



Investor Presentation

2Q 2024



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Riyad Bank Profile





Riyad Bank is the third largest bank in Saudi Arabia

Our Mission:

Tobe the most innovative & trusted financial solutions partner

Our Employees:

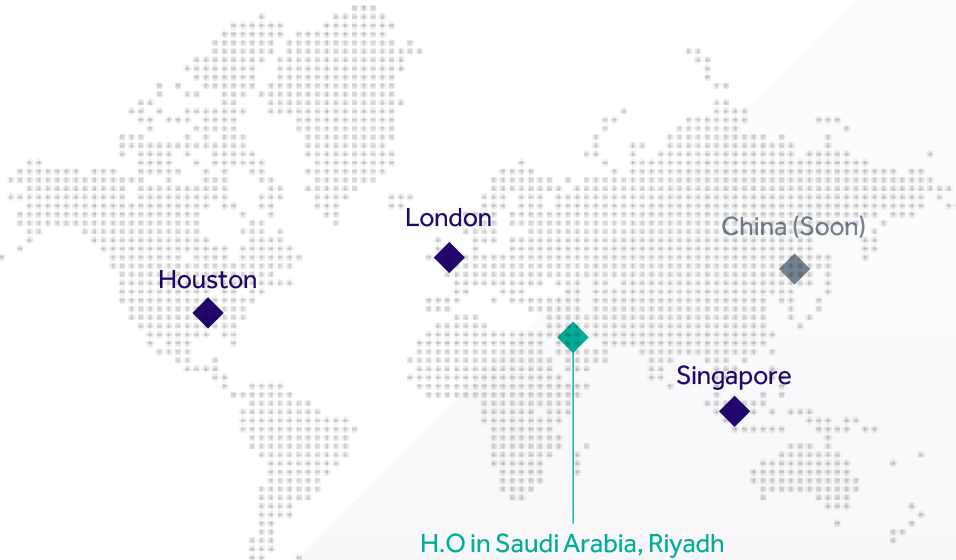
Employees* 7,887

Female Employees* 29%

2Q 2024 Key Metrics

Assets		Operating Income		Cost to Income Ratio
SAR bn	405	SAR bn	2Q: 4.0 1H: 8.1	31.8%
Loans, Net		Pre-Impairment Operating Income		Cost of Risk**
SAR bn	291	SAR bn	2Q: 2.8 1H: 5.5	0.58%
Deposits		Net Income		T1 Capital
SAR bn	276	SAR bn	2Q: 2.3 1H: 4.4	16.7%
SAMA LDR Ratio		LCR		NSFR
84.3%		156.9%		112.9%

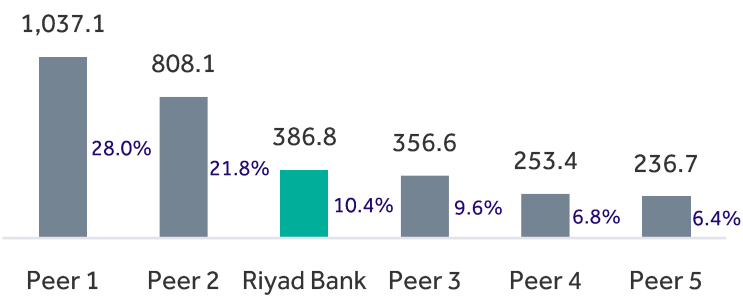
Our Presence:



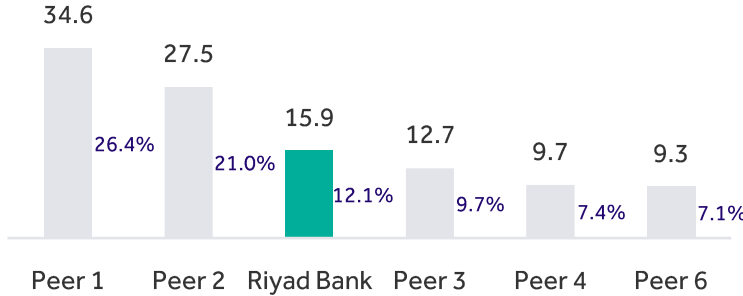
Rating	LT	ST	Outlook	Branches (Licensed)
S&P Global Ratings	A-	A-2	Stable	334
Fitch Ratings	A-	F2	Stable	ATMs
Moody's	A2	P-1	Positive	PoS
				2,117
				242,243

Riyad Bank is consistently in the top 3 KSA banks across a range of metrics

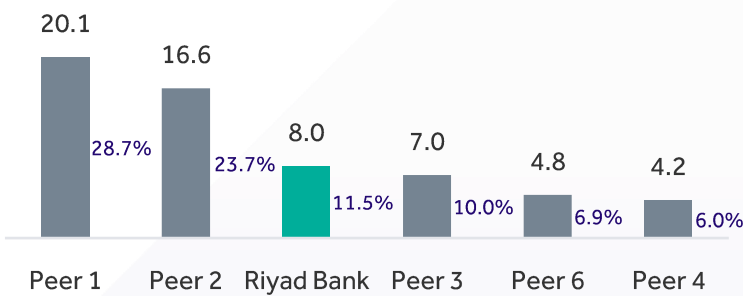
2023 Total Assets (SARbn) & Market Share (%)



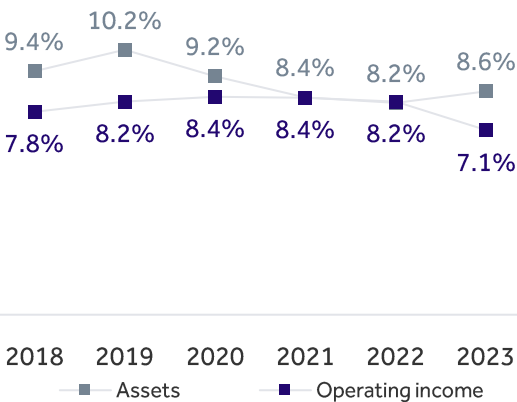
2023 Oper. Income (SARbn) & Market Share (%)



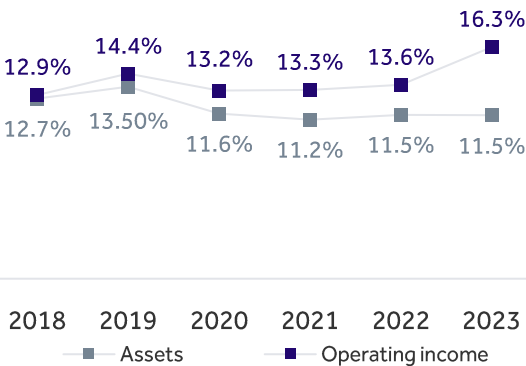
2023 Net Income (SARbn) & Market Share (%)



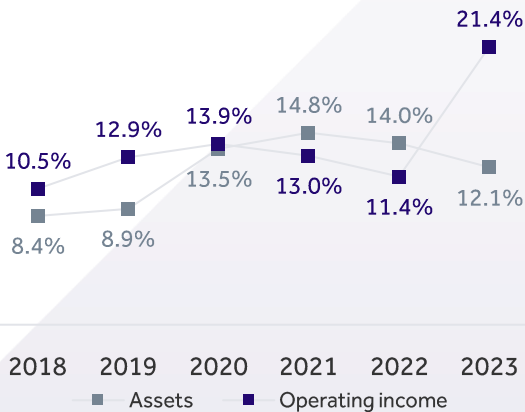
Retail Banking Market Share (%)



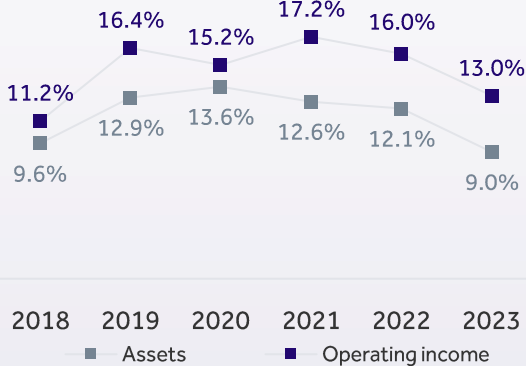
Corporate Banking Market Share (%)



Treasury & Investment Market Share (%)



IB & Brokerage Market Share (%)





Riyad Bank is a liquid stock with strong domestic ownership

Market Capitalization

30 Jun 2024

-9.8% YTD

SAR
Billion

76.972

52-week Trading Range (SAR)

30 Jun 2024

24.34 – 35.25

Valuation Metrics

11.0x

P/E ratio (FY23)

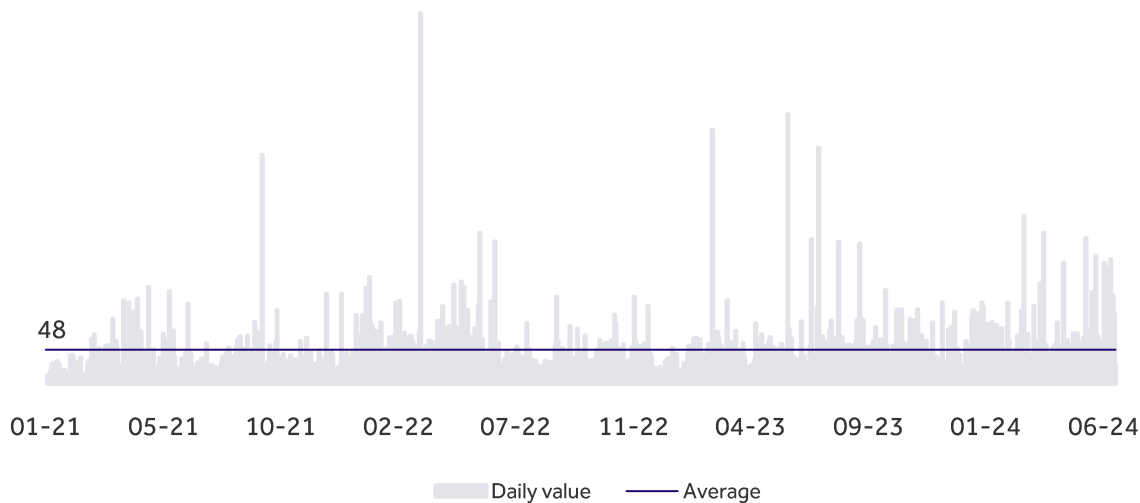
1.59x

P/TBV (FY23)

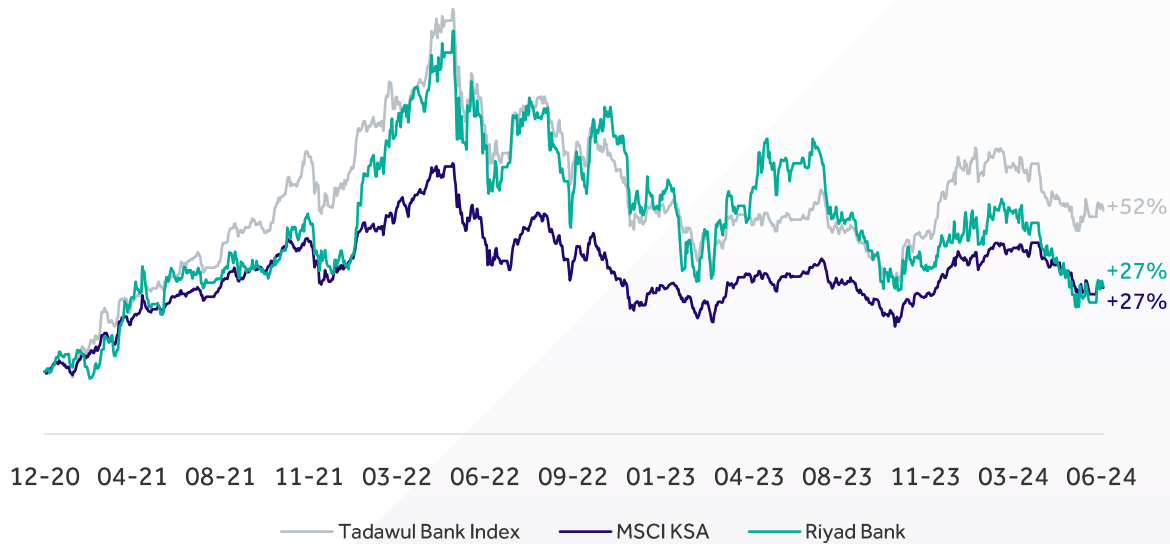
4.9%

Dividend Yield (FY23)

Riyad Bank Daily Share Trading Value (SAR millions)

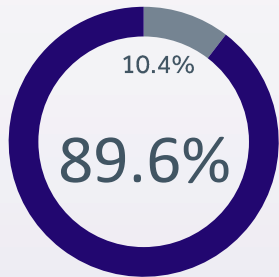


Riyad Bank Share Price Performance (Indexed to 31 Dec 2020)



Shareholder Origin (%)

- Foreign
- Domestic





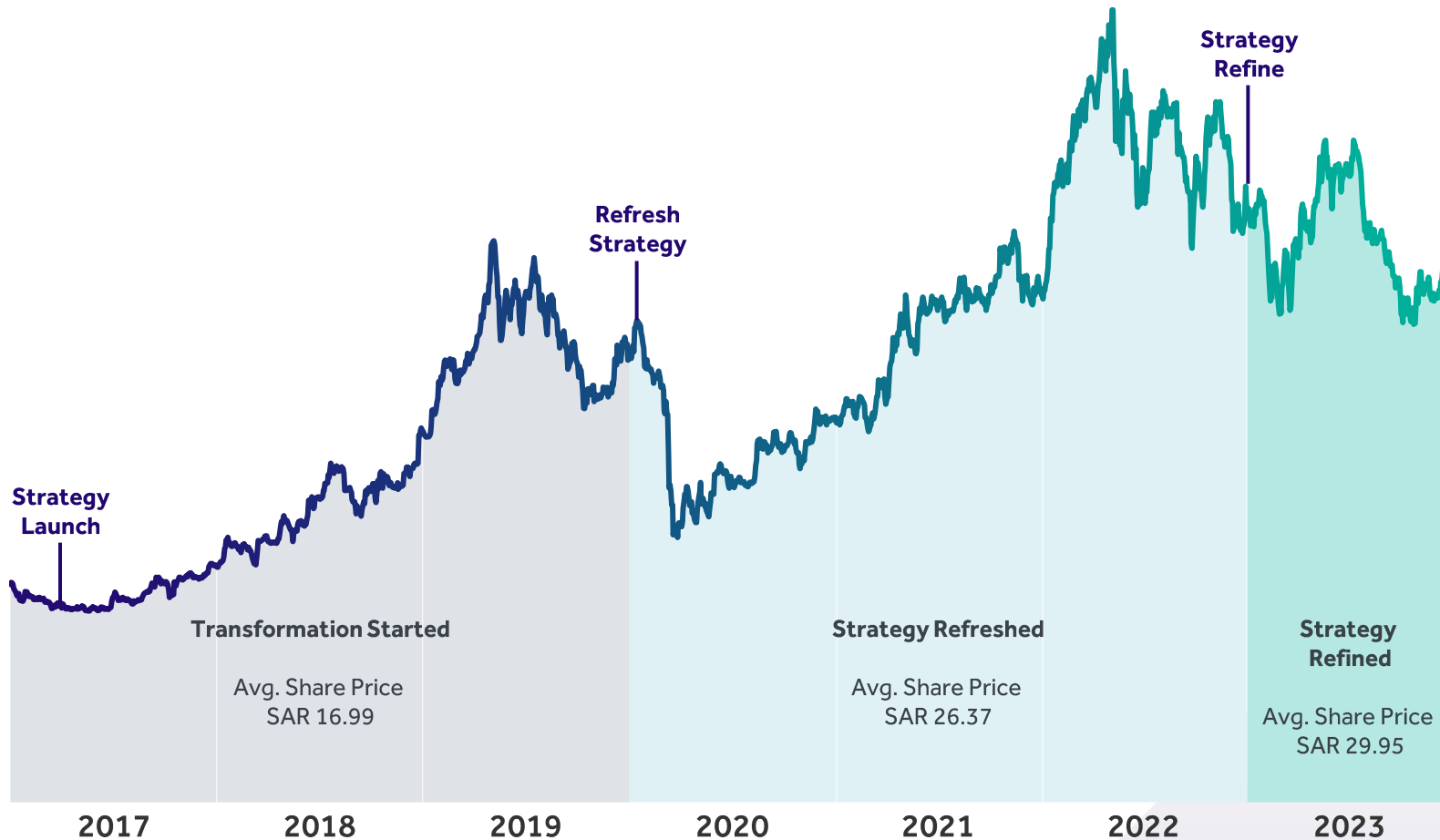
■ Strategy





We have already come a long way on this journey

Share Price (SAR)



Key Strategic Milestones

- 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 refreshed due to significant market disruptions
- 2021 - 2022: Focus on innovation and digitization
- 2023: Strategy was refined to become the best bank in KSA by 2025



We have become a Top-2 bank in corporate and a Top-3 in retail banking

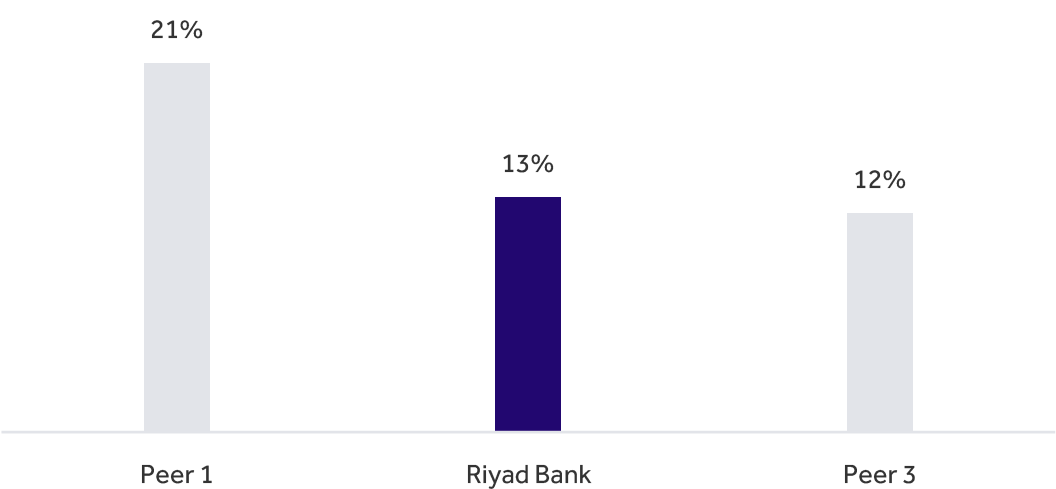
Corporate Banking Market Share*



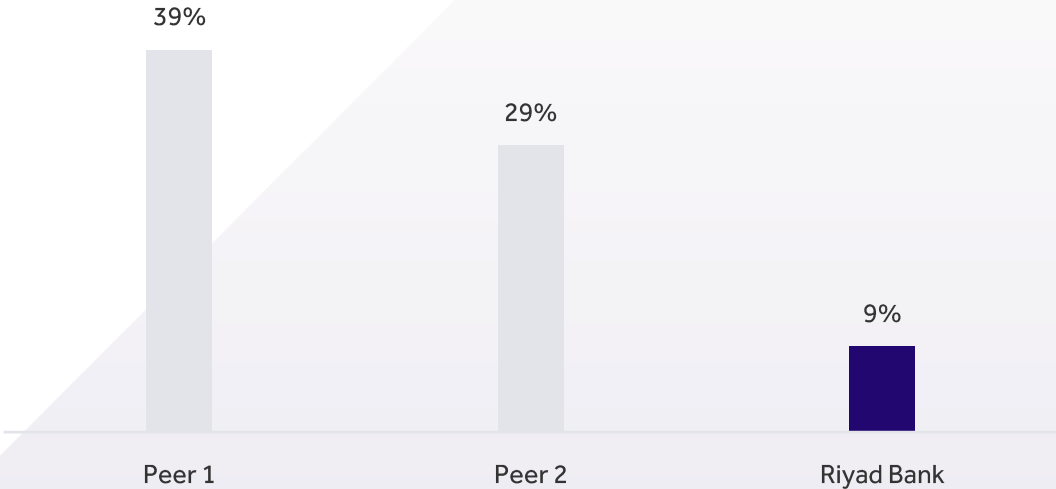
Retail Banking Market Share*



Top 3 Banks by Corporate Loans and Advances, net



Top 3 Banks by Retail Loans and Advances, net



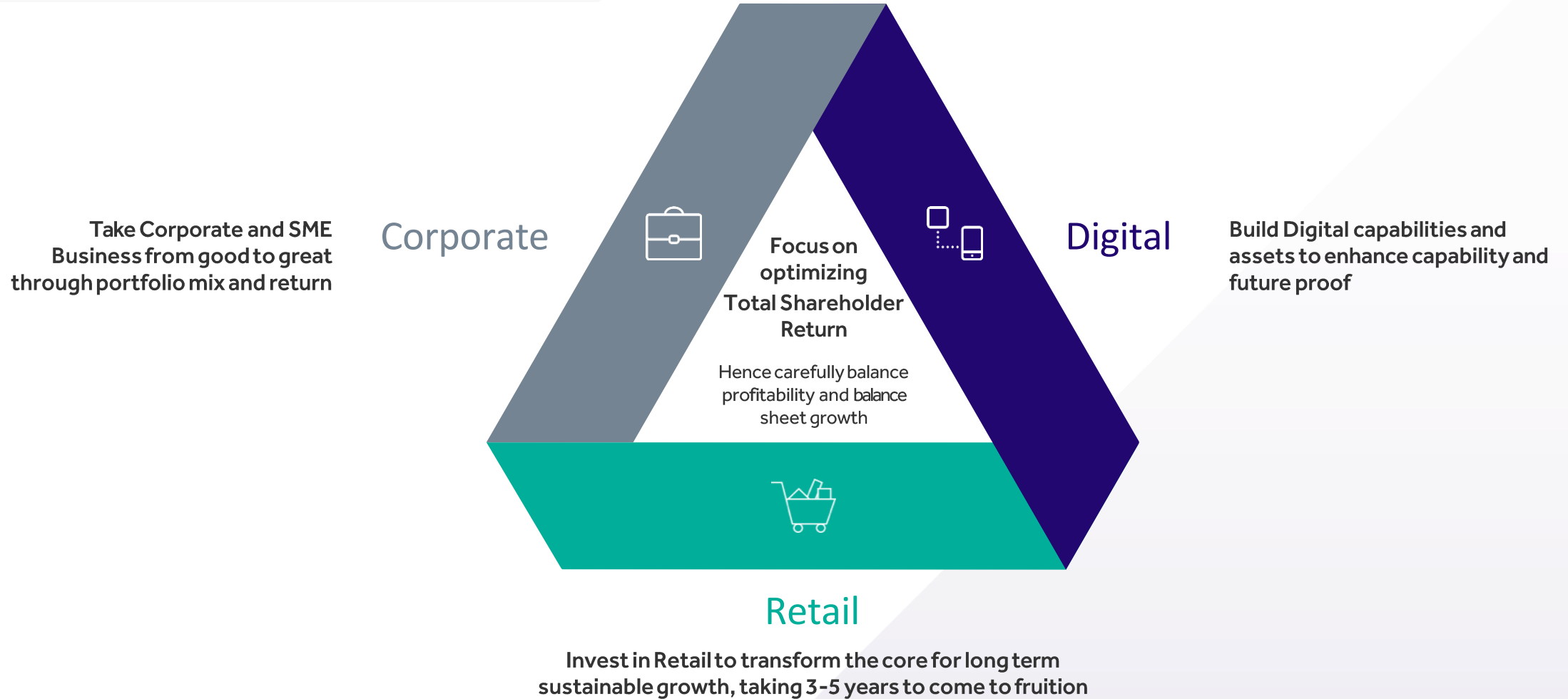


Our ambition is to be the best Bank in KSA

Strategic Pillars	<div>Most Profitable</div> <div></div>	<div>Most Efficient</div> <div></div>	<div>Bank of Choice</div> <div></div>	<div>Most Innovative & Digitally Enabled</div> <div></div>
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	Cost Efficiency	Customer	Digital
	Growth	Operational Efficiency	People	Innovation
			ESG	
KPIs	ROE Profit growth Total Shareholders return	Cost to income Time to cash	NPS* People Index** Brand Value	Digital Maturity Index






Our aspiration and strategy is built on a few guiding principles



Drive change across our core **Enablers** to bring it in lock-step with business transformation



Our strategy is driven by key operating model shifts

	From	To
Segments 	Broad meet-the-market segment propositions	→ Custom propositions at granular segments
	Focus on banking needs only	→ Focus on customer ecosystem beyond banking
	Risk avoidance via policy exclusions	→ Active risk management via analytics
Products 	Capital agnostic asset product growth	→ Accelerate high return on capital portfolios
	Standard pricing, matching the market	→ Customized relationship/risk-based pricing
	Focus on balance sheet growth mostly	→ Capture transactions, FX, Fee, Payments as well
	Be a store of value via NIBs	→ Create wealth for customers
Channels 	Branch first for sales and service	→ Mobile/Digital first for sales and service



Clear KPIs have been set at the Division level as well

Mobile first bank with distinctive customized segment/product

Mortgage, Market share
Personal Loans, Market share
Cards, Market Share
Deposits, Market share



Retail

Most profitable Corp bank & core transaction partner for institutions

Large corporate assets, Market share
SME assets, Market share
Deposits, Market share



Corporate

Best Bank in KSA

Leading value creator through Fintechs & digital enablement

Digital maturity across front-end channels
Digital transactions
Digital sales



Innovation

Treasury



Distinctive bank wide enabler across liquidity & financial solutions

Accelerate Treasury sales via cross-sell activities
Expand hedging business
Increase FX market share



Retail strategic initiatives

Segments



Products



Channels



Initiative

Description

- | | | |
|----|--|---|
| 1 | Disrupt Affluent Proposition | Upgrade value proposition including digital as one-stop shop |
| 2 | Boost (U)HNWI Proposition | Upgrade value proposition including superior wealth solutions |
| 3 | Disrupt Youth Proposition | Capture value and build long term loyalty |
| 4 | Reinvigorate Customer Value Management | Leverage Advanced Analytics (churn, pricing, cross sell) |
| 5 | Micro-segmented credit cards | Build distinctive proposition by microsegment |
| 6 | Boost PL penetration | Leverage mobile for sales, simplify journey, pre-approvals |
| 7 | Accelerate mortgage through digital | Scale up HBE and roll out new features |
| 8 | Bank@work commercialization | Create GTB & Retail; develop digital tools |
| 9 | Optimize physical channels | Optimize channels (branch/DSF), simplify & digitize |
| 10 | RB Mobile platform reimagination | To enable value proposition & journey digitization |



Corporate strategic initiatives

	Initiative	Description
<div>Segments</div> <div></div>	1 Scale up SMEs through digital	Scale up acquisition and penetration through digital; continue improve digital platform features
	2 Set up Strategic Client Council	Council to optimize strategic customers value (capitalize on gov. initiatives, comprehensive account plan development)
<div>Products</div> <div></div>	3 Reimagine Global Transaction Banking	Reimagine GTB platform by enhancing digital channels, refining operating model, and GTB as a Service
<div>Channels</div> <div></div>	4 Scale up Digital RM Workbench	Scale up adoption to drive cross sell and return on capital across portfolio along with continuous testing and enhancements



Treasury strategic initiatives

Products



Initiative

Description

- | | | |
|---|--|---|
| 1 | Enhance collaboration with Retail Banking | To further expand FX business with Retail Banking |
| 2 | Improve cooperation with Corporate Banking | To boost Corporate Banking cross-selling through holistic offering |
| 3 | Expand Riyadh Bank's appetite for hedging business | To better capture all hedging opportunities and increase market share |
| 4 | Consolidate and enhance Treasury systems | Transform, modernize and unify the existing heterogeneous treasury systems across treasury front, middle and back offices |



Digital strategic initiatives



Initiative	Description
1 Serve Fintechs and other players	Leverage open banking platforms to serve fintech infra/tech requirements; review existing fintech assets to monetize, etc.
2 Create new ventures	Identify, commercialize and scale up new Ventures
3 Accelerate digital maturity	Accelerate bank's Digital Maturity through bank wide capability building and accelerating delivery and impact of major commercial mandates
4 Scale-up Center of Intelligence	Build and scale up Center of Intelligence with agile working model with each business and extract value via Advanced Analytics



■ Sustainability Update





Embedding Sustainability into the Bank’s strategy

Environmental

Riyad Bank Green Project Signed an MOM with Environment Fund witnessed by His Excellency the Minister of Environment. This strategic partnership aims to advance research, encourage sustainable practices and boost environmental consciousness.	Banking Sector collaboration Riyad Bank is a leading member of the SAMA supervised ‘ Saudi Banks ESG Committee ’. Established in Apr ‘23 and focused on building ESG best in the banking sector
20.7 Tons Recycling: Second Quarter: Papers and plastic	Recyclable Water Bottles Initiative in Branches Riyad Bank has installed four recycling machines in the main building and select branches to promote recycling efforts among our customers. As a result, a total of 38,019 water bottles were recycled in 1Q and 2Q.
Riyad bank selected to join the Ministry of Economy and Planning’s KSA Sustainability Champions Program as one of the Kingdom’s 19 top performing sustainability companies. Our commitment is to act as a catalyst for sustainability transformation within the banking sector.	
Goal Initiative As part of our cherished partnership with Al -Hilal, we are excited to introduce an environmentally conscious initiative. For every Goal fulfilled by Al-Hilal, we intend to plant 100 trees, هدف الهلال شجرة ليكرة We planted 10,100 Trees. Saved 100 Ton s of Carbon	

Social

Euromoney Awards Riyad Bank has been awarded the title of ‘Best Bank in Diversity and Inclusion’ in Saudi Arabia for the year 2024 by the leading global financial publication, Euromoney.	House renovation for low-incomes families Riyad Bank is embracing the sprit of giving during Ramadan by inviting employees and their families to join the Seen Volunteer Team in renovating the homes of the neediest families.
CSR Blood Donation Riyad Bank launched a comprehensive blood donation campaign across multiple locations. Total of 906 donors and 407,700 ml contributed to saving 2,718 lives.	SAR 7,432,915 mn Donation amount: Total 208,446 transaction through Riyad Bank channels.
The Saudi Copyright Forum Riyad Bank was honored by His Royal Highness Prince Faisal Bin Salman Bin Abdulaziz Al Saud, for it’s strategic partnership in the Copyright Forum and the support for King Fahad National library programs.	2024 Hajj Initiatives Riyad Bank, in collaboration with the Ministry of Hajj and Umrah and Hadiyah Association, has launched the “Tawqeer” initiatives to enhance the pilgrims experience for the elderly and special needs pilgrims. The initiatives delivered 200 manual wheelchairs, 100 electric wheelchairs, and 3 golf carts. 30,000 beneficiaries.

Governance

Updated guidelines to meet the needs of persons with disabilities	Diversity First female board member
5 Independent Board Directors	Cyber security ISO/IEC 27001:2013 (PCIDSS) Certification ISO business Continuity ISO22301:2019
5 Board Subcommittees	ISO/DIS 37301:2020 Compliance
+15 New adopted governance policies and frameworks	



■ Operating Environment





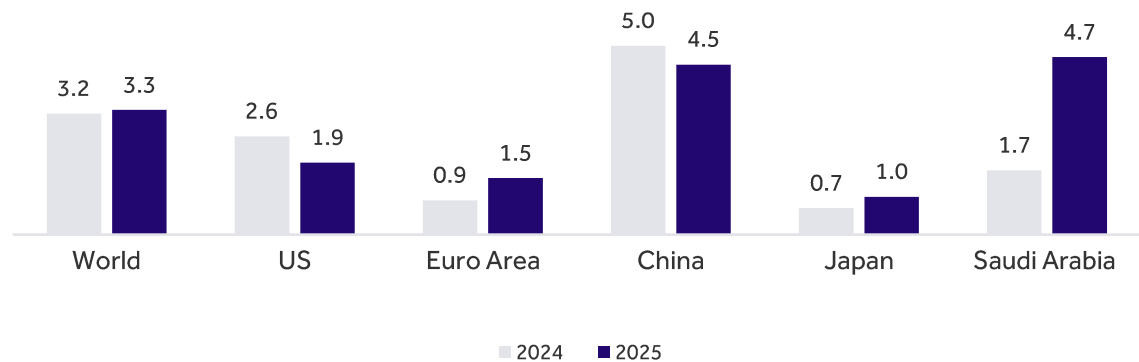
Global recovery emerging with challenges still in play

The global economy is caught between challenges and recoveries. Despite this, July forecasts still predict stable growth this year, fueled by gains in trades, employment, and fiscal support. Yet, concerns about price stability and policy rates persist.

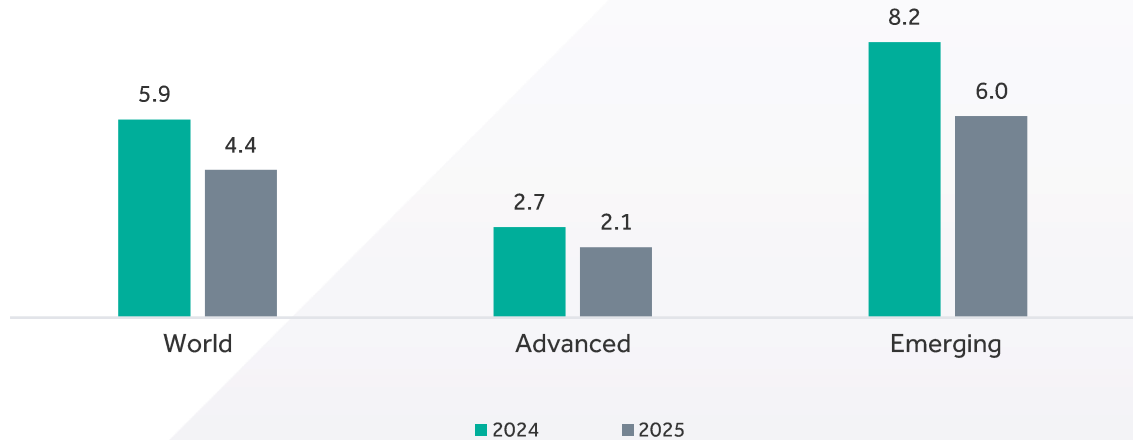
U.S. growth expected to slow next year driven by softening in labor market and tight fiscal policy. While, Euro Area is expected to pick up due to stronger consumption on the back of rising real wages.

Higher than average inflation in services prices, tempered to some extent by stronger disinflation in goods prices. Moreover, nominal wage growth remains brisk, above price inflation in some countries.

Economic Outlook (%)



Inflation Expectations (%)



Global PMI
Jun-24 +1.1% Mar-24

Fed Funds (%)
Upper 25bps Lower

USD Index
Jun-24 +1.2% Mar-24

3M SOFR (%)
Jun-24 +2bps Mar-24

10y Treasury Yield
Jun-24 20bps Mar-24

Brent Oil (\$/b)
Jun-24 -1.2% Mar-24

52.9	52.3	5.50	5.25	105.9	104.6	5.32	5.30	4.40	4.20	86.41	87.48
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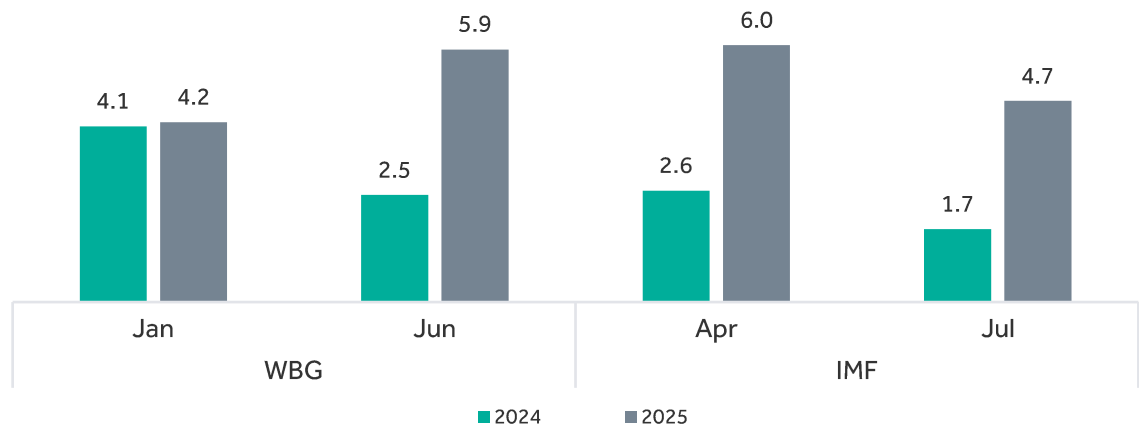
Non-oil sector paving the way for economic success

The Saudi Arabian economy is projected to remain stable this year, reflecting a balance approach to economic management amid global uncertainties. This stability aligns with broader trend in the global economy, which is expected to grow around 3.2%.

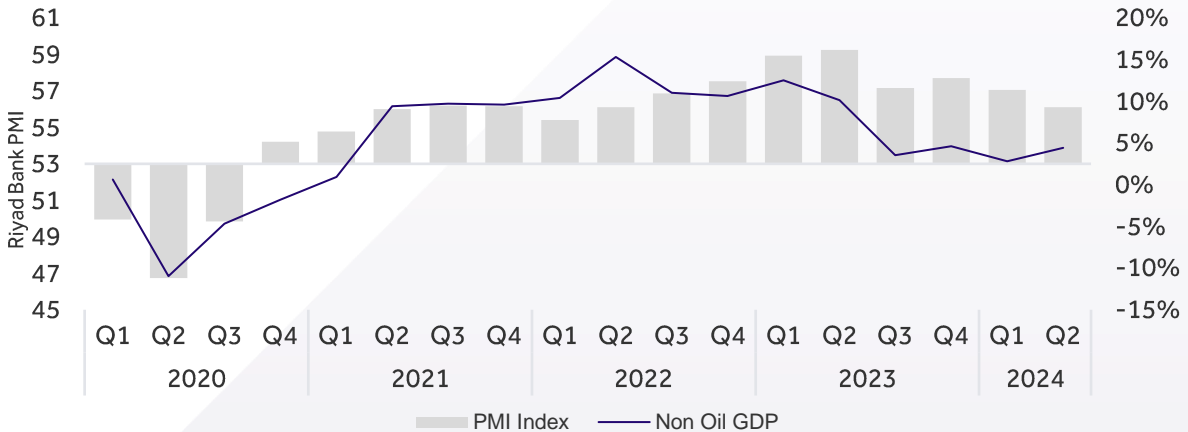
The economy is expected to grow significantly next year, driven by the extension of oil production agreement. This increase will lead to higher government revenues and support investments.

PMI closed at 55.0 in the second quarter indicating strong output levels, stable supply chains, and moderate job creation point towards a resilient and expanding non-oil economy.

Saudi Arabia Growth Expectations (%)



Non-oil Private GDP Growth



Real GDP Growth (%) ▲
Jun-24 130bps Mar-24

-0.4 -1.7

Riyad Bank PMI ▼
Jun-24 -3.5% Mar-24

55.0 57.0

Revenues (SAR Bn) ▼
2024 -1.8% 2023

1,172 1,193

Expenditures (SAR Bn) ▼
2024 -1.9% 2023

1,251 1,275

Debt / GDP ▲
2024 +100bps 2023

26% 25%

Fiscal Balance (SARbn) ▲
2024 +3Bn 2023

-79.0 -82.0



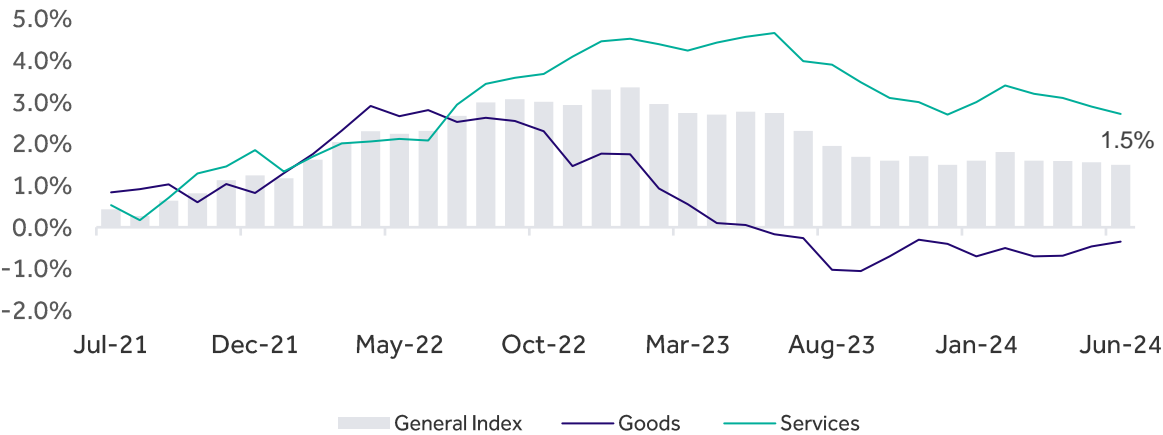
Inflation stability: a pillar of Saudi Arabia’s economic resilience

Inflation maintained a reasonable and steady pattern, indicating strong economic governance amid global challenges. In June, the annual inflation rate remained around 1.5% , primarily driven by a significant 8.4% rise in housing and utilities costs.

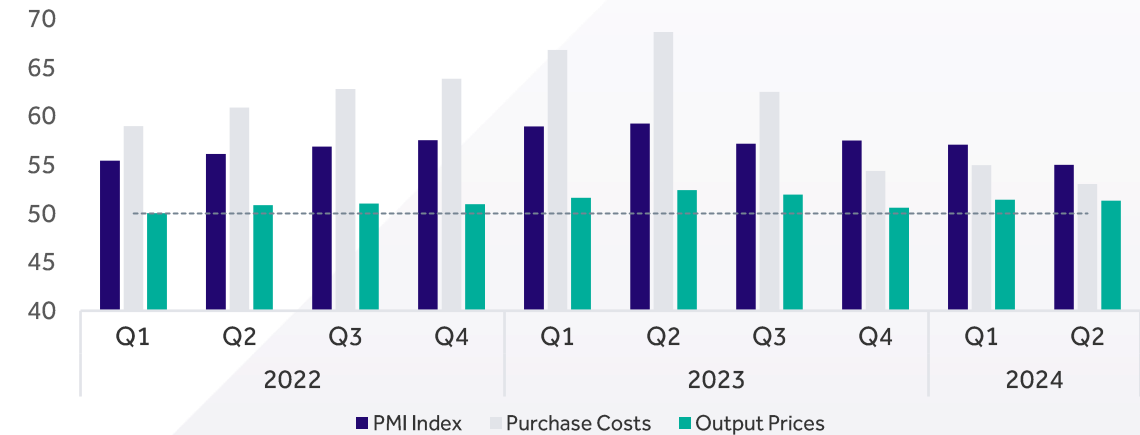
Prices of services have begun to moderate, contributing to more stable environment. This easing in services, coupled with a slowdown in goods prices is tempering the overall inflation rate.

The stability in PMI indicates steady business conditions, while moderate increase in purchase costs and output prices contribute to balanced inflationary environment.

CPI Inflation (%)



Riyad Bank PMI & Components



Real GDP Growth (%)

Jun-24 130bps Mar-24

-0.4

Riyad Bank PMI

Jun-24 -3.5% Mar-24

-1.7

55.0

Revenues (SAR Bn)

2024 -1.8% 2023

57.0

1,172

1,193

Expenditures (SAR Bn)

2024 -1.9% 2023

1,251

1,275

Debt / GDP

2024 +100bps 2023

26%

25%

Fiscal Balance (SARbn)

2024 +3Bn 2023

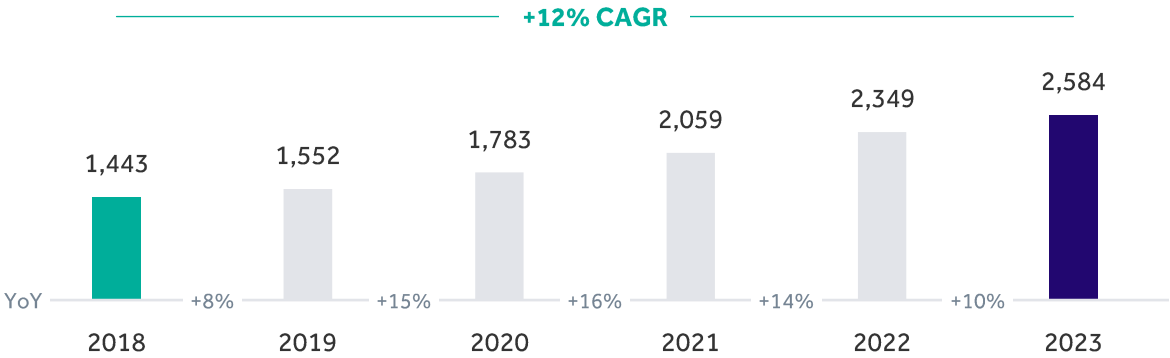
-79.0

-82.0



The Saudi banking sector is attractively positioned for growth

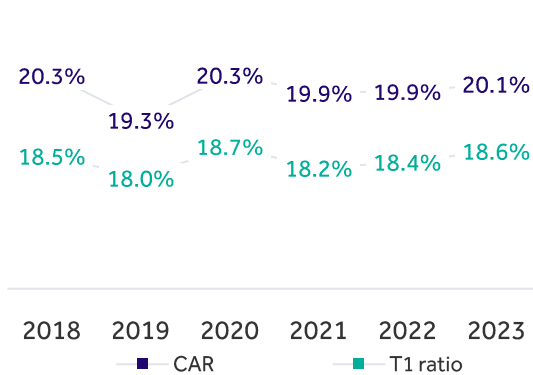
Bank Credit (SARbn)



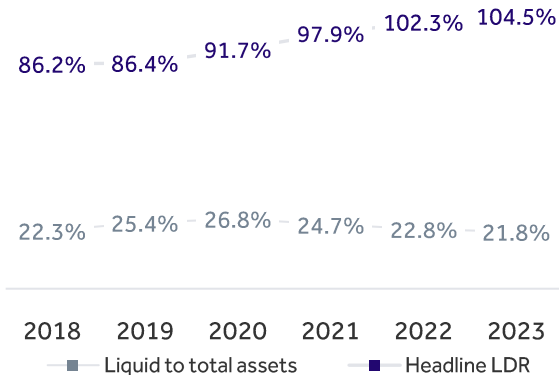
Bank Deposits (SARbn)



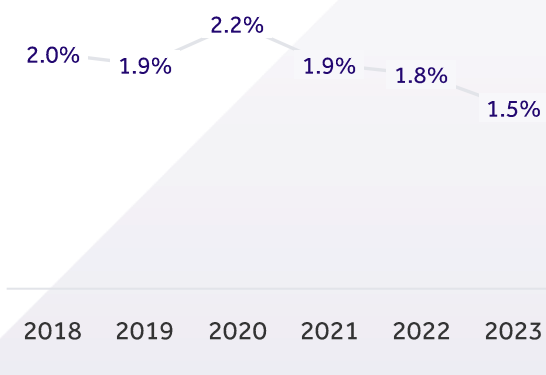
Capitalization (%)



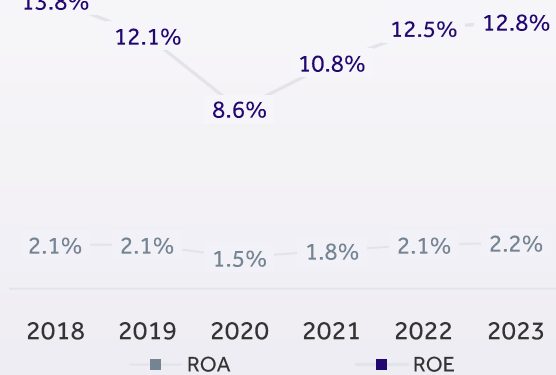
Liquidity Metrics (%)



NPL Ratio (%)



Profitability (%)





■ Financial Performance





Balance sheet



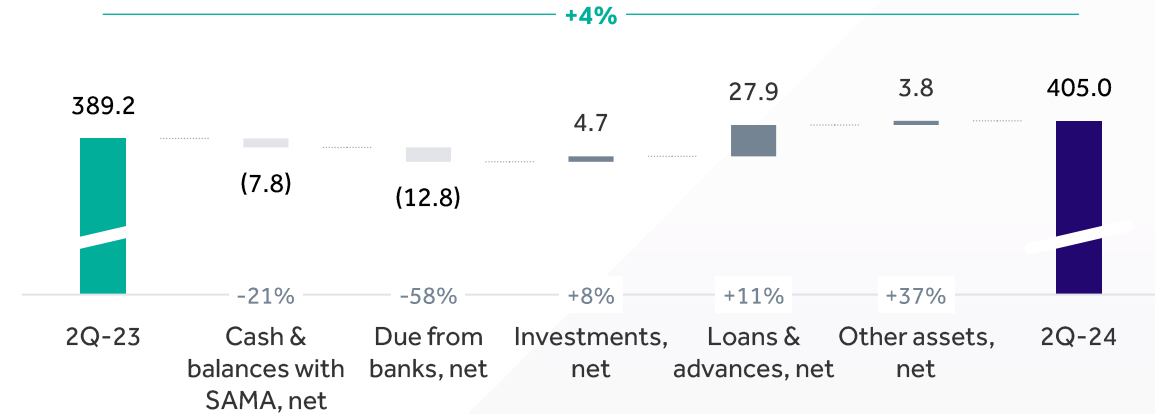


Balance Sheet expanded by 4% YoY driven by the expansion of loans and investments, funded by both customer deposits and debt

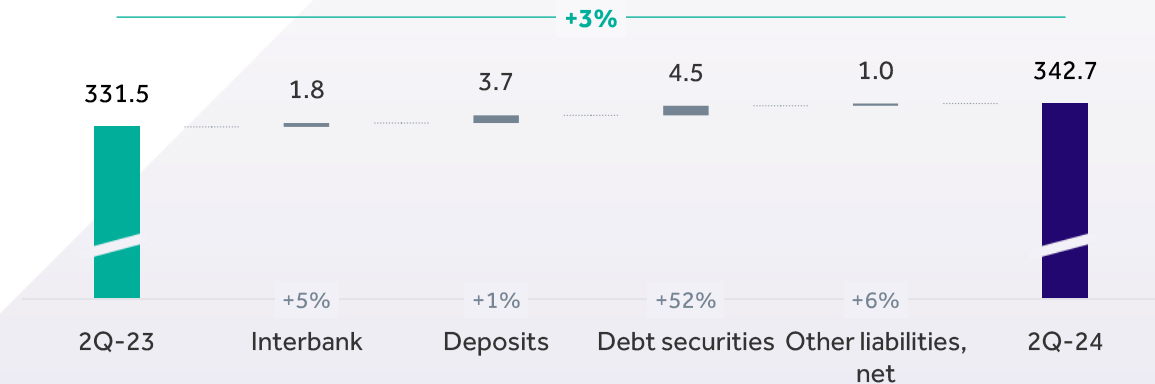
- ◆ Total assets amounted to SAR 405 bn as of 30 June 2024, up 4% YoY on the back of the 11% loans and advances growth, funded mainly by the 1% growth of customer deposits.
- ◆ Total assets increased by 5% YTD due to an increase in loans and advances, investment and Cash & balances with SAMA.

SAR (mn)	2Q-2024	1Q-2024	QoQ % Change	2Q-2023	YoY % Change
Cash & balances with SAMA, net	29,389	28,642	+3%	37,221	-21%
Due from banks, net	9,308	17,577	-47%	22,092	-58%
Investments, net	61,073	60,663	+1%	56,388	+8%
Loans & advances, net	291,051	282,854	+3%	263,150	+11%
Other assets, net	14,208	15,122	-6%	10,385	+37%
Total assets	405,029	404,859	+0%	389,236	+4%
Interbank	35,944	40,121	-10%	34,129	+5%
Deposits	276,009	270,948	+2%	272,269	+1%
Debt securities	13,303	13,199	+1%	8,768	+52%
Other liabilities, net	17,426	20,515	-15%	16,378	+6%
Total liabilities	342,682	344,782	-1%	331,545	+3%
Share capital	30,000	30,000	0%	30,000	0%
Reserves	12,444	12,516	-1%	9,781	+27%
Retained earnings	13,339	10,998	+21%	11,347	+18%
Equity attributable to shareholders	55,783	53,514	+4%	51,128	+9%
Tier 1 sukuk	6,564	6,563	+0%	6,563	+0%
Total equity	62,347	60,077	+4%	57,691	+8%

Total Assets Movement YoY (SARbn)



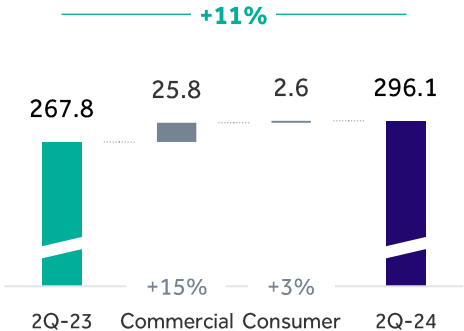
Total Liabilities Movement YoY (SARbn)



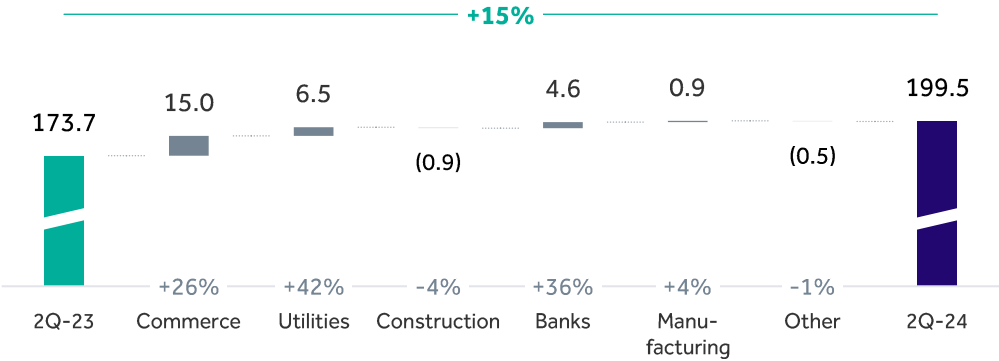


Growth in the loan portfolio is coming mainly from commercial book and the remaining portion primarily from mortgages

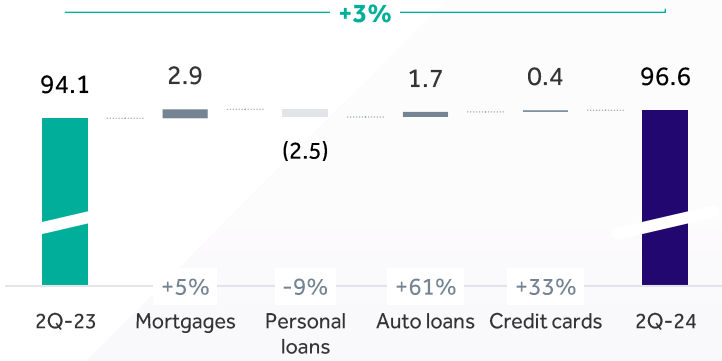
Gross Loan Movement YoY (SARbn)



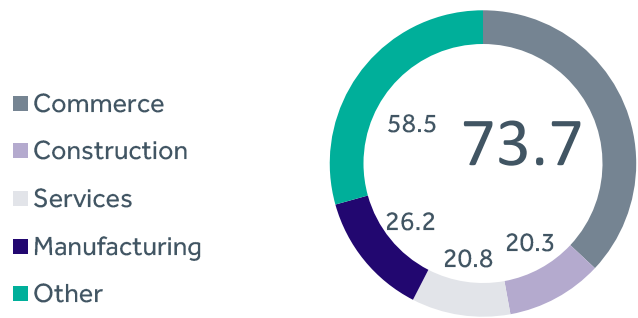
Gross Commercial Loan Movement by Economic Sector Movement YoY (SARbn)



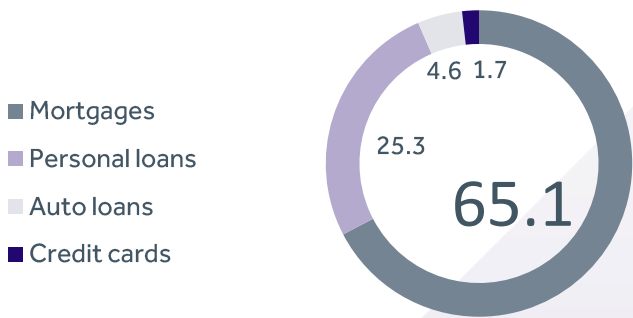
Gross Consumer Loan Movement by Product Movement YoY (SARbn)



Gross Commercial Loans by Sector, 2Q-24 (SARbn)



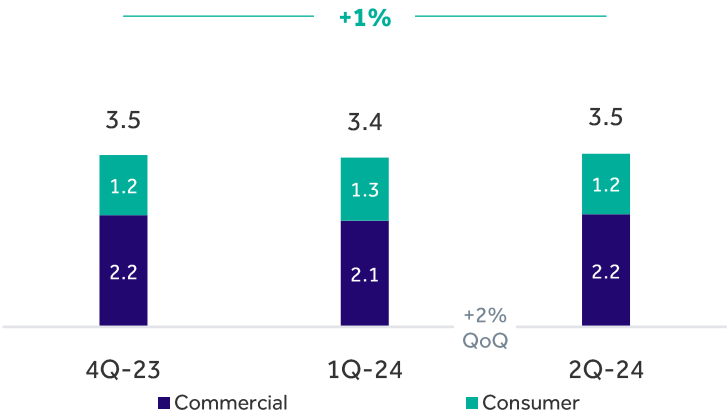
Gross Consumer Loans by Product, 2Q-24 (SARbn)



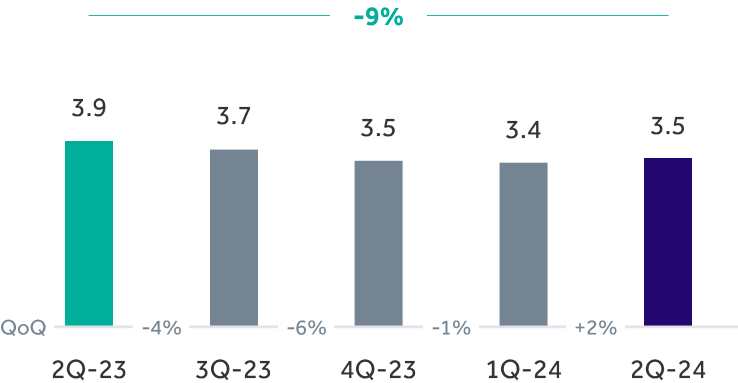
- ◆ Gross loans and advances grew by 11% YoY as of 30 June 2024 from mainly commercial loans.
- ◆ Commercial loans grew by 15% YoY as of 30 June 2024 with main driving sectors are commerce and utilities.
- ◆ Consumer loans increased by 3% YoY during 1H 2024, driven mainly by the mortgage growth of 5% YoY.
- ◆ Auto loans and Credit cards hold minor shares in the consumer portfolio but are growing rapidly at 61% and 33%, respectively.

NPL Ratio demonstrates continuous improvement reaching to 1.18% as of the first half of 2024

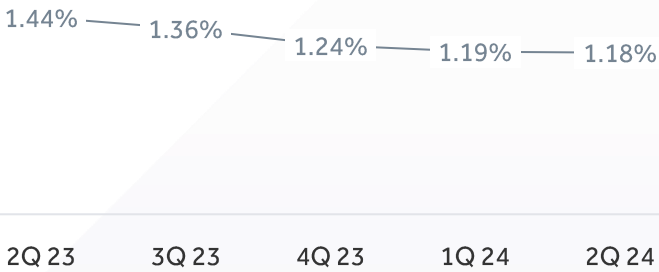
NPLs by Segment (SARbn)



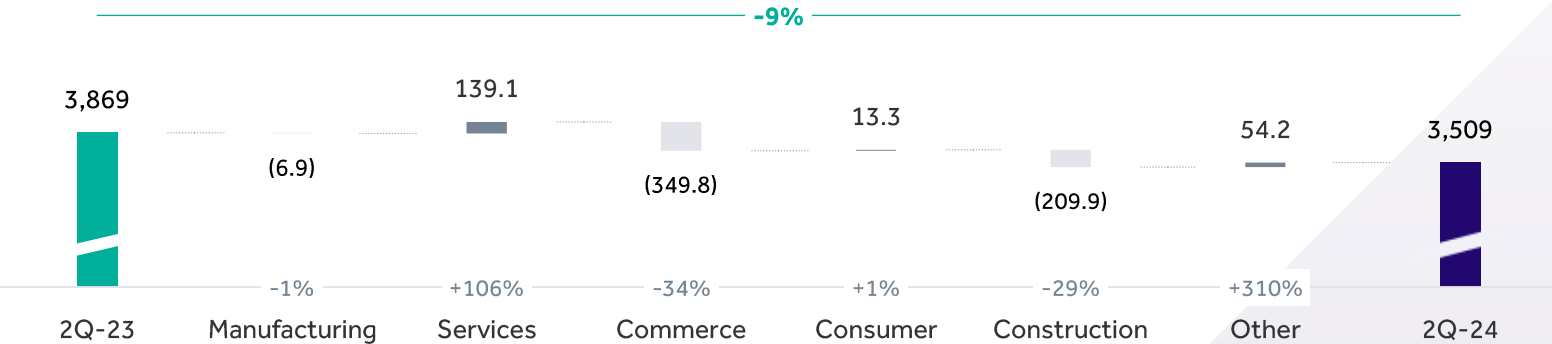
NPLs (SARbn)



NPL Ratio (%)



NPL Movement by Sector Movement YoY (SARmn)

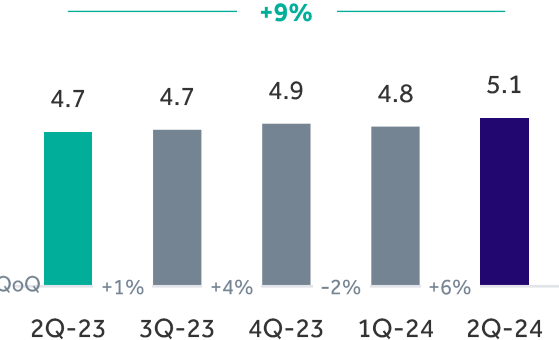


- ◆ NPL ratio improved by 26bps YoY during 1H 2024 to 1.18%.
- ◆ Improvement of the NPL ratio resulted from a 9% decrease in the amount of NPLs and a 11% increase in gross loans and advances.
- ◆ Decrease in NPLs was largely driven by corporate loans in sectors of commerce and construction which was partially offset by the increase in transportation, services and utilities.

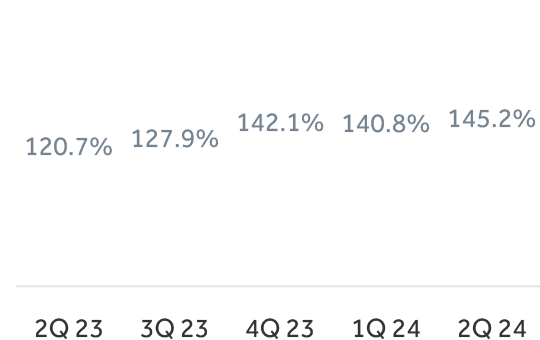
NPL Coverage improved to 145% driven by the conservative provisioning to support asset quality

- ◆ NPL coverage ratio improved by 24% YoY to 145% in 1H 2024 as a result of proactive conservative provisioning.
- ◆ The consumer NPL coverage ratio reached 97.3% as of 30 June 2024, improving by 9.3% YoY.
- ◆ The commercial NPL coverage ratio reached 172.2%, improving by 35.9% YoY.
- ◆ Stage 1 loans represents around 93% of total gross loans as of 1H 2024.

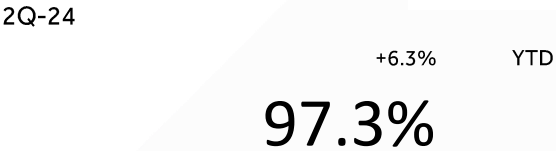
Total Allowances (SARbn)



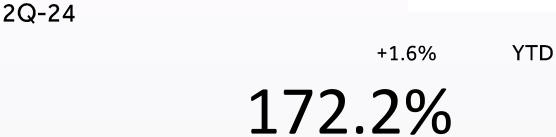
NPL Coverage Ratio (%)



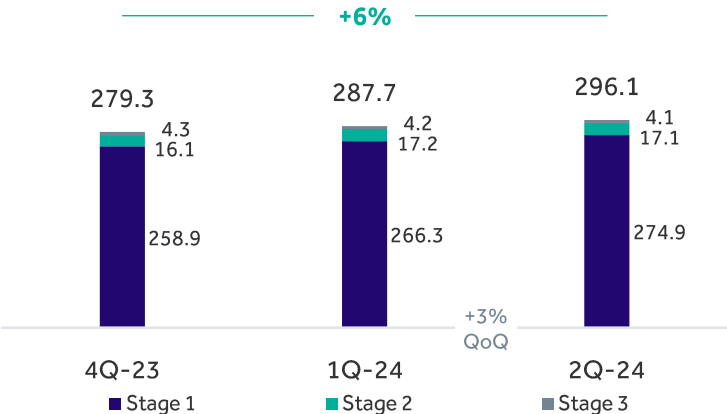
Consumer Coverage



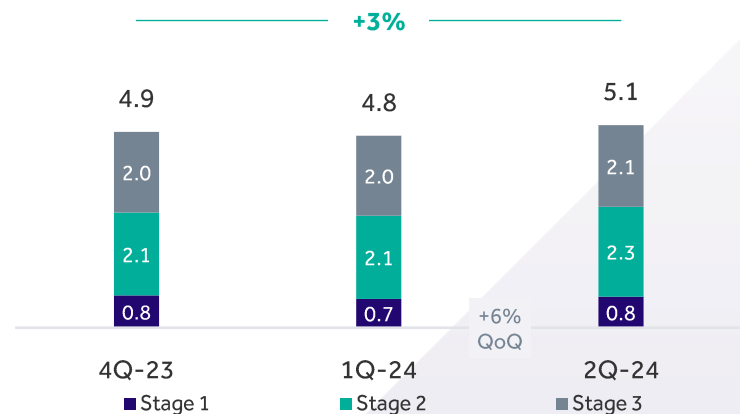
Commercial Coverage



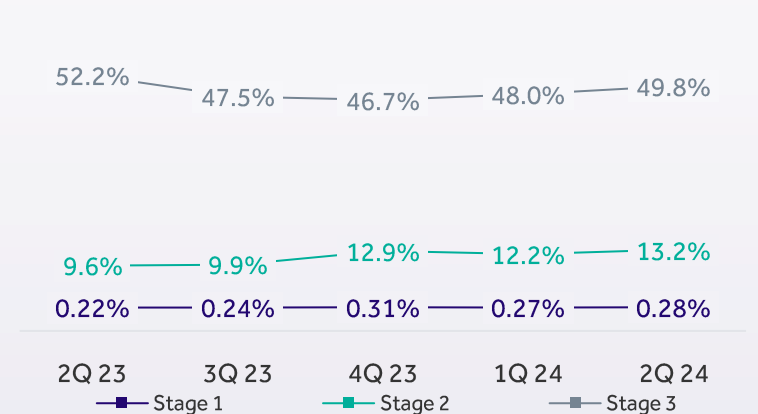
Gross Loans & Advances (SARbn)



ECL Allowances (SARbn)



Stage-wise ECL on Gross Loans (%)

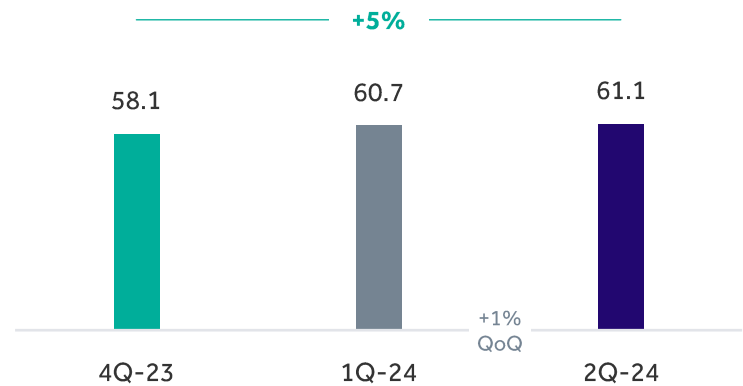




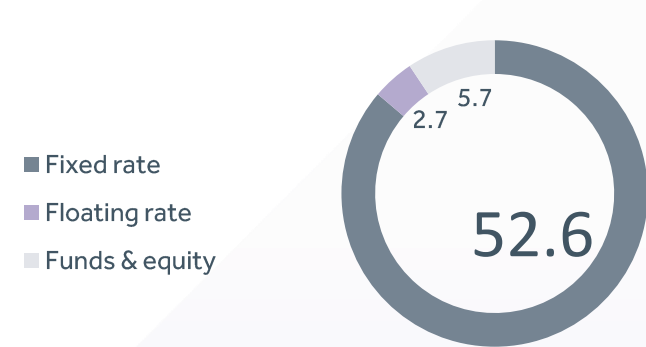
Investments grew by 8% YoY mainly from high quality fixed rate securities as well as funds & equity

- Investment portfolio increased by 8% YoY to SAR 61.1 bn as of 30 June 2024.
- Growth of investments during 1H 2024 comes from increasing fixed rate securities as well as funds & equity.
- Investment portfolio has a stable structure with around 86% of the securities being fixed rate.
- Investment in governmental & quasi-governmental securities represents 60% of the investment portfolio.

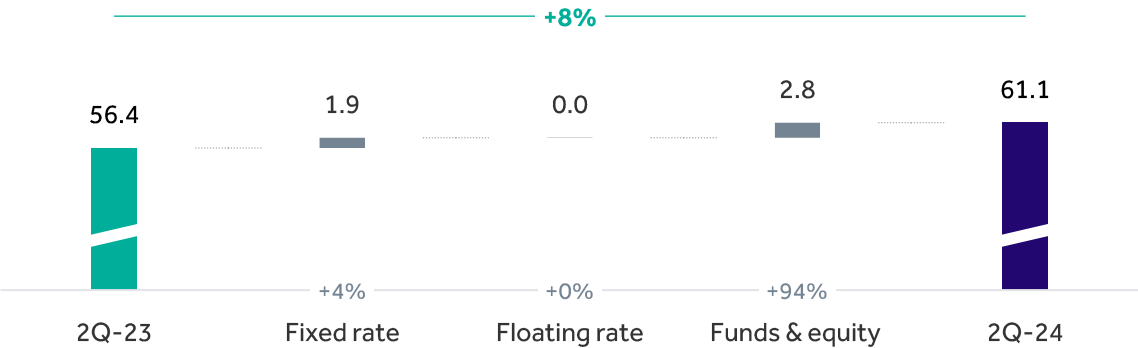
Investments, Net (SARbn)



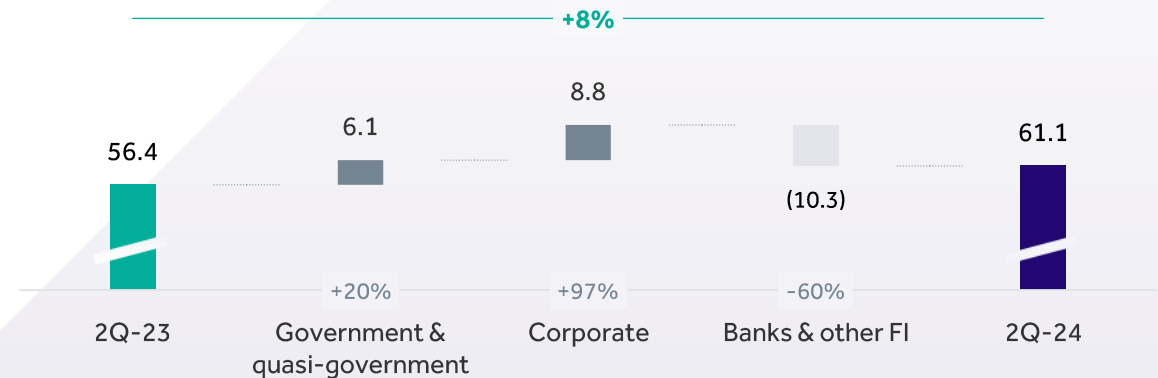
Net Investments Composition, 2Q-24 (SARbn)



Net Investments Movement YoY (SARbn)



Net Investments by Counterparty Movement YoY (SARbn)

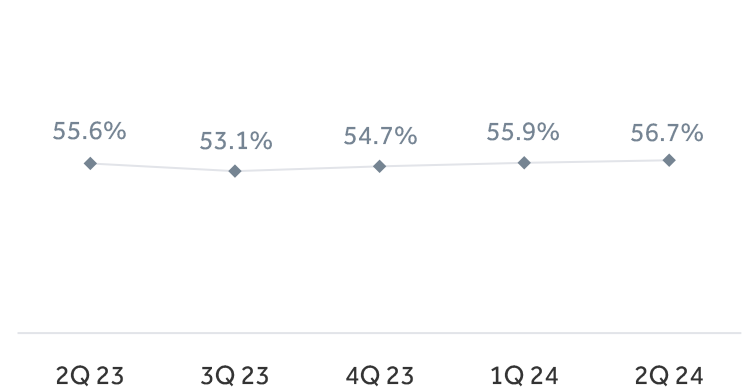




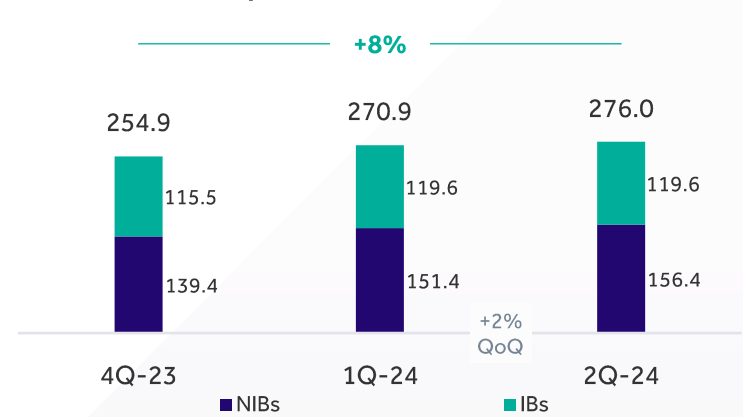
Robust growth of 12% YTD in NIBs drove the growth in customers' deposits

- Customer deposits amounted to SAR 276.0 bn as of 30 June 2024, an increase of 8% YTD.
- NIBs share of total deposits increased to reach 56.7% as of 30 June 2024 driven by a robust growth of 12% YTD in NIBs.
- Interest bearing deposits increased by 4% YTD during 1H 2024 driven by the high interest rate environment.
- Customer deposits grew by 2% QoQ mainly from a growth in NIBs.

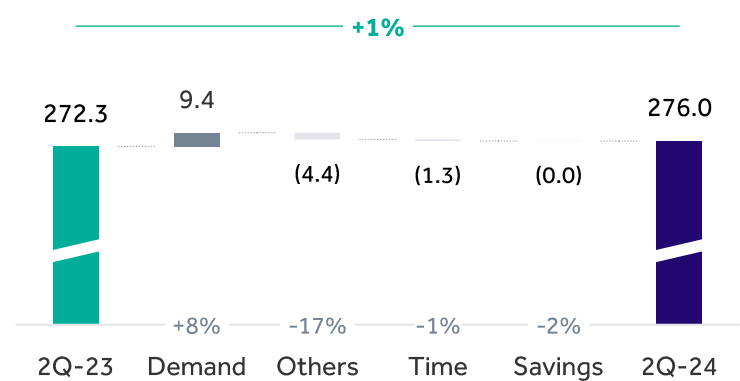
NIBs % of Total (%)



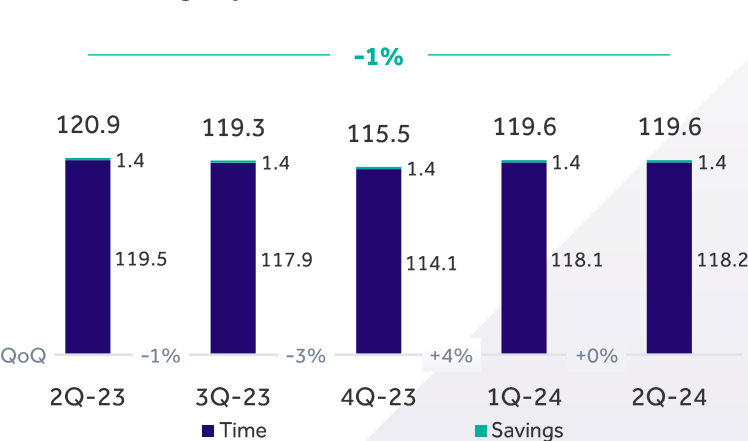
Total Customers' Deposits (SARbn)



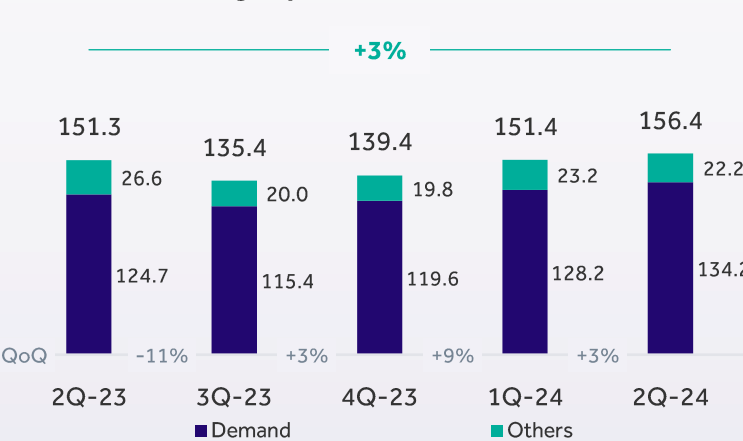
Total Customers' Deposits Movement YoY (SARbn)



Interest Bearing Deposits (SARbn)



Non Interest Bearing Deposits (SARbn)

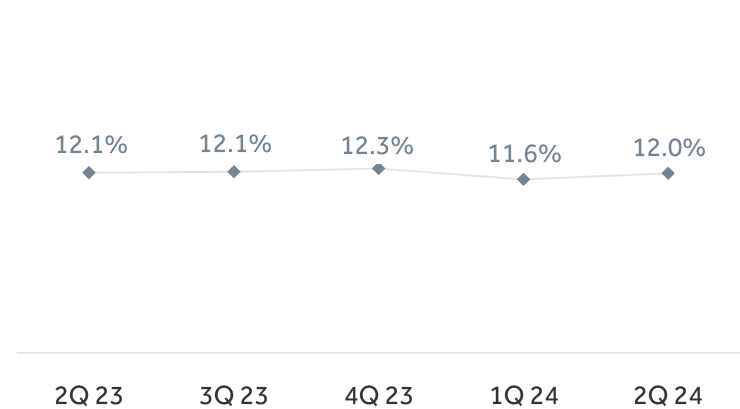




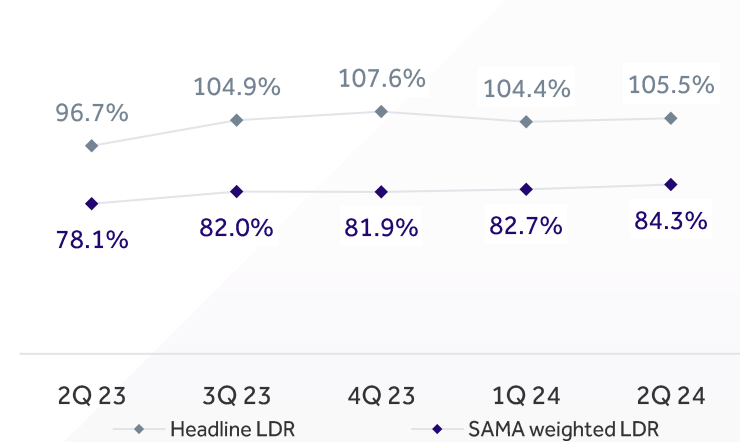
Comfortable liquidity position with LCR and SAMA Weighted LDR within the regulatory requirements

- LCR and NSFR remain healthy and well above the regulatory requirement standing at 156.9% and 112.9%, respectively as of 30 June 2024.
- Basel III Leverage ratio stands comfortably at 12.0% in 1H 2024.
- SAMA weighted LDR stand at 84.3% in 1H 2024, remains comfortably below the regulatory requirement.

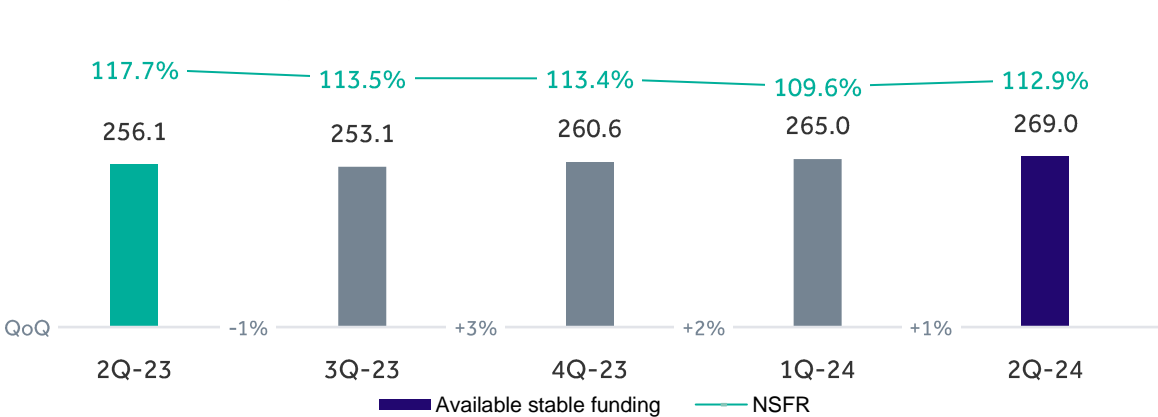
Basel III Leverage Ratio (%)



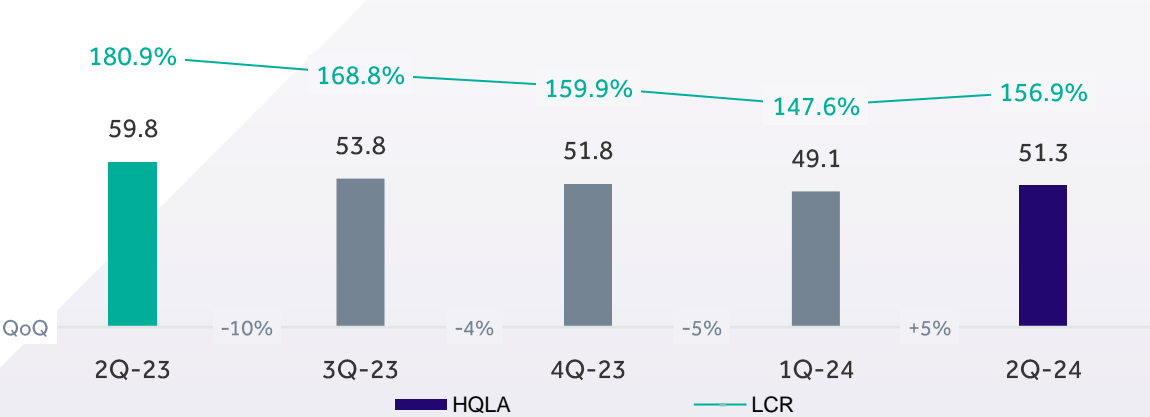
Loans to Deposits Ratios (%)



Available Stable Funding (SARbn,%)



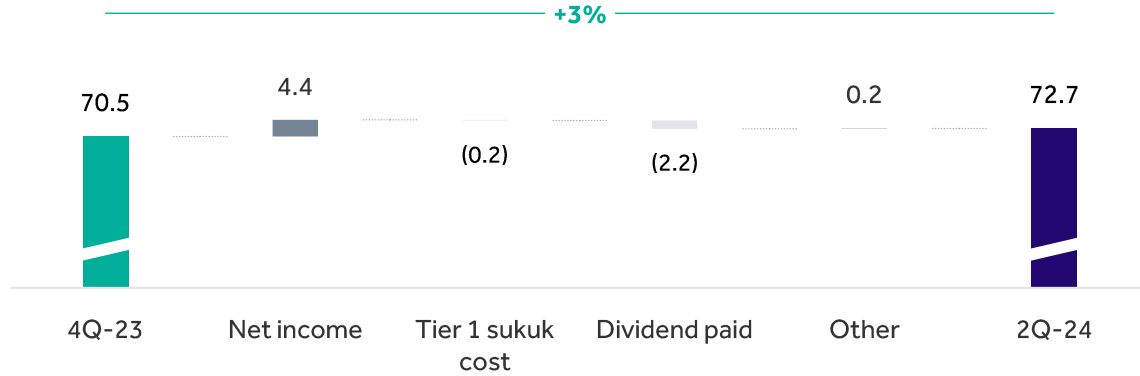
HQLA (SARbn,%)





Capitalization remains strong and well above regulatory minima

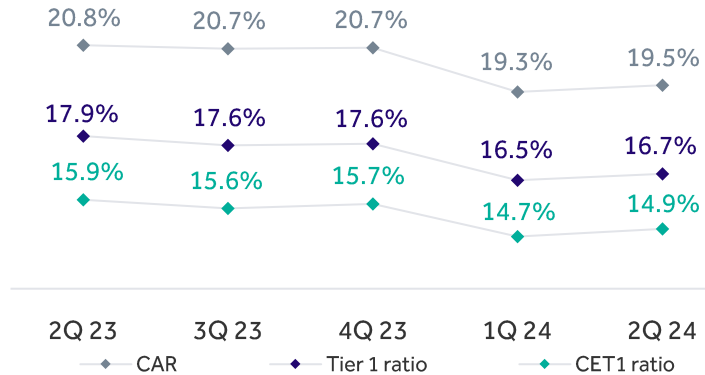
Total Regulatory Capital Movement YTD (SARbn)



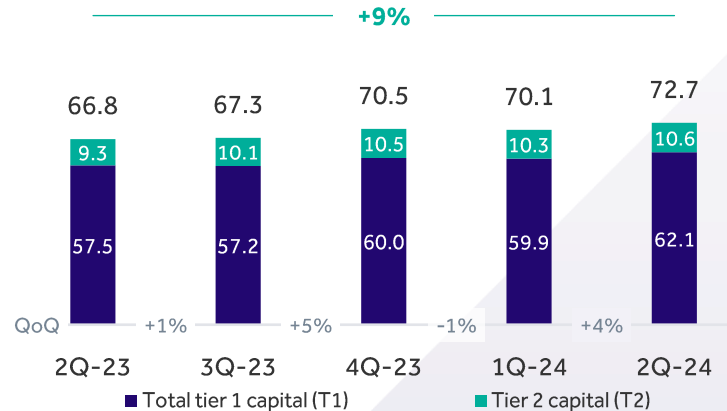
Risk Weighted Assets (SARbn)



Capital Ratios (%)



Total Regulatory Capital (SARbn)



- ◆ All capital ratios remain solid and strong with CET1 ratio of 14.9% and Tier 1 ratio of 16.7% as of 2Q 2024.
- ◆ Total capital adequacy ratio stands at 19.5%.
- ◆ Total regulatory capital increased by 9% YoY as of 2Q 2024 to SAR 72.7 bn.
- ◆ Risk weighted assets increased by 16% YoY to SAR 372.2 bn.



Income statement

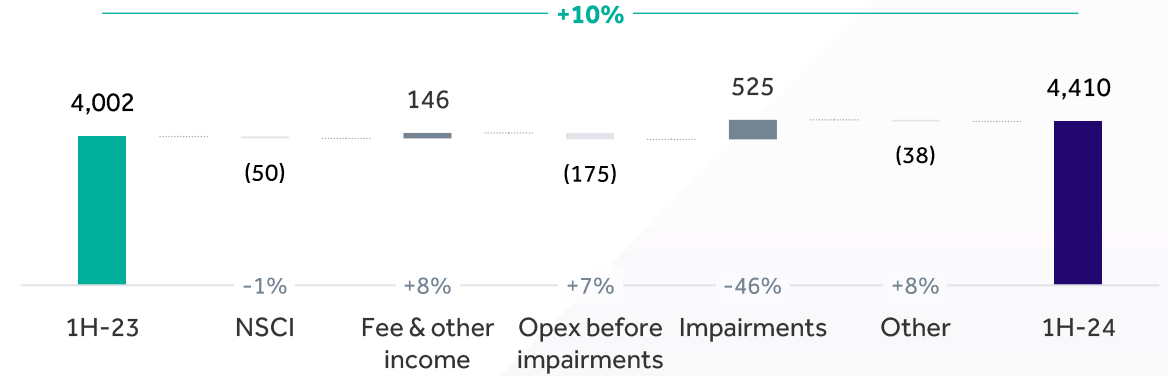




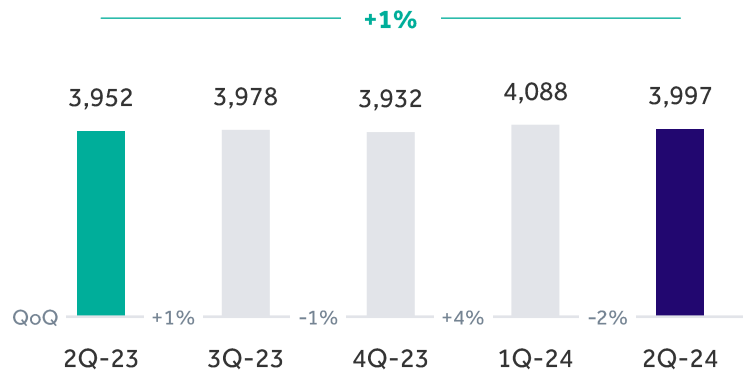
Net income reached SAR 4,410 million for 1H 2024, a growth of 10% supported by fee & other income, resulting in ROAE after Zakat standing at 16.1%

SAR (mn)	2Q-2024	2Q-2023	YoY % Change	1H-2024	1H-2023	YoY % Change
NSCI	3,097	3,109	-0%	6,147	6,197	-1%
Fee & other income	901	843	+7%	1,938	1,791	+8%
Total operating income	3,997	3,952	+1%	8,085	7,989	+1%
Expenses before impairments	(1,225)	(1,234)	-1%	(2,571)	(2,396)	+7%
Impairments	(175)	(512)	-66%	(611)	(1,136)	-46%
Net operating income	2,598	2,206	+18%	4,903	4,457	+10%
Associates	9	4	+126%	14	5	+189%
Net income before zakat	2,606	2,210	+18%	4,917	4,461	+10%
Zakat	(269)	(228)	+18%	(507)	(460)	+10%
Net income	2,338	1,982	+18%	4,410	4,002	+10%
ROAE	17.1%	15.8%	+1.3%	16.1%	15.9%	+0.2%

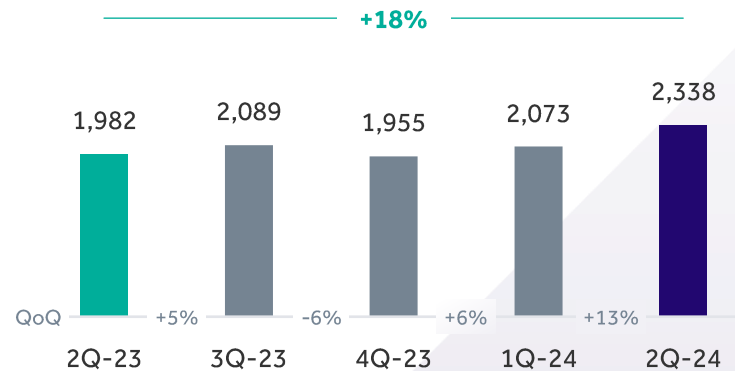
Net Income Movement YoY (SARmn)



Total Operating Income (SARmn)



Net Income (SARmn)



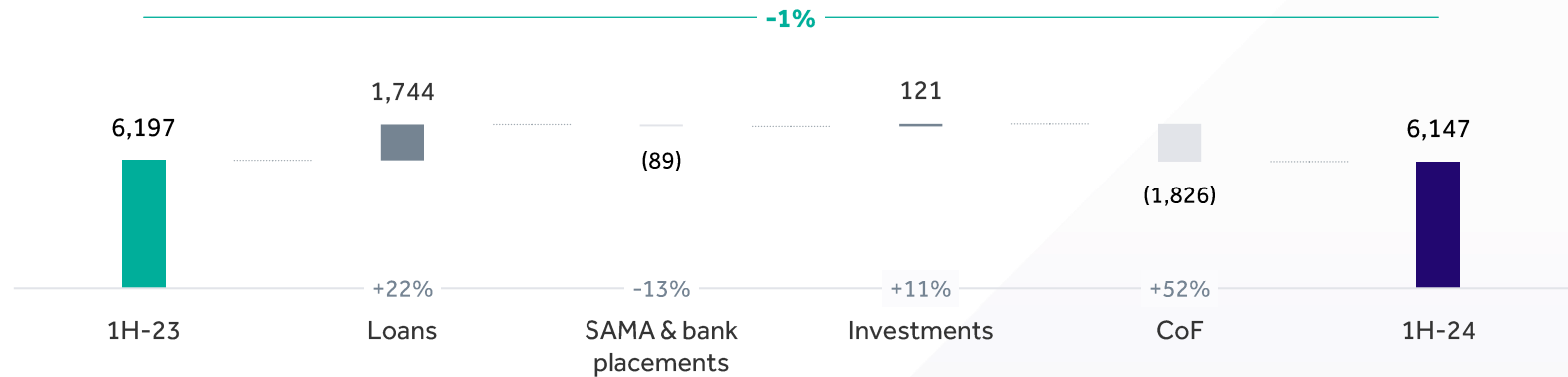
- Net income (after Zakat) reached SAR 4,410 million for 1H 2024, an increase of 10% compared with corresponding period of last year.
- Net income growth comes mainly from rising in fee and other income coupled with 46% YoY decrease in impairment charges which was partially offset by the increase in expenses by 7% YoY.
- Total operating income amounted to SAR 8,085 million for 1H 2024, growing by 1% mainly due to an increase of 8% in fee and other income.



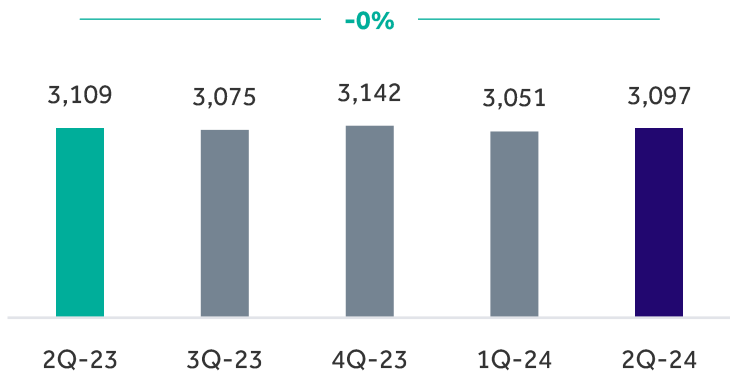
NSCI witnessed a slight decrease driven by higher cost of funds

- ◆ Net special commission income amounted to SAR 6,147 million for 1H 2024, a slight decrease of 1% over the corresponding period in 2023, due to the increase in funding cost.
- ◆ Special commission income increased by 18% YoY in 1H 2024 driven by rates increase and loan book expansion.
- ◆ Special commission expenses increased 52% YoY in 1H 2024 due to the high interest rates environment.

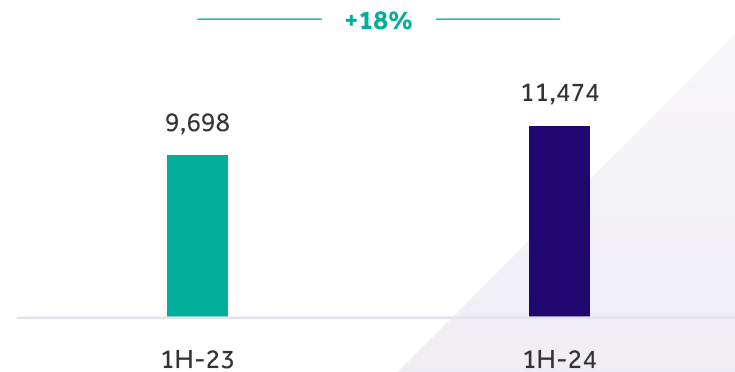
NSCI Movement YoY (SARmn)



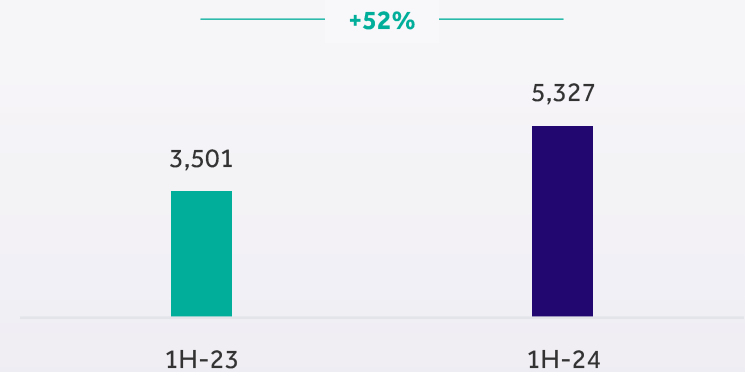
Quarterly NSCI (SARmn)



Special Commission Income (SARmn)



Special Commission Expense (SARmn)

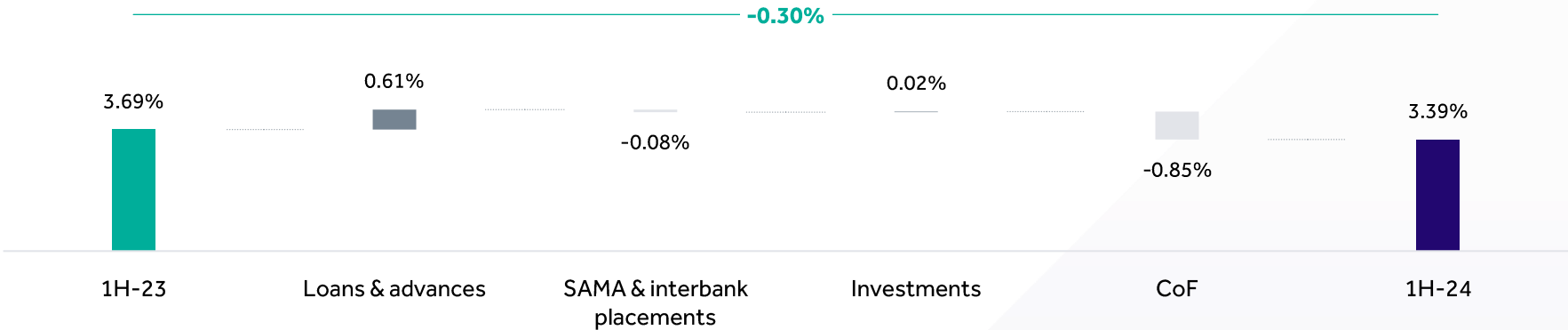




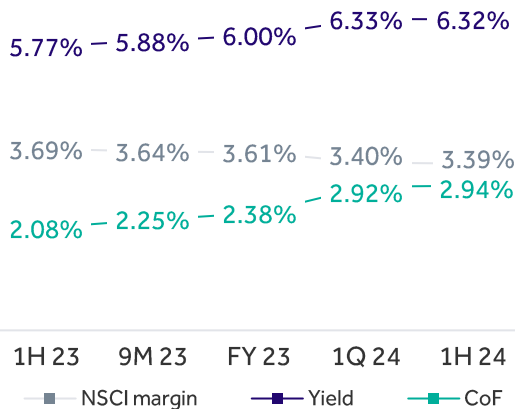
NSCI margin stands at 3.39% for 1H 2024, a decrease of 30 bps YoY mainly from higher funding cost

- Net special commission margin dropped by 30bps to 3.39% YoY for 1H 2024 mainly from increase funding cost.
- Quarterly net special commission margin dropped by around 3bps QoQ.
- Average earning assets increased by 7% YoY to SAR 363.9 bn for 1H 2024.
- Average bearing liabilities increased by 9% YoY to 314.9 bn for 1H 2024

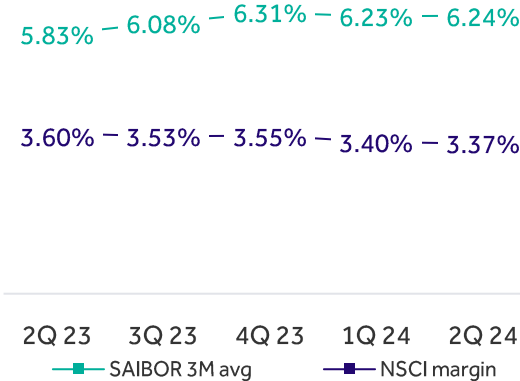
NSCI Margin Movement YoY (%)



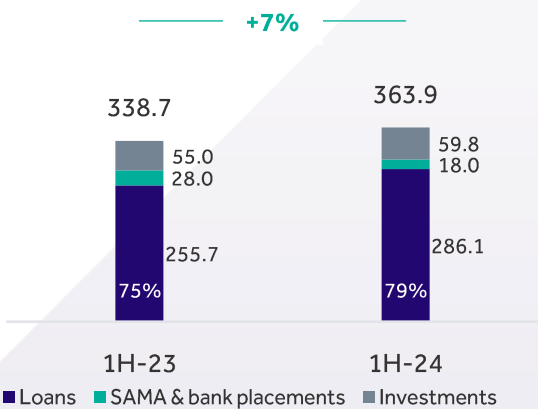
YTD NSCI margin (%)



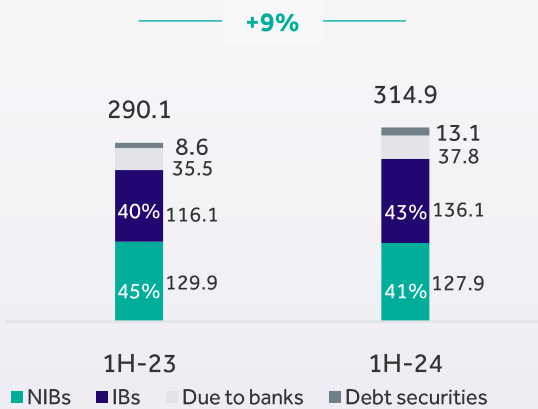
Quarterly NSCI Margin and SAIBOR Trend (%)



Average Earning Assets (SARbn)



Average Bearing Liabilities (SARbn)





Neutral sensitivity to the interest rate changes

- ◆ The Group assess sensitivity to a possible change in special commission rates, with other variables held constant and assuming a constant balance sheet mix.
- ◆ The impact of 25bps rate increase/decrease is assessed to be muted on the net special commission margin as of 31 December 2023.
- ◆ The impact of 25bps rate increase/decrease is assessed to be SAR +5.8 mn/-7.7mn on the net special commission income as of 31 December 2023.
- ◆ The Group monitors positions daily and uses hedging strategies to ensure maintenance of positions within the established gap limits.

Impact of +25bp rate change
on NSCI

▲ 25bps

+5.8 SAR mn

Impact of +25bp rate change
on NSCI margin

▲ 25bps

+0.00%

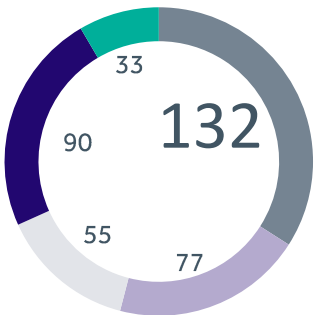
Special commission rate risk exposure

By duration

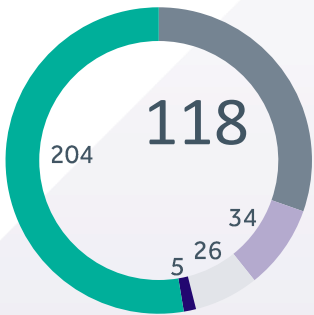
4Q-23

Assets (SARbn)

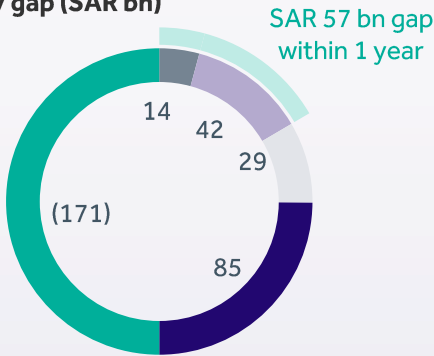
- Within 3 months
- 3-12 months
- 1-5 years
- Over 5 years
- Non-special commission bearing



Liabilities and Equity (SAR bn)



Total special commission rate
sensitivity gap (SAR bn)

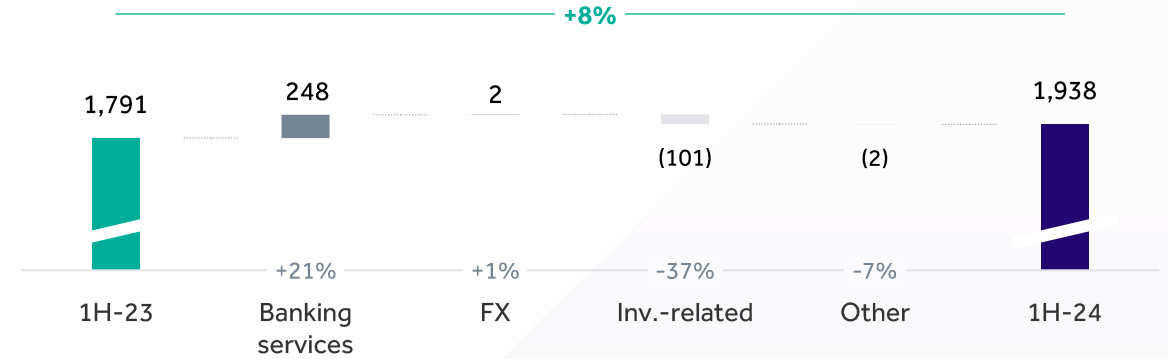


Fee & other income increased from a strong growth in fees from banking services



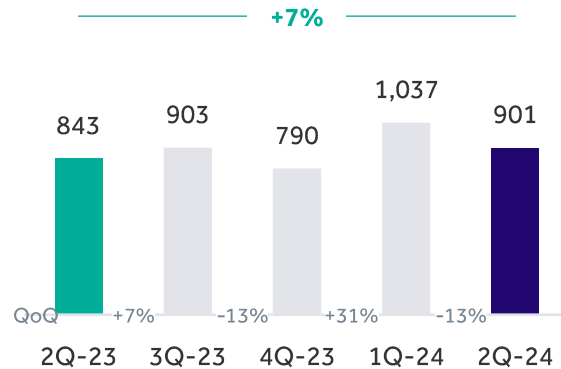
SAR (mn)	2Q-2024	2Q-2023	YoY % Change	1H-2024	1H-2023	YoY % Change
Fee income from banking services	1,077	926	+16%	2,143	1,763	+22%
Fee expenses from banking services	(350)	(317)	+10%	(713)	(580)	+23%
Banking services	727	609	+19%	1,431	1,183	+21%
Exchange income, net	153	134	+14%	307	305	+1%
Investment-related income	5	93	-95%	173	275	-37%
Other operating income	16	7	+132%	26	28	-7%
Fee and other income	901	843	+7%	1,938	1,791	+8%

Fee & Other Income Movement YoY (SARmn)

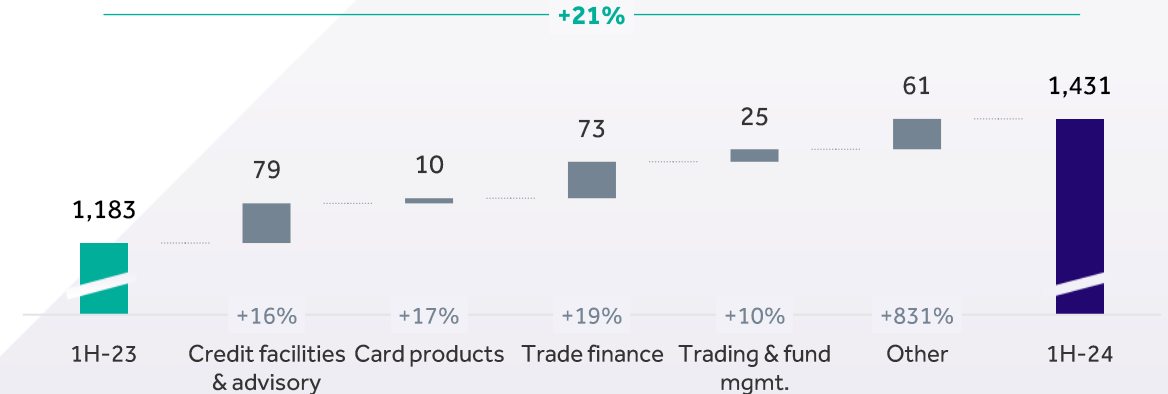


- ♦ Fee & other income increased by 8% YoY during 1H 2024 mainly driven by banking services.
- ♦ Fee income from banking services increased by 21% YoY with increase of fees from credit facilities & advisory, trade finance, and trading & fund management.
- ♦ Quarterly fee & other income jumped by 7% YoY to reached SAR 901 million in 2Q 2024 compared with the SAR 843 million in the corresponding period of last year.

Quarterly Fee & Other Income (SARmn)



Fee Income from Banking Services Movement YoY (SARmn)

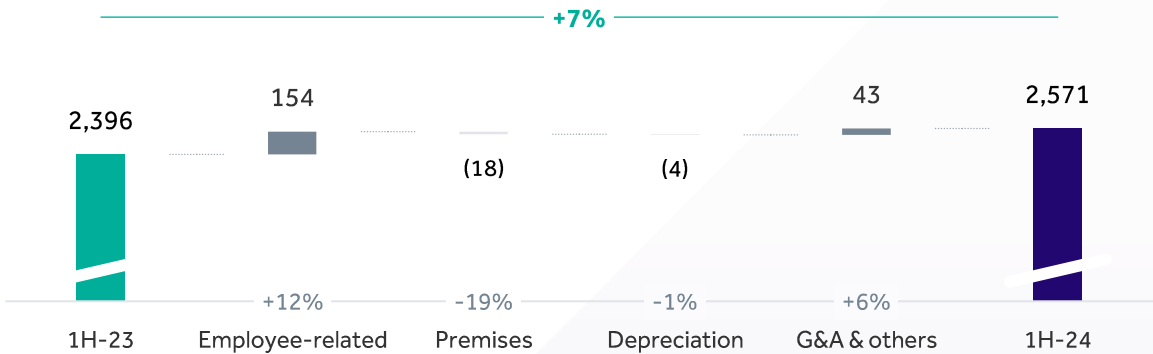




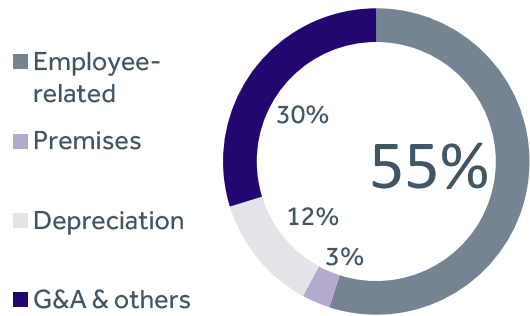
Cost efficiency improved sequentially despite ongoing investments in infrastructure, digital capabilities, and strategic initiatives

- Operating expenses before impairments increased by 7% to SAR 2,571 million during 1H 2024 from higher employee-related costs as well as G&A and others.
- Quarterly operating expenses before impairments decreased by 1% in comparison to 2Q 2023.
- Cost to income ratio stands at 31.8% for 1H 2024, an increase of 180bps YoY.
- Cost to average earning assets ratio at 1.41% during 1H 2024.

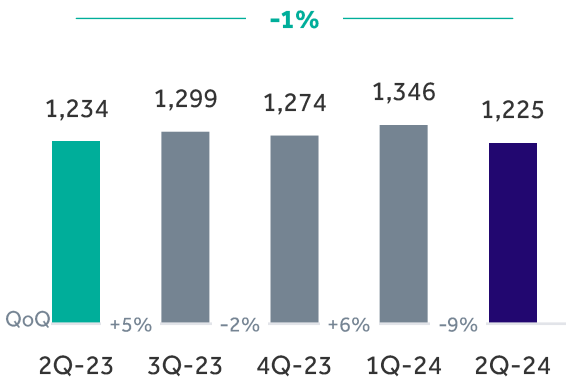
Expenses before Impairments Movement YoY (SARmn)



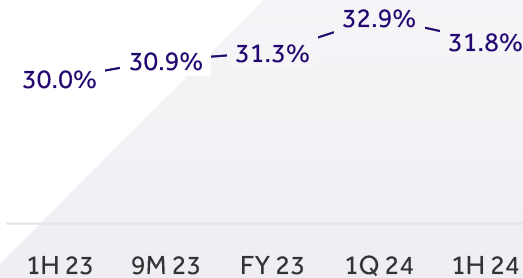
Expenses before Impairments Composition, 1H-24 (%)



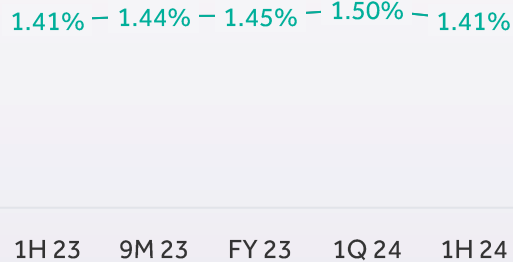
Expenses before Impairments (SARmn)



Cost to Income Ratio (%)



Cost to AIEA Ratio* (%)

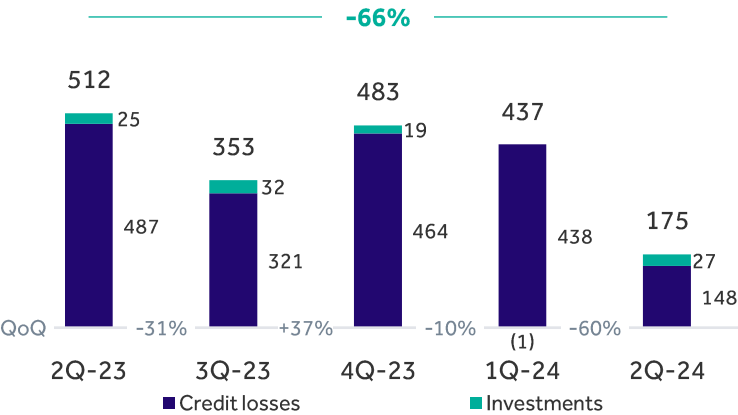




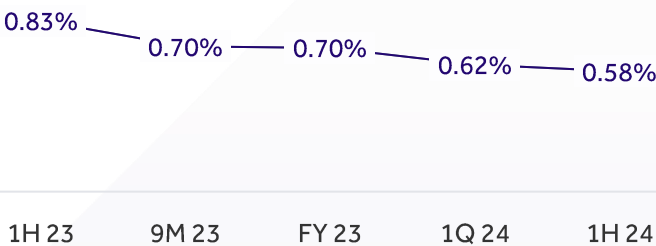
Cost of risk improved from proactive risk management, higher recoveries and sustained asset quality

- ◆ Impairment charges dropped by 46% YoY to SAR 611mn for 1H 2024 driven by strong recoveries and lower charges.
- ◆ Quarterly impairment charges decreased by 66% QoQ in 2Q 2024.
- ◆ Commercial impairment charges decreased by 33% YoY, whereas consumer impairment charges increased by 8% YoY.
- ◆ Cost of risk improved by 24bps YoY to 0.58% for 1H 2024.

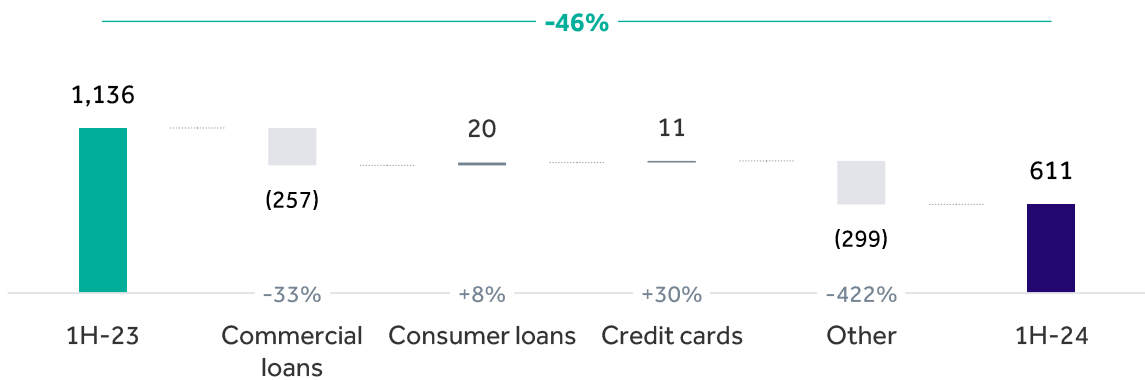
Impairments (SARmn)



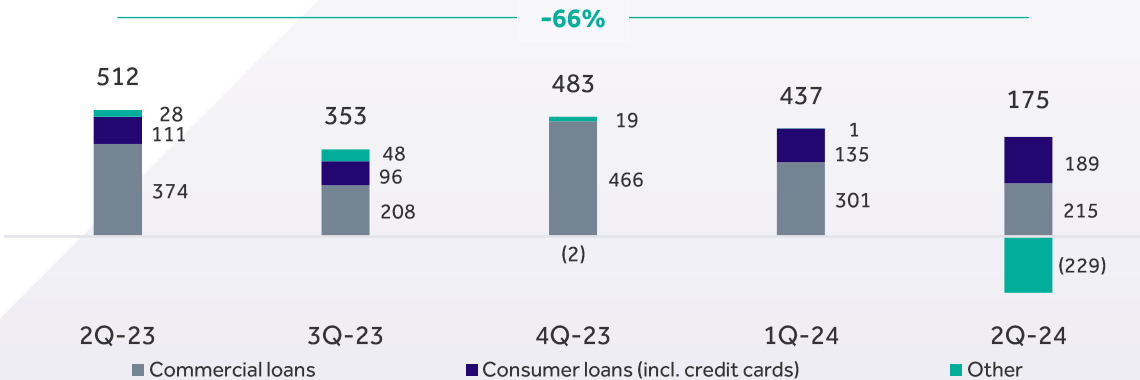
Cost of Risk* (%)



Impairments Movement YoY (SARmn)



Impairments by Source (SARmn)



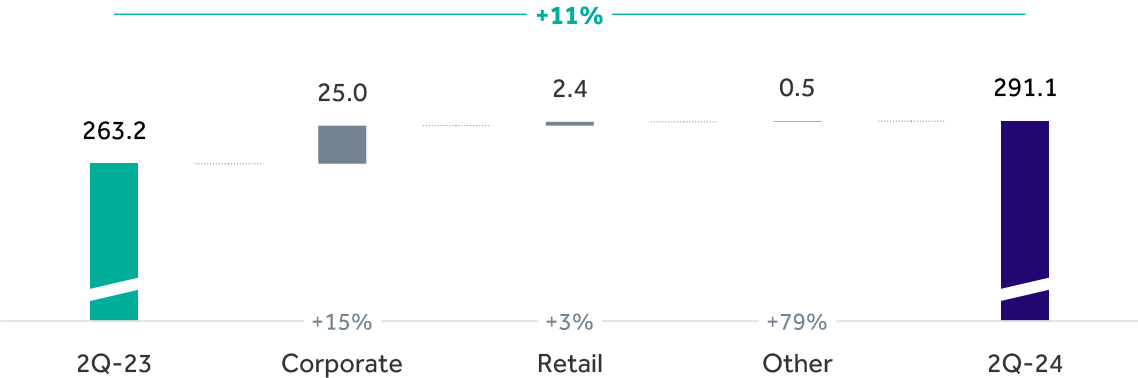


Segment Performance

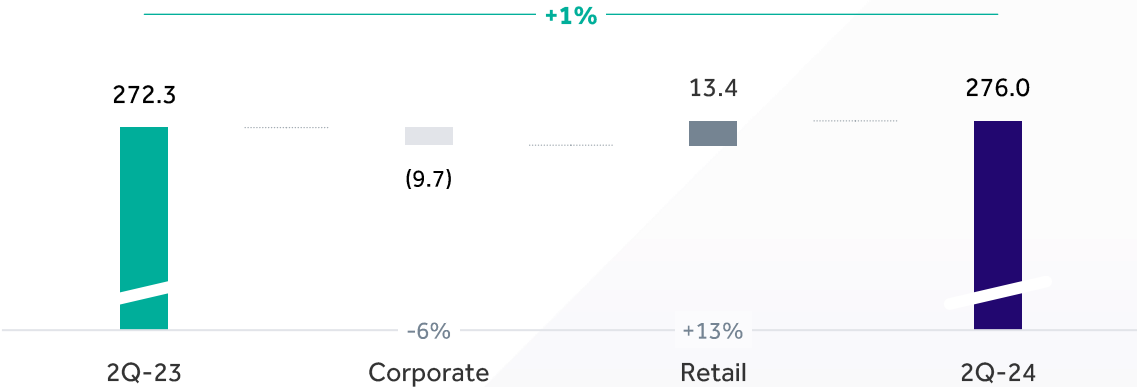


Corporate and Retail segments were the main drivers for the growth in net income for the period

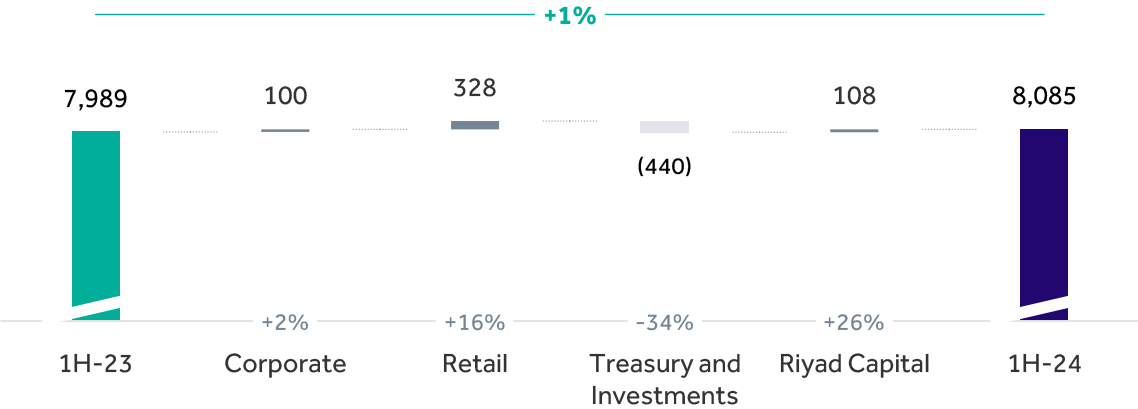
Net Loans & Advances Movement YoY (SARbn)



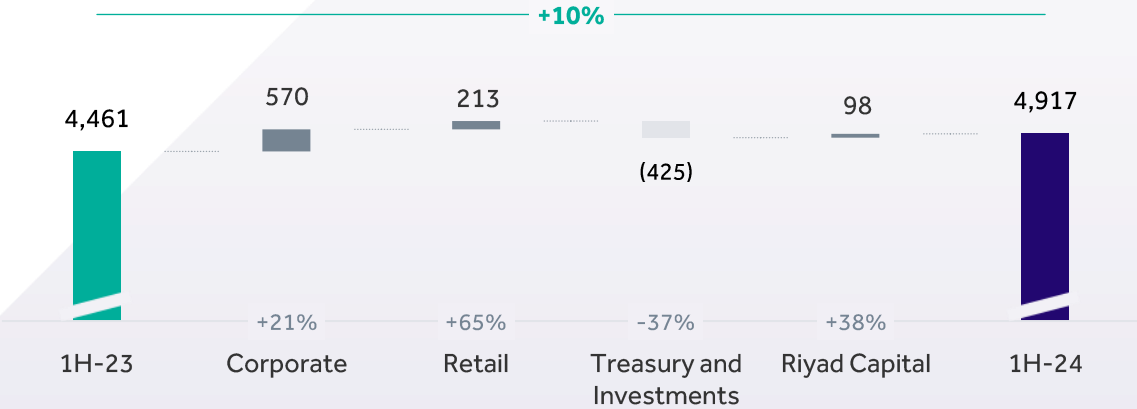
Deposits Movement YoY (SARbn)



Total Operating Income Movement YoY (SARmn)



Net Income before Zakat Movement YoY (SARmn)





Corporate segment accounts for 53% of total operating income translating into 67% share in net income before Zakat

Corporate 	Operating Income 1H-24 +2% YoY SAR Million 4,294	Expenses* 1H-24 +9% YoY SAR Million 731	Impairments 1H-24 -67% YoY SAR Million 263	Net Income** 1H-24 +21% YoY SAR Million 3,300
Retail 	Operating Income 1H-24 +16% YoY SAR Million 2,416	Expenses 1H-24 +6% YoY SAR Million 1,552	Impairments 1H-24 +9% YoY SAR Million 324	Net Income 1H-24 +65% YoY SAR Million 541
Treasury and Investments 	Operating Income 1H-24 -34% YoY SAR Million 858	Expenses 1H-24 +14% YoY SAR Million 127	Impairments 1H-24 -45% YoY SAR Million 25	Net Income 1H-24 -37% YoY SAR Million 720
Riyad Capital 	Operating Income 1H-24 +26% YoY SAR Million 517	Expenses 1H-24 +7% YoY SAR Million 161	Brokerage Value Traded 1H-24 +77% YoY SAR Billion 109.1	Net Income 1H-24 +38% YoY SAR Million 356

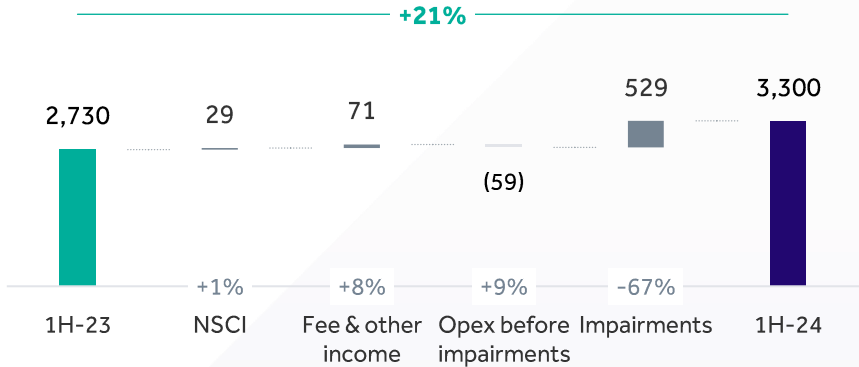


Corporate profitability sustained by the growth in fee and other income, partly offset by the increase in operating expenses

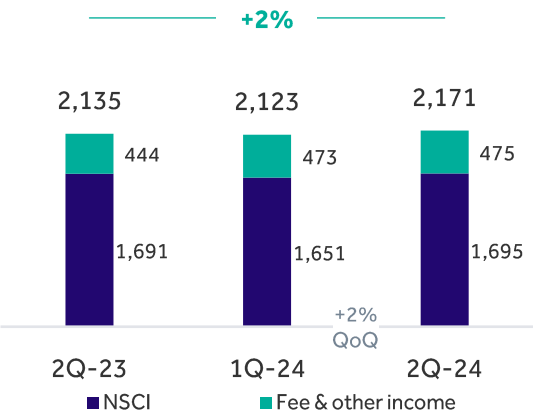
- Net income before zakat of the Corporate segment increased by 21% YoY to SAR 3,300mn for 1H 2024 mainly due to higher fee & other income and lower provisions, partly offset by the increase in and operating expenses.
- Fee and other income grew by 8% YoY for 1H 2024 to SAR 948mn driving total operating income to increase by 2% YoY to SAR 4,294mn.

SAR (mn)	2Q-2024	2Q-2023	YoY % Change	1H-2024	1H-2023	YoY % Change
NSCI	1,695	1,691	+0%	3,346	3,317	+1%
Fee & other income	475	444	+7%	948	877	+8%
Total operating income	2,171	2,135	+2%	4,294	4,194	+2%
Opex before impairments	(350)	(347)	+1%	(731)	(672)	+9%
Impairments	39	(375)	-110%	(263)	(792)	-67%
Net income before zakat	1,860	1,413	+32%	3,300	2,730	+21%

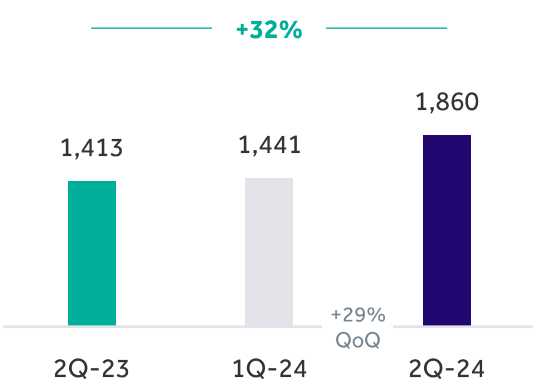
Net Income Before Zakat Movement YoY (SARmn)



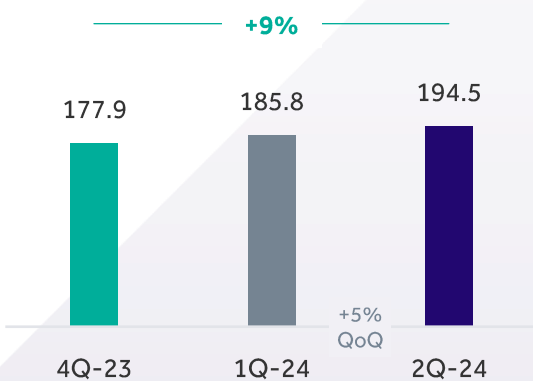
Total Operating Income (SARmn)



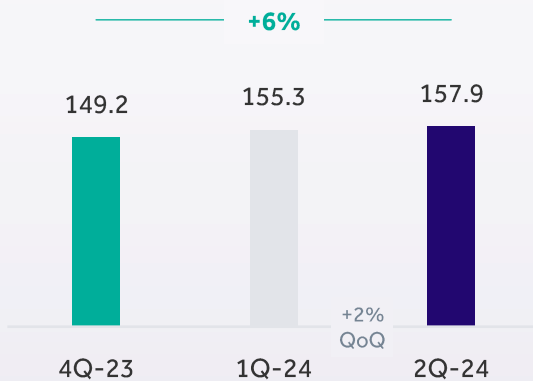
Net Income Before Zakat (SARmn)



Loans & Advances, Net (SARbn)



Deposits (SARbn)

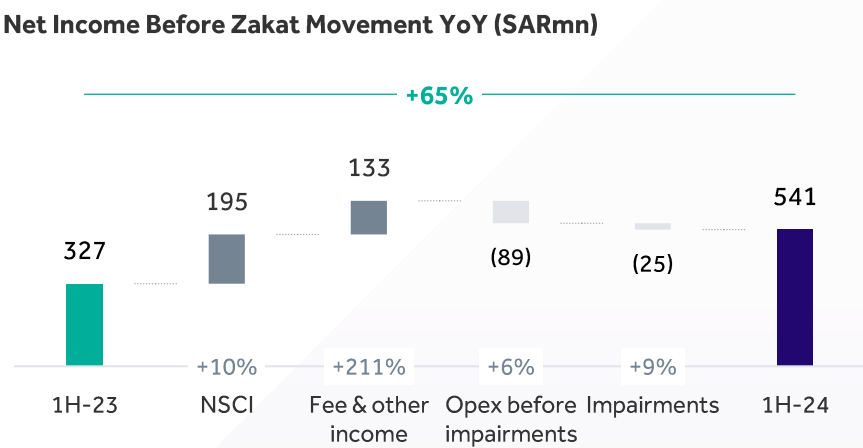




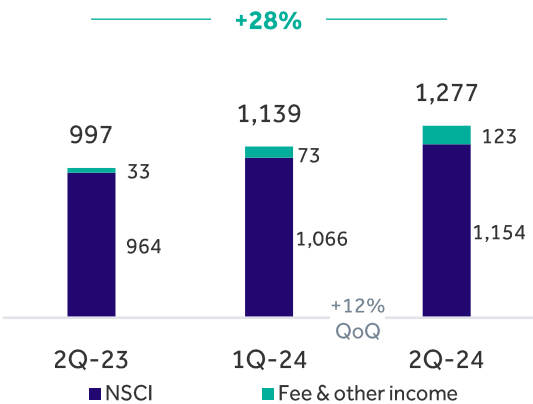
Retail net income spiked by 65% YoY, mainly supported by higher operating income

- Net income before zakat of the Retail segment spiked by 65% to SAR 541mn for 1H 2024 mainly due to increase in operating income.
- Fee and other income for 1H 2024 jumped by 211% YoY to SAR 196mn, mainly due to higher fee from banking services.
- Total operating income increased by 16% YoY for 1H 2024 to reach SAR 2,416mn.

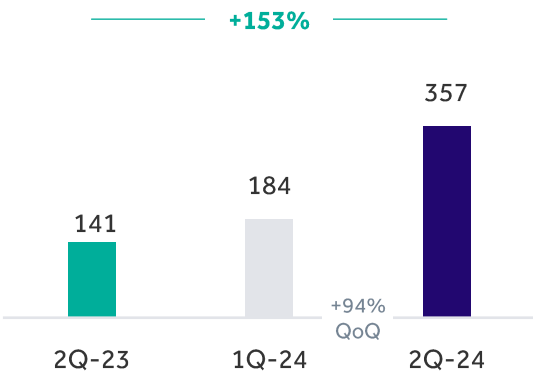
SAR (mn)	2Q-2024	2Q-2023	YoY % Change	1H-2024	1H-2023	YoY % Change
NSCI	1,154	964	+20%	2,220	2,025	+10%
Fee & other income	123	33	+273%	196	63	+211%
Total operating income	1,277	997	+28%	2,416	2,088	+16%
Opex before impairments	(731)	(743)	-2%	(1,552)	(1,463)	+6%
Impairments	(189)	(113)	+68%	(324)	(298)	+9%
Net income before zakat	357	141	+153%	541	327	+65%



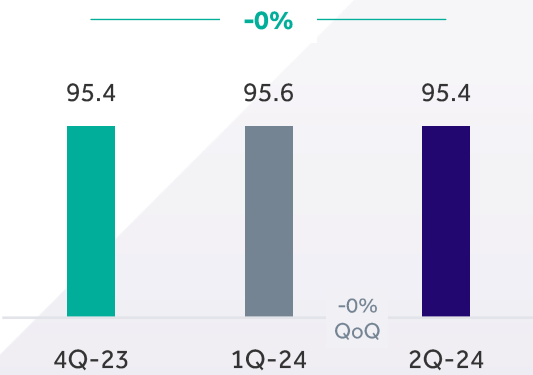
Total Operating Income (SARmn)



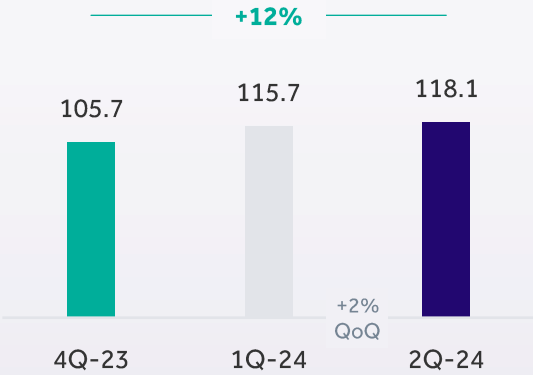
Net Income Before Zakat (SARmn)



Loans & Advances, Net (SARbn)



Deposits (SARbn)



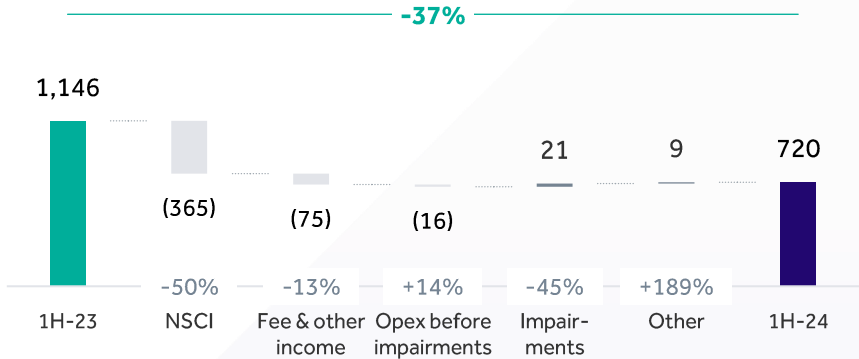


Treasury and Investments net income before Zakat declined by 37% YoY due to lower operating income

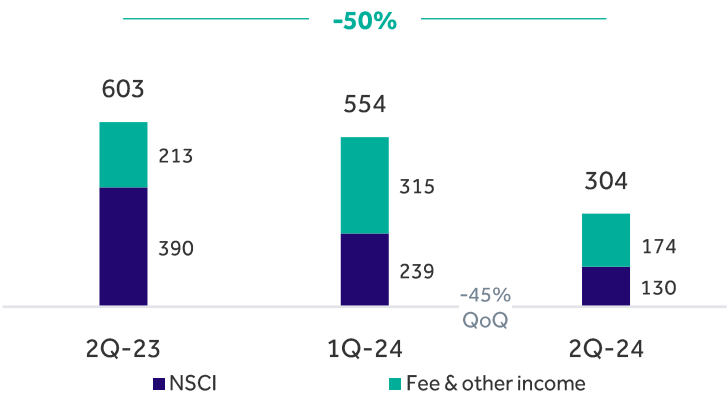
- Net income before zakat of the Treasury and Investments segment declined by 37% YoY to SAR 720mn for 1H 2024 due to decrease in operating income.
- Operating income for 1H 2024 decreased by 34% YoY to SAR 858mn.

SAR (mn)	2Q-2024	2Q-2023	YoY % Change	1H-2024	1H-2023	YoY % Change
NSCI	130	390	-67%	369	734	-50%
Fee & other income	174	213	-18%	489	563	-13%
Total operating income	304	603	-50%	858	1,298	-34%
Opex before impairments	(62)	(66)	-7%	(127)	(111)	+14%
Impairments	(25)	(25)	+2%	(25)	(46)	-45%
Associates	9	4	+126%	14	5	+189%
Net income before zakat	226	516	-56%	720	1,146	-37%

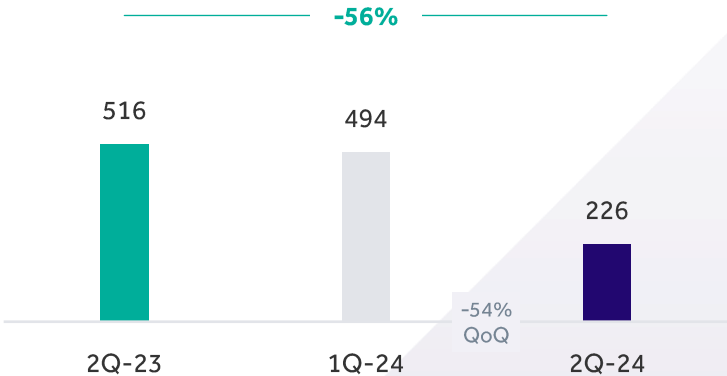
Net Income Before Zakat Movement YoY (SARmn)



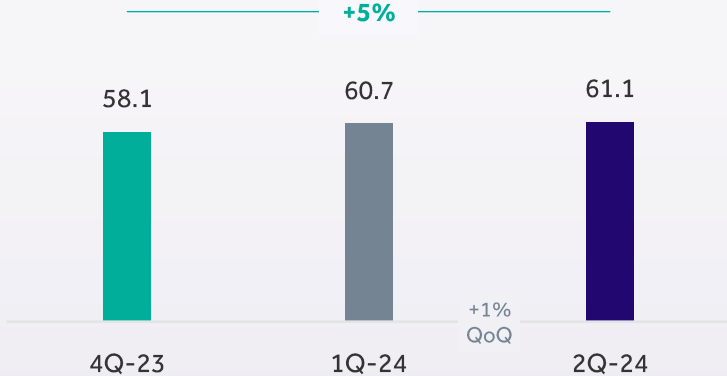
Total Operating Income (SARmn)



Net Income Before Zakat (SARmn)



Investments, Net (SARbn)



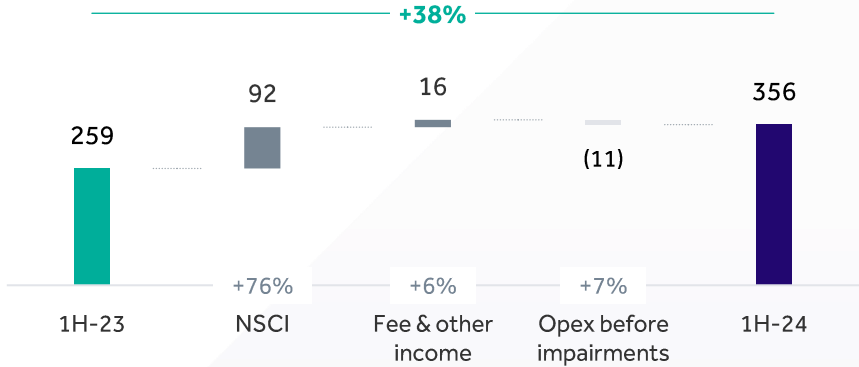


Strong growth in NSCI resulted in 38% increase in net income before zakat for Riyadh Capital

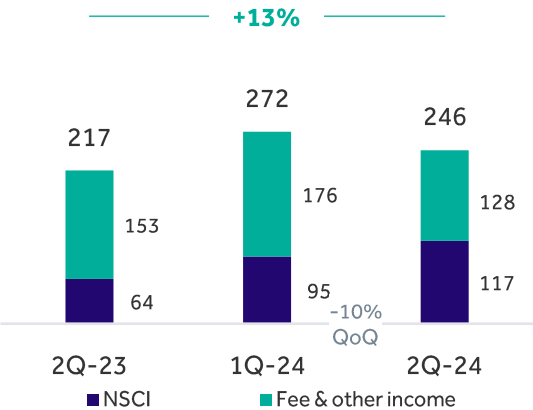
- Net income before zakat of Riyadh Capital increased by 38% to SAR 356mn for 1H 2024, mainly due to higher NSCI and fee & other income.
- Net special commission income for 1H 2024 increased by 76% YoY to SAR 212mn compared to SAR 121 for the corresponding period last year.

SAR (mn)	2Q-2024	2Q-2023	YoY % Change	1H-2024	1H-2023	YoY % Change
NSCI	117	64	+84%	212	121	+76%
Fee & other income	128	153	-16%	305	288	+6%
Total operating income	246	217	+13%	517	409	+26%
Opex before impairments	(82)	(78)	+6%	(161)	(151)	+7%
Net income before zakat	164	139	+17%	356	259	+38%

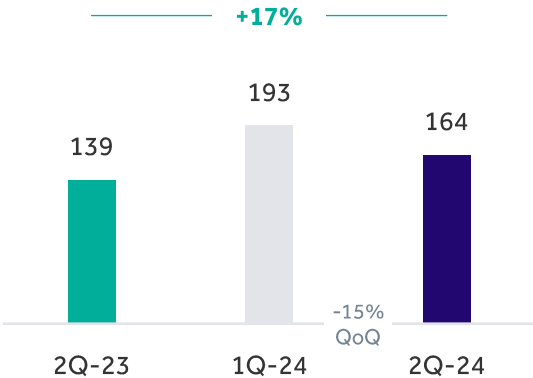
Net Income Before Zakat Movement YoY (SARmn)



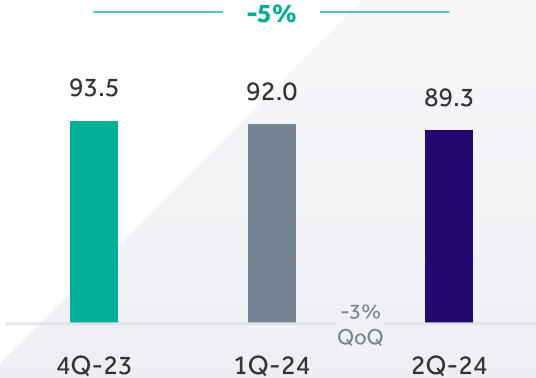
Total Operating Income (SARmn)



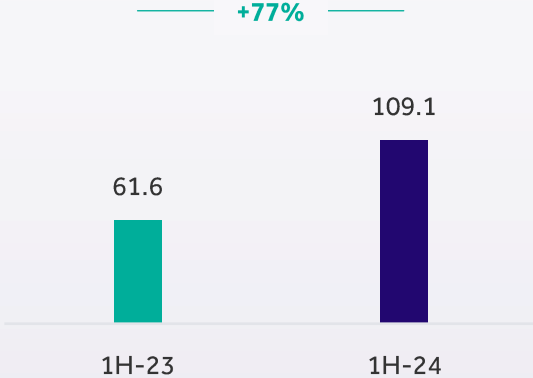
Net Income Before Zakat (SARmn)



Total AUM (SARbn)



Brokerage Value Traded (SARbn)





Outlook & Guidance





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

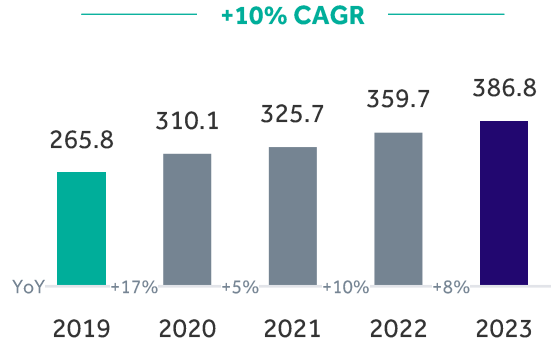


Historical Performance

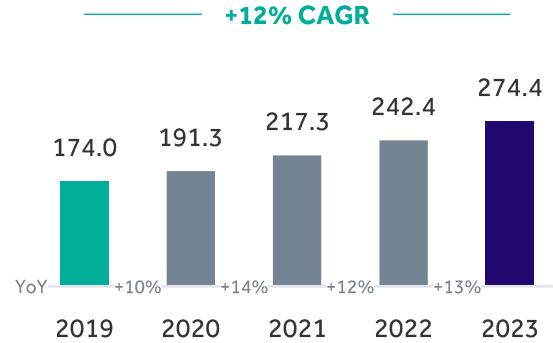


Balance sheet 5-year Summary

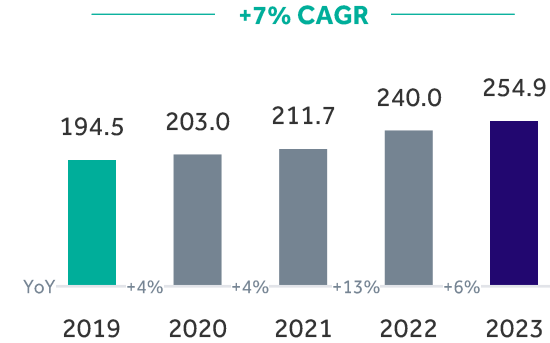
Total Assets (SARbn)



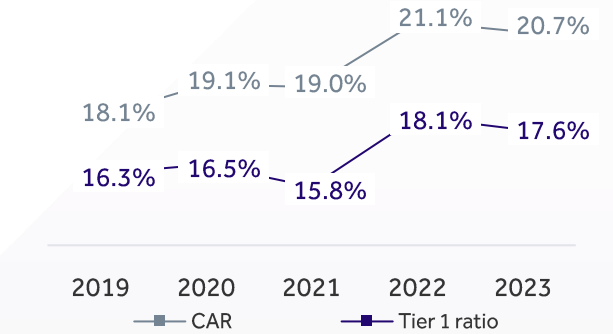
Loans & Advances, Net (SARbn)



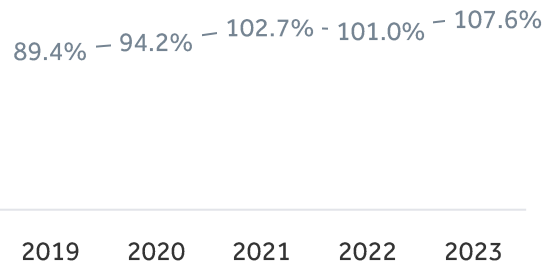
Deposits (SARbn)



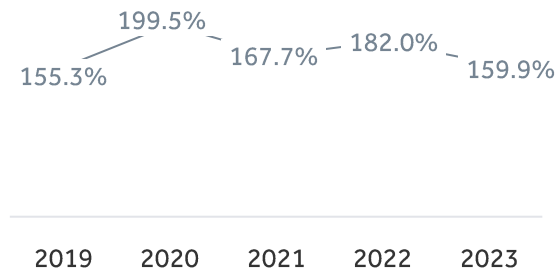
Capital Ratios (%)



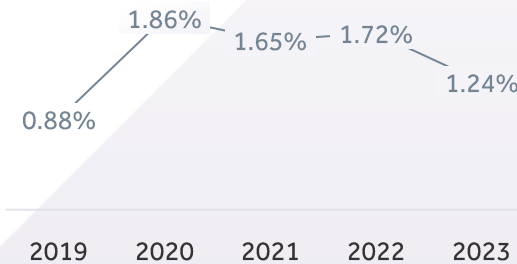
Headline LDR (%)



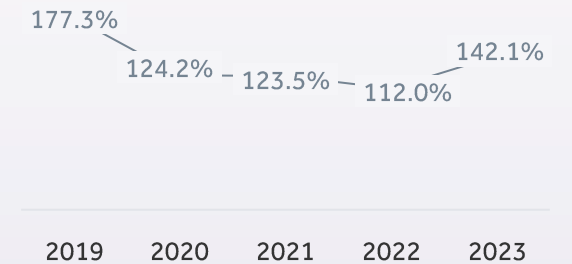
LCR (%)



NPL Ratio (%)



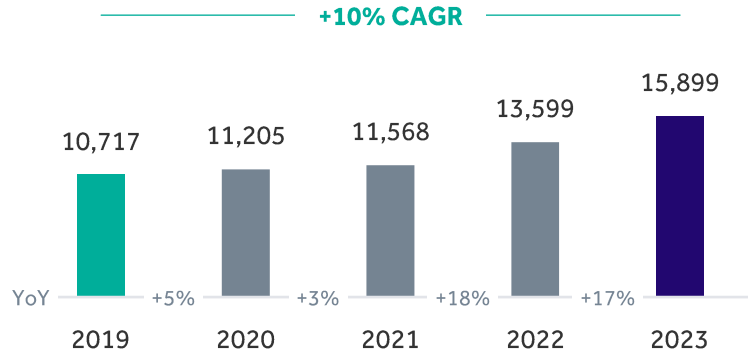
NPL Coverage Ratio (%)



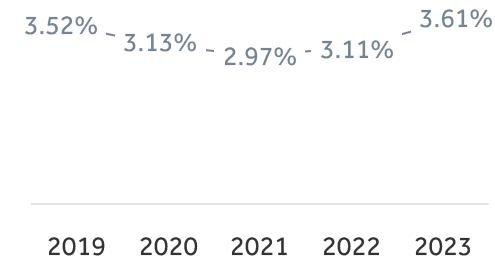


Income Statement 5-year Summary

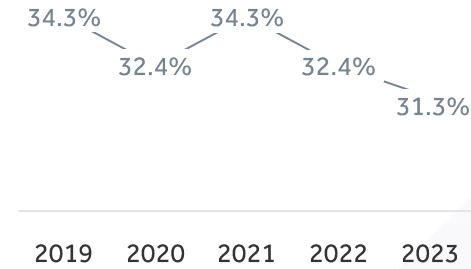
Total Operating Income (SARmn)



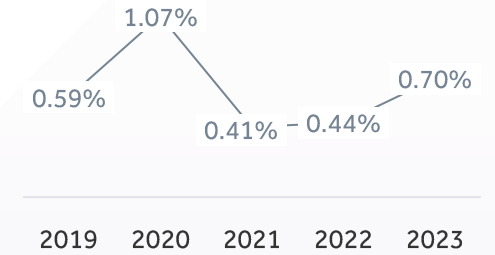
NSCI Margin (%)



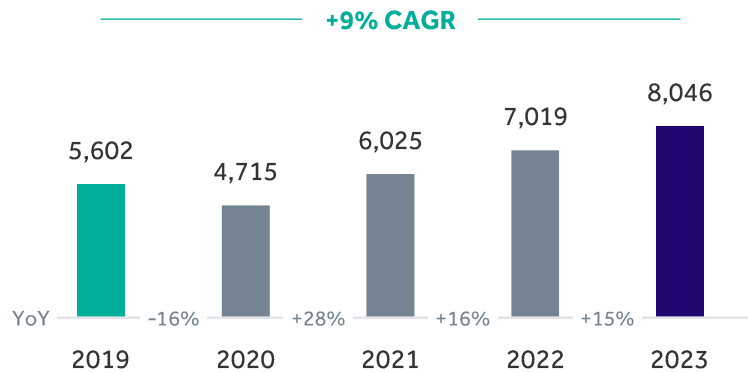
Cost to Income Ratio (%)



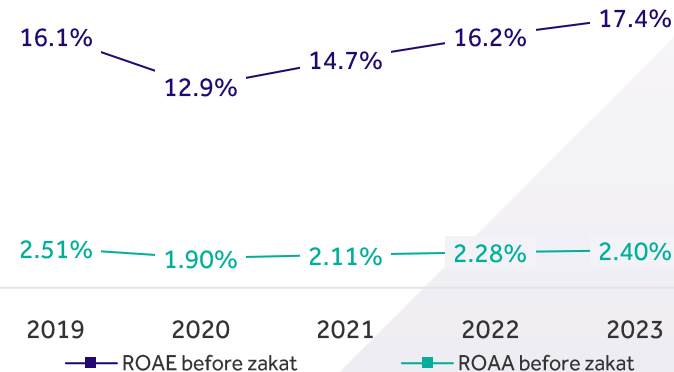
Cost of Risk* (%)



Net Income (SARmn)



ROAE, ROAA Before Zakat (%)



ROAE, ROAA (%)





■ Appendix





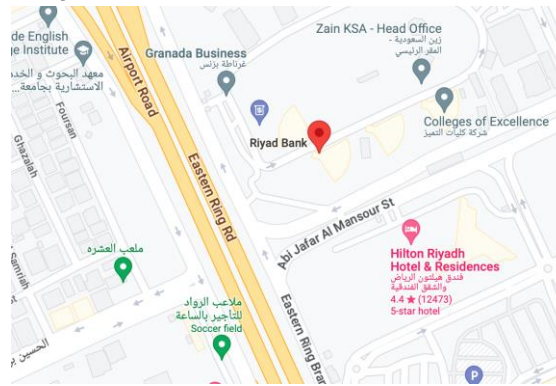
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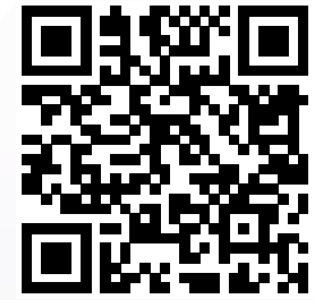
2Q 2024 Financials



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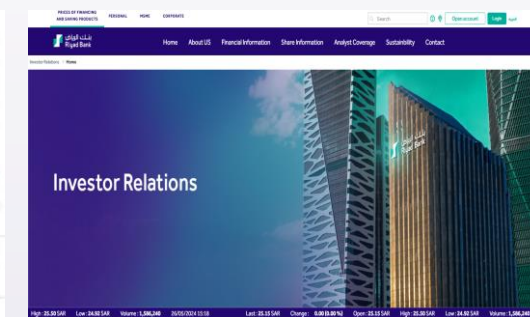
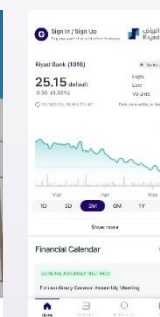
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