

## Financial Services SIG



Paul Bevan  
SIG Finance  
Chairman

Chairman of the Finance SIG, Paul Bevan, has steadfastly refused my offers to print his words of wisdom, claiming variously that he has "little to say that is not already known" and that he has a 'Day Job' which keeps him rather busy!

A quick shuftie through the list of current RGBB members suggests that over 25% of the membership is probably involved in Finance or related issues, so here's a challenge for you - If you want to avoid yet another edition carrying the editors thoughts, drop me a line on the issues you think are relevant to the Saudi market! (email to [andrew@sbt.d.co.uk](mailto:andrew@sbt.d.co.uk))

Meanwhile, here follows a few bits & pieces culled from the international press:

### EBI TO START SAUDI OPERATIONS

Emirates Bank International (EBI) is to start its operations in Saudi Arabia by July having secured a licence to operate in Saudi more than a year ago.

Louis Scotto, general manager of retail for EBI, said the bank is keen to further expand into other GCC countries. "We are looking at the business opportunities in Kuwait, Qatar and Oman. Kuwait, which has opened up its banking system recently, will be a potential business opportunity for EBI," Scotto said in remarks published in the Gulf News.

The EBI plans to expand its branch network in Saudi Arabia to 10 within five years. EBI, where online transactions account for more than 70 per cent of its business transactions, has also plans to establish more meBank locations - retail outlets - in Saudi Arabia once the first branch is open for business.

### PARENTS STILL SUPPORT CHILDREN

Over a third of rich British parents still expect to be helping their children financially when their offspring are in to their 40s and beyond as do a quarter of the general population according to a survey for the edition of UK Wealth Watch, a research paper from Lloyds TSB Private banking.

Mark Cheshire a director at Lloyds TSB Private Banking said, "Parents today are expecting to play an active financial role in their children's lives for longer. Now more than ever, careful financial planning is crucial, if parents are to pass on their money to their children and not to the tax man." The report suggested that one in three parents help their children to buy their own home. Support is not just provided for homes though with nearly half helping their children to pay for their holidays. While giving gifts of money as a birthday present or otherwise such as a regular allowance is also a growing trend.

While two thirds of UK's Rich parents as defined by Lloyds TSB's report have given their children money occasionally, the less well off, the population in general, are also generous to their children with an estimated eight out of 10 of the general population saying they did this too.

All the British surveyed feel upbeat about their children's financial future. Lloyds TSB say that despite the parents already enjoying considerable wealth themselves, well over a third of the UK Rich expect their children to be better off financially than they are. While within the general population well over half of those surveyed believe that their children will be wealthier still. Less than one in ten took the pessimistic view that their children would be worse off financially than their parents.

### THE SAUDI BRITISH BANK PLANS BONUS SHARE

Reuters reported in January that The Saudi British Bank (SABB) planned to issue a one-for-four bonus share to raise paid-up capital to 2.5 billion riyals (\$666.7 million).

It said the recommendation by the bank's board of directors would be submitted to an extraordinary general meeting on March 15. The new shares will not be eligible for 2003 dividends but will be entitled to share in distributions from 2004 onwards.

"This issue highlights the strength of the bank's capital base and market position," SABB chairman Sheikh Abdullah al-Hugail said in a statement.

Shares in the bank rose 2.6% to 523 riyals in the morning trading session at the Saudi stock market on Saturday Jan 10th.

The bank made a 2002 net profit of 972 million riyals and recorded a net profit of SAR1,258 million (US\$335 million) for the year ended 31 December 2003. This represents an increase of 29.4 % over the previous year. Earnings per share for the year ended 31 December 2003 increased to SR31.45 (US\$8.39) compared to SR24.31 (US\$6.48) for 2002.

Geoff Calvert, managing director of SABB, said: "Growth in operating revenues has been robust and operating costs have been contained. Capital and liquidity positions remain strong; the credit quality of our loan portfolio remains sound.

All our banking services continue to show solid growth. Demand for our Al Amanah Islamic banking products has been strong and we have successfully expanded the product range.

In 2003, the bank received Euromoney awards for the 'Best Bank' and the 'Best Equities House' in Saudi Arabia.

We would like to thank our customers for their support during the year and to thank our staff for their continued commitment to customer service, which is reflected in these results."

For further information please contact Abdulaziz Al-Manie at Email: [abdulazizalmanie@sabb.com](mailto:abdulazizalmanie@sabb.com)