

Al Rajhi Bank Results Presentation

2Q 2025 Earnings Conference Call and Webcast



2Q 2025 Earnings Call

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2Q 2025 Results Summary | Results were exceptional in the first half 2025

6.6% YTD Balance Sheet Growth	7.0% YTD Growth in financing portfolio	6.3% Growth in liabilities	LDR below regulatory minima
	Net Financing 693.4bn $\xrightarrow{+7.0\%}$ 741.7bn FY 24 1H 25	Total Liabilities 851.2bn $\xrightarrow{+6.3\%}$ 904.9bn FY 24 1H 25	Loan to Deposit Ratio 85.5% $\xrightarrow{\text{green}}$ 82.5% FY 24 1H 25
32.5% higher net income YoY	25.2% growth in net yield income	30.9% higher Non yield income	26.5% higher operating income
	Net Yield income 11,504mn $\xrightarrow{+25.5\%}$ 14,402mn 1H 24 1H 25	Non Yield Income 3,362mn $\xrightarrow{+30.9\%}$ 4,401mn 1H 24 1H 25	Operating Income 14,866mn $\xrightarrow{+26.5\%}$ 18,803mn 1H 24 1H 25
Stable credit quality	1 bps COR decrease	2 bps Lower in NPL ratio	NPL coverage remained strong
	Cost of risk 0.32% $\xrightarrow{\text{green}}$ 0.31% FY 24 1H 25	NPL 0.76% $\xrightarrow{\text{green}}$ 0.74% FY 24 1H 25	NPL Coverage 159% $\xrightarrow{\text{red}}$ 150% FY 24 1H 25
Key Ratios	Operating efficiency remains solid	Strong capital position	Higher NPM
	Cost to income ratio 25.9% $\xrightarrow{\text{green}}$ 22.5% 1H 24 1H 25	Total Capital Adequacy Ratio 21.0% $\xrightarrow{\text{red}}$ 20.2% 1H 24 1H 25	NPM 3.03% $\xrightarrow{\text{green}}$ 3.14% 1H 24 1H 25



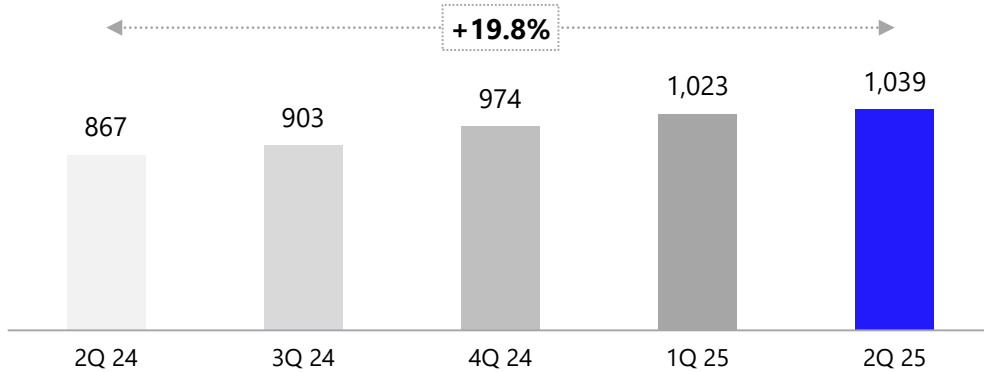
“Harmonize the Group” | Highlights on our strategy performance



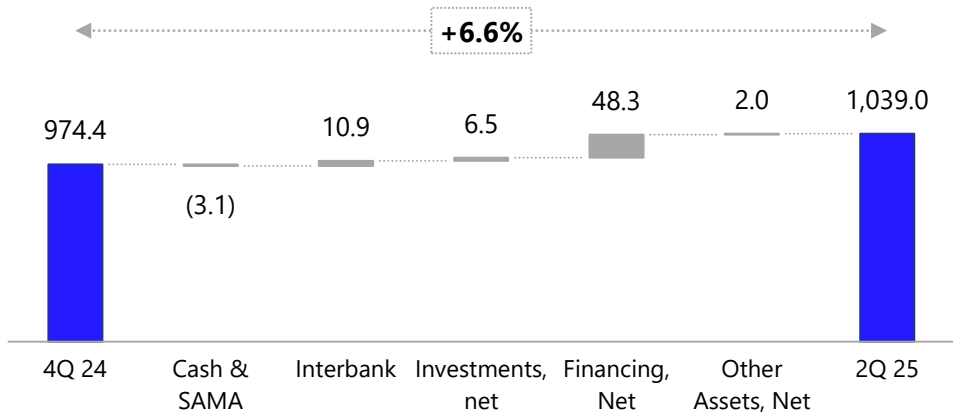
2Q 2025 Financial Highlights

Balance Sheet Trends (1) | Total assets growth of 19.8% YoY and 6.6% YTD

Total Assets (SARbn)



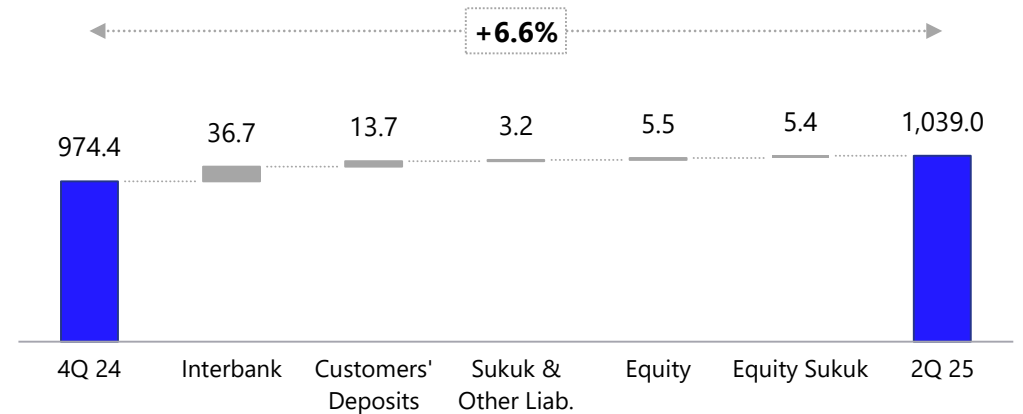
Movement in Assets (SARbn)



SAR (mn)

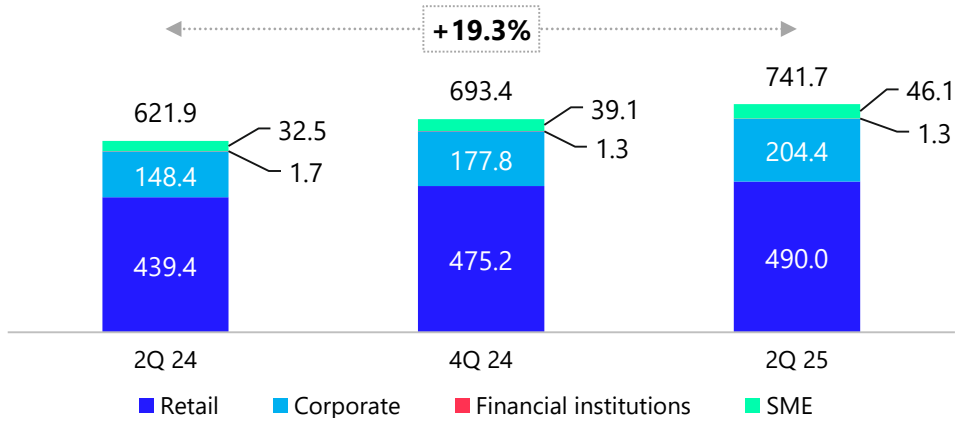
	2Q 25	1Q 25	QoQ	4Q 24	YTD
Cash & balances with SAMA	50,149	65,077	-23%	53,245	-6%
Due from banks & other FI	30,434	20,978	+45%	19,530	+56%
Investments, net	182,543	178,973	+2%	176,068	+4%
Financing, net	741,715	722,785	+3%	693,410	+7%
Other assets, net	34,148	35,266	-3%	32,135	+6%
Total assets	1,038,988	1,023,080	+1.6%	974,387	+7%
Due to banks & other FI	210,141	202,231	+4%	173,435	+21%
Customers' deposits	641,987	629,229	+2%	628,239	+2%
Sukuk issued	14,032	9,852	+42%	8,451	+66%
Other liabilities	38,780	47,683	-19%	41,124	-6%
Total liabilities	904,940	888,995	+2%	851,247	+6%
Total equity	134,049	134,084	-0%	123,139	+9%

Movement in Funding (SARbn)

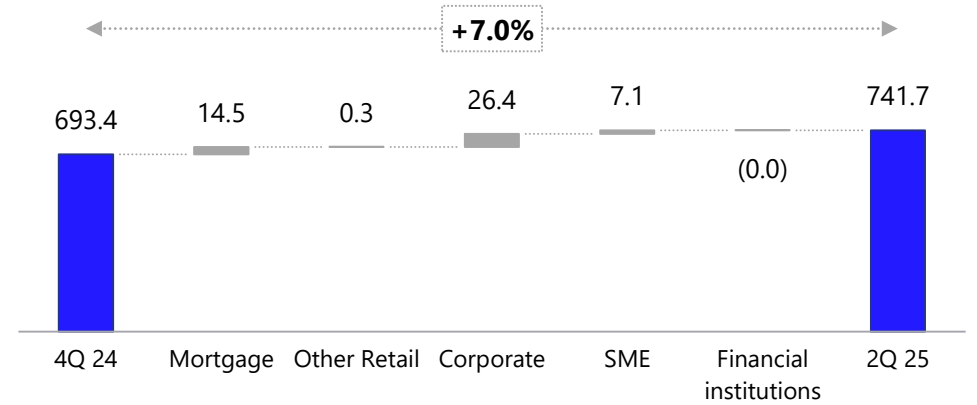


Balance Sheet Trends (2) | Financing growth driven by Corporate and Mortgage

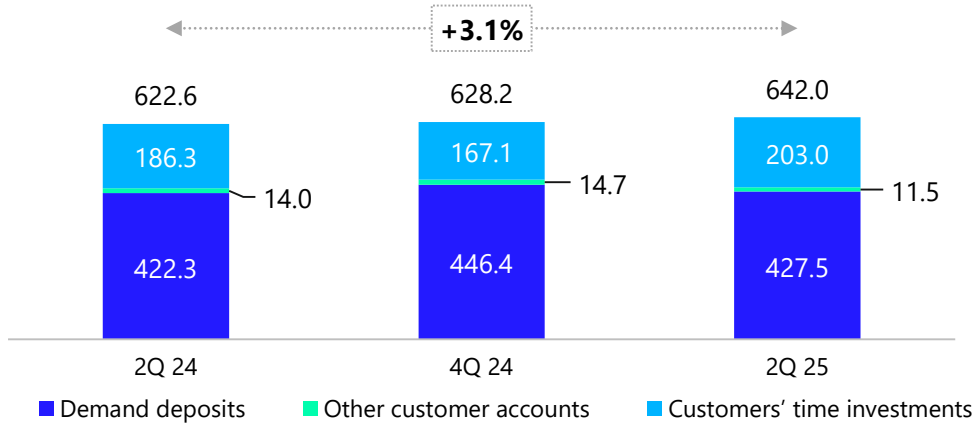
Financing, Net (SARbn)



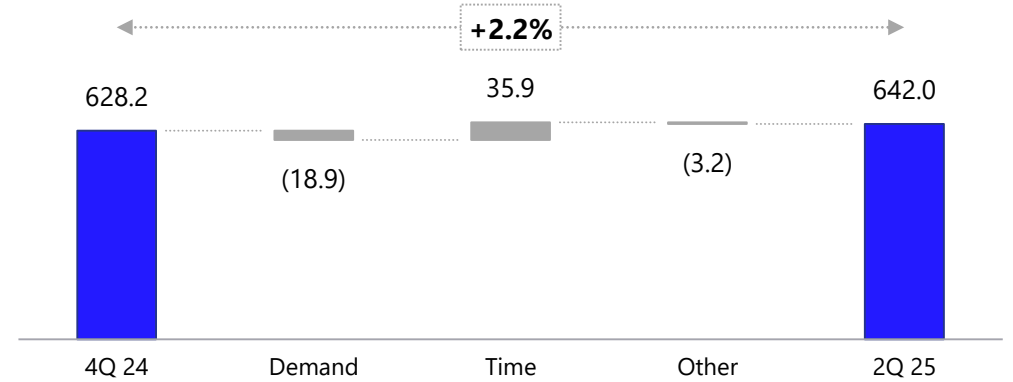
Movement in Financing (SARbn)



Total Customers' Deposits (SARbn)

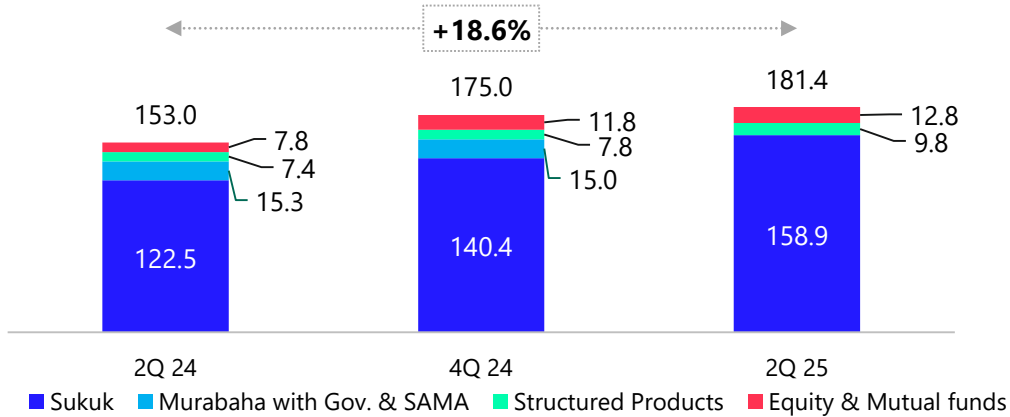


Movement in Total Customers' Deposits (SARbn)

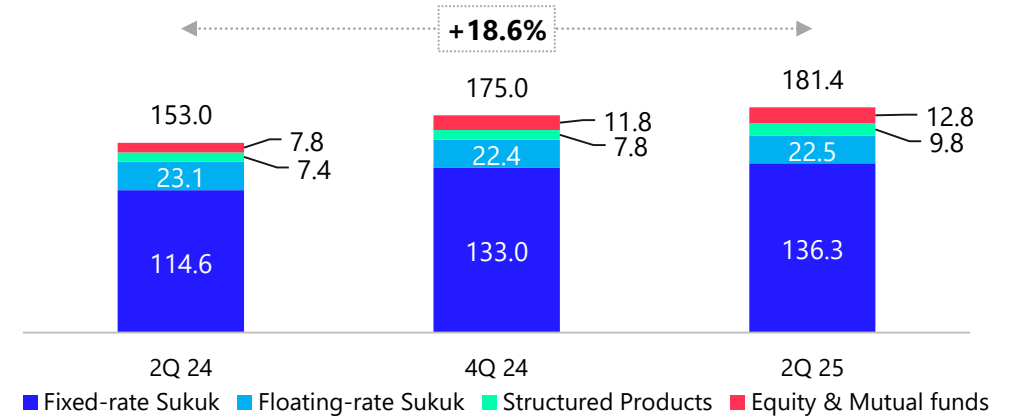


Balance Sheet Trends (3) | Investments have grown significantly supporting our portfolio diversification

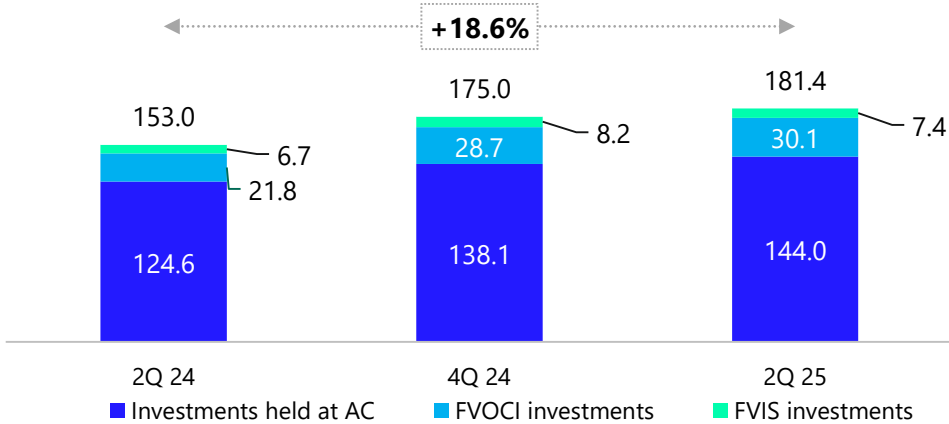
Investments, Net (SARbn)



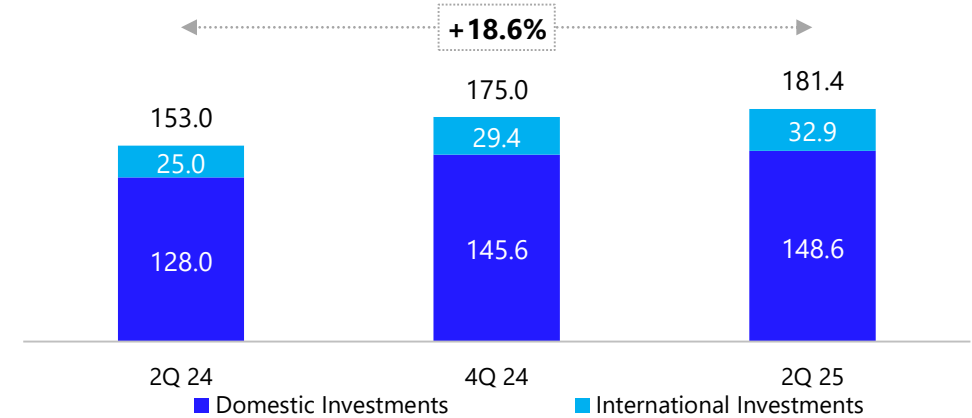
Investments, Net (SARbn)



Investments, Net (SARbn)

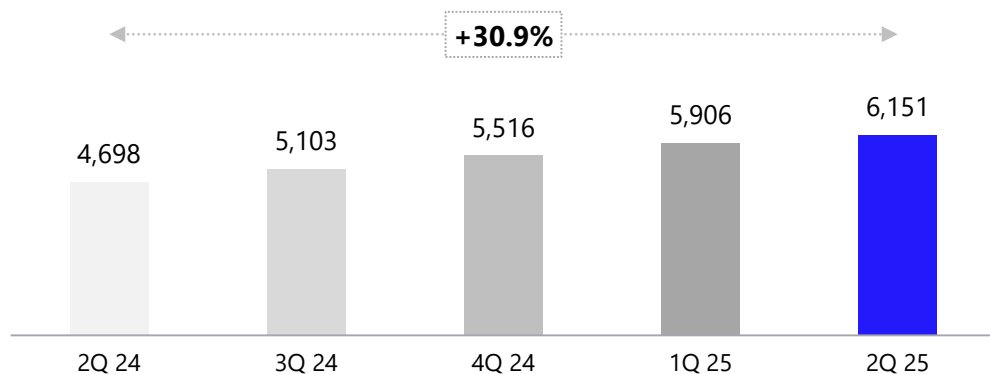


Investments, Net (SARbn)

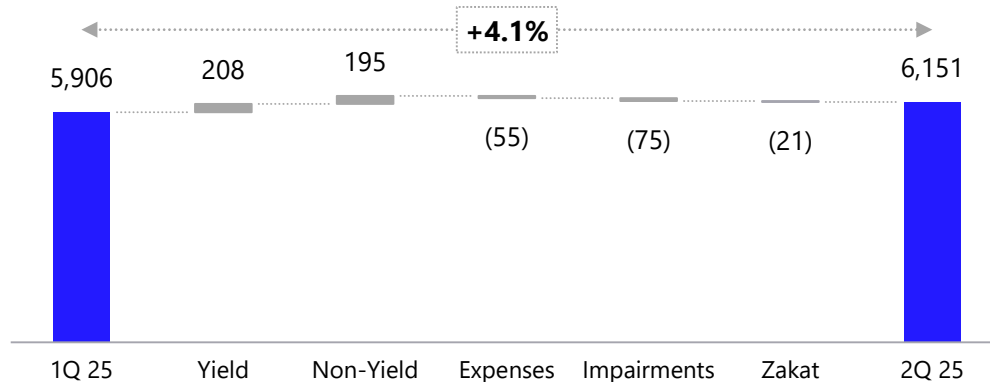


Net Income Trends | highest-ever semi-annual net income with a 32.5% growth YoY

Net Income For The Period After Zakat (SARmn)



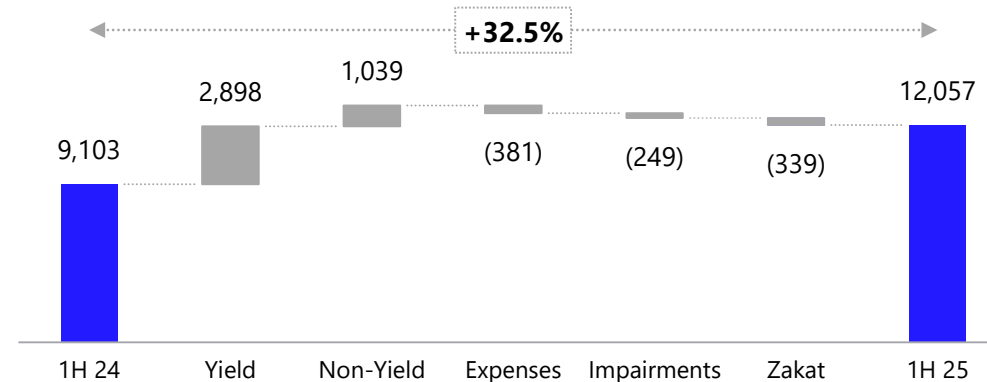
Net Income After Zakat Growth Drivers By Type (SARmn)



SAR (mn)

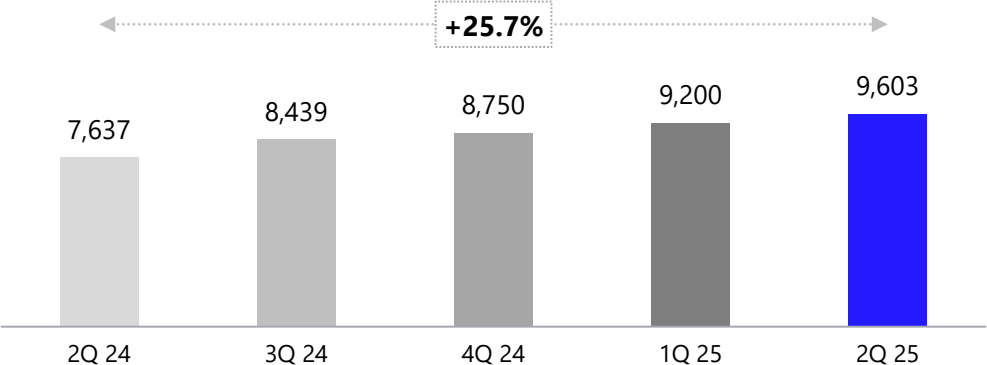
	1H 25	1H 24	YoY	2Q 25	2Q 24	YoY
Net financing & investment income	14,402	11,504	+25%	7,305	5,857	+25%
Fee from banking services, net	2,768	2,162	+28%	1,395	1,123	+24%
Exchange Income, net	673	614	+10%	344	319	+8%
Other operating income, net	960	586	+64%	558	337	+66%
Fees and other income	4,401	3,362	+31%	2,298	1,780	+29%
Total operating income	18,803	14,866	+26%	9,603	7,637	+26%
Operating expenses	-4,231	-3,850	+10%	-2,143	-1,956	+10%
Pre-provision profit	14,572	11,016	+32%	7,460	5,681	+31%
Total impairment charge	-1,125	-876	+28%	-600	-455	+32%
Net income for the period before Zakat	13,447	10,140	+33%	6,860	5,226	+31%
Zakat	-1,376	-1,037	+33%	-699	-528	+32%
Non-controlling interests	14	0	+0%	10	0	+0%
Net income for the period after Zakat	12,057	9,103	+32%	6,151	4,698	+31%

Net Income After Zakat Growth Drivers By Type (SARmn)

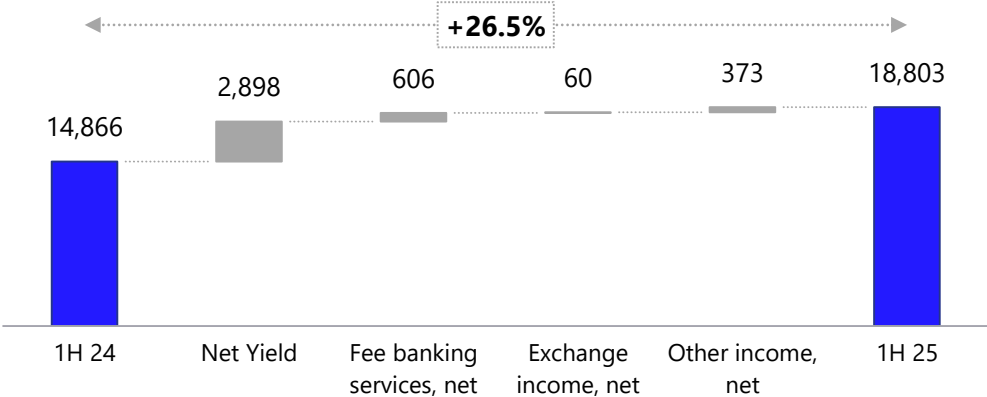


Operating Income Trends | Higher operating income driven by net yield and fee income growth

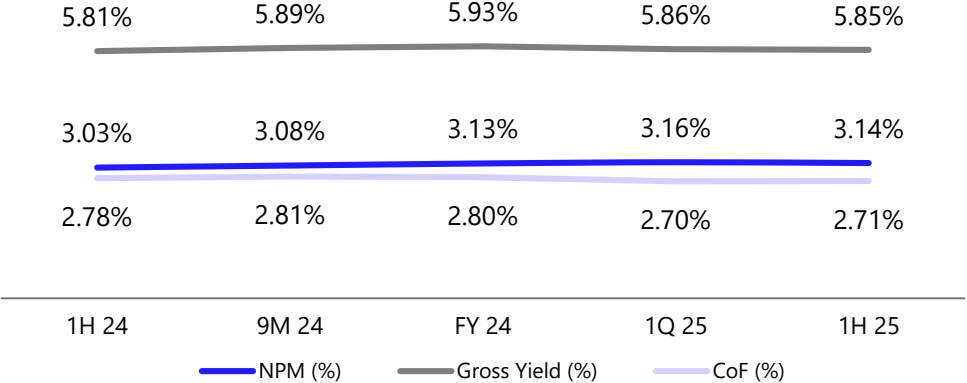
Total Operating Income (SARmn)



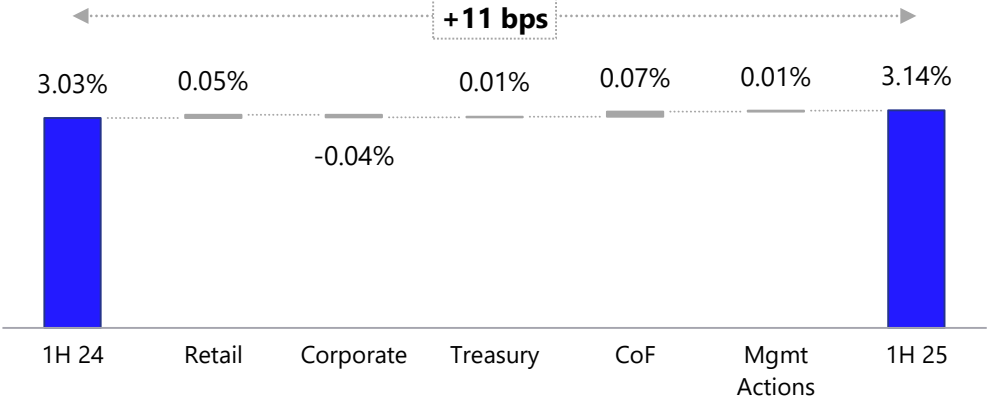
Total Operating Income Growth Drivers By Type (SARmn)



Net Profit Margin (%)

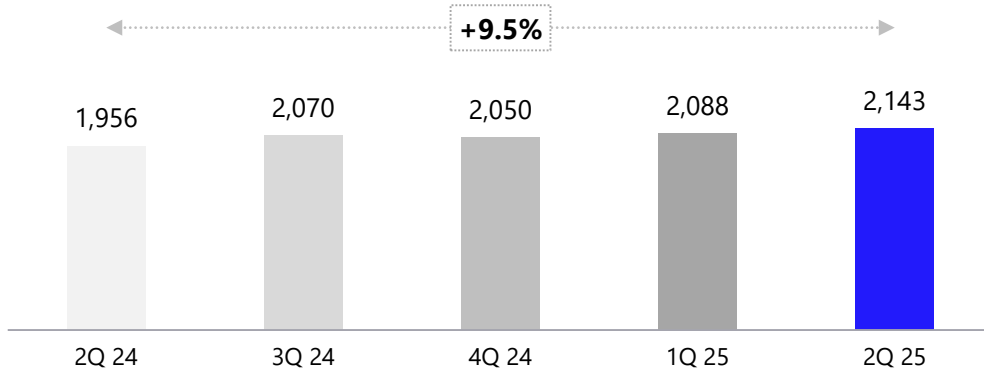


NPM Drivers (%)

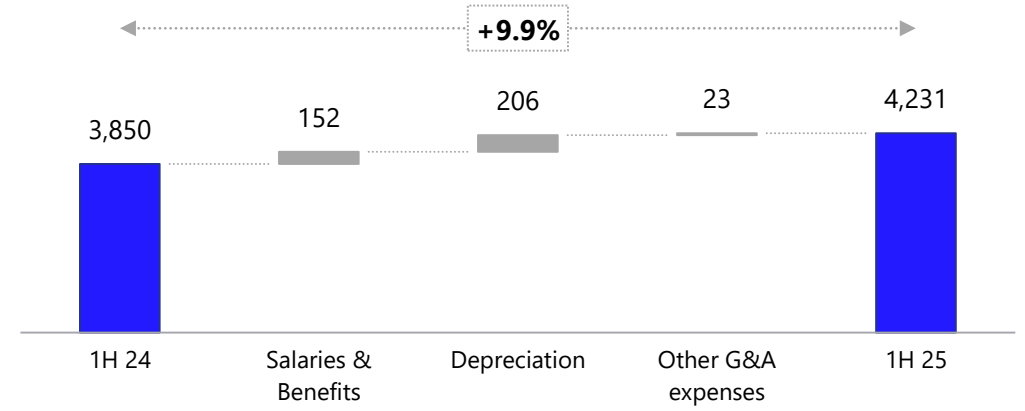


Expenses Trends | Cost efficiencies remains solid with a market leading cost to income ratio of 22.5%

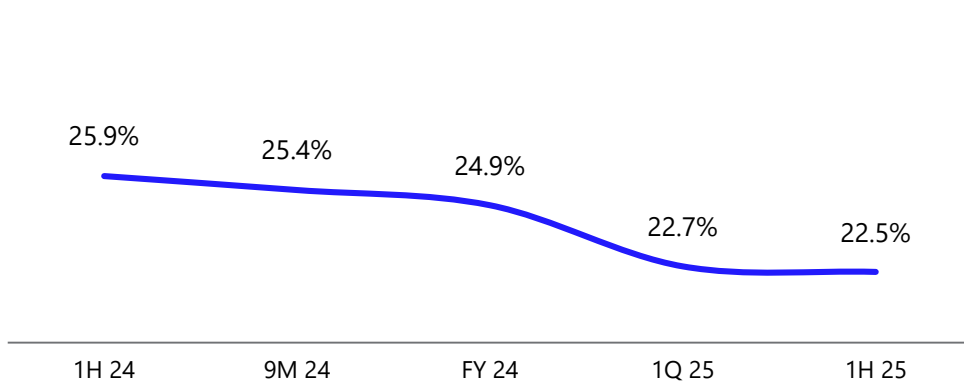
Operating Expenses (SARmn)



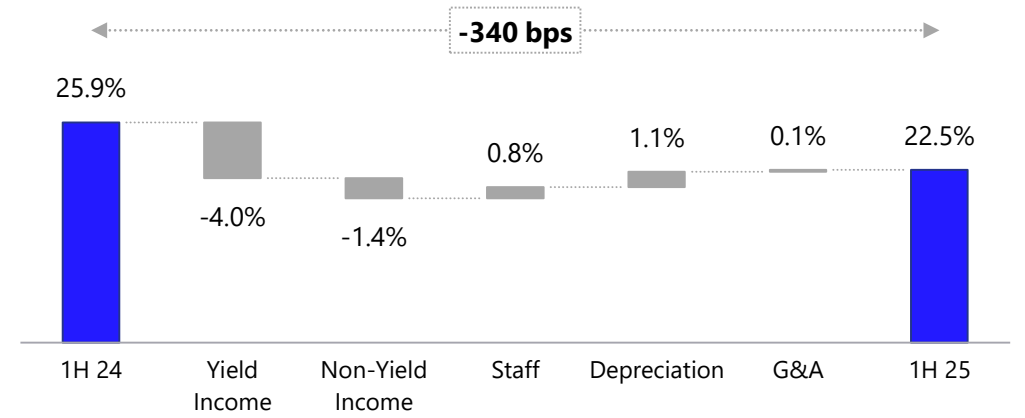
Operating Expenses Growth Drivers By Type (SARmn)



Cost To Income Ratio (%)

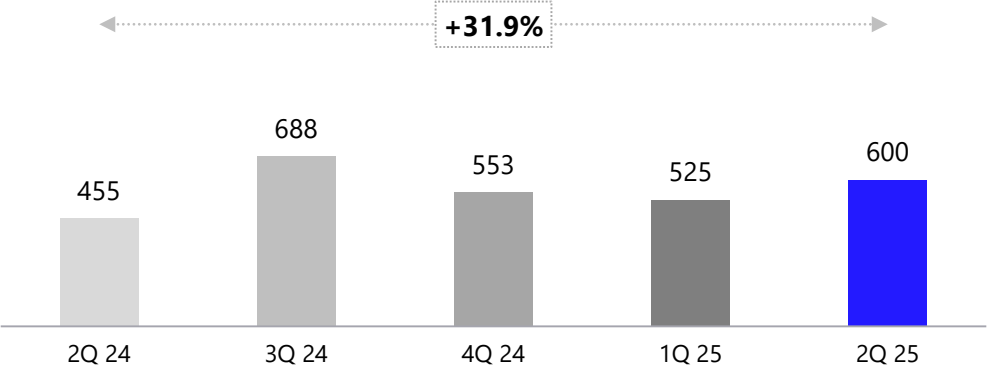


Cost to Income Ratio Drivers (%)

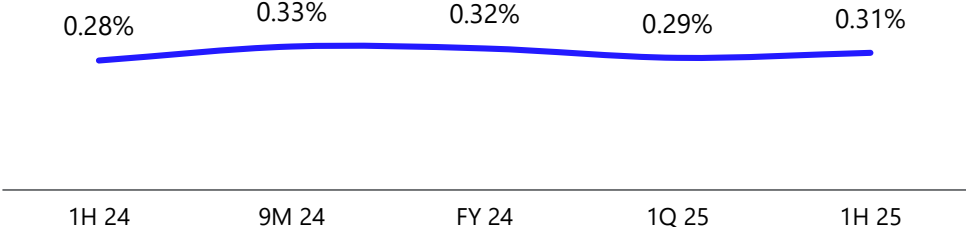


Net Impairment & Cost of Risk | Higher gross charge due to Financing portfolio growth with a maintained CoR

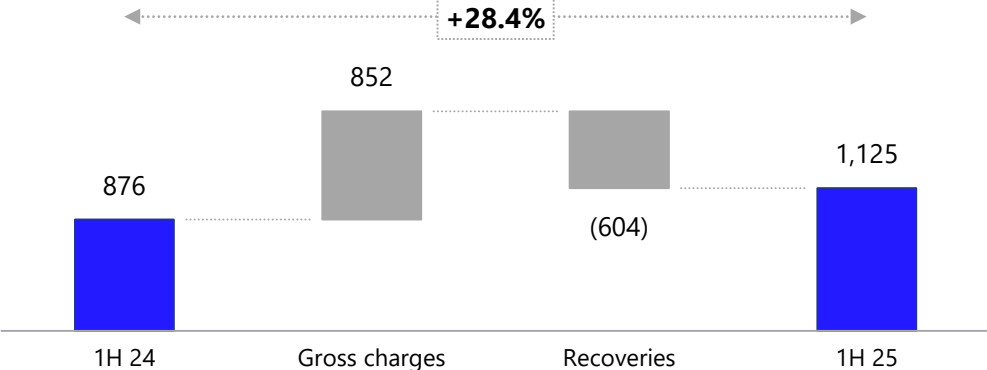
Net Impairment Charges (SARmn)



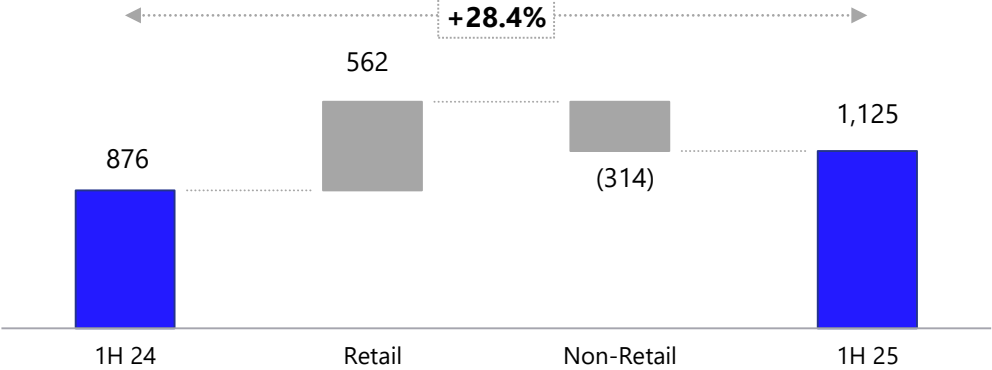
Cost of Risk (%)



Movement in Net Impairment (SARmn)

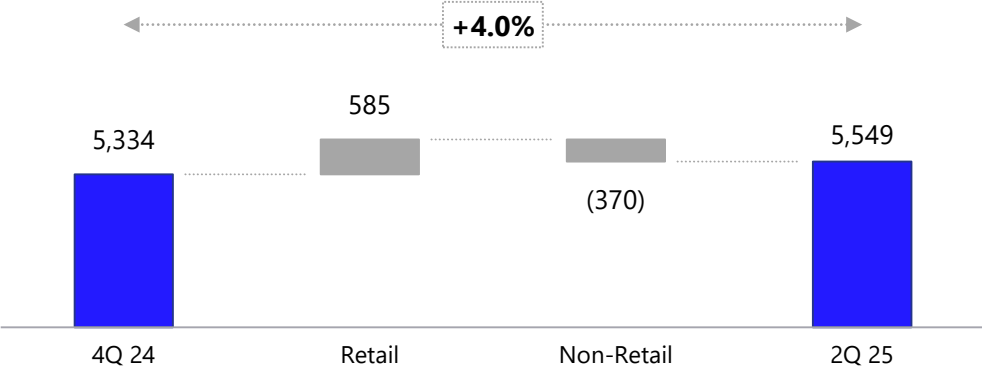


Movement in Net Impairment by Group (SARmn)

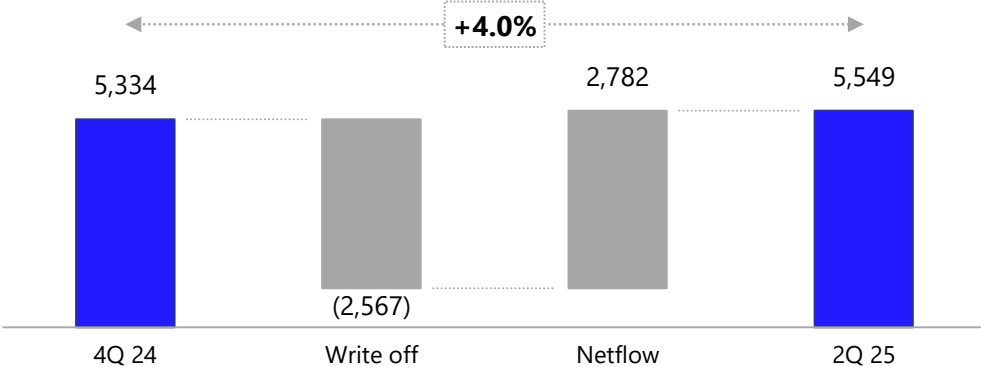


Asset Quality Trends (1) | Asset quality remains healthy

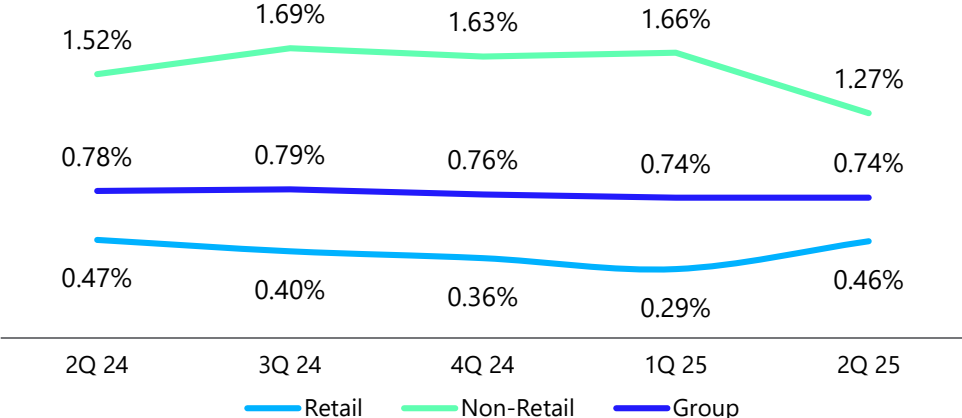
Movement in NPL (SARmn)



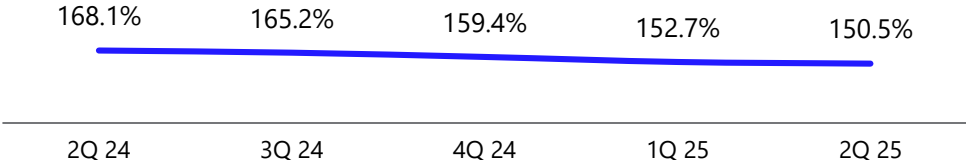
NPL Formation (SARmn)



NPL Ratio (%)

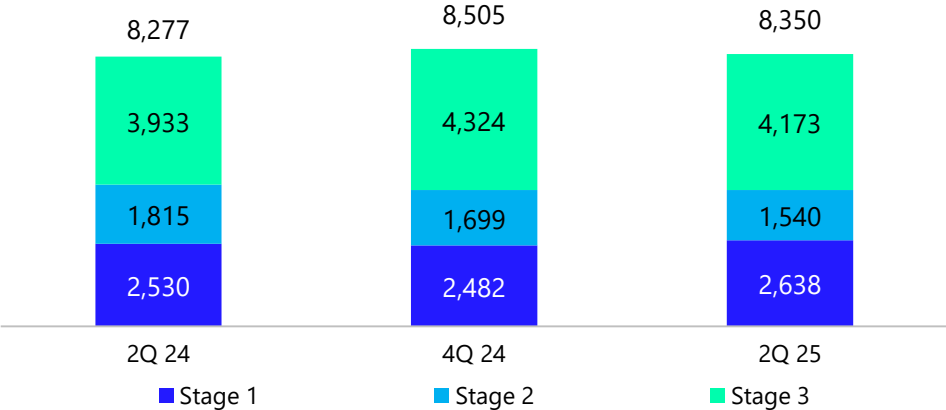


NPL coverage ratio (%)

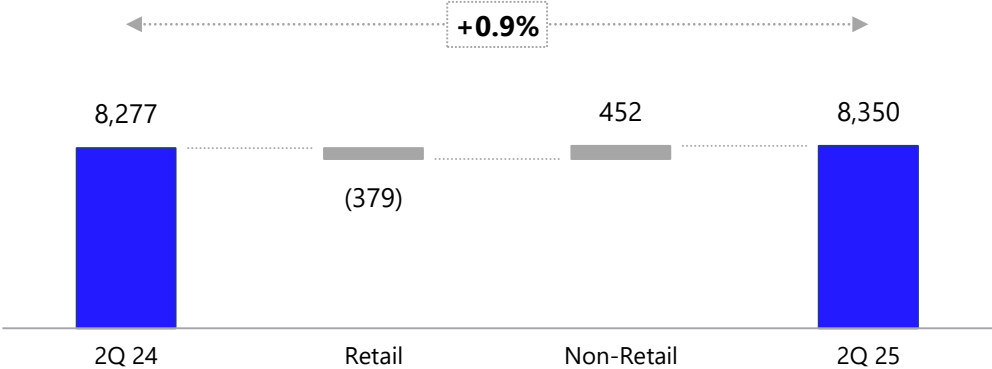


Asset Quality Trends (2) | Healthy stage coverage reflecting prudent risk management

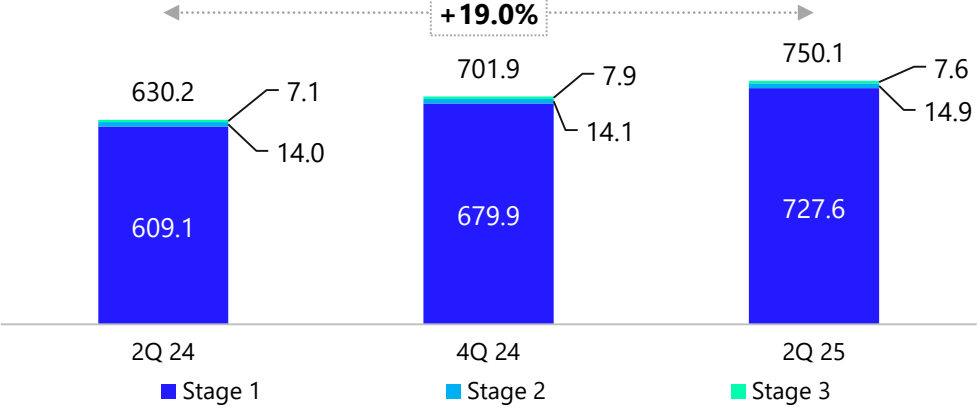
ECL by Stage (SARmn)



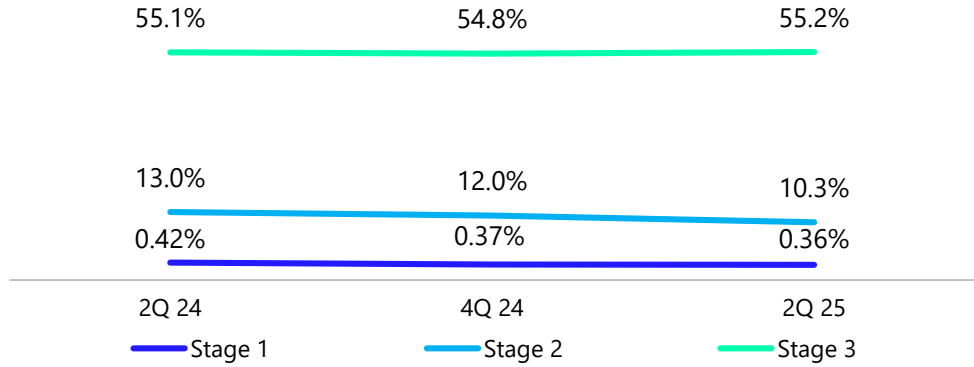
Movement in ECL by Group (SARmn)



Gross Loans by Stage (SARbn)

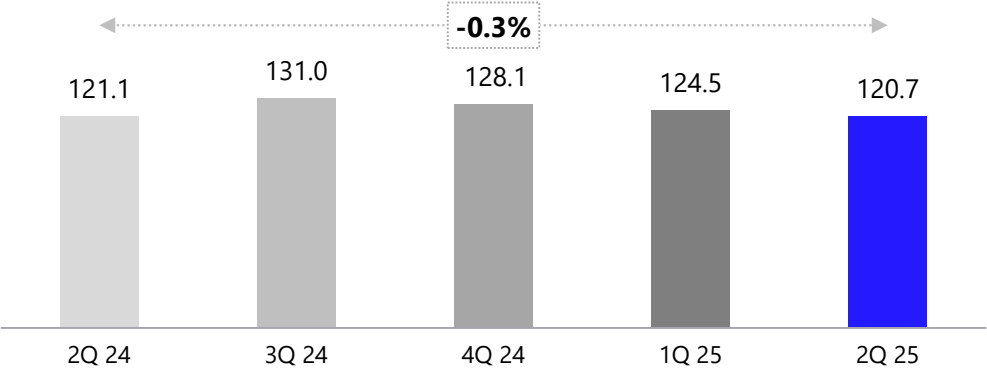


ECL Coverage (%)

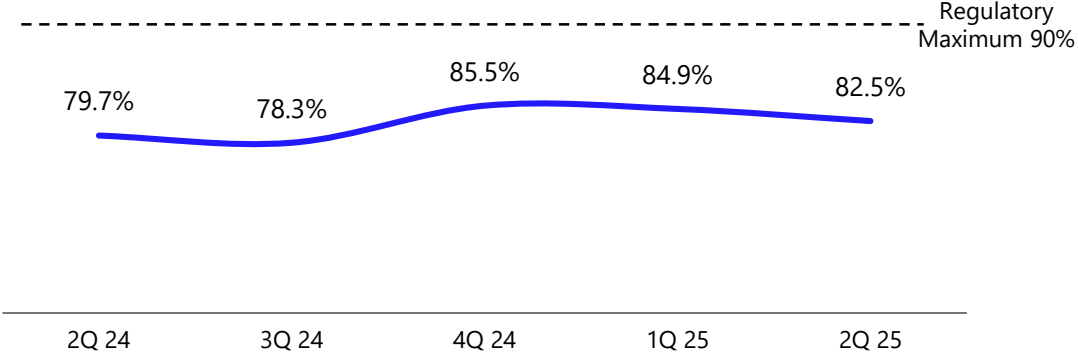


Liquidity Trends | Liquidity remains comfortably within regulatory requirements

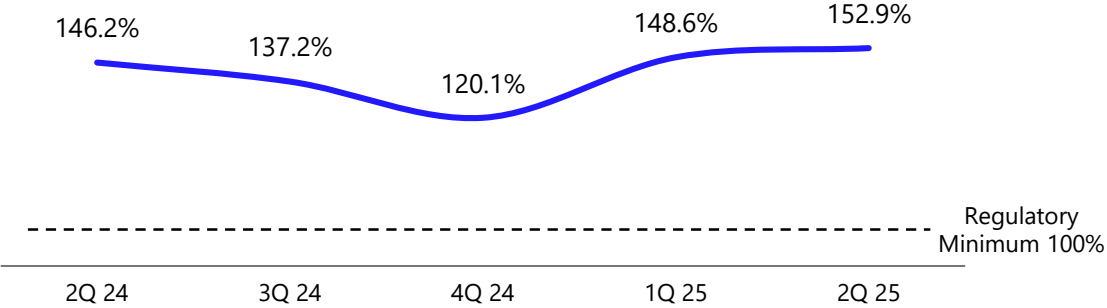
HQLA (SARbn)



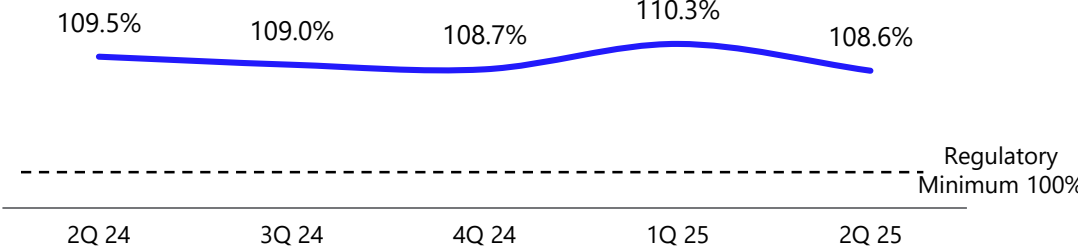
Loan to Deposits Ratio (SAMA) (%)



LCR (%)

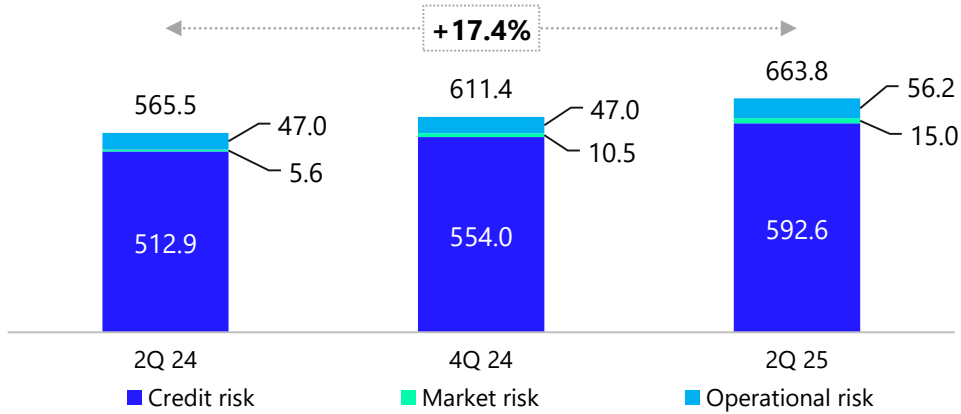


NSFR (%)

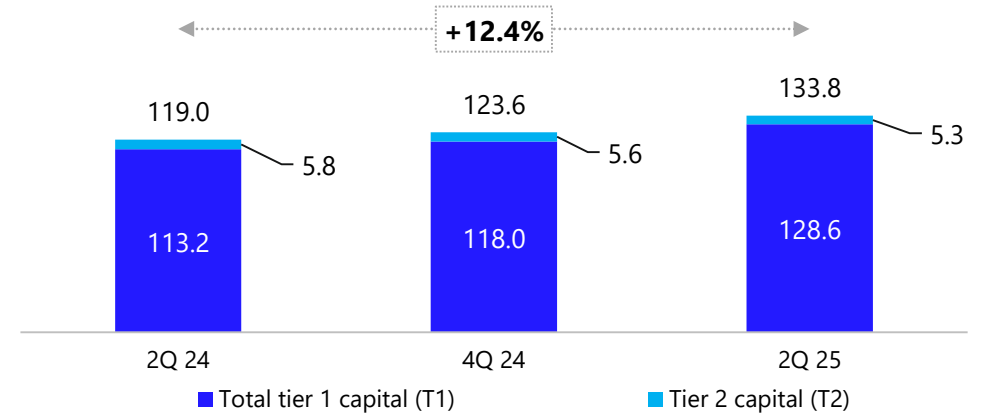


Capitalization Trends | Capital position well above regulatory minima

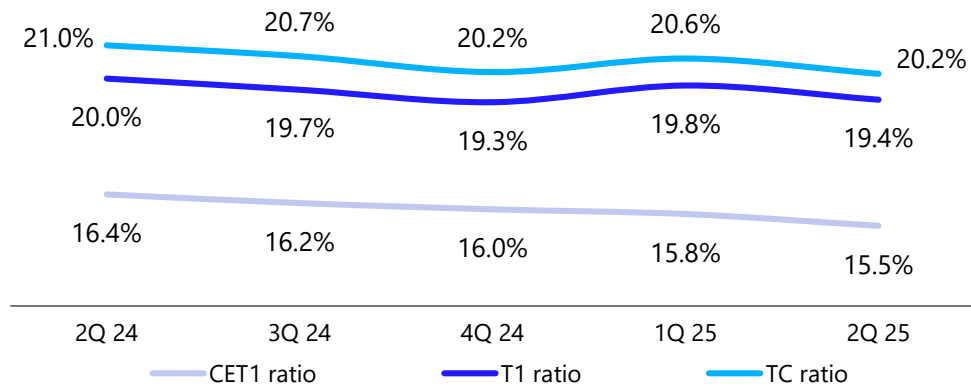
RWA (SARbn)



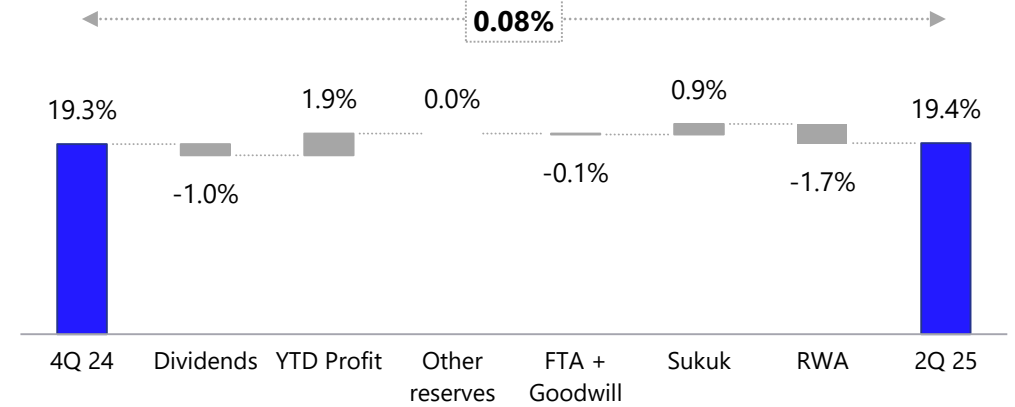
Total Capital (SARbn)



Capital Ratios (%)

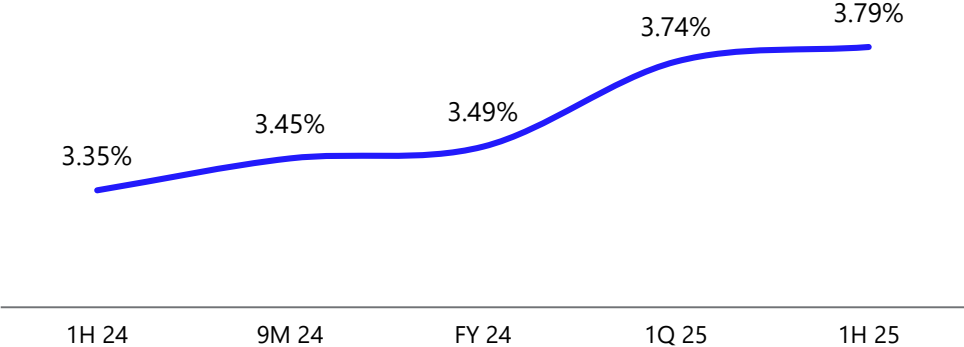


Tier 1 Drivers (%)

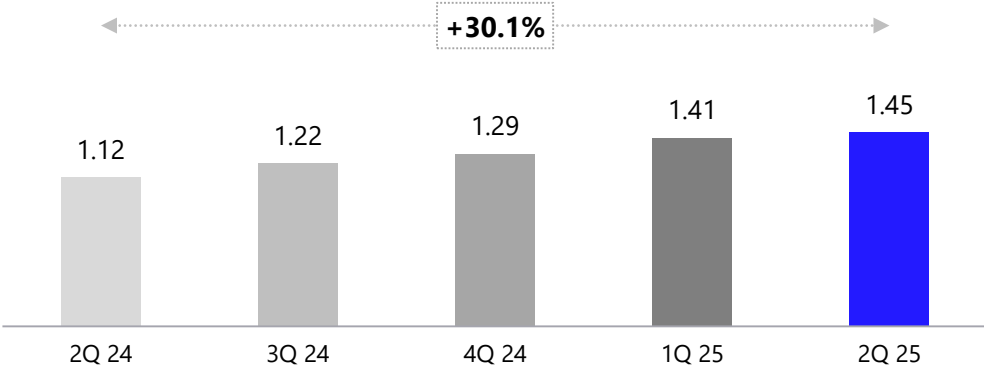


Return Metrics | Al Rajhi Bank's returns remain industry-leading

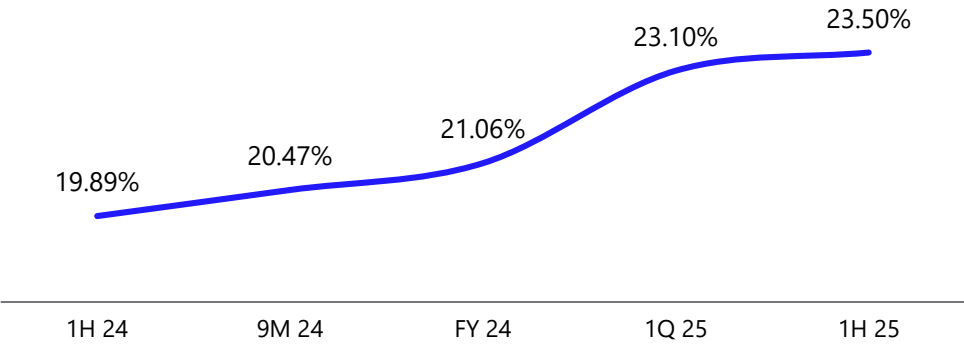
Return on RWA (%)



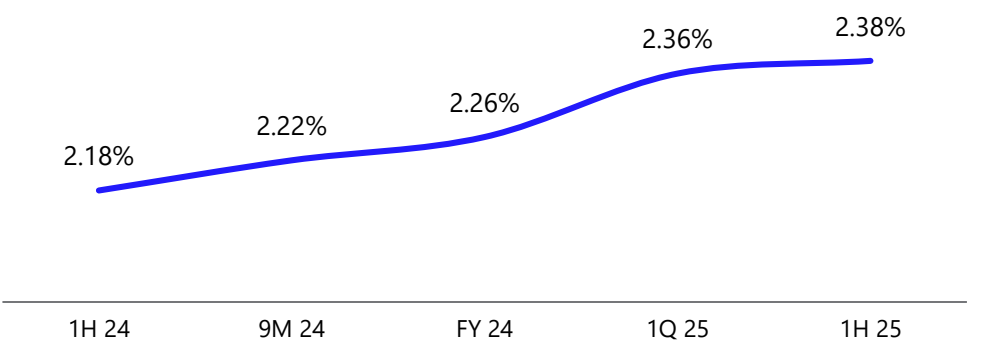
Earnings per Share (SAR)



Return on Equity (%)



Return on Assets (%)



FY 2025 Guidance

FY 2025 Assumptions and Outlook | Interest rates are expected to drop by the second half of 2025

Economy



- Saudi real GDP is estimated to improve by 3.4% in Q1 2025 driven by 4.9% higher non-oil activities
- IMF has revised Saudi GDP growth forecasts to 3.5% in 2025 and projected 3.9% for 2026
- Consumer spending increased by 9.7% YoY by May 2025 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 updates on U.S and global economy, we expect one to two rate cuts in the second half of 2025
- The outlook of the interest rates environment will have an impact on both credit demand and deposit mix
- NIM outlook in the lower rate environment is positive supported by the bank fixed-rate book
- SRC benchmark rates remains at 7.4% levels by end of the second quarter 2025

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 2025 Guidance | For our strategy “Harmonize the Group”

		FY 2025 Guidance	1H 2025 Actual	Guidance Revision
Balance Sheet	Financing	High single digit	+7.0%	— High single digit
Profitability	Net profit margin	+5 bps to +15 bps	+1 bps	↓ +0 bps to +10 bps
	Cost to income ratio	Below 23.5%	22.5%	— Below 23.5%
	ROE	Above 22.5%	23.5%	— Above 22.5%
Asset Quality	Cost of risk	0.30% - 0.40%	0.31%	— 0.30% - 0.40%
Capital	Tier 1 ratio	Above 19.5%	19.4%	— Above 19.5%



Q & A

ESG Highlights

ESG Highlights | 2Q 2025

	<p>USD 7.1 bn Green syndicated loan</p>		<p>+200 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>+24k Employees across the group</p>	<p>ISO 22301:2019 Business Continuity Management</p>	
<p>SAR 1,039bn Total Assets</p>	<p>Around SAR 3bn of financing renewable energy projects</p>	<p>SAR 1,376mn Zakat</p>	<p>+195 Catheterization Procedures Performed</p>	<p>282 Sharia Board Resolutions in 2024</p>	<p>24% growth in female employees in 2024</p>
<p>SAR 12.1bn Net Profit after Zakat</p>	<p>USD 2.0bn Sustainable Sukuk</p>	<p>SAR 1,968mn In salaries and benefits paid</p>	<p>12 Batches of Graduate Development Program since 2015</p>	<p>137 Policies & Frameworks</p>	<p>34% of female employees at the group level</p>
<p>0% Financing exposure in Tobacco, Alcohol & Gambling</p>	<p>95:5 Digital to Manual Ratio</p>	<p>SAR 46.1bn in financing for SMEs</p>	<p>+213k 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>

■ 2Q 2025 figures

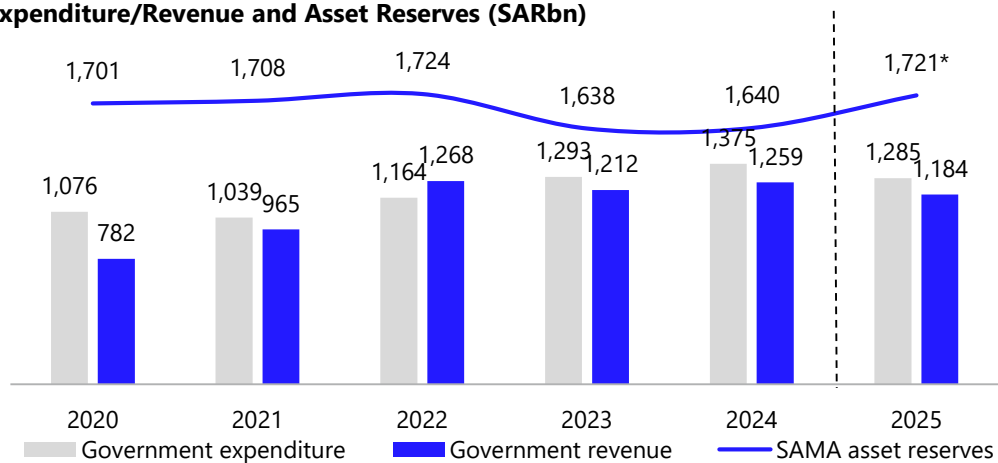


KSA's Macro-Economic Environment

Highlights

- Saudi GDP is expected to increase by 3.4% in Q1 2025 driven by higher non-oil activities.
- Based on IMF forecasts, Saudi's GDP is estimated to grow 3.5% for 2025 and 3.9% for 2026
- Unemployment rate reached all-time low at 6.3% in Q1 2025

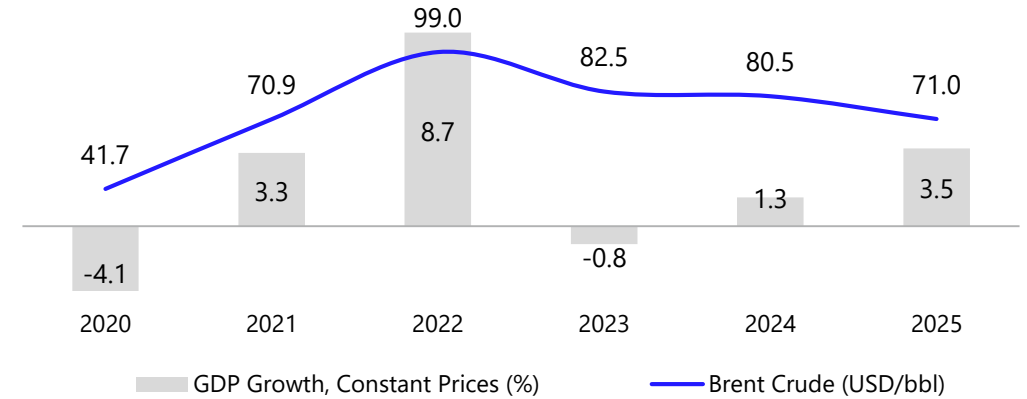
Expenditure/Revenue and Asset Reserves (SARbn)



Source: MoF, SAMA

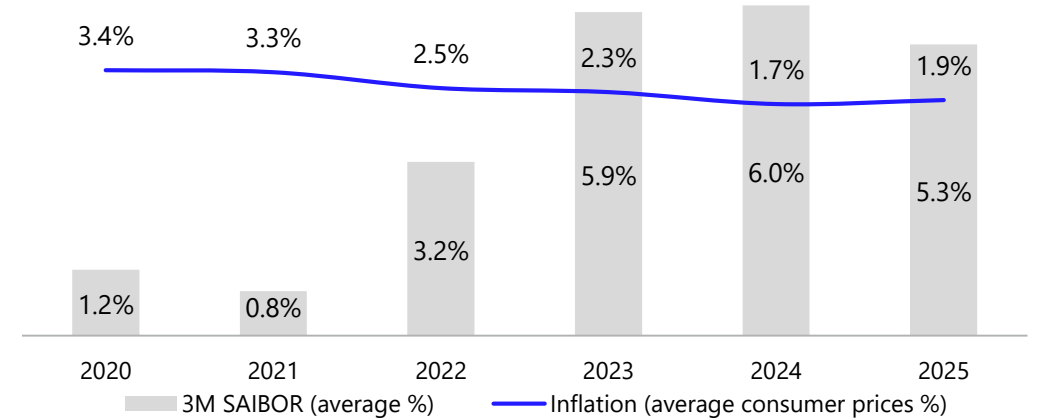
* May 2025 figure

GDP Growth/Brent Oil Price



Source: IMF, U.S. Energy Information

3M SAIBOR / Inflation



Source: SAMA, IMF, MoF

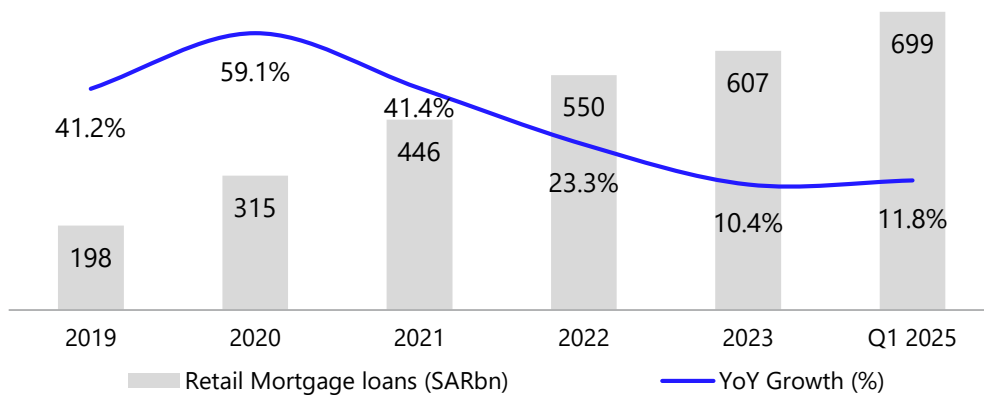


Banking Sector Highlights | Banking system deposits continue growing by the second quarter 2025

Recent Developments

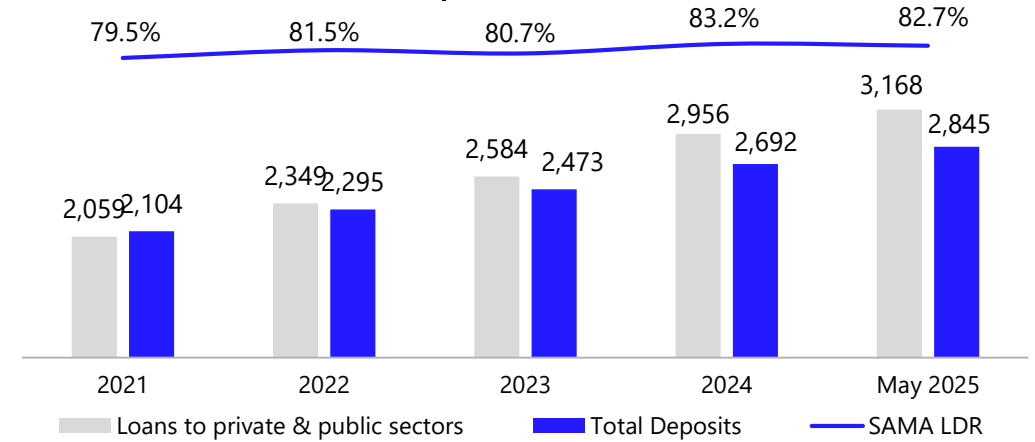
- Deposits have grown in the banking system by end of May 2025 align with loans growth.
- SRC benchmark rates remains 7.4% by the end of the second quarter 2025
- Consumer spending increased by 9.7% YoY in the first five months of 2025 with continuous migration toward cashless payment methods

Retail Mortgage (SARbn)



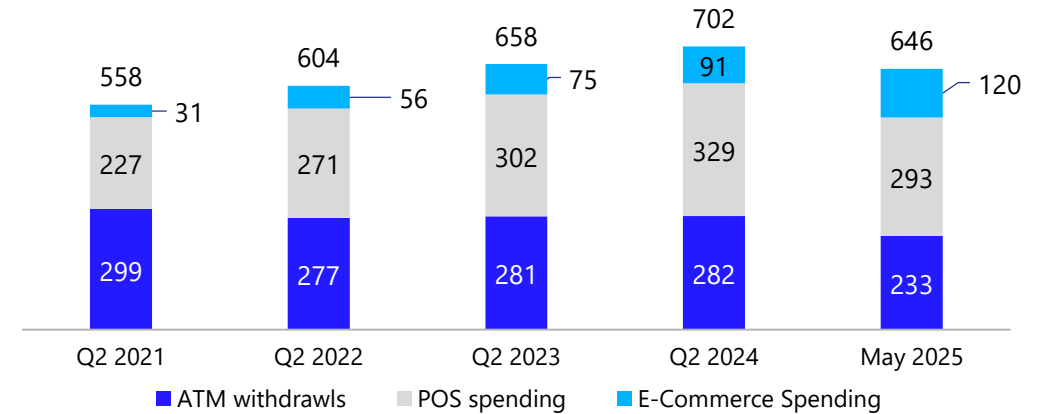
Source: SAMA

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



Source: SAMA

POS/ATM & E-Commerce (SARbn)



Source: SAMA



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Additional Information | Contact investor relations for more information

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