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The Edge Sector Reports
The Clean Sweep:
All Ten Saudi Banks
Grew Profit in
the Second Quarter
July 2026

The Clean Sweep: All Ten Saudi Banks Grew Profits in Q2

Executive Summary

Every one of the ten banks listed on the Saudi Exchange reported higher net profit for the second quarter of 2026, an outcome rare enough in any banking market to be worth stating plainly. Combined quarterly profit reached approximately SAR 24.87 billion, about USD 6.6 billion at the riyal's pegged rate, up roughly 8.2 percent from the same quarter of 2025. Across the first half, aggregate net profit rose about 7.9 percent to SAR 48.82 billion, from SAR 45.25 billion a year earlier. The figures reconcile cleanly: first-quarter sector profit of SAR 23.95 billion plus the second quarter's SAR 24.87 billion produces the half-year total.

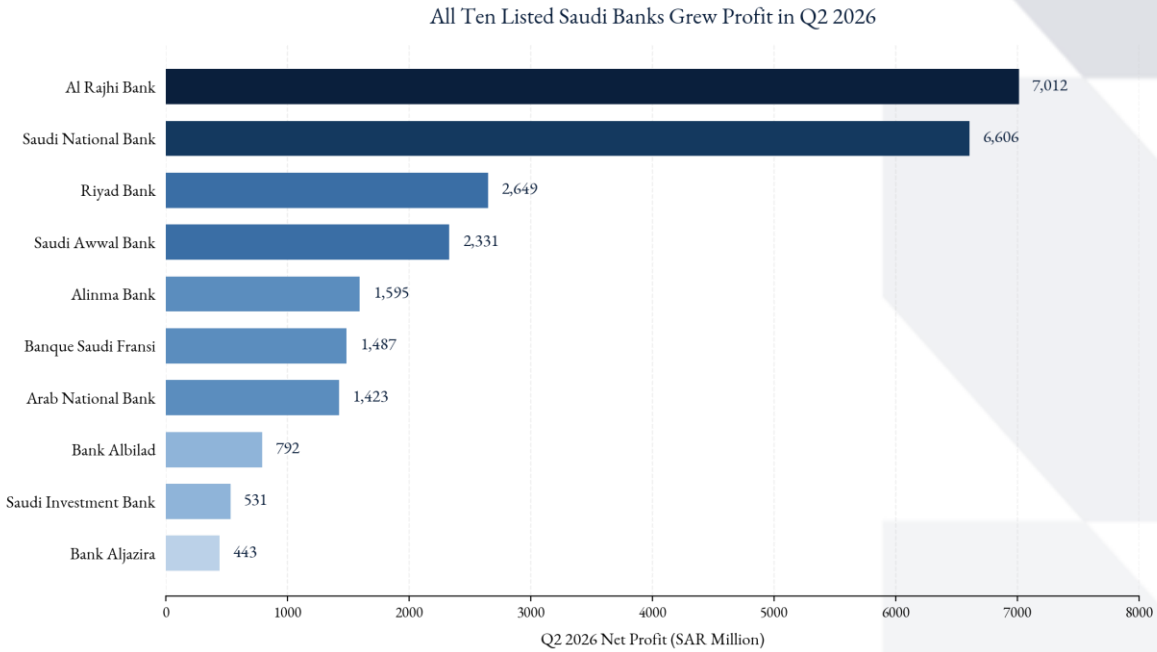

Figure 1. Second-quarter 2026 net profit attributable to shareholders, ten listed banks. Source: Saudi Exchange (Tadawul) interim disclosures.

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The growth was genuinely broad-based rather than carried by one or two outliers. Al Rajhi Bank was both the largest earner and among the fastest growing, with quarterly profit of about SAR 7.01 billion, up 14.0 percent and ahead of the analyst mean estimate of SAR 6.6 billion compiled by LSEG. Saudi National Bank followed at approximately SAR 6.61 billion, up 7.6 percent. Between them the two largest lenders generated close to 55 percent of sector profit, so their performance did much of the work in lifting the total. In percentage terms, however, the fastest growth came from the smaller end of the table, led by Bank Aljazira at about 15.9 percent.

The more analytically useful story sits in the spread between lenders, which ranged from 1.4 percent at Alinma Bank to 15.9 percent at Bank Aljazira. That dispersion was driven less by revenue performance, which was broadly solid across the sector, than by the direction of credit-loss provisioning. Riyad Bank's profit rose only 2.0 percent despite a 5 percent increase in operating income, because net provisions for expected credit losses climbed roughly 29 percent. Arab National Bank, by contrast, beat estimates by about 9 percent partly because its quarterly provisions fell 16.7 percent. Provisioning accounted for much of the dispersion in the quarter, though not all of it: Bank Aljazira delivered the fastest growth on operating performance rather than a provisioning release, and Saudi Awwal Bank grew profit 9.6 percent despite a small decline in operating income.

The underlying operating environment is supportive but not uncomplicated. Loan growth across the sector was running near 7 percent year on year through May 2026 on Saudi Central Bank data, with several individual banks well ahead of that pace, and continued credit demand tied to Vision 2030 investment is feeding net special commission income. Working against that, lending margins are under pressure from lower interest rates, which the riyal's peg to the US dollar transmits directly from Federal Reserve policy. Banks have so far offset that compression through volume growth, deposit expansion, and more diversified fee and investment income. Whether they can continue to do so through the second half is the central question for the sector.

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The Quarter In Numbers

The table below sets out reported net profit attributable to shareholders for the three months ended 30 June 2026, together with the change on the same quarter of 2025. The individual figures sum to SAR 24,869 million, matching the sector aggregate reported from Tadawul-sourced data.

Bank	Q2 2026 net profit (SAR m)	Change vs Q2 2025
Al Rajhi Bank	7,012	+14.0%
Saudi National Bank (SNB)	6,606	+7.6%
Riyad Bank	2,649	+2.0%
Saudi Awwal Bank (SAB)	2,331	+9.6%
Alinma Bank	1,595	+1.4%
Banque Saudi Fransi (BSF)	1,487	+6.0%
Arab National Bank (ANB)	1,423	+6.5%
Bank Albilad	792	+3.4%
The Saudi Investment Bank (SAIB)	531	+3.6%
Bank Aljazira	443	+15.9%
Combined, ten banks	**24,869**	**+8.2%**

Table 1. Q2 2026 net profit by bank. Figures are reported net profit attributable to shareholders for the three months ended 30 June 2026. Sources: Saudi Exchange interim disclosures; Argaam; Arab News.

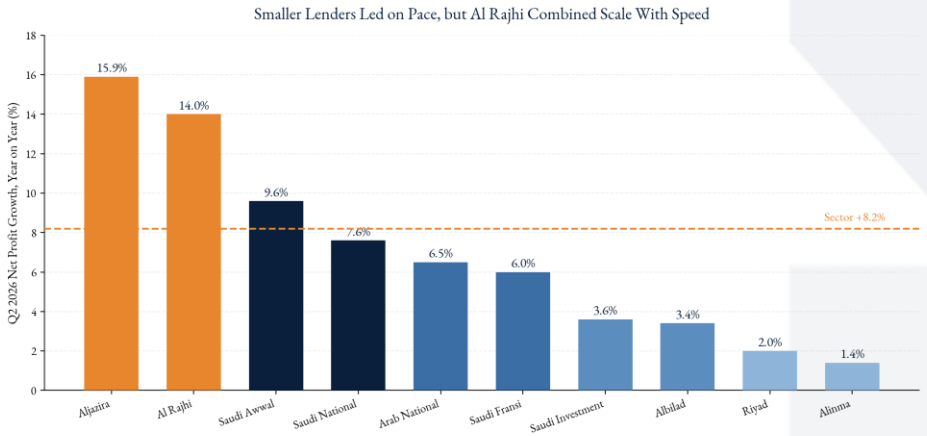

Figure 2. Year-on-year profit growth by bank, Q2 2026, against the sector average. Sources: Saudi Exchange interim disclosures; Argaam.

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Scale And Concentration: Where The Profit Sits

Saudi banking profit is highly concentrated. Al Rajhi Bank alone generated about 28.2 percent of the ten banks' combined second-quarter earnings, and Saudi National Bank a further 26.6 percent. Together the two accounted for approximately 54.8 percent of sector profit, meaning the remaining eight lenders shared slightly less than half. That concentration matters for interpretation: a sector aggregate that rises 8.2 percent is, to a substantial degree, a statement about two institutions.

The two are not equivalent in character. Saudi National Bank is the larger by balance sheet, with total assets of approximately SAR 1.245 trillion at the half-year, up 3.6 percent year on year. Al Rajhi reported total assets of about SAR 1.05 trillion, yet converted that smaller base into the higher profit, and did so while growing earnings at roughly double SNB's rate. Al Rajhi's half-year profit reached SAR 13.76 billion, up 14.2 percent, against SNB's SAR 13.03 billion, up 7.2 percent. The gap reflects Al Rajhi's stronger operating income growth, reported at 13.3 percent for the quarter.

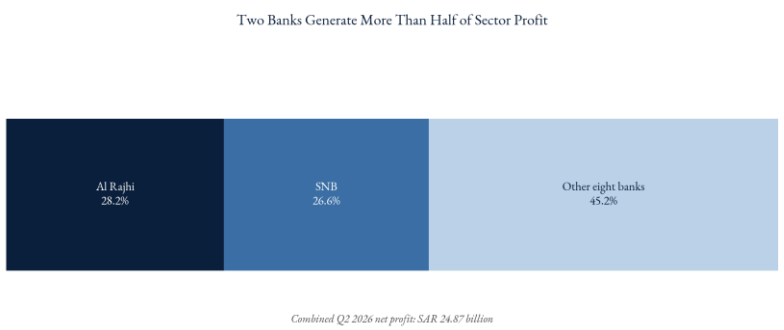

Figure 3. Two institutions generate more than half of sector profit. Source: The Edge calculations on Saudi Exchange disclosures.

Plotting scale against pace clarifies the pattern. Most large banks grew at or below the sector average while most small banks grew faster off lower bases. Al Rajhi is the clear exception, sitting alone in the upper right of the distribution as the only bank combining the largest absolute profit with well above-average growth. Bank Aljazira occupies the opposite corner, posting the fastest growth in the sector from the smallest base, where a modest absolute gain produces a large percentage move.

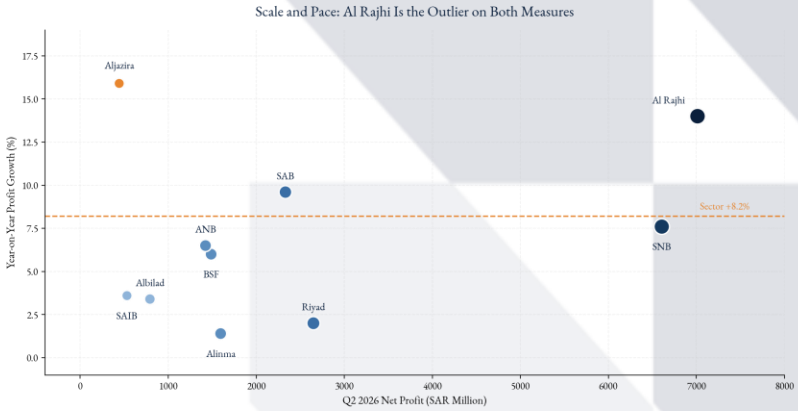

Figure 4. Scale against pace: profit size versus growth rate, Q2 2026. Source: The Edge analysis of Saudi Exchange disclosures.

The Balance Sheet: Size, Growth And Efficiency

Profit is only half the picture in banking; the balance sheet that generates it is the other. Saudi National Bank remains the sector's largest institution, reporting total assets of approximately SAR 1,244.7 billion at 30 June 2026, up 3.6 percent year on year and 2.9 percent since December 2025. Al Rajhi Bank followed with total assets of about SAR 1.05 trillion, up 1.8 percent, and Riyad Bank reported approximately SAR 534 billion, up 9 percent. Together those three institutions hold well over SAR 2.8 trillion of assets. Saudi Central Bank data placed

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aggregate banking-system assets at approximately SAR 5.07 trillion by February 2026, an annual increase of about 9 percent, with the ten listed banks accounting for the large majority of that total.

The striking feature is the inverse relationship between size and balance-sheet momentum. The two largest banks grew assets most slowly, at 1.8 and 3.6 percent, while mid-sized and smaller lenders expanded considerably faster. Riyad Bank grew assets 9 percent and Bank Albilad 15.2 percent, the latter alongside loan growth of 15.3 percent and deposit growth of 18.8 percent. Arab National Bank grew loans 10.4 percent. Set against Saudi Central Bank data showing sector-wide loan growth near 7 percent through May 2026, the smaller lenders are therefore growing faster than the sector leaders, though a single half-year is too short a window to characterise this as a durable strategic divergence.

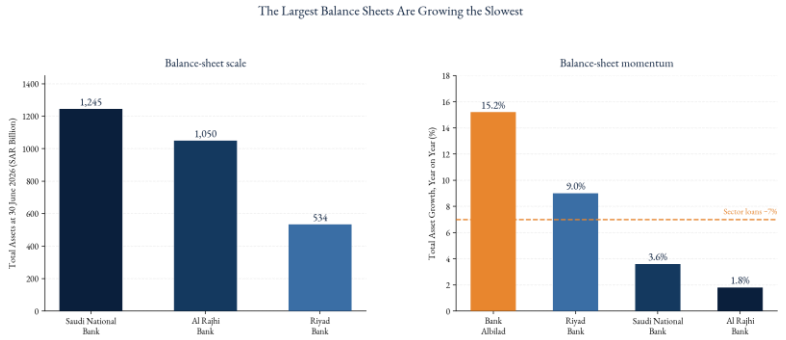

Figure 5. Balance-sheet scale and momentum, where disclosed at the half-year. Sources: bank interim disclosures; Saudi Central Bank.

That difference is visible in returns. Measuring annualised second-quarter profit against period-end total assets, a simplified proxy rather than a formal return-on-average-assets ratio, Al Rajhi registered approximately 2.67 percent, comfortably ahead of Saudi National Bank at about 2.12 percent and Riyad Bank at about 1.98 percent. Al Rajhi is therefore earning materially more from a balance sheet roughly 16 percent smaller than SNB's, which explains how it produced both the sector's highest profit and one of its fastest growth rates while barely expanding assets. Its retail franchise, funded substantially by low-cost current accounts, is the structural reason.

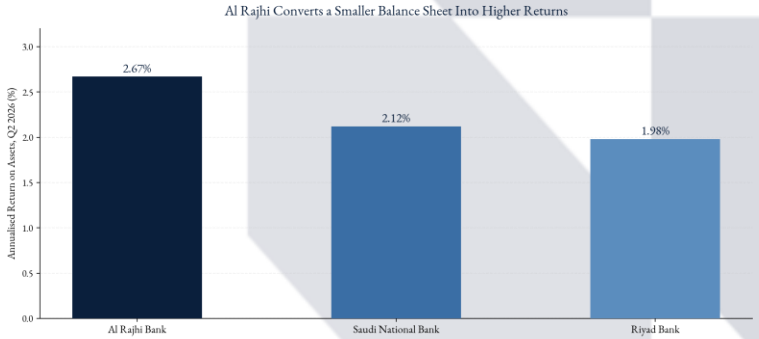

Figure 6. Profitability proxy: annualised Q2 2026 profit over period-end total assets. The Edge calculation, not comparable with bank-reported return on average assets.

Sector composition reinforces the point. S&P Global Ratings reported in July 2026 that Islamic banks account for approximately 76 percent of Saudi banking assets, making the Kingdom one of the world's largest Islamic banking systems. Over the past five years the combined assets of the four largest Islamic lenders, Al Rajhi, Alinma, Bank Albilad and Bank Aljazira, have more than doubled, growing 2.1 times against 1.8 times for the six largest conventional peers. Retail lending represents about 53 percent of Islamic banks' loan books and corporate lending about 38 percent, a distribution shaped heavily by Al Rajhi's retail scale.

What Drove The Results

Lending volume is doing the heavy lifting

Credit growth remains the sector's principal engine. Saudi Central Bank data indicated sector-wide loan growth of roughly 7 percent year on year through May 2026, and several individual lenders reported considerably faster expansion at the half-year balance-sheet date. Arab National Bank's loan book grew 10.4 percent and Bank Albilad's 15.3 percent, with Albilad also reporting deposit growth of 18.8 percent and asset growth of 15.2 percent. Saudi Awwal Bank had

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reported net loans and advances up 10 percent year on year at the first quarter, alongside 14 percent deposit growth.

Margins are compressing as rates fall

The offsetting pressure comes from interest rates. Because the Saudi riyal is pegged to the US dollar, domestic policy rates track the Federal Reserve closely, and the recent direction of travel has been downward. Lower rates compress the spread banks earn on lending, so profit growth has had to come from volume, deposit gathering, and non-interest income rather than from margin expansion. Saudi Awwal Bank illustrates the tension precisely: half-year operating income edged down 1 percent to SAR 7,275 million, yet net profit still rose 4 percent to SAR 4,417 million, an improvement delivered below the revenue line.

Fee, investment and exchange income are filling the gap

Diversified income streams were repeatedly cited in the filings. Saudi National Bank's second-quarter operating income rose 11.3 percent year on year to SAR 10.58 billion, driven by an 11.4 percent increase in net financing and investment income, a 34 percent rise in total investment gains and income, and 3.3 percent growth in net foreign-exchange income. Arab National Bank attributed its result to gains on financial instruments, exchange income, and net special commission income together. The pattern across the sector is of banks leaning harder on non-lending revenue to protect earnings as spreads narrow. A caution on comparison bases: several widely quoted figures from these filings are sequential rather than annual, and the two should not be mixed.

Provisioning: The Real Swing Factor

The clearest single explanation for why broadly similar revenue performance produced growth rates ranging from 1.4 percent to 15.9 percent lies in credit-loss provisioning. The direction of provisions varied sharply between banks, and in several cases determined whether a solid operating quarter translated into a strong profit number. It was not the only driver, and the exceptions are instructive, but it is the variable that best explains the spread.

Riyad Bank is the most instructive case. Operating income rose 5 percent to SAR 4.73 billion, a respectable result, but net provisions for expected credit losses and other losses increased approximately 29 percent, holding net profit growth to 2.0 percent. Arab National Bank ran the opposite way, with quarterly credit-loss provisions down 16.7 percent and half-year provisions down 25.4 percent to SAR 315 million from SAR 422 million, which helped lift profit about 9 percent above the analyst consensus. Bank Albilad sat closer to Riyad Bank's position, with half-year provisions up 25.2 percent. Saudi Awwal Bank ran the other way again, converting a 1.6 percent decline in operating income into 9.6 percent profit growth, an outcome delivered below the revenue line.

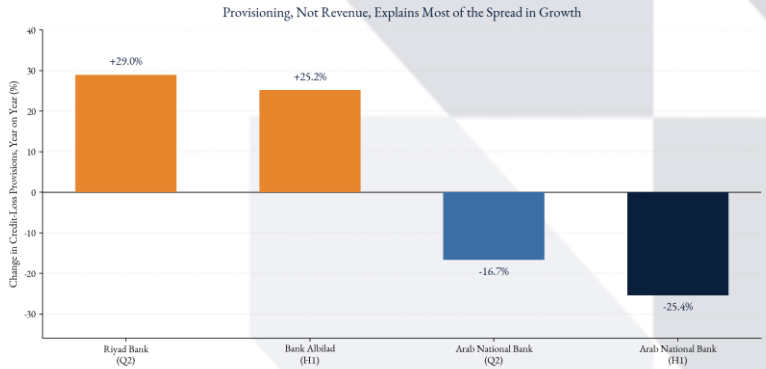

Figure 7. Divergent provisioning across lenders, Q2 and H1 2026. Sources: bank interim disclosures; Reuters; Argaam.

One caution is essential. Rising provisions are not automatically evidence of deteriorating asset quality: under expected-credit-loss accounting, provisioning reflects portfolio growth, model assumptions, and forward-looking overlays as much as realised problems, and rapid loan growth mechanically requires higher provisions even on a stable book. Equally, falling provisions can flatter earnings in ways that do not repeat. Profit growth should be read alongside the provisioning line, and the current dispersion treated as a timing and policy difference rather than a verdict on sector credit quality.

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The Half-Year Picture And Trajectory

The half-year aggregate of SAR 48.82 billion represents an increase of about 7.9 percent on the SAR 45.25 billion recorded in the first half of 2025. The quarterly composition shows steady rather than accelerating momentum: SAR 23.95 billion in the first quarter, up 7.6 percent, followed by SAR 24.87 billion in the second, up 8.2 percent. Both quarters grew, and the second grew marginally faster, but the sector is running well below the pace of the prior year, when first-half profit had risen nearly 19 percent.

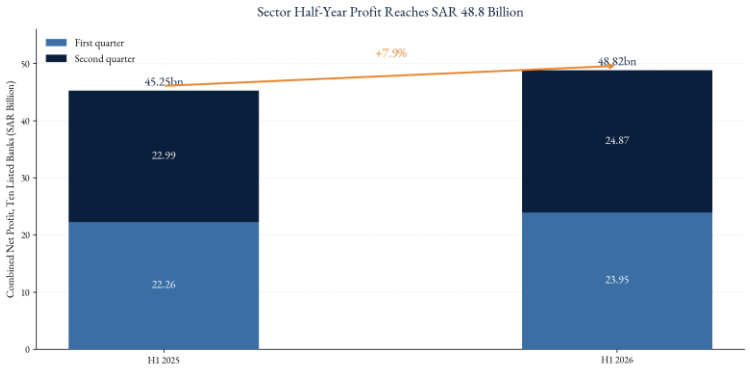

Figure 8. Combined half-year net profit, ten listed banks, with quarterly composition. Sources: Argaam; Saudi Exchange disclosures.

That deceleration deserves context rather than alarm. The 2025 comparison period benefited from an unusually strong lending cycle and a higher rate environment. The sector earned SAR 92.52 billion across full-year 2025, an increase of 16.17 percent on SAR 79.64 billion in 2024, and market commentary has pointed to the possibility of exceeding SAR 100 billion in 2026. That threshold requires more than simply repeating the first half: doubling the SAR 48.82 billion recorded to June would produce SAR 97.64 billion, short of the mark. Reaching SAR 100 billion needs second-half profit of approximately SAR 51.18 billion, which is 4.8 percent above the first half of 2026 and 8.3 percent above the SAR 47.27 billion earned in the second half of 2025. That is achievable but demands acceleration, not continuity, and margins are moving the other way.

Why It Matters For The Wider Economy

Saudi banks are the principal financial intermediary of the Arab world's largest economy, which makes their earnings a reasonable proxy for the health of domestic credit demand and the non-oil sector. A quarter in which all ten listed lenders grew profit, with loan books expanding across institutions of every size, points to lending activity that remains resilient and to a banking system that continues to fund the housing, infrastructure, and giga-project investment at the centre of Vision 2030.

The breadth matters more than the level. Growth concentrated in one or two institutions can reflect firm-specific advantage; growth across all ten, spanning the largest universal banks and the smallest specialist ones, points to reasonably broad credit demand, though bank-level results alone do not establish its distribution across sectors or borrower types. Parallel deposit expansion at several banks also suggests funding conditions, while tighter than in prior years, are not yet a binding constraint on lending.

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Outlook And Risks

Three variables will determine the second-half trajectory.

- Interest rates. With the riyal pegged to the dollar, Federal Reserve policy passes through directly to domestic lending spreads. Further easing would compress margins, requiring still faster volume growth or fee income to sustain profit expansion.
- Provisioning. The dispersion visible in the second quarter is the most likely source of surprise in either direction. Banks that released or reduced provisions face a harder comparison ahead; those that built them may have created capacity for stronger reported growth later.
- Funding costs and deposit competition. Loan growth has outpaced deposit growth at parts of the sector in recent periods, pushing banks toward debt-market issuance. If that dynamic intensifies, funding costs would rise just as asset yields fall.

The balance of risk appears manageable rather than benign. Continued Vision 2030 investment and government capital spending should sustain credit demand, and the sector enters the second half well capitalised with asset quality broadly stable. Al Rajhi exceeded the analyst mean estimate of SAR 6.6 billion compiled by LSEG, and Arab National Bank came in about 9 percent above consensus, while Alinma Bank was the notable laggard among the majors. The central question is not whether profit continues to grow, but whether it can keep pace with lending as margins narrow and provisioning normalises.

Methodology & Verification Note

All bank-level figures are reported net profit attributable to shareholders for the three months ended 30 June 2026, taken from Saudi Exchange interim disclosures and cross-checked against Argaam's Tadawul-sourced sector data, Arab News reporting of bourse filings, Reuters coverage of Riyad Bank, and Forbes Middle East. Internal consistency has been verified in two directions: the ten individual figures sum to SAR 24,869 million, matching the reported sector aggregate, and the confirmed first-quarter total of SAR 23.95 billion plus the second quarter's SAR 24.87 billion reconciles to the half-year figure of SAR 48.82 billion. Saudi Awwal Bank's quarterly figure is derived from its reported half-year profit of SAR 4,417 million less first-quarter profit of SAR 2,086 million. Percentage changes are year on year against the corresponding quarter of 2025 unless stated otherwise. US dollar equivalents use the riyal's pegged rate of approximately SAR 3.75 per dollar. Loan, deposit, and asset growth figures are point-in-time year-on-year comparisons at the balance-sheet date and are not directly comparable with six-month flow measures; the Saudi Central Bank sector loan-growth figure is a May 2026 snapshot and therefore a directional rather than exactly matched comparison. Provisioning comparisons are stated as quarterly or half-year where the underlying disclosure specifies. Figures for Banque Saudi Fransi, the Saudi Investment Bank, and Bank Aljazira are consistent with the reconciled sector totals but were not separately corroborated in secondary reporting at the time of writing. Full-year 2025 sector profit of SAR 92.52 billion and the 2024 base of SAR 79.64 billion are Argaam and CNBC Arabia figures for the ten listed banks. The second-half 2025 figure of SAR 47.27 billion is derived as full-year less first-half. Saudi National Bank's operating-income figures are stated year on year; several widely circulated figures from the same disclosure are sequential comparisons with the first quarter and are not used here. Banking-system asset data is Saudi Central Bank system-level statistics and covers a wider perimeter than the ten listed banks. Total assets are period-end figures at 30 June 2026 as disclosed; assets were not separately disclosed for all ten banks at the time of writing, so balance-sheet comparisons cover the institutions that reported them. Return on assets is an Edge calculation using annualised quarterly profit over period-end total assets rather than average assets, and is therefore a simplified indicator not directly comparable with banks' own reported ratios. This material is for information only and does not constitute investment advice; figures should be re-verified against the sources below before republication.

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Sources & References

References are numbered; each links to a primary or reputable source. Data current to 23 July 2026.

Exchange Filings & Sector Data

[1] Saudi Exchange (Tadawul): interim financial disclosures of the ten listed banks, period ended 30 June 2026. Link - *Saudi Exchange (Tadawul)*

[2] Argaam: Tadawul-sourced Saudi banking sector results and company financial reports. Link - *Argaam*

[3] Saudi Central Bank: monetary and banking statistics, sector loan growth through May 2026. Link - *Saudi Central Bank (SAMA)*

Results Coverage

[4] Saudi Islamic banks hold about 76% of sector assets; Islamic lenders' assets grew 2.1x over five years versus 1.8x for conventional peers. Link - *S&P Global Ratings (via Arab News)*

[5] Saudi banks post strong second-quarter 2026 earnings: loan growth and diversified income offset margin pressure from lower rates. Link - *Forbes Middle East*

[6] Riyad Bank Q2 net profit rises 2% on higher operating income; provisions up 29%. Link - *Reuters (via Sahm Capital)*

[7] Saudi lenders Bank Albilad and Arab National Bank report higher Q2 earnings. Link - *Arab News*

[8] Al Rajhi Q2 profit rises 14% and beats estimates; SNB approves SAR 1.15 per share dividend; Alinma Q2 up 1.4%. Link - *Market filings summary (LSEG estimates cited)*

[9] Saudi National Bank reports SAR 13,029 million net profit for the six months of 2026; total assets SAR 1.245 trillion. Link - *Saudi National Bank disclosure summary*

[10] Saudi Awwal Bank delivers SAR 4,417 million net profit for the six months ended 30 June 2026. Link - *Riyadh Daily (SAB results)*

[11] Saudi Awwal Bank Q1 2026 results: net profit SAR 2,086 million, loans up 10%, deposits up 14%. Link - *Saudi Awwal Bank*

Comparative & Historical

[12] Saudi banks post record first-quarter 2026 profits of SAR 23.95 billion, up 7.6%. Link - *Arab News*

[13] Saudi banks H1 2025 combined profit of SAR 45.25 billion, the base for year-on-year comparison. Link - *Argaam*

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