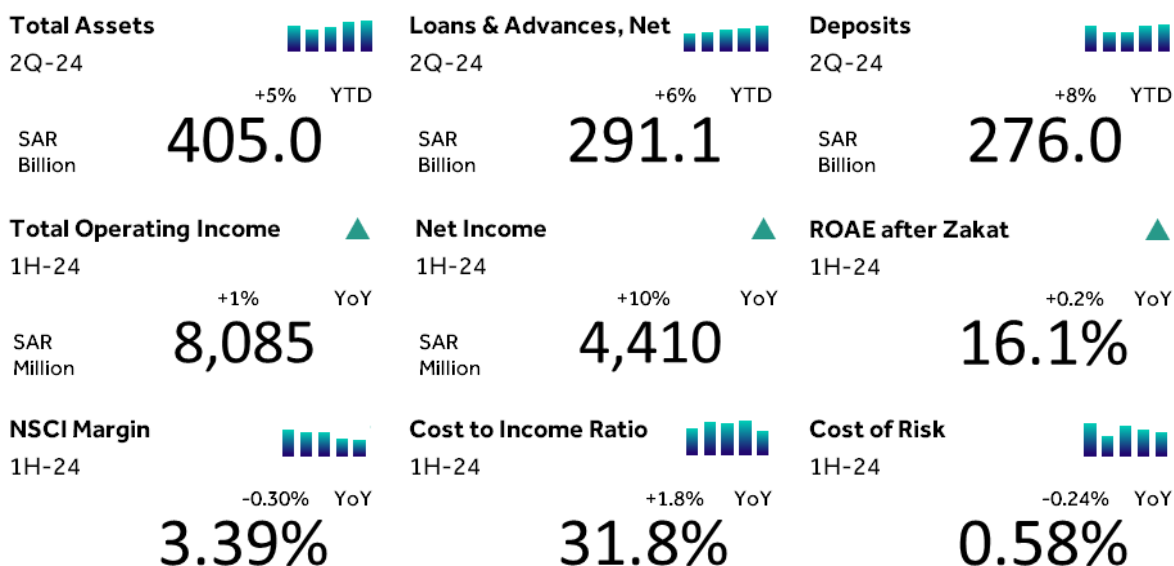


## Riyad Bank reports 10% net income growth to SAR 4.4 billion in 1H 2024

Riyad Bank reports 10% net income growth driven by robust loan growth and strong fees & other income



- Total assets of SAR 405.0bn, up 5% YTD, mainly driven by 6% growth in loans & advances, and 5% in investments.
- Funding growth was mainly driven by an increase of 8% YTD in customer deposits to reach SAR 276.0bn.
- Total operating income of SAR 8,085mn in 1H 2024, up 1% YoY driven by a growth of 8% in fee and other income which was partially offset by a decrease of 1% YoY in net special commission income.
- Total impairment charges, net for 1H 2024 amounted to SAR 611.2mn, down by 46% YoY.
- Net income for 1H 2024 reached to SAR 4,410mn, up 10% YoY on higher operating income and lower impairments.
- NSCI margin stands at 3.39% for 1H 2024, 30bps lower YoY mainly driven by an increase of cost of funding.
- Cost-to-income ratio stands at 31.8% for 1H 2024 higher by 1.8% YoY, mainly driven by an increase of operating expenses.
- Cost of risk at 0.58% for 1H 2024, an improvement of 24bps, mainly driven by a decline of 21% in Impairment charge for credit losses, net.
- Non-performing loan ratio of 1.18% in 1H 2024 has improved by 26bps YoY, and non-performing loan coverage ratio is standing at 145.2% up by 24%.
- Healthy capitalization with Tier 1 ratio at 16.7% and Capital Adequacy Ratio (CAR) at 19.5%

- Solid liquidity position with Liquidity Coverage Ratio (LCR) of 156.9%, Net Stable Funding Ratio (NSFR) of 112.9%, and SAMA loans to deposit ratio at 84.3%
- Return on average equity after Zakat for the period stands at 16.1%.
- Return on average assets after Zakat stands the period stands at 2.23%.

**Riyadh, 15 August 2024** – Riyad Bank reported 10.2% year-on-year growth in net income reaching to SAR 4,410 million for 1H 2024, driven by a 1.2% expansion total operating income which was tempered by higher operating expenses before impairment charges. Total operating income growth resulted from an increase of 8.2% year-on-year in fees and other income which was partially offset by a marginal decrease of 0.8% year-on-year in net special commission income.

Total assets amounted to SAR 405.0 billion as of 30<sup>th</sup> June 2024, an increase of 4.7% from the year end of 2023, largely due to robust loan growth of 6.1% besides 5.1% growth in investment. The asset growth was mainly funded by an increase of 8.3% year-to-date in customer deposits, coupled with a growth of 3.9% year-to-date in total shareholders' equity.

**Mr. Nadir Al-Koraya, Chief Executive Officer of Riyad Bank, said:**

“Riyad Bank delivered a strong set of results which is a testament of the hard work and dedication of our people, inspired by our ambitious strategy to become the best bank in KSA and building on the achievements of our various business segments over the period. We remain well-positioned to capitalize on the on-going shift from mortgage-based to corporate-driven lending, as non-oil GDP growth continues and new opportunities arise from the positive domestic economic environment and our capacity to support Vision 2030 projects.”

**Mr. Abdullah Al Oraini, Chief Financial Officer of Riyad Bank, said:**

“Riyad Bank recorded a solid performance during the 1H 2024, with fee and other income up 8% year-on-year which is partially offset by a decrease of 1% year-on-year in net special commission income, resulting in total operating income rising by 1% year-on-year. Loans and investments year-to-date growth of 6% and 5%, respectively propelled total asset growth of 5%, while our NSCI margin at 3.39% was mainly impacted by higher cost of funds. Our credit quality markedly improved, with the NPL ratio at 1.18%, while we improved our coverage ratio year-on-year to a robust 145.2%.”

**Performance Highlights**
**Income Statement Highlights**

SAR (mn)	2Q-2024	2Q-2023	YoY % Change	1H-2024	1H-2023	YoY % Change
Net special commission income	3,097	3,109	-0%	6,147	6,197	-1%
Fee and other income	901	843	+7%	1,938	1,791	+8%
<b>Total operating income, net</b>	<b>3,997</b>	<b>3,952</b>	<b>+1%</b>	<b>8,085</b>	<b>7,989</b>	<b>+1%</b>
Total operating expenses before impairment charge	(1,225)	(1,234)	-1%	(2,571)	(2,396)	+7%
<b>Net operating income before impairment charge</b>	<b>2,772</b>	<b>2,718</b>	<b>+2%</b>	<b>5,514</b>	<b>5,593</b>	<b>-1%</b>
Total impairment charge	(175)	(512)	-66%	(611)	(1,136)	-46%
<b>Net operating income</b>	<b>2,598</b>	<b>2,206</b>	<b>+18%</b>	<b>4,903</b>	<b>4,457</b>	<b>+10%</b>
Share in earnings of associates	9	4	+126%	14	5	+189%
<b>Net Income for the period before zakat</b>	<b>2,606</b>	<b>2,210</b>	<b>+18%</b>	<b>4,917</b>	<b>4,461</b>	<b>+10%</b>
Zakat for the period	(269)	(228)	+18%	(507)	(460)	+10%
<b>Net Income for the period after zakat</b>	<b>2,338</b>	<b>1,982</b>	<b>+18%</b>	<b>4,410</b>	<b>4,002</b>	<b>+10%</b>
Earnings per share	0.75	0.64	+17%	1.42	1.28	+11%
ROAE after Zakat	17.1%	15.8%	+1.3%	16.1%	15.9%	+0.2%
ROAA after Zakat	2.31%	2.06%	+0.25%	2.23%	2.14%	+0.09%
NSCI margin	3.37%	3.60%	-0.23%	3.39%	3.69%	-0.30%
Cost to income ratio	30.6%	31.2%	-0.6%	31.8%	30.0%	+1.8%
Cost of risk	0.55%	0.74%	-0.19%	0.58%	0.83%	-0.24%

Net income for 1H 2024 improved 10% year-on-year to SAR 4,410 million from 8% growth in fee and other income, and positively impacted by a decrease in credit impairments on the back of improved asset quality and recoveries.

Total operating income grew 1% year-on-year to reach SAR 8,085 million for 1H 2024. Net special commission income recorded a marginal decline of 1% to SAR 6,147 million from a 30-basis points year-on-year margin decrease mainly driven by an increase of cost of funding resulting in NSCI margin standing at 3.39%. Fee and other income jumped 8% year-on-year reaching SAR 1,938 million driven by fee from banking services.

Operating expenses before impairment charges increased 7% year-on-year to SAR 2,571 million in 1H 2024 due to a 12% increase in employee-related expenses and a 6% increase in G&A and other operating expenses. The cost to income ratio stands at 31.8% for 1H 2024.

The impairment charges amounted to SAR 611 million for 1H 2024, a drop of 46% compared with the corresponding period last year driven by lower charges and strong recoveries resulting in cost of risk standing at 0.58%.

Earnings per share for 1H 2024 improved 11% reaching SAR 1.42 compared to SAR 1.28 in 1H 2023. Return on average equity after Zakat for the period stands at 16.1% and return on average assets after Zakat stands at 2.23%.

**Balance Sheet Highlights**

SAR (mn)	2Q-2024	1Q-2024	QoQ % Change	4Q-2023	YTD % Change	2Q-2023	YoY % Change
Cash and balances with SAMA, net	29,389	28,642	+3%	26,175	+12%	37,221	-21%
Due from banks and financial Institutions, net	9,308	17,577	-47%	15,434	-40%	22,092	-58%
Investments, net	61,073	60,663	+1%	58,109	+5%	56,388	+8%
Loans and advances, net	291,051	282,854	+3%	274,398	+6%	263,150	+11%
Other assets, net	14,208	15,122	-6%	12,733	+12%	10,385	+37%
<b>Total assets</b>	<b>405,029</b>	<b>404,859</b>	<b>+0%</b>	<b>386,849</b>	<b>+5%</b>	<b>389,236</b>	<b>+4%</b>
Due to banks and other financial institutions	35,944	40,121	-10%	42,464	-15%	34,129	+5%
Customers' deposits	276,009	270,948	+2%	254,908	+8%	272,269	+1%
Debt securities in issue	13,303	13,199	+1%	13,373	-1%	8,768	+52%
Other liabilities, net	17,426	20,515	-15%	15,847	+10%	16,378	+6%
<b>Total liabilities</b>	<b>342,682</b>	<b>344,782</b>	<b>-1%</b>	<b>326,591</b>	<b>+5%</b>	<b>331,545</b>	<b>+3%</b>
Share capital	30,000	30,000	0%	30,000	0%	30,000	0%
Reserves	12,444	12,516	-1%	12,418	+0%	9,781	+27%
Retained earnings	13,339	10,998	+21%	11,277	+18%	11,347	+18%
Proposed dividends	0	0	0%	0	0%	0	0%
<b>Total shareholders' equity</b>	<b>55,783</b>	<b>53,514</b>	<b>+4%</b>	<b>53,696</b>	<b>+4%</b>	<b>51,128</b>	<b>+9%</b>
Tier 1 sukuk	6,564	6,563	+0%	6,563	+0%	6,563	+0%
<b>Total equity</b>	<b>62,347</b>	<b>60,077</b>	<b>+4%</b>	<b>60,258</b>	<b>+3%</b>	<b>57,691</b>	<b>+8%</b>
NPL Ratio	1.18%	1.19%	-1bps	1.24%	-6bps	1.44%	-26bps
NPL Coverage Ratio	145.2%	140.8%	+4.4%	142.1%	+3.0%	120.7%	+24.5%
NIB % of total	56.7%	55.9%	+0.8%	54.7%	+2.0%	55.6%	+1.1%
Tier 1 ratio	16.7%	16.5%	+0.2%	17.6%	-1.0%	17.9%	-1.2%
Capital adequacy ratio	19.5%	19.3%	+0.2%	20.7%	-1.2%	20.8%	-1.3%
Liquidity coverage ratio	156.9%	147.6%	+9.3%	159.9%	-3.0%	180.9%	-24.0%
Net stable funding ratio	112.9%	109.6%	+3.2%	113.4%	-0.6%	117.7%	-4.9%
Loans to customers' deposit ratio (headline)	105.5%	104.4%	+1.1%	107.6%	-2.2%	96.7%	+8.8%
Loans to customers' deposit ratio (SAMA weighted)	84.3%	82.7%	+1.6%	81.9%	+2.4%	78.1%	+6.2%

Total assets as of 30 June 2024 amounted to SAR 405,029 million, an increase of 5% YTD. Loans and advances, net rose 6% during the 1H 2024 reaching SAR 291,051 million. Investments, net amounted to SAR 61,073 million, an increase of 5% YTD.

Customers' deposits increased by 8% during 1H 2024 to SAR 276,009 million. The bank delivered a strong growth in demand deposits of 12% during the first half which resulted in NIBs as percentage of total customer deposits improved to 56.7%.

The non-performing loan ratio improved to 1.18% as of 30 June 2024, 26 basis points improvement during 1H 2024 compared to the same period last year. The coverage of non-performing loans increased to

145.2% as of 30 June 2024 relative to 120.7% at the same period last year on efforts to improve overall provision coverage levels.

The total capital adequacy ratio stood at 19.5% and the Tier 1 ratio at 16.7% as of 30 June 2024; the former declining by 1.2% relative to the previous year-end due to higher risk-weighted assets by 9.4% against 3% increase in regulatory capital as dividend payments partially offset internal capital generation. The bank's liquidity remained strong and comfortably within regulatory limits, with the liquidity coverage ratio at 156.9%, the net stable funding ratio at 112.9% and SAMA regulatory loans to deposits ratio at 84.3%.

**Operating Segment Highlights**
**Corporate Segment Highlights**

SAR (mn)	2Q-2024	2Q-2023	YoY % Change	1H-2024	1H-2023	YoY % Change
Net special commission income	1,695	1,691	+0%	3,346	3,317	+1%
Fee and other income	475	444	+7%	948	877	+8%
<b>Total operating income</b>	<b>2,171</b>	<b>2,135</b>	<b>+2%</b>	<b>4,294</b>	<b>4,194</b>	<b>+2%</b>
Total operating expenses before impairment charge	350	347	+1%	731	672	+9%
Impairment charge	(39)	375	-110%	263	792	-67%
<b>Net income for the period before zakat</b>	<b>1,860</b>	<b>1,413</b>	<b>+32%</b>	<b>3,300</b>	<b>2,730</b>	<b>+21%</b>

SAR (mn)	2Q-2024	4Q-2023	YTD % Change	2Q-2023	YoY % Change
Loans and advances, net	194,467	177,894	+9%	169,511	+15%
<b>Total assets</b>	<b>203,698</b>	<b>186,405</b>	<b>+9%</b>	<b>174,331</b>	<b>+17%</b>
Deposits	157,942	149,189	+6%	167,601	-6%
<b>Total liabilities</b>	<b>174,640</b>	<b>172,291</b>	<b>+1%</b>	<b>190,128</b>	<b>-8%</b>

The corporate segment reported 21% year-on-year growth in net income before zakat to SAR 3,300 million. This resulted from 8% fee and other income growth to SAR 948 million and credit impairment charges improved by 67%.

Total assets for the corporate segment grew 9% year-to-date in 1H 2024 to SAR 203,698 million from an 9% increase in loans and advances, net. Corporate deposits were higher by 6% year-to-date standing at SAR 157,942 million.

**Retail Segment Highlights**

SAR (mn)	2Q-2024	2Q-2023	YoY % Change	1H-2024	1H-2023	YoY % Change
Net special commission income	1,154	964	+20%	2,220	2,025	+10%
Fee and other income	123	33	+273%	196	63	+211%
<b>Total operating income</b>	<b>1,277</b>	<b>997</b>	<b>+28%</b>	<b>2,416</b>	<b>2,088</b>	<b>+16%</b>
Total operating expenses before impairment charge	731	743	-2%	1,552	1,463	+6%
Impairment charge	189	113	+68%	324	298	+9%
<b>Net income for the period before zakat</b>	<b>357</b>	<b>141</b>	<b>+153%</b>	<b>541</b>	<b>327</b>	<b>+65%</b>

SAR (mn)	2Q-2024	4Q-2023	YTD % Change	2Q-2023	YoY % Change
Loans and advances, net	95,407	95,424	-0%	92,982	+3%
<b>Total assets</b>	<b>106,560</b>	<b>111,614</b>	<b>-5%</b>	<b>103,879</b>	<b>+3%</b>
Deposits	118,066	105,719	+12%	104,668	+13%
<b>Total liabilities</b>	<b>123,826</b>	<b>111,192</b>	<b>+11%</b>	<b>110,717</b>	<b>+12%</b>

Retail net income before zakat for 1H 2024 demonstrate a robust growth of 65% year-on-year to SAR 541 million. Total operating income increased by 16% year-on-year reaching to SAR 2,416 million driven by fee and other income which recorded a strong growth of 211% to SAR 196 million. Impairment charges increased by 9% compared to the corresponding period last year to reach SAR 324 million.

Total retail assets decreased by 5% year-to-date in 1H 2024 to SAR 106,560 million. Deposits expanded by 12% year-to-date to SAR 118,066 million supporting 11% increase in total liabilities.

**Treasury and Investments Segment Highlights**

SAR (mn)	2Q-2024	2Q-2023	YoY % Change	1H-2024	1H-2023	YoY % Change
Net special commission income	130	390	-67%	369	734	-50%
Fee and other income	174	213	-18%	489	563	-13%
<b>Total operating income</b>	<b>304</b>	<b>603</b>	<b>-50%</b>	<b>858</b>	<b>1,298</b>	<b>-34%</b>
Total operating expenses before impairment charge	62	66	-7%	127	111	+14%
Impairment charge	25	25	+2%	25	46	-45%
<b>Net income for the period before zakat</b>	<b>226</b>	<b>516</b>	<b>-56%</b>	<b>720</b>	<b>1,146</b>	<b>-37%</b>

SAR (mn)	2Q-2024	4Q-2023	YTD % Change	2Q-2023	YoY % Change
Investments, net	61,073	58,109	+5%	56,388	+8%
<b>Total assets</b>	<b>87,219</b>	<b>85,293</b>	<b>+2%</b>	<b>106,586</b>	<b>-18%</b>
<b>Total liabilities</b>	<b>43,803</b>	<b>42,663</b>	<b>+3%</b>	<b>30,076</b>	<b>+46%</b>

Treasury and investments recorded a decrease of 37% year-on-year in net income before zakat to SAR 720 million for 1H 2024. Operating income declined by 34% year-on-year to SAR 858 million on a 50% reduction in net special commission income.

Treasury assets increase by 2% year-to-date during 1H 2024 supported by 5% growth in the investment portfolio, while total liabilities rose by 3%.



**Riyad Capital Segment Highlights**

SAR (mn)	2Q-2024	2Q-2023	YoY % Change	1H-2024	1H-2023	YoY % Change
Net special commission income	117	64	+84%	212	121	+76%
Fee and other income	128	153	-16%	305	288	+6%
Total operating income	246	217	+13%	517	409	+26%
Total operating expenses before impairment charge	82	78	+6%	161	151	+7%
<b>Net income for the period before zakat</b>	<b>164</b>	<b>139</b>	<b>+17%</b>	<b>356</b>	<b>259</b>	<b>+38%</b>

SAR (mn)	2Q-2024	4Q-2023	YTD % Change	2Q-2023	YoY % Change
<b>Total assets</b>	<b>7,551</b>	<b>3,538</b>	<b>+113%</b>	<b>4,440</b>	<b>+70%</b>
<b>Total liabilities</b>	<b>413</b>	<b>444</b>	<b>-7%</b>	<b>624</b>	<b>-34%</b>

Riyad Capital booked a 38% year-on-year increase in net income before zakat to SAR 356 million for 1H 2024, driven by an increase of 76% in net special commission income coupled with 6% in fee and other income.

Riyad capital assets strongly jumped 113% year-to-date reaching SAR 7,551 million and liabilities dropped by 7% year-to-date reaching to SAR 413 million.

**Outlook**

The non-oil economy continues to thrive supported by continuous reforms, current projects, sizable spending, private sector investments and domestic consumption. This has allowed the non-oil GDP to continue its growth from 3.4% in first quarter to 4.4% in the second quarter of this year as per the latest flash estimates provided by GASTAT.

The overall seasonally adjusted GDP managed to grow by 1.4% in the second quarter as per the recent flash estimate released by GASTAT. The oil GDP witnessed a significant contraction on the first quarter (11.3%) and the second quarter (8.5%) caused by the reduction in oil activity which will be extended until September this year before heading back to 10 million b/d level guided by the OPEC+ coordinated efforts to stabilize the oil markets.

In 2024, inflation exhibited a moderate and stable trend, reflecting robust economic management amidst global uncertainties. The annual inflation rate hovered around 1.5% in June, driven largely by rising costs in housing and utilities which increased by 8.4%. Food and beverage prices also contributed to inflationary pressures with a 1.1% rise. Though, this was partially offset by a 2.7% decline in transportation costs. Compared to both emerging markets and advanced economies, Saudi inflation remained well-contained, demonstrating the effectiveness of the government policies in maintaining price stability while navigating global inflationary trends.

The Riyad Bank PMI remained well above the 50-point expansion threshold during the first two quarters of 2024, recording a solid 54.5 in June. This figure underscores ongoing expansion in private sector, fueled by consistent demand despite intensified competitive challenges. Furthermore, the development in new exports and the stability in input prices contributed positively to improve business activity across the non-oil private sector. These advancements collectively indicate a positive outlook for the Saudi economy, emphasizing its strength and potential for ongoing growth and prosperity.

The economy is steadily transitioning towards a more diversified and sustainable growth trajectory, driven by robust non-oil business activities and moderated inflation. As Saudi Arabia proceed with its ambitious Vision 2030 initiative, the non-oil sector is becoming increasingly pivotal in propelling growth and broadening revenue sources. Moreover, the government strategic reforms and initiatives, aimed at enhancing the business environment, attracting foreign investment, and developing human capital are further accelerating the growth of the non-oil sector. As a result, Saudi Arabia emerging as a key regional hub for diverse economic activities, ensuring long-term economic stability beyond its traditional oil-based economy.

## About Riyad Bank

Riyad Bank is one of the largest financial institutions in the Kingdom of Saudi Arabia and the Middle East. Established in 1957, with a paid-up capital of SAR 30 billion and now with 7,887 employees, we take pride of being among the Saudi organizations with the highest national employment rate of 96%.

We provide a comprehensive range of products and services fully compliant with the Islamic Sharia' to meet the needs of both retail and corporate customers, including small and medium-size enterprises. We take a lead role in many areas of finance and investment across Saudi Arabia and are distinguished as a leading financier and arranger of syndicated loans in the oil and petrochemicals sector as well as the Kingdom's most notable infrastructure projects.

We offer innovative financing solutions through a network of 334 licensed branches, and 242,243 POS, in addition to 2,117 ATMs distributed across the Kingdom. Our branch in London and offices in Houston (USA) and Singapore support the international banking needs of our increasingly global customers.

## Additional Information

The 1H 2024 financial statements, earnings release, earnings presentation, investor presentation and financial data supplement will be available on the website of Riyad Bank at:

[Riyad Bank - Investor Relations Website](#)

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