

Al Rajhi Bank net income grows 14.1% to SAR 14.2 Billion in first nine months of 2024, recording the highest net income ever for a nine-month period.

9M 2024 Financial Results Highlights:

- SAR 14.2 billion net income after Zakat during the period, higher by 14.1 % YoY
- Market leading return on equity at 20.5%
- Operating income increased by 13.8% YoY on improved net yield income
- Operating efficiency improved to 25.4%
- Credit Quality remains strong with NPL ratio and NPL coverage ratio at 0.79% and 165%, respectively
- Cost of risk has maintained at 0.33%, increased by 8 basis points YoY
- Net financing increased by SAR 58 billion or 9.9% YoY to SAR 649 billion
- Strong funding profile with 72% of customer deposits being CASA
- Capitalization remains strong with Tier 1 of 19.7% and total CAR of 20.7%
- Healthy liquidity position with LCR of 137.2% and loan to deposit ratio of 78.3%

Riyadh, 27th Oct 2024 – During the first nine months of the current year 2024, Al Rajhi Bank recorded its highest-ever nine-month net income of SAR 14,206 million, which grew by 14.1% year-on-year. This was driven by a 13.8% higher operating income year-on-year due to improved net financing & investment income by 13.9% combined with 13.5% increase in non-yield income. On a quarterly basis, net income for the third quarter raised to SAR 5,103 million; 22.8% higher compared to the same quarter last year 2023. Total Assets have grown by 12.7% and reached a level of SAR 903 billion compared to the first nine months of last year 2023. Assets growth has been enhanced by 25.7% year-on-year growth in investments and 9.9% growth in the net financing book. Retail financing was higher by 6.2% year-on-year driven by 9.9% growth in the total mortgage book and 1.6% in total consumer financing. Additionally, corporate financing grew by 20.1% and SME financing elevated by 21.4% year-on-year. This balance sheet growth is supported by a healthy operating efficiency and leading return metrics with ROE and ROA at 20.5% and 2.2%, respectively. The Bank further maintained a strong capital position with a tier 1 ratio of 19.7% and healthy liquidity with LCR of 137.2%.

Commenting on Al Rajhi Bank's first nine months of 2024 performance, [Mr. Abdullah bin Sulaiman Al Rajhi, Chairman of the Board of Directors](#), said "As the group is growing across all

businesses, we continue to achieve the “**harmonize the group**” strategy goals by increasing the product penetration, acquiring new customer segments, and investing intensely in digital and automation. Our market leading ecosystem supports us in offering customer centric financial solutions and providing a unique experience across business and individual clients.

Al-Rajhi also added: "We are proud that the achieved growth contributes to achieving the goals of Saudi Vision 2030, as financing for corporates increased by 20%, financing for SMEs increased by 21%, and mortgage financing increased by 10% coupled with an increased activity in digital banking transactions in both corporate and retail. Moreover, having a great customer experience is a key element of our success; we maintain an NPS score of 84 which is one of the highest among the sector.

Al-Rajhi concluded his statement: "The progress in our strategy execution coupled with improved economy resulted in growth of 12.7% year-on-year in total assets to reach SAR 902 billion. Additionally, ROE and ROA stand at 20.5% and 2.2%, respectively, while earning per share has reached SAR 3.38 for the period."

Performance Highlights

Income Statement Summary

SAR (mn)	9M 24	9M 23	YoY %	3Q 24	2Q 24	QoQ %	3Q 23	YoY %
Net financing & investment income	17,902	15,720	+13.9%	6,397	5,857	+9.2%	5,401	+18.5%
Fees & other income	5,404	4,761	+13.5%	2,042	1,780	+14.7%	1,472	+38.7%
Total operating income	23,305	20,481	+13.8%	8,439	7,637	+10.5%	6,873	+22.8%
Operating expenses	(5,920)	(5,500)	+7.6%	(2,070)	(1,956)	+5.8%	(1,860)	+11.3%
Pre-Provision Profit	17,385	14,980	+16.0%	6,369	5,681	+12.1%	5,012	+27.1%
Total impairment charge	(1,564)	(1,099)	+42.4%	(688)	(455)	+51.3%	(379)	+81.4%
Net income before Zakat	15,821	13,882	+14.0%	5,681	5,226	+8.7%	4,633	+22.6%
Zakat	(1,611)	(1,431)	+12.5%	(574)	(528)	+8.7%	(478)	+20.1%
Non-controlling interests	4	0	0	4	0	0	0	0
Net income for the period after Zakat	14,210	12,451	+14.1%	5,103	4,698	+8.6%	4,155	+22.8%
Earnings per share (SAR)	3.38	2.96	+14.38%	1.22	1.12	+9.2%	0.99	+23.0%
Return on equity	20.47%	19.47%	+1.00%	21.58%	20.50%	+1.1%	19.25%	+2.3%
Return on assets	2.22%	2.14%	+0.08%	2.31%	2.22%	+0.1%	2.10%	+0.2%
Net financing and investment margin	3.08%	2.98%	+0.10%	3.17%	3.04%	+0.13%	3.00%	+0.17%
Cost to income ratio	25.4%	26.9%	-1.45%	24.5%	25.6%	-1.1%	27.1%	-2.5%
Cost of risk	0.33%	0.25%	+0.08%	0.43%	0.29%	+0.14%	0.26%	+0.17%

Total operating income increased by 13.8% reaching SAR 23,305 million during the first nine months of 2024, compared to SAR 20,481 last year same period. This growth is driven by 13.9% year-on-year higher net financing and investment income due to 10 basis points expansion on NIM reaching 3.08% compared to 2.98% last year same period. It's worth highlighting that non-yield income has contributed effectively where fees from banking services witnessed a YoY growth in the third quarter of 2024 by 5.2% due to the management initiatives to improve the fee income in many business lines; moreover, exchange income and other operating income raised by 3.3% and 74.3%, respectively.

Operating expenses totaled SAR 5,920 million during the period, a rise of 7.6% year-on-year. Nevertheless, our cost to income ratio has improved to 25.4% in the first nine months of 2024.

The net impairment charge for the first nine months 2024 amounted to SAR 1,564 million, higher by 42.4% compared to the same period last year driven by the financing portfolio growth. The cost of risk for the period increased by 8 basis points year-on-year and reached 0.33%.

3Q 2024 Earnings Release



Balance Sheet Summary

SAR (mn)	3Q 24	2Q 24	QoQ %	4Q 23	YTD %	3Q 23	YoY %
Cash & balances with SAMA & other central banks	45,085	42,467	+6.2%	41,768	+7.9%	43,838	+2.8%
Due from banks & other FIs, net	15,433	14,126	+9.3%	9,507	+62.3%	8,128	+89.9%
Investments, net	161,760	154,001	+5.0%	134,299	+20.4%	128,700	+25.7%
Financing, net	649,024	621,891	+4.4%	594,205	+9.2%	590,826	+9.9%
Other assets, net	31,269	34,475	-9.3%	28,321	+10.4%	29,307	+6.7%
Total Assets	902,571	866,960	+4.1%	808,098	+11.7%	800,799	+12.7%
Due to banks & other FIs	121,630	87,701	+38.7%	97,247	+25.1%	100,126	+21.5%
Customers' deposits	622,572	622,572	+0.0%	573,101	+8.6%	565,719	+10.0%
Sukuk issued	8,448	8,087	+4.5%	3,789	+123.0%	3,834	+120.4%
Other liabilities	32,041	32,204	-0.5%	27,202	+17.8%	28,841	+11.1%
Total liabilities	784,692	750,563	+4.5%	701,339	+11.9%	698,519	+12.3%
Total equity	117,879	116,396	+1.3%	106,759	+10.4%	102,280	+15.3%
Risk weighted assets	577,850	565,517	+2.2%	520,330	+11.1%	519,382	+11.3%
Tier 1 Ratio	19.7%	20.0%	-0.3%	20.4%	-0.7%	19.6%	+0.0%
Total capital adequacy ratio	20.7%	21.0%	-0.3%	21.5%	-0.8%	20.8%	-0.1%
Liquidity coverage ratio (LCR)	137%	146%	-9.0%	117%	+20.6%	145%	-7.5%
Basel III leverage ratio	11.9%	12.4%	-0.5%	12.5%	-0.6%	12.1%	-0.2%
Loan to Deposit Ratio	78.3%	79.7%	-1.4%	82.9%	-4.6%	81.0%	-2.7%
Non-performing loan ratio	0.79%	0.78%	+0.01%	0.71%	+0.08%	0.60%	+0.19%
Non-performing loan coverage ratio	165.2%	168.1%	-2.9%	203.0%	-37.9%	239.9%	-74.8%

Total assets reached SAR 903 billion as of 30th Sep 2024, an increase of 12.7% compared to the same period last year and 11.7% year-to-date, driven by the strong growth in both financing and investments portfolios.

Net financing has grown 9.9% year-on-year to reach SAR 649 billion. Retail financing growth stands at 6.2% driven by mortgage book growth of 9.9%. In non-retail, 20.1% year-on-year growth in corporate financing and 21.4% year-on-year growth in SME.

The non-performing loans ratio remains healthy at 0.79% which results in a stable credit quality. The non-performing loans coverage ratio stands solid at 165.2%. With a remarkable growth of 10.0% on the customers' deposits YoY. CASA continued to represent a significant proportion by 72.2% of total deposits as of 30th September 2024.

Al Rajhi Bank continued to maintain a strong capitalization profile with tier 1 and total capital adequacy ratios of 19.7% and 20.7%, respectively. The Bank's liquidity position remained healthy with a liquidity coverage ratio of 137.2% and loan to deposit ratio of 78.3%.

Additional Information

Auditors' Opinion

Unmodified opinion

Consolidated Financial Statements

The interim condensed consolidated financial statements for the year ended 30th September 2024 will be available through the following link on Al Rajhi Bank website (<https://www.alrajhibank.com.sa/en/About-alrajhi-bank/Investor-Relations>) and investor relations App.

3Q 2024 Earnings Call

Conference call for analysts and investors will be held on 5th of November 2024 at 4:00pm KSA time. The earnings call presentation will be available on Al Rajhi Bank website (<https://www.alrajhibank.com.sa/en/About-alrajhi-bank/Investor-Relations>) and investor relations App.



Alrajhi IR App

Financial Materials

Al Rajhi Bank's financial statements, earnings release, earnings presentation, earnings call transcript, investor presentation, factsheet and analyst data supplement are available to the public on the investor relations website:

<https://www.alrajhibank.com.sa/en/About-alrajhi-bank/Investor-Relations>

3Q 2024 Earnings Release

Contact Investor Relations

Investors Relations

Email: IR@alrajhibank.com.sa

Mr. Sulaiman J. Alquraishi
Telephone: +966 (11) 828 1987
E-mail : alquraishis@alrajhibank.com.sa

Mr. Mohammed M. Alqahtani
Telephone: +966 (11) 828 1921
E-mail : AlqahtaniM-M@alrajhibank.com.sa

Mr. Abdulsalam Alsukaiti
Telephone: +966 (11) 828 1942
E-mail : AlsukaitiAI@alrajhibank.com.sa



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