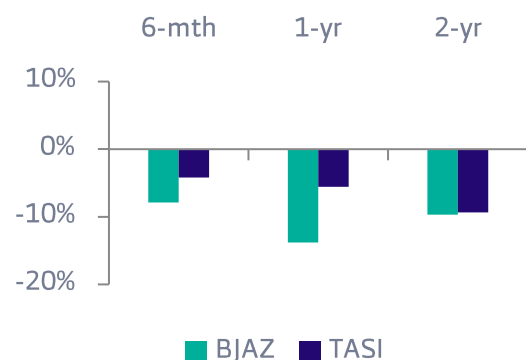


Market Data	
52-week high/low	SAR 13.98/10.81
Market Cap	SAR 15,016 mln
Shares Outstanding	1,281 mln
Free-float	88.8%
12-month ADTV	3,209,284
Bloomberg Code	BJAZ AB



Earnings Supported by Lower Provisions

April 26, 2026

Upside to Target Price	10.9%	Rating	Neutral
Expected Dividend Yield	3.8%	Last Price	SAR 11.72
Expected Total Return	14.8%	12-mth target	SAR 13.00

BJAZ	1Q2026	1Q2025	Y/Y	4Q2025	Q/Q	RC Estimate
Net Fin. & Invest. Income	819	754	9%	773	6%	825
Total Operating Income	1,152	1,079	7%	1,185	(3%)	1,178
Net Income	405	361	12%	362	12%	387
Net Financing	114,266	100,571	14%	110,862	3%	113,221
Deposits	123,958	109,644	13%	115,395	7%	117,703

(All figures are in SAR mln)

- BJAZ delivered strong momentum in its loan book, rising +14% Y/Y and +3% Q/Q to reach SAR 114 bln, in line with our forecast of SAR 113 bln. This growth was primarily driven by the Bank's continued focus on commercial lending and affluent customer segments. Deposits increased by +13% Y/Y and +7% Q/Q to SAR 124 bln, above our estimate of SAR 118 bln, supported by new brand identity. As a result, the loan-to-deposit ratio (LDR) declined to 92%, compared to 96% in 4Q2025. Net Fin. & Invest. Income rose by +9% Y/Y and +6% Q/Q to SAR 819 mln, broadly in line with our estimate of 825 mln. The sequential improvement was primarily supported by higher asset yields alongside easing funding costs. NIMs expanded sequentially by 9 bps to 2.10%, in line with our estimate of 2.09%, although they declined by 9 bps Y/Y.
- Operating income increased by +7% Y/Y, however it declined -3% sequentially to SAR 1.15 bln, slightly below our estimate of SAR 1.18 bln. The sequential decline was mainly driven by weaker non-funded income, particularly due to lower gains on FVSI financial instruments, and decrease in net exchange income despite higher net fees from banking services. Operating expenses rose by 7% Y/Y but declined marginally by 0.4% Q/Q to SAR 608mn. The decline reflects lower general and administrative expenses, rental and premises-related costs, and lower staff-related costs. Consequently, the cost-to-income ratio increased to 52.8% in 1Q26, up from 51.2% in the previous quarter, slightly below our estimate of 53.1% and remains elevated versus peers.
- Impairment charges totaled SAR 74 mln, down -28% Y/Y and -25% Q/Q, supported by higher recoveries in 1Q26. Cost of risk improved to 20 bps (vs. 54 bps in 4Q25) coming in below our estimate of 40bps.
- Net income reached SAR 405 mln, increasing by +12% Y/Y and Q/Q, slightly above our estimate of SAR 387mn. The improvement was largely driven by lower impairment charges and stronger net financing and investment income.
- We maintained our Neutral stance with target price of SAR 13.00. BJAZ trades at 0.8x 2026E P/B, implying a ~39% discount to peers (1.3x). We view this discount as largely justified, given the Bank's structurally lower returns relative to peers, which continued to limit the scope for a near-term re-rating.

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■ Stock Rating

Buy	Neutral	Sell	Not Rated
Expected Total Return Greater than +15%	Expected Total Return between -15% and +15%	Expected Total Return less than -15%	Under Review/ Restricted

The expected percentage returns are indicative, stock recommendations also incorporate relevant qualitative factors

For any feedback on our reports, please contact research@riyadcapital.com

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