

**MESSAGE
FROM
THE CHIEF
EXECUTIVE
OFFICER**



We reap the benefits of cutting edge technology and digitalisation in the form of efficiency for ourselves and convenience to the customer.

I am proud to present to you the second integrated report which conveys a broad view of the Bank's achievements and value creation during the year. Our value creation process is based on five strategic pillars: Nummow (growth), Takleef (responsibility), Awn (helping others), Re'aya (workforce), and Hifth (environmental protection). These pillars embody our ethos of not only seeking to grow our income and profits but also to benefit society and the natural environment.

Our performance

In 2018 the Bank improved its key profitability indicators over the previous year. The net income for the year increased by 3.40% over that of 2017. The return on average assets rose from 1.51% in 2017 to 1.54%; the return on average shareholders' equity rose from 10.72% in 2017 to 11.99%. Total assets increased by 2.42% during the year.

Reaping the results of digitalisation

Due to the progress in digitalisation and automation we have been able to reduce the need for manual transactions. Due to the availability of alternative channels we have been able to reduce the need for physical presence of the customer. Processes such as new account opening and new card issuing have been automated to a degree of 98%. Re-financing of customer loans through telesales has also been automated. A new teller system has digitalised the entire business process from teller to the back office.

Developing our people

We fervently believe that diversity enriches our workforce. We are gradually growing the percentage of women in our workforce which currently stands at 19.1%. The male to female salary ratio is also incrementally narrowing. We are also promoting Saudization; presently 87.7% of our staff are Saudi citizens. Staff in the 21-30 age group accounts for 34% of the total, which highlights the importance we give to youth. A total of 26,425 hours of training was provided to staff of which soft skills training accounted for 75%.

In conclusion, we wish to state that our achievements would not have been possible without the continued support and guidance from our stakeholders. I too would like to extend my sincerest thanks to Musaed Al-Mineefi for his significant contribution to the Bank's performance over the past 10 years.

Faisal Abdullah Al-Omran

Chief Executive Officer

March 31, 2019