# Al Rajhi Bank Results Presentation

3Q 2025 Earnings Conference Call and Webcast

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# 3Q 2025 Earnings Call

# 3Q 2025 Results Summary | Results were above expectations in the first nine months of 2025

## 8.7% YTD Balance Sheet Growth

**9.0% YTD Growth in financing portfolio**

Net Financing

693.4bn (FY 24) → +9.0% → 756.0bn (9M 25)

**8.3% Growth in liabilities**

Total Liabilities

851.2bn (FY 24) → +8.3% → 921.7bn (9M 25)

**LDR below regulatory minima**

Loan to Deposit Ratio

85.5% (FY 24) → 81.2% (9M 25)

## 29.6% higher net income YoY

**21.2% growth in net yield income**

Net Yield income

17,902mn (9M 24) → +21.2% → 21,696mn (9M 25)

**29.3% higher Non yield income**

Non Yield Income

5,404mn (9M 24) → +29.3% → 6,989mn (9M 25)

**23.1% higher operating income**

Operating Income

23,305mn (9M 24) → +23.1% → 28,685mn (9M 25)

## Stable credit quality

**1 bps COR decrease**

Cost of risk

0.32% (FY 24) → 0.31% (9M 25)

**Healthy NPL ratio**

NPL

0.76% (FY 24) → 0.76% (9M 25)

**NPL coverage remained strong**

NPL Coverage

159% (FY 24) → 151% (9M 25)

## Key Ratios

**Operating efficiency remains solid**

Cost to income ratio

25.4% (9M 24) → 22.5% (9M 25)

**Strong capital position**

Total Capital Adequacy Ratio

20.7% (9M 24) → 21.1% (9M 25)

**Higher NPM**

NPM

3.08% (9M 24) → 3.09% (9M 25)

# "Harmonize the Group" | Highlights on our strategy performance

## Business to Consumer

**Leverage customer base via cross-sell**

**% of customers with more than one product**
38.0% (FY 2023) → +6.6% → 44.6% (Q3 2025)

**Enter new segments**

**Sales growth from target customers - indexed**
100 (FY 2023) → +312% → 412 (Q3 2025)

**Develop customer focused propositions**

**# of Customers**
15.8M (FY 2023) → +30% → 20.5M (Q3 2025)

**Maintain leadership in customer experience**

**Net-Promoter-Score (NPS)**
76% (FY 2023) → +9% → 85% (Q3 2025)

## Business to Business

**Become 'main bank' of large corporates**

**Corporate Banking market share**
12.3% (FY 2023) → +1.8% → 14.1% (Q2 2025)

**Develop Investment Banking business**

**Revenue growth from Investment Banking - indexed**
100 (FY 2023) → +219% → 319 (Q3 2025)

**Grow SME via tailored solutions**

**SME portfolio growth**
SAR 30B (FY 2023) → +75.2% → SAR 53B (Q3 2025)

**Ensure Al Rajhi Group's a great place to work**

**Employee Engagement**
74% (FY 2023) → +0% → 74% (Q3 2025)

## Support Businesses

**Centralization and standardization**

**% of capabilities centralized & standardized**
13.5% (FY 2023) → +36.1% → 49.6% (Q3 2025)

**Increase automation and efficiency**

**% of processes automated**
25% (FY 2023) → +33% → 58% (Q3 2025)

**Increase scale and agility via Cloud**

**% of applications that are Cloud ready**
29% (FY 2023) → +60% → %89 (Q3 2025)

**Build successful careers across Al Rajhi Group**

**Training Days Total - indexed**
100 (FY 2023) → +202% → 302 (Q3 2025)

## Digital & Data

**Expand digital capabilities Group-wide**

**Digital : Manual ratio**
94:6 (FY 2023) → +2% → 96:4 (Q3 2025)

**Customer-centric digital journeys Group-wide**

**# of Group and open banking APIs**
119 (FY 2023) → +223% → 384 (Q3 2025)

**Group-wide insights and real-time marketing**

**Revenue increase from data driven marketing - indexed**
100 (FY 2023) → +360% → 460 (Q3 2025)

**Leader in Financial Conduct and Sustainability**

**ESG rating**
BBB (FY 2023) → +2 → AA (Q3 2025)

# 3Q 2025 Financial Highlights

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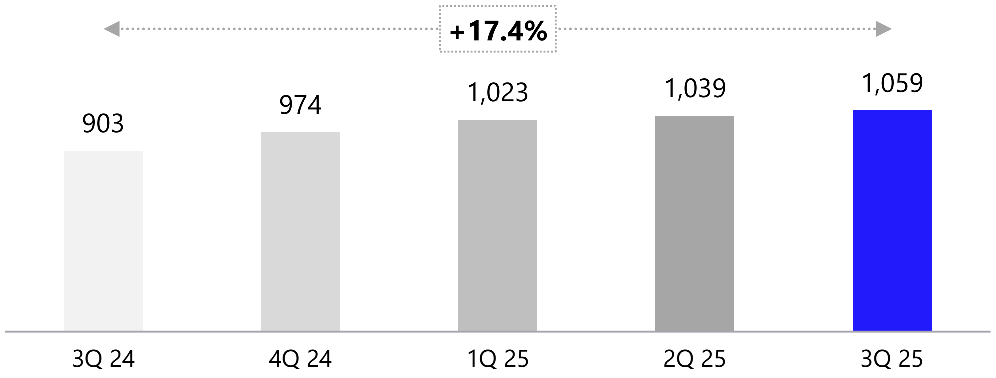
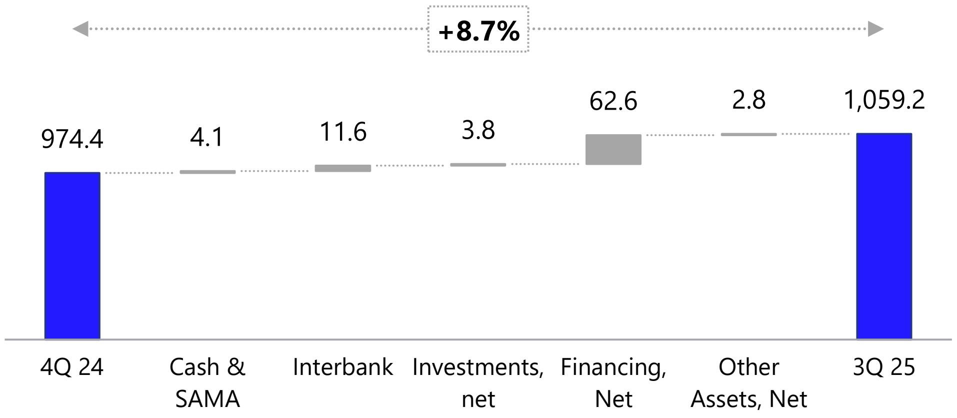
# Balance Sheet Trends (1) | Total assets growth of 17.4% YoY and 8.7% YTD

**Total Assets (SARbn)**

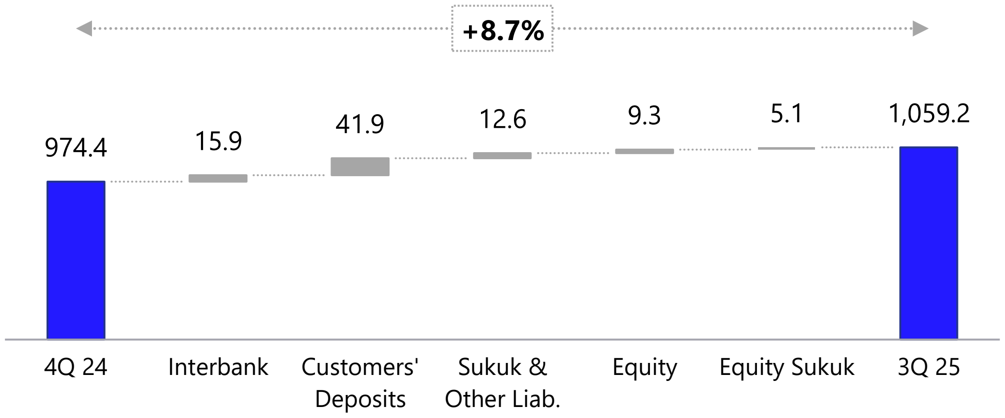



| SAR (mn) | 3Q 25 | 2Q 25 | QoQ | 4Q 24 | YTD |
|---|---|---|---|---|---|
| Cash & balances with SAMA | 57,302 | 50,149 | +14% | 53,245 | +8% |
| Due from banks & other FI | 31,122 | 30,434 | +2% | 19,530 | +59% |
| Investments, net | 179,916 | 182,543 | -1% | 176,068 | +2% |
| Financing, net | 755,985 | 741,715 | +2% | 693,410 | +9% |
| Other assets, net | 34,915 | 34,148 | +2% | 32,135 | +9% |
| **Total assets** | **1,059,240** | **1,038,988** | **+1.9%** | **974,387** | **+9%** |
| Due to banks & other FI | 189,323 | 210,141 | -10% | 173,435 | +9% |
| Customers' deposits | 670,180 | 641,987 | +4% | 628,239 | +7% |
| Sukuk issued | 19,590 | 14,032 | +40% | 8,451 | +132% |
| Other liabilities | 42,633 | 38,780 | +10% | 41,124 | +4% |
| **Total liabilities** | **921,725** | **904,940** | **+2%** | **851,247** | **+8%** |
| **Total equity** | **137,515** | **134,049** | **+3%** | **123,139** | **+12%** |

**Movement in Assets (SARbn)**

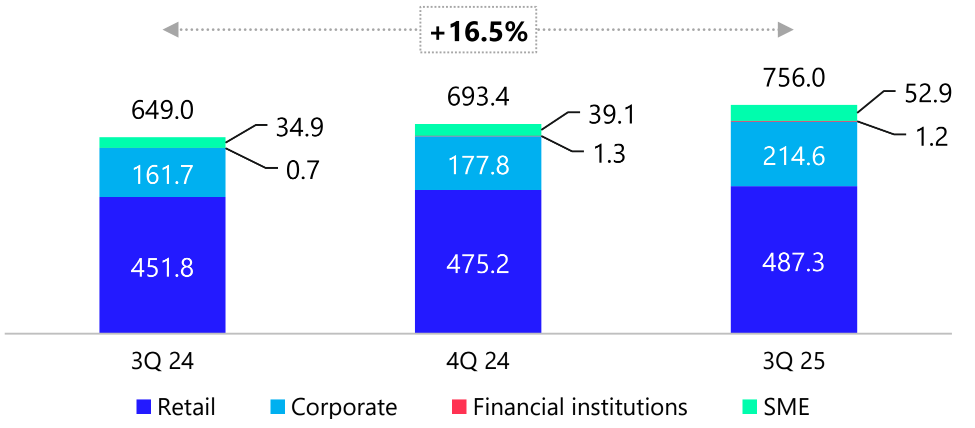



**Movement in Funding (SARbn)**

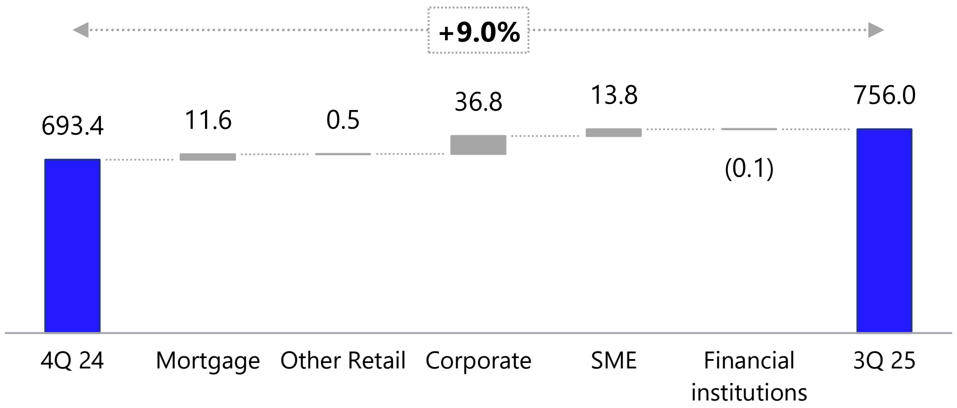


# Balance Sheet Trends (2) | Financing growth driven by Corporate and Mortgage

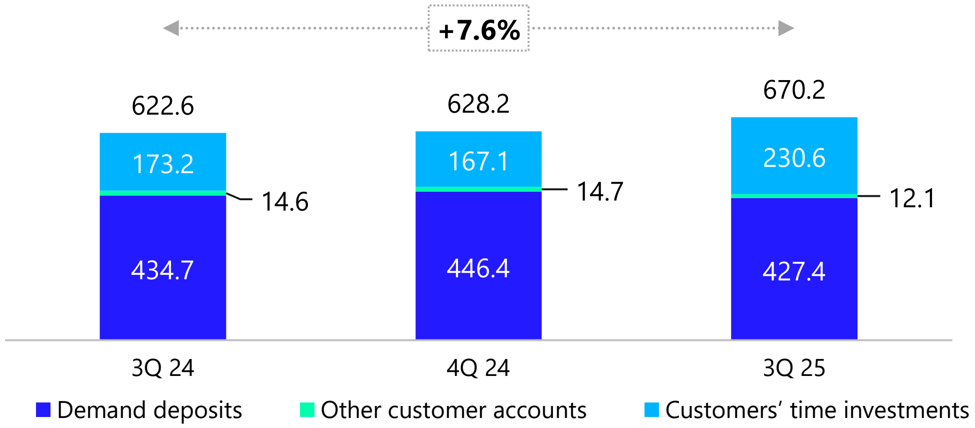
**Financing, Net (SARbn)**



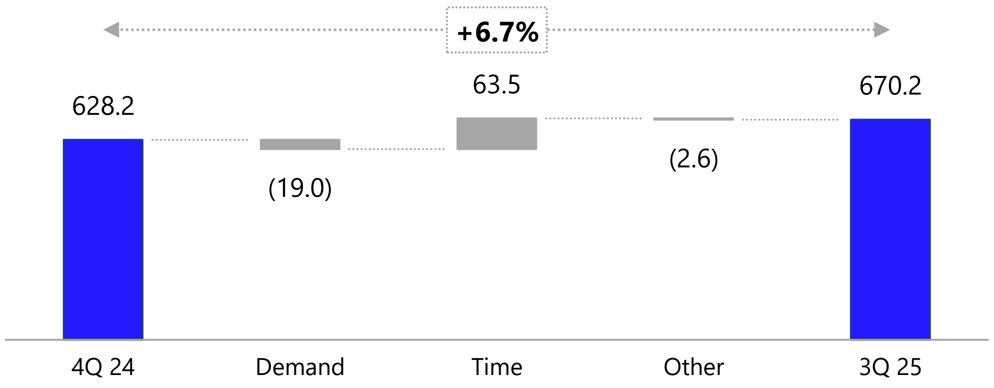

**Movement in Financing (SARbn)**




**Total Customers' Deposits (SARbn)**

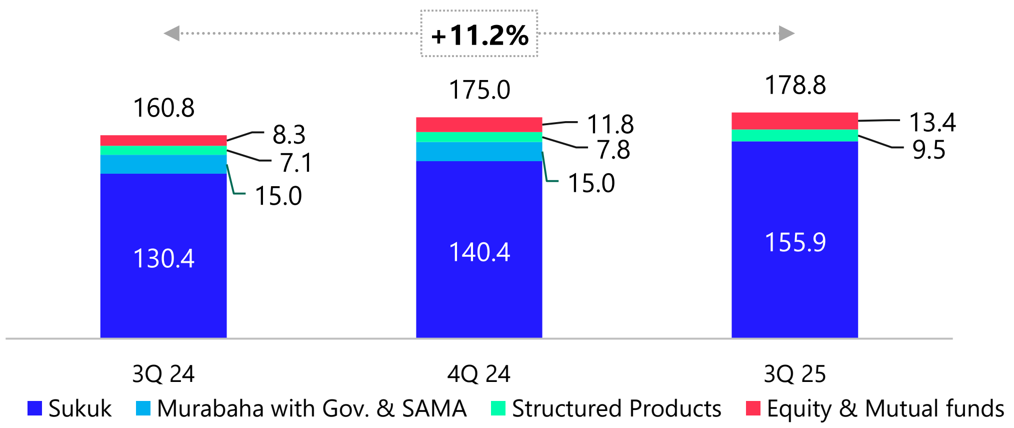



**Movement in Total Customers' Deposits (SARbn)**

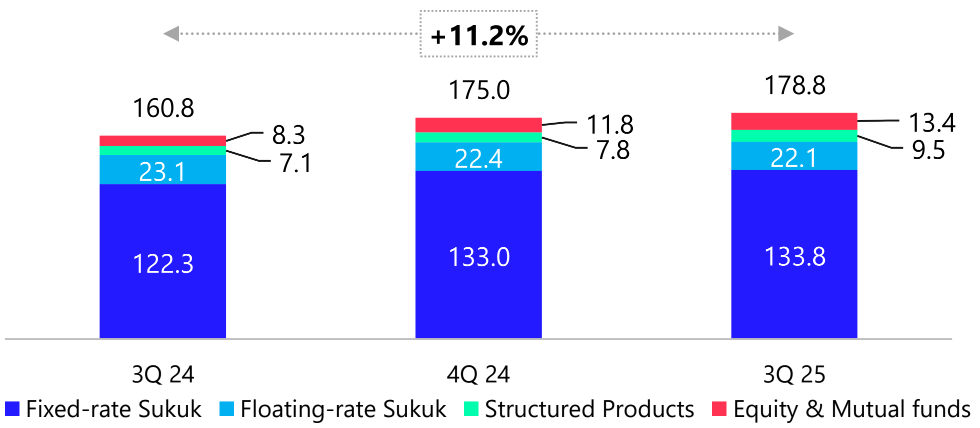


# **Balance Sheet Trends (3)** | Investments have grown significantly supporting our portfolio diversification

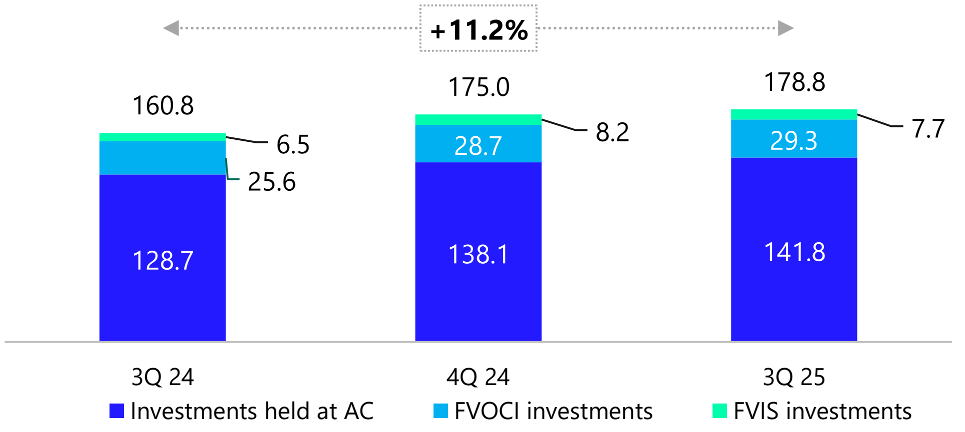
**Investments, Net (SARbn)**



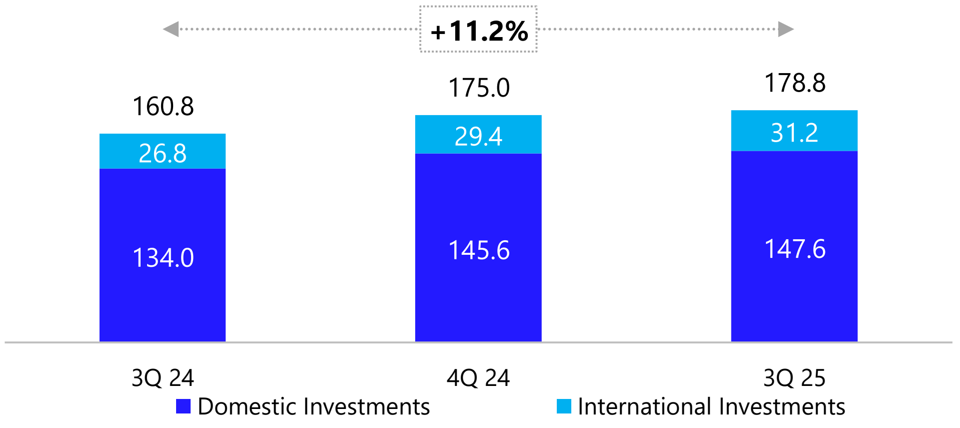

**Investments, Net (SARbn)**




**Investments, Net (SARbn)**

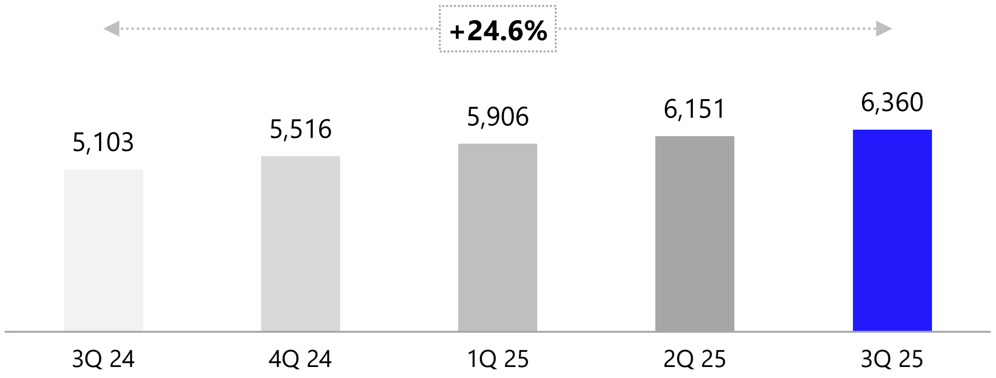



**Investments, Net (SARbn)**



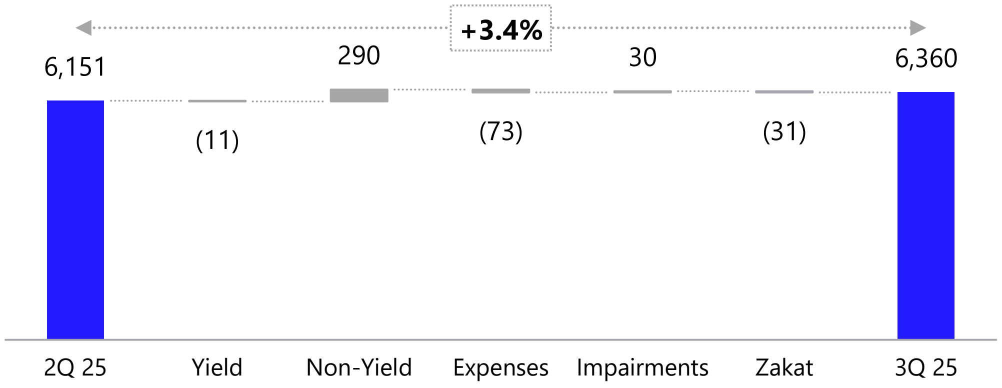
# **Net Income Trends** | Outstanding net income with a 29.6% growth YoY in 9M 2025

**Net Income For The Period After Zakat (SARmn)**

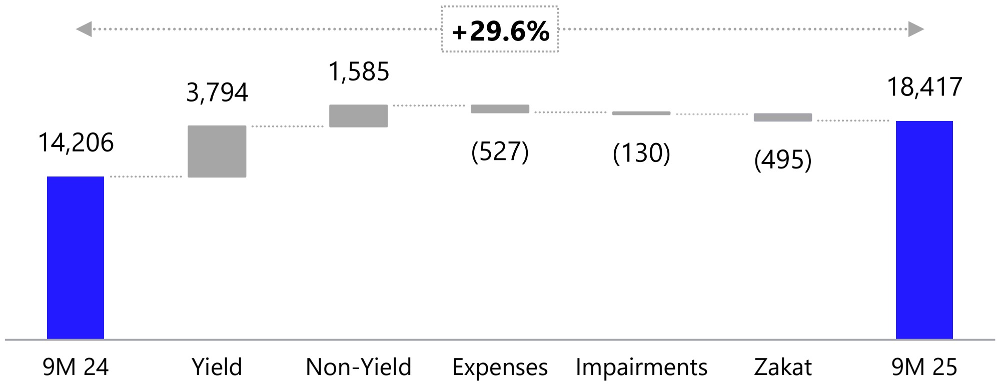



| SAR (mn) | 9M 25 | 9M 24 | YoY | 3Q 25 | 3Q 24 | YoY |
|---|---|---|---|---|---|---|
| **Net financing & investment income** | **21,696** | **17,902** | **+21%** | **7,294** | **6,397** | **+14%** |
| Fee from banking services, net | 4,315 | 3,404 | +27% | 1,547 | 1,242 | +24% |
| Exchange Income, net | 1,102 | 956 | +15% | 429 | 342 | +25% |
| Other operating income, net | 1,572 | 1,044 | +51% | 612 | 457 | +34% |
| **Fees and other income** | **6,989** | **5,404** | **+29%** | **2,588** | **2,042** | **+27%** |
| **Total operating income** | **28,685** | **23,305** | **+23%** | **9,882** | **8,439** | **+17%** |
| Operating expenses | -6,447 | -5,920 | +9% | -2,216 | -2,070 | +7% |
| **Pre-provision profit** | **22,237** | **17,385** | **+28%** | **7,665** | **6,369** | **+20%** |
| Total impairment charge | -1,695 | -1,564 | +8% | -570 | -688 | -17% |
| **Net income for the period before Zakat** | **20,543** | **15,821** | **+30%** | **7,096** | **5,681** | **+25%** |
| Zakat | -2,105 | -1,611 | +31% | -729 | -574 | +27% |
| Non-controlling interests | 20 | 4 | +461% | 6 | 4 | +68% |
| **Net income for the period after Zakat** | **18,417** | **14,206** | **+30%** | **6,360** | **5,103** | **+25%** |

**Net Income After Zakat Growth Drivers By Type (SARmn)**

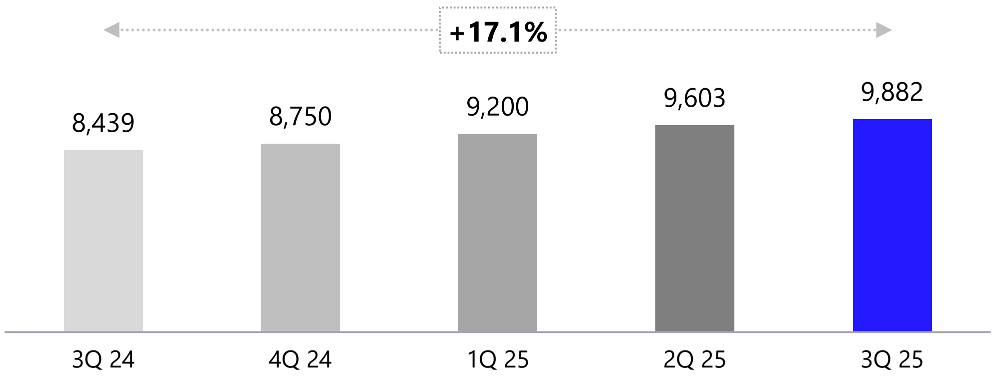



**Net Income After Zakat Growth Drivers By Type (SARmn)**

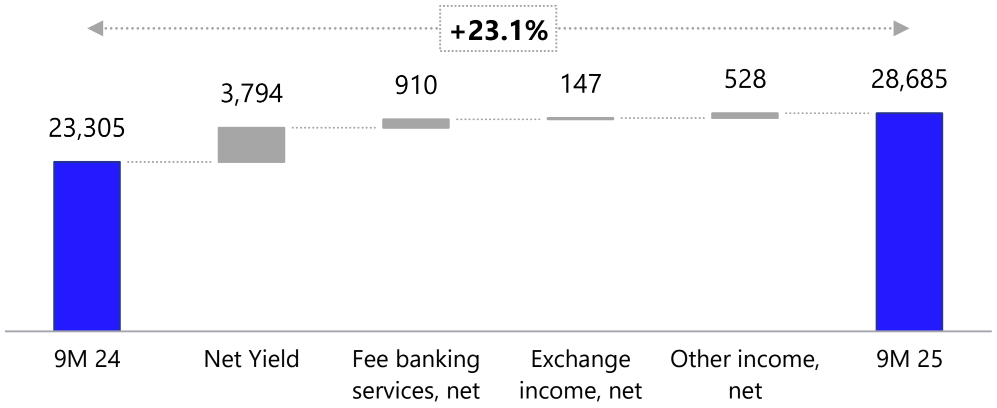


# Operating Income Trends | Higher operating income driven by net yield and fee income growth

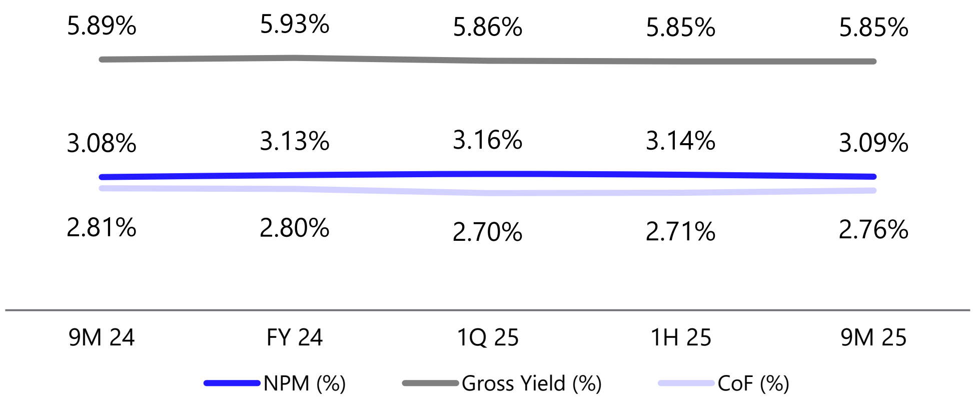
**Total Operating Income (SARmn)**



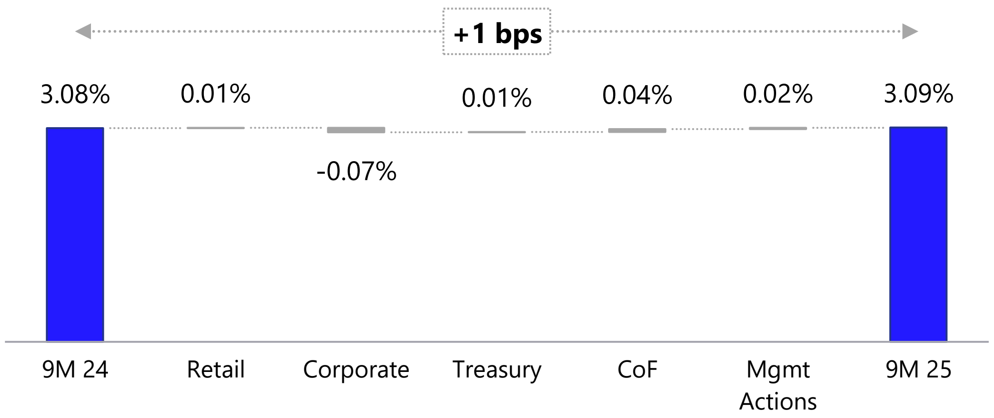

**Total Operating Income Growth Drivers By Type (SARmn)**




**Net Profit Margin (%)**

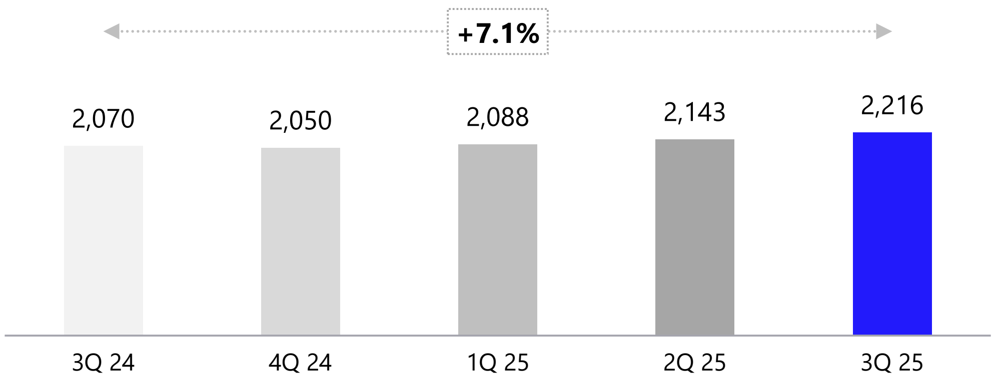



**NPM Drivers (%)**

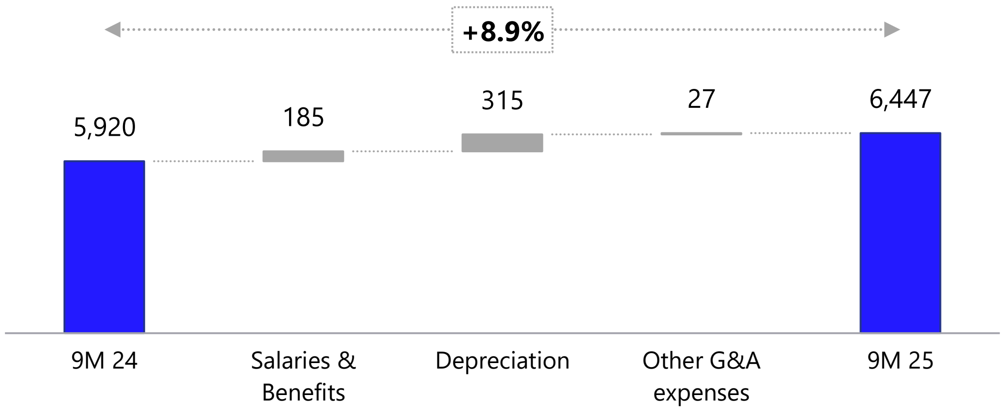


## **Expenses Trends** | Cost efficiencies remains solid with a market leading cost to income ratio of 22.5%

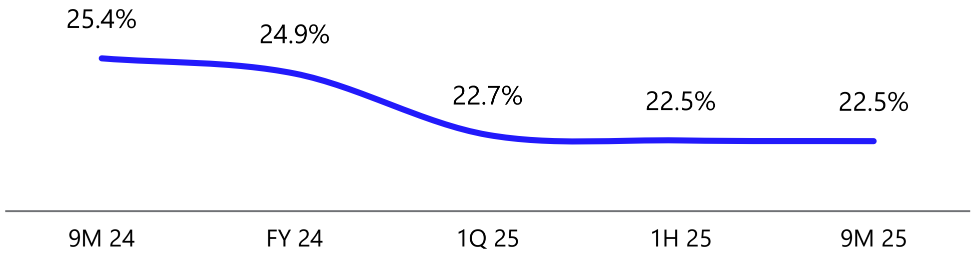
**Operating Expenses (SARmn)**



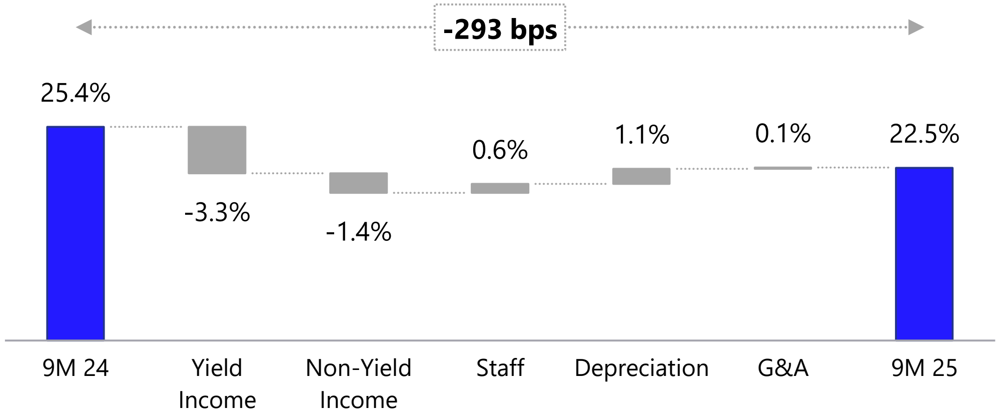

**Operating Expenses Growth Drivers By Type (SARmn)**




**Cost To Income Ratio (%)**

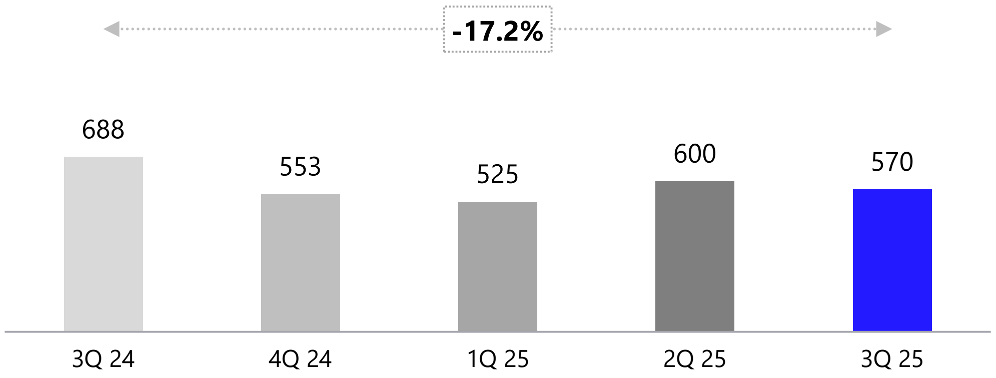



**Cost to Income Ratio Drivers (%)**

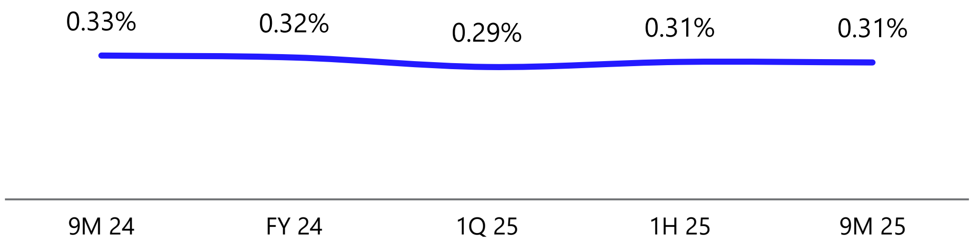


# Net Impairment & Cost of Risk | Higher gross charge due to Financing portfolio growth with a maintained CoR

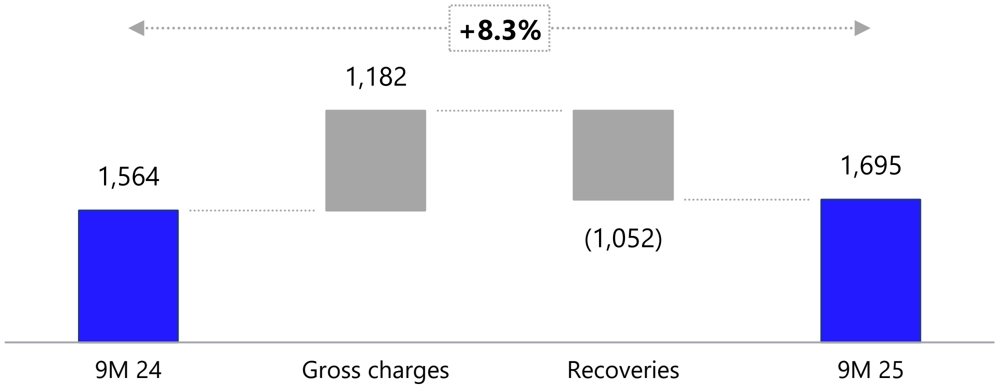
### Net Impairment Charges (SARmn)



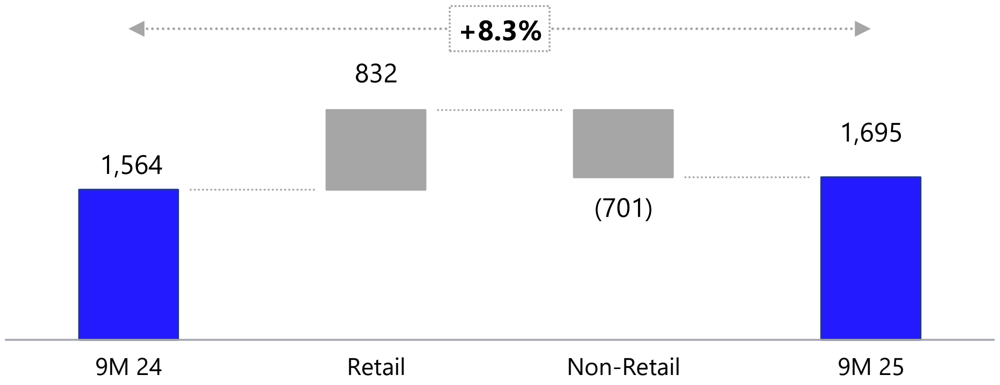

### Cost of Risk (%)




### Movement in Net Impairment (SARmn)

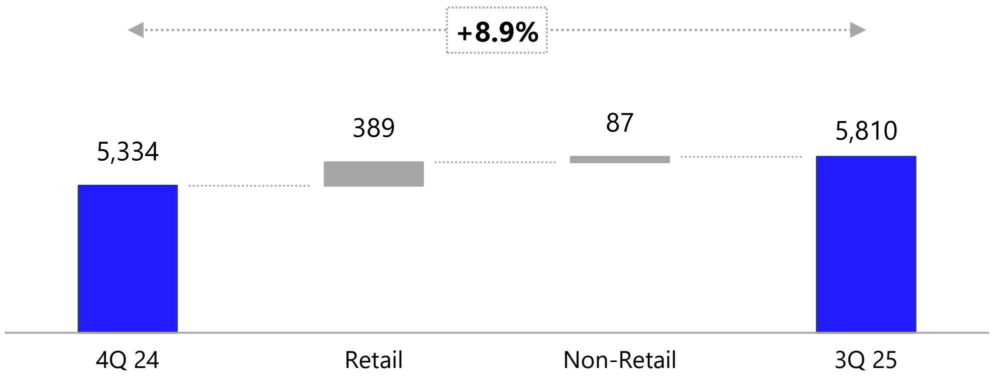



### Movement in Net Impairment by Group (SARmn)

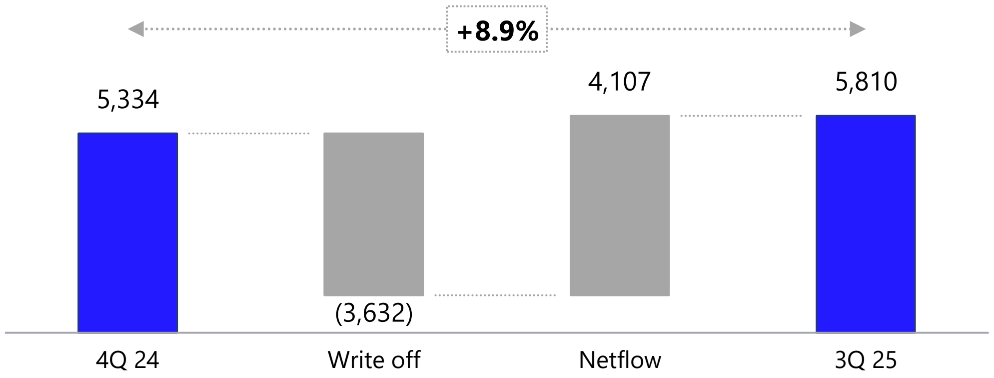


# **Asset Quality Trends (1)** | Asset quality remains healthy

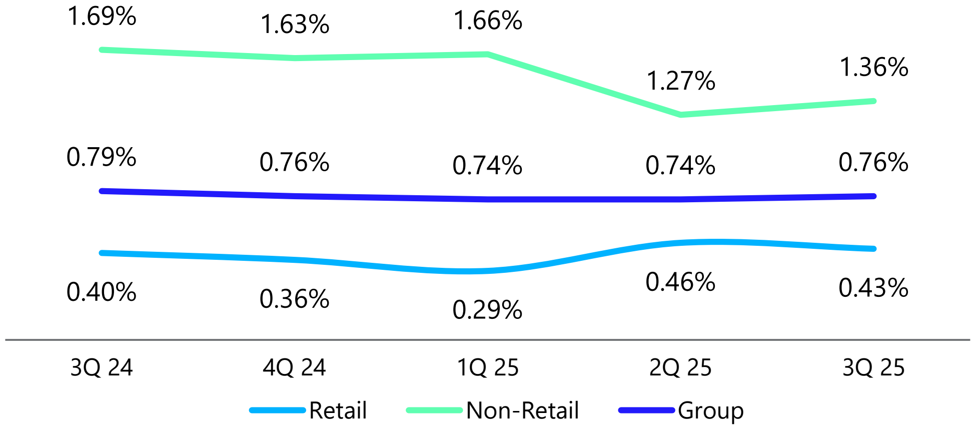
**Movement in NPL (SARmn)**



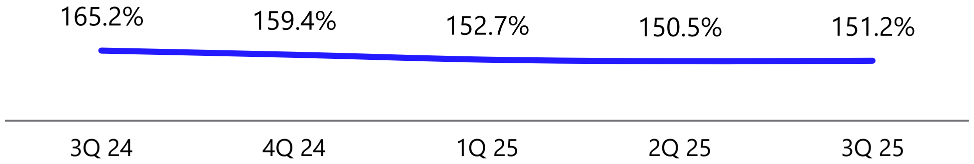

**NPL Formation (SARmn)**




**NPL Ratio (%)**

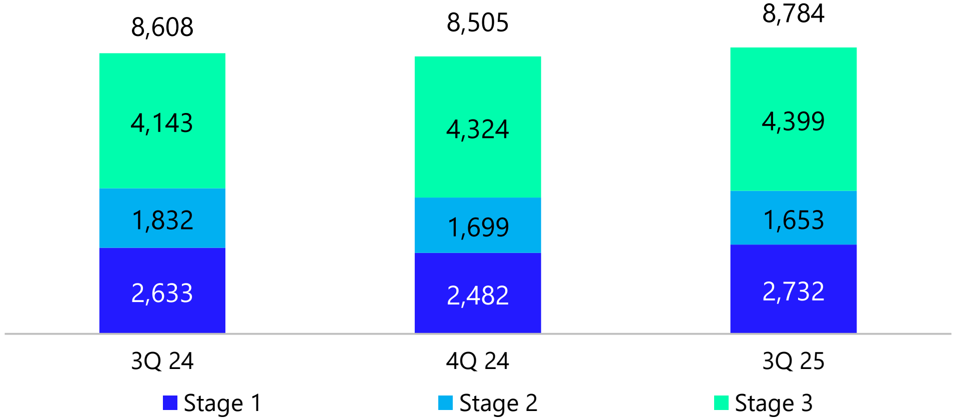



**NPL coverage ratio (%)**

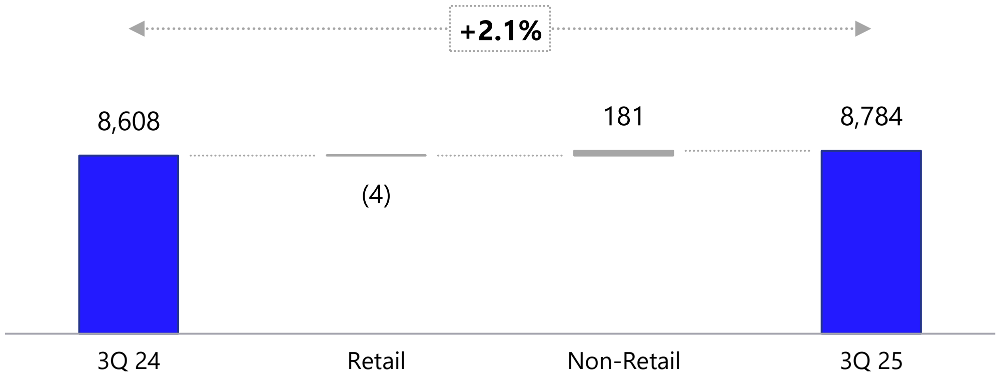


# **Asset Quality Trends (2)** | Healthy stage coverage reflecting prudent risk management

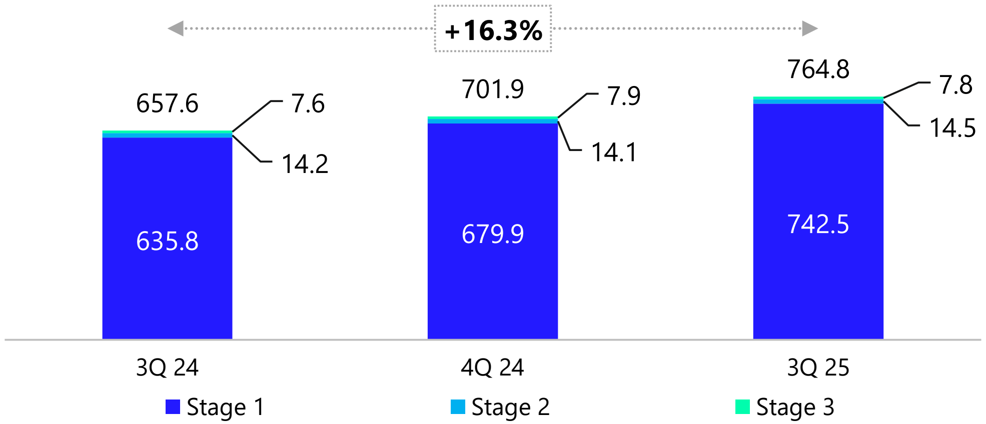
**ECL by Stage (SARmn)**



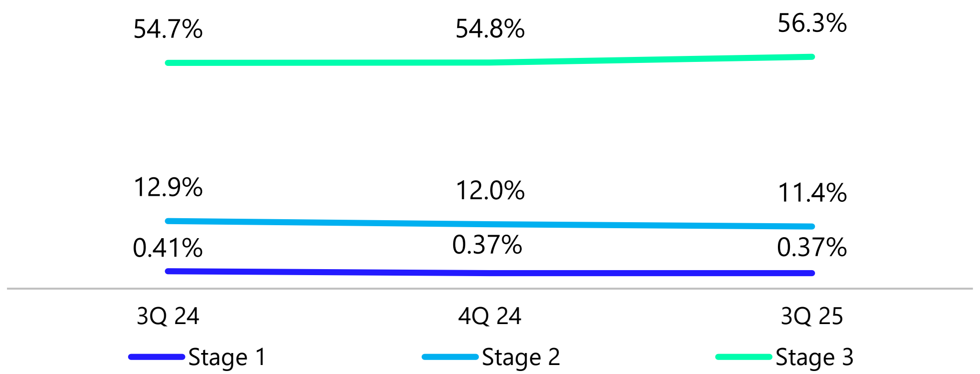

**Movement in ECL by Group (SARmn)**




**Gross Loans by Stage (SARbn)**

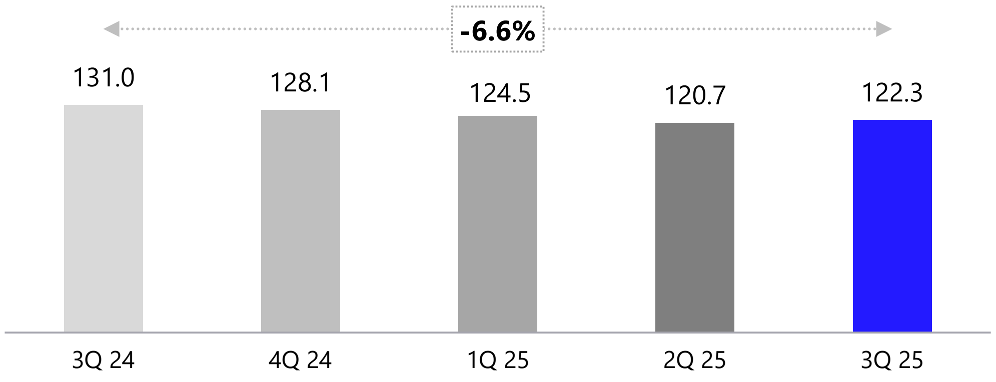



**ECL Coverage (%)**

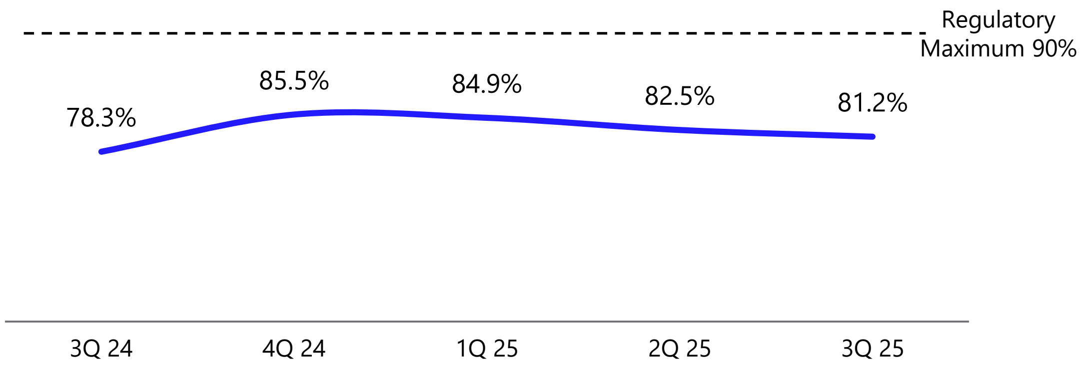


## **Liquidity Trends** | Liquidity remains comfortably within regulatory requirements

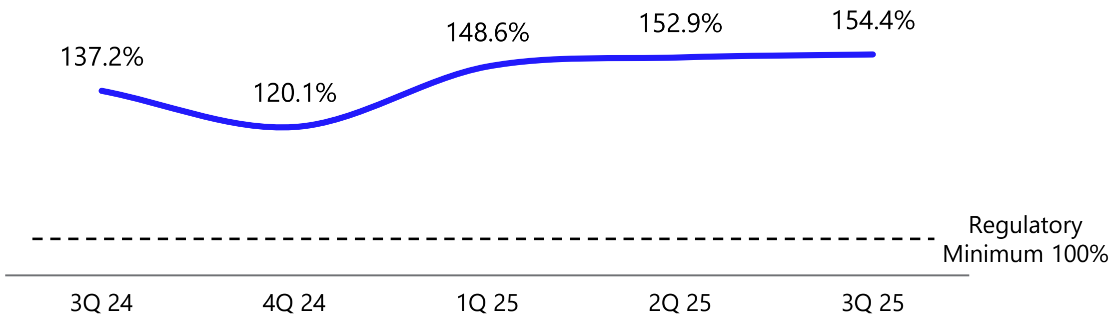
**HQLA (SARbn)**



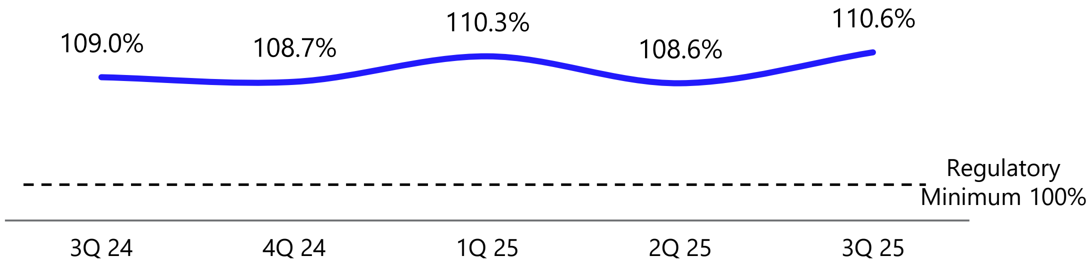

**Loan to Deposits Ratio (SAMA) (%)**




**LCR (%)**

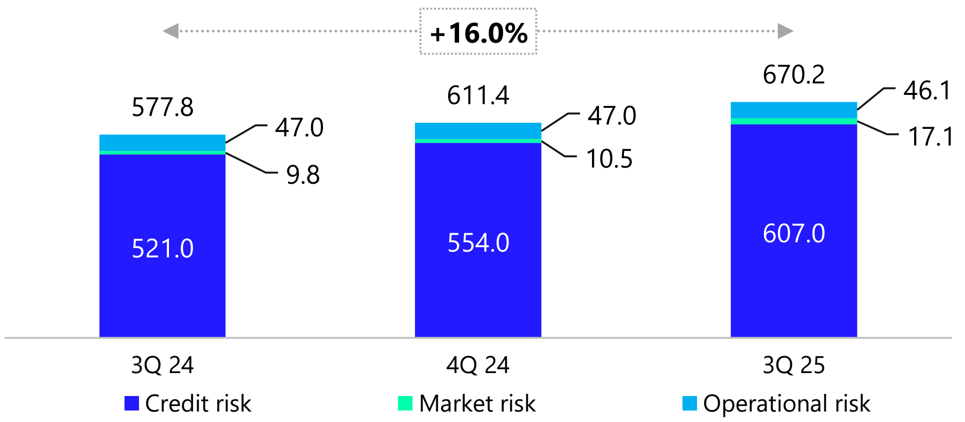



**NSFR (%)**

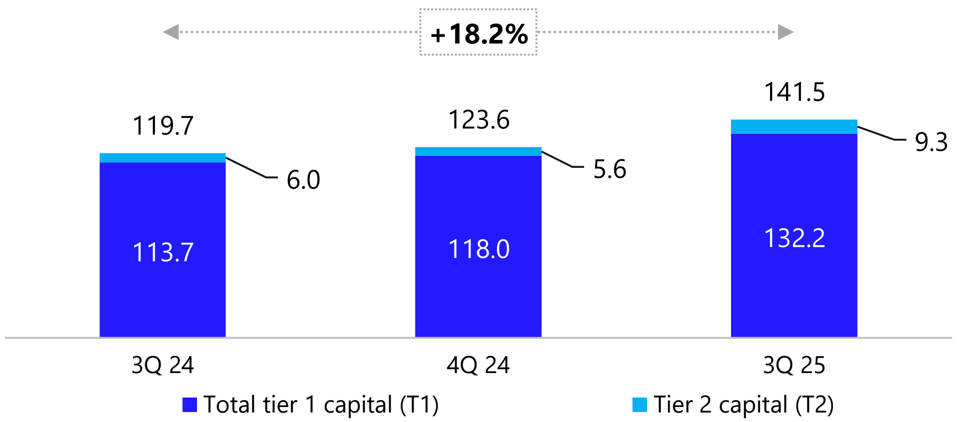


# Capitalization Trends | Capital position well above regulatory minima

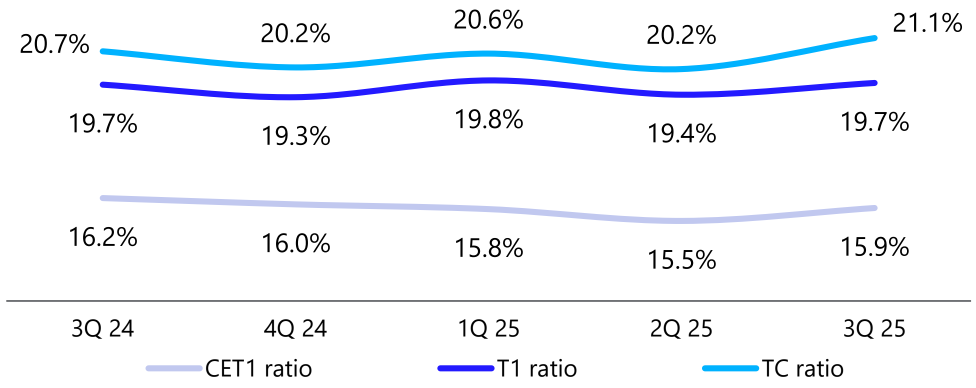
**RWA (SARbn)**



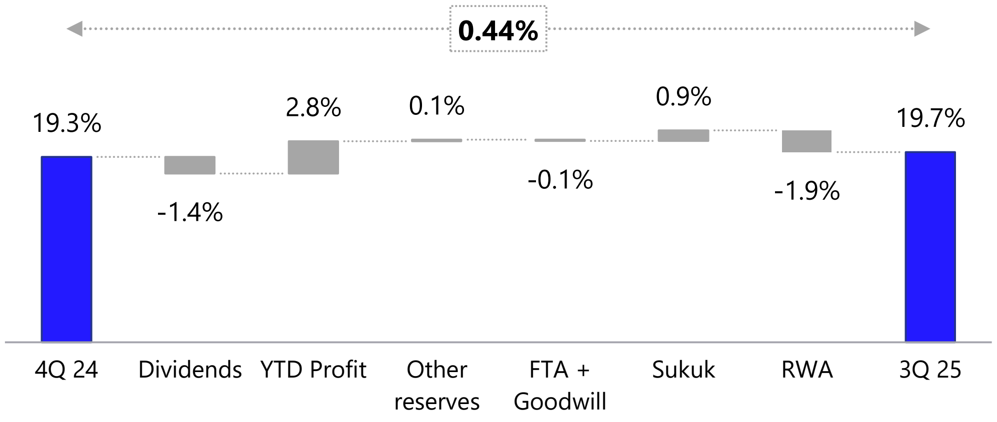

**Total Capital (SARbn)**




**Capital Ratios (%)**

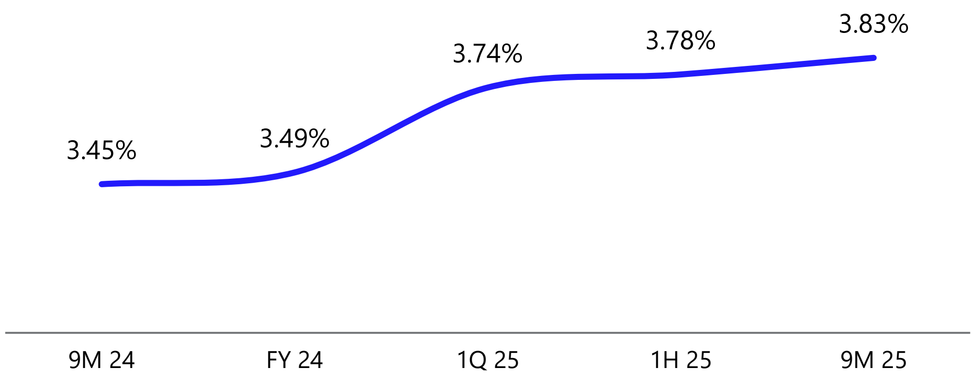



**Tier 1 Drivers (%)**

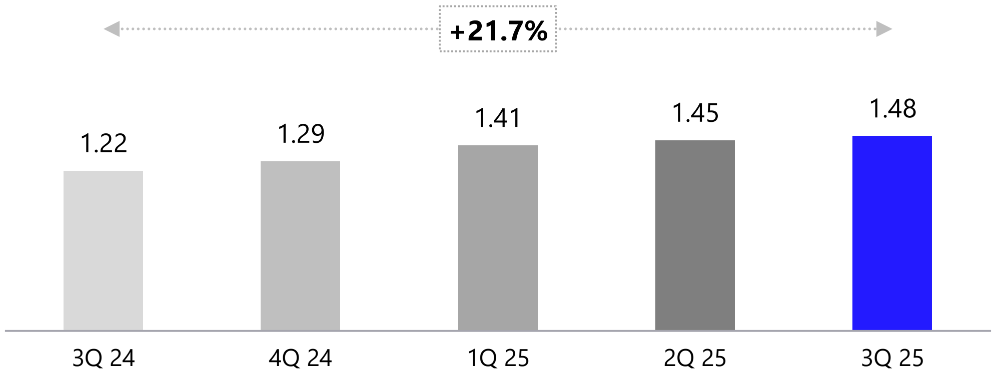


# Return Metrics | Al Rajhi Bank's returns remain industry-leading

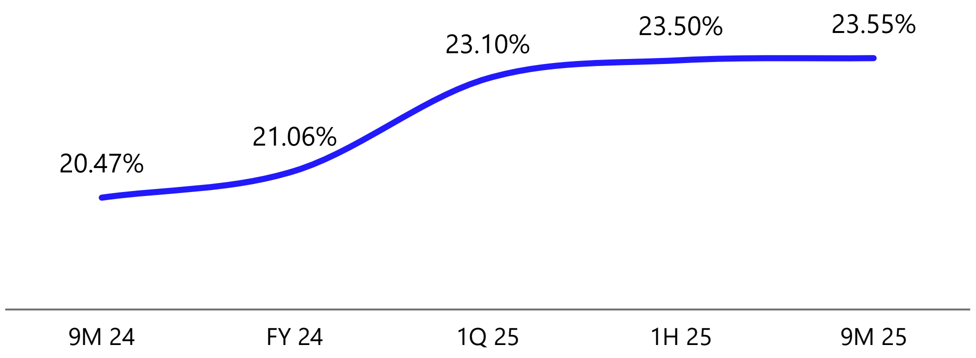
**Return on RWA (%)**



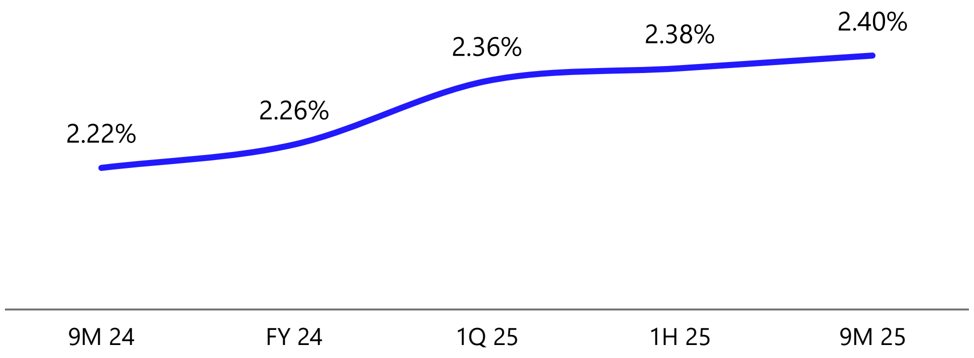

**Earnings per Share (SAR)**




**Return on Equity (%)**




**Return on Assets (%)**



# FY 2025 Guidance

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# FY 2025 Assumptions and Outlook | Interest rates are expected to drop by the end of 2025

| | |
|---|---|
| **Economy** | • Saudi real GDP is estimated to improve by 3.9% in Q2 2025 driven by 4.6% higher non-oil activities<br>• IMF has revised Saudi GDP growth forecasts to 4.0% in 2025 and projected the same for 2026<br>• Consumer spending increased by 10.4% YoY in the first 8 months of 2025 backed by the improved economic activities<br>• Credit demand is expected to remain positive over the medium term due to economic diversification |
| **Interest Rates** | • Based on the recent updates on U.S and global economy, we expect one to two rate cuts by the end of 2025<br>• The outlook of the interest rates environment will have an impact on both credit demand and deposit mix<br>• NIM outlook in the lower rate environment is positive supported by the bank fixed-rate book<br>• SRC benchmark rates remains at 7.1% levels by end of the third quarter 2025 |
| **Strategy & Execution** | • In February 2024, we have launched our “Harmonize the Group” strategy<br>• Our new Strategy will be focused on providing a financial ecosystem through a universal bank offering<br>• The focus will continue to improve the overall banking experience through several initiatives<br>• ESG remains a focus for the management to build a sustainable business that contributes to the bottom line |

# **FY 2025 Guidance** | For our strategy "Harmonize the Group"

| | | FY 2025 Guidance | 9M 2025 Actual | Guidance Revision |
|---|---|---|---|---|
| **Balance Sheet** | Financing | High single digit | +9.0% | High single digit |
| **Profitability** | Net profit margin | +0 bps to +10 bps | -4 bps | -5 bps to +5 bps |
| | Cost to income ratio | Below 23.5% | 22.5% | Below 23.0% |
| | ROE | Above 22.5% | 23.5% | Above 23% |
| **Asset Quality** | Cost of risk | 0.30% - 0.40% | 0.31% | 0.25% - 0.35% |
| **Capital** | Tier 1 ratio | Above 19.5% | 19.7% | Above 20.0% |

# Q & A

# ESG Highlights

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# **ESG Highlights** | 3Q 2025

| | | | | | |
|---|---|---|---|---|---|
| | USD **5.7 bn** Green syndicated loan | | **+200** Scholarships to Orphan students to join Universities | ISO/DIS 37301:2020 Compliance | |
| | Started using solar energy system in 61 branches to reduce utilities consumption | **+39k** Families have been benefited from the affordable housing solutions | USD **1.0bn** Social Sukuk | ISO 22301:2019 Business Continuity Management | |
| SAR **1,059bn** Total Assets | Around SAR **3bn** of financing renewable energy projects | SAR **2,105mn** Zakat | **+195** Catheterization Procedures Performed | **282** Sharia Board Resolutions in 2024 | **24%** growth in female employees in 2024 |
| SAR **18.4bn** Net Profit after Zakat | USD **2.0bn** Sustainable Sukuk | SAR **2,964mn** In salaries and benefits paid | **12** Batches of Graduate Development Program since 2015 | **137** Policies & Frameworks | **34%** of female employees at the group level |
| **0%** Financing exposure in Tobacco, Alcohol & Gambling | **96:4** Digital to Manual Ratio | SAR **52.9bn** in financing for SMEs | **+24k** Employees across the group | **4 out of 11** Independent Board Directors | **+100%** growth in female customers since 2015 |
| **Financial Sustainability** | **Environmental** | **Social** | | **Governance** | **Gender Diversity** |

3Q 2025 figures

# KSA's Macro–Economic Environment

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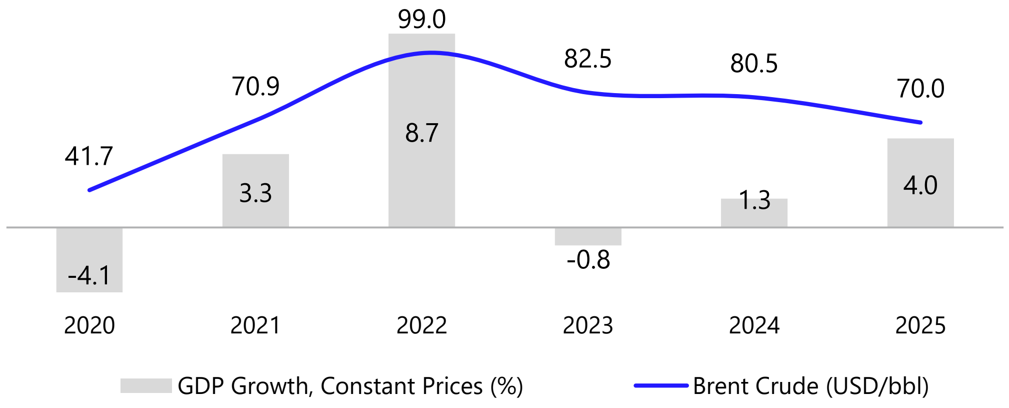
# KSA Economic Outlook | Economic conditions remain positive for the Kingdom

## Highlights

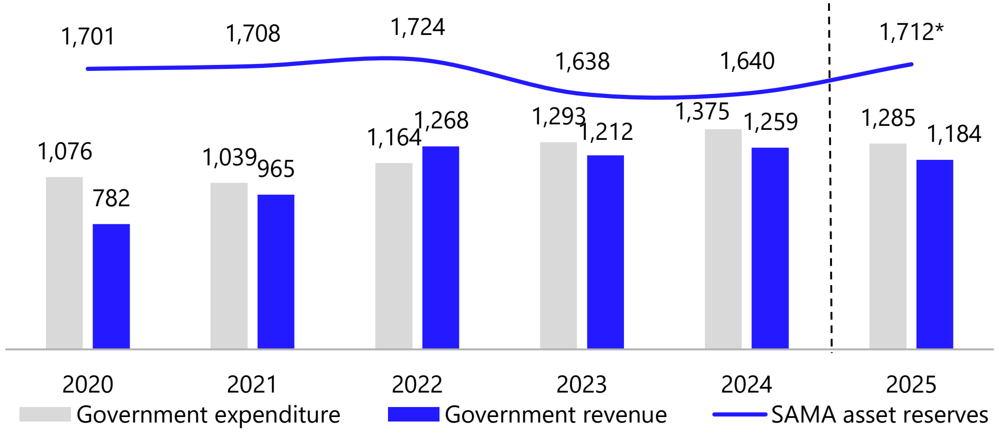
- Saudi GDP is expected to increase by 3.9% in Q2 2025 driven by higher non-oil activities.
- Based on IMF forecasts, Saudi's GDP is estimated to grow 4.0% for both 2025 and 2026
- Unemployment rate reached all-time low at 6.8% in Q2 2025

**GDP Growth/Brent Oil Price**




Source: IMF, U.S. Energy Information

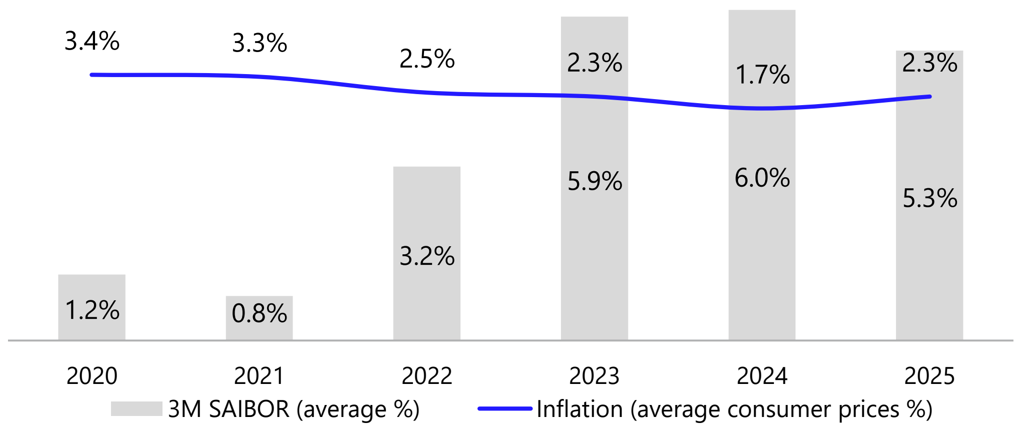
**Expenditure/Revenue and Asset Reserves (SARbn)**




Source: MoF, SAMA

* Aug 2025 figure

**3M SAIBOR / Inflation**



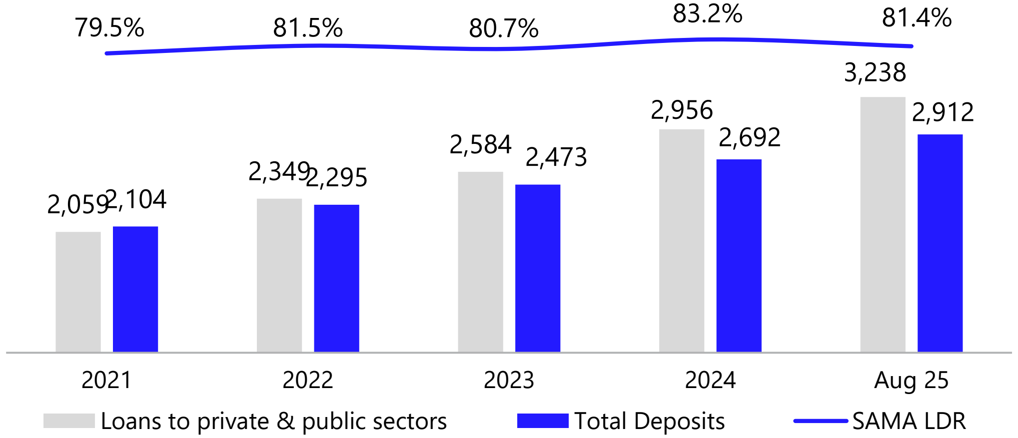

Source: SAMA, IMF, MoF

# **Banking Sector Highlights** | Banking system deposits continue growing by the third quarter 2025

## Recent Developments

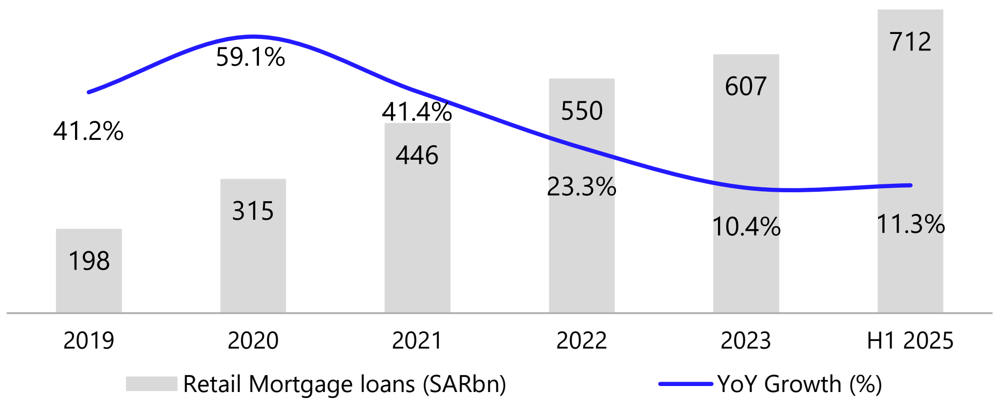
- Deposits have grown in the banking system by end of August 2025 align with loans growth.
- SRC benchmark rates remains 7.1% by the end of the third quarter 2025
- Consumer spending increased by 10.4% YoY in 8M 2025 with continuous migration toward cashless payment methods

**SAMA LDR (%) & Bank Loans and Deposits (SARbn)**



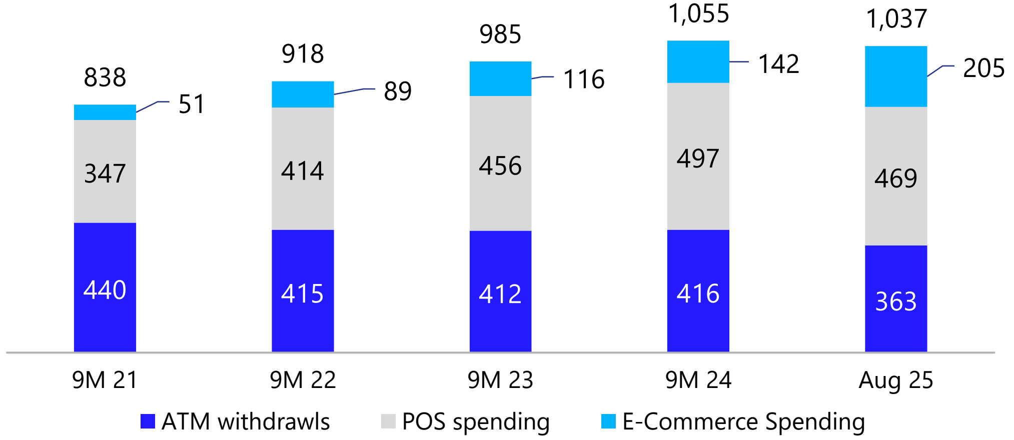

Source: SAMA

**Retail Mortgage (SARbn)**




Source: SAMA

**POS/ATM & E-Commerce (SARbn)**




Source: SAMA

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