

Operating Review

Advancing business performance

Retail Banking

2022 was a profitable, growth-oriented year with a lot of achievements, rooted in an aggressive campaign for digitalization and digital penetration. Innovation served as the foundation of all strategic initiatives, supporting the Division to attain a competitive edge, maximize customer value, and further grow sector activities.

Retail Banking continued to deliver on its strategy during 2022, making progress in line with its strategic objectives and creating value for the Bank. It continued its growth trajectory in assets, and liabilities, while customer deposits grew by 13.4% compared to 2021. Mortgage lending remained the Division's core product, posting 21% growth for the year.

The Division accounted for 29.4% of the Bank's gross operating income, and its contribution to overall net loans jumped to 37%, compared to 36% in 2021.

Customer experience efforts led to demonstrable results this year, with Net Promoter Scores (NPS) increasing across the board. Branches' NPS improved by 26% compared to 2021. ATMs scored 14% more than the year before. Riyadh Mobile and Riyadh Online NPS scores grew by 2%. The Call Center NPS climbed by 23% from 2021.

Importantly, this year, Riyadh Bank rolled out a new branch identity to strengthen and improve its presence and image in customer minds. The physical revamp began in select branches with an iconic look and feel, including the new Riyadh Bank logo and modern surroundings. Plans for continuing the rollout at other branches in 2023 have already been finalized.

Prestigious Achievements and Awards

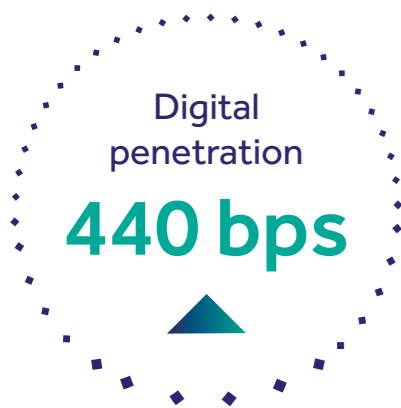


The achievements of Retail Banking helped the Bank to win several awards in 2022. The Government's Sakani Real Estate Initiative awarded us Best Development Bank for Real Estate Finance and Best Marketing Promotion for Real Estate Finance. Private Banker International named us winner of the Outstanding Private Bank for Growth Strategy, as well as runner up for Outstanding RM Training and Development Program. The Arabian Business magazine and PWM/The Banker Private Banking awarded us the Outstanding Private Bank for Growth Strategy for 2022.

Private and Affluent Banking



Private Banking operates 3 dedicated centers servicing high net worth individuals in Riyadh, Jeddah and Al Khobar. The active Private Banking customer base rose by 13% in 2022, compared to the previous year. Total deposits grew by 8%. Total relationship value increased by 15%. Growth in Private Banking was due largely to offering diversified investment product suites to valued customers, served by highly qualified Relationship Managers.



2022 Retail Banking highlights

Net income

SAR 785 Mn.

Increased customer base

13%

Retail Banking continued to deliver on its strategy during 2022, making progress in line with its strategic objectives and creating value for the Bank.

Total deposits

8%

Contribution to operating income

29.4%

Branches' NPS improved by

26%

ATMs scored more than the year before

14%

Total relationship value increased

15%

In line with the new branch aesthetic, the new Private Banking identity that was introduced in 2021 was rolled out for the Jeddah and Khobar centers this year. Riyadh Bank also launched its first private banking program for Relationship Managers, in partnership with Fitch Learning. The program aims to improve the Managers' technical and behavioral skills.

The Affluent Banking segment also continues to grow, with 32 Diamond Banking Centers and 167 Golden Banking Centers dedicated to attracting affluent customers and growing NIBs. The active Affluent Banking customer base increased by 2% in 2022 compared to 2021.

Accelerating Digital Transformation



Digitalization and customer experience went hand in hand in 2022, as Retail Banking continued to innovate to expand and satisfy its client base. Digital penetration climbed by 440 bps in 2022 compared to 2021. The number of new customers acquisition over digital channels increased by 15%.

Retail Banking won over customers with a host of new digital products and services in 2022. This included the soft launch of Bouki, a banking service solution that acts as a digital wallet for tech-savvy customers. We also soft launched our Bancassurance business, which will offer diversified financial planning and protection products, including travel, automotive, personal accidental coverage, business and investment insurance.

The Division piloted a digital solution for home buyers this year. The solution includes digital onboarding of customers to secure mortgage financing. Riyadh Bank is all set to launch commercial phase 1 of Edarah, a standalone mobile application for property management, as part of a digital disruptive home buying ecosystem.

We also added new options to TOKEN, the Kingdom's first standalone banking mobile app for children. Upgrades included target setting for young users and registration for mothers. Further, we signed a Memorandum of Understanding with Tatweer Education Holding Company, to enroll educational institutions to use the TOKEN platform.

Importantly, we further developed our digital propositions for MSME customers, with a prime focus on acquiring entrepreneurs and offering comprehensive business management tools, along with integrating with ecosystem players. Digital onboarding for small businesses was introduced in Q4 2022.

More digital developments are in the pipeline. These include sales journeys for credit cards, as well as digital propositions for mortgages and automotive financing for after-sales services. We also introduced push notifications for Retail Banking marketing related messages.

In-branch digitization continues, with the establishment of 100 self-service kiosks for customers to print debit and credit cards, request statements, and update their information. This year, we converted the in-branch personal loan customer journey to paperless.

Additionally, we implemented digital authentication via fingerprints to execute several in-branch products and service related transactions. We deployed mobile CRM infrastructure-enabled customer services to perform selected transactions via mobile devices.

Aligning with Vision 2030



Retail Banking's strategy aims to support growth of the Kingdom, in line with Saudi Vision 2030. Our work to offer comprehensive digital propositions for start-ups and new businesses synchronizes with the mandate to increase MSME and private sector contribution to GDP.

As part of the Vision, we are committed to increasing the national household savings rate and promoting financial literacy. We are working to introduce new Islamic products and savings plans, to add to our current Edikhar and Wazen offerings. The Bancassurance program will also facilitate long-term savings by customers, aligned with Vision 2030.

Retail Banking is participating in the Vision 2030 priority to increase home ownership for Saudi citizens, as part of our drive to diversify our consumer product lines. We expanded our range of financing options to include self-construction, buyouts, off-plan revamps, land plus loans and mortgage refinance. New digital mortgage propositions and the Edarah standalone mobile app for property management will also support home ownership aspirations in the Kingdom. To the same end, this year we signed mortgage partnership agreements with major developers.

Looking Forward to 2023



The year ahead will be a competitive one, particularly on the front of digitalization, due to an array of new competitors and fintech's entering the ecosystem. We plan to stay ahead of the market by improving efficiencies and accelerating innovation, with a number of strategic initiatives underway.

In 2023, we will accelerate rolling out our new branch identity and will further scale up and optimize our branch network. We will identify white spaces to expand our network, relocate low-performing branches, and readjust branch types and architecture. We will also improve branch efficiencies by integrating teller and customer service job profiles, unifying the role of customer-facing universal banker. Further, we will operationalize agent banking with our selected strategic partners.

We move forward amplifying in-branch digitization by moving more customers to automated channels. We continue to automate key processes. We are also identifying high-volume customer requests to pursue innovative digital solutions. Plans for a new queuing system are underway to align with our new branch identity. We also continue our drive to go paperless and to expand digital authentication to further enable our sales and services.

2023 will be a year for disruption across Retail Banking. We will continue to introduce digital sales journeys for cards and enhance the digital process for personal loans. For MSMEs, we will focus on the acquisition of entrepreneurs, offering comprehensive business management tools and integration with key ecosystem players. To serve our Affluent Banking customers, we will launch fully digital offerings that integrate family banking with wealth planning, investments and other products customized to their needs. Regarding mortgages, we aim to enhance our digital homebuilding

ecosystem by generating more partnerships that will bring value to our customers. We also aim to disrupt automotive finance by developing a digital end-to-end system for purchasing cars through partners.

2023 will see a major re-platforming of our digital channels, specifically Riyadh Mobile. The platform will be upgraded to employ highly flexible, cutting-edge technologies that will improve turnaround time on product and service launches.

Plans are underway to further leverage Bouki by adding more services, features and customized product offerings to the digital wallet. We will also enhance our Hassad Rewards loyalty platform, to further improve customer loyalty.



Corporate Banking

Riyad Bank's Corporate Banking maintained momentum during 2022 to deliver exceptional results, enabling synergies across businesses, and building future-ready capabilities as embodied in one of our values: "We are One Team". With focus on providing exceptional customer experience across all our services and channels, we accelerated our targeted transformation and innovation to deliver sustainable value for our customers and our business.

This year Corporate Banking continued to develop a strong franchise by supporting the Kingdom's economic diversification. We financed and facilitated expansion of various businesses from start-ups to large corporates and multinationals. The Division was once again a key player in the Saudi Vision 2030, participating in a wide range of development initiatives financing related to mega projects, privatization, infrastructure, education, healthcare, SMEs, private sector, tourism and entertainment.

We strengthened our efforts in 2022 to deliver maximum value to customers, with a particular focus on customer segmentation. The extensive application of data analytics and market intelligence enabled the Division to create strategies and unique value propositions across corporate segments, ranging from SMEs to large corporates. This facilitated better targeting, resourcing, channel and product alignment, capability building and marketing alliances.

Transformation Strategy 2025

Corporate Banking is actively engaged in the Bank's Transformation 2025 strategy to become the "Best in Class" bank in the Kingdom. With clear goals and targets, we are undertaking initiatives to support this aspiration.

The Division is leading its own transformation by focusing on value creation through innovation and improving efficiencies through digitization and the digitalization of processes. We are also enhancing client satisfaction scale and service speed by leveraging synergies and improving our business mix. Further, we are enhancing our relationship management and operating frameworks to better align them with market dynamics, facilitated by the RM Workbench project. The Division also took steps for balance sheet growth and improvement in financial KPIs.

Central to our transformation strategy is our investment in human capital. We are promoting the Bank's credentials and intellectual capital through regular training. We implemented a talent development and retention plan during 2022, that includes assessing current and anticipated capabilities and gaps of all our people. The goal is to offer a range of targeted development opportunities that will equip Corporate Banking achieve its targets in the coming years. Our efforts to enhance communication and coordination within Corporate Banking teams are already paying off with improved customer outcomes and experiences.

2022 Corporate Banking highlights

A Year of Record Results



In 2022, Corporate Banking held its weight by contributing to Riyad Bank's performance as the fastest-growing bank in the Kingdom. The Division accounted for 49% of the Bank's total income, compared to 37% in 2021 and it earned 41% of the Bank's total operating income, compared to 37% in 2021.

Corporate Banking's net income increased by 56% in 2022, from SAR 2.47 Bn. in 2021 to SAR 3.84 Bn. Similarly, net income before Zakat for 2022, mainly due to lower impairment charges and higher fees and net commission.

Total operating income totaled SAR 5.64 Bn. in 2022, an increase of 31% from 2021. Net special commission income increased year-on-year to SAR 4.14 Bn., while fees and other income increased by 20% to SAR 1.48 Bn. Operating expenses totaled SAR 1.79 Bn. for 2022, down 3.0% compared to SAR 1.84 Bn. in 2021.

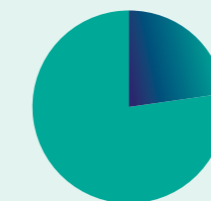
Impairment charges for Corporate Banking decreased to SAR 728 Mn., a reduction of 21% compared to 2021, while Corporate Banking assets increased by 11% in 2022 to SAR 16.2 Bn.

Financial transactions initiated digitally

80%

Market share for SME credit facilities

22%



Corporate Net income

SAR 3.84 Bn.



Financing Green Investments



This year, the Division continued its participation and expanded its commitment to funding green projects. This includes the National Renewable Energy Program; a multifaceted renewable energy initiative designed to balance the domestic power mix and reduce carbon initiatives. Overall, the Bank helped finance 28 green and renewable energy projects, with a contribution of SAR 7.4 Bn. towards a total project cost of more than SAR 52 Bn.

Corporate Banking also accelerated the transition to a low-carbon, green economy through Riyadh Bank's recently issued USD 750 Mn. ESG Bond. The investment tool funds various renewable and green projects in power, water and other sectors. The Division is also encouraging businesses in its SME segment to drive impactful corporate social responsibility practices by participating in social projects.

Aligning with Saudi Vision 2030



Corporate Banking is a major player in the Bank's strategy to achieve the aspirations of Saudi Vision 2030 and the associated National Transformation Program. Our support for the Kingdom's goals includes promoting the development of the private sector, building economic partnerships and contributing to the financing of infrastructure projects.

In 2022, we launched the "Culture Road" program, in partnership with the Cultural Development Fund, to finance projects in sixteen diverse cultural sectors, and it aims to stimulate local and foreign investors to enter and expand in the promising culture sector.

Two official partnerships were concluded with the Saudi Industrial Development Fund to launch the Working Capital Support Program and the Guarantees Program, to support companies operating in the field of manufacturing, mining, energy, industrial services, logistics and support services.

We signed 3 other formal agreements to support Vision 2030 goals. These included with the Economic Cities and Special Zones Authority, King Salman Park and the National Center for Privatization (NCP).

Corporate Banking is heavily involved in the Government's privatization strategy and is working with the National Center for Privatization (NCP) to help develop local businesses. We are also actively promoting the participation of foreign investors who will bring their know-how and technology to the Kingdom. Further, our focus on SMEs is in line with the Government's targeted support program, as well as efforts to increase private sector contribution to the national GDP.

Importantly, we participated in a plethora of large-scale Vision 2030 initiatives via syndicated funding. This included mega projects, such as NEOM, Red Sea, Qiddiya and Amaala – all of which are expected to expand economic activity and create jobs across the Kingdom. We also helped finance a number of new projects and investments in the tourism and entertainment sectors, which the Government has targeted to enhance economic activity, increase domestic spending and grow the labor market.

Supporting SMEs



Corporate Banking's focus on SMEs is in line with the Government's targeted support program, as well as efforts to increase private sector contribution to the national GDP.

According to the Saudi Central Bank, Riyadh Bank held 22% of the market for SME credit facilities in Saudi Arabia, as of the third quarter of 2022. We expect our market share to continue to grow, with the onboarding and winning of more than 1,000 new SME borrowing relationships this year.

In 2022, we dynamically pursued SMEs through a number of initiatives. We were the main sponsor of the Global Entrepreneurship Congress 2022, which took place in Riyadh. We collaborated with the Government's National Technology Development Program as a participant in the Kingdom's largest-ever technology event, LEAP22. We also sponsored the inauguration event for the Asharqia Chamber Entrepreneurship Incubators.

Additionally, Corporate Banking signed a collaboration agreement with Monsha'at to support SMEs through Riyadh Bank's flagship centers. The Division also participated in 4 awareness sessions with partners to recognize United Nations Small and Medium Enterprises Day.

Expanding Digital Offerings



The Bank's expansion of its digital footprint demonstrated a strong payoff this year, with approximately 80% of financial transactions from our corporate customers being initiated digitally. This is largely due to enhanced capabilities under our Global Transaction Banking (GTB) franchise, which covers cash management and trade finance. As a market leader, GTB implemented a range of new technologies in trade finance and global transaction services, such as robotics (Robotic Process Automation), which

improved overall operational efficiency and enabled faster delivery of services to our corporate customers.

As part of continuous digital enablement, lending operations have also been streamlined with a "hub and spoke" model, by integrating several back-end applications through APIs into one platform, enabling the operations team to perform tasks more efficiently. The launch of Banking as a Service (BaaS) expanded our market share, thanks to delivering services digitally with an efficient card settlement process.

The Bank is now part of Muqassa (one of "Tadawul Group" companies), which enables investors to activate their clearing services digitally. The year 2022 has witnessed various initiatives to enhance our customer digital experience. The Bank also upgraded its existing trade finance system to speed up the processing of transactions and increase customer satisfaction. The

system now offers advanced features and the automation of processes related to letters of credit, letters of guarantee, exports and collections.

The Bank also expanded its digital efforts to support the Kingdom's goal of streamlining financial and business services. This included integrating operations with the Wethaq and Etimad platforms to issue letters of guarantee. We also underwent an integration with the Small and Medium Enterprises General Authority's, Monsha'at, Funding Gate portal to better support our SME customers by providing access and expanded funding opportunity's.

Finally, as part of our contribution to the Saudi Vision 2030 goal to grow a cashless society and promote business and tourism, we announced ourselves as the first bank to accept Discover credit cards in the Kingdom.



Green and Renewable Banking

Projects financed

28

Total funding

SAR 7.4 Bn.



Award-Winning Performance

Our Corporate Banking activities helped the Bank to win several awards and recognitions in 2022. These included:

- Saudi Trade Finance Summit named us 'Saudi Arabia's Best Trade Finance Bank of the Decade'
- The Open Banking Forum selected us for our 'Outstanding Contribution to SMEs'
- Euromoney named us 'Best Bank for Digital Solutions in Saudi Arabia', as well as 'Best Bank for SMEs – Digital Solutions in Saudi Arabia'
- The Small and Medium Enterprises Financing Program, Kafalah, recognized us as the top performing bank, in terms of value of guarantees and number of enterprises benefitted for 5 consecutive years
- Monsha'at identified us as one of the top 5 lending banks through their Funding Gate for SMEs. They also recognized us as their Funding Gate Partner of the Month for January 2022

Looking Forward to 2023

The Bank is poised to maintain our growth in 2023 by continuing to develop organizational infrastructure and processes that are in harmony with the markets. We are working to align our Corporate Banking systems and business internally and externally. We will continue to enhance and expand our client base, as well as strengthening our partnerships with government entities and participating in initiatives launched under the umbrella of the Saudi Vision 2030.

The GTB business will focus on growing its franchise and optimizing capital utilization. Our strategy includes cash management products and trading finance by launching new Corporate Banking solutions, such as supply chain finance and factoring. We will also take advantage of cross-selling opportunities across the Bank to provide customers with service excellence and targeted product offerings.

In terms of outlook, we see the demand for financing growing due to the Saudi Vision 2030 diversification and privatization initiatives, as well as growth and refinancing needs of the Kingdom's corporate sector, including SMEs.

Additionally, the fight against climate change will present a massive opportunity for the Bank to mobilize financing to aid corporate clients' transitions to net zero carbon emissions. Saudi regulators, like others around the world, are focused on the systemic impact of climate risk on financial markets and stability. Riyad Bank intends to be an important partner in this effort.



Treasury and Investments

Treasury and Investments is responsible for the management of liquidity and the Bank's proprietary investments. It also offers a wide range of products and hedging solutions to our corporate and retail customers. The Division accounts for 22% of the Bank's total operating income.

Treasury and Investments efficiently managed the Bank's liquidity - maintaining a solid liquidity position and comfortable liquidity and capital ratios to help the Bank's growth by successfully issuing AT1 Sukuks this year.

The Division mitigated the risk to the Bank's investments by actively implementing hedges and raising cash levels before the rise in interest rates. This strategy served to protect a significant portion of our portfolio value. Also, disposal of the investments was well timed, which resulted in healthy capital gains and preservation of capital.

2022 was also a year in which the implementation of the second phase of our 5-year Sales Strategy began bearing fruit and led to a remarkable successful 12 months. Furthermore, despite this year's interest rate volatility, the speed and agility in adjusting our investment strategies alongside efficient management of our liquidity, actively supported revenue growth across all business areas.

Additionally, we finalized a comprehensive IBOR transition project to ensure a smooth transition to the new reference rates putting the Bank in compliance with international regulations.

Record-Breaking Deals

In 2022, we successfully issued a USD 750 Mn. Additional Tier 1 (AT-1) Sukuk, making it the first ESG Tier 1 Sukuk globally. The Sukuk was issued at the lowest credit spread ever achieved by a GCC bank for a Tier 1 Sukuk.

Furthermore, we issued a SAR 3.75 Bn. AT-1 Sukuk at 5.25% – the lowest credit spread achieved by a local bank in the AT-1 space.

Delivering Value

In 2022, Treasury and Investments contributed SAR 2.94 Bn. to the Bank's gross operating income. The Division's contribution to commission income was SAR 862 Mn. This was a 42.3% increase from SAR 606 Mn. in 2021.

Our FX revenue increased to SAR 665 Mn., up 68.7% from SAR 394 Mn. in 2021.

While raising cash levels in anticipation of interest rate hikes affected this year's income, the decision helped to protect the value of the Bank's investment assets on a significant level. Over the year, we managed the balance sheet in an efficient manner, we also continued to diversify our funding base and ensured all regulatory liquidity ratios stayed within appropriate range according to the Bank's prudent policies.

Supporting Vision 2030

Treasury and Investments was an active participant in the financing of numerous projects related to Saudi Vision 2030. The Division was dynamically involved in both the primary and secondary markets for Government bonds and Sukuks, in SAR's and US Dollars – supporting the National Debt Management Center as well as the overall national economy. We participated in the Saudi Real Estate Refinance Company bonds issuance, which supports the housing market. In addition, we contributed to the hedging of loans associated with the Vision 2030 energy projects.

Importantly, we issued ESG bonds, with a size of USD 750 Mn., in line with the Saudi Green Initiative and Vision 2030, toward its goal to achieve Net Zero by 2060. The framework of this issuance covers a diverse range of eligible sustainable activities which are linked to Riyadh Bank's ambition to become a regional ESG leader as it looks to drive green and social development in the Kingdom in line with Vision 2030 and Riyadh Bank's own flagship sustainable finance program, namely its Bukra initiative.

Strategically, the ESG issuance was a key shift towards a new form of sustainable funding. It was also an opportunity to diversify the Bank's geographic footprint, with the issuance promoting its credit abroad.

Upgrading Systems and Processes

Treasury and Investments achieved several milestones and KPIs in pursuit of the Bank's 2025 goals. The strategy calls for the creation of value through innovation, enablement through next generation operating models and efficiency through digitization.

We successfully initiated the upgrade of our front-to-back treasury system platform. The improvements will enable more efficient customer service, as well as better process integration and monitoring.

Our early adoption of digital communication with our corporate customers gave the Bank a clear edge, allowing us to further increase our FX volume and market share. We successfully finalized the implementation of phase one of our digital RBFX platform, enabling the Bank's corporate clients to cover their FX Spot requirements with live FX prices and at very competitive rates. We are working now on extending its scope by rolling it out to other business segments.

Growing Relationships

On the back of high market volatility and rising interest rates, Treasury and Investments worked closely with our global partners to provide our clients with the most innovative tailor-made financial solutions. This included some first-of-a-kind Hedging Solutions on Soft Commodities along with further expanding our commodity leasing offering to include more underlying assets.

We also executed a number of new relationship master agreements with domestic and international banks to provide us with wider market access and better product pricing. Several of these agreements are currently in the advanced stages of execution.

The Division expanded geographically by working alongside Riyadh Bank London branch to successfully cover the hedging needs of the clients of our London branch.

A Positive 2023 Outlook

After a challenging 2022 – on the back of global inflationary pressure, rate hikes, and geopolitical uncertainties – we expect 2023 to provide a normalized market environment. Treasury and Investment plans to gradually, and opportunistically, add investments while enhancing portfolio yield and managing risk efficiently.

We plan to continue with the implementation of phase 3 of our 5-year Sales Strategy, relying primarily on people and services, and thereby further increasing our fee-income by 2025. We will also broaden our client base by acquiring new customers through FX, hedging solutions and innovative services.

Also underway is a project to consolidate the treasury system to become more efficient in terms of treasury-related processes and controls, as well as offering enhanced product handling capabilities.



Prestigious Achievements and Awards

Awarded Bonds, Loans and Sukuk Middle East Awards Winner for Financial Institutions Deals, presented by GFC Media Group

Bank Treasury and Funding Team of the Year, presented by GFC Media Group

Deal of the Year Award for Regulatory Capital, presented by Islamic Finance News

Subsidiaries

Division	Capital (SAR)	Total Shares	Ownership %	Main Activity
Riyad Capital	500,000,000	50,000,000	100%	Carrying out trading activities as principal and agent, undertaking coverage, establishing investment funds and portfolios and managing them, in addition to arranging and providing consulting, stock keeping services, portfolio management and trading.
Ithraa Riyadh Real Estate	10,000,000	1,000,000	100%	Keeping and managing assets provided by customers as collateral and a guarantee, and the sale and purchase of real estate for financing purposes for which the company was established.
Riyad Company for Insurance Agency	500,000	50,000	100%	Works as an agent for selling insurance products, including their own and those managed by other main insurance companies.
Curzon Street Properties Limited	9,350,760	2,000	100%	A company established for the purpose of owning properties.
Riyad Financial Markets Limited	187,500	50,000	100%	Performing financial derivative transactions and repurchase agreements with international parties on behalf of Riyad Bank.
Riyadh Esnad Company for Human Resources	500,000	500,000	100%	Providing operational human resources services exclusively for Riyad Bank and its subsidiaries.



إثراء الرياض | بنك الرياض Riyad Bank | Ithra Alriyad

Ithraa Riyadh Real Estate Company



Ithraa Riyadh Real Estate Company is a limited liability company, wholly owned by Riyad Bank, with a paid-up capital of SAR 10 Mn., comprised of 1 million shares with a nominal value of SAR 10 per share. Registered in Saudi Arabia and headquartered in Riyadh, the company provides services for holding and managing the discharged assets of the owner and others, including guarantees and sale and purchase of real estate.

Curzon Street Properties Limited



Curzon Street Properties Limited is a wholly owned subsidiary of Riyad Bank and incorporated in the Isle of Man for the specific purpose of owning real estate in the United Kingdom.

Riyadh Financial Markets Limited



Riyadh Financial Markets Company is licensed in the Cayman Islands, and it specializes in implementing derivative transactions and repurchase agreements with international parties on behalf of Riyad Bank.

الرياض لوكالة التأمين | بنك الرياض Riyad Bank | Riyad Insurance Agency

Riyad Company for Insurance Agency



Riyad Company for Insurance Agency, is a limited liability company, wholly owned by Riyad Bank, with a paid-up capital of SAR 500,000. Registered in Saudi Arabia and headquartered in Riyadh, the company markets and sells insurance products that are provided by the Al Alamiya Insurance Company to Riyad Bank, and its individual and corporate clients.

اسناد الرياض esnad alriyad

Riyadh Esnad Company for Human Resources



Riyadh Esnad Company for Human Resources is a limited liability company established in 2020, wholly owned by Riyad Bank with a paid-up capital of SAR 500,000, comprised of 500,000 shares with a nominal value of SAR 1 per share. Registered in Saudi Arabia and headquartered in Riyadh, the company provides operational human resource services exclusively for Riyad Bank and its subsidiaries, with the aim of reducing costs and risks to the Bank.

الرياض المالية Riyad Capital

Riyad Capital



Riyad Capital maintained its strategic focus during 2022, making significant progress towards its vision of becoming the most innovative and trusted investment solutions partner. Through its determination and focus on its 4 Strategic Pillars – Trust, Innovation, Efficiency and One Team – it delivered outstanding results, despite the elevated volatility and uncertainty across global financial markets.

Riyad Capital continued its string of successful IPOs during the year, as the partner of choice for ambitious organizations looking to tap into the capital markets. It continued its successful track record of offering and listing for IPOs – Elm Company, Saudi Home Loans Company, The Power and Water Utility Company for Jubail and Yanbu (Marafiq), and Riyadh Cables Group Company in the main market of the Saudi Stock Exchange – in addition to other ECM transactions, such as acting as co-underwriter for Petro Rabigh.

This strong performance led Riyad Capital to rank among the top 3 Capital Market Institutions by number of IPO transactions in the Kingdom and being ranked third by Forbes Middle East in its list of Top 30 Asset Management Companies in 2022. Furthermore, "Riyad Opportunities Fund" ranked first among top performing Saudi equity funds with over SAR 100 Mn. in AUM.

The Company also launched a range of high-profile funds during the year, including "Riyad Financing Fund II", a SAR 450 Mn. fund that is the first direct financing fund in the market; "Riyad Capital Fixed Income Fund 1", which is Riyad Capital's first global fixed income fund; "Riyad Capital Venture

Opportunity Fund 1", the first global venture capital offering by Riyad Capital in partnership with March Capital; and 2 real estate funds valued at SAR 6.2 Bn. to develop Jawharat Al Riyad and Jawharat Jeddah centers with Arabian Centers.

Other highlights of 2022 included issuing an additional 1-tier Sukuk valued at SAR 3.75 Bn. for Riyad Bank, and starting an exit strategy from the Riyad Taqnia Fund with a partial sale of Foodics returning 3.5 times on total investments, and the listing of Sure Global in the Nomu market.

The Company is looking to strengthen its growth, diversify its solutions, and continue to accelerate progress in the year ahead.



Awards and Recognitions in 2022

Riyad Balanced Income Fund – Refiniv

Euromoney Market Leaders – Euromoney

Most Innovative REIT Fund – Riyad REIT – Saudi Arabia – Global Business Outlook

Top Performance Fund – Argaam

Best Custodian – Tadawul

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.

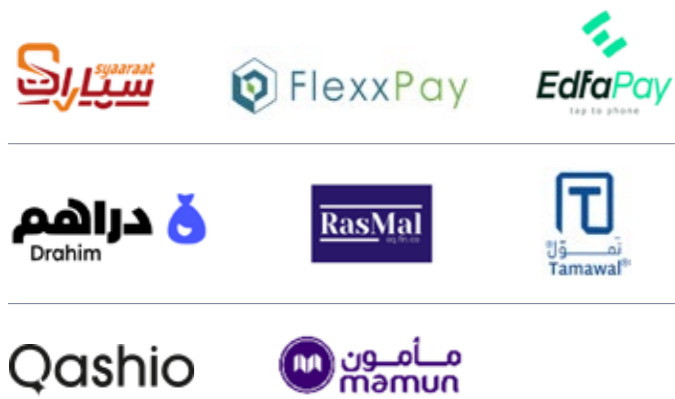
This year, we also ran the second and third cohorts of Riyadh Bank Open Innovation Platform, known as WSL. The platform was developed to offer entrepreneurs and innovators an experimental environment to create programs and applications that simulate data banking connectivity tools. WSL supports them 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



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



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



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



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.



Customer Experience

At Riyadh Bank, our commitment to continuous improvement and growth as a customer-centric organization fuels our aspiration to become the best bank in the Kingdom. As a key success factor in all 4 pillars of our corporate strategy, customer experience continued to be an area of focus, innovation and investment during 2022.

This year, we expanded and sharpened this focus to provide and enhance fully-fledged, end-to-end customer journeys across all divisions. We aggressively pursued our digitization campaign, staying ahead of demand for real-time content and streamlined processes and services. We also elevated the Bank's branding to reflect our ethos that customers are at the heart of everything we do.

Surpassing Expectations



2022 was a year of stellar results for customer experience across the Bank. Our customer Net Promoter Score (NPS) increased 18% in Retail Banking and 19% in Corporate Banking compared to the previous year.

In addition to NPS, our KPIs included; Customer Effort Score, Turnaround Time, Error Rate, Engagement Rate, Customer Acquisition and Retention.

The Bank validated its customer experience efforts by taking home several awards at the Customer Experience Live Show Middle East 2022, including Best Customer Experience and Operational Excellence, Best Voice of the Customer Transformation and Best Customer Experience Leadership.

Strategic Initiatives



In 2022, the Bank undertook a wide range of strategic initiatives to up the ante of customer experience across all divisions. We designed and redesigned more than 60 processes related to our products and services, streamlining the customer journey from beginning to end, as well as our back-end services. A significant achievement was implementing checklists of customer requirements for all mortgage and loan products.

We also participated in the implementation of Wathq, an automated solution developed in partnership with the Government to generate customer title deed information, saving time on manual input by Bank staff. In addition, we participated in the launch of the new template for top complaints analysis.

The Bank's participation in CX day was a highlight as well. The CX team has expanded the CX day to be CX week of activities as part of a roadshow in 3 key regions to showcase Riyadh Bank's Customer Experience capabilities and achievements. It kicked off with a townhall event to celebrate Customer Experience success stories for innovation and achievements in this important field. It was also an opportunity to raise awareness among all our employees about customer-centric culture and the importance of Customer Experience to the Bank's sustainable success.

Employee Alignment



Internally, we succeeded in raising awareness across the Bank about what it means to be a customer-centric organization. This included emphasizing the importance of the customer's experience in achieving our 2025 goals of providing value through innovation, achieving efficiency through digitization, and enabling our teams and organization through next generation operating models.

We also aligned employee experience with customer experience, with the strategic understanding that satisfied employees lead to satisfied customers. Initiatives included launching an employee NPS survey and spearheading more than 30 new processes to improve employee experience.

Digitizing the Customer Journey



Our digitization campaign is driven by our customers, who expect access to real-time, relevant information in the format and on the device of their choice. It is their journey that dictates our strategy.

The Bank takes a digital approach to gathering and analyzing relevant customer experience data. We send post-transaction surveys via SMS. We listen to and analyze social media platforms and blogs to understand customer needs and behaviors. We translate this data into business action plans, digitizing end-to-end products and service journeys through mobile apps and online platforms.

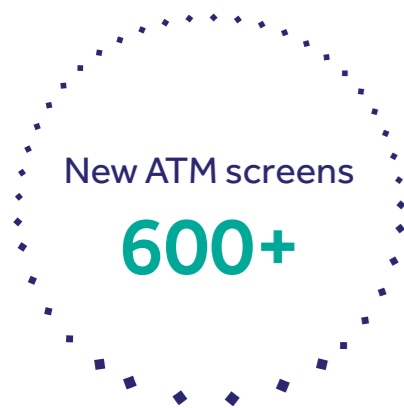
This year, we achieved a significant number of milestones in the digital sphere to improve the customer experience. This included running 50 usability test sessions with the Bank's customers. We've also designed new templates for our public website. We also created more than 600 new ATM screens, enhanced our email notification template to make it more responsive, and created and implemented a National Day theme across all our digital channels.

60+

new product- and service-related processes

50

digital usability tests





A Trusted Brand



At Riyad Bank, we have built new and long-term relationships with our customers based on trust, loyalty, and our ability to innovate and exceed their expectations. During this year, we have completely redesigned the trademark to accurately reflect these relationships.

The Bank has launched a new identity that embodies its vision to be the "most innovative and trustworthy bank", which is in line with Saudi Vision 2030, as well as the Bank's strategy for 2025 - looking forward to a promising future of creativity, leadership, excellence and prosperity.

The technical and creative components of this identity confirm our commitment to our longstanding values that humans are at the core of our priorities, and maintain the key elements of the logo, which recalls the Bank's history as a leading Saudi banking and financial mark. The logo is completed with modern colors and curves – reflecting optimism, simplicity, interest and partnership.

Focus for 2023



The year ahead is one of action for the Bank, with comprehensive plans to launch and complete key projects to improve the experience of our customers and enhance their journeys. Overall, we are working to embed a "right things right, first time" culture across the Bank, reducing our error rate and, in turn, minimizing in-person customer visits to branches. Examples include enhancing customer and merchant journeys on claims and requests related to cards, and reducing service variability for trade products.

Importantly, we will implement a new advanced Customer Experience Management platform that will enable us to conduct real-time surveys, prepare customized and live dashboards, generate automated text analytics, and employ multiple channels such as push notifications for sending surveys.

We will also subscribe to a customer experience benchmarking platform that will measure the Bank's performance against competitors. Areas compared will include overall bank performance, channel performance, product performance and customer journey processes. The platform will also identify "moments of truth," where customers form key impressions about the Bank and its products, and measure how changes in customer experience strategy impacts customer satisfaction.

Plans are also underway to enhance customer experience by improving the queuing system at the branches. We are also working on developing Hassad Plus to replace the Hassad program, providing our customers with access to exclusive and lifestyle experiences. In addition, we will contribute to the creation of the Riyad Bank Marketplace platform, which will provide a standalone store through which the Bank allows its customers and non-customers to purchase daily needs and products that fit their lifestyle.

Finally, we are looking forward to participating in the Molhem Innovation Program, which we created to enable employees to provide innovative ideas for the growth and development of Riyad Bank.

