

# Bank Albilad

Investor Presentation

## Disclaimer

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## 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 interests of our clients, employees, shareholders and the communities we serve

## Our Values

- Initiatives and Innovations
- Care and Partnership
- Trust and Accountability

# Bank Albilad is a full-fledged Islamic banking services provider



Head Office: **Riyadh**



No. of Employees: **+3,700**



No. of Branches: **105**

**6<sup>th</sup> Largest Retail Network**



No. of Enjaz Centers: **151**

**2<sup>nd</sup> Largest Remittance Network**

## Key Highlights



5% cash dividend for 2022,  
at SAR 0.50 per share after Zakat,

**Total Dividend  
SAR500 million**

Bank Albilad is among

**the largest banks  
in the Middle East**

in terms of market value  
according to Forbes 2023 ranking  
occupying 16<sup>th</sup> place

**Credit Rating  
by Moody's:**

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



## Subsidiaries



**Albilad Investment Company**

Investment and Asset Management



**Albilad Real Estate Company Ltd.**

Registration procedures for real estate  
guarantees obtained by the bank from its  
clients

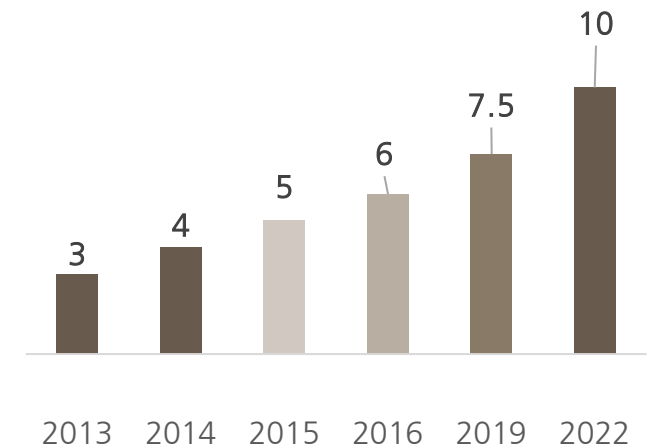


**Enjaz Payment Services Company**

Fintech; Remittance Services; Major Electronic  
Money Institution



## Capital Increases (SAR Billions)



# Board of Directors



Mr.  
**Nasser Mohammed AlSubeaie**  
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

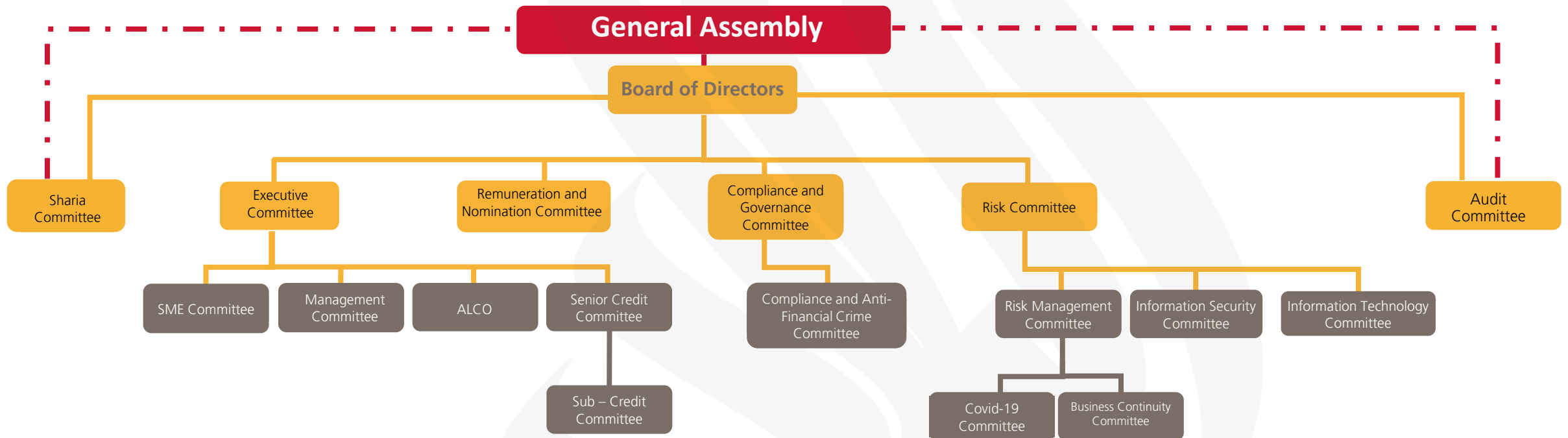


Mr.  
**Khalid Abdulrahman Al-rajhi**  
Non Executive



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

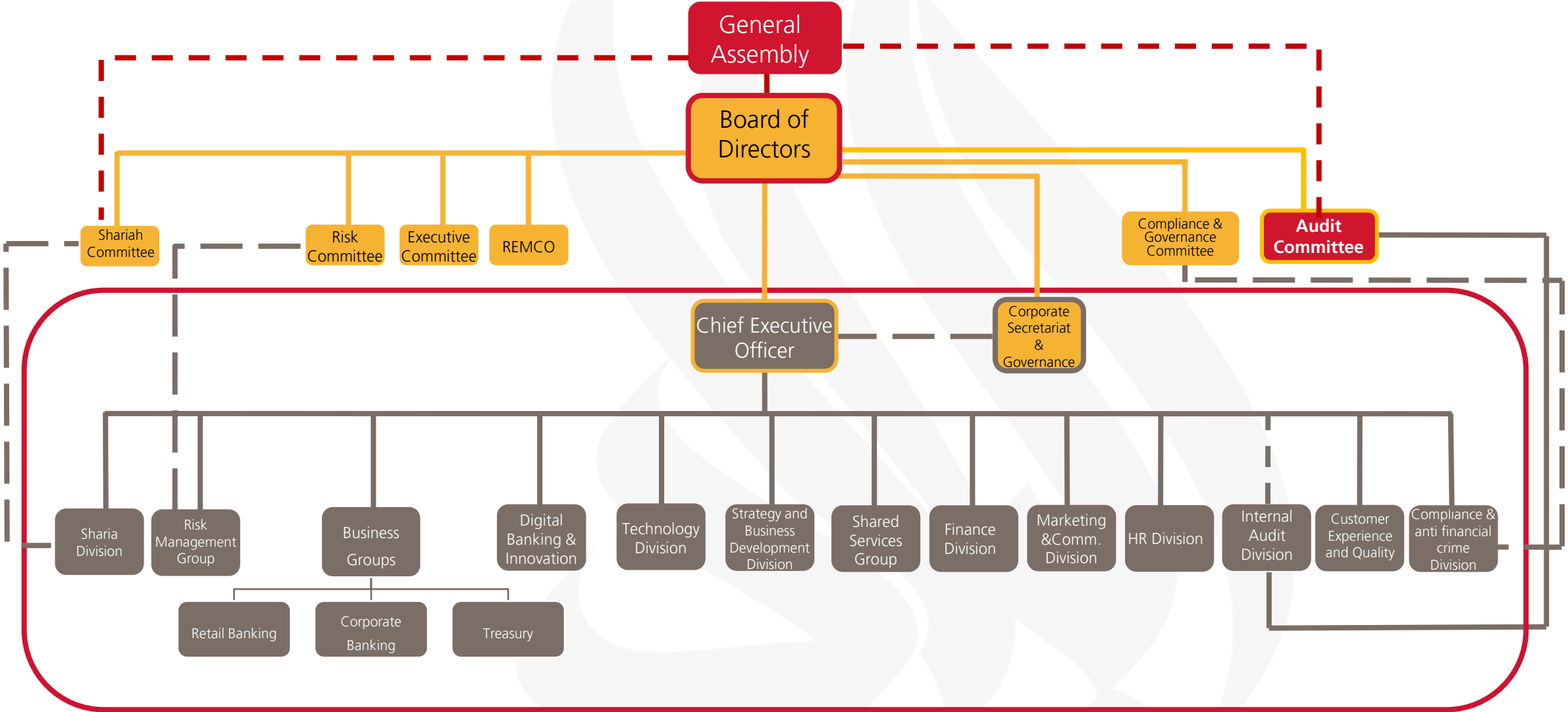


**Abdullah Saad AlRuwaish**  
EVP Retail Banking



**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





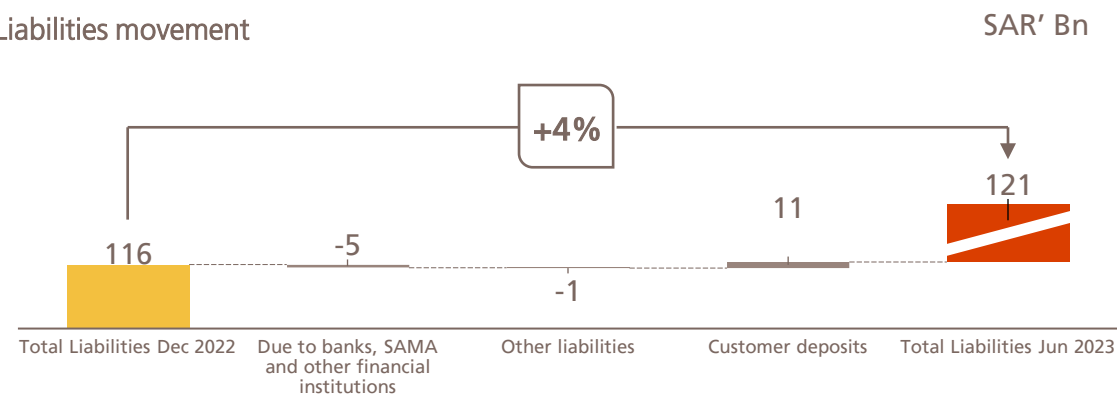
# Financial Performance

# Financial Position Highlights

Strong growth in Financing, Investment and Deposits

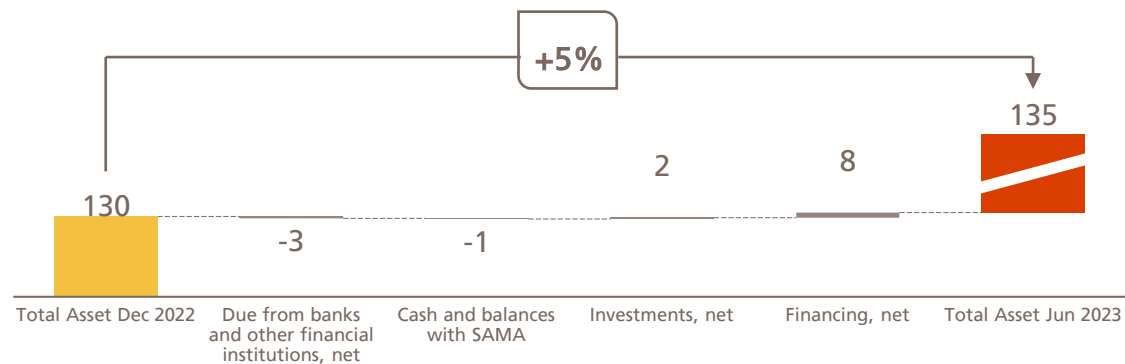
SAR' Mn	June 2023	Dec 2022	change	%	June 2022	YoY	YoY%
Investments	22,420	20,600	1,820	9%	18,275	4,145	23%
Financing	98,854	91,179	7,675	8%	91,206	7,648	8%
<b>Total assets</b>	<b>135,404</b>	<b>129,543</b>	<b>5,861</b>	<b>5%</b>	<b>121,511</b>	<b>13,893</b>	<b>11%</b>
Due to banks, SAMA and FI	5,226	10,621	(5,395)	-51%	10,403	(5,177)	-50%
Customers' deposits	106,287	94,843	11,444	12%	89,108	17,179	19%
<b>Total liabilities</b>	<b>121,233</b>	<b>116,144</b>	<b>5,089</b>	<b>4%</b>	<b>108,904</b>	<b>12,329</b>	<b>11%</b>
<b>Total equity</b>	<b>14,171</b>	<b>13,399</b>	<b>772</b>	<b>6%</b>	<b>12,607</b>	<b>1,564</b>	<b>12%</b>

Liabilities movement



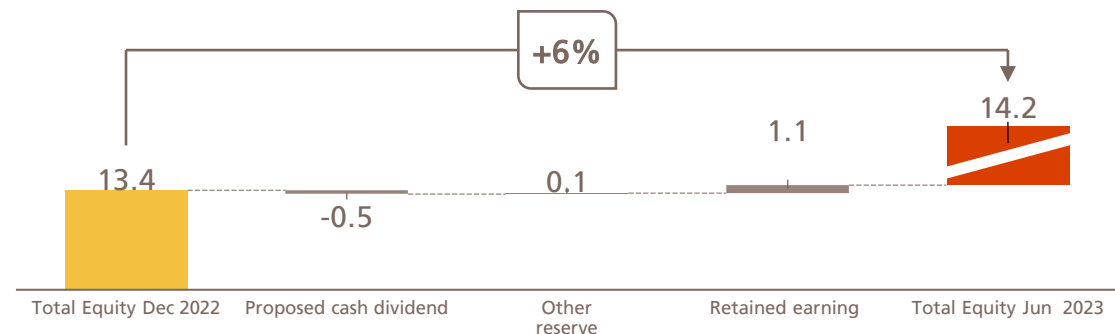
Assets movement

SAR' Bn



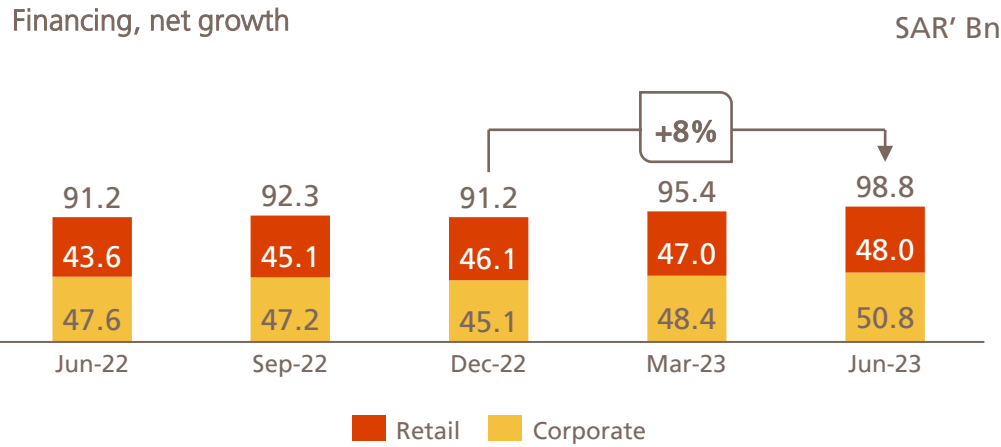
Equity movement

SAR' Bn

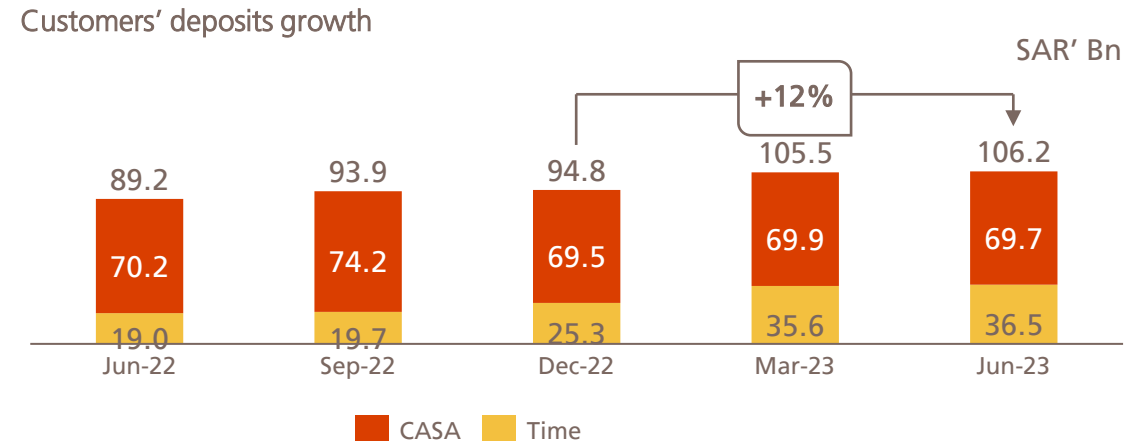


# Financial Position Highlights

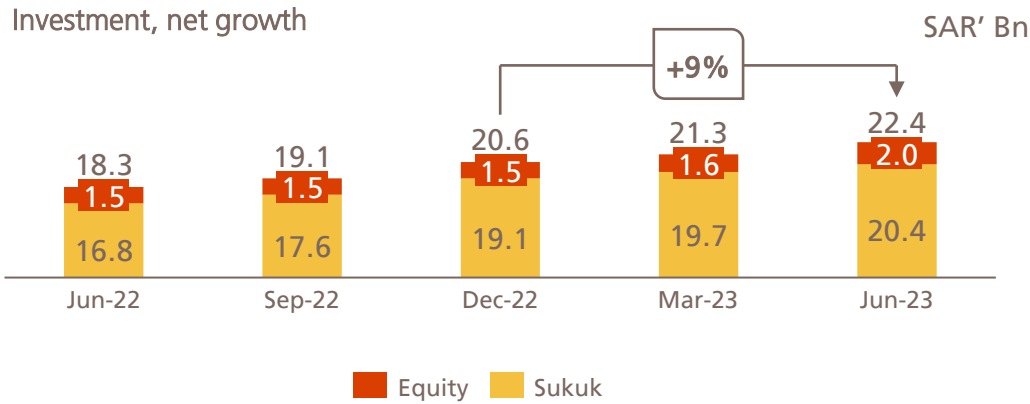
## Healthy growth in Financing



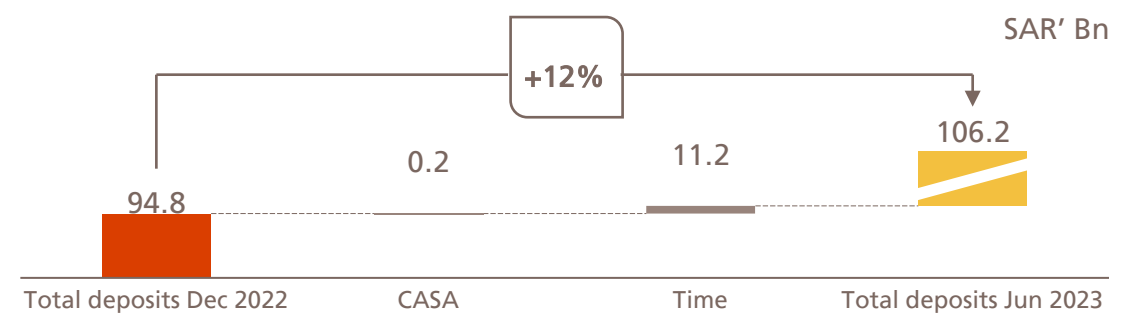
## Strong growth in total deposits driven by Time deposits



## Investments growth driven by Sukuk



## Customers' deposits movement

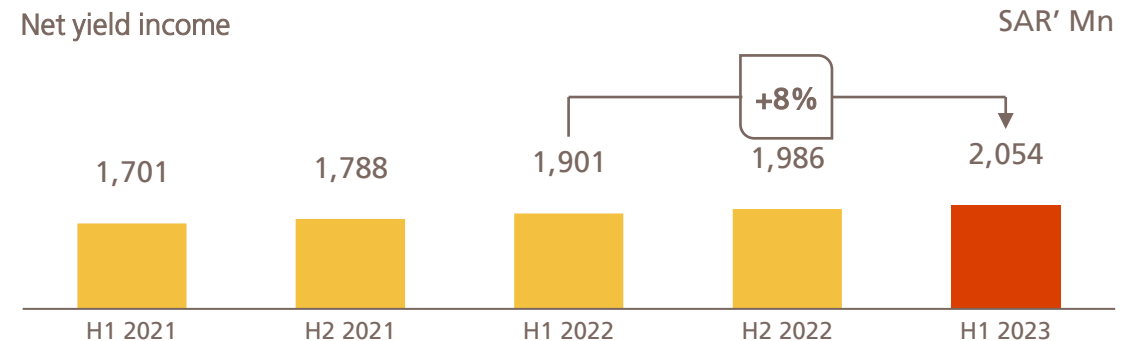
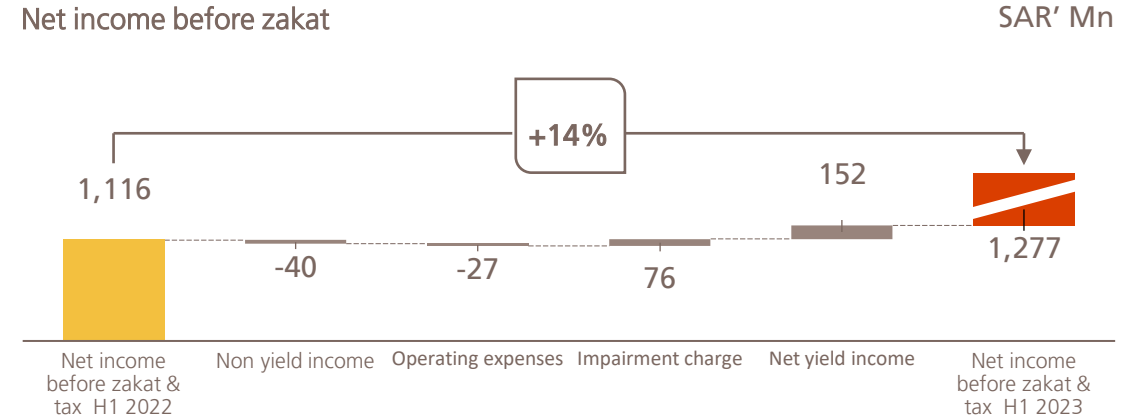


# Statement of Income Highlights

Strong net income growth boosted by higher Net Yield Income

- Net Income improved by 14% Y-o-Y
- Operating Income increased by 4% Y-o-Y, exceeding SAR 2.6 Bn
- Net yield income grew 8% Y-o-Y

SAR' Mn	H1 2023	H1 2022	YoY	YoY%
Net yield income	2,053	1,901	152	8%
Non yield income	576	616	(40)	-6%
<b>Operating income</b>	<b>2,629</b>	<b>2,517</b>	<b>112</b>	<b>4%</b>
Operating expenses	1,148	1,121	27	2%
Impairment charge	204	280	(76)	-27%
<b>Total operating expenses</b>	<b>1,352</b>	<b>1,401</b>	<b>(49)</b>	<b>-3%</b>
<b>Net income before zakat</b>	<b>1,277</b>	<b>1,116</b>	<b>161</b>	<b>14%</b>
Zakat charge	(132)	(115)	(17)	15%
<b>Net income after zakat</b>	<b>1,145</b>	<b>1,001</b>	<b>144</b>	<b>14%</b>

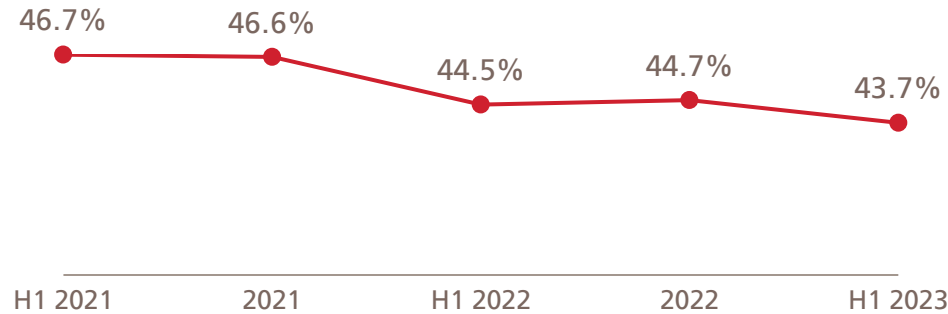


# Cost to Income

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

- Operating Income increased by 4% Y-o-Y, exceeding SAR 2.6 Bn
- Operating expenses increased 2% Y-o-Y
- Continuous focus on efficiency improved cost to income ratio by 0.8% Y-o-Y

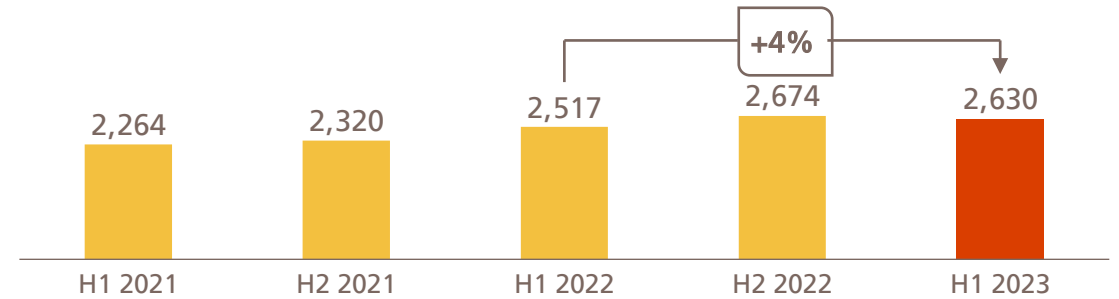
Cost to income ratio (%)\*



\* cost to income ratio has been calculated based on YTD income and expenses.

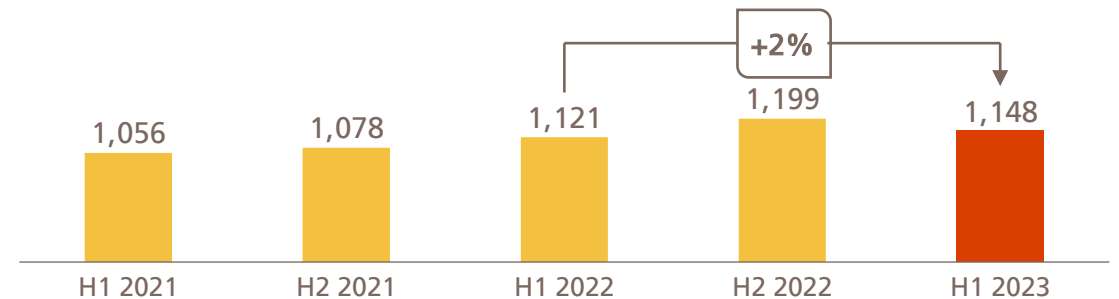
Operating income trend

SAR' Mn



Operating expenses trend

SAR' Mn



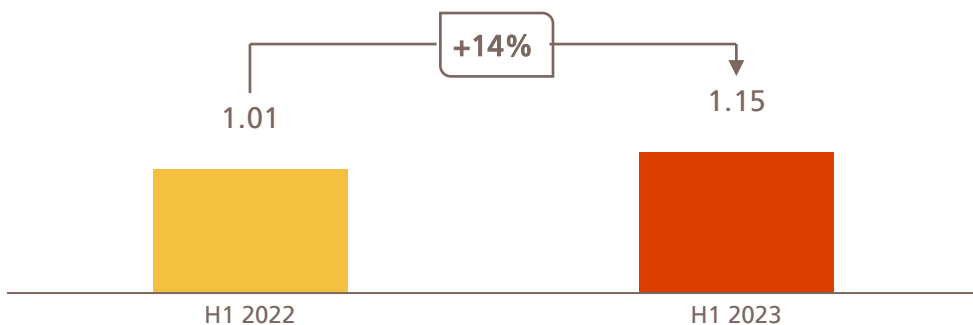
# Return Indicators

Strong and stable return indicators

- SAR 0.14 growth in earning per share YoY.
- Steady ROAA and ROAE at 1.73%,16.6% respectively.

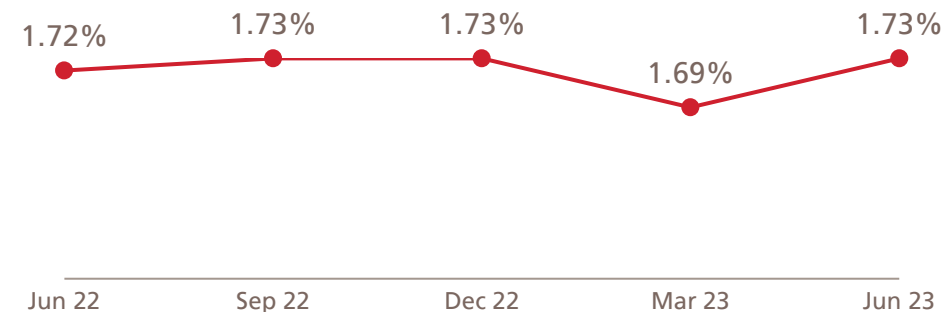
Earnings per share\*

SAR



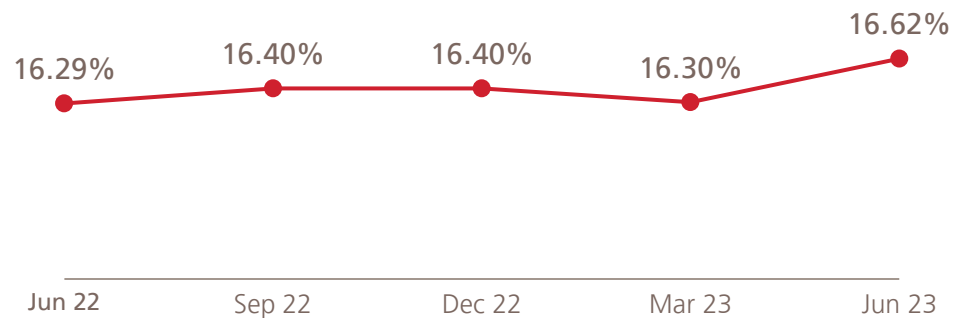
\* EPS has been calculated by dividing the net income by the diluted shares of 996 million shares.

Return on average assets (%)\*



\* ROAA has ben calculated based on net income after zakat.

Return on average equity (%)\*



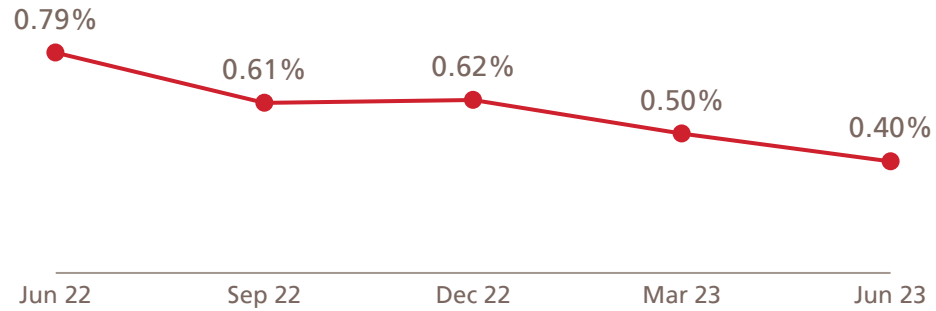
\* ROAE has ben calculated based on net income after zakat.



# Asset Quality

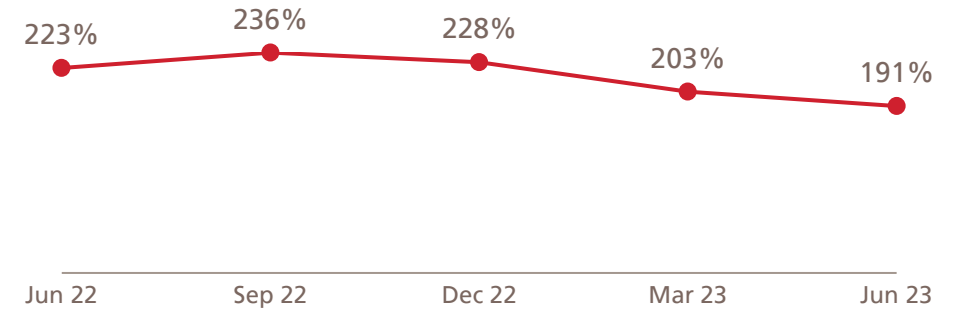
## Cost of risk ratio improved

Cost of risk (%)



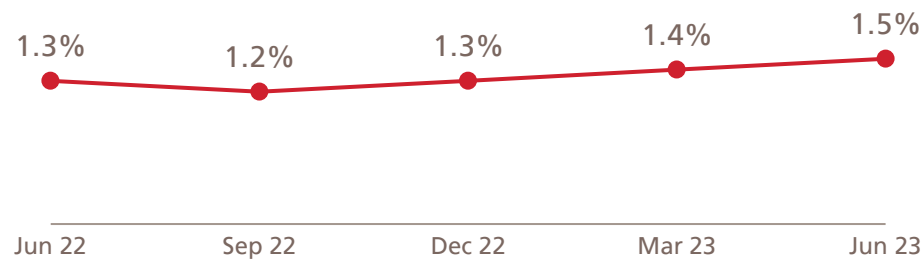
## NPL coverage ratio remains healthy

NPL coverage ratio (%)



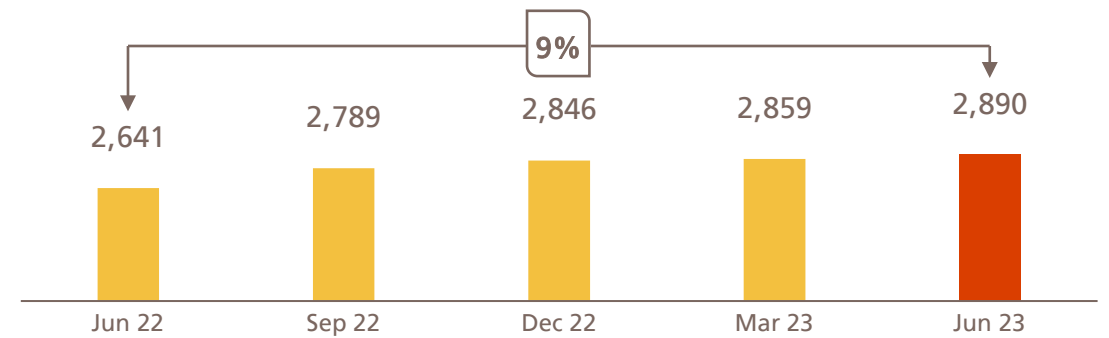
## NPL ratio remains at acceptable level

NPL ratio (%)



ECL allowance\*

SAR' Mn



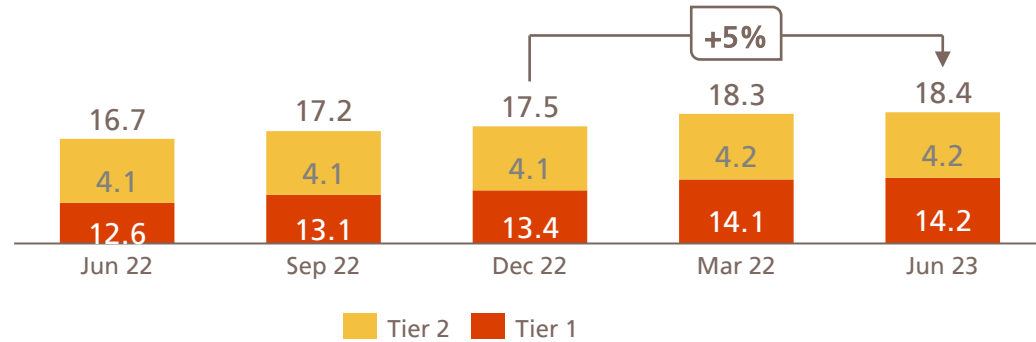
\* Represent the ECL allowance balance against financing exposure.

# Capital Adequacy and Liquidity

Capital and Liquidity ratios maintained well above regulatory requirements

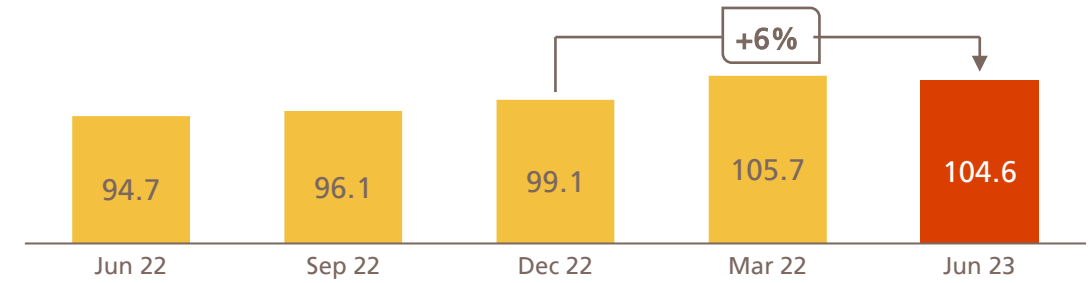
Total capital

SAR' Bn

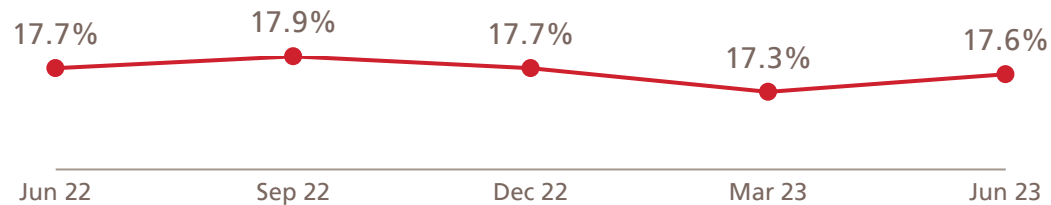


Risk-weighted assets

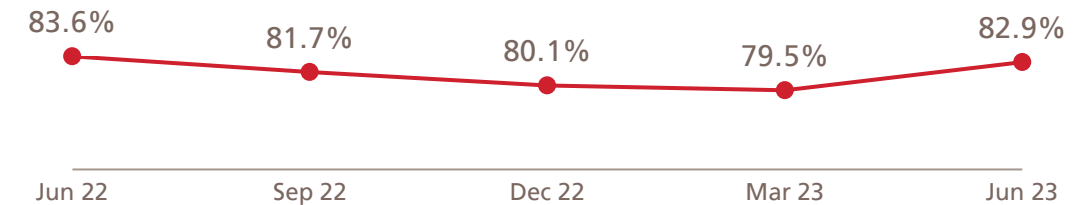
SAR' Bn



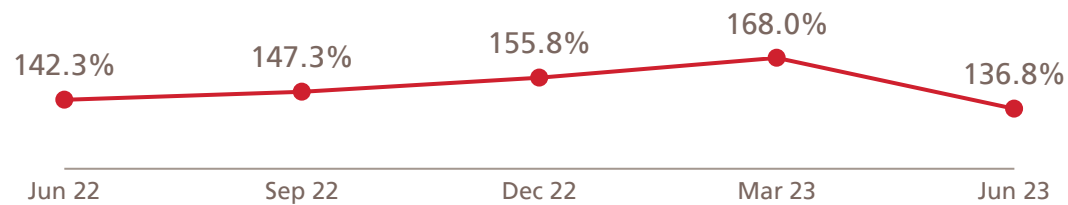
CAR (%)



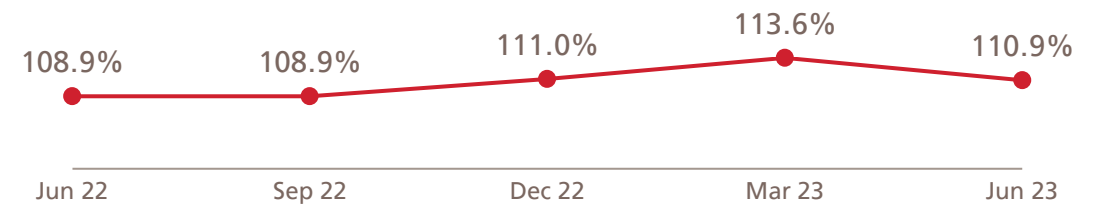
LDR (%)



LCR (%)



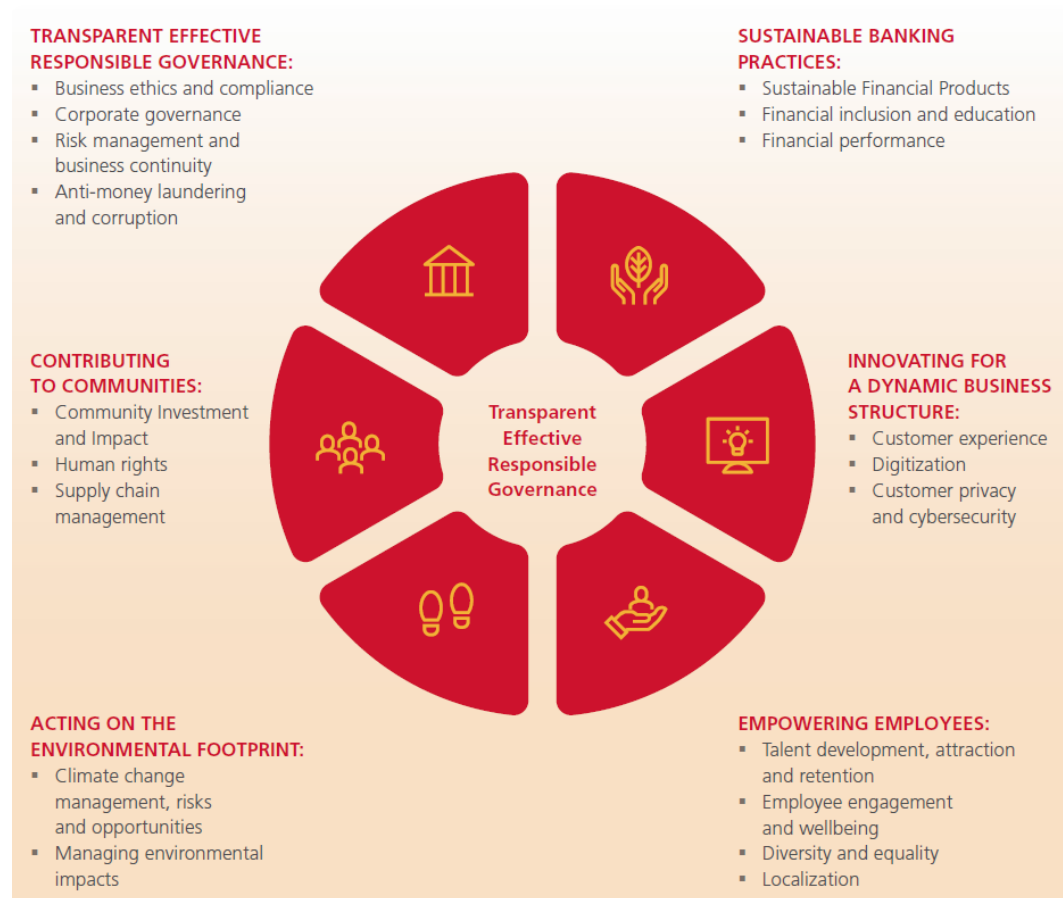
NSFR (%)



# 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:

### Transparent effective responsible governance

- 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

### Sustainable banking practices

- Multiple program help support SMEs
- Provide financing to renewable energy projects in KSA
- Net income has increased year-on-year since 2018

### Acting on the environmental footprint

- Environmentally friendly branch launched; adhering to LEED & Mostadam standards
- 2,536 kg of materials recycled by employees
- Solar energy system installed at Head office

### Innovating for a dynamic business structure

- 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

### Empowering employees

- 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

### Contributing to communities


















































































- 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:



## Program & Initiative

79

											
Financial and savings awareness curriculum initiative	Environment sustainability & food security research chair	Fathkuroni App.	Supporting the government social fund	Supporting the government Health Endowment Fund	Support the establishment of the Excellence Autism Center	Supporting patients in needs	Scholarship Programs	Support Tarahum Society	Support of Medicine supply in Makkah	Pilgrim Services	Supporting the treatment of Rheumatism
											
Providing bank forms in Braille language for people with Visual Impairment	Awareness videos for people with disability	Wheelchairs for disability sport athletes	Supporting the development of AlSabalah district	Alignment of ATM pathways to suit people with disability	ATMs Adaptation for Visual impairment	The Marathon for people with disability initiative	Alwasayah .App	Albilad Ramadan basket	Ajyal food conservation campaign	Provide winter clothing for students in Northern region	Grand Mosque Pilgrims Service Project
											
Support Al Ta'akhi Society for the elderly	Supporting afforestation initiatives and seminars	Entertainments for the Sons of Martyrs	Printing and publishing Sharia Banking Standard book	Annual Participation in the Earth Hour	Depth on us Initiative to clean Jeddah's Sea front underwater	Social & Medical Equipment for the blind	Medical Equipment for Mua'afa Program	Medical Equipment for Mua'afa Program	Leading women crafts training	Establishing Society (Ensan) Portal	Educational campaign for real estate financing
											
Support Ibn Ghunaim research chair at Al Imam university	Eid give aways for the injured in the South Frontier	Martyrs Tournament	Entertainment Activity for Orphans	Blood Donation	Al-Suda Park environmental and awareness campaign	Traffic Awareness campaign	Support Cancer Patients	Organizing visits for academics interested in Islamic Banking	Islamic Banking Dictionary	Disabled Accessible Branch	Sponsoring the printing and publishing of the Sharia Standards Studies of Islamic economy.
											
Support Masajeduna Society with cars	Water recycling project for mosques afforestation	Solar energy at Albilad head office	Establishing Snoozelen room at Jizan Autism center	E-Commerce research chairs	Financial awareness and culture initiative Savings (Ministerial Track)	Risk Program Initiative Finance in cooperation with the University King Faisal	Savings initiative in the dorm	Restoration Initiative Homes	Collaborate with the center Financial knowledge Affiliated to the Ministry of Finance	Association support Thank you for the food bank	Donate participation On the Ihsan platform
											
Support and development of a center unit Digestive at Al Rass Hospital	University Student Funding Initiative King Khalid for Postgraduate Studies In easy installments and 0% profit margin	Afforestation initiative Wadi Al-Qurainah	savings initiative Lifestyle	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	Sponsorship of Al Baraha Festival in Qatif	Sponsorship of Princess Noura Award for Women's Excellence	Marathon Initiative for Down Syndrome	Sponsorship of International Day Activities for multiple sclerosis
											
Support Mubadharat 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 (Ravdat Umm Al Shuqooq)	Bank Albilad donated 10 million riyals to the Jood Charitable Housing Platform	Enjaz Ramadan basket	Lifestyle Savings Initiative (phase three)	Waste recycling initiative in Albilad Tower					



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Albilad Tadawul

