

Strategy and KPIs

Creating sustainable value. Always with you.

In 2022, the Bank's strategy was refined to adapt to the macro-environment, underpinned by rising interest rates. The refined 2025 Strategy is built upon 4 strategic pillars, focusing on accelerating growth and innovation:



Most Profitable

Achieving these aspirations by 2025 requires the Bank to excel across key internal capabilities, such as customer experience, speed to market with new products, organizational agility, and talent management.



Most Efficient



Bank of Choice



Most Innovative and Digitally Enabled

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.

Our strategic aspirations are driven by key operating model shifts across our business units.

Our Segments

Groups of Riyad Bank customers with similar characteristics and behaviors, such as affluence and confidentiality.

Our Products

"What" the Bank offers the customers, from accounts to credit cards to loans.

Our Channels

"How" the Bank offers services and products to serve customers through multiple touchpoints, such as branches, IVR, digital portal, and app.

Previous Approach

Focusing on banking needs only, by formulating meet-the market propositions.

Previous Approach

Setting standardized prices to match the market, with a focus on balance sheet growth and value of NIBs.

Previous Approach

Branch first for sales and service.

Updated Approach

Focusing on the customer ecosystem beyond banking to create custom propositions for particular segment levels.

Updated Approach

Developing customized relationships via risk-based pricing and capturing transactions, FX, fees, etc. to create wealth for customers.

Updated Approach

Mobile/digital first for sales and service.

Our Strategic Drivers

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



Value through Innovation

Under the new 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 to enhance 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., Riyad Bank's mobile application), customer journeys, and internal processes.







Enablement through Next Gen Operating Model

Successful implementation of the strategy will be 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.



Our Strategic Pillars

Our 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 spends 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.
2023 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 re-pricing and volume of the loan portfolio growth. In contrast, there was an increase in operating expenses, due to our 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. The overall net income was impacted by additional provisions required, which saw a significant growth year on year due to initiatives to improve our asset quality ratios. 	<ul style="list-style-type: none"> • The consumer NPS for customer satisfaction improved by 10% at year end. • Riyadh Bank's brand value in the Brand Finance Report increased significantly to SAR 7.73 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 2023, 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.
2024 Goals	<ul style="list-style-type: none"> • Improve RoE and profit growth to achieve 2025 aspirations. • Maintain Top 3 position among peers in total Shareholders return. 	<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 towards achieving 2025 aspirations. • Enhance brand value towards achieving 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 digital sales by launching 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 IBs. 	<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.