

WE HELP PEOPLE
PROSPER THROUGH
CHANGE





The NCB and Samba merger will create a regional banking powerhouse





Grow

NCB's prospects of creating shareholder value have never been so strong. In October 2020, the Bank signed an agreement to merge with Samba Financial Group to create a new national banking champion for Saudi Arabia.

800mn

SAR

Cost synergies from the merger are expected to generate annual savings of about SAR 800 million.



The transaction has been widely reported as historic, as two leading Saudi banks come together to create a regional financial powerhouse with the scale to maximize growth opportunities.

Through economies of scale, the merger will create growth potential not only for both banks' stakeholders but for the Saudi banking sector and the wider economy.

Cost synergies alone are expected to generate annual savings of about SAR 800 million. The merger will also lead to long-term strategic and financial value as a larger franchise that will provide more opportunity inside and outside Saudi Arabia.

Data from more than 20 international markets indicate that similar mergers have delivered significant value and higher return on investment. In an economy of Saudi Arabia's stature, amid one of the world's most transformational national programs, the presence of advanced and highly capitalized banks is an essential asset.

The merged entity be a key enabler of growth and will support Saudi businesses in their regional and international expansion aspirations.

Now is an opportune time for Saudi Arabia to form a hub for banking innovation. The merged bank will drive the future of banking with enhanced products and unparalleled customer experience.

Access to new generation banking services results in empowered entrepreneurs and SMEs that can deliver economic diversification. For the people of Saudi Arabia, innovative banking has never been more crucial. It will nurture a vibrant society, fulfill housing needs, and provide simplified banking.

The pooled talent and expertise will ensure that customers experience new banking standards and gain access to a wider range of products and services.

Saudi Arabia's banking sector is at a turning point as the Kingdom's new banking champion prepares to advance Vision 2030. We envisage a hub for innovation, talent development, and world-class customer experiences that will take the economic and social contribution of Saudi Arabia's banking sector to a new level.



Support

NCB's advanced digital platform, efficient operating model, effective leadership, and swift action facilitated a robust and agile response to the Covid-19 pandemic. This ensured seamless delivery of services to our customers across all segments.

Close cooperation with Saudi authorities meant that critical Government and NCB support measures reached our customers when they needed them most.

Despite various movement restrictions and social distancing measures, NCB ensured that customers could use our banking services normally. As the pandemic unfolded, Government and NCB support measures were rolled out to help customers cope with the emerging impacts.

Digital uptake was accelerated as a matter of necessity. As part of the Bank's long-standing strategy to develop technology infrastructure, our lean distribution and digitization were very well positioned to respond swiftly to the crisis.

As a result, the Bank ensured seamless delivery of normal services to our customers, while gaining traction on our digital transformation and productivity strategies to increase operational efficiency and customer convenience.

In Retail, digital usage increased to 98.6% of total transactions, while digital sales rose to 65%. Digital account opening rose to 88%.

In Corporate, heavy investment in digital platforms similarly paid off. Active AlAhlieCorp clients climbed by 65%, while digital transaction banking increased from 42% to 64%.

We continued our investment in digital infrastructure and operational efficiency. Far from simply responding, the Bank continued to innovate digital offerings, including the first real estate financing application "Aqar AlAhli", and major enhancements in our Corporate digital customer platforms.

NCB continues to be a market leader in small business financing, with SAR 29 billion total credit extended to MSMEs. Across the Kingdom, NCB has a long record of supporting MSMEs, which are a key strategic priority under Vision 2030.

As part of the SAMA Private Sector Support Program to help MSMEs cope with the impacts of the pandemic, NCB partnered with the Saudi Central Bank to defer SAR 9 billion of payments by MSMEs. Total financing guaranteed by the Kafalah program reached SAR 2.9 billion, and NCB was ranked first by market share in the new Kafalah 95 program.



Customers benefitted from seamless continuity of banking services during Covid



Employee care and protection ranked top Covid priority

NCB holds a strategic aspiration to be the Employer of Choice, and our people are crucial to the achievement of our strategic and operational agenda. Ensuring the safety and protection of our employees and their families has been a top priority during the pandemic.

To safeguard employees, the Bank implemented all precautionary measures in line with the directives set by the health authorities in combating the spread of Covid-19. During lockdown, remote working became a new organizational way of operation. NCB's technology platforms ensured seamless daily tasks.

The HR team facilitated communication with employees and optimized all platforms, including Yammer, to inform our people and answer their queries effectively.

HR's care and support were extended to all employees, giving advice on how best to cope with the pandemic through a comprehensive guide and an internal engagement campaign.

Through NCB's healthcare provider, Bupa Arabia, a remote session was organized where issues about mental and physical health were addressed, while a remote fitness class was set up to provide comprehensive workouts.

Learning and personal development plans were delivered digitally, with close to 7,500 employees participating.

A further 93 employees took part in leadership development and coaching programs. The Rowad AlAhli program produced 65 graduate employees, while 165 qualified from the Branches New Hire program and 36 from the AlAhli Technology Program.

NCB received recognition for its market-leading employee training and development programs by being honored for 'Best Human Resource Development' in Banker Middle East magazine's awards.

Employment continued during the pandemic through different specialized recruitment programs, and interviews have been conducted digitally.

With the gradual return to normal operations, detailed guidelines to inform employees of the procedure for resuming on-site work were developed. Medical teams were contracted to offer consultations in NCB's main buildings.

The Bank continues to support its workforce through comprehensive programs to promote wellbeing and engagement, and to foster a fulfilling and rewarding work environment.



Support



Covid-hit community receives far-reaching support





Support

For more than 15 years, NCB's corporate responsibility program has been privileged to play a vital role in supporting and empowering communities in Saudi Arabia. In 2020, the Bank placed special emphasis on supporting community abilities to cope with the impacts of Covid-19.

9,000

During the lockdowns, 9,000 food baskets were distributed across the nine regions of the Kingdom.



While continuing our usual expansive corporate responsibility initiatives and philanthropic activities, the Bank undertook a wide range of additional efforts to offset the impacts of the pandemic.

Through our Ahalina program, we launched various new initiatives of our own and participated in Government projects to support local communities. We contributed SAR 33 million to the Saudi Health Endowment Fund and SAR 20.5 million to the Community Fund.

In recognition of the Bank's efforts, the Saudi Arabia Health Endowment Fund awarded NCB 'Best Saudi Bank in Supporting the Health Endowment Fund' and the Ministry of Human Resources and Social Development awarded NCB 'Best Saudi Bank in Supporting the Ministry's Social Fund'.

During lockdowns, NCB's Ahalina Happiness Campaign distributed 18,000 Iftar meals and health kits to beneficiaries including orphanages and retirement homes, and cleaned workers' accommodations. Volunteers delivered the meals and health kits across Riyadh, Jeddah, and Dammam,

adhering to the highest safety and quality standards at all stages of processing, packaging, and distribution, thus minimizing the risk of Covid-19 spread.

A further 9,000 food baskets were distributed across nine regions. The Eid Keswa (Eid Clothes) initiative was then launched in six cities, with 1,000 clothing packages and health kits distributed.

The campaign included the distribution of household appliances and tablets and computers. It also involved the sterilization of mosques, divers cleaning seabeds, tree planting, and donating winter clothes. Also launched was the Shukr Initiative (Gratitude) which is devoted to the children of martyrs, health practitioners, and security guards. Many other activities have taken place in cooperation with charities and Government entities.

NCB played a prominent role in Government efforts to offset the impacts of the pandemic, deferring three months of installments in our micro-finance program, as well as three-month postponement of repayments by healthcare workers with NCB credit facilities.



Empower

Saudi citizens receive huge boost for home ownership

The housing sector is one of the key pillars of Saudi Vision 2030, and helping people to own their homes is a key target of the Financial Sector Development Program.

Through residential financing and other Government initiatives, and in close cooperation with the Ministry of Housing and Real Estate Development Fund (REDF) programs, NCB's residential financing is a vital contributor to the growth in the number of Saudis who own their homes.

As the largest financial institution in Saudi Arabia, NCB has significantly ramped up its support for residential financing to help citizens fulfill their housing aspirations.

More than 93,000 Saudi families received NCB residential financing, to a total value of SAR 74 billion.

NCB offered comprehensive residential financing solutions and programs to Saudi citizens, almost doubling the value of its mortgage portfolio during 2020.

Despite all the challenges of the year, the portfolio grew in absolute terms and by market share and is now the largest segment of Retail Banking at NCB. The Bank's market share of outstanding credit balances in Residential Finance has grown from 20.9% to 25%.

Despite social distancing and lockdown restrictions to counter the impacts of the pandemic, NCB was able to leverage its strong leadership, agile operating model and untiring, talented employees to deliver uninterrupted banking services to customers.

The Bank spared no efforts to enable Saudi citizens to secure residential financing and avail themselves of the generous housing subsidies made possible by the Ministry of Housing and Real Estate Development Fund.

As a part of the Bank's retail asset deployment and digital transformation strategies, the launch of Aqar AlAhli, the first mobile app in Saudi Arabia facilitating residential financing applications, offered a convenient digital facility without the need for a branch visit.

The Saudi Ministry of Housing once again honored the Bank for being a strategic partner in realizing the Kingdom's vision and supporting the Ministry and REDF programs, ranking NCB as 'Best Real Estate Finance Bank as a Partner in Realizing Vision 2030'.

