

Saudi Arabia: Transformation surges forward

Rapid enactment of Saudi Vision 2030 enables the country's highest economic growth for over a decade

Saudi Arabia is one of the fastest-growing economies worldwide, with the World Bank reporting in October that its gross domestic product (GDP) is likely to have expanded by 8.3 percent in 2022.

According to the Ministry of Finance, this remarkable performance is being “driven by real GDP growth in oil activities and sustained levels of growth in the real GDP of non-oil activities.” Increasing and diversifying non-oil revenues is a central objective of the groundbreaking Saudi Vision 2030 plan that was launched by Crown Prince and Prime Minister Mohammed bin Salman bin Abdulaziz Al Saud in 2016, explains Ajlan bin Abdulaziz Al Ajlan, chairman of the Federation of Saudi Chambers (FSC), the umbrella body for the kingdom's business community: “Since 2016, the process to advance Saudi Arabia's economic and commercial systems has not stopped and the economy has witnessed a substantial transformation within that time.”

“It is astonishing how much is happening in Saudi Arabia at the moment, which is opening up huge opportunities for investors.”

Tony Cripps, CEO, SABB

Hundreds of reforms have so far been enacted in order to, among other things, make it easier to do business and increase private sector involvement in a modern, digital and inclusive economy. “The private sector plays an essential role in Vision 2030 and its contribution to the economy has been improving significantly. The main changes we have seen might be summarized as increases in competitiveness, as businesses have been utilizing infrastructure the government has been building to upgrade their capabilities; entrepreneurship, with innovation and risk taking highly encouraged; and participation in the public sector, as the private sector has moved from being reactive to being a proactive partner,” says Al Ajlan.

Additionally, the tremendous progress the country has made in implementing Vision 2030 has led to foreign direct investment inflows quadrupling since 2016 to reach in excess of \$19 billion in 2021, according to the Ministry of Investment. “The FSC is optimistic about Saudi Arabia remaining attractive for domestic and international investments. Sectors that should be considered by future investors are ones that are aligned with Vision 2030 programs, which are currently experiencing major growth. Examples are healthcare, mining and metals, aerospace and defense, tourism, chemicals, real estate, industry and manufacturing, transport and logistics, information and communication technologies, energy and financial services,” Al Ajlan states.



Ajlan bin Abdulaziz Al Ajlan
Chairman
Federation of Saudi Chambers



Nasser Abuhaimeed
Secretary General
Riyadh Chamber



Mohammed bin Abdullah Elkuwaiz
Chairman
Capital Market Authority

Notably, multinationals in diverse sectors—including names like Unilever, Baker Hughes and Siemens—are choosing to establish regional headquarters in Riyadh and more international companies may soon join them in the thriving Saudi capital. “During 2022, we have received dozens of foreign delegations,” reveals Nasser Abuhaimeed, secretary general of Riyadh Chamber. One of 26 chambers of commerce located around the kingdom, Riyadh Chamber's activities illustrate how the business community is working with the government to develop the economy. For instance, says Abuhaimeed: “This year, the chamber has held important events that involved extensive discussions. These included the Riyadh Economic Forum, held under the auspices of King Salman bin Abdulaziz, in which a number of ministers participated. Riyadh Chamber's committees have also addressed challenges facing certain sectors and activities, and proposed suitable solutions in coordination with the government.”

Evidence for Saudi Arabia's economic and societal transition exists on many levels, from awe-inspiring new giga projects to the fact that 33 percent of its workforce is now female. Another example is its rapid establishment of an internationally important capital market. “When you decide to diversify economic activities, you need to focus on areas where you have a competitive advantage. Very high up that list when Vision 2030 was devised was the financial sector, which had been profoundly underutilized. In the last few years, constraints have been removed from the capital market that have turned it into a vibrant economic sector. In equities, for instance, this involved opening up to international investors. Today, we are one of the largest capital markets in the world by market cap, while between 2019 and 2021, we had over \$45 billion of net investor flows coming into the country, which saw foreign investment in our stock market grow from under 5 percent to roughly 15 percent of free float,” states Mohammed bin Abdullah Elkuwaiz, chairman of the country's Capital Market Authority.

Saudi Arabia has also made impressive progress in its debt, derivatives and asset management markets, he adds: “Last year, we reached close to \$200 billion in assets under management and over 500,000 market participants. The country's capital market is firing on all cylinders for the benefit of Saudi Arabia and the broader region.” The financial sector's increasing strength, alongside the rise in interest in Saudi Arabia from global companies and growth in its domestic economy are key contributors to the high degree of confidence in Vision 2030 among the business community, says Tony Cripps, CEO of SABB, one of the kingdom's largest financial institutions: “It is astonishing how much is happening in Saudi Arabia at the moment, which is opening up huge opportunities for investors.”

FOODICS[®]

The national pillar of digital payments

Since its establishment in 2019, Saudi Payments has positioned the country as a global champion in digital payments and financial innovation

Between January and November 2022 digital financial transactions reached 7.7 billion in Saudi Arabia, while 96.5 percent of face-to-face transactions were contactless.

This rapid adoption of electronic finance is being driven by Saudi Payments, a subsidiary of the Saudi Central Bank (SAMA). "In line with Vision 2030's Financial Sector Development Program, our main task is to enable the payment system to provide safe, reliable and innovative services that achieve interoperability between system participants and are easily accessed," explains its managing director, Abdulaziz Al Afaleg.

Saudi Payments has developed four world-class digital platforms that are open to any entity licensed by SAMA, which has created a level playing field for incumbents and new operators. SADAD facilitates bill payments, Esal is an e-invoicing system, and mada connects ATMs and point-of-sale terminals to a central payment switch, while its online service has catalyzed remote shopping. "Saudi Arabia now ranks second in the Arab world for e-commerce," notes Al Afaleg. The fourth platform, Sarie, allows banks to make and receive payments in riyals. "The fact that we are constantly developing our infrastructure is evident in 2021's launch of a new 24/7 instant Sarie system. Since its launch, over 500 million transactions have been processed, with an average

"The fact that we are constantly developing our infrastructure is evident in 2021's launch of a new 24/7 instant Sarie system."

Abdulaziz Al Afaleg, Managing Director, Saudi Payments

monthly growth of 6 percent that is driven by demand for faster, safer, cheaper and trusted digital solutions. Sarie's features include the ability of users to initiate transactions based on aliases including a mobile number, ID or email address, and both banks and fintech firms are supporting the introduction of additional solutions," he reveals. Saudi Payments aims to empower fintech companies by developing infrastructure, building the capabilities businesses require and supporting entrepreneurs. It has also established a special innovation unit in collaboration with fintech and banking partners, Al Afaleg states: "The aim is to create products that leverage emerging technologies like artificial intelligence and open banking. We are also working on other technical aspects and will continue to encourage innovation to strengthen the financial sector."



Abdulaziz Al Afaleg
Managing Director
Saudi Payments

المدفوعات السعودية
SAUDI PAYMENTS



Saudi Payments continues to transform the nation's digital payments ecosystem

As the developer and operator of Saudi Arabia's national payment infrastructure, Saudi Payments is dedicated to accelerating the country's transition to an inclusive cashless society. We are achieving that goal by offering secure, reliable and interoperable digital payment solutions and by supporting cutting-edge innovation in financial technology.



www.saudipayments.com

A strong, resilient banking partner

SABB continues to deliver growth by remaining at the forefront of international banking, fintech and sustainable financing

Saudi British Bank (SABB)—one of the kingdom's largest and most trusted financial institutions—has emerged from the pandemic in a robust position and is well primed to push on with its growth agenda.

With total assets of about \$80 billion, SABB provides a comprehensive range of banking services to over 1.3 million international and local corporate, institutional and retail customers, and it generated profits of over \$850 million last year. "2021 was dedicated to consolidating our successful merger and integration with Alawwal Bank. We have the right platforms in place and the upward growth trajectory we're seeing in our retail and corporate business is very strong," says CEO Tony Cripps.

Saudi Arabia's best bank for the last three years, according to Global Finance magazine, is now focused on three priorities of equal importance. The first is continuing to leverage the advantages that come from its close long-term partnership with HSBC Group, which have already helped to make it the bank of choice for over 80 percent of the multinationals that operate from

or into the kingdom. "Being allied to HSBC means we have a global network of capabilities. We're the country's leading international bank and can facilitate trade between the kingdom and just about anywhere else in the world, for example. The fact that we are global and, at the same time, universal within the country makes us unique," he explains.

A second priority is for SABB to maintain its position as a Saudi pioneer in financial technology that delivers the best digital banking experience in the country. In line with this goal, the bank is currently implementing a \$400-million investment program to modernize and transform its digital infrastructure, processes and in-house skillsets. It is also encouraging entrepreneurs in fintech by, for instance, developing its own open banking platform, creating a dedicated innovation hub for fintech and establishing a digital venture fund.

Named as Global Finance's best bank for sustainable finance in Saudi Arabia for 2022, SABB's third key concern is supporting the kingdom to meet its environmental, social and governance (ESG) goals. As a demonstration of its intent, the bank was the first Saudi institution to establish a Shariah-compliant ESG-focused green deposit facility, it launched the country's first climate-change equity fund and it acted as the lead arranger for Saudi Arabia's first green loan that is financing the Red Sea giga project. As Cripps asserts, "There are many other areas where we can and are helping to drive Saudi Vision 2030 initiatives, but helping Saudi Arabia to deliver ESG transition capability is critical."



Tony Cripps
CEO
SABB

Best Bank for Sustainable Finance in Saudi Arabia



SABB ساب

www.sabb.com

The Saudi British Bank, a public listed company, paid capital of SAR 20,547,945,220, commercial registration certificate (1010025779), P.O. Box 9084 Riyadh 11413, Kingdom of Saudi Arabia, Tel. +966 11 4050677, www.sabb.com, licensed by the Council of Ministers Resolution (17/3818) dated 09/07/1398 H, and regulated by Saudi Central Bank.



Saudi families have started moving into homes in SEDRA

Raising the bar for quality in Saudi real estate

ROSHN's integrated urban development projects herald a new era for aspirational community living

Established in 2020 by the Saudi Public Investment Fund, the national real estate developer ROSHN has been tasked with creating high-quality residential communities across 200 million square meters of Saudi Arabia within 10 years.

"We are building hundreds of thousands of homes nationwide at an unprecedented scale in support of Saudi Vision 2030's target of 70-percent home ownership by 2030. There is huge demand from the country's young population that is looking to buy first homes and there is also an undersupply of quality homes, as some developers did not build well in the past. With more private capital invested in residential infrastructure, there is an increased emphasis on the long-term sustainability of new housing. However, at RO-

"Saudi Arabia is probably the biggest construction project on the planet and that is attracting talent and investors from around the world."

David Grover, Group CEO, ROSHN

SHN, we are committed to raising the bar for quality in real estate and urban planning," explains ROSHN Group CEO David Grover.

ROSHN has taken a pioneering approach to developing vibrant, healthy and sustainable communities, he adds: "We are championing the redevelopment of suburbs within major cities and trying to create new open-plan ways of living to satisfy modern life in Saudi Arabia. That means not living



ROSHN enhances life by sponsoring sports and cultural activities

sewerage and landscaping. To give you an idea of the scale of our communities, we are developing over 2,000 schools and 1,000 mosques across the country in the next few years."

The first landmark project launched by the national real estate developer was SEDRA, which will cover 20 million square meters just south of Riyadh's King Khalid International Airport once complete. As in all ROSHN's communities, the project contains a variety of housing types, with stunning architecture that is inspired by Saudi Arabia's rich heritage, blending tradition with modernity to meet the aspirations of today's citizens.



David Grover
Group CEO
ROSHN

"We are just finishing the first 3,000 homes in SEDRA, all of which have been sold. In total, the scheme includes more than 30,000 homes and all the associated buildings that a district needs to be self-sufficient, including a business and retail park," reveals Grover. Other ROSHN projects that are now live include the ALAROUS community in Jeddah, which will contain more than 18,000 residential units to suit all walks of life, and a vast 30-40 square kilometer site in Mecca, where building work will commence in earnest next year.

ROSHN is mandated to localize global best practices and to deploy innovative techniques in planning, design and construction that raise standards of living, while also advancing Saudi Arabia's construction and infrastructure sectors. To fulfill those goals, the developer is helping to scale up local companies and production capacities for construction materials, and it is working with a variety of strategic international partners, with its projects opening up numerous opportunities for investors and suppliers. "For example, we are selling some plots of land to other developers in order to add architectural variety while engaging international design companies and other consultants from Europe, the U.S. and Asia. Overall, the Saudi real estate market is frantically busy due to, not just our activities, but the giga projects that are taking place here. The scale of what we are all involved in is changing the economy, we are creating jobs and careers for an amazing pool of talented young Saudis. Saudi Arabia is probably the biggest construction project on the planet and that is attracting talent and investors from around the world," he says.

Grover would encourage others to take a look at the new Saudi Arabia: "It is an amazing country that people should come and experience for themselves. Saudi is a hugely positive nation that is growing and learning fast, and where there is continuous evolution, driven by an inspiring passion for change. Great leadership is transforming Saudi Arabia, which is one of the most stable economies worldwide and one of the most interesting places to live, learn and be part of a transformational change in every industry, not just real estate."



Gerflor Middle East's new 25,000m² rigid LVT plant

Fast-tracking growth in building materials

Empowered by Vision 2030, building-material ventures are advancing world-class Saudi manufacturing

A key illustration of how the private sector is contributing to the development of the region's economies and societies is Juman Industrial Investment.

With a footprint across the region, Juman's partnerships with global market leaders in building materials blend those firms' expertise with Juman's strengths in manufacturing, supply, installation and local market understanding.

One example is Gerflor Middle East, a joint venture with Gerflor SAS. Since 1977, the region's only vinyl-flooring manufacturer has been a preferred provider of innovative and sustainable floor solutions and wall finishes. It has two manufacturing facilities in Saudi Arabia and is investing in a third state-of-the-art 25,000-square-meter luxury-vinyl-tile plant with a production capacity of about



USG Middle East's 50,000m² ceiling tiles and joint compound plant

2 million square meters to meet growth in demand. Juman also recently partnered with Bostik, an Arkema company, to manufacture and distribute adhesive, sealant, and wall and floor systems in Saudi Arabia. "The combination of Juman and Bostik's expertise will enable us to expand our offering with world-renowned and quality building solutions," says Mohammed Al Bassam, who gained degrees in aerospace engineering from the University of Bath and Imperial College London, a University of Cambridge master's in industrial engineering, and worked at McKinsey & Company before joining his family's business as Juman's managing partner.



Mohammed Al Bassam
Managing Partner
Juman Industrial Investment

Another of Juman's companies is USG Middle East, a joint venture with Knauf's United States Gypsum (USG) that is a preeminent producer of ceiling systems, finishes and partitions, which are manufactured at five regional plants and sold across the region. Renowned for innovations that create smarter buildings, it has been involved in numerous iconic projects. Over the coming years, Juman plans to further expand its portfolio by investing in more collaborations that create value in the region's flourishing building sector, Al Bassam says: "Juman is excited about Saudi Arabia's ongoing transformational growth under Vision 2030 and is committed to playing an active part in realizing the vision's objectives and potential."

Building the future of Saudi Arabia through leading manufacturing partnerships

Manufacturing excellence, regional coverage and local expertise allow Juman to add value to building-material joint ventures like Gerflor Middle East and USG Middle East.

www.juman.sa

www.usgme.com

www.gerflor.ae

www.bostik.com

Trailblazer for a sustainable maritime industry

The Saudi Arabian maritime giant Bahri is connecting economies through excellence in transportation and logistics

As one of the leading operators in the global maritime industry, the Saudi National Shipping Company, Bahri, is playing a pivotal role in Saudi Arabia's efforts to develop, strengthen and diversify its economy.

In the first nine months of 2022, Bahri recorded a 54 percent year-on-year increase in its revenues to around \$1.6 billion, thanks to upswings within its shipping-focused divisions: oil, logistics, chemicals, dry bulk and ship management. "The results reflect the robustness and resilience of our business strategy—boosting our capabilities, enhancing our product offering and increasing efficiency are at the core of this strategy. The performance also mirrors our commitment to adding value for shareholders and advancing Saudi Arabia's maritime logistics and transportation sectors," says Chairman Mohammed Abdulaziz AlSarhan.

With Saudi Arabia occupying a privileged location at the crossroads of trade routes between Asia, Europe and Africa, one of Bahri's objectives is to support the nation's transformation into a global logistics hub. To help achieve this, the company is forging partnerships. "These include our joint venture with Bolloré, one of the largest transport and logistics operators in the



Mohammed Abdulaziz AlSarhan
Chairman, Bahri



A globally leading company in full logistics and transportation

world, which has enabled us to offer end-to-end logistics solutions. Additionally, we have signed an agreement with Saudi Ports Authority to build and operate an integrated 95,436-square-meter logistics park at Jeddah Islamic Port. Bahri's vision is to create value and share prosperity by connecting economies through excellence in global logistics solutions, which aligns with Saudi Arabia's maritime ambitions and Vision 2030," explains AlSarhan.

Bahri is also contributing to Vision 2030 by empowering and developing local talent, and by accelerating the transfer of technology into the country, he adds: "For example, we have established International Maritime Industries, a joint venture with Saudi Aramco, Lamprell and Hyundai Heavy Industries. Together, we are developing a maritime yard that will support the shipbuilding industry's growth and produce state-of-the-art vessels."

Those vessels will adhere to the highest environmental standards and Bahri's newest business division also embodies the company's pro-environment philosophy. "Through Bahri Marine, we are establishing three floating stations to desalinate seawater that have been designed to preserve the shallow-sea ecosystem. These stations will supply high-quality potable water for use across the country," says AlSarhan. "At Bahri, we recognize the unique opportunity we have to address social and environmental challenges, and we place a strong focus on incorporating sustainable practices into every area of our business," he concludes.

GLOBAL TRANSPORTATION AND LOGISTICS LEADER

Established in 1978, Bahri Group is one of the world's foremost logistics and transportation companies, playing a leading role in the transformation and growth of the global transportation industry through innovation and delivering value-added onshore and offshore services. As a **global leader in the logistics and transportation industry**, Bahri has six business units that include Bahri Oil, Bahri Logistics, Bahri Chemicals, Bahri Dry Bulk, Bahri Ship Management, and Bahri Marine.

Bahri is one of the largest owners and operators of Very Large Crude-oil Carriers (VLCCs) in the world and one of the largest owners of chemical tankers in the Middle East.



Focused on health and wellness

After 100 years, Tamer Group is still leading the way to a brighter future

The Tamer Group has been dedicated to creating a brighter and healthier future since 1922, when your grandfather founded Saudi Arabia's first pharmacy. 100 years later, Tamer is a leading healthcare and wellness group with world-class capabilities in manufacturing, logistics and e-commerce that is active across the region. As chairman of a group which has always been a driver of national development, is the Vision 2030 plan also helping to build a better future?

Vision 2030 is becoming a reality. The next generation is now included on the raft of economic development; environmental, social and corporate governance is embraced; and local content is encouraged in healthcare, which has created employment and technology transfer. A lot of the plan's initiatives—such as liberating society and encouraging local content—are the reasons we are here today. The Tamer Group has a fiercely strong conviction linked to Vision 2030.

As well as being a trusted logistics partner for global companies in health, wellness and other sectors, Tamer is a major producer of pharmaceuticals and medical devices. How do its manufacturing partnerships create value?

Our Saja venture with Daiichi-Sankyo and Astellas started in 1995. It is enjoying growth and is now focused on the specialty business. In addition, our partners have made a 50-year commitment regarding tech transfer. Another example is with Mölnlycke, a Swedish company that makes disposable medical trays for procedures in operating rooms. When you use disposable trays that are customized to the doctor's exact needs, there is more control, safety and we can triple the number of procedures, which brings down costs and boosts revenues. It is a disruptive technology with huge potential for growth in Saudi Arabia.

With over 4,000 employees, Tamer has a diverse and inclusive workforce. It is also considered to be among the best places to work by young Saudi talents, both male and female. Why does it have this reputation?

We are transforming into a culture that nurtures and encourages talent. For example, half of our incentive and rewards system for management is based on building the organization and developing people. Smart people like to be challenged: one needs to give them an environment that is fair and allows them to prosper, learn and be recognized. We are a 100-year-old company, but almost half of our workforce are millennials and this keeps us young.

Tamer has seen around double-digit growth in its revenues over the last decade. What are your future expectations?

We forecast good growth and want to focus on ensuring that we address our own goals and those of Vision 2030. I foresee further collaboration and engagement in the public-private sector, and we will try to remain agile, innovative and diversify to serve my country and the region's needs.



Ayman Tamer
Chairman
Tamer Group



Tamer Group

www.tamergroup.com

Pioneering approach to digitalization

Tamer Group's digital innovations are transforming Saudi and the region

One prominent way in which the Tamer Group is steering national and regional modernization is through its pioneering investments into innovative digital systems and customer-centric services.

For instance, in 2021 it acquired a majority stake in Mumzworld, the region's largest mother and child e-commerce platform that provides customers in 20 countries with access to products from 5,500 global brands. "Mumzworld has been a strategic investment and part of our drive towards technology, digitalization and business-to-consumer activities," says Ayman Tamer. "Besides the holistic advantage gained by sharing verticals in our areas of specialization, the group has strong logistics capabilities that further Mumzworld's needs."

"We are more than willing to support, encourage and co-invest with international partners."

Ayman Tamer, Chairman, Tamer Group

The group has also cemented its position as a leader in e-health services with its launch of a unique digital procurement platform for Saudi pharmacies, clinics and hospitals this year. In addition, Tamer is investing in digital tools to meet its ambitious environmental, social and governance (ESG) goals. "We moved to the corporate social responsibility model over 25 years ago, supporting education, helping the underprivileged and empowering women. Now we are evolving into ESG," he states. Tamer aims to address all of the World Economic Forum's required ESG metrics within three years, with 40 percent of them being covered in 2022. According to the chairman: "2023 will see us tackle the remaining relevant metrics, some of which will be developed through data analytics so they can be constantly measured."

As a standard bearer for digitalization and sustainability, Tamer will continue to be a key contributor to the country's rapid economic and societal transformation. "Saudi is going through an exciting period and there are great opportunities ahead. We welcome foreign investment, and we are more than willing to support, encourage and co-invest with international partners."

The finest living experience in Saudi Arabia

By adopting contemporary and innovative concepts in its real estate projects, Al Akaria is creating value for all stakeholders

“The opportunities to offer unique and distinguished real estate products in Saudi Arabia are vast. I am of the opinion that developers have to adapt to a new era of contemporary lifestyle developments that focus on sustainability whilst boosting end users’ experiences,” states Ibrahim M. Al Alwan, managing director and CEO of the Saudi Real Estate Company, Al Akaria.

As one of the leading real estate developers in Saudi Arabia, Al Akaria is helping to drive this transformation in the market. Established by royal decree in 1976, the joint-stock company has a long track record of developing, constructing and operating world-class residential and commercial projects that have become points of reference for excellence in the city of Riyadh. To remain at the forefront of the sector, in 2020 Al Akaria adopted a new corporate strategy that has been developed around the goals of Saudi Vision 2030, the company’s own vision to build the finest living experience in the country and its newly devised mission, which is to create human-oriented real estate experiences by utilizing modern and innovative concepts.

“We have rearranged our goals and strategic objectives to maintain our preeminent role in the local market. Among our new priorities is to tap into iconic, mixed-use destinations, and this market positioning requires a different set of development skills and capabilities. Therefore, we are procuring the right local and international talents, and we are contracting top-tier architectural and engineering firms to deliver unparalleled projects that contribute to Vision 2030, the company and all its stakeholders,” explains Al Alwan.



Al Yamamah Residential Project, Diplomatic Quarter

“Al Akaria’s current and pipeline projects are challenging but contemporary at the same time, with each having a live-work-play design spirit combined with intensive green landscaping,” he adds. Illustrations of this philosophy that are now under construction are Akaria Park, a master-plan development in northeast Riyadh with 3,222 residential plots, and a semi-gated community in Riyadh’s Diplomatic Quarter, one of the most prestigious neighborhoods in the city.

In all its projects, Al Akaria is focused on delivering value, Al Alwan states: “We are committed to maximizing value creation for the economy generally and Al Akaria’s stakeholders in particular: for the local community by offering contemporary, sustainable real estate projects; for our shareholders by delivering sustainable yet growing profits and dividends; for our employees by creating a vibrant work environment full of energy, enthusiasm and career growth; for end users by offering quality real estate products; for financial institutions by developing financing programs for our projects with an efficient capital structure; and for the government and country by offering reasonably priced housing solutions that support Vision 2030’s goal of increasing home ownership in Saudi Arabia.”



Ibrahim M. Al Alwan
Managing Director
and CEO, Al Akaria



Bringing a world of financial expertise to Saudi

Tony Cripps, Managing Director, SABB, explains how the bank leverages its tremendous global capabilities to build locally



You became managing director of Saudi British Bank (SABB) in 2021 after it had completed a historic merger with Alawal Bank. What has it been like to lead one of the country’s largest banks since then?

Many macroconditions are contributing to a high level of confidence in the Saudi Vision 2030 development plan, such as interest in the country from international companies, the strength of the domestic economy and of its financial sector. I arrived just after the integration had finished, which allowed me to focus on strategy and, aligned with the positive macros, to push on our growth agenda and the advantages that SABB has in being allied to the HSBC Group. This means we have a global network, which is an essential requirement both for outbound growth, as Saudi Arabia expands and communicates its opportunities to the world, and for inbound growth, as companies and individuals move to the country. SABB is uniquely positioned in this and it’s a real privilege to be here.

“The growth trajectory that we are seeing in our business—both retail and corporate—is very strong.”

Tony Cripps, Managing Director, SABB

In 2021, SABB reported a profit of about \$853 million, after a loss of around \$1.1 billion in 2020. How has it performed since then?

Part of the loss was a result of financial accounting standards. However, 2021 was dedicated to getting our merger right and consolidating on that. Having got the platform in place, the growth trajectory that we are seeing in our business—both retail and corporate—is very strong. SABB is especially sensitive in a positive way to interest rates going up and, as rates return to a more normal position, you will see our revenue increase.

In 2022, SABB won the Saudi Arabia’s Best Bank award from Global Finance magazine for the third year in a row and it’s the bank of choice for over 80 percent of multinationals in Saudi Arabia. What makes it so competitive for international firms?

Part of the reason is our ability in transaction banking, payments and cash management, as well as our capacity in trade. HSBC is the world’s largest trade bank and SABB is the number-one trade bank in Saudi Arabia. For multinationals that need international links across their networks, our transaction-banking platform, HSBCnet, is ideal. Additionally, our capability allows us to facilitate trade between the country

and the rest of the world—we’re exceptionally connected to just about anywhere else.

Will SABB consolidate its leadership in corporate banking or are you diversifying toward other areas?

We’re not defocusing on our corporate business that grew by about 10 percent in 2021, which was consistent with the market overall. Where we hadn’t been growing as much was in the retail and small and medium-sized enterprise (SME) market. Therefore, a focus is to grow this area faster. Today, it represents roughly 25 percent of our business, while about 75 percent is corporate. The fact that we are a leading international bank and universal within the country makes us unique.

SABB recently launched Saudi Arabia’s first Sharia-compliant green deposit fund. Is acting as a partner in the country’s environmental, social and governance (ESG) initiatives a priority for the bank?

It’s one of SABB’s core strategies. The three things I focus on at the highest level are: being a leader in banking technology, leveraging HSBC’s network while taking best practices and building locally, and helping the kingdom on its ESG transition path. SABB has tremendous access to global capability in this area. In 2021, the country’s first corporate loan in green format was put together for the Red Sea tourism project. It’s a giga project to create an approximately \$3.7-billion multibank facility. SABB led that and HSBC was the advisor on the loan’s green format. We want to do a more of these around projects like the world’s largest green hydrogen facility, which is being built in Neom.

Where else can SABB help to advance the Saudi Vision 2030 agenda?

Other areas include privatization, which we have experience of in other markets that we can bring in. That has started to happen in the development of the National Development Fund, which is now an umbrella governance that sits over twelve sector-focused subscription funds. We’re experienced in working with sovereign funds of that nature in other jurisdictions with HSBC and that allows us to help show how to set up the financing of big projects in different sector areas. Our experience also enables us to advise on capital recycling through securitization and other structures, which is relatively new to the kingdom. Financing new technologies is also going to be really interesting and is one of the many other areas where we can bring in international expertise to help drive Vision 2030 initiatives.

Future-proofing restaurants

Ahmad Al-Zaini, CEO, Foodics, describes how a Saudi startup has transformed the regional F&B industry with innovative technology

A prime illustration of the rising importance of tech-based industries in Saudi Arabia and of the entrepreneurial talent that is emerging from the country is Foodics, the leading restaurant management cloud-based technology and payments platform in the Middle East and North Africa (MENA).

Foodics has rapidly scaled up to become an integrated end-to-end management and fintech ecosystem that allows every type of outlet—from restaurants to online kitchens—to operate seamlessly. Today, it has in excess of 23,000 customers and more than 600 employees servicing over 35 countries. Foodics has also been licensed as a fintech by the Saudi Central Bank and, in April, it raised \$170 million in MENA's largest software-as-a-service Series C funding round to date. The company has consolidated and connected the ecosystem to reach a 27 percent market share of the total food and beverage (F&B) industry and 46 percent



market share of the fastest-growing cafe segment in the Saudi market. As an organization, Foodics is always on the look out for innovative solutions and ideas, and to expand its presence through strategic partnerships or acquisitions.

CEO Ahmad Al-Zaini reveals key reasons behind the firm's exponential growth: "Our mission is to empower every person who contributes to the success of a restaurant business and our approach is unique. We design human-centric solutions that impact restaurant owners, their teams and the customer experience. In essence, we help owners on three fronts: operational efficiency, cash-flow health and financial freedom." Going forward, "Our ambition is to continue to shape the restaurant industry and to give owners the freedom to focus on growing their businesses while we take care of the rest. We listen closely to our customers and ecosystem partners and constantly strive

Saudi Arabia: A hotbed for digital innovators in the F&B sector



Foodics raised \$170m in Series C funding in April 2022



Foodics services more than 35 countries and has 2X growth every year



Saudi Arabia's F&B market is expected to grow at a rate of 7.7% until 2027



The F&B industry in Saudi Arabia is valued at more than \$35 billion

for new ideas to test and implement. Our latest innovative product suite, for instance, further empowers business owners by enabling autonomous growth through new self-ordering and payment solutions," he states.

Al-Zaini is also focused on extending the firm's international footprint: "Globally, the F&B market is expected to grow at a compound annual growth rate of 5.8 percent by 2026 and MENA is one of the fastest-growing regions. Global brands are flocking to open here, while homegrown eateries are also upping their game, which cements the need for digitalization. There's great potential for investment and expansion, but it's a big, fragmented market and understanding the local landscape is key to being successful across the region. At Foodics, we have mastered that knowledge."

In the first six months of 2022, Saudi Arabia's F&B industry expanded 6.3 percent, it attracted \$187 million in investments and it is currently worth more than \$35 billion. Saudi F&B businesses' wider embrace of technology to enhance productivity, efficiency, food quality and customer experiences is causing additional market disruption. "This digital progress is the result of an ambitious vision of leaders with a passion for creativity, innovation, change and creating opportunities for young Saudis, who are particularly interested in technology and digitalization. Through Saudi Vision 2030, our government is unlocking opportunities for growth and investment, opening up to

the world, building platforms for future growth and increasing quality of life. For example, Saudi Arabia is investing \$6.4 billion in new digital technologies and tech-based startups. Entrepreneurs and investors are capitalizing on the government's initiatives and the high penetration of technology within the country to drive innovation and disruption in the F&B sector," he reveals.

"Our ambition is to be the most trusted one-stop-shop software and financial platform for the F&B industry, while expanding our fintech presence and supporting micro-businesses' and SMEs' growth."

Ahmad Al-Zaini, CEO, Foodics

According to Al-Zaini, the future is bright for tech companies in the kingdom: "The pace at which digitalization has grown is beyond all expectations. The possibilities are unlimited and there is a fast-growing pool of talented young people with the digital skills required to prosper in new industries. I'm very glad we are able to play a part in the future of the country and encourage others to join us—great trade and service opportunities await them."