



البنك السعودي للاستثمار
The Saudi Investment Bank

Earnings Presentation

FY 2024

13 February 2025

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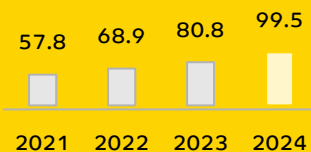
Growth momentum sustained in FY 2024 demonstrating solid progress



Loans (SAR mn)

+23% YoY

99.5 bn ▲

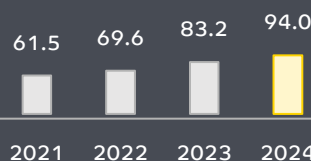


Robust balance sheet expansion, driven by a 23% increase in loans

Deposits (SAR mn)

+13% YoY

94.0 bn ▲

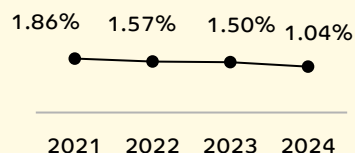


Customer deposits grew by 13% YoY due to 17% increase in IBDs and 6% increase in NIBDs

NPL ratio

-46 bps YTD

1.04% ▼

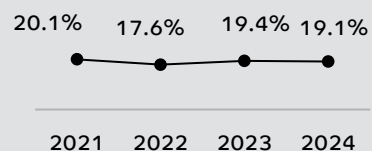


High credit quality maintained with NPL ratio at 1.04%

Tier 1 Ratio

-0.3 ppt YoY

19.1% ▼

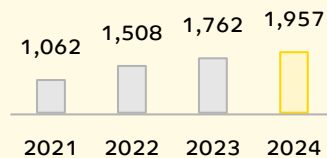


Strong capital ratios sustained through profit generation and the recent Sukuk issuance

Net Income (SAR mn)

+11% YoY

1,957 mn ▲



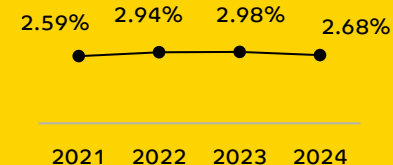
Net Income grew by 11% YoY to SAR 1,957 mn, driven by strong business performance.

ROE increased 53 bps to 13.1%

NIM

-30 bps YoY

2.68% ▼

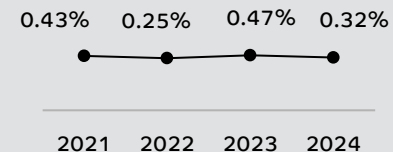


NIM contraction due to shift in the deposit mix and increased COF

COR

-15 bps YoY

0.32% ▼

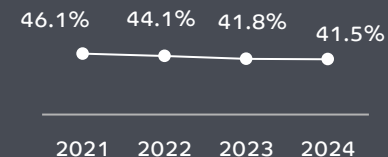


COR remains low at 32 bps

CIR

-26 bps YoY

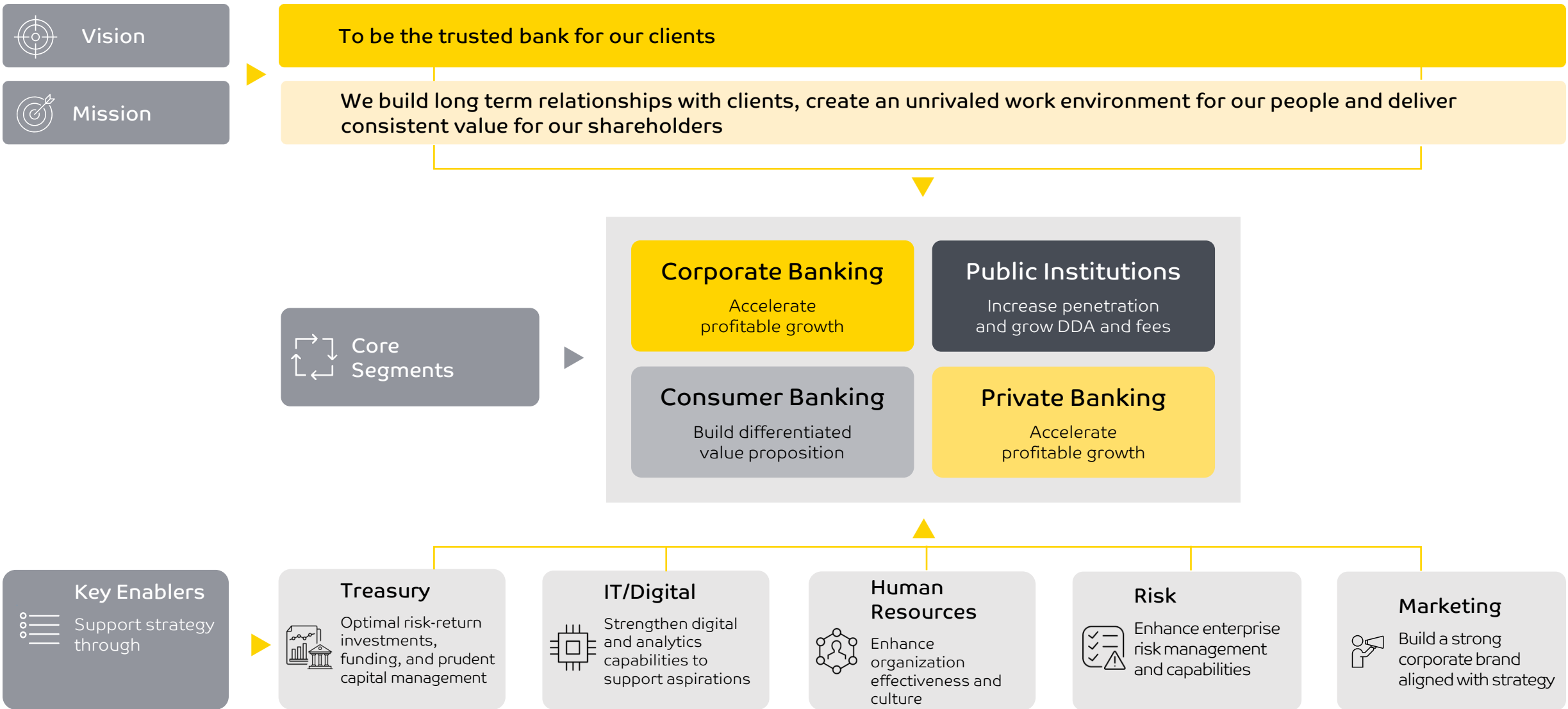
41.5% ▼



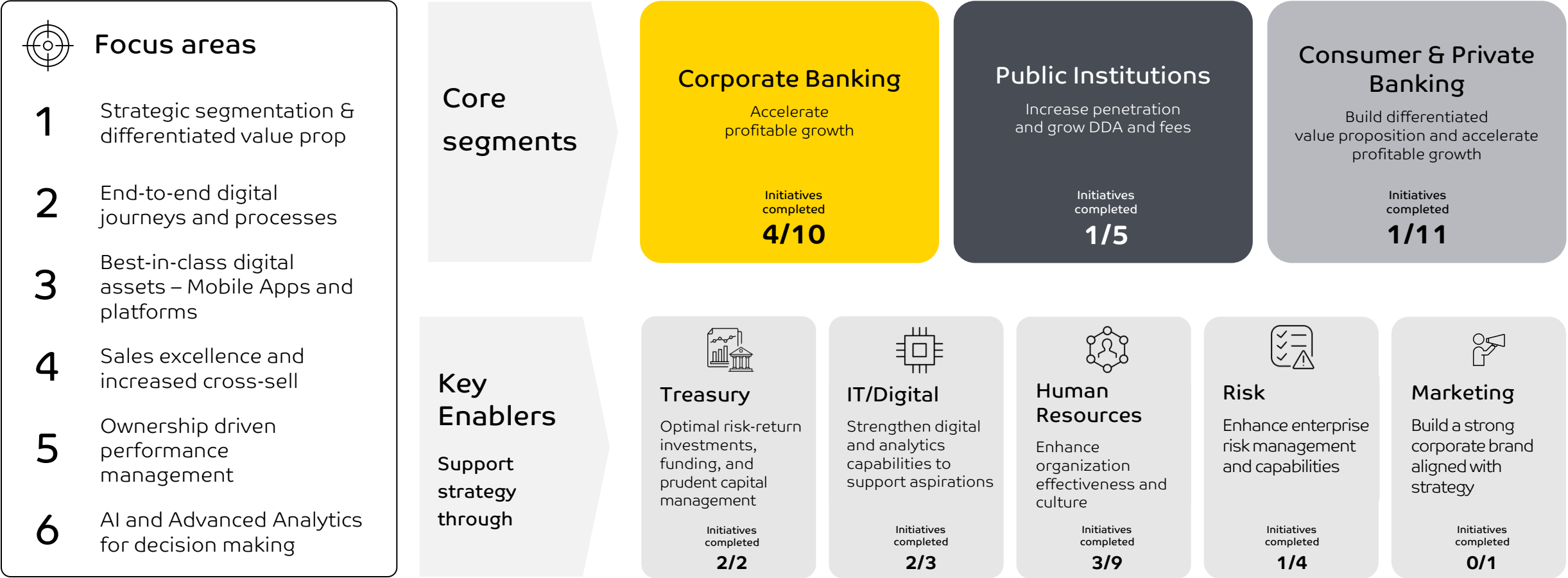
Cost discipline maintained, with CIR of 41.5%

Strategy

As part of Strategy 2027, we have set a strategic vision for each function



Strategy 2027 is transforming the bank through 40+ initiatives across 9 businesses and functions



40+ Initiatives identified to transform the bank and deliver the transformation

Strategy 2027 has achieved many milestones in FY 2024...



Issued \$750 M Tier-1 sustainable Sukuk

- SAIB issued its first USD denominated additional tier-1 sustainable Sukuk under its international Sukuk program joining its peers
- The offer was over-subscribed in a short span before listing on London Stock Exchange



Established SAIB Venture Studio

- Launched SAIB's innovation hub to incubate and scale digital-first solutions
- The workshop behind the products and platforms such as Travel App, Travel Card, and SAIB Innovate



Launched first-of-its-kind Travel App

- Venture Studio built Kingdom's first Travel App, enabling customers to load 100+ currencies at minimal to no exchange fee
- Achieved 320,000+ downloads across Google and Apple App Store, with an average rating of 4.7+ and 80%+ active users



Built new Mobile Banking App

- Built from scratch with completely revamped journeys, functionalities, and UI/UX to enhance user experience
- All approval secured and various integrations completed; MVP1 launched in Nov-2024 receiving excellent customer feedback



KSA's first and only Travel Account

- First time in KSA, customers are rewarded Al Fursan miles (Saudia Airlines) basis their average monthly account balance
- Over 40,000 travel accounts opened since launch, with steadily increasing balances showcasing its success



Strategic Partnerships with FinTechs

- Partnered with Virgin Mobile to launch FRiENDi PAY App offering fast, seamless, and economical international transfers
- Collaborated with Merit Incentives, a global leader in employee rewards and customer engagement, leveraging their “no-code” SaaS platform and partner merchant network



...and has set ambitious goals to achieve in the coming year



Corporate Banking

- **Launch** revamped account opening, trade process and enhanced operating model
- **Complete IT development** and **deploy** a new **CRM system**
- Launch **new products** to address products gaps



Consumer and Private Banking

- Launch the new **Mobile Banking App**
- Enhance the **value proposition** for Affluent and Private Banking customers with new offerings and service model focusing on **customer centricity** and **personalized experiences**
- Enhance **lending product journeys**
- Optimize **branch footprint** and **format** to efficiently deliver the **value proposition**

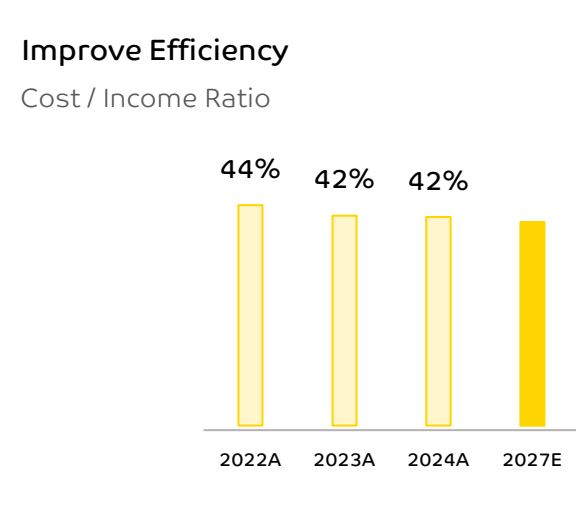
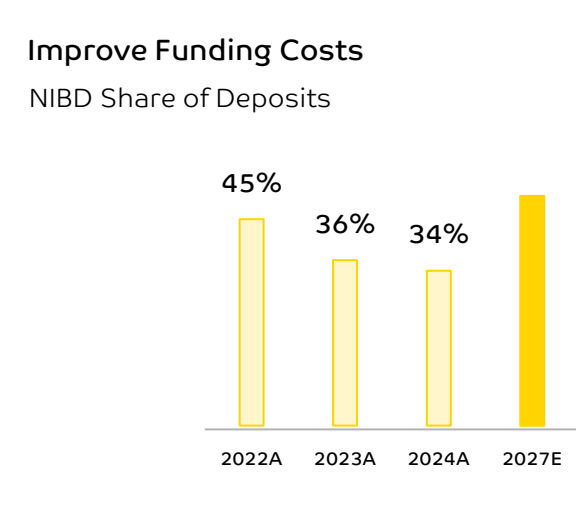
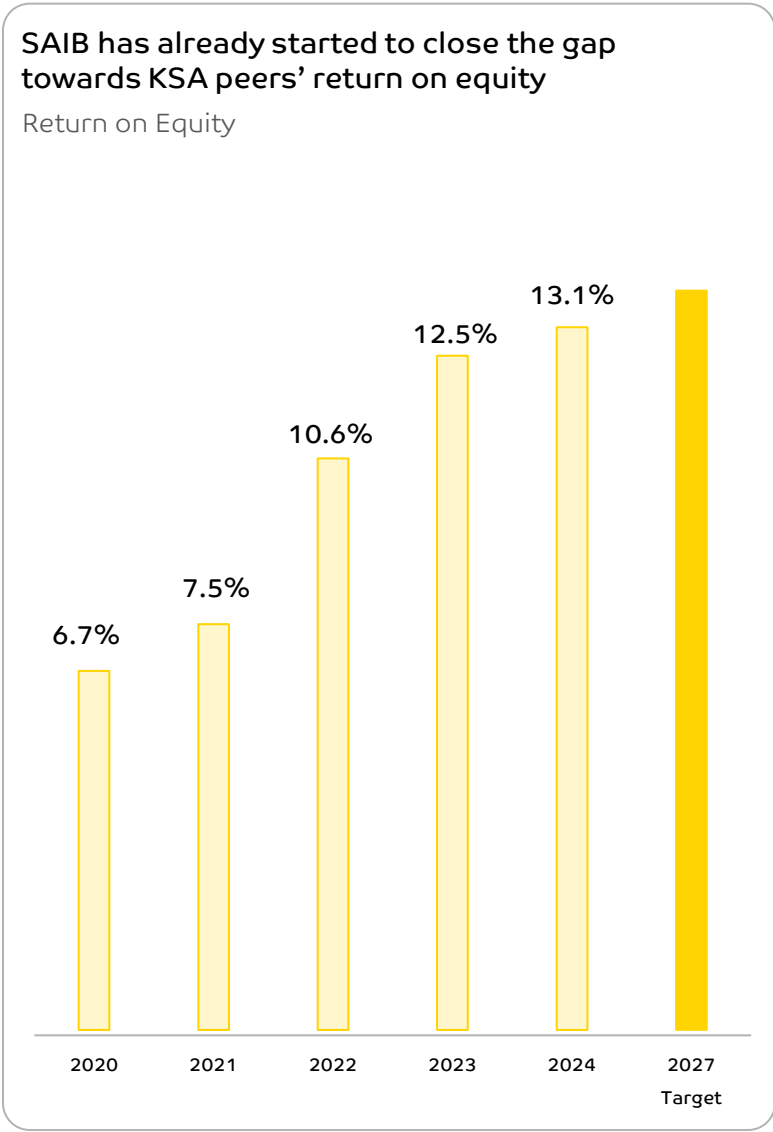
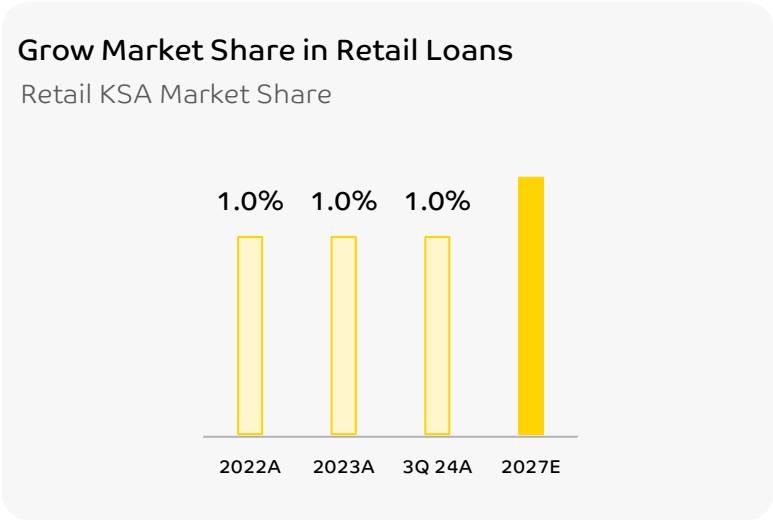
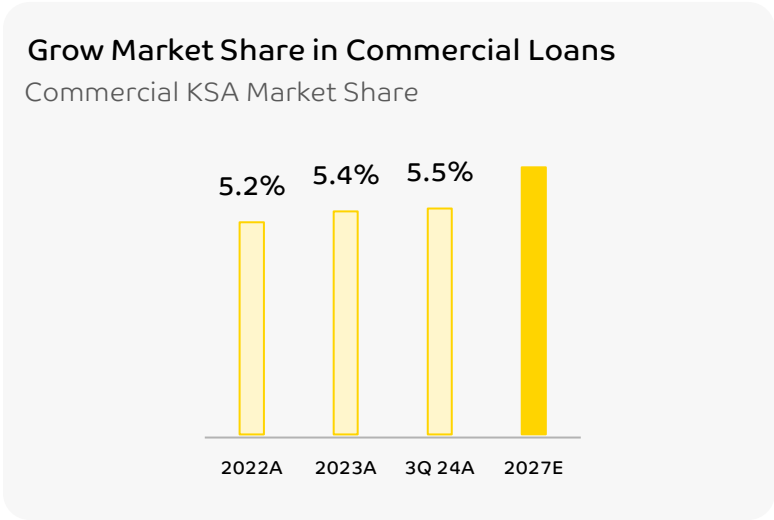


Public Institutions

- **Launch revamped** account opening journey
- **Complete IT development** and **deploy** a new **CRM system**
- Strengthen **value proposition** with **new products and capabilities** in collaboration with personal banking, and cash management

Support functions

- Implement new employee **performance management framework**
- **Drive** interventions to improve **organizational health**
- **Launch SAIB Academy**
- Launch **the credit decisioning engine** for Home Financing
- Redesign the **risk operating model, governance structure, and reporting hierarchies**



Financial Performance

FY 2024

SAIB is focused on delivering strong results across key performance indicators



		FY 2024	DRIVERS
Balance Sheet	LOANS & ADVANCES	SAR 99.5 _{bn} +23% YoY	Strong growth in Corporate (+25%) and Private Banking (+18%) loans
	DEPOSITS	SAR 94.0 _{bn} +13% YoY	Strong growth in IBDs (+17%) mainly from corporate and retail customers, and NIBDs growth YoY (+6%); NIBD share declined by 2.3 ppt to 33.7%
Profitability	NET INTEREST MARGIN	2.68% -30 bps YoY	NIM contraction due to shift in the deposit mix and increased COF
	COST TO INCOME RATIO	41.5% -26 bps YoY	Improved CIR is attributed to slightly faster growth in operating income compared to operating expenses
	RETURN ON EQUITY	13.1% +53 bps YoY	ROE improvement as attributable net income growth YoY of 11% to SAR 1,957 mn exceeds growth in average common equity (+7% YoY)
Asset Quality	COST OF RISK	0.32% -15 bps YoY	COR remains low at 32 bps
	NPL RATIO	1.04% -46 bps YoY	NPL ratio continues to improve in benign credit environment
	NPL COVERAGE RATIO	156.7% +1.5 ppt YoY	NPL coverage ratio remains at comfortable level
Capital & Liquidity	TIER 1 RATIO	19.1% -0.3 ppt YoY	Slight decrease in Tier 1 ratio mainly from faster increase in RWA
	SAMA LTD RATIO	83.3% +6.8 ppt YoY	Increase driven by strong loan growth



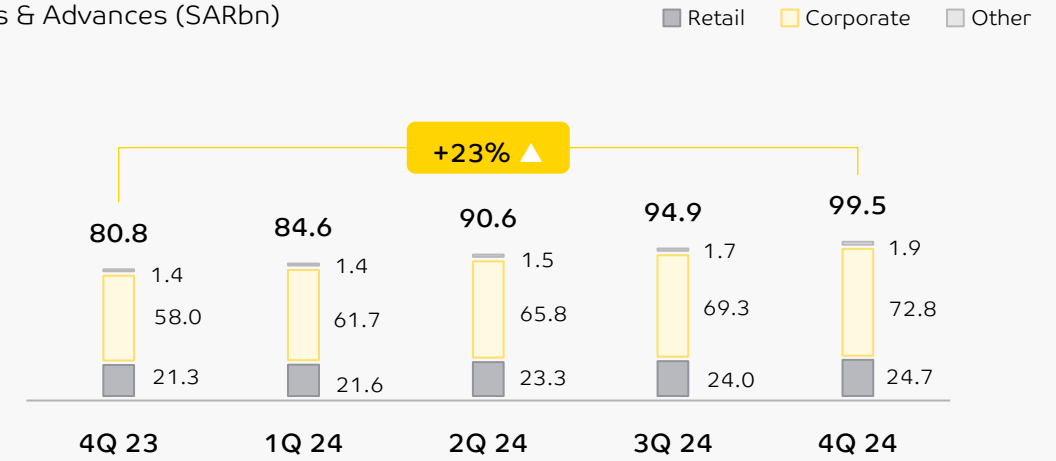
Balance sheet momentum funded largely by deposits and interbank

Total assets increased by 21% YoY as loans grew 23% and investments rose 25%, which were partially offset by decreased balances with SAMA (-10%) and a reduction in bank placements (-11%)

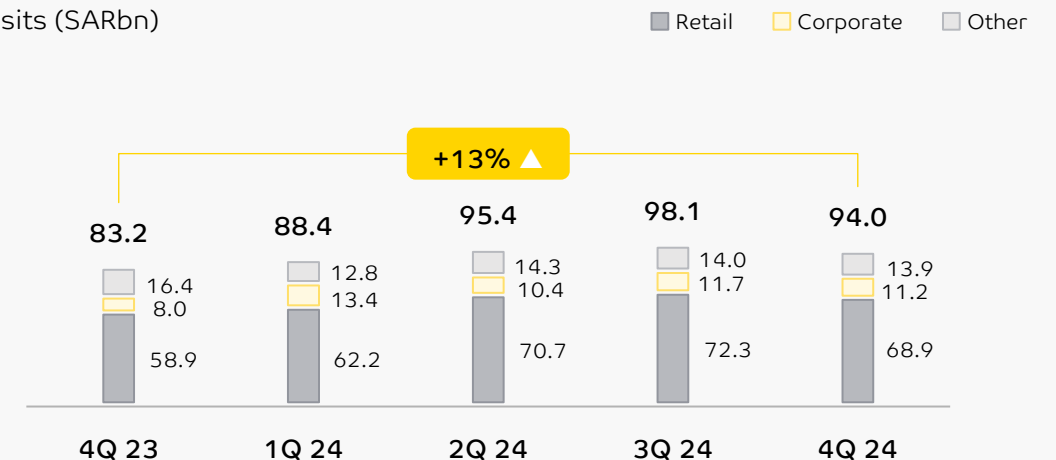
Total liabilities increased 21% YoY, driven by 13% growth in deposits and 46% growth in interbank funding

SAR Million	4Q 2024	3Q 2024	Δ	4Q 2023	Δ
Cash and balances with SAMA	9,919	9,568	+4%	11,018	-10%
Due from banks and financial Institutions, net	1,314	1,271	+3%	1,473	-11%
Investments, net	40,431	40,284	+0%	32,301	+25%
Loans and advances, net	99,466	94,936	+5%	80,751	+23%
Other assets, net	5,536	5,191	+7%	4,441	+25%
Total assets	156,667	151,250	+4%	129,984	+21%
Due to banks and other financial institutions, net	39,901	33,280	+20%	27,289	+46%
Customers' deposits	94,013	98,094	-4%	83,233	+13%
Other liabilities	2,024	2,040	-1%	2,227	-9%
Total liabilities	135,938	133,415	+2%	112,749	+21%
Share capital	12,500	12,500	+0%	10,000	+25%
Retained earnings	2,112	2,163	-2%	1,711	+23%
Other reserves	804	672	+20%	2,809	-71%
Shareholders' equity	15,416	15,335	+1%	14,520	+6%
Tier 1 sukuk	5,313	2,500	+113%	2,715	+96%
Total equity	20,729	17,835	+16%	17,235	+20%

Loans & Advances (SARbn)



Deposits (SARbn)



Loan growth continues to gain momentum mainly driven by corporate lending

23% YoY growth in loans driven by 25% increase in corporate lending due to widespread growth across sectors and further expansion of private banking lending.

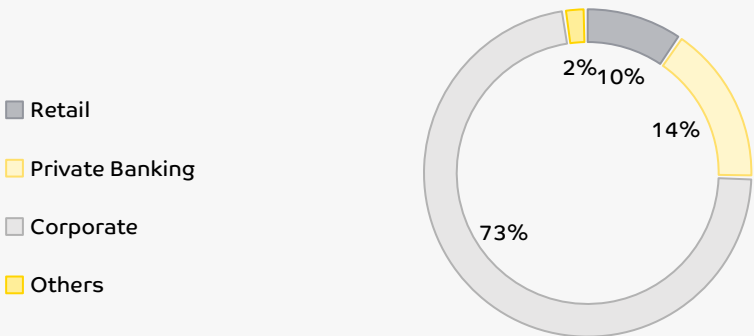
Active participation in syndicated loan market for infrastructure projects, further supported by demand from other key sectors such as utilities, consumer, building & construction, commerce, manufacturing, etc.

Retail lending grew 16% YoY supported by an increase of 18% in private banking lending

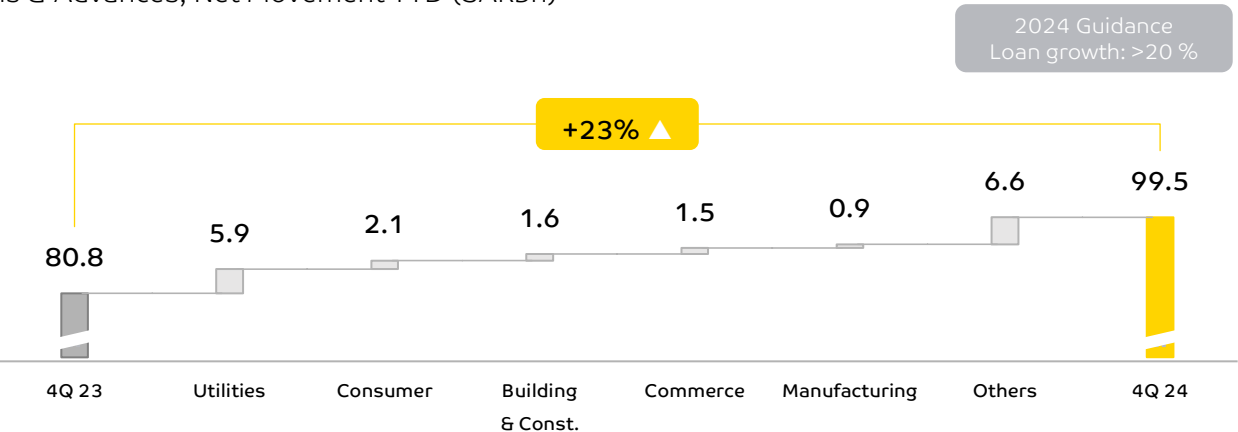
+5% Total Loans QoQ ▲

+23% Total Loans YoY ▲

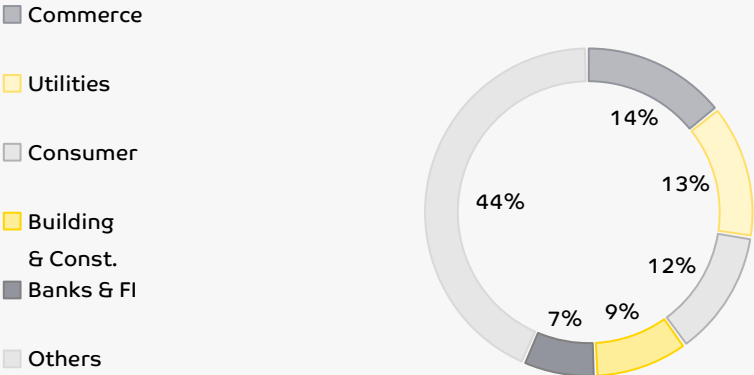
Loans & Advances by Segment (%)



Loans & Advances, Net Movement YTD (SARbn)



Loans & Advances by Economic Activity (%)



Investments grew 25% YoY driven by acquisition of high-quality, fixed-rate debt securities

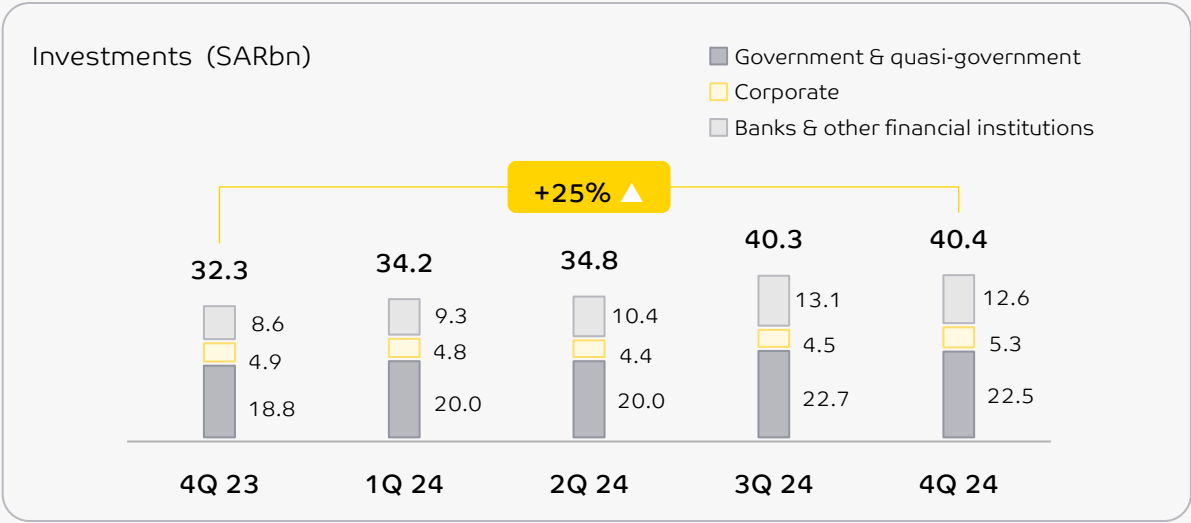
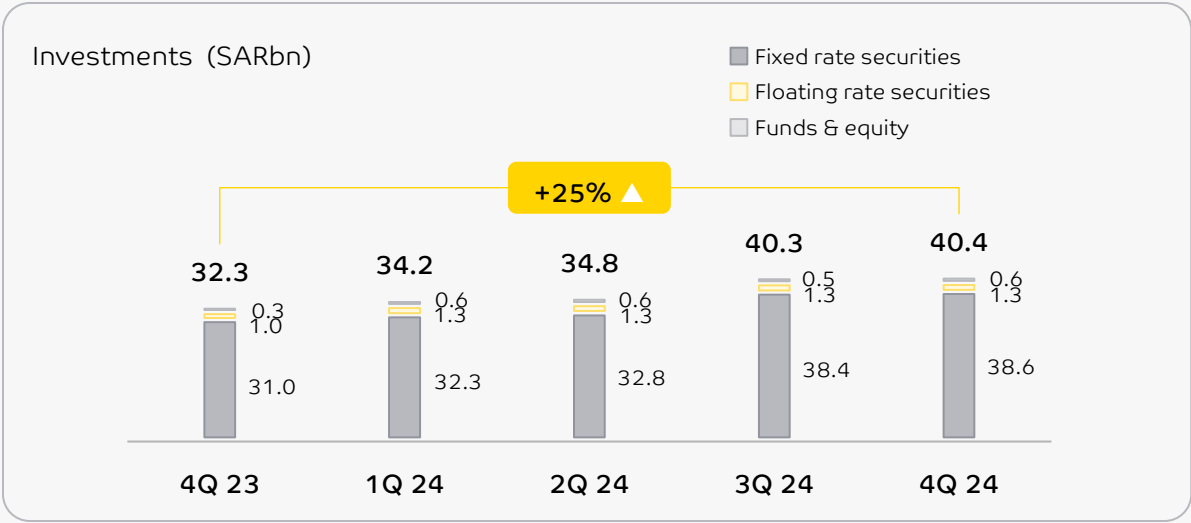
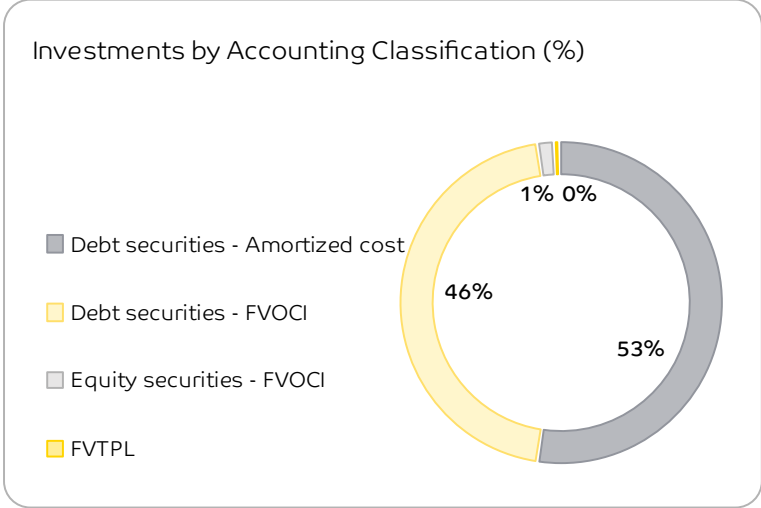
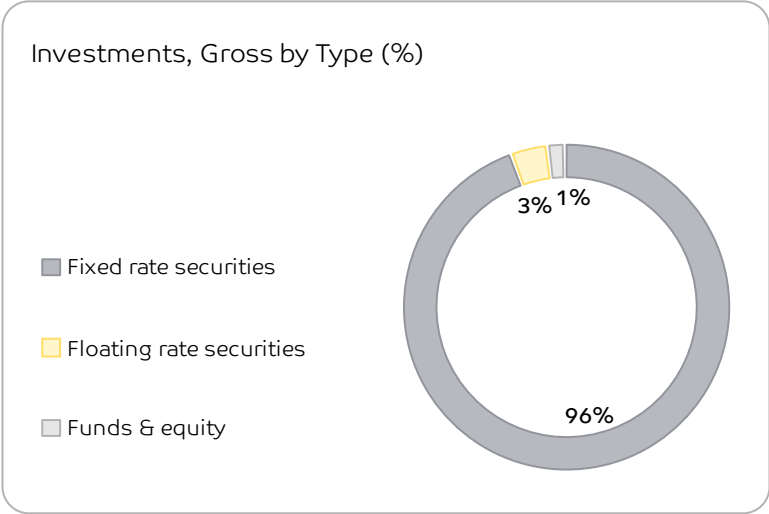


Increase in investments during FY 2024 mainly driven by new securities purchased to lock-in benefits from high rate environment (mainly in fixed-rate debt securities issued by government and international banks)

96% of investments were fixed rate debt securities

53% of investments were accounted for **amortized cost** and **46% at fair value through other comprehensive income**

High-grade investment portfolio with 56% of investment securities issued by government, and 31% by banks and other financial institutions



Customer deposits increased 13% YoY mainly driven by IBDs

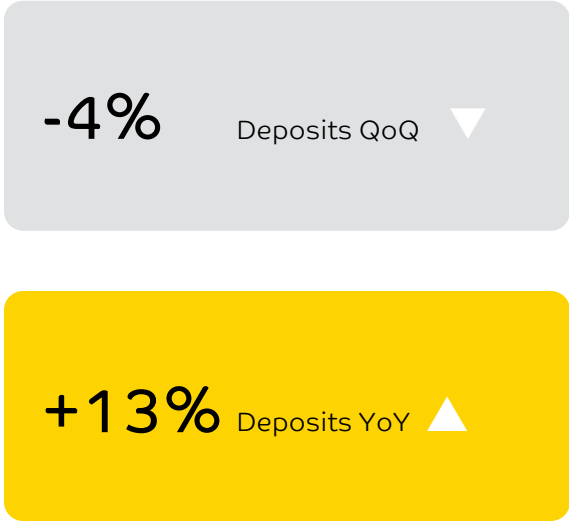
Deposits grew 13% during FY 2024, mainly due to increase in interest-bearing deposits

Q4 2024 saw a 4% decrease in deposits, driven by time deposit repayments and balance sheet optimization.

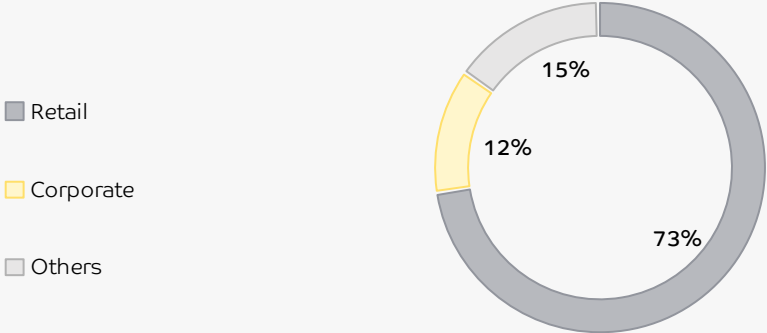
Corporate deposits increased by 41%, while Retail deposits were up 17% YoY

IBDs rose 17% YoY from large inflows to time deposits amid higher interest rate environment

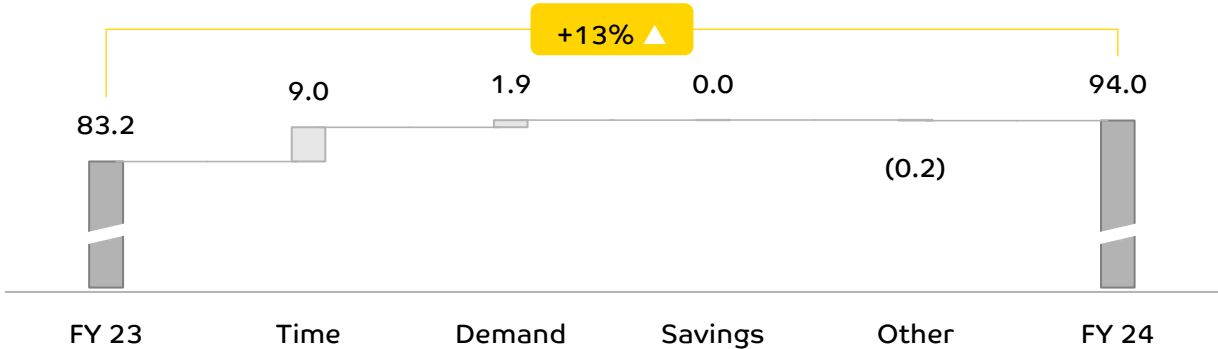
NIBDs increased by 6% YoY, while the share of NIBD decreased to 33.7%



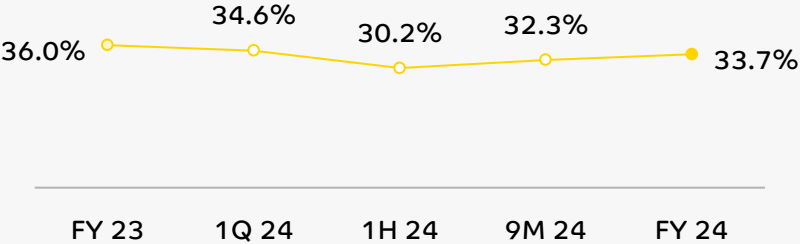
Deposits by Segment (%)



Deposits Movement YTD (SAR bn)



NIBD % of Total



11% growth in FY 2024 earnings driven by increased operating income and lower risk cost

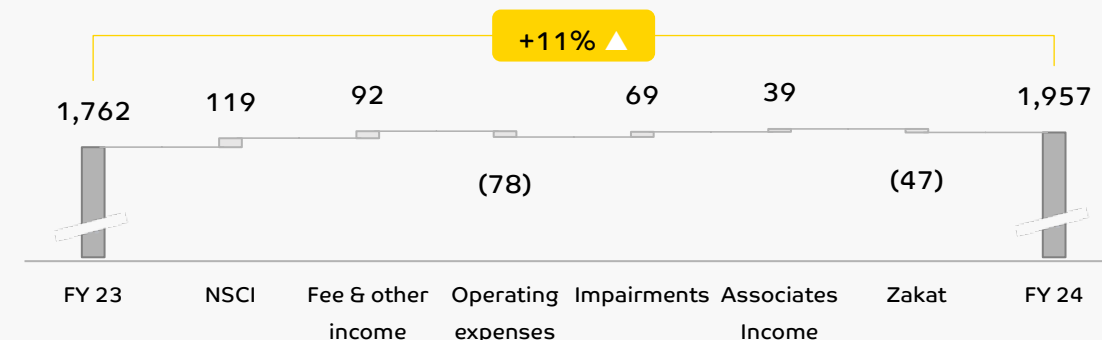


Net income increased 11% YoY in FY 2024 driven by 5% growth in operating income, further aided by a 19% decrease in impairment charges

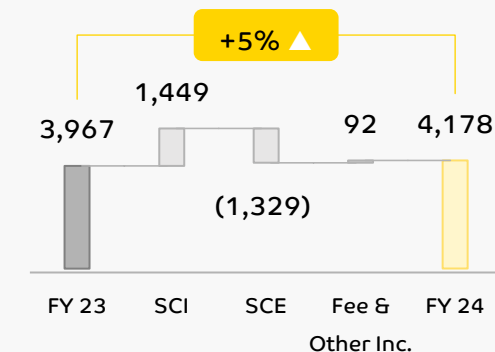
Return of Equity increased 53 bps YoY to 13.1% in FY 2024. **ROE improvement** as attributable net income growth YoY of 11% to SAR 1,957 mn exceeds growth in average common equity (+7% YoY).

SAR Million	4Q 2024	4Q 2023	Δ	FY 2024	FY 2023	Δ
Net special commission income	906	815	+11%	3,537	3,417	+3%
Fee and other income	176	188	-6%	641	549	+17%
Total operating income	1,083	1,003	+8%	4,178	3,967	+5%
Operating expenses	(438)	(414)	+6%	(1,735)	(1,657)	+5%
Provisions for credit and other losses	(80)	(110)	-27%	(290)	(359)	-19%
Net Operating Income	565	478	+18%	2,154	1,951	+10%
Share in earnings of associates	33	22	+48%	116	77	+51%
Income before provisions for Zakat	597	500	+19%	2,270	2,028	+12%
Provisions for Zakat	(87)	(53)	+66%	(313)	(267)	+17%
Net Income attributed to equity holders	510	447	+14%	1,957	1,762	+11%
Earnings per share	0.35	0.30	+15%	1.43	1.28	+12%
Net interest margin	2.50%	2.69%	-19bps	2.68%	2.98%	-30bps
Cost to Income Ratio	40.4%	41.3%	-0.9ppt	41.5%	41.8%	-0.3ppt
Cost of Risk	0.32%	0.54%	-21bps	0.32%	0.47%	-15bps
Return on equity	13.3%	12.6%	+64bps	13.1%	12.5%	+53bps

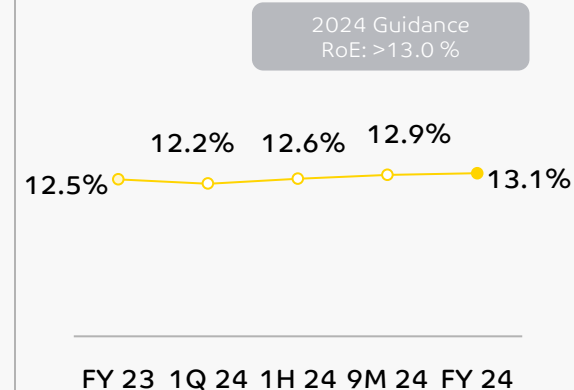
Net Income Movement YoY (SARmn)



Total Operating Income Movement YoY (SARmn)



RoE



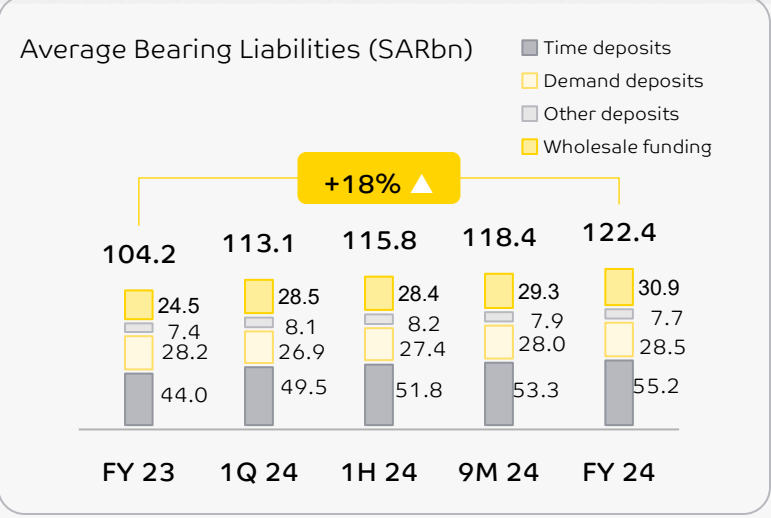
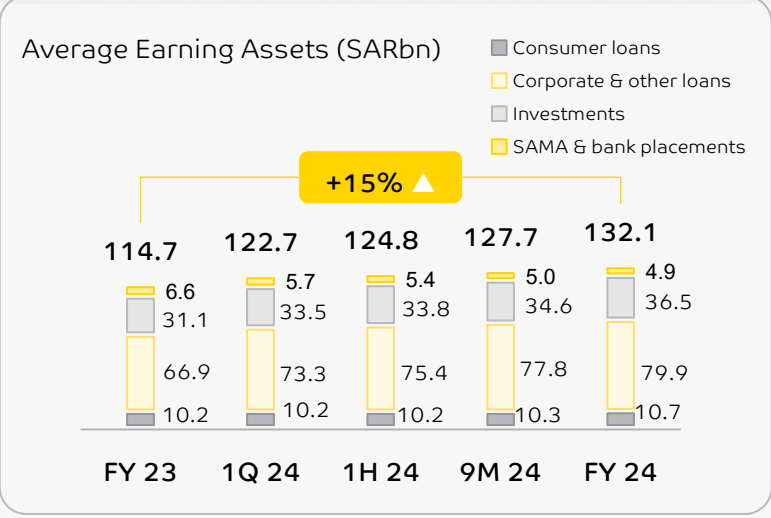
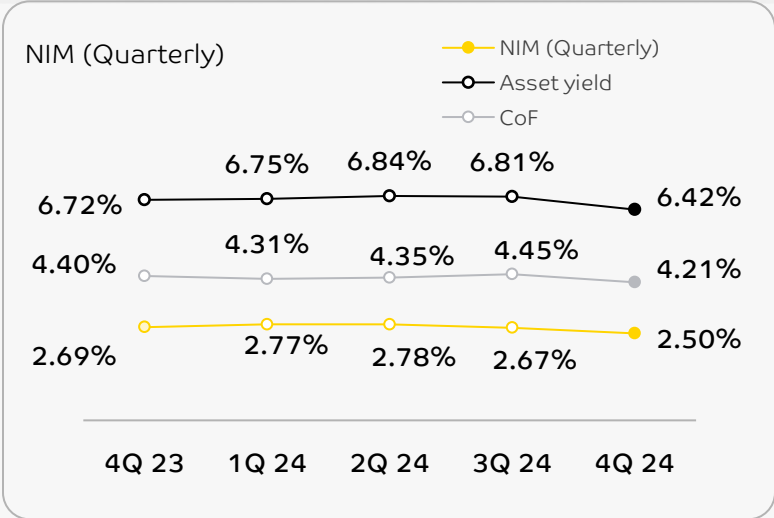
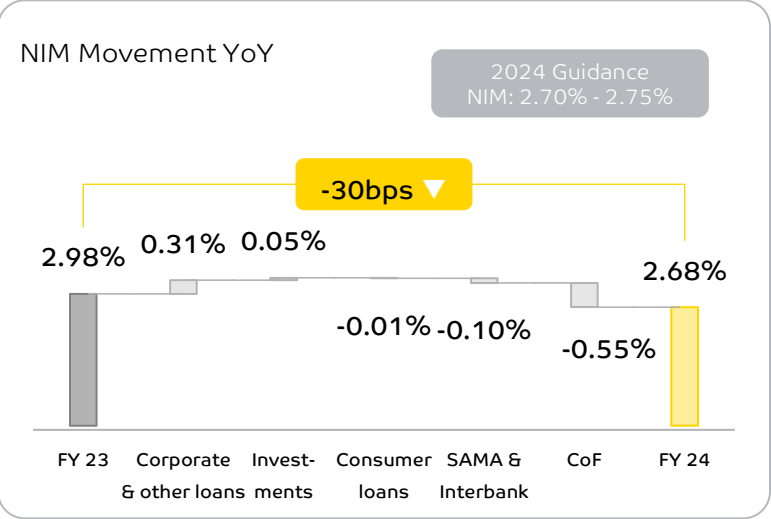
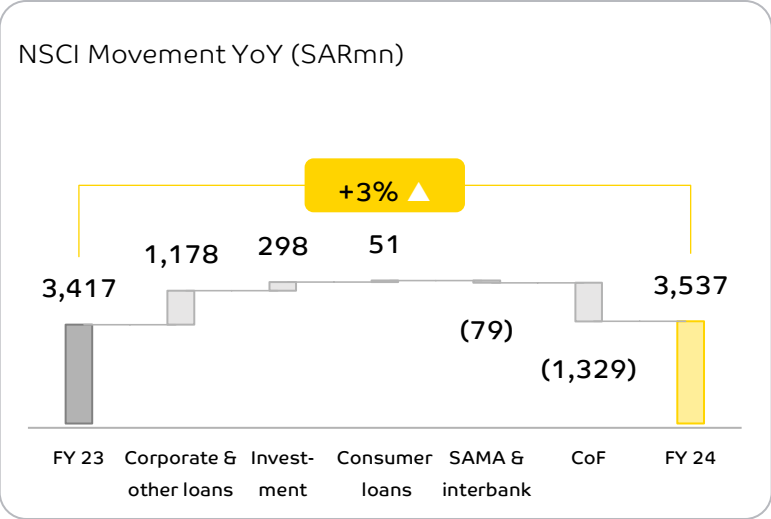
NSCI grew 3% YoY as 15% growth in average earning assets was mostly offset by a 30bps NIM contraction



NSCI grew 3% YoY as 15% growth in average earning assets for FY 2024 and was mostly offset by NIM contraction

The YoY NIM declined by 30 bps YoY to 2.68% in FY 2024 due to a 51 bps rise in cost of funds from increased benchmark rates and shift in deposit mix, partly offset by 25 bps asset yield expansion

The Quarterly NIM declined by 29 bps YoY to 2.50% in 4Q 24, with asset yields decreasing by 29 bps YoY to 6.42% and the cost of funding decreasing by 19 bps YoY to 4.21%



Growth in fee and other income of 17% driven by investment income and banking services fees

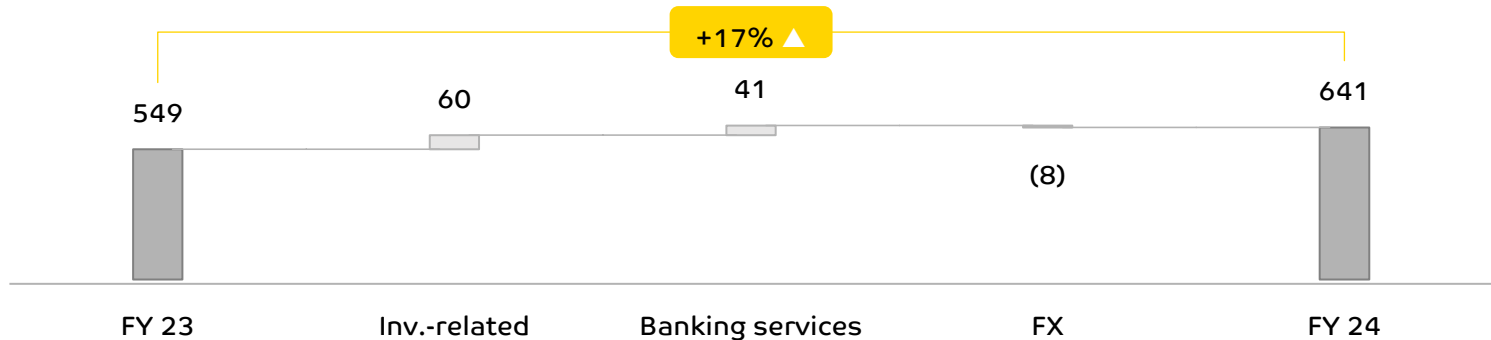
Fee & other income increased 17% YoY in FY 2024, mainly driven by investment-related income and supported by growth of banking services fees

Investment related income increased largely due to mark-to-market fair value gains during the period

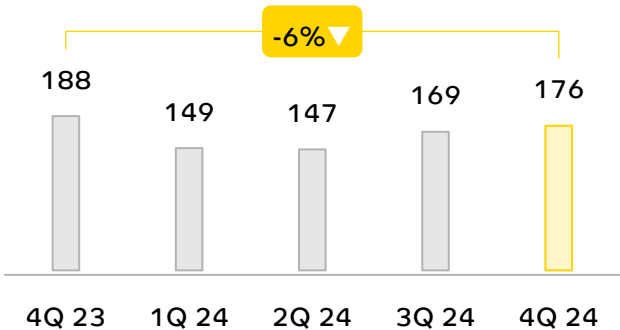
Fee income from banking services rose on higher fees from trade finance as well as shares trading and fund management during the period

Foreign exchange income decreased by 4% YoY in FY 2024

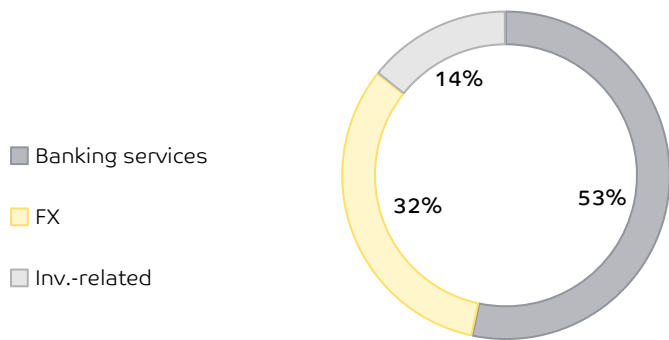
Fee & Other Income Movement YoY (SARmn)



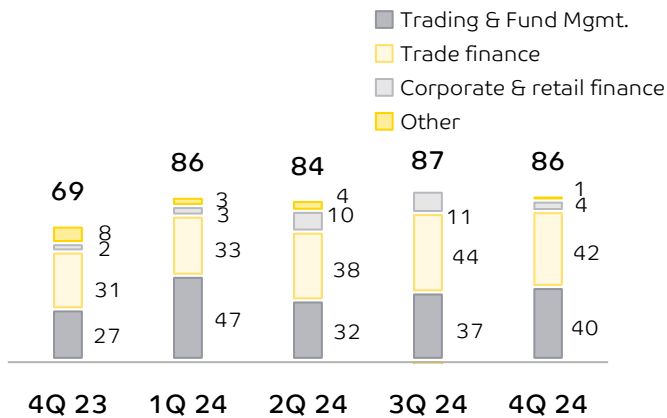
Fee And Other Income (SARmn)



Fee & Other Income by Segment (%)
FY 24



Fee Income From Banking Services (SARmn)



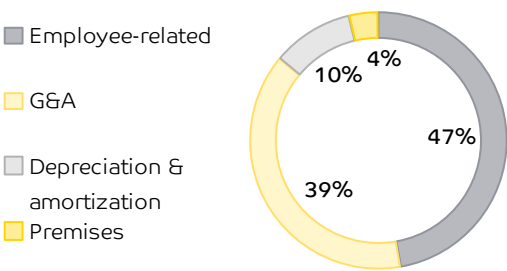
Operating expenses grew by 5% YoY



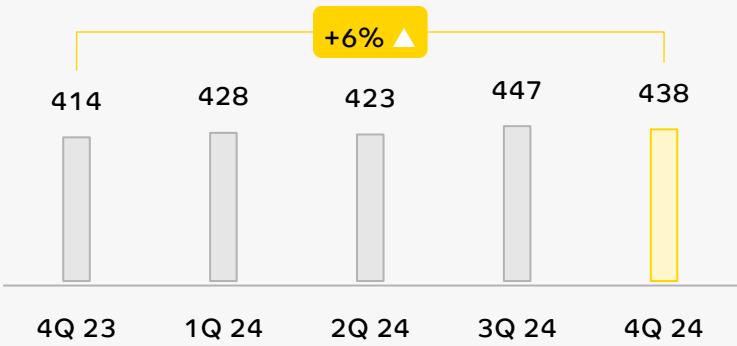
Operating expenses increased 5% YoY in FY 2024 driven by higher general & administrative and employee-related costs, while the rent and premises-related expenses, as well as depreciation & amortization expenses declined

Cost to income ratio (CIR) decreased to 41.5% in FY 2024 compared to 41.8% in FY 2023 driven by operating income growing slightly ahead of operating expenses

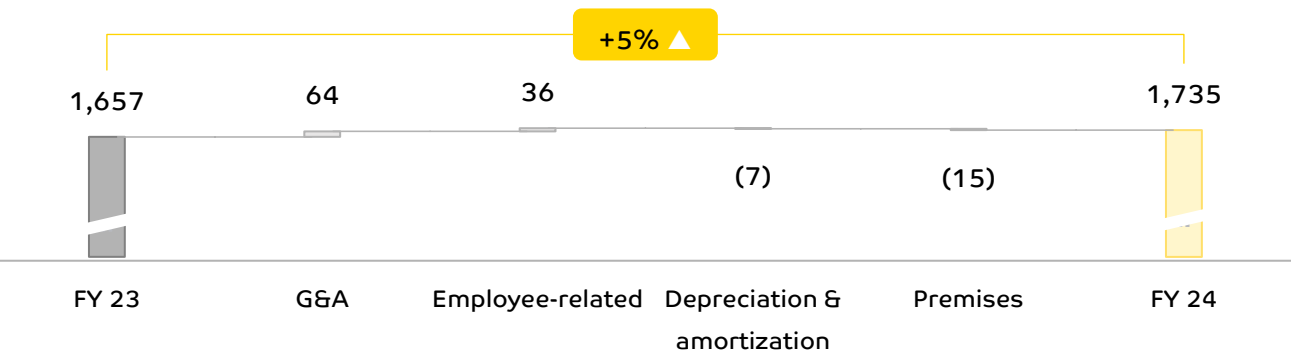
Operating Expenses Composition (%) - FY 24



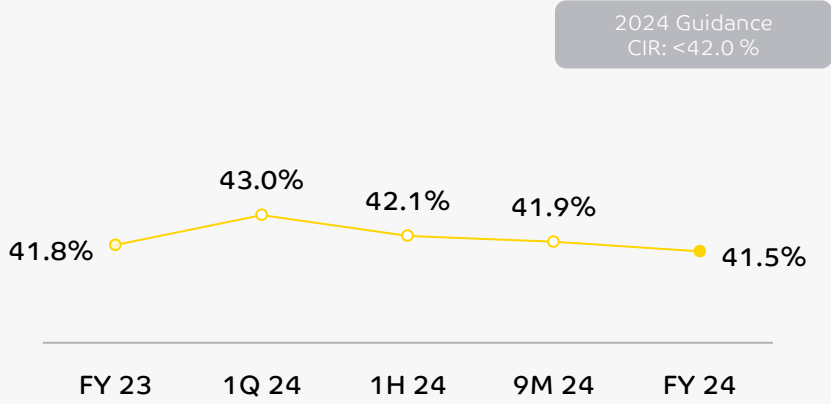
Operating Expenses (SARmn)



Operating Expenses Movement YoY (SARmn)



Cost to Income Ratio



Credit quality remained stable with NPL ratio at low levels



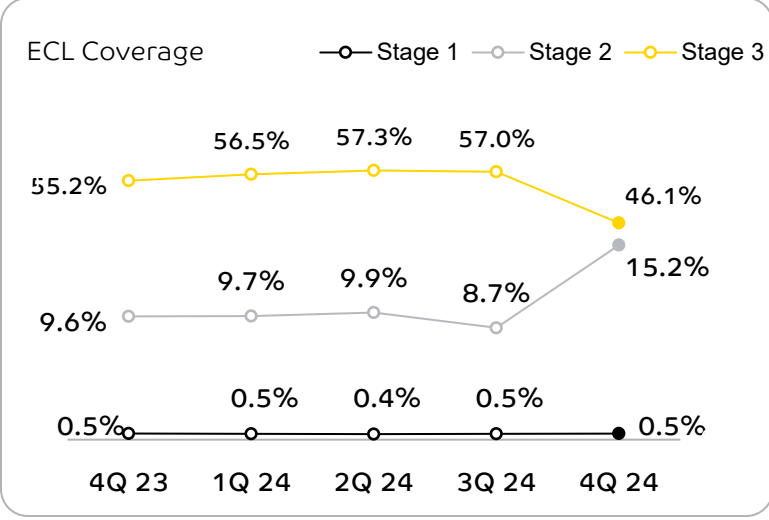
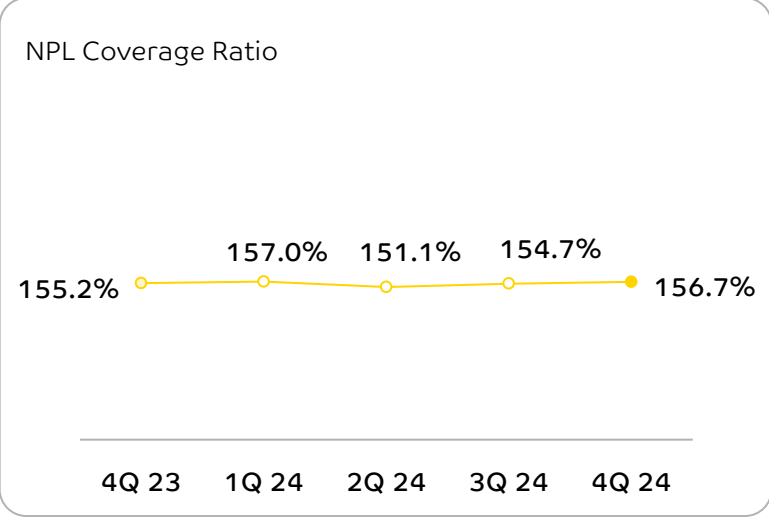
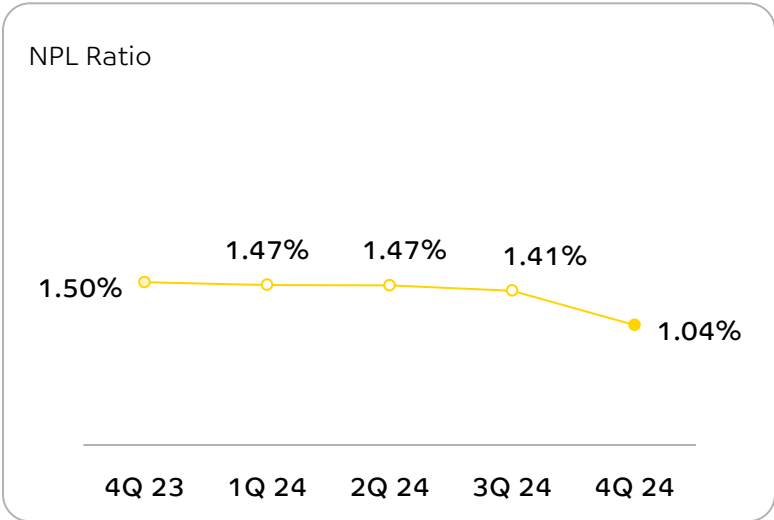
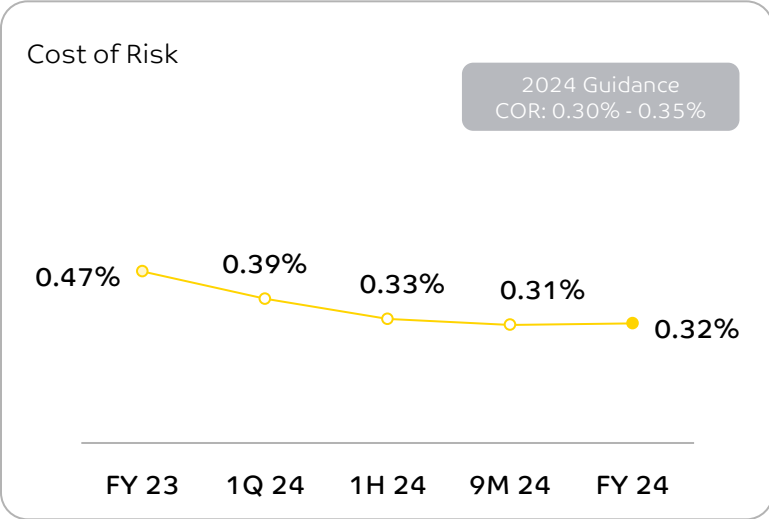
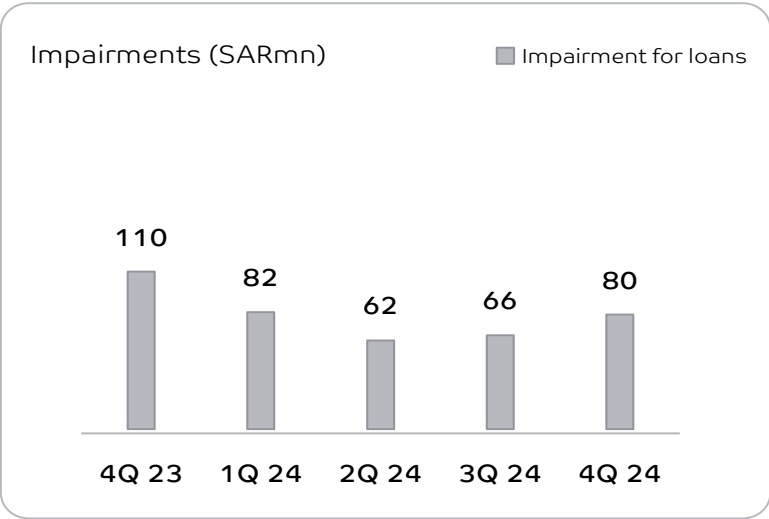
Total impairments of SAR 290 mn for FY 2024, decreasing 19% YoY from **SAR 359 mn** in FY 2023

Cost of risk decreased 15 bps YoY to 0.32% in FY 2024

Non-performing loans ratio decreased by 46 bps YoY to 1.04% aided by incremental write-offs in 4Q 2024

NPL coverage ratio at 156.7% as of 4Q 2024, increased by 1.5 ppt YoY

Stage 3 ECL coverage decreased to 46.1% and **Stage 2 ECL Coverage** increased to 15.2% due to write-offs and settlement of certain exposures



Solid liquidity, funding and capital position with adequate buffers



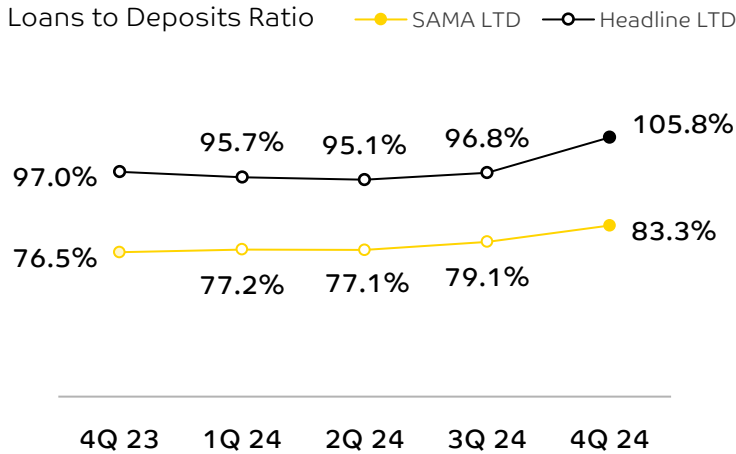
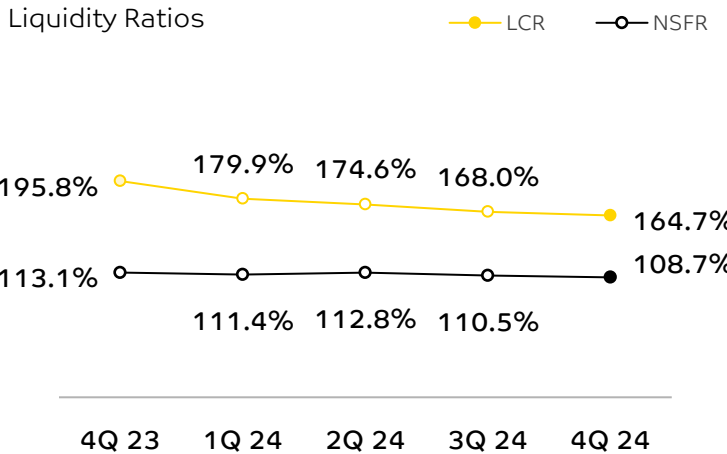
LCR declined by 31.2 ppt during FY 2024 to 164.7%, while NSFR decreased 4.4 ppt to 108.7%

As of the end 2024, the SAMA regulatory LTD ratio was comfortably within required levels at 83.3%

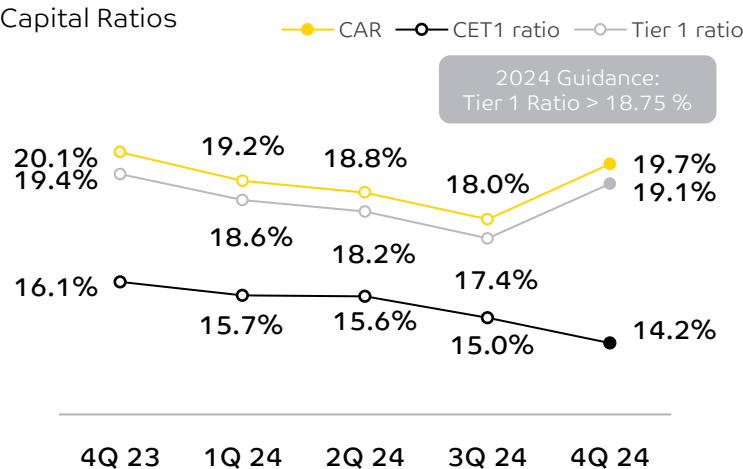
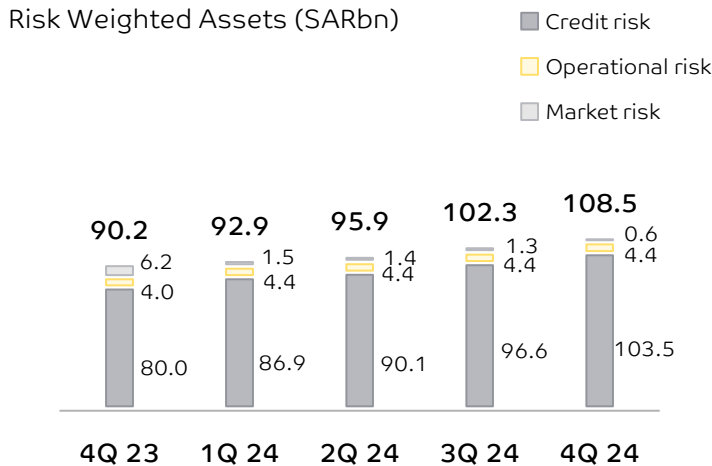
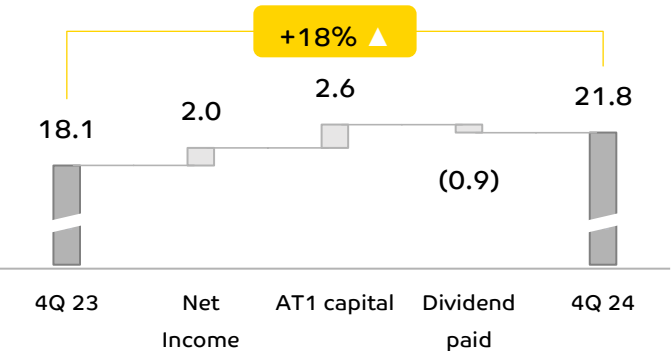
Total capital (Tier 1 + Tier 2 regulatory capital) increased by 18% due to net income and new AT1 issuance, which was partially offset by dividend payment and the phasing out of the IFRS9 transition arrangements

RWAs increased by 20% YoY during FY 2024

CAR was 19.7% and the Tier 1 ratio stood at 19.1%



Total Regulatory Capital Movement (SARbn)



FY 2024 Results and 2025 Guidance

FY 2024 financial results, which largely met expectations, provided a strong foundation for setting ambitious goals for the year ahead



		2024 Actual	2024 Guidance	2025 Guidance	2025 Guidance Drivers
Balance Sheet	LOANS & ADVANCES	+23% YoY	>20%	> 15%	Solid growth in Corporate and Private Banking loans
Profitability	NET INTEREST MARGIN	2.68% -30 bps YoY	2.70%-2.75%	2.45% - 2.55%	Broadly stable relative to 4Q 2024 exit NIM of 2.50%
	COST TO INCOME RATIO	41.5% -26 bps YoY	<42.0%	<41.5%	A mix of improved cost control and income growth
	RETURN ON EQUITY (ROE)	13.1% +53 bps YoY	>13.0%	>13.25%	Net income growth contributing to steady ROE improvement
Asset Quality	COST OF RISK	0.32% -15 bps YoY	0.30%-0.35%	0.30% - 0.35%	Stable credit quality
Capital	TIER 1 RATIO	19.09% -0.3 ppt YoY	>18.75%	>18.75%	Increase in RWA driven by growth in loans

FOCUSED ON DELIVERING STRONG RESULTS ACROSS KEY PERFORMANCE INDICATORS

Q&A

Appendix



البنك السعودي للاستثمار
The Saudi Investment Bank

SAIB Investor Relations

For more information, please visit www.saib.com.sa/en/investor-relations
or contact SAIB Investor Relations at ir@saib.com.sa