Earnings Presentation

2Q 2024

General Business

2Q 2024 Performance Highlights

Sustained growth

+6% YTD ▲ **Loan Growth**

3.39% ▼ **Lower Margin**

+10% YOY ▲ **Net Income Growth**

16.1% ▲ **Profitability (ROAE after Zakat)**

Healthy & resilient financial position

1.18% NPL Ratio — **Proactive NPL Management**

145.2% NPL Coverage Ratio — **Improved Coverage**

19.5% Total CAR — **Strong Capitalization**

84.3% SAMA weighted LDR — **Comfortable Liquidity**

Good progress on refreshed strategy

Corporate	Retail	Digital
Leading Player in Vision 2030	Growing customer numbers	Launched Center of Intelligence
Growth in financing green projects	Expand Credit Card offerings (Multi-currency)	USD1 bn funded to technology sector
Largest in MSMEs (#1 in kafala)	Record Private banking NPS scores	Launch of new Riyad Online for Corporate
Digitally enabled RMs	Launched next-gen mobile app	Launched RM Workbench

General Business

Strategy Update

General Business

Our ambition is to be the best Bank in KSA

Strategic Pillars	Most Profitable	Most Efficient	Bank of Choice	Most Innovative & Digitally Enabled
Definition	Sustainable profit growth and returns to shareholders	Highest return on spend and operational excellence	Best bank for customer, employees and society	Most innovative and digitally enabled bank
Focus Area	Profitability Growth	Cost Efficiency Operational Efficiency	Customer People ESG	Digital Innovation
KPIs	ROE Profit growth Total Shareholders return	Cost to income Time to cash	NPS* People Index** Brand Value	Digital Maturity Index

* Including Retail NPS, Corporate NPS and MSME NPS; ** Measured by Employee Engagement, Employee Satisfaction and Talent Measures

General Business

Progress on strategic initiatives which are driving business growth and enhancing customer experience

Strategic Initiatives	Description	Strategic Pillars Alignment
1 Scale Up RM Workbench	Successfully completed early in 2Q24, the end-to-end digital solution is helping teams in dealing with corporate clients. The solution has advanced analytics capabilities that support in maintaining a high-quality portfolio, in addition to a daily performance monitoring.	Most Profitable Most Innovative & Digitally Enabled
2 Expand Hedging Business	Successfully completed in 2Q24 to accelerate cross-sell activities to increase the revenue from FX and structured products through a holistic risk management offer to support customers' needs.	Most Profitable Bank of Choice
3 Global Transaction Banking	Progressing with the Global Transaction system as well as enhancing trade finance and cash management offerings through systems upgrade and new deployments while leveling-up digitization of end-to-end internal processes and customer journey.	Most Profitable Most Innovative & Digitally Enabled Bank of Choice

General Business

Progress on strategic initiatives which are driving business growth and enhancing customer experience (Con't)

Strategic Initiatives	Description	Strategic Pillars Alignment
4 Next-gen Mobile App	Launched in late 2Q24 through a targeted go-to-market strategy with the number of users increasing systematically. The new mobile app offers an enhanced digital experience with a wider set of products and services available through the platform.	Most Profitable Most Innovative & Digitally Enabled Bank of Choice
5 Micro-Segmented Credit Cards	Successfully launched the new Multi-Currency Credit Card in 2Q24 which targets Silver, Gold and Affluent segments while aiming to penetrate the market with enhanced product value propositions.	Most Profitable Bank of Choice
6 Build & Scaleup Center of Intelligence	Successfully launched the new Center of Intelligence in 2Q24, aiming to deliver monetary lift and value addition in commercial, branding and business innovation.	Most Profitable Most Innovative & Digitally Enabled Bank of Choice

General Business

2Q 2024 Financial Performance

General Business

Strong growth in profitability supported by fee & other income and improved cost of risk

Balance sheet expansion, driven by loans and investments

funded mainly by non-interest bearing deposits

Total assets

2Q-24

YTD

+5%

Loans & advances, net

2Q-24

YTD

+6%

NIBs

2Q-24

YTD

+12%

NIBs Share (%)

Growth in profitability driven by fee and other income

while NSCI, decreased marginally due to higher cost of funding

Net income

1H-24

YoY

+10%

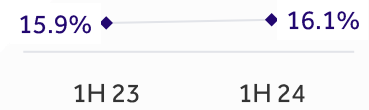
NSCI

1H-24

YoY

-1%

ROAE after Zakat (%)

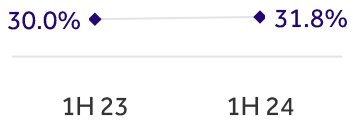


NSCI Margin (%)

Higher cost to income ratio from ongoing investments in strategic projects

but decrease CoR from improved asset quality, while proactively managing NPLs

CIR (%)



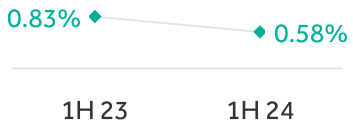
Expenses before Impairments

1H-24

YoY

+7%

CoR* (%)



NPL Ratio (%)

Comfortable liquidity

and strong capitalization well above regulatory minima

LCR

2Q-24

156.9%

SAMA weighted LDR

2Q-24

84.3%

Tier 1 Ratio

2Q-24

16.7%

Total CAR

2Q-24

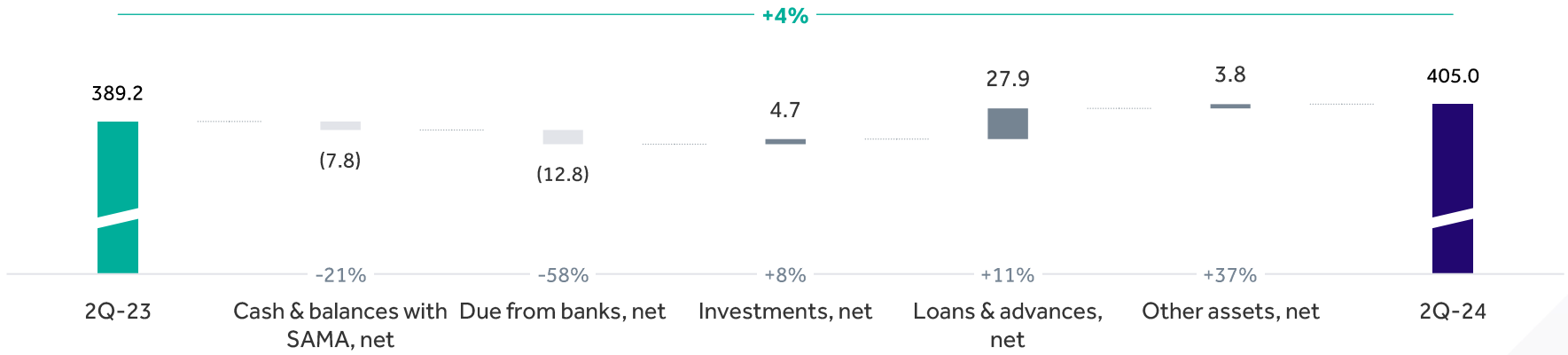
19.5%

*Credit risk only

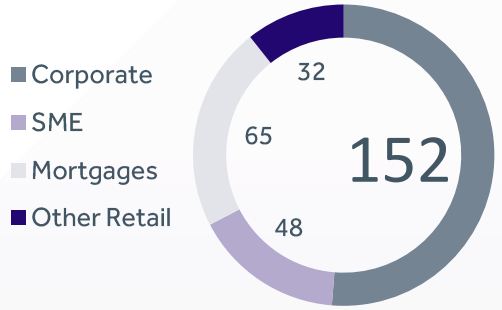
General Business

Solid balance sheet expansion driven by growth in loans and investments

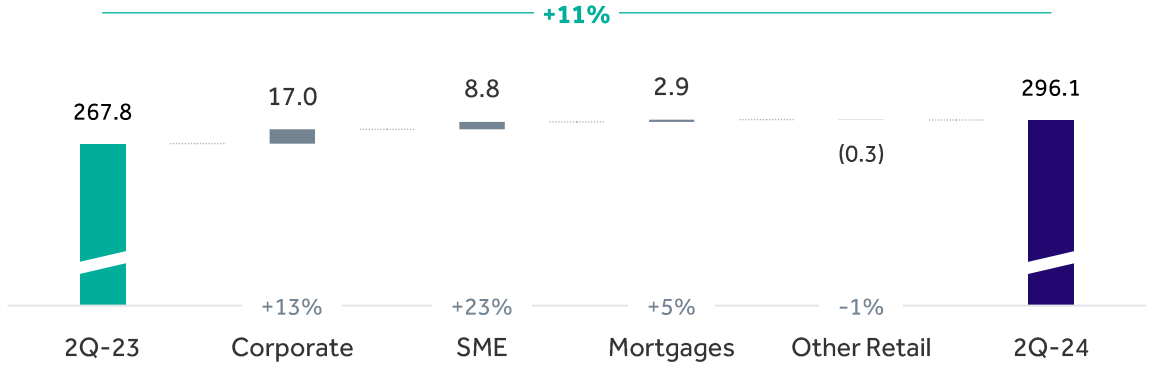
Total Assets Movement YoY (SARbn)



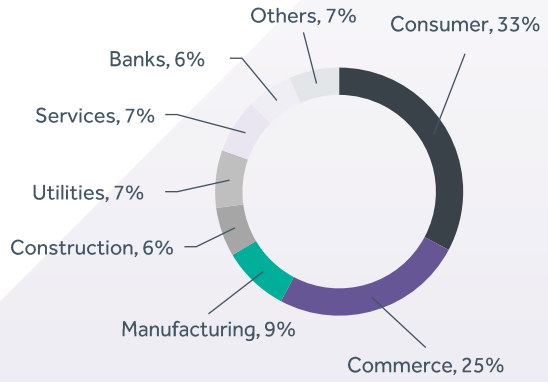
Loans & Advances, Gross Composition 1H-24 (SARbn)



Gross Loans Movement YoY (SARbn)



Loans & Advances, Net Composition 1H-24 (SARbn)



SME Highlights

SME Loans under "Kafala" ▲

2Q-24 SAR Billion

+3% YTD

8.9

SME Market Share

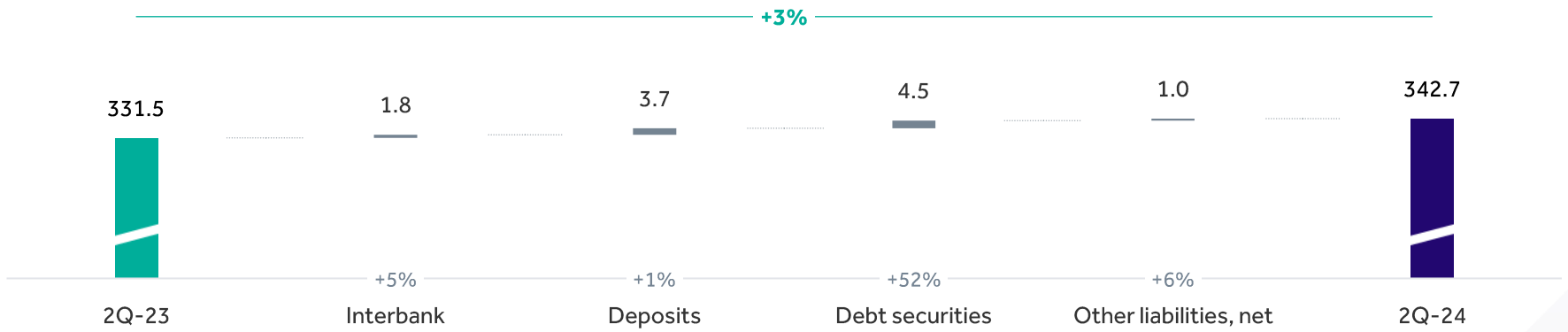
1Q-24

22.2%

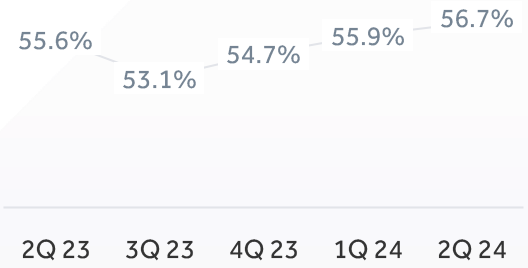
General Business

Which was funded mainly by NIBs while overall liquidity position remained comfortable, leaving ample room for growth

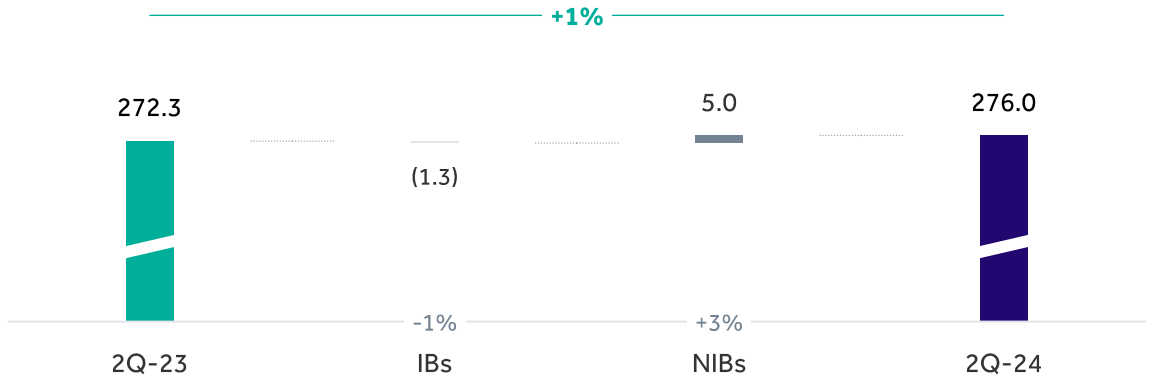
Total Liabilities Movement YoY (SARbn)



NIBs % of Total (%)



Total Customers' Deposits Movement YoY (SARbn)



NSFR

2Q-24

-0.6% YTD

112.9%

LCR

2Q-24

-3.0% YTD

156.9%

SAMA Weighted LDR

2Q-24

+2.4% YTD

84.3%

Headline LDR

2Q-24

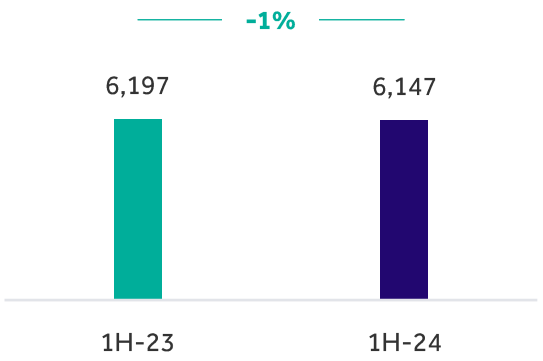
-2.2% YTD

105.5%

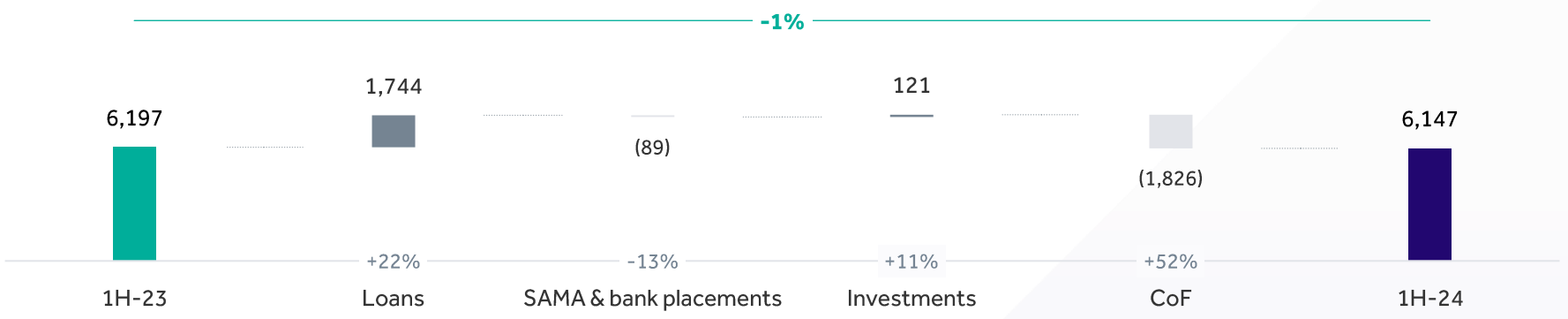
General Business

NSCI witnessed a marginal decrease driven by higher cost of funding

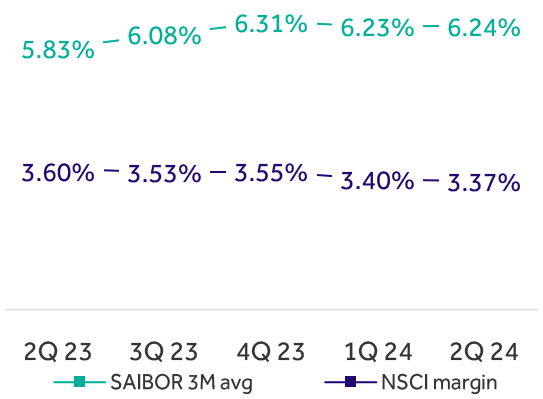
NSCI (SARmn)



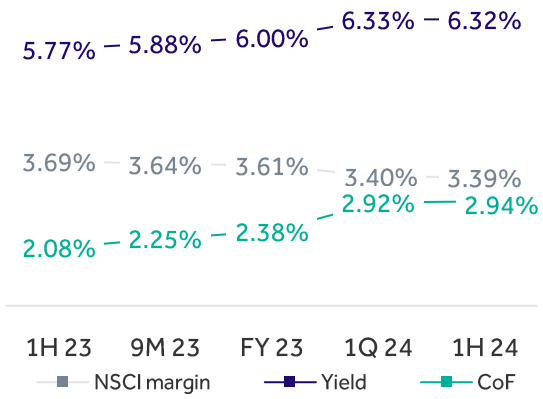
NSCI Movement YoY (SARmn)



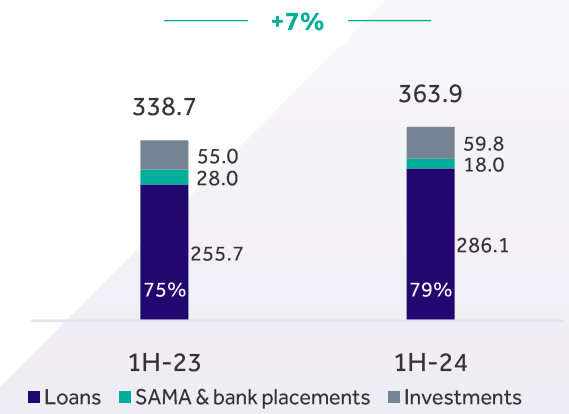
Quarterly NSCI Margin and SAIBOR Trend (%)



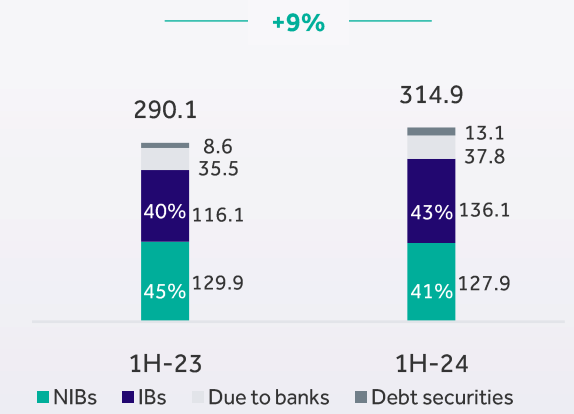
YTD NSCI margin (%)



Average Earning Assets (SARbn)



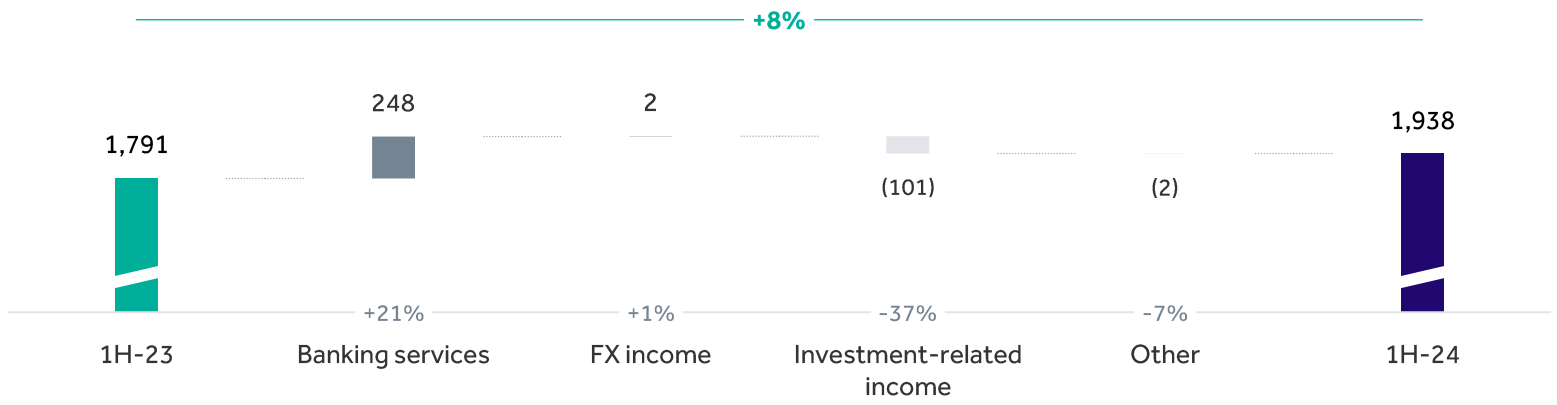
Average Bearing Liabilities (SARbn)



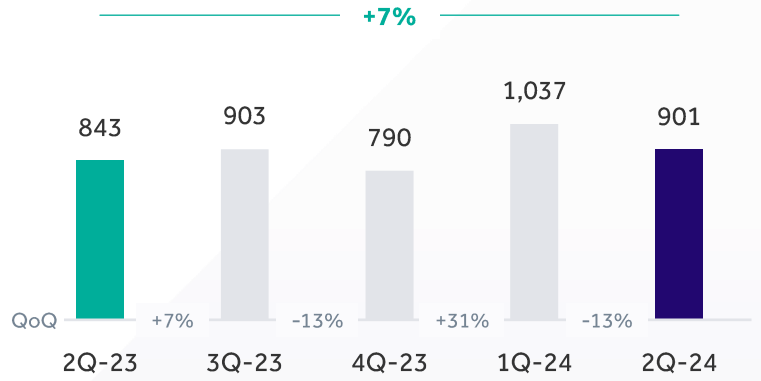
General Business

While fee & other income increased from a strong growth in fees from banking services

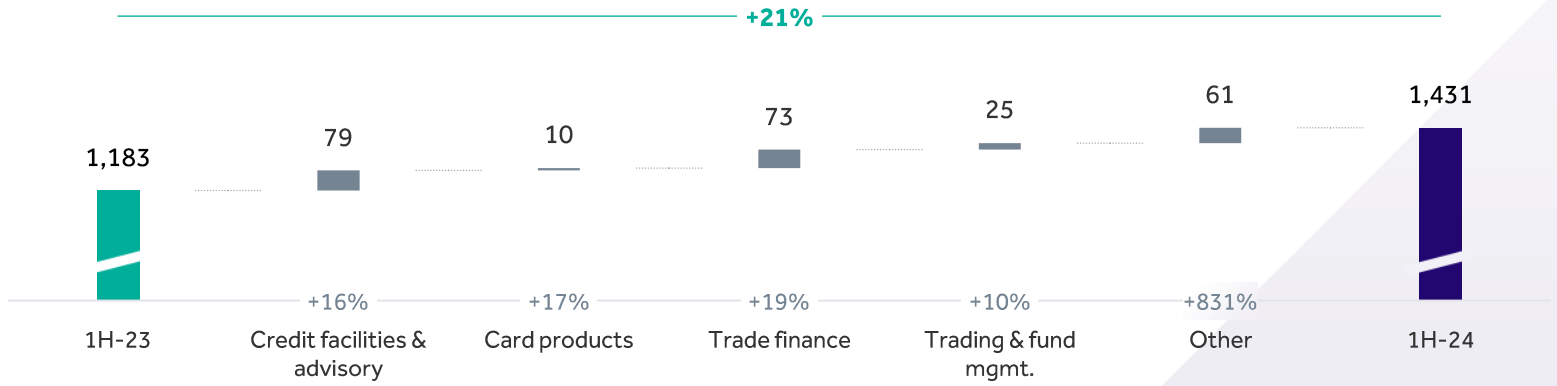
Fee & Other Income Movement YoY (SARmn)



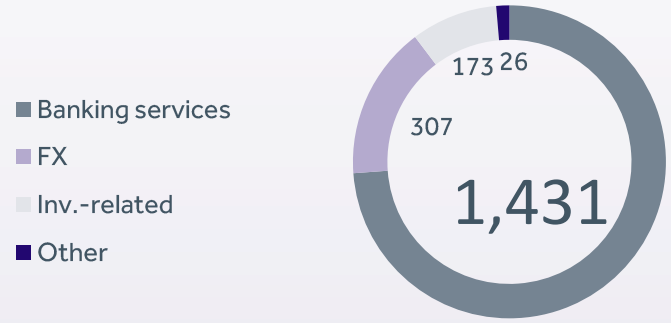
Quarterly Fee & Other Income (SARmn)



Fee Income from Banking Services Movement YoY (SARmn)



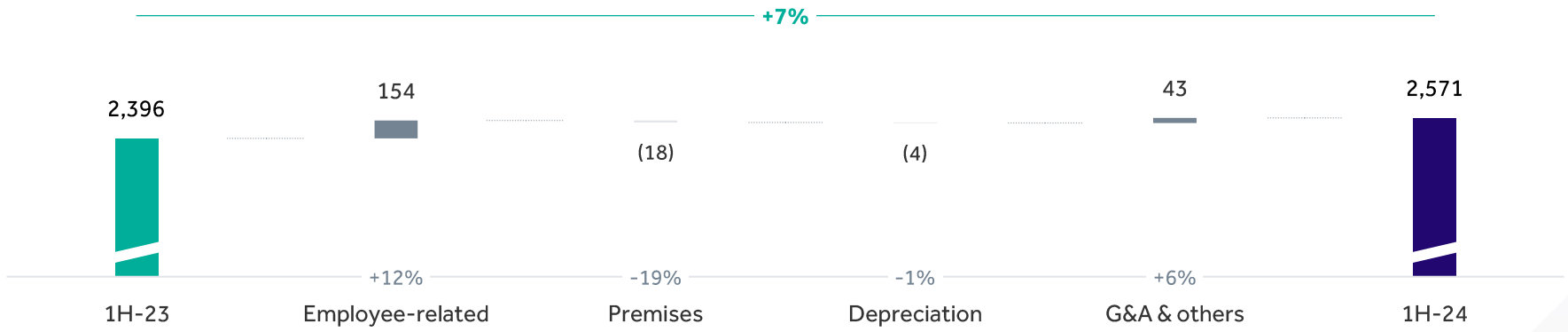
Fee & Other Income Composition, 1H-24 (SARmn)



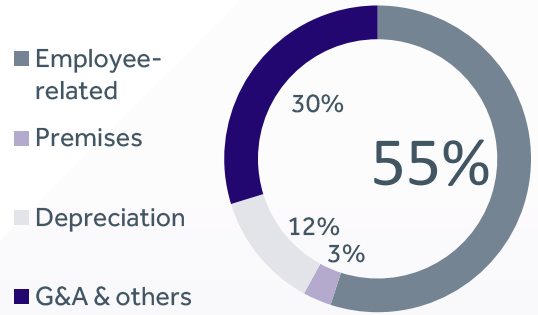
General Business

Cost efficiency improved sequentially despite ongoing investments in infrastructure, digital capabilities, and strategic initiatives

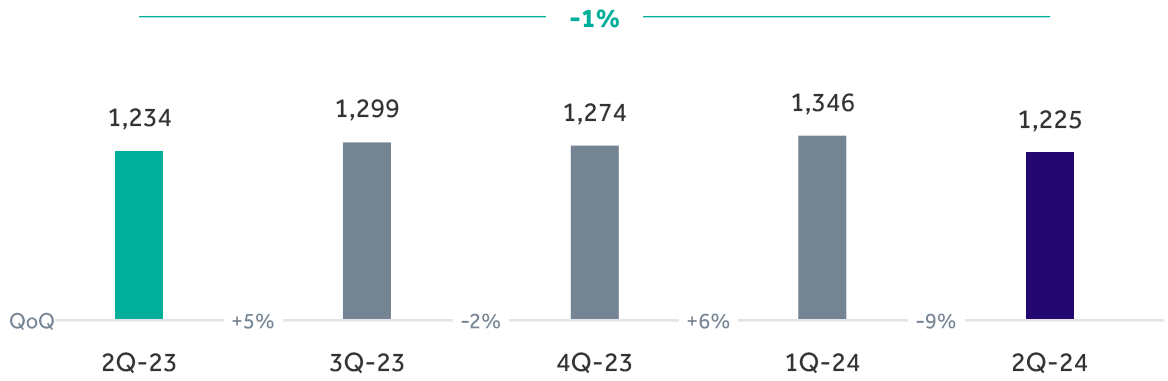
Expenses before Impairment Movement YoY (SARmn)



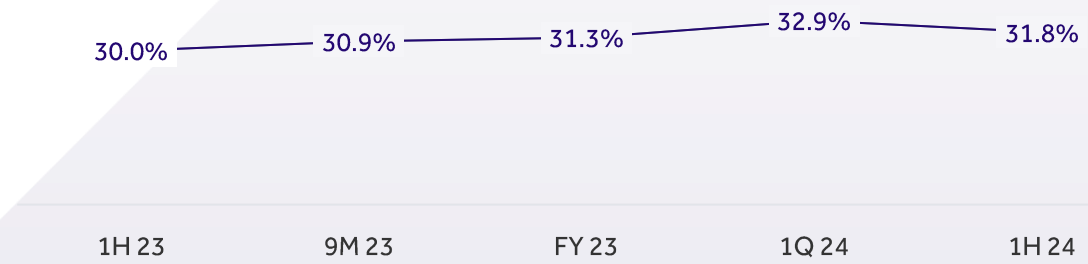
Expenses before Impairments Composition, 1H-24 (%)



Quarterly Expenses before Impairment (SARmn)



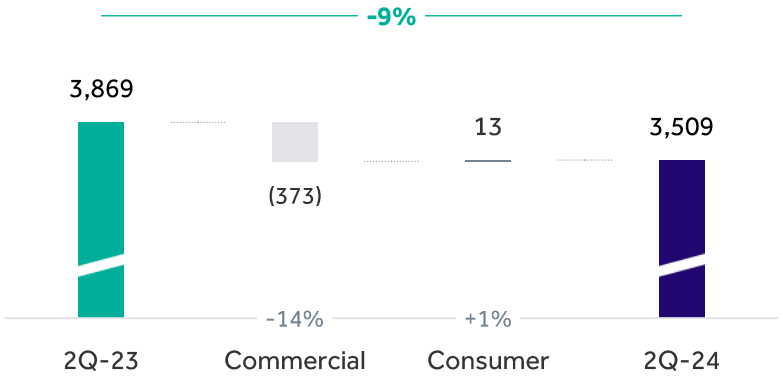
Cost to Income Ratio (%)



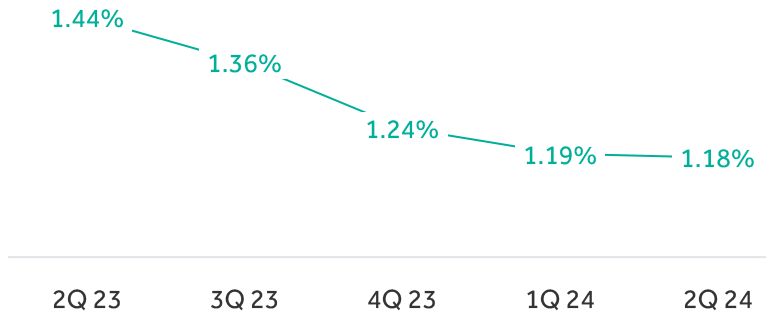
General Business

Cost of risk improved from proactive risk management, higher recoveries and sustained asset quality

NPL Movement by Sector YoY (SARmn)



NPL Ratio (%)



NPL Coverage Ratio ▲

2Q-24

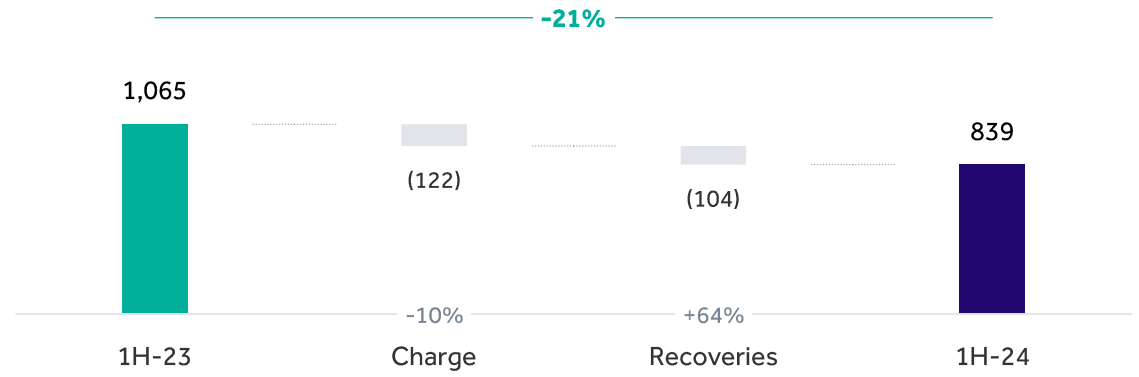
+3.0% YTD

145.2%

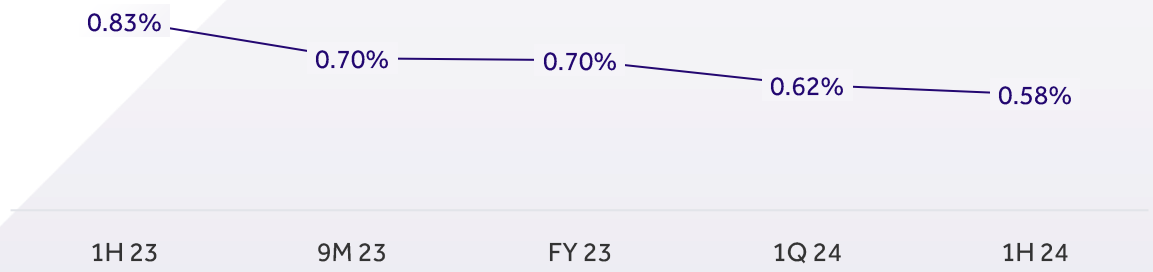
Stage-wise ECL on Gross Loans, 2Q-24, YTD

Stage 1	Stage 2	Stage 3
0.28%	13.2%	49.8%
▼	▲	▲
-0.03%	+0.2%	+3.1%

Impairments for Credit Losses Movement YoY (SARmn)



Cost of Risk* (%)

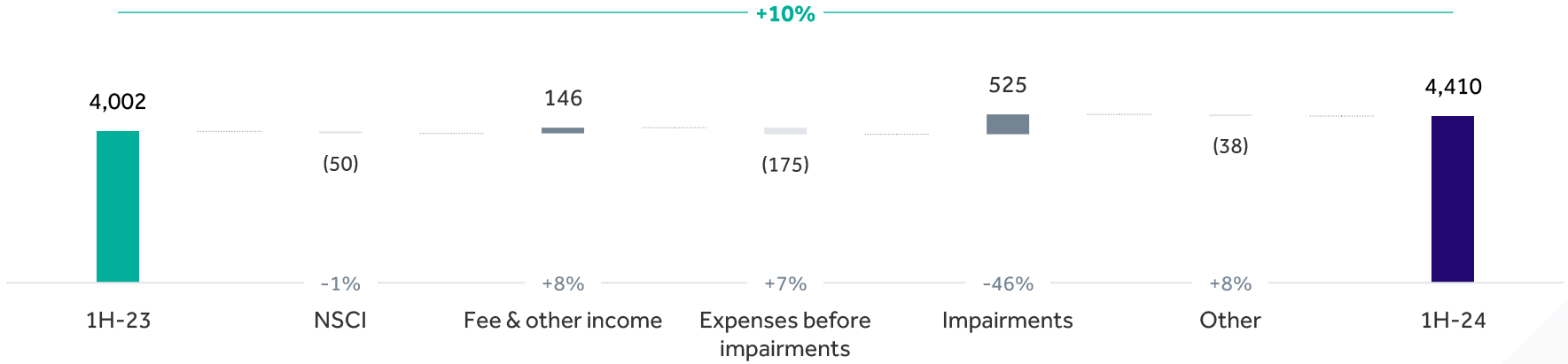


*Credit risk only

General Business

Together these factors drove the strong growth in profitability

Net Income Movement YoY (SARmn)



Total Operating Income ▲

1H-24

+1% YoY

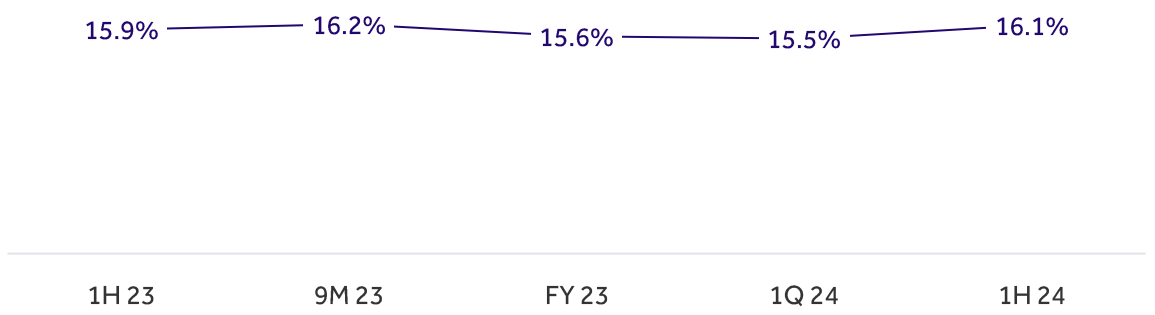
SAR Million 8,085

Net Operating Income Before Impairment Charge ▼

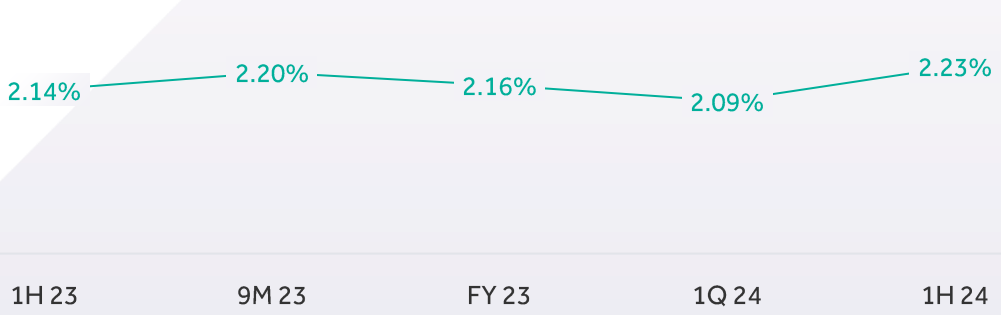
1H-24 -1% YoY

SAR Million 5,514

ROAE after Zakat (%)



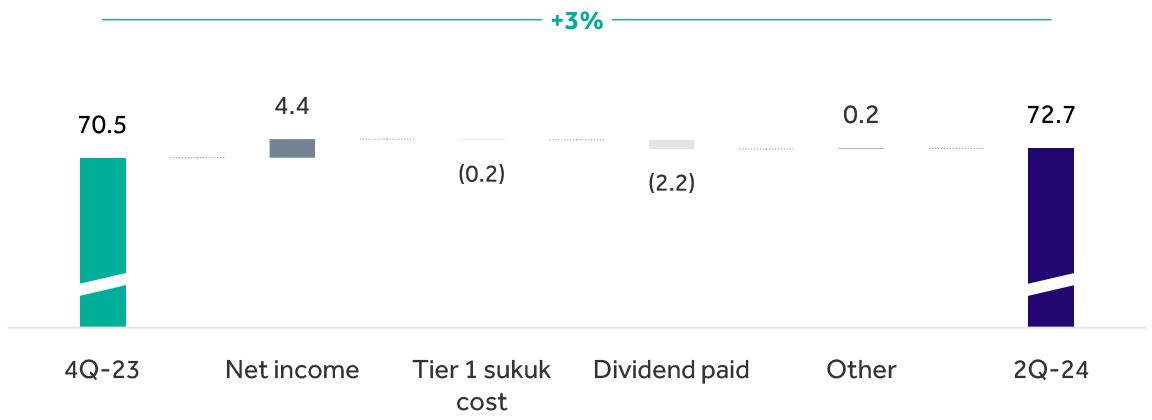
ROAA after Zakat (%)



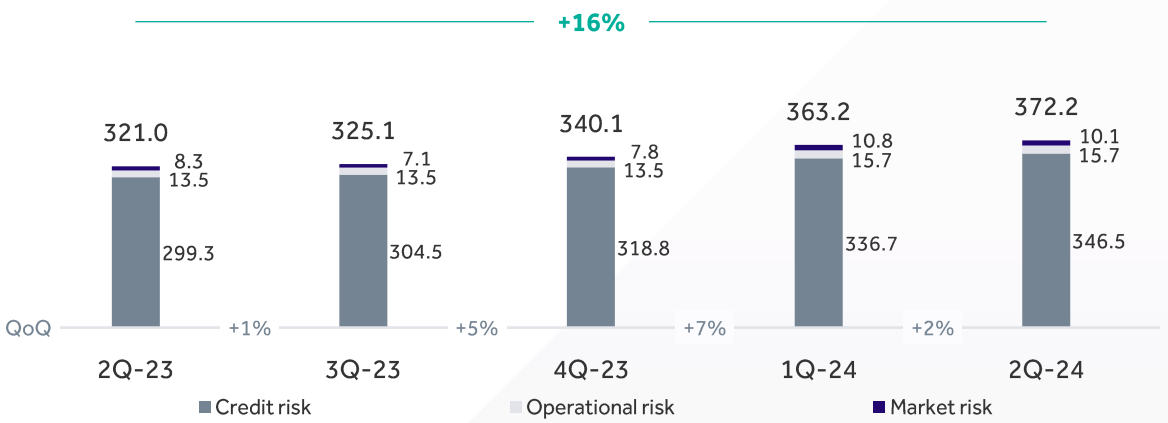
General Business

Supporting strong and stable capitalization well above regulatory minima

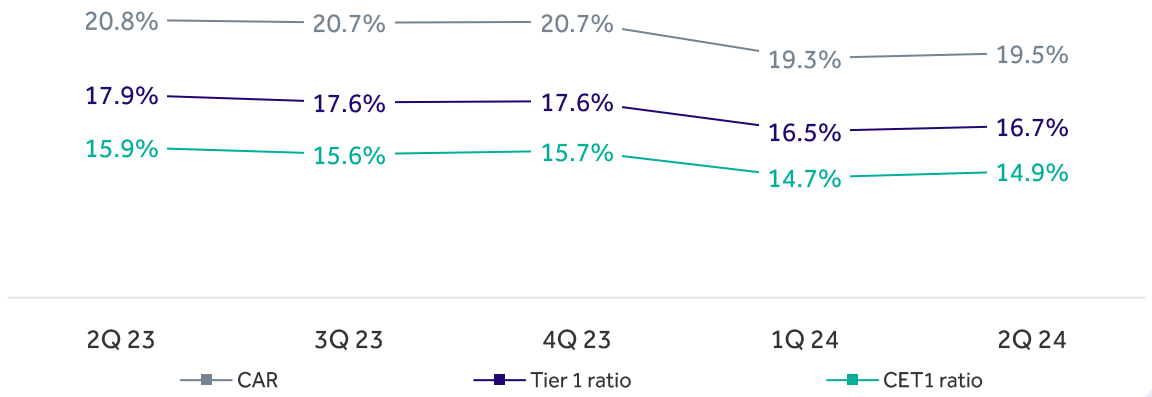
Total Regulatory Capital Movement YTD (SARbn)



Risk Weighted Assets (SARbn)



Capital Ratios (%)



Total Regulatory Capital (SARbn)

General Business

With all KPIs within expectations

Guidance Metric	2Q 2024	2024 Guidance	Revised Guidance	Drivers
Loans, Net	SAR 291 bn (+6% YTD)	High Single to Low Double Digit	Low Double Digit	Strong credit demand mainly coming from corporate and SMEs driven by positive economic activities
NSCI Margin	3.39% (-22bps YTD)	-10bps to -20bps	Unchanged	Assets repricing along with balance sheet optimization and cost of fund management will improve margins to land within guidance
Cost to Income	31.8%	Below 32%	Unchanged	Investments will continue in digitization, systems and people to achieve our strategic aspirations while focusing on cost optimization initiatives
Cost of Credit Risk	0.58%	65bps - 75bps	55bps - 65bps	Stable and healthy credit quality supported by sound NPL coverage will result in a normalized credit risk
CET1	14.9%	Above 15%	14% - 15%	Healthy capitalization and efficient capital management supported by internal capital generation
ROAE after Zakat	16.1%	Above 15%	Unchanged	Maintain healthy ROAE driven by top line growth, efficiencies and asset quality

General Business

Appendix

General Business

Contact the investor relations for more information

Investor Relations Contact

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Kingdom of Saudi Arabia

Riyad Bank Head Office (Link)

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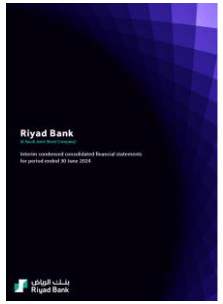
Riyad Bank - Investor Relations Website



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2023 Annual Report

ESG 2022 Report

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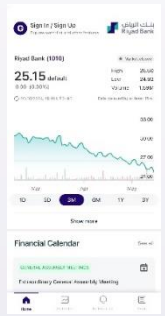

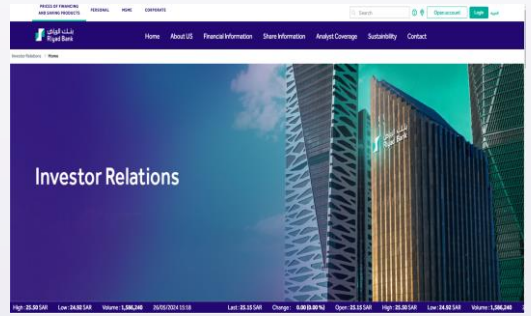

General Business

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General Business