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# Earnings Presentation

## 9M 2024

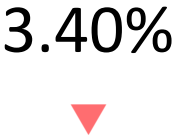


# 9M 2024 Performance Highlights

## Strong Performance



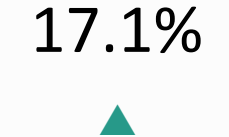
Loan Growth



Lower Margin

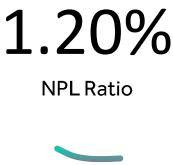


Net Income Growth

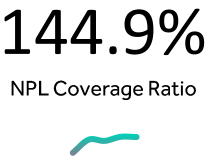


Profitability  
(ROAE after Zakat)

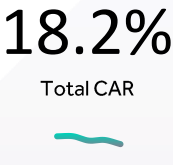
## Healthy & resilient financial position



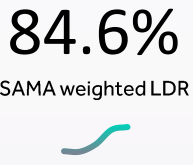
Proactive  
NPL Management



Improved  
Coverage



Strong  
Capitalization



Comfortable  
Liquidity

## Good progress on refreshed strategy

### Corporate

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

### Retail

- Growing [customer numbers](#)
- Expand [Credit Card](#) offerings (Multi-currency)
- Record Private banking [NPS](#) scores
- Launched [next-gen mobile app](#)

### Digital

- Launched [Center of Intelligence](#)
- USD1 bn funded to [technology sector](#)
- Launch of [new Riyad Online](#) for Corporate
- Launched [1957 Ventures Company](#)



# ■ Strategy Update














# Our ambition is to be the best Bank in KSA

Strategic Pillars	Most Profitable	Most Efficient	Bank of Choice	Most Innovative & Digitally Enabled
Definition	 <p>Sustainable profit growth and returns to shareholders</p>	 <p>Highest return on spend and operational excellence</p>	 <p>Best bank for customer, employees and society</p>	 <p>Most innovative and digitally enabled bank</p>
Focus Area	<p>Profitability</p> <p>Growth</p>	<p>Cost Efficiency</p> <p>Operational Efficiency</p>	<p>Customer</p> <p>People</p> <p>ESG</p>	<p>Digital</p> <p>Innovation</p>
KPIs	<p>ROE</p> <p>Profit growth</p> <p>Total Shareholders return</p>	<p>Cost to income</p> <p>Time to cash</p>	<p>NPS*</p> <p>People Index**</p> <p>Brand Value</p>	<p>Digital Maturity Index</p>



# Progress on strategic initiatives which are driving business growth and enhancing customer experience

Strategic Initiatives	Description	Strategic Pillars Alignment
1 Scale Up RM Workbench	Successfully completed early in 2Q24, the end-to-end digital solution is helping teams in dealing with corporate clients. The solution has advanced analytics capabilities that support in maintaining a high-quality portfolio, in addition to a daily performance monitoring. RM Workbench is actively contributing to the growth of Corporate fee income.	 <b>Most Profitable</b>  <b>Most Innovative &amp; Digitally Enabled</b>
2 Next-gen Mobile App	Launched in late 2Q24 through a targeted go-to-market strategy, the new mobile app offers an enhanced digital experience with a wider set of products and services available through the platform. A full customer migration is systematically planned to be completed in the 4th quarter of 2024.	 <b>Most Profitable</b>  <b>Bank of Choice</b>
3 Scale Up New Ventures	Complementing RB's digitalization strategies by maintaining the bank's responsiveness to the rapidly-evolved FinTech industry through the incubation of digital ventures, which create the pathway to grow RB's network, increase value and realize revenue growth: <ul style="list-style-type: none"> <li>Launch of <b>1957 Ventures Company</b> during the 3Q of 2024 with the largest fund in the region.</li> </ul>	 <b>Most Profitable</b>  <b>Most Innovative &amp; Digitally Enabled</b>
4 Build & Scale Up Center of Intelligence	Successfully launched the new Center of Intelligence in 2Q24, aiming to deliver monetary lift and value addition in commercial, branding and business innovation. As of the end of 3Q, COI has implemented and rolled out 6 use cases that touched the commercial and business innovation aspects of the bank.	 <b>Most Profitable</b>  <b>Most Innovative &amp; Digitally Enabled</b>  <b>Most Efficient</b>



# 9M 2024 Financial Performance





# Strong growth in profitability supported by operating income and improved efficiencies

Balance sheet expansion, driven by loans and investments

while growth in IBs was higher than growth delivered in NIBs

Total assets

3Q-24



YTD

+12%

IBs

3Q-24



YTD

+22%

Loans & advances, net

3Q-24



YTD

+11%

NIBs Share (%)

53.1%

51.8%

9M 23

9M 24

Strong growth in profitability driven by operating income growth

with NSCI increased marginally driven by asset growth

Net income

9M-24



YoY

+16%

NSCI

9M-24



YoY

+2%

ROAE after Zakat (%)

16.2%

17.1%

9M 23

9M 24

NSCI Margin (%)

3.64%

3.40%

9M 23

9M 24

Improved efficiencies driven by positive jaws while investments in strategic projects continue

lower CoR from improved asset quality and recoveries, while proactively managing NPLs

CIR (%)

30.9%

30.7%

9M 23

9M 24

Expenses before Impairments

9M-24



YoY

+5%

CoR\* (%)

0.70%

0.51%

9M 23

9M 24

NPL Ratio (%)

1.36%

1.20%

9M 23

9M 24

Comfortable liquidity position

and strong capitalization well above regulatory minima

LCR

3Q-24

142.0%

Tier 1 Ratio

3Q-24

15.6%

SAMA weighted LDR

3Q-24

84.6%

Total CAR

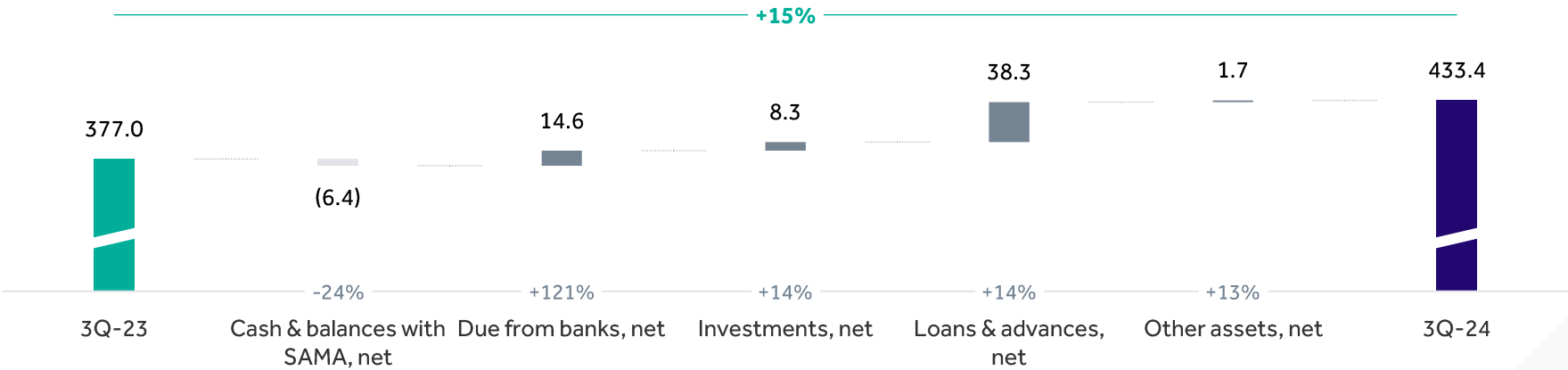
3Q-24

18.2%

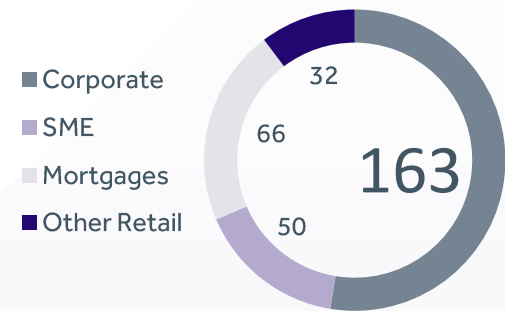


# Solid balance sheet expansion driven by growth in loans and investments

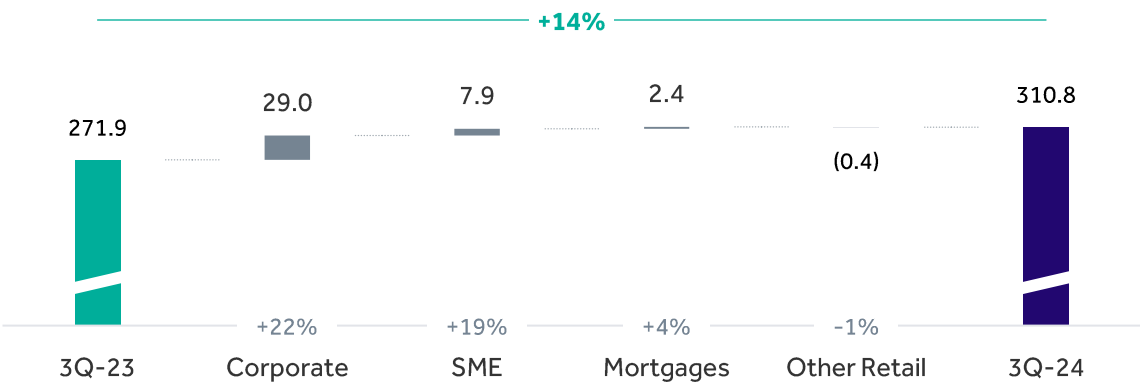
Total Assets Movement YoY (SARbn)



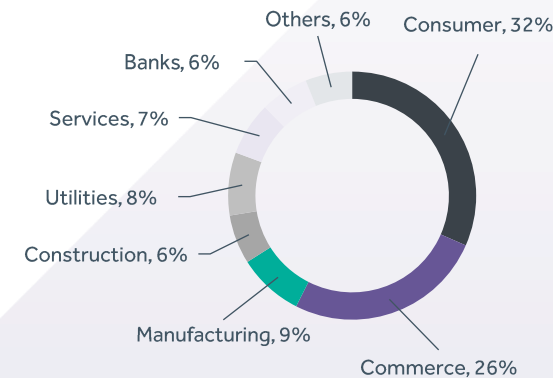
Loans & Advances, Gross Composition 3Q-24 (SARbn)



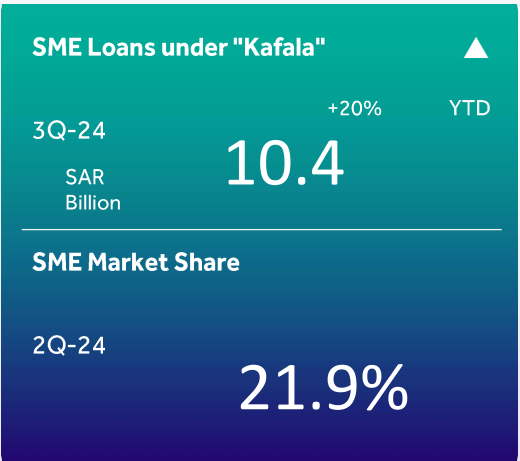
Gross Loans Movement YoY (SARbn)



Loans & Advances, Net Composition 3Q-24 (SARbn)



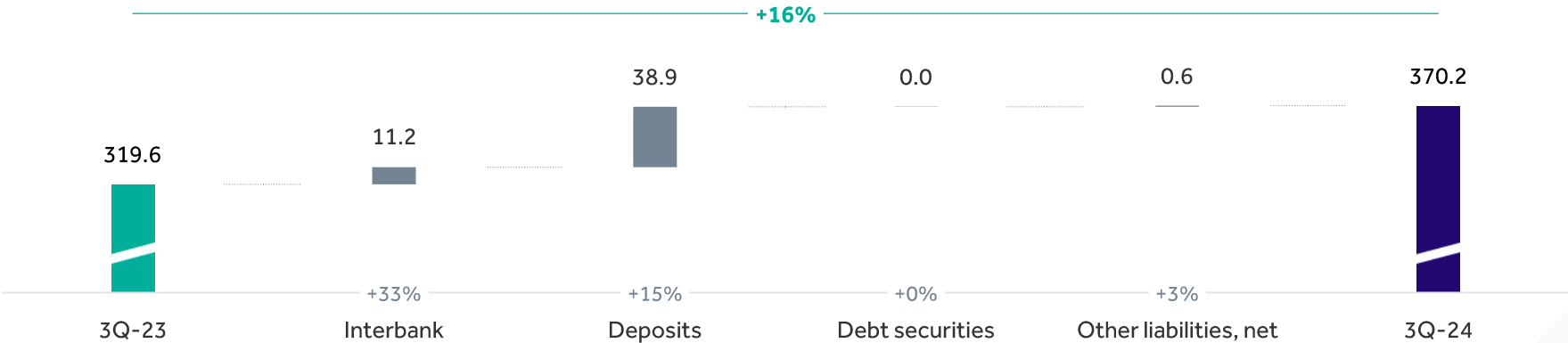
SME Highlights



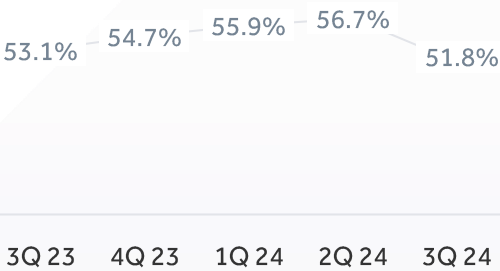


# Which was funded by a mix of IBs and NIBs with overall liquidity position remained comfortable, leaving ample room for growth

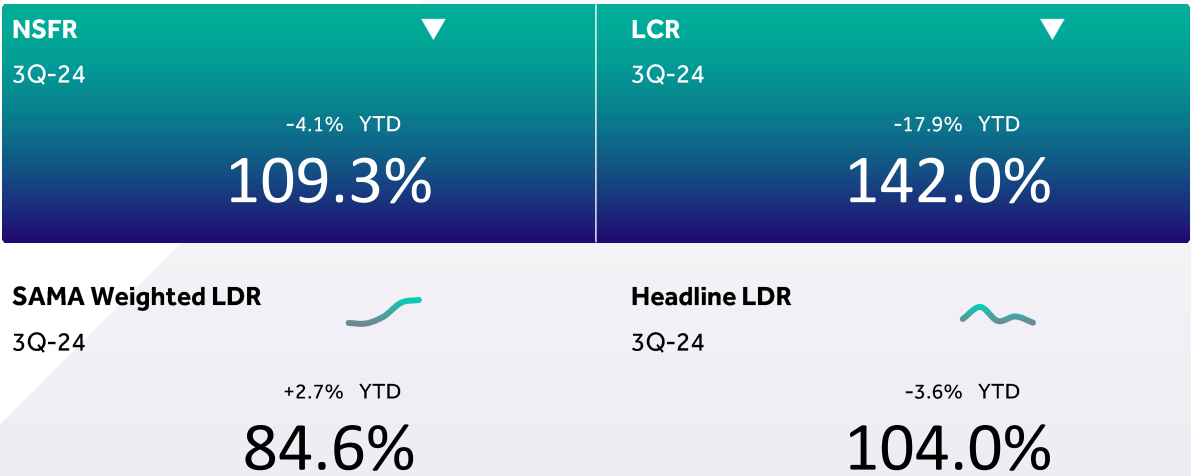
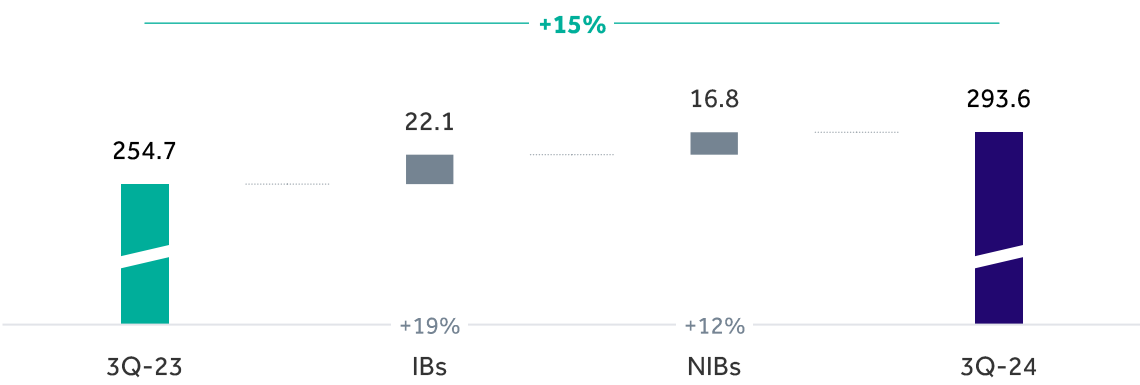
Total Liabilities Movement YoY (SARbn)



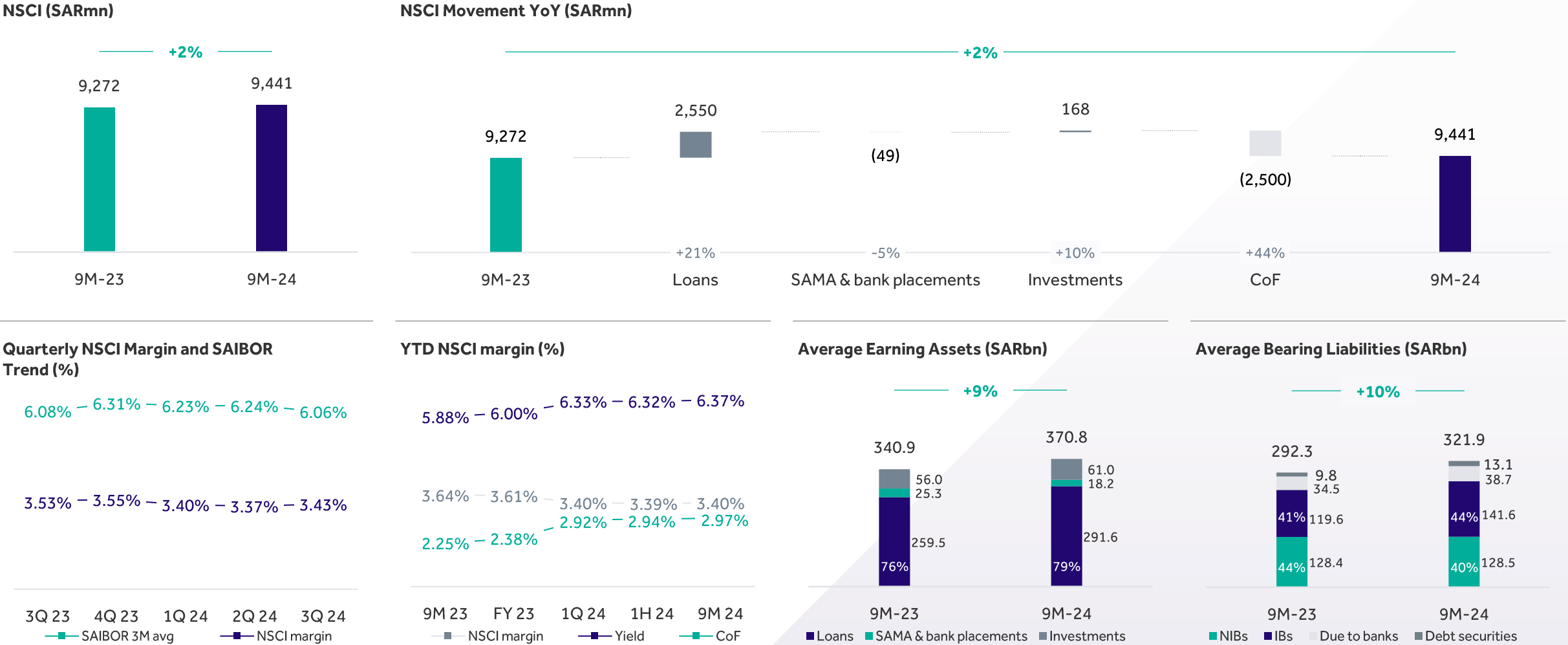
NIBs % of Total (%)



Total Customers' Deposits Movement YoY (SARbn)



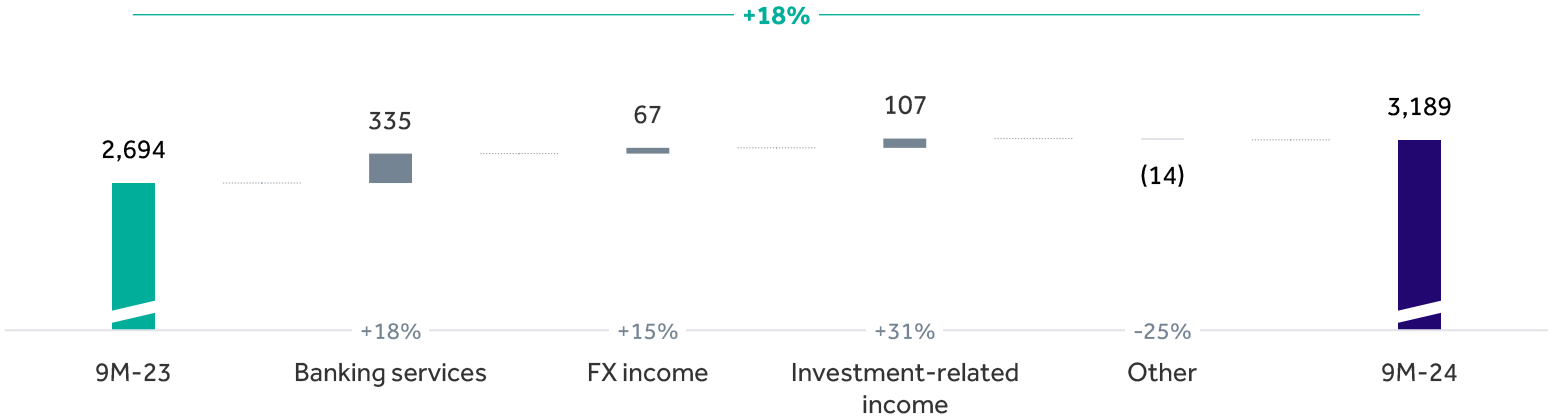
# NSCI witnessed a marginal increase driven by improved asset yield and cost of fund management



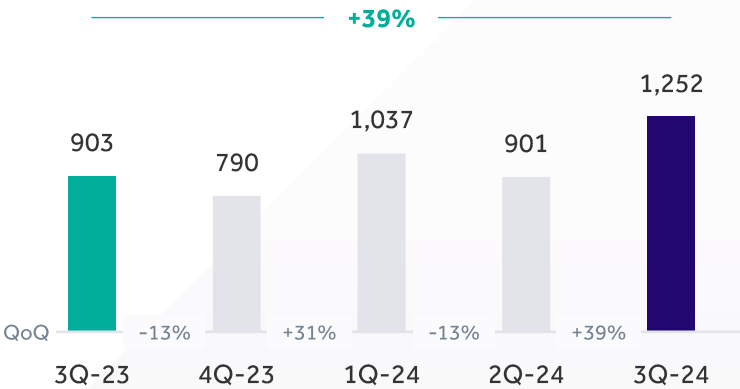


# Fee & other income increased from a strong growth in fees from banking services, FX income and investment related income

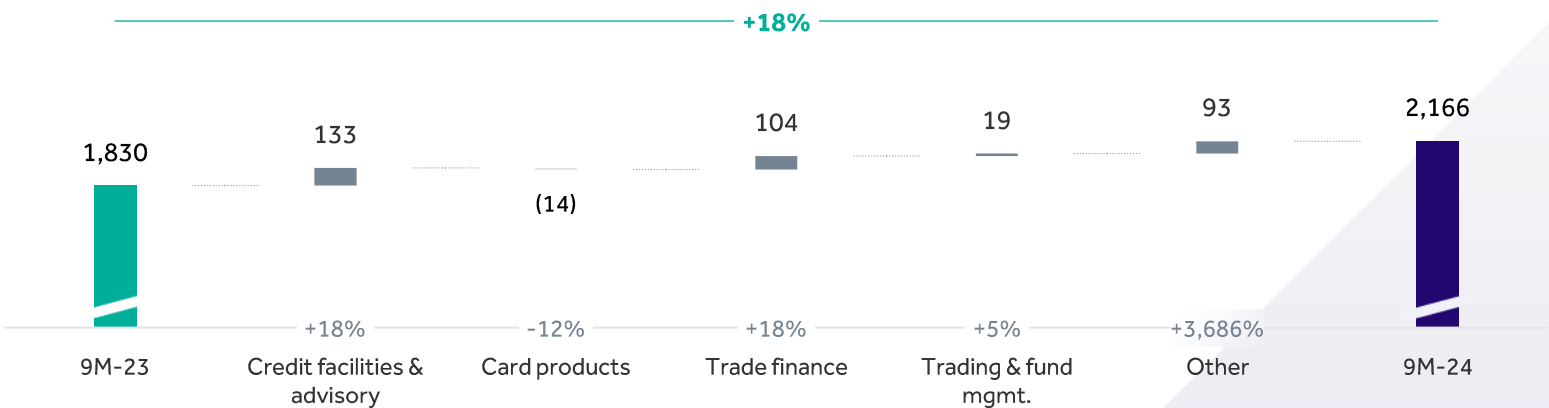
Fee & Other Income Movement YoY (SARmn)



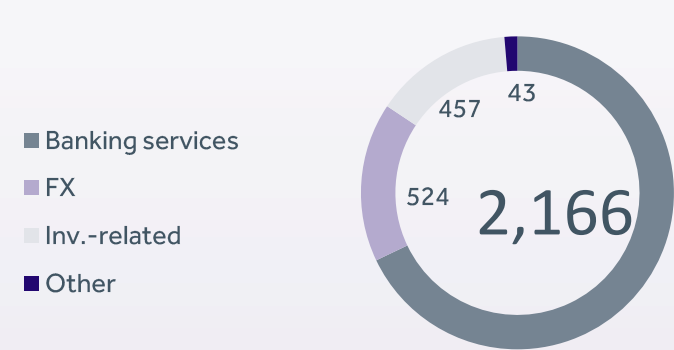
Quarterly Fee & Other Income (SARmn)



Fee Income from Banking Services Movement YoY (SARmn)



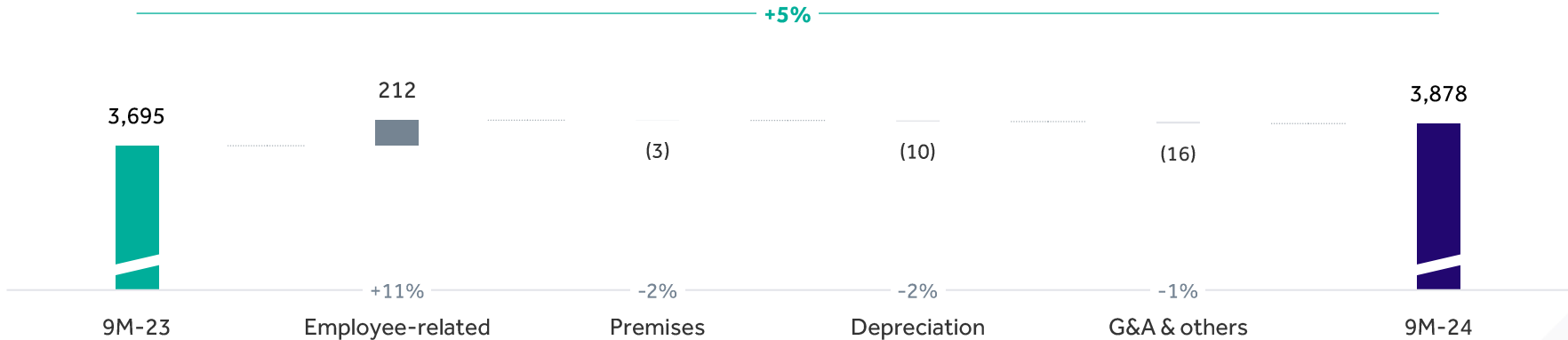
Fee & Other Income Composition, 9M-24 (SARmn)



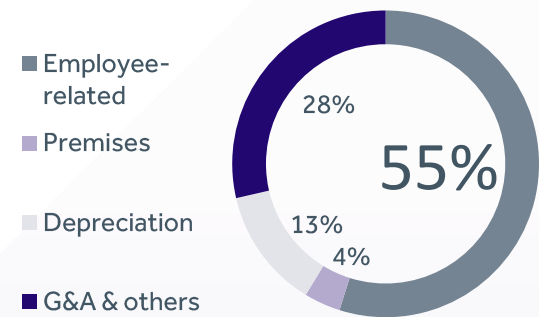


# Cost efficiency continues to improve despite ongoing investments in infrastructure, digital capabilities, and strategic initiatives

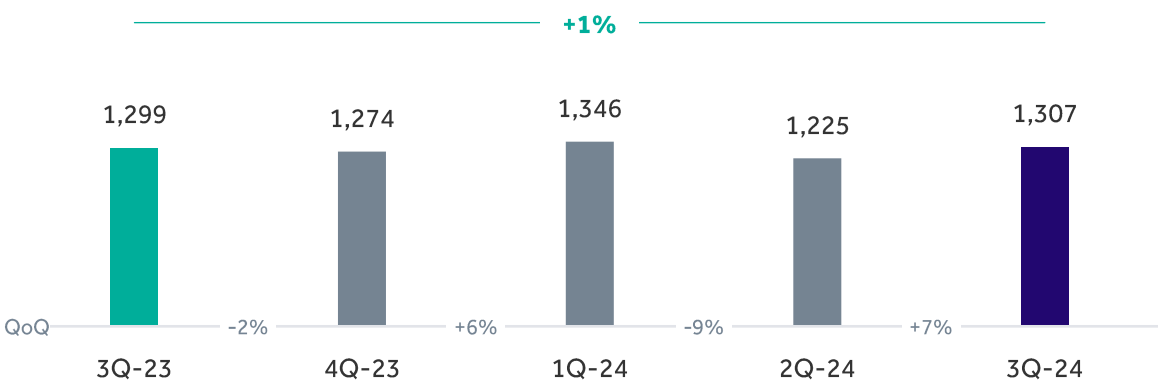
Expenses before Impairment Movement YoY (SARmn)



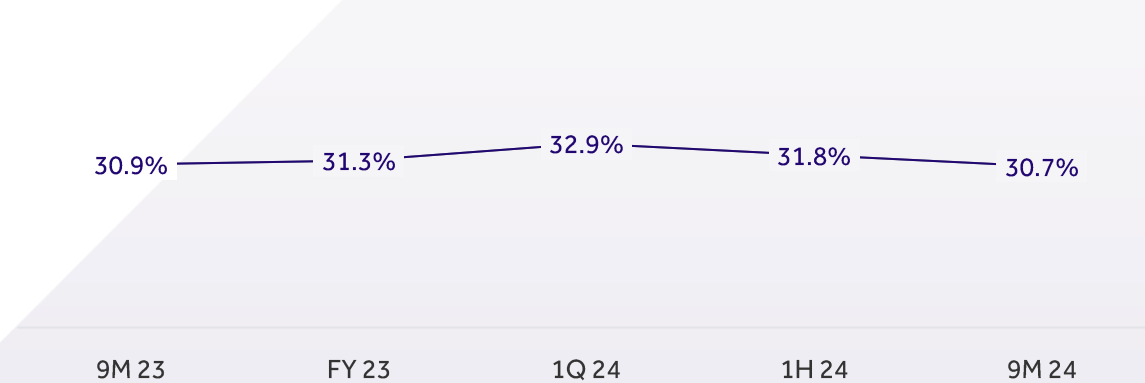
Expenses before Impairments Composition, 9M-24 (%)



Quarterly Expenses before Impairment (SARmn)

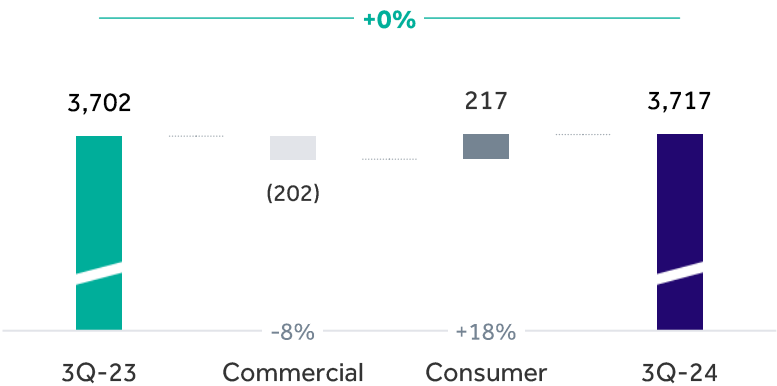


Cost to Income Ratio (%)

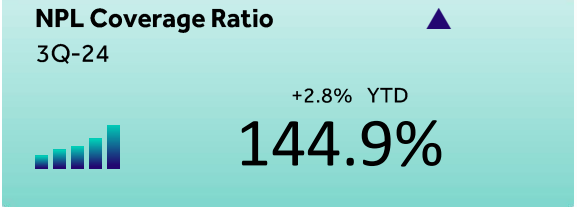
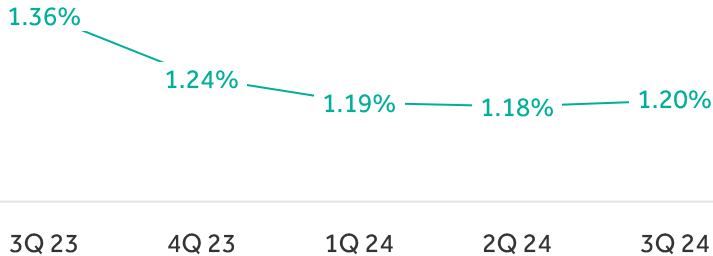


# Cost of risk normalized from proactive risk management, higher recoveries and sustained asset quality

NPL Movement by Sector YoY (SARmn)



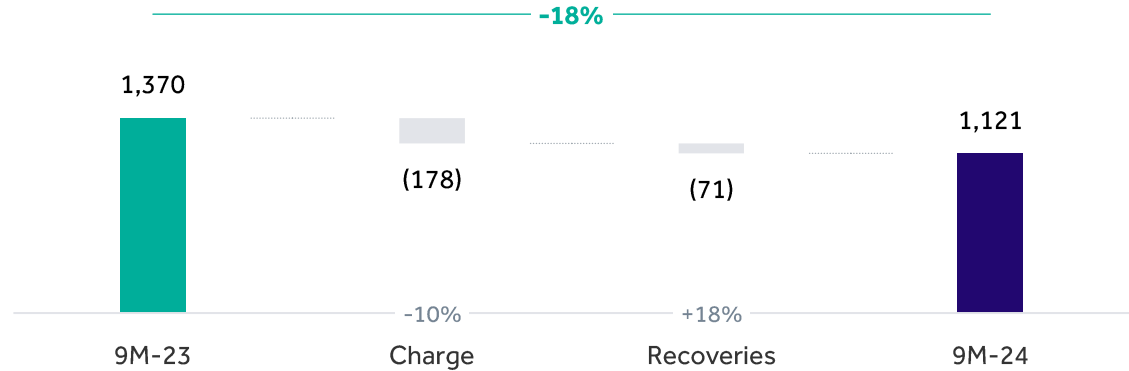
NPL Ratio (%)



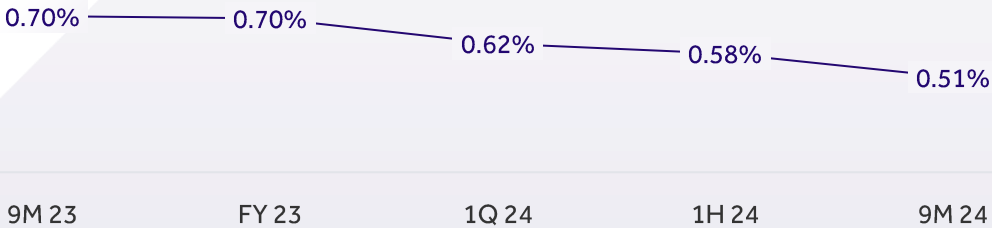
Stage-wise ECL on Gross Loans, 3Q-24, YTD

Stage 1	Stage 2	Stage 3
0.26%	14.5%	48.4%
▼ -0.05%	▲ +1.5%	▲ +1.6%

Impairments for Credit Losses Movement YoY (SARmn)



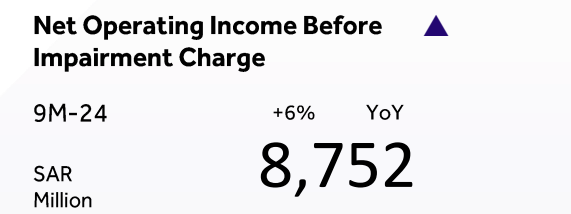
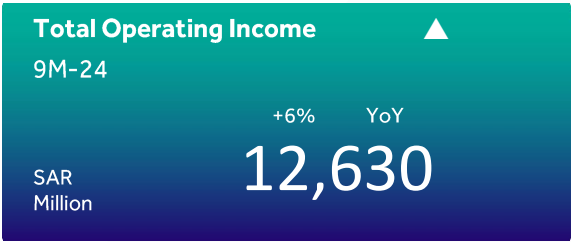
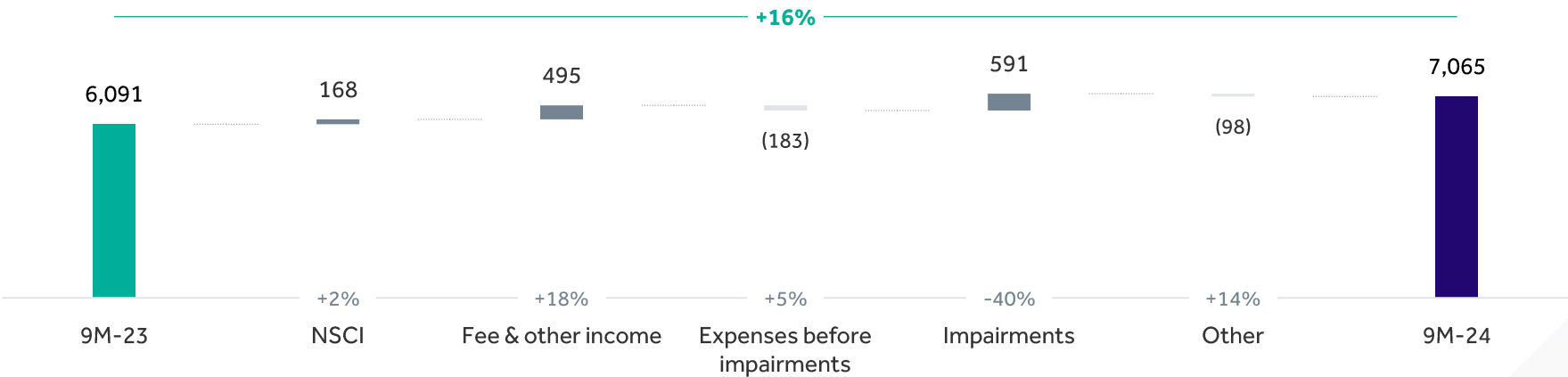
Cost of Risk\* (%)



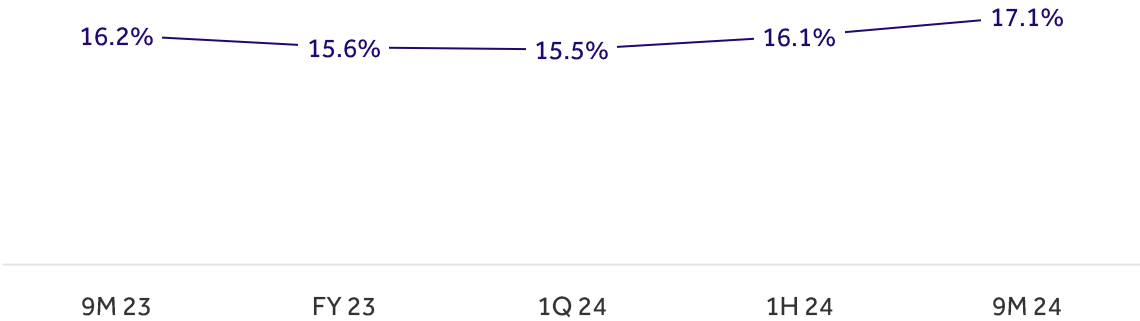


# Together these factors drove the strong growth in profitability

Net Income Movement YoY (SARmn)



ROAE after Zakat (%)



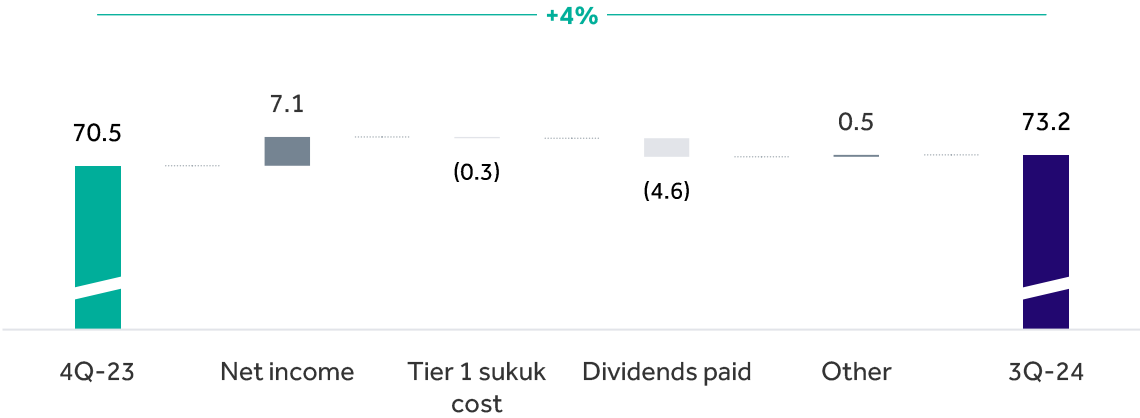
ROAA after Zakat (%)



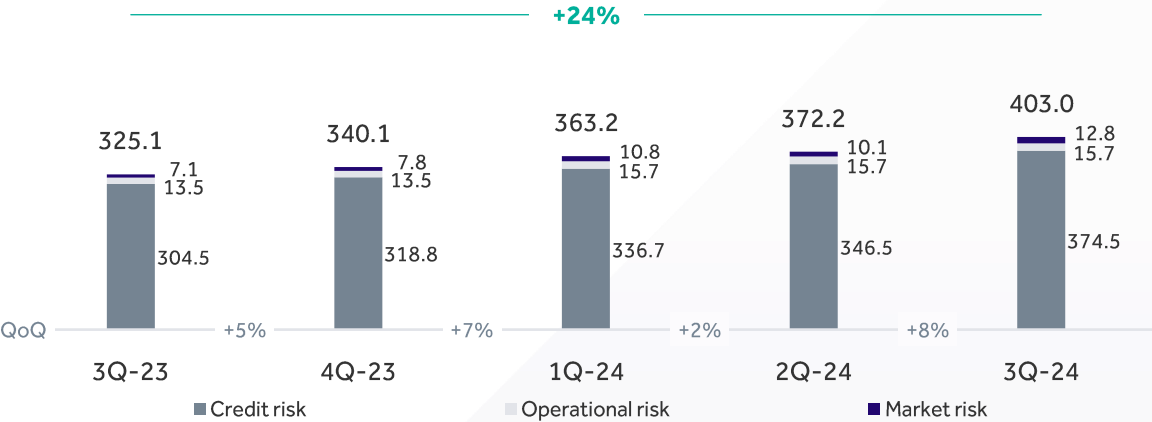


# Supporting healthy capitalization well above regulatory minima

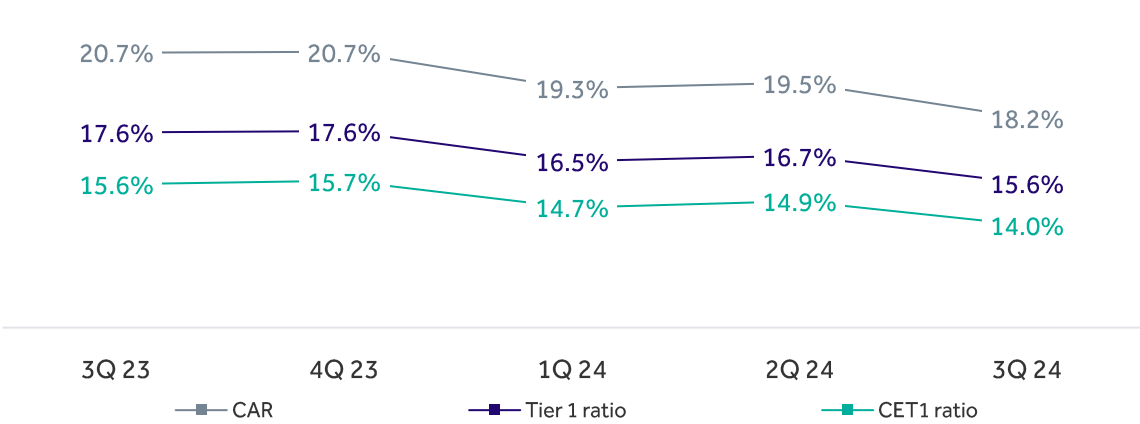
Total Regulatory Capital Movement YTD (SARbn)



Risk Weighted Assets (SARbn)



Capital Ratios (%)



Total Regulatory Capital (SARbn)





# With all KPIs within or ahead of expectations

Guidance Metric	9M 2024	2024 Guidance	Revised Guidance	Drivers
Loans, Net	SAR 305 bn (+11% YTD)	Low Double Digit	Unchanged	Strong credit demand mainly coming from corporate and SMEs driven by positive economic activities
NSCI Margin	3.40% (-21bps 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	30.7%	Below 32%	31% Area	Investments will continue in digitization, systems and people to achieve our strategic aspirations while focusing on cost optimization initiatives
Cost of Credit Risk	0.51%	55bps - 65bps	Unchanged	Stable and healthy credit quality supported by sound NPL coverage will result in a normalized credit risk
CET1	14.0%	14% - 15%	Unchanged	Healthy capitalization and efficient capital management supported by internal capital generation
ROAE after Zakat	17.1%	Above 15%	Above 16%	Improved ROAE driven by top line growth, efficiencies and asset quality





# ■ Appendix





# Contact the investor relations for more information

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## Riyad Bank Head Office



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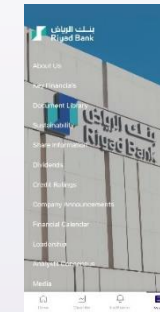


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