

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, remain 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.
- **The balance sheet** demonstrated a solid 15% increase during FY 2024, driven by continued growth in financing of 20%, mainly from commercial financing.
- **Customers' deposits** experienced 15% growth YoY, reaching SAR 108.2 billion, driven by increased savings accounts and further supported by time deposits.

Commenting on the 2024 performance, 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."

Riyadh, 3 February 2025. Bank AlJazira's net income for 2024 reached SAR 1,231 million, reflecting a robust 21% year-on-year increase. This performance was driven by a 13% rise in total operating income, partially offset by a 9% increase in operating expenses. In 4Q 2024, net income amounted to SAR 280 million, remaining stable compared to 4Q 2023.

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.

The bank's segment mix remains well diversified, with all segments contributing to both operating and net income, exemplifying the strength of the business model.

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 impairment charge for FY 2024 totalled SAR 275 million, reflecting a 20% year-on-year increase. Excluding an impairment reversal of other real estate, the impairment charge for financial assets would have risen by 39%. The bank's cost of risk stood at 0.32% for FY 2024, a 3 bps increase compared to the previous year.

The balance sheet expanded by 15% during FY 2024, with total assets reaching SAR 148.9 billion. This growth was driven mainly by a 20% increase in the financing portfolio. Customer deposits grew by 15% year-to-date, reaching SAR 108.2 billion, supported by an increase in savings accounts and term deposits.

Income Statement Summary

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 ppts	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.

Balance Sheet Summary

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%

Additional Information

Please contact BAJ for more information:

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