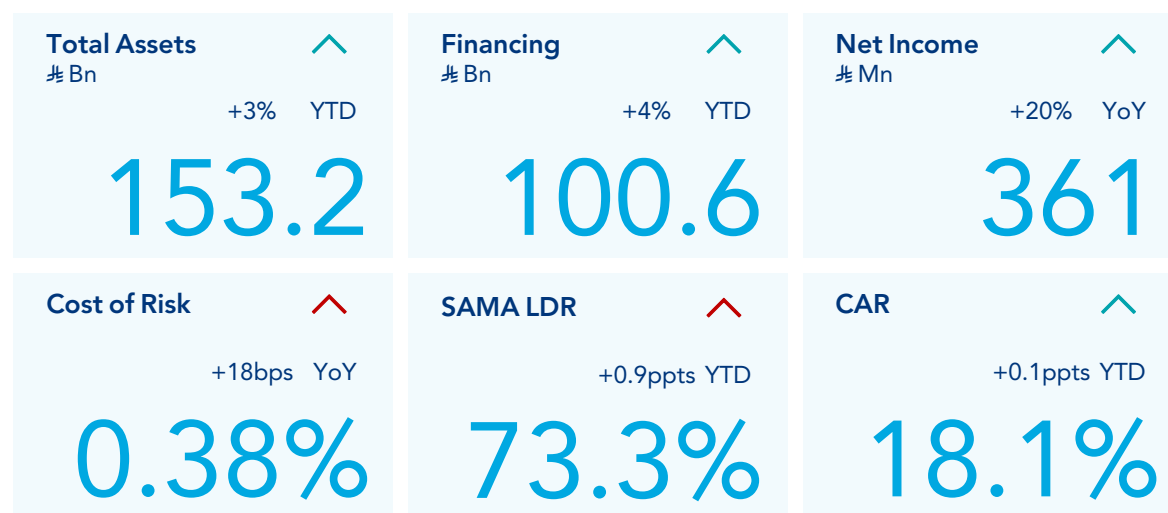


Bank AlJazira reports 20% growth in net income to ₪ 361 million for 1Q 2025

1Q 2025 Financial Results Highlights



- **Net income** for 1Q 2025 amounted to ₪ 361 million, up 20% compared to 1Q 2024 and 29% sequentially.
- **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** of ₪ 566 million 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, while the NPL ratio improved YoY.
- **Total financing** demonstrated 4% growth during 1Q 2025 and 20% YoY to ₪ 100.6 billion.
- **Customers' deposits** increased by modest 1% YTD and 13% YoY to ₪ 109.6 billion, supported by higher savings and time deposits.
- **SAMA LDR** was 73.3% at 1Q 2025, providing ample room for future growth.
- **Total equity** increased by 10% YTD and 15% YoY, driven by the issuance of ₪1 bn in Tier 1 Sukuk in January 2025, and further supported by retained earnings and positive OCI movements.
- **Total Capital Adequacy Ratio (CAR)** increased by 6 bps to 18.1% in 1Q 2025.

Riyadh, 13 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.

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.

Addressing the performance of Bank AlJazira, 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."

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

"Our first-quarter performance reflects disciplined financial management across all key areas. We achieved strong growth in both core and non-core income streams, while improving margins and maintaining healthy operating leverage. Despite a higher impairment charge, our cost of risk remains well-contained, and our capital base was further strengthened by the Tier 1 issuance. These results reinforce our ability to pursue profitable growth while preserving financial resilience."

Income Statement Highlights

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 | 0.28 | 0.14 | +97% | 0.23 | +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.

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%.

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. On a sequential basis, operating expenses increased by 1% compared to 4Q 2024.

The net 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.

In the first quarter of 2025, **net income** reached ₪ 361 million, reflecting a 20% increase compared to the same period in 2024. This growth is primarily attributed to the 21% rise in operating income. On a sequential basis, net income increased 29% due to increase in operating income and flat expenses.

Balance Sheet Highlights

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% |

The **balance sheet** expanded 3% during the quarter, with **total assets** reaching ₪ 153.2 billion. This growth was mainly driven by a 4% increase in **net financing**.

Investments remained largely unchanged compared to last year, with their share of total assets remaining below 25%.

Net financing increased by 4%, totalling ₪ 100.6 billion by the end of 1Q 2025. Financing growth was driven mainly by a 4% rise in commercial financing. Commerce emerged as key growth drivers in the portfolio during the first quarter. At the same time, consumer lending sustained its upward trajectory, posting a 3% increase in 1Q 2024. Residential financing stood out as the main driver of consumer lending growth, delivering a 4% increase over the quarter. The auto financing portfolio continued its rapid expansion, growing by 19% in 1Q 2025.

Customers' deposits expanded modestly by 1% to ₪ 109.6 billion in 1Q 2025, supported by growth in time deposits and an increase in other demand deposits.

Asset Quality Highlights

For the quarter as of 31 March 2025

| % | 1Q 2025 | 4Q 2024 | QoQ % Change | 1Q 2024 | YoY % Change |
|--------------------|---------|---------|-----------------|---------|-----------------|
| NPL ratio | 1.44% | 1.21% | +23 bps | 1.57% | -13 bps |
| NPL coverage ratio | 163.6% | 210.4% | -46.8 ppts | 168.7% | -5.1 ppts |
| Stage 3 coverage | 57.2% | 56.2% | +1.0 ppts | 53.1% | +4.1 ppts |

The **NPL ratio** increased by 23 bps to 1.44% in Q1 2025 due to reclassifications within the commercial portfolio. Coverage of non-performing financing declined to 163.6% as of 31 March 2025, influenced by the aforementioned reclassifications. Stage 3 coverage remained broadly stable, rising by 1 ppt over the quarter.

Capital Adequacy and Liquidity Highlights

For the quarter as of 31 March 2025

| ₪ Mn | 1Q 2025 | 4Q 2024 | QoQ % Change | 1Q 2024 | YoY % Change |
|------------------------|---------|---------|--------------|---------|--------------|
| Risk weighted assets | 118,966 | 109,749 | +8% | 103,082 | +15% |
| RWA density | 77.7% | 73.7% | +4.0 ppts | 75.9% | +1.8 ppts |
| Total tier 1 capital | 18,862 | 17,163 | +10% | 16,356 | +15% |
| Total capital | 21,507 | 19,780 | +9% | 18,893 | +14% |
| Tier 1 ratio | 15.9% | 15.6% | +0.2 ppts | 15.9% | -0.0 ppts |
| Capital adequacy ratio | 18.1% | 18.0% | +0.1 ppts | 18.3% | -0.2 ppts |
| LCR | 133.7% | 123.8% | +9.9 ppts | 207.8% | -74.1 ppts |
| NSFR | 113.3% | 117.7% | -4.4 ppts | 114.3% | -1.0 ppts |
| SAMA weighted LDR | 73.3% | 72.4% | +0.9 ppts | 71.2% | +2.1 ppts |
| Headline LDR | 91.7% | 89.6% | +2.1 ppts | 86.5% | +5.2 ppts |

Risk-weighted assets (RWA) increased by 8% YTD to reach ₪ 119.0 billion in 1Q 2025, while RWA density increased to 77.7% from 73.7% as of 31 December 2024. The increase in RWAs was driven by increases in both the financing book and off-balance sheet assets.

The total capital adequacy ratio increased by 6 bps to 18.1%, and the Tier 1 ratio rose by 22 bps to 15.9% as of 31 March 2025. Both were influenced by the issuance of ₪ 1 bn in Tier 1 Sukuk in January 2025 and further supported by retained earnings and positive OCI movements, partially offset by an increase in RWAs.

The bank's liquidity remained strong and comfortably within regulatory limits, with the liquidity coverage ratio at 133.7%, the **net stable funding ratio** at 113%, the **SAMA regulatory loan to deposit ratio** at 73.3%, and the **headline loan to deposit ratio** at 91.7%.

Operating Segment Highlights*

Personal Banking Highlights

For the period ending 31 March 2025

| ₪ Mn | 1Q 2025 | 4Q 2024 | QoQ % Change | 1Q 2024 | YoY % Change |
|--|------------|------------|-----------------|------------|-----------------|
| Net financing and investment income | 456 | 430 | +6% | 404 | +13% |
| Fee and other income | 117 | 125 | -6% | 93 | +26% |
| Total operating income | 573 | 555 | +3% | 497 | +15% |
| Total operating expenses before impairment charge | (383) | (408) | -6% | (337) | +14% |
| Impairment charges, net | (16) | (4) | +293% | (21) | -21% |
| Net income / (loss) before zakat and income tax | 174 | 143 | +21% | 140 | +24% |

| ₪ Mn | 1Q 2025 | 4Q 2024 | QoQ % Change | 1Q 2024 | YoY % Change |
|-------------------|---------|---------|-----------------|---------|-----------------|
| Total assets | 47,201 | 44,686 | +6% | 38,853 | +21% |
| Total liabilities | 46,147 | 43,727 | +6% | 49,829 | -7% |

Personal banking net income before zakat for 1Q 2025 increased by 24% year-on-year to ₪ 174 million due to growth in net financing and investment income and fee income, partially offset by higher expenses. **Total personal banking assets** rose by 6% during 1Q to ₪ 47.2 billion, **total liabilities** also increased by 6% to ₪ 46.1 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 March 2025

| ﷼ Mn | 1Q 2025 | 4Q 2024 | QoQ % Change | 1Q 2024 | YoY % Change |
|--|------------|------------|-----------------|------------|-----------------|
| Net financing and investment income | 257 | 278 | -7% | 187 | +37% |
| Fee and other income | 76 | 48 | +59% | 61 | +25% |
| Total operating income | 333 | 326 | +2% | 249 | +34% |
| Total operating expenses before impairment charge | (76) | (80) | -5% | (63) | +19% |
| Impairment charges, net | (87) | (87) | +0% | (34) | +159% |
| Net income / (loss) before zakat and income tax | 170 | 159 | +8% | 151 | +13% |

| ﷼ Mn | 1Q 2025 | 4Q 2024 | QoQ % Change | 1Q 2024 | YoY % Change |
|-------------------|---------|---------|-----------------|---------|-----------------|
| Total assets | 51,928 | 50,553 | +3% | 44,033 | +18% |
| Total liabilities | 51,694 | 52,492 | -2% | 45,405 | +14% |

The corporate segment reported 13% YoY growth in net income before zakat to ﷼ 170 million in 1Q 2025. This growth was supported by a 37% increase in net financing and investment income, a 25% rise in fees and other income, partially offset by an 159% rise in impairment charge and a 19% increase in operating expenses. **Total corporate banking assets** rose by 3% during 1Q 2025 to ﷼ 51.9 billion, driven by commercial financing growth. **Total liabilities** decreased by 2% to ﷼ 51.7 billion due to a decline in customer deposits.

Brokerage and Asset Management Highlights

For the period ending 31 March 2025

| ₪ Mn | 1Q 2025 | 4Q 2024 | QoQ % Change | 1Q 2024 | YoY % Change |
|--|-----------|-----------|-----------------|-----------|-----------------|
| Net financing and investment income | 33 | 34 | -1% | 18 | +88% |
| Fee and other income | 112 | 46 | +144% | 99 | +13% |
| Total operating income | 145 | 79 | +83% | 117 | +24% |
| Total operating expenses before impairment charge | (65) | (25) | +158% | (56) | +15% |
| Share in net income of an associate | 0 | 1 | -66% | 1 | -78% |
| Net income / (loss) before zakat and income tax | 81 | 55 | +47% | 62 | +31% |

Brokerage and Asset management reported a 31% YoY increase in net income before zakat to ₪ 81 million in 1Q 2025. Operating income rose 24% year-on-year to ₪ 145 million, driven by improved net financing and investment income and fee and other income. The segment's contribution to the bank's net income before zakat increased to 19.6% during 1Q 2025.

Treasury and Investments Highlights

For the period ending 31 March 2025

| ₪ Mn | 1Q 2025 | 4Q 2024 | QoQ % Change | 1Q 2024 | YoY % Change |
|--|------------|------------|-----------------|------------|-----------------|
| Net financing and investment income | 8 | (1) | -901% | 20 | -59% |
| Fee and other income | 111 | 104 | +7% | 89 | +25% |
| Total operating income | 119 | 103 | +16% | 109 | +10% |
| Total operating expenses before impairment charge | (42) | (47) | -12% | (37) | +13% |
| Impairment charges, net | (0) | (1) | -19% | (0) | +222% |
| Net income / (loss) before zakat and income tax | 77 | 55 | +39% | 72 | +8% |

| ₪ Mn | 1Q 2025 | 4Q 2024 | QoQ % Change | 1Q 2024 | YoY % Change |
|-------------------|---------|---------|-----------------|---------|-----------------|
| Total assets | 49,399 | 49,405 | -0% | 49,074 | +1% |
| Total liabilities | 34,036 | 33,280 | +2% | 22,191 | +53% |

Treasury and investments net income before zakat increased by 8% YoY to ₪ 77 million for 1Q 2025, resulting from a 25% improvement in fee and other income, partially offset by 59% decline in net financing and investment income and a 13% increase in operating expenses. Assets remained flat year-to-date at ₪ 49.4 million, liabilities grew by a modest 2% over the quarter.

Outlook

Saudi Arabia's economic outlook for 2025 remains generally supportive, with real GDP forecast to grow by 3.0% and further strengthen to 3.7% in 2026. Non-oil GDP, a key driver of domestic demand, is expected to expand by 3.1% in 2025 and 3.3% in 2026, supported by Vision 2030 investments across diverse sectors.

While external conditions have become more complex, with lower oil prices and global trade frictions introducing uncertainty, domestic activity remains resilient. The banking sector continues to benefit from steady commercial lending demand.

Interest rate dynamics also present a degree of uncertainty. However, Bank AlJazira's negative sensitivity to interest rate movements positions it to benefit from the expected rate cuts in 2025. Combined with continued strategic execution, this reinforces our confidence in delivering strong performance and sustainable value creation.

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 ﷲ 10,250 million divided into 1,025 million shares of ﷲ 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

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

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