

## Chairman's Statement

# Always with you. Growing and innovating.

2023 was a pivotal year for Riyad Bank. We strengthened the segments of Retail and Corporate Banking, accelerated digital banking, enriched the customer experience, and elevated our environmental, social, and governance (ESG) efforts. We participated in the transformation of the Kingdom's financial sector and supported significant initiatives that reflect our commitment to achieving Saudi Vision 2030 goals.

### Accelerating Achievements

The exceptional achievements and financial results outlined in the 2023 Annual Report are a source of pride and reaffirm the position and reputation of Riyad Bank. Our dedicated team of elite bankers have proven their ability to compete not only in Saudi Arabia but across the region. Their passion, loyalty, talent, and creative thinking have perfectly executed the Bank's vision and strategy, yielding outstanding results for another year.

In 2023, we outperformed ourselves across all four pillars of our transformation strategy: to be the most profitable (in terms of return on equity, profit growth, and total return to investors), to become the most efficient, most innovative and digitally enabled, and to be the Bank of Choice for customers and employees.

Riyad Bank boasted net profit of SAR 8.0 Bn. in 2023, a growth of 15% compared to SAR 7.0 Bn. in 2022. We increased our return on equity significantly by growing our loan portfolio and improved our cost-to-income ratio through exceptional operational excellence.

We further asserted ourselves as the most innovative and digitally enabled bank in the Kingdom, spearheading numerous market-leading solutions and processes and elevating our digital maturity score. Our net promoter scores improved across the board, as well as our brand equity and brand value, demonstrating the trust we have built with our customers.

### Our Vision, Our Identity

Riyad Bank's 2023 results affirm that we are well on our way to achieve our vision of becoming the most innovative and trusted financial solutions partner. We continue to develop our identity, "My Bank, always with you", creating value for all Stakeholders.

Our identity is intricately woven into the fabric of Saudi Vision 2030 and Riyad Bank's Transformation Strategy 2025. Together, the strategies outline a future of prosperity, marked by excellence, fueled by creativity, and led with unwavering leadership across every tier of our organization.



Riyad Bank has committed more than  
**SAR 21.2 Bn.**  
to Vision 2030-related projects

### Supporting Vision 2030

As one of the largest financial institutions in the Kingdom of Saudi Arabia, Riyad Bank is an active participant in the realization of Saudi Arabia's Vision 2030. Our mission to help people, organizations, and society achieve their aspirations by being their trusted and caring financial solutions partner aligns with our responsibility to the Kingdom, reflecting our call to invigorate the national economy and create prosperity for all.



The 2023 Annual Report showcases Riyad Bank's outstanding achievements, with a 15% increase in net profit to SAR 8.0 Bn and significant strides in innovation and digitalization, reinforcing its position as a trusted financial partner aligned with Saudi Vision 2030 and the Bank's Transformation Strategy 2025.



Net profit increased by  
**15%**



This year, we signed multiple agreements and entered partnerships to support economic diversification and job growth in line with the national strategy. Riyad Bank has committed more than SAR 21.2 Bn. to Vision 2030-related projects, with 80% of these commitments happening in 2023. This demonstrates our commitment to supporting visionary projects and enabling the Kingdom's ambitious development plans.

Riyad Bank is also playing an important role in promoting financial empowerment for the Kingdom's citizens. We are providing sustainable financing solutions for homebuyers, helping families to increase their household savings rate, and promoting financial literacy through diversified financial planning and product offerings. We are also facilitating seamless payments with solutions such as our digital wallet, Bouki, and integrated e-invoicing.

**The Digital Innovation Center at Riyad Bank, operated by Jeel, achieved notable results in 2023, including launching new digital platforms, enhancing customer experiences, executing mobile platform, and improving internal processes for agile delivery.**

### Digital Banking and Innovation

As part of Vision 2030 goals and our company strategy, Riyad Bank is contributing to the wave of digital transformation across Saudi Arabia. This year, we solidified our position as a leading and innovative digital bank in 2023, using advanced technologies such as open banking and artificial intelligence (AI) to serve better our retail and corporate customers.

We increased our Digital Maturity Index score and adopted new solutions such as Microsoft Power BI and Medallia. We also established the Centre of Intelligence to focus on conversational AI and leveraged our open banking and Banking-as-a-Service model to create new value propositions and facilitate data sharing between businesses and financial service providers.

This year, we proudly launched Riyad Bank's innovation arm, Jeel Company. Operating as an independent business, Jeel is a digital catalyst for the fintech sector, supporting various Stakeholders with thought leadership, emerging technology, and research and development. It offers employees and participants a conducive environment and a holistic framework to create and scale innovative solutions for real-world challenges.

### Empowering the Success of MSMEs

In alignment with the Kingdom's efforts to drive innovation and economic growth, Riyad Bank remains committed to fostering micro, small, and medium enterprises (MSMEs). With 45 branches for MSMEs, In 2023 we launched the Riyad Bank Center for SMEs as well as a new standalone center in Al Khobar. Our dedicated centers provide specialized financial services and support for this critical yet underserved segment which represents an important pillar of the economy and Saudi Vision 2030. We have also proudly launched digital account opening for startups, further facilitating their ease of doing business.

For seven years in a row, Riyad Bank has ranked first in terms of the value of financing and guarantees given through the Kafala Finance Guarantee Program for SMEs. This year, we signed new partnership agreements with government agencies such as the General Authority for Small and Medium Enterprises and the Eastern Region Municipality to provide financing to MSMEs. We also established a credit portfolio worth USD 1 Bn. to finance entities in the communications and information sector.

### Social responsibility

Riyad Bank is committed to advancing our sustainability journey for the benefit of our people, partners and country. Bukra, our comprehensive and long-term corporate social responsibility (CSR) program, is aligned with local and global best practices including Vision 2030 and the United Nations Sustainable Development Goals. With support from executive leadership, I lead a dedicated CSR Committee to oversee the Bank's sustainability objectives and risks.

In 2023, we continued to improve our CSR strategy and initiatives, covering various ESG aspects. We further established Riyad Bank as a leader in sustainable finance, growing our net Green and Renewable loan commitments by over SAR 16 Bn.. We also achieved ISO 26000 certification, which recognizes Riyad Bank's socially and environmentally responsible standards and practices.

We held our inaugural Social Responsibility Forum in March, which enhanced our understanding and collaboration on CSR issues. In the year ahead, we will launch our ambitious Sustainability strategy and three-year roadmap with the aim to "Help Saudi Arabia Thrive".

In 2023, we also upheld our commitments to being a responsible employer, increasing female representation in the workforce, hiring persons with disabilities, and maintaining one of the highest Saudization rates in the Kingdom. Further, as part of our role in environment, we launched Al Hilal tree planting initiative, aligning with environmental the Kingdom's goals of sustainability and ecological responsibility.



### Riyad Bank Center for SMEs was launched

### A Challenging and Dynamic Banking Sector

Despite the global economic challenges faced in 2023, including ongoing crises impacting the world economy and challenges of integration into the digital economy, we witnessed significant transformations in the banking sector. The demand for online banking services increased, which also raised the potential for cybersecurity risks. In the Kingdom and beyond, financial institutions raced to enhance innovation and technology to deliver more efficient and secure services.

The year 2024 will bring new and complex challenges to the banking sector and the economy at large. We face ongoing crises, security threats, geopolitical uncertainties, and slow economic growth coupled with inflation. In this context, banks have a vital role to play in fostering economic recovery, promoting development, and stimulating the economy. We should work to support MSMEs, increase investment, and forge strategic partnerships and alliances, especially in the technology sector.

The banking sector will also need to accelerate digital transformation to provide more innovative and customer-centric banking services. Moving forward, sustainability and technology will be the key drivers of the banking and economic sectors' challenges and opportunities, both globally and locally.

At Riyad Bank, we are committed to providing innovative solutions that cater to the needs of Saudi businesses and help boost the national economy. Through our relentless efforts in digital transformation, we deliver more efficient and competitive banking services that enhance the sustainability of our financial performance and achievements. We continue to build on the Bank's legacy and exceed the expectations of our customers, shareholders, and partners.

### Acknowledgments

On behalf of all of us at Riyad Bank, I would like to extend sincere thanks and appreciation to the Custodian of the Two Holy Mosques, King Salman bin Abdulaziz Al Saud and to His Royal Highness Crown Prince Mohammed bin Salman bin Abdulaziz Al Saud, Prime Minister - may Allah protect them and take care of them.

We would also like to express gratitude to the Ministry of Finance, the Saudi Central Bank, and the Capital Market Authority, for the support and assistance they provide to the banking sector, propelling us forward each year.

### Abdullah Mohammed Al-Issa

Chairman of the Board