

CEO's Message

Accelerating Momentum through Strategic Execution

In 2024, we continued our journey of success at Riyadh Bank, delivering value to our shareholders and contributing to the economic prosperity of the Kingdom. Our accelerated growth as well as our leadership in digital innovation and sustainability brought us closer to our goal of being the Bank of Choice in Saudi Arabia.

The Bank continued the execution of its strategic initiatives this year with focus and ambition. We met and outperformed our key performance indicators across all 4 strategic pillars: to be the most profitable (in terms of return on equity, profit growth, and total return to investors), to become the most efficient, the most innovative and digitally enabled, and to be the Bank of Choice for customers and employees.

Our 2025 Strategy and comprehensive set of growth initiatives drove impressive profitability across all business lines. Net income reached ﷲ 9.3 Bn. in 2024, representing an increase of 16% compared to ﷲ 8.0 Bn. the previous year.

This success was underpinned by several key factors, accelerating growth including our proactive cross-sell activities, continued leadership in digitalization and innovation, and the execution of high-impact initiatives to improve cost and operational efficiencies. Our growth reflected the ambitions of the Kingdom and the goals of Saudi Vision 2030, with Riyadh Bank emerging as a leading funder of giga projects and supporter of micro, small and medium-sized enterprises (MSMEs).

Our strong operating income and improved efficiencies played a significant role in driving our positive financial results. Return on equity increased 100 bps to reach 16.6% coupled with a market leading return on assets at 2.23%. Despite ongoing investments in infrastructure, digital capabilities, and strategic initiatives, our cost efficiency continued to improve, demonstrating our commitment to prudent financial management.

Net special commission income witnessed a marginal increase, driven by an improved asset yield and effective cost of fund management. We also achieved solid balance sheet expansion, fueled by growth in loans and investments, and funded mainly by a customers'

deposits. This ensured a comfortable liquidity position, leaving ample room for further growth. Additionally, our proactive risk management, higher recoveries, and sustained asset quality helped normalize the cost of risk, further enhancing our financial stability.

Adopting Transformative Technologies

Digital transformation serves as a cornerstone of Riyadh Bank's ambitious transformation strategy. This year, we continued to advance our digital maturity score through relentless innovation and the adoption of cutting-edge technologies. In line with moving towards a cashless economy, we supported a significant uptake in digital activities balanced by a decrease in cash transactions.

Our comprehensive range of digital initiatives included the launch of the new Riyadh Online platform, as well as the new Riyadh Bank Mobile App. The new Scale Up RM Workbench, our digitally enabled relationship manager, has revolutionized customer engagement, leveraging advanced analytics to deliver seamless, personalized support for our corporate clients.

Investing in the technology sector also remains a strategic priority for us at Riyadh Bank. In 2024, we allocated more than USD 1 Bn. in funding to growing technology companies. We also launched 1957 Ventures, which supports promising Fintech entrepreneurs with funding and support to build, launch, and scale disruptive new Fintechs.

The Center of Intelligence

A landmark achievement for Riyadh Bank was the launch of the Center of Intelligence (COI) in July. The COI is the first initiative of its kind in the regional banking sector, leveraging advanced analytics, artificial intelligence (AI), and machine learning to drive data-driven decision-making and elevate efficiency across our operations.

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Net Income Reached
ﷲ 9.3 Bn.



Building on its successes in 2024, the COI aims to further personalize customer experiences, harness predictive analytics for enhanced cross-selling, and streamline processes in customer engagement, cash management, and lending. Additionally, AI-driven personalized support and back-office automation will significantly improve overall customer service quality.

Expanding Open Banking

In 2024, Riyadh Bank made significant strides in open banking by introducing secure data-sharing capabilities with approved third-party providers. This advancement has led to the creation of customized financial products and services, enhancing customer experience and fostering innovative financial solutions built on our robust data management foundation.

To further expand our open finance initiatives, Riyadh Bank is actively collaborating with third-party Fintechs and digital providers. These partnerships aim to solidify our position as a leader in the regional financial ecosystem, showcasing our commitment to driving innovation and delivering exceptional value to our customers.

Solid Progress across Our Business

Corporate Banking

Riyadh Bank’s Corporate Banking Division solidified its role as a leading player in advancing Vision 2030 projects, providing critical support for giga projects and strategic sectors such as infrastructure, education, and renewable energy. As the largest supporter of MSMEs under the Kafalah program, we further expanded our reach by acquiring nearly 2,000 new clients and 23% of MSME portfolio growth. This year, we also reinforced our commitment to sustainability by expanding financing for green and renewable initiatives, including USD 4.3 Bn. in Islamic finance transactions, underscoring our role in driving the Kingdom’s transition to a sustainable economy.

Retail Banking

In 2024, the Retail Banking Division achieved significant milestones, reflecting Riyadh Bank’s commitment to growth, innovation, and customer-centricity. We expanded our customer base, introduced innovative multi-currency credit card offerings and continued to align our services with evolving customer needs. Our Private Banking segment achieved record-high net

promoter scores, underscoring our dedication to delivering exceptional, personalized experiences for our most valued clients.

Digital transformation remained a cornerstone of our strategy, with the launch of the enhanced Riyadh Bank Mobile App, streamlining access to a range of financial solutions. Additionally, we strengthened our leadership in the market by advancing financial inclusion and driving operational efficiency, all while supporting the Kingdom’s Vision 2030 objectives.

Treasury and Investments

The Treasury and Investment Division also demonstrated exceptional performance in 2024. Key highlights included the successful issuance of a USD 750 Mn. Sustainability Sukuk under our new USD 5 Bn. AT1 program. This marks the lowest coupon achieved by any Saudi bank for AT1 issuance this year. This issuance also supports Saudi Arabia’s Vision 2030 and net zero 2060 goals, reaffirming our commitment to sustainable finance.

Riyadh Bank expanded its presence in derivatives markets locally and internationally, including the introduction of a USD 5 Bn. Certificate of Deposit program to diversify funding sources. We also executed a number of other landmark transactions, including hedging solutions for US-based clients and asset swaps totaling ﷲ 6 Bn.

Connecting with Our People

This year at Riyadh Bank, we made it a priority to create meaningful engagements across all levels of our organization, ensuring that our employees felt supported and valued. Through my departmental and regional visits, I engaged directly with our teams, listened to their perspectives, and understood the unique challenges they face in different areas of the business. Initiatives such as “Coffee with the CEO” allowed me to recognize and personally connect with our top performers, reinforcing a culture of appreciation and motivation.

Beyond these face-to-face interactions, we implemented structured programs to support our employees’ professional development and growth. We invested in upskilling opportunities and improved our infrastructure, enabling our employees to provide their best service. Our Employee Value Proposition ensures

Riyadh Bank launched
1957 Ventures

that the Bank is positioned competitively in the market, aligning with our strategic aspiration to become the Bank of Choice for employees.

Maintaining an open line of communication has allowed us to remain responsive to employee needs, ensuring that everyone feels recognized and valued. Together, we continue to build a supportive and empowering workplace that drives our collective success.

Prioritizing Sustainability

Across our organization, we are deeply committed to sustainable finance practices and corporate social responsibility. In 2024, Riyadh Bank made significant advancements in our environmental, social, and governance (ESG) strategy, which underpins our dedication to fostering a sustainable future.

As part of our sustainability leadership role in the region, we have aligned our initiatives with the Kingdom’s target of achieving net zero emissions by 2060. Our second USD 750 Mn. AT1 Sustainability Sukuk issuance in 2024 further strengthens our position in sustainable banking practices. We continue to expand our sustainable finance framework and establish a transition finance framework to support our long-term goals.

To guide others on their sustainability journey, we developed a sustainability strategy whitepaper that demonstrated our methodological approach in developing our ESG strategy, providing a “how-to” template for others.

This year, the Ministry of Economy and Planning (MEP) recognized our sustainability efforts, choosing Riyadh Bank to be a country champion on ESG. Proudly participating in the MEP Champions Program and the MEP Corporate Sustainability Policy Development Working Group, where we are one of only 2 Saudi banks, highlights our determination in the field. Additionally, we contribute to the ESG Saudi Banks Advisory Committee, working to improve ESG ratings and set a benchmark for the country and the region.

2025 Focus

Riyadh Bank is committed to sustaining our growth momentum and investing in key areas that will drive our future success. In the year ahead, we will conclude our ambitious 2025 Strategy and begin developing our new 2030 strategy, setting the stage for the next 5 years.

Our ambition to become the Bank of Choice in the country remains a central goal, and we will continue to focus on ESG and sustainability initiatives. A key priority will be to drive increased cross-selling opportunities, enhancing our product offerings and customer engagement. We are also exploring a possible initial public offering of Riyadh Capital, which would involve listing our investment arm on the Saudi Exchange.

The positive economic outlook for Saudi Arabia, coupled with a healthy credit demand, underpins our confidence in delivering our strategic initiatives. Several key projects will support our ambitions, including the approval of our home buying ecosystem, which is expected to support sales activities, and the launch of our new MSME platform. Additionally, new projects from 1957 Ventures will enter the market, further driving sustainable growth. Finally, we look forward to our full move into our new headquarters, which will cement our presence at the heart of Riyadh’s financial district.

Acknowledgements

I extend my heartfelt thanks and congratulations to all our employees and Stakeholders for their extraordinary dedication, achievements, and determination that made this year a resounding success. Your hard work and commitment have propelled us closer to our ambition of becoming the Bank of Choice in Saudi Arabia. Together, we are steadfast in our focus on ESG principles, a priority for both the Board and the entire organization, as we strive to build a sustainable and responsible future together.

With this solid focus and foundation firmly in place, Riyadh Bank is well-positioned to continue its journey of success, delivering value to Stakeholders and contributing to the economic prosperity of the Kingdom.

Nadir S. Al-Koraya
Chief Executive Officer