



Al Rajhi Bank Results Presentation

1Q 2021 Earnings Conference Call and Webcast



Earnings Call

03

An excellent start to 2021

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Bank Of The Future

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KSA's Macro-Economic Environment

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1Q 2021 Financial Performance

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ESG Highlights

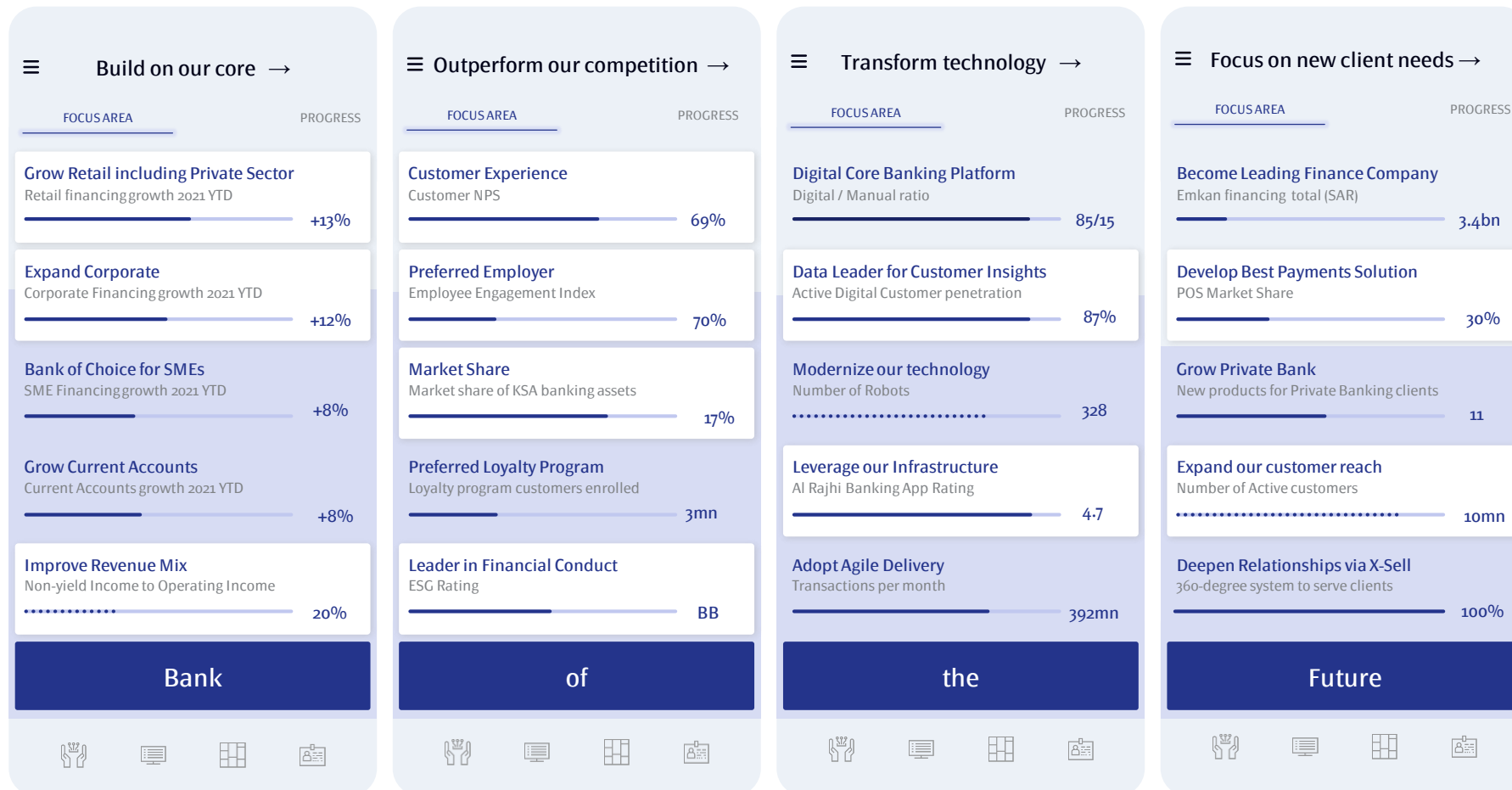
ARB had an excellent start to the year 2021

Results in line with or ahead of expectations



In strong position to deliver the "Bank of the Future"

Strategy 2021-2023 - Selected Metrics



Sources: Al Rajhi Bank, SAMA, Bank Financial Statements



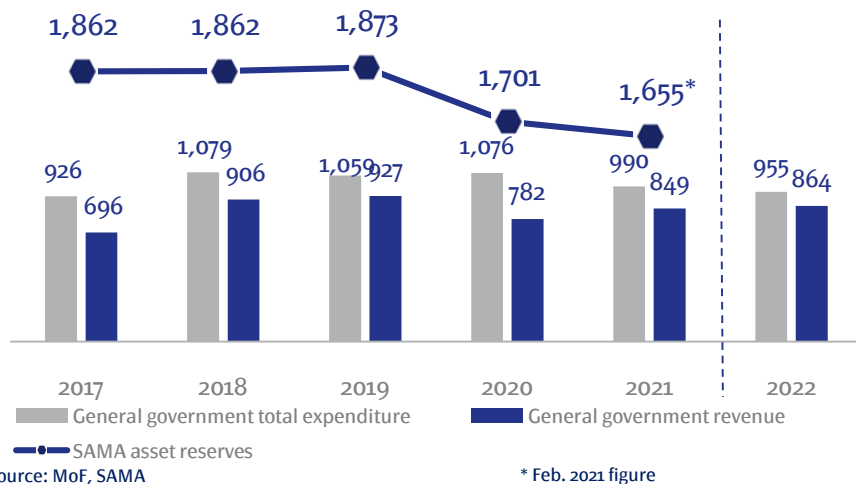
KSA's Macro-Economic Environment

Covid-19 pandemic disruptions have eased

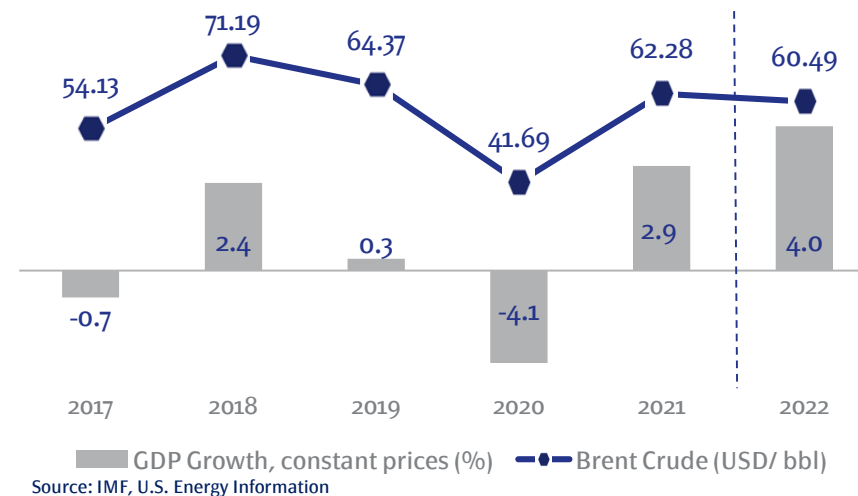
Highlights

- IMF has revised up 2021 GDP growth forecast to 2.9% driven by recovery in oil prices and economic activities.
- Saudi is keeping its fiscal expenditure at the budgeted level.
- Average inflation is forecasted to be 2.9% in 2021.

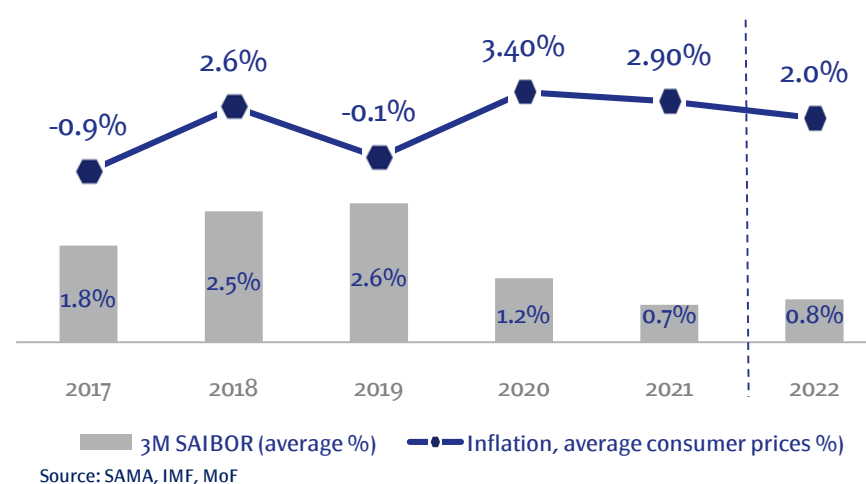
Expenditure/Revenue and Asset Reserves (SARbn)



GDP Growth / Brent Oil Price



3M SAIBOR / Inflation



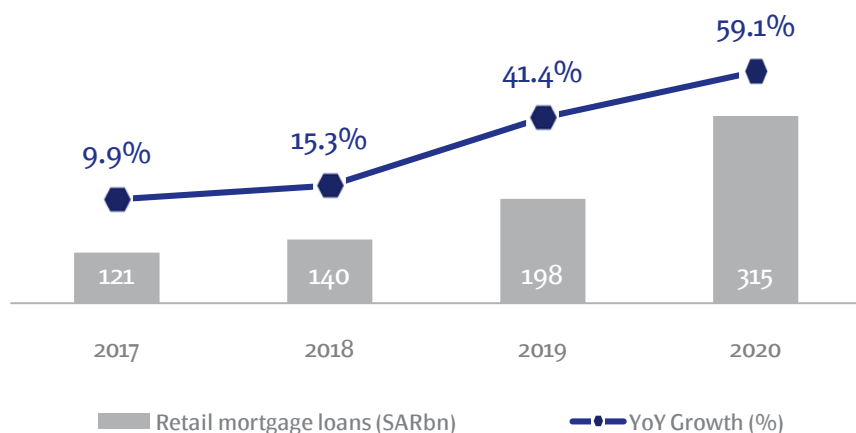
Banking Sector Highlights

Growth in mortgage lending continues to drive up credit growth

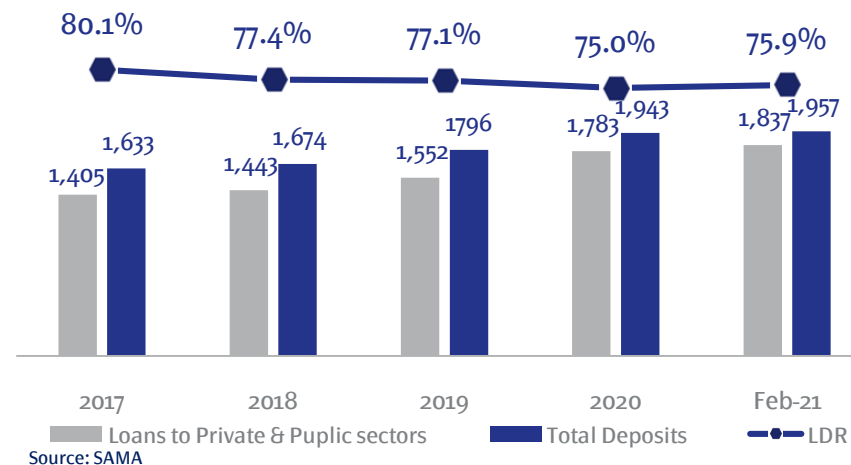
Recent Developments

- SRC reduced mortgage reference rate, starting from 1st of April.
- REDF reduced the tenor of mortgages eligible for subsidies to a maximum of 20 years from 25 years previously.
- MSME deferral program extended the tenor of the facilities for eligible clients, which may impact modification losses.

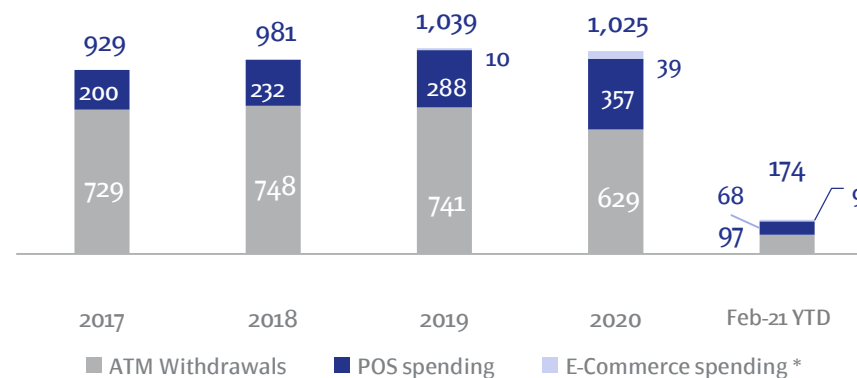
Retail Mortgage (SARbn)



LDR (%) & Bank Loans and Deposits (SARmn)



POS/ATM & E-Commerce (SARbn)



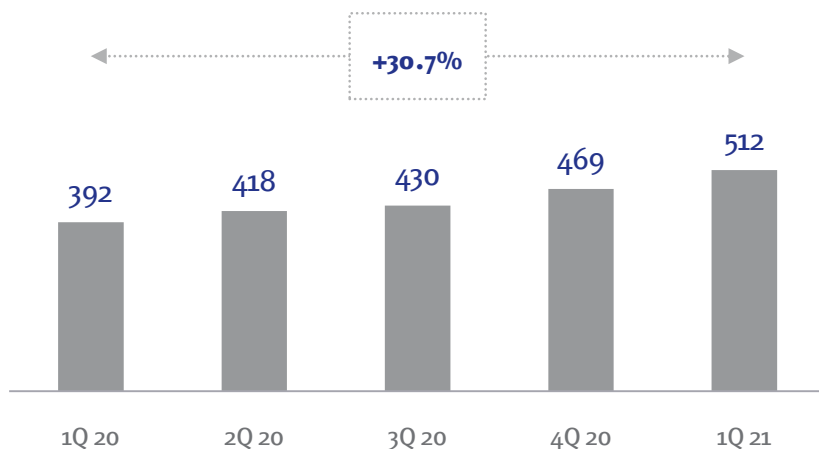
*E-Commerce started in 2019

1Q 2021 Financial Highlights

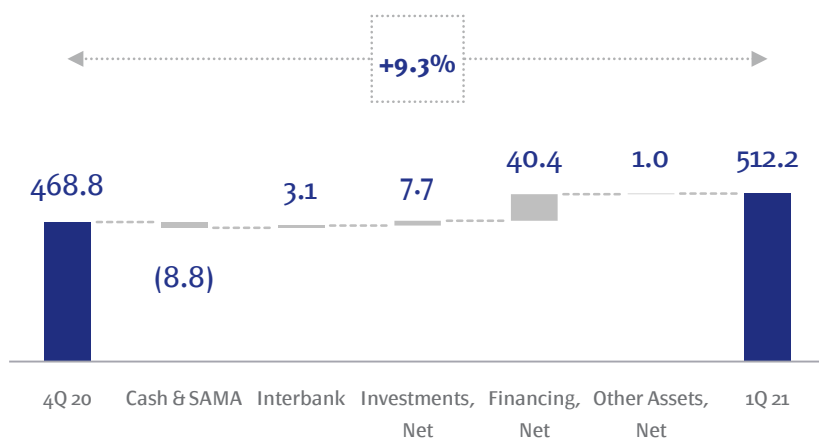
Balance Sheet Trends (1)

Strong 9% QoQ balance sheet growth

Total Assets (SARbn)



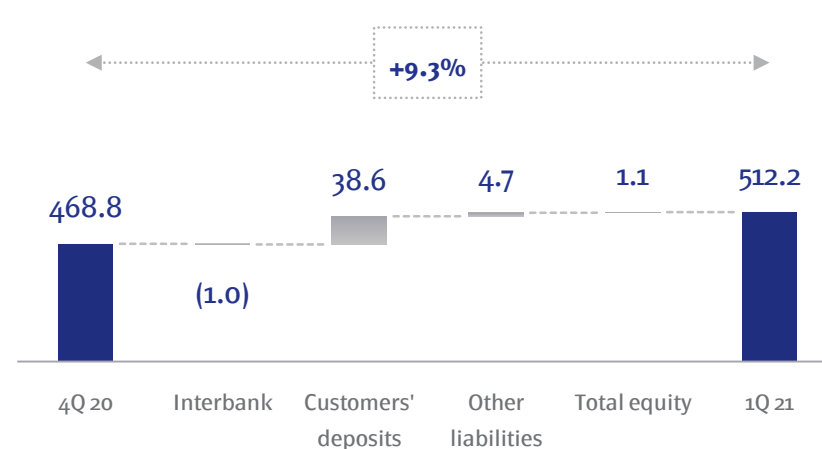
Movement in Assets (SARbn)



SAR (mn)

	1Q 2021	4Q 2020	QoQ	1Q 2020	YoY
Cash and balances with SAMA	38,562	47,363	-19%	36,293	+6%
Due from banks and other FI	31,730	28,655	+11%	28,014	+13%
Investments, net	67,968	60,285	+13%	49,658	+37%
Financing, net	356,144	315,712	+13%	261,385	+36%
Other assets, net	17,829	16,810	+6%	16,552	+8%
Total assets	512,234	468,825	+9%	391,901	+31%
Due to banks and other FI	9,731	10,764	-10%	5,511	+77%
Customers' deposits	421,269	382,631	+10%	315,661	+33%
Other liabilities	22,012	17,311	+27%	21,143	+4%
Total liabilities	453,011	410,706	+10%	342,315	+32%
Total shareholders' equity	59,222	58,119	+2%	49,587	+19%

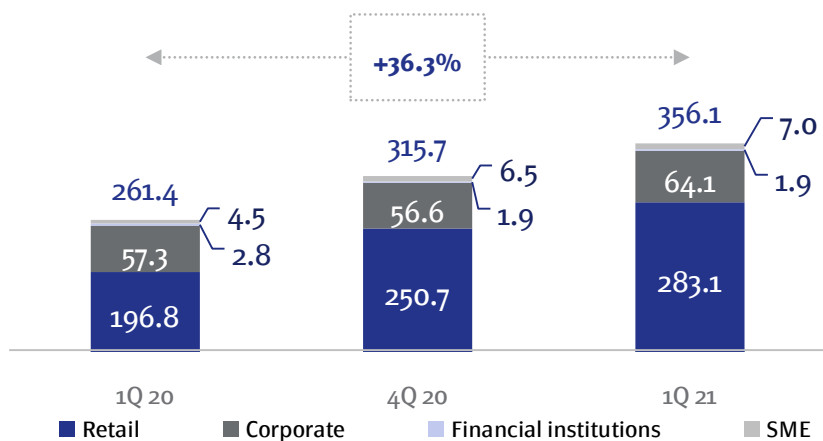
Movement in Funding (SARbn)



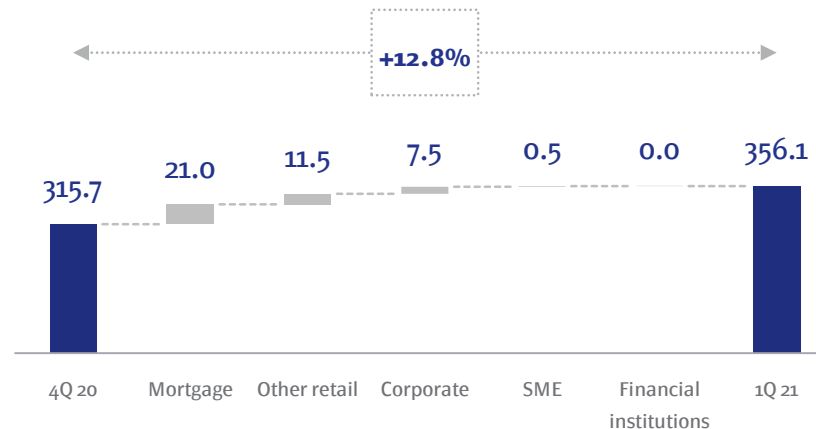
Balance Sheet Trends (2)

Solid growth in customers deposits; Financing growth driven by mortgage growth

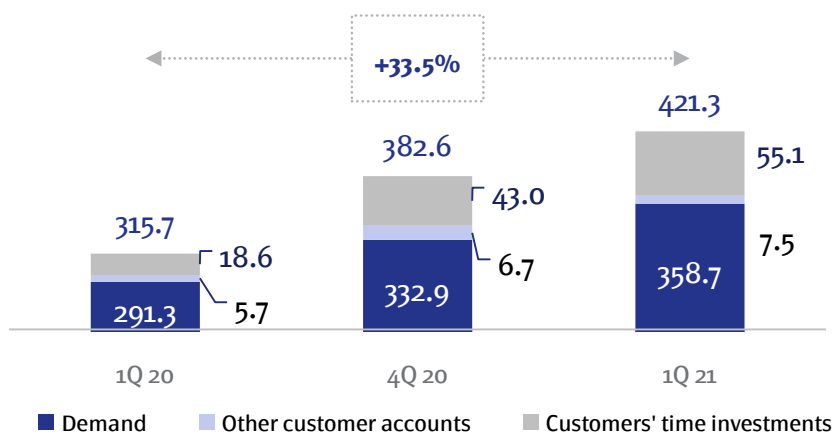
Financing, Net (SARbn)



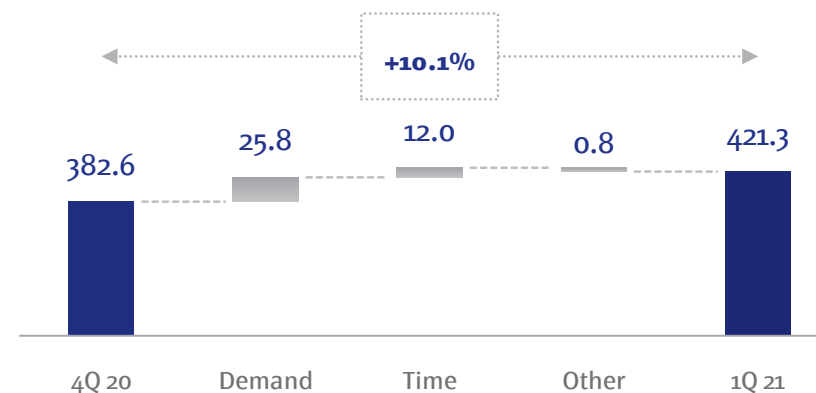
Movement in Financing (SARbn)



Total Customers' Deposits (SARbn)



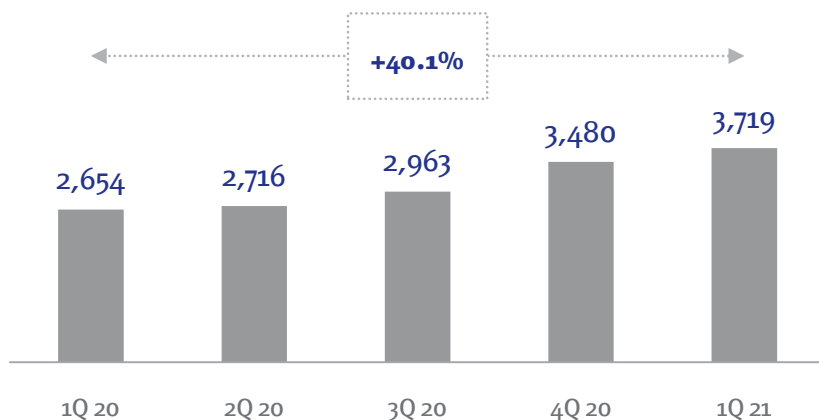
Total Customers' Deposits Drivers (SARbn)



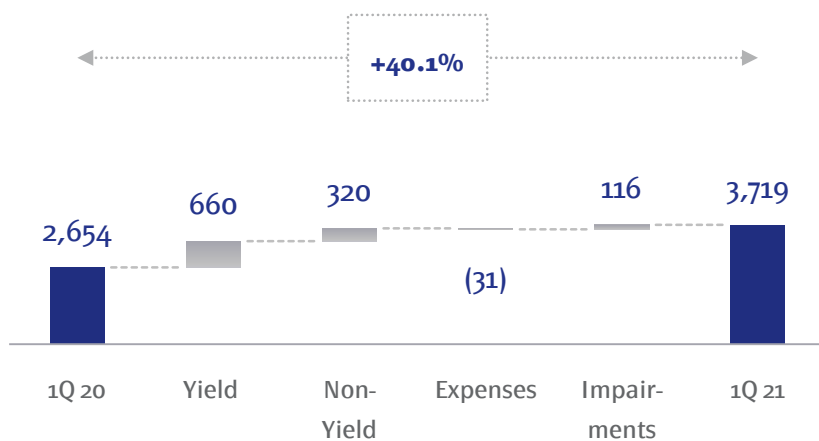
Net Income Trends

Solid net profit growth of 40% YoY

Net Income For The Period Before Zakat (SARmn)

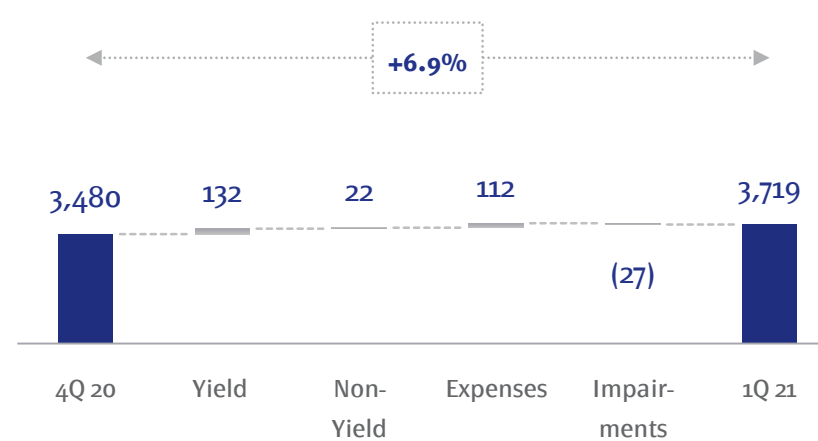


Net Income Before Zakat Growth Drivers By Type (SARmn)



SAR (mn)	1Q 2021	4Q 2020	QoQ	1Q 2020	YoY
Net financing and investment income	4,771	4,638	+3%	4,110	+16%
Fee from banking services, net	909	864	+5%	618	+47%
Exchange Income, net	175	210	-16%	207	-15%
Other operating income, net	93	82	+13%	32	+190%
Fees and other income	1,177	1,155	+2%	857	+37%
Total operating income	5,948	5,794	+3%	4,968	+20%
Operating expenses	(1,652)	(1,763)	-6%	(1,621)	+2%
Pre-provision profit	4,296	4,030	7%	3,347	28%
Total impairment charge	(577)	(550)	+5%	(693)	-17%
Net income for the period before Zakat	3,719	3,480	+7%	2,654	+40%
Zakat	(383)	(359)	+7%	(274)	+40%
Net income for the period after Zakat	3,335	3,121	+7%	2,380	+40%

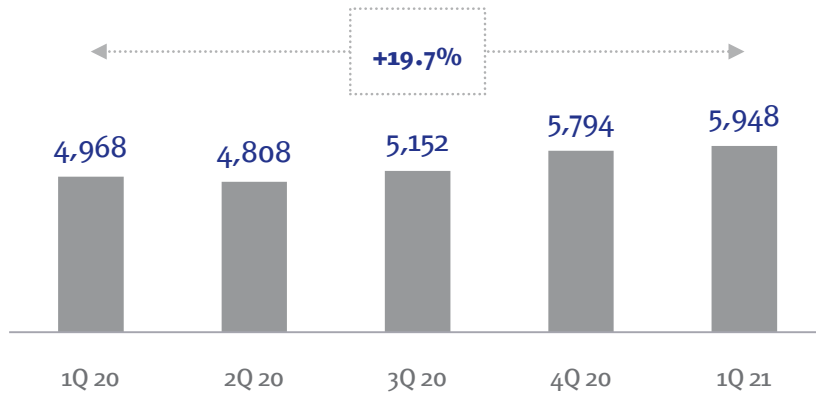
Net Income Before Zakat Growth Drivers By Type (SARmn)



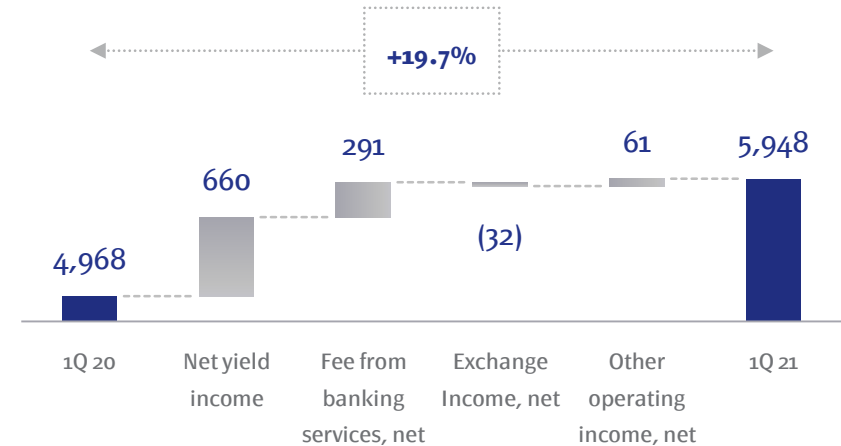
Operating Income Trends

Solid operating income growth, inline with our strategy

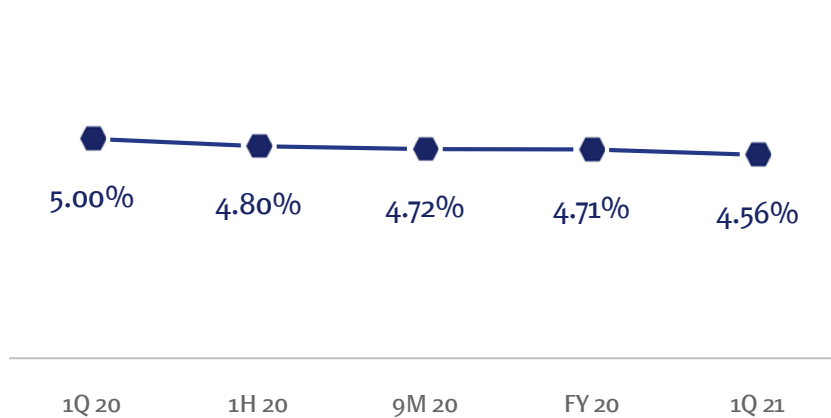
Total Operating Income (SARmn)



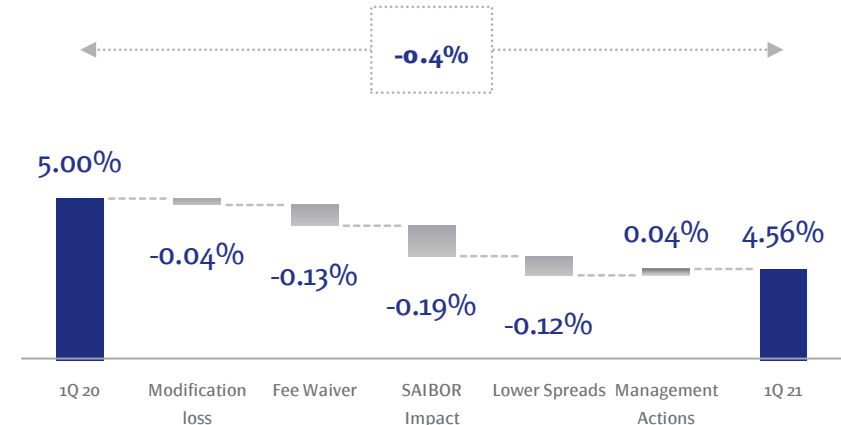
Total Operating Income Growth Drivers By Type (SARmn)



Net Profit Margin (%)



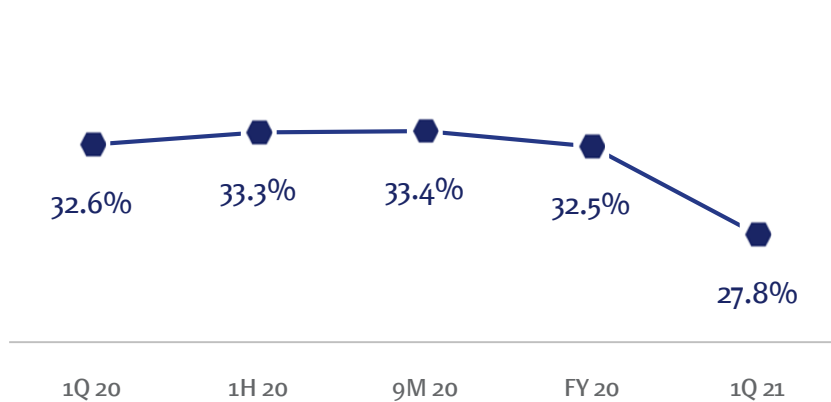
NPM drivers (%)



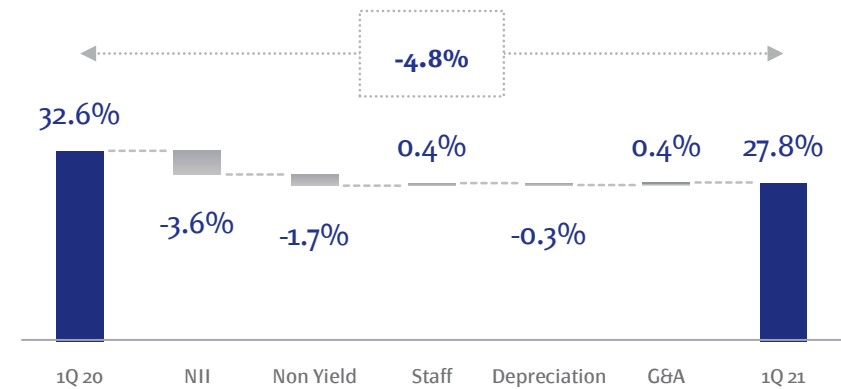
Expenses Trends

Digital platforms drive cost efficiencies and higher positive jaws

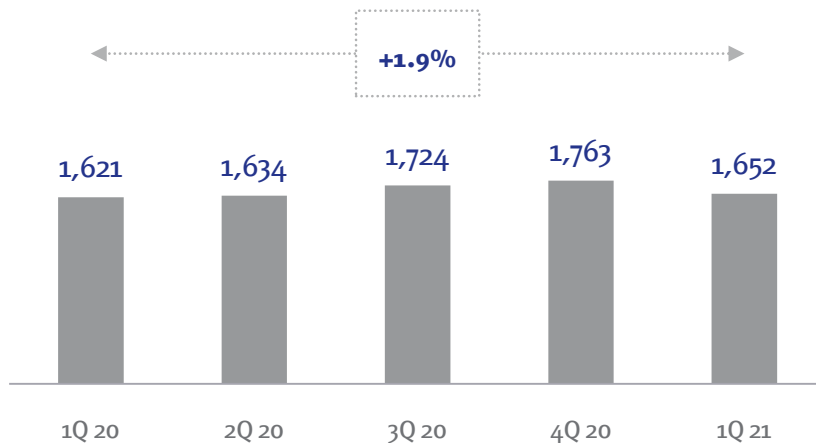
Cost To Income Ratio Trend (%)



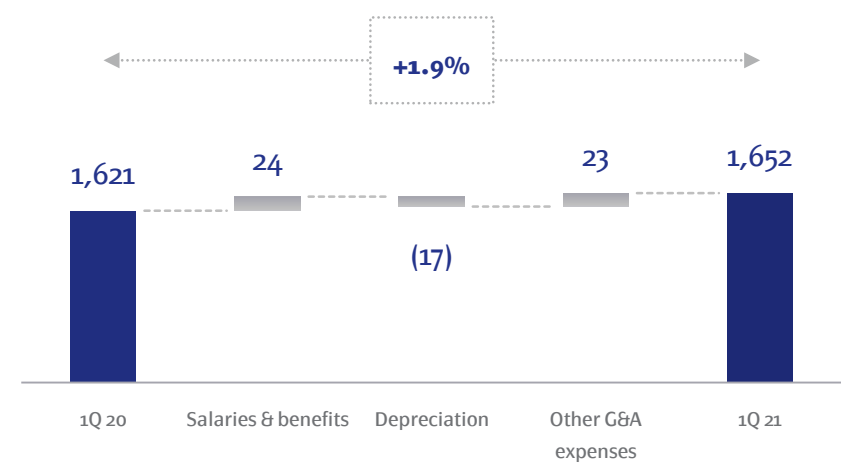
Cost to Income Ratio drivers (%)



Operating Expenses (SARmn)



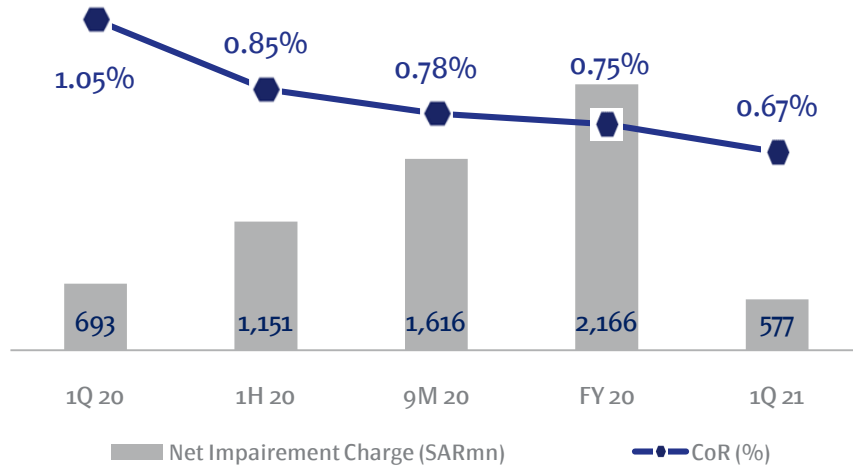
Operating Expenses Growth Drivers By Type (SARmn)



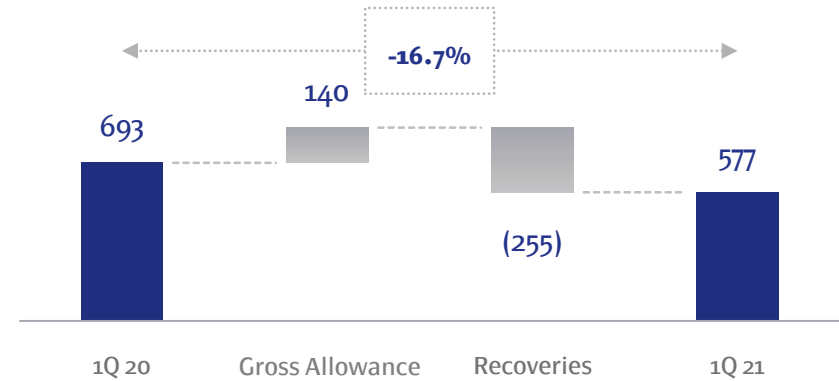
Asset Quality Trends (1)

Asset quality remains healthy and NPL coverage remains strong and stable

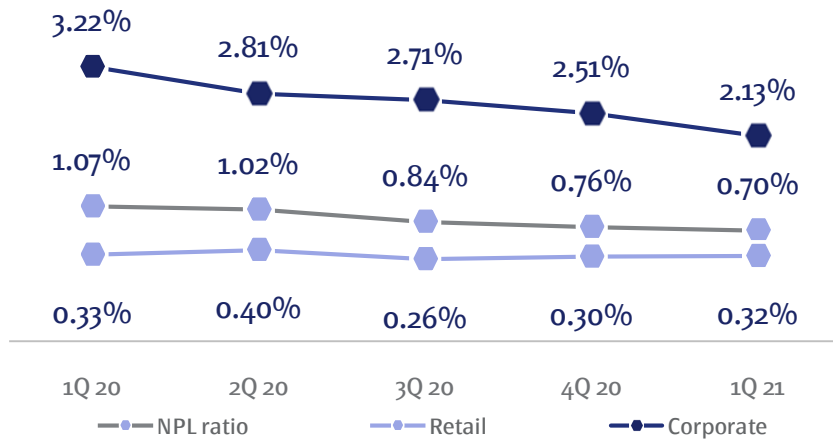
Impairment Charges (SARmn) & CoR (%)



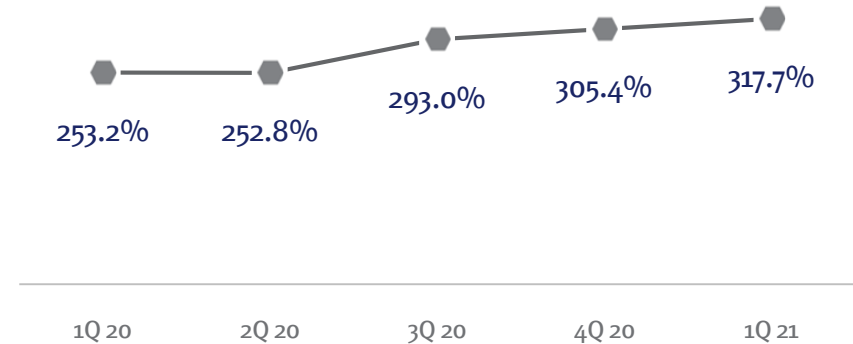
Net Allowances (SARmn)



NPL Ratio Trends (%)



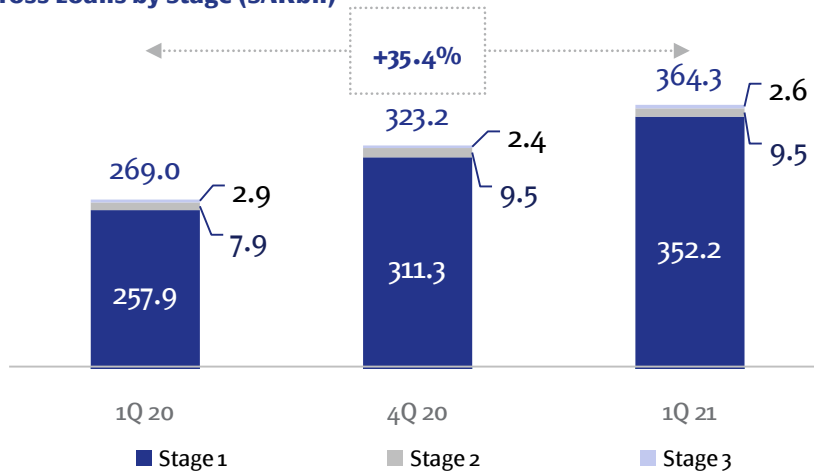
NPL Coverage Trend (%)



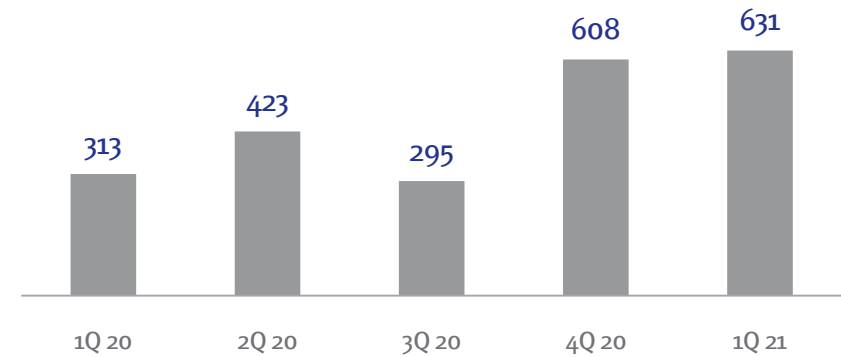
Asset Quality Trends (2)

Healthy stage coverage and prudent risk management

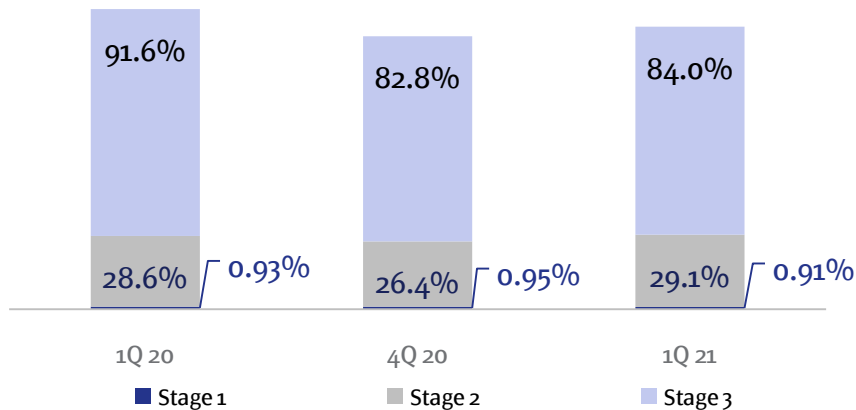
Gross Loans by Stage (SARbn)



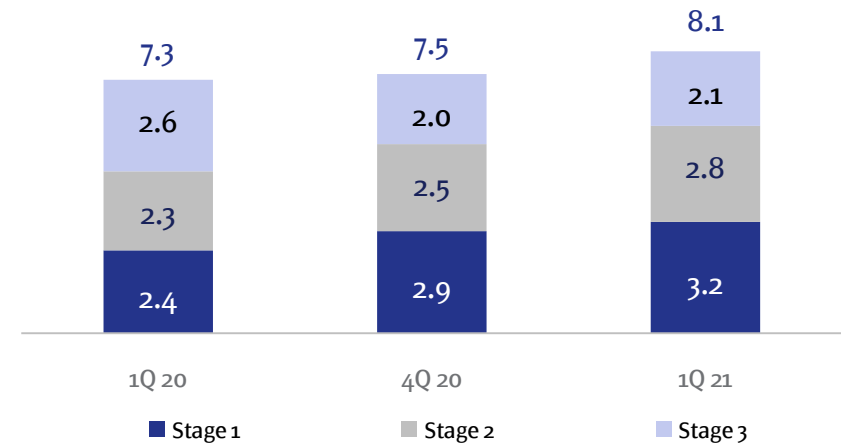
Covid Overlay (SARbn)



ECL Coverage* (%)



ECL Allowance by Stage* (SARmn)

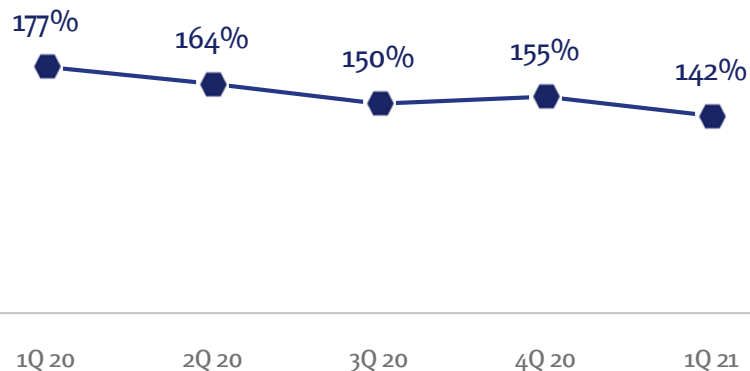


* Stage exposure and ECL allowances varies from the financial statements due to IFRS9 cure period treatment

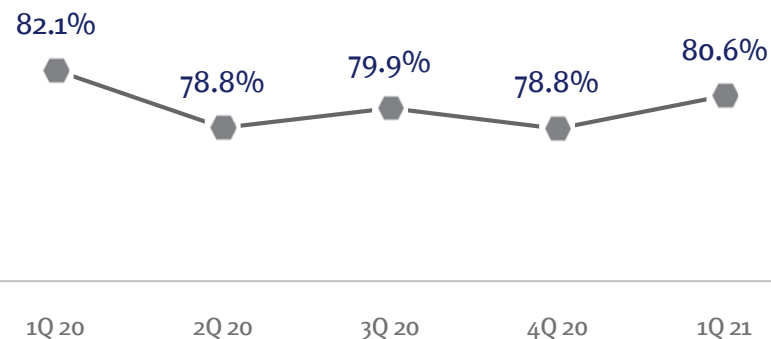
Liquidity Trends

Liquidity remain comfortably within regulatory requirements

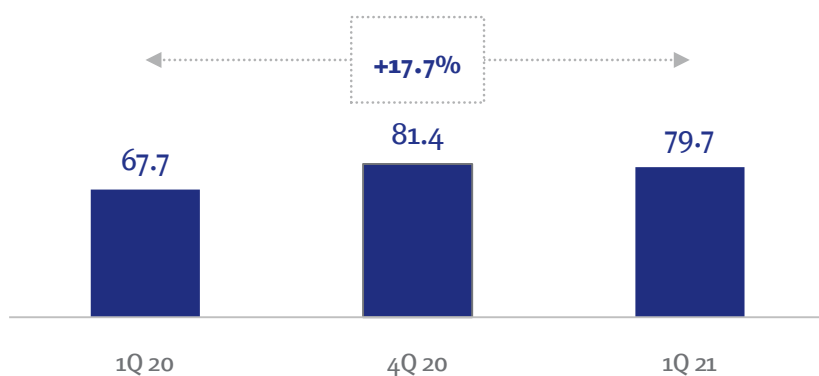
LCR (%)



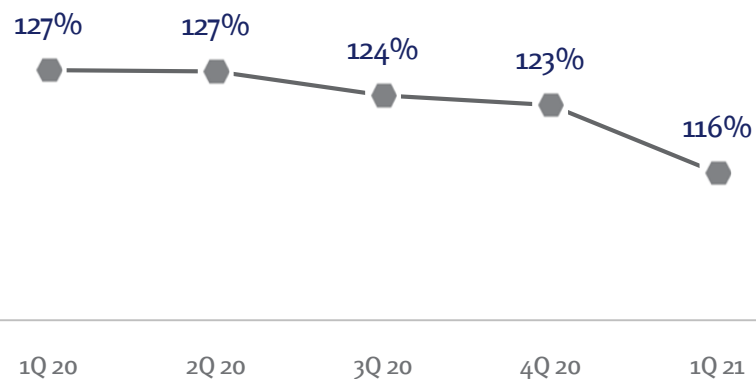
Loan to deposit Ratios (%)



HQLA (SARbn)



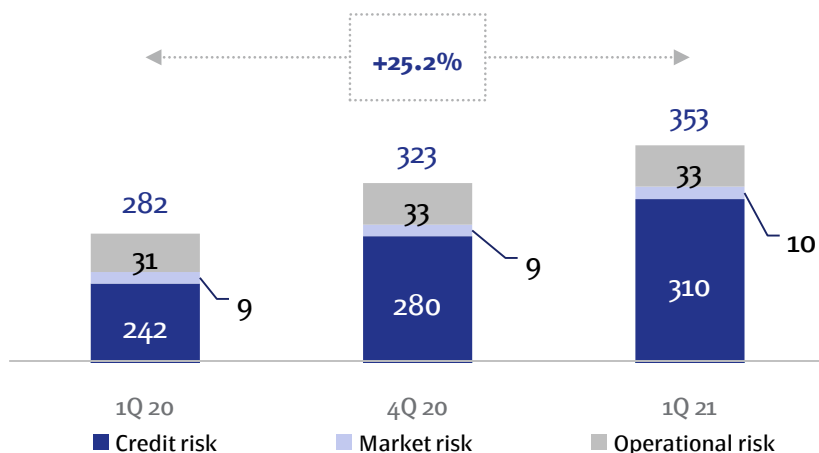
NSFR (%)



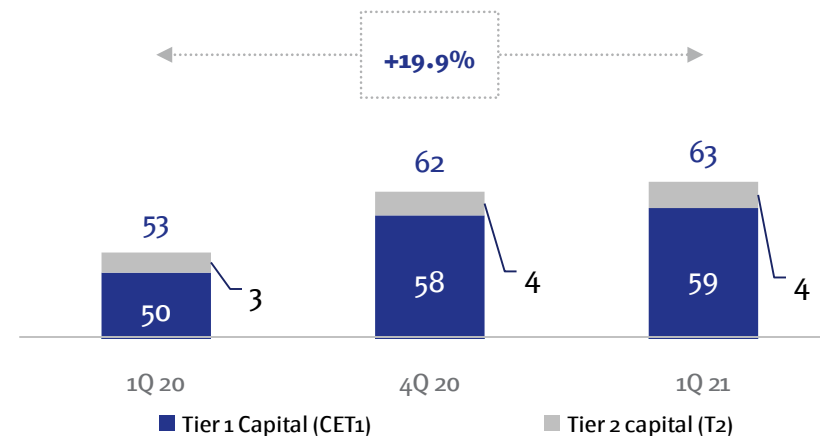
Capitalisation Trends

Capital position well above regulatory minima

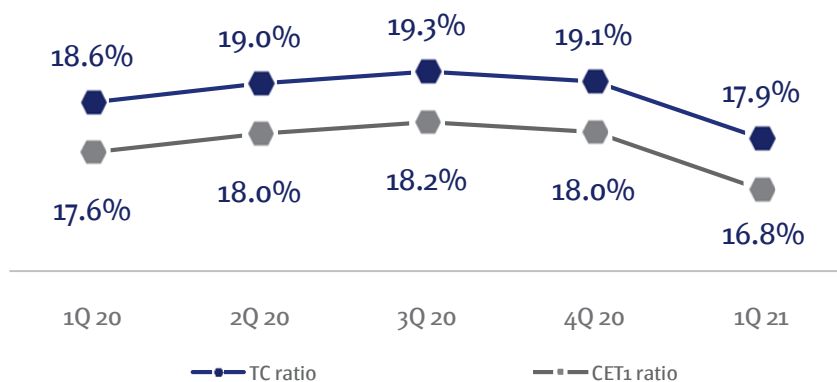
RWA (SARbn)



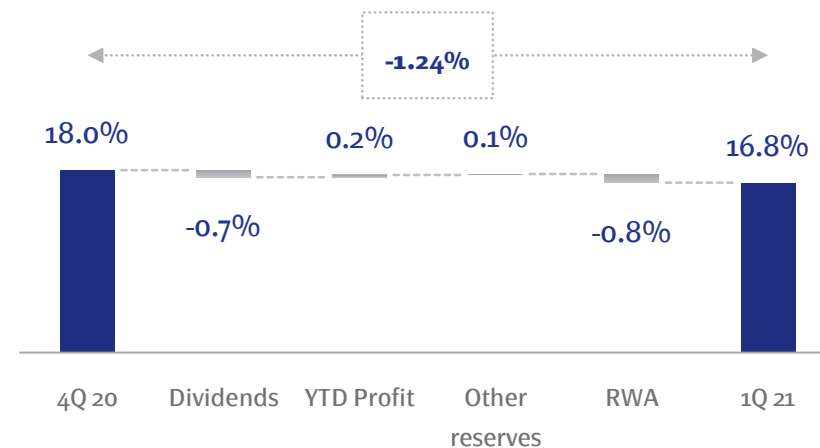
Total Capital (SARbn)



Capital Ratios (%)



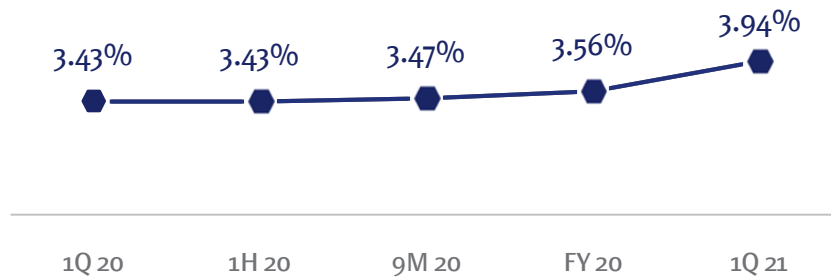
CET1 Movement (%)



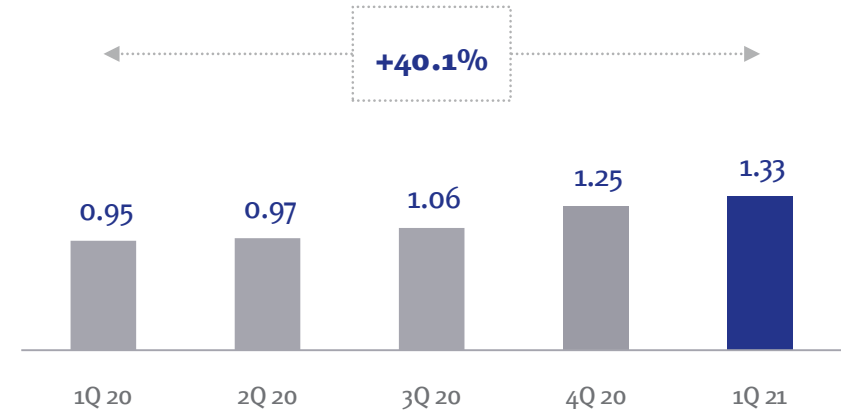
Return Metrics

Returns remain well above industry average

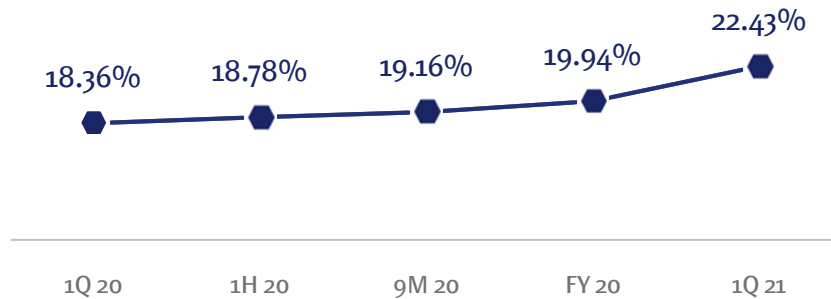
Return on RWA (%)



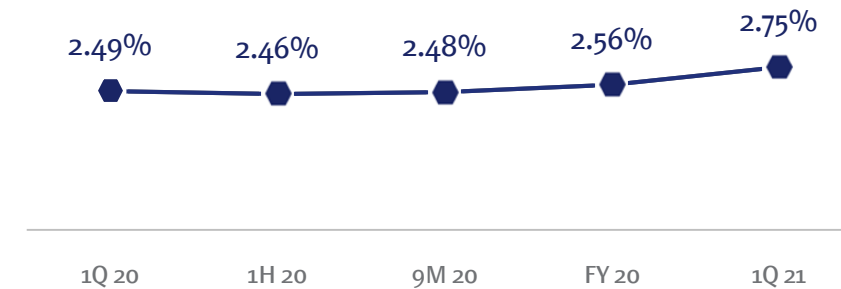
Earnings per Share (SAR)



Return on Equity (%)



Return on Assets (%)



Trends ahead of expectations

Guidance revisions driven by solid growth in 1Q

	FY 2021 Guidance	1Q 2021 Actual	Guidance Revision	
Balance Sheet	Financing	Mid teens growth	+13%	High teens growth
Profitability	Net profit margin	-30 bps to -20 bps	-15 bps	-40 bps to -30 bps
	Cost to income ratio	Below 31%	27.8%	Below 30%
	ROE	20% - 21%	22.4%	21% - 22%
Asset Quality	Cost of risk	0.60% - 0.70%	0.67%	Unchanged
Capital	CET1 ratio	17% - 18%	16.8%	16% - 17%



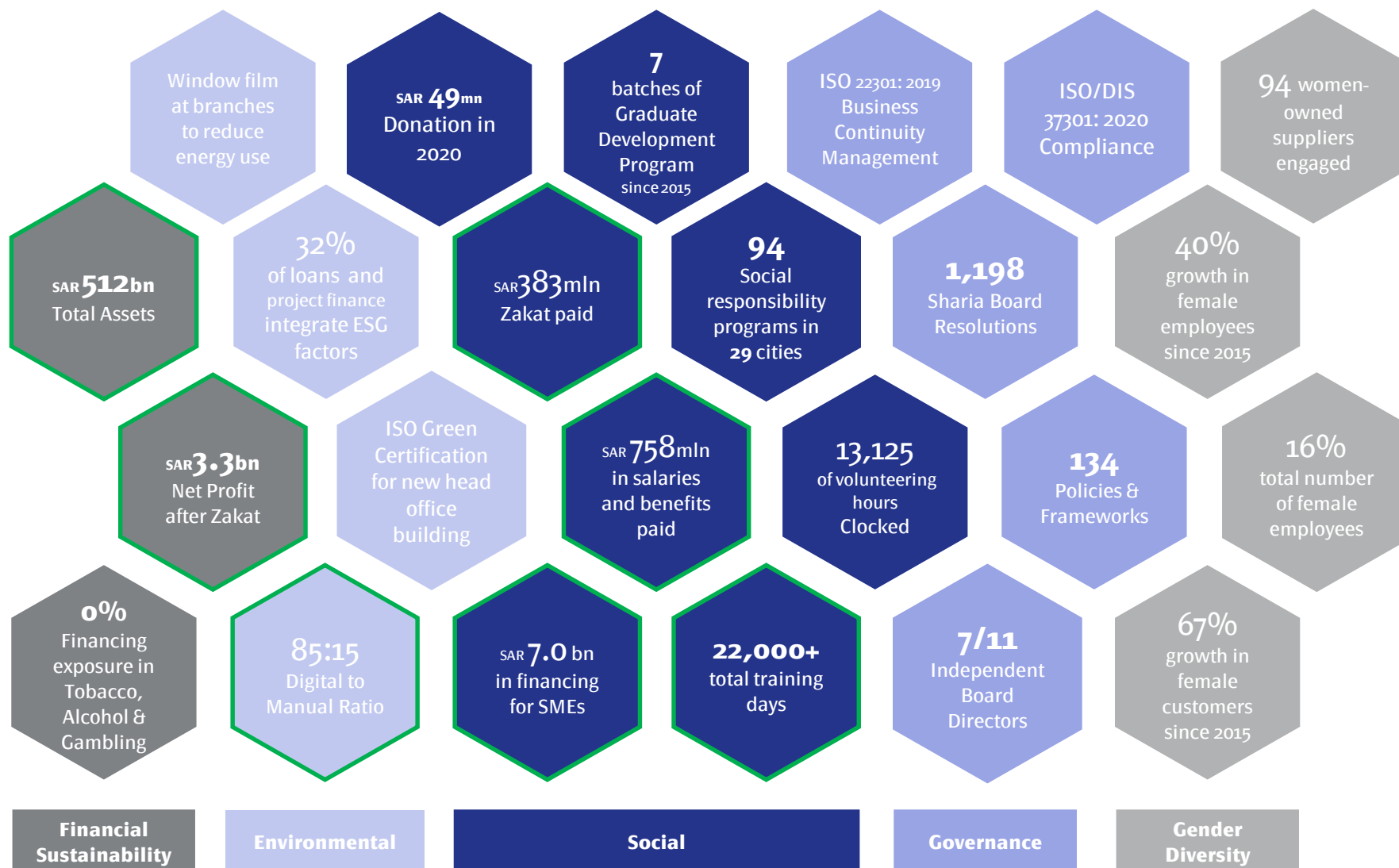
Questions & Answers



ESG Highlights

ESG Highlights

1Q 2021



1Q 2021 figures

Additional Information

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

- Annual Report
- Financial Statements
- Investor Presentation
- Factsheet
- Data Supplement



Al-Rajhi Banking App



eBusiness Banking App



Investor Relations App

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