



Abdulrahman bin Ibrahim Al-Humaid

Chairman

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CHAIRMAN'S STATEMENT

All praise due to Allah, and peace and blessing be upon the Prophet of Allah, his family and all of his companions.

On behalf of the Board of Directors, I am pleased to present Bank Albilad's Annual Report for the fiscal year ended 31 December 2019. As the financial statements and business narratives in this report demonstrate, Bank Albilad again produced a strong annual performance. Revenues amounted to SAR 3,945 million, an increase of 15% over the previous year, with net profits before Zakat of SAR 1,387 million, a 25% increase since 2018.

The demand for digital delivery of financial services in Saudi Arabia is growing rapidly. Customers expect us and our national counterparts to match the capabilities of banks in highly advanced economies. Thus, a core focus for us in 2019 was the extensive introduction of digital technology across our personal banking franchise, as well as the business as a whole. The banking industry worldwide is being challenged and disrupted by new providers who can deliver seamless, efficient and convenient financial services, particularly to retail customers. It is therefore imperative that we stay ahead of this trend if we are to defend and grow our business. We invested heavily in this area of our operations, opened a number of new branches and other outlets and improved our branches network to give those customers seeking personal services the choice they continue to appreciate from us.

More broadly, it is generally recognized that the economic outlook for Saudi Arabia in the medium term is positive. Measures are being taken by the Government to open up the economy to foreign investment and allow all residents

greater participation across a wide spectrum of activities and social interaction. The second and final phase of Saudi Arabia's inclusion in the MSCI Emerging Markets Index highlights the willingness of the Kingdom to welcome international investors; a phase which, in 2019, saw the inclusion of Bank Albilad and that gives Tadawul a weight of 2.8% on the MSCI Index.

The Kingdom's leadership G-20 in 2020 is a strong evidence and the world is increasingly recognizing that Saudi Arabia has much to offer as a partner in trade, investment and co-operation across many spheres. All of this bodes well for the future prosperity and wellbeing of the country and its people – and for the achievement of the Saudi Vision 2030.

As the economy responds to the significant stimulus from the Government, we look forward to achieving further growth in our corporate business, which represents almost half of our balance sheet.

Despite the bank being one of the smaller Saudi national banks, we have demonstrated our dynamism and confidence through expanding our geographic presence and range of services.

The overall theme of Bank Albilad's strategy for 2020 is grounded in leveraging our channels, our network and expertise among our own people to support sustainable growth and boost our revenue streams. As our international ratings also demonstrate, we are seen as a strong and dependable business partner, committed to helping the Kingdom achieve its goals particularly with regard to important aspects of its national development program, including promoting the growth of SMEs and enabling Saudis to live in their own homes. For instance, we successfully reached an agreement with the Small and Medium Enterprises General Authority to enable entrepreneurs to grow their businesses. Our support for

the communities we serve was again reflected through a myriad of initiatives during the year by embracing social, environmental and humanitarian activities which is listed in details in this report.

On behalf of the members of the Board of Directors, the Executive Management and all our Albilad Ambassadors, I would like to express my sincere appreciation and gratitude to the Custodian of the Two Holy Mosques and his faithful Crown Prince – may Allah protect them – for their steadfast support and guidance to the banking sector. Moreover, I would like to thank the Ministry of Finance, Ministry of Commerce & Investment, Saudi Arabian Monetary Agency and Capital Market Authority for their support for the Bank's compliance with rules and regulations that ensure the stability of the Kingdom's banking system.

To our shareholders, partners and clients, we wish to offer our gratitude for their continued loyalty and confidence.

Finally, I would like to thank our Albilad Ambassadors for their diligence and trust in us, and for the hard work that they contribute on a daily basis to make Bank Albilad such a dynamic and successful business.