Saudi Arabia accelerates ahead

With special collaboration with

غرفة الرياض
Riyadh Chamber

Vision 2030 is the catalyst for socioeconomic change

As comprehensive and bold as it is ambitious, Saudi Arabia's Vision 2030 strategic development blueprint is building on the kingdom's strengths and capabilities, including vast wealth of non-oil resources and human talent.

Since its launch in 2016, Vision 2030 has seen the public and private sectors strive to transform the energy-rich country into a global investment powerhouse by stimulating the economy and diversifying revenues away from black gold through a series of measures and fundamental changes. "Our Vision is a strong, thriving, and stable Saudi Arabia that provides opportunity for all," states Crown Prince and Chairman of the Council of Economic and Development Affairs, Mohammad bin Salman bin Abdulaziz Al-Saud. "We are determined to reinforce the capabilities of our economy, turning key strengths into enabling tools for a fully diversified future. As such, we will transform Saudi Arabian Oil Company (Aramco) from an oil producing company into a global industrial conglomerate [hence its recently successful huge Initial Public Offering (IPO)]. We will transform the Public Investment Fund (PIF) into the world's largest sovereign wealth fund. We will encourage our major corporations to expand across borders and take their rightful place in global markets."



SHUTTERSTOCK / HANY MUSALLAM

Saudi Arabia blends rich traditions with modern infrastructure

Investment taps open as flood of FDI flows into the kingdom

Billions of dollars of foreign direct investment (FDI) has gushed into the kingdom over the past few years, with the drive for economic liberalization embraced by key government entities like the Saudi Arabian General Investment Authority (SAGIA). While emerging economic sectors like tourism, and leisure and entertainment grow at pace, the kingdom's natural resources and enviable position at continental crossroads remain a powerful magnet for major FDI, as clearly illustrated by the $2 billion of new petrochemical investment deals signed by SAGIA in November 2019. Every day, several new foreign investment projects are granted licenses by SAGIA, with such applications in 2019 up more than 70 percent year-on-year.

Spearheading efforts to improve the business climate in the capital and surrounding region, the Riyadh Chamber of Commerce (RCC) helps acquaint foreign investors with local laws and regulations, and maintain commercial and investment relationships with national firms and institutions. The chamber also contributes to the state strategy of Saudization, as well as the transfer of technology and knowledge to national hands.

"Vision 2030 lays the essential groundwork for diversifying sources of income, enhancing investment conditions, job creation, supporting national industry, and assisting with the logistics for private investment related events and activities," explains RCC chairman, Ajlan Bin Abdul Aziz Al Ajlan. The senior executive highlights the enormity of the National Transformation Program (NTP), which comprises nearly 550 initiatives and a huge budget of about $72 billion for 2016-2020. Of these initiatives, more than 120 are closely related to the private sector, representing 23 percent of the total. The overall budget allocated to the initiatives related to the private sector amount to $35 billion, or 49 percent of the program's total spend.

"The RCC has had many initiatives to back the move to privatization due to our firm conviction of the private sector's leverage and ability to upgrade the service level in various projects," Al Ajlan adds. "We are keen to enhance the role of the business sector, striving to assist it through the sectorial committees of the RCC. I extend a big welcome to business people and investors in all countries, and invite them to visit Saudi Arabia to acclimatize to the reality of economic development in all sectors."

New arrivals will look to follow the example of the El Ajou Group Trading Company, the trading arm of the prestigious Abdul Ghani El Ajou & Sons Holding Co. With its parent among the top 100 firms in the kingdom, the company has become a leading provider of office automation, including document imaging and printing solutions, space management and office furniture solutions. "The education sector is really growing, with many new universities planned. Our integrated business solutions strategic business unit is very engaged with the sector," says Maher A. El-Ajou, Vice Chairman, Abdul Ghani El Ajou & Sons Holding Co.



Samba Financial leads the way

The award-winning banking giant has set its sights on exciting new markets

When the business world watched the high-profile launch of oil giant Aramco's long-awaited IPO in late 2019, it was no surprise to see the lead manager of the project was national banking titan Samba Financial Group.

One of the kingdom's most successful companies with a strong, visible footprint in international markets, Samba has grown from a premier bank into an international financial services entity. The firm's increasing presence in the Middle East, Europe and South Asia includes branches in Dubai and Pakistan. International growth is a vital part of Samba's vision as it seeks to bring its brand of world class banking services to more customers.

As a leader in pioneering innovative banking services and products, Samba's outstanding reputation is complemented by its a broad range of accounts and investment portfolios. Frequently named the best bank in Saudi Arabia, such unparalleled consistency shows Samba's enduring commitment to excellence, an unwavering commitment inspired by the trust and confidence of its investment, business and personal banking customers.

In another first, the dynamic company was proud to appoint the banking sector's first ever female CEO, with Rania M. Nashar generating record profits in her first full year at the helm. "At Samba, if you have the talent and drive, 'the sky's the limit', and I'm an example of that," explains Nashar, adding she worked her way up to the top position over two decades.

"What I like about Vision 2030—and I don't see this in many other countries—is the government and the ministries have key performance indicators (KPIs). Leaders are appraised on their performance similar to CEOs of companies. Now the country's public sector is growing at a faster rate than the private sector, which is really challenging for us. When we look at e-government and what the government offers, it's amazing.

"The financial sector is one of the main contributors to enhancing public-private partnerships (PPPs), one of the goals of Vision 2030. Banks are becoming more innovative and creative; they're tapping sectors that were previously unbankable. They're creating solutions and working hand-in-hand with the government, and the achievements the sector contributed to are significant. For instance, in the housing industry, banks have partnered with the Real Estate Development Fund (REDF) and the Ministry of Housing. In just a year, more than 100,000 loans have been approved."

Vision 2030's green light for growth generates many winners

Nashar is highly satisfied with the kingdom's progress towards its many Vision 2030 goals, comparing the nation's journey to tense drivers at the start of a race who once the lights turn green accelerate ahead with everything they have: "We are running in one direction, towards one vision, and a shared future." While some companies would be delighted with its enviable track record of success, Samba is well aware of the need to invest in state-of-the-art systems, including financial technology (FinTech) like Blockchain, and the development of the kingdom's talented workforce to stay ahead of its rivals, both regionally and internationally.

> "Our world-class services, market-leading products and superior technology make us a very successful financial services brand."
>
> Rania M. Nashar, CEO, Samba Financial Group

"We also have a partnership with Monshaat, the authority for the small and medium enterprises (SME) sector," Nashar adds. "Banks create products and services that support SMEs, a key driver of the economy. Since our inception, Samba has played a major role in the modern transformation of banking in Saudi Arabia. Our world-class services, market-leading products and superior technology make us a very successful financial services brand, and the most internationally acclaimed bank in the region."

Approaching its 70th birthday in fine shape courtesy of a winning strategy focused on extensive retail and investment operations, prudent management of asset quality, and diligent cost control, the National Commercial Bank (NCB) is the largest commercial bank in the kingdom. An industry pioneer, NCB's esteemed history is built on a series of firsts: it was the first Saudi bank to launch a mutual fund product, the first to introduce credit cards, the first to operate an ATM, the first to introduce students savings schemes, and the first to open women-only branches. Given its strong legacy and impressive evolution into the premier financial services provider, NCB boasts large assets, financing and deposits, and enjoys healthy capital and liquidity ratios, underpinned by a diversified business model. The award-winning operator has the scale to enable the transformation of the Saudi economy and is the ideal platform to partner with international firms and investors for mutually-beneficial alliances.



Ajlan Bin Abdul Aziz Al Ajlan
Chairman
The Riyadh Chamber of Commerce



Maher A. El-Ajou
Vice Chairman
Abdul Ghani El Ajou & Sons Holding Co



Rania M. Nashar
CEO
Samba Financial Group

New chapters being crafted in incredible transformation story

"Saudi Arabia is the natural financial hub in the region. It's the largest economy in the Middle East, a member of the G20 and a strong regional and international investor," states Faisal O. Al Saggaf, CEO of NCB. "We have recently seen several measures introduced by the government to improve the regulatory framework and attract foreign investors, which paves the way for further expansion and growth. The country has embarked on a great transformation story and there are tremendous growth and investment opportunities for investors, businesses and private sectors in what will be a sustainable growth story for many years to come."

With paid-up capital of $8 billion, NCB also owns premier investment house and arm NCB Capital, and is the majority shareholder of Türkiye Finans Katılım Bankası (TFKB), the leading participation bank in Turkey. NCB is also a huge investor in Saudi citizens, with its workforce overwhelmingly comprised of local employees. "We focus on homegrown talent and have a very strong youth development program," Al Saggaf adds. "We will continue to develop this because banks, ultimately, are only as good as their people. I want my legacy to be a great talent base that is highly motivated, highly effective, customer focused, and driven to achieve success and deliver great returns to our shareholders."

Another major source of pride for the senior executive and his management team is the company's strong commitment to corporate social responsibility (CSR) across its extensive branch network, many offices, and other front-end and back-end operations. "CSR not only allows us to give back to the community, but to engage our employees and give them the opportunity to contribute on a personal level, which instills a sense of belonging to the organization," he explains.

"Our productive families program is designed for women and run by women. We train women who wish to start their business and through the micro-financing program help them start and grow their sustainable business, and sell their products."





Banking sector is platform for growth

Well capitalized and strictly regulated, financial services firms are flourishing

With more than a dozen players of varying size, Saudi Arabia's banking industry is well capitalized, a key conduit for FDI and trade, and complemented by a financial services sector comprising insurance companies, specialized lending institutions, and the stock exchange (Tadawul).

Industry guardian the Saudi Arabian Monetary Authority (SAMA) operates as the central bank, with its remit including the supervision of banks and financial entities, management of monetary policy, and responsibility for ensuring strict compliance with banking system rules and regulations. The banking sector is at the heart of Vision 2030, with the Financial Sector Development Program (FSDP) striving to develop a diversified and effective financial sector to support the development of the national economy, diversify sources of income, and stimulate savings, finance and investment, and introduce cutting-edge technologies to boost efficiencies.

"The FSDP will achieve this ambition by enabling financial institutions to support private sector growth, ensuring the formation of an advanced capital market, and promoting and enabling financial planning, without contradicting the strategic objectives of maintaining the stability and solidity of the financial sector," notes the Vision 2030 document.

Vision 2030 commitments for 2020 include: increasing the total size of financial assets to GDP ratio to 201 percent from 192 percent in 2016; boosting the share of capital markets assets from 41 percent to 45 percent; increasing the share of SME financing at banks from 2 percent to 5 percent; opening up the financial services sector to new players, like FinTechs firms, to spur innovation and growth.

Banque Saudi Fransi eyes debut in mass-market segment

With its once traditional focus on corporate banking paving the way for strategic expansion into other sectors, Banque Saudi Fransi (BSF) is a modern and dynamic financial institution fully geared to meet the challenges of the future. With 86 branches, nearly 560 ATMs, and more than 3,000 employees, BSF certainly has the experience, size and capacity to conquer new market segments, with retail banking currently in its sights.

"Our strategy is very much focused on capturing part of a market segment we have not efficiently addressed in the past, which is the mass-market segment," reveals Rayan Fayez, Managing Director and CEO of BSF. "We are not planning to be a big retail bank, but we are only playing in 20 percent of the market when there is 80 percent we intentionally have not addressed previously. We will dip our toes into that now. We want to grow market share beyond our historical position to something more commensurate to our size. When you look at our number of branches, it represents roughly 5 percent of the market share of branches. When you look at our deposits, it also reflects 6-7 percent of retail deposits. But when you look at our assets, which are the retail loans, they are 2-3 percent of the market. When we say we want to grow our retail loan business it's simply growing it into something commensurate to the

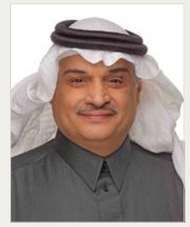




Faisal O. Al Saggaf
CEO
NCB



Rayan Fayez
MD & CEO
Banque Saudi Fransi



Nabil Al Hoshan
CEO & MD
Bank Aljazira



Steve Bertamini
CEO
Al Rajhi Bank



Hisham Almousa
General Director
Hisham Bin Abdulaziz Almousa Investment Group



Abdulaziz M. Alonaizan
CEO
Bank Albilad

size of our retail network, as our assets are being under-utilized." Recognized as one of the leading Shari'ah compliant financial providers in the kingdom, Bank Aljazira (BAJ) is a fast-growing, client-driven and service-oriented Saudi bank. Its broad product portfolio offers individuals, businesses, and institutions innovative financial services through teams of professional and dedicated staff. Given its extensive experience and operations in personal, corporate, and investment banking, BAJ is building on its strong foundations and investing heavily in digital services to take advantage of the kingdom's technology-savvy young population. "One of the pillars of our new strategy is to build and focus on digital banking and encourage innovation," explains BAJ CEO and Managing Director, Nabil Al Hoshan. "We have a significant portion of the new generation coming into the market and must be ready for them, and adapt to their needs."

Boasting the largest customer base of any bank in the kingdom, the award-winning Al Rajhi Bank benefits from a vast network of more than 570 branches, over 150 dedicated ladies branches, nearly 4,800 ATMs, and more than 74,600 point of sale (POS) terminals installed with merchants.

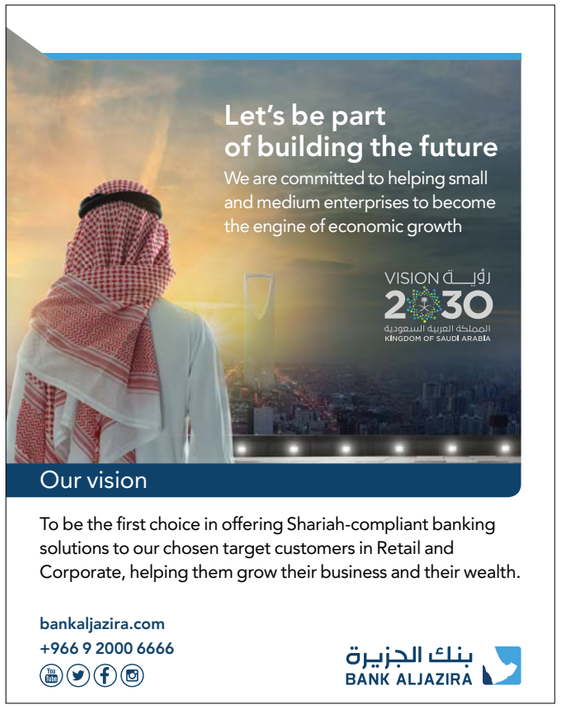
"There are several competitive advantages that differentiate us," states CEO Steve Bertamini. "We have the best distribution network in the Middle East; the strongest banking brand, and are also seen as the most innovative local brand in the country. Additionally we are the best capitalized bank in the Cooperation Council for the Arab States of the Gulf, and have the highest customer satisfaction as measured by our net promoter score. We have been outperforming the industry for quite some time. What has truly helped is our very clear strategic focus: on our customers, on the best digital experience, and on strategic sectors aligned with Vision 2030."

Striving to become the preferred choice for genuine Islamic banking solutions, Bank Albilad offers financial products in business, retail, and investment banking. "With our investment in technology, people, infrastructure, product innovation and customer relationships, our strong growth will continue well into the future," says CEO, Abdulaziz M. Alonaizan.

Innovative construction projects featuring distinct designs are real success

With lucrative large-scale investments in diverse sectors like real estate development, retail services, food and beverage, commercial aviation services, financial services, technologies, and health services, Hisham Bin Abdulaziz Almousa Investment Group's reach is impressive. By concentrating on innovative projects with a distinct design, the company has established an outstanding reputation for excellence and minimizing risk through diversification.

"More than 50 percent of our investments are partnered with international companies," notes General Director, Hisham Almousa. "We also have partnerships with several international companies in different fields. There are great opportunities in all sectors in Saudi Arabia and we look forward to embarking on major projects with them in the kingdom and elsewhere."







Private sector growth picks up pace

Firms in a diverse range of industries are embracing the aims of Vision 2030

One of the core ingredients of the kingdom's long-term strategic development plan is the rapidly-expanding private sector. As His Excellency Mohammed Al-Jadaan, Minister of Finance, said at the 2020 Annual Budget launch: "The government continues its steadfast commitment to empowering the private sector's role in the economy, job creation and diversification of investment under the umbrella of Saudi Vision 2030 objectives."

The minister reiterated the 22 private sector support initiatives targeting strategic sectors are bearing fruit as underlined by second quarter economic indicators. "We have adopted economic policies that target the growth of non-oil GDP, improving the quality of services for our citizens, and raising the efficiency and effectiveness of government spending, especially social spending."

Such progress and pledges are music to the ears of firms like Kingdom Holding Company (KHC), a diversified group with interests in hospitality, media, healthcare, aviation, petrochemicals, and real estate, among others. KHC is fully committed to making Vision 2030 a success—both from a commercial perspective and in bringing international best practice and investment opportunities to a wider cross-section of stakeholder interests.

KHC consists of a select team of experienced investment specialists

IMAGE: DAIICHI-SANKYO



Tamer Group www.tamergroup.com

directed by its founder and chairman, Prince Al-Waleed bin Talal and CEO, Talal I. Almaiman. In 2019, the company announced ambitious plans to invest more than $1 billion in the national market, with senior executives looking at potential openings in all sectors except finance and real estate, where KHC is already heavily invested. "We truly believe Saudi Arabia is one of the top countries to invest in, and once invested you shall be well rewarded," Almaiman states. "There is no doubt that Saudi opportunities are huge. We are here to stay; we are a Saudi company that was established in Saudi Arabia, All our senior management team members are Saudi, and we are very proud of that."

Founded 20 years ago the University of Business and Technology (UBT) is a Jeddah-based private university catering to male and female students seeking undergraduate and graduate programs, With an alumni of 5,800, UBT is famous for its "Education for Job Opportunities" slogan. When it comes to the employability of graduates, UBT is among the national leaders with 78 percent of its graduates employed within six months of graduation.

"Universities can prepare students for the jobs of today, but for the jobs of the future, they have yet to catch up. At UBT, we are focusing on the future," says UBT CEO, Mohanad A. Dahlan. "Vision 2030 will require many new jobs—jobs not yet available here. Universities have yet to produce qualified individuals that can lead new industries such as robotics, and cyber security."

Healthcare Sector in Excellent Shape

Established in 1922 as the first pharmacy in Jeddah, Tamer Group is now one of the leading Healthcare Groups in the Kingdom, operating in the fields of pharmaceuticals, manufacturing, logistics services, and the distribution of FMCG and prestige products. To be the partner of choice, Tamer Group has sustained solid partnerships with leading healthcare organization on a local and international level.

"We will continue to strengthen our leadership position through extending market reach, product portfolio enhancements and diversification of service offerings," says Ayman M. Tamer, Chairman and Managing Partner. We support partners in achieving by providing them with an efficient, robust transactional platform, state-of-the-art operational infrastructure, a highly-skilled, professional team and the agility required to adopt customized solutions to run multiple business models".

Designated by Vision 2030 as "one of the most significant economic sectors" for the kingdom, the social and healthcare industry will receive a staggering $167 billion in cumulative government expenditure in 2020.

Largely publicly financed, the healthcare sector has made major strides in the quality of its infrastructure and service provision, although 90 percent of all medical equipment and devices are imported. Now the largest pharmaceutical market in the region, Saudi Arabia has attracted substantial investment from industry giants like GSK.

A subsidiary of industrial titan Saudi Chemical, AJA Pharmaceutical Industries produces a wide range of pharmaceutical products in various finished dosage forms for different therapeutic classes. "We aim to form collaborations to co-develop, co-manufacture, co-market and widely sell and distribute, carefully selected range of products, as well as licensed products with technology transfer; relying on the huge capabilities, quality and technologies at our own plant," affirms Mohammed Saud Abader, the successful group's Managing Director.

The Partner of Choice for Leading Healthcare Providers

Since our establishment in 1922, we have grown from a pharmacy store into the most trusted distributor and producer of pharmaceuticals and medical appliances, as well as healthcare, nutrition, beauty and prestige consumer products in addition to third-party logistics.

TAMER www.tamergroup.com



Mohammed Al-Jadaan
Minister of Finance



Talal I. Almaiman
CEO
Kingdom Holding Co



Mohanad A. Dahlan
CEO
UBT



Marwan Moukarzel
CEO
Alhokair Fashion Retail



Ayman M. Tamer
Chairman & Managing Partner
Tamer Group



Mohammed Saud Albader
Managing Director
Saudi Chemical Company

The recent 2020 Budget Statement highlighted notable growth in various economic sectors during 2019, with that positive trend forecast to continue into 2020 and beyond. Progress towards the plethora of Vision 2030 goals is gathering speed, and the fusion of multiple strategic objectives for economic diversification with a stable economic framework and pro-business climate bodes very well for the kingdom's future.

Glitzy shopping malls ensure retailers ring up decent returns

With large, modern and gleaming shopping malls springing up around the kingdom, the Saudi retail sector is forecast to repeat its recent double-digit annual percentage growth which has seen it become a major source of employment with more than 1.5 million workers.

The largest franchise retailer in the region, Alhokair Fashion Retail has more than 1,750 stores that offer the latest designs from over 75 brands. "The Saudi customer is significantly more sophisticated than before. They know exactly what they want.

They have international exposure, and they know the brands, which makes it interesting and more challenging for retailers," states CEO, Marwan Moukarzel. "The malls here are impressive and better ones are coming. This is a welcome opportunity for retailers like us. We want to shift from being purely a fashion player, to more of a lifestyle player, so will take advantage of the opportunities ahead to transform this company into a lifestyle company."

AJA pharma
Tel: +966 (11) 268 7988
info@ajapharma.com
www.ajapharma.com

www.elajou.com.sa
Abdul Ghani El Ajou & Sons Holding Co.
www.aljeel.com.sa

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Hisham Bin Abdulaziz Almousa Investment Group
P.O.Box 92994, Riyadh, Kingdom of Saudi Arabia 11663
Tel: +966112347362 | info@hmgroup.com.sa | www.hmgroup.com.sa
رؤية VISION 2030
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KINGDOM OF SAUDI ARABIA

The importance of the business sector for a sustainable future

Chairman, the Riyadh Chamber of Commerce, Ajlan Bin Abdul Aziz Al Ajlan, believes that every stage of Vision 2030 is crucial



What are the biggest challenges and opportunities that lie ahead in order to implement the Crown Prince's Vision 2030 plan?

Vision 2030 is an essential groundwork for diversifying sources of income, enhancing the investment environment, creating jobs, supporting national industry and assisting in the provision of logistics for private investment, related events and activities. In a study prepared by Riyadh Economic Forum, which Riyadh Chamber of Commerce regularly organizes, thirteen initiatives were developed to enhance the private sector's ability to achieve Vision 2030's goals. The same study pointed to eight key goals that are of paramount importance to the private sector.

This transformation coincides with the development of many investment opportunities that open the way for the private sector to play a major and effective role in achieving Vision 2030's goals. Through this relationship, it is clear how its goals are of paramount importance to the private sector. There are challenges facing the relaunch of the private sector in this respect but, through communication with the country's leadership and other government agencies we strive together to find solutions to these challenges. We have come a long way, as most of these challenges are administrative and organizational, which makes finding solutions an easy job.

> **"Today, all the economic sectors in the kingdom offer numerous promising opportunities."**
>
> Ajlan Bin Abdul Aziz Al Ajlan
> Chairman, the Riyadh Chamber of Commerce

What are some of the key initiatives that the Riyadh Chamber of Commerce has taken up in the privatization strategy?

The economic mobility and the new initiatives of the kingdom's Vision 2030 encourage the private sector to play a prominent role in benefiting from the privatization of government projects. All projects to be privatized will provide the kingdom's Vision 2030 with more resources to achieve its goals. We have had many initiatives to back the move to privatization due to our firm conviction of the private sector's leverage and ability to upgrade service levels in various projects. The kingdom is capable of entering a new phase of privatization programs and hopefully achieving successes in its endeavors in this respect.

How do you stand on the role of the private sector in turning Saudi Arabia into a knowledge-based economy?

We have a strong national will to bring a shift in the economic structure of the kingdom from a mono-active economy to a modern economy based on technology and knowledge. Moreover, the Saudi economy has many comparative advantages, including economic stability, low-cost energy, and factors relating to an economic openness and investment-attracting climate. The kingdom has numerous technological and information entities, a young human-resources base that is supporting the effort to turn Saudi Arabia into a knowledge-based economy. In addition, government spending on ICT projects has increased, e-government transactions have been upgraded, and household and private spending on the sector's products in growing.

The **National Transformation Program** has a budget of **$71.5 billion**

124 out of its total **543** initiatives are closely related to the private sector

The goal is to accelerate the growth of the IT sector by **15%** a year until **2030**

What sectors offer the best opportunities for investment, trade and cooperation for foreign investors?

Today, all the economic sectors in the kingdom offer numerous promising opportunities. The Saudi market has become the focus of attention of many companies willing to take advantage of the promising investment opportunities in many sectors including energy, health, education, industry, agriculture and others. Most world economic reports talk about Saudi Arabia's progress in global competitiveness. This is an important indicator of successful economic policies and business environment with improving strategies in place, which confirms the feasibility of the economic reforms performed in light of Vision 2030. Saudi Arabia is witnessing constructive mobilization in promoting its business environment and opening new prospects for investment.

In this respect, the Saudi Arabian General Investment Authority has revealed that 267 new foreign investment projects were granted licenses to start business in the first quarter of 2019, with an average of around four licenses a day. This demonstrates the successful draw of high-quality and high-value foreign investments, the marketing success of the investment opportunities at the international and local levels, as well as the successful economic reforms package the kingdom has achieved.

A company with its radar on the food and health sectors

Vice Chairman, Abdul Ghani El Ajou & Sons Holding Co., Maher A. El-Ajou, describes how Vision 2030 is already a reality



As one of the country's business pioneers, tell us your opinion about the Crown Prince's Vision 2030 for national transformation?

Vision 2030 is now a reality. It is not just a concept; it is happening as we speak. There are milestone targets from now until 2030 and these milestones are assessed yearly. If there is a hindrance or a bottleneck for 2030, it will be reviewed and altered. Money is being pumped into the economy, and the economy is going to flourish but we need to be patient. We, as businessmen, have reaped considerable benefits over the years, and now is the time to pay back to our country. Al Jeel Medical & Trading Co. Ltd., a subsidiary of El Ajou & Sons Holding Co., has been around for more than 50 years and I am proud to say that Al Jeel is now one of the top three players in its industry and domain.

In 2017, you established a partnership with the Japanese imaging and electronics company Ricoh. How has that developed?

The brand is taking off in a great way here and is being received very well. Ricoh's quality product portfolio combined with our local reach and expertise is proving to be a winning formula in the Saudi market. El Ajou and Ricoh have a lot to offer our loyal and respected customers from our cost-efficient managed print-services solutions to our state-of-the-art Ricoh production line.

> **"There are two sectors that are perpetually needed—food and health. Regardless of the economy, those sectors will only grow."**
>
> Maher A. El-Ajoul, Vice Chairman
> Abdul Ghani El Ajou & Sons Holding Co.

What are your plans for the next 20 years? As a highly diversified company, are you open to entering completely new industries?

We have many plans for the next 20 years. Our main focuses are office automation through El Ajou Trading, medical equipment through Al Jeel Medical, investments and real estate. We are also always on the lookout for new market trends and opportunities. We just started a project management office which will take care of new areas of business development. We are thinking about liquid and cash businesses as well as industries that are both related and not related to us. It could be a medical factory or something else such as bringing a franchise into the kingdom. We are also looking at the consumer domain industry. We want to tap into new revenue streams.

The health sector in Saudi Arabia is growing by 12 percent year-on-year and the Crown Prince is investing $70 billion in healthcare as one of the pillars of Vision 2030. Your business is well positioned to benefit from this investment. What are your thoughts?

There are two sectors that are perpetually needed—food and health. Regardless of the economy, those sectors will only grow. Coupled with our growing population, the growth potential in these two sectors is significant. A third that does not cease to grow is education—for example, 13 new universities are set to open in Saudi. Our very own Integrated Business Solutions strategic business unit is very much engaged in this sector.

Are you bullish about the Saudi economy?

Certainly. You just need to study 40 opportunities and filter them in order to pick out three or four from which to get the most lucrative outcome. Saudi Arabia has strong geopolitical will. We are a highly secure country; our crime levels are one of the lowest in the world. Our security system is very efficient — it is preemptive and proactive at the same time. The business environment is friendly and growing fast in many sectors. For example, entertainment is going to be a very strong industry. There are mega projects being developed.

El Ajou was established in **1958**

The Saudi **health sector** is **growing by 12%** year-on-year

The Crown Prince is investing **$70 billion in healthcare** as one of the pillars of Vision 2030

The market size in the coming ten years is going to grow and many multinational companies are putting their trust in Saudi Arabia. We are a part of the G20 and we are one of the world's biggest economies. We are trying to tell the world that we have good opportunities in Saudi Arabia, in all sectors. Our geographical location is also very good. And so everything is now synchronized. It just required leadership by opening up the kingdom, and this is what the Crown Prince has delivered. He has created a clear vision and he is leading the country in the right direction.

Saudi's third-biggest bank is a pioneer in new banking services

CEO, Samba Financial Group, Rania M. Nashar, on collaborations, life after mergers and Saudi stoicism



What are the biggest challenges and opportunities that lie ahead in order to achieve the kingdom's goals?

When you look at this country, it might just look like desert but we bet on our resources. The Saudi citizen has always had a special inner strength: we are able to make the best of what we have. I believe this is what the Crown Prince and the nation's leadership bet on when they said that the sky is our limit. I compare our nation's journey to being on a racetrack, tensely waiting for the light to turn green; when it finally does, we run with everything we've got and in one direction, towards one vision, and a shared future.

What I like about Vision 2030—and I don't see this in a lot of other countries—is that the government and the ministries have key performance indicatorss. Leaders are being appraised based on their performances, as if they were company CEOs.

Now the country's public sector is growing at a faster rate than the private sector, which is really challenging for us. When we look at e-government and what the government is able to offer electronically to citizens, it even beats what the banks are currently offering. People are changing how they see Saudi but not so much because we are reaching out trying to prove to the world we are different now. No, we are simply adapting to change as the new reality, and the best way forward.

> **"The financial sector is one of the main enhancers of public-private partnerships, one of the goals of Vision 2030."**
> Rania M. Nashar, CEO, Samba Financial Group

How is the financial services sector contributing to the implementation of Vision 2030?

The financial sector is one of the main contributors in terms of enhancing public-private partnerships, which are one of the goals of the vision. Banks are now becoming more innovative and creative, tapping into sectors that were previously thought "unbankable". They are creating solutions by working hand-in-hand with the government and the achievements are significant.

For instance, banks have partnered with the Real Estate Development Fund and the Ministry of Housing, so that in the span of a year more than 1,000 loans have been approved. Banks are also working more in the space of entrepreneurs.

New technologies have turned the conventional banking sector on its head. Tell us how Samba is adapting.

We are propagators of different technologies. We welcome innovation and collaborations with other entities, including our regulator. It is no coincidence that the financial services industry is known as a significant talent pool. If you look at the cabinet, most high-ranking government officials come from the banking sector. Samba has a reputation for its firsts. The first ATM, the first fully fledged online straight-thought processing solution and the first local broker system in the country were ours. We are now shifting to a new era because millennials are going to be our future customers; they will account for 70 percent of our customers in the coming five to six years. I always say that they think a bank transaction should be one click away, just like Uber. We are interested in adding those new technologies that will both help create new revenue streams to reach operational efficiency and also give each customer a more personalized experience. Soon, fintech is meant to disrupt the classic banking industry, however the way we see it is that it is more of a collaboration. As banks, we provide the trust, while others provide the innovation. We will fully embrace fintech and encourage collaborations.

Samba is the **3rd-largest** bank in Saudi

2018's record profits were **SAR5.5 billion**

70% of **Samba's** customers will be millennials in **5 years**

What is your vision for the bank's future?

2019 was a challenging year. We expected the economy to pick up earlier than it did. However, we still expect 2020 and 2021 to be record years. That is our aim. Right now, we are working in a very challenging environment where four banks are merging. Our position will be impacted once the mergers of these four banks are finalized. But we see the situation as an opportunity—we can get their resources and we can get their clients. For instance, Saudi British Bank will be merging with Alawwal, and those clients who do not want concentration will look for a new bank and will look to Samba as an option. Initially, our rank as the third-largest bank may be affected but we will pick up and work toward not only maintaining our position but growing even bigger.

A very exciting decade for Saudi Arabia lying ahead

CEO, National Commercial Bank, Faisal O. Al Saggaf, explains their aspiration to become the leading bank in multiple aspects



What are the biggest challenges and opportunities that lie ahead in order to achieve the kingdom's goals?

Vision 2030 reflects the aspiration of the vast majority of the Saudi population. The population has experienced tremendous change on the social front, and this is very positive and energizing, addressing a lot of the challenges. Most transformation programs are making solid progress, with the Fiscal Balance Housing Programs seeing very strong traction. I would also highlight the Financial Sector Development Program, which is well ahead of all its key performance indicators. We experienced growth throughout 2019 and believe this growth will continue and accelerate over the next couple of years. The opportunity is significant for the private sector, as well as local and foreign investment. This is applicable to some well-established sectors of the economy such as energy, mining, manufacturing, logistics, education, healthcare and housing. I expect emerging sectors such as tourism, entertainment aand hospitality to also experience significant growth.

> **"We see that there will be quite a lot of investment and that will encourage economic activity, which will then trickle down."**
> Faisal O. Al Saggaf, CEO, National Commercial Bank

What are your thoughts on Saudi Arabia as a potential financial hub in the Middle East?

Saudi Arabia is the natural financial hub in the region. It is the largest economy in the Middle East, a member of the G20 and a strong regional and international investor. We are going to see a lot of investment flows in and out. The reason why we have not emerged as the hub as of yet is because of matters that have not been addressed previously, in terms of legislation, reforms or the opening up of the economy. We have recently seen several measures introduced by the government to improve the regulatory framework and attract foreign investors, all of which will pave the way for further expansion and growth. This has all resulted in the inclusion of Saudi Arabia in MSCI Emerging Markets Index, in addition to the current, potentially biggest listing in the world with Aramco's initial public offering.

How is National Commercial Bank (NCB) adapting into this new landscape and investing in technology?

Technology and the internet go hand-in-hand in the banking sector. As the internet and fintech become more prevalent, banks have been quick to embrace it so that they can provide people with seamless access and ease of use for everyday transactions. Banks have been swift in adopting new technologies to compete effectively and offer solutions expected by a young and tech-savvy population. We recently expanded our digital banking platform by introducing self-service kiosks and a fully digitized and paperless account opening solution.

NCB was founded in **1953** and is the largest **Saudi** bank in assets, financing and deposits

53% of **NCB**'s customers are using its digital platforms

NCB is currently in discussions about a potential merger with a total worth of **$182 billion** in assets

Could you share the reasons behind your recent growth and do you think it can be sustainable?

We have achieved this robust profitability through growth in operating income, primarily for the domestic banking franchise. We are growing the financing book along with prudent management of asset quality and diligent cost-control management. We are optimistic that our growth is sustainable in line with the current economic situation. We see growth in all sectors of the economy. We see that there will be quite a lot of investment and that will encourage economic activity, which will then trickle down.

What is the importance of corporate social responsibility (CSR) for NCB and what are some of your favorite initiatives?

Our approach to CSR has evolved significantly over the years and goes way beyond offering charitable donations. We took the initiative to design bespoke NCB programs that empower communities. Our entrepreneurship program supports entrepreneurs by giving them access to more sources of financing and partnership with the Monshaat authority for small- and medium-sized businesses. In this area, we launched the kingdom's first fintech accelerator. In addition, we now have a very effective volunteer program, where employees provide pro-bono advice to groups in the areas that they specialize in. NCB evaluates its CSR programs yearly and makes the necessary amendments and developments to guarantee their continued effectiveness, and revisits its CSR strategy every five years to ensure that it meets society's needs and is aligned with the national agenda and NCB's strategy.

Fired by local talent, a bank looks to spread its market share

Managing Director and CEO, Banque Saudi Fransi, Rayan Fayez, on the transition to retail banking and a cashless society



Traditionally Banque Saudi Fransi (BSF) has focused on corporate banking, which hasn't seen huge growth in recent years. Can you tell us your plans to diversify into other sectors like retail banking?

It is true that a large part of our business is corporate banking and that it is a segment that has seen limited growth over the last three years. If the market grows then we grow as well but if the market is stagnant then we just see it as a part of the legacy business that we are in. However, during the last couple of years, we have put a stronger focus on our retail market share, which has grown. The growth that we have exhibited in both personal loans and mortgages has allowed us to pick up market share, especially in mortgages where historically we were the smallest bank to offer them.

"Recent M&A activity gives us a laserbeam focus on delivering what we have planned over the next 2 to 3 years; improving our customer experience and picking up market share."

Rayan Fayez, Managing Director and CEO, Banque Saudi Fransi

We have seen a lot of mergers and acquisitions in the kingdom recently with the merging, say, of the Saudi British Bank and Alawwal and also with the National Commercial Bank and Riyad Bank in discussions. Do you think this is something that Banque Saudi Fransi might consider over the coming years?

We are observing these movements and we have considered the possible impact that they will have on us, but for now we do not feel compelled to react. However, it does give us an almost laserbeam focus on delivering what we have planned over the next two to three years. This period is when four of the country's banks may be busy with negotiations for mergers, integration, talent and a whole host of other issues. We are free from those constraints, so we should be able to focus on improving our customer experience, picking up market share and delivering operational excellence. Of course the saying "never say never" also holds true. Who knows what the future holds? Personally, I am quite agnostic on this topic. If the right opportunity arose and it were to create shareholder value then there would be nothing to prevent us from considering it.

There are a lot of fintech companies impacting the digital space. How is BSF adapting in this new landscape and investing in technology? Do you consider investing in technology a way of reaching a younger demographic, particularly in retail?

We have one of the best mobile app digital offerings for our retail clients. Presently, we are one of the very few banks where you can seamlessly open an account online without having to visit any branch. What we offer that is unique from other banks is that, during the account opening process, you can instantaneously fund your account and immediately get a virtual debit card, so you don't have to wait for your physical debit card to be ready. Indeed, there are a couple of features in that process that are exclusive to us. However, this is not because it is particularly complicated; it is just that we were the first to do it. I am sure others will catch up.

BSF has **86 branches, 556 ATMs** and over **3,000 employees**

The bank is in the **top 6** in terms of market share of **new mortgages**

90% of the bank's transactions happen **online**

A big part of our Finance Sector Development Program is about promoting a cashless society. It's not about becoming truly cashless but reducing the amount of cash in the system. There are a lot of initiatives, ranging from encouraging more people to use Apple Pay, to increasing the number of point-of-sale machines out there.

They all contribute to the penetration of cards and the elimination of cash. Also, the youth of today don't want to go to a branch. Obviously we still need to make the branch experience fun but I also think that we have to consider that, at present, 90 percent of our transactions happen online.

As a bank, we have young, energetic local talent that is on a par if not better than those of our peers from around the world. And I think that having the confidence and the ability to tell the story of transforming the bank through local talent is something that I feel strongly about leaving behind as part of my legacy.

No sector too daunting for one of Saudi's most multi-talented banks

CEO and Managing Director, Bank Aljazira, Nabil Al Hoshan, on awards, subsidiaries and keeping an open mind about the future



Your bank has won numerous awards, including ones for its customer contact centers, Islamic banking services and corporate social responsibility (CSR) programs. Tell us more about these awards.

We are a fully Sharia-compliant bank and we continue to develop new Islamic products and services day after day. I believe that Bank Aljazira (BAJ) provides the best service through its call centers. During the recent Contact Center World Awards, our Aljazira Phone service bagged the gold medal for best customer service, and silver medals for best contact center and best contact center manager in Europe, the Middle East and Africa. We competed with big companies from around the world in different sectors including telecoms, insurance, automotive and banking. We strive to offer the best service and we monitor that by the minute. We assess how many minutes customers wait on the line and how long it takes us to resolve their concern. After the call, we call customers back to verify if they were happy with the service and to analyze the entire experience so that we can make improvements.

"These days, most movement concerns banks coming into our region instead of banks going outside it. But ... if an opportunity arises, then why not?"

Nabil Al Hoshan, CEO and Managing Director, Bank Aljazira

Under BAJ, there is also Aljazira Capital, Aman Insurance Agency Company, Aman Development and Real Estate Investment Company and Aljazira Securities. You are a very diversified group. How do you view your subsidiaries and are there any plans for more?

Aljazira Capital is owned 100 percent by BAJ. It is our arm in the financial market. Aljazira Capital not only deals with the brokerage share business but also gets involved in advisory matters. We have established a new team for advising family businesses to assist them in listing their company on the Tadawul stock exchange (the Tasi index). Our investment division is also ranked among the top three in terms of returns and we are focusing on building that business to go forward. Other subsidiaries that belong to BAJ are the Aman Development and Real Estate Investment Company, which manages real estate collateral and mortgages, and Aljazira Takaful Insurance Company, which is an affiliate that is 35 percent held by BAJ and a listed company.

The bank is known for promoting financial education among young Saudis. Can you elaborate on this and on CSR in general?

Yes, our focus in this area is not just to donate money. We want to help young people build new businesses for the future. We have various programs and grants aimed toward empowering these young people to generate new ideas. After they win a grant, we help them establish their business in the market in a direct way. We have plenty of success stories. We do CSR projects in partnership with many institutions, city governments and other organizations. One CSR project that we are particularly passionate about is our participation in the support of the financial rights of individuals. Every year during the holy month of Ramadan, we donate money to one of the cities in Saudi Arabia in support of individuals with financial rights cases, to help their families and so they can spend the month of Ramadan with them. Another very significant CSR program is the sponsorship of productive families. We have spent millions supporting this segment throughout the kingdom, and the Minister of Labor and Social Affairs has shown his appreciation of this initiative.

In 2006, over **90% of BAJ's profit** came from local brokerage businesses. Today, **under 5%** does.

The bank's Q1 2019 results reflected **70% growth**

50% of the kingdom's population **are under 30 years old**

Do you think we will see BAJ moving outside of the kingdom in the short term?

It is one possible strategy and we are seriously considering any opportunity for us to expand outside the region. However, these days most movement concerns banks coming into our region instead of banks going outside it. But in the interest of helping our customers and in a bid to give good service, we will probably become available outside the kingdom. If an opportunity arises, then why not? We have been amazed at the number of people who have wanted to carry out their transactions with our online banking service. Given this fact, our new strategy is not to invest in new branches so much but to focus more on online and digital banking. However, the exception would be those areas or countries in which we do not currently have a presence.

Unfazed by the merger culture, organic growth is one bank's priority

CEO, Al Rajhi Bank, Steve Bertamini, talks about digital, global ambitions and government support



How is Al Rajhi Bank contributing to the implementation of Vision 2030?

Vision 2030 has opened up many opportunities as banks play a critical role in enabling transformation. One of the areas we have paid particular attention to is supporting the country's goal of increasing home ownership for Saudi citizens from 47 percent in 2018 to 70 percent by 2030. For us, being the biggest retail bank in the country, this features very prominently in our strategy. We have worked very closely with both the Ministry of Housing and the real estate sector. Another area of growth we have seen over the last nine months is in structured finance as there has been a material increase in the number of large projects being initiated and awarded.

Our bank has been outperforming the industry now for quite some time. What has truly helped us is very clear strategic focus on what we call our "ABCDE" strategy. Being focused on serving our customers, having the best digital experience and focusing our growth on strategic sectors aligned with the country's 2030 Vision have all served us well. Al Rajhi Bank reported a net profit of 8 billion riyal for the year-to-date Q3 2019, which represents an 9.7 percent increase on the same period in 2018. We are confident we can sustain growth levels above the industry in the coming years.

> **"We have over 5.1 million active users of our app, Al Mubasher—up over 40 percent from last year. It is the most highly rated, most downloaded banking app in the country."**
>
> Steve Bertamini, CEO, Al Rajhi Bank

Is a merger or acquisition on the horizon for Al Rajhi Bank, or are you satisfied with your current market position?

While there is always excitement around mergers, the reality is that in the first 18-24 months there is much more focus on internal processes and rationalization than external growth opportunities. For us, certainly in the short term, the current flurry of mergers and acquisitions in the kingdom represents an opportunity for us to grow our market share and customer base. But our strategy remains focused on organic growth.

We believe that being well-capitalized and focused on organic growth has resulted in both sustained growth and outperformance relative to our competition.

While Saudi Arabia is already considered a financial hub in the Gulf region, do you think there is potential for it to become a global financial hub, especially considering that it is opening up to more foreign investment?

Given Saudi Arabia is the largest market in the Middle East in terms of GDP and stock market capitalization, yes, there is a significant role to be played. Substantial work has already taken place in terms of laying down the foundation for this to occur, such as the inclusion of Saudi Arabia in the emerging market indices, the passing of a new bankruptcy law and the establishment of a regulatory sandbox for fintech. Visas can now be obtained upon arrival too and we have increased the percentage that foreigners can own in listed companies to 49 percent, as well as allowing foreign companies to list locally.

The bank's percentage of **foreign ownership** has **risen from 1.5% to 10%** in 4 years

For the first 9 months of 2019, **mortgage books grew by 52%**

The bank's market share in **mortgages** has grown **from 20.5% to 30%**

Saudis are very tech savvy; they are active users of social media and confident doing online transactions and e-commerce. Tell us how Al Rajhi Bank is investing in technology.

We have over 5.1 million active users of our app, Al Mubasher—up over 40 percent from last year. It is the most highly rated, most downloaded application of all time in terms of banking in the country. We are constantly upgrading and updating it to enhance the customer experience. Aside from this, we have been making significant investments in our back office. We are one of the largest users of robotics in the Middle East. Currently, we are running about 254 bots (algorithms), doing up to 24,000 transactions per day and working in 50 different processes. Also, we are the first bank in the country to conduct blockchain transactions and we are roughly 85 percent application-programming-interface enabled, which allows us to have a more flexible IT architecture. You can use ApplePay as well as our keyboard to move money using your Android device via WhatsApp. In our bank's aforementioned ABCDE strategy, "D" stands for digital leadership. It's a core part of what we do.

Openness to different sectors and countries will improve national profile

General Director, Hisham Bin Abdulaziz Almousa Investment Group, Hisham Almousa, confirms real estate still rules



Hisham Bin Abdulaziz Almousa Investment Group (HBAA) is one of Saudi Arabia's most distinguished companies and it operates across a diverse range of industries. Can you provide us with an overview of its activities and define what you would consider are its main pillars?

The group is an extension of a family inherited company in operation for over 60 years. At the beginning, my investments were limited to real estate, which then became more complicated and competitive. It is still the largest sector among our investments. A combination of expertise is needed in the real estate sector and it is the common link between all other investments which, in one way or another, come to depend upon it. According to the Ministry of Housing, there were more than 3,000 housing and financing options allocated during 2018, while according to the Ministry of Justice, all real estate projects implemented during 2018 respresent the equivalent of $40 billion. Our other investments span the health sector, retail, food and beverage, commercial aviation, hospitality, finance, technology, human resources and management development.

> **"A combination of expertise is needed in the real estate sector and it is the common link between all other investments which, in one way or another, come to depend upon it."**
>
> Hisham Almousa, General Director
> Hisham Bin Abdulaziz Almousa Investment Group

Do you see Vision 2030 bringing more opportunities? If so, how do you align your business strategy with the same objectives as Vision 2030?

Many changes are underway in Saudi Arabia and at all levels. It's really interesting; an emerging market working away while revolution in Saudi Arabia is being renewed on a continual basis. I believe the willingness of Saudi society to accept the changes that are happening is one of the main challenges. As in all countries though, it will just take time. Another challenge is for us to achieve the goals of the national transformation program 2020 which is a key dependency for achieving Vision 2030. Also keeping GDP as planned is another challenge, although the expectation is always to achieve higher than planned. Meanwhile, the government is continuing to diversify investments toward non-oil sectors, which I consider will provide several cultural and economic benefits, such as creating more jobs for both men and women. I believe openness to others enhances the national profile and will lead Saudi Arabia to be a hub in many different sectors.

Transformation is ongoing in a big way in Saudi Arabia and it has presented plenty of growth opportunities. Given its diversity, your company is strategically positioned to reap the benefits. Where do you see your company in 10 years' time?

The goal is to continue the good work and active participation of development in our group. We also want to improve and expand the scope of our business by developing our existing projects; this way we will grow our assets and achieve expansion plans to invest into new sectors. Ultimately, we seek a sustainable and solid business with continuous financial flow.

What is your opinion on fintech and the impact it will have on the future of your business?

Fintech it is not just technology but a form of lifestyle surrounding how we manage our money. In my opinion, fintech should not merely be an option but the rule because it is very easy to use. From my investment experience in a fintech company (FxStat.com), I have seen the fast growth of joining the portal. Investors come and share their account wallets with the public in order to show and communicate with other investors. The government is digitizing fintech; an indication of its importance.

Over 50% of the company's investments are from **international partnerships**

Over 3,000 housing and financing options were **allocated in 2018**

Real estate projects implemented in **2018** totaled **$40 billion**

Are you looking for new partners?

Yes. Over 50 percent of our investments are from partnerships with international companies. We welcome working with partners both local and from overseas, and look forward to embarking on major projects in and outside the country.

The government supports housing, energy, industry and health in particular. There is great potential for investment, and Saudi Arabia now has the openness to see the culture of other countries and utilize its resources in line with the government's direction and the community's desire.

Investing as equally in technology as in the attitude of employees

CEO, Bank Albilad, Abdulaziz M. Alonaizan, on investing in people, technology and internationalization



Can Bank Albilad's exponential growth be attributed directly to its online initiatives?

Firstly, we brought in talent—experienced people—and that was the strategy to drive both the retail and Enjaz business of the bank. We declared 2019 the year of engagement. We nurture our employees by providing coaching, training and development opportunities, in addition to a positive work environment. This way, they are better able to give their utmost when it comes to taking care of our customers. We have established social media channels to better interact with our customers and to get feedback. We keep a close watch on our people's key performance indicators too. Today, we have over a million followers on Twitter, Facebook and LinkedIn. That wasn't the case two years ago. Technology is a big factor but I would say it's not that alone. It's a combination.

What sets Bank Albilad apart? Why should foreign companies bank with you over and above the many others?

We are the frontrunners in the remittance business and we have a presence in many countries. Even in terms of market share, we are number one because we provide a variety of services, have good technology and have an international presence. Secondly, we have a deep knowledge of managing international business. I think it's important for foreign companies who want to do business in Saudi Arabia to link up with people who have experience, a deep understanding of international markets and know-how of business operations. Clients need advice sometimes. The third factor is technology. If you look at our bottom line, you will see that our expenses have risen. This is because we are investing in good-quality people, in technology and in infrastructure.

> **"If you look at our bottom line, you will see that our expenses have risen. This is because we are investing in good quality people, in technology and in infrastructure."**
> Abdulaziz M. Alonaizan, CEO, Bank Albilad

How important is corporate social responsibility (CSR) to the bank and what are some of your favorite initiatives?

We have been doing CSR activities for a long time now and were among the first banks here to do so. We have fully developed strategies, from having established the department to the necessary processes. For the past two years we have focused on environmental issues, sustainability and the needs of people with disabilities. We introduce around 10 to 12 initiatives a year, such as the cleaning of the Red Sea. This part of Jeddah was categorized or described internationally as a dead area because of all the waste that had accumulated there. Our team released an internal announcement asking for volunteers and we were surprised to learn that we had a lot of divers in the bank! We ran this program for around six months every Saturday. By the end of the program, we had collected around 5,000 kilos of rubbish. It is important for the company to provide employees with these kinds of outreach activities to participate in.

What is the bank's growth strategy moving forward?

Today, we want to focus more on innovation, the development of solutions and improving our digital reach. We want to increase the reach of our customers even while they are at home. We were the first bank to launch digi-accounts, an onboarding service that enables customers to open an account online without having to physically go into the bank. Customers receive their card through the mail and within three days they can carry out transactions—all without having to physically step inside a bank branch. The bank's digital transformation is our most significant investment. We invest a lot in technology but, at the same time, in the people behind it.

Bank Albilad made a **net profit of SAR 316.5 million** for Q1 2019

Q1 2019 net profits represent a **23.6% increase** from Q1 2018

The bank has **3,000 employees**, 150 branches and 900 ATMs

Communication and the ability to listen to people are important to me. Nobody can succeed alone. Listening to people is paramount. I try to visit all branches regularly. I make a point of sitting with staff to find out their concerns. It is important to be able to identify the people who really want to succeed. I also have an open-door policy, meaning there are no hidden agendas. If somebody is not doing well, they will know about it. The other thing is that I encourage people to make their own decisions. If they make a mistake, then it is also my mistake. If they do well, then it is because of the decision they made. I believe in empowerment. If you want somebody to grow, you must empower them.

Offering the perfect environment for companies to excel

CEO, Kingdom Holding Co., Talal I. Almaiman, provides a thorough overview of the country's vision going forward



You are one of the captains of industry and one of the most prominent business leaders in Saudi Arabia. In your view, what has been the impact of Vision 2030?

I believe Vision 2030 is a huge leap into the future for the kingdom of Saudi Arabia. I think that the Vision itself is a country, human and economically oriented plan. This is a plan guided by the will of our leadership. The main question to us, as Saudi citizens, is how well can we execute it. I am very happy that we have the Crown Prince. He is a young, intelligent, eager and powerful leader for all of us. We have finalized the required funding with local and international banks, and are awaiting the right opportunities for investments. Kingdom Holding Co. is here to stay; we are a Saudi company that was established in Saudi Arabia. All our senior personnel are Saudi and we are very proud of that.

> **"We must nurture an environment that would cater to the best brains of the world, where they will feel welcome and at home."**
> Talal I. Almaiman, CEO, Kingdom Holding Company

Can you give us an insight into what sectors or what companies you are considering investing in?

Once we have a list of companies that have passed the filter set by our investment committee, we look at our entry point. At that time, the company we are looking at must be generating income and have a strong management team with a track record in the sector we are looking at. We are looking at all sectors with exception to finance and real estate because we are heavily invested already in both. Prince Waleed has been invested in the entertainment business for a long time, but the kingdom itself will be considering the entertainment sector from a different prospective.

As a company that used to invest primarily in multinational companies, what are some of the difficulties that come with changing your focus?

The true application of solid corporate governance is difficult. We need to get to know this and how to properly implement it. As a listed company, investing in companies that apply adequate corporate governance is imperative for us.

What technological areas do you think will have the most impact on society over the coming years?

We will pursue investing in artificial intelligence among other technologies. When companies and people started to look into investing in technology, we were already invested in Twitter. I think Saudis are one of the top users of technology and I hope soon we will become developers of technology not only users of it.

When do you think we will see the next "unicorn" startups coming from Saudi Arabia?

I think it is important that Saudi Arabia tries to produce the next unicorn. All we need is the support which has already started. We must nurture an environment that would cater to the best brains of the world, where they will feel welcome and at home. We have the resources, people and the support of our leadership.

Kingdom Holding has been operating in the real estate business for nearly **20 years**

Kingdom Holding announced a **$1 billion** investment toward **Saudi Arabia**

Jeddah Tower, by **Kingdom Holding**, will be the tallest building in the world

When do you expect Kingdom Holding's Jeddah Tower to be completed?

We were hoping to have continued already with the construction but the contractor faced some technical and financial issues that we are working out. We are finalizing the right plans to take us all the way to completion. The message behind building such a magnificent building is that Saudi Arabia is the country of wonders, where more than a billion Muslims pray daily toward Mecca. Jeddah Tower is a monument of the great change taking place in Saudi Arabia.

How are you helping encourage more confidence in the international business community to invest here?

Saudi Arabia has started working on all the areas that will make it the place and country of choice. We truly believe Saudi Arabia is one of the top countries in the world to invest in and, once invested, you will be well rewarded. There are huge opportunities in healthcare, education, infrastructure and technology. I encourage all investors—local, regional, and international—to consider investing in Saudi Arabia.

The university that the kingdom's employers trust above all others



CEO, UBT, Mohanad A. Dahlan, discusses the university's monumental growth and exacting standards for specialist training

Sports management, entertainment management, robotics and cybersecurity are new subjects you plan to offer. Is the University of Business and Technology (UBT) a pioneer in the kingdom?

Universities are able to prepare students for the jobs of today, but I believe that for the jobs of the future, universities have yet to catch up. We at UBT are focusing on the future. "Education for job opportunities" has been our slogan since 2000. We have over 6,000 graduates in the workforce—a big number compared with other universities. In line with our slogan, we fill the gap between the market needs of tomorrow and what we can provide in terms of programs. In order for me to better invest in robotics, cybersecurity, entertainment and artificial intelligence, I need more flexibility from the Ministry of Education.

The legacy that I would like to leave, however, is to help grow UBT into six campuses. It used to be two. We have introduced language programs, vocational programs and we are the pioneers in executive education also. We train over 1,200 people abroad, in five different countries: Bahrain, Kuwait, the United Arab Emirates, Sudan, and in various cities in Saudi, of course. I never thought that there would be the interest in doing this but, by introducing courses abroad at very fair value for money, we came to realize that demand was high.

> **"Disconnection with the industry means failure in our mission, while a strong connection translates as success."**
> CEO, UBT, Mohanad A. Dahlan

UBT graduates are considered highly prepared and ready to hit the ground running once they graduate. Do you find that a lot of big-name companies are actively recruiting your graduates?

The human-resources managers and recruiters of most of these big-name companies are actually our graduates. They are looking for their peers, for fellow alumni. In the past, it was more difficult to bridge ourselves with industries. We didn't have a name for ourselves, we didn't have a legacy and we didn't have a track record to speak of. But now things have come full circle and our graduates are looking for us again. For every academic department—and we have over 18 of them—there is an advisory board. That advisory board encompasses the industry it belongs to. It includes leaders such as CEOs, Chief Technical Officers, human capital, as well as representatives from different departments. These individuals guide and advise us on what our graduates need to know, what level of language proficiency they should have and so on. Disconnection with the industry means failure in our mission, while a strong connection translates as success. UBT's employment rate is considered one of the highest in the kingdom and 78 percent of our graduates are employed within six months of graduation.

We really hope that the other 42 universities and colleges in the country will be able to follow the slogan "education for job opportunities" because it is better to ensure that graduates are gainfully employed rather contributing to unemployment. Unemployment is a big problem, a huge issue.

UBT's **employment rate** is considered one of **the highest** in the kingdom

78% of UBT graduates are employed within **6 months of graduation**

The university has grown from **33 students** to **6,000** graduates

You certainly are a cutting-edge group. Can you tell us about any type of partnerships or affiliations that you are open to worldwide. Or are you more focused on what you are currently doing on the home front?

We already partner with other universities for certain programs where both our names are credited. While we admire what other universities do around the world, what we prefer to focus on is equipping our students with the best skills for their specialization.

And so we send them to other universities that are highly regarded for those skills. For instance, for advertising we send our students to the New York Film Academy. They also go to certain schools in Italy and Japan that only specialize in advertising. For law, they go to France. We are trying our very best. We are not a government entity. We do not have an open budget like others. We do not have endowments. And we do not receive philanthropic donations because we are a private business. What we do have is the trust of employers. This, for us, is like hitting the jackpot.

A fashion retailer that has become interested in the customer's journey



CEO, Alhokair Fashion Retail, Marwan Moukarzel, discusses how the company is embracing lifestyle and digitalization trends

Women have recently been allowed to drive in the country, and more of them are beginning to enter the workforce. With the increasing purchasing power of young Saudis, what is your opinion on the demand for global products and brands? Also, having more than 75 of the world's leading brands under your belt, what is your take on this trend?

The penetration of social media and digital technology is shaping the world and Saudi in particular, given the young generation here. Ours is a young population. They are very much into social media platforms such as Instagram and Twitter. They are also exposed and knowledgeable and the Saudi customer now is significantly more sophisticated. They know exactly what they want. They have international exposure and they know the brands, which makes it interesting and more challenging for retailers.

Today, I believe you need to bring in the brand and the experience around it because the customers are after the experience. The macroeconomic changes foster a positive environment in the market and there are opportunities that should be grasped by retailers like us. For instance, there are some brands that have yet to enter our market. Dubai is said to be is the most penetrated market in the world when it comes to international brands, so there is still an opportunity for brands to come to Saudi. The game for us is the online game, the e-commerce game. There are enormous amounts of trade coming online to the market and this is where we need to capture the upside, as we try to complement the offline with the online experience.

> **"Today's young Saudis have international exposure, and they know the brands, which makes it interesting and more challenging for retailers... The game for us is the online game."**
> Marwan Moukarzel, CEO, Alhokair Fashion Retail

Since its inception in 1990, Alhokair has grown to become the largest franchise retailer in the Saudi, Middle East and North Africa, Central Asia and Caucasus regions. With more than 1,750 stores across 100 shopping malls in 13 countries, what is next for the company?

We recently announced the acquisition of a food and beverage company, which is a sister company that was not listed, so we bought it into our listed company. It generates around $95 million in turnover.

We are actively making the shift from being mostly a fashion-based company to a lifestyle-based company. This is the message that I have been giving investors since I joined the company. In addition and building on the entertainment story—now there are better food and beverage concepts entering the market, there is great opportunity. We want to operate in the casual dining category, so we are focused on that. We will also soon be tapping into entertainment. We are still going to grow the fashion business because it's our core business but we want to complement the journey of the customer inside the mall or in the high street.

How is Alhokair investing in technology? What other initiatives do you have, apart from developing an e-commerce platform, and how important is technology to the business?

We have a long way to go but I am glad to say that the journey has begun. In the last eight months we have invested in a new enterprise resource planning solution, which we partnered with Oracle on. We have invested some $10 million in upgrading our digital platforms, our reporting platforms, and in preparation for the growth that is coming. In parallel, we have started the digital journey with Zara. By September, we will launch other Inditex brands—Massimo Dutti and Zara Home—online.

Alhokair Fashion Retail is present in **13 countries**

82% of revenue comes from Saudi

The company has **10,000 employees, 75%** of whom are **Saudis**

At the same time, we are going to look at bringing the online platforms of the other brands that we represent into the market. I am glad to say that with the new tools that we have now and the stores that we are renovating, we are going to see more digital interaction and digital platforms inside the store. We are trying to elevate the experience of customers by providing them with an omnichannel experience.

Overall, we are repositioning and I believe this is what all retailers should be doing today. How? We look at every store individually. If it generates value, we keep it; if it does not, we are not attached to it. Some malls that were great twenty years ago will not necessarily meet future expectations. Today, if you look at world leaders in retail like Inditex, which is our largest business partner, they are doing more with less. They are going for more iconic stores, with customer experience as the key.

The Saudi partner of choice for healthcare companies

Chairman and Managing Partner, Tamer Group, Ayman M. Tamer, suggests that people should not hesitate investing in Saudi Arabia



How do you assess the current state of the healthcare industry?

Currently, the healthcare industry in Saudi Arabia is undergoing a transformation. Our healthcare system has benefited from substantive investment in recent decades. We are determined to optimize and better utilize the capacity of our hospitals and healthcare centers, enhancing the quality of our preventive and therapeutic healthcare services. The public sector will focus on promoting preventive care, on reducing infectious diseases and in encouraging citizens to make use of primary care as a first step. The public sector will focus on its planning, regulatory and supervisory roles in healthcare. We will work toward developing private medical insurance to improve access to medical services and reduce waiting times for appointments with specialists and consultants.

What have been the key factors that explain Tamer Group's success?

The key factor in the success has been building the talent in the organization. All senior management here are engaged in developing people, tools, processes and investing in the organization to improve the quality of service and the wellbeing of everyone. Tamer Group has in its core values integrity, commitment, collaboration, respect, diversity and, last but not least, passion to learn. Our people are our most valuable asset and have always been the key to our success. At Tamer, we have a keen interest in hiring the right talents who will integrate well with our culture, embrace our growth strategy and are motivated to add value to the business. We present them with excellent opportunities to learn from industry experts and invest in building their capabilities, in order to realize their true potential.

"At Tamer Group we have our mission to be the 'partner of choice' in attracting and sustaining business with leading healthcare organizations."

Ayman M. Tamer, Chairman and Managing Partner, Tamer Group

Could you comment on the company's diversification and expansion plans?

I think all areas in fast-moving consumer goods will witness steady growth, especially those linked to the e-commerce platforms. We are aiming to reach more millennials, gaining their loyalty from the beginning, through multiple products. We want them to acquire enough knowledge to help them excel in the business. We are heavily focusing on group activities, including loyalty and incentive programs. Influencers and social media hold a critical position in this effort, accompanied by many events, training sessions and the necessary infrastructure. In addition, Tamer Group is targeting food and beverages, organic food and healthy snacks, as well as a female product range. Tamer Group serves many of the world's leading companies through various agreements, partnerships and joint ventures.

Why is Tamer Group the partner of choice for brands, companies and investors coming into Saudi Arabia?

At Tamer Group we have our mission to be the 'partner of choice' in attracting and sustaining business with leading healthcare organizations. We continue to strengthen our leadership position in the Saudi healthcare market through extending market reach, product portfolio enhancements and diversification of service offerings. We support partners in achieving their goals by providing them with a robust transactional platform, state-of-the-art operational infrastructure, a highly skilled team and the agility required to adopt customized solutions to run multiple business models.

Tamer Group was established in **1922** and is currently **Saudi Arabia**'s leading healthcare group

90% of the proceeds of the **Table For Two** initiative go to the beneficiaries

What initiatives do you feel most proud of?

I am pleased with the initiatives we are undertaking, especially with the programs focused on the underprivileged, female empowerment and workplace wellness. Tamer is a partner in the Table For Two initiative. In our world of seven billion people, one billion suffer from undernutrition, while another billion suffer from obesity. This initiative rights this imbalance by simultaneously addressing the two opposing problems through a unique program.

What would be your vision for Tamer Group over the next five years?

Tamer Group is undergoing positive changes to cope with all the transformations in Saudi Arabia. We expect a new landscape filled with better healthcare, better facilities in the country, large investment opportunities and better wellbeing for both Saudi and foreign investors.

A company with a higher purpose for humanity

Managing Director, Saudi Chemical Company, Mohammed Saud Albader, invests heavily on a solid strategy and efficient execution



What changes have you seen since Vision 2030 was implemented and what benefits have you seen for the Kingdom?

We must create new industries for Saudi Arabia to have additional sources of income and take full advantage of its location as a central place that connects Asia, Africa and Europe. There are lots of opportunities that can be taken advantage of to create new industries in Saudi Arabia. Vision 2030 is putting things into action, as the new way forward for the kingdom.

What has prompted diversification within your company and how has this benefited the company?

When I came into office, we started AJA Pharmaceutical Industries, which specializes in pharmaceutical manufacturing. Distribution is a limited activity but with pharmaceutical manufacturing we can reach the whole world. Since we have a good relationship with international pharmaceutical companies, it was easy for us to get into pharmaceutical manufacturing. We thought of starting a distribution fleet so we could distribute non-pharmaceutical products that were sold in drug stores as well, like cosmetics and fast-moving consumer goods. Under the Saudi Chemical Company, we are also in the military explosives business. Saudi Chemical Company is our holding company and under that are five subsidiaries, with one of them being Saudi Chemical Company Limited. For the time being, AJA Pharma is still in its inception phase. It has not reached its breaking point yet. The pharmaceutical distribution is vertical, so it also brings in large income.

"In Saudi Arabia and the region there are plenty of remarkable business opportunities."

Mohammed Saud Albader
Managing Director, Saudi Chemical Company

In pharmaceutical distribution, we are looking closely at online sales and digital pharma. We know that the market dynamic is changing, so we are also adapting to this change. We have seen a big push for e-commerce and so we are taking a closer look at online sales. Online sales is an end-to-end business and we are preparing ourselves for this.

In the years to come, where do you see the most growth potential? What are your growth plans?

In Saudi Arabia and the region there are plenty of remarkable business opportunities. With AJA Pharma, we can cover the entire kingdom of Saudi Arabia or even the Gulf Cooperation Council countries. To establish ourselves, we first look for an agent in each country.

How does AJA Pharma rate in terms of international standards?

In the beginning, we did not have many products. We signed with international companies and we manufactured products for them. We have six of those international partners now, Novartis, Abbott, Roche, Gedeon Richter, Servier and Lundbeck. In order to manufacture for these international companies, we had to reach a very high standard. From the beginning, we aimed to establish our factory based on European and U.S. Food and Drug Administration (FDA) standards.

What is your outlook for the short term?

When AJA Pharma started, we had three lines of product types: capsules, tablets and liquids. Now we have creams as well. We started production as secondary packaging and then we moved back into primary packaging. Once every line gets FDA approval, we will announce the production work and it will become operational.

AJA Pharmaceutical Industries managed to increase their capital from **$168 million** to **$225 million** within a few years

There are **8,600** pharmacies in **Saudi Arabia**

Over **2019**, the company grew its net profit by **11%** quarter on quarter

How do you select partners and how do you reach out to potential investors?

That is the strength of being in distribution for the last twenty years. We have SITCO Pharma, and we have good relationships with international pharmaceutical principals, capitalizing on mutual trust.

Do you foresee AJA Pharma moving more toward becoming a developer of new drugs?

Research and development is important for growth and business sustainability. With pharmaceuticals, we have signed some agreements with universities and we now have training and joint research. I see us developing our own pharmaceutical products in the near future.