

## Al Rajhi Bank's net income increased by 32.5% YoY to **ﷲ 12.1 Billion** in the first half of 2025

### 1H 2025 Financial Results Highlights:

- **ﷲ 12.1 billion net income after Zakat**, an increase of 32.5% YoY
- **Total assets** increased by 19.8% YoY, reaching **ﷲ 1.04 Trillion**.
- **Market leading return on equity** at 23.5%
- **Operating income** increased by 26.5% YoY due to improved yield and fee income
- **Operating efficiency** improved to 22.5%
- **Credit Quality** remains healthy with NPL ratio of 0.74% and NPL coverage ratio of 150%
- **Cost of risk** has been maintained at 0.31%, an increase of 3 basis points YoY
- **Net financing** increased to **ﷲ 742 billion**, up 7.0% YTD and 19.3% YoY
- **Strong funding profile** with 68.4% CASA
- **Capitalization** remains robust with Tier 1 of 19.4% and a total CAR of 20.2%
- **Healthy liquidity position** with an LCR of 152.9% and a loan to deposit ratio of 82.5%

Riyadh, 21<sup>st</sup> July 2025 – During the first half of 2025, Al Rajhi Bank recorded an outstanding net income of **ﷲ 12,057 million**, growing by 32.5% year-on-year. This growth was driven by a 26.5% increase in operating income, attributed to improvements in net yield income, which rose by 25.2%, and non-yield income that increased by 30.9%. Total assets have grown significantly during the first half; now standing at **ﷲ 1,039 billion**; a 19.8% increase YoY and 6.6% compared to the year-end 2024. Assets growth resulted from an 18.5% increase in investments and a 19.3% raise in the net financing book year-on-year. In the financing portfolio, retail financing increased by 11.5% year-on-year, driven by a 15.0% growth in the total mortgage book and a 6.8% increase in total consumer financing, also corporate financing grew by 37.9%. This balance sheet growth is supported by healthy operating efficiency and leading return metrics, with ROE and ROA at 23.5% and 2.4%, respectively. The Bank also maintained a strong capital position with a Tier 1 ratio of 19.4% and healthy liquidity, with an LCR of 152.9%.

Commenting on Al Rajhi Bank's first half 2025 performance, **Mr. Abdullah bin Sulaiman Al Rajhi, Chairman of the Board of Directors**, stated " Alrajhi group continues to grow across many business lines, supported by the **"harmonize the group"** strategy, we have achieved numerous milestones that have contributed to our sustainable growth, such as enhancing product penetration, entering new retail segments, expanding our wholesale and investment banking activities, and maintaining our leadership in digital banking ".

Mr. Al Rajhi also added: "We are proud that our growth aligns with Saudi Vision 2030. We continue to make substantial contributions in various areas, with mortgages growing by 15%, and corporate financing increasing by 37.9%. Furthermore, the bank continues to offer best-in-

class digital solutions via Alrajhi's mobile and business apps to adapt with the massive digital transformation of the kingdom's business environment. Also, we are proud that Alrajhi Bank's MSCI ESG rating has been upgraded by one notch to a leader "AA" rating, marking Alrajhi as one of the leading Saudi companies with an "AA" MSCI ESG rating, and among the top 5 leading ESG companies in GCC; this achievement is a significant milestone that reflects the bank's strategic progress to be a leader in financial conduct and sustainability".

Al Rajhi concluded his statement: "Our outstanding performance during the first half of 2025 driven by the progress made in our strategy execution along with an improved economic environment, resulted in a 19.8% year-on-year growth in total assets, which exceeded 1 trillion earlier this year. Additionally, ROE and ROA stand at 23.5% and 2.4%, respectively, while earnings per share has reached ~~ﷲ~~ 2.86 for the period.

## Performance Highlights

### Income Statement Summary

﷼ (mn)	1H 25	1H 24	YoY %	2Q 25	1Q 25	QoQ %	2Q 24	YoY %
Net financing & investment income	14,402	11,504	+25.2%	7,305	7,097	+2.9%	5,857	+24.7%
Fees & other income	4,401	3,362	+30.9%	2,298	2,103	+9.3%	1,780	+29.1%
<b>Total operating income</b>	<b>18,803</b>	<b>14,866</b>	<b>+26.5%</b>	<b>9,603</b>	<b>9,200</b>	<b>+4.4%</b>	<b>7,637</b>	<b>+25.7%</b>
Operating expenses	(4,231)	(3,850)	+9.9%	(2,143)	(2,088)	+2.6%	(1,956)	+9.5%
<b>Pre-Provision Profit</b>	<b>14,572</b>	<b>11,016</b>	<b>+32.3%</b>	<b>7,460</b>	<b>7,112</b>	<b>+4.9%</b>	<b>5,681</b>	<b>+31.3%</b>
Total impairment charge	(1,125)	(876)	+28.4%	(600)	(525)	+14.3%	(455)	+31.9%
<b>Net income for the period</b>	<b>13,447</b>	<b>10,140</b>	<b>+32.6%</b>	<b>6,860</b>	<b>6,587</b>	<b>+4.1%</b>	<b>5,226</b>	<b>+31.3%</b>
Zakat	(1,376)	(1,037)	+32.7%	(699)	(677)	+3.2%	(528)	+32.5%
Non-controlling interests	14	0	-	10	4	+183.0%	0	-
<b>Net income for the period after Zakat</b>	<b>12,057</b>	<b>9,103</b>	<b>+32.5%</b>	<b>6,151</b>	<b>5,906</b>	<b>+4.1%</b>	<b>4,698</b>	<b>+30.9%</b>
Earnings per share (﷼)	2.86	2.16	+32.22%	1.45	1.41	+2.98%	1.12	+30.15%
Return on equity	23.50%	19.89%	+3.61%	23.90%	23.10%	+0.80%	20.50%	+3.40%
Return on assets	2.38%	2.18%	+0.20%	2.40%	2.36%	+0.04%	2.22%	+0.18%
Net financing and investment margin	3.14%	3.03%	+0.11%	3.13%	3.16%	-0.03%	3.04%	+0.09%
Cost to income ratio	22.5%	25.9%	-3.40%	22.3%	22.7%	-0.38%	25.6%	-3.30%
Cost of risk	0.31%	0.28%	+0.03%	0.32%	0.29%	+0.03%	0.29%	+0.03%

Total operating income increased by 26.5% reaching ﷼ 18,803 million for the first half of 2025, compared to ﷼ 14,866 for the same period last year. This growth was driven by a 25.2% year-on-year increase in net financing and investment income, attributed to an 11-basis points YoY expansion in NIM, which reached 3.14% compared to 3.03% in the first half of 2024. It's worth highlighting that non-yield income continued its positive momentum, mainly in fees from banking services, which grew by 28.0% YoY, this was enhanced by the exceptional performance of Al Rajhi bank management in achieving the goals of the "harmonize the group" strategy. Additionally, exchange income and other operating income rose by 9.7% and 63.7%, respectively.

Operating expenses totalled ﷼ 4,231 million in the first six months of 2025, a rise of 9.9% YoY. Nevertheless, cost-to-income ratio improved to 22.5%, maintaining the leading C/I ratio in the market.

The net impairment charge for the period amounted to ﷼ 1,125 million, an increase of 28.4% compared to the same period last year, driven by the notable growth in the financing portfolio. The cost of risk for the period increased slightly by 3 basis points YoY, reaching 0.31%.

# 2Q 2025 Earnings Release

## Balance Sheet Summary

ﷲ (mn)	2Q 25	1Q 25	QoQ %	4Q 24	YTD %	2Q 24	YoY %
Cash & balances with SAMA & other central banks	50,149	65,077	-22.9%	53,245	-5.8%	42,467	+18.1%
Due from banks & other FIs, net	30,434	20,978	+45.1%	19,530	+55.8%	14,126	+115.4%
Investments, net	182,543	178,973	+2.0%	176,068	+3.7%	154,001	+18.5%
Financing, net	741,715	722,785	+2.6%	693,410	+7.0%	621,891	+19.3%
Other assets, net	34,148	35,266	-3.2%	32,135	+6.3%	34,475	-0.9%
<b>Total Assets</b>	<b>1,038,988</b>	<b>1,023,080</b>	<b>+1.6%</b>	<b>974,387</b>	<b>+6.6%</b>	<b>866,960</b>	<b>+19.8%</b>
Due to banks & other FIs	210,141	202,231	+3.9%	173,435	+21.2%	87,701	+139.6%
Customers' deposits	641,987	629,229	+2.0%	628,239	+2.2%	622,572	+3.1%
Sukuk issued	14,032	9,852	+42.4%	8,451	+66.0%	8,087	+73.5%
Other liabilities	38,780	47,683	-18.7%	41,124	-5.7%	32,204	+20.4%
<b>Total liabilities</b>	<b>904,940</b>	<b>888,995</b>	<b>+1.8%</b>	<b>851,247</b>	<b>+6.3%</b>	<b>750,563</b>	<b>+20.6%</b>
<b>Total equity</b>	<b>134,049</b>	<b>134,084</b>	<b>-0.0%</b>	<b>123,139</b>	<b>+8.9%</b>	<b>116,396</b>	<b>+15.2%</b>
Risk weighted assets	663,760	651,142	+1.9%	611,439	+8.6%	565,517	+17.4%
Tier 1 Ratio	19.4%	19.8%	-0.4%	19.3%	+0.1%	20.0%	-0.7%
Total capital adequacy ratio	20.2%	20.6%	-0.5%	20.2%	-0.0%	21.0%	-0.9%
Liquidity coverage ratio (LCR)	152.9%	148.6%	+4.3%	120.1%	+32.9%	146.2%	+6.8%
Basel III leverage ratio	11.6%	11.9%	-0.3%	11.4%	+0.2%	12.4%	-0.8%
Loan to Deposit Ratio	82.5%	84.9%	-2.4%	85.5%	-3.0%	79.7%	+2.8%
Non-performing loan ratio	0.74%	0.74%	+0.00%	0.76%	-0.02%	0.78%	-0.04%
Non-performing loan coverage ratio	150.5%	152.7%	-2.2%	159.4%	-9.0%	168.1%	-17.6%

Total assets reached ﷲ 1,039 billion as of 30<sup>th</sup> of June 2025, an increase of 19.8% YoY and 6.6% YTD, driven by strong growth in both financing and investments portfolios.

Net financing grew by 19.3% YoY and 7.0% YTD, reaching ﷲ 742 billion. Retail financing growth stood at 11.5% YoY, driven by a 15.0% increase in the mortgage book, while the non-retail book grew by 37.9% YoY.

The non-performing loans (NPL) ratio remains healthy at 0.74%, indicating a stable credit quality of our overall loans, with a solid NPL coverage ratio that stands at 150.5%. Our funding profile remained diversified, with CASA representing a 68.4% of total deposits as of 30<sup>th</sup> June 2025.

Al Rajhi Bank maintained a strong capitalization position during the period, with Tier 1 and total capital adequacy ratios of 19.4% and 20.2%, respectively. The Bank's liquidity position remained healthy, with a liquidity coverage ratio of 152.9% and a loan to deposit ratio of 82.5%.

## Additional Information

### Consolidated Financial Statements

The interim condensed consolidated financial statements for the three-month period ended 30<sup>th</sup> June 2025 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.

### 2Q 2025 Earnings Call

Conference call for analysts and investors will be held on 24<sup>th</sup> of July 2025 at 4:00pm 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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