

Al Rajhi Bank Investor Presentation

3Q 2024

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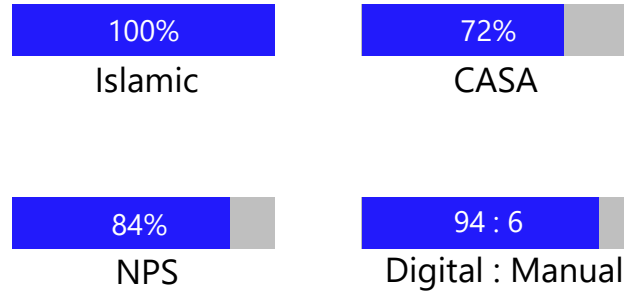
31 FY 2024 Guidance

34 IR Contact Information

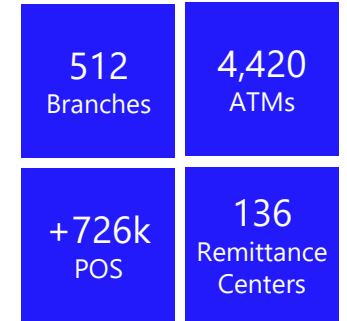
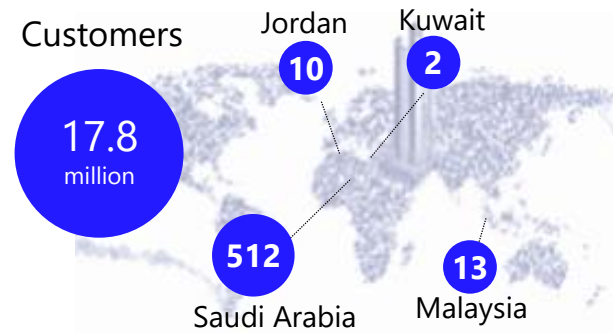


The World's Leading Islamic Bank

At a glance, 3Q 2024



Presence & Branches, 3Q 2024



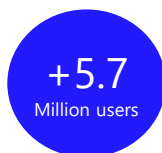
Largest network in Saudi Arabia

3Q 2024 Group Highlights

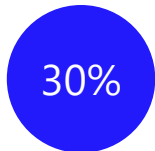
Emkan financing portfolio



Urpay wallets



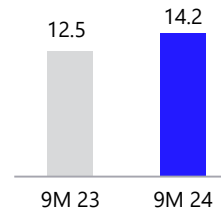
Female workforce



Alrajhi Capital, market share

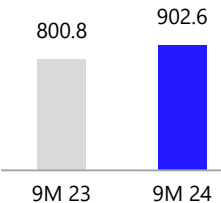


3Q 2024 Financial Highlights

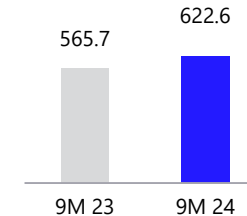


Group Net Income After Zakat
▲ +14.1%

- 9.9% YoY Net Financing Growth
- 20.7% Total Capital ratio
- 2.81% Cost of Funds



Total Assets
▲ +12.7%



Customer Deposits
▲ +10.0%



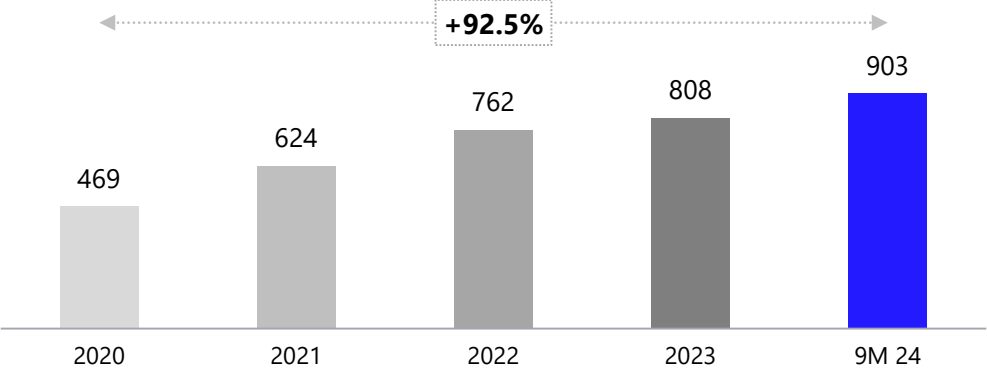
Top 10 Facts About Al Rajhi Bank

- 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
(72% Non-profit bearing deposits)
- 4 Bank capitalisation among the highest in GCC
(20.7% Total Capital ratio)
- 5 One of the highest NPS in KSA
(84% as on September 2024)
- 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
(988mn per month, average)
- 9 #1 Bank for remittances in Middle East
(by payment value)
- 10 #1 Bank brand in KSA
(Brand Power Score)

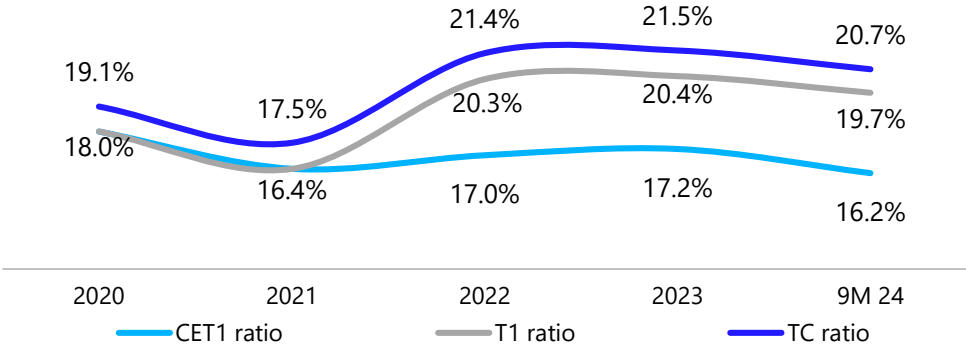


The World's Leading Islamic Bank | Robust balance sheet with 72% CASA deposits in 9M 2024

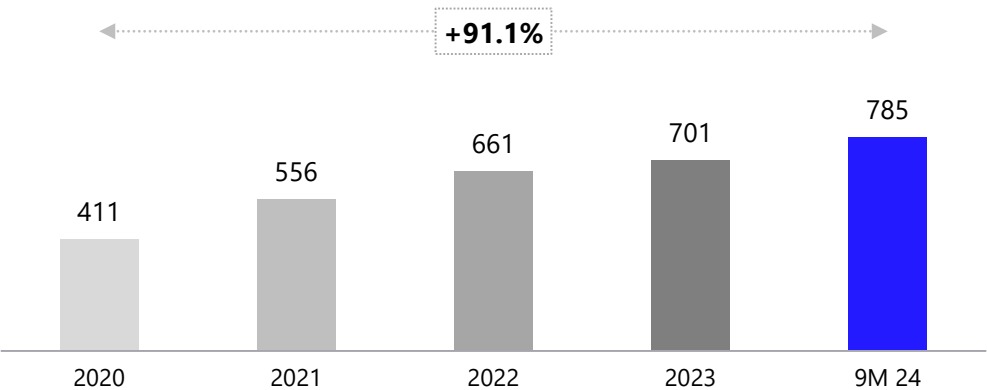
Total Assets (SARbn)



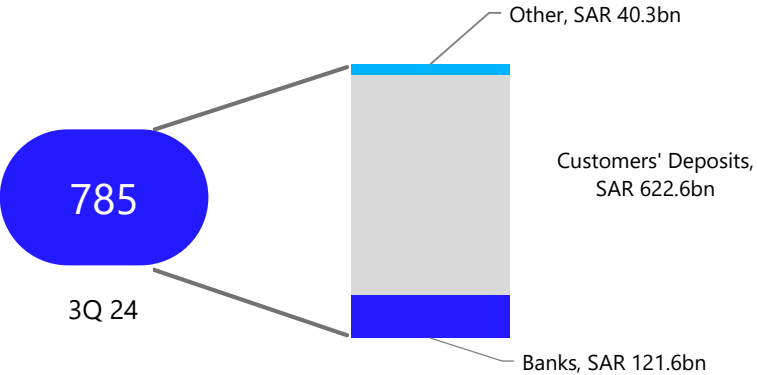
Capital Ratios (%)



Total Liabilities (SARbn)

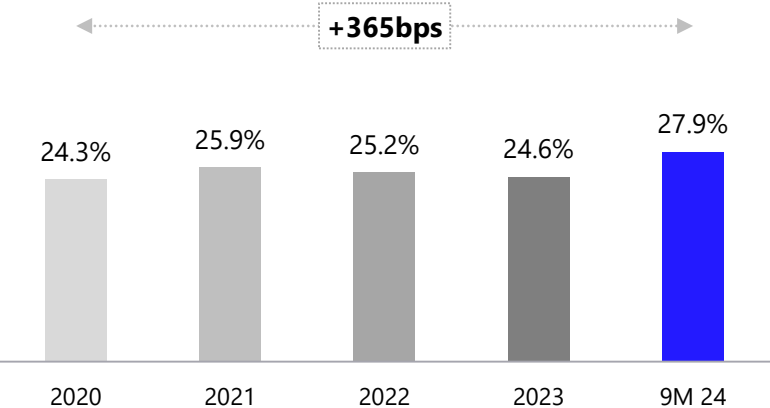


Total Liabilities Mix By Type (SARbn)



What sets Al Rajhi Bank Apart | ARB has the largest retail banking business in the Kingdom

Market Share - Demand Deposits

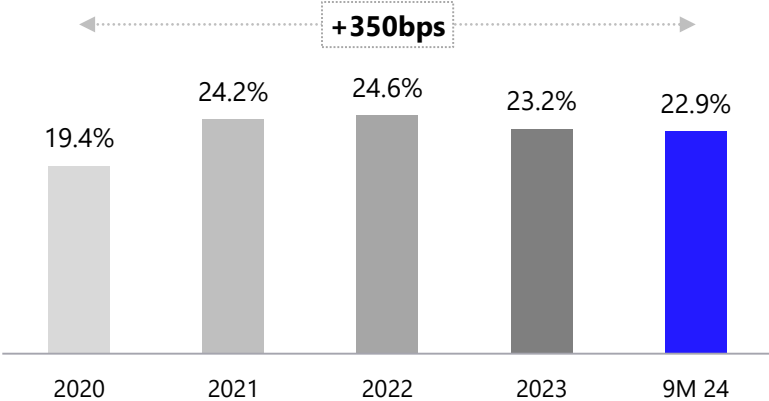


#2 in Saudi Arabia

17.8
Million
Active Customers

#1 in Saudi Arabia

Market Share - Deposits



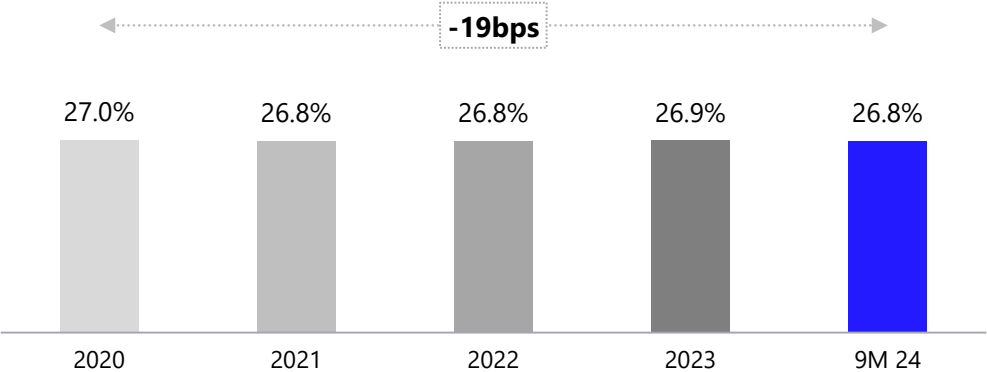
#2 in Saudi Arabia



Al Rajhi Bank's Leading Network | The Bank has the largest distribution network in Saudi Arabia

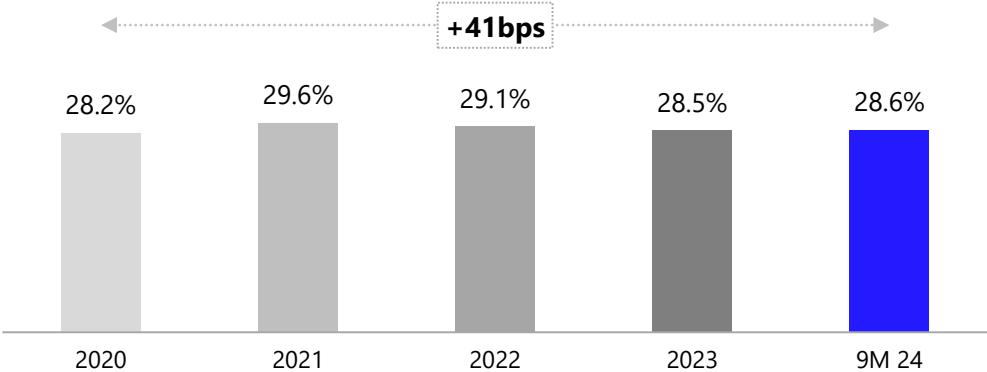
#1 in Branches

Market Share - Branches



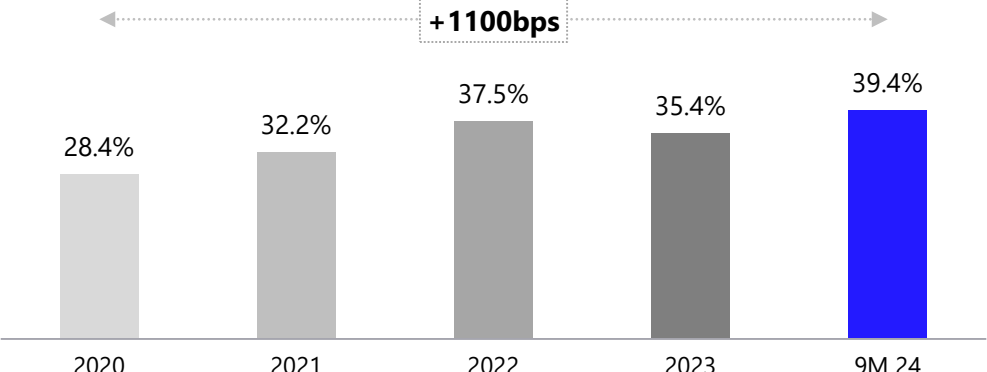
#1 in ATMs

Market Share - ATMs



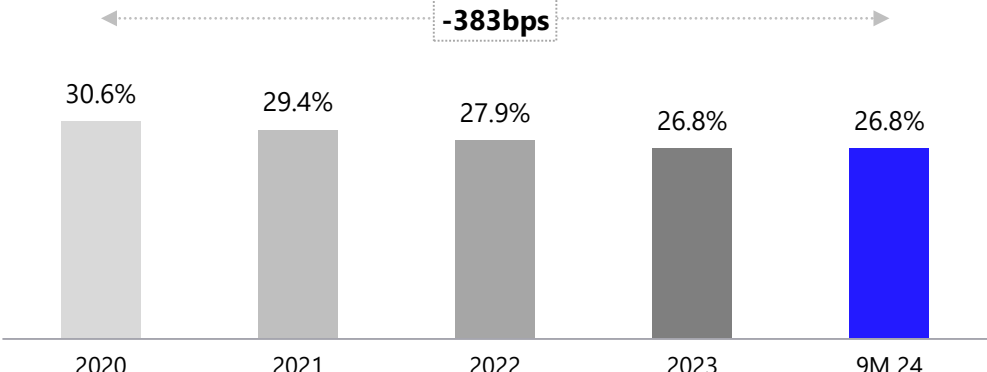
#1 in POS

Market Share - POS (Terminals)



#1 Remittance Centres

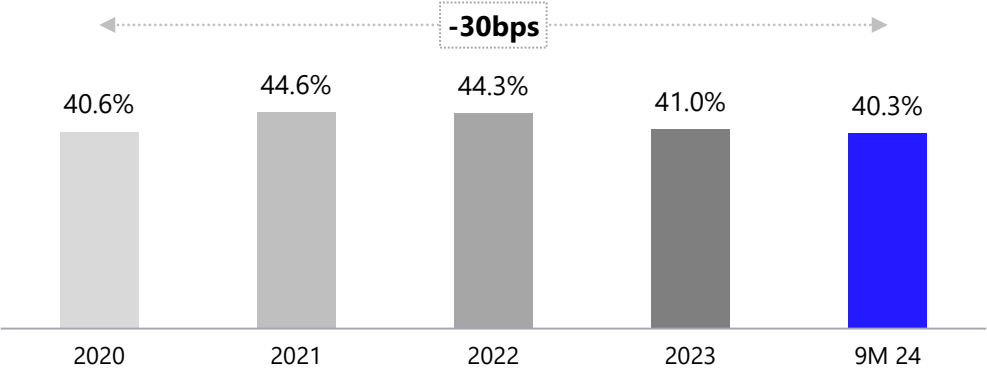
Market Share - Remittance Centers



Al Rajhi Bank has a unique franchise | We maintain a leading market share across key products

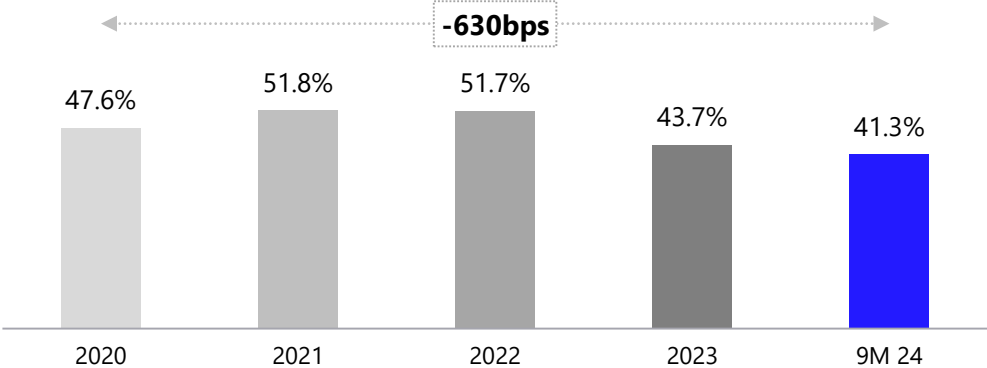
#1 in Personal Loans

Market Share - Personal Loans



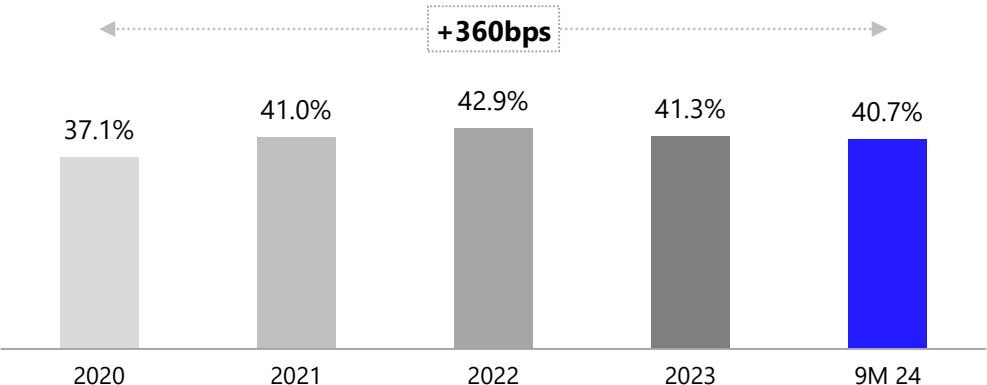
#1 in Auto Loans

Market Share - Auto Loans



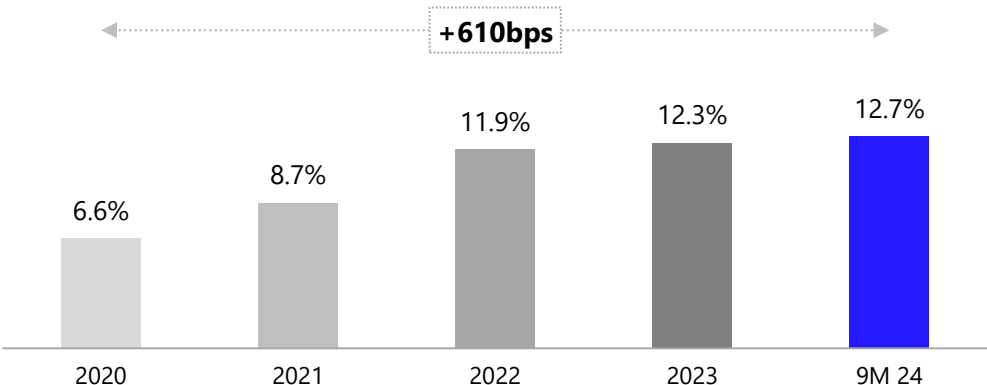
#1 in Mortgages

Market Share - Mortgages Loans



#3 in Corporate Loans

Market Share - Corporate Loans



Al Rajhi Bank Market Performance | ARB maintained its momentum and outperform its peer group

- Share Price Performance Top 3 KSA Banks (Daily; Rebased to 100)



30 Sep 2024

Key Metrics

Closing Price	SAR 87.2
Market Cap	SAR 349 bn
Market Cap / % Industry	37.4%
Market Cap / % Tadawul	3.5%
Shares outstanding	4.0 bn
90D Volatility	19.9
Price / Earnings	19.9 x
Price / Book	3.7 x

Sources: Bloomberg; Tadawul; RAJHI Financials

Ratings

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

	Al Rajhi Bank	SNB	Riyadh Bank	Kuwait Finance House	First Abu Dhabi Bank	Qatar National Bank	Emirates NBD
Rebased to 100	213	93	104	141	92	82	156
As of 30 Sep 2024	87.2 SAR	34.3 SAR	24.9 SAR	0.716 KWD	13.74 AED	17.0 QAR	20.3 AED



ESG Highlights

	<p>USD 4.6 bn Green syndicated loan</p>		<p>214 Scholarships to Orphan students to join Universities</p>	<p>ISO/DIS 37301:2020 Compliance</p>	
	<p>Started using solar energy system in 61 branches to reduce utilities consumption</p>	<p>+39k Families have been benefited from the affordable housing solutions</p>	<p>+22k Employees across the group</p>	<p>ISO 22301:2019 Business Continuity Management</p>	
<p>SAR 903bn Total Assets</p>	<p>Around SAR 3bn of financing renewable energy projects</p>	<p>SAR 1.61bn Zakat</p>	<p>77 Kidney transplants in 2024</p>	<p>260 Sharia Board Resolutions in 2023</p>	<p>12% growth in female employees in 2023</p>
<p>SAR 14.2bn Net Profit after Zakat</p>	<p>USD 2.0bn Sustainable Sukuk</p>	<p>SAR 2.78bn In salaries and benefits paid</p>	<p>12 Batches of Graduate Development Program since 2015</p>	<p>137 Policies & Frameworks</p>	<p>30% of female employees at the group level</p>
<p>0% Financing exposure in Tobacco, Alcohol & Gambling</p>	<p>94:6 Digital to Manual Ratio</p>	<p>SAR 34.9bn in financing for SMEs</p>	<p>+158k total training days since 2023</p>	<p>4 out of 11 Independent Board Directors</p>	<p>+100% growth in female customers since 2015</p>
<p>Financial Sustainability</p>	<p>Environmental</p>	<p>Social</p>		<p>Governance</p>	<p>Gender Diversity</p>

■ 3Q 2024 figures



Our strategy
“Harmonize the group”

“Harmonize the Group” | Highlights on our strategy performance

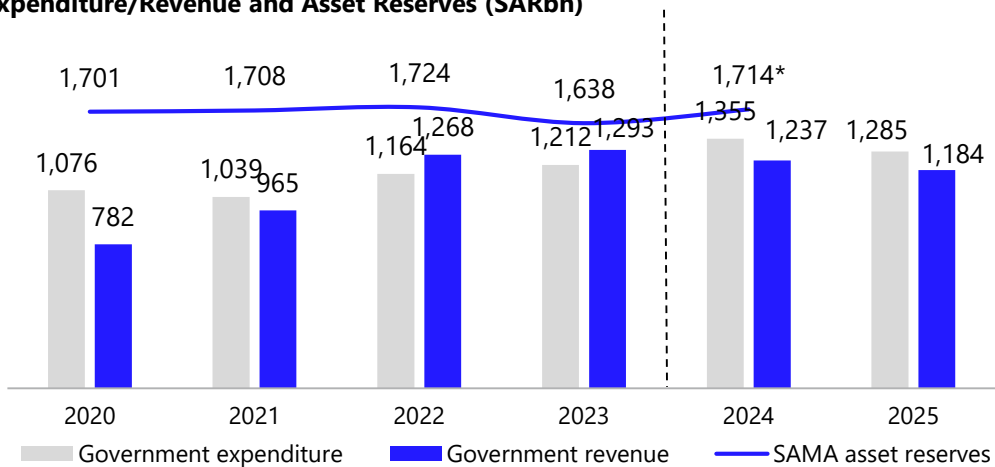


KSA's Macro-Economic Environment

Highlights

- Saudi GDP is expected to increase by 2.8% in 3Q 2024 driven by higher non-oil activities
- IMF revised Saudi's GDP growth forecasts to 1.5% for 2024 and estimated 2025 to grow by 4.6%
- Unemployment rate reached all time low of 7.1% in 2Q 2024

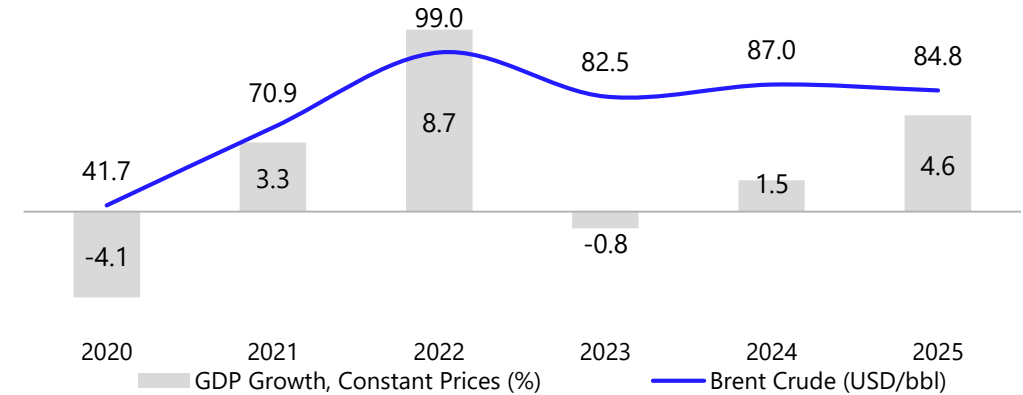
Expenditure/Revenue and Asset Reserves (SARbn)



Source: MoF, SAMA

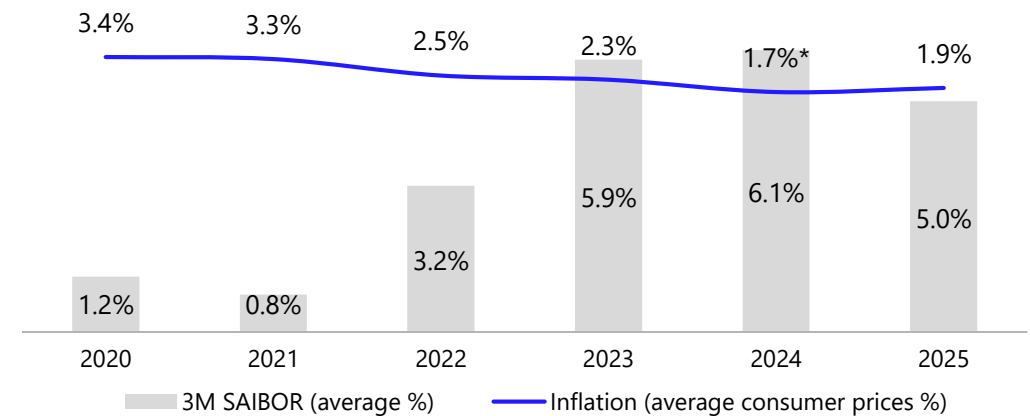
*September 2024 figure

GDP Growth/Brent Oil Price



Source: IMF, U.S. Energy Information

3M SAIBOR / Inflation



Source: SAMA, IMF, MoF

*September 2024 figure

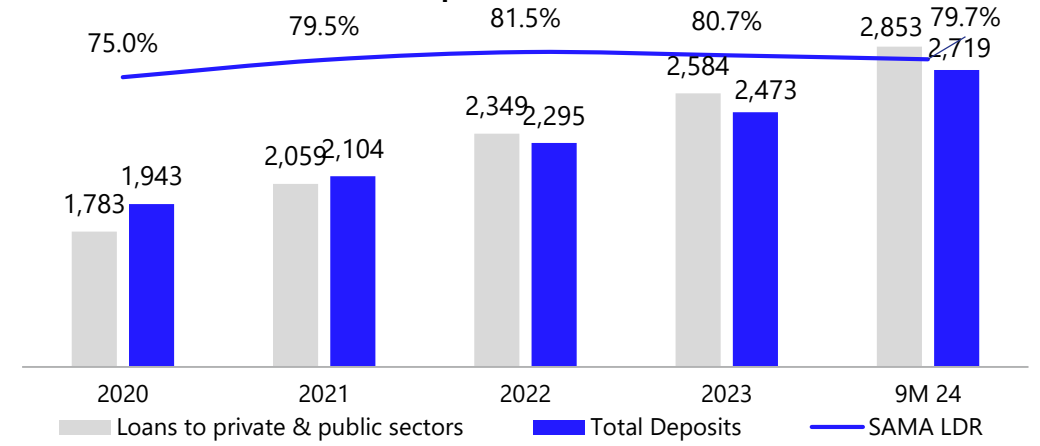


Banking Sector Highlights | Banking system deposits continue growing in the third quarter 2024

Recent Developments

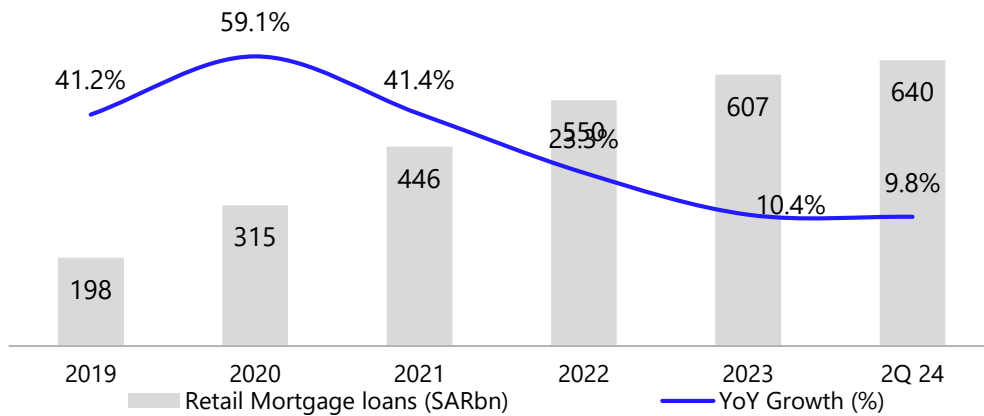
- Deposits have grown in the banking system by end of September 2024 align with loans growth.
- SRC benchmark rates decreased to 7.1% in Sep 2024
- Consumer spending increased by 7.2% YoY in the first 9 months of 2024 with continuous migration toward cashless payment methods

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



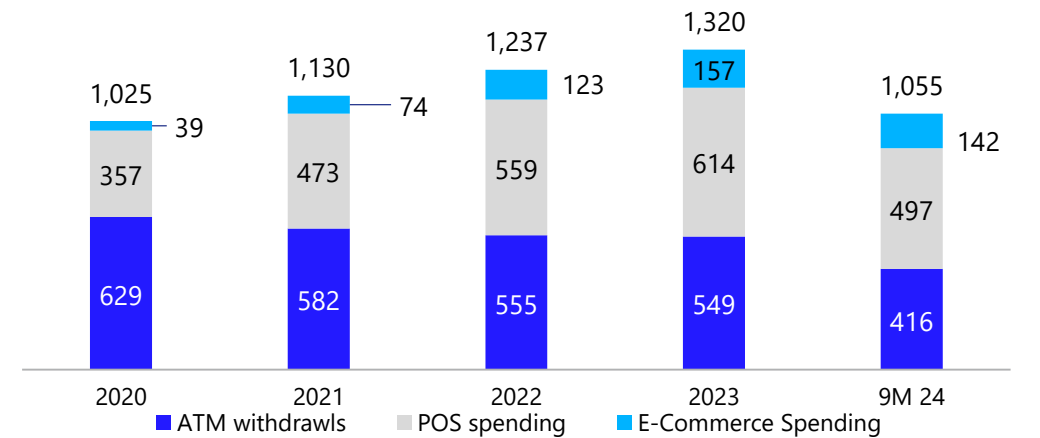
Source: SAMA

Retail Mortgage (SARbn)



Source: SAMA

POS/ATM & E-Commerce (SARbn)



Source: SAMA



3Q 2024 Financial Highlights

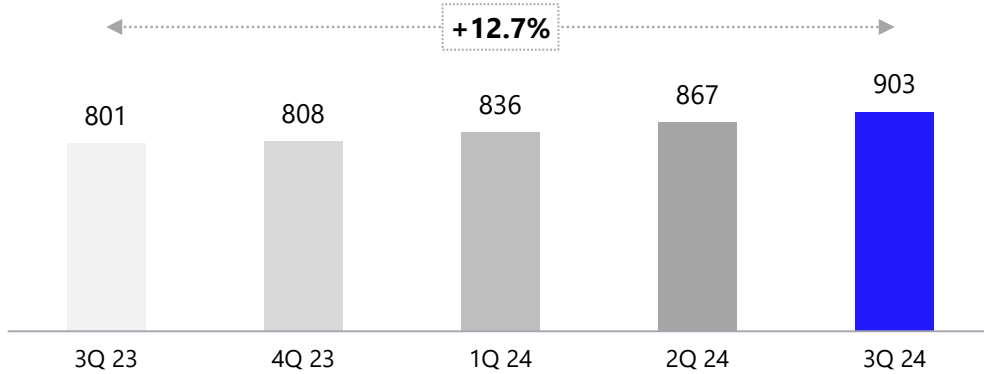
3Q 2024 Results Summary | Results are above expectations in the first 9M 2024

11.7% YTD Balance Sheet Growth	9.2% YTD Growth in financing portfolio		11.9% Growth in liabilities		LDR below regulatory minima	
	Net Financing		Total Liabilities		Loan to Deposit Ratio	
	594.2bn	+9.2% → 649.0bn	701.3bn	+11.9% → 784.7bn	82.9%	78.3%
	FY 23	9M 24	FY 23	9M 24	FY 23	9M 24
14.1% higher net income YoY	13.9% growth in net yield income		13.5% higher Non yield income		13.8% higher operating income	
	Net Yield income		Non Yield Income		Operating Income	
	15,720mn	+13.9% → 17,902mn	4,761mn	+13.5% → 5,404mn	20,481mn	+13.8% → 23,305mn
	9M 23	9M 24	9M 23	9M 24	9M 23	9M 24
Stable credit quality	8 bps COR increase		8 bps Higher in NPL ratio		NPL coverage remained strong	
	Cost of risk		NPL		NPL Coverage	
	0.25%	→ 0.33%	0.71%	→ 0.79%	203%	→ 165%
	FY 23	9M 24	FY 23	9M 24	FY 23	9M 24
Key Ratios	Operating efficiency remains solid		Strong capital position		Higher NPM	
	Cost to income ratio		Total Capital Adequacy Ratio		NPM	
	26.9%	→ 25.4%	20.8%	→ 20.7%	2.98%	→ 3.08%
	9M 23	9M 24	9M 23	9M 24	9M 23	9M 24

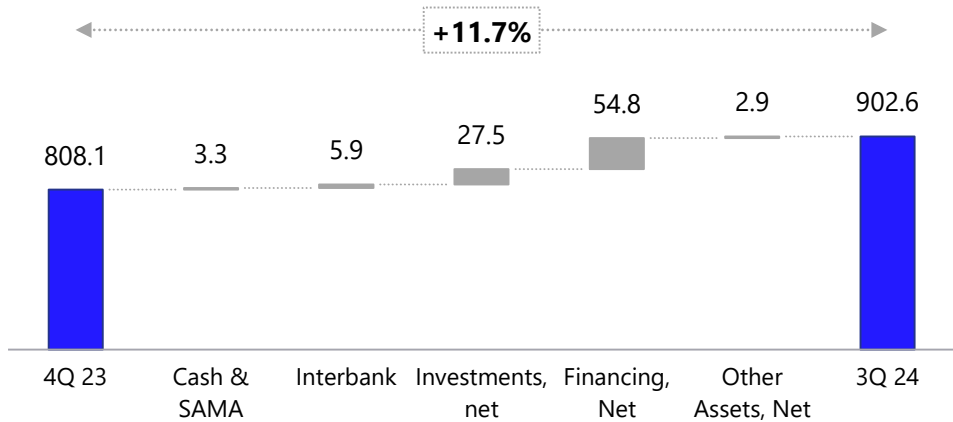


Balance Sheet Trends (1) | Balance sheet growth of 11.7% YTD driven by Financing and Investments

Total Assets (SARbn)



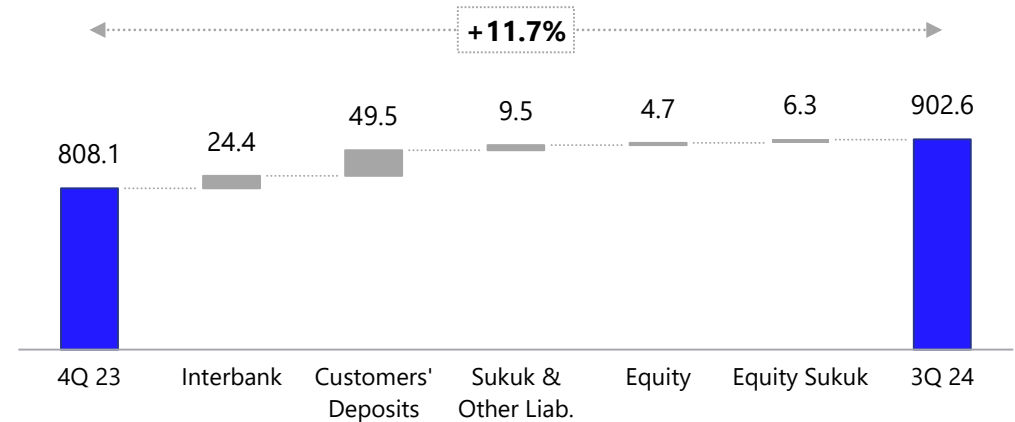
Movement in Assets (SARbn)



SAR (mn)

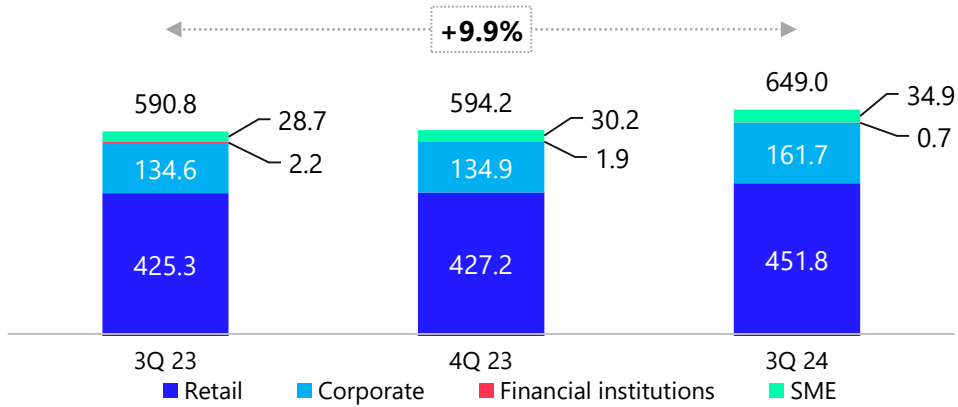
	3Q 24	2Q 24	QoQ	4Q 23	YTD
Cash & balances with SAMA	45,085	42,467	+6%	41,768	+8%
Due from banks & other FI	15,433	14,126	+9%	9,507	+62%
Investments, net	161,760	154,001	+5%	134,299	+20%
Financing, net	649,024	621,891	+4%	594,205	+9%
Other assets, net	31,269	34,475	-9%	28,321	+10%
Total assets	902,571	866,960	+4%	808,098	+12%
Due to banks & other FI	121,630	87,701	+39%	97,247	+25%
Customers' deposits	622,572	622,572	+0%	573,101	+9%
Sukuk issued	8,448	8,087	+4%	3,789	+123%
Other liabilities	32,041	32,204	-1%	27,202	+18%
Total liabilities	784,692	750,563	+5%	701,339	+12%
Total equity	117,879	116,396	+1%	106,759	+10%

Movement in Funding (SARbn)

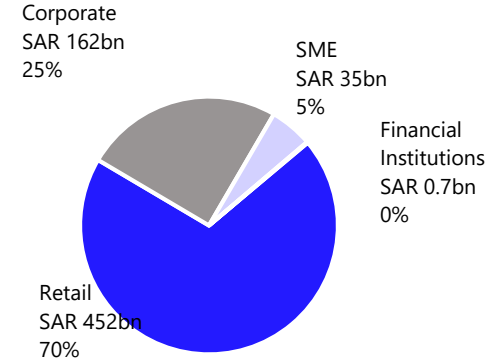


Balance Sheet Trends (2) | Financing growth is driven by Mortgage and Corporate

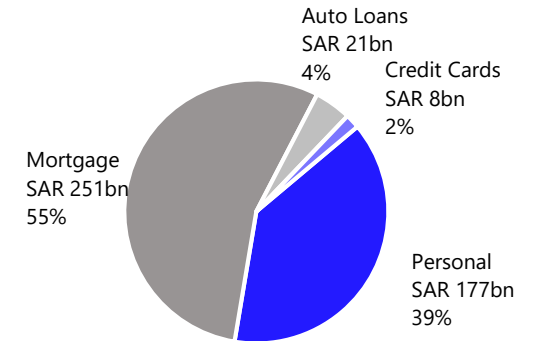
Financing, Net (SARbn)



Financing, Net Mix By Segment (SARbn)



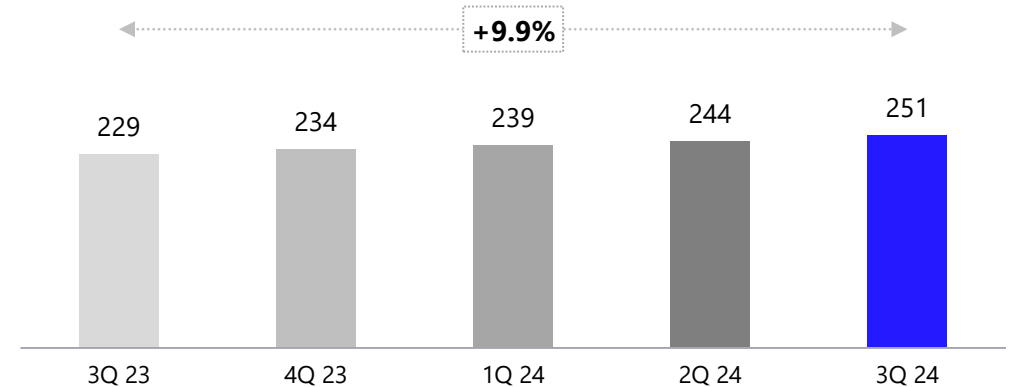
Retail Financing, Gross Mix By Segment (SARbn)



Movement in Financing (SARbn)

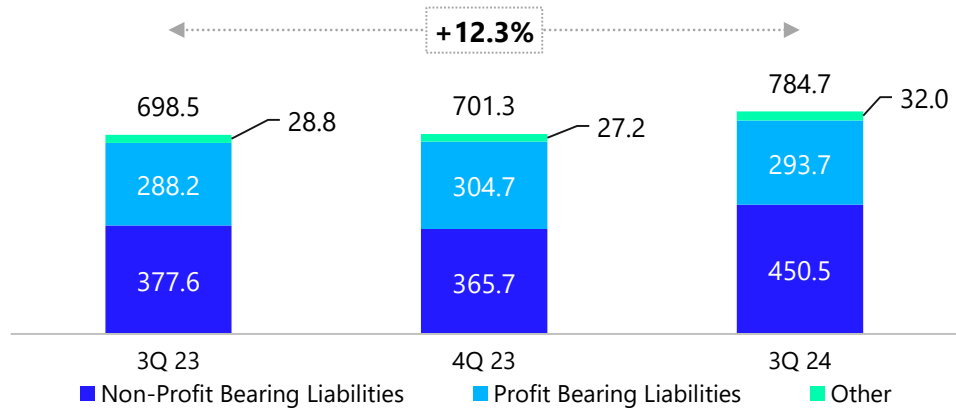


Mortgage Financing (SARbn)

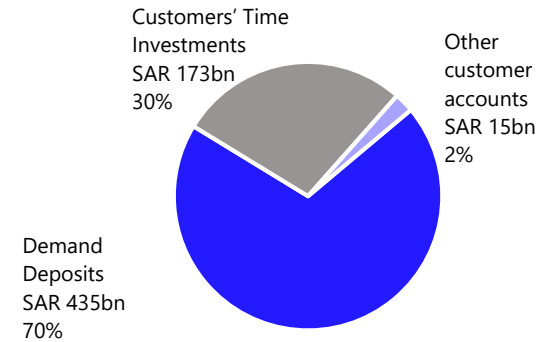


Balance Sheet Trends (3) | Balance sheet shows improving funding mix

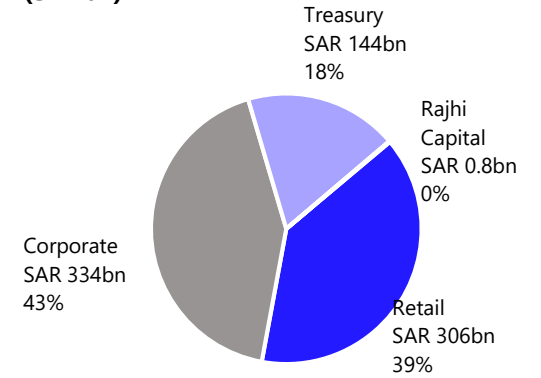
Total Liabilities (SARbn)



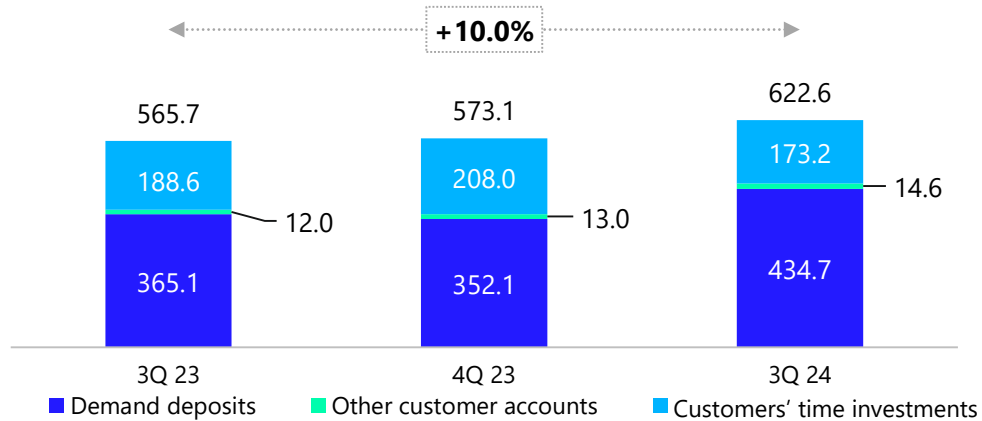
Total Customers' Deposits Mix By Type (SARbn)



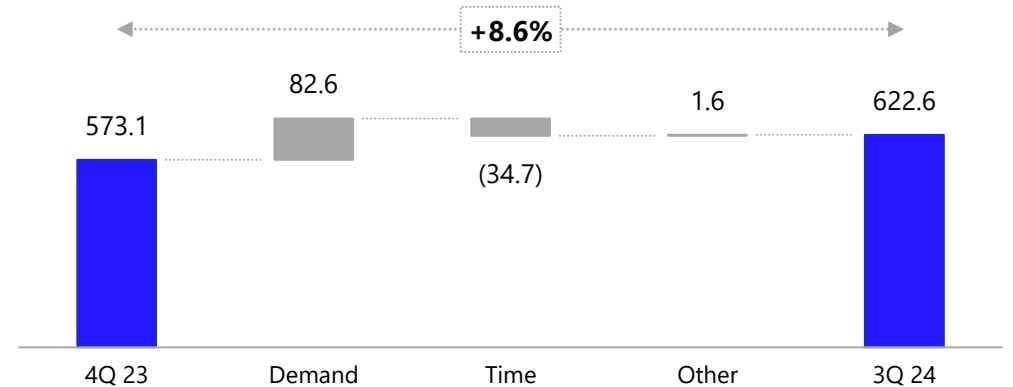
Total Liabilities Mix By Segment (SARbn)



Total Customers' Deposits (SARbn)

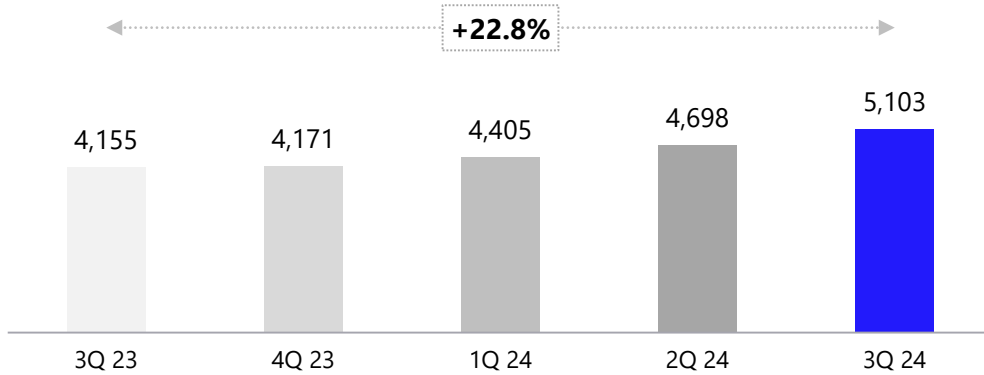


Movement in Total Customers' Deposits (SARbn)

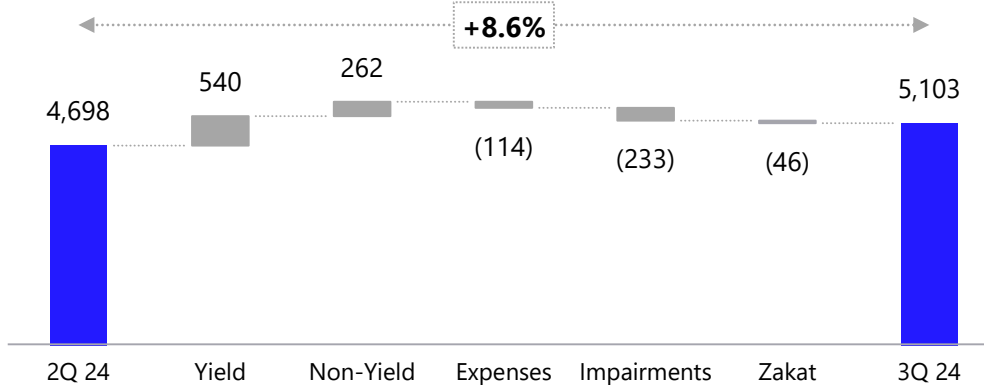


Net Income Trends | highest-ever 9M net income with a 14% growth YoY

Net Income For The Period After Zakat (SARmn)



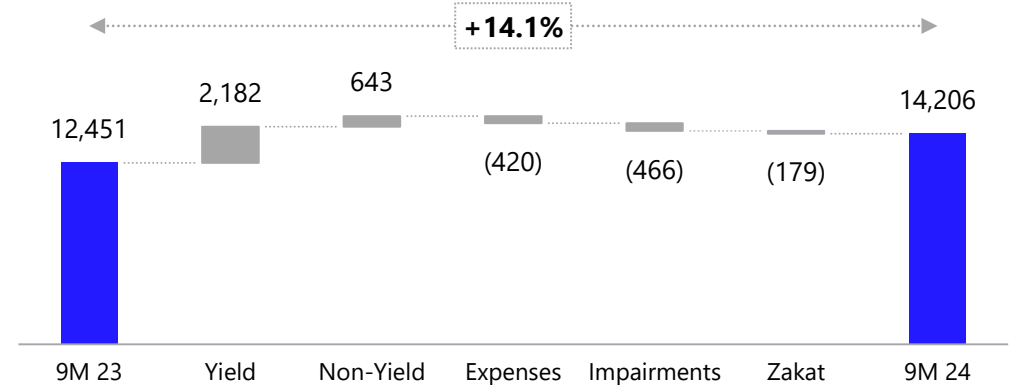
Net Income After Zakat Growth Drivers By Type (SARmn)



SAR (mn)

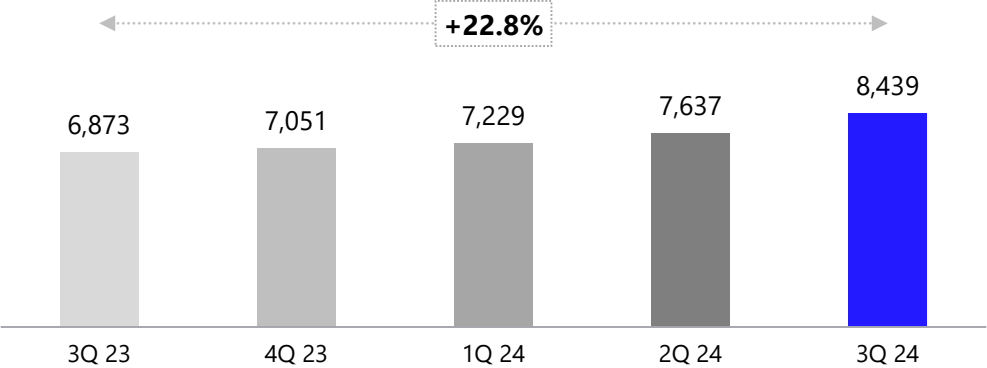
	9M 24	9M 23	YoY	3Q 24	3Q 23	YoY
Net financing & investment income	17,902	15,720	+14%	6,397	5,401	+18%
Fee from banking services, net	3,404	3,238	+5%	1,242	899	+38%
Exchange Income, net	956	925	+3%	342	336	+2%
Other operating income, net	1,044	599	+74%	457	237	+93%
Fees and other income	5,404	4,761	+13%	2,042	1,472	+39%
Total operating income	23,305	20,481	+14%	8,439	6,873	+23%
Operating expenses	-5,920	-5,500	+8%	-2,070	-1,860	+11%
Pre-provision profit	17,385	14,980	+16%	6,369	5,012	+27%
Total impairment charge	-1,564	-1,099	+42%	-688	-379	+81%
Net income for the period before Zakat	15,821	13,882	+14%	5,681	4,633	+23%
Zakat	-1,611	-1,431	+13%	-574	-478	+20%
Non-controlling interests	4	0	+0%	4	0	+0%
Net income for the period after Zakat	14,206	12,451	+14%	5,103	4,155	+23%

Net Income After Zakat Growth Drivers By Type (SARmn)

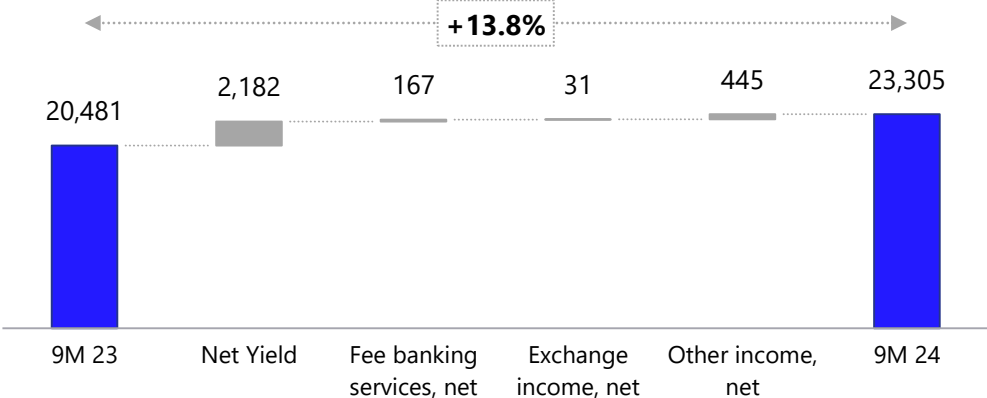


Operating Income Trends | Higher operating income driven by net yield and fee income growth

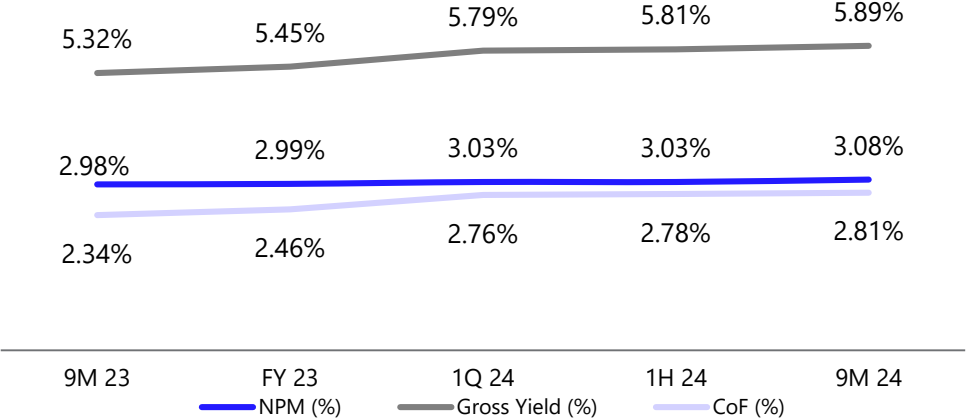
Total Operating Income (SARmn)



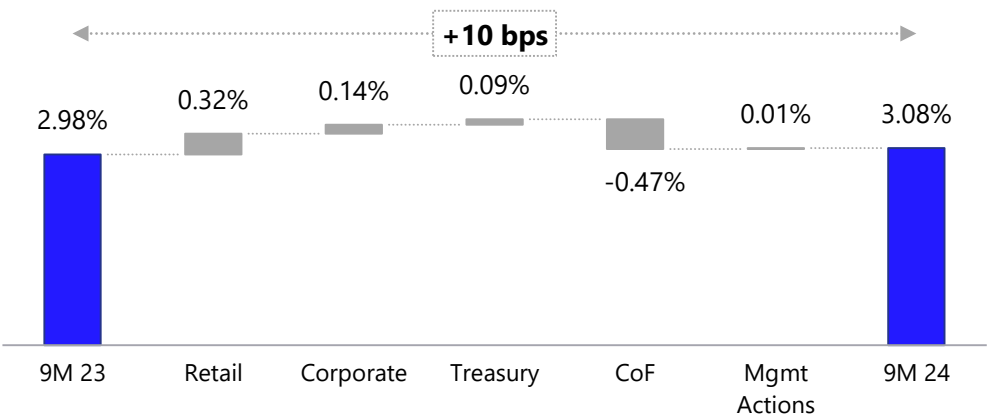
Total Operating Income Growth Drivers By Type (SARmn)



Net Profit Margin (%)

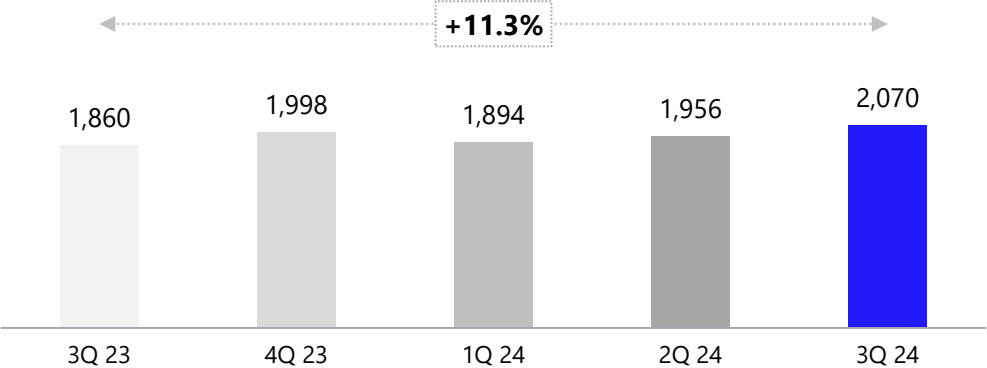


NPM Drivers (%)

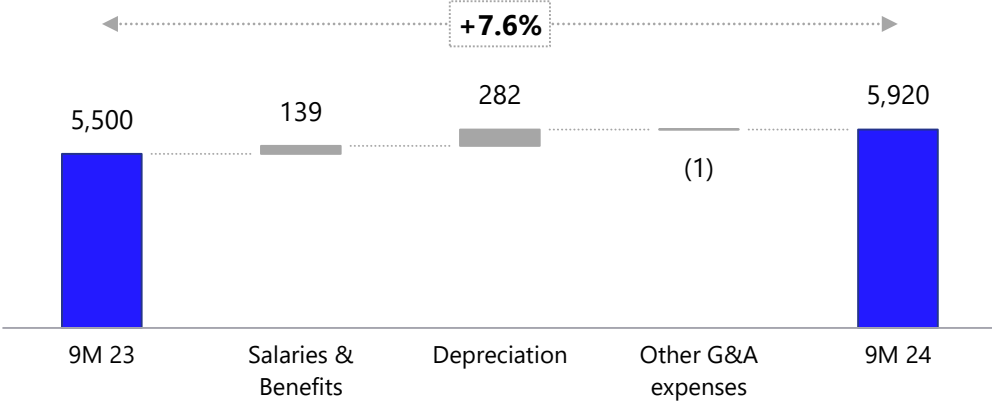


Expenses Trends | Cost efficiencies remains solid

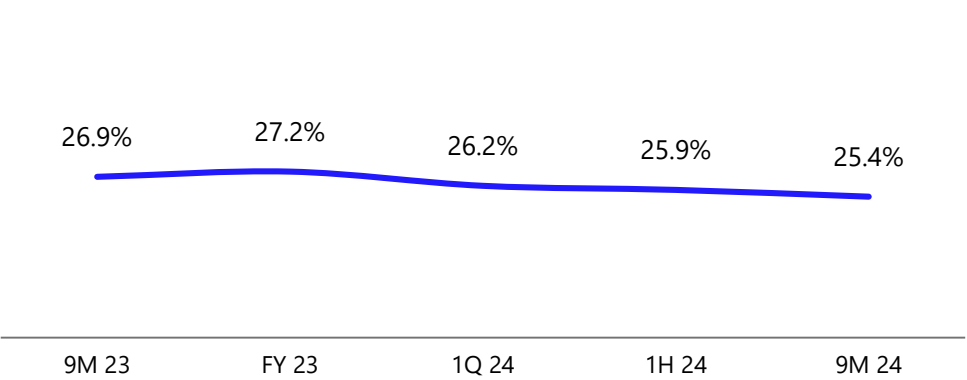
Operating Expenses (SARmn)



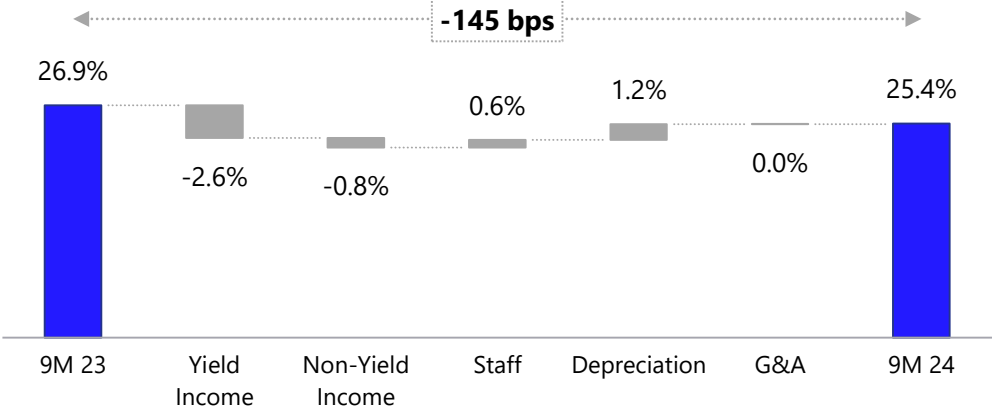
Operating Expenses Growth Drivers By Type (SARmn)



Cost To Income Ratio (%)

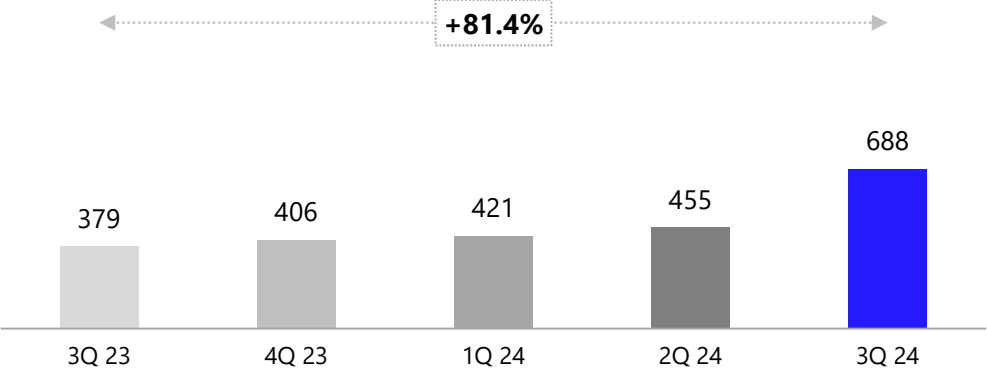


Cost to Income Ratio Drivers (%)

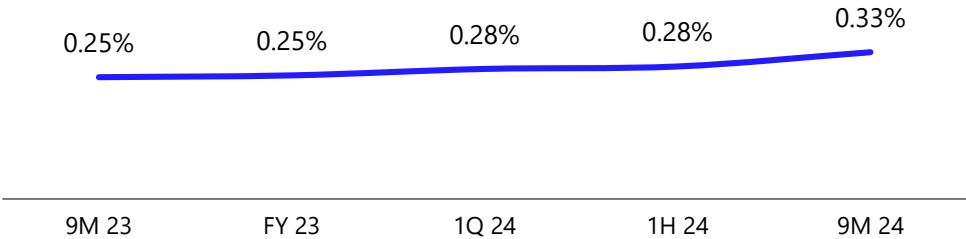


Net Impairment & Cost of Risk | Higher gross charge due to Financing portfolio growth

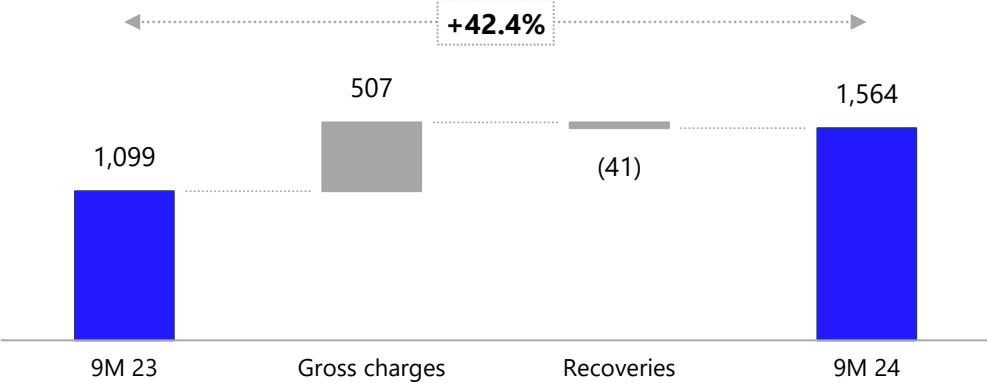
Net Impairment Charges (SARmn)



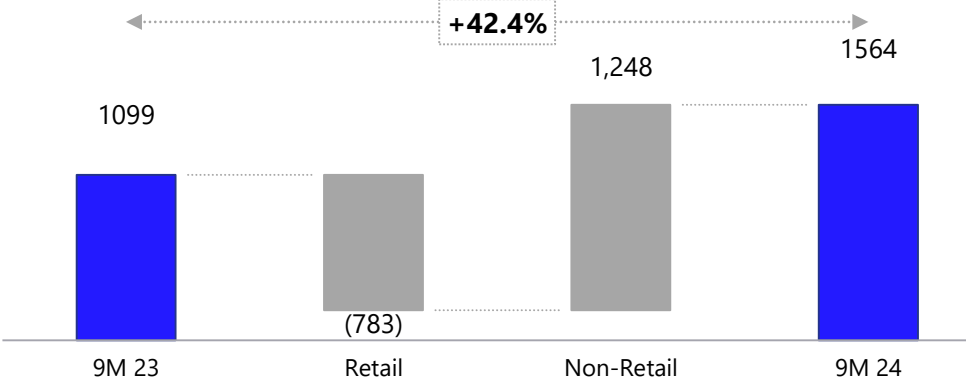
Cost of Risk (%)



Movement in Net Impairment (SARmn)

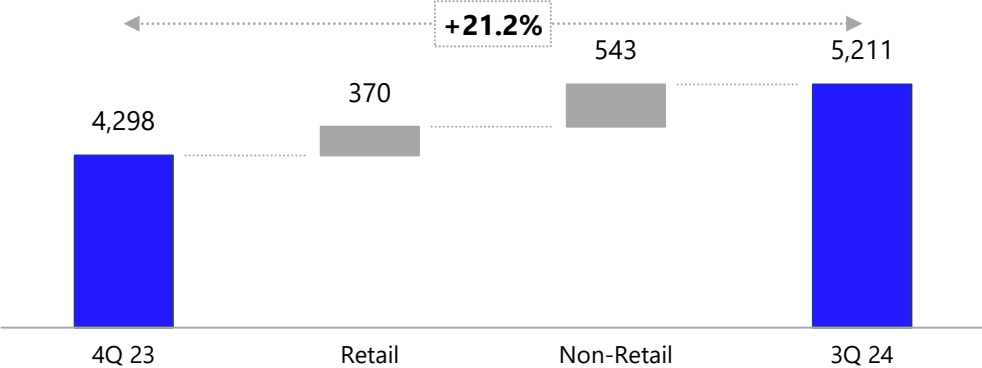


Movement in Net Impairment by Group (SARmn)

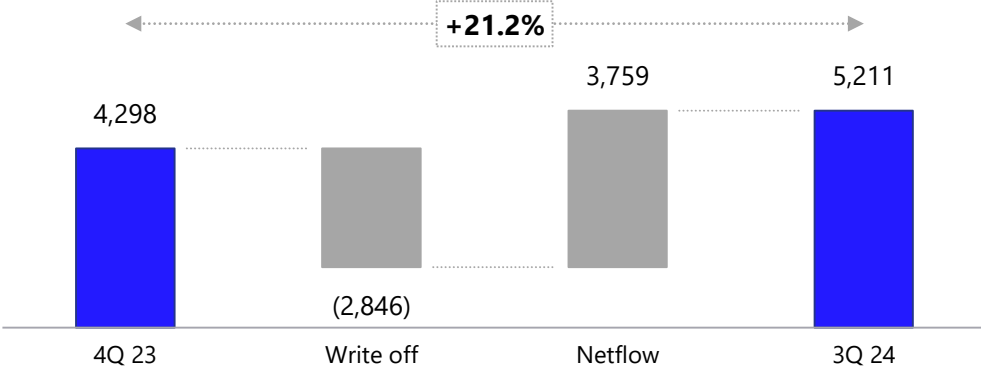


Asset Quality Trends (1) | Asset quality remains healthy with a high NPL coverage

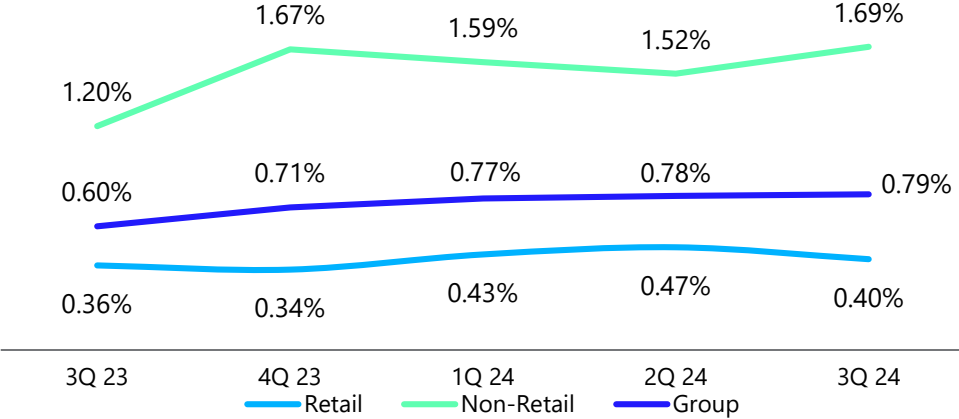
Movement in NPL (SARmn)



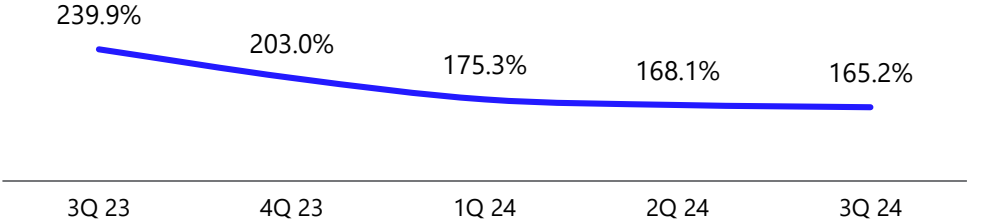
NPL Formation (SARmn)



NPL Ratio (%)

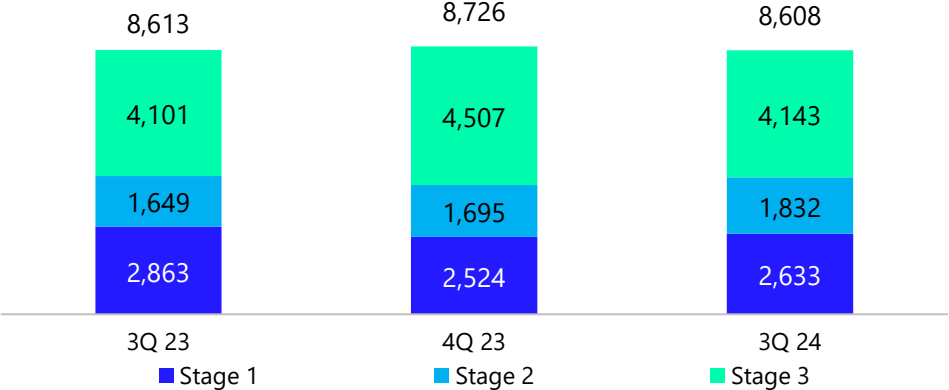


NPL coverage ratio (%)

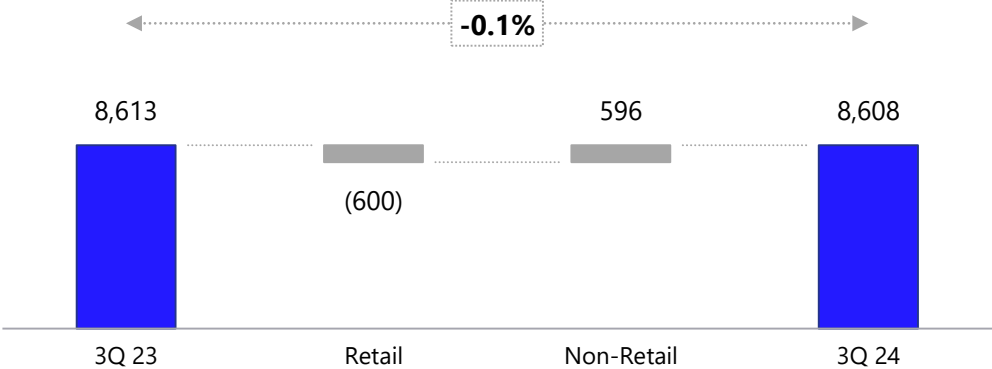


Asset Quality Trends (2) | Healthy stage coverage reflecting prudent risk management

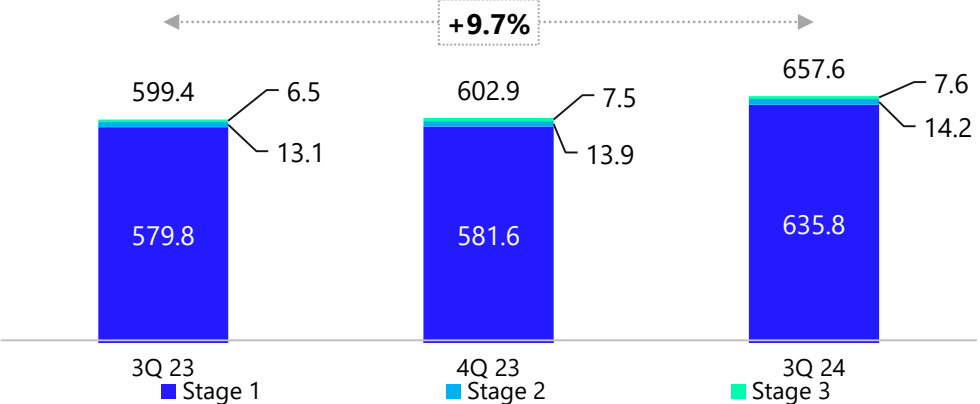
ECL by Stage (SARmn)



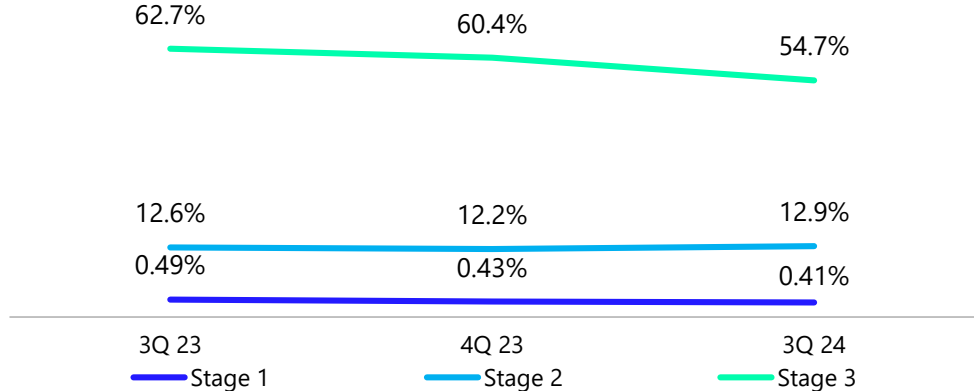
Movement in ECL by Group (SARmn)



Gross Loans by Stage (SARbn)

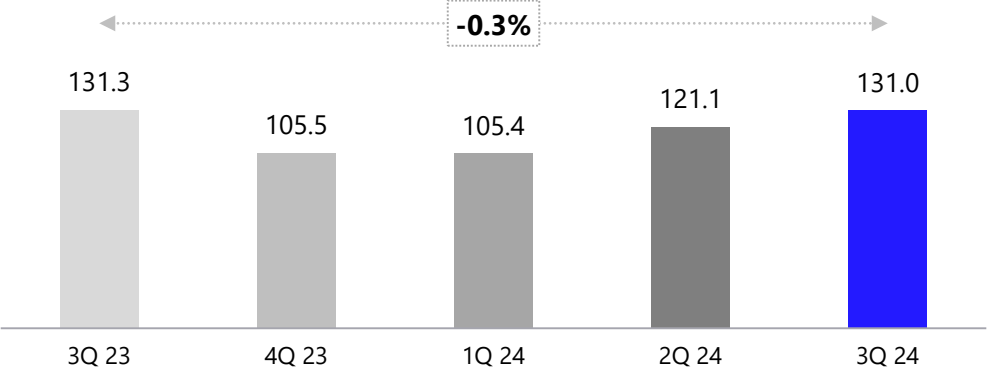


ECL Coverage (%)

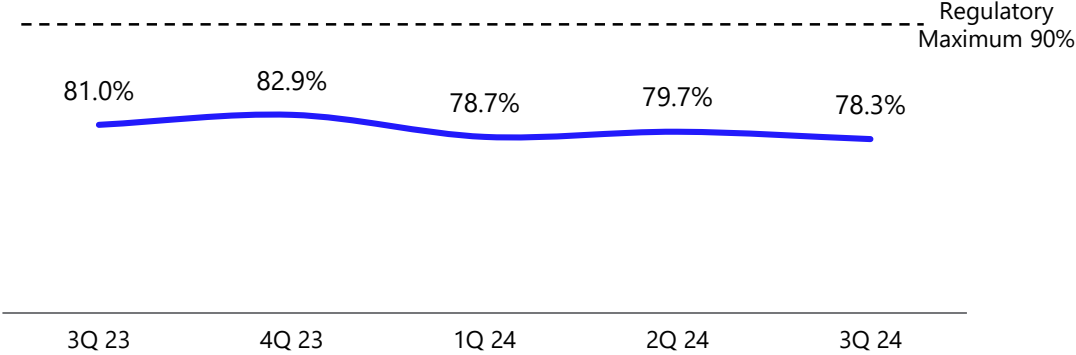


Liquidity Trends | Liquidity remains comfortably within regulatory requirements

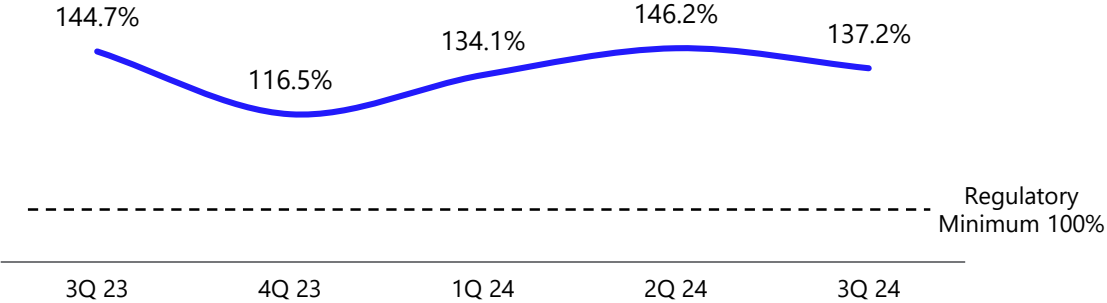
HQLA (SARbn)



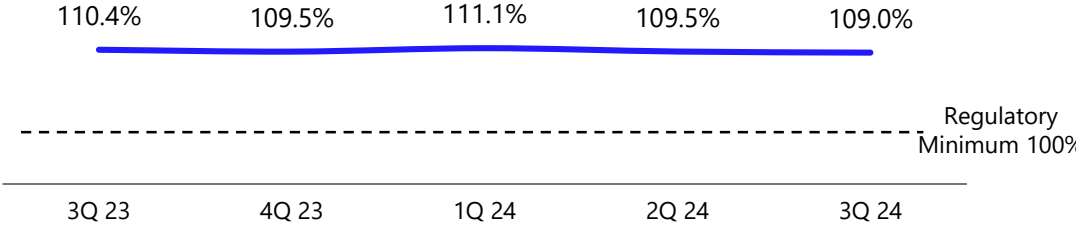
Loan to Deposits Ratio (SAMA) (%)



LCR (%)

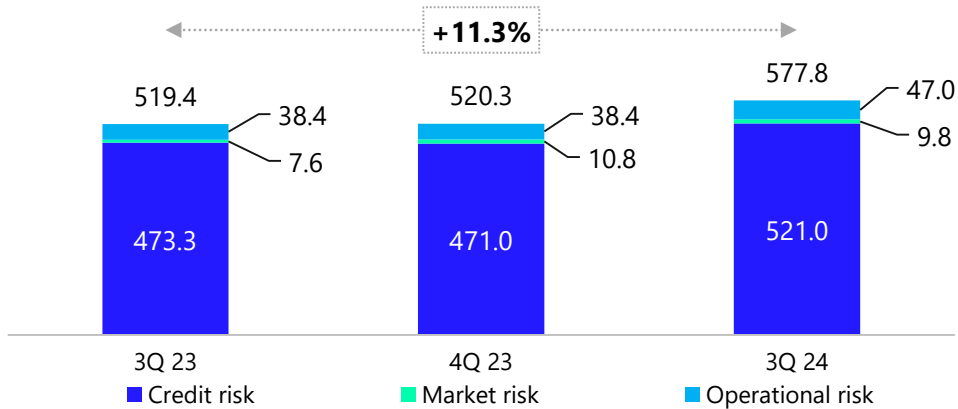


NSFR (%)

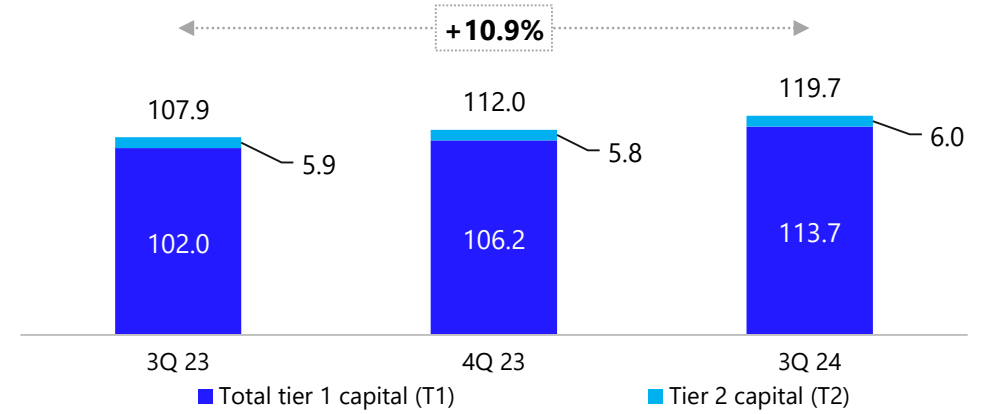


Capitalization Trends | Capital position well above regulatory minima

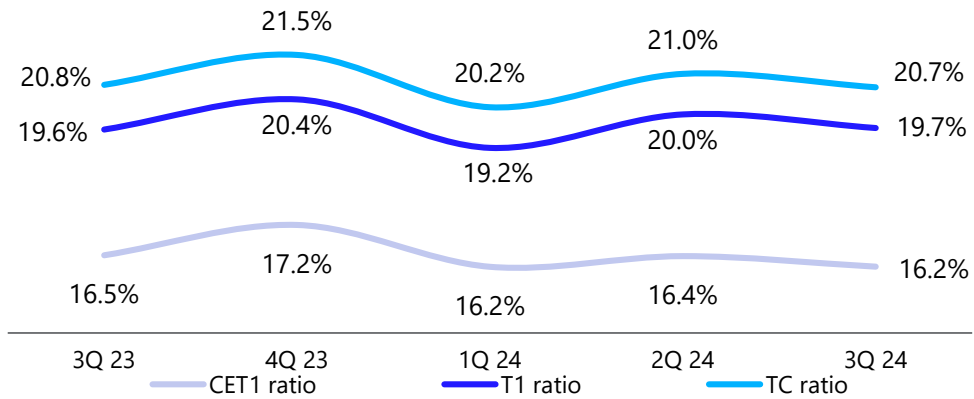
RWA (SARbn)



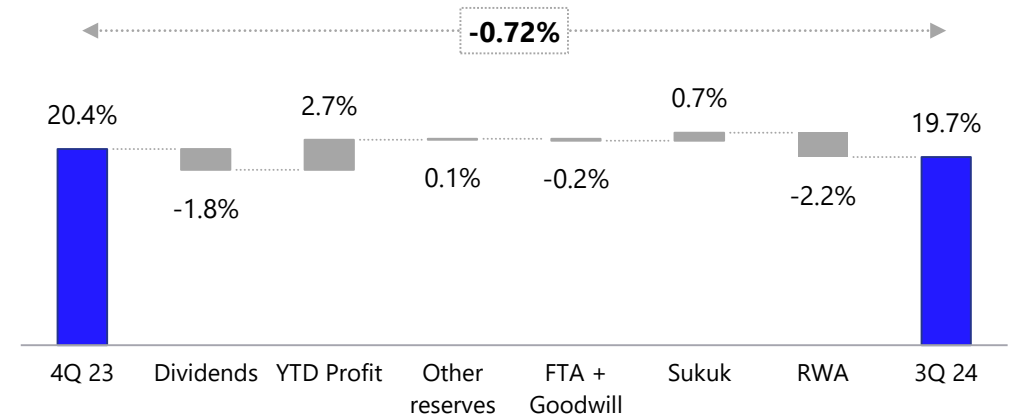
Total Capital (SARbn)



Capital Ratios (%)

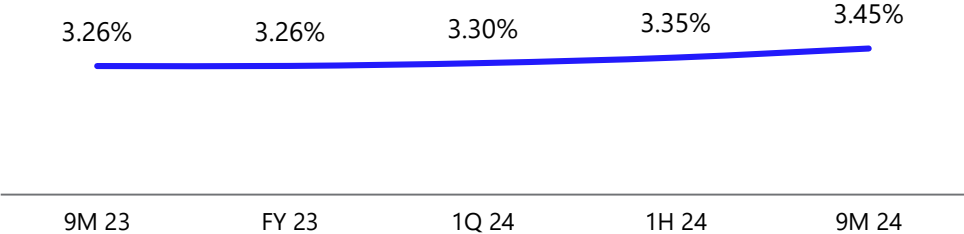


Tier 1 Drivers (%)

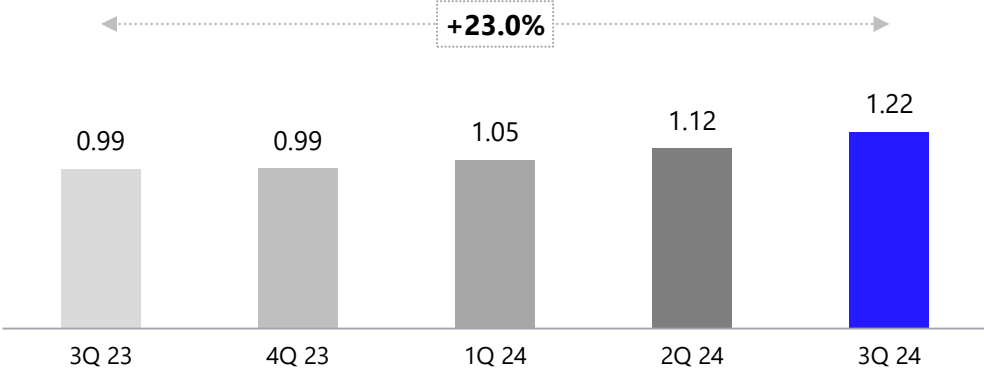


Return Metrics | Al Rajhi Bank's returns remain industry-leading

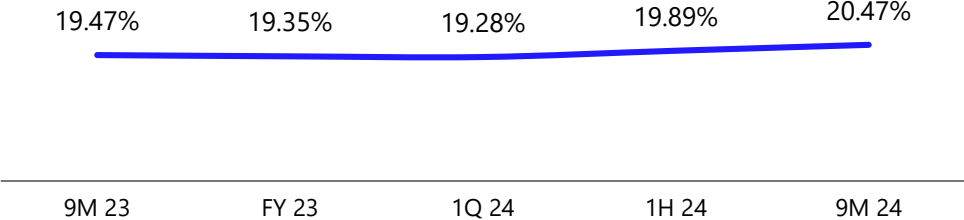
Return on RWA (%)



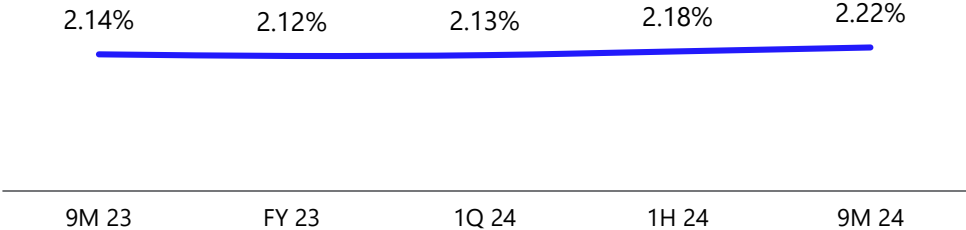
Earnings per Share (SAR)



Return on Equity (%)



Return on Assets (%)



FY 2024 Guidance

FY 2024 Assumptions and Outlook | Interest rates are expected to continue decreasing by end of 2024

Economy



- Saudi real GDP is expected to improve by 2.8% in 3Q 2024 driven by 4.2% higher non-oil activities
- IMF has revised Saudi GDP growth forecasts to 1.5% in 2024 and projected 4.6% for 2025
- Consumer spending increased by 7.2% YoY in the first 9 months of 2024 backed by the improved economic activities
- Credit demand is expected to remain positive over the medium term due to economic diversification

Interest Rates



- Based on the recent U.S data, we expect one more rate cut by end of 2024
- The outlook of the interest rates environment will have an impact on both credit demand and deposit mix
- NIM is expected to continue expanding on a positive trend in 2024 and beyond
- SRC benchmark rates have decreased to 7.1% levels in September 2024

Strategy & Execution



- In February 2024, we have launched our “Harmonize the Group” strategy
- Our new Strategy will be focused on providing a financial ecosystem through a universal bank offering
- The focus will continue to improve the overall banking experience through several initiatives
- ESG remains a focus for the management to build a sustainable business that contributes to the bottom line



FY 2024 Guidance | For our strategy “Harmonize the Group”

		FY 2024 Guidance	9M 2024 Actual	Guidance Revision	
Balance Sheet	Financing	Mid single digit	+9.2%	↑	Low teens
Profitability	Net profit margin	+5 bps to +15 bps	+9 bps	↑	+10 bps to +20 bps
	Cost to income ratio	Below 27%	25.4%	↓	Below 25.5%
	ROE	Above 19%	20.47%	↑	Above 20%
Asset Quality	Cost of risk	0.25% - 0.35%	0.33%	↑	0.30% - 0.40%
Capital	Tier 1 ratio	Above 20%	19.7%	—	Above 20%



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