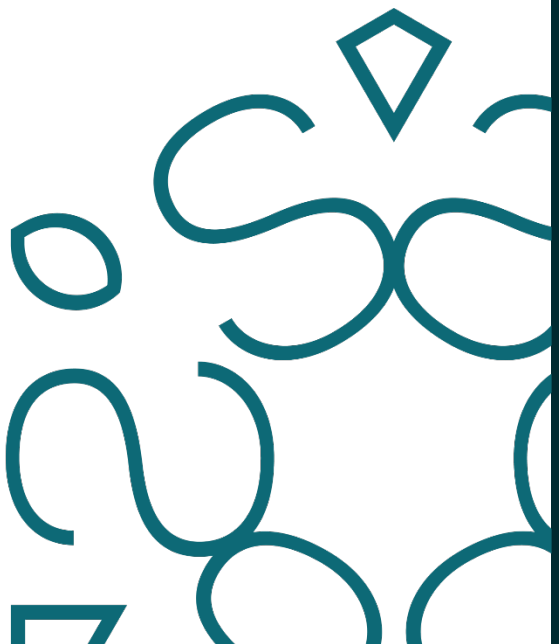
BSF FY 2024 Investor Presentation

FY 2024



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BSF Profile

Investor Presentation FY 2024



BSF has a solid investment profile and clearly articulated strategy

1. 

Leading banking group in Saudi Arabia with a strong focus on domestic operations

Domestic systemically important bank ("D-SIB") with **total assets of SAR 292.8bn and market capitalization of SAR 39.6bn**
Universal Bank model with full range of conventional and Islamic products and services

2. 

Dominant corporate banking franchise with deep institutional knowledge and relationships

One of Saudi Arabia's leading providers of banking services to **large corporates and micro, small and medium sized enterprises (MSMEs)**
5th largest bank in Saudi Arabia in the corporate segment with 10.1% market share

3. 

Well capitalised balance sheet supporting BSF's growth ambitions

Robust capitalisation levels well-above regulatory requirements, supported by internal capital generation through strong profitability
19.7% total capital adequacy ratio which is comfortably above regulatory minimum

4. 

Robust funding and liquidity profile

Attractive funding base with customers' deposits representing 75% of total liabilities – **Non-interest-bearing deposits constitute 46.5% of the total deposits**
SAMA loans to deposits ratio ("SAMA LTD") at 84% below regulatory levels - **Strong LCR and NSFR of 162% and 114%** respectively

5. 

Clear strategy driven by targeted initiatives and ambitious aspirations

Refocused and simplified **strategy for an evolving external environment and an optimized internal structure**, built on BSF's core business strengths
Driven by ambitious aspirations for **market position, profitability and customer experience**

6. 

Experienced management

Best-in-class Executive Management Team
Considerable and diverse experience in the banking industry and strong skills in operating financial institutions in the local, regional and international markets

Sources: Tadawul, Capital IQ | Corporate market share by total loan and advances, net as at 30 September 2024

We are a leading banking group in Saudi Arabia with a strong focus on domestic operations

- BSF is the successor to Banque de l'Indochine (est. 1949)
- BSF was then established by Royal Decree No. M/23 as a Saudi Arabian joint stock company in 1977, in accordance with regulations requiring KSA National majority ownership.
- BSF was previously affiliated with CA-CIB, a wholly-owned subsidiary of Crédit Agricole S.A., which held a 31.1% interest in the Bank, which was fully divested by 2019.

Branches

81 ▶ -1% YOY

Employees

3,056 ▼ -3% YOY

Total Assets

292.8

SAR Billion

▲ +15% year-on-year

Customers' Deposits

185.1

SAR Billion

▲ +7% year-on-year

Headquartered in Riyadh:

81 branches across the Kingdom
Domestically systemic bank

Subsidiaries in KSA:

BSF Capital
BSF Insurance Agency
JB
Sakan Real Estate Financing Company



Universal Bank model:

Corporate DNA (82% of our loan book)
Full suite of conventional and Islamic products
Growing Retail loan book
Core focus on the Saudi market

Joint ventures in KSA:

Insurance with Allianz

A diversified business model and a wide range of product capabilities

Corporate

One of the largest providers of corporate banking services in the Kingdom

Key products:

- demand accounts
- deposits
- overdrafts
- loans and other credit facilities
- project finance
- cash management
- trade finance
- structured trade & commodity finance
- derivative products

51% of Group Operating Income



Retail

A wide network of branches, ATMs, digital platforms and mobile apps to deliver trusted services and outstanding experience to its customers

Key products:

- demand accounts
- overdrafts
- loans
- saving accounts
- deposits
- credit and debit cards
- consumer loans
- forex products
- auto leasing

42% of Group Operating Income



Investment Banking and Brokerage

A leader in investment banking, wealth and asset management, and securities brokerage in the Kingdom of Saudi Arabia

Key products:

- investment management services
- asset management activities related to dealing, managing, arranging, advising and custody of securities
- retail investments products
- corporate finance
- international and local shares brokerage services
- insurance

6% of Group Operating Income



Treasury

Diverse client services, market making, as well as managing the Bank`s liquidity and risks.

Key products:

- treasury services
- trading activities
- investment securities
- FX
- rates
- money market
- Bank`s funding operations
- derivative products

1% of Group Operating Income



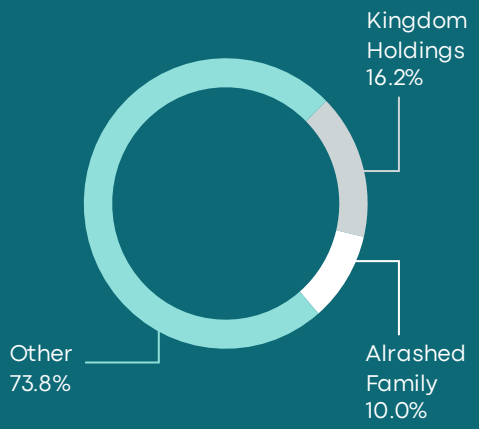
*Share of Group operating income is as of FY 2024

Focus on consistent delivery of shareholder returns over the years

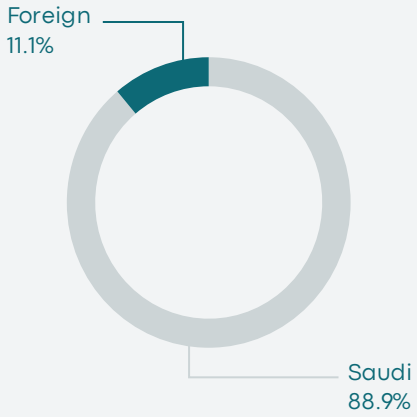
Shareholder Composition*

2,500

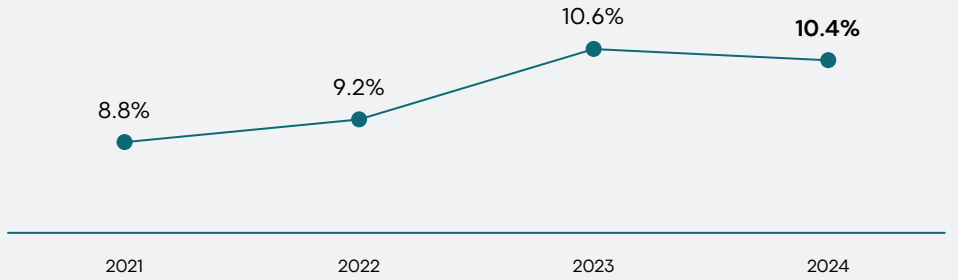
(Mn Shares)



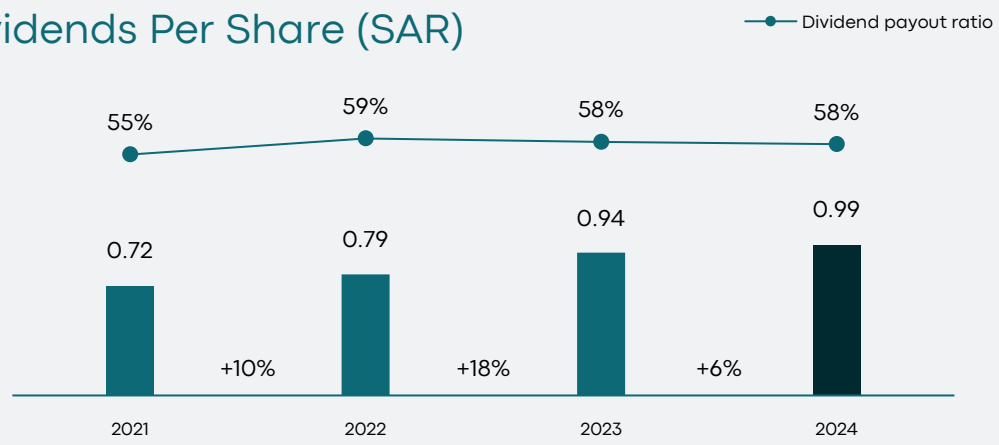
Foreign Ownership



ROAE (%)



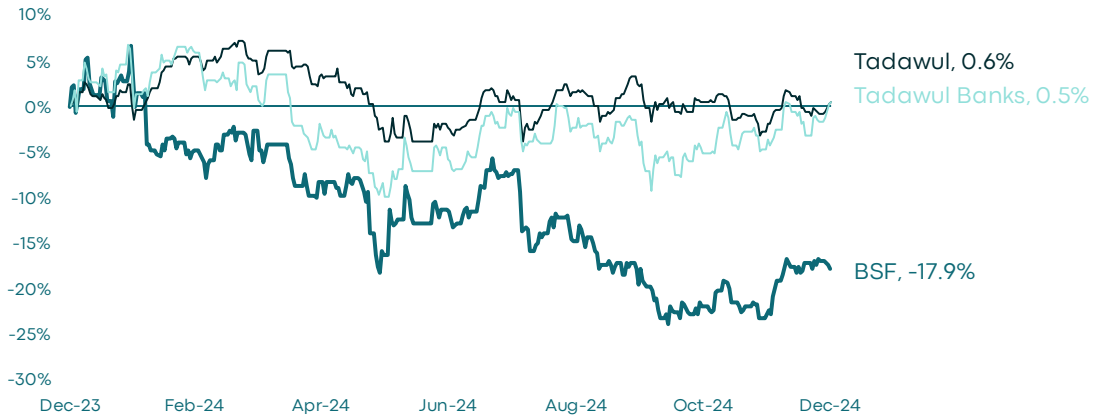
Dividends Per Share (SAR)



*Substantial shareholders, being persons with a shareholding of 5% or more

Market parameters and share price performance

Share Price Performance vs. Tadawul (%)



Market Capitalization (SAR Bn)

39.6

4.07% of KSA banking sector

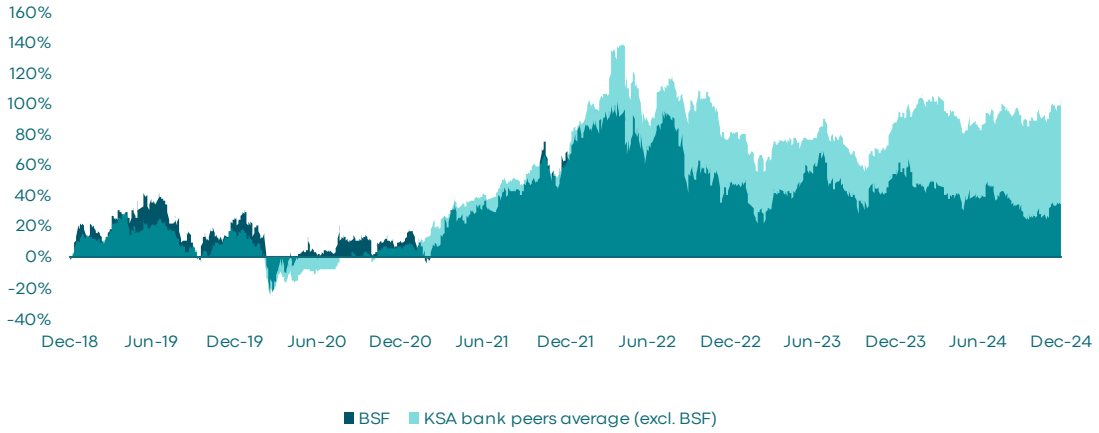
0.39% of KSA stock market

BSF Share Price (SAR)

15.8

52 weeks range [14.6 - 20.7]

Total Shareholder Return (TSR)



Price to Tangible Book

1.03x

4Q 24

Price to Earnings Ratio (LTM)

9.2x

LTM

Experienced and dynamic executive management team

Bader Alsalloom
Chief Executive Officer

- BSF: appointed Apr-21
- Saudi Investment Bank: Deputy GM Corporate Banking 2 years
- SABB: Deputy GM Comm. Bnk; 15 years



Ramzy Darwish
Chief Strategy and Finance Officer

- BSF: appointed CFO Dec-22
- SNB: 17 years where positions included Head of Treasury, Head of Principal Strategies and Investment, and Head of ALM



Majed Alsadhan
Chief Wholesale Banking Officer

- BSF: appointed Head of WB Nov-22
- Previously over 4 years with BSF as head of Corporate Banking Central Region and Head of Corporate Banking
- Previously GIB, SABB and SAMBA



Mohammed Abdulrahman Alsheikh
Chief Personal Banking Officer

- BSF: appointed Jul-18
- Al Rajhi Bank: AGM Retail Banking in 2017
- ANB: 6 years
- SABB: 3 years



Mutasim Mufti
Chief Risk Officer

- BSF: appointed CRO Jan-21
- BSF: Regional Corporate Banking Group Head for 10 years, Deputy Corporate Banking Group Head for 4 years, Deputy Chief Risk Officer for 3 years



Zuhair Mardam
Chief Treasury and Investment Officer

- BSF: appointed CTIO Oct-22
- BSF: Head of Global Markets Group 3 years; 18 years with BSF



Mohammed AlModaimeegh
Chief Operations Officer

- BSF: appointed COO Sep-24
- BSF: Head of Operations, 2023
- SAIB: AGM Operations
- Other management positions, including COO JPMorgan Saudi Arabia



Mohammed S. Almisfer
Chief Business Technology & Digital Officer

- BSF: appointed CBTDO May-23
- SAMA: GM of Business Technology
- 20+ years of experience in the semi-government, private and government sectors



Abdallah Alshaikh
Chief Legal, Governance, and ESG Officer, Corporate Secretary

- BSF: appointed in 2018
- 15 years relevant experience
- SAMBA: Head of Legal & Corporate Secretary
- SAMA/CMA: legal positions



May Al-Hoshan
Chief Human Capital Officer

- BSF: appointed Aug-18
- Alawwal: Human Resources GM
- NCB Capital: Head of HR



Ibrahim F. Alsanebi
Chief Audit Executive

- BSF: appointed CAE Apr-24
- BSF: Head of Banking Audit (Operations, Credit and Retail audit); 7 years at BSF in total
- 15+ years of audit experience in Banking including BSF, ANB and Ernst & Young



Yasser Al-Anssari
Chief Compliance Officer

- BSF: appointed CCO in 2021
- GIB: Compliance Group Head
- Al Rajhi Bank: Global Chief of Compliance
- JPMorgan Chase Riyadh: Head of Compliance & AML



Operating Environment

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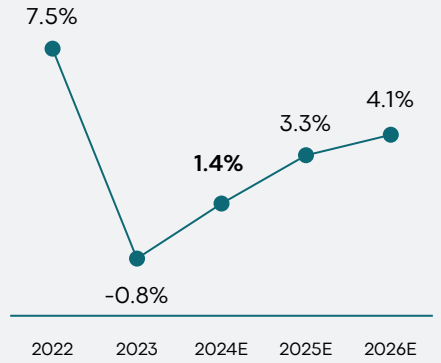


Saudi Arabia's real GDP growth is estimated at 1.4% in 2024 and is expected to accelerate to 3.3% in 2025

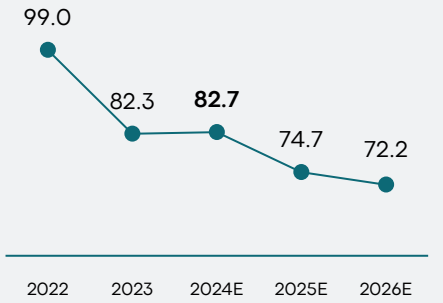
Economic Outlook

- Real GDP for Saudi Arabia is estimated to grow by 1.4% in 2024, recovering from a 0.8% contraction in 2023 driven by lower oil production. Growth is expected to accelerate to 3.3% in 2025.
- Rate cuts of up to 50bps are expected during 2025. The average 3M SAIBOR is forecasted at 5.1% for 2025 and 4.9% for 2026, down from 6.0% in 2024.

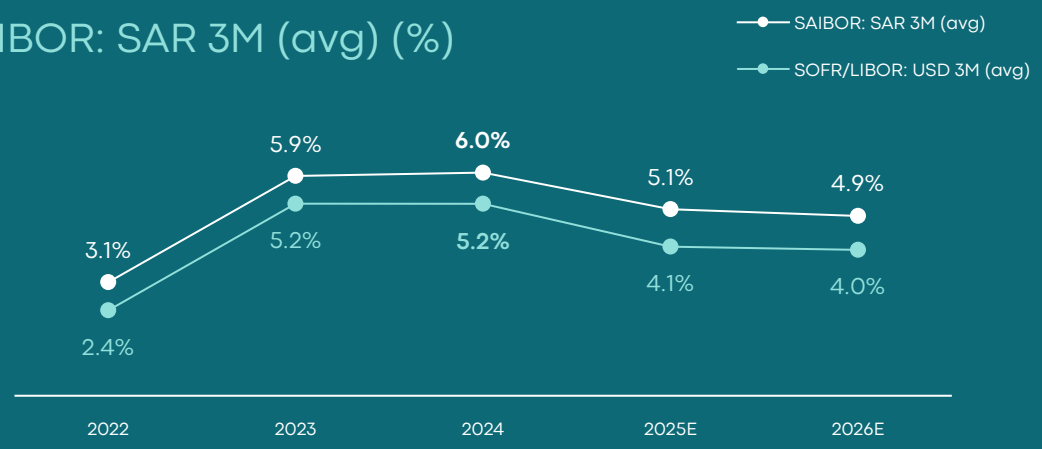
Real GDP Growth (%)



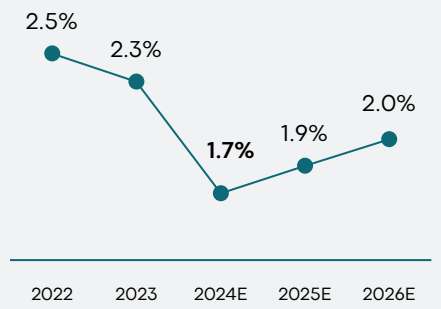
Brent Avg Oil Price / Barrel (USD)



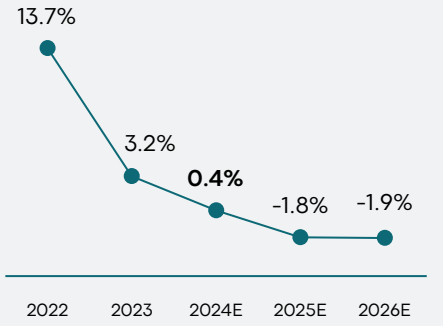
SAIBOR: SAR 3M (avg) (%)



Inflation (%)



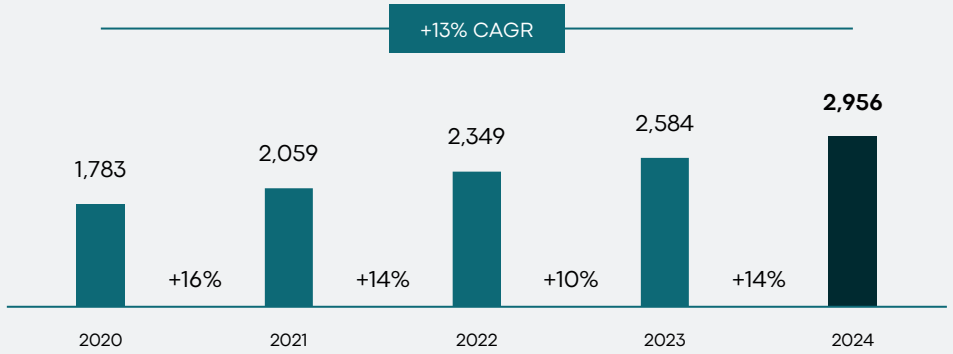
Current A/C Balance (USD)



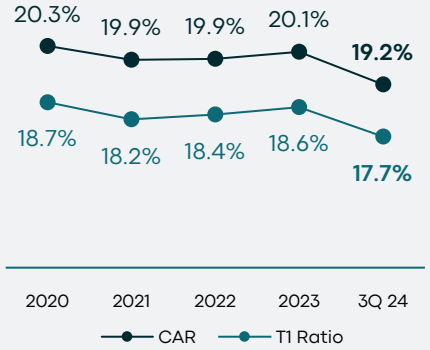
Sources: SAIBOR historical rates – SAMA | SAIBOR/SOFR forecasts – BSF Treasury | GDP, oil price, inflation & current A/C balance – IMF

The Saudi banking sector is well positioned for both resilience and growth

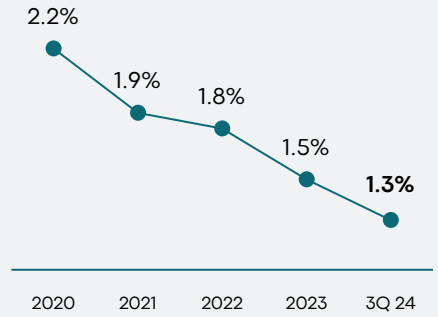
Bank Credit (SAR Bn)



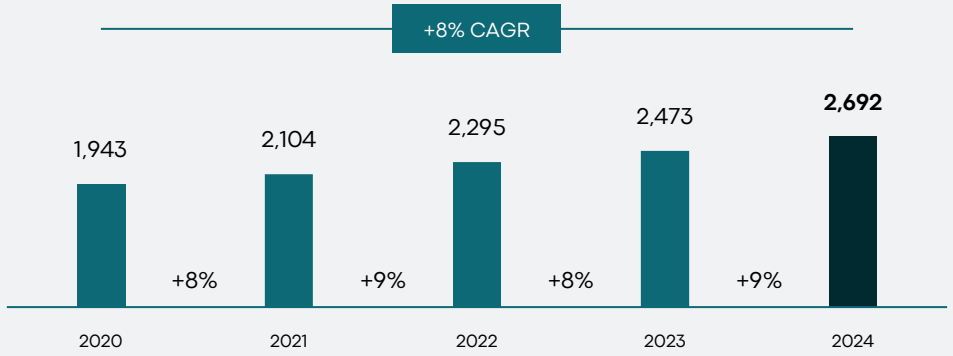
Capitalization (%)



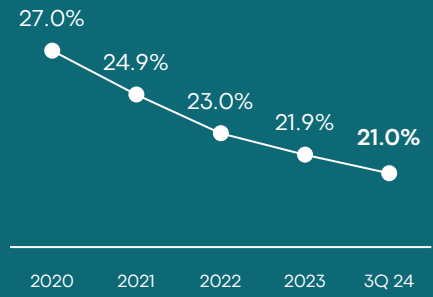
NPL Ratio (%)



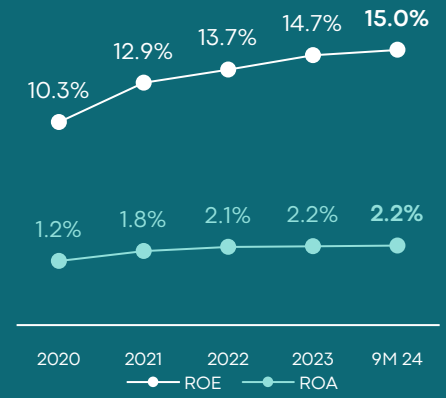
Bank Deposits (SAR Bn)



Liquid Assets to Total Assets (%)



Profitability (%)



Source: SAMA

Strategy

Investor Presentation FY 2024



In early 2023 we refocused and simplified our existing strategy to 10 vital initiatives for an evolving external environment and internal structure

2024 Priority

Technology Infrastructure Upgrade

Rebranding

Wholesale Banking

Expand FIG & MNC Coverage

Revamp GTS

Personal Banking

Scale Up in Affluent

Provide Superior Daily Banking

Private Banking

Expand Product Suite

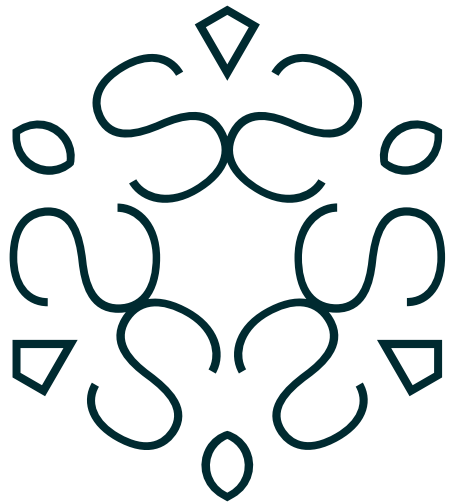
Experience Centric Rewards

JB

Scale up financing and leasing

BSF Capital

Leverage Opportunities in Capital Markets



Our strategy is driven by ambitious aspirations for market position, profitability and customer experience

Strategic Goals

Position
Be among the top players in our target segments (Top 3 Market Share)

Profitability
Focus on profitability and return on capital (ROE > COC)

Customer Experience
Continued commitment to leading CX (NPS #1)

Strategic Pillars

Wholesale Banking	Personal Banking	Private Banking	JB	BSF Capital
Solidify market position	Leverage segmentation and synergies	Reinforce market leadership	Expand in new market segments	Seize existing opportunities and grow
Top 3 in Wholesale Banking by ROE	Top 2 in Affluent Banking by market share	#1 in Private Banking by market share	Top 2 in Financing & Leasing by market share	Top 3 in Investment Banking by Net Income

Strategic Enablers

- Risk
- Digital 2.0
- Technology
- Treasury
- Customer Experience & Brand
- Organizational Effectiveness & People

Strategy execution progressing well across the various business pillars

	Wholesale Banking	Personal Banking	Private Banking
Strategic Goals	Solidify market position	Leverage segmentation and synergies	Reinforce market leadership
Focused Initiatives	GTS revamp Expand FIG&MNC coverage	Scale up affluent Provide superior daily banking	Broaden product suite Experience-centric rewards
Progress 4Q24: 79%, 3Q24: 75% 4Q23: 62%	88% (4Q23: 76%)	75% (4Q23: 40%)	100% (4Q23: 84%)
Key Highlights	Achieved growth in government accounts and progressed in government client segmentation Expanded FI reach globally Released Trade Finance and Liquidity and Cash Management products	Launched new digital app Finalized Branch Network, strategy and roadmap Strengthened cross-sell framework with JB	Key offerings with BSF Capital Tailored family products Collaborating with JB products Launched advisory program for RMs

Strategy execution progressing well across the various business pillars

	JB	BSF Capital
Strategic Goals	Expand in new market segments	Seize existing opportunities and grow
Focused Initiatives	Digital acceleration Product diversification Brand repositioning	Synergize wealth mgmt. Broaden advisory Attractive investment solutions
Progress 4Q24: 79%, 3Q24: 75% 4Q23: 62%	88% (4Q23: 83%)	55% (4Q23: 42%)
Key Highlights	Implemented an innovative digital-hybrid journey for auto and personal finance Optimized mobile app services Defined Credit Card proposition Modernized core systems Improved cross-sell momentum with BSF	Progressing with key partnerships and collaboration initiatives Kicked off multi-asset model portfolios Focused on robo advisory Progressed pipeline in real estate funds

Good progress in the implementation of the three key strategic programs across the IT & Technology priorities

Technology Infrastructure Upgrade	Description	Key Highlights	2025 Progress & Beyond
Integrated Corporate Portal	New corporate platform supporting trade & supply chain services, and expanded liquidity and cash management solutions and services	• User training: successfully completed • User testing: round 1 underway • Data migration: actively in progress • Phase II: Trade AI & Trade Loans, Phase III: Supply Chain Finance	• Testing completion: backend and frontend testing targeted for conclusion by 1Q 2025 • Go-live: phase 1 scheduled for launch in 2Q 2025
Omnichannel	New high performance retail platform providing robust digital banking service and enhanced customer experiences and journeys	• Customer migration: initiated in structured batches for seamless transition • Release 2 enhancements: successfully deployed, driving improved functionality and user experience	• Initiated official public release • Subsequent additional features releases are planned to be rolled out in 2025
Core Banking System (Corporate) Release 3	Bank-wide core banking system to enable best-in-class customer experience with leading operational efficiency	• **CBS retail deposits:** user testing phase successfully completed • **CBS corporate loans:** specification documents finalized and prepared for business review	• CBS retail deposits: planned live deployments are on track, with sign-offs scheduled for February 2025 • CBS corporate loans: design phase targeted for completion by Q3 2025 • Testing: user testing will commence in 3Q 2025

We proudly launched our Digital App with comprehensive functionality, with more features coming in 2025

Intuitive design
a simple, user-friendly interface tailored for everyone

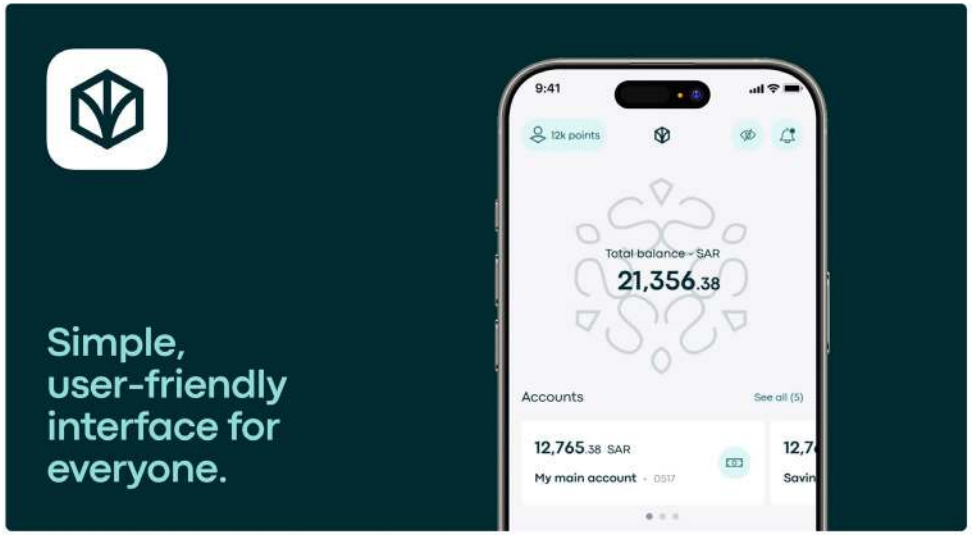
Effortless access
seamless login experience with advanced biometric integration

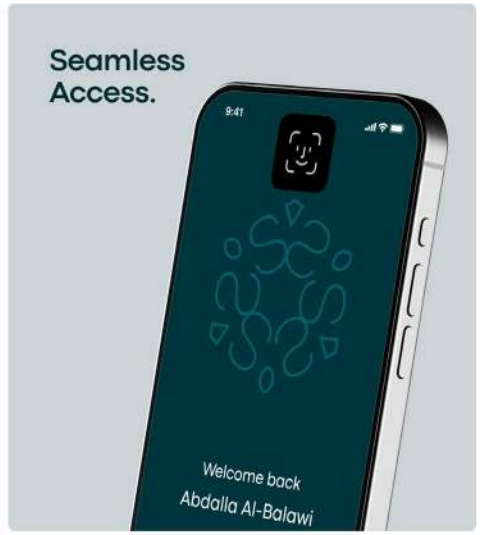
Enhanced employee experience
upgraded backend powered by an optimized employee app

Streamlined payments
stay on top of your finances with instant payment quick actions

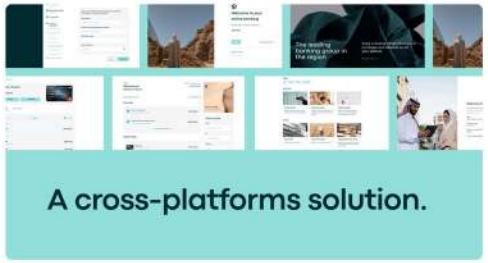
Lightning-fast performance
improved responsiveness for quicker navigation and actions

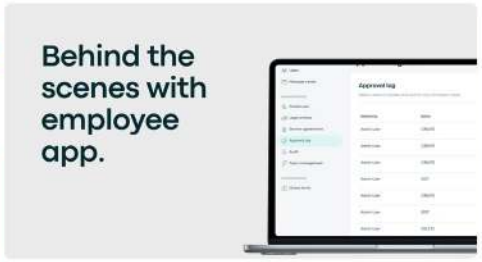
Convenient digital applications
apply for multiple products and services effortlessly, all in one place





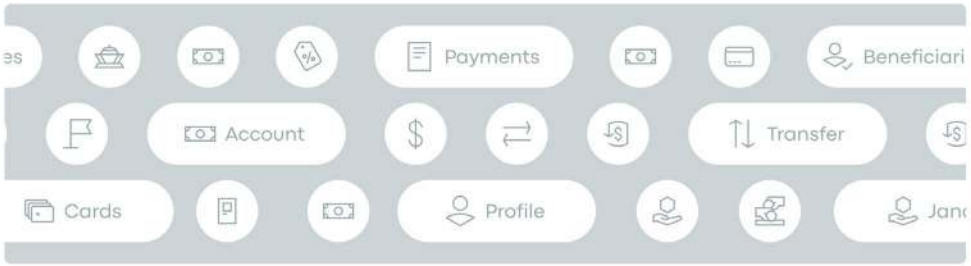














The Core Banking System upgrade is on track, with the most complex phase, Release 2, successfully completed; the final phase, Release 3, is now in progress

Release 1

- Retail loans & limits
- Customer information file

Dec '20

Release 2.1

- Retail loans origination
- Cards origination

Oct '21

Release 2.2A

Payment Processing:

- SWIFT
- SARIE
- IPS
- GCC-RTGS

Dec '22

Release 2.2B

- Corporate and Retail Accounts
- Islamic and Conventional Recurring Deposits
- Entire Branch channel replacement
- Residual Payments
- Replacement of integration layer
- Intersystem accounting migration

Feb '24

Release 3

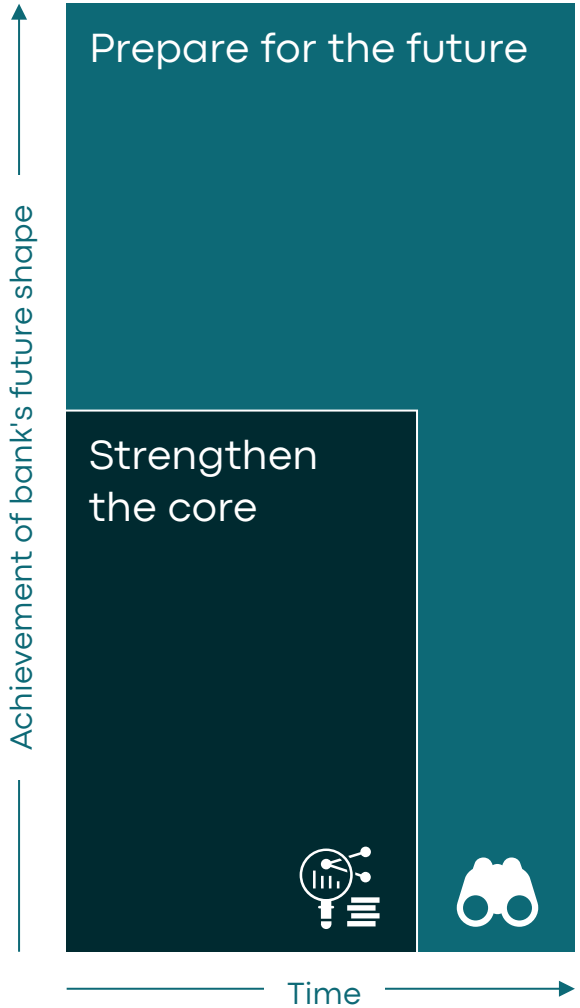
- Corporate Loans
- Limit Management
- Corporate & Retail term deposits

Beyond 2025

We have kicked off BSF 2030 Strategy exercise to future-proof the bank's market positioning



... for both the mid-term and long-term future of the bank



Strengthen the core

Reposition the core business along the traditional banking boundaries for the medium-term

Prepare for the future

Explore and capitalize on future-proof business potential, even beyond traditional banking boundaries

ESG Update

Investor Presentation FY 2024



BSF

ESG is woven into our strategic fabric, driving with our business objectives while nurturing our environment, society, and governance

ESG is Part of BSF DNA

BSF's ESG Pillars are born from within BSF's corporate mission and values

- Exemplifying the Highest Ethical and Governance Standards
- Accelerating Sustainable Economic Growth
- Creating a Thriving Workplace
- Serving our Clients
- Protecting our Communities

BSF's Recent ESG Highlights

BSF developed a set of **ESG KPIs** associated with the five key pillars of our ESG framework.

BSF published its **Sustainable Finance Framework**.

BSF was listed in the **FTSE Emerging ESG index** in May 2024 as a top ESG performer

Leveraging our **strategic pillars** at **BSF**, we **intertwine core objectives** with **positive ESG impact**, guided by our **governance** strength, and our **environmental** and **community** initiatives

We have identified and prioritized 15 sustainability-related material issues that have a substantial impact on our strategic objectives and are deemed crucial by our stakeholders

Such issues have been depicted in our materiality matrix, which is built upon a thorough materiality assessment.
It is important to note that issues not classified as 'Most Important' do not imply they are insignificant or neglected by BSF. We remain committed to addressing all relevant sustainability-related material issues.

Key elements considered in BSF's materiality assessment:

- Sustainability-related material issues identified by regional and international peers.
- Objectives of national and international sustainability-related ambitions: Vision 2030 and United Nations Sustainable Development Goals.
- Areas of importance identified by reputable sustainability reporting standards: SASB, Principles of Responsible Banking (PRB), and World Federation of Exchanges (WFE) ESG guidance.

Materiality Matrix



1. Governance, accountability, transparency and ethics
2. Financial and economic performance
3. Risk management
4. Responsible customer relations and satisfaction
5. Data privacy and security
6. Financial inclusion and accessibility
7. Digitalization
8. Employee engagement, wellbeing and satisfaction
9. Diversity and inclusion
10. Sustainable lending and investment
11. Talent attraction, retention and development
12. Community investment
13. Nationalization
14. Environmental management
15. Responsible procurement

BSF has implemented a comprehensive ESG governance and policy framework with Board oversight

BSF Board of Directors

Executive Committee

Audit Committee

Board Strategy Committee

Board Risk Committee

Nomination & Renumeration Committee

ESG Board Committee

Abdullatif Alothman **Chairman**



Rayan Fayez **Member**



Bader Al Issa **Member**



ESG Board Committee:
Supports the Board of Directors in achieving its targets in terms of ESG pillars to support BSF's ongoing commitment to sustainability matters which are an integral part of enhancing the Banks's long-term shareholder value.

ESG Management Committee

ESG Management Committee:
Represents and assists the ESG Board Committee in fulfilling its oversight responsibilities relating to ESG related matters

Head of Corporate Governance & ESG

Chief Strategy & Finance Officer

Chief Human Resources Officer

Chief Risk Officer

Head of Wholesale Banking Group

Chief Treasurer & Investment Officer

Head of Group Marketing & Corp. Comms.

Head of Legal & Governance, Corp. Secretary

Corporate Governance & ESG Division

ESG Champions

ESG champions:
Nominated champions across all groups/divisions/departments of BSF who are responsible for implementation

Charting the course of excellence: our ESG journey from a strong foundations to future innovation

Established the ESG Policy Framework

Implemented the ESG Governance Model

Published the Inaugural 2020 ESG Report

Published the 2021 ESG Report

Published the 2022 ESG Report

Published the 2023 ESG Report











BSF achieves remarkable progress in boosting ESG ratings

ESG Ratings:

ESG Risk Rating Score by Sustainalytics

21.2

as of May 2024

▲ from 27.8 in 2023

S&P Global ESG Score

39.0

for the year 2024

▲ from 30 in 2023

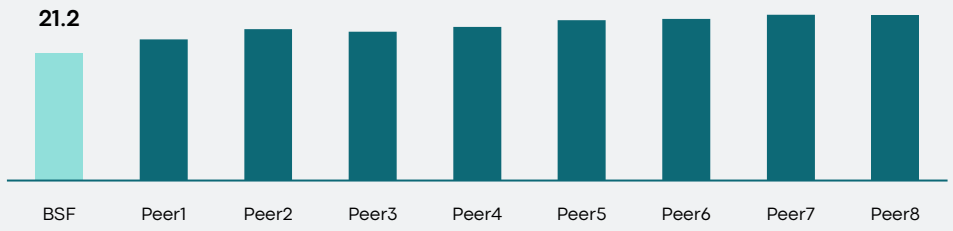
MSCI ESG Rating

BBB

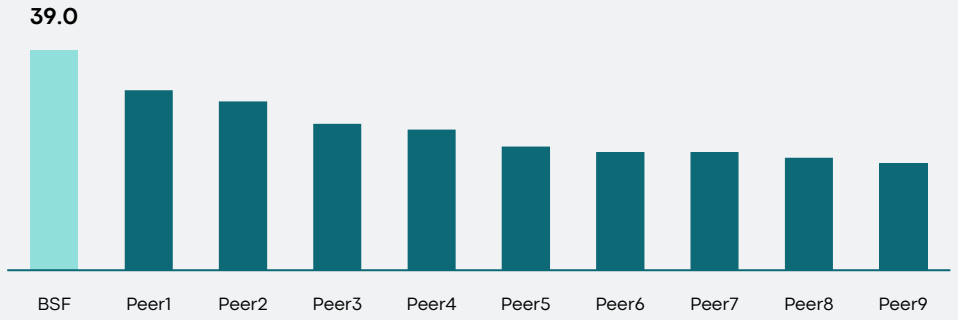
as of June 2024

▲ from BB in 2022

Leading all Saudi Banks in ESG Risk Rating Score by Sustainalytics



The highest S&P Global ESG Score among KSA banks



Source: Sustainalytics (www.sustainalytics.com) as of February 2025; S&P Global (spglobal.com), as of 2024

Financial Performance

Investor Presentation FY 2024



BSF

Strong balance sheet momentum and 8% net income growth YoY

Balance Sheet

- Strong loan growth of 14% YoY, driven by both commercial (+13%) and consumer (+16%).
- Investments increased 24% YoY to manage IR risk while capturing higher yields.
- Deposit growth of 7% YoY, from IBDs (+9%) and NIBDs (+6%).

Loans & Advances

204.2

SAR Billion

▲ +14% year-on-year

Investments

60.3

SAR Billion

▲ +24% year-on-year

Customers' Deposits

185.1

SAR Billion

▲ +7% year-on-year

Income Statement

- Operating income increased by 4% from 19% non-interest income growth.
- NIM declined by 48bps YoY to 3.05% on higher funding costs.
- Net income grew 8%, driven by higher non-interest income and lower impairments, partly offset by rising expenses.

Operating Income

9,658

SAR Million

▲ +4% year-on-year

NIM

3.05%

▼ -48bps year-on-year

Net Income

4,544

SAR Million

▲ +8% year-on-year

Improved credit quality with comfortable capital and liquidity

Asset Quality

- Lower NPL ratio, mainly from write-offs, and improving coverage ratio.
- Improved COR in the commercial book.

NPL Ratio

0.93%

▼ -12bps year-on-year

NPL Coverage

181.7%

▲ +44.0ppts year-on-year

Cost of Risk

0.58%

▼ -38bps year-on-year

Capital & Liquidity

- Capital, funding and liquidity remain strong and comfortably within regulatory limits.
- YoY moderation in NIBD ratio from expected shift to IBDs.

T1 Ratio

18.8%

▶ -0.2ppts year-on-year

LCR

162%

▼ -34ppts year-on-year

NIBD % of Total Deposits

46.5%

▶ -0.6ppts year-on-year

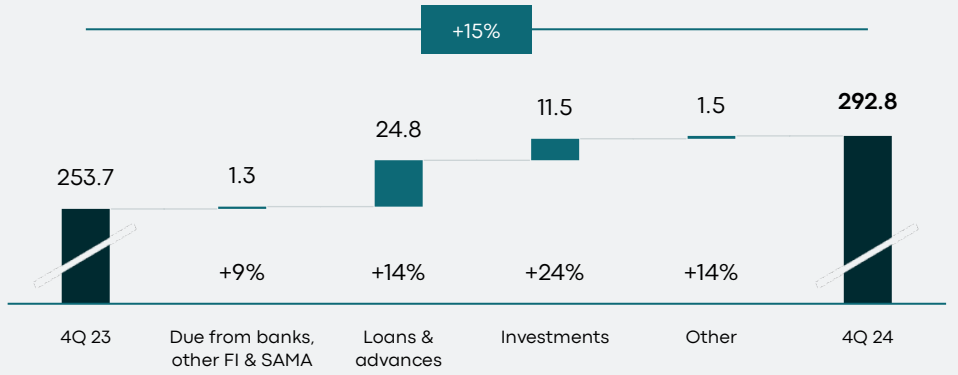
Balance sheet growth driven by lending and investments

Balance Sheet

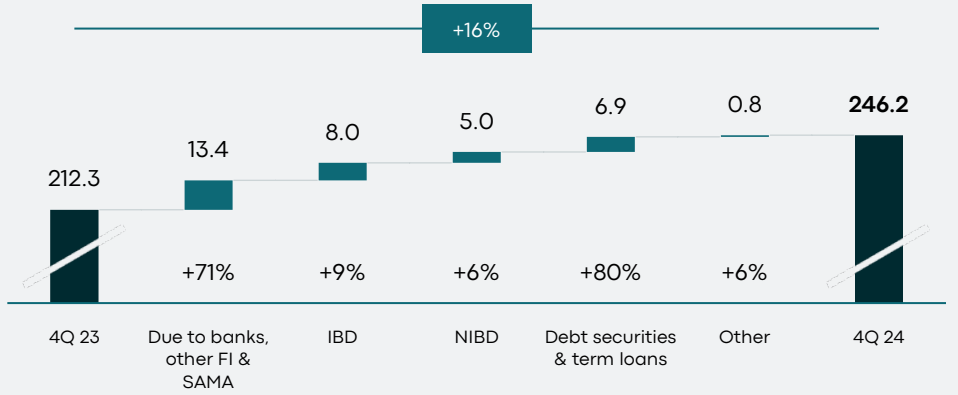
- Growth in total assets of 15% YoY, mainly driven by 14% loan growth, further aided by an increase in investments.
- The investment portfolio expanded by 24% YoY from high-quality liquid assets to capture higher yields, while managing interest rate risk.
- Liabilities grew by 16% during FY 2024 from 7% deposit growth, a 71% increase in interbank, and an 80% rise in debt securities.
- Total equity increased by 13% YoY due to SAR 3bn Additional Tier 1 sukuk issuance and retained earnings generation.

SAR Mn	4Q 2024	3Q 2024	Δ%	4Q 2023	Δ%
Investments	60,289	57,669	+5%	48,750	+24%
Loans & advances	204,168	201,008	+2%	179,391	+14%
Total assets	292,776	287,953	+2%	253,666	+15%
Customers' deposits	185,118	193,342	-4%	172,209	+7%
Total liabilities	246,169	241,554	+2%	212,262	+16%
Total equity	**46,607**	**46,399**	**+0%**	**41,404**	**+13%**

Total Assets Movement YoY (SAR Bn)



Total Liabilities Movement YoY (SAR Bn)

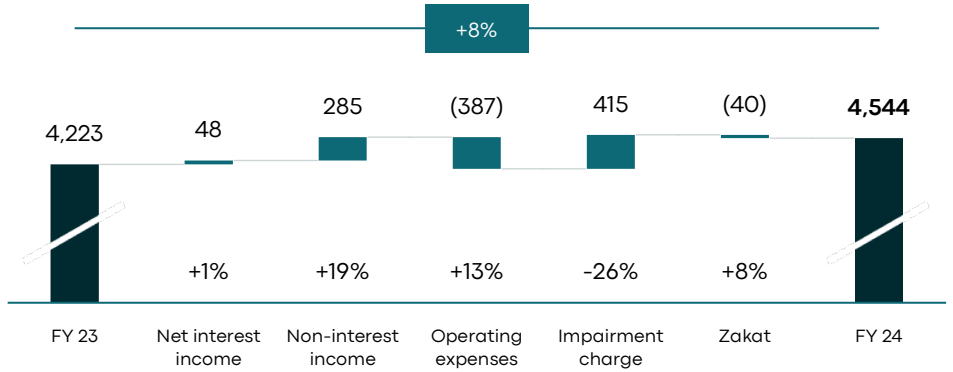


Net income grew 8% YoY from higher non-interest income and lower impairments, partially offset by higher costs

Income Statement

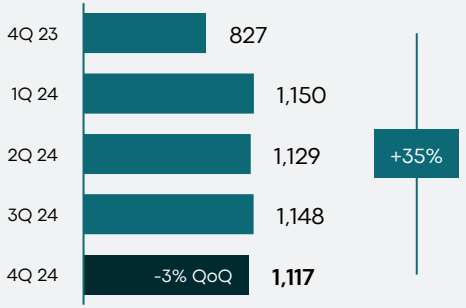
- Net income for FY 2024 grew 8% YoY to SAR 4,544mn from a 19% rise in non-interest income and a 26% decline in the impairment charge, partly offset by 13% growth in operating expenses.
- Total operating income increased by 4% YoY, with net interest income growing moderately by 1% and non-interest income increasing by 19%.
- Quarterly net income increased by 35% YoY but declined by 3% QoQ to SAR 1,117mn.

Net Income Movement YoY (SAR Mn)

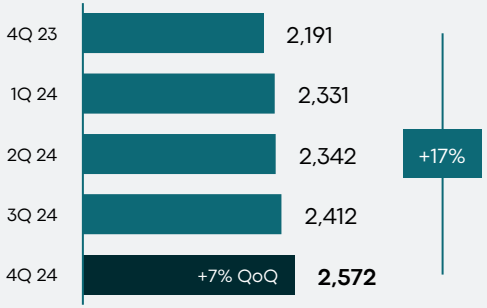


SAR Mn	FY 2024	FY 2023	Δ%	4Q 2024	4Q 2023	Δ%
Net interest income	7,883	7,835	+1%	2,039	1,868	+9%
Non-interest income	1,774	1,489	+19%	533	323	+65%
Operating income	9,658	9,324	+4%	2,572	2,191	+17%
Operating expenses	(3,409)	(3,022)	+13%	(970)	(846)	+15%
Pre-impairment operating income	6,249	6,302	-1%	1,602	1,345	+19%
Impairment charge	(1,180)	(1,594)	-26%	(355)	(413)	-14%
Net income before zakat	5,069	4,708	+8%	1,247	932	+34%
Zakat	(525)	(485)	+8%	(130)	(104)	+25%
Net income	**4,544**	**4,223**	**+8%**	**1,117**	**827**	**+35%**
ROAE	10.39%	10.61%	-22bps	9.61%	8.20%	+140bps

Net Income



Operating Income

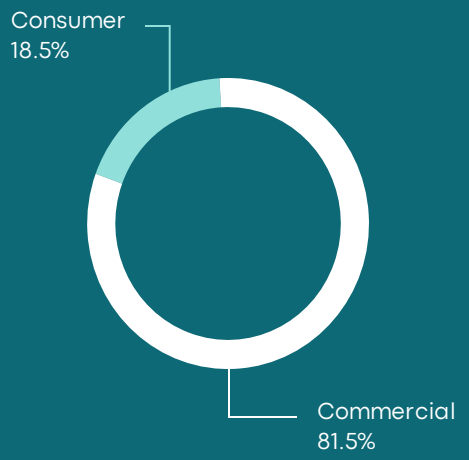


Balanced 14% YoY loan growth from both commercial and consumer sectors

Loans & Advances Composition

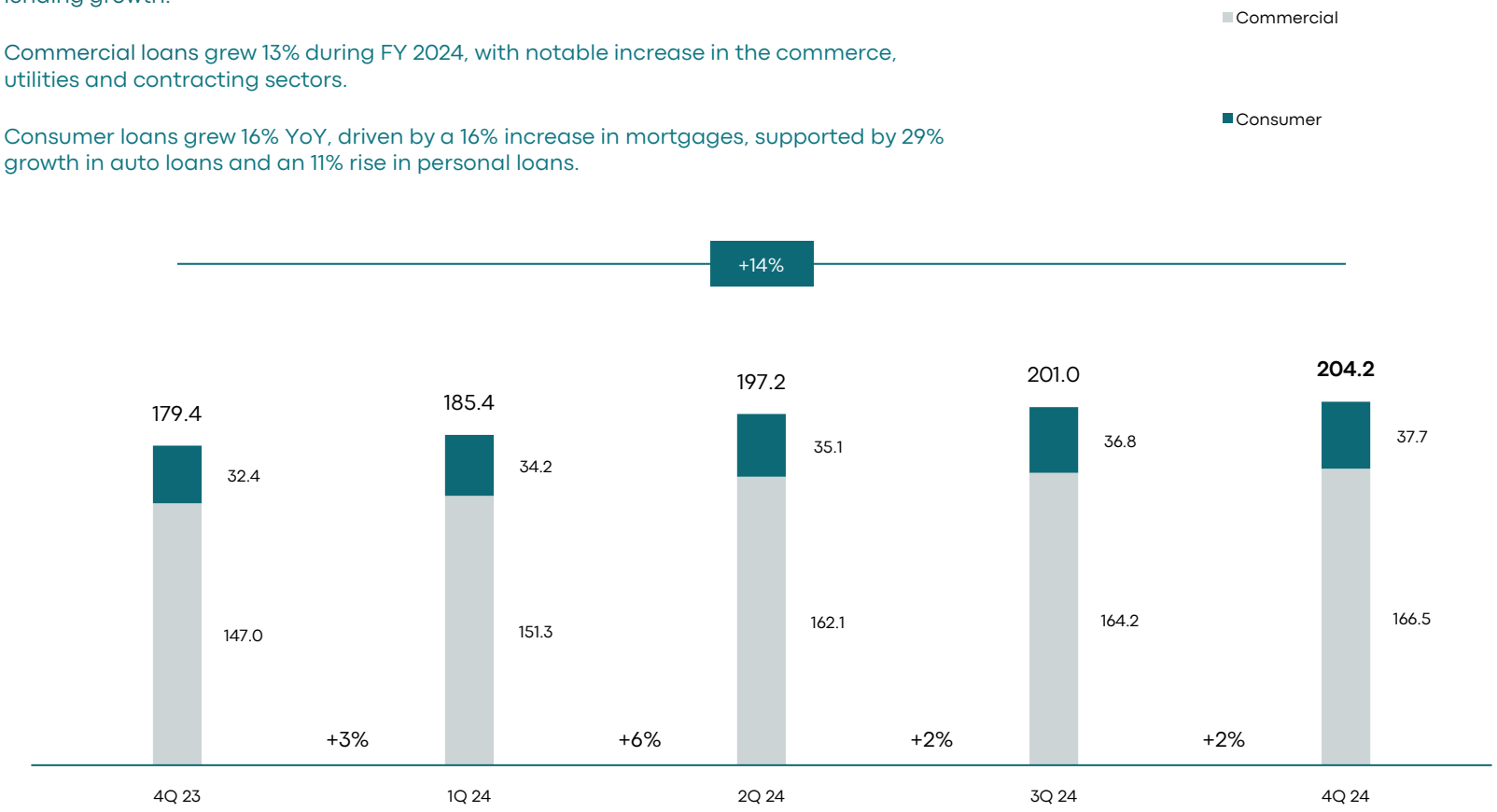
204.2

(SAR Bn)



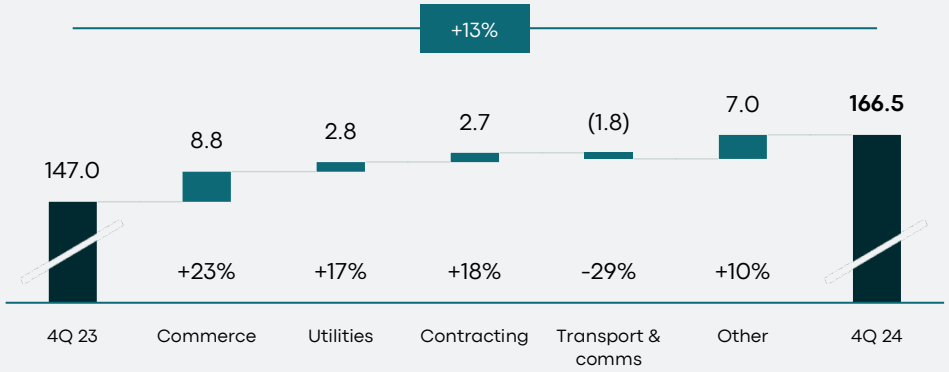
Loans & Advances (SAR Bn)

- Total loans & advances grew 14% during FY 2024 from both consumer and commercial lending growth.
- Commercial loans grew 13% during FY 2024, with notable increase in the commerce, utilities and contracting sectors.
- Consumer loans grew 16% YoY, driven by a 16% increase in mortgages, supported by 29% growth in auto loans and an 11% rise in personal loans.

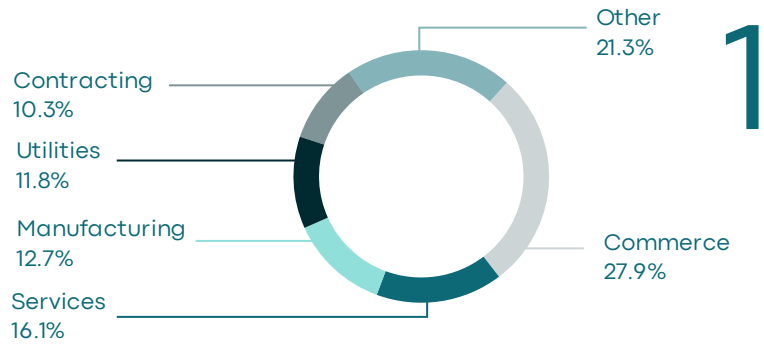


Well-diversified portfolio in both commercial and consumer sectors

Commercial Loans Movement YoY (SAR Bn)



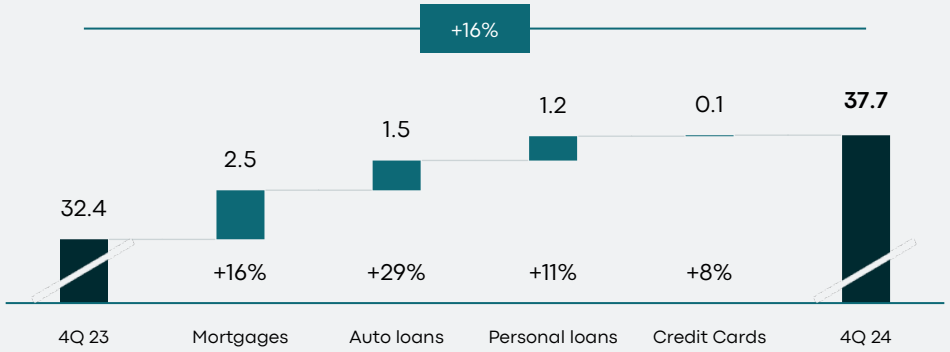
Commercial Loans Composition



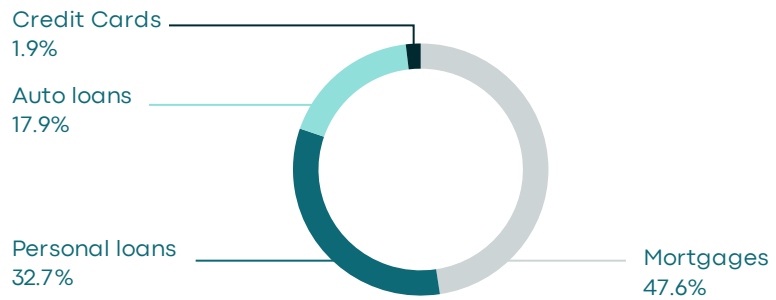
166.5

(SAR Bn)

Consumer Loans Movement YoY (SAR Bn)



Consumer Loans Composition



37.7

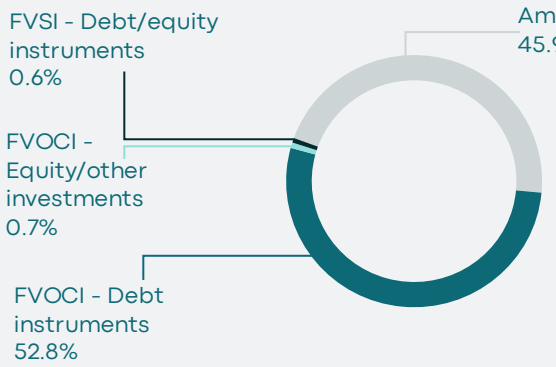
(SAR Bn)

24% Increase in the investment portfolio in FY 2024

Investments

- Investments increased 24% YTD to manage interest rate risk while capturing higher yields.
- The investment portfolio is of high quality with a significant portion being Saudi Government and investment grade.

Investments Composition by Category

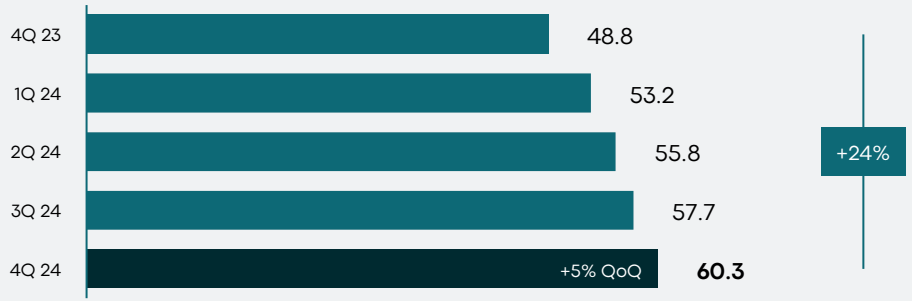


(SAR Bn)

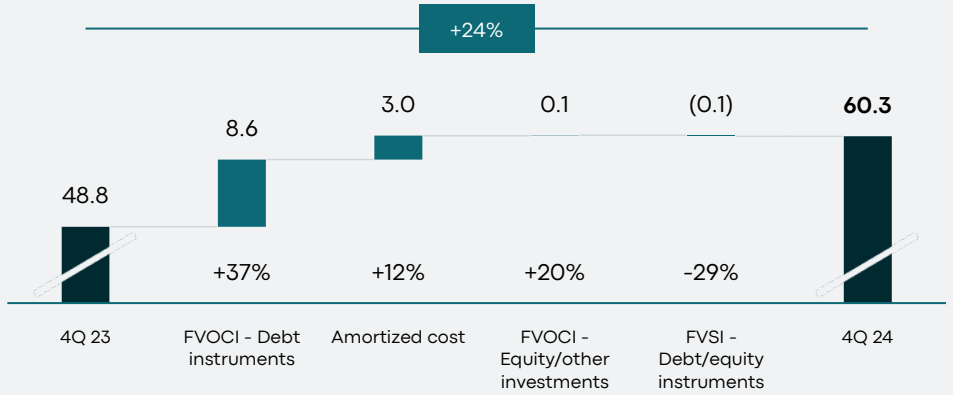
60.3

Amortized cost - 27.7
FVOCI - Debt instruments - 31.8
FVOCI - Equity/other investments - 0.4
FVSI - Debt/equity instruments - 0.4

Investments (SAR Bn)



Investments Movement by Category YoY (SAR Bn)

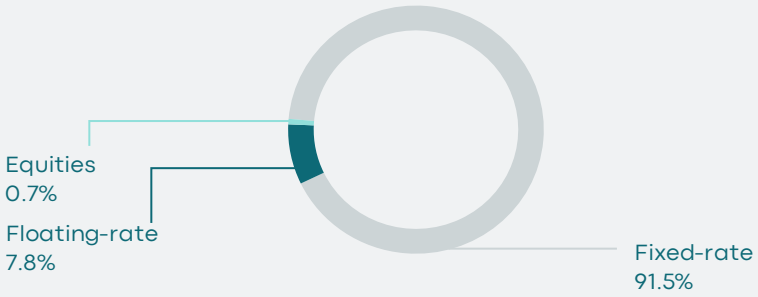


High-quality investment portfolio

Investments Composition by Type

(SAR Bn)

60.3



Fixed-rate - 55.2
Floating-rate - 4.7
Equities - 0.4

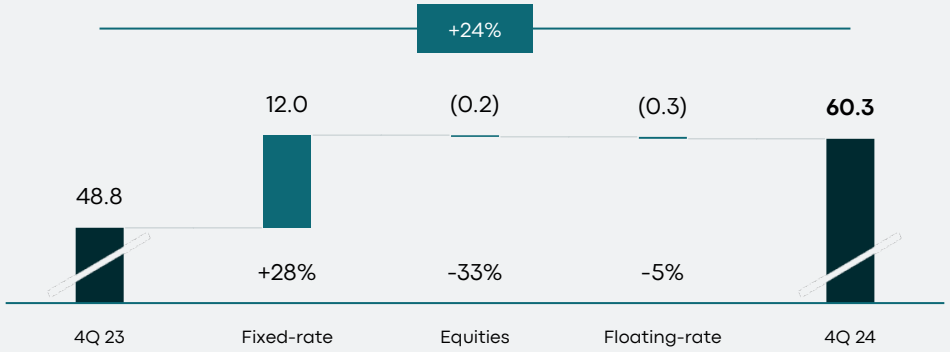
Investments Composition by Sector



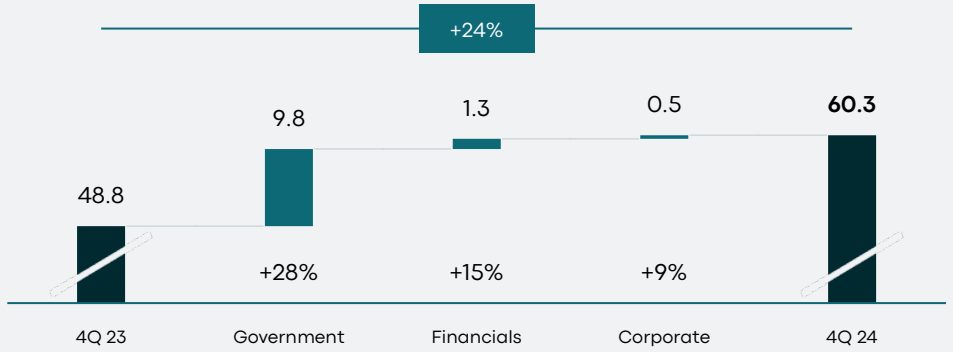
(SAR Bn)

Government - 44.6
Financials - 10
Corporate - 5.7

Investments Movement by Type YoY (SAR Bn)



Investments Movement by Sector YoY (SAR Bn)

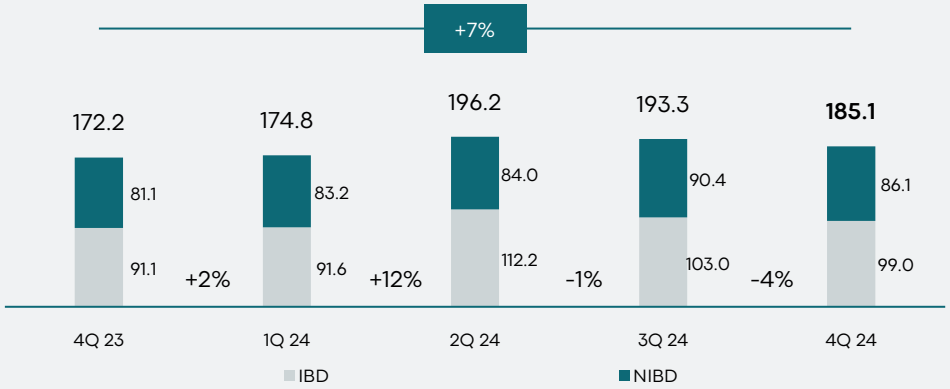


7% YoY growth in deposits, with contributions from both IBDs and NIBDs

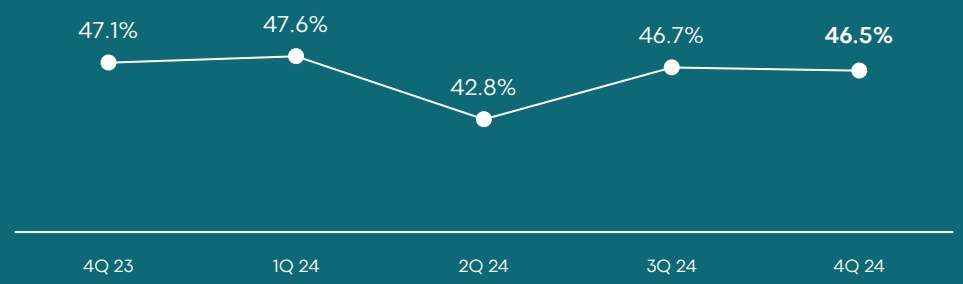
Customers` Deposits

- Deposits grew by 7% during FY 2024, driven by an increase in IBDs and further supported by NIBD growth.
- NIBDs increased 6% YoY and IBD`s increased 9% YoY, mainly from corporate deposits.
- As of 31 December 2024, 46.5% of deposits were non-interest bearing.

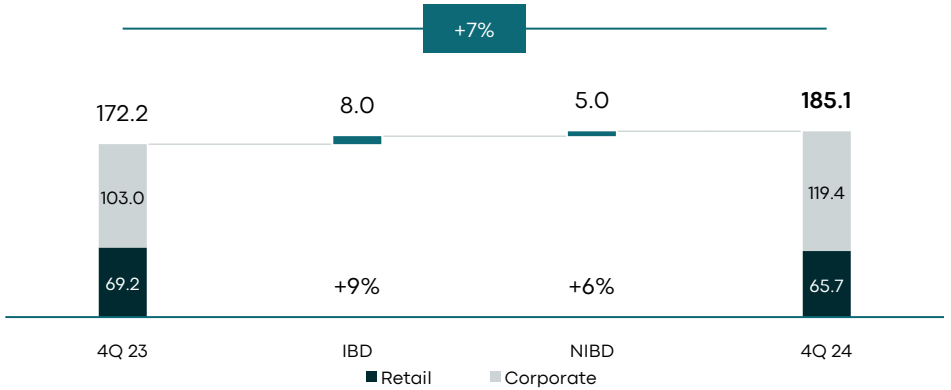
Customers' Deposits (SAR Bn)



NIBD % of Total Deposits (%)



Customers' Deposits Movement YoY (SAR Bn)

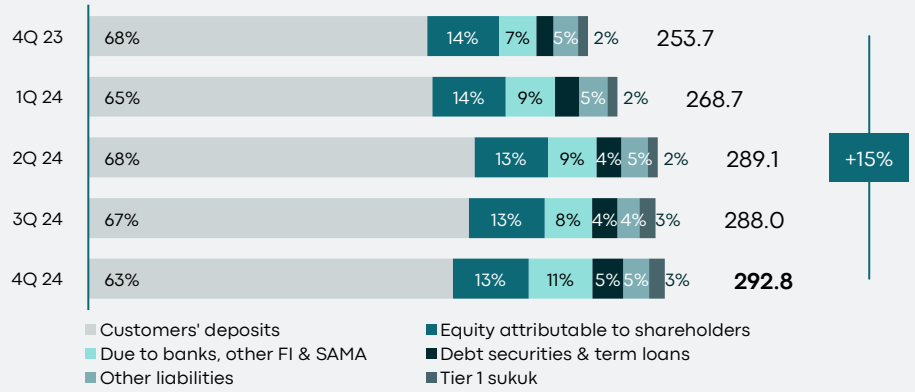


Efficient and diversified funding structure to support growth

Funding Structure

- BSF's funding is largely comprised of customers' deposits which represented 75% of total liabilities and 63% of total liabilities and equity as of 31 December 2024.
- BSF has a proven track record of accessing other funding options including local and international debt capital markets.
- In FY 2024, BSF via BSF Sukuk Company Limited issued USD 700 million senior unsecured trust certificates, maturing in 2029 and issued USD 890 million under the EMTN program, demonstrating its capability to access diverse funding sources. Overall, during the FY 2024, the Bank issued debt securities and term loans totaling USD 1,855 million.

Funding Structure Overview* (SAR Bn)



Successful Track Record in Accessing Local and International Capital Markets

Issuance Date	Issuance Amount (Mn)	Type	Maturity/Call	Pricing
2010	USD 650	USD Senior Unsecured	March 2015	4.25%
2012	USD 750	USD Tier 2 Issuance	May 2017	2.95%
2012	SAR 1,900	SAR Senior Unsecured	December 2017	S+110bps
2014	SAR 2,000	SAR Tier 2 Issuance	June 2019	S+140bps
2020	SAR 5,000	SAR Tier 1 Issuance	PerpNC 2025	4.50%
2022	USD 700	USD Senior Unsecured	November 2027	5.50%
2023	USD 900	USD Senior Unsecured	May 2028	4.75%
2023	USD 100	USD Senior Unsecured	July 2027	5.47%
2023	USD 50	USD Senior Unsecured	November 2026	SOFR+115bps
2024	USD 700	USD Senior Unsecured	January 2029	5.00%
2024	USD 30	USD Senior Unsecured	February 2031	SOFR+155bps
2024	USD 20	USD Senior Unsecured	April 2031	SOFR+145bps
2024	USD 20	USD Senior Unsecured	May 2031	SOFR+145bps
2024	USD 50	USD Senior Unsecured	May 2029	SOFR+120bps
2024	USD 20	USD Senior Unsecured	May 2029	SOFR+116bps
2024	SAR 3,000	SAR Tier 1 Issuance	PerpNC 2029	6.00%
2024	USD 750	USD Senior Unsecured	November 2029	SOFR+100bps

* Corresponds to total liabilities and equity in BSF's IFRS financial statements.

Strong credit ratings and stable maturity profile

Credit Ratings

Standard & Poor's

A-

▶ Stable outlook

Moody's

A1

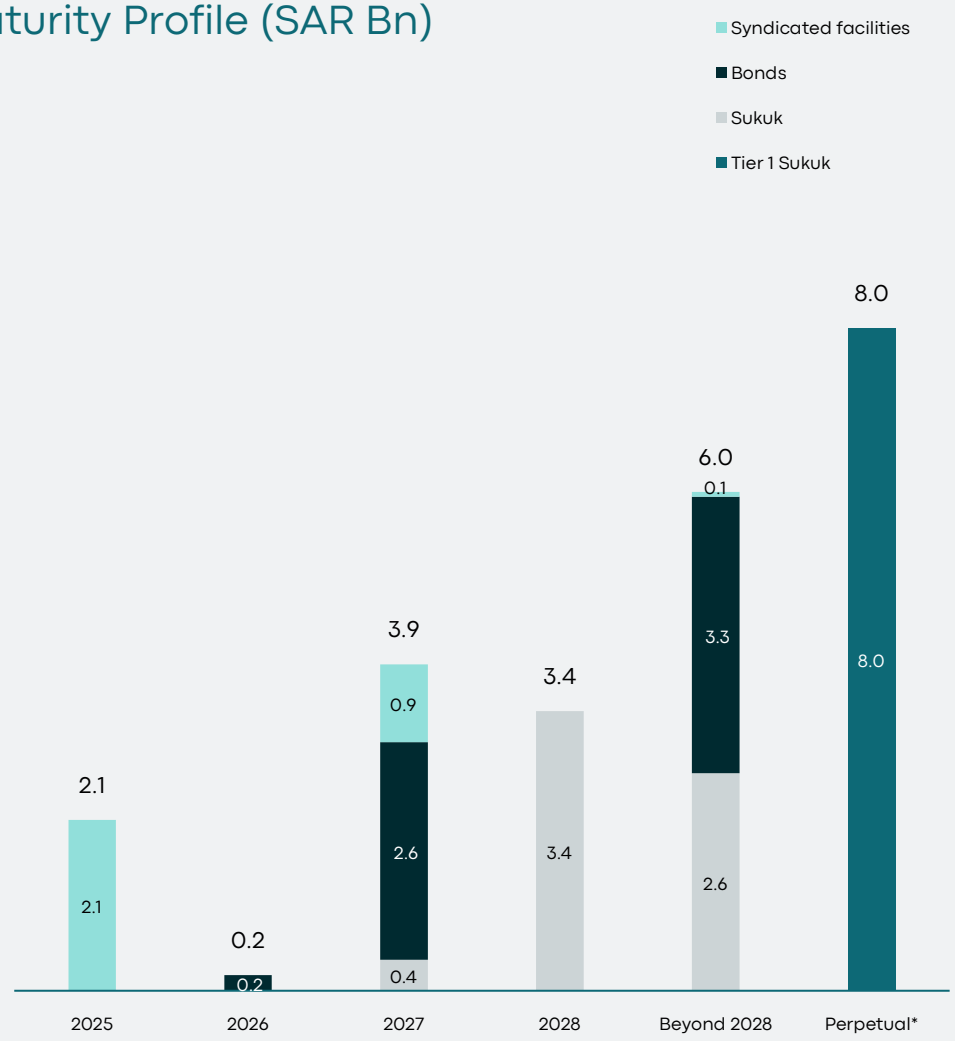
▶ Stable outlook

Fitch

A-

▶ Stable outlook

Maturity Profile (SAR Bn)



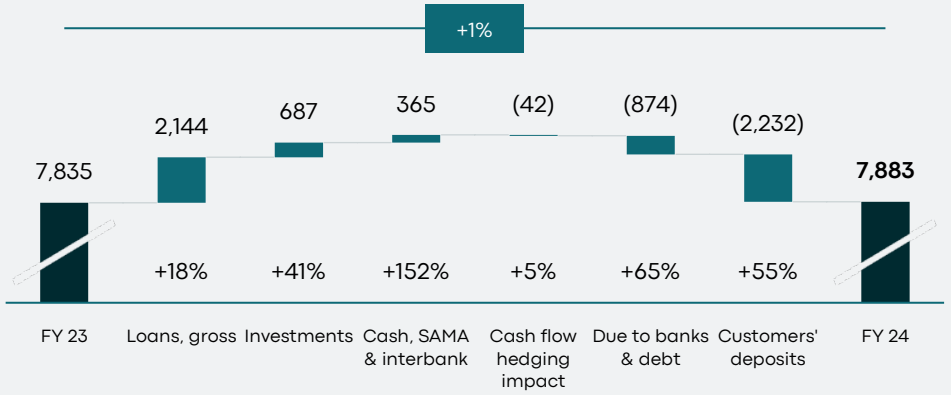
*The first call option date for SAR 5bn Tier 1 Sukuk is November 3, 2025. The first call option date for SAR 3bn Tier 1 Sukuk is September 5, 2029

1% growth in NII YoY as earning assets growth was mostly offset by margin contraction

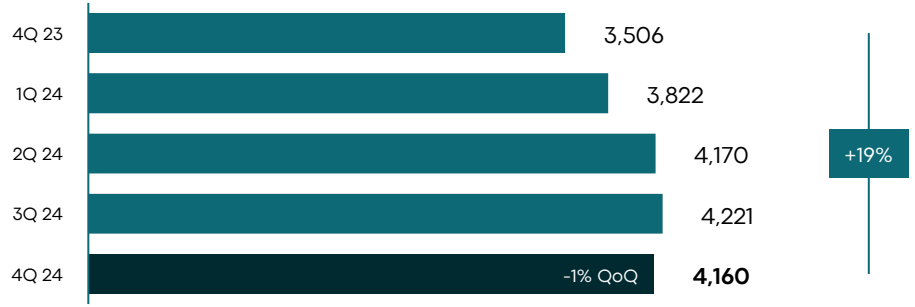
Net Interest Income

- NII for FY 2024 increased by 1% YoY to SAR 7,883mn, with 16% average earnings assets growth mostly offset by margin contraction.
- Interest income rose 24% YoY to SAR 16,372mn in FY 2024, while funding costs rose 58% to SAR 8,489mn.

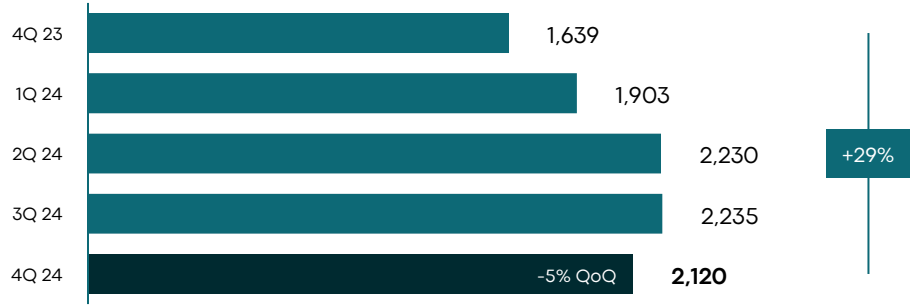
Net Interest Income Movement YoY (SAR Mn)



Interest Income (SAR Mn)



Interest Expense (SAR Mn)

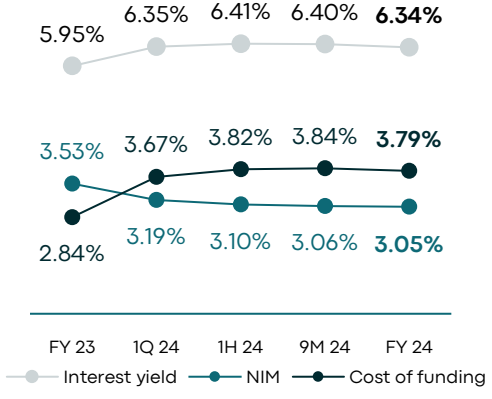


YoY margin decline from shifting deposit mix towards IBDs

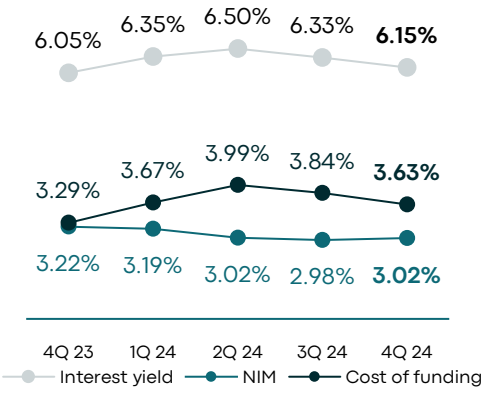
Net Interest Margin

- The NIM declined 48bps YoY to 3.05% mainly due to increased costs on customers` deposits.
- On a sequential basis, the quarterly NIM started to increase by 4bps QoQ.
- Funding costs increased by 95bps YoY to 3.79% in FY 2024.

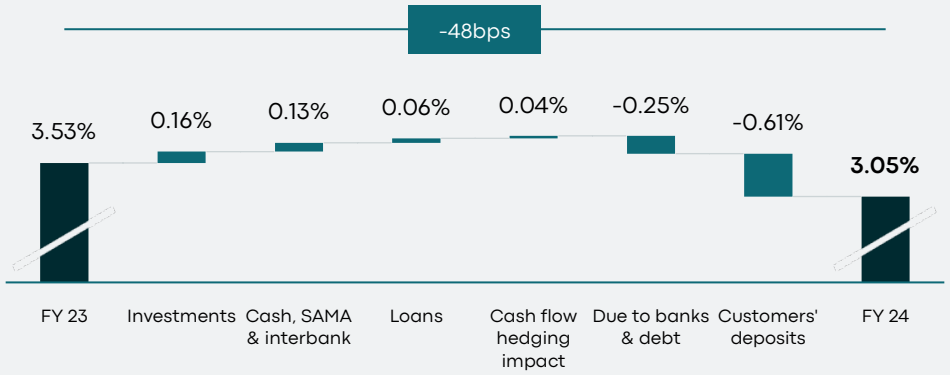
YTD NIM Trend



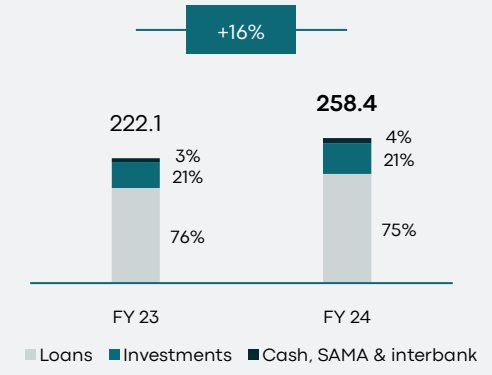
Quarterly NIM Trend



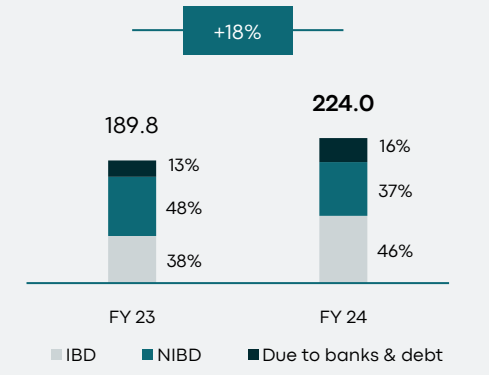
NIM Movement YoY (%)



Average Interest Earning Assets (SAR Bn)



Average Interest Bearing Liabilities (SAR Bn)

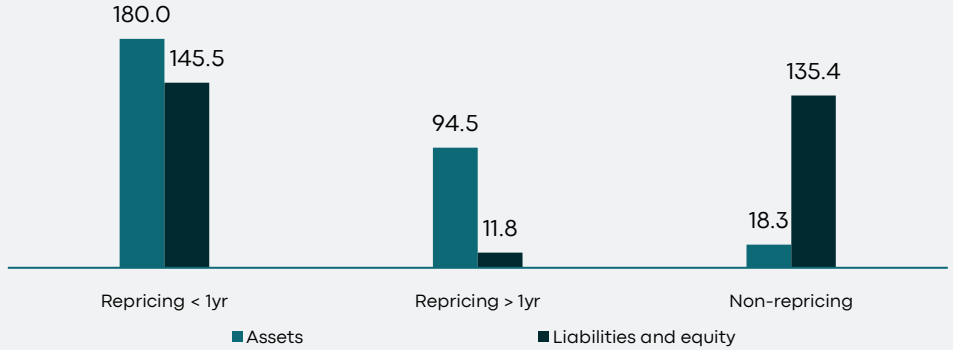


BSF has limited sensitivity to interest rate changes

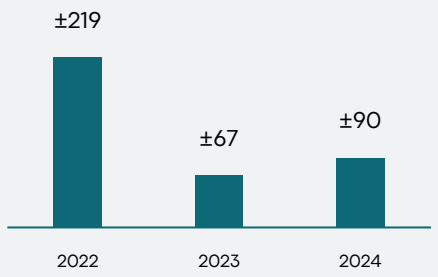
NIM Sensitivity

- As of 31 December 2024, BSF estimates a 1-year NIM sensitivity of a 100bps rates change at ±3bps; this would translate into a SAR ±90mn NII delta.
- The net open short-term IR position arising from on-balance sheet items reflects BSF's corporate DNA (excess of floating rate assets).
- BSF mitigates its IR risk exposure through a combination of on-and off-balance sheet instruments, incl. cash-flow hedges. The CFH outstanding position is driven by the evolution of BSF's balance sheet structure, IR risk appetite & structural market trends.
- The notional amount of cash flow hedges declined by 14% year-over-year, driven by an increase in fixed investments, which has resulted in a natural hedge to mitigate interest rate risk.

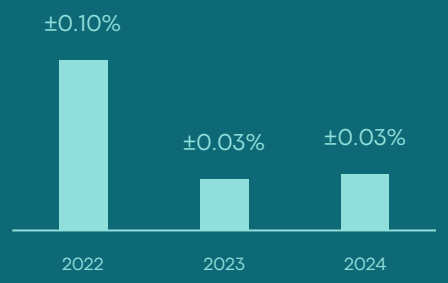
Balance Sheet Repricing Profile as at 31 December 2024 (SAR Bn)



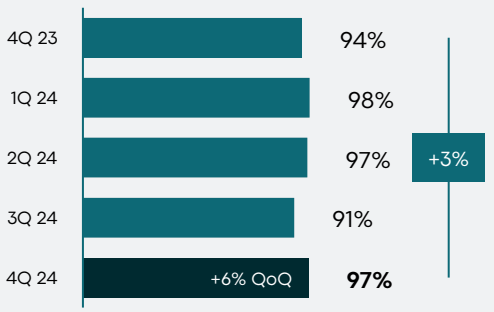
NII Impact of ±100bps Rate Change (SAR Mn)



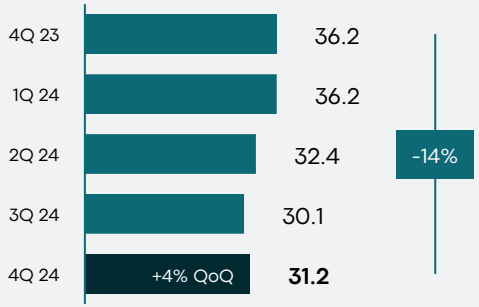
NIM Impact of ±100bps Rate Change (%)



Fixed Assets vs. Fixed Liabilities (%)



Cash Flow Hedges Swaps (SAR Bn)



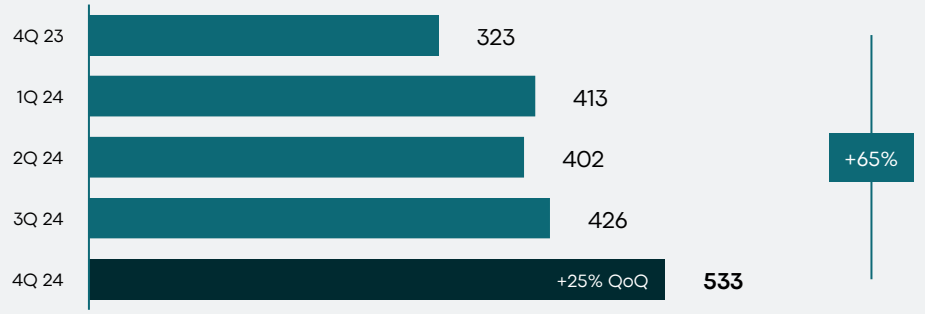
Note: Exposure to interest rate risk is shown in time buckets based on the earliest of first re-pricing date and contractual maturity; this analysis includes all contractual on-balance sheet positions (floating and fixed)

Non-interest income increased 19% YoY on higher trading income

Non-Interest Income

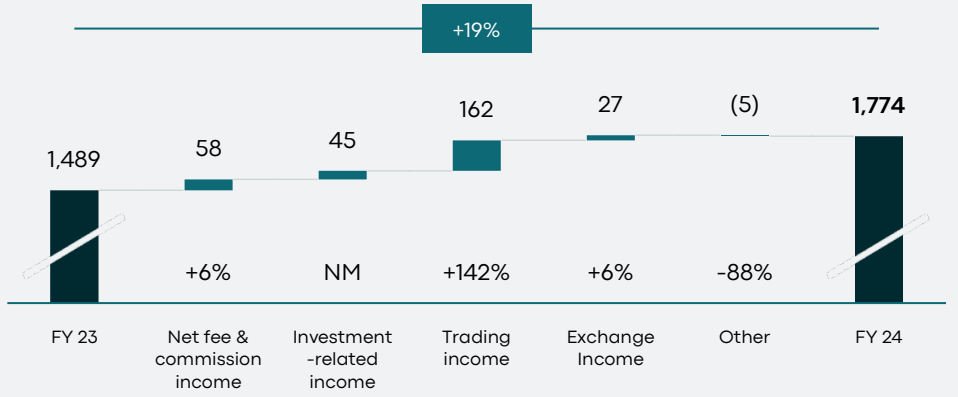
- Non-interest income for FY 2024 increased 19% YoY to SAR 1,774mn on higher trading income, supported by improved net fee & commission income, investment-related and exchange income.
- 4Q 2024 non-interest income increased by 65% YoY and 25% QoQ, driven by higher trading income, which included offsetting one-off trading gains and losses, with a net impact of SAR 107mn.

Non-interest Income (SAR Mn)



SAR Mn	FY 2024	FY 2023	Δ%	4Q 2024	4Q 2023	Δ%
Fee & commission income	1,651	1,492	+11%	404	408	-1%
Fee & commission expenses	(678)	(577)	+18%	(166)	(171)	-3%
Net fee & commission income	972	915	+6%	238	237	+0%
Exchange Income	482	455	+6%	151	118	+28%
Trading income	276	114	+142%	135	(38)	+458%
Banking-related income	1,730	1,484	+17%	523	318	+65%
Investment-related income	44	(1)	NM	9	5	+80%
Other income	1	6	-88%	0	1	-54%
Non-interest income	**1,774**	**1,489**	**+19%**	**533**	**323**	**+65%**

Non-interest Income Movement YoY (SAR Mn)

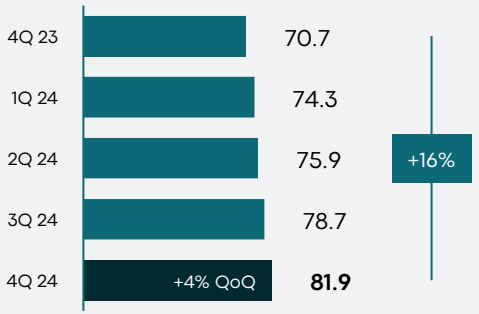


Fee & commission income increased 6% YoY, mainly from improved brokerage & asset management income and trade finance

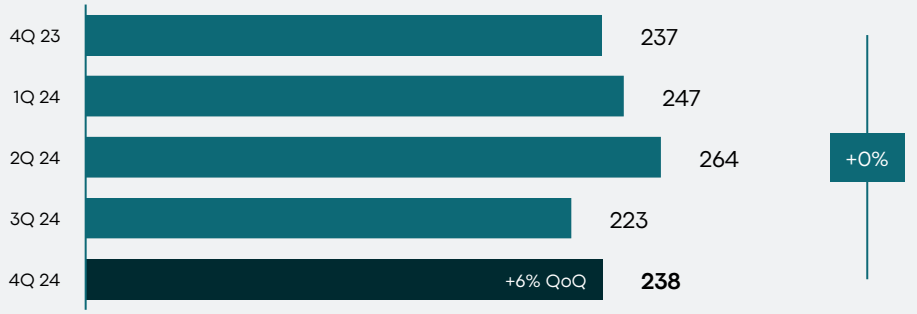
Fee & Commission Income

- Net fee & commission grew 6% to SAR 972mn in FY 2024 due to higher brokerage & asset management income and trade finance, partially offset by lower card fees.
- A 16% YoY increase in non-funded exposure positively impacted fee and other income.

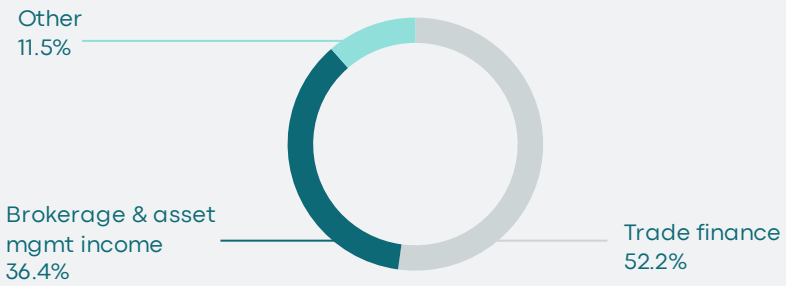
Non-funded Exposure* (SAR Bn)



Fee & Commission Income (SAR Mn)



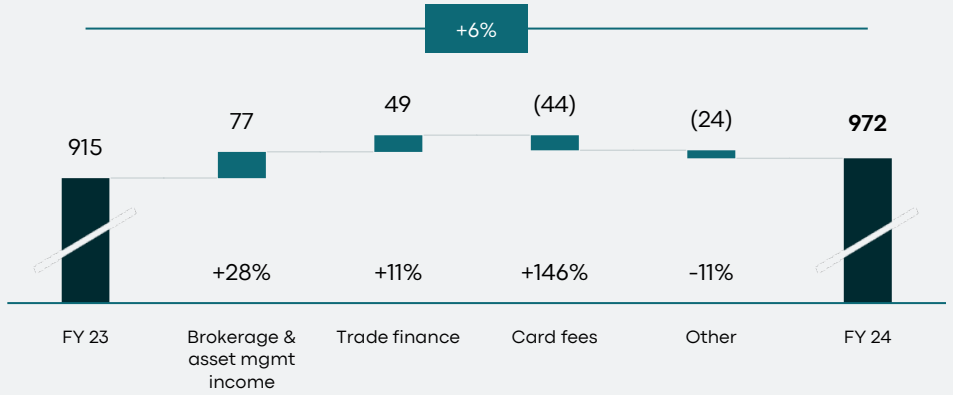
Fee & Commission Income Composition



972

(SAR Mn)

Fee & Commission Income Movement YoY (SAR Mn)



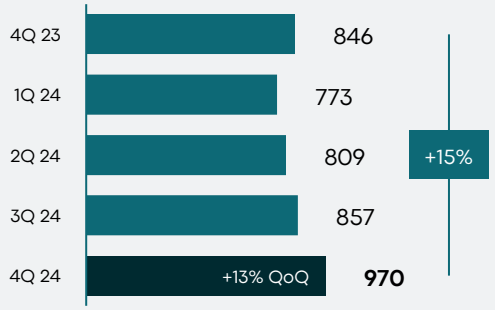
*Non-funded exposure includes letters of credit, letters of guarantee, acceptances, and irrevocable commitments to extend credit.

Operating expenses growth of 13% YoY from higher G&A and employee-related expenses

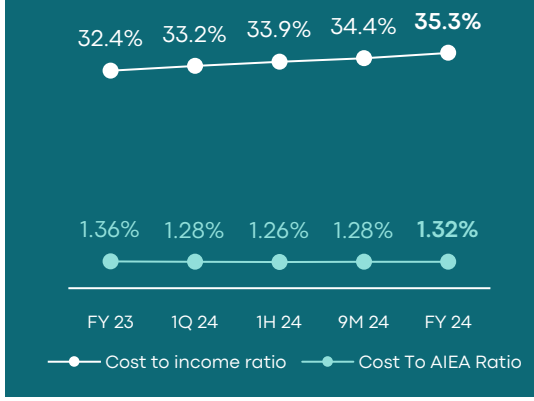
Operating Expenses

- Operating expenses increased 13% YoY to SAR 3,409mn in FY 2024 mainly due to increased general and administrative expenses, as well as employee-related costs.
- Cost to income ratio increased by 2.9ppts YoY to 35.3% in FY 2024 from 32.4% in FY 2023.
- At the same time, operating expenses as a percentage of average interest-earning assets (AIEA) decreased 4bps YoY to 1.32% for FY 2024, driven by a slightly faster expansion of AIEA (+16%) relative to expense growth (+15%).
- Quarterly operating expenses increased 13% QoQ and 15% YoY, driven by exceptional expenses of SAR 117mn. Of this: 60% was related to a discontinued investment loss, 25% to prior-period operational expenses, and 15% to staff-related costs.

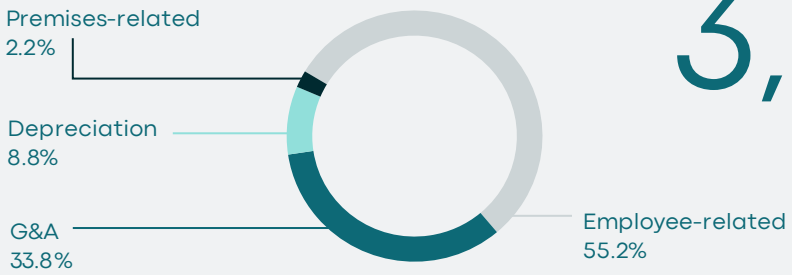
Operating Expenses (SAR Mn)



Cost Ratios (%)



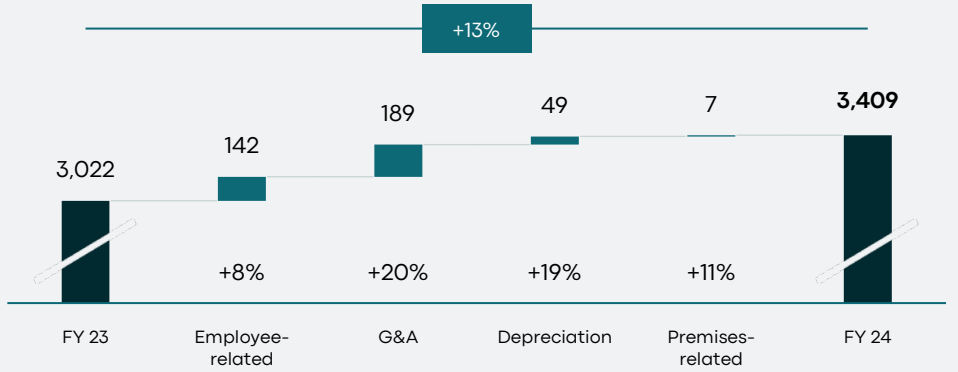
Operating Expenses Composition



3,409

(SAR Mn)

Operating Expenses Movement YoY (SAR Mn)

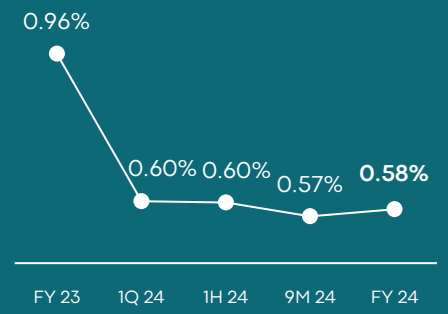


Cost of risk decreased by 38bps YoY to 0.58% for FY 2024 from lower commercial impairments

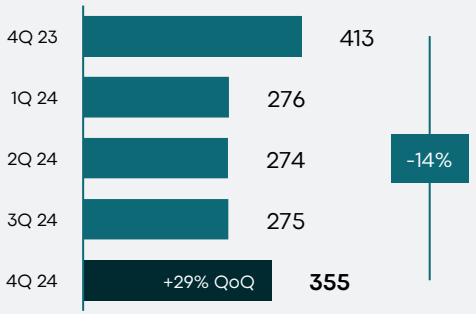
Impairment Charge

- The total impairment charge for FY 2024 decreased by 26% YoY to SAR 1,180mn, mainly from lower commercial impairments, partly offset by higher consumer and investment & other impairments.
- In combination with healthy loan growth, this resulted in a 38bps YoY improvement in cost of risk to 0.58% for FY 2024. However, there was a 13bps increase QoQ to 0.63% in 4Q 2024.

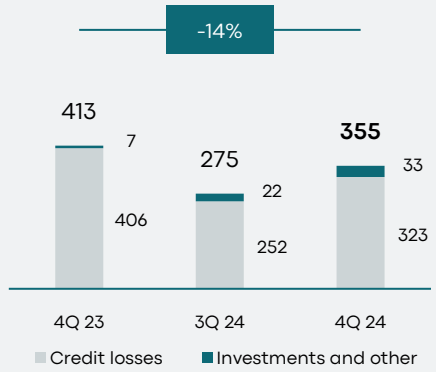
Cost of Credit Risk (%)



Impairment Charge (SAR Mn)



Impairment Charge (SAR Mn)



Commercial COR



0.56%

▼ -62bps year-on-year

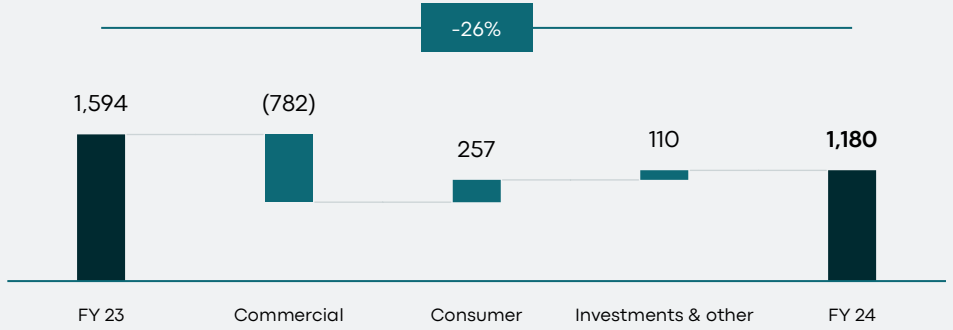
Consumer COR



0.67%

▲ +73bps year-on-year

Impairment Charge Movement YoY (SAR Mn)

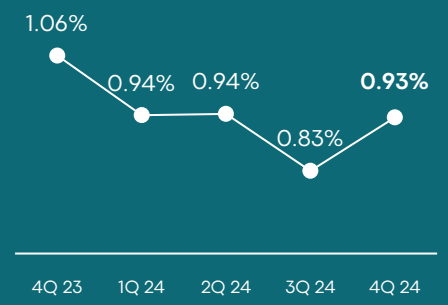


Credit quality remains strong with YoY NPL ratio improvement

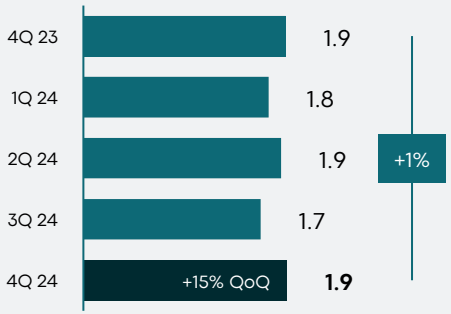
NPL Ratio

- The NPL ratio improved 12bps YoY to 0.93% as NPLs increased by 1% relative to 14% gross loan growth.

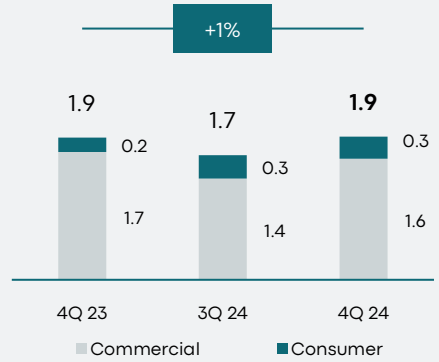
NPL Ratio (%)



Non Performing Loans & Advances (SAR Bn)



Non Performing Loans & Advances (SAR Bn)



Commercial NPL Ratio



0.97%

▼ -19bps year-on-year

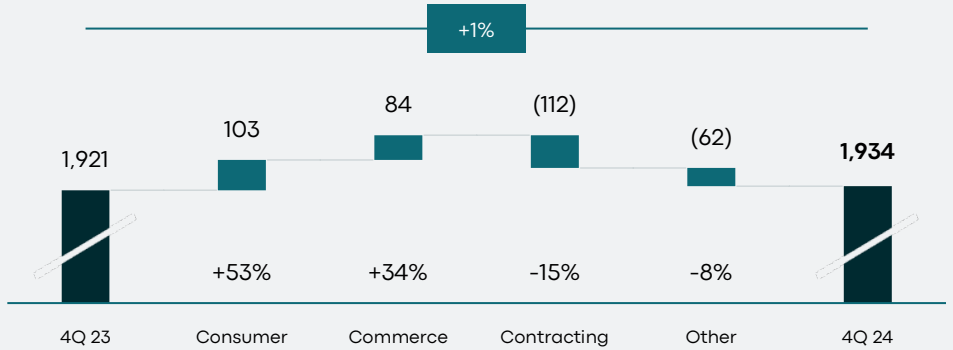
Consumer NPL Ratio



0.78%

▲ +19bps year-on-year

Total Non Performing Movement YoY (SAR Mn)

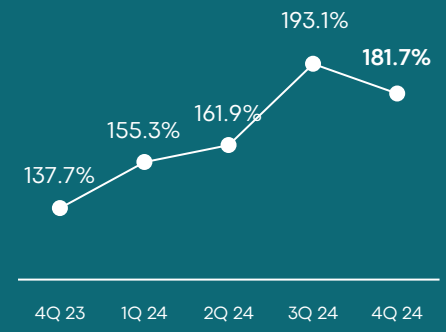


NPL coverage improved 44.0ppts YTD to 181.7%

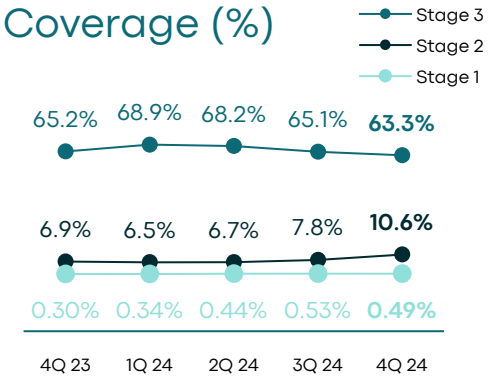
NPL Coverage

- The NPL coverage ratio improved by 44.0ppts YoY to 181.7%, attributed to enhancements in commercial coverage.
- Stage 3 coverage experienced a decline of 1.9ppts during FY 2024 to 63.3%, stage 2 coverage improved by 3.7ppts to 10.6%, while stage 1 coverage improved by 0.2ppts to 0.5%.

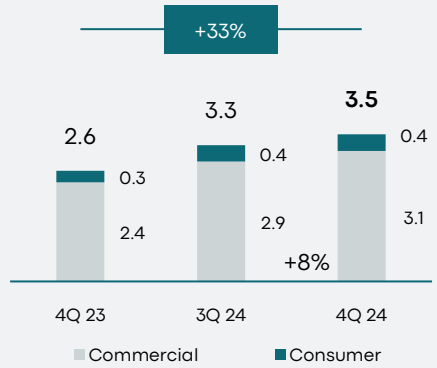
NPL Coverage Ratio (%)



Stage-Wise Provision Coverage (%)



Allowance for Impairment (SAR Bn)



Commercial NPL

190.4%

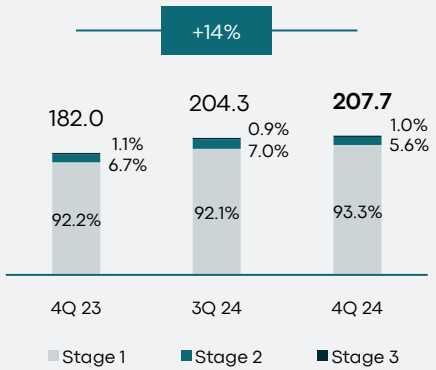
▲ +53.3ppts year-to-date

Consumer NPL Coverage

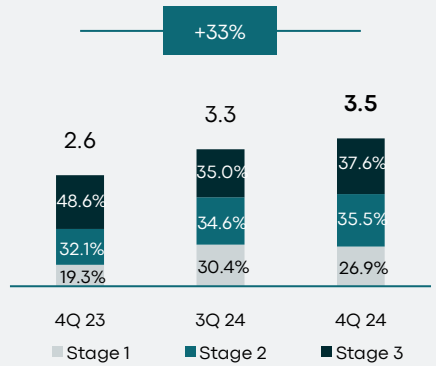
133.6%

▼ -8.8ppts year-to-date

Stage-Wise Gross Financing (SAR Bn)



Stage-Wise ECL Allowances (SAR Bn)

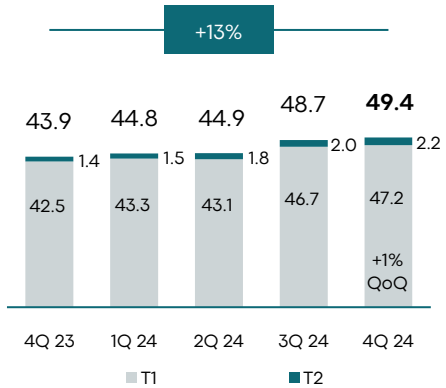


Strong capital ratios

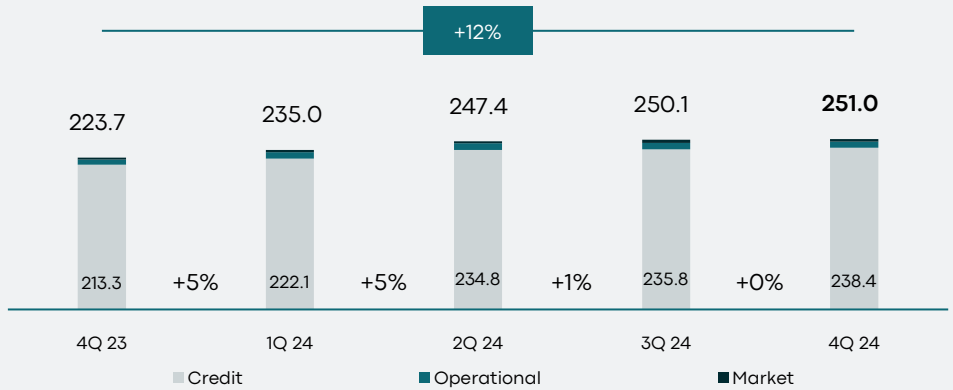
Capital

- Total capital (Tier 1 + Tier 2 regulatory capital) increased 13% YoY to SAR 49.4bn during FY 2024 from net income as well as SAR 3bn Additional Tier 1 sukuk issuance in 3Q 2024, partly offset by dividend payments.
- RWAs increased 12% YoY during FY 2024 to SAR 251.0bn from lending growth. CAR was at 19.7% and the Tier 1 ratio at 18.8% as of 31 December 2024.

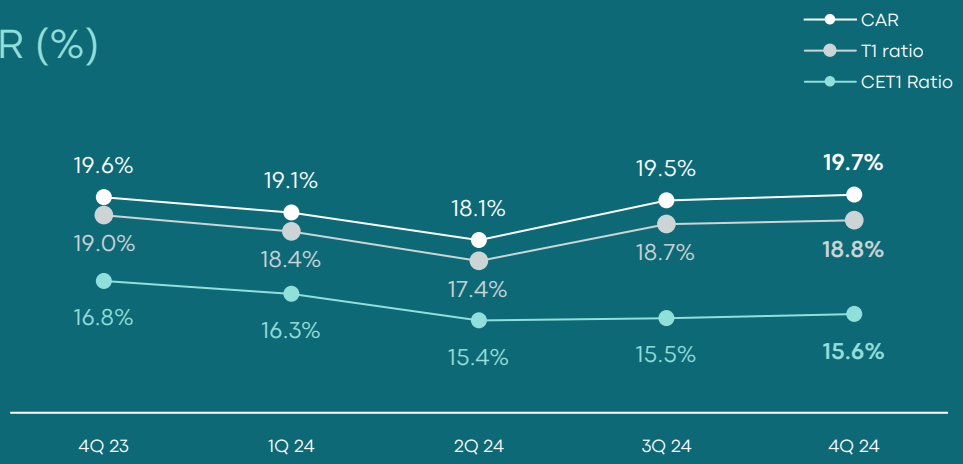
Total Capital (SAR Bn)



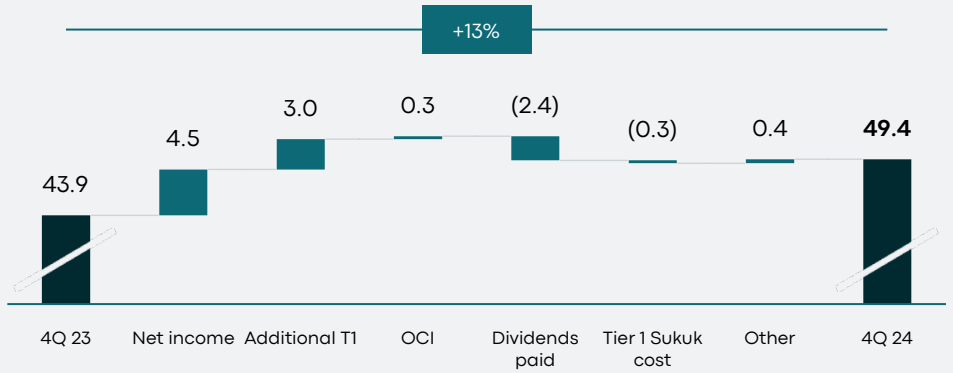
RWA (SAR Bn)



CAR (%)



Total Capital Movement YoY (SAR Bn)

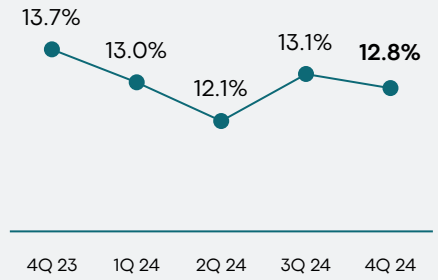


Liquidity remains strong and comfortably within regulatory limits

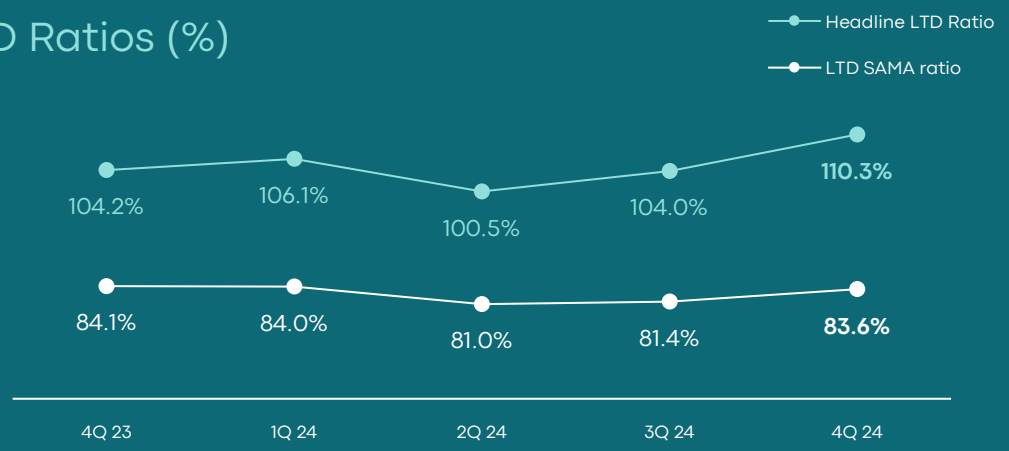
Liquidity

- LCR declined by 34ppts to 162% during FY 2024.
- NSFR moderated slightly YoY to 114% as of 31 December 2024.
- The SAMA regulatory LTD ratio was within required levels at 83.6% as of 31 December 2024, while the headline ratio increased to 110.3%.

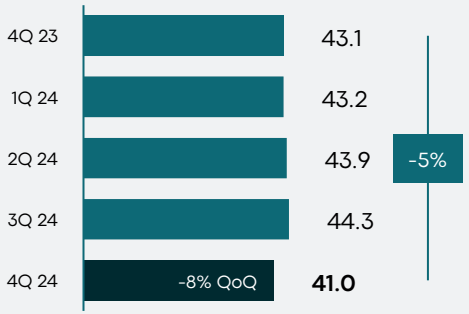
Leverage Ratio (%)



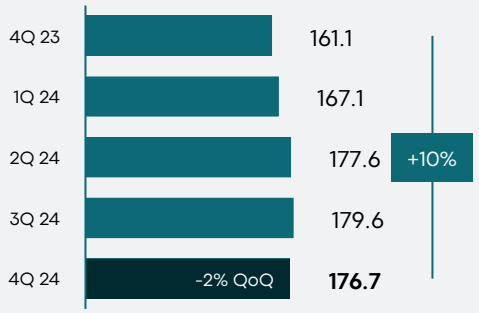
LTD Ratios (%)



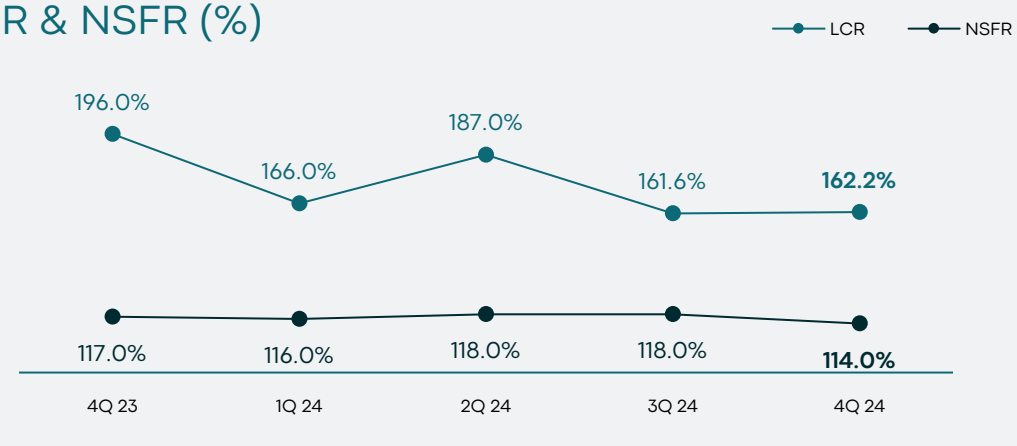
HQLA (SAR Bn)



Available Stable Funding (SAR Bn)

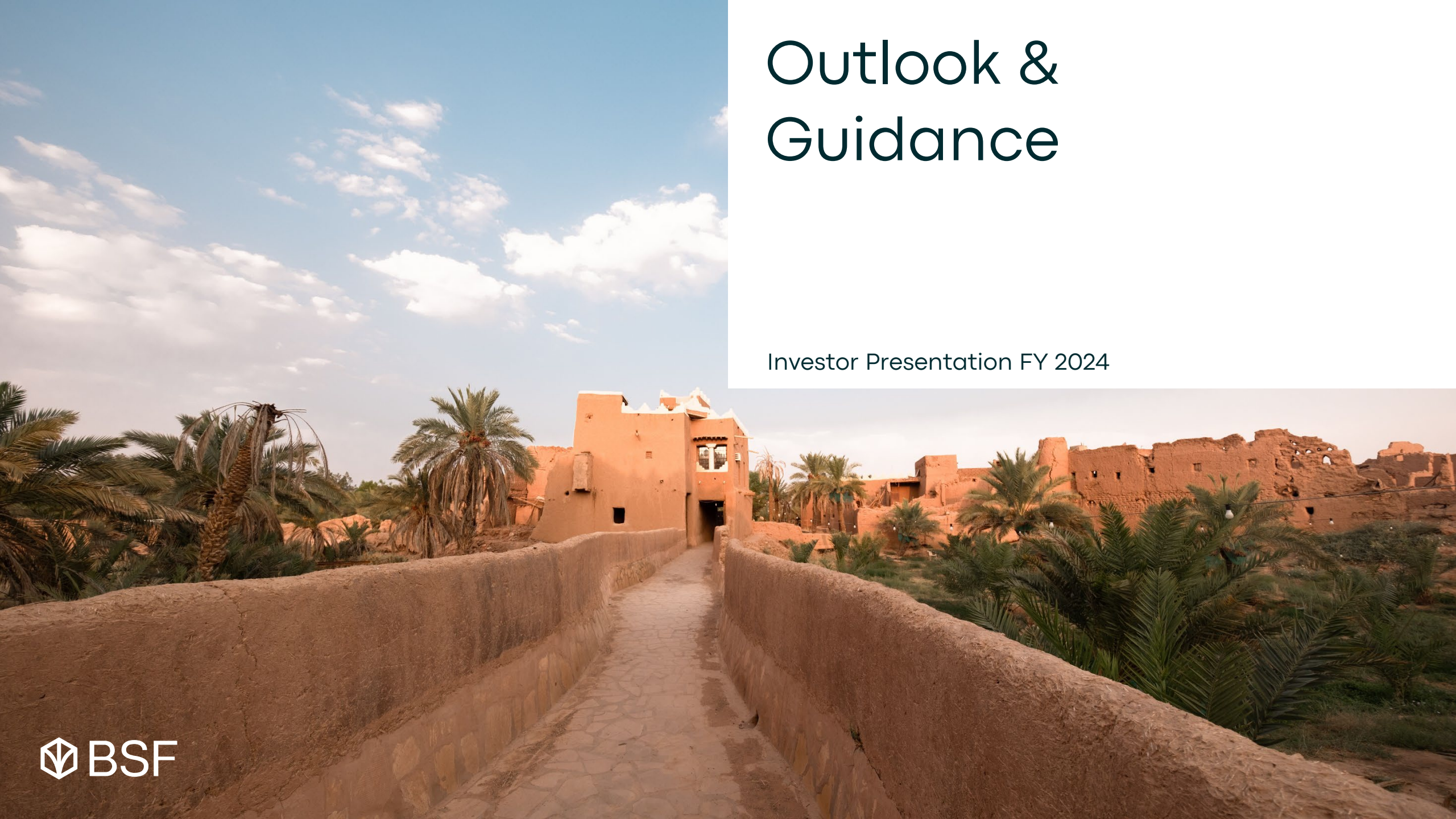


LCR & NSFR (%)

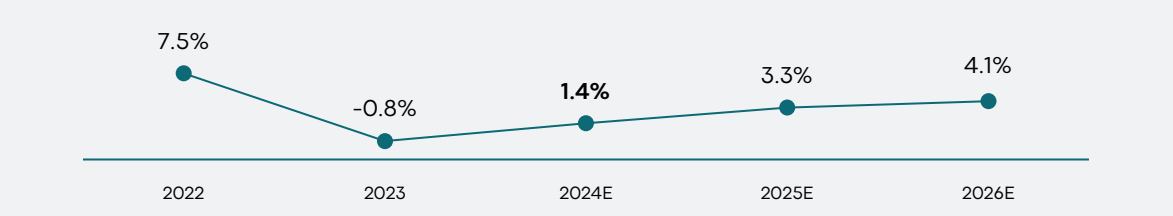
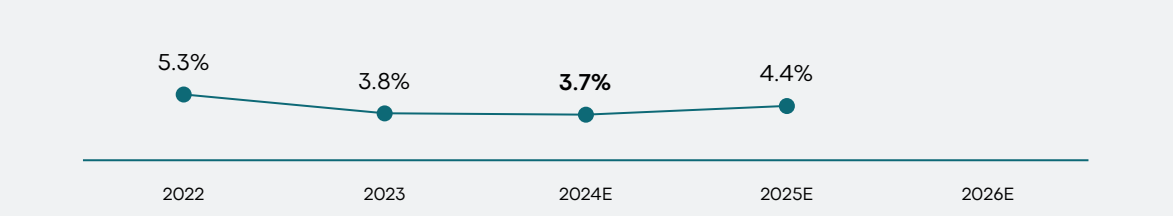
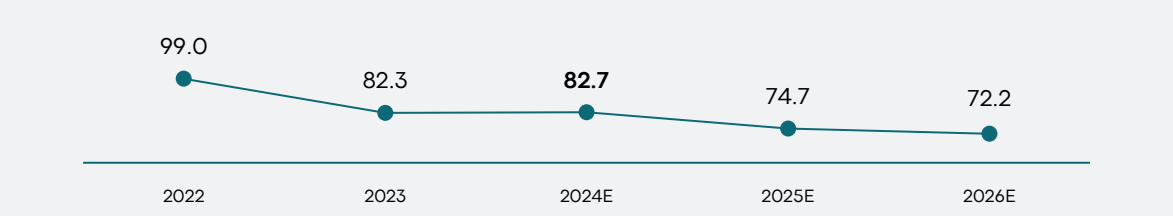
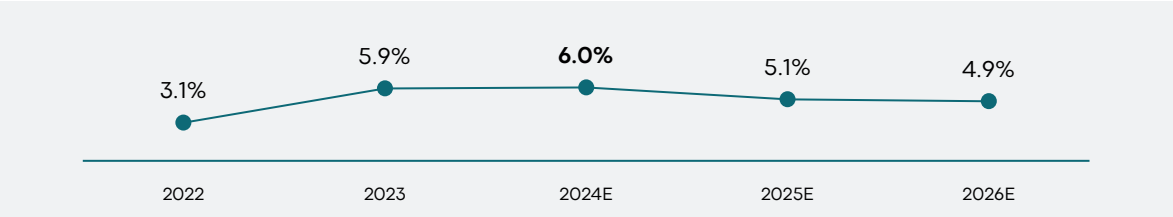


Outlook & Guidance

Investor Presentation FY 2024



Saudi Arabia's real GDP and non-oil GDP growth are expected to improve, while anticipating a higher-for-longer interest rate environment

Metric	2024 Outcome	2025 Outlook	Trend
Saudi Arabia Real GDP Growth	+1.4%	+3.3%	
Saudi Arabia Non-oil GDP Growth	+3.7%	+4.4%	
Oil prices (Brent/Barrel, USD)	82.7	USD 74.7	
Interest rates (SAIBOR 3m avg)	6.0%	50bps rate cuts	

Sources: SAIBOR historical rates – SAMA | SAIBOR/SOFR forecasts – BSF Treasury | GDP, oil price – IMF

FY 2024 performance reflects strong loan growth and stable asset quality, while cost pressures and margin compression impact profitability

Metric	FY 2024 Outcome	2024 Guidance	Commentaries
Loans & Advances Growth	+13.8% YOY SAR Bn 204.2	Mid-teens	FY 2024 is in line with guidance, driven by selective loan portfolio expansion in both consumer and commercial.
Net Interest Margin	3.05% ▼ -48 bps YOY	3.00 - 3.15%	NIM was in line with guidance, reflecting compression from higher funding costs, but with stabilization sequentially during 4Q 2024.
Cost of Risk	58bps ▼ -38 bps YOY	55-65bps	The cost of risk was comfortably within the guidance range; this reflects a continued benign credit environment and prudent risk management practices.
Cost to Income Ratio	35.3% ▲ +2.9 ppts YOY	~34%	The C/I ratio increased ahead of guidance as operating expenses were elevated by technological investments and rebranding, as well as non-recurring expenses of 4Q.
Return on Equity	10.4% ▼ -22 bps YOY	~11%	ROE was marginally below the ~11% guidance, reflecting higher operating expenses.
Core Equity Tier 1 Ratio	15.6% ▼ -113 bps YTD	~16%	CET1 ratio improved over the last quarter but remained below guidance due to higher expenses limiting internal capital generation.

BSF anticipates a favorable year ahead, with sustained loan growth, margin resilience and improvements in operational efficiency driving enhanced profitability

Metric	FY 2024 Outcome	2025 Guidance	Guidance Drivers
Loans & Advances Growth	+13.8% YOY SAR Bn 204.2	Low teens	The guidance reflects expected growth in commercial lending in line with the market, with consumer lending and JB outpacing.
Net Interest Margin	3.05% ▼ -48 bps YOY	3.05 - 3.15%	NIM expected to be driven by volume growth in NIBDs and lending. Declining rates may impact asset yields, but funding costs and CFH are expected to provide an offsetting benefit.
Cost of Risk	58bps ▼ -38 bps YOY	50-60bps	Cost of risk expected to remain stable at higher balance sheet levels, supported by a resilient credit environment.
Cost to Income Ratio	35.3% ▲ +2.9 ppts YOY	<33%	Guidance reflects disciplined cost management, with a focus on containing staff-related expenses, while other G&A costs include investments in marketing, locations, and business volume expansion.
Return on Equity	10.4% ▼ -22 bps YOY	11-12%	ROE guidance is supported by higher net interest income, increased fee generation, and disciplined operating and risk cost containment.
Core Equity Tier 1 Ratio	15.6% ▼ -113 bps YTD	>15%	Capital ratios are expected to remain stable through retained earnings, balancing growth-related capital consumption.

Segmental Performance

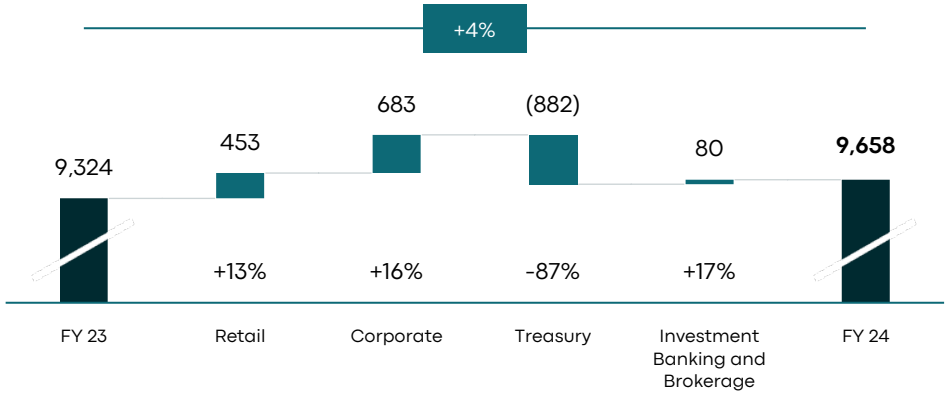
Investor Presentation FY 2024



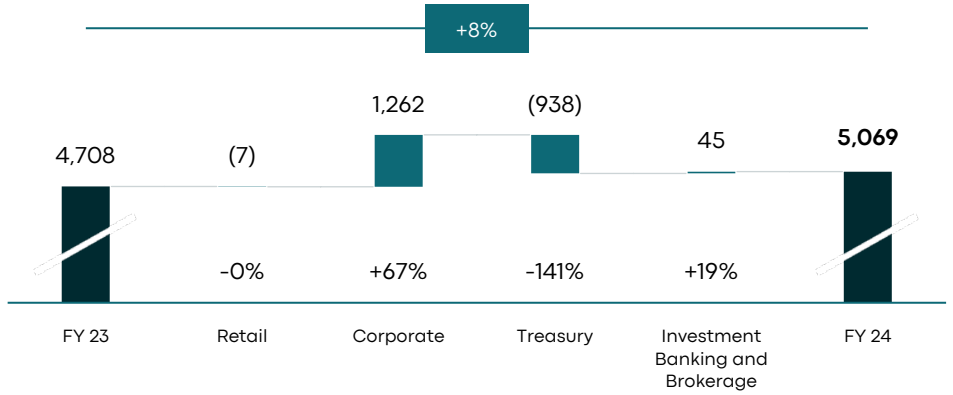
BSF

Profitability driven by growth in Corporate, offset by lower Treasury net income

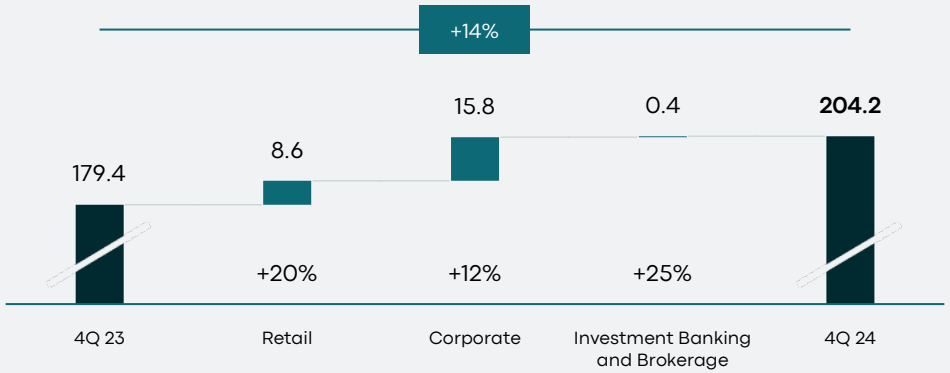
Operating Income Movement YoY (SAR Mn)



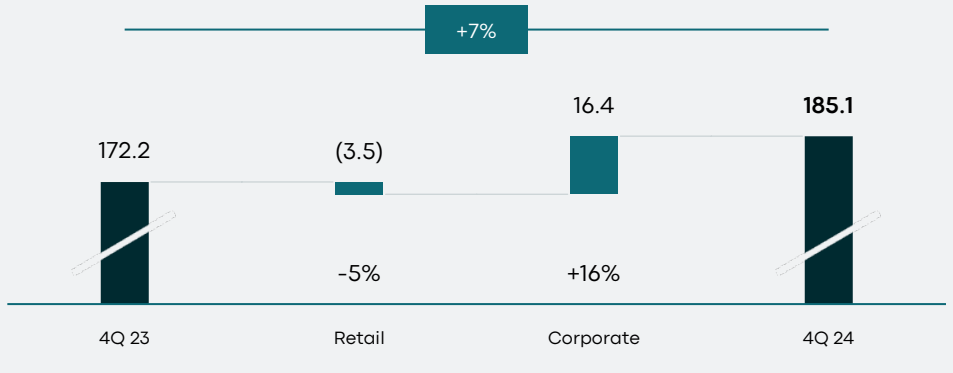
Net Income Before Zakat Movement YoY (SAR Mn)



Loans & Advances Movement YoY (SAR Bn)

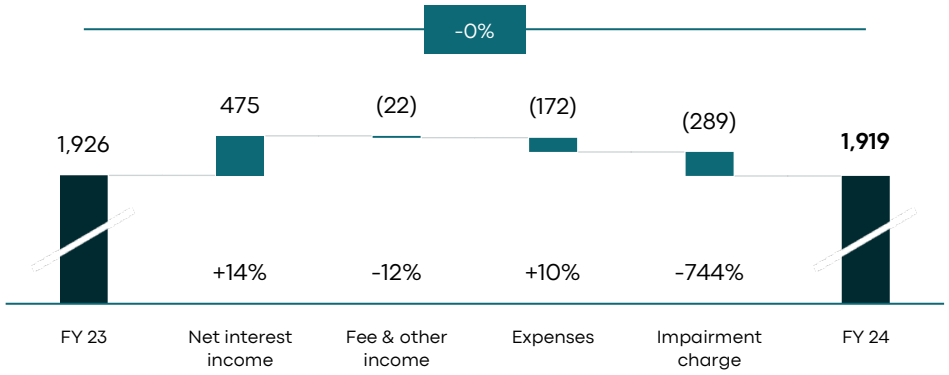


Customers' Deposits Movement YoY (SAR Bn)

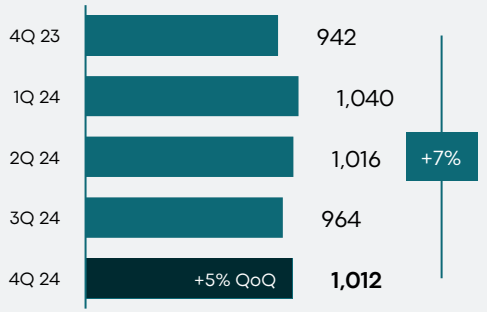


Retail Segment: Higher net interest income from loan growth, offset by higher impairments and expenses

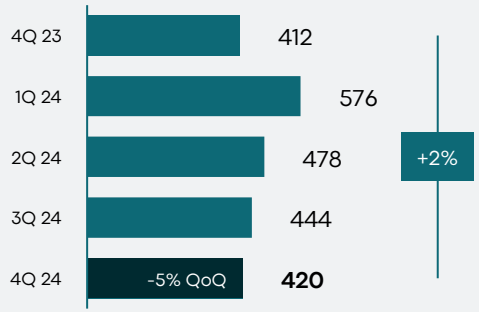
Net Income Before Zakat Movement YoY (SAR Mn)



Total Operating Income (SAR Mn)

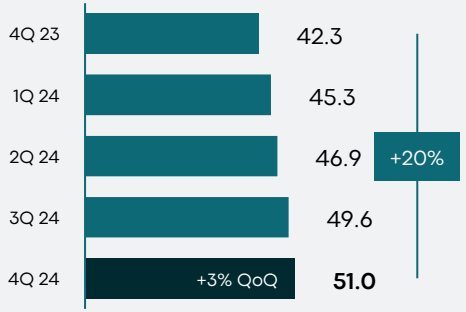


Net Income Before Zakat (SAR Mn)

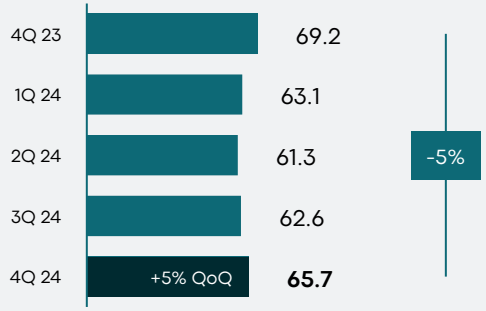


SAR Mn	FY 2024	FY 2023	Δ%	4Q 2024	4Q 2023	Δ%
Net interest income	3,876	3,400	+14%	958	893	+7%
Fee & other income	157	179	-12%	54	49	+10%
Total operating income	4,032	3,579	+13%	1,012	942	+7%
Operating expenses	(1,863)	(1,692)	+10%	(527)	(478)	+10%
Pre-impairment operating income	2,169	1,887	+15%	485	464	+4%
Impairment charge	(250)	39	-744%	(64)	(52)	+24%
Net income before zakat	**1,919**	**1,926**	**-0%**	**420**	**412**	**+2%**

Retail Loans (SAR Bn)

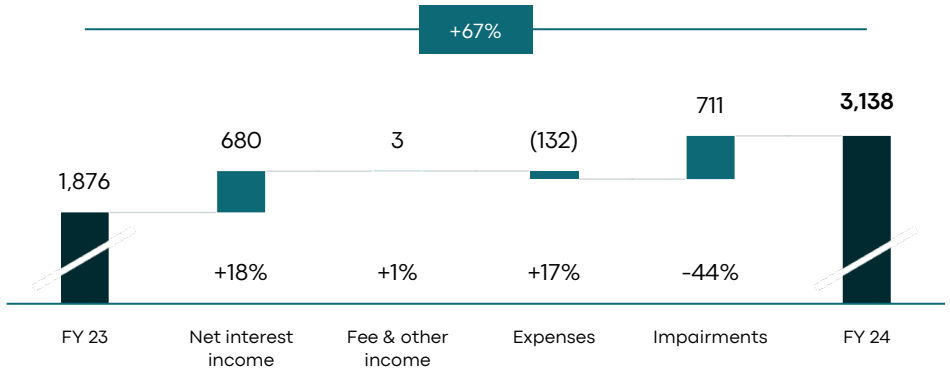


Retail Deposits (SAR Bn)

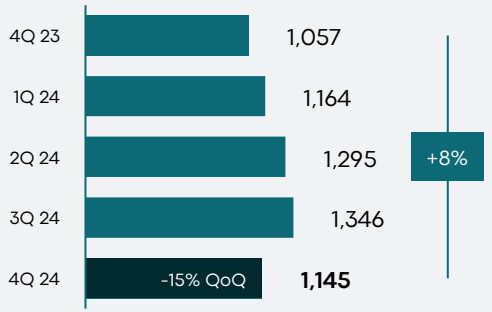


Corporate Segment: Increased profitability from net interest income growth and lower impairments

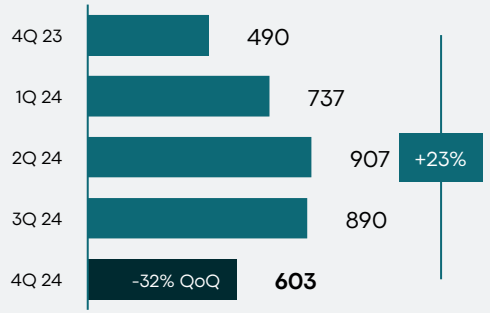
Net Income Before Zakat Movement YoY (SAR Mn)



Total Operating Income (SAR Mn)

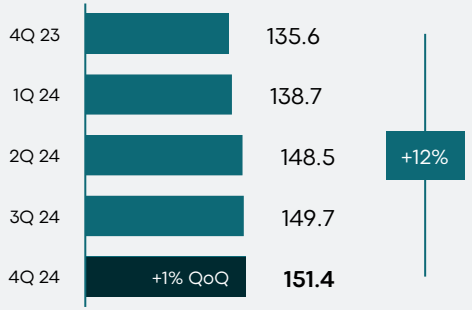


Net Income Before Zakat (SAR Mn)

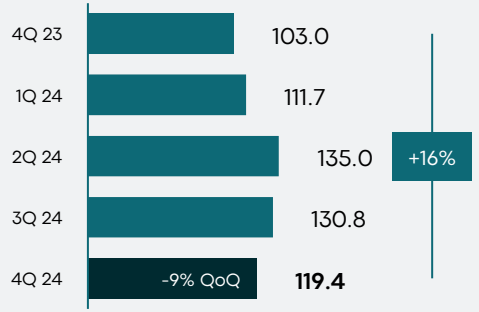


SAR Mn	FY 2024	FY 2023	Δ%	4Q 2024	4Q 2023	Δ%
Net interest income	4,416	3,736	+18%	1,035	939	+10%
Fee & other income	534	531	+1%	110	118	-7%
Total operating income	4,950	4,267	+16%	1,145	1,057	+8%
Expenses	(892)	(760)	+17%	(258)	(203)	+27%
Pre-impairment operating income	4,058	3,507	+16%	887	855	+4%
Impairments	(920)	(1,631)	-44%	(284)	(365)	-22%
Net income before zakat	**3,138**	**1,876**	**+67%**	**603**	**490**	**+23%**

Corporate Loans (SAR Bn)

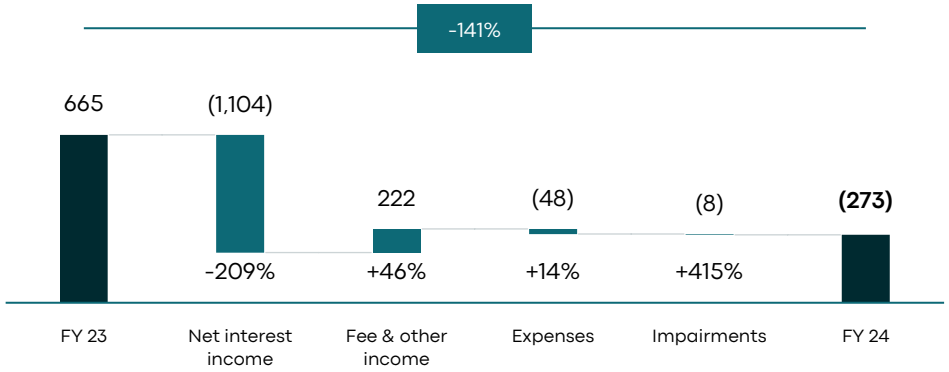


Corporate Deposits (SAR Bn)

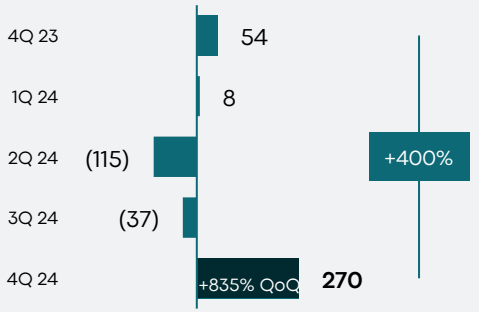


Treasury Segment: Net income declined due to higher funding costs

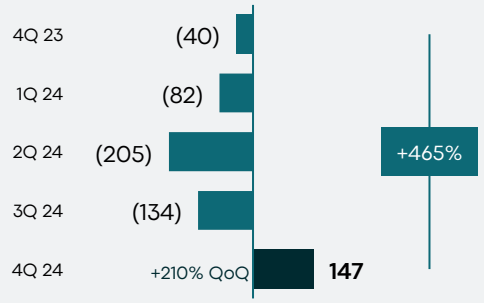
Net Income Before Zakat Movement YoY (SAR Mn)



Total Operating Income (SAR Mn)

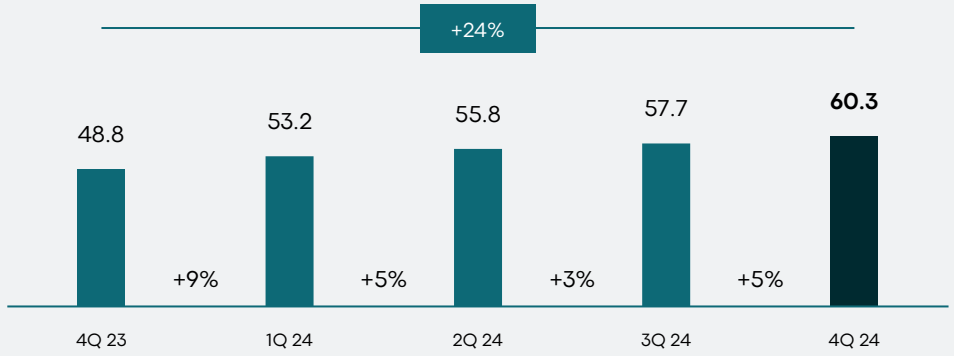


Net Income Before Zakat (SAR Mn)



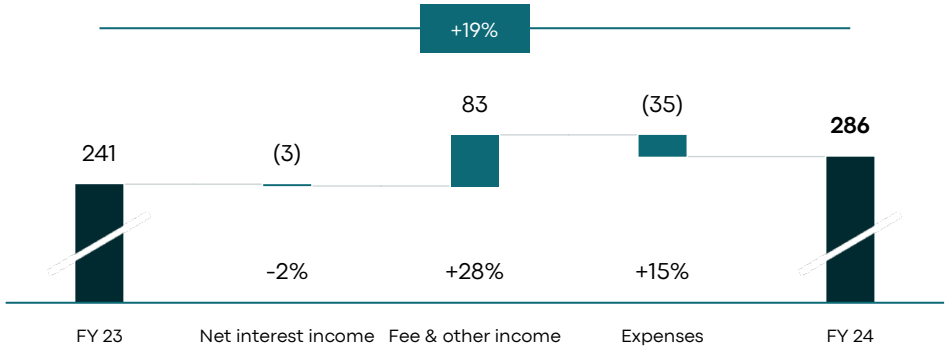
SAR Mn	FY 2024	FY 2023	Δ%	4Q 2024	4Q 2023	Δ%
Net interest income	(576)	528	-209%	2	(6)	+127%
Fee & other income	702	481	+46%	269	60	+349%
Total operating income	127	1,009	-87%	270	54	+400%
Expenses	(390)	(342)	+14%	(116)	(98)	+19%
Pre-impairment operating income	(263)	667	-139%	155	(44)	+455%
Impairments	(10)	(2)	+415%	(7)	3	-333%
Net income before zakat	**(273)**	**665**	**-141%**	**147**	**(40)**	**+465%**

Investments (SAR Bn)

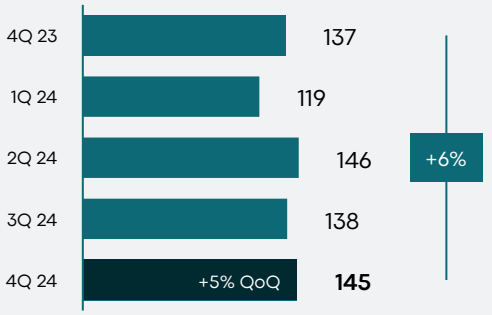


Investment Banking and Brokerage Segment: Profitability improvement YoY as higher fee & other income was partly offset by higher expenses

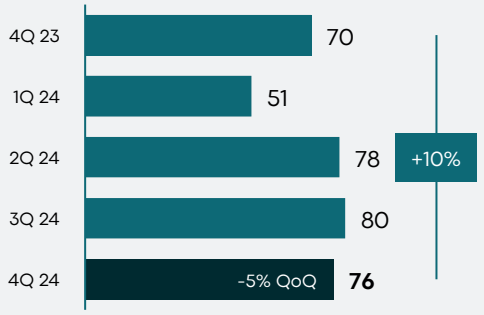
Net Income Before Zakat Movement YoY (SAR Mn)



Total Operating Income (SAR Mn)

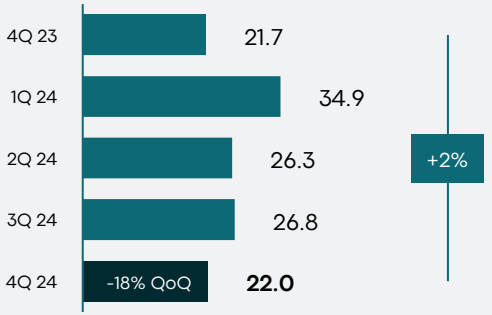


Net Income Before Zakat (SAR Mn)

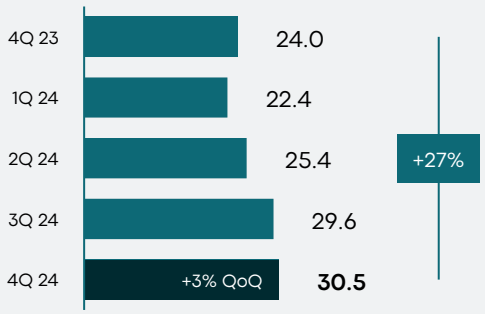


SAR Mn	FY 2024	FY 2023	Δ%	4Q 2024	4Q 2023	Δ%
Net interest income	167	170	-2%	45	41	+9%
Fee & other income	382	299	+28%	100	96	+4%
Total operating income	549	469	+17%	145	137	+6%
Expenses	(264)	(228)	+15%	(69)	(68)	+1%
Pre-impairment operating income	286	241	+19%	76	70	+10%
Net income before zakat	**286**	**241**	**+19%**	**76**	**70**	**+10%**

Brokerage Trading Volume (SAR Bn)



Assets Under Management (SAR Bn)



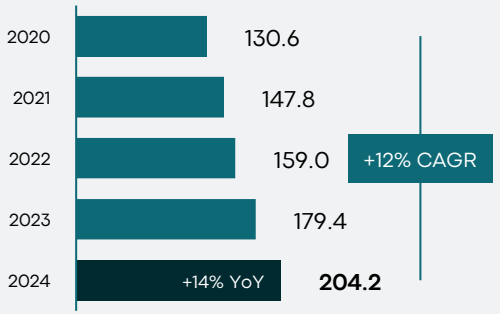
Performance Track Record

Investor Presentation FY 2024

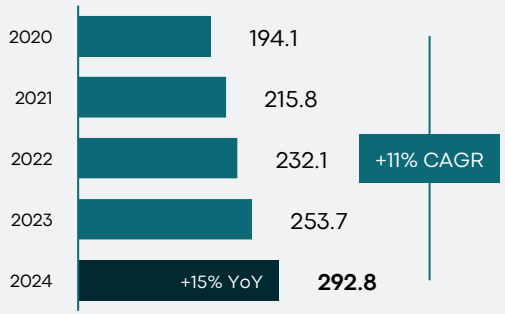


Balance Sheet Metrics

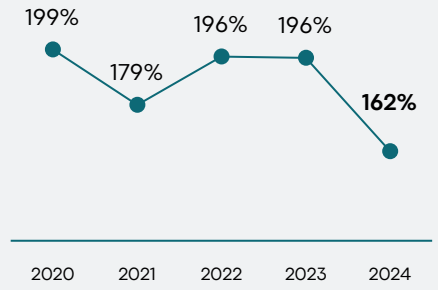
Loans & Advances (SAR Bn)



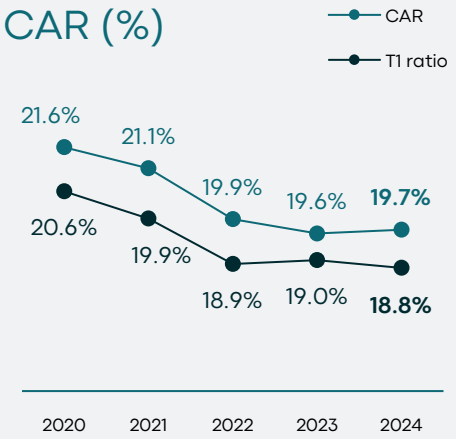
Total Assets (SAR Bn)



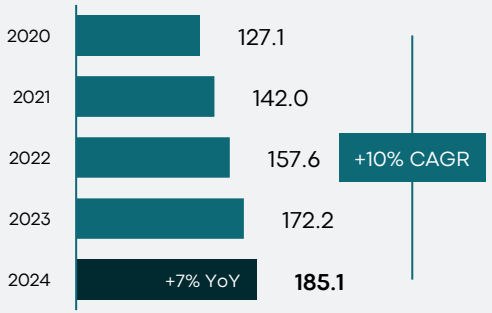
LCR (%)



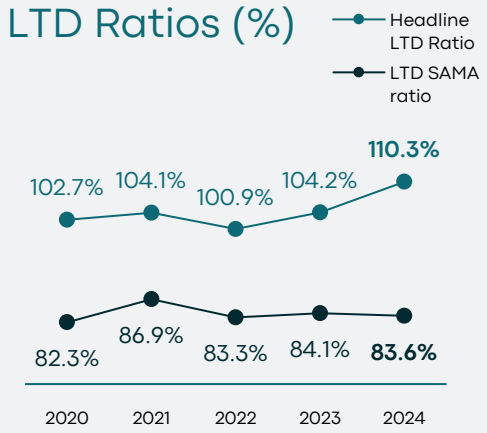
CAR (%)



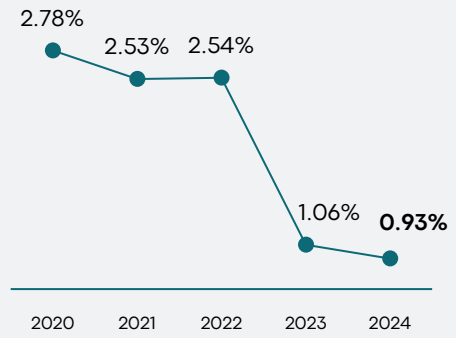
Customers' Deposits (SAR Bn)



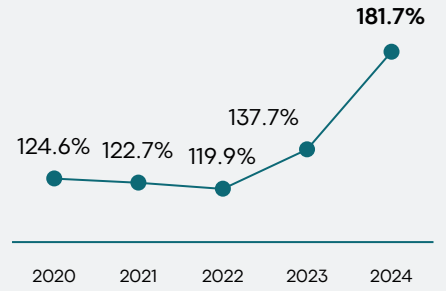
LTD Ratios (%)



NPL Ratio (%)

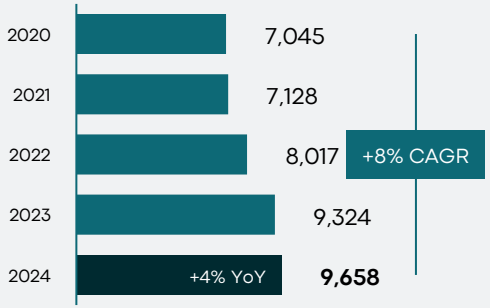


NPL Coverage Ratio (%)

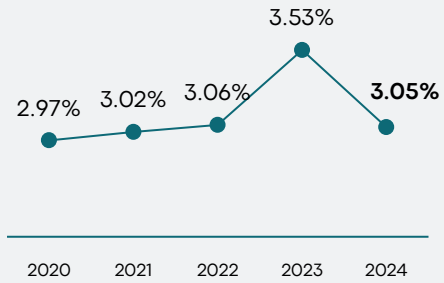


Income Statement Metrics

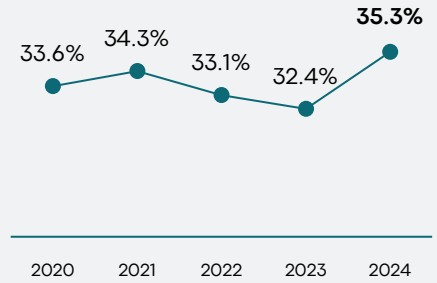
Total Operating Income (SAR Mn)



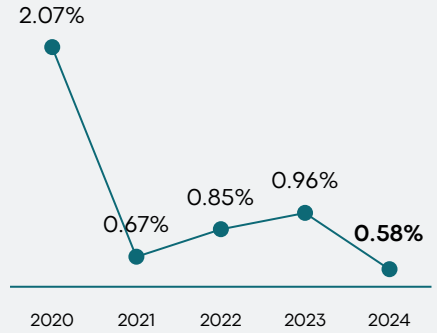
NIM (%)



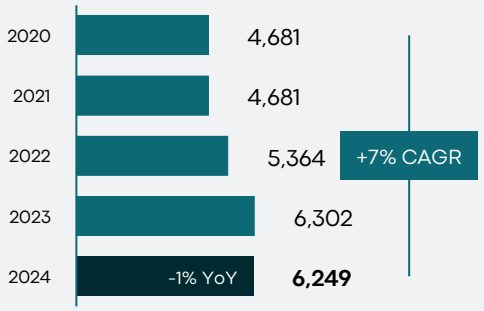
Cost to Income Ratio (%)



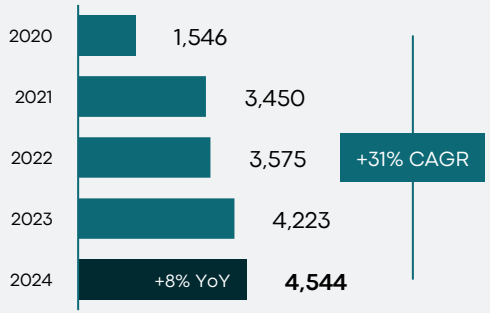
Cost of Risk (%)



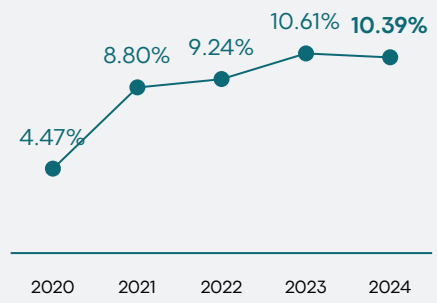
Net Operating Income Before Impairments



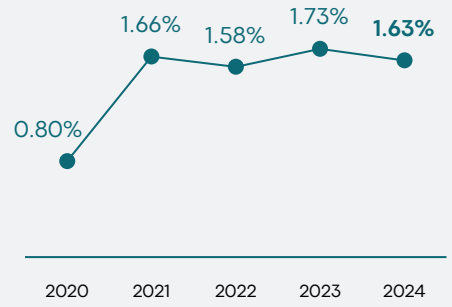
Net Income (SAR Mn)



ROAE (%)



ROAA (%)



Appendix

Investor Presentation FY 2024



BSF

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