

# Al Rajhi Bank Investor Presentation

FY 2020 Investor Pack

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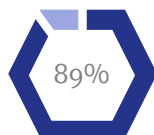
# Al Rajhi Bank

The World's Leading Islamic Bank

### At a glance



Islamic  
Banking



NPB Deposits  
% of Total Deposits

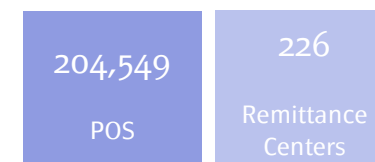
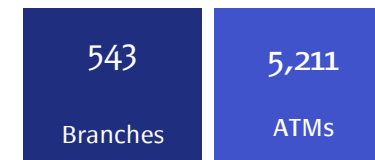
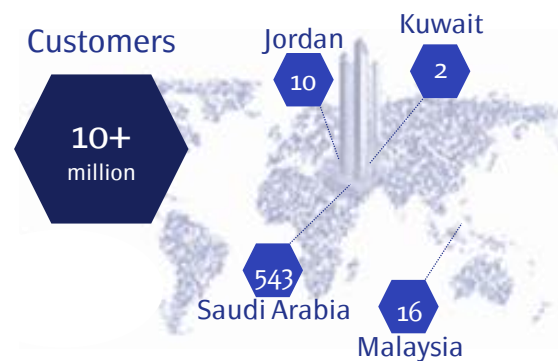


NPS  
Banking



Digital: Manual  
Ratio

### Presence & Branches



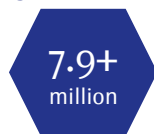
Largest network in Saudi Arabia

### FY2020 Strategic Highlights

Avg Transactions/mth



Digital Customers



Training Days



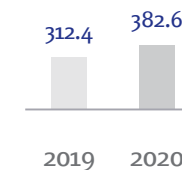
Volunteering Hrs



### FY2020 Financial Highlights



- 25.9% Gross Financing Growth
- 19.1% CAR
- 0.13% Cost of Funds



Total Assets

▲ +22%

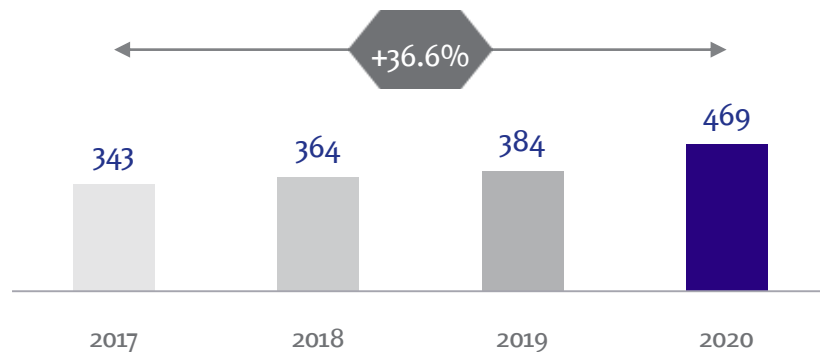
Customer Deposits

▲ +22%

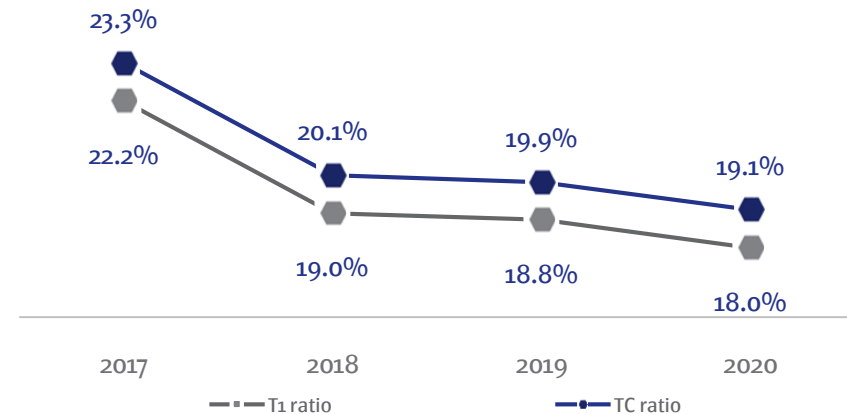
# Al Rajhi Bank, The Blue Chip Islamic Bank

Robust balance sheet with 89% non-profit-bearing deposits

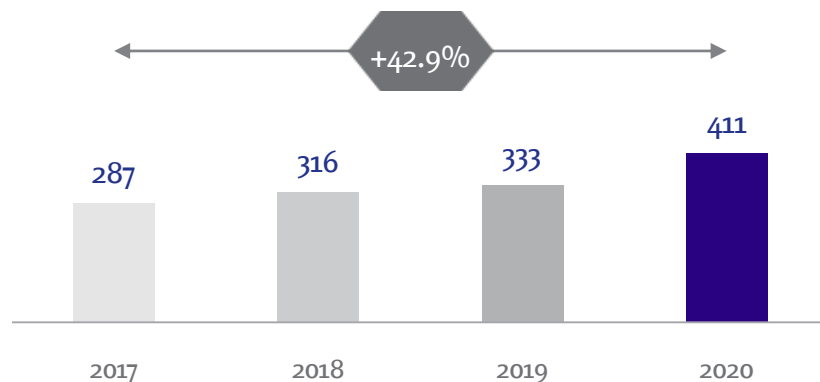
**Total Assets (SARbn)**



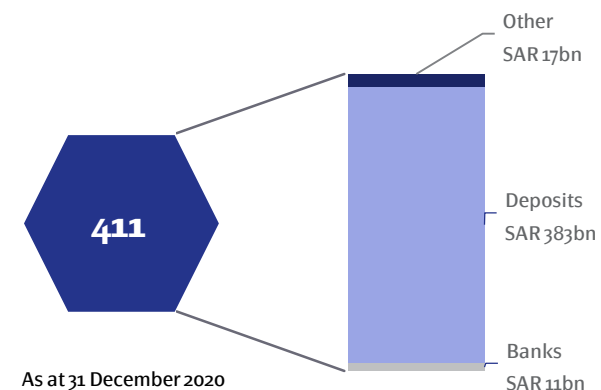
**Capital Ratios (%)**



**Total Liabilities (SARbn)**



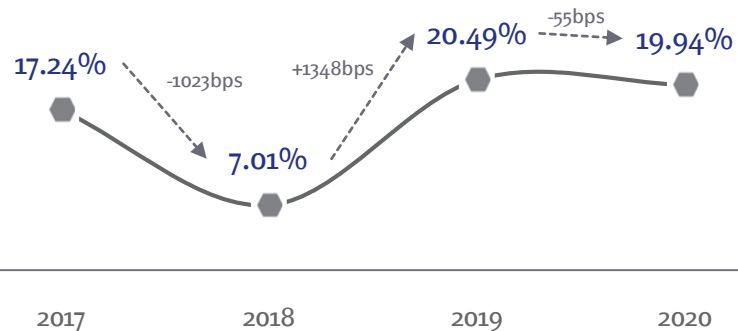
**Total Liabilities Mix By Type (SARbn)**



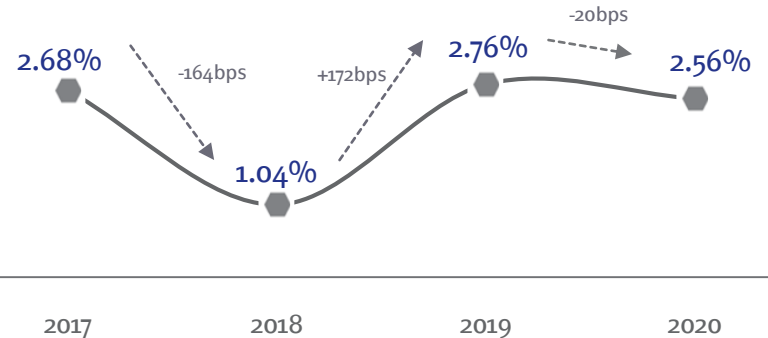
# The Blue Chip Islamic Bank

Outstanding foundation and strong returns

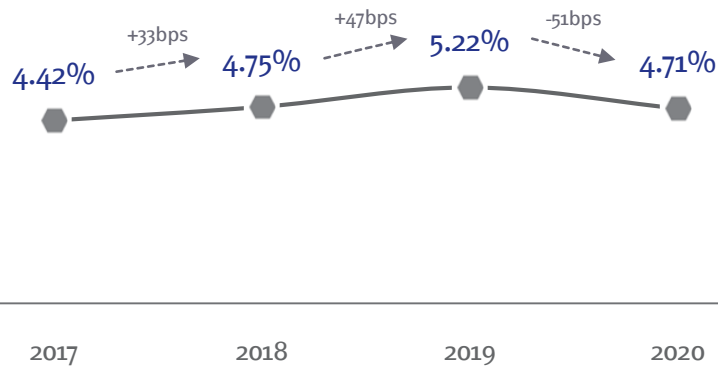
**ROE (%)**



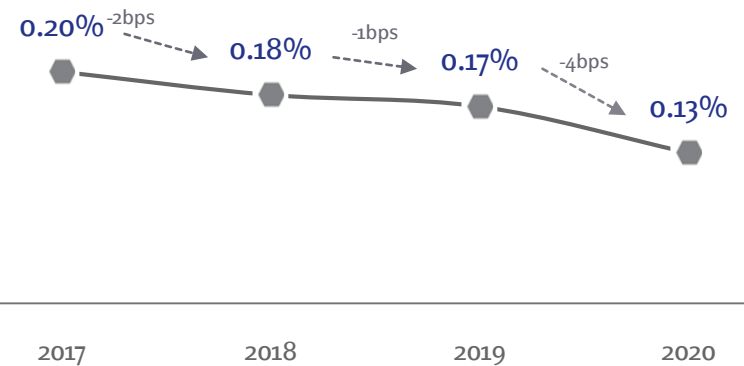
**ROA (%)**



**Net Profit Margin (%)**



**Cost of Funds (%)**



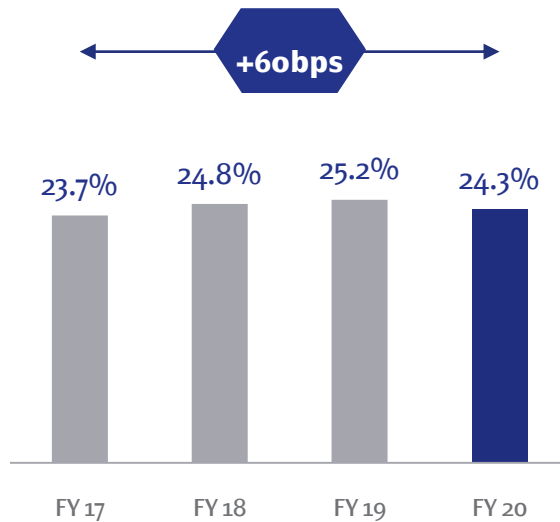
# Top 10 Facts about Al Rajhi Bank

- 1 Largest Islamic Bank worldwide**  
(by Assets & Market Cap)
- 2 #1 Retail Bank in Middle East**  
(Retail Deposits & Income)
- 3 One of the highest NPB deposit ratios**  
(89% Non -profit bearing deposits)
- 4 #1 Bank capitalisation in GCC**  
(19.1% Total Capital ratio)
- 5 High NPS in KSA**  
(66% Net Promoter score)
- 6 #1 Bank in KSA**  
(by number of customers)
- 7 #1 Distribution network in Middle East**  
(by # of Branches, POS, ATMs, Remittance Centres)
- 8 #1 Banking transactions in KSA**  
(362mn per month, avg)
- 9 #1 Bank for remittances in Middle East**  
(by payment value)
- 10 #1 Bank brand in KSA**  
(Brand Power Score)

# What sets Al Rajhi Bank apart

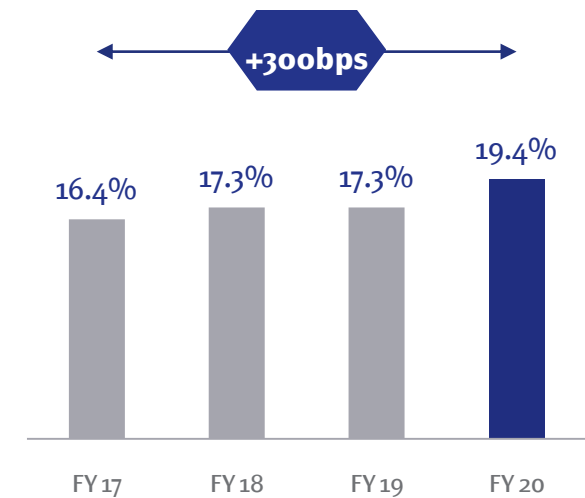
ARB has the largest retail banking business in the Middle East

Market Share - Current Accounts



# 1 in Saudi Arabia

Market Share - Deposits



#2 in Saudi Arabia

10+ Million  
Customers

#1 in Saudi Arabia

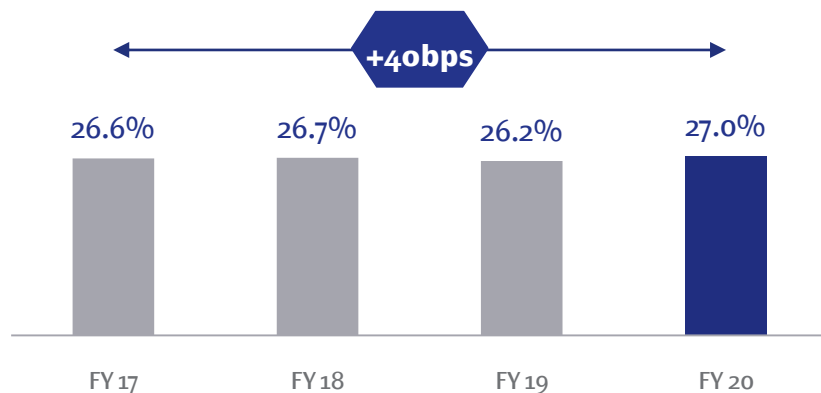


# Al Rajhi Bank's Leading Network

The Bank has a large distribution network in Saudi Arabia...

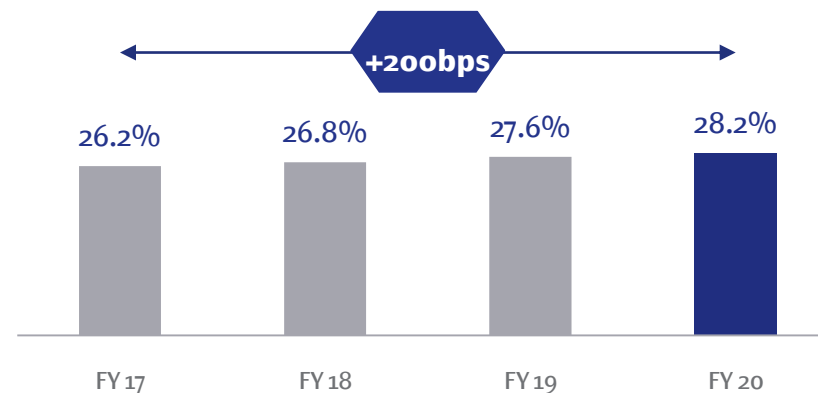
## #1 in Branches

Market Share - Branches



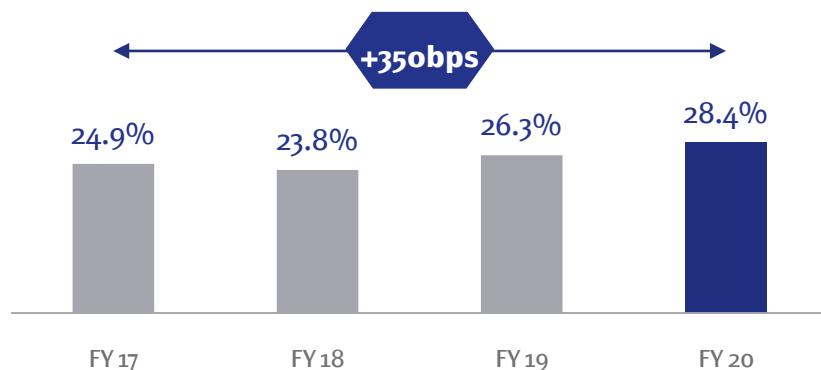
## #1 in ATMs

Market Share - ATMs



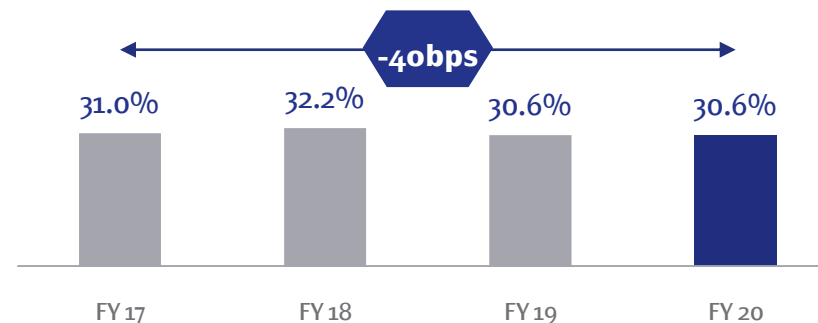
## #1 in POS

Market Share - POS (Terminals)



## #1 Remittance Centres

Market Share - Remittance Centers



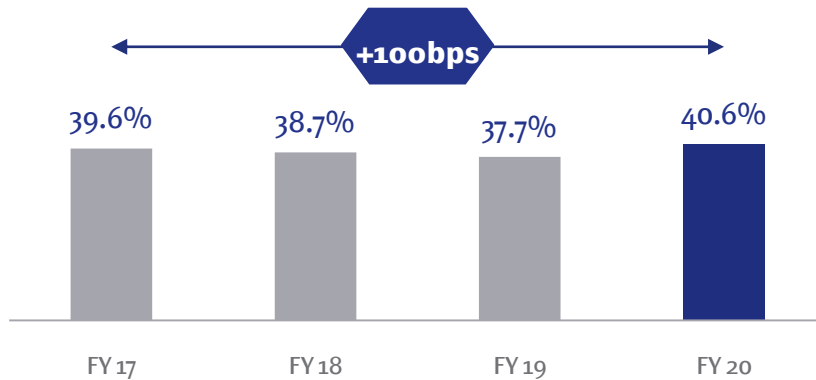
Source: SAMA

# ARB has a unique franchise

We capture high market share across key products

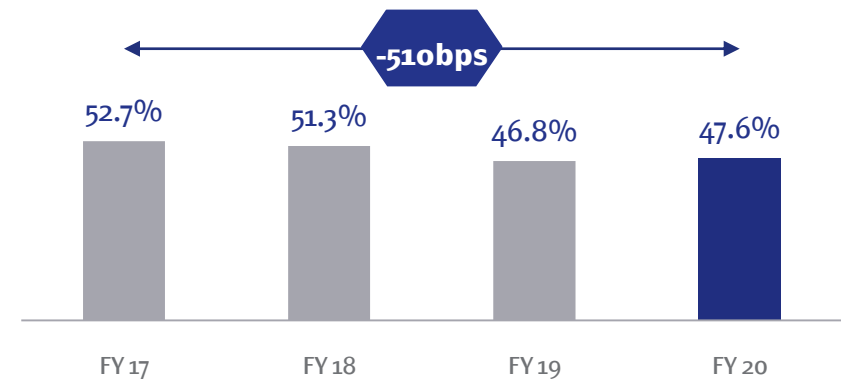
## #1 in Personal Loans

Market Share - Personal Loans



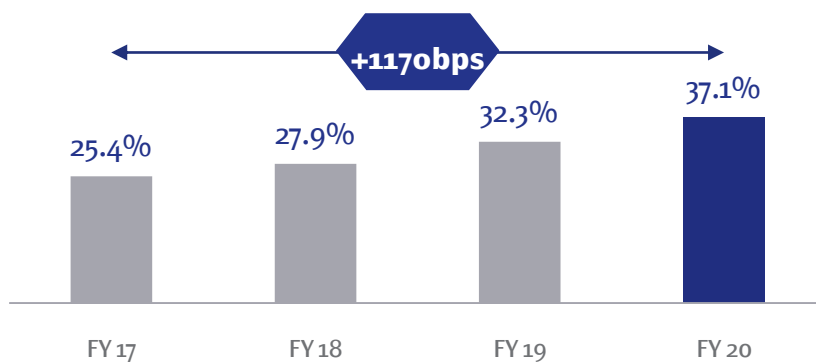
## #1 in Auto Loans

Market Share - Auto Loans



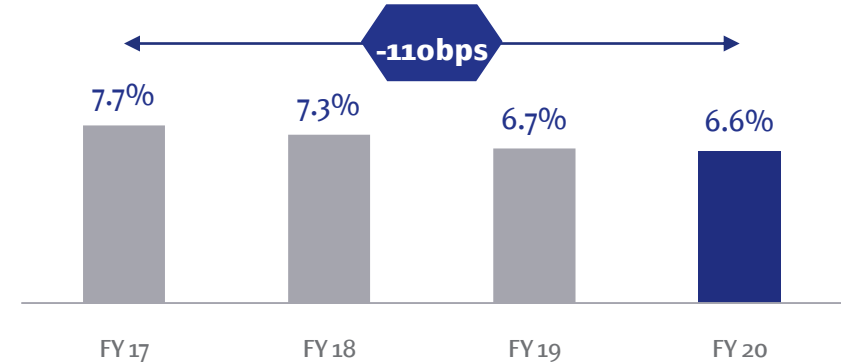
## #1 in Mortgages

Market Share - Mortgages



## Challenger Position in Corporate Loans

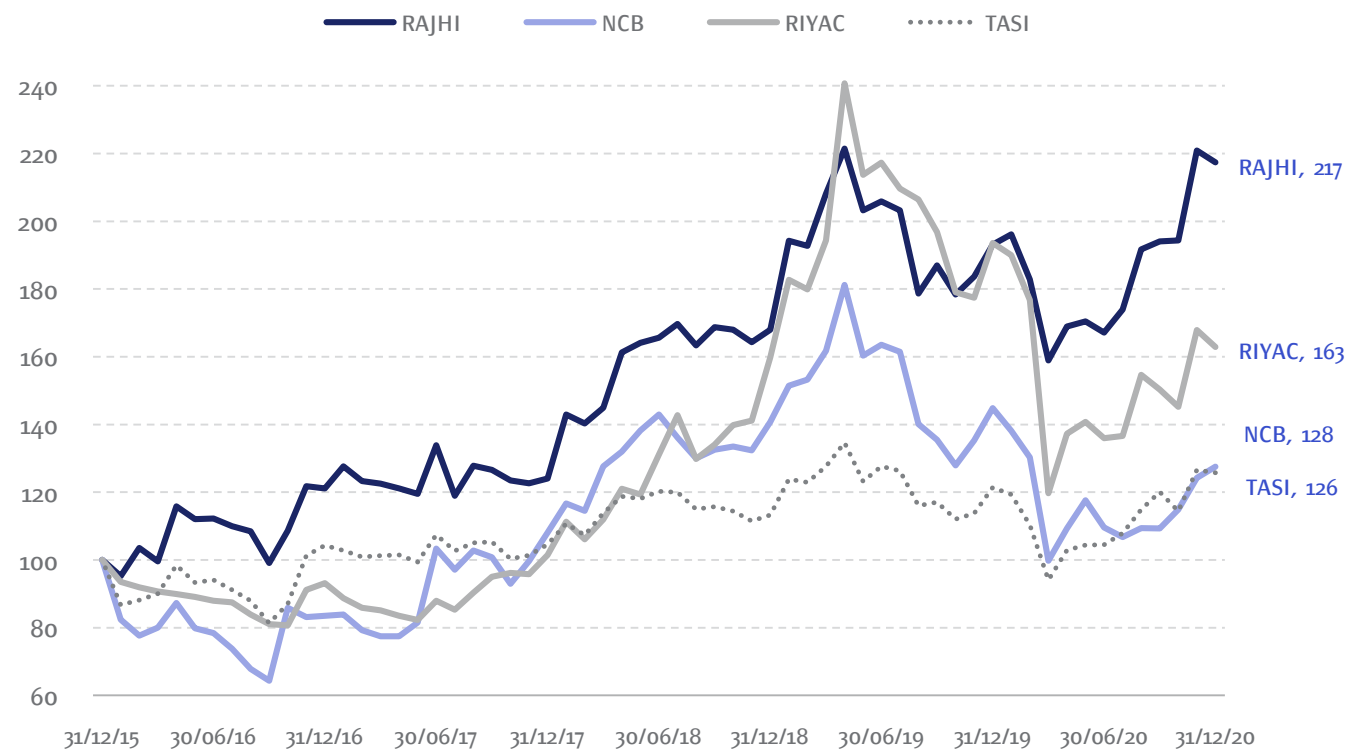
Market Share - Corporate Loans



# ARB Market Performance

Al Rajhi Bank maintained its momentum and outperformed its peer group

## Share Price Performance Top 3 KSA Banks (Monthly; Rebased to 100)



31 Dec 2020

### Key Metrics

Closing Price	SAR 73.6
Market Cap	SAR 184.0 bn
Market Cap / % Industry	29.0%
Market Cap / % Tadawul	2.0%
Shares outstanding	2,500 bn
90D Volatility	13.8
Price / Earnings	17.36 x
Price / Book	3.17 x
Dividend Yield	2.04%

Sources: Bloomberg; Tadawul; RAJHI Financials

### Ratings

Moody's	A1
S&P	BBB+
Fitch	A-

	Al Rajhi Bank	NCB	Riyad Bank	Kuwait Finance House	Dubai Islamic Bank	Qatar Islamic Bank	Abu Dhabi Islamic Bank
<b>Rebased to 100</b>	217	128	163	183	92	160	119
<b>As of 31 Dec 2020</b>	73.60 SAR	43.3 SAR	20.2 SAR	677 KWD	4.61 AED	17.11 QAR	4.70 AED

Source: Stock Exchanges

# Awards

## Recent international recognition

### Global Awards



**Best Bank in Saudi Arabia**  
(3 consecutive years 2017, 2018, 2019)



**Best Financial Institution in Saudi Arabia**

**The Banker**

**Largest Bank in the world in terms of Sharia Assets**



**Best Bank in Saudi Arabia**  
(2 consecutive years 2017 & 2018)

### Regional Awards



- **Best Bank in GCC**
- **Fastest Growing Bank in KSA**
- **Most Innovative Bank in KSA**
- **Best Retail Bank in KSA**



- **Strongest Islamic Retail Bank in the World**
- **Strongest Islamic Retail Bank in the GCC**
- **Strongest Islamic Retail Bank in the MEA**



**GCC Best Employer Brand Award**



- **Most Improved Investor Relations Team – Blue-Chip (2018)**
- **Best Investor Relations in the Middle East (2019)**
- **Best Investor Relations in KSA (2019)**
- **Best CFO in the Middle East (2019)**
- **Best Investor Relations Professional (2019)**



- **Best Investor Relations Program (2020)**

# Our Values



نعيش قيمنا  
Living the Values

**Integrity &  
Transparency**

Openness and highest standards of  
corporate & personal ethics

**Passion to  
Serve Our  
Customers**

A strong commitment to anticipate and  
address customer needs

**Solution  
Oriented**

Helping our customers achieve their  
objectives

**Modesty**

Humility in everything we do

**Innovativeness**

Nurturing imagination and fostering  
creativity

**Meritocracy**

Defining, differentiating and reinforcing  
excellence in people

**Care for Society**

Contributing towards a better tomorrow

# ESG Highlights

FY 2020



# KSA's Macro-Economic Environment

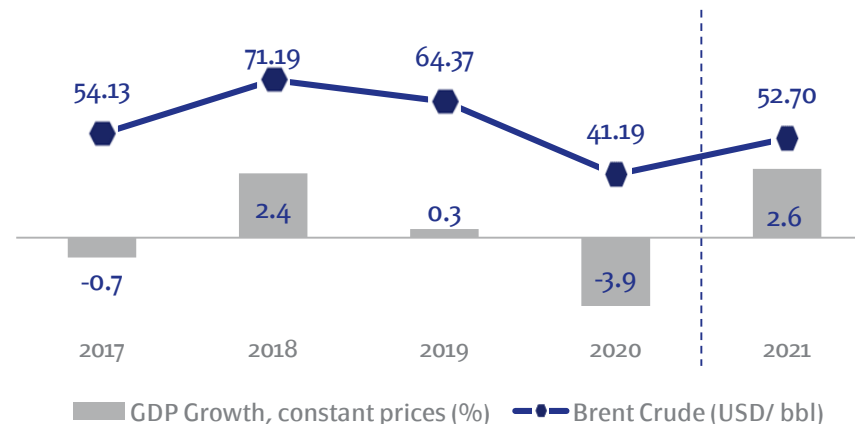
# KSA Economic Outlook

## Recovering from the trough of Covid-19 pandemic

### Highlights

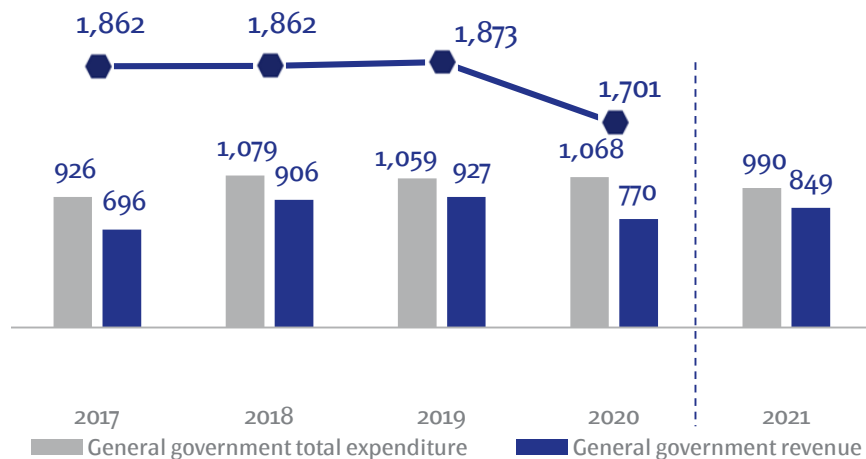
- IMF has revised down GDP forecast for 2021 to (+2.6%) driven by the non-oil private sector.
- Saudi is keeping its fiscal expenditure at the budgeted level; however, it is reallocating expenses to deal with the pandemic.
- Average inflation is forecasted to be (2.9%) in 2021 driven by the VAT and custom duty hikes.

### GDP Growth / Brent Oil Price



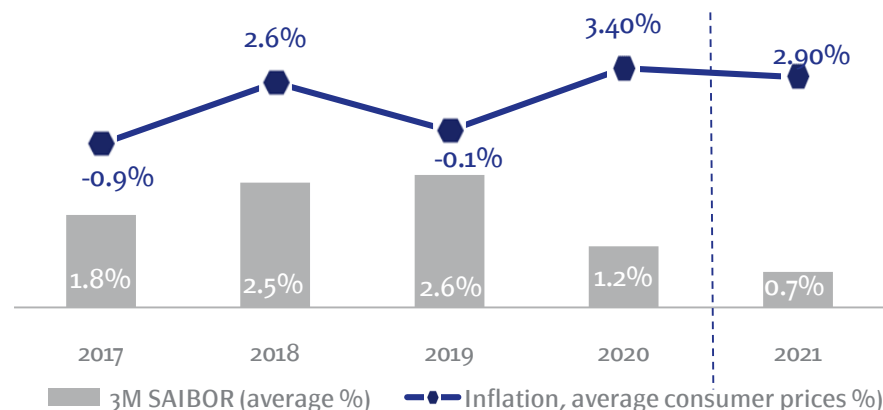
Source: IMF, U.S. Energy Information

### Expenditures / Revenue and Asset Reserves (SARbn)



Source: MoF, Al-Rajhi Capital

### 3M SAIBOR / Inflation



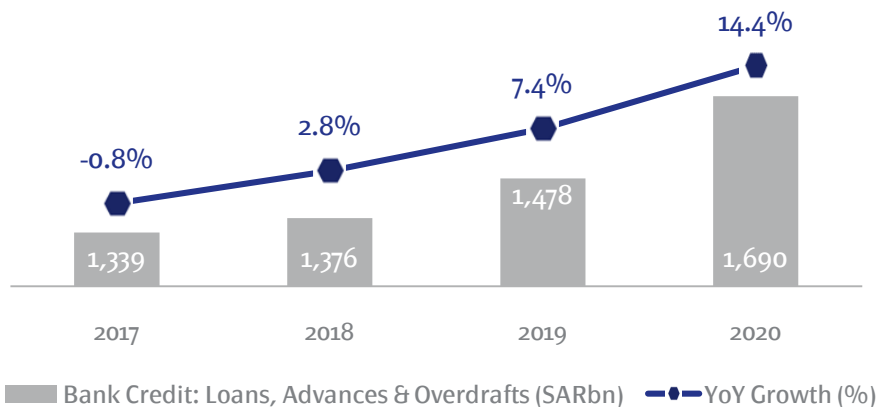
Source: SAMA, IMF, MoF



# Macro Environment

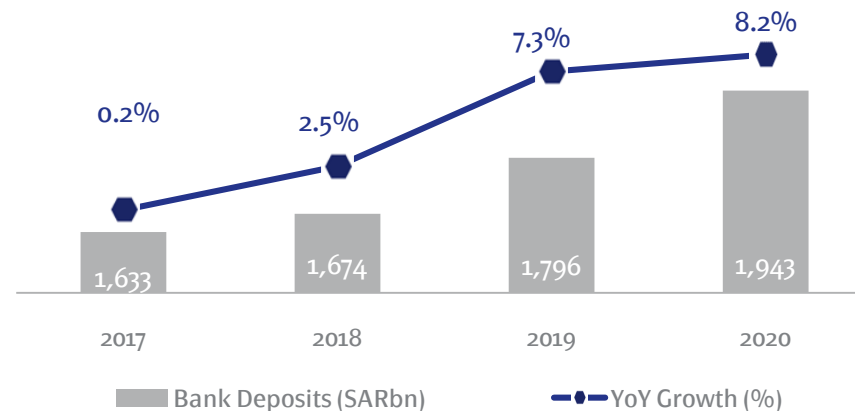
## Supportive of Banking Sector

### Strong pickup in sector loan growth...



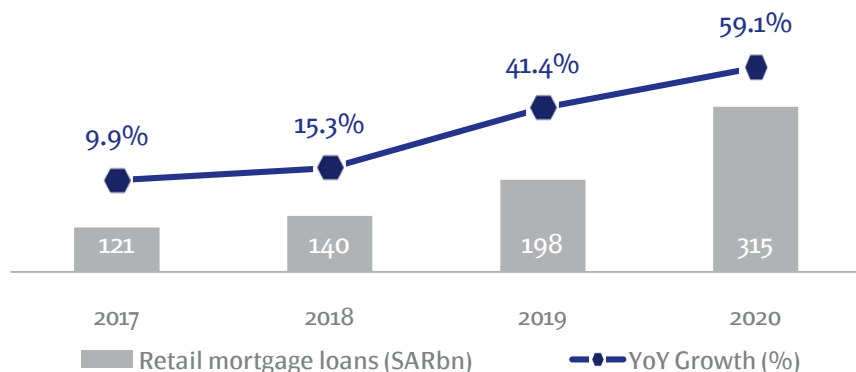
Source: SAMA

### ...and moderate pick up in bank deposits amid balance sheet optimisation in rising rate environment



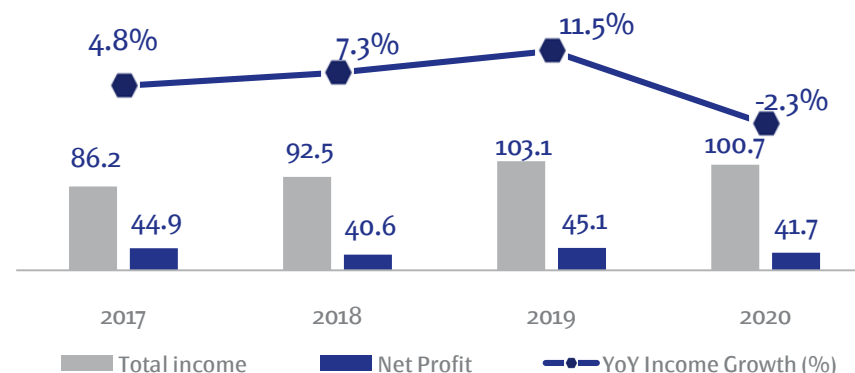
Source: SAMA

### Solid retail mortgage growth continued



Source: SAMA

### Which in combination drove top line growth



Source: Banks' Statements

# Al Rajhi Bank Strategy 2020

# Saudi Arabia Vision 2030

## Key objectives



### A Vibrant Society

- Increase Umrah capacity from 8 to 30M
- Double the number of UNESCO World Heritage sites
- Have 3 Saudi cities in top 100 globally
- Increase household entertainment spending from 2.9% to 6%
- Increase ratio of individuals exercising from 13% to 40% of population
- Raise position from 26 to 10 in Social Capital Index
- Increase avg. life expect. from 74 to 80
- Increase home ownership from 47% to 60% (2015-20), 850k new housing units
- Increase RE financing contribution to non-oil GDP from 8% to 15% (2015-20)



### A Thriving Economy

- Lower unemployment from 11.6% to 7%
- Increase SME contribution to GDP from 20% to 35%
- Increase women's participation in workforce from 22% to 30%
- Move from 19th largest economy to top 15 globally
- Increase oil & gas localization from 40% to 75%
- Increase PIF's assets from SAR 600B to SAR 7.5T
- Rise in Global Competitiveness Index from 25 to top 10
- Increase FDI from 3.8% to 5.7%
- Increase private sector contribution to GDP from 40% to 65%
- Rise in Logistics Performance Index from 49 to 25
- Raise non-oil exports from 16% of GDP to 50%



### An Ambitious Nation

- Increase non-oil government revenue from SAR 163B to 1T
- Rise in Government Effectiveness Index from 80 to 20
- Rise in E-Government Survey Index from 36 to top 5
- Raise in household savings from 6% to 10% of total income
- Raise non-profit's contribution to GDP from 1% to 5%
- Rally 1M volunteers p.a. from 11K now

# Financial Sector Development Program

Creating a thriving financial sector that serves as key enabler for Vision 2030 objectives

## Enable financial institutions to support private sector growth

- Increase total GWP to non-oil GDP from 2.1% to 2.9%
- Increase # of Fintech players to 3
- Increase SME loans as % of bank loans from 2% to 5%
- Increase value of SME funding through PE/VC vehicles to SAR 23 Bn
- Increase life GWP per capita from SAR 33 to 40
- Increase coverage ratio of insurance schemes to 45% (health) & 75% (motor)
- Increase share of non-cash transactions from 18% to 28%
- Increase outstanding real estate mortgages from SAR 290 Bn to SAR 502 Bn

## Ensure the formation of an advanced capital market

- Increase total market capitalization (shares and debt) as % of GDP from 78% to  $\geq 85\%$
- Increase assets under management as % of GDP from 12% to  $\geq 22\%$
- Align market concentration of top 10 companies by market cap from 57% to 55%
- Increase institutional investors' share of value traded from 18% to  $\geq 20\%$
- Increase foreign investor ownership of the equity market cap from 4% to  $\geq 15\%$
- Increase # of micro and small cap companies listed, as % of total number of companies listed from 34% to  $\geq 40\%$
- Increase share of investment accounts opened through eKYC to 10%
- Align minimum free float of equity market cap, in % of total outstanding shares from 46% to  $\geq 45\%$

## Promote and enable financial planning

- Increase total amount of savings held in savings products from SAR 315 Bn to SAR 400Bn
- Increase number of available types of savings products from 4 to 9
- Increase % of households savings on a regular basis from 19% to 29%
- Increase share of A/C opened through eKYC to 10%
- Increase household savings ratio as % of disposable income from 6.2% to 7.5%



\*from 2016 to 2020

# Strategy Update

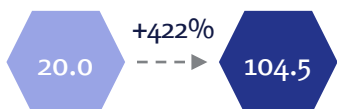
ABCDE 'Back to Basics' strategy delivered strong results in FY 2020



## Accelerated Growth

+6% YoY operating income growth
+90% YoY growth in mortgages
+15% YoY growth in current accounts
-51bps YoY net profit margin drop to 4.71%

### Mortgage Financing (SARbn)



2015 FY 2020

*Exceed Industry*



## Become Employer of Choice

Al Rajhi Bank Academy
School of Banking
Graduate Program
48,259 training days delivered

### Employee Engagement Index



2015 FY 2020

*Higher Engagement*



## Customer Focus

25 new products launched to cater to customers' needs
Enhanced Distribution Network
Highest Rated Banking Mobile app
Maintain high Net Promoter Score in KSA

### Net Promoter Score



2015 FY 2020

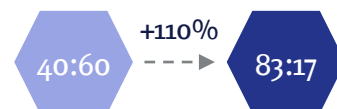
*Most Recommended*



## Digital Leadership

205K POS	
5K ATMs	33 ITMs
358 Self Service Kiosks	
7.9mn active digital users	

### Digital : Manual Ratio



2015 FY 2020

*Best-In-Class*



## Execution Excellence

310 Bots
27K transactions per day
Migrated to Tier 4 Data Center
Further enhanced turnaround time

### Transactions per month (Avg.)



2015 FY 2020

*Deliver*

# Macro environment impact

Focused in managing the current challenges & beyond

Key Challenges	COVID-19	RATE ENVIRONMENT	OIL PRICES	
Impact	Growth Forecast	Asset Quality	Liquidity	Profitability
Focus Areas to Mitigate Downside	<ol style="list-style-type: none"> <li>Consumer lending, mainly <b>Mortgage</b> financing</li> <li><b>SMEs &amp; Corporate</b> structured products &amp; stimulating Kafalah program</li> <li>Grow <b>Credit Cards &amp; Trade Finance</b> market Share</li> </ol>	<ol style="list-style-type: none"> <li>Core Portfolio is <b>low risk</b>, salary assigned Retail portfolio</li> <li>Small portfolio in MSME supported by <b>Government Stimulus Packages</b></li> <li>Close <b>monitoring</b> and <b>prudent</b> provisioning measures</li> </ol>	<ol style="list-style-type: none"> <li>Strict and prudent liquidity <b>management</b>, and <b>monitoring</b></li> <li>Expand funding <b>client base</b> and <b>product mix</b></li> <li>SAMA Continues to support Liquidity in <b>USD &amp; SAR</b></li> </ol>	<ol style="list-style-type: none"> <li><b>Yield income</b> focus through mix change</li> <li><b>Digital &amp; Payments</b> leadership</li> <li><b>Rationalizing</b> our Opex &amp; Capex spend</li> </ol>
Management Delivery	26% Financing Growth	0.75% COR	78.8% LDR	+4.3% YoY Net Income
Long Term	Preparing for the " Next Normal "			

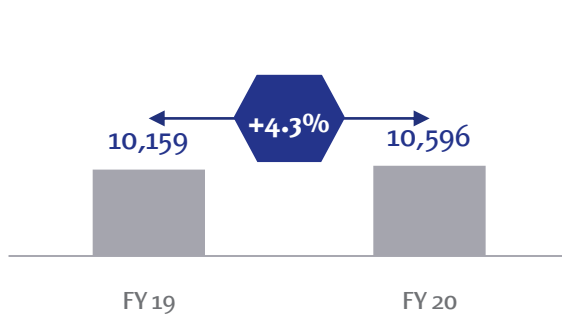
# Financial Results

FY 2020 Overview & Trends

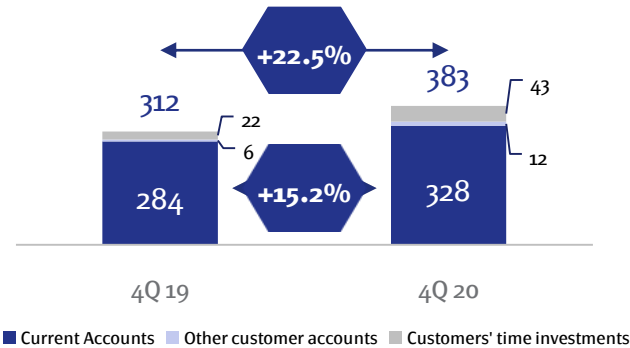
# Key Messages

## Solid FY 2020 Performance

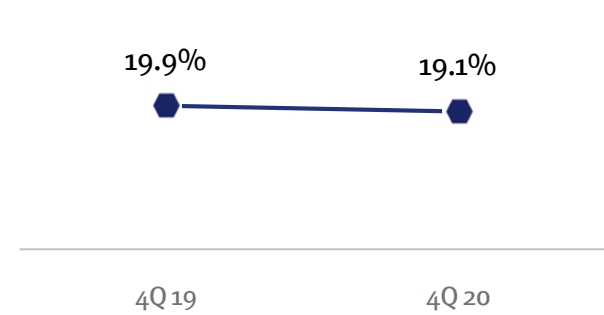
### Net Income (SARmn)



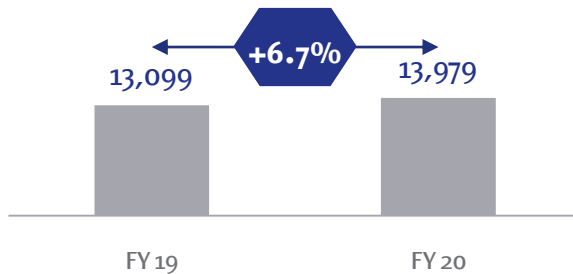
### Total Customers' Deposits (SARbn)



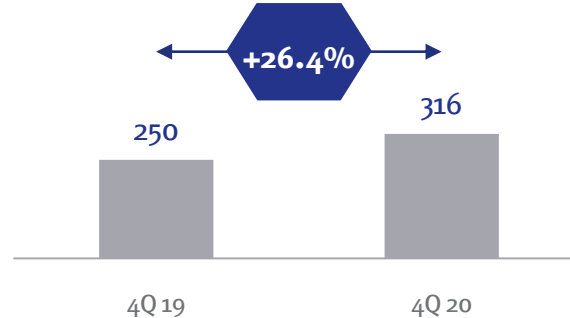
### Capital Adequacy Ratio (%)



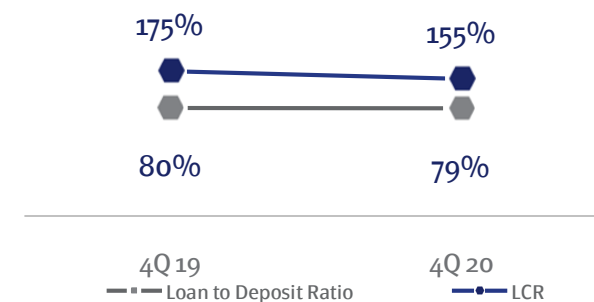
### Pre-Provision Profit (SARmn)



### Financing, Net (SARbn)



### Liquidity Ratios (%)



- 4.3% Profit increase caused by higher operating Income .
- Profit growth driven by improvement in the product mix and fee income

- 22% deposit growth from non-profit bearing deposits which now account for 89% of total deposits
- Net financing grew by 26% driven by Mortgage financing

- CAR decreased by 80 bps caused by growth in credit risk.
- Liquidity remains healthy



# Progress against guidance and outlook

2020 results in line with our guidance

		FY 2019 Actual	FY 2020 Latest Guidance	FY 2020 Actual	FY 2021 Guidance
Balance Sheet	Financing, Net (SAR bn)	249.7	High teens growth	315.7 (+26%)	Mid teens growth
	Net Profit Margin	5.22%	-55 bps to -35 bps	4.71% (-51 bps)	-30 bps to -20 bps
Profitability	Cost to Income Ratio	32.8%	Below 33%	32.5%	Below 31%
	Cost of Risk	0.71%	0.70% - 0.90%	0.75%	0.60% - 0.70%
Asset Quality	CET1 Ratio	18.8%	17% - 19%	18.0%	17% - 18%
Capital & Liquidity	ROE after Zakat	20.49%	18%-20%	19.94%	20% - 21%

# Balance Sheet Trends (1)

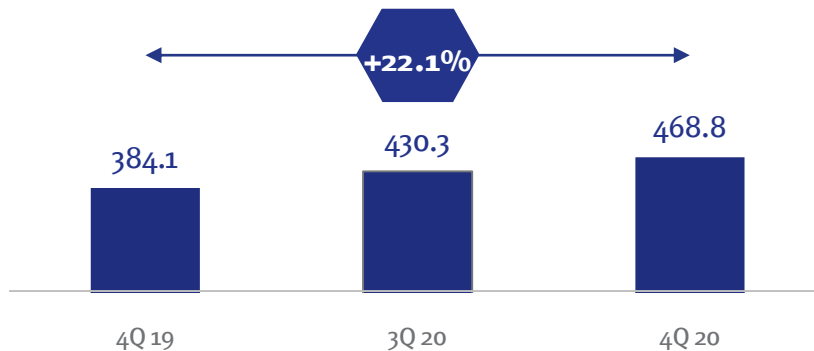
Solid growth in total assets driven

## Highlights

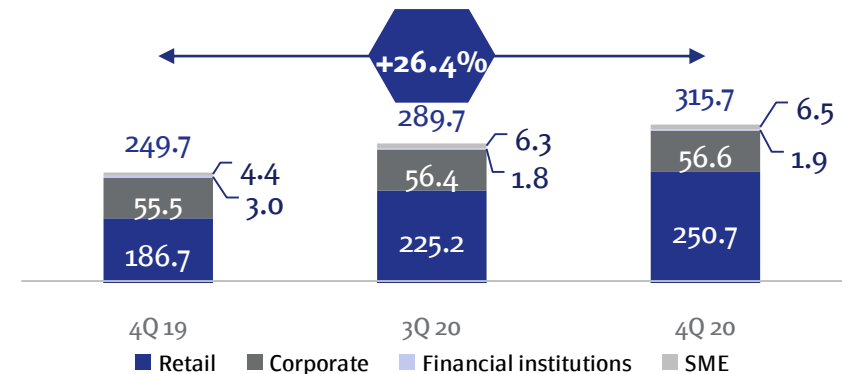
- Total Assets grew by (+22% YTD) driven by strong growth in financing & investment.
- Net financing grew by (+26% YTD) contributed by strong retail performance.
- Customers deposits growth of (+22% YTD) contributed by growth in demand deposits.

SAR (mn)	4Q 2020	3Q 2020	QoQ	4Q 2019	YTD
Cash and balances with SAMA	47,363	37,451	+26%	39,294	+21%
Due from banks and other FI	28,655	27,517	+4%	32,058	-11%
Investments, net	60,285	57,111	+6%	46,843	+29%
Financing, net	315,712	289,729	+9%	249,683	+26%
Other Assets	16,810	18,492	-9%	16,209	+4%
<b>Total assets</b>	<b>468,825</b>	<b>430,300</b>	<b>+9%</b>	<b>384,087</b>	<b>+22%</b>
Due to banks and other FI	10,764	11,294	-5%	2,220	+385%
Customers' deposits	382,631	345,322	+11%	312,406	+22%
Other liabilities	17,311	18,765	-8%	18,269	-5%
<b>Total liabilities</b>	<b>410,706</b>	<b>375,381</b>	<b>+9%</b>	<b>332,895</b>	<b>+23%</b>
<b>Total shareholders' equity</b>	<b>58,119</b>	<b>54,919</b>	<b>+6%</b>	<b>51,192</b>	<b>+14%</b>

Total Assets (SARbn)



Financing, Net (SARbn)



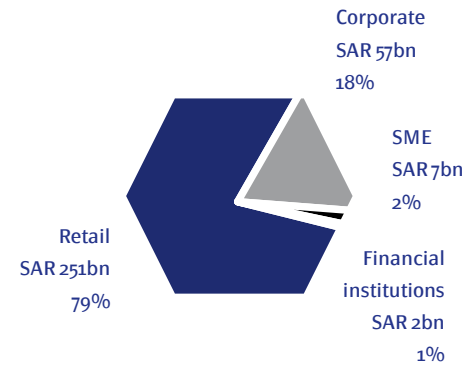
# Balance Sheet Trends (2)

Strong financing growth, mortgage is the main driver

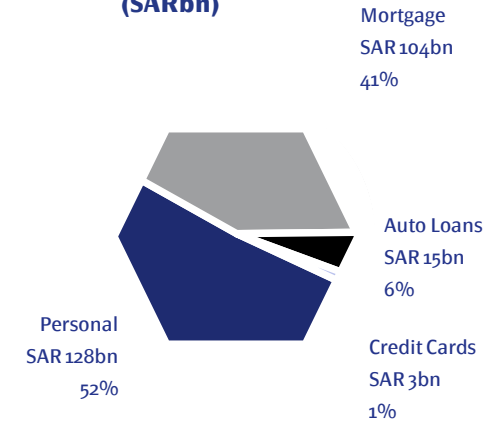
## Highlights

- Retail financing growth of (+34% YTD) mainly driven by growth in mortgage financing (+90% YoY).
- Financing is dominated by retail (79%) followed by corporate (21%).
- Retail financing is primarily comprised of personal (52%) and mortgage financing (41%).

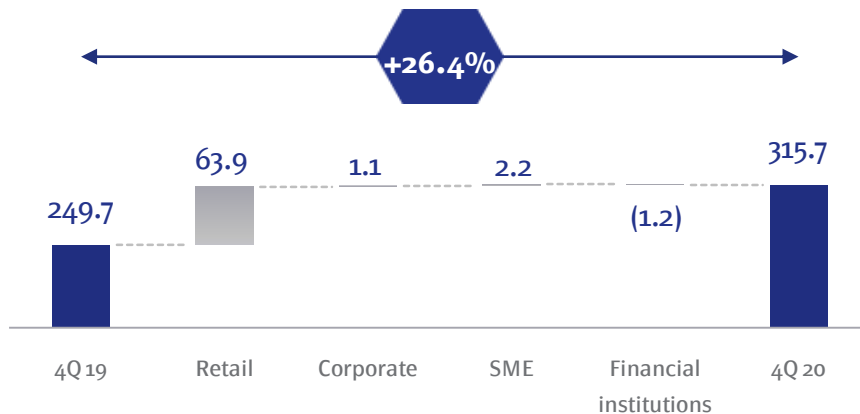
Financing, Net Mix By Segment (SARbn)



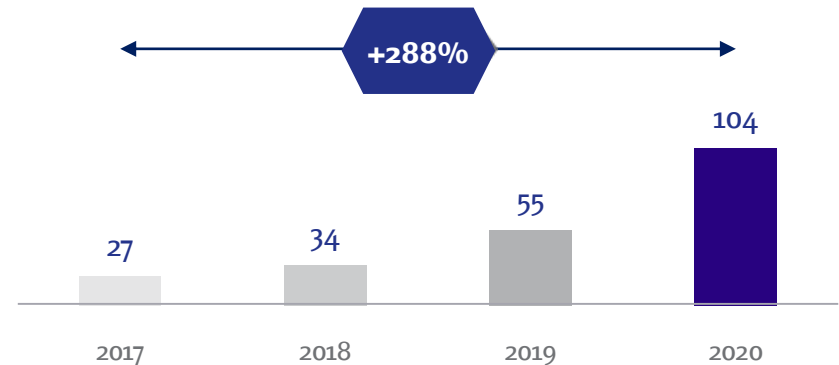
Retail Financing, Net Mix By Type (SARbn)



Financing, Net Drivers (SARbn)



Mortgage Financing (SARbn)



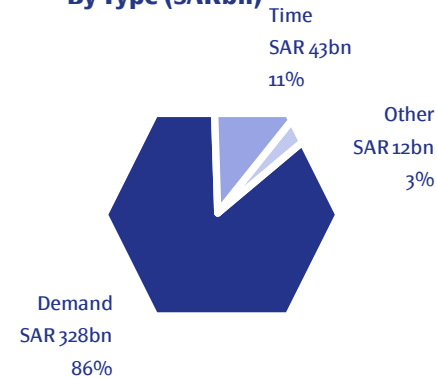
# Balance Sheet Trends (3)

Resilient growth in demand deposits

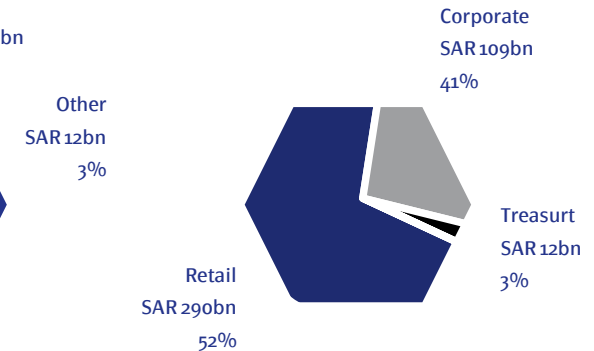
## Highlights

- Customers deposits growth of (+22% YTD) contributed by growth in demand deposits.
- Strong stable funding with (89%) of liabilities sourced from customers' deposits.
- Current accounts grew by (+15% YTD) a (89%) non-profit bearing deposits.

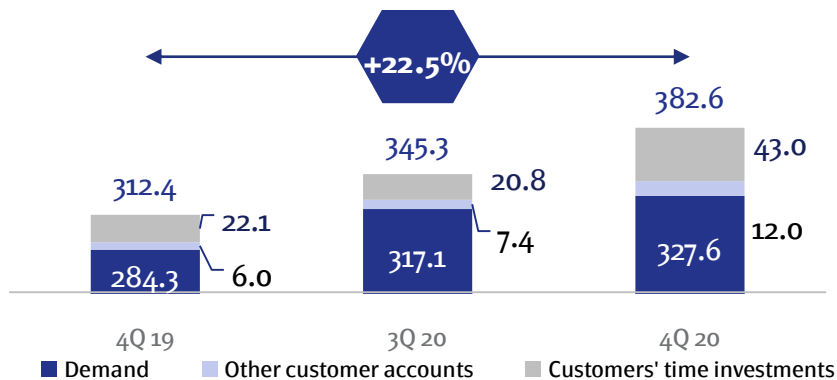
Total Customers' Deposits Mix By Type (SARbn)



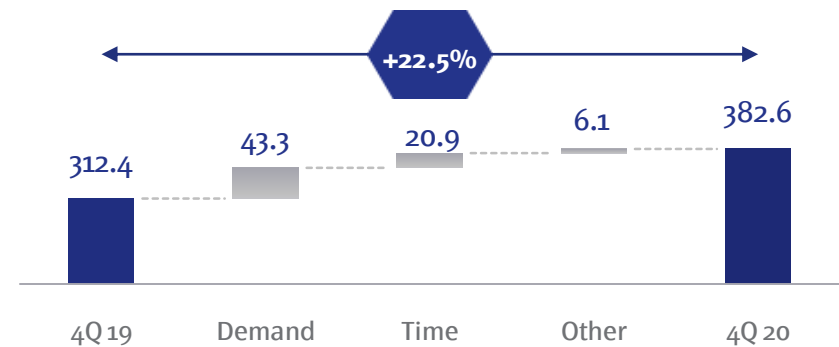
Total Liabilities Mix By Segment (SARbn)



Total Customers' Deposits (SARbn)



Total Customers' Deposits Drivers (SARbn)



# Net Income Trends

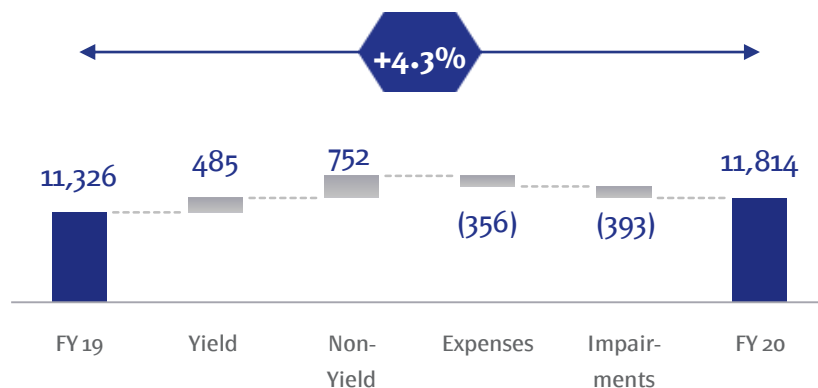
Healthy results despite unprecedented environment

## Highlights

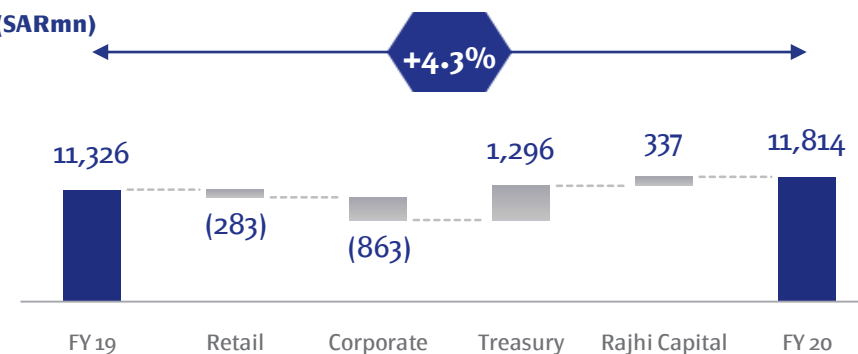
- Net Income before Zakat increased by (+4.3% YoY) caused by growth in fee income.
- Net yield income growth of (+3% YoY), and non-yield income growth of (+25% YoY).
- On a segmental basis, Retail Banking declined by (-4% YoY) offset by growth in Treasury by (+53% YoY).

SAR (mn)	FY 2020	FY 2019	YoY	4Q 2020	4Q 2019	YoY
<b>Net financing and investment income</b>	<b>16,913</b>	<b>16,428</b>	<b>+3%</b>	<b>4,638</b>	<b>4,259</b>	<b>+9%</b>
Fee from banking services, net	2,660	1,987	+34%	864	456	+89%
Exchange Income, net	784	774	+1%	210	194	+8%
Other operating income, net	365	295	+23%	82	93	-12%
<b>Fees and other income</b>	<b>3,808</b>	<b>3,057</b>	<b>+25%</b>	<b>1,155</b>	<b>744</b>	<b>+55%</b>
<b>Total operating income</b>	<b>20,721</b>	<b>19,484</b>	<b>+6%</b>	<b>5,794</b>	<b>5,003</b>	<b>+16%</b>
Operating expenses	(6,742)	(6,386)	+6%	(1,763)	(1,742)	+1%
<b>Pre-provision Profit</b>	<b>13,979</b>	<b>13,099</b>	<b>+7%</b>	<b>4,030</b>	<b>3,261</b>	<b>+24%</b>
Impairment charge	(2,166)	(1,772)	+22%	(550)	(665)	-17%
<b>Net income for the period before Zakat</b>	<b>11,814</b>	<b>11,326</b>	<b>+4%</b>	<b>3,480</b>	<b>2,596</b>	<b>+34%</b>
Zakat	(1,218)	(1,168)	+4%	(359)	(278)	+29%
<b>Net income for the period after Zakat</b>	<b>10,596</b>	<b>10,159</b>	<b>+4%</b>	<b>3,121</b>	<b>2,318</b>	<b>+35%</b>

Net Income Before Zakat Growth Drivers By Type (SARmn)



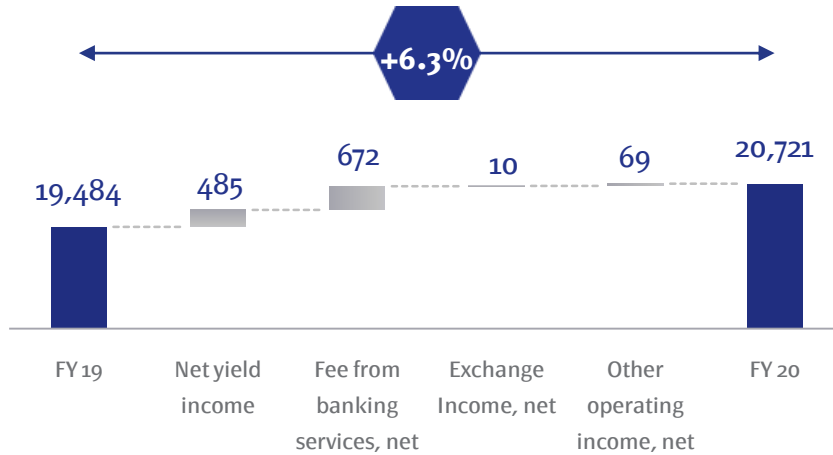
Net Income Before Zakat Growth Drivers By Segment (SARmn)



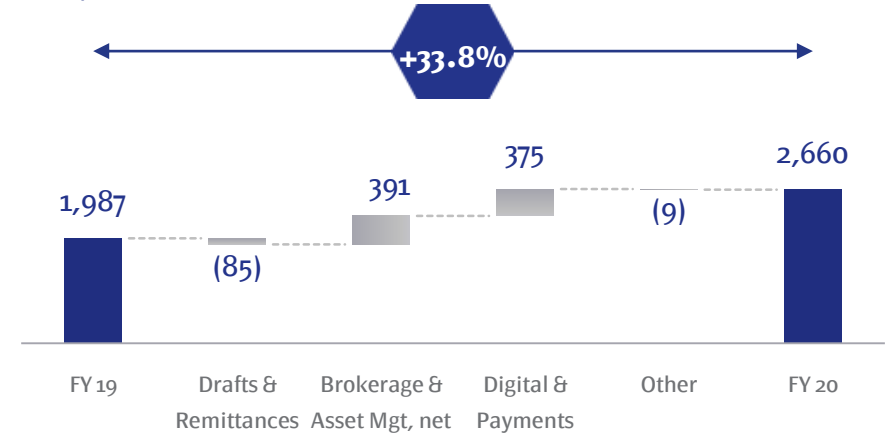
# Operating Income Trends

Operating income growth of 6%, driven by 34% growth in Fee income

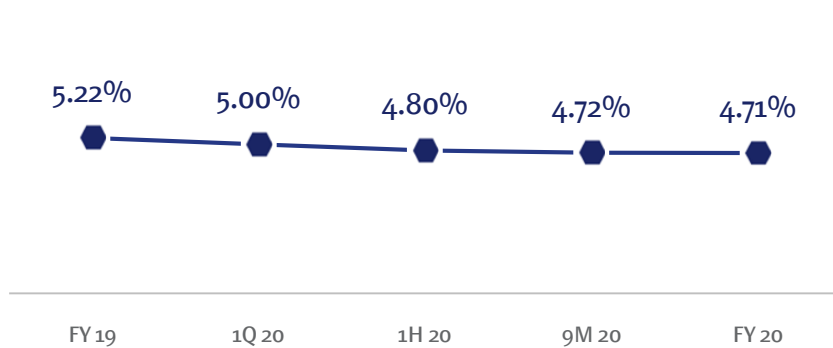
**Total Operating Income Growth Drivers By Type (SARmn)**



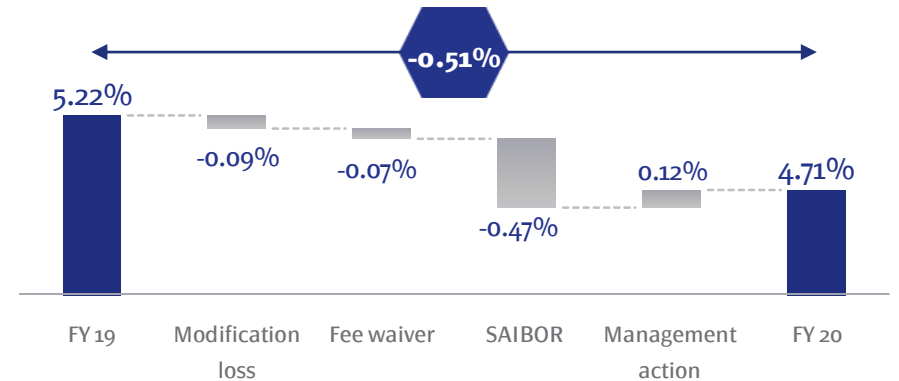
**Fee From Banking Services, Net - Growth Drivers By Type (SARmn)**



**Net Profit Margin (%)**



**NIM drivers (%)**



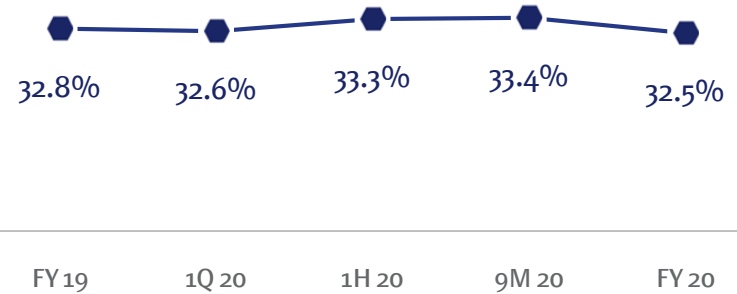
# Expenses Trends

Upgrading IT & Digital platform, a long term investment

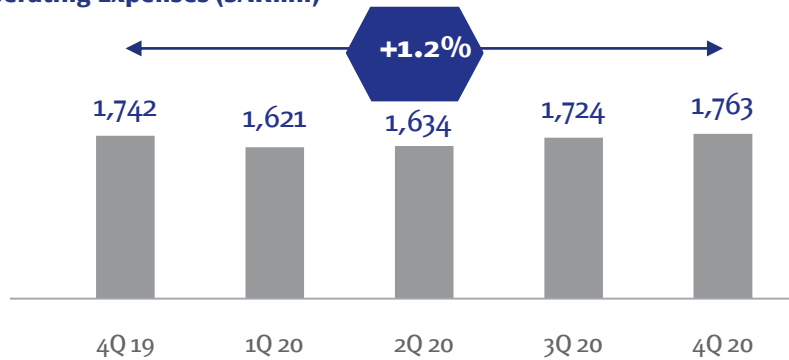
## Highlights

- Cost to income ratio at (32.5%) a 24 bps decrease YoY.
- Operating expenses grew by (+5.6% YoY).
- Higher IT cost primarily related to acceleration of digital and infrastructure spend to enhance resilience.

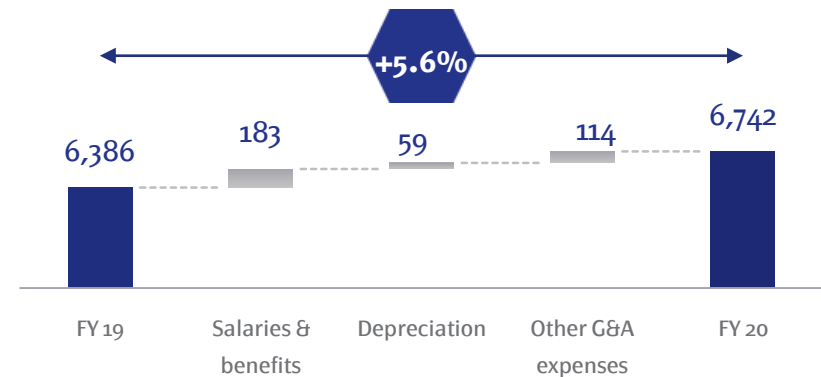
## Cost To Income Ratio Trend (%)



## Operating Expenses (SARmn)



## Operating Expenses Growth Drivers By Type (SARmn)



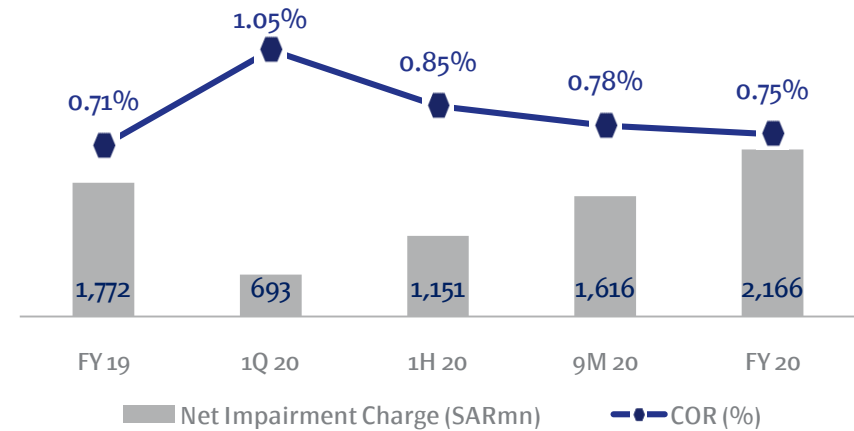
# Asset Quality Trends (1)

Asset quality remains healthy and sound NPL coverage

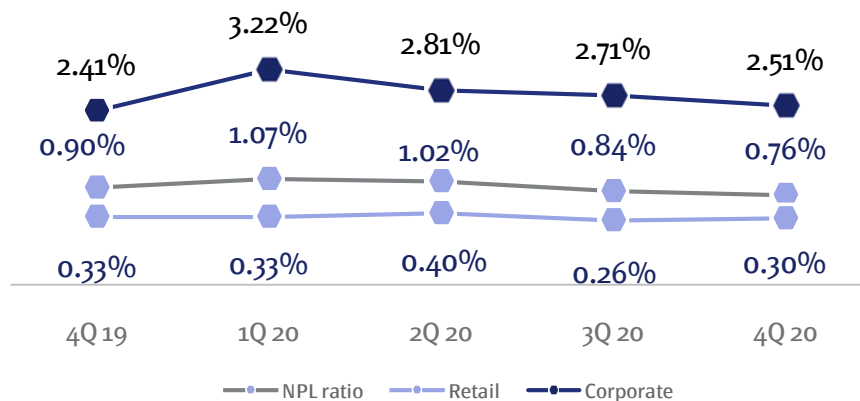
## Highlights

- Net Provision increased by (+22% YoY).
- NPL ratio at (0.76%) lower by 14bps compared to last year.
- Coverage ratio remains healthy (306%), well above industry average.

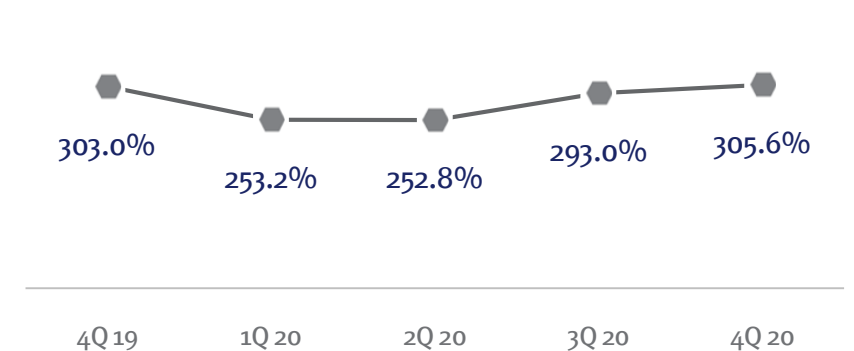
## Impairment Charges (SARmn) & COR (%)



## NPL Ratio Trend (%)



## NPL Coverage Trend (%)





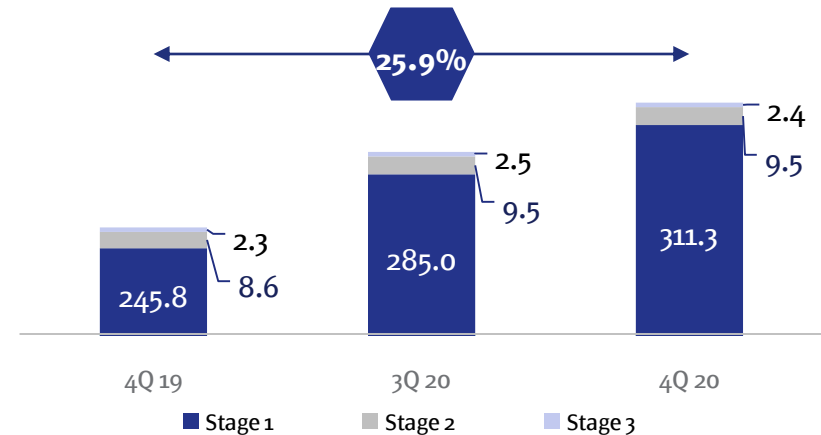
# Asset Quality Trends (2)

Healthy stage coverage and prudent risk management

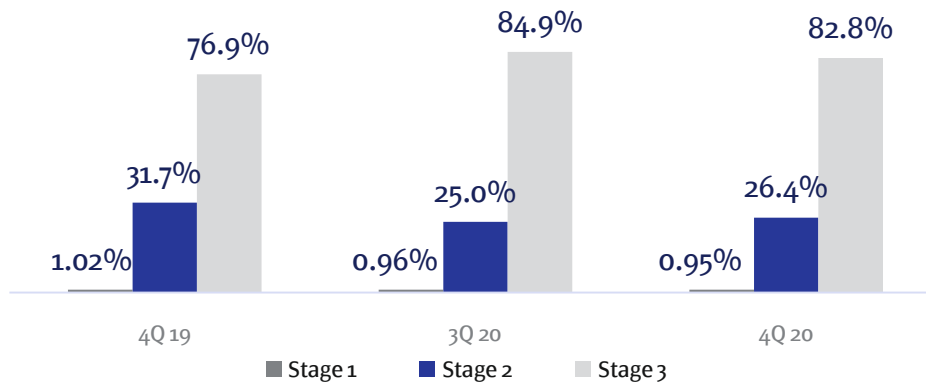
## Highlights

- 96% of the portfolio is stage 1, above industry coverage across all the stages.
- Gross charge of SAR 3,418mn has been taken including SAR 608mn of COVID-19 overlay.
- Further assessments of SICR and ECL are has been performed, will review it regularly inline with the current environment.

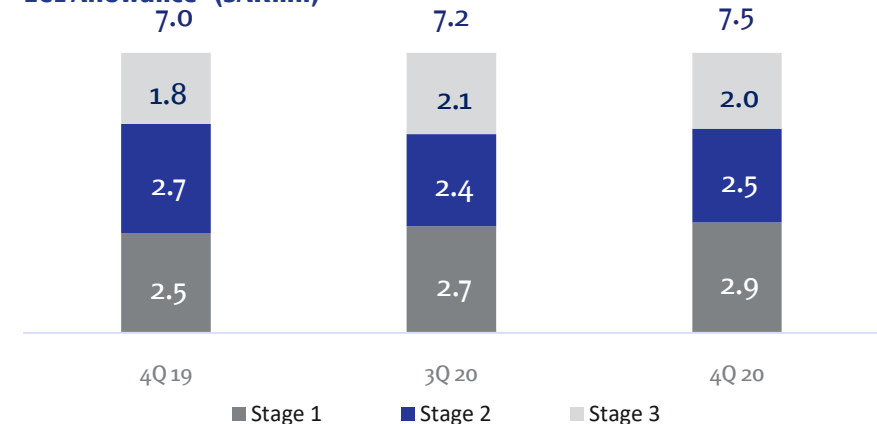
Gross loans by Stage (SARbn)



ECL Coverage\* (%)



ECL Allowance\* (SARmn)



\* Stage exposure and ECL allowances varies from the financial statements due to IFRS9 cure period treatment

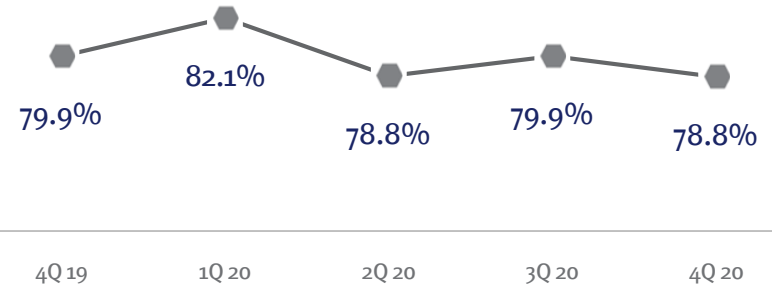
# Liquidity Trends

Liquidity remain comfortably within regulatory requirements

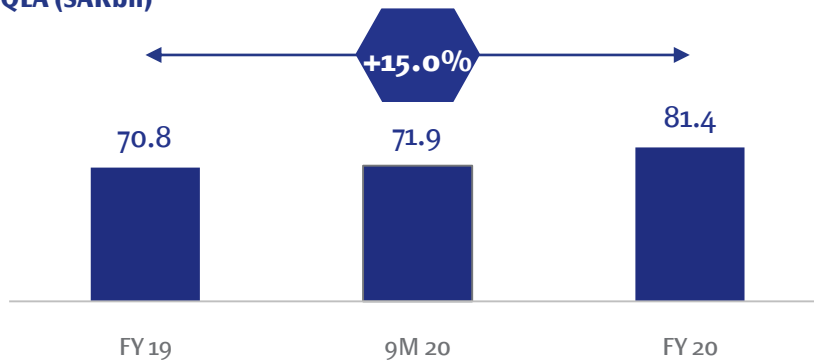
## Highlights

- LDR remains stable at (78.8%).
- Liquidity remains healthy, LCR at (155%) and NSFR at (123%).
- HQLA increased by (+15.0% YTD).

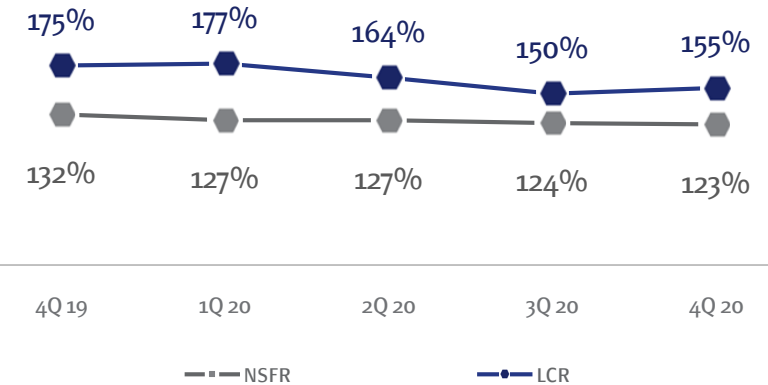
## Loan to deposit Ratios (%)



## HQLA (SARbn)



## Liquidity Ratios (%)



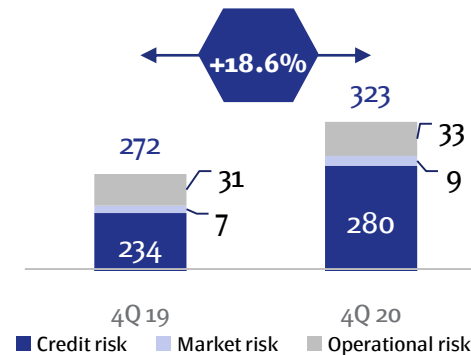
# Capitalisation Trends

Capital position well above regulatory minima

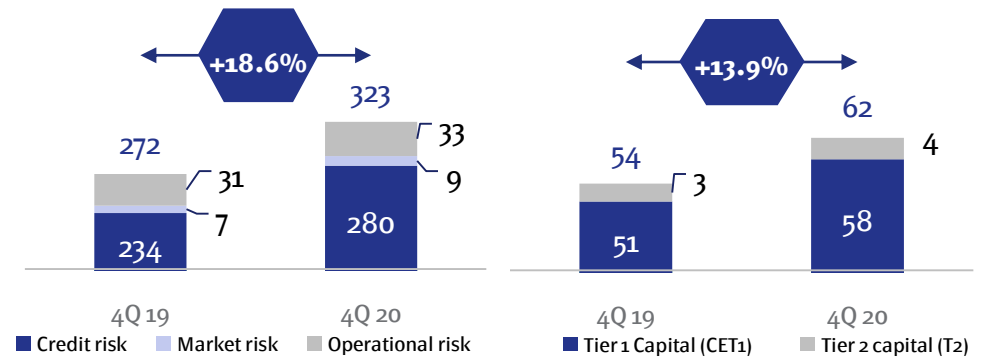
## Highlights

- Total Capital increased by (+13.9% YTD).
- Risk weighted assets increased by (+18.6% YTD) mainly driven by growth in credit risk.
- Stable CAR at (19.1%), and CET1 at (18.0%) driven by growth in total capital.

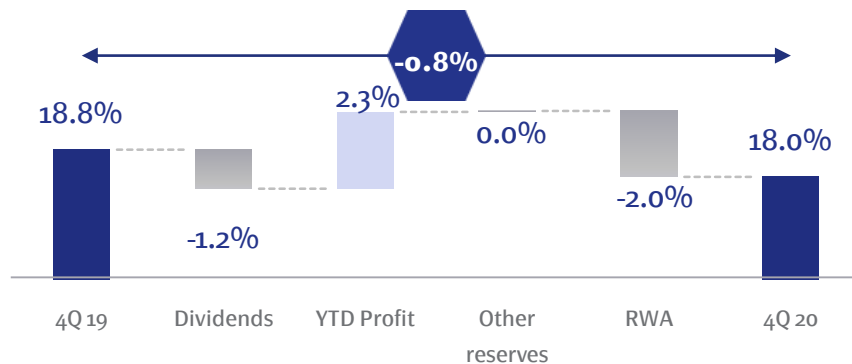
RWA (SARbn)



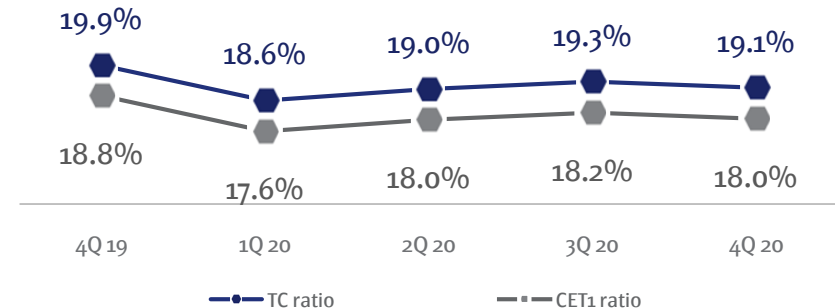
Total Capital (SARbn)



CET1 Movment (%)



Capital Ratios (%)



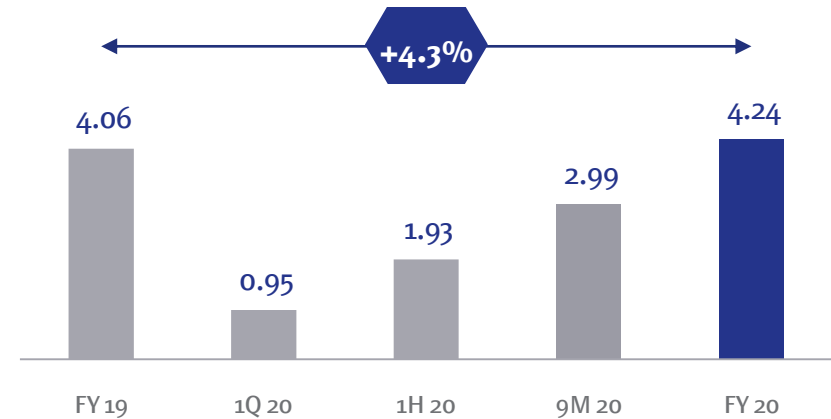
# Return Metrics

Returns remain well above industry average

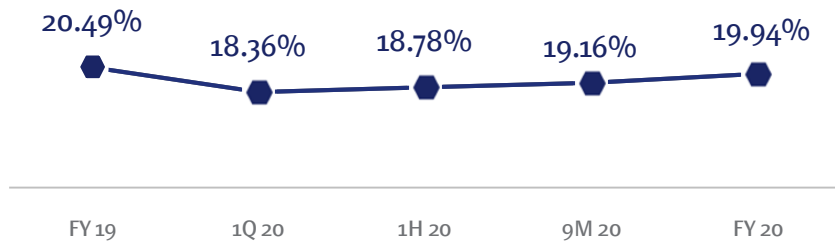
## Highlights

- Stable growth in EPS of (SAR 4.24).
- Market-leading ROE at (19.94%), well above peers.
- Solid ROA at (2.56%) given the growth in total assets.

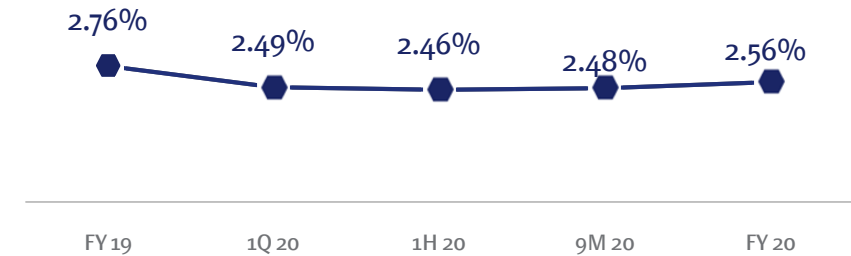
## Earnings per Share (SAR)



## Return on Equity (%)



## Return on Assets (%)



# Operating Results

FY 2020 Business Performance

# Retail Banking

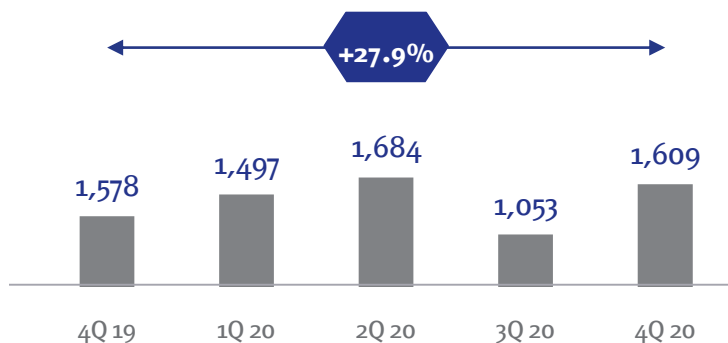
Strong growth in total assets driven by growth in mortgage financing

## Highlights

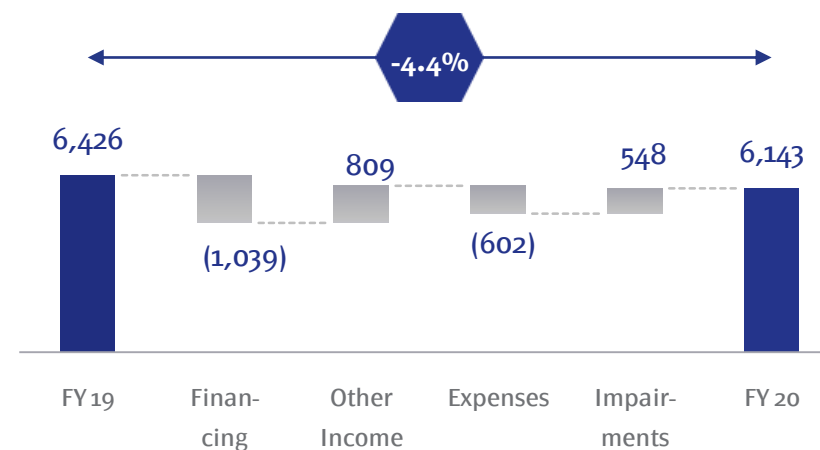
- Retail Banking net income decreased by (-4.4% YoY).
- Total operating income decreased by (-1.7% YoY).
- Continued growth in assets (+28% YoY) and slight liabilities decreased.

SAR (mn)	FY 2020	FY 2019	YoY %	4Q 2020	4Q 2019	YoY %
Net financing and investment income	11,287	12,326	-8.4%	2,811	3,193	-12.0%
Fee and other income	2,074	1,265	+64.0%	744	304	+144.7%
<b>Total operating income</b>	<b>13,361</b>	<b>13,591</b>	<b>-1.7%</b>	<b>3,555</b>	<b>3,497</b>	<b>+1.7%</b>
Operating expenses	6,053	5,451	+11.0%	1,678	1,501	+11.8%
Total impairment charge	1,165	1,713	-32.0%	268	738	-63.6%
<b>Net income for the period</b>	<b>6,143</b>	<b>6,426</b>	<b>-4.4%</b>	<b>1,609</b>	<b>1,258</b>	<b>+27.9%</b>
Total assets	268,109	208,946	+28.3%	268,109	208,946	+28.3%
Total liabilities	289,584	289,628	-0.0%	289,584	289,628	-0.0%

## Net Income (SARmn)



## Net Income Growth Drivers By Type (SARmn)



# Corporate Banking

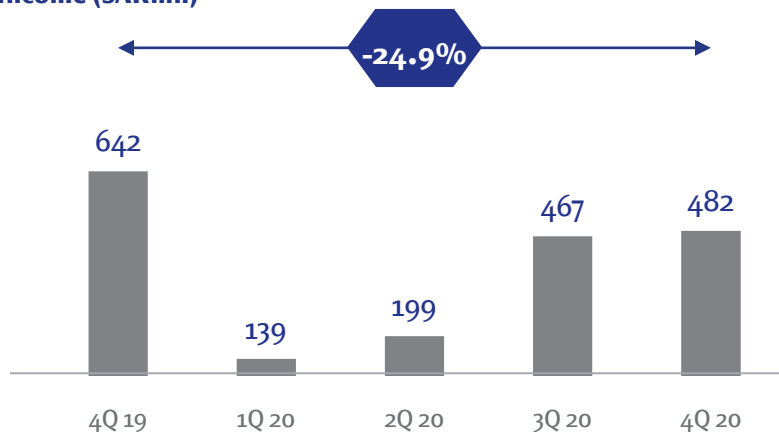
High impairment charge drives net income to decrease

## Highlights

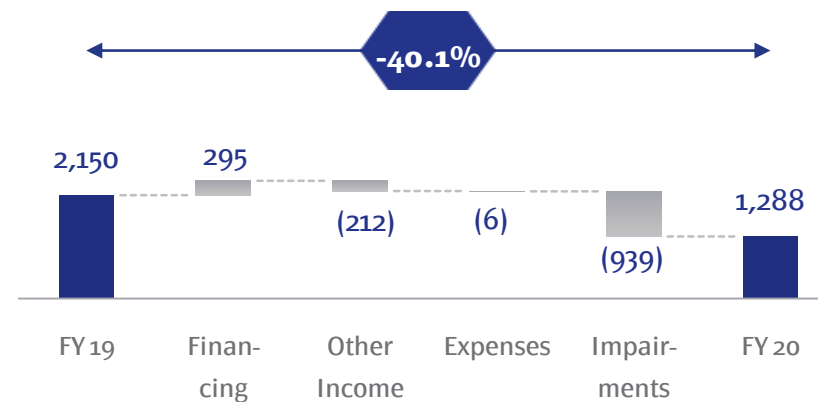
- Corporate Banking net income decreased by (-40% YoY) as a result of higher impairment charge .
- Total operating income decreased by (-3% YoY).
- Financing activities increased by (14% YoY) and fees decreased by (-47% YoY).

SAR (mn)	FY 2020	FY 2019	YoY %	4Q 2020	4Q 2019	YoY %
Net financing and investment income	2,379	2,085	+14.1%	859	558	+53.8%
Fee and other income	235	447	-47.4%	(74)	89	-183.3%
<b>Total operating income</b>	<b>2,615</b>	<b>2,532</b>	<b>+3.3%</b>	<b>784</b>	<b>647</b>	<b>+21.1%</b>
Operating expenses	326	320	+1.8%	(9)	76	-111.7%
Total impairment charge	1,001	61	+1530.6%	311	(71)	-436.6%
<b>Net income for the period</b>	<b>1,288</b>	<b>2,150</b>	<b>-40.1%</b>	<b>482</b>	<b>642</b>	<b>-24.9%</b>
Total assets	66,837	59,407	+12.5%	66,837	59,407	+12.5%
Total liabilities	108,515	34,753	+212.2%	108,515	34,753	+212.2%

Net Income (SARmn)



Net Income Growth Drivers By Type (SARmn)



# Treasury

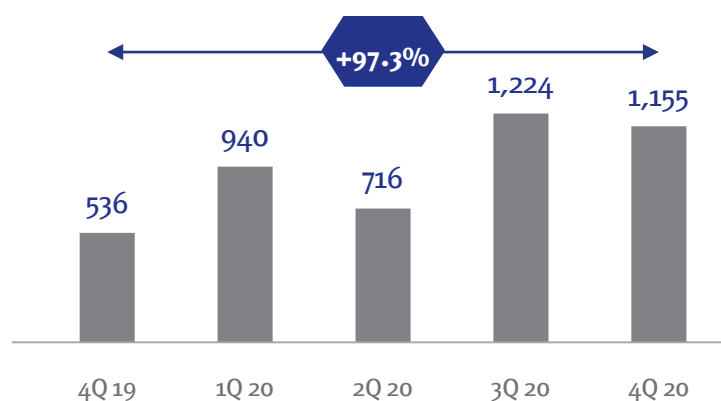
Excellent profit growth from growth in investment income

## Highlights

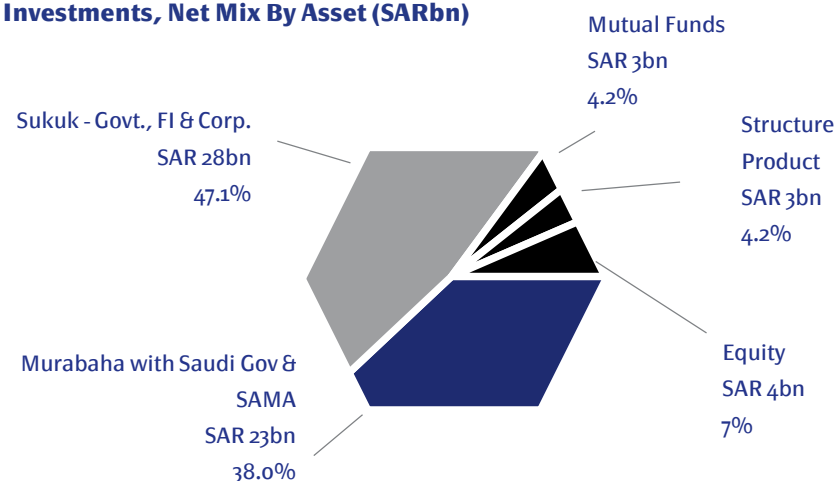
- Total operating income growth of (+36% YoY) driven by growth in investment income.
- Treasury net income rose (+53% YoY) as a result of lower expenses and inverse impairment.
- Growth in assets (+15%) and liabilities (+48%).

SAR (mn)	FY 2020	FY 2019	YoY %	4Q 2020	4Q 2019	YoY %
Net financing and investment income	3,199	1,993	+60.5%	956	500	+91.2%
Fee and other income	741	906	-18.2%	219	208	+5.6%
<b>Total operating income</b>	<b>3,940</b>	<b>2,898</b>	<b>+35.9%</b>	<b>1,175</b>	<b>707</b>	<b>+66.1%</b>
Operating expenses	205	462	-55.7%	49	124	-60.4%
Total impairment charge	0	(2)	-100.0%	(29)	(2)	+1513.6%
<b>Net income for the period</b>	<b>3,735</b>	<b>2,439</b>	<b>+53.2%</b>	<b>1,155</b>	<b>586</b>	<b>+97.3%</b>
Total assets	129,951	112,969	+15.0%	129,951	112,969	+15.0%
Total liabilities	12,443	8,376	+48.6%	12,443	8,376	+48.6%

## Net Income (SARmn)



## Investments, Net Mix By Asset (SARbn)





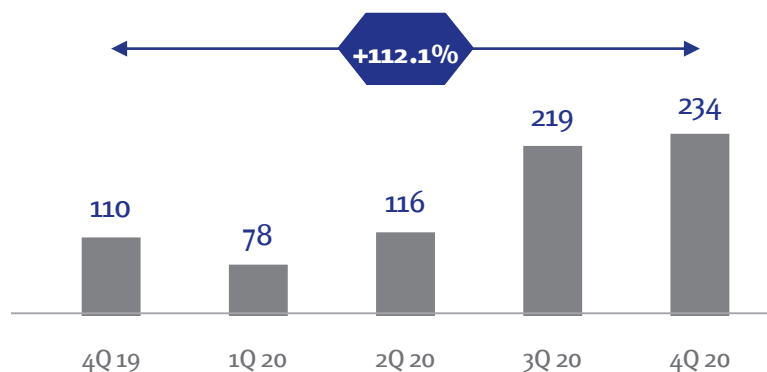
## Outstanding growth driven by higher operating income

### Highlights

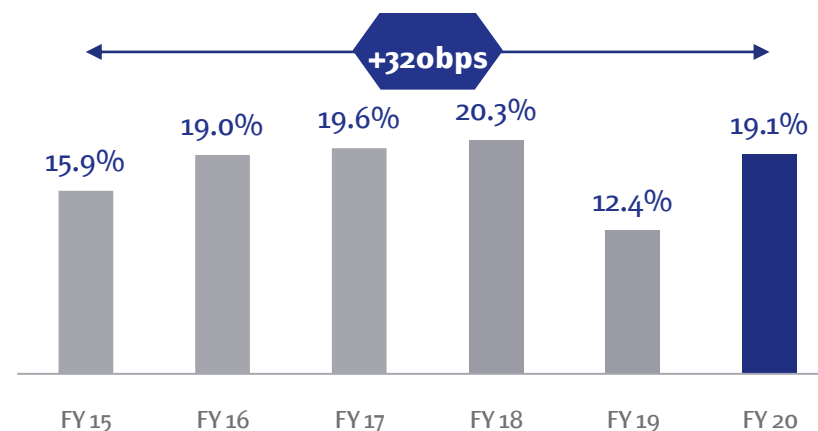
- Net income for Rajhi Capital increased by (+108% YoY) driven by (+73% YoY) operating income growth.
- Total operating income growth driven by excellent growth of (+74% YoY) in Investment income and (+96% YoY) fee income.
- ARC market share increased by 600 bps YTD.

SAR (mn)	FY 2020	FY 2019	YoY %	4Q 2020	4Q 2019	YoY %
Net financing and investment income	48	24	+96.1%	13	9	+52.2%
Fee and other income	758	439	+72.6%	266	143	+86.2%
<b>Total operating income</b>	<b>805</b>	<b>463</b>	<b>+73.8%</b>	<b>279</b>	<b>152</b>	<b>+84.3%</b>
Operating expenses	158	152	+3.5%	46	41	+10.2%
Total impairment charge	0	0		0	0	
<b>Net income for the period</b>	<b>648</b>	<b>311</b>	<b>+108.3%</b>	<b>234</b>	<b>110</b>	<b>+112.1%</b>
Total assets	3,928	2,765	+42.1%	3,928	2,765	+42.1%
Total liabilities	165	137	+19.9%	165	137	+19.9%

### Net Income (SARmn)



### Market Share - Al Rajhi Capital Brokerage (Value traded)



An abstract graphic on the left side of the page, composed of various shades of blue. It features a central vertical column with horizontal lines, flanked by large, angular shapes that resemble stylized architectural elements or a modern building facade. The overall effect is a sense of depth and structure.

# Appendix

Additional Information

# Board of Directors

## Members



Chairman  
Abdullah bin Sulaiman Al Rajhi  
Non-Executive



Vice Chairman  
Ibrahim bin Mohammed Alromaih  
Independent



Alaa bin Shakib Al Jabiri  
Independent



Bader bin Mohammed Al Rajhi  
Non-Executive



Khaled bin Abdulrahman Al Qoaz  
Non-Executive



Abdulaziz bin Khaled Al Ghefaily  
Non-Executive



Ibrahim F. Al-Ghofaily  
Independent



Stefano P. Bertamini  
Non-Executive



Hamza O. Khushaim  
Non-Executive



Raed A. Al-Tamimi  
Independent



Abdulatif A. Alseif  
Independent

# Management Team

International expertise combined with deep roots in Saudi Arabia



**Chief Executive Officer**  
Waleed Al-Mogbel  
Banking experience: 23 years



**Chief Financial Officer**  
Abdulrahman Al Fadda  
Banking experience: 24 years



**Chief Operating Officer**  
Robin Jones  
Banking experience: 33 years



**Chief Risk Officer**  
Abdulaziz Alresais  
Banking experience: 20 years



**Chief Compliance Officer**  
Abdullah Sulaiman Alnami  
Banking experience: 26 years



**Chief Human Resources Officer**  
Ahmed Alsudais  
Banking experience: 29 years



**GM - Digital & Payments**  
Saleh Alzumaie  
Banking experience: 30 years



**GM - Corporate**  
Hossam Al Basrawi  
Banking experience: 24 years



**GM - Treasury**  
Abdulrahman Alajaji  
Banking experience: 17 years



**GM - Sharia**  
Saleh Al-Haidan  
Banking experience: 35 years



**Chief Marketing & UX Officer**  
Turki Aldhfayan  
Banking experience: 13 years



**Chief Governance & Legal Officer**  
Omar Almudarra  
Banking experience: 21 years



**GM - Retail**  
Majed Alrajhi  
Banking experience: 14 years



**Chief Strategy & Transformation Officer**  
James Galloway  
Banking experience: 33 years



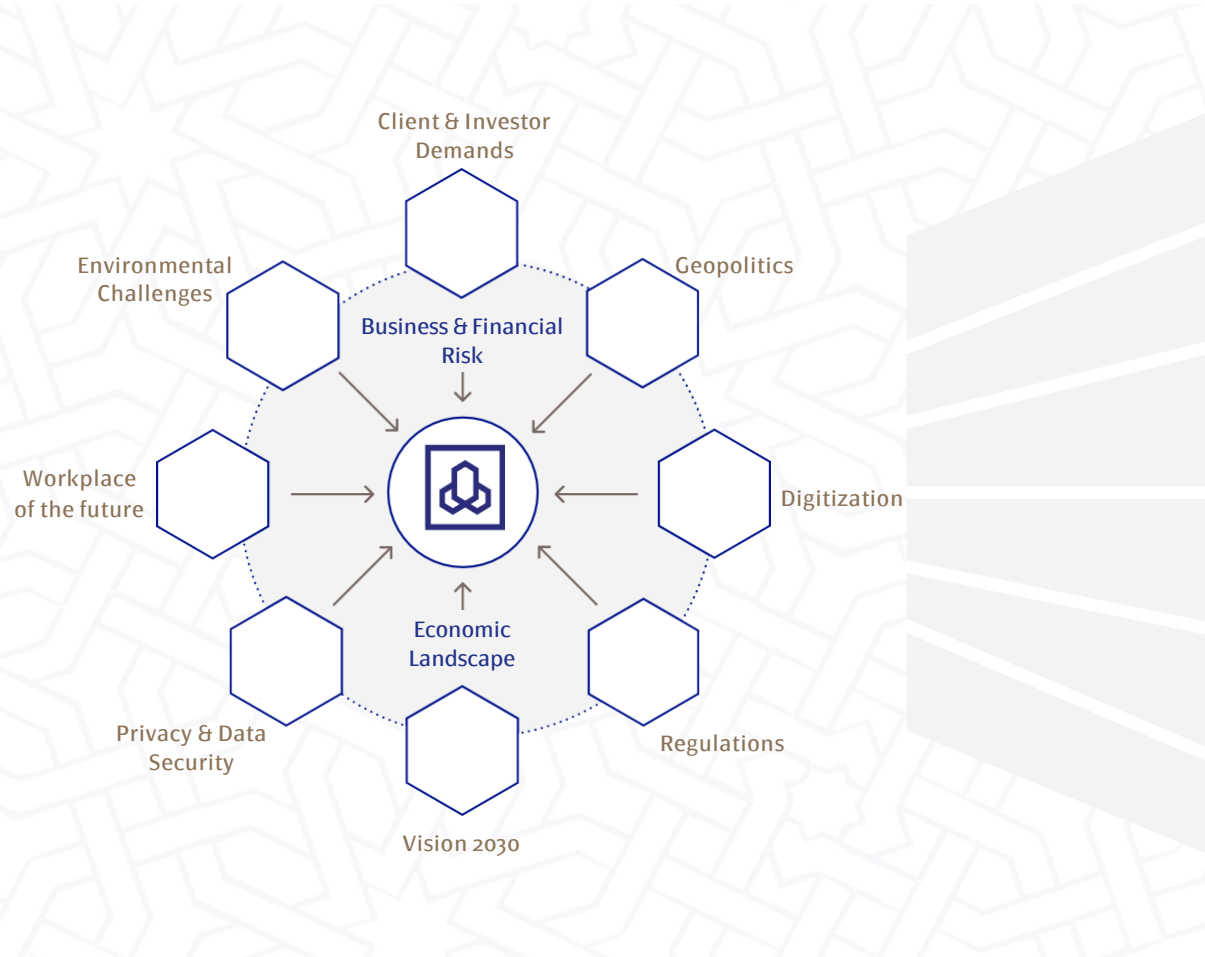
**GM – Private Banking**  
Meshal Alfadel  
Banking experience: 25 years

# Al Rajhi Bank ESG Investor Presentation

# Developments impacting Al Rajhi Bank's operating environment

Major factors integrated into our approach to ESG and our value creation model

## Major Factors



## 'ABCDE' Strategy



**Accelerate growth**  
Improve portfolios in key customer segments



**Become Employer of choice**  
Create a performance-driven culture where the customer comes first



**Customer focus**  
Provide greater convenience and security in customer offering



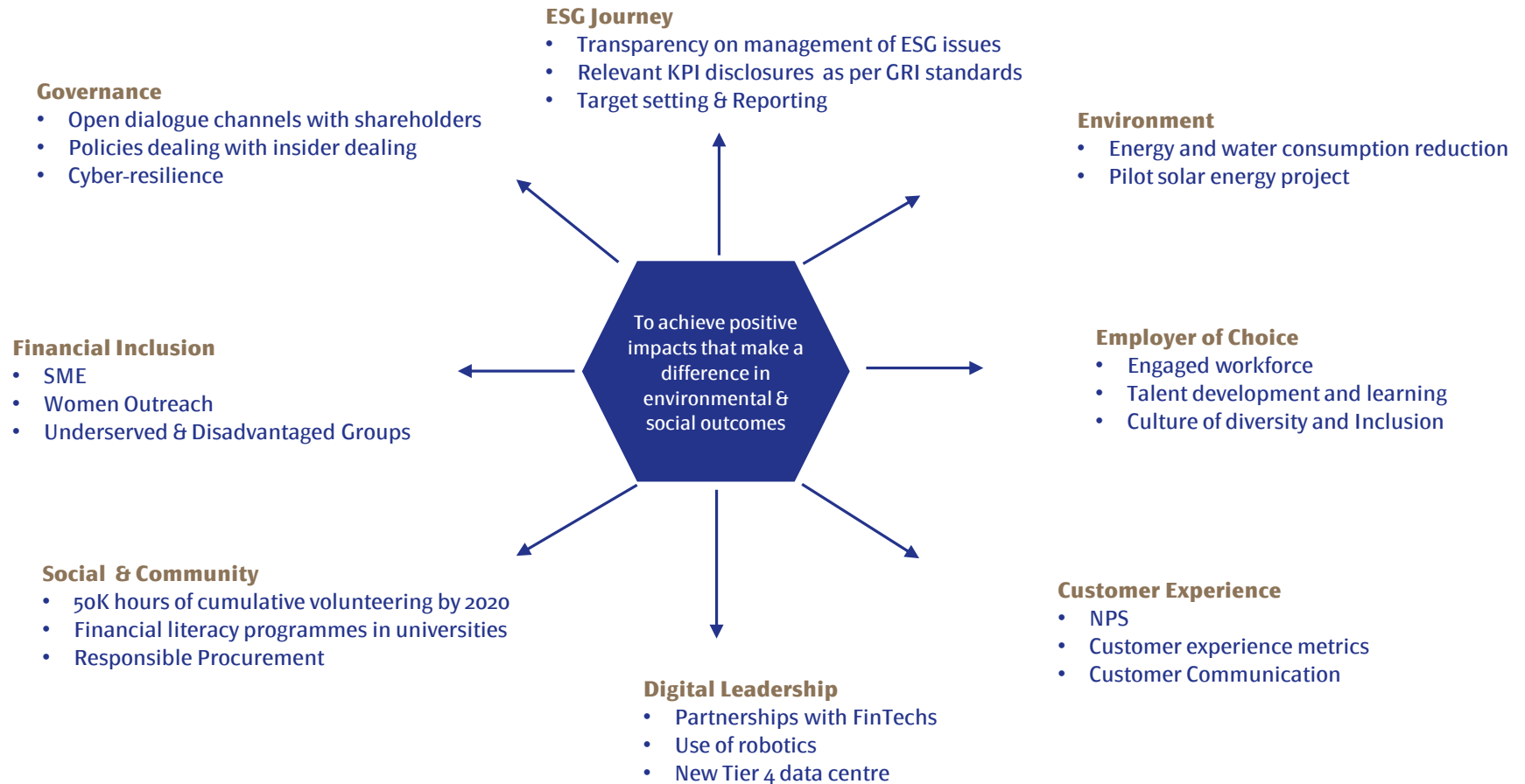
**Digital leadership**  
Expand digital channels and migrate customers to self-service banking



**Execution excellence**  
Explore and execute measures to improve operations

# Conclusion and the way forward

We believe our future success is interlinked with the well-being of our stakeholders.



# Additional Information

Contact investor relations for more information

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Visit our website ([here](#)) for more Investor disclosures:

- Financial Statements
- Investor Presentation
- Factsheet
- Data Supplement



Investor Relations App



Al-Rajhi Banking App



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