

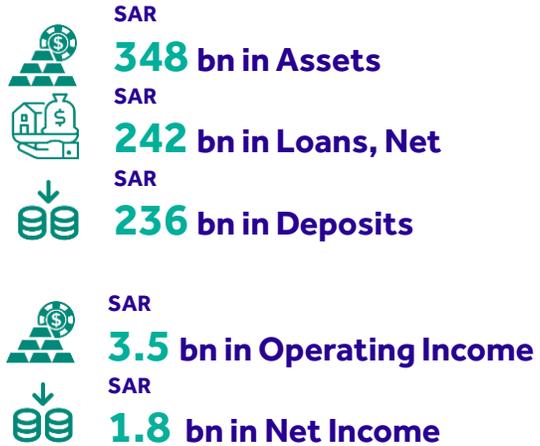
Q3 2022 Results Presentation

For any questions:
Contact Investor Relations Department
Investor.relations@riyadbank.com

Presenters:
Mr. Abdullah Al Oraini, CFO
Dr. Naif Al Ghaith, Chief Economist

Riyad Bank is the third largest Bank in Saudi Arabia

Q3 2022 Key Metrics



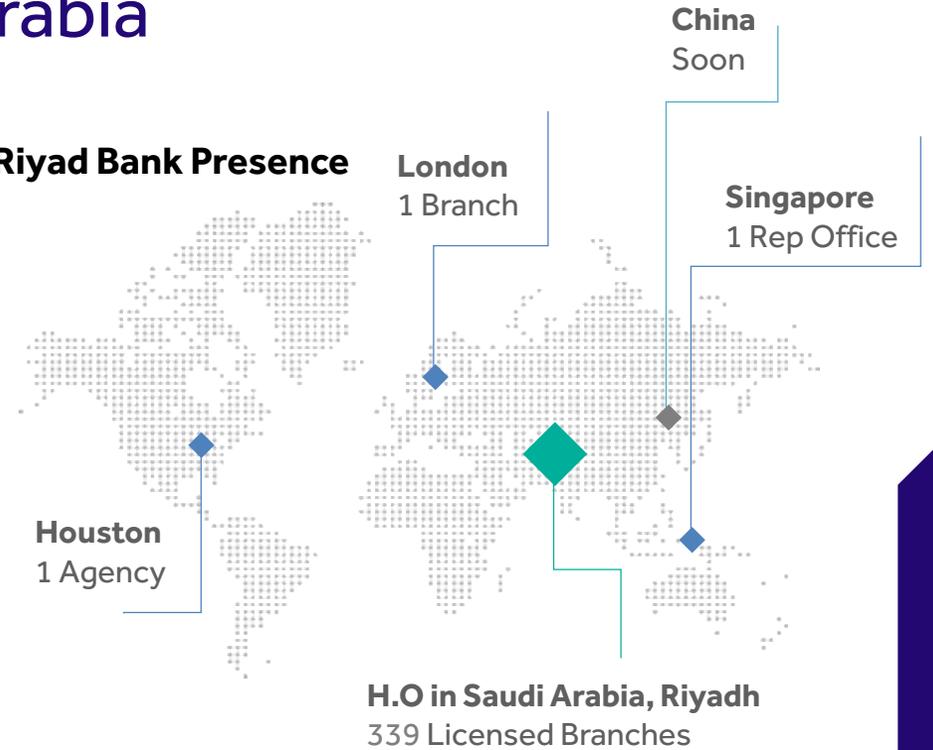
Third Largest Bank in Saudi Arabia*



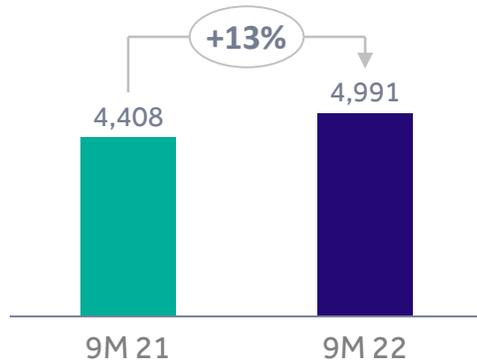
Ratings



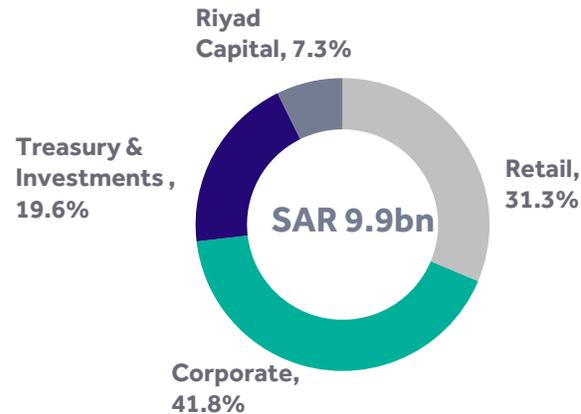
Riyad Bank Presence



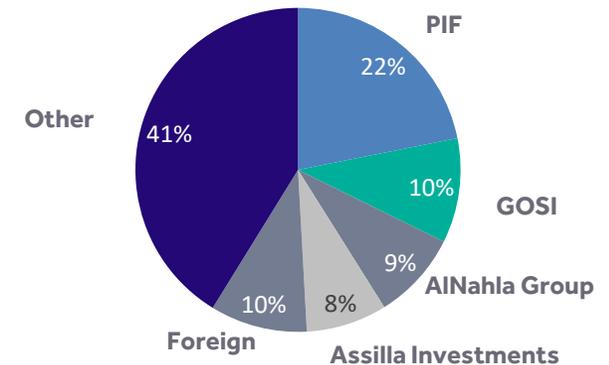
Net Income after Zakat (SARmn)



9M 2022 Operating Income Mix by Segment



Shareholder mix



*Based on SAMA bulletin report for August

Management highlights

9M 2022 Snapshot

Strategy

- Activated a new phase of the transformation 2025.
 - Value through innovation.
 - Enablement through next gen operating model.
 - Efficiency through digitization.

Financial Performance

- Net loans grew by 14.8% YoY to SAR 242 billion.
- Total Deposits grew by 15.6% YoY to SAR 236 billion.
- Total Operating Income increased by 14.4% YoY to SAR 9,857 million.
- Efficiency ratio reached 33.2%.
- Net Operating income before Impairments and Zakat at SAR 6,509 million.
- Net Income grew by 13.2% YoY mainly due to higher fees and commission, net, exchange income, net and NSCI

Asset Quality, Capital & Liquidity

- Cost of Risk decreased to 37 bps.
- Capitalization remained strong with Tier 1 CAR at 16.0% and total CAR of 19.1%.
- LCR and NSFR Ratios reached to 165% and 117% respectively. Regulatory LDR stood at 81.8%





Strategy update



Structural and recent shifts in the industry require us to chart a new course for the Bank

Recent trends



Increasing customer expectations around digital sales and service.



Depressed demand and compressed margins due to COVID-19



Imperative to renew effort to reinforce our competitive advantage



Growing competitive intensity with recent M&As in the region.



2017-2020



Transform core engine

Transform core engine: Overhauling performance management and productivity across core business lines, cultivating innovation and digitization culture, and improving the health of the organization.

Key Achievements:

- Increased customer's base, net profits and deposits and market share.
- Significantly developed the technical infrastructure to meet customer's needs during Covid-19 outbreak.
- Jumping 25 points in the Organizational Health Index score placing Riyadh Bank in the top quartile of measure globally.



2021 -

MOST PROFITABLE

BANK OF CHOICE

MOST EFFICIENT

DIGITALLY ENABLED

بنكي
2025
MY BANK



Accelerate growth and innovation



Value through innovation

Creating new markets through digital eco-systems, disrupting me-too propositions, integrating Advanced Analytics into BAU



Efficiency through digitization

Improve organization productivity including front to back digitization

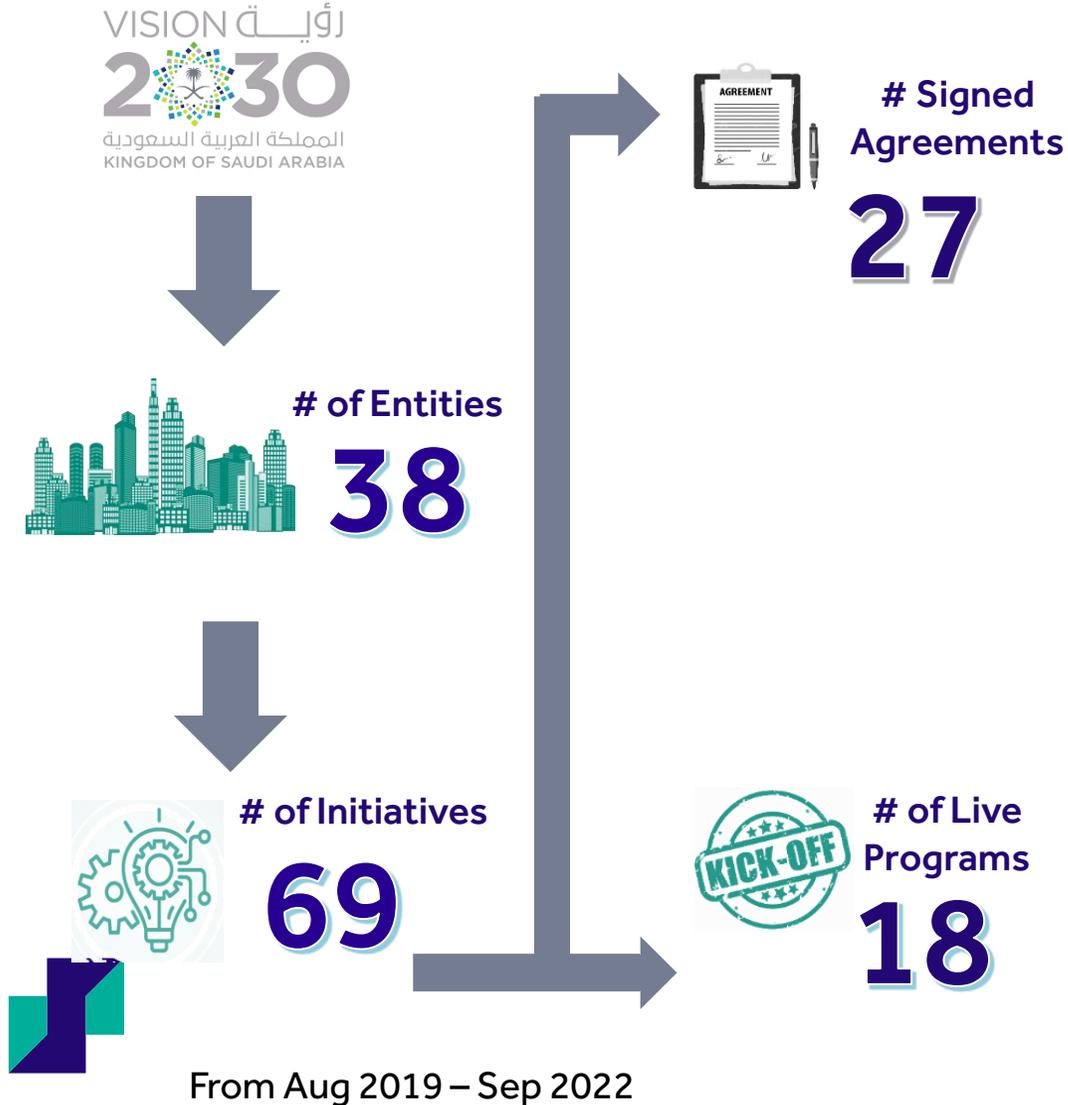


Enablement through next gen operating model

Transforming core technology infrastructure and operating model through agile

Vision 2030 initiatives

Riyad Bank is fully committed to the success of the National Agenda



Initiative Name	KPIs	Status	Date
برنامج ريادة الشركات الوطنية Financial Support Initiative for NCPP Agency Services	96 10 KPIs	signed	14 th Mar 2021
صندوق التنمية السياحي Tourism Development Fund Program 100% Program 90% Agency program Tourism Partnership Program (TPP) Facility Guarantee Project Finance	25 KPIs	signed	29 th Apr 2021
spark مدينة الملك سلمان للطاقة King Salman Energy Park Future initiatives for the present (10 initiatives)	25 KPIs	signed	13 th Jun 2021
صندوق التنمية العقارية REAL ESTATE DEVELOPMENT FUND Financial Support Initiative for Real Estate Developers	77 KPIs	signed	15 th Jun 2021
مسار أحد القرى MASAR التنمية والأعمار Massar Business Enablers Initiatives	33 KPIs	signed	03 rd Nov 2021
برنامج تطوير الصناعة الوطنية والخدمات اللوجستية Developing Execution Tools for NIDL Strategic Dimensions (5 Initiatives) We Finance, You Manufacture We Invest, You Manufacture	33 KPIs	signed	18 th Nov 2021

Vision 2030 initiatives (continued)

Riyad Bank is fully committed to the success of the National Agenda





ESG at Riyadh Bank



<p>41.2%</p> <p>Reduced electricity consumption in branch 223</p>	<p>750 M</p> <p>The world's first sustainable AT1 Sukuk and the first Sukuk on the BSM</p>	<p>1,634 Hours</p> <p>Bukra Ambassadors volunteering initiative: 431 volunteers</p>	<p>Blood Donation</p> <p>In a drive to increase blood donations, +794 donors enlisted, who donated 35,300ml of blood to save an estimated +2,382 lives</p>	<p>Updated guidelines to meet the needs of persons with disabilities</p>	<p>ISO/DIS 37301:2020 Compliance</p>
<p>Would cleanup day</p> <p>Riyad Bank employee volunteer with their family with collaboration +500 volunteer</p>	<p>30.6 Tons</p> <p>Recycling: From January till date: Papers and plastic</p>	<p>SAR 11,154,538</p> <p>Donation amount: Total 339,185 transactions</p>	<p>Hajj and Umrah Initiative</p> <p>700K+ Meals Saved in the Hajj and Umrah for families with low-income</p>	<p>5</p> <p>Independent Board Directors</p>	<ul style="list-style-type: none"> •Cyber security ISO/IEC 27001:2013 •(PCI DSS) Certification •ISO business Continuity. ISO22301:2019
<p>Carbon Footprint Calculator</p> <p>We enhanced and developed the first Arabic carbon footprint calculator in the MENA. We gave our employees the chance to off-set their carbon footprint by planting trees with our partner</p>	<p>4 M</p> <p>Trees Riyad Bank counterpetition with Saudi Green in 10 year investment</p>	<p>Saudi CSR</p> <p>Agreement which aims to create entrepreneurial generation that keeps pace with the goals of Vision 2030</p>	<p>Wafa Oasis Inauguration</p> <p>first social sports club for the elderly in the Kingdom sponsored by Riyad Bank</p>	<p>5</p> <p>Board Subcommittees</p>	<p>Diversity</p> <p>First female board member</p>
<p>1,208 Electronic Device</p> <p>Recycled PC-hardware items In collaboration with Ertiq Organization</p>	<p>SAR 7.4 Billion</p> <p>Green and Renewable Banking financing contribution</p>	<p>Monsha'at</p> <p>Agreement which aims to support SMEs and to train and empower Saudi entrepreneurs</p>		<p>+15</p> <p>new adopted governance policies and frameworks</p>	
<p>Environmental</p>		<p>Social</p>		<p>Governance</p>	





Economic environment

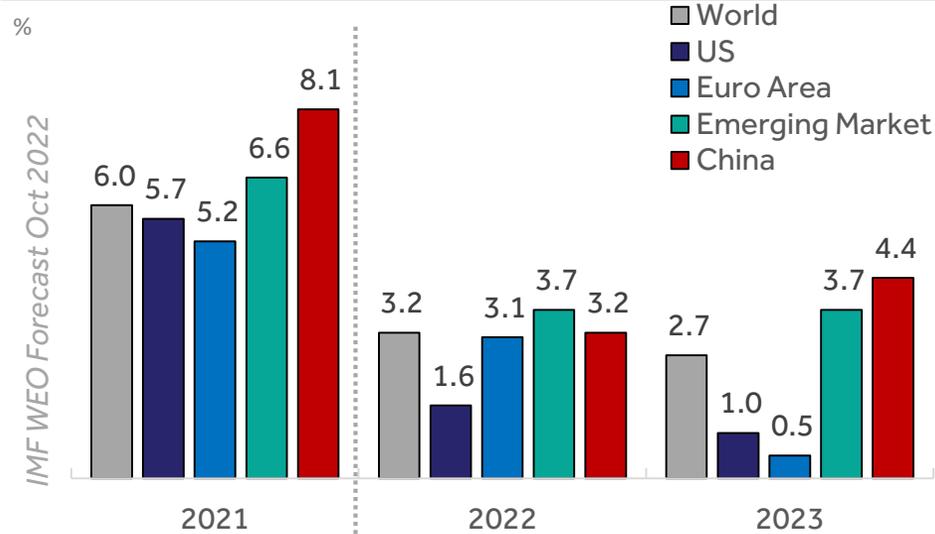


Global Economy

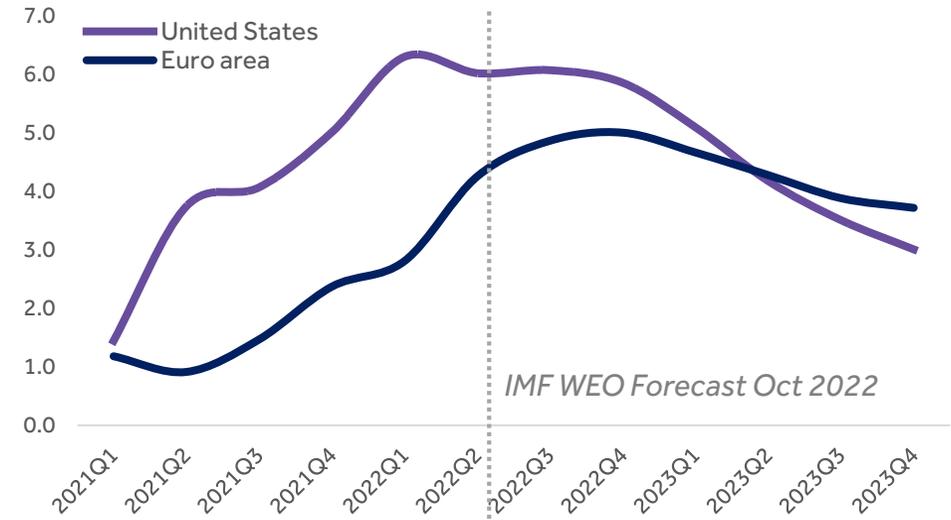
Key Highlights

- Global growth is projected to slow from an estimated 5.1% in 2021 to 3.2% in 2022 and 2.7% in 2023.
- According to IMF's recent report, inflation to remain above 5% in the US through 2022 before slow to 3% by year end of 2023, while inflation in Europe is expected to persist.
- September saw the level of global economic activity contract for the second successive month, as output fell more quickly in manufacturers but stabilized at service providers.
- Commodity prices rose 19.1% between Feb and Aug 2022. Energy—especially natural gas led the increase, as Russia cut gas supplies to Europe

World GDP Outlook for 2022 is Revised to 3.0%



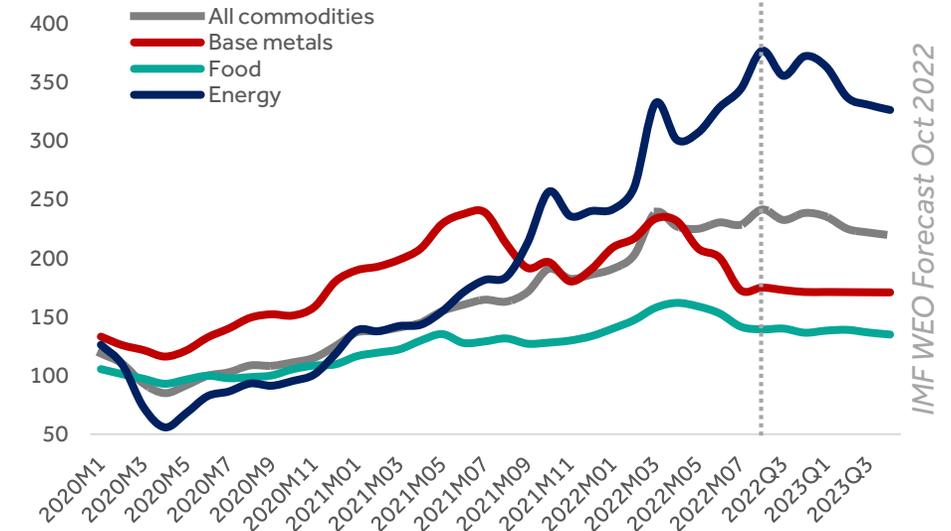
EU Inflation is Projected to be more Persistent than the US



Global PMI Contracted in Sep 2022



Commodity Prices is Projected to Ease in 2023

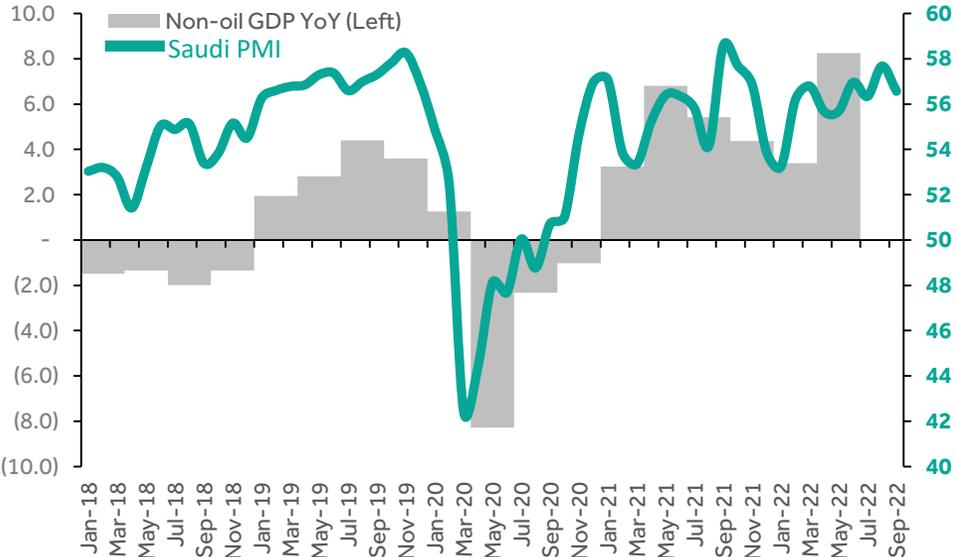


Domestic Economy

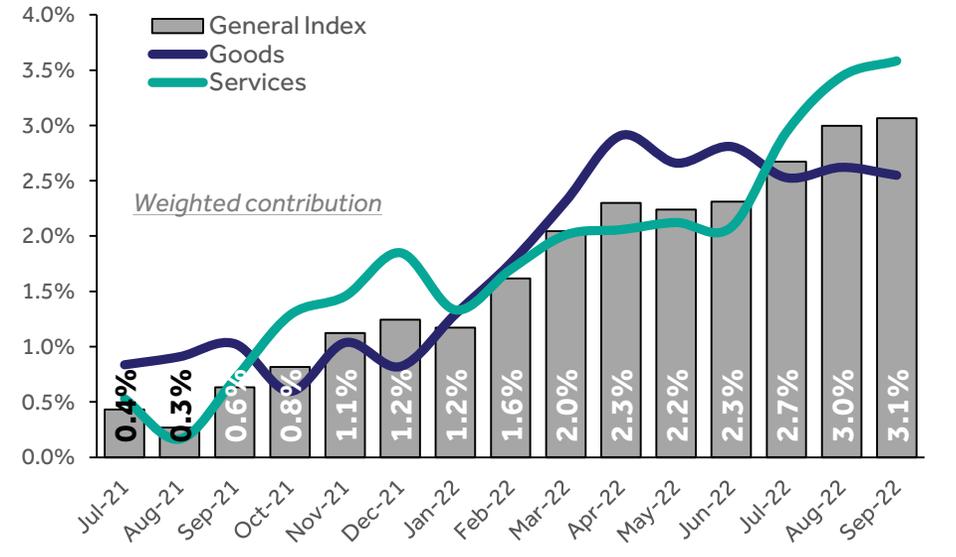
Key Highlights

- Saudi Arabia PMI data pointed to the ongoing marked expansion of the Saudi non-oil private sector economy. Growth was underpinned by strong gains in both output and new orders
- Inflation continued to rise and reached 3.1% in Sep 2022, driven by rising services prices.
- Oil prices are expected to remain elevated throughout 2022 as the conflict in Europe still creating significant market uncertainties about the potential for oil supply disruptions. This has increased uncertainties for the domestic stock market
- Personal loans rose by 20% YoY while retail mortgage loans have slightly declined by 0.3% in the same period.

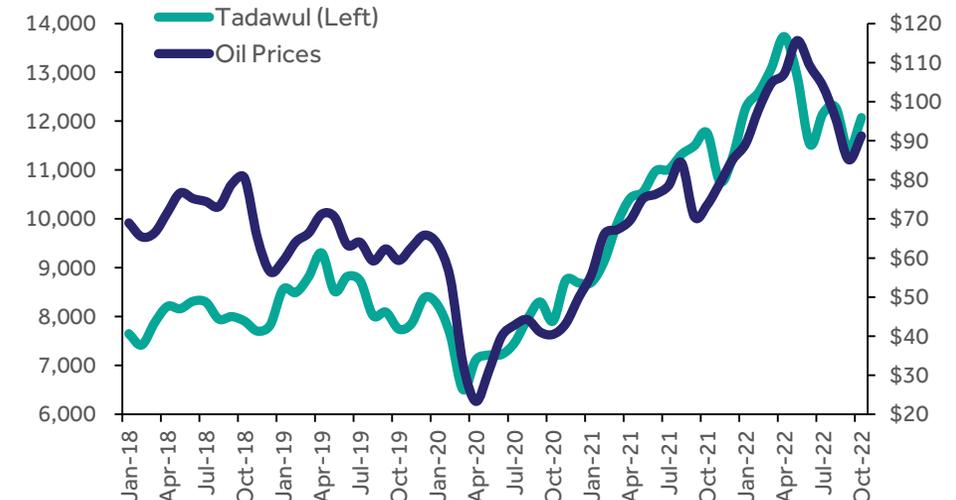
Saudi PMI Pointed to the Ongoing Expansion in Private Sector



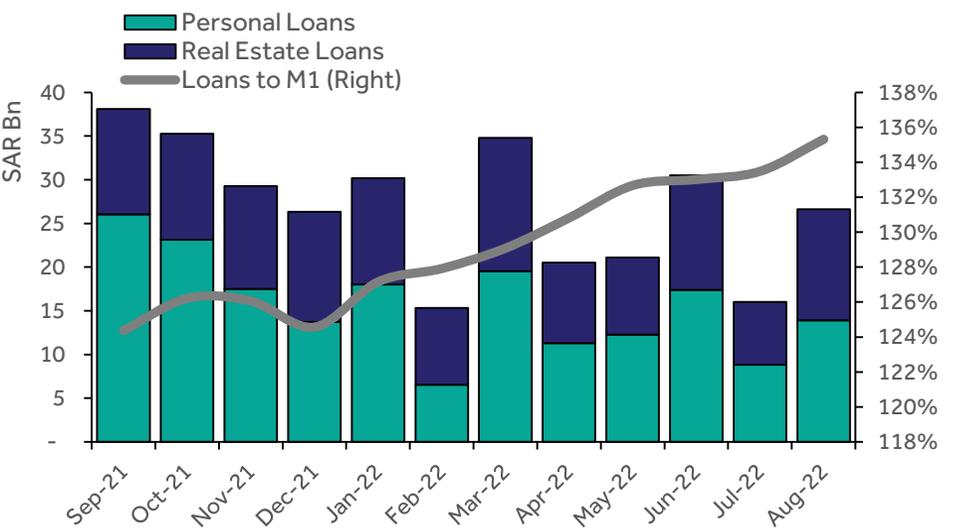
CPI Inflation Increased by 3.1% in Sep 2022 Pushed by Services



Continued Volatility in Oil Market



Personal Loans Rose by 20% while Retail Mortgages Fell by 0.3% YoY in Aug



Source: S&P Global, GASTAT, SAMA



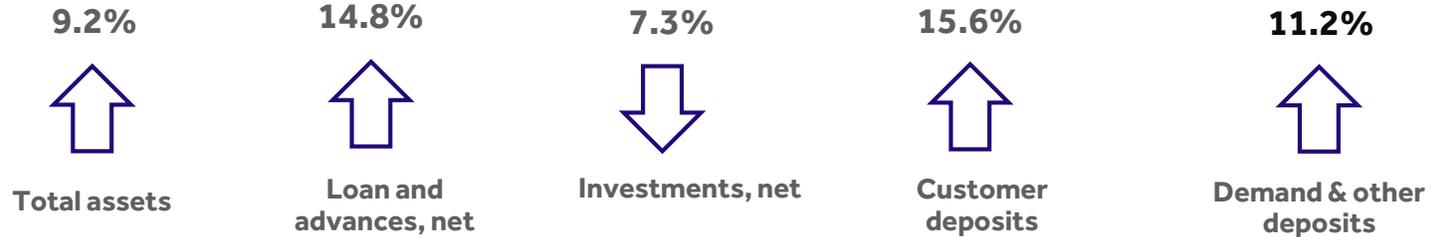
Financial results overview



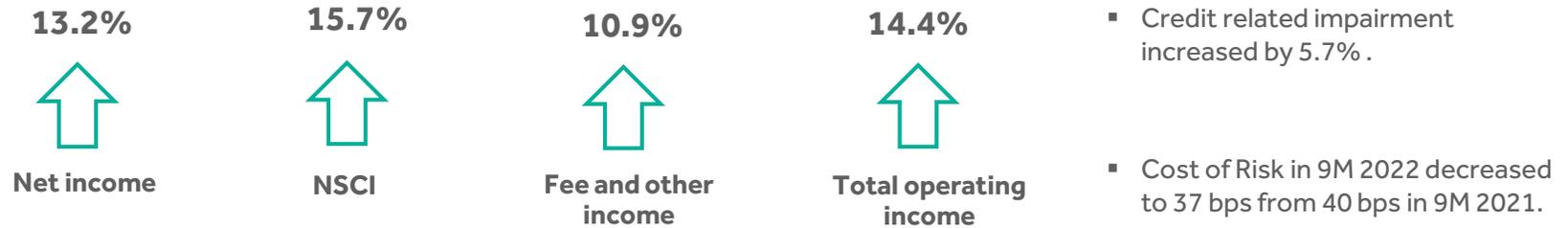
9M 2022 Key highlights

9M 2022 Vs. 9M 2021

Balance Sheet



Income Statement



Asset Quality, Capital & Liquidity

- NPL ratio 1.55 % and NPL coverage at 115.5%
- Capital position: Tier 1 CAR of 16.0% and total CAR of 19.1%.
- Strong funding and liquidity with Loans to deposits ratio (incl. Sukuk)) of 98.8% and Regulatory LDR stood at 81.8% , Net Stable Funding Ratio of 116% and Liquidity Coverage Ratio of 165%.
- Leverage Ratio of 11.7%.

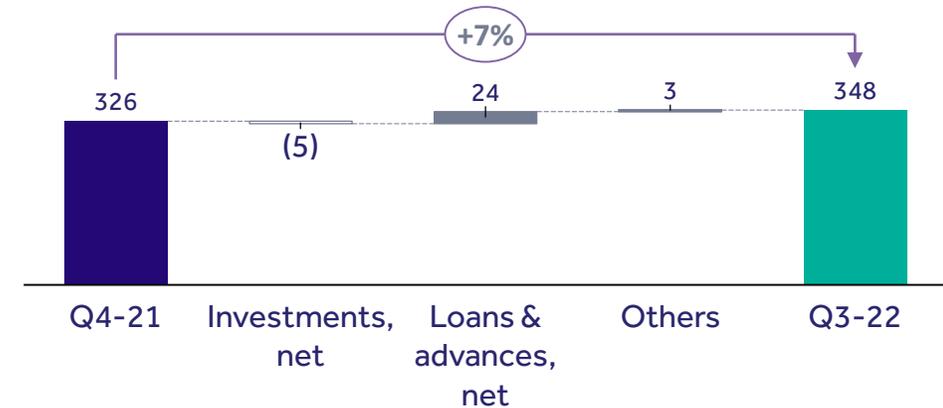


Financial highlights – Balance sheet

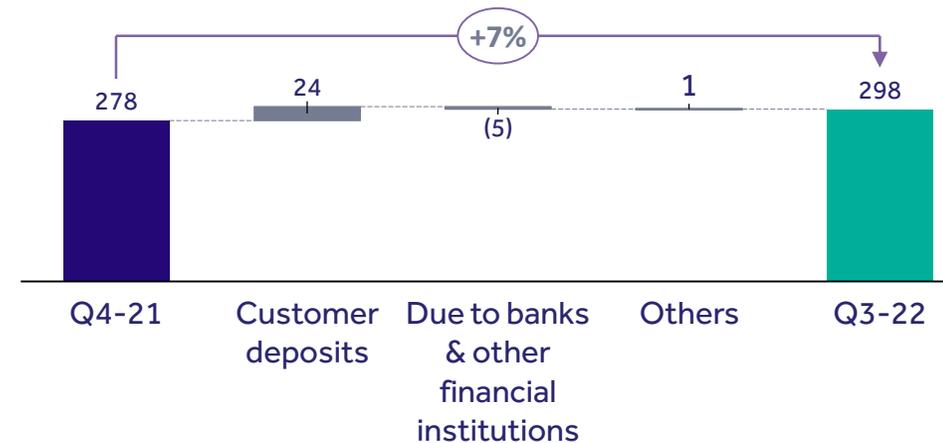
Stable balance sheet performance

SAR (mn)	3Q 2022	2Q 2022	QoQ % change	3Q 2021	YoY % change
Cash and balances with SAMA and financial institutions	43,985	56,293	-21.9%	44,414	+1.0%
Investments, net	53,246	53,538	-0.5%	57,451	-7.3%
Loans and advances, net	241,586	239,650	+0.8%	210,482	+14.8%
Total assets	347,881	357,954	-2.8%	318,657	+9.2%
Customer deposits	235,892	237,477	-0.7%	203,996	+15.6%
Debt securities in issue	8,672	8,716	-0.5%	8,648	+0.3%
Total liabilities	298,286	308,504	-3.3%	272,607	+9.4%
Total shareholders' equity	46,776	46,636	+0.3%	46,050	+1.6%
Tier 1 Sukuk	2,814	2,814	0.0%	-	-
Total Equity	49,595	49,450	+0.3%	46,050	+7.7%
Risk weighted assets	308,390	301,635	+2.2%	287,216	+7.4%
CET1 ratio	15.2%	15.5%	-0.3%	16.0%	-0.9%
T1 ratio	16.0%	16.4%	-0.4%	16.0%	0.0%
Total capital adequacy ratio	19.1%	19.5%	-0.4%	19.3%	-0.2%

Total Assets Growth Drivers (SARbn)



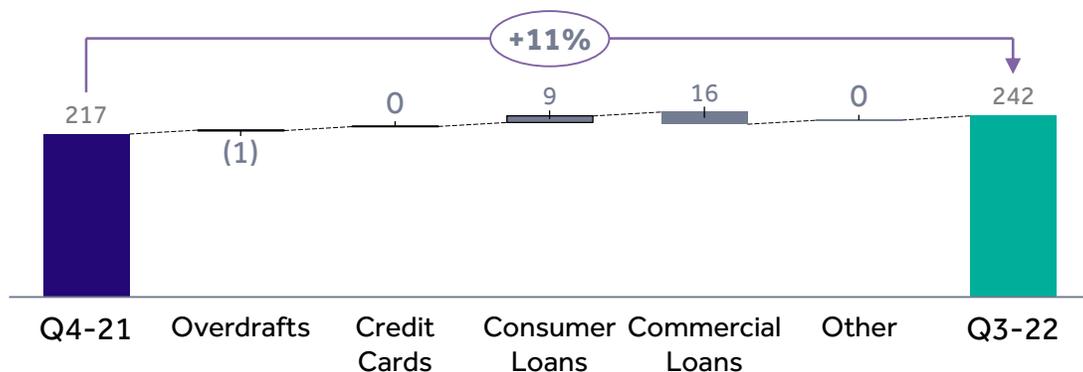
Total Liabilities Growth Drivers (SARbn)



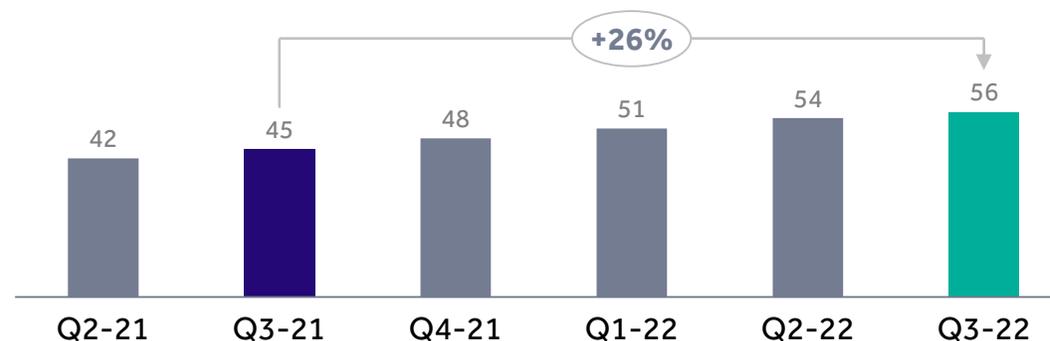
Assets & lending

Loan growth mainly driven by Commercial and Mortgage loans

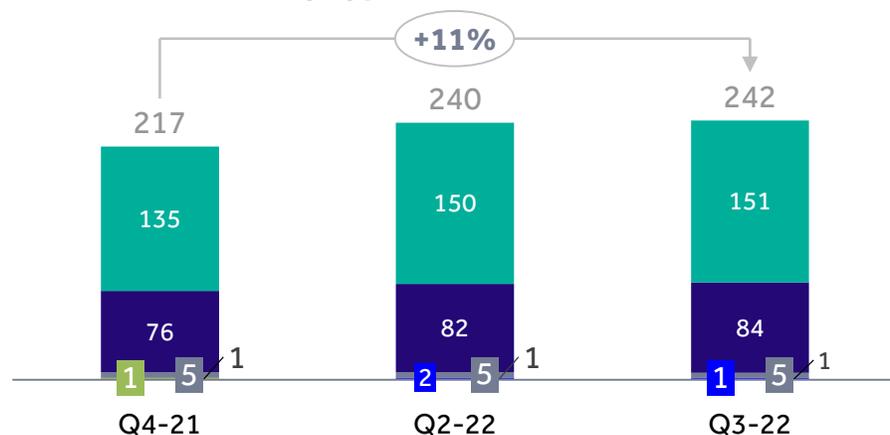
Loans & Advances, Net Growth Drivers (SARbn)



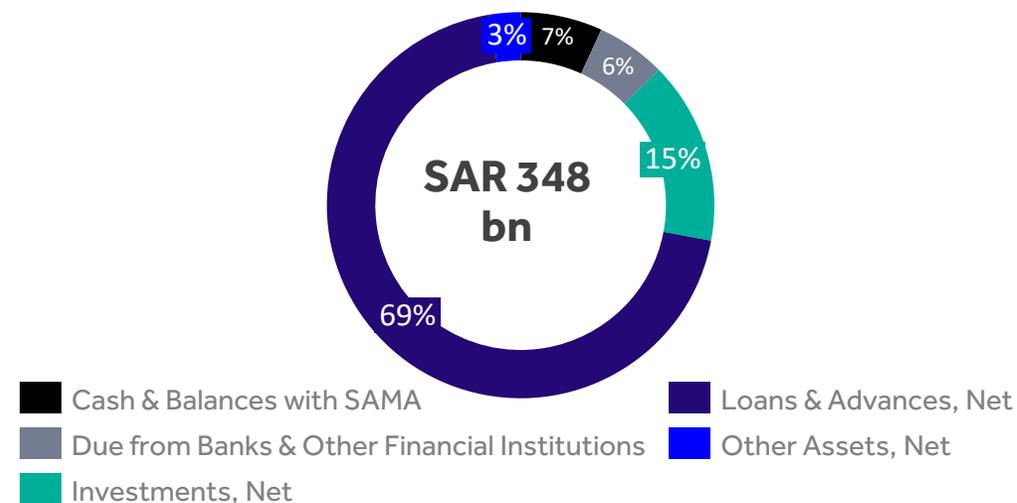
Mortgages Loans, Gross (SARbn)



Loans & Advances, Net by Type (SARbn)



Q3 2022 Total Assets Mix (SARbn)

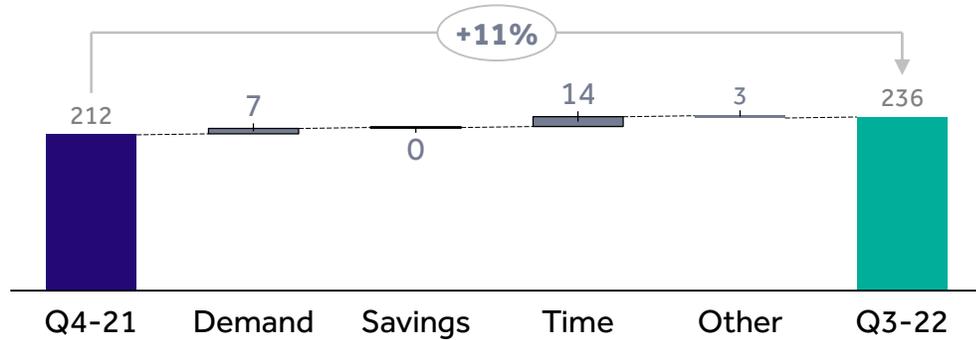


- Overdrafts
- Consumer Loans
- Other Loans
- Credit Cards
- Commercial Loans

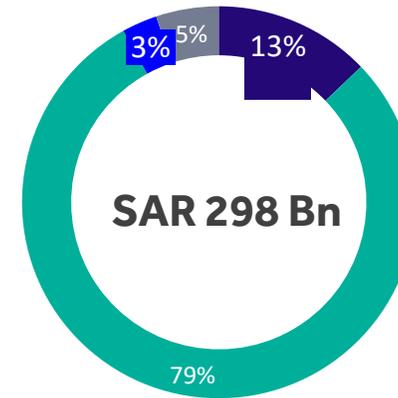
Liabilities and funding

Stable funding profile

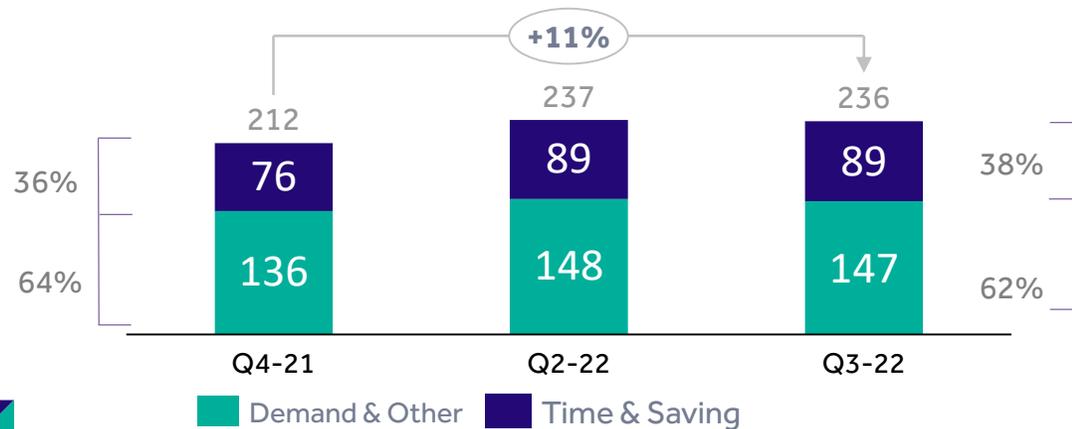
Customer Deposits Growth Drivers (SARbn)



Q3 2022 Total Liabilities Mix (SARbn)



Total Customer Deposits by Type (SARbn)



- Due to Banks & Other Financial Institutions
- Customer Deposits
- Debt Securities in Issue
- Other Liabilities, Net

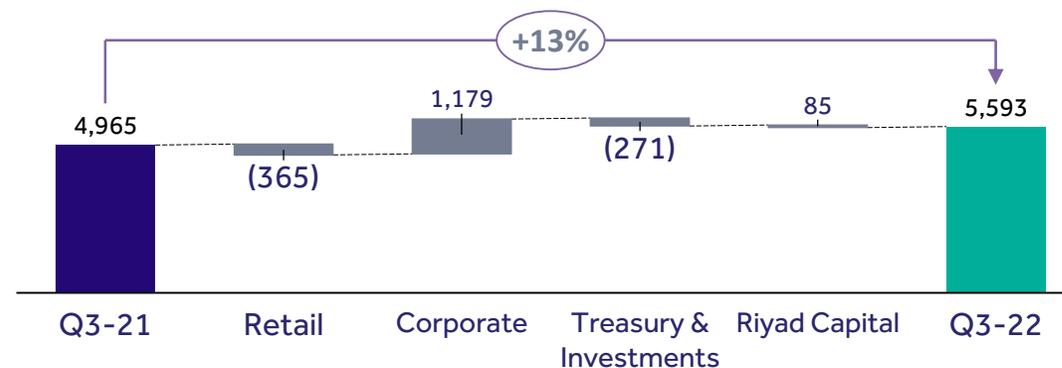


Financial highlights – Income statement

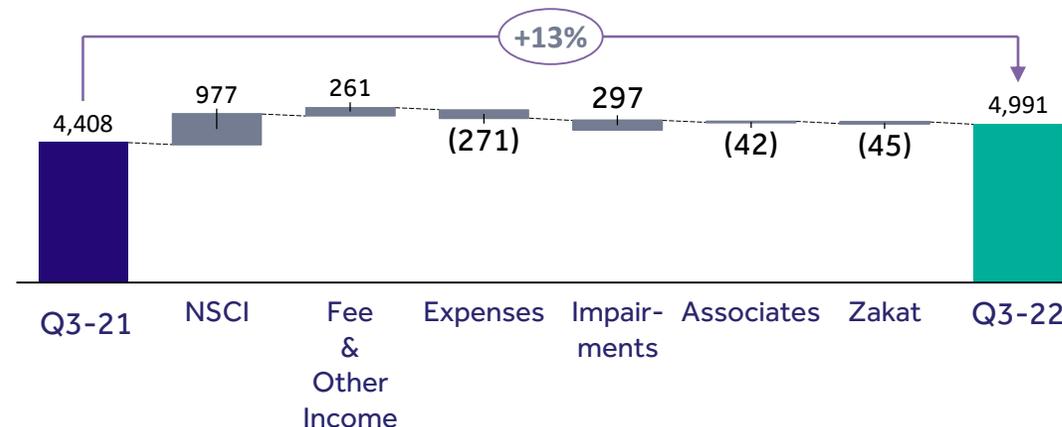
Net income growth mainly due to higher operating income

SAR (mn)	9M 2022	9M 2021	YoY % change	3Q 2022	2Q 2022	QoQ % change
Net special commission income	7,201	6,224	+15.7%	2,672	2,397	+11.5%
Fee and other income	2,656	2,395	+10.9%	853	834	+2.3%
Total operating income, net	9,857	8,619	+14.4%	3,525	3,230	+9.1%
Operating expenses	(3,272)	(3,002)	+9.0%	(1,174)	(1,064)	+10.3%
Net operating income before impairment charges	6,585	5,617	+17.2%	2,351	2,166	8.5%
Impairment charge for credit losses and other financial assets	(658)	(592)	+11.2%	(228)	(244)	-6.8%
Impairment charge for investments	(258)	(27)	+851.9%	(80.7)	(109.0)	-26.0%
Net operating income	5,668	4,998	+13.4%	2,042	1,813	+12.7%
Share of earnings of associates, net	(75)	(33)	+130.4%	(3)	(4)	-34.0%
Net income for the period before Zakat	5,593	4,965	+12.6%	2,040	1,809	+12.8%
Zakat for the period	602	557	+8.0%	212	198	+7.2%
Net income for the period	4,991	4,408	+13.2%	1,828	1,611	+13.4%
EPS	1.64	1.47	+11.6%	0.59	0.54	+9.3%
ROAE before Zakat	15.85%	14.65%	+1.20%	17.47%	15.97%	+1.50%
ROAA before Zakat	2.21%	2.11%	+0.10%	2.31%	2.28%	+0.03%
Cost to income ratio	33.20%	34.80%	-1.60%	33.30%	32.95%	+0.35%

Net Income before Zakat Growth Drivers by Segment (SARmn)



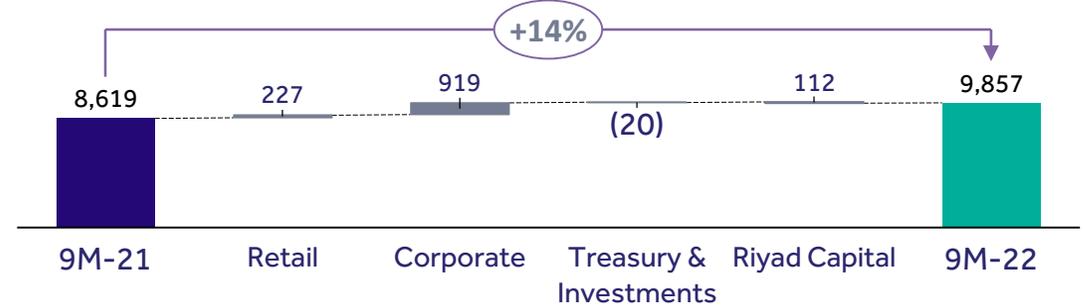
Net Income after Zakat Growth Drivers by Type (SARmn)



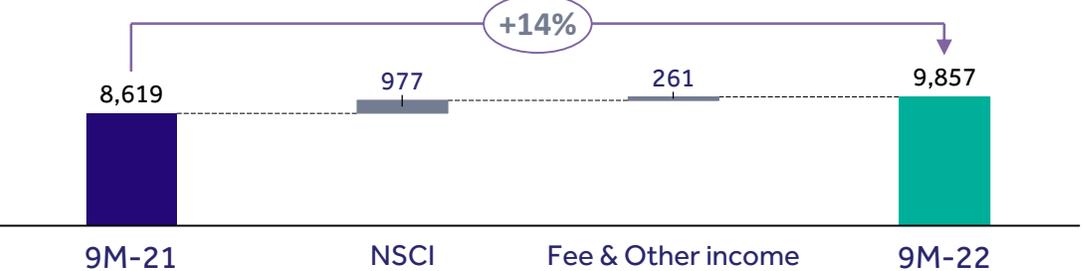
Income trends

Income growth supported by stable balance sheet growth

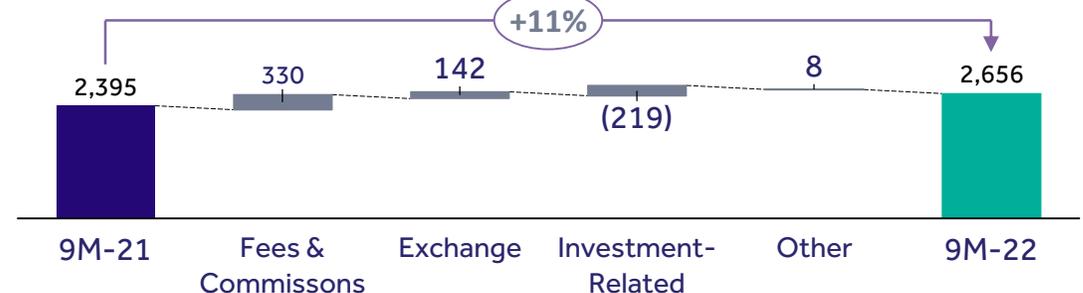
Total Operating Income Growth Drivers by Segment (SARmn)



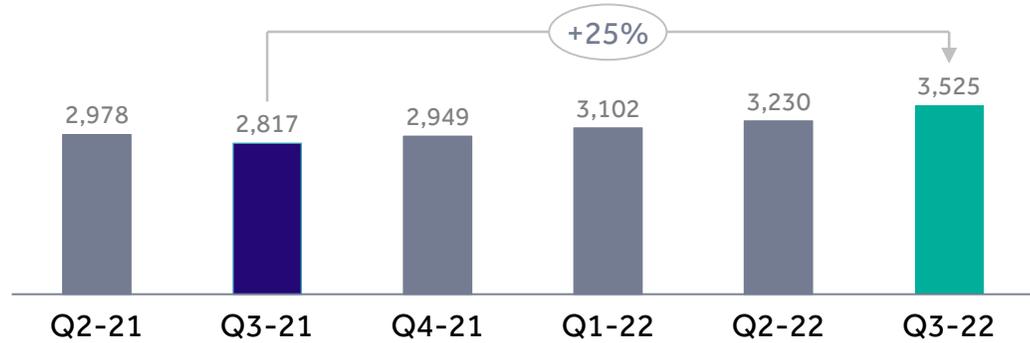
Total Operating Income Growth Drivers by Type (SARmn)



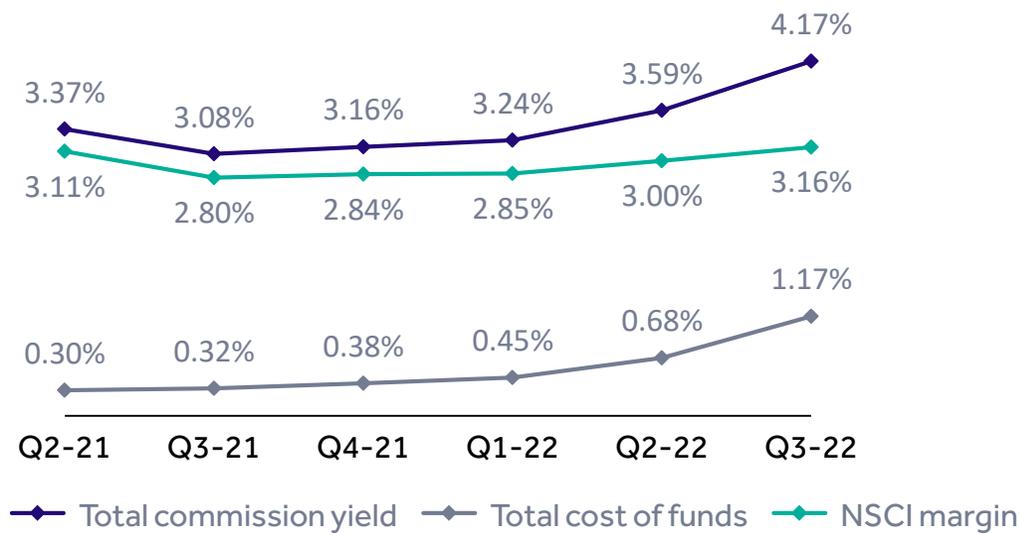
Fee & Other Income Growth Drivers by Type (SARmn)



Total Operating Income, Net (SARmn)



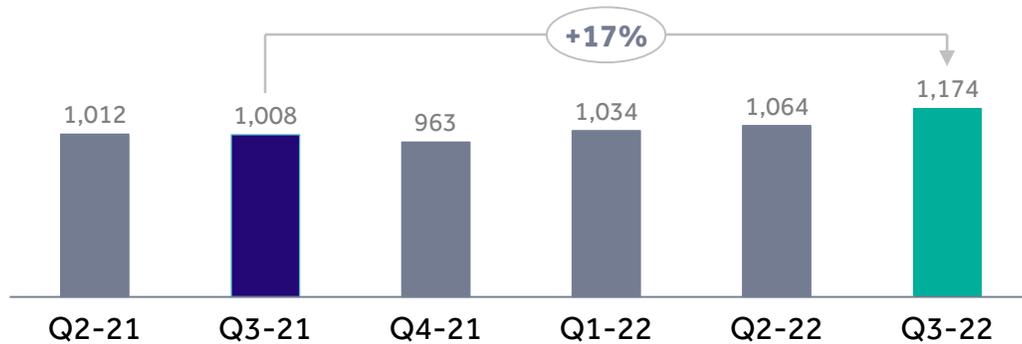
NSCI Margin, Yields and Funding Costs (%)



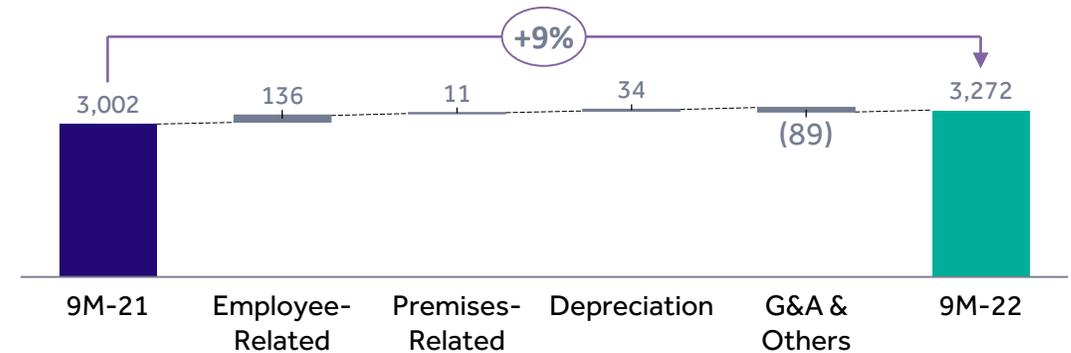
Expenses trends

Improved cost efficiency despite banks' investment in its Transformation Program

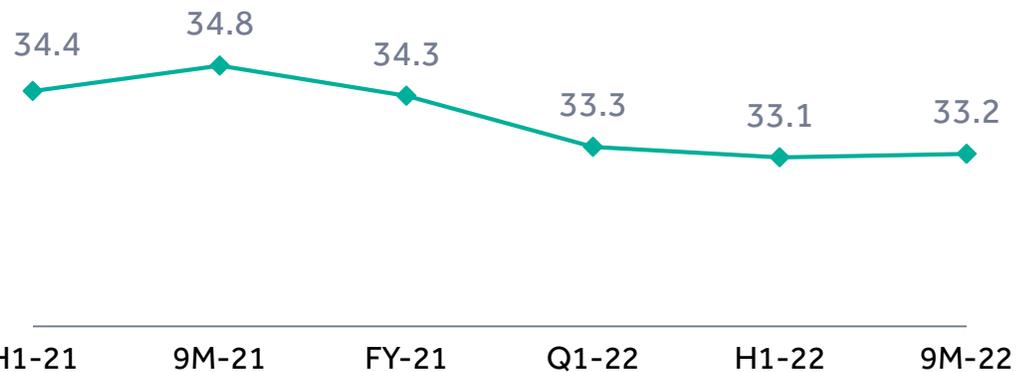
Operating Expenses (SARmn)



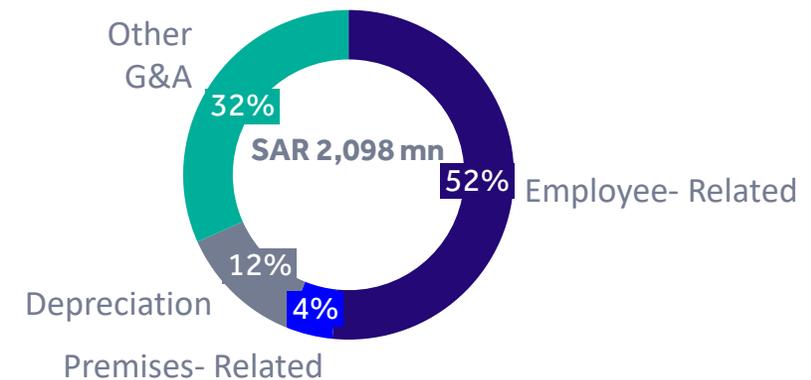
Operating Expenses Growth Drivers by Type (SARmn)



Cost to Income Ratio (YTD %)



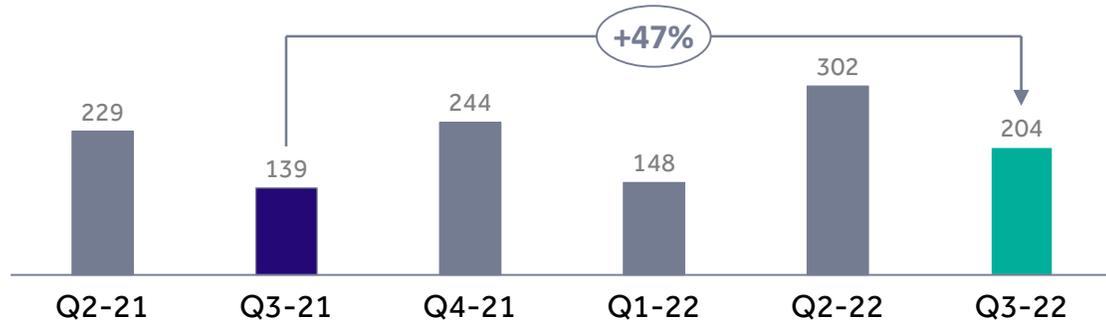
9M 22 Operating Expenses Mix by Type (SARmn)



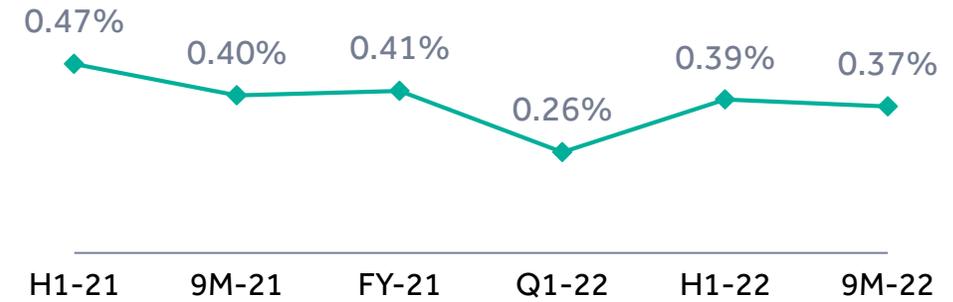
Credit quality

Stable asset quality trends with solid NPL coverage ratio

Impairment Charge for Credit Losses, Net (SARmn)



Cost of Risk (YTD %)

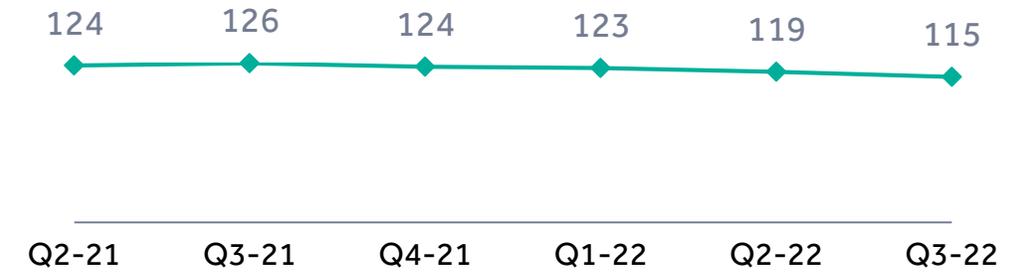


NPL Ratio



$$\text{Cost of Risk calculation} = \frac{\text{Annualized YTD Impairment charge for credit losses, net}}{\text{Avg gross loans and advances}}$$

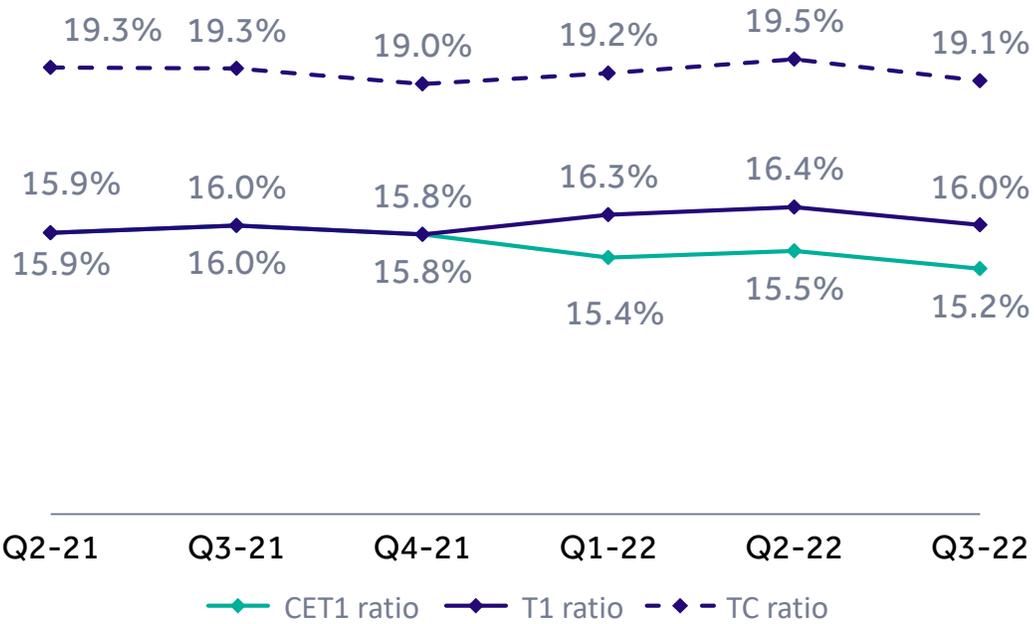
NPL Coverage (%)



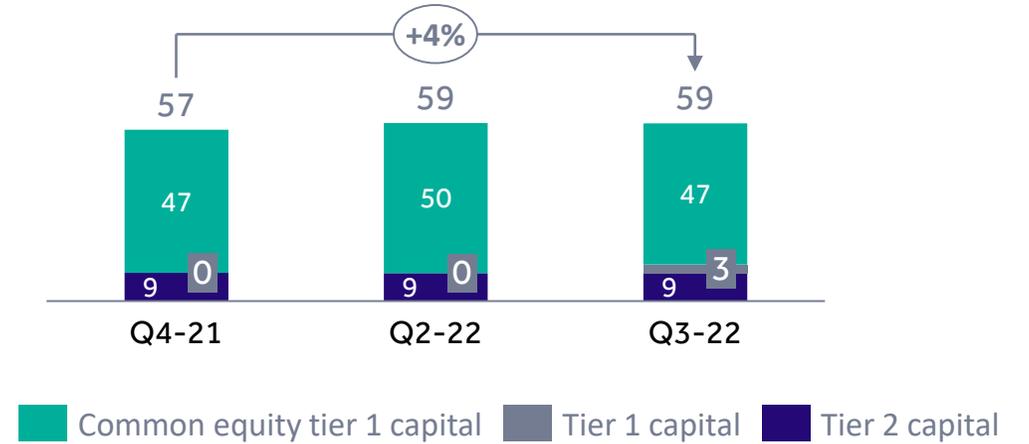
Capitalization

Capitalization well above regulatory minima and continues to support growth

Capital Ratios (%)



Capitalization (SARbn)



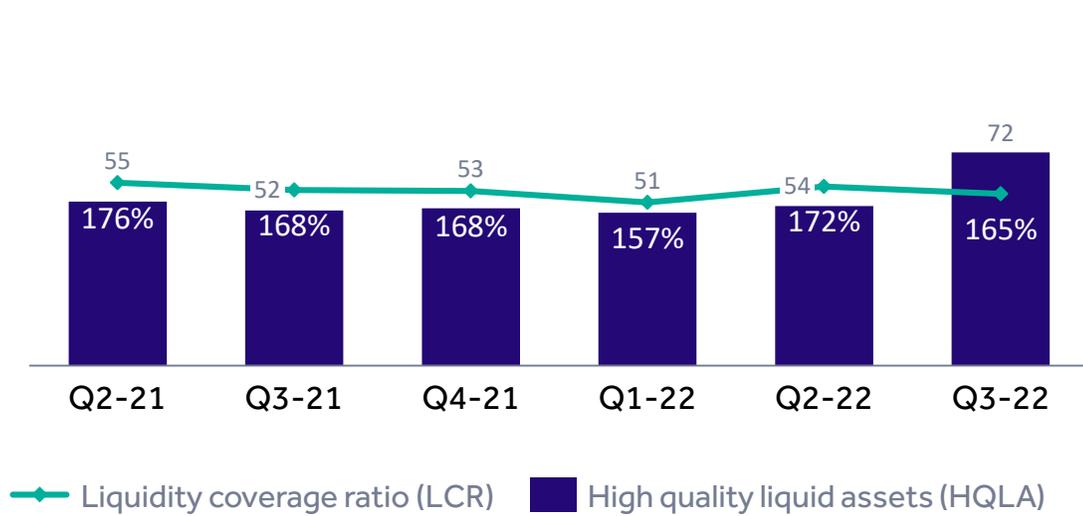
Risk Weighted Assets (SARbn)



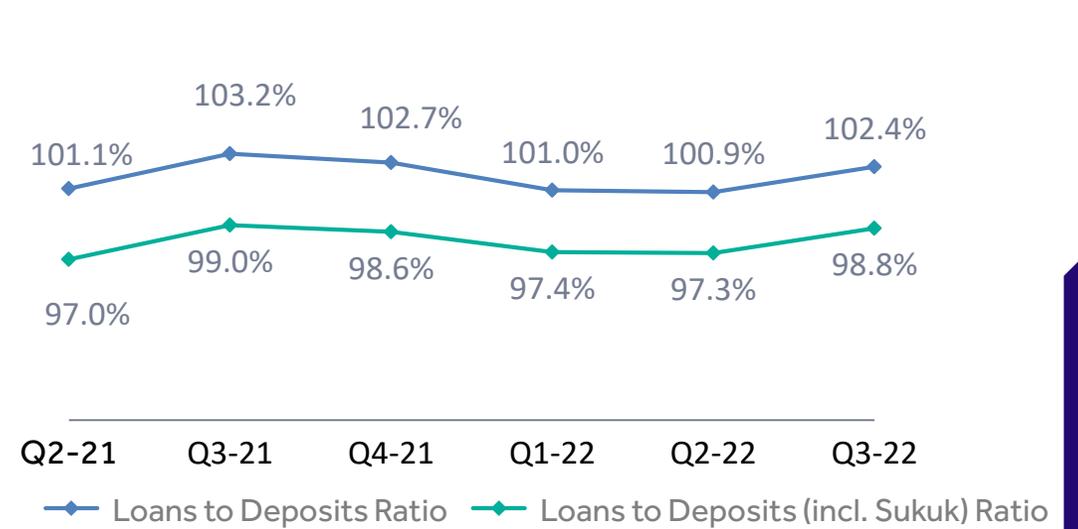
Liquidity

Liquidity continues to be at comfortable levels

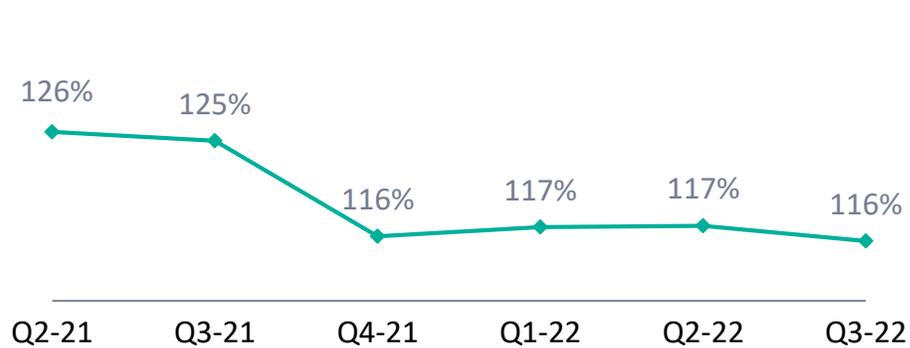
HQLA and Liquidity Coverage (SARbn/%)



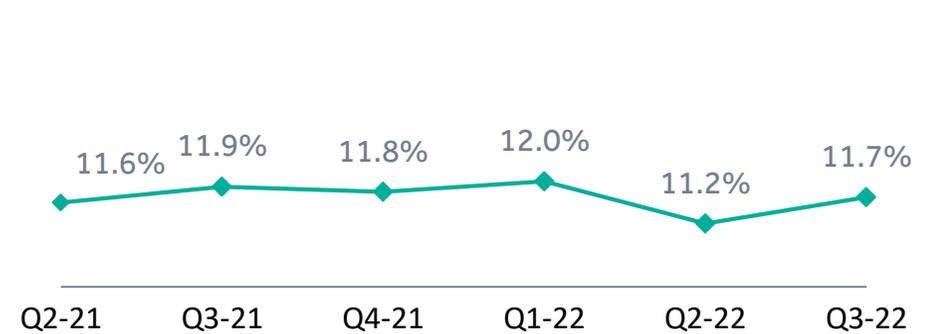
Loans to Deposit Ratios (%)



Net Stable Funding Ratio NSFR (%)



Basel III leverage Ratio (%)



Guidance



2022 Guidance

Guidance Metric	FY 2021	2022 Guidance	9M 2022 Actual	2022 Updated guidance
Loans, Net	SAR 217 Bn (+13.6% YoY)	Mid teens	SAR 242 Bn (+14.8% YoY)	Mid-high teens
NSCI Margin (%)	2.97%	0 bps – +10 bps	3.16%	+10 bps – 20bps
Cost to Income (%)	34.3%	Below 35%	33.2%	Below 34%
Cost of Risk (%)	0.41%	40 bps -60 bps	0.37%	40 bps -60 bps
CET1 (%)	15.8%	Above 15%	15.2%	Above 15%
ROAE Before Zakat (%)	14.7%	Above 14.5%	15.85%	Above 15%



Q&A



Appendix



Riyad Bank contact

Contact the investor relations for more information:

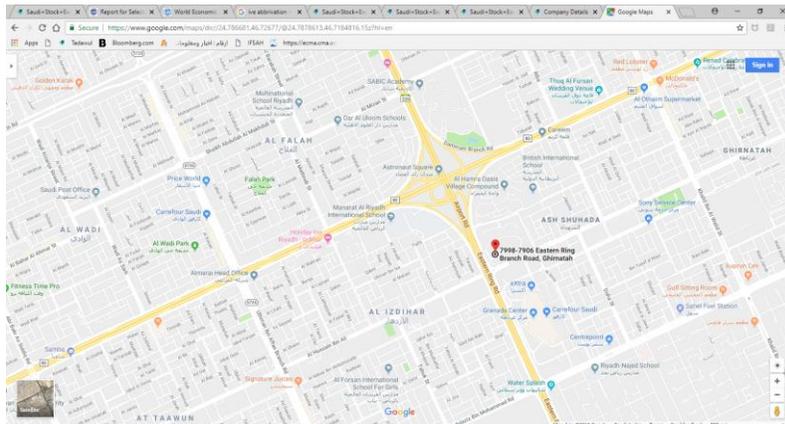
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Annual 2021 Report



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