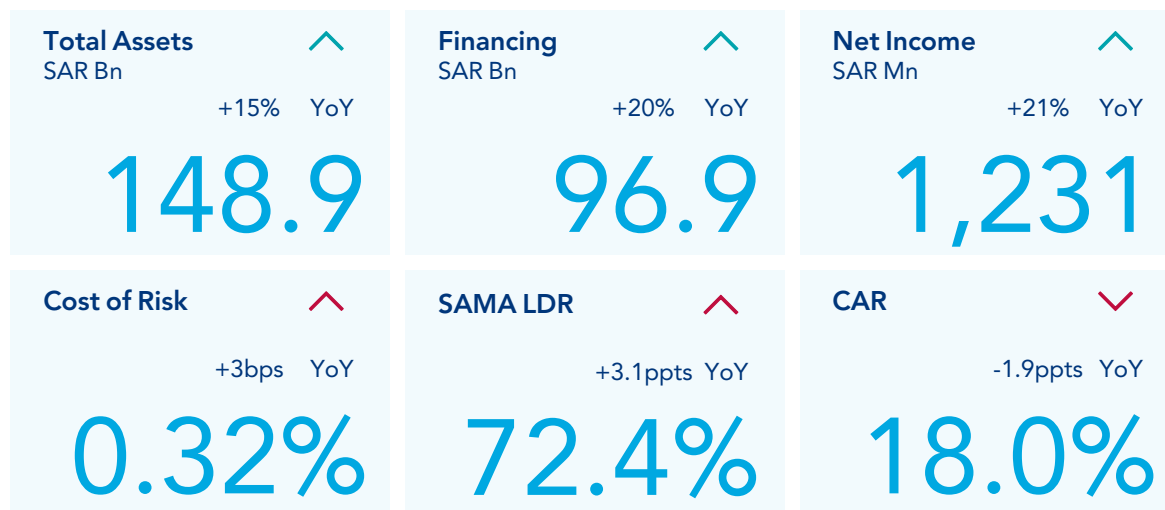


Bank AlJazira reports 21% growth in net income to SAR 1,231 million for FY 2024

FY 2024 Financial Results Highlights



- **Net income** for FY 2024 amounted to SAR 1,231 million, up 21% compared to FY 2023. Net income for 4Q 2024 amounted to SAR 280 million, remaining stable YoY.
- **Total operating income** for FY 2024 reached SAR 3,779 million, demonstrating 13% YoY growth, driven by an 11% increase in net financing and investment income and a 19% expansion in fee and other income.
- **Operating expenses** increased by 9% compared to FY 2023; however, positive operating leverage improved the cost-to-income ratio by 2.2 ppts YoY to 56.0%.
- **The bank's cost of risk** increased modestly to 0.32% for FY 2024, compared to 0.30% in the previous year, while the NPL ratio improved YoY.
- **Total financing** demonstrated solid 20% growth during FY 2024 to SAR 96.9 billion.
- **Customers' deposits** experienced 15% growth YoY, reaching SAR 108.2 billion, driven by increased savings accounts and further supported by time deposits.
- **SAMA LDR** was 72.4% at 4Q 2024, providing ample room for future growth.
- **Total equity** increased by 5% YoY to SAR 17.2 billion from retained earnings generation.
- **Total Capital Adequacy Ratio (CAR)** declined 1.9 ppts during FY 2024 to 18.0%, primarily due to RWA growth, despite solid earnings growth.

Riyadh, 11 February 2025 – Bank AlJazira (BAJ) reported 21% year-on-year growth in net income to SAR 1,231 million for FY 2024, driven by a 13% rise in operating income, partially offset by 9% growth in operating expenses. In 4Q 2024, net income stood at SAR 280 million, remaining stable year-over-year but declining 16% sequentially. The decrease was primarily driven by a net loss on financial instruments and non-recurring expenses, mainly related to a one-time operational risk charge. Excluding these one-offs, normalized net profit for the quarter would have remained stable QoQ.

Total assets amounted to SAR 148.9 billion as of 31st December 2024, an increase of 15% YoY, primarily driven by solid financing growth of 20%. Total customer deposits expanded by 15% in FY 2024 on the back of increased savings accounts and time deposits.

Addressing the performance of Bank AlJazira, Mr. Naif A. Al Abdulkareem, Chief Executive Officer of Bank AlJazira, stated:

"We are pleased to announce our FY 2024 financial results, highlighting a strong year of growth and performance. The Bank achieved a remarkable 21% increase in net profit, driven by 20% growth in financing assets and double-digit growth in operating income. Our cost-to-income ratio improved by 2.2 ppts, supported by revenue growth, while the cost of risk was maintained at 0.32%, reflecting our commitment to sustainable growth and operational excellence.

From a strategic perspective, 2024 has been a landmark year for Bank AlJazira, marked by a strong start in executing our strategic transformation. Our focus on innovation, digitalization, and customer-centric solutions has delivered tangible results, solidifying our foundation for long-term growth.

Key milestones this year include the launch of our new retail mobile application and a robust CRM system, which enhance customer experience and streamline interactions. On the corporate side, we expanded our offerings, introduced a seamless B2B financial channel, and revamped digital platforms to better serve our clients' evolving needs.

Our investment in data and technology highlights our commitment to innovation and operational excellence, laying the groundwork to drive growth and deliver value for our shareholders."

Mr. Hani S. Noori, Senior Vice President and Chief Financial Officer of Bank AlJazira:

"Our financial performance in 2024 reflects strong business momentum and disciplined execution. Net income grew by 21% year-over-year, driven by a 13% increase in operating income, supported by robust financing growth and a healthy expansion in fee-based income. We maintained positive operating leverage, improving our cost-to-income ratio by 2.2 percentage points, while the cost of risk remained well-contained. Our financing portfolio expanded by 20%, with strong contributions from both commercial and consumer lending, while customer deposits grew by 15%, further reinforcing our funding base. As we move into 2025, we remain focused on sustaining profitability, optimizing efficiency, and delivering double-digit asset growth to create long-term value for our shareholders."

Income Statement Highlights

For the period ending 31 December 2024

SAR Mn	FY 2024	FY 2023	YoY % Change	4Q 2024	4Q 2023	YoY % Change
Net financing and investment income	2,634	2,375	+11%	735	643	+14%
Fee and other income	1,145	960	+19%	232	247	-6%
Total operating income	3,779	3,335	+13%	967	890	+9%
Total operating expenses before impairment charge	(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 and income tax	1,405	1,181	+19%	320	311	+3%
Zakat and income tax	(174)	(161)	+8%	(39)	(32)	+23%
Net income for the period	1,231	1,020	+21%	280	279	+0%
Earnings per share	1.01	0.86	+17%	0.18	0.18	+2%
ROAE before zakat and tax	8.36%	7.87%	+49 bps	7.39%	7.61%	-21 bps
ROAE	7.32%	6.79%	+53 bps	6.48%	6.82%	-34 bps
Net margin	1.99%	2.04%	-5 bps	2.03%	2.11%	-8 bps
Cost of risk*	0.32%	0.30%	+3 bps	0.34%	0.40%	-6 bps
Cost to income ratio	56.0%	58.2%	-2.2 ppt	57.9%	57.8%	+0.0 ppts

*Cost of Risk is based on Impairment Charge in respect of Financing net of recoveries, reversal and write offs.

Total operating income for FY 2024 reached SAR 3,779 million, demonstrating a 13% year-on-year increase. This growth was driven by an 11% increase in net financing and investment income and a 19% expansion in fee and other income. Notably, 30% of total operating income in FY 2024 came from fee and other income, driven by banking services and investment-related revenues. In 4Q 2024, total operating income grew by 9% year-on-year but declined 5% QoQ to SAR 967 million.

Financing and investment income for FY 2024 grew by 27%, while the cost of funds increased by 37%, leading to an 11% rise in net financing and investment income. The net margin for FY 2024 saw a slight decrease, moving from 2.04% to 1.99% year-on-year. In 4Q 2024, net financing and investment income grew by 14% year-on-year and 13% sequentially, with the margin rising to 2.03%.

Operating expenses for FY 2024 increased by 9% compared to FY 2023, mainly due to higher spending on staff-related costs and strategic initiatives, including digital transformation. However, positive operating leverage led to a 2.2 ppts improvement in the cost-to-income ratio, which stood at 56.0% for FY 2024.

The net impairment charge for FY 2024 totalled 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 3 bps increase compared to the previous year.

In FY 2024, **net income** reached SAR 1,231 million, reflecting a 21% increase compared to the same period in 2023. This growth is primarily attributed to the 13% rise in operating income, partially offset by 9% growth in operating expenses. In 4Q 2024, net income amounted to SAR 280 million, remaining stable compared to 4Q 2023 but decreasing by 16% sequentially from a net loss on financial instruments and non-recurring expenses.

Balance Sheet Highlights

For the quarter as of 31 December 2024

SAR Mn	4Q 2024	3Q 2024	QoQ % Change	4Q 2023	YoY % Change
Total cash, interbank and balances with SAMA	12,815	13,310	-4%	11,532	+11%
Investments, net	36,194	36,060	+0%	34,442	+5%
Financing, net	96,912	92,710	+5%	80,781	+20%
Other assets, net	2,984	3,112	-4%	2,795	+7%
Total assets	148,906	145,192	+3%	129,551	+15%
Due to banks and other financial institutions	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, net	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%

The balance sheet expanded 15% during FY 2024, with **total assets** reaching SAR 148.9 billion. This growth was mainly driven by a 20% increase in **net financing**.

Investments experienced a moderate increase of 5% YoY, resulting in a decrease in their share of total assets to 24% from 27% at the beginning of the year, as contributions from other asset lines expanded more.

Net financing increased by 20%, totalling SAR 96.9 billion by the end of 2024. Financing growth was driven mainly by a 22% rise in commercial financing. Commerce emerged as key growth driver in the portfolio. At the same time, consumer lending grew significantly, rising by 17% in FY 2024. Residential financing increased by 22% and stood out as the main driver for consumer financing growth. It was also supported by the auto financing, delivering a notable increase of 128%, albeit from a low base.

Customers' deposits expanded by 15% to SAR 108.2 billion during FY 2024, driven largely by savings accounts and further supported by time deposits. Current and savings accounts grew by 28% YoY, while time deposits experienced a 7% increase. As a result, the share of current and savings accounts increased to 44.4% from 39.9% at the end of 2023.

Asset Quality Highlights

For the quarter as of 31 December 2024

%	4Q 2024	3Q 2024	QoQ % Change	4Q 2023	YoY % Change
NPL ratio	1.21%	1.30%	-9 bps	1.84%	-63 bps
NPL coverage ratio	210.4%	197.9%	+12.4 ppts	181.8%	+28.6 ppts
Stage 3 coverage	56.2%	53.1%	+3.1 ppts	58.6%	-2.3 ppts

The **NPL ratio** decreased by 63 bps 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. The coverage of non-performing financing increased to 210.4% as of 31 December 2024.

Capital Adequacy and Liquidity Highlights

For the quarter as of 31 December 2024

SAR Mn	4Q 2024	3Q 2024	QoQ % Change	4Q 2023	YoY % Change
Risk weighted assets	109,749	110,119	-0%	95,854	+14%
RWA density	73.7%	75.8%	-2.1 ppts	74.0%	-0.3 ppts
Total tier 1 capital	17,163	17,370	-1%	16,596	+3%
Total capital	19,780	19,923	-1%	19,098	+4%
Tier 1 ratio	15.6%	15.8%	-0.1 ppts	17.3%	-1.7 ppts
Capital adequacy ratio	18.0%	18.1%	-0.1 ppts	19.9%	-1.9 ppts
LCR	123.8%	151.0%	-27.2 ppts	142.3%	-18.5 ppts
NSFR	117.7%	118.9%	-1.2 ppts	112.3%	+5.3 ppts
SAMA weighted LDR	72.4%	72.1%	+0.3 ppts	69.3%	+3.1 ppts
Headline LDR	89.6%	89.7%	-0.1 ppts	85.9%	+3.7 ppts

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.

The total capital adequacy ratio experienced a drop of 1.9 ppts 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.

The bank's liquidity remained strong and comfortably within regulatory limits, with the **liquidity coverage ratio** at 123.8%, the **net stable funding ratio** at 117.7%, the **SAMA regulatory loan to deposit ratio** at 72.4%, and the **headline loan to deposit ratio** at 89.6%.

Operating Segment Highlights*

Personal Banking Highlights

For the period ending 31 December 2024

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

SAR Mn	4Q 2024	3Q 2024	QoQ % Change	4Q 2023	YoY % Change
Total assets	44,686	42,346	+6%	37,282	+20%
Total liabilities	43,727	47,645	-8%	44,402	-2%

Personal banking net income before zakat for FY 2024 increased by 8% year-on-year to SAR 551 million due to growth in net financing and investment income, partially offset by higher expenses. **Total personal banking assets** rose by 20% during FY 2024 to SAR 44.6 billion, while **total liabilities** decreased by 2% to SAR 43.7 billion.

* In 2Q 2024, the Bank updated its Funds Transfer Pricing (FTP) policy, resulting in modifications to segment performance reporting. Prior periods have been restated accordingly.

Corporate Banking Highlights

For the period ending 31 December 2024

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

SAR Mn	4Q 2024	3Q 2024	QoQ % Change	4Q 2023	YoY % Change
Total assets	50,553	48,640	+4%	42,379	+19%
Total liabilities	52,492	46,606	+13%	48,154	+9%

The corporate segment reported 33% YoY growth in net income before zakat to SAR 702 million in FY 2024. This growth was supported by an 18% increase in net financing and investment income, a 71% rise in fees and other income, partially offset by a 23% increase in operating expenses and an 18% rise in impairment charge. **Total corporate banking assets** rose by 19% during FY 2024 to SAR 50.6 billion, driven by commercial financing growth. **Total liabilities** increased by 9% to SAR 52.5 billion from customer deposits.

Brokerage and Asset Management Highlights

For the period ending 31 December 2024

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

Brokerage and Asset management reported a 54% YoY increase in net income before zakat to SAR 247 million in FY 2024. Operating income rose 11% year-on-year to SAR 442 million, driven by improved net financing and investment income and decrease in expenses. The segment's contribution to the bank's net income before zakat is steadily growing, reaching 18% during FY 2024 from 14% in FY 2023.

Treasury and Investments Highlights

For the period ending 31 December 2024

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

SAR Mn	4Q 2024	3Q 2024	QoQ % Change	4Q 2023	YoY % Change
Total assets	49,405	49,877	-1%	46,036	+7%
Total liabilities	33,280	31,347	+6%	18,517	+80%

Treasury and investments net income before zakat decreased by 14% YoY to SAR 242 million for FY 2024, resulting from a 77% drop in net financing and investment income and a 14% increase in expenses, partially offset by a 19% increase in fee and other income. The 7% increase in assets and 80% rise in liabilities were mainly attributable to changes in investments and interbank balances.

Outlook

Saudi Arabia's economic landscape remained dynamic in 2024, with real GDP growth estimated at 1.4%. Looking ahead, growth is expected to accelerate to 3.3% in 2025. Non-oil GDP expanded by 3.7% in 2024 and is projected to rise further to 4.4% in 2025, driven by Vision 2030 initiatives that continue to stimulate corporate growth and credit activity across key sectors.

Following rate cuts at the end of 2024, one or two additional cuts of 25 bps each are expected in 2025. Bank AlJazira's negative sensitivity to interest rate cuts places it in a favourable position to benefit from these changes, which is expected to positively impact the bank's results. Combined with bank's strategic execution, these developments support continued value generation for our shareholders.

About Bank AlJazira

Bank AlJazira (BAJ) is a joint Stock Company incorporated in the Kingdom of Saudi Arabia and established pursuant to Royal Decree No. 46/M dated Jumada Al-Thani 12, 1395H (i.e. June 21, 1975). The Bank commenced its business on Shawwal 16, 1396H (October 9, 1976) with the takeover of the National Bank of Pakistan's (NBP) branches in the Kingdom of Saudi Arabia. The Bank operates under commercial registration No. 4030010523 dated Rajab 29, 1396H (July 27, 1976) issued in Jeddah. The issued and fully paid-up share capital of the Bank amounts to SAR 10,250 million divided into 1,025 million shares of SAR 10 each.

The objective of the Bank is to provide a full range of Shari'ah compliant banking products and services to Retail and Corporate customers including current accounts, saving accounts, Murabaha, Istisna'a, Ijarah, Tawarruq, Musharaka, Wa'ad foreign exchange, credit cards and Sukuk which are approved and supervised by an independent Shari'ah Committee. The Bank conducts its business through the Bank's departments and branches all over the Kingdom and has no branches operating abroad.

The Bank is recognized as one of the leading Shari'ah compliant fast-growing financial institution in Saudi Arabia, which provides individuals, businesses, and institutions with innovative Shari'ah compliant financial services through professional and dedicated staff.

Additional Information

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