

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 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 segment.
- **Customers' deposits** rose by 16% YoY, reaching ₪ 114.2 billion, supported by higher 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."

Riyadh, 24 July 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.

Total operating income for 1H 2025 amounted to ₪ 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.

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 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 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.

The balance sheet expanded by 14% YoY, compared to the first half of 2024, driven by sustained growth in commercial financing, further supported by increasing consumer financing and investments. Customers' deposits demonstrated a 16% YoY increase, driven by an increase in time and savings deposits.

Income Statement Summary

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	+24%	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.

Balance Sheet Summary

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%

Additional Information

The full financial statements, earnings release, investor and earnings presentations will be made available on our website at:

[Financial Reports](#)

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