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CEO's Message



Bank AlJazira has made material advances in its strategic objectives in 2024, and is positioned for a new era of growth, success, and shared prosperity for all stakeholders.

CEO's Message

Assets increased by 15% in 2024

A Year of Growth, Resilience, and Strategic Excellence

As we look back on 2024, I am proud of the meaningful progress Bank AlJazira has made in advancing its strategic objectives, positioning the Bank for a new era of growth, success, and shared prosperity. This year has been defined by execution, validation, and significant milestones, reflecting the transformative impact of the strategy, we launched at the start of the year. We have made substantial strides in the first phase of our strategy, which focused on strategic investments and transformation. This phase has not only strengthened our foundation but also demonstrated our execution capabilities, enabling us to achieve significantly above average loan growth.

The challenges endured over the past few years have been overcome, and I am delighted to report a strong performance in 2024 by every metric. The hard work, investment and innovation have combined to deliver a position where the Bank is poised to progress further in 2025 and beyond.

A Strong Financial Performance

2024 was a profitable and successful year for the bank. Assets increased by 15% to ₪ 148.9 billion, driven predominantly by a strong 20% increase in financing to ₪ 96.9 billion. Customer deposits grew by 15% to ₪ 108.2 billion, ensuring a healthy loan to deposit ratio that fell well within our regulatory limits and risk parameters. This topline growth translated into a 21% increase in net income to ₪ 1.2 billion, a record for the bank.

Cost discipline meant that operating expenses were restricted to a much lower level than the increase in revenues resulting in the further reduction in the bank's cost to income ratio by 220bps and expanding the bank's positive jaws to 400 bps. Bank AlJazira has delivered a profitable performance over the past eight quarters, where assets, net financing and investment income, fee income and cost management have all consistently moved in the right direction.

This sustained strong performance has improved the return on assets and return on equity in 2024, while journey continues in right direction to be aligned to the industry average. One of the key future focuses



In 2024 Bank AlJazira delivered growth which outstripped the market in assets, brokerage volumes, wealth management, and residential finance.



of the management team will be to further raise this metric, and we are confident that the shareholders would witness meaningful progress on this in 2025.

### Corporate

Bank AlJazira achieved above average market growth in Corporate Banking in 2024 across all segments, driven by the Kingdom's robust economic expansion, as reflected in strong macro indicators and acceleration of flagship Vision 2030 giga-projects. These factors, combined with our strategic commitment position us to sustain this growth momentum and further expand the bank's overall asset base.

At the core of our success is Bank AlJazira's segment and sector-focused approach in Corporate and Institutional Banking, which prioritizes tailored financial solutions. We provide clients with bespoke solutions, superior banking facilities, and a technology-led, innovative suite of services, particularly for the Mid corporate and SME segment.

The bank's agility and innovation is evidenced through its expertise in delivering digital banking and open banking for enhanced customer experiences. This was reinforced in 2024 through our techMAL digital transformation journey and the launch of the AlJazira Business apps in the market.

In Assets, Corporate Banking delivered a positive performance, with an increase of 22% in financing over last year. This growth was contributed to equally by all segments – Large, Medium and MSME – with at least 20% growth across all customer groups. Trade Finance showed a similar strong growth path, with the on-balance sheet portfolio growing by 96%, and off-balance sheet by 28%. This positive Corporate performance in 2024 underscores Bank AlJazira's role in building and contributing to the nation's strategic Vision 2030 plan. The target market was broadened further with the active participation of Structured Financing Department and Public Sector Unit, while penetrating into Multinational Companies to maximize business opportunities.

The bank has also been an active participant in sustainable finance and investments, and has delivered ₪ 1.8bn for financing projects related to ESG. This reflects our commitment to responsible lending while actively contributing to the Kingdom's goals relating to sustainability.

### Retail Banking

One of the Bank's core strategic priorities is to establish itself as a boutique bank, carving out a distinct niche and value proposition in retail banking by focusing on affluent and high-net-worth individual (HNWI) customers. This will be achieved by offering a comprehensive suite of retail and wealth management services tailored to their unique needs. The goal is to build specialized expertise, create a unique brand identity, and deliver curated products and services that resonate with the target market.

The bank made material progress towards this aim in 2024, and we are excited by the outlook for the future.

In Retail banking, our aim is nothing less than to be the bank of choice for affluent consumers, and 2024 saw concrete progress against this aim. One of the many pleasing aspects of our progress were the synergies and collaboration realized between Retail and AlJazira Capital. Without a robust, efficient and integrated suite of Capital solutions, we cannot compete meaningfully in the affluent segment, so the seamless offering of AlJazira Capital facilities and services to our Retail customers has been a major success in 2024, attracting new customers and growing the share of wallet with existing customers. Retail banking grew its assets by 19% in 2024.

Residential finance also demonstrated strong growth of 22% over last year, outpacing the market. Other areas of significant growth in 2024 included Call Accounts, which grew by over 116%; and the auto finance portfolio more than doubled.



Treasury

Treasury is an important supporting ally for the bank’s businesses, ensuring liquidity, managing risk and providing capital adequacy. Treasury delivered a strong performance in 2024, ensuring the bank was able to maintain a smooth liquidity profile and to navigate a difficult rates environment.

Investments managed by Treasury grew 5% in 2024 to reach ₪ 36.2 billion, and this portfolio is carefully constructed and managed to minimize rates risk and to contribute to the bank’s regulatory capital base. More than three quarters of the investment book comprises government and semi-government assets, ensuring the highest levels of quality and liquidity.

AlJazira Capital

During 2024, AlJazira Capital revamped its digital trading platform and mobile app to provide a highly enhanced user experience, enabling access to a suite of new product solutions for our retail customers. Leveraging its strong heritage in brokerage and capital markets, AlJazira’s affluent retail customers have access to the nation’s broadest and most sophisticated brokerage product and service suite. The bank scaled its Wealth and Asset Management business by offering new Real Estate funds, alternative asset funds and acquiring private equity portfolios. These new products helped assets under Management to reach a new record for the bank of ₪ 23.7 billion.

A mobile first, digitally enabled bank that blends the physical and digital worlds

Today’s customer – whether retail, corporate, wholesale or institutional – expects a digital-first approach from their bank. For AlJazira, 2024 marked the culmination of a journey that began several years ago, and which has laid the foundations for a truly exceptional digital customer experience and offering.

This journey included the establishment of teckMAL, our technology “garage”, that exists to incubate and develop the future apps, systems, products and services that will define AlJazira’s digital-first status.

2024 was the year that saw this investment come to fruition: the launch of the new retail banking app has been universally well-received, garnering extremely high scores from app store ratings. The app delivers a new efficient, intuitive and fast way for our retail customers to manage their finances, opening up a world of wealth management opportunities to them. Also in Retail, the launch of a new Customer Relationship Management system has revolutionized the way we talk to and understand our customers, driving deeper relationships, enabling cross selling opportunities, and ensuring customers receive the right products and services for their circumstances and requirements, a particularly important consideration for affluent customers. This CRM is powered by data analytics and will continue to evolve as we apply the latest artificial intelligence to the service.

In Corporate Banking, the existing eCorp and mCorp digital offerings will be replaced in early 2025 with AlJazira Business, a new and improved banking platform that allows corporate clients to seamlessly carry out all their business banking activities, including bulk payments, payroll and account management, directly through the mobile app.

Developed entirely in-house by teckMAL Garage, AlJazira Business also enables the bank to respond faster and more accurately to the requirements and needs of both corporate and SME clients.

Through its investment and deployment of the latest technology, AlJazira is well on the way to fulfilling its ambition of being a digital-first bank.

A dynamic and resilient bank in a transforming world, built on innovation and partnership

2024 was the year that Bank AlJazira began to see meaningful delivery of results driven by the strategy refresh adopted in 2023. Our rigorous focus on the strategic levers of innovation and partnerships has enabled the bank to deliver material and strong growth in the year, against the backdrop of macro uncertainty and strong domestic competitive pressures. The proof of this strength was demonstrated in 2024 by AlJazira delivering growth which outstripped the market in assets, brokerage volumes, wealth management, and residential finance.

And following the strong performance of 2024, the whole bank can be very excited by the opportunities and possibilities of the future that are now being put in place.

We are building advanced analytics capabilities to uncover sales opportunities across the business, including higher digital cross-sell by building customer-centric digital journeys that personalized offerings across our product suite.

A focus on account planning for our key clients will continue to unlock growth and diversify revenue streams, allowing the bank to broaden its services by introducing new products for corporate and affluent retail customers.

2024: A Watershed Year

In summary, the year 2024 has been a watershed year for Bank AlJazira. We have moved with purpose and diligence to execute the bank’s strategy. We have grown the business across all metrics. We have achieved or exceeded the KPIs we set for ourselves and we have positioned the bank for further meaningful growth in the future.

Sustainability at Bank AlJazira

Sustainability is a central tenet of the AlJazira way of business, supporting the success of our customers, the long-term value creation of our stakeholders, and the sustainable growth of the bank. As a key enabler of the Kingdom’s Vision 2030 strategic plan, this sustainable approach is fully aligned with the national direction, and the bank makes a meaningful and fully sustainable contribution towards the ambitious economic, social and environmental goals of the Kingdom.

Thanks and Acknowledgments

The Board and management team remain confident about the outlook for Bank AlJazira. We anticipate further double-digit growth in loans, margin improvements, and further enhancements in operational efficiency and profitability.

In closing, I would like to convey our deepest gratitude and appreciation to His Majesty King Salman bin Abdulaziz Al Saud, the Custodian of the Two Holy Mosques, and to His Royal Highness Crown Prince Mohammed bin Salman bin Abdulaziz, Prime Minister, along with the Ministry of Finance, the Saudi Central Bank, and all relevant authorities for their consistent support of the Saudi financial sector.

I also express my appreciation to our shareholders and customers, whose trust and belief is the foundation of the bank. We are committed to continuing our maximum efforts to remain deserving of this trust in the years to come.

I am grateful to my esteemed fellow board members for their invaluable experience and advice, and to all bank employees, colleagues, and partners for their role in the bank’s success.

Mr. Naif A. Al-Abdulkareem  
CEO and Managing Director