



Al Rajhi Bank Results Presentation

2Q 2021 Earnings Conference Call and Webcast



Earnings Call

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An excellent start to 1H 2021

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Bank Of The Future

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IR Contact Information

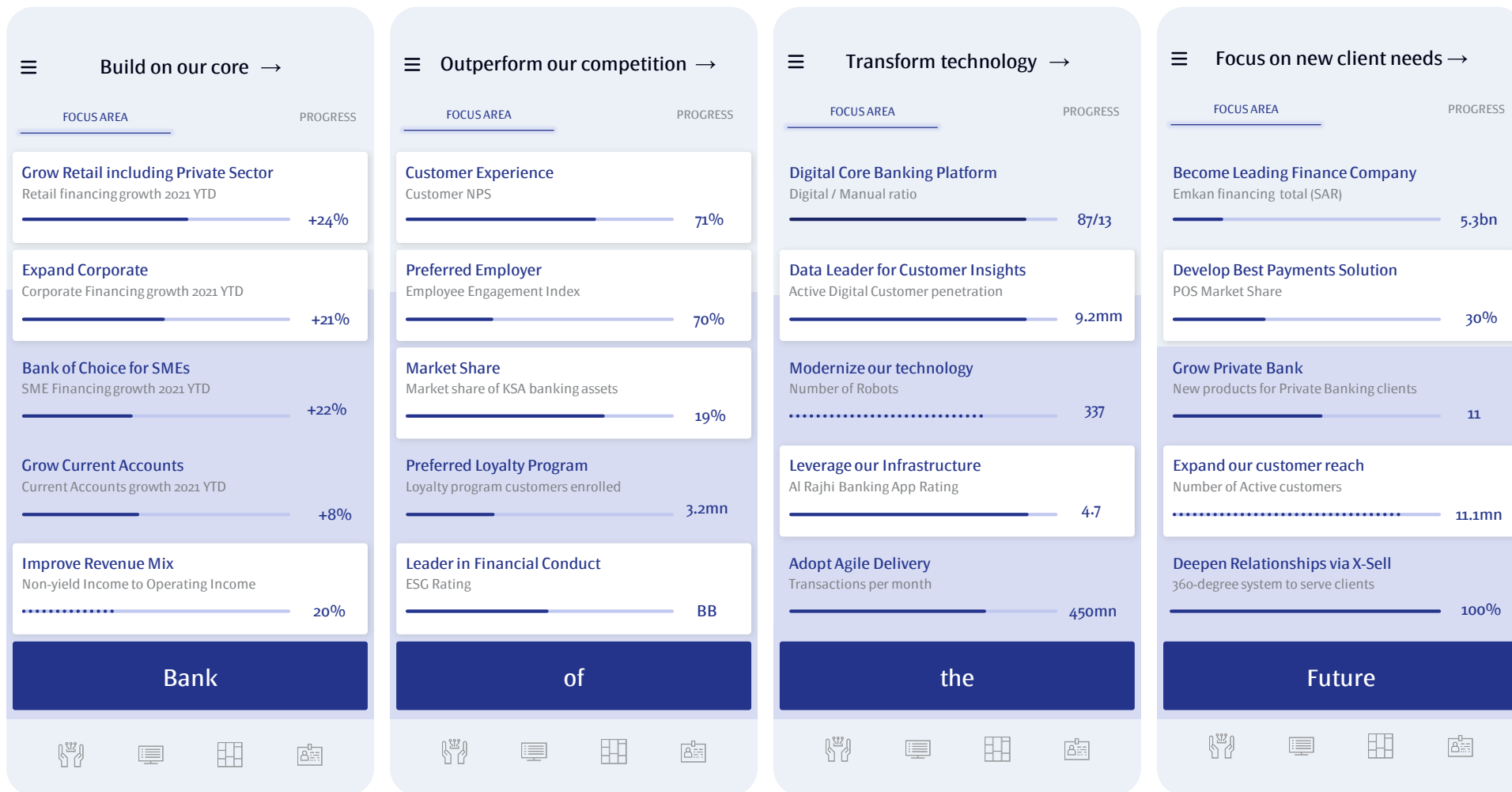
ARB had an excellent first half 2021

Results are in line with or ahead of expectations



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

Good progress made on strategy implementation



Sources: Al Rajhi Bank, SAMA, Bank Financial Statements

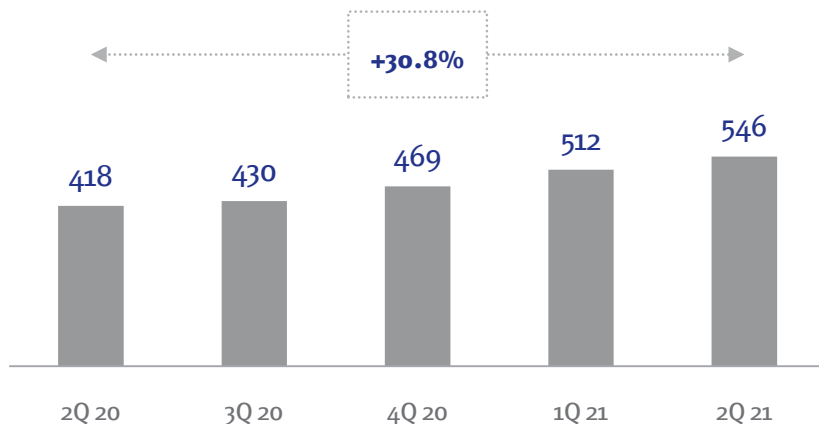


2Q 2021 Financial Highlights

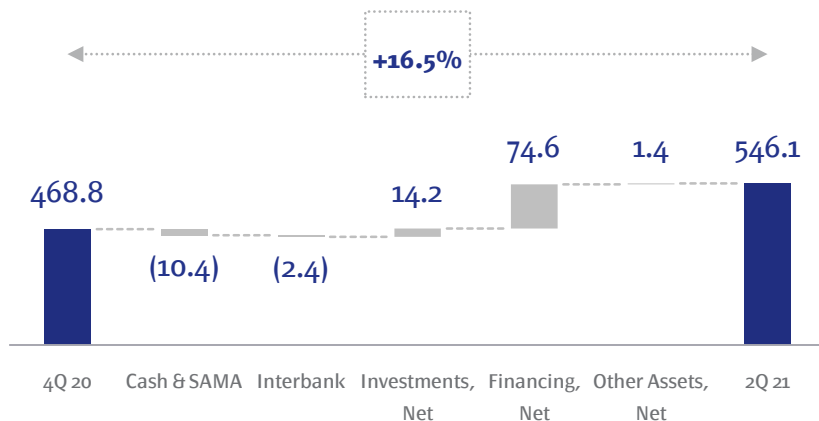
Balance Sheet Trends (1)

Strong 16% YTD balance sheet growth driven by Financing and investments

Total Assets (SARbn)



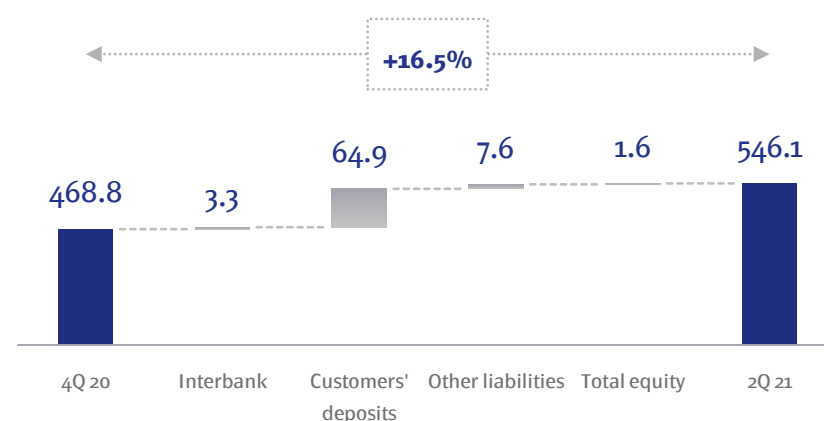
Movement in Assets (SARbn)



SAR (mn)

	2Q 2021	1Q 2021	QoQ	4Q 2020	YTD
Cash and balances with SAMA	36,914	38,562	-4%	47,363	-22%
Due from banks and other FI	26,213	31,730	-17%	28,655	-9%
Investments, net	74,474	67,968	+10%	60,285	+24%
Financing, net	390,296	356,144	+10%	315,712	+24%
Other assets, net	18,243	17,829	+2%	16,810	+9%
Total assets	546,139	512,234	+7%	468,825	+16%
Due to banks and other FI	14,085	9,731	+45%	10,764	+31%
Customers' deposits	447,506	421,269	+6%	382,631	+17%
Other liabilities	24,878	22,012	+13%	17,311	+44%
Total liabilities	486,469	453,011	+7%	410,706	+18%
Total shareholders' equity	59,670	59,222	+1%	58,119	+3%

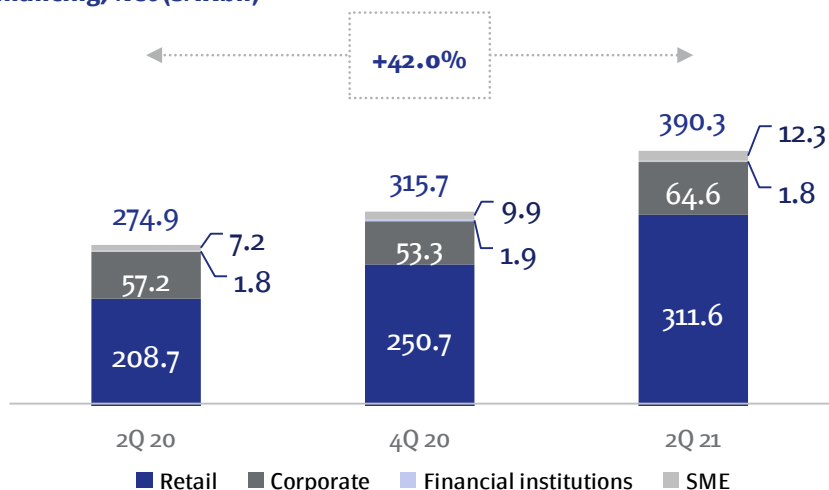
Movement in Funding (SARbn)



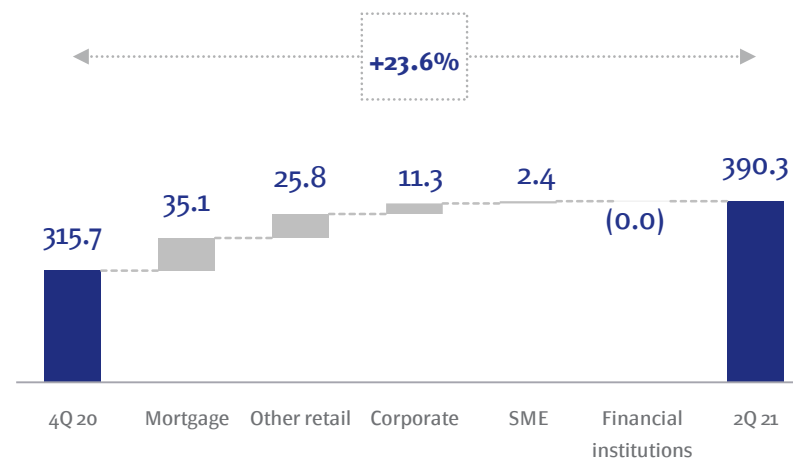
Balance Sheet Trends (2)

Financing growth driven by mortgage; Strong growth in customers deposits

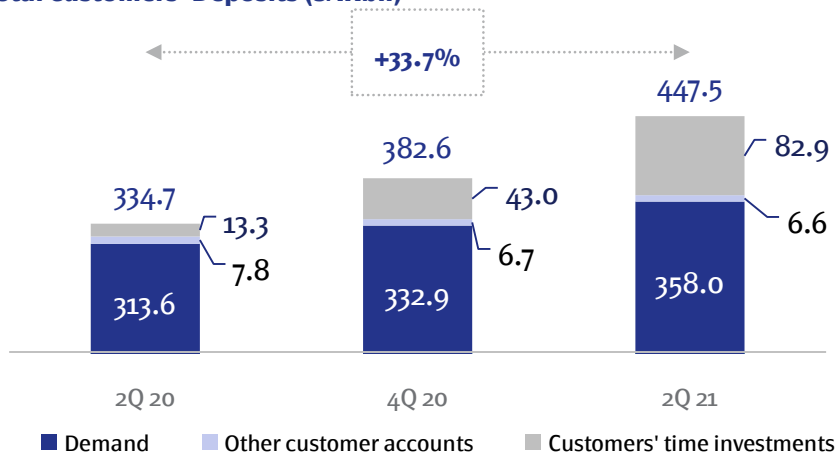
Financing, Net (SARbn)



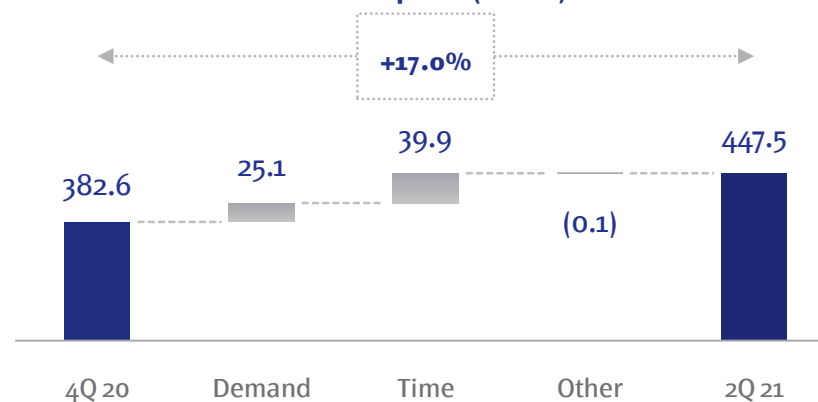
Movement in Net Financing (SARbn)



Total Customers' Deposits (SARbn)



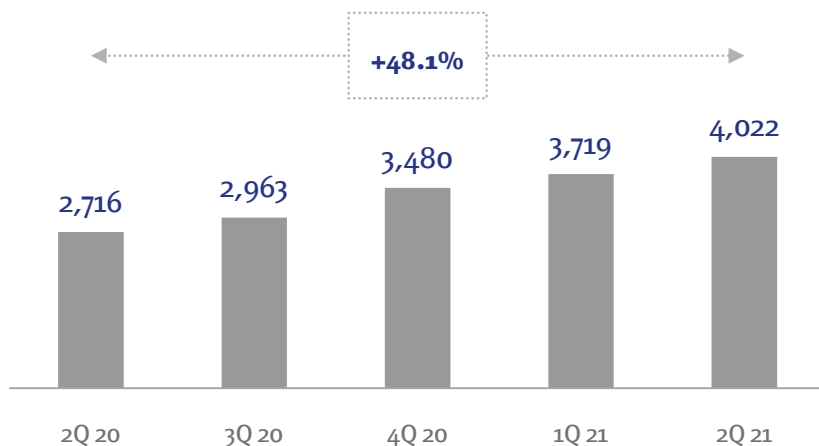
Movement in Total Customers' Deposits (SARbn)



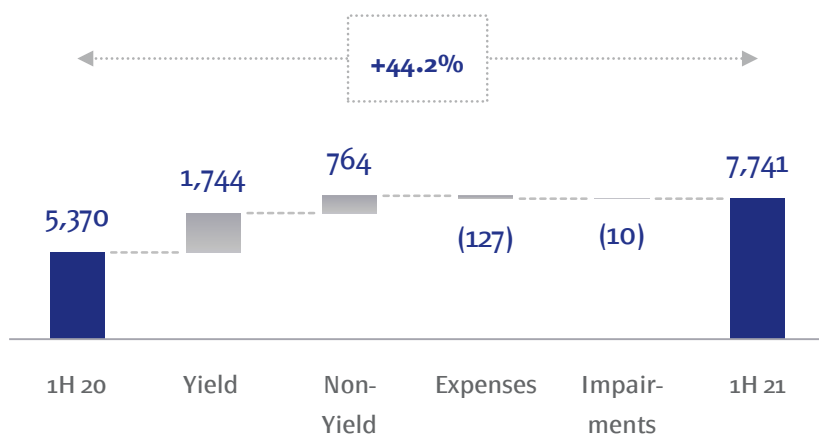
Net Income Trends

Solid net profit growth of 44% YoY

Net Income For The Period Before Zakat (SARmn)

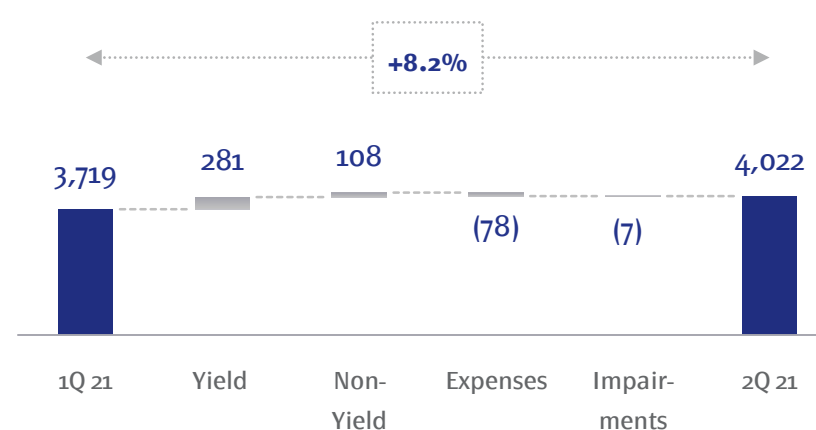


Net Income Before Zakat Growth Drivers By Type (SARmn)



SAR (mn)	1H 2021	1H 2020	YoY	2Q 2021	2Q 2020	YoY
Net financing and investment income	9,822	8,078	+22%	5,052	3,968	+27%
Fee from banking services, net	1,843	1,147	+61%	934	529	+77%
Exchange Income, net	359	377	-5%	184	170	+8%
Other operating income, net	259	173	+50%	166	141	+18%
Fees and other income	2,462	1,697	+45%	1,285	840	+53%
Total operating income	12,284	9,775	+26%	6,336	4,808	+32%
Operating expenses	-3,382	-3,255	+4%	-1,730	-1,634	+6%
Pre-provision profit	8,902	6,520	+37%	4,606	3,174	+45%
Total impairment charge	-1,161	-1,151	+1%	-584	-458	+28%
Net income for the period before Zakat	7,741	5,370	+44%	4,022	2,716	+48%
Zakat	-801	-554	+45%	-418	-280	+49%
Net income for the period after Zakat	6,940	4,816	+44%	3,605	2,436	+48%

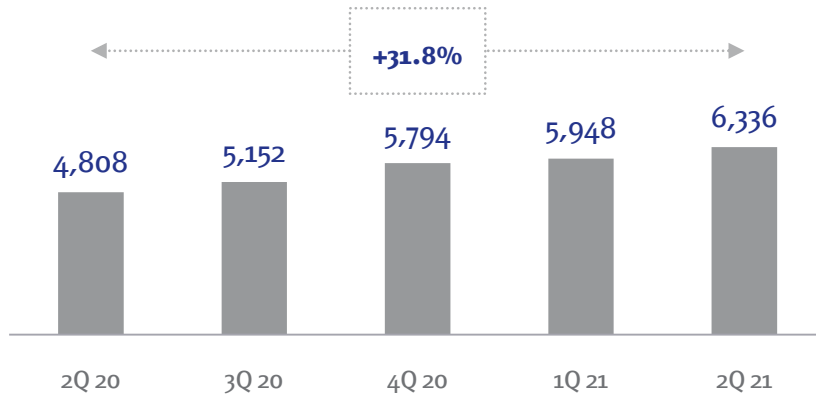
Net Income Before Zakat Growth Drivers By Type (SARmn)



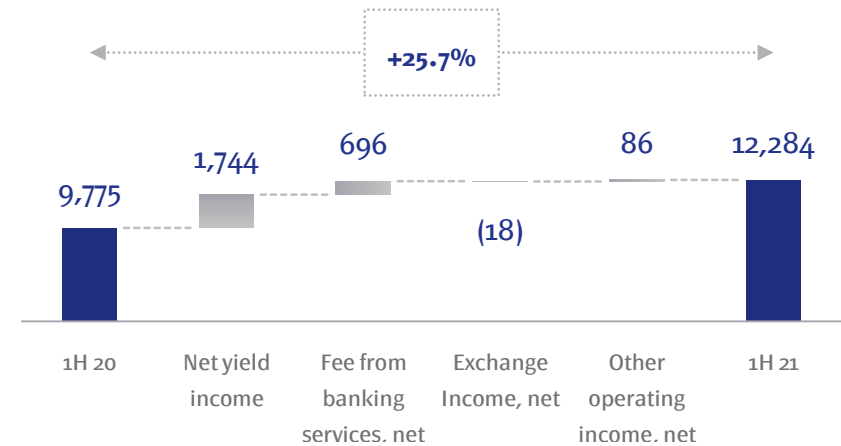
Operating Income Trends

Strong income growth reflecting successful strategy execution

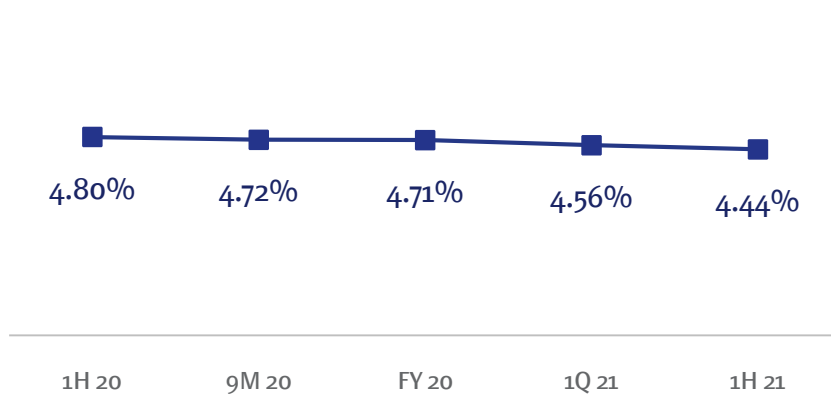
Total Operating Income (SARmn)



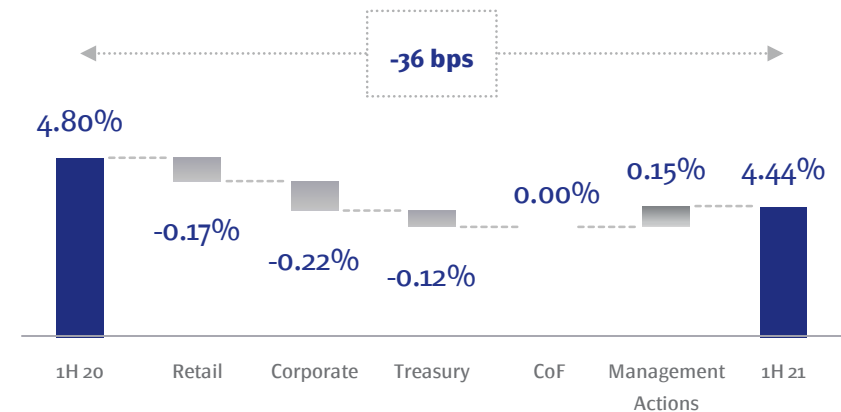
Total Operating Income Growth Drivers By Type (SARmn)



Net Profit Margin (%)



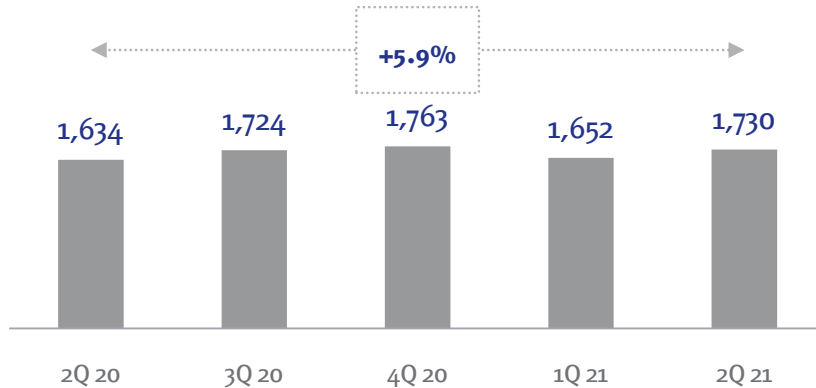
NPM drivers (%)



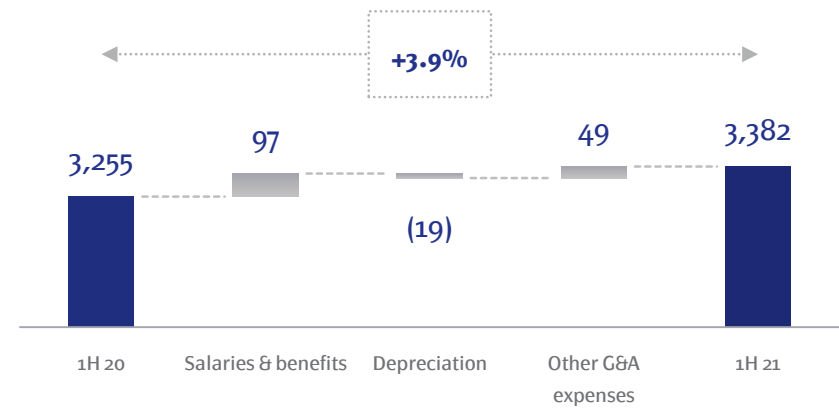
Expenses Trends

Cost efficiencies resulted in higher positive jaws

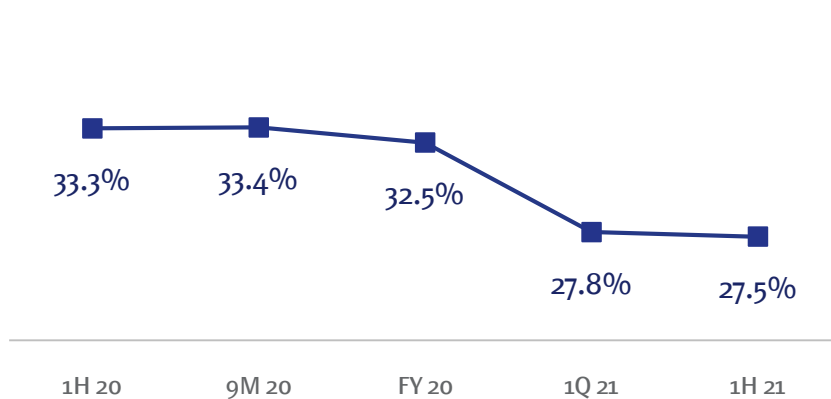
Operating Expenses (SARmn)



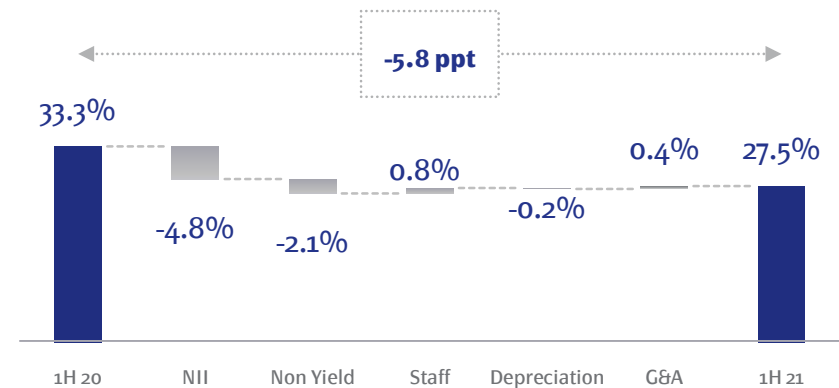
Operating Expenses Growth Drivers By Type (SARmn)



Cost To Income Ratio (%)



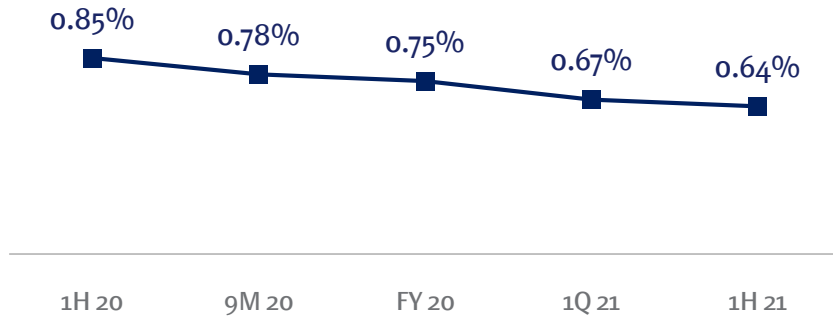
Cost to Income Ratio Drivers (%)



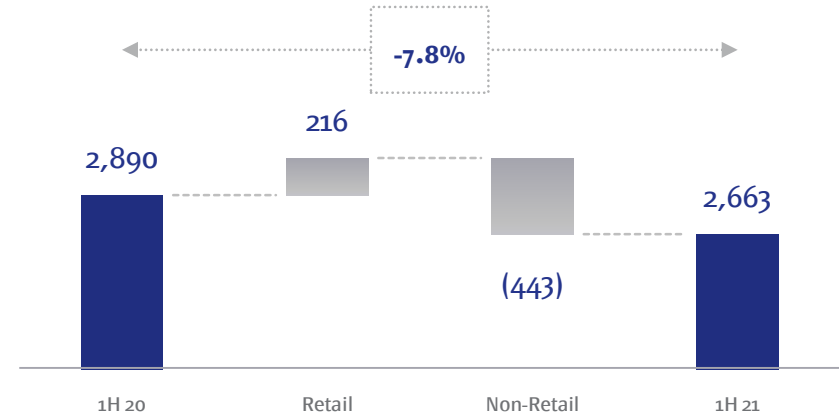
Asset Quality Trends (1)

Asset quality remains healthy and NPL coverage remains strong and stable

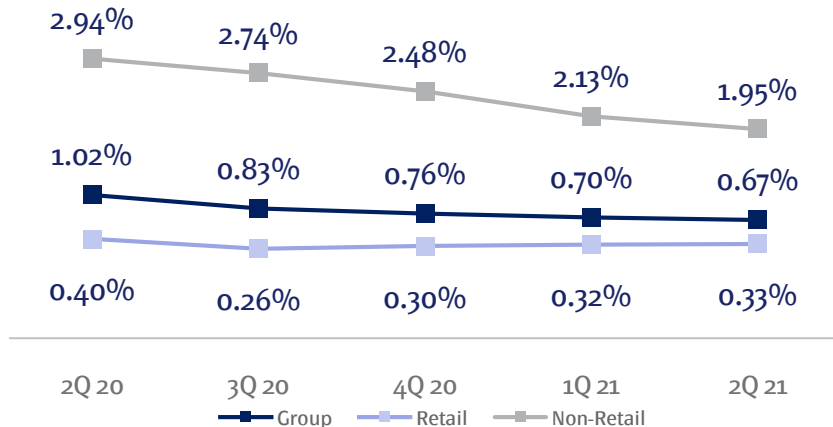
Cost of Risk (%)



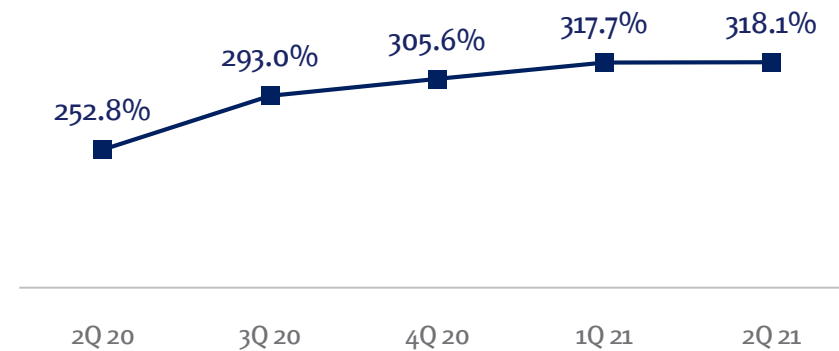
Movement in NPL (SARmn)



NPL Ratio (%)



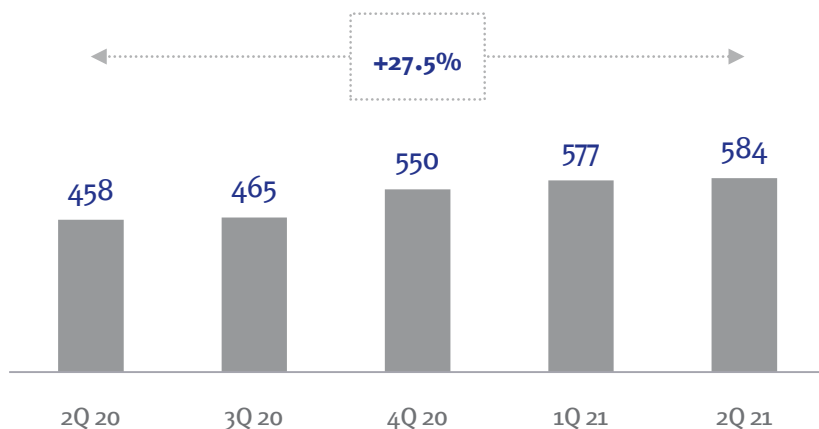
NPL Coverage Ratio (%)



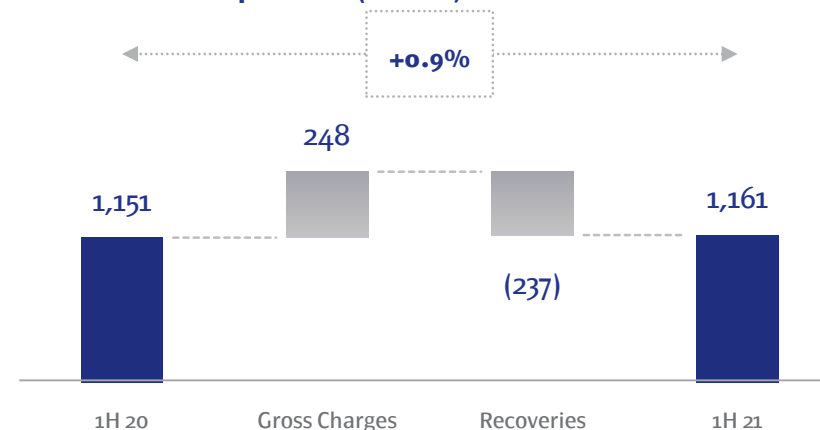
Asset Quality Trends (2)

Healthy stage coverage reflecting prudent risk management

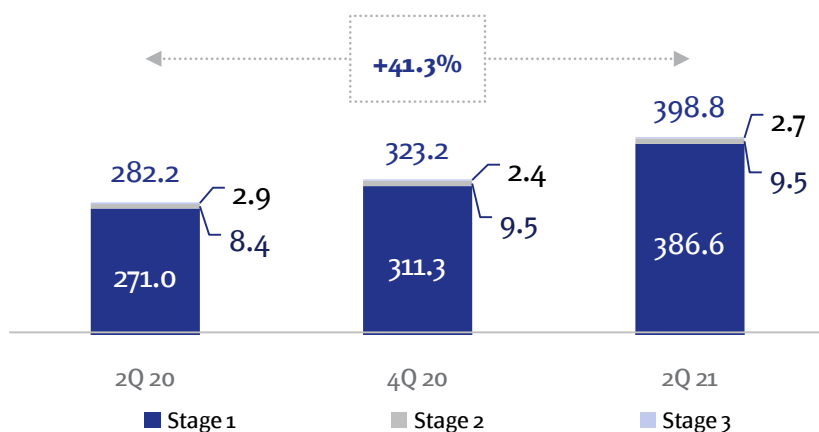
Net Impairment Charge (SARmn)



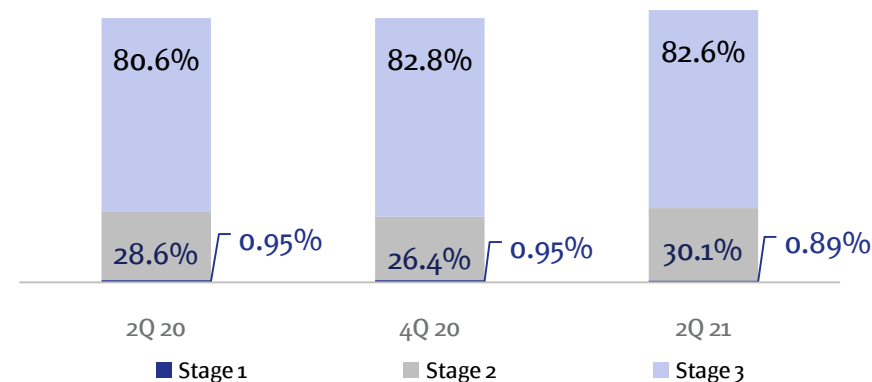
Movement in Net Impairment (SARmn)



Gross Loans by Stage* (SARbn)



ECL Coverage* (%)

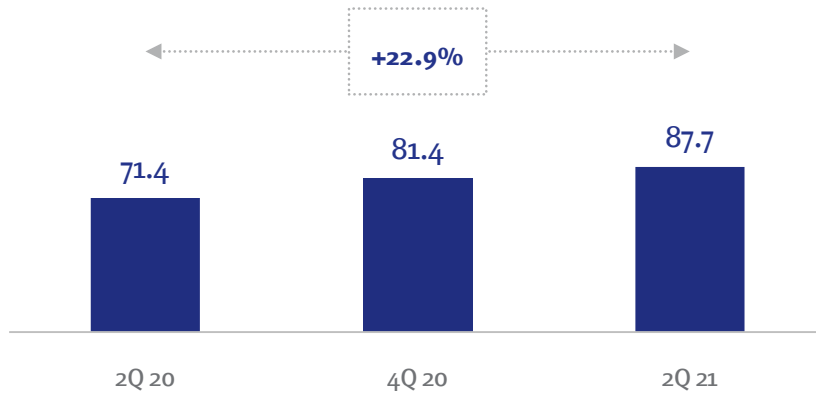


* Stage exposure and ECL allowances varies from the financial statements due to IFRS9 cure period treatment

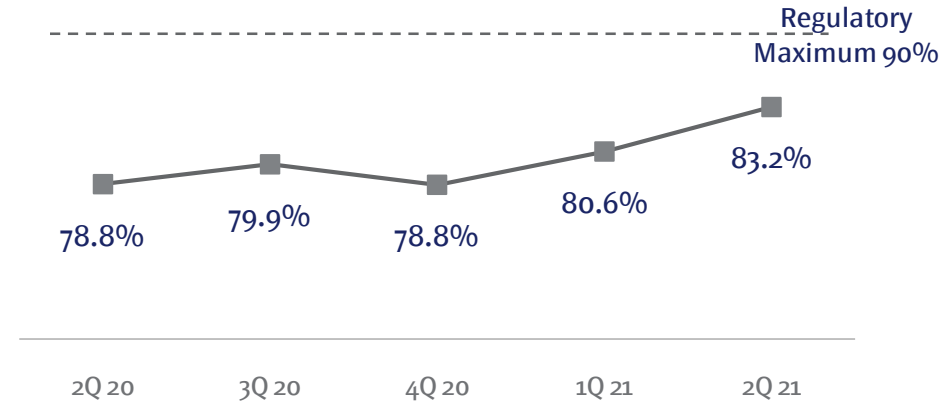
Liquidity Trends

Liquidity remains comfortably within regulatory requirements

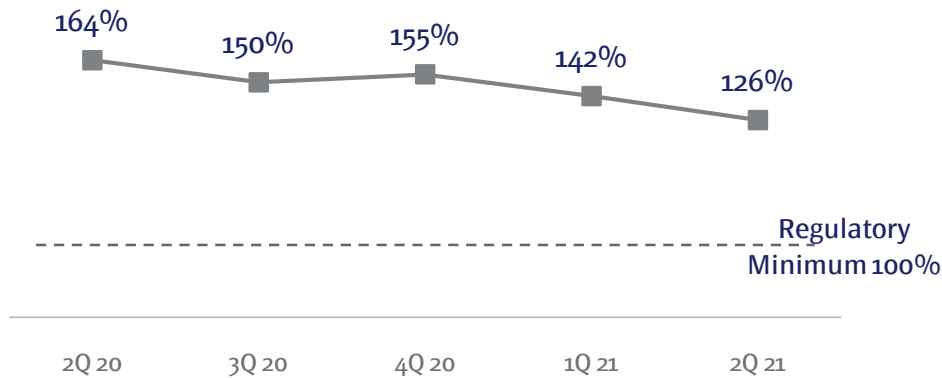
HQLA (SARbn)



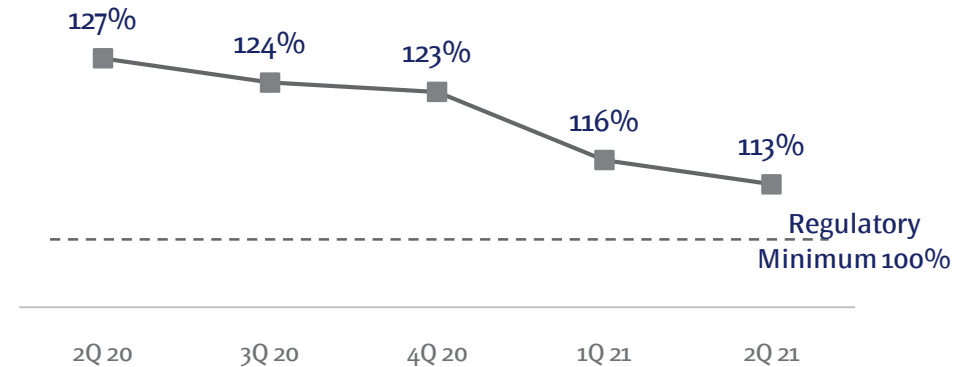
SAMA LDR (%)



LCR (%)



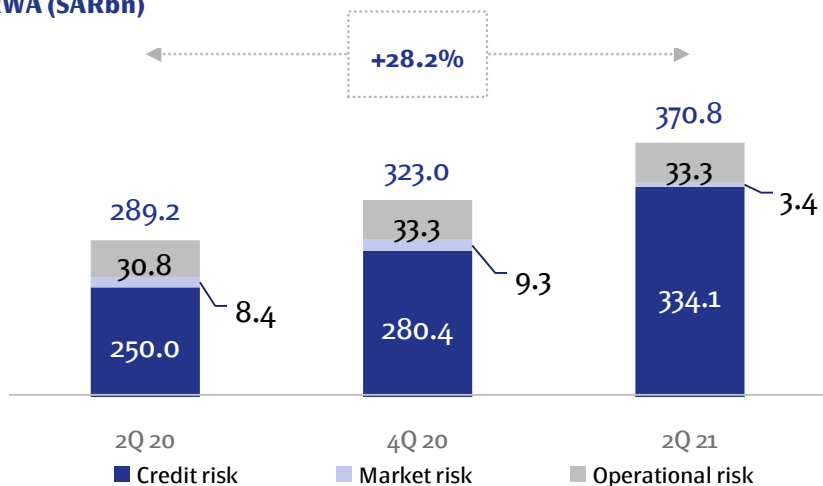
NSFR (%)



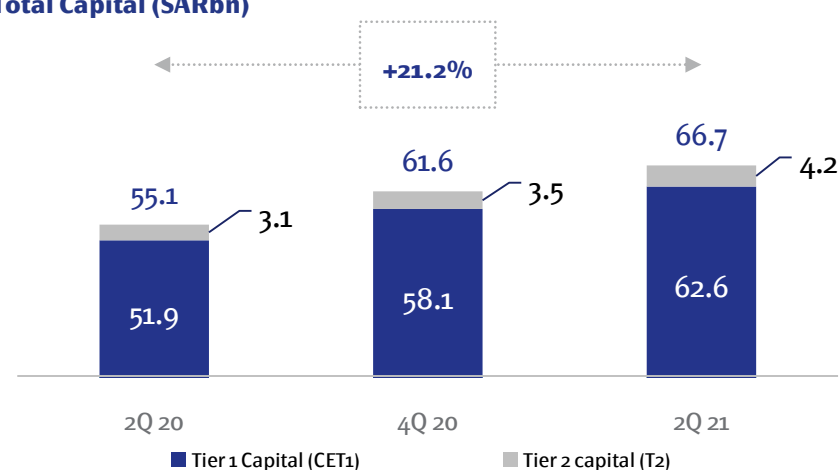
Capitalisation Trends

Capital position well above regulatory minima

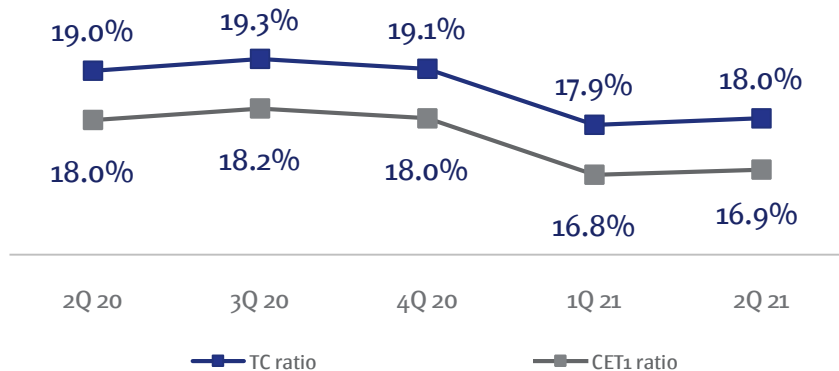
RWA (SARbn)



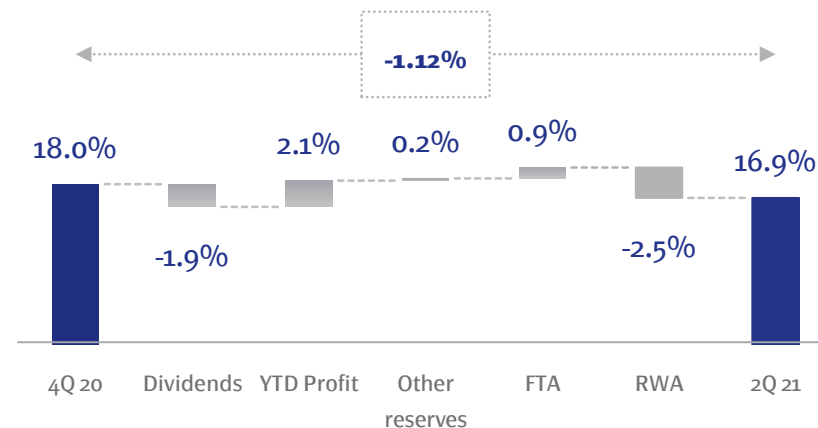
Total Capital (SARbn)



Capital Ratios (%)



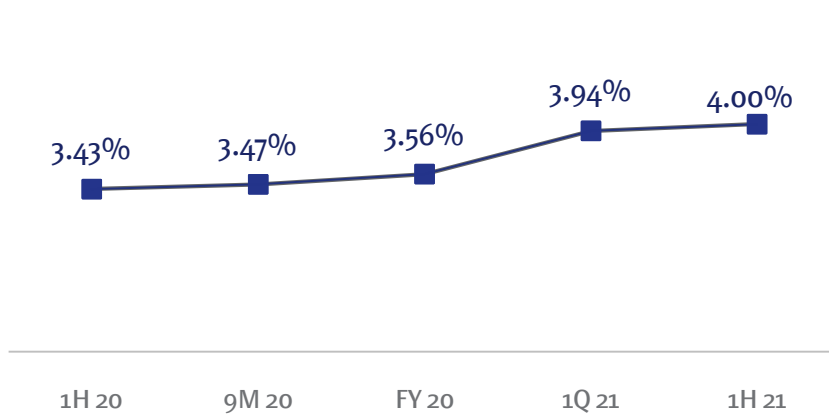
CET1 Drivers (%)



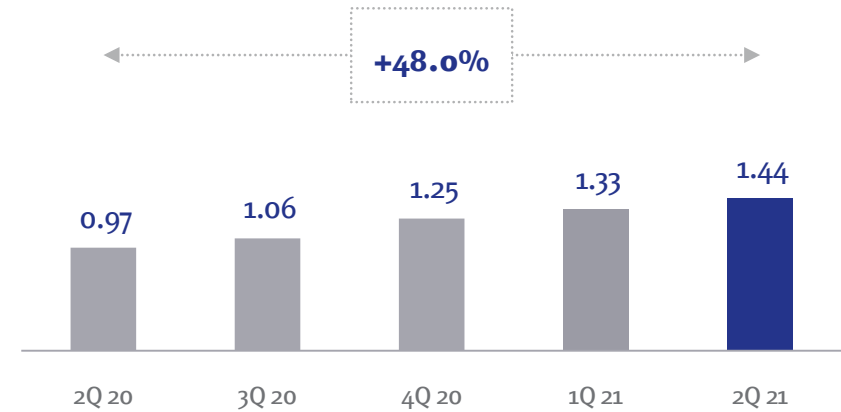
Return Metrics

Al Rajhi Bank's returns remain industry-leading

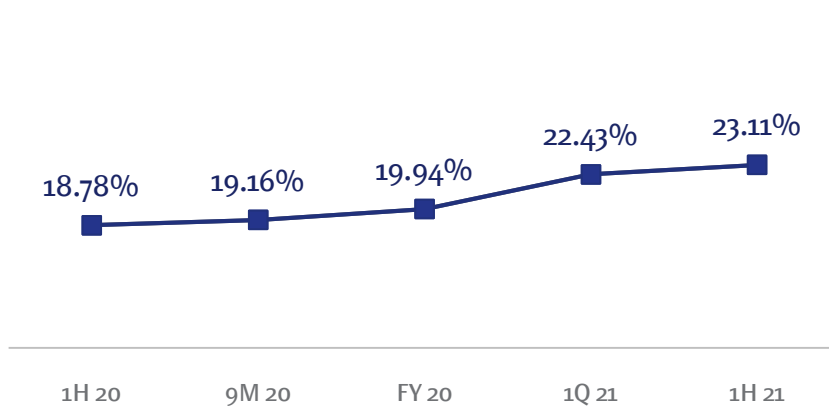
Return on RWA (%)



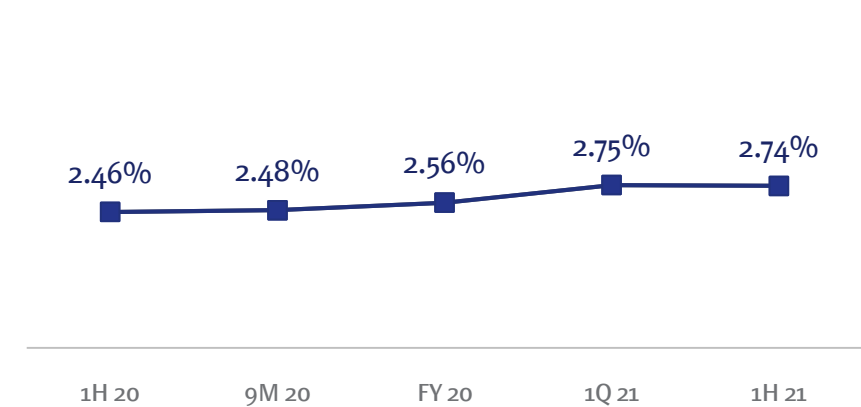
Earnings per Share (SAR)



Return on Equity (%)



Return on Assets (%)



Trends ahead of expectations

Guidance revisions driven by solid growth in first half 2021

	FY 2021 Guidance	2Q 2021 Actual	Guidance Revision	
Balance Sheet	Financing	High teens growth	+23.6%	32% - 35%
Profitability	Net profit margin	-30 bps to -40 bps	-27 bps	-40 bps to -50 bps
	Cost to income ratio	Below 30%	27.5%	Below 28.5%
	ROE	21% - 22%	23.1%	23% - 24%
Asset Quality	Cost of risk	0.60% - 0.70%	0.64%	Unchanged
Capital	CET1 ratio	16% - 17%	16.9%	17% - 18%



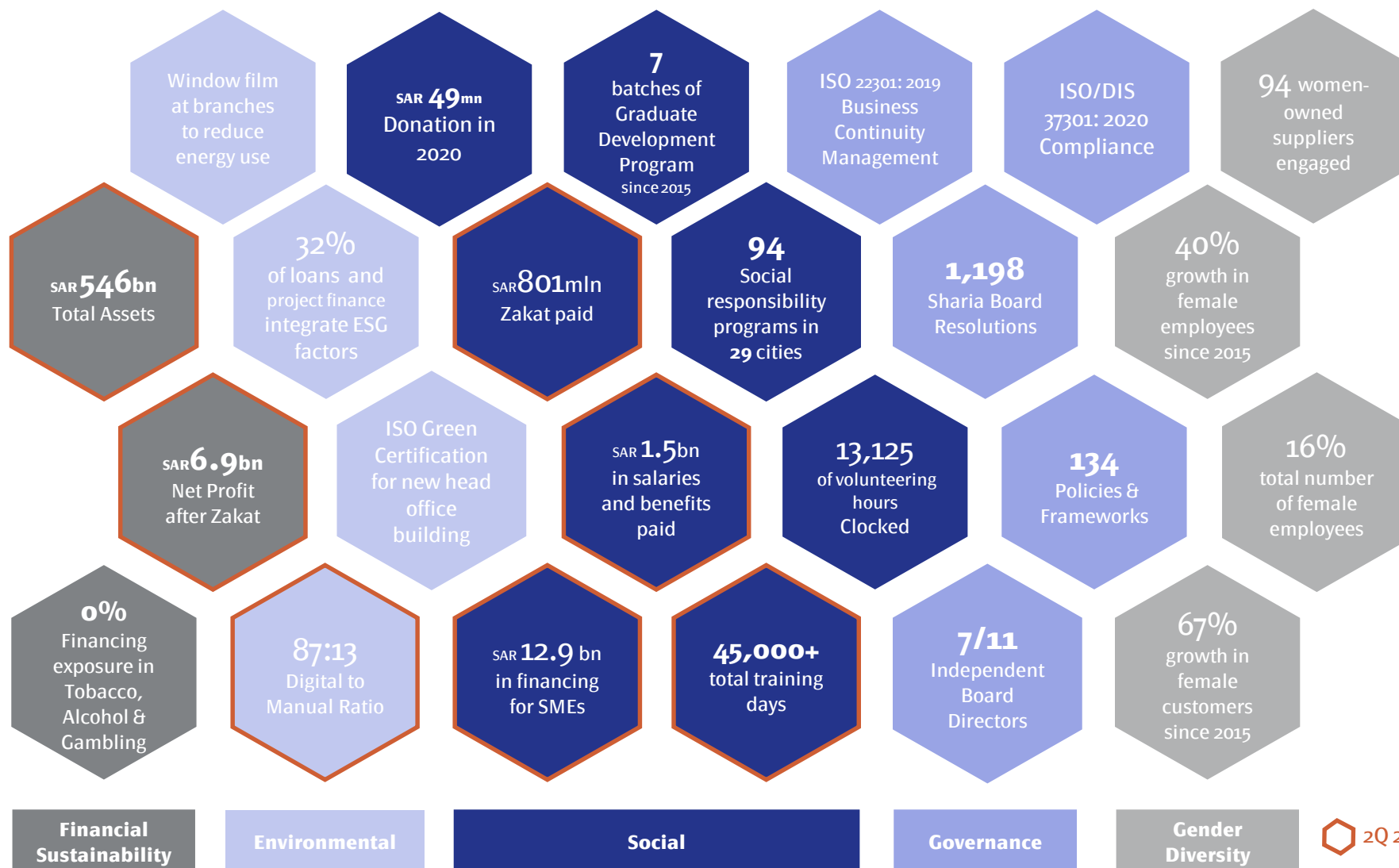
Questions & Answers



ESG Highlights

ESG Highlights

2Q 2021





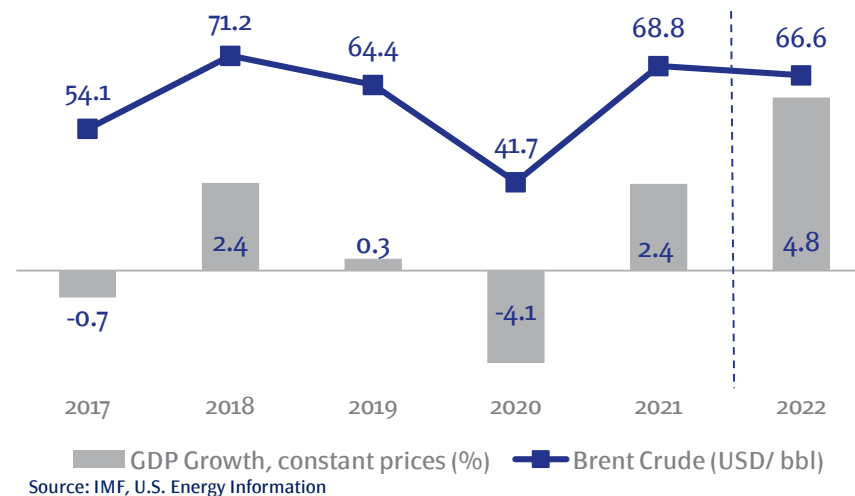
KSA's Macro-Economic Environment

Improved economic conditions compared to 2020

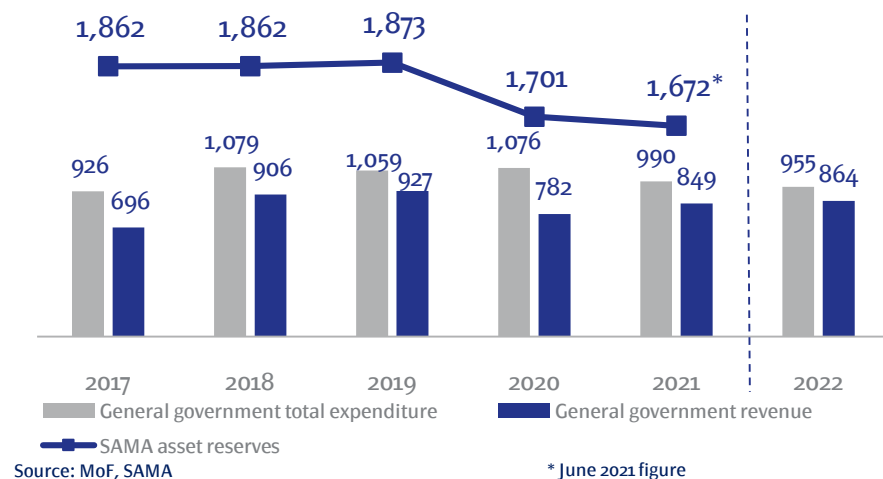
Highlights

- IMF has revised up 2021 GDP growth forecast to 2.4% driven by recovery in oil prices and economic activities.
- Saudi is keeping its fiscal expenditure at the budgeted level.
- Average inflation is forecasted to be 3.2% in 2021.

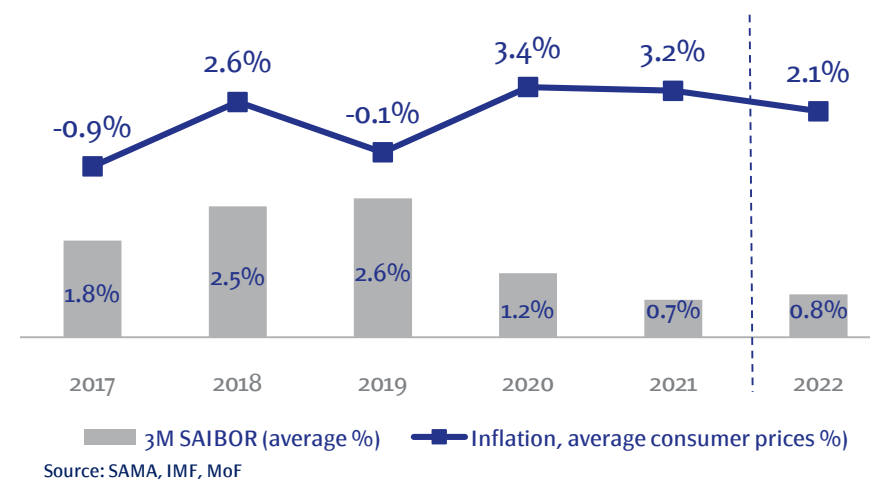
GDP Growth / Brent Oil Price



Expenditure/Revenue and Asset Reserves (SARbn)



3M SAIBOR / Inflation



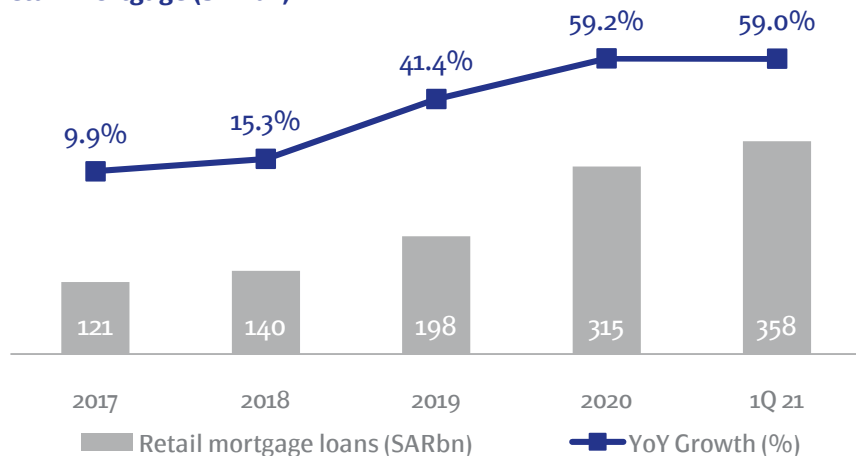
Banking Sector Highlights

Growth in mortgage lending continues to drive credit growth

Recent Developments

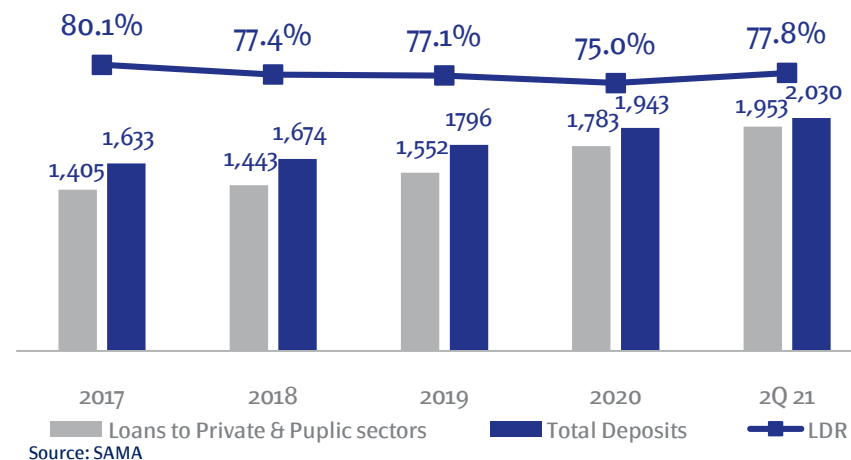
- SRC reduced mortgage reference rate, starting from June by 10bps.
- Continuous migration to cashless payment methods.
- Deferral Payment Program extended for additional three months till September 30, 2021 for MSME that are still affected by Covid-19.

Retail Mortgage (SARbn)



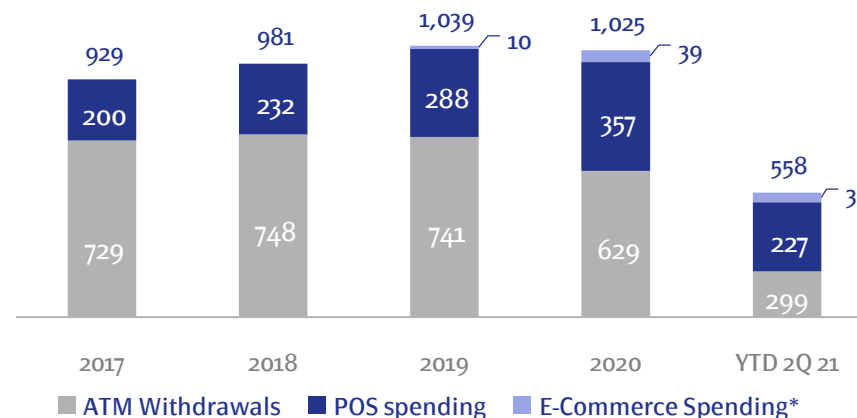
Source: SAMA

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



Source: SAMA

POS/ATM & E-Commerce (SARbn)



Source: SAMA

*E-Commerce started in 2019



IR Contact Information

Additional Information

Contact investor relations for more information

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Upcoming Events in 3Q 2021

31 st Aug - 2 nd Sep	JPM MENA Investment Forum
8 th - 10 th Sep	Citi GEMS Conference
13 th - 21 st Sep	EFG Virtual Investor Conference
21 st - 23 rd Sep	BofA Annual Financials CEO Conference
27 th Sep - 15 th Oct	HSBC Saudi Exchange Virtual Roadshow



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

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



Al-Rajhi Banking App



eBusiness Banking App



Investor Relations App

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