Bank AlJazira

Earnings Presentation 9M 2025

Strong profitability, diversified revenue and a resilient growing balance sheet

1. Delivered strong financial results, with net income up 20% YoY to ⃁ 1,143 Mn and operating income up 17%, driven by broad-based business growth, healthy margins, and an improved revenue mix.
2. Revenue momentum was driven by 17% growth in net financing and investment income and a 15% rise in fee and other income, supported by retail and corporate banking.
3. The balance sheet remains solid, with assets and customer deposits both up 12% YoY, supported by growing customer trust and franchise strength.
4. Continued momentum on our transformation agenda, with digital-led efficiencies, onboarding and penetration enhancing customer experience and long-term value.
5. We remain committed to investing in our people, strengthening systems, and supporting the community, aligned with our long-term vision for inclusive and sustainable growth.
6. Our strategy remains on track, focused on delivering sustainable shareholder returns, aligned with our long-term transformation goals.

Income Growth
YoY

Operating Income +17%

Net Income +20%

Revenue Growth
YoY

Net financing and investment income +17%

Fee and other income +15%

Total Assets
3Q 2025

+12% YoY
+10% YTD

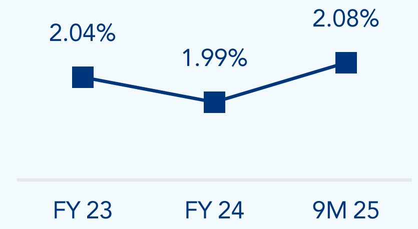
⃁ Bn 163.4

Customers' Deposits
3Q 2025

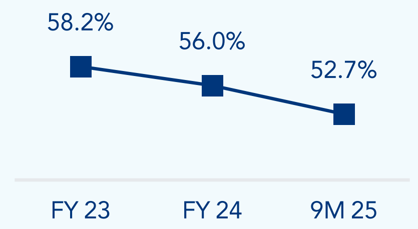
+12% YoY
+7% YTD

⃁ Bn 115.3

Net Margin (%)



Cost To Income (%)



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Strategic Progress

Our transformation agenda continues to move forward in year two of our 5-year strategy

The Refreshed Strategy

Where are we heading?

- A **boutique bank** with upside potential
- A **mobile first, digitally enabled bank** that blends the physical and digital worlds
- A **dynamic and resilient bank** in a transforming world, built on innovation & partnership

Long-term stability and **profitability** for our shareholders

Business Lines Vision

Corporate

Segment and sector focused CIBG: Growing assets at ~12% CAGR fueled by robust mid-tier corporate franchise with growing contribution from mid-corporate and SME segments

Retail

Bank-of-choice for affluent customers and high net worth individuals with a comprehensive value proposition that is digitally enabled

Brokerage & Asset Management

Leading wealth management house in Saudi Arabia

Treasury

Core partner for business growth and enablement

Time Span for Transformation Initiatives

Strategic execution progresses across business lines and technology enablers

Corporate segment

Initiatives	Achievements
Introduce new trade finance and cash management product suite for corporate customers	Focus on cross selling products by actively targeting mid corporates and SMEs Non-funded exposure improved by 36% YTD
Expand SME product suite	Enhanced SME Service model, shared KPIs across divisions, and digitized lending process to improve TAT Expanded SME product offering and digital enablement with AMAAL
Sector-focused growth in Large and Mid Corporate	Continued momentum in large & mid-corporates; deepened lending penetration in multinationals
Digital Transformation	Enhanced the B2B service portfolio and launched the revamped e-Corp platform, strengthening the digital workbench for relationship managers

Retail segment

Initiatives	Achievements
Becoming the "bank-of choice" for affluent	Progress in the affluent segment, as Al Masi recorded a 13.7% YTD increase in number of clients while Al Thahabi reported 16.2% YTD increase
Build customer-centric digital journeys across the mobile app and website	Google Pay service launched, positioning the bank among the first in Saudi Arabia to offer the feature Successful implementation of new loan origination system The credit card application process has also been enhanced, allowing non account holders to submit applications online
Growing Core Assets & Deposits	Steady growth in auto lease regional expansion with sales increasing by 20% QoQ

Non-funded assets growth
9M 2025 YTD
+36%

MSME portfolio growth
9M 2025 YTD
+20%

Off plan mortgage sales growth
9M 2025 YTD
+135%

Technology

Achievements

- **Driving innovation** through successful implementation of five AI use cases
- **Strong digital momentum** - Achieved higher digital sales penetration and delivered an 80% YoY growth in retail personal finance through digital channels
- **Advancing our technology infrastructure** - CRM rollout completed across all branches, with full integration of credit card services

Looking Forward

- **Next-generation payment hub**
- **Modern liquidity management system**
- **10+ more AI use cases in production**
- **Adoption of Gen AI**

* Al Masi - top-tier affluent segment, Al Thahabi - mid-tier affluent segment

Digitization driving business innovation

Key achievements

- **Successful digital launch of NAQA**, enabling seamless access and enhancing deposit acquisition through digital platforms. The initiative generated strong interest gaining more than 300 subscriptions with total value of ⃁ ~140 million
- **Initiated pilot for Open Banking Account Aggregation** and achieved SAMA certification, with full Q4 rollout planned to enable comprehensive visibility of client's financial position, accelerating affluent customer acquisition and lay the foundation for future Open Banking use cases
- **New Digital Marketplace** set for launch in Q4, positioning BAJ as a holistic lifestyle brand to boost digital engagement and generate new revenue streams beyond traditional banking

Corporate segment

SME online new A/C opening

9M 25 YTD

+165%

Transactions via the new B2B platform

9M 25 YTD

+39%

Retail segment

Digital Penetration

83%

A/C opened through mobile (%)

90%

Retail online A/C opening

9M 25 YTD

+4%

Digital deposits

9M 25 YTD

+17%

App Store rating

4.7

Google Play rating

4.8

ESG Highlights

BAJ continues to deliver impactful ESG initiatives across its operations

Environmental

Green Financing

⃁ 1.46 Bn

credit facility agreement signed with BADEEL to finance **7 strategic renewable energy projects**

Recycling Performance

3,445kg

of plastics, cardboard and paper recycled, offsetting **4,072.5** kg of CO_2 emissions, equal to **19,891 kW** of energy and **24,115 gallons** of water saved

Reverse Vending Machine

44,829 Items recycled,

including **16 kg** of Aluminium and **1,094 kg** of recycled plastics, with the contribution of **185 users** in total

Utility Bill Reductions

20% savings in baseline electricity consumption

26% savings in water bills YoY

Social

Employees

- **AlJazira e-Learning Platform** in collaboration with Knowledge City launched to empower employees
- **Awareness seminar** with the Financial Academy presented on **work-life balance**

Customers

- **New Payroll Financing Product** launched for SME customers as part of the Bank's Corporate Banking portfolio
- Formalized agreement with Future Work Company to **provide banking solutions for self-employment license holders**
- **BAJ joins** national super app **Tawakkalna**
- **New SM Help Desk Service** launched

Communities

- **Participated in the launch of the National Blood Donation Campaign** spearheaded by His Highness Crown Prince Mohammed bin Salman
- Donated **⃁ 1 Mn** through EHSAN, and implemented over **100+ more community development projects** and reached **23,000+** beneficiaries

Governance

Raising Awareness on Islamic Banking

- Seminar organized by Shariah Group in partnership with the Association of Social Economics titled **Developments in the Islamic Finance Industry** inaugurated by Chairman of the Board and attended by scholars and dignitaries
- Latest publication on **AAOIFI's Standards** from Competition and Prizes to Repurchase launched and announced among employees.

Governance / Compliance Best Practices

- Acquisition of **ISO Certificates by the Customer Experience and Protection Department**, strengthening BAJ's ongoing commitment to excellence with the highest standards
- Obtained **Payment Card Industry Data Security Standard (PCI DSS) Version 4.0 Certification**, setting data security benchmark
- Created greater awareness of Bank's **Anti-Money Laundering, Counter-Terrorism Financing and Anti-Commercial Concealment Reporting Platform** among employees

Awards & Recognitions

Best Retail Bank in Saudi Arabia 2025
by the Digital Banker

–

CSR Award in Arab States (Banking Sector)
Awarded by the RNSR in partnership with the UNDP

–

Best Workplace Environment
at the International Finance Awards

–

Best Islamic Finance Bank in the Kingdom – 2025
by Global Trade Review

–

Digital CX Awards 2025
for Account Opening and Customer Onboarding – KSA
by the Digital Banker

Represents progress made in 2025

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Financial Performance

Balance sheet | Assets expanding by 10% YTD and 4% QoQ driven by financing growth

Balance Sheet

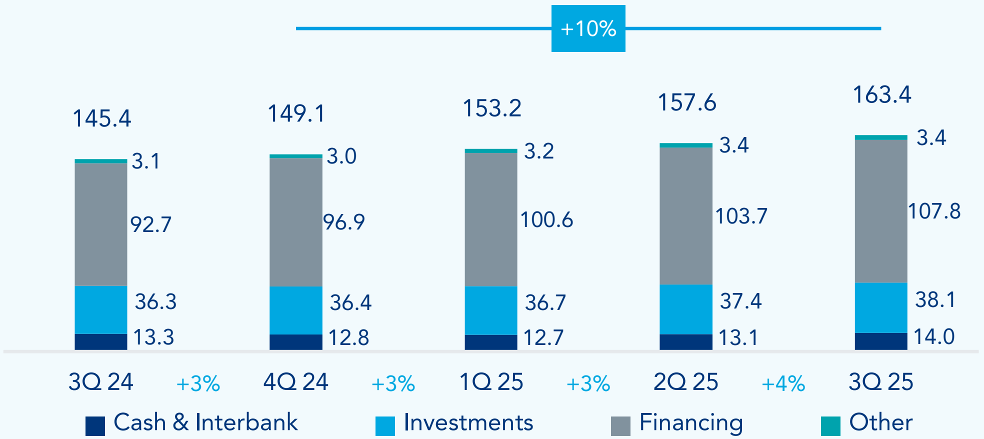
Management commentary

- The balance sheet witnessed 10% expansion during 9M 2025 driven by an 11% increase in net financing YTD (4% QoQ) and funded by 7% growth in customers' deposits YTD (1% QoQ).
- Total equity increased by 24% YTD, driven by the issuance of ⃁1 bn in Tier 1 Sukuk in January 2025 and an additional ⃁1.9 bn issue in September 2025. Retained earnings generation and positive other comprehensive income movements further supported the increase.

⃁ Mn	3Q 2025	2Q 2025	QoQ % Change	4Q 2024	YTD % Change
Cash & Interbank	14,042	13,129	+7%	12,815	+10%
Investments	38,143	37,381	+2%	36,406	+5%
Financing	107,812	103,702	+4%	96,912	+11%
Other assets	3,430	3,361	+2%	2,984	+15%
Total assets	**163,428**	**157,573**	**+4%**	**149,119**	**+10%**
Due to banks & other FI	21,753	19,899	+9%	19,309	+13%
Customers' deposits	115,283	114,155	+1%	108,187	+7%
Subordinated Sukuk	2,042	2,006	+2%	2,006	+2%
Other liabilities	2,713	2,422	+12%	2,203	+23%
Total liabilities	**141,791**	**138,482**	**+2%**	**131,704**	**+8%**
Equity attributable to shareholders of the Bank	**14,887**	**14,216**	**+5%**	**13,539**	**+10%**
Tier 1 sukuk	6,750	4,875	+38%	3,875	+74%
Total equity	**21,637**	**19,091**	**+13%**	**17,414**	**+24%**

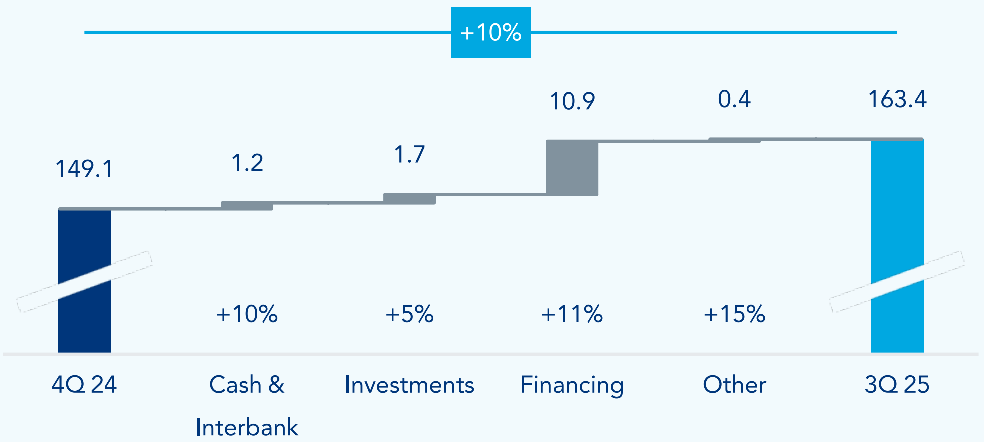
Total Assets (⃁ Bn)

3Q 2025



Total Assets Movement YTD (⃁ Bn)

3Q 2025



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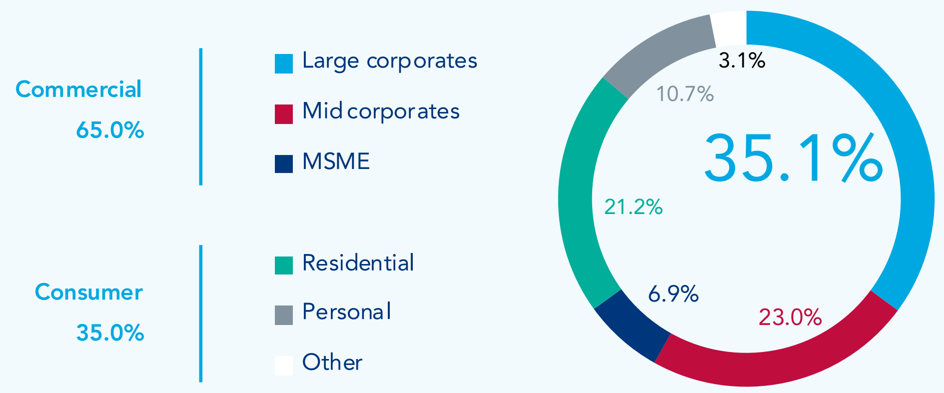
Financing | Financing increased 11% driven by both commercial and consumer loan growth

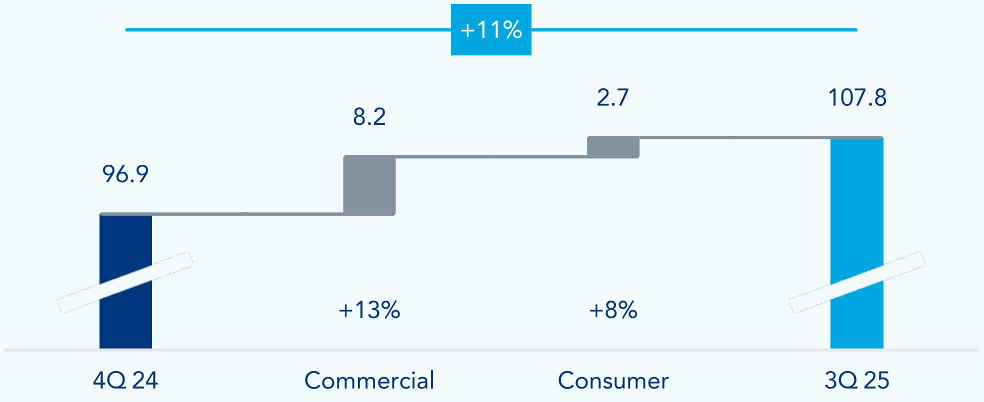
Financing Composition (%)

3Q 2025



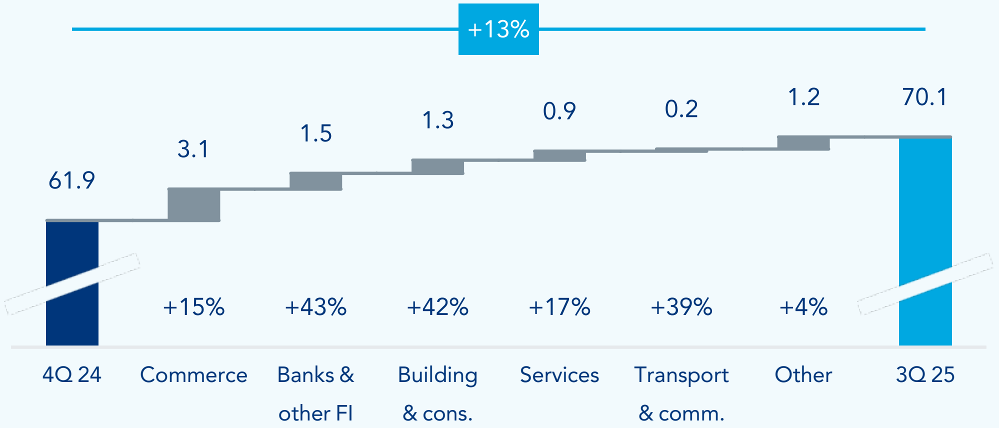
Financing Movement YTD (⃁ Bn)

3Q 2025



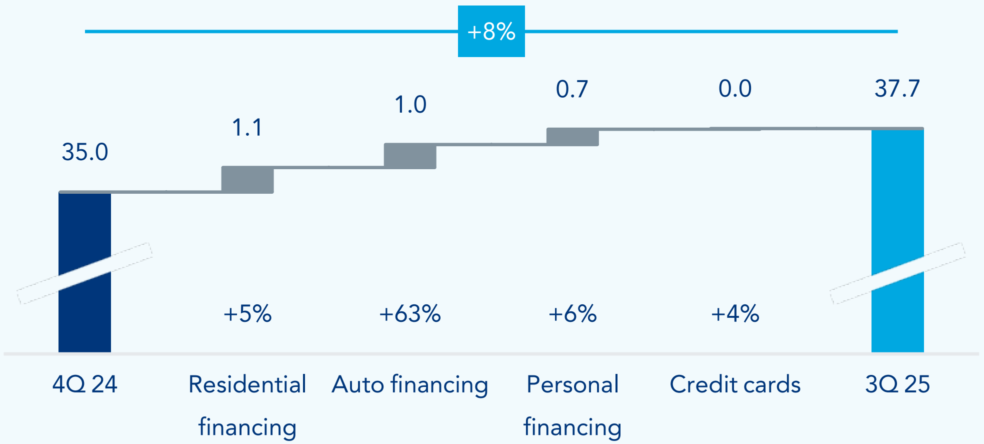
Commercial Financing Movement YTD (⃁ Bn)

3Q 2025



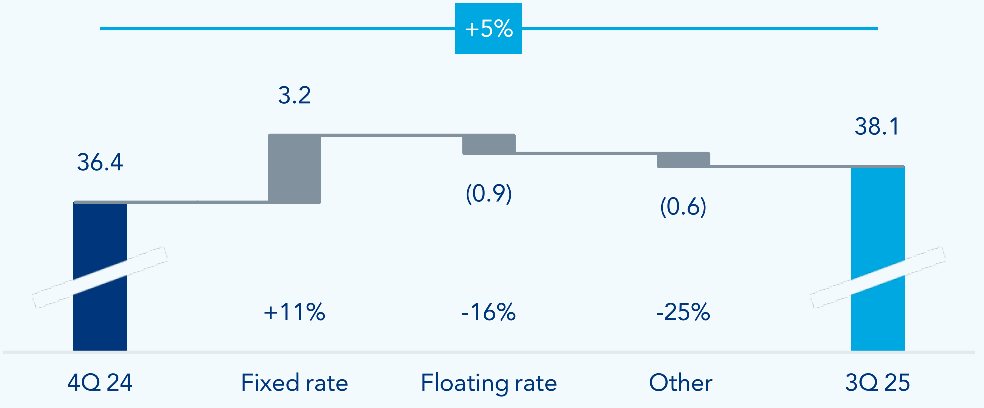
Consumer Financing Movement YTD (⃁ Bn)

3Q 2025

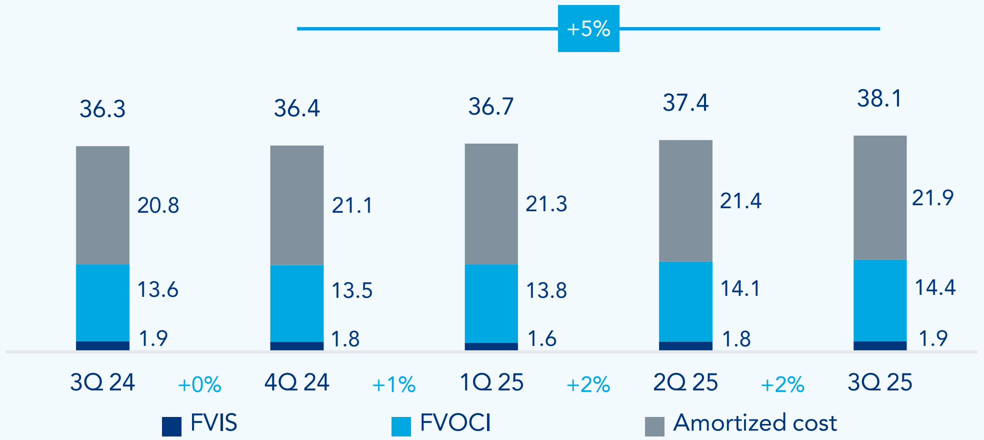


Investments | Investments grew by 5% with the share of fixed-rate assets increasing

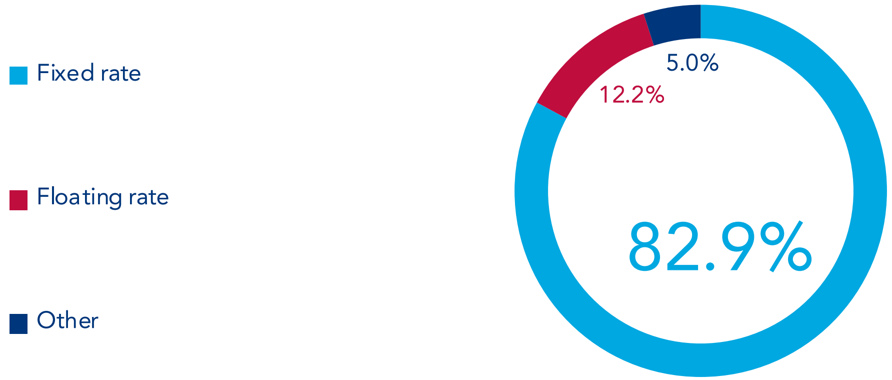
Investments Movement YTD (⃁ Bn)
3Q 2025



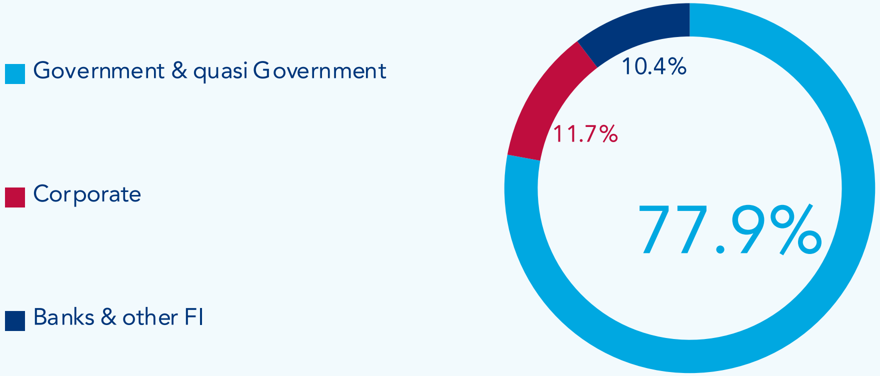
Investments (⃁ Bn)
3Q 2025



Investments Composition by Type (%)
3Q 2025

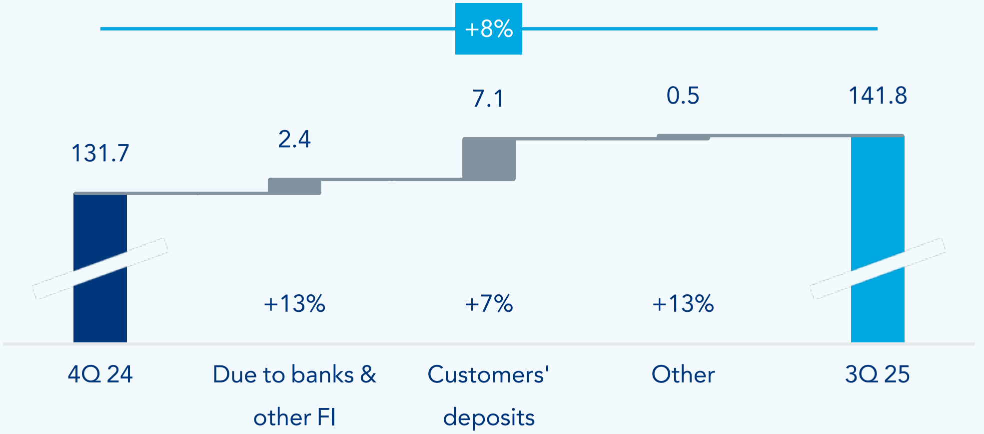


Investments Composition by Counterparty (%)
3Q 2025

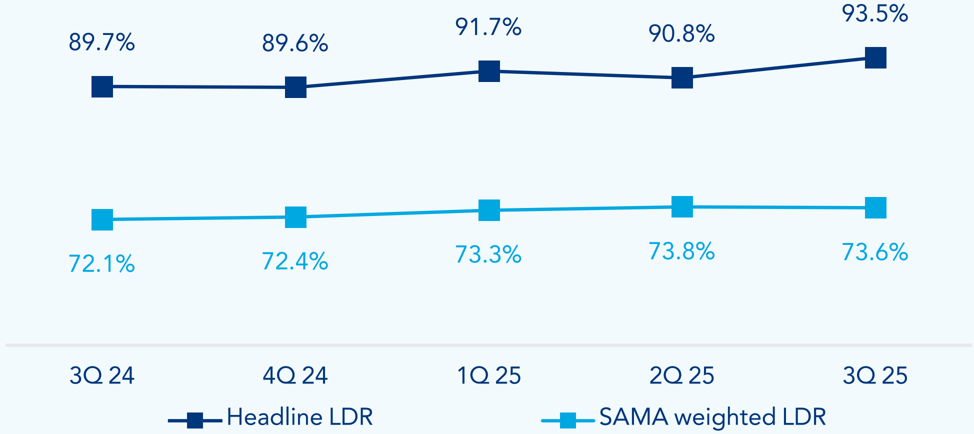


Liquidity | Strong liquidity position to support future growth

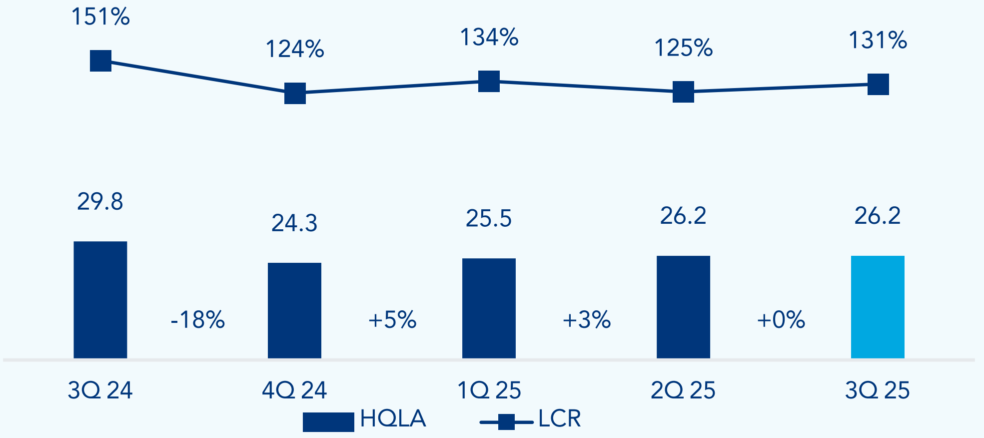
Total Liabilities Movement YTD (⃁ Bn) 3Q 2025



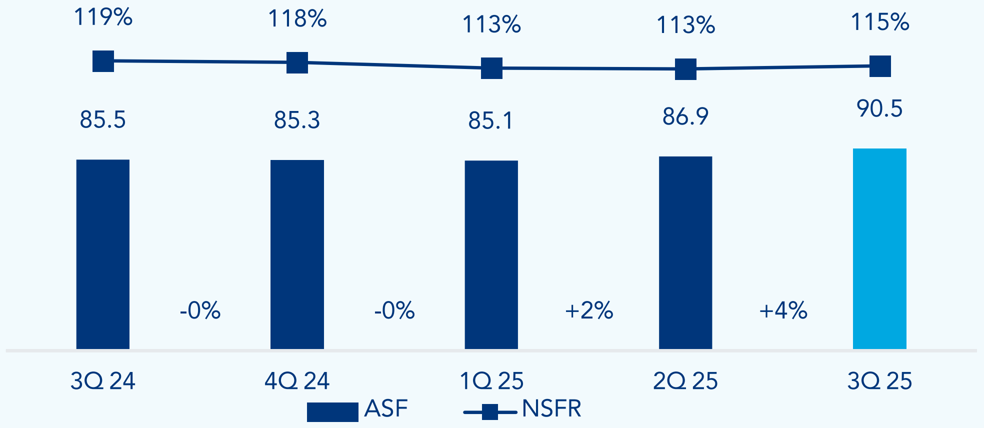
Loans to Customers' Deposit Ratios (%) 3Q 2025



HQLA (⃁ Bn) 3Q 2025



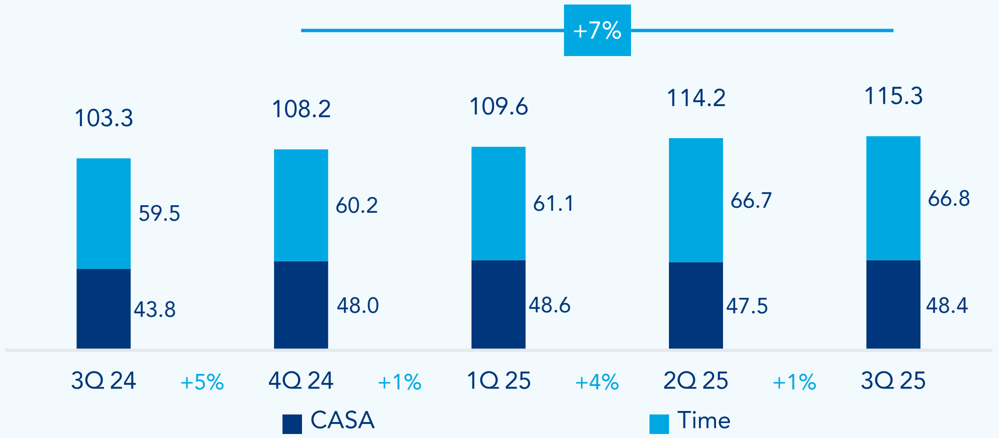
Total Available Stable Funding* (⃁ Bn) 3Q 2025



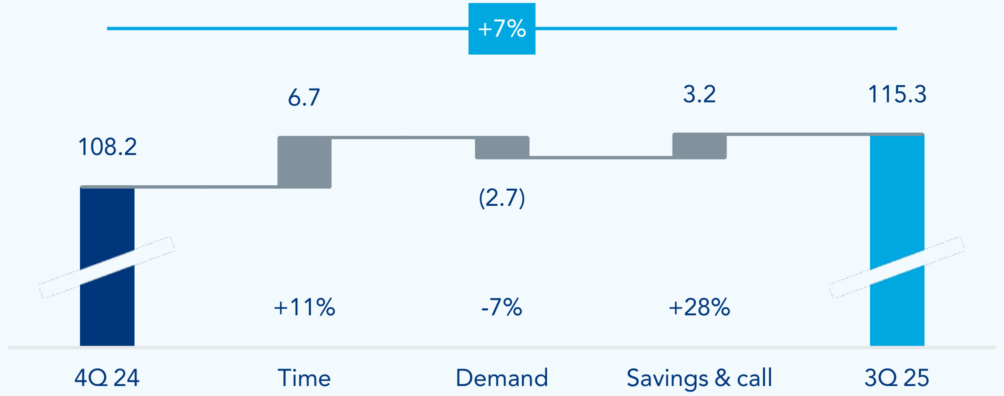
*ASF is the portion of capital and liabilities expected to be reliable over the time horizon considered by the NSFR, which extends to one year.

Deposits | Deposit grew by 7% driven by time, savings and call deposits

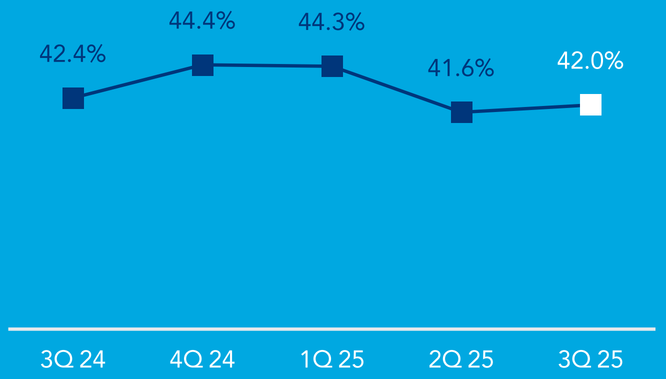
Customers' Deposits (⃁ Bn) 3Q 2025



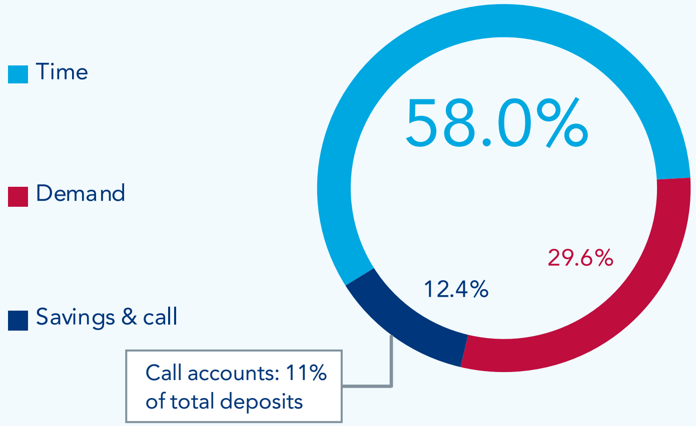
Customers' Deposits Movement YTD (⃁ Bn) 3Q 2025



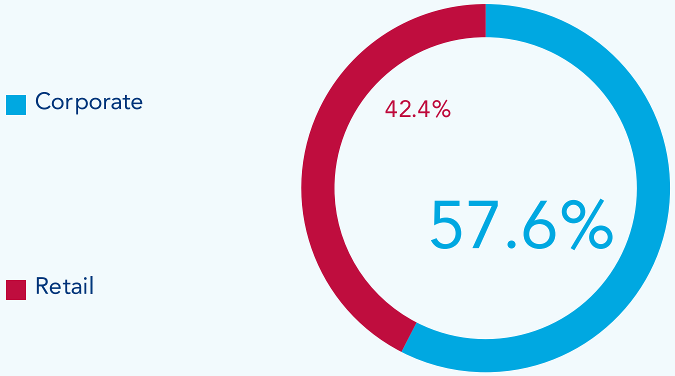
CASA % of Total (%) 3Q 2025



Customers' Deposits Composition by Type (%) 3Q 2025



Customers' Deposits Composition by Segment 3Q 2025



CASA consists of demand, savings and call accounts.

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Income Statement | 20% net income growth from top-line expansion and cost control

Income Statement

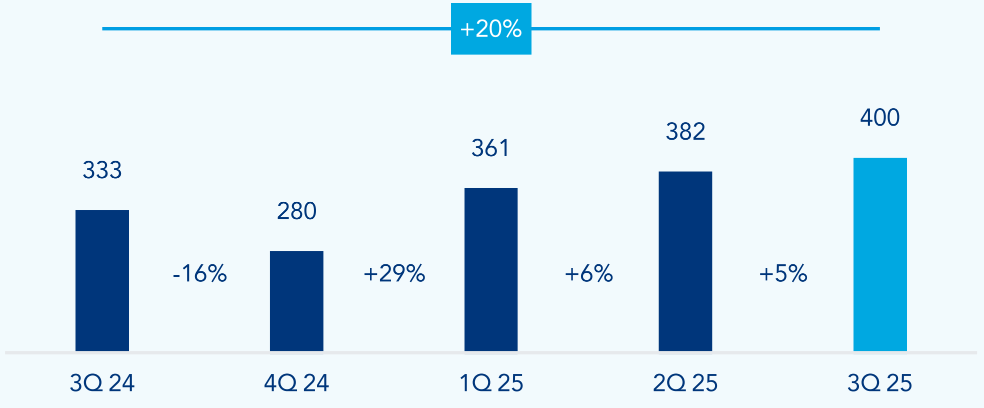
Management commentary

- Net income for 9M 2025 rose 20% YoY, from higher operating income, partly offset by increased expenses and impairments.
- Net financing and investment income increased 17% YoY, driven by both asset growth and margin improvement.
- Fee & other income up 15% YoY, mainly from fees from banking services, dividend and exchange income.
- Operating expenses rose 11% YoY, due to higher G&A costs and staff-related expenses. Impairments up 39% YoY driven by higher commercial impairments and the inclusion of recovery in prior period.

⃁ Mn	9M 2025	9M 2024	YoY % Change	3Q 2025	3Q 2024	YoY % Change
Net financing & investment income	2,227	1,899	+17%	711	650	+9%
Fee & other income	1,053	913	+15%	387	371	+4%
Total operating income	**3,279**	**2,812**	**+17%**	**1,098**	**1,021**	**+8%**
Operating expenses	(1,727)	(1,557)	+11%	(587)	(557)	+5%
Impairment charge	(254)	(183)	+39%	(54)	(88)	-38%
Net operating income	**1,298**	**1,072**	**+21%**	**457**	**376**	**+22%**
Share in net income of an associate	8	13	-38%	1	3	-58%
Net income for the period before zakat & income tax	**1,306**	**1,085**	**+20%**	**458**	**379**	**+21%**
Zakat & income tax	(163)	(134)	+22%	(58)	(47)	+25%
Net income for the period	**1,143**	**951**	**+20%**	**400**	**333**	**+20%**

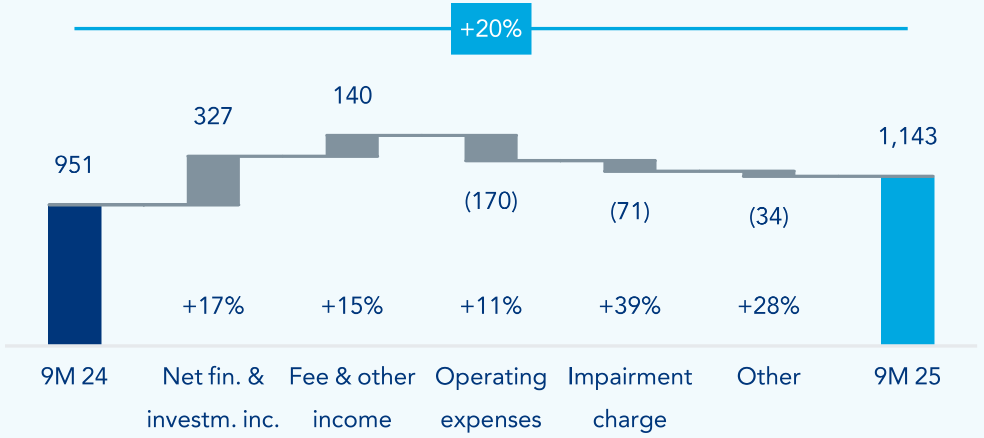
Quarterly Net Income (⃁ Mn)

3Q 2025



Net Income for the Period Movement YoY (⃁ Mn)

9M 2025



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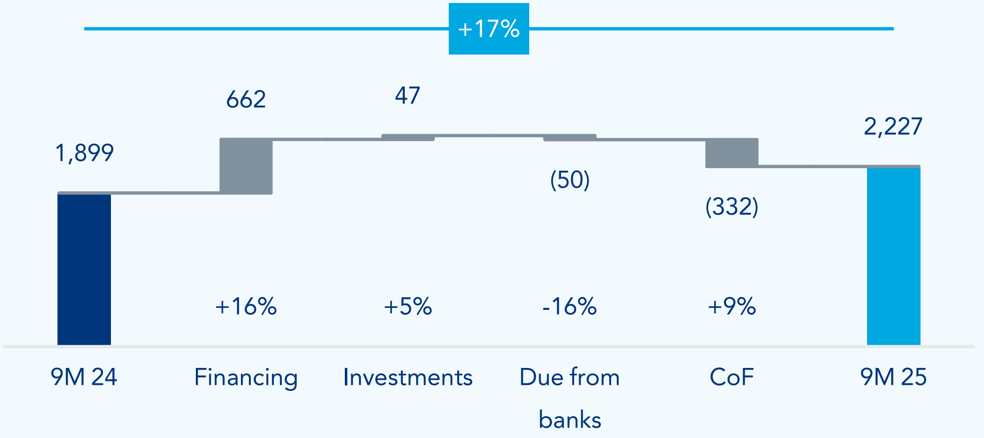
Net financing & investment income | Up 17% from asset growth and margin expansion

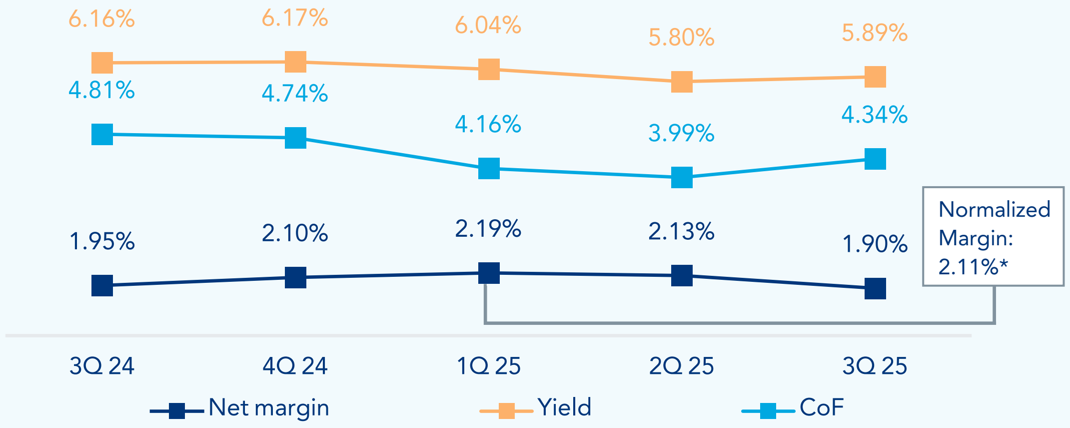
Net Financing & Investment Income Movement YoY (⃁ Mn)

9M 2025



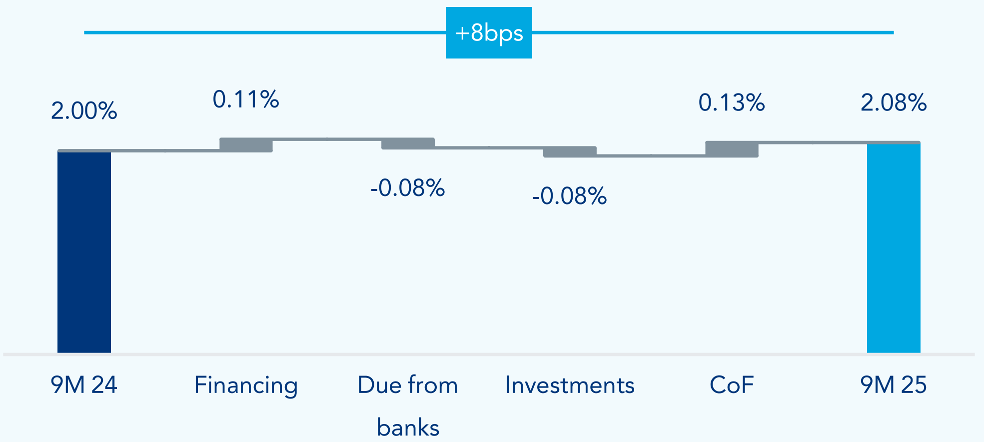
Quarterly Net Margin (%)

3Q 2025



Net Margin Movement YoY (%)

9M 2025



Management commentary

- Net financing and investment income in 9M 2025 grew by 17% YoY, driven by 16% rise in financing income, supported by a 5% increase in income from investments, partially offset by a 9% rise in the cost of funds.
- Net margin for 9M 2025 increased by 8 bps YoY, improving from 2.00% to 2.08%. The reported margin benefited from a one-off recognition of profit in suspense from a cured stage 3 exposure. Normalized net margin for 9M 2025 is 2.05%.
- On a sequential basis, net margin declined by 24 bps (1.90%) in comparison to the margin of 2Q 2025 (2.13%).

*Normalized Net margin for 1Q 2025 (2.11%), 1H 2025 (2.14%) and 9M 2025 (2.05%) excludes recognition of profit in suspense from a cured stage 3 exposure.

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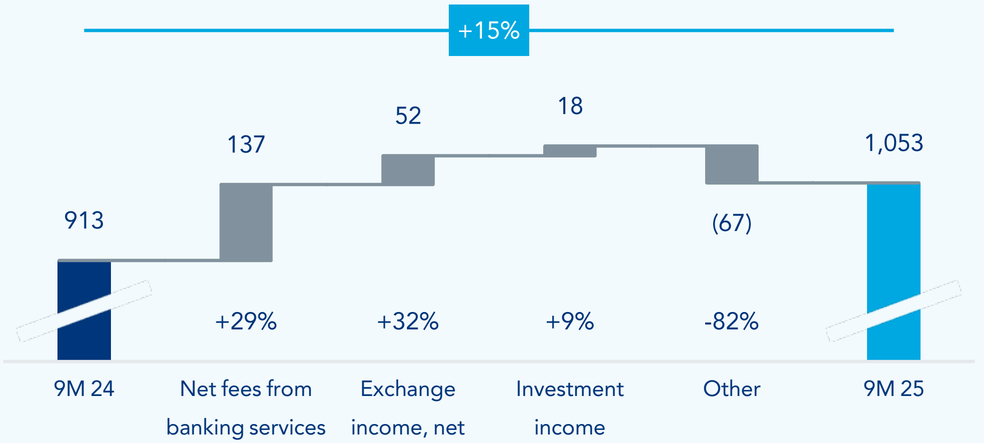
Fee & other income | Boosted by fees from banking services, exchange and dividend income

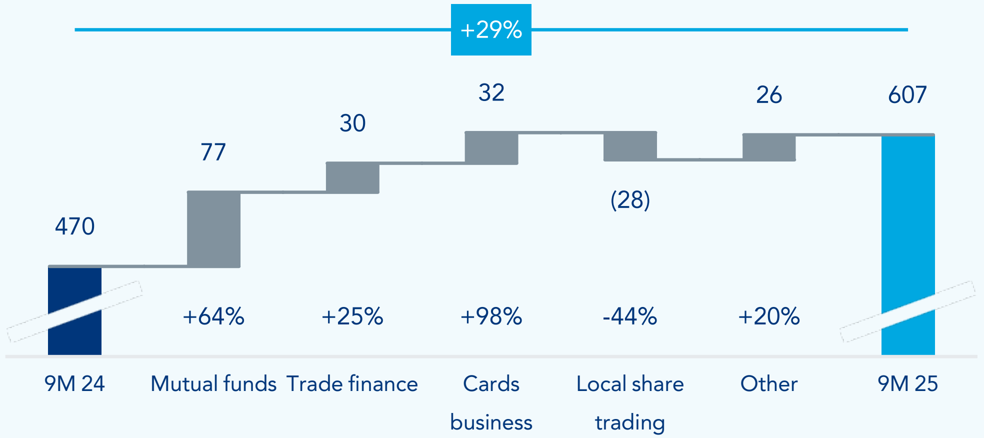
Fee & Other Income Movement YoY (⃁ Mn)

9M 2025



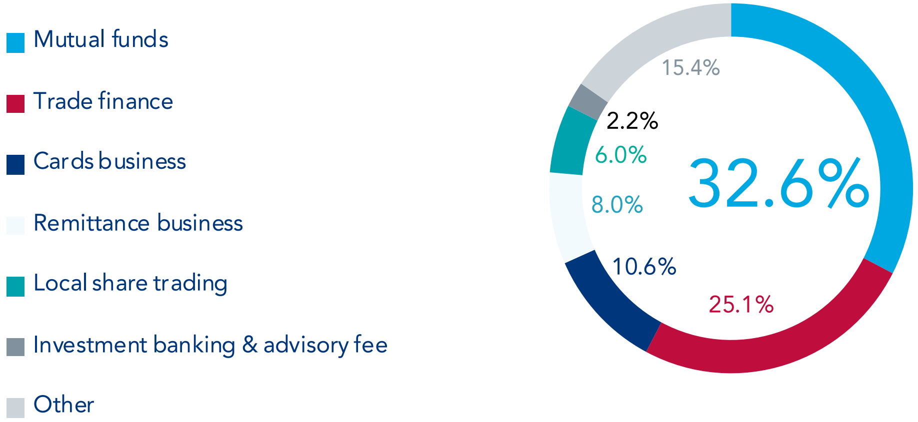
Net Fee Income From Banking Services Movement YoY (⃁ Mn)

9M 2025



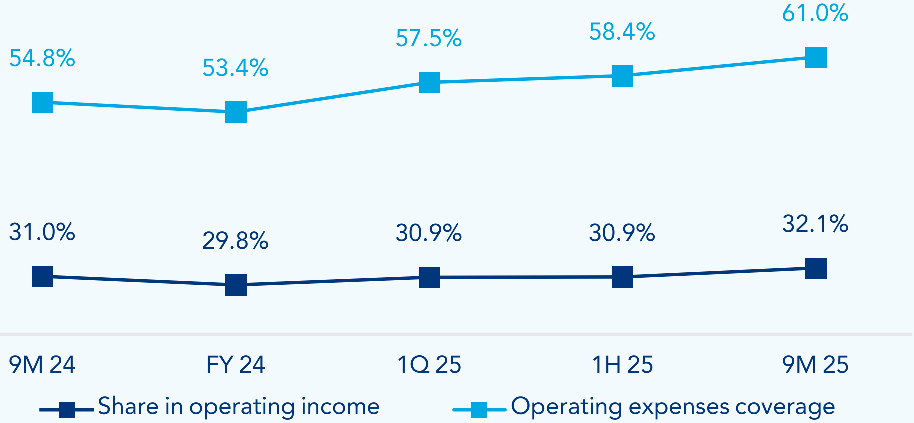
Net Fee Income From Banking Services Composition (%)

9M 2025



Fee & Other Income Share and Coverage* (%)

9M 2025

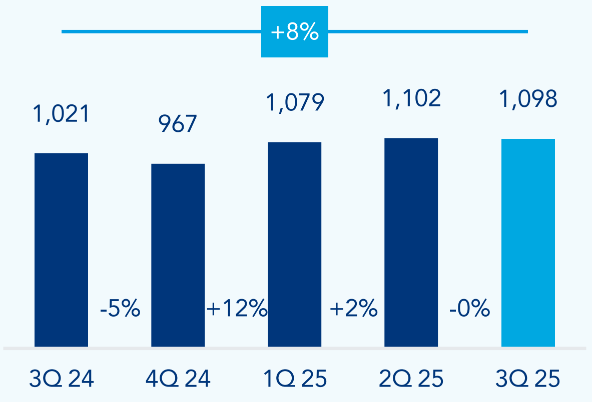


* Fee & other income share and coverage of 9M 2024 and FY 2024 is adjusted for the one-offs.

Operating Income | Cost-to-income ratio improving YoY on positive jaws

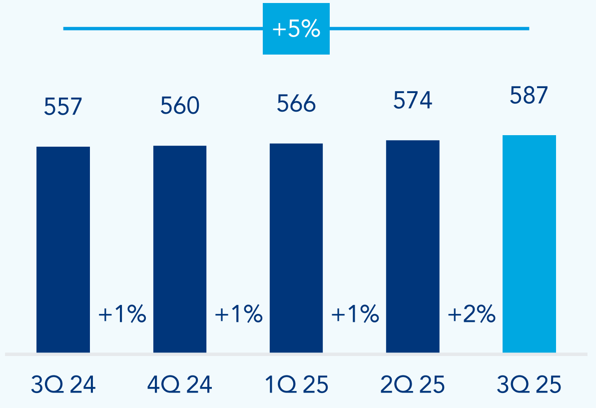
Quarterly Total Operating Income (⃁ Mn)

3Q 2025



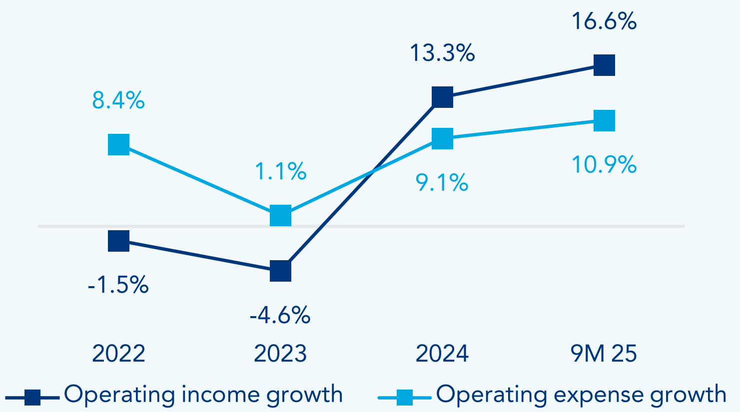
Quarterly Operating Expenses (⃁ Mn)

3Q 2025



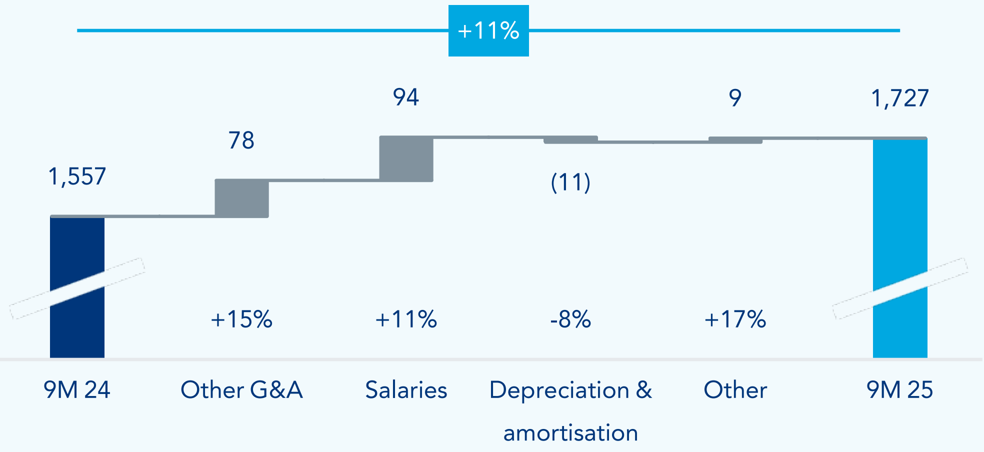
Operating Jaws

9M 2025



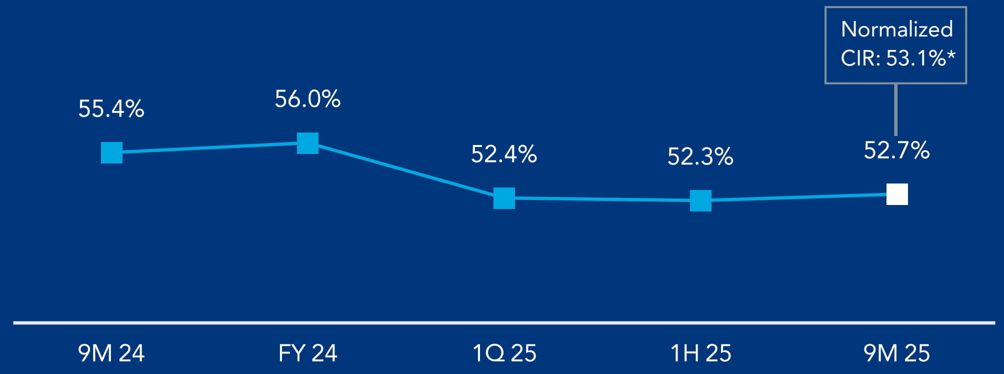
Operating Expenses Movement YoY (⃁ Mn)

9M 2025



Cost to Income (%)

9M 2025

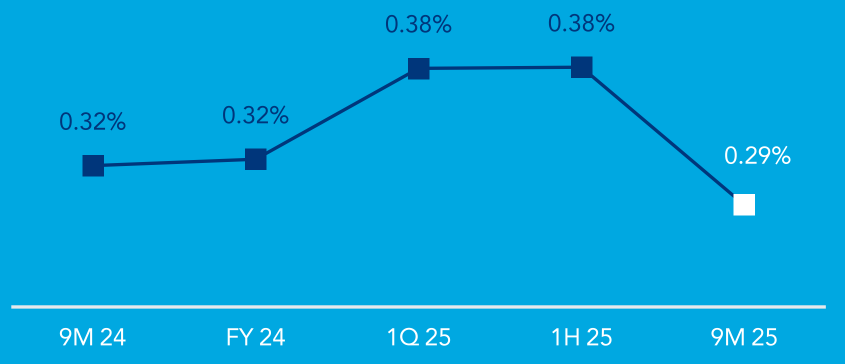


*Normalized C/I ratio for 1Q 2025 (53.7%), 1H 2025 (52.9%) and for 9M 2025 (53.1%) excludes recognition of profit in suspense from a cured stage 3 exposure, removed from operating profit calculation.

Credit quality | Financing impairments rose 12% from commercial, partly offset by recoveries

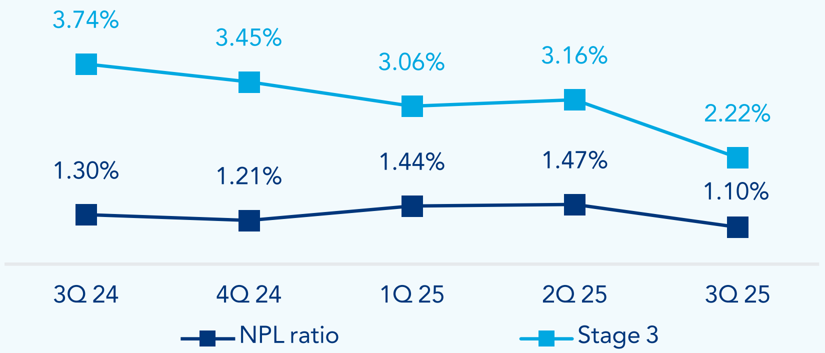
Cost of Risk* (%)

9M 2025



NPL Ratio and Stage 3 Share (%)

3Q 2025



NPL Coverage Ratio

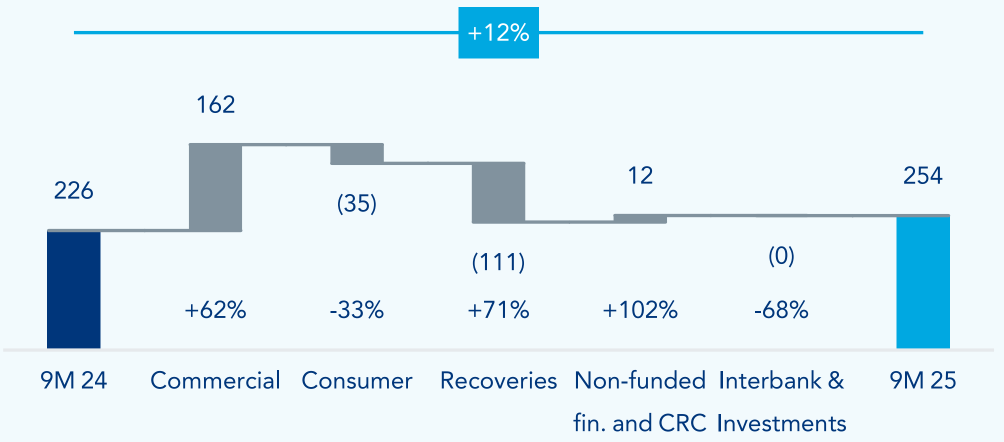
3Q 2025

-43ppts YTD

168%

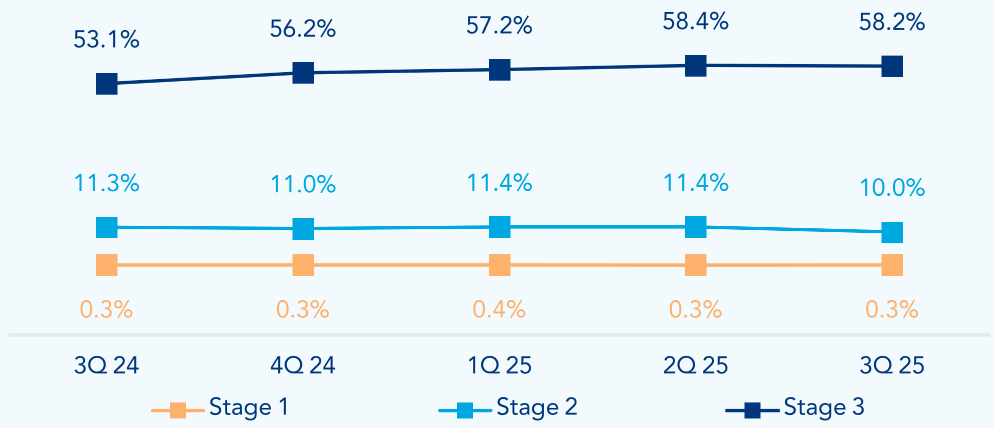
Impairment Charge for Financing Movement YoY (⃁ Mn)

9M 2025



Stagewise Coverage (%)

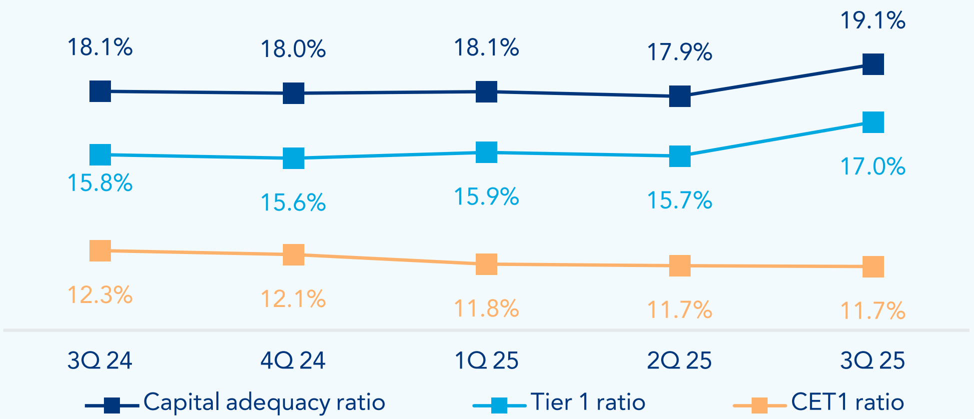
3Q 2025



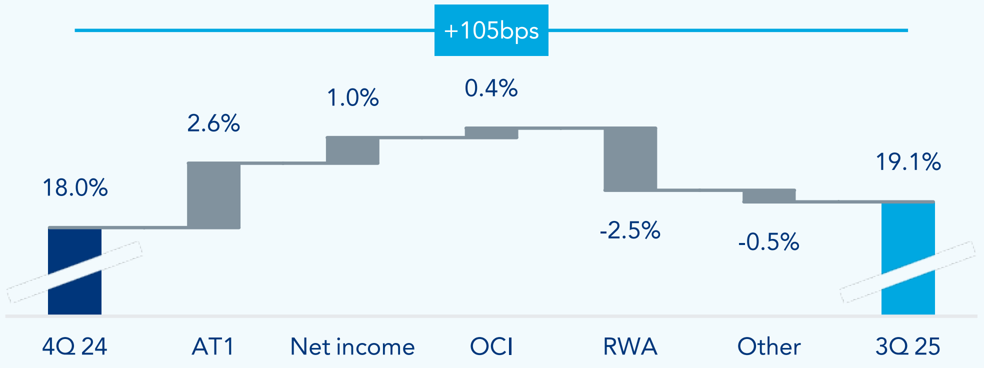
*Cost of risk is calculated based on the total impairment charge for financing, net of recoveries.

Capitalization | Capital ratios increased on T1 Sukuk issuance and net income, partially offset by RWA growth

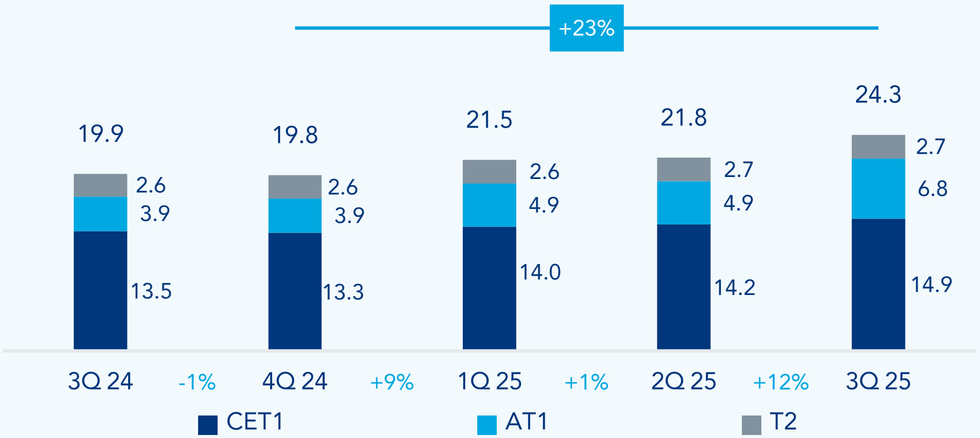
Capital Ratios (%)
3Q 2025



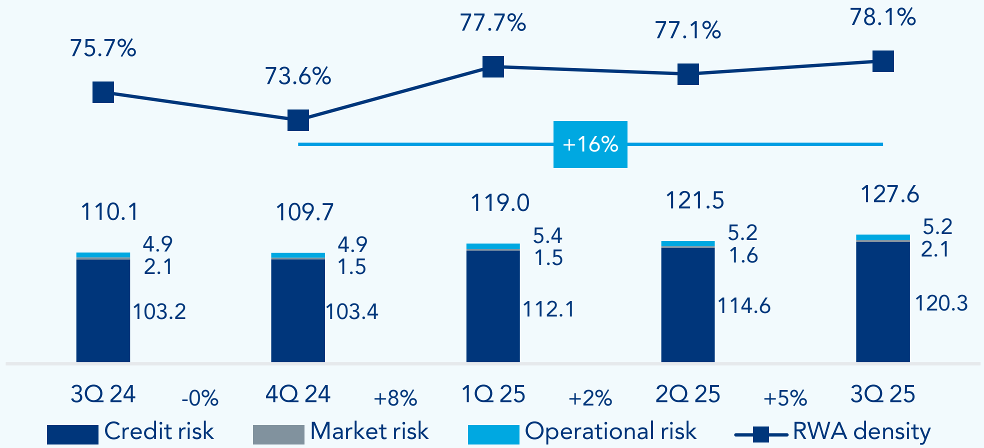
Capital Adequacy Ratio Movement YTD (%)
3Q 2025



Total Capital (⃁ Bn)
3Q 2025



Risk Weighted Assets (⃁ Bn)
3Q 2025

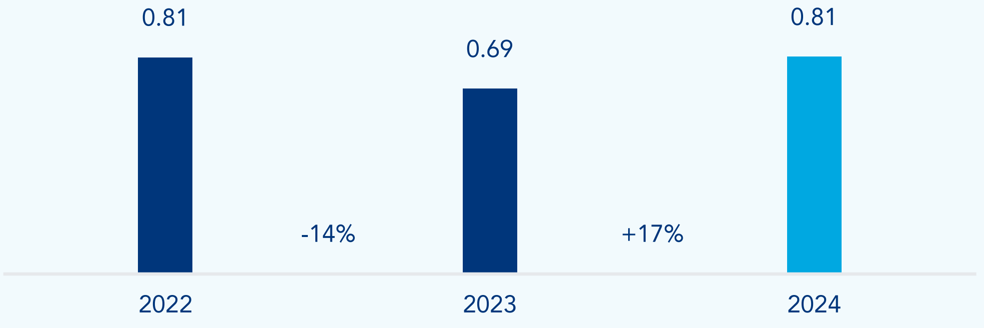


بنك الجزيرة
BANK ALJAZIRA

Profitability | Returns are improving

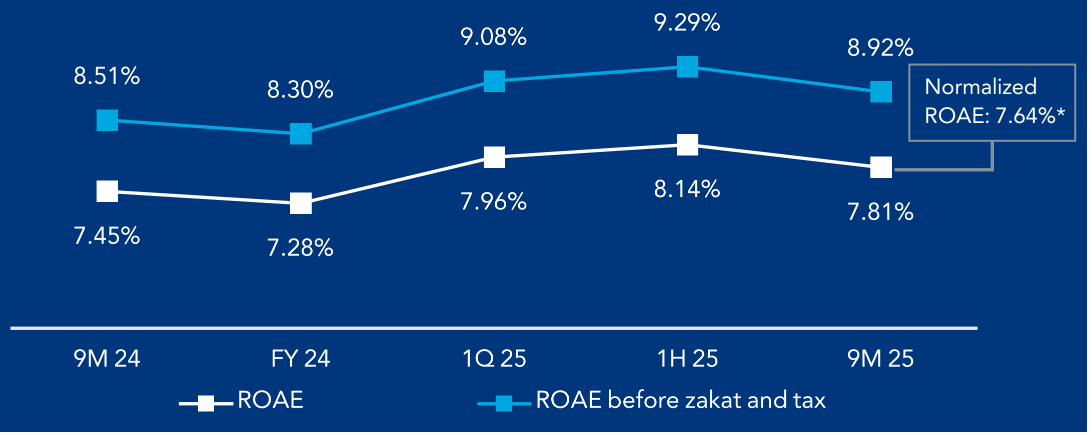
EPS (⃁)

FY 2024



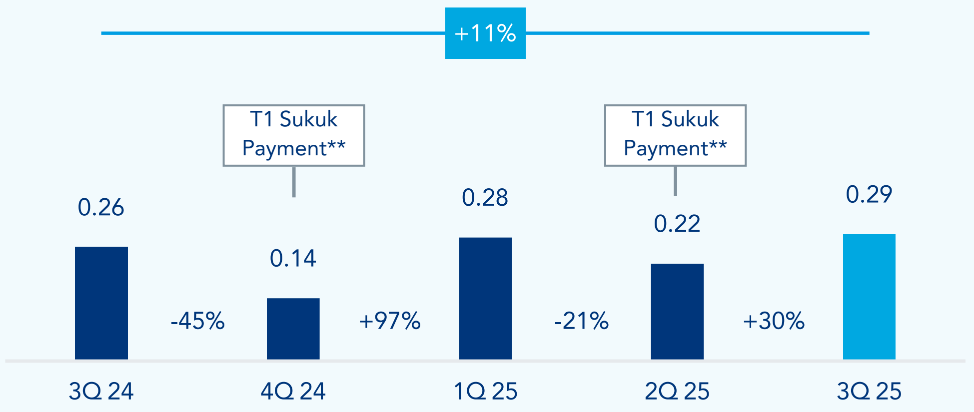
ROAE (%)

9M 2025



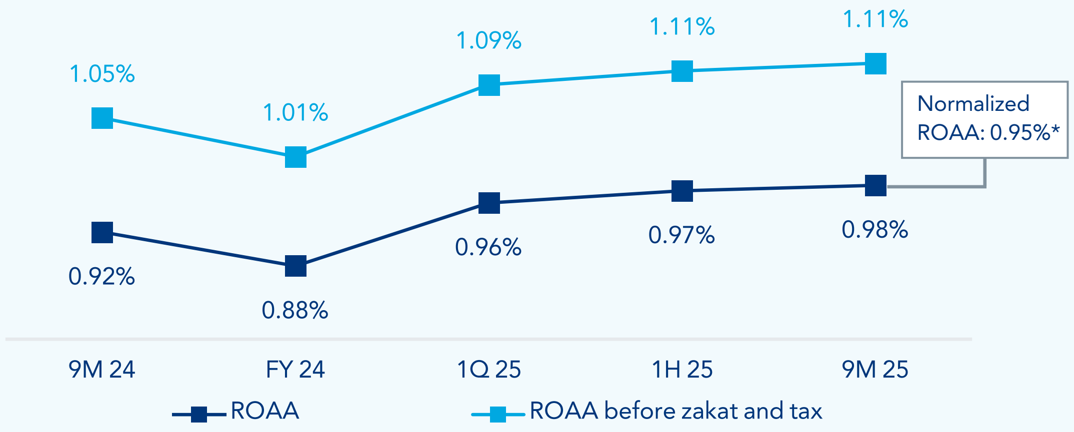
Quarterly EPS (⃁)

3Q 2025



ROAA (%)

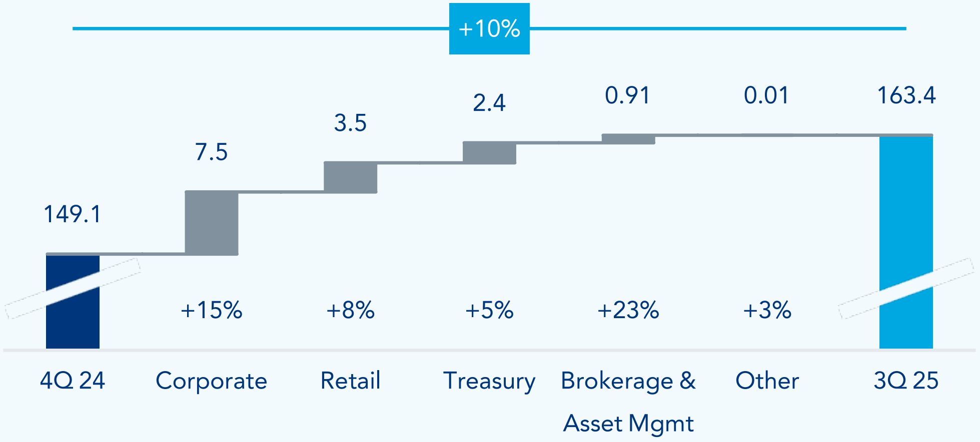
9M 2025



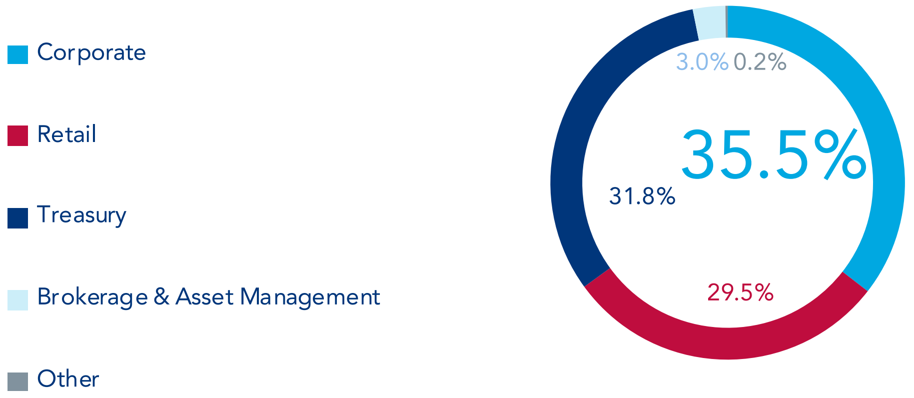
*Normalized ROAE and ROAA for 1Q 2025 (7.41% & 0.89%), 1H 2025 (7.87% & 0.94%) 9M 2025 (7.64% & 0.95%) exclude recognition of profit in suspense from a cured stage 3 exposure. **Tier 1 Sukuk payments are payable semi-annually in December & June each year.

Segments | Diverse mix with well-balanced growth across segments

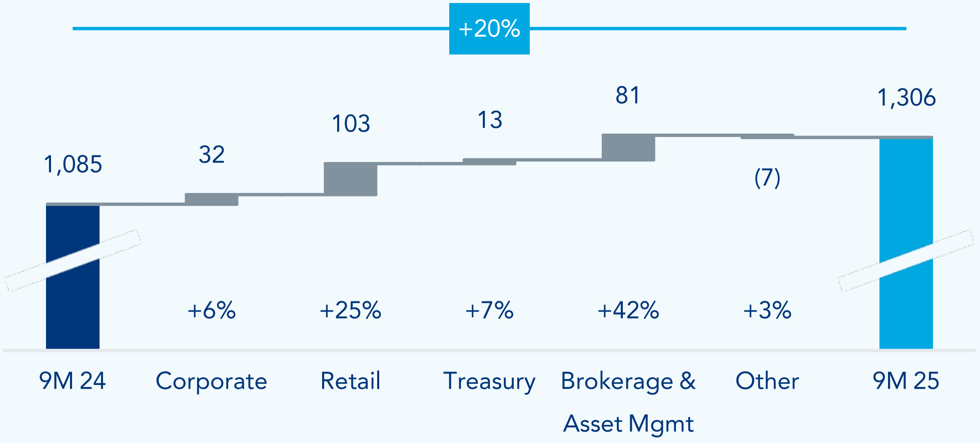
Total Assets Movement YTD (⃁ Bn)
3Q 2025



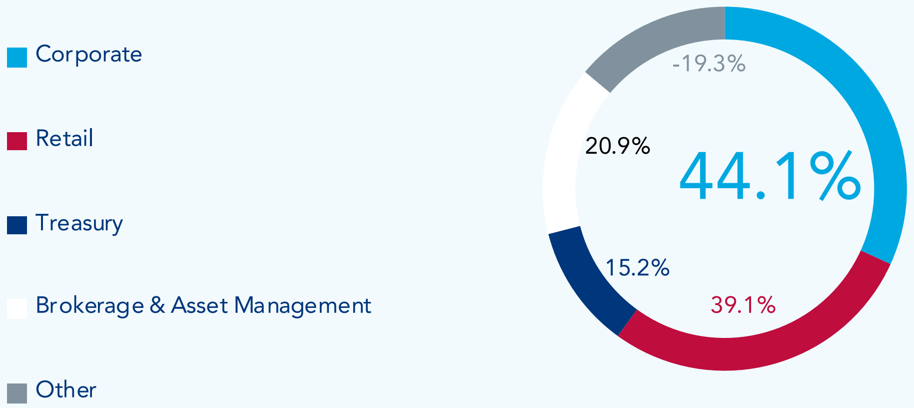
Total Assets Composition (%)
3Q 2025



Net Income Before Zakat & Income Tax Movement YoY (⃁ Mn)
9M 2025



Net Income Before Zakat & Income Tax Composition (%)
9M 2025



Guidance

Guidance | FY 2025 outlook revised to reflect the current market environment

Guidance Metric	FY 2024 Actual	9M 2025 Actual	FY 2025 Guidance	Drivers
Financing growth	+20%	+11% YTD	Low teens unchanged	Anticipate continued momentum in 4Q 2025, moderated by expectation of typically elevated corporate repayments towards year-end.
Net Margin	1.99%	2.08%	+5-10bps unchanged	NIM guidance remains unchanged, despite pressure in 3Q. We expect recent rate cuts and T1 issuance to partly mitigate this pressure in 4Q 2025.
Cost of Risk	0.32%	0.29%	0.30-0.35% upgraded 5 bps	Guidance upgraded on continued benign risk environment and corporate recoveries reported in 3Q 2025.
Cost to Income	56.0%	52.7%	below 55% unchanged	Keeping the ratio comfortably below 55% through revenue growth and diligent cost optimization, balanced against investments in strategic initiatives.
Tier 1	15.6%	17.0%	16.0%+ unchanged	Tier 1 ratio benefited from solid retained earnings generation and T1 Sukuk issuance, moderated by RWA growth.
ROAE after zakat and tax	7.28%	7.81%	>7.5% revised down from >8%	Targeting a gradual improvement aligned with the refreshed strategy, though guidance adjusted to account for the recent T1 Sukuk issuance.

Q&A

Appendix

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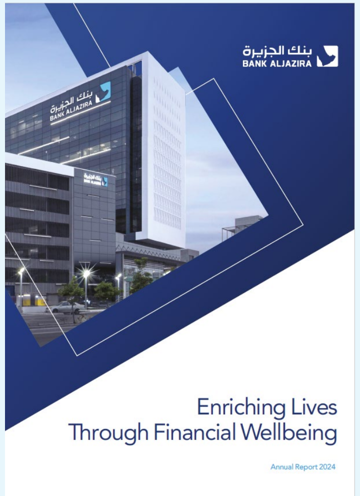

Sustainability Report 2024

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