

# Earnings Presentation

## FY2023

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

+3,700 Employees

5<sup>th</sup> Largest Retail Network

108 Active Branches

Total Assets

**143B**

Financing

**102B**

Deposits

**113B**

FY 2023

Operating Income

**5.3B**

Net income before zakat

**2.6B**

Net Income

**2.4B**

FY 2023

Bank Albilad is among

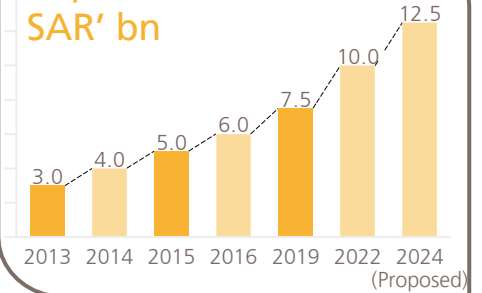
**the largest banks  
in the Middle  
East**

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

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

**Total Dividend  
SAR 500 million**

**Capital increase  
SAR' bn**



**EPS 2.38 SAR**

FY 2023

**ROAE 16.5%**

FY 2023

Cost to  
income ratio **44.1%**

FY 2023

Net Profit  
Margin **3.2%**

FY 2023

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 outlook: Positive

**Credit Rating  
by Fitch:**

Long-term: A-  
Short-term: F2  
Future outlook: Stable

# RESULTS HIGHLIGHTS

**Growth in net yield income leads to 14% growth of net income from solid financing and investment growth.**

<b>Overall assets and Funding grew by 10%</b>  <b>Net income grew 14% YoY</b>  <b>Assets Quality and Liquidity</b>	Net Financing	102 B	+12%	Corporate Financing	52 B	+15%	Retail Financing	50 B	+9%
	Total deposits	113 B	+19%	CASA	76 B	+10%	Time deposits	37 B	+44%
	Operating Income	5.3 B	+2%	Net Yield Income	4.1 B	+6%	Net Profit Margin	3.2%	
	Overall assets quality and liquidity well maintained and above the regulatory requirement			NPL	1.37%		Capital Adequacy Ratio		
				LCR	119.3%		CET 1	13.88%	
				NSFR	112.4%		Tier I and Tier II	17.76%	

# Major Achievements of 2023

## Infrastructure & Network



Open **Standalone branches** in various cities of KSA



Successfully upgraded **T24 R21 Core banking system**



**Anti fraud engine Implementation**

## Partnerships



Bank Albilad **signs a MoUs with the National Housing Company and ROSHN** to provide innovative financing services on **several major projects**



BAB and **SDB signed an Agreement** to benefit bank's customers from the BAB's saving programs



BAB and **SME bank signed an Agreement** to provide finance to SMEs and currently has the highest portfolio with SME Bank

## Products & Services

### Retail



Ranked # 1 in **REDF Off-plan projects** during 2023



New agreement signed with **REDF** to process discounted profit and get deposit from REDF



Investment **Wakalah** attracted 10K new customer, while exceeding **SAR 10 billion** since inception and lately introduced **Zakat Exemption**



Launched **Business Return Account**



**Balloon payment** for Mortgages, BAB is the first bank to introduce this product



Launched **Multicurrency, Tamkeen Plus, Visa Infinite Privilege** and **Corporate charge Cards**

### Treasury



1st **Sukuk** Exchange with National Debt Management Centre



Treasury launched **new yield enhancement products**



Full implementation of **New Treasury System**

### Corporate



Ranked **the first** bank in dealing with the **SME bank** and **Monshaat** as the Co-financing portfolio



Bank issued **letters of guarantee** of all types with a 100% cash cover and no issuance fees



LG Financing Programs:

- Umrah
- Customs clearance



Act as **Agent Bank** arranging syndication deal



Introduced **Financing programs**:

- Annual Rental for MSMEs operating premises
- Health insurance claims
- Private schools
- Insurance Premium for Industrial Entities and contracts

### Digital



BAB is the first bank to release **Open Banking** for retail clients in the Saudi Market as per SAMA regulations on Saudi Standards

# Financial Performance

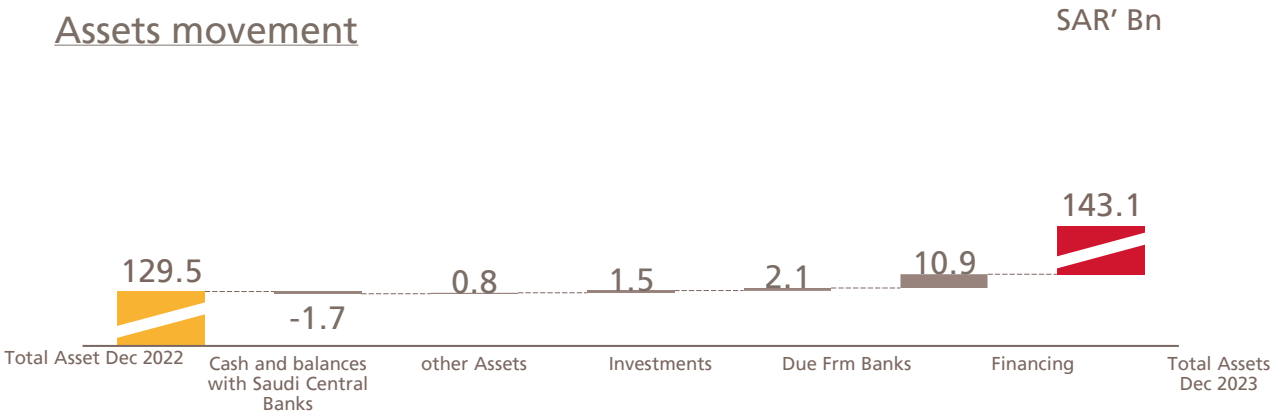
# Financial Performance | Balance Sheet Highlights

Steady growth in Financing, Investment and Deposits

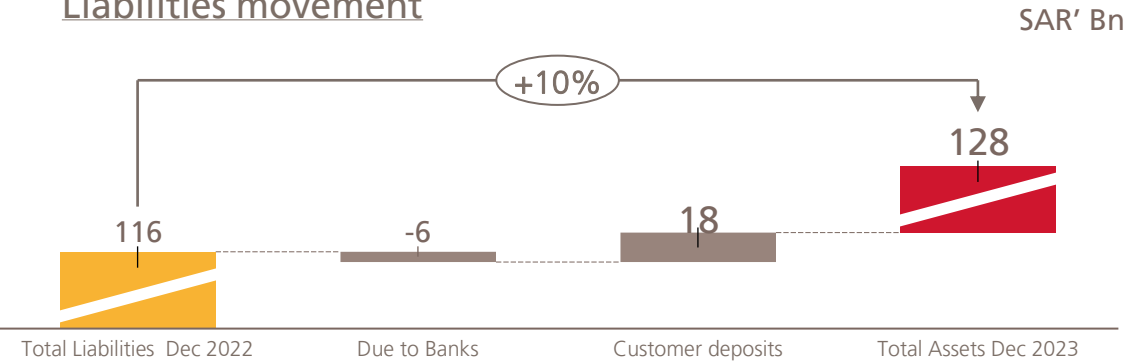


SAR' Mn	Dec 2023	Dec 2022	YTD%
Due from banks and other FIs	8,170	6,067	35%
Investments	22,080	20,600	7%
Financing	102,080	91,179	12%
<b>Total assets</b>	<b>143,106</b>	<b>129,543</b>	<b>10%</b>
Due to banks, SAMA and FI	4,274	10,621	-60%
Customers' deposits	112,831	94,843	19%
<b>Total liabilities</b>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

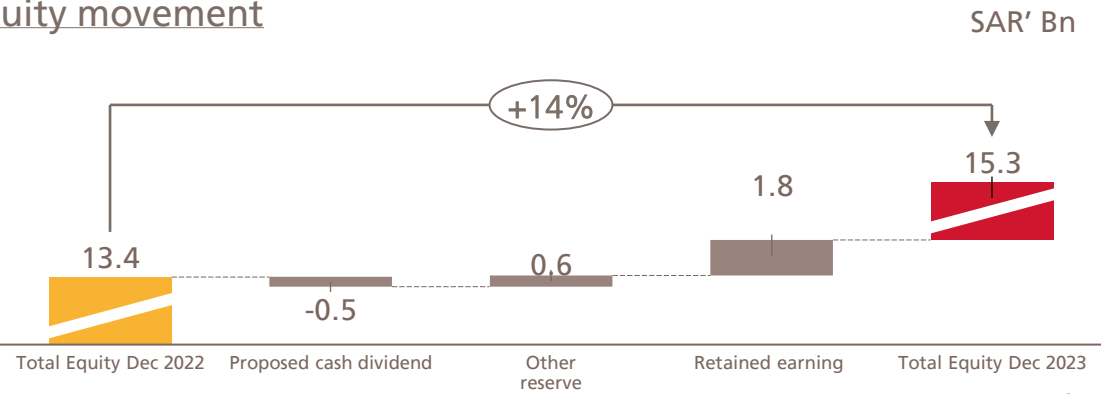
## Assets movement



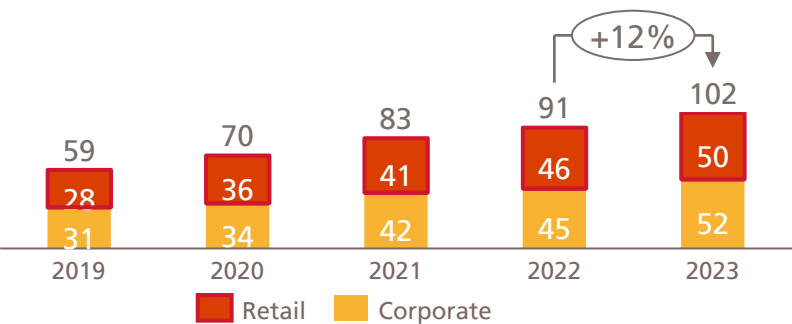
## Liabilities movement



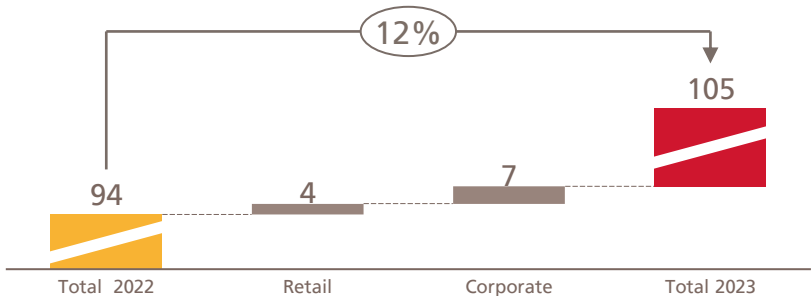
## Equity movement



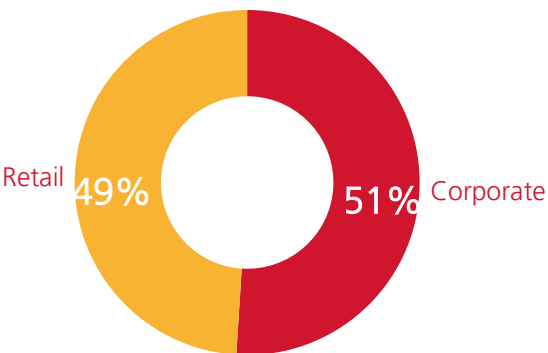
Financing, net growth SAR' Bn



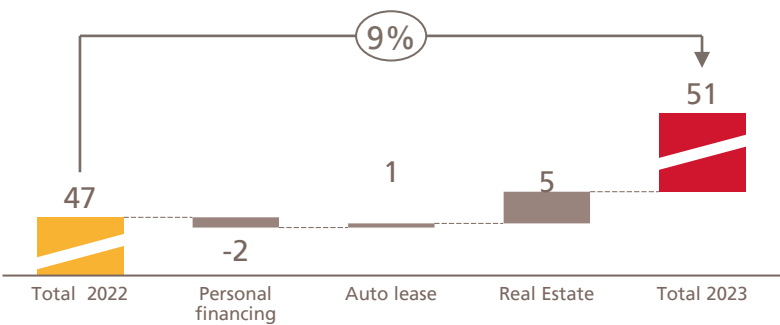
Financing, Gross Movements SAR' Bn



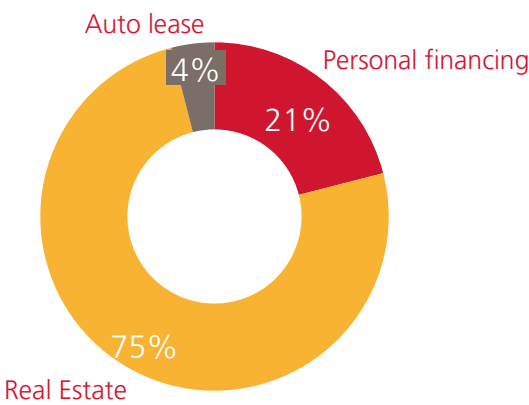
Financing, Net Composition 2023



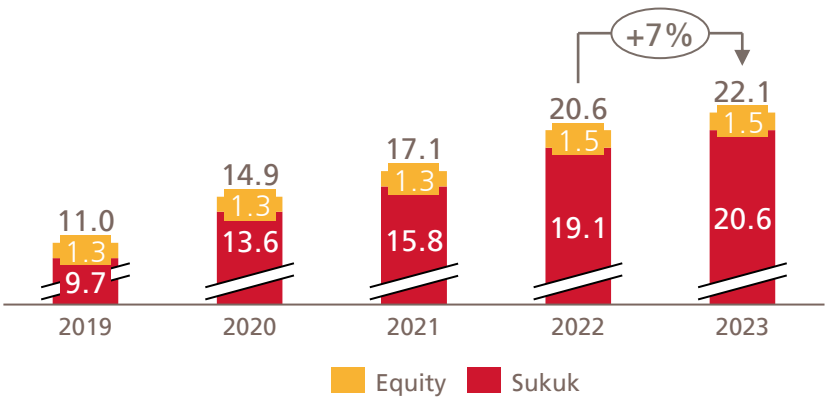
Retail gross financing movements SAR' Bn



Retail financing Composition 2023

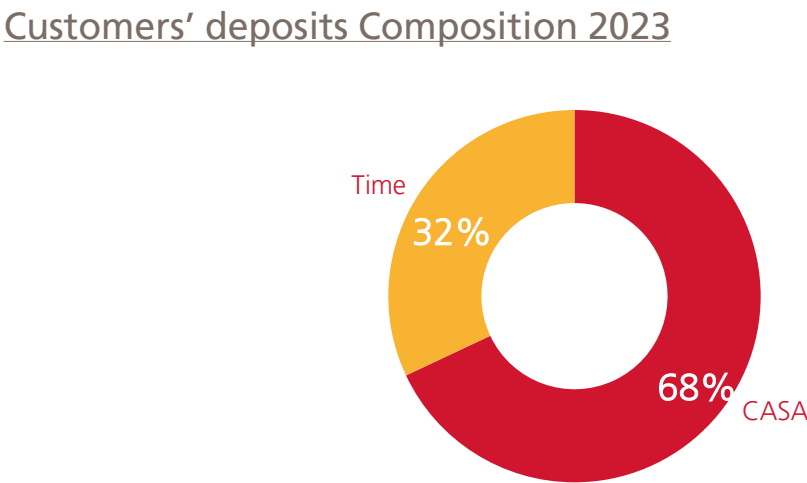
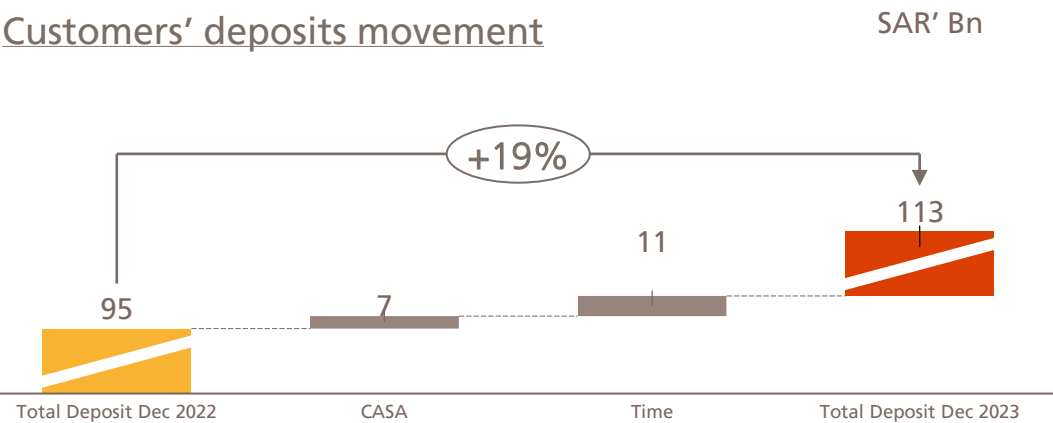
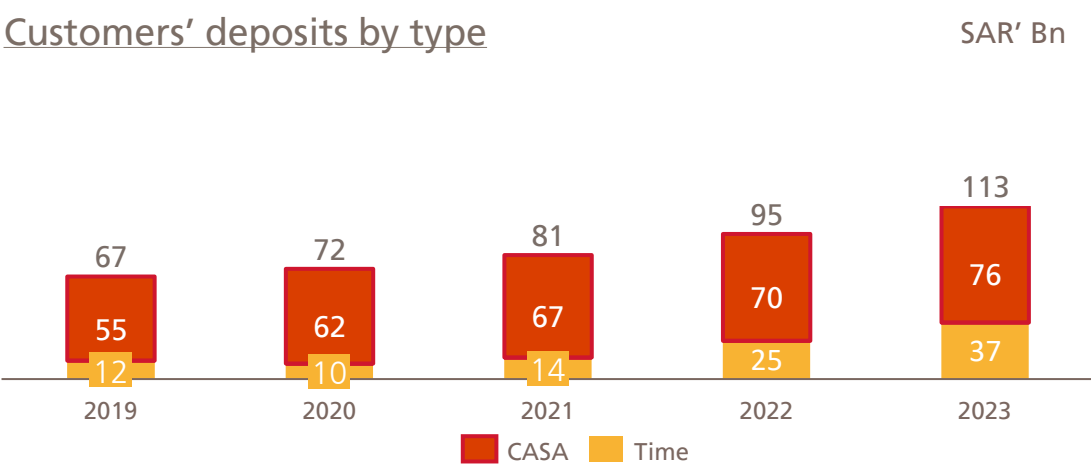
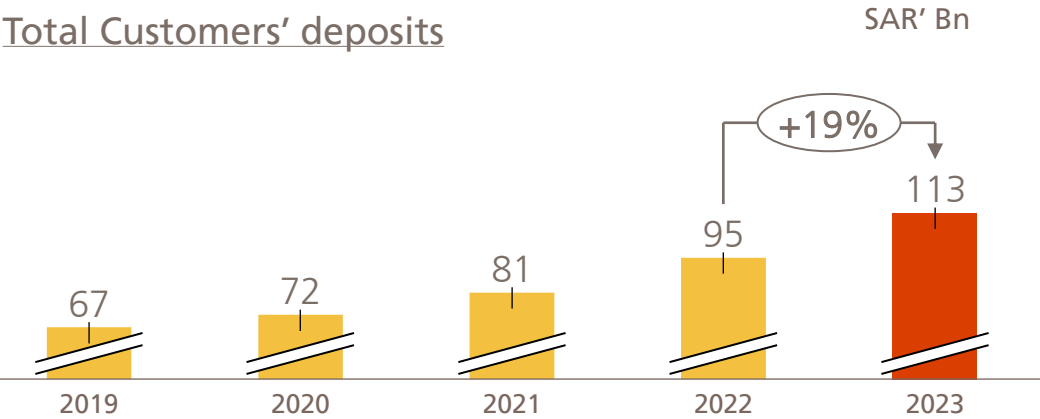


Investment, net growth SAR' Mn



# Financial Performance | Customers' Deposits

## Strong growth in total deposits driven by Time deposits and CASA





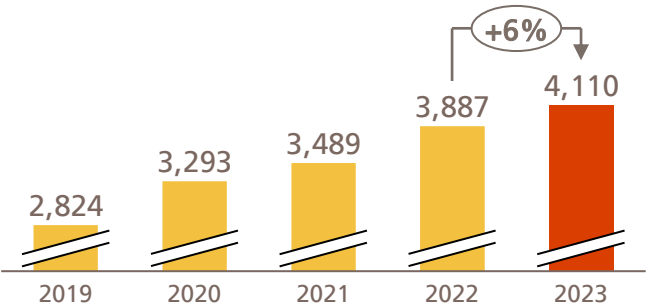
# Financial Performance | Net Income Highlights

Strong net income growth boosted by higher Net Yield Income

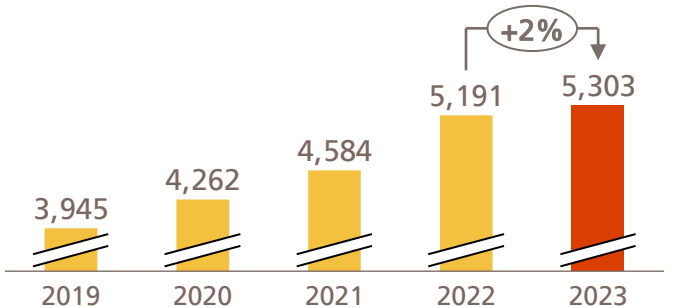
SAR' Mn	Dec 2023	Dec 2022	Change	%
Net yield income	4,110	3,887	223	6%
Non yield income	1,193	1,304	(111)	-9%
Operating income	5,303	5,191	112	2%
Operating Expenses	2,338	2,320	18	1%
Impairment charge	324	551	(227)	-41%
Total Operating Expenses	2,662	2,871	(209)	-7%
Net income before zakat	2,641	2,321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

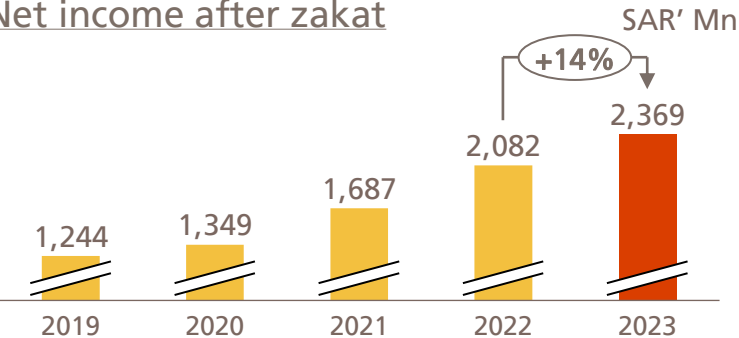
Net yield income



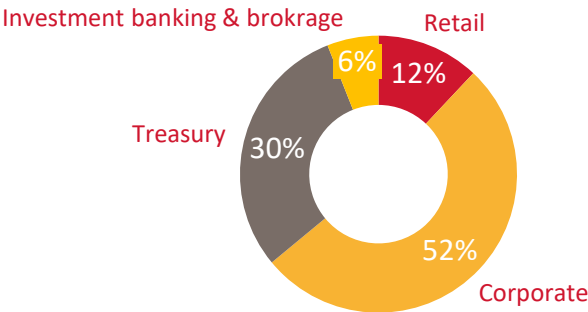
Total Operating Income



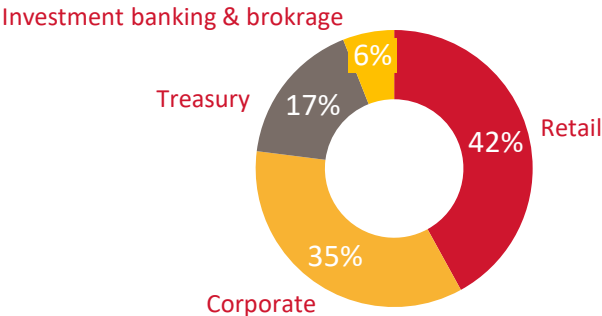
Net income after zakat



Net Income by Segments



Total Operating Income by Segments

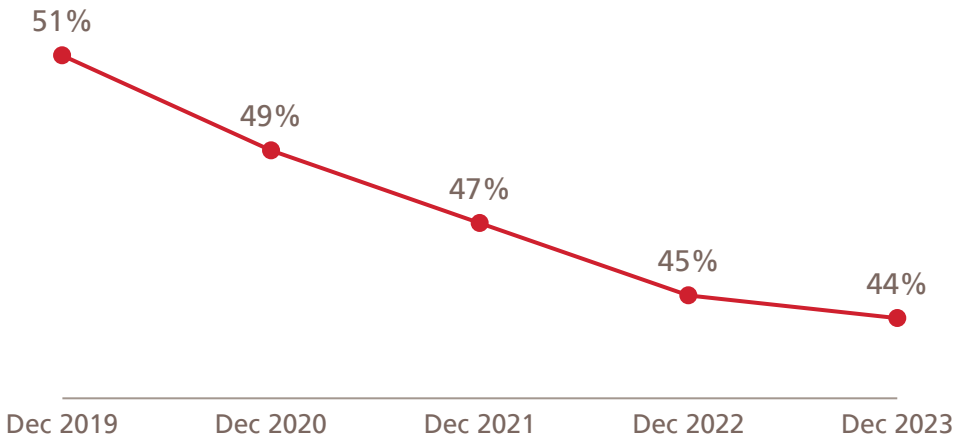


# Financial Performance | Operating Expenses

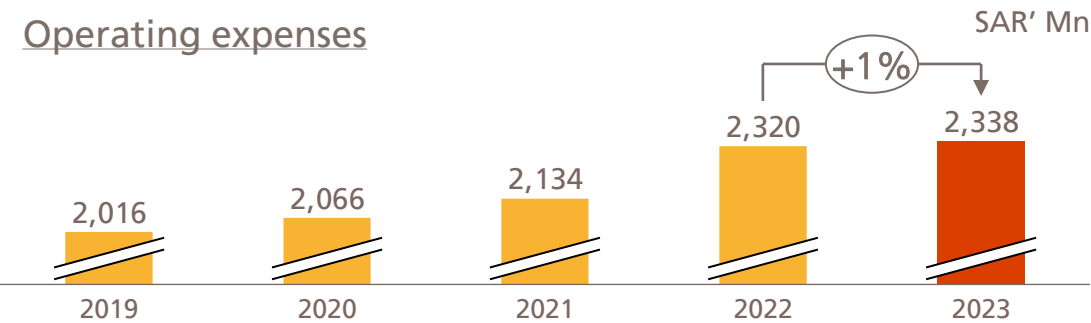
Lower cost to income ratio achieved through higher total operating income and cost control

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

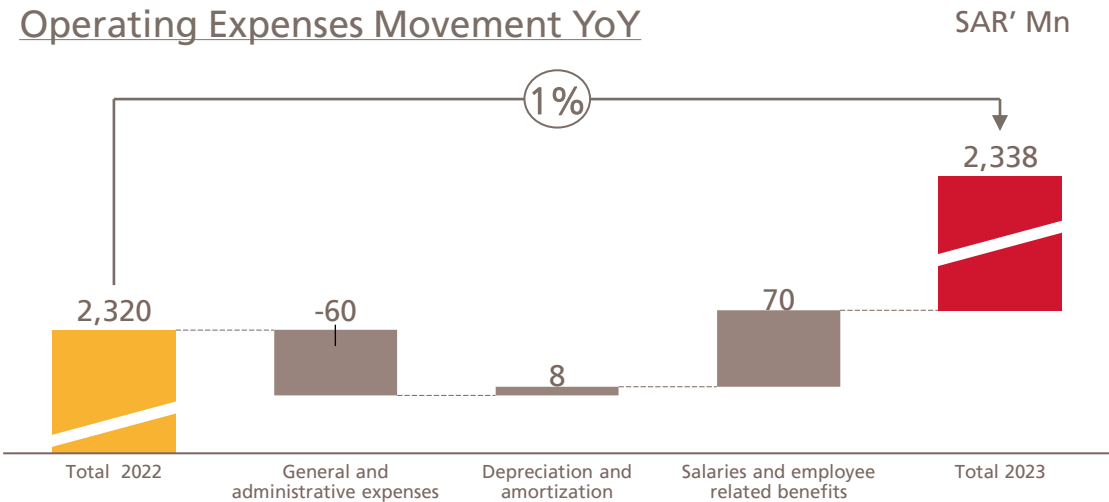
Cost to income ratio (%)



Operating expenses



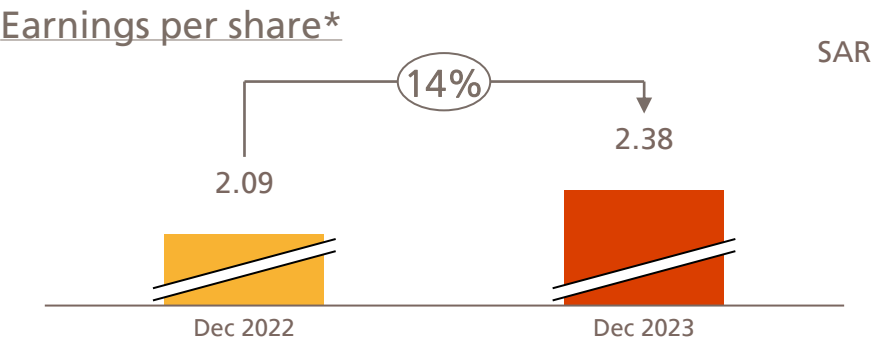
Operating Expenses Movement YoY



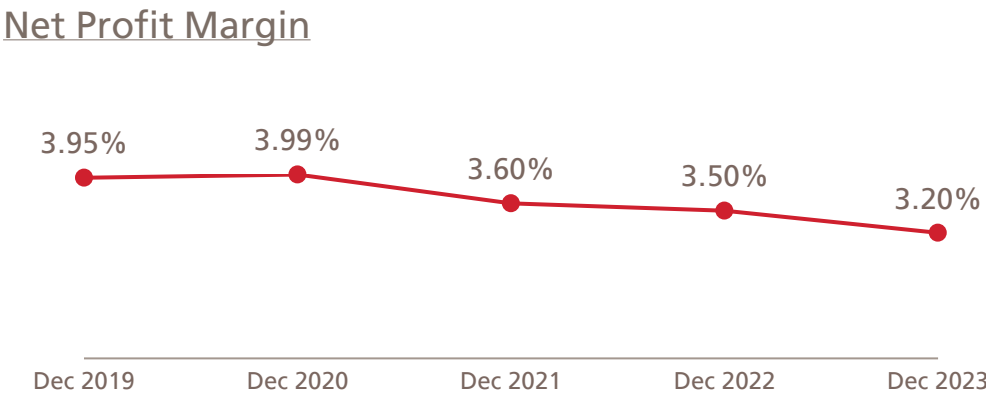
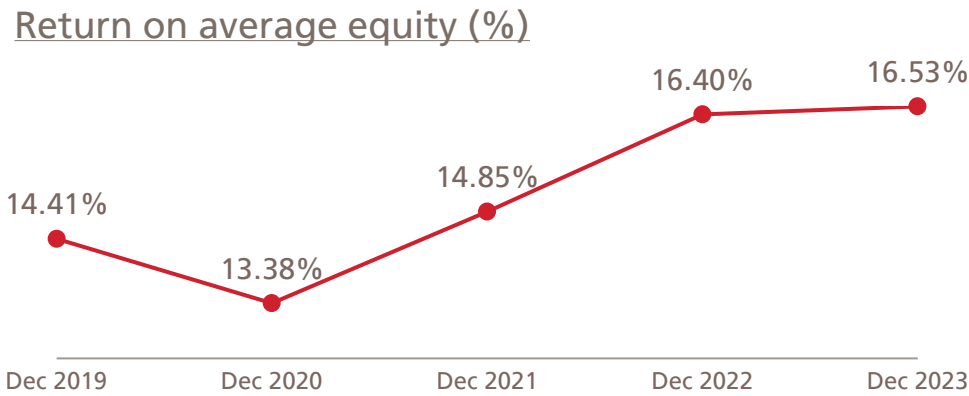
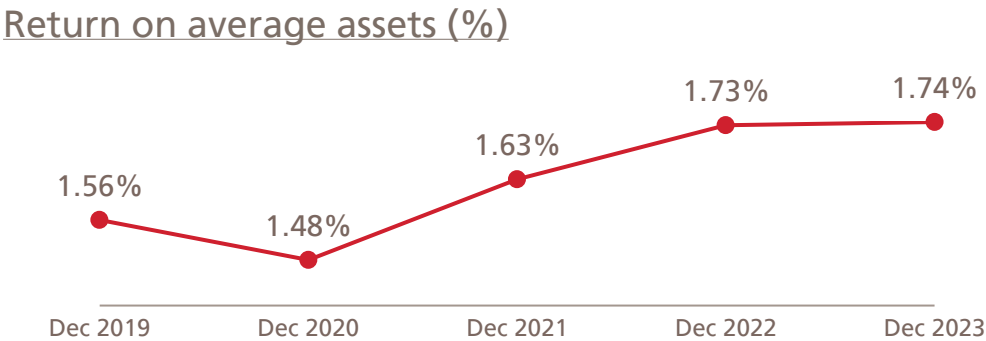
# Financial Performance | Return Indicators

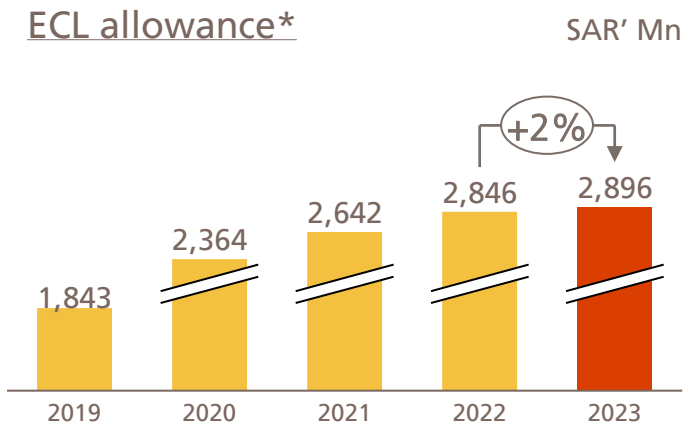
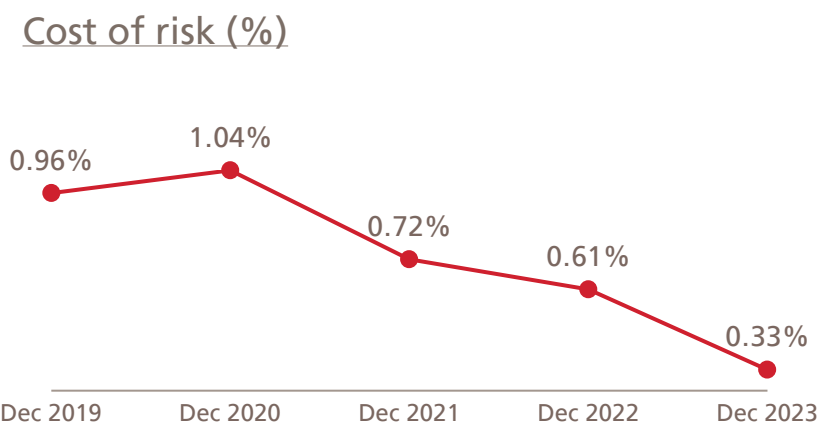
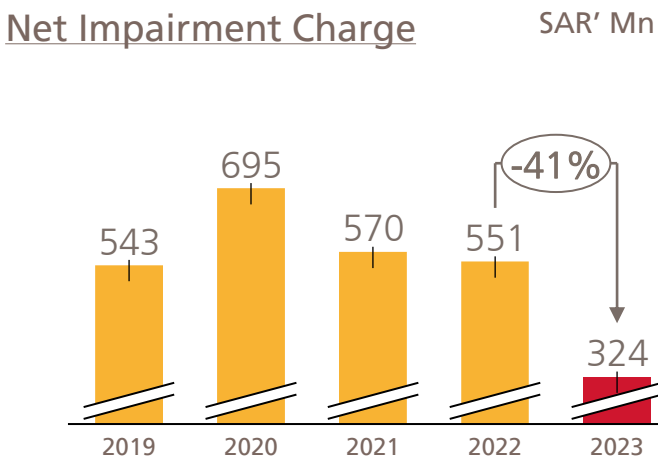
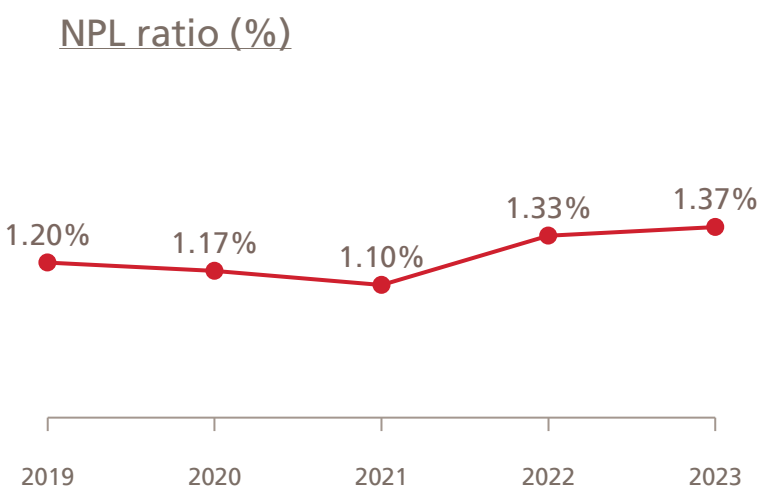
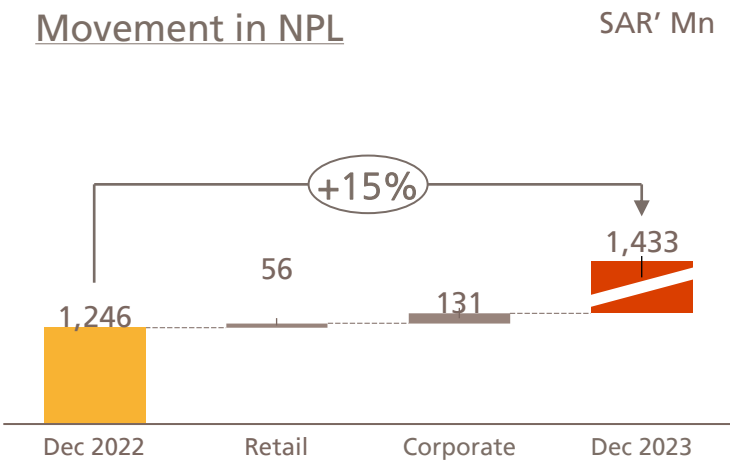
Strong and stable return indicators

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

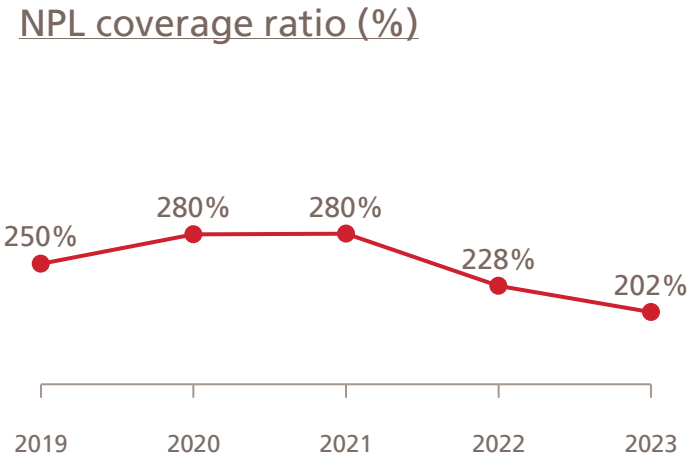


\* EPS has been calculated by dividing the net income by the diluted shares of 995 million shares.





\* Represent the ECL allowance balance against financing exposure.

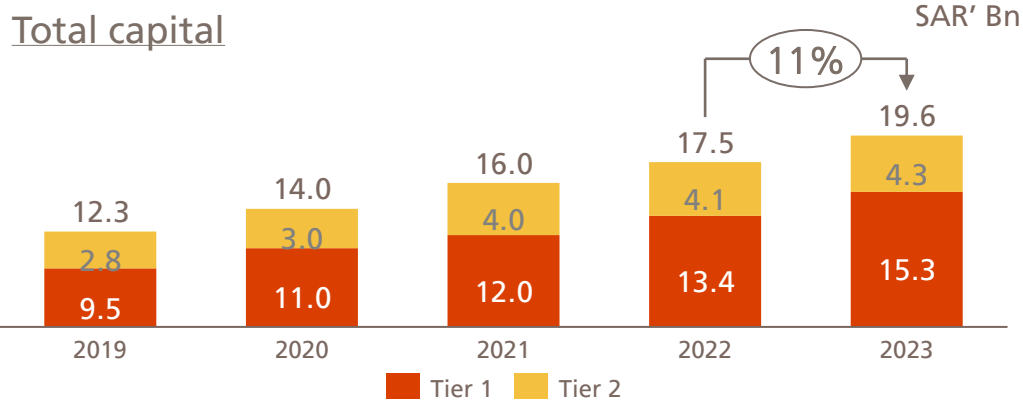


# Financial Performance | Capitalization & Liquidity

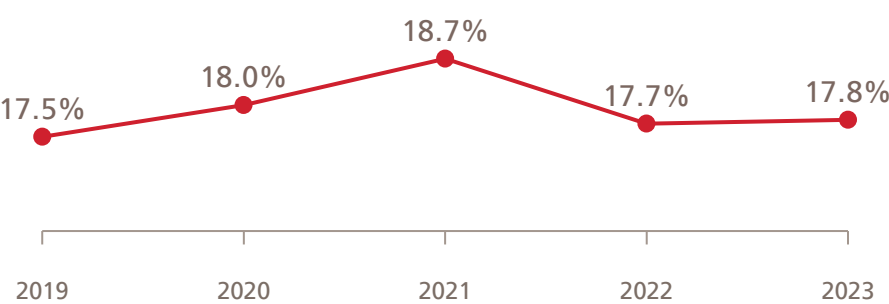
Capital and Liquidity ratios maintained well above regulatory requirements



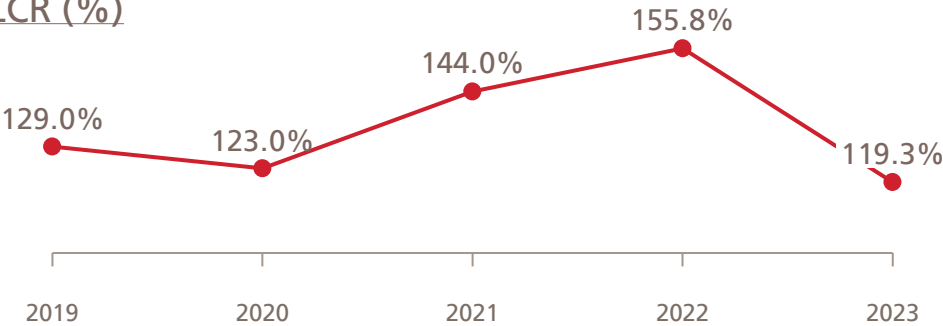
Total capital



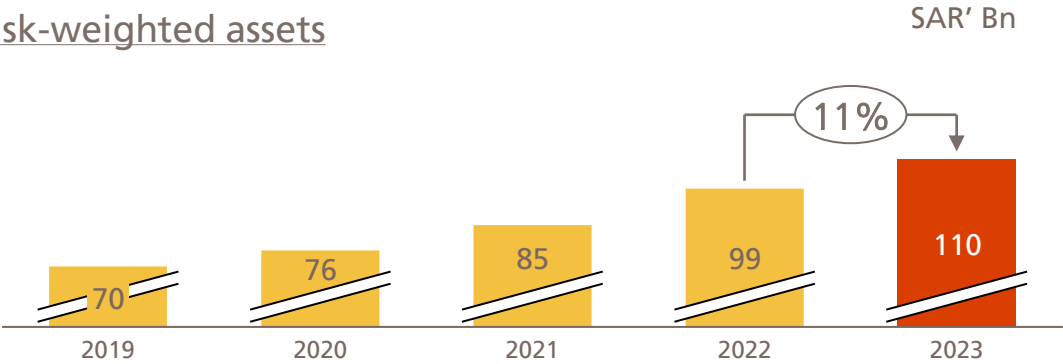
CAR (%)



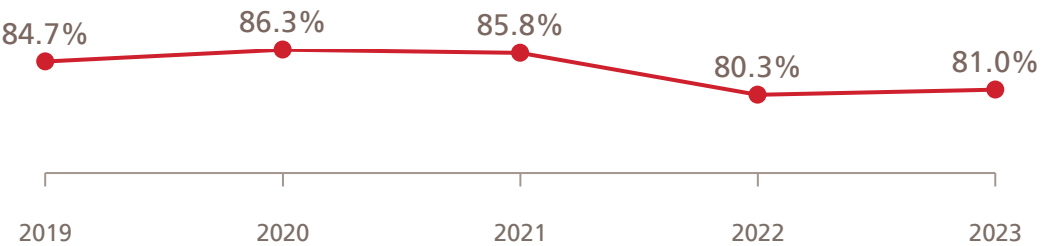
LCR (%)



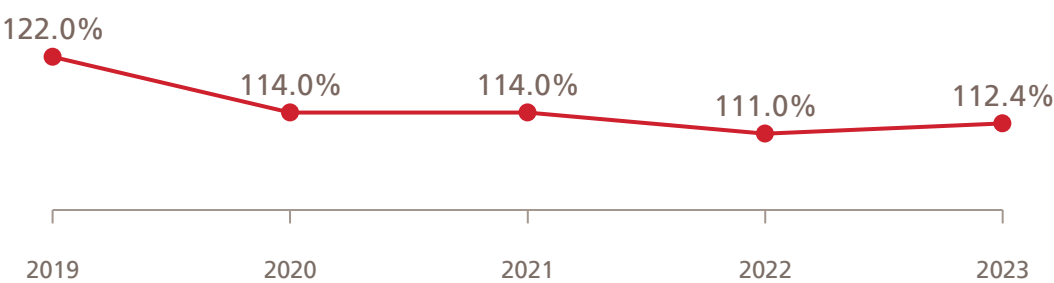
Risk-weighted assets



LDR (%)



NSFR (%)



# FY 2024 Guidance

		FY 2023 Actual	FY 2024 Guidance
Balance Sheet	Financing	102 Bn	- Low double-digit growth - Balanced growth of corporate and retail
Profitability	Net Profit Margin	3.23%	3.22% - 3.37%
	Cost to income ratio	44.1%	Improve 100 bps
	Return on Equity	16.5%	Maintain
Asset Quality	Cost of Risk	0.3%	0.3% - 0.4%
Capital	CET1 %	13.88%	Above 14%

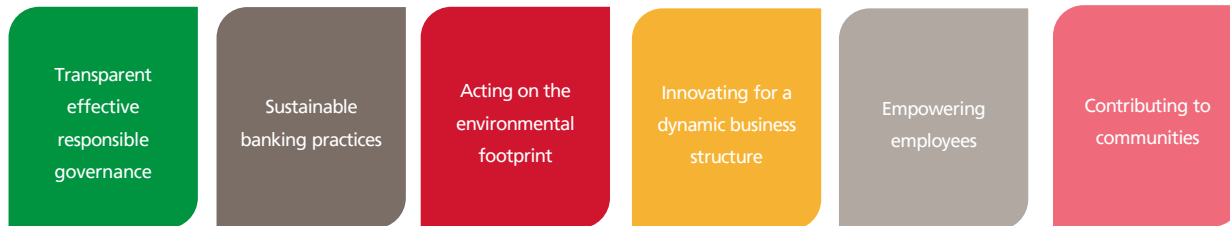
# Appendix



# ESG Highlights

Bank Albilad's Sustainability Framework and Performance

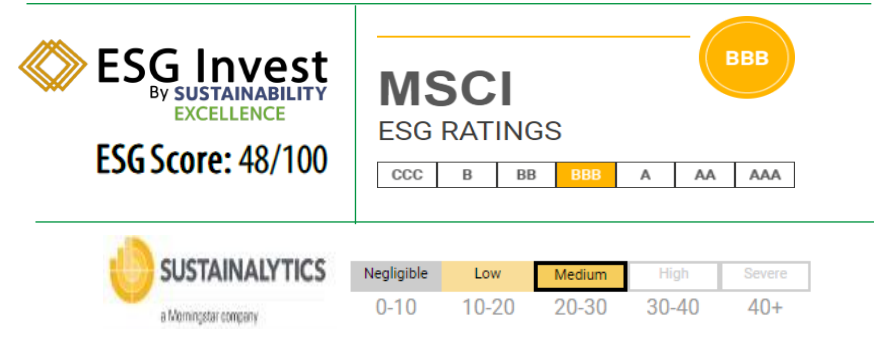
## Banks sustainability performance



## Banks sustainability performance from each of the Bank's sustainability framework pillars

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

## Latest ESG ratings



## First Sustainability Report




































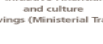














[Link to ESG Report](#)

# #البلاد\_مبادرة

برنامج المسؤولية المجتمعية

## Program & Initiative

# 86

 Support Al Ta'akhi Society for the elderly	 Supporting the development of AlSabbah 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 South Frontier	 Support Ibn Qunaim 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	 Aiyat food conservation campaign	 Albilad Ramadan basket	 Alwasayah 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 sea bed in the Eastern Province
 Establishing Snoezelen room at Jazan Autism center	 Solar energy at Albilad head office	 Water recycling project for mosques afforestation	 Support Masajiduna 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 (Ernan) 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 Rialgh	 Al Khobar Corniche Afforestation Initiative
 Hackathon Albilad Islamic Banking holding Albilad hackathon for Islamic Banking	 Enjar Ramadan basket	 Lifestyle Savings Initiative (Jubail Three)	 Waste recycling initiative in Albilad Tower	 Sponsoring the Mawanaah App that seeks to empower people with disabilities	 Support Mutabandari program For physical therapy clinics with the Association of Children with Disabilities	 A partnership with the Rheumatology Association to support and replace amputees for rheumatoid patients	 Albilad Volunteer Campaigns for environmental awareness (Wadi Umm Al-Shaykh)	 Bank Albilad donated 10 million riyals to the Jeddah Charitable Housing Platform
 Support Tarham Society			 Contribution to the home care program of Sahel Association Programs support home health care for 50 beneficiaries and rehabilitation	 Supporting the Madina Vision Association An audio book device with 275 devices was provided to the blind students and students	 Support of Inatath Association Supporting Inatath 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 Tarmem Association		

# 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

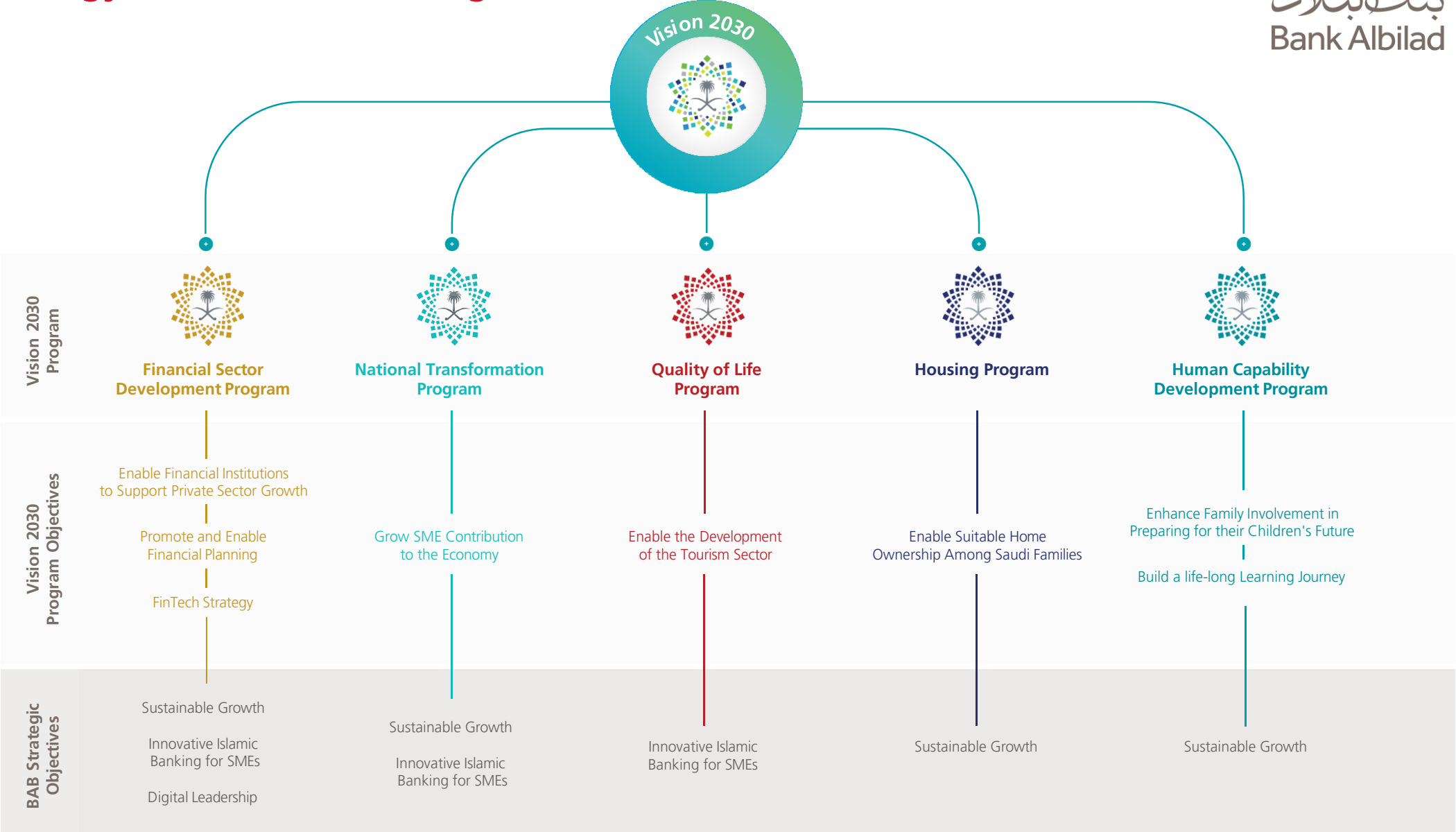
- Build digital value proposition for Retail & Corporate clients
- Improve time to market
- Optimize physical and digital channels
- Improve customer service and sales



### OUR VALUES

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

# BAB Strategy and Vision 2030 Alignment



# Recognizing Excellence, Driving Sustainable Change

## Awards & Honors



Top **Digital Bank** of Saudi Arabia in 2023



**Most valuable Saudi brands** in 2023 according to Kantar Brandz.



Bank Albilad was awarded the Best **Social Responsibility Initiative Award**



Awarded **Most Innovative Mobile Banking App** by MEA Finance

Bank Albilad **Receives ISO Certificates in:**



- **Customer Satisfaction Standards**
- ISO 10002 and ISO 10004
- **Business Continuity Management Systems** ISO 22301

## Work Environment Improvement

Employee Council to enhance work environment with initiatives such as:



Meeting with CEO  
(الخميس مع الرئيس)



Employee Service Awards



Employee Gathering  
(لقاء البلاد)



Celebrate **Founding Day, Eid Al Fitr, and National Day**

## Corporate Social Responsibility



Albilad **Hackathon** helped **32 participants** to develop new Islamic banking product and start a **small start up company**. **50+ workshops were conducted** in the Horizon innovation center



Introduce Bank Albilad Chair for **Food Security with King Faisal University**



The minister of education and minister of Human Resources and Social Development awards BAB for the initiatives **to hire competent people with disabilities**.



Bank Albilad has completed **79+ CSR Programs** and initiatives under its Mubadra policy including **6 additional in 2023** for all demographics including education, medical support, women inclusion, donations and food among others



Donated **SAR 10 million** riyals to the "**Jood platform**" for charitable housing



The governor of Riyadh Province honors BAB for the contribution of supporting **Health Endowment Fund**.

## Talent Development



Launch of **Al Bilad Academy** In Almalaz building



**4000+ Learning Opportunities** provided

Launch various Key Certification Programs



**Business Sustainability** through Succession Plans for Key Positions



Launched Talent Development through **Hi-Potential Programs**



**Certified Corporate Banker** program

**Certified Sales Advisor** Program

**Trade Finance** Certification Program

**Technical Ambassador** Program

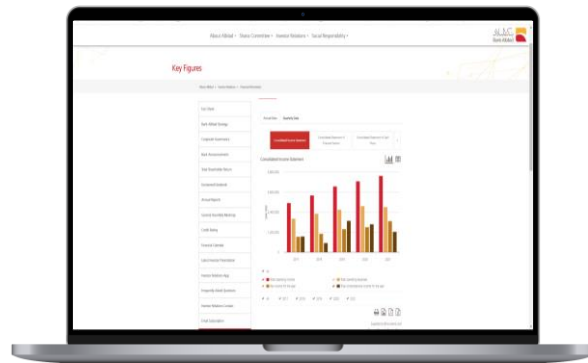
# Investor Relations Contact

Email

[IR@bankalbilad.com](mailto:IR@bankalbilad.com)

Click below to visit our webpage

[Investor Relations Webpage](#)



IR App



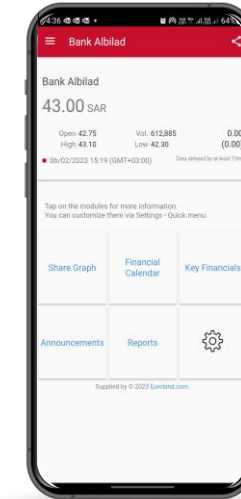
Albilad App



Enjaz App



Albilad Tadawul



## Head Office Address

8229 Al Mutamarat, Unit 2, RIYADH 3952- 12711, Kingdom of Saudi Arabia

Phone: 011-4798888

Worldwide Phone: 00966-14798888

Fax: 00966-114798898

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