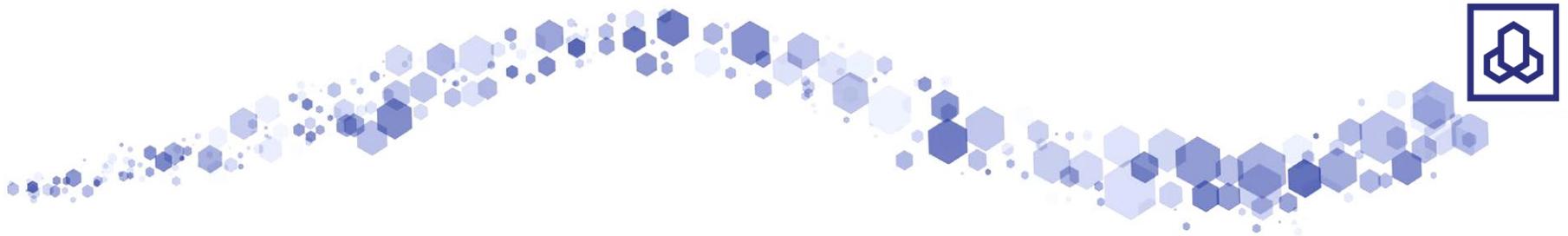




# Al Rajhi Bank Investor Presentation

1Q 2019 Results

The Blue Chip Islamic Bank





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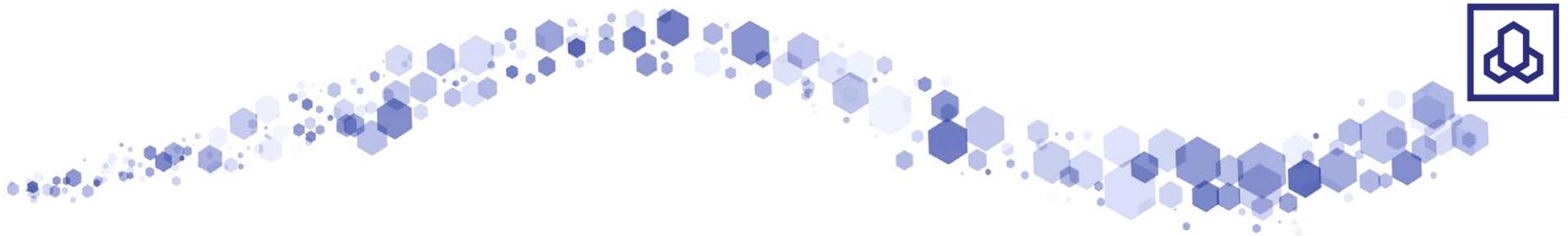
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# Al Rajhi Bank

The World's Leading Islamic Bank

The Blue Chip Islamic Bank



### At a glance



**Islamic**  
Banking



**NPB Deposits**  
% of Total Deposits



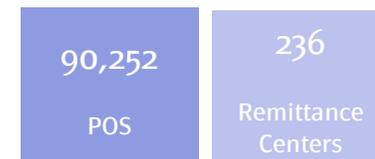
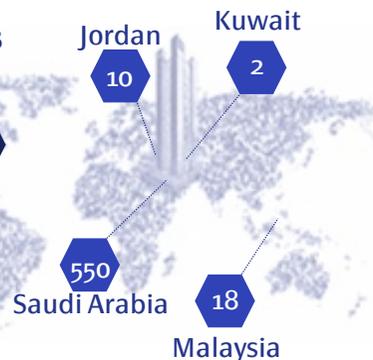
**NPS**  
in KSA



**Digital : Manual**  
Ratio

### Presence & Branches

#### Customers



Largest network in Saudi Arabia

### FY2018 Strategic Highlights

#### Avg Transactions/mth



#### Digital Customers



#### Training Days



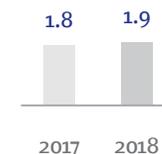
#### Volunteering Hrs



### FY2018 Financial Highlights



- 1.2% Gross Financing Growth
- 20.2% CAR
- 0.18% Cost of Funds



#### Retail Banking

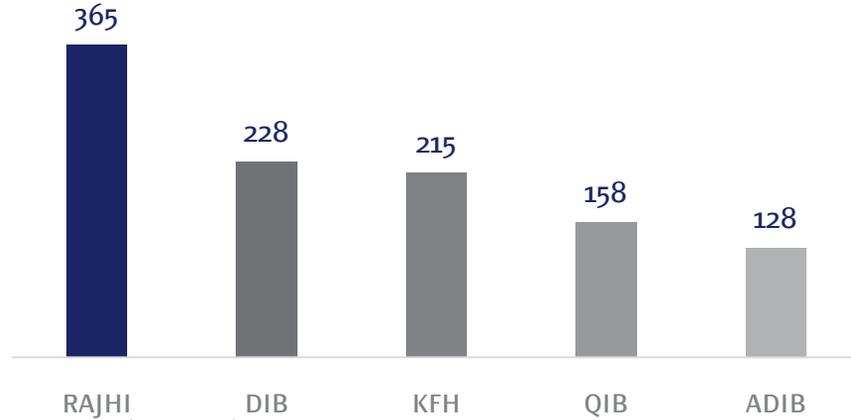
**Net Income**  
▲+8%

#### Corporate Banking

**Net Income**  
▲+5%

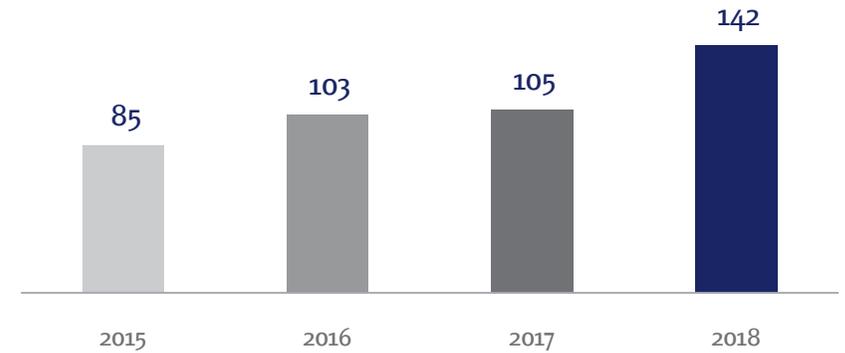
## What makes us "The Blue Chip Islamic Bank"

### Institutional Status - World's #1 Islamic Bank (by Assets; SAR bn)



Source: Bank Financial Statements, FY 2018

### Large and Growing Market Cap (in SAR bn)



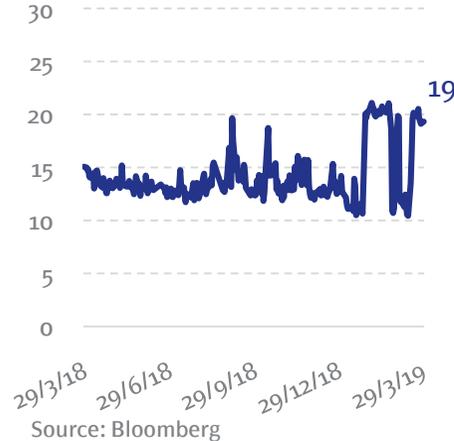
Source: Tadawul

### Low Volatility (90D)



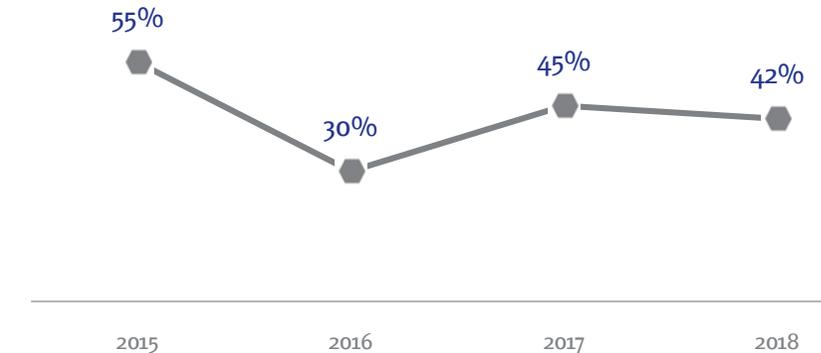
Source: Bloomberg

### Low Bid / Ask Spread (bps)



Source: Bloomberg

### High Stock Turnover Velocity (%)



Source: Tadawul

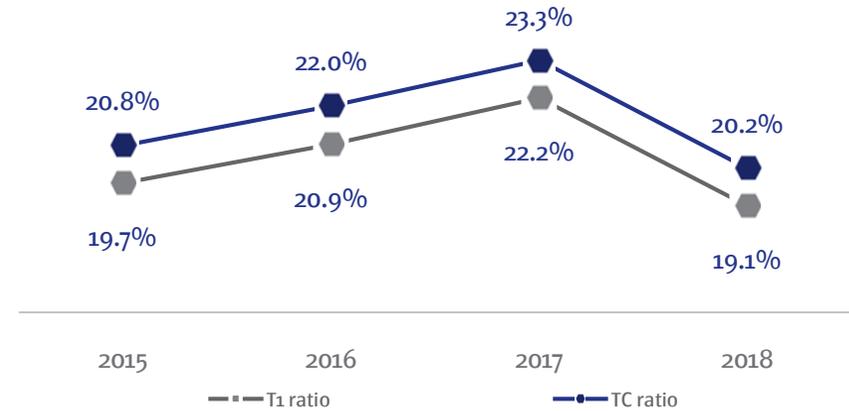
# Al Rajhi Bank, The Blue Chip Islamic Bank

Robust balance sheet with 96% non-profit-bearing deposits at 1Q 2019

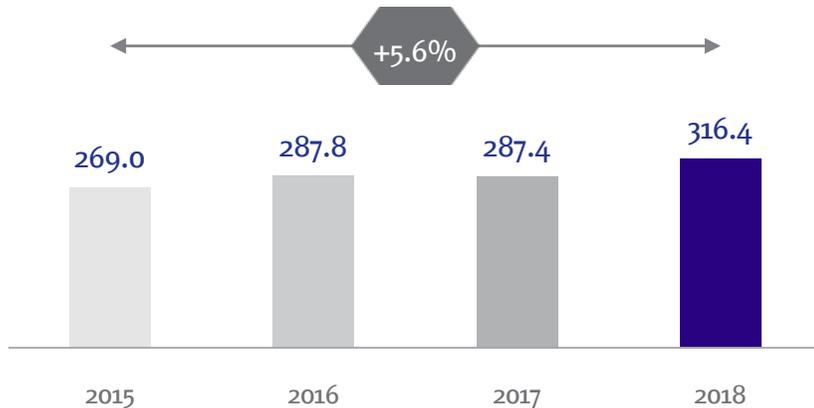
**Total Assets (SARbn)**



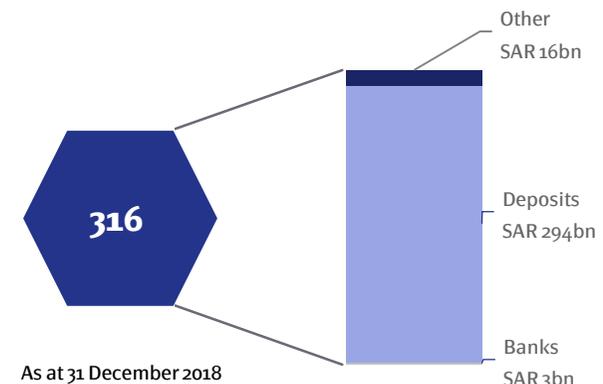
**Capital Ratios (%)**



**Total Liabilities (SARbn)**



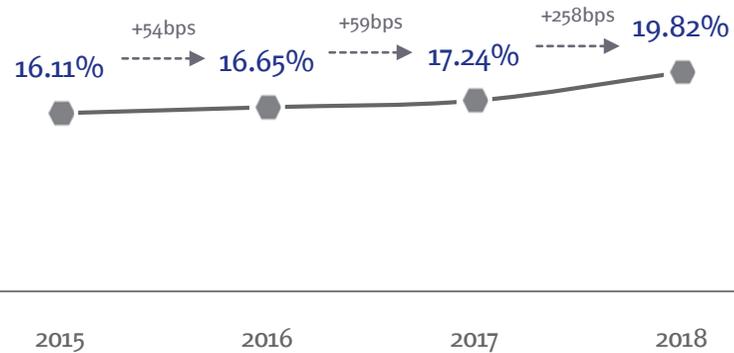
**Total Liabilities Mix By Type (SARbn)**



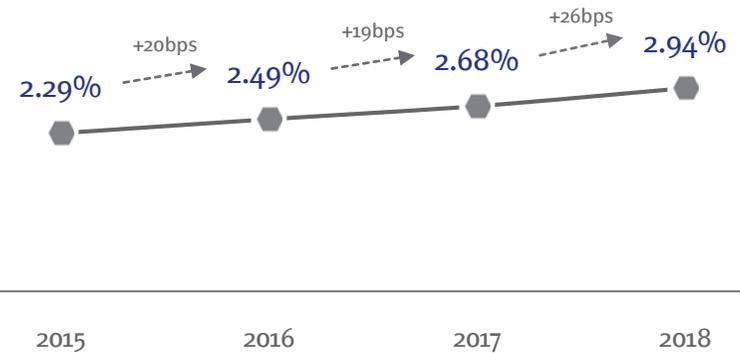
# Al Rajhi Bank, The Blue Chip Islamic Bank

Outstanding foundation and strong returns

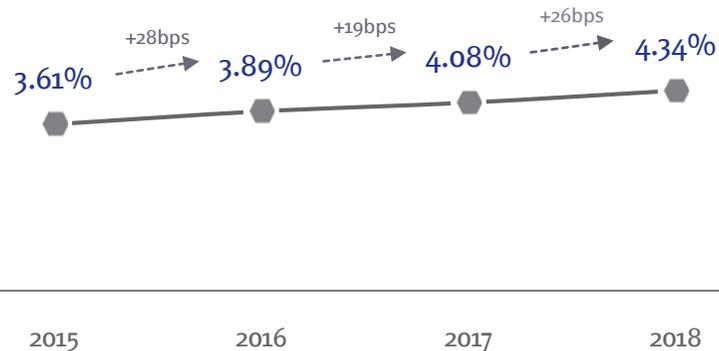
**ROE (%)**



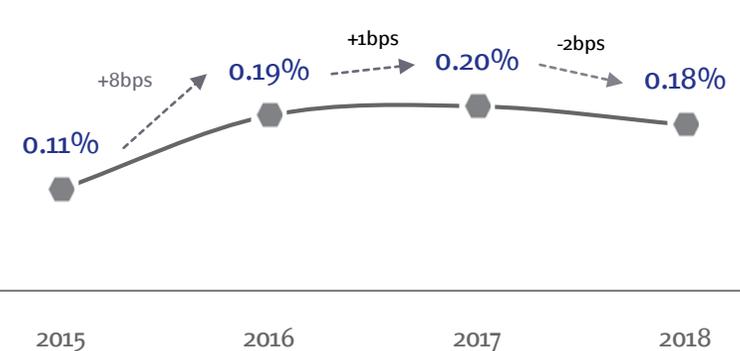
**ROA (%)**



**Net Profit Margin (%)**



**Cost of Funds (%)**



# Top 10 Facts about Al Rajhi Bank

- 1 Largest Islamic Bank worldwide**  
(by Assets & Market Cap)
- #1 Retail Bank in Middle East**  
(Retail Deposits & Income)
- One of the highest NPB deposit ratios**  
(96% Non -profit bearing deposits)
- #1 Bank capitalisation in GCC**  
(20.9% Total Capital ratio)
- #1 Brokerage in KSA**  
(15.1% market share in 1Q 2019 )
- #1 Bank in KSA**  
(by number of customers)
- #1 Distribution network in Middle East**  
(by # of Branches, POS, ATMs, Remittance Centers)
- #1 Banking transactions in KSA**  
(199mn per month, avg)
- #1 Bank for remittances in Middle East**  
(by payment value)
- #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

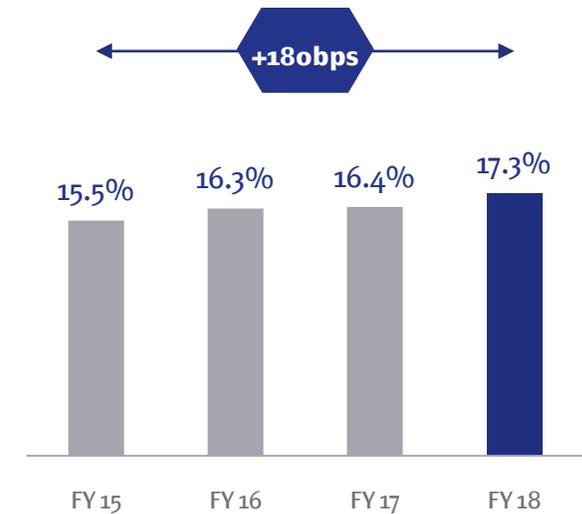


#1 in Saudi Arabia

9+ Million  
Customers

#1 in Saudi Arabia

Market Share - Deposits



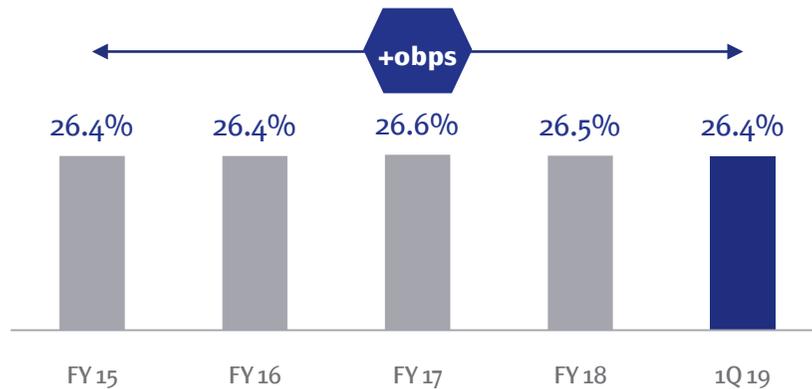
#2 in Saudi Arabia

# Al Rajhi Bank's Leading Network

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

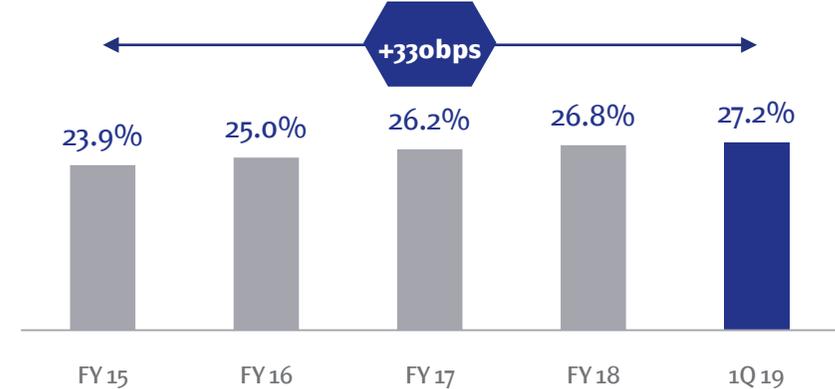
## #1 in Branches

Market Share - Branches



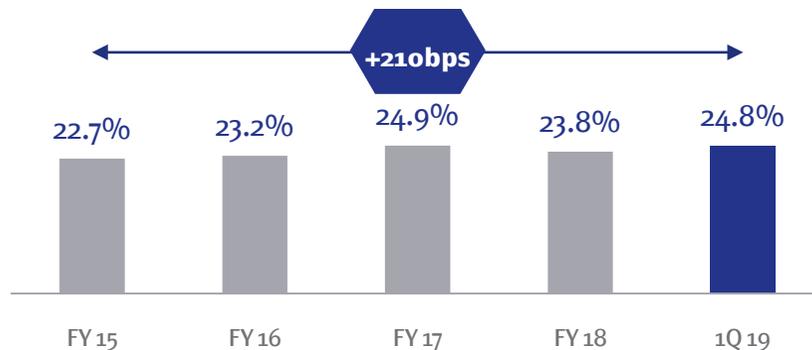
## #1 in ATMs

Market Share - ATMs



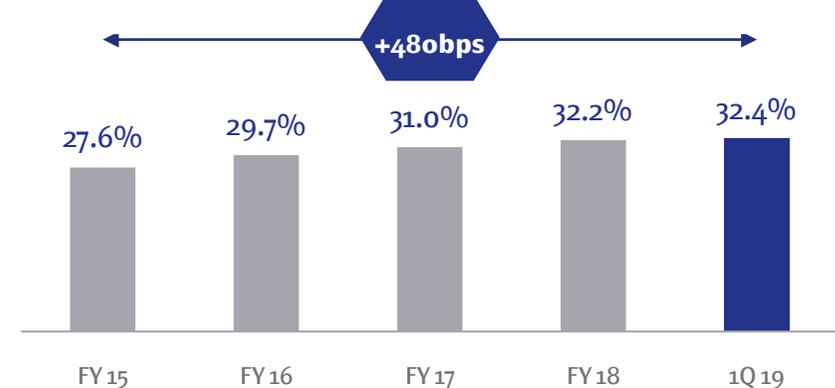
## #1 in POS

Market Share - POS (Terminals)



## #1 Remittance Centers

Market Share - Remittance Centers



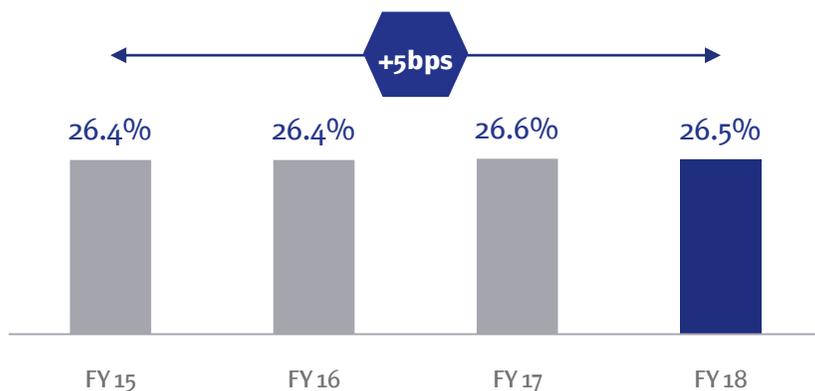
Source: SAMA

# Al Rajhi Bank's Leading Network

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

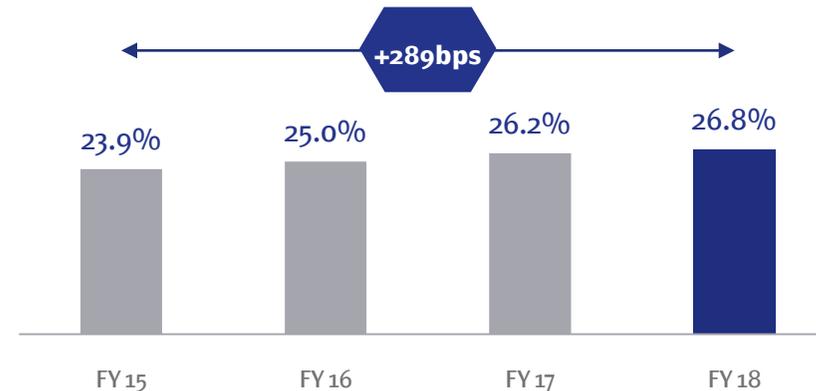
## #1 in Branches

Market Share - Branches



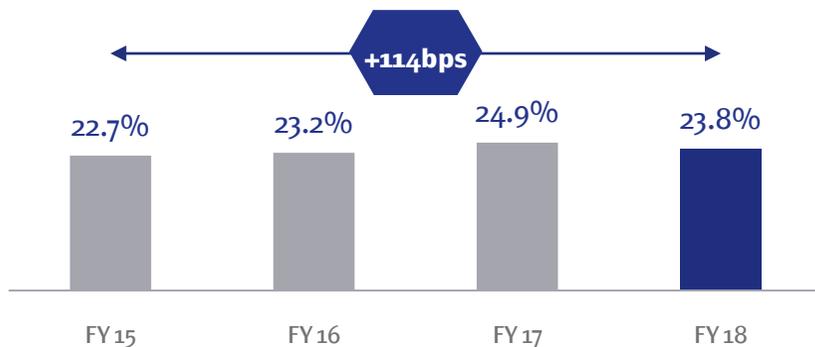
## #1 in ATMs

Market Share - ATMs



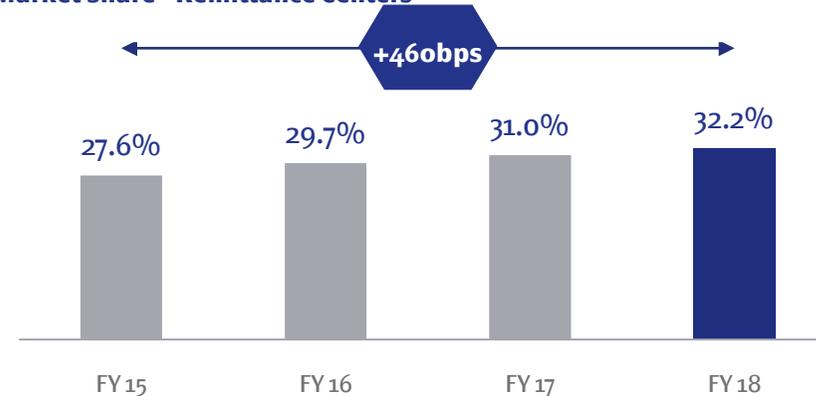
## #1 in POS

Market Share - POS (Terminals)



## #1 Remittance Centers

Market Share - Remittance Centers



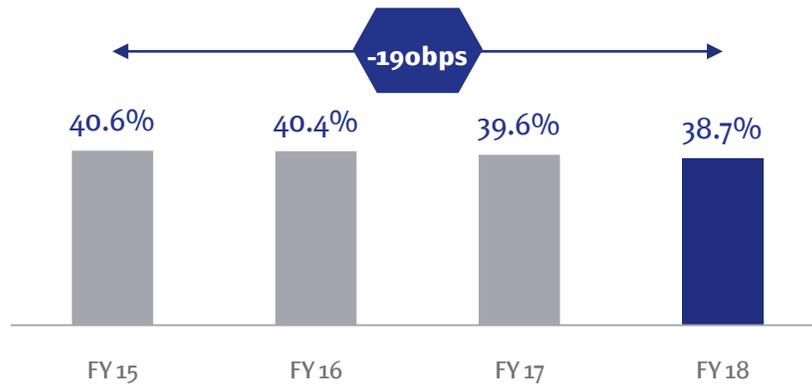
Source: SAMA

# ARB has a unique franchise

We capture high market share across key products

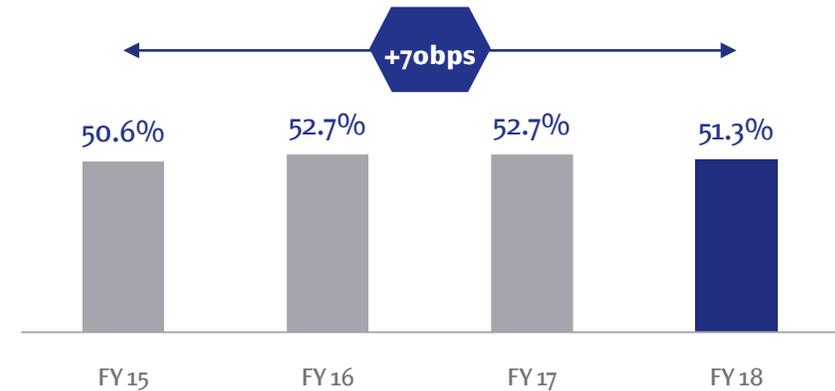
## #1 in Personal Loans

Market Share - Personal Loans



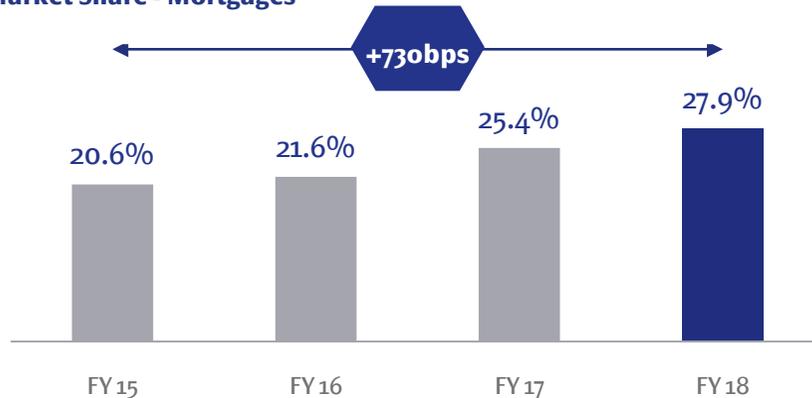
## #1 in Auto Loans

Market Share - Auto Loans



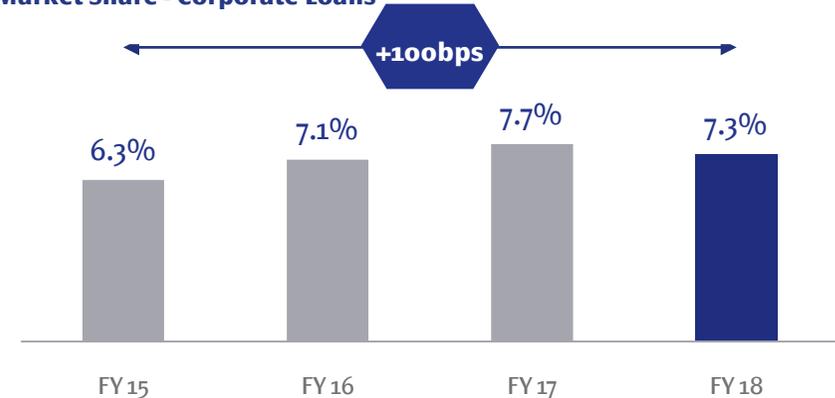
## #1 in Mortgages

Market Share - Mortgages



## Challenger Position in Corporate Loans

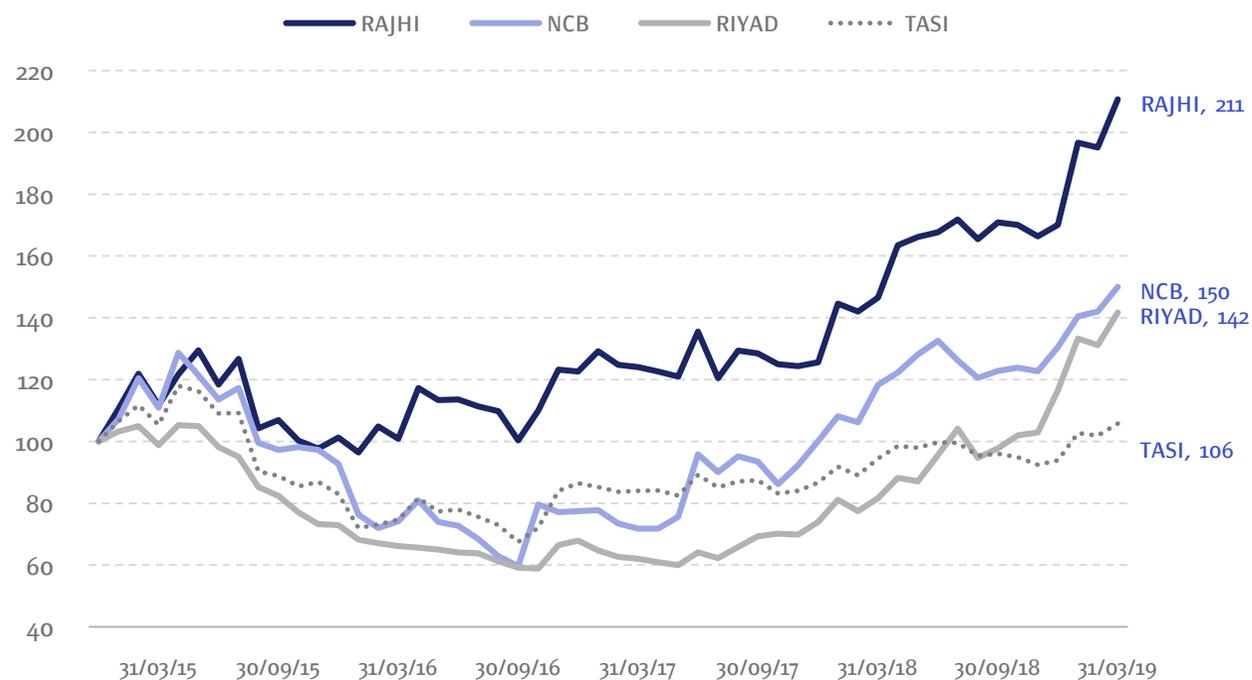
Market Share - Corporate Loans



# 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 March 19

### Key Metrics

Closing Price	SAR 108.40
Market Cap	SAR 176.2 bn
Market Cap / % Industry	24.08%
Market Cap / % Tadawul	8.44%
Shares outstanding	1.625 bn
90D Volatility	17.185
Price / Earnings	17.65 x
Price / Book	3.39 x
Dividend Yield	4.86%
Return on Equity	23.09%
Return on Assets	3.21%

### YoY Growth per share

Operating Income	11.99%
Earnings	21.10%
Total Return	49.40%

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>	211	150	142	143	86	147	79
<b>As of 31 March 2019</b>	108.40 SAR	55 SAR	24.10 SAR	704 KWD	4.85 AED	150.50 QAR	4.38 AED

Source: Stock Exchanges

# Market Performance

Market cap and liquidity ensures high index weighting

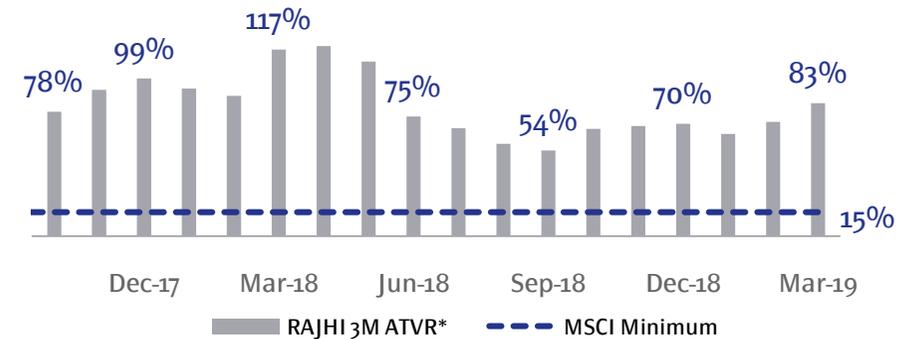
## ARB has the highest weight in the MSCI GCC Index...

#	Top 10 Constituents	Country	Float Adj Mkt Cap	Index Weight (%)	Sector
1	<b>Al Rajhi Bank</b>	<b>KSA</b>	<b>36.95</b>	<b>11.81%</b>	<b>Financials</b>
2	Sabic	KSA	24.76	7.91%	Materials
3	Qatar National Bank	QAT	22.44	7.17%	Financials
4	National Commercial Bank	KSA	17.57	5.61%	Financials
5	Saudi Telecom	KSA	11.43	3.65%	Telecoms
6	First Abu Dhabi Bank	UAE	11.32	3.62%	Financials
7	SAMBA Financial Group	KSA	11.26	3.60%	Financials
8	National Bank of Kuwait	KUW	9.65	3.08%	Financials
9	Kuwait Finance House	KUW	8.01	2.56%	Financials
10	Emirates Telecom Corp	UAE	7.91	2.53%	Telecoms
			<b>161.30</b>	<b>51.53%</b>	

Source: MSCI Fact Sheet; 29 March 2019

## ...and is "certain" to be included in MSCI EM Index

### RAJHI ATVR\* vs. MSCI Minimum Requirement (>15%)



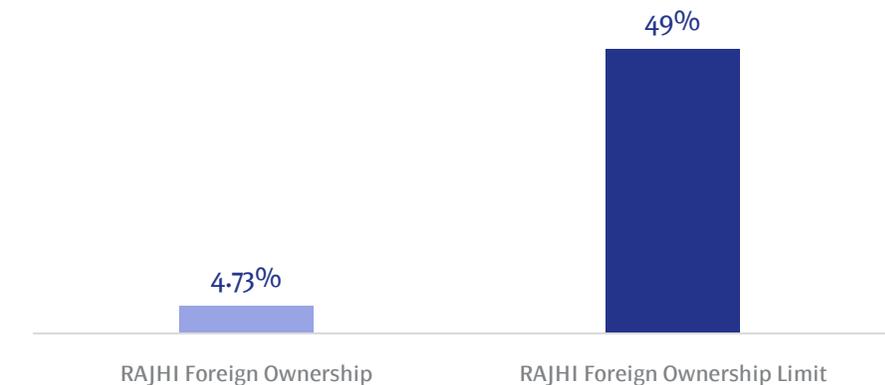
Source: MSCI; \*3M AVTR is MSCI's measure of annualised median trading value of FOL & Free Float adjusted market capitalisation over the last 3 months, which is required to be >15% for MSCI index inclusion

## ARB has consistently strong trading volumes...

### Cumulative Monthly Trading Volumes (mn)



## ...and room for foreign ownership



Source: Tadawul, 31 March 2019

# Awards

## Recent international recognition

### Global Awards



**Best Bank in Saudi Arabia**



**Best Financial Institution in Saudi Arabia**

**The Banker**

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



**Best Bank in Saudi Arabia**

### 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**

# Our Values



نعيش قيمنا  
Living the Values

**Modesty** Humility in everything we do

**Integrity & Transparency** Openness and highest standards of corporate & personal ethics

**Innovativeness** Nurturing imagination and fostering creativity

**Passion to Serve Our Customers** A strong commitment to anticipate and address customer needs

**Meritocracy** Defining, differentiating and reinforcing excellence in people

**Solution Oriented** Helping our customers achieve their objectives

**Care for Society** Contributing towards a better tomorrow

# Al Rajhi Bank's Social Responsibilities

Our responsibility to our community has always been at the forefront of what we do

## Focus areas

### Participation

101 programs conducted 21 cities  
**2,420 volunteering hours clocked in 1Q 2019**

### CSR Strategic Focus

People In Need, Volunteering, Financial Literacy and International Days

### Direction for 2020

To enhance the staff participation in volunteering by **targeting cumulative 50K hours by 2020**

## Examples





# Saudi Arabia's Macro-Economic Environment

Supportive of Growth

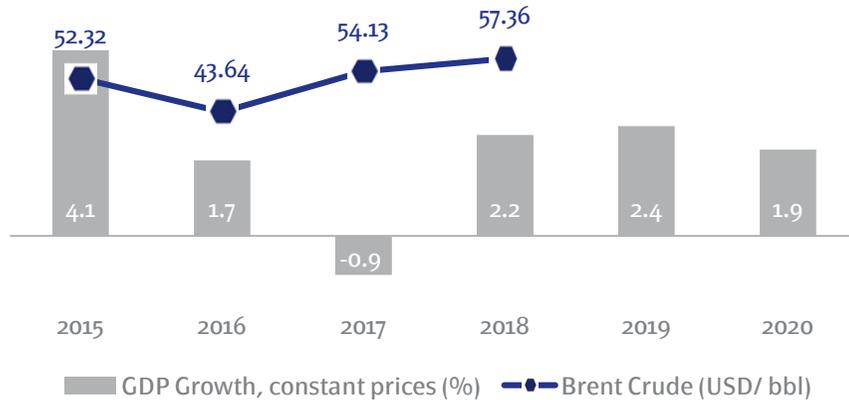
The Blue Chip Islamic Bank



# Macro Environment

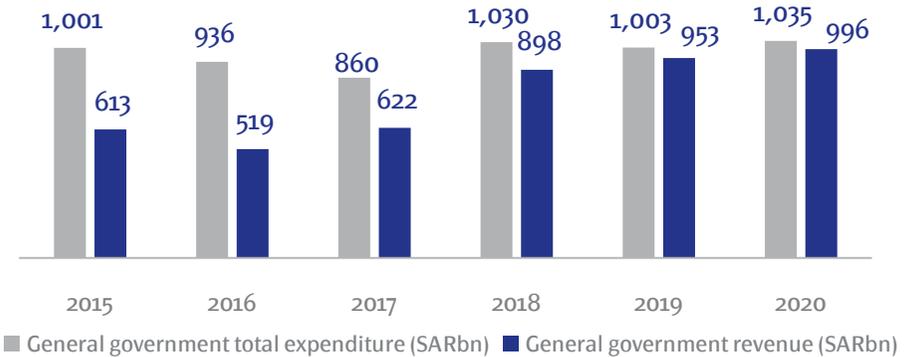
Expected continued improvement in economic growth

**KSA GDP Growth is Expected to Improve, in part from more supporting oil prices...**



Source: IMF, U.S. Energy Information Administration

**...as well as expansionary fiscal policy...**

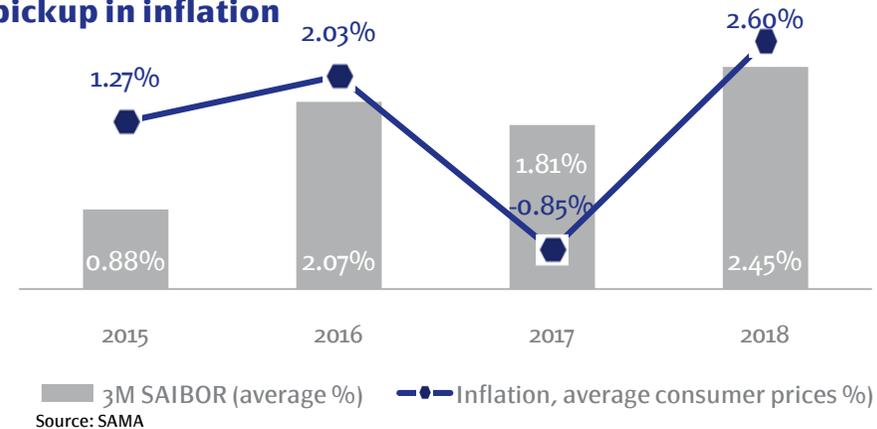


Source: IMF

**...underpinned by acceleration of Vision 2030 initiatives**



**These drivers are expected to more than offset the dampening effect of a higher rate environment and pickup in inflation**

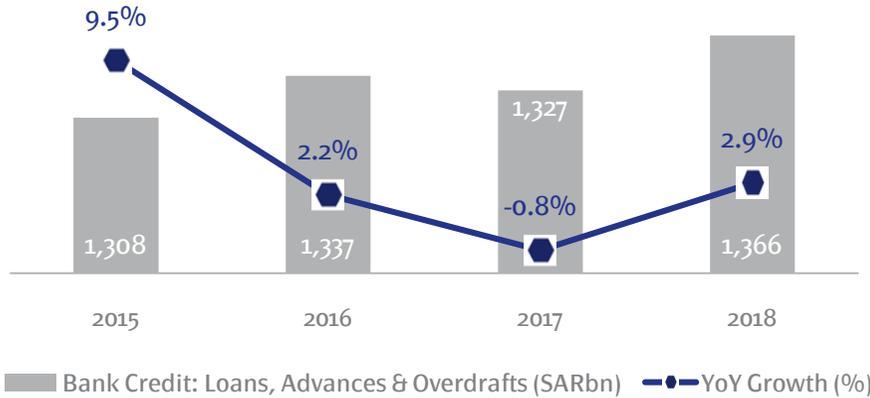


Source: SAMA

# Macro Environment

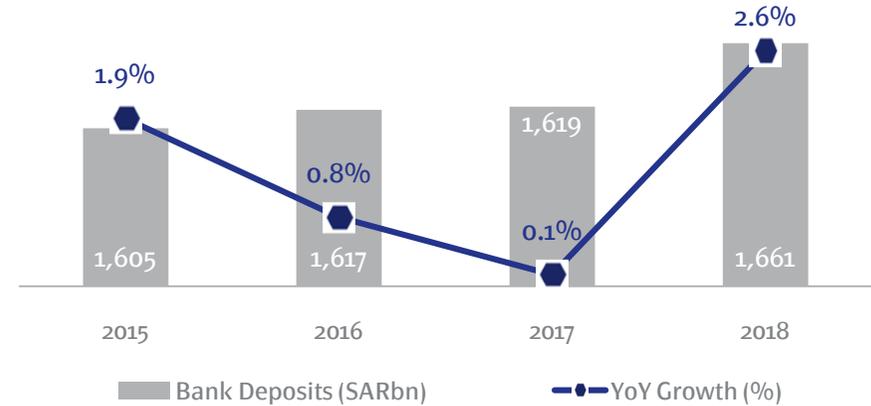
## Supportive of Banking Sector

### Moderate pickup in sector loan growth...



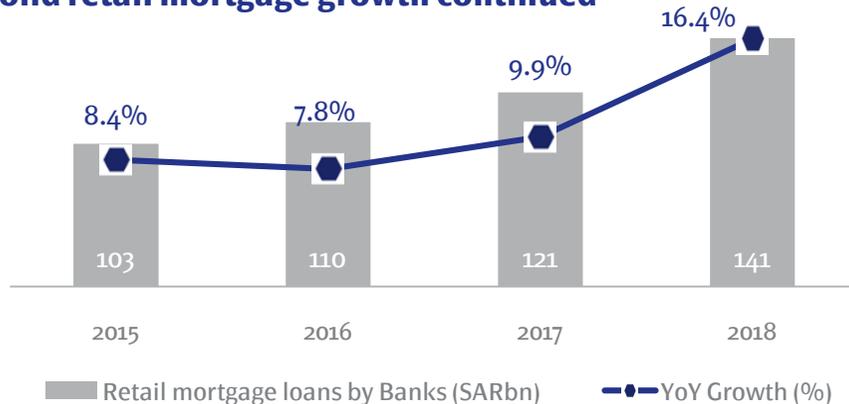
Source: SAMA

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



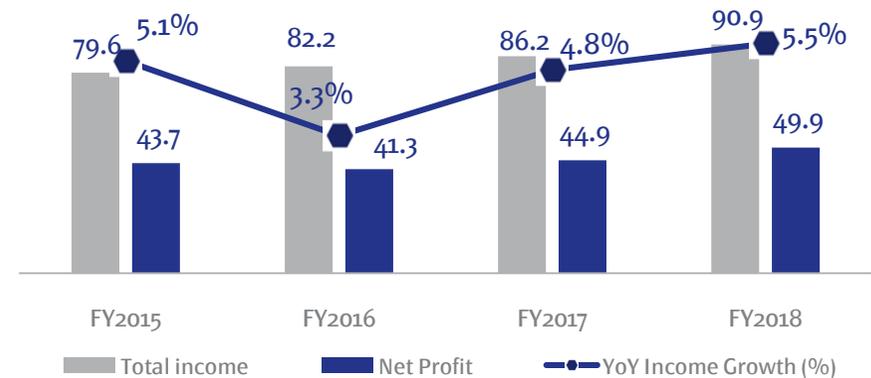
Source: SAMA

### Solid retail mortgage growth continued



Source: SAMA

### Which in combination drove top line growth



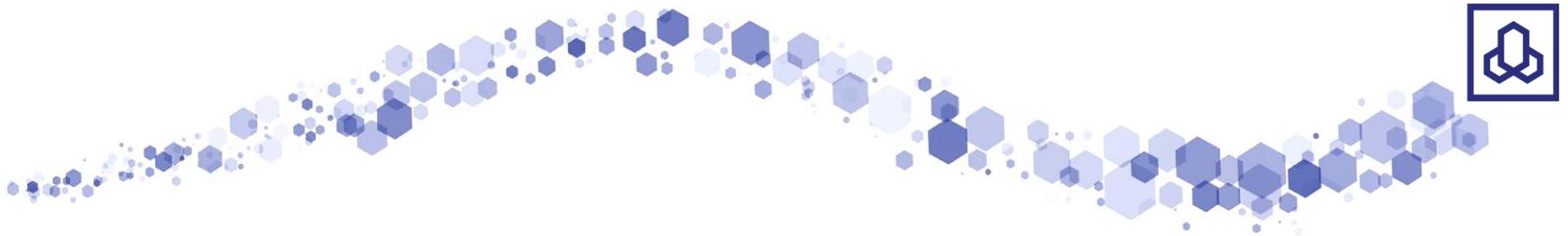
Source: Bloomberg



# Al Rajhi Bank Strategy 2020

ABCDE 'Back to Basics'

The Blue Chip Islamic Bank



# 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 7T
- 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

2020 metrics & targets

## 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 >=85%
- Increase assets under management as % of GDP from 12% to >=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 >=20%
- Increase foreign investor ownership of the equity market cap from 4% to >=15%
- Increase # of micro and small cap companies listed, as % of total number of companies listed from 34% to >= 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 >=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 Overview

ABCDE 'Back to Basics' strategy already delivers results

Key initiatives 2017-2020



## Accelerate Growth



Grow mortgage, private sector, affluent, ladies & Tahweel

Enhance SME & Corporate capabilities

Enhance International presence

Improve yields

*Exceed Industry*



## Become Employer of Choice



Engaged workforce

Expand development & training programs

Strengthen diversity

Enhance employee value proposition

*Higher Engagement*



## Customer Focus



Update value propositions

Empower frontline

Align organization to customer advocacy

Install and embed NPS across the bank

*Most Recommended*



## Digital Leadership



Smartly expand channels & formats

Digitize customer journeys

Migrate customers to self service channels

Innovate in payments

*Best-In-Class*



## Execution Excellence



World-class compliance

Enhance IT infrastructure

Centralize and automate operations

Strengthen risk infrastructure

*Deliver*

# Strategy Update

ABCDE 'Back to Basics' strategy delivered strong results in 1Q 2019



## Accelerate Growth

12% YoY operating income growth

42% YoY growth in mortgages

5.1% YoY growth in current accounts

63bps YoY net profit margin improvement to 4.80%

### Mortgage Financing (SARbn)



2015 1Q 2019

*Exceed Industry*



## Become Employer of Choice

Al Rajhi Bank Academy

School of Banking

Graduate Program

8,069 training days delivered

### Number of Female Employees



2015 1Q 2019

*Higher Engagement*



## Customer Focus

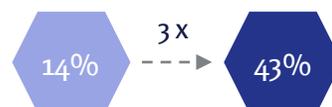
12 new products launched to cater to customers' needs

Enhanced Distribution Network

#1 Bank brand in KSA (BrandPower Score 2018)

# 2 Net Promoter Score in KSA

### Net Promoter Score



2015 1Q 2019

*Most Recommended*



## Digital Leadership

90K POS

5K ATMs 27 ITMs

265 Self Service Kiosks

4.3mn active digital users

### Digital : Manual Ratio



2015 1Q 2019

*Best-In-Class*



## Execution Excellence

253 Bots

24K transactions per day

New head office and data center

Further enhanced turnaround time

### Transactions per month (Avg.)



2015 1Q 2019

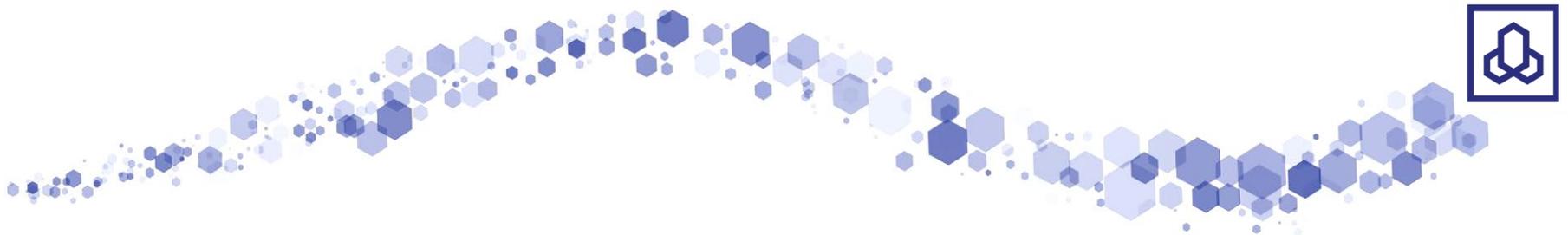
*Deliver*



# Financial Results

## Overview & Trends

The Blue Chip Islamic Bank

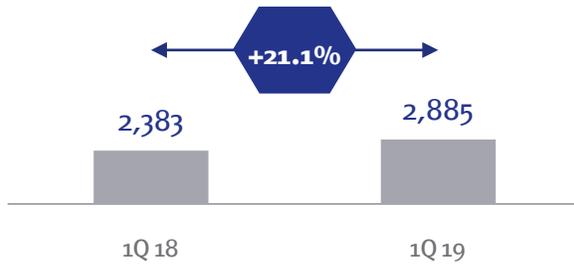


# Key Messages

Good start to the year 2019

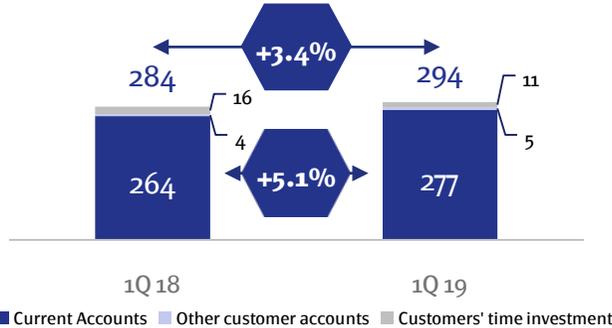
## Net Income up 21.1% YoY

Net Income (SARmn)



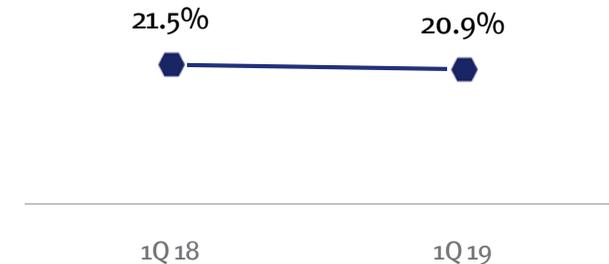
## Deposits up 3.4%, Financing up by 3.6%

Total Customers' Deposits (SARbn)

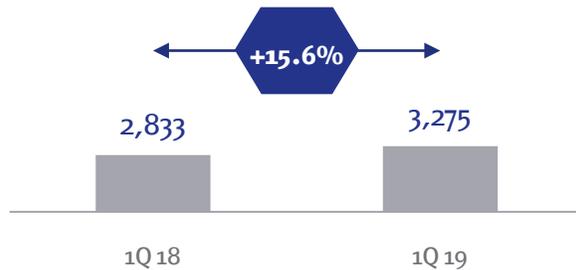


## Liquidity remained healthy, CAR declined but remains strong

Capital Adequacy Ratio (%)



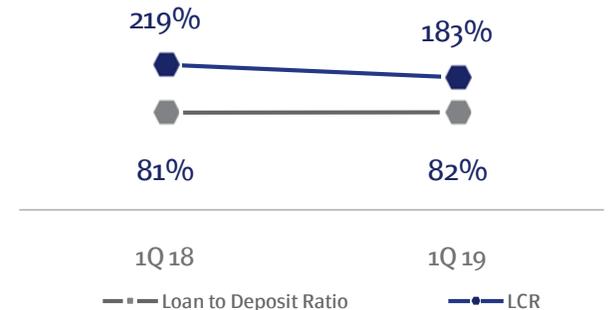
## Pre-Provision Profit (SARmn)



## Financing, Net (SARbn)



## Liquidity Ratios (%)



- 21.1% Profit growth from solid 12.0% income growth, improved operating efficiency and stable cost of risk
- Profit growth driven by improvement across all core banking segments

- 3.4% deposit growth from non-profit bearing deposits which now account for 96% of total deposits
- Net financing grew by 3.6%

- CAR declined by 67 bps due to dividend payments and Zakat settlement
- Liquidity remained healthy

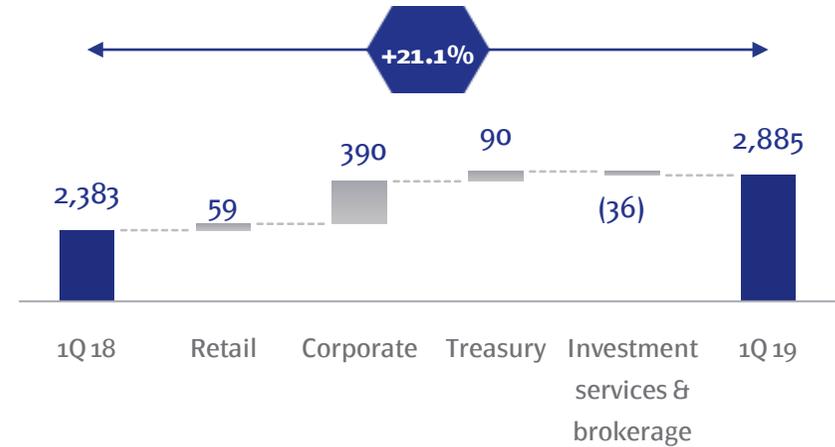
# Net Income Trends

21.1% YoY profit growth from solid income growth

## Commentary

- Net income for 1Q 2019 increased 21.1 % YoY to SAR2,885 million mainly driven by 12.0% total operating income growth from yield-related income improvements (+14.6%)
- On a segmental basis, net income growth was driven by strong 259.6% Corporate Banking, 3.7% Retail Banking and 16.5% Treasury growth, offset by 36% decline in Investment Services & Brokerage.

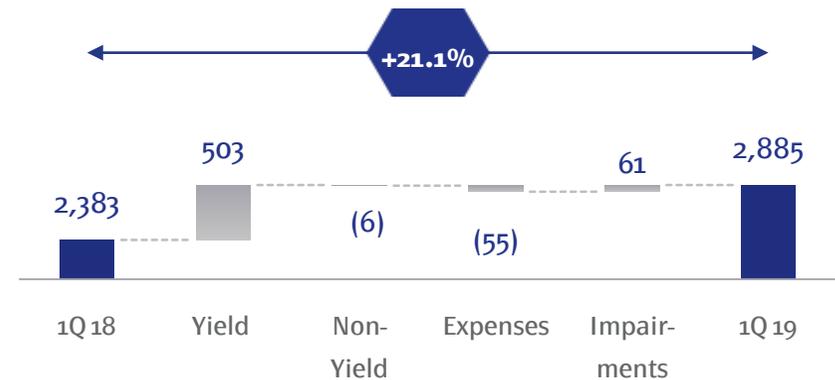
Net Income Growth Drivers By Segment (SARmn)



Net Income For The Period (SARmn)



Net Income Growth Drivers By Type (SARmn)



# Progress against guidance and outlook

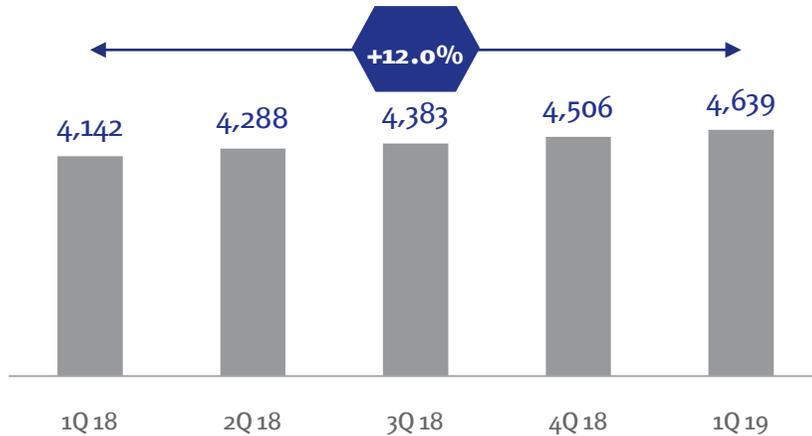
Financing & income growth, efficiency and cost of risk in line with FY 2019 guidance

		FY 2018	1Q 2019 Actual	FY 2019 Guidance
Balance Sheet	Financing, Net (SAR bn)	234	236 (+0.9%)	Mid single digit growth
	Net Profit Margin	4.34%	4.80% (+46 bps)	+25 to +30 bps
Profitability	Cost to Income Ratio	31.7%	29.4%	Below 31%
	Cost of Risk	0.63%	0.64%	0.55% - 0.65%
Asset Quality	CET1 Ratio	19.1%	19.8%	19% to 20%
	ROE	19.82%	23.09%	Above 22%
Capital & Liquidity				

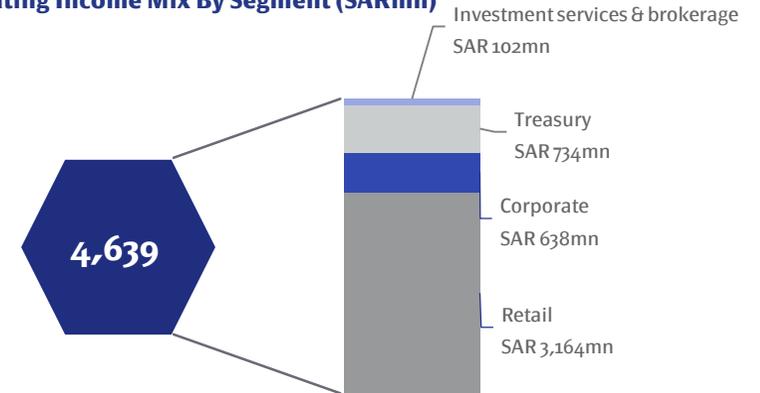
# Operating Income Trends

12.0% YoY income growth from financing and investment income(+14.6%)

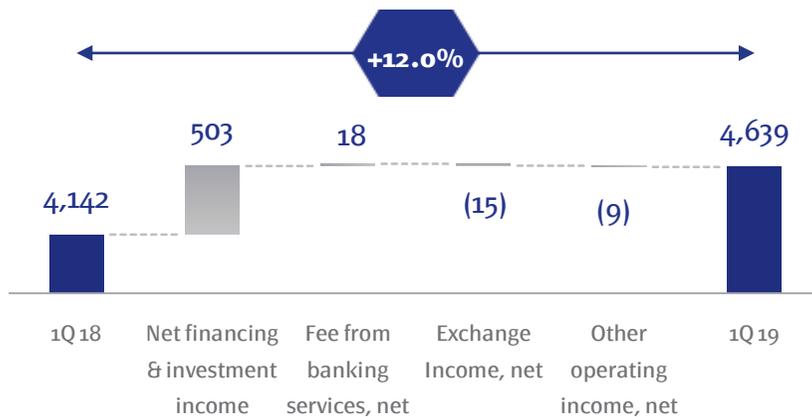
**Total Operating Income (SARmn)**



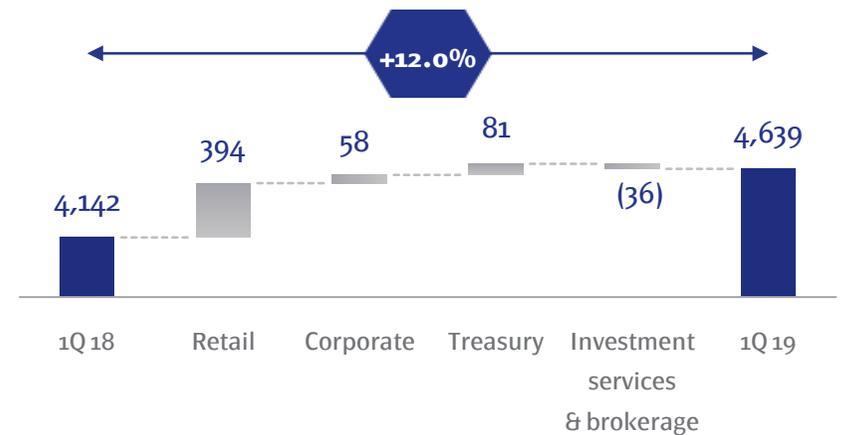
**Total Operating Income Mix By Segment (SARmn)**



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



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



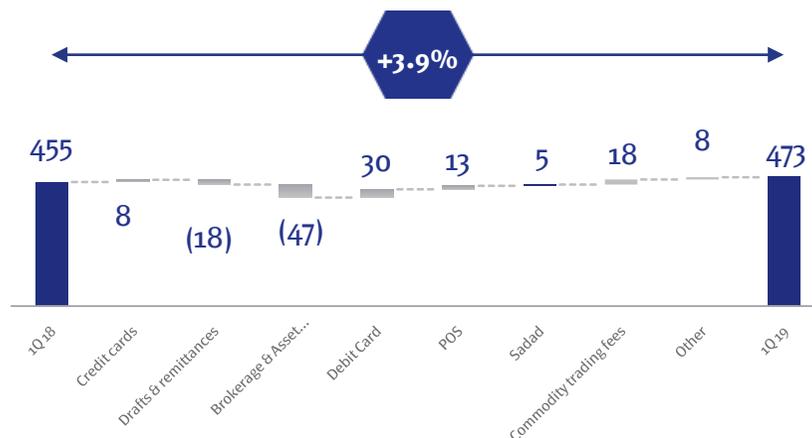
# Operating Income Trends

Stronger YoY financing margin & good banking fee income growth

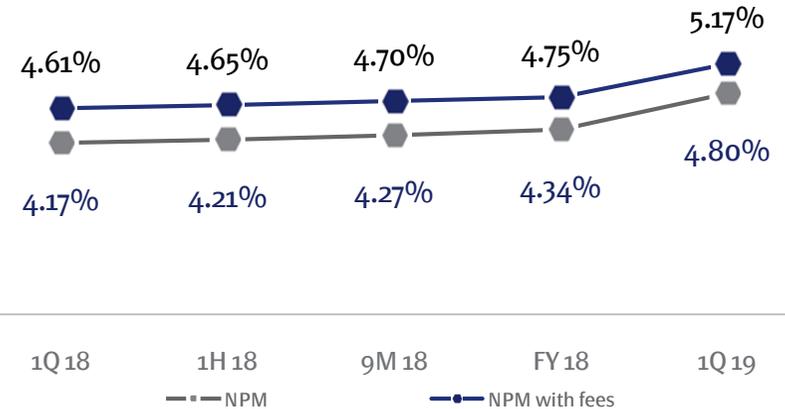
## Commentary

- 1Q 2019 net financing and investment income grew 14.6% YoY due to improved financing margins, further aided by 3.7% growth in average profit-bearing assets
- The net profit margin improved by 63 bps YoY to 4.80% as financing yields (+66bps) improved, while cost of funding rose slightly (+3bps). Margin improved due to rising interest rate environment, improved deposit mix and higher average investment portfolio balances; 1Q 2019 Funding Cost 0.20%
- Banking services fees grew 3.9% YoY, mainly from electronic channel related fees

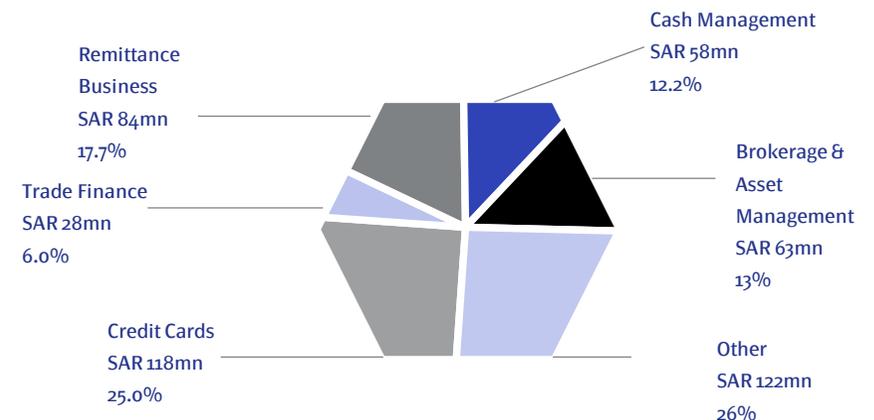
## Fee From Banking Services Growth Drivers By Type (SARmn)



## Net Profit Margin (%)



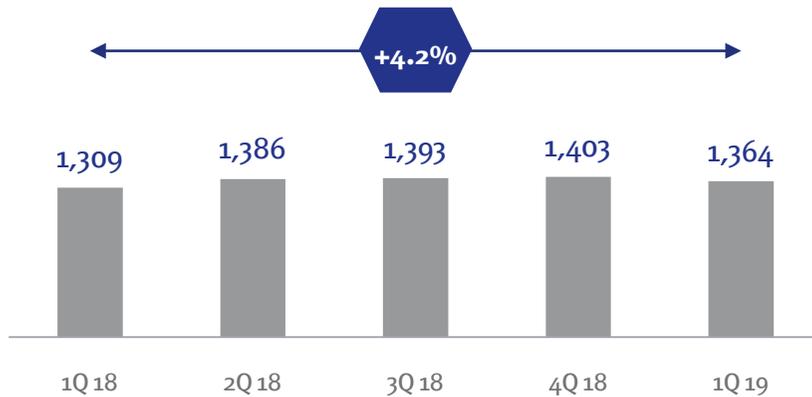
## Fee From Banking Services, Net Mix By Type (SARmn)



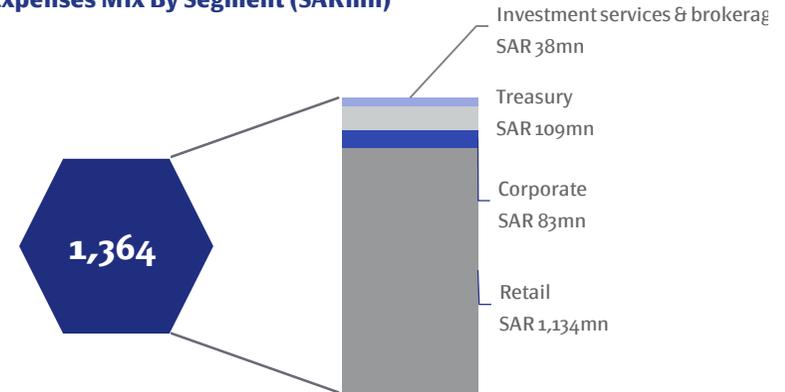
# Expenses Trends

YoY expense growth of 4.2%, but efficiency improved 220 bps on positive "jaws"

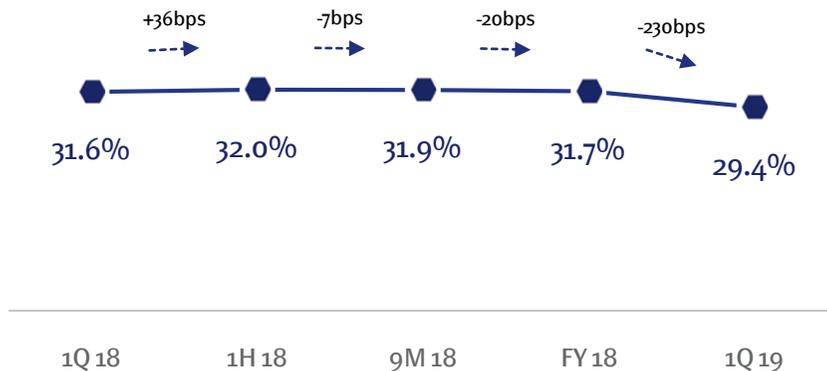
Operating Expenses (SARmn)



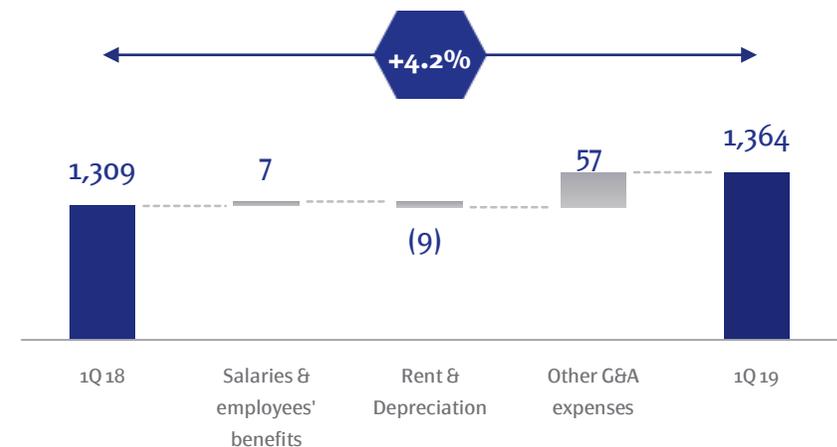
Operating Expenses Mix By Segment (SARmn)



Cost To Income Ratio Trend (%)



Operating Expenses Growth Drivers By Type (SARmn)



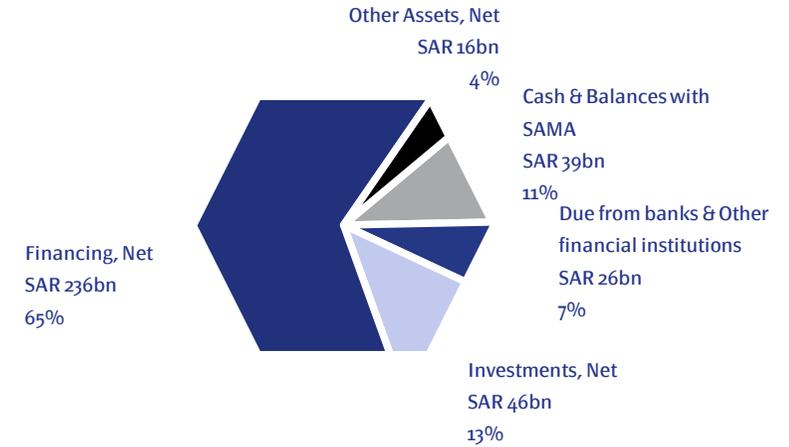
# Assets

## 4.3% YoY increase in total assets

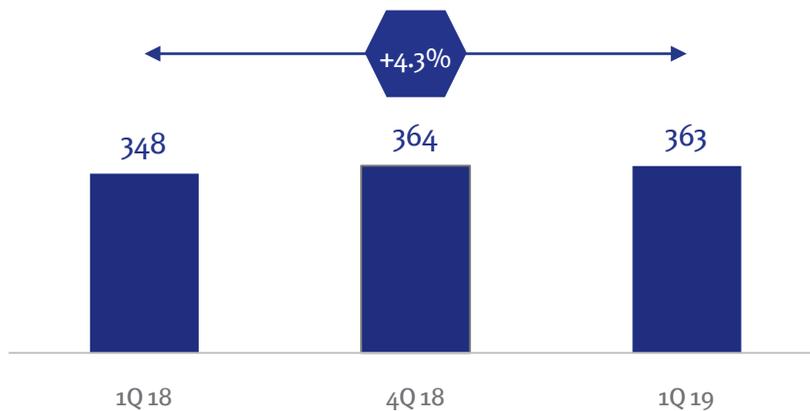
### Commentary

- Total assets increased by 4.3% YoY as an increase in financing (+3.6%), investments (+12.0%) and interbank balances (+64.9%) were offset by lower cash and balances with SAMA and other central banks (-20.2%)

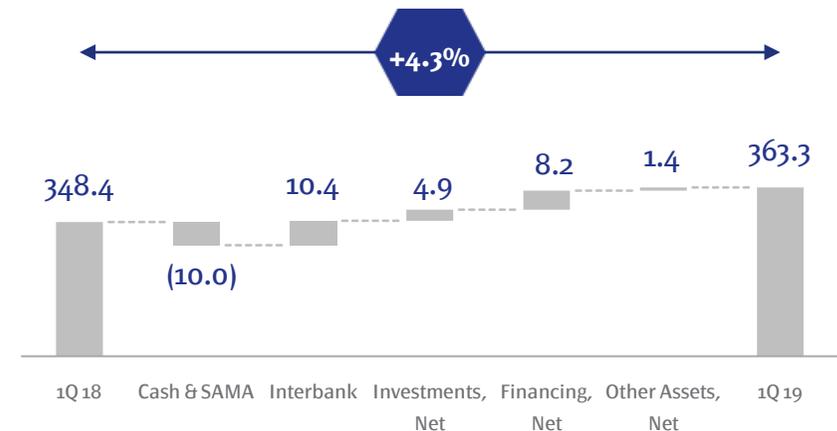
### Total Assets Mix By Type (SARbn)



### Total Assets (SARbn)



### Asset Drivers By Type (SARmn)



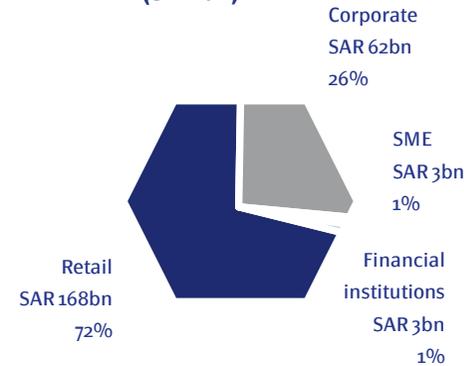
# Financing

## Financing dominated by retail

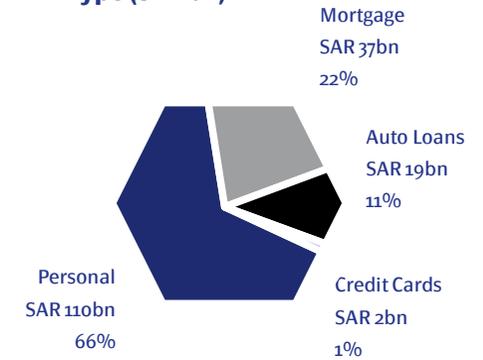
### Commentary

- Financing is dominated by retail (72%) followed by corporate (26%) while SME and financial institutions are negligible
- Retail financing is primarily comprised of personal (66%) and mortgage financing (22%)

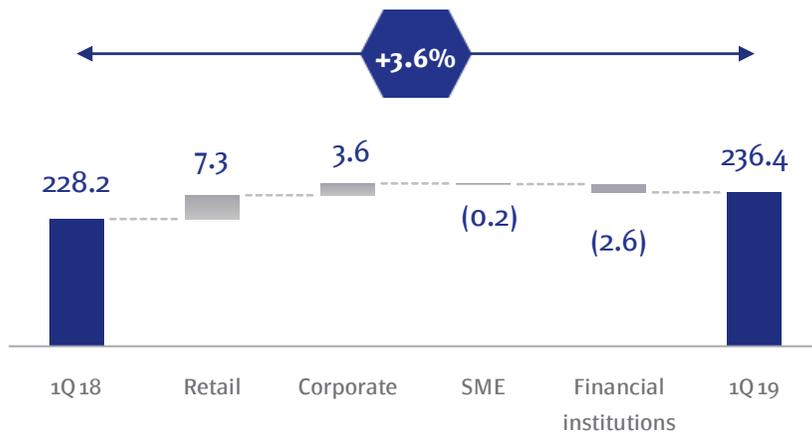
Financing, Net Mix By Segment (SARbn)



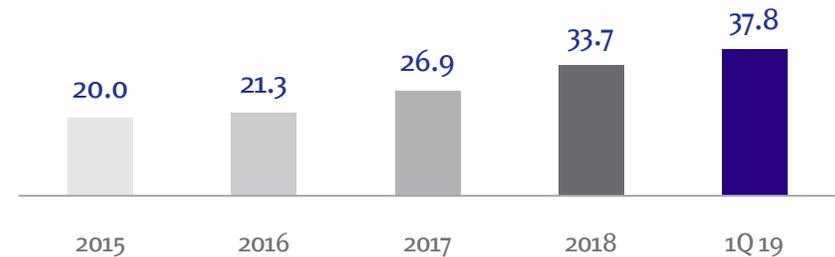
Retail Financing, Net Mix By Type (SARbn)



Financing, Net Drivers (SARmn)



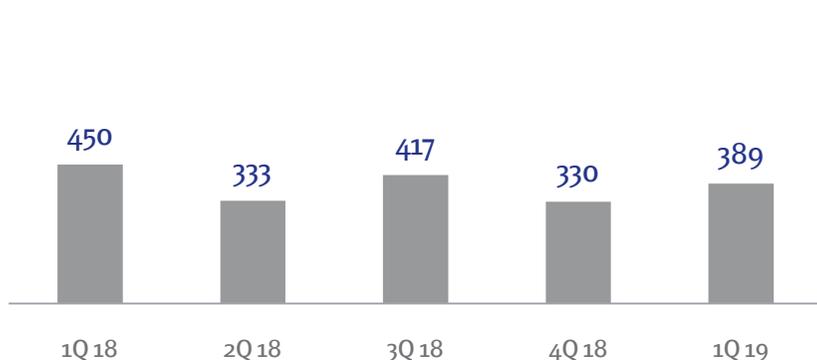
Mortgage Financing (SARbn)



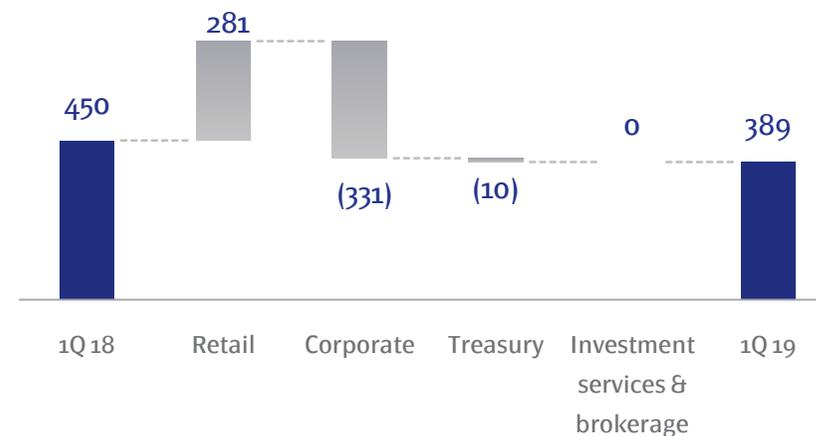
# Asset Quality Trends (1)

Cost of Risk remains stable

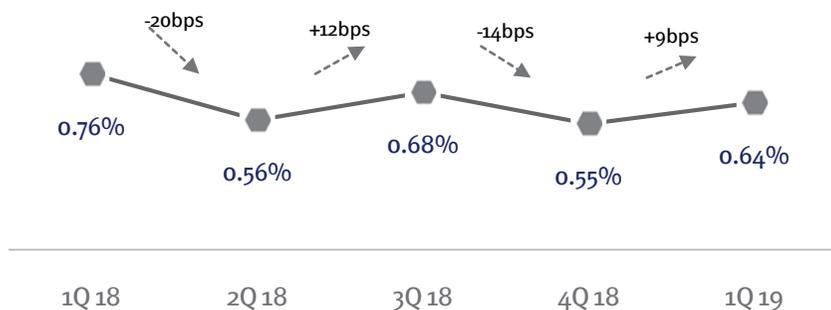
**Total Impairment Charge (SARmn)**



**Impairment Charge Drivers By Segment (SARmn)**

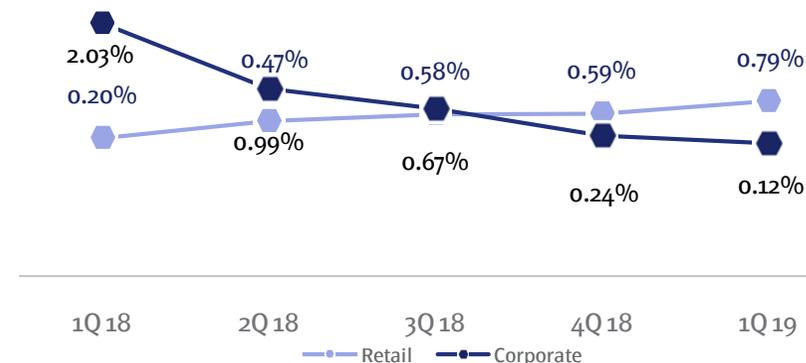


**Cost of Risk (%)**



**Cost of Risk Trends (%)**

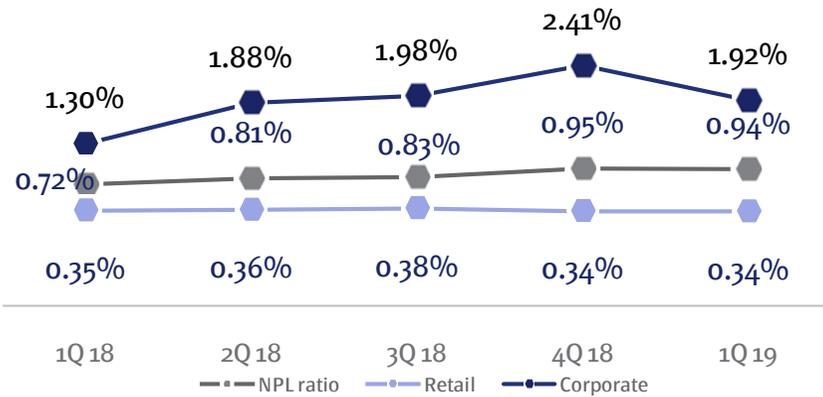
For KSA Only



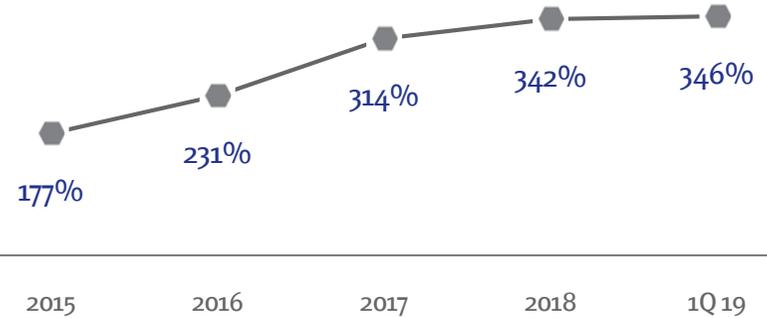
# Asset Quality Trends (2)

Asset quality remains solid

NPL Ratio Trends(%)



NPL coverage ratio



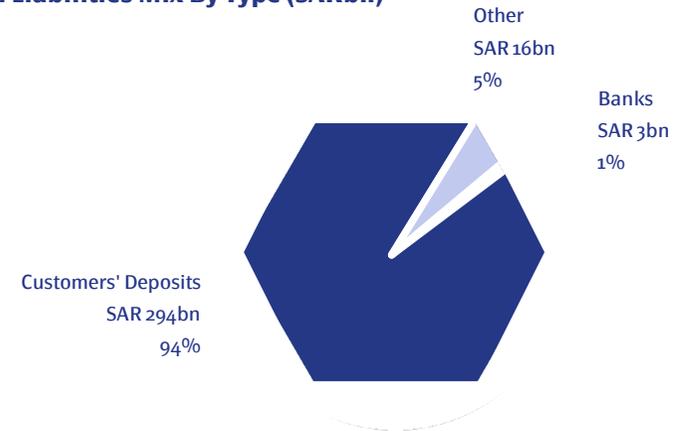
# Funding & Liquidity Trends

Liquidity and funding remain comfortably within regulatory requirements

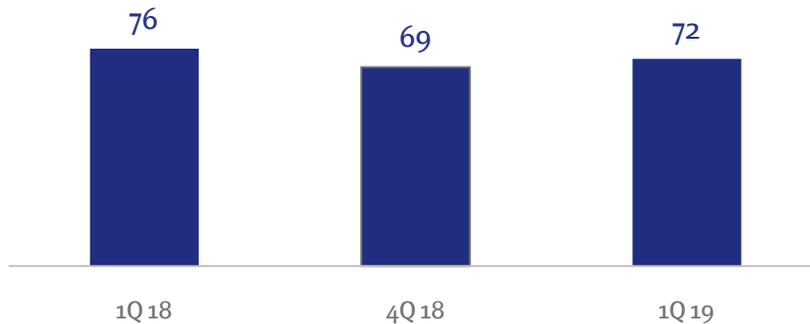
## Commentary

- Liquidity remained healthy during 1Q 2019 and comfortably within regulatory guidelines
- HQLA decreased slightly YoY reflecting yield optimization in a relatively low growth environment. LCR remained healthy at 183%
- The loan to deposit ratio remained stable YoY at 82% as deposit growth tracked net financing growth

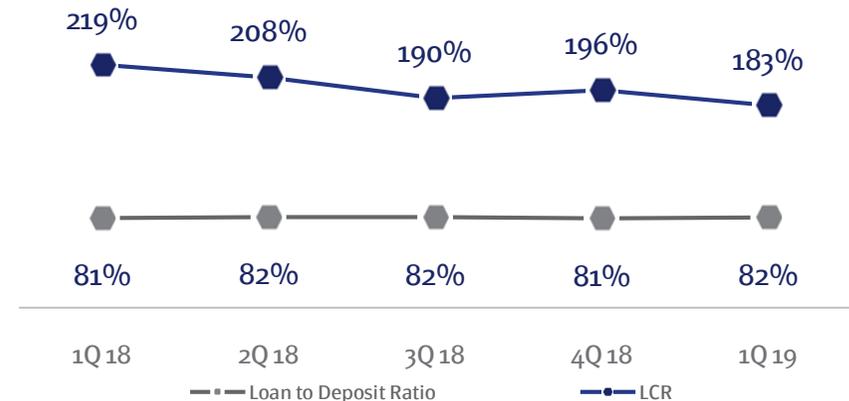
## Total Liabilities Mix By Type (SARbn)



## HQLA (SARbn)



## Liquidity Ratios (%)



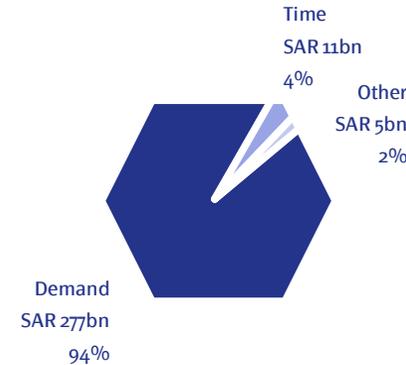
# Funding & Liquidity Trends

## Continued growth in non-profit bearing deposits

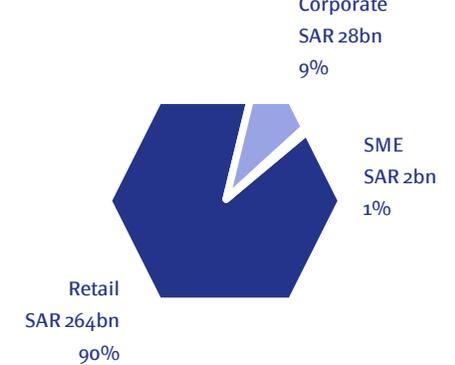
### Commentary

- Strong stable funding with 94% of liabilities sourced from customers' deposits, of which 96% are non-profit bearing
- Customers' deposits grew 3.4% YoY, principally from non-profit bearing demand deposits

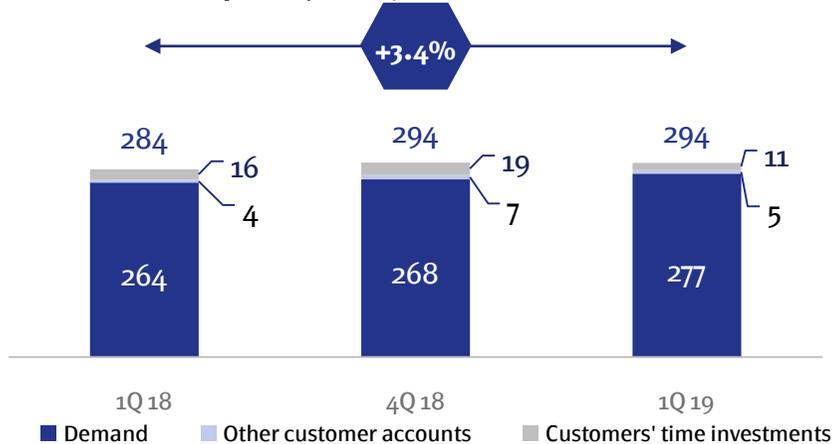
Total Customers' Deposits Mix  
By Type (SARbn)



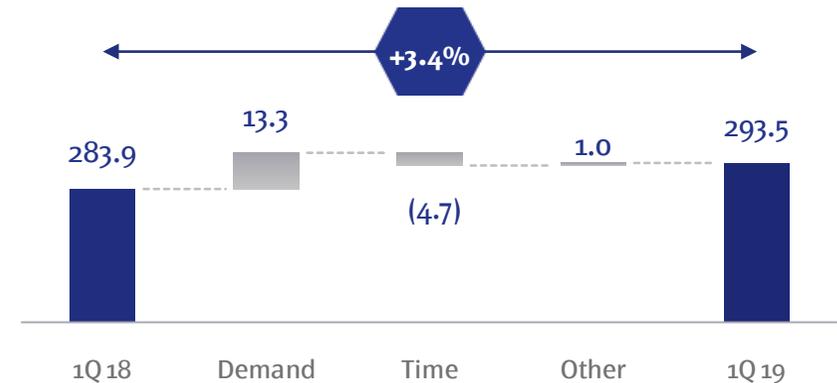
Total Customers' Deposits Mix  
By Segment (SARbn)



Total Customers' Deposits (SARbn)



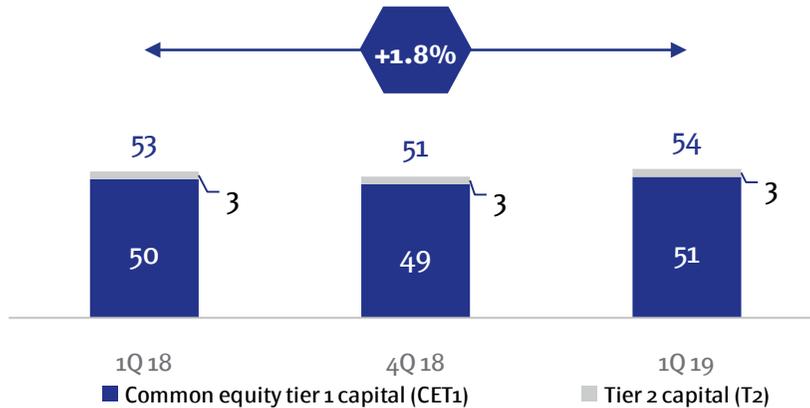
Total Customers' Deposits Drivers (SARmn)



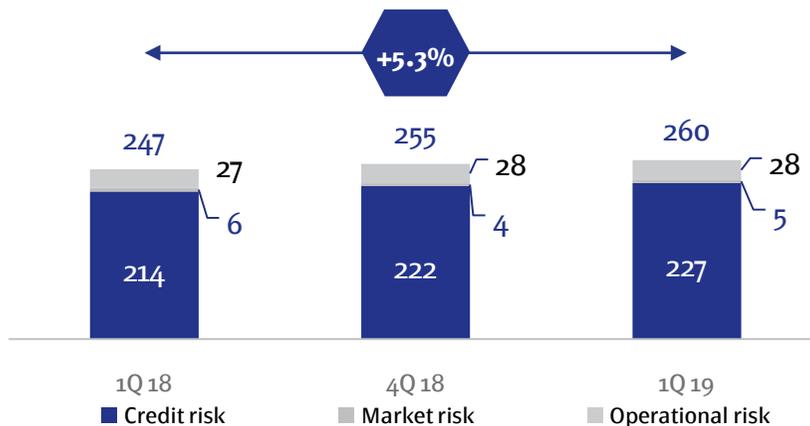
# Capitalisation Trends

Rising profitability drives total capital higher

## Total Capital (SARbn)



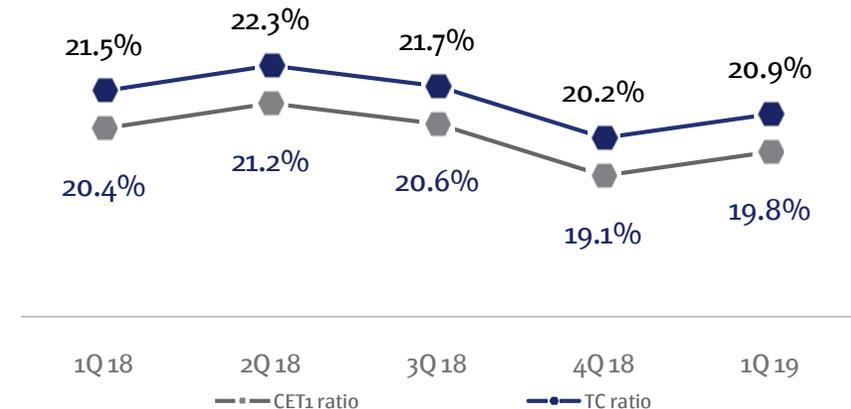
## Risk Weighted Assets (SARbn)



## Commentary

- Total capital increased by 1.8% on rising profitability
- Capitalization remains strong with CAR of 20.9% and CET1 of 19.8% as at 31 March 2019

## Capital Ratios (%)





# Operating Results

1Q 2019 Performance

The Blue Chip Islamic Bank



# Retail Banking

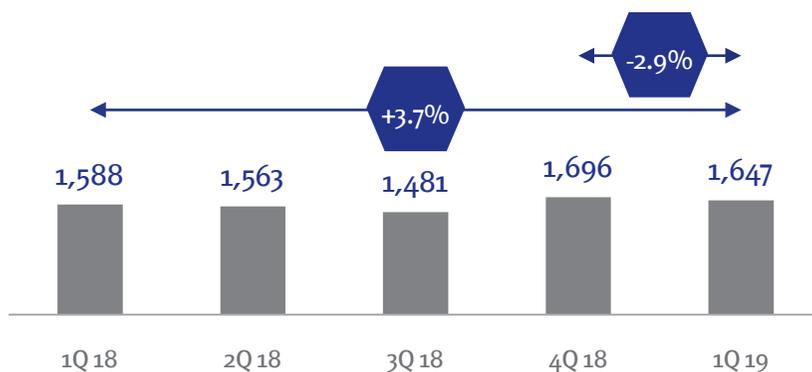
3.7% increase in profit on strong financing growth tempered by higher provisions

## Commentary

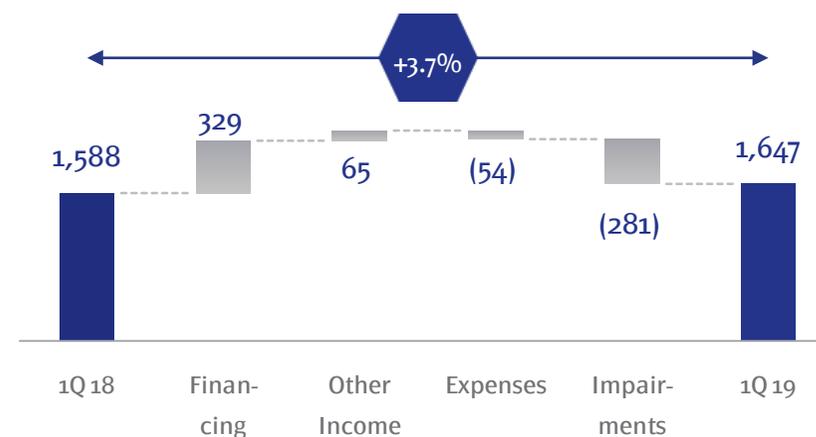
- Retail Banking net income increased by 3.7% YoY, reflecting stronger financing and investment income
- Total operating income grew 14.2% YoY mainly from net financing, driven by ongoing repricing of the consumer book, continued growth in assets (+3.9%) and liabilities (+6.7% mainly from non-profit bearing deposit growth)

	SAR (mn)	1Q 2019	1Q 2018	YoY %
Net financing & investment income		2,834	2,506	+13.1%
Fee and other income		330	265	+24.5%
<b>Total Operating Income</b>		<b>3,164</b>	<b>2,771</b>	<b>+14.2%</b>
Operating expenses		1,134	1,080	+5.0%
Impairment charge		384	103	+272.5%
<b>Net income</b>		<b>1,647</b>	<b>1,588</b>	<b>+3.7%</b>
Total assets		191,018	183,832	+3.9%
Total liabilities		278,944	261,328	+6.7%

## Net Income (SARmn)



## Net Income Growth Drivers By Type (SARmn)



# Corporate Banking

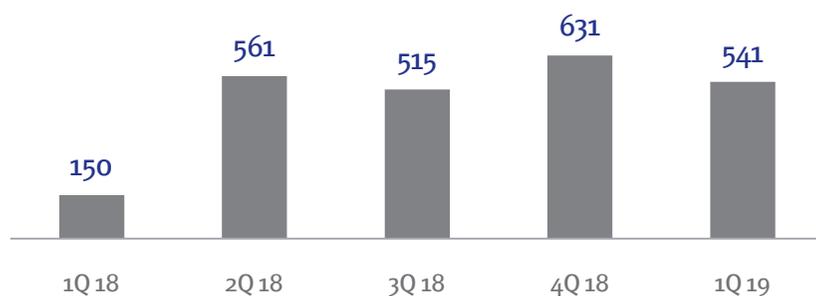
Strong top line and lower impairment charge lead to 259.6% profit growth

## Commentary

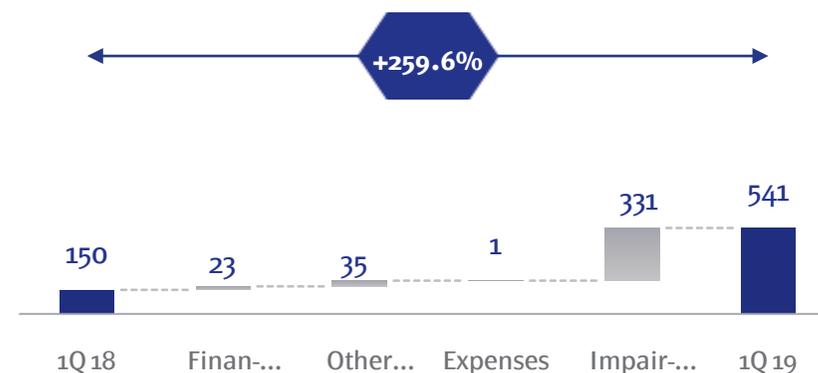
- Corporate Banking net income grew 259.6% YoY as a result of higher income, improved operating efficiency and a drop in the impairment charge
- Total operating income increased 10.0% YoY as financing income increased 4.7% and fee and other income increased 40.2% YoY

	SAR (mn)	1Q 2019	1Q 2018	YoY %
Net financing & investment income		516	493	+4.7%
Fee and other income		122	87	+40.2%
<b>Total Operating Income</b>		<b>638</b>	<b>580</b>	<b>+10.0%</b>
Operating expenses		83	84	-0.7%
Impairment charge		15	346	-95.8%
<b>Net income</b>		<b>541</b>	<b>150</b>	<b>+259.6%</b>
Total assets		64,683	59,852	+8.1%
Total liabilities		22,413	30,418	-26.3%

## Net Income (SARmn)



## Net Income Growth Drivers By Type (SARmn)



# Treasury

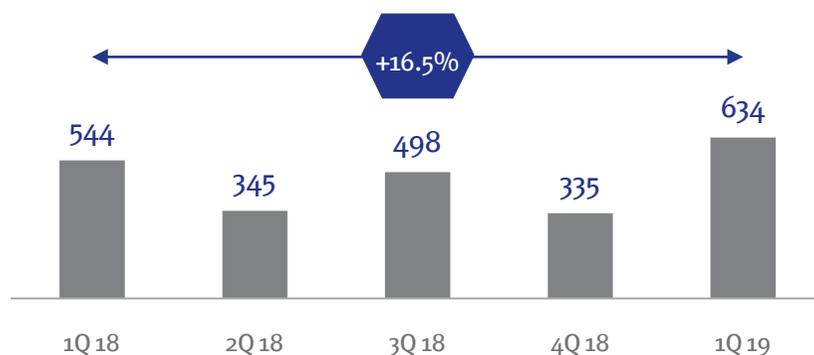
## Strong profit growth from increased investment portfolio

### Commentary

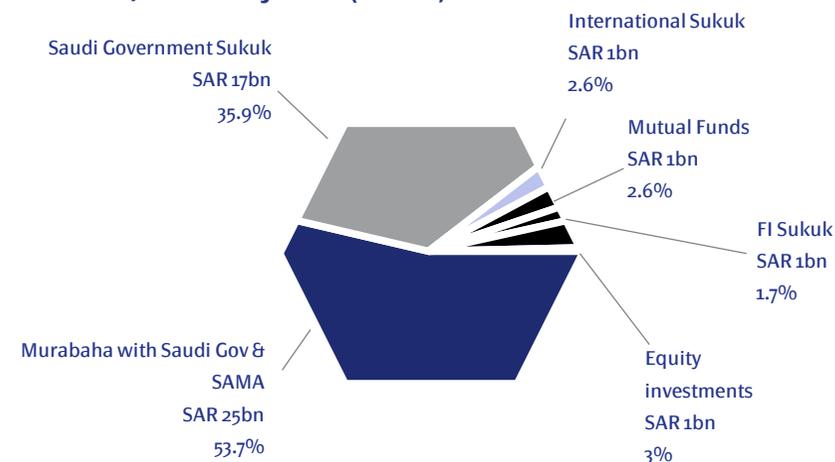
- Treasury net income rose 16.5% YoY to SAR634 million from 12.4% total operating income growth
- Total Treasury assets grew 2.9% YoY on 14.7% growth in the investment portfolio which aided net financing and investment income growth of SAR 151 million to SAR 588 million
- Tahweel Alrajhi (remittances) market share reached 26% as at 31 December 2018

	SAR (mn)	1Q 2019	1Q 2018	YoY %
Net financing & investment income		588	437	+34.7%
Fee and other income		146	217	-32.8%
<b>Total Operating Income</b>		<b>734</b>	<b>653</b>	<b>+12.4%</b>
Operating expenses		109	108	+1.2%
Impairment charge		(9)	1	-779.3%
<b>Net income</b>		<b>634</b>	<b>544</b>	<b>+16.5%</b>
Total assets		104,672	101,687	+2.9%
Total liabilities		10,612	5,672	+87.1%

### Net Income (SARmn)



### Investments, Net Mix By Asset (SARbn)



# Investment Services & Brokerage

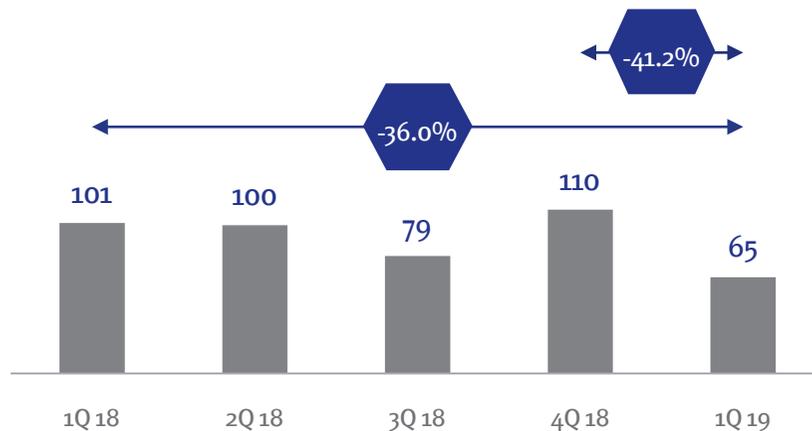
## 36% drop in profit on lower fees

### Commentary

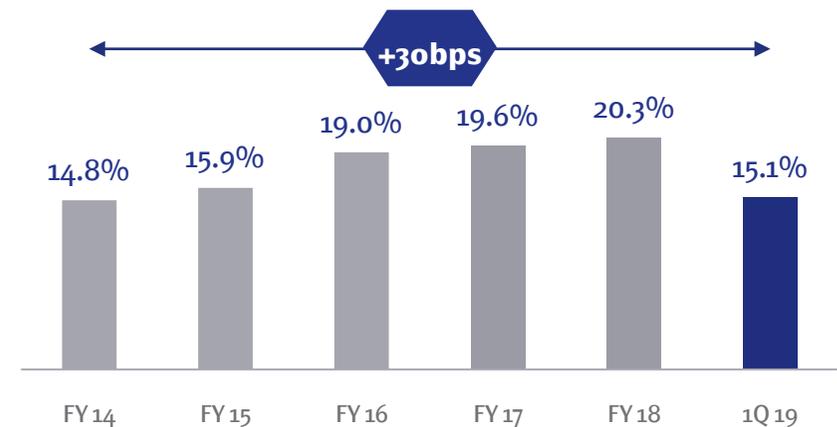
- Net income for Investment Services & Brokerage declined 36.0% YoY to SAR 65 million principally from 26.0% operating income drop
- 25% TASI volume decline YoY

	SAR (mn)	1Q 2019	1Q 2018	YoY %
Net financing & investment income		5	6	-17.7%
Fee and other income		98	133	-26.4%
<b>Total Operating Income</b>		<b>102</b>	<b>138</b>	<b>-26.0%</b>
Operating expenses		38	37	+0.9%
<b>Net income</b>		<b>65</b>	<b>101</b>	<b>-36.0%</b>
Total assets		2,966	3,058	-3.0%
Total liabilities		111	572	-80.7%

### Net Income (SARmn)



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





# Appendix

## Additional Information

The Blue Chip Islamic Bank



# Board of Directors

## Members



Chairman  
Abdullah bin Sulaiman Al Rajhi  
Non-Executive



Salah bin Ali AbalKhail  
Non-Executive



Vice Chairman  
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



Ameen F. Al Shiddi  
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**  
Steve Bertamini  
Banking experience: 32 years



**Chief Financial Officer**  
Abdullah Alkhalifa  
Banking experience: 28 years



**Chief Risk Officer**  
Christopher Maclean  
Banking experience: 35 years



**Deputy Chief Executive Officer**  
Waleed Al-Mogbel  
Banking experience: 21 years



**Chief Compliance Officer**  
Abdullah Sulaiman Alnami  
Banking experience: 24 years



**Chief Governance & Legal Officer**  
Omar Almudarra  
Banking experience: 19 years



**General Manager Retail**  
Saleh Alzumaie  
Banking experience: 28 years



**General Manager Corporate**  
Majid Algwaiz  
Banking experience: 24 years



**General Manager Treasury**  
Abdulrahman Al Fadda  
Banking experience: 22 years



**General Manager Sharia**  
Saleh Al-Haidan  
Banking experience: 16 years



**Chief Human Resources Officer**  
Khalid Al Huzaim  
Banking experience: 19 years



**Chief Internal Audit Officer**  
Abdulaziz Alshushan  
Banking experience: 3 years

# Additional Information

Contact investor relations for more information

Mr. Amr M. Sager

Head of Investor Relations

Tel: +966 (11) 828 1985

Email: [sagera@alrajhibank.com.sa](mailto:sagera@alrajhibank.com.sa)



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