

Bank Albilad

Investor Presentation

Disclaimer

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Bank Strategy

is rightly positioned to capture the potential while addressing challenges

VISION

To be the preferred choice of innovative Islamic banking solutions

MISSION

To leverage digital transformation, network and human capital to deliver the highest levels of customer experience and competitive value propositions in the best interest of our clients, employees, shareholders and the communities we serve

OUR STRATEGIC OBJECTIVES



Sustainable Growth

- Maintain and improve profitability
- Maximize legacy business growth
- Enhance cards product portfolio
- Sustain home finance market share
- Innovate with PF products



Innovative Islamic Banking for SMEs

- Strengthen product offering for transaction banking Leadership in digital offering
- Introduce various financing programs for MSMEs
- Expand corporate finance offerings
- Increase utilization of existing clients



Digital Leadership

- Build digital value proposition for Retail & Corporate clients
- Improve time to market
- Optimize physical and digital channels
- Improve customer service and sales



OUR VALUES

- Initiative and Innovation
- Care and Partnership
- Trust and Accountability

Bank Albilad is a full-fledged Islamic banking services provider

+3,700 Employees

5th Largest Retail Network

108 Branches

Key Highlights

Bank Albilad is among

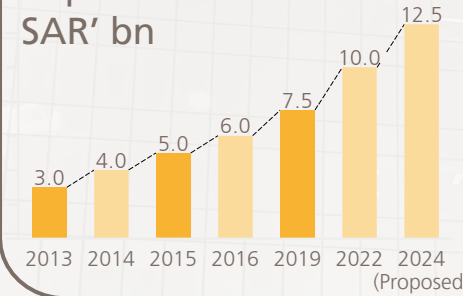
**the largest banks
in the Middle
East**

in terms of market value
according to Forbes 2023
ranking occupying 16th place

5% proposed cash dividend for 2023,
at SAR 0.50 per share after Zakat,

**Total Dividend
SAR 500 million**

Capital increase
SAR' bn



البلاد المالية
Albilad Capital

انجاز
enjaz

البلاد العقارية
Albilad Real Estate

Subsidiaries

**Credit Rating
by Moody's:**

Long-term: **A3**
Short-term: **P-2**
Future overview: **Positive**

**Credit Rating
by Fitch:**

Long-term: **A-**
Short-term: **F2**
Future overview: **Stable**

Board of Directors



Mr.
Nasser Mohammed AlSubeie
Chairman - Non Executive



Mr.
Adeeb Mohammed Abanumai
Deputy Chairman - Independent



Mr.
Abdulaziz Mohammed Alonaizan
Executive



Mr.
Haytham Suliman AlSuhaimi
Non Executive



Mr.
Muadh Abdulrahman Alhusaini
Independent



Mr.
Haitham Mohammad Alfayez
Independent



Mr.
Mohammed Abdulrahman AL Rajhi
Non Executive



Mr.
Nasser Sulaiman AlNasser
Independent

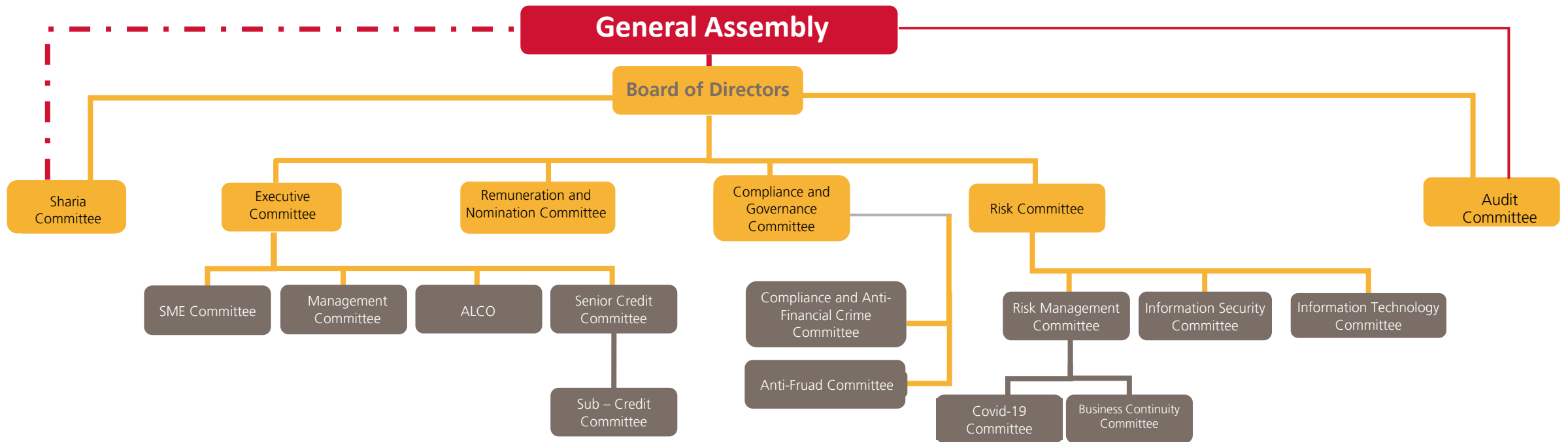


Mr.
Khalid Abdulrahman Al-rajhi
Non Executive



Dr.
Zeyad Othman Alhekail
Independent

Board Committee Structure and Reporting Lines



Executive Management



Abdulaziz Mohammed AlOnaizan
Chief Executive Officer



Bashaar Yahya AlQunaibit
Senior EVP Business



Saleh Suliman AlHabib
EVP Shared Services



Abdullah Mohammed Alarifi
EVP Risk Management



Hisham Ali AlAkil
EVP Finance



Samer Mohammed Farhoud
EVP Treasury



Saad Ibrahim Al Drees
EVP Corporate Banking



Haitham Medainy AlMedainy
EVP Human Resources

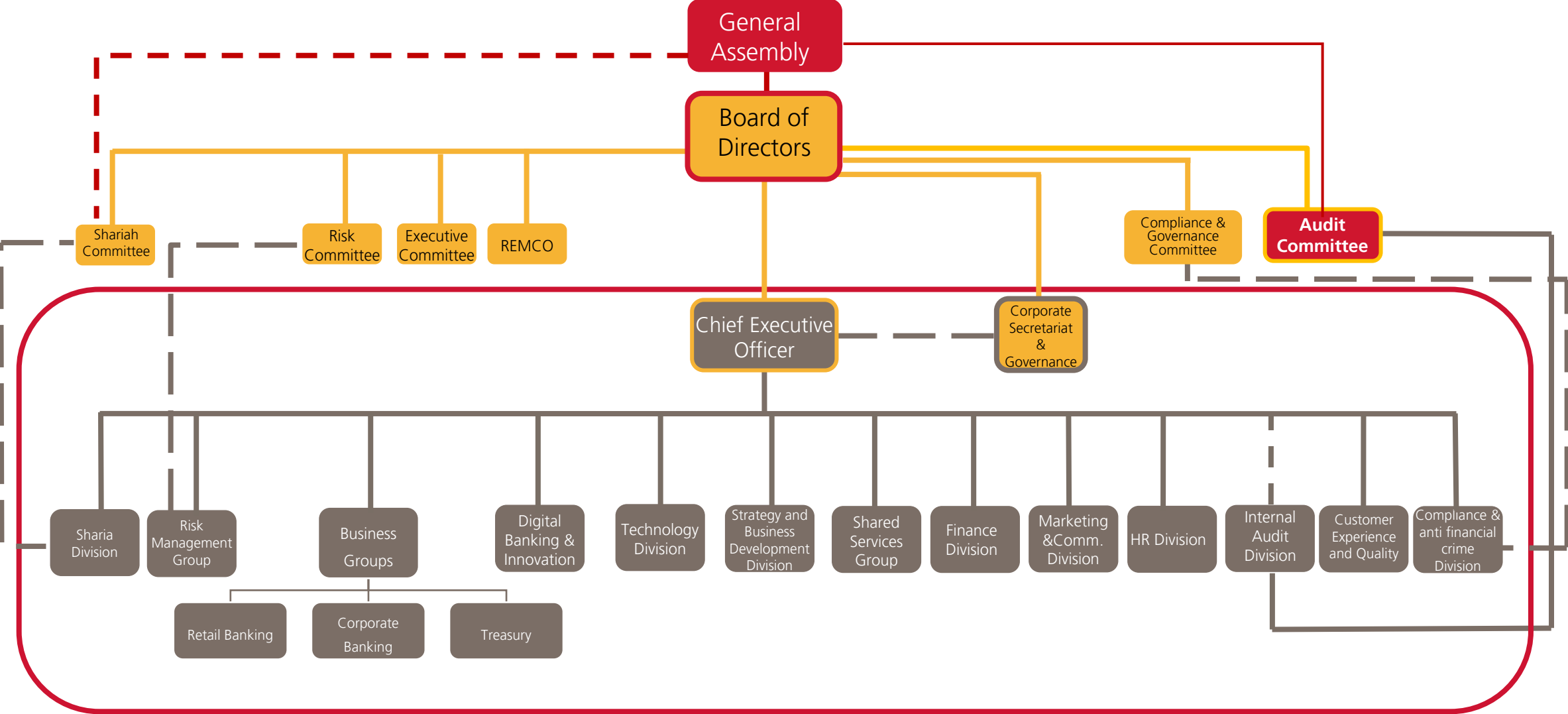


Abdullah Saad AlRuweis
EVP Retail Banking



Abulaziz Saleh AlGhufaili
Chief Technology Officer

Organizational Structure



Business Lines

Corporate Banking



Focuses on:

- Financing corporates, institutional and public sector markets
- Financing small-and-medium enterprises
- **Financial Institutions, including:**
Banks and non-banks financial institutions
- Payments solutions for trade

Retail Banking



Focuses on:

- Providing deposits – based services
- Saving, remittance and exchange services
- Personal and mortgage financing
- Credit cards

Treasury



Focuses on:

- Investing in capital markets
- Liquidity and foreign exchange
- Treasury services for branches and customers

Actively exploring opportunities to contribute to the implementation of Vision 2030

○ Increase SME contribution to GDP from 20% to 35%

- Support small and medium enterprises in line with Kingdom's Vision 2030
- Contribute in the SMEs Loan Guarantee Program (KAFALAH).

○ Increase home ownership rate from 50% to at least 70%

Partnership with the Ministry of Housing and REDF for several home loan products

Subsidiaries

- 1 Investment Banking
- 2 Asset Management
- 3 Securities Services
- 4 Research and Advisory
- 5 Brokerage



Mortgage and Real Estate assets management



Remittance Services, Major Electronic Money Institution



Financial Performance

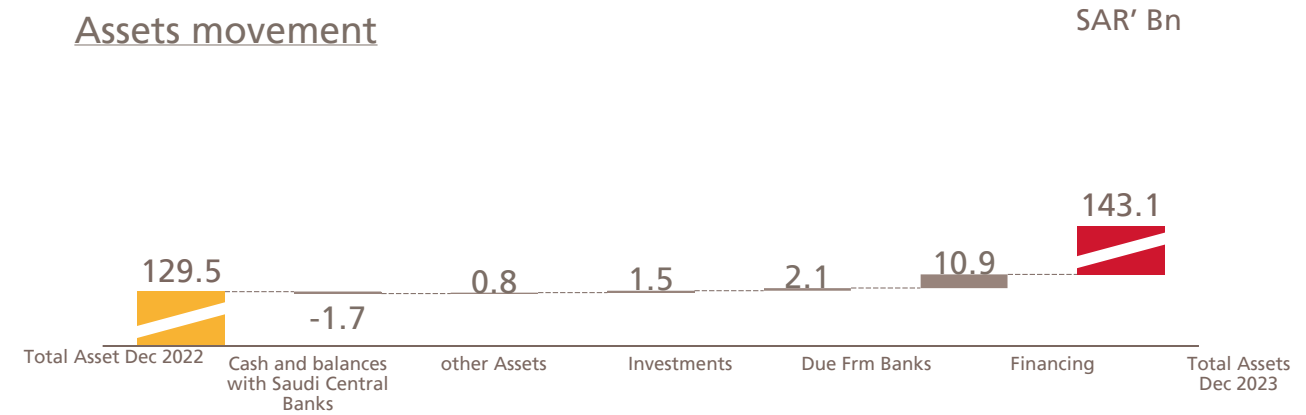
Financial Performance | Balance Sheet Highlights

Steady growth in Financing, Investment and Deposits

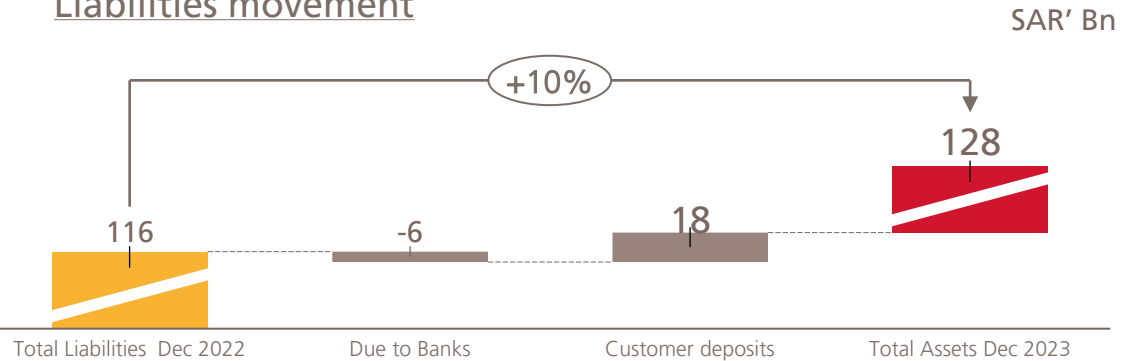


SAR' Mn	Dec 2023	Dec 2022	YTD%
Due from banks and other FIs	8,170	6,067	35%
Investments	22,080	20,600	7%
Financing	102,080	91,179	12%
Total assets	143,106	129,543	10%
Due to banks, SAMA and FI	4,274	10,621	-60%
Customers' deposits	112,831	94,843	19%
Total liabilities	127,848	116,144	10%
Total equity	15,258	13,399	14%

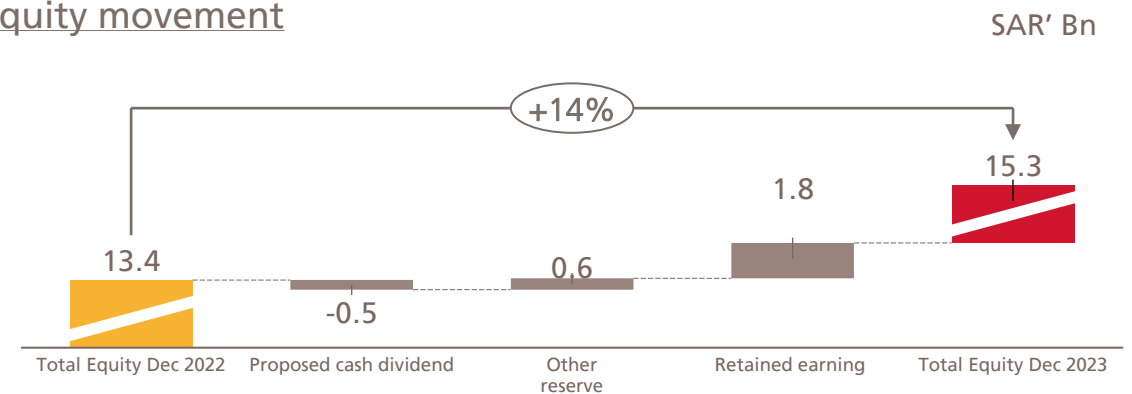
Assets movement



Liabilities movement

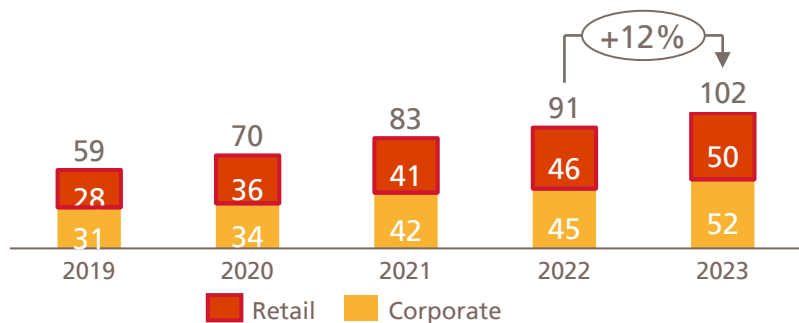


Equity movement



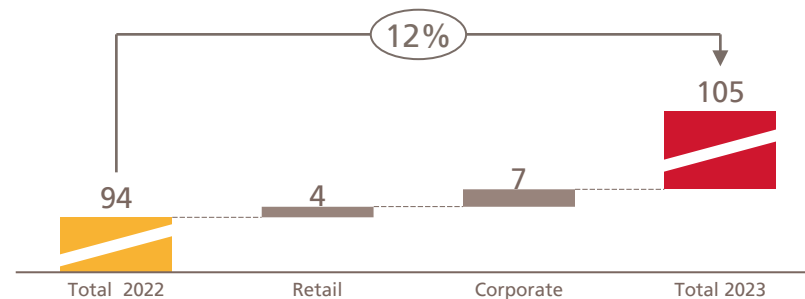
Financing, net growth

SAR' Bn

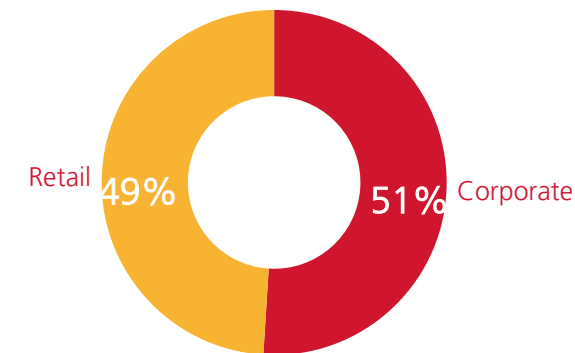


Financing, Gross Movements

SAR' Bn

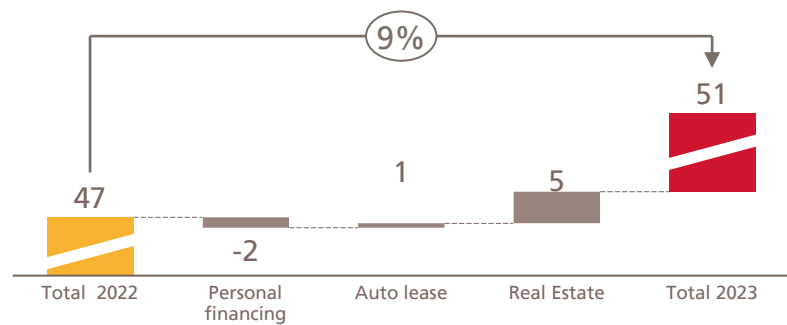


Financing, Net Composition 2023

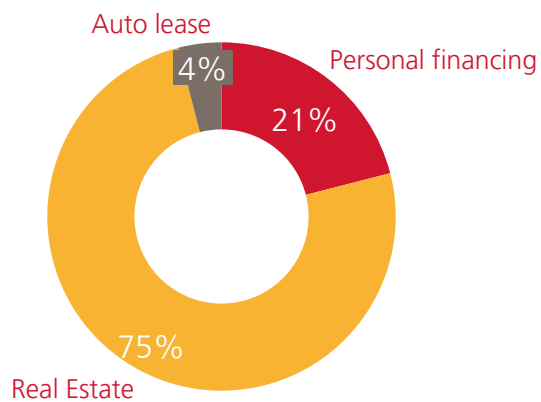


Retail gross financing movements

SAR' Bn

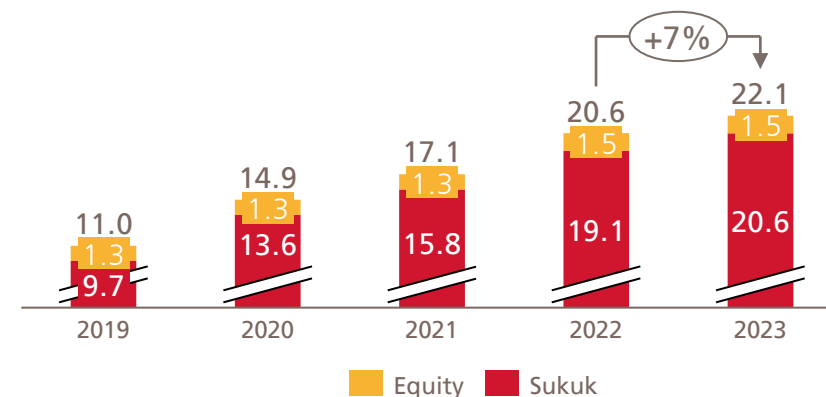


Retail financing Composition 2023



Investment, net growth

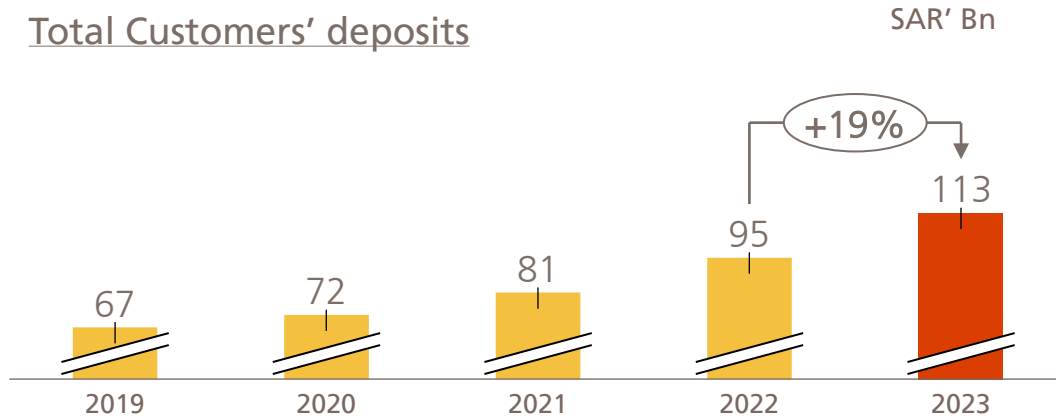
SAR' Mn



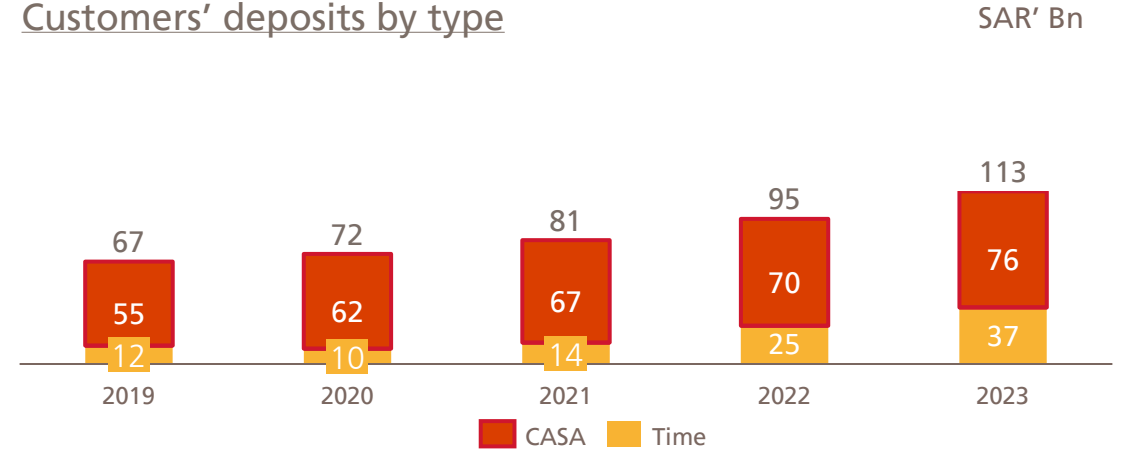
Financial Performance | Customers' Deposits

Strong growth in total deposits driven by Time deposits and CASA

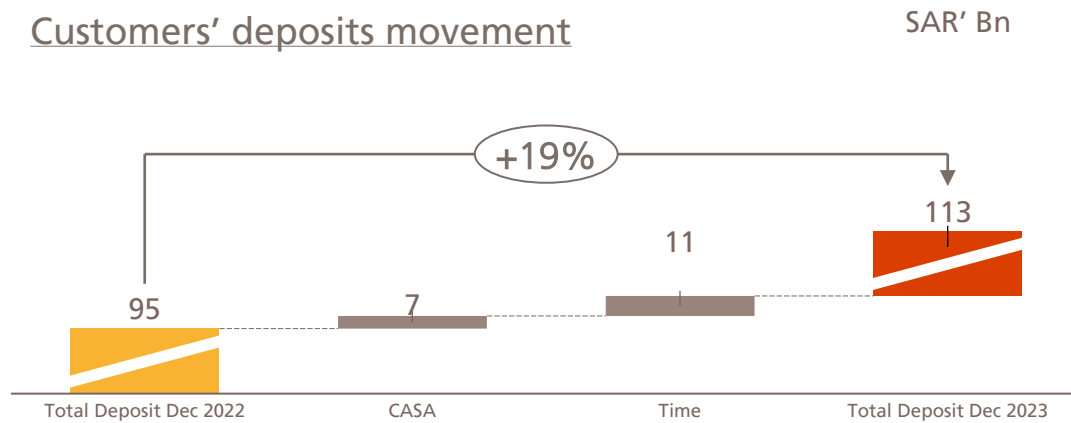
Total Customers' deposits



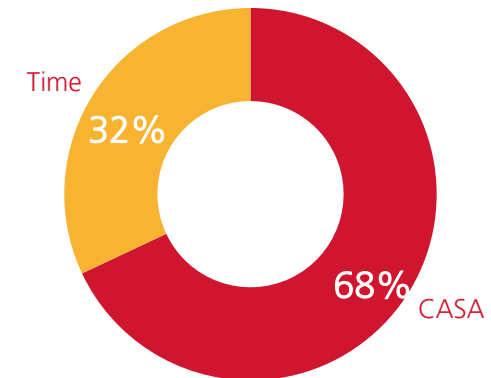
Customers' deposits by type



Customers' deposits movement



Customers' deposits Composition 2023



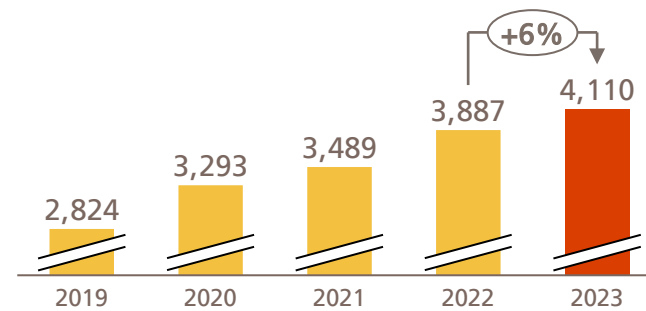
Financial Performance | Net Income Highlights

Strong net income growth boosted by higher Net Yield Income

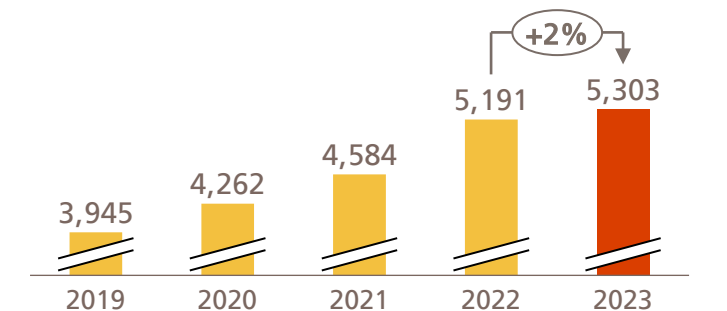
SAR' Mn	Dec 2023	Dec 2022	Change	%
Net yield income	4,110	3,887	223	6%
Non yield income	1,193	1,304	(111)	-9%
Operating income	5,303	5,191	112	2%
Operating Expenses	2,338	2,320	18	1%
Impairment charge	324	551	(227)	-41%
Total Operating Expenses	2,662	2,871	(209)	-7%
Net income before zakat	2,641	2,321	320	14%
Zakat charge	272	239	33	14%
Net income after zakat	2,369	2,082	287	14%

- Net Income grew by 14% Y-o-Y
- Operating Income increased by 2% Y-o-Y
- Net yield income grew 6% Y-o-Y

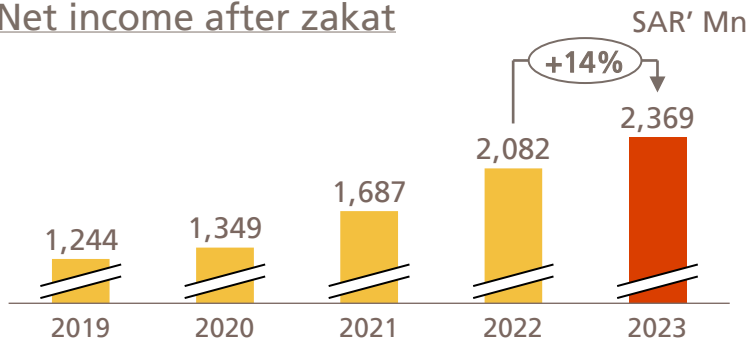
Net yield income



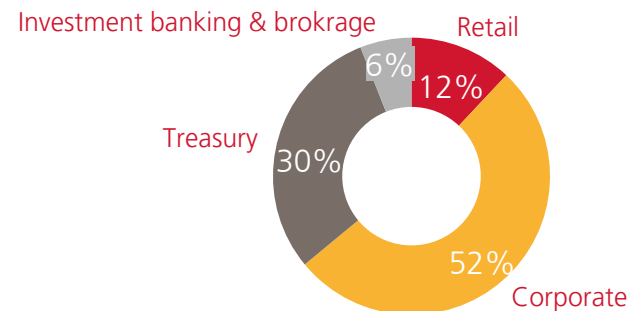
Total Operating Income



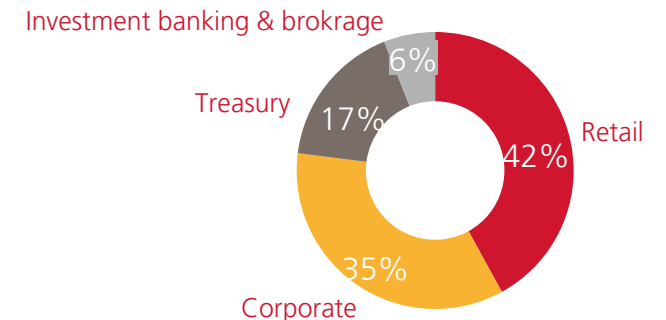
Net income after zakat



Net Income by Segments



Total Operating Income by Segments



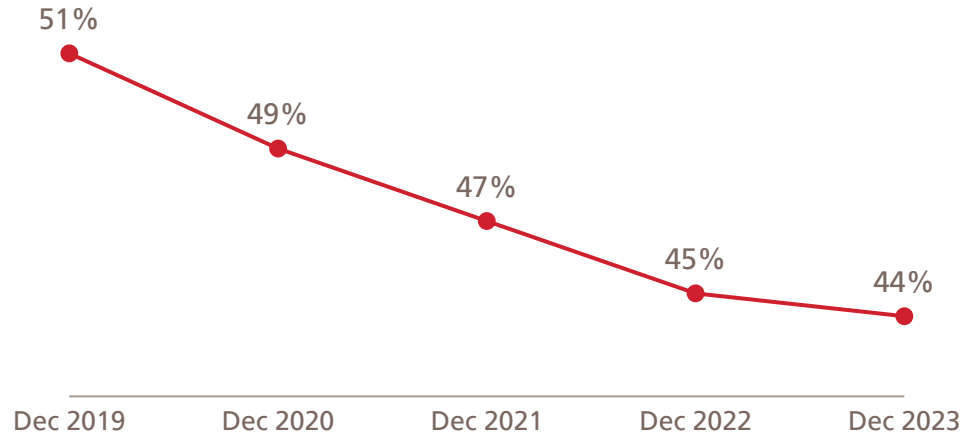
Financial Performance | Operating Expenses

Lower cost to income ratio achieved through higher total operating income and cost control

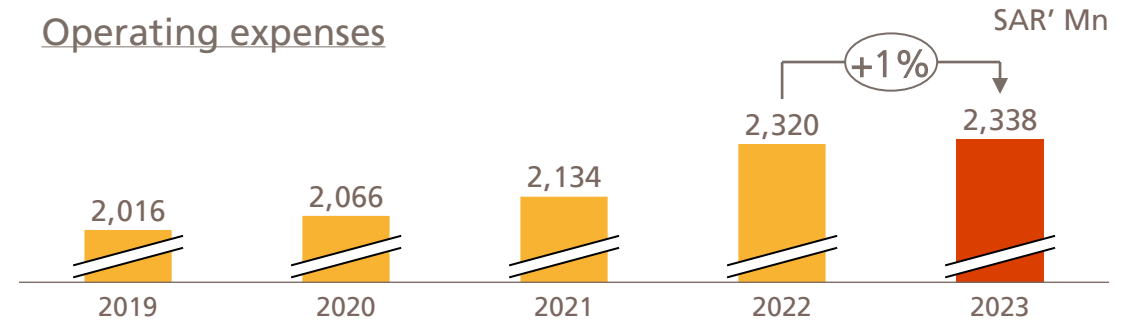


- Operating expenses Increased by 1% Y-o-Y
- Continuous focus on efficiency improved cost to income ratio by 1% Y-o-Y

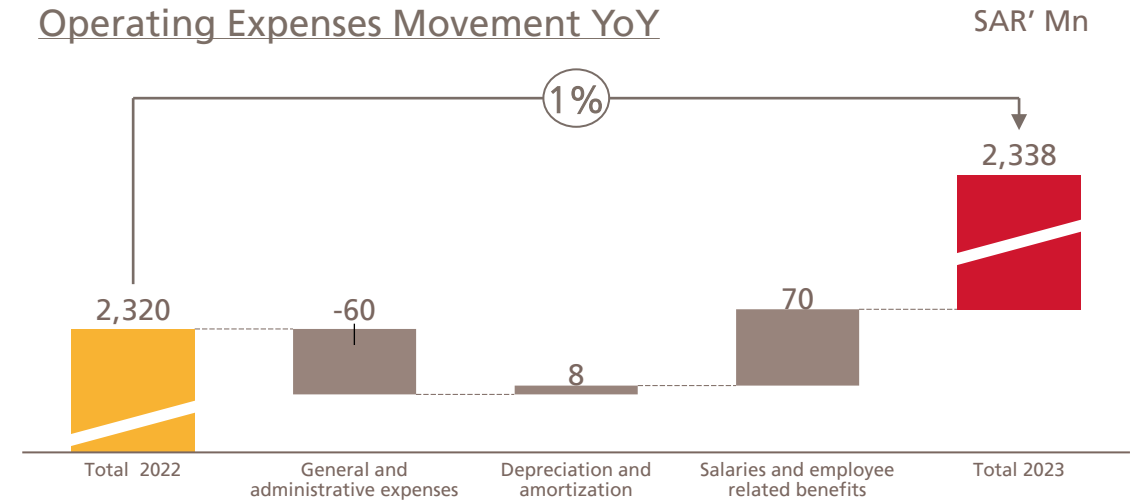
Cost to income ratio (%)



Operating expenses



Operating Expenses Movement YoY

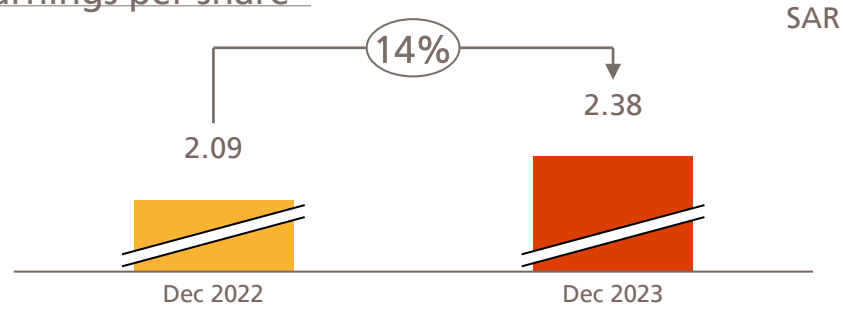


Financial Performance | Return Indicators

Strong and stable return indicators

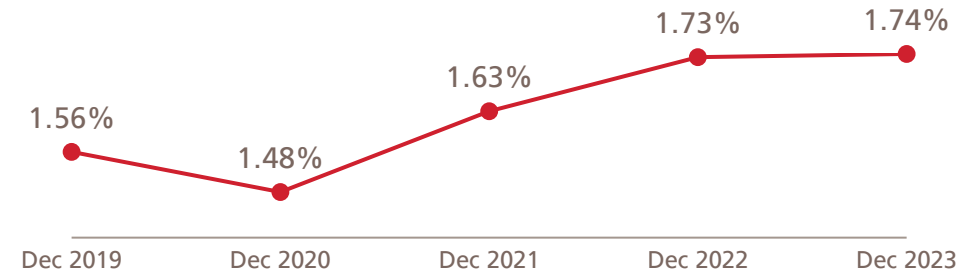
- SAR 0.29 growth in earning per share YoY.
- Steady ROAA and ROAE at 1.74%, 16.53% respectively.

Earnings per share*

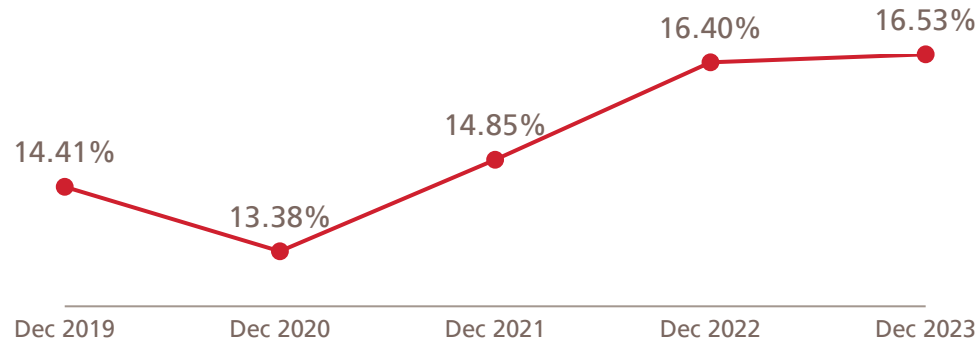


* EPS has been calculated by dividing the net income by the diluted shares of 995 million shares.

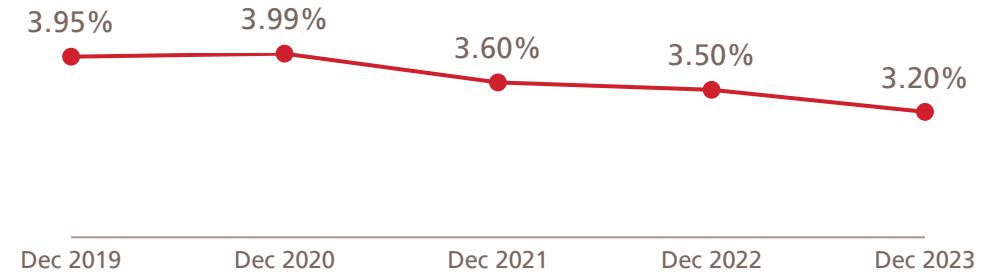
Return on average assets (%)



Return on average equity (%)



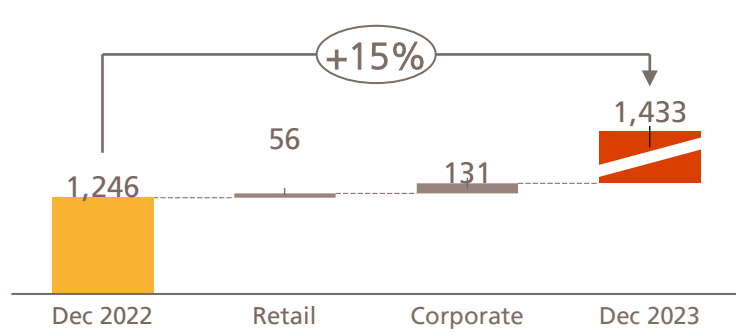
Net Profit Margin



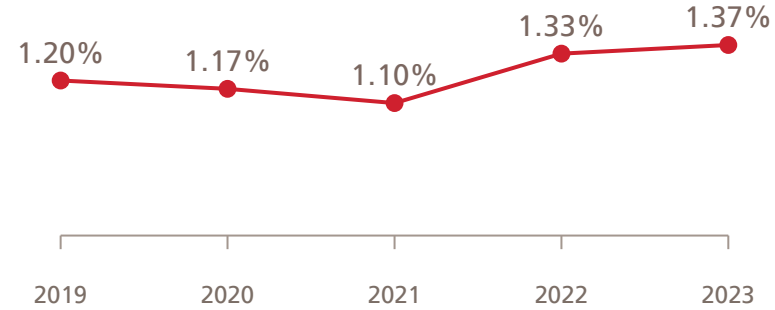
Financial Performance | Asset quality

Movement in NPL

SAR' Mn

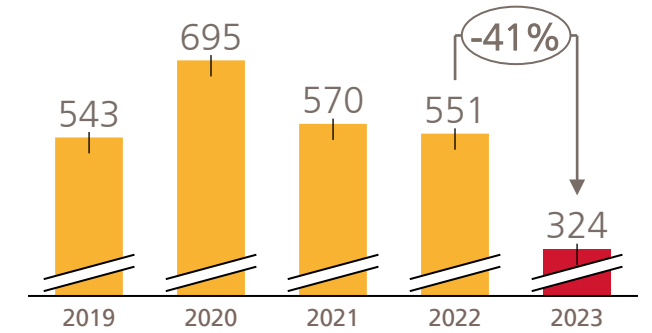


NPL ratio (%)

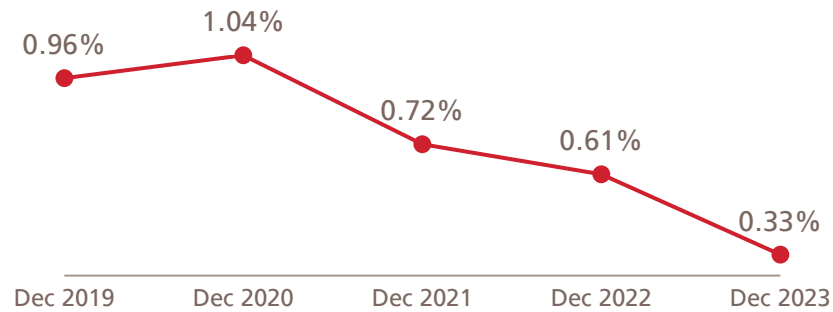


Net Impairment Charge

SAR' Mn

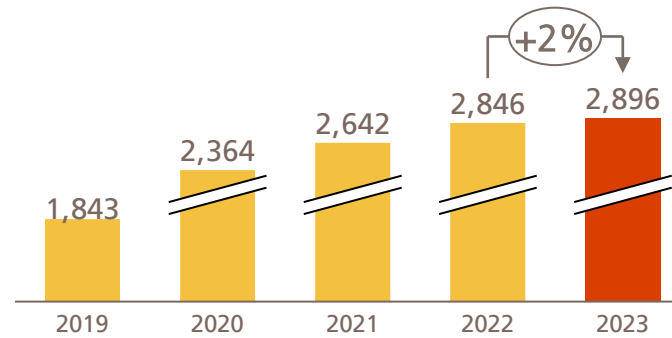


Cost of risk (%)



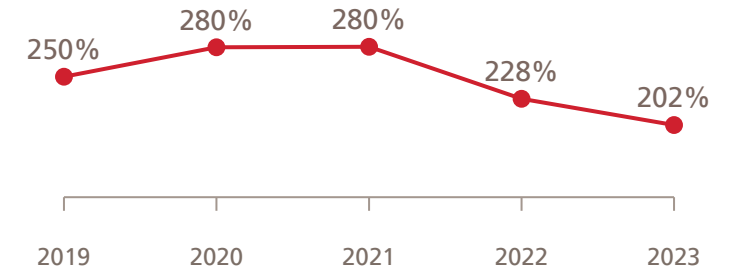
ECL allowance*

SAR' Mn



* Represent the ECL allowance balance against financing exposure.

NPL coverage ratio (%)



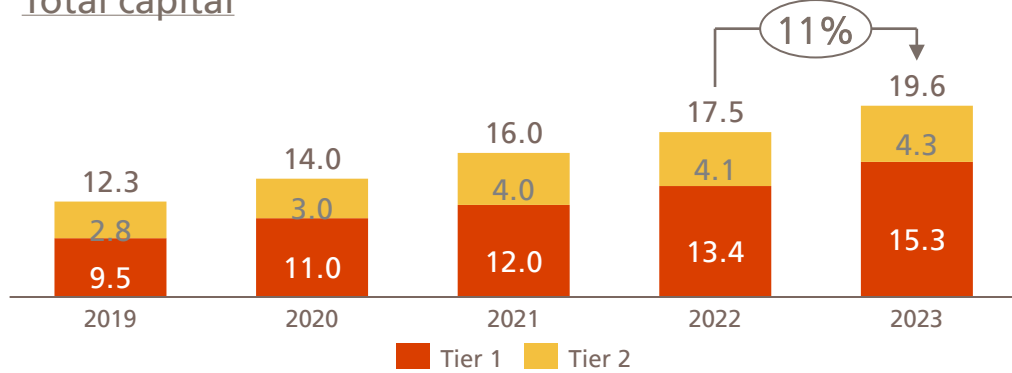
Financial Performance | Capitalization & Liquidity

Capital and Liquidity ratios maintained well above regulatory requirements



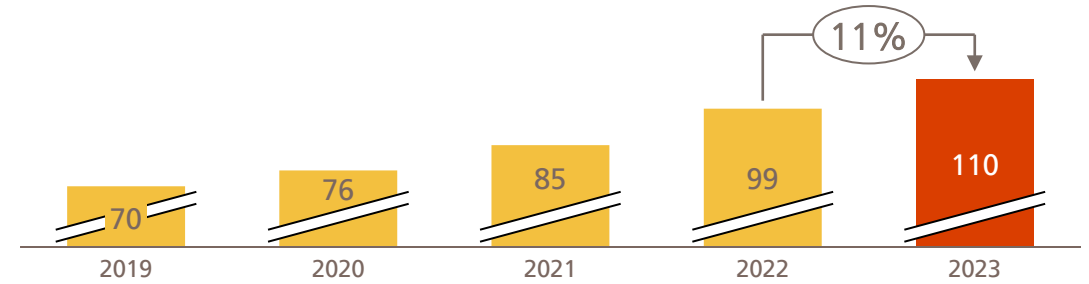
Total capital

SAR' Bn

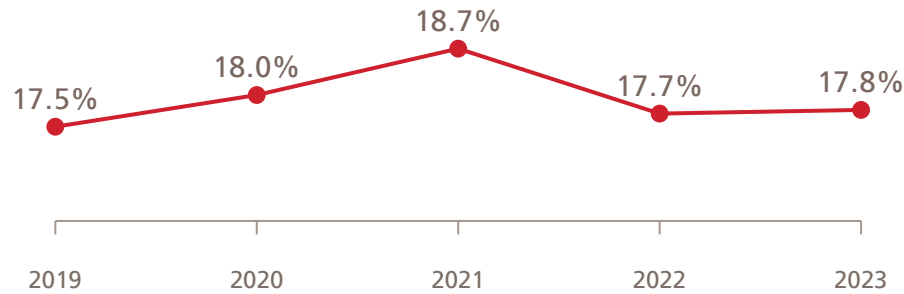


Risk-weighted assets

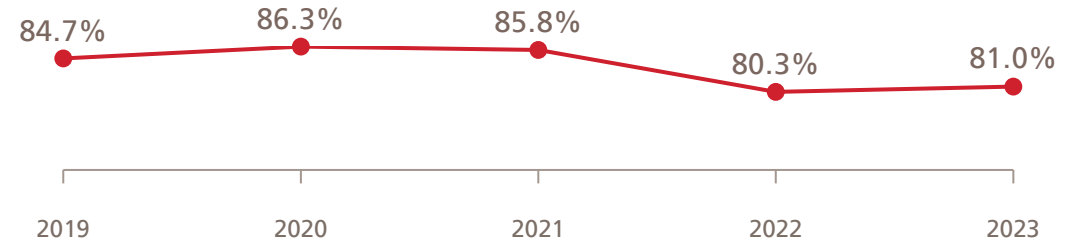
SAR' Bn



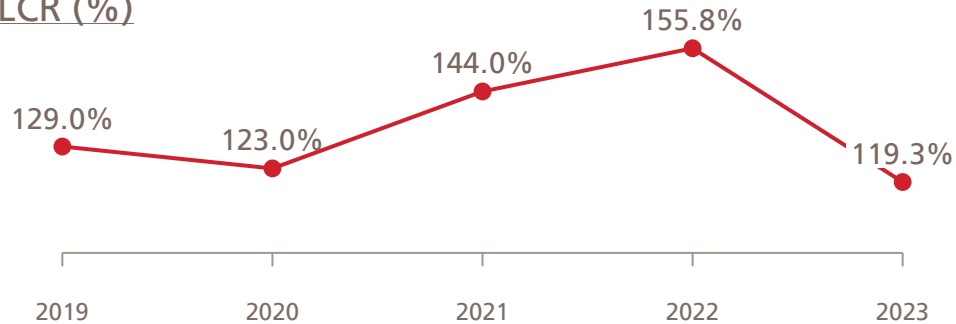
CAR (%)



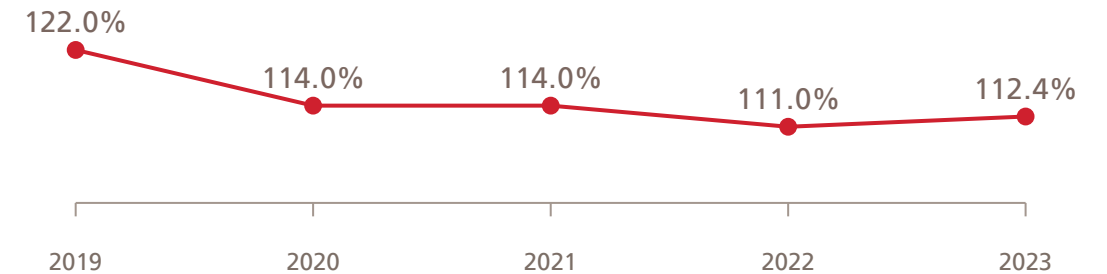
LDR (%)



LCR (%)



NSFR (%)





Appendix

Bank Albilad's Sustainability Framework

Bank Albilad is in the process of formalizing its approach to promoting sustainable development throughout the Kingdom and beyond. Below is the Bank's sustainability framework, which defines what sustainability means for the Bank and highlights the material ESG issues the Bank is committed to addressing:



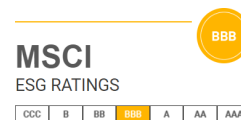
[Link to ESG Report](#)

Summary of Bank Albilad's sustainability performance

Below are highlights of the Banks sustainability performance from each of the Bank's sustainability framework pillars:




<p>Transparent effective responsible governance</p> <ul style="list-style-type: none"> - Bank Albilad received the Excellence Award in the Corporate Governance Index (CGI) - 100% attendance for all Board meetings - Zero fines for non-compliance with environmental laws and/or regulations 	<p>Sustainable banking practices</p> <ul style="list-style-type: none"> - Multiple program help support SMEs - Provide financing to renewable energy projects in KSA - Net income has increased year-on-year since 2018 	<p>Acting on the environmental footprint</p> <ul style="list-style-type: none"> - Environmentally friendly branch launched; adhering to LEED & Mostadam standards - 2,536 kg of materials recycled by employees - Solar energy system installed at Head office
<p>Innovating for a dynamic business structure</p> <ul style="list-style-type: none"> - Significant promotion of digital services; 94% of customers were digitally active in 2021 - Increase from 58% to 71% in customer satisfaction - 100% of customer complaints resolved 	<p>Empowering employees</p> <ul style="list-style-type: none"> - All employees receive a performance review - 54% increase in staff training post-COVID-19 - Multiple benefits offered to all employees - 92.5% of total workforce comprised of Saudi nationals 	<p>Contributing to communities</p> <ul style="list-style-type: none"> - 800 employee volunteers - An average of SAR 14 million invested annually into local communities - 95% of total procurement expenditure from local suppliers

Latest ESG ratings:



#البلاد_مبادرة
برنامج المسؤولية المجتمعية

Program & Initiative 86

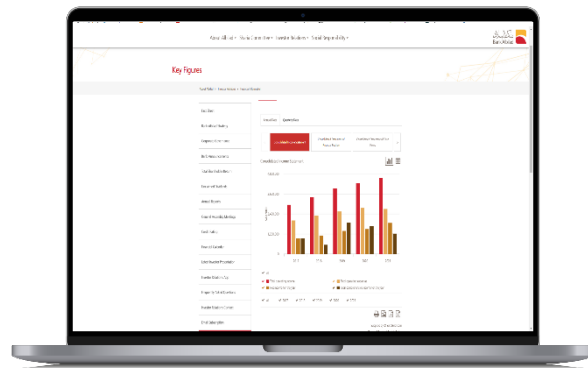
 Support Al Ta'akhi Society for the elderly	 Supporting the development of AISabalah district	 Wheelchairs for disability sport athletes	 Awareness videos for people with disability	 Providing bank forms in Braille language for people with Visual Impairment	 Supporting the government social fund	 Fathkuroni App.	 Environment sustainability & food security research chair	 Financial and savings awareness curriculum initiative
 Scholarship Programs	 Supporting patients in needs	 Entertainment Activity for Orphans	 Martyrs Tournament	 Eid give aways for the injured in the South Frontier	 Support Ibn Ghunaim research chair at Al Imam university	 Printing and publishing Sharia Banking Standard book	 Entertainments for the Sons of Martyrs	 Supporting afforestation initiatives and seminars
 Medical Equipment for Mua'afa Program	 Medical Equipment for Mua'afa Program	 Social & Medical Equipment for the blind	 Aiyal food conservation campaign	 Albilad Ramadan basket	 Alwasiyah App.	 The Marathon for people with disability initiative	 Support of Medicine supply in Makkah	 Under water cleaning initiative. An initiative aimed to collect more than half a ton of waste from the seabed in the Eastern Province.
 Establishing Snoezelen room at Jizan Autism center	 Solar energy at Albilad head office	 Water recycling project for mosques afforestation	 Support Masjeduna Society with cars	 Leading women crafts training	 Islamic Banking Dictionary	 Organizing visits for academics interested in Islamic Banking	 Support Cancer Patients	 Traffic Awareness campaign
 Depth on us Initiative to clean Jeddah's Sea front underwater	 ATMs Adaptation for Visual impairment	 Alignment of ATM pathways to suit people with disability	 Grand Mosque Pilgrims Service Project	 Provide winter clothing for students in Northern region	 Support the establishment of the Excellence Autism Center	 Supporting the government Health Endowment Fund	 Supporting the treatment of Rheumatism	 Pilgrim Services
 House Saving initiative	 Risk Program Initiative Finance in cooperation with the University King Faisal	 Annual Participation in the Earth Hour	 Educational campaign for real estate financing	 Establishing (Emsan) Society Portal	 Al-Suda Park environmental and awareness campaign	 Blood Donation	 Sponsoring the printing and publishing of the Sharia Standards Studies of Islamic economy.	 Disabled Accessible Branch
 Awareness approach initiative Financial and culture Savings (Ministerial Track)	 Lifestyle Savings Initiative	 Wadi Al-Quraina Afforestation Initiative	 The initiative to finance King Khalid University students for postgraduate studies in easy installments and a profit margin of 0%	 Support and development of the gastroenterology center unit at Al-Rass Hospital	 Donate participation On the Ihsan platform	 Association support Thank you for the food bank	 Collaboration with the Financial knowledge center Affiliated to the Ministry of Finance	 House Renovation Initiative
 E-Commerce research chairs	 Sponsorship of Al Baraha Festival in Qatif	 Marathon Initiative for Down Syndrome	 Sponsorship of Princess Noura Award for Women's Excellence	 Sponsorship of International Day Activities for multiple sclerosis	 King Salman Oasis Support Initiative	 The Development Empowerment Initiative with the Restoration Charity Association	 Sponsoring a Walking Marathon in Rabigh	 Al Khobar Corniche Afforestation Initiative
 Hackathon Albilad Islamic Banking Holding Albilad Hackathon for Islamic Banking	 Enjar Ramadan basket	 Lifestyle Savings Initiative (phase three)	 Waste recycling initiative in Albilad Tower	 Sponsoring the Mowsemah App that seeks to empower people with disabilities	 Support Multidisciplinary program for physical therapy clinics with the Association of Children with Disabilities	 A partnership with the Rheumatology Association to support joint replacement surgeries for rheumatic patients	 Albilad Volunteer Campaign for environmental awareness (Bawadi Umm Al Sheqof)	 Bank Albilad donated 10 million riyals to the Jood Charitable Housing Platform
			 Support Tarahum Society	 Contribution to the home care program of Sahel Association Program support home health care for 50 beneficiaries and rehabilitation	 Supporting the Medina Vision Association An audio book device with 275 devices was provided for the blind students and students	 Support of Inatrah Association Supporting Inatrah Association in producing a promotional video for the association to contribute to spreading awareness about the importance of clean places	 Institutional Excellence Partner Sponsorship Agreement for Tarameem Association	 Collaboration with the Financial knowledge center Affiliated to the Ministry of Finance

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Click below to visit our webpage
[Investor Relations Webpage](#)



IR App



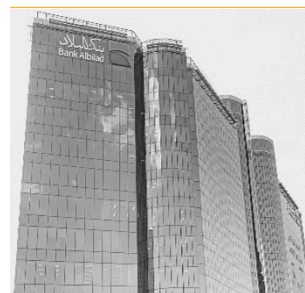
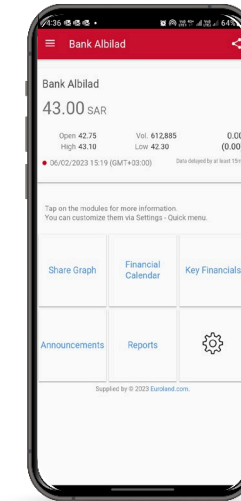
Albilad App



Enjaz App



Albilad Tadawul



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