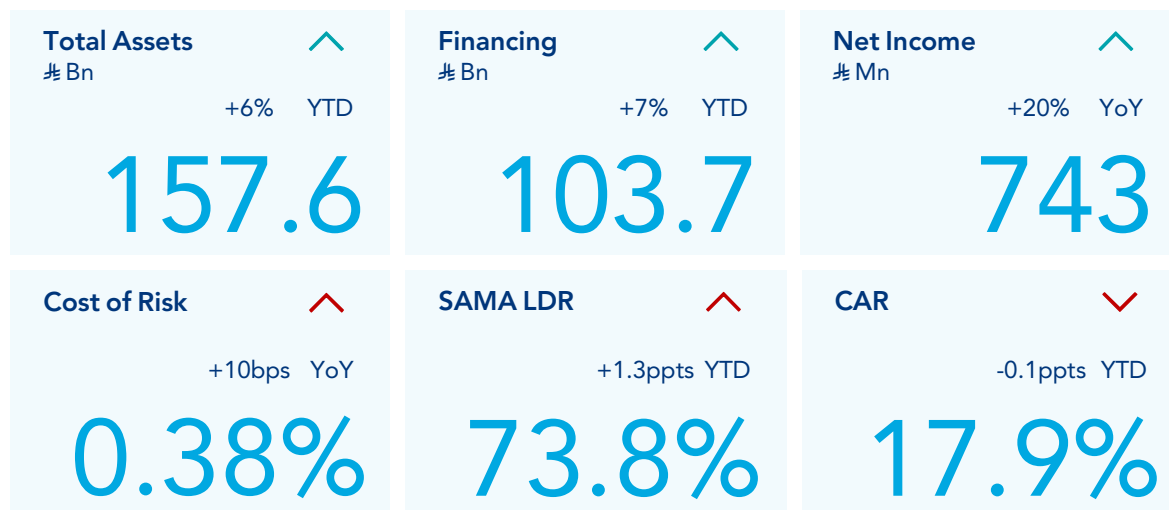


Bank AlJazira reports net income of ₪ 743 million for 1H 2025

1H 2025 Financial Results Highlights



- **Net income** for 1H 2025 amounted to ₪ 743 million, up 20% compared to 1H 2024. On a sequential basis, 2Q 2025 net income increased to ₪ 382 million, up 6% compared to 1Q 2025
- **Total operating income** for 1H 2025 reached ₪ 2,181 million, demonstrating 22% YoY growth, driven by a 21% increase in net financing and investment income and a 23% expansion in fee and other income.
- **Positive jaws** with cost-to-income ratio improving to 52.3%, down 357 bps YoY despite continued investments in people, infrastructure, and digital initiatives.
- **The bank's cost of risk** increased to 0.38% for 1H 2025, compared to 0.28% during 1H 2024.
- **Assets** demonstrated a 14% YoY increase compared to 1H 2024, driven by a 19% increase in financing, equally supported by the retail and corporate segments.
- **Customers' deposits** rose by 16% YoY, reaching ₪ 114.2 billion, supported by higher time and savings deposits.
- **SAMA LDR** was 73.8% at 1H 2025, providing ample room for future growth.
- **Total equity** increased by 14% 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)** was 17.9% at 1H 2025, 25 bps lower compared to 1H 2024.

Riyadh, 06 Aug 2025 – Bank AlJazira’s net income for 1H 2025 reached ₪ 743 million, reflecting a robust 20% year-over-year increase. This performance was driven by a 22% rise in total operating income, partially offset by a 14% increase in operating expenses and a rise in impairment charge. In the second quarter of 2025, net income reached ₪ 382 million, experiencing a 20% year-over-year increase and 6% on a sequential basis.

The balance sheet expanded by 14% YoY and 6% YTD with total assets reaching ₪ 157.6 billion. This growth was driven mainly by a 19% YoY (7% YTD) increase in the financing portfolio. Customer deposits reached ₪ 114.2 billion, delivering a 16% YoY and 6% YTD increase, supported by an increase in time and savings deposits.

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

"Bank AlJazira's first half 2025 performance reflects strong momentum across all core businesses, highlighting our solid financial health and strategic progress. We achieved a 20% increase in net income year-over-year, reaching ₪ 743 million, extending our history of quarter-over-quarter expansion. The growth in net income is driven by a 22% rise in total operating income. Our net financing and investment income rose by 21%, supported by strategic efforts to enhance fee and other income by 23%. As we enter the second year of our strategy, continued investment in technology and strategic projects drove a 14% rise in operating expenses, yet our cost-to-income ratio improved significantly due to positive operating leverage.

We remain focused on growing our market capitalization and delivering shareholder value as our transformation journey accelerates. We achieved broad-based asset growth, with all business segments delivering double-digit operating income expansion, reflecting successful strategy execution. In corporate banking, we launched a new trade finance and cash management suite and drove MSME portfolio growth, while AlJazira B2B has seen a significant rise in transaction volumes. In retail, we are seeing the impact of our digital-first strategy, with strong growth in mobile-driven account openings and digital deposits. We are actively leveraging AI with targeted initiatives to improve customer experience and drive operational efficiencies.

These outcomes reinforce the strength of our diversified model and our ability to deliver on strategic priorities across segments. As we move forward, we remain committed to embedding technology, improving customer journeys, and driving sustainable profit growth."

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

"Our strong financial results for the first half of the year reflect our ongoing efforts to enhance balance sheet strength and improve revenue mix. We maintained positive operating leverage despite continued investment in our strategic priorities, while improving margins and preserving healthy liquidity. These outcomes provide a solid foundation as we continue to pursue sustainable and profitable growth."

Income Statement Highlights

For the period ending 30 June 2025

₪ Mn	1H 2025	1H 2024	YoY% Change	2Q 2025	2Q 2024	YoY % Change
Net financing and investment income	1,516	1,249	+21%	762	629	+21%
Fee and other income	665	542	+23%	340	274	+24%
Total operating income	2,181	1,791	+22%	1,102	903	+22%
Total operating expenses before impairment charge	(1,140)	(1,000)	+14%	(574)	(508)	+13%
Impairment charge	(200)	(96)	+109%	(97)	(40)	+141%
Net operating income	841	696	+21%	431	355	+21%
Share in net income of an associate	7	10	-32%	5	4	+49%
Net income for the period before zakat and income tax	848	706	+20%	436	358	+22%
Zakat and income tax	(105)	(88)	+20%	(54)	(41)	+33%
Net income for the period	743	618	+20%	382	318	+20%
Earnings per share	0.50	0.41	+25%	0.22	0.17	+30%
ROAE before zakat and tax	9.35%	8.53%	+82 bps	9.19%	8.66%	+53 bps
ROAE	8.19%	7.47%	+72 bps	8.05%	7.67%	+38 bps
Net margin	2.17%	2.03%	+14 bps	2.13%	2.01%	+12 bps
Cost of risk*	0.38%	0.28%	+10 bps	0.38%	0.36%	+3 bps
Cost to income ratio	52.3%	55.8%	-3.6 ppt	52.1%	56.3%	-4.2 ppts

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

Total operating income for 1H 2025 reached ₪ 2,181 million, demonstrating a 22% year-over-year increase. This growth was driven by a 21% increase in net financing and investment income, coupled with a 23% expansion in fee and other income. 31% of total operating income in 1H 2025 came from fee and other income, driven by increased fees from banking services, dividend and exchange income. Total operating income for 2Q 2025 reached ₪ 1,102 million, an increase of 22% year-over-year and 2% on a sequential basis.

Financing and investment income for 1H 2025 experienced 10% year-over-year growth, while the return on deposits and financial liabilities increased by 5%, leading to a 21% rise in net financing and investment income. The net margin for 1H 2025 increased by 14bps, improving from 2.03% to 2.17% year-over-year. In the second quarter of 2025, net financing and investment income grew by 21% year-over-year and by a modest 1% quarter-over-quarter.

Operating expenses for 1H 2025 increased by 14% compared to first half of 2024, due to higher spending on staff-related costs and strategic initiatives, including digital transformation. However, the cost-to-income ratio improved from positive operating leverage, showing a year-over-year improvement of 3.6 ppts to reach 52.3%.

The net impairment charge for 1H 2025 totalled ₪ 200 million, reflecting a 45% increase from the normalized impairment charge of last year. The impairment charge last year benefited from an impairment reversal of other real estate asset. The bank's cost of risk remained modest at 0.38% for 1H 2025, despite a 10 bps increase compared to the previous year.

In the first half of 2025, **net income** reached ₪ 743 million, reflecting a 20% increase compared to the same period in 2024. This growth is primarily attributed to the 22% rise in operating income, partially offset by the increasing operating expenses and impairments.

Balance Sheet Highlights

For the quarter as of 30 June 2025

₪ Mn	2Q 2025	1Q 2025	QoQ % Change	4Q 2024	YTD % Change
Total cash, interbank and balances with SAMA	13,129	12,704	+3%	12,815	+2%
Investments, net	37,381	36,711	+2%	36,194	+3%
Financing, net	103,702	100,571	+3%	96,912	+7%
Other assets, net	3,361	3,170	+6%	2,984	+13%
Total assets	157,573	153,156	+3%	148,906	+6%
Due to banks and other financial institutions	19,899	20,246	-2%	19,309	+3%
Customers' deposits	114,155	109,644	+4%	108,187	+6%
Subordinated Sukuk	2,006	2,041	-2%	2,006	+0%
Other liabilities, net	2,422	2,356	+3%	2,203	+10%
Total liabilities	138,482	134,288	+3%	131,704	+5%
Total equity	19,091	18,868	+1%	17,202	+11%

The **balance sheet** expanded 14% YoY, with **total assets** reaching ₪ 157.6 billion, driven by sustained growth in commercial financing, further supported by increasing consumer financing and investments.

Investments expanded by 8% YoY compared to the first half of 2024 and 3% YTD, with their share in total assets remaining below 25%.

Net financing increased by 19% YoY and 7% YTD, totalling ₪ 103.7 billion by the end of 1H 2025. Financing growth YoY was driven mainly by a 21% YoY rise in commercial financing and 15% increase in consumer financing. Commerce emerged as a key growth driver in the portfolio delivering 52% increase YoY while residential financing stood out as the main driver of consumer lending growth, delivering a 17% increase year-over-year. The auto financing portfolio continued its rapid expansion, growing by 96% compared to 1H 2024.

Customers' deposits increased to ₪ 114.2 demonstrating a 16% YoY and 6% YTD rise, driven by an increase in time and savings deposits.

Asset Quality Highlights

For the quarter as of 30 June 2025

%	2Q 2025	1Q 2025	QoQ % Change	4Q 2024	YTD % Change
NPL ratio	1.47%	1.44%	+3 bps	1.21%	+26 bps
NPL coverage ratio	162.4%	163.6%	-1.2 ppts	210.4%	-48 ppts
Stage 3 coverage	58.4%	57.2%	+1.2 ppts	56.2%	+2.2 ppts

The **NPL ratio** increased by 26 bps YTD to 1.47% in 1H 2025 due to migrations within the commercial portfolio. Coverage of non-performing financing declined to 162.4% as of 30 June 2025, with Stage 3 coverage increasing by 2.2ppts to 58.4% compared to the end of 2024.

Capital Adequacy and Liquidity Highlights

For the quarter as of 30 June 2025

﷼ Mn	2Q 2025	1Q 2025	QoQ % Change	4Q 2024	YTD % Change
Risk weighted assets	121,491	118,966	+2%	109,749	+11%
RWA density	77.1%	77.7%	-0.6 ppts	73.7%	+3.4 ppts
Total tier 1 capital	19,099	18,862	+1%	17,163	+11%
Total capital	21,755	21,507	+1%	19,780	+10%
Tier 1 ratio	15.7%	15.9%	-0.1 ppts	15.6%	+0.1 ppts
Capital adequacy ratio	17.9%	18.1%	-0.2 ppts	18.0%	-0.1 ppts
LCR	124.7%	133.7%	-8.9 ppts	123.8%	+1.0 ppts
NSFR	112.8%	113.3%	-0.5 ppts	117.7%	-4.9 ppts
SAMA weighted LDR	73.8%	73.3%	+0.4 ppts	72.4%	+1.3 ppts
Headline LDR	90.8%	91.7%	-0.9 ppts	89.6%	+1.3 ppts

Risk-weighted assets (RWA) reached ﷼ 121.5 billion in 1H 2025 increasing 11% YTD, while RWA density was 77.1% increasing 3.4 ppts YTD as of 30 June 2025. The increase in RWAs was driven by increases in both the financing book and off-balance sheet assets.

The total capital adequacy ratio decreased 0.1 ppts YTD to 17.9%, while the Tier 1 ratio increased by 0.1 ppts YTD to 15.7% as of 30 June 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 124.7%, the **net stable funding ratio** at 112.8%, the **SAMA regulatory loan to deposit ratio** at 73.8%, and the **headline loan to deposit ratio** at 90.8%.

Operating Segment Highlights

Personal Banking Highlights

For the period ending 30 June 2025

ﷲ Mn	1H 2025	1H 2024	YoY % Change	2Q 2025	2Q 2024	YoY % Change
Net financing and investment income	912	817	+12%	456	414	+10%
Fee and other income	240	194	+23%	122	101	+21%
Total operating income	1,152	1,012	+14%	579	514	+12%
Total operating expenses before impairment charge	(772)	(688)	+12%	(389)	(351)	+11%
Impairment charges, net	(22)	(45)	-51%	(6)	(25)	-75%
Net income / (loss) before zakat and income tax	357	279	+28%	184	139	+32%

ﷲ Mn	2Q 2025	1Q 2025	QoQ % Change	4Q 2024	YTD % Change
Total assets	47,381	47,201	+0%	44,686	+6%
Total liabilities	48,906	46,147	+6%	43,727	+12%

Personal banking net income before zakat for 1H 2025 increased by 28% year-over-year to ﷲ 357 million due to growth in net financing and investment income and fee income, partially offset by higher expenses. **Total personal banking assets** rose by 18% YoY compared to 1H 2024 to ﷲ 47.4 billion and 6% YTD, **total liabilities** also increased by 6% YoY (12% YTD) to ﷲ 48.9 billion.

Corporate Banking Highlights

For the period ending 30 June 2025

﷼ Mn	1H 2025	1H 2024	YoY % Change	2Q 2025	2Q 2024	YoY % Change
Net financing and investment income	529	386	+37%	272	198	+37%
Fee and other income	161	121	+34%	85	59	+42%
Total operating income	690	506	+36%	357	258	+38%
Total operating expenses before impairment charge	(151)	(128)	+18%	(76)	(65)	+17%
Impairment charges, net	(177)	(51)	+249%	(90)	(17)	+425%
Net income / (loss) before zakat and income tax	361	327	+10%	191	176	+8%

﷼ Mn	2Q 2025	1Q 2025	QoQ % Change	4Q 2024	YTD % Change
Total assets	54,560	51,928	+5%	50,553	+8%
Total liabilities	53,721	51,694	+4%	52,492	+2%

The corporate segment reported 10% YoY growth in net income before zakat to ﷼ 361 million in 1H 2025. This growth was supported by a 37% increase in net financing and investment income, a 34% rise in fees and other income, partially offset by a higher impairment charge and growth in operating expenses. **Total corporate banking assets** rose by 18% YoY compared to 1H 2024 and 8% YTD to ﷼ 54.6 billion, driven by commercial financing growth. **Total liabilities** increased by 6% YoY and at a modest 2% YTD to ﷼ 53.7 billion.

Brokerage and Asset Management Highlights

For the period ending 30 June 2025

﷼ Mn	1H 2025	1H 2024	YoY % Change	2Q 2025	2Q 2024	YoY % Change
Net financing and investment income	69	34	+106%	36	16	+126%
Fee and other income	232	197	+18%	120	97	+23%
Total operating income	301	230	+31%	156	113	+38%
Total operating expenses before impairment charge	(132)	(112)	+17%	(67)	(57)	+19%
Share in net income of an associate	1	1	-32%	1	1	+49%
Net income / (loss) before zakat and income tax	170	119	+43%	89	57	+56%

Brokerage and Asset management reported a 43% YoY increase in net income before zakat to ﷼ 170 million in 1H 2025. Operating income rose 31% year-over-year to ﷼ 301 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 20% during 1H 2025.

Treasury and Investments Highlights

For the period ending 30 June 2025

﷼ Mn	1H 2025	1H 2024	YoY % Change	2Q 2025	2Q 2024	YoY % Change
Net financing and investment income	6	27	-79%	(2)	8	-131%
Fee and other income	207	165	+26%	96	76	+27%
Total operating income	213	192	+11%	94	83	+13%
Total operating expenses before impairment charge	(85)	(72)	+17%	(43)	(35)	+22%
Impairment charges, net	(0)	1	-114%	0	1	-52%
Net income / (loss) before zakat and income tax	128	120	+6%	51	48	+5%

﷼ Mn	2Q 2025	1Q 2025	QoQ % Change	4Q 2024	YTD % Change
Total assets	50,650	49,399	+3%	49,405	+3%
Total liabilities	33,193	34,036	-2%	33,280	-0%

Treasury and investments net income before zakat increased by 6% YoY to ﷼ 128 million for 1H 2025, resulting from a 26% improvement in fee and other income, partially offset by 79% decline in net financing and investment income and a 17% increase in operating expenses. Assets stood at ﷼ 50.7 million increasing 7% YoY and 3% YTD, liabilities increased by 48% in comparison to 1H 2024, but remained stable YTD.

Outlook

Saudi Arabia's economic outlook for 2025 remains broadly positive, with real GDP projected to grow by 3.6%, accelerating further to 3.9% in 2026. Non-oil GDP, which underpins domestic demand, is expected to rise by 3.1% in 2025 and 3.3% in 2026, driven by ongoing Vision 2030-related investments across multiple sectors.

Despite increased external challenges, such as softer oil prices and global trade tensions, domestic economic activity remains robust. The banking sector continues to see healthy demand for commercial lending.

Interest rate trends remain a source of uncertainty. However, Bank AlJazira's negative interest rate sensitivity positions it well to benefit from anticipated rate cuts in 2025. Together with our ongoing strategic delivery, this supports our outlook for continued 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 12,813 million divided into 1,281 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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