

Al Rajhi Bank net income grows 9.7% YoY to SAR 9.1 Billion in the first half of 2024, recording the highest semi-annual net income ever.

2Q 2024 Financial Results Highlights:

- SAR 9.103 billion net income after Zakat during the period, higher by 9.7 % YoY
- Market leading return on equity at 19.89%
- Operating income increased by 9.2% YoY on improved net financing and investment income
- Operating efficiency improved to 25.9%
- Credit Quality remains strong with NPL ratio and NPL coverage ratio at 0.78% and 168%, respectively
- Cost of risk has maintained at 0.28%, increased by 3 basis points YoY
- Net financing increased by SAR 43 billion or 7.4% YoY to SAR 622 billion
- Strong funding profile with 70% of customer deposits being CASA
- Capitalization remains strong with Tier 1 of 20.0% and total CAR of 21.0%
- Healthy liquidity position with LCR of 146.2% and loan to deposit ratio of 79.7%

Riyadh, 4th Aug 2024 – During the first half of the current year 2024, Al Rajhi Bank recorded its highest-ever semi-annual net income of SAR 9,103 million, grew by 9.7% year-on-year. This was driven by 9.2% higher operating income year-on-year for the period as a result of improved net financing & investment income by 11.5% combined with increases in FX and other operating income 4.2% and 62.0%, respectively. In a quarterly basis, net income for the second quarter raised to SAR 4,698 million; 13.2% higher comparing to same quarter last year 2023. Total Assets have grown by 10.6% and reached a level of SAR 867 billion comparing to the first half last year 2023. Assets growth has been enhanced by 26.8% year-on-year growth in investments and 7.4% growth in net financing. Total retail financing was higher by 2.3% year-on-year, while mortgage recorded a growth of 6.4%. Additionally, corporate financing grew by 21.8% and SME financing elevated by 22.9% year-on-year. This balance sheet growth is combined with a healthy operating efficiency that continued to support the bank's return metrics with ROE and ROA at 19.89% and 2.18%, respectively. The Bank further maintained a strong capital position with a tier 1 ratio of 20.0% and healthy liquidity with LCR of 146.2%.

Commenting on Al Rajhi Bank's first half 2024 performance, [Mr. Abdullah bin Sulaiman Al Rajhi, Chairman of the Board of Directors](#), said "as we are growing outstandingly across the group's businesses, we continue achieving our new strategic goals of **"harmonize the group"** by increasing the product penetration and diversifying our customers segments driven by our

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market leading digital solutions. Complemented with our universal offering we provide financial bundles that are customer centric through an ecosystem that provides a unique experience across business and individual clients.

Al-Rajhi also added: "We are proud that the achieved growth contributes to achieving the goals of the Kingdom's Vision 2030, as financing for corporates increased by 21.8%, financing for SMEs increased by 22.9%, mortgage financing increased by 6.4% coupled with an increased activity in digital banking transactions in both corporate and retail. As a continuation of our focus towards being the app of choice, the bank continued its digital innovation of providing new products, services, and bundles across Alrajhi bank apps. Moreover, having a great customer experience is an essential measurement that we assured to maintain the leadership with an NPS score of 80 which is one of the highest among the sector.

Al-Rajhi concluded his statement: "The progress in our strategy execution coupled with improved economic activities resulted in growth of 10.6% year-on-year in total assets to reach SAR 867 billion. Additionally, ROE and ROA stands at 19.89% and 2.18%, respectively, while earning per share has reached SAR 2.16 for the period."

Performance Highlights

Income Statement Summary

SAR (mn)	1H 24	1H 23	YoY %	2Q 24	1Q 24	QoQ %	2Q 23	YoY %
Net financing & investment income	11,504	10,319	+11.5%	5,857	5,647	+3.7%	5,194	+12.8%
Fees & other income	3,362	3,289	+2.2%	1,780	1,582	+12.5%	1,634	+8.9%
Total operating income	14,866	13,608	+9.2%	7,637	7,229	+5.6%	6,827	+11.9%
Operating expenses	(3,850)	(3,640)	+5.8%	(1,956)	(1,894)	+3.3%	(1,840)	+6.3%
Pre-Provision Profit	11,016	9,968	+10.5%	5,681	5,335	+6.5%	4,988	+13.9%
Total impairment charge	(876)	(719)	+21.8%	(455)	(421)	+8.0%	(360)	+26.2%
Net income for the period	10,140	9,249	+9.6%	5,226	4,914	+6.3%	4,627	+12.9%
Zakat	(1,037)	(954)	+8.7%	(528)	(509)	+3.6%	(477)	+10.6%
Net income for the period after Zakat	9,103	8,295	+9.7%	4,698	4,405	+6.7%	4,150	+13.2%
Earnings per share (SAR)	2.16	1.97	+10.03%	1.12	1.05	+6.6%	0.98	+13.8%
Return on equity	19.89%	19.59%	+0.30%	20.50%	19.28%	+1.2%	19.60%	+0.9%
Return on assets	2.18%	2.15%	+0.03%	2.22%	2.13%	+0.1%	2.14%	+0.1%
Net financing and investment margin	3.03%	2.98%	+0.06%	3.04%	3.03%	+0.02%	2.95%	+0.09%
Cost to income ratio	25.9%	26.7%	-0.85%	25.62%	26.2%	-0.6%	26.9%	-1.3%
Cost of risk	0.28%	0.25%	+0.03%	0.29%	0.28%	+0.01%	0.25%	+0.05%

Total operating income increases by 9.2% reaching SAR 14,866 million for the first half 2024, compared to SAR 13,608 last year same period. This growth is driven by 11.5% year-on-year higher net financing and investment income due to 5 basis points expansion YoY in the net financing and investment margin to 3.03% resulting from the gross yield improvement and optimizing cost of funds. In addition, Fee and other income raises by 2.2% YoY, as a result of growth on both exchange income by 4.2% and other operating income by 62.0%.

Operating expenses totaled SAR 3,850 million during the period, a rise of 5.8% year-on-year. Nevertheless, our cost to income ratio has improved to 25.9% in the first half of 2024.

The net impairment charge for H1 2024 amounted to SAR 876 million, higher by 21.8% compared to the same period last year driven by financing portfolio growth. The cost of risk for the period increased by 3 basis points year-on-year at 0.28%.

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Balance Sheet Summary

SAR (mn)	2Q 24	1Q 24	QoQ %	4Q 23	YTD %	2Q 23	YoY %
Cash & balances with SAMA & other central banks	42,467	43,171	-1.6%	41,768	+1.7%	46,020	-7.7%
Due from banks & other FIs, net	14,126	8,913	+58.5%	9,507	+48.6%	10,983	+28.6%
Investments, net	154,001	143,040	+7.7%	134,299	+14.7%	121,420	+26.8%
Financing, net	621,891	608,990	+2.1%	594,205	+4.7%	579,080	+7.4%
Other assets, net	34,475	31,877	+8.1%	28,321	+21.7%	26,426	+30.5%
Total Assets	866,960	835,992	+3.7%	808,098	+7.3%	783,930	+10.6%
Due to banks & other FIs	87,701	82,836	+5.9%	97,247	-9.8%	81,591	+7.5%
Customers' deposits	622,572	603,978	+3.1%	573,101	+8.6%	570,665	+9.1%
Sukuk issued	8,087	8,091	-0.0%	3,789	+113.4%	3,790	+113.4%
Other liabilities	32,204	32,816	-1.9%	27,202	+18.4%	24,696	+30.4%
Total liabilities	750,563	727,720	+3.1%	701,339	+7.0%	680,743	+10.3%
Total equity	116,396	108,272	+7.5%	106,759	+9.0%	103,187	+12.8%
Risk weighted assets	565,517	549,041	+3.0%	520,330	+8.7%	503,518	+12.3%
Tier 1 Ratio	20.0%	19.2%	+0.8%	20.4%	-0.4%	20.5%	-0.5%
Total capital adequacy ratio	21.0%	20.2%	+0.8%	21.5%	-0.5%	21.7%	-0.6%
Liquidity coverage ratio (LCR)	146%	134%	+12.0%	117%	+29.6%	143%	+3.3%
Basel III leverage ratio	12.4%	12.0%	+0.4%	12.5%	-0.2%	12.6%	-0.2%
Loan to Deposit Ratio	79.7%	78.7%	+1.0%	82.9%	-3.2%	81.9%	-2.2%
Non-performing loan ratio	0.78%	0.77%	+0.02%	0.71%	+0.07%	0.69%	+0.09%
Non-performing loan coverage ratio	168.1%	175.3%	-7.2%	203.0%	-35.0%	209.6%	-41.6%

Total assets reach SAR 867 billion as at 30 June 2024, an increase of 10.6% compared to same period last year and 3.7% relative to previous quarter, driven by notable growths in the financing and investments portfolios.

Net financing has grown 7.4% year-on-year to reach SAR 622 billion. Retail financing growth stands at 2.2% driven by the mortgage book growth of 6.4%. In non-retail, 21.9% year-on-year financing growth driven by 21.8% year-on-year growth in corporate and 22.9% year-on-year growth in SME.

The non-performing loans ratio remains healthy at 0.78% which results in a stable credit quality. The non-performing loans coverage ratio stands solid at 168.1%. With a remarkable growth of 9.1% on the customers' deposits YoY, CASA continued to represent a significant proportion by 70.1% of total deposits as at 30th June 2024.

Al Rajhi Bank continued to maintain a strong capitalization profile with tier 1 and total capital adequacy ratios of 20.0% and 21.0%, respectively. The Bank's liquidity position remained healthy with a liquidity coverage ratio of 146.2% and loan to deposit ratio of 79.7%.

Additional Information

Auditors' Opinion

Unmodified opinion

Consolidated Financial Statements

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

2Q2024 Earnings Call

Conference call for analysts and investors will be held on 19th of August 2024 at 3:00pm KSA time. The earnings call presentation will be available on Al Rajhi Bank website (<https://www.alrajhibank.com.sa/en/About-alrajhi-bank/Investor-Relations>) and investor relations App.



Alrajhi IR App

Financial Materials

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

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

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