



# **SAUDI ARABIA**

## Building new benchmarks

The kingdom's groundbreaking hosting of this month's G20 Leaders' Summit puts its stunning transformation in the global spotlight. Discover how Saudi Arabia is realizing opportunities for all.

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# Saudi Arabia: Building new benchmarks

The kingdom's socioeconomic transformation is extremely impressive



The new King Abdullah Financial District (KAFD) in Riyadh, Saudi Arabia

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The red carpets in Riyadh may have been rolled away due to the COVID-19 pandemic forcing this year's G20 Leaders' Summit in Saudi Arabia to become a high-profile virtual event rather than a glittering gathering in its modern and prosperous capital, but the kingdom will certainly look back on its presidency of the premier forum for international economic cooperation with great pride and a sense of real achievement.

Through a series of focused discussions, conferences, forums, working groups and ministerial meetings, Saudi Arabia has developed a rewarding portfolio of projects and initiatives under the theme of "Realizing Opportunities of the 21st Century for All". King Salman bin Abdulaziz Al Saud had always expressed his unwavering confidence in his country's G20 presidency: "We are undergoing a historic transformation under our Saudi Vision 2030 that aims to foster a vibrant society, a thriving economy and an ambitious nation. The kingdom will work with G20 members to exchange experiences, solidify global cooperation and find solutions for the world's most pressing challenges of the 21st century."

The collective roadmap focused on three core aims: empowering people by unleashing opportunities for all; safeguarding the planet by fostering collective efforts to protect our global commons; and shaping new frontiers by adopting long-term, bold strategies to utilize and share the benefits of innovation where international collaboration is vital for tackling its challenges, while harnessing the benefits of digitalization across the economy, encouraging the adoption of new technologies in infrastructure, keeping pace with advances in artificial intelligence and developing smart cities.

Such goals chime with many of the socioeconomic targets featured in the comprehensive Vision 2030 strategy, described by its authors as a bold, yet

achievable blueprint for an ambitious nation that is incredibly proud of its past, but is firmly focused on the future. "It expresses our long-term goals and expectations and it is built upon our country's unique strengths and capabilities. It guides our aspirations toward a new phase of development—to create a vibrant society in which all citizens can fulfill their dreams, hopes and ambitions to succeed in a thriving economy," states Crown Prince and Chairman of the Council of Economic and Development Affairs Mohammed bin Salman bin Abdulaziz Al Saud.

**"We are undergoing a historic transformation via Saudi Vision 2030 that aims to foster a vibrant society, thriving economy and an ambitious nation."**

King Salman bin Abdulaziz Al Saud

One of the key components of Saudi Vision 2030 is privatization, with the kingdom opening its wide range of service sectors to local, regional and international investors as part of an economic diversification strategy that aims to reduce its traditional reliance on vast oil and gas reserves. The privatization plan's adoption in early 2018 saw the kingdom almost immediately become a powerful magnet for substantial foreign direct investment in sectors like energy, telecommunications, utilities, transportation and financial services. While the macroeconomic impact of the pandemic has created major challenges for countries across the world, Saudi Arabia's size, stature and wealth of natural and human resources has proved its resilience and given investors great confidence.

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## Cultural center is beacon of change

Ideas of tomorrow meet centuries of tradition in architectural masterpiece

Nowhere in Saudi Arabia is the sheer scale of the kingdom's stunning transformation into a diversified and knowledge-based economy more evident than in—as well as above—Dhahran, where the iconic King Abdulaziz Center for World Culture (Ithra) reaches high into the sky.

Designed and built in just eight years, the award-winning 90-meter-tall structure is a thriving cultural hub that showcases and celebrates human potential as the greatest source of change, and focuses on accelerating that potential by encouraging creativity, inspiring minds and empowering talent among people of all ages. Inaugurated in 2016 by King Salman bin Abdulaziz Al Saud, Ithra was the brainchild of energy titan Saudi Aramco and is the company's flagship corporate social responsibility initiative. It is the largest cultural contributor to Saudi Arabia.

"Ithra is housed in an 80,000-square-meter landmark physical space with multi-dimensional components that include a library, a four-gallery museum, a cinema, an Idea Lab, a theater, archives, a great hall, a children's museum, an energy exhibition and the Knowledge Tower workshop space, which is overseen by subject matter experts in a variety of cultural fields," explains Ithra's Director Hussain Hanbazazah.

"At its core, Ithra provides the kingdom with global experiences and the world with a unique window to Saudi creativity, culture and capability. With a diverse range of year-round programming appealing to all interests and ages, Ithra's offerings and initiatives embody five key pillars: art, knowledge, creativity, culture and community." These important themes fit with many of the G20's initiatives that strive to involve, engage and empower

**"Ithra's offerings and initiatives embody five key pillars: art, knowledge, creativity, culture and community."**

Hussain Hanbazazah, Director, Ithra

Saudi young people. As a key youth engagement platform, Ithra regularly provides programming and partnerships designed to enable and inspire the country's next generation of leaders. To this end, Ithra—in partnership with Crown Prince Mohammed bin Salman bin Abdulaziz Al Saud's MiSK Foundation—will lead the Youth 20 (Y20) engagement under the larger G20 umbrella. "Y20 allows for youth-led policy solutions addressing key global challenges to be fed into the overall G20 communique—and this falls under our commitment to empower Saudi youth to partake in such dialogues. In the long term, the Y20 aims to inspire and prepare the next generation of Saudi leaders," Hanbazazah adds.



**Hussain Hanbazazah**  
Director, Ithra

**A Cultural Center like no other**

where we empower and celebrate knowledge, creativity, culture, art and community.

Inspiring Hearts. Enriching Minds.

## Banking and financial services sectors in safe hands thanks to robust foundations

Industry players adhere to the strictest international regulations and standards

The banking and financial services sectors have flourished under the watchful eye and steady hand of the Saudi Arabian Monetary Authority (SAMA). As the kingdom's central bank, SAMA has spearheaded fiscal developments and programmes on behalf of the government for nearly 70 years, with its comprehensive remit including responsibility for maintaining the national currency, supervision of commercial banks, management of foreign exchange reserves, and oversight of monetary policy.

"Cooperation and collaboration have always been the hallmark of the G20," says Ahmed A. Alkholifey, Governor,



**Rania M. Nashar**  
CEO, Samba Financial Group



**Sarah Jammaz Al Suhaimi**  
CEO, NCB Capital

One of the Middle East's largest and most acclaimed financial services providers with almost \$70 billion in total assets, Samba Financial Group boasts an incredibly powerful presence in the national and regional economy. Headed by heavyweight industry executive Rania M. Nashar—named by Forbes for two years running as one of the world's 100 most powerful women—Samba itself has been named the kingdom's best bank for 14 years in a row by Global Finance magazine.

Last year, Samba was at the forefront of the long-awaited initial public offering (IPO) of Saudi Aramco which went on to break records, an enormously rewarding and proud moment for the financial services giant and its staff. "I see this IPO as another feather in Saudi Arabia's cap that proves how resilient the kingdom is," Nashar says. "Leading the world's largest IPO was a phenomenal achievement and we are immensely proud it was led by two women: Sarah Jammaz Al Suhaimi of NCB Capital and myself. Another exemplary achievement has been the level of growth seen in our corporate bank—we have grown our loan book by over \$11 billion, which is 17 percent. The majority of this has been organic growth from deepening existing relationships and acquiring more clients. We are also, once again, the Saudi bank that offers new services first. Digital innovation is one of our strong points but our focus had shifted a little bit—now, we are back on track and the industry is on the lookout for what we do next. At the same time, we are focused on risk management and are growing in a prudent way, being mindful of our obligation to stakeholders, whether they are our owners, regulators or clients."

**"Digital innovation is one of our strong points but our focus had shifted a little bit—now, the industry is on the lookout for what we do next."**

Rania M. Nashar, CEO, Samba Financial Group

SAMA. "During the Saudi presidency of the G20 this year, we believe we have demonstrated this in the most challenging and testing circumstances, and at unprecedented scales with the COVID-19 pandemic. For the last two years, we have licensed foreign branches of reputable international banks that have decided to have a footprint in the kingdom's financial sector. We are also currently in the process of assessing a few licensing applications to set up domestic conventional and digital-only banks."

In line with the aims of Saudi Arabia's G20 presidency, the kingdom's most world-renowned bank empowers people, safeguards assets and shapes new frontiers.

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# Golden future for fintech revolution

The fusion of finance with cutting-edge technology is a catalyst for change

The digitalization drive in Saudi Arabia continues to accelerate as increasing numbers of companies harness the speed and efficiency of state-of-the-art hardware and software, with this positive trend most evident in the banking and financial services industries. Secure and streamlined frameworks have been designed to match global fintech benchmarks, with the Saudi Arabian Monetary Authority (SAMA) taking the best components of regulations from world-class financial centers including Singapore and London.

Through fully owned subsidiary Saudi Payments, SAMA had a leading role in the creation of a safe, reliable, low-cost and efficient system for financial transactions and card payments made online, through ATMs or in shops and stores. Guided by the Financial Sector Development Program, the company's work is an important conduit for the Vision 2030 goals of a cashless society and a more transparent monetary environment. Known as mada, the latest innovative generation of electronic payments aims to boost sales growth with unprecedented dimensions of flexibility, speed, security and acceptance, notes SAMA's Deputy Governor for Development and Technology Ziad Al-Yousef, who was previously Saudi Payments' Managing Director.

"When it comes to benefits for individuals or merchants, digital payments are more secure and convenient, they reach the furthest parts of the kingdom and they reduce the costs of cash on the economy, which include the costs of printing, transportation, and securing and insuring physical cash dispensing



**Rayan Fayeze**  
MD and CEO  
Banque Saudi Fransi



**Ziad Al-Yousef**  
Former MD  
Saudi Payments



**Abdulaziz M. Alonaizan**  
CEO, Bank Albilad

operations," the senior executive explains. "When we started this project three years ago, 18 percent of Saudi payment transactions were digital and the goal is to reach 70 percent by 2030. By the end of 2020, we were tasked with reaching 28 percent—but we had already achieved 36 percent by July 2019.

"SAMA mandated Saudi Payments to provide a world-class infrastructure for fintech. The platform we are managing for this used to be an exclusive service for banks, because they were the only businesses that were licensed to provide payment services. SAMA's new framework allows for non-banks to

enter this market. These operators are treated in a similar way to banks; they need access to our infrastructure to provide their consumers with services."

Casting his gaze further into the future, Al-Yousef is adamant two of the most important things that must be maintained at Saudi Payments are the management of consumer protection and the understanding that companies are in this market to make money, so the business and regulatory environment needs to remain conducive to that key goal. "Digital payments, technology and developing talent will help steer Saudi Arabia in the right direction in the new world of finance," he concludes.

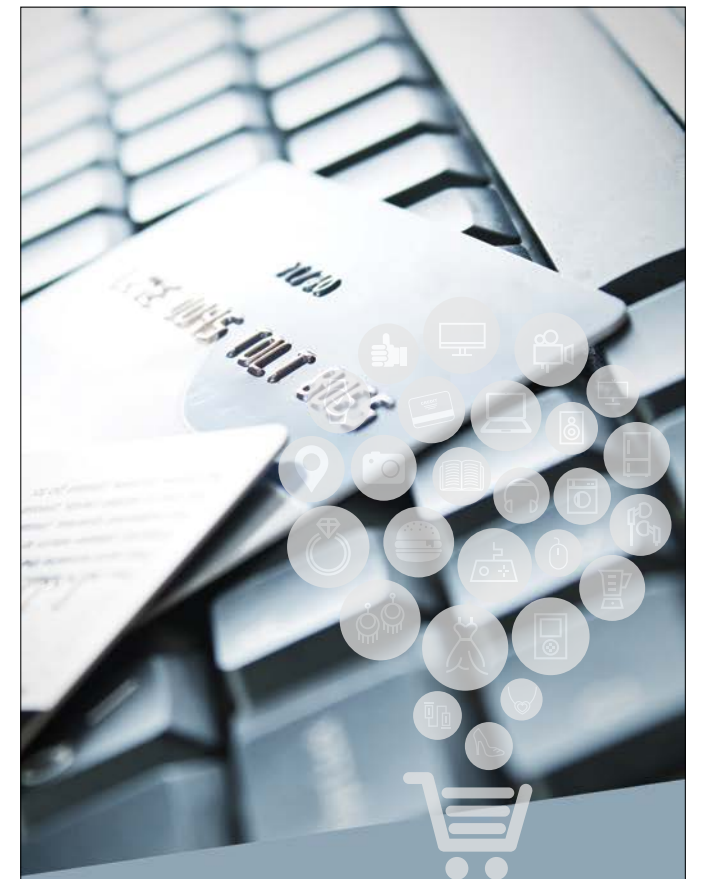
This strong technology backbone has helped leading Banque Saudi Fransi (BSF) optimize its considerable financial resources and reinforce its position as a growing provider of commercial banking services to domestic and international customers. "We are investing heavily in technology and digital," confirms BSF's Managing Director and CEO Rayan Fayeze. "We are also investing in our core banking system and are installing an entirely new one that will be completed in 2022. As a large corporate bank, trade finance is a key component of our business, so it is something that we have invested in over a long period. We have nurtured strong relationships through the years, locally and globally, which has helped us achieve a strong market share in trade finance."

Fayeze, who has stints at investment giants JP Morgan and Goldman Sachs on his impressive resume, was delighted with BSF's performance at last year's Saudi Trade Finance Summit, which saw BSF named Best Trade Finance Bank. He is just as pleased with the opportunities for the kingdom to share to a wide audience its many socioeconomic achievements and modernization during the G20. "The various G20 and B20 events—albeit virtual—offer an opportunity for the world to see the quality Saudi Arabia can do in its presidency of the G20. We cannot wait to showcase our transformation thus far. The kingdom has a lot of excellent emerging fintech companies and amazing entrepreneurs in the form of passionate young people with a lot of creative ideas. The talent and the drive in the biggest market in the region are here and ready; all of this is coming together to create a vibrant fintech community.

"The customer experience is of primary importance to us, so that is something that we want to enhance from start to finish, from opening an account online to seamlessly managing and making transactions with that account. As of today, around 60 percent of our new accounts are opened online. People still visit our branches to get a loan perhaps, but the majority of new accounts are now opened online. It is not just the younger demographic that is driving this change, the Saudi Arabian market in general is very comfortable with digital. For example, Apple Pay's adoption rate was probably higher here than in any other comparable country when it was first released."

This upbeat view on the huge importance about the ease of access to digital services for the country's young, ambitious and highly educated population is echoed by Abdulaziz M. Alonaizan, CEO of Bank Albilad, who is keen for his financial institution to tap into this lucrative market. Named Best Digital Bank at the 2019 Global Business Outlook Awards, Bank Albilad has migrated to digital transactions because Saudi Arabia is a young country and his company needs to be up-to-date and responsive to the needs of this generation.

"It was a tremendous help when SAMA introduced its fintech sandbox rules because it gave banks and other financial services providers the impetus to come up with innovative solutions. This led to banks pursuing their own digital solutions or collaborating with fintech companies. In our case, we have seen a 57 percent increase in transactions over our digital channels in 2019 alone. Saudi Arabia is still underbanked and there is no real need for mergers, acquisitions or consolidations, at this time. There are only 11 banks operating in the kingdom and they are all of good standing."



## Saudi Payments is overseeing the highest worldwide growth in digital transactions

By providing an infrastructure network that contains the world's most advanced, safe and reliable electronic payment systems, Saudi Payments has revolutionized financial transactions for individuals, businesses, banks and government enterprises as it leads the kingdom toward becoming a cashless society.



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# Diversified economy embraces FDI

Lucrative business and investment openings are available across the kingdom

Saudi Arabia's exciting journey to economic diversification offers a broad range of investment opportunities for adventurous and ambitious international enterprises, but such investors often require highly detailed knowledge of market conditions and potential pitfalls specific to individual commercial and trade sectors before committing significant sums of investment.

As the world's largest Sharia-compliant asset manager and the kingdom's second-largest broker, NCB Capital has a wealth of industry experience and is a fully fledged investment bank that offers different kinds of asset management, brokerage and advisory services for clients. "One of the main game changers for investors are the amendments we have seen in Saudi regulations recently that have opened up options for those who want to pursue a particular business," explains Sarah Jammaz Al Suhaimi, CEO, NCB Capital.

"There are many opportunities here and we are doing a lot in healthcare, logistics, education and infrastructure. For healthcare, that does not mean just hospitals, but also health-related businesses, such as manufacturing supplies or specialized services. One big sector with potential is tourism and tourism services. With the pandemic, many people are traveling within the kingdom,



**Anees Ahmed Moumina**, Group CEO, Savola Group



**Hisham Almousa**, General Director HM Group

and the country is pushing for further investment in tourism and infrastructural services, particularly in areas like hotels, logistics, restaurants and recreation facilities. Tourism is a large sector and represents an attractive investment opportunity. Entertainment is at the top of the list too, as it is easy to enter and creates jobs. Saudi Arabia needs to think a bit outside the box to keep up in the current global environment."

Blazing a trail for other companies to follow is Savola Group, with its focus on retail and food operations transforming the enterprise from a humble edible oil factory into one of the largest conglomerates in the Middle East and North Africa in just four decades. The group's products can now be found in more than 50 countries and its retail arm, Panda, is regarded as the kingdom's largest grocery chain. The business also holds major shares in other publicly listed companies, like Almarai Dairy Company and Herfy Foods Company.

"Our aim is continue to grow via digital transformation and technological innovation that supports the Vision 2030 development plan agenda and our strategy," states Savola Group's Group CEO Anees Ahmed Moumina. "Part of our strategy is exploring investments in early-stage firms that are innovative and potentially disruptive to both food and retail. This helps us to bring capital to the table, plus a platform of operating companies in the region through which we can leverage these new tech investments. The future for us will be more value-added products; and perhaps openings beyond our core geographies if they have ties to the region."

In the here and now, Savola Group has worked round the clock to ensure it is 'business as usual' during the COVID-19 crisis while also introducing safety measures to protect the health of staff and customers at its food and retail outlets, including an expansion of its digital presence. "We have focused on maintaining the supply of our portfolio of food products across all channels, both physically and digitally," Moumina explains. "Separately, in our retail segment, we have worked tirelessly with other food suppliers to ensure sufficient inventory of key grocery products to meet the significant demand increase. Beyond the immediate priorities, we are certainly continuing to adapt our strategies to meet changing consumer habits.

"We have started focusing on digital channels within the last couple of years and the crisis has accelerated our efforts in this area and doubled our commitment to digital transformation. For example, we have launched



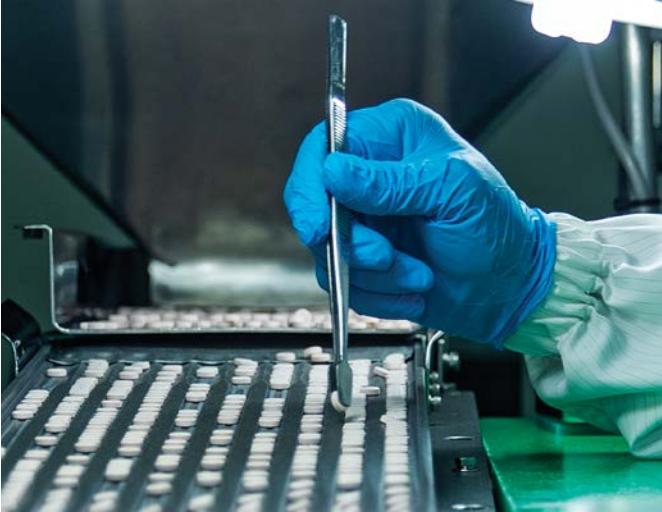
PandaClick as an e-commerce grocery solution to facilitate easy access to Panda products from our stores to the homes of our customers. This crisis has also cemented our internal strategies and investment priorities for the coming period both from a localization effort and for food security.

"Consumer trends across our market are driven by the young demographics, and are focused on quality of food and convenience. These two might seem to be contradictory, but through innovation and advancement in food product development, we can provide food solutions to our consumers who are seeking both. In addition to this, barring the recent pandemic-related shutdowns, enjoying food away from the home is growing at a healthy pace. With time, this segment will come back stronger and we need to ensure we have the right business-to-business food products to serve this area. Finally, as I mentioned earlier, technology and innovation investments in food and retail tech will be particular focuses for Savola Group in the future."

In 2019, Savola Group was included in MSCI's Emerging Market Index, a development that was welcomed by Moumina and his board. At the beginning of 2019, our foreign ownership was roughly 2 percent," he says. "In the past 18 months, we have made a concentrated effort to proactively engage with global institutional active and passive funds that are keen on exposure to the kingdom. We have focused on articulating our strategy for the future while being fully transparent about the challenges that faced us in the recent past. We are happy to see that our foreign investment ownership is now close to 10 percent. This is an important endorsement of our strategy to bring more foreign investors into the public markets in support of Vision 2030."



**Ayman Tamer**, Chairman and Partner, Tamer



Tamer Group

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ily-owned business has grown over the past century from a single pharmacy into a diversified conglomerate with more than 4,000 employees.

The firm has been Saudi Arabia's leading importer, marketer and distributor of pharmaceuticals and medical products for the past decade, and is a leading player in beauty, nutrition, wellness and prestige goods, as Chairman and Partner Ayman Tamer explains: "Our core business is healthcare, while the second most significant is consumer and wellness products. I see growth opportunities in all our fields, including a positive upstream opportunity in the healthcare field as the government looks to privatize provision and services."

**"We started focusing on digital channels within the last couple of years and the COVID-19 crisis has accelerated our efforts and doubled our commitment to digital transformation."**

Anees Ahmed Moumina, Group CEO, Savola Group

Another success story is Hisham Bin Abdulaziz Almousa Investment Group (HM Group), a family business that has grown steadily into one of the kingdom's leading investment enterprises. The group has interests in most of the sectors the Saudi Vision 2030 development plan promotes, including real estate, retail, food and beverage, aviation, financial services, technology and health. Two flagship sectors for the company are real estate and retail, in which it operates through a number of subsidiaries.

HM Group's General Director Hisham Almousa says: "We have a 60-year track record of success and have built partnerships and developed experience with multiple large international players. We are value-added partners through our expertise in the local market in terms of regulations, demographics and the evolution of demand. We believe in the unparalleled opportunities for growth in the kingdom and are seeking to leverage our experience, expertise and connections to attract more globally respected brands to further bolster our portfolio and pave the way for the next 60 years of success."

Given its overwhelmingly young population, Saudi Arabia's healthcare sector may not at first glance be the most obvious choice for international investors looking to tap into the country's wealth of investment openings, but such firms would do well to follow the example of Tamer Group. The fam-

## A Catalyst for Social Development

Saudi Arabia's leading healthcare group is focused on being a catalyst for change by working with its local and global partners to build, inspire, empower and transform communities.



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# Saudi at heart, multicultural by nature

**Hussain Hanbazazah, Director, Ithra,** presents a cultural hub that is spearheading Saudi Arabia’s cultural revolution



**What role is the King Abdul Aziz Center for World Culture, known as Ithra, playing in Saudi Arabia’s presidency of the G20?**

The country’s hosting of the G20 in a post-pandemic landscape provides a crucial forum for international discourse, where the vast positive strides made under Saudi Vision 2030 can be highlighted. The summit in November will also offer a forum to discuss global challenges in a post-crisis world and how the global community will adjust and respond to these changes. Key among the G20’s many initiatives is the opportunity to involve, engage and empower the Saudi youth. As a leading youth engagement platform, Ithra continually implements programming and partnerships designed to enable and inspire the country’s next generation of leaders. As such, Ithra—in partnership with the Misk Foundation—is proud to lead the Youth 20 (Y20) engagement under the larger G20 umbrella. Y20 allows for youth-led policy solutions addressing key global challenges to be fed into the overall G20 communique—and this falls under our commitment to empower Saudi youth to partake in such dialogues. In the long term, the Y20 aims to inspire and prepare the next generation of Saudi leaders.

**“At its core, Ithra provides the kingdom with global experiences and the world with a unique window to Saudi creativity, culture and capability.”**  
Hussain Hanbazazah, Director, Ithra

**Ithra was designed as a cultural hub with the aim of promoting arts, science, literature and innovation. Could you give our readers a brief introduction to Ithra, its history and mandate?**

Ithra is Saudi Aramco’s flagship corporate social responsibility initiative and the largest cultural contributor to Saudi Arabia. It is housed in an 80,000-square-meter landmark physical space with multi-dimensional components that include a library, a four-gallery museum, a cinema, an Idea Lab, a theater, archives, a great hall, a children’s museum, an energy exhibition and the Knowledge Tower workshop space, which is overseen by subject matter experts in a variety of cultural fields. The project was first announced in May 2008 in the presence of King Abdullah Bin Abdulaziz Al Saud, who laid the symbolic cornerstone for the project, and was inaugurated in 2016 by King Salman Bin Abdulaziz Al Saud. Located in the Eastern Province of Saudi Arabia, Ithra is a creative and interactive experience destination for workshops, performances, events and exhibitions. It was designed as a platform for glob-

ally showcasing Saudi potential, enabling the growth of the country’s creative sector, and to provide new global cultural experiences to Saudi audiences.

Ithra’s mission has always aimed to bring people together through art, culture and innovation, and to develop and enable the creatives of tomorrow. At its core, Ithra provides the kingdom with global experiences and the world with a unique window to Saudi creativity, culture and capability. With a diverse range of year-round programming appealing to all interests and ages, Ithra’s offerings and initiatives embody five key pillars: art, knowledge, creativity, culture and community.

**The design of the Ithra building is iconic. It has won many international awards in architecture and construction and has been listed as one of the world’s top 100 places to visit. Could you tell us more about this world-class development?**

Ithra was built to communicate a sense of wonder and awe in its physical structure, as an indicator of the potential within. Designed by the award-winning Norwegian architecture firm Snøhetta, Ithra as a structure is a collection of stones that symbolizes unity. The stones themselves embody the resource wealth of the country and recognize Saudi Aramco’s contribution to the kingdom’s oil economy and global energy sector. The center is intentionally built at a location near to where the first commercial oil was discovered in Saudi Arabia as a representation of a shift from oil to human energy. Designed as a purposeful chronological expression of time, the underground components represent the past, the ground level marks the present and the 90-meter-tall tower is an inspiration for the future that has become an unmissable icon across the Dhahran skyline. Because of its groundbreaking structure, the building has gone on to win the Best Overall Excellence Award and earned First Place in the Mid-Rise Building category at the American Concrete Institute’s Excellence in Concrete Construction Awards.

**How is Ithra contributing to Vision 2030, Saudi Arabia’s plan to reduce its oil dependence through economy diversification?**

Ithra, as a destination for culture and creativity, has always aligned with Vision 2030’s objectives as it focuses on both showcasing and fostering Saudi potential and cross-cultural engagement. Ithra acts as a community gathering hub for people of all ages, abilities and creative and cultural interests to explore and grow within a creative ecosystem connecting experiencers with experiences and expertise.

We are a community hub supporting the development of Saudi Arabia’s growing creative sector. Our strategic programming is designed to enable the



creative experience across different disciplines and passions such as cinema, innovation, volunteering, academia, art, science, theater and more. Ithra’s programs—such as our flagship creativity season Tanween, the Saudi Film Festival, our virtual talk series and Knowledge Tower workshops—are designed to bridge aspiring professionals with industry experts, as curious learners gain firsthand practical and creative experience to elevate their passions to the next level. As they enhance their skills and learn new competencies, they will in turn create new industries and diversify the job opportunities of tomorrow. Our work also includes nurturing cultural small- and medium-sized enterprises across multimedia production, educational content services and design, as well as newer fields such as curation and informal education.

We have established a unique presence as the premier arts and culture destination in Saudi Arabia that is operated to international standards, while incorporating a proud Saudi identity. Among many other activities, as a champion of Saudi cinematic talent we have supported the kingdom’s growing film industry by producing 21 Saudi-made films across the world and hosting the high-profile Saudi Film Festival. Our contemporary art prize supports the talented Saudi art community, as do our many receptions and gallery exhibitions. Our theater has hosted over 33 international, regional and local performances delivering world-class shows to over 60,000 visitors; while Tanween has welcomed over 170,000 visitors and more than 100 international speakers and experts to connect with aspiring Saudi professionals.

**How is Ithra helping young people develop new skills and enabling Saudi Arabia to transform into a knowledge-based economy?**

Empowering and enabling Saudi Arabia’s youth has always been integral to our vision at Ithra. Our programs and initiatives offer the necessary tools, opportunities, expertise and resources for the next generation of innovators, leaders and gamechangers to realize and grow their passions and ambitions. Our year-round offerings of workshops, talks and events such as Tanween connect aspiring and established professionals from all over the world, at all levels and interests, in an environment to share knowledge, collaborate and elevate their expertise.

At Ithra, we understand that as Saudi Arabia continues to undergo major economic diversification, placing its citizens’ talents at the forefront, the empowerment of the next generation is crucial to the country’s future and unleashing their potential to global standards is a responsibility. We believe Saudi Arabia’s future creative industries will be pioneered by today’s youth, and the inspiration and opportunities we can provide them along their journey. Ithra also prides itself on its trailblazing volunteering program that has welcomed,

trained and developed the skills of over 3,000 volunteers for a total of 250,000 volunteering hours.

**Has COVID-19 impacted Ithra’s activities and what is on your agenda for the next year?**

We have doubled down on our ethos to make culture accessible. We were quick to react and continued to engage with the community that is at the heart of everything we do via a new online platform: Ithra Connect. For example, 10,000 e-books were made available in our virtual library, and we have had educational livestreams, virtual tours, deep-dive discussions and online meetups with global creatives, professionals, experts and celebrities to supply a homebound public with education, entertainment, morale and connection in one centralized digital destination. Differentiated initiatives afforded us the opportunity to amplify our regional and worldwide presence and instantly engage audiences with tailored content.

For the coming year 2020-2021, our focus will be to continually offer our programming to our audiences as best we can in the current global circumstances. We remain committed to engaging with our audiences and delivering new initiatives irrespective of distancing measures by implementing a hybrid model comprised of both virtual and physical offerings. The aim of creating social impact behind our programs remains a top priority as we deliver on our promise to do our part in spearheading the arts, culture and creative industries.

Dynamic initiatives at the top of our agenda for this year include our Ithra Content Commissioning Initiative—an exciting opportunity to provide a new creative platform for the development of original Arabic content locally and internationally—as well as our Idea Lab challenges that are set to bring innovators together with a focus on STEM at the forefront. Our flagship creativity season Tanween will return for its third year, in a unique format, promising to bring curious learners and international experts together to explore creativity. The pandemic has created a cultural reset of sorts and redefined the way we live our lives. Ithra’s exhibitions are designed to invoke discussion, so we have also curated a special exhibition marking reflection in the time of COVID-19. The arts and culture industry has had to learn to adapt to the “new normal” in order to thrive. The pandemic has taught us the value of connection and given us the opportunity to create accessible avenues and new spaces of culture and creativity. The creative industries have a solid foundation, the potential and capability has always existed and will continue to thrive so long as entities such as Ithra continue to evolve and adapt to new circumstances and create new opportunities from them.



# Inspiring a transformation in banking

**Rania M. Nashar, CEO, Samba Financial Group,** advocates confidence in the kingdom’s financial services

With \$68 billion in total assets, Samba Financial Group is one of the Middle East’s largest and most acclaimed financial services providers. Its world-class expertise and services have won it numerous awards, including being named as best bank in Saudi Arabia for 14 years in a row by Global Finance magazine. Last year was a particularly good year for Samba, with the group recording a 30.42 percent increase in profits, which reached \$1.06 billion.

**What is your outlook for Samba and the kingdom’s banking industry this year?**

In terms of the industry as a whole, the key growth driver in 2020 will definitely be the mortgage business. This sector will drive growth because the Ministry of Housing has announced that it will double the number of contracts this year to 240,000 mortgages. Yes, there will be interest rate reduction, but as a bank—and I am sure that this is true for other banks—Samba has planned well for this tightening on liquidity in the market. We believe that we are going to see more government bond issuance and, as a primary dealer, we fully support these initiatives.

**“Leading the world’s largest initial public offering was a phenomenal achievement and we are immensely proud that it was led by two women.”**  
Rania M. Nashar, CEO, Samba Financial Group

Overall, the banking industry will have a challenging year, but it will also be a remarkable one for some of us including Samba, which can sustain the growth it saw last year. The bank is going through a full transformation program, there is internal realignment and we want to make sure that we are capturing all the opportunities available through our international as well as local presence.

**As well as its 73 branches in Saudi Arabia, Samba currently has 40 branches in Pakistan and one in both Dubai and Qatar—are you targeting expansion into other specific markets?**

If we see any sizeable opportunity somewhere, then we are going to study it. Currently, we are expanding our business in the United Arab Emirates (UAE) and are going to open a branch in Abu Dhabi



soon. This is supported by the shared vision of the UAE and Saudi governments and we believe that we can further capitalize on this cooperation by having a presence in both countries.

**In 2019, the state-owned oil company Saudi Aramco’s initial public offering (IPO) surpassed the record \$25 billion raised by Chinese retail giant Alibaba in 2014. As vice chair of SambaCapital, the lead manager of the deal, could you provide an insight into this IPO?**

I see this IPO as another feather in Saudi Arabia’s cap that proves how resilient the kingdom is. Leading the world’s largest IPO was a phenomenal achievement and we are immensely proud that it was led by two women: Sarah Al-Suhaimi of National Commercial Bank Capital and myself. Crown Prince Mohammed bin Salman made the brave decision to have it issued and traded locally. It was a huge project but all systems were in place and everything went smoothly.

I look back at that time—working round the clock, anxiously waiting for decisions to be made, dealing with international and local partners, handling the media and staying on top of everything—and I remember how we all believed in the IPO. We proved to the whole world that we could do it and it has created the highest level of confidence in the country and the bank. Samba led the IPO, but it also raised the greatest amount of funds in the deal. Everyone was united in wanting to see this success story for the bank and it was inspirational.

**You have been CEO of Samba since February 2017. What have been some of your greatest achievements in the last three years?**

Definitely, one is the Aramco IPO. Another has been the realignment of the Samba management team, because we were able to promote people from within the bank and encourage the younger generation to be more proactive. I believe that another achievement that will pay off in the coming years is the creation of a separate digital section: Samba Digital Office, which is directly under my management. We spent the last few years establishing this office and making sure that it has the right infrastructure. So starting in 2020, we will hit the ground with new and differentiated products and services for our clients.

Another exemplary achievement has been the level of growth seen in our corporate bank—we have grown our loan book by over \$11

billion, which is 17 percent. The majority of this has been organic growth from deepening existing relationships and acquiring more clients. Samba currently has the largest balance sheet it has ever recorded, and I am so proud of managing and leading this bank.

We are also back to being the Saudi bank that offers new services first. Digital innovation is one of our strong points but our focus had shifted a little bit—now, we are back on track and the industry is on the lookout for what we do next. At the same time, we are focused risk management and are growing in a prudent way, being mindful of our obligation to stakeholders, whether they are our owners, regulators or clients.

**What are your views on Saudi Arabia hosting the G20 summit this year, how will Samba be involved and what are your priorities for the event?**

Hosting the summit this year is an incredible privilege. People from all over the world have heard about the socio-economic and political transformation happening in our country, and I believe that this global event will be a great opportunity for them to witness it at first hand. We want to showcase Saudi Arabia as a leading economic force and the preparations are going well.

Samba is participating through myself, as I am privileged and honored to have been chosen to lead the Women in Business action council under the Business 20 (B20) section of the G20. The action council will tackle the themes of women as employees and as employers, as well as strategies for establishing conducive workplace environments for women to thrive in, how to advance their careers and how to prepare them to take on leadership roles. This is what we are advocating for and we hope that the whole world will work with us and support us in this.

Women make up 50 percent of the world’s population but not 50 percent of decision makers: this is the challenge and it is a global issue. For example, only three of the Fortune 500 companies’ CEOs are women. Female empowerment doesn’t only involve financial inclusion and the opportunity to work; it entails tapping into women’s potential, unlocking their capabilities and ensuring that they have the space to make sound decisions. Women should also be able to participate in the decision-making process for shaping economies and changing the world, so I am also promoting the adoption of a gender lens in all the G20’s sections, including the B20 group, Women 20, Labor 20 and Youth 20.

I am truly passionate about this issue, delighted that women in business is the signature theme of this year’s G20 and proud that Saudi Arabia pioneered the theme. This is the first time under a G20 that women are recognized as being in control, which sends a strong message to the whole world that Saudi Arabia treats women as companions, partners and counterparts to men.

Samba is a good illustration of a successful approach to female empowerment. Our bank doesn’t have the highest ratio of female employees but, while other banks hire women to put them in branches where they stagnate and just reach middle-management level, Samba focuses on quality.

Here, we have female lawyers, auditors, corporate bank division heads and senior treasury dealers. My own position as CEO indicates that Samba genuinely supports female empowerment and it encour-



ages other private sector companies to adopt a similar position. Large companies, more than others, can afford to impose policies that support this empowerment.

**For the last two years, Forbes has named you as one of the 100 most powerful women in the world. What advice would you give to young Saudi women today?**

You have to believe in yourself and think of yourself as a global citizen because the challenges that we face as Saudi women are exactly the same as those that someone in the West faces. Today, the opportunities are within reach and you must learn to unleash your potential.

Furthermore, I believe that it is crucial to seek out mentors in one’s career, Saudi women need to be able to rely on and collaborate with their male peers and, in addition, while a successful career is important, so is creating the right balance with family and private life. My family is what ignites the fire in me. Seeing how proud they are of me is what drives me to achieve more.

**When you eventually decide to step down from Samba, what legacy would you like to leave behind?**

I want the person stepping in after me to feel as if everything is in place and on autopilot. Also, when I leave as the first female CEO of this bank, I do not intend to be the last female CEO. I want what I have achieved to encourage others to trust and support another woman as the next CEO.

# A transformed environment for assets and investments

**Sarah Jammaz Al Suhaimi, CEO, NCB Capital,** sheds light on an abundance of opportunities in Saudi Arabia that have been opened up to international investors



NCB Capital is the world's largest Sharia-compliant asset manager. Can you give our readers an insight into the company, and into Saudi Arabia's current environment for investment and wealth management services?

NCB Capital was set up in 2007 as the investment arm of National Commercial Bank. We are Saudi Arabia's largest asset manager and second-largest broker. We are a fully fledged investment bank that offers different kinds of asset management, brokerage and advisory services for clients.

The Saudi investment-banking map has changed a lot over the last 20 years. The establishment of our Capital Market Authority in 2004 and its separation of licenses was a significant change. Introducing independent investment banks to the market rather than just having bank affiliates also had a big impact. Additionally, our stock market has been through major developments within the last four years—it is almost completely transformed. For example, we established the Securities Depository Center in 2017 and last year we added a clearing house. All of these developments will bring many changes to the products that investment banks can offer. They will also create jobs that did not exist before.

I think the level of Saudi asset management services on offer has also been through a substantial transformation. Now, individual and institutional clients have many more options than they used to and they are more sophisticated. We are globally competitive in this area—for instance, NCB Capital's asset management receives Moody's highest manager quality rating. Today, we do not just compete locally, we compete internationally. Clients will never stop comparing NCB Capital's services with others, and they demand high performance and efficiency. From the very beginning, we have provided high-quality services. Additionally, the way we make ourselves available to clients and the way we reduce complexity has made a very big difference in our relationship with them.

What progress is being made in introducing fintech to the Saudi investment services sector and is NCB Capital itself investing in new technologies?

The Saudi Arabian Monetary Authority takes the fintech agenda very seriously. The National Commercial Bank has also started investing in fintech and will continue playing a big role in this area. In a country where 70 percent of the population is very young, doing everything digitally is important. Today, there is a lot of work being done between our various regulators on how to start fintech initiatives.

As the country's largest asset manager and investment bank, we would

like to participate in this. The focus right now is on commercial banking services, although we have witnessed some attempts at using crowdfunding in the investment-banking sector. We have not seen signs that completely replacing the human aspect in advising is happening on a large scale anywhere in the world. What we can do, and what NCB Capital is working on, is using technology in communication, reporting, access and building a bridge so that people do not have to be in the same room as advisers to discuss their investment options and finances.

What sectors in the diversifying Saudi economy do you think are the most attractive for investment?

One of the main game changers for investors are the amendments we have seen in Saudi regulations recently that have opened up options for those who want to pursue a particular business. There are many opportunities here and we are doing a lot in healthcare, logistics, education and infrastructure. When we talk about healthcare, that does not mean just hospitals, the investing public could also look into other health-related businesses, such as manufacturing supplies or specialized services.

One big sector with potential is tourism and tourism services. Today, with the global pandemic, many people are traveling within the kingdom, and the country is pushing for further investment in tourism and infrastructure services, particularly in areas like hotels, logistics, restaurants and recreation facilities. One of the good outcomes of COVID-19 is that people will take this seriously and invest in several parts of Saudi Arabia. Overall, tourism is a very big sector and represents an attractive investment opportunity in my opinion. Entertainment is at the top of the list as well, because it has been shown that it is one of the sectors that is quick to enter and creates jobs—I think this will continue. Saudi Arabia needs to think a bit outside the box to keep up in the current global environment.

What are your short-term priorities as CEO of NCB Capital and, looking further ahead, what kind of legacy would you like to leave behind when you eventually decide to step down from your current role?

Digital technologies are at the top of our current agenda. We also want to continue delivering sustainable results for our clients, looking for opportunities whenever they arise and will work to improve our communication with clients even further. This is key because we take pride on being close to our clients. Basically, we will keep doing what we are doing, and make sure that we do it in the safest way possible for our employees and clients. As for your second question, my answer is not just for when I leave but also

for today, yesterday and tomorrow. I take a lot of pride in institutionalizing processes and systems. I want to lower risk, especially in our industry. The more we build a sustainable business that can survive based on its processes—improving itself year on year—the better services we can offer to our clients. If we have a strong company financially and operationally, this is the best thing we can provide our clients and employees, because it gives a strong sense of security.

Although a lot of industries and businesses around the world were affected by COVID-19, NCB Capital was able to continue growing through hard work and its sustainable approach. This is something we do not take for granted. Being a cyclical business, the equilibrium can change in a second. We are very aware of this, having a sense of urgency at all times and focusing on building a financially and operationally sustainable business.

How has NCB Capital adapted to COVID-19?

In terms of business strategy, not a lot has changed. In terms of how we work, the pandemic opened our minds to think about some things in a different way. It will not necessarily change our 'modus operandi', but operationally we might approach things a bit differently going forward. For example, remote working will provide us with more opportunities to hire women, especially if they have small children. This is a very big advantage for many women who are at a phase in their lives where they do not want to leave their homes for long hours but they do want to have a career.

I think the way we treat working space in general will change. Technology, albeit at the top of our agenda, will open up more as well. Information security is another big subject and NCB Capital is blessed in having robust systems and strong information security controls. We were able to move the whole company to 100-percent remote working in five days from the day we decided to do it. We had to make sure that all staff had digital access and all digital channels were available because, for example, our clients must be able to reach us and we need to execute trades in the market every day for them.

As the first Saudi woman to chair the board of Tadawul, the Saudi stock exchange, what advice would you give to young women just starting out in business?

If I had been given the opportunity to receive advice when I was a young woman, I would have liked to hear that no one is completely sure of what they want to do when they grow up. You have to explore to understand where your passion is. Secondly, the more you focus on the now and what you are delivering today, the more progress will happen. If you set goals for yourself and do not meet them for whatever reason, you will be disappointed. I think the other way round is more effective: focus on today, do your best and this will take you where you should be going.

What outcomes do you hope to see as a result of Saudi Arabia's hosting of the G20 presidency and summit?

Hosting the G20 is confirmation of Saudi Arabia's growing role in the global economy. This is consistent with the country's aspirations to lead and showcase its development plan, Saudi Vision 2030. The G20 is a great opportunity for us to connect to the world and we have worked with fellow G20 members to build an agenda that delivers on this year's theme: realizing 21st-century opportunities for all. The way the country has ensured all of the G20 meetings continue despite COVID-19 demonstrates our commitment to fulfilling our role as president.

## A pioneering leader in Saudi Arabian investment banking



**Al Suhaimi** is the first woman to head a Saudi investment bank



In 2017, **Bloomberg** named **Al Suhaimi** as one of its **50** people to watch



**NCB Capital** is the investment arm of the **National Commercial Bank**



**NCB Capital** was founded in **2007** as the bank's investment and asset management arm



Over **\$37 billion** in assets are managed by **NCB Capital**



**NCB Capital's** asset management has **Moody's** highest **MQ1** rating



**NCB Capital** is Saudi Arabia's **largest** asset manager



**NCB Capital** is Saudi Arabia's **second-largest** broker



One of **NCB Capital's** strategic alliances is with U.S.-based **BNY Mellon** to offer local and global custody



**NCB Capital** is International Finance's best asset management company for **2020**



# The future of corporate banking services

**Rayan Fayez, Managing Director and CEO, Banque Saudi Fransi, describes his bank’s successful strategy for growth**



What are your thoughts on Saudi Arabia becoming the first Arab nation to take over the G20 presidency and its hosting of the G20 summit in November? What outcomes do you hope to see following the event and will Banque Saudi Fransi (BSF), the kingdom’s fourth-largest corporate bank, be involved in any way?

I have had the privilege to chair the Finance and Infrastructure Taskforce of the Business 20 (B20) as part of the overall G20 agenda. The B20 feeds into the G20 and they work hand-in-hand together. It is chaired by Yousef Al-Benyan, who is also the CEO of Saudi Basic Industries Corporation (SABIC), and has six taskforces overall and one action council, Women in Business, which is a signature addition of the Saudi presidency of the B20.

We have worked with the B20 with three key objectives in mind: Firstly, to have as many of its recommendations adopted at the G20 level as possible. It is an important performance indicator that we remain focused on appropriate and timely topics for recommendation. Secondly, we want to break records for female participation—which we have already achieved. The previous record for female involvement at a B20 event was 28 percent, and we have achieved 34 percent in Saudi Arabia. Lastly, we aim to showcase the best Saudi Arabia has to offer to the world. This may be more difficult to measure but the benefits will be long lasting.

The kingdom has changed significantly in the last few years and I don’t think the modernization and social and economic transformation that is happening are being communicated well globally. Although the COVID-19 pandemic has limited the travel of international guests to the kingdom, I believe the various G20 and B20 events—albeit virtual—offer an opportunity for the world to see the quality Saudi Arabia can do in its presidency of the G20. We cannot wait to showcase our transformation thus far and to show the world the best that the kingdom has to offer.

What is your outlook for the banking industry in 2020 and what are some of the areas that Banque Saudi Fransi will be focusing on?

On a macro level, we entered 2020 with a large degree of optimism and we have seen promising signs in the first couple of months. However, the COVID-19 pandemic significantly disrupted the local and international economy. Although we continue to see positive signs in our operating metrics—growth in loans and deposits and reduction in funding cost—2020 will be a year where we take significant credit

provisions in anticipation of the impact of COVID-19 pandemic. On the retail side, we continue to see strong growth in mortgages and an improving market position of our retail operations. Our treasury business has also taken advantage of various market dislocations to deliver solid results.

BSF is not focusing on any particular project at the moment but is strengthening certain key areas. We are currently investing heavily in technology and digital. We are also investing in our core banking system and are in the middle of installing an entirely new one that will be completed in 2022. It is not easy, as you can imagine, because it entails moving all our legacy systems to new ones. The customer experience is of primary importance to us, so that is something that we want to enhance from start to finish, from opening an account online to seamlessly managing and making transactions with that account.

As of today, around 60 percent of our new accounts are opened online. People still visit our branches to get a loan perhaps, but the majority of new accounts are now opened online. It is not just the younger demographic that is driving this change, the Saudi Arabian market in general is very comfortable with digital. For example, Apple Pay’s adoption rate was probably higher here than in any other comparable country when it was first released. This year, we will also continue to focus on our people and organizational structure.

As part of the kingdom’s Vision 2030 plan, one of the most prominent programs implemented by the Saudi Council of Economic and Development Affairs (CEDA) is the Financial Sector Development Program (FSDP). How has the banking sector been impacted by this program and what initiatives has BSF undertaken in order to meet the program’s aims of stimulating private sector growth and promoting financial planning.

The FSDP is one of the key pillars of Vision 2030. It created a blueprint for the financial sector and it came at an opportune time for BSF as we were also developing our own growth strategy at the time. The FSDP talks about the financing of small- and medium-sized enterprises, which is an area that we have been focusing on and where we continue to look for opportunities. The program also talks about financial inclusion, which requires a financial system to be in place that is equal for all. The surge BSF has seen in new accounts being opened online supports the financial inclusion agenda significantly. The FSDP also talks about savings. Although a consumerist culture is prominent in Saudi, we have

not seen much increase for demand in savings products to date and low interest rates do not help, but it is something that we offer.

In 2018, the Saudi Arabian Monetary Authority (SAMA) launched its Fintech Saudi initiative, which aims to develop the fintech industry in the kingdom. How do you see the sector progressing?

We do a lot of work for Fintech Saudi—it has a roadshow every year, for instance, that we sponsor. We actually hosted the 2019 roadshow and invited global fintech leaders and some local companies to showcase their products and services. One of the interesting speeches came from Jason Bates, one of the founders of Monzo and 11:FS, a U.K.-consultancy that focuses completely on digital banks. As well as Fintech Saudi, we work closely with Saudi Payments, the owner and operator of electronic payment systems Mada, Sarie and Sadad. We also support fintech by being the partner bank of Hala, a digital payments business that was granted full licensure by SAMA this year.

These companies all graduated from SAMA’s sandbox—it is part of SAMA’s strategy to push for innovation and support fintech, but also for innovators to partner with established banks, so that their compliance and the safeguarding of systems are ensured. The system, as we know, is only as strong as the weakest link. Encouraging innovation is good but being mindful of security is also a must. SAMA is doing an exceptional job when it comes to ensuring that banks are treated fairly and that innovative solutions are being developed. Furthermore, the kingdom has a lot of excellent emerging fintech companies and amazing entrepreneurs in the form of passionate young people with a lot of creative ideas. The talent and the drive in the biggest market in the region are here and ready. I believe that all of this is coming together to create a vibrant fintech community in the kingdom.

BSF was awarded Best Trade Finance Bank at the annual Saudi Trade Finance Summit last year. Why did you win this title?

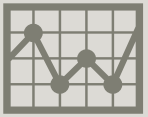
As a large corporate bank, trade finance is a key component of our business, so it is something that we have invested in over a long period. We have nurtured strong relationships through the years, both locally and across the world, which has helped us achieve a strong market share in trade finance. We will not stop here. We are investing heavily in technology related to this product, which should be rolled out in the short to medium term.

How has your past experience helped prepare you for your current role at BSF?

I have had the privilege to work for large multinational banks such as JP Morgan and Goldman Sachs and I was also fortunate enough to work for large Saudi organizations such as Savola. Irrespective of the industry we are in or role in the organization, I have learned that there is no substitute for surrounding myself with the right people at the leadership level. I have full conviction that the most important role an executive has to play is hiring the right people at the top and this will set the tone, culture and quality of the rest of the organization.

BSF has an excellent employer brand and I have been extremely fortunate to be able to recruit and work with some of the best in the market to lead this organization. I am very proud of the team we have, from whom I learn every day, and I look forward to working with them to take BSF to new heights.

## A bank building on strong foundations to spur development



BSF is a Saudi Arabian Joint Stock Company established in 1977



BSF aims to be the region’s most modern, innovative and experience focused bank



Named **Best Trade Finance Bank** at the Saudi Trade Finance Summit 2019



BSF launched the kingdom’s **first e-signature service** in 2020



BSF’s **net income for 2019** before zakat and income tax was **\$962 million**



BSF’s **pre-tax profit** rose by **around 10%** in 2019



BSF provides its clients with **87 physical branches** and **572 ATMs**



**60%** of new bank accounts are **opened online** by BSF’s customers



BSF has a **talented and skilled workforce** of **2,693**



In 2020, the bank is focused on **digital investments** and **executional excellence**



# Overseeing ongoing excellence in financial services

Ahmed Alkholifey, Governor, Saudi Arabian Monetary Authority, provides an insight into a central bank with rising international status



Last November, Saudi Arabia became the first Arab nation to take over the G20 presidency and it will host global leaders at the G20 summit on 21-22 November virtually. What are your thoughts on Saudi Arabia hosting the summit, what outcomes do you hope to see and to what extent will the Saudi Arabian Monetary Authority (SAMA) be involved?

The Summit will build on the success of the extraordinary virtual G20 Leaders' Summit held in March, where G20 leaders committed to deploy a robust, coherent, coordinated and rapid response to the pandemic, and to address any gaps in international coordination and cooperation. Cooperation and collaboration have always been the hallmark of the G20. During the Saudi presidency this year, we believe we have demonstrated this in the most challenging and testing circumstances, and at unprecedented scales with the COVID-19 pandemic. Through members' strong commitment to presenting a united front against a common threat, the G20 has been able to deploy robust, large-scale and coordinated emergency responses—such as the Debt Service Suspension Initiative—that have successfully protected both lives and livelihoods in the poorest countries.

As the Saudi central bank, we are part of the G20's Finance Track, along with our Ministry of Finance. The upcoming G20 Leaders' Summit will focus on protecting lives and restoring growth by addressing vulnerabilities uncovered during the pandemic and by laying down the foundations for a better future. The summit will also focus on fostering international action to realize opportunities of the 21st century for all, by empowering people and protecting our planet, while harnessing the potential of innovation to shape new frontiers. We want this to be a reminder of the necessity of solidarity and international cooperation in addressing not only this pandemic, but any future global challenges.

Vision 2030 has brought a breath of fresh air to the Saudi economy, both economically and culturally. What has been the impact of Vision 2030 in your opinion and what role does SAMA have in its implementation?

Culturally, I think its impact is obvious, so there is no need for me to go over that. We continue to work as one in the banking and finance sector under the Financial Sector Development Program. It is a committee headed by the Minister of Finance and its members are the SAMA governor and the Capital Market Authority (CMA) chair. We meet on a monthly basis to discuss the most important issues for developing the financial sector. Under SAMA's mandate are the banking sector, insurance and finance companies. For the last two years, we have been working on enabling more market players and licensing a number of banks. During this period, we have licensed foreign branches of

reputable international banks that have decided to have a footprint in the kingdom's financial sector. We are also currently in the process of assessing a few licensing applications to set up domestic conventional and digital-only banks.

In 2018, SAMA launched its Fintech Saudi initiative, which aims to develop this sector as a means for establishing its intent of adopting technology in a responsible way. We cooperated with the CMA, which later joined the initiative. The objective is to create more awareness and to promote technology while expanding our reach. We now have stakeholders from academia, business, small- and medium-sized enterprises, and even from students who have good ideas but don't know how to develop them. SAMA and CMA have put up budgets and adopted fintech companies that come through a sandbox. Before we consider giving a license to any technology, our priority is to make sure that it is responsibly used. Since the launch of SAMA's regulatory sandbox back in 2018, we have accepted a total of 32 fintech companies' applications to operate in the sandbox environment. Significant momentum is coming from fintech, and we need to absorb and adopt responsible technology. We also need to be vigilant against cybersecurity attacks and want to be responsible about continuing the fight on safety as well as maintaining financial stability. Therefore, we want to avoid bringing weak links into the system. To date, we have been prudent supervisors and we would like to continue in this manner.

Saudis are tech savvy by nature and embrace all types of technology, so it seems natural for Saudis to invest further in fintech.

You are right. This has a lot to do with our demography, and a high level of education and exposure. Many of our young people have studied abroad. Adoption of technology is broad based in Saudi Arabia but when it comes to the financial sector, one has to be careful. We adopt technology, we accept technology and we have a really receptive culture toward technological changes. SAMA is known for that. Payment systems are something we started in the middle of the 1980s, for instance. If you compare our payment system to that of our neighboring countries at least, you will see that it is advanced. We have already enabled a number of banks to open accounts online. Hence, increasing financial inclusion, which is one of the objectives of the G20 and of SAMA.

SAMA was established in 1952 and is responsible for maintaining the national currency, supervising commercial banks, managing foreign exchange reserves, overseeing monetary policy and promoting financial system stability, among other things. Based on SAMA's mandate and responsibilities, could you give us a brief overview of its evolution?

SAMA has enjoyed independence from the government since 1957. As the

central bank of Saudi Arabia, we are in charge of issuing currency and supervising much of the financial sector. We are in charge of the country's reserves of around \$450 billion. In addition, we produce transparent information. What we have achieved in the last few years is a result of effective economic reforms and the good vision coming from the Crown Prince in particular. SAMA is not only making progress in terms of establishing transparency but we have also enabled more players into the market and encouraged the adoption of technology. We are now well known for our highly skilled workforce. In fact, you will find SAMA's young men and women doing excellent work in various other government entities and we have a reputation for providing excellent training. As a central bank, we care a lot about training and run a number of programs, including ones on economics and cybersecurity. We bring in bright young individuals who have just graduated, we train them and then we hire some of them directly. This year we started two new programs, one is for training future leaders and the other is for finance and investment. Last year, we received an award for being one of the best in the world in terms of risk management. In 2019 we also joined the international Financial Action Task Force (FATF).

Insurance has quite a low penetration rate in the kingdom. What are some of the steps being taken to promote its importance?

I see insurance as something that is cultural and we really need to enhance its image. In Saudi Arabia, the only two products that are widespread are motor and health insurance, because they are required by law. They represent over 77 percent of policies in the country and other kinds of insurance products are difficult to find. We need to do more both in the supply side and in the demand side in terms of awareness. We are working on it, as SAMA is in charge of boosting financial literacy.

You started your career at SAMA in 1995. What sort of mandate or legacy



would you like to leave behind at the end of your term at the authority?

What SAMA has achieved over the years is to the credit of all its former governors. Independence was gained so that we can act responsibly when it comes to achieving all our mandates and responsibilities, whether it is managing the reserves or issuing currency and protecting the currency's value. I would like to continue in this way. As long as we are independent, transparency is a must. You want to be open to society, including the media, and to other stakeholders. You want to be able to use technology but in a responsible way. You want to be able to continue SAMA's good record. One additional point that has been added to the mix recently relates to cybersecurity: you want to be prudent without, however, neglecting the changes that are coming from abroad. This is why we continue to closely coordinate with our international colleagues on the Financial Stability Board, the Basel Committee on Banking Supervision and the G20.

## Saudi Arabia's dynamic financial services sector



SAMA manages the country's reserves of over **\$448 billion**.



Saudi Arabia has **25** licensed banks, **2,036** physical bank branches and **18,615** ATMs



**3** new national banks are in the pipeline, 1 of them **fully digital**



The **total assets** of Saudi Arabia's listed banks grew by **13.5%** year-on-year in August



Saudi Arabia's **capital adequacy ratio** reached **19.1%** by the end Q2 2020



Saudi Arabia's customer deposits rose by **9.4%** year-on-year in August 2020



SAMA gained full membership of the **Financial Action Task Force** in 2019



**77.7%** of the country's insurance policies relate to health and automobiles



Since 2018, SAMA's sandbox has accepted a total of **32 fintech** companies



**90%** of citizens own a smartphone, enabling a boom in **digital banking**



# A catalyst for the digital payment ecosystem

**Ziad Al-Yousef, Deputy Governor for Development and Technology, SAMA, and previously Managing Director, Saudi Payments,** reveals how the kingdom ensures secure, reliable and efficient financial transactions



Can you give our readers a brief introduction to the history and services of Saudi Payments?

Saudi Payments is a fully owned subsidiary of the Saudi Arabian Monetary Authority (SAMA), the kingdom’s central bank, and it is mandated to develop, run and operate the national infrastructure for the financial services and payments sectors. In any market, there is an ecosystem of multiple players—including banks, insurance companies and many others—that work within financial services. What these entities have in common is that they all deal with moving money, so in most countries there is an infrastructure that connects everything together and manages settlements, reconciliations, the standardization of service-level agreements, contracts and standard operating procedures throughout the ecosystem.

This is what Saudi Payments does. It was originally established in 1985 as a department within the central bank to deal with cheque clearing and settlement operations. Five years later, banks started issuing ATM cards and deploying ATMs. SAMA stepped in and decided that Saudi Arabia needed a national scheme that managed this activity.

As a result, it set up the Saudi Payments Network—which mada is now part of—as the kingdom’s platform for card payments made online, through ATMs or in physical shops.

**“Over the last two years, Saudi Arabia has seen the highest growth in the world in terms of digital payments and this growth is expected to continue.”**  
Deputy Governor for Development and Technology, SAMA, and previously Managing Director, Saudi Payments

In 1997, Saudi Payments also launched the Saudi Arabian Riyal Interbank Express, which is a platform that processes billions of Saudi riyals every day for all Saudi commercial banks in high-value local payments. Then in 2003, we deployed SADAD, the national portal for processing utility and government payments, as this had not previously been centralized into one single platform. That helped transform the country hugely and, today, 100 percent of government payments are made electronically. Nowadays, our main focus is enabling the digital ecosystem and the rapid transforma-

tion that is happening in Saudi in terms of the adoption of digital payments is evidence that our efforts are bearing fruit. The amount of innovation that has taken place within Saudi banks themselves once they started focusing on customer experience has been phenomenal.

**In 2019, the number of payment transactions performed through mada network grew by 57 percent to over 1.6 billion, 56 percent of those transactions were for amounts under \$27 and there are now 4.76 million point-of-sale terminals in the kingdom. What are some of the factors driving the development of digital financial transactions in Saudi Arabia.**

As part of Saudi Vision 2030, we have deployed the Financial Sector Development Program (FSDP) and reducing the use of cash is a key pillar of this initiative. There are multiple reasons why the kingdom wants to transform into a society less dependent on cash. The central bank wants to be able to reduce corruption, increase transparency and fight tax evasion.

When it comes to benefits for individuals or merchants, digital payments are more secure and convenient, they reach the furthest parts of the kingdom and they reduce the costs of cash on the economy, which include the costs of printing, transportation, and securing and insuring physical cash dispensing operations.

For these reasons, the FSDP has set us a very ambitious objective: when we started this project three years ago, 18 percent of Saudi payment transactions were digital and the goal is to reach 70 percent by 2030—around the same level as Scandinavian countries, which are the most advanced nations in the world with regard to digital payments.

By the end of 2020, we were tasked with reaching 28 percent—but we had already achieved 36 percent by July 2019. This is because the FSDP gave everybody a clear direction and the kingdom’s entire financial ecosystem is behind the initiative.

Saudi Arabia now has a good mix of private-sector stakeholders that are focused on developing solutions that are fit for individual and corporate customers’ digital needs, alongside a central bank that is supporting the ecosystem by taking on the heavy lifting of the shared infrastructure.

Over the last two years, Saudi Arabia has seen the highest growth in the world in terms of digital payments and this growth



is expected to continue because SAMA (Central Bank) has recently published a final framework for licensing payment operators. This will increase the supply side of local and international companies operating in the kingdom and providing services. Interest is already growing; in February, for example, SAMA granted Careem and Noon initial approval to launch mobile digital wallets. I think the demand side is already there because of the demographics of our consumers—last year, 65 percent of all payments in Saudi were done through tap-and-go systems.

**In 2018, SAMA launched its Fintech Saudi initiative that aims to develop the financial services technology industry in Saudi Arabia and transform the kingdom into an innovative, thriving and responsible hub for the sector. What progress have you seen toward the development of the industry?**

There are many dimensions to Fintech Saudi. One is for the kingdom’s financial authorities to ensure regulations are fit for this new era and to update them where necessary. In Saudi Arabia, we benchmarked all the leading global regulators and took the best of, for example, the regulations of Singapore, the U.K. and Hong Kong, and we published the results earlier this year: one of the most up-to-date frameworks in the world.

On the infrastructure side of fintech, SAMA mandated Saudi Payments to provide a world-class infrastructure and to open up that infrastructure to any licensed entity. The platform that we are managing for this used to be an exclusive service for banks, because they were the only businesses that were licensed to provide payment services in the past.

SAMA’s new framework allows for non-banks to enter this market. These operators need to be treated in a similar way to banks, meaning that they need to have access to our infrastructure in order to provide their consumers with services. That is what we are doing now: enabling the infrastructure of mada, SADAD and all our other systems to be opened to them. This is in line with the stated vision and mission of Saudi Payments, which highlight that we will provide secure, reliable and accessible infrastructure services, while making sure that no one player is treated unfairly in comparison with another.

Fintech Saudi was launched by SAMA in 2018 and, subsequently, a memorandum of understanding was signed between SAMA

and the Capital Market Authority, which has seen the two authorities work together on the initiative. We are now in the process of building a Saudi Fintech Hub, which will be opened during the kingdom’s presidency of the G20. Fintech Saudi’s main objective is to spread information within the kingdom’s financial ecosystem about what fintech is and the advantages of these technologies. We have raised awareness in a number of ways.

For example, we have trained thousands of technology and finance students in fintech over the last two summers, and promote the participation of our graduates in national and international fintech conferences. We have also established fintech business forums, which act as the voice of the fintech community with Saudi regulators. They also feed what the market is saying back to the CMA and SAMA.

**What are your thoughts about Saudi Arabia becoming the first Arab nation to take on the G20 presidency this year?**

Everybody in the Saudi private and public sectors is excited for this year. It comes at the right moment for the kingdom, as our Saudi Vision 2030 development plan has been in place for three years so far and is starting to mature. The socio-economic reforms and initiatives included in the plan were expected to have a positive effect on the economy and that is what you are seeing now. This makes 2020 the perfect time to show the new face of Saudi Arabia to the world, which is an aim of every leader within the kingdom, including myself.

To reach the reform goals of our Vision 2030, it is crucial for Saudi Arabia to have global partnerships in all aspects of our economy and our G20 presidency provides an excellent opportunity to develop these.

**What should Saudi Payments be focused on going forward?**

Two of the most important things that must be maintained at Saudi Payments are the management of consumer protection and the understanding that companies are in this market to make money, so the business and regulatory environment needs to remain conducive to doing that.

In my opinion, digital payments, technology and developing talent will help steer Saudi Arabia in the right direction in the new world of finance.



# Food and retail group adds value with innovation

**Anees Ahmed Moumina, Group CEO, Savola Group,** introduces an important player in the Gulf Cooperation Council region

Savola Group is a publicly listed company that was established in 1979 and has grown to become one of the largest conglomerates in the Middle East, North Africa and Turkey region. The group specializes in food and retail, with its products being distributed to over 50 countries and its retail arm Panda considered to be Saudi Arabia’s largest grocery chain. The group also holds major shares in other publicly listed companies, such as Almarai Dairy Company and Herfy Foods Company. Can you give our readers an insight into the group, its growth strategy and your vision for the group moving forward?

Our vision is to continue to be the trusted regional player in the food and retail segment. We have a long and proud 40-year history, which started with a humble edible oil factory in Saudi Arabia. Today, we operate across the region with 14 manufacturing facilities. We also have the largest player in grocery retail in the kingdom, Panda, and the largest homegrown quick-service restaurant operator in the Gulf Cooperation Council region, Herfy. In addition to this, we are a strategic shareholder in one of the biggest dairy companies in the region.

**“Savola Group is the trusted partner for global players focused on food and retail that wish to invest in the kingdom in support of Vision 2030.”**  
Anees Ahmed Moumina, Group CEO, Savola Group

We intend to continue to build along these business lines. The future for us will be focused on more value-added products, with our 51-percent Al Kabeer acquisition in the frozen food segment being the most recent example of this. We might also look at opportunities beyond our core geographies if the opportunity has ties to the region. Additionally, we are looking to invest in new food and retail ideas both locally and globally. Our aim is continue to grow our business through digital transformation and technological innovation that can support Saudi Arabia’s Vision 2030 development plan agenda and our own strategy.

In November, Saudi Arabia became the first Arab nation to take over the G20 presidency and, as such, the kingdom will host the G20 summit on 21-22 November, gathering global leaders in Riyadh and putting Saudi Arabia in the global spotlight. This is a



unique opportunity for the country to strengthen its international image, showcase the progress of its Vision 2030 development plan and discuss the global recovery post COVID-19. What are your thoughts on the kingdom hosting the summit and what outcomes do you hope to see coming out of the event? Will Savola be involved in any way?

The hosting of G20 summit further cements Saudi Arabia’s already important position on the world stage. Over the past couple of decades, Saudi Arabia has worked tirelessly to set the stage for economic reform and diversification within the kingdom. These have been further accelerated under the current leadership, which allows Saudi private sector companies to continue to grow in sectors that are not directly tied to the oil economy. The coming decade will be a key milestone for the country, its people and the future of Saudi Arabia. Vision 2030 is an important roadmap that aligns the public sector with the private sector in achieving new growth in new sectors supported by the digital economy and innovation.

Savola Group is involved in the G20 process through giving feedback about the various sectors the group has exposure to and I am personally a member of the G20 Trade and Investment Task Force. Savola Group is the trusted partner for global players focused on food and retail that wish to invest in the kingdom in support of Vision 2030, and our intention is to also use the opportunity of the summit to further raise our profile as a group.

**The impact of COVID-19 is making many companies around the world rethink their strategy and priorities. How is Savola adapting to this new scenario?**

Our core focus is food and retail, and our first and foremost priority during this challenging period is the safety of our staff and customers. We have implemented several measures to ensure the safety of both of our customers and employees, and we have focused on maintaining the supply of our portfolio of food products across all channels, both physically and digitally. Separately, in our retail segment, we have worked tirelessly with other food suppliers to ensure sufficient inventory of key grocery products to meet the significant demand increase.

Beyond the immediate priorities, we are certainly continuing to adapt our strategies to meet changing consumer habits. We have started focusing on digital channels within the last couple of years and the crisis has accelerated our efforts in this area and doubled our commitment

to digital transformation. For example, we have launched PandaClick as an e-commerce grocery solution to facilitate easy access to Panda products from our stores to the homes of our customers. This crisis has also cemented our internal strategies and investment priorities for the coming period both from a localization effort and for food security.

**Last year, Savola Group became one of the companies from Saudi Arabia included in MSCI’s Emerging Market Index. Could you tell us how Savola is contributing to Vision 2030 by attracting foreign investment?**

Back in 2018 and the beginning of 2019, our foreign ownership was roughly 2 percent. In the past 18 months, we have made a concentrated effort to proactively engage with global institutional active and passive funds that are keen on exposure to the kingdom. We have focused on articulating our strategy for the future while being fully transparent about the challenges that faced us in the recent past. We are happy to see that our foreign investment ownership is now close to 10 percent, with more active fund managers looking for future growth potential. This is an important endorsement of our strategy to bring more foreign investors into the public markets in support of Vision 2030.

**In December 2019, Savola received an Excellence Award in Corporate Governance at the first International Corporate Governance Conference, which was held in Riyadh. What is the significance of this award?**

It is a testament to our commitment to having best-in-class corporate governance structure and oversight in our group. This is another endorsement for all of our stakeholders, not just our shareholders, that Savola Group is focused on transparency, accountability and thorough decision making.

**What is your outlook for the food and retail market over the next five years? What are some of the areas that Savola Group will be focusing on and how are you managing challenges such as the recent Value Added Tax (VAT) increase to 15 percent?**

Consumer trends across our market are driven by the young demographics, and are focused on quality of food and convenience. These two might seem to be contradictory, but through innovation and advancement in food product development, we can provide food solutions to our consumers who are seeking both. In addition to this, barring the recent pandemic-related shutdowns, enjoying food away from the home is growing at a healthy pace. With time, this segment will come back stronger and we need to ensure we have the right business-to-business food products to serve this area. Finally, as I mentioned earlier, technology and innovation investments in food and retail tech will be particular focuses for Savola Group in the future.

As for the impacts of the new VAT, these are currently being evaluated. Given that this was only a recent announcement, we are working through our business plans and strategy to mitigate any potential impacts and ensure continued growth in Saudi Arabia.

**How is Savola Group keeping up to date with global trends and investing in technology?**

Part of the group’s strategy is exploring investments in early-stage companies that are innovative and potentially disruptive to both food



and retail. This helps us to bring capital to the table as well as a platform of operating companies in the region through which we can leverage these new tech investments.

**Last year was a particularly good year for Savola Group, which recorded a net profit of \$127 million, compared to a net loss of \$139 million for 2018. Do you expect to see this trend continue throughout 2020 and 2021 even with the current difficulties around the world?**

We have a policy not to comment specifically on future results but certainly, as our Q1 2020 results demonstrated, most of our portfolio has been resilient in this current crisis. Beyond 2020, I think in this environment it is difficult to predict what will happen but we are working closely as a group to visit and revisit our strategies to tackle any challenges that may arise head on.

**As CEO of Savola Group, what is top of your agenda for the rest of the year?**

We look forward to the future with optimism. In 2020 and beyond, our teams will focus on delivering outstanding performance to our shareholders, and we will keep supporting the Saudi Vision 2030 by focusing on consumer health and greener operations. In closing, I would like to thank all our shareholders, customers, employees, suppliers and partners for their support as we build a stronger Savola Group that continues to create value for all stakeholders.



# Leading through innovative Islamic banking solutions

**Abdulaziz M. Al Onaizan, CEO, Bank Albilad,** points out the importance of digital services for a young population



Bank Albilad had an outstanding year in 2019, with its annual profits growing by 25 percent to \$370 million. What would you contribute this to?

We have made substantial investments in infrastructure, people, services and customer care. We believe that we will increase our market share as we have expanded our product lines and introduced several other initiatives.

What has been the impact of Saudi Aramco’s initial public offering?

It was a resounding success and gave a tremendous boost to our local stock exchange. At Bank Albilad, it was important that we processed the transactions as a receiving bank without causing disruptions to our core business. 97 percent of the subscriptions we handled were digital transactions, which were highly effective and efficient. We were named Best Digital Bank at the 2019 Global Business Outlook Awards. We have migrated to digital transactions generally because Saudi Arabia is a young country and we need to be up-to-date and responsive to the needs of this generation, which makes the push towards digital here in the kingdom very relevant.

**“We have made substantial investments in infrastructure, people, services and customer care. We believe that we will increase our market share as we have expanded our product lines and introduced several other initiatives.”**  
Abdulaziz M. Al Onaizan, CEO, Bank Albilad

Which Saudi banking sectors have the most potential for growth?

The opportunities for organic growth in the Saudi market are promising. There are government initiatives being implemented to support the banking industry and the country is in the middle of significant transformation. Some areas in retail banking hold growth potential. A national savings scheme has been announced and there are opportunities for banks like ours to introduce savings solutions. The housing sector is promising. There are also many opportunities in the financing of small- and medium-sized enterprises, infrastructure projects and diverse industries, from tourism and entertainment to clean energy.

How is Bank Albilad helping to meet the aims of Saudi Vision 2030?

One pillar of the plan that we are involved in is housing and for this, we have partnered with the National Housing Company to boost the residential sector. Another is financial inclusion and savings. As part of our environmen-

tal, social and governance responsibilities, Bank Albilad has sponsored a new book on financial planning and savings that will be a mandatory teaching aid in schools and some universities. We are also developing special accounts for students.

How is Bank Albilad adopting fintech?

It was a tremendous help when the Saudi Arabian Monetary Authority introduced its fintech sandbox rules because it gave banks and other financial services providers the impetus to come up with innovative solutions or be left behind. This led to banks pursuing their own digital solutions or collaborating with fintech companies to help them out. In our case, we have seen a 57 percent increase in transactions over our digital channels in 2019 alone.

You were appointed as the bank’s CEO in 2016. What have been some of your greatest achievements since then?

There are several accomplishments that everyone at the bank is proud of: we have reached record profitability numbers, and were named best digital bank and mortgage provider in 2019. We have also been recognized for our corporate social responsibility initiative to clean the Red Sea. Most importantly, I am proud of the environment and culture that we have developed in the bank. There is a lot of engagement with our staff and we are seen as a top-of-mind employer, while regulators understand we are a well-governed bank.

2019 saw the successful merger of two of the kingdom’s biggest banks: Saudi British Bank and Alawaal. Would Bank Albilad be open to a merger?

I believe that Saudi Arabia is still underbanked and there is no real need for any kind of merger, acquisition or consolidation, at this time. There are only 11 banks operating in the kingdom and they are all in good standing. In addition, more licenses are now being awarded to international banks and fintech companies.



Bank Albilad operates **110 branches, 33 ladies sections and 6 sales centers**



In 2019, the bank’s assets stood at **\$23 billion**



Bank Albilad currently employs **over 3,500 staff**

# Value-added investments target upward mobility

**Hisham Almousa, General Manager, Hisham Bin Abdulaziz Almousa Investment Group,** highlights a new demand for international brands



Hisham Bin Abdulaziz Almousa Investment Group (HM Group) is one of Saudi Arabia’s leading investment enterprises. It has interests in nearly all the sectors that the Saudi Vision 2030 development plan is promoting, including real estate, retail, food and beverage, aviation, financial services, technology and health. Two flagship sectors for the group are real estate and retail, in which it operates through a wide variety of subsidiaries. As well as introducing our readers to some of these, what other sectors do you think show most growth potential?

HM Group has actively moved from the traditional landlord model toward a value-added developer model in real estate and retail. We believe in the power of diversification and the cross-synergies our current portfolio of companies provide, coupling our real-estate development arms, which tend to be less liquid and more cyclical, with businesses such as Advanced Tastes—a restaurant holding company focused on fine dining and entertainment, with names such as Cipriani, Bagatelle, Sumosan, Purple Dragon and others in its portfolio. Advanced Tastes seeks to contribute toward the goals set by Vision 2030’s quality of life initiatives by owning the rights to high-caliber international brands and operating them at the very best of global standards to elevate and evolve the concept of hospitality and fine dining across the kingdom. Other examples include, Yamam Company, which is involved in the luxury fit-out of projects with an emphasis on a modern interpretation of classic Saudi culture, and AlJazera, a mega-market with online capabilities that serves all demographics. Businesses like this have helped us maintain a positive cash flow and increased the resilience of our financial position during the COVID-19 crisis.

**“We have built partnerships and developed experience with multiple large international players.”**  
Hisham Almousa, General Manager  
Hisham Bin Abdulaziz Almousa Investment Group

HM Group strives to be among the pioneers driving forward the objectives set by Vision 2030. We strongly believe that domestic and foreign tourism are enormous opportunities for growth, and are working toward these objectives with and in parallel to several government and semi-government agencies.

How has the Saudi retail environment changed in recent years?

The growth of any economy comes from two factors—capital and labor—and the kingdom is very fortunate to enjoy both relatively high capital and a growing labor force. With the majority of Saudis being under 30, our

economy is on a solid trajectory for growth. The kingdom’s young people also have high levels of education which, coupled with the opportunities created by various government initiatives, has created a fertile environment for upward mobility, and increased purchasing power and standards of living. This has boosted the population’s demand for higher-end branded goods, enabling the kingdom to transform from a commodities-based economy to one that is more consumer driven.

HM Group is a highly successful family business with many international partnerships. What does the future hold for the group?

We have a strong 60-year track record of success, during which time we have built partnerships and developed experience with multiple large international players. We meet our goal of being value-added partners through our expertise in the local market in terms of regulations, demographics and the evolution of demand. We believe in the unparalleled opportunities for growth in the kingdom. Therefore, we are actively seeking to leverage the experience and expertise we have built, and the connections we have established, to attract more globally respected brands to further bolster our portfolio and pave the way for the next 60 years of success.

Thankfully, our positioning before COVID-19 was better than most, we had substantial cash reserves and relatively unencumbered balance sheets. Given the value of our portfolio, and considering the size of our assets and equity to that of our liabilities, HM Group could leverage the current environment of low interest rates to its advantage. I would also like to stress the government’s role during the crisis, as it has supported the economy with about \$57 billion across more than 140 initiatives. Without that, the recent economic recovery would not have been possible. We are aiming to continue on our path of post-COVID recovery and further our goals of expansion, with particular emphasis on the hospitality, food and beverage sectors—and we will be making some very exciting announcements about that soon.



**HM Group invests in** real estate, retail, food and drink, aviation, financial services, technology and health



**Over 50% of HM Group’s investments involve international partners**



**HM Group has a 60-year record of success**



# A partner of choice for Saudi Arabia

**Ayman Tamer, Chairman and Partner, Tamer Group,** explains how the diverse group is promoting change



Having started business in 1922 as the kingdom’s first pharmacy, Tamer Group has grown to become a diverse conglomerate.

Since 2011, you have been Saudi Arabia’s top importer, marketer and distributor of pharmaceuticals and medical products, as well as being a leading player in beauty, nutrition, wellness and prestige products.

Among other things, Tamer Group is also an important regional manufacturer of cutting-edge pharmaceuticals through a joint venture with Daiichi-Sankyo and Astellas, owns large healthcare facilities and provides major international clients with total logistics solutions. Given your knowledge and experience, what are the most promising Saudi sectors to invest in at the moment in your opinion?

Our core business is healthcare, while the second most significant is consumer and wellness products. I see growth opportunities in all the fields that we operate in, including a positive upstream opportunity in the healthcare field as the government looks to privatize healthcare provision and services.

Saudi Arabia has mainly a young population, with awareness and consciousness about health and fitness. This will be an emerging market. We need to bundle our offering to ensure we are fulfilling the purpose of our company and the health of our nation.

Logistics, another core function, will play a major role and has an

**“I see growth opportunities in all the fields that we operate in, including a positive upstream opportunity in the healthcare field.”**  
Ayman Tamer  
Chairman and Partner, Tamer Group

upward potential as the government’s Vision 2030 looks to diversify the economy by leveraging our unique geographical location to become a logistic hub. Saudi Arabia has great opportunities.

We are passionate about Vision 2030. It is a path to a thriving economy and the prosperity of all stakeholders. Other sectors that will experience substantial upside growth include education, tourism, entertainment and hospitality.

Obviously, with the COVID-19 situation, things will be deferred but the focus of the country will not change.

What role can the next generation of Tamer family members play to mitigate current and future risks to the business?

We understand and believe in the Millennials and Generation Z, and we are working to fulfill their needs and desires. The only constant thing is change, which we embrace. It is clear that the new generation is and will be living in a new era. Time has changed and we must adapt accordingly. In future, new viruses and pandemics may emerge that are as contagious and perhaps more fatal than COVID-19. The next generation need to empower themselves and act with a sense of responsibility and solidarity in difficult times to deal with global challenges that will come their way, ranging from global warming to financial crises.

More than 70 percent of Saudi Arabia’s population is below the age of 30—we need to cater for their needs. With Tamer’s recent transformation plan, we have realized the market needs and are enriching and enhancing our team capabilities with external talent, expanding the diversity and, most importantly, the cognitive diversity. We are looking for cultural adaptation more than cultural fit. We are also embarking on a digital and innovation journey, and moving those things from the periphery of our strategy to be embedded in it.

Tamer Group is one of Saudi Arabia’s greatest private-sector success stories. When you entered the family business in 1985, it had 210 employees and it now has a workforce of 4,000. What kind of legacy would you like to leave behind when you eventually decide to step down from your leadership role at the group and how is the management of Tamer Group changing to take account of its ongoing growth?

The one thing I am proud of is retaining the culture and values that my late grandfather, late uncle and my father lived. The one legacy we want to preserve is this culture and the values we have lived through the ages. Culture is a key ingredient in building a successful organization, as well as connecting talented people to operate in an ethical, professional and efficient manner to meet their objectives and those of their stakeholders. Our people, their passion and sense of ownership have been an essential part of our success throughout the years. We have a flat organization with shared decision making and a clear transparent environment that attracts, fosters learning and development, and retains talent. The first step toward sustainability is to understand the risk associated with a family business and to take the step forward



in transitioning from one generation to another by building a family constitution, good governance and best practice.

We have engaged world experts in this domain and are proud to have a CEO who is a non-family member as of January 2020, although all our senior managers and team are considered members of the Tamer family group. We are fostering accountability, responsibility and ownership. We look forward to celebrating 100 years in 2022 and happy to see that we have built a culture where, today, we are managed and led by local talent with a promising vision, promising economy and promising future.

**“Today, in my opinion, companies should be seen as catalysts for human and social development.”**  
Ayman Tamer  
Chairman and Partner, Tamer Group

Hosting the G20 Summit in November will allow Saudi Arabia to introduce the world to the wide-ranging changes that have been taking place in the kingdom. Will the Tamer Group be involved in the event and what topics under discussion are most crucial for you personally?

Our hosting of the G20 summit is very important to Saudi Arabia, as it emphasizes our role as a key international player in the global community and presents opportunities for investment. “I was planning to attend the event, although perhaps remotely due to COVID-19. One area of interest that the G20 is looking at, for example, is environmental, social and governance (ESG) criteria as new metrics for evaluating corporations.

Soon, I believe, companies will be formally required to regularly present data showing the impact they have on stakeholders’ interests, and that will include society and the environment.

Today, in my opinion, companies should be seen as catalysts for human and social development, which includes adopting more sustainable and environmentally sound ways of doing business. I have been excited to see both significant social and economic developments in Saudi Arabia, although the social developments have given me more personal pleasure, and I believe that they will have a positive impact on the economy in the future.

The Middle East’s leader in healthcare, prestige products and fast-moving consumer goods



Tamer Group revenue is in excess of **\$2.0 Billion US Dollars** for the year 2019



Tamer Group has **98% weighted distribution** in the Saudi pharmaceutical channel



The kingdom’s **No. 1 ranked distributor** of pharmaceuticals with **16% of the market**



The group’s pharma manufacturing plants in Saudi Arabia and Egypt **supply 13 countries**



Tamer Logistics Academy **trains over 300 people** every year



The **first choice for logistics services** for consumer, medical and pharmaceutical goods



Prestige clients include Lalique, Ferrari, Amouage and Dolce & Gabbana



Last year, Tamer Group’s revenues for consumer and prestige goods rose **2.2%** from the previous year.



In 2022, Tamer Group will celebrate its **100th anniversary**