

Digital Transformation

The most universal themes for Riyadh Bank's successes in 2021 were innovation and digitization. While COVID-19 accelerated development and required redirection in many cases, the expansion of our investment in technology and digital models was already well and truly established. The rapid advances covered every aspect of the Bank's operations and helped to realize the great potential of our employees and customers. Last year will be seen as one of the defining moments in the way we further grow our network and leverage greater value to our clients.

During 2021, the Bank instigated major structural changes across various divisions with the result that digital became the primary means of conducting business. The vast majority of customer transactions and services are now end-to-end online, a remarkable transformation which has effectively changed the face of traditional banking stretching back hundreds of years.

This was all possible due to the continuous efforts within the Bank to integrate important services, providing best-in-class convenience to our current as well as new-to-bank clients and allow them to take control of their finances digitally.

Focused on achieving our digital priorities



Our principal targets for 2021 were to expand our services, introduce new methods of delivering our technology, forge new partnerships and ensure that our customers were deriving the most useful, comprehensive and effective digital products. To achieve this, we needed to both harness the necessary expertise and support the employees who would be involved in the resulting operations.

This was an enormous task in terms of planning and action. The technology needed to span all elements of the business departments such as retail

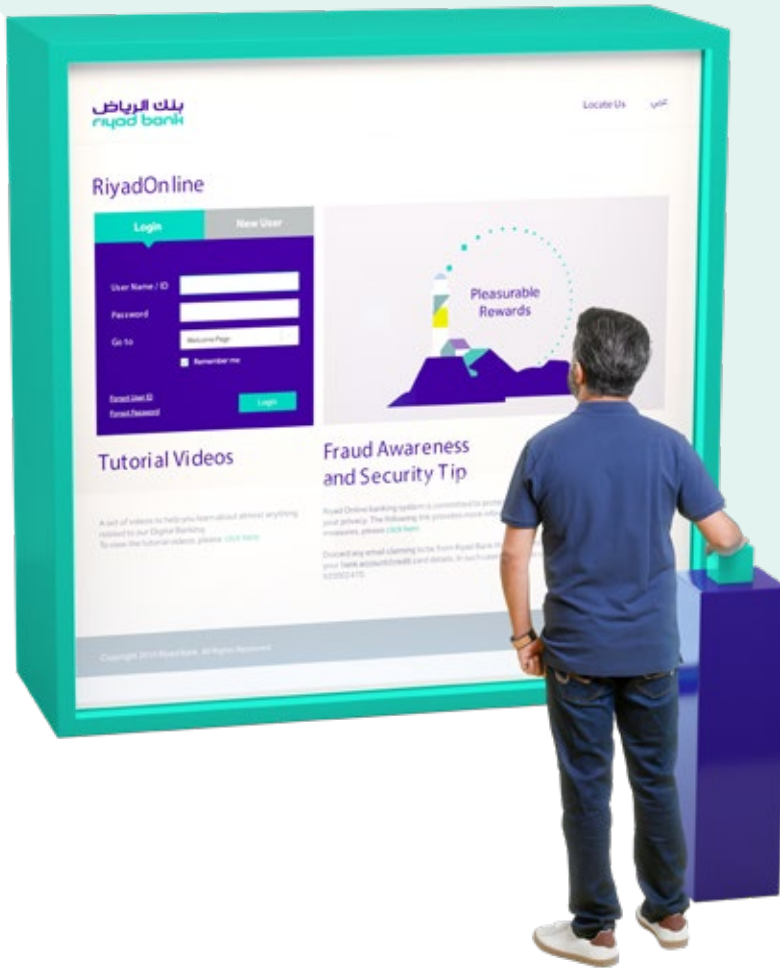
and corporate, as well as 'oil the engine' that drove the innovation covered a vast range. From design and delivery to IT support and cyber security, the change of management in the Bank's digital strategy was all encompassing.

The appointments of our Chief Digital Officer Mr. Mazen Pharaon and Chief Transformation Officer Ms. Hanadi Al Alsheikh, have been instrumental in overseeing the digital portfolio and

managing project delivery. Their contributions to our achievements have helped pave the way to gain even greater innovation for our efficiency and agility.

Restructuring our digital strategies helped to create a far more comprehensive inter-departmental dialogue. Collaborating with other business units was vital to enhance preparations and align stakeholder





commitments, which in turn opened the door to greater innovation and essential internal partnerships in line with digital strategy 2025.

Having established our strategies, the Bank needed to ensure their continued success through a series of digital innovation or transformational initiatives. The shift towards innovative digital models is not a one-time occurrence or even a series of milestones, it is continuous and with time will always find ways of improvement and enhancements, whether that is on a system, personnel, or process level.

Innovative solutions for our stakeholders



Riyad Bank is known as one of the most innovative banks in the Kingdom and we emphasized that throughout 2021. We provided solutions within the Bank that not only benefitted the clients but also our employees and overall

development. We helped to improve revenue, expand services and – perhaps most importantly for future years – rethink and restructure our own technology strategy and operations.

In building the framework in a collaborative model for engaging all stakeholders, we created an internal innovation strategy within all relevant departments for the first time at the Bank. This was achieved by focusing on the business lines' areas of interest and finding suitable cases that could allow us to increase the engagement of a domain and increase cash flow to the Bank.

Conversely, in our external market innovation, we communicated with the ecosystem around us, including fintechs as well as other financial and non-financial organizations. We provided certain services to them while also seeking to work together to release new products or services to the market through a revenue sharing model.

Personal Banking in 2021

Clients acquired through digital channels

73%

Transactions executed digitally

89%

Investing in innovation



On a more specific level, we introduced the WSL as the first of its kind in the region. It is a platform and a program designed especially for entrepreneurs and innovators to help create innovative financial solutions and services. It will continue to play a pioneering role in accelerating innovation in the banking sector, developing program objectives in accordance with Saudi Vision 2030. Fintechs integrating with WSL are uniquely powered to develop programs and applications leveraging an environment that simulates data and banking technology in order to build innovative commercial models in a forward-thinking approach to banking development in the Kingdom.

In the same line of transformation, Digital Banking completed its project to 'Revamp and Scale up Riyadh Bank Advance Analytics and Artificial Intelligence Platform and Framework'. This will support our aspiration to become a leader in using state-of-the-art Artificial Intelligence algorithms to help identify new opportunities and generate value.

To further enhance our study of algorithms and statistics, we completed the implementation of 'Big Data' as a mission critical platform to underpin all our data activities. This will continue to improve the Bank's ability to accelerate Artificial Intelligence and Machine Learning in a more consistent way. By establishing new comprehensive workstreams to reimagine, develop and promote the Bank's services to the giga-projects (i.e. NEOM, Red Sea and others), we engaged with the largest strategic projects of Saudi Arabia's Vision 2030.

This provided the opportunity to showcase our value in the market, position our services as a distinguished and valuable accelerator and offer a unique partnerships model to such giga-projects by leveraging the right models, infrastructure, and BaaS (Backend as a Service) to lead the ecosystem moving forward.

Supporting fintechs



By building the fintech partnerships framework and establishing a dedicated and experienced unit in the Bank to manage the framework in a collaborative model to nurture and progress these partnerships, we strengthened our position as the most fintech-friendly bank while establishing an area of control to maximize leverage and value to all constituents of the fintech ecosystem.



COVID-19 had an effect on our customers' finances and our advances have helped them to weather the storm to a large degree, enabling them to bank and transact online through faster and easier services.

Having done so, the Bank has taken the leading position in the Kingdom in terms of fintech disruption in a number of ways. The Bank has built and continues to evolve a unique service catalogue of products and services that fintechs need and use to create their value propositions while leveraging our well established banking assets as a foundation of their services.

We have also offered qualified fintechs the opportunity to offer their innovative products through our channels to our customer base, creating three-way value (the customer, the fintech and the Bank). Furthermore, we continued to run and manage its financing to spot great investment opportunities in promising fintechs that leverage such funds to accelerate their roadmaps while yielding growth in value through innovative services rendered to the market.

Technology for the future

Digital objectives and initiatives for 2022 will be based on our constantly evolving strategies, as we increase the cash flow, providing greater venture capital and digital innovation centers to help create new business lines and new streams of income.

With all of the above items, as well as more specific business as usual items in our pipeline, we will continue to optimize our operating model for digital and, while doing so, continue to attract key talent to fuel innovation and help fulfil our digital ambitions, to ultimately make a positive impact for the Bank, our partners, and most importantly our customers.

Our achievements in 2021 have proved we have both the resources and expertise to continue our excellent progress. By its very nature, technology is propelling the rate of change and accelerating innovation. At Riyadh Bank, we have made some radical changes to our strategy, model and services across our business, customer services, and internal operations, contributing to their financial journeys being more time efficient, cost effective, and seamless.

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Our vision for 2022 is to continue leveraging digital innovations and operating models to help our business and markets to not only survive such challenges in the future but also thrive in growing the customer base and creating more value. These are ambitious targets but with the foundation layout and early results of last year we know they are not only possible, but most probable.



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