

Bank AlJazira reports 20% growth in net income to ₪ 361 million for 1Q 2025

1Q 2025 Financial Results Highlights:

- **Net income** for 1Q 2025 amounted to ₪ 361 million, up 20% compared to 1Q 2024. On a sequential basis, net income increased by 29% compared to 4Q 2024.
- **Total operating income** for 1Q 2025 reached ₪ 1,079 million, demonstrating 21% YoY growth, driven by a 22% increase in net financing and investment income and a 21% expansion in fee and other income.
- **Operating expenses** increased by 15% compared to 1Q 2024; however, positive operating leverage improved the cost-to-income ratio by 3.0 ppts YoY to 52.4%.
- **The bank's cost of risk** increased to 0.38% for 1Q 2025, compared to 0.20% in the previous year.
- **The balance sheet** grew by 13% YoY, driven by a 20% increase in financing across both commercial and consumer segments.
- **Customers' deposits** rose by 13% YoY, reaching ₪ 109.6 billion, supported by higher savings and time deposits.

Commenting on the 1Q 2025 performance, Mr. Naif A. Al Abdulkareem, Chief Executive Officer of Bank AlJazira, stated:

"We are pleased to report first quarter results for 2025 that reflects our ongoing resilience and adaptability in a dynamic market environment. With a 20% increase in net income and a significant 21% uplift in total operating income, our performance reflects the strategic focus on enhancing customer value and operational efficiency. Our emphasis on strategic transformation is yielding tangible benefits. This reinforces our commitment to providing innovative financial solutions that meet the evolving needs of our clients.

In Q1, we advanced key initiatives in digitalization, operational excellence, and business growth. Highlights include the launch of a digital SME account opening platform to support financial inclusion and digital customer acquisition, aligned with Vision 2030. Modernizing our platforms, enhancing customer experiences, and leveraging data and automation have expanded our reach and improved service delivery. Operational improvements also led to better collection performance, strengthening our bottom line and reinforcing business resilience. These outcomes reflect disciplined execution of our five-year strategy and the growing momentum behind our transformation.

Looking ahead, we remain steadfast in our commitment to delivering sustainable growth and value to our stakeholders, driven by a diversified business model. The trust of our customers and the dedication of our team continue to be the cornerstone of our success."

Riyadh, 1 May 2025. Bank AlJazira's net income for 1Q 2025 reached ₪ 361 million, reflecting a robust 20% year-on-year increase. This performance was driven by a 21% rise in total operating income, partially offset by a 15% increase in operating expenses and a higher impairment charge. Net income increased by 29% compared to 4Q 2024 mainly from improving fee and other income.

Total operating income for 1Q 2025 reached ₪ 1,079 million, demonstrating a 21% year-on-year increase. This growth was driven by a 22% increase in net financing and investment income and a 21% expansion in fee and other income. 30% of total operating income in 1Q 2025 came from fee and other income, driven by increased fees from banking services, dividend and exchange income. Quarter-on-quarter, total operating income grew by 12%, supported by 40% growth in fee and other income.

Financing and investment income for 1Q 2025 grew by 13% year-on-year, while the cost of funds increased by 9%, leading to a 22% rise in net financing and investment income. The net margin for 1Q 2025 increased by 15bps, moving from 2.04% to 2.19% year-on-year. Quarter-on-quarter, net financing and investment income grew by 3%.

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 1Q 2025 increased by 15% compared to 1Q 2024, due to higher spending on staff-related costs and strategic initiatives, including digital transformation. However, positive operating leverage led to a 3.0 ppts improvement in the cost-to-income ratio, which stood at 52.4% for 1Q 2025.

The impairment charge for 1Q 2025 totalled ₪ 103 million, reflecting an 86% year-on-year increase from a low base. The bank's cost of risk remained modest at 0.38% for 1Q 2025, despite an 18 bps increase compared to the previous year.

The balance sheet expanded by 13% YoY, with total assets reaching ₪ 153.2 billion. This growth was driven mainly by a 20% increase in the financing portfolio. Customer deposits grew by 13% YoY, reaching ₪ 109.6 billion, supported by an increase in savings and time deposits.

Income Statement Summary

For the period ending 31 March 2025

﷼ Mn	1Q 2025	4Q 2024	QoQ % Change	1Q 2024	YoY % Change
Net financing and investment income	754	735	+3%	620	+22%
Fee and other income	325	232	+40%	268	+21%
Total operating income	1,079	967	+12%	888	+21%
Total operating expenses before impairment charge	(566)	(560)	+1%	(492)	+15%
Impairment charge	(103)	(92)	+12%	(55)	+86%
Net operating income	411	316	+30%	341	+20%
Share in net income of an associate	1	4	-66%	6	-78%
Net income for the period before zakat and income tax	412	320	+29%	347	+19%
Zakat and income tax	(51)	(39)	+29%	(47)	+9%
Net income for the period	361	280	+29%	300	+20%
Earnings per share	0.35	0.18	+97%	0.29	+20%
ROAE before zakat and tax	9.14%	7.39%	+174 bps	8.46%	+68 bps
ROAE	8.01%	6.48%	+152 bps	7.32%	+69 bps
Net margin	2.19%	2.03%	+16 bps	2.04%	+15 bps
Cost of risk*	0.38%	0.34%	+5 bps	0.20%	+18 bps
Cost to income ratio	52.4%	57.9%	-5.5 ppts	55.4%	-3.0 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 March 2025

﷼ Mn	1Q 2025	4Q 2024	QoQ % Change	1Q 2024	YTD % Change
Total cash, interbank and balances with SAMA	12,704	12,815	-1%	14,731	-14%
Investments, net	36,711	36,194	+1%	33,972	+8%
Financing, net	100,571	96,912	+4%	84,116	+20%
Other assets, net	3,170	2,984	+6%	3,001	+6%
Total assets	153,156	148,906	+3%	135,821	+13%
Due to banks and other financial institutions	20,246	19,309	+5%	17,996	+13%
Customers' deposits	109,644	108,187	+1%	97,268	+13%
Subordinated Sukuk	2,041	2,006	+2%	2,044	-0%
Other liabilities, net	2,356	2,203	+7%	2,077	+13%
Total liabilities	134,288	131,704	+2%	119,384	+12%
Total equity	18,868	17,202	+10%	16,437	+15%

Additional Information

The full financial statements and investor materials will be made available on our website at:
[Financial Reports](#)

Please contact BAJ for more information:
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