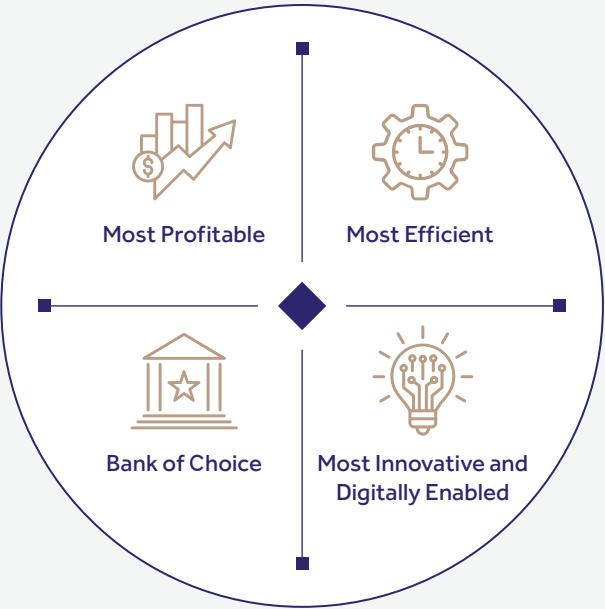


Strategy and KPIs

Strategic ambitions driving continued growth

The Bank’s strategy, initially established in 2017 and further refined in 2022, has always been committed to positioning Riyadh Bank as the **“the most innovative and trusted financial solutions partner”**. The strategy is crafted to accelerate growth and innovation through 4 essential strategic pillars:



These strategic pillars represent the Bank’s aspirations for 2025, and to realize them requires excellence across internal and external capabilities. Internally focusing on active risk management, accelerated launch of new products, overall organizational agility, and talent management. While externally, dedication is focused on customer experience, ecosystem expansion beyond traditional banking to emphasize sustainability and ESG, and collaboration with strategic partners to drive innovations and Fintech.

Fully aligned with the goals of Saudi Vision 2030 and the Bank’s commitments to corporate sustainability, this strategy allows the Bank to pursue its business ambitions while contributing to the greater good and success of the Kingdom.

Strategic Drivers

Riyad Bank’s success in achieving its aspirations will be driven by 3 strategic drivers:

Value through Innovation

Within the 2025 strategy, value will be driven by innovation across the entire customer experience. This entails developing tailored value propositions for the various customer segments in the Saudi market, offering products and services beyond banking, developing personalized relationships with customers, offering customized pricing, and providing state-of-the-art digital platforms for customers to conveniently interact with the Bank.

Efficiency through Digitalization

A key focus of the strategy is the continuous enhancement of digital maturity across the Bank, to enable faster customer service, operational efficiency, and cost optimization. Digitalization covers all aspects of the Bank’s operations, including customer touch points (e.g., Riyadh Bank’s mobile application), customer journeys, and internal processes.

Enablement through Next Gen Operating Model

Successful implementation of the strategy is supported by improvements across all enabler departments. This entails pioneering new ways of working (e.g., implementing Agile), upgrading existing systems (e.g., modernizing the Bank’s core IT infrastructure), and elevating the Bank’s culture.

Riyad Bank’s strategic aspirations are driven by key operating model tactics across its business units.

Segments Groups of Riyadh Bank customers with similar characteristics and behaviors, such as affluence and confidentiality.	Strategic Approach Focusing on the customer ecosystem beyond banking to create custom propositions for particular segment levels.
Products “What” the Bank offers the customers, from accounts to credit cards to loans.	Strategic Approach Developing customized relationships via risk-based pricing and capturing transactions, FX, fees, etc. to create wealth for customers.
Channels “How” the Bank offers services and products to serve customers through multiple touchpoints, such as branches, IVR, digital portal, and app.	Strategic Approach Mobile/digital first for sales and service.





Roadmap to Success

Riyad Bank embarked on a carefully planned journey designed to steer the Bank towards its 2025 aspirations, through significant milestones. This journey is supported by multiple strategic initiatives that span across the Bank’s core business functions and support divisions. Riyadh Bank has launched ambitious initiatives and projects aimed at enhancing business/product offerings across all segments, improving technological and digital infrastructures, elevating customer experience through tailored products and personalized services, and equipping enabling divisions with advanced tools and processes. Several of these initiatives and projects have already reached completion, while the remainder are being closely monitored to ensure they meet strategic timelines and objectives.



Strategic Pillars

Riyad Bank’s corporate strategy outlines 4 strategic pillars with clear targets to be achieved that will collectively make Riyadh Bank the Best Bank in the Kingdom:

	 ■ Most Profitable	 ■ Most Efficient	 ■ Bank of Choice	 ■ Most Innovative and Digitally Enabled
Description	Highest Shareholder value created sustainably.	Highest return on spend and operational excellence.	Best Bank for customers, employees, and society.	Most innovative and digitally enabled bank.
Success Measurement Criteria	<ul style="list-style-type: none">Return on Equity (RoE).Total Shareholder return.Profit growth.	<ul style="list-style-type: none">Cost-to-income ratio.	<ul style="list-style-type: none">Net Promoter Score (NPS) of customer satisfaction.Brand value.People Index:<ul style="list-style-type: none">- Employee engagement.- Employee satisfaction.- Talent measures.	<ul style="list-style-type: none">Digital Maturity Index.
2024 Achievements	<ul style="list-style-type: none">RoE increased significantly mainly due to the improvement in net income. The main driver of the net income improvement was growth in net interest income, which was driven by the impact of repricing and volume of the loan portfolio growth. In contrast, there was an increase in operating expenses, due to the continuous investment in the Bank from both a talent acquisition and a technology perspective.	<ul style="list-style-type: none">The higher positive growth in operating income compared to the lower growth in operating expenses has led to the overall improvement in the cost-to-income ratio.	<ul style="list-style-type: none">The consumer NPS for customer satisfaction improved by 4% at year-end compared to the first half.Riyad Bank’s brand value in the Brand Finance Report increased significantly to ₪ 9.48 Bn. (USD 2.53 Bn.) by year end.The People Index, comprised of several KPIs has had a significant impact on employee’s engagement, satisfaction, and retention across their employment lifecycle. Each KPI had a defined target to be achieved by the end of 2024, which have successfully been achieved.	<ul style="list-style-type: none">Several initiatives to enhance digital maturity on mobile banking for both corporate and retail customers, which has increased efficiency and security throughout the Bank’s business units.
2025 Goals	<ul style="list-style-type: none">Improve RoE and profit growth to achieve 2025 aspirations.Ensure a sustainable profit growth to achieve 2025 aspirations.Maintain position in Top 3 among peers in total Shareholder returns.	<ul style="list-style-type: none">Improve cost-to-income ratio to achieve 2025 aspirations.Enhance time efficiency to achieve 2025 targets among multiple products.	<ul style="list-style-type: none">Increase NPS for retail and corporate consumers across all segments and channels to achieve 2025 aspirations.Enhance brand value towards exceeding 2025 aspirations.Achieve People Index targets working towards 2025 aspirations to be the Bank of Choice.	<ul style="list-style-type: none">Achieve higher digital maturity and increase digital sales by leveraging multiple digital platforms.
Principal Risks	<ul style="list-style-type: none">High interest rates leading to higher cost of funds.Further slowdown in credit growth.More shifts towards interest bearing deposits.	<ul style="list-style-type: none">Decreased customer engagement due to overly standardized processes that lack personalized interactions.	<ul style="list-style-type: none">Competing with other banks for top talent might lead to difficulties in retaining skilled employees, affecting the Bank’s ability to maintain a committed and talented workforce.	<ul style="list-style-type: none">Delay in implementation or launch of the digital platforms.Regulatory approvals on new products and channels.