

# Corporate Banking Empowering our corporate partners. Always with you.

Corporate Banking repeated its stellar strategic execution in 2023 to deliver outstanding value for our clients leading to exceptional results. The Division stepped up to opportunities, ranging from micro, small, and medium enterprises (MSMEs) to giga projects, and accelerated digital transformation and innovation to deliver another year of record-breaking growth.

## Corporate Banking Highlights

Net income  
**SAR 5.6 Bn.**

Total assets  
**SAR 186 Bn.**

Total operating income  
**SAR 8.4 Bn.**

**Corporate Banking assets increased by 15% in 2023 from SAR 162 Bn. to SAR 186 Bn. Total operating income amounted to SAR 8.4 Bn., a dramatic improvement of 32% compared to SAR 6.4 Bn. in 2022. Net special commission income increased by 38% year on year to SAR 6.6 Bn., while fees and other income increased by 13% to SAR 1.8 Bn.**

Operating expenses totaled SAR 2.8 Bn. for 2023, a 53% increase due to the increase in provisions for Corporate Banking, which increased to SAR 1.5 Bn., an increase of 101% compared to 2022. Corporate Banking's net income saw a 23% growth, from SAR 4.5 Bn. in 2022 to SAR 5.6 Bn. in 2023.

In 2023, Corporate Banking earned 62% of Riyad Bank's total income, compared to 58% in 2022.

### Delivering on the Kingdom's Vision

Corporate Banking was once again a key player in supporting Saudi Vision 2030 by financing and participating in a range of strategic activities that will expand economic growth and create jobs across the Kingdom. The Bank took on roles such as lead arranger, agency, and account bank on initiatives related to giga projects, infrastructure, public-private partnerships, social impact, and tourism and entertainment. Its commitments total SAR 21.2 Bn., more than 80% of which was committed this year. Examples of participation include infrastructure projects related to the Jafurah CoGeneration KEPCO and Jafurah IWP (Mowah, Lamar, and Al Bawani).

Furthermore, Corporate Banking continued to cater exclusively to government entities' Vision 2030 targets. It also dedicated a business segment, offering a full suite of banking products and services for government and public sector entities.

Corporate Banking activated agreements with multiple government partners this year. Riyad Bank served as the exclusive partner to the Saudi Industrial Development Fund, to launch a working capital support program that boosts the manufacturing, mining, and power sectors.

Corporate Banking was also a leader in supporting the Kingdom's sustainability agenda by funding 22 renewable and green projects in power and water. The total value of these green projects is SAR 105 Bn., with Riyad Bank contributing SAR 23 Bn. Examples include the Neom Green Hydrogen Project.

The Division's efforts to target the MSME segment was also part of its strategy to deliver impactful corporate social responsibility practices.

As part of continuous digital enablement, Riyad Bank entered into an agreement with Saudi technology company BwaTech to provide digital services to the beneficiaries of letters of guarantee. This one-of-a-kind integration supports strategic clients such as the Saudi Electricity Company and the Ministry of Industry and Mineral Resources to perform services such as amendments and confiscation without submitting physical documents to the banks.

We also collaborated with the Ministry of Human Resources on the development of its electronic employment contracts system, QIWA. Riyad Bank supports the platform by accepting and managing the full digital payment cycle.

## Green Projects Funded in 2023

**22**

Total number

**SAR 105 Bn.**

Total Project Costs

**SAR 23 Bn.**

Total Riyad Bank Participation

### Digital Transformation for the Future

As part of the Bank's Transformation 2025 Strategy, Corporate Banking continued to expand its digital footprint, with approximately 90% of financial transactions from our corporate customers being initiated and completed end-to-end digitally. This is largely due to enhanced capabilities under our Global Transaction Banking (GTB) franchise, which covers cash management, merchant acquisition, corporate cards, and trade finance.

Corporate Banking introduced multiple digital offerings and enhancements this year – externally for clients and internally for Relationship Managers to improve operational efficiencies. New digital products included Riyadh Access, an application programming interface (API) marketplace supporting businesses to find the right APIs for their needs. We also launched the Petty Cash Card, which is a prepaid expense card for corporate customers that helps in managing the payments of expenditure either through eCommerce or physical card payments at an ATM or PoS, which led to 38% growth in the number of cards issued.

With financing being the core of our business, Corporate Banking focused on end-to-end digitization for various types of loans, to reduce turnaround time, especially for Islamic medium- and long-term loans. We also enabled branchless account opening for corporate clients, where customers do not need to leave their premises. Automation of Murabaha deals eliminated manual and cumbersome tasks related to commodities deal booking. We also implemented end-to-end process automation for call accounts including dynamic pricing and threshold monitoring with notional pooling. Finally, we employed machine learning to automate the checking of documents for trade finance.

Implementation of the RM Workbench has revolutionized the work of Relationship Managers. The digital platform leverages advanced analytics models to help them generate valuable opportunities and achieve their targets more efficiently.

Additionally, the platform facilitates collaboration among Relationship Managers, enabling them to share knowledge, strategies, and best practices, leading to improved overall performance. RM Workbench has become an invaluable tool for the Division, driving growth, optimizing resources, and maximizing profitability.

We also enhanced merchant acquiring solutions by introducing branch instant delivery of Point of Sale (PoS) devices for better swift services, which allowed branch customers to apply, complete the paperwork, and get the device instantly from the branch. We also launched an innovative and exclusive dual screen device, a first in the Saudi market, that enabled a better user experience and a reduced rate of error claims. Both of these participated in making Riyadh Bank a preferred choice for customers, resulting in a 26% growth in the number of devices issued.

### Supporting MSMEs

As part of the Bank's Transformation 2025 Strategy and the Saudi Vision 2030 focus on growing the private sector, Corporate Banking further established itself as a key player and promoter in the vital MSME ecosystem. According to the Saudi Central Bank's data, Riyadh Bank's Corporate Banking Division held 22% of the market for MSMEs in Saudi Arabia, as of the fourth quarter of 2023. This year, the Division reached its target of providing USD 1 Bn. in financing for telecommunications and information enterprises in only 7 months.

The Division expanded its franchise across the Kingdom to reach 45 branches for MSMEs. It also achieved an average credit approval turnaround time of 48 hours for 50% of MSME clients. Cross-selling activities with Retail Banking totaled 220 in 2023.

In 2023, Corporate Banking signed 8 new partnership agreements to support the ecosystem. These included agreements with the Monsha'at Tomoh program and the Royal Institute of Traditional Arts to help finance MSMEs. In total, we held 5 joint workshops with partners, such as the Al Madinah Chamber of Commerce and Industry.

## MSME Milestones

8

New partnership agreements.

22%

Market share for MSMEs in Saudi Arabia.

5

Joint workshops with partners.

USD 1 Bn.

In financing for telecommunications enterprises.

220

Cross-selling activities with Retail Banking.



**Awards and Achievements**



The Corporate Banking Division helped Riyad Bank to take home several awards and recognitions in 2023. These included:

- ✓ First ranking for the Kafalah MSME Finance Guarantee program in terms of value of financing, guarantees, and beneficiary enterprises.
- ✓ The Global Trade Review Saudi Arabia 2023 'Sustainability in Trade' Award.
- ✓ Project Finance Institute (PFI) 'Middle East and Africa Utility Deal of the Year' for serving as mandate lead arranger and other agency roles for the USD 1.33 Bn. Red Sea Development Company utility project.
- ✓ PFI 'Middle East and Africa Public-Private Partnership Deal of the Year' for serving as mandate lead arranger, onshore security agent, and onshore bank account for 3 independent sewage treatment plants in Madinah that raised USD 700 Mn.
- ✓ PFI 'Middle East and Africa Public-Private Partnership Deal of the Year' for serving as coordinator, bookrunner, mandated lead arranger, onshore bank account, and an agency role for NEOM Helios, the first major international project for green hydrogen, worth USD 7 Bn.

Other achievements included obtaining a General Clearing Membership with the Saudi clearing company Muqassa. The membership will enable Riyad Bank's new Securities Clearing product, to bring value to investment brokers from end-to-end in the Saudi Exchange and derivatives markets.



**Looking Forward to 2024**

Corporate Banking aims to maintain its growth trajectory in 2024 by continuing to offer our comprehensive suite of products with synergies across the Bank's business lines. At the same time, we will enhance and expand our existing and potential client base, as well as our partnerships with government entities and Saudi Vision 2030 initiatives.

We see a growing demand for financing driven by government diversification and privatization initiatives, as well as corporate and MSME growth and refinancing needs. Corporate Banking is poised to expand its asset base through diversification of assets and product development, to provide our clients with their desired service excellence.

The Division aims to maintain our strong and leading position in the MSME ecosystem by scaling our new digital platforms. Growing funding requirements of giga projects and related infrastructure investments will further expand our asset base.

Riyad Bank also aims to be a key partner in helping corporate clients fight climate change. Saudi regulators are increasingly concerned about the effects of climate risk on financial markets and stability, as are other regulators around the world. Corporate Banking will seize the opportunity and mobilize financing to help corporate clients achieve their climate targets and net zero emissions goals.



**Corporate Banking established its role in the MSME ecosystem, achieving a 22% market share and providing USD 1 Bn. in financing for telecommunications and information enterprises.**