



Investor Presentation

FY 2023



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Riyad Bank Profile



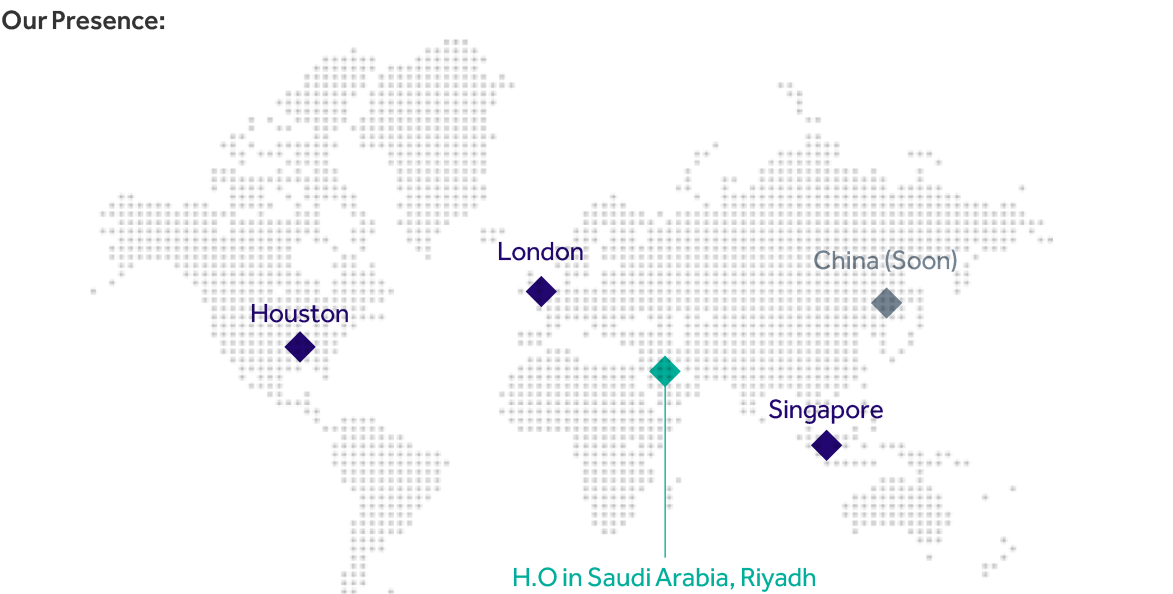


Riyad Bank is the third largest bank in Saudi Arabia

Our Mission:		Our Employees:	
Tobe the most innovative & trusted financial solutions partner		Employees	7,887
		Female Employees	29%

4Q 2023 Key Metrics

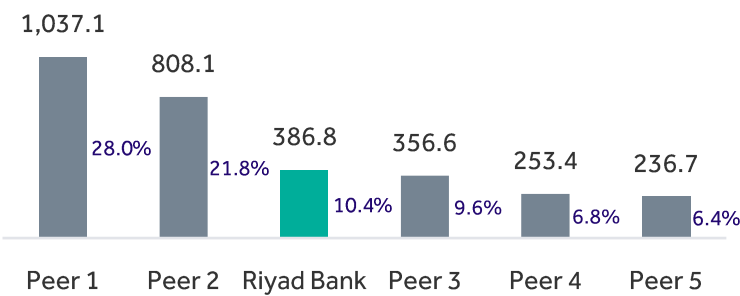
Assets		Operating Income		Cost to Income Ratio	
SAR bn	387	SAR bn	4Q: 3.9 FY: 15.9		31.3%
Loans, Net		Pre-Impairment Operating Income		Cost of Risk*	
SAR bn	274	SAR bn	4Q: 2.7 FY: 10.9		0.70%
Deposits		Net Income		T1 Capital	
SAR bn	255	SAR bn	4Q: 2.0 FY: 8.0		17.6%
SAMA LDR Ratio		LCR		NSFR	
	81.9%		159.9%		113.4%



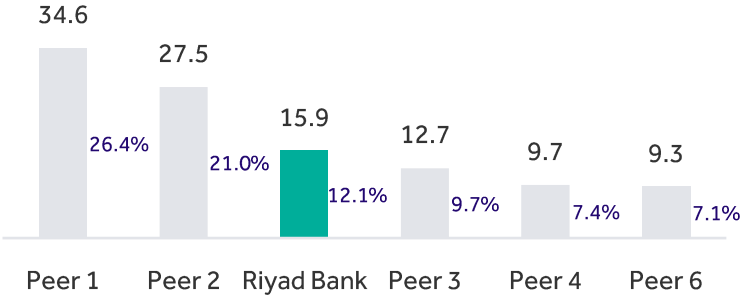
Rating	LT	ST	Outlook	Branches (Licensed)
S&P Global Ratings	A-	A-2	Stable	335
Fitch Ratings	A-	F2	Stable	**ATMs 2,218
Moody's	A2	P-1	Positive	**PoS 227,744

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

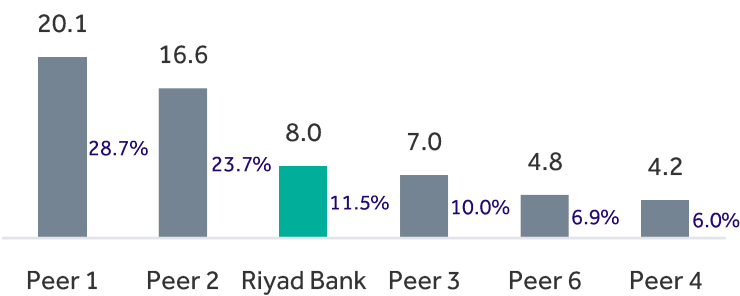
2023 Total Assets (SARbn) & Market Share (%)



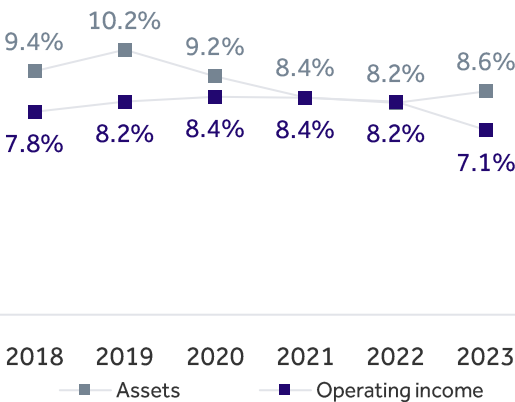
2023 Oper. Income (SARbn) & Market Share (%)



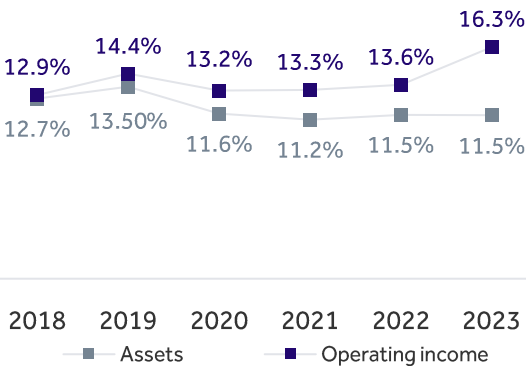
2023 Net Income (SARbn) & Market Share (%)



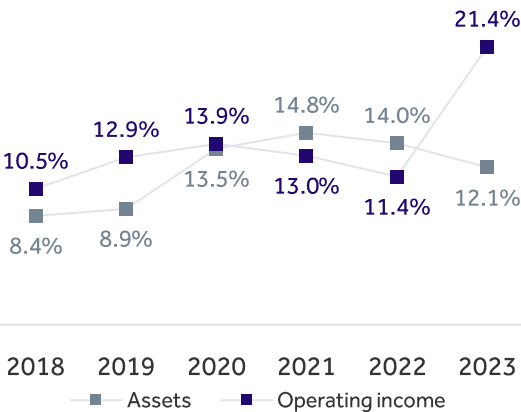
Retail Banking Market Share (%)



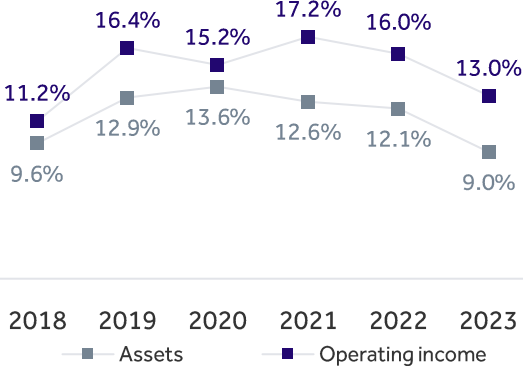
Corporate Banking Market Share (%)



Treasury & Investment Market Share (%)



IB & Brokerage Market Share (%)



Riyad Bank is a liquid stock with strong domestic ownership

Market Capitalization
31 Dec 2023

-10.5% YoY

SAR Billion

85.358

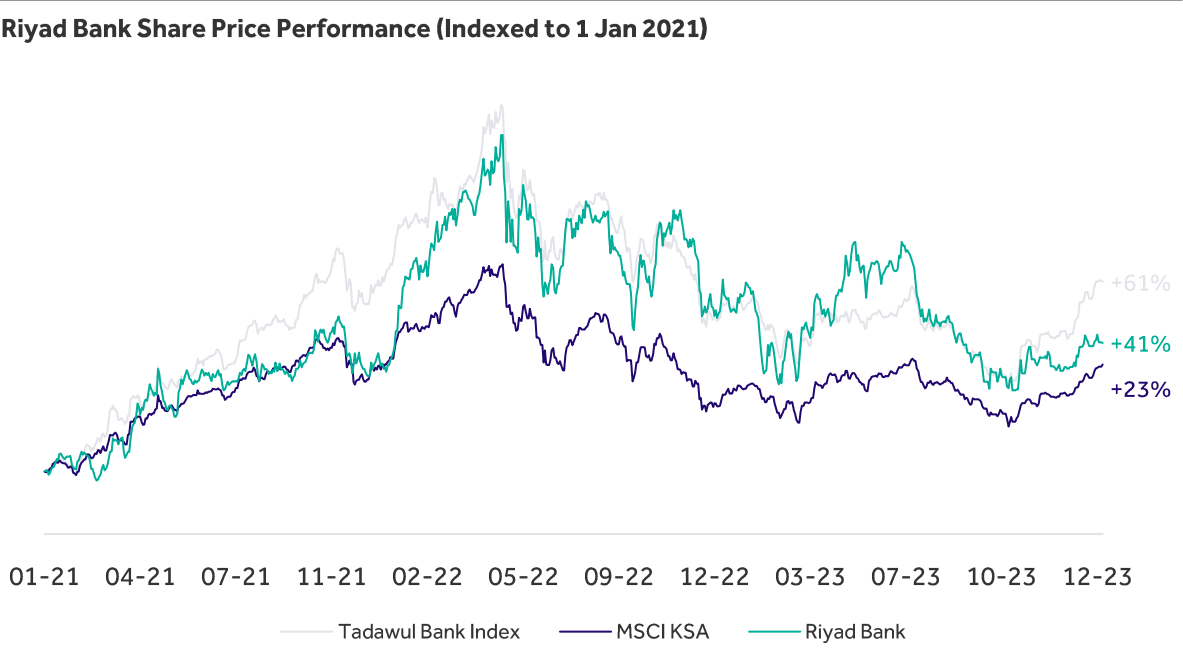
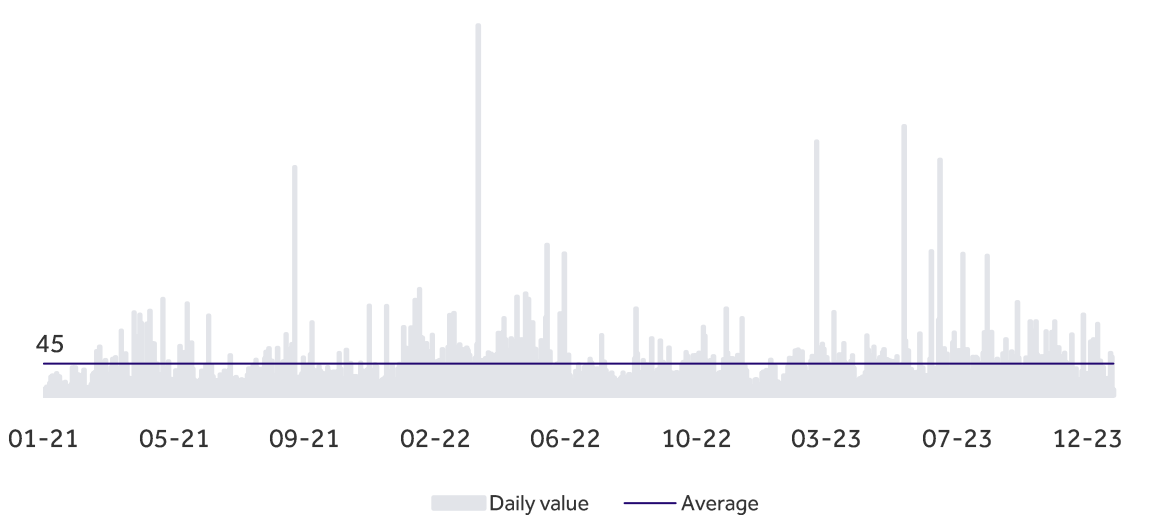
52-week Trading Range (SAR)
31 Dec 2023

25.25 – 35.50

Valuation Metrics



Riyad Bank Daily Share Trading Value (SAR millions)



Shareholder Origin (%)





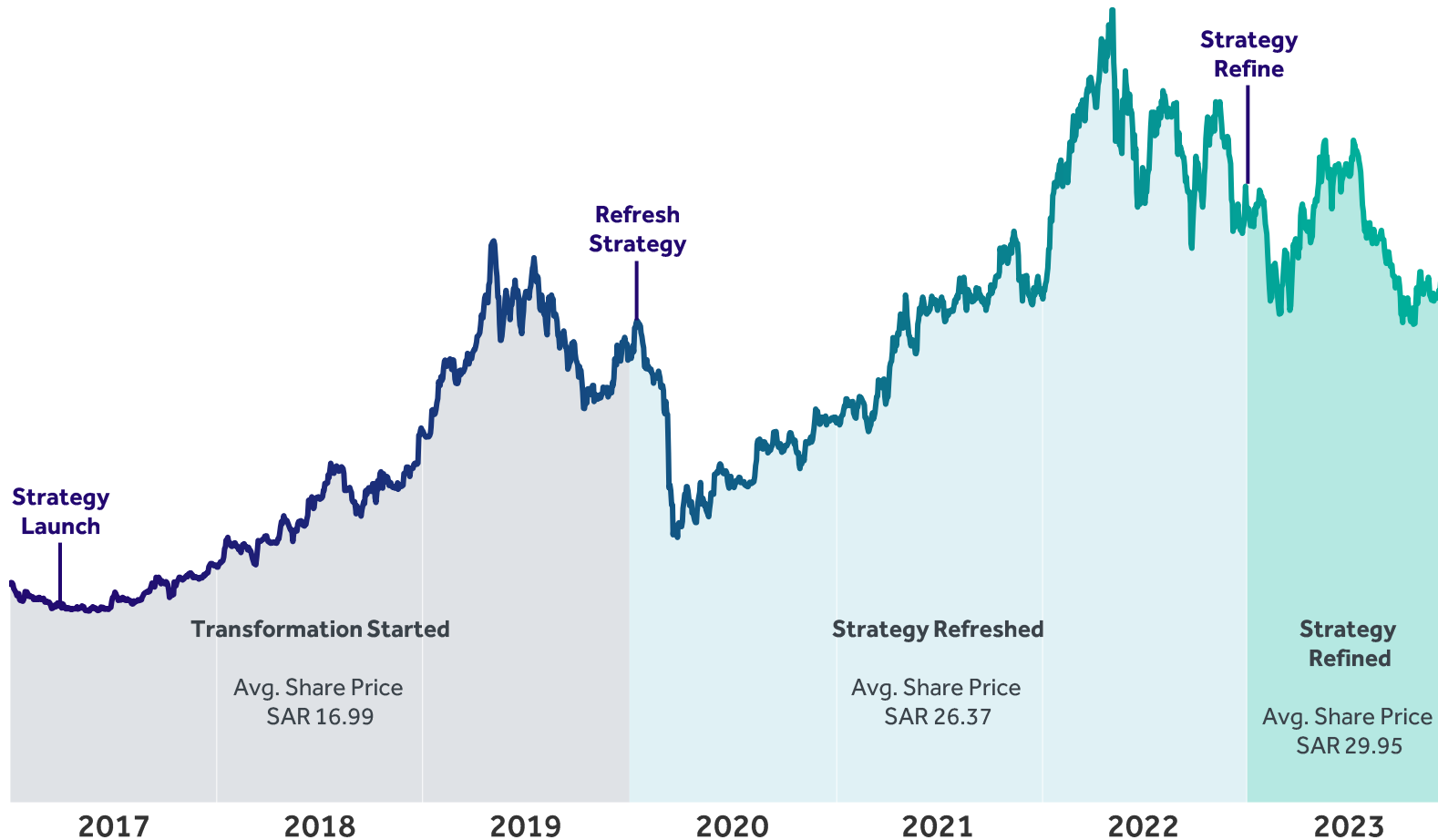
■ Strategy





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

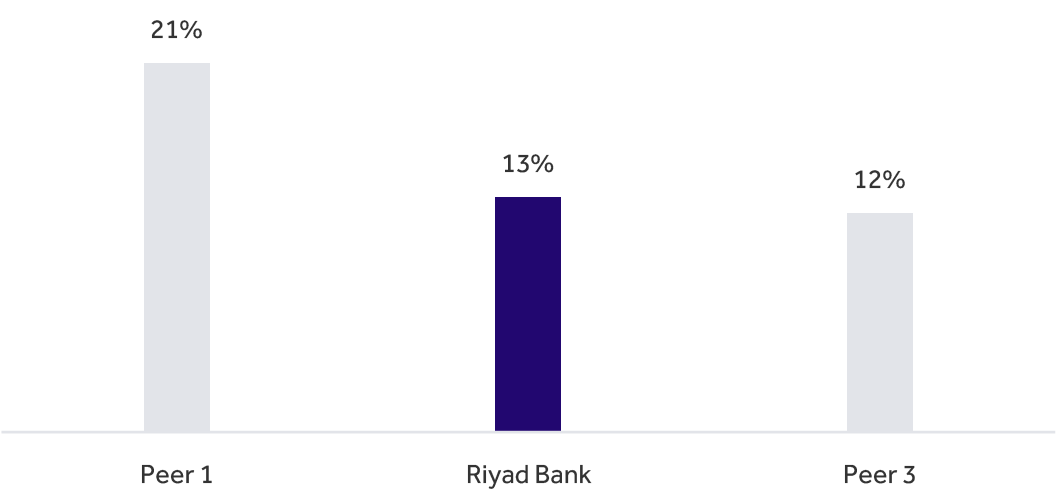
Corporate Banking Market Share*



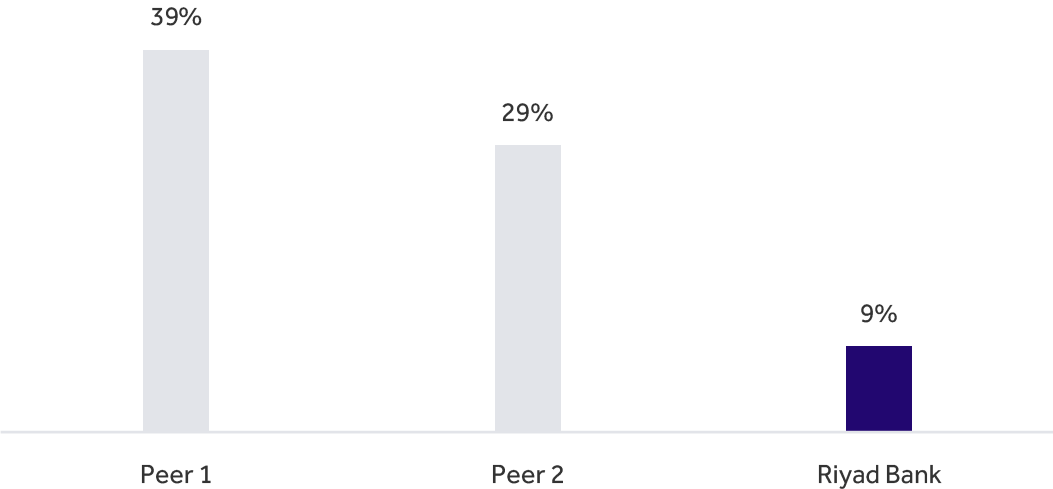
Retail Banking Market Share*



Top 3 Banks by Corporate Loans and Advances, net







Top 3 Banks by Retail Loans and Advances, net



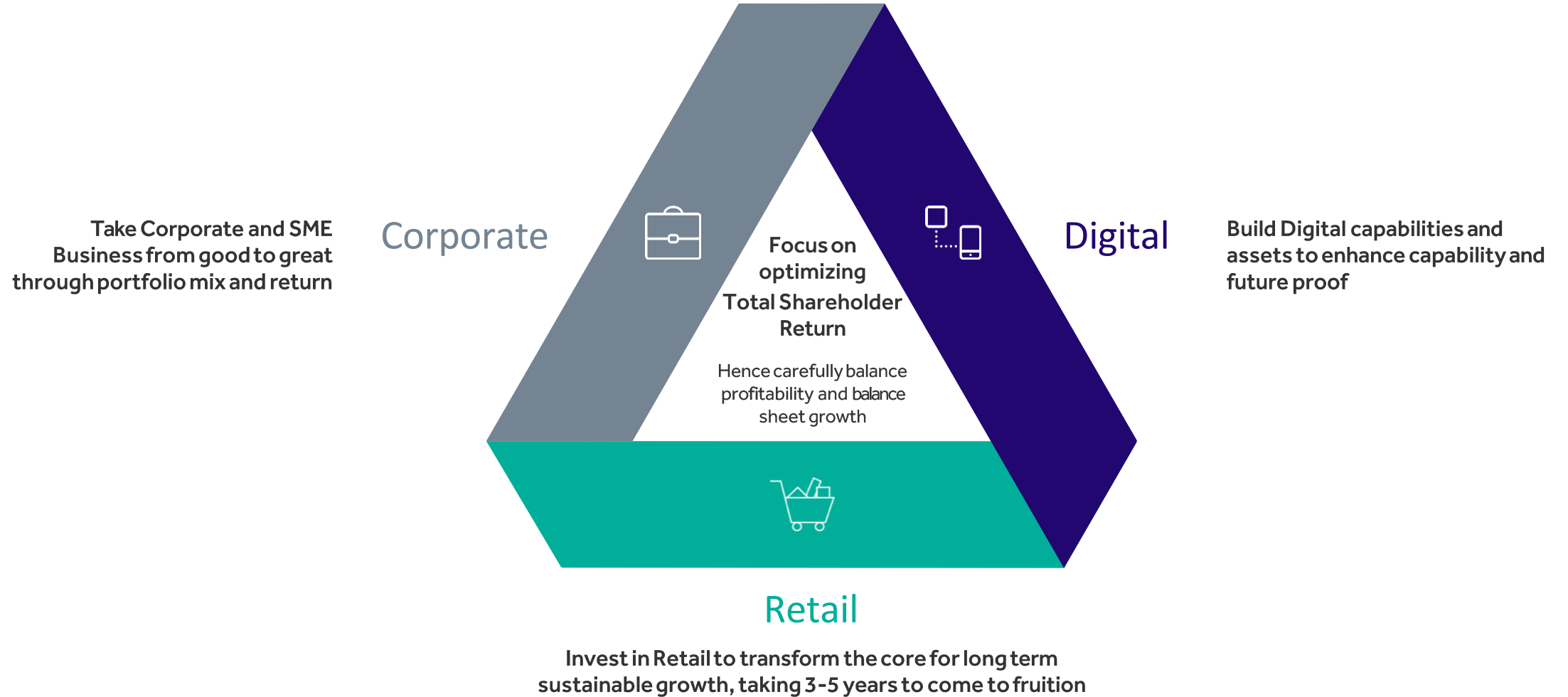


Our ambition is to be the best Bank in KSA

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

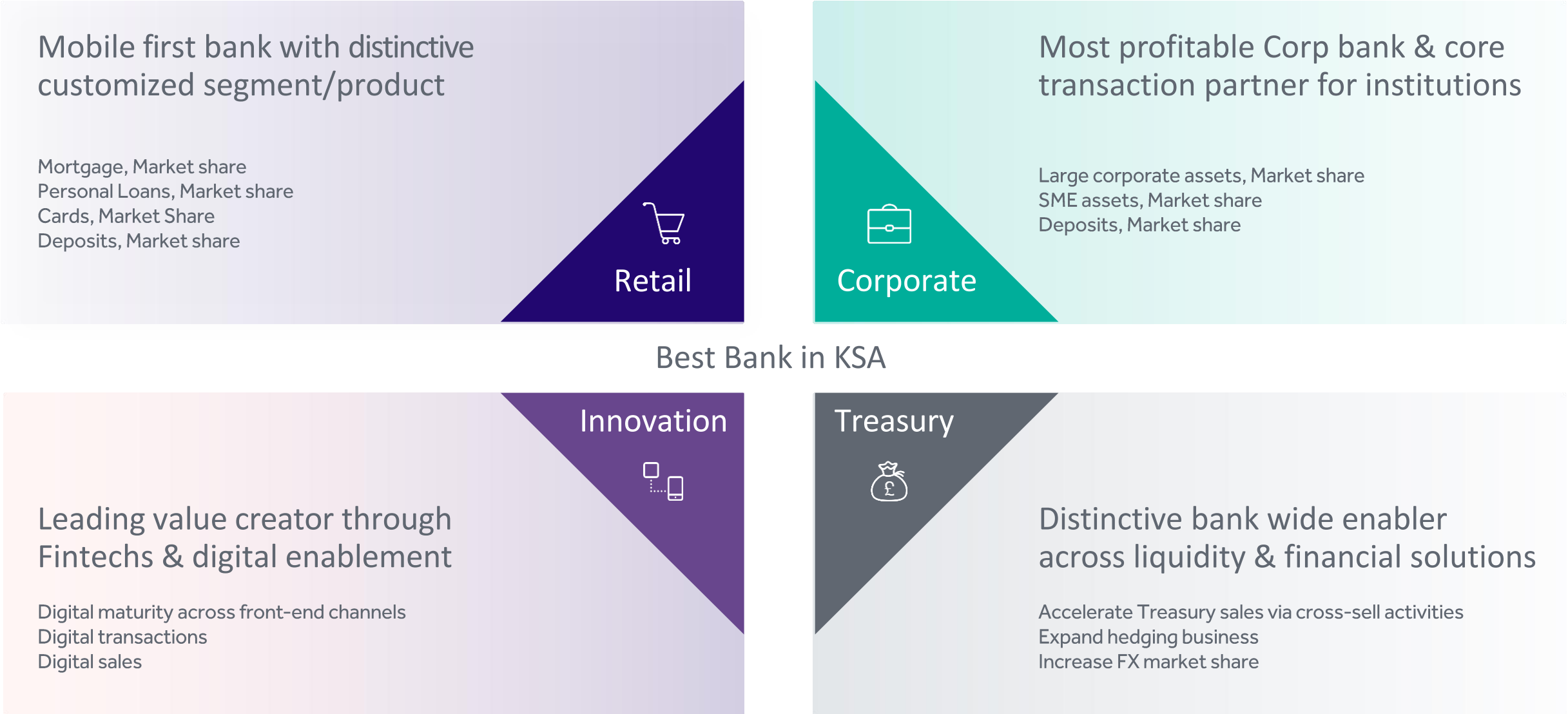


Our strategy is driven by key operating model shifts

	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





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 corporate responsibility and sustainability into the Bank’s strategy

Environmental

World Day to Combat Desertification we conduct Seminar “ ظاهرة التصحر ” أبعادها وتداعياتها in collaboration with Environmental Green Horizons Society	750M The world’s first sustainable AT1 Sukuk and the first Sukuk on the BSM
7.7Tons Recycling: First Quarter: Papers and plastic	Reduce With Us we launched “Reduce With Us” initiative in order to reduce environmental pollution and carbon emissions by recycling used devices.
Goal Initiative As part of our cherished partnership with Al -Hilal, we are excited to introduce an environmentally conscious initiative under Bukra program for the upcoming season. For every Goal fulfilled by Al-Hilal, we intend to plant 100 trees, هدف الهلال شجرة لبكرة We planted 1400 Trees. Save 10.9 Ton Carbon	

Social

Financial literacy we activated Token Awareness to increase kids’ financial literacy and encourage them to save. for Al-Hilal Academy teams.	Purple Saturday Riyad Bank participated in the Purple Saturday initiative by offering a variety of promotions for PWDs. (Mortgage and Hassad offer’s)
Hosting Non-profit Organizations As part of our commitment to the community by offering our facilities to conduct workshop for NGOs and to activate knowledge pillar, we hosted a conference in data-science.	!تعلمها معنا , we held a workshop in Saudi Sign Language, "Fundamentals of Sign Language," in order to foster social, cognitive, and cultural bonds among RB employees. 65 beneficiaries
ISO- Proud to announce that we have recently obtained the ISO 26000 certification in social responsibility	SAR 13.9mn Donation amount: Total 432,902 transactions
Riyad Talk – Social Sustainability Riyad Talk hosted a session titled “The future of social sustainability in the Kingdom” with Mrs . Dimah Al-Sheikh – the Executive Director of Misk Values	

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





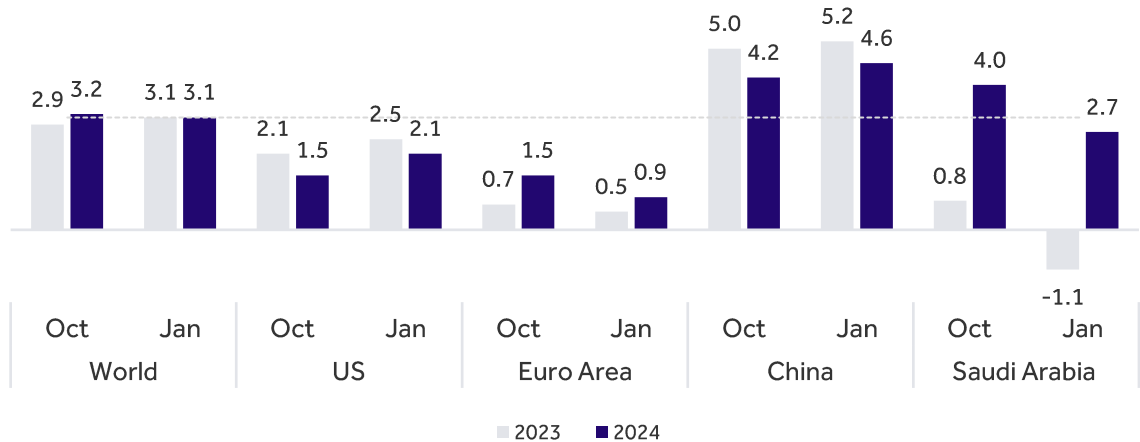
Global steady growth and sensible inflation in 2024

Global growth has slightly grew higher than expected in 2023. The expectation of January report indicated 2024 will be around 3.1% below historical average imitating tight monetary policies, withdraw of fiscal incentives, and low productivity growth.

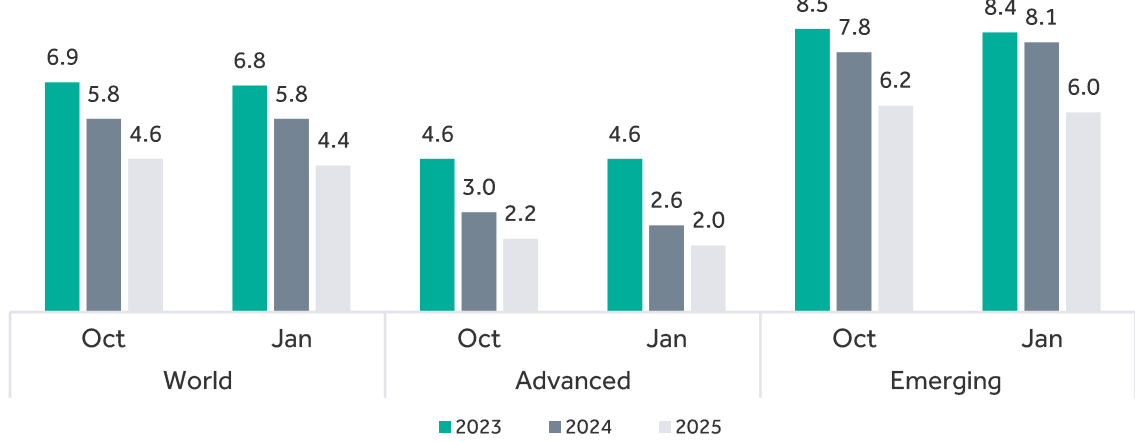
U.S. and China are expecting higher growth than envisaged caused by high government and private spending supported by real disposable income gains and easing in labor market

Near-term inflation expectations have fallen in major economies, with long-term expectations remaining anchored

Economic Outlook (%)



Inflation Expectations (%)



Global PMI ▼
Dec-23 -0.2% Sep-23

50.5 50.6

Fed Funds (%)
Upper 25bps Lower

5.50 5.25

USD Index ▼
Dec-23 -4.6% Sep-23

101.3 106.2

3M SOFR (%) ▼
Dec-23 -6bps Sep-23

5.33 5.39

10y Treasury Yield ▼
Dec-23 -69bps Sep-23

3.88 4.57

Brent Oil (\$/b) ▼
Dec-23 -19.2% Sep-23

77.04 95.31

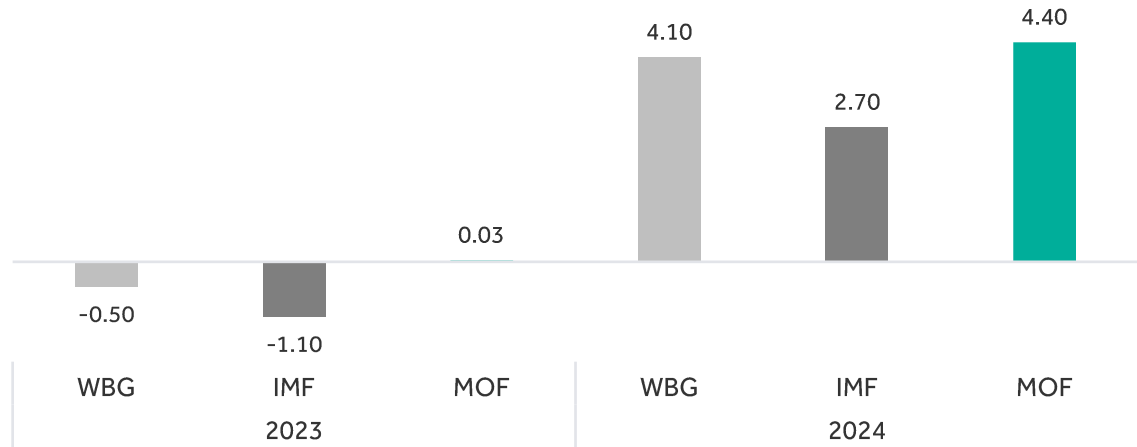


Saudi economy combating 2024 Uncertainties

The flash estimates provided from GASTAT showed a contraction in real GDP FY 2023 by 0.9%. However, FY 2024 is expected to pick up supported by the growth of non-oil activities.

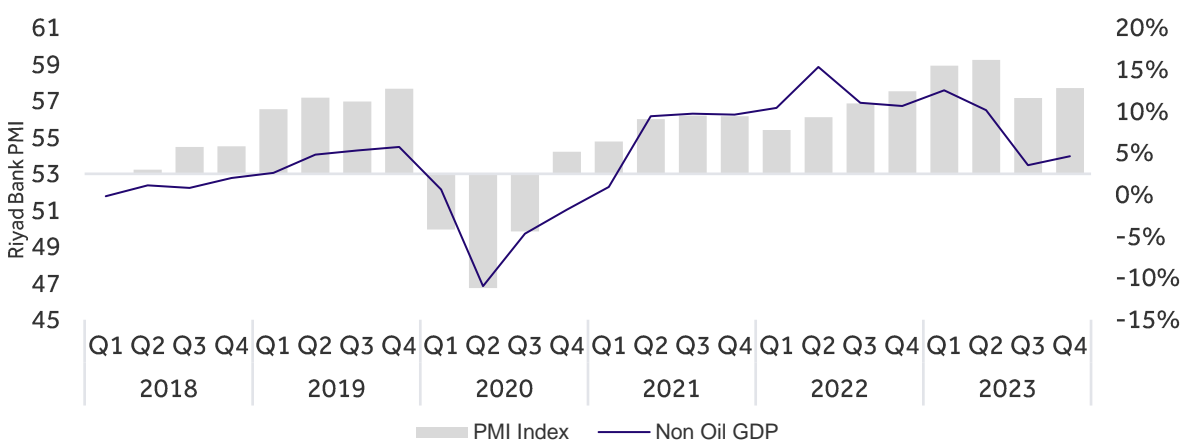
WBG, IMF, and MOF projections indicate real GDP growth range from 2.3%-4.4% in 2024

Saudi Arabia Growth Expectations (%)



PMI indicated a stable growth average around 57.7 in Q4 2023, closing the month of December with 3.1% increase in new orders

Non-oil Private GDP Growth



Real GDP Growth (%)		Riyad Bank PMI		REPO Rate (%)	
3Q-23	-1300bps	3Q-22	Dec-23	+1.0%	Sep-23
-4.4		8.6	57.8	57.2	6.0

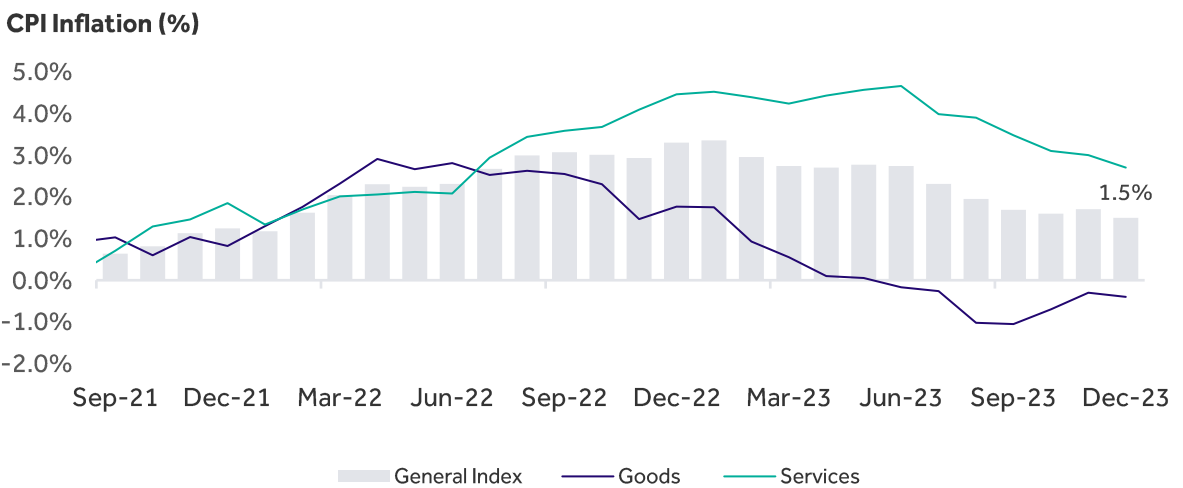
Money Supply (YoY)		Credit Growth (YoY)		Fiscal Balance (SARbn)	
Dec-23	-39bps	Sep-23	Dec-23	-0.37bps	Sep-23
7.6%		8.0%	10.0%	9.9%	-79.0



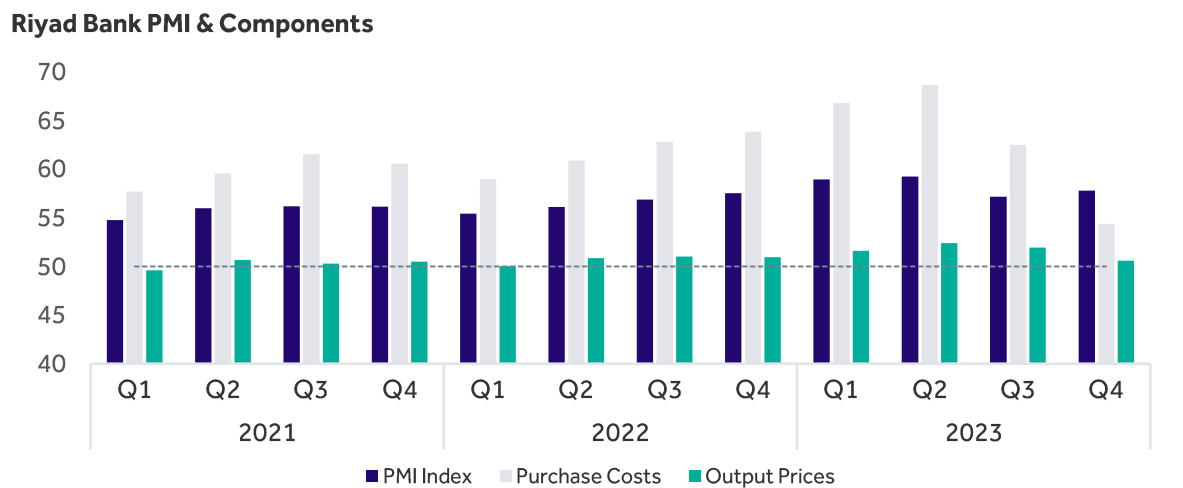
Moderate price pressures remain on strong demand

Inflation rate increased by 1.5% in December compared to the same month of previous year, driven by higher prices of housing, water, electricity, gas, and other fuels which rose by 7.5% from a year earlier.

CPI Inflation eased to 1.5% YoY in Dec from 1.7% in Nov, lead by drop in Food and Transportation prices in 2023



Riyad Bank PMI continued to expand in Q4 to signal strong performance by the non-oil sector driven by rise in purchase costs and output prices



Real GDP Growth (%)	▼	Riyad Bank PMI	▲	REPO Rate (%)	
3Q-23	-1300bps	3Q-22	Dec-23	+1.0%	Sep-23
Repo					RRepo

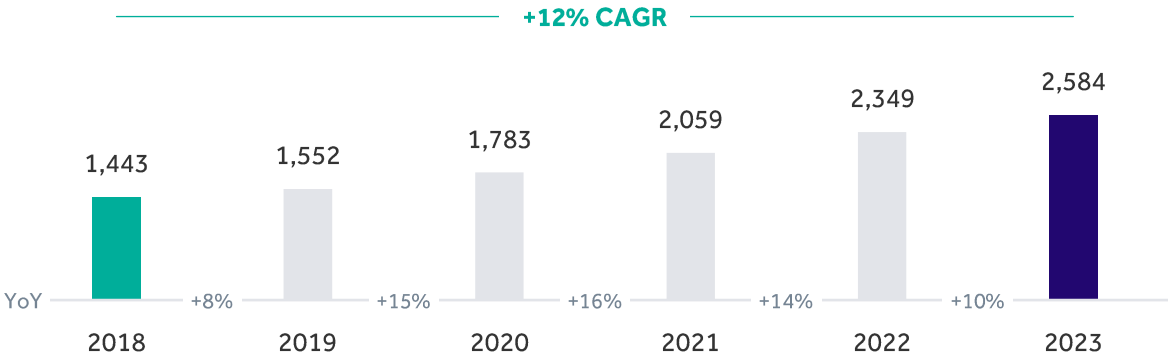
-4.4 8.6 57.8 57.2 6.0 5.5

Money Supply (YoY)	▼	Credit Growth (YoY)	▲	Fiscal Balance (SARbn)	▲
Dec-23	-39bps	Sep-23	Dec-23	-0.37bps	Sep-23
2024				+3Bn	2023

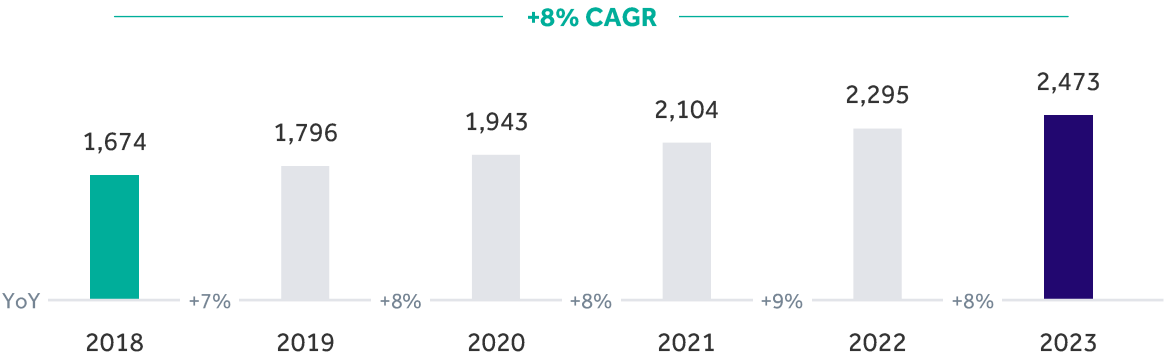
7.6% 8.0% 10.0% 9.9% -79.0 -82.0

The Saudi banking sector is attractively positioned for growth

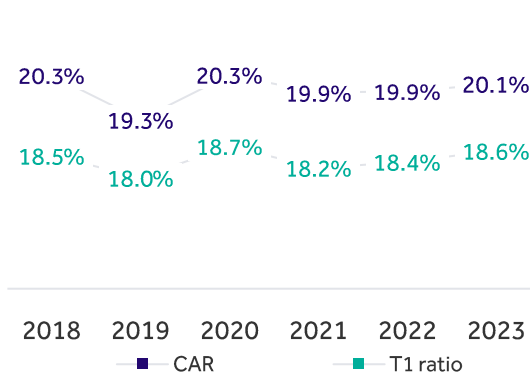
Bank Credit (SARbn)



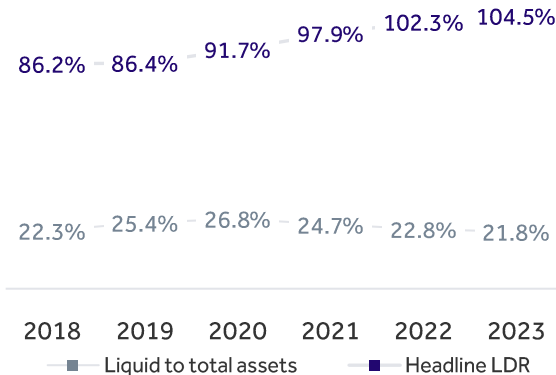
Bank Deposits (SARbn)



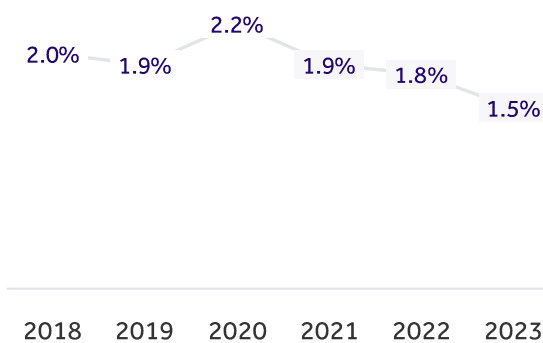
Capitalization (%)



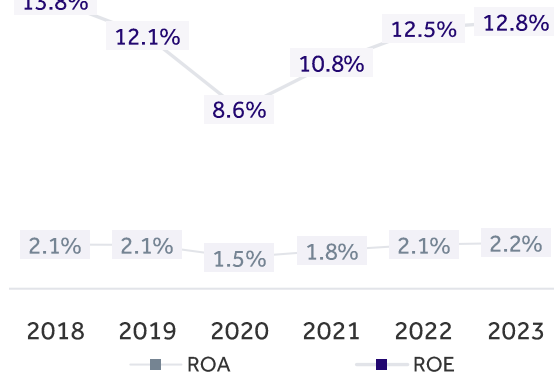
Liquidity Metrics (%)



NPL Ratio (%)



Profitability (%)





■ Financial Performance





Balance sheet



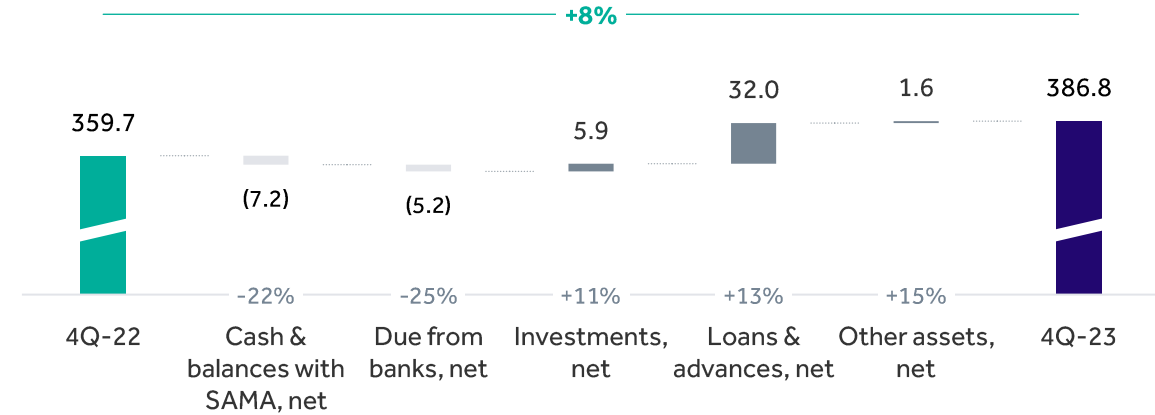


Total assets increased by 8% YoY driven by the expansion of the loan portfolio, funded mainly by customer deposits

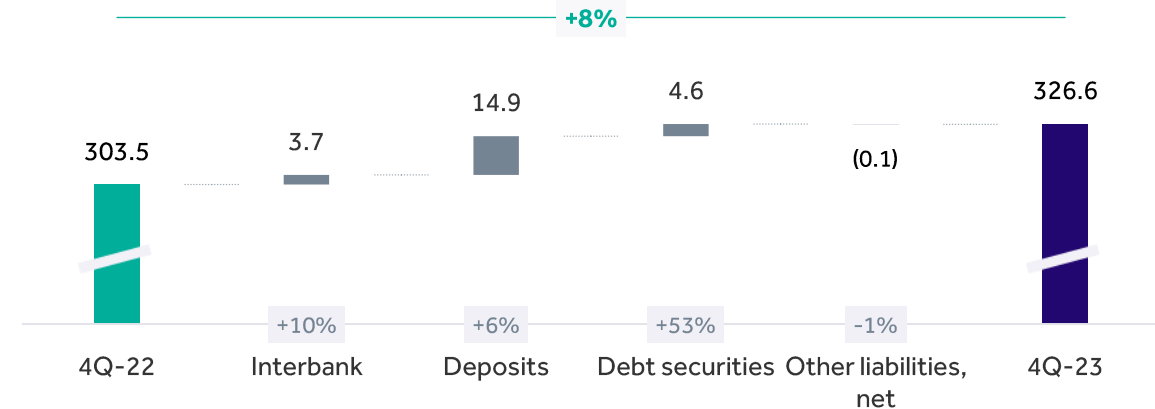
- ◆ Total assets amounted to SAR 387 bn as of 31 December 2023, up 8% YoY on the back of the 13% loans and advances growth, funded mainly by the 6% growth of customer deposits.
- ◆ On a quarterly basis total assets decreased by 3% due to a reduction in cash & balances with SAMA and other assets partially offset by loans and interbank growth.

SAR (mn)	4Q-2023	3Q-2023	QoQ % Change	4Q-2022	YoY % Change
Cash & balances with SAMA, net	26,175	26,609	-2%	33,367	-22%
Due from banks, net	15,434	12,004	+29%	20,613	-25%
Investments, net	58,109	57,882	+0%	52,196	+11%
Loans & advances, net	274,398	267,151	+3%	242,365	+13%
Other assets, net	12,733	13,365	-5%	11,112	+15%
Total assets	386,849	377,012	+3%	359,653	+8%
Interbank	42,464	34,048	+25%	38,760	+10%
Deposits	254,908	254,719	+0%	240,007	+6%
Debt securities	13,373	13,201	+1%	8,758	+53%
Other liabilities, net	15,847	17,599	-10%	15,954	-1%
Total liabilities	326,591	319,567	+2%	303,480	+8%
Share capital	30,000	30,000	+0%	30,000	+0%
Reserves	12,418	9,498	+31%	10,152	+22%
Retained earnings	11,277	11,384	-1%	7,500	+50%
Equity attributable to shareholders	53,696	50,881	+6%	49,602	+8%
Tier 1 sukuk	6,563	6,563	-0%	6,571	-0%
Total equity	60,258	57,444	+5%	56,173	+7%

Total Assets Movement YoY (SARbn)



Total Liabilities Movement YoY (SARbn)

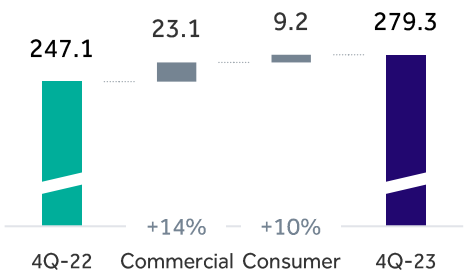




Loan book increases, with two thirds of the growth coming from commercial book and the remaining portion primarily from mortgages

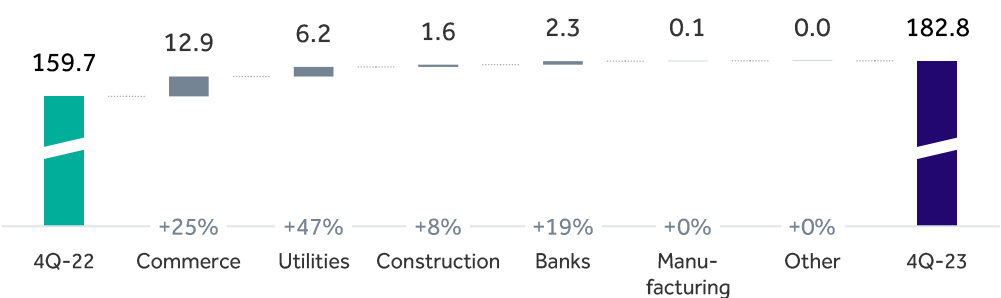
Gross Loan Movement YoY (SARbn)

+13%



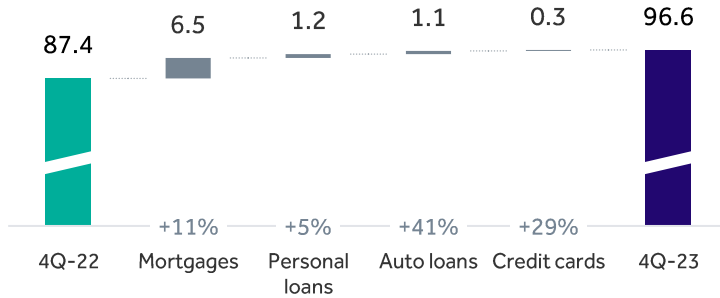
Gross Commercial Loan Movement by Economic Sector Movement YoY (SARbn)

+14%



Gross Consumer Loan Movement by Product Movement YoY (SARbn)

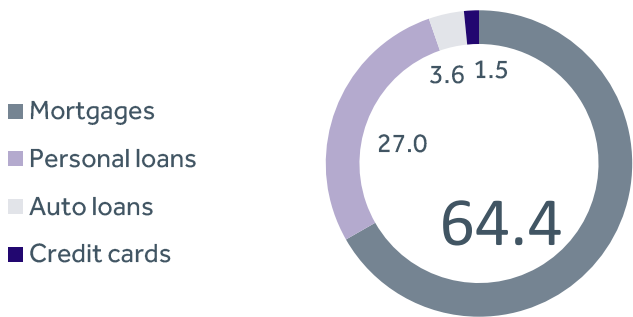
+10%



Gross Commercial Loans by Sector, 4Q-23 (SARbn)



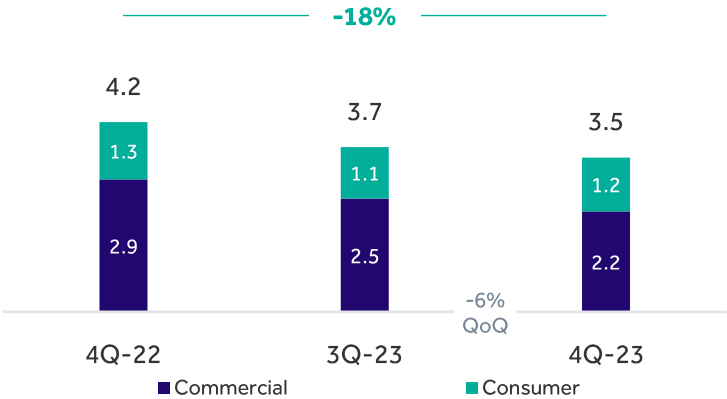
Gross Consumer Loans by Product, 4Q-23 (SARbn)



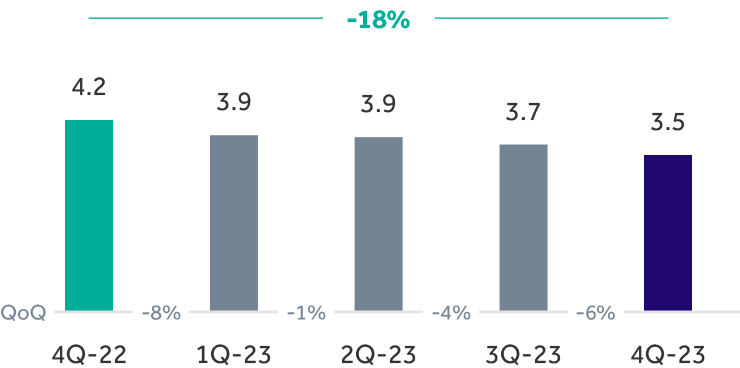
- ◆ Gross loans and advances grew by 13% YoY as of 31 December 2023 from both commercial and consumer loans.
- ◆ Commercial loans grew by 14% during FY 2023 with one-third of the growth coming from SME. Main driving sectors are commerce and utilities.
- ◆ Consumer loans increased by 10% during FY 2023, driven mainly by the mortgage growth (11% YoY).
- ◆ Auto loans and Credit cards hold minor shares in the consumer portfolio but are growing rapidly at 41% and 29%, respectively.

NPL Ratio of 1.24% shows improvement in both commercial and consumer loans in FY 23

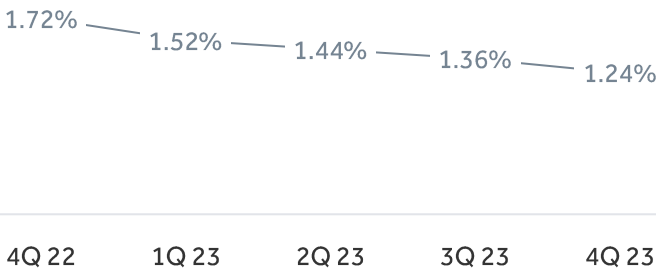
NPLs by Segment (SARbn)



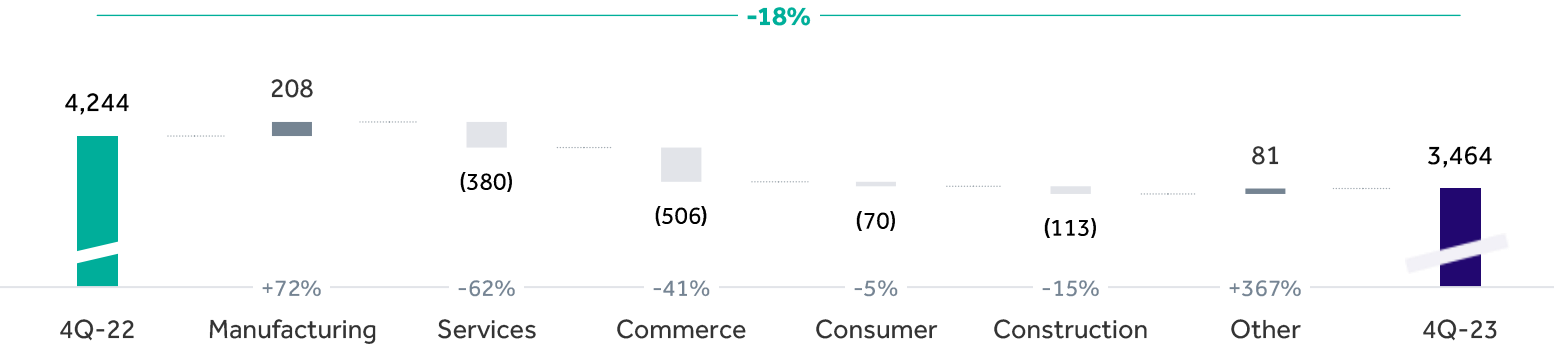
NPLs (SARbn)



NPL Ratio (%)



NPL Movement by Sector Movement YoY (SARmn)

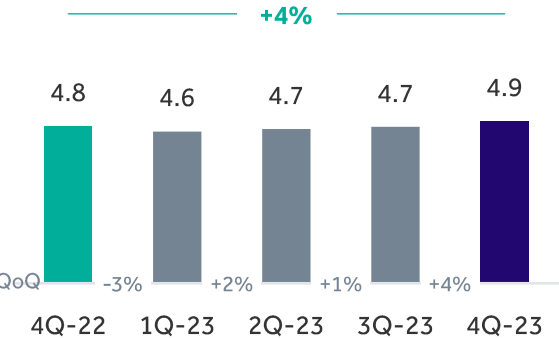


- ◆ NPL ratio improved by 48bps during 2023 to 1.24%.
- ◆ Improvement of the NPL ratio resulted from a 18% decrease in the amount of NPLs and a 13% increase in gross loans and advances.
- ◆ Decrease in NPLs was largely driven by corporate loans in sectors of services and commerce which was partially offset by the increase in manufacturing.

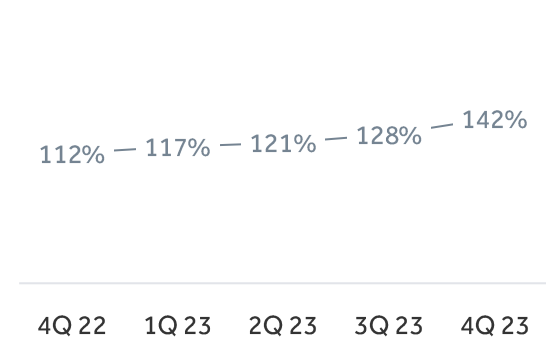
NPL Coverage improved to 142% driven by the conservative provisioning

- ◆ NPL coverage ratio improved by 30% to 142% as a result of proactive conservative provisioning during FY 2023.
- ◆ The consumer NPL coverage ratio reached 91.0% as of 31 December 2023, improving by 11%.
- ◆ The commercial NPL coverage ratio reached 170%, improving by 44%.
- ◆ Stage 3 coverage declined by 7.6% YoY to 46.7%.

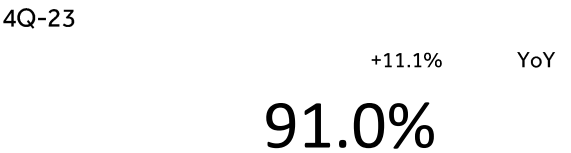
Total Allowances (SARbn)



NPL Coverage Ratio (%)



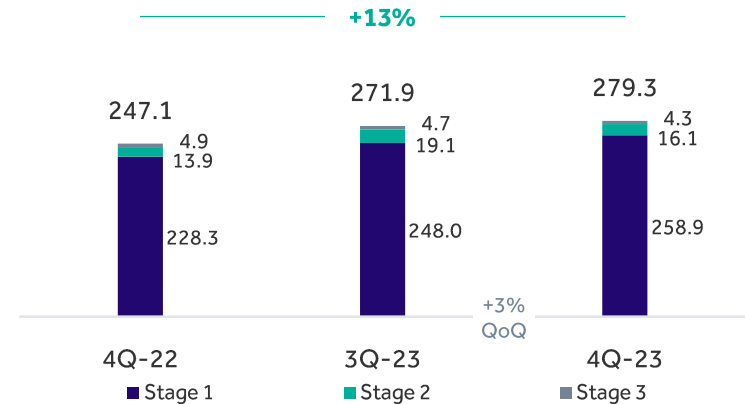
Consumer Coverage



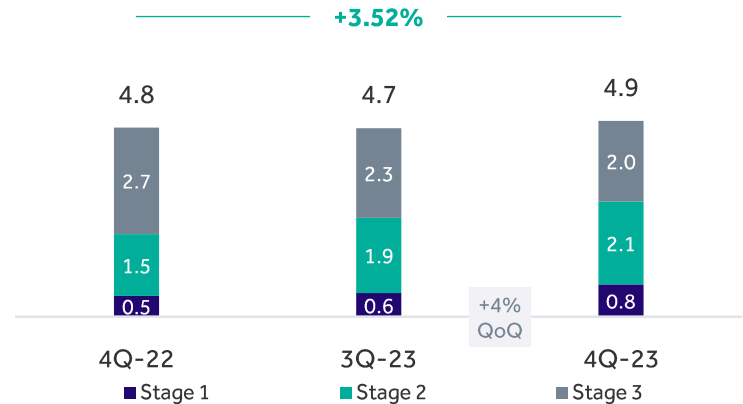
Commercial Coverage



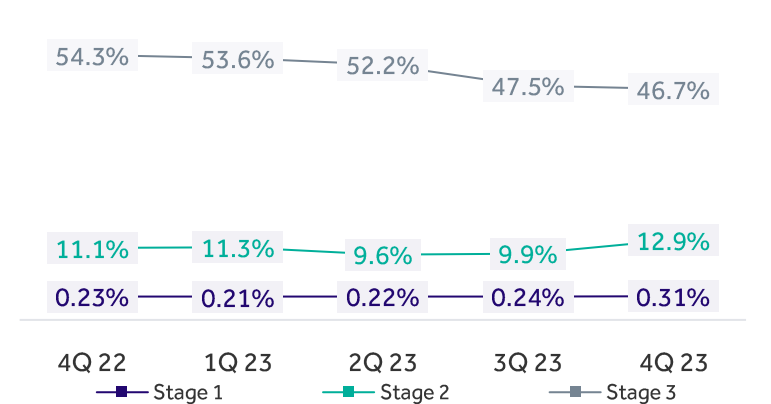
Gross Loans & Advances (SARbn)



ECL Allowances (SARbn)



Stage-wise ECL on Gross Loans (%)

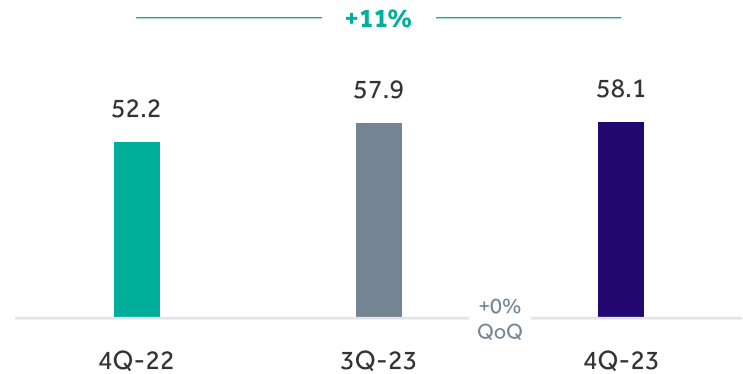




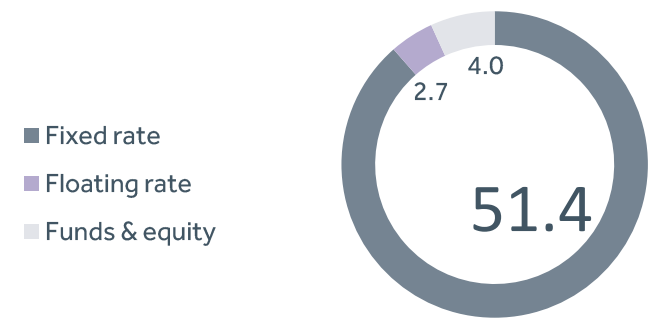
Investments grew by 11% YoY from fixed rate securities

- Investment portfolio increased by 11% to SAR 58.1 bn as of 31 December 2023.
- Growth of investments during FY2023 comes from increasing fixed rate securities by 10% YoY.
- Investment portfolio has a stable structure with around 90% of the securities being fixed rate. Around 61% of the investment portfolio is represented by governmental & quasi-governmental securities.

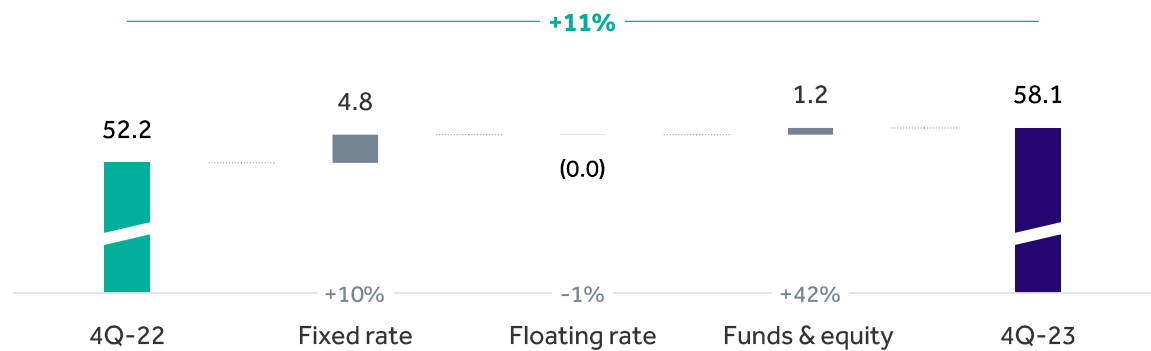
Investments, Net (SARbn)



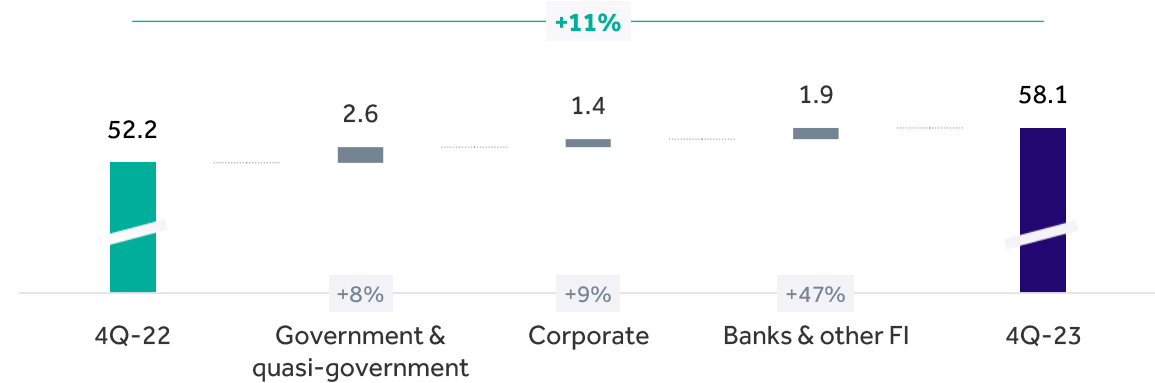
Net Investments Composition, 4Q-23 (SARbn)



Net Investments Movement YoY (SARbn)



Net Investments by Counterparty Movement YoY (SARbn)

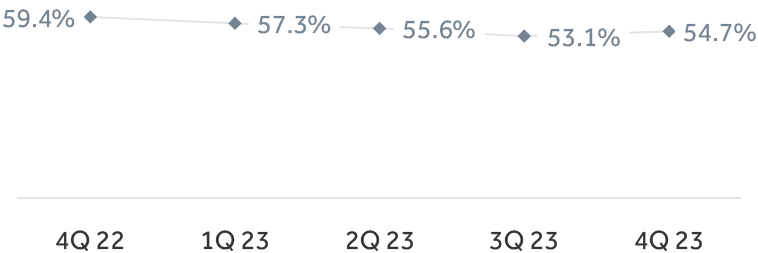




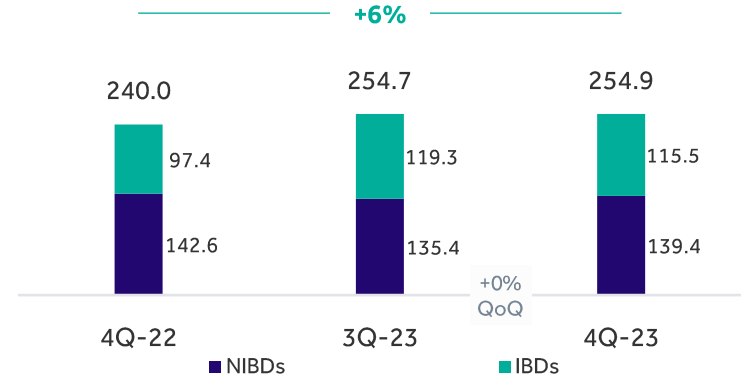
Customer deposits grew by 6% YoY from interest bearing deposits

- Customer deposits amounted to SAR 254.9 bn as of 31 December 2023, an increase of 6% YoY.
- Interest bearing deposits increased by 19% during 2023 in the rising interest rate environment.
- Non interest bearing deposits, on the contrary, decreased by only 2% YoY, which is reflected in the drop of the NIBs share in the total deposits reaching 54.7% as of 31 December 2023.
- Customer deposits were flat QoQ mainly from growth in NIBs which was offset by a drop in IBs.

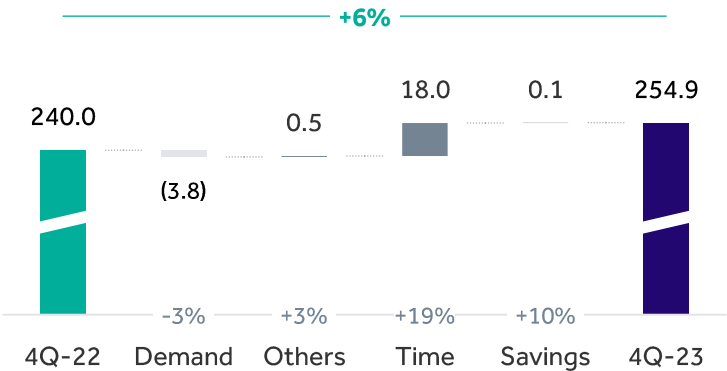
NIBD % of Total (%)



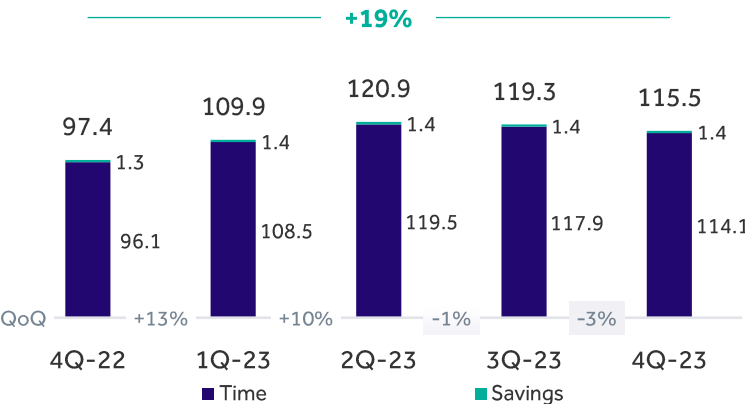
Total Customers' Deposits (SARbn)



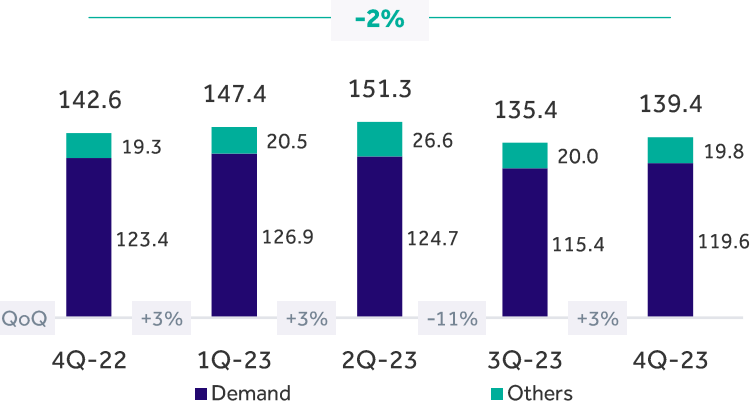
Total Customers' Deposits Movement YoY (SARbn)



Interest Bearing Deposits (SARbn)



Non Interest Bearing Deposits (SARbn)

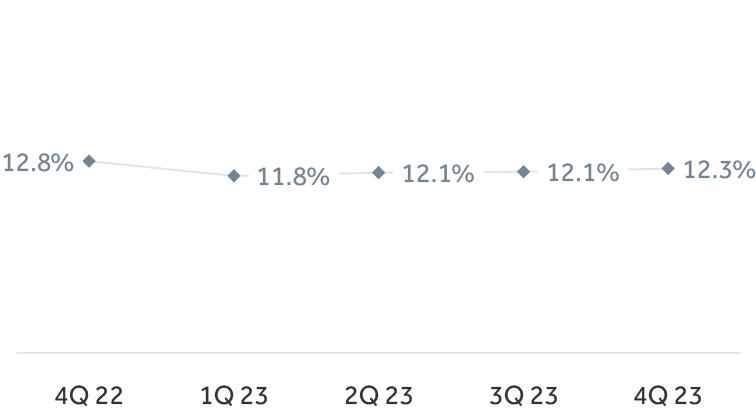




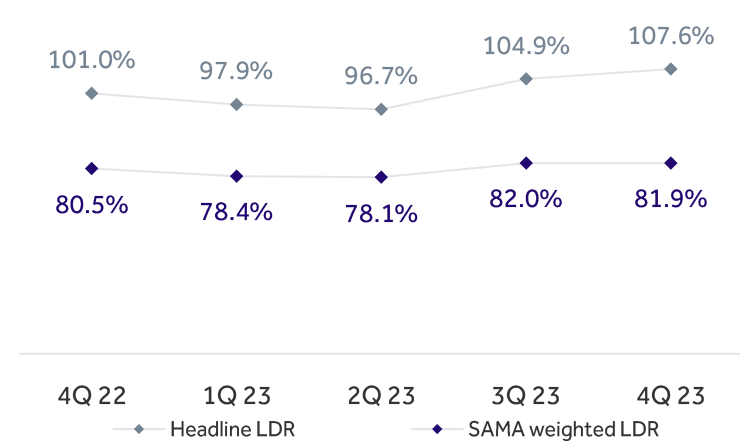
Comfortable liquidity position with LCR of 159.9% and SAMA Weighted LDR of 81.9%

- LCR and NSFR remain healthy and well above the regulatory requirement standing at 159.9% and 113.4%, respectively as of 31 December 2023.
- Basel III Leverage ratio stands comfortably at 12.3% in 4Q 2023.
- Although headline loans to deposits ratio reached to 107.6% in 4Q 2023, SAMA weighted LDR at 81.9% is comfortably below the regulatory requirement.

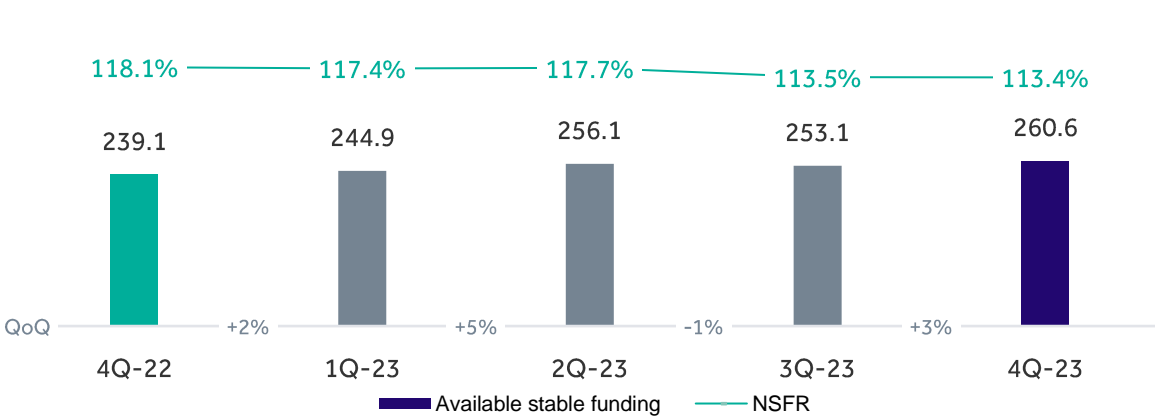
Basel III Leverage Ratio (%)



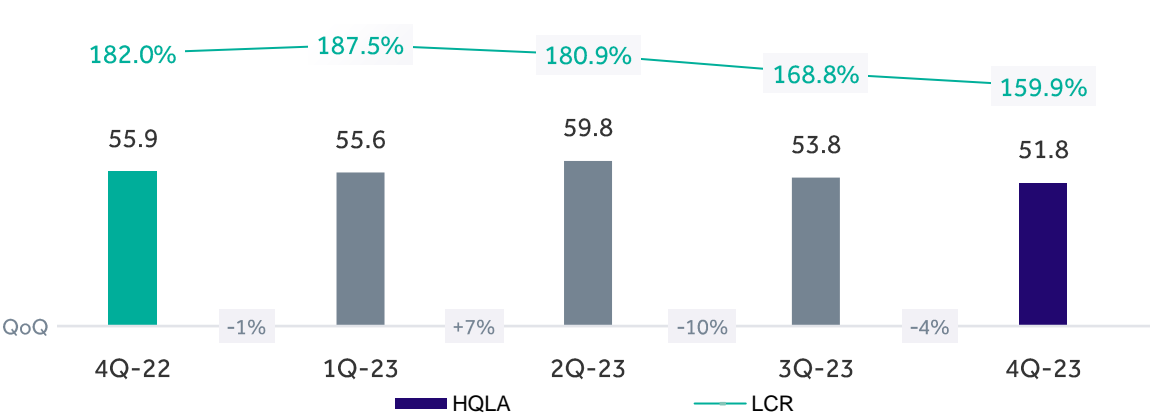
Loans to Deposits Ratios (%)



Available Stable Funding (SARbn,%)



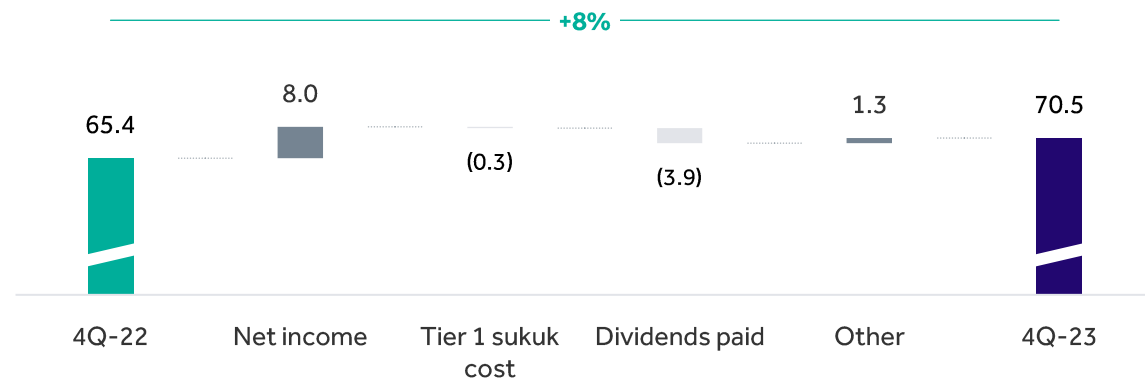
HQLA (SARbn,%)



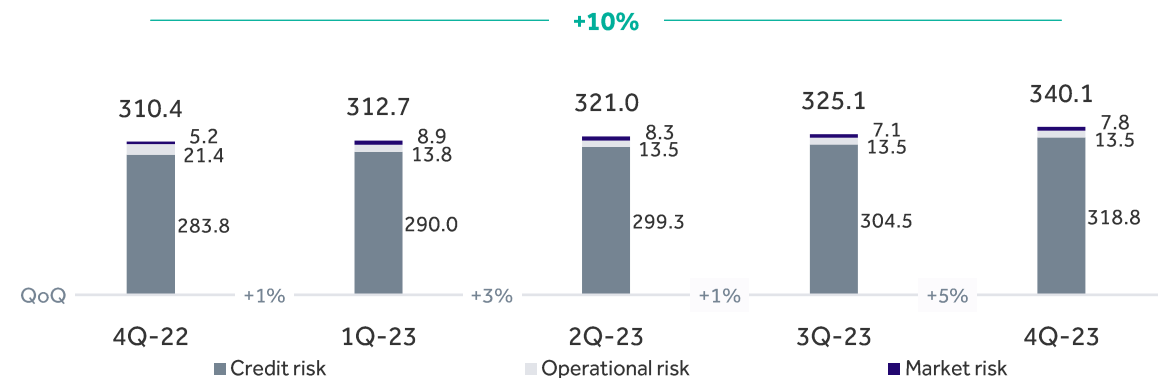


Stable capitalization well above regulatory minima supporting further growth

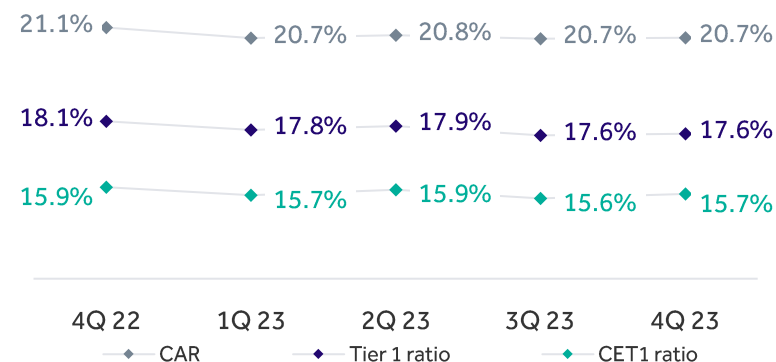
Total Regulatory Capital Movement YoY (SARbn)



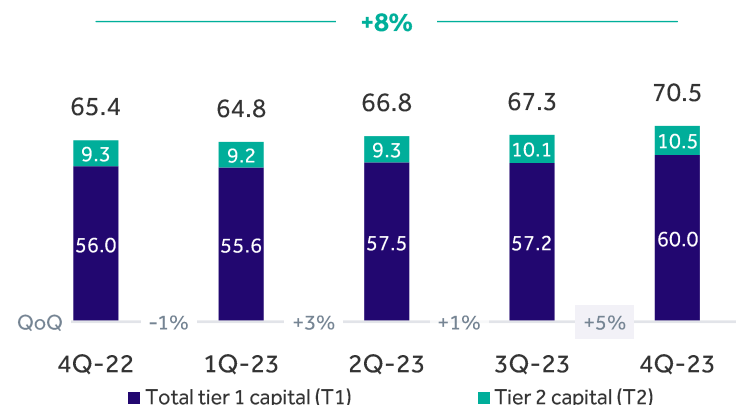
Risk Weighted Assets (SARbn)



Capital Ratios (%)



Total Regulatory Capital (SARbn)



- ◆ All capital ratios remain solid and strong with CET1 ratio of 15.7% and Tier 1 ratio of 17.6% as of 4Q 2023.
- ◆ Total capital adequacy ratio stands at 20.7%.
- ◆ Total regulatory capital increased by 8% during 2023 to SAR 70.5 bn.
- ◆ Risk weighted assets increased by 10% YoY to SAR 340.1 bn.



Income statement

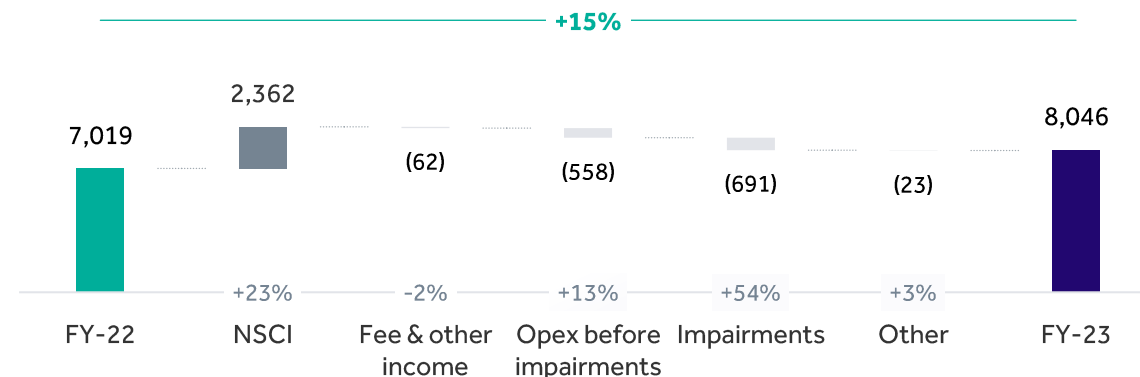




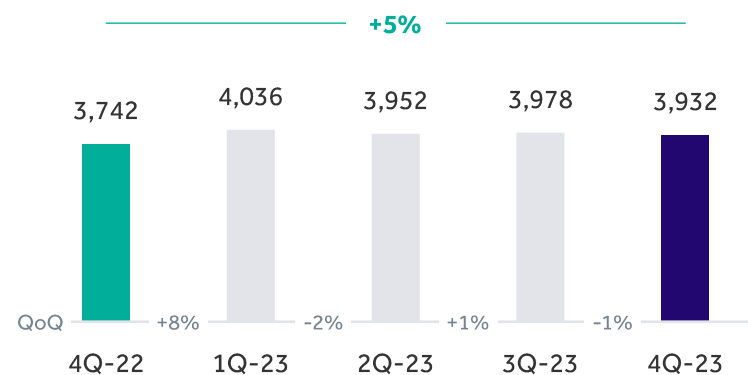
Net income reached SAR 8,046 million for FY 2023, a growth of 15% from rising operating income, resulting in 15.6% ROAE after Zakat

SAR (mn)	4Q-2023	4Q-2022	YoY % Change	FY-2023	FY-2022	YoY % Change
NSCI	3,142	2,852	+10%	12,414	10,052	+23%
Fee & other income	790	891	-11%	3,485	3,547	-2%
Total operating income	3,932	3,742	+5%	15,899	13,599	+17%
Expenses before impairments	(1,274)	(1,138)	+12%	(4,969)	(4,410)	+13%
Impairments	(483)	(364)	+33%	(1,972)	(1,281)	+54%
Net operating income	2,175	2,241	-3%	8,959	7,909	+13%
Associates	4	(5)	-175%	12	(80)	-115%
Net income before zakat	2,179	2,235	-3%	8,971	7,828	+15%
Zakat	(225)	(208)	+8%	(925)	(809)	+14%
Net income	1,955	2,028	-4%	8,046	7,019	+15%
ROAE	15.0%	16.8%	-1.9%	15.6%	14.5%	+1.1%

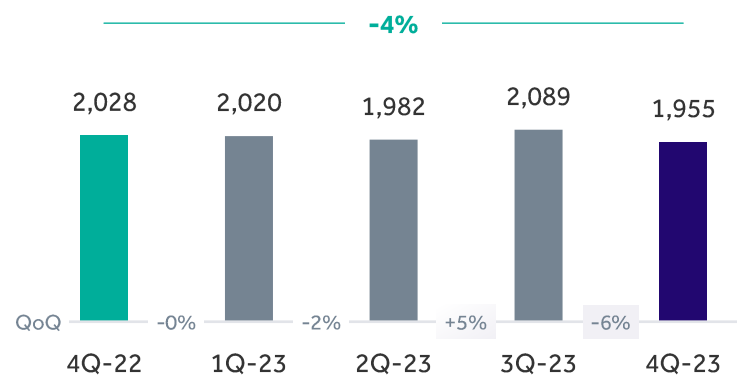
Net Income Movement YoY (SARmn)



Total Operating Income (SARmn)



Net Income (SARmn)



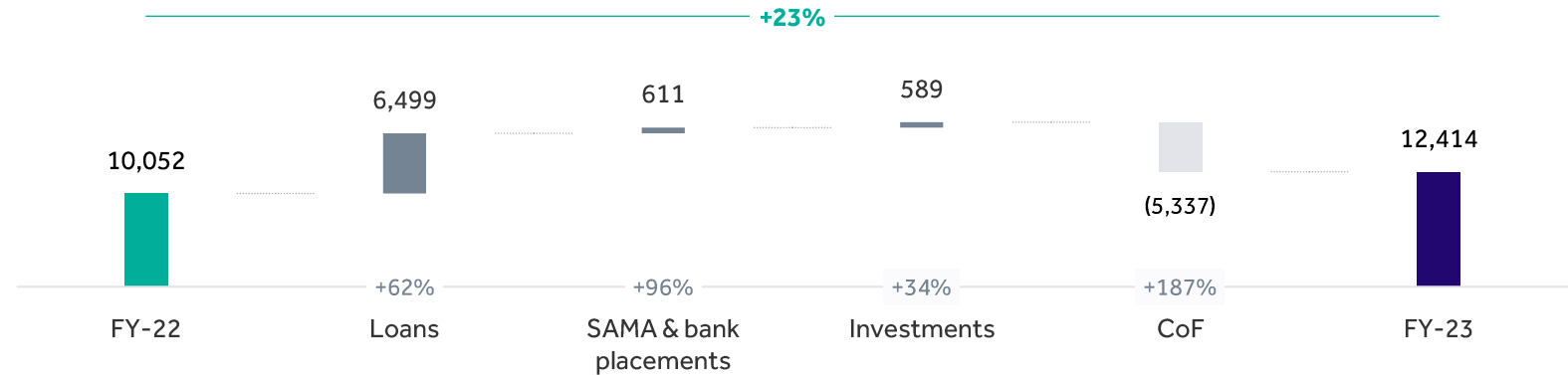
- ◆ Net income (after Zakat) reached SAR 8,046 million for FY 2023, an increase of 15% compared with corresponding period of last year.
- ◆ Quarterly net income amounted to SAR 1,955 million for 4Q 2023, a decrease of 4% compared with 4Q 2022 and 6% compared to 3Q 2023.
- ◆ Net income growth comes mainly from rising operating income partially offset by the increase in expenses (+13%) as well as impairments (+54%) due to proactive provisioning.
- ◆ Total operating income amounted to SAR 15,899 million for FY 2023, growing by +17% mainly due to an increase in net special commission income.



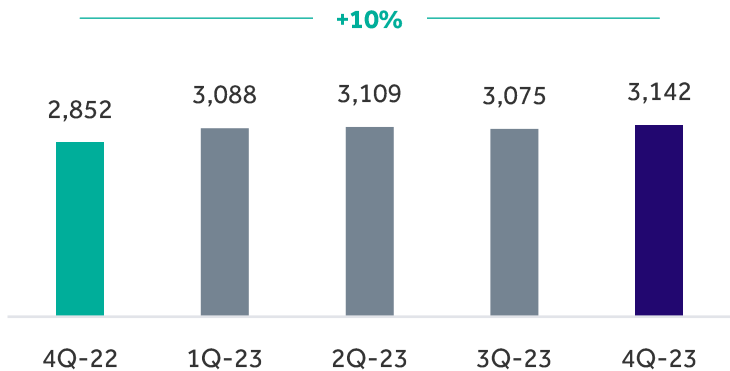
Net Special Commission Income grew by 23% YoY due to margin improvement and loan growth

- ◆ Net special commission income amounted to SAR 12,414 million for FY 2023, an increase of +23% over the corresponding period in 2022, due to the increase in commission income partially offset by the rising commission expenses.
- ◆ Special commission income increased by 60% YoY in FY 2023 driven by rates increase and loan book expansion.
- ◆ Special commission expenses increased 2.9x YoY in FY 2023 in the rising funding rates environment.

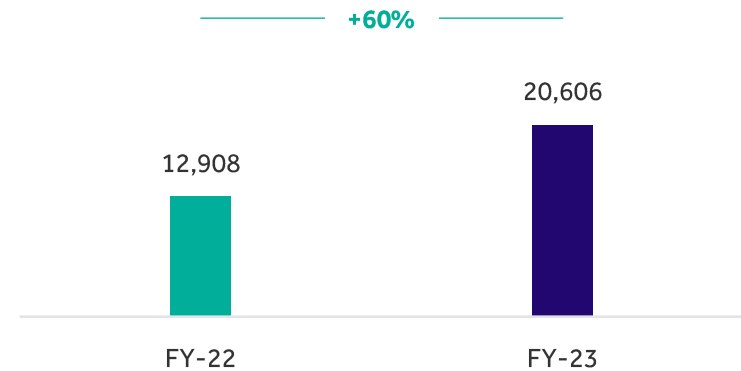
NSCI Movement YoY (SARmn)



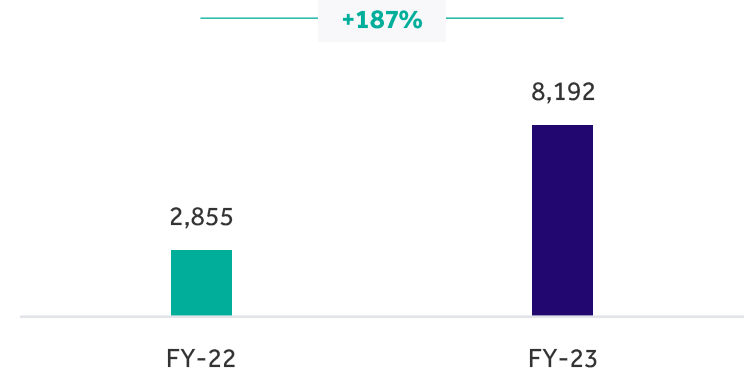
Quarterly NSCI (SARmn)



Special Commission Income (SARmn)



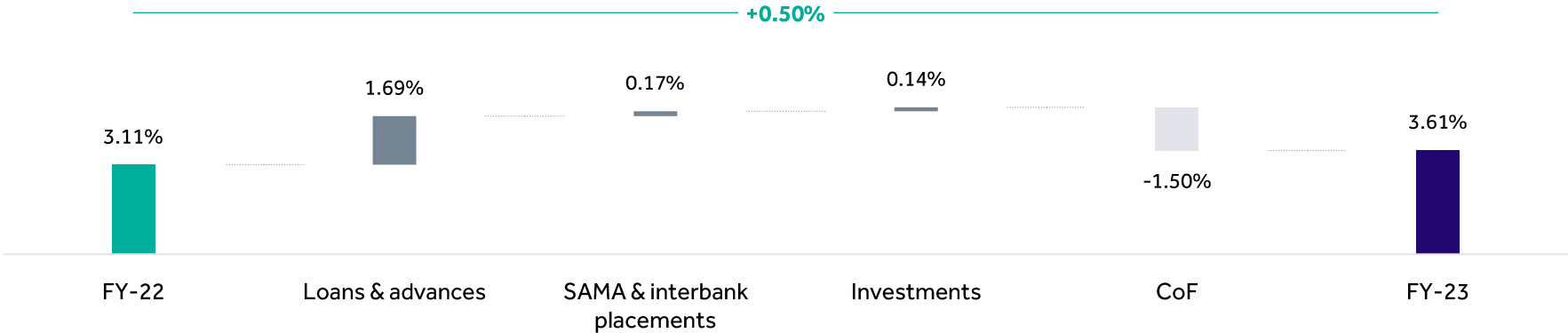
Special Commission Expense (SARmn)



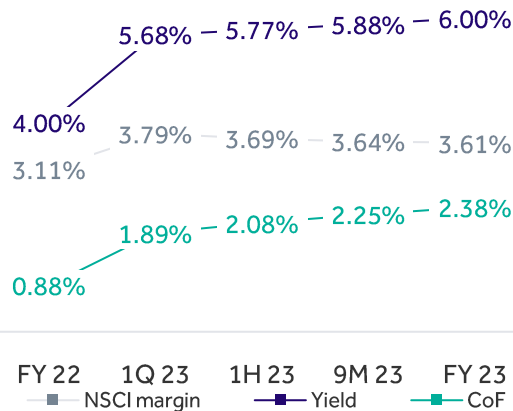
Improved margin from year-end as rising loan yields outpacing the increasing cost of funds

- Net special commission margin improved by 50bps to 3.61% for FY 2023 mainly from the increasing loan yields, partially offset by the increasing cost of funds.
- Quarterly net special commission margin improved by 14bps to 3.55% for 4Q 2023 YoY, and by 2bps QoQ.
- Average earning assets increased by 6% YoY to SAR 343.5 bn for the FY 2023.

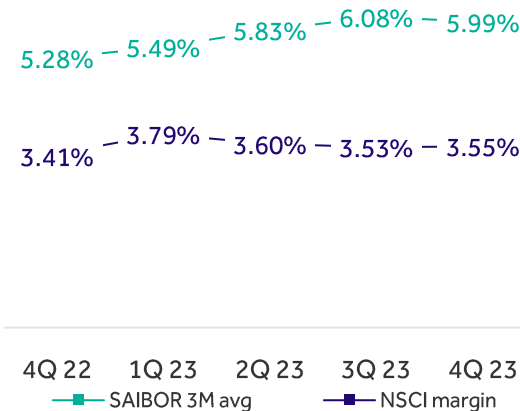
NSCI Margin Movement YoY (%)



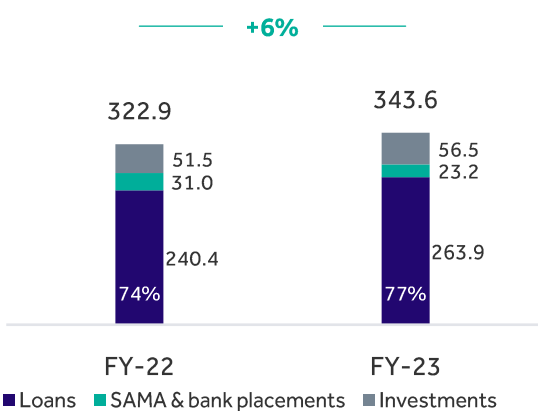
YTD NSCI margin (%)



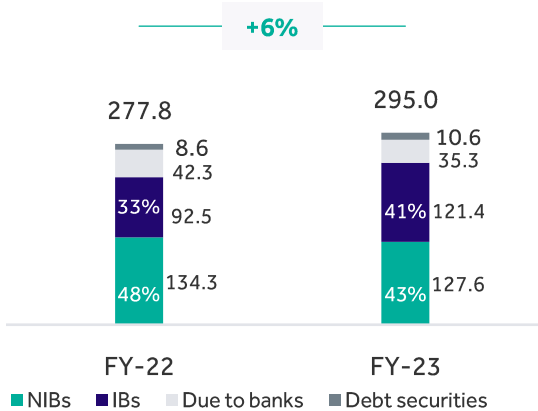
Quarterly NSCI Margin and SAIBOR Trend (%)



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

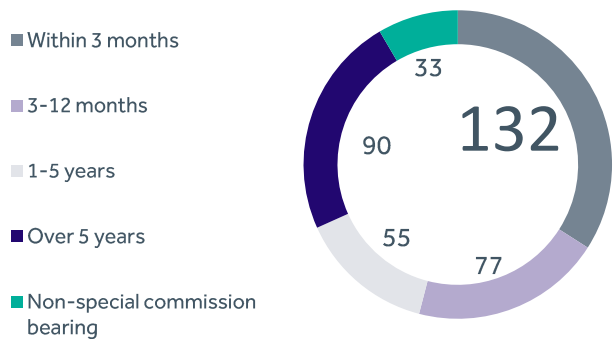
+0.00%

Special
commission rate
risk exposure

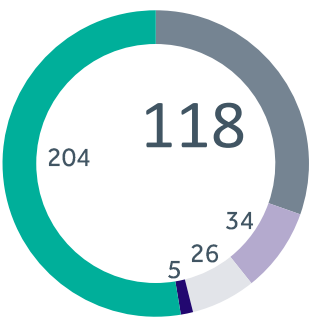
By duration

4Q-23

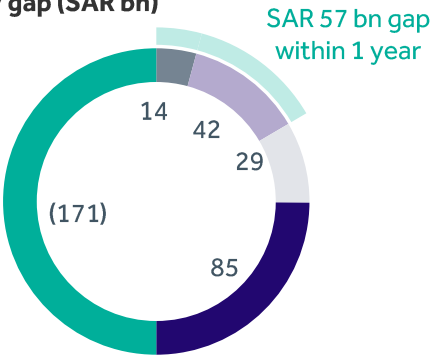
Assets (SARbn)



Liabilities and Equity (SAR bn)



Total special commission rate
sensitivity gap (SAR bn)

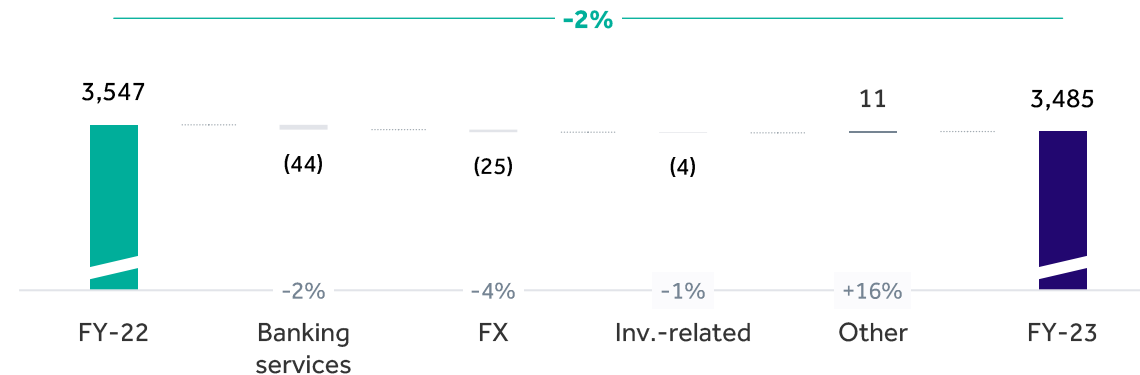




Fee & other income for FY 2023 drop by 2% YoY

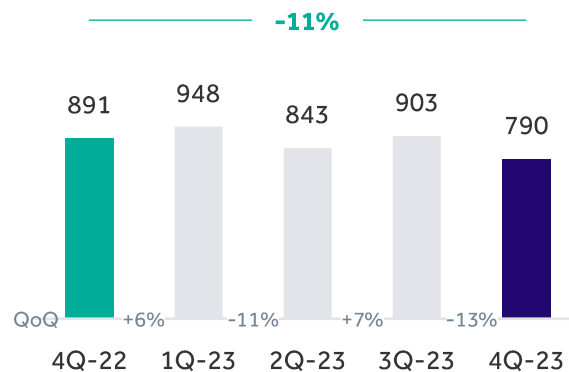
SAR (mn)	4Q-2023	4Q-2022	YoY % Change	FY-2023	FY-2022	YoY % Change
Fee income from banking services	999	919	+9%	3,731	3,559	+5%
Fee expenses from banking services	(445)	(328)	+35%	(1,346)	(1,130)	+19%
Banking services	554	591	-6%	2,385	2,429	-2%
Exchange income, net	151	218	-31%	608	633	-4%
Investment-related income	67	64	+5%	417	421	-1%
Other operating income	18	18	+2%	75	64	+16%
Fee and other income	790	891	-11%	3,485	3,547	-2%

Fee & Other Income Movement YoY (SARmn)

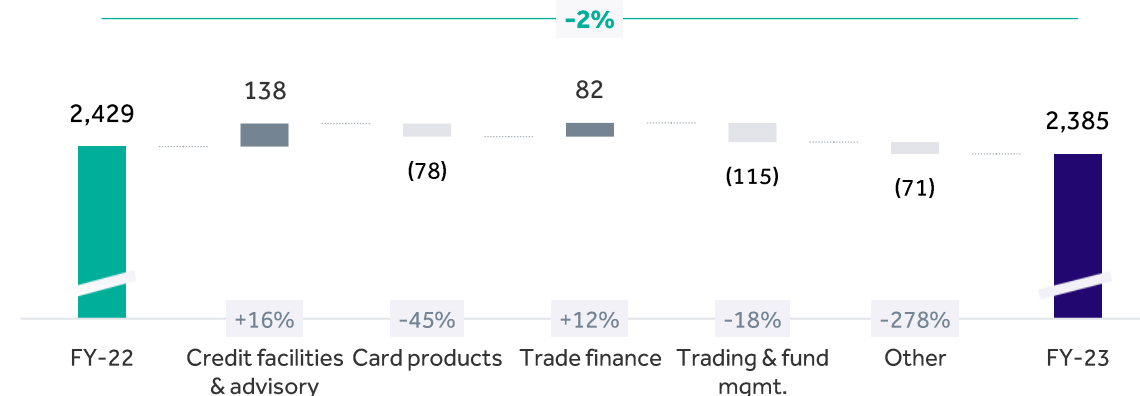


- Fee & other income decreased by 2% YoY during FY 2023 mainly driven by banking services and FX income.
- Fee income from banking services remained decrease YoY by 2% with increase of fees from credit facilities, advisory, and trade finance, offset by a decrease in card products, trading and fund management and other fees.
- Fee & other income drop by 13% QoQ in 4Q 2023 driven by banking services fees as well as investment related income.

Quarterly Fee & Other Income (SARmn)



Fee Income from Banking Services Movement YoY (SARmn)

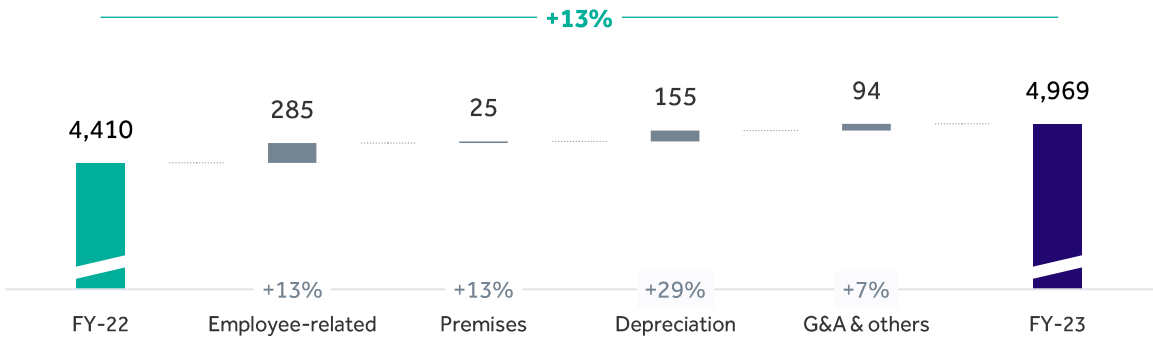




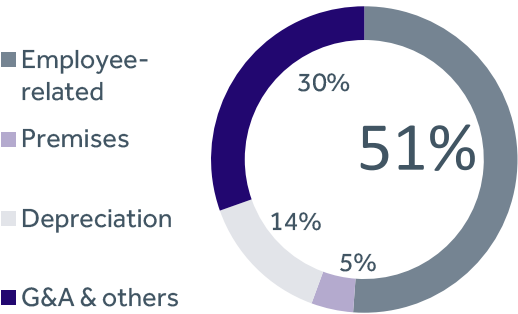
Retaining cost efficiency despite ongoing investments in infrastructure, digital capabilities, and strategic initiatives.

- Operating expenses before impairments increased by 13% to SAR 4,969 million during FY 2023 from higher employee-related costs as well as depreciation and other costs.
- Quarterly operating expenses before impairments increased by 12% YoY in 4Q 2023 and decrease by 2% in comparison to 3Q 2023.
- Cost efficiency improved YoY with cost to income ratio standing at 31.3% for FY 2023.
- Cost to average earning assets ratio increased by 8bps to 1.45% during FY 2023.

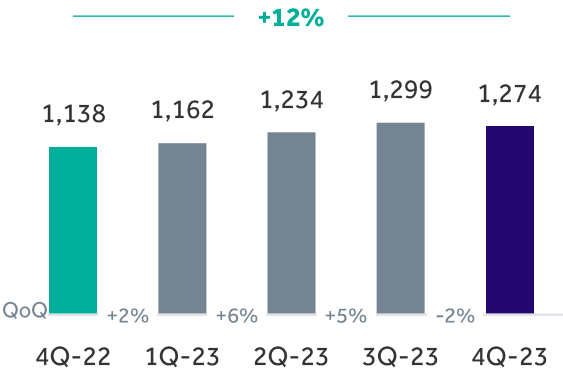
Expenses before Impairments Movement YoY (SARmn)



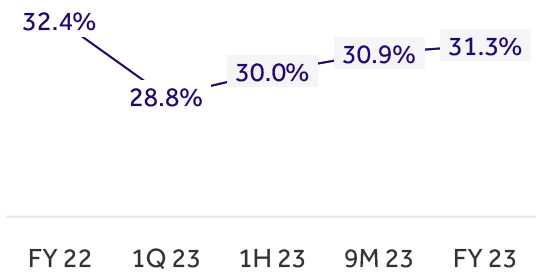
Expenses before Impairments Composition, FY-23 (%)



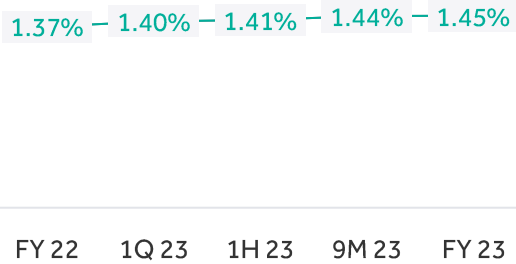
Expenses before Impairments (SARmn)



Cost to Income Ratio (%)



Cost to AIEA Ratio* (%)

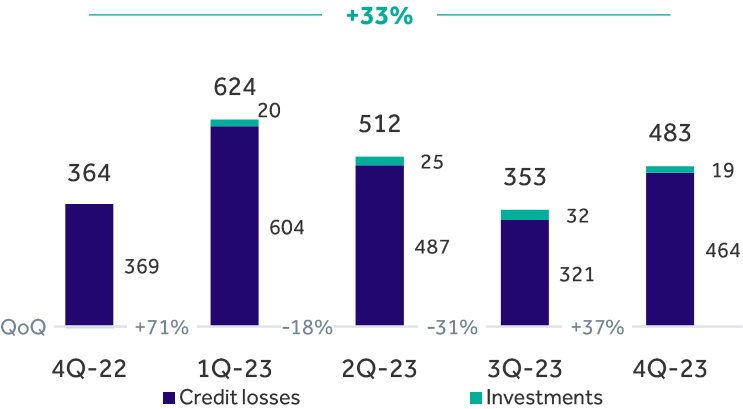




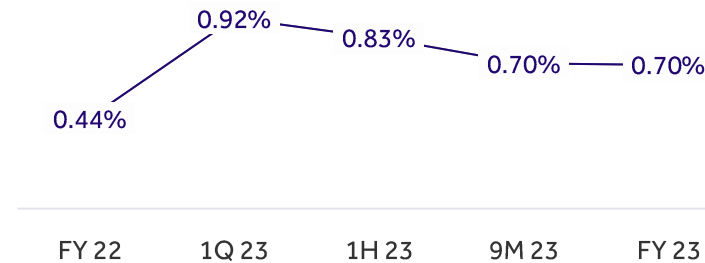
Rising impairment charges on the back of strengthening asset quality

- ◆ Impairment charges increased by 54% YoY to SAR 1,972 mn for FY 2023 from mainly commercial charges growth.
- ◆ Quarterly impairment charges increased by 33% YoY in 4Q 2023, and 37% QoQ in comparison to 3Q 2023.
- ◆ Commercial impairment charges increased by 93% YoY, consumer impairment charges grew by 53%, which was partially offset by the decrease in impairment charges for credit cards and other.
- ◆ Cost of risk increased by 26bps to 0.7% for FY 2023.

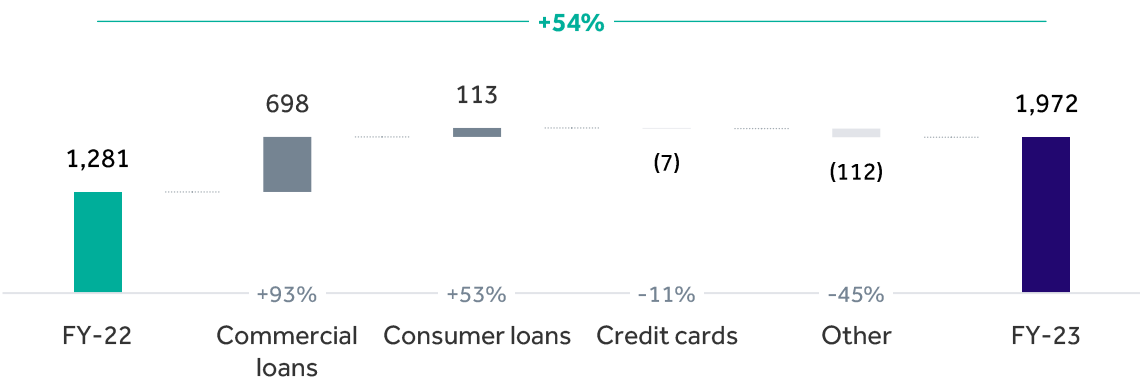
Impairments (SARmn)



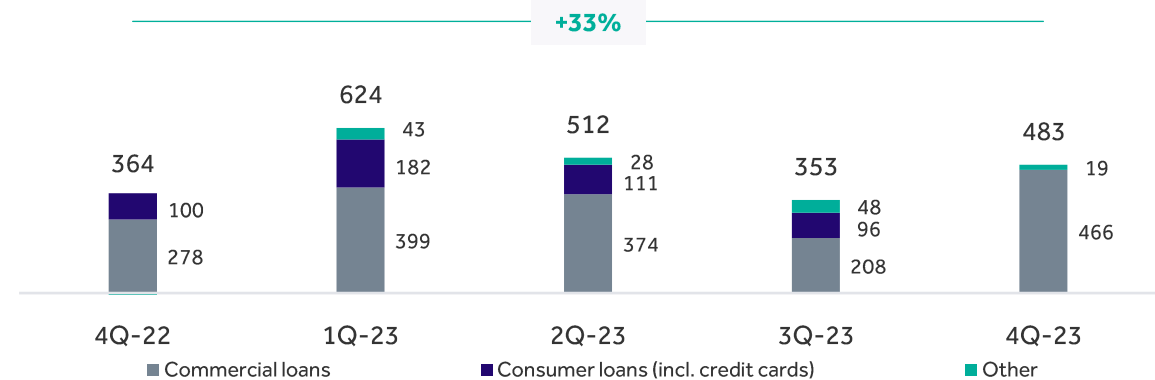
Cost of Risk* (%)



Impairments Movement YoY (SARmn)



Impairments by Source (SARmn)



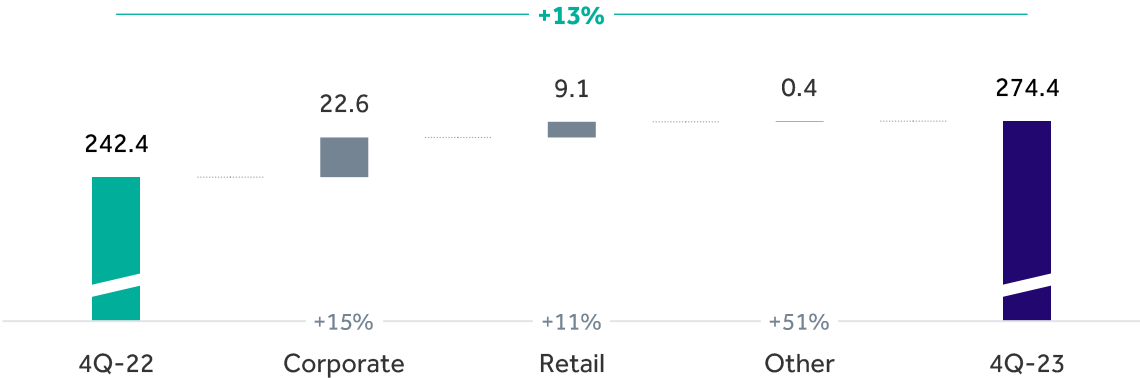


Segment Performance



Rising net income driven mainly by Corporate segment and Treasury and Investments, partly offset by Retail and Riyadh Capital

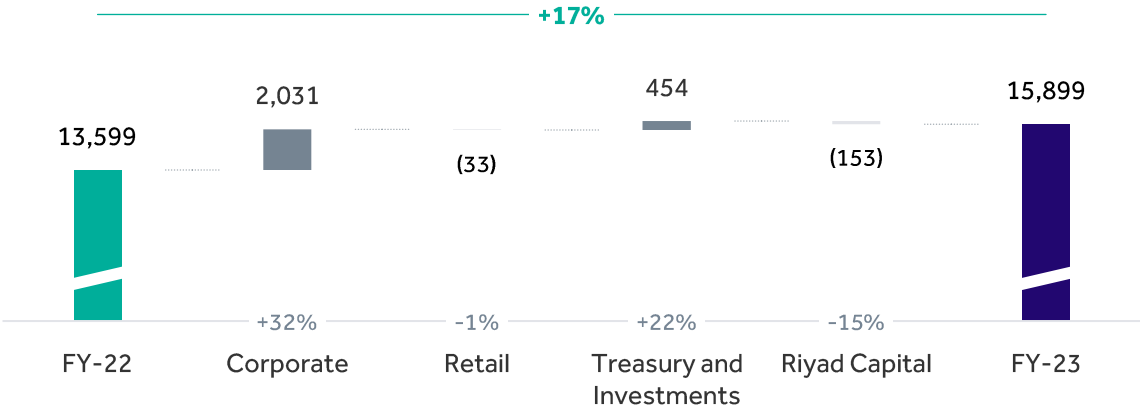
Net Loans & Advances Movement YoY (SARbn)



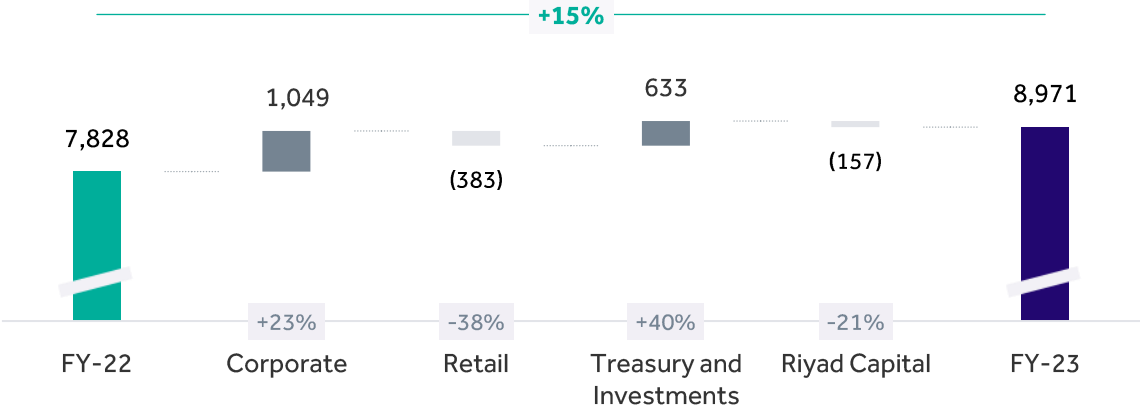
Deposits Movement YoY (SARbn)



Total Operating Income Movement YoY (SARmn)



Net Income before Zakat Movement YoY (SARmn)





Corporate segment accounts for 53% of total operating income translating into 62% share in net income before Zakat.

Corporate 	Operating Income FY-23 +32% YoY SAR Million 8,393	Expenses* FY-23 +21% YoY SAR Million 1,354	Impairments FY-23 +101% YoY SAR Million 1,478	Net Income** FY-23 +23% YoY SAR Million 5,560
Retail 	Operating Income FY-23 -1% YoY SAR Million 4,122	Expenses FY-23 +9% YoY SAR Million 3,114	Impairments FY-23 +33% YoY SAR Million 394	Net Income FY-23 -38% YoY SAR Million 614
Treasury and Investments 	Operating Income FY-23 +22% YoY SAR Million 2,510	Expenses FY-23 +46% YoY SAR Million 208	Impairments FY-23 -60% YoY SAR Million 100	Net Income FY-23 +40% YoY SAR Million 2,214
Riyad Capital 	Operating Income FY-23 -15% YoY SAR Million 874	Expenses FY-23 +2% YoY SAR Million 292	Brokerage Value Traded FY-23 -18% YoY SAR Billion 150.6	Net Income FY-23 -21% YoY SAR Million 583

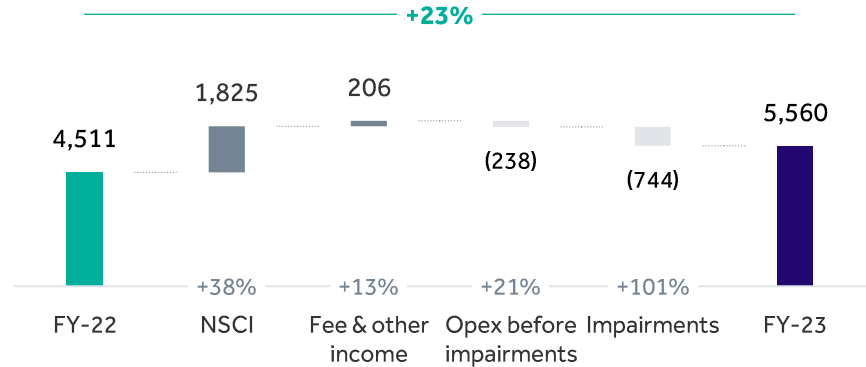


Corporate profitability sustained by the growth in net special commission income, partly offset by the increase in provisioning and expenses

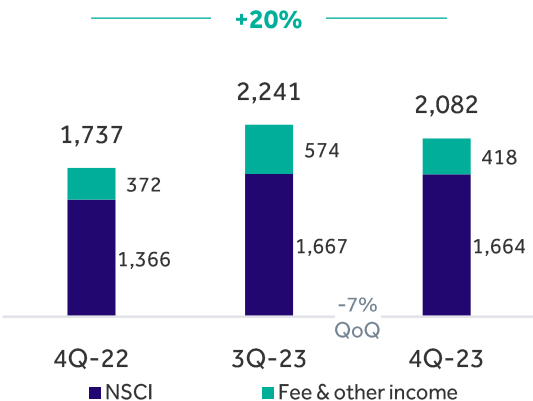
- Net income before zakat of the Corporate segment increased by 23% to SAR 5,560 mn for FY 2023 mainly due to higher net special commission income, partly offset by the increase in provisioning and operating expenses.
- Total operating income grew by 32% YoY for FY 2023 and by 20% for 4Q 2023, demonstrating growth in both NSCI and Fee & other income.

SAR (mn)	4Q-2023	4Q-2022	YoY % Change	FY-2023	FY-2022	YoY % Change
NSCI	1,664	1,366	+22%	6,608	4,783	+38%
Fee & other income	418	372	+13%	1,785	1,578	+13%
Total operating income	2,082	1,737	+20%	8,393	6,362	+32%
Opex before impairments	(426)	(372)	+15%	(1,354)	(1,117)	+21%
Impairments	(462)	(268)	+72%	(1,478)	(734)	+101%
Net income before zakat	1,194	1,097	+9%	5,560	4,511	+23%

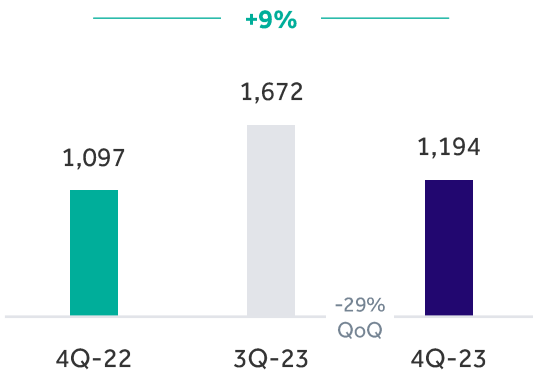
Net Income Before Zakat Movement YoY (SARmn)



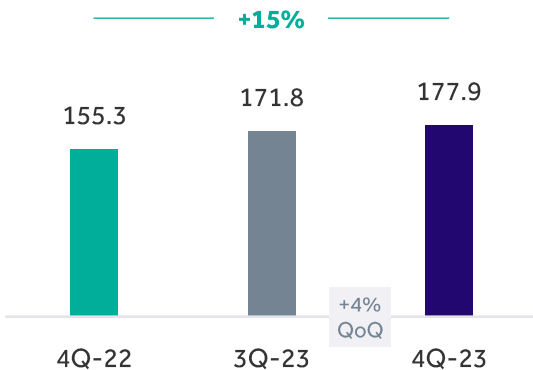
Total Operating Income (SARmn)



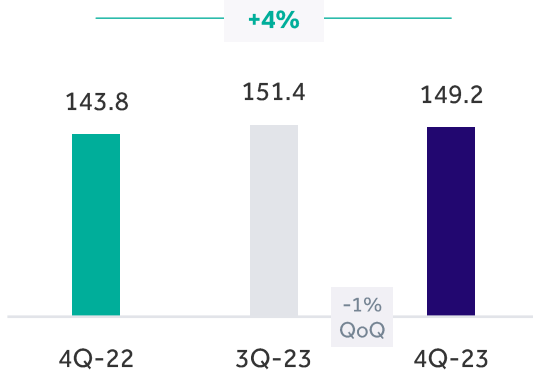
Net Income Before Zakat (SARmn)



Loans & Advances, Net (SARbn)



Deposits (SARbn)



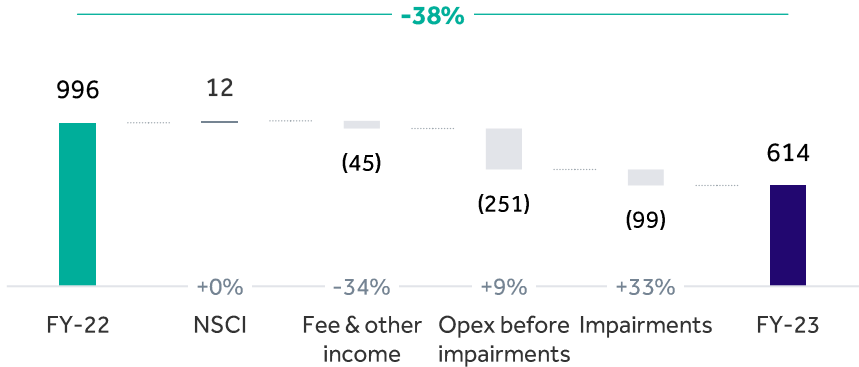


Retail net income declined 38% YoY from higher impairments and operating expenses

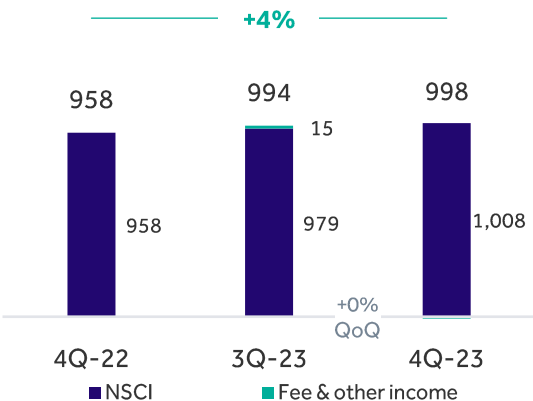
- Net income before zakat of the Retail segment declined by 38% to SAR 614 mn for FY 2023 mainly due to increase in provisioning and operating expenses on the back of the improving provision coverage and investments in infrastructure and digital capabilities.
- Total operating income declined by 1% YoY for FY 2023, while increasing by 4% for 4Q 2023.

SAR (mn)	4Q-2023	4Q-2022	YoY % Change	FY-2023	FY-2022	YoY % Change
NSCI	1,008	958	+5%	4,032	4,020	+0%
Fee & other income	(10)	(0)	-9229%	90	135	-34%
Total operating income	998	958	+4%	4,122	4,155	-1%
Opex before impairments	(736)	(669)	+10%	(3,114)	(2,863)	+9%
Impairments	1	(100)	-101%	(394)	(295)	+33%
Net income before zakat	263	188	+40%	614	996	-38%

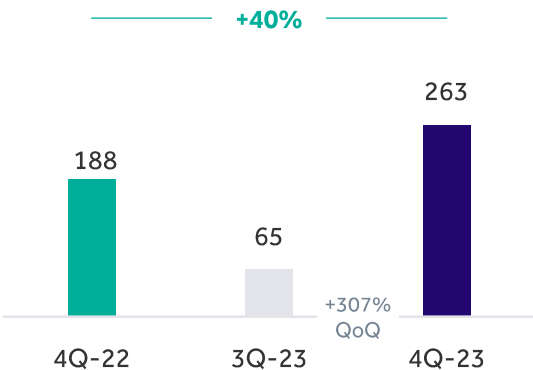
Net Income Before Zakat Movement YoY (SARmn)



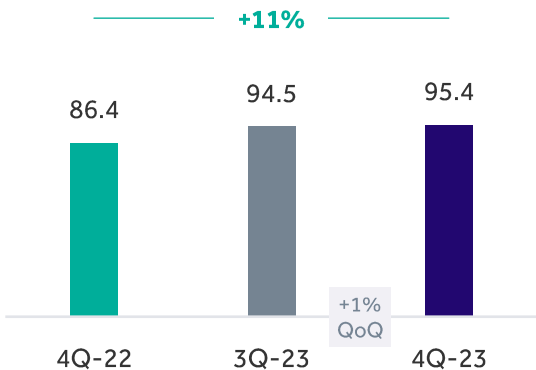
Total Operating Income (SARmn)



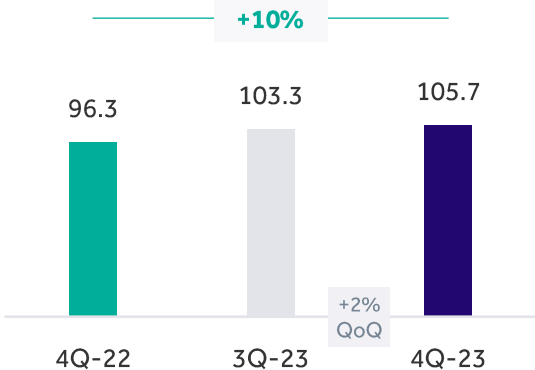
Net Income Before Zakat (SARmn)



Loans & Advances, Net (SARbn)



Deposits (SARbn)



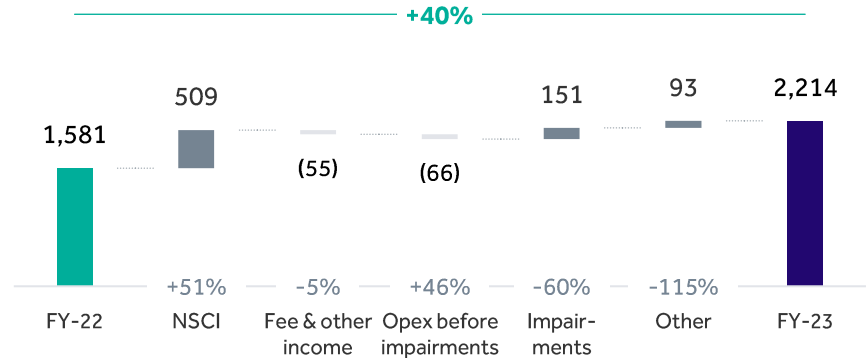


Treasury and Investments net income before Zakat increased by 40% YoY due to higher net special commission income

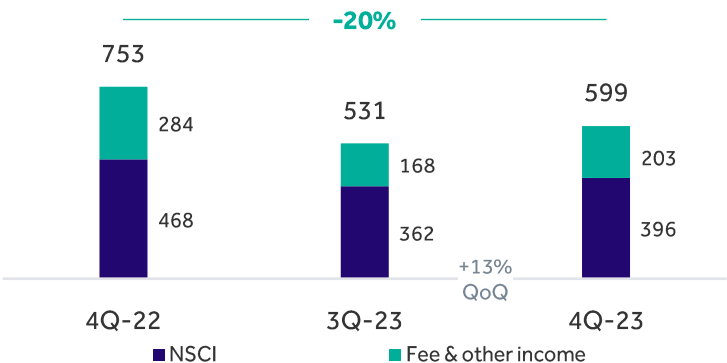
- Net income before zakat of the Treasury and Investments segment increased by 40% to SAR 2,214 mn for FY 2023 due to increase in net special commission income as well as lower impairments.
- Total operating income increased by 22% YoY for FY 2023, while declining by 20% for 4Q 2023.
- Net special commission income increased by 51% YoY for FY 2023 on the back of the increasing investments portfolio by 11% and rising rates environment.

SAR (mn)	4Q-2023	4Q-2022	YoY % Change	FY-2023	FY-2022	YoY % Change
NSCI	396	468	-15%	1,512	1,003	+51%
Fee & other income	203	284	-29%	998	1,053	-5%
Total operating income	599	753	-20%	2,510	2,056	+22%
Opex before impairments	(56)	(39)	+42%	(208)	(143)	+46%
Impairments	(21)	5	-548%	(100)	(251)	-60%
Associates	4	(5)	+175%	12	(80)	+115%
Net income before zakat	526	713	-26%	2,214	1,581	+40%

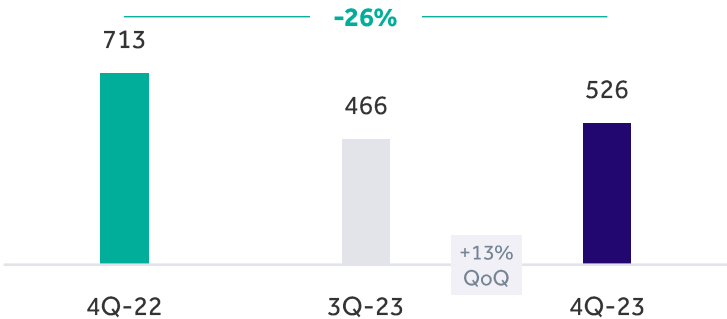
Net Income Before Zakat Movement YoY (SARmn)



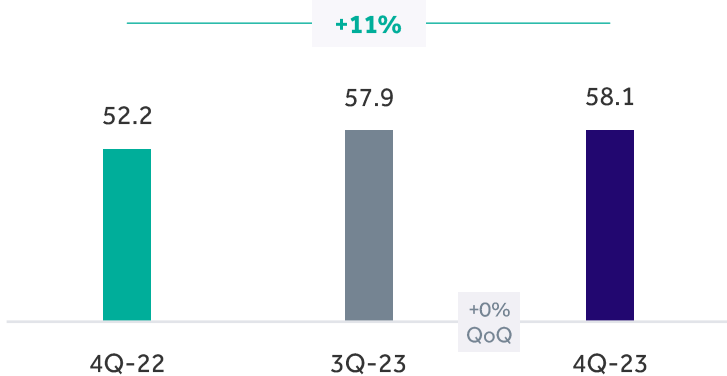
Total Operating Income (SARmn)



Net Income Before Zakat (SARmn)



Investments, Net (SARbn)



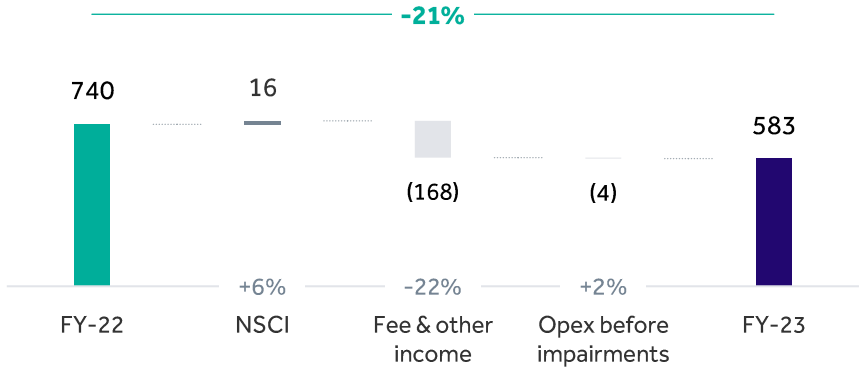


Riyad Capital net income declined by 21% YoY impacted by slow brokerage activity and interest rate environment

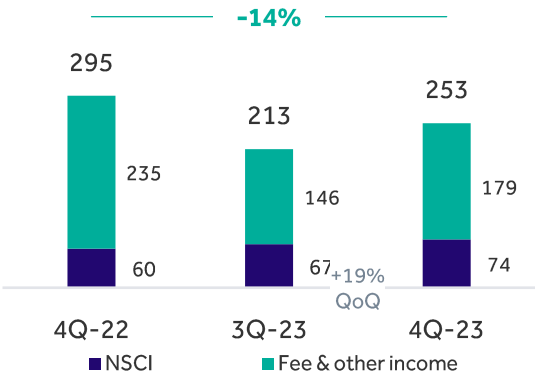
- Net income before zakat of Riyad Capital declined by 21% to SAR 583 mn for FY 2023 mainly due to decreasing fees impacted by the lower market activities.
- Total operating income declined by 15% YoY for FY 2023, and by 14% for 4Q 2023.
- Operating expenses remained broadly stable increasing by 2% YoY for FY 2023.

SAR (mn)	4Q-2023	4Q-2022	YoY % Change	FY-2023	FY-2022	YoY % Change
NSCI	74	60	+24%	262	246	+6%
Fee & other income	179	235	-24%	613	781	-22%
Total operating income	253	295	-14%	874	1,027	-15%
Opex before impairments	(56)	(58)	-2%	(292)	(287)	+2%
Net income before zakat	196	237	-17%	583	740	-21%

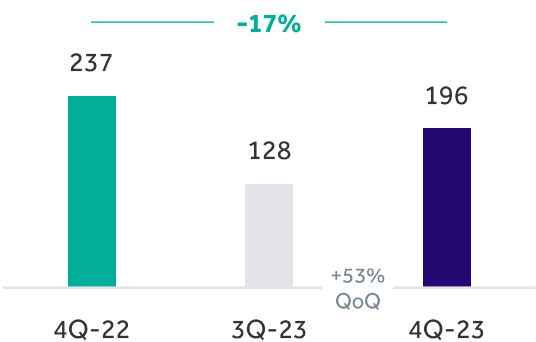
Net Income Before Zakat Movement YoY (SARmn)



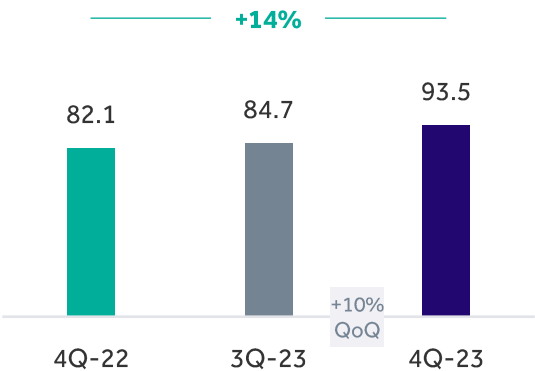
Total Operating Income (SARmn)



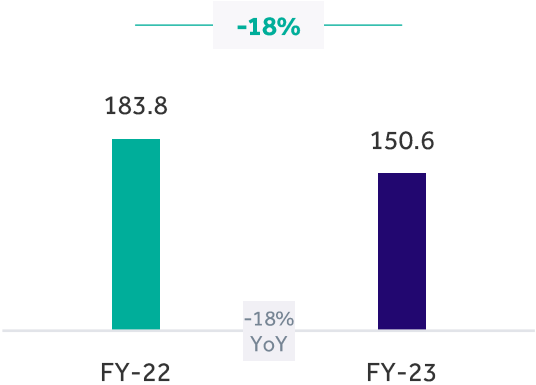
Net Income Before Zakat (SARmn)



Total AUM (SARbn)



Brokerage Value Traded (SARbn)





Outlook & Guidance



With all KPIs within guidance

Guidance Metric	2023 Guidance	FY 2023	2024 Guidance	Drivers
Loans, Net	High Single to Low Double Digit	SAR 274 bn (+13% YoY)	High Single to Low Double Digit	Continuing balanced growth approach driven by corporate, SMEs and mortgages; supported by positive economic outlook for Saudi
NSCI Margin	+40bps to +60bps	3.61% (+50bps YoY)	-10bps to -15bps	Flattish margins during the year compared to 4Q2023 NSCI margin of 3.55%
Cost to Income	Below 31%	31.3%	Below 32%	Investments will continue in digitization, systems and people to achieve our strategic aspirations
Cost of Credit Risk	70bps - 90bps	0.70%	65bps - 75bps	Proactive risk management to support asset quality and improve coverage
CET1	Above 15%	15.7%	Above 15%	Strong capitalization and efficient capital management supported by internal capital generation
ROAE after Zakat	Above 15%	15.6%	Above 15%	Maintain healthy ROAE driven by top line growth and efficiencies



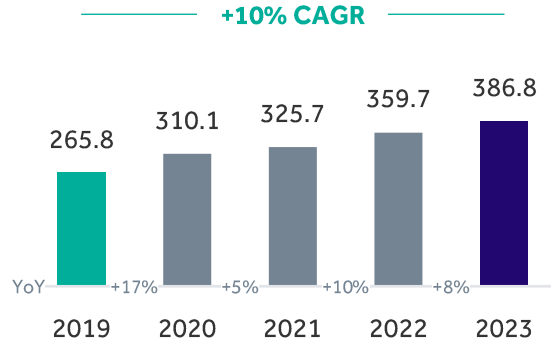
Historical Performance



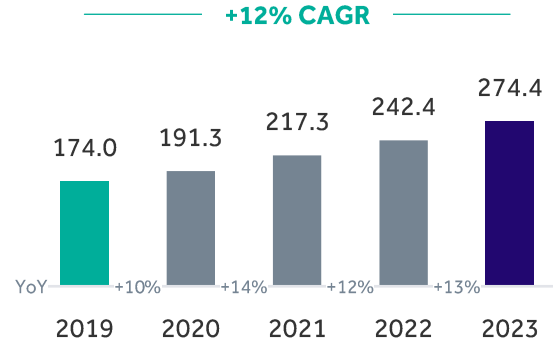


Balance sheet 5-year Summary

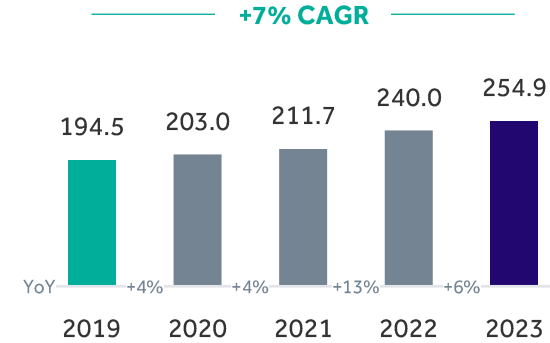
Total Assets (SARbn)



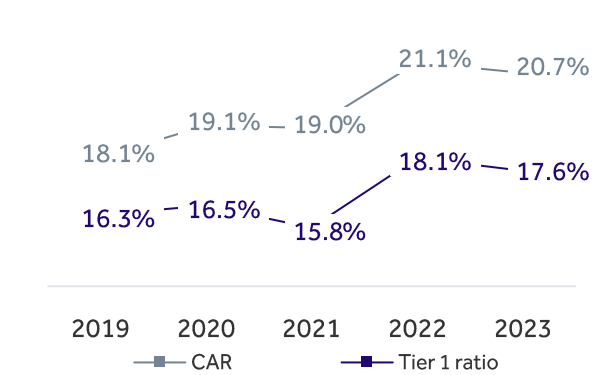
Loans & Advances, Net (SARbn)



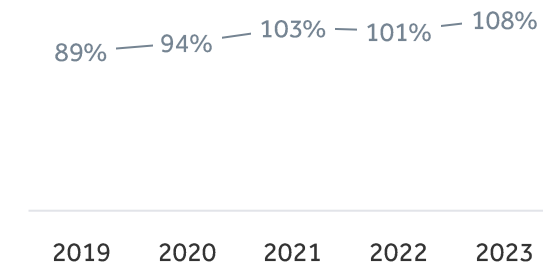
Deposits (SARbn)



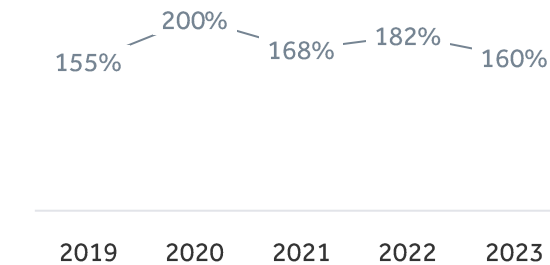
Capital Ratios (%)



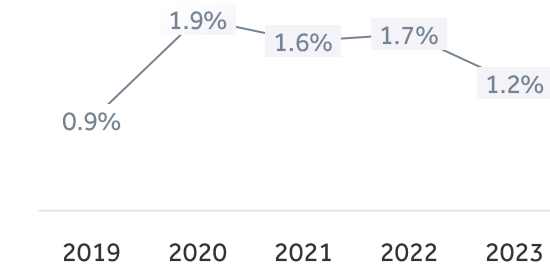
Headline LDR (%)



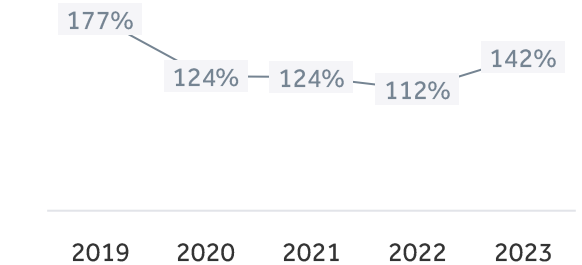
LCR (%)



NPL Ratio (%)



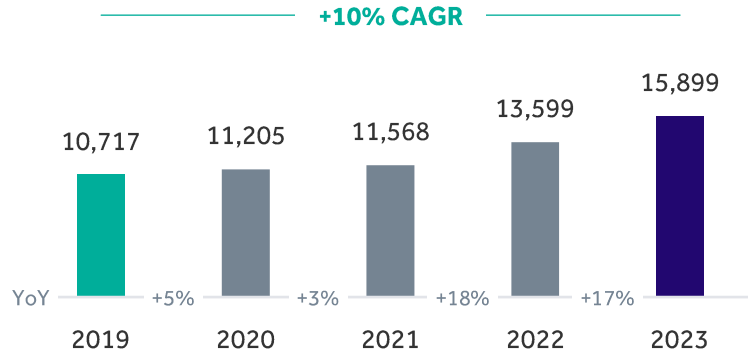
NPL Coverage Ratio (%)



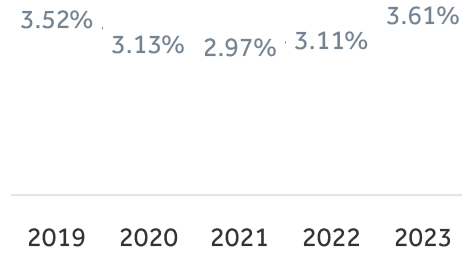


Income Statement 5-year Summary

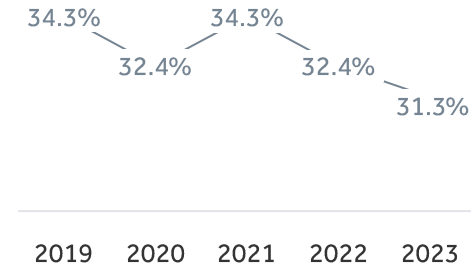
Total Operating Income (SARmn)



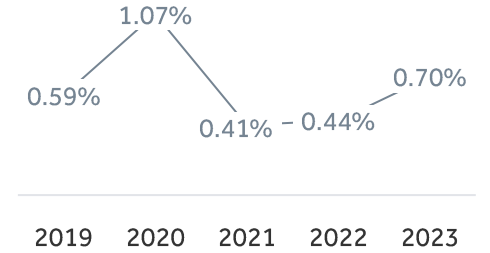
NSCI Margin (%)



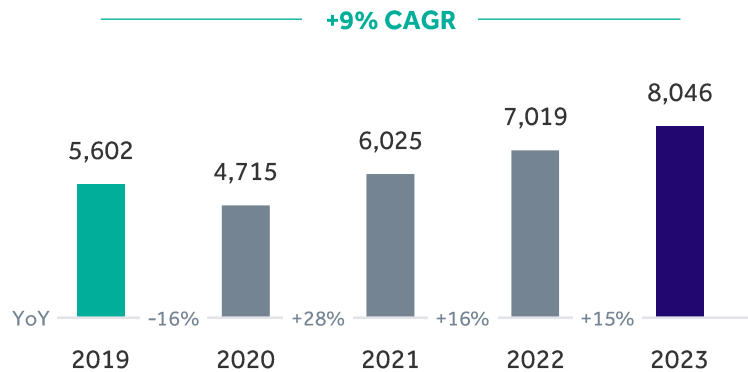
Cost to Income Ratio (%)



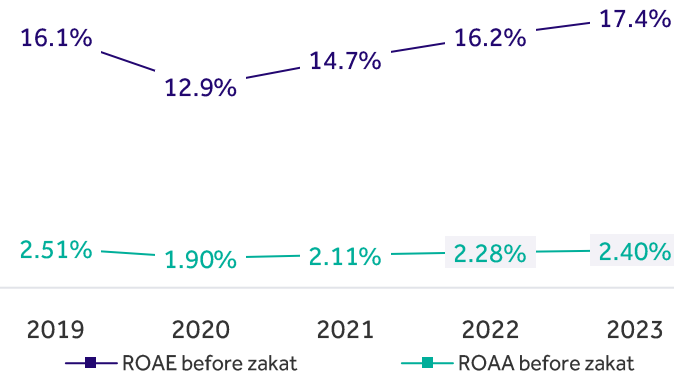
Cost of Risk* (%)



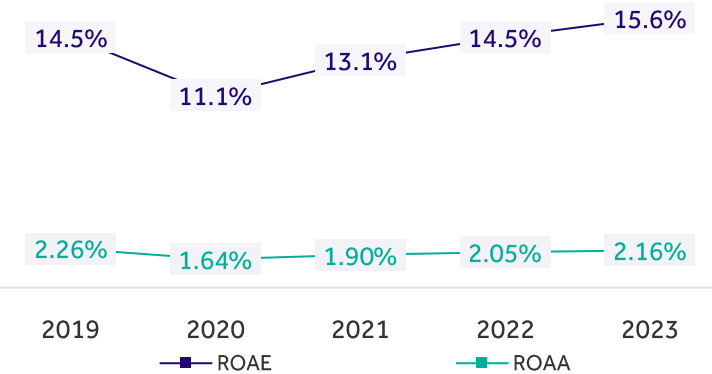
Net Income (SARmn)



ROAE, ROAA Before Zakat (%)



ROAE, ROAA (%)





■ Appendix





Contact the investor relations for more information

Investor Relations

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E-mail: Investor.relations@riyadbank.com

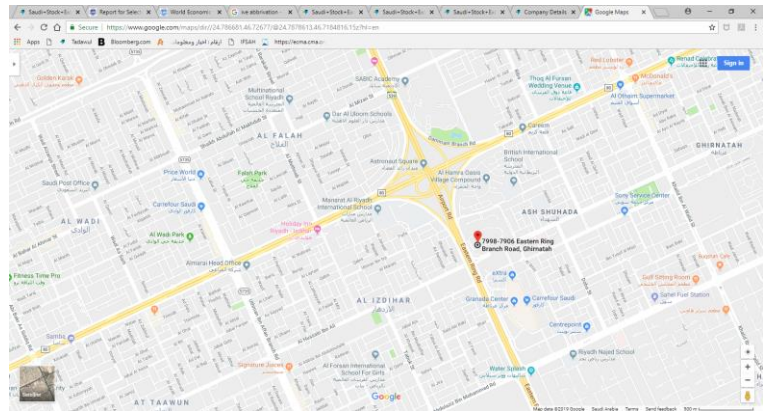
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Eastern ring road
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Kingdom of Saudi Arabia

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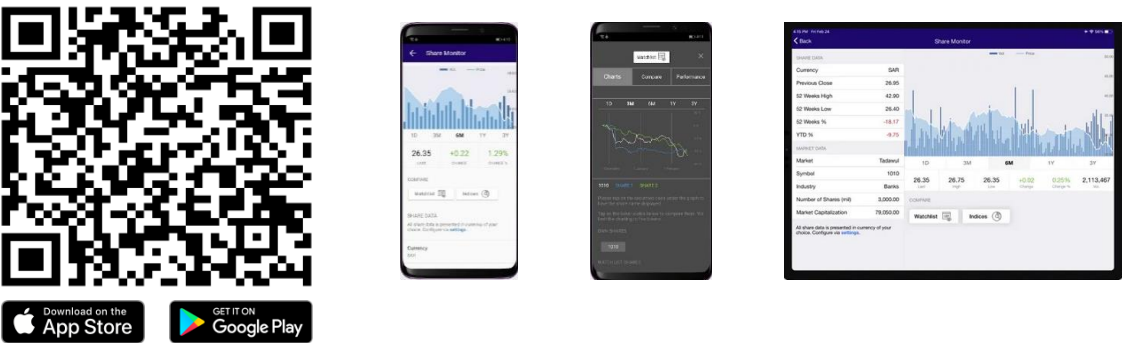
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