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arab national bank البنك العربي الوطني

3Q'24 Investor Presentation

November 2024

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anb Overview

Solid market position: a leading Saudi bank pioneering tech driven future of the financial industry

- In 1979 **anb** was established by Royal Decree M/38 taking over the existing operations of the Arab Bank in the KSA
- 40% owned by Arab Bank PLC
- **anb**, licensed as a public shareholding company, is active across all main sectors of Saudi Economy
- KSA remains primary market with selective international footprint

> **45 years**
of banking experience



121
Branches



1,156
ATMs



2 million +
Customers
chose **anb**

> **17.4% CET1**
Well-capitalized

> **38.2 bln***
Market capitalization

> **14.4%***
Share of foreign
ownership

Credit ratings

MOODY'S	A1	Stable
S&P Global	A-	Stable
FitchRatings	A-	Stable

London,
United Kingdom



Kingdom of
Saudi Arabia



Effective implementation of strategy: the highest diversification, one of the top ranked profitability

- Well-diversified business model allows to offer holistic customer solutions and generate resilient revenues with best-in-class efficiency
- Maintained robust fundamentals underpinned by resilient asset quality, strong liquidity and funding profile and outstanding operating efficiency

SAR 241.0 bln (10.4% YoY)

Total assets

SAR 180.8 bln (17.3% YoY)

Customer's deposits

SAR 1.243 bln QTD (15.5% YoY)

SAR 3.710 bln YTD (18.5% YoY)

Net income

SAR 2.4 bln QTD (9.4% YoY)

SAR 7.1 bln YTD (9.0% YoY)

Operating income

13.84% (1.21% YoY)

ROAE

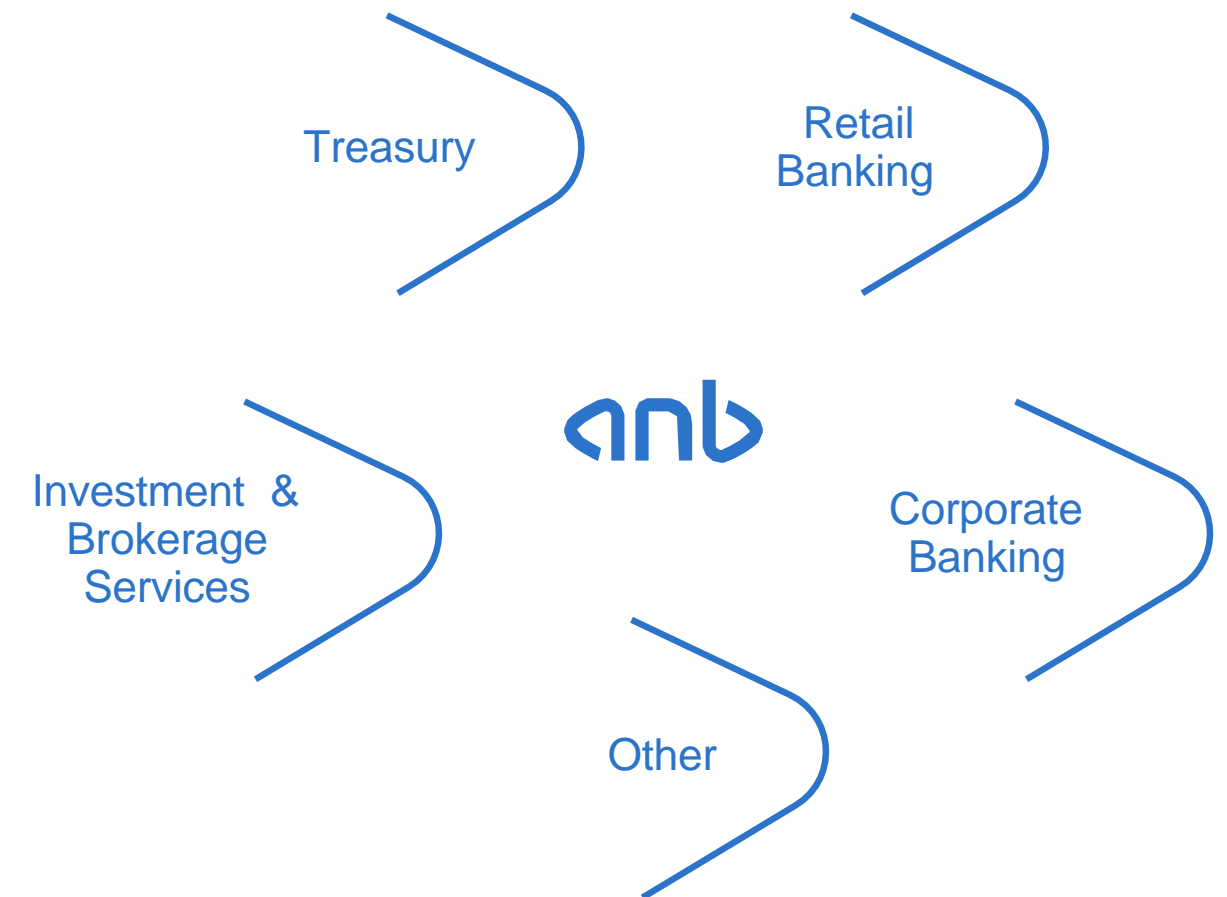
31.98% (0.21%YoY)

Cost to income

Net income by business segment before zakat and tax (SAR mln)



Operating segments



Why invest in anb - key growth drivers

Expanding and solidifying market position in the growing market



- Among the leading banks in the largest economy of the Gulf
- The Kingdom economy continues to expand creating further pockets of growth in the sectors of the banks' strong presence

Balanced business model and exposure to growing segments with customer-centric culture



- Strong market position across all operating segments including Corporate, Retail & Private, Treasury and Investment & Brokerage
- Recognized as the Best SME Bank in the Kingdom by Global Finance Magazine

Innovative digital strategy and fintech enabler



- New digital strategy launched
- Continuous focus on enhancing online and mobile platforms
- Set benchmark in accessibility and fintech enablement via anb connect
- Open Banking leadership

Strong financial performance and superior asset quality



- A growth story with a double digits growth across key metrics
- Focus on cost control supporting high profitability and resilience
- High quality assets
- Investment grade credit ratings

Committed to cater interests of all stakeholders supported by good governance and rigorous risk management practices



- Continuous support of the social and economic development of the Kingdom
- Sustainable business growth is ensured through modernized approach to risk management
- Robust corporate governance culture supports a track record of strong financial and operational achievements

3Q'24 highlights: solid performance across all business lines

Loans and advances 166.3 SAR bln ▲ 11.4% YoY	Investments 49.7 SAR bln ▲ 9.6% YoY	Customers' deposits 180.8 SAR bln ▲ 17.3% YoY	Operating income 2.4 SAR bln QTD 7.1 SAR bln YTD ▲ 9.4% YoY ▲ 9.0% YoY
Cost to income 32.0% ▲ 0.21% YoY	NIM 3.8% ▲ 0.09% YoY	NPL ratio 1.3% ▼ -0.37% YoY	CET 1 ratio 17.4% ▼ -1.13% YoY
Cost of risk 25 bps ▼ -28 bps YoY	ROAE 13.8% ▲ 1.21% YoY	LCR 143% ▼ -15% YoY	CAR 19.2% ▼ -1.47% YoY

Balance sheet

- Loans portfolio reached SAR 166.3 billion, marking an **11.4%** YoY increase (**9.3%** YTD), fueled by strong demand in retail auto lease and corporate lending
- Investments increased to SAR 49.7 billion, showing a **9.6%** YoY growth (**6.5%** YTD), primarily due to allocations in debt instruments, which now represent 92.9% of the investment portfolio
- Customer deposits rose significantly to SAR 180.8 billion, up **17.3%** YoY (**9.0%** YTD), supporting improved liquidity levels

Profitability

- Operating income advanced to SAR 2.4 billion for 3Q2024, showing a **9.4%** increase YoY (SAR 7.1 billion YTD, up **9.0%**), propelled by robust performance across core banking segments
- Cost-to-income ratio rose to **31.98%**, up from **31.77%** YoY, due to increased investments for strategic growth
- Net interest margin (NIM) grew by 9 bps YoY to **3.8%**, supported by loan growth and favorable rates

Credit quality

- Cost of risk in 3Q2024 stood at **25bps**
- ROAE amounted to **13.84%**, compared to **13.85%** for 2Q2024
- NPL ratio **-0.37%** YoY

Capital & liquidity

- CAR reduced by **-1.47%** YoY
- CET1 is down to **17.4%** (vs **17.3%** in Q2'24)
- LCR decreased YoY by **15%**



Operating Environment

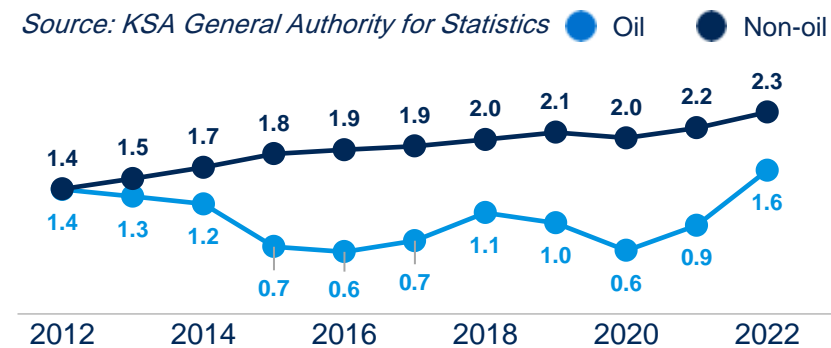
KSA today: ambition, development, leadership

➤ Fundamental strength

Government debt	24.6%
Inflation	2.5%
Repo rate	6%
Population	37,473,929
Unemployment	8.6%

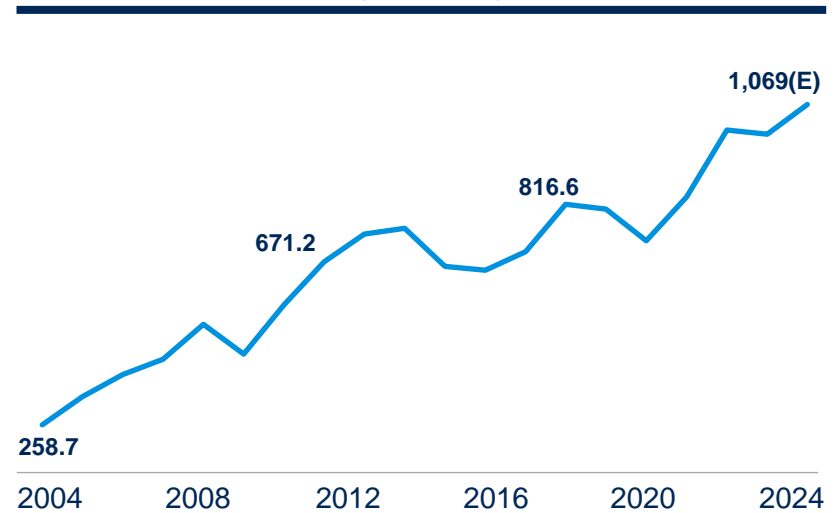
Saudi's non-oil revenues exceeded 50% of the total GDP in 2023. Kingdom's non-oil sectors grow as the economy diversifies despite volatility driven by commodities price fluctuation.

KSA GDP at current price by institutional sectors (SAR tn)



➤ Accelerated development

KSA's nominal GDP (USD bln)

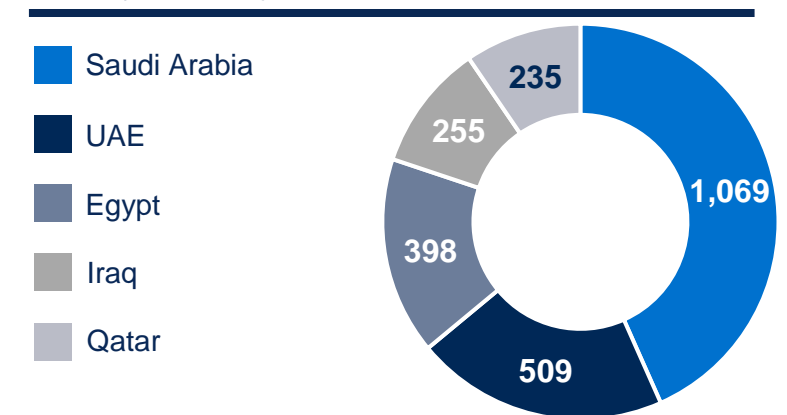


The GDP of Saudi Arabia grew 400% since 2004 and out-performed world's average growth rate twofold.

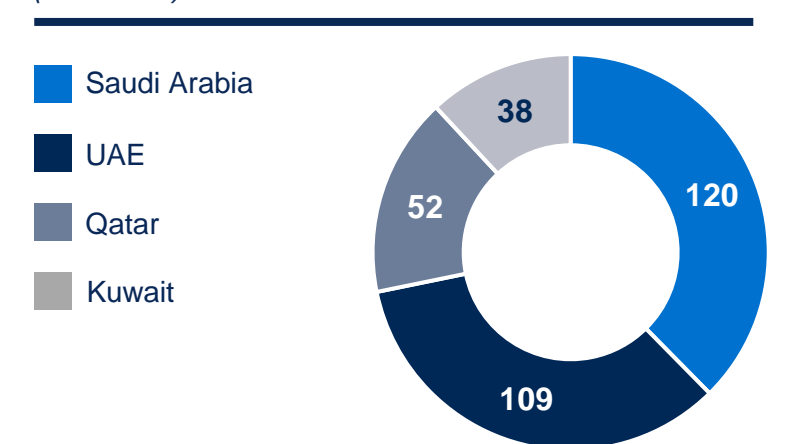
The IMF expects Saudi's GDP to grow by 2.7% in 2024, followed by a 5.5% increase in 2025.

➤ Regional leadership

GDP (USD bln)



Banking sector net revenue (SAR bln)



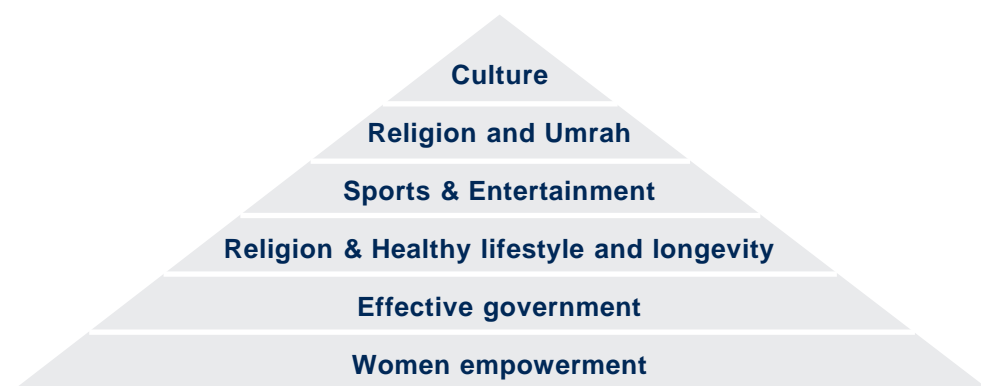
KSA sustainable economic growth

Global ambition

A journey towards a brighter future.



- **Raise** KSA economic position from 19th largest **to the top 15**
- **From 50% to 20%** reduce oil GDP contribution
- **10% of GDP** economic contribution from tourism
- **To 50% of GDP** increase share of non-oil exports
- **65%** increase the private sector's GDP contribution
- **Key projects:** NEOM, Red Sea Project, Qiddiya



New horizons of **Vision 2030** social and economic development are set to fundamentally transform the country in major spheres.

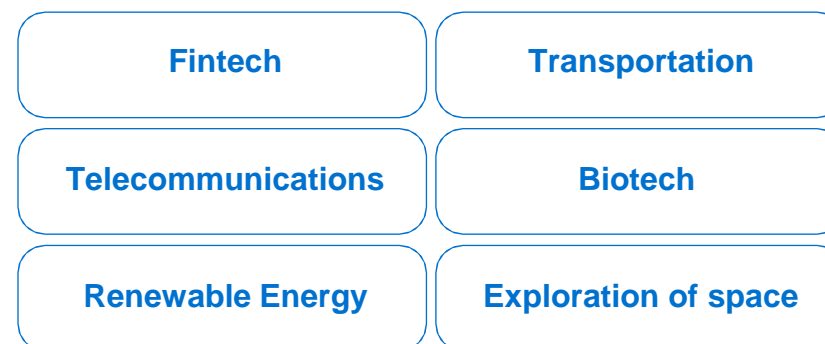
Sustainable growth

The private sector is to play a vital role in enhancing and diversifying the economy.

Contribution to GDP	Current	2030 target
Private sector	45%	65%
SME	20%	35%
FDI	3.8%	5.8%

Source: global-rates

The emergence of new industries is turning Saudi Arabia into an international scientific and technological powerhouse.

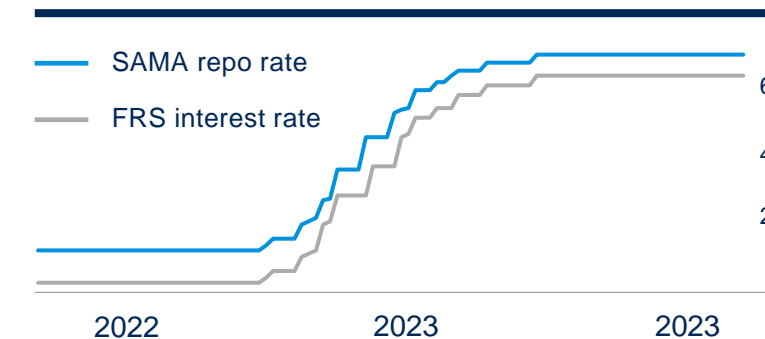


Prudent monetary and tax policies

The Saudi Central Bank synchronizes its repo rate with the US Federal funds rate which makes macro-economical environment in the country stable and predictable.

SAMA & FRS rates

Source: global-rates



Source: global-rates

VAT	15%
Corporate tax	20%

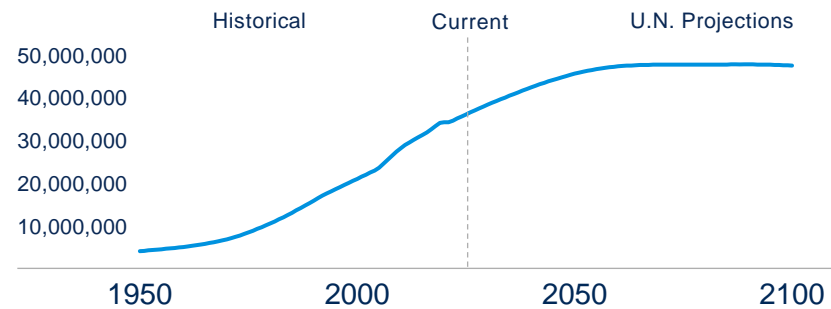
Saudi Arabia tax system is among world's most liberal and comfortable both for corporates and individuals.

Socio-demographic changes - key highlights

➤ Growing young workforce & urbanization

Saudi Arabia population 1950-2024

Sources: www.theglobaleconomy.com



40 mln expected to live in Saudi Arabia by 2030

67% of the population under 30, creating a dynamic and adaptable labour force

89% consumer confidence among young people who believe the economy will rebound, compared to average 35% in advanced economies

~ **80%** urbanization rate

➤ Workforce change

Diversification

- Shift from oil-centric jobs to sectors like technology, tourism, entertainment, renewable energy
- \$50 bln education budget for 2023, the largest in the Gulf region
- 100% enrolment at intermediate and secondary levels

The highest female workforce participation (%)

Sources: www.theglobaleconomy.com



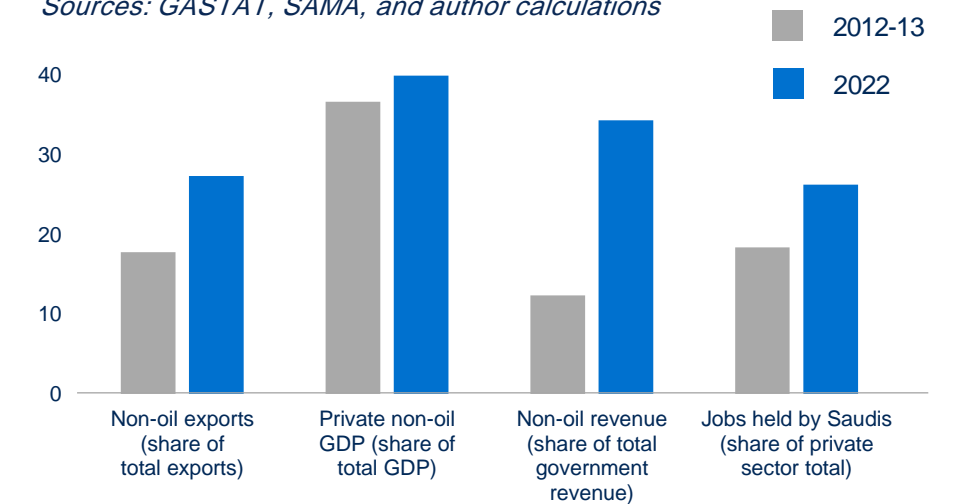
Education

Saudi Arabia allocated **17.0%** of its budget towards education in 2023; higher than the US, UK, and Germany, and the largest budget in the Gulf region.

➤ Sources of new wealth

Four indicators of economic diversification

Sources: GASTAT, SAMA, and author calculations



New drivers of the Wealth growth:

- **Tech Innovation**
2.5% of GDP to be invested annually in R&D by 2040
- **Tourism and Entertainment**
projected to contribute **\$46 bln** to GDP by 2030
- **Renewable Energy**
50% renewable energy by 2030

National banking industry is on the rise

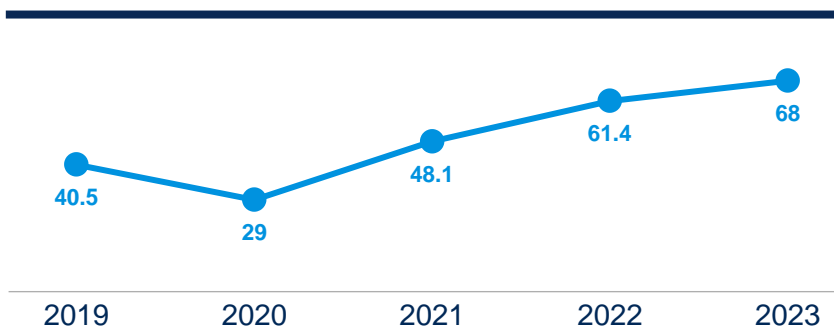
Revenues grow

Saudi-listed banks reported nearly a 12% increase in aggregate net profit in 2023.

Aggregate net interest margin (NIM) expanded by 14 bps to 3.31% in 2023.

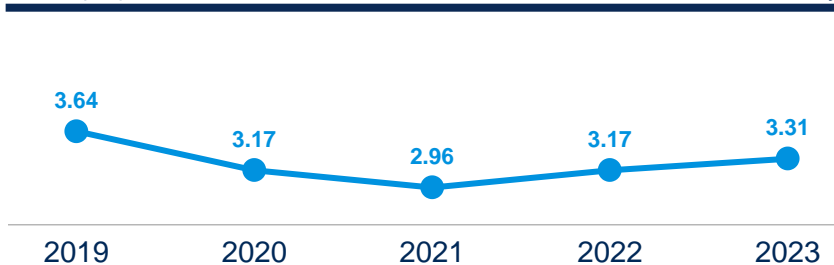
Net income to common shareholders (SAR bln)

Source: Bloomberg



NIM (%)

Source: McKinsey

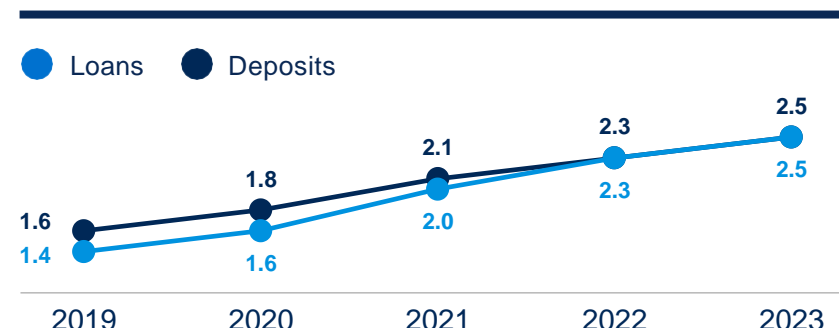


Strong business position

KSA banks' total deposits reached SAR 2.5 tn in 2023, marking a 10.2% increase as compared to 2022. It enables banks to fuel growing economy with abundant lending. Top-10 biggest banks account for more than 80% of loans and deposits volumes.

Deposits/loans portfolios of the top-10 Saudi banks (SAR tn)

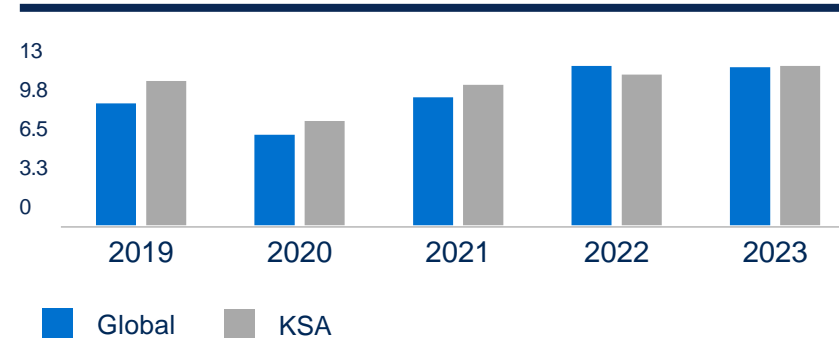
Source: Bloomberg



Saudi Arabia banks tend to outpace global average ROE of financial institutions.

Return on equity (%)

Source: McKinsey



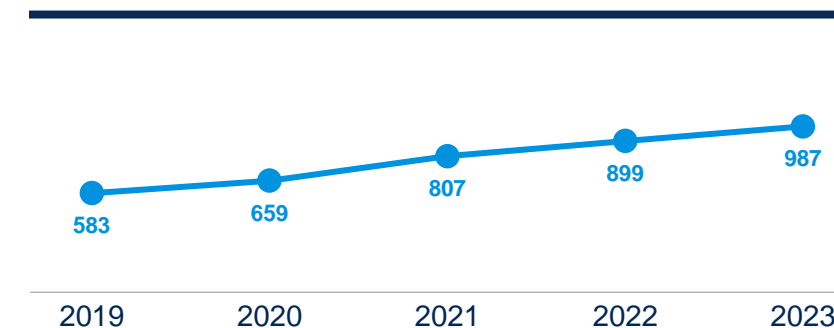
New opportunities

Implementation of projects under the Vision 2030 program is to offer up to 1 USD trillion injection into the national banking system doubling its current size.

Saudi Arabia's total banking assets grew 9.5% in 2023, nearly reaching the milestone of USD 1 tn by year-end.

Total assets (USD bln)

Source: Bloomberg



Massive government spending and ongoing digital transformation of the financial industry will promote further growth of lending and boost banks' revenues over the medium term.

Fintech & Banking: anb – a partner of choice for fintech start-ups

Saudi Arabia's fintech sector is rapidly growing, driven by regulatory support and significant investment, expected to strongly promote digitalization of the banking sector.

Continued digital transformation, supportive regulations, and high consumer adoption are expected to enhance efficiency, competition, and customer satisfaction in the banking sector.

> \$1 billion

invested in local Fintech companies

~ 230 Fintech companies

operating in the Kingdom by 2025

~ 6,000 jobs

created by Fintech sector by 2025

Active fintech companies by subsector (%)



> 70%

of Saudi consumers use online banking services, with over 90% by smartphone

\$13.3 bln

projected reach of e-commerce market by 2025, with increased preference for digital payments

40%

consumers who use social media to purchase online, compared to average 14% in advanced economies

Regulation

- **Regulatory Sandbox Framework** established to allow financial institutions and Fintechs to test and launch their products and services in an innovative and safe environment

Non-FS Players Disrupting the Market

- Telecom-provided digital wallets and e-commerce giants like STC Pay, Amazon, and Noon are expanding their market influence
- These non-FS players are integrating financial services, including payment solutions and consumer financing

Digitalization of Corporate and Retail Banking

- **65%** of large businesses and over **50%** of retail customers use digital transaction services
- Banks are projected to invest **over \$1 bln** in digital infrastructure by 2025, incorporating blockchain and AI for enhanced efficiency and security

Ongoing Consolidation of Banking Market

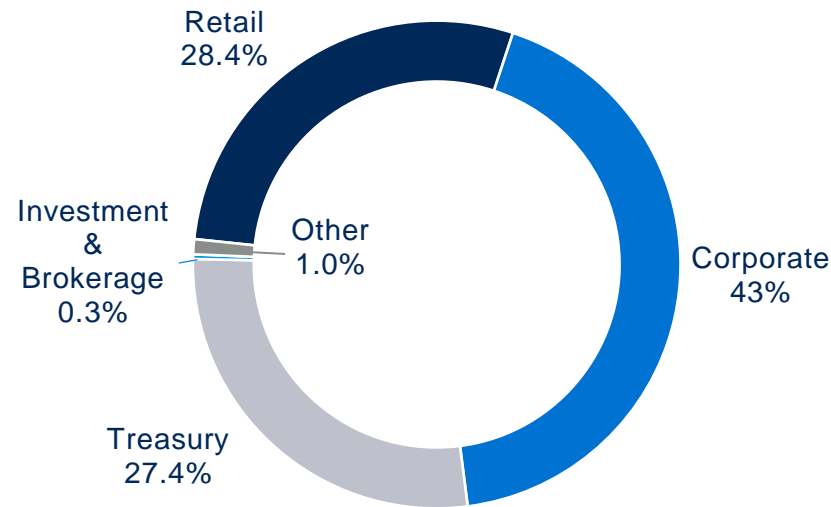
- Such high-profile **mergers**, as NCB and Samba, have reshaped the market landscape, creating one of the region's largest banks
- **The top five banks** now collectively control over **60%** of Saudi Arabia's total banking assets

Business Overview

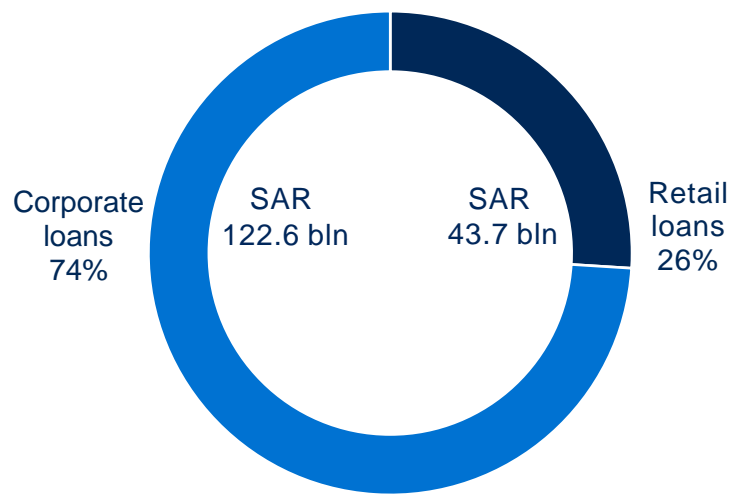
anb business today: a strong foundation to improve future financial performance

Total assets SAR 241.0 bln	Loans SAR 166.3 bln	Operating income SAR 2.4 bln QTD SAR 7.1 bln YTD	Net income SAR 1.243 bln QTD SAR 3.710 bln YTD	CET1 ratio 17.4%
	Deposits SAR 180.8 bln		Payout ratio (LTM) 51%	

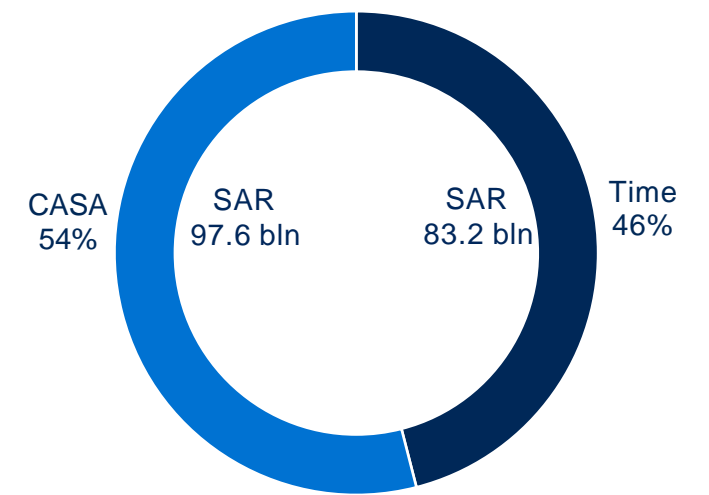
Assets breakdown



Loans



Deposits



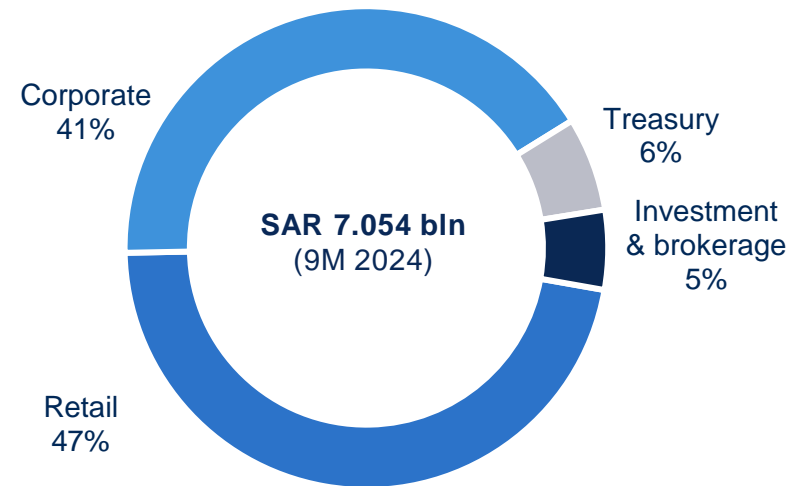
Leading banking franchise

Supporting customer loan growth

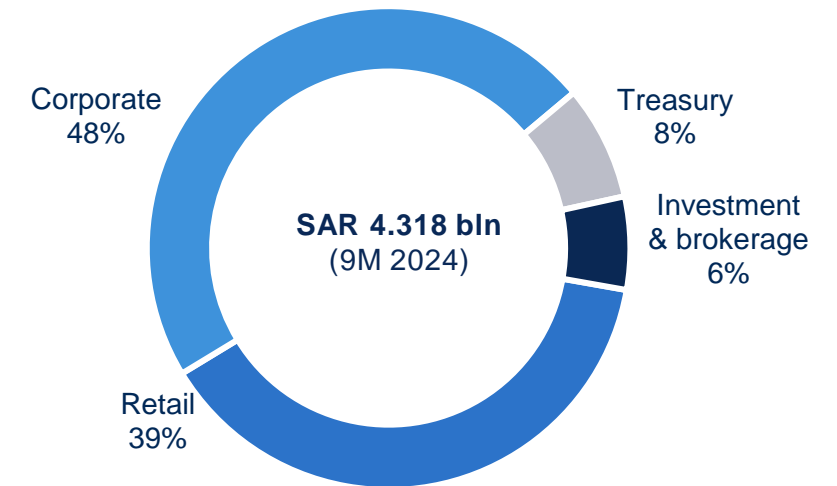
Strong core deposit base

Organic growth across various business segments

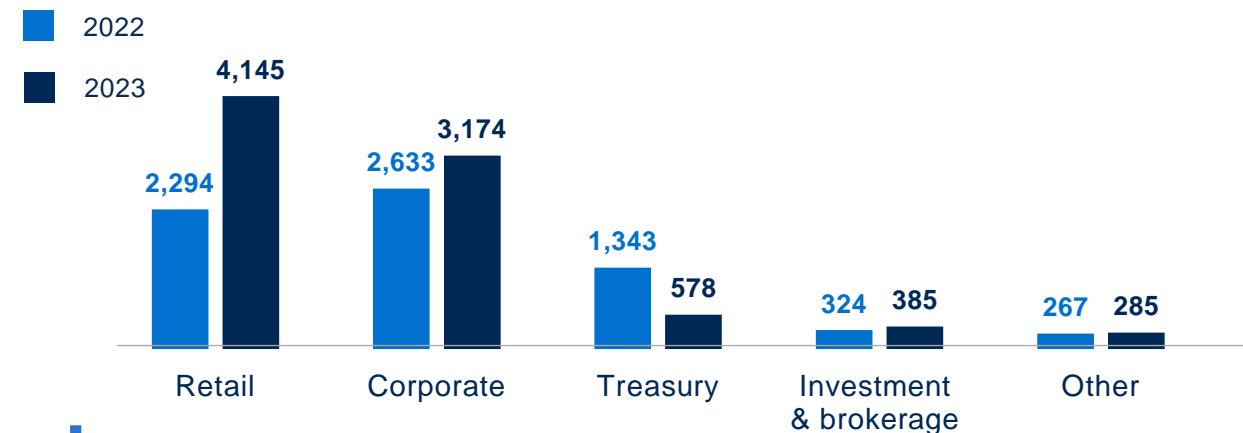
Operating income by business segments



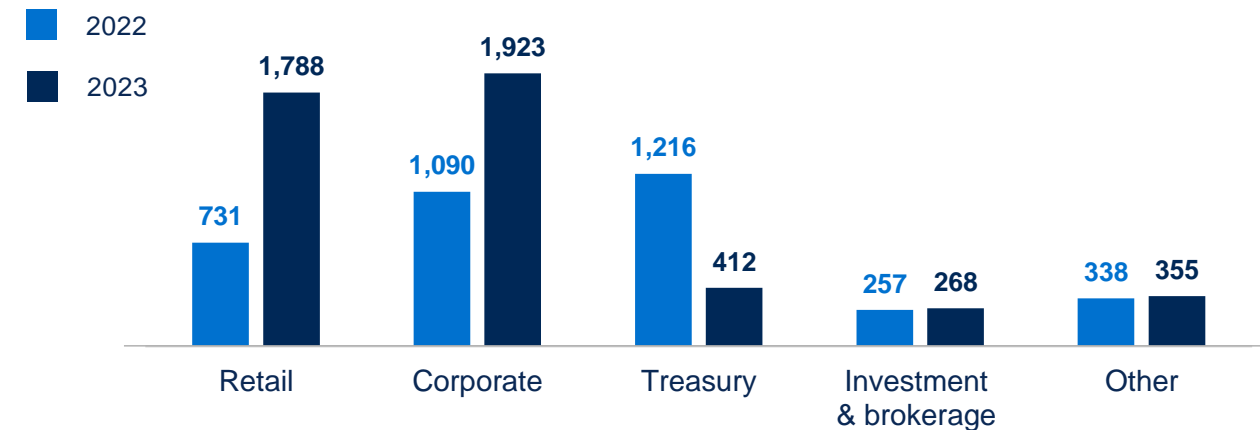
Net income by business segments



Operating income (SAR mln)



Net income (SAR mln)

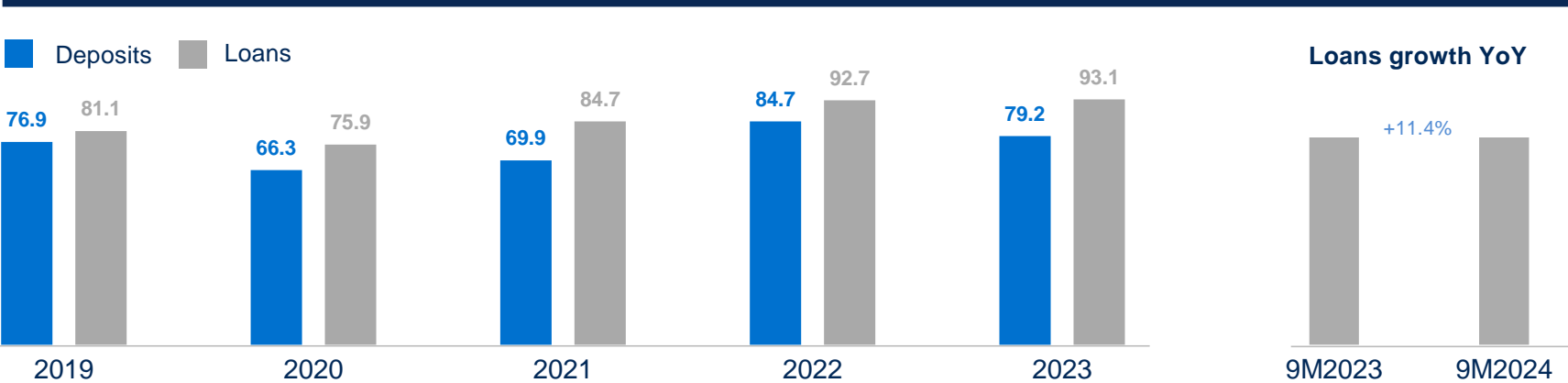


Corporate segment – accelerating development

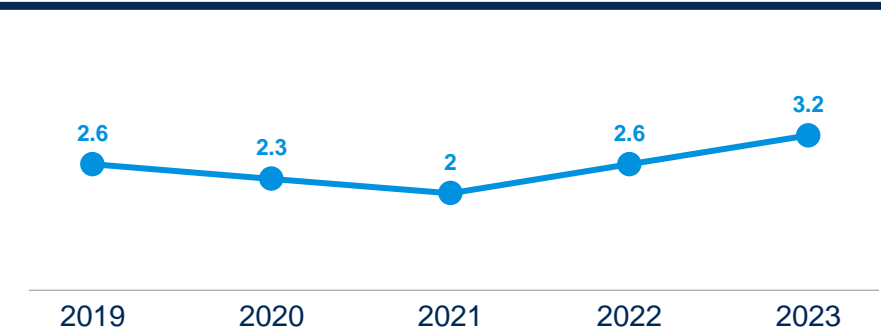
KSA`s growing and swiftly diversifying economy requires financial resources. **anb** steadily expands its loan portfolio focusing on lending to **key industries**:

- services
- manufacturing
- construction
- transportation
- real estate
- merchantry

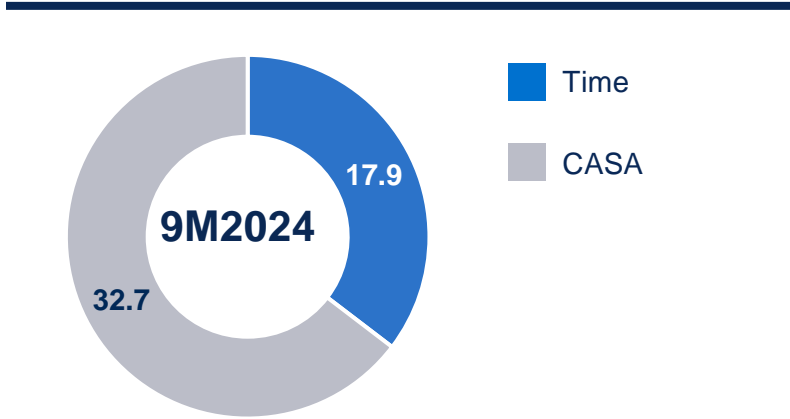
Deposits / loans growth* (SAR bln)



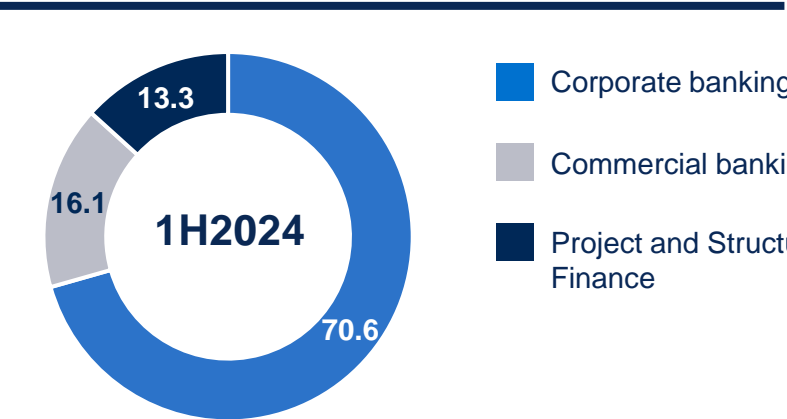
Total operating income (SAR bln)



Deposits breakdown (SAR bln)



Loans breakdown* (SAR bln)

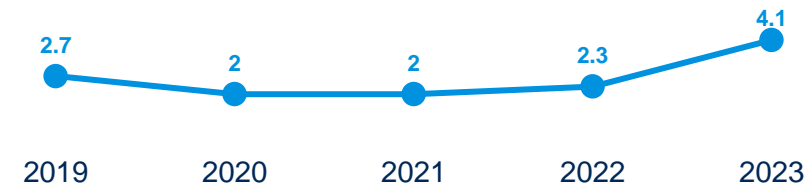


* According to anb internal calculations

Retail segment – easy, efficient, totally digital

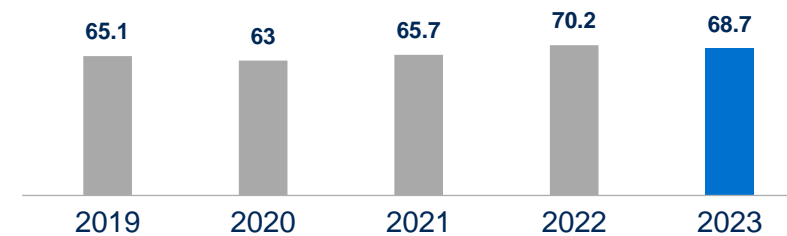
A comprehensive range of financial services for retail customers broadens **anb`s** client base with an HNWI segment leading the growth.

Total operating income (SAR bln)



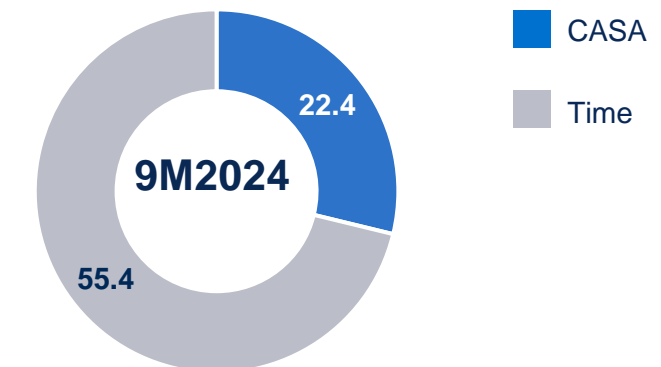
anb`s strategic goal is to build up recurrent revenues from retail business by increasing fees and commissions income.

Total retail deposits (SAR bln)

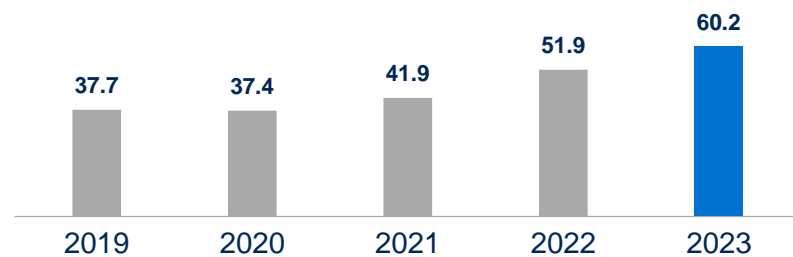


Healthy volume of deposits secures a comfortable liquidity position and provides the Bank with abundant resources for lending.

Retail deposits breakdown (SAR bln)

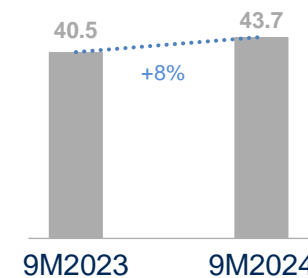


Net loans* (SAR bln)

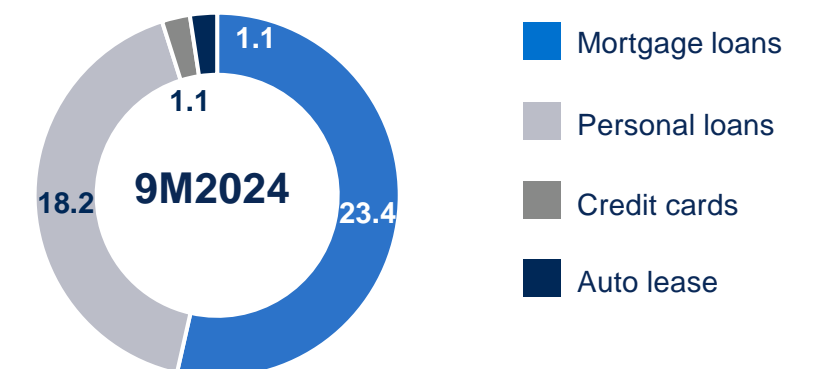


YoY growth is mainly fueled by a 7.9% increase in mortgage lending. The fastest growing segment is auto leasing with a 99% annual growth.

Loans growth YoY



Loan portfolio breakdown (SAR bln)



* According to internal bank calculations

Treasury segment – guidance and expertise

anb`s effective management of investment and funding activities generates significant earnings which provides for a better diversification of the bank`s revenues.

anb develops sophisticated treasury solutions which comprise both traditional and innovative instruments of financial management.

Treasury solutions

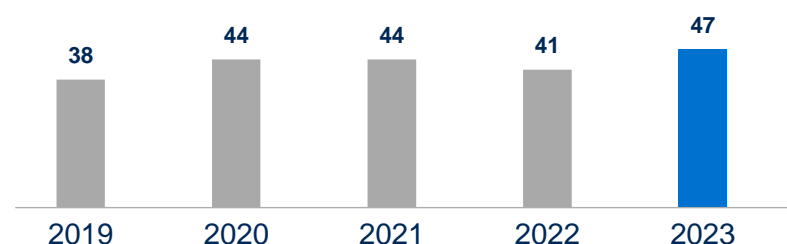
- Murabaha, time and call deposits
- Hedge funds
- REPO on KSA sovereign debt securities
- FX instruments

Transaction banking solutions

- Merchant
- Collections
- Liquidity management
- Fintech

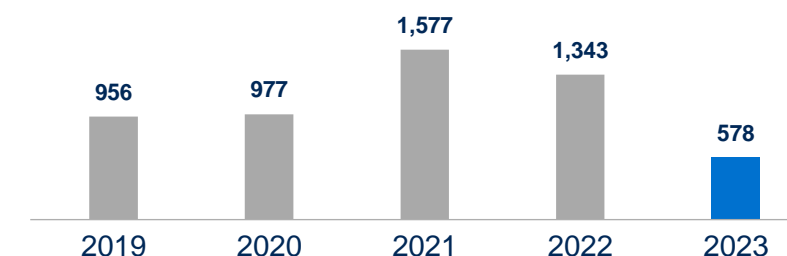
Increasing investment book supports anb`s growth ambitions and liquidity requirements.

Net investments (SAR bln)

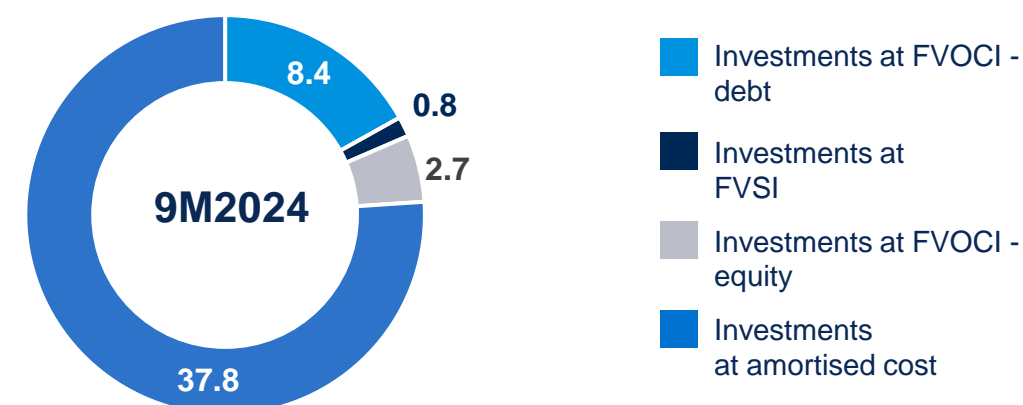


Operating income drop in 2023 relates to decreased volumes of intersegment activities.

Total operating income (SAR mln)



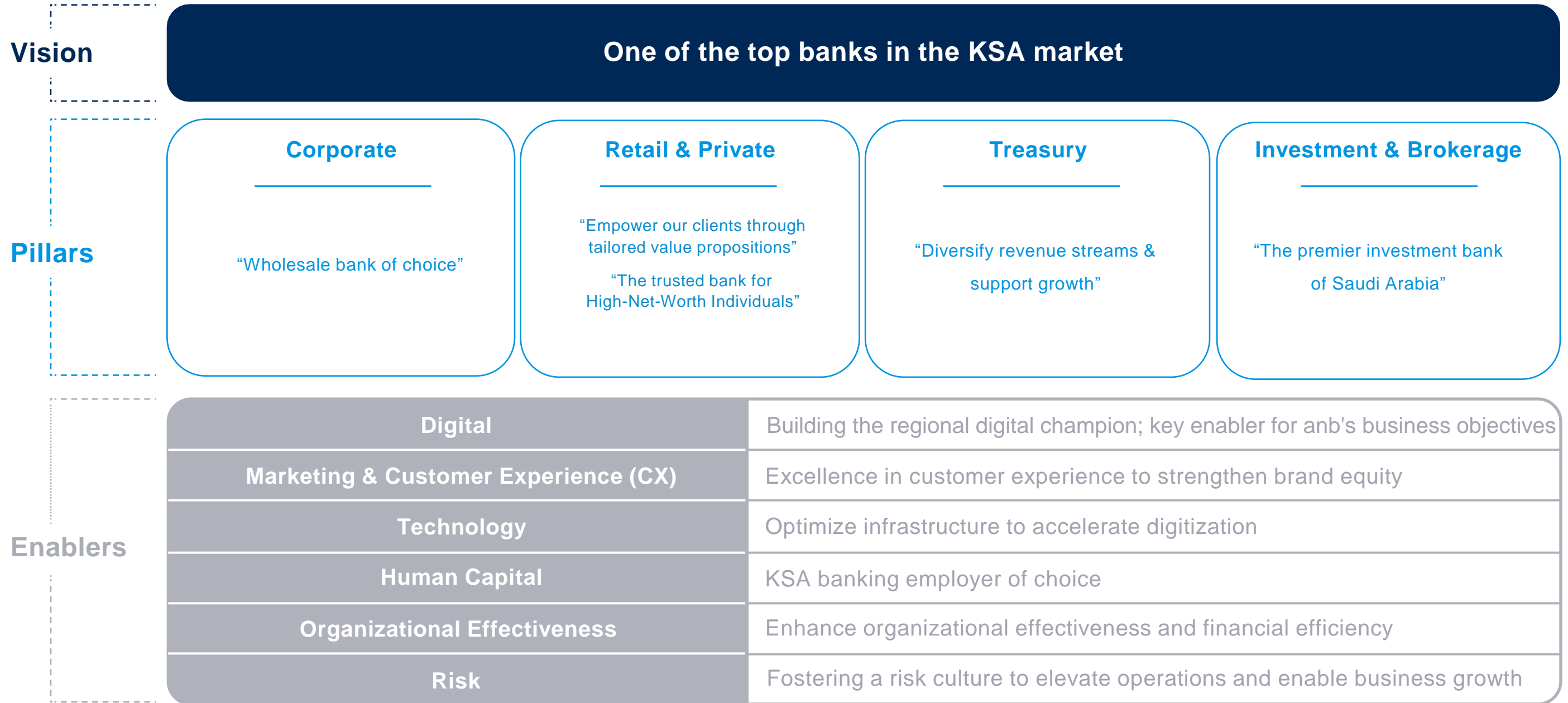
Investment securities value breakdown (SAR bln)





Strategy Overview

The anb 5Y Strategy House



“Corporate bank of choice” in our key client segments

FOCUS AREAS

Established

“become success partner to our corporate clients”

Corporate Bank

Grow portfolio by increasing our competitiveness in the market

- Capitalize on expected growth in strategic sectors
- Focus on ancillary business, competitive pricing and cross sell
- Revise risk adjusted return appetite to maintain portfolio-level profitability

Strategic

“support sustainable asset growth”

Project & Structured Finance

- Maintain and grow lead position in structured finance deals
- Increase focus on PPP Financings
- Build an ESG compliant portfolio to capitalize on market opportunities
- Scale-up Corporate Financings and Secondary
- Market Opportunities

Vision Realization

- Provide bespoke wholesale solutions to Vision 2030 companies and government organizations
- Enhance value proposition to become the establishment banking partner to Vision 2030 and PIF Portfolio Companies
- Focus cross-sell efforts to increase group-wide client coverage

High growth

“win and capture client base”

Commercial Bank

- Grow customer base by focusing on strategic sectors and emerging cities
- Expand product offering and introduce innovative solutions

SME

- Elevate value proposition by scaling up and enhancing financing options
- Digitize and optimize client touchpoints for a seamless experience
- Segment enablement through sponsorships, partnerships, and SME marketplace

ENABLERS

Global Transaction Banking

- Maintain and grow lead position in fintechs through tailored solutions
- Build a specialized fintech unit within GTB
- Grow Acquiring and Payment business
- Enhance Wholesale digital delivery channels and specialized products / solutions

Trade Finance

- Grow contingent book to drive limit utilization through activation of trade agreements
- Enhance digital capabilities to streamline process
- Introduce innovative trade and supply-chain solutions

Operating Model

- Optimize WBG organizational structure to enhance synergies and support growth
- Enhance technology and systems to increase efficiency

Retail and Private: empower our clients through tailored value propositions

FOCUS AREAS

Affluent focus

"Best in class affluent offerings"

- Enhance segmentation with increased focus on wealth segment
- Elevate RM capabilities to enhance customer service for the wealth segment
- Engage with anb capital to elevate wealth advisory services

Bespoke experience

"Optimize our digital and physical channels"

- Branch and ATM network optimization strategy (closure, relocation, merge and opening)
- Digital Channels Personalization (Virtual RM and anb verse)
- Dedicated Affluent Centers in each region targeting affluent areas

Enhanced value proposition

"Diversify our offerings and drive balance sheet growth"

- Sustainable Asset Growth
 - Affluent mortgage growth
 - Middle mass personal loan and credit card
- Liability Boost
 - Expansion of deposit products, including Time and Savings
- Innovative Card & Payment Solutions
 - Affluent premium cards
 - Middle mass pre-paid, low limit, etc.
- Loyalty & Tailored Offerings
 - Rewards and gifts
 - Tailored offerings for different segments

ENABLERS

Organizational optimization

- Revamp RBG operating model
- Develop human capital capabilities in addition to utilization of enabling systems to monitor performance and enhance decision making

Digital strategy

- Drive retail digital innovation

The trusted bank for HNWIs

FOCUS AREAS

Strengthen financial position

"Enhance the product offering and grow the Balance Sheet / Fee Income"

Expand customer base

"Continue to enhance the sales organization to grow the customer base"

Generational wealth partner

"Strengthen relationship with existing clients and 2nd generation to initiate a long-term partnership"

ENABLERS

Organizational optimization

"Continue to offer a variety of banking services and investment instruments in collaboration with ANBC / Treasury"

Digital strategy

"Stimulate the sales organization to grow the customer base and approach future HNWIs for PB products and investment solutions"

Treasury will continue to optimize the function to support the business growth

FOCUS AREAS

Diversify revenue streams

“growing the investment book and boosting profitability”

Enhance capabilities

“elevate talent capabilities and technological infrastructure”

ENABLERS

Human Capital

Technology

Our vision is to be “the premier investment bank of Saudi Arabia”

FOCUS AREAS

Focused growth

“Innovation in each business line to build credentials and credibility”

Become trusted advisor

“To be the trusted partner to Saudi individuals, institutions, and government”

Capital Markets

- Institutionalize the market; target institutional flows and upcoming listings based on the National Investment Strategy

Asset Management

- New ways of working, by digitizing operations
- Launch thematic funds and raise AUM
- Keep team together; establish history

Real Estate

- Increase the number of development funds
- A combination of new funds and fund exits
- Expand geographic focus to include International funds
- Introduce new fund category – REIT

Investment Banking

- Build institutional track record
- Establish relationships and deal flow from PIF/prominent government entities
- Establish DCM to complete our product offering suite

Private Equity

- Build a portfolio of actively managed and feeder funds
- We will leverage anb network for origination, and leverage PB and WM for placements

ENABLERS

People

Technology

Partnerships

Strategy achievements and initiatives

	Initiatives	Key achievements	Areas of focus moving forward
Corporate	 <p>46%</p> <p>Completed: 20 In progress: 24</p>	<ul style="list-style-type: none"> Enhancement of corporate profitability and portfolio quality Maintained our position as a leading SME banking partner for Kafala and Monshaat Enhanced our fintech enablement proposition Optimized SME onboarding and digitized offerings through the launched SME app 	<ul style="list-style-type: none"> Modernization and digitization of corporate offerings Develop SME ecosystem and partnerships including end-to-end digital services Expansion into strategic sectors and Vision 2030 opportunities Driving healthy balance sheet growth through project finance Expand fintech enablement business to extend market lead and provide tailored solutions
Retail & Private	 <p>60%</p> <p>Completed: 30 In progress: 20</p>	<ul style="list-style-type: none"> Retail division growth and expansion of product offerings Increased emphasis on affluent segment growth Revamped retail mobile app Rolled-out branch network revamp and optimization project Enhanced investment product suite for our private segment Enhanced sales organization to grow our customer base 	<ul style="list-style-type: none"> Optimization of retail digital and physical channels to cater to our different client segments Diversification of our product offerings to drive asset growth (specifically credit cards, auto loans, and micro-lending) Enhancing our deposit offerings to enhance liabilities Strengthen our position as a generational wealth partner
Treasury	 <p>50%</p> <p>Completed: 2 In progress: 2</p>	<ul style="list-style-type: none"> Diversified into higher yielding assets with new investments Upgraded Treasury infrastructure and systems 	<ul style="list-style-type: none"> Innovation in each business line to build credentials Expansion and diversification of investment banking and advisory offerings Enhancing the investment options provided to anb retail and private banking clients
Investment & Brokerage	 <p>53%</p> <p>Completed: 9 In progress: 8</p>	<ul style="list-style-type: none"> Completed a number of high-profile investment banking transactions Launched new real estate funds and private equity revenue stream Launched brokerage app 	<ul style="list-style-type: none"> Focused growth in capital markets and asset management, to build credentials and credibility through continues innovation Become trusted partner in real estate, investment banking and private equity to Saudi individuals, institutions, and government

To ensure effective delivery of the strategy, we have reviewed and enhanced all other strategic initiatives

Key Strategic Enablers



Marketing & CX

Excellence in customer experience to strengthen Brand equity



Human Capital

KSA banking employer of choice



Technology

Optimize infrastructure to accelerate digitization



Org. Effectiveness

Drive organizational efficiency



Risk






Fostering a risk culture to elevate operations and enable business growth

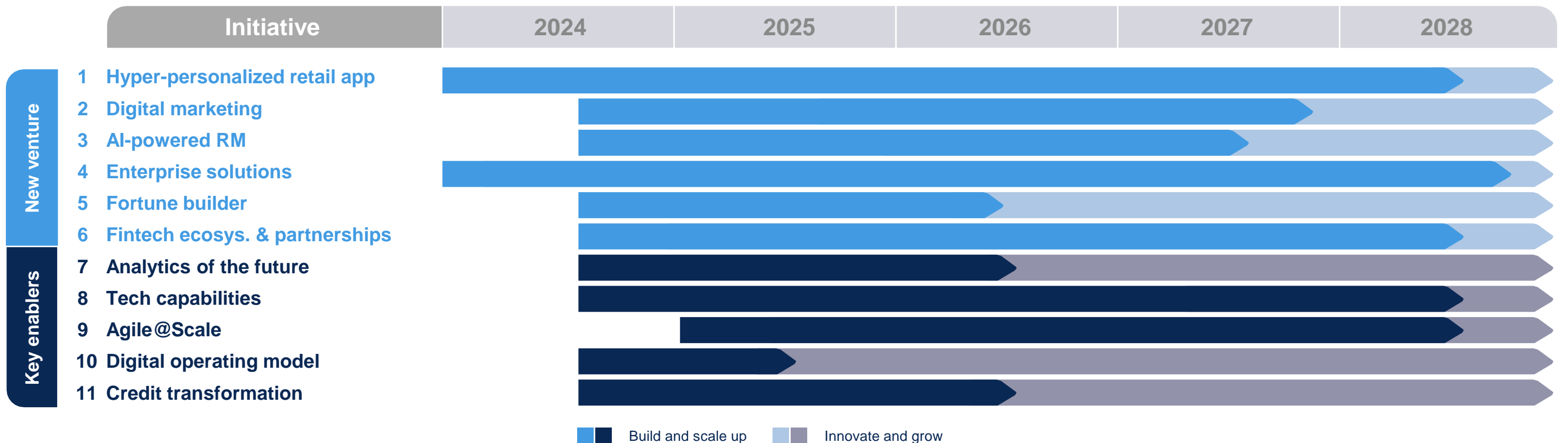
Focus Areas

- | | | | |
|---|---|-------------------------------------|----------------------------------|
| > Organizational Pivot (Business Driver vs Cost Center) | > Brand & Marketing Strategic Direction | > Capability Development | > Customer Centricity |
| > Enhance employee experience and value proposition | > Competency and performance management framework modernization | > anb academy transformation | > Digitization of admin services |
| > Articulated Strategic Direction | > Organizational Transformation | > Capability Development | > Data and AI strategy |
| > Achieve Spending Efficiency Through ZBS | > Procurement Transformation and Capability Development | | |
| > Risk Transformation and Capability Development | | | |

Digital to serve as a key enabler for anb's business objectives & 5Y Digital Roadmap

We defined an aspirational vision for digital to serve as a key enabler for **anb's** business objectives.

-  Gain #1 position **digitally in segments close to anb's DNA (SME, Wealth, Affluent, Youth, Fintech)**
-  Establish **ecosystems across commerce, fintech, and retail** to expand the business in new areas Lead
-  Retail, wholesale and wealth segments with **best customer experience in the country**
-  Chart the future of Saudi Arabia's financial services and **incubate and ignite rising star startup ventures**
-  Nurture and embed next generation capabilities and establish **go-to innovation hub in the Kingdom**



Core growth initiatives will elevate our digital capabilities, while key enabler initiatives will empower digital transformation

CORE GROWTH



KEY ENABLERS



Digital Banking achievements and initiatives

One of the fastest growing digital banks in KSA with exponential growth in digital banking and digital customer onboarding

Digital banking YoY growth

New customer acquisition

32% ▲

Personal financing

57% ▲

Digital transaction

12% ▲

Product digital fulfillment

Auto lease

100%

Housing Loan

76%

Credit card activation

94%

Personal loan

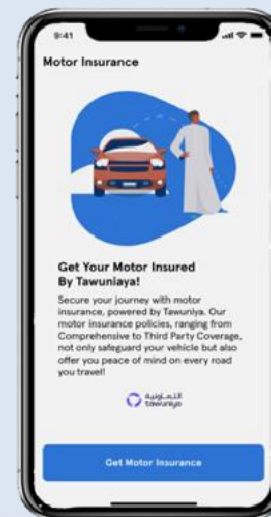
41%



Product Launched in Q3

Motor insurance

Launching motor insurance products via partnering with Tawuniya motor insurance, where customers can directly purchase the insurance from anb digital channels. This product is targeting all type of digital retail customers.



AI Fursan card

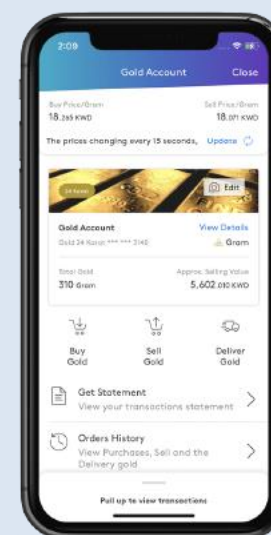
Customer can apply for AI Fursan card from the mobile app and the end-to-end journey is digital.



Upcoming Launches

Gold wallet

Digital gold will be an alternative investment beyond traditional avenues. Starting with Gold, we will later introduce silver and palladium trading for diverse investment options. This feature will attract mass and emerging affluent segment.



Robo advisory

Robo Advisory will be an automated platforms challenging traditional advisors by tailoring investment strategies using advanced algorithms. This platform supports automated goal-based strategies and personalized portfolios based on user risk profiles.



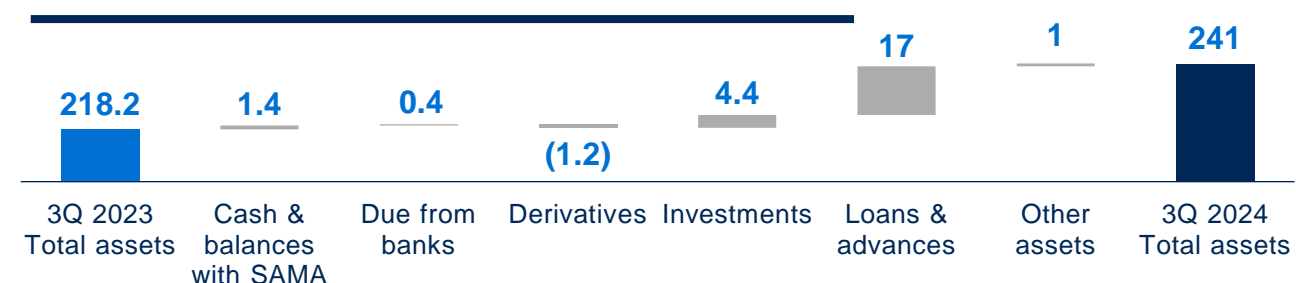


Financial Performance

anb balance sheet overview: strategic financial projection propels robust growth in loans and customer deposits

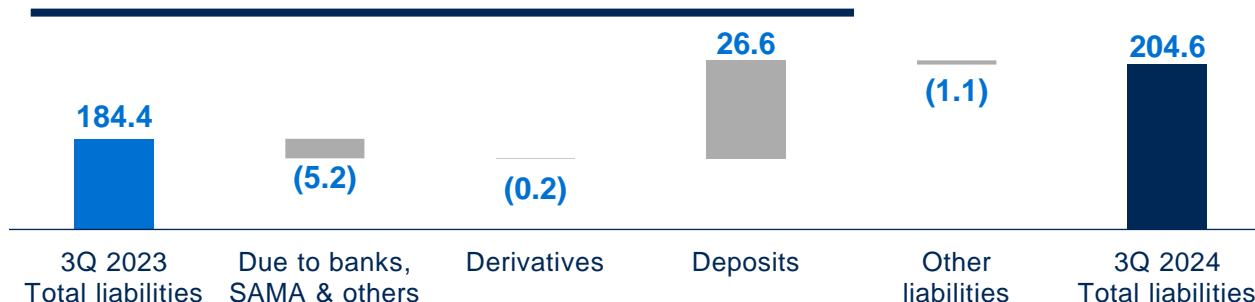
Consolidated Balance Sheet, SAR mln	YTD		YoY		
	Sep FY24	Dec FY23	Diff %	Sep FY23	Diff %
Cash and balances with SAMA	12,858	10,892	18.0%	11,487	11.9%
Due from banks and other financial institutions	2,403	2,478	-3.0%	1,998	20.3%
Positive fair value of derivatives	1,570	1,802	-12.9%	2,799	-44.0%
Investments	49,704	46,676	6.5%	45,356	9.6%
Loans and advances	166,330	152,235	9.3%	149,372	11.4%
Investment in associates	940	949	-0.9%	973	-3.4%
Other assets	7,157	5,651	26.7%	6,205	15.3%
Total assets	240,962	220,683	9.2%	218,190	10.4%
Due to banks and other financial institutions	11,747	8,430	39.3%	16,988	-31.0%
Negative fair value of derivatives	1,622	1,403	15.6%	1,790	-9.4%
Customers' deposits	180,843	165,861	9.0%	154,220	17.3%
Issued Sukuk	2,852	2,829	0.8%	2,852	0.0%
Other liabilities	7,488	7,062	6.0%	8,580	-12.7%
Total liabilities	204,552	185,585	10.2%	184,431	10.9%
Share capital	20,000	15,000	33.3%	15,000	33.3%
Statutory reserve	10,648	10,648	0.0%	9,630	10.6%
Other reserves	338	437	-22.6%	42	704.8%
Retained earnings	5,493	8,985	-38.9%	9,060	-0.8%
Total equity	36,410	35,098	9.2%	33,759	7.9%

Total assets movements (SAR bln)



- Strong year-over-year growth in both loan book and investment portfolio
- Loans and advances increased by 11.4% YoY to SAR 166.3 bln
- Investments grew by 9.6% YoY to SAR 49.7 bln

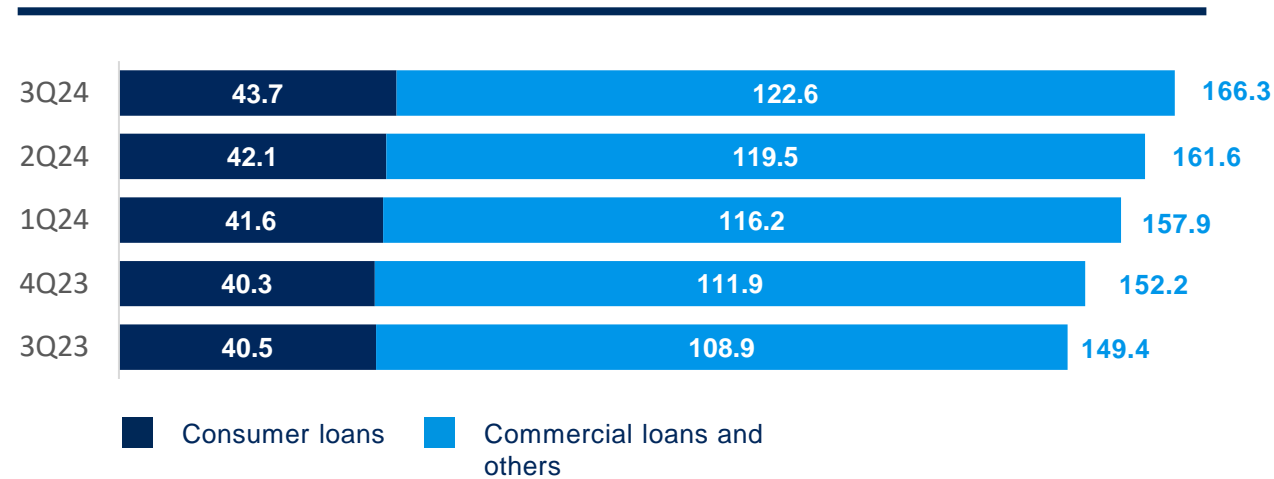
Total liabilities movements (SAR bln)



- Substantial growth in customer deposits strengthens anb's capital base, providing a solid foundation for expansion
- Optimized resource management positively influences the bank's key performance ratios, as reflected in the financial metrics

Loan portfolio overview: broad diversification leads to sustainable growth

Loans and advances (SAR bln)



166.3

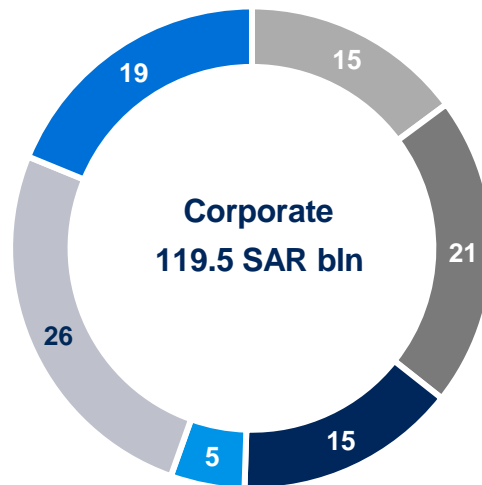
SAR bln

+11.4% YoY

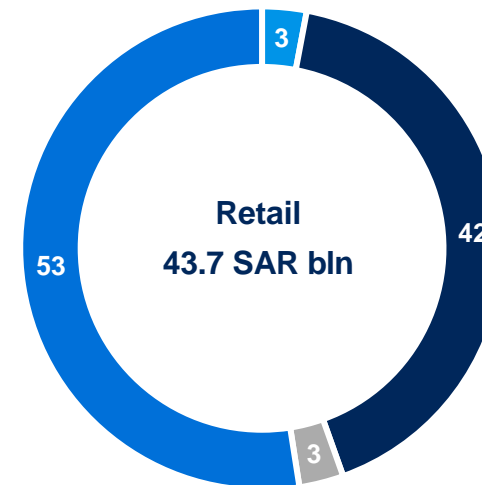
- Total loans and advances portfolio grew by 11.4% compared to last year
- Corporate lending experienced a solid annual growth of 12.6%
- Retail portfolio increased by 12.9%, with the auto lease segment surging by 98.5% YoY

Loans breakup as of 3Q24 (%)

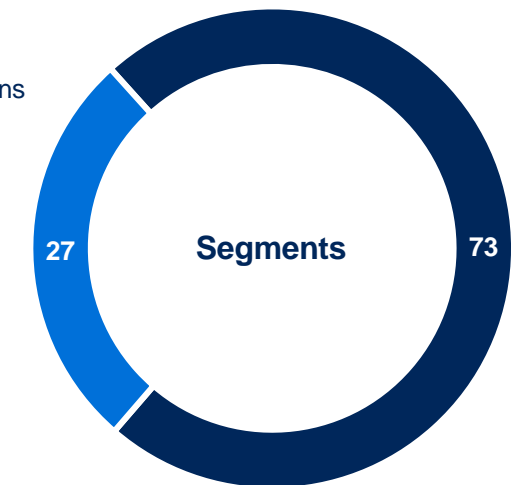
- Services
- Real estate activities
- Transportations & storage
- Constructions
- Manufacturing
- Others



- Home loans
- Auto loans
- Personal loans
- Credit cards loans

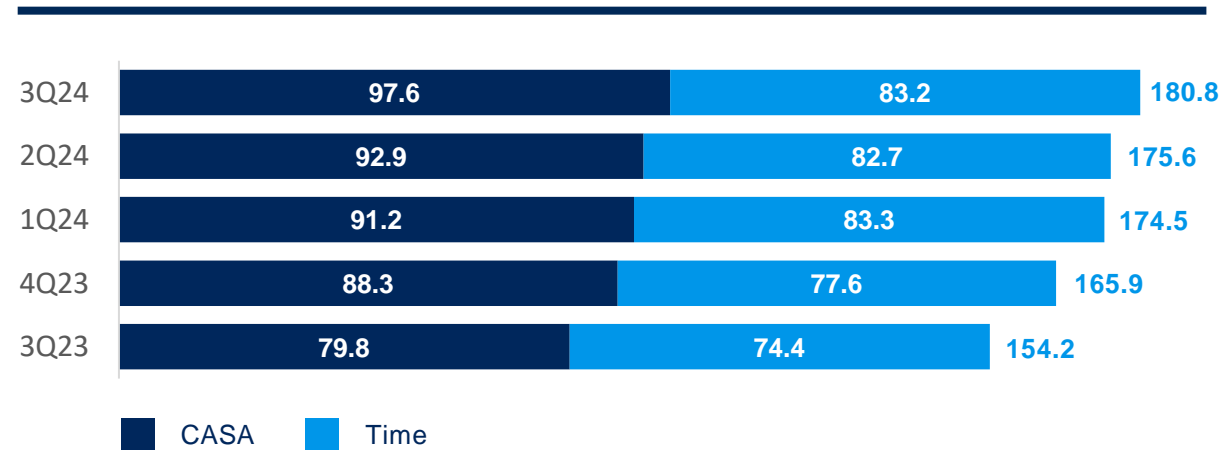


- Retail loans
- Corporate loans



anb balance sheet overview: significant growth in customer deposits with a balance between demand and time deposits

Customer deposits (SAR bln)



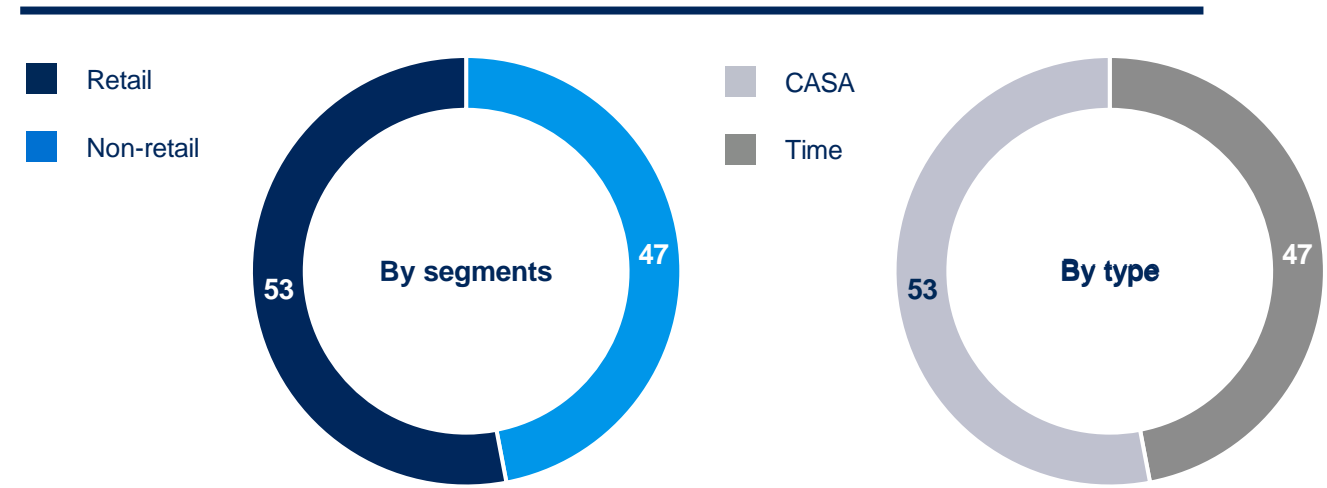
180.8

SAR bln

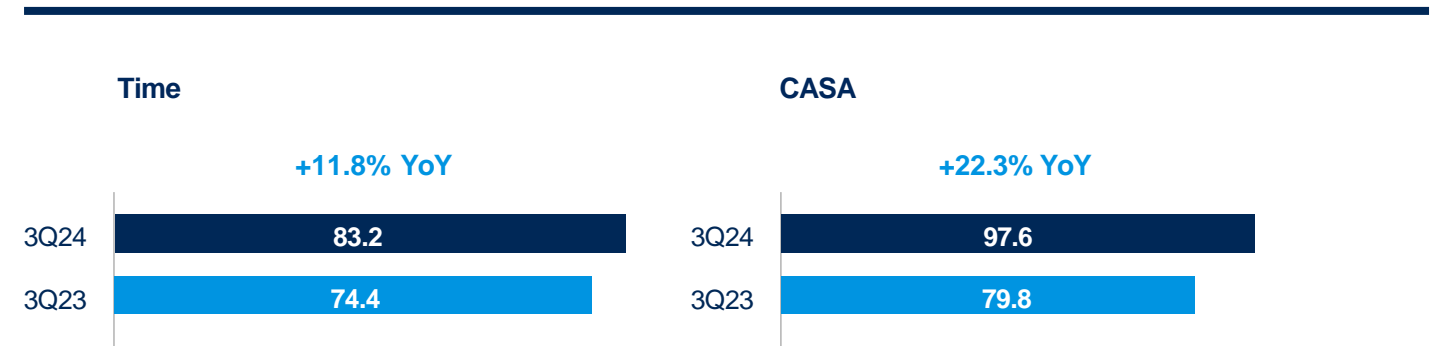
+17.3% YoY

- Customer deposits saw a 17.3% YoY surge, driven by a SAR 8.8 bln rise in time deposits and a SAR 17.8 bln increase in CASA accounts
- An equal distribution between retail and corporate deposits ensures sustainable liabilities structure
- We maintain a strong and healthy proportion between time deposits and CASA deposits

Deposits breakdown as of 3Q24 (%)

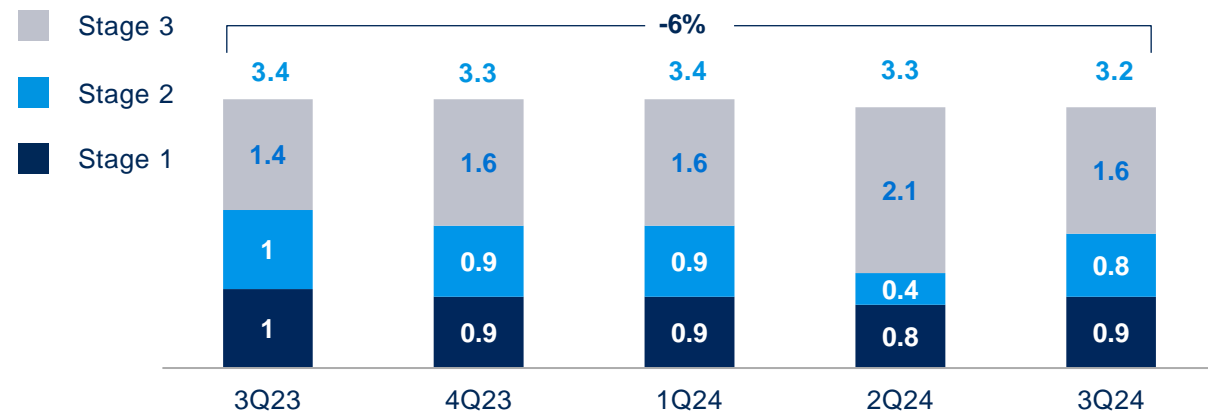


Deposits dynamics (SAR bln)

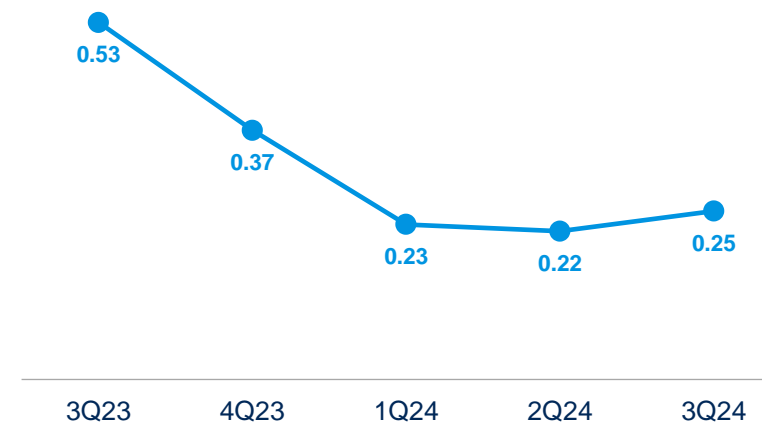


anb balance sheet overview: NPL Coverage

ECL stage-wise for loans and advances (SAR bln)

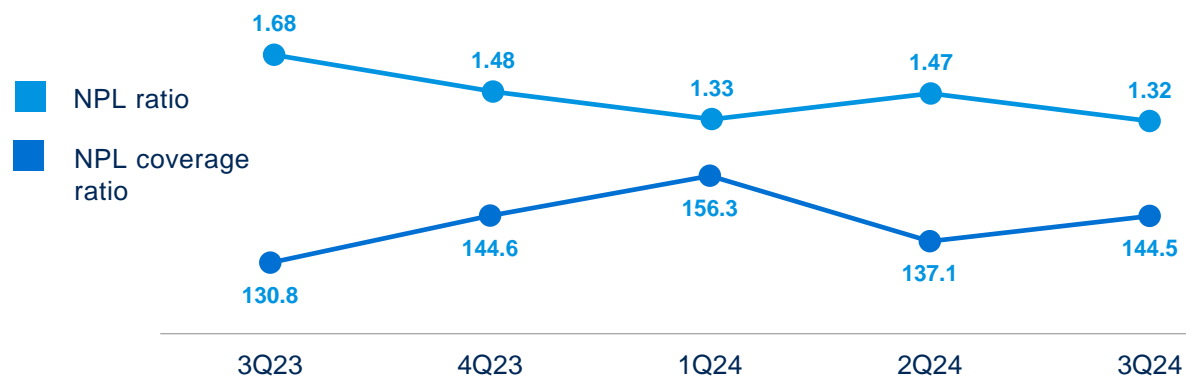


Cost of risk (%)

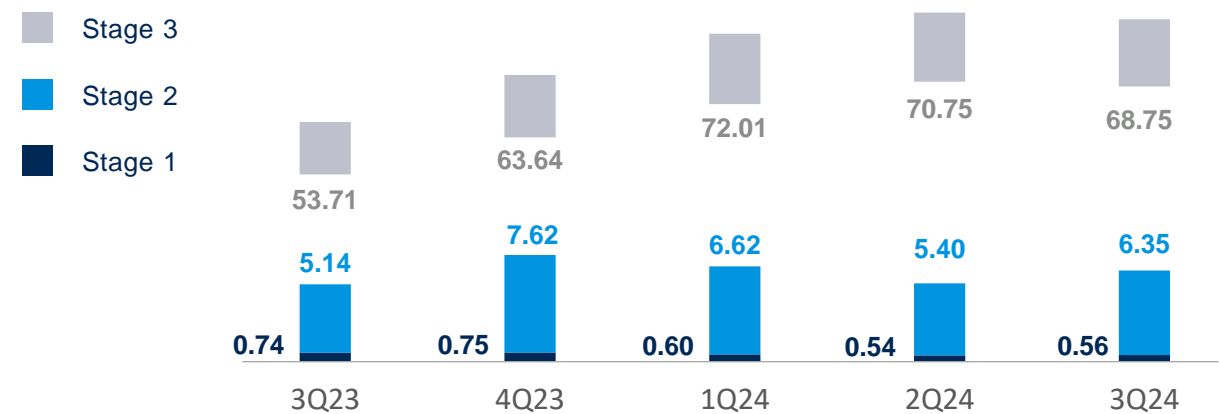


• Steady enhancement in the quality of newly issued loans has led to a reduction in ECL volumes along with the Cost of Risk ratio.

NPL coverage ratio and NPL ratio (%)



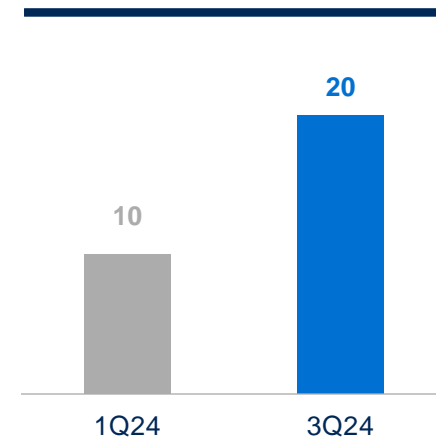
Stage-wise coverage (%)



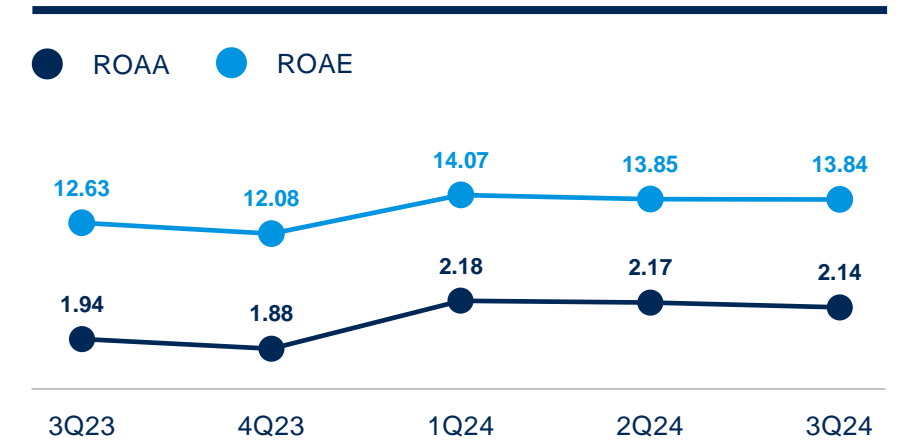
anb capitalization: strong financial cushion, operating above the capital levels mandated by SAMA

- In 3Q2024, anb`s share capital was increased by 33.33%YTD through the emission of 500 million new shares in the 2Q2024. The measure aims to boost bank`s financial strength and solvency
- The bonus shares were made on account of retained earnings with no external resources engaged

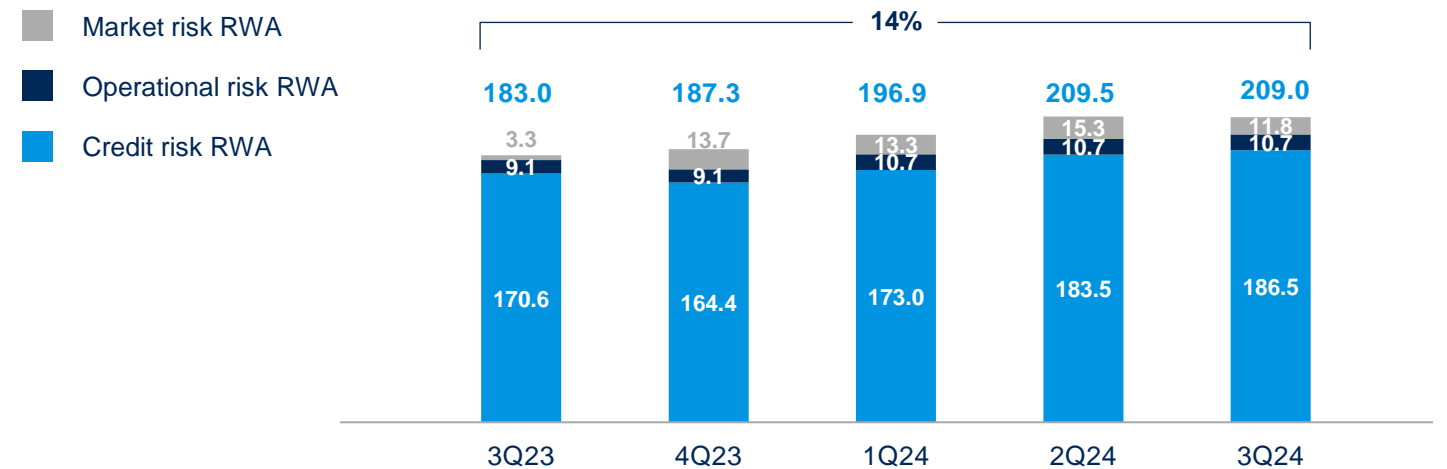
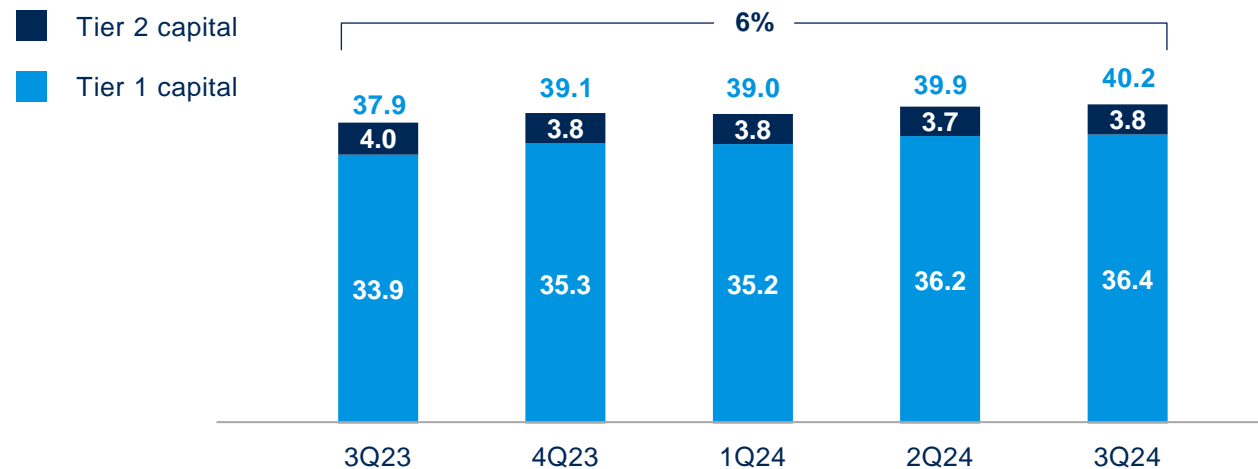
Share capital (SAR bln)



ROAE & ROAA (%)

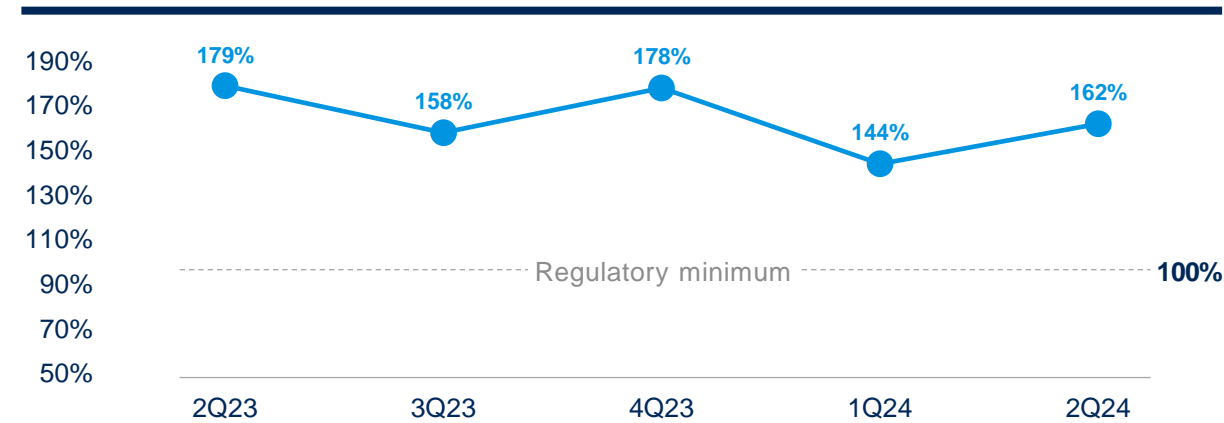


Tier I & Tier II capital (SAR bln)



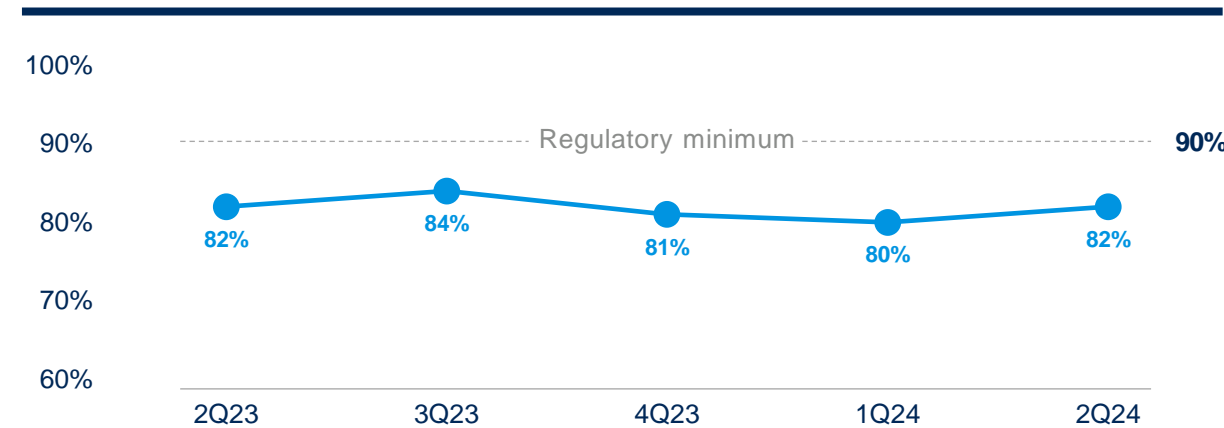
anb liquidity: demonstrating financial strength liquidity far exceeds SAMA's minimum regulatory standards

LCR (%)

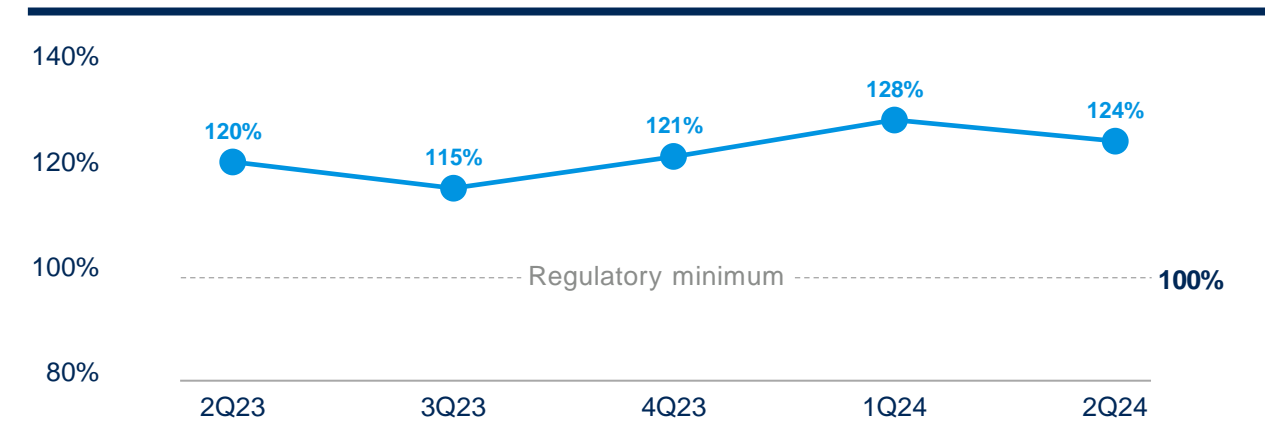


- LCR strengthened to 162% (up from 144% in 1Q'24)
- LDR of 82% which demonstrate a healthy liquidity
- Continue to deploy liquidity in a prudent manner

LDR (%)



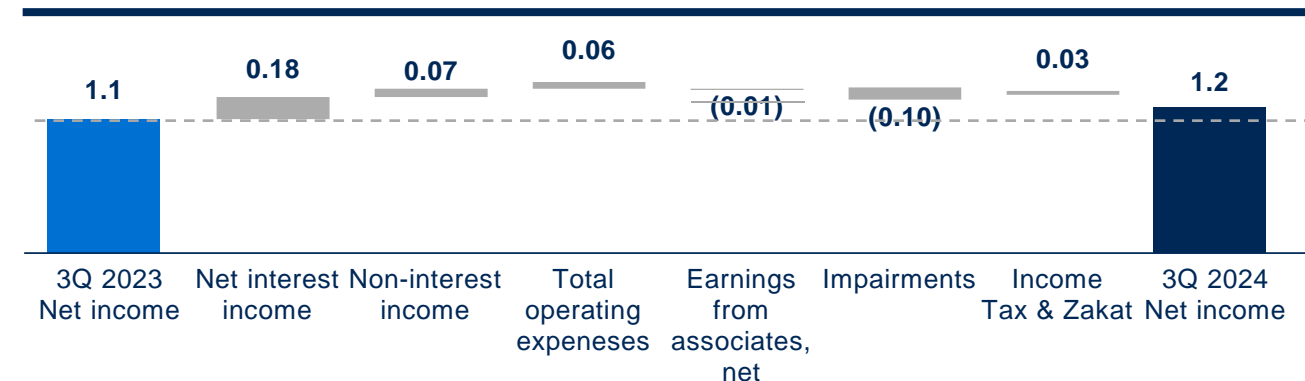
NSFR (%)



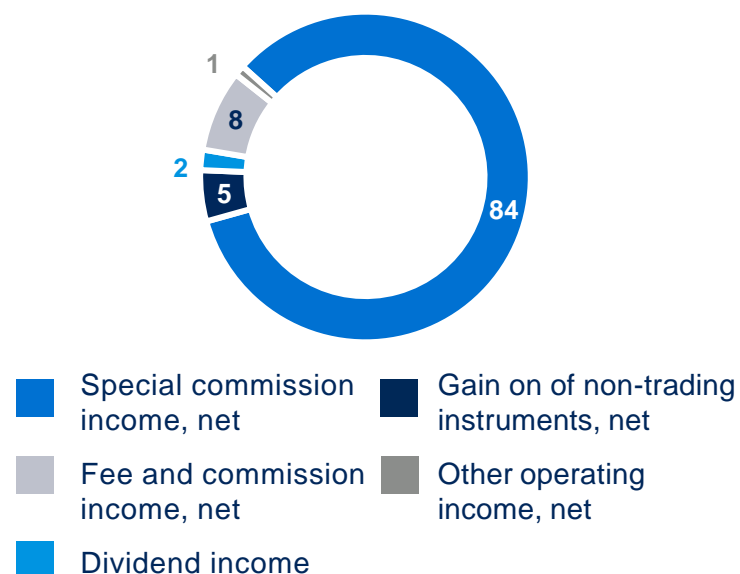
anb P&L overview: top-line YoY growth contributed to strong net profit

Consolidated Income Statement, SAR mln	YoY - three-months			YTD - six-months		
	Sep FY24	Sep FY23	YoY	Sep FY24	Sep FY23	YoY
Special commission income	3,772	3,275	15.2%	10,816	9,205	17.5%
Special commission expense	1,698	1,409	20.5%	4,871	3,811	27.8%
Net special commission income	2,075	1,866	11.2%	5,944	5,394	10.2%
Fee and commission income	471	417	12.9%	1,420	1,161	22.3%
Fee and commission expense	287	263	9.1%	816	737	10.7%
Fee and commission income, net	184	153	20.3%	604	424	42.5%
Exchange income, net	81	84	-3.6%	221	246	-10.2%
Gains/ (losses) on FVSI, net	-6	23	-126%	17	36	-52.8%
Other revenue	75	76	-1.3%	266	371	-28.3%
Total operating income	2,409	2,202	9.4%	7,054	6,471	9.0%
Salaries and employee related expenses	446	396	12.6%	1,278	1,131	13.0%
Depreciation and amortisation	61	57	7.0%	183	169	8.3%
Other expenses	282	270	4.4%	795	756	5.2%
Operating expenses prior ECL	789	723	9.1%	2,256	2,056	9.7%
ECL charges, net	165	244	-32.4%	493	760	-35.1%
Impairment charge on other real estate	0	0	0.0%	0	50	-100%
Total operating expenses	954	967	-1.3%	2,748	2,866	-4.1%
Earnings from associates, net	7	10	-30.0%	13	37	-64.9%
Net Income before zakat and income tax	1,462	1,246	17.3%	4,318	3,642	18.6%
Zakat and income tax	219	168	30.4%	608	508	19.7%
Net income after zakat and tax	1,243	1,076	15.5%	3,710	3,130	18.5%
EPS	0.62	0.54	0.08	1.86	1.56	19.2%

Net income movements (SAR bln)



Operating income structure 3Q24 (%)



- Year-over-year operating income growth was driven by a strong rise in special commission and fee income
- The rise in operating expenses aligns with the strategy to strengthen recurring revenue streams
- Enhanced loan portfolio quality resulted in a substantial decrease in ECL provisions

anb P&L overview: OPEX demonstrated controlled YoY growth in line with income expansion

Cost to income

31.98%

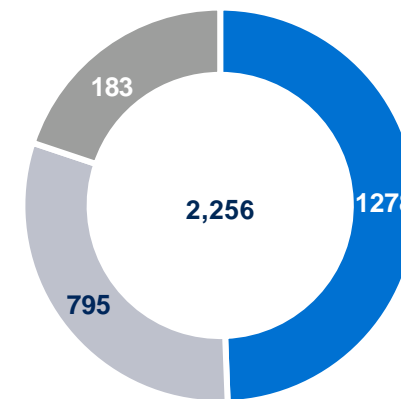
0.21 % YoY

- **anb** upholds strong cost-to-income levels, reflecting a 21 bps YoY increase attributed to strategic investments in infrastructure development, technological advancements, and ongoing digitalization efforts

Operating expenses for 24 breakdown

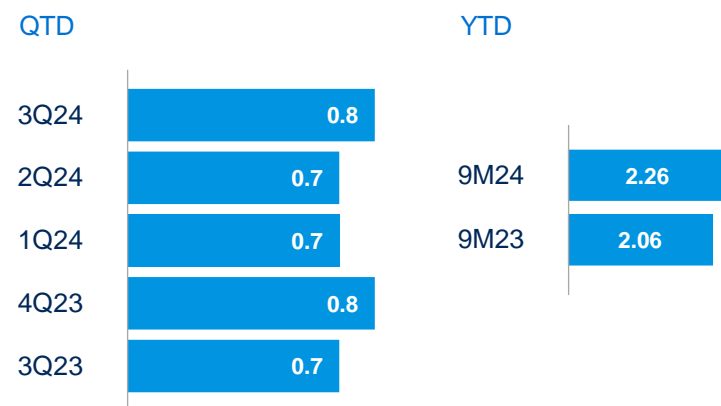
(SAR mln)

- Salaries and employee related expenses
- Depreciation and amortisation
- Other expense

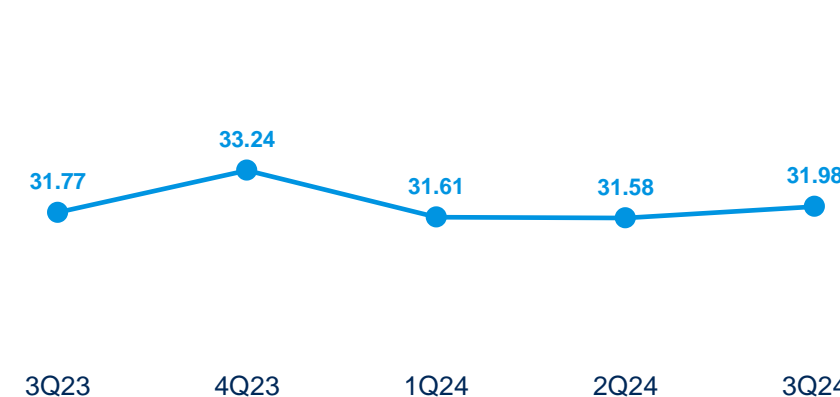


- OPEX before ECL increased from SAR 2,056 mln to SAR 2,256 mln, reflecting a 9.7% YoY growth
- Salaries and employee related expenses climbed 13.0%
- Other expenses rose 5.2% while depreciation and amortization increased 8.3%

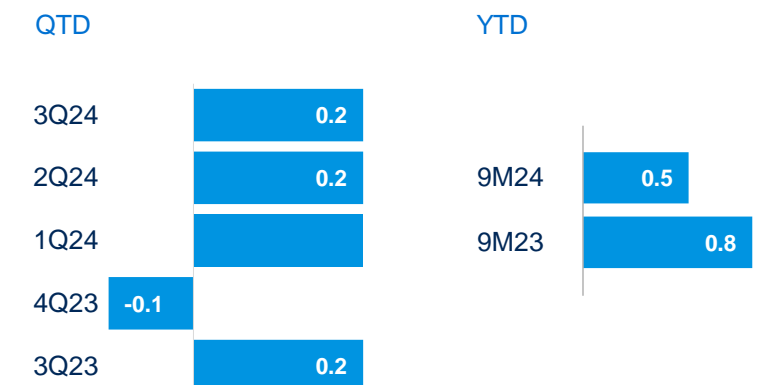
OPEX before impairment (SAR bln)



Cost to income (%)

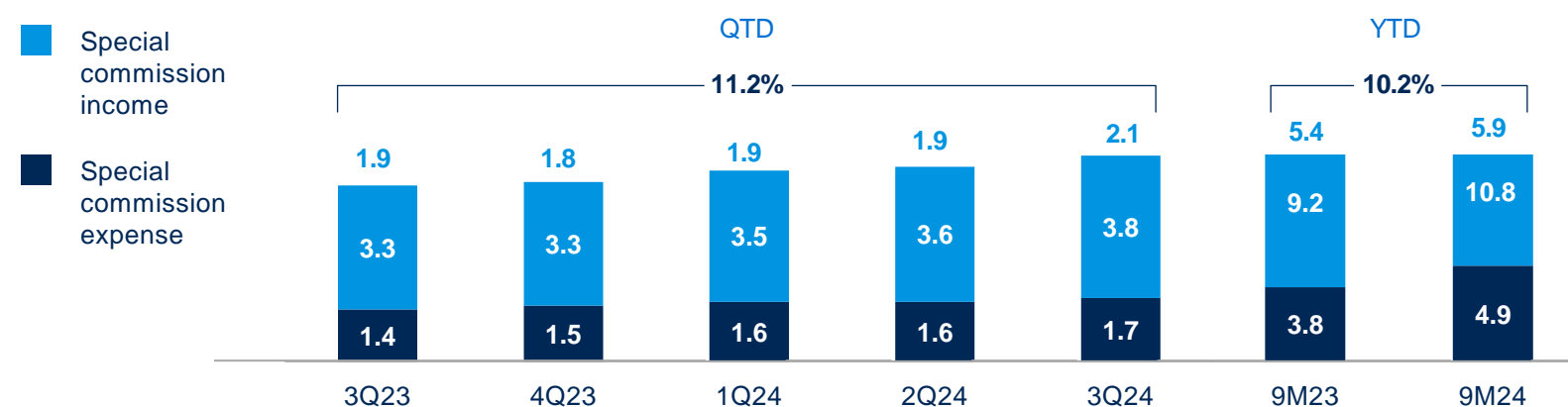


Impairment charge for ECL (SAR bln)



anb P&L overview: targeted asset allocation and optimized loan rates drive higher yields

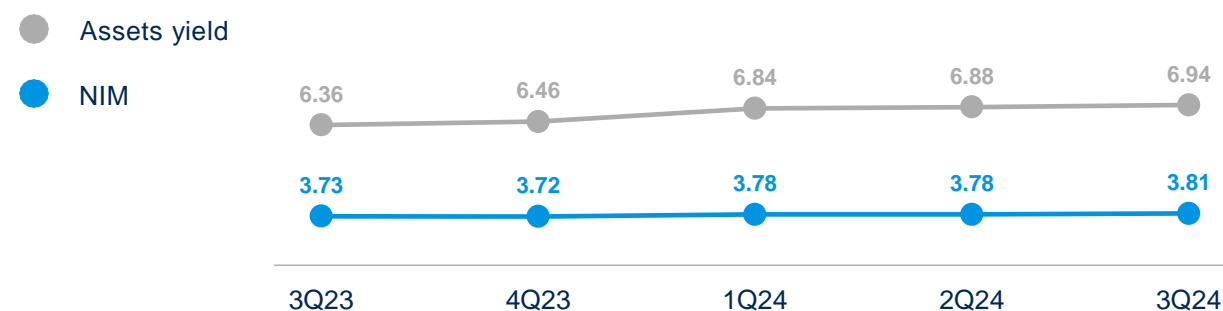
Special commission income, net (SAR bln)



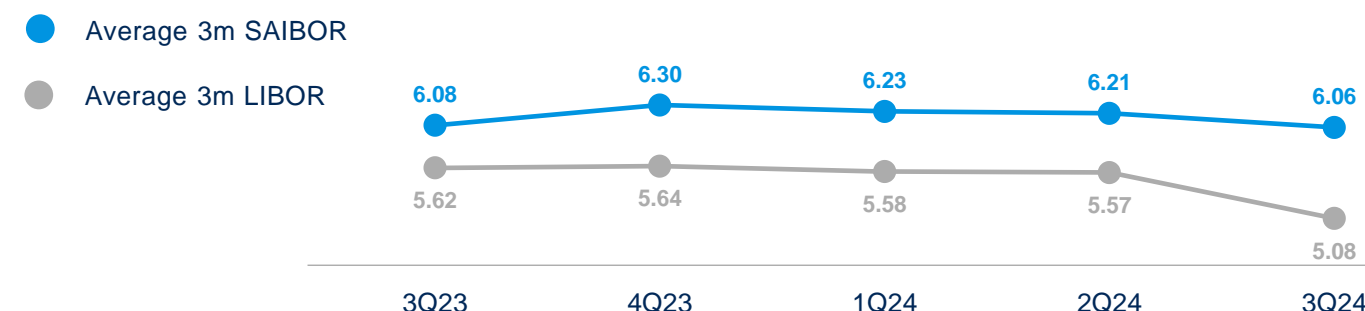
NIM
3.81%
9 bps YoY

- The increase in NIM was supported by a robust loan portfolio and a favorable customer deposits mix, with demand deposits rising by SAR 8.8 bln and a moderate increase of SAR 4.9 bln in time deposits

NIM and assets yield (%)

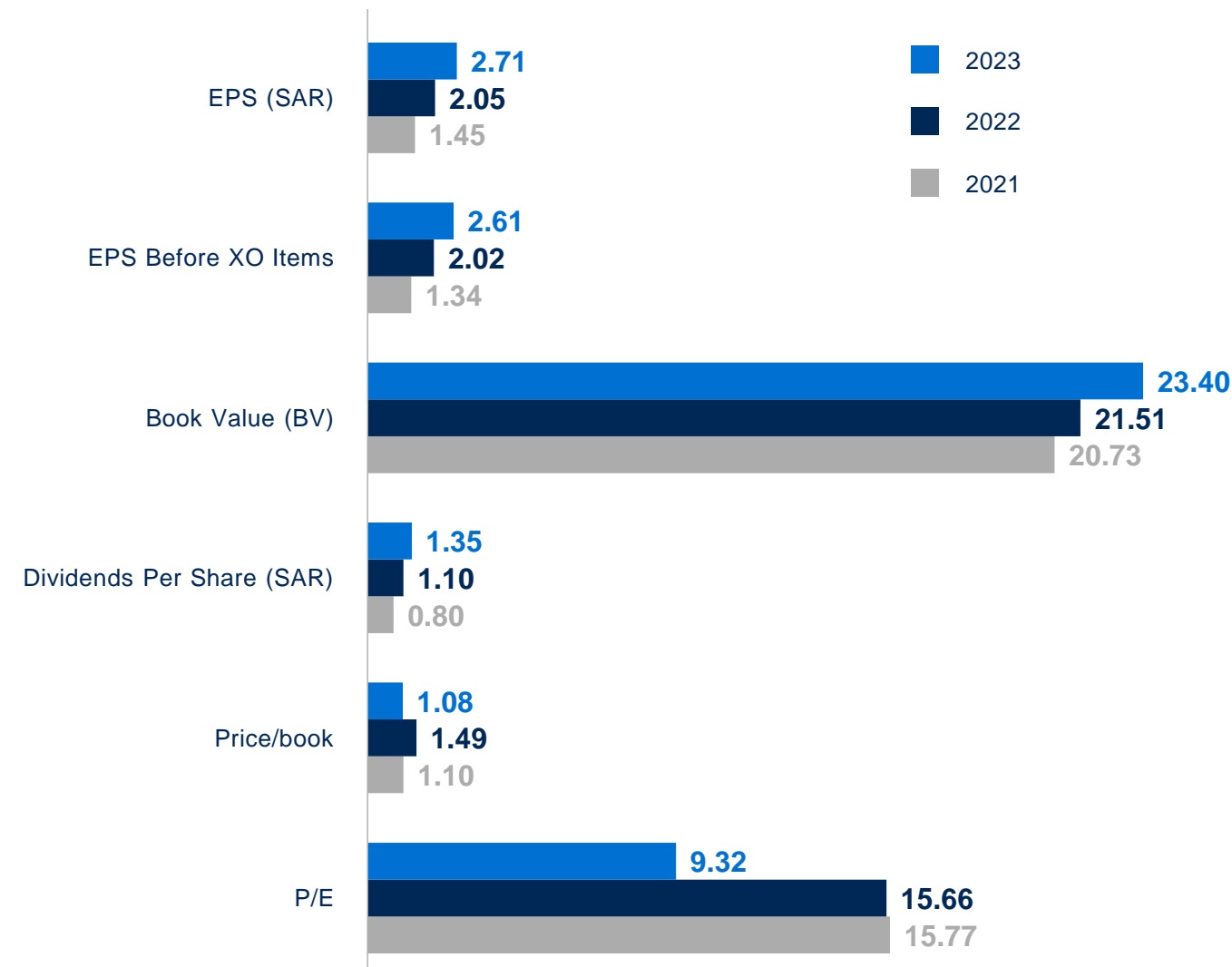


Market benchmarks (%)



anb returns value to shareholders, while its capital remains strong

Per share data



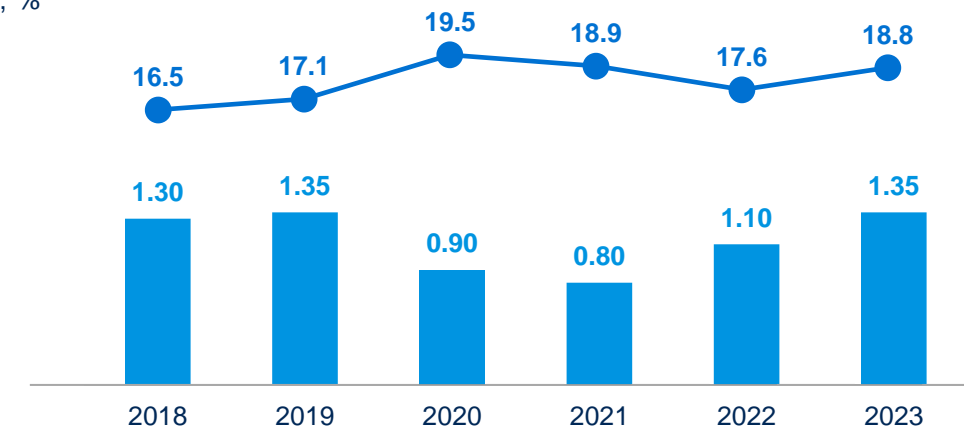
Aggregate return

ca. 6.8
(SAR/share)

- anb increased its capital to secure strong capital adequacy essential for future expansion
- Prioritizing returns to our shareholders through dividends distribution

Capital return

- Common dividends, SAR/sh
- CET1 ratio, %





Guidance

Guidance

Metric	Q3'24	YoY	Q3'23	FY'24
Loans & advances, net	166.3	11.4%	149.4	Low-teens
NIM	3.81%	+9 bps	3.73%	-5 to 5 bps
Cost to income	31.98%	+40 bps	31.77%	Below 32%
ROAE	13.84%	1.21%	12.63%	Above 13%
Cost of risk	0.25%	-28 bps	0.53%	40 – 50 bps
CET1 ratio	17.41%	-1.13%	18.53%	Above 17-18%



Corporate Governance & ESG

anb management team has a proven track record of banking experience



**Obaid
Alrasheed**

Managing Director &
Chief Executive Officer



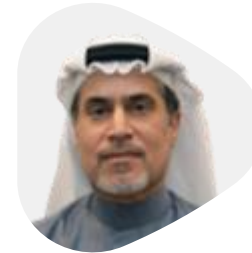
**Saad
Aldughish**

Chief
Financial Officer



**Kamal
Khodr**

Head of
Risk Management



**Zeyad
Abanmay**

Head of
Treasury Group



**Aiedh
Alzahrani**

Chief Operating
Officer



**Louai
Alzاهر**

Head of Wholesale
Banking Group



**Khaled
Alrashed**

Head of
Retail Banking



**Bader
Alotaibi**

Head of Human
Resources Group



**Abdulrahman
Ahmed**

Chief Strategy
Transformation Officer



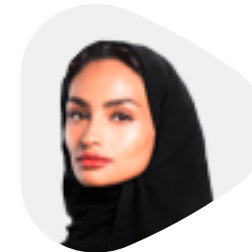
**Waleed
Alomary**

Chief
Internal Auditor



**Zuhair
Alherbish**

Head of
Legal Affairs Division



**Lama
E. Alessa**

Acting Head of
Marketing



**Abdulaziz
S. Alomran**

Chief
Credit Officer



**Waleed
Alkhulayfi**

Chief
Compliance Officer

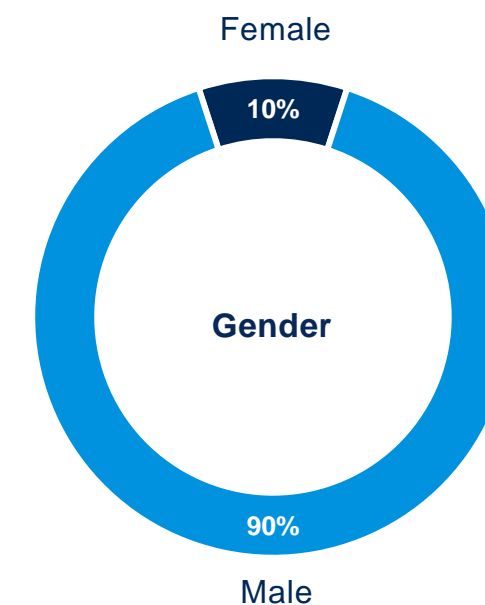
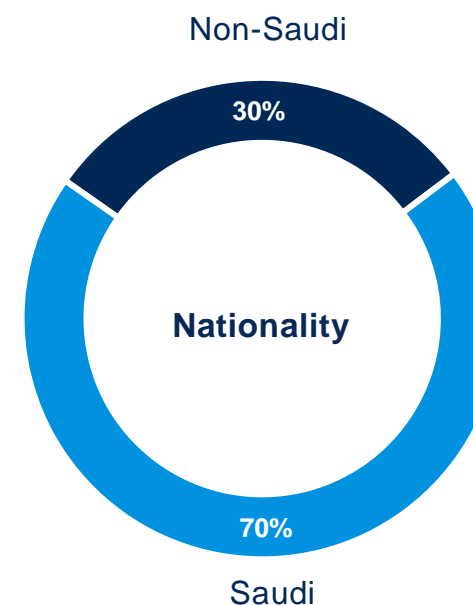
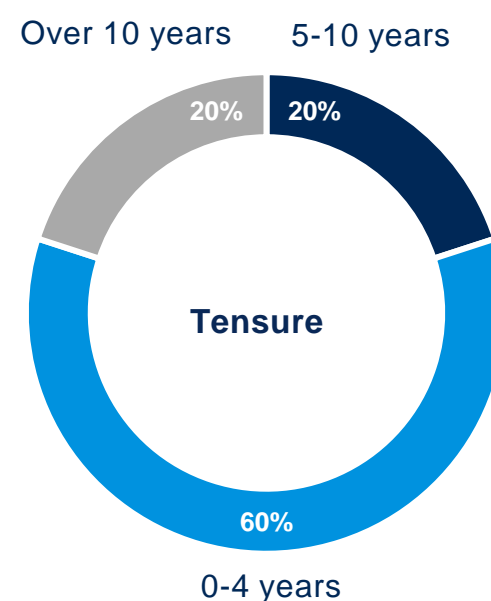
BoD comprised of 10 members, including 4 independent directors

Independent directors

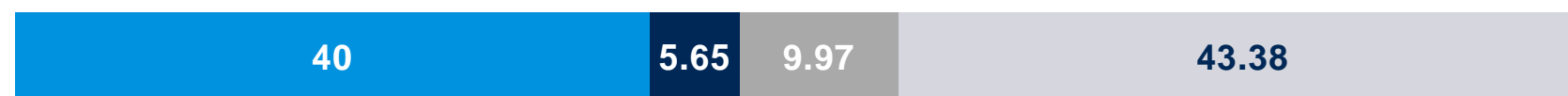
- Mr. Abdulmohsen Ibrahim Al-Touq Deputy Chairman
- Dr. Mohammed Faraj Alkanani Al-Zahrani
- Mr. Thamer Mesfer Al-Wadai
- Mr. Osama Khalid Alatiki

Non-independent directors

- Mr. Salah Rashid Alrasheed Chairman (Non-executive)
- Mr. Obaid Abdullah Alrasheed Managing Director (Executive)
- Mr. Hesham Abdullatif Al-Jabr
- Mr. Naim Rassem Al-Hussaini
- Ms. Randa Muhammad Al-Sadiq
- Mr. Mohammad Abdelfattah Alghanamah



Shareholder structure (%)






- Arab Bank PLC
- AL JABR Investment

- Rashed Abdurrahman Al-Arashed & Sons Co
- Free float

Overview of Key ESG achievements and initiatives



Environmental

-  Treasury **investments in green bonds** worth **150Mln USD**
-  Bookrunner on **PIF's green bond issue** worth **11.35Bln SAR** (~3Bln USD)
-  **Fully digitalized** personal **loan application** and 83% digitalized individual account opening processes



Program partner to Wave, a national initiative dedicated to **ocean regeneration**



Green initiatives to make **efficient premises**, such as solar panel installation, box recycling, and green space expansion



Social

-  Leading SME bank to **support Vision 2030 programs**, such as Monshaat, Kafalah, REDF¹, SME bank²
 - **Best partner award** (Monshaat portal, 2022)
 - **Best bank award** for supporting female entrepreneurs (Kafalah, 2022)
 - Recognition as **prominent SME financing bank** in the Kafalah program (SME bank, 2023)
-  Partnership with REDF to **support housing for low-income segments**; total home loans worth 1.6 Bln SAR given to 3,000+ customers in 2023



Partnership with SDB3 to develop products to **improve saving habits of consumers**)



Higher auto lease and personal loan disbursements to **support female financial independence**



Female workforce participation rate **increased to 23%** from 13%; **Saudization** stands at **96%**



CSR spend of **6 Mln+ SAR** on **education, healthcare**, and other **philanthropic initiatives** in 2022



Governance

-  **Financial/ compliance/ legal frameworks and ISO⁶ certifications:**
 - Anti-corruption and fraud framework
 - Data privacy framework
 - Financial crime and Anti-money laundering framework
 - Information, cybersecurity and privacy protection standard
 - Customer satisfaction standards (quality management)



Regulatory adherence to SAMA⁴, CMA⁵ and international bank governance policies



Establishment of ESG Management committee, with defined stakeholders and meeting cadence



Collaboration with regulatory **ESG Advisory Committee** and its four workstreams

 Activities ongoing in business lines (wholesale, retail, treasury and capital)



Activities ongoing in support lines (HR, CSR, premises and governance)

anb is completing the first phase of its ESG ambition-setting journey, and will develop a comprehensive strategy and KPIs by end of 2024

Build ESG foundations



- Establish the anb's ESG vision and ambition
- Reflect on learnings from global best practices and stakeholder expectations
- Assess internal readiness for ESG and develop required training materials
- Discuss KPIs and KPTs for tracking the target ESG vision
- Review risks and mitigation opportunities, leveraging best practices
- Align with regulatory and national initiatives

Design a comprehensive ESG strategy



- Develop key strategic pillars of ESG-centric value proposition
- Develop a Sustainable Finance Framework in line with the bank's strategic goals and regulations
- Build in-depth strategic ESG initiatives, KPIs/ KPTs
- Design a target operating model for effective ESG strategy execution
- Document the implementation roadmap, indicating initiatives sequence and dependencies
- Sustain collaboration with regulators and key stakeholders

Lead the ESG implementation



- Prepare and publish the ESG/ sustainability report
- Design a portfolio of ESG products in line with the target vision
- Steer the implementation of ESG initiatives and circumvent challenges
- Launch an ESG change management program and foster an ESG-focused culture
- Run non-deal roadshows, elevating the bank's ESG brand among stakeholders
- Ensure ESG-focused regulatory alignment

Please contact the Investor Relations team for additional information or download anb's IR App

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Email: Invest@anb.com.sa

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