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# Earnings Presentation

## 1Q 2024



# 1Q 2024 Performance Highlights

Stable growth

Healthy & resilient financial position

Good progress on refreshed strategy

+3%  
YTD

Loan Growth

3.40%

Lower Margin

+3%  
YOY

Net Income Growth

15.5%

Profitability  
(ROAE after Zakat)

1.19%  
NPL Ratio

Proactive  
NPL Management

140.8%  
NPL Coverage Ratio

Improved  
Coverage

19.3%  
Total CAR

Strong  
Capitalization

82.7%  
SAMA weighted LDR

Comfortable  
Liquidity

**Corporate**

- Leading Player in [Vision 2030](#)
- Growth in financing [green projects](#)
- Largest in [MSMEs](#) (#1 in kafala)
- [Digitally](#) enabled RMs

**Retail**

- Growing [customer numbers](#)
- Expanding [product offering](#) through partnerships
- Record Private banking [NPS](#) scores
- Developing [next-gen mobile app](#)

**Digital**

- [Agile delivery](#) through "Jeel"
- USD1 bn funded to [technology sector](#)
- Launch of [new Riyadh Online](#) for Corporate
- Launched [RM Workbench](#)



- **Strategy Update**





# Our ambition is to be the best Bank in KSA

Strategic Pillars

**Most Profitable**

Definition

Sustainable profit growth and returns to shareholders

Focus Area

Profitability

Growth

KPIs

ROE  
Profit growth  
Total Shareholders return

**Most Efficient**

Highest return on spend and operational excellence

Cost Efficiency

Operational Efficiency

Cost to income  
Time to cash

**Bank of Choice**

Best bank for customer, employees and society

Customer

People

ESG

NPS\*  
People Index\*\*  
Brand Value

**Most Innovative & Digitally Enabled**

Most innovative and digitally enabled bank

Digital

Innovation

Digital Maturity Index



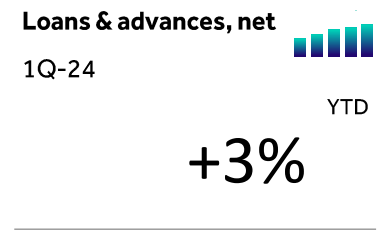
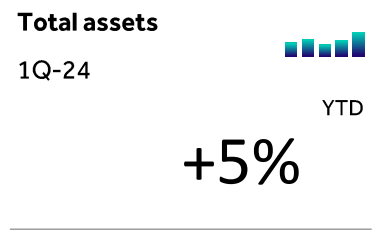
- **1Q 2024 Financial Performance**



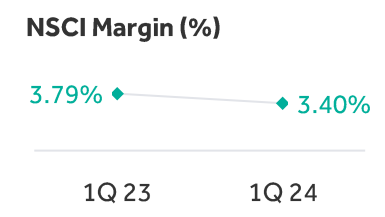
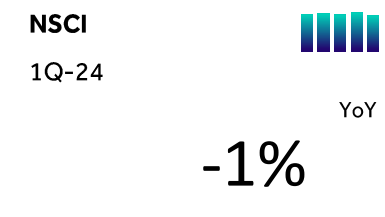
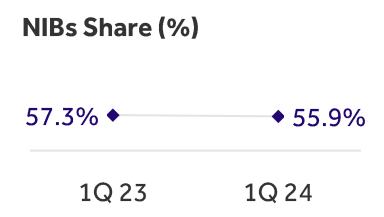
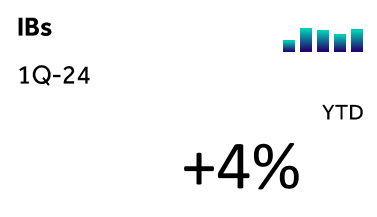
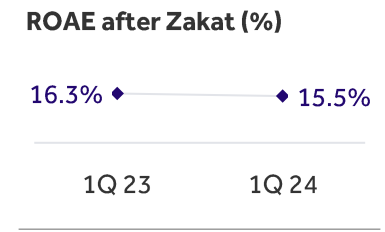
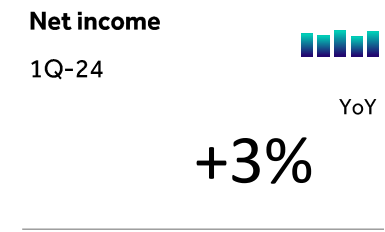


# Decent growth in profitability supported by fee & other income and improved asset quality

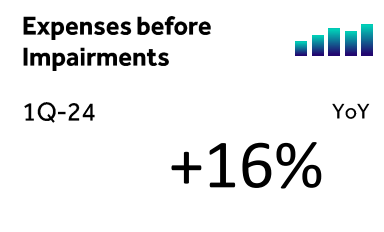
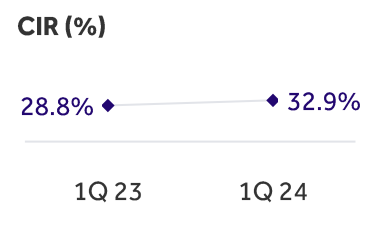
Balance sheet expansion, driven by loans and investments, funded mainly by interest bearing deposits



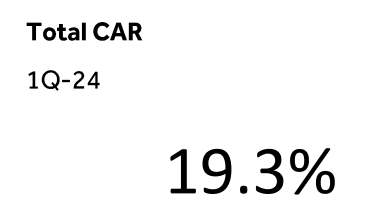
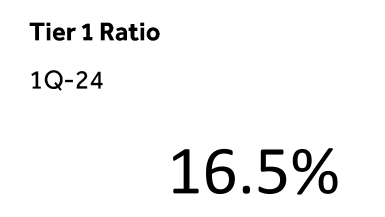
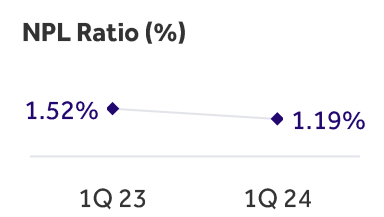
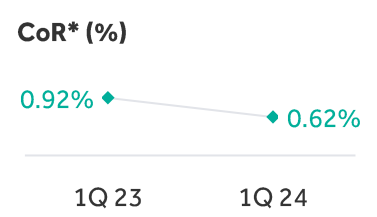
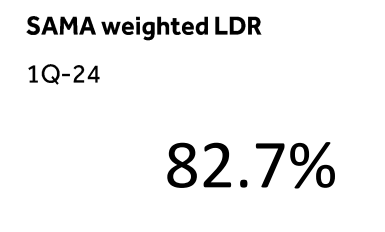
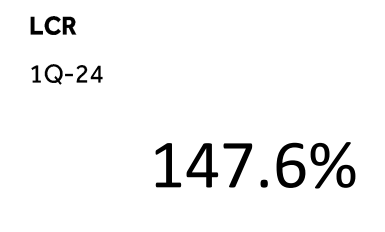
Growth in profitability driven by fee and other income, while NSCI, slightly dropped due to higher cost of funding



Higher cost to income ratio from ongoing investments in strategic projects, but decrease CoR from improved asset quality, while proactively managing NPLs



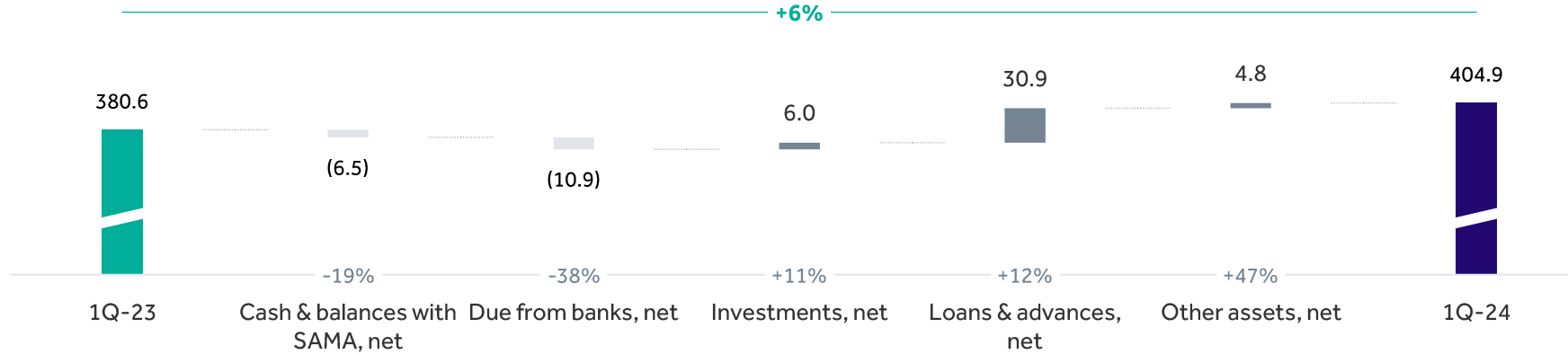
Comfortable liquidity and strong capitalization well above regulatory minima



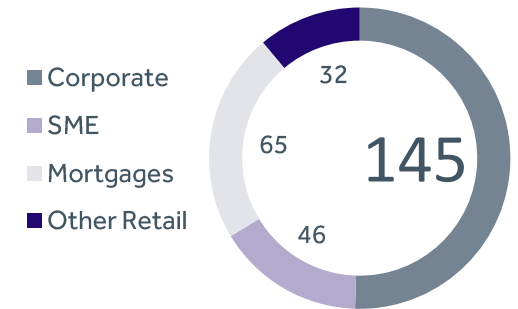


# Solid balance sheet expansion driven by growth in loans and investments

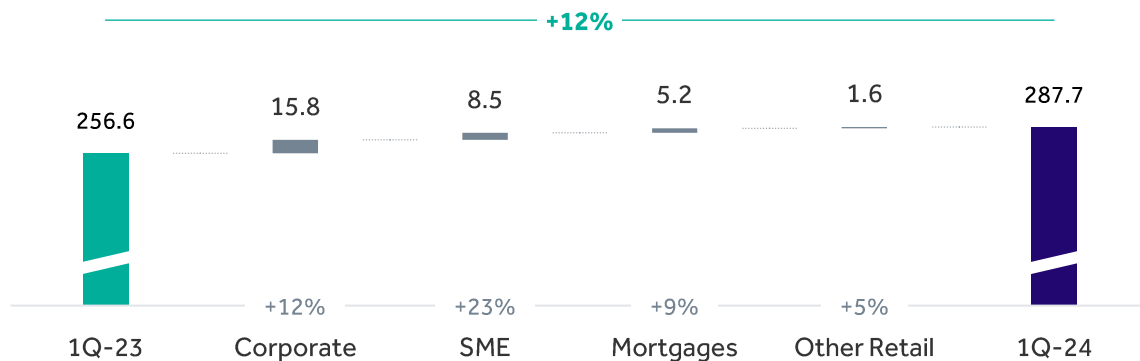
Total Assets Movement YoY (SARbn)



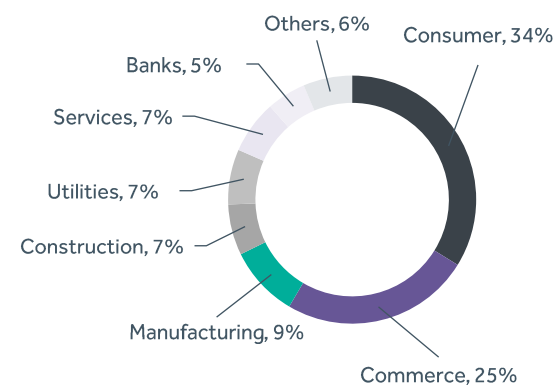
Loans & Advances, Gross Composition 1Q-24 (SARbn)



Gross Loans Movement YoY (SARbn)



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



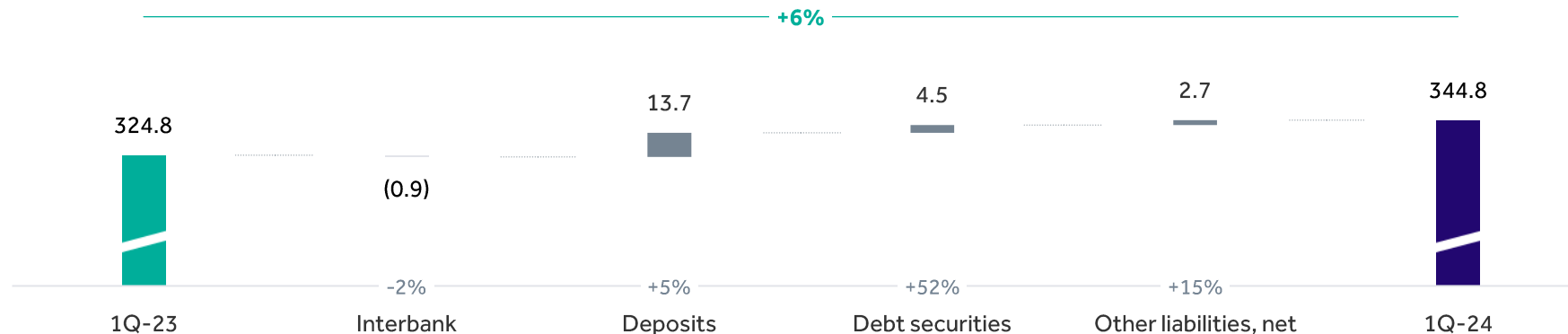
SME Highlights



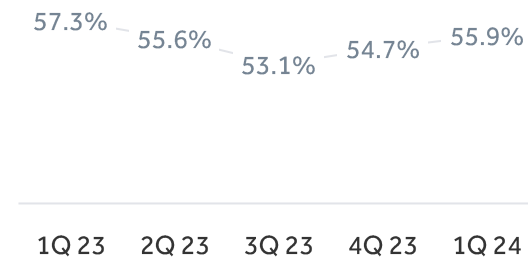


# Which was funded mainly by interest bearing deposits while overall liquidity position remained comfortable, leaving ample room for growth

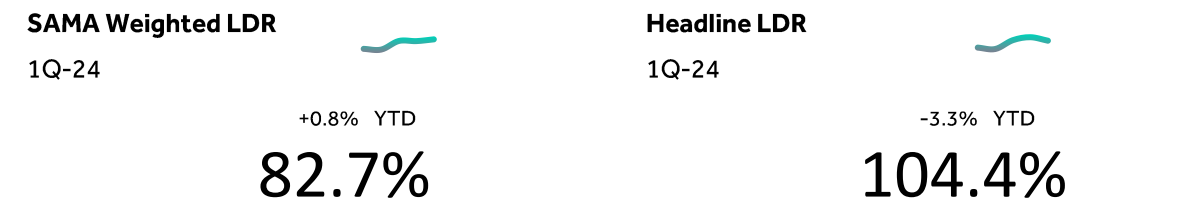
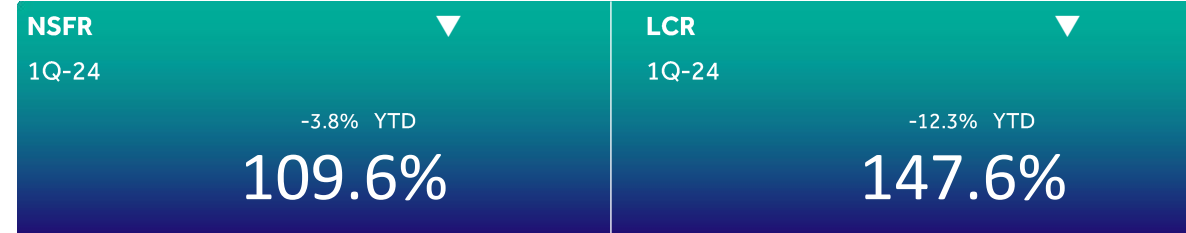
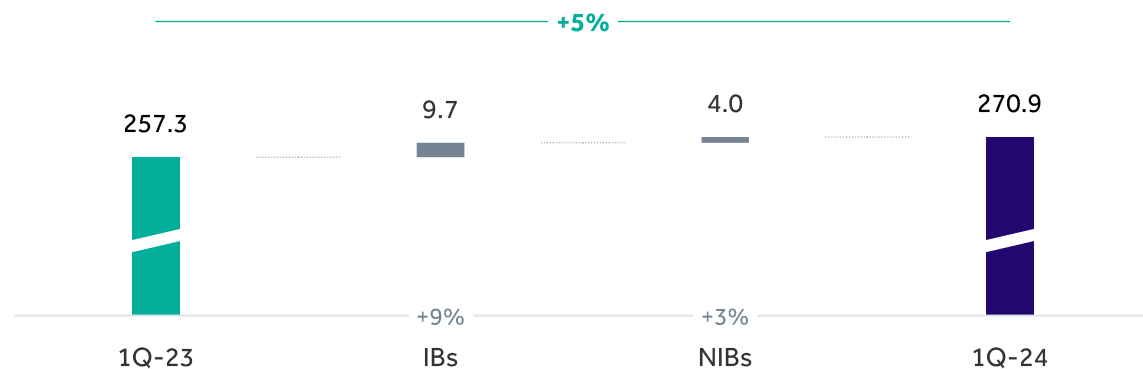
Total Liabilities Movement YoY (SARbn)



NIBs % of Total (%)



Total Customers' Deposits Movement YoY (SARbn)

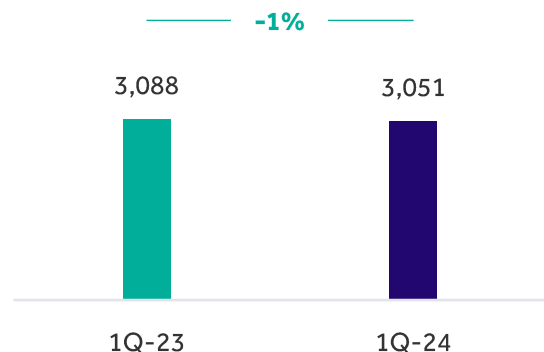




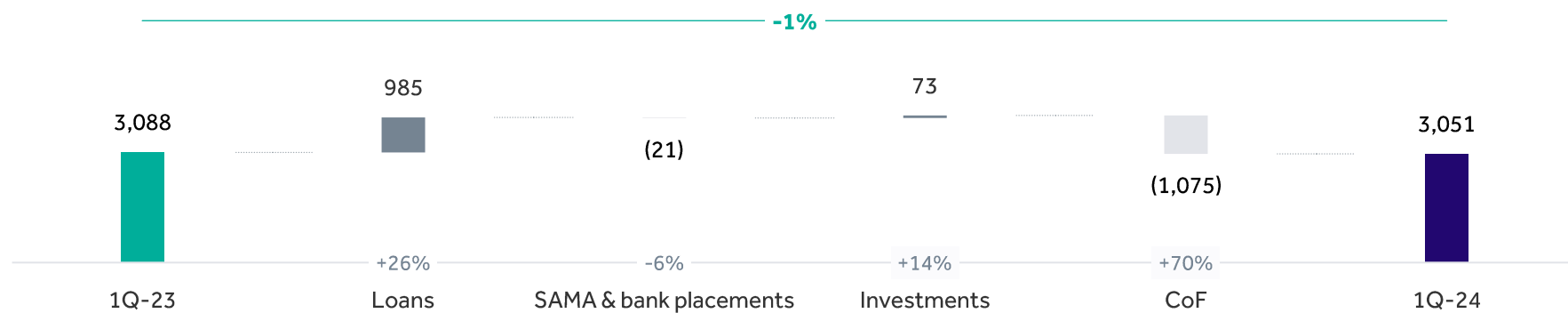


# Slight drop in NSCI from shifting deposit mix and higher funding costs

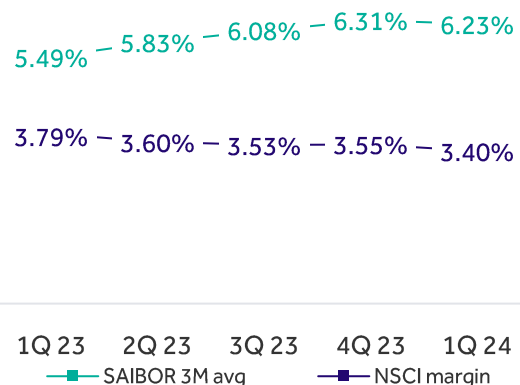
NSCI (SARmn)



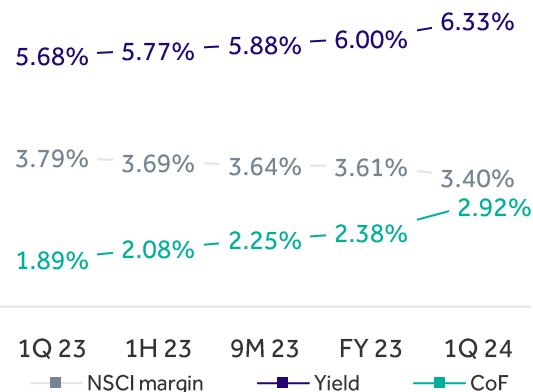
NSCI Movement YoY (SARmn)



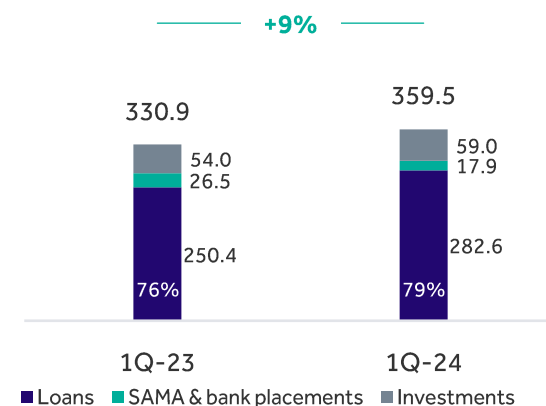
Quarterly NSCI Margin and SAIBOR Trend (%)



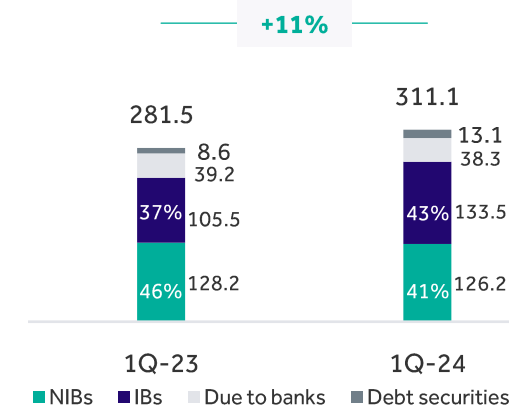
YTD NSCI margin (%)



Average Earning Assets (SARbn)



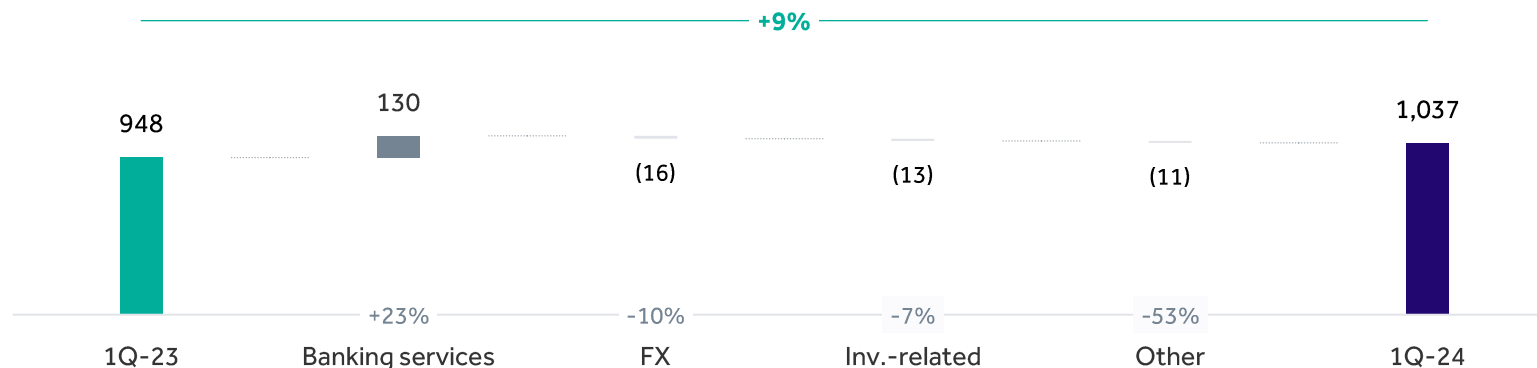
Average Bearing Liabilities (SARbn)



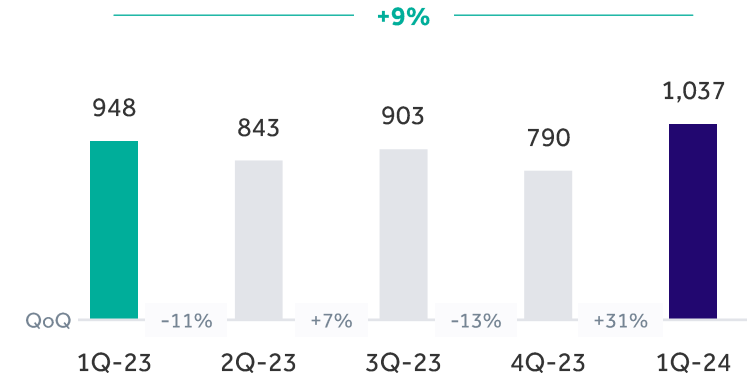


# While fee & other income witnessed a strong growth driven by higher fees from banking services

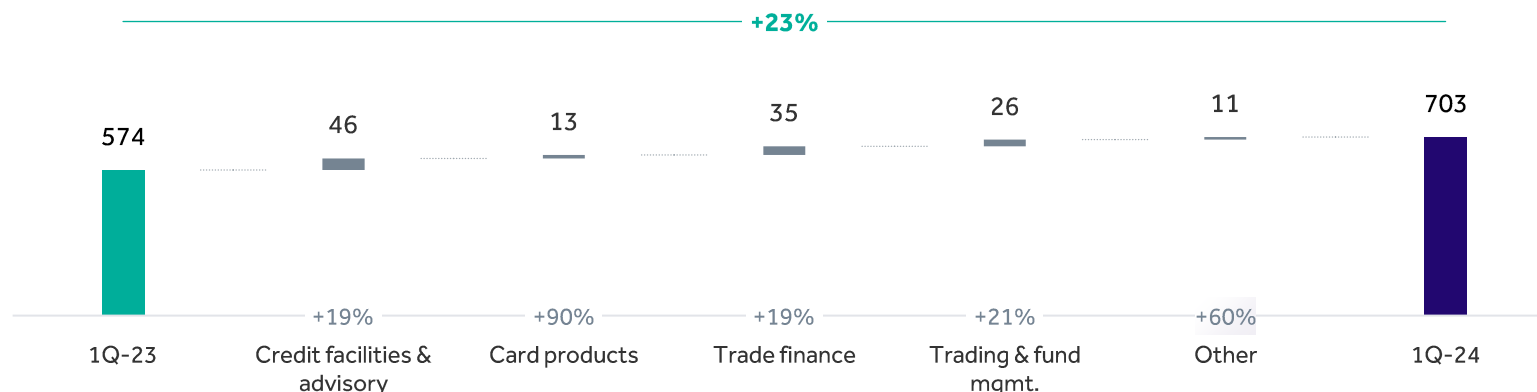
Fee & Other Income Movement YoY (SARmn)



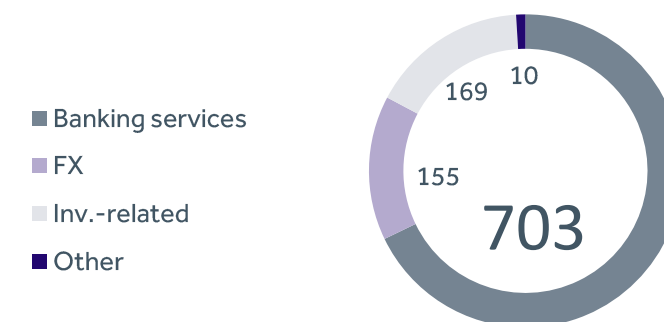
Quarterly Fee & Other Income (SARmn)



Fee Income from Banking Services Movement YoY (SARmn)



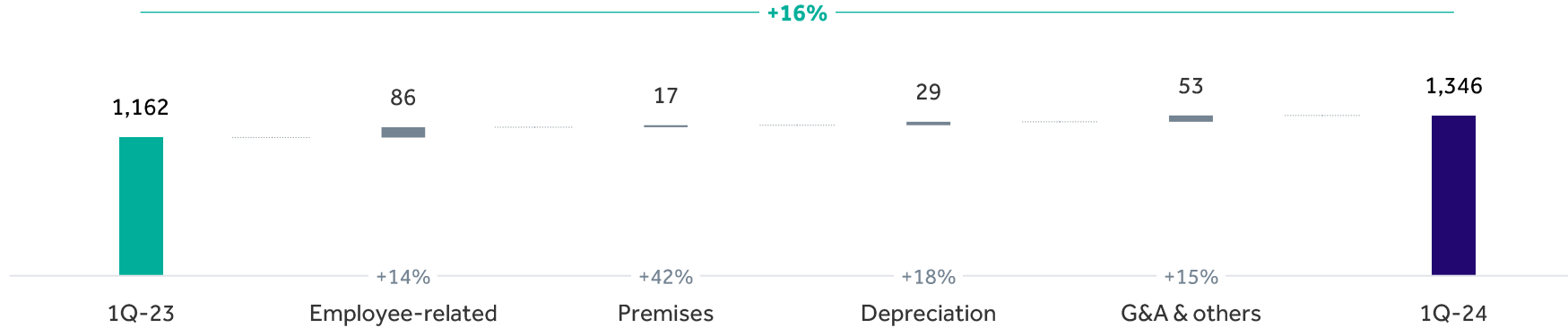
Fee & Other Income Composition, 1Q-24 (SARmn)



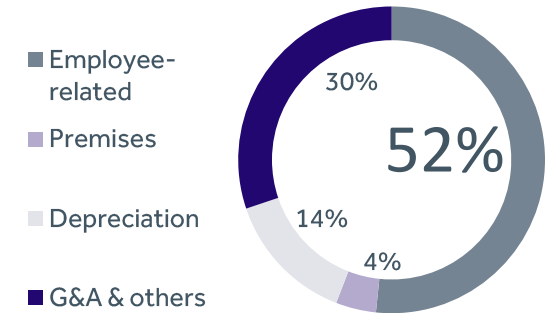


# Ongoing investments in infrastructure, digital capabilities, and strategic initiatives resulted in a higher cost to income ratio

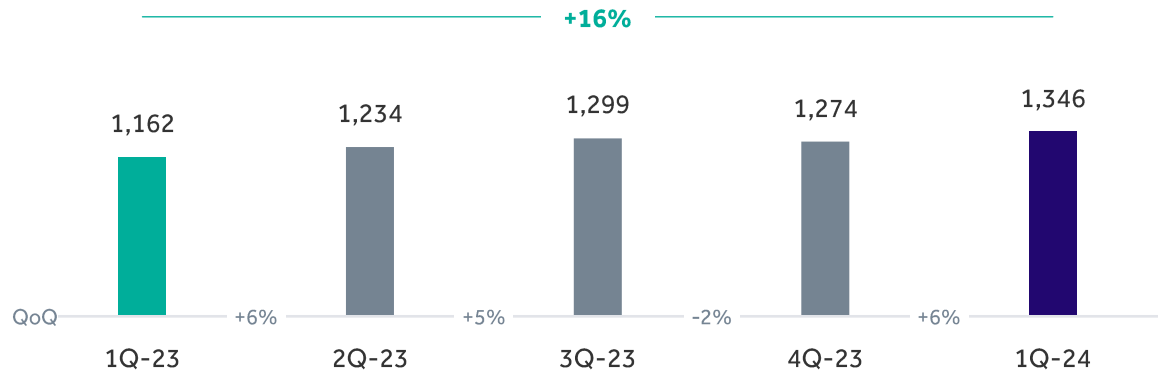
Expenses before Impairment Movement YoY (SARmn)



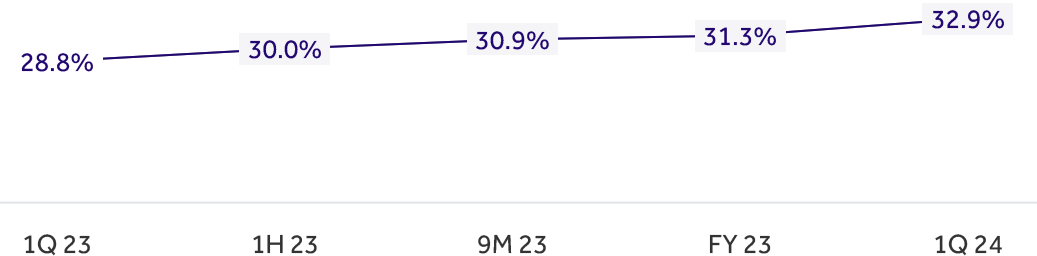
Expenses before Impairments Composition, 1Q-24 (%)



Quarterly Expenses before Impairment (SARmn)



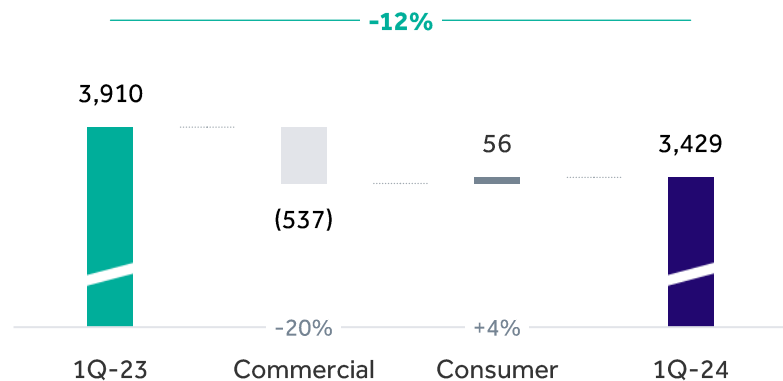
Cost to Income Ratio (%)



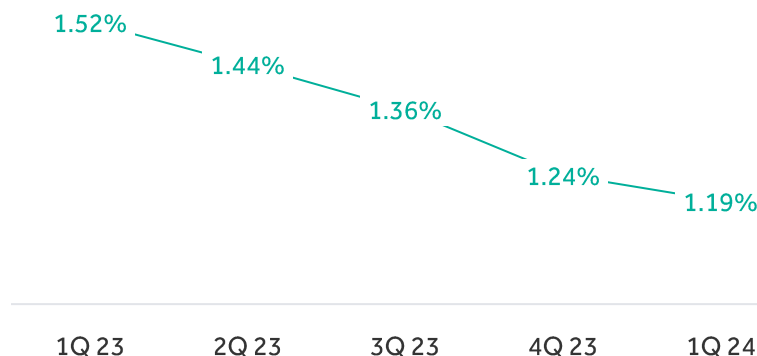


# Cost of risk improved from proactive risk management and better asset quality

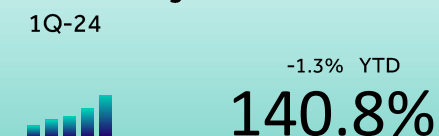
NPL Movement by Sector YoY (SARmn)



NPL Ratio (%)



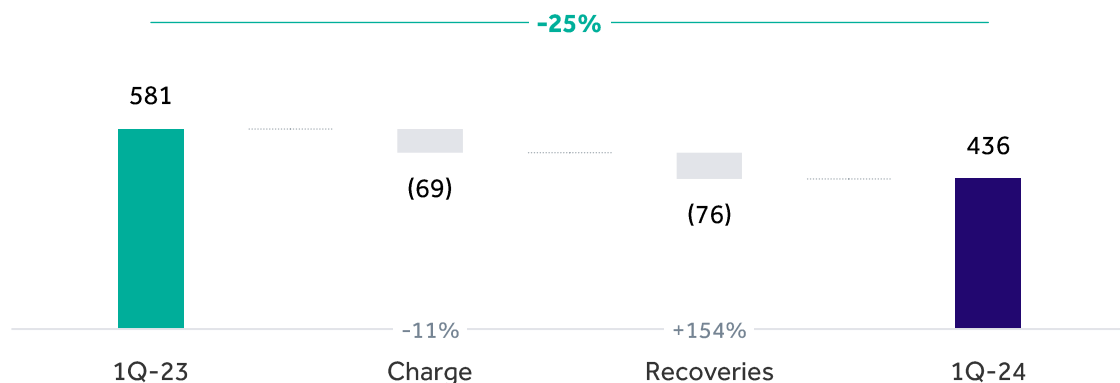
NPL Coverage Ratio



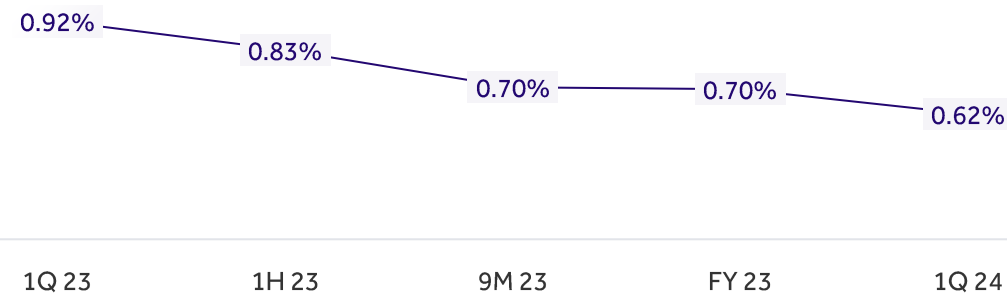
Stage-wise ECL on Gross Loans, 1Q-24, YTD

Stage	1Q-24, YTD
Stage 1	0.27% ▼ -0.04%
Stage 2	12.2% ▼ -0.7%
Stage 3	48.0% ▲ +1.3%

Impairments for Credit Losses Movement YoY (SARmn)



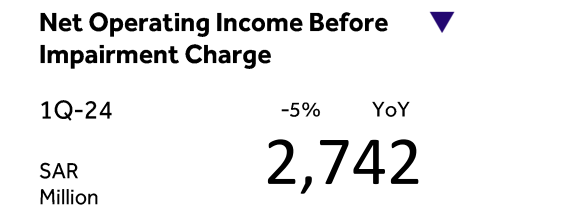
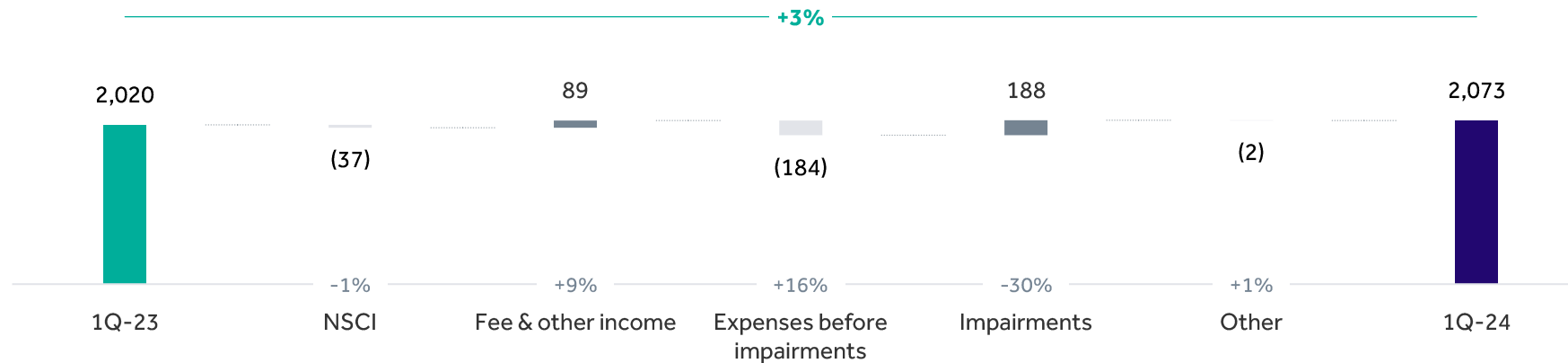
Cost of Risk\* (%)



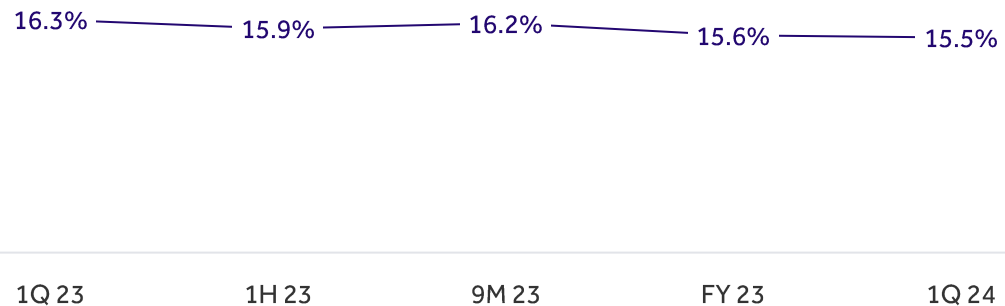


# Together these factors supported the growth in profitability

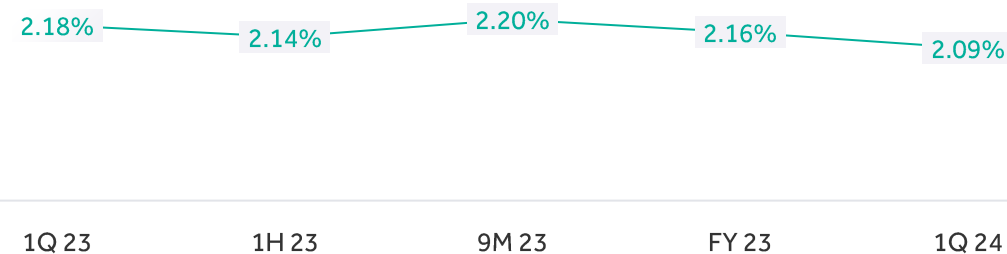
Net Income Movement YoY (SARmn)



ROAE after Zakat (%)



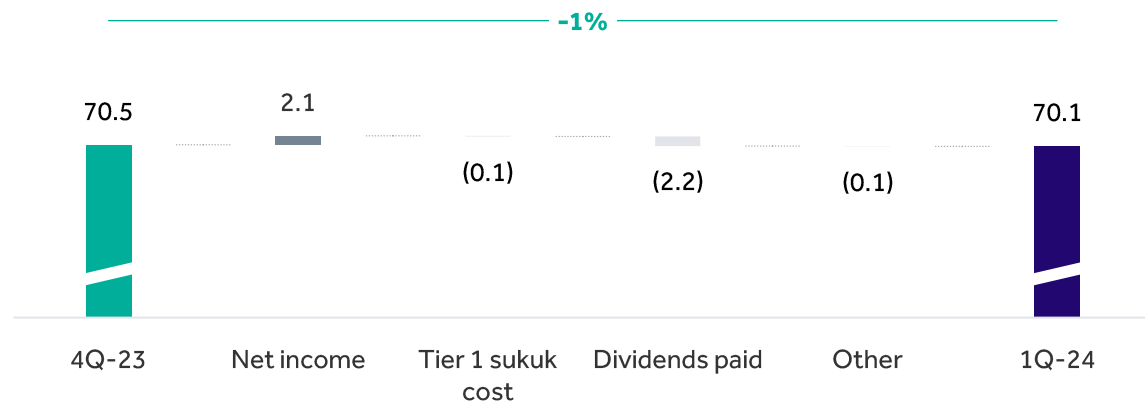
ROAA after Zakat (%)





# Supporting strong and stable capitalization well above regulatory minima

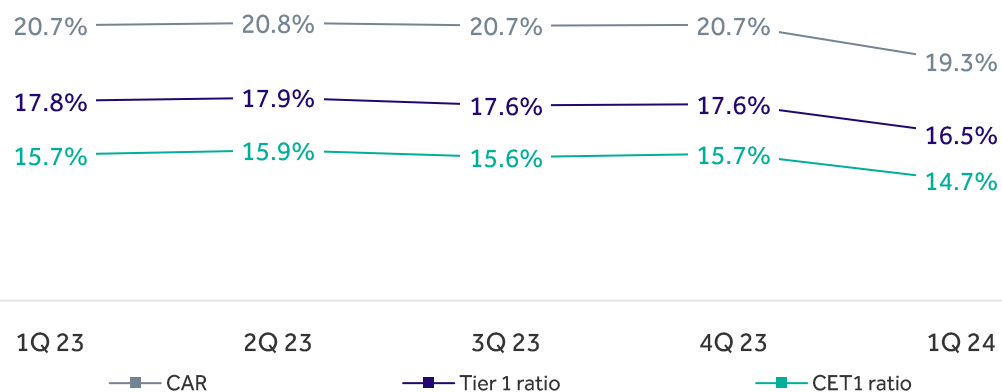
Total Regulatory Capital Movement YTD (SARbn)



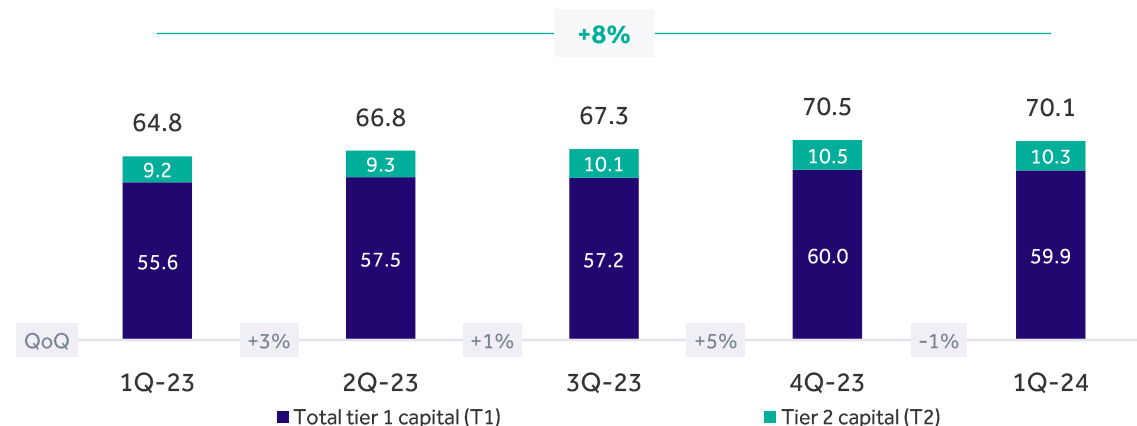
Risk Weighted Assets (SARbn)



Capital Ratios (%)



Total Regulatory Capital (SARbn)





# With all KPIs within expectations

Guidance Metric	FY 2023	Previous Guidance	1Q 2024	Revised Guidance	Drivers
Loans, Net	SAR 274 bn (13% YoY)	High Single to Low Double Digit	<b>SAR 283 bn (+12% YoY)</b>	High Single to Low Double Digit	Healthy credit demand mainly coming from corporate and SMEs driven by positive economic activities
NSCI Margin	3.61%	-10bps to -15bps	<b>3.40% (-21bps YTD)</b>	-10bps to -20bps	Assets repricing along with balance sheet optimization and cost of fund management will improve margins to land within guidance
Cost to Income	31.3%	Below 32%	<b>32.9%</b>	Below 32%	Investments will continue in digitization, systems and people to achieve our strategic aspirations
Cost of Credit Risk	0.70%	65bps - 75bps	<b>0.62%</b>	65bps - 75bps	Proactive risk management to support asset quality and improve coverage
CET1	15.7%	Above 15%	<b>14.7%</b>	Above 15%	Strong capitalization and efficient capital management supported by internal capital generation
ROAE after Zakat	15.6%	Above 15%	<b>15.5%</b>	Above 15%	Maintain healthy ROAE driven by top line growth and efficiencies



- **Appendix**







# Contact the investor relations for more information

## Institutional investor contact

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Visit our website for more information and to access our disclosures

<https://www.riyadbank.com/web/guest/about-us/investor-relations/financial-results>



1Q 2024 Financials



2023 Annual Report

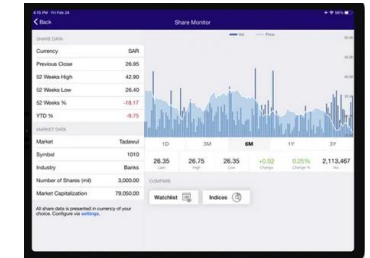


ESG 2022 Report

## Riyad Bank Head Office ([Link](#))



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