

> CFI.co Meets the Managing Director of Saudi Hollandi Bank: Dr Bernd van Linder

Dr Bernd van Linder has been Managing Director of Saudi Hollandi Bank (SHB) since May 2009. From 2006 to 2009, Dr van Linder served as the bank's treasurer. He is a director of Saudi Hollandi Bank and of Saudi Hollandi Capital, the bank's wholly-owned investment banking subsidiary. Dr van Linder is also director of Wataniya, a listed general insurance company affiliated with Saudi Hollandi Bank.

Prior to joining Saudi Hollandi Bank, Dr van Linder worked at the Dutch ABN AMRO Bank in a variety of functions in the bank's Global Markets Division. He holds a PhD from the University of Utrecht, an MSc from the University of Nijmegen, and an MBA in Finance from Bradford University School of Management. Dr van Linder is married with three children and lives with his family in Riyadh.

Dr van Linder is most encouraged by his bank's strong position to satisfy demand for financial services to the rapidly expanding segment of small and medium-sized enterprises (SMEs) in the kingdom. He notes that non-oil related economic growth, at 5-7% annually, has been particularly strong. "The forecast is excellent with a further 7% yearly growth expected for the remainder of the decade. Opportunities abound," says Dr van Linder.

The SHB chief also expects demand for retail banking services to increase as the budding Saudi middle class expands: "Employment is up significantly as corporates expand their production capabilities and hire more people. This in turn leads to a strong demand for modern financial services which SHB is able to meet."

However, competition among the twelve banks operating in Saudi Arabia is fierce and being heir to the kingdom's oldest bank offers no guarantee of continued success for SHB. The bank's director is convinced that only those institutions will prevail that are able to best serve the needs of their customers through multiple channels such as conveniently located branches, internet banking, mobile applications and excellence in service. "We are constantly on the lookout for improvements to both our products and the way in which they are delivered. Consumers are becoming ever sophisticated and the bank cannot lag behind."

Contrary to his peers elsewhere in the world, Dr van Linder doesn't lose sleep over the



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implementation of the Basel III Accords that set the future standard for capital and liquidity requirements and leverage ratios. "Our regulator, the Saudi Monetary Agency, is already now imposing much of the Basel III standards on the kingdom's banks. Without exception, all Saudi banks have excellent capital ratios and impressively low leverage ratios. Their liquidity position is very strong. For all practical intents and purposes, Saudi banks are already operating under the provisions that Basel III seeks to implement."

On the challenges posed by Sharia-compliant banking, Dr van Linder is adamant: The delivery of first rate financial services is not in the least hampered by Islamic Law. "Our customer demand Sharia-compliant services and we make sure that they are available. SHB has invested heavily in

the development of product and structuring capabilities to the point where we today have a full range of Sharia-compliant products. In fact, any conventional product offered by us now has a Sharia counterpart. This holds true in both the retail and corporate segments. Since we are very much in the business of meeting our customers' demand this development will continue."

Dr van Linder was recently included in the list of 50 most efficient CEOs in the Gulf States. Under his leadership the Saudi Hollandi Bank saw its profits multiply. SHB has outperformed its local peers each year since Dr van Linder took over management of Riyadh-based SHB. The bank's over 1,700 employees each contribute more than \$74,000 to the bottom-line, another record-setting performance in the kingdom. ❖