

AI Generated



Global & KSA Banking Trends

2024/2025

GLOBAL COMPARISON | KEY METRICS

Building a cashless future; Digital Banking adoption on the rise in Saudi Arabia



#	Parameter (2023)	KSA	USA	India	UK	Singapore	UAE
1	GDP (USD Tn)	1.1	30.3	3.9	3.6	0.7	0.6
2	Banking Assets (USD Tn)	1.2	23.5	3.1	9.7	2.5	1.2
3	Banking assets to GDP ratio	1.09	0.85	0.87	2.69	3.39	2.18
4	# of Banks *	30+	4,500+	1,600+	750+	160+	50+
5	SME to GDP Contribution %	29	44	30	52	48	43
6	Digital Banking Adoption %	54	66	32	86	35	34
7	Mobile Penetration %	134	116	78	131	162	219
8	# of FinTech Players	300+	10,000+	3,000+	1,500+	1,400+	650+
9	# of Neobanks & Digital Banks	4	90+	25+	22+	13+	8+
10	Digital Payments Growth YoY %	10	15	42	9	8	26

KSA Key Insights

~25 Mn internet banking users by 2028

FinTech industry | USD 68 Bn by 2025

*Banks include Credit Unions, Cooperative & Foreign banks
Source: World Bank, MOEC, SAMA, S&P

GLOBAL BANKS | FINANCIAL METRICS

Leading Banks Average 17% Capital Adequacy with 6.5% Asset Growth in 2024

	#	Parameter (As of Sep 2024)	JPMORGAN CHASE & CO.	BANK OF AMERICA	ICBC	WELLS FARGO	中国农业银行 AGRICULTURAL BANK OF CHINA	HSBC	الأهلي SNB	Avg.
Balance Sheet	1	Market Cap (USD Bn)	684	356	280	245	226	167	55	-
	2	Total Assets (USD Bn)	4,210	3,324	6,770	1,916	6,097	3,098	300	-
	3	Asset Growth % (Y-o-Y)	8.0	2.4	8.7	2.0	12.6	2.6	9.5	6.5
	4	Loans & Advances Growth % (Y-o-Y)	2.3	2.6	8.9	-3.5	10.7	3.5	10.0	4.9
	5	Net Non-Performing Loans (%)	0.2	0.2	1.4	0.4	1.3	1.8	1.1	0.9
	6	Customer Deposits Growth % (Y-o-Y)	2.2	2.4	1.8	0.1	7.7	6.2	1.5	3.1
	7	Loans to Deposits Ratio (%)	55	55	79	68	78	58	103	71
	8	Capital Adequacy Ratio (%)	16.4	14.9	19.3	15.4	18.1	15.2	19.4	17.0
P/L	9	Net Profit (USD Bn)	44.4	22.1	42.8	17.9	33.5	30.0	4.2	-
	10	Fee Income as a % of Total Income	24	35	14	31	14	15	20	22

Asset book growing at 6.5% for leading banks

Net NPL is <1% for leading banks

Source: S&P CapIQ, Consolidated Financial Reports

GLOBAL BANKS | OPERATING METRICS

Profitability of leading Global Banks operates at ROE 11.8% and ROA 1.1%

	#	Parameter (As of Sep 2024)	JPMORGAN CHASE & CO.	BANK OF AMERICA	ICBC	WELLS FARGO	中国农业银行 AGRICULTURAL BANK OF CHINA	HSBC	SNB الأهلي	Average
Return	11	ROA %	1.2	0.8	0.8	1.1	0.7	0.9	1.9	1.1
	12	ROE %	16.0	9.3	10.2	11.7	10.4	13.8	11.5	11.8
	13	Earnings Per Share (USD)	4.4	2.4	0.3	1.4	0.2	1.2	0.7	1.5
Cost	14	Cost to Income Ratio (%)	51	65	31	66	33	40	31	45
	15	Staff as a % of OPEX	57	60	-	66	-	19	58	52
Employee	16	Number of Employees (in 000s)	316	213	419	238	451	225	16	-
	17	Assets per employee (USD Mn)	13.3	9.1	16.1	8.1	13.5	13.8	18.6	13.3
	18	Loans per employee (USD Mn)	4.2	5.0	9.1	3.9	7.4	4.3	10.9	6.4
	19	Deposits per employee (USD Mn)	7.7	9.1	11.6	5.6	1.8	7.4	10.5	7.7
	20	Net Profit per employee (USD Mn)	0.14	0.10	0.10	0.08	0.74	0.13	0.25	0.22

Source: S&P CapIQ, Consolidated Financial Reports

GLOBAL BANKING | TECH TRENDS

6 significant trends shaping the Global Banking landscape



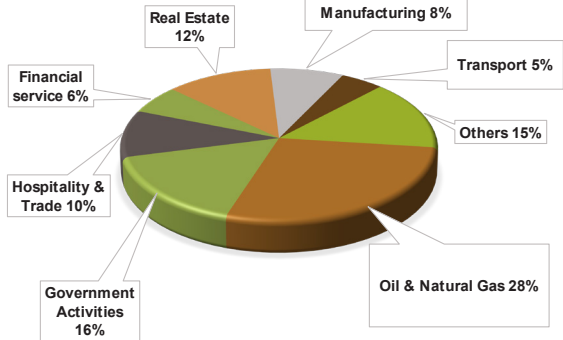
Source: Cedar Research

KSA | MACROECONOMIC OVERVIEW

KSA's GDP Surges to USD1.1 Tn in 2024 | CAGR 3.4%



GDP SHARE BY SECTOR | 2024



N = USD 1.1 Tn

2014 – 2024 % change				
#	Country	FY14	FY24	CAGR %
1	GDP (USD Bn)	766	1,070	3.4
2	GDP Per Capita (USD '000)	27.1	32.9	2.0
3	Population (Mn)	28.3	33.5	1.7
4	Unemployment Rate (%)	5.7	3.8	-4%

GDP Benchmark (USD Tn) CAGR (2014-24)
KSA: 1.1 3.4%
USA: 29.2 5.7%
India: 3.9 7.4%
UK: 3.6 1.8%

Key Takeaways
GDP Growth 2.8% Y-o-Y 2024 , driven by rise in non-oil revenue & government initiatives Vision 2030
Population Social media driven; Increased mobile usage & dependency including banking
Regional Leader Highest GDP growth among GCC countries; BFSI growing at 6.8%

Source: Cedar Research, IMF

KSA | BANKING OVERVIEW

Accelerated growth with Double-Digit CAGR across key metrics

Total Assets
1,167 USD Bn

Conventional Banking Assets
289 USD Bn

Islamic Banking Assets
878 USD Bn

Pure Play share of Islamic Assets
~40%

Windows share of Islamic Assets
~60%

FY14 – FY24 (% change)							
#	Parameters	FY14	FY24	CAGR %	USA CAGR %	IND CAGR %	UK CAGR %
1	Banking Assets (USD Bn)	576	1,167	12.5	4.7	7.3	3.2
2	Deposits (USD Bn)	424	725	9.4	5.6	7.3	2.9
3	Op. Income (USD Bn)	18	44	16.1	6.8	5.9	4.6
4	Op. Expenditure (USD Bn)	7	14	12.3	4.5	6.8	3.3
5	Profit (USD Bn)	10	23	14.9	10.9	10.4	6.2

Source: Cedar Research, SAMA

KEY BANKS | FINANCIAL METRICS

Top KSA Banks average 14% Asset Growth; leading Global Banks at 6.5%

Global	#	Parameter (As of Sep 2024)	SNB الأهلي	مصرف الراجحي alrajhi bank	بنك الرياض Riyadh Bank	الذول SAB	BSF	Average
CAR 15% – 20%	1	Total Assets (SAR Bn)	1,125	903	433	395	288	-
NPL 0.5% – 2.0%	2	Asset Growth %(Y-o-Y)	9	13	15	16	15	14
	3	Loans & Advances Growth % (Y-o-Y)	10	10	14	19	15	14
	4	Non-Performing Loans (%)	1.1	0.8	1.2	1.4	0.8	1.1
	5	Customer Deposits Growth % (Y-o-Y)	2	10	15	14	16	11
	6	Loans to Deposits Ratio (%)	103	104	104	97	104	102
	7	Capital Adequacy Ratio (CAR) (%)	19	21	18	19	19	19
	8	Operating Income (SAR Bn)	27	23	13	10	7	-
	9	Net Profit (SAR Bn)	16	14	7	6	3	-
	10	Fee Income as a % of Op. Income	20	33	26	28	18	25

Source: Financial Reports

KEY BANKS | OPERATING METRICS

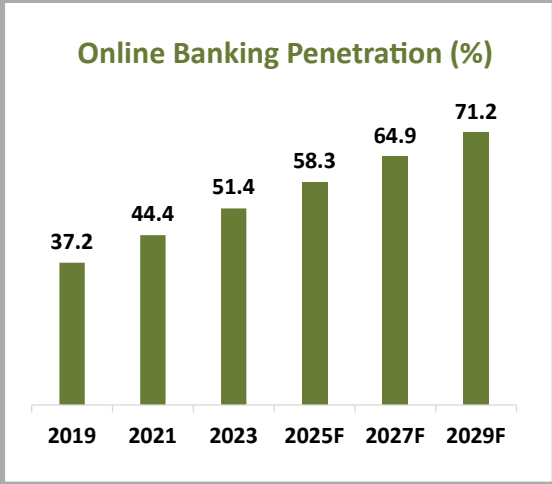
Cost-to-Income Ratio averages 30%; ROE averages 13.4%

Global	#	Parameter (As of Sep 2024)	SNB الأهلي	مصرف الراجحي Rajhi Bank	بنك الرياض Riyad Bank	الذول SAB	BSF	Average
ROA 0.5% - 2.0%	11	ROA %	1.9	2.2	2.3	2.1	1.7	2.0
ROE 10% - 15%	12	ROE %	11.5	16.9	15.3	12.6	10.7	13.4
Cost Income Ratio ~50%	13	Earnings Per Share (SAR)	2.5	3.4	2.3	2.8	2.7	2.7
Cost	14	Cost to Income Ratio (%)	31	25	31	31	34	30
	15	Staff Costs as a % of OPEX (%)	58	47	55	68	58	57
Employee	16	# of Employees ('000s)	16	22	8	4	3	-
	17	Assets per employee (SAR Mn)	70	41	55	99	92	71
	18	Loans per employee (SAR Mn)	41	30	39	63	64	47
	19	Deposits per employee (SAR Mn)	39	28	37	65	62	46
	20	Net Profit per employee (SAR '000)	968	646	896	1,486	1,091	1,017

Source: Financial Reports

DIGITAL BANKING | KSA

Expansion of digital payments and online banking is reshaping KSA's financial ecosystem



Key Trends in Digital Landscape 2022-2028F

#	Particulars	2022	2028F	CAGR%
1	RTP* Value (USD Bn)	12	45	20.1
2	RTP* Volume (Mn)	730	2,800	15.8
3	Digital Cards Value (USD Bn)	18	60	18.2
4	Digital Cards Volume (Mn)	480	1,200	16.4

1.5% of the global digital payments are from KSA

20+ Mn Online banking users | 2024

Key Takeaways

- Online Banking** | Adoption expected to grow from 51% in FY23 to 71% in FY29
- Real-Time Payments** | Transaction volume grew 30% in 2023, projected to reach 2.8 Bn by 2028
- Digital Infrastructure** | KSA's 5G & NEOM investments accelerate digital transformation, with spending reaching **USD 23 Bn by 2028**





Source: Cedar Research

* RTP | Real-Time Payment

KSA BANKING | TECH OVERVIEW

The rapid expansion of digital payments and online banking is reshaping KSA’s financial ecosystem

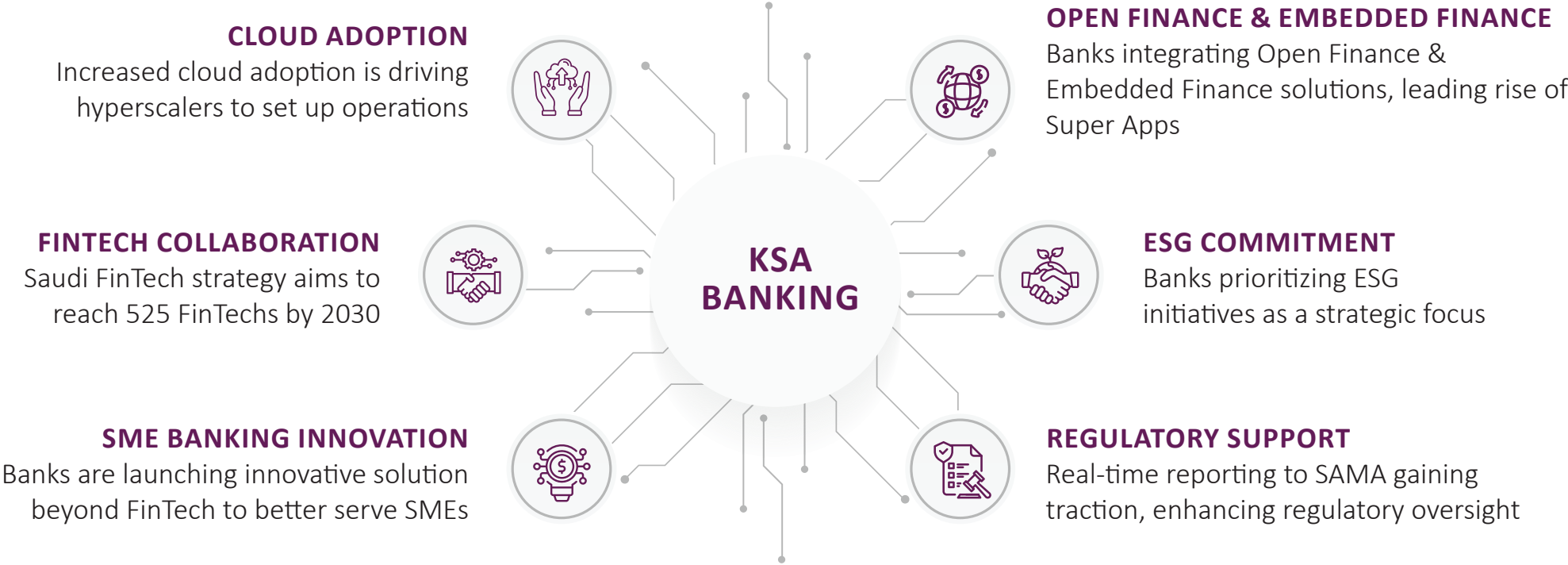


 <p>1.5% Global Digital Payments Value Share KSA</p>	 <p>~25+ Mn Online banking users by 2028</p>	<p>Key Developments</p> <p>Online Banking Surge Penetration to rise, 54% FY24 to 71% FY29</p> <p>Digital Infrastructure Ranks 7th globally in internet speed & connectivity</p> <p>Ease of Transactions ApplePay, Google Pay, Mada, Samsung Pay, Sarie driving 200% increase in digital payments</p> <p>Fintech sector expected to reach market size of USD 64 Bn by 2024</p> <p>Digital Penetration 170 branches closed since 2019; Shift toward online banking</p>
 <p>\$20 Bn+ Transaction value of RTP in 2024</p>	 <p>65% Transactions via digital channels</p>	

Source: Cedar Research

KSA BANKING | TECH TRENDS

Key trends shaping KSA's banking landscape span across Digitization, Inclusion & Security



Source: Cedar Research

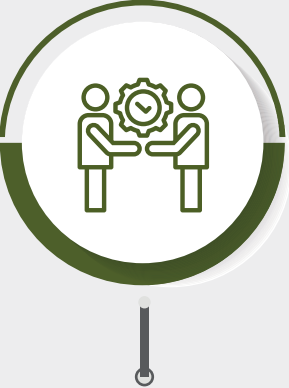
DIGITAL BANKING | KEY TRENDS

Digital trends operated by banks are primarily focused on 5 key areas



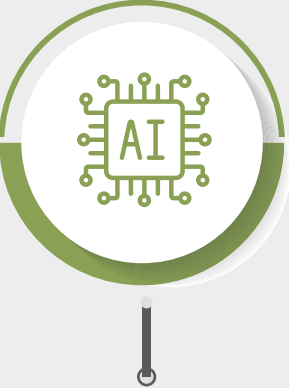
Self Onboarding & Underwriting

Eliminate friction in acquiring customers & streamline underwriting for faster approvals



Straight-through Processing

Eliminate manual work and enable real-time update where possible



Gen AI

Enable quick & efficient customer service; assist with banking needs



Hyper Personalization

Provide uniquely tailored experiences based on individual preferences



Customer Experience & Differentiation

Experience is key for banks backed by robust product programs and innovative pricing strategies

Source: Cedar Research

FUTURE-READY BANK | TECH IMPERATIVES

Bank of the future will be shaped by emerging tech, evolving business models, and changing customer expectations

AI-POWERED FINANCIAL SOLUTIONS



Use AI to personalize financial advice, anticipate needs, and automate tasks for efficiency

ENHANCE DIGITAL CUSTOMER EXPERIENCE



AI Integration, gamification, and personalized service delivery (e.g. chatbots & virtual assistants)

DIGITAL-FIRST APPROACH



Embrace E2E digital transformation, and mobile & online banking innovations

OPEN BANKING ECO-SYSTEM



Open banking to enhance the reach of financial services. Focus on scalability and monitoring

ROBUST CYBERSECURITY MEASURES



AI-driven systems, and real-time fraud detection & prevention

AGILITY & INNOVATION CULTURE



Foster agility, innovation, new technologies, and business models

Source: Cedar Research

ABOUT CEDAR

With a 35-year track record, Cedar is a Forbes-ranked global consulting firm with deep expertise in strategy & driving performance powered by the Balanced Scorecard. Its Financial Services & Financial Technology Practice is a Centre-of-Excellence transforming leading financial services institutions & technology companies as the digital and AI revolution accelerates.

ABOUT IBS INTELLIGENCE

Founded in 1991 and headquartered in the UK, Cedar's group firm, IBS Intelligence (IBSi) is the world's only pure-play Financial Technology focused research, advisory, and news analysis firm, with a 30-year track record and clients globally. We take pride in covering 4,000+ technology vendors globally – the largest by any analyst firm in this space. IBSi's Sales League Table is the industry barometer ranking banking technology suppliers globally for 20+ years.

ABOUT CEDAR-IBSI CAPITAL

Cedar-IBSi Capital is India's only early-stage FinTech venture capital fund, primarily focused on B2B FinTech/BankTech and founders building infrastructure technology for the global BFSI industry. The \$30mn fund has achieved a First Close and has completed its first investment in an AI-based Intelligent Document Processing platform, Cogniquist.

ABOUT CEDAR-IBSI FINTECH LAB

Founded in 2018, the Cedar-IBSi FinTech lab has been home to 50+ global financial technology companies seeking “soft-landing” and POC opportunities with banks across the region, making it one of the only such FinTech ecosystems in Asia.

We make Strategy, Technology & Capital Work.



enquiries@cedar-consulting.com

www.cedar-consulting.com | www.cedaribsicapital.vc | www.ibsintelligence.com | www.cedaribsfintechlab.com

NEW YORK LONDON DUBAI CAIRO MUMBAI BANGALORE OSAKA