18.8	21.4	14%
Op. Expenses	(2.1)	(2.2)	(2.7)	(2.5)	(2.4)	12%	-3%	(4.2)	(4.9)	15%
Total Impairment	(0.6)	(0.6)	(0.6)	(0.6)	(0.9)	47%	40%	(1.1)	(1.5)	34%
Net Income (shareholders')	5.8	5.9	6.0	6.3	6.7	15%	5%	11.4	13.0	14%
BS										
Total Assets	1,039.0	1,059.2	1,043.3	1,051.3	1,054.8	2%	0%	1,039.0	1,054.8	2%
Sh. Equity (after NCI)	133.9	137.4	142.8	152.5	152.4	14%	0%	133.9	152.4	14%
Financing, net	741.7	756.0	752.8	753.7	762.1	3%	1%	741.7	762.1	3%
Customers' Deposits	642.0	670.2	667.3	678.7	688.4	7%	1%	642.0	688.4	7%
Ratios										
Cost to Income	22.3%	22.4%	25.7%	23.3%	22.0%			22.5%	22.7%	
Loans to Cust. Deposit	115.5%	112.8%	112.8%	111.0%	110.7%			115.5%	110.7%	
RoE (TTM)					16.4%					
P/E (TTM)					15.7					
P/B					2.6					

Source: Company Financials, Tadawul, Bloomberg, U Capital Research

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