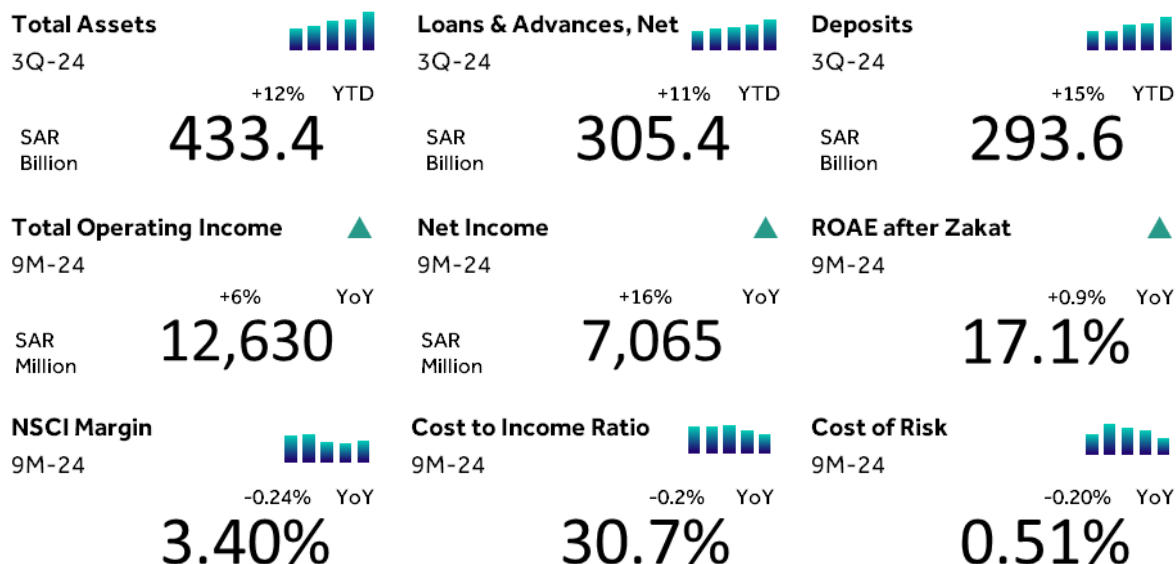


## Riyad Bank reports 16% net income growth reaching to SAR 7.1 billion in 9M 2024

Riyad Bank reports 16% net income growth driven by a robust loan growth and total operating income



- Total assets of SAR 433.4bn, up 12% YTD, mainly driven by 11% growth in loans & advances, and 14% in investments.
- Funding growth was mainly driven by an increase of 15% YTD in customer deposits to reach SAR 293.6bn.
- Total operating income of SAR 12,630mn in 9M 2024, up 6% YoY driven by a growth of 18% in fee and other income and a growth of 2% YoY in net special commission income.
- Total impairment charges, net for 9M 2024 amounted to SAR 897.2mn, lower by 40% YoY.
- Net income for 9M 2024 reached to SAR 7,065mn, up 16% YoY on higher operating income and lower impairments.
- NSCI margin stands at 3.40% for 9M 2024, 24bps lower YoY mainly driven by an increase of cost of funding.
- Positive jaws resulted in cost to income ratio trending lower to reach 30.7% down by 20bps YoY.
- Cost of risk at 0.51% for 9M 2024, lower by 20bps YoY, mainly driven by a decline of 18% in Impairment charge for credit losses, net.
- Non-performing loan ratio of 1.20% in 9M 2024 has improved by 17bps YoY, and non-performing loan coverage ratio is standing at 144.9% up by 17%.
- Healthy capitalization with Tier 1 ratio at 15.6% and Capital Adequacy Ratio (CAR) at 18.2%
- Solid liquidity position with Liquidity Coverage Ratio (LCR) of 142.0%, Net Stable Funding Ratio (NSFR) of 109.3%, and SAMA loans to deposit ratio at 84.6%
- Return on average equity after Zakat for the period reached to 17.1% up by 90bps YoY.
- Return on average assets after Zakat stands the period reached to 2.3% up by 9bps YoY.

**Riyadh, 06 November 2024** – Riyad Bank reported 16.0% year-on-year growth in net income reaching to SAR 7,065 million for 9M 2024, driven by a 5.5% expansion total operating income and lower impairment charges of 39.7%. Total operating income growth resulted from an increase of 18.4% year-on-year in fees and other income coupled with a growth of 1.8% YoY in net special commission income.

Total assets amounted to SAR 433.4 billion as of 30th September 2024, an increase of 12.0% from the year end of 2023, largely due to robust loan growth of 11.3% as well as a growth of 13.8% in investment. The asset growth was mainly funded by an increase of 15.2% year-to-date in customer deposits, coupled with a growth of 5.4% 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 for the 9 months period in 2024 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. We remain well-positioned to capitalize on the on-going shift from mortgage-based to corporate-driven lending, as non-oil GDP growth continues to drive economic activities and new opportunities arise from the positive domestic economic environment as well as our capacity to support Vision 2030 projects."

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

"Riyad Bank recorded a strong performance during the 9M 2024, with fee and other income up 18.4% year-on-year coupled with a growth of 1.8% YoY in net special commission income, resulting in total operating income rising by 5.5% year-on-year. Efficiencies has improved during the period driven by the positive jaws resulting in cost to income ratio to reach 30.7%. The strong profitability delivered during the period resulted in healthy return metrics with ROAE and ROAA reaching to 17.1% and 2.3%, respectively. Loans and investments year-to-date growth of 11.3% and 13.8%, respectively propelled total asset growth of 12.0%. Our credit quality markedly improved, with the NPL ratio at 1.20%, while we improved our coverage ratio year-on-year to a robust 144.9%."

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

SAR (mn)	3Q-2024	3Q-2023	YoY % Change	9M-2024	9M-2023	YoY % Change
Net special commission income	3,293	3,075	+7%	9,441	9,272	+2%
Fee and other income	1,252	903	+39%	3,189	2,694	+18%
Total operating income, net	4,545	3,978	+14%	12,630	11,967	+6%
Total operating expenses before impairment charge	(1,307)	(1,299)	+1%	(3,878)	(3,695)	+5%
Net operating income before impairment charge	3,237	2,679	+21%	8,752	8,272	+6%
Total impairment charge	(286)	(353)	-19%	(897)	(1,489)	-40%
Net operating income	2,951	2,327	+27%	7,855	6,783	+16%
Share in earnings of associates	8	3	+125%	22	8	+162%
Net Income for the period before zakat	2,959	2,330	+27%	7,877	6,792	+16%
Zakat for the period	(305)	(241)	+27%	(812)	(700)	+16%
Net Income for the period after zakat	2,654	2,089	+27%	7,065	6,091	+16%
Earnings per share	0.86	0.67	+28%	2.28	1.95	+17%
ROAE after Zakat	18.9%	16.4%	+2.5%	17.1%	16.2%	+0.9%
ROAA after Zakat	2.53%	2.18%	+0.35%	2.30%	2.20%	+0.09%
NSCI margin	3.43%	3.53%	-0.11%	3.40%	3.64%	-0.24%
Cost to income ratio	28.8%	32.7%	-3.9%	30.7%	30.9%	-0.2%
Cost of risk	0.37%	0.45%	-0.08%	0.51%	0.70%	-0.20%

Net income for 9M 2024 improved 16% year-on-year to SAR 7,065 million from 18% growth in fee and other income, and positively impacted by a decrease in credit impairments on the back of proactive risk management and improved recoveries.

Total operating income grew 6% year-on-year to reach SAR 12,630 million for 9M 2024. Net special commission income recorded an increase of 2% to SAR 9,441 million driven by improved asset yield and cost of fund management. Fee and other income jumped 18% year-on-year reaching SAR 3,189 million driven by fee from banking services, exchange income and investment related income.

Operating expenses before impairment charges increased 5% year-on-year to SAR 3,878 million in 9M 2024 due to a 11% increase in employee-related expenses and a 10% increase in other operating expenses. The cost to income ratio stands continue to trend lower reaching 30.7% for 9M 2024.

The impairment charges amounted to SAR 897 million for 9M 2024, a drop of 40% compared with the corresponding period last year driven by lower charges and strong recoveries resulting in cost of risk standing at 0.51%.

Earnings per share for 9M 2024 improved 17% reaching SAR 2.28 compared to SAR 1.95 in 9M 2023. Return on average equity after Zakat for the period stands at 17.1% up by 90bps YoY, return on average assets after Zakat stands at 2.30% up by 9bps YoY.

**Balance Sheet Highlights**

SAR (mn)	3Q-2024	2Q-2024	QoQ % Change	4Q-2023	YTD % Change	3Q-2023	YoY % Change
Cash and balances with SAMA, net	20,159	29,389	-31%	26,175	-23%	26,609	-24%
Due from banks and financial Institutions, net	26,561	9,308	+185%	15,434	+72%	12,004	+121%
Investments, net	66,137	61,073	+8%	58,109	+14%	57,882	+14%
Loans and advances, net	305,408	291,051	+5%	274,398	+11%	267,151	+14%
Other assets, net	15,101	14,208	+6%	12,733	+19%	13,365	+13%
<b>Total assets</b>	<b>433,366</b>	<b>405,029</b>	<b>+7%</b>	<b>386,849</b>	<b>+12%</b>	<b>377,012</b>	<b>+15%</b>
Due to banks and other financial institutions	45,227	35,944	+26%	42,464	+7%	34,048	+33%
Customers' deposits	293,575	276,009	+6%	254,908	+15%	254,719	+15%
Debt securities in issue	13,210	13,303	-1%	13,373	-1%	13,201	+0%
Other liabilities, net	18,214	17,426	+5%	15,847	+15%	17,599	+3%
<b>Total liabilities</b>	<b>370,225</b>	<b>342,682</b>	<b>+8%</b>	<b>326,591</b>	<b>+13%</b>	<b>319,567</b>	<b>+16%</b>
Share capital	30,000	30,000	0%	30,000	0%	30,000	0%
Reserves	13,085	12,444	+5%	12,418	+5%	9,498	+38%
Retained earnings	13,491	13,339	+1%	11,277	+20%	11,384	+19%
Proposed dividends	0	0	-	0	-	0	-
<b>Total shareholders' equity</b>	<b>56,577</b>	<b>55,783</b>	<b>+1%</b>	<b>53,696</b>	<b>+5%</b>	<b>50,881</b>	<b>+11%</b>
Tier 1 sukuk	6,564	6,564	-0%	6,563	+0%	6,563	+0%
<b>Total equity</b>	<b>63,140</b>	<b>62,347</b>	<b>+1%</b>	<b>60,258</b>	<b>+5%</b>	<b>57,444</b>	<b>+10%</b>
NPL Ratio	1.20%	1.18%	+1bps	1.24%	-4bps	1.36%	-17bps
NPL Coverage Ratio	144.9%	145.2%	-0.2%	142.1%	+2.8%	127.9%	+17.0%
NIB % of total	51.8%	56.7%	-4.8%	54.7%	-2.9%	53.1%	-1.3%
Tier 1 ratio	15.6%	16.7%	-1.1%	17.6%	-2.0%	17.6%	-2.0%
Capital adequacy ratio	18.2%	19.5%	-1.4%	20.7%	-2.6%	20.7%	-2.5%
Liquidity coverage ratio	142.0%	156.9%	-14.9%	159.9%	-17.9%	168.8%	-26.7%
Net stable funding ratio	109.3%	112.9%	-3.5%	113.4%	-4.1%	113.5%	-4.2%
Loans to customers' deposit ratio (headline)	104.0%	105.5%	-1.4%	107.6%	-3.6%	104.9%	-0.8%
Loans to customers' deposit ratio (SAMA weighted)	84.6%	84.3%	+0.3%	81.9%	+2.7%	82.0%	+2.6%

Total assets as of 30 September 2024 amounted to SAR 433,366 million, an increase of 12% YTD. Loans and advances, net rose 11% during the 9M 2024 reaching SAR 305,408 million. Investments, net amounted to SAR 66,137 million, an increase of 14% YTD.

Customers' deposits increased by 15% during 9M 2024 to SAR 293,575 million. The bank delivered a strong growth in demand deposits of 12% during the first nine months; however, time deposits have recorded a 23% which resulted in NIBs as percentage of total customer deposits to reach 51.8%.

The non-performing loan ratio improved to 1.20% as of 30 September 2024, 17 basis points improvement compared to the same period last year. The coverage of non-performing loans increased to 144.9% as of 30 September 2024 relative to 127.9% at the same period last year on efforts to improve overall provision levels.

The total capital adequacy ratio stood at 18.2% and the Tier 1 ratio at 15.6% as of 30 September 2024; the former declining by 2.6% relative to the previous year-end due to higher risk-weighted assets by 19% against 4% 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 142.0%, the net stable funding ratio at 109.3% and SAMA regulatory loans to deposits ratio at 84.6%.

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

SAR (mn)	3Q-2024	3Q-2023	YoY % Change	9M-2024	9M-2023	YoY % Change
Net special commission income	1,773	1,670	+6%	5,119	4,987	+3%
Fee and other income	546	466	+17%	1,494	1,343	+11%
Total operating income	2,319	2,136	+9%	6,613	6,330	+4%
Total operating expenses before impairment charge	454	313	+45%	1,185	984	+20%
Impairment charge	180	224	-20%	443	1,016	-56%
Net income for the period before zakat	1,686	1,599	+5%	4,986	4,329	+15%

SAR (mn)	3Q-2024	4Q-2023	YTD % Change	3Q-2023	YoY % Change
Loans and advances, net	207,458	177,894	+17%	171,847	+21%
Total assets	214,430	186,405	+15%	175,182	+22%
Deposits	178,285	149,189	+20%	151,392	+18%
Total liabilities	196,383	172,291	+14%	174,233	+13%

The corporate segment reported 15% year-on-year growth in net income before zakat to SAR 4,986 million. This resulted from 11% fee and other income growth to SAR 948 million coupled with 3% NSCI growth to SAR 5,119. Credit impairment charges was lower by 56% YoY.

Total assets for the corporate segment grew 15% year-to-date in 9M 2024 to SAR 214,430 million from an 17% increase in loans and advances, net. Corporate deposits were higher by 20% year-to-date standing at SAR 178,285 million.

**Retail Segment Highlights**

SAR (mn)	3Q-2024	3Q-2023	YoY % Change	9M-2024	9M-2023	YoY % Change
Net special commission income	1,207	963	+25%	3,427	2,988	+15%
Fee and other income	50	60	-16%	246	123	+100%
<b>Total operating income</b>	<b>1,257</b>	<b>1,023</b>	<b>+23%</b>	<b>3,673</b>	<b>3,111</b>	<b>+18%</b>
Total operating expenses before impairment charge	707	865	-18%	2,259	2,327	-3%
Impairment charge	129	96	+33%	452	395	+15%
<b>Net income for the period before zakat</b>	<b>421</b>	<b>62</b>	<b>+584%</b>	<b>962</b>	<b>389</b>	<b>+147%</b>

SAR (mn)	3Q-2024	4Q-2023	YTD % Change	3Q-2023	YoY % Change
Loans and advances, net	96,422	95,424	+1%	94,540	+2%
<b>Total assets</b>	<b>112,123</b>	<b>111,614</b>	<b>+0%</b>	<b>109,041</b>	<b>+3%</b>
Deposits	115,290	105,719	+9%	103,327	+12%
<b>Total liabilities</b>	<b>121,267</b>	<b>111,192</b>	<b>+9%</b>	<b>108,490</b>	<b>+12%</b>

Retail net income before zakat for 9M 2024 demonstrate a robust growth of 147% year-on-year to SAR 962 million. Total operating income increased by 18% year-on-year reaching to SAR 3,673 million driven by fee and other income which was doubled to reach SAR 246 million. Impairment charges increased by 15% compared to the corresponding period last year to reach SAR 452 million.

Total retail assets slightly increased by 0.5% year-to-date in 9M 2024 to SAR 112,123 million. Deposits expanded by 9% year-to-date to SAR 115,290 million supporting 9% increase in total liabilities.

**Treasury and Investments Segment Highlights**

SAR (mn)	3Q-2024	3Q-2023	YoY % Change	9M-2024	9M-2023	YoY % Change
Net special commission income	277	376	-26%	646	1,110	-42%
Fee and other income	493	231	+113%	982	795	+24%
<b>Total operating income</b>	<b>770</b>	<b>607</b>	<b>+27%</b>	<b>1,628</b>	<b>1,905</b>	<b>-15%</b>
Total operating expenses before impairment charge	64	37	+75%	191	148	+29%
Impairment charge	(23)	32	-170%	3	78	-97%
<b>Net income for the period before zakat</b>	<b>736</b>	<b>541</b>	<b>+36%</b>	<b>1,456</b>	<b>1,687</b>	<b>-14%</b>

SAR (mn)	3Q-2024	4Q-2023	YTD % Change	3Q-2023	YoY % Change
Investments, net	66,137	58,109	+14%	57,882	+14%
<b>Total assets</b>	<b>101,946</b>	<b>85,293</b>	<b>+20%</b>	<b>88,482</b>	<b>+15%</b>
<b>Total liabilities</b>	<b>52,077</b>	<b>42,663</b>	<b>+22%</b>	<b>36,389</b>	<b>+43%</b>

Treasury and investments recorded a decrease of 14% year-on-year in net income before zakat to SAR 1,456 million for 9M 2024. Operating income declined by 15% year-on-year to SAR 1,628 million on a 42% reduction in net special commission income driven by higher funding costs.

Treasury assets increase by 20% year-to-date during 9M 2024 supported by 14% growth in the investment portfolio, while total liabilities rose by 22%.

**Riyad Capital Segment Highlights**

SAR (mn)	3Q-2024	3Q-2023	YoY % Change	9M-2024	9M-2023	YoY % Change
Net special commission income	37	67	-45%	249	188	+33%
Fee and other income	162	146	+11%	467	434	+8%
Total operating income	199	213	-6%	716	622	+15%
Total operating expenses before impairment charge	83	85	-3%	244	235	+4%
Net income for the period before zakat	116	128	-9%	472	386	+22%

SAR (mn)	3Q-2024	4Q-2023	YTD % Change	3Q-2023	YoY % Change
Total assets	4,867	3,538	+38%	4,306	+13%
Total liabilities	498	444	+12%	456	+9%

Riyad Capital booked a 22% year-on-year increase in net income before zakat to SAR 472 million for 9M 2024, driven by an increase of 33% in net special commission income coupled with 8% in fee and other income.

Riyad capital assets increased by 38% year-to-date reaching SAR 4,867 million and liabilities increased by 12% year-to-date reaching to SAR 498 million.



**Outlook**

In the second quarter, Saudi Arabia's non-oil economy maintained its strong momentum, recording an impressive 4.9% growth. This robust performance is a direct result of ongoing structural reforms, major infrastructure projects, increased government spending, enhanced private sector investments, and solid domestic consumption. These factors have collectively contributed to the sustained expansion of the non-oil sector, highlighting the success of the Kingdom's economic diversification efforts.

Meanwhile, the overall seasonally adjusted GDP for the second quarter grew by 1.4%, reflecting the resilience of the economy despite challenges in the oil sector. Though, the oil GDP contracted by 8.9% due to a reduction in oil production, as part of Saudi Arabia's commitment to the OPEC+ agreement aimed at stabilizing global oil markets. This reduction in oil output is expected to remain in place until November this year, before gradually returning to higher production levels. The oil sector's performance remains an area of focus, but the overall economic picture emphasizes the rising importance of the non-oil sectors in driving Saudi Arabia's economic growth.

In regard to inflation, it remained moderate in 2024, reflecting strong economic management amid global uncertainties. By September, the annual inflation rate reached 1.7%, primarily driven by a 9.3% increase in housing and utilities which significantly impacting inflation due to the sector's large weight of 25.5%. Food and beverage prices also increased by 0.8%, largely driven by a 5.2% rise in vegetable prices. However, these upward pressures were partially offset by a 3.3% decline in transportation costs, which included a 4.5% drop in vehicle prices. Compared to global trends in both emerging and advanced economies, Saudi inflation remained well-contained, underscoring the government's success in maintaining price stability amid global inflationary challenges.

The Riyad Bank PMI for the non-oil private sector consolidated in September 2024, rising to 56.3, the highest level since May. This increase reflects accelerated output growth and improved sales momentum, with new orders experiencing their fastest rise since May driven by higher domestic demand and new projects. Employment also observed solid growth, though capacity constraints emerged due to skilled labor shortages. Despite rising business costs, competitive pressures led to a third consecutive reduction in selling prices in month of September. Generally, the positive developments highlight the ongoing expansion of the non-oil private sector, underlining the Kingdom's progress in economic diversification and its growing resilience to fluctuations in oil revenues.

The economy is gradually shifting toward a more diversified and sustainable growth path, driven by strong non-oil business activity and controlled inflation. As Saudi Arabia advances with its ambitious Vision 2030 agenda, the non-oil sector is playing an increasingly vital role in driving growth and expanding revenue streams.

In addition, the government's strategic reforms and initiatives, designed to improve the business climate, attract foreign investment, and nurture human capital are accelerating the expansion of the non-oil sector. Consequently, Saudi Arabia is positioning itself as a major regional center for diverse economic activities, ensuring long-term stability beyond its traditional reliance on oil.

**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 +248K POS, in addition to +1.9K 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 9M 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](#)

For more information, please contact the bank at:

Riyad Bank  
Riyadh - Al Shuhada District  
Eastern ring road  
Granada Oasis -Tower (A1)  
P.O Box 22622  
Riyadh 11416  
Kingdom of Saudi Arabia

**Investor Relations Contact**

Riyad Bank Investor Relations  
Telephone: +966 11 401 3030 Ext. 3502  
E-mail: [investor.relations@riyadbank.com](mailto:investor.relations@riyadbank.com)

