



Earnings Presentation

9M 2023



9M 2023 Performance Highlights

Strong growth

Healthy & resilient financial position

Good progress on refreshed strategy

+10%
YTD

Loan Growth

3.64%

Margin Expansion

+22%
YOY

Net Income Growth

18.0%

Profitability (ROAE before Zakat)

1.36%
NPL Ratio

Proactive NPL Management

127.9%
NPL Coverage Ratio

Improved Coverage

20.7%
Total CAR

Strong Capitalization

82.0%
SAMA Weighted LTD

Comfortable Liquidity

Corporate

- Leading Player in [Vision 2030](#)
- Growth in financing [green projects](#)
- Largest in [MSMEs](#) (#1 in kafala)
- Growth in [digital penetration](#)

Retail

- Growing [customer numbers](#)
- Partnership with [Al-Hilal Club](#)
- Expanded [Affluent](#) product offering
- Record Private banking [NPS](#) scores
- Developing [next-gen mobile app](#)

Digital

- Launched "Jeel" [digital factory](#)
- Launched US1 bn [technology sector](#) fund
- Progressed [RPA](#)
- Launched [RM Workbench](#)
- [Home Ecosystem & MSME platforms](#) ready



■ Strategy Update

■



We all know that Saudi Arabia and its Banking Landscape are transforming

Sustainability



- Core component of banking operations and strategy

Industry Evolution

- Customer expectations
- Growing competition (Fintechs/ M&A)
- Mortgage to Corporate shift with V2030

Macro Pressure

- Covid: digitization & work-life patterns
- Rising geopolitical disruptions
- "Higher for longer" rates environment
- Liquidity pressures / cost



To stay ahead, Riyad Bank is transforming too

Enabled through Digitalization

Innovation: Ecosystems, Fintech, Advanced Analytics

Efficiency: Straight-Through-Processing, Distribution

Next-gen operating model: Agile, IT Infrastructure

Corporate

Corporate bank of Choice in V2030 Infrastructure

Maintain SME leadership position

Retail

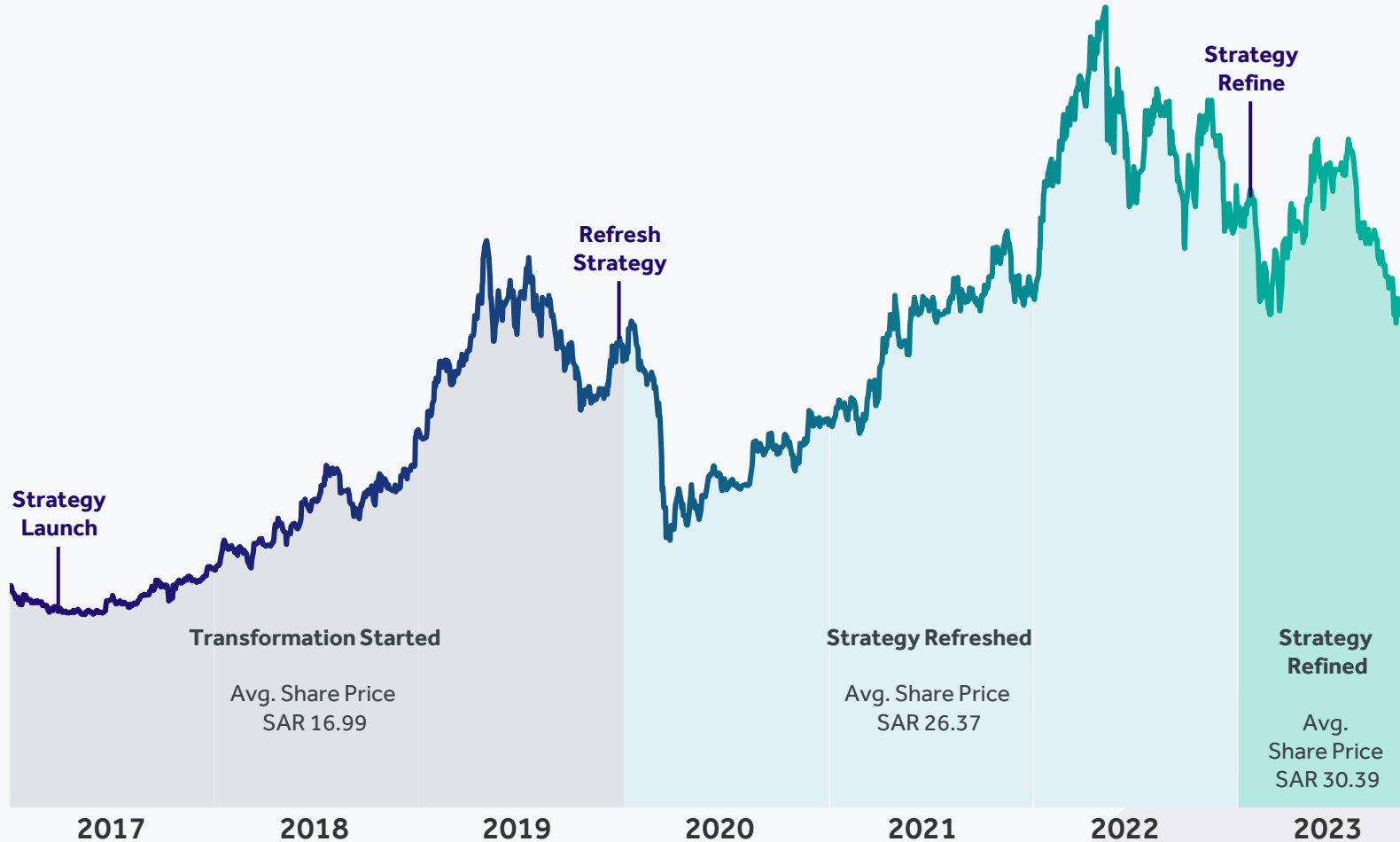
Restore natural market share in Retail

Private and affluent banking



We have already come a long way on this journey

Share Price (SAR)



Key Aspirations

- 2017: A bold new aspiration and strategy was developed to transform the bank and accelerate growth
- 2018: Balanced performance and health transformation to fix the basics
- 2019: Leapfrog competition through accelerated growth, disruptive business models
- 2020: Strategy was refined due to significant market disruptions
- 2021: Focus on innovation and digitization
- 2023: Become the best bank in KSA

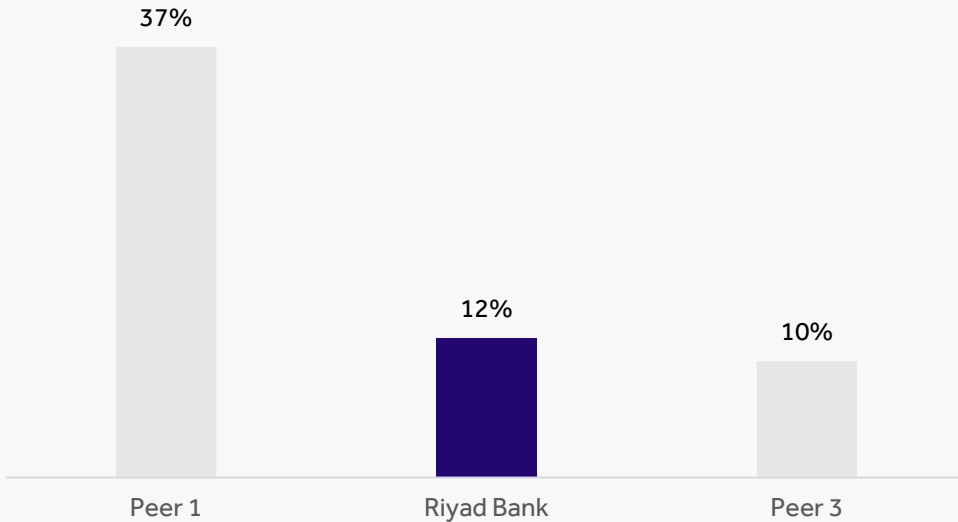


We build on our Corporate Banking DNA and continue to grow market share

Corporate Banking Market Share

Riyad Bank is #2
in KSA Corporate Banking

Top 3 Banks by Total Assets



Strategic Priorities

Vision 2030

Become the leading player in Vision 2030 projects, including Giga Projects and KSA's sustainability agenda

MSMEs

Achieve optimum involvement in growing MSME segment - expand and scale up external partnerships

Innovate

Expand capabilities across products & services

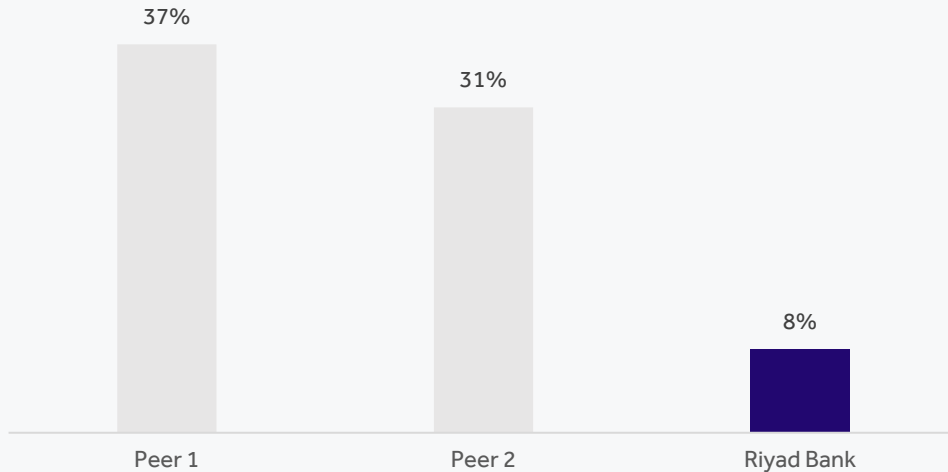


We aim to capture market share across key Retail markets

Retail Banking Market Share

Riyad Bank is #3
in KSA Retail Banking

Top 3 Banks by Total Assets



Strategic Priorities

Mobile First

Consolidate market share with distinctive mobile-first products

Customer Acquisition

Prioritize customer acquisition and CASA growth to secure low-cost funds

Customer Experience

Optimize and modernize branch footprint to offer distinctive user experience



Riyad Bank aims to lead Saudi Arabia's digital banking evolution

Key Focus Areas

Innovation

Efficiency

Next-Gen Operating Model

Already launched

AI-enabled Relationship Manager Workbench

Digital Factory (JEEL) with end-to-end solutions

Front-to-back digitization

Optimized Procurement Platform

Agile Development for better time-to-market

Digital Innovation Centre

Center of Intelligence

Advanced features for "Token" kids apps

232 RPAs at work

Branch Format Optimization

Upgrade core banking system

Venture Builder Program

What's Next?

Next-gen Retail App transforming CX

Home-ownership Ecosystem

MSME platform

177 RPAs in progress





20 new branches

API Marketplace & Developer Portal

2 x Ventures ready to go to market



Our ambition is to be the best Bank in KSA

| Strategic Pillars | Definition | Focus Area | | |
|---|--|------------------------|-------------------------------|------------|
| <p>Most Profitable</p>  | <p>Sustainable profit growth and returns to shareholders</p> | <p>Profitability</p> | <p>Growth</p> | |
| <p>Most Efficient</p>  | <p>Highest return on spend and operational excellence</p> | <p>Cost Efficiency</p> | <p>Operational Efficiency</p> | |
| <p>Bank of Choice</p>  | <p>Best bank for customer, employees and society</p> | <p>Customer</p> | <p>People</p> | <p>ESG</p> |
| <p>Most Innovative & Digitally Enabled</p>  | <p>Most innovative and digitally enabled bank</p> | <p>Digital</p> | <p>Innovation</p> | |



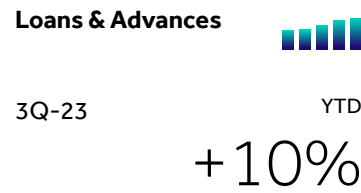
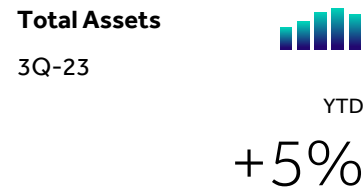
- **9M 2023 Financial Performance**



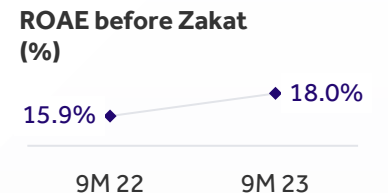
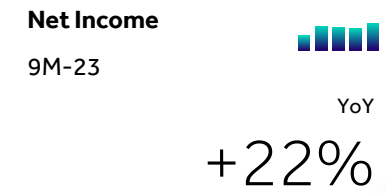


Strong growth in profitability boosted by lending growth and improved margins

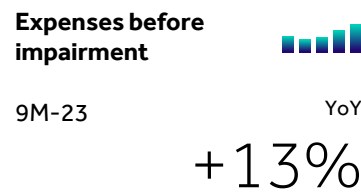
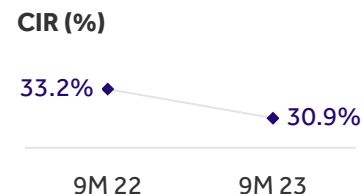
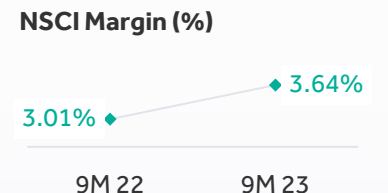
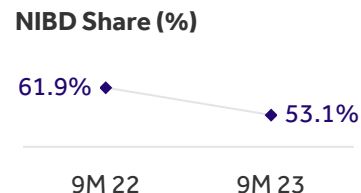
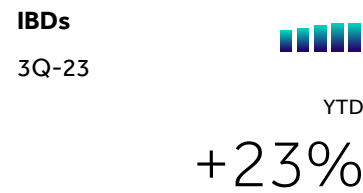
Balance sheet expansion, driven by loans, funded mainly by interest bearing deposits



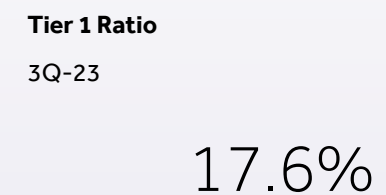
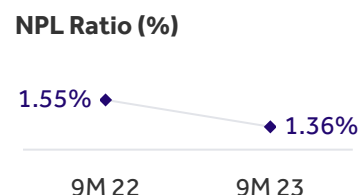
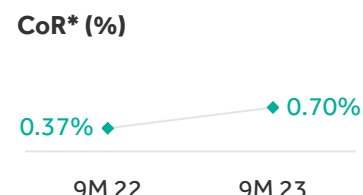
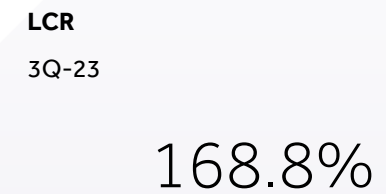
Strong growth in profitability and improved returns, due to NSCI, boosted by lending growth and NIM expansion



Improved cost efficiency despite ongoing investments in strategic projects, but increased CoR from boosted coverage, while proactively managing NPLs



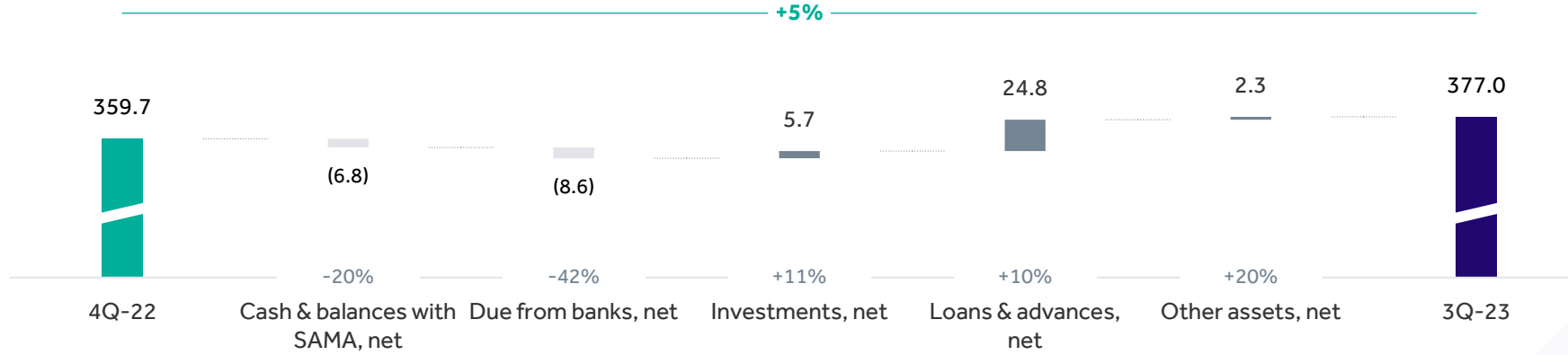
Comfortable liquidity and stable capitalization well above regulatory minima



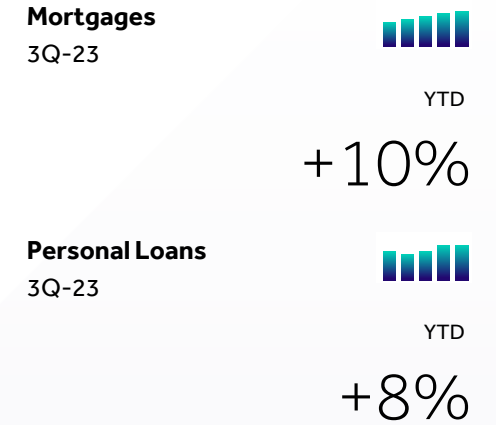


Solid balance sheet expansion driven by balanced financing growth

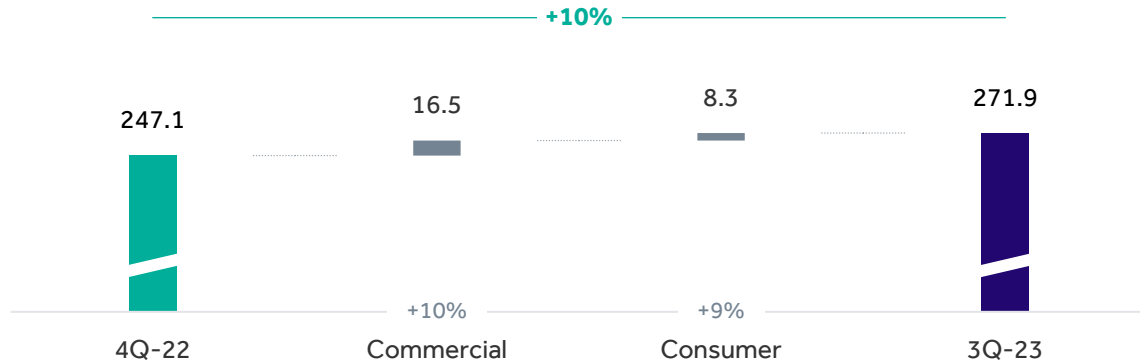
Total Assets Movement YTD (SARbn)



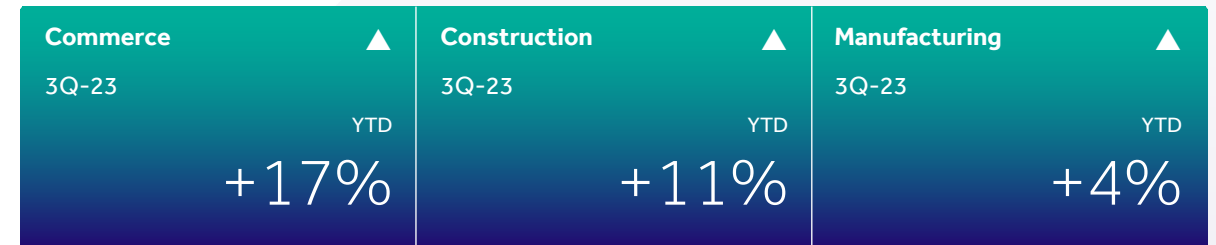
Consumer Gross Loans Growth



Gross Loan Movement YTD (SARbn)



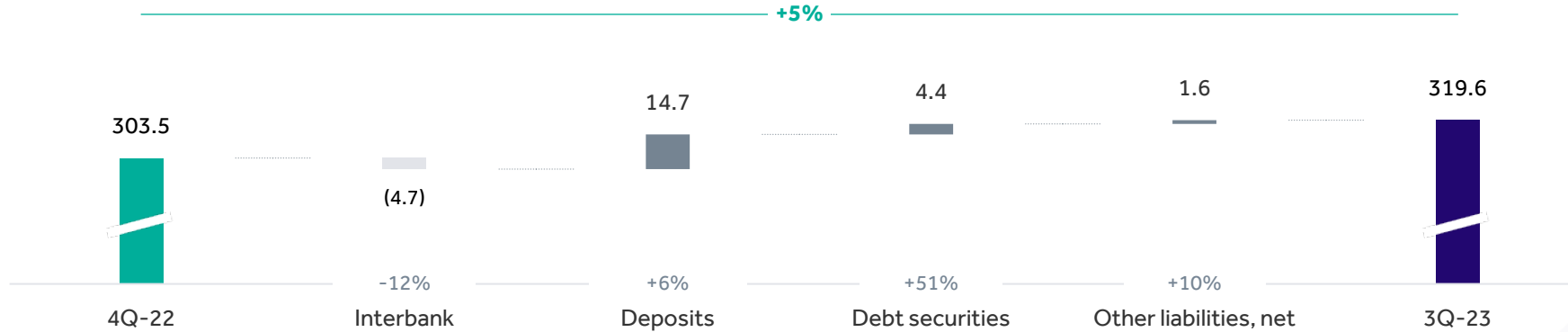
Commercial Gross Loans Growth



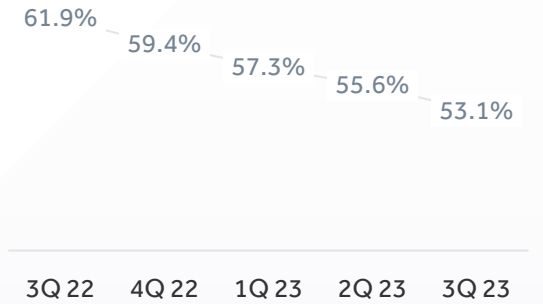


Which was funded mainly by interest bearing deposits while overall liquidity position remained comfortable, leaving ample room for growth

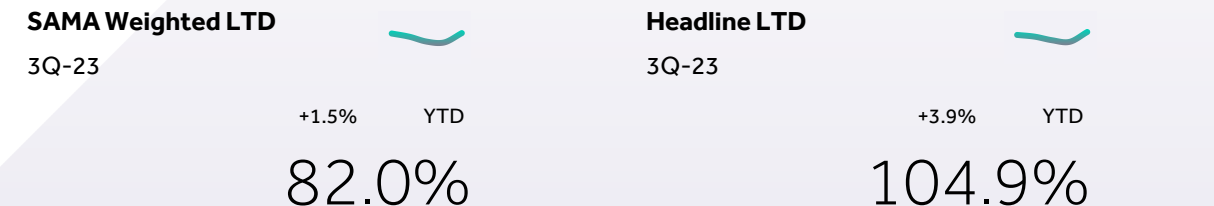
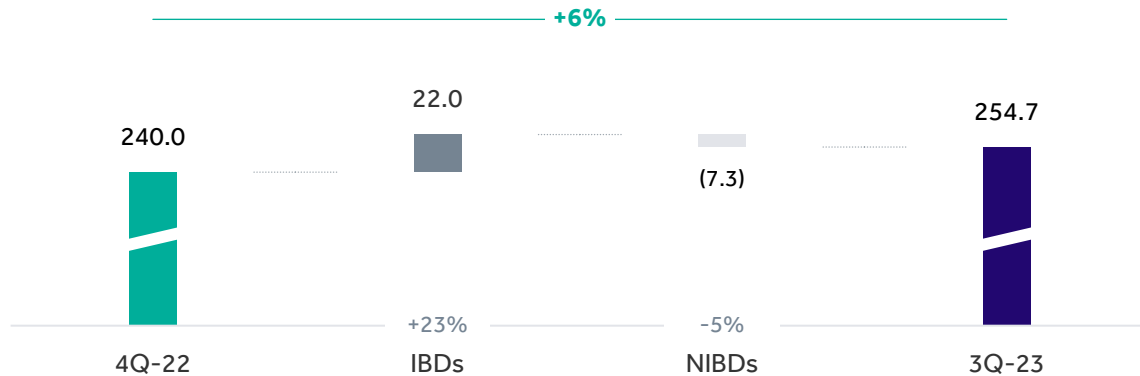
Total Liabilities Movement YTD (SARbn)



NIBD % of Total (%)

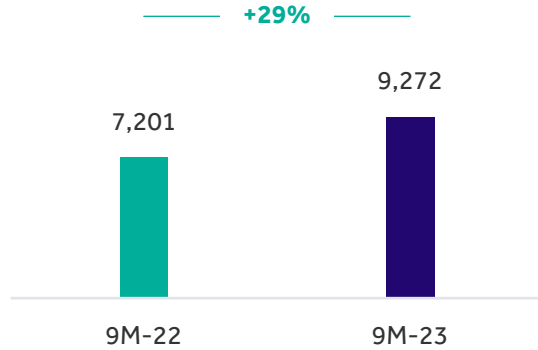


Total Customers' Deposits Movement YTD (SARbn)

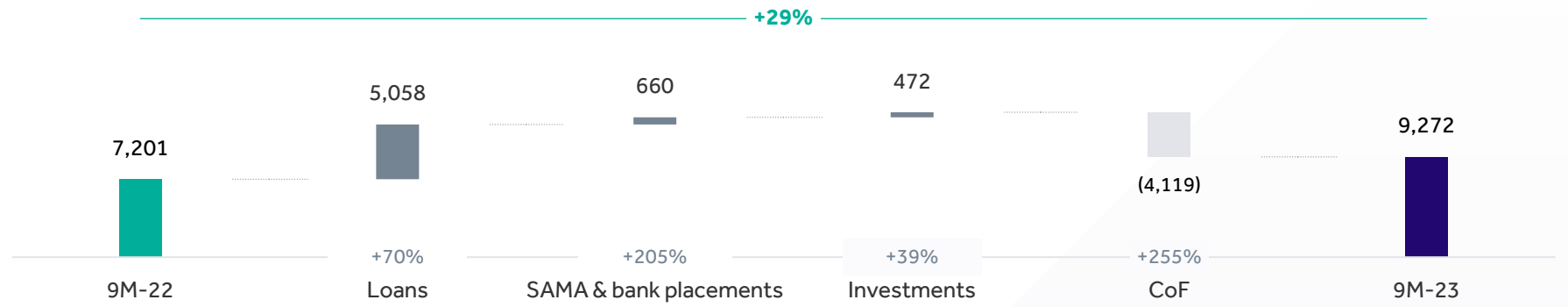


Lending growth and margin expansion from rising benchmark rates boosted NSCI, though margin peaked in 1Q-23 from shifting deposit mix and higher funding costs

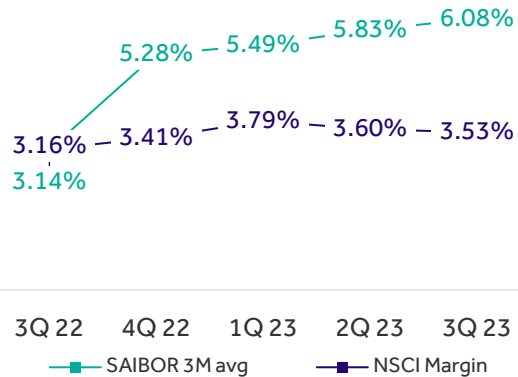
NSCI (SARmn)



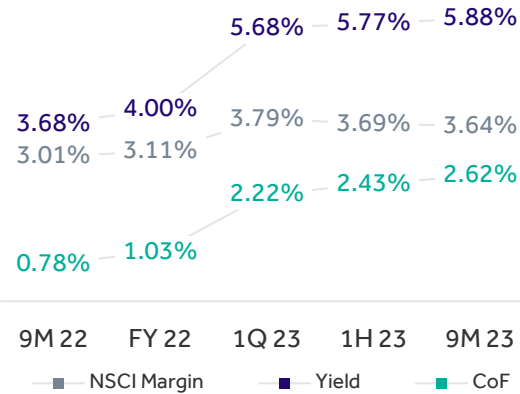
NSCI Movement YoY (SARmn)



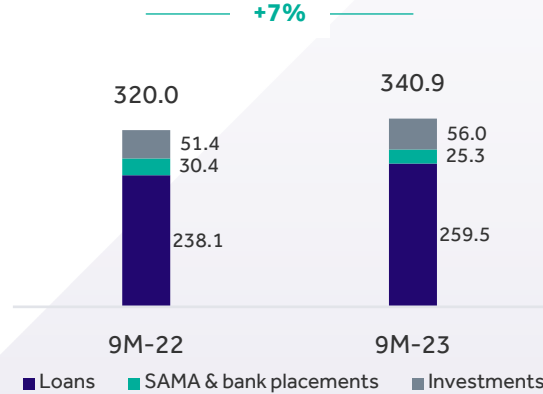
Quarterly NSCI Margin and SAIBOR Trend (%)



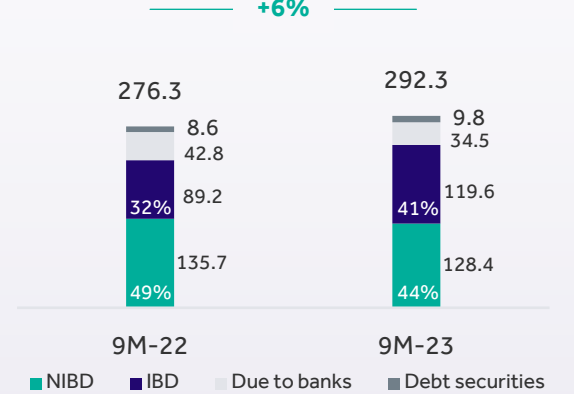
YTD NSCI Margin (%)



Average Earning Assets (SARbn)



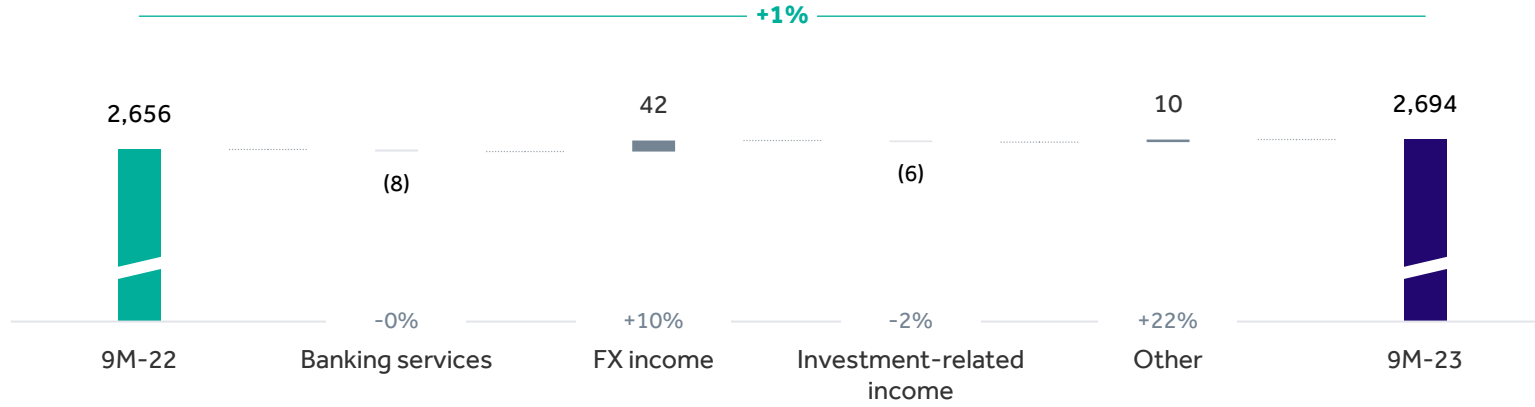
Average Bearing Liabilities (SARbn)



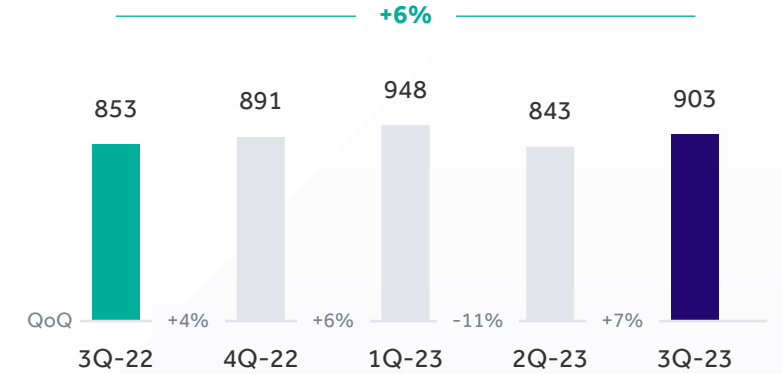


While fee & other income growth was muted as FX income was partly offset by lower cards and capital markets income

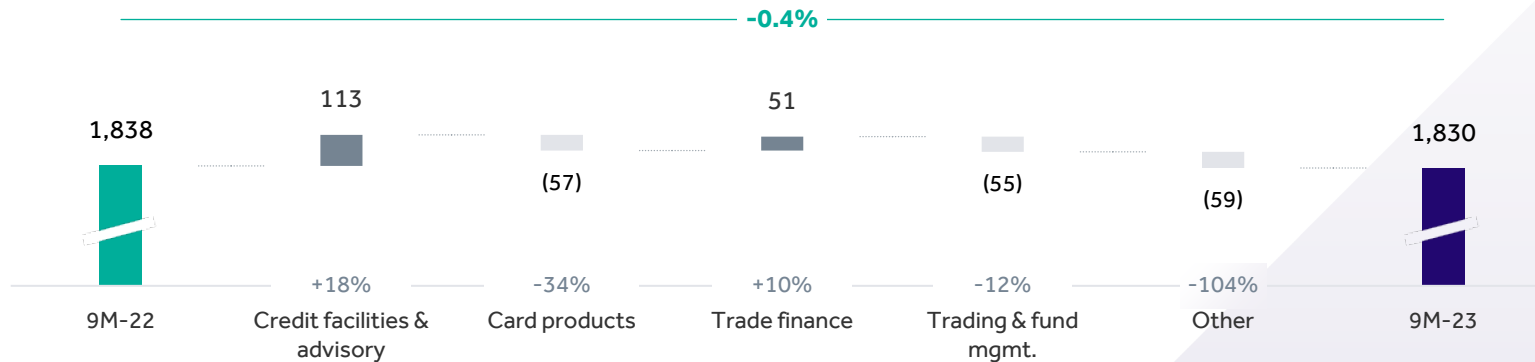
Fee & Other Income Movement YoY (SARmn)



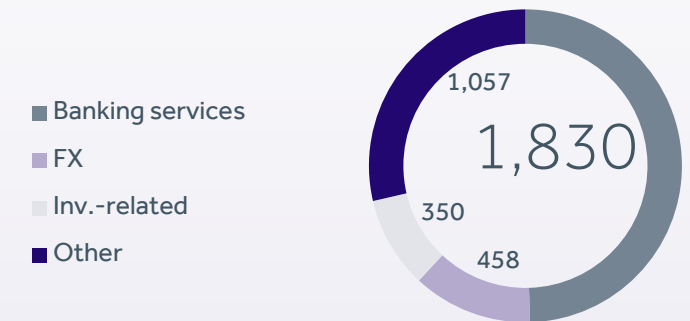
Quarterly Fee & Other Income (SARmn)



Fee Income from Banking Services Movement YoY (SARmn)



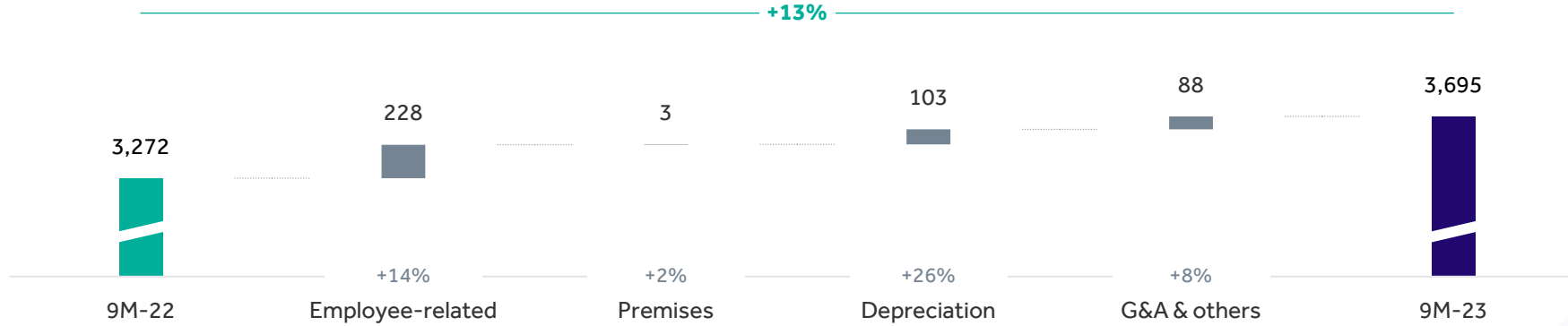
Fee & Other Income Composition (SARmn)



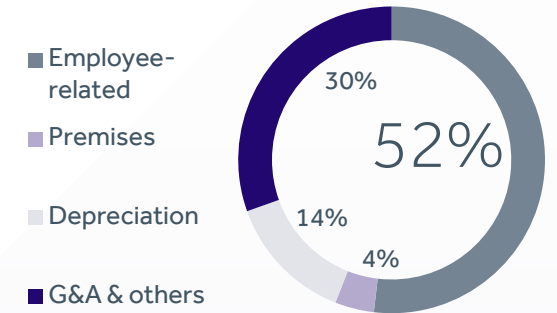


Positive jaws improve cost efficiency despite ongoing investments in infrastructure, digital capabilities, and strategic initiatives

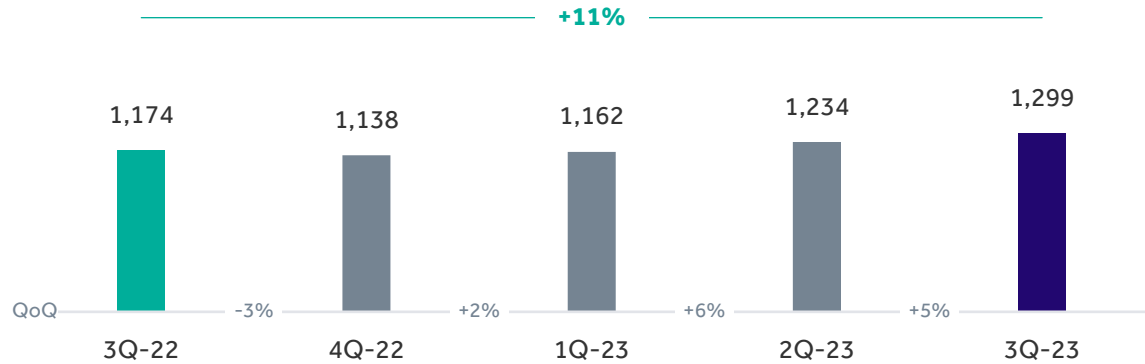
Expenses before Impairment Movement YoY (SARmn)



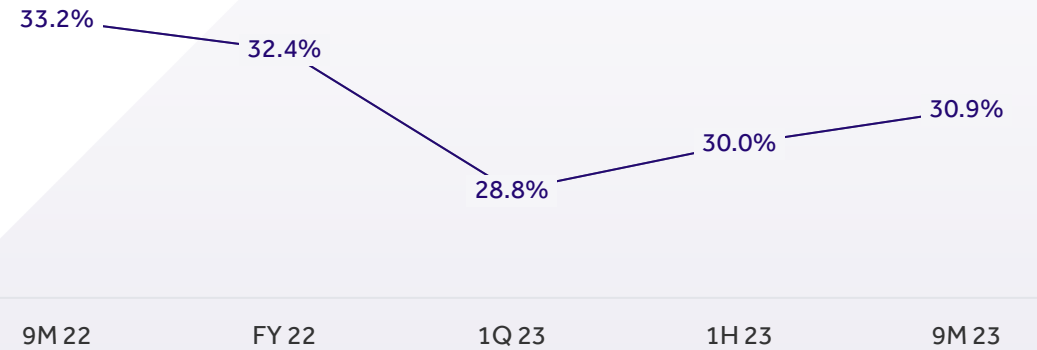
Expenses before Impairments Composition (%)



Quarterly Expenses before Impairment (SARmn)



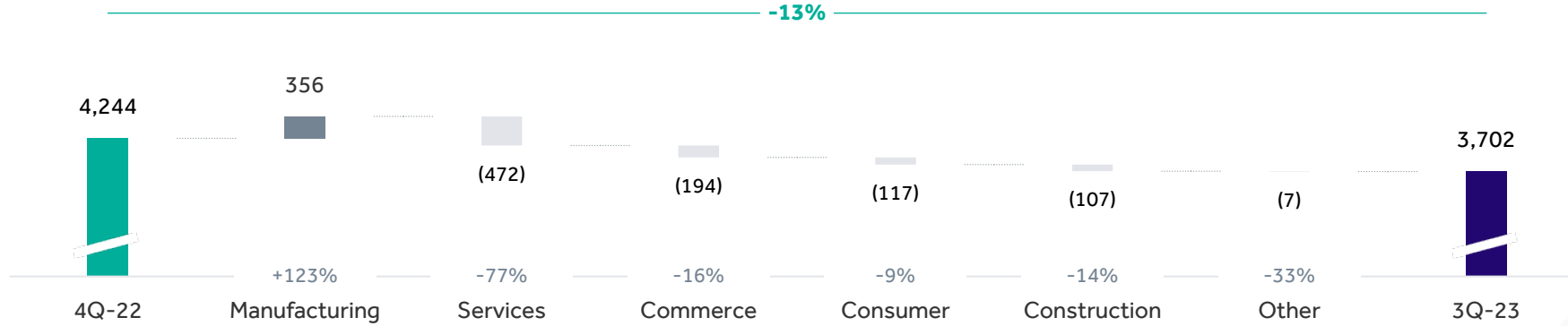
Cost to Income Ratio (%)





Cost of risk rose from efforts to boost coverage and manage NPLs proactively

NPL Movement by Sector YTD (SARmn)



NPL Coverage Ratio
3Q-23

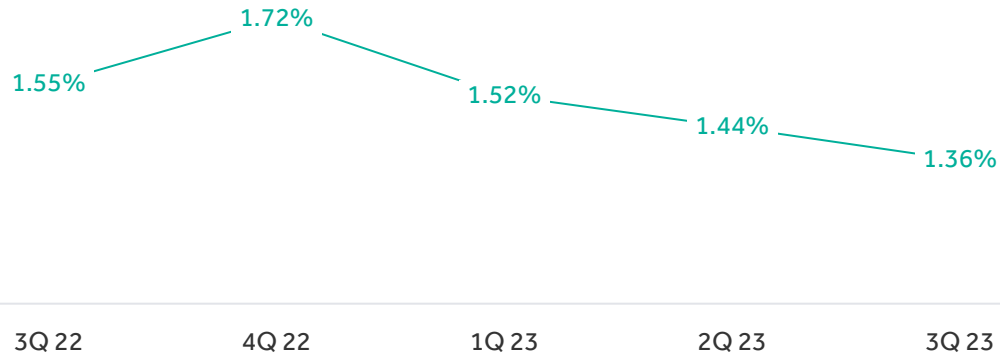
+15.9% YTD

127.9%

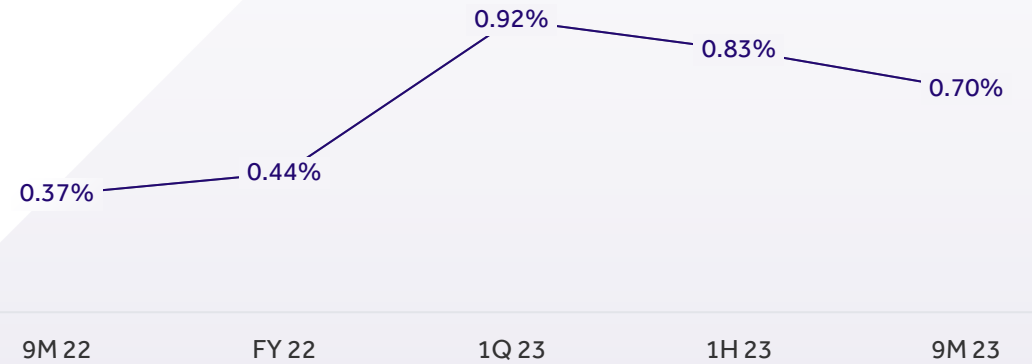
Stage-wise ECL on Gross Loans, 3Q-23, YTD

| Stage | 3Q-23 | YTD Change |
|---------|-------|------------|
| Stage 1 | 0.24% | +0.01% |
| Stage 2 | 9.9% | -1.3% |
| Stage 3 | 47.5% | -6.9% |

NPL Ratio (%)



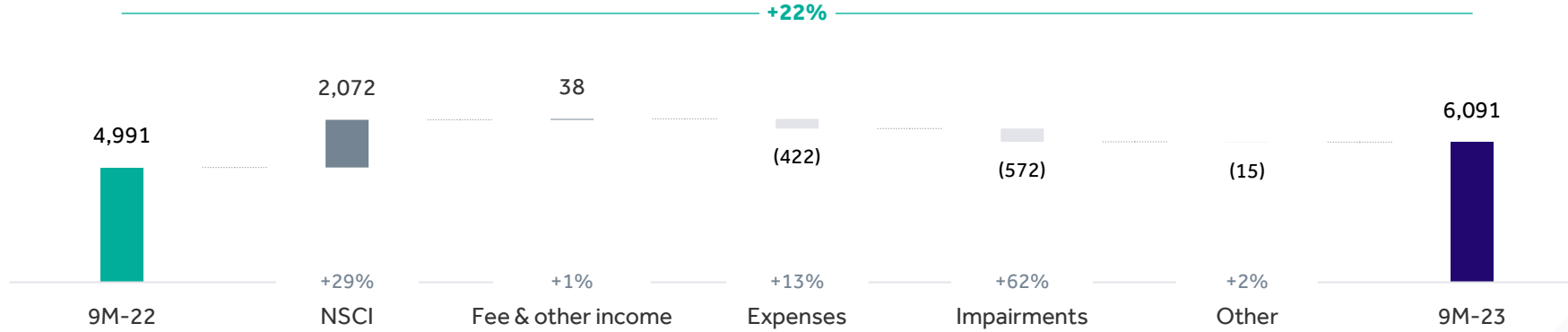
Cost of Risk* (%)





Together these factors spurred strong growth in profitability and better returns

Net Income Movement YoY (SARmn)



Total Operating Income ▲
9M-23

+21% YoY

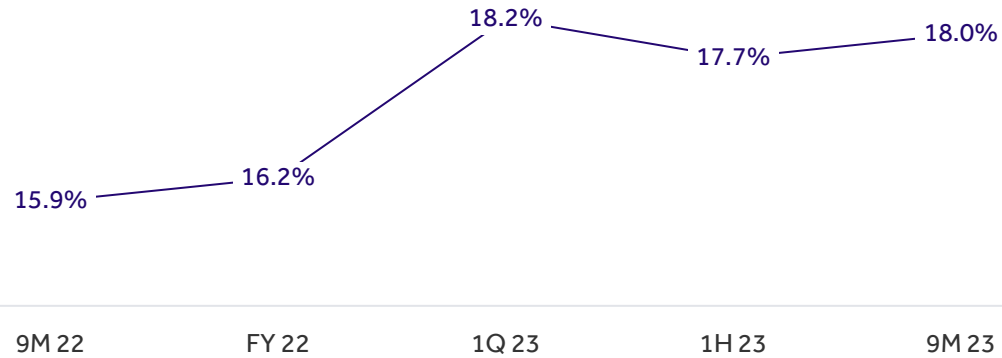
SAR Million **11,967**

Net Operating Income Before Impairment Charge ▲

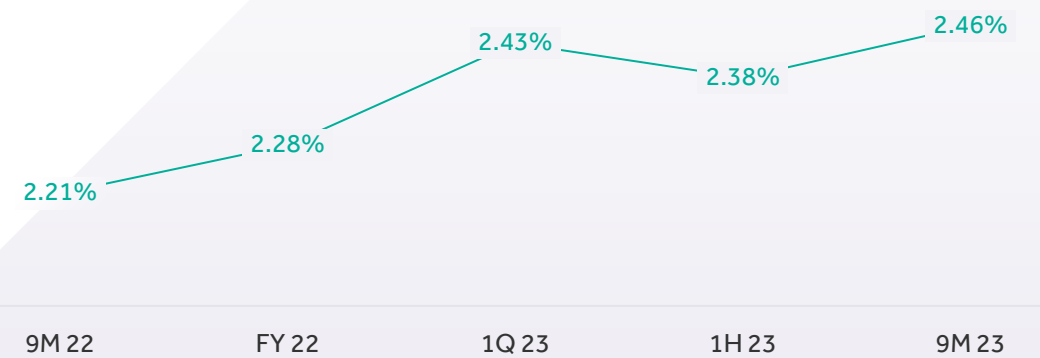
9M-23 +26% YoY

SAR Million **8,272**

ROAE before Zakat (%)



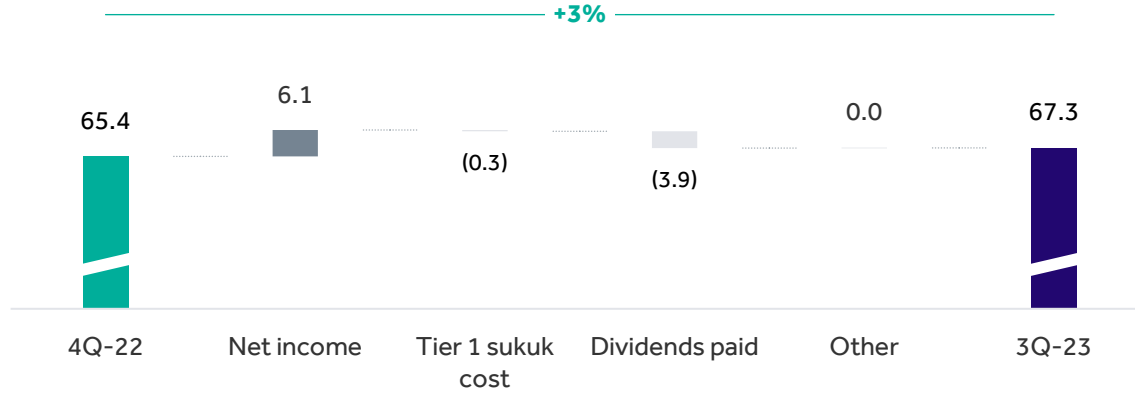
ROAA before Zakat (%)





Supporting strong and stable capitalization well above regulatory minima

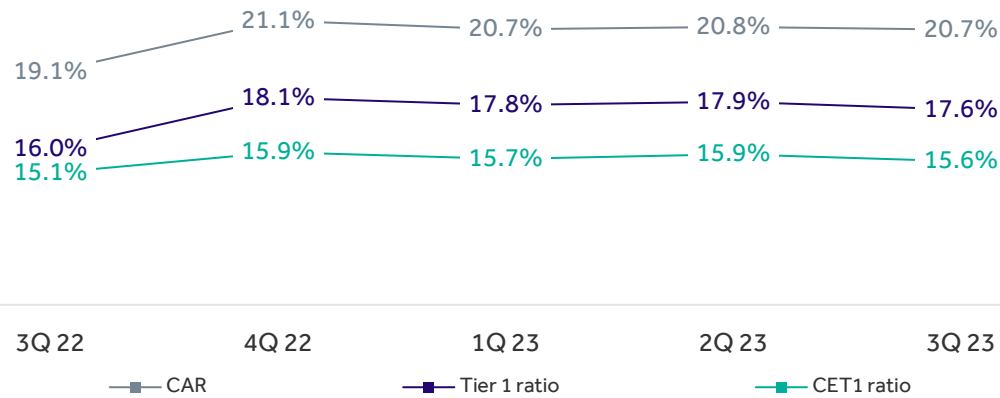
Total Regulatory Capital Movement YTD (SARbn)



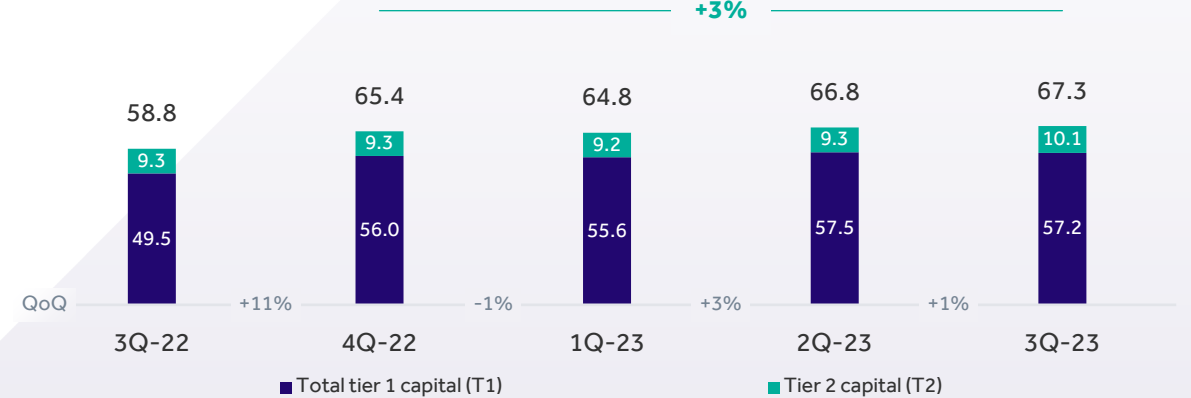
Risk Weighted Assets (SARbn)



Capital Ratios (%)



Total Capital (SARbn)





With all KPIs within guidance

| Guidance Metric | FY 2022 | Previous Guidance | 9M 2023 | Current Guidance |
|---------------------|-------------------------|---------------------------------|--------------------------|--------------------------------------|
| Loans, Net | SAR 242 bn (12% YoY) | High Single to Low Double Digit | SAR 267 bn (+11% YoY) | High Single to Low Double Digit ▶ |
| NSCI Margin | 3.11% | +40bps - +60bps | 3.64% (+0.53% YTD) | +40bps - +60bps ▶ |
| Cost to Income | 32.4% | Below 31% | 30.9% | Below 31% ▶ |
| Cost of Credit Risk | 0.44% | 70bps - 90bps | 0.70% | 70bps - 90bps ▶ |
| CET1 | 15.9% | Above 15% | 15.6% | Above 15% ▶ |
| ROAE before Zakat | 16.2% | Above 17%* | 18.0% | Above 17%* ▶ |



- **Appendix**





Contact the investor relations for more information

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[3Q 2023 Financials](#)

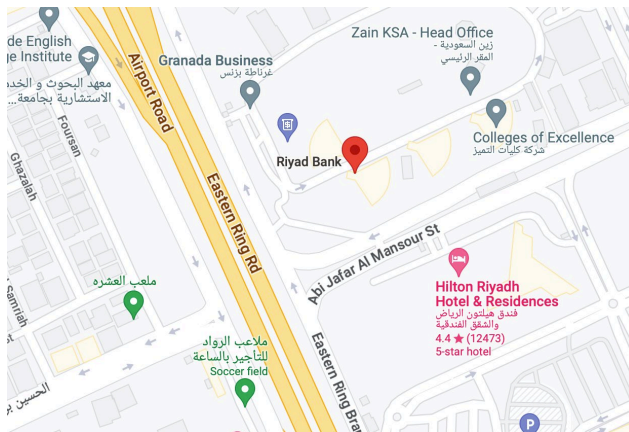


[Annual 2022 Report](#)

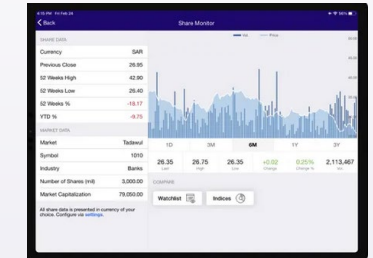


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