

Chairman's Statement

Continuous success

Riyad Bank has been amongst the most profitable, surpassing all expectations and making 2022 one of the best ever financial years for our Bank.



Achieving success is not our biggest challenge, but rather maintaining and maximising it. This requires foresight and focus which have long been the foundation of Riyad Bank's success, as we invest in and nurture the dynamism of our human capital and operational excellence. We have fostered a culture of achievement while benefiting from the strength of the Saudi economy, which has overcome all challenges to achieve exceptional growth and diversification.

Therefore, on behalf of the Board of Directors, I am pleased to present Riyad Bank's Annual Report 2022, which outlines the financial performance, strategies, achievements and ambitions of the Bank during this historic and eventful year.

Our performance this year built on the strength and resilience of the past few years, as we delivered exceptional results in the face of global economic challenges and rapidly rising international inflation that affected markets and companies worldwide. While most global economies took a cautious approach, the Saudi economy and its banking sector sailed against the tide to accelerate towards the nation's Vision and deliver world-class growth, reflecting the wisdom of Saudi financial and banking policy and the ever-increasing diversification, balance and harmony between the public and private sectors.

As Saudi banks' profits surged to record levels, Riyad Bank has been amongst the most profitable, surpassing all expectations and making 2022 one of the best ever financial years for our Bank. This was a result of enhancing our productivity and developing our capabilities to maintain our strategic progress, as well as ever-greater determination and innovation to increase productivity and ensure sustainability, in order to ultimately meet the expectations and aspirations of our shareholders and customers.

Accelerating achievements



I am proud to present Riyad Bank's achievements for 2022, which will not only meet shareholders' aspirations but also reflect the effort, creativity, innovation and dedication of our precious human capital, as well as the trust and loyalty of our customers. We remain committed to maintaining this trust as we strive for increasing value creation.

Financially, Riyad Bank achieved net profit of SAR 7.0 Bn for the twelve-month period ending on 31 December 2022, a remarkable 16.5% increase over the previous year's profit of SAR 6.0 Bn.

To enhance customer experience, we made significant efforts that resulted in a noteworthy increase in the overall customer satisfaction index score, which rose to 84%, a 12% increase over last year's score, according to the customer satisfaction index from the Saudi Central Bank.

We are currently undergoing an internal paradigm shift focused on creating value through innovative solutions and products that improve efficiencies, enhance process automation and drive digitisation. In line with evolving market dynamics, we are developing frameworks for relationship management and sales representatives, supported by a platform project called "RM Workbench."

We have taken significant steps to enhance our strategic goals, including developing the lending portfolio and improving financial performance indicators.

As part of our strategy to become the Bank of Choice for employees, we have been recognised by CIPD for our outstanding achievements in coaching, mentoring strategy, recruitment strategy and Most Impactful Diversity and Inclusion Initiative.

Recognising the importance of economic data in the banking sector, we partnered with S&P Global to launch the Riyad Bank Purchasing Managers Index (PMI), an indicator of economic trends in the industrial and service sectors. The PMI summarises whether market conditions, as seen by purchasing managers, are expanding, staying the same or contracting. By launching this indicator, we aim to provide accurate and timely information about current and future market conditions to business decision-makers, analysts and investors.

Increased year profit

16.5%

Riyad Bank and Saudi Vision 2030
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Based on our role as a major supporter and contributor to achieving the goals of Saudi Vision 2030, Riyad Bank has launched many initiatives and projects to create the future we envision. This includes executing many agreements and partnerships that have led to significant impact and activation of many initiatives with relevant government agencies.

During this year, we continued to make important contributions in financing green projects, in support of the National Renewable Energy Program, with financing amounting to SAR 7.4 Bn distributed over 28 green and renewable energy projects with a total cost of over SAR 52 Bn.

We also contributed to accelerating the transition towards a green, low-carbon economy, most recently through the successful issuance of our USD 750 Mn sustainability bonds which will be deployed to finance a range of green and renewable energy projects in the energy and water sectors, among others.

To contribute to achieving the Vision 2030 ambition of a cashless society and strengthening the business and tourism sectors, we launched the "Discover Credit Card", the first bank in Saudi Arabia to do so.

Empowering the success of SMEs
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SMEs are among the most important drivers of the national economy and one of the target sectors of Saudi Vision 2030. At Riyad Bank, we are proud to support and empower SMEs across the Kingdom each day. For the fifth year in a row, the Bank has maintained its position as the largest financing bank for small, medium and micro enterprises, with a market share of 22%.

At the beginning of 2022, we also launched a centre dedicated to supporting SMEs, in order to provide them with the best possible financing and advisory solutions and, in turn, grow our market share in this critical sector. This support and the solutions provided resulted in the Bank being named the "Best Bank for SME Banking in Saudi Arabia" by Euromoney and "Outstanding Contribution to SMEs" by the Open Banking Forum.

Our identity, our vision
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At Riyad Bank, we are going through a transformation journey to become the most trusted financial solutions partner, the Bank of Choice for customers and employees, and the most innovative bank, while launching our new identity "My Bank, always with you", which will transform our vision to reality and usher in a better future for the Bank and all our stakeholders.

Our new identity is fully aligned with Saudi Vision 2030 and Riyad Bank's transformation strategy 2025, which maps out a bright future filled with prosperity, excellence, creativity and leadership at all levels.

Social responsibility
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Our focus during 2022 was to enhance environmental protection and sustainability as a key priority and strategic focus for our business, without affecting our ability to deliver on our existing commitments, to make a significant and growing positive impact on society.

The initiatives of our environmental programme that we implemented during 2022 included: issuing our first environmental, social and governance (ESG) report, and signing many agreements and MOUs with various associations, programmes and specialised centres, with the aim of enhancing our environmental efforts.

We continue to deliver on the strategy of the Bank's long-standing corporate social responsibility programme, Bukra, in line with the goals of Saudi Vision 2030, while endeavouring to become a champion in sustainable practices for our employees, customers, stakeholders and the entire Kingdom of Saudi Arabia.

Digital Transformation and Innovation
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Through our ongoing digital transformation, cutting edge technologies are now established and integrated across every single area of Riyad Bank, as the foundation for operational excellence and efficiency, as well as enhanced customer experience and satisfaction. From this standpoint, we have continued to invest in continuous improvement in this critical area, striving to enrich customer experience by responding to challenges, meeting their expectations and exceeding their aspirations.

In 2022, we continued our transformation journey and took important steps in accelerating digital innovation, including the launch of the Open Banking services model, Back-end as a Service (BaaS), with the aim of strengthening our position amongst the top banks operating in the Kingdom.

In order to ensure significant and tangible progress towards our strategic goals, we focused on reinforcing our already strong proposition to support and engage Fintechs in the region. This included designing bespoke product packages for Fintech companies, as well as the landmark inauguration of our digital innovation centre (Jeel). As an independent company designed to support the Fintech ecosystem and drive disruptive innovation, in accordance with the goals of Vision 2030, Jeel will enhance the Bank's efforts to develop new products and services that lead the market, as well as unlocking internal entrepreneurship (intrapreneurship) for increased agility and resilience.

In appreciation of our dedicated efforts in this regard, we won many awards during 2022, including the "Excellence in innovation and digital solutions award" from Euromoney and the "Data practice excellence award" from Informatica at Middle East Customer Innovation Awards 2022.

Acknowledgements
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I wish to take this opportunity to commend the efforts made by my fellow Members of the Board whose terms ended on 30 October 2022. They have served with great honour and dedication to support the Bank's executive management during a period of outstanding achievements.

I welcome our new Board Members and look forward to working with them during the current term, as we work to deliver our strategy aimed at making Riyad Bank "the most innovative and the most trusted financial solutions" and the Bank of Choice. I am confident that their collective knowledge and will help the Bank to achieve its long-term aspirations, deliver excellent value for our shareholders and stakeholders, and continue to enhance the Bank's presence and leadership within the Saudi banking sector.

On behalf of everyone at Riyad Bank, I would like to extend our deepest thanks and gratitude to the Custodian of the Two Holy Mosques, King Salman bin Abdulaziz Al Saud, and his Crown Prince and Prime Minister, His Royal Highness Prince Mohammed bin Salman bin Abdulaziz, may Allah protect them and grant them success. Further, we send special thanks to the Ministry of Finance, Saudi Central Bank, Capital Market Authority and Ministry of Commerce for their efforts in supporting and developing the Saudi banking sector, ensuring its continuous progress and a foundation for the sustainable success of our Bank.

Abdullah Mohammed Al-Issa
Chairman of the Board



First bank in Saudi Arabia to launch "Discover Credit Card"

The largest financing bank for small, medium and micro enterprises, with a market share of 22%

