



بنك الجزيرة
BANK ALJAZIRA

Bank AlJazira

Investor Presentation 1H 2025



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Bank AlJazira – At a glance



Bank AlJazira is a leading Shariah compliant financial group in KSA



Channels	11 27	Regions in KSA Fawri Centers	73 576	Branches ATMs
Affiliated Companies	5 Wholly owned subsidiaries	AlJazira Capital Co. AlJazira Securities Ltd. Aman Dev. & Real Estate Inv. Co. Aman Insurance Agency Co. BAJ Sukuk Tier 1 Ltd.	1 Associate	AlJazira Takaful Ta'awuni Co.
Profitability & Asset quality	₹ Mn 743 1H 25 Net Income	1H 2025 Net income increased by +20% YoY	0.38% 1H 25 CoR	Controlled CoR with YoY improving NPL to 1.47%
Balance Sheet	₹ Bn 157.6 Total Assets	14% growth YoY	₹ Bn 103.7 Financing, net	19% YoY growth in financing, reflecting growth momentum in corporate & retail lending
Awards and Recognitions	Top 100 listed companies in Middle East by Forbes Best Digital CX award 2025 – Account Opening & Customer Onboarding - KSA		Misk Incubator for Initiatives & Misk Accelerator for Impact for "Kher AL Jazira le Ahl ALJazira"* Certified Innovation Organization by Global Innovation Institute	
Credit Ratings	A3 Stable	Moody's	A- Stable	Fitch

Bank AlJazira's history began in 1975

بنك الجزيرة
BANK ALJAZIRA



Shariah
compliant

+70
branches



1975

Incorporated pursuant to the Royal Decree

1992-94

Restructuring process with 2 capital increases and new management team

1998

Strategic shift from conventional banking to Shariah compliant

2007

Full conversion into a Shariah-compliant institution

2009

From 24 to 94 branches in a year

2019

New 2019-23 strategy focusing on high growth along with digitalization

2023-24

Transformation of IT architecture; Strategy Refresh; Data and technology revamp program

1976

Takeover of The National Bank of Pakistan's Saudi branches

1997

Became profitable by introducing cutting-edge technologies and products

2002

All branches operate as per Shariah rules and principles



2008

4-year transformation plan into a "multi-specialist" Shariah-compliant bank; AlJazira Capital established

2017-18

Capital doubled to ₪ 8.2bn through bonus and rights issues

2021

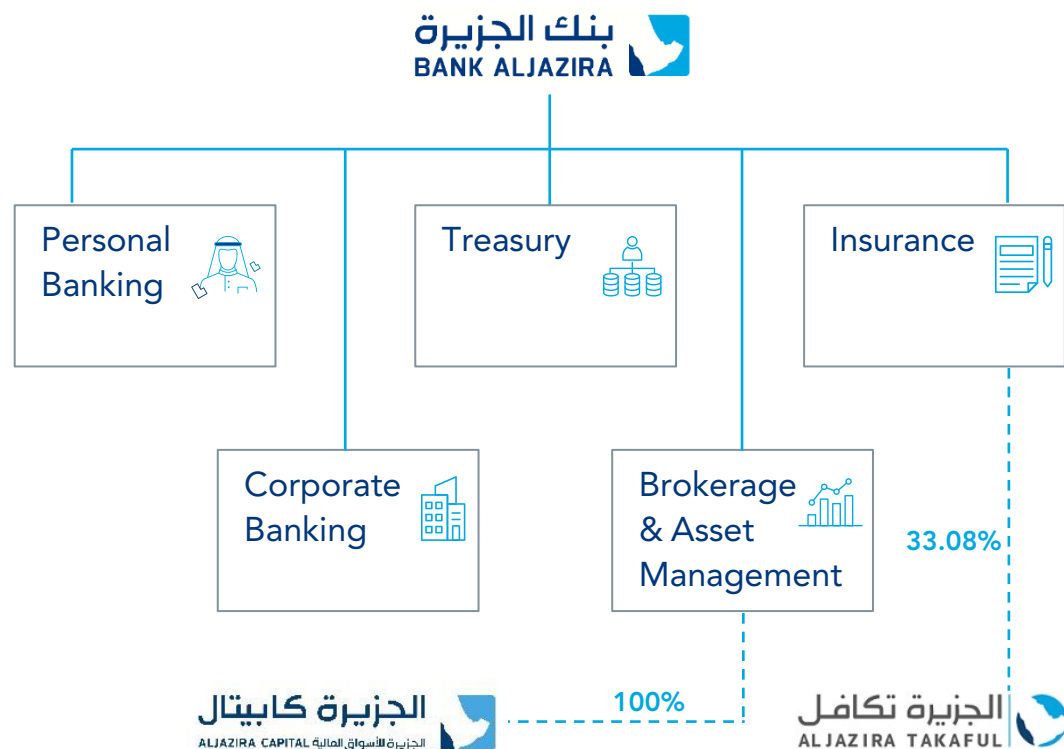
Successfully issued Tier I and II Sukuk in the global debt market.

x2



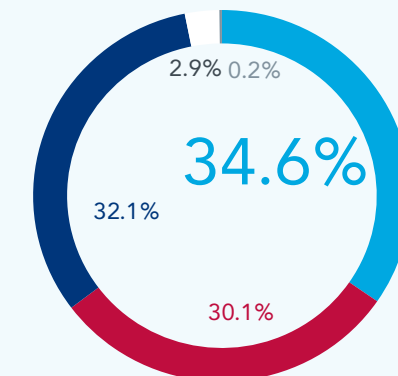
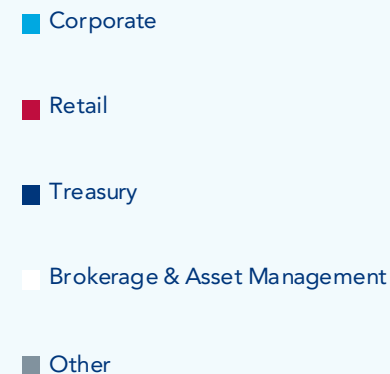
Bank AlJazira enjoys a well-diversified business mix

Group Structure



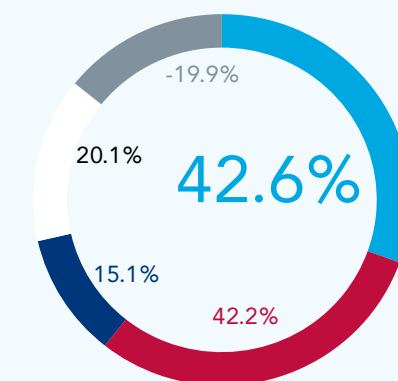
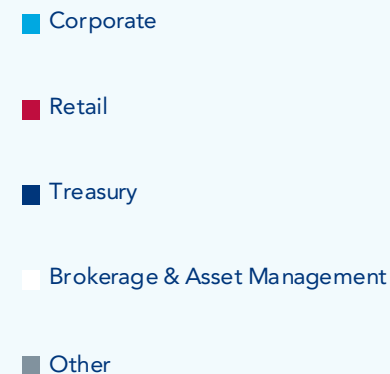
Total Assets Composition (%)

2Q 2025



Net Income Before Zakat & Income Tax Composition* (%)

1H 2025



Strong momentum, driven by solid asset growth, margin and fee income improvement

1 Delivered strong financial results, with net income up 20% YoY to ₪ 743 Mn and operating income up 22%, driven by broad-based business growth, healthy margins, and an improved revenue mix.

2 Revenue momentum was driven by 21% growth in net financing and investment income and a 23% rise in fee and other income, supported by retail and corporate banking.

3 The balance sheet remains solid, with assets up 14% and customer deposits up 16% YoY, supported by growing customer trust and franchise strength.

4 Continued momentum on our transformation agenda, with AI-led efficiencies, digital onboarding and penetration enhancing customer experience and long-term value.

5 We remain committed to investing in our people, strengthening systems, and supporting the community, aligned with our long-term vision for inclusive and sustainable growth.

6 Our strategy remains on track, focused on delivering sustainable shareholder returns, aligned with our long-term transformation goals.

Income Growth
YoY



Operating Income

+22%

Net Income

+20%

Revenue Growth
YoY



Net financing and
investment income

+21%

Fee and other income

+23%

Total Assets
2Q 2025



+14%

YoY

+6%

YTD

₪ Bn

157.6

Customers' Deposits
2Q 2025



+16%

YoY

+6%

YTD

₪ Bn

114.2

Net Margin (%)

2.04%

1.99%

2.17%

FY 23

FY 24

1H 25

Cost To Income (%)

58.2%

56.0%

52.3%

FY 23

FY 24

1H 25



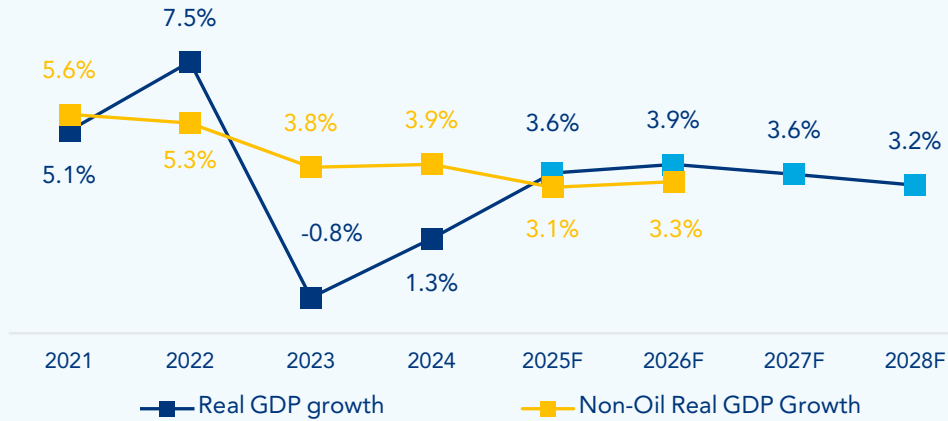


Market Trends

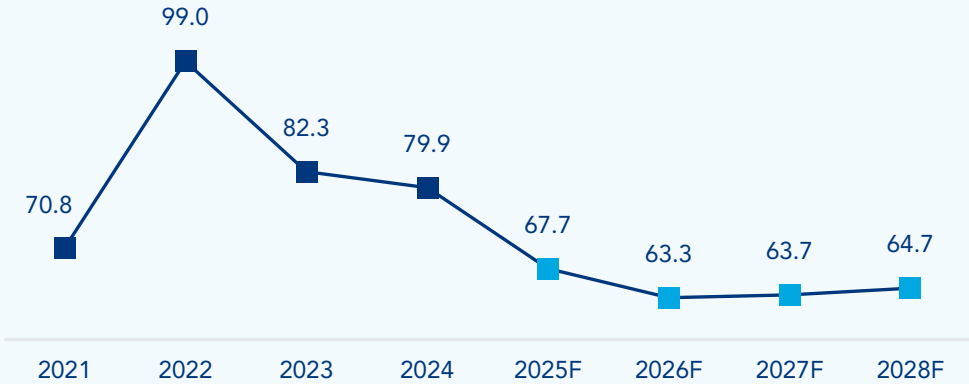


Saudi Arabia continues to benefit from a favorable operating environment...

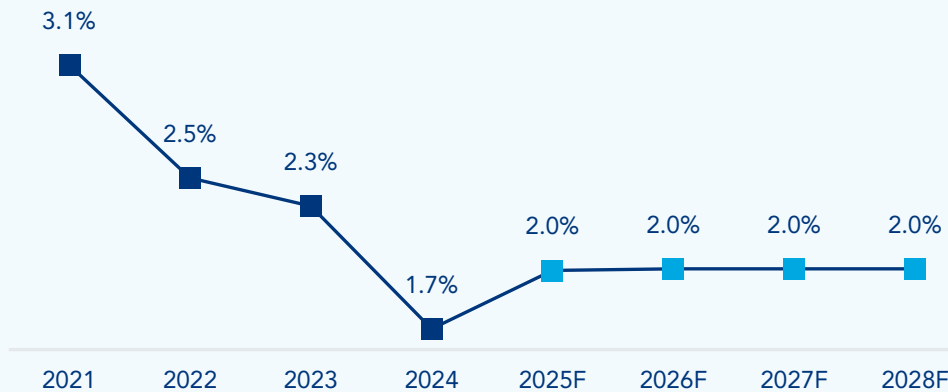
Real GDP Growth (%)



Brent Oil Price / Barrel (\$)

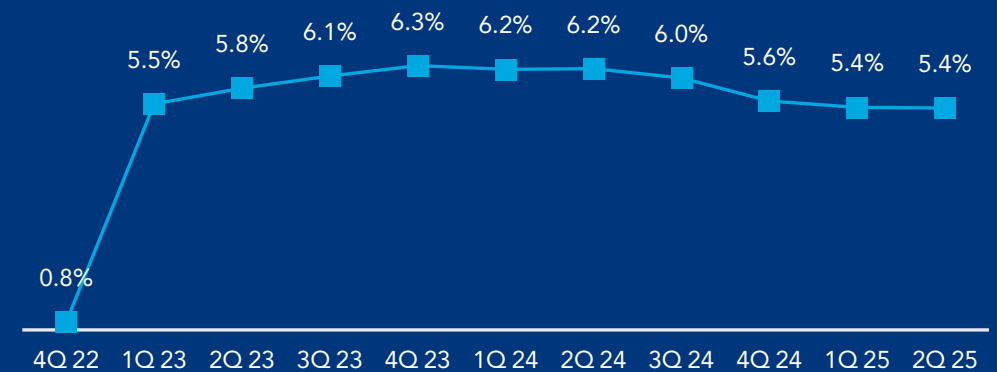


Inflation (%)



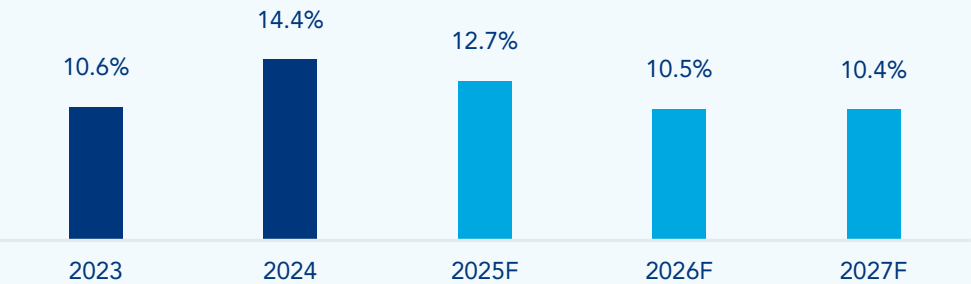
SAIBOR 3M Avg (%)

2Q 2025

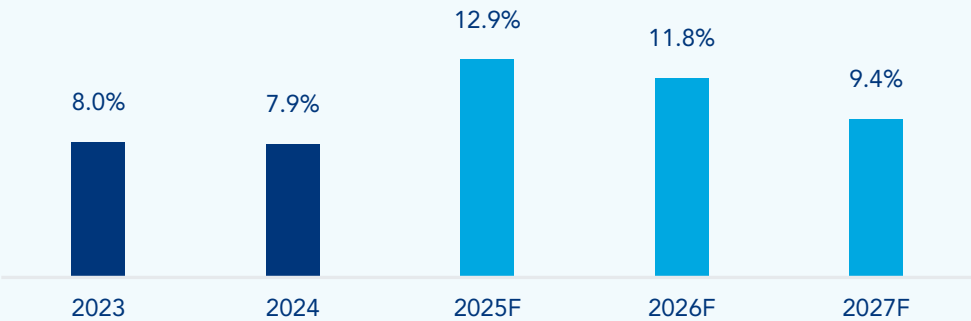


...with the banking industry well-positioned to capitalize on this momentum

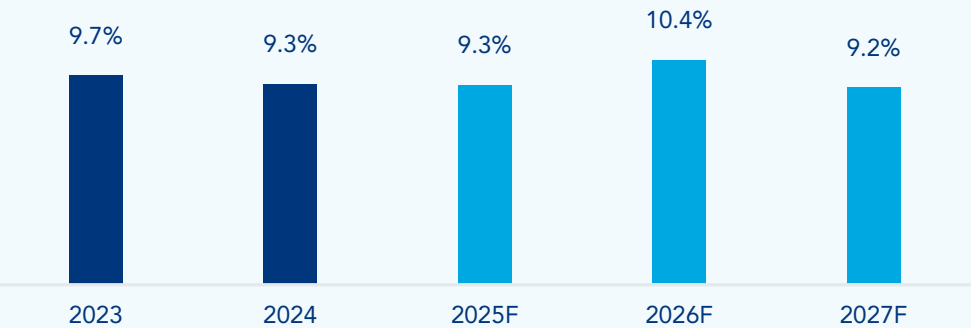
Total Loan Growth (%)



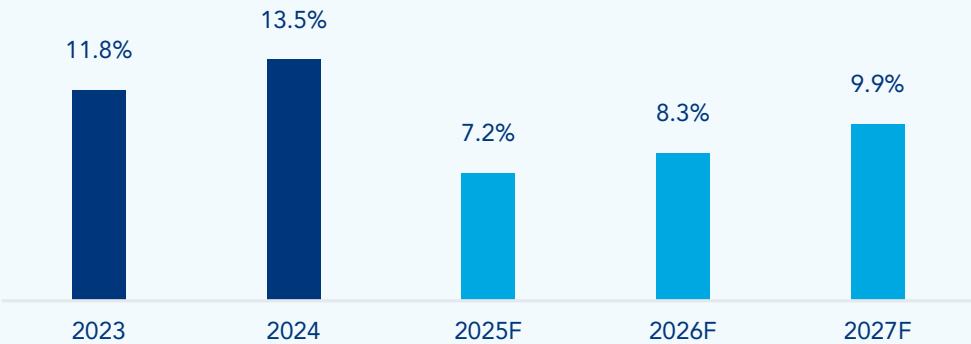
Total Deposits Growth (%)



Total Operating Income Growth (%)



Net Income Growth (%)





Strategy Refresh



Our purpose remains to Enhance Lives Through Financial Wellbeing

Our values: We innovate for the Future... We succeed through Partnership



We are advancing on the transformation agenda of our 5-year strategy

The Refreshed Strategy

Where are we heading?

- A **boutique bank** with upside potential
- A **mobile first, digitally enabled bank** that blends the physical and digital worlds
- A **dynamic and resilient bank** in a transforming world, built on innovation & partnership

Long-term stability and profitability for our shareholders

Business Lines Vision

Corporate

Segment and sector focused CIBG:
Growing assets at ~12% CAGR fueled by robust mid-tier corporate franchise with growing contribution from mid-corporate and SME segments

Retail

Bank-of-choice for affluent customers and high net worth individuals with a comprehensive value proposition that is digitally enabled

Brokerage & Asset Management

Leading wealth management house in Saudi Arabia

Treasury

Core partner for business growth and enablement

Time Span for Transformation Initiatives



Strategic execution progresses across business lines and technology enablers

Corporate segment

Initiatives	Achievements
Introduce a new trade finance and cash management product suite	Launched new trade finance products and achieved non funded assets growth of 37% YoY
Expand SME product suite	Enhanced SME Service model, shared KPIs across divisions, and digitized lending process to improve TAT Expanded SME product offering and digital enablement with AMAAL
Sector-focused growth in Large and Mid Corporate	Increase in MNCs account for lending and trade business and Product enhancement
Digital Transformation	Launch of new B2B platform, Ecorp and Digital banking App for Corporate customers: 4 new B2B products added to the suite, enhanced digitization in payments

Non-funded assets

growth
1H 2025



YoY

+37%

MSME portfolio growth

1H 2025



YoY

+35%

Off plan mortgage

sales growth
1H 2025



YoY

+24%

Retail segment

Initiatives	Achievements
Becoming the "bank-of choice" for affluent	Growth in the affluent segment, with Al Masi* affluent clients and Al Thahabi* clients increasing QoQ
Build customer-centric digital journeys across the mobile app and website	Digital penetration reaching 82% Completed operating model integration with AJC to foster cross sell 3 AI use cases for retail in production focusing on customer journey and insights Launched new loan origination system
Growing Core Assets & Deposits	TAT improvement in Real estate lending, enhancing efficiency Commenced auto lease regional expansion into the Eastern Province

Technology

Achievements

- Digital transformation program launched in 2024 yielding results
- Core banking platform upgrade - establishing a leaner and more agile foundation for digital innovation
- Enterprise CRM system rolled out - enabling 360° customer views

Looking Forward

- Next-generation payment hub
- Modern liquidity management system
- More AI use cases in production
- Adoption of Generative AI

Digitization driving business innovation

Key achievements

- Accelerated digital transformation across retail and corporate segments through new platform launches and an upgraded mobile app with enhanced UX/UI, resulting in stronger client engagement.
- Increased digital adoption, with penetration reaching 82%, a reduction in onboarding TAT, and 64% of new accounts opened via mobile—significantly enhancing customer convenience and speed.
- Expanded digital financial ecosystem, including multicurrency card issuance, redesigned debit cards, and an enhanced B2B platform—leading to a substantial rise in corporate transaction activity.
- Digitally enabled business growth, particularly in the SME and mid-corp segments, supported by digital trade finance, self-service tools, and seamless onboarding.

Corporate segment

SME online new A/C opening
1H 2025 YoY

+340%

Transactions
via the new B2B platform
1H 2025 YoY

+44%

App Store
rating
+1.4 YoY

4.6

Google Play
rating
+1.2 YoY

4.3



Retail segment

Digital
Penetration
+6ppts YoY

82%

A/C opened through
mobile (%)

64%



Retail online A/C opening
1H 2025 YoY

+25%

Digital deposits
1H 2025 YoY

+20%



Sustainability



Bank AlJazira’s goal is to embed sustainability into our DNA

Sustainability Key Performance Indicators of Bank AlJazira:

Umbrella KPI

Introduce Sustainability Maturity Index

KPI 1

Improve **environmental footprint**

KPI 3

Enhance **digital channels**

KPI 5

Improve **financial literacy** among customers

KPI 7

Improve **Islamic Banking and Shariah knowledge** amongst employees

KPI 2

Incorporation of **ESG criteria** into **lending** and **investment** evaluation

KPI 4

Develop two new **climate pledges**

KPI 6

Improve **sustainability awareness**

KPI 8

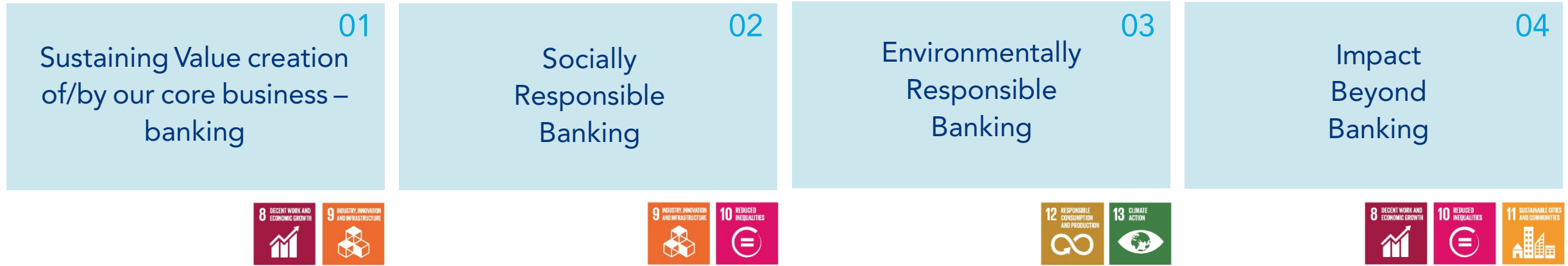
Improve **diversity, equity and inclusion**

Key Material Topics and Materiality Matrix:

Importance to Stakeholders	Highly Significant			2. Responsible Financing 5. Financial Inclusion
	Significant	7. Responsible Communication	4. Privacy Protection 6. Digital Transformation	3. Compliance and Transparency 8. Diversity, Inclusion and Equal Opportunity 1. Direct Environmental Footprint
		Significant		Highly Significant
		Importance to the Bank		

We identified 4 key sustainability pillars to create both business value and sustainable impact

Sustainability Pillars:



Strategic objectives:

- **Providing access to finance** through a growing portfolio, to increase economic participation and financial inclusion
- Leveraging **digital innovation** to promote digital financial inclusion and self-service banking
- Evolving as a **learning organization** by revamping work culture, providing training and development, accelerating digitalization, and enhancing employee experience
- Innovation and development of **Shariah compliant products** and increasing Shariah knowledge among employees and customers
- **Preventing financial crime** with zero-tolerance for bribery, corruption and fraud, and ensuring privacy protection for customers
- Promoting and exemplifying **diversity** and **equal opportunity** in employment
- **Sourcing from local vendors**
- Monitoring and **minimizing the Bank's carbon footprint** through responsible consumption and waste management
- Directing of capital flows and investments towards highly **impactful green projects**
- Incorporation of **environmental criteria** in credit evaluation
- Improve institutional knowledge on **climate change mitigation**, adaptation and impact reduction
- **Supporting social entrepreneurship** through advocacy, financial assistance and financial literacy to promote creativity, innovation and economic growth
- Stewardship of external **environmental and community initiatives**
- **Partnerships** with international and local organizations to achieve social and environmental objectives

BAJ is driving meaningful ESG outcomes across the business

Environmental

Green Financing

Surpassing

ﷲ 4.1 Bn

In total approved credit facilities for **green financing projects**

Waste Management

Recycled

655kg

of plastics, cardboard and mixed recyclables from Riyadh and Jeddah offices

Recycling Initiative

Formally launched under the patronage of Chairman of the BOD and the CEO, with the aim of promoting environmentally responsible practices within the workplace.

Reduced Paper Usage

Reduced usage of around

1.5 tons of paper.

Enhanced efficiencies and reduced paper usage at Fawri Branches leading to expected annual saving of

ﷲ 2.5 Mn.

Awards & Recognitions



CSR Award in Arab States (Banking Sector)

Awarded by the RNSR in partnership with the UNDP

–

'Excellence Award' in CGI for third consecutive year

by AlFaisal University

–

Best Workplace Environment

at the International Finance Awards

–

Best Islamic Finance Bank in the Kingdom – 2025

by Global Trade Review

–

Digital CX Awards 2025

for Account Opening and Customer Onboarding – KSA by the Digital Banker

Social

Employees

- BAJ leadership successfully completed the **INSEAD Leadership Program** and **ELEVATE Leadership Program** with **INSEAD Business School**

Customers

- Highest growth recorded for **Visa Infinite Privilege Cards** in the Kingdom for 2024
- Samsung Wallet** made available on Samsung Galaxy watches for convenience

Communities

- Donated **ﷲ 1 Mn** through EHSAN, and implemented over **100+ more community development projects** and reached **23,000+** beneficiaries

Governance

Raising Awareness on Islamic Banking

- Seminar organized by Shariah Group in partnership with the Association of Social Economics titled **Developments in the Islamic Finance Industry** inaugurated by Chairman of the Board and attended by scholars and dignitaries

Governance / Compliance Best Practices

- Obtained **Payment Card Industry Data Security Standard (PCI DSS) Version 4.0 Certification** demonstrating benchmark levels of data security
- Created greater awareness of the Bank's **Anti-Money Laundering, Counter-Terrorism Financing and Anti-Commercial Concealment Reporting Platform** among employees through links and regular communications



Financial Performance



Balance sheet | Assets expanding by 6% YTD and 3% QoQ driven by financing growth

Balance Sheet

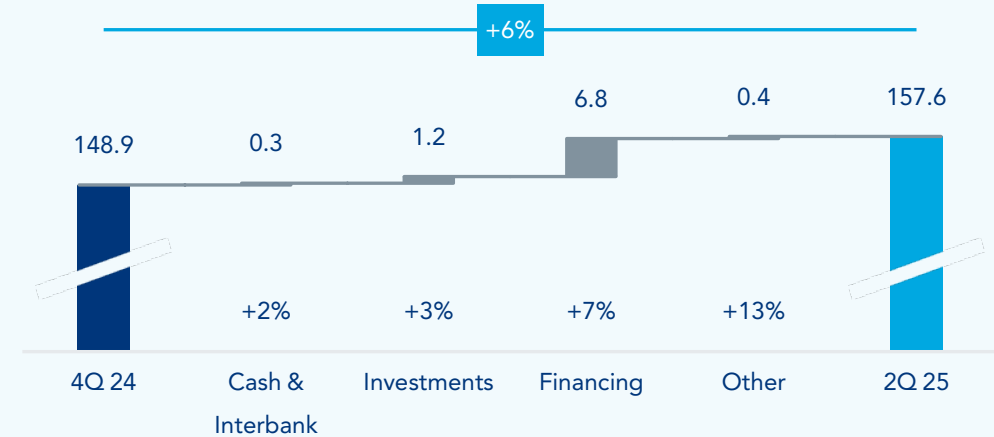
Management commentary

- The balance sheet witnessed a 6% expansion during 1H 2025 driven by a 7% increase in net financing YTD (3% QoQ) and funded by a 6% growth in customers' deposits YTD (4% QoQ).
- Total equity increased by 11% YTD, driven by the issuance of ₪1 bn in Tier 1 Sukuk in January 2025, and further supported by retained earnings and positive OCI movements

₪ Mn	2Q 2025	1Q 2025	QoQ % Change	4Q 2024	YTD % Change
Cash & Interbank	13,129	12,704	+3%	12,815	+2%
Investments	37,381	36,711	+2%	36,194	+3%
Financing	103,702	100,571	+3%	96,912	+7%
Other assets	3,361	3,170	+6%	2,984	+13%
Total assets	157,573	153,156	+3%	148,906	+6%
Due to banks & other FI	19,899	20,246	-2%	19,309	+3%
Customers' deposits	114,155	109,644	+4%	108,187	+6%
Subordinated Sukuk	2,006	2,041	-2%	2,006	+0%
Other liabilities	2,422	2,356	+3%	2,203	+10%
Total liabilities	138,482	134,288	+3%	131,704	+5%
Equity attributable to shareholders of the Bank	14,216	13,993	+2%	13,327	+7%
Tier 1 sukuk	4,875	4,875	+0%	3,875	+26%
Total equity	19,091	18,868	+1%	17,202	+11%

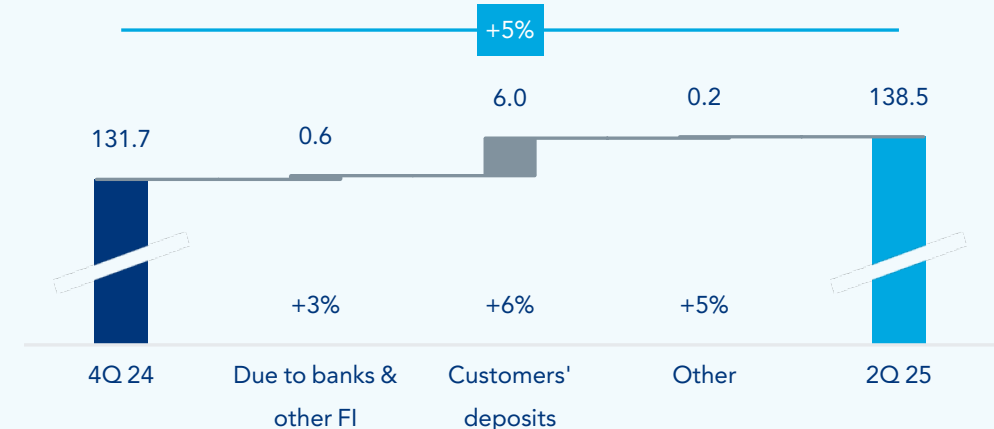
Total Assets Movement YTD (₪ Bn)

2Q 2025

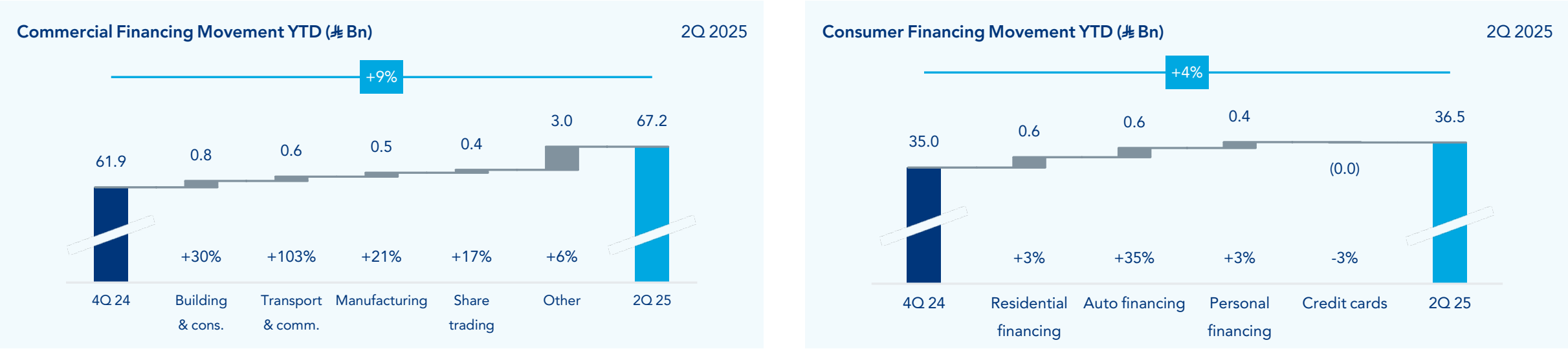
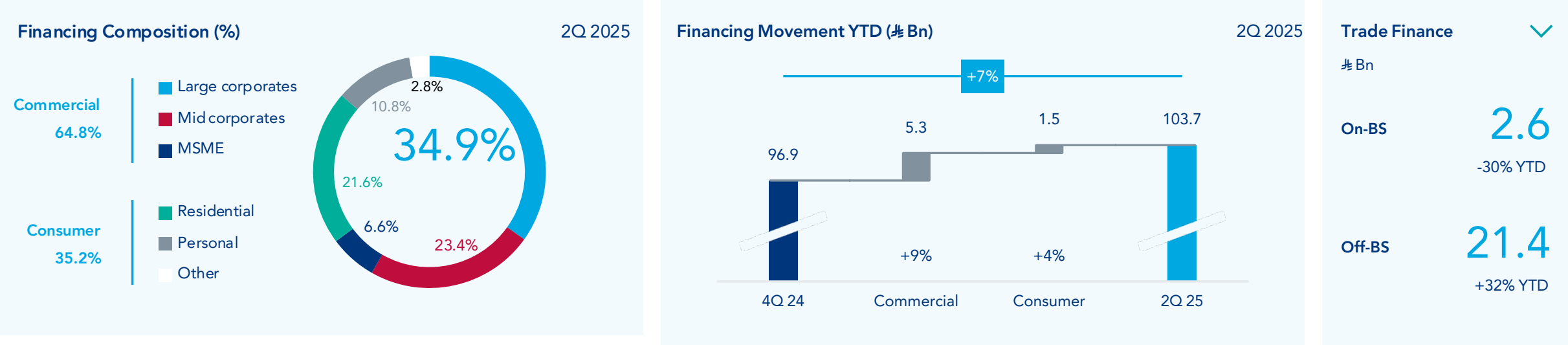


Total Liabilities Movement YTD (₪ Bn)

2Q 2025



Financing | Financing increased 7% driven by both commercial and consumer loan growth



NPL | Credit quality remains healthy

NPL Ratio (%)

2Q 2025

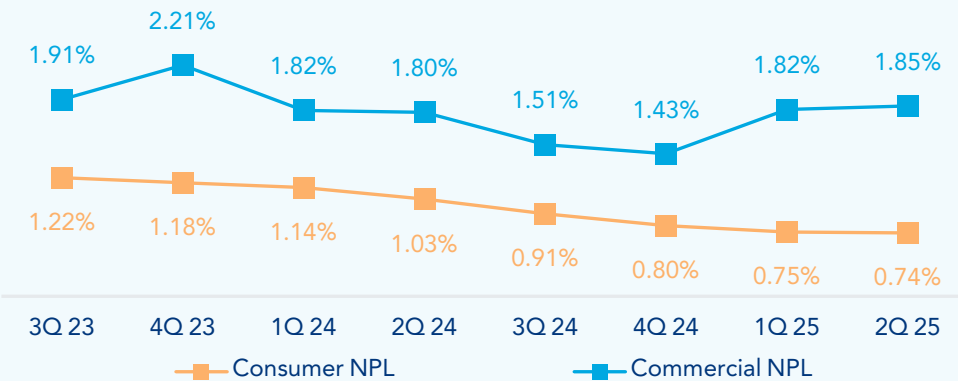
Management commentary

The NPL ratio increased by 26bps to 1.47% in 1H 2025. NPLs rose due to the migration of commercial accounts, partially offset by a decline in consumer NPLs.



NPL Ratio by type (%)

2Q 2025



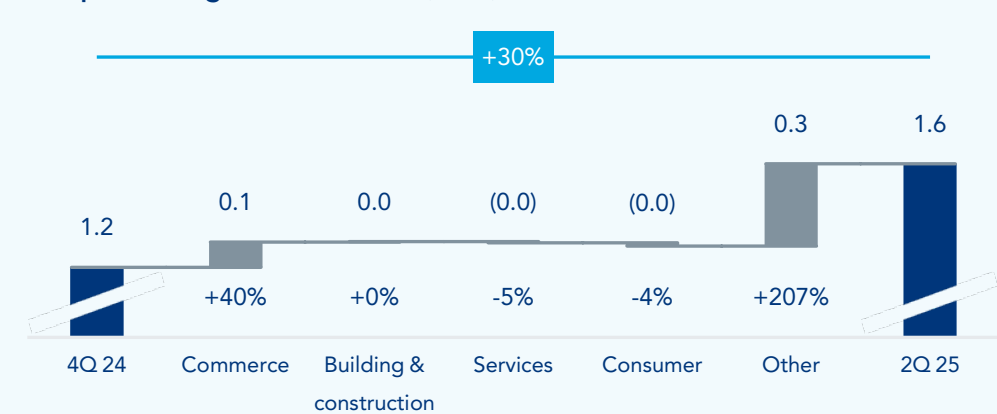
Total Non-performing Financing (Bn)

2Q 2025



Total Non-performing Movement YTD (Bn)

2Q 2025



NPL coverage | Stands at 162%, providing ample buffer against credit losses

NPL Coverage Ratio (%)

2Q 2025

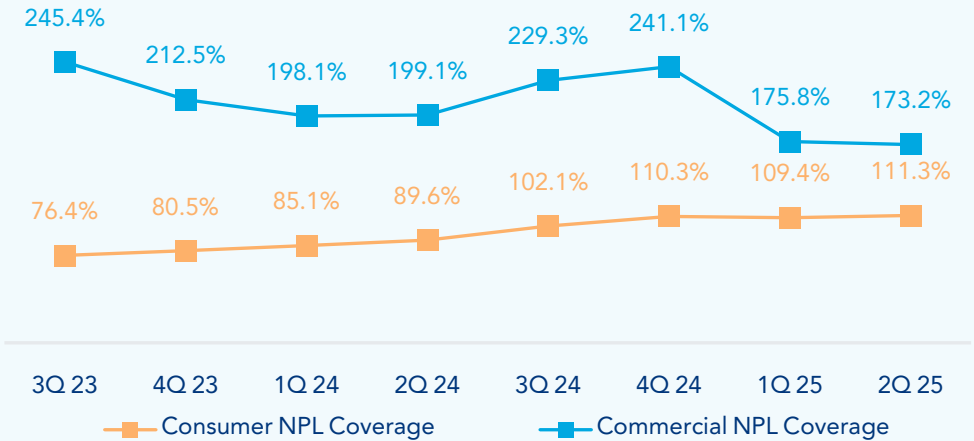
Management commentary

The NPL coverage ratio declined by 48 ppts YTD, reaching 162.4% by 1H 2025 and remained broadly stable QoQ. The decrease was driven by reclassifications within the commercial portfolio in 1Q 2025.



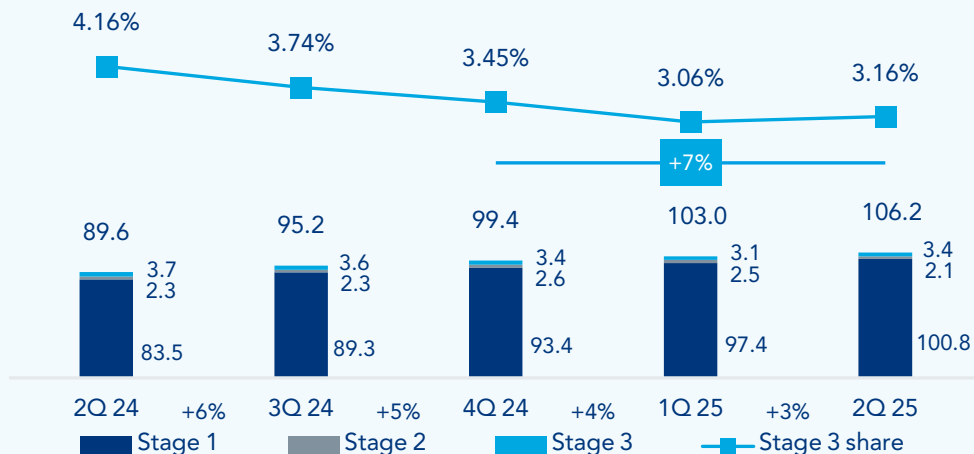
NPL Coverage Ratio by type (%)

2Q 2025



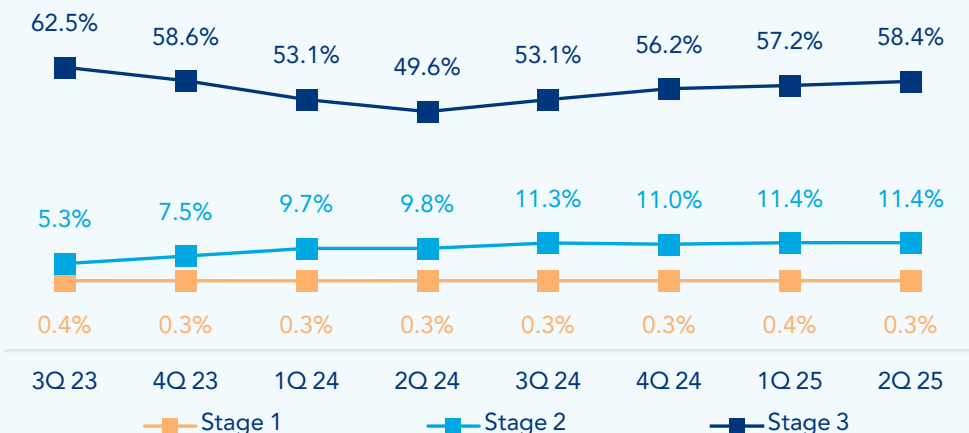
Gross Financing by Stages (Bn)

2Q 2025



Stagewise Coverage (%)

2Q 2025



Investments | Optimizing portfolio by replacing maturities with fixed-rate assets at favorable rates

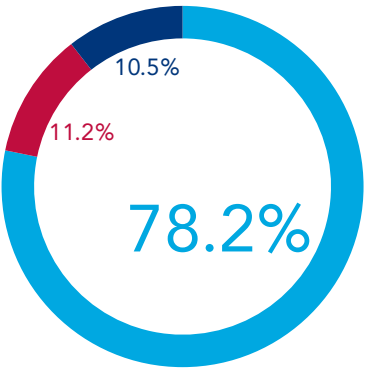
Investments Composition by Counterparty (%)

2Q 2025

Management commentary

Investments experienced a moderate increase of 8% YoY and 3% YTD, resulting in a decrease in their share of total assets to 24% as contributions from other asset lines expanded more.

Continuing the momentum from FY 2024, maturities in the floating rate portfolio were replaced by high-quality fixed-rate investments secured at favorable rates.

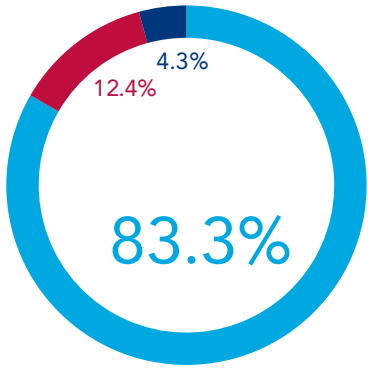


■ Government & quasi Government ■ Corporate ■ Banks & other FI

Investments Composition by Type (%)

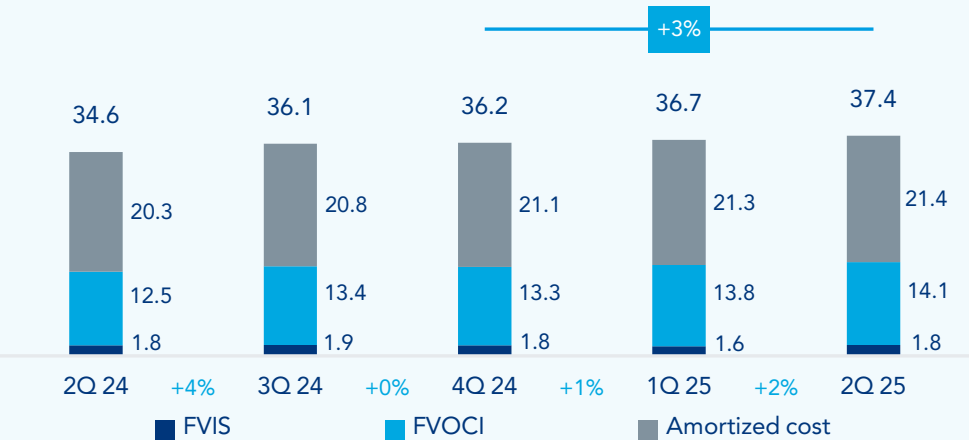
2Q 2025

- Fixed rate
- Floating rate
- Other



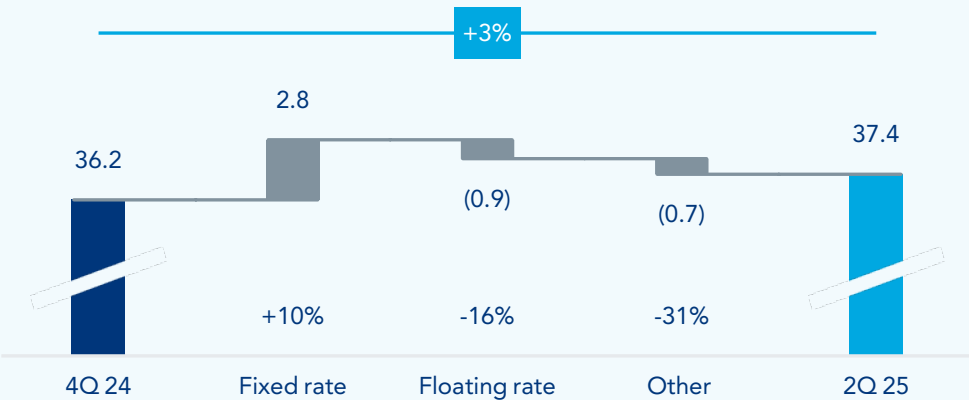
Investments (Bn)

2Q 2025



Investments Movement YTD (Bn)

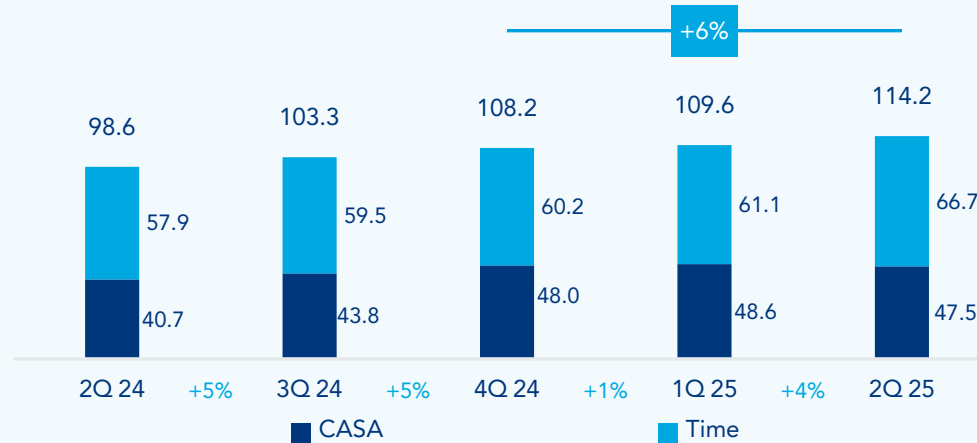
2Q 2025



Deposits | Increased by 6% YTD driven by time deposits

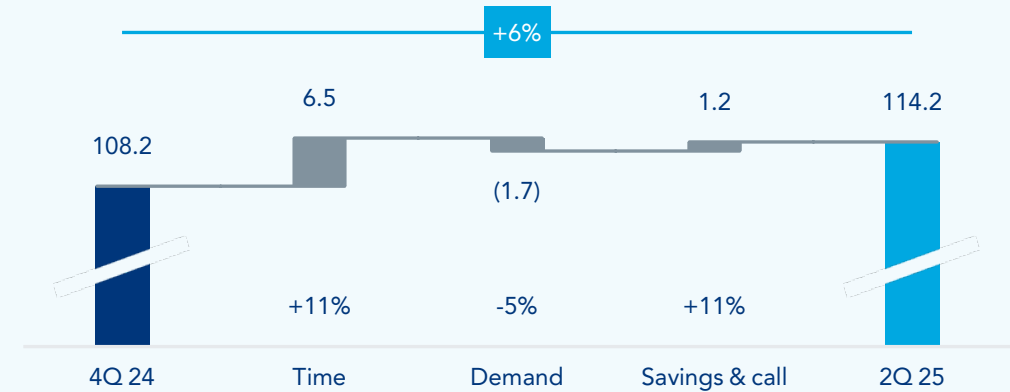
Customers' Deposits (₪ Bn)

2Q 2025



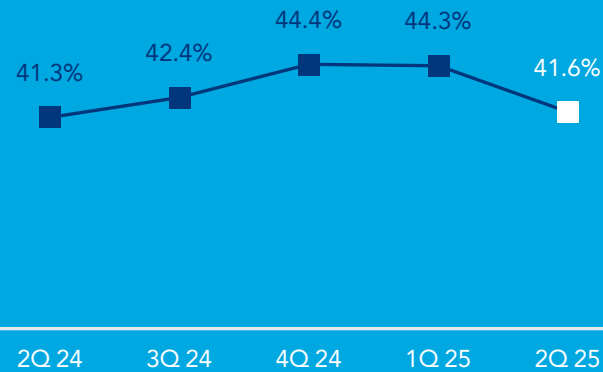
Customers' Deposits Movement YTD (₪ Bn)

2Q 2025



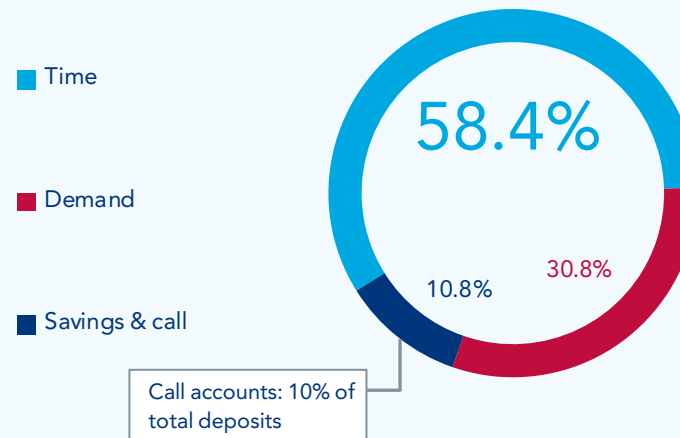
CASA % of Total (%)

2Q 2025



Customers' Deposits Composition by Type (%)

2Q 2025

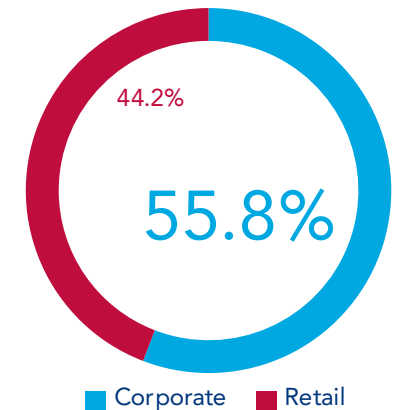


Customers' Deposits Composition by Segment

2Q 2025

Management commentary

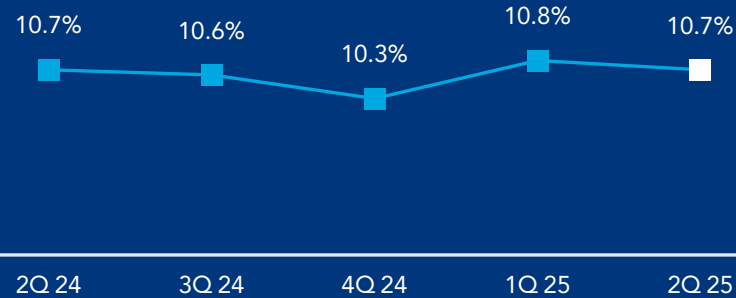
Customers' deposits saw a 16% YoY and 6% YTD rise, driven by both time and savings accounts. Deposits remain well-diversified.



Liquidity | Substantial buffers to accommodate future growth

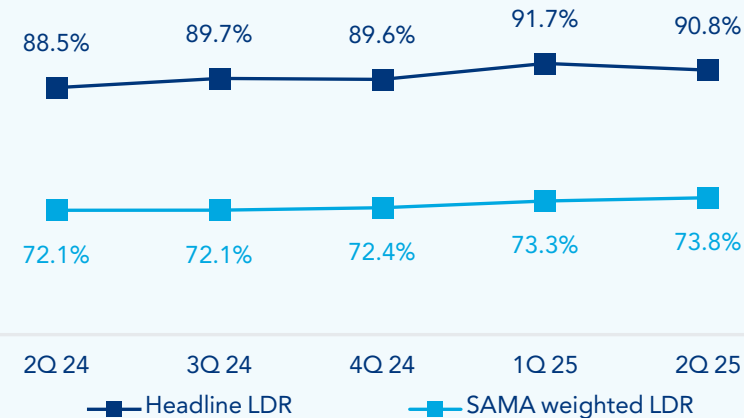
Basel III Leverage Ratio (%)

2Q 2025



Loans to Customers' Deposit Ratios (%)

2Q 2025



Management Commentary

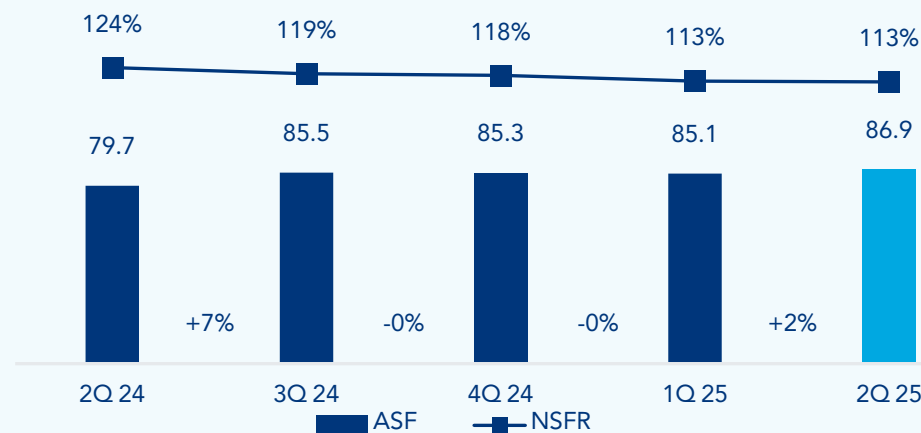
Headline LDR increased to 91% though leaving sufficient room for growth.

LCR remained stable YTD at 125%, while NSFR stood at 113%.

Liquidity indicators remain well within regulatory limits.

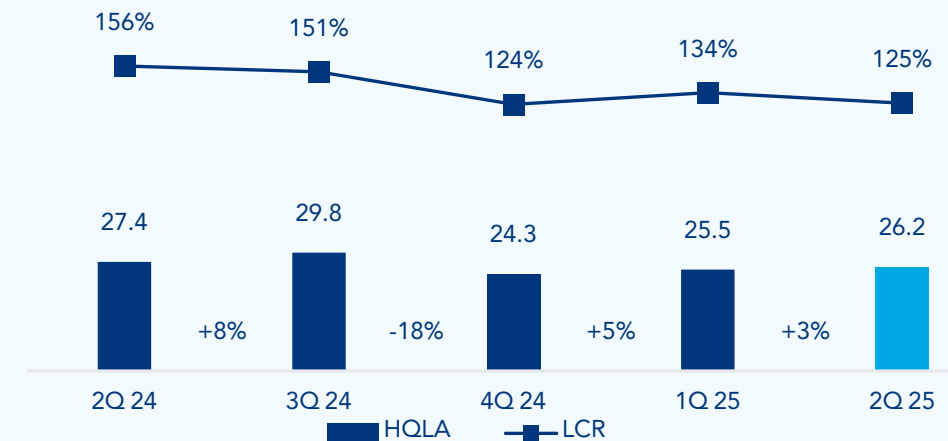
Total Available Stable Funding* (₪ Bn)

2Q 2025



HQLA (₪ Bn)

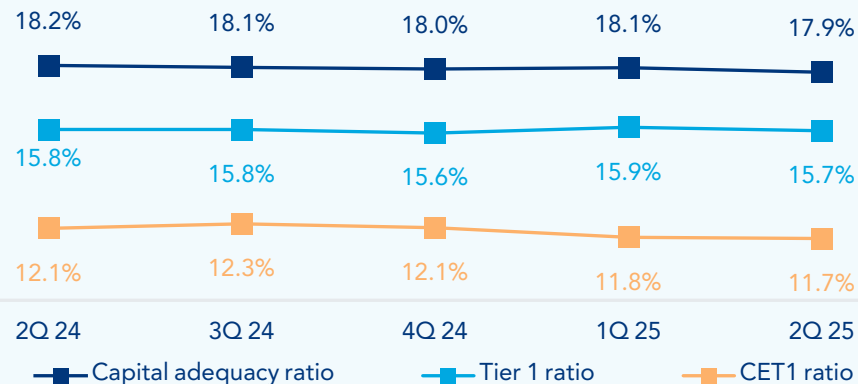
2Q 2025



Capitalization | Capital ratios remained broadly stable in 1H 2025

Capital Ratios (%)

2Q 2025



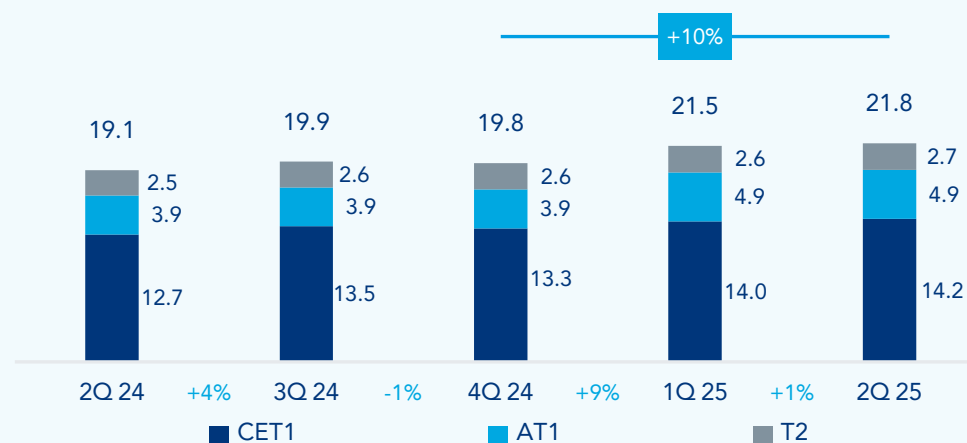
Management Commentary

The total capital adequacy decreased by 12 bps YTD to 17.9% in 1H 2025, and the Tier 1 ratio was 15.7% as of 30 June 2025.

The capital ratios remained largely stable, supported by ₪1 bn Tier 1 Sukuk issued in January 2025, and further supported by retained earnings and positive OCI movements, partially offset by RWA growth.

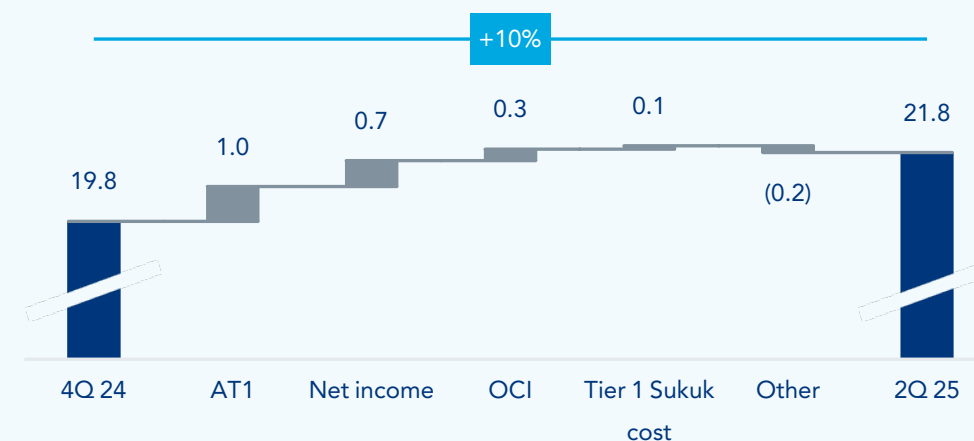
Total Capital (₪ Bn)

2Q 2025



Total Capital Movement YTD (₪ Bn)

2Q 2025



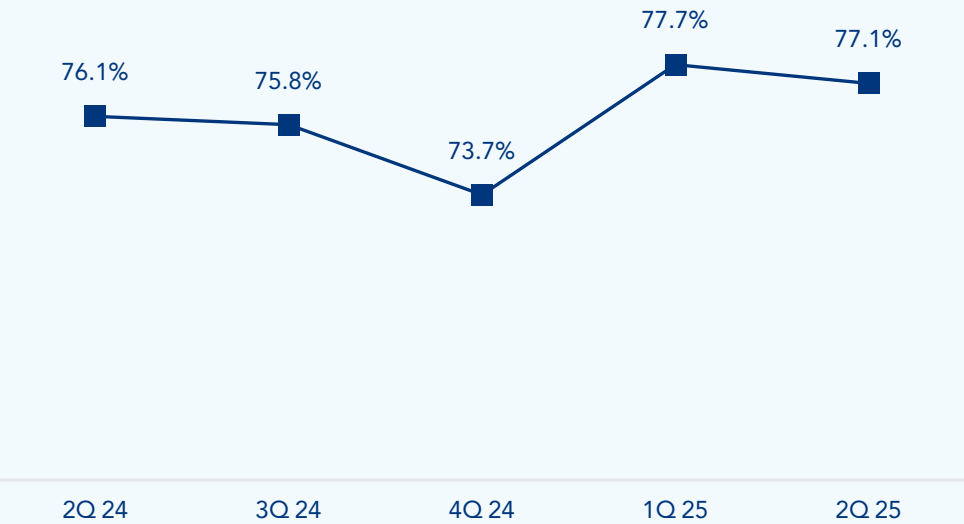
RWA | Rapid RWA growth in 1Q 2024 was offset by the issuance of Tier 1 Sukuk and stabilized thereafter

RWA Density (%)

2Q 2025

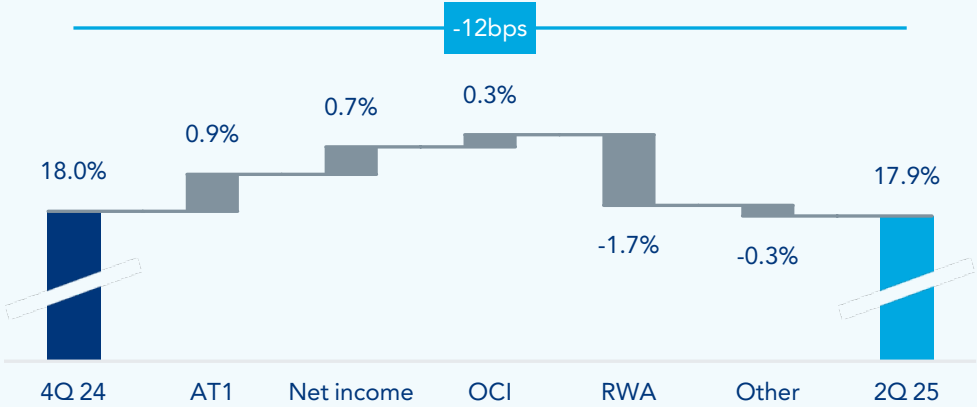
Management commentary

Risk-weighted assets (RWA) increased by 11% YTD to ₪ 121.5 bn in 1H 2025, while RWA density rose 3.4 pts YTD to 77.1% as of 30 June 2025. The increase in RWAs was driven by credit growth and higher off-balance sheet exposures. RWA growth moderated in 2Q 2025.



Capital Adequacy Ratio Movement YTD (%)

2Q 2025



Risk Weighted Assets (₪ Bn)

2Q 2025



Income statement | 20% net income growth from top-line expansion

Income Statement

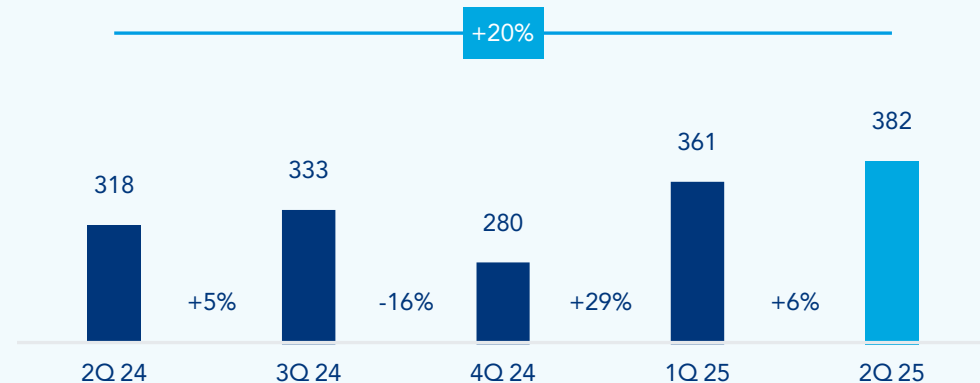
Management commentary

- Net income for 1H 2025 rose 20% YoY, from higher operating income, partly offset by increase in expenses and impairments.
- Net financing and investment income increased 21% YoY, driven by both asset growth and margin improvement.
- Fee & other income up 23% YoY, mainly from fees from banking services, exchange income.
- Operating expenses rose 14% YoY, due to higher G&A costs and employee expenses.

₹ Mn	1H 2025	1H 2024	YoY % Change	2Q 2025	2Q 2024	YoY % Change
Net financing & investment income	1,516	1,249	+21%	762	629	+21%
Fee & other income	665	542	+23%	340	274	+24%
Total operating income	2,181	1,791	+22%	1,102	903	+22%
Operating expenses	(1,140)	(1,000)	+14%	(574)	(508)	+13%
Impairment charge	(200)	(96)	+109%	(97)	(40)	+141%
Net operating income	841	696	+21%	431	355	+21%
Share in net income of an associate	7	10	-32%	5	4	+49%
Net income for the period before zakat & income tax	848	706	+20%	436	358	+22%
Zakat & income tax	(105)	(88)	+20%	(54)	(41)	+33%
Net income for the period	743	618	+20%	382	318	+20%

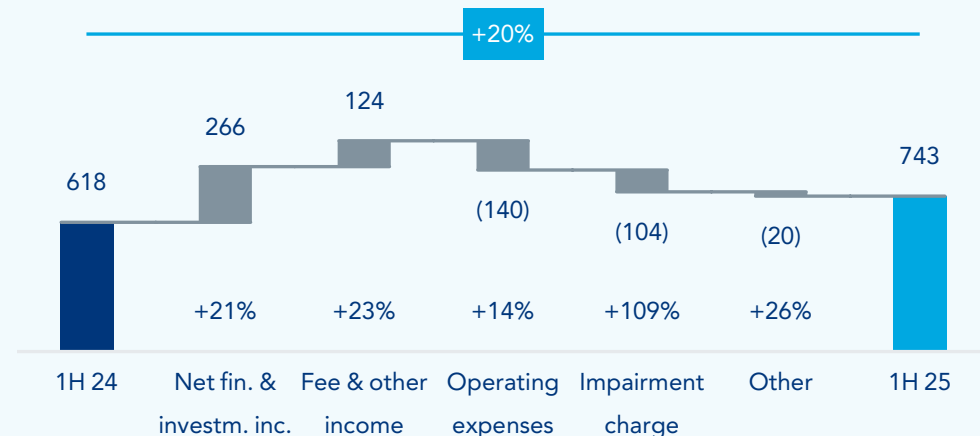
Quarterly Net Income (₹ Mn)

2Q 2025



Net Income for the Period Movement YoY (₹ Mn)

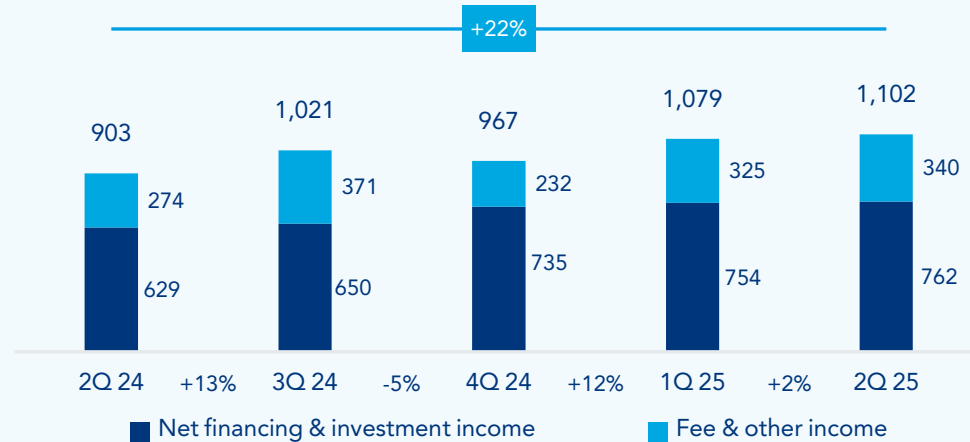
1H 2025



Operating income | 22% YoY growth with positive jaws from strong revenue momentum

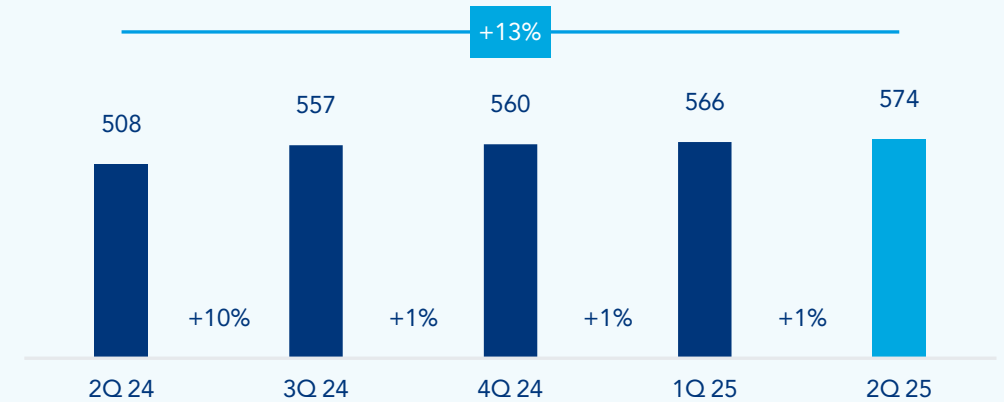
Total Operating Income (ﷲ Mn)

2Q 2025



Operating Expenses (ﷲ Mn)

2Q 2025

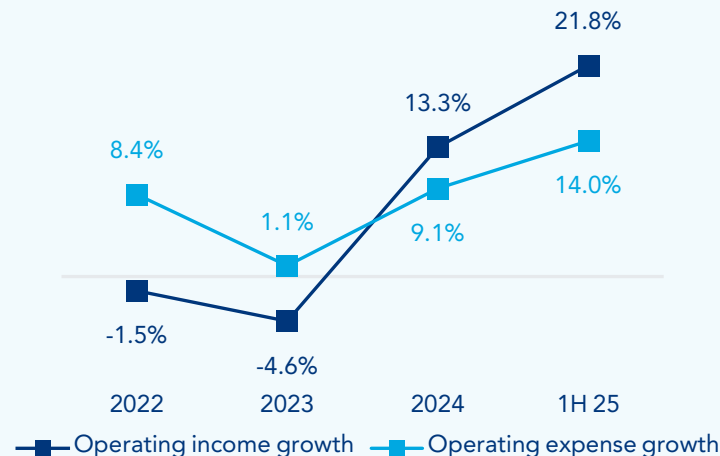


Management Commentary

Total operating income for 1H 2025 reached ﷲ 2,181 mn, demonstrating a 22% YoY increase. Expenses increased at a slower pace of 14% YoY, resulting in positive jaws. Operating income growth was driven by a 21% increase in net financing and investment income and a 23% expansion in fee and other income.

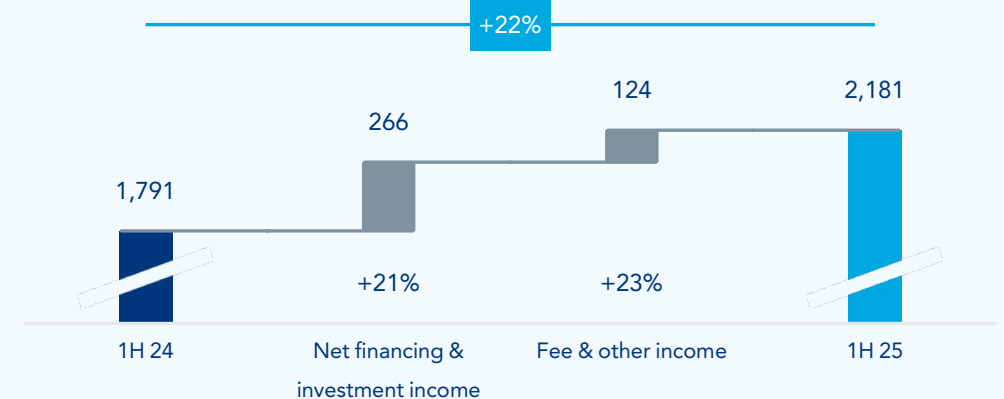
Operating Jaws

1H 2025



Total Operating Income Movement YoY (ﷲ Mn)

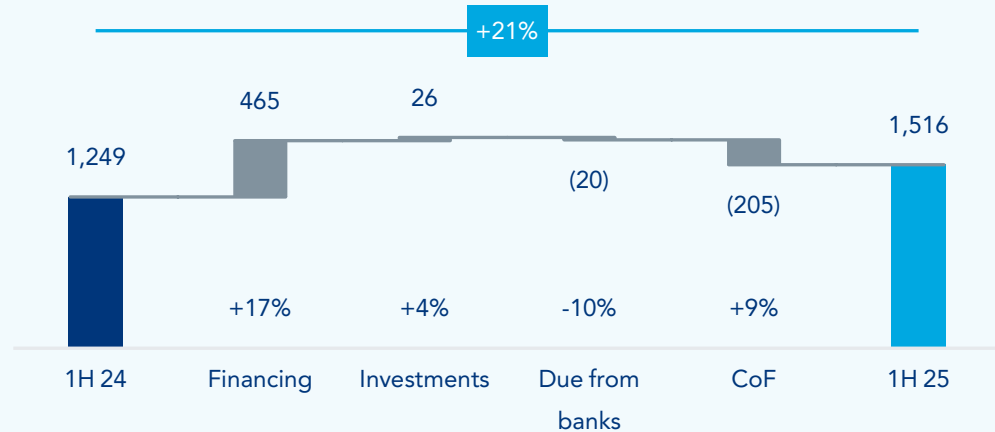
1H 2025



Net financing & investment income | Up 21% from asset growth and margin improvement

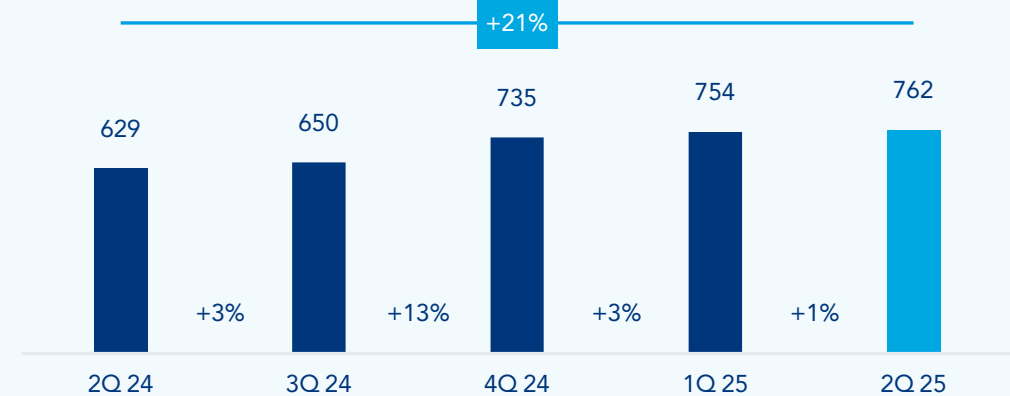
Net Financing & Investment Income Movement YoY (ﷲ Mn)

1H 2025



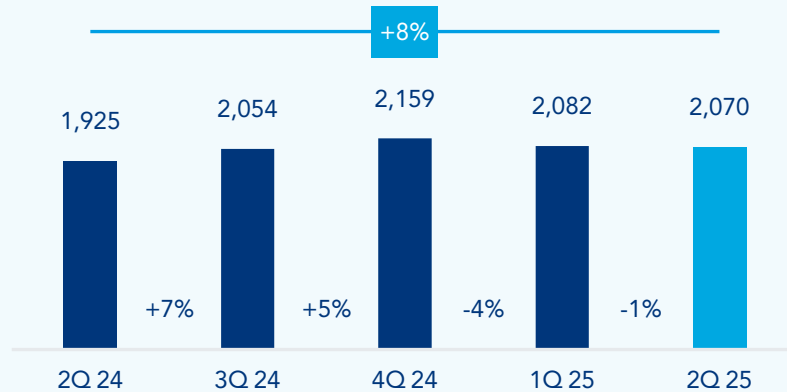
Net Financing & Investment Income (ﷲ Mn)

2Q 2025



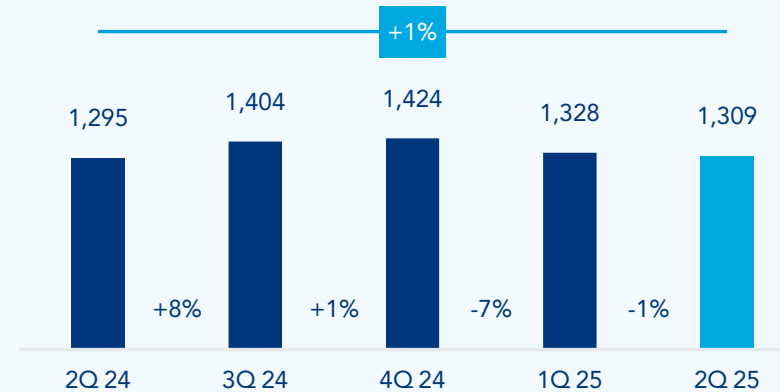
Income From Investments & Financing (ﷲ Mn)

2Q 2025



Return on Deposits & Financial Liabilities (ﷲ Mn)

2Q 2025



Management Commentary

Financing income in 1H 2025 grew by 17% YoY, while income from investments rose by 4%, partially offset by a 9% increase in the cost of funds, resulting in a 21% increase in net financing and investment income.

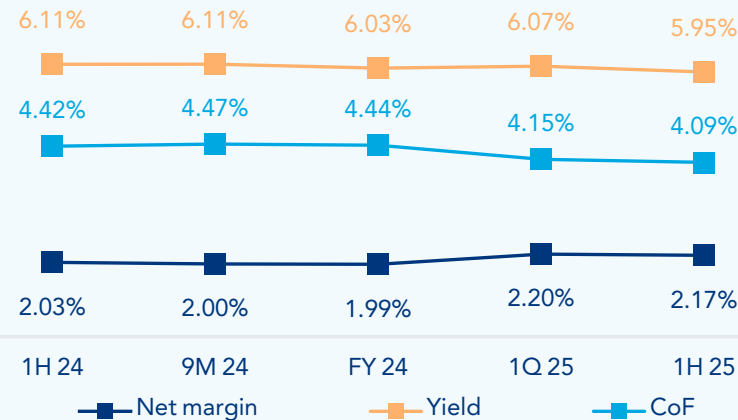
Net margin | Improvement in 1H 2025 due to lower funding costs following the rate cuts

Management Commentary

Net margin for 1H 2025 increased by 14bps YoY, improving from 2.03% to 2.17%, benefiting from a one-off recognition of profit in suspense from a cured stage 3 exposure. Normalized net margin for 1H 2025 is 2.14%. 2Q 2025 net margin improved by 2bps (2.13%) in comparison to the normalized margin of 1Q 2025 (2.11%).

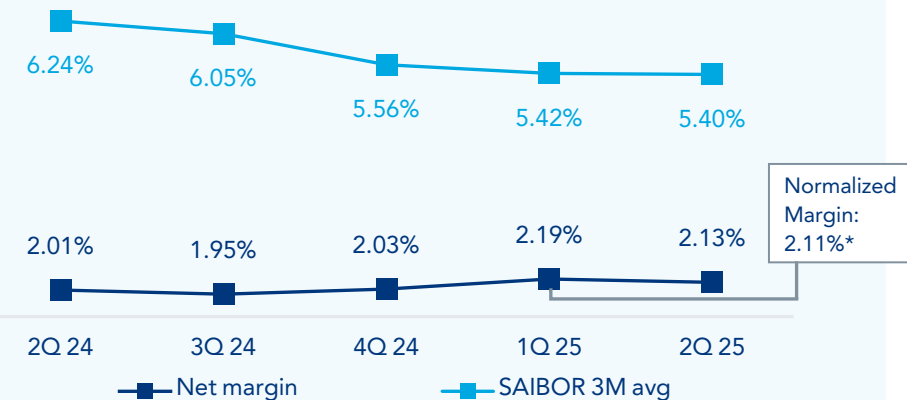
Net Margin (%)

1H 2025



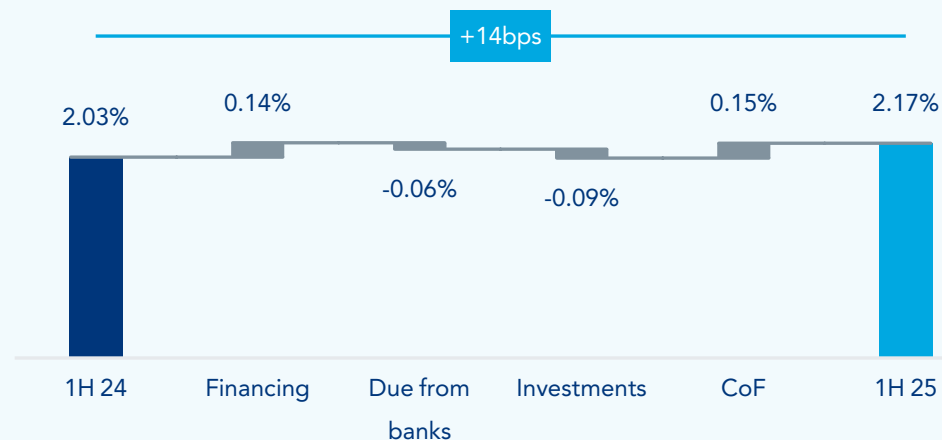
Quarterly Net Margin (%)

2Q 2025

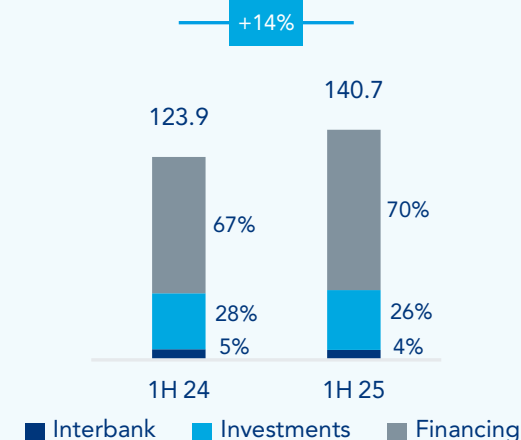


Net Margin Movement YoY (%)

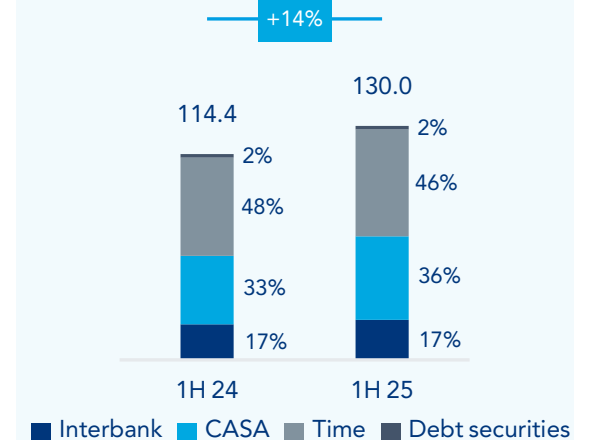
1H 2025



Total Average Earning Assets (₪ Bn)



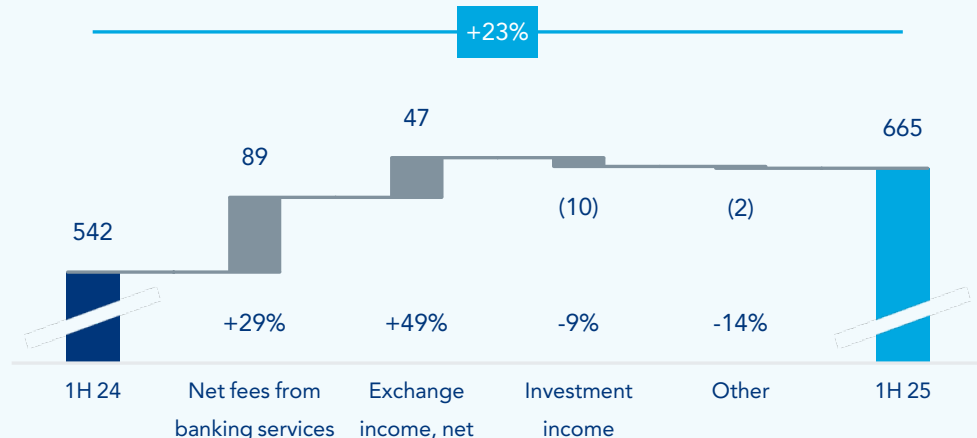
Total Average Bearing Liabilities (₪ Bn)



Fee & other income | Boosted by fees from banking services and exchange income

Fee & Other Income Movement YoY (₪ Mn)

1H 2025



Share of Fee & Other Income in Operating Income* (%)

30.9%



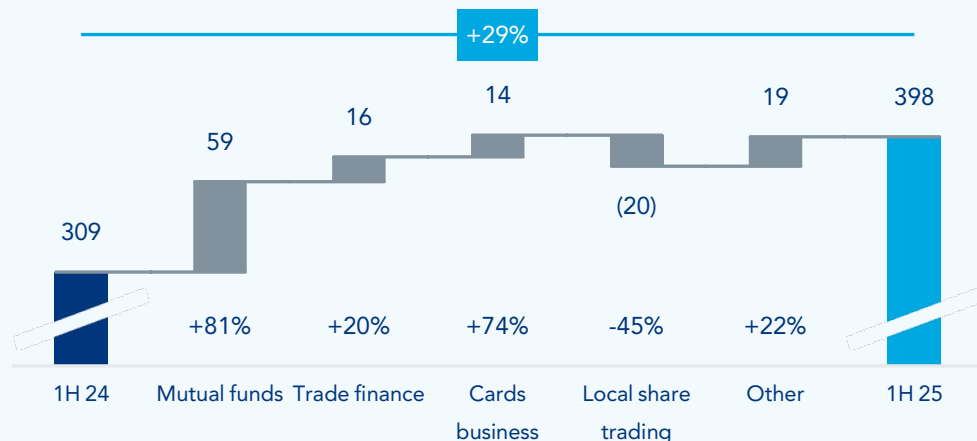
Management Commentary

More than thirty percent of 1H 2025 total operating income is represented by fee and other income, primarily driven by fees from banking services and exchange income.

Fee income from banking services remains well-diversified, with strong growth from mutual funds, trade finance, cards business, partially offset by a 45% decline in local share trading fees due to market factors.

Net Fee Income From Banking Services Movement YoY (₪ Mn)

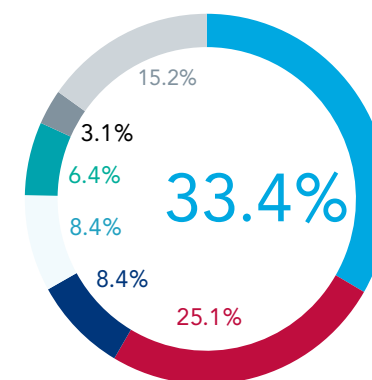
1H 2025



Net Fee Income From Banking Services Composition (%)

1H 2025

- Mutual funds
- Trade finance
- Remittance business
- Cards business
- Local share trading
- Investment banking & advisory fee
- Other



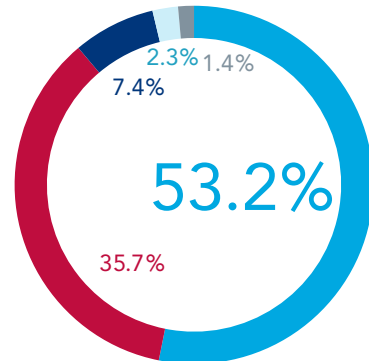
Operating expenses | Cost-to-income ratio improving YoY on positive jaws

Operating Expenses Composition (%)

1H 2025

Management commentary

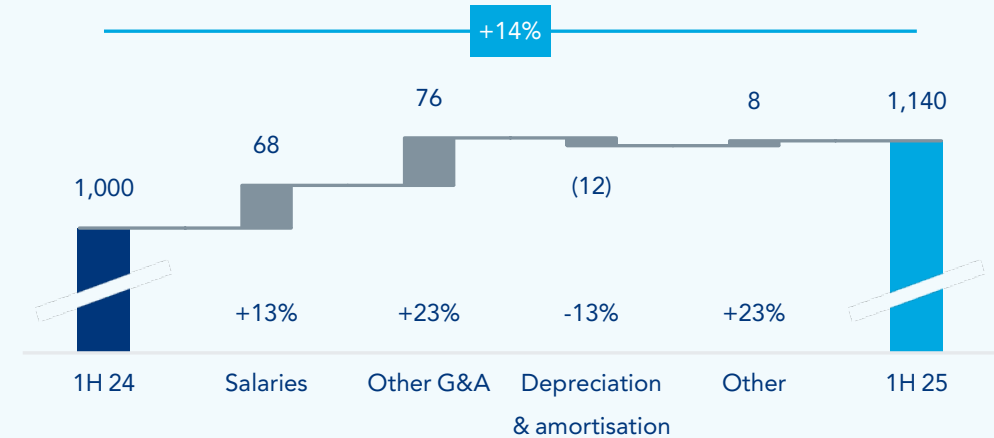
Operating expenses increased by 14% YoY compared to 1H 2024. Nevertheless, the cost-to-income ratio improved from positive operating leverage, showing a year-on-year improvement of 3.6 ppts to reach 52.3%.



■ Salaries ■ Other G&A ■ Depreciation & amortisation ■ Rent & premises-related ■ Other

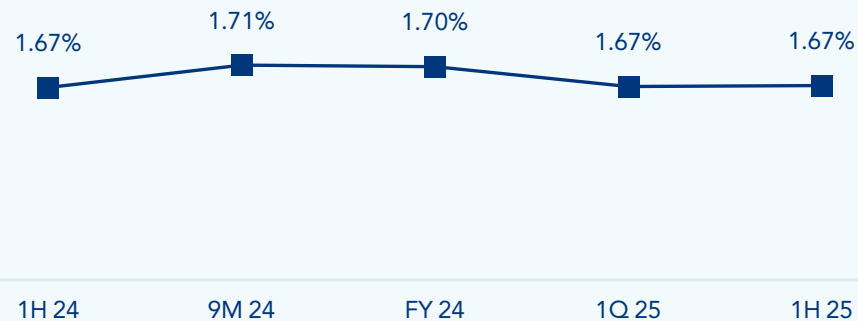
Operating Expenses Movement YoY (Mn)

1H 2025



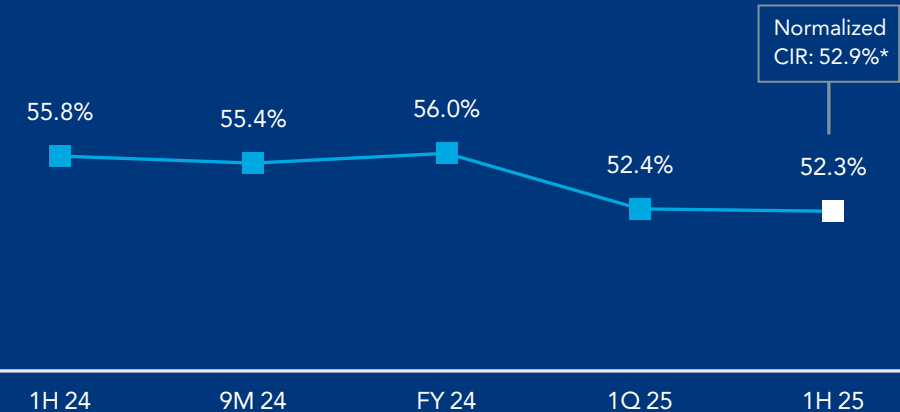
Cost to Average Earning Assets (%)

1H 2025



Cost to Income (%)

1H 2025



Cost of risk | Increased by 10bps YoY to 0.38%, impacted by higher commercial impairments

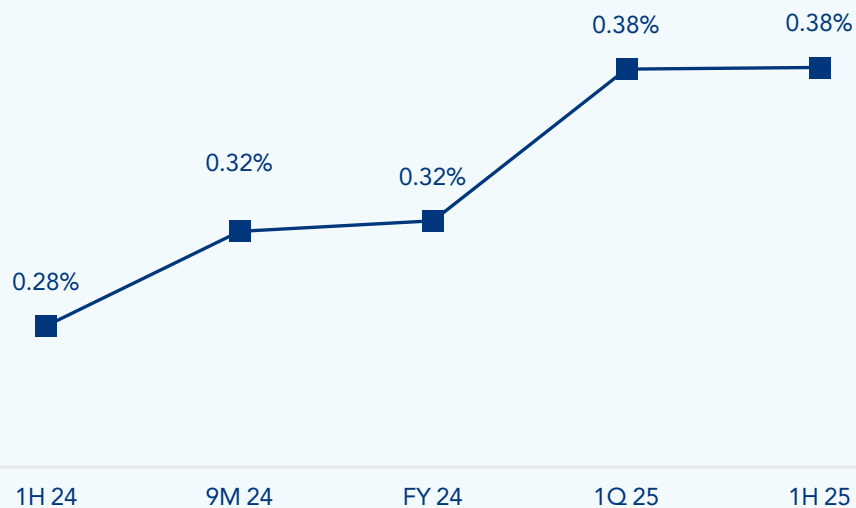
Cost of Risk (%)

1H 2025

Management commentary

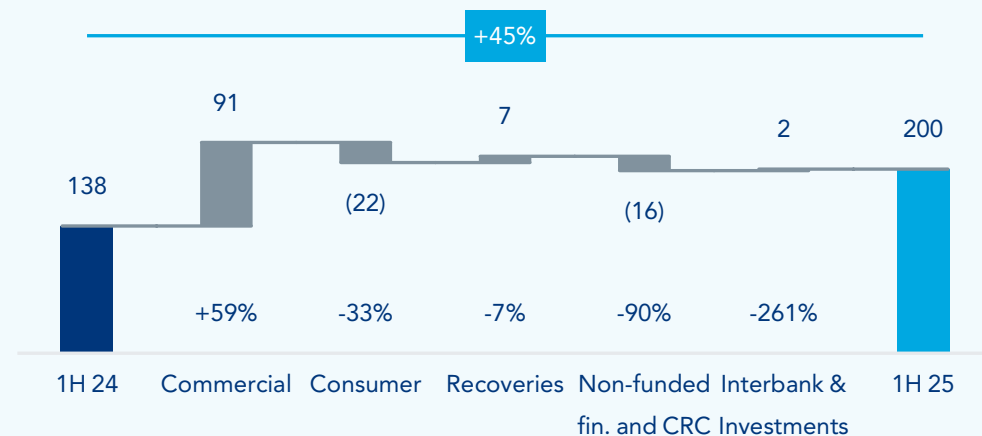
The net impairment charge for 1H 2025 totaled ₪ 200 mn, reflecting a 45% YoY increase. The rise in impairment charges was mainly due to commercial exposures, reflecting growth in that portfolio.

The bank's cost of risk stood at 0.38% for 1H 2025, up 10bps from the previous year, and remained stable QoQ.



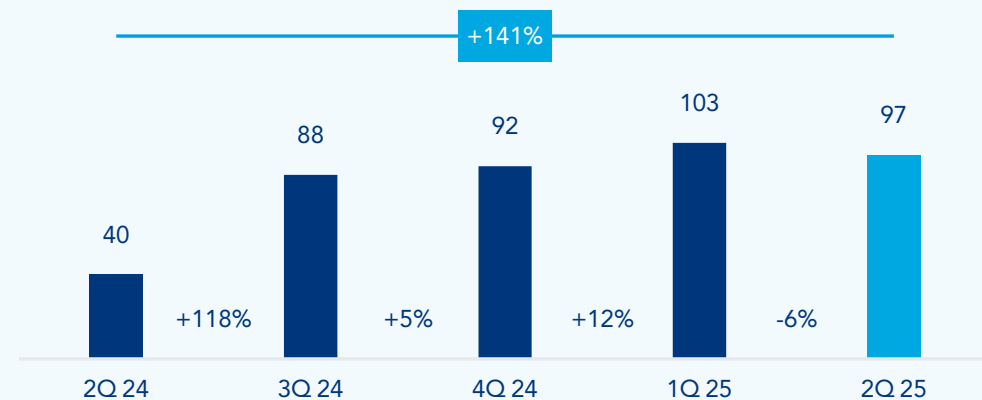
Impairment Charge Movement YoY (₪ Mn)

1H 2025

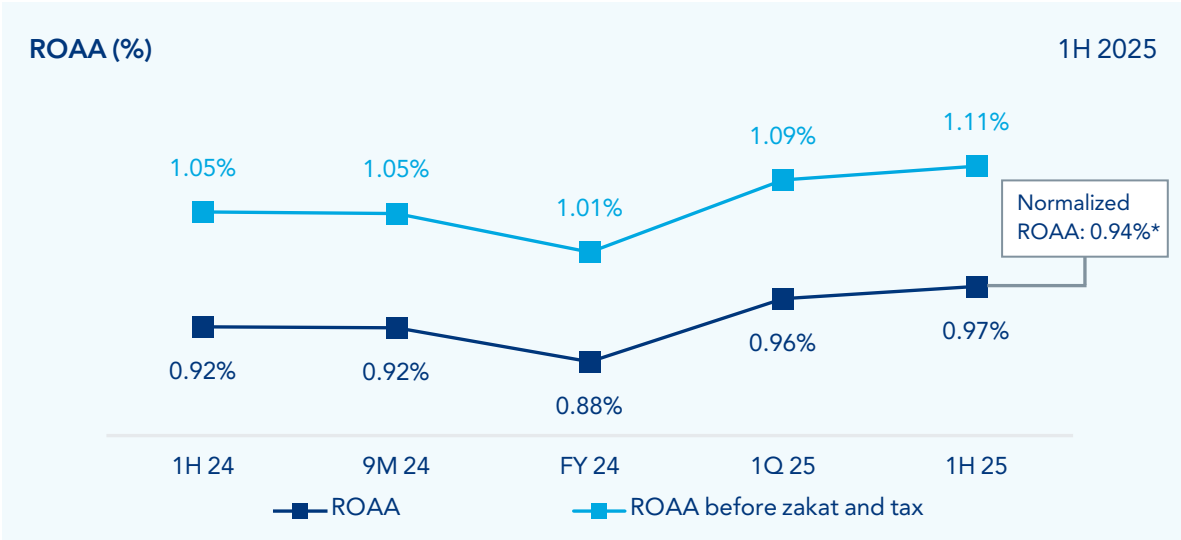
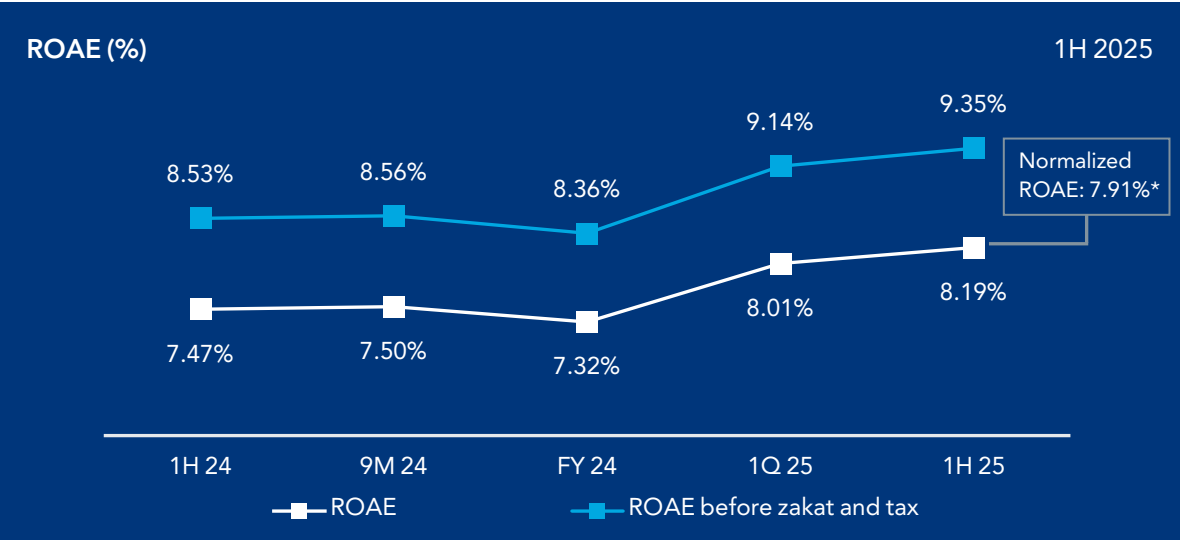


Impairment Charge (₪ Mn)

2Q 2025



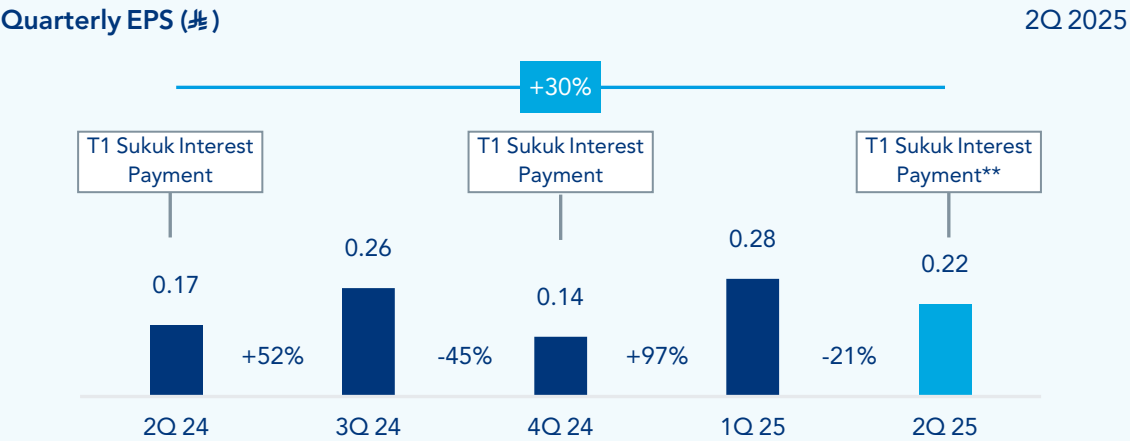
Profitability | Returns are improving YoY



Management Commentary

For 1H 2025, earnings per share increased to ₪ 0.5, up 25% YoY, driven by strong net income growth.

ROAE before zakat and tax rose to 9.35%, ROAE after zakat and tax reached 8.19%, and ROAA stood at 0.97%, reflecting a focus on profitability improvement under the refreshed strategy.





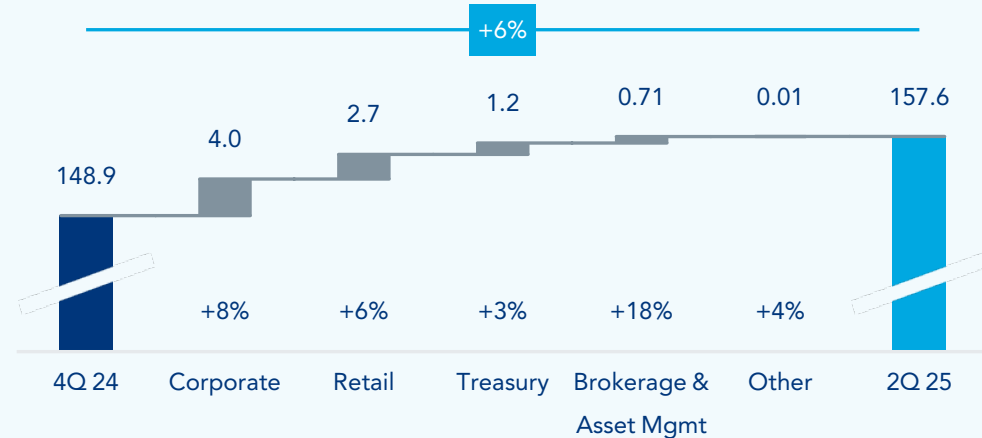
Segmental Performance



Segments | Diverse mix with well-balanced growth across segments

Total Assets Movement YTD (₪ Bn)

2Q 2025



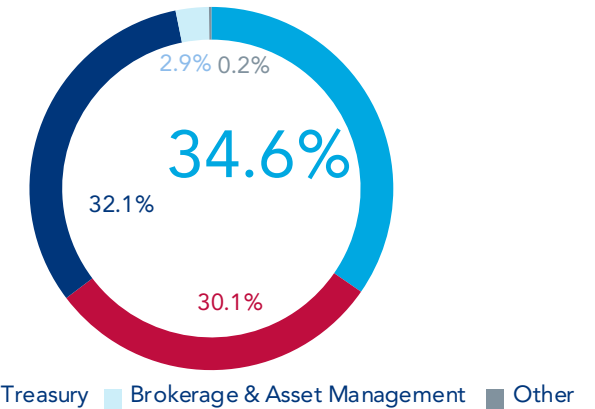
Total Assets Composition (%)

2Q 2025

Management commentary

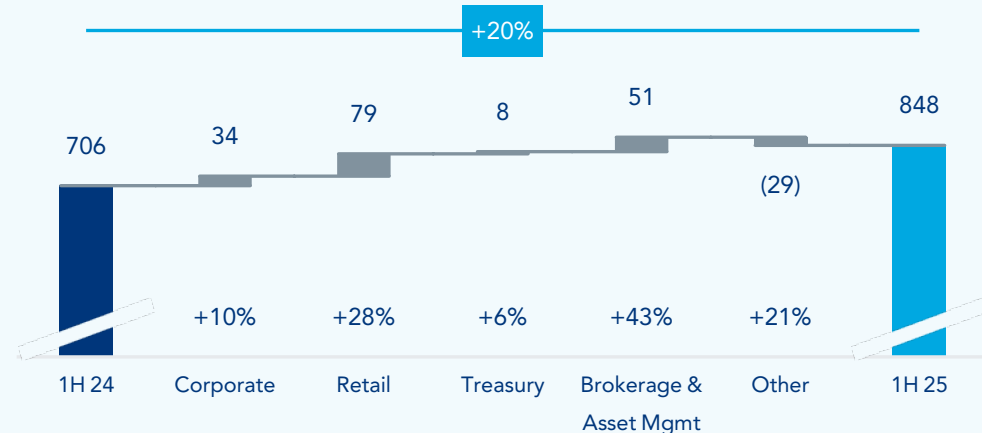
The asset mix is almost equally split between main segments, with a growing contribution from the corporate segment.

The corporate segment now accounts for 34.6% of assets and contributes 42.6% to the net income of the group.



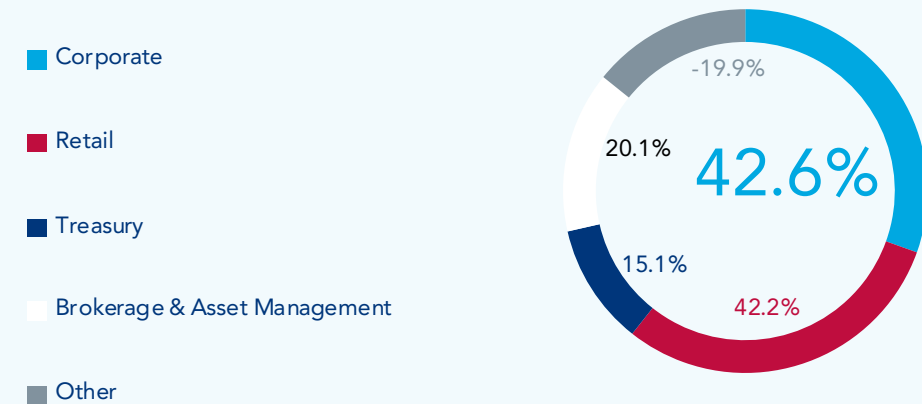
Net Income Before Zakat & Income Tax Movement YoY (₪ Mn)

1H 2025



Net Income Before Zakat & Income Tax Composition (%)

1H 2025



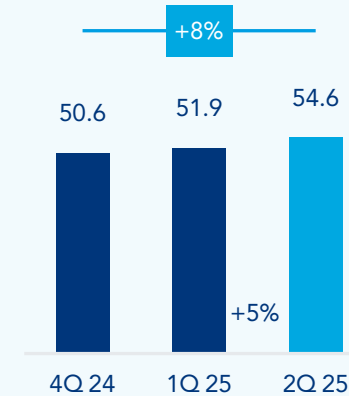
Corporate segment | The corporate segment reports 10% growth in net income and 8% growth in assets

Management Commentary

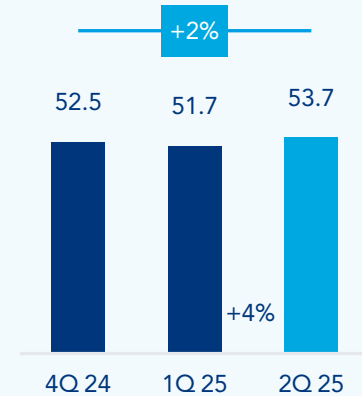
The corporate segment reported a 10% increase in net income before zakat, driven by 36% growth in operating income, partially offset by an 18% rise in operating expenses and a 249% increase in impairment charges. Total corporate banking assets grew by 8% YTD in 1H 2025.

₹ Mn	1H 2025	1H 2024	YoY % Change	2Q 2025	2Q 2024	YoY % Change
Net financing & investment income	529	386	+37%	272	198	+37%
Fee & other income	161	121	+34%	85	59	+42%
Total operating income	690	506	+36%	357	258	+38%
Operating expenses	(151)	(128)	+18%	(76)	(65)	+17%
Impairment charges, net	(177)	(51)	+249%	(90)	(17)	+425%
Net income before zakat & income tax	361	327	+10%	191	176	+8%

Total Assets (₹ Bn)

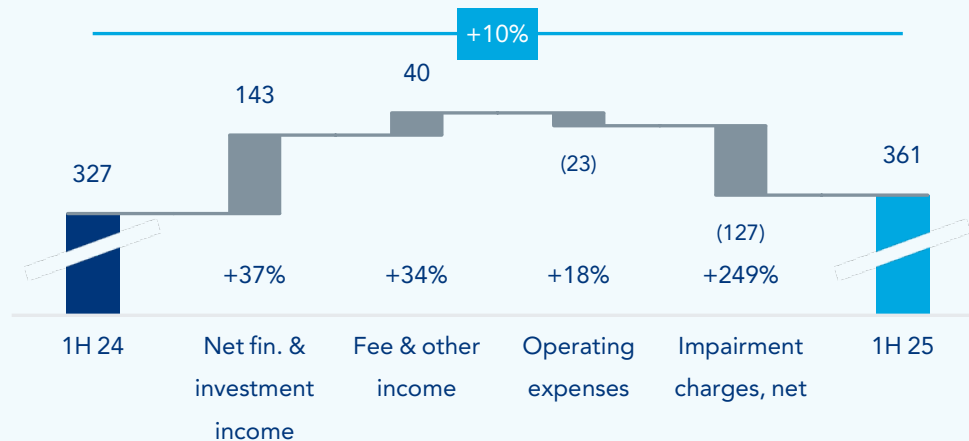


Total Liabilities (₹ Bn)

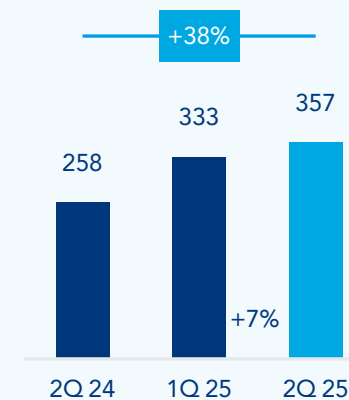


Net Income before zakat and tax Movement YoY (₹ Mn)

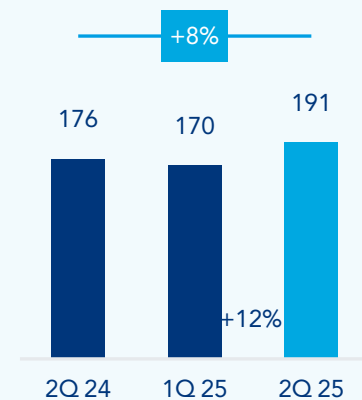
1H 2025



Total Operating Income (₹ Mn)



Net Income before zakat and tax (₹ Mn)



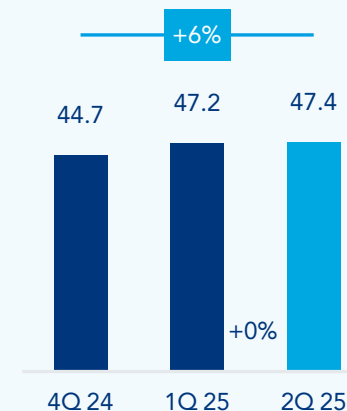
Retail segment | 28% rise in net income driven by higher NFI and fee income

Management Commentary

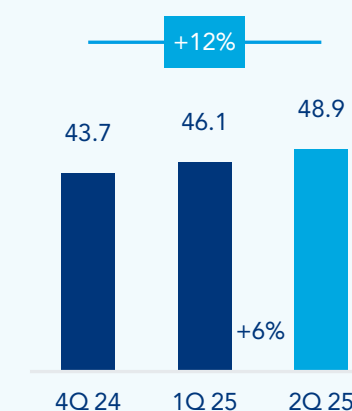
The retail segment experienced a 28% increase in net income before zakat YoY due to the growth in net financing and investment income, partially offset by higher expenses. Total retail banking assets rose by 6% YTD in 1H 2025.

₹ Mn	1H 2025	1H 2024	YoY % Change	2Q 2025	2Q 2024	YoY % Change
Net financing & investment income	912	817	+12%	456	414	+10%
Fee & other income	240	194	+23%	122	101	+21%
Total operating income	1,152	1,012	+14%	579	514	+12%
Operating expenses	(772)	(688)	+12%	(389)	(351)	+11%
Impairment charges, net	(22)	(45)	-51%	(6)	(25)	-75%
Net income before zakat & income tax	357	279	+28%	184	139	+32%

Total Assets (₹ Bn)

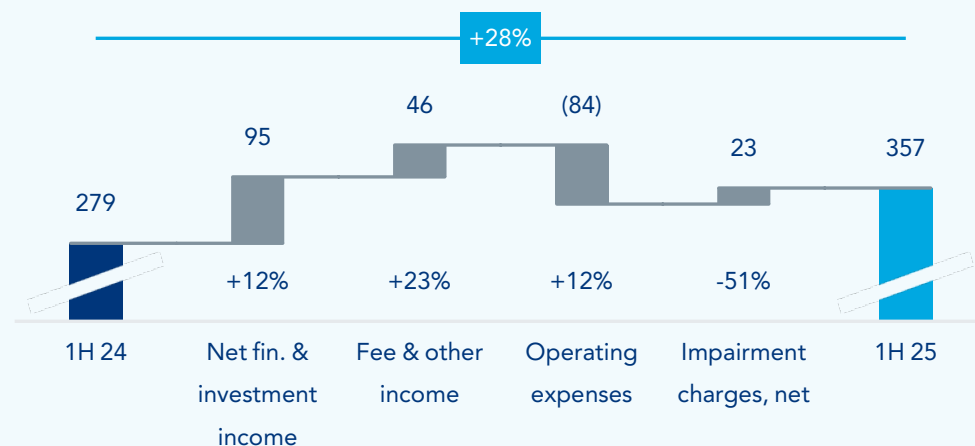


Total Liabilities (₹ Bn)

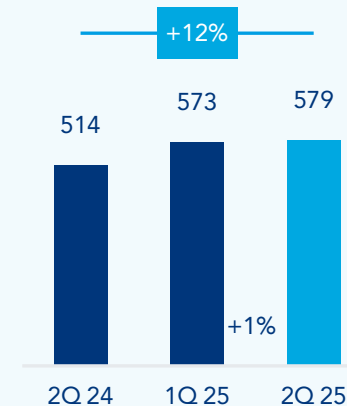


Net Income before zakat and tax Movement YoY (₹ Mn)

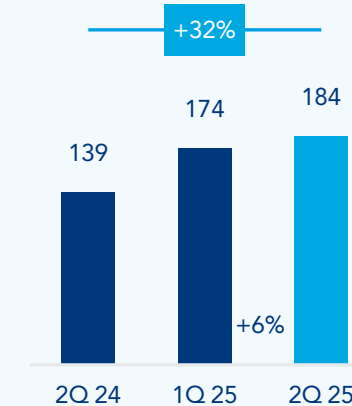
1H 2025



Total Operating Income (₹ Mn)



Net Income before zakat and tax (₹ Mn)



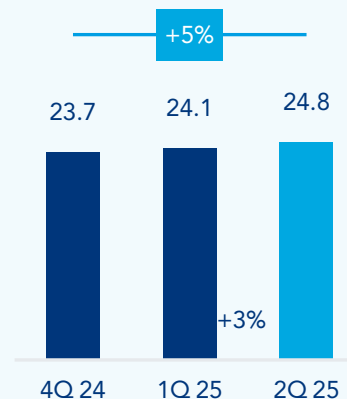
Brokerage and asset management segment | Robust 43% YoY income growth

Management Commentary

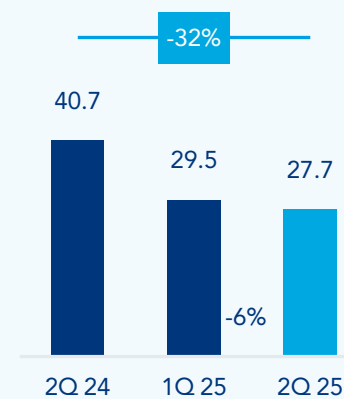
Brokerage and Asset management reported a 43% YoY increase in net income before zakat in 1H 2025, driven by both increase in fee & other income and NFI income. The contribution to the bank's net income before zakat is steadily growing, reaching 20% in 1H 2025.

₹ Mn	1H 2025	1H 2024	YoY % Change	2Q 2025	2Q 2024	YoY % Change
Net financing & investment income	69	34	+106%	36	16	+126%
Fee & other income	232	197	+18%	120	97	+23%
Total operating income	301	230	+31%	156	113	+38%
Operating expenses	(132)	(112)	+17%	(67)	(57)	+19%
Share in net income of an associate	1	1	-32%	1	1	+49%
Net income before zakat & income tax	170	119	+43%	89	57	+56%

Assets Under Management (₹ Bn)

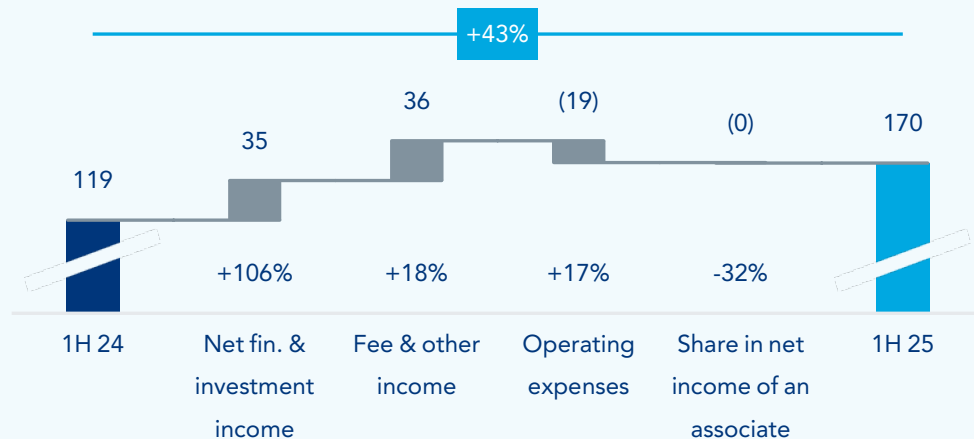


Traded Value (₹ Bn)

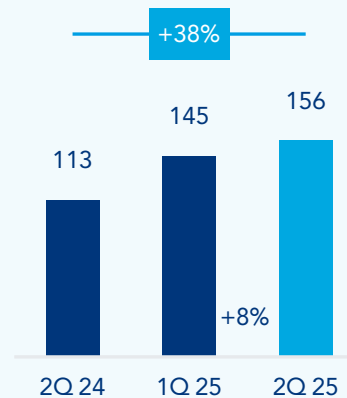


Net Income before zakat and tax Movement YoY (₹ Mn)

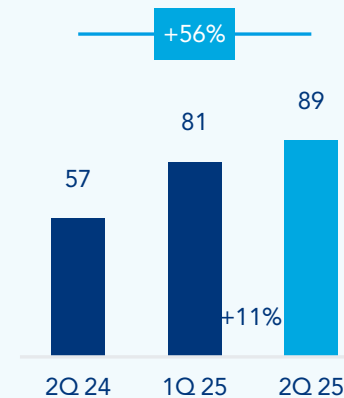
1H 2025



Total Operating Income (₹ Mn)



Net Income before zakat and tax (₹ Mn)



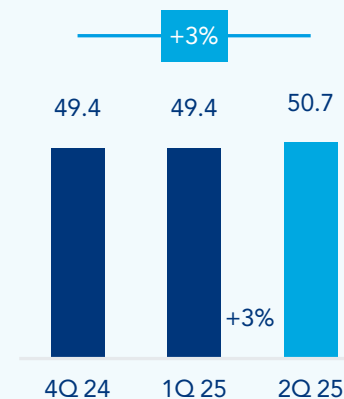
Treasury segment | Higher fee and other income offset by decrease in net financing and investment income

Management Commentary

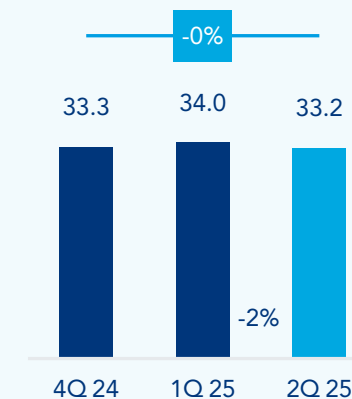
Treasury and investments net income before zakat increased by a modest 6% YoY for 1H 2025, resulting from a 26% increase in fee and other income, partially offset by a 79% drop in net financing and investment income, due to higher funding costs and a 17% increase in expenses.

₹ Mn	1H 2025	1H 2024	YoY % Change	2Q 2025	2Q 2024	YoY % Change
Net financing & investment income	6	27	-79%	(2)	8	-131%
Fee & other income	207	165	+26%	96	76	+27%
Total operating income	213	192	+11%	94	83	+13%
Operating expenses	(85)	(72)	+17%	(43)	(35)	+22%
Impairment charges, net	(0)	1	-114%	0	1	-52%
Net income before zakat & income tax	128	120	+6%	51	48	+5%

Total Assets (₹ Bn)

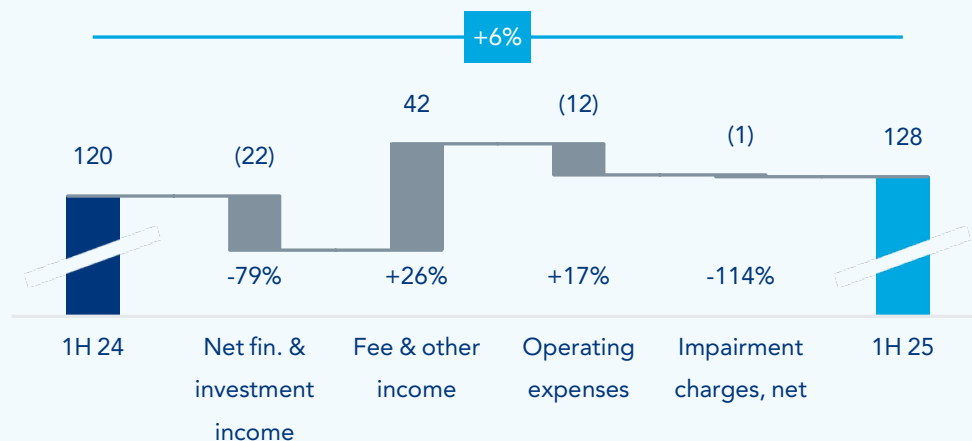


Total Liabilities (₹ Bn)

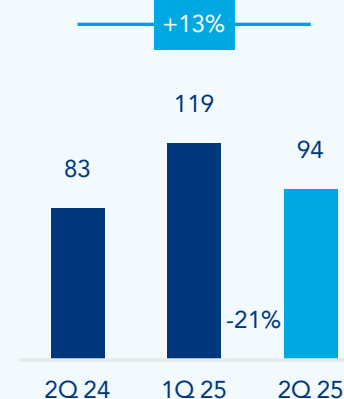


Net Income before zakat and tax Movement YoY (₹ Mn)

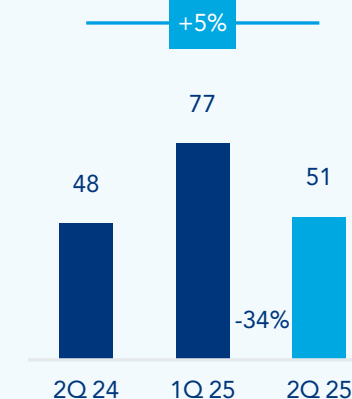
1H 2025



Total Operating Income (₹ Mn)



Net Income before zakat and tax (₹ Mn)



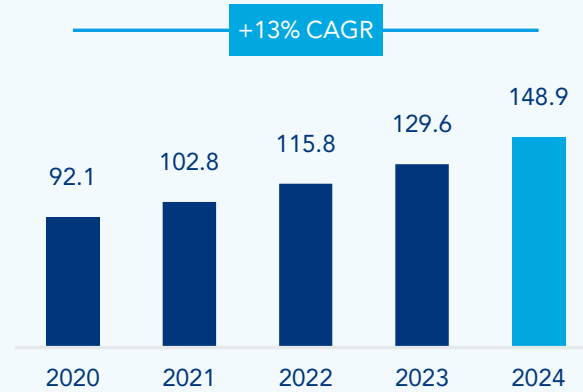


Historical trends

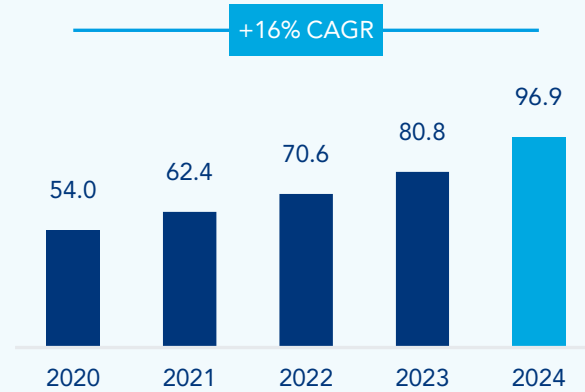


Historical Trends

Total Assets (ﷲ Bn)



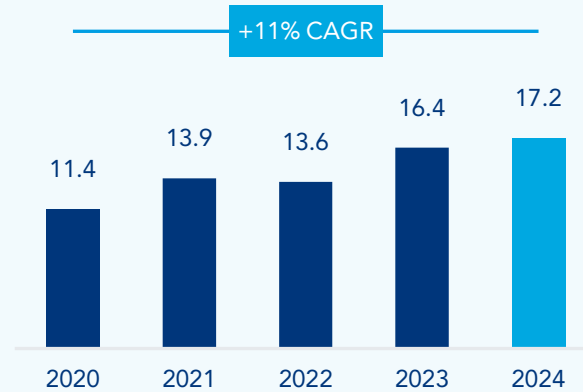
Financing (ﷲ Bn)



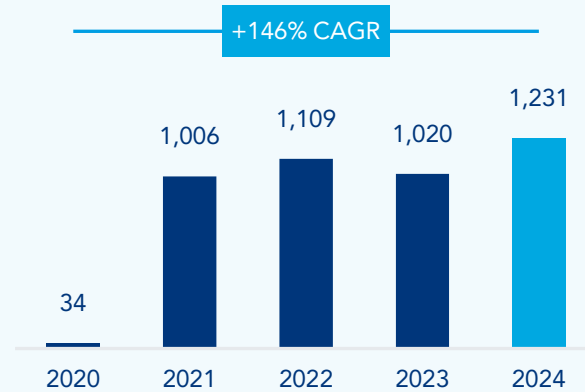
Customers' Deposits (ﷲ Bn)



Total Equity (ﷲ Bn)



Net Income for the Period (ﷲ Mn)

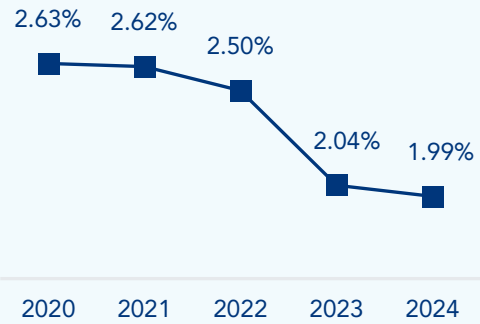


Total Operating Income (ﷲ Mn)

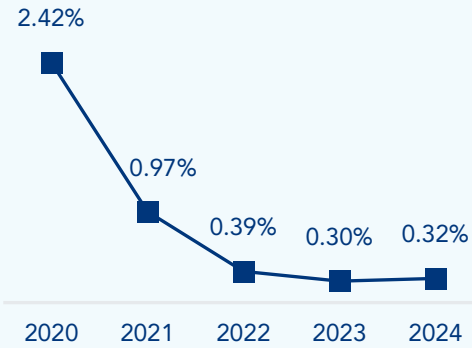


Key Ratios

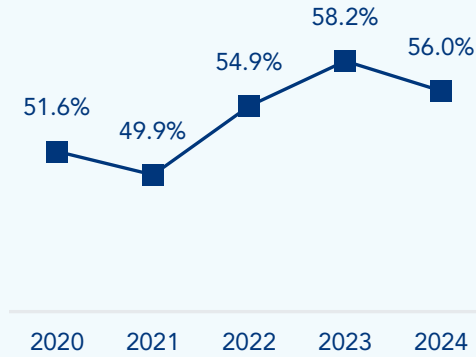
Net Margin (%)



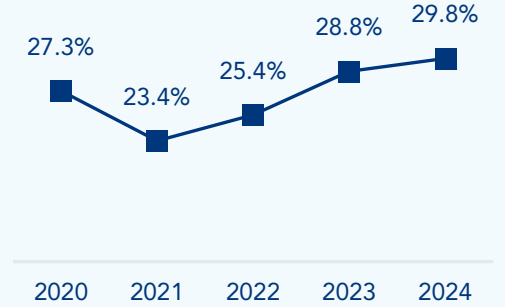
Cost of Risk (%)



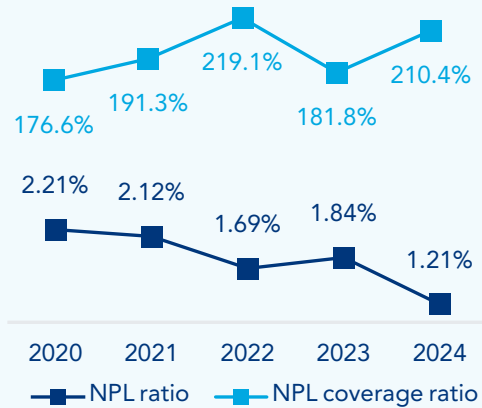
Cost to Income (%)



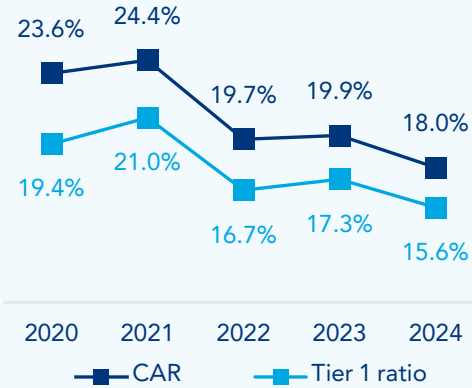
Share of Fee & Other Income in Operating Income (%)



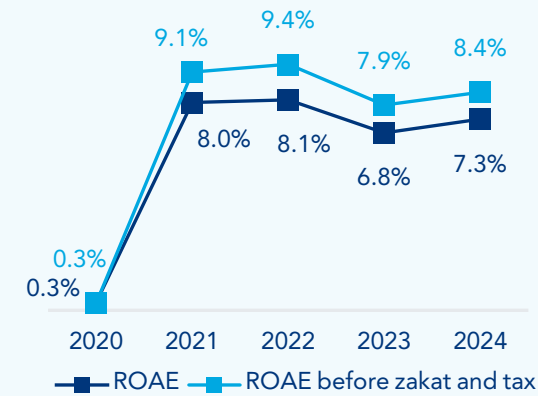
NPL Ratios (%)



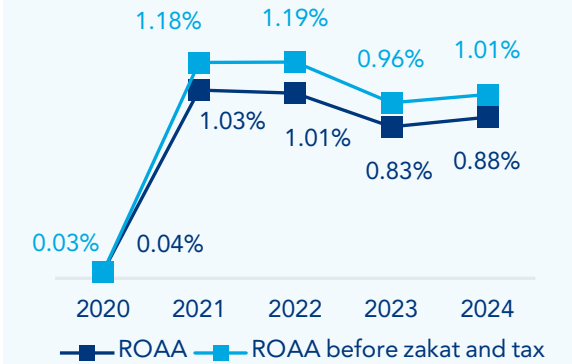
Capital Adequacy Ratios (%)



ROAE (%)



ROAA (%)





Guidance



Guidance | 1H 2025 results aligned with expectations, FY25 guidance unchanged

Guidance Metric	FY 2024 Actual	1H 2025 Actual	FY 2025 Guidance	Drivers
Financing growth	+20%	+7% YTD	Lower teens	Anticipate the continuation of double-digit financing growth in 2025
Net Margin	1.99%	2.17%	+5-10bps	NIM is expanding, benefiting from rate cuts. Normalized 1H 2025 margin, adjusted for non-recurring income, is 2.14%.
Cost of Risk	0.32%	0.38%	0.35-0.40%	Continued favorable economic conditions and disciplined risk management underpinning a controlled cost of risk
Cost to Income	56.0%	52.3%	below 55%	Keeping the ratio to below 55% through revenue growth and diligent cost optimization, balanced against investments in strategic initiatives
Tier 1	15.6%	15.7%	16.0%+	Expecting the Tier 1 ratio to benefit from solid retained earnings generation, moderated RWA growth
ROAE after zakat and tax	7.32%	8.19%	>8%	Targeting a gradual improvement aligned with the refreshed strategy



Appendix



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