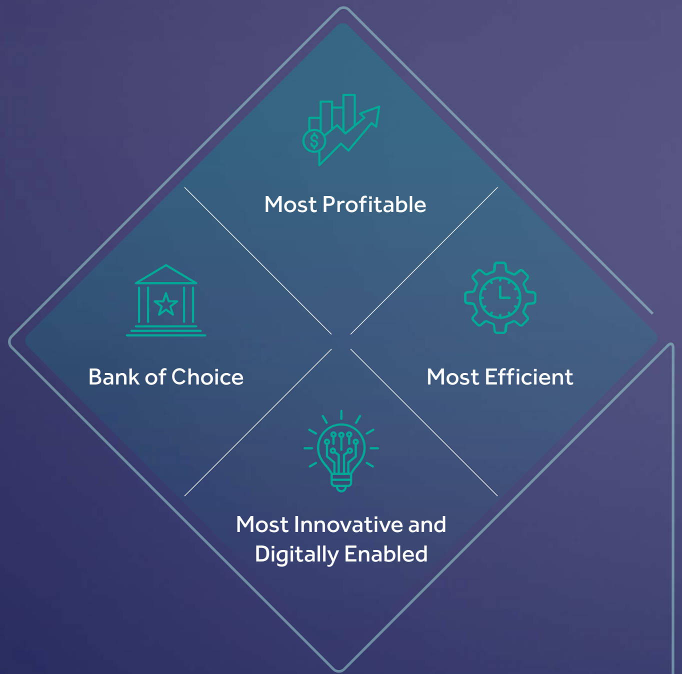
Strategy and KPIs

# Strategic focus driving sustainable progress

Riyad Bank's 2025 strategy, initially established in 2017 and further refined in 2022, has always been committed to positioning the Bank as the "the most innovative and trusted financial solutions partner". The strategy is developed to accelerate growth and innovation through 4 essential strategic pillars:




These strategic pillars represented the Bank's aspirations for 2025, and realizing them required excellence across internal and external capabilities. Internally, we focused on active risk management, accelerating launch of new products, overall organizational agility, and talent management. While externally, our focus has been on customer experience, collaboration with strategic partners to drive innovations and Fintech, and ecosystem expansion beyond traditional banking to emphasize sustainability through ESG initiatives.

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.

Riyad Bank's 2025 strategic aspirations are driven by key operating model tactics across its business units.

**Segments**
Groups of Riyad Bank customers with similar characteristics and behaviors, such as affluence and private.

Strategic Approach
Focusing on the customer ecosystem beyond banking to create custom propositions for targeted segment.

**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, interactive voice response (IVR), digital portal, and app.

Strategic Approach
Mobile/digital first for sales and service.

## 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

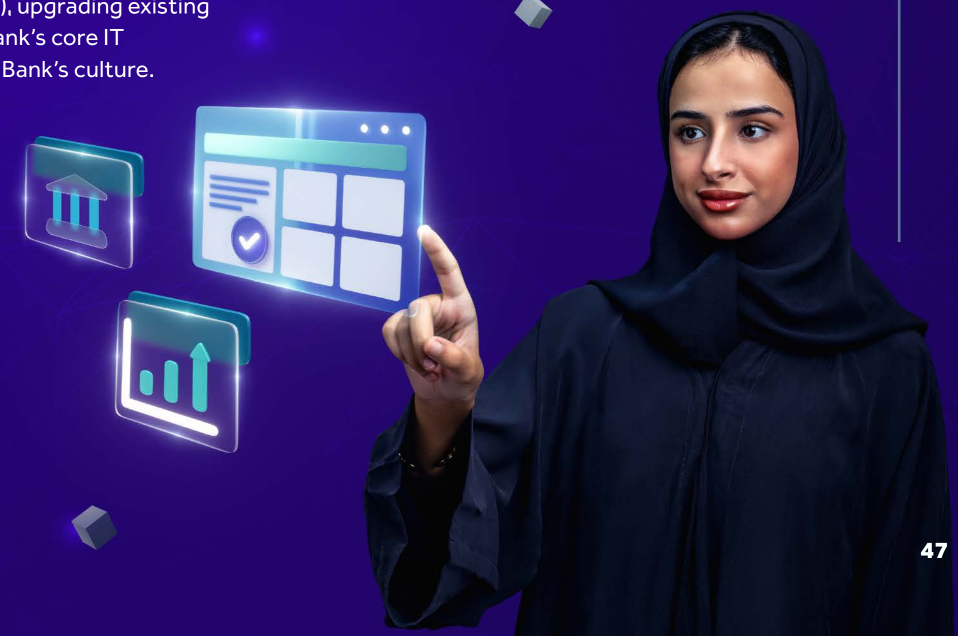
A key focus of the strategy is the continuous enhancement of digital maturity across the Bank, to enable faster customer service, operational efficiency, and cost optimization. Digitalization covers all aspects of the Bank's operations, including customer touchpoints (e.g., Riyad Bank's mobile application), 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.

## 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. Riyad Bank has launched ambitious initiatives and projects aimed at enhancing business/product offerings across all segments, improving technological and digital infrastructures, elevating customer experiences through tailored products and personalized services, and equipping divisions with advanced tools and processes.



## Strategy and KPIs continued

**Strategic Pillars**

Riyad Bank's corporate strategy outlines 4 strategic pillars with clear aspirations to be achieved that will collectively make Riyad Bank the Best Bank in the Kingdom.

### Most Profitable

**1**

## Highest Shareholder value created sustainably.

**Success Measurement Criteria**

- Return on Equity (RoE).
- Total Shareholder return.
- Profit growth.

**2025 Achievements**

- RoAE steadily improved during 2025 to reach 16.9%. Sustained growth on balance sheet, optimized pricing decisions, and efficient cost management have been key drivers leading to the improvement.

**Principal Risks faced during 2025 and expected to continue**

- Trade tensions and shifting policies is likely to continue affecting growth.
- Further slowdown in credit growth.
- Interest rate cuts, moderating banking sector revenue growth.

### Most Efficient

**2**

## Highest return on spend and operational excellence.

**Success Measurement Criteria**

- Cost-to-income ratio.

**2025 Achievements**

- Growth in total operating income outpaced growth in operating expenses, resulting in positive JAWS and overall improvement in cost to income ratio.

**Principal Risks faced during 2025 and expected to continue**

- Tech disruptions continue to redefine customer expectations and investment requirements.

### Bank of Choice

**3**

## Best Bank for customers, employees, and society.

**Success Measurement Criteria**

- Net Promoter Score (NPS) of customer satisfaction.
- Brand value.
- People Index:
  - Employee engagement.
  - Employee satisfaction.
  - Talent measures.

**2025 Achievements**

- NPS across the businesses and channels improved throughout 2025, driven by application enhancements and significant improvements in service quality.
- Bank's brand value in Brand Finance's report increased significantly to USD 2.527 Bn.

**Principal Risks faced during 2025 and expected to continue**

- 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.

### Most Innovative and Digitally Enabled

**4**

## Most innovative and digitally enabled bank.

**Success Measurement Criteria**

- Digital Maturity Index.

**2025 Achievements**

- Several initiatives were implemented to enhance digital user experience and overall digital engagement. The score index, consisting of internal and external capabilities, has consistently improved in 2025 and has materially improved since the inception of the strategy.
- Riyad Bank mobile app ranked #1 in independent benchmarking, assessed across experience, design and functionality.

**Principal Risks faced during 2025 and expected to continue**

- Delay in implementation or launch of the digital platforms.
- Regulatory approvals on new products and channels.