



البنك السعودي للاستثمار
The Saudi Investment Bank



Executing with Purpose,
Creating Value

Integrated Report 2024



The Custodian of the Two Holy Mosques
King Salman Bin Abdulaziz Al Saud



His Royal Highness Crown Prince, Prime Minister,
Chairman of the Council of Economic and
Development Affairs
Mohammad Bin Salman Bin Abdulaziz Al Saud

Theme of the Year

Executing with Purpose, Creating Value

In 2024, The Saudi Investment Bank (SAIB) embarked on a transformative journey under the banner of “Executing with Purpose, Creating Value.” This theme encapsulates our commitment to implementing Strategy 2027, a comprehensive plan designed to generate long-term impact and Stakeholder value. We want to provide a unique value proposition for our clients by boosting profitable development in our key business divisions, improving our digital services, and investing heavily in operations, information technology, risk management, and human resources.

Aligned with Saudi Vision 2030, our strategy is built on deep analysis of global and local economic trends, customer needs, and our current capabilities. Through focused execution, we drive sales excellence, foster innovation, and ultimately deliver sustainable value to all our Stakeholders. SAIB’s remarkable 2024 financial results and strategic achievements, including the issuance of our first Sustainable Sukuk and our partnership with Real Madrid Football Club, underscore the Bank’s unwavering commitment to this vision.

As we move forward, SAIB remains steadfast in its vision to be the trusted bank for our clients, build long-term relationships with Stakeholders, and consistently generate value for Shareholders. Together with our strategic initiatives, our unwavering dedication to innovation and digitization puts us in a position to satisfy changing customer and market demands, guaranteeing long-term success and growth for our clients. We are proud of the progress made in 2024 and are excited about the future. By executing with purpose and creating value, we are confident in our ability to navigate the evolving financial landscape and deliver on our promises to our Stakeholders. Together, we will continue to build a resilient, innovative, and customer-centric bank that will thrive in the years to come.

Awards

In 2024, The Saudi Investment Bank's (SAIB's) continued pursuit of excellence and innovation was reflected in the numerous accolades it received across the financial, technological, and sustainability sectors. These recognitions underscore our steadfast commitment to delivering value for Stakeholders, fostering customer-centric solutions, and maintaining sound governance. Each award is not only a testament to our achievements but also a motivating force that drives us to raise the bar even higher. The following highlights showcase the milestones that distinguished SAIB in a competitive and rapidly evolving financial landscape.



Saudi Trade Finance Awards

KSA Customers Choice Trade Finance Bank 2024

KSA Hall of Fame Trade Finance Bank 2024

KSA Most Innovative Bank for Trade Finance Products 2024



US Dollar Straight through Processing Excellence Award from Citi



CX Award for Corporate Currency Card from MIT Sloan Management Review Middle East



Listed among The Middle East's 30 Most Valuable Banks 2024 identified by Forbes



Elite Quality Recognition Award for outstanding outward remittances from JP Morgan



The Saudi Investment Bank has been awarded the 4th amongst the top 10 influential brands in the banking and finance sector in Saudi Arabia by IPSOS, a global leader in market research

Certifications



ISO/IEC 27001:2022 Certificate for Information Security



Payment Card Industry Data Security Standard (PCI DSS v4.0) Certification



Innovation and digital transformation remain at the core of our strategic initiatives. In 2024, The Saudi Investment Bank made significant strides in enhancing our digital capabilities.

Mr. Abdallah Saleh Jum'ah
Chairman



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2024 at a Glance

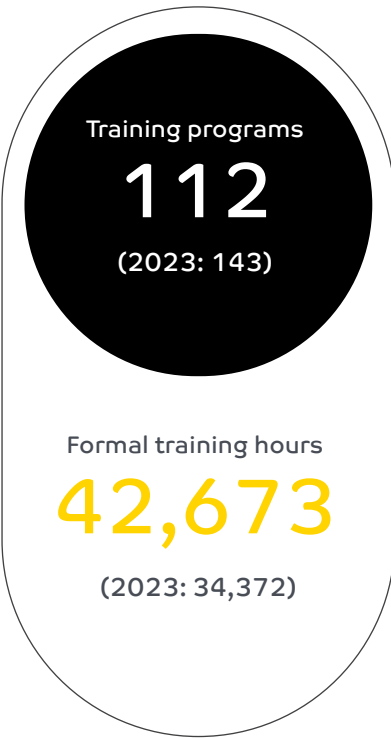
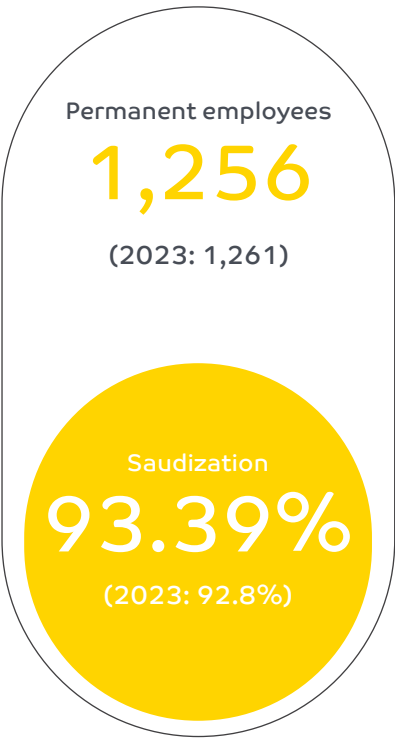
Financial Capital

Total assets	Total equity	Total investment portfolio	
ﷲ 156.67 billion	ﷲ 20.73 billion	ﷲ 40.431 billion	
(2023: ﷲ 129.984 billion)	(2023: ﷲ 17.235 billion)	(2023: ﷲ 32.3 billion)	
Client deposits	Total income ¹	Total expenses ²	Operating profit before provisions
ﷲ 94.01 billion	ﷲ 4,294 million	ﷲ 1,735 million	ﷲ 2,559 million
(2023: ﷲ 83.233 billion)	(2023: ﷲ 4.044 million)	(2023: ﷲ 1,657 million)	(2023: ﷲ 2,387 million)
Net income	Return on average Shareholders' equity	Return on average assets	Equity to total assets
ﷲ 1,957 million	13.07%	1.37%	13.21%
(2023: ﷲ 1,762 million)	(2023: 12.54%)	(2023: 1.47%)	(2023: 13.23%)

Manufactured Capital



Human Capital (SAIB only)²



¹Total income includes total operating income plus share in earnings of associates.

²Total expenses include total operating expenses before impairment charges.



Social and Relationship Capital

Volunteer hours worked

420
(2023: 32)

Volunteers

101
(2023: 105)

Clients including Personal Banking, Corporate Banking, and MSMEs

938,456
(2023: 847,045)



Natural Capital

Paper recycled

6,232 kg
(2023: 2,578 kg)

Plastic recycled

2,448 kg
(2023: 762 kg)

Electronics recycled

9,813.5 kg
(2023: 2,130kg)

About SAIB

The Saudi Investment Bank (SAIB) is a commercial bank founded in 1976 with its headquarters in Riyadh, Saudi Arabia. Following a Royal Decree issued on June 23, 1976, the Bank commenced operations in 1977, and is subject to the laws and regulations of the Kingdom of Saudi Arabia and is regulated by the Saudi Central Bank (SAMA). In 2006, SAIB's Shariah-compliant products and services were introduced under the Al Asalah Islamic Banking brand. Our Shariah Committee ensures that the Bank's operations are conducted in accordance with Islamic principles, which serve as the foundation for all product development. In Saudi Arabia, SAIB brings to market Wholesale, Retail, and Commercial Banking products that are conventional and Shariah-compliant, offering these services to a range of sectors including government, quasi-government, business, and the micro, small and medium enterprise (MSME) space. The Bank also offers an array of non-interest-bearing banking products such as Murabaha, Istisna'a, and Ijarah.



Corporate Identity

Vision: To be the trusted bank for our clients

SAIB aims to be the most trusted bank for its clients while aligning with Saudi Arabia's Vision 2030. The Bank is committed to building lasting client relationships, creating an exceptional workplace, and generating Shareholder value through innovation and digital transformation.

Core values:



Client focus: We put our clients' needs at the heart of everything we do



Our people are our greatest asset: We attract, develop, and retain the best people



Commitment to Shareholders: We commit to generating superior long-term value for our Shareholders

Mission: We build long-term relationships with clients, create an unrivaled work environment for our people, and deliver consistent value for our Shareholders

SAIB is dedicated to delivering exceptional financial services within high standards of corporate governance. We support the Saudi economy by serving government, semi-government, and private sectors while focusing on creating long-term value.





Product Portfolio

Our product portfolio also includes several Treasury and Investment Banking solutions with joint ventures and subsidiaries broadening our product and service offerings to include investment banking, share trading, asset management, lease finance, mortgage financing, brokerage services, corporate finance services, and credit card services.

Personal Banking Group	Corporate Banking and SME Group	Treasury and Investment Group
- Accounts - Client Programs - Finance - Cards - E-Banking - Loyalty Programs - Private Banking	- SME Banking Solutions - Cash Management Solutions - Value-Added Tax (VAT) Solutions - Trade Finance Solutions - Corporate Banking Solutions	- Liquidity Management - Foreign Exchange - Structured Products - Investments - Financial Institutions - Public Institutions - Strategic Investments



Subsidiaries and Associate Companies

SAIB fully owns 3 subsidiary companies:

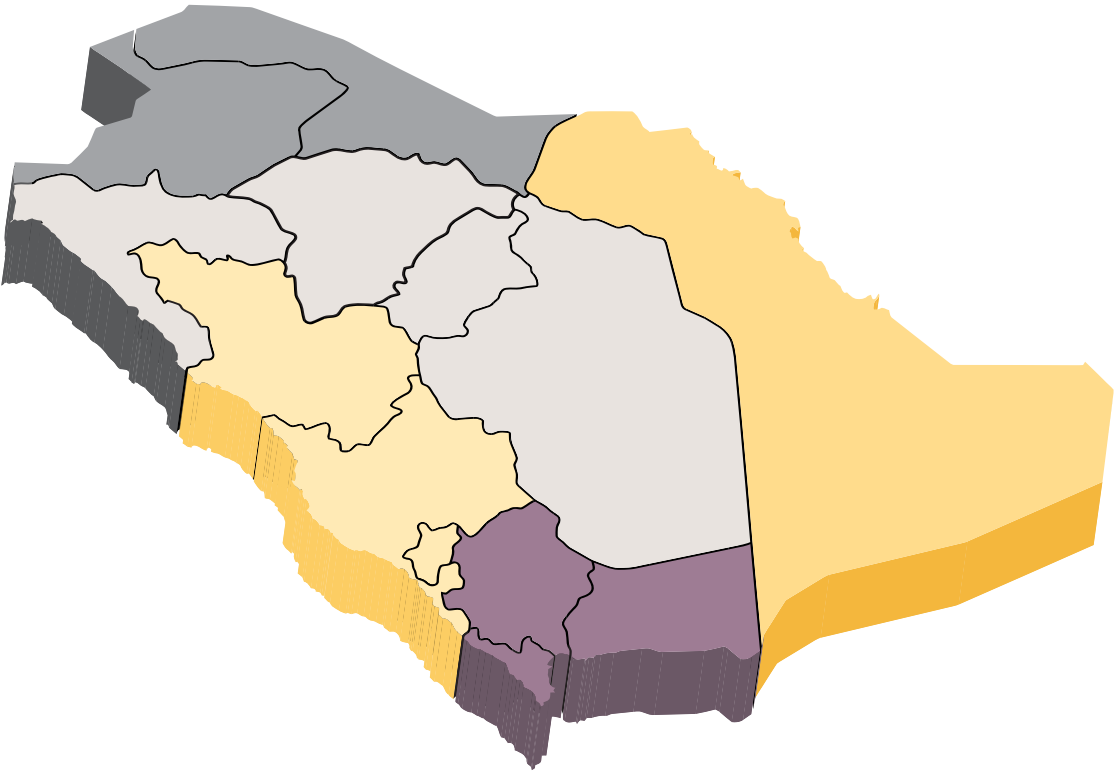
Alistithmar for Financial Securities and Brokerage Company (ICAP)	The Saudi Real Estate Company	SAIB Markets Limited Company
ICAP's offering includes brokerage, asset management, investment banking, and additional financial services in Saudi and international markets.	The Company primarily serves as a custodian of property titles held as collateral for SAIB's real estate lending activities.	Incorporated in the Cayman Islands, the Company aims to manage derivatives and repurchase transactions for the Bank.

Furthermore, SAIB holds investments in 3 associate companies:

American Express (Saudi Arabia)	Yanal Finance Company (formerly 'Saudi ORIX Leasing Company') (Yanal)	Amlak International for Finance and Real Estate Development Company
Ownership 50%	Ownership 38%	Ownership 22.41%
The company provides credit cards and offers other American Express products and services in Saudi Arabia	The company offers lease financing and commodity Murabaha financing services in Saudi Arabia	The company provides Shariah-compliant real estate financing, MSME financing, and consumer financing services in Saudi Arabia

Operating Footprint

Spanning across the Kingdom’s diverse landscape, SAIB maintains a strategic network of branches that exemplifies its commitment to serving clients in key urban and regional centers throughout Saudi Arabia.



Central Region Branches			
Riyadh	Al Wadi	Al Hafoof	Southern Region Branches
Head Office	Al Aqeeq	Uhad Dammam	Khamis Mushait
Al-Woroud	Al Naseem	Hafer Al-Baten	Abha
Takhassussi	Al-Kharj	Western Region Branches	Najran
Malaz	Al-Kharj	Jeddah	Jizan
Al-Shifa	Qassem	Jeddah	Ahad Rafidah
Rawabi	Buraidah	Malik Rd	Northern Region Branches
Badia	Onaizah	Al-Bawadi	Tabuk
Rawda	Al Zulfi	Prince Sultan	Hail
Al Nuzha	Al Zulfi	Prince Majed Road	
Al Rayyan	Eastern Region Branches	Al Jamia	
Ghurnatah	Al-Khobar	Makkah	
Suwadi	Dammam	Makkah	
Ghadeer	Jubail	Al-Aziziyah	
King Fahad	Al Ahsa	Yonbu	
Khurais	Rayyan Dammam	Al Taif	
Rahmaniah	Qurtoba	Madinah	
	Al Qateef		



Year in Review

The Saudi Investment Bank (SAIB) demonstrated strong growth and resilience in 2024, reinforcing its leadership in Saudi Arabia’s banking sector. With focus on innovation, sustainability, and customer-centric solutions, the Bank navigated financial challenges while supporting national priorities and delivering exceptional value to Stakeholders.

Net Operating Income

+10%

Saudization

93.39%

March

Travel App Launch

Introduction of a pioneering Travel App to the market, enhancing customer travel experiences through innovative features and seamless banking integration, marking a first-of-its-kind digital solution in the region.

April

SAIB amongst Top 30 Middle East Banks – Forbes

Recognized by Forbes, SAIB was ranked among the top 30 banks in the Middle East, a testament to its strong performance, innovation, and customer-centric approach.

NEOM Financing Options Agreement

SAIB entered into a strategic agreement to offer financing solutions for NEOM, supporting one of Saudi Arabia’s most ambitious and transformative giga-projects.

May

Merit Incentives Strategic Partnership

Partnered with Merit Incentives to enhance customer loyalty and rewards, aligning with its commitment to delivering personalized and value-driven banking experiences.

Introduction of Travel Account

SAIB introduced a unique Travel Account that rewards customers with miles, marking a major milestone in combining financial services with lifestyle benefits.

July

TMG Off-plan Financing Agreement

SAIB signed an agreement with Talaat Moustafa Group (TMG) to provide off-plan real estate financing, expanding its reach in regional property development and investment sectors.

August

ISO/IEC 27001:2022 Certification

SAIB was awarded the ISO/IEC 27001:2022 certification, reflecting its commitment to best practices in information security management and data protection.



October

Straight-Through Processing (STP) Excellence Award by Citi

SAIB received the STP Excellence Award from Citi, recognizing the Bank’s efficiency, accuracy, and innovation in payment processing operations.

November

Debut Offering of Tier 1 Sustainable Sukuk Issuance

SAIB made its debut offering of Tier 1 Sustainable Sukuk, reinforcing its commitment to ESG principles and sustainable finance.

Customer Experience Award 2024 – MIT Sloan Management Review

Awarded by MIT Sloan Management Review, this honor recognized SAIB’s leadership in delivering outstanding customer experience and digital engagement.

ROSHN Group Agreement

A strategic collaboration was formed with ROSHN Group to support housing development through tailored financial services.

December

S60 Venture Funds Launch

Alistithmar Capital launched the S60 venture funds, designed to support innovation, startups, and Saudi Arabia’s growing entrepreneurial ecosystem.

SAIB Innovate Launch

The launch of SAIB Innovate marked the Bank’s commitment to fostering innovation, collaboration, and digital transformation.

Corporate Governance Center Excellence Award

SAIB received an award for excellence in corporate governance, reflecting its dedication to transparency, compliance, and ethical leadership.

Our Journey

The Saudi Investment Bank (SAIB) has a history defined by commitment to innovation, customer-focused solutions, and sustainable growth. Guided by a clear vision, the Bank continuously adapts to meet the evolving needs of its customers while contributing to the Kingdom’s financial progress.

Its legacy is built on strategic milestones, digital transformation, and dedication to empowering businesses and individuals – positioning SAIB as a trusted partner in Saudi Arabia’s economic development.

**1976**
Established SAIB

**1983**
The Bank received a commercial banking license

**2006**
SAIB launched its Al Asalah Islamic Banking brand providing Shariah-compliant products and services

**2011**
The Bank published its first Sustainability Report

**2020**
SAIB participated in SAMA's Private Sector Financing Support Program (PSFSP), deferring payments for eligible MSMEs and supporting economic stability during the COVID-19 pandemic

**2023**
SAIB become a Real Madrid Football Club partner, further strengthening its image and rewards given to top clients

**1977**
SAIB began operating, focusing initially on medium-term financing for industrial projects

**1993**
SAIB successfully listed on the Saudi Stock Exchange (Tadawul), expanding investment opportunities for Shareholders

**2009**
SAIB created the independent Fraud Prevention and Detection Department to help safeguard the Bank from fraudulent crimes

**2012**
SAIB expanded its network to 46 branches across Saudi Arabia

The Bank diversified its services, products, and business scope, leading to increased profits and an expanded client base

**2021**
SAIB formed strategic partnerships with fintech companies to enhance its digital offerings, introducing innovative financial solutions to improve customer experience

**2024**
SAIB successfully issued its first Tier 1, USD 750 million Sustainable Sukuk



Our Leadership Team

The Saudi Investment Bank’s (SAIB’s) success is built on the foundation of exceptional leadership.

SAIB’s Board of Directors and Senior Management team bring together decades of industry experience, diverse expertise, and strategic vision to navigate the evolving financial landscape. Their commitment to excellence, innovation, and sound governance principles guides the organization towards sustainable growth and enhanced value creation for all Stakeholders.

For comprehensive profiles and detailed information on each member of SAIB’s leadership team, please refer to the [2024 Board of Directors Report](#).

Board of Directors

Mr. Abdallah Saleh Jum’ah Al-Dawsari
Chairman (Non-Executive Member)



Formerly Chief Executive Officer of Saudi Aramco, he has held key executive roles in international and government affairs and industrial relations, bringing vast leadership experience to the Board.

Appointed:
February 14, 2010

- Education:**
- Business Management Program, Harvard University (USA)
 - Bachelor of Political Science, American University of Beirut (Lebanon)

Mr. Abdulaziz Al-Khamis
Vice Chairman (Non-Executive Member)



A retired investment expert, he previously served as Vice Governor: Investment at the Public Pension Agency and held various senior positions at the Saudi Central Bank.

Committees:
Executive Committee (Chairman), Nomination and Remuneration Committee

Appointed:
February 14, 2010

- Education:**
- Bachelor of Economics, Northeastern University (USA)

Mr. Abdulrahman Al-Rawaf
Non-Executive Board Member



A former General Manager at Hassana Investment Company, he has extensive experience in portfolio management and financial analysis.

Committees:
Executive Committee, Nomination and Remuneration Committee

Appointed:
February 14, 2010

- Education:**
- Master of Public Administration, University of Southern California (USA)
 - Bachelor of Science (Business Administration), Arkansas State University (USA)

Mr. Yaser Al-Jarallah
Independent Board Member



Chief Executive Officer and Co-Founder of Tharwaa Investment LLC, he has a background in economics and extensive experience in investment and governance committees.

Committees:
Governance Committee (Chairman), Nomination and Remuneration Committee, Risk Committee

Appointed:
February 14, 2019

- Education:**
- Master of Economics, University of Southern California (USA)
 - Bachelor of Economics, University of Southern California (USA)

Mr. Mohammed Al-Greenees
Independent Board Member



Currently Chief of Investment at Assila Investments, he has extensive experience in asset management, having previously served as Head of Local Equity and Fixed Income at Alrai’dah Investment Co., Investment Portfolio Manager at Jadwa Investment Company and HSBC, and Head of Local Share Division at Alahli Capital Company.

Committees:
Nomination and Remuneration Committee (Chairman), Executive Committee, Risk Committee

Appointed:
February 14, 2019

- Education:**
- Bachelor of Chemical Engineering, Kuwait University (Kuwait)

Mr. Mohammed Bamaga
Independent Board Member



Currently Chief Executive Officer of Accenture Academy of Artificial Intelligence and General Manager at Accenture, he has held executive roles in IT and digital transformation at major organizations, including Al Qaryan Holding, Saudi Arabian Airlines, Sadara Petrochemicals, and SABIC.

Committees:
Risk Committee (Chairman),
Audit Committee

Appointed:
February 14, 2019

Education:

- Bachelor of Management Information Systems, King Fahad University of Petroleum and Minerals (KSA)

Mr. Khaled Al-Rowais
Independent Board Member



A retired senior executive, he previously served in leadership roles at Ma'aden and has significant experience in corporate strategy and financial management.

Committees:
Audit Committee (Chairman),
Corporate Governance Committee, Risk Committee

Appointed:
February 14, 2022

Education:

- Certified Public Accountant (CPA), Colorado Society of CPAs (USA)
- Bachelor of Accounting, King Saud University (KSA)

Mr. Abdullah Al-Zaben
Non-Executive Board Member



Currently the General Manager of the Sultan Bin Abdulaziz Medical and Educational Telecommunications Program, he has extensive experience in financial resource management and economic research, having previously served as Financial Resources Director at the Sultan Bin Abdulaziz Al-Saud Foundation, Project Manager at The Arab Investment Company, and Economic Researcher at the Saudi Development Fund.

Committees:
Executive Committee, Corporate Governance Committee

Appointed:
February 14, 2022

Education:

- Master of Economics and Finance, University of Alabama (USA)
- Bachelor of Economics, College of Business Administration, King Saud University (KSA)

Mr. Mohammed Al-Khalil
Non-Executive Board Member



A businessman with experience leading multiple real estate, tourism, and investment companies, and has held board memberships across various sectors.

Committees:
Executive Committee

Appointed:
February 14, 2022

Education:

- Master of Business Administration, Colorado University (USA)
- Bachelor of Computer Science Engineering, King Fahad University (KSA)

Senior Management Team



Mr. Faisal Al-Omran
Chief Executive Officer



Mr. Salman Al-Fughom
Deputy Chief Executive Officer



Mr. Ahmed Al-Mohsen
Chief Financial Officer



Mr. Maher Khayat
Chief Personal Banking Officer



Mr. Majed Fakeeh
Chief Corporate Banking Officer



Mr. Mansour Al-Obaikan
Chief Risk Officer



Ms. Monirah Al-Swaydani
Chief Corporate Governance Officer and Secretary of the Board



Mr. Fahad Khalil
Chief Human Resources Officer



Mr. Badr Allaf
Chief Compliance Officer



Mr. Rakan Al-Musa
Chief Internal Audit Officer



Mr. Naif Al-Hammad
Chief Treasury and Investment Officer



Mr. Abdulaziz Al-Afaleq
Chief Operating Officer



Mr. Thamer Al-Humayyd
Chief Quality and Customer Care Officer

Chairman’s Statement

This year, the Bank’s remarkable year-over-year growth in its net operating income of 10% underscored the enduring value we deliver to our Stakeholders.

Mr. Abdallah Saleh Jum’ah
Chairman



It is my pleasure to present the Integrated Annual Report for the fiscal year that ended on December 31, 2024, on behalf of The Saudi Investment Bank (SAIB).

In addition to the financial outcomes, this report illustrates the Bank’s achievements, accomplishments, and progress in realizing its strategy under the supervision of the Board of Directors and its subcommittees.

Outstanding Financial Results

This year, the Bank’s remarkable year-over-year growth in its net operating income of 10% underscored the enduring value we deliver to our Stakeholders.

The achievement of this year’s outstanding results and success are due to the guidance of our Board of Directors, the strategic leadership of our Executive Team and the commitment of our employees.

Total Assets

156.67
billion

Working Towards Vision 2030

In 2024, by serving government, semi-government, and private sectors, the Bank played a pivotal role in facilitating national economic growth and social development, thereby contributing significantly to the Kingdom’s Vision 2030 objectives.

SAIB’s vision is to be the trusted bank for our clients while our mission is to build long-term relationships with our Stakeholders, create an unrivaled work environment for our people, and consistently generate value for our Shareholders.

Innovation and Digitization

The Bank’s continuous commitment to innovation and digitization remains a cornerstone of our strategy. In 2024, we made significant progress in expanding our digital capabilities to cater for specific target markets, and enhancing customer experience through improved efficiency and effectiveness.

I am pleased to announce that the Bank achieved its strategic goals in 2024, leveraging its strengths and successfully meeting performance expectations. As a Board, we are committed to ensuring that the business maintains this positive trajectory in upcoming reporting periods.

Keeping Risks under Control

During 2024, the Bank successfully implemented several risk initiatives at Board level and Bank-wide. As digitalization increases, the banks become more vulnerable to new cybersecurity and fraud risks, which can pose challenges to business resilience and data security. We implemented a cohesive organization-wide approach to data security to mitigate these risks. This approach included digitalization of processes to meet the continuously evolving demands of our customers and regulators.

I am confident that the Bank has the agility, innovation, and exceptional talent to leverage the solid macroeconomics of the Kingdom for the benefit of the Bank and its Stakeholders.

With Gratitude

I extend my heartfelt gratitude to the Custodian of the Two Holy Mosques, King Salman Bin Abdulaziz Al Saud, and His Royal Highness Crown Prince Mohammad Bin Salman Bin Abdulaziz Al Saud, for their visionary leadership and unwavering support.

It is also a pleasure for the Board of Directors to again express their gratitude to the Government of Saudi Arabia particularly to the Saudi Central Bank, the Ministry of Finance, the Ministry of Commerce, and the CMA, for their ongoing and constructive support.

Shareholders Equity

13.07%

The Board of Directors also extends thanks to the Shareholders for their commitment and to our clients for their trust, which motivates us to achieve more.

Additionally, the Board of Directors appreciates the dedication and loyalty of the Bank’s Management team and its employees who have contributed to the Bank’s performance.



CEO's Message

The Bank's Strategy 2027 remains focused on accelerating performance through digital transformation, enhancing customer experience, and expanding key business segments.

Mr. Faisal Abdullah Al-Omran
Chief Executive Officer



The Bank achieved exceptional performance in 2024, delivering strong financial results driven by sound corporate governance, a robust organizational culture, and focused strategic execution. These factors collectively contributed to our success.

Excellent Results in Key Metrics

The Saudi Investment Bank's (SAIB's) successful results in 2024 are directly attributed to the team's diligent efforts in implementing our Strategy 2027. Our net income increased by 11% compared to 2023, along with a 21% rise in total assets during the same period.

Total Operating Income

₹ 4,178 million

Our emphasis on value creation and customer centricity through innovative solutions demonstrated our ability to consistently generate value for Stakeholders by pursuing organic growth through disciplined strategic execution.

Issuance of the Bank's First Sustainable Sukuk

A key highlight of 2024 was the issuance of the Bank's first Sustainable Sukuk on the London Stock Exchange. This milestone event, which was oversubscribed, demonstrates our commitment to responsible sustainable finance. The Sukuk aligns with our ESG principles and supports projects that promote sustainable development in the Kingdom.

Partnership with Real Madrid Football Club

In 2024, we continued partnering with Real Madrid Football Club, engaging our clients in Saudi Arabia and providing them with exceptional experiences, customized products, and services tailored to their individual needs. This partnership continues to distinguish the Bank in the industry in terms of customer rewards.

Moving on to Strategy 2027

The Bank's Strategy 2027 remains focused on accelerating performance through digital transformation, enhancing customer experience, and

expanding key business segments. This year, the Bank prioritized strengthening its operational efficiency, risk management, and digital offering to meet evolving client needs and market demands.

With Gratitude

I would like to express my gratitude to the Board of Directors for their ongoing support and ambitious vision, alongside my Executive team and all our valued employees. Their dedication, strong work ethic, and unwavering commitment have been crucial to SAIB's success in 2024 and will continue driving us into the future.

Net Income

₹ 1,957 million



CFO’s Review

Reflecting The Saudi Investment Bank’s (SAIB’s) commitment to “Executing with Purpose, Creating Value” the Bank delivered a strong financial performance in 2024, driven by a strategic focus on growth, efficiency, and value creation.

Mr. Ahmed Abdulrahman Al-Mohsen
Chief Financial Officer



In 2024, global and domestic economic conditions had a profound impact on SAIB’s financial performance, shaping loan growth, profitability, and risk management.

Globally, economic growth remained moderate with the IMF projecting a 3.1% global GDP increase while inflation eased, prompting central banks to adjust monetary policies. The US Federal Reserve and other central banks signaled rate cuts, affecting borrowing costs and investment flows, while geopolitical uncertainty – driven by Middle East tensions, elections, and climate risks – led to market volatility.

Domestically, Saudi Arabia’s financial sector demonstrated resilience with Saudi banks, including SAIB, benefiting from loan settlements and improved asset quality, supported by the Ministry of Finance and the Saudi Central Bank (SAMA). Inflationary pressures subsided, stimulating consumer spending, while energy investments spurred economic growth. Additionally, fiscal and structural reforms remained a priority as the Government of Saudi Arabia focused on macroeconomic stability, logistics enhancements, and financial sector modernization, reinforcing long-term expansion.

Within this dynamic operating environment, SAIB reached key milestones that underscore its commitment to

“Executing with Purpose, Creating Value ”

SAIB achieved an impressive 23% growth in loans, the highest loan growth among Saudi banks, guided by a disciplined focus on profitability and asset quality, ensuring sustainable market expansion rather than growth for its own sake. A key driver of this success was an emphasis on Corporate Banking where SAIB saw significant momentum fueled by mega and giga projects shaping the Kingdom’s future.

SAIB’s commitment to delivering value to Shareholders is reflected in its return on equity (ROE), which grew from 7.7% in previous years to 13.1% in 2024. This increase aligns with the long-term objective to position SAIB among the leading Saudi banks in terms of profitability.

Operational efficiency remained a core focus as SAIB continued to optimize cost management, reducing its cost-to-income ratio to 41.5%, a 26 basis-point improvement. This effort will remain a priority with a clear roadmap to achieve below 40% within 2 years.

A major milestone was the issuance of SAIB’s first Tier 1 Sukuk, part of a USD 1.5 billion program. In the last quarter of 2024, the Bank successfully issued USD 750 million, securing highly competitive rates despite market fluctuations. This issuance reflects SAIB’s strong market positioning and financial resilience.



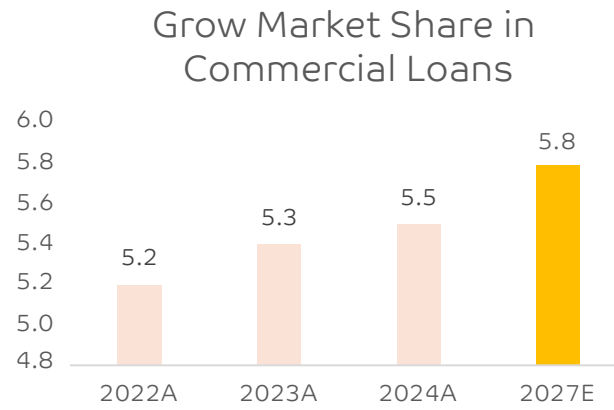
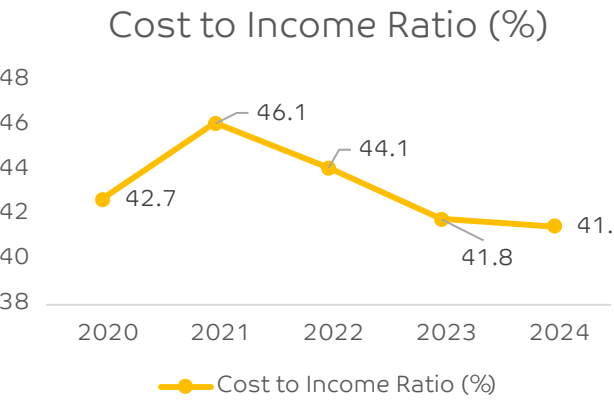
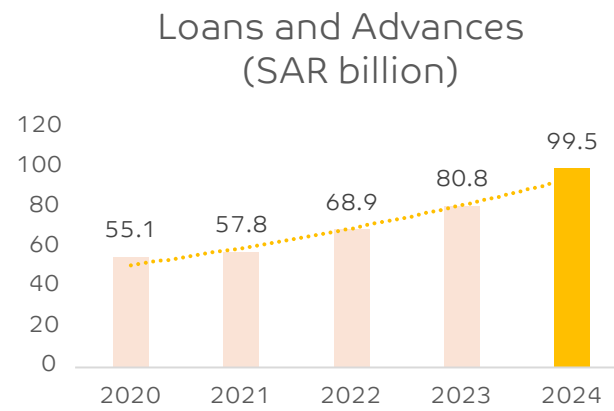
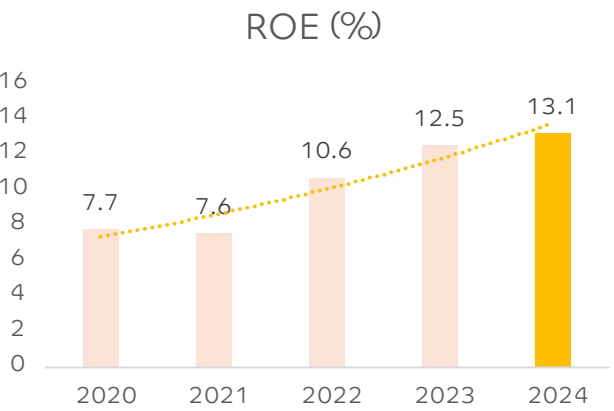
Financial Performance and Market Trends

SAIB reduced its non-performing loan (NPL) ratio by 46 basis points to 1.04%, increased NPL coverage to 157% for financial stability, and lowered its cost of risk to 32 basis points, strengthening risk management.

Capital ratios remained strong despite asset growth, supported by the Bank’s Tier 1 capital expansion – the growth of its core capital including common equity,

retained earnings, and disclosed reserves, which serve as a key measure of financial strength – ensuring the Bank can absorb losses and maintain stability.

The year was characterized by anticipation of global rate cuts, positioning SAIB for continued financial strength amid evolving market conditions.



5-Year Summary of the Income Statement

﷼ (million)	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	Δ YoY
Special commission income	3,262	2,820	4,067	7,415	8,864	+20%
Special commission expense	(940)	(468)	(1,222)	(3,998)	(5,327)	+33%
Net special commission income	2,322	2,352	2,845	3,417	3,537	+3%
Fee income from banking services, net	303	326	295	302	343	+13%
Exchange income, net	177	162	196	216	208	-4%
Other income / (loss)	44	(87)	(59)	31	91	+191%
Fee and other income	524	401	433	549	641	+17%
Total operating income	2,846	2,753	3,278	3,967	4,178	+5%
Salaries and employee-related expenses	(672)	(687)	(747)	(787)	(822)	+5%
Rent and premises-related expenses	(128)	(70)	(68)	(76)	(61)	-20%
Depreciation and amortization	(145)	(151)	(155)	(183)	(177)	-4%
Other general and administrative expenses	(269)	(362)	(475)	(610)	(674)	+10%
Operating expenses	(1,214)	(1,270)	(1,445)	(1,657)	(1,735)	+5%
Net operating income before impairment charge	1,632	1,484	1,833	2,310	2,444	+6%
Provisions for credit and other losses	(449)	(271)	(192)	(359)	(290)	-19%
Net operating income	1,183	1,212	1,641	1,951	2,154	+10%
Share in earnings of associates	46	55	71	77	116	+51%
Income before provisions for Zakat	1,229	1,267	1,712	2,028	2,270	+12%
Provisions for Zakat	(249)	(206)	(204)	(267)	(313)	+17%
Net income attributed to equity holders	980	1,062	1,508	1,762	1,957	+11%

Strengthening Market Position and Agility

Additionally, SAIB’s investment portfolio, accounting for 26% of the balance sheet, ensures strong asset yields and protects against potential interest rate declines. This diversified approach strengthens SAIB’s financial resilience and long-term positioning.

The Bank’s forward-looking strategy – focusing on anticipating future trends, challenges, and opportunities to drive sustainable growth and innovation through strategic foresight rather than reacting to immediate circumstances – is supported by robust financing growth, a strong yield portfolio, and proactive positioning within Saudi Arabia’s evolving financial landscape.

Looking Ahead: Financial Priorities Beyond 2025

SAIB remains committed to enhancing Shareholder value, primarily through ROE expansion, strategic market share growth, and ongoing cost-efficiency improvements.

Our Sustainable Business Model

A key responsibility of a bank is to convert its tangible and intangible resources into measurable and meaningful outcomes. For The Saudi Investment Bank (SAIB), these resources encompass financial capital, manufactured capital, social and relationship capital, human capital, intellectual capital, and natural capital.

SAIB’s strategic initiatives, carried out within the complexities of today’s operating environment, contribute to generating value for all SAIB Stakeholders. This approach ensures the preservation of strong relationships with Stakeholders, fostering long-term value for SAIB, the individuals who matter most, and the broader world that SAIB impacts.









Our Strategic Framework

In 2023, The Saudi Investment Bank (SAIB) unveiled an ambitious 5-year strategy. Strategy 2027 capitalizes on SAIB’s strengths and unique value propositions in order to fulfill our vision and ambitions between 2023 and 2027. This strategy was formulated after an in-depth analysis of global and local economic and banking trends, alignment with Saudi’s Vision 2030, peer benchmarking, customer and partner needs, shareholder expectations as well as the Bank’s existing capabilities and ambitions.

Corporate Banking

Accelerate profitable growth

- Grow the portfolio by becoming more customer-centric.
- Broaden product and partnership offerings to meet evolving corporate needs.
- Enhance operational efficiency and digital service quality.
- Strengthen collaboration with other SAIB business lines to unlock cross-segment opportunities.

Public Institutions

Grow customer base and demand deposit accounts

- Expand our presence among government entities, utilities, non-profits, and educational institutions.
- Upgrade service standards and advisory support for institutional clients.
- Continually enrich product suites and streamline key client journeys.

Private Banking

Accelerate profitable growth

- Deepen relationships with high net worth and ultra-high net worth clients.
- Offer a wider selection of bespoke investment and wealth-management solutions.
- Elevate the client experience through improved digital channels.
- Leverage group capabilities to provide holistic financial solutions.

Affluent Banking

Build differentiated value proposition

- Differentiate our proposition for affluent customers.
- Introduce innovative savings, deposit, financing, and lifestyle solutions.
- Deliver best-in-class mobile and online journeys to simplify everyday banking.

Strategy 2027
Strategy 2027 focuses on accelerating profitable growth in core business areas, crafting a unique value proposition, enhancing sales excellence, and expanding digital offerings across all segments. Additionally, it involves substantial investments in IT, operations, risk management, and human resources to effectively drive growth.

Treasury and Investment

Enable and support strategy funding

- Optimize liquidity and funding to keep the Bank’s cost of funds competitive.
- Maintain prudent risk-return balance in the investment portfolio.
- Support other business lines with tailored treasury products and market insights.

Risk

Enhance enterprise risk management and capabilities

- Review the Bank’s risk appetite and align with Strategy 2027.
- Enhance credit-decision processes to support responsible product distribution.
- Strengthen portfolio monitoring, analytics, and reporting to ensure robust oversight.

IT

Strengthen digital and analytics

- Deliver a multi-year technology roadmap to modernize core systems and digital channels.
- Support key business initiatives with scalable, secure, and flexible IT solutions.
- Foster an innovation culture through contemporary development practices that accelerate time-to-market.

Data

Build out integrated and comprehensive data capability

- Expand data management and analytics capabilities to enable timely, insight-driven decisions.
- Improve data quality, accessibility, and governance across the organization.
- Embed advanced analytics to support product development and risk management.

Innovation
Empowering future-ready SAIB

- Incubate new products and solutions that meet emerging customer needs.
- Deepen collaborations with fintechs and technology partners to accelerate digital financial-services offerings.
- Encourage employee innovation and agile ways of working to keep SAIB future-ready.

Operations
Optimize and re-engineer core processes

- Streamline key processes and increase automation to improve speed, efficiency, and customer experience.
- Establish an operational excellence framework that promotes continuous improvement.

Human Resource Management
Enhance organizational effectiveness and culture

- Evolve the organization structure, performance model and reward framework to align with Strategy 2027.
- Advance talent acquisition, development, and succession planning.
- Strengthen SAIB Academy programs to unlock employee potential and reinforce a performance culture.



Stakeholder Engagement

Stakeholder engagement for The Saudi Investment Bank (SAIB) involves actively understanding and responding to the interests of internal and external Stakeholders. This process includes ongoing dialogue to ensure the Bank’s activities add value for all Stakeholders. It also reflects SAIB’s commitment to sustainability and role as a trusted partner in achieving Stakeholder success.

SAIB’s Stakeholder groups include a diverse range of entities and individuals that regularly interact with the Bank, as outlined in the following table.

 Stakeholder Group	 Needs and Expectations	 Related Material Risks	 Related Material Opportunities	 SAIB's Response
Customers SAIB places customers at the core of its business, aiming to understand their needs and provide innovative products and services.	- Convenient, practical financial products and services with competitive returns - Friendly and efficient customer support - Strong safeguards for personal data privacy - Fair and transparent business practices - Firm commitment to Islamic/ Shariah principles	- Economic volatility and potential downturns - Evolving client demands - Heightened cybersecurity risks	- Increased consumer spending capacity within the local market - Sustaining high levels of client satisfaction - Strict compliance with Islamic banking guidelines - Expansion of digital banking offerings - Fostering innovation and new product development - Leveraging blockchain technology - Growing demand for eco-friendly banking and sustainable lending practices	- Diverse Personal Banking solutions to meet individual needs - Customized Corporate Banking services tailored to businesses - Advanced Treasury and Investment offerings with specialized support - Outstanding customer service focused on excellence - Intuitive and accessible digital banking tools - Reliable and secure IT systems to safeguard operations - Strategic and focused marketing initiatives for maximum impact - Detailed surveys, such as Voice of the Client, to gauge satisfaction and preferences - Streamlined call center operations for prompt and effective client assistance
Regulators The Saudi Central Bank (SAMA) is a key regulator, ensuring compliance with monetary policies and guidelines.	- Adhere to SAMA's Rules, Regulations, Framework and Guidelines, including anti-money laundering (AML), know your customer (KYC), and counter-terrorism financing (CTF) guidelines - Implement robust risk management framework to address credit, operational, and market risks while ensuring alignment with regulatory requirements - Offer products and services aligned with sustainability goals, reflecting increasing emphasis on environmental and social responsibility - Contribute to Saudi Arabia's Vision 2030 by supporting economic growth and innovation	- Compliance risk - Regulatory risk in Risk Management - Financial crime and AML risk - Access and inclusion gaps - Policy misalignment	- Strengthened regulatory relationships - Enhanced financial inclusion - Model compliance practices - Resilient risk management - Strategic policy feedback loop	- Diligently follow SAMA's policies and regulations - Ensure operations align with SAMA's guidelines, particularly in delivering financial accessibility to corporate clients, MSMEs and consumers - Implement robust frameworks to manage risks in accordance with regulatory standards - Comprehensive written policies and procedures to combat money laundering and other financial crimes

 Stakeholder Group	 Needs and Expectations	 Related Material Risks	 Related Material Opportunities	 SAIB's Response
 Investors SAIB engages with its investors to maintain transparency and protect their interests.	- Steady and sustainable financial growth and value creation - Compelling and practical expansion strategies - Strong balance sheet and solid profitability indicators - Effective and comprehensive risk management systems - Clear, thorough, and transparent communication and disclosures of opportunities, risks, and overall performance - Strong corporate governance principles - Long-term organizational resilience and stability	- Economic volatility and potential downturns - Evolving regulatory landscape and increased accountability demands - Ethical considerations regarding human and labor rights	- Alignment with Vision 2030's economic diversification goals - Projected growth in non-oil revenue streams - Maintaining high levels of client satisfaction	- Annual General Assemblies and regular Board meetings - Detailed and comprehensive annual, quarterly, and other reports
 Employees The Bank values its workforce and focuses on its professional growth and well-being.	- Competitive compensation, thorough performance evaluations, and recognition of achievements - Avenues for professional and personal development - Clear pathways for career advancement and upward mobility - Diverse and inclusive workplace - Transparent policies and open communication channels - Attention to health, safety, and overall well-being	- Economic uncertainties and market volatility - Potential violations of human and labor rights	- Alignment with Islamic banking principles - Boosting employee morale and commitment - Investment in workforce development - Promotion of equality and non-discriminatory practices - Implementation of remote work options	- Diverse personal growth, career advancement, and succession planning initiatives focused on enabling employees to thrive in the digital age - Flexible workplaces aligned with modern trends and supported by structured HR policies, support services, and the Employee Code of Conduct - Regular surveys measuring employee satisfaction - Comprehensive internal communication and feedback channels - Fair and transparent performance appraisals - Recognition and rewards system celebrating achievements
 Business Partners Aligned with SAIB's values and objectives, collaboration with external partners aims to ensure smooth operations.	- Mutual benefits and financial success - Clear agreement terms with firm commitment to fulfilling obligations - Principled business practices and high ethical standards	- Economic deceleration and volatility - Adapting to increasingly stringent governance and accountability standards - Measures to address COVID-19 concerns - Safeguarding human and labor rights - Mitigating cybersecurity risks	- Alignment with Vision 2030 initiative to bolster MSMEs - Commitment to Islamic banking principles	- Regular updates on anticipated needs, growth strategies, and operational developments - Streamlined tendering and bidding processes - Comprehensive and well-defined procurement policies and processes supporting local suppliers for community growth - Transparent and clear agreements fostering trust and accountability - Structured payment schedules

 Stakeholder Group	 Needs and Expectations	 Related Material Risks	 Related Material Opportunities	 SAIB's Response
 Communities The Bank actively contributes to community development through sustainability initiatives.	- Guidance and financial tools supporting improved economic well-being - Contributions to social causes through meaningful investments - Initiatives aimed at fostering community development - Programs strengthening financial literacy and knowledge - Greater financial inclusivity and accessibility to financial resources	- Economic challenges and instability - Risk of losing community support for operations	- Alignment with Vision 2030's emphasis on MSME support - Promoting equality and non-discrimination - Engaging with and investing in local communities - Adopting eco-friendly business practices - Growing interest in sustainable banking and lending options	- Targeted support and investments - Educational programs enhancing financial literacy and awareness - Initiatives focused on promoting health and wellness - Strategic sponsorships supporting meaningful causes - Internship opportunities fostering growth and career development - Employees volunteering in social upliftment initiatives



CSR Anti-Fraud Awareness Session

Aligned with the Bank’s corporate strategy, CSR initiatives consistently enhance community well-being while contributing to the realization of Saudi Arabia’s Vision 2030.

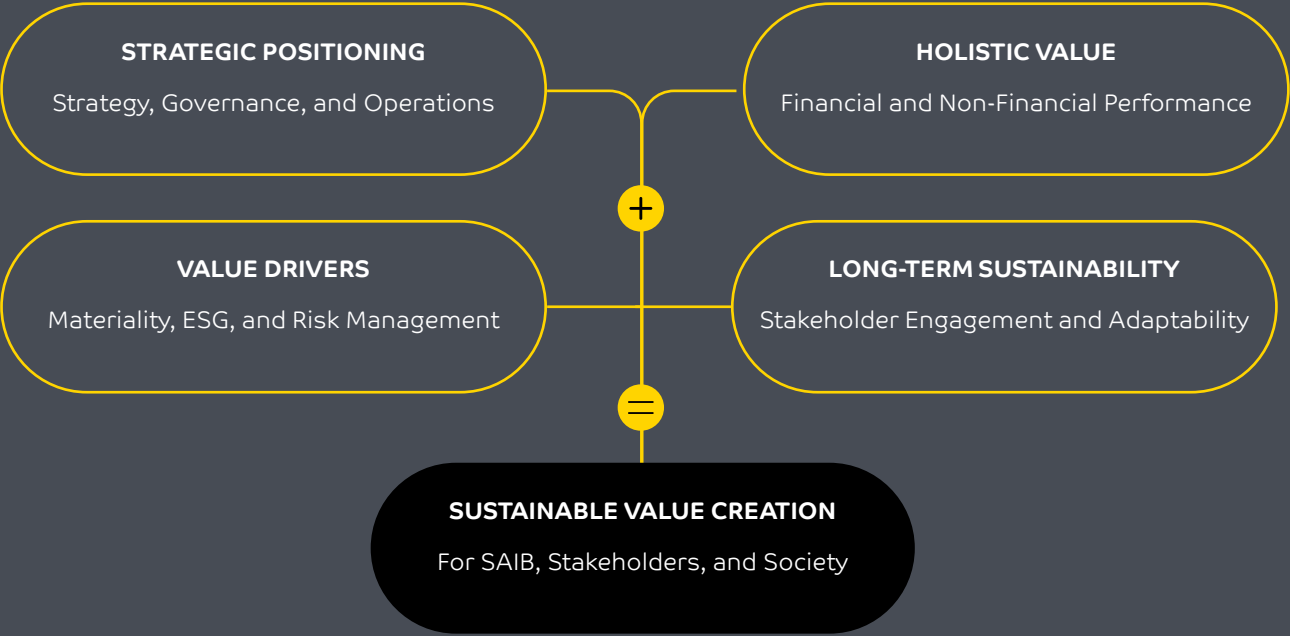
Our Investment Case

At The Saudi Investment Bank (SAIB), investment transcends monetary transactions and the Bank's Integrated Annual Reports extend beyond offering evaluations of financial performance for the financial year under review. This broader perspective reflects SAIB's commitment to a comprehensive investment approach, encompassing strategy, governance, and operations. Consequently, the Bank has adopted an integrated reporting model to capture its holistic view of performance. SAIB thus stands out as a pioneer among regional banks, moving away from traditional practices that center exclusively on financial disclosures.

SAIB understands that business often goes beyond financial metrics – it's about people. The Bank embraces a broader vision by recognizing the significant role of ESG factors in driving sustainable long-term performance. This perspective, rooted in principles such as management, materiality, accountability, and transparency, equips SAIB with the agility needed to anticipate, adapt, and thrive in a constantly evolving world.

Fostering integrated thinking is a key priority for SAIB's leadership, creating opportunities for a deeper understanding of the factors that shape the Bank's ability to generate long-term value for Stakeholders and society at large. Within this approach, SAIB evaluates the resources and relationships it uses and impacts across 6 critical areas: financial, manufactured, intellectual, human, social and relationship, and natural capital.

This Integrated Annual Report highlights SAIB's ability to create and sustain long-term value, focusing on the management and preservation of this value. It also examines how the business mitigates value erosion across the short, medium, and long-term. Additionally, the report provides a comprehensive overview of the Bank's governance, strategy, risks and opportunities, performance, and future prospects, presented in a balanced manner. By illustrating the ways in which value is generated, SAIB aims to inspire Stakeholders, and potential investors, to be part of its ongoing value-creation journey.



Investor Engagement

As investors are key Stakeholders, supplying essential capital for The Saudi Investment Bank's (SAIB's) value creation, the Investor Relations (IR) team was established in 2024 to enhance proactive market engagement and feedback, transparency, and global reach.

Financial analysts and fund managers assess SAIB's performance for the investment community.

Investor Relations Team Engagement and Communication Efforts

The IR team applies global best practices in market engagement, connecting with investors through diverse channels to meet expectations and address concerns. Key engagement channels include:

Quarterly earnings calls, global conferences, and one-on-one investor meetings:
Providing financial updates, strengthening industry influence, and ensuring strategic alignment.

Regular Board of Directors meetings:
Ensuring that investor interests are represented at the highest level of decision-making.

Comprehensive reporting:
Delivering annual, semi-annual, and quarterly reports that offer transparent insights into SAIB's performance, opportunities, risks, and strategic initiatives.

Share Information

Currency:
ﷲ

Market:
Tadawul (ﷲ)

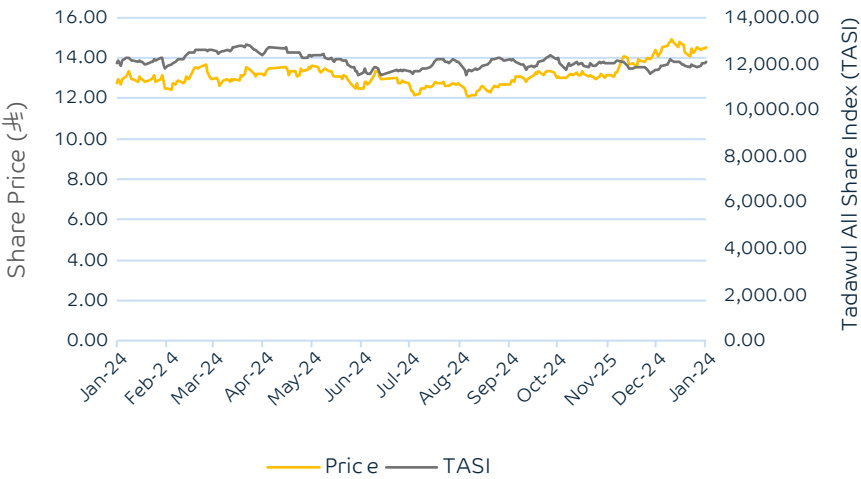
ISIN Code:
SA0007879063

Ticker Code:
1030

Market Cap (million):
ﷲ 18,600

Number of Shares (million):
1,250

Share Price Performance



SAIB institutionalizes market communication by maintaining open investor engagement. The IR team ensures compliance while consistently sharing updates through media, the corporate website, and the Tadawul platform.

Alignment with SAIB's Strategic Narrative
SAIB's IR team strengthens the Integrated Annual Report's emphasis on transparency, sustainability, and value creation through clear investor communication and comprehensive reporting. The team's efforts ensure informed investment decisions, reinforce corporate governance, and support long-term stability.

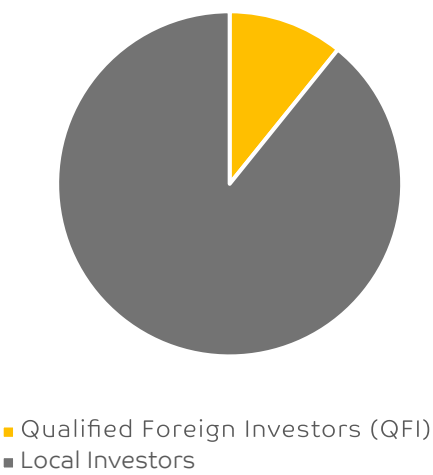
By proactively managing economic volatility and regulatory shifts, the IR team aligns with SAIB's ethical commitments and client satisfaction goals. The team's focus on Saudi Vision 2030's economic diversification and non-oil revenue growth enhances SAIB's sustainability and success.

Through investor engagement and strategic alignment, SAIB's IR team reinforces the Bank's mission to create lasting value for all Stakeholders.

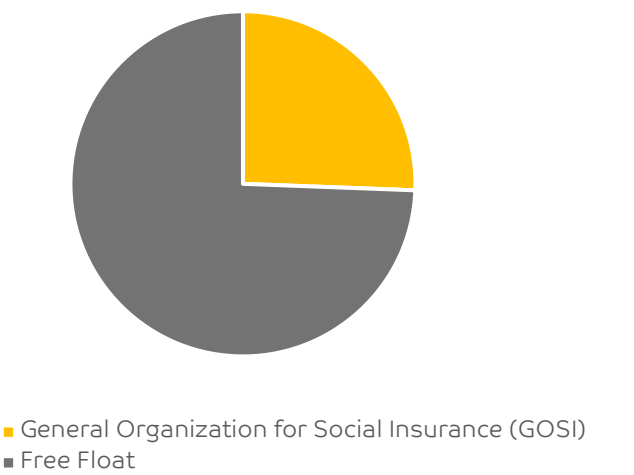
Credit Ratings

Credit Rating Agency	Long-term	Short-term	Outlook
Moody's	A2	P-1	Stable
S&P	BBB	A-2	Positive
Fitch	A-	F2	Stable

Geographical Distribution of Investors



Ownership-Based Investor Distribution



2024 Investor Relations Calendar

Conferences Attended

Name	Host	Date	Location
Saudi CMF	Tadawul	19-20 February, 2024	Riyadh
MENA Investor Conference	Arqaam Capital	27 May, 2024	Dubai
CEEMEA Financials Symposium	Goldman Sachs	9-10 September, 2024	London
EFG Hermes	EFG Hermes	11-12 September, 2024	London
Saudi Investment Forum	JP Morgan	21-22 October, 2024	NYC

Earning Calls

Period	Host
1Q24	EFG-Hermes
2Q24	Arqaam
3Q24	EFG-Hermes
4Q24	Arqaam



02 Our Sustainability Approach

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Our Sustainability Framework

The Saudi Investment Bank’s (SAIB) unwavering commitment to creating positive change and prioritizing people is at the heart of its Corporate Social Responsibility (CSR) Policy. Aligned with the Bank’s corporate strategy, CSR initiatives consistently enhance community well-being while contributing to the realization of Saudi Arabia’s Vision 2030.

Throughout the year, the Bank actively engaged in various sustainability initiatives designed to uplift the local community and society. These efforts included:

- Ehsan donation initiative through “WooW Alkhair” program
- Furiyat donations through “WooW Alkhair” program
- 1,000,000 Ramadan Meals initiative
- Anti-fraud and cybersecurity awareness campaigns, including the “Be Careful” campaign by Saudi Banks
- Sustainability and innovation sponsorships, including the Innovation-Driven Water Sustainability Conference, ICSDI2024, and the Health Sector Transformation Program
- Entrepreneurship and business development support, through BIBAN 2024, the London Business School MENA Startup Competition, Shared Services Program, and Social Development Bank
- Educational institution sponsorships, including Prince Sultan University and King Faisal University
- Cultural and sports sponsorships, including the Saudi Camel Racing Federation, Saudi Badminton Federation, Saudi eSports, and the Saudi Automobile & Motorcycle Federation (SAMF)
- Employee wellness and health campaigns, including blood donation and breast cancer awareness initiatives
- Community and national events, including the International Children’s Day Event, Saudi National Day, Martyrs of Duties, National Center for Palms and Dates Exhibition, and the celebration of Saudi Arabia’s hosting of the 2034 World Cup

- The Bank’s CSR initiatives accomplished the following:
- Supported local MSMEs
 - Promoted employment opportunities and career advancement for Saudi nationals with a strong focus on empowering women
 - Encouraged private-sector growth by fostering innovation, discipline, adaptability, and a positive business environment

The Bank’s CSR approach is encapsulated in “Awn” (Helping others) and “Hifth” (Environmental protection). These principles form the cornerstone of SAIB’s

sustainability framework, reflecting the Bank’s unwavering dedication to social and environmental responsibilities. SAIB actively supports Saudi Arabian communities by assisting disadvantaged individuals and working to reduce its broader environmental footprint. By prioritizing the conservation of natural resources, the Bank aims to create lasting value for all Stakeholders.

Throughout the year under review, SAIB supported a range of sports, cultural, and youth initiatives. These efforts included promoting financial literacy to raise awareness about the Bank’s financial products, services, and associated risks.

Attentive to the needs of all Stakeholders, the Bank remains dedicated to fostering socioeconomic development. We actively support MSMEs and prioritize environmental sustainability within our CSR initiatives.

SAIB’s sustainability strategy is designed to create a meaningful impact for all Stakeholders by aligning the Bank’s practices to benefit the economy and the people of the Kingdom. The Bank is steadfast in its commitment to serving the communities it supports, striving to improve the well-being of individuals beyond its operations while empowering employees and addressing critical societal concerns.

As a member of the Global Reporting Initiative (GRI) Community, SAIB actively supports eco-friendly initiatives across various sectors including renewable energy, recycling, water and wastewater management, hazardous waste disposal, and other environmental services.

Additionally, SAIB continually explores new opportunities for sustainable business practices. Notably, the Bank’s ongoing paper and plastic recycling programs show consistent year-over-year improvements while the Building Management System remains focused on reducing electricity consumption across facilities, fostering more positive environmental outcomes. SAIB’s commitment to environmental stewardship is outlined in detail in the Natural Capital section (pages 118–122).



Hifth (Environmental protection)
Build a competitive advantage by integrating environmental management into core banking activities and continuously dematerializing banking operations.

Social impact

- Increase contributions to the green, low-carbon economy
- Expand the number of green jobs available

Business impact

- Acquire revenue from investment in the green, low-carbon economy
- Reduce risk in the investment portfolio



Awn (Helping others)
Invest financially and donate funds, tools, and expertise to impact areas.

Social impact

- Economic empowerment
- Reduce poverty

Business impact

- Unlock new customer segments
- Expand the Bank’s potential market
- Grow demand deposit accounts



Nummow (Growth)
Deliver strong financial performance while maintaining financial stability.

Social impact

- Encourage entrepreneurship among citizens
- Support MSMEs’ contribution to the GDP

Business impact

- Expand the MSME customer base
- Increase service sophistication
- Reduce credit risk



Re’aya (Workforce)
Become the most sought-after bank to work for through transparency and accountability.

Social impact

- Increase volunteer numbers within the Bank
- Grow volunteering activities in society

Business impact

- Address the national agenda for volunteering activities
- Increase the number of volunteer initiatives



Takleef (Responsibility)
Be recognized as the most genuine, integrity-based, value-driven, and accountable bank in Saudi Arabia.

Social impact

- Expand financial management knowledge and skills
- Enhance citizens’ financial literacy

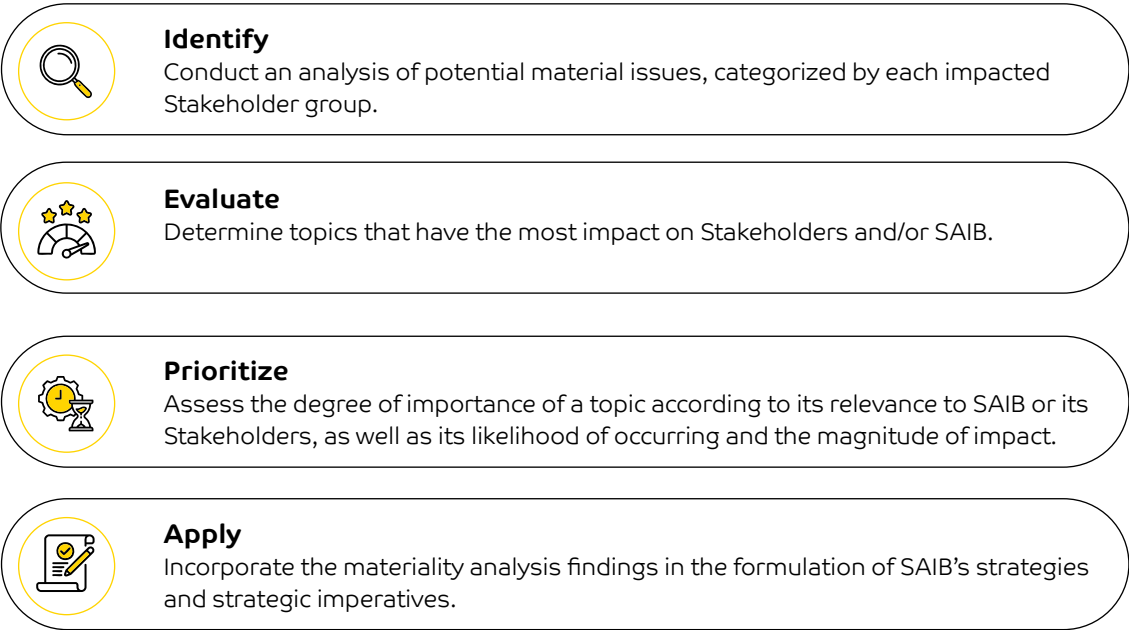
Business impact

- Increase process and service sophistication
- Reduce credit risk
- Grow Retail customer deposits

Our Material Risks and Opportunities

The financial services sector operates in a dynamic risk environment, with banking fundamentally grounded in risk management. The Saudi Investment Bank (SAIB) addresses these challenges through ethical practices and sustainable value creation principles. Today’s interconnected risks extend beyond traditional capital, credit, and liquidity concerns, requiring integrated management approaches. Our reporting emphasizes material issues that significantly affect the Bank’s sustainability and consistent value delivery to Shareholders and Stakeholders. Aligning these material factors with our business model and strategy remains essential for long-term success.

Process and Approach
Through a multi-step process, SAIB identifies the themes that most impact its value production operations:



Our Material Matters Unpacked

Material matter #1: The evolving macroeconomic environment

**Risks**

- Economic slowdown and instability
- Increasing governance and compliance requirements

**Opportunities**

- Vision 2030 drive to support SMEs
- Higher spending power in local population
- Vision 2030 focus on economic diversification, with the development of new sectors such as tourism and an expected increase in non-oil revenue

External factors present mixed effects for SAIB. Saudi Arabia’s oil-dependent economy faces volatility challenges, affecting banking. Vision 2030 aims to diversify the economy, stabilize revenues, and benefit banking. Firmer oil prices improve the outlook. The strategy’s MSME focus through Nomu

creates opportunities for targeted banking products. Meanwhile, global financial compliance standards are tightening, particularly regarding fraud prevention and ESG factors, requiring vigilant adherence.

Material matter #2: Changing client expectations

**Risks**

- Rising client expectations

**Opportunities**

- Maintaining client satisfaction helps with customer retention and deepening banking relationships through cross-sell opportunities
- Adherence to Islamic banking principles

The fintech revolution has intensified banking competition, elevating customer expectations for service quality, product diversity, and digital capabilities. Banks that differentiate beyond price competition through unique offerings, service

excellence, and digital accessibility are positioned to gain market share as economic conditions improve. Additionally, Islamic banking adoption supports national goals while addressing a specialized market segment.

Material matter #3: Employee satisfaction and engagement

**Risks**

- Insufficient employee satisfaction and engagement

**Opportunities**

- Employee satisfaction and engagement to support hiring and retention outcomes
- Employee training for personal development and more effective workplace contributions
- Equal opportunity and anti-discrimination
- Remote working to assist with work/life balance

We actively pursue opportunities that enhance employee experience through targeted training programs, fostering a culture of equal opportunity and anti-discrimination, and enabling flexible remote working arrangements. These initiatives not only

mitigate talent-related risks but also strengthen our workforce capabilities, drive higher engagement, and create a more inclusive and adaptive work environment.

Material matter #4: Digitization and automation

**Risks**

- Cybersecurity threats
- New market entrants, especially fintech’s and digital banks

**Opportunities**

- Digital banking services
- Innovation and product development
- Cloud computing
- Automation
- Blockchain

The digital banking revolution presents dual implications for SAIB. While fintech startups and digital banks pose competitive threats with their agility and lower costs, technological advances also offer significant opportunities. AI, robotics, and cloud computing can streamline operations and reduce expenses while enhancing customer experience through remote services and 24/7 accessibility.

Blockchain technology, despite its disruptive potential, may create new revenue streams for innovative institutions. However, increased digitalization heightens cybersecurity risks, with potential breaches threatening financial stability and customer trust. Responding to these threats, SAIB invests significantly into cybersecurity defenses and countermeasures.

Material matter #5: Social responsibility

**Risks**

- Loss of social license to operate

**Opportunities**

- Community investment and engagement
- Environmentally friendly corporate practices
- Increasing demand for green banking and green lending

Organizations now face growing demands for responsible social, environmental, and governance practices. Progressive companies are integrating people, profit, and planet considerations into their core strategies, creating better corporate cultures, stronger employee loyalty, and enhanced sustainability. Banks particularly demonstrate this trend through green lending initiatives that serve both environmental

and Shareholder interests. Meanwhile, profit-focused companies risk losing their social license to operate, as Stakeholders increasingly favor organizations aligned with their social and environmental values. SAIB is actively pursuing “Green” banking initiatives independently and in co-operation with the Saudi Central Bank and the Saudi banking community.



Saudi Vision 2030

Vision 2030 serves as the cornerstone of Saudi Arabia’s ambitions, shaping the Kingdom’s policies and strategic initiatives. This transformative framework is built upon 3 fundamental pillars: cultivating a vibrant society, establishing a thriving economy, and fostering an ambitious nation.

With many Vision 2030 goals closely tied to financial systems or bearing substantial economic significance, The Saudi Investment Bank (SAIB) occupies a pivotal role in realizing these national aspirations. The Bank contributes to Saudi Arabia’s journey toward a sustainable and prosperous future by implementing Vision 2030 objectives through tailored services and forward-thinking initiatives.



Vibrant Society

Vision/Goals	SAIB’s Contribution
Guided by Islamic values in every aspect of operations and decision-making.	Adhering to the Islamic principles of Hifith (preservation), Awn (assistance), Nummow (growth), Rea’ya (care), and Takleef (responsibility), forms the foundation of all operations and decision-making processes.
Catering to the needs of Umrah* visitors, ensuring their experience is seamless and fulfilling.	Delivering innovative financing solutions to support vital public infrastructure projects that enhance and uplift communities across the nation.
Embracing a lifestyle that prioritizes health and well-being in every aspect.	Using SAIB’s social media channels to advocate for health awareness and provide wellness education to customers and the wider community.
Advancing urban development to create vibrant, sustainable and livable cities.	Focusing on tailored financing solutions for urban development and infrastructure projects designed to improve city livability and promote sustainability.
Promoting practices and initiatives that ensure environmental preservation and long-term sustainability.	Maintaining substantial reductions in water and electricity use across all operational facilities, enabled by SAIB’s cutting-edge Building Management System.
Prioritizing the well-being and support of families in every initiative and service.	Cultivating a corporate environment that emphasizes work-life balance to promote employee well-being, satisfaction, and increased productivity.
Promoting health and well-being through supportive initiatives and mindful practices.	Introducing workplace wellness programs and community initiatives designed to promote physical activity, balanced nutrition, and preventive healthcare habits.



Thriving Economy

Vision/Goals	SAIB’s Contribution
Developing skills and acquiring knowledge to excel in the workplace and advance professional growth.	SAIB’s robust Knowledge Management System equips employees with the tools to continually refine their professional skills and broaden their expertise across various business domains – nurturing a culture of continuous learning and professional growth throughout the organization.
Supporting the growth and success of small businesses through tailored solutions and strategic initiatives.	Enhancing financing solutions for MSMEs to stimulate economic growth and foster entrepreneurship throughout the Kingdom.
Drawing skilled professionals by fostering a dynamic work environment and offering opportunities for growth and development.	Reinforcing SAIB’s dedication to cultivating Saudi talent by implementing focused recruitment programs designed to identify and develop the potential of aspiring young professionals across the Kingdom.
Empowering national companies through tailored support and strategic initiatives to drive their growth and success.	Focusing on procuring products and services from Saudi-owned businesses with emphasis on local suppliers to strengthen domestic supply chains and drive national economic development.

*Islamic pilgrimage to Makkah



 Ambitious Nation	
Vision/Goals	SAIB's Contribution
Championing transparency in all practices to build trust and uphold accountability.	Ensuring ethical integrity and transparency by adhering to the SAIB Code of Conduct and implementing robust whistleblowing policies.
Fostering inclusive participation by encouraging everyone to contribute and collaborate meaningfully.	Actively connect with Stakeholders via all SAIB communication platforms to foster meaningful engagement and collaboration.
Taking accountability for the well-being and safety of individuals through dedicated actions and initiatives.	Encouraging employee health and wellness by implementing initiatives that promote regular physical activity.
Conducting business with integrity and accountability, ensuring ethical practices and sustainable growth.	Creating a safe and equitable banking environment through the implementation of thorough Stakeholder protection policies.
Demonstrating accountability and commitment to societal well-being through meaningful actions and initiatives.	Advancing financial literacy and fostering customer engagement by implementing effective client awareness initiatives.

Financial Sector Development Program

SAIB actively supports the Financial Sector Development Program, one of the 11 Vision Realization Programs advancing Saudi’s Vision 2030. This initiative seeks to establish a robust and diversified financial sector that drives economic growth, expands revenue streams, and promotes savings, investments, and financing. Its primary goal is to strengthen financial institutions, elevate the Saudi financial market to a global capital market leader, and ensure long-term stability.

National 2025 Commitment	The Saudi Investment Bank’s Contribution in 2024
Expand the banking sector’s total assets to reach ﷲ 3.515 billion .	ﷲ 156.7 billion Total assets
Elevate the stock market’s value to 80.8% of the GDP.	ﷲ 17.48 billion Market capitalization
Increase the volume of debt instruments to 24.1% of the GDP.	ﷲ 5,313 million Sukuk issued to bolster Tier 1 capital
Foster digital innovation by granting licenses to fintech’s and other enterprises.	Collaborating proactively with licensed fintech’s and organizations to foster innovation and stimulate growth
Raise the proportion of SME financing in banks to reach 11%.	10.90% MSME loans as a percentage of on-balance sheet loans
Increase the proportion of non-cash transactions to 70%.	180,440 million Cashless transactions



Alignment with National and International Frameworks

The Saudi Investment Bank’s (SAIB’s) commitment to responsible growth and meaningful impact is reflected in the alignment of its 5 core pillars with national and international frameworks. These pillars - Hifth, Awn, Nummow, Re’aya, and Takleef - are embedded within the Bank’s broader sustainability framework and support its efforts to drive positive change. Each pillar contributes to advancing Saudi Arabia’s Vision 2030, reinforcing SAIB’s role as a catalyst for long-term economic, social, and environmental progress.

 Pillar	 Goals	 Saudi Vision 2030	 SAIB's Contribution
Hifth (environmental protection)	Gain a competitive edge by integrating environmental management into core banking and dematerializing operations.	A Thriving Economy	Natural capital
Awn (helping others)	Invest financially and provide money, tools, and expertise to impactful areas.	A Vibrant Society	Human capital Social and relationship capital
Nummow (growth)	Achieve strong financial performance while ensuring stability.	A Thriving Economy	Financial capital
Re’aya (workforce)	Become the top employer through transparency and accountability.	A Thriving Economy	Human capital Governance
Takleef (responsibility)	Be recognized as Saudi Arabia’s most genuine, integrity-based, and value-driven bank.	An Ambitious Nation	Governance





03 Performance Review

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Financial Capital

The financial capital of The Saudi Investment Bank (SAIB) encompasses monetary assets such as client deposits, investment funds, and Shareholder equity. These assets enable SAIB to conduct its operations and deliver its diverse portfolio of products and services.

Financial Performance at a Glance

Net income increased by	Total operating income increased by	Operating expenses, before provisions for credit and other losses, increased by
11.07%	5.33%	4.69%
Operating expenses, including total operating expenses before impairment charges:	Salaries and employee-related expenses:	
ﷲ 1,735 million	ﷲ 822 million	
(2023: ﷲ 1,657 million)	(2023: ﷲ 787 million)	

2024 Focus Areas and Highlights	2024 Challenges	Future Focus Areas
Focusing on agility, innovation, and impact, SAIB's financial highlights included: Improved performance compared to the previous year: Net income increased by 11.07% to ﷲ 1,957 million Return on average Shareholders' equity increased to 13.07% (2023: 12.54%)	- Managing various funding venues to sustain a lower cost of funds. - Shifts in customer behaviour, especially around digital experiences, personalization, which require continuous innovation and agility.	- Accelerate digital banking journeys. - Diversifying funding sources continue to support reducing cost of funds. - Strengthen execution capabilities to deliver strategic initiatives.

SAIB's financial performance responsibility rests with the Group CFO, CEO and the Board of Directors, led by the Chairman, who systematically review and direct the Bank's approach to financial management through audited processes and transparent disclosure of results in our quarterly and annual reports.

In 2024, our financial capital priorities were strategically aligned with our vision to become the trusted bank for our clients. We remained committed to providing reliable and innovative financial solutions that catered to clients' evolving needs. These financial resources underpin the achievement of our long- and medium-term objectives, enabling us to create enduring value for our Stakeholders.

The Bank reported net income for the year ended December 31, 2024 of ﷲ 1,957 million, an increase of ﷲ 195 million, or 11.07%, compared to the 2023 net income of ﷲ 1,762 million. The return on average assets was 1.37% in 2024 compared to 1.47% in 2023, and the return on average Shareholders' equity was 13.07% in 2024 compared to 12.54% in 2023. Operating expenses, before provisions for credit and other losses, increased by 4.69%, reflecting our ongoing focus on innovation and growth.

We continued to uphold a strong balance sheet, supporting sustainable expansion while mitigating unforeseen risks.

Financial Performance

	ﷲ (million)	
	2024	2023
Operations		
Total income*	4,294	4,044
Total expense**	1,735	1,657
Operating profit before provisions	2,559	2,387
Provisions for credit and other losses	290	359
Provisions for Zakat and income tax	313	267
Net income	1,957	1,762
Financial Position		
Total assets	156,667	129,984
Loans and advances net	99,466	80,751
Investments	40,431	32,301
Investments in associates	1,022	968
Customer deposits	94,013	83,233
Shareholders' equity	15,416	14,520
Tier 1 Sukuk	5,313	2,715
Total equity	20,729	17,235
Key Ratios		
Return on average Shareholders' equity (%)	13.07	12.54
Return on average assets (%)	1.37	1.47
Capital adequacy (%)	19.71	20.06
Equity to total assets (%)	13.21	13.23

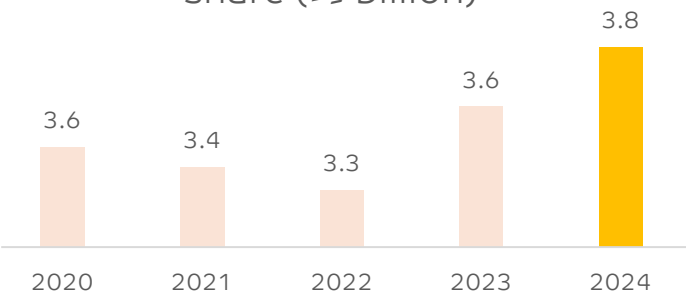
Financial Position

Growth in total assets

ﷲ 156.7 billion
as at December 31, 2024
(2023: ﷲ 130.0 billion)

Increase: 20.5% ↑

Saudi Investment Bank's asset share (ﷲ billion)



*Total income includes total operating income plus share in earnings of associates.

**Total expense includes total operating expenses before impairment charges.

Cash and balances with SAMA

ﷲ 9.9
billion

as at December 31, 2024
(2023: ﷲ 11.0 billion)

Investments

Investment portfolio:

ﷲ 40.4
billion

as at December 31, 2024
(2023: ﷲ 32.3 billion)

Increase: 25.1% ↑

Loans and advances, net

ﷲ 99.5
billion

as at December 31, 2024
(2023: ﷲ 80.8 billion)

Increase: 23.1% ↑

Investment grade securities:

ﷲ 32.9
billion

of total portfolio as at December 31, 2024
(2023: ﷲ 27.9 billion)

Increase: 17.9% ↑

Total performing loans:

ﷲ 100.1
billion

as at December 31, 2024
(2023: ﷲ 81.4 billion)

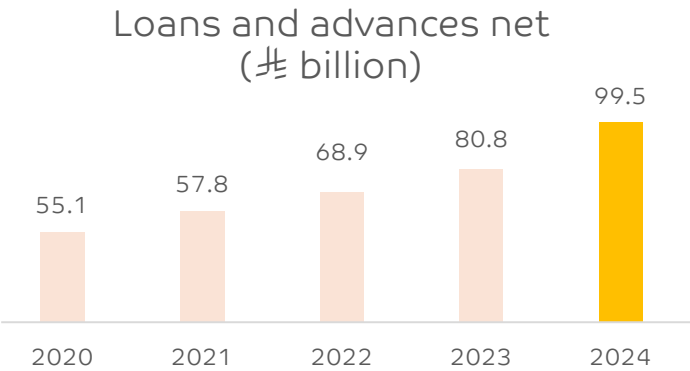
Increase: 23.0% ↑

Loans and Advances

Loans and advances (non-Interest based loans and advances)

ﷲ 65.0
billion

as at December 31, 2024
(2023: ﷲ 54.1 billion)



Non-performing loans

ﷲ 1.1
billion

as at December 31, 2024
(2023: ﷲ 1.2 billion)

Non-performing loans as percentage of total loans and advances:

1.04%

as at December 31, 2024
(2023: 1.50%)

Allowance for credit losses

Total allowance for credit losses:

ﷲ 1.7
billion

as at December 31, 2024
(2023: ﷲ 1.9 billion)

1.63%

of total loans
(2023: 2.33%)

156.66%

of non-performing loans
(2023: 155.19%)

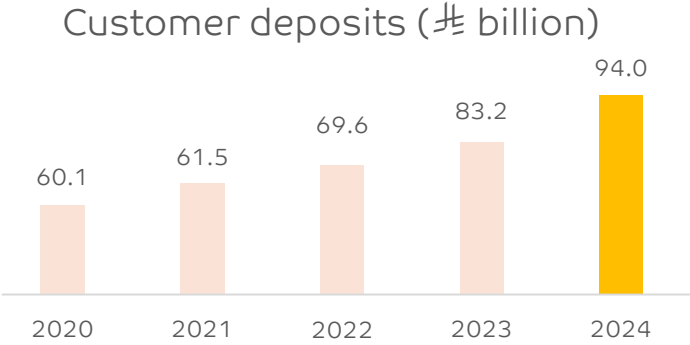
Collateral held as security for Credit Risk Mitigation (CRM) on loans and advances



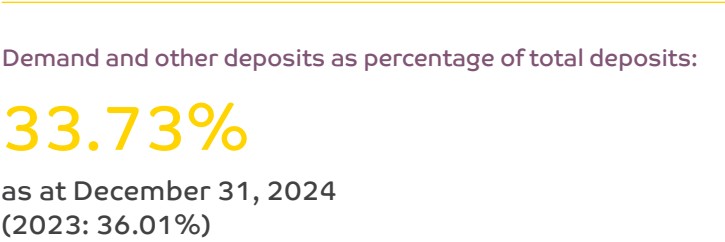
Collateral includes primarily time, demand, and other cash deposits, financial guarantees, local and international equities, real estate, and other assets.

Customer Deposits

Total customer deposits



Demand and other deposits



Special commission-bearing deposits

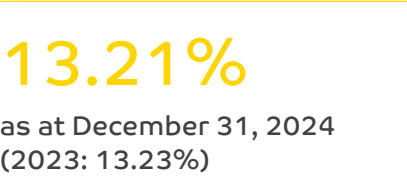


Total Equity

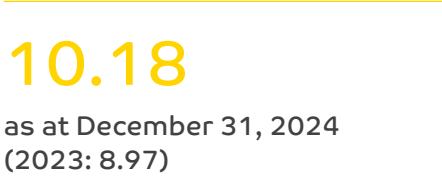


	2024	2023	2022	2021	2020
Total equity (ﷲ billion)	20.7	17.2	16.8	16.3	15.3
Return on average Shareholder equity (%)	13.07	12.54	10.63	7.55	7.73

Total equity to total assets



Shareholders' equity leverage ratio



Tier I Sukuk Program

The Bank completed the establishment of a Shariah-compliant Tier I Sukuk Program (the Program) in 2016 and 2023.

The following tranches of Tier I Sukuk issued under the Program on the dates indicated below, are outstanding as of December 31, 2024 and 2023:

	2024 S'000s	2023 S'000s
April 15, 2019	-	215,000
June 29, 2022	2,000,000	2,000,000
February 6, 2023	500,000	500,000
November 28, 2024	2,812,500	-
Total	5,312,500	2,715,000

The Tier I Sukuk securities are perpetual with no fixed redemption dates, representing an undivided ownership interest in the Sukuk assets, constituting an unsecured conditional and subordinated obligation

of the Bank classified under equity. However, the Bank has the exclusive right to redeem or call the Tier I Sukuk debt securities in a specific period of time, subject to the terms and conditions stipulated in the Program.

Tier I plus II Capital Adequacy Ratio

19.71%

as at December 31, 2024
(2023: 20.06%)

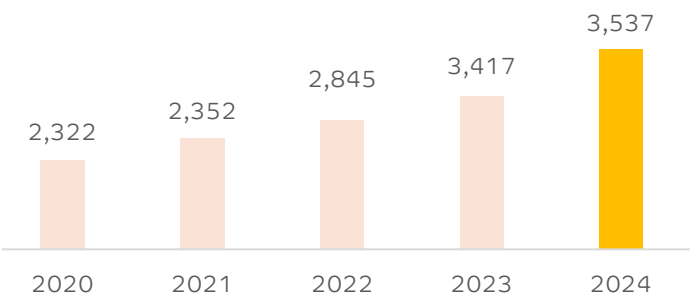
Total operating income

S' 4,178
million

as at December 31, 2024
(2023: S' 3,967 million)

Increase: 5.33% ↑

Net special commission income
(S' million)



Net special commission income

S' 3,537
million

as at December 31, 2024
(2023: S' 3,417 million)

Increase: 3.50% ↑

Banking service fees

S' 343
million

as at December 31, 2024
(2023: S' 302 million)

Increase: 13.44% ↑

Exchange income, net

S' 208
million

as at December 31, 2024
(2023: S' 216 million)

Decrease: 3.82% ↓

Geographical Distribution of Operating Income (S' million)

	2024	2023
Central region	3,431	3,239
Western region	474	452
Eastern region	273	276
Total	4,178	3,967

Operating Expenses before Provisions for Credit and Other Losses

S' 1,735
million

as at December 31, 2024
(2023: S' 1,657 million)

Increase: 4.71% ↑

Rent and premises:

S' 61
million

as at December 31, 2024
(2023: S' 76 million)

Depreciation and amortization:

S' 177
million

as at December 31, 2024
(2023: S' 183 million)

Other general and administrative expenses:

S' 674
million

as at December 31, 2024
(2023: S' 610 million)

Capital Adequacy

The Bank’s objectives when managing capital are to comply with SAMA’s capital requirements to safeguard the Group’s ability to continue as a going concern, and to maintain a strong capital base. SAMA requires the Bank to hold a minimum level of regulatory capital and maintain a ratio of total regulatory capital to Risk Weighted Assets (RWA) at or above the requirement of 10.5%, which includes

additional buffers as required by the Basel Committee on Banking Supervision. The Bank monitors the adequacy of its capital using ratios established by SAMA. These ratios measure capital adequacy by comparing the Bank’s eligible capital with its consolidated statement of financial position assets, commitments, and notional amounts of derivatives, at a weighted amount to reflect their relative risk.

Provisions for Credit and Other Losses

The summary of provisions for credit and other losses incurred in 2024, as compared to 2023, is as follows:

	2024 ﷲ'000s	2023 ﷲ'000s
Due from banks and other financial institutions	261	(956)
Investments	3,799	433
Loans and advances	275,722	362,863
Financial guarantee contracts	10,079	(3,745)
Other assets	43	62
Provisions for credit losses	289,904	358,657
Provisions for real estate and other losses	50	-
Provisions for credit and other losses	289,954	358,657

Share in Earnings of Associates

ﷲ 116

million

as at December 31, 2024
(2023: ﷲ 77 million)

Increase: ﷲ 39 million ↑

Provision for Zakat

ﷲ 313

million

as at December 31, 2024
(2023: ﷲ 267 million)

Net income

Net income:

ﷲ 1,957

million

as at December 31, 2024
(2023: ﷲ 1,762 million)

Return on average assets:

1.37%

as at December 31, 2024
(2023: 1.47%)

Return on average Shareholders’ equity:

13.07%

as at December 31, 2024
(2023: 12.54%)

Increase: 11.07% ↑

	2024	2023	2022	2021	2020
Total income*	4,294	4,044	3,349	2,808	2,892
Total expense**	1,735	1,657	1,445	1,270	1,214
Net income	1,957	1,762	1,508	1,062	980

*Total income includes total operating income plus share in earnings of associates.

**Total expense includes total operating expenses before impairment charges.

Net income by operating segment

	2024 ﷲ'000s	2023 ﷲ'000s
Personal Banking	548,442	528,605
Corporate Banking	1,032,781	917,016
Treasury and Investments	867,320	715,704
Asset Management and Brokerage	116,372	94,433
Others*	(295,043)	(227,425)
Income before provisions for Zakat	2,269,872	2,028,334
Provisions for Zakat	(313,242)	(266,727)
Net income	1,956,630	1,761,607

* Others includes Support functions, special credit, and other management and control units.

 Profit Distribution

In accordance with Saudi Arabian Banking Control Law and the Articles of Association of the Bank, a minimum of 25% of the annual net income is required to be transferred to a statutory reserve until this reserve equals the paid-up capital of the Bank. Accordingly, ﷲ 489.5 million has been transferred from 2024's net income. The statutory reserve is not currently available for distribution.

The Board of Directors proposed an interim cash dividend of ﷲ 400 million equal to ﷲ 0.4 per share, for the first half of the fiscal year 2023, which was paid during the year ended December 31, 2023, and ﷲ 450 million equal to ﷲ 0.45 per share for the second half of the fiscal year 2023, which was paid during the year ended December 31, 2024 to 1,000 million eligible shares.

During the year ended December 31, 2024, the Board of Directors proposed an interim cash dividend of ﷲ 449.7 million equal to ﷲ 0.36 per share for the first half of the fiscal year 2024 to 1,249 million eligible Shareholders. The proposed cash dividends were paid during the year ended December 31, 2024.

During the year ended December 31, 2024, capital was increased by issuing bonus shares to the Bank's Shareholders by capitalizing part of the statutory reserve by granting one share for every four shares.

5-Year Financial Highlights

	ﷲ million				
	2024	2023	2022	2021	2020
Operations					
Total income ¹	4,294	4,044	3,349	2,808	2,892
Total expense ²	1,735	1,657	1,445	1,270	1,214
Operating profit before provisions	2,559	2,387	1,904	1,538	1,678
Provisions for credit and other losses	290	359	192	271	449
Provisions for Zakat and income tax	313	267	204	206	249
Net income	1,957	1,762	1,508	1,062	980
Financial position					
Total assets	156,667	129,984	109,071	101,619	99,885
Loans and advances, net	99,466	80,751	68,883	57,798	55,074
Investments	40,431	32,301	28,180	28,842	30,514
Investments in associates	1,022	968	923	884	846
Term loans	-	-	-	-	2,006
Customer deposits	94,013	83,233	69,579	61,485	60,144
Shareholders' equity	15,416	14,520	13,575	14,801	13,331
Tier I Sukuk	5,313	2,715	3,215	1,500	2,000
Total equity	20,729	17,235	16,790	16,301	15,331
Key ratios					
Return on average Shareholders' equity (%)	13.07	12.54	10.63	7.55	7.73
Return on average assets (%)	1.37	1.47	1.43	1.05	0.98
Capital adequacy (%)	19.71	20.06	18.22	20.84	21.21
Equity to total assets (%)	13.21	13.23	15.40	16.04	15.35

¹Total income includes total operating income plus share in earnings of associates.

²Total expense includes total operating expenses before impairment charges.





Regulatory Payments

The Bank in the ordinary course of its business, makes regulatory payments including Zakat, income tax, withholding tax, value-added tax (VAT), and other regulatory payments. A summary of the payments made during 2024 follows.

Zakat

The movement of Zakat for the year ended December 31, 2024 and 2023 is summarized as follows:

	2024 ﷲ'000s	2023 ﷲ'000s
Balance at the beginning of the year	283,933	217,917
Provisions for Zakat	313,242	266,727
Payment of Zakat	(265,494)	(200,711)
Balance at the end of the year	331,681	283,933

The Bank has filed the required Zakat returns with the Zakat, Tax, and Customs Authority (ZATCA), which are due on April 30 each year, for the year ended December 31, 2024.

Withholding tax:

ﷲ 51.6
million
as at December 31, 2024

VAT:

ﷲ 148.8
million
as at December 31, 2024

Real estate transactions tax (RETT):

ﷲ 5.7
million
as at December 31, 2024

Other regulatory payments

For the year ended December 31, 2024, Bank paid ﷲ 56.7 million to the General Organization for Social Insurance for its employees, including the employee share of ﷲ 21.1 million during the year ended December 31, 2024. The Bank also paid ﷲ 1.1 million for visa and other related governmental fees during the year ended December 31, 2024.



Cashflows

Cash and cash equivalents

ﷲ 6.14
billion
as at December 31, 2024
(2023: ﷲ 8.47 billion)

Cash flows

	2024 ﷲ'000s	2023 ﷲ'000s
Net cash granted from operating activities	4,523,580	9,720,910
Net cash used in investing activities	(8,322,273)	(3,877,395)
Net cash granted from / (used in) financing activities	1,465,165	(1,528,414)
Net (decrease) / increase in cash and cash equivalents	(2,333,528)	4,315,101





Divisional Performance

The Bank’s new strategy implemented in 2024 has been designed to consider macro-trends and customer behavior analysis, competitor insights, current capabilities, and international best practices. The core objective of its strategy is to accelerate growth in core business segments, while continuing to invest in and expand digital banking interfaces and processes. Additionally, the strategy aims to accelerate profitable growth, elevate Private Banking’s focus on high-value customers, and improve the client experience through coverage, segmentation, and a redesigned operating model.

SAIB is becoming a bank of choice for high net worth and ultra-high net worth clients by introducing new products, revamping the investment portfolio, and redesigning key journeys. The Bank operates on a line-of-business basis with transactions between business segments conducted under standard commercial terms and conditions, along with funds transfer pricing and cost allocation methodologies.

The Bank’s performance in this regard is outlined below for each of SAIB’s 3 major business segments:

- 1. Personal Banking Group
- 2. Corporate Banking Group (including MSMEs)
- 3. Treasury and Investment Group

Personal Banking Group

SAIB’s Personal Banking Group is dedicated to meeting the financial needs of individual clients through a diverse range of products and services. Our comprehensive offerings include deposit options such as current accounts, savings accounts, Murabaha deposits, and time deposits. Additionally, we provide customized financing solutions, including personal loans, home financing, and Real Estate Development Fund (REDF) products.

To accommodate the varying preferences of our clients, we also offer a variety of card products such as credit, travel, shopping, and Mada debit cards. These services are accessible through our extensive branch network across the Kingdom as well as via our advanced digital platforms, including internet banking, mobile banking, ATMs, and ITMs.

Our mission is to deliver seamless, efficient, and secure interactions, ensuring a positive experience for our clients whether they choose to engage with us online or in person.

Corporate Banking and MSME Group

The Corporate Banking Group serves as the foundation of SAIB’s comprehensive offerings for business clients, catering to micro, small and medium enterprises (MSMEs) as well as large corporate organizations.

Operating from regional hubs in Riyadh, Jeddah, and Al-Khobar, the Group provides an extensive range of financial solutions, including working capital management, project financing, real estate financing, and more.

Our Corporate Banking services are available in conventional and Shariah-compliant formats, ensuring we meet the diverse financial needs of our clients.

We are committed to delivering customized financial solutions tailored to the unique requirements of each business. These include trade finance, cash management, and treasury services designed to streamline financial operations and enhance efficiency.

Moreover, we continue to innovate and expand our product portfolio to stay ahead of the evolving market landscape, ensuring our clients receive cutting-edge solutions to support their success.

Treasury and Investment Group

The Treasury and Investment Group at SAIB is integral to maintaining the Bank’s financial stability and fostering growth. This Group oversees asset-liability management, carefully monitoring interest rate, liquidity, and market risks to ensure sound financial operations. It also manages the Bank’s investment portfolio, foreign exchange trading, and derivative products, ensuring responsiveness to dynamic market conditions.

Additionally, the Treasury and Investment Group cultivates and manages relationships with financial institutions, strategic partners, and public organizations. This makes the Group a pivotal force behind the Bank’s long-term strategic direction and success.



2024 Performance



Personal Banking Group

2024 Focus Areas and Highlights

Focused on digital banking expansion, customer segmentation, current and savings account (CASA) growth, branch operating model optimization, and sustainability.

Highlights included:

- Launched Samsung Pay and EasyPay app to enhance the digital banking experience, the Down Payment Subsidy Program in collaboration with the Real Estate Development Fund and specialized centers for home buyers, the strategic B2B initiative to unlock new revenue streams and deepen business partnerships, the Corporate Currency Card portal and mobile app for cross-border transactions, and the Travel Account and app generating over ﷲ 1 billion in deposits and exclusive NRIB service for select customers.
- Interactive voice response (IVR) technology enhanced client surveys, subscription management, and marketing communication, as well as merchant calls to Point of Sales (POS) suppliers.
- Partnered with developers to expand financing options for off-plan property projects.
- Enhanced financial transparency and reduced fraud risk through open banking compliance, using SAMA-mandated RIB aggregation service and Account Finder, enabling customers to view accounts at other banks.

- High-impact National Personal Finance Day campaign set a record with ﷲ 2 billion booked in 2 months.

2024 Challenges

- High cost of funds due to reliance on expensive deposits.
- Managing customer attrition and retaining profitable relationships.
- Competition from other banks offering competitive pricing and digital solutions.

Future Focus Areas

- Launch new, competitive products like real estate offerings.
- Deepen relationships with Private Banking and affluent customers through distinctive value propositions and personalized services.
- Expand digital reach and leverage digital loan journeys

Expected challenges in 2025:

- Addressing market competition and offering competitive rates.
- Mitigating the cost of funds while increasing CASA balances.
- Adapting to evolving customer expectations in a digital-first environment.

2024 Challenges

- Implementing SAIB's new strategy included challenges in allocating resources effectively, managing Stakeholder expectations and communication, mitigating potential risks, and delivering strategic initiatives within the approved timelines.
- Competition for talented employees amid abundant job opportunities when seeking the right skills set, experience, and attitude, to achieve our goals and objectives.
- Maintaining a balance between effective yield/return versus associated risks against fierce competition from other banks to reduce our overall pricing against approved credit facilities.

- Maximizing operational efficiency against growing industry and client demands amid increasing competition in the banking sector as banks seek to maximize efficiency/profitability and reduce costs.

Future Focus Areas

- Effectively implement Corporate Banking's strategic initiatives.
- Prudently grow our assets and liabilities book including income streams.

Expected challenges in 2025:

- Maintaining growth while addressing the market competition, liquidity pressures and expected rate cuts.
- Maximizing operational efficiency against the growing demands of the industry/customers through technological advancements and digital banking solutions.

Credit Facilities Extended to MSMEs in 2024

ﷲ'000s	Micro	Small	Medium	Total
Loans to MSMEs on- balance sheet	6,745	3,645,781	7,254,300	10,906,826
Loans to MSMEs off- balance sheet (notional amount)	300	294,638	1,918,983	2,213,922
On-balance sheet MSME loans as a percentage of total on-balance sheet loans	0.01%	3.64%	7.25%	10.90%
Off-balance sheet MSMEs' position as a percentage of total off-balance sheet position	0.00%	1.57%	10.21%	11.78%
Number of loans (on- and off-balance sheet)	2	201	650	853
Number of customers for loans (with credit facility limit)	3	100	220	323
Number of loans guaranteed by Kafalah Program (on- and off-balance sheet)	-	11	27	38
Amount of loans guaranteed by Kafalah Program (on- and off-balance sheet)	-	25,385	144,803	170,188



Treasury and Investment Group

2024 Focus Areas and Highlights

Focused on maintaining optimal risk-return on investments.

Highlights included:

- Completed Tier I issuance of USD 750 million.
- Efficiency ratio of 3.88%

Full-year achievements:

- Liquidity coverage ratio 164.67%.
- NSFR 108.70%.

2024 Challenges

- Maintaining optimal liquidity management and access to funding.

- Mitigating technological, geopolitical, and macroeconomic risks.

Future Focus Areas

- Continue managing liquidity efficiently
- Reduce cost of funds
- Diversify funding
- Maximize yield
- Achieve budgeted foreign exchange income and structured solution fees

Expected challenges in 2025:

- Interest rate volatility and monetary policy uncertainty.
- Liquidity ratio optimization.
- Geopolitical and market risk exposure.

Manufactured Capital

Operational Review

Manufactured Capital is capital related to physical infrastructure. The Saudi Investment Bank's (SAIB's) primary Manufactured Capital investment was the opening of a Private Banking Branch at its Regional Head Office in Jeddah. This investment improved customer experience and enhanced operational efficiency aligned with SAIB's strategy to elevate the overall role of Private Banking. This Private Banking Branch enabled a better focus on the Bank's high-value customers; improved customer experience (through an operating-model redesign); increased coverage; and improved segmentation. SAIB's ultimate goal in this regard is to become the bank of choice for high net worth (HNW) and ultra-high net worth (UHNW) clients via the introduction of new products, a revamping of the investment portfolio, and a redesign of the customer journey.

In 2024, the Information Technology and Operation Group (ITG) began implementing key initiatives aligned with SAIB's Strategy 2027, focusing on digital and technical advancements. The ITG also completed the development of the Bank's new IT strategy for the 4 years ahead, with emphasis on alignment with business objectives; IT modernization; and IT digital-capabilities enhancements. The Information Technology and Operation Group will also continue to focus on enabling flexible infrastructure and innovative business solutions to meet increasing business demands, increasing capital costs, and compliance with more stringent local and international regulatory requirements. This aligns with the Board of Directors' mandate to support long-term sustainability and effective governance. To date, digital transformation has improved the turnaround time of processing transition, leading to an improved customer-service experience across all segments.

Manufactured Capital sustainability initiatives led to reductions in paper, water, and electricity use throughout the year. In 2024, we allocated ﷲ 2 million to sustainable infrastructure improvements, further enhancing environmental performance. These efforts successfully reduced energy consumption and lowered our carbon footprint. The Bank continued to benefit from the Building Management System across all branches and the solar systems in 10 locations, improving energy efficiency and reinforcing our sustainability commitment.

Investment in facilities management strengthens operational reliability by ensuring optimal climate control in the Head Office data center and providing uninterrupted power supply. These improvements minimize downtime and enhance overall service reliability for customers. Similarly, enhancements in safety and security have significantly improved operational efficiency by reinforcing security measures and ensuring compliance with regulatory standards. The upgraded fire alarm, automatic fire extinguishing, and CCTV systems facilitate quicker response times in emergencies, safeguarding customers and employees. From a customer experience perspective, the implementation of safety standards, such as eye holes in doors, has contributed to a more secure and welcoming environment by enhancing clients' perceptions of safety.

While a feasibility study is underway to assess prime branches with high customer footfall for future upgrades, 5% of locations have undergone major upgrades, including the introduction of Private Banking areas or site remodels. Approximately 50% of SAIB's branches and facilities have received significant security system enhancements, reinforcing commitment to continuous improvement and regulatory compliance.

Key Capital Inputs	Outcomes of Our Activities	How We Achieved These	The Trade-Offs
- Value of properties and equipment: ﷲ 1,185 billion - Upgraded air-conditioning, backup power, and fire alarm systems in Head Office and branches - Installed an automatic fire extinguisher system in ATMs across the Kingdom - Enhanced CCTV across SAIB branches with 26 TCR cameras to strengthen security - Implemented emergency door standards as per SAMA safety requirements (eye-hole or vision window for better visibility and flat door plates without handles)	- Branches: 51 - ATMs: 355 - POS terminals: +12,000	Focused our capital investment on the opening of a new Private Banking Branch at our Regional Head Office, advancing our digital infrastructure in line with the IT strategy, and implementing sustainability-driven operational efficiencies.	By expanding our physical and digital banking infrastructure, we increase our stock of Manufactured Capital while reducing our stock of Financial Capital in the short-term. However, these investments are designed to enhance customer experience, operational efficiency, and digital capabilities, ultimately strengthening our Financial Capital over the long-term. While investments in Manufactured Capital may have an environmental impact, our focus on digital transformation, operational efficiency, and sustainability initiatives - such as reducing paper, water, and electricity consumption - helps mitigate our impact on Natural Capital.

Looking Ahead

Areas for investment in Manufactured Capital over the next 3 years include the expansion of digital infrastructure, the improvement of efficiencies, the

renovation of branches, and the opening of new ones. These investments directly support SAIB's Strategy 2027 of accelerating growth in core business segments while continuously investing in digital capabilities.



Intellectual Capital

The Saudi Investment Bank’s (SAIB’s) Intellectual Capital – formerly referred to as Institutional Capital in reporting documents – is a term for assets or resources that are non-financial or intangible but essential to SAIB’s success. These invisible assets lay the foundation for the Bank’s performance and help to drive long-term value. Intellectual Capital is reflected in SAIB’s strong brand and core values as well as in its corporate ethos and rich heritage. Intellectual Capital also encompasses SAIB’s extensive expertise, experience, and knowledge base – as well as its products and services. Underpinned by SAIB’s ethics and governance, Intellectual Capital also incorporates systems as well as business policies, processes, and procedures that have been established and streamlined over 4 decades of operation for optimum competitor advantage.

2024 Highlights

SAIB’s commitment to digital excellence reached new heights in 2024, delivering exceptional value to customers while earning industry recognition.

Elevating Travel Experiences

In 2024, we launched an innovative travel value proposition for our retail customers, centered around a comprehensive Travel app. This solution features a best-in-market Travel Card and dedicated Travel Account, designed to simplify and enhance our customers’ journeys abroad. Our Travel Card has quickly gained popularity and is now utilized by a significant portion of our customer base.

Award-winning Corporate Solutions

SAIB’s dedication to corporate digital innovation was recognized with the prestigious Customer Experience Award from MIT Sloan Management Review. This accolade specifically honored our Corporate Multi-Currency Card as the best digital product in its category, affirming our position as a leader in corporate banking solutions.

Reimagining Retail Banking

True to our promise of becoming a digital-first bank, we developed and piloted our new Mobile Banking app. Currently available to a select group of users for testing, this app represents a significant leap forward in customer experience. The new RIB platform enables customers to perform most banking activities directly from their devices - from applying for credit cards and personal finance to initiating mortgage applications - reducing the need for branch visits or call center interactions.

Pioneering Open Banking

SAIB received SAMA approval for Open Banking APIs in 2024, a strategic regulatory milestone. This achievement positions us advantageously in the market, enabling us to offer innovative Open Banking-related services that will further enhance customer convenience and expand our digital ecosystem.

2024 Challenges

In 2024, SAIB faced significant digital challenges, with increased fraud attempts and customer impersonation emerging as our biggest concerns. As we strive to make banking safe and efficient for all customers, we have observed that more clients are falling victim to fraudsters due to the rise of advanced technologies and widespread internet usage. This adverse trend has prompted us to dedicate extra attention and effort toward enhancing bank security measures. Our primary focus remains on protecting our customers while ensuring the convenience of our digital services in this evolving threatening landscape.

2025 Focus Areas

- Optimize IT delivery for digital platforms
- Advance AI and data analytics expertise
- Develop open banking systems and API management

Values, Ethics, Governance, and Brand

Regulatory Stakeholders and Requirements

A trustworthy brand that resonates with consumers requires robust governance processes and strong relationships with regulatory Stakeholders. As such, ethical integrity is the cornerstone of our Corporate Policy. The Bank is unwavering in its compliance with the laws, regulations, and guidelines set by our regulators and collaborates closely with key government and legislative bodies: the Saudi Central Bank (SAMA), National Cybersecurity Authority (NCA), Ministry of Housing, Ministry of Health, and The Capital Markets Authority of Saudi Arabia (CMA) among others.

Regulatory Stakeholders have specific requirements. Government and regulatory bodies anticipate:

- Full compliance with legal and regulatory mandates
- Adequate capital and liquidity levels
- Effective Anti-Money Laundering (AML) procedures and Know Your Client (KYC) programs
- Robust Combatting Terrorist Financing policies
- Comprehensive risk and cybercrime management strategies

Related material risks include economic fluctuations and instability; adapting to evolving governance and accountability requirements; and upholding human and labor rights. Material opportunities include:

- Supporting SMEs in line with Vision 2030
- Capitalizing on Vision 2030’s focus on economic diversification
- Leveraging increased local spending power
- Aligning with Islamic banking principles
- Promoting equal opportunity and anti-discrimination practices
- Meeting growing demand for green banking and lending solutions

In response, SAIB is meeting government expectations by complying with e-invoicing requirements as effected on 4 December 2021, and adhering to SAMA requirements as our primary regulator by:

- Maintaining capital adequacy
- Implementing AML procedures
- Conducting KYC programs
- Enforcing Combating Terrorist Financing policies

Engagement for SAIB is consistent and prompt, with precise reporting. As such, we participate in meetings; facilitate on-site visits; correspond via letters and emails; and enhance our seamless interaction with e-government services.

Awards, Accolades, and Acknowledgements

- KSA Customers Choice Trade Finance Bank 2024
- KSA Hall of Fame Trade Finance Bank 2024
- KSA Most Innovative Bank for Trade Finance Products 2024
- Forbes - 30 Most Valuable Banks in the Middle East 2024
- CX Corporate Currency Card presented by MIT Sloan Management Review Middle East
- IPSOS- 4th amongst the top 10 influential brands in the banking and finance sector in Saudi Arabia

Credit Ratings

Good credit ratings are crucial for a bank for various reasons, one of which is to reflect its commitment to upholding high standards of credit and risk management. Another is that of meeting international-disclosure requirements. Ratings are also essential for securing funding as well as for gaining access to capital markets. Throughout the year, SAIB has maintained its schedule of rating reviews with Standard & Poor’s Ratings Services (S&P), Moody’s, and Fitch Ratings.

Credit Rating Agency	Long-term	Short-term	Outlook
Moody’s	A2	P-1	Stable
S&P	BBB	A-2	Positive
Fitch	-A	F2	Stable

Contributors to the Bank’s ratings in this past financial year included its high asset quality, strong financial performance, and the Bank’s robust capitalization levels, all underpinned by a stable strategy and sound liquidity profile. These ratings also confirm SAIB’s position within one of the region’s most robust and well-regulated banking sectors. They also reflect Saudi Arabia’s sovereign credit ratings from Moody’s, Fitch, and S&P, alongside the country’s solid economic fundamentals, compliance with BIS standards, and alignment with G20 principles.

Services, Systems, and Streamlining

Digital Transformation

Intellectual Capital, particularly through digital transformation, has been a core focus area for the Bank - especially in line with SAIB’s objective of becoming a digital-first bank. The Information Technology and Operation Group (ITG) has initiated a 4-year IT strategy with a focus on aligning with business objectives, modernizing IT, and enhancing digital capabilities. This strategy supports flexible infrastructure, innovative solutions, compliance with regulatory requirements, and sustainable governance. Initiatives over the past 12 months cemented the Bank’s commitment to supporting SAIB’s strategic objectives and to ensuring robust, innovative, and secure IT operations.

Noteworthy progress in 2024 included:

- **Products:**
 - The launch of the Mobile app, improving customer experience by reducing the need for branch visits
 - The Samsung Pay launch
- **Services:**
 - The digitization of account-opening for corporate clients
 - Upgrading the Bank’s existing mobile app
 - Making digital inroads following the approval from SAMA for Open Banking APIs
- **Partnerships:**
 - Partnered with SWIFT to enable instant transfer monitoring
 - Formed partnerships with multiple multinational organizations to boost product development time-to-market, improve delivery quality and performance, and provide superior digital experiences

Looking Ahead

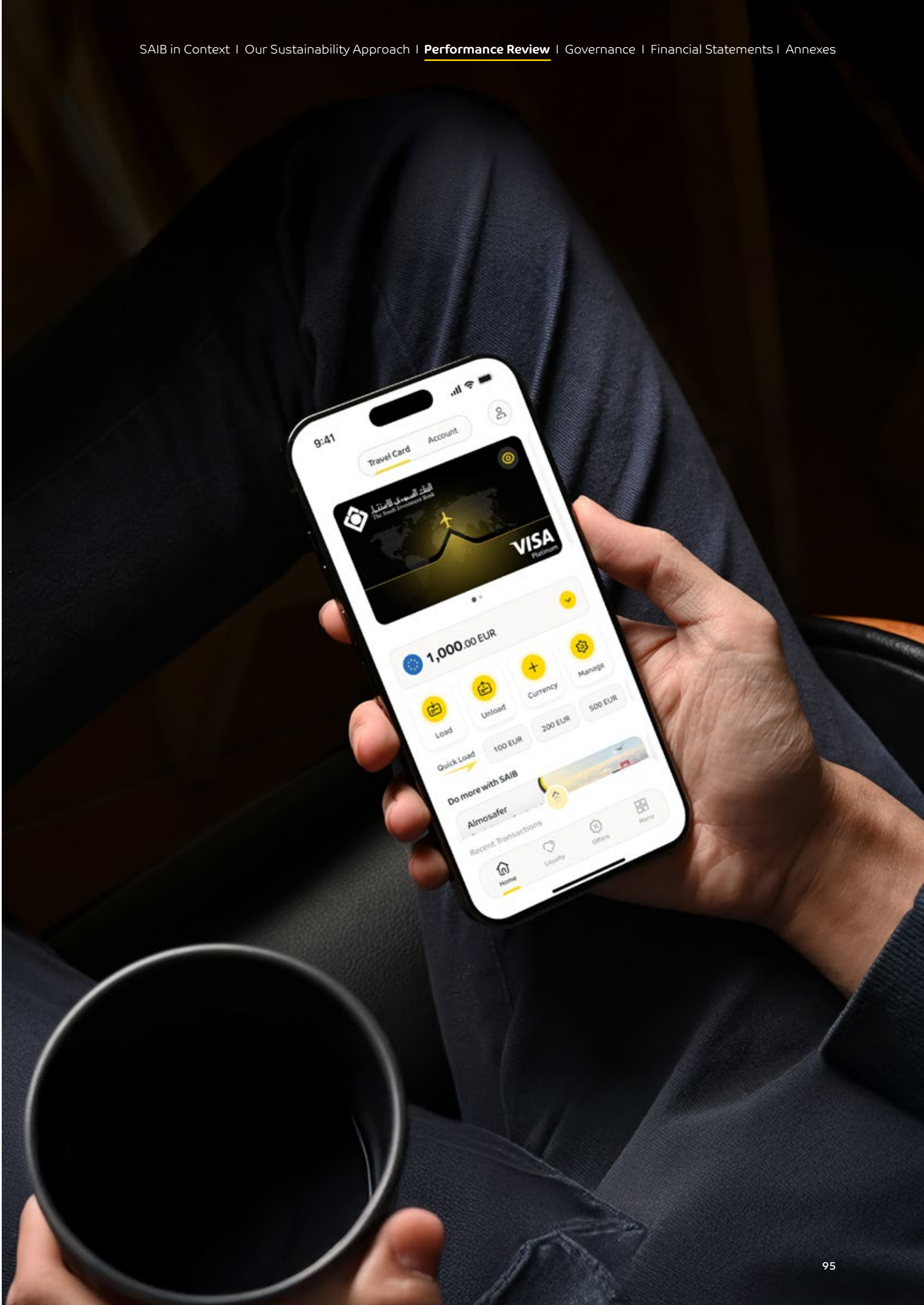
The Bank’s plans going forward include:

- The launch of a new mobile app with improved functionality for payments and transfers
- A revamp of ICAP brokerage app
- Refreshing the online banking experience for retail and corporate customers
- Travel app improvements
- Enhancements to the Mobile app for an improved day-to-day experience
- Onboarding improvements for Private and Platinum customers through a digital account-opening process

As SAIB advances its strategic initiatives and digital transformation efforts, it must navigate complex challenges that will shape its operational and competitive landscape. The increasing sophistication of attempted fraud and customer impersonation requires continuous investment in fraud detection technologies, robust authentication measures, and customer education.

Simultaneously, the Bank must reinforce its defenses against operational and cybersecurity risks to ensure system availability and protect its digital infrastructure. Meeting SAMA’s evolving regulations while maintaining superior customer service requires a careful balance between compliance, efficiency, and innovation.

The recruitment and retention of digital talent remains crucial, requiring SAIB to cultivate a culture of continuous learning and implement competitive retention strategies. Additionally, optimizing internal processes is vital for operational efficiency, ensuring agile workflows and seamless collaboration. Addressing these challenges proactively will be critical in maintaining SAIB’s competitive edge and reinforcing its leadership in the evolving financial services industry.



Human Capital

Our dedicated workforce, focused on innovation and commitment towards delivering seamless client-centric services to achieve outstanding customer experiences, which is the foundation of our continued success. Our capability to deliver segmented, industry-leading products and services enabled the Bank to maintain a competitive advantage in the market. At The Saudi Investment Bank (SAIB), our vibrant and dynamic culture is rooted in core values that shape the actions and principles of every employee.

Our Employees at a Glance

421

Retail employees
(2023: 419)

115

Corporate Banking and
MSME employees
(2023: 108)

22

Treasury and Investment
employees
(2023: 44)

130

Alistithmar Capital
employees
(2023: 128)

216

Outsourced employees
(2023: 218)

Employees in each region	2024	2023
Central	1,042	1,031
Western	127	137
Eastern	87	93

93.39%

Saudi nationals
(2023: 92.08%)

Saudization	Saudi Investment Bank			Alistithmar Capital			Total		
	2024	2023	2022	2024	2023	2022	2024	2023	2022
Saudis (%)	93.39	92.08	91.6	86.72	85.82	82	92.43	88.95	87
Non-Saudis (%)	6.61	7.92	8.4	13.28	14.17	18	7.57	11.04	13

1,256

Permanent (SAIB) employees
(2023: 1,261)

951

Male
(2023: 971)

305

Female
(2023: 290)

24.3%

Female employees
(2023: 23%)

Male-female salary ratio	2024	2023	2022	2021
Senior Management	1:1.04	1:1.04	1:1.07	1:0.69
Middle Management	1:0.96	1:0.75	1:0.95	1:0.24
Non-Management	1:0.92	1:1.14	1:0.92	1:0.39

155

New hires:
100 male (2023: 117)
55 female (2023: 45)

13.73%

Turnover ratio
(2023: 15.22%)

Age groups	2024		2023	
	Male	Female	Male	Female
18-30 years	132	118	165	109
31-40 years	425	141	438	142
41-50 years	308	41	298	35
Over 50 years	86	5	70	4

Grades	2024		2023	
	Male	Female	Male	Female
Senior Management	136	9	136	10
Middle Management	253	63	258	64
Non-Management	562	233	577	216

42,673

Training hours
(2023: 34,372)

Employee Engagement in 2024

In 2024, SAIB continued to motivate employees to achieve the Bank’s business goals. Our futuristic, innovative, and customer-centric banking propositions are built around a competent and committed workforce that provides a competitive advantage for the Bank. This is supported by an agile and dynamic work environment linked to the Bank’s vision, mission, and values, providing a strong foundation for the way we work and conduct business.

2024 Focus Areas and Highlights

Focusing on the HR Transformation Program, SAIB’s Human Capital highlights included:

Organizational restructuring:

- Contributed to streamlining operational workflows, achieving optimal efficiency, faster decision-making, taking into account customer centricity and enhanced collaboration
- Formalized HR Governance unit focused on ensuring all people-related audit, compliance, risk, and governance responsibilities received necessary attention
- Marked significant milestone with the HR business partner model positioning HR as a true enabler of business success

Active participation in market-related remuneration surveys:

- Evaluated and enhanced total rewards positioning to remain competitive and continue offering a compelling and motivating employee value proposition

Specific, measurable, achievable, relevant, and time-bound (SMART) KPIs:

- Provided clear and strategic objectives aligned with the Bank’s goals

Best-in-class critical role identification framework and talent assessment:

- Identified roles and succession plans vital to driving the Bank’s strategic vision

Tailored learning initiatives:

- Addressed competency and identified skills gaps, through a comprehensive learning needs analysis
- Fostered a culture of continuous learning and professional growth
- Expanded the Executive-level learning program launched in partnership with INSEAD Business School in 2023
- Launched the Executive Capability Building Program
- Equipped Corporate Banking Relationship Managers with technical, sales, and relationship management skills in collaboration with Moody’s and Fitch
- Provided leads management skills training for Personal Banking employees
- Enabled achievement of sales and business development goals and aspirations

Digital transformation:

- Digitalized HR-related tasks for employees to complete easily and efficiently on their phones

Automation initiatives:

- Identified automation and process re-engineering opportunities with IT teams to provide improved employee services

Onboarding key new hires:

- Enhanced the onboarding experience to create a welcoming atmosphere with structured orientation enabling new joiners to deliver strategic objectives at pace

Family inclusion, employee well-being, and national culture:

- Celebrated International Children’s Day and International Family Day with employees’ families including access to WalaPlus offers and discounts
- Honored celebrations on Saudi Founding Day, Saudi National Day, the Holy Month of Ramadan, and Eid
- Hosted the annual employee off-site gathering with entertainment
- Recognized our female workforce on International Women’s Day and International Mother’s Day with several events
- Celebrated a men’s day with several special offers for our employees
- Organized summer celebrations with fun activities and local and international refreshments

- Collaborated with the Bank’s medical insurance provider by raising awareness through vitality sessions, and educating employees about physical and mental health, including the importance of a work-life balance
- Arrangements made with the medical insurance provider to extend virtual medical consultations

Future Focus Areas

- Transforming HR by implementing SAIB’s strategic HR Transformation Program
- Optimal organizational structures
- Clarifying job descriptions
- Launching the new grading model
- Enhancing the performance-driven culture
- Providing market-related and performance-driven remuneration
- Developing a robust talent management framework
- Introducing the SAIB Academy: A Center of Knowledge
- Implementing best-in-class HR policies and procedures

Human Resource Strategies

In accordance with the Bank’s mission to foster an exceptional work environment for our employees, SAIB continued in 2024 to invest in its HR agenda. This was achieved by aligning HR strategies with organizational objectives to attract, develop, and retain employees, who are considered the greatest asset of the organization.

A primary HR focus in 2024 was the design and development of HR Transformation Program initiatives that included new strategic priorities, HR policies, and procedures. The Bank’s HR Group undertook the groundwork required to implement comprehensive transformational HR initiatives in 2025.

HR Transformation Program

In 2024, our HR Group made significant progress in the design and development stages of the HR Transformation Program, which aligns with the Bank’s 2027 Strategy.

The HR Transformation Program focuses on several critical pillars that includes:

Pillar 1: Developing a new organizational structure that can drive the Bank’s strategic priorities and end-goals. This initiative included crafting new job descriptions and designing a modern grading model to ensure clarity and alignment across roles, thereby enabling motivating career paths for our employees.

Pillar 2: We began developing a new accelerated Performance Management Framework that will enable the Bank to successfully drive strategic imperatives by cultivating a performance-driven culture. This initiative aims to enhance role clarity and accountability to drive excellence across all job levels.

Pillar 3: The Bank’s robust Talent Management Framework aims to meet current and future talent needs essential to achieve our sustainable business goals and create dynamic succession plans.

Pillar 4: To nurture a motivating and engaging workplace culture, we have designed a new HR Policy and procedures that reflect market best practices, comply with regulatory requirements and, importantly, empower employees to achieve organizational and personal career objectives.

Pillar 5: The design of a new Remuneration Framework aims to ensure the Bank’s total rewards approach is aligned with market positioning and supports our pay-for-performance culture.

Pillar 6: The program also includes the establishment of the dedicated best-in-class SAIB Academy as a significant step in fostering a culture of continuous learning and professional development. This initiative is closely aligned with the Bank’s goal to attract and retain top banking industry talent.

Collectively, these HR Transformation Program pillars underscore our commitment to transforming the Bank’s HR function and supporting its 2027 Strategy and vision for the future. The establishment of the HR Business Partner model enabled HR to strategically engage with the business thereby effectively embedding the overall HR transformational goals and aspirations into the business priorities and translating into practical outcomes in line with the Bank’s strategic objectives. Having a single focal point of contact with HR and the business has created significant synergies and efficiencies.

In addition to achieving the HR Transformation Program design and foundation building milestones, SAIB’s HR Group contributed significantly to the Bank’s overall 2024 performance through several organizational restructuring and business operating model changes. The modifications were designed to establish agile and efficient organizational structures that empower the business to satisfy demands and achieve strategic goals. These changes have facilitated streamlined operational workflows, enhanced efficiencies, and accelerated decision-making with a focus on customer centricity and collaboration.

The HR Group also maintained active participation in market-related remuneration surveys to evaluate and enhance our total rewards positioning. This ongoing effort ensures SAIB remains competitive and continues to offer a compelling and motivating employee value proposition. By closely analyzing market trends and benchmarking our remuneration packages against industry standards, we enhance our remuneration philosophy with actions that ensure our offerings not only attract top talent but also retain and motivate our existing workforce. Our commitment to aligning our total rewards with employee performance and market dynamics underscores our dedication to fostering a rewarding work environment in line with our HR Transformation Program and the Bank’s strategic goals.

Creating a strong performance-driven culture was another pivotal focus area for the Bank in 2024, underscoring our commitment to excellence and accountability. We equipped all employees with SMART KPIs providing clarity on the Bank’s strategic objectives and goals. Additionally, regular performance progress discussions between employees and their Line Managers facilitated continuous feedback and support, fostering an environment of transparency and growth. To reinforce this culture, we conducted comprehensive awareness and training sessions for all employees. These sessions focused on key performance management elements, emphasizing the importance of regular performance discussions, workplace behavior, and ethical standards. By embedding these principles into our daily operations, we are aiming to cultivate a workplace where performance is not just measured but understood and valued. This holistic approach ensures our workforce is not only aligned with SAIB’s strategic objectives but also committed to upholding the highest standards of integrity and professionalism.

Talent Management Framework

Aligned with our strategic focus on sustainable business growth, the Bank made significant strides in talent management by designing a best-in-class value creation role identification framework.

Developed with the expertise of a leading consultancy, this framework was launched in the last quarter of 2024 with a target for completion in early 2025.

This initiative is crucial for identifying roles that are vital to the Bank’s success and ensuring we have the right talent in place to drive our strategic vision forward.

Concurrently, the HR Group embarked on a comprehensive talent assessment exercise using global standard tools to evaluate and identify the Bank’s talent pipeline. This exercise is instrumental in populating succession plans for identified value creation roles and key critical roles within the business. It aims to ensure that SAIB has a robust and dynamic strategy in place.

SAIB is committed to nurturing a talent ecosystem that supports long-term growth and stability, enabling us to adapt to changing market demands and capture new opportunities. To this end, key initiatives lay the foundation for SAIB to develop a resilient and future-ready organization. Our dedication to building strong succession plans reflects our commitment to fostering leadership and ensuring that SAIB remains at the forefront of the banking industry within the Kingdom.

Learning and Development Initiatives

The HR Group continued to design and deliver tailored learning initiatives addressing competency and skills gaps, identified through a comprehensive learning needs analysis exercise. This strategic approach ensures our workforce is equipped to meet current and future business demands effectively.

By aligning our training programs with the Bank’s objectives, we are fostering a culture of continuous learning and professional growth. A key component of our learning strategy is on mandatory and regulatory training. SAIB is committed to ensuring strict compliance with all relevant rules, guidelines, and requirements to uphold the highest standards of integrity and accountability. In addition to regulatory training, we prioritized business acumen learning interventions and soft skills development. These initiatives are crucial to equip our employees with

the skills needed to fulfil their role requirements and enhance overall performance. By focusing on technical and interpersonal skills, we are preparing our workforce to effectively navigate challenges and achieve high-performance expectations. To support individuals moving into managerial roles and empower them to succeed, we have developed transition development programs providing essential foundational knowledge and skills for a smooth transition into leadership.

SAIB demonstrated its commitment to nurturing talent and empowering leaders by continuing the Executive-level program with INSEAD Business School in 2023 and 2024. Furthermore, the Bank launched the Executive Capability Building Program for N-2 level leaders in 2024.

The Bank also introduced a program for Corporate Banking employees in collaboration with Moody’s and Fitch to equip Relationship Managers with best-in-class technical, sales, and relationship management skills. These tailored learning interventions focused on upskilling Relationship Managers to drive strategic Corporate Banking deliverables and superior customer experiences.

Personal Banking employees at branches and in sales channels also received comprehensive training focused on the importance of a needs-based sales approach, along with cross-selling and sales acceleration including leads management skills. This initiative was designed and delivered to enable the achievement of Personal Banking Group sales and business development goals and aspirations.

By investing in our employees’ development, we are building a capable and adaptable leadership pipeline that will drive the Bank’s success in years to come.

Job rotation

SAIB’s job rotation policy enables employees to transition between roles, fostering the development of knowledge, skills, and a comprehensive understanding of the Bank’s operations. This strategy not only enhances employee satisfaction but also mitigates risks for SAIB by ensuring employees are rotated through critical areas.

SAIB Training Statistics	2024	2023	2022	2021
Number of training programs	112	143	185	176
Total number of participants	3,852	3636	2,018	1,252
Training days	6,096	4,910	5,441	2,412
Training hours (based on a 7-hour training day)	42,673	34,372	38,087	15,541
Number of trained employees	1,543	1,337	1,009	626
E-learning modules	1,543	1,462	1,481	1,444

SAIB Training per Grade in 2024	Number of Employees			Number of Person Hours of Training		
	Male	Female	Total	Male	Female	Total
Senior Management	153	10	163	4,896	401	5,297
Middle Management	296	68	364	7,817	2,330	10,147
Non-Management	706	310	1,016	17,118.50	10,110.50	27,229

SAIB Training per Type in 2024	Number of employees			Number of Person Hours of Training		
	Male	Female	Total	Male	Female	Total
Mandatory	1,155	388	1,543	17,725	4,816	22,541
Non-mandatory	441	207	648	12,106.50	8,025.50	20,132
E-learning	1,155	388	1,543	10,833	3,586	14,419

Female employees trained (%)

2024	2023	2022	2021
25	24	25	24

Training hours completed by female employees (%)

2024	2023	2022	2021
30	28	25	24

Training Subjects	
Soft skills	Banking operations
	English skills
	Management and personal skills
	Quality assurance and client service
Technical skills	Health and safety GRI 403-5
	Banking regulations
	Financial and accounting
	Human resources
	Information technology
	Leadership
	Professional certificates
	Risk management
	Treasury and investment
	Marketing and media
	Project management
	Events and conferences
	Shariah-compliant banking

Employee Experience Initiatives

In 2024, the HR and IT teams at SAIB collaborated to develop and launch a mobile phone app for employees. This app aims to digitalize the employee experience, facilitating easy and accurate execution of HR-related tasks.

The HR and IT teams also continued to identify additional automation and process re-engineering opportunities to enhance HR agility and efficiency. Enhancements enable the HR Group to provide efficient and accurate services to our employees.

In addition, the HR talent acquisition team also significantly enhanced the employee onboarding experience to create a welcoming atmosphere. Structured orientation enabled new joiners to immediately contribute to effective delivery of the Bank's strategic objectives.

Sense of community and shared values

To solidify employees' sense of community and shared values, the Bank's HR Group organized various events in 2024:

- The HR Group fulfilled the Bank's commitment to family inclusion and employee well-being by organizing activities at the office for employees' children on International Children's Day
- On International Family Day, the HR Group provided access to WalaPlus offers and discounts for employees and their families
- We honored significant national occasions such as Saudi Founding Day and Saudi National Day
- The annual employee gathering included a full day of entertaining activities at a relaxed venue
- The Bank acknowledged the significant contributions of our female workforce by organizing celebrations, including charitable activities, in honor of International Women's Day and International Mother's Day
- SAIB's summer activities offered employees meaningful opportunities to connect through a range of enjoyable events, including themed gatherings and seasonal treats such as a variety of ice cream flavors, enhancing the overall experience and sense of community

- Our HR Group organized employee gatherings during the Holy Month of Ramadan and Eid
- We conducted educational sessions on physical and mental health for employees and their families in collaboration with SAIB's medical insurance provider, fostering a health-conscious workforce and promoting work-life balance
- On a special day for male employees, reputed clothing and accessories providers visited the Bank's premises and provided exclusive offers

SAIB has implemented employee motivation and retention initiatives, which include a comprehensive benefits package that complements competitive salaries with:

- Life and medical insurance
- Fitness club membership
- Social security contributions
- Loyalty rewards program
- Housing allowance
- Transportation subsidy
- Educational Support Assistance Program

SAIB and Alistithmar Capital spent ₪ 608,422,000 on salaries and benefits in 2024.

Salaries and Benefits (₪'000s)	2024	2023	2022	2021	2020
Fixed compensation	480,677	456,569	457,847	421,679	415,705
Variable compensation	127,745	100,043	83,310	75,612	83,000
Other employee benefits and related expenses	341,683	230,088	289,390	265,703	173,331
Total salaries and employee-related expenses	822,360	786,700	747,237	687,382	672,036
Provision for end of service benefits	37,879	248,907	207,301	193,747	202,444
Provision for security and savings plans	69,532	69,788	75,152	124,051	61,697

In addition, we are committed to helping our employees successfully balance their professional responsibilities and family needs. Expectant mothers who meet eligibility criteria are entitled to up to 10 weeks of paid maternity leave. Moreover, pregnant employees can access up to 180 days of sick leave during their pregnancy, ensuring they have the support they need. In 2024, 76 employees took parental leave (20 female and 56 male) and 76 returned to work (75 were still employed 12 months after their return).

End-of-service benefits for employees are accrued in accordance with Saudi Labor Regulations and SAIB's accounting policies. As of December 31, 2024, SAIB allocated ₪ 19.3 million for these benefits. Additionally, SAIB provides eligible employees with security and savings plans based on mutual contributions. These plans mature on pre-determined dates when the accumulated funds are disbursed to participating employees. In 2024, SAIB allocated approximately ₪ 69.5 million to these plans.

Occupational Health and Safety

Ensuring the well-being of our workforce is a top priority for SAIB. We have established comprehensive measures, including stringent security protocols and safety guidelines, to safeguard our teams. These efforts are further supported by regular branch assessments, extensive safety training programs, and targeted awareness campaigns.

We are pleased to disclose that, during 2024, there were no work-related fatalities, injuries, or health-related absences among our employees.

Grievances

SAIB’s Grievance Policy provides a clear framework for employees to raise concerns about their employment conditions with the Bank’s Management. While direct resolution with Line Managers is encouraged, a formal process is available to ensure equitable and timely resolutions when necessary.

Grievances	2024	2023
Filed during the year	23	28
Filed and resolved during the year	23	9
Filed in the previous year and resolved during the year	-	-

Zero incidents of discrimination or related corrective actions were recorded in 2024 (2023: 0). Similarly, as in 2023, no operations or suppliers were identified as being at risk of child labor or forced labor.

Human Resource Governance

During 2024, the HR Group took a significant step forward by formalizing a dedicated HR Governance unit within its organizational structure. This unit focuses on ensuring that all people-related audit, compliance, risk, and governance responsibilities receive the required attention. By centralizing these critical deliverables, the HR Group strengthened its ability to maintain adherence to control and governance expectations across all HR processes.

The unit is tasked with overseeing the implementation of necessary actions and ensuring compliance with all relevant rules and regulations, thereby minimizing risks. In doing so, the HR Group reinforced its commitment to a robust governance framework that supports the Bank’s strategic objectives and ethical standards.

Furthermore, the HR Group actively partnered with the

The procedure applies exclusively to individual grievances and does not cover dismissals, disciplinary actions, or collective disputes. Should an employee’s concerns remain unresolved during the initial steps, they may escalate the issue in an email to Senior Management at a designated address. A response will be provided within 20 working days.

As part of the HR Policy, this grievance mechanism is designed to foster an environment where employees feel their voices are heard and their concerns are managed effectively.

Bank’s control functions to ensure a cohesive approach to governance. This collaboration is essential to align HR practices with the Bank’s broader compliance and risk management strategies. By working closely with control functions, the HR Group ensures that all HR matters are managed with diligence and in accordance with regulatory requirements.

Through these efforts, the HR Governance unit plays a pivotal role in safeguarding the Bank’s reputation and fostering a culture of integrity and compliance. This initiative underscores the Bank’s commitment to sound governance practices and its dedication to building a secure and sustainable organizational environment.

Case Study

Developing Future Saudi Leaders

The Saudi Investment Bank Graduate Development Program (SGDP)

In 2024, HR Group launched its dedicated Saudi Investment Bank Graduate Development Program (SGDP), a strategic initiative designed to cultivate a

strong pipeline of Saudi talent. Fully aligned with the Bank’s long-term objectives, the program aims to develop future Saudi leaders capable of driving current and future strategic priorities. Through bespoke technology and business learning tracks, international internships, and internal career rotations, the SGDP offers a comprehensive, structured pathway for professional development.

Rigorous selection process

Targeting top-tier Saudi graduates, the SGDP attracted an overwhelming response, with over 28,000 applications received. A rigorous selection process was implemented, including ability tests, psychometric assessments, and structured evaluation frameworks to assess leadership potential and adaptability.

To ensure objectivity and high standards, assessment centers were managed independently by leading consultants, providing a controlled setting to evaluate candidates through exercises and interviews. Ultimately, 30 high-potential Saudi graduates were selected to form the inaugural SGDP batch. This elite group represented the future leaders of the Saudi banking sector, handpicked for their ability to contribute to SAIB’s strategic goals.

Comprehensive development framework

The SGDP is built on a multi-dimensional development model that combines:

- Bespoke technology and business learning tracks**
Participants undergo specialized training that blends technological competencies with core business acumen. This dual focus ensures that graduates are well-equipped to navigate the complexities of the modern financial landscape. By integrating cutting-edge technology training with core business principles, the program equips graduates to lead in an evolving, tech-driven economy.

- International internship assignments**
A key differentiator of the SGDP is the international exposure it offers. Participants gain practical experience in global markets, enhancing their understanding of international best practices and broadening their professional perspectives
- Internal career rotations and fast-track career progression**
To provide a well-rounded understanding of the Bank’s operations, participants undergo internal career rotations, gaining exposure to various departments and functions within SAIB. This experience helps develop a versatile skill set. The program also features a fast-track career progression pathway, enabling high-performing graduates to accelerate their growth within the Bank. This approach fosters motivation and strengthens SAIB’s ability to retain top talent by demonstrating its commitment to their professional development.

The Saudi Investment Bank Graduate Development Program embodies SAIB’s vision to shape the future of Saudi banking by cultivating a new generation of leaders equipped for tomorrow’s challenges. With a rigorous selection process and a forward-looking development pathway, the program empowers participants with the expertise, agility, and global perspective needed to thrive in a rapidly transforming financial landscape. Through the SGDP, SAIB reaffirms its commitment to advancing national talent and driving sustainable growth for the Kingdom’s banking sector.



Social and Relationship Capital

The Saudi Investment Bank’s (SAIB’s) strength lies in its relationships with internal and external Stakeholders while its sustainable growth and long-term business viability depend on maintaining these enduring relationships.

Recognizing our duty to support the Saudi community through a robust sustainability strategy, we encourage the adoption of practices that benefit society and the economy of the Kingdom.

Our commitment to “awn” (helping others), along with consistent product and service innovation, ensures we meet the evolving needs of all Stakeholders and market dynamics. We maintain seamless operational continuity by fostering trust and creating value for all our Stakeholders.

Our Clients at a Glance

938,456

Clients including Personal Banking, Corporate Banking, and MSMEs (2023: 847,045)

Product Portfolio

SAIB offers a wide range of financing solutions for individuals, MSMEs and large corporations. Our products and services are designed to meet diverse financial goals and operational needs.

For details, visit our official website at www.saib.com.sa/en.

Personal Banking Group

SAIB offers a wide range of products and services to meet the diverse needs of individual Retail Banking clients. These include various deposit and financing options and multiple card products such as credit, travel, shopping, household, student, and debit cards.

Clients can access our products and services by visiting branches across the Kingdom or using our digital platforms via the internet and mobile banking, ATMs, ITMs, call centers, and telesales.

In 2024, SAIB’s Personal Banking division concentrated on digital transformation and increasing client deposits and engagement. Significant achievements included the introduction of new digital banking services tailored for affluent and retail customers, accompanied by targeted marketing strategies. These efforts resulted in substantial growth in digital adoption, a 10.8% increase in our client base, and enhancement of current and savings account balances despite prevailing global economic challenges.

Client Programs

SAIB offers 3 client segment programs based on salary, average balance, and deposits. Each segment provides unique benefits.

Our Private Banking program is designed exclusively for high net worth clients, supported by a dedicated team of Relationship Managers. Complementing this, the Silver, Gold, and Platinum programs provide clients with progressively tailored services designed to meet varying financial needs and preferences.

In 2024, we introduced new services and enhancements, including:

- Instant transfer monitoring in partnership with SWIFT
- Collaborations with multinational organizations to accelerate product development, enhance delivery quality, and offer superior digital experiences
- Samsung Pay mobile payment and digital wallet service
- The Travel account (an innovative solution that allows customers to earn Alfursan miles on their deposits) and mobile app – both offering reimagined superior customer experiences
- The mobile app aggregation service as part of mandated open banking compliance
- Ongoing internal system improvements to ensure streamlined customer journeys and improved performance

SAIB achieved a significant milestone by becoming one of the first banks to obtain a certificate of compliance with the Payment Card Industry Data Security Standard (PCI DSS v4.0). This certification underscores SAIB’s unwavering commitment to enhancing client protection and security across all banking channels. By adhering to these stringent standards, SAIB ensures that its clients’ financial data is safeguarded against potential threats, thereby reinforcing trust and confidence in SAIB’s services. This achievement highlights SAIB’s dedication to maintaining the highest levels of security and client satisfaction.

On December 31, 2024 SAIB had 51 branches, 355 ATMs, and more than 12,000 POS terminals across Saudi Arabia.

In Personal Banking, SAIB mainly offers Shariah-compliant products but also has some mainstream products at its conventional banking branches.

Corporate Banking and SME Group

Corporate Banking Solutions

Corporate Banking contributes to achieving SAIB’s overarching strategy through business processes that drive growth, manage risk, and foster client relationships:

- Asset growth and revenue generation typically managing large clients and complex financial products that generate significant assets and revenue streams through fees, interest income, and other charges
- Risk management by assessing the creditworthiness and financial stability of corporate clients to manage and mitigate risk prudently
- Building and maintaining strong corporate client relationships by understanding borrower needs, offering tailored financial solutions, and delivering exceptional service to uphold SAIB’s reputation and long-term success
- Product development meeting the unique needs of clients
- Market expansion through comprehensive banking services for corporate clients including lending, trade, treasury, and cash management products

Corporate Banking is uniquely positioned to take advantage of important and evolving trends that include social and corporate governance, fintech, and mobility under the ambit of Vision 2030. SAIB’s competitive footprint and innovative products and services enable the Bank to deliver responsible, objective advice and provide stellar execution for our clients. To this end, Corporate Banking pursues the following:

- Digital transformation projects that enhance and improve customer experience and reduce costs
- Sustainable finance incorporating ESG considerations into lending and investment decisions
- Supporting private-sector growth, particularly local companies aiming to be regional and international players
- Meeting the needs of SMEs in the Kingdom
- Employing and engaging Saudi nationals (especially women) within the core business setup
- Promoting and enhancing the innovation culture
- Promoting the values of positiveness, flexibility, and disciplined work

In 2024, digital transformation for SMEs and corporate banking in Saudi Arabia increased with a focus on innovative fintech solutions, e-commerce growth, and emphasis on sustainable finance and ESG-related considerations, impacting financing preferences. Regulatory changes also influenced banking practices, emphasizing financial inclusion and risk management. Overall, these trends shaped the dynamic landscape for SMEs and corporate banking in Saudi Arabia, characterized by technological innovation, shifting consumer behavior, sustainability considerations, and evolving regulatory dynamics. Adapting to these trends became essential for banks and businesses alike to remain competitive and resilient in the rapidly changing market environment.

We also continued to explore re-engineering and automation of existing processes, products and services to enhance clients’ satisfaction and to enforce controls that will enable the Bank to mitigate associated risks. As part of this initiative, we initiated corporate onboarding on a digital platform. The design stage was successfully completed, and it is currently in the development phase with plans to go live in the first quarter of 2025.

Additionally, we began addressing other activities such as KYC, CR, and authorized signatory updates as part of the improved client experience. We are enhancing and automating the client experience by allowing clients to request products and services through digital channels rather than physically submitting requests at the branches. In 2024, among other initiatives aiming to automate processes and daily activities, we encouraged clients to use e-trade channel instead of manually processing transactions.

SME Solutions

Corporate Banking is also SAIB’s one-stop solution for all SME clients. We strive to be the best banking partner by offering a broad spectrum of products and services. Our innovative solutions for SME clients across the Kingdom includes anticipating their needs with teams structured by geographic area that combine expertise and local knowledge. Moreover, these teams develop and manage long-term client relationships. With collaboration between the regions, any client entering SAIB can benefit from our expertise through access to the entire Corporate Banking platform and can benefit from our expertise.

In 2024, Corporate Banking supported the SME ecosystem through the following initiatives:

- Sponsorship and participation in the BIBAN exhibition and conference, Entrepreneurship World Cup, London Business School MENA Startup competition, NIDLP’s second version of 1K Mile, Funding Week hosted by Monsha’at, and Financing Awareness Campaign in cooperation with the SME General Authority
- Awareness through SAIB’s social media accounts

Corporate Banking Solutions

- Financing working capital, projects and contracts, and real estate developments
- Employee loans and accounts
- Syndicated loans
- Investment services
- Shariah-compliant financing products
- American Express (Amex) corporate card
- Cash management:
 - Flexx Business digital banking
 - Business-to-Business (B2B) electronic transactions between businesses
 - “Flexx Cash In” Cash Deposit Card
 - Corporate Multi-Currency Card for businesses
 - Payroll Service for salary processing
 - Escrow Accounts to securely manage funds for specific purposes
 - Flexx Pay flexible payment solutions
 - EasyPay Payroll Prepaid Card for employees without traditional bank accounts
 - Cash Pick-Up Service providing secure and convenient cash collection
 - POS to accept electronic payments
 - SAIB Business digital banking platform
- Trade finance solutions:
 - Trade Finance Services managing import and export transactions
 - International Trade Solutions supporting global trade transactions
 - Marine Cargo Insurance protecting businesses against risks associated with transporting goods

SME Solutions

- Financing working capital (short-term), projects and contracts (medium to long term), and activity expansion (long-term)
- Collaborating with the Agricultural Development Fund to offer a range of financing products and credit services aimed at ensuring food security and the protection of natural resources
- The Kafalah Program supporting SME financing by providing loan guarantee to the financing entity
- The Bawabat Altamweel funding portal, in partnership with Monsha’at, enabling SMEs to submit financing requests to providers like SAIB

Treasury and Investment Group

Treasury and Investment supports SAIB’s asset growth by optimizing financial performance through liquidity management that reduces the cost of funds. The key drivers of financial performance are:

- Liquidity management for efficient cash flow and optimizing liquidity buffers
- Risk management to reduce exposure to fluctuations in interest rates affecting borrowing costs, investment yields, and profitability
- Hedging against currency fluctuations to stabilize returns from international investments or operations
- Managing the cost of funds
- Yield maximization

- Active portfolio management continuously monitoring and rebalancing investment portfolios to align with market conditions and corporate goals
- Regulatory compliance with local and international requirements

In 2024, Treasury and Investment noted a significant sell-off in US rates (treasury and swaps) at the end of 2024 and into early 2025 under the new US Government. We were mindful of market volatility as well as opportunities to capture higher yielding investments in primary and secondary bond markets although cautious of the impact of rates volatility and credit spreads. During the year, US rates moved higher from the start but consistently rallied aggressively from April 2024 to September 2024 then sold off on the back of elections and inflation expectations. Net/net, the MTM of the AFS positions on the investment book slightly underperformed due to higher rates but their respective IRS hedges performed well.

Locally, liquidity tightened significantly, driven by the Kingdom’s economic growth as it advances its Vision 2030 goals aiming to diversify the economy and stimulate non-oil sectors. To meet rising liquidity needs, there is growing reliance on offshore borrowing to diversify funding sources and complement domestic resources. International investor interest remains strong, reflecting confidence in the Kingdom’s economic transformation. On the funding side, SAMA’s rate cuts during the second half of 2024 by 100 basis points positively affected the cost of funds.

Liquidity Management	Foreign Exchange	Structured Products
Solutions to enhance liquidity based on clients’ internal structures and business volumes	Customized solutions to manage clients’ foreign exchange exposure	Customized hedging solutions designed to meet clients’ requirements

Branch Network and Access Points

SAIB has 51 branches across the Kingdom and is expanding its digital presence. Digital transformation supports SAIB’s strategic objectives by prioritizing digitalization of account opening for Corporate Banking clients and supporting Retail clients with new services such as apps featuring enhanced payment and transfer functionality.

Our digital banking strategy offers clients convenient access to products and services through internet and mobile banking as well as self-service kiosks, ATMs, CDMs, and ITMs. This approach aims to enhance client convenience and minimize the need for branch visits and manual transactions.

Digital Banking

SAIB continuously invests in fintech initiatives to deliver digital payment services. Our digital banking focus areas achieved the following in 2024:

- We upgraded our mobile app and launched our Travel app, enhancing the digital experience for all Retail and Corporate Banking clients
- We enhanced Corporate Banking solutions and our corporate multi-currency card received the MIT Sloan Management Review Customer Experience Award
- We launched the new Travel value proposition for all our Retail clients (including an account, app, and best-in-the-market card)
- We developed and piloted the new mobile app for our clients to be digital-first
- The Saudi Arabian Monetary Authority (SAMA)-approved open banking application programming interfaces (APIs) enabling SAIB to offer related services

The most significant challenges we encountered during 2024 included increased fraud attempts and client impersonation in our efforts to keep banking safe and efficient for all our clients amid increasingly advanced technologies and widespread internet use.

Looking ahead into the coming year and beyond with the objective of making SAIB the preferred option for clients’ financial needs, our plans include:

- Revamping our ICAP mobile and online propositions
- Enhancing the Travel app with improved visuals and additional functionalities
- Further enhancing the mobile app to improve client support in day-to-day financial decisions such as applying for credit cards and loans
- Making our loyalty program relevant for the target audience
- Transforming our online Retail Banking to be web and tablet responsive with enhanced functionalities
- Launching revamped online Corporate Banking with trade finance and cash management under the same platform

Our future focus areas for 2025 include:

- Fraud and fraud detection
- Implementing SAMA regulations while maintaining user-friendly experiences
- Managing liquidity efficiently
- Reducing funding costs
- Diversifying funding
- Maximizing yields
- Achieving budgeted foreign exchange income
- Structuring solution fees
- Fraud and fraud detection

Access Points	2024	2023	2022	2021	2020
Branches	51	51	51	51	52
ATMs (cash dispense and deposit functionality)	355	379	376	379	312
Interactive teller machines (ITMs)	9	9	9	4	4
Cash deposit machines (CDMs)	9	12	12	12	12
POS terminals	Over 12,000	Over 11,000	Over 9,000	6,662	9,895

Serving Special Needs Customers

As SAIB is committed to inclusivity, we offer tailored services for clients with special needs. We have adapted branches in Riyadh, Dammam, and Jeddah to better serve all our clients with features such as:

- Parking spaces near the entrance for easy access
- Braille branch maps, forms, and contracts
- Employees skilled in sign language to enable communication

Additionally, SAIB’s website includes features for visually impaired users such as screen reader compatibility, adjustable color contrast and font enlargement. These efforts ensure all clients can access our services easily.

Channels	2024	2023	2022	2021	2020
ATM transactions	8,232,952	9,765,173	11,933,203	16,414,738	24,553,171
Online transactions	31,898,000	24,622,005	23,140,108	22,231,524	25,840,157
Branch transactions	2,403,120	2,206,498	2,222,674	4,369,600	7,541,942
POS transactions	156,701,633	159,637,148	157,708,985	150,138,910	113,483,943
IVR transactions	101,268	155,703	148,421	184,400	260,559

Client Service

SAIB uses data-driven insights to deliver outstanding client experiences. Our Quality Assurance and Analytics team monitors market trends through surveys and data analysis to meet and exceed clients’ banking needs and expectations.

Client Experience

Our Bank’s success depends on positive interactions at every client touchpoint. While adapting to a tech-savvy market, SAIB is dedicated to providing efficient, reliable, and convenient services. We strive to enable banking any time, anywhere, and on any device. Positive experience builds client loyalty and promotes word-of-mouth referrals.

Client Satisfaction

We use the Net Promoter Score to measure clients and employees’ satisfaction. This digital process starts at various touchpoints along the client journey with results integrated into dashboards, reports, and KPIs across the organization, enabling continuous performance improvement.

Complaints

Our Client Care Department handles complaints and concerns efficiently and in line with regulatory standards. SAIB’s 99.97% service level adherence score for complaints via SAMA Cares demonstrates our commitment to resolving client issues promptly.

Loyalty Programs

Aseel

In 2024, we remained focused on elevating the quality of our services, placing it above the pursuit of quantity. This commitment was reflected in the onboarding of 16 highly reputable new partners, selected through a rigorous process to ensure alignment with our service standards. To further reinforce this quality-first approach, a comprehensive mystery-shopper exercise was conducted to evaluate the performance of our existing program partners. The findings from this initiative informed the implementation of new partnership agreement measures designed to enhance consistency and excellence across the partner base. As a result, a thorough review of all existing partnerships was carried out, leading to an update in the number of active partners to reflect our renewed focus on service quality.

WooW

The Ramadan – Ehsan x WooW Alkhair campaign harnessed the spirit of the Holy Month to promote generosity and charitable giving, achieving strong results across digital and traditional media. Through platforms like X, Snapchat, TikTok, YouTube, Rotana and Khalijia.

This campaign demonstrates the power of video storytelling to inspire social responsibility and drive meaningful impact. Its success underscores the effectiveness of targeted content in fostering a culture of giving during Ramadan.

Enrolment data	2024	2023	Growth
Total enrolled members to date	641,617	587,943	9.1%
Redemptions by unique clients	72,811	74,028	-1.6%
Enrolled versus Total clients	68.37%	69.41%	-1.5%

Points Details	2024	2023	Growth
Total points awarded to date	5,598,498,497	5,664,293,474	-1.2%
Total points redeemed to date	5,248,767,956	6,024,827,808	-12.9%
Percentage awarded versus redeemed to date	93.75%	106%	-11.9%

Marketing our Brand

SAIB represents a dynamic and progressive brand, providing an extensive array of products and services designed to cater for our clients' different needs. Our marketing strategies are meticulously developed to align specific offerings with target audiences. We interact with clients through multiple channels, increasingly focusing on digital communication platforms to augment our reach and efficiency.

Key Achievements in 2024

In 2024, the Marketing Group delivered a series of high-impact campaigns that elevated SAIB's brand visibility, deepened customer engagement, and drove measurable results across digital and traditional media. From inspiring charitable giving during Ramadan to promoting travel benefits, sports partnerships, and innovative product features, each initiative demonstrated strategic execution and creative excellence. These achievements reflect the team's commitment to data-driven storytelling, audience targeting, and continuous optimization – resulting in record-breaking impressions, video views, website traffic, and customer interactions across platforms:

- **Ramadan 1 Million – successful example of using targeted social media to raise awareness for charitable initiatives**
The Ramadan 1 Million campaign had a tangible impact by targeting a specific audience with a clear, socially resonant message. By showcasing the Bank's distribution of 1 million iftar meals, it appealed to society's sense of responsibility and encouraged engagement with the cause.
- **Home Finance Campaign – results demonstrate effectiveness in attracting a large audience and driving user engagement**
The Home Finance campaign, in February and March 2024, successfully leveraged major social media platforms like X, LinkedIn, Snapchat, and Google Display Ads to drive significant online traffic and conversions.

- **Travel Card – capturing travel-savvy audience and reinforcing SAIB's benefits**
From April 9-14, during the Eid holiday, SAIB launched a targeted campaign offering free car rides to Travel Card holders visiting London, Paris, and Dubai. Promoted across all major social media platforms, the initiative aimed to boost awareness and engagement.
- **SAIB x Formula 1 Jeddah Experience – creating memorable brand experiences and driving meaningful engagement**
Promoted across key social media platforms including X, LinkedIn, and YouTube, the SAIB x Formula 1 Jeddah Experience campaign received excellent feedback from customers who attended the event.
- **Real Madrid Clinic (Football training by Real Madrid coaches to Private Banking customer kids) – captivating audiences and driving meaningful interaction**
Harnessing the global appeal of Real Madrid (among football's most legendary clubs), the campaign forged a powerful connection between SAIB and the values of sportsmanship, teamwork, and excellence. This strategic partnership resonated deeply with football fans worldwide, elevating brand affinity and emotional engagement.
- **Exclusive Access to Real Madrid VIP Box**
As part of our partnership with Real Madrid, we invited SAIB's Private Banking and Corporate Banking customers to enjoy an exclusive match experience at the VIP Box, which offers an outstanding view of the game; in addition, guests got a private stadium tour on match days. Through this initiative, The Saudi Investment Bank reaffirmed its commitment to delivering exceptional rewards and meaningful engagement for its elite customers.

- **Travel App – boosting user engagement and motivating downloads**
The Travel App campaign achieved outstanding digital reach and capturing audience attention with dynamic visuals and messaging
- **Travel Account – high user engagement and website traffic**
The Travel Account campaign captured widespread attention, powered by compelling video content that deeply resonated with viewers.
- **Al-Matar Campaign – collaboration delivered meaningful value to customers and significantly enhanced brand engagement**
In partnership with Al-Matar, this campaign offered exclusive discounts on airfares and hotel bookings for SAIB card holders.
- **Saudi National Day – inspiring national pride and deepening audience connection**
Celebrating Saudi National Day, the campaign sparked widespread digital engagement. A standout feature was the launch of a custom-designed font, inviting users to download and share it.



Enhancing Client Experience through Analytics and Efficiency

Social media analysis

In 2024, SAIB expanded its social media analytics capabilities to gain deeper insights into client preferences, market trends and brand perception. SAIB implemented advanced sentiment analysis tools to monitor and evaluate client feedback across various social platforms. Additionally, SAIB introduced a comprehensive competitor benchmarking system, allowing for real-time comparison of reputation indices with other financial institutions. SAIB also successfully completed a pilot project to assess its client experience metrics against industry standards, providing valuable data for continuous improvement.

Marketing automation

SAIB made significant strides in personalized marketing by fully integrating the SAP marketing module into its operations. This advanced system now delivers tailored email communications to clients based on their individual transaction patterns and preferences. SAIB anticipates that this enhanced level of personalization will significantly boost client satisfaction, engagement, and ultimately drive sales growth.

Protecting clients’ personal information

SAIB is dedicated to safeguarding client information by adhering to stringent data protection protocols that comply with local regulatory requirements, including Saudi Arabia’s Personal Data Protection Law enforced in 2024, and international best practices. As SAIB continues to enhance its digital initiatives, upholding high standards of data security remains a top priority. SAIB’s Zero Trust concept prevents direct access to data and systems without owners’ approval. Additionally, our classification system ensures highly sensitive data is subject to strict access controls and personal identification measures.

SAIB’s dedicated Cybersecurity and Risk Management teams also use advanced technology to protect clients and systems from fraud and cyberattacks.

Throughout 2024, SAIB maintained an impeccable record regarding compliance with marketing communications regulations and voluntary codes. SAIB received no complaints concerning client privacy breaches or data loss from external parties or regulatory bodies. Furthermore, SAIB has no knowledge of any identified leaks, thefts, or losses of client data during the reporting period.

Our Business Partners at a Glance

Correspondent banks are important business partners that facilitate SAIB’s overseas transactions such as issuing letters of credit.

SAIB’s services are supported by various business partners, vendors, and service providers.

Suppliers

SAIB’s procurement expenses are primarily for office supplies, equipment, and software from Saudi suppliers whenever possible. Supplier performance is regularly

evaluated to ensure timely procurement, maintain quality standards, and foster positive relationships. SAIB also fulfils payment obligations promptly.

	2024	2023	2022	2021	2020
International suppliers	168	136	127	91	97
Local suppliers	1,258	511	278	301	262
Spending (international procurement) – ﷲ	149,990,204	117,356,890	99,770,549	97,201,181	82,270,891
Spending (local procurement) – ﷲ	826,694,812	653,762,599	500,119,597	380,533,729	359,999,608
Percentage of local procurement spending	85%	86%	83%	80%	85%

Items such as rent, petty cash, and utilities have been excluded.

Correspondent banks

SAIB has established a comprehensive network of correspondent banking relationships across the Middle East, Africa, Europe, and North America. These strategic alliances are essential to support SAIB’s international transactions and enhance our global presence.

Wholly owned subsidiaries and investments in associates

SAIB wholly owns and operates 3 subsidiaries complementing core operations and enhancing service offerings. Additionally, SAIB has investments in 3 associate companies in Saudi Arabia:

- American Express (Saudi Arabia) (Amex) is a Saudi closed joint stock company with total capital of ﷲ 100 million with principal activities including issuing credit cards and offering other AMEX products and services in Saudi Arabia
- Yanal Finance Company (Yanal) is a Saudi closed joint stock company with total capital of ﷲ 550 million and primary business activities including lease financing services in Saudi Arabia
- Amlak International Finance Company (Amlak) is a Saudi joint stock company with total capital of ﷲ 1,019 million offering Shariah-compliant financing for real estate, MSMEs, and consumers in Saudi Arabia

Investments in Associates (%)	2024	2023
Amex	50	50
Yanal	38	38
Amlak	22.41	22.41

Changes in Investments in Associates (ﷲ’000s)	2024	2023
Balance at the beginning of the financial year	967,945	922,985
Share in earnings	116,279	77,254
Dividends	(56,304)	(32,855)
Share of other comprehensive income	(5,502)	561
Balance at the end of the year	1,022,418	967,945

The Group holds a 50% equity interest in AMEX. In accordance with IFRS 10 (Consolidated Financial Statements), IFRS 11 (Joint Arrangements), and IAS 28 (Investments in Associates and Joint Ventures), management has evaluated the nature of its involvement to determine the existence of control, joint control, or significant influence. Following this

assessment, the Group concluded that it neither controls nor jointly controls AMEX, primarily due to a put option granted to the Bank and a call option held by the counterparty, both of which are not currently exercisable. The Bank has determined that the probable timeframe for the exercise of the potential voting rights falls within six to ten months.

Associates’ financial positions (ﷲ’000s)	2024			2023		
	Amex	Yanal	Amlak	Amex	Yanal	Amlak
Total assets	1,589,247	1,654,714	4,365,058	1,289,906	1,540,649	3,634,156
Total liabilities	1,033,568	679,247	3,149,278	817,853	589,876	2,438,571
Total equity	555,679	975,468	1,215,780	472,053	950,773	1,195,585
Total income	606,473	204,114	434,138	504,368	165,855	294,386
Total expenses	455,130	91,760	363,955	422,902	93,296	261,319

Associates condensed financial data aligned with book value (S'000s)	2024				2023			
	Amex	Yanal	Amlak	Total	Amex	Yanal	Amlak	Total
Net assets	555,679	975,468	1,215,780		472,053	950,773	1,195,585	
Group's share of net assets	277,840	368,161	272,333	918,333	236,027	359,937	267,896	863,860
Goodwill	94,210	9,875	-	104,085	94,210	9,875	-	104,085
Carrying amount of interest	372,050	378,036	272,333	1,022,418	330,237	369,812	267,896	967,945

Affiliations

Global Reporting Initiative Gold Community Membership

SAIB enhanced its sustainability and transparency by joining the Global Reporting Initiative (GRI) Gold Community in 2016. Consequently, SAIB became the first bank in the Kingdom to report in accordance with the GRI Standards.

Our Communities at a Glance

Our success depends on the value we create for our Stakeholders and the wider ecosystem as well as our contribution to a strong economy, a vibrant society, and a protected environment.

SAIB's sustainability programs focus on delivering meaningful social investments aligned with Vision 2030 while addressing global sustainability challenges such as inequality and climate change. The Bank demonstrated its commitment to sustainability and community development through various initiatives, including the 1 Million Ramadan Meals initiative and several awareness campaigns. It also supported innovation, education, and entrepreneurship by

promoting events such as ICSDI 2024, BIBAN 2024, and through partnerships with universities. Additionally, the Bank sponsored cultural and sports events at national level and promoted employee wellness and health through various internal campaigns.

The Bank actively worked to implement its 2027 Strategy and maximize its contribution to the community and Saudi Arabia's Vision 2030 by supporting local companies and SMEs, employing and promoting Saudi nationals, especially women, contributing to the private sector's growth, promoting and enhancing a culture of innovation and discipline, and encouraging flexibility and positivity in business performance.

“Awn” (helping others) and “Hifth” (environmental protection) are 2 essential pillars of SAIB's sustainability framework, highlighting the Bank's commitment to social and environmental responsibility. SAIB acknowledges its obligation to support Saudi Arabian communities, particularly those in need, while simultaneously reducing its environmental footprint and conserving natural resources. Our initiatives are designed to ensure sustained long-term value creation.

	2024	2023
Total volunteers	120	105
Male volunteers	65%	65%
Hours worked	40	32
Volunteers as a percentage of total employees	8%	8.3%
Female volunteers	35%	35%



Natural Capital

“Hifth” (environmental protection) is a key pillar of The Saudi Investment Bank (SAIB) Sustainability Framework, underscoring the Bank’s commitment to environmental responsibility. SAIB recognizes its duty to reduce its ecological footprint and preserve natural resources, ensuring the creation of long-term value. By fostering environmentally responsible practices among Stakeholders, the Bank aims to enhance the overall well-being of the Kingdom of Saudi Arabia. The Bank, acutely aware of the importance of sustainability and consistently seeking innovative, sustainable business opportunities, actively champions eco-friendly initiatives by financing projects in areas such as renewable energy, recycling, water and wastewater treatment, hazardous waste management, and other essential environmental services.

Our Environmental Performance at a Glance

31%

Reduction in CO₂ emissions through a Building Management System implemented in 2015 (2023: 25%)

1,375 tons

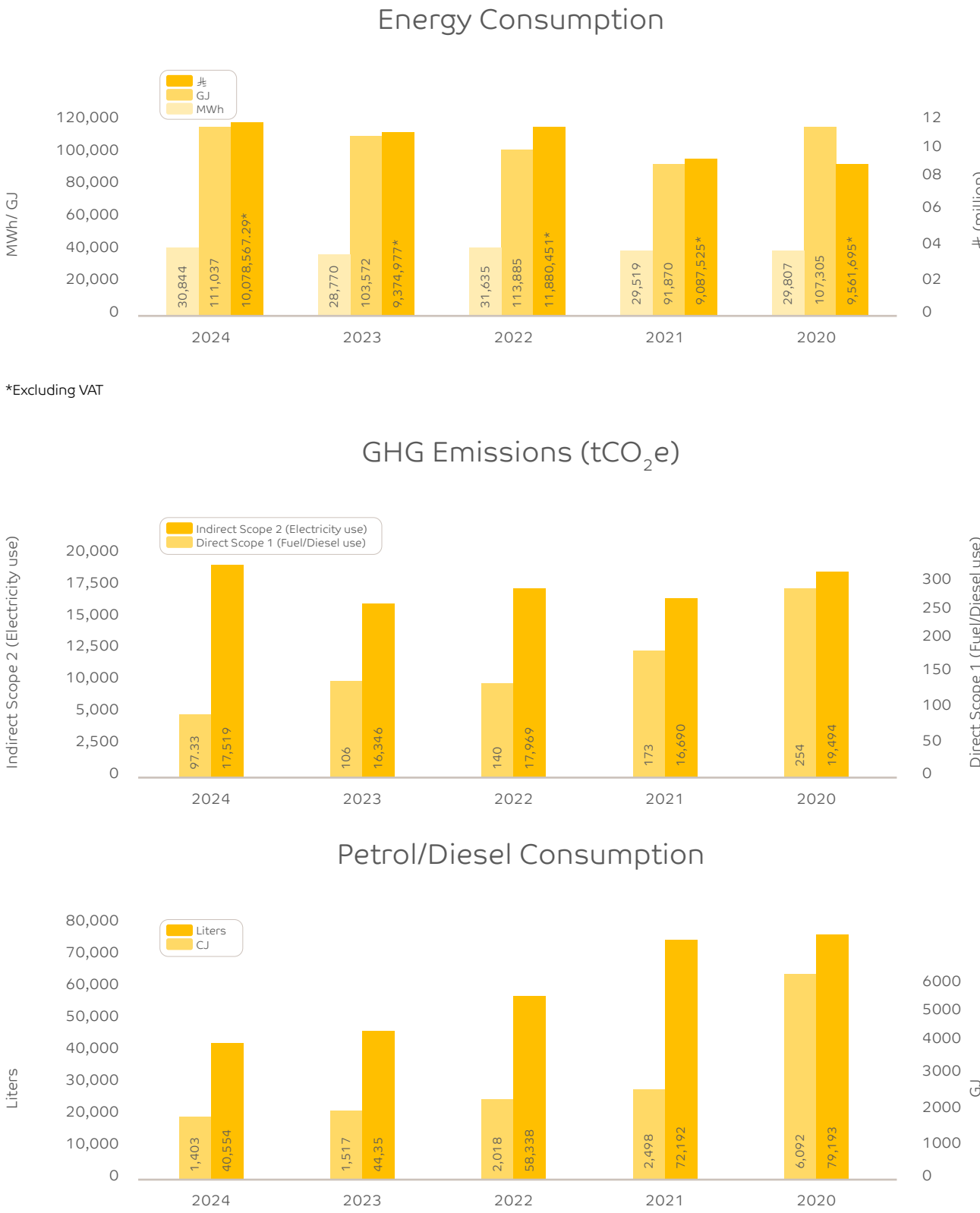
Reduction in CO₂ emissions by installing solar systems in 10 branches

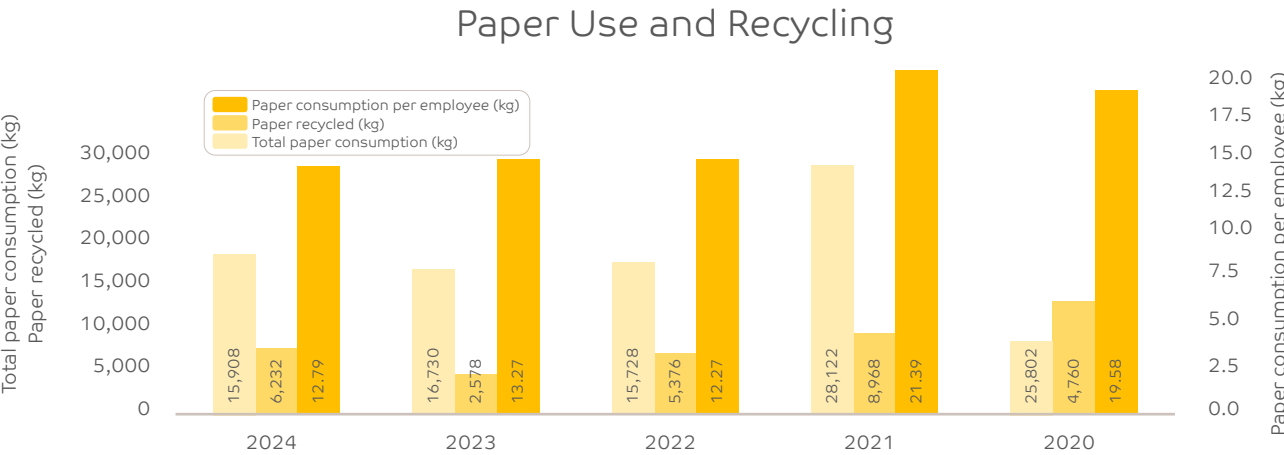
800,984 liters at
﷼ 867,955

Drinking water consumed (2023: 767,995 liters at ﷼ 802,374)

75,230 m³ at
﷼ 448,666

Domestic water use (2023: 79,950 m³ at ﷼ 476,988)





Plastics Recycled (kg)				
2024	2023	2022	2021	2020
2,448	762	2,264	2,512	2,680

Electronics Recycled (kg)				
2024	2023	2022	2021	2020
9,813.5	2,130	-	-	-

Environmental Management

SAIB’s environmental impact arises directly from its operations and indirectly through its value chain. To evaluate and improve its environmental performance, SAIB has implemented the ISO 14000 series of international environmental management system standards.

Environmental Management System

The Bank’s commitment to addressing environmental impacts and reducing adverse effects aligns seamlessly with SAIB’s dedication to Vision 2030.

Environmental objectives are deeply embedded into the Bank’s daily operations, procedures, and processes. SAIB reinforces these objectives by regularly sharing environmental awareness messages with employees.

The Bank’s Environmental Management System encompasses various considerations including impact mitigation, regulatory compliance, financial and operational benefits of eco-friendly alternatives, and effective environmental communication.

Implementation of SAIB’s Environmental Management System is guided by a detailed Procedures Manual that:

- Outlines Stakeholders’ environmental expectations
- Identifies environmental conditions impacting SAIB
- Evaluates the environmental impact of the Bank’s activities
- Addresses environmental risks and opportunities
- Establishes a framework for environmental policies and objectives
- Defines key performance indicators (KPIs) to measure environmental performance

Specifically reducing the impact of energy consumption and emissions, SAIB’s comprehensive Building Management System at all branches in Saudi Arabia has delivered significant reductions every year since its implementation in 2015. It has achieved an average annual reduction of 20% in energy consumption measured against baseline targets of 38,610 MWh in energy consumption (2015) and a projected cost of ﷲ 11,595,870 (2015). This initiative has gained international recognition, including the “Best Building Management System (Bank) Saudi Arabia 2021” from World Business Outlook and International Business Magazine. We remain committed to raising the bar and earning further accolades in the coming years.

Our Building Management System has significantly enhanced the reliability of installed air-conditioning equipment. Customized Building Management System dashboards enable continuous monitoring to detect potential issues early. This proactive strategy has

resulted in a noticeable reduction in the annual number of reported air-conditioner failure incidents compared to previous years.

Air-conditioner Breakdown Incidents at Branches				
2024	2023	2022	2021	2020
132	178	208	216	252

Environmental performance

In 2024, our commitment to environmental stewardship was driven by a vision of smarter, more sustainable energy use; realized through the successful deployment of intelligent monitoring solutions. At the heart of this progress was the work of our Building Management System team, whose detailed tracking of energy use data played a pivotal role in driving sustained improvements. By thoroughly analyzing energy consumption, the team identifies key areas requiring attention, enabling timely and impactful actions.

Management swiftly acts on these insights, implementing a range of eco-friendly initiatives to minimize our environmental footprint. Among these efforts, a solar power system significantly reduced our dependence on traditional energy sources.

Additionally, energy-efficient upgrades, including LED lighting, IT infrastructure, and air-conditioning equipment, contributed to overall energy reduction. Complementing these initiatives are our innovative water conservation systems designed to optimize use and reduce domestic water consumption in our business operations.

These efforts reflect SAIB’s proactive approach to environmental performance management, ensuring compliance with and surpassing regulatory standards while contributing to broader sustainability objectives. Our ongoing commitment to improving environmental practices underscores our resolve to create a sustainable future for all Stakeholders.



2024 Focus Areas and Highlights

- The Bank continued to benefit from the Building Management System implemented across all branches and the solar systems installed in 10 locations, driving energy efficiency and reinforcing our commitment to sustainability.
- Promoting the use of environmentally friendly refrigerants by gradually upgrading the AC systems.

Future Focus Areas

- Since the baseline year, the Bank has achieved notable reductions in energy consumption and carbon emissions, underscoring SAIB's commitment to sustainability. Recognizing the ongoing challenges and increasing expectations, we remain dedicated to continuous improvement and advancing our efforts to deliver greater impact in the years ahead.

Renewable energy initiatives

In 2024, SAIB remained committed to advancing environmental sustainability by expanding its renewable energy initiatives, particularly through solar systems. By investing strategically and supporting solar energy projects, the Bank sought to substantially lower its carbon footprint and actively contribute to Saudi Arabia's ambitious clean energy objectives.

CASE STUDY: Towards sustainable energy

Saudi Arabia made a significant leap towards sustainable energy by committing nearly USD 2.4 billion to the development of 2 major solar photovoltaic (PV) plants. These projects represent a crucial milestone in the Kingdom's ongoing efforts to diversify its energy portfolio and reduce dependence on fossil fuels.

Funding for these solar PV plants was secured through a consortium of prominent financial institutions, demonstrating strong regional support and collaboration in renewable energy initiatives. SAIB's role in this consortium underscores its dedication to advancing large-scale projects that align with national and global sustainability objectives. By participating in the funding of these solar plants, SAIB not only enhances its renewable energy investment portfolio, but also reinforces its commitment to driving sustainable development.

The solar PV plants will significantly enhance Saudi Arabia's renewable energy capacity by delivering clean and sustainable power to meet increasing energy demands. These projects align with Saudi Arabia's Vision 2030, which aims to boost the share of renewables in the national energy mix and reduce carbon emissions.

SAIB's involvement in this landmark initiative also reflects its strategic vision and proactive approach to environmental stewardship. By supporting clean energy projects, SAIB plays a key role in the Kingdom's transition to a more sustainable and resilient energy landscape. This initiative exemplifies SAIB's dedication to integrating ESG principles into its business operations, contributing to a sustainable economy and a healthier planet.





04 Governance

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Corporate Governance

Aligned with world-class banking practices and robust institutional governance and risk frameworks in place for secure banking services, The Saudi Investment Bank (SAIB) upholds the highest standards of governance, ethics, and integrity. Frameworks and related practices are reviewed regularly, while prioritizing Stakeholder interests. Underpinning the Bank's governance framework is the leadership of the SAIB Board and Management – a leadership team that aims to develop competencies and capabilities for agility and excellence in a dynamic, digital, and disruptive environment.

Governance Principles

- Ethics: The Code of Conduct and Ethics Policy uphold organizational values and principles
- Transparency: Information that is accurate is provided on a timely basis to both internal and external parties that engage SAIB
- Control environment: The Board oversees a streamlined internal control system, guiding both actions and practices through clear policies and procedures
- Stakeholder rights: Material Shareholder and peripheral Stakeholder rights are protected in line with SAIB's Stakeholder Management Policy
- Risk management: An independent function identifies, monitors, and mitigates material and emerging risks affecting SAIB, as well as its Stakeholders
- Ongoing excellence: Continued monitoring and evaluation ensure a culture of governance and identifies areas for enhancement
- Conflict mitigation: Duty segregation and controls minimize potential conflicts of interest affecting SAIB or its operations
- Social responsibility: SAIB recognizes its important social role in implementing community programs

Board Committees and their Composition

The ultimate responsibility for SAIB's success, soundness, and solvency lies with the Board. This team is tasked with ensuring the protection of depositor and Shareholder funds. Board duties include challenging, contributing to, approving, and overseeing SAIB's business strategy; overseeing the implementation of risk-management strategies; and monitoring SAIB's performance and risks within established management limits, including those of its subsidiaries. For a detailed insight into SAIB's Board Committees and their composition, please refer to the [Board of Directors Report](#).

Board of Directors

- Assumes ultimate responsibility for the Bank's success, soundness, and solvency
- Key duties for the Board include approval and monitoring of strategy, oversight of risk management, and performance monitoring

Executive Committee (5 Board members)

- Supervision of policies: Oversees the Bank's credit and financial policies
- Strategic oversight: Monitors and ensures the execution of the Bank's business strategy
- Decision-making: Reviews, monitors, and approves key financial and non-financial business, investment, and operational decisions within the Bank's defined authority
- Risk management: Evaluates risks related to the Bank's subsidiaries and their potential impact

Audit Committee (2 Board, 3 non-Board members)

- Financial oversight: Ensures the quality and accuracy of financial accounting and statements
- Statement review: Examines quarterly and annual financial statements and recommends approval to the Board
- Audit supervision: Oversees the effectiveness and independence of Internal and External Auditors
- Compliance monitoring: Reviews compliance processes, anti-money laundering measures, code of conduct, and whistleblowing cases
- Internal controls evaluation: Assesses the effectiveness of the Bank's internal control system, including IT system controls, security, and vulnerabilities
- External Auditor appointment: Recommends the selection of External Auditors

Nomination and Remuneration Committee (4 Board members)

- Board membership recommendations: Recommends new Board appointments in line with approved policies and standards
- Skills assessment: Conducts an annual review of required skills for Board membership
- Board structure review: Evaluates the Board's structure and suggests necessary changes
- Compensation Policy oversight: Recommends the approval and amendments of the Bank's Compensation Policy

- Senior Executive appointments: Approves the appointment and remuneration of Senior Executives
- Succession planning and training: Oversees succession planning and training for Board members, the Chief Executive Officer, and the Chief Executive Officer's direct reports

Governance Committee (3 Board members)

- Governance implementation: Ensures best governance practices are applied across all of the Bank's activities
- Regulatory compliance: Monitors adherence to local and international regulations
- Governance oversight: Supervises and guides the Bank's Governance function
- Policy ownership: Oversees corporate governance policies, processes, and procedures

Risk Committee (4 Board members)

- Risk management oversight: Supervises the Bank's risk management activities, including market, credit, operational, and other risks
- Risk strategy development: Establishes the Bank's risk management strategy

- Risk appetite framework: Defines and maintains the Bank's risk appetite framework
- Risk profile assessment: Periodically evaluates the actual risk profile against approved risk capacity and appetite
- Capital and liquidity assessment: Reviews the Internal Capital Adequacy Assessment Plan (ICAAP) and Internal Liquidity Adequacy Assessment Plan (ILAAP)
- Stress testing review: Analyzes the results of stress tests to assess financial resilience

Shariah Committee (3 members)

- Shariah compliance oversight: Ensures the Bank's adherence to Shariah principles in all relevant activities
- Shariah opinion provision: Reviews and provides Shariah opinions on submitted applications, contracts, and forms
- Shariah control supervision: Monitors reports and activities of the Shariah control function
- Inquiry resolution: Responds to Shariah-related inquiries from the Bank and its customers

Executive Committee	Audit Committee	Nomination and Remuneration Committee	Governance Committee	Risk Committee	Shariah Committee
Mr. Abdulaziz Al-Khamis (Chairman)	Mr. Khaled Al-Rowais (Chairman)	Mr. Mohammed Al-Greenees (Chairman)	Mr. Yaser Al-Jarallah (Chairman)	Mr. Mohammed Bamaga (Chairman)	Dr. Abdulrahman Al-Saadi (Chairman) (non-Board)
Mr. Abdulrahman Al-Rawaf	Mr. Mohammed Bamaga	Mr. Abdulaziz Al-Khamis	Mr. Khaled Al-Rowais	Mr. Mohammed Al-Greenees	Dr. Ibrahim Al-Lahim (non-Board)
Mr. Mohammed Al-Khalil	Mr. Bader Al-Mazroua (non-Board)	Mr. Yaser Al-Jarallah	Mr. Abdullah Al-Zaben	Mr. Khaled Al-Rowais	Mr. Nasser Aldawood (non-Board)
Mr. Abdullah Al-Zaben	Mr. Alma Al-Moter (non-Board)	Mr. Abdulrahman Al-Rawaf		Mr. Yaser Al-Jarallah	Dr. Abdullah Al-Hamdan (non-Board)
Mr. Mohammed Al-Greenees	Mr. Fayez Belal (non-Board)				

Key Partnerships

SAIB has entered into a 1-year partnership agreement with the GCC Board of Directors Institute (GCC BDI) to enhance corporate governance and board effectiveness within the Gulf region. This collaboration underscores SAIB's commitment to upholding the highest standards of governance, ensuring robust oversight, and fostering best practices among

Board members. By supporting the GCC BDI Board Effectiveness Review 2023, the Bank aims to contribute to increased efficiency and transparency of corporate structures, thereby promoting sustainable business practices across the region. This initiative aligns with SAIB's strategic priorities to strengthen governance frameworks and deliver long-term value to Stakeholders.

Risk Management

Risk management is a top priority for The Saudi Investment Bank (SAIB), which prioritizes increasing risk-adjusted returns for Stakeholders. In addition to increased profitability and higher returns, this approach also safeguards our capital resources and liquidity profile, ensuring we are positioned to deliver sustainable returns while supporting the growth aspirations of the wider community.

A comprehensive framework in line with regulatory guidelines and industry best practices ensures proactive management of significant risks. The Bank’s system is robust and rooted in Board-approved policies that cover risk appetite, credit, treasury, stress-testing, operational risks, and cybersecurity. Led by the Chief Risk Officer, the Risk Management Group is made up of specialized departments that oversee:

- Risk analytics
- Market and credit risks
- Operational risks
- Cybersecurity
- Legal affairs

SAIB prioritizes the effective management of critical risks, including:

- Credit risk
- Real estate finance risk
- Market risk
- Liquidity risk
- Operational risk
- Cybersecurity risk
- Anti-fraud, anti-bribery and corruption

The Board Risk Committee, along with multiple Management-level committees, oversees different aspects of risk management to ensure a robust framework. For a detailed insight into SAIB’s risk management strategies, please refer to the Board of Directors Report.

Business-Continuity Management

SAIB remains committed to ensuring operational resilience in line with standards and regulations. We aim to minimize risks by prioritizing Business Continuity Planning (BCP) for the purpose of managing disruptions. In 2024, the Bank’s key activities in this regard included:

- Conducting a Business Impact Analysis
- Updating of processes
- Enhancing continuity sites
- Maintaining the Bank’s ISO 22301 certification
- Strengthening of incident management through multiple simulations and tests, including the implementation of remote work and third-party failure simulations
- Training for employees and critical third parties

Future focus will be on compliance, certification maintenance, enhancing response capabilities, and conducting multiple testing scenarios.

Compliance

The Compliance Group at The Saudi Investment Bank plays a crucial role in ensuring adherence to local and international laws and regulations, thereby maintaining the institution’s integrity and reputation. This responsibility extends from the Board and Executive Management to all Bank employees and is an integral part of daily operations. The Group’s key responsibilities include supporting Senior Management in implementing compliance practices, circulating and monitoring regulatory updates, organizing roles through the Compliance Policy, providing advisory services, conducting training sessions, assessing risks, and implementing controls.

Compliance remains key to the effective management of regulatory risks, as well as:

- Reviewing and implementing standard procedures
- Ensuring effective controls
- Monitoring and reporting compliance levels
- Managing communications with regulatory bodies
- Handling whistleblowing reports
- Managing self-supervision requests.

The Compliance Group plays a vital role in upholding SAIB’s reputation, protecting Stakeholder interests, and ensuring full compliance with all relevant laws and regulations.

Anti-Money Laundering and Counter Terrorism Initiatives

The Anti-Money Laundering (AML) and Counter Terrorist Financing (CTF) Department independently monitors and manages risks associated with illicit financial activities, thereby playing a crucial role in safeguarding the organization itself against financial crimes and ensuring the Bank’s adherence to regional and international regulations. In this regard, it establishes important programs and policies in order to meet the required regulatory standards.

Key responsibilities of the AML and CTF Department encompass:

- Monitoring and reporting suspicious transactions
- Maintaining sanction controls
- Ensuring product compliance
- Handling alerts and resolving complex issues
- Implementing due diligence in high-risk cases
- Responding to official inquiries and providing relevant documentation to regulatory authorities





05 Financial Statements



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(Professional LLC)**
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five hundred thousand Saudi Riyal)**
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Independent Auditors’ Report
To the Shareholders of The Saudi Investment Bank (A Saudi Joint Stock Company)

Opinion

We have audited the consolidated financial statements of The Saudi Investment Bank (the “Bank”) and its subsidiaries (collectively referred to as the “Group”), which comprise the consolidated statement of financial position as at December 31, 2024, and the consolidated statement of income, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including summary of material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2024, and its consolidated financial performance and its consolidated cash flows for the year then ended, in accordance with IFRS Accounting Standards that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements that are endorsed by the Saudi Organization for Chartered and Professional Accountants (“SOCPA”) (collectively referred to as “IFRSs that are endorsed in the Kingdom of Saudi Arabia”).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (“ISAs”) that are endorsed in the Kingdom of Saudi Arabia. Our responsibilities under those standards are further described in the Auditors’ Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) that is endorsed in the Kingdom of Saudi Arabia (the “Code”), that is relevant to our audit of the consolidated financial statements, and we have fulfilled our other ethical responsibilities in accordance with that Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of the most significance in our audit of the consolidated financial statements of the current year. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Independent Auditors’ Report
To the Shareholders of The Saudi Investment Bank (A Saudi Joint Stock Company)
(continued)

Key audit matter	How our audit addressed the key audit matter
<i>Expected credit losses over loans and advances</i> As of December 31, 2024, the gross loans and advances of the Group were Saudi Riyals (SAR) 101,119 million (2023: SAR 82,675 million) against which an allowance for expected credit losses (“ECL”) of SAR 1,652 million (2023: SAR 1,924 million) was maintained. The determination of the allowance for ECL requires management to make significant estimates and apply significant judgements. This has a material impact on the consolidated financial statements of the Group. The key areas of judgment include: 1. Categorisation of loans and advances in Stage 1, 2 and 3 based on the identification of: (a) exposures with a significant increase in credit risk (“SICR”) since their origination; and (b) individually impaired / default exposures. In accordance with the requirements of IFRS 9 Financial Instruments (‘IFRS 9’), the Group measures ECL based on the credit losses expected to arise over the next twelve months (‘12 month ECL’), unless there has been a significant increase in credit risk since origination or default, in which case, the allowance is based on the ECL expected to arise over the life of the loans and advances (‘Lifetime ECL’). The Group has applied additional judgments to identify and estimate the likelihood of borrowers experiencing SICR due to the current economic outlook.	We obtained and updated our understanding of management’s process for the assessment of allowance for ECL against loans and advances as required by IFRS 9, the Group’s allowance for ECL policy and the ECL modelling methodology including any key changes made during the year and identified the key controls in this process. We assessed the key controls to determine if they had been appropriately designed and implemented. We assessed the Group’s allowance for ECL policy and ECL methodology against the requirements of IFRS 9. For a sample of customers, we assessed: • the ECL modelling process, including governance over the models, its validation during the year, including approval of key assumptions and post model adjustments; • the classification of loans and advances into Stages 1,2 and 3, timely identification of SICR and determination of default or individually impaired exposures; • the internal ratings determined by management based on the Group’s internal rating model and considered these assigned ratings in light of external market conditions and available industry information, and also assessed that these were consistent with the ratings used as inputs in the ECL model; • management’s computation of ECL; and • management’s assessment of recoverable cash flows, including the impact of collateral, and other sources of repayment, if any. We assessed the Group’s criteria for determination of SICR and identification of “default” or “individually impaired” exposures and their classification into stages. Furthermore, for a sample of exposures, we assessed the staging classification of the Group’s loan portfolio.



Independent Auditors’ Report
To the Shareholders of The Saudi Investment Bank (A Saudi Joint Stock Company)
(continued)

Key audit matter	How our audit addressed the key audit matter
2. Assumptions used in the ECL model for determining probability of default (“PD”), loss given default (“LGD”) and exposure at default (“EAD”), including but not limited to, assessment of the financial condition of the borrowers, expected future cash flows, developing and incorporating forward looking assumptions, macroeconomic factors and the associated scenarios and expected probability weightages. 3. The need to apply post model overlays using expert credit judgement to reflect all relevant risk factors, that might not have been captured by the ECL model. We considered this as a key audit matter as the application of these judgments and estimates, continues to result in greater estimation uncertainty and associated audit risk around the determination of the allowance for ECL as of December 31, 2024. <i>Refer to the summary of material accounting policies note 3(c)(vii) relating to impairment of financial assets, note 2(d)(i) which contains the disclosure of critical accounting judgments, estimates and assumptions relating to impairment losses on financial assets and the impairment assessment methodology used by the Group, note 7 and note 29 which contains the disclosure of impairment against loans and advances, details of credit quality analysis and key assumptions and factors considered in the determination of ECL.</i>	We assessed the governance process implemented and the qualitative factors considered by the Group when applying any overlays or making any adjustment to the output from the ECL model, due to data or model limitations or otherwise. We assessed the underlying assumptions used by the Group in the ECL model, including forward looking assumptions, keeping in view the uncertainty and volatility in economic scenarios. We tested the completeness and accuracy of data supporting the ECL calculation as at December 31, 2024. Where required, we involved our specialists to assist us in reviewing model calculations, evaluating interrelated inputs and assessing reasonableness of assumptions used in the ECL model, particularly around macroeconomic variables, forecasted macroeconomic scenarios and probability weights and assumptions used in any post model overlays. We assessed the adequacy of related disclosures in the consolidated financial statements against the requirements of IFRSs that are endorsed in the Kingdom of Saudi Arabia.

Independent Auditors’ Report
To the Shareholders of The Saudi Investment Bank (A Saudi Joint Stock Company)
(continued)

Key audit matter	How our audit addressed the key audit matter
<i>Valuation of derivative financial instruments</i> As of December 31, 2024, the positive and negative fair value of derivatives held by the Group, excluding the associated company put option referred to below, amounted to SAR 343 million and SAR 59 million, respectively (2023: SAR 572 million and SAR 25 million, respectively). These derivatives are valued at fair value with any fair value adjustments being presented in profit or loss. The Group has entered into various derivative transactions, including commission rate and cross currency swaps, forward foreign exchange and commodity contracts, commission rate futures and options and currency and commodity options. Swaps, forwards and options derivative contracts are over the counter (OTC) derivatives that are not traded in active markets and hence the valuation of these contracts is subjective as it takes into account a number of assumptions which often involves the exercise of judgement by management and model calibrations, including adjustments to the counterparty's own credit risk. The majority of these derivatives are held for trading. Certain commission rate swaps are categorized as fair value hedges in the consolidated financial statements. An inappropriate valuation of derivatives could have a material impact on the consolidated financial statements and a hedge accounting impact in the case of hedge ineffectiveness. We considered this as a key audit matter as there is complexity and subjectivity involved in determining the valuation in general and, in certain cases, due to the use of complex modelling techniques. <i>Refer to note 3 (f) of the consolidated financial statements for the accounting policy relating to the valuation of derivatives and note 11 which explains the derivative positions and valuation methodology used by the Group.</i>	We obtained an understanding of the process adopted by management to determine the fair value of derivative financial instruments and determined if the key controls in this process had been appropriately designed and implemented. We selected a sample of derivative financial instruments and: - Involved our specialists to assist us in performing an independent valuation of the derivatives sample and compared the result with management's valuation; - Assessed the accuracy of the particulars of derivatives by comparing the terms and conditions with relevant agreements and deal confirmations; - Assessed the key inputs to the derivative valuation models; - Assessed the hedge effectiveness assessment performed by the Group and the appropriateness of related hedge accounting; and - We assessed the adequacy of disclosures in the consolidated financial statements relating to this matter against the requirements of IFRSs that are endorsed in the Kingdom of Saudi Arabia.



Independent Auditors’ Report
To the Shareholders of The Saudi Investment Bank (A Saudi Joint Stock Company)
(continued)

Key audit matter	How our audit addressed the key audit matter
<i>Valuation of associate company put option</i> The Group’s derivatives as of December 31, 2024, includes a put option with a positive fair value of SAR 184 million (2023: SAR 113 million). This put option is embedded within the agreement (“the Agreement”) with the other shareholder in an associate company and gives the Group an option to sell its share in the associate company to the other shareholder based on a strike price determined in accordance with the Agreement. In accordance with the Group’s accounting policy, this put option is segregated from the Agreement and is measured at its fair value. The Group uses an option pricing model to fair value the put option, which requires certain inputs which are not observable in the current market. These inputs include historical results of the associate company and other inputs which require management’s judgment, including estimations about the future results of the associated company, the detrimental effects on the operating results of the associated company which may arise from an exercise of the option, and an estimate of the fair value of the underlying investment. This is considered as a key audit matter as the valuation of this put option, as mentioned above, requires management to apply significant judgments and make significant estimates. <i>Refer to the following notes to the consolidated financial statements: summary of significant accounting policies note 3(f) which explains the accounting policy for derivative financial instruments and hedge accounting, note 2(d)(ii) which explains critical judgments and estimates for fair value measurement, note 11 which explains the put option positions and note 30 which explains the fair values of financial assets and liabilities.</i>	We obtained an understanding of the process adopted by management to determine the fair value of the associate company put option and determined if the key controls in this process had been appropriately designed and implemented. We inspected the Agreement to obtain an understanding of the principal terms of the put option. We considered the put option valuation performed by management and assessed the methodology and key assumptions used by management against the requirements of IFRSs that are endorsed in the Kingdom of Saudi Arabia. We involved our valuation experts to assess the valuation of the associated company put option determined by management. We assessed the adequacy of disclosures in the consolidated financial statements relating to this matter against the requirements of IFRSs that are endorsed in the Kingdom of Saudi Arabia.

Independent Auditors’ Report
To the Shareholders of The Saudi Investment Bank (A Saudi Joint Stock Company)
(continued)

Other Information

Other information consists of the information included in the Group’s 2024 annual report, other than the consolidated financial statements and our auditors’ report thereon. Management is responsible for the other information in its annual report. The Group’s 2024 annual report is expected to be made available to us after the date of this auditors’ report.

Our opinion on the consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above, when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the Group’s annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS accounting standards that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements that are endorsed by the Saudi Organization for Chartered and Professional Accountants, the applicable provision of the Regulations for Companies, the Banking Control Law in the Kingdom of Saudi Arabia and the Bank’s Bylaws, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, i.e. the Board of Directors, are responsible for overseeing the Group’s financial reporting process.

Auditors’ Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors’ report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs, that are endorsed in the Kingdom of Saudi Arabia, will always detect a material misstatement when it exists.



Deloitte.

Independent Auditors' Report

To the Shareholders of The Saudi Investment Bank (A Saudi Joint Stock Company)
(continued)

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements (Continued)

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements. As part of an audit in accordance with ISAs that are endorsed in the Kingdom of Saudi Arabia, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the Group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the Group consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the Group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



Deloitte.

Independent Auditors' Report

To the Shareholders of The Saudi Investment Bank (A Saudi Joint Stock Company)
(continued)

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements (Continued)

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of the most significance in the audit of the consolidated financial statements for the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Based on the information that has been made available to us, nothing has come to our attention that causes us to believe that the Bank was not in compliance, in all material respects, with the applicable provision of the Regulations for Companies, the Banking Control Law in the Kingdom of Saudi Arabia and the Bank's Bylaws in so far as they affect the preparation and presentation of the consolidated financial statements for the year ended December 31, 2024.

Ernst & Young Professional Services

Rashid S. Roshod
Certified Public Accountant
License No. 366



Deloitte and Touche & Co. Chartered Accountants

Waleed bin Moh'd Sobahi
Certified Public Accountant
License No. 378



Sha'ban 5, 1446 H
February 4, 2025

The Saudi Investment Bank

Consolidated Statement of Financial Position

As of December 31, 2024 and 2023

	Notes	2024 ﷲ'000	2023 ﷲ'000
ASSETS			
Cash and balances with Saudi Central Bank	4a	9,918,878	11,018,269
Due from banks and other financial institutions, net	5a,30c	1,314,000	1,473,418
Investments, net	6a	40,431,316	32,301,073
Positive fair values of derivatives, net	11c,30a	526,498	685,436
Loans and advances, net	7a,30c	99,466,490	80,750,770
Investments in associates	8b	1,022,418	967,945
Other real estate	29c	858,830	858,897
Property, equipment, and right of use assets, net	9a,9b	1,245,910	1,185,742
Intangible assets, net	9c	630,573	484,914
Other assets, net	10a	1,251,775	257,709
Total assets		156,666,688	129,984,173
LIABILITIES AND EQUITY			
Liabilities			
Due to banks, Saudi Central Bank and other financial institutions, net	12a,30c	39,900,998	27,288,658
Customers' deposits	13a,30c	94,013,131	83,233,264
Negative fair values of derivatives, net	11c,30a	58,757	25,273
Other liabilities	14a	1,965,188	2,201,925
Total liabilities		135,938,074	112,749,120
Equity			
Share capital	15a	12,500,000	10,000,000
Statutory reserve	16	1,806,500	3,817,000
Other reserves	15b	(967,752)	(1,008,408)
Treasury Shares	36	(34,979)	-
Retained earnings		2,112,345	1,711,461
Shareholders' equity		15,416,114	14,520,053
Tier I Sukuk	35	5,312,500	2,715,000
Total equity		20,728,614	17,235,053
Total liabilities and equity		156,666,688	129,984,173

The accompanying notes 1 to 42 form an integral part of these consolidated financial statements.

Abdallah Salih Jum’ah
Chairman

Faisal Al-Omran
Chief Executive Officer

Ahmed AlMohsen
Chief Financial Officer

The Saudi Investment Bank

Consolidated Statement of Income

For the years ended December 31, 2024 and 2023

	Notes	2024 ﷲ'000	2023 ﷲ'000
Special commission income	19	8,864,079	7,415,176
Special commission expense	19	(5,327,387)	(3,997,959)
Net special commission income		3,536,692	3,417,217
Fee income from banking services	20	757,594	638,867
Fee expense from banking services	20	(414,740)	(336,622)
Net fee income from banking services		342,854	302,245
Exchange income, net		207,580	215,824
Unrealized gain on FVTPL financial instruments, net		89,646	13,875
Realized gain on FVTPL financial instruments, net		-	2,185
Gains on disposals of FVOCI debt securities, net	21	1,215	15,234
Other income		61	3
Total operating income		4,178,048	3,966,583
Salaries and employee-related expenses	22a	822,360	786,700
Rent and premises related expenses		61,119	76,365
Depreciation and amortization	9	176,827	183,459
Other general and administrative expenses	37b	674,195	610,322
Operating expenses before provisions for credit and other losses		1,734,501	1,656,846
Provisions for credit and other losses	37a	289,954	358,657
Total operating expenses		2,024,455	2,015,503
Operating income		2,153,593	1,951,080
Share in earnings of associates	8b	116,279	77,254
Income before provisions for Zakat		2,269,872	2,028,334
Provisions for Zakat	24	313,242	266,727
Net income		1,956,630	1,761,607
Basic and diluted earnings per share (expressed in ﷲ per share)	23a	1.43	1.28

The accompanying notes 1 to 42 form an integral part of these consolidated financial statements.

Abdallah Salih Jum’ah
Chairman

Faisal Al-Omran
Chief Executive Officer

Ahmed AlMohsen
Chief Financial Officer

The Saudi Investment Bank

Consolidated Statement of Comprehensive Income

For the years ended December 31, 2024 and 2023

	Notes	2024	2023
Net income		1,956,630	1,761,607
Other comprehensive income / (loss)			
Items that cannot be reclassified to the consolidated statement of income in subsequent periods:			
Net change in fair value of equity investments held at fair value through other comprehensive income		232,161	115,333
Net amount transferred to retained earnings on disposal of equity investments held at fair value through other comprehensive income		2,843	1,642
Net change in present value of defined benefit obligations due to change in actuarial assumptions		(21,302)	(21,131)
Items that will be reclassified to the consolidated statement of income in subsequent periods:			
Net change in fair value of debt securities held at fair value through other comprehensive income		(162,520)	120,637
Net change in expected credit loss impairment provision		(966)	(630)
Fair value gains transferred to the consolidated statement of income on disposals of FVOCI debt securities, net	21	(1,215)	(15,234)
Share in other comprehensive income of associates	8b	(5,502)	561
Total other comprehensive income		43,499	201,178
Total comprehensive income attributable to equity shareholders		2,000,129	1,962,785

The accompanying notes 1 to 42 form an integral part of these consolidated financial statements

Abdallah Salih Jum'ah

Chairman

Faisal Al-Omran

Chief Executive Officer

Ahmed AlMohsen

Chief Financial Officer

The Saudi Investment Bank

Consolidated Statement of Changes in Equity

For the years ended December 31, 2024 and 2023

2024 (ﷲ'000)										
	Notes	Share capital	Statutory reserve	Other reserves	Retained earnings	Treasury		Shareholders' equity	Tier I Sukuk	Total equity
						Shares				
Balances at the beginning of the year		10,000,000	3,817,000	(1,008,408)	1,711,461	-	-	14,520,053	2,715,000	17,235,053
Net income		-	-	-	1,956,630	-	-	1,956,630	-	1,956,630
Total other comprehensive income		-	-	43,499	-	-	-	43,499	-	43,499
Total comprehensive income		-	-	43,499	1,956,630	-	-	2,000,129	-	2,000,129
Tier I Sukuk costs		-	-	-	(169,558)	-	-	(169,558)	-	(169,558)
Realized gain on disposal of FVOCI equity securities		-	-	(2,843)	2,843	-	-	-	-	-
Increase in share capital through issuance of bonus shares	17	2,500,000	(2,500,000)	-	-	-	-	-	-	-
Dividends paid	17	-	-	-	(899,531)	-	-	(899,531)	-	(899,531)
Treasury shares purchased	36	-	-	-	-	(34,979)	-	(34,979)	-	(34,979)
Repayment of Tier I Sukuk	38	-	-	-	-	-	-	-	(215,000)	(215,000)
Additional Tier I Sukuk issued	35	-	-	-	-	-	-	-	2,812,500	2,812,500
Transfer to statutory reserve	16	-	489,500	-	(489,500)	-	-	-	-	-
Balances at the end of the year		12,500,000	1,806,500	(967,752)	2,112,345	(34,979)	15,416,114	5,312,500	20,728,614	

2023 (ﷲ'000)										
	Notes	Share capital	Statutory reserve	Other reserves	Retained earnings	Proposed dividend	Shareholders' equity	Tier I Sukuk	Total equity	
Balances at the beginning of the year		10,000,000	3,376,000	(1,207,944)	956,640	450,000	13,574,696	3,215,000	16,789,696	
Net income		-	-	-	1,761,607	-	1,761,607	-	1,761,607	
Total other comprehensive income		-	-	201,178	-	-	201,178	-	201,178	
Total comprehensive income		-	-	201,178	1,761,607	-	1,962,785	-	1,962,785	
Dividends paid	17	-	-	-	(400,000)	(450,000)	(850,000)	-	(850,000)	
Tier I Sukuk costs		-	-	-	(167,428)	-	(167,428)	-	(167,428)	
Realized gain on disposal of FVOCI equity securities		-	-	(1,642)	1,642	-	-	-	-	
Repayment of Tier I Sukuk	38	-	-	-	-	-	-	(1,000,000)	(1,000,000)	
Tier I Sukuk issued	35	-	-	-	-	-	-	500,000	500,000	
Transfer to statutory reserve	16	-	441,000	-	(441,000)	-	-	-	-	
Balances at the end of the year		10,000,000	3,817,000	(1,008,408)	1,711,461	-	14,520,053	2,715,000	17,235,053	

The accompanying notes 1 to 42 form an integral part of these consolidated financial statements.

Abdallah Salih Jum'ah

Chairman

Faisal Al-Omran

Chief Executive Officer

Ahmed AlMohsen

Chief Financial Officer

The Saudi Investment Bank

Consolidated Statement of Cash Flows

For the years ended December 31, 2024 and 2023

	Notes	2024 (S`000)	2023 (S`000)
OPERATING ACTIVITIES			
Income before provisions for Zakat		2,269,872	2,028,334
Adjustments to reconcile net income to net cash generated from operating activities			
Net accretion of discounts and amortization of premiums on investments		(67,506)	(46,663)
Net change in deferred loan fee		(86,527)	(51,957)
Gains on sales of property and equipment		(61)	(3)
Gains on disposals of FVOCI debt securities, net	21	(1,215)	(15,234)
Unrealized gain on FVTPL financial instruments, net		(89,646)	(13,875)
Realized gain on FVTPL financial instruments, net		-	(2,185)
Depreciation and amortization	9	176,827	183,459
Lease interest expense	9b	10,378	13,281
Provision of end of service benefit obligation	34a	37,879	34,388
Net effect of commission free deposit from Saudi central Bank		(86,708)	(89,276)
Provisions for credit and other losses	37a	289,954	358,657
Share in earnings of associates	8b	(116,279)	(77,254)
		2,336,968	2,321,672
Net (increase) / decrease in operating assets:			
Statutory deposit with SAMA		(919,058)	(465,593)
Due from banks and other financial institutions maturing after three months from acquisition date		(155,922)	(4,078)
Loans and advances		(18,530,198)	(12,178,477)
Positive fair values of derivatives, net		158,938	(102,454)
Other real estate	29c	-	(406,916)
Other assets		(941,577)	333,337
Net increase / (decrease) in operating liabilities:			
Due to banks and other financial institutions, net		12,612,340	6,485,463
Customers' deposits		10,779,867	13,654,738
Negative fair value of derivatives, net		33,484	(21,772)
Other liabilities		(575,390)	443,054
Interest paid on lease liabilities	9b	(10,378)	(13,281)
		4,789,074	10,045,693
Zakat payments		(265,494)	(324,783)
Net cash generated from operating activities		4,523,580	9,720,910
INVESTING ACTIVITIES			
Proceeds from sales and maturities of investments		1,843,380	2,459,607
Purchase of investments		(9,839,364)	(6,151,430)
Dividends received from associates	8b	56,304	32,855
Purchase of property, equipment		(382,654)	(218,430)
Proceeds from disposal of property, equipment		61	3
Net cash used in investing activities		(8,322,273)	(3,877,395)
FINANCING ACTIVITIES			
Dividend paid	17	(899,531)	(850,000)
Repayment of Tier I Sukuk	38	(215,000)	(1,000,000)
Payment of principal portion of lease liabilities		(28,267)	(10,986)
Additional Tier I Sukuk issued	35	2,812,500	500,000
Treasury shares purchased		(34,979)	-
Tier I Sukuk cost		(169,558)	(167,428)
Net cash generated from / (used in) financing activities		1,465,165	(1,528,414)
Net (decrease) / increase in cash and cash equivalents		(2,333,528)	4,315,101
Cash and cash equivalents at the beginning of the year	4b	8,471,482	4,156,381
Cash and cash equivalents at the end of the year	4b	6,137,954	8,471,482
Supplemental special commission information			
Special commission received		8,570,619	6,893,698
Special commission paid		5,113,782	3,402,882
Other supplemental information			
Right of use assets	9b	148,452	200,943
Lease liabilities	9b	153,294	209,898

The accompanying notes 1 to 42 form an integral part of these consolidated financial statements.

Abdallah Salih Jum’ah
Chairman

Faisal Al-Omran
Chief Executive Officer

Ahmed AlMohsen
Chief Financial Officer

The Saudi Investment Bank

Notes to the consolidated financial statements

For the years ended December 31, 2024 and 2023

1. General

The Saudi Investment Bank (the “Bank”), a Saudi joint stock company, was formed pursuant to Royal Decree No. M/31 dated 25 Jumada II 1396H, corresponding to June 23, 1976 in the Kingdom of Saudi Arabia (“KSA”). The Bank operates under Commercial Registration No. 1010011570 dated 25 Rabie Awwal 1397H, corresponding to March 16, 1977 through its 51 branches (2023: 51 branches) in KSA. The address of the Bank’s Head Office is as follows:

The Saudi Investment Bank
Head Office
P. O. Box 3533
Riyadh 11481, KSA

The Bank offers a full range of commercial and retail banking services. The Bank also offers Shariah compliant (non-interest based) banking products and services, which are approved and supervised by an independent Shariah Board established by the Bank.

These consolidated financial statements include the financial statements of the Bank and the financial statements of the following subsidiaries (collectively referred to as the “Group” in these consolidated financial statements). The details of the Group’s significant subsidiaries are as follows:

Name of subsidiaries	Ownership		Functional Currency	Description
	December 31, 2024	December 31, 2023		
Alistithmar for Financial Securities and Brokerage Company (Alistithmar Capital)	100%	100%	S	A Saudi closed joint stock company, which is registered in KSA under Commercial Registration No. 1010235995 issued on 8 Rajab 1428H (corresponding to July 22, 2007). The principal activities of Alistithmar Capital include dealing in securities as principal and agent, underwriting, management of investment funds and private investment portfolios on behalf of customers, and arrangement, advisory and custody services relating to financial securities.
Saudi Investment Real Estate Company	100%	100%	S	A limited liability company, which is registered in KSA under commercial registration No. 101268297 issued on 29 Jumada Awwal 1430H (corresponding to May 25, 2009). The primary objective of the Company is to hold title deeds as collateral on behalf of the Bank for real estate related lending transactions.
SAIB Markets Limited Company	100%	100%	S	A Cayman Islands limited liability company, registered in the Caymans Islands on July 18, 2017, The objective of the Company is to conduct derivatives and repurchase activities on behalf of the Bank.

2. Basis of preparation

References to the Bank hereafter in these consolidated financial statements refer to disclosures that are relevant only to the Bank and not collectively to the Group.

a) Statement of compliance

These consolidated financial statements as of and for the year ended December 31, 2024 have been prepared

- In accordance with ‘International Financial Reporting Standards’ (IFRS) that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by the Saudi Organization for Chartered and Professional Accountants (SOCPA); as collectively referred to IFRSs that are endorsed in KSA.
- In compliance with the provisions of Banking Control Law, the Regulations for Companies in the Kingdom of Saudi Arabia and by-laws of the Bank.

The Saudi Investment Bank

Notes to the consolidated financial statements

For the years ended December 31, 2024 and 2023

b) Basis of measurement and presentation

The consolidated financial statements are prepared and presented under the historical cost convention except for the measurement at fair value of financial assets held at fair value derivatives, financial assets held at fair value through income statement (FVIS), Fair value through other comprehensive income (FVOCI) - debt instruments and equity instruments and defined benefit obligation. In addition, financial assets or liabilities that are carried at amortized cost but are hedged in a fair value hedging relationship are carried at fair value to the extent of the risk being hedged. The consolidated statement of financial position is broadly in order of liquidity.

c) Functional and presentation currency

These consolidated financial statements are presented in Saudi Arabian Riyals (ﷲ) which is the Group's functional currency. Except as otherwise indicated, financial information presented in ﷲ has been rounded off to the nearest thousand.

d) Critical accounting judgements, estimates and assumptions

The preparation of the consolidated financial statements in conformity with IFRS as endorsed in KSA requires the use of certain critical accounting judgements, estimates and assumptions that affect the reported amounts of assets and liabilities. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. Such judgements, estimates and assumptions are continually evaluated and are based on historical experience and other factors, including obtaining professional advice and expectations of future events that are believed to be reasonable under the circumstances.

Revisions to accounting estimates are recognized in the period in which the estimate is revised, if the revision affects only that period, or in the period of revision and in future periods if the revision affects both current and future periods. Significant areas where management has used estimates, assumptions, or exercised judgements are as follows:

- Classification of financial assets – assessment of the business model within which the assets are held and assessment of whether the contractual terms of the financial asset are solely payments of principal and interest (“SPPI”) on the principal amount outstanding (note 3c);
- Impairment losses on financial assets (note 2di) and non-financial assets (note 2diii);
- Fair value measurement (note 2dii);
- Determination of control over investment funds (note 2div);
- Determination of significant influence over investees, including assessment of potential voting rights (note 2dv);
- Going concern (note 2dvi);
- Lease liabilities – determination of lease terms and estimation of the Incremental Borrowing Rate (“IBR”) (note 2dvii);
- Depreciation and amortization (note 2dviii);
- Provisions for liabilities and charges (note 2dix);
- Employee benefit obligation – key actuarial assumptions (note 2dx);
- Zakat and;
- Classification of Tier I Sukuk (note 2dxi).

The Saudi Investment Bank

Notes to the consolidated financial statements

For the years ended December 31, 2024 and 2023

i) Impairment losses on financial assets

The measurement of impairment losses under IFRS 9 - Financial Instruments across all categories of financial assets requires judgement, and in particular, the estimation of the amount and timing of future cash flows, collateral values when determining impairment losses, and the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, and the changes to these factors can result in different levels of allowances.

The Group's Expected Credit Loss (“ECL”) calculations are outputs of complex models with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies.

Elements of the ECL models that are considered accounting judgements and estimates include:

- The Group's internal credit grading model, which assigns Probability of Defaults (“PDs”) to individual grades;
- The Group's criteria for assessing if there has been a significant increase in credit risk (“SICR”) where allowances for financial assets should be measured on a Lifetime ECL basis and the qualitative assessment;
- The segmentation of financial assets when their ECL is assessed on a collective basis;
- Development of ECL models, including the various formulas and the choice of inputs;
- Determination of associations between macroeconomic scenarios and economic inputs, such as Real Gross Domestic Product (“GDP”), Government expenditure, Interest rates and Real import and collateral values, and the effect on PDs, Exposures at Default (“EADs”) and Loss Given Defaults (“LGDs”); and
- Selection of forward-looking macroeconomic scenarios and their probability weightages, to derive the economic inputs into the ECL models.

ii) Fair value measurement

The Group measures financial instruments, such as derivatives, at fair value at each consolidated statement of financial position date, except as disclosed in note 30c.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. It assumes that transaction take place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible to or by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their best economic interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value, while maximizing the use of relevant observable market inputs and minimizing the use of unobservable inputs.

The Saudi Investment Bank

Notes to the consolidated financial statements

For the years ended December 31, 2024 and 2023

All assets and liabilities for which fair value is measured or disclosed in the consolidated statement of financial position are categorized within a fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1.** Quoted prices in active markets for the same or identical instrument that an entity can access at the measurement date (i.e., without modification or proxy);
- Level 2.** Quoted prices in active markets for similar assets and liabilities or other valuation techniques for which all significant inputs are based on observable market data; and
- Level 3.** Valuation techniques for which any significant input is not based on observable market data.

For assets and liabilities that are recognized in the consolidated statement of financial position on a recurring basis, the Group determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each financial reporting period.

The Group determines the policies and procedures for both recurring fair value measurement, such as unquoted financial assets, and for any non-recurring measurement, such as assets held for distribution in discontinued operations.

External subject matter experts are involved from time to time for the valuation of certain assets. Involvement of external subject matter experts is decided upon annually. Selection criteria include market knowledge, reputation, independence, and whether professional standards are maintained.

At each financial reporting date, the Group analyzes the movements in the values of assets and liabilities which are required to be re-measured or re-assessed as per the Group’s accounting policies. For this analysis, the Group verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents. The Group also compares the changes in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

For the purpose of fair value disclosures, the Group has determined the classes of assets and liabilities on the basis of the nature, characteristics, and the related risks of the asset or liability, and the level of the fair value hierarchy as explained above

iii) Impairment of non-financial assets

The carrying amount of non-financial assets are reviewed at each reporting date or more frequently to determine whether there is any indication of impairment. If any such indication exists, then the asset’s recoverable amount is estimated.

An impairment loss is recognized if the carrying amount of an asset or its cash-generating unit (“CGU”) exceeds its recoverable amount. The recoverable amount of an asset or CGU is the higher of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. The fair value less costs to sell is based on observable market prices or, if no observable market prices exist, estimated prices for similar assets or if no estimated prices for similar assets are available, then based on discounted future cash flow calculations.

Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount.

The Saudi Investment Bank

Notes to the consolidated financial statements

For the years ended December 31, 2024 and 2023

An impairment loss is reversed only to the extent that the asset’s carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

iv) Determination of control over investment funds

The control indicators set out in note 3b are subject to management’s judgement. The Group also acts as Fund Manager to several investment funds. Determining whether the Group controls individual investment funds usually focuses on the assessment of the aggregate economic interests of the Group in an individual fund (comprising any carried interests and expected management fees) and the investors’ rights to remove the Fund Manager. As a result, the Group has concluded that it acts as an agent for the investors in all cases, and therefore has not consolidated the financial statements of these funds.

v) Determination of significant influence over investees

Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies. Management uses judgement when determining whether the Group has significant influence over investees. Management also considers the existence and effect of potential voting rights that are currently exercisable or convertible, including potential voting rights held by other entities.

In assessing whether potential voting rights contribute to significant influence, the Group examines all facts and circumstances (including the terms of exercise of the potential voting rights, the probable time frame to exercise the potential voting rights and any other contractual arrangements whether considered individually or in combination) that affect potential rights, except the intention of management and the financial ability to exercise or convert.

The key judgments applied in determination of significant influence over investees are set out in note 8b.

vi) Going concern

The Group’s management has made an assessment of the Group’s ability to continue as a going concern and is satisfied that the Group has the resources to continue in business for the foreseeable future. Furthermore, management is not aware of any material uncertainties that may cast significant doubt on the Group’s ability to continue as a going concern. Therefore, the consolidated financial statements are prepared on the going concern basis.

vii) Determination of lease terms

In determining the lease terms for the purposes of calculation of lease liabilities and Right of Use (“ROU”) leased assets, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not to exercise a termination option. Extension options (or periods after termination options) are only included in the lease terms if the lease is reasonably certain to be extended or not terminated.

The Group also reassesses whether it is reasonably certain to exercise the options if there is a significant event or significant change in circumstances within its control.

viii) Depreciation and amortization

Management uses judgement when determining the periods used for purposes of calculating depreciation and amortization for property, equipment, ROU leased assets and Information Technology intangible assets. The judgement includes estimates of any residual values, the estimated periods over which future economic benefits will flow to the Group, and the choice of depreciation and amortization methods.

ix) Provisions for liabilities and charges

The Group receives legal claims against it in the normal course of business. Management makes judgments in assigning the risk that might exist in such claims. It also sets appropriate provisions against probable losses. The claims are recorded or disclosed, as appropriate, in the consolidated financial statements based on the best estimate of the amount required to settle the claim.

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x) Employee Benefit obligation

The Group operates an end of service benefit plan for its employees based on the prevailing Saudi Labor laws. The liability for the plan is estimated in accordance with International Accounting Standard (“IAS”) 19 – Employee Benefits as endorsed in KSA, by a qualified actuary using a projected unit credit method.

Accruals are made in accordance with actuarial valuation based on various actuarial assumptions while the benefit payments are discharged as and when the benefit payments are due. The key actuarial assumptions used to estimate the plan liability are disclosed in note 34b.

xi) Classification of Tier I Sukuk

The classification of Tier I Sukuk requires significant judgement as certain clauses of the Offering Circular require interpretation. The Group classifies, as part of equity, the Tier I Sukuk issued with no fixed redemption dates (Perpetual Sukuk) and not obliging the Group for payment of special commission upon the occurrence of a non-payment event or non-payment election, whereby the Group may at its sole discretion (subject to certain terms and conditions) elect not to make any distributions. Such a non-payment event or non-payment election represents that the remedies available to the Sukukholders are limited in number and scope and are very difficult to exercise.

The related initial costs and distributions thereon are recognized directly in the consolidated statement of changes in equity under retained earnings as “Tier I Sukuk costs”.

3. Summary of material accounting policies

The significant accounting policies adopted in the preparation of these consolidated financial statements are set out below.

a) Changes in accounting policies

The accounting policies used in the preparation of these consolidated financial statements are consistent with those used in the preparation of annual consolidated financial statements for the year ended December 31, 2023 except for the below standards, interpretations, and amendments that became applicable for annual reporting periods beginning on or after January 1, 2024:

Standard, interpretation,	Description
Amendment to IFRS 16 – Leases on sale and leaseback	These amendments include requirements for sale and leaseback transactions in IFRS 16 to explain how an entity accounts for a sale and leaseback after the date of the transaction. Sale and leaseback transactions where some or all the lease payments are variable lease payments that do not depend on an index or rate are most likely to be impacted.
Amendments to IAS 7 and IFRS 7 on Supplier finance arrangements	These amendments require disclosures to enhance the transparency of supplier finance arrangements and their effects on a company’s liabilities, cash flows and exposure to liquidity risk. The disclosure requirements are the IASB’s response to investors’ concerns that some companies’ supplier finance arrangements are not sufficiently visible, hindering investors’ analysis.
Amendment to IAS 1 – Non-current liabilities with covenants	These amendments clarify how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability. The amendments also aim to improve information an entity provides related to liabilities subject to these conditions.

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Prospective changes to the International Financial Reporting Framework

The Group has chosen not to early adopt the following new standards and amendments to IFRS Accounting Standards which have been issued but not yet effective for the Group’s accounting year beginning on or after January 1, 2025.

Standard, interpretation, amendments	Description	Effective date
Amendment to IFRS 21 – Lack of exchangeability	IASB amended IAS 21 to add requirements to help in determining whether a currency is exchangeable into another currency, and the spot exchange rate to use when it is not exchangeable. Amendment set out a framework under which the spot exchange rate at the measurement date could be determined using an observable exchange rate without adjustment or another estimation technique.	January 1, 2025
IFRS 18-Presentation and Disclosure in Financial Statements	IFRS 18 provides guidance on items in statement of profit or loss classified into five categories: operating; investing; financing; income taxes and discontinued operations It defines a subset of measures related to an entity’s financial performance as ‘management-defined performance measures’ (‘MPMs’). The totals, subtotals and line items presented in the primary financial statements and items disclosed in the notes need to be described in a way that represents the characteristics of the item. It requires foreign exchange differences to be classified in the same category as the income and expenses from the items that resulted in the foreign exchange differences.	January 1, 2027
IFRS 19 - Subsidiaries without Public Accountability: Disclosures	IFRS 19 allows eligible subsidiaries to apply IFRS Accounting Standards with the reduced disclosure requirements of IFRS 19. A subsidiary may choose to apply the new standard in its consolidated, separate or individual financial statements provided that, at the reporting date it does not have public accountability and its parent produces consolidated financial statements under IFRS Accounting Standards.	January 1, 2027
Amendments to IFRS 10 and IAS 28- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Partial gain or loss recognition for transactions between an investor and its associate or joint venture only apply to the gain or loss resulting from the sale or contribution of assets that do not constitute a business as defined in IFRS 3 Business Combinations and the gain or loss resulting from the sale or contribution to an associate or a joint venture of assets that constitute a business as defined in IFRS 3 is recognized in full.	Effective date deferred indefinitely
Amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures	Under the amendments, certain financial assets including those with ESG-linked features could now meet the SPPI criterion, provided that their cash flows are not significantly different from an identical financial asset without such a feature. The IASB has amended IFRS 9 to clarify when a financial asset or a financial liability is recognized and derecognized and to provide an exception for certain financial liabilities settled using an electronic payment system.	January 1, 2026

The Group has assessed that these amendments have no significant impact on the consolidated financial statements.

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b) Basis of consolidation

These consolidated financial statements are comprised of the financial statements of the Bank and its subsidiaries as identified in note 1. The financial statements of the subsidiaries are prepared for the same reporting period as that of the Bank, using consistent accounting policies. Changes are made to the accounting policies of the subsidiaries when necessary to align with the accounting policies of the Group.

Subsidiaries are investees controlled by the Group. The Group controls an investee when it is exposed, or has rights to, variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. The financial statements of the subsidiaries are included in the consolidated financial statements from the date the Group obtains control of the investee and ceases when the Group loses control of the investee.

Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
- Exposure, or rights, to variable returns from its involvement with the investee; and
- The ability to use its power over the investee to affect amount of its returns.

When the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee;
- Rights arising from other contractual arrangements; and
- The Group's voting rights and potential voting rights granted by equity instruments such as shares.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control summarized above. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control over the subsidiary. Income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of comprehensive income from the date the Group obtains control until the date the Group ceases to control the subsidiary.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- Derecognizes the assets (including goodwill) and liabilities of the subsidiary;
- Derecognizes the carrying amount of any non-controlling interests;
- Derecognizes the cumulative translation differences recorded in equity;
- Recognizes the fair value of the consideration received;
- Recognizes the fair value of any investment retained;
- Recognizes any surplus or deficit in the consolidated statement of income; and
- Reclassifies the parent's share of components previously recognized in Other Comprehensive Income ("OCI") to the consolidated statement of income or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities.

All Intra-group balances and any income and expenses arising from intra-group transactions, are eliminated in preparing these consolidated financial statements.

c) Financial assets and financial liabilities

i) Recognition and Initial measurement

A financial asset or financial liability is measured initially at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue.

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ii) Classification of financial assets

On initial recognition, a financial asset is classified as measured at amortized cost, FVOCI or FVTPL.

Financial Assets at amortized cost

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

- The asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial Assets at FVOCI

Debt Instruments

A debt instrument is measured at FVOCI only if it meets both of the following conditions and is not designated as at FVTPL:

- The asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

FVOCI debt instruments are subsequently measured at fair value with gains and losses arising due to changes in fair value recognized in OCI. Special commission income and foreign exchange gains and losses are recognized in the consolidated statement of income.

Equity Investments

On initial recognition, for an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in fair value in OCI. This election is made on an instrument-by-instrument (i.e. share-by-share) basis.

Financial Assets at FVTPL

All other financial assets are classified as measured at FVTPL.

In addition, on initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Reclassification

Financial assets are not reclassified subsequent to their initial recognition, except in the period after the Group changes its business model for managing financial assets.

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Business model assessment

The Group makes an assessment of the objective of a business model in which an asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- The stated policies and objectives for the portfolio and the operation of those policies in practice. In particular, whether management's strategy focuses on earning contractual special commission revenue, maintaining a particular special commission rate profile, matching the duration of the financial assets to the duration of the liabilities that are funding those assets, or realizing cash flows through the sale of the assets;
- How the performance of the portfolio is evaluated and reported to the Group's management;
- The risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- How managers of the business are compensated - e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- The frequency, volume, and timing of sales in prior periods, the reasons for such sales and the expectations about future sales activity. However, information about sales activity is not considered in isolation, but as part of an overall assessment of how the Group's stated objective for managing the financial assets is achieved and how cash flows are realized.

The business model assessment is also based on reasonably expected scenarios without taking "worst case" or "stress case" scenarios into account. If cash flows after initial recognition are realized in a way that is different from the Group's original expectations, the Group does not change the classification of the remaining financial assets held in that business model, but incorporates such information when assessing newly originated or newly purchased financial assets in the future.

Financial assets that may be held for trading and for which performance is evaluated on a fair value basis are measured at FVTPL because they are neither held to collect contractual cash flows nor held to both collect contractual cash flows and to sell the financial assets.

Assessments whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, "principal" is the fair value of the financial asset on initial recognition. "Special commission" is the consideration for the time value of money, the credit and other basic lending risks associated with the principal amount outstanding during a particular period and other basic lending costs (e.g. liquidity risk and administrative costs), along with a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making the assessment, the Group considers:

- Contingent events that would change the amount and timing of cash flows;
- Leverage features;
- Prepayment and extension terms;
- Terms that limit the Group's claim to cash flows from specified assets (e.g. non-recourse asset arrangements); and
- Features that modify consideration of the time value of money - e.g. periodical reset of special commission rates.

iii) Classification of financial liabilities

The Group classifies its financial liabilities at amortized cost. Amortized cost is calculated by taking into account any discount or premium on issued funds, and costs that are an integral part of the expected special commission rate.

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iv) Derecognition

Financial assets

The Group derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

On derecognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset derecognized) and the sum of (i) the consideration received (including any new asset obtained less any new liability assumed) and (ii) any cumulative gain or loss that had been recognized in OCI is recognized in the consolidated statement of income.

When assets are sold to a third party with a concurrent total rate of return swap on the transferred assets, the transaction is accounted for as a secured financing transaction similar to sale and repurchase transactions, as the Group retains all or substantially all of the risks and rewards of ownership of such assets.

In transactions in which the Group neither retains nor transfers substantially all of the risks and rewards of ownership of a financial asset and it retains control over the asset, the Group continues to recognize the asset to the extent of its continuing involvement, determined by the extent to which it is exposed to changes in the value of the transferred asset.

In certain transactions, the Group may retain the obligation to service a transferred financial asset for a fee. The transferred asset is derecognized if it meets the derecognition criteria. However, an asset or liability is recognized for the servicing contract if the servicing fee is more than adequate (asset) or is less than adequate (liability) for performing the servicing.

The Group may securitize various loans and advances to customers or investment securities, which generally result in the sale of these assets to unconsolidated securitization vehicles and the Bank transferring substantially all of the risks and rewards of ownership. The securitization vehicles in turn issue securities to investors. Interests in the securitized financial assets are generally retained in the form of senior or subordinated tranches, interest-only strips or other residual interests (retained interests). Retained interests are recognized as investment securities and carried at FVOCI. Gains or losses on securitization are recorded in the consolidated statement of income.

Any cumulative gain / loss recognized in OCI in respect of equity investment securities designated at FVOCI is not recognized in the consolidated statement of income on derecognition of such securities. Cumulative gains and losses recognized in OCI in respect of such equity investment securities are transferred to retained earnings on disposal. Any interest in transferred financial assets that qualify for derecognition that is created or retained by the Bank is recognized as a separate asset or liability.

Financial liabilities

The Group derecognizes a financial liability when its contractual obligations are discharged, cancelled, or expire.

v) Modifications of financial assets and financial liabilities

If the terms of a financial asset are modified, the Group evaluates whether the cash flows of the modified asset are substantially different. If the cash flows are substantially different, then the contractual rights to cash flows from the original financial asset are deemed to have expired. In this case, the original financial asset is derecognized and a new financial asset is recognized at fair value.

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In case the modification of asset does not result in de-recognition, the Group will recalculate the gross carrying amount of the asset by discounting the modified contractual cash-flows using Effective Interest Rate (EIR) prior to the modification. Any difference between the recalculated amount and the existing gross carrying amount is recognized in the consolidated statement of income for asset modification.

The Group derecognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different. In this case, a new financial liability based on the modified terms is recognized at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognized in the consolidated statement of income.

vi) Interest rate benchmark reform

If the basis for determining the contractual cash flows of a financial asset or financial liability measured at amortized cost changed as a result of interest rate benchmark reform, then the Group updated the effective interest rate of the financial asset or financial liability to reflect the change that is required by the reform. A change in the basis for determining the contractual cash flows is required by interest rate benchmark reform if the following conditions are met:

- the change is necessary as a direct consequence of the reform; and
- the new basis for determining the contractual cash flows is economically equivalent to the previous basis – i.e. the basis immediately before the change.

When the changes were made to a financial asset or financial liability in addition to changes to the basis for determining the contractual cash flows required by interest rate benchmark reform, the Group first updated the effective interest rate of the financial asset or financial liability to reflect the change that is required by interest rate benchmark reform. After that, the Group applied the policies on accounting for modifications to the additional changes

vii) Impairment

The Group recognizes loss allowances for ECL on the following financial instruments that are not measured at FVTPL:

- financial assets that are measured at amortized cost;
- debt instruments measured at FVOCI;
- financial guarantee contracts issued; and
- loan commitments issued.

No impairment loss is recognized on equity investments.

The Bank measures loss allowances at an amount equal to lifetime ECL, except for the following, for which they are measured equal to a 12-month ECL:

- Debt investment securities that are determined to have low credit risk at the reporting date; and
- Other financial instruments on which credit risk has not increased significantly since their initial recognition.

The Group considers a debt security to have low credit risk when their credit risk rating is equivalent to the globally understood definition of ‘investment grade’.

12-month ECL is the portion of ECL that results from default events on a financial instrument that are possible within the 12 months after the reporting date.

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Measurement of ECL

ECL is a probability-weighted estimate of credit losses. ECL is measured as follows:

- Financial assets that are not credit-impaired at the reporting date: as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive);
- Financial assets that are credit-impaired at the reporting date: as the difference between the gross carrying amount and the present value of estimated future cash flows;
- Undrawn loan commitments: as the present value of the difference between the contractual cash flows that are due to the Bank if the commitment is drawn down and the cash flows that the Bank expects to receive; and
- Financial guarantee contracts: as the expected payments to reimburse the holder less any amounts that the Bank expects to recover.

When discounting future cash flows, the following discount rates are used:

- Lease receivables: the discount rate used in measuring lease receivables;
- Undrawn loan commitments: the effective interest rate, or an approximation thereof, that will be applied to the financial asset resulting from the loan commitment; and
- Financial Guarantee contracts issued: the rate that reflects the current market assessment of the time value of money and the risks that are specific to the cash flows
- Financial assets other than purchased or originated credit-impaired (POCI) : the original effective interest rate or an approximation thereof

Restructured financial assets

If the terms of a financial asset are renegotiated or modified or an existing financial asset is replaced with a new one due to financial difficulties of the borrower, then an assessment is made to determine whether the financial asset should be derecognized and ECL is measured as follows:

- If the expected restructuring will not result in derecognition of the existing asset, then the expected cash flows arising from the modified financial asset are included in calculating the cash shortfalls from the existing asset; and
- If the expected restructuring will result in derecognition of the existing asset, then the expected fair value of the new asset is treated as the final cash flow from the existing financial asset at the time of its derecognition. This amount is included in calculating the cash shortfalls from the existing financial asset that are discounted from the expected date of derecognition to the reporting date using the original effective interest rate of the existing financial asset.

Credit impaired financial assets

At each reporting date, the Group assesses whether financial assets carried at amortized cost and debt securities carried at FVOCI are credit-impaired. A financial asset is ‘credit-impaired’ when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- Significant financial difficulty of the borrower or issuer;
- A breach of contract such as a default or past due event;
- The restructuring of a loan or advance by the Group on terms that the Bank would not consider otherwise;
- It is becoming probable that the borrower will enter bankruptcy or other financial reorganization; or
- The disappearance of an active market for a security because of financial difficulties.

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A loan that has been renegotiated due to deterioration in the borrower's condition is usually considered to be credit-impaired unless there is evidence that the risk of not receiving contractual cash flows has reduced significantly and there are no other indicators of impairment. In addition, a loan that is overdue for 90 days or more is considered impaired.

In making an assessment as to whether an investment in sovereign debt is credit-impaired, the Group considers the following factors:

- The market's assessment of creditworthiness as reflected in the bond yields;
- The rating agencies' assessments of creditworthiness;
- The country's ability to access the capital markets for new debt issuance;
- The probability of debt being restructured, resulting in holders suffering losses through voluntary or mandatory debt forgiveness; and
- The international support mechanisms in place to provide the necessary support as 'lender of last resort' to that country, as well as the intention, reflected in public statements, of governments and agencies to use those mechanisms. This includes an assessment of the depth of those mechanisms and, irrespective of the political intent, whether there is the capacity to fulfil the required criteria.

Presentation of the allowance for ECL in the consolidated statement of financial position

Allowances for credit losses are presented in the consolidated statement of financial position as follows:

- Financial assets measured at amortized cost: as a deduction from the gross carrying amount of the assets;
- Loan commitments and financial guarantee contracts: as an allowance in other liabilities;
- Where a financial instrument includes both a drawn and an undrawn component, and the Group cannot identify the ECL on the loan commitment component separately from those on the drawn component, the Group presents a combined loss allowance for both components. The combined amount is presented as a deduction from the gross carrying amount of the drawn component. Any excess of the loss allowance over the gross amount of the drawn component is presented as an allowance in other liabilities; and
- For debt securities measured at FVOCI, no loss allowance is recognized against financial assets because the carrying amount of these assets is considered fair value. However, the loss allowance is disclosed and is included in OCI.

viii) Collaterals

Collateral valuation

To mitigate its credit risks on financial assets, the Bank seeks to use collateral, where possible. The collateral comes in various forms, such as cash, securities, letters of credit/guarantees, real estate, receivables, inventories, other non-financial assets and credit enhancements such as netting agreements. Collateral, unless repossessed, is not recorded on the Bank's statement of financial position. However, the fair value of collateral affects the calculation of ECLs. It is generally assessed, at a minimum, at inception and re-assessed on a periodic basis. However, some collateral, for example, cash or securities relating to margining requirements, is valued daily.

To the extent possible, the Bank uses active market data for valuing financial assets held as collateral. Other financial assets which do not have readily determinable market values are valued using models. Non-financial collateral, such as real estate, is valued based on data provided by third parties such as mortgage brokers, or based on housing price indices.

Collateral repossessed

The Bank's policy is to determine whether a repossessed asset can be best used for its internal operations or should be sold.

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Assets determined to be useful for the internal operations are transferred to their relevant asset category at the lower of their repossessed value or the carrying value of the original secured asset. Assets for which selling is determined to be a better option are transferred to assets held for sale at their fair value (if financial assets) and fair value less cost to sell for non-financial assets at the repossession date in, line with the Bank's policy.

In its normal course of business, the Bank does not physically repossess properties or other assets in its retail portfolio, but engages external agents to recover funds, generally at auction, to settle outstanding debt. Any surplus funds are returned to the customers/obligors. As a result of this practice, the residential properties under legal repossession processes are not recorded on the balance sheet.

ix) Write-offs

Loans and debt securities are written off (either partially or in full) when there is no realistic prospect of recovery. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due. If the amount to be written off is greater than the accumulated allowance for credit losses, the difference is first treated as an addition to the allowance and then applied against the gross carrying amount. Any subsequent recoveries are credited to provisions for credit losses.

x) Offsetting financial instruments

Financial assets and liabilities are offset and are reported net in the consolidated statement of financial position when there is a legally enforceable right to set off the recognized amounts, when the Group intends to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Income and expenses are not offset in the consolidated statement of income unless required or permitted by any accounting standard or interpretation, and as specifically disclosed in the accounting policies of the Group.

xi) Financial guarantees and loan commitments

'Financial guarantees' are contracts that require the Bank to make specified payments to reimburse the holder for a loss that it incurs because a specified debtor fails to make payment when it is due in accordance with the terms of a debt instrument.

The premium received is recognized in the income statement in Net fees and commission income on a straight-line basis over the life of the guarantee.

'Loan commitments and letter of credits' are firm commitments under which, over the duration of the commitments, the Bank is required to provide credit under pre-specified terms and conditions Similar to financial guarantee contracts, these contracts are in the scope of the ECL requirements.

The nominal contractual value of financial guarantees, letters of credit and loan commitments, where the loan agreed to be provided is on market terms, are not recorded on in the statement of financial position. The nominal values of these instruments together with the corresponding ECL is recorded.

Financial guarantees issued or commitments to provide loan at a below market interest rate are initially measured at fair value. Subsequently, they are measured at the higher of the loss allowance determined in accordance with IFRS 9 and the amount initially recognized less, where appropriate, the cumulative amount of income recognized in accordance with the principle of IFRS 15. Other loan commitments issued are measured at the sum of (i) the loss allowance determined in accordance with IFRS 9 and (ii) the amount of any fees received, less, if the commitment is unlikely to result in a specific lending arrangement, the cumulative amount of income recognized.

- The Bank issued no loan commitment that are measured at FVTPL.
- Liabilities arising from financial guarantees and loan commitments are included within provisions

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d) Investments in associates

Investments in associates are initially recognized at cost and subsequently accounted for under the equity method of accounting. An associate is an entity in which the Bank has significant influence (but not control) over financial and operating matters and which is neither a subsidiary nor a joint venture.

Investments in associates are carried in the consolidated statement of financial position at cost, plus post-acquisition changes in the Group's share of the net assets of the associates, less any impairment in the value of individual investments. Share in earnings of associates includes the changes in the Group's share of the net assets of the associates. The Group's share of its associates post-acquisition income or losses is recognized in the consolidated statement of income and its share of post-acquisition movements in other comprehensive income is recognized in OCI included in shareholders' equity. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the Group's share of losses in an associate equal or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognize further losses, unless it has incurred obligations or made payments on behalf of the associate. Goodwill relating to the associate is included in the carrying amount of the investment and is neither amortized nor individually tested for impairment.

Unrealized gains and losses on transactions between the Bank and its associates are eliminated to the extent of the Group's interest in the associates.

The consolidated statement of income reflects the Group's share of the results of operations of the associates. When there has been a change recognized directly in the equity of the associates, the Group recognizes its share of any changes and discloses this, when applicable, in the consolidated statement of changes in equity. Unrealized gains on transactions are eliminated to the extent of the Group's interest in the investees. Unrealized losses are also eliminated unless the transaction provides evidence of impairment in the asset transferred.

The Group's share of earnings in an associate is shown on the face of the consolidated statement of income, which represents the net earnings attributable to equity holders of an associate i.e. income after Zakat and Income tax and non-controlling interests.

The financial statements of the associate are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognize an impairment loss on an investment in an associate. The Group determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognizes the impairment loss in the consolidated statement of income.

When the ownership interest in an associate is reduced but significant influence is retained, the difference between the carrying amount of associate and the consideration received is recognized in the consolidated statement of income. Proportionate share of the amounts previously recognized in OCI are reclassified to consolidated statement of income, where appropriate upon reduction of ownership interest in an associate.

e) Settlement date accounting

All regular-way purchases and sales of financial assets are recognized and derecognized on the settlement date, i.e. the date the asset is delivered to the counterparty. When settlement date accounting is applied, the Bank accounts for any change in the fair value between the trade date and the settlement date in the same way as it accounts for the acquired asset. Regular-way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the market place.

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f) Derivative financial instruments and hedge accounting

As permitted by IFRS 9 – Financial Instruments, the Group has elected to continue to apply the hedge accounting requirements of IAS 39 – Financial Instruments: Recognition and Measurement.

Derivative financial instruments, including foreign exchange contracts, commission rate futures, forward rate agreements, currency and commission rate swaps, and currency and commission rate options (both written and purchased) are initially recognized at fair value on the date on which the derivatives contract is entered into and are subsequently re-measured at fair value in the consolidated statement of financial position with the transaction costs recognized in the consolidated statement of income. All derivatives are carried at their fair value as assets where the net fair value is positive and as liabilities where the net fair value is negative. Fair values are obtained by reference to quoted market prices, discounted cash flow methods, and pricing models, as appropriate.

The treatment of changes in their fair value depends on their classification into the following categories:

i) Derivatives held for trading

Any changes in the fair value of derivatives that are held for trading purposes are taken directly to the consolidated statement of income and disclosed in trading income. Derivatives held for trading also include those derivatives which do not qualify for hedge accounting.

ii) Embedded derivatives

Derivatives may be embedded in another contractual arrangement (a host contract). The Group accounts for an embedded derivative separately from the host contract when:

- The host contract is not an asset in the scope of IFRS 9;
- The terms of the embedded derivative would meet the definition of a derivative if they were contained in a separate contract; and
- The economic characteristics and risks of the embedded derivative are not closely related to the economic characteristics and risks of the host contract.

Separate embedded derivatives are measured at fair value, with all changes in fair value recognized in the consolidated statement of income unless they form part of qualifying cash flow or net investment hedging relationship in which case all changes in fair value are recognized in the consolidated statement of comprehensive income.

iii) Hedge accounting

The Group designates certain derivatives as hedging instruments in qualifying hedging relationships to manage exposures to interest rates, foreign currency, and credit risks, including exposures arising from highly probable forecasted transactions and firm commitments. In order to manage a particular risk, the Bank applies hedge accounting for transactions that meet specific criteria.

For the purpose of hedge accounting, hedges are classified into two categories:

- a. fair value hedges which hedge the exposure to changes in the fair value of a recognized asset or liability, (or assets or liabilities in the case of portfolio hedging), or an unrecognized firm commitment or an identified portion of such an asset, liability or firm commitment, that is attributable to a particular risk and could affect the reported net gain or loss; and
- b. cash flow hedges which hedge exposure to variability in cash flows that are either attributable to a particular risk associated with a recognized asset or liability or to a highly probable forecasted transaction that will affect the reported net gain or loss.

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In order to qualify for hedge accounting, the hedge should be expected to be highly effective, i.e. the changes in fair value or cash flows of the hedging instrument should effectively offset corresponding changes in the hedged risk, and should be reliably measurable. At inception of the hedge, the risk management objective and strategy are documented including the identification of the hedging instrument, the related hedged item, the nature of the risk being hedged, and how the Group will assess the effectiveness of the hedging relationship. Subsequently, the hedge is required to be assessed and determined to be an effective hedge.

At each hedge effectiveness assessment / reporting date, each hedge relationship must be expected to be highly effective on a prospective basis and demonstrate that it was effective (retrospective effectiveness) for the designated period in order to qualify for hedge accounting. A formal assessment is undertaken by comparing the hedging instrument's effectiveness in offsetting the changes in fair value or cash flows attributable to the hedged risk in the hedged item, at inception and at each quarter end on an ongoing basis.

A hedge is expected to be highly effective if the changes in fair value or cash flows attributable to the hedged risk during the period for which the hedge is designated were offset by the hedging instrument in a range of 80% to 125% and were expected to achieve such offset in future periods. Hedge ineffectiveness if significant is recognized in the consolidated statement of income. For situations where the hedged item is a forecasted transaction, the Group also assesses whether the transaction is highly probable and presents an exposure to variations in cash flows that could ultimately affect the consolidated statement of income.

Fair value hedges

When a derivative is designated as a hedging instrument in the hedge of a change in fair value of a recognized asset or liability or a firm commitment that could affect the consolidated statement of income, any gain or loss from re-measuring the hedging instruments to fair value is recognized immediately in the consolidated statement of income together with the change in the fair value of the attributable hedged risk in special commission income.

For hedged items measured at amortized cost, where the fair value hedge of a commission bearing financial instrument ceases to meet the criteria for hedge accounting or is sold, exercised or terminated, the difference between the carrying value of the hedged item on termination and the face value is amortized over the remaining term of the original hedge using the effective interest rate method. If the hedged item is derecognized, the unamortized fair value adjustment is recognized immediately in the consolidated statement of income.

g) Foreign currencies

Transactions in foreign currencies are translated into ﷲ at the exchange rates prevailing at transaction dates. Monetary assets and liabilities at year-end, denominated in foreign currencies, are translated into ﷲ at the exchange rates prevailing at the consolidated statement of financial position date.

The foreign currency gain or loss on monetary items is the difference between amortized cost in the functional currency at the beginning of the year adjusted for effective interest rates and payments during the year, and the amortized cost in foreign currency translated at the exchange rate at the end of the year. All differences arising on non-trading activities are taken to other non-operating income in the consolidated statement of income, with the exception of differences of foreign currency borrowings that provide an effective hedge against a net investment in a foreign entity. Foreign exchange gains or losses on translation of monetary assets and liabilities denominated in foreign currencies are recognized in the consolidated statement of income except for differences arising on the retranslation of equity instruments or when deferred in other comprehensive income as qualifying cash flow hedges and qualifying net investment hedges to the extent hedges are effective. Translation gains or losses on non-monetary items carried at fair value are included as part of the fair value adjustment on investment securities available for sale, unless the non-monetary items have an effective hedging strategy.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as of the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

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h) Government grants

Grants received from the government are recognized at their fair value where there is reasonable assurance that the grant will be received and the Group will comply with the conditions associated with the grant. The benefit of a SAMA deposit at a below-market commission rate is treated as a government grant related to income. Below-market rate deposits are recognized and measured in accordance with IFRS 9 – Financial Instruments and included in due to banks and other financial institutions.

The benefit of the below-market rate of commission is measured as the difference between the initial fair value of the deposit determined in accordance with IFRS 9 and the proceeds received and is presented as a discount to deposits from SAMA.

The benefit is accounted for in accordance with the requirements of IAS 20 - Accounting for Government Grants and Disclosure of Government Assistance. The grant income is only recognized when the ultimate beneficiary is the Group. Where the customer is the ultimate beneficiary, the Group only records the respective receivable and payable amounts. Government grant income is recognized in special commission income on a systematic basis to the extent of related costs for which the grant is intended to compensate, with the remaining discount deferred and included in other liabilities.

i) Share capital

Ordinary shares are classified as Shareholders' equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Where the Group purchases own equity instruments, for example as the result of a share buy-back or a share-based payment plan, the consideration paid, including any directly attributable incremental costs (net of taxes), is deducted from equity attributable to the Shareholders of the Bank as treasury shares until the shares are cancelled or reissued. Where such ordinary shares are subsequently reissued, any consideration received, net of any directly attributable incremental transaction costs and the related tax effects, is included in equity attributable to the Shareholders of the Bank.

Shares held by the Bank are disclosed as treasury shares and deducted from Shareholders' equity.

j) Revenue / expense recognition

Revenue is recognized to the extent that it is probable that economic benefits will flow to the Group, and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognized.

i) Special commission income and expense

Special commission income and expense for all special commission earning / bearing financial instruments are recognized in the consolidated statement of income on the effective special commission rate basis. The effective special commission rate is the rate that discounts the estimated future cash payments and receipts through the expected life of the financial asset or liability (or, where appropriate, a shorter period) to the carrying amount of the financial asset or liability. When calculating the effective special commission rate, the Group estimates future cash flows considering all contractual terms of the financial instrument but not future credit losses.

The carrying amount of a financial asset or financial liability is adjusted if the Group revises its estimates of payments or receipts. The adjusted carrying amount is calculated based on the original effective special commission rate and the change in carrying amount is recorded as special commission income or expense.

If the recorded value of a financial asset or a group of similar financial assets has been reduced due to an impairment loss, special commission income continues to be recognized on the effective special commission rate basis, based on the asset's carrying value net of impairment provisions.

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The calculation of the effective special commission rate considers all contractual terms of the financial instruments (prepayment, options etc.) and includes all fees paid or transaction costs, and discounts or premiums that are an integral part of the effective special commission rate. Transaction costs are incremental costs that are directly attributable to the acquisition, issue or disposal of a financial asset or liability.

Measurement of amortized cost and special commission income

The amortized cost of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured on initial recognition minus the principal repayments, plus or minus the cumulative amortization using the effective interest method of any difference between that initial amount and the maturity amount and, for financial assets, adjusted for any expected credit loss allowance.

The gross carrying amount of a financial asset is the amortized cost of a financial asset before adjusting for any expected credit loss allowance.

In calculating special commission income and expense, the effective special commission rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortized cost of the liability.

For financial assets that have become credit-impaired subsequent to initial recognition, special commission income is calculated by applying the effective special commission rate to the amortized cost of the financial asset. If the asset is no longer credit-impaired then the calculation of special commission income reverts to the gross basis.

For financial assets that were credit-impaired on initial recognition, special commission income is calculated by applying the credit-adjusted effective special commission rate to the amortized cost of the asset. The calculation of special commission income does not revert to a gross basis, even if the credit risk of the asset improves.

Rendering of services

The Group provides various services to its customers. These services are either rendered separately or bundled together with the rendering of other services.

Revenue from rendering of services related to share trading and fund management, trade finance, corporate finance and advisory and other banking services, are recognized at the point when services are rendered i.e. when performance obligation is satisfied.

ii) Exchange income / loss

Exchange income / loss is recognized when earned / incurred and in accordance with the principles included in note 3g.

iii) Fee income from banking services

Fees that are considered an integral to the effective special commission rate are deferred and included in the measurement of the relevant assets.

Fees from banking services that are not an integral component of the effective special commission rate calculation on a financial asset or liability are generally recognized on an accrual basis when the related service is provided.

Portfolio and other management advisory and service fees are recognized based on the applicable service contracts, usually on a time-proportionate basis.

Fees received on asset management, custody services and other similar services that are provided over an extended period of time, are recognized over the period when the service is being provided.

Performance linked fees or fee components are recognized when the performance criteria is fulfilled.

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Loan commitment fees for loans that are likely to be drawn down and other credit related fees are deferred, together with the investment costs, and recognized as an adjustment to the effective special commission rate on the loan. When a loan commitment is not expected to result in the draw-down of a loan, loan commitment fees are recognized on a straight-line basis over the commitment period.

Other fees and commission expense relate mainly to transaction and service fees, and are recognized as expenses as the services are received or the transaction is completed.

iv) Dividend income

Dividend income is recognized when the right to receive payment is established.

v) Day 1 profit or loss

Where a transaction price differs from the fair value of other observable current market transactions in the same instrument or based on a valuation technique whose variables include only data from observable markets, the Group immediately recognizes the difference between the transaction price and fair value (a Day 1 profit or loss) in the consolidated statement of income. In cases where use is made of data which is not observable, the difference between the transaction price and model value is only recognized in the consolidated statement of income when the inputs become observable, or when the instrument is derecognized.

vi) Customer loyalty programs

The Group offers customer loyalty programs referred to as reward points, which allows customers to earn points that can be redeemed through certain partner outlets. The Group allocates a portion of the transaction price to the reward points awarded to members, based on estimates of costs of future redemptions. The amount of expense allocated to reward points is charged to the consolidated statement of income with a corresponding liability recognized in other liabilities. The cumulative amount of the liability related to unredeemed reward points is adjusted over time based on actual redemption experience and current and expected trends with respect to future redemptions.

j) Repurchase agreements and reverse repurchase agreements

Assets sold with a simultaneous commitment to repurchase at a specified future date (repurchase agreements) continue to be recognized in the consolidated statement of financial position as the Group retains substantially all of the risks and rewards of ownership and are measured in accordance with related accounting policies for investments. The transactions are treated as a collateralized borrowing and the counter party liability for amounts received under these agreements is included in due to banks and other financial institutions, as appropriate. The difference between the sale and repurchase price is treated as special commission expense and recognized over the life of the repurchase agreement on an effective yield basis.

Underlying assets purchased with a corresponding commitment to resell at a specified future date (reverse repurchase agreements) are not recognized in the consolidated statement of financial position, as the Group does not obtain control over the underlying assets. Amounts paid under these agreements are included in due from banks and other financial institutions, net. The difference between the purchase and resale price is treated as special commission income and recognized over the life of the reverse repurchase agreement on an effective yield basis.

k) Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that non-financial assets may be impaired. If any indication exists, or when periodic impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's ("CGU") fair value less costs to sell and its value in use. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining an asset's fair value less costs to sell, an appropriate valuation model is used. These model

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calculations are corroborated by valuation multiples, or other available fair value indicators.

l) Other real estate

The Group, in the ordinary course of business, acquires certain real estate against settlement of loans and advances. Such real estate is considered as held for sale and is initially stated at the lower of net realizable value of the loans and advances and the current fair value of the related properties, less any costs to sell, if material. No depreciation is charged on such real estate.

Subsequent to initial recognition, any subsequent write down to fair value, less costs to sell, are charged to the consolidated statement of income. Any subsequent gain in the fair value less costs to sell these assets to the extent this does not exceed the cumulative write down is recognized together with any gain/ loss on disposal in the consolidated statement of income.

m) Property, equipment, and Intangible assets

Property, equipment, and Intangible assets are stated at cost and presented net of accumulated depreciation and amortization. Land is not depreciated. Goodwill is not amortized. The costs of other property, equipment, and intangible assets are depreciated or amortized using the straight-line method over the estimated useful lives of the assets as follows:

Buildings	20 to 30 years
Leasehold improvements	Over the lease period or 5 years, whichever is shorter
Furniture, equipment and vehicles	4 to 5 years
Information technology intangible assets	8 years

The assets’ residual values, useful lives, and depreciation or amortization methods are reviewed and adjusted, if appropriate, at each reporting date. Gains and losses on disposals are determined by comparing proceeds with carrying amounts. These are included in the consolidated statement of income.

Other expenditures are capitalized only when it is probable that the future economic benefit of the expenditure will flow to the Group. Ongoing repairs and maintenance costs are expensed when incurred.

Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Any carrying amount is written down immediately to its recoverable amount if the asset’s carrying amount is greater than its estimated recoverable amount.

n) Leases

At the inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether:

- the contract involves the use of an identified asset – this may be specified explicitly or implicitly, and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;
- the Group has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- the Group has the right to direct the use of the asset. The Group has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used.

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Right-of-Use (ROU) leased assets

The Group recognizes an ROU leased asset and a lease liability at the lease commencement date. The ROU leased asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The ROU leased asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of ROU leased asset or the end of the lease term. The estimated useful lives of ROU leased assets are determined on the same basis as those of property and equipment. In addition, the ROU leased asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

Lease liabilities

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group’s incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate. Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

A lease liability is measured at amortized cost using the effective special commission rate method increasing the carrying amount to reflect special commission on the lease liability and reducing the carrying amount to reflect the lease payments made including prepayments.

The lease liability is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group’s estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option. When the lease liability is remeasured, a corresponding adjustment is made to the carrying amount of the ROU asset, or is recorded in consolidated statement of income if the carrying amount of ROU asset has been reduced to zero.

The Group presents ROU leased assets in ‘Property and equipment’ and lease liabilities in ‘Other liabilities’ in the consolidated statement of financial position.

Leases of low-value assets

The Group has elected not to recognize ROU leased assets and lease liabilities for leases of low-value assets. The Group recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

o) Provisions

Provisions are recognized for on and off balance sheet items when a reliable estimate can be made by the Group for a present legal or constructive obligation as a result of past events and it is more likely than not that an outflow of resources will be required to settle the obligation.

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p) Cash and cash equivalents

For the purpose of the consolidated statement of cash flows, cash and cash equivalents are defined as those amounts included in cash and balances with SAMA excluding statutory deposits, net, and due from banks and other financial institutions maturing within three months from the date of acquisition which are also subject to insignificant risk of changes in their fair value.

q) Zakat and Value Added tax

The Group is subject to Zakat in accordance with the regulations of the Zakat, Tax and Customs Authority (“ZATCA”). Provisions for Zakat are charged to the consolidated statement of income.

Management periodically evaluates positions taken in Zakat returns with respect to situations in which applicable Zakat regulations are subject to interpretation. It establishes provisions, where appropriate, on the basis of amounts expected to be paid to the ZATCA. Adjustments arising from final assessments are recorded in the period in which such assessments are made.

Since Zakat is not accounted for similar to Income tax, no deferred Zakat is calculated.

Value Added tax (“VAT”)

The Group collects VAT from its customers for qualifying services provided, and makes VAT payments to its vendors for qualifying payments. On a monthly basis, net VAT remittances are made to the ZATCA representing VAT collected from its customers, net of any recoverable VAT on payments. Unrecoverable VAT is borne by the Group and is either expensed or in the case of property, equipment, and intangibles payments, is capitalized and either depreciated or amortized as part of the capital cost.

r) Short-term employees’ benefits and Employee end of service benefit plan

Short-term employees’ benefits are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognized for the amount expected to be paid under short term cash bonus or profit sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

The Group operates an end of service benefit plan for its employees based on prevailing Saudi Labor laws. Accruals are made in accordance with actuarial valuations using a projected unit credit method while the benefit payments are discharged as and when the benefit payments are due.

s) Asset management services

The Group offers asset management services to its customers, which include management of investment funds in consultation with professional investment advisors. The Group’s share of these funds is included in investments and fees earned are included in fee income from banking services, net. The Group’s share of investment in these funds is included in the FVTPL investments.

Assets held in trust or in a fiduciary capacity are not treated as assets of the Group and accordingly are not included in the consolidated financial statements.

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t) Islamic banking products

In addition to conventional banking, the Group offers to its customers certain non-interest based banking products, which are approved by its Shariah Board. High level definitions of non-interest based products include:

- i. **Murabaha** - an agreement whereby the Group sells to a customer a commodity or an asset, which the Group has purchased and acquired based on a promise received from the customer to buy. The selling price comprises the cost plus an agreed profit margin.
- ii. **Tawaruq** – a form of Murabaha transaction where the Group purchases a commodity and sells it to the customer. The customer sells the underlying commodity at spot and uses the proceeds for his financing requirements.
- iii. **Istisna’a** – an agreement between the Group and a customer whereby the Group sells to the customer a developed asset according to agreed upon specifications, for an agreed upon price.
- iv. **zijarah** – an agreement whereby the Group, acting as a lessor, purchases or constructs an asset for lease according to the customer request (lessee), based on his promise to lease the asset for an agreed rent and specific period that could end by transferring the ownership of the leased asset to the lessee.

All non-special interest based banking products are accounted for in conformity with the accounting policies described in these consolidated financial statements.

4. Cash and balances with SAMA

a) Cash and balances with SAMA as of December 31, 2024 and 2023 are summarized as follows:

	2024 س.م'000	2023 س.م'000
Cash in hand	797,881	678,550
Reverse repurchase agreements	4,244,000	6,440,000
Other balances	(58,983)	(117,203)
Cash and balances with SAMA excluding statutory deposit (note 4b)	4,982,898	7,001,347
Statutory deposit	4,935,980	4,016,922
Cash and balances with SAMA	9,918,878	11,018,269

In accordance with the Banking Control Law and regulations issued by the Saudi Central Bank (“SAMA”), the Bank is required to maintain a statutory deposit with SAMA at stipulated percentages of its average demand, savings, time and other deposits, calculated at the end of last month. The statutory deposit with SAMA is not available to finance the Bank’s day to day operations and therefore do not form part of cash and cash equivalents.

b) Cash and cash equivalents, included in the consolidated statement of cash flows, as of December 31, 2024 and 2023 are comprised of the following:

	2024 س.م'000	2023 س.م'000
Cash and balances with SAMA excluding statutory deposit (note 4a)	4,982,898	7,001,347
Due from banks and other financial institutions maturing within three months from the date of acquisition	1,155,056	1,470,135
Cash and cash equivalents	6,137,954	8,471,482

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5. Due from banks and other financial institutions, net

a) Due from banks and other financial institutions, net as of December 31, 2024 and 2023 are summarized as follows:

	2024 ﷲ'000	2023 ﷲ'000
Current accounts	1,124,032	1,126,516
Money market placements	191,024	347,697
Total due from banks and other financial institutions	1,315,056	1,474,213
Allowance for credit losses (note 5b)	(1,056)	(795)
Due from banks and other financial institutions, net	1,314,000	1,473,418

The credit quality of due from banks and other financial institutions is managed using data from reputable external credit ratings agencies. The credit quality of due from banks and other financial institutions is disclosed in note 29.

b) The movement of the allowance for credit losses, for due from banks and other financial institutions, for the years ended 31 December 2024 and 2023 is summarized as follows:

	2024 ﷲ'000	2023 ﷲ'000
Balances at the beginning of the year	795	1,751
Charge / (Reversal) of credit losses	261	(956)
Balances at the end of the year	1,056	795

6. Investments, net

a) Investments, net as of December 31, 2024 and 2023 are classified as follows:

	2024 ﷲ'000	2023 ﷲ'000
Held at amortized cost – debt securities	21,432,223	12,303,445
Allowance for credit losses	(8,653)	(3,888)
Held at amortized cost – debt securities, net	21,423,570	12,299,557
FVOCI – debt securities	18,420,580	19,670,682
FVOCI – equity securities	524,340	291,923
FVTPL	62,826	38,911
Investments, net	40,431,316	32,301,073

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b) Investments, net as of December 31, 2024 and 2023 by type of securities are summarized as follows:

	2024 ﷲ'000			2023 ﷲ'000		
	Domestic	International	Total	Domestic	International	Total
Investments - FVOCI						
Fixed rate debt securities	13,732,564	3,928,497	17,661,061	14,352,573	4,500,402	18,852,975
Bonds	6,429,242	3,463,642	9,892,884	6,479,418	3,740,310	10,219,728
Sukuk	7,303,322	464,855	7,768,177	7,873,155	760,092	8,633,247
Floating rate debt securities	759,519	-	759,519	817,707	-	817,707
Bonds	-	-	-	-	-	-
Sukuk	759,519	-	759,519	817,707	-	817,707
Total debt securities	14,492,083	3,928,497	18,420,580	15,170,280	4,500,402	19,670,682
Equities	524,340	-	524,340	291,923	-	291,923
Investments – FVOCI	15,016,423	3,928,497	18,944,920	15,462,203	4,500,402	19,962,605
Investments – FVTPL						
Mutual funds	60,928	-	60,928	36,608	-	36,608
Other securities	-	1,898	1,898	-	2,303	2,303
Investments – FVTPL	60,928	1,898	62,826	36,608	2,303	38,911
Investments – Amortized cost, net						
Fixed rate debt securities	7,094,483	13,809,084	20,903,567	4,112,838	8,045,439	12,158,277
Bonds	4,550,552	12,574,393	17,124,945	2,043,646	7,858,750	9,902,396
Sukuk	2,543,931	1,234,691	3,778,622	2,069,192	186,689	2,255,881
Floating rate debt securities	132,037	387,966	520,003	132,128	9,152	141,280
Bonds	-	387,966	387,966	-	9,152	9,152
Sukuk	132,037	-	132,037	132,128	-	132,128
Investments – amortized cost, net	7,226,520	14,197,050	21,423,570	4,244,966	8,054,591	12,299,557
Investments, net	22,303,871	18,127,445	40,431,316	19,743,777	12,557,296	32,301,073

The Group holds strategic investments in equity securities totaling ﷲ 524.3 million as of December 31, 2024 (2023: ﷲ 291.9 million) including the Mediterranean and Gulf Cooperative Insurance and Reinsurance Company, the Saudi Credit Bureau (“SIMAH”), and the Saudi Company for Registration of Finance Lease Contracts.

Fixed rate bonds include investments in SAMA treasury bills totaling ﷲ 962.6 million as of December 31, 2024 (2023: Nil). These are valued through quoted prices in an active market (Saudi Exchange).

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c) The composition of Investments, net as of December 31, 2024 and 2023 is as follows:

	2024 ٠'000			2023 ٠'000		
	Quoted	Unquoted	Total	Quoted	Unquoted	Total
Investments - FVOCI						
Fixed rate debt securities	17,313,576	347,485	17,661,061	18,469,598	383,377	18,852,975
Bonds	9,892,884	-	9,892,884	10,219,728	-	10,219,728
Sukuk	7,420,692	347,485	7,768,177	8,249,870	383,377	8,633,247
Floating rate debt securities	-	759,519	759,519	-	817,707	817,707
Bonds	-	-	-	-	-	-
Sukuk	-	759,519	759,519	-	817,707	817,707
Total debt securities	17,313,576	1,107,004	18,420,580	18,469,598	1,201,084	19,670,682
Equities	519,697	4,643	524,340	287,280	4,643	291,923
Investments – FVOCI	17,833,273	1,111,647	18,944,920	18,756,878	1,205,727	19,962,605
Investments – FVTPL						
Mutual funds	-	60,928	60,928	-	36,608	36,608
Other securities	-	1,898	1,898	-	2,303	2,303
Investments – FVTPL	-	62,826	62,826	-	38,911	38,911
Investments – amortized cost, net						
Fixed rate debt securities	20,133,827	769,740	20,903,567	11,465,293	692,984	12,158,277
Bonds	17,124,945	-	17,124,945	9,902,396	-	9,902,396
Sukuk	3,008,882	769,740	3,778,622	1,562,897	692,984	2,255,881
Floating rate debt securities	387,966	132,037	520,003	9,152	132,128	141,280
Bonds	387,966	-	387,966	9,152	-	9,152
Sukuk	-	132,037	132,037	-	132,128	132,128
Investments – amortized cost, net	20,521,793	901,777	21,423,570	11,474,445	825,112	12,299,557
Investments, net	38,355,066	2,076,250	40,431,316	30,231,323	2,069,750	32,301,073

The unquoted debt securities above are principally comprised of Saudi corporate securities and Saudi Government Development Bonds. Mutual funds are considered as unquoted in the table above when the daily net asset values are published on the Saudi Stock Exchange (Tadawul).

The Group's investments in mutual funds represent investments in private real estate fund with the investment objective of delivering medium-term capital appreciation through development of premium residential apartments. The Group had also invested in shariah compliant open ended investment funds for investors seeking capital appreciation and high liquidity through exposure to Shariah compliant Saudi equities and financial products.

Investments include ٠ 26.4 billion (2023: ٠ 19.7 billion) in debt securities, which have been pledged under repurchase agreements with other financial institutions. Pledged assets are those financial assets that may be repledged or resold by counterparties to whom they have been transferred. These transactions are conducted under terms that are usual and customary to standard securities borrowing and lending activities, as well as requirements determined by exchanges on which the Bank acts as a participant. See note 12b.

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For the years ended December 31, 2024 and 2023

d) Investments, net are classified by counterparty as of December 31, 2024 and 2023 as follows:

	2024 ٠'000	2023 ٠'000
Government and quasi-government	22,527,049	18,801,266
Corporate	5,311,170	4,855,884
Banks and other financial institutions	12,593,097	8,643,923
Total	40,431,316	32,301,073

e) The movement of the allowance for credit losses, for investments, for the years ended December 31, 2024 and 2023 is as follows:

	2024 ٠'000	2023 ٠'000
Balances at the beginning of the year	10,872	10,439
Allowance for credit losses	3,799	433
Balances at the end of the year	14,671	10,872

7. Loans and advances, net

a) Loans and advances, net, held at amortized cost, as of December 31, 2024 and 2023 are comprised of the following:

	2024 ٠'000			
	Commercial and other	Overdrafts	Consumer	Total
Stage 1	80,321,892	4,523,806	12,381,807	97,227,505
Stage 2	1,152,220	703,881	89,594	1,945,695
Stage 3	673,778	214,584	2,509	890,871
Total performing loans and advances	82,147,890	5,442,271	12,473,910	100,064,071
Non- performing loans and advances	183,282	783,011	88,357	1,054,650
Total loans and advances	82,331,172	6,225,282	12,562,267	101,118,721
Allowance for credit losses	(696,884)	(812,237)	(143,110)	(1,652,231)
Loans and advances, net	81,634,288	5,413,045	12,419,157	99,466,490

	2023 ٠'000			
	Commercial and other	Overdrafts	Consumer	Total
Stage 1	62,714,331	3,910,635	10,277,957	76,902,923
Stage 2	2,774,036	713,371	68,435	3,555,842
Stage 3	742,173	233,731	441	976,345
Total performing loans and advances	66,230,540	4,857,737	10,346,833	81,435,110
Non -performing loans and advances	448,149	702,002	89,789	1,239,940
Total loans and advances	66,678,689	5,559,739	10,436,622	82,675,050
Allowance for credit losses	(903,295)	(889,509)	(131,476)	(1,924,280)
Loans and advances, net	65,775,394	4,670,230	10,305,146	80,750,770

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For the years ended December 31, 2024 and 2023

b) Total loans and advances as of December 31, 2024 and 2023 are comprised of the following:

	2024 ﷲ'000	2023 ﷲ'000
Conventional loans and advances	36,135,039	28,564,937
Non-Interest based loans and advances:	64,983,682	54,110,113
Murabaha, including Tawarruq	64,933,892	54,044,475
Ijarah	49,790	65,638
Total loans and advances	101,118,721	82,675,050

c) The movement of the allowance for credit losses, for loans and advances, for the years ended December 31, 2024 and 2023 is as follows:

	2024 ﷲ'000	2023 ﷲ'000
Balances at the beginning of the year	1,924,280	1,804,869
Allowance for credit losses	275,722	362,863
Write-offs	(605,503)	(312,961)
Recoveries	57,732	69,509
Balances at the end of the year	1,652,231	1,924,280

d) The credit quality of loans and advances as of December 31, 2024 and 2023 is summarized as follows:

(i) Neither past due nor credit impaired loans and advances, are as follows:

	2024 ﷲ'000	2023 ﷲ'000
Grade 1 - Exceptional	6,382,271	2,040,524
Grade 2 - Excellent	15,306,962	14,475,509
Grade 3 - Strong	28,285,284	21,787,870
Grade 4 - Good	21,788,071	16,084,267
Grade 5 - Acceptable	13,709,331	14,398,466
Grade 6 - Marginal	244,304	513,890
Grade 7 – Special Mention	9,162	16,962
Unrated	11,810,149	9,813,169
Total	97,535,535	79,130,657

The above table includes neither past due nor credit impaired loans and advances classified as Stage 2 amounting to ﷲ 1.2 billion (2023: ﷲ 2.8 billion). These loans are classified as Stage 2 as they exhibit a significant increase in credit risk due to their categorization as restructured, relative downgrade in risk ratings, watchlist and cross facility defaults. It also includes Stage 2 exposures which are yet to complete curing period to be eligible to be upgraded to Stage 1.

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For the years ended December 31, 2024 and 2023

The ratings of the loans and advances included above are described as follows:

Exceptional – leader in highly stable industry. Superior financial fundamentals and substantial cash flows. Has ready access to financial markets.

Excellent - leader in a stable industry. Better than peers’ financials and cash flows. Has access to financial markets under normal market conditions.

Strong - strong market and financial position with a history of successful performance but certain exceptions exist. Financial fundamentals are still better than industry benchmarks. The entity would have access to financial markets under normal market conditions.

Good - moderate degree of stability with industry or company specific risk factors. Financial fundamentals are sound and within industry benchmarks. Access to financial markets is limited and the entity is susceptible to cyclical changes.

Acceptable - minor weaknesses in industry or company specific risk factors. Some financial fundamentals are inferior to industry benchmarks. Alternative financing could be available but this might be limited to private and institutional sources only.

Marginal - unfavorable industry or company specific risk factors exist. Operating performance and financials are marginal. Alternative sources of finance are unlikely. No new business can be contemplated with this category.

Special Mention - unfavorable industry or company specific risk factors exist. Risk of non-payment is high. Financial fundamentals are well below industry benchmarks and alternative sources of finance are extremely limited.

Unrated – unrated loans and advances primarily consist of consumer and other retail loans with no past due balances.

(ii) Past due but not credit impaired loans and advances as of December 31, 2024 and 2023 are as follows:

	2024 ﷲ'000		
	Commercial, overdrafts and others	Consumer	Total
From 1 day to 30 days	609,740	273,321	883,061
31 days and above	665,010	89,594	754,604
Total	1,274,750	362,915	1,637,665

	2023 ﷲ'000		
	Commercial, overdrafts and others	Consumer	Total
From 1 day to 30 days	408,122	218,631	626,753
31 days and above	632,920	68,435	701,355
Total	1,041,042	287,066	1,328,108

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e) The economic sector risk concentrations as of December 31, 2024 and 2023 are as follows:

	2024 ٣'000					
	Performing			Non-performing	Allowance for credit losses	Loans and advances, net
	Stage 1	Stage 2	Stage 3			
Government and quasi-government	2,632,834	-	-	-	(3,010)	2,629,824
Finance and Investment Institutions	6,966,095	-	-	-	(39,662)	6,926,433
Agriculture and fishing	175,838	-	79,988	-	(8,275)	247,551
Manufacturing	4,666,389	20,475	49	13,408	(33,200)	4,667,121
Building and construction	8,509,071	404,624	7,238	491,064	(341,970)	9,070,027
Commerce	13,845,383	370,338	192,698	296,005	(459,324)	14,245,100
Transportation and communication	1,204,984	-	-	13,391	(24,731)	1,193,644
Services	4,053,817	245,589	1,747	47,153	(50,113)	4,298,193
Mining and quarrying	296,366	-	-	-	(1,252)	295,114
Electricity, water, gas and health services	13,196,613	-	-	-	(71,836)	13,124,777
Consumer loans	12,381,807	89,594	2,509	88,357	(143,110)	12,419,157
Other	29,298,308	815,075	606,642	105,272	(475,748)	30,349,549
Total	97,227,505	1,945,695	890,871	1,054,650	(1,652,231)	99,466,490

	2023 ٣'000					
	Performing			Non-performing	Allowance for credit losses	Loans and advances, net
	Stage 1	Stage 2	Stage 3			
Government and quasi-government	1,413,508	-	-	-	(1,408)	1,412,100
Finance and Investment Institutions	5,528,072	-	-	-	(27,024)	5,501,048
Agriculture and fishing	208,865	-	80,126	-	(8,333)	280,658
Manufacturing	3,684,317	69,363	71	142,421	(142,716)	3,753,456
Building and construction	5,546,034	1,858,398	49,911	399,055	(406,306)	7,447,092
Commerce	12,296,688	387,252	176,268	431,115	(521,585)	12,769,738
Transportation and communication	801,746	-	1	13,391	(17,498)	797,640
Services	3,358,799	291,500	1,741	35,511	(60,525)	3,627,026
Mining and quarrying	143,576	-	-	-	(669)	142,907
Electricity, water, gas and health services	7,215,487	-	-	-	(38,961)	7,176,526
Consumer loans	10,277,957	68,435	441	89,789	(131,476)	10,305,146
Other	26,427,874	880,894	667,786	128,658	(567,779)	27,537,433
Total	76,902,923	3,555,842	976,345	1,239,940	(1,924,280)	80,750,770

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8. Investments in associates

a) Investments in associates as of December 31, 2024 and 2023 include the Bank’s ownership interest in associated companies in KSA, as follows:

	2024	2023
American Express (Saudi Arabia) (“AMEX”)	50%	50%
YANAL Finance (“YANAL”)	38%	38%
Amlak International Finance Company(“AMLAK”)	22.4%	22.4%

AMEX is a Saudi Arabian closed joint stock company in KSA with total capital of ٣ 100 million. The principal activities of AMEX are to issue credit cards and offer other American Express products in KSA.

YANAL is a Saudi Arabian closed joint stock company in KSA with total capital of ٣ 550 million. The primary business activities of YANAL include lease financing services in KSA.

AMLAK is a Saudi Arabian joint stock company in KSA with total capital of ٣ 1,019 million. AMLAK provides shariah compliant financing products namely ; real estate financing, financing the activity of small and medium enterprises, and consumer financing in KSA.

All of the Bank’s associates are incorporated in and operate exclusively in KSA.

b) The movement of investments in associates for the years ended December 31, 2024 and 2023 is summarized as follows:

	2024 ٣'000	2023 ٣'000
Balance at beginning of the year	967,945	922,985
Share in earnings	116,279	77,254
Dividends	(56,304)	(32,855)
Share of other comprehensive income	(5,502)	561
Balance at end of the year	1,022,418	967,945

i. The Group owns a 50% equity interest in AMEX. The management has assessed the investment in AMEX in accordance with the requirements of IFRS 10 - Consolidated Financial Statements, IFRS 11 - Joint Arrangements and IAS 28 - Investments in Associates and Joint Ventures for control, joint control, and significant influence respectively. The Group has concluded that it does not control or jointly control AMEX primarily due to a put option with the Bank and call option with the counterparty which is not currently exercisable. The Bank believes that the probable time frame to exercise the potential voting rights range between six to ten months.

The management has therefore concluded that the Group has significant influence over the financial and operating matters of the associated company and is therefore accounted for under the equity method of accounting.

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c) The following table summarizes the associates’ assets, liabilities, and equity as of December 31, 2024 and 2023, and income and expense for the years then ended:

	2024 ٠'000		
	AMEX	YANAL	AMLAK
Total assets	1,589,247	1,654,714	4,365,058
Total liabilities	1,033,568	679,247	3,149,278
Total equity	555,679	975,468	1,215,780
Total income	606,473	204,114	434,138
Total expenses	455,130	91,760	363,955

	2023 ٠'000		
	AMEX	YANAL	AMLAK
Total assets	1,289,906	1,540,649	3,634,156
Total liabilities	817,853	589,876	2,438,571
Total equity	472,053	950,773	1,195,585
Total income	504,368	165,855	294,386
Total expenses	422,902	93,296	261,319

9. Property, equipment, net and right of use assets, net and Intangible assets, net

	2024 ٠'000	2023 ٠'000
Property and equipment, net (a)	1,097,458	984,799
Right of use assets, net (b)	148,452	200,943
Property, equipment, and right of use assets, net	1,185,742	-
Intangible assets, net (c)	630,573	484,914

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For the years ended December 31, 2024 and 2023

a) Property and equipment, net as of December 31, 2024 and 2023 are summarized as follows:

	2024 ٠'000				
	Land and buildings	Leasehold improvements	Furniture, equipment and vehicles	Projects pending completion	Total
Cost					
Balance at the beginning of the year	1,405,125	193,659	453,363	1,429	2,053,576
Additions	147,354	5,416	32,236	638	185,644
Disposals	-	-	(21,989)	-	(21,989)
Transfers	-	-	367	(367)	-
Balance at the end of the year	1,552,479	199,075	463,977	1,700	2,217,231
Accumulated depreciation					
Balance at the beginning of the year	508,409	174,720	385,648	-	1,068,777
Charge for the year	43,788	7,264	21,933	-	72,985
Disposals	-	-	(21,989)	-	(21,989)
Balance at the end of the year	552,197	181,984	385,592	-	1,119,773
Net book value	1,000,282	17,091	78,385	1,700	1,097,458

	2023 ٠'000				
	Land and buildings	Leasehold improvements	Furniture, equipment and vehicles	Projects pending completion	Total
Cost					
Balance at the beginning of the year	1,376,677	198,413	441,463	2,375	2,018,928
Additions	28,448	3,131	25,216	-	56,795
Disposals	-	(7,885)	(14,262)	-	(22,147)
Transfers	-	-	946	(946)	-
Balance at the end of the year	1,405,125	193,659	453,363	1,429	2,053,576
Accumulated depreciation					
Balance at the beginning of the year	469,130	172,743	377,292	-	1,019,165
Charge for the year	39,279	9,775	22,618	-	71,672
Disposals	-	(7,798)	(14,262)	-	(22,060)
Balance at the end of the year	508,409	174,720	385,648	-	1,068,777
Net book value	896,716	18,939	67,715	1,429	984,799

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b) Right of Use Assets, net and lease liabilities as of December 31, 2024 and 2023 are summarized as follows:

	2024 ﷲ'000	2023 ﷲ'000
Right of Use Assets		
Balance at the beginning of the year	200,943	212,611
Additions	24,138	13,261
Modification	(13,452)	527
Terminations	(33,480)	(557)
Depreciation	(29,697)	(24,899)
Balance at the end of the year	148,452	200,943
Lease liabilities		
Balance at the beginning of the year	209,898	202,601
Additions	24,138	13,261
Remeasurements	(13,926)	5,559
Terminations	(38,549)	(537)
Interest	10,378	13,281
Payments	(38,645)	(24,267)
Balance at the end of the year	153,294	209,898

The lease term of leases included in ROU assets range from 2 years to 25 years (2023: 2 years to 35 years). The payment for rentals is made on a monthly, quarterly, and annual basis and is paid in advance or arrears.

c) Intangible assets, net as of December 31, 2024 and 2023 are summarized as follows:

	2024 ﷲ'000			
	Software	Projects pending completion	Goodwill	Total
Cost				
Balance at the beginning of the year	780,365	116,580	18,295	915,240
Additions	46,088	173,716	-	219,804
Transfers	109,268	(109,268)	-	-
Balance at the end of the year	935,721	181,028	18,295	1,135,044
Accumulated amortization				
Balance at the beginning of the year	430,326	-	-	430,326
Charge for the year	74,145	-	-	74,145
Balance at the end of the year	504,471	-	-	504,471
Net book value	431,250	181,028	18,295	630,573

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	2023 ﷲ'000			
	Software	Projects pending completion	Goodwill	Total
Cost				
Balance at the beginning of the year	677,779	75,706	18,295	771,780
Additions	27,546	115,914	-	143,460
Transfers	75,040	(75,040)	-	-
Balance at the end of the year	780,365	116,580	18,295	915,240
Accumulated amortization				
Balance at the beginning of the year	343,438	-	-	343,438
Charge for the year	86,888	-	-	86,888
Balance at the end of the year	430,326	-	-	430,326
Net book value	350,039	116,580	18,295	484,914

10. Other assets, net

a) Other assets, net as of December 31, 2024 and 2023 are summarized as follows:

	2024 ﷲ'000	2023 ﷲ'000
Customer and other receivables	115,310	98,084
Prepaid expenses	108,828	92,845
Others (i)	1,030,648	69,748
Total other assets	1,254,786	260,677
Allowance for credit losses (note 10b)	(3,011)	(2,968)
Other assets, net	1,251,775	257,709

(i) Others include margins held by counterparties in favor of the Bank under Global Master Repurchase Agreements (“GMRA”) amounting to ﷲ 346 million (2023: ﷲ 40.8 million).

b) The movement of the allowance for credit losses for other assets for the years ended December 31, 2024 and 2023 is summarized as follows:

	2024 ﷲ'000	2023 ﷲ'000
Balances at the beginning of the year	2,968	2,906
Allowance for credit losses	43	62
Balances at the end of the year	3,011	2,968

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11. Derivatives

a) In the ordinary course of business, the Bank utilizes the following derivative financial instruments for trading and hedging purposes:

i. Swaps

Swaps are commitments to exchange one set of cash flows for another. For special commission rate swaps, counterparties generally exchange fixed and floating rate commission payments in a single currency without exchanging notional amounts. For cross-currency special commission rate swaps, notional amounts, and fixed and floating special commission payments are exchanged in different currencies. The notional amounts can also vary based upon the agreed terms in the case of variable notional swaps.

ii. Forwards and futures

Forwards and futures are contractual agreements to either buy or sell a specified currency, commodity or financial instrument at a specified price and date in the future. Forwards are customized contracts transacted in the over-the-counter market. Foreign currency and special commission rate futures are transacted in standardized amounts on regulated exchanges and changes in futures contract values are settled daily.

iii. Forward rate agreements

Forward rate agreements are individually negotiated special commission rate contracts that call for a cash settlement for the difference between a contracted special commission rate and the market rate on a specified future date, on a notional principal, for an agreed period of time.

iv. Options

Options are contractual agreements under which the seller (writer) grants the purchaser (holder) the right, but not the obligation, to either buy or sell at a fixed future date or at any time during a specified period, a specified amount of a currency, commodity, or financial instrument at a pre-determined price.

b) The derivative financial instruments are either held for trading or held for hedging purposes as described below:

i. Held for trading purposes

Most of the Bank’s derivative trading activities relate to sales, positioning and arbitrage. Sales activities involve offering products to customers and banks in order, inter alia, to enable them to transfer, modify or reduce current and future risks. Positioning involves managing market risk positions with the expectation of profit from favorable movements in prices, rates or indices. Arbitrage involves identifying, with the expectation of profit from price differentials, between markets or products.

ii. Held for hedging purposes

The Bank has adopted a comprehensive system for the measurement and management of risk. The risk management process involves managing the Bank’s exposure to fluctuations in currency and special commission rate risks to acceptable levels as determined by the Board of Directors and within the guidelines issued by SAMA.

The Board of Directors has established levels of currency risk by setting limits on counterparty and currency position exposures. Positions are routinely monitored and hedging strategies are used to ensure positions are maintained within the established limits. The Board of Directors has established the level of special commission rate risk by setting limits on special commission rate gaps for stipulated periods. Asset and liability special commission rate gaps are reviewed on a periodic basis and hedging strategies are periodically used to manage special commission rate gap within the established limits.

As part of its asset and liability management, the Bank uses derivatives for hedging purposes in order to optimize its own exposure to currency and special commission rate risks. This is generally achieved by hedging specific transactions. The Bank uses forward foreign exchange contracts to also apply various hedging strategies against specifically identified currency risks. In addition, the Bank uses special commission rate swaps to hedge against the special commission rate risk arising from specifically identified fixed special commission-rate exposures.

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c) The tables below summarize the positive and negative fair values of derivative financial instruments, together with the notional amounts, analyzed by the term to maturity. The notional amounts, which provide an indication of the volumes of the transactions outstanding at each year-end, do not necessarily reflect the amounts of future cash flows involved. The notional amounts are not indicative of the Bank’s exposure to credit risk which is generally limited to the net positive fair values of derivatives, nor market risk.

Derivative financial instruments as of December 31, 2024 and 2023 are summarized as follows:

	Positive fair value	Negative fair value	Notional amounts by term to maturity				
			Notional amount	Within 3 months	3-12 months	1-5 years	Over 5 years
Held for trading:							
Forward foreign exchange contracts	4,897	13,019	5,887,835	5,760,490	127,345	-	-
Special commission rates instruments	369,671	352,743	37,042,944	-	233,333	25,092,947	11,716,664
Held as fair value hedges:							
Special commission rates swaps	278,145	-	7,247,308	398,125	570,897	6,278,286	-
CSA / EMIR cash margins	(310,125)	(307,005)	-	-	-	-	-
Subtotal	342,588	58,757	50,178,087	6,158,615	931,575	31,371,233	11,716,664
Associated company put option (note 11e)	183,910	-	-	-	-	-	-
Total (note 29m)	526,498	58,757	50,178,087	6,158,615	931,575	31,371,233	11,716,664

	Positive fair value	Negative fair value	Notional amounts by term to maturity				
			Notional amount	Within 3 months	3-12 months	1-5 years	Over 5 years
Held for trading:							
Forward foreign exchange contracts	7,512	7,189	6,339,797	-	6,339,797	-	-
Special Commission rate instruments	284,569	284,569	15,085,529	3,200,000	-	8,450,918	3,434,611
Held as fair value hedges:							
Special Commission rate swaps	328,546	-	8,285,158	-	1,031,278	5,060,070	2,193,810
CSA / EMIR cash margins	(48,257)	(266,485)	-	-	-	-	-
Subtotal	572,370	25,273	29,710,484	3,200,000	7,371,075	13,510,988	5,628,421
Associated company put option (note 11e)	113,066	-	-	-	-	-	-
Total (note 29m)	685,436	25,273	29,710,484	3,200,000	7,371,075	13,510,988	5,628,421

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d) The Group, as part of its derivative management activities, has entered into a master agreement in accordance with the International Swaps and Derivative Association (“ISDA”) directives. Under this agreement, the terms and conditions for derivative products purchased or sold by the Group are unified. As part of the master agreement, a credit support annex (“CSA”) has also been signed. The CSA allows the Group to receive improved pricing by way of exchange of mark to market amounts in cash as collateral whether in favor of the group or the counter party.

For commission rate swaps entered into with European counterparties, the Bank and the European counterparty both comply with the European Market Infrastructure Regulation (“EMIR”). EMIR is a body of European legislation for the central clearing and regulation of Over the Counter (“OTC”) derivatives. The regulation includes requirements for reporting of derivatives contracts and implementation of risk management standards, and establishes common rules for central counterparties and trade repositories. Accordingly, all such standardized OTC derivatives contracts are traded on exchanges and cleared through a Central Counter Party (“CCP”) through netting arrangements and exchanges of cash to reduce counter party credit and liquidity risk.

The positive and negative fair values of derivatives including CSA and EMIR cash margins have been netted/offset when there is a legally enforceable right to set off the recognized amounts and the Group intends to settle on a net basis, or to realize the assets and settle the liability simultaneously. See note 29m.

e) The Bank has a put option arising from an existing master agreement entered into by the Bank relating to an associated company, the estimated value of which is included in note 11c. The terms of the agreement give the Bank a put option and give the counter party a call option that is exercisable for the remaining term of the agreement. The Bank has valued only the put option, as the call option is deemed to be out of the money. The put option, once exercised, grants the Bank the right to receive a payment in exchange for its shares one year after the exercise, based on pre-determined formulas included in the agreement.

f) The table below is a summary of the Bank’s fair value hedges and hedged portfolios as of December 31, 2024 and 2023, which includes the description of the hedged items and related fair values, the nature of the risk being hedged, and the hedging instruments and related fair values.

	2024 ټ’000					
	Hedged items			Hedging instruments		
	Current fair value	Inception fair value	Hedged risk	Instrument used	Positive fair value	Negative fair value
Fixed commission rate investments	7,064,546	6,881,561	Fair value risk	Commission rate swaps	278,145	-

	2023 ټ’000					
	Hedged items			Hedging instruments		
	Current fair value	Inception fair value	Hedged risk	Instrument used	Positive fair value	Negative fair value
Fixed commission rate investments	8,140,719	8,365,437	Fair value risk	Commission rate swaps	328,546	-

The net loss during the year on hedging instruments for fair value hedges were ټ 50.4 million (2023: gains of ټ 134.6 million). The net gains on hedged items attributable to hedged risk were ټ 50.4 million (2023: losses of ټ 134.6 million). The net positive fair value of all derivatives is approximately ټ 467.7 million (2023: ټ net positive ټ 660 million). Approximately 60% (2023: 85%) of the positive fair value of the Bank’s derivatives are entered into with financial institutions, and 13% (2023: 15%) of the positive fair value contracts are with any

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single counterparty other than financial institutions as at the consolidated statement of financial position date. Derivative activities are mainly carried out under the Bank’s treasury segment.

g) The amounts relating to items designated as hedged item as of December 31, 2024 and 2023 are as follows:

	2024 ټ’000			
	Carrying Amount	Accumulated amount of fair value hedge adjustments on the hedged item included in the carrying amount	Line item in the consolidated statement of financial position in which hedge item is included	Line item in the consolidated statement of financial position in which hedge item is included
Fixed commission rate investments	7,064,546	(273,728)	Investments – debt securities	FVOCI

	2023 ټ’000			
	Carrying Amount	Accumulated amount of fair value hedge adjustments on the hedged item included in the carrying amount	Line item in the consolidated statement of financial position in which hedge item is included	Line item in the consolidated statement of financial position in which hedge item is included
Fixed commission rate investments	8,140,719	(300,057)	Investments – debt securities	FVOCI

12. Due to banks, Saudi Central Bank and other financial institutions, net

a) Due to banks and other financial institutions, net as of December 31, 2024 and 2023 is summarized as follows:

	2024 ټ’000	2023 ټ’000
Current accounts	2,761	13,777
Repurchase agreements (note 12b)	24,733,104	17,946,193
Money market deposits	3,806,151	2,166,891
Deposits from SAMA, net (note 12c)	11,358,982	7,161,797
Due to banks, Saudi Central Bank and other financial institutions, net	39,900,998	27,288,658

b) Debt securities pledged under repurchase agreements with other banks include corporate, bank, and non-government bonds. The fair values of assets pledged as collateral with financial institutions as security and the related balances of the repurchase agreements as of December 31, 2024 and 2023 are as follows:

	2024 ټ’000		2023 ټ’000	
	Pledged assets	Repurchase agreements	Pledged assets	Repurchase agreements
Debt securities	26,370,827	24,733,104	19,702,945	17,946,193

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c) Deposits from SAMA, net are comprised of the following:

Maturing during the year ending	2024 ﷲ'000	2023 ﷲ'000
December 31, 2024	-	4,455,791
December 31, 2025	11,376,337	2,810,069
Undiscounted deposits from SAMA	11,376,337	7,265,860
Less: Unamortized discount	(17,355)	(104,063)
Deposits from SAMA, net	11,358,982	7,161,797

13. Customers’ deposits

a) Customers’ deposits as of December 31, 2024 and 2023 are summarized as follows:

	2024 ﷲ'000	2023 ﷲ'000
Murabaha commodity deposits	22,943,391	20,472,459
Conventional time deposits	36,035,523	29,485,629
Time deposits	58,978,914	49,958,088
Savings deposits	3,325,313	3,301,306
Total special commission bearing deposits	62,304,227	53,259,394
Demand deposits	29,655,634	27,754,612
Other deposits	2,053,270	2,219,258
Customers’ deposits	94,013,131	83,233,264

Other deposits include ﷲ 591.3 million (2023: ﷲ 655.1 million) of margin deposits held for financial guarantees.

Customers’ deposits above include Sharia-Compliant, commodity deposits and demand deposits totaling ﷲ 42.7 billion (2023: ﷲ 40.8 billion).

The above amounts include foreign currency deposits (equivalent to Saudi Arabian Riyals) as of December 31, 2024 and 2023 as follows:

	2024 ﷲ'000	2023 ﷲ'000
Demand	1,409,834	1,272,424
Savings	1,539,712	1,733,068
Time	14,053,286	9,540,392
Other	55,859	58,840
Total	17,058,691	12,604,724

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14. Other liabilities

a) Other liabilities as of December 31, 2024 and 2023 are summarized as follows:

	Notes	2024 ﷲ'000	2023 ﷲ'000
Accrued expenses		272,453	329,256
Allowance for credit losses for financial guarantee contracts	14b	248,022	237,943
Accrued salaries and other employee related benefits		271,457	226,545
Accrued Zakat		331,681	283,933
Employee end of service benefits	34a	288,786	248,907
Lease liabilities	9b	153,294	209,898
Customer related liabilities		90,631	101,452
Allowance for legal proceedings	18a	42,878	43,278
Deferred fees and income		46,022	15,646
Margins received		52,973	319,822
Others		166,991	185,245
Total		1,965,188	2,201,925

b) The movement of the allowance for credit losses for financial guarantee contracts for the years ended December 31, 2024 and 2023 is summarized as follows:

	2024 ﷲ'000	2023 ﷲ'000
Balances at the beginning of the year	237,943	241,688
Allowance / (Reversals) for credit losses	10,079	(3,745)
Balances at the end of the year (note 14a)	248,022	237,943

c) The maturity analysis of contractual undiscounted lease liabilities is summarized as follows:

	2024 ﷲ'000	2023 ﷲ'000
Less than one year	29,036	47,316
One to five years	112,216	110,064
More than five years	65,036	122,610
Total undiscounted lease liabilities	206,288	279,990
Lease liabilities (note 14a)	153,294	209,898

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15. Share capital and other reserves

a) As of December 31, 2024, the authorized and fully paid share capital of the Bank consists of 1,250 million shares of ﷲ 10 each (2023: 1,000 million shares of ﷲ 10 each). The ownership of the Bank's share capital as of December 31, 2024 and 2023 is as follows in ﷲ millions:

	2024		2023	
	Amount	%	Amount	%
Saudi shareholders	12,500	100	10,000	100
	12,500	100	10,000	100

b) Other reserves, classified in shareholders' equity, as of December 31, 2024 and 2023 are comprised of the following:

	2024 ﷲ'000	2023 ﷲ'000
Unrealized losses on fair valuation of debt securities at FVOCI before allowance for credit losses	(1,062,978)	(899,243)
Allowance for credit losses on debt securities at FVOCI	6,018	6,984
Unrealized losses on fair valuation of debt securities at FVOCI after allowance for credit losses	(1,056,960)	(892,259)
Unrealized gains/ (losses) on fair valuation of equity securities held at FVOCI	145,912	(86,249)
Actuarial losses on defined benefit obligation	(56,029)	(34,727)
Share of other comprehensive income of associates	(675)	4,827
Other reserves	(967,752)	(1,008,408)

16. Statutory reserve

In accordance with Saudi Arabian Banking Control Law and the by laws of the Bank, a minimum of 25% of the annual net income is required to be transferred to a statutory reserve until this reserve equals the paid-up capital of the Bank. Accordingly, ﷲ 489.5 million has been transferred from 2024 net income (2023: ﷲ 441 million from net income). The statutory reserve is not currently available for distribution.

Refer to note 17 for capital increase by way of issuing bonus shares through capitalization from statutory reserve.

17. Dividends and Bonus share issuance

The Board of Directors approved on February 15, 2024, distribution of dividends for second half of 2023 to shareholders, amounting to ﷲ 450 million being ﷲ 0.45 per share after deduction of zakat. These dividends were paid on March 6, 2024.

On August 10, 2024, the Board of Directors approved an interim cash dividend of ﷲ 449.7 million equal to ﷲ 0.36 per share for the fiscal year 2024. The interim cash dividends were paid on August 28, 2024.

During the year ended December 31, 2024, the capital was increased by issuing bonus shares to the bank's shareholders by capitalizing part of the Statutory Reserve by granting one share for every four shares.

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18. Commitments, contingencies, and financial guarantee contracts

a) Legal proceedings

The Bank receives legal claims against it in the normal course of business. Management has made judgments as to the likelihood of any claim succeeding in making provisions which are made for legal cases where management foresees the probability of an adverse outcome based on professional advice.

The movement of the allowance for such legal cases, included in other liabilities, for the years ended December 31, 2024 and 2023 is summarized as follows :-

	2024 ﷲ'000	2023 ﷲ'000
Balance at beginning of the year	43,278	47,164
Utilized during the year	(400)	(3,886)
Balance at end of the year (note 14a)	42,878	43,278

b) Capital commitments

As of December 31, 2024, the Group had capital commitments of ﷲ 176.6 million (2023: ﷲ 115.7 million) for property, equipment and intangible assets.

c) Credit related commitments and contingencies

The Group enters into certain credit related facilities to ensure that funds are available to a customer as required.

Guarantees and standby letters of credit, which represent irrevocable assurances that the Group will make payments in the event that a customer cannot meet its obligations to third parties, carry the same credit risk as loans and advances. Cash requirements under guarantees and standby letters of credit are considerably less than the amount of the commitment because the Group does not generally expect the third party to draw funds under the agreement.

Documentary letters of credit which are written undertakings by the Group on behalf of a customer authorizing a third party to draw drafts on the Group up to a stipulated amount under specific terms and conditions, are generally collateralized by the underlying shipments of goods to which they relate and therefore have significantly less risk.

Acceptances comprise undertakings by the Group to pay bills of exchange drawn on customers. The Group expects most acceptances to be presented before being reimbursed by the customers.

Commitments to extend credit represent the unused portion of authorizations to extend credit, principally in the form of loans and advances, guarantees and letters of credit. With respect to credit risk on commitments to extend credit, the Group is potentially exposed to a loss in an amount equal to the total unused commitments. However, the likely amount of loss is expected to be considerably less than the total unused commitment as most commitments to extend credit are contingent upon customers maintaining specific credit standards.

The total outstanding commitments to extend credit do not necessarily represent future cash requirements, as many of these commitments could expire or terminate without being funded.

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i) The contractual maturity structure for the Group’s Commitments, contingencies, and financial guarantee contracts as of December 31, 2024 and 2023 are as follows:

	2024 ٬'000				
	Within 3 months	3-12 months	1-5 years	Over 5 years	Total
Letters of credit	424,307	287,447	2,189,044	67,681	2,968,479
Letters of guarantee	604,070	1,783,976	10,424,319	1,470,790	14,283,155
Acceptances	254,806	166,455	854,771	259,892	1,535,924
Irrevocable commitments to extend credit	-	445,110	1,181,324	6,298,380	7,924,814
Commitments, contingencies, and financial guarantee contracts	1,283,183	2,682,988	14,649,458	8,096,743	26,712,372

	2023 ٬'000				
	Within 3 months	3-12 months	1-5 years	Over 5 years	Total
Letters of credit	478,663	677,138	2,003,511	21,622	3,180,934
Letters of guarantee	504,831	2,179,920	7,856,866	382,380	10,923,997
Acceptances	69,754	211,415	641,575	92,908	1,015,652
Irrevocable commitments to extend credit	-	644,434	395,504	357,163	1,397,101
Commitments, contingencies, and financial guarantee contracts	1,053,248	3,712,907	10,897,456	854,073	16,517,684

The movement of the allowance for credit losses for financial guarantee contracts is summarized in note 14b.

The outstanding unused portion of commitments as of December 31, 2024 which can be revoked unilaterally at any time by the Group, amounts to ٬ 41.1 billion (2023: ٬ 37.8 billion).

ii) The analysis of commitments and contingencies by counterparty as of December 31, 2024 and 2023 is as follows:

	2024 ٬'000	2023 ٬'000
Government and quasi-Government	-	544
Corporate	25,580,302	15,049,008
Banks and other financial institutions	953,255	1,450,362
Other	178,815	17,770
Total	26,712,372	16,517,684

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19. Special commission income and expense

Special commission income and expense for the years ended December 31, 2024 and 2023 is summarized as follows:

	2024 ٬'000	2023 ٬'000
Special commission income:		
- Loans and advances	6,757,435	5,527,976
- Investments	1,794,420	1,496,344
- Banks and other financial institutions	312,224	390,856
Total special commission income	8,864,079	7,415,176
Special commission expense:		
- Customers’ deposits	3,632,313	2,763,567
- Banks and other financial institutions	1,695,074	1,230,210
- Zakat settlement liability	-	4,182
Total special commission expense	5,327,387	3,997,959
Net special commission income	3,536,692	3,417,217

20. Fee income from banking services, net

Fee income from banking services, net for the years ended December 31, 2024 and 2023 is summarized as follows:

	2024 ٬'000	2023 ٬'000
Fee income:		
- Share trading and fund management	255,029	174,629
- Trade finance	156,085	118,260
- Corporate and retail finance	27,322	26,161
- Other banking services	319,158	319,817
Total fee income	757,594	638,867
Fee expense:		
- Share trading and fund management	98,504	40,783
- Other banking services	316,236	295,839
Total fee expense	414,740	336,622
Fee income from banking services, net	342,854	302,245

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21. Gains on disposals of FVOCI debt securities, net

Gains on disposals of FVOCI debt securities, net for the years ended December 31, 2024 and 2023 is summarized as follows:

	2024 ﷲ'000	2023 ﷲ'000
Gains on the sale of FVOCI debt securities	1,215	15,234
Gains on disposals of FVOCI debt securities	1,215	15,234

22. Compensation and related governance and practices

a) As required by SAMA, the following table summarizes the Group's employee categories defined in accordance with SAMA's rules on compensation practices. It includes the total amounts of fixed and variable compensation paid to employees, and the forms of such payments, and also includes the variable compensation accrued, and other employee benefits and related expenses incurred during the years ended December 31, 2024 and 2023.

Category	Number of Employees	2024	
		Compensation Paid	
		Fixed	Variable
Senior executives requiring SAMA no objection	14	42,723	31,631
Employees engaged in risk taking activities	83	55,113	21,964
Employees engaged in control functions	116	64,541	14,954
Other employees	1,270	318,300	59,196
Total	1,483	480,677	127,745
Other employee benefits and related expenses		341,683	-
Total salaries and employee related expenses		822,360	-

Category	Number of Employees	2023	
		Compensation Paid	
		Fixed	Variable
Senior executives requiring SAMA no objection	13	35,410	21,844
Employees engaged in risk taking activities	83	52,937	15,331
Employees engaged in control functions	119	63,940	14,406
Other employees	1,273	304,282	48,462
Total	1,488	456,569	100,043
Other employee benefits and related expenses		330,131	-
Total salaries and employee related expenses		786,700	-

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b) The Board of Directors of the Bank has established a Nomination and Remuneration Committee (the Committee) which consists of four board members. The Committee is primarily responsible for recommending appointments to membership of the Board of Directors and key executives of the Bank in compliance with the Bank's Corporate Governance Guidelines, completing annual reviews for the requirements of suitable skills and independence for membership of the Bank's Board of Directors, reviewing the structure of the Board of Directors, establishing policies for the compensation of members of the Board of Director's, and overseeing the Bank's employee compensation system's design.

The Committee is also responsible to recommend to the Board of Directors the approval of the Bank's Compensation Policy and any amendments thereto, to ensure that the Bank's remuneration policies are in compliance with SAMA Rules on Compensation Practices and the Financial Stability Board's (FSB) Principles for Sound Compensation Practices, to periodically review the Bank's compensation policy, to evaluate practices by which compensation is paid, and to determine the performance bonuses for the Bank's employees based on the risk adjusted profit of the Bank.

The Bank's Compensation Policy is designed to attract, retain and motivate high performing and high potential employees. Employees participate in various variable pay arrangements. Discretionary variable pay as well as fixed pay reviews are dependent on the achievement of objectives, which is monitored/measured via a robust performance management system. The grant of the variable component of the reward is strictly dependent on the achievement of set targets, both financial and non-financial, level of achievements and the Bank's overall performance, including key risk indicators. Higher achievements will warrant a better performance rating and higher variable compensation. The Balanced Scorecard concept is used as a performance management tool and Performance objectives are typically categorized into four segments including financial, customer, process, and people.

Financial and non-financial metrics are used to measure performance against the objectives, which include profitability, expense control, customer satisfaction, quality assurance, employee development and engagement, workforce diversity, sustainable business practices, lending guidelines, internal controls, compliance with regulations, and business systems and processes. Effective risk management is emphasized to maintain a strong and secure operating platform. A Risk Appetite Framework Policy has been established and compliance with the annual Risk Appetite Statement is key to all remuneration decisions including variable pay arrangements.

In addition to the above, the Bank's employees are encouraged to participate in employee share savings and incentive schemes. Variable remuneration is linked to long-term value creation and risk horizons. It is also based on individual, business segment and Bank performance criteria. Accordingly, for certain variable remunerations, a portion of the incentive earned for the annual performance bonus program is deferred in line with long term risk realization. The vesting is subject to claw back mechanisms over a three-year period.

The Bank's subsidiaries have adopted a similar approach to remuneration and compensation practices as described above, including policies within a framework of prudent risk management.

The total amount of compensation paid to key management for the year ended December 31, 2024 was ﷲ 73.9 million (2023: ﷲ 56.1 million). The post-employment benefits accrued to key management for the year ended December 31, 2024 was ﷲ 10.1 million (2023: ﷲ 2.9 million).

The total end of service payments made for all employees who left their employment with the Group during the year ended December 31, 2024 totaled ﷲ 19.3 million (2023: ﷲ 13.9 million). These payments were made to 124 beneficiaries (2023: 129). The highest payment to a single individual in 2024 was ﷲ 1.4 million (2023: ﷲ 1.2 million).

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23. Basic and diluted earnings per share

a) Details of basic and diluted earnings per share are as follows:

	2024 ﷲ'000	2023 ﷲ'000
Profit attributable to ordinary shareholders		
Net income	1,956,630	1,761,607
Tier I Sukuk costs	(169,558)	(167,428)
Net income adjusted for Tier I Sukuk costs	1,787,072	1,594,179
Weighted average number of outstanding shares	1,247,178	1,250,000
Basic and diluted earnings per share (ﷲ)	1.43	1.28

b) Basic earnings per share for the year ended December 31, 2024 and 2023 have been adjusted to reflect the issuance of the bonus shares. Also, the effect of treasury shares is included in calculation of weighted average number of outstanding shares for the year ended December 31, 2024.

24. Zakat

The Bank has filed the required Zakat returns with the ZATCA which are due on April 30 each year, through the year ended December 31, 2023. The Bank's Zakat calculations and corresponding accruals and payments for Zakat are based on the ownership percentages disclosed in note 15. The assessments for Bank's 2024 zakat declarations are in progress.

The movement zakat for the year ended December 31, 2024 and 2023 is summarized as follows:

	2024 ﷲ'000	2023 ﷲ'000
Balance at the beginning of the year	283,933	217,917
Provisions for Zakat	313,242	266,727
Payment of Zakat	(265,494)	(200,711)
Balance at the end of the year	331,681	283,933

a) In December 2018, the Bank agreed with the ZATCA to a settlement of Zakat assessments for the years 2006 to 2017 for ﷲ 775.5 million. The discounted Zakat liability of ﷲ 711.8 million was fully provided for through a charge to the consolidated statement of income with the corresponding liability included in other liabilities as of December 31, 2018. The Bank has paid ﷲ 155 million on January 1, 2019 and ﷲ 124 million on December 1, 2019, December 1, 2020, December 1, 2021, December 1, 2022 and December 1, 2023 respectively, as per the settlement agreement.

b) The Bank has provided for Zakat for the year ended December 31, 2024 and 2023 on the basis of the Bank's understanding of these rules.

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25. Operating segments

a) Operating segments are identified based on internal reports about components of the Group that are regularly reviewed by the Bank's Board of Directors in its function as the Chief Operating Decision Maker to allocate resources to segments and to assess their performance. Performance is measured based on segment profit, as management believes that this indicator is the most relevant in evaluating the results of segments relative to other entities that operate within these sectors.

Transactions between the operating segments are on normal commercial terms and conditions as approved by management. The revenue from external parties reported to the Board is measured in a manner consistent with that in the consolidated statement of income. Segment assets and liabilities are comprised of operating assets and liabilities. The Group's primary business is conducted in KSA.

There has been no change to the measurement basis or classification for the segment profit or loss during the year ended December 31, 2024.

b) The Group's reportable segments are as follows:

Retail banking. Loans, deposits, and other products for public institutions, high-net worth individuals and consumers.

Corporate banking. Loans, deposits and other credit products for corporate, small to medium-sized businesses.

Treasury and Investments. Money market, investments and treasury services, and investments in associates and related activities.

Asset management and brokerage. Dealing, managing, advising and custody of securities services.

Other. Support functions, special credit, and other management and control units.

During the year ended December 31, 2024 Public Institution related products were moved to Retail banking segment from Treasury and Investment segment.

Commission is charged to operating segments based on Funds Transfer Price (FTP) rates. The net FTP contribution included in the segment information below includes the segmental net special commission income after FTP asset charges and liability credits (FTP net transfers). All other segment income is from external customers.

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c) The segment information provided to the Bank’s Board of Directors for the reportable segments for the Group’s total assets and liabilities as of December 31, 2024 and 2023, and its total operating income, expenses, and Income before provisions for Zakat for the years then ended, are as follows:

	2024 ٢٠٢٤					
	Retail banking	Corporate banking	Treasury and investments	Asset management and brokerage	Other	Total
Total assets	26,229,955	72,822,886	53,373,348	935,750	3,304,749	156,666,688
Total liabilities	68,873,653	11,234,596	53,419,513	67,162	2,343,150	135,938,074
Net special commission income (loss)	(851,480)	4,879,741	(514,405)	67,836	(45,000)	3,536,692
FTP net transfers	2,288,295	(3,532,744)	1,260,494	-	(16,045)	-
Net FTP contribution	1,436,815	1,346,997	746,089	67,836	(61,045)	3,536,692
Fee income (loss) from banking services, net	14,635	154,120	46,735	164,978	(37,614)	342,854
Other operating income (loss)	105,799	90,534	296,772	1,671	(196,274)	298,502
Total operating income (loss)	1,557,249	1,591,651	1,089,596	234,485	(294,933)	4,178,048
Direct operating expenses	508,550	86,076	39,959	118,130	-	752,715
Indirect operating expenses	490,893	196,357	294,536	-	-	981,786
Allowance (reversal) for credit and other losses	9,364	276,437	4,060	(17)	110	289,954
Total operating expenses	1,008,807	558,870	338,555	118,113	110	2,024,455
Operating income (loss)	548,442	1,032,781	751,041	116,372	(295,043)	2,153,593
Share in earnings of associates	-	-	116,279	-	-	116,279
Income (loss) before provisions for Zakat	548,442	1,032,781	867,320	116,372	(295,043)	2,269,872

	2023 ٢٠٢٣					
	Retail banking	Corporate banking	Treasury and investments	Asset management and brokerage	Other	Total
Total assets	22,663,667	58,045,352	45,774,178	798,238	2,702,738	129,984,173
Total liabilities	58,962,822	7,953,254	43,606,631	61,842	2,164,571	112,749,120
Net special commission income (loss)	(516,007)	4,037,253	(106,475)	56,851	(54,405)	3,417,217
FTP net transfers	1,947,000	(2,772,252)	813,729	-	11,523	-
Net FTP contribution	1,430,993	1,265,001	707,254	56,851	(42,882)	3,417,217
Fee income (loss) from banking services, net	20,721	126,928	31,904	144,379	(21,687)	302,245
Other operating income (loss)	115,614	71,032	221,654	1,677	(162,856)	247,121
Total operating income (loss)	1,567,328	1,462,961	960,812	202,907	(227,425)	3,966,583
Direct operating expenses	483,385	80,022	39,109	108,413	-	710,929
Indirect operating expenses	472,959	189,183	283,775	-	-	945,917
Allowance (reversal) for credit and other losses	82,379	276,739	(523)	62	-	358,657
Total operating expenses	1,038,723	545,944	322,361	108,475	-	2,015,503
Operating income (loss)	528,605	917,017	638,451	94,432	(227,425)	1,951,080
Share in earnings of associates	-	-	77,254	-	-	77,254
Income (loss) before provisions for Zakat	528,605	917,017	715,705	94,432	(227,425)	2,028,334

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d) The Group’s credit exposure by business segment as of December 31, 2024 and 2023 is as follows:

	2024 ٢٠٢٤					
	Retail banking	Corporate banking	Treasury and investments	Asset management and brokerage	Other	Total
Consolidated statement of financial position assets	24,742,542	72,822,886	50,805,646	737,987	1,163,075	150,272,136
Commitments and contingencies	243,031	19,380,072	529,000	-	-	20,152,103
Derivatives	-	-	1,808,011	-	-	1,808,011
Totals	24,985,573	92,202,958	53,142,657	737,987	1,163,075	172,232,250

	2023 ٢٠٢٣					
	Retail banking	Corporate banking	Treasury and investments	Asset management and brokerage	Other	Total
Consolidated statement of financial position assets	21,276,109	58,045,352	44,468,958	631,701	797,458	125,219,578
Commitments and contingencies	243,659	13,357,402	1,485,216	-	14,814	15,101,091
Derivatives	-	-	1,410,188	-	-	1,410,188
Totals	21,519,768	71,402,754	47,364,362	631,701	812,272	141,730,857

Consolidated statement of financial position credit exposure is comprised of the carrying value of consolidated statement of financial position assets excluding cash on hand, property, equipment, right of use assets, net and Intangible assets, net, investments in associates, investments in equities, mutual funds, and other securities, other real estate, and other assets, net.

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26. Geographical concentration

The distribution by geographical region for assets, liabilities, and for commitments, contingencies, and derivatives as of December 31, 2024 and 2023 is as follows

	2024 ٢٠٢٤						
	Kingdom of Saudi Arabia	Other GCC and Middle East	Europe	North America	South East Asia	Other countries	Total
Assets							
Cash and balances with SAMA:							
Cash on hand	797,881	-	-	-	-	-	797,881
Balances with SAMA	9,120,997	-	-	-	-	-	9,120,997
Due from banks and other financial institutions, net:							
Current accounts	267,506	149,252	199,960	413,963	22,638	70,713	1,124,032
Money market placements	160,000	-	29,968	-	-	-	189,968
Investments:							
Held at FVTPL	60,927	1,233	-	666	-	-	62,826
Held at amortized cost, net	7,226,520	5,010,540	4,569,072	3,838,322	779,116	-	21,423,570
Held at FVOCI	15,016,423	2,712,289	629,476	363,010	223,722	-	18,944,920
Positive fair values of derivatives, net:							
Held for trading	313,267	-	19,941	41,360	-	-	374,568
Held as fair value hedges	-	16,559	261,586	-	-	-	278,145
Associated company put option	-	183,910	-	-	-	-	183,910
CSA / EMIR cash margins	(12,039)	(16,559)	(281,527)	-	-	-	(310,125)
Loans and advances, net:							
Commercial and others	81,634,288	-	-	-	-	-	81,634,288
Overdrafts	5,413,045	-	-	-	-	-	5,413,045
Consumer	12,419,157	-	-	-	-	-	12,419,157
Investments in associates	1,022,418	-	-	-	-	-	1,022,418
Other real estate	858,830	-	-	-	-	-	858,830
Property, equipment, and right of use assets, net	1,245,910	-	-	-	-	-	1,245,910
Intangible assets, net	630,573	-	-	-	-	-	630,573
Other assets, net	1,251,775	-	-	-	-	-	1,251,775
Total	137,427,478	8,057,224	5,428,476	4,657,321	1,025,476	70,713	156,666,688
Liabilities							
Due to banks and other financial institutions, net:							
Current accounts	-	810	288	-	542	1,121	2,761
Repurchase agreements	9,076,328	6,388,624	4,483,411	3,867,511	917,230	-	24,733,104
Money market deposits	1,763,741	1,343,811	698,599	-	-	-	3,806,151
Deposits from SAMA, net	11,358,982	-	-	-	-	-	11,358,982
Time	58,978,914	-	-	-	-	-	58,978,914
Savings	3,325,313	-	-	-	-	-	3,325,313
Demand	29,655,634	-	-	-	-	-	29,655,634
Other	2,053,270	-	-	-	-	-	2,053,270
Negative fair values of derivatives, net:							
Held for trading	41,912	7,834	316,016	-	-	-	365,762
CSA / EMIR cash margins	-	-	(307,005)	-	-	-	(307,005)
Other liabilities	1,965,188	-	-	-	-	-	1,965,188
Total	118,219,282	7,741,079	5,191,309	3,867,511	917,772	1,121	135,938,074
Letters of credit	2,430,279	538,200	-	-	-	-	2,968,479
Letters of guarantee	13,902,416	191,843	165,059	17,579	2,701	3,557	14,283,155
Acceptances	1,535,924	-	-	-	-	-	1,535,924
Irrevocable commitments to extend credit	7,924,814	-	-	-	-	-	7,924,814
Maximum credit exposure (stated at credit equivalent amounts):							
Commitments and contingencies							
Letters of credit	1,860,876	538,200	-	-	-	-	2,399,076
Letters of guarantee	13,902,416	191,843	165,059	17,579	2,701	3,557	14,283,155
Acceptances	1,535,924	-	-	-	-	-	1,535,924
Irrevocable commitments to extend credit	3,169,925	-	-	-	-	-	3,169,925
Derivatives:							
Held for trading	150,879	4,327	1,306,459	50,497	-	-	1,512,162
Held as fair value hedges	-	19,932	275,917	-	-	-	295,849
Associated company put option	-	183,910	-	-	-	-	183,910

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	2023 ٢٠٢٣						Total
	Kingdom of Saudi Arabia	Other GCC and Middle East	Europe	North America	South East Asia	Other countries	
Assets							
Cash and balances with SAMA:							
Cash on hand	678,550	-	-	-	-	-	678,550
Balances with SAMA	10,339,719	-	-	-	-	-	10,339,719
Due from banks and other financial institutions, net:							
Current accounts	47,195	66,879	391,134	569,055	12,677	39,576	1,126,516
Money market placements	-	45,823	301,079	-	-	-	346,902
Investments:							
Held at FVTPL	36,608	1,603	-	700	-	-	38,911
Held at amortized cost, net	4,244,965	1,871,031	2,380,896	3,423,352	379,313	-	12,299,557
Held at FVOCI	15,462,203	3,309,108	612,793	359,573	218,928	-	19,962,605
Positive fair values of derivatives, net:							
Held for trading	233,812	500	8,089	49,680	-	-	292,081
Held as fair value hedges	5,652	18,244	304,650	-	-	-	328,546
Associated company put option	-	113,066	-	-	-	-	113,066
CSA / EMIR cash margins	-	-	(48,257)	-	-	-	(48,257)
Loans and advances, net:							
Commercial and others	65,775,394	-	-	-	-	-	65,775,394
Overdrafts	4,670,230	-	-	-	-	-	4,670,230
Consumer	10,305,146	-	-	-	-	-	10,305,146
Investments in associates	967,945	-	-	-	-	-	967,945
Other real estate	858,897	-	-	-	-	-	858,897
Property, equipment, and right of use assets, net	1,185,742	-	-	-	-	-	1,185,742
Intangible assets, net	484,914	-	-	-	-	-	484,914
Other assets, net	257,709	-	-	-	-	-	257,709
Total	115,554,681	5,426,254	3,950,384	4,402,360	610,918	39,576	129,984,173
Liabilities							
Due to banks and other financial institutions, net:							
Current accounts	11,667	584	175	-	543	808	13,777
Repurchase agreements	9,395,780	2,801,152	2,296,375	2,913,420	539,466	-	17,946,193
Money market deposits	1,204,874	315,131	646,886	-	-	-	2,166,891
Deposits from SAMA, net	7,161,797	-	-	-	-	-	7,161,797
Customers' deposits:							
Time	49,958,088	-	-	-	-	-	49,958,088
Savings	3,301,306	-	-	-	-	-	3,301,306
Demand	27,754,612	-	-	-	-	-	27,754,612
Other	2,219,258	-	-	-	-	-	2,219,258
Negative fair values of derivatives, net:							
Held for trading	44,439	231	247,088	-	-	-	291,758
CSA / EMIR cash margins	(22,431)	-	(244,054)	-	-	-	(266,485)
Other liabilities	2,201,925	-	-	-	-	-	2,201,925
Total	103,231,315	3,117,098	2,946,470	2,913,420	540,009	808	112,749,120
Commitments and contingencies:							
Letters of credit	2,129,852	1,051,082	-	-	-	-	3,180,934
Letters of guarantee	10,542,117	211,301	148,092	19,766	-	2,721	10,923,997
Acceptances	1,015,648	-	-	-	-	-	1,015,648
Irrevocable commitments to extend credit	1,397,101	-	-	-	-	-	1,397,101
Maximum credit exposure (stated at credit equivalent amounts):							
Commitments and contingencies							
Letters of credit	2,110,365	1,051,082	-	-	-	-	3,161,447
Letters of guarantee	10,542,117	211,301	148,092	19,766	-	2,721	10,923,997
Acceptances	1,015,648	-	-	-	-	-	1,015,648
Irrevocable commitments to extend credit	558,840	-	-	-	-	-	558,840
Derivatives:							
Held for trading	505,860	-	373,276	22,979	-	-	902,115
Held as fair value hedges	19,547	29,896	458,630	-	-	-	508,073
Associated company put option	-	113,066	-	-	-	-	113,066

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a) The distribution by geographical concentration of non-performing loans and advances and provision for credit losses are as follows:

	Non-performing loans and advances		Allowance for credit losses	
	2024 ﷲ'000	2023 ﷲ'000	2024 ﷲ'000	2023 ﷲ'000
Kingdom of Saudi Arabia				
Commercial loans and overdrafts	966,293	1,150,151	1,509,121	1,792,804
Consumer loans	88,357	89,789	143,110	131,476
	1,054,650	1,239,940	1,652,231	1,924,280

27. Market risk

Market risk is the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market variables such as commission rates, foreign exchange rates, and equity prices. The Group classifies exposures to market risk into either a trading or banking book.

a) Market risk-trading book

The Board of Directors has set limits for the acceptable level of risks in managing the trading book. The Group currently has trading book exposures in foreign exchange contracts and commission rate swaps. Market risk management uses the mandated standardized approach, e.g. sensitivity based method, to access the market risk exposure in the trading book for foreign exchange and interest rate exposure of the Bank. Additionally, the Value at Risk (VaR) tool is leveraged for accessing any additional exposure over the standardized approach.

b) Market risk-banking book

Market risk in the banking book mainly arises from commission rate risk, liquidity risk, currency risk, and equity price risk.

i. Commission rate risk

Commission rate risk arises from the possibility that changes in commission rates will affect either the fair values or the future cash flows of the financial instruments and obligations. The Board of Directors has established commission rate gap limits for stipulated periods. The Group monitors positions and uses hedging strategies to ensure maintenance of positions within the established gap limits.

The following table depicts the sensitivity to a reasonably possible change in commission rates, with other variables held constant, on the Group's consolidated statement of income or shareholders' equity. A positive effect shows a potential net increase in the consolidated net income or shareholders' equity, whereas a negative effect shows a potential net reduction in consolidated net income or shareholders' equity.

The sensitivity of net special commission income is the effect of the assumed changes in commission rates on the net special commission income for one year, based on the floating rate financial assets and financial liabilities held as of December 31, 2024 and 2023, including the effect of hedging instruments.

The sensitivity of equity is calculated by revaluing the fixed rate FVOCI debt securities, excluding the effect of any associated fair value hedges as of December 31, 2024 and 2023 for the effect of assumed changes in commission rates. The sensitivity of shareholders' equity is analyzed by maturity of the asset or swap. The entire banking book exposures are monitored and analyzed by currency and relevant sensitivities and are disclosed in ﷲ thousands. For presentation purposes in the tables below, short-term fixed rate deposit liabilities are treated as variable rate deposits.

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Commission rate	Increase (decrease) in basis points	2024 ﷲ'000	2024 Sensitivity of equity ﷲ'000				
		Sensitivity of net special commission income	6 months or less	6 to 12 months	1 to 5 years	Over 5 years	Total
ﷲ	+ 100	(157,488)	(550)	-	(18,787)	(188,516)	(207,853)
USD	+ 100	85,429	(3,625)	(2,740)	(215,252)	(197,082)	(418,699)
EUR	+ 100	(2,276)	-	-	-	-	-

Commission rate	Increase (decrease) in basis points	2024 ﷲ'000	2024 Sensitivity of equity ﷲ'000				
		Sensitivity of net special commission income	6 months or less	6 to 12 months	1 to 5 years	Over 5 years	Total
ﷲ	- 100	157,488	550		18,787	188,516	207,853
USD	- 100	(85,429)	3,625	2,740	215,252	197,082	418,699
EUR	- 100	2,276	-	-	-	-	-

Commission rate	Increase (decrease) in basis points	2023 ﷲ'000	2023 Sensitivity of equity ﷲ'000				
		Sensitivity of net special commission income	6 months or less	6 to 12 months	1 to 5 years	Over 5 years	Total
ﷲ	+ 100	(189,911)	(2,209)	(634)	(171,499)	(368,994)	(543,336)
USD	+ 100	146,499	-	-	(5,403)	(237,745)	(243,148)
EUR	+ 100	(43)	-	-	-	-	-

Commi-ssion rate	Increase (decrease) in basis points	2023 ﷲ'000	2023 Sensitivity of equity ﷲ'000				
		Sensitivity of net special commission income	6 months or less	6 to 12 months	1 to 5 years	Over 5 years	Total
ﷲ	- 100	189,911	2,209	634	171,499	368,994	543,336
USD	- 100	(146,499)	-	-	5,403	237,745	243,148
EUR	- 100	43	-	-	-	-	-

The Group manages exposure to the effects of various risks associated with fluctuations in prevailing levels of market special commission rates on its financial position and cash flows. The Board of Directors also sets limits on the level of mismatch of special commission rate re-pricing that may be undertaken, which is monitored by the Treasury unit.

The Group is exposed to special commission rate risk as a result of mismatches or gaps in the amounts of assets and liabilities and off-balance sheet instruments that mature or re-price in a given period. The Group manages this risk by matching the re-pricing of assets and liabilities through special commission rate risk management strategies.

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The tables below summarize the Group's exposure to special commission rate risks as of December 31, 2024 and 2023. Included in the tables are the Group's assets and liabilities at carrying amounts, categorized by the earlier of contractual re-pricing or maturity dates.

	2024 ﷲ'000					
	Within 3 months	3-12 months	1-5 years	Over 5 years	Non commission bearing	Total
Assets						
Cash and balances with SAMA:						
Cash on hand	-	-	-	-	797,881	797,881
Balances with SAMA	4,244,000	-	-	-	4,876,997	9,120,997
Due from banks and other financial institutions, net:						
Current accounts	620,619	-	-	-	503,413	1,124,032
Money market placements	29,968	160,000	-	-	-	189,968
Investments, net:						
Held at FVTPL	-	-	-	-	62,826	62,826
Held at amortized cost, net	514,157	964,822	6,215,779	13,449,679	279,133	21,423,570
Held at FVOCI	821,582	1,623,201	8,027,308	7,782,378	690,451	18,944,920
Positive fair values of derivatives, net:						
Held for trading	-	-	-	-	374,568	374,568
Held as fair value hedges	-	-	-	-	278,145	278,145
Associated company put option	-	-	-	-	183,910	183,910
CSA / EMIR cash margins	-	-	-	-	(310,125)	(310,125)
Loans and advances, net:						
Commercial and others	55,197,686	25,315,521	40,147	248	1,080,686	81,634,288
Overdrafts	4,637,450	-	-	-	775,595	5,413,045
Consumer	2,595,269	1,572,298	5,758,451	2,479,684	13,455	12,419,157
Investments in associates	-	-	-	-	1,022,418	1,022,418
Other real estate	-	-	-	-	858,830	858,830
Property, equipment, and right of use assets, net	-	-	-	-	1,245,910	1,245,910
Intangible assets, net	-	-	-	-	630,573	630,573
Other assets, net	-	-	-	-	1,251,775	1,251,775
Total	68,660,731	29,635,842	20,041,685	23,711,989	14,616,441	156,666,688
Liabilities and equity						
Due to banks and other financial institutions, net:						
Current accounts	-	-	-	-	2,761	2,761
Repurchase agreements	16,196,595	8,341,334	-	-	195,175	24,733,104
Money market deposits	1,897,403	1,908,748	-	-	-	3,806,151
Deposits from SAMA, net	4,591,345	6,674,069	-	-	93,568	11,358,982
Customers' deposits:						
Time	50,902,522	7,510,250	12,000	-	554,142	58,978,914
Savings	3,325,313	-	-	-	-	3,325,313
Demand	-	-	-	-	29,655,634	29,655,634
Other	-	-	-	-	2,053,270	2,053,270
Negative fair values of derivatives, net:						
Held for trading	-	-	-	-	365,762	365,762
CSA / EMIR cash margins	-	-	-	-	(307,005)	(307,005)
Other liabilities	-	-	-	-	1,965,188	1,965,188
Total equity	-	-	-	-	20,728,614	20,728,614
Total	76,913,178	24,434,401	12,000	-	55,307,109	156,666,688
Special commission rate sensitivity-On balance sheet	(8,252,447)	5,201,441	20,029,685	23,711,989	(40,690,668)	-
Special commission rate sensitivity-Off balance sheet	6,849,183	(570,897)	(6,278,286)	-	-	-
Total special commission rate sensitivity gap	(1,403,264)	4,630,544	13,751,399	23,711,989	(40,690,668)	
Cumulative special commission rate sensitivity gap	(1,403,264)	3,227,280	16,978,679	40,690,668	-	

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	2023 ﷲ'000					
	Within 3 months	3-12 months	1-5 years	Over 5 years	Non commission bearing	Total
Assets						
Cash and balances with SAMA:						
Cash on hand	-	-	-	-	678,550	678,550
Balances with SAMA	6,440,000	-	-	-	3,899,719	10,339,719
Due from banks and other financial institutions, net:						
Current accounts	866,577	-	-	-	259,939	1,126,516
Money market placements	346,902	-	-	-	-	346,902
Investments, net:						
Held at FVTPL	-	-	-	-	38,911	38,911
Held at amortized cost, net	139,129	-	4,521,288	7,492,035	147,105	12,299,557
Held at FVOCI	666,923	1,159,479	6,534,968	11,130,663	470,572	19,962,605
Positive fair values of derivatives, net:						
Held for trading	-	-	-	-	292,081	292,081
Held as fair value hedges	-	-	-	-	328,546	328,546
Associated company put option	-	-	-	-	113,066	113,066
CSA / EMIR cash margins	-	-	-	-	(48,257)	(48,257)
Loans and advances, net:						
Commercial and others	43,523,051	20,147,627	886,412	248	1,218,056	65,775,394
Overdrafts	3,958,827	-	-	-	711,403	4,670,230
Consumer	1,837,392	1,404,017	4,787,810	2,236,114	39,813	10,305,146
Investments in associates	-	-	-	-	967,945	967,945
Other real estate	-	-	-	-	858,897	858,897
Property, equipment, and right of use assets, net	-	-	-	-	1,185,742	1,185,742
Intangible assets, net	-	-	-	-	484,914	484,914
Other assets, net	-	-	-	-	257,709	257,709
Total	57,778,801	22,711,123	16,730,478	20,859,060	11,904,711	129,984,173
Liabilities and equity						
Due to banks and other financial institutions, net:						
Current accounts	-	-	-	-	13,777	13,777
Repurchase agreements	11,509,165	3,994,862	2,182,850	-	259,316	17,946,193
Money market deposits	2,166,891	-	-	-	-	2,166,891
Deposits from SAMA, net	3,703,154	594,660	2,810,069	-	53,914	7,161,797
Customers' deposits:						
Time	43,070,843	6,144,723	-	-	742,522	49,958,088
Savings	3,301,306	-	-	-	-	3,301,306
Demand	-	-	-	-	27,754,612	27,754,612
Other	-	-	-	-	2,219,258	2,219,258
Negative fair values of derivatives, net:						
Held for trading	-	-	-	-	291,758	291,758
CSA / EMIR cash margins	-	-	-	-	(266,485)	(266,485)
Other liabilities	-	-	-	-	2,201,925	2,201,925
Total equity	-	-	-	-	17,235,053	17,235,053
Total	63,751,359	10,734,245	4,992,919	-	50,505,650	129,984,173
Special commission rate sensitivity-On balance sheet	(5,972,558)	11,976,878	11,737,559	20,859,060	(38,600,939)	-
Special commission rate sensitivity-Off balance sheet	8,097,602	(843,722)	(5,435,082)	(1,818,798)	-	-
Total special commission rate sensitivity gap	2,125,044	11,133,156	6,302,477	19,040,262	(38,600,939)	-
Cumulative special commission rate sensitivity gap	2,125,044	13,258,200	19,560,677	38,600,939	-	-

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The off-balance sheet gap position represents the net notional amounts of derivative financial instruments, which are used to manage special commission rate risk.

ii. Currency risk

Currency risk represents the risk of change in the value of financial instruments due to changes in foreign exchange rates. The Board of Directors has set limits on currency positions, which are monitored daily. Hedging strategies are also used to ensure that positions and market risks are maintained within the limits.

The table below shows the currencies to which the Group has a significant exposure as of December 31, 2024 and 2023, on its banking book assets and liabilities and forecasted cash flows. The table depicts the effect of a reasonably possible movement of the currency rates against the ﷲ, with other variables held constant, on the consolidated statement of income (due to the change in the fair value of the currency sensitive banking book assets and liabilities). A positive effect shows a potential net increase in the consolidated statement of income, whereas a negative effect shows a potential net reduction in the consolidated statement of income.

Currency Exposures	Change in currency rate in %	Effect on Income before provisions for Zakat	
		2024 ﷲ'000	2023 ﷲ'000
USD	± 5%	+100,282	+29,728
EUR	± 5%	+40	+2,094
GBP	± 5%	+105	+73

iii. Currency position

The Group manages the exposure to the effects of fluctuations in prevailing foreign currency exchange rates on its financial position and cash flows. The Board of Directors sets limits on the level of exposure by currency and in total for both overnight and intra-day positions, which are monitored daily. As of December 31, 2024 and 2023, the Group had the following significant net exposures denominated in foreign currencies:

Currency	2024 ﷲ'000	2023 ﷲ'000
	Long / (short)	Long / (short)
US Dollar	2,005,650	594,551
Euro	805	(41,876)
Pound Sterling	2,090	1,459
Japanese Yen	-	620
U.A.E Dirham	48,311	18,741
Others	85,218	70,880

iv. Equity price risk

Equity price risk refers to the risk of a decrease in fair values of equities, mutual funds and other securities in the Group's investment portfolio as a result of reasonably possible changes in levels of equity indices and the value of individual investments.

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The following table depicts the effect on the Group's investments in equities and mutual funds from a reasonably possible change in relevant indices, with other variables held constant, and the related effect on the Group's net income and shareholders' equity as of December 31, 2024 and 2023. A positive effect shows a potential increase in consolidated shareholders' equity, whereas a negative effect shows a potential decrease in consolidated shareholders' equity.

Market Indices	2024		
	Change in equity price %	Effect on Income before provisions for Zakat ﷲ'000	Shareholders' equity Effect ﷲ'000
TADAWUL	+ 5%	-	25,985 +
Unquoted	+ 5%	3,141 +	232 +

Market Indices	2023		
	Change in equity price %	Effect on Income before provisions for Zakat ﷲ'000	Shareholders' equity Effect ﷲ'000
TADAWUL	+ 5%	-	14,364 +
Unquoted	+ 5%	1,946 +	232 +

28. Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting obligations associated with its financial liabilities that are settled by delivering cash or other financial assets. Liquidity risk can be caused by market disruptions or credit downgrades, which may cause certain sources of funding to dry up immediately. To mitigate this risk, management has diversified funding sources, and assets are managed with liquidity in perspective. Management therefore maintains a healthy balance of cash, cash equivalents, and readily marketable securities as of part of its high liquid assets. Management also monitors the asset and liability maturity profile to ensure that adequate liquidity is maintained. The daily liquidity position is monitored and regular liquidity stress testing is conducted under a variety of scenarios covering both normal and more severe market conditions. All liquidity policies and procedures are subject to review and approval by the Asset Liability Committee. A summary report, including any exceptions and remedial actions taken, is submitted regularly to the Asset Liability Committee.

In accordance with the Banking Control Law and the regulations issued by SAMA, the Group maintains a statutory deposit with SAMA equal to 7% (2023: 7%) of average demand deposits and 4% (2023: 4%) of average saving and time deposits. In addition to the statutory deposit, the Group also maintains liquid reserves of no less than 20% of its deposit liabilities, in the form of cash and balances with SAMA, Saudi Government Development Bonds, or other assets which can be converted into cash within a period not exceeding 30 days. The Group has the ability to raise additional funds through repo facilities with SAMA against Saudi Government Development Bonds up to 98% of the nominal value of Saudi Riyal denominated bonds held.

The Bank has an established Liquidity Risk Appetite that is approved by Board of Directors and that is reviewed monthly through ALCO and with quarterly reports to the Board Risk Committee (BRC). The Risk Appetite statement is based on a range of key monitoring metrics, including the short-term Liquidity Coverage Ratio and the long-term Net Stable Funding Ratio along with Liquidity Gap limits giving due consideration to stress factors relating to both the market in general and Bank specific conditions. The Bank has also established a comprehensive Contingency Funding Plan (CFP) using early warning monitoring metrics to forewarn Senior Management of impending stress and which establishes a clear allocation of roles and clear lines of management responsibility to address any liquidity stress situations.

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a) Contractual maturity profile of assets and liabilities

The tables below summarize the contractual maturity profile of the Group’s assets, liabilities, and equity as of December 31, 2024 and 2023. The contractual maturities of assets and liabilities have been determined on the basis of the remaining period at the consolidated statement of financial position date to the contractual maturity date, and do not take into account the effective maturities as indicated by the Group’s deposit retention history. The amounts disclosed for derivatives, and commitments and contingencies are not indicative of future payment obligations.

	2024 ٠'000					Total
	Within 3 months	3-12 months	1-5 years	Over 5 years	No fixed maturity / on demand	
Assets						
Cash and balances with SAMA:						
Cash on hand	-	-	-	-	797,881	797,881
Balances with SAMA	4,244,000	-	-	-	4,876,997	9,120,997
Due from banks and other financial institutions, net:						
Current accounts	-	-	-	-	1,124,032	1,124,032
Money market placements	29,968	160,000	-	-	-	189,968
Investments, net:						
Held at FVTPL	-	-	-	-	62,826	62,826
Held at amortized cost, net	279,144	964,822	6,649,925	13,529,679	-	21,423,570
Held at FVOCI	813,386	1,301,186	8,451,352	7,854,656	524,340	18,944,920
Positive fair values of derivatives, net:						
Held for trading	-	374,568	-	-	-	374,568
Held as fair value hedges	-	278,145	-	-	-	278,145
Associated company put option	-	-	-	-	183,910	183,910
CSA / EMIR cash margins	-	(310,125)	-	-	-	(310,125)
Loans and advances, net:						
Commercial and others	14,480,063	29,666,927	22,115,036	15,372,262	-	81,634,288
Overdrafts	5,413,045	-	-	-	-	5,413,045
Consumer	2,608,724	1,572,298	5,758,451	2,479,684	-	12,419,157
Investments in associates	-	-	-	-	1,022,418	1,022,418
Other real estate	-	-	-	-	858,830	858,830
Property, equipment, and right of use assets, net	-	-	-	-	1,245,910	1,245,910
Intangible assets, net	-	-	-	-	630,573	630,573
Other assets, net	-	-	-	-	1,251,775	1,251,775
Total	27,868,330	34,007,821	42,974,764	39,236,281	12,579,492	156,666,688
Liabilities and equity						
Due to banks and other financial institutions, net:						
Current accounts	-	-	-	-	2,761	2,761
Repurchase agreements	10,273,246	13,141,653	1,318,205	-	-	24,733,104
Money market deposits	1,897,403	1,908,748	-	-	-	3,806,151
Deposits from SAMA, net	4,684,913	6,674,069	-	-	-	11,358,982
Customers' deposits:						
Time	45,493,649	7,260,250	6,225,015	-	-	58,978,914
Savings	-	-	-	-	3,325,313	3,325,313
Demand	-	-	-	-	29,655,634	29,655,634
Other	-	-	-	-	2,053,270	2,053,270
Negative fair values of derivatives, net:						
Held for trading	-	365,762	-	-	-	365,762
CSA / EMIR cash margins	-	(307,005)	-	-	-	(307,005)
Other liabilities	1,965,188	-	-	-	-	1,965,188
Total equity	-	-	-	-	20,728,614	20,728,614
Total	64,314,399	29,043,477	7,543,220	-	55,765,592	156,666,688
Commitments and contingencies	1,283,183	2,682,988	14,649,458	-	-	26,712,372
Derivatives - notional amounts	6,158,615	931,575	31,371,233	-	-	50,178,087

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	2023 ٠'000					Total
	Within 3 months	3-12 months	1-5 years	Over 5 years	No fixed maturity / on demand	
Assets						
Cash and balances with SAMA:						
Cash on hand	-	-	-	-	678,550	678,550
Balances with SAMA	6,440,000	-	-	-	3,899,719	10,339,719
Due from banks and other financial institutions, net:						
Current accounts	-	-	-	-	1,126,516	1,126,516
Money market placements	346,902	-	-	-	-	346,902
Investments, net:						
Held at FVTPL	-	-	-	-	38,911	38,911
Held at amortized cost, net	150,992	-	4,529,038	7,619,527	-	12,299,557
Held at FVOCI	365,699	837,092	7,264,786	11,203,105	291,923	19,962,605
Positive fair values of derivatives, net:						
Held for trading	-	292,081	-	-	-	292,081
Held as fair value hedges	-	328,546	-	-	-	328,546
Associated company put option	-	-	-	-	113,066	113,066
CSA / EMIR cash margins	-	(48,257)	-	-	-	(48,257)
Loans and advances, net:						
Commercial and others	15,100,420	19,340,366	24,078,408	7,256,200	-	65,775,394
Overdrafts	4,670,230	-	-	-	-	4,670,230
Consumer	1,837,392	1,404,017	4,787,810	2,275,927	-	10,305,146
Investments in associates	-	-	-	-	967,945	967,945
Other real estate	-	-	-	-	858,897	858,897
Property, equipment, and right of use assets, net	-	-	-	-	1,185,742	1,185,742
Intangible assets, net	-	-	-	-	484,914	484,914
Other assets, net	-	-	-	-	257,709	257,709
Total	28,911,635	22,153,845	40,660,042	28,354,759	9,903,892	129,984,173
Liabilities and equity						
Due to banks and other financial institutions, net:						
Current accounts	-	-	-	-	13,777	13,777
Repurchase agreements	11,704,603	4,058,740	2,182,850	-	-	17,946,193
Money market deposits	2,166,891	-	-	-	-	2,166,891
Deposits from SAMA, net	3,757,068	594,660	2,810,069	-	-	7,161,797
Customers' deposits:						
Time	38,414,664	5,778,670	5,764,754	-	-	49,958,088
Savings	-	-	-	-	3,301,306	3,301,306
Demand	-	-	-	-	27,754,612	27,754,612
Other	-	-	-	-	2,219,258	2,219,258
Negative fair values of derivatives, net:						
Held for trading	-	291,758	-	-	-	291,758
CSA / EMIR cash margins	-	(266,485)	-	-	-	(266,485)
Other liabilities	2,201,925	-	-	-	-	2,201,925
Total equity	-	-	-	-	17,235,053	17,235,053
Total	58,245,151	10,457,343	10,757,673	-	50,524,006	129,984,173
Commitments and contingencies	1,053,248	3,712,907	10,897,456	854,073	-	16,517,684
Derivatives - notional amounts	3,200,000	7,371,074	13,510,991	5,628,419	-	29,710,484

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Assets available to meet all the liabilities and to cover outstanding loan commitments include cash and balances with SAMA, due from banks and other financial institutions, investments, and loans and advances. The Group regularly monitors the maturity profile to ensure adequate liquidity is maintained. The cumulative maturities of commitments and contingencies is disclosed in note 18(c)(i).

b) Analysis of financial liabilities by remaining undiscounted maturities

The tables below summarize the estimated maturity profile of the Group’s financial liabilities as of December 31, 2024 and 2023 based on contractual undiscounted future repayment obligations. As special commission payment estimates up to the contractual maturities are included in the tables, the totals do not match the amounts included in the consolidated statement of financial position. The contractual maturities of liabilities have been determined based on the remaining period at the consolidated statement of financial position date to the contractual maturity date and do not take into account the effective expected maturities. The Group expects that many customers will not request repayment on the earliest date that the Group could be required to pay and the tables therefore do not reflect the expected cash flows indicated by the Group’s deposit retention history. The undiscounted maturity profile of financial liabilities is as follows:

2024 ٢٠٢٤						
	Within 3 months	3-12 months	1-5 years	Over 5 years	No fixed maturity / on demand	Total
Due to banks and other financial institutions:						
Current accounts	-	-	-	-	2,761	2,761
Repurchase agreements	10,321,003	13,228,551	1,337,003	-	-	24,886,557
Money market deposits	1,891,730	2,243,620	-	-	-	4,135,350
Deposits from SAMA	4,691,308	6,685,027	-	-	-	11,376,335
Customers’ deposits:						
Time	46,020,361	7,255,872	6,221,262	-	-	59,497,495
Savings	-	-	-	-	3,325,313	3,325,313
Demand	-	-	-	-	29,655,634	29,655,634
Other	-	-	-	-	2,053,270	2,053,270
Negative fair values of derivatives, net:						
Held for trading	-	365,762	-	-	-	365,762
CSA / EMIR cash margins	-	(307,005)	-	-	-	(307,005)
Total	62,924,402	29,471,827	7,558,265	-	35,036,978	134,991,474
Derivatives	5,697,170	63,674	9,390,879	4,619,635	-	19,771,358
Total	68,621,572	29,535,501	16,949,144	4,619,635	35,036,978	154,762,832

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2023 ٢٠٢٣						
	Within 3 months	3-12 months	1-5 years	Over 5 years	No fixed maturity / on demand	Total
Due to banks and other financial institutions:						
Current accounts	-	-	-	-	13,777	13,777
Repurchase agreements	11,821,238	4,173,814	2,423,296	-	-	18,418,348
Money market deposits	2,208,526	-	-	-	-	2,208,526
Deposits from SAMA	3,757,068	681,368	2,827,424	-	-	7,265,860
Customers’ deposits:						
Time	38,744,109	5,828,227	5,814,193	-	-	50,386,529
Savings	-	-	-	-	3,301,306	3,301,306
Demand	-	-	-	-	27,754,612	27,754,612
Other	-	-	-	-	2,219,258	2,219,258
Negative fair values of derivatives, net:						
Held for trading	-	291,758	-	-	-	291,758
CSA / EMIR cash margins	-	(266,485)	-	-	-	(266,485)
Total	56,530,941	10,708,682	11,064,913	-	33,288,953	111,593,489
Derivatives	600,000	2,326,125	5,019,745	2,167,305	-	10,113,175
Total	57,130,941	13,034,807	16,084,658	2,167,305	33,288,953	121,706,664

29. Credit and financial risk management

The Bank’s Board of Directors is responsible for establishing Corporate Governance processes and approving the Risk Appetite and related risk management framework. It is also responsible for approving and implementing policies to ensure compliance with SAMA guidelines, accounting and reporting standards and best industry practices including Basel guidelines. The Board of Directors has approved the Bank’s Risk Management Guide Policy as an overarching Risk Policy under which the Bank has a suite of policies including a Risk Appetite Framework Policy, Credit Policy Guide, Treasury Policy Guide, Stress Test Policy, Internal Capital Adequacy Assessment Plan Policy, Operational Risk Policy, Fraud Risk Policies, Information Security Policies, among others.

The Board of Directors has also approved the Bank’s comprehensive IFRS 9 Governance Framework Policy, addressing the Group’s IFRS 9 Approach and Methodology Policy, which is supplemented with additional management level policies including an IFRS 9 Data Management and Control Framework Policy, and the IFRS 9 governance framework, along with standard operating and accounting procedures.

The Board of Directors is supported by the Board Risk Committee, a committee of the Board, responsible for recommending policies for Board approval and for monitoring risks within the Bank. At the management level, the Bank operates various committees including an Enterprise Risk Management Committee, a Credit Committee, and an Asset Liability Committee (ALCO), which are responsible for various areas of risk management. A management level Expected Credit Loss (ECL) Committee linked to the Group’s IFRS 9 Governance and Framework Policy also operates which is responsible for all aspects of IFRS 9 including expected credit losses.

Other management level committees include the Operational Risk Management Committee, Financial Fraud Control Committee, Business Continuity Management Committee, Information Technology Steering Committee, and the Cybersecurity steering committee.

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At the departmental level, the Bank has a Risk Management Group headed by a Chief Risk Officer who is assisted by assistant general managers in charge of Risk Management, Credit Risk Review, Credit Administration, Collections and other functions.

a) Credit Risk

The Group manages its exposure to credit risk, which is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. Credit exposures arise principally in customer lending activities that lead to loans and advances, and other investment activities. There is also credit risk in off Balance sheet financial instruments, such as loan commitments and financial guarantee contracts. The Group assesses the Probability of Default (PD) of counterparties using internal rating tools which can be mapped to external ratings where available. The Group's credit risk for derivatives represents the potential cost to replace the derivative contracts if counterparties fail to fulfill their obligation, and to control the level of credit risk taken. The Group assesses wholesale counterparties using the same techniques as for its lending activities to clients.

Concentrations of credit risk arise when several counterparties are engaged in similar business activities, or activities in the same geographic region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political, or other conditions. Concentrations of credit risk indicate the relative sensitivity of the Group's performance to developments affecting a particular industry or geographical location.

The Group has a comprehensive Board approved framework for managing credit risk which includes an independent credit risk review function and credit risk monitoring process. The Group seeks to control credit risk by monitoring credit exposures, limiting concentration risks, limiting transactions with specific counterparties, and continually assessing the creditworthiness of counterparties. The Group's risk management policies are designed to identify and to set appropriate risk limits and to monitor the risks and adherence to limits. Actual exposures against limits are regularly monitored. In certain cases, the Group may also close out transactions or assign them to other counterparties to mitigate credit risk.

b) Credit Risk management

The Group seeks to manage its credit risk exposure through diversification of lending activities to ensure that there is no undue concentration of risks with individuals or groups of customers in specific locations, businesses, or economic sectors.

The Group uses a credit classification system as a tool to assist in managing the quality of credit risk within the lending portfolio. It maintains classification grades that differentiate between portfolios and allocates expected credit loss allowances. The Group determines each individual borrower's grade based on specific objective and subjective financial and business assessment criteria covering debt service, profitability, liquidity, capital structure, industry, management quality, and company standing. The Group conducts periodic quality classification exercises over all of its existing borrowers and the results of these exercises are validated by the independent risk management unit established for that purpose. The Group regularly reviews its risk management policies and systems to reflect changes in markets, products, external economic environment, emerging best practices, and regulatory guidance.

c) Credit Risk Mitigation (“CRM”)

The Group in the ordinary course of lending activities holds collateral as security for Credit Risk Mitigation (CRM) on its loans and advances. The collateral includes primarily time, demand, and other cash deposits, financial guarantees, local and international equities, real estate, and other assets. The collateral is held mainly against commercial and similar loans and is managed against relevant exposures at their net realizable value. Management monitors the market value of collateral, requests additional collateral in accordance with underlying agreements, and assesses the adequacy of the allowance for credit losses. The Group also seeks additional collateral from counterparties when impairment indicators are observed.

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(i) The estimated fair value of collateral held as CRM by the Group for total loans and advances is approximately ₪ 83.6 billion (2023: ₪ 78.7 billion). The amount of real estate, local and international equities and other cash deposits held as CRM for Stage 3 exposures is as follows:

	Exposure ₪'000	Credit Risk Mitigation ₪'000	ECL ₪'000
December 31, 2024	1,945,521	1,513,539	897,532
December 31, 2023	2,216,285	1,407,724	1,222,668

(ii) The amount of collateral held as security for credit-impaired loans along with collateral coverage as of December 31, 2024 and 2023 is as follows:

	2024 ₪'000	2023 ₪'000
Less than 50%	61,797	27,543
51% to 70%	13,942	13,307
More than 70%	1,437,800	1,366,874
Total	1,513,539	1,407,724

(iii) The Group, in the ordinary course of business, acquires real estate against settlement of loans and advances. The Group acquires the real estate with an intention to sell. The real estate acquired is presented as ‘Other real estate’ in the consolidated statement of financial position. The movement of Other real estate for the years ended December 31, 2024 and 2023 is summarized as follows:

	2024 ₪'000	2023 ₪'000
Balance at the beginning of the year	858,897	451,981
Acquisitions during the year	-	406,916
Fair valuation loss for the year	(67)	-
Balance at the end of the year	858,830	858,897

d) Credit Risk disclosures

The Group's credit quality for financial assets and financial guarantee contracts is included in note 29o.

The debt securities included in the investment portfolio are due mainly from corporates, banks, financial institutions, and sovereigns. An analysis of the Group's investments by type of counterparty is included in note 6d.

Information of the credit quality for loans and advances is provided in note 7d.

Economic sector risk concentrations for loans and advances are provided in note 7e.

The Group's credit risk relating to derivative financial instruments is included in notes 11.

An analysis of the Group's financial guarantee contracts by type of counterparty is included in notes 18(b)(ii). The Group's credit exposure by business segment is included in note 25d. The Group's distribution of geographic concentration is provided in note 26.

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e) Credit analysis of investments held at FVTPL

The Group’s investments held at FVTPL are comprised of Mutual fund investments and other securities which are unrated. Refer to note 6c.

f) Credit risk grades

The Group allocates exposures to a credit risk grade based on an array of data that is determined to be predictive of the risk of default and applying experienced credit judgment. Credit risk grades are defined using qualitative and quantitative factors that are indicative of a risk of default. These factors vary depending on the nature of the exposure and the type of borrower.

Credit risk grades are defined and calibrated such that the risk of default occurring increases exponentially as the credit risk deteriorates so, for example, the difference in risk of default between credit risk grades 1 and 2 is smaller than the difference between credit risk grades 2 and 3.

Each non-consumer exposure is allocated a credit risk grade at initial recognition based on available information about the borrower. Exposures are subject to ongoing monitoring, which may result in an exposure being moved to a different credit risk grade. The monitoring of exposures involves the use of the following data:

Non-Consumer exposures	Consumer exposures	All exposures
- Information obtained during periodic reviews of customer files – e.g. audited financial statements, management accounts, budgets, and projections. Examples of areas of particular focus include gross profit margins, financial leverage ratios, debt service coverages, compliance with covenants, quality management, and senior management changes. - Data from credit reference agencies, press articles, and changes in external credit ratings - Quoted bond and credit default swap (CDS) prices for the borrower where available - Actual and expected significant changes in the political, regulatory, and technological environment of the borrower, or in its business activities	- Internally collected data and customer behavior – e.g. utilization of credit card facilities - External data from credit reference agencies including industry-standard credit scores - Affordability metrics	- Payment record – this includes overdue status as well as a range of variables about payment ratios - Utilization of the granted limit - Requests for and granting of forbearance - Existing and forecast changes in business, financial and economic conditions

g) Generating the term structure for the Probability of Default (PD)

Credit risk grades are a primary input into the determination of the term structure of PD for exposures. The Group collects performance and default information about its credit risk exposures and analyzes the information by type of product and borrower as well as by credit risk grading. For some portfolios, information sourced from external credit reference agencies is also used.

The Group employs models developed based on the analysis of the data collected and generates estimates of the remaining lifetime PD of exposures and how these are expected to change as a result of the passage of time due to the impact of macro-economic factors. This analysis includes the identification and calibration of relationships of portfolio default rates against macro-economic variables. For most exposures, key macro-economic indicators include Real GDP, Government Expenditure and interest rate.

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Based on a variety of external actual and forecasted information, the Group formulates a base case view of the future direction of relevant economic variables as well as a representative range of other possible forecast scenarios. The Group then uses these forecasts to adjust its estimates of the PD term-structures. The range of PDs for corporate portfolio are as follow:

Internal rating grade	Internal rating description	12 month PD range
Performing		
1	Exceptional	0.01%-0.05%
2	Excellent	0.13% 0.06%-
3	Strong	-0.57% 0.14%
4	Good	2.56% - 0.58%
5	Acceptable	-3.49% 2.57%
6	Marginal	-8.43% 3.50%
7	Special Mention	24.10% 8.44%-
Non - Performing		
8 to 10		100%

h) Determining whether credit risk has increased significantly

When determining whether the risk of default on a financial instrument has increased significantly since initial recognition, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group’s historical experience and credit assessments, including forward-looking information.

The criteria for determining whether credit risk has increased significantly varies by portfolio and includes quantitative as well as qualitative factors, including a backstop based on delinquency. One of the key quantitative indicators used by the Group is the relative downgrade of the internal rating of a borrower since origination and thereby the consequent change in the PD.

Using credit judgment and, where possible, relevant historical experience, the Group may also determine that an exposure has undergone a significant increase in credit risk based on particular qualitative indicators that it considers are indicative of such and for which the effect may not otherwise be fully reflected in its quantitative analysis on a timely basis. The qualitative indicators include specific high risk rating grades, cross facility defaults, and renegotiation of loans to customers in financial difficulty (referred to as forbearance).

As a backstop, the Group considers that a significant increase in credit risk occurs no later than when an asset is more than 29 days past due. Days past due are determined by counting the number of days since the earliest elapsed due date in respect of which full payment has not been received. Due dates are determined without considering any grace period that might be available to the borrower.

The Group monitors the effectiveness of the criteria used to identify significant increases in credit risk by regular reviews to confirm that:

- the criteria are capable of identifying significant increases in credit risk before an exposure is in default;
- the criteria do not align with the point in time when an asset becomes 30 days past due; and
- there is no unwarranted volatility in the expected credit loss allowance resulting from transfers between 12-month PD (Stage 1) and lifetime PD (Stages 2 or 3).

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The Group uses three main components to measure ECL, which are Probability of Default (PD), Exposure at Default (EAD) and Loss Given Default (LGD). The Group has leveraged existing regulatory practices and SAMA guidance to develop the methodology for model inputs which are adjusted when and where necessary to comply with IFRS 9 requirements.

Financial assets and financial guarantee contracts reflecting a significant increase in credit risk are classified in Stage 2 and the Group recognizes loss allowances at an amount equal to lifetime expected credit losses, reflecting a lifetime expected PD that represents the probability of default over the remaining life of the financial asset. The allowances for Stage 2 are higher than for Stage 1, reflecting the impact of a longer time horizon compared to a 12-month horizon used for the allowance in Stage 1.

i) Definition of Default

The Group considers a financial asset to be in default when:

- the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realizing security (if any is held); or
- the borrower is past due more than 90 days.

Overdrafts are considered as being past due once the customer has breached an advised limit or has been advised of a limit smaller than the current amount outstanding.

In assessing whether a borrower is in default the Group considers indicators that are:

- qualitative, e.g. breaches of covenants;
- quantitative, e.g. overdue status and non-payment of another obligation of the same borrower; and
- based on data developed internally and obtained from external sources.

Inputs into the assessment of whether a financial instrument is in default and their significance may vary over time to reflect changes in circumstances. IFRS 9 does not define the term ‘default’, but instead requires each entity to do so. For financial reporting, the Group has leveraged existing regulatory practices and SAMA definition of default which are adjusted when and where necessary to comply with IFRS 9 requirements.

The Group recognizes a loss allowance at an amount equal to lifetime expected credit losses, reflecting a PD of 100% and recoverable cash flows on the asset. These financial assets are credit impaired and are classified under Stage 3.

j) Modified financial assets

The contractual terms of a loan may be modified for a number of reasons, including changing market conditions, customer retention, and other factors not related to a current or potential credit deterioration of the credit of the customer. An existing loan for which the terms have been modified may be derecognized and the renegotiated loan is recognized as a new loan at fair value in accordance with the Group’s policies.

The Group may also renegotiate loans to customers in financial difficulty to maximize collection opportunities and minimize the risk of default. Loan forbearance is granted on a selective basis:

- if there is a high risk of default; or
- if there is evidence that the debtor made all reasonable efforts to pay under the original contractual terms and the debtor is expected to be able to meet the revised terms.

The revised terms usually can include extending the maturity, changing the timing of commission and/or principal payments and amending the terms of loan covenants. Both retail and corporate loans are subject to the forbearance policy.

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For financial assets modified, the estimate of PD reflects whether the modification has improved or restored the Group’s ability to collect special commission and principal and the Group’s previous experience of similar forbearance action. As part of this process, the Group evaluates the borrower’s payment performance against the modified contractual terms and considers various behavioral indicators.

Generally, forbearance is a qualitative indicator of a significant increase in credit risk. A customer needs to demonstrate consistently good payment behavior over a period of time before the PD is considered to have decreased such that the loss allowance reverts to being measured at an amount equal to a 12-month ECL. The Group considers a period of 12 months as a curing period to move assets from loss allowance measurement at Lifetime ECL (Stage 2 and 3) to a 12-month ECL (Stage 1).

k) Measurement of ECL

The key inputs into the measurement of ECL are the term structure of the following variables:

- Probability of default (PD);
- Loss given default (LGD); and
- Exposure at default (EAD).

These parameters are generally derived from internally developed models and external benchmarks. They are adjusted to reflect forward-looking information as described above.

PD estimates are estimates at a certain date, which are calculated based on internal rating models, and assessed using rating tools tailored to the various categories of counterparties and exposures. These models are based on internally compiled data comprising both quantitative and qualitative factors. If a counterparty or exposure migrates between ratings classes, then this can lead to a change in the estimate of the associated PD. PDs are estimated considering the contractual maturities of exposures and estimated repayment rates.

LGD is the magnitude of the likely loss if there is a default. The Group estimates LGD parameters based on the history of recovery rates of claims against defaulted counterparties as well as external benchmarks. The LGD models consider the structure, collateral, seniority of the claim, counterparty industry, and the net recovery amount of any collateral that is integral to the financial asset.

EAD represents the expected exposure in the event of a default. The Group derives the EAD from the current exposure to the counterparty and potential changes to the current amount allowed under the contract including amortization. The EAD of a financial asset is its gross carrying amount. For lending commitments and financial guarantees, the EAD includes the amount drawn, as well as potential future amounts that may be drawn under the contract, which are estimated based on historical observations and forward-looking forecasts.

As described above and subject to using a maximum of a 12-month PD for financial assets for which credit risk has not significantly increased, the Group measures ECL considering the risk of default over the maximum contractual period (including any borrower’s extension options) over which it is exposed to credit risk, even if, for risk management purposes, the Group considers a longer period. The maximum contractual period extends to the date at which the Group has the right to require repayment of an advance or terminate a loan commitment or financial guarantee.

For retail overdrafts and other facilities that include both a loan and an undrawn commitment component, the Group measures ECL over a period which may be longer than the maximum contractual period if the Group’s contractual ability to demand repayment and cancel the undrawn commitment does not limit the Group’s exposure to credit losses to the contractual notice period. These facilities do not have a fixed term or repayment structure and are managed on a collective basis. The Group can cancel them with immediate effect. This contractual right may not be enforced in the normal day-to-day management but only when the Group becomes aware of an increase in credit risk at the facility level.

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This longer period is estimated taking into account the credit risk management actions that the Group expects to take and that serve to mitigate ECL. These can include a reduction in limits, or cancellation of the facility and/or turning the outstanding balance into a loan with fixed repayment terms.

Where modeling of a parameter is carried out on a collective basis, the financial instruments are grouped based on shared risk characteristics that include the instrument type, credit risk rating, time to maturity, collateral type, industry; and geographic location of the borrower. Regular reviews are also conducted to ensure that exposures within a particular portfolio remain appropriately homogeneous.

For portfolios where the Group has limited historical data, external benchmark information is used to supplement the internally available data. The portfolios for which external benchmark information represents a significant input into measurement of ECL are as follows:

	PD	LGD
Due from banks and other financial institutions	Fitch	SAMA LGD Estimates
Investments	Moody's	SAMA LGD Estimates

The objective of the assessment is to identify whether a significant increase in credit risk has occurred for an exposure by comparing the remaining lifetime PD at the reporting date with the remaining lifetime PD for the point in time that was estimated at the time of initial recognition of the exposure (adjusted where relevant for changes in prepayment expectations).

I) Incorporation of forward-looking information

Based on a consideration of a variety of external actual and forecasted information, the Group formulates a base case view of the future direction of relevant economic variables as well as a representative range of other possible forecast scenarios. This process involves developing two or more additional economic scenarios and considering the relative probabilities of each outcome. External information includes economic data and forecasts published by governmental bodies and monetary authorities and selected private sector forecasters.

The current scenario represents a most likely outcome and is aligned with information used by the Group for other purposes such as strategic planning and budgeting. The other scenarios represent more optimistic and more pessimistic outcomes. Periodically, the Group carries out stress testing of more extreme shocks to calibrate its determination of these other representative scenarios.

Predicted relationships between the key indicators and default and loss rates on the portfolios of financial assets and financial guarantee contracts have been developed based on analyzing historical data from 2013 onwards.

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The group has identified and documented key drivers of credit risk and credit losses for each portfolio of financial instruments and, using an analysis of historical data, has estimated relationships between macro-economic variables and credit risk and credit losses. The economic scenarios used as at 31 December included the following ranges of key indicators as shown below as per Moody's data analytics: -

Economic Indicators	2024
Real GDP – In ﷲ billions	Upside: - 3,585 Base case: - 3,555 Downside: - 3,524
Government Expenditure - In ﷲ billions	Upside: - 1,330 Base case: - 1,329 Downside: - 1,328
Interest Rate (Government Bond Yields, 1 Year) %	Upside: - 4.86% Base case: - 4.92% Downside: - 5.45%
Real Import- In ﷲ billions	Upside: - 920 Base case: - 918 Downside: - 910

Sensitivity of allowance for credit losses:

A sensitivity analysis has been conducted on the macro-economic scenarios including Real GDP, Government expenditure, import, oil price and interest rate in order to assess the potential change in ECL. The following table summarizes the results of this sensitivity analysis as of December 31, 2024 and 2023 showing the effect of more optimistic and more pessimistic scenarios on ECL. The current scenario represents a most likely outcome and is aligned with information used by the Group for other purposes such as strategic planning and budgeting. The three scenarios are taken from Moody's data analytics wherein one in baseline scenario, upturn scenario (S1), characterized by Stronger near term growth and a downturn scenario (S3), indicative of a moderate recession.

2024 ﷲ'000	Due from banks and other financial institutions	Investments - Debt securities	Loans and advances	Financial guarantee contracts	Total
Most likely	1,056	14,681	1,652,046	248,007	1,915,790
More optimistic (Upside)	1,053	14,656	1,651,994	247,979	1,915,682
More pessimistic (Downside)	1,058	14,701	1,652,836	248,103	1,916,698

2023 ﷲ'000	Due from banks and other financial institutions	Investments - Debt securities	Loans and advances	Financial guarantee contracts	Total
Most likely	794	10,871	1,876,350	237,942	2,125,957
More optimistic (Upside)	791	10,855	1,874,679	237,370	2,123,695
More pessimistic (Downside)	799	10,888	1,878,243	238,517	2,128,447

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Predicted relationships between the key indicators and default / loss rates on various portfolios of financial assets have been developed based on analyzing historical data over the past 8 to 10 years. The Group has used below base case near term forecast in its ECL model, which is based on updated information available as at the reporting date:

Forecast macroeconomic data used in ECL model - 2024	2025	2026	2027
Real GDP	3,671	3,780	3,893
Government Expenditure	1,314	1,358	1,413
Interest Rate (Government Bond Yields, 1.Year)	4.18%	3.42%	3.25%
Real Import	939	969	1,002

Forecast macroeconomic data used in ECL model - 2023	2024	2025	2026
Real GDP	3,062	3,195	3,268
Government Expenditure	1,204	1,222	1,280
Interest Rate (Government Bond Yields, 1.Year)	5.27%	4.01%	3.20%
Real Import	817	838	868

The table below illustrates the sensitivity of ECL to key macroeconomic factors used in determining it as at the year end 2024 by increase and decreasing one macroeconomic variable :-

	Consolidated statement of income impact ﷲ’000
Sensitivity of Macroeconomic factors	
Increase 5% Real GDP remaining indicator same	2,150
Increase 5% Government Expenditure remaining indicator same	238
Increase 5% Interest Rate (Government Bond Yields, 1Year) remaining indicator same	859
Increase 5% Real Import remaining indicator same	(13)
Decrease 5% Real GDP remaining indicator same	(2,124)
Decrease 5% Government Expenditure remaining indicator same	(250)
Decrease 5% Interest Rate (Government Bond Yields, 1Year) remaining indicator same	(869)
Decrease 5% Real Import remaining indicator same	15

m) Offsetting financial assets and financial liabilities

The table set out below includes financial assets and financial liabilities as of December 31, 2024 and 2023 that are offset in the Group’s consolidated statement of financial position or are subject to an enforceable master netting arrangement or similar agreement that covers similar financial instruments, irrespective of whether they are offset in the consolidated statement of financial position.

	2024 ﷲ’000		
	Gross assets / (liabilities) before offset	Offset with gross(assets) / liabilities	Net assets / (liabilities) recognized
Positive fair values of derivatives	836,623	(310,125)	526,498
Negative fair values of derivatives	365,762	(307,005)	58,757

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	2023 ﷲ’000		
	Gross assets / (liabilities) before offset	Offset with gross(assets) / liabilities	Net assets / (liabilities) recognized
Positive fair values of derivatives	733,693	(48,257)	685,436
Negative fair values of derivatives	291,758	(266,485)	25,273

n) Reconciliations of gross carrying amounts and allowances for credit losses Combined – Financial Assets and Financial guarantee contracts

A combined reconciliation from the opening to the closing balances of the gross carrying amounts and allowances for credit losses for all financial assets and financial guarantee contracts, for the years ended December 31, 2024 and 2023 is summarized as follows:

	Gross Carrying Amounts ﷲ’000				Allowances for credit losses ﷲ’000			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Balances as of December 31, 2022	109,611,987	3,648,687	2,702,910	115,963,584	459,055	353,489	1,246,203	2,058,747
Transfers from Stage 1 to Stage 2	(985,632)	985,632	-	-	(7,317)	7,317	-	-
Transfers from Stage 1 to Stage 3	(130,775)	-	130,775	-	(1,568)	-	1,568	-
Transfers from Stage 2 to Stage 1	317,077	(317,077)	-	-	7,241	(7,241)	-	-
Transfers from Stage 2 to Stage 3	-	(249,356)	249,356	-	-	(9,514)	9,514	-
Transfers from Stage 3 to Stage 1	4,690	-	(4,690)	-	1,579	-	(1,579)	-
Transfers from Stage 3 to Stage 2	-	1,309	(1,309)	-	-	776	(776)	-
Post-model overlays	-	-	-	-	(21,338)	(13,581)	(8,349)	(43,268)
Changes in exposures and re-measurements								
existing facilities	8,861,718	5,953	103,483	8,971,154	(30,067)	21,069	358,140	349,142
transfer facilities	(284,269)	(25,771)	(27,676)	(337,716)	(4,401)	33,849	114,230	143,678
new facilities	22,124,876	31,995	33,301	22,190,172	154,014	2,548	18,288	174,850
matured facilities	(13,103,938)	(240,450)	(558,280)	(13,902,668)	(75,337)	(25,336)	(165,134)	(265,807)
Write-offs, net	-	-	(243,452)	(243,452)	-	-	(243,452)	(243,452)
Balances as of December 31, 2023	126,415,734	3,840,922	2,384,418	132,641,074	481,861	363,376	1,328,653	2,173,890
Transfers from Stage 1 to Stage 2	(178,879)	178,879	-	-	(1,880)	1,880	-	-
Transfers from Stage 1 to Stage 3	(44,513)	-	44,513	-	(704)	-	704	-
Transfers from Stage 2 to Stage 1	88,405	(88,405)	-	-	7,763	(7,763)	-	-
Transfers from Stage 2 to Stage 3	-	(252,294)	252,294	-	-	(59,999)	59,999	-
Transfers from Stage 3 to Stage 1	5,386	-	(5,386)	-	1,124	-	(2,049)	(925)
Transfers from Stage 3 to Stage 2	-	2,328	(2,328)	-	-	1,256	(1,256)	-
Changes in exposures and re-measurements								
existing facilities	11,510,104	(204,626)	65,613	11,371,091	53,774	4,362	107,491	165,627
transfer facilities	86,099	(29,955)	29,450	85,594	(7,042)	18,477	95,477	106,912
new facilities	35,207,233	65,168	6,943	35,279,344	129,005	8,208	3,516	140,729
matured facilities	(8,356,443)	(1,352,504)	(120,955)	(9,829,902)	(45,855)	(29,655)	(46,972)	(122,482)
Write-offs, net	-	-	(548,249)	(548,249)	-	-	(547,771)	(547,771)
Balances as of December 31, 2024	164,733,126	2,159,513	2,106,313	168,998,952	618,046	300,142	997,792	1,915,980

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Due from banks and other financial institutions

A reconciliation from the opening to the closing balances of the gross carrying amounts and allowances for credit losses for due from banks and other financial institutions for the years ended December 31, 2024 and 2023 is summarized as follows:

	Gross Carrying Amounts ﷲ'000				Allowances for credit losses ﷲ'000			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Balances as of December 31, 2022	1,305,673	779	-	1,306,452	1,661	90	-	1,751
Changes in exposures and re-measurements								
existing facilities	100,966	211	-	101,177	(925)	(29)	-	(954)
new facilities	103,806	-	-	103,806	1	-	-	1
matured facilities	(37,222)	-	-	(37,222)	(3)	-	-	(3)
Balances as of December 31, 2023	1,473,223	990	-	1,474,213	734	61	-	795
Changes in exposures and re-measurements								
existing facilities	(29,801)	1,258	-	(28,543)	173	84	-	257
new facilities	182,824	-	-	182,824	7	-	-	7
matured facilities	(313,438)	-	-	(313,438)	(3)	-	-	(3)
Balances as of December 31, 2024	1,312,808	2,248	-	1,315,056	911	145	-	1,056

Investments – debt securities

A reconciliation from the opening to the closing balances of the gross carrying amounts and allowances for credit losses for Investments- debt securities for the years ended December 31, 2024 and 2023 is summarized as follows:

	Gross Carrying Amounts ﷲ'000				Allowances for credit losses ﷲ'000			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Balances as of December 31, 2022	27,992,437	-	-	27,992,437	10,439	-	-	10,439
Changes in exposures and re-measurements								
existing facilities	527,844	-	-	527,844	211	-	-	211
new facilities	5,742,813	-	-	5,742,813	1,832	-	-	1,832
matured facilities	(2,288,967)	-	-	(2,288,967)	(1,610)	-	-	(1,610)
Balances as of December 31, 2023	31,974,127	-	-	31,974,127	10,872	-	-	10,872
Changes in exposures and re-measurements								
existing facilities	(117,308)	-	-	(117,308)	(351)	-	-	(351)
new facilities	9,839,364	-	-	9,839,364	4,437	-	-	4,437
matured facilities	(1,843,380)	-	-	(1,843,380)	(287)	-	-	(287)
Balances as of December 31, 2024	39,852,803	-	-	39,852,803	14,671	-	-	14,671

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Total loans and advances

A reconciliation from the opening to the closing balances of the gross carrying amounts and allowances for credit losses for total loans and advances for the years ended December 31, 2024 and 2023 is summarized as follows:

	Gross Carrying Amounts ﷲ'000				Allowances for credit losses ﷲ'000			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Balances as of December 31, 2022	64,766,322	3,409,272	2,512,473	70,688,067	362,199	328,272	1,114,398	1,804,869
Transfers from Stage 1 to Stage 2	(859,089)	859,089	-	-	(5,274)	5,274	-	-
Transfers from Stage 1 to Stage 3	(108,185)	-	108,185	-	(1,402)	-	1,402	-
Transfers from Stage 2 to Stage 1	304,045	(304,045)	-	-	7,043	(7,043)	-	-
Transfers from Stage 2 to Stage 3	-	(206,020)	206,020	-	-	(5,431)	5,431	-
Transfers from Stage 3 to Stage 1	4,690	-	(4,690)	-	1,579	-	(1,579)	-
Transfers from Stage 3 to Stage 2	-	1,015	(1,015)	-	-	636	(636)	-
Post-model overlays	-	-	-	-	(21,338)	(13,581)	(8,349)	(43,268)
Changes in exposures and re-measurements								
existing facilities	7,857,714	20,667	112,867	7,991,248	(43,715)	20,834	344,551	321,670
transfer facilities	(281,549)	(52,714)	(19,933)	(354,196)	(4,245)	32,790	87,106	115,651
new facilities	12,997,176	19,165	32,898	13,049,239	121,230	2,320	18,063	141,613
matured facilities	(7,778,201)	(190,587)	(487,068)	(8,455,856)	(56,615)	(21,921)	(94,267)	(172,803)
Write-offs, net	-	-	(243,452)	(243,452)	-	-	(243,452)	(243,452)
Balances as of December 31, 2023	76,902,923	3,555,842	2,216,285	82,675,050	359,462	342,150	1,222,668	1,924,280
Transfers from Stage 1 to Stage 2	(173,888)	173,888	-	-	(1,871)	1,871	-	-
Transfers from Stage 1 to Stage 3	(44,513)	-	44,513	-	(704)	-	704	-
Transfers from Stage 2 to Stage 1	68,471	(68,471)	-	-	7,551	(7,551)	-	-
Transfers from Stage 2 to Stage 3	-	(231,861)	231,861	-	-	(58,144)	58,144	-
Transfers from Stage 3 to Stage 1	3,265	-	(3,265)	-	1,123	-	(1,123)	-
Transfers from Stage 3 to Stage 2	-	2,328	(2,328)	-	-	1,256	(1,256)	-
Changes in exposures and re-measurements								
existing facilities	9,616,162	(204,024)	69,006	9,481,144	45,411	3,868	109,906	159,185
transfer facilities	92,067	(29,400)	29,450	92,117	(6,848)	18,470	87,993	99,615
new facilities	14,584,255	33,497	6,943	14,624,695	79,448	7,814	3,516	90,778
matured facilities	(3,821,237)	(1,286,104)	(98,695)	(5,206,036)	(24,467)	(14,140)	(35,249)	(73,856)
Write-offs, net	-	-	(548,249)	(548,249)	-	-	(547,771)	(547,771)
Balances as of December 31, 2024	97,227,505	1,945,695	1,945,521	101,118,721	459,105	295,594	897,532	1,652,231

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Loans and advances – commercial, overdrafts, and other loans

A reconciliation from the opening to the closing balances of the gross carrying amounts and allowances for credit losses for commercial, overdraft, and other for the years ended December 31 2024 and 2023 is summarized as follows:

	Gross Carrying Amounts ﷲ'000				Allowances for credit losses ﷲ'000			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Balances as of December 31, 2022	54,196,509	3,338,000	2,397,587	59,932,096	308,444	316,021	1,049,799	1,674,264
Transfers from Stage 1 to Stage 2	(804,300)	804,300	-	-	(4,350)	4,350	-	-
Transfers from Stage 1 to Stage 3	(61,354)	-	61,354	-	(162)	-	162	-
Transfers from Stage 2 to Stage 1	288,446	(288,446)	-	-	3,981	(3,981)	-	-
Transfers from Stage 2 to Stage 3	-	(190,975)	190,975	-	-	(3,126)	3,126	-
Transfers from Stage 3 to Stage 1	2,200	-	(2,200)	-	213	-	(213)	-
Transfers from Stage 3 to Stage 2	-	-	-	-	-	-	-	-
Post-model overlays	-	-	-	-	(21,338)	(13,581)	(8,349)	(43,268)
Changes in exposures and re-measurements								
existing facilities	9,123,647	23,076	105,298	9,252,021	(40,545)	17,381	336,299	313,135
transfer facilities	(277,881)	(45,028)	(15,754)	(338,663)	(4,101)	15,809	56,820	68,528
new facilities	10,220,340	13,284	28,375	10,261,999	105,712	164	15,386	121,262
matured facilities	(6,062,641)	(166,804)	(405,541)	(6,634,986)	(42,112)	(17,423)	(47,543)	(107,078)
Write-offs, net	-	-	(234,039)	(234,039)	-	-	(234,039)	(234,039)
Balances as of December 31, 2023	66,624,966	3,487,407	2,126,055	72,238,428	305,742	315,614	1,171,448	1,792,804
Transfers from Stage 1 to Stage 2	(115,678)	115,678	-	-	(762)	762	-	-
Transfers from Stage 1 to Stage 3	(8,338)	-	8,338	-	(33)	-	33	-
Transfers from Stage 2 to Stage 1	49,988	(49,988)	-	-	521	(521)	-	-
Transfers from Stage 2 to Stage 3	-	(219,209)	219,209	-	-	(53,257)	53,257	-
Transfers from Stage 3 to Stage 1								
Transfers from Stage 3 to Stage 2								
Changes in exposures and re-measurements								
existing facilities	10,414,894	(201,239)	71,717	10,285,372	54,802	5,358	111,526	171,686
transfer facilities	95,910	(21,325)	33,407	107,992	915	2,094	65,547	68,556
new facilities	9,909,494	12,940	571	9,923,005	51,206	39	60	51,305
matured facilities	(2,125,538)	(1,268,163)	(56,393)	(3,450,094)	(11,471)	(7,275)	(8,235)	(26,981)
Write-offs, net	-	-	(548,249)	(548,249)	-	-	(548,249)	(548,249)
Balances as of December 31, 2024	84,845,698	1,856,101	1,854,655	88,556,454	400,920	262,814	845,387	1,509,121

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Loans and advances – consumer loans

A reconciliation from the opening to the closing balances of the gross carrying amounts and allowances for credit losses for consumer loans for the years ended December 31, 2024 and 2023 is summarized as follows:

	Gross Carrying Amounts ﷲ'000				Allowances for credit losses ﷲ'000			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Balances as of December 31, 2022	10,569,813	71,272	114,886	10,755,971	53,755	12,251	64,599	130,605
Transfers from Stage 1 to Stage 2	(54,789)	54,789	-	-	(924)	924	-	-
Transfers from Stage 1 to Stage 3	(46,831)	-	46,831	-	(1,240)	-	1,240	-
Transfers from Stage 2 to Stage 1	15,599	(15,599)	-	-	3,062	(3,062)	-	-
Transfers from Stage 2 to Stage 3	-	(15,045)	15,045	-	-	(2,305)	2,305	-
Transfers from Stage 3 to Stage 1	2,490	-	(2,490)	-	1,366	-	(1,366)	-
Transfers from Stage 3 to Stage 2	-	1,015	(1,015)	-	-	636	(636)	-
Changes in exposures and re-measurements								
existing facilities	(1,265,933)	(2,409)	7,569	(1,260,773)	(3,170)	3,453	8,252	8,535
transfer facilities	(3,668)	(7,686)	(4,179)	(15,533)	(144)	16,981	30,286	47,123
new facilities	2,776,836	5,881	4,523	2,787,240	15,518	2,156	2,677	20,351
matured facilities	(1,715,560)	(23,783)	(81,527)	(1,820,870)	(14,503)	(4,498)	(46,724)	(65,725)
Write-offs, net	-	-	(9,413)	(9,413)	-	-	(9,413)	(9,413)
Balances as of December 31, 2023	10,277,957	68,435	90,230	10,436,622	53,720	26,536	51,220	131,476
Transfers from Stage 1 to Stage 2	(58,210)	58,210	-	-	(1,109)	1,109	-	-
Transfers from Stage 1 to Stage 3	(36,175)	-	36,175	-	(671)	-	671	-
Transfers from Stage 2 to Stage 1	18,483	(18,483)	-	-	7,030	(7,030)	-	-
Transfers from Stage 2 to Stage 3	-	(12,652)	12,652	-	-	(4,887)	4,887	-
Transfers from Stage 3 to Stage 1	3,265	-	(3,265)	-	1,123	-	(1,123)	-
Transfers from Stage 3 to Stage 2	-	2,328	(2,328)	-	-	1,256	(1,256)	-
Changes in exposures and re-measurements								
existing facilities	(798,732)	(2,785)	(2,711)	(804,228)	(9,391)	(1,490)	(1,620)	(12,501)
transfer facilities	(3,843)	(8,075)	(3,957)	(15,875)	(7,763)	16,376	22,446	31,059
new facilities	4,674,761	20,557	6,372	4,701,690	28,242	7,775	3,456	39,473
matured facilities	(1,695,699)	(17,941)	(42,302)	(1,755,942)	(12,996)	(6,865)	(27,014)	(46,875)
Recoveries, net	-	-	-	-	-	-	478	478
Balances as of December 31, 2024	12,381,807	89,594	90,866	12,562,267	58,185	32,780	52,145	143,110

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Financial guarantee contracts

A reconciliation from the opening to the closing balances of the gross carrying amounts and allowances for credit losses for financial guarantee contracts for the years ended December 31, 2024 and 2023 is summarized as follows:

	Gross Carrying Amounts ﷲ'000				Allowances for credit losses ﷲ'000			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Balances as of December 31, 2022	15,547,555	238,636	190,437	15,976,628	84,756	25,127	131,805	241,688
Transfers from Stage 1 to Stage 2	(126,543)	126,543	-	-	(2,043)	2,043	-	-
Transfers from Stage 1 to Stage 3	(22,590)	-	22,590	-	(166)	-	166	-
Transfers from Stage 2 to Stage 1	13,032	(13,032)	-	-	198	(198)	-	-
Transfers from Stage 2 to Stage 3	-	(43,336)	43,336	-	-	(4,083)	4,083	-
Transfers from Stage 3 to Stage 2	-	294	(294)	-	-	140	(140)	-
Changes in exposures and re-measurements								
existing facilities	375,194	(14,925)	(9,384)	350,885	14,362	264	13,589	28,215
transfer facilities	(2,720)	26,943	(7,743)	16,480	(156)	1,059	27,124	28,027
new facilities	3,281,081	12,830	403	3,294,314	30,951	228	225	31,404
matured facilities	(2,999,548)	(49,863)	(71,212)	(3,120,623)	(17,109)	(3,415)	(70,867)	(91,391)
Balances as of December 31, 2023	16,065,461	284,090	168,133	16,517,684	110,793	21,165	105,985	237,943
Transfers from Stage 1 to Stage 2	(4,991)	4,991	-	-	(9)	9	-	-
Transfers from Stage 1 to Stage 3								
Transfers from Stage 2 to Stage 1	19,934	(19,934)	-	-	212	(212)	-	-
Transfers from Stage 2 to Stage 3	-	(20,433)	20,433	-	-	(1,855)	1,855	-
Transfers from Stage 3 to Stage 1	2,121	-	(2,121)	-	926	-	(926)	-
Transfers from Stage 3 to Stage 2								
Changes in exposures and re-measurements								
existing facilities	2,041,051	(1,860)	(3,393)	2,035,798	8,541	410	(2,415)	6,536
transfer facilities	(5,968)	(555)	-	(6,523)	(1,119)	7	7,484	6,372
new facilities	10,600,790	31,671	-	10,632,461	45,113	394	-	45,507
matured facilities	(2,378,388)	(66,400)	(22,260)	(2,467,048)	(21,098)	(15,515)	(11,723)	(48,336)
Balances as of December 31, 2024	26,340,010	211,570	160,792	26,712,372	143,359	4,403	100,260	248,022

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o) Credit quality analysis

Due from banks and other financial institutions

The following table sets out information about the credit quality of due from banks and other financial institutions as of December 31, 2024 and 2023:

	2024 ﷲ'000				2023 ﷲ'000			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Investment grade	1,211,397	-	-	1,211,397	1,387,916	-	-	1,387,916
Non-investment grade	95,122	2,248	-	97,370	83,377	990	-	84,367
Unrated	6,289	-	-	6,289	1,930	-	-	1,930
Total	1,312,808	2,248	-	1,315,056	1,473,223	990	-	1,474,213

Investments – debt securities

The following table sets out information about the credit quality of Investments- debt securities as of December 31, 2024 and 2023:

	2024 ﷲ'000				2023 ﷲ'000			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Investment grade	32,862,666	-	-	32,862,666	27,899,191	-	-	27,899,191
Non-investment grade	4,320,717	-	-	4,320,717	2,259,959	-	-	2,259,959
Unrated	2,669,420	-	-	2,669,420	1,814,977	-	-	1,814,977
Total	39,852,803	-	-	39,852,803	31,974,127	-	-	31,974,127

Investment grade securities / counterparties generally have a minimum external rating from approved rating agencies exhibiting minimal to moderate credit risk. Unrated investment securities primarily include Saudi corporate securities.

Total loans and advances

The following table sets out information about the credit quality of total loans and advances as of December 31, 2024 and 2023:

	2024 ﷲ'000				2023 ﷲ'000			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Grade 1 to 6 and unrated	97,227,505	1,282,831	-	98,510,337	76,902,923	2,928,237	-	79,831,160
Grade 7 – Special Mention	-	662,864	-	662,864	-	627,605	-	627,605
Lifetime ECL credit impaired	-	-	1,945,521	1,945,521	-	-	2,216,285	2,216,285
Total	97,227,505	1,945,695	1,945,521	101,118,721	76,902,923	3,555,842	2,216,285	82,675,050

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Loans and advances – commercial, overdrafts, and other loans

The following table sets out information about the credit quality of commercial, overdrafts, and other loans and advances as of December 31, 2024 and 2023:

	2024 ٬'000				2023 ٬'000			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Grade 1 to 6 and unrated	84,845,698	1,193,237	-	86,038,935	66,624,966	2,859,802	-	69,484,768
Grade 7 – Special Mention	-	662,864	-	662,864	-	627,605	-	627,605
Lifetime ECL credit impaired	-	-	1,854,655	1,854,655	-	-	2,126,055	2,126,055
Total	84,845,698	1,856,101	1,854,655	88,556,454	66,624,966	3,487,407	2,126,055	72,238,428

Refer to note 7(d)(i) for a description of the grading categories for loans and advances.

Loans and advances – consumer loans

The following table sets out information about the credit quality of consumer loans and advances as of December 31, 2024 and 2023:

	2024 ٬'000				2023 ٬'000			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Unrated	12,381,807	89,594	-	12,471,401	10,277,957	68,435	-	10,346,392
Lifetime ECL credit impaired	-	-	90,866	90,866	-	-	90,230	90,230
Total	12,381,807	89,594	90,866	12,562,267	10,277,957	68,435	90,230	10,436,622

Financial guarantee contracts

The following table sets out information about the credit quality of financial guarantee contracts as of December 31, 2024 and 2023:

	2024 ٬'000				2023 ٬'000			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Grade 1 to 6 and unrated	26,340,010	211,277	-	26,551,287	16,065,461	267,685	-	16,333,146
Grade 7 – Special Mention	-	293	-	293	-	16,405	-	16,405
Lifetime ECL credit impaired	-	-	160,972	160,972	-	-	168,133	168,133
Total	26,340,010	211,570	160,972	26,712,372	16,065,461	284,090	168,133	16,517,684

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p) Summary of financial assets and financial liabilities

The following tables summarizes the balances of financial and other assets and financial and other liabilities by measurement category in the consolidated statement of financial position as of December 31, 2024 and 2023:

	2024 ٬'000				
	Amortized cost	Mandatorily at FVTPL	FVOCI – equity securities	FVOCI – debt securities	Total carrying amount
Financial and other assets:					
Cash and balances with SAMA	9,918,878	-	-	-	9,918,878
Due from banks and other financial institutions, net	1,314,000	-	-	-	1,314,000
Investments, net	21,423,570	62,826	524,340	18,420,580	40,431,316
Positive fair values of derivatives, net	-	526,498	-	-	526,498
Loans and advances, net	99,466,490	-	-	-	99,466,490
Other assets, net	1,251,775	-	-	-	1,251,775
Total financial and other assets	133,374,713	589,324	524,340	18,420,580	152,908,957
Financial and other liabilities:					
Due to banks and other financial institutions, net	39,900,998	-	-	-	39,900,998
Customers’ deposits	94,013,131	-	-	-	94,013,131
Negative fair value of derivatives, net	-	58,757	-	-	58,757
Other liabilities	1,965,188	-	-	-	1,965,188
Total financial and other liabilities	135,879,317	58,757	-	-	135,938,074

	2023 ٬'000				
	Amortized cost	Mandatorily at FVTPL	FVOCI – equity securities	FVOCI – debt securities	Total carrying amount
Financial and other assets:					
Cash and balances with SAMA	11,018,269	-	-	-	11,018,269
Due from banks and other financial institutions, net	1,473,418	-	-	-	1,473,418
Investments, net	12,299,557	38,911	291,923	19,670,682	32,301,073
Positive fair values of derivatives, net	-	685,436	-	-	685,436
Loans and advances, net	80,750,770	-	-	-	80,750,770
Other assets, net	257,709	-	-	-	257,709
Total financial and other assets	105,799,723	724,347	291,923	19,670,682	126,486,675
Financial and other liabilities:					
Due to banks and other financial institutions, net	27,288,658	-	-	-	27,288,658
Customers’ deposits	83,233,264	-	-	-	83,233,264
Negative fair value of derivatives, net	-	25,273	-	-	25,273
Other liabilities	2,201,925	-	-	-	2,201,925
Total financial and other liabilities	112,723,847	25,273	-	-	112,749,120

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30. Fair values of financial assets and liabilities

a) The Group uses the fair value hierarchy disclosed in note 2dii for determining and disclosing the fair value of financial instruments. The following table shows an analysis of financial assets and liabilities recorded at fair value as of December 31, 2024 and 2023 by level of the fair value hierarchy.

	2024 ﷲ'000			
	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value:				
Derivative financial instruments at FVTPL, net	-	342,588	183,910	526,498
Investments at FVOCI	17,833,273	1,107,004	4,643	18,944,920
Investments at FVTPL	-	38,422	24,404	62,826
Total	17,833,273	1,488,014	212,957	19,534,244
Financial liabilities carried at fair value:				
Derivative financial instruments at FVTPL, net	-	58,757	-	58,757
Total	-	58,757	-	58,757

	2023 ﷲ'000			
	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value:				
Derivative financial instruments at FVTPL, net	-	572,370	113,066	685,436
Investments at FVOCI	18,756,878	1,201,084	4,643	19,962,605
Investments at FVTPL	-	36,608	2,303	38,911
Total	18,756,878	1,810,062	120,012	20,686,952
Financial liabilities carried at fair value:				
Derivative financial instruments at FVTPL, net	-	25,273	-	25,273
Total	-	25,273	-	25,273

The total amount of the changes in fair value recognized in the consolidated statement of income for the year ended December 31, 2024 which was estimated using valuation models, is a gain of ﷲ 70.8 million (2023: a gain of ﷲ 13.9 million) which primarily relate to changes in the valuation of the associated company put option described in note 11e, which is included in unrealized gain on FVTPL financial instruments.

Level 2 investments include debt securities which are comprised of Saudi corporate and bank securities, and Saudi Arabian Government securities. These securities are generally unquoted. In the absence of a quoted price in an active market, these securities are valued using observable inputs such as yield information for similar instruments or last executed transaction prices in securities of the same issuer or based on indicative market quotes. Adjustments are also considered as part of the valuations when necessary to account for the different features of the instruments including difference in tenors. Because the significant inputs for these investments are observable, the Bank categorizes these investments within Level 2.

Level 2 derivative financial instruments include various derivatives contracts including forward foreign exchange contracts, commission rate options, and commission rate swaps. These derivatives are valued using widely recognized valuation models. The most frequently applied valuation techniques include the use of forward pricing standard models using present value calculations and well-recognized Black - Scholes option pricing models. These models incorporate various market observable inputs including foreign exchange rates, forward rates, and yield curves, and are therefore included within Level 2.

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Level 3 investments include private equity funds and certain unquoted strategic investments in equities. These securities are generally not quoted in an active market, and therefore are valued using indicative market quotes from an issuer / counter-party or valued at cost in the absence of any such alternative reliable indicative estimate.

Level 3 derivative financial instruments include the embedded derivative put option arising from the existing master agreement entered into by the Bank relating to its investment in an associated company (see note 11e). For purposes of determining the fair value of the put option, the Bank uses a well-recognized and frequently used Binomial Option Pricing Model. This model requires certain inputs which are not observable in the current market place. Certain inputs are specifically stated within the master agreement with the associated company. Other inputs are based on the historical results of the associated company. These other inputs may require management’s judgement including estimations about the future results of the associated company, the detrimental effects on the operating results of the associated company which may arise from an exercise of the option, and an estimate of the fair value of the underlying investment. Several of the inputs are also interdependent.

Should the significant estimations of inputs vary by plus or minus ten percent, the fair value could increase or decrease by approximately ﷲ 29.5 million (2023: ﷲ 11.8 million) due to estimating operating results of the associated company, and could increase or decrease by approximately ﷲ 18.6 million (2023: ﷲ 10.1 million) due to estimating the detrimental effects on the operating results of the associated company which may arise from an exercise of the option, and could increase or decrease by approximately ﷲ 28.4 million (2023: ﷲ 14.9 million) due to estimating the fair value of the underlying investment.

In all respects, the Group’s significant estimates are based on experience and judgement relevant to each input, and in all cases, due care is taken to ensure that the inputs are prudent to ensure that the estimation of fair value is reasonable in the circumstances. However, any amounts which may be realized in the future may differ from the Bank’s estimates of fair value.

b) The following table summarizes the movement of the Level 3 fair values for the years ended December 31 2024 and 2023 is summarized as follows:

	2024 ﷲ'000	2023 ﷲ'000
Fair values at the beginning of the year	120,012	107,535
Net change in fair value	70,441	12,477
Purchase during the year	22,504	-
Fair values at the end of the year	212,957	120,012

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c) The following table summarizes the estimated fair values of financial assets and financial liabilities as of December 31, 2024 and 2023 that are not carried at fair value in the consolidated statement of financial position, along with the comparative carrying amounts for each.

	Carrying values ﷲ'000	Estimated fair values ﷲ'000
December 31, 2024		
Financial assets:		
Due from banks and other financial institutions, net	1,314,000	1,313,886
Investments – held at amortized cost	21,423,570	20,831,682
Loans and advances, net	99,466,490	99,690,975
Total	122,204,060	121,836,543
Financial liabilities:		
Due to banks and other financial institutions, net	39,900,998	39,903,458
Customers’ deposits	94,013,131	94,230,190
Total	133,914,129	134,133,648

	Carrying values ﷲ'000	Estimated fair values ﷲ'000
December 31, 2023		
Financial assets:		
Due from banks and other financial institutions, net	1,473,418	1,473,418
Investments – held at amortized cost	12,299,557	12,054,606
Loans and advances, net	80,750,770	80,405,936
Total	94,523,745	93,933,960
Financial liabilities:		
Due to banks and other financial institutions, net	27,288,658	27,288,658
Customers’ deposits	83,233,264	82,890,344
Total	110,521,922	110,179,002

The estimated fair values of loans and advances, net are calculated using market based discounted cash flow models of individual loans. The estimated fair values of customers’ deposits are calculated using market based discounted cash flow models of individual deposit classes using the weighted average estimated maturities of each individual deposits. Fair value estimates for loans and advances, net and customers’ deposits are considered as level 3 in the fair value hierarchy.

The fair values of other financial instruments that are not carried in the consolidated statement of financial position at fair value are not significantly different from the carrying values. The fair values of due from banks and other financial institutions and due to banks and other financial institutions which are carried at amortized cost, are not significantly different from the carrying values included in the consolidated financial statements, since the current market special commission rates for similar financial instruments are not significantly different from the special commission rates at initial recognition, and because of the short duration of due from banks and other financial institutions.

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31. Related party transactions

a) In the ordinary course of its activities, the Group transacts business with related parties. Related parties, balances, and transactions are governed by the Banking Control Law and other regulations issued by SAMA.

The Bank’s related party identification and disclosure of transactions complies with the guidelines issued by SAMA, and has been approved by the Bank’s Board of Directors. These guidelines include the following definitions of related parties:

- Management of the Bank, their relatives and/or their affiliated entities;
- Principal shareholders of the Bank and/or their relatives;
- Affiliates of the Bank, entities for which the investment is accounted for using the equity method of accounting, their management and relatives;
- Trusts for the benefit of the Bank’s employees such as pension or other benefit plans that are managed by the Bank; and
- Any other parties whose management and operating policies can be directly or indirectly significantly influenced by the Bank.

Management of the Bank includes those persons who are responsible for achieving the objectives of the Bank and who have the authority to establish policies and make decisions by which those objectives are pursued. Management therefore includes the members of the Bank’s Board of Directors, Sharia Board members, CEO, GMs, their deputies, CFO, Managers of key departments, officers of risk management, Internal audit, and Compliance functions, and similar positions in the Bank, in addition to incumbents of any other positions determined by SAMA.

Principal shareholders include those owners of record of more than five percent of the Bank’s voting ownership and/or voting interest of the Bank.

Relatives include spouses, children, parents, grandparents, siblings, grandchildren, and offspring to whom a member of management of either the Bank, principal shareholder, or affiliate, might control or influence or by whom they might be controlled or influenced, because of the family relationship.

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b) The balances as of December 31, 2024 and 2023, resulting from such transactions included in the consolidated statement of financial position are as follows:

	2024 ﷲ'000	2023 ﷲ'000
Management of the Bank, their relatives and/or their affiliated entities:		
Loans and advances	442,205	155,377
Customers' deposits	502,867	1,135,008
Tier I Sukuk	55,800	25,300
Commitments and contingencies	595,397	1,360,983
Investments	250,145	249,900
Principal shareholders of the Bank and/or their relatives:		
Customers' deposits	8,132,947	4,945,712
Tier I Sukuk	50,000	50,000
Affiliates of the Bank, entities for which the investment is accounted for using the equity method of accounting, their management and relatives:		
Loans and advances	1,423,209	1,500,906
Customers' deposits	706,396	1,048,678
Tier I Sukuk	10,000	10,000
Commitments, contingencies and derivatives	530,865	455,794
Trusts for the benefit of the Bank's employees such as pension or other benefits plans that are managed by the Bank:		
Customers' deposits and other liabilities	370,994	325,176

c) Income and expense for the years ended December 31, 2024 and 2023, pertaining to transactions with related parties included in the consolidated statement of income are as follows:

	2024 ﷲ'000	2023 ﷲ'000
Management of the Bank and/or members of their immediate family:		
Special commission income	92,330	40,223
Special commission expense	103,351	46,811
Fee income from banking services	1,119	63
Other expenses	38,419	51,765
Principal shareholders of the Bank and/or members of their immediate family:		
Special commission expense	143,806	132,101
Rent and premises-related expenses (Building rental)	-	7,758
Other expense	122	-
Affiliates of the Bank and entities for which the investment is accounted for using the equity method of accounting:		
Special commission income	219,114	203,997
Special commission expense	40,389	36,968
Fee income from banking services	281	266
Other income	120	7,891
Other expenses	4,838	8,408
Board of Directors and other Board Committee member Remuneration	19,000	18,994

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All related party transactions are conducted on terms approved by the management.

The total amount of compensation charged or paid to key management personnel during the year is included in note 22a.

32. Capital adequacy

a) The Group's objectives when managing capital are to comply with the capital requirements set by SAMA to safeguard the Group's ability to continue as a going concern, and to maintain a strong capital base.

The Group monitors the adequacy of its capital using ratios established by SAMA. These ratios measure capital adequacy by comparing the Group's eligible capital with its consolidated statement of financial position assets, commitments, and notional amounts of derivatives, at a weighted amount to reflect their relative risk.

The following table summarizes the Bank's Pillar I Risk Weighted Assets (RWA), Tier I and Tier II Capital, and corresponding Capital adequacy ratio percentages as of December 31, 2024 and 2023.

	2024 ﷲ'000	2023 ﷲ'000
Credit Risk RWA	103,472,476	80,028,493
Operational Risk RWA	4,414,078	4,000,357
Market Risk RWA	598,099	6,183,372
Total Pillar- I RWA	108,484,653	90,212,222
Tier I Capital	20,710,319	17,490,943
Tier II Capital	668,667	605,567
Total Tier I plus II Capital	21,378,986	18,096,510
Capital Adequacy Ratios:		
CET I Ratio	14.19%	16.08%
Tier I Ratio	19.09%	19.39%
Tier I plus Tier II Ratio	19.71%	20.06%

The Tier I and Tier II capital as of December 31, 2024 and 2023 is comprised of the following:

	2024 ﷲ'000	2023 ﷲ'000
Total Equity	20,728,614	17,235,053
IFRS 9 five-year transitional adjustment	-	274,185
Goodwill adjustment	(18,295)	(18,295)
Tier I Capital	20,710,319	17,490,943
Qualifying general provisions, net	668,667	605,567
Tier II Capital	668,667	605,567
Tier I plus Tier II Capital	21,378,986	18,096,510

Capital adequacy and the use of Regulatory capital are regularly monitored by the Bank's management. SAMA requires the Bank to hold a minimum level of regulatory capital and maintain a ratio of total Regulatory capital to Risk Weighted Assets (RWA) at or above the requirement of 10.5%, which includes additional buffers as required by the Basel Committee on Banking Supervision.

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For the years ended December 31, 2024 and 2023

As of December 31, 2024 and 2023, the RWA, Tier I and Tier II capital, and capital adequacy ratios are calculated in accordance with SAMA's framework and guidelines regarding implementation of the capital reforms under Basel III. The Tier I plus Tier II Ratio as of December 31, 2024 was maintained at 19.71% (2023 20.06%).

b) The following additional disclosures are required under the Basel III framework.

- Pillar III, Qualitative disclosures (Annually)
- Pillar III, Quantitative disclosures (Annually/Semi-annually)
- Pillar III, Quantitative / Qualitative disclosures (Quarterly)

These disclosures are made available to the public on the Bank's website within the prescribed time frames as required by SAMA.

33. Asset management and brokerage services

The Group offers investment services to its customers, through a subsidiary, which includes management of investment funds in consultation with professional investment advisors, with assets under management totaling ﷲ 38,270 million (2023: ﷲ 31,741 million). This includes funds managed under Shariah approved portfolios amounting to ﷲ 16,862 million (2023: ﷲ 13,306 million).

34. Employee end of service benefits

a) The actuarial obligation amounts recognized in the consolidated statement of financial position which is included in other liabilities and the corresponding movement during the years ended December 31, 2024 and 2023 is as follows:

	2024 ﷲ'000	2023 ﷲ'000
Actuarial obligation at the beginning of the year	248,907	207,301
Current service and net interest cost	37,878	34,388
Benefits paid	(19,302)	(13,913)
Effect of changes in actuarial assumptions	21,302	21,131
Actuarial obligation at the end of the year (note 14a)	288,786	248,907

b) The principal actuarial assumptions used in the calculation of the actuarial obligations as of December 31, 2024 and 2023 are as follows:

	2024	2023
Discount rate	5.10%	5.81%
Expected rate of salary increment	5.00%	5.00%
Normal retirement age (years)	60	60

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c) Should the above actuarial assumptions change in the future, the actuarial obligation could be higher or lower. The table below illustrates the sensitivity of the actuarially determined obligation as of December 31, 2024 and 2023 to the discount rate of 5.10% as of December 31, 2024 (2023: 5.81%), and the salary increment rate of 5% as of December 31, 2024 (2023: 5.00%).

	Impact on actuarially determined obligation Increase (Decrease)			Impact on actuarially determined obligation Increase (Decrease)		
	Change in assumption	Increase in assumption ﷲ'000	Decrease in assumption ﷲ'000	Change in assumption	Increase in assumption ﷲ'000	Decrease in assumption ﷲ'000
Discount rate	10%	(16,560)	18,235	10%	(5,802)	7,723
Salary increment rate	10%	16,647	(15,476)	10%	6,637	(6,354)

The above sensitivity analyses is based on a change in a single assumption holding other assumptions constant.

d) The approximate expected maturity analysis of the undiscounted `actuarially determined obligation as of December 31, 2024 and 2023 is as follows:

	2024 ﷲ'000	2023 ﷲ'000
Less than one year	21,324	13,554
One to two years	10,891	1,886
Two to five years	19,242	8,047
Over five years	528,649	317,769
Total	580,106	341,256

e) The weighted average duration of the actuarially determined obligation is approximately 6.7 years (2023: 5.9 years).

35. Tier I Sukuk

The Bank completed the establishment of a Sharia compliant Tier I Sukuk Program (the Program) in 2016 and 2023. During the year ended December, 2024 Bank also completed the establishment of US Dollar denominated additional tier 1 capital sustainable sukuk by way of an offer to eligible investors in the Kingdom of Saudi Arabia and internationally. The Program was approved by the Bank's regulatory authorities. The following tranches of Tier I Sukuk issued under the program on the dates indicated below are outstanding as of December 31, 2024 and 2023:

	2024 ﷲ'000	2023 ﷲ'000
April 15, 2019	-	215,000
June 29, 2022	2,000,000	2,000,000
February 6, 2023	500,000	500,000
November 28, 2024	2,812,500	-
Total	5,312,500	2,715,000

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The Tier I Sukuk securities are perpetual with no fixed redemption dates and represent an undivided ownership interest in the Sukuk assets, constituting an unsecured conditional and subordinated obligation of the Bank classified under equity. However, the Bank has the exclusive right to redeem or call the Tier I Sukuk debt securities in a specific period of time, subject to the terms and conditions stipulated in the Program.

The applicable profit rate on the Tier I Sukuk is payable on each periodic distribution date, except upon the occurrence of a non-payment event or non-payment election by the Bank, whereby the Bank may at its sole discretion (subject to certain terms and conditions) elect not to make any distributions. Such a non-payment event or non-payment election are not considered to be an event of default and the amounts not paid thereof shall not be cumulative or compound with any future distributions.

36. Treasury shares

On 21 December 2023 the extra ordinary general assembly approved to buy-back of Bank’s shares with a maximum of 5,000,000 shares to retain them as Treasury shares and allocate them to the Employees Stock Incentive Plan. As at December 31, 2024 the group holds 2.7 million treasury shares.

37. Operating expenses

a) Provisions for credit and other losses for the years ended December 31 2024 and 2023 is summarized as follows:

	2024 SAR'000	2023 SAR'000
Provisions for credit losses:		
Due from banks and other financial institutions (note 5b)	261	(956)
Investments (note 6e)	3,799	433
Loans and advances (note 7c)	275,722	362,863
Financial guarantee contracts (note 14b)	10,079	(3,745)
Other assets (note 10b)	43	62
Provisions for credit losses	289,904	358,657
Provisions for real estate and other losses	50	-
Provisions for credit and other losses	289,954	358,657

b) Other general and administrative expenses for the years ended December 31 2024 and 2023 is summarized as follows:

	2024 SAR'000	2023 SAR'000
Professional and other related services	198,257	193,693
Auditor’s remuneration	5,294	5,246
Communications	57,782	63,690
Advertising and contributions	106,129	85,063
Postal, shipping and supplies	32,810	30,549
Licenses and Subscriptions	56,854	55,014
Lease liability interest	10,378	13,281
Others	206,691	163,786
Operating expenses	674,195	610,322

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Auditor’s remuneration

	2024 SAR'000	2023 SAR'000
Audit fee of the Bank	4,200	4,125
Audit fee of the subsidiaries	340	328
Fee for other statutory and related certification of Bank	126	110
Tax services	516	600
Others	112	83
Total	5,294	5,246

38. Analysis of changes in financing during the year

A reconciliation from the opening to the closing balances of the liabilities and equity due to changes in cash flows arising from financing activities for the years ended December 31, 2024 and 2023 is summarized as follows:

	Note	SAR'000 Tier I Sukuk
Balances as of December 31, 2022		3,215,000
Redemption of Tier I Sukuk		(1,000,000)
Issuance of Tier I Sukuk	35	500,000
Net movement during the year		(500,000)
Balances as of December 31, 2023		2,715,000
Redemption of Tier I Sukuk		(215,000)
Issuance of Tier I Sukuk	35	2,812,500
Net movement during the year		2,597,500
Balances as of December 31, 2024		5,312,500

39. Profit sharing investment accounts (“PSIA”)

The deposits raised through Islamic Saving Account forms a pool of funds, invested in Islamic assets. The size of these keeps varying depending upon placement of new deposits or withdrawal by the customers. Bank have a share in the profit earned on the pool of funds based on a Profit-Sharing Ratio.

a) Analysis of PSIA income according to types of investments and their financing:

As of December 31, 2024, all joint financing is funded by comingled pool which includes funds from Unrestricted Investment Accountholder (“IAH”).

Gross Financing by type of contract:

	2024 SAR'000	2023 SAR'000
Mudaraba	361,764	351,277
Total financing and investments	361,764	351,277

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b) The basis for calculating and allocating profits between the bank and the IAHs;

	2024 ﷲ'000	2023 ﷲ'000
Pool Income from Investment	8,986	8,729
Total Pool Income	8,986	8,729
Total amount paid to IAH Mudaraba	362	331
Total amount attributable to shareholders pool	362	331

40. Comparative figures

Certain comparative amounts have been reclassified to conform to current year presentation. However, there was no impact of such reclassifications on the consolidated statement of changes in equity and the consolidated statement of cash flows.

41. Events after the reporting date

There were no significant events after the reporting date which require disclosure or adjustment to these consolidated financial statements

42. Board of Director’s approval

These consolidated financial statements were authorized for issue by the Board of Directors on February 2, 2025 corresponding to Shaaban 3, 1446 AH.



06 Annexes

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GRI CONTENT INDEX

For the Content Index – Essentials Service, GRI Services reviewed that the GRI content index has been presented in a way consistent with the requirements for reporting in accordance with the GRI Standards, and that the information in the index is clearly presented and accessible to the stakeholders.

The service was performed on the English version of the report.

Statement of use	The Saudi Investment Bank has reported in accordance with the GRI Standards for the period 1 January to 31 December 2024.
GRI 1 used	GRI 1: Foundation 2021
Applicable GRI Sector Standard (s)	Not Applicable

GRI STANDARD	DISCLOSURE	LOCATION / RESPONSE
General disclosures		
GRI 2: General Disclosures 2021	2-1 Organizational details	Page 14-16 (About SAIB)
	2-2 Entities included in the organization's sustainability reporting	Page 14-16 (About SAIB)
	2-3 Reporting period, frequency and contact point	Page 248 (About this report)
	2-4 Restatements of information	There are no restatements of information from the previous year.
	2-5 External assurance	This report has not been externally assured.
	2-6 Activities, value chain and other business relationships	Page 14-16 (About SAIB)
	2-7 Employees	Page 96 (Human Capital)
	2-8 Workers who are not employees	Page 96 (Human Capital)
	2-9 Governance structure and composition	Page 22-25 (Our Leadership Team) Page 34 (Board committees and their composition)
	2-10 Nomination and selection of the highest governance body	Page 126-127 (Corporate Governance)
	2-11 Chair of the highest governance body	Page 22-25 (Our Leadership team)
	2-12 Role of the highest governance body in overseeing the management of impacts	Page 126 (Corporate Governance)
	2-13 Delegation of responsibility for managing impacts	Page 126-127 (Corporate Governance)
	2-14 Role of the highest governance body in sustainability reporting	The Board is responsible for approving this report before publication.
	2-15 Conflicts of interest	Page 126 (Corporate Governance)
	2-16 Communication of critical concerns	Page 49 (Stakeholder Engagement) Page 54 (Investor Engagement) Page 113 (Social and Relationship Capital) Page 126 (Corporate Governance)
	2-17 Collective knowledge of the highest governance body	Pages 22-26 (Our Leadership Team)
	2-18 Evaluation of the performance of the highest governance body	Page 48 (Board of Directors Report 2024 > Performance of the Board of Directors)

General disclosures

2-19 Remuneration policies	Page 98-100 (Human Capital) Remuneration Policy for Board, Board Committees & Executive Management Remuneration Policy for Board, Board Committees & Executive Management
2-20 Process to determine remuneration	Page 98-100 (Human Capital) Remuneration Policy for Board, Board Committees & Executive Management
2-21 Annual total compensation ratio	Page 97 Human Capital
2-22 Statement on sustainable development strategy	Page 58-59 (Our Sustainability Framework)
2-23 Policy commitments	Page 64-66 (Saudi Vision 2030) Page 68 (Alignment with National and International Frameworks)
2-24 Embedding policy commitments	Page 64-66 (Saudi Vision 2030) Page 68 (Alignment with National and International Frameworks)
2-25 Processes to remediate negative impacts	Page 49 (Stakeholder Engagement)
2-26 Mechanisms for seeking advice and raising concerns	Page 54 (Invsestor Engagement) Page 28-30 (Board of Directors Report 2024 > Compliance Group) Page 126 (Social and Relationship Capital) Page 126 (Corporate Governance)
2-27 Compliance with laws and regulations	Page 129 (Compliance)
2-28 Membership associations	Page 116 (Social and Relationship Capital)
2-29 Approach to stakeholder engagement	Page 46-51 (Stakeholder Engagement)
2-30 Collective bargaining agreements	Saudi Arabia's regulatory and legislative frameworks do not allow collective bargaining.

Material topics

GRI 3: Material Topics 2021	3-1 Process to determine material topics	Page 60-62 (Our material Risks and Opportunities)
	3-2 List of material topics	Page 60-62 (Our Material Risks and Opportunities) The Saudi Investment Bank's material topics are listed as follows: • The evolving macro-economic environment • Changing client expectations • Employee satisfaction and engagement • Digitization and automation • Social responsibility

The evolving macro-economic environment

GRI 3: Material Topics 2021	3-3 Management of material topics	Page 60-61 (Material matter #1: The evolving macroeconomic environment)
GRI 201: Economic performance 2016	201-1 Direct economic value generated and distributed	Page 12-13 (At a glance)
	201-2 Financial implications and other risks and opportunities due to climate change	The Saudi Investment Bank does not currently assess material financial implications, risks, or opportunities due to climate change.
	201-3 Defined benefit plan obligations and other retirement plans	Page 103 (Human Capital)

The evolving macro-economic environment		
GRI 202: Market Presence 2016	202-1 Ratios of standard entry level wage by gender compared to local minimum wage	Page 97 (Human Capital)
GRI 203: Indirect economic impacts 2016	203-1 Infrastructure investments and services supported	Page 58 (Our Sustainability Framework) Page 65 (Saudi Vision 2030) Page 20-91 (Manufactured Capital) Page 121 (Natural Capital)
	203-2 Significant indirect economic impacts	Page 39 (Our sustainable business model) Page 58-59 (Our sustainability frameworks) Page 64 (Saudi Vision 2030) Page 108-109 and 116 (Social and relationship capital)
GRI 204: Procurement practices 2016	204-1 Proportion of spending on local suppliers	Page 114 (Social and relationship capital)
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	Page 128 (Risk Management)
	205-2 Communication and training about anti-corruption policies and procedures	Page 129 (Compliance)
	205-3 Confirmed incidents of corruption and actions taken	No incidents of corruption were reported in 2024.

Changing client expectations		
GRI 3: Material Topics 2021	3-3 Management of material topics	Page 61 (Material matter #2: Changing client expectations) Page 106-107 (Our Clients at a Glance)
GRI 417: Marketing and Labelling 2016	417-1: Requirements for Product and Service Information and Labelling	Page 129 (Compliance)

Employee satisfaction and engagement		
GRI 3: Material Topics 2021	3-3 Management of material topics	Page 61 (Material matter #3: Employee satisfaction and engagement) Page 96-105 (Human capital)
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	Page 96 (Our Employees at a Glance)
	401-2 Benefits provided to full-time employees that are not provided to temporary or parttime employees	Page 103 (Sense of community and shared values)
	401-3 Parental leave	Page 103 (Sense of community and shared values)
GRI 403: Occupational Health and Safety 2018	403-2 Hazard identification, risk assessment, and incident investigation	Page 104 (Occupational health and safety)
	403-4 Worker participation, consultation, and communication on occupational health and safety	Page 104 (Occupational Health and Safety)
	403-5 Worker training on occupational health and safety	Page 104 (Occupational Health and Safety)
	403-9 Work-related injuries	Page 104 (Occupational health and safety)
	403-10 Work-related ill health	Page 104 (Occupational health and safety)

GRI 404: Training and education 2016	404-1 Average hours of training per year per employee	Page 12 (At a Glance) Page 97 and 101-102 (Human Capital)
	404-2 Programs for upgrading employee skills and transition assistance programs	Page 61 (Our Material Risks and Opportunities) Page 98, 100-102 and 105 (Human Capital) Page 128 (Risk Management) Page 129 (Compliance)
	404-3 Percentage of employees receiving regular performance and career development reviews	Page 37 (Our Sustainable Business Model) page 44 (Our Strategic Framework) Page 49 Stakeholder Engagement
GRI 405: Diversity and equal opportunity 2016	405-1 Diversity of governance bodies and employees	Page 96-97 (Human Capital)
	405-2 Ratio of basic salary and remuneration of women to men	Page 104 (Human Capital)
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	No incidents of discrimination were reported in 2024.
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	No operations or suppliers were identified as being at risk of child labor.
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	No operations or suppliers were identified as being at risk of forced labor.

Digitization and automation		
GRI 3: Material Topics 2021	3-3 Management of material topics	Page 61 (Material matter #4: Digitalization and automation) Page 94 (Digital transformation)
GRI 418: Customer privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	Page 114 (Social and Relationship Capital)

Social responsibility		
GRI 3: Material Topics 2021	3-3 Management of material topics	Page 62-63 (Material matter #5: Social responsibility) Page 106-107 (Social and relationship capital) Page 188-119 (Natural capital)
GRI 302: Energy 2016	302-1 Energy consumption within the organization	Page 118-119 (Energy Consumption)
	302-4 Reduction of energy consumption	Page 120-122 (Environmental Management System)

ACRONYMS

GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	Page 118-119 (Our Environmental Performance at a Glance)
	303-5 Water consumption	Page 118-199 (Our Environmental Performance at a Glance)
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	Page 118-119 (Our Environmental Performance at a Glance > GHG Emissions (tCO ₂ e))
	305-2 Energy indirect (Scope 2) GHG emissions	Page 118-119 (Our Environmental Performance at a Glance > GHG Emissions (tCO ₂ e))
	305-5 Reduction of GHG emissions	Page 118-119 (Our Environmental Performance at a Glance)
GRI 306: Waste 2020	306-3 Waste generated	Page 120-121 (Paper Use and recycling)
	306-4 Waste diverted from disposal	Page 120-121 (Paper use and recycling) Page 122 (Plastics recycled) Page 123 (Electronics recycled)
GRI 413: Local communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	Page 116 (Our communities at a glance) Pag 106-116 (Social and Relationship Capital)

Acronym	Meaning
AC	Air Conditioning
AFS	Available-for-Sale
AI	Artificial Intelligence
AMEX	American Express Company
AML	Anti-money laundering
ATM	Automated teller machine
BCP	Business Continuity Planning
BIS	Bureau of Indian Standards
CASA	Current and savings account
CCTV	Closed-circuit television
CEEMEA	Central & Eastern Europe, Middle East and Africa
CMA	Capital Market Authority
CPA	Certified Public Accountant
CRM	Credit Risk Mitigation
CSR	Corporate Social Responsibility
CTF	Counter-terrorism financing
CX	Customer Experience
DSS	Data Security Standard
ESG	Environment, Social and Governance
FY	Financial year
GCC BDI	Gulf Cooperation Council Board Directors Institute
GDP	Gross Domestic Product
GHG	Greenhouse Gas Emissions
GJ	Gigajoules
GRI	Global Reporting Initiative
HNW	High net worth
HR	Human Resources
IAS	Investments in associates
ICAAP	Internal Capital Adequacy Assessment Plan
ICAP	Al-Istithmar Capital
ICSDI	International Conference on Sustainability: Developments and Innovations
IEC	International Electrotechnical Commission
IFRS	International Financial Reporting Standards
ILAAP	Internal Liquidity Adequacy Assessment Plan
IMF	The International Monetary Fund
IR	Investor Relations
IRS	Interest Rate Swaps
ISIN	International Securities Identification Number
ISO	International Organization for Standardization
IT	Information Technology
ITG	Information Technology Group

ABOUT THIS REPORT

Acronym	Meaning
IVR	Interactive voice response
KSA	Kingdom of Saudi Arabia
KYC	Know-your-customer
LED	light-emitting diode
LLC	Limited Liability Company
MENA	Middle East and North Africa
MSME	Micro, Small, and Medium Enterprises
MTM	Mark-to-Market
NCA	National Cybersecurity Authority
NPL	non-performing loan
NSFR	Net Stable Funding Ratio
NYC	New York City
PCI	Payment Card Industry
POS	Point of Sales
PSFSP	Private Sector Financing Support Program
PV	Photovoltaics
REDF	Real Estate Development Fund
RETT	Real estate transactions tax
ROE	Return on Equity
RWA	Risk Weighted Assets
SAMA	Saudi Arabian Monetary Authority
SAMF	Saudi Automobile & Motorcycle Federation
SAR	Saudi Riyals
SDG	Sustainable Development Goal
SEO	Search Engine Optimization
SME	Small and Medium-sized Enterprise
SMS	Short Message Service
STP	Straight-Through Processing
TCR	Telephoto Camera
TMG	Talaat Moustafa Group
UHNW	Ultra-high net worth
USA	United States of America
USD	United States Dollar
VAT	Value-Added Tax
YTD	Year to date
ZATCA	Zakat, Tax, and Customs Authority

Our 2024 Integrated Report provides a comprehensive overview of how we created and preserved value for our shareholders, financial capital providers, and key stakeholders throughout the year. This report offers a concise review of our strategic progress, carefully considering material issues, potential risks and opportunities, stakeholder perspectives, and the broader external environment. Readers can access this report in both print and PDF formats.

Report boundary

This report exclusively covers the operational activities of The Saudi Investment Bank (SAIB), with financial reporting encompassing SAIB, its subsidiaries, and associated companies (collectively referred to as the Group), unless explicitly stated otherwise.

Reporting period

The report chronicles the period from January 1 to December 31, 2024, aligning with our standard annual financial and sustainability reporting cycle. No information from previous reports has been restated. This Integrated Report is published in both English and Arabic, with the Arabic version taking precedence in case of any linguistic discrepancies.

Compliance

SAIB operates under the legal and regulatory framework of the Kingdom of Saudi Arabia, with primary oversight from the Saudi Central Bank (SAMA). Additional regulatory compliance extends to guidelines from the Ministry of Commerce (MOC) and the Capital Market Authority (CMA). All information presented in this report adheres to applicable laws, regulations, and established standards.

Integrated Reporting Framework

In developing this Integrated Report, we have incorporated concepts, principles, and guidelines from the International Integrated Reporting <IR> framework. While this framework does not mandate a specific capital categorization, we have adapted our business model diagram to more effectively illustrate our value creation process. Our narrative focuses on strategic imperatives and their practical implementation.

Financial Reporting Standards

The Consolidated Financial Statements for the year ending December 31, 2024, have been meticulously prepared in alignment with the International Financial Reporting Standards (IFRS) as endorsed in the Kingdom of Saudi Arabia. These statements also comply with additional standards and pronouncements from the Saudi Organization for Certified Public Accountants (SOCPA), and adhere to the Banking Control Law, Saudi Companies Regulations, and SAIB’s internal bylaws. Sustainability reporting disclosures For the period from January 1 to December 31, 2024, SAIB has prepared its sustainability disclosures in full compliance with the GRI Standards.

Queries

The Marketing Department serves as the custodian of this Integrated Report. For any comments, inquiries, or feedback, please contact the Chief Marketing Officer at The Saudi Investment Bank, PO Box 3533, Riyadh, 11481, Kingdom of Saudi Arabia.



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