



بنك الجزيرة
BANK ALJAZIRA

Bank AlJazira

Investor Presentation FY 2024



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Bank AlJazira – At a glance



Bank AlJazira is a leading Shariah compliant financial group in KSA



Channels	11 38	Regions in KSA Fawri Centers	73 587	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	SAR Mn 1,231 FY 24 Net Income	FY 2024 Net income increased by +21% YoY	0.32% FY 24 CoR	Broadly stable CoR YoY with improving NPL to 1.21%
Balance Sheet	SAR Bn 148.9 Total Assets	15% growth YoY	SAR Bn 96.9 Financing, net	20% YoY growth in financing, reflecting growth momentum in corporate & retail lending
Awards and Recognitions	Excellence Award in the Corporate Governance Index by Alfaisal University CSR Award in the Arab Countries by Regional Network for SR and UNDP		Best Customer Experience Award in Digital Banking Channels by MEA Finance Outstanding Online Security Measures Award by Saudi Banking Conference 2024	
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 Shari'ah-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" Shari'ah-compliant bank; AlJazira Capital established

2017-18

Capital doubled to SAR 8.2bn through bonus and rights issues

2021

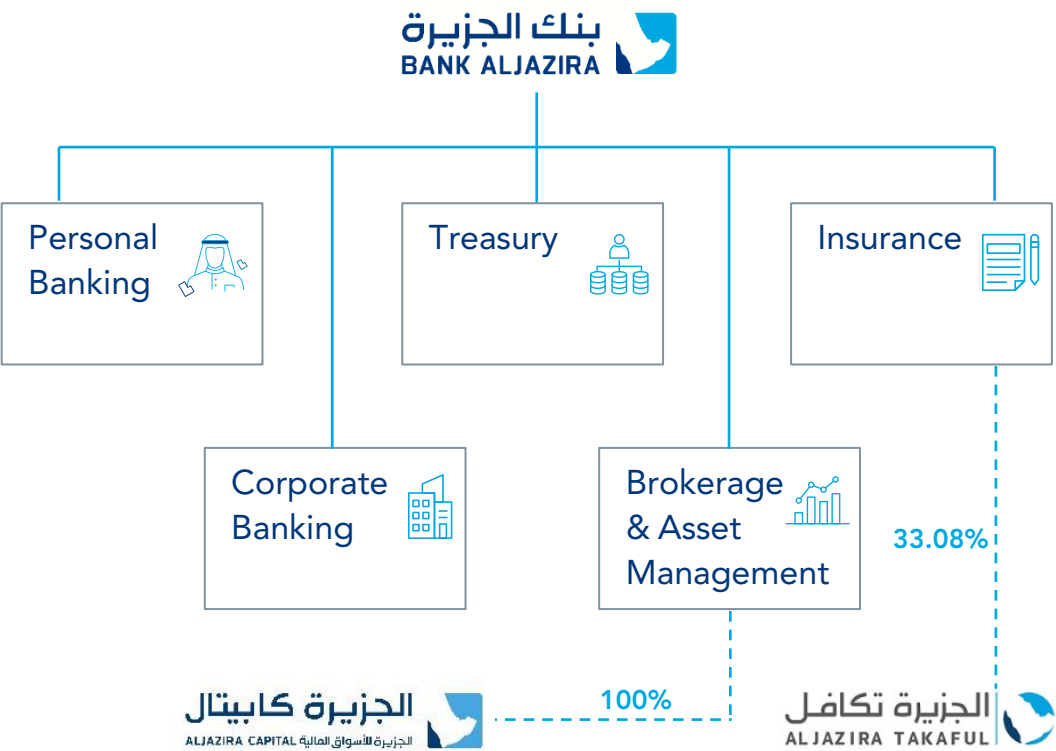
Successfully issued Tier I and II Sukuk in the global debt market.

x2



Bank AlJazira enjoys a well-diversified business mix

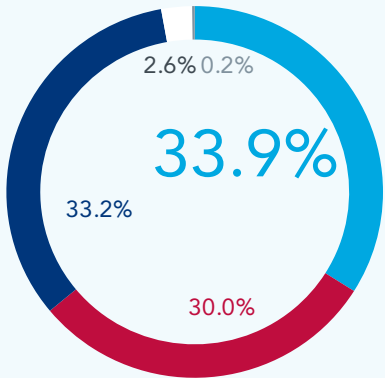
Group Structure



Total Assets Composition (%)

4Q 2024

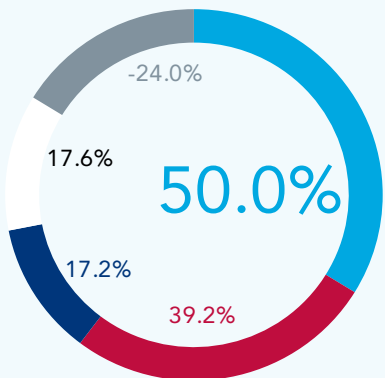
- Corporate
- Retail
- Treasury
- Brokerage & Asset Management
- Other



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

FY 2024

- Corporate
- Retail
- Treasury
- Brokerage & Asset Management
- Other



FY 2024: Strong asset growth with steady improvement in efficiency and profitability

Macro Background

Saudi Arabia's **favorable operating environment**: robust non-oil GDP growth

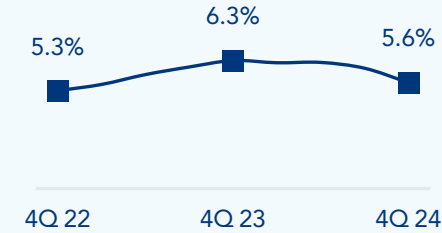
Rates: 50bps cut expected currently in 2025, though uncertainty remains

Saudi banking sector: growth driven by corporate loans and Vision 2030, with consumer lending accelerating as well

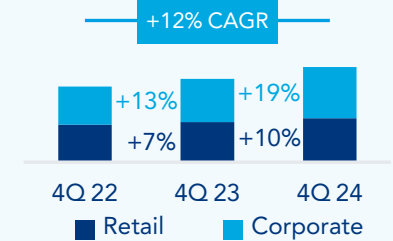
Non-oil Real GDP Growth



SAIBOR 3M Avg (%)



Banking Sector Loan Growth



Operational & Strategic Progress

Data and technology revamp program:

- Launched new Retail mobile app
- Launched revamped Mcorp & Ecorp platforms and apps
- Launched CRM application for CX
- Launched new B2B platform

Total Assets

4Q 2024

+15% YoY

SAR Bn

148.9

Financing

4Q 2024

+20% YoY

SAR Bn

96.9

Customers' Deposits

4Q 2024

+15% YoY

SAR Bn

108.2

Financial Highlights

Increase in net income YoY from **top-line growth**

Improving **efficiency, profitability and asset quality**

Income Growth

YoY

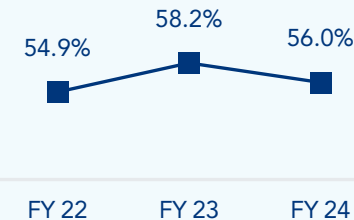
Operating Income

+13%

Net Income

+21%

Cost To Income (%)



NPL Ratio

1.21%

CoR

0.32%

CASA share of total deposits

44.4%

ROAE

7.32%

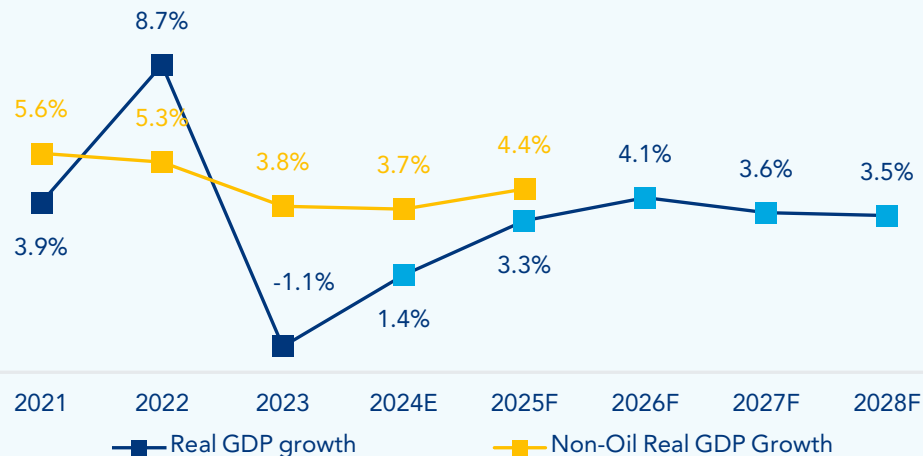


Market Trends

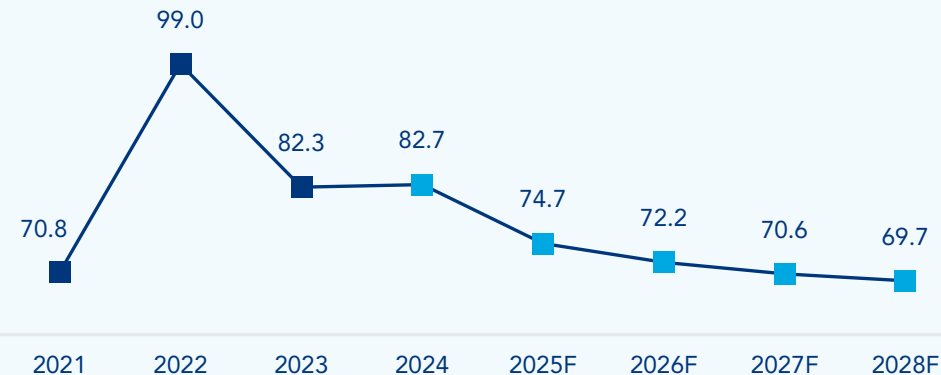


Saudi Arabia continues to benefit from a favorable operating environment...

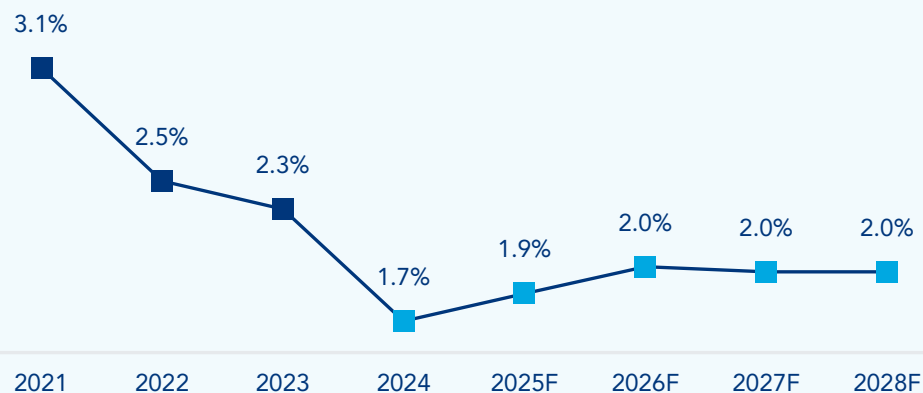
Real GDP Growth (%)



Brent Oil Price / Barrel (USD)



Inflation (%)



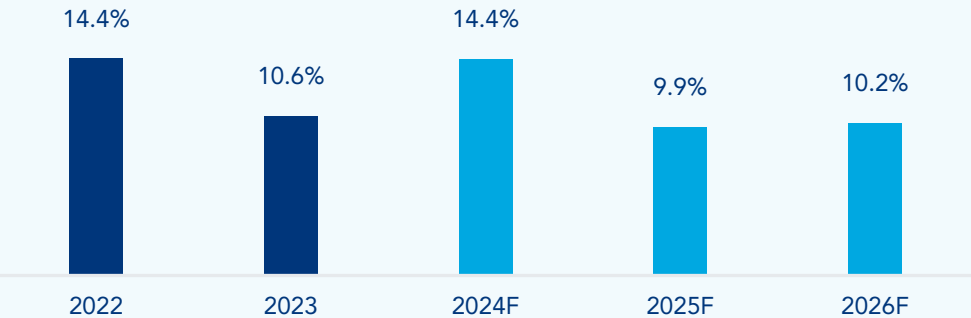
SAIBOR 3M Avg (%)

2Q 2024

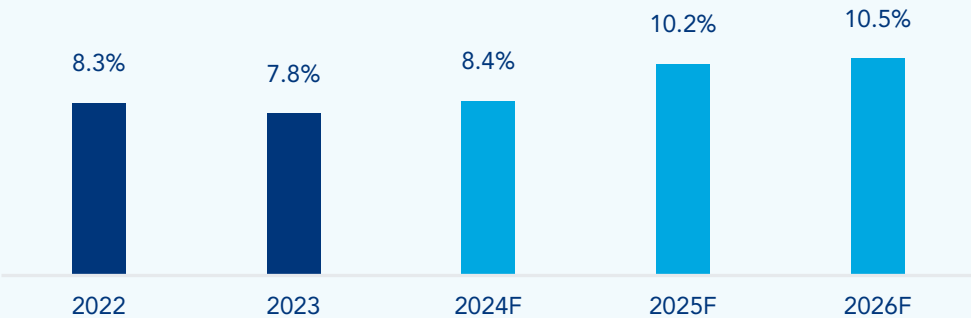


...with the banking industry well-positioned to capitalize on this momentum

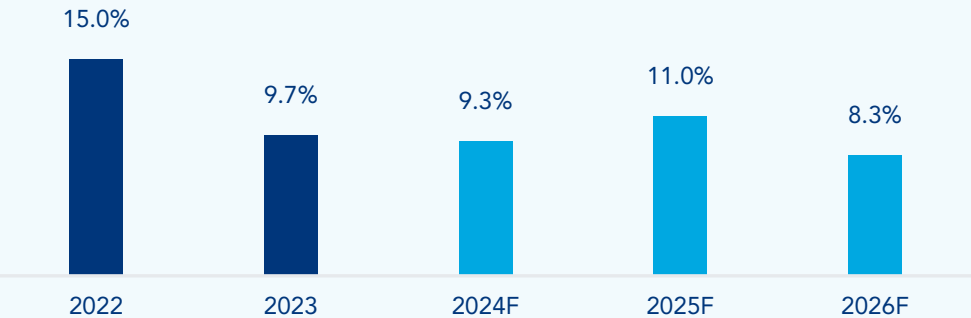
Total Loan Growth (%)



Total Deposits Growth (%)



Total Operating Income Growth (%)



Net Income Growth (%)



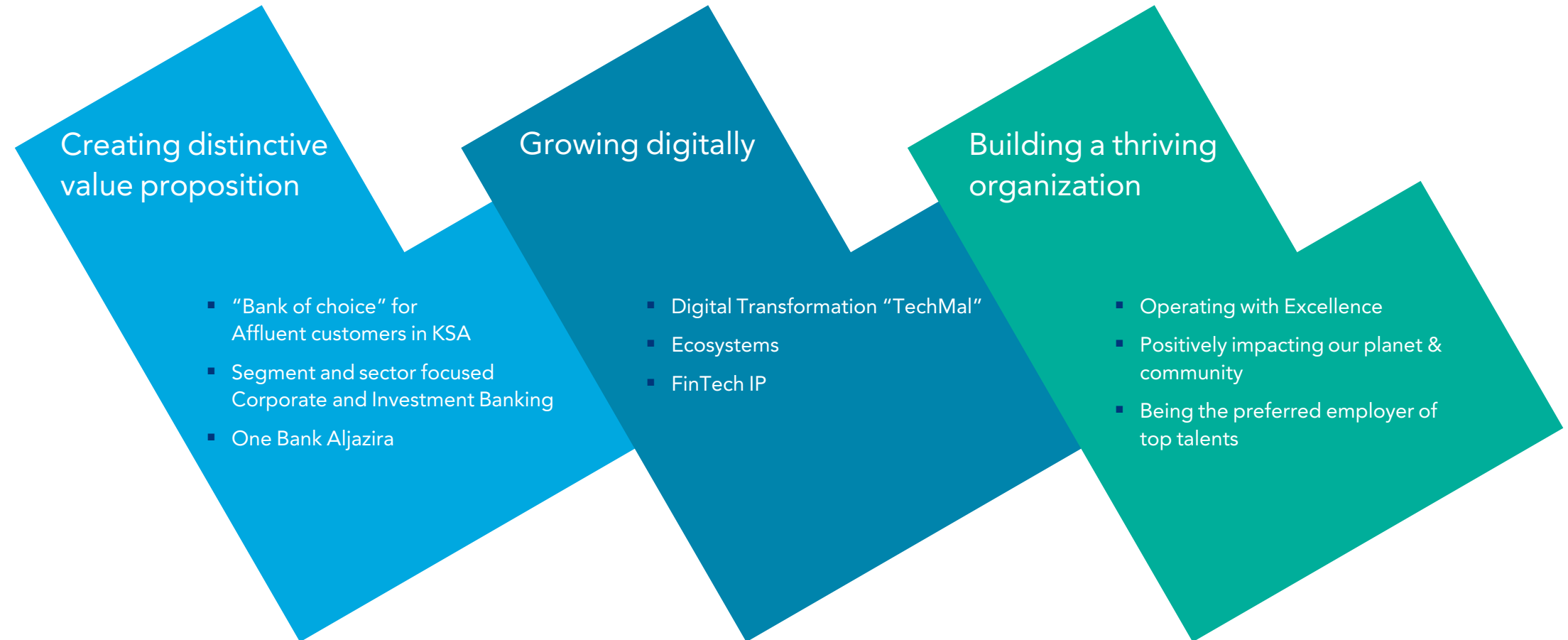


Strategy Refresh



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 during the 1st year 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 progress in corporate achieved strong growth momentum

Corporate Segment

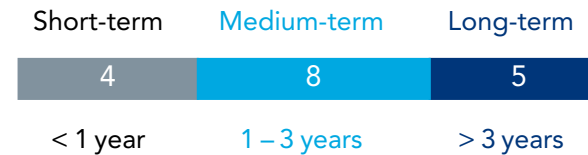
Strategic Initiatives 2024

1. Key account planning
2. Reviewed relationship managers' coverage model
3. Introduced shared KPIs across Corporate and Retail
4. Developed standardized SME journeys



Completed

Strategic Time Span



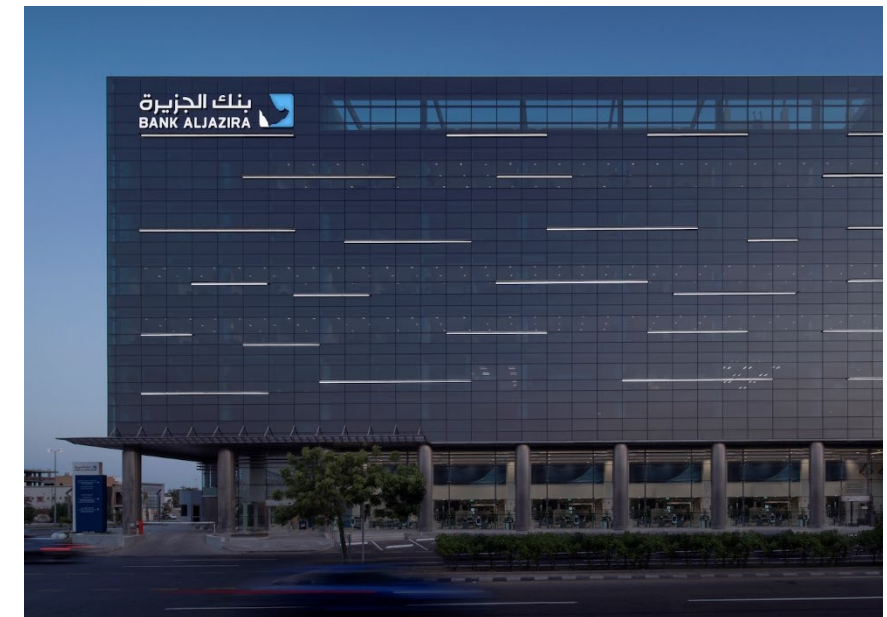
17
initiatives
In total

Operational Highlights 2024

- Increased funded and unfunded assets
- Launched 5 new SME products, expanded merchant acquiring business
- Rolled out revamped Mcorp & Ecorp platforms and apps
- Launched B2B Services

Strategic Initiatives 2025

- Launch new trade finance and cash management products
- Enhance SME service coverage and redesign lending processes
- Expand the SME product suite, and increase penetration in POS solutions
- Enhance corporate portfolio quality
- Boost relationship managers' efficiency tools



Retail is progressing well in redefining value proposition and advancing digitization

Retail Segment:

Strategic Initiatives 2024

1. Redefine value proposition for key priority customer personas
2. Redefine the operating model with AlJazira Capital to foster cross-sell



Ongoing –
planned for
completion
in 2025

Strategic Time Span:



Operational Highlights 2024

- Launched new Retail Mobile App
- Launched new products
- Improved Mortgage TAT
- Launched Ajwaa Plus Credit Card
- Revamped Online Account Opening
- Implemented CRM
- Optimized Credit Card and Personal Financing journeys
- Launched Samsung Pay

Strategic Initiatives 2025

- Strengthen brand identity with a premium market positioning
- Optimize relationship management structure to enhance SME and individual customer coverage
- Introduce cost-effective service model for lower-affluent personas
- Build customer-centric digital journeys across the mobile app and website



Other segments are making progress toward their medium-term and long-term objectives

Other Segments:

Brokerage & Asset Management Highlights 2024

- Launched new digital investment platform
- Scaled Wealth and Asset management business, offered new Real Estate funds, Alternative funds and acquired private equity portfolios

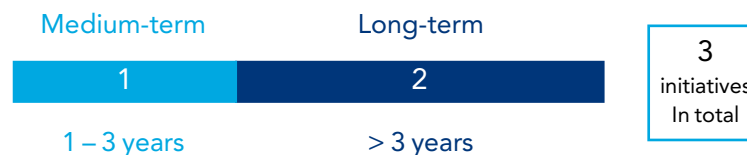
Treasury Highlights 2024

- Maintained investment book size within targeted growth levels
- Successfully participated in several corporate sukuk transactions
- Introduced equity component to the investment book to enhance yields
- Expanded call account product to a broader client base to diversify the liability profile

Other Operational Highlights 2024

- Launched data management program
- Built private cloud infrastructure
- Improved collections strategies

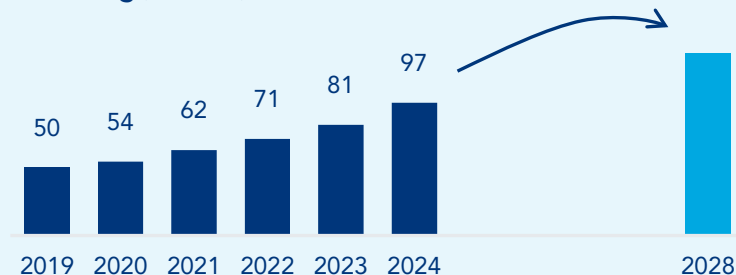
Strategic Time Span:



The ultimate goal of the refreshed strategy is to accelerate growth and boost profitability

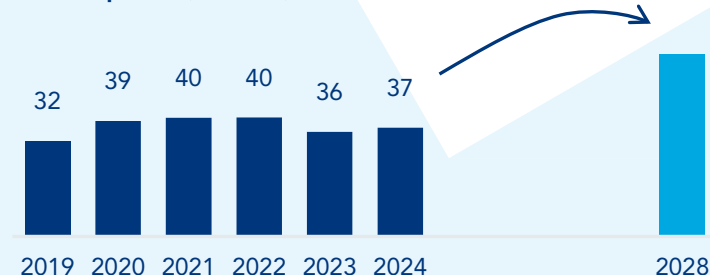
We are focused on growing our financing,

Financing (SAR Bn)



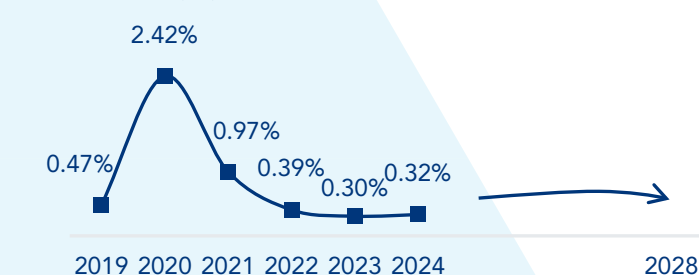
Funded with a better deposit mix,

NIB Deposits (SAR Bn)



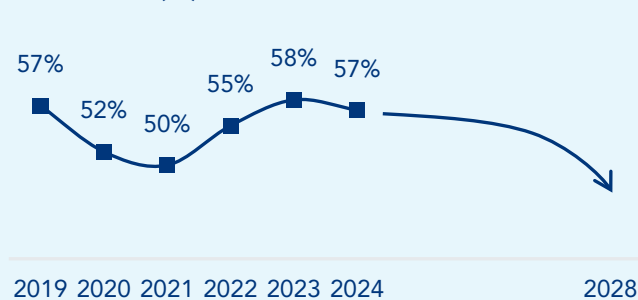
While controlling our Cost of Risk,

Cost of Risk (%)



Improving our efficiency

Cost to Income (%)



To drive higher ROAA

ROAA (%)



and align ROAE with peers

ROAE (%)





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

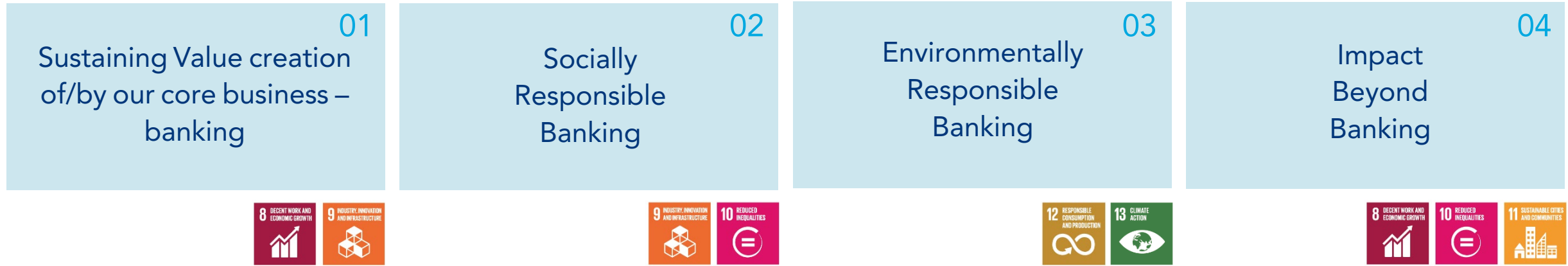
Improve **diversity, equity and inclusion**

Key Material Topics and Materiality Matrix:

Importance to Stakeholders	Highly Significant			2. Responsible Financing 5. Financial Inclusion
			4. Privacy Protection 6. Digital Transformation	3. Compliance and Transparency 8. Diversity, Inclusion and Equal Opportunity
	Significant	7. Responsible Communication		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 delivering impactful ESG initiatives across its operations

Environmental

Paper Usage

Reduced by digitalization and recycling

1.5 tons

in 2024

Energy Bill

Reduced by

✓ **7.0%**

YoY in 2024

Water Bill

Kept stable

✓ **0.3%**

YoY in 2024

Other Projects

- Participated in KSA's National Parks Program
- Approved credit of **SAR 20 Mn** to finance an advanced biomedical company, with SAR 7.5 Mn utilized

Awards & Recognitions

TOP-5

among the most socially responsible brands in KSA

by Forbes Middle East



'Best Consumer Finance Product' & 'Outstanding Customer Service Innovation',

by Digital Banker, 2024



'Best Social Responsibility Program among Islamic Banks'

by the Global Islamic Finance Awards (GIFA)

Social

Employees

- Launched digital **Personal Financing Service** for employees
- Launched **cloud-based HR system** & new Employee Handbook

Customers

- **140+** digital banking services, optimization of account management
- Innovative payment solutions through a partnership with **Ottu**
- Expanded **SMEs** financing in partnership with Cultural Dev Fund

Communities

- Directed 93% of ~SAR 1 Bn procurement towards a growing network of **416 local suppliers**
- Launched '**AlJazira Tadawul**' (digital investment platform)

Governance

Shariah Compliance

- **0%** exposure to tobacco, alcohol, gambling
- Structural separation of the Shariah Audit function from Shariah Compliance
- Audit Committee guidance and review on Bank's internal controls implementation
- Enhanced Governance Framework (as per SAMA directives)

Data Governance & Operational Resilience

- Developed **new** policies for data governance & privacy
- Recognized for '**Best Modern Data Architecture**' in the Middle East by the Cloudera Data Impact Awards
- Awarded the Citibank USD Settlement Bank Award for **99% STP rate**



Financial Performance



Balance sheet | Assets expanding by 15% YoY driven by financing

Balance Sheet

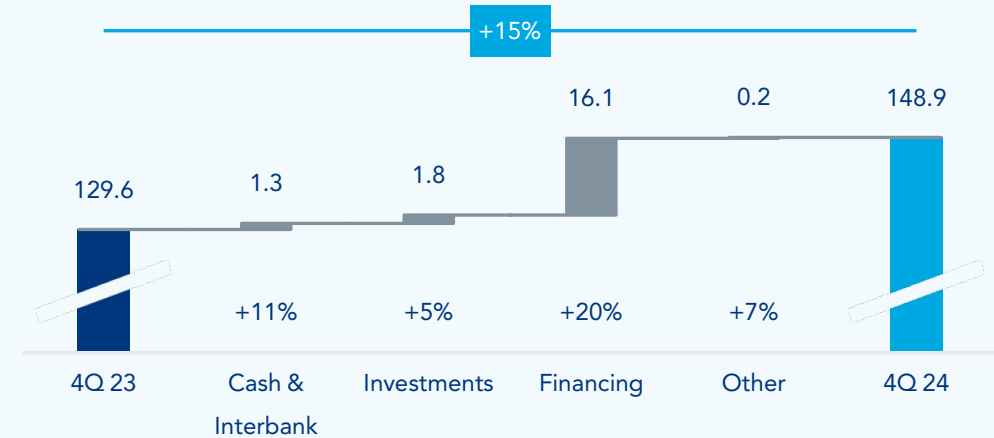
Management commentary

- The balance sheet witnessed a 15% expansion during FY 2024.
- This was propelled by a 20% increase in net financing and funded by a 15% growth in customers' deposits and a 29% rise in interbank liabilities.
- Commercial portfolio grew by 22%, establishing commerce as a key growth driver. At the same time, consumer financing posted a 17% YoY increase, mainly driven by a 22% growth in residential financing.

SAR Mn	4Q 2024	3Q 2024	QoQ % Change	4Q 2023	YoY % Change
Cash & Interbank	12,815	13,310	-4%	11,532	+11%
Investments	36,194	36,060	+0%	34,442	+5%
Financing	96,912	92,710	+5%	80,781	+20%
Other assets	2,984	3,112	-4%	2,795	+7%
Total assets	148,906	145,192	+3%	129,551	+15%
Due to banks & other FI	19,309	20,154	-4%	14,986	+29%
Customers' deposits	108,187	103,349	+5%	94,054	+15%
Subordinated Sukuk	2,006	2,045	-2%	2,004	+0%
Other liabilities	2,203	2,258	-2%	2,091	+5%
Total liabilities	131,704	127,806	+3%	113,135	+16%
Total equity	17,202	17,386	-1%	16,415	+5%

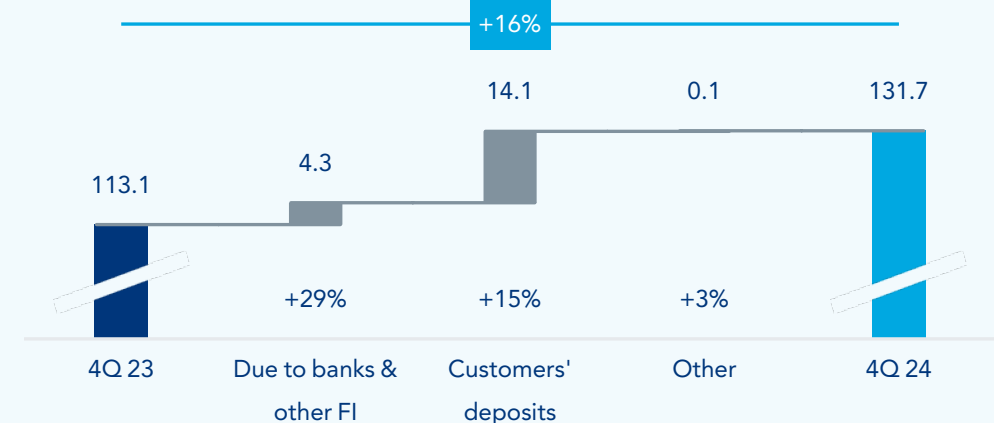
Total Assets Movement YoY (SAR Bn)

4Q 2024

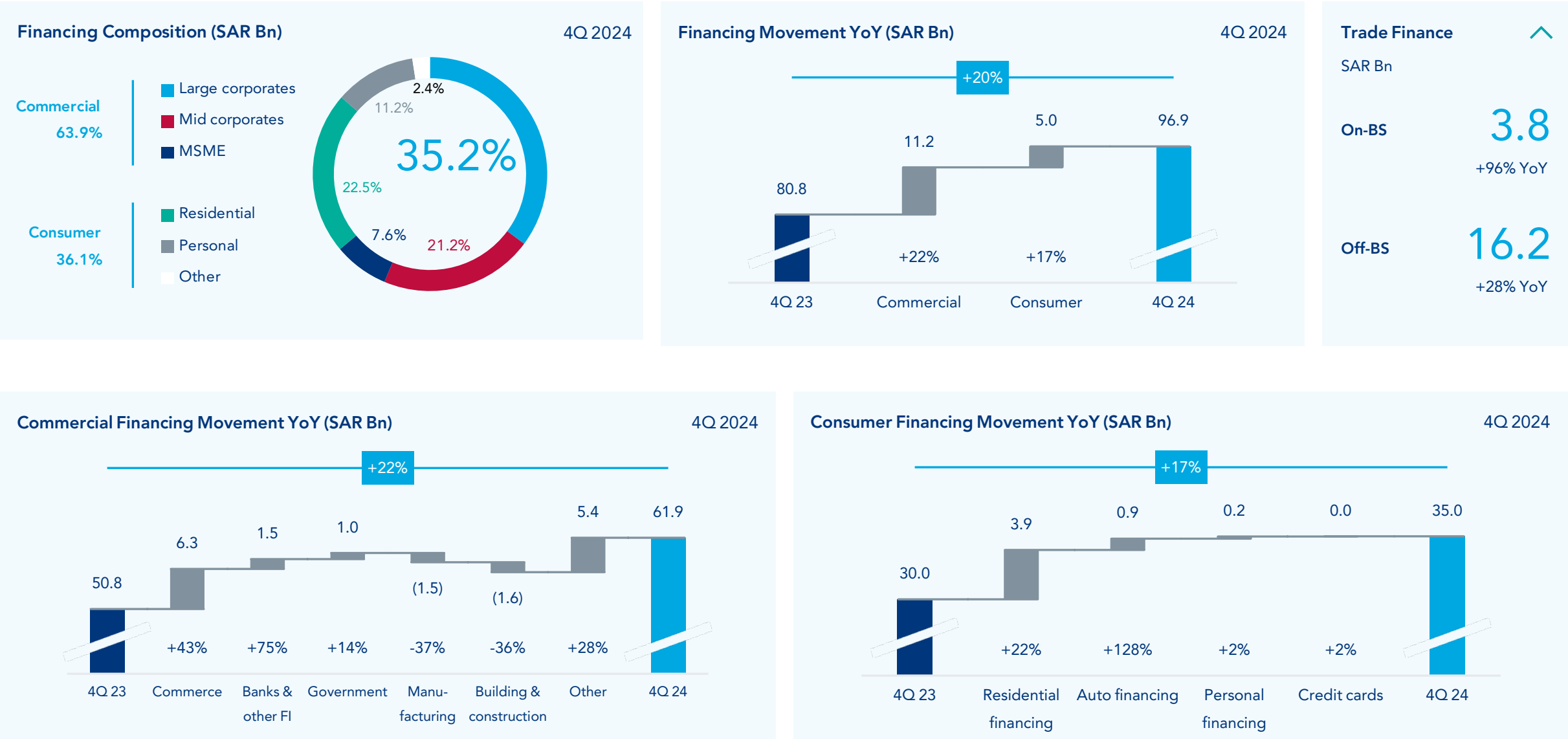


Total Liabilities Movement YoY (SAR Bn)

4Q 2024



Financing | Financing increased 20% fueled by 22% growth in commercial loans



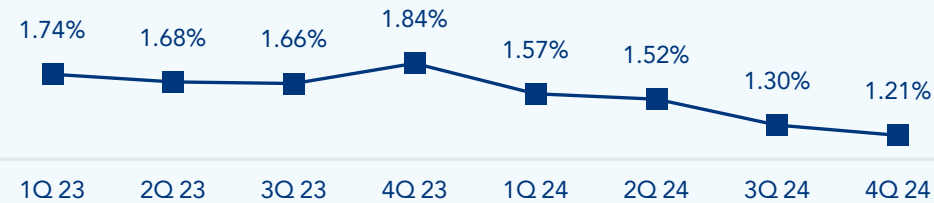
NPL | Credit quality remains healthy with improving NPL ratio

NPL Ratio (%)

4Q 2024

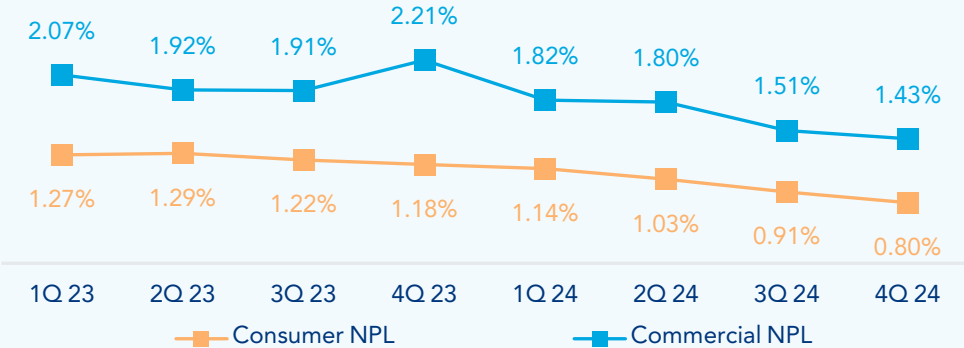
Management commentary

The NPL ratio decreased by 63bps to 1.21% in FY 2024. NPLs decreased significantly for the commercial portfolio due to write-offs of fully provided legacy accounts, while consumer NPLs also declined.



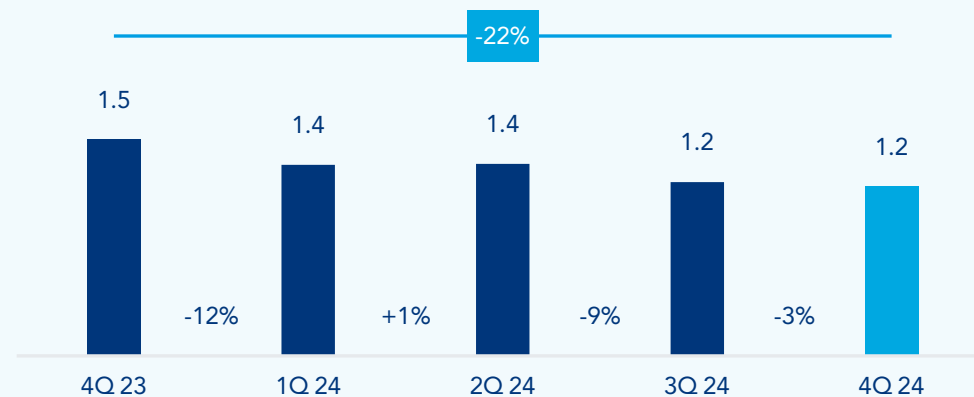
NPL Ratio by type (%)

4Q 2024



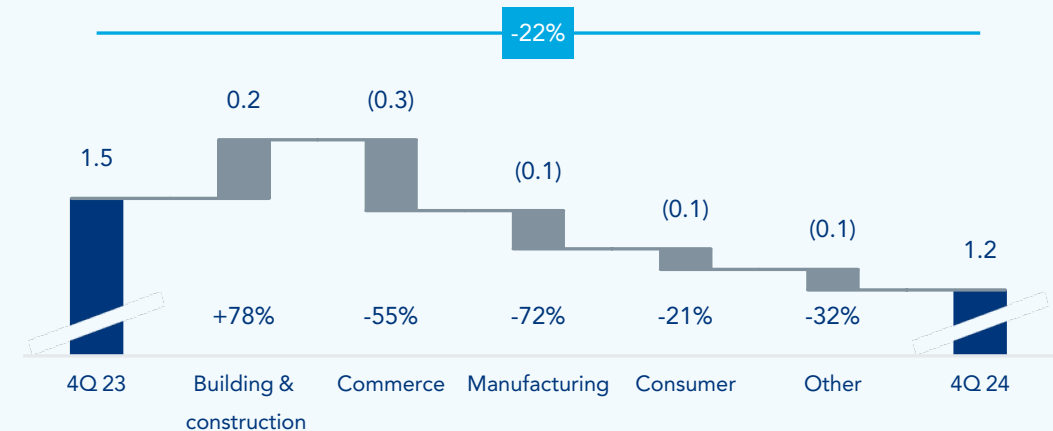
Total Non-performing Financing (SAR Bn)

4Q 2024



Total Non-performing Movement YoY (SAR Bn)

4Q 2024



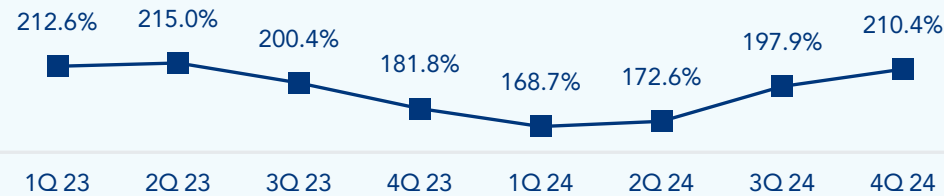
NPL coverage | Increased to 210%, providing a strong buffer against credit losses

NPL Coverage Ratio (%)

4Q 2024

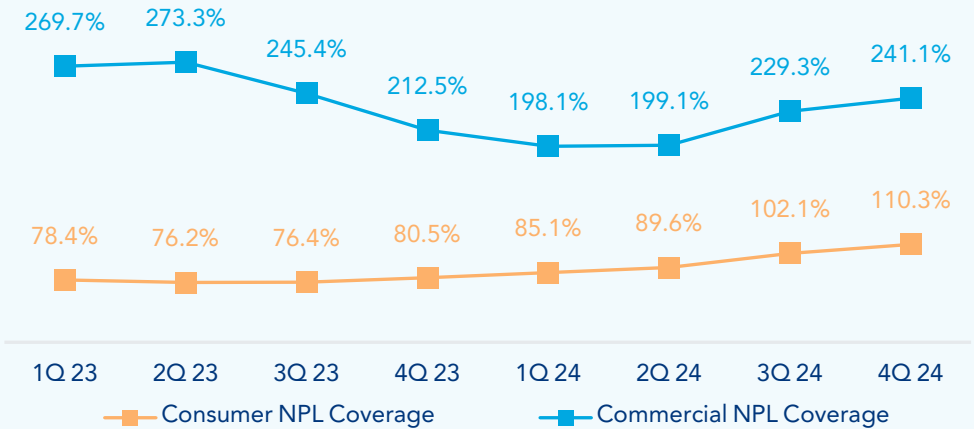
Management commentary

The NPL coverage ratio rose by 29 ppts YoY, reaching 210.4% by year-end, further bolstering provisioning levels. This increase was driven by higher coverage across both commercial and consumer portfolios.



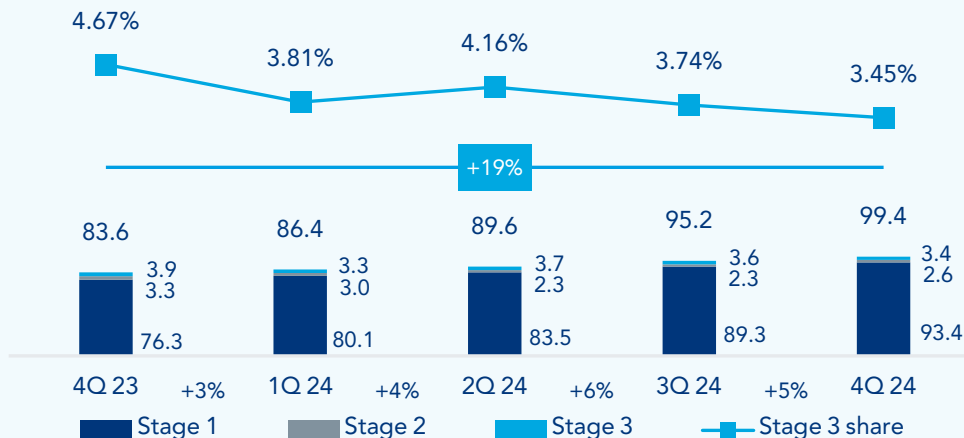
NPL Coverage Ratio by type (%)

4Q 2024



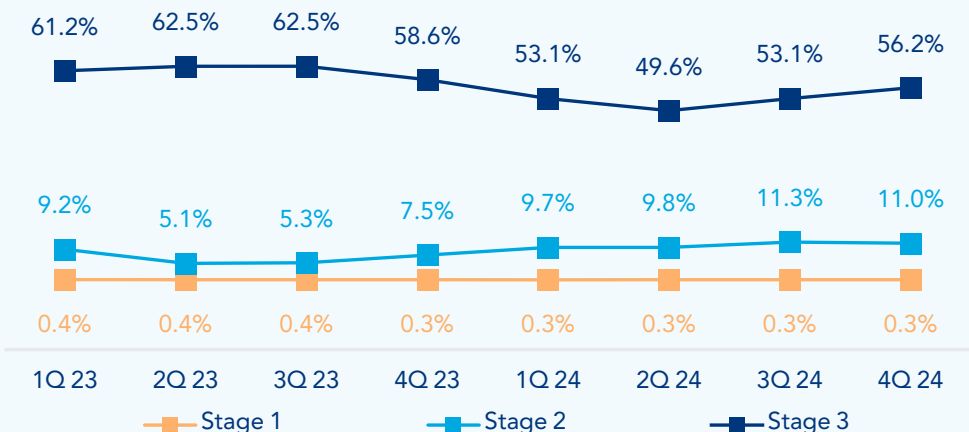
Gross Financing by Stages (SAR Bn)

4Q 2024



Stagewise Coverage (%)

4Q 2024



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

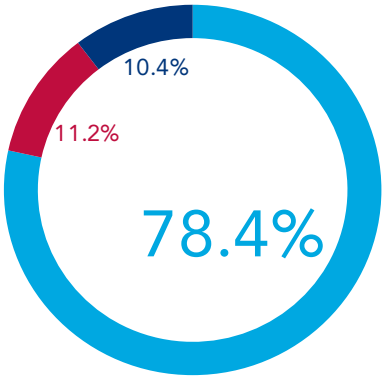
Investments Composition by Counterparty (%)

4Q 2024

Management commentary

Investments experienced a moderate increase of 5% YoY, resulting in a decrease in their share of total assets to 24% as contributions from other asset lines expanded more.

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

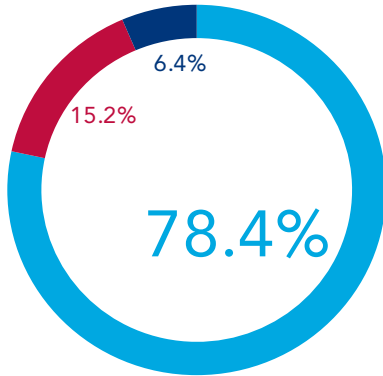


■ Government & quasi Government ■ Corporate ■ Banks & other FI

Investments Composition by Rate (%)

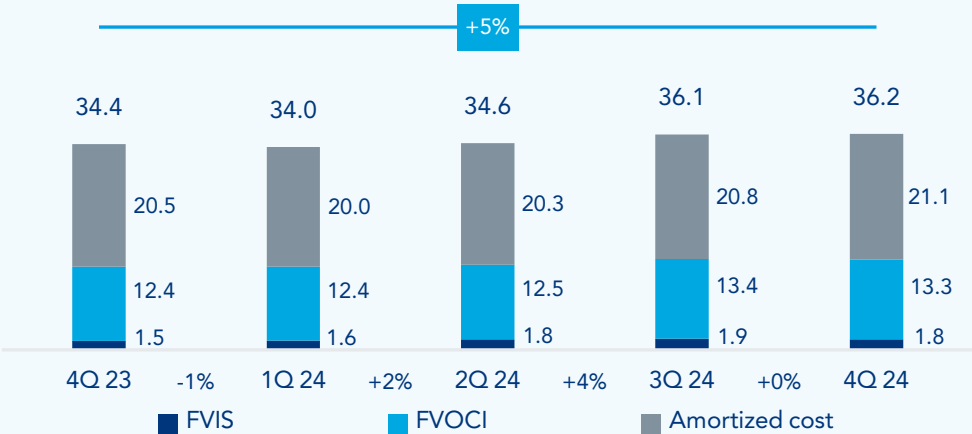
4Q 2024

- Fixed rate
- Floating rate
- Other



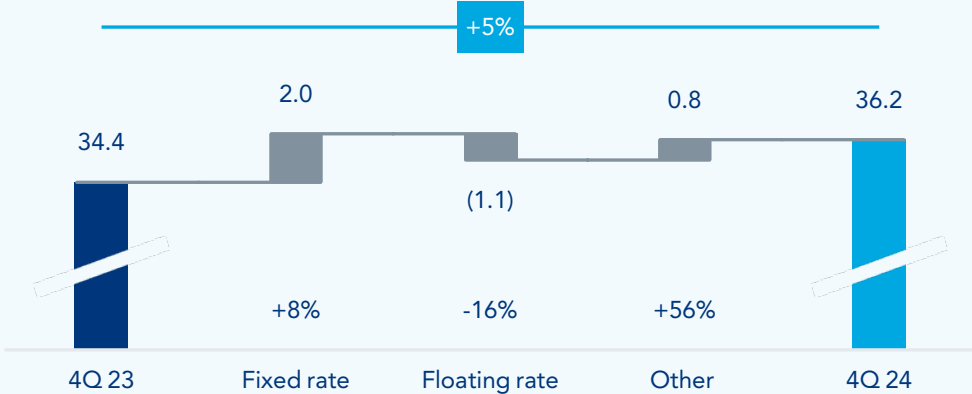
Investments (SAR Bn)

4Q 2024



Investments Movement YoY (SAR Bn)

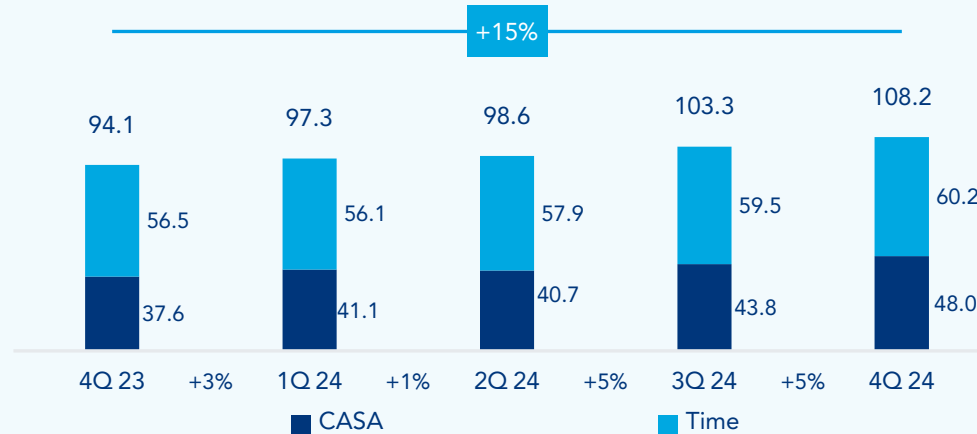
4Q 2024



Deposits | CASA share increased to 44% supported by growth in savings accounts

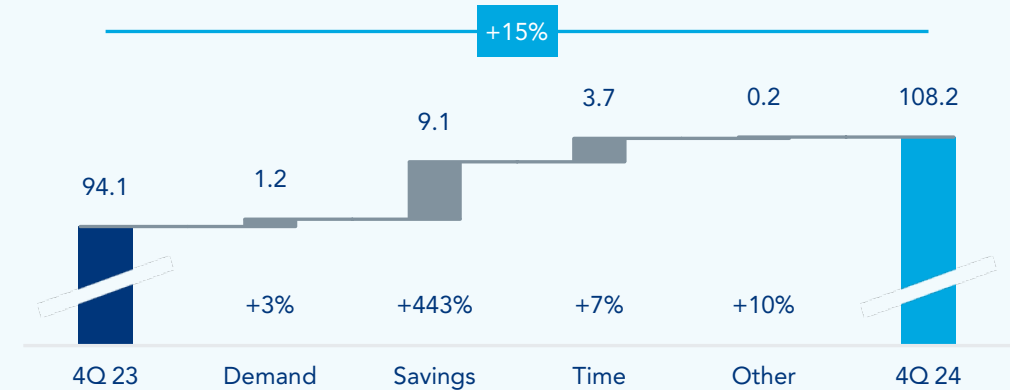
Customers' Deposits (SAR Bn)

4Q 2024



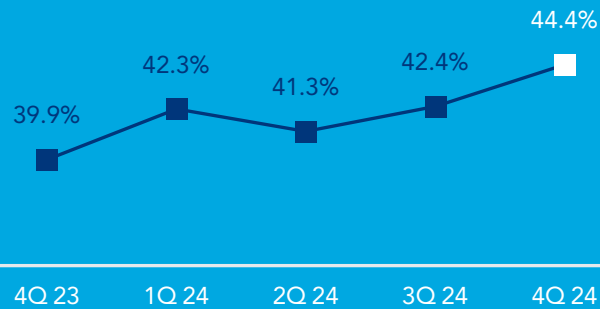
Customers' Deposits Movement YoY (SAR Bn)

4Q 2024



CASA % of Total (%)

4Q 2024



Customers' Deposits Composition by Type (%)

4Q 2024

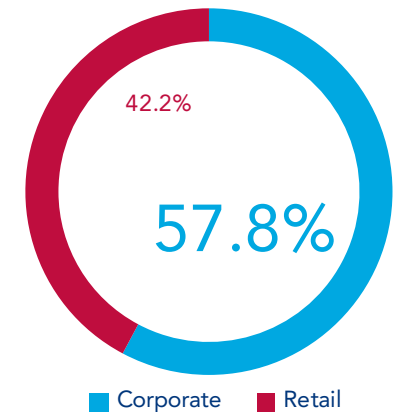


Customers' Deposits Composition by Segment

4Q 2024

Management commentary

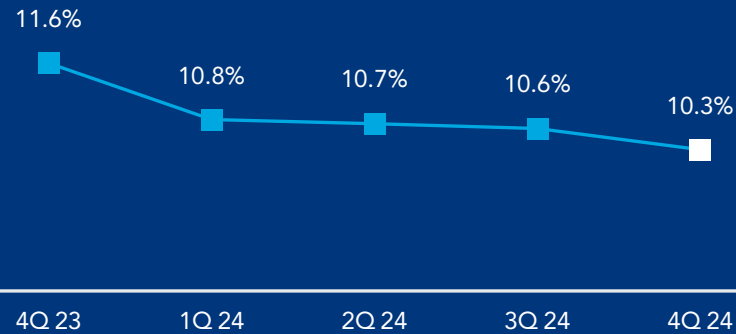
Customers' deposits saw a 15% YoY rise, driven by savings accounts. Deposit remain well-diversified.



Liquidity | Substantial buffers to accommodate future growth

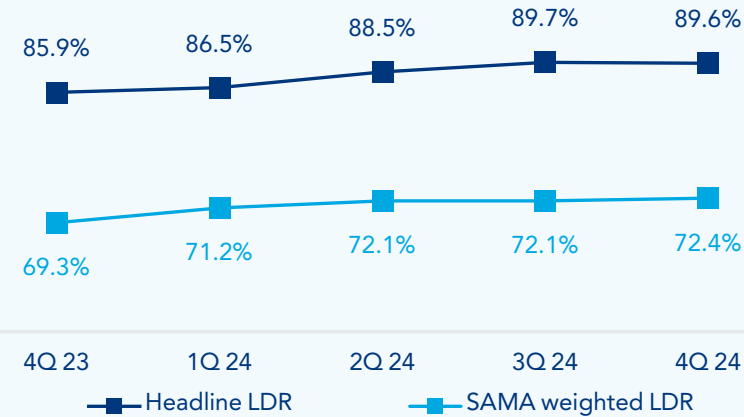
Basel III Leverage Ratio (%)

4Q 2024



Loans to Customers' Deposit Ratios (%)

4Q 2024



Management Commentary

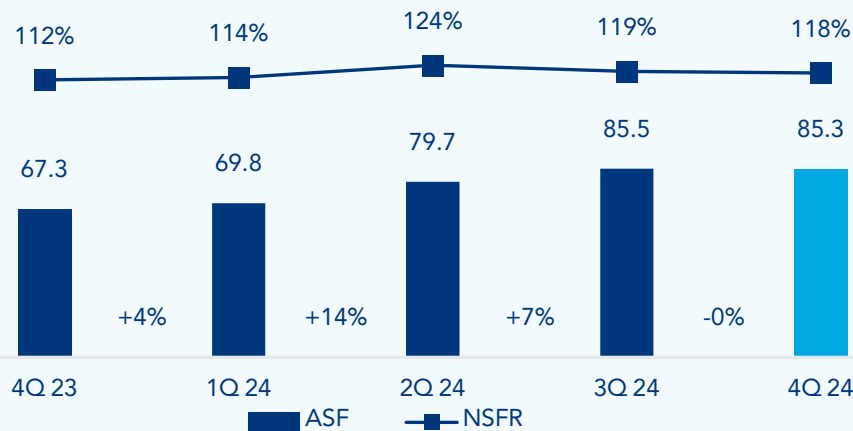
Headline LDR increased, though leaving sufficient room for growth.

LCR decreased to 124% as it normalized from elevated levels in 1Q 2024 due to liquidity management activities.

Liquidity indicators remain well within regulatory limits.

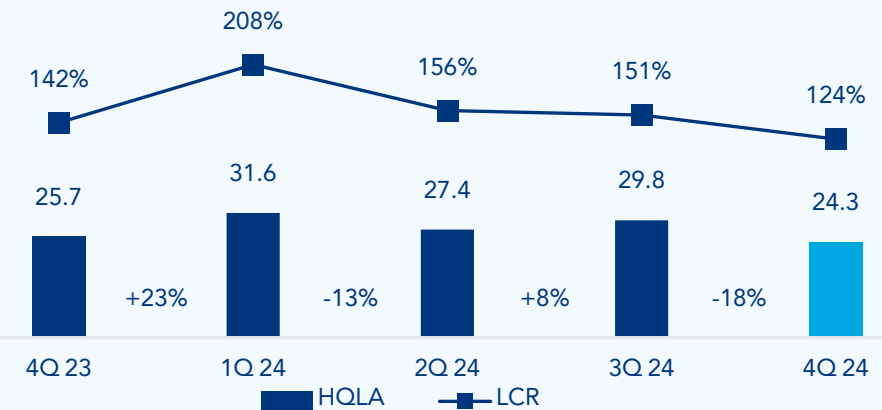
Total Available Stable Funding* (SAR Bn)

4Q 2024



HQLA (SAR Bn)

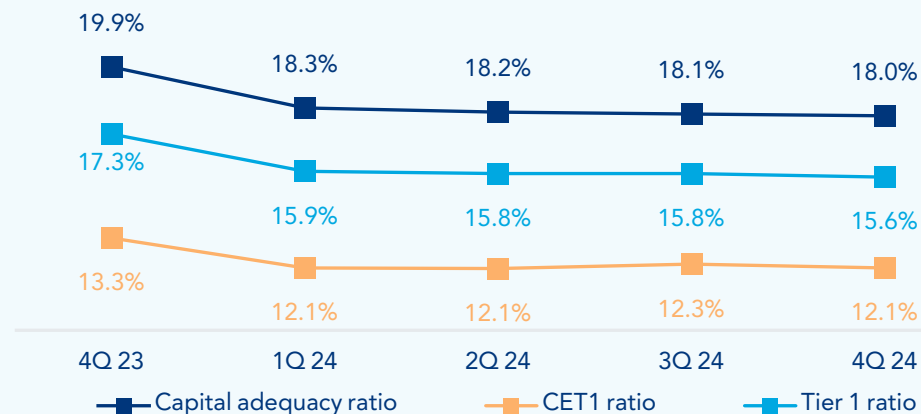
4Q 2024



Capitalization | Stabilized capital ratios following pressure in 1Q 2024

Capital Adequacy Ratio (%)

4Q 2024



Management Commentary

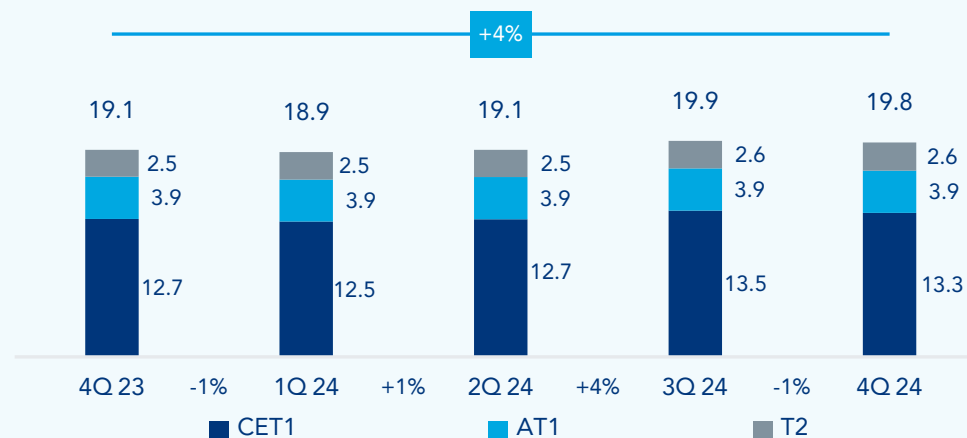
The total capital adequacy ratio experienced a drop of 1.9 pts in FY 2024 to 18.0%, and the Tier 1 ratio was 15.6% as of 31 December 2024.

This decline was primarily influenced by the increase in risk-weighted assets, alongside regulatory adjustments related to IFRS 9 transitional arrangements in the beginning of the year.

Capital ratios however remained stable sequentially.

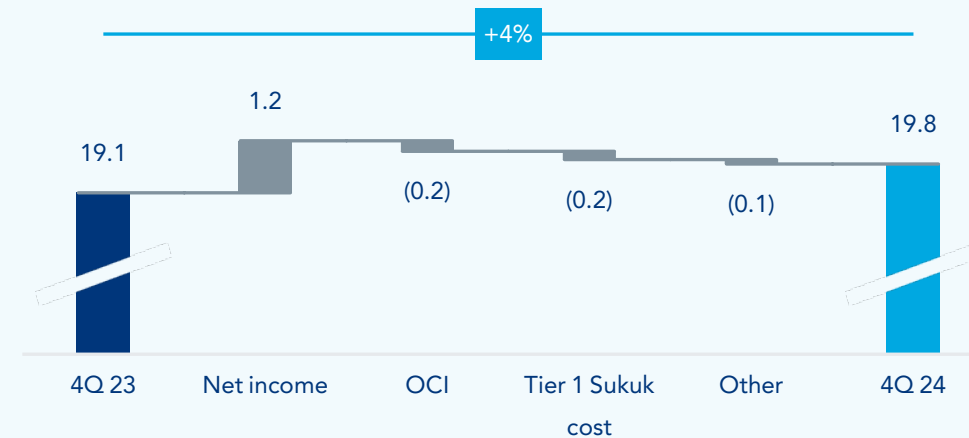
Total Capital (SAR Bn)

4Q 2024



Total Capital Movement YoY (SAR Bn)

4Q 2024



RWA | Rapid RWA growth impacted capital ratios in 1Q 2024, but stabilized thereafter

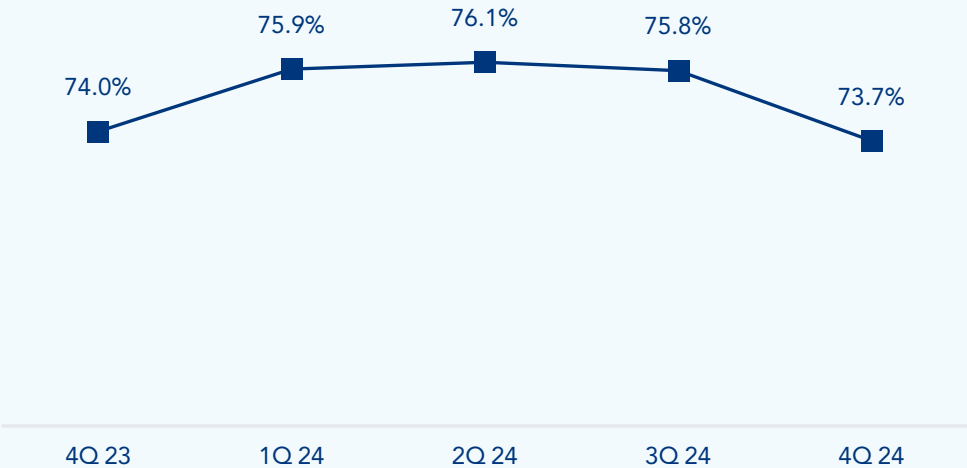
RWA Density (%)

4Q 2024

Management commentary

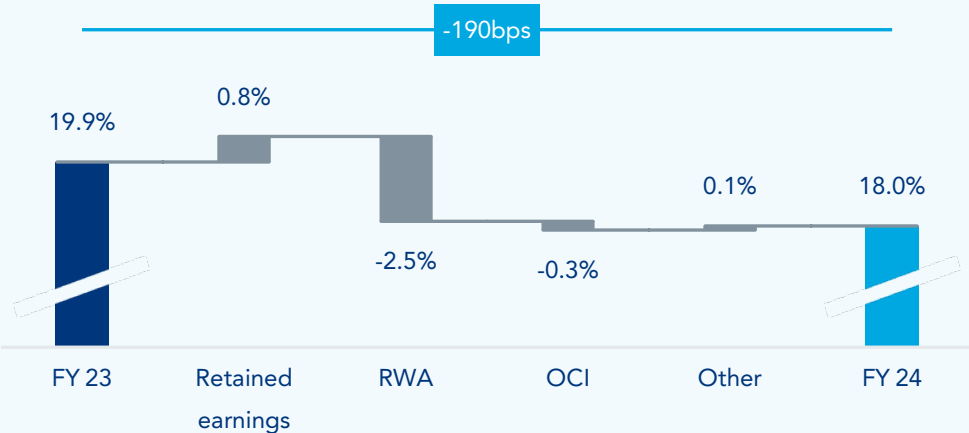
Risk-weighted assets (RWA) increased by 14% YoY to reach SAR 109.7 billion in FY 2024, while RWA density decreased moderately to 73.7% from 74.0% as of 31 December 2023. The increase in RWAs was driven by increases in both the financing book and off-balance sheet assets.

In the first half, elevated RWA density pressured capital ratios, but proactive optimization measures led to a sequential decline by year-end, improving capital efficiency.



Capital Adequacy Ratio Movement YTD (%)

4Q 2024



Risk Weighted Assets (SAR Bn)

4Q 2024



Income statement | 21% net income growth from top-line expansion

Income Statement

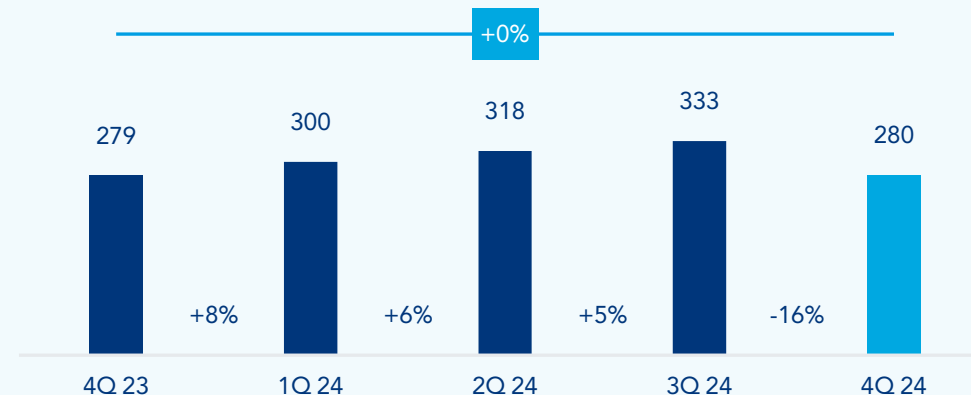
Management commentary

- FY 2024 net income up 21% YoY, from higher operating income, partly offset by rising expenses. 4Q 2024 net income was stable YoY but declined by 16% QoQ, impacted by a net loss on financial instruments and non-recurring expenses in 4Q.
- Net financing & investment income increased 11% YoY, supported by asset growth despite a slight decline in margin.
- Fee & other income up 19% YoY, mainly from investment-related fees and fees from banking services.
- Operating expenses rose 9% YoY, due to higher employee and G&A costs.

SAR Mn	FY 2024	FY 2023	YoY % Change	4Q 2024	4Q 2023	YoY % Change
Net financing & investment income	2,634	2,375	+11%	735	643	+14%
Fee & other income	1,145	960	+19%	232	247	-6%
Total operating income	3,779	3,335	+13%	967	890	+9%
Operating expenses	(2,117)	(1,941)	+9%	(560)	(515)	+9%
Impairment charge	(275)	(229)	+20%	(92)	(68)	+35%
Net operating income	1,388	1,165	+19%	316	307	+3%
Share in net income of an associate	17	16	+5%	4	4	-13%
Net income for the period before zakat & income tax	1,405	1,181	+19%	320	311	+3%
Zakat & income tax	(174)	(161)	+8%	(39)	(32)	+23%
Net income for the period	1,231	1,020	+21%	280	279	+0%

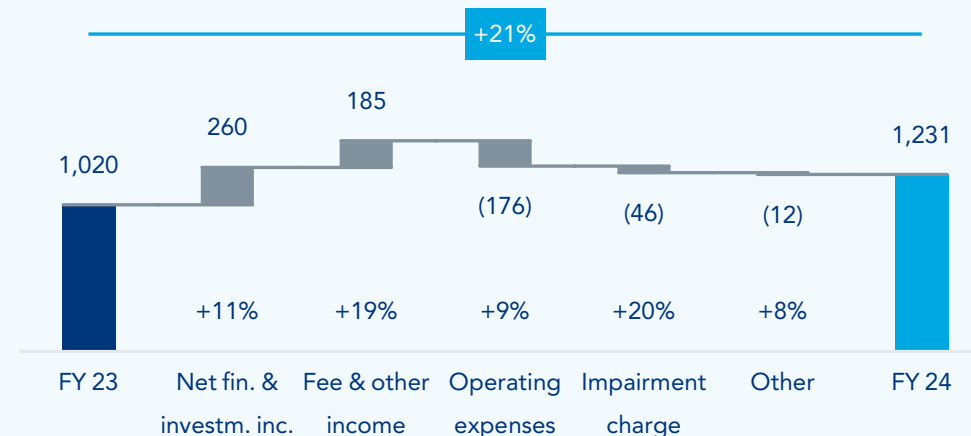
Quarterly Net Income (SAR Mn)

4Q 2024



Net Income for the Period Movement YoY (SAR Mn)

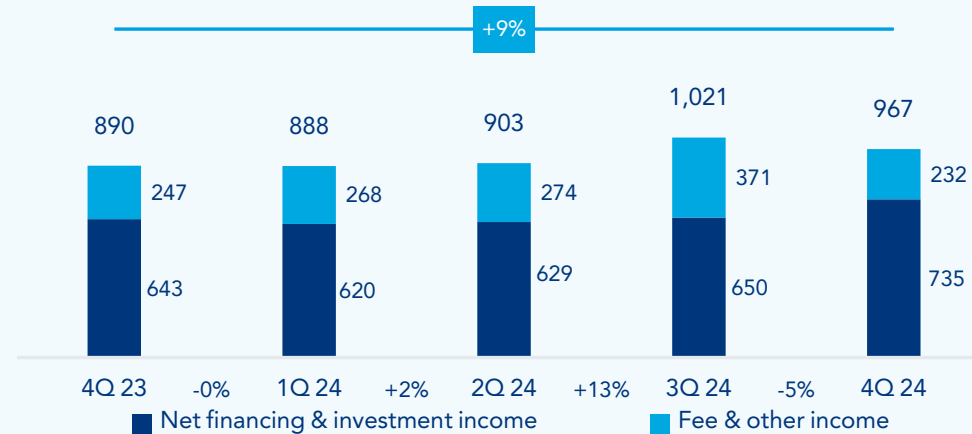
FY 2024



Operating income | 13% YoY growth with positive jaws from strong revenue momentum

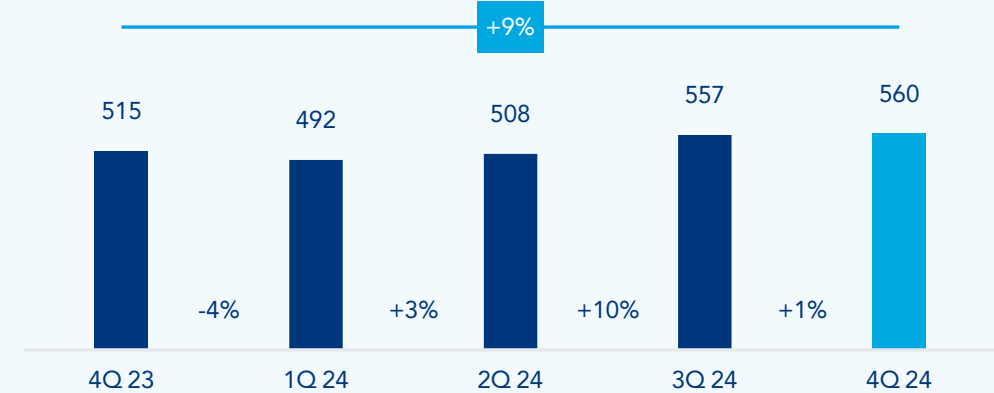
Total Operating Income (SAR Mn)

4Q 2024



Operating Expenses (SAR Mn)

4Q 2024

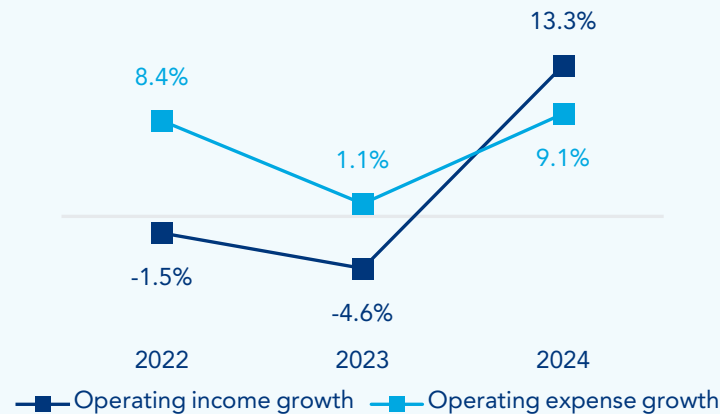


Management Commentary

Total operating income for FY 2024 reached SAR 3,779 million, demonstrating a 13.3% YoY increase. Expenses increased at a slower pace of 9.1%, resulting in positive jaws. Operating income growth was driven by an 11% increase in net financing and investment income and a 19% expansion in fee and other income.

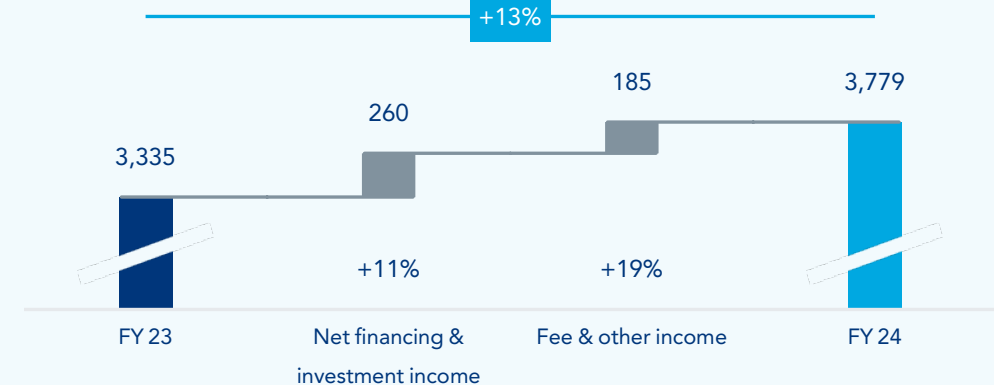
Operating Jaws

FY 2024



Total Operating Income Movement YoY (SAR Mn)

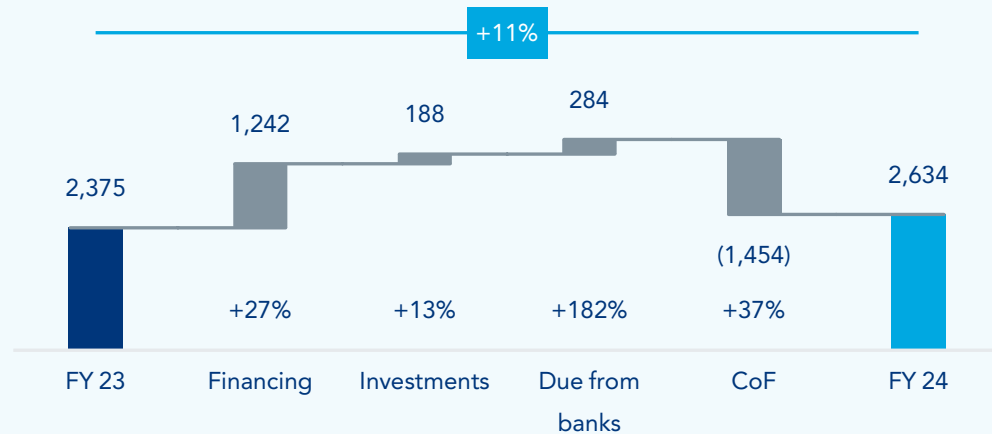
FY 2024



Net financing & investment income | Up 11% from earning assets expansion

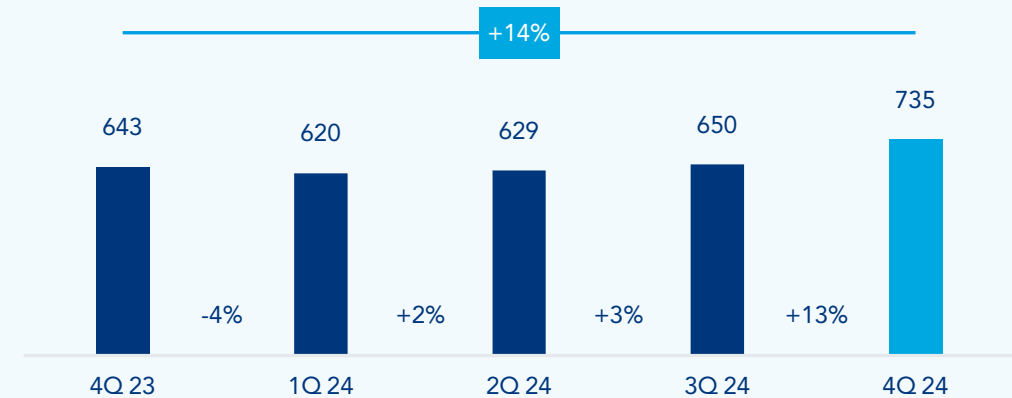
Net Financing & Investment Income Movement YoY (SAR Mn)

FY 2024



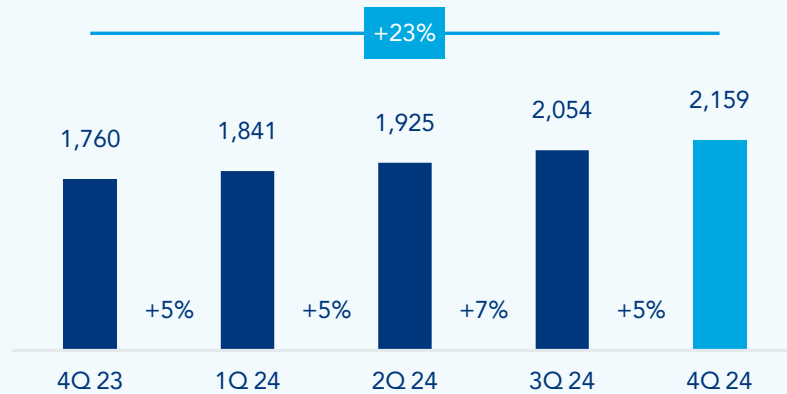
Net Financing & Investment Income (SAR Mn)

4Q 2024



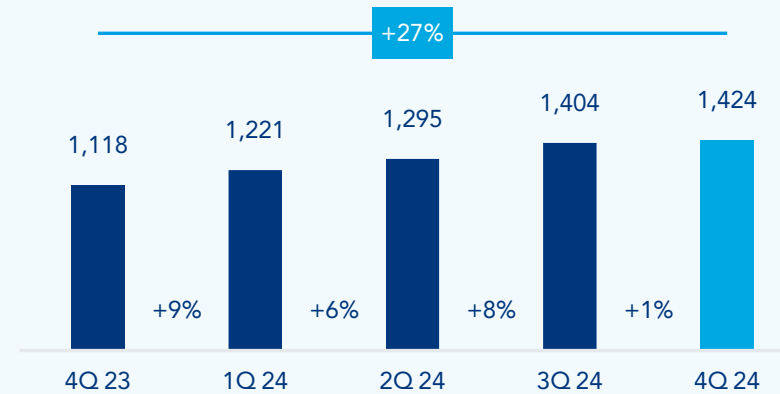
Income From Investments & Financing (SAR Mn)

4Q 2024



Return on Deposits & Financial Liabilities (SAR Mn)

4Q 2024



Management Commentary

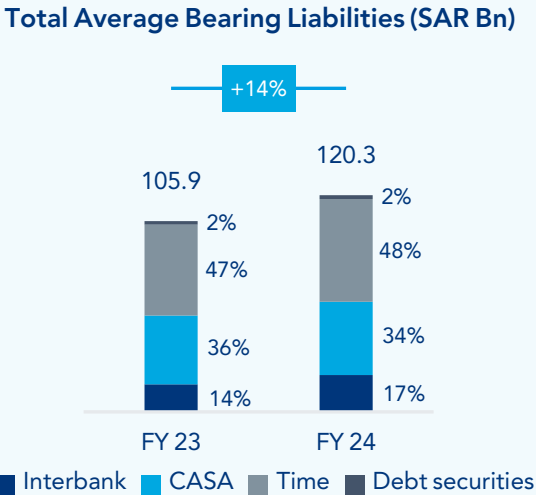
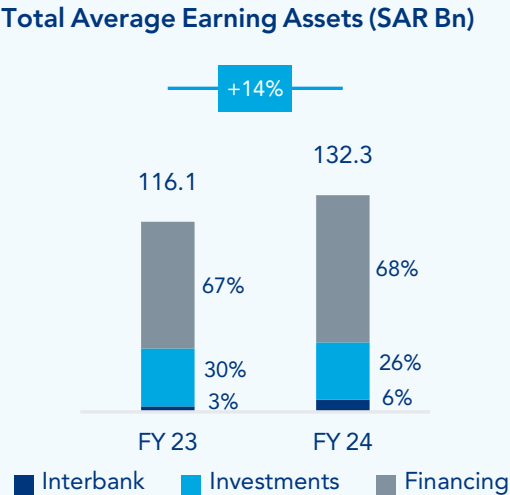
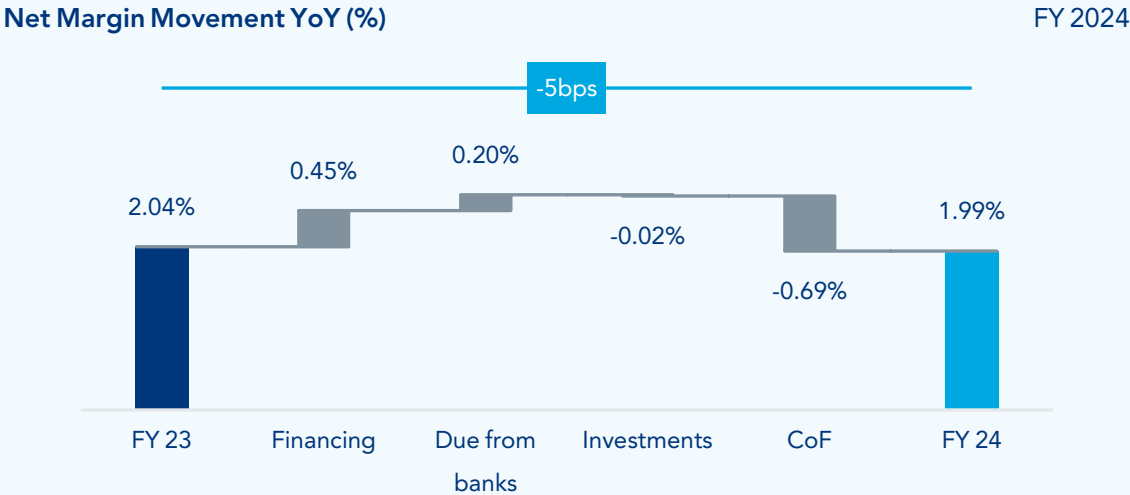
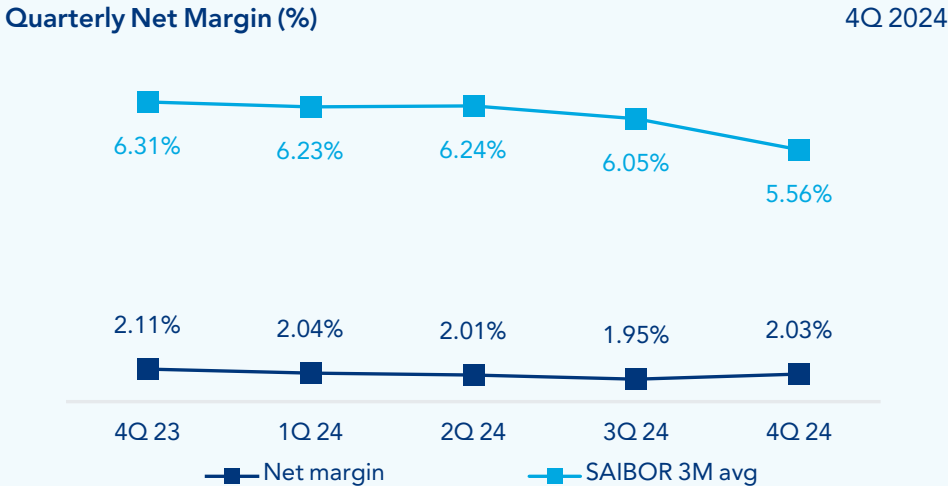
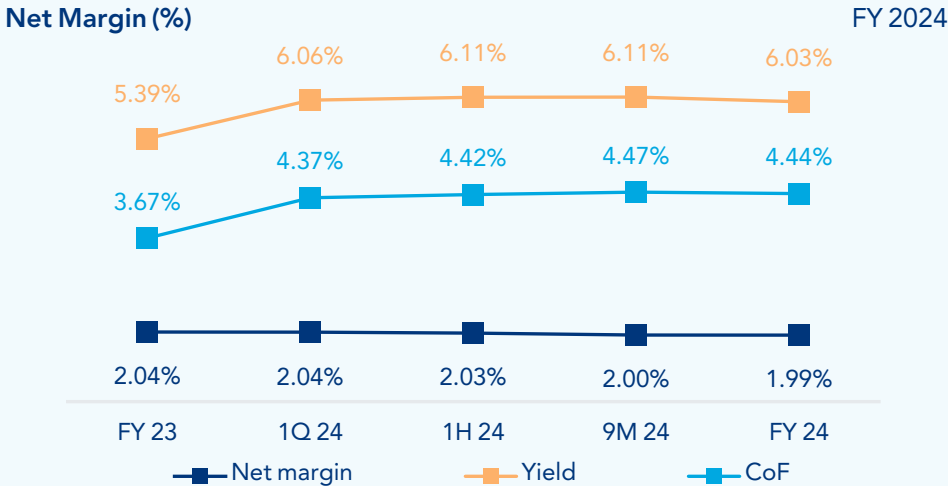
Financing and investment income for FY 2024 experienced 27% growth YoY compared to FY 2023, balanced by a 37% increase in the cost of funds, resulting in an 11% increase in net financing and investment income.

Net margin | Sequential improvement in 4Q 2024 as rate cuts take effect

Management Commentary

The net margin for FY 2024 saw a slight decrease, moving from 2.04% to 1.99% year-on-year.

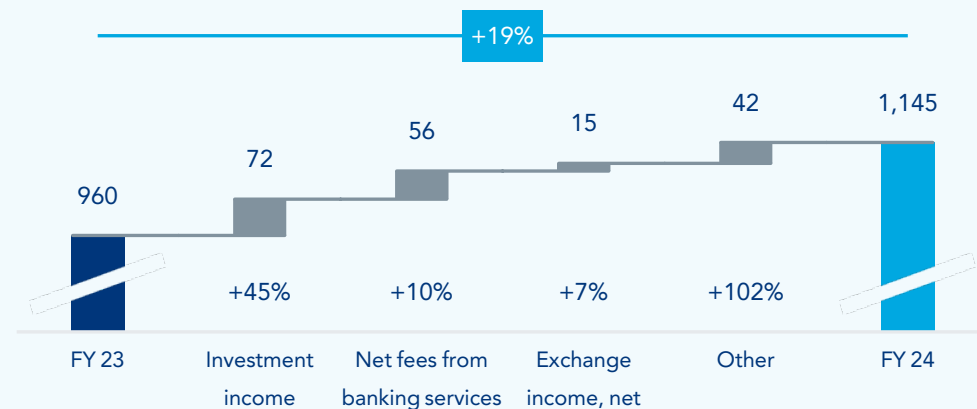
In 4Q 2024, margin improved by 8bps QoQ to 2.03%, reflecting the growing impact of rate cuts in the latter half of the year, despite elevated funding costs earlier in the quarter.



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

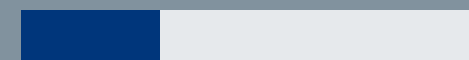
Fee & Other Income Movement YoY (SAR Mn)

FY 2024



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

29.8%



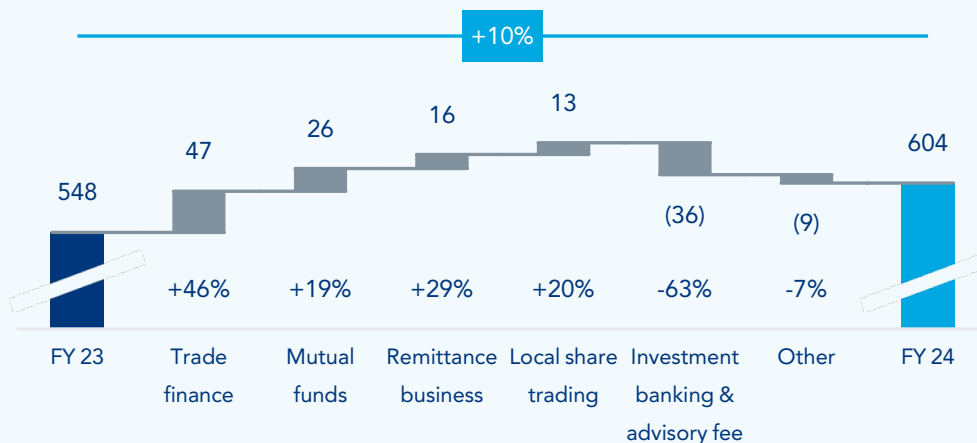
Management Commentary

Thirty percent of FY 2024 total operating income is represented by fee and other income, primarily driven by investment-related income and fees from banking services.

Fee income from banking services remains well-diversified, with strong growth from trade finance and mutual funds, partially offset by a 63% decline in investment banking and advisory fees due to a mark-to-market valuation loss on certain investments.

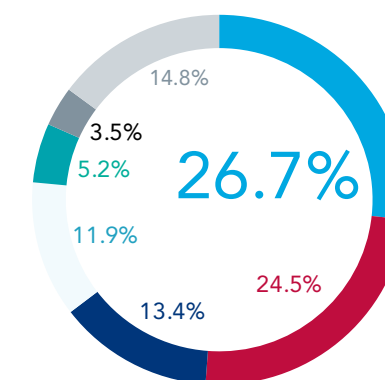
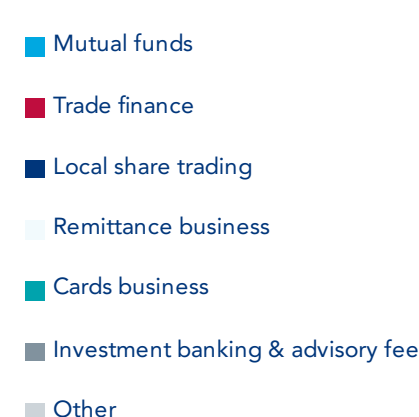
Net Fee Income From Banking Services Movement YoY (SAR Mn)

FY 2024



Net Fee Income From Banking Services Composition (%)

FY 2024



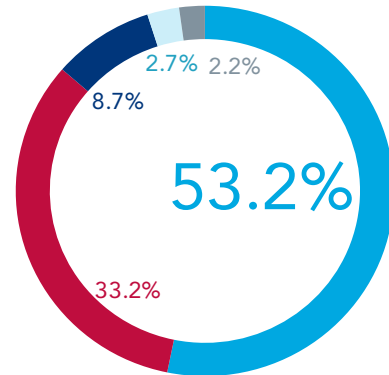
Operating expenses | Cost-to-income ratio improving YoY from positive jaws

Operating Expenses Composition (%)

FY 2024

Management commentary

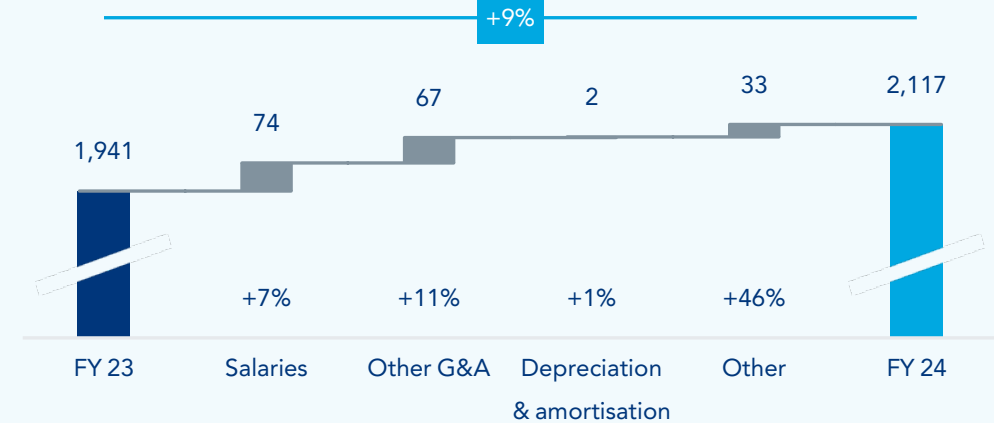
Operating expenses increased by 9% compared to FY 2023. Nevertheless, the cost-to-income ratio improved from positive operating leverage, showing a year-on-year improvement of 2.2 ppts to reach 56.0%.



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

Operating Expenses Movement YoY (SAR Mn)

FY 2024



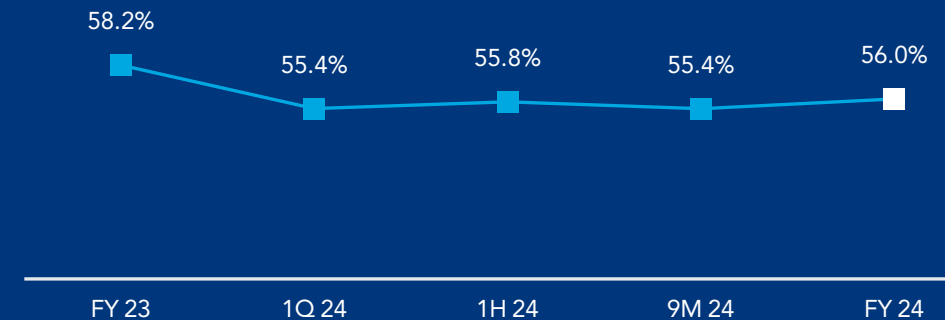
Cost to Average Earning Assets (%)

FY 2024



Cost to Income (%)

FY 2024



Cost of risk | Increased by 3bps to 0.32%, impacted by higher commercial impairments

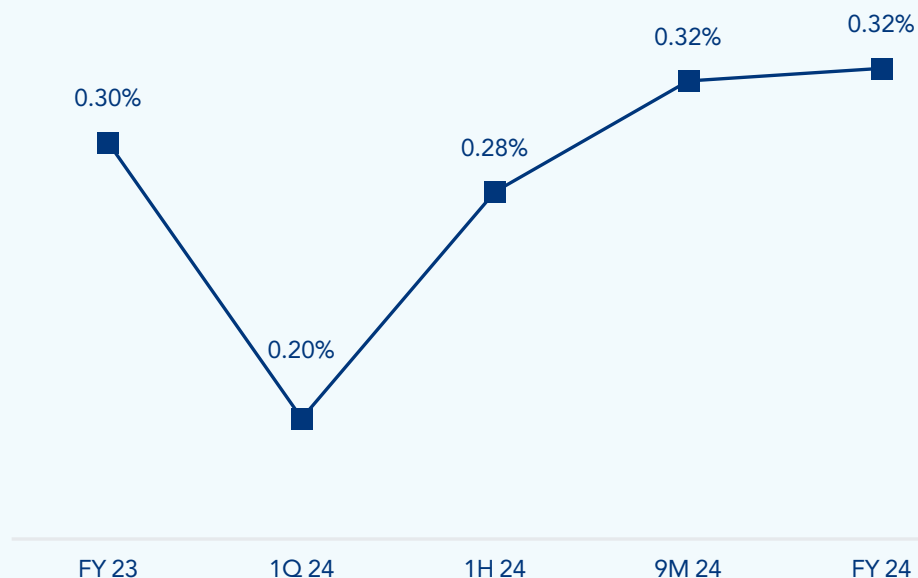
Cost of Risk (%)

FY 2024

Management commentary

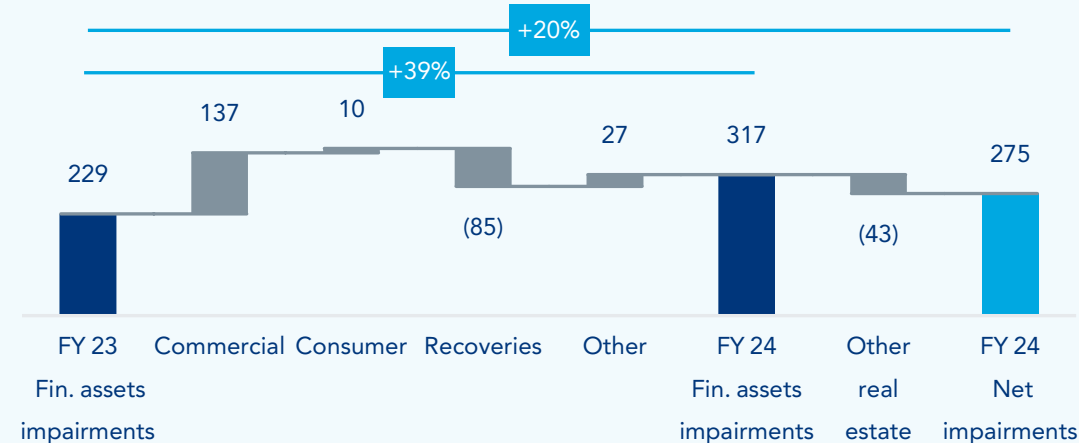
The net impairment charge for FY 2024 totaled SAR 275 million, reflecting a 20% year-on-year increase. The charge benefited from an impairment reversal on other real estate, excluding which the impairment charge for financial assets would have increased by 39% year-on-year to SAR 317 million.

The bank's cost of risk stood at 0.32% for FY 2024, a 3bps increase compared to the previous year.



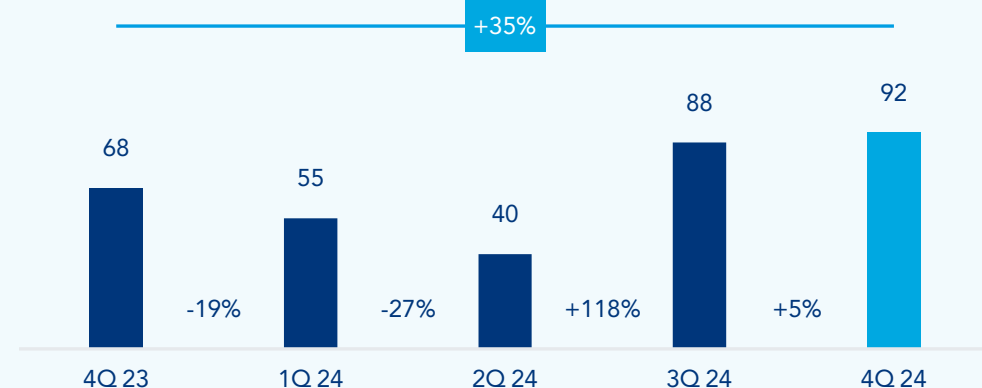
Impairment Charge Movement YoY (SAR Mn)

FY 2024

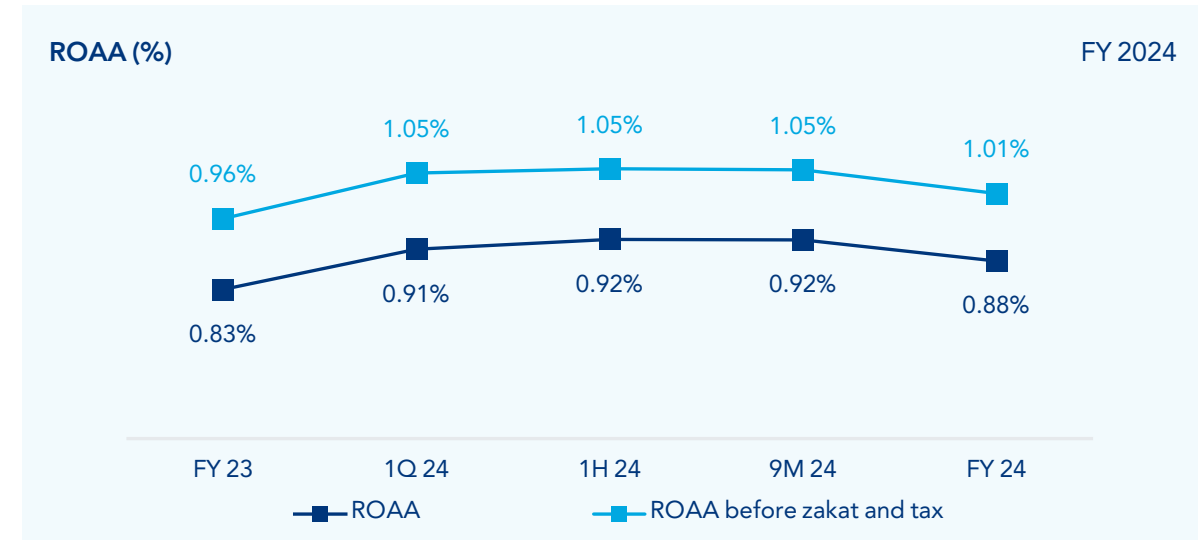
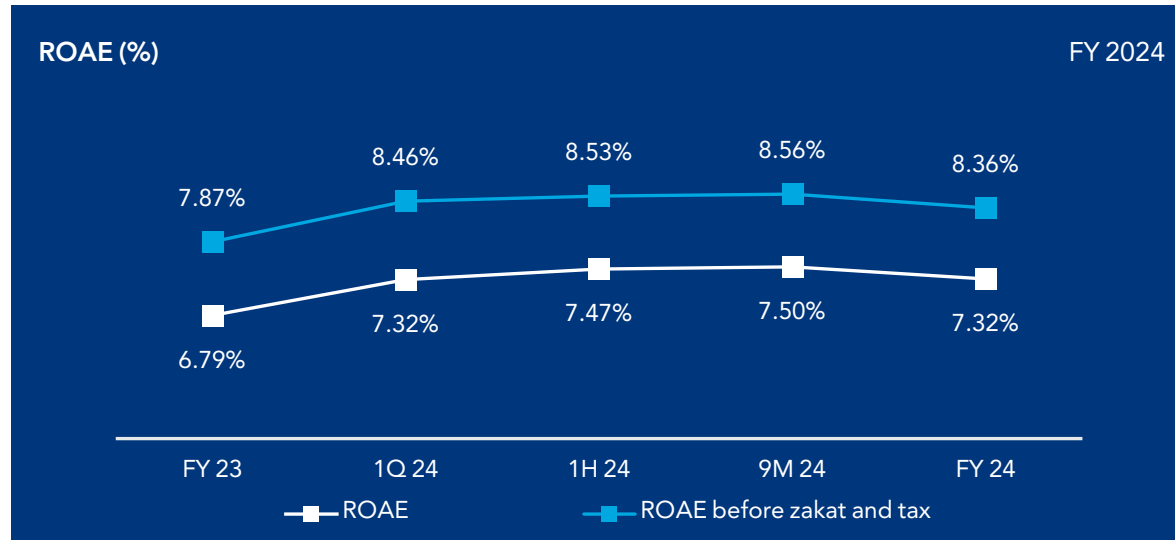


Impairment Charge (SAR Mn)

4Q 2024



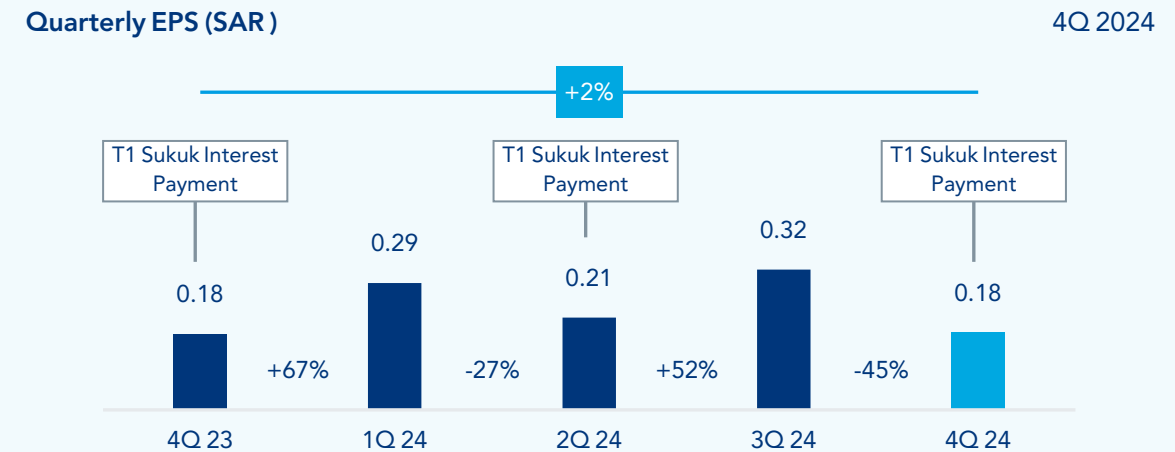
Profitability | Returns are improving YoY



Management Commentary

For FY 2024, earnings per share increased to SAR 1.01, up 17% YoY, driven by strong net income growth.

ROAE before zakat and tax rose to 8.36%, ROAE after zakat and tax reached 7.32%, and ROAA stood at 0.88%, reflecting a focus on profitability improvement under the refreshed strategy.





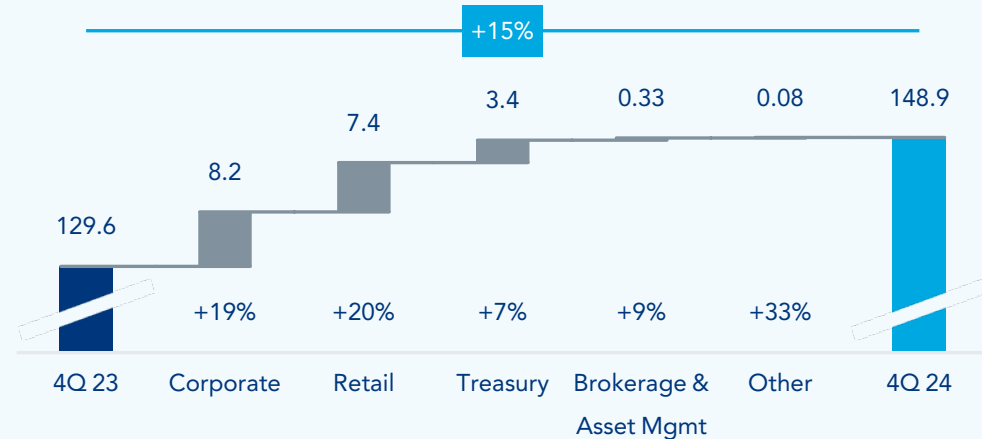
Segmental Performance



Segments | Diverse mix, with strong contributions from corporate and brokerage in 2024

Total Assets Movement YoY (SAR Bn)

4Q 2024



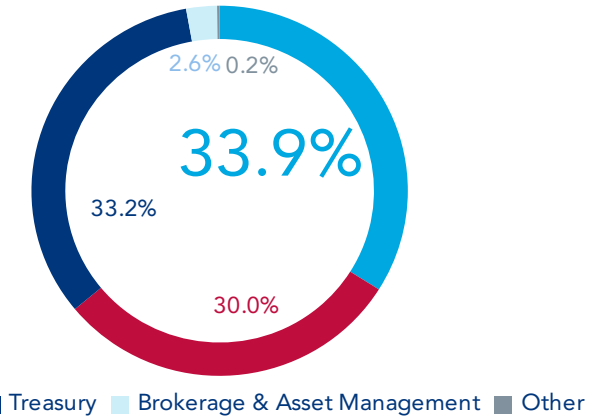
Total Assets Composition (%)

4Q 2024

Management commentary

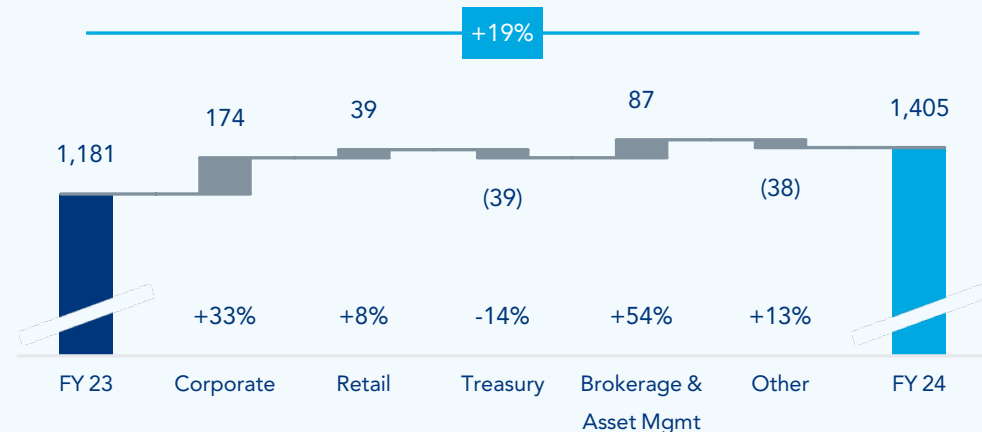
The asset mix is almost equally split between main segments, with a growing contribution from the corporate segment.

The corporate segment now accounts for 33.9% of assets and contributes 50.0% to the net income of the group.



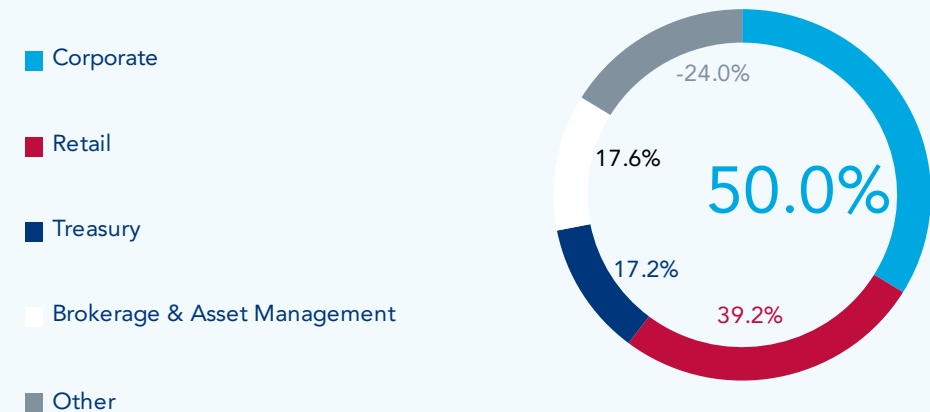
Net Income Before Zakat & Income Tax Movement YoY (SAR Mn)

FY 2024



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

FY 2024



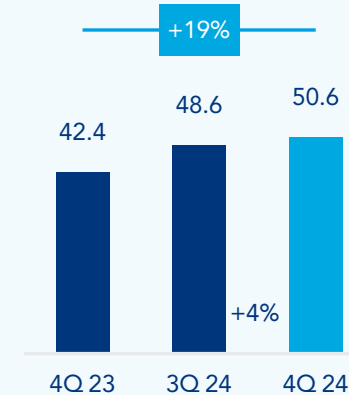
Corporate segment | The corporate segment reports 33% growth in net income and 19% growth in assets

Management Commentary

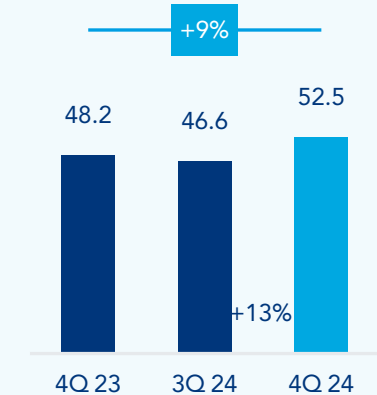
The corporate segment reported a 33% increase in net income before zakat, driven by 28% growth in operating income, partially offset by a 23% rise in operating expenses and an 18% increase in impairment charges. Total corporate banking assets grew by 19% YoY.

SAR Mn	FY 2024	FY 2023	YoY % Change	4Q 2024	4Q 2023	YoY % Change
Net financing & investment income	914	774	+18%	278	214	+30%
Fee & other income	290	169	+71%	48	42	+13%
Total operating income	1,204	943	+28%	326	256	+27%
Operating expenses	(281)	(228)	+23%	(80)	(55)	+45%
Impairment charges, net	(221)	(187)	+18%	(87)	(52)	+66%
Net income before zakat & income tax	702	528	+33%	159	148	+7%

Total Assets (SAR Bn)

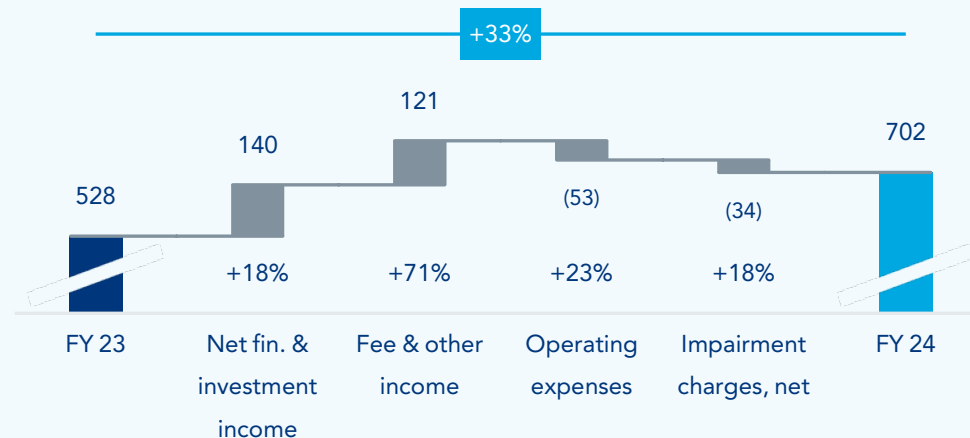


Total Liabilities (SAR Bn)

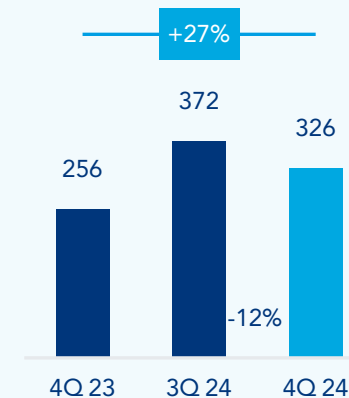


Net Income before zakat and tax Movement YoY (SAR Mn)

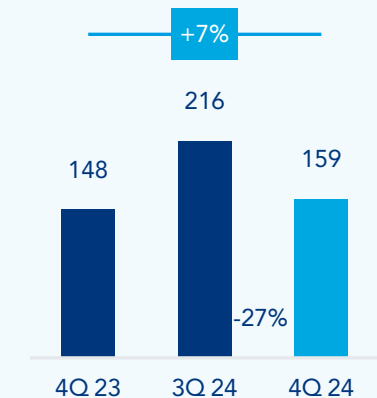
FY 2024



Total Operating Income (SAR Mn)



Net Income before zakat and tax (SAR Mn)



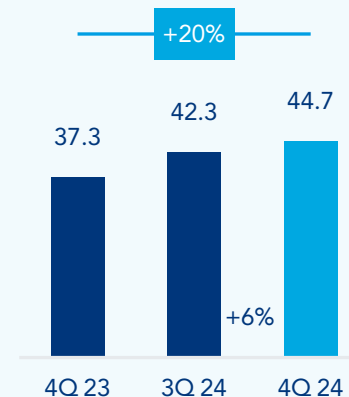
Retail segment | 8% rise in retail net income from NFI income, partly offset by higher expenses

Management Commentary

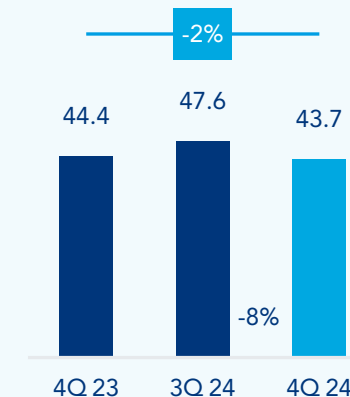
The retail segment experienced an 8% increase in net income before zakat YoY due to the growth in net financing and investment income, partially offset by higher expenses. Total retail banking assets rose by 20% during FY 2024.

SAR Mn	FY 2024	FY 2023	YoY % Change	4Q 2024	4Q 2023	YoY % Change
Net financing & investment income	1,643	1,476	+11%	430	381	+13%
Fee & other income	438	415	+6%	125	99	+27%
Total operating income	2,082	1,891	+10%	555	480	+16%
Operating expenses	(1,477)	(1,332)	+11%	(408)	(330)	+24%
Impairment charges, net	(53)	(47)	+13%	(4)	(17)	-76%
Net income before zakat & income tax	551	512	+8%	143	133	+8%

Total Assets (SAR Bn)

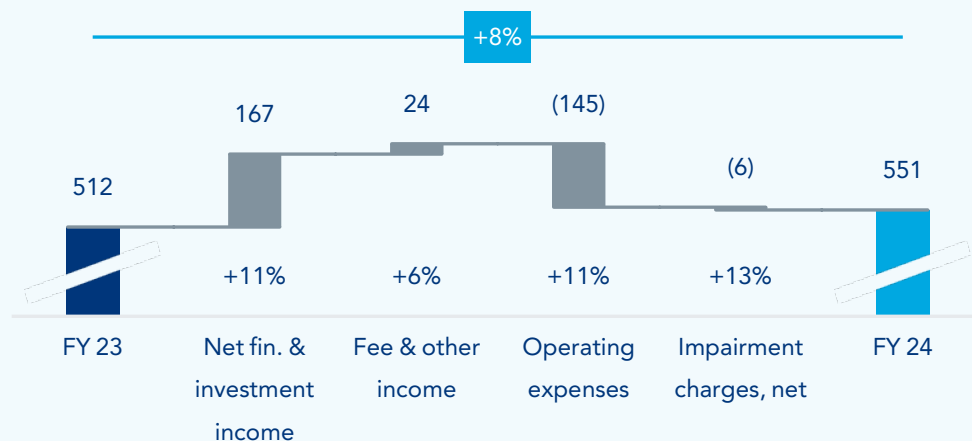


Total Liabilities (SAR Bn)

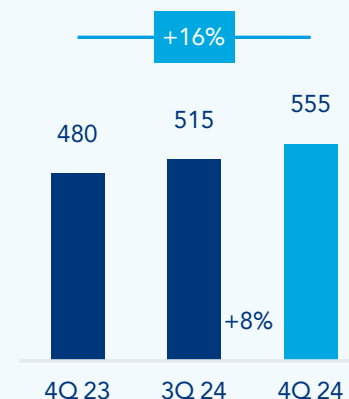


Net Income before zakat and tax Movement YoY (SAR Mn)

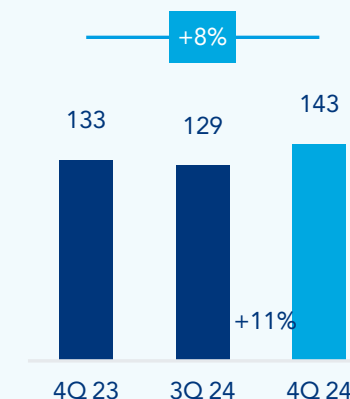
FY 2024



Total Operating Income (SAR Mn)



Net Income before zakat and tax (SAR Mn)



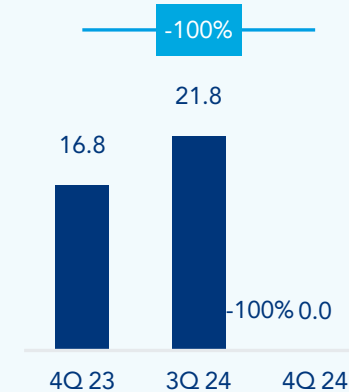
Brokerage and asset management segment | Strong 54% YoY income growth

Management Commentary

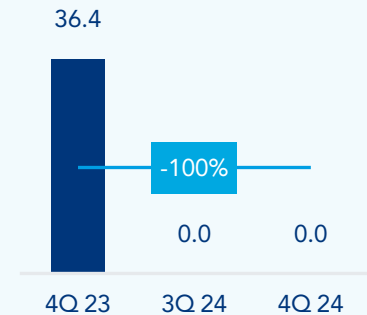
Brokerage and Asset management reported a 54% YoY increase in net income before zakat in FY 2024, driven by improved net financing and investment income and decrease in expenses. The contribution to the bank's net income before zakat is steadily growing, reaching 18% in FY 2024.

SAR Mn	FY 2024	FY 2023	YoY % Change	4Q 2024	4Q 2023	YoY % Change
Net financing & investment income	99	60	+65%	34	20	+70%
Fee & other income	343	337	+2%	46	103	-55%
Total operating income	442	396	+11%	79	122	-35%
Operating expenses	(197)	(239)	-17%	(25)	(94)	-73%
Share in net income of an associate	2	2	+5%	1	1	-13%
Net income before zakat & income tax	247	160	+54%	55	29	+88%

Assets Under Management (SAR Bn)

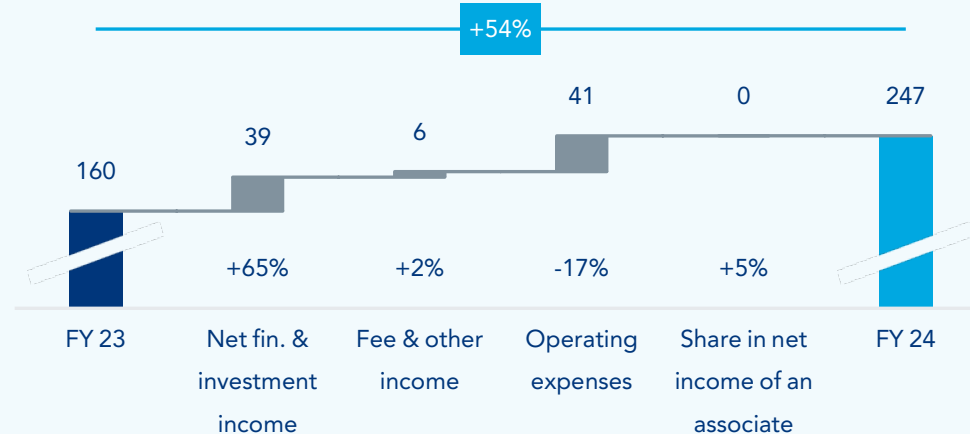


Traded Value (SAR Bn)

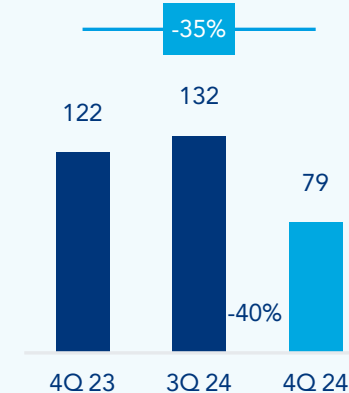


Net Income before zakat and tax Movement YoY (SAR Mn)

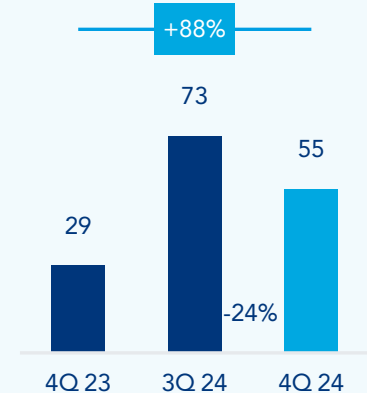
FY 2024



Total Operating Income (SAR Mn)



Net Income before zakat and tax (SAR Mn)



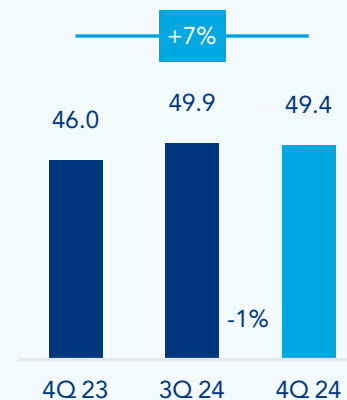
Treasury segment | Declining net income from treasury on higher funding costs

Management Commentary

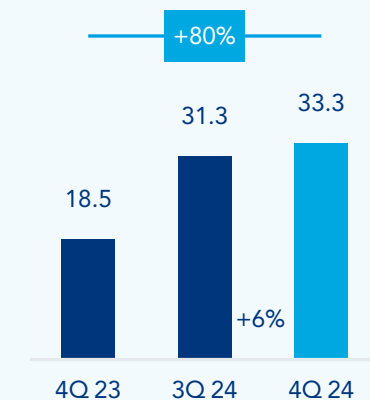
Treasury and investments net income before zakat decreased by 14% YoY for FY 2024, resulting from a 77% drop in net financing and investment income, due to higher funding costs and a 14% increase in expenses, partially offset by a 19% increase in fee and other income.

SAR Mn	FY 2024	FY 2023	YoY % Change	4Q 2024	4Q 2023	YoY % Change
Net financing & investment income	22	98	-77%	(1)	33	-103%
Fee & other income	382	320	+19%	104	83	+25%
Total operating income	405	419	-3%	103	117	-12%
Operating expenses	(162)	(143)	+14%	(47)	(36)	+30%
Impairment charges, net	(1)	5	-119%	(1)	2	-134%
Net income before zakat & income tax	242	281	-14%	55	82	-33%

Total Assets (SAR Bn)

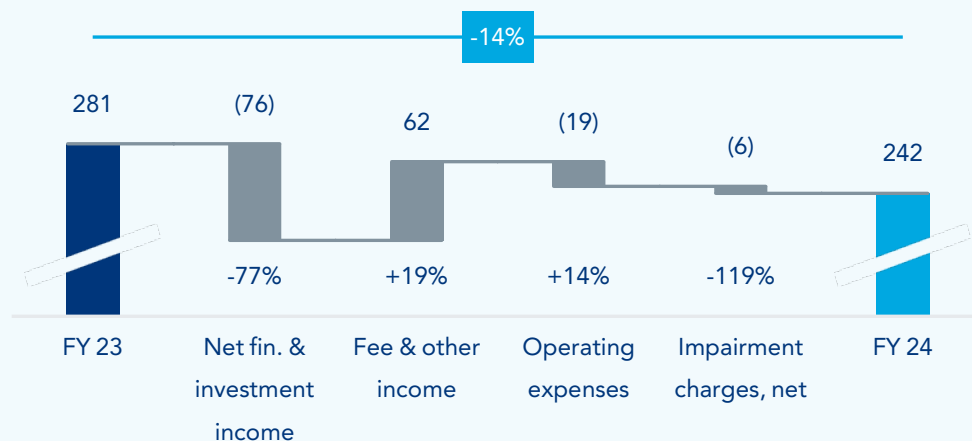


Total Liabilities (SAR Bn)

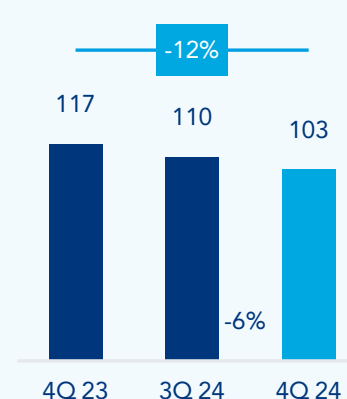


Net Income before zakat and tax Movement YoY (SAR Mn)

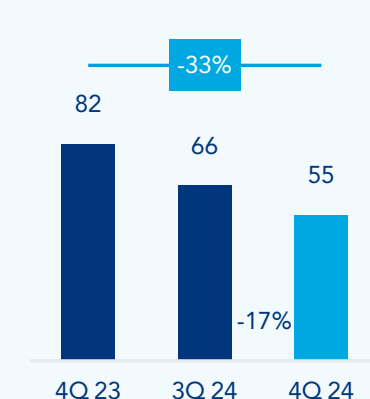
FY 2024



Total Operating Income (SAR Mn)



Net Income before zakat and tax (SAR Mn)



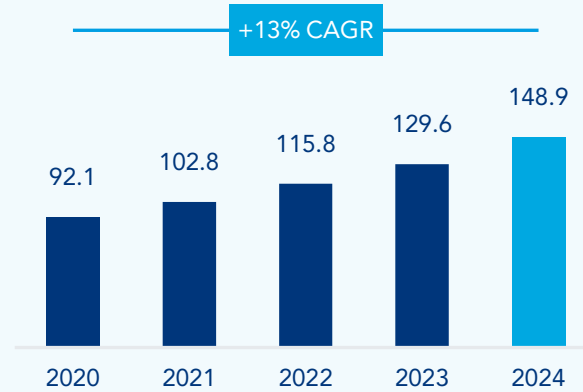


Historical trends

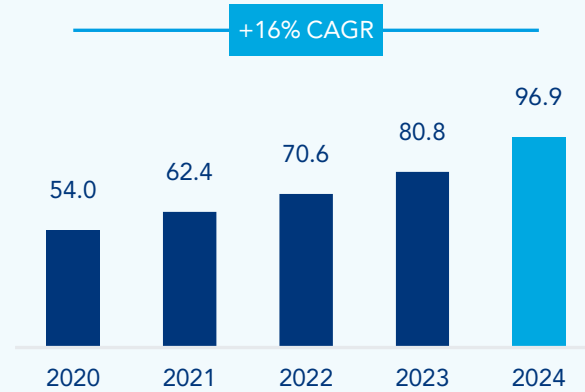


Historical Trends

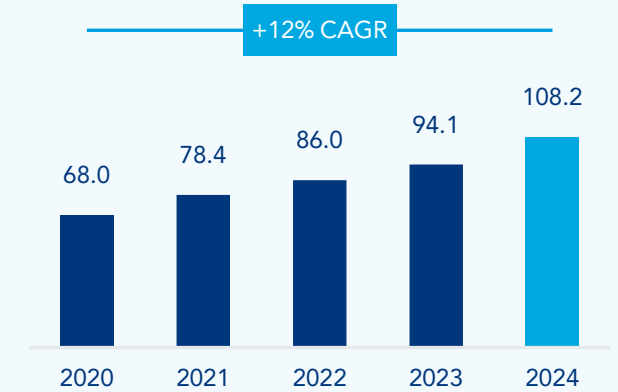
Total Assets (SAR Bn)



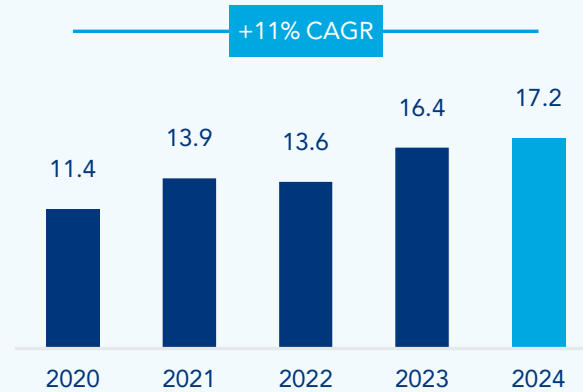
Financing (SAR Bn)



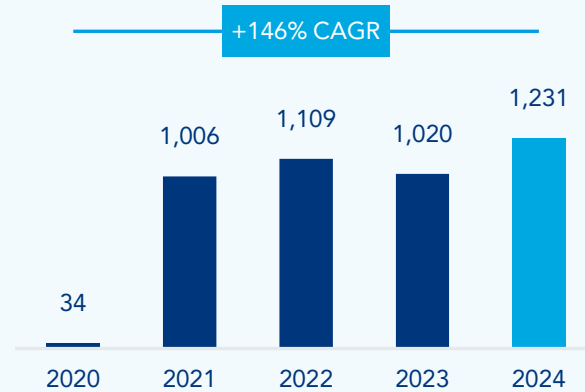
Customers' Deposits (SAR Bn)



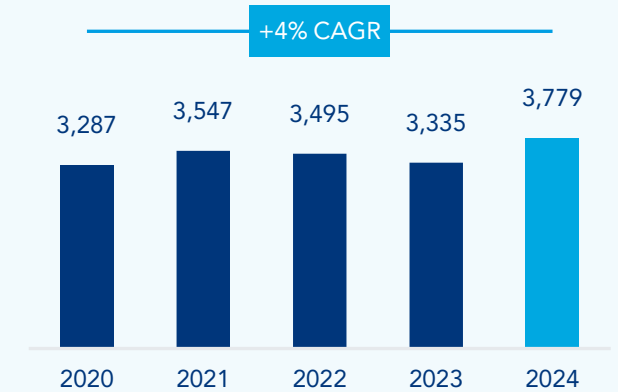
Total Equity (SAR Bn)



Net Income for the Period (SAR Mn)

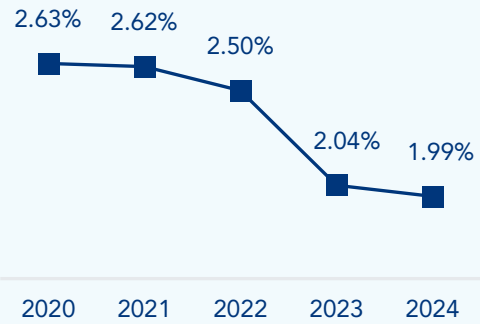


Total Operating Income (SAR Mn)

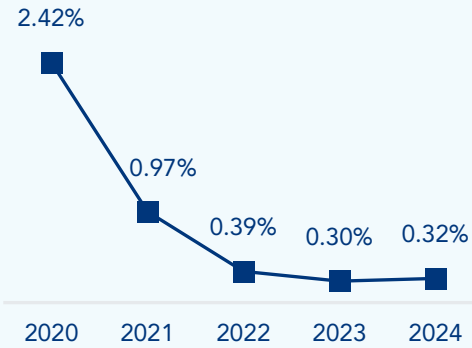


Key Ratios

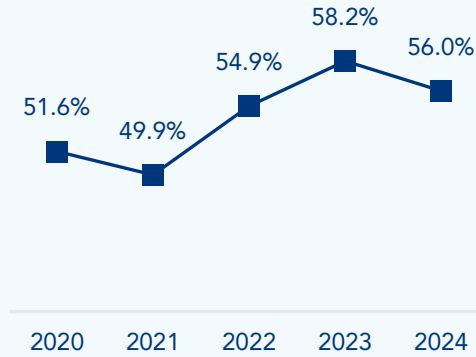
Net Margin (%)



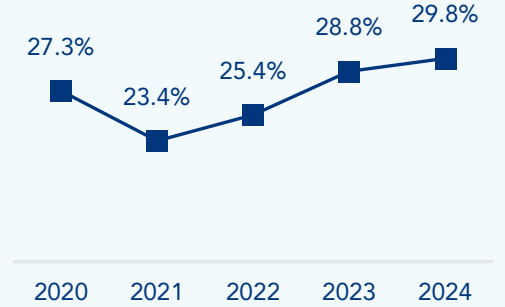
Cost of Risk (%)



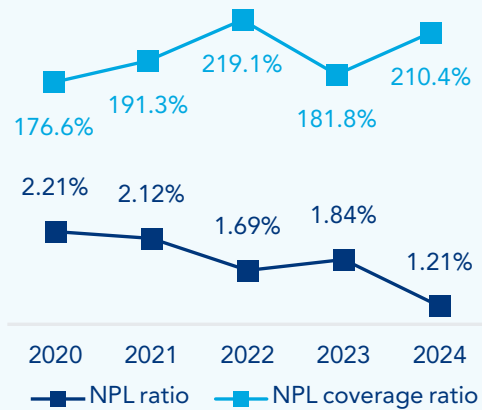
Cost to Income (%)



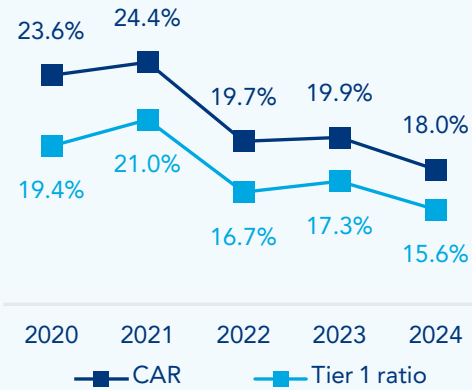
Share of Fee & Other Income in Operating Income (%)



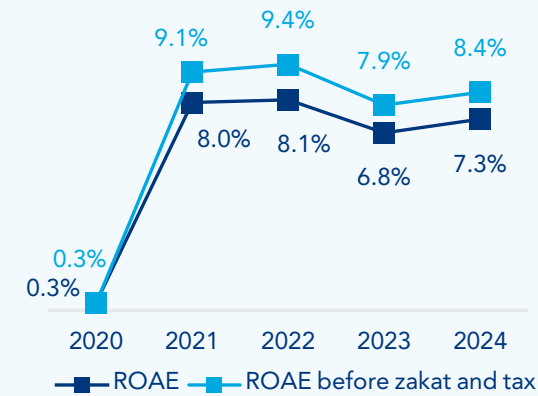
NPL Ratios (%)



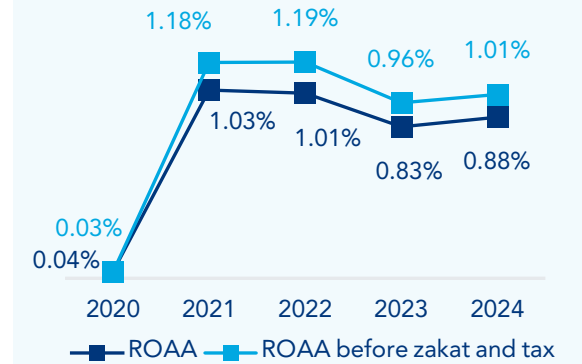
Capital Adequacy Ratios (%)



ROAE (%)



ROAA (%)





Guidance



Guidance | We expect double-digit asset growth with improved efficiency and profitability in 2025

Guidance Metric	FY 2023 Actual	FY 2024 Actual	FY 2025 Guidance	Drivers
Financing growth	+14%	+20% YoY above guidance (mid-teens)	Lower teens	Anticipate the continuation of double-digit financing growth in 2025
Net Margin	2.04%	1.99% below guidance (maintain 2.04%)	+5-10bps	Expecting moderate NIM expansion, benefiting from rate cuts
Cost of Risk	0.30%	0.32% within guidance (0.30-0.35%)	0.35-0.40%	Continued favorable economic conditions and disciplined risk management underpinning a controlled cost of risk
Cost to Income	58.2%	56.0% within guidance (below 56%)	below 55%	Further improving the ratio to below 55% through revenue growth and diligent cost optimization, balanced against investments in strategic initiatives
Tier 1	17.3%	15.6% below guidance (16.0-16.5%)	16.0%+	Expecting the Tier 1 ratio to benefit from solid retained earnings generation, moderated RWA growth, and the Additional Tier 1 Sukuk issuance in January 2025
ROAE after zakat and tax	6.79%	7.32% within guidance (>8% before zakat)*	>8%	Targeting a gradual improvement aligned with the refreshed strategy *Guidance updated from ROAE pre-zakat and tax to ROAE post-zakat and tax



Appendix



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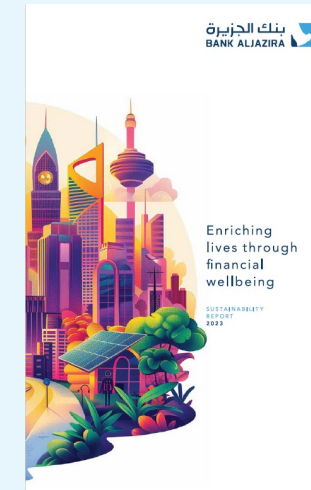
Email: MMKhan@BankAljazira.com

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