

Retail Banking Enhancing customer experience. Always with you.

In 2023, Retail Banking shone in the face of a challenging business environment characterized by unprecedented high interest rates. The Division overcame suppressed credit growth and stressed margins to increase its deposit base and achieve double-digit growth in consumer loans.

Retail Banking Highlights

Net income
SAR 614 Mn.

Customer's base increased by
10%

ATM's NPS improved by
32%



Retail Banking stepped up as an even stronger contributor to Riyad Bank's bottom line this year, contributing to 35% of the Bank's overall net loans and advances.

The Division continued to grow its assets and liabilities significantly, responding to a market shift from NIBs to savings and term deposits. Retail liabilities registered a growth of 9% by December 2023 year on year, while consumer lending grew by 5% year on year. Mortgage lending was the Division's prime product again with 11% growth in 2023. Overall, Retail Banking increased its customer base by 10% year on year by December 2023.

Improvements in customer service were significant, with improvements across the board in customer net promoter scores (NPS). The Call Center's NPS increased to 26% in 2023. Branches' NPS increased by 1%, while the ATM NPS climbed by 32%. The overall Retail Banking NPS grew by 10% since 2022.

All of Retail Banking's successes this year were backed by its exceptional human capital. The Division remained the largest segment of the Bank in terms of Staff, securing 75% in the employee engagement index and 73% in the employee satisfaction index in 2023.

Strategic Transformation

Retail Banking continued its strategic direction in line with the Bank's Transformation 2025 Strategy. The Division remained focused on digitalization and being the top choice retail bank for customers in the Kingdom, with the goal of sustainable customer acquisition and increased liability generation. Retail Banking also continued rolling out the Bank's new identity, strengthening and improving its image with the iconic Riyad Bank logo and upgraded branch exteriors and interiors.



The overall Retail Banking NPS grew by 10%

Digitalization and Innovation

Digitalization served as the core foundation of all strategic initiatives for Retail Banking to attain its competitive edge, maximize customer value, and further grow liability and assets market share. Efforts put forth since the launch of the Transformation 2025 Strategy paid off this year with Retail Banking achieving a digital penetration rate of 53% as of December 2023.

On the digital front, we launched Phase 1 of the new Riyad Bank Mobile app internally in December and it will be introduced to customers in 2024. The new app will include the full sales journey for consumer products, provide a marketplace offering versatile products and service, offer a personal financial management tool for customers, and provide after-sales services to support customers and enhance customer loyalty. This comprehensive and strengthened offering will bring Riyad Bank closer to its ambition of offering the best mobile banking experience in the Kingdom.

This year, we also enabled a web-based solution for existing and external customers to apply digitally for Riyad Bank's Al Hilal credit cards. Other innovative products launched this year included Fursan credit card, with infinite and signature variants to strengthen the Bank's travel propositions.

Retail Banking also enabled digital account opening for micro, small, and medium enterprises (MSMEs) in early 2023, with more digital propositions underway for this segment. Furthermore, we introduced digital safety deposit lockers for private and affluent banking, offering customers a unique experience for keeping their valuables safe.

Prior to 2023, Riyad Bank launched the Kingdom's first standalone banking mobile app for children "Token", and in early 2023 Riyad Bank commercially launched Bouki digital wallet that offers transfer and services. This year also saw the commercial launch of the Bancassurance business, which enables Riyad Bank to sell insurance products through Riyad Bank's channels.

Retail Banking neared completion of several flagship projects including Phase 1 of Riyad Bank's disruptive digital solution for home purchases. For homeowners, we also collaborated with the Real Estate Development Fund (REDF) to introduce new mortgage product variants that promote REDF's new subsidy program.

Retail Banking accelerated in-branch digitization. This included establishing 100 self-service kiosks for customers to print their debit and credit cards, access account statements, and update their personal information. During 2023, we deployed mobile customer relationship management services for our Relationship Managers, Quick Service Officers, and auto leasing and direct sales agents. Furthermore, we executed our paperless project, covering personal loan and auto lease products, account opening, customer information amendments, account statements, and debit card services. At the end of 2023, we also reached the pilot phase for paperless transitions of credit card and mortgage loan products.

Transformative Partnerships

The Division initiated several strategic partnerships throughout the year. Riyad Bank teamed up with the national home-owning organization Sakani, and national real estate developer Roshn, to offer a diversified homebuying solution, enrolling more than 200 developers to develop and construct residential units across the Kingdom such as in Roshen and Sedra. We also signed a strategic partnership with Al Hilal Saudi Football Club, launching the co-branded credit card as well as a branch in Al Hilal's club premises. Moreover, Riyad Bank signed a Memorandum of Understanding with Savvy Gaming Group to further capitalize on the partnership with Al Hilal.

Supporting the Goals of Vision 2030

Retail Banking's strategic pillars have been carefully crafted and aligned with several key pillars of Saudi Vision 2030. As one of the leading banks in the Kingdom, we are at the forefront of the digital revolution and payment innovation, with our comprehensive suite of products, including Riyad Bank's digital wallet "Bouki". We are helping families in Saudi Arabia to increase their household savings rate, especially with our tailored Islamic savings accounts. We are also promoting financial literacy with diversified financial planning and insurance products including Token and Bancassurance business line.

Our partnership with REDF is playing a pivotal role in increasing home ownership among Saudi citizens, as part of Vision 2030. In addition to our new digital solution for home purchases, we continue to offer diversified product variants, including self-construction, buyout, off-plan, and land plus loan and mortgage refinance.

Increasing the contribution of MSMEs and the private sector to the Kingdom's GDP is also our priority. Following the launch of digital account opening for start-ups, we continue to sharpen our propositions for this evolving segment, with an eye on addressing multiple business segments and connecting a range of ecosystem players.

Private and Affluent Banking

This year, Private Banking and its highly qualified Relationship Managers served high-net-worth individuals at its dedicated centers in Riyadh, Jeddah, and Al Khobar. This resulted in a 23% increase in customers compared to 2022. Total Private Banking deposits grew by 16% in December 2023, and total relationship value increased by 1% in December 2023.

Affluent Banking operated from 39 dedicated Diamond Banking centers and 144 Golden Banking offices across the Kingdom, with a specific focus on growing NIBs. Total Affluent Banking deposits increased by 5%.

Looking Forward to 2024

The year ahead is expected to remain highly competitive for Retail Banking, particularly along the digitalization front with new market entrants including fintech's. The Division will continue to invest and enhance its technological infrastructure and digital sales, services, and payment offerings to meet and exceed increasingly sophisticated customer expectations.

The new version of Riyad Mobile will further strengthen our digital offerings and bring us closer to providing the best mobile banking app in the Gulf region. We will also enhance and expand the Bouki digital wallet proposition to include remittances and diversify its revenue stream. This year will see a major re-platforming of our digital channels, Riyad Online and Public Website, with highly flexible, cutting-edge technologies that will improve turnaround time for product and service launches.

In 2024, we will continue to develop exciting new digital business models. For Affluent Banking, we will launch a fully digital proposition integrating family banking, digital wealth management, and customized product offerings. We will strengthen our family and youth value proposition via the Token platform with new add-on products and features, as well as a junior loyalty program. Furthermore, we will strengthen our digital platform for MSMEs, while offering business management solutions as well as integration with regulatory players in the ecosystem.

We will take the Al Hilal partnership to the next level in the year ahead with enhanced propositions, including a membership program and loyalty offerings. Our credit card offerings will expand to include the multi-currency card, Al Hilal card, and Dream card. We will also introduce new propositions for the Hassad+ loyalty program.

In addition to rolling out our new branch identity, we will continue to optimize and modernize our branch network. We will expand with new branches while relocating existing low-performing branches. Private Banking centers will expand their footprint, with new presence in major cities such as Qassim and Madinah. Universal bankers will become more preeminent as we integrate the roles of tellers and customer service representatives to improve efficiencies.

Total Affluent Banking deposits increased by
5%

Riyad Bank will continue to digitize its branches, prioritizing higher-volume customer service and requests. The year ahead will see the implementation of a new, more efficient branch queuing system. We will move more customers to automated channels and implement key process improvements. Kiosks and Cash Acceptance Machines will be expanded by offering several services across alternative channels, including card issuance, statement printing, account updates, and more. Digital authentication and paperless processes will also expand across our operations and services.

