



Abdulaziz Mohammed AlOnaizan

Chief Executive Officer

“ Achieved excellent operational and financial results, by investing in information technology infrastructure and enhancing digital capabilities. ”

CEO'S STATEMENT

Ladies and Gentlemen, Bank Albilad Shareholders,

Peace be upon you

During 2019, Bank Albilad continued to implement its strategy of strengthening its readiness in the medium- and long-term as it achieved excellent operational and financial results, by investing in information technology infrastructure and enhancing its digital capabilities, in line with its digital transformation strategy, while ensuring information security and business continuity. Moreover, the Bank provided high-quality services to its customers, enhanced operational efficiency, and supported human resources development within an attractive and stimulating work environment.

Bank Albilad performance in 2019 was driven by one clear driving force - Our absolute belief that there are significant market opportunities. The theme of this report is Platform for Growth. This is not simply a question of tapping into specific customer segments, it is also about growing the efficiency of our operations in tandem with a sensible and conservative attitude to risk, so as to guarantee our long-term stability in light of economic changes and the challenges facing the financial and banking sector.

FINANCIAL PERFORMANCE

2019 was another landmark year for Bank Albilad in terms of financial performance despite ongoing economic volatility prevailing in the region and the impact of global trade uncertainties.

The Bank's Net Income grew 25% to SAR 1,387 million before Zakat, compared to SAR 1,110.5 million before Zakat the previous year. This was achieved on the back of total operating income growth which increased by 17% to SAR 59,363 million, resulting primarily from a significant jump

in investment income by 70% to account for SAR 10,987 million. The Bank's Total Assets grew by 17% to SAR 86,075 million, with Deposits up by 17%.

EXPAND OUR PRODUCTS AND SERVICES

The Bank endeavors to consistently provide excellent banking services through a deep understanding of customer needs and provide flexible and innovative solutions designed specifically for them. As the preferred partner for its many customers, several products and services have been developed to meet customer needs and expectations, whether through its branches located across the Kingdom or any of the Bank's multiple online channels. Furthermore, the Bank now offers a wide range of retail and institutional financing products. In addition, the Bank has committed to actively and continuously contribute towards achieving the Kingdom's Vision 2030 goals and aspirations.

In support of the national savings strategy, to increase the savings of Saudi households from 6% to 10% by 2030, the Bank has introduced various and innovative savings products. In addition, the Bank supports startups to increase their contribution to GDP through participation in programs and providing products for the MSME segment. Several real estate financing products and programs have also been launched, within the strategic partnership with the Ministry of Housing and the Real Estate Development Fund, aiming to increase our citizens' ownership of homes and housing units. For this, Bank Albilad has been honored as the "Best Performing Bank in Real Estate Finance 2019".

Enjaz centers, our money transfer and exchange service, continued to grow and enhance its performance by deploying self-service kiosks and POS devices. This will enable our customers to execute financial transfers immediately, in several languages, around the clock in convenient locations kingdom wide with ease and flexibility.

ENHANCE CUSTOMER EXPERIENCE THROUGH OUR OUTSTANDING SERVICES AND DIGITAL TRANSFORMATION

Our efforts are within the framework of enhancing the customer experience in using digital channels across all segments, not only by leveraging technology, but also by

developing the capabilities and skills of our employees. The Bank has improved the effectiveness of communication and agility across all units, increasing the speed of decision-making processes in achieving desired business outcomes and supporting change management across all levels.

As technology plays a major role in supporting the sustainable growth of our business and enhancing market position, we have invested in experienced human capital to build and developed digital channels across all businesses. The benefits of these have been seen most notably in personal banking services, thus becoming the first bank in the Kingdom to offer account opening services digitally for clients without visiting a bank branch or submitting physical documentation. In 2019, the Bank won two awards for its commitment to digital excellence.

PROMOTE A CULTURE OF OUTSTANDING PERFORMANCE AND SOCIAL RESPONSIBILITY

We believe in the importance of the relationship with the communities that we serve. We seek to employ the best talent and the Bank continuously strives to improve its work environment by creating a stimulating, evolving and attractive atmosphere for them. The Bank makes sure they are recognized. The Bank provides specialized training opportunities that motivate ambassadors to hone their talents and achieve their aspirations toward developing their careers. In addition, the Bank encourages employees to foster a strong sense of community by supporting participation in volunteer activities.

The Bank's corporate social responsibility programs and contributions have played a significant role in achieving sustainable development to support different segments of society. Bank Albilad sponsored the Chair for Environmental Sustainability and Food Security within the CSR program of King Faisal University and the Bank was a strategic sponsor as well of the International Day of Persons with Disabilities. Bank Albilad was awarded the "Best CSR initiative" by the Global Business Outlook Awards, for its Red Sea clean-up efforts. We have also entered into a partnership with the Social Development Bank to develop and implement several savings programs that will raise awareness and foster improved attitudes towards savings amongst citizens. Above all, we recognize that we have a duty of care to the country as a whole, and to the Government, in achieving its goals and aspirations.

IN CONCLUSION

The accomplishments achieved during the past 12 months would not have been possible without the guidance of the Board of Directors and the collective efforts of the Executive Management, and of Bank Albilad Ambassadors.

We will strive to sustain this growth momentum and achieve better results in 2020 by putting more efforts to raise the level of operational efficiency and flexibility. We will continue to enhance customer experience by offering the best innovative banking solutions. The Bank will sustain its investment in modern technologies, in the development of human capital and maintain its social responsibility programs.

I extend my sincere appreciation and gratitude to the Custodian of the Two Holy Mosques and the Crown Prince - may Allah protect them - and the Saudi Arabian Monetary Authority for the great support in all aspects of the national economy and the banking sector in particular. I also extend my sincere gratitude to all the Bank's shareholders and customers for their trust and support, which has had a profound impact on our continuous efforts to grow our business in line with their aspirations.

May Allah Bless Us All.