

# Digital Banking and Innovation

Digital transformation is our de facto means of doing business at Riyadh Bank and is an ongoing mission covering all areas and divisions. We have expanded our understanding of digitization to make it more customer-centric, focusing on customer challenges, perceptions and expectations.

In 2022, we continued to progress our digital banking story and took important steps in our digital innovation journey, including entering the frontier of open banking and banking as a service (BaaS), putting us ahead of other banks in the Kingdom. Furthermore, our new Digital Innovation Center (Jeel) will fuel the fire to generate new innovative and market-leading products and services, promoting internal entrepreneurship and supporting the larger fintech ecosystem.

To accelerate towards our strategic objectives, we enhanced and deepened our performance as the region's most fintech-friendly bank. We focused intensely on designing product packages for fintech's, as well as creating, financing and supporting start-ups. Our work in this sphere provided fertile ground for securing partners interested in collaborating with the Bank, exchanging services with the Bank or seeking strategic investments.

## Open Banking and Banking as a Service

This year, digital product innovation at Riyadh Bank led the way in expanding open banking and BaaS in the region. We are laying the foundation of a culture that creates new value propositions based on the BaaS model. This model makes use of open application programming interfaces (APIs) that enable third-party developers to build applications and services around the Bank. It will help the Bank create new offerings and value out of existing assets and add more impact into the collaboration with partners. In line with this, we are building a unit dedicated to structuring our digital banking assets in a services catalog, to establish an operational model for all financial and non-financial APIs and digital services practices.

We are developing a partnership model that will support the commercial value proposition of the BaaS and its prospective customers and partners. This will further help the Bank elevate its engagement with all industries and with the mega projects of Saudi Arabia's Vision 2030. Establishing the necessary BaaS infrastructure to lead the ecosystem moving forward also showcased our value in the market.

## Digital Innovation Center

This year, we have completed and soft launched the Digital Innovation Center (Jeel) in its first edition, to drive product execution, innovation and ecosystem integration across the Bank's divisions and departments, as well as the wider fintech ecosystem. The Center will cover and support all areas of digital transformation and innovation, incorporating a Digital Lab, Digital Factory, Digital Studio, and Digital Research.

The Center has developed a framework for rapid experimentation and scaling of innovative digital products and services, serving the Bank and its network. Through the Digital Lab, we will rapidly prototype, launch, and scale new products and businesses. The Digital Factory will lead internal digital squads to product execution. As an entity, the Center will foster the evolution of new solutions and business models, incubating a new way of working and growing the digital maturity of the Bank.

The Center will also promote integration with key partners in the digital sphere. Specifically, the Center will launch the next frontier of digital platforms, such as open banking and BaaS, to integrate the Bank with the ecosystem.

Further, the Digital Innovation Center will help channel investments and support for fintech start-ups and partners, within the Kingdom and beyond. The aim is to attract and scale promising start-ups through incubation, acceleration and partnership.

Overall, the center will develop local capabilities in digital entrepreneurship, increasing the adoption of emerging technologies and supporting the use of technologies in promising projects.

## Supporting and Developing Fintech's

At Riyadh Bank, our fintech banking strategy is comprehensive and concerted, serving the ecosystem from multiple angles. This includes designing packaged solutions based on fintech customer needs that can be monetized and offer a value add. It also involves investing in the Bank's own ventures to generate new digital services and products. We also provide extensive support to start-ups to develop and scale solutions that can lead to partnerships and greater revenue for the Bank, at the same time promoting innovation across the region.

In 2022, we launched the Fintech Emerging Technology Strategic Partnership Incubation Framework, the first of its kind in the region. It is a 3-stage framework, involving the design, development and sales of various fintech packages. The objective is to grant emerging fintech providers full access to customizable packages that include services such as digital wallets, transfers, remittances, cards, accounts and marketplaces.

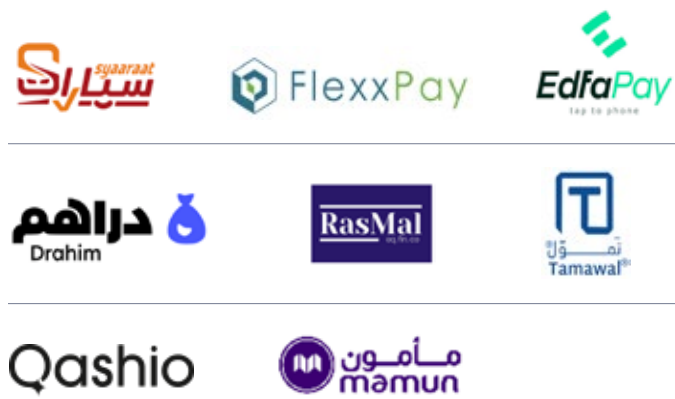
This year, we also ran the second and third cohorts of Riyadh Bank Open Innovation Platform, known as WSL. The platform was developed to offer entrepreneurs and innovators an experimental environment to create programs and applications that simulate data banking connectivity tools. WSL supports them to build innovative business models and test them instantly and effortlessly, while offering high security and technical support.

The WSL initiative will lead to new value creation for the Bank. Emerging outcomes include the release of multiple digital products, the development of APIs in a customer-centric and market led prioritization, an increase in the number of users within our platforms and the signing of new partnerships.

The Bank also supported local innovators by holding a Demo Day in partnership with the Global Entrepreneurship Congress Riyadh 2022. At the event, we gave 8 top local and regional fintech start-ups the opportunity to pitch their businesses to a large audience of venture capitalists from our network.



Partnerships with Fintech's



Participating Financing Companies



Fostering Partnerships

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This year, the Bank extended its reach into the fintech ecosystem by creating a number of fruitful partnerships. We established our first open banking partnership with one of the graduate start-ups from our WSL program, a start-up fintech that offers innovative financial products in the Kingdom. In addition, we partnered with top Open Banking players to provide an open banking sandbox, allowing companies to test their ideas and projects using mock data that replicates an open banking environment.

We continue to work on new commercial agreements with top fintech's to create new products and services using BaaS.

Digitizing Bank Processes

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Internally, digital transformation continues to be a priority across all divisions of the Bank. Our digital strategy includes managing and delivering all data and reporting requirements across the organization. It involves reviewing, supporting, restructuring and governing digital projects running across different divisions. It also requires strategic alignment between BT, business units and a variety of Stakeholders within and outside the Bank.

This year, we successfully completed and launched a specialized Data Science platform to help Riyadh Bank accelerate artificial intelligence and machine learning in a more consistent way. Big Data use cases were also implemented, as they are critical in underpinning all the Bank's data activities. This includes finalizing the Personal Finance Management and Tanfeeth Big Data use cases, which support the Retail Banking and Corporate Banking business lines in providing financial-based services to their clients, as well as promoting financial literacy in the market.

This year also saw the launch of the new version of Molhem, an internal innovation program that supports employees to share ideas that will make a difference to the Bank. Participants were called upon to solve 3 different challenges, which generated a number of potential solutions the Bank is currently exploring.

Award-Winning Digital Leadership

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This year, the Bank's digital efforts helped us to sweep up awards at the various ceremonies across the region. Euromoney named us the Best Bank for Digital Solutions in Saudi Arabia, as well as Best Bank for SMEs – Digital Solutions in Saudi Arabia. At the Middle East Banking AI and Analytics Summit, we were awarded Best Data Science and Business Intelligence Leader.

The Customer Experience Live Intelligent Automation Show Middle East 2022 recognized us as Best AI and Data Science Excellence, Best Intelligent Automation and Operational Excellence, as well as Intelligent Automation Leader of the Year in Banking, Financial Services and Insurance. Finally, Informatica named us the winner of Data Practice Excellence at their Middle East Customer Innovation Awards 2022.

Transforming for the Future

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In 2023, our digital strategy will focus on increasing value and profitability and setting up a Venture Builder Enterprise to design and launch standalone fintech and tech ventures as emerging and specialized companies while managing them in line with the Bank's strategy. In addition, the Digital Banking division will focus on generating new streams for growing and expanding value for the bank and opening new business lines by leveraging Riyadh Bank's Digital Innovation Center.

Finally, we will continue to dynamically update our digital operating model. This will involve attracting top talent, addressing dynamic market needs and leveraging all capabilities to stay ahead.

