



البنك السعودي للاستثمار  
The Saudi Investment Bank



## CIRCULAR FOR THE SALE OF THE TREASURY SHARES OF THE SAUDI INVESTMENT BANK

Financial Advisors and Lead Manager

Financial Advisor and Lead Manager

الاستثمار كابيتال  
Alistithmar Capital



Financial Advisor

J.P.Morgan

This Circular contains information related to the Sale. The Bank's Directors, whose names appear on page (7) hereof, collectively and individually accept full responsibility for the accuracy of the information contained in this Circular and confirm, having made all reasonable inquiries that to the best of their knowledge and belief, there are no other facts the omission of which would make any statement herein misleading. The CMA and the Exchange take no responsibility for the contents of this Circular, make no representations as to its accuracy or completeness, and expressly disclaim any liability whatsoever for any loss arising from, or incurred in reliance upon, any part of this Circular.

The Circular was issued on 4/12/1442H (corresponding to 14/7/2021G) and was drafted in Arabic.



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## Table of Contents

<b>1. CIRCULAR FOR THE SALE OF THE TREASURY SHARES OF THE SAUDI INVESTMENT BANK</b>	<b>1</b>
<b>2. Important Notice</b>	<b>4</b>
<b>3. Terms and Definitions</b>	<b>5</b>
<b>4. Bank Directory</b>	<b>7</b>
4.1 Board of Directors	7
4.2 Contact Info	7
<b>5. Sale Summary</b>	<b>10</b>
<b>6. Key Dates and Purchase Procedures</b>	<b>14</b>
6.1 Key Dates for Eligible Investors	14
6.2 How to Apply	15
<b>7. Summary of Key Information</b>	<b>16</b>
7.1 About the Bank	16
7.2 Bank's Business Activities	16
7.3 Subsidiaries	16
7.4 Bank's Vision and Mission	16
7.5 Bank's Capital	16
7.6 Capital and Shareholding Structure	16
<b>8. Risk Factors</b>	<b>18</b>
8.1 Risks Related to the Bank's Shares	18
8.1.1 Risks Related to Fluctuation in the Bank's Share Price	18
8.1.2 Risks Related to Potential Fluctuations in the Price of the Rights	18
8.1.3 Risks Related to Sale of Treasury Shares at a Price Lower Than the Market Price of the Shares	18
8.1.4 Risks Related to Reduced Demand for the Shares and Rights	18
8.1.5 Risks Related to Speculation in the Rights	18
8.1.6 Risks Related to Failure to Exercise the Rights in a Timely Manner	19
8.1.7 Risk Related to Non-Exercise of Rights for Purchase of Treasury Shares or Sale by Substantial Shareholders	19
8.1.8 Risks Related to Offering of New Shares in the Future	19
8.1.9 Risks Related to Distribution of Dividends	19
8.2 Risks Related to the Sale	19
8.2.1 Risks Related to the Bank Maintaining the Unsold Treasury Shares after the End of the Rump Offering Period	19
8.2.2 Risks Related to the Interpretation and Application of Laws and Regulations Pertaining to the Sale	19
<b>9. Legal Information</b>	<b>20</b>

9.1	Directors' Declarations	20
9.2	Approvals Necessary to Complete the Sale and Related Exemptions	20
9.2.1	Governmental Approvals	20
9.2.2	Approvals of the Bank's General Assembly	20
9.2.3	Exemptions Granted to the Bank Regarding the Sale	21
9.3	Procedures Required to Complete the Sale	21
9.3.1	Governmental Approvals	21
9.3.2	Approval of the Extraordinary General Assembly Relating to the Sale	21
<b>10. Use of Sale Proceeds and Expenses</b>		<b>23</b>
10.1	Net Sale Proceeds	23
10.2	Use of Sale Proceeds	23
<b>11. Purchase Terms, Conditions and Instructions</b>		<b>24</b>
11.1	Purchase of the Treasury Shares	24
11.2	How to Apply	24
11.3	Allocation	25
<b>Appendix 1: Invitation form for the Extraordinary General Assembly Relating to the Sale</b>		<b>26</b>

## Tables

Table (1): Board of Directors as at the date of this Circular	7
Table (2): Details of Shareholdings in the Bank's for each of Substantial Shareholders	13
Table (3): Key Dates for Eligible Investors Relating to the Sale	14
Table (4): Key Announcements Related to the Sale	14
Table (5): The Bank's Substantial Shareholders groups	16

## Figures

Figure 1: Structure of The Saudi Investment Bank Group	17
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# 1. CIRCULAR FOR THE SALE OF THE TREASURY SHARES OF THE SAUDI INVESTMENT BANK

This unofficial English language translation of the official Arabic Language Circular is provided for information purposes only. The Arabic Language Circular published through the Bank's announcement on Tadawul dated 14/7/2021 remains the only official, legally binding version and shall prevail in the event of any conflict with the English language contained herein.

The sale of 74,995,210 ordinary shares of the Treasury Shares owned by SAIB, representing 9.99% of the Bank's share capital via a mechanism similar to a rights issue (the "Sale") at a sale price determined by the Board of Directors after obtaining the approval of the Extraordinary General Assembly Relating to the Sale (the "Sale Price")

A Saudi joint stock company incorporated pursuant to Royal Decree No. M/31 dated 25/6/1396H (corresponding to 23/6/1976G), and registered under Commercial Registration No. 1010011570 dated 25/3/1397H (corresponding to 16/3/1977G).

The Saudi Investment Bank (hereinafter referred to as "the Bank" or "SAIB") was established as a Saudi joint stock company pursuant to Royal Decree No. M/31 dated 25/6/1396H (corresponding to 23/6/1976G), and registered in Riyadh under Commercial Registration No. 1010011570 dated 25/3/1397H (corresponding to 16/3/1977G). The Bank's current share capital amounts to seven billion five hundred million Saudi riyals (SAR 7,500,000,000) divided into seven hundred fifty million (750,000,000) ordinary shares (the "Shares") with a nominal value of ten Saudi riyals per share (SAR 10), and listed on the Saudi Exchange (Tadawul) ("Tadawul" or the "Exchange"). As at the date of this Circular, the Substantial Shareholders of the Bank (i.e., shareholders holding 5% or more of the Shares) are the General Organization for Social Insurance (GOSI) (with a 16.56% shareholding of the Bank's share capital) and the Public Pension Agency (PPA) (with a 13.99% shareholding of the Bank's share capital), noting that the Bank itself owns more than 5% of the Shares by virtue of owning the Treasury Shares as a result of the acquisition of those shares after the completion of each of the J. P. Morgan Transaction and the Mizuho Bank Transaction (as described below) (with the Bank holding a 9.99% shareholding in its share capital).

The Bank had previously purchased all of the shares of its former shareholders, J. P. Morgan International Finance ("J. P. Morgan") and Mizuho Bank Co., Ltd. ("Mizuho Bank") with the intention of holding them as Treasury Shares for resale at a later time via the same mechanism as that of a rights issue. On 30/9/1439H (corresponding to 14/6/2018G) the Bank entered into an agreement to purchase the entire shares of J. P. Morgan in the Bank amounting to 56,245,350 shares, representing 7.49% of the Bank's share capital ("J. P. Morgan Shares"), at a price of SAR 13.50 per share, with a total value of SAR 759,312,225 ("J. P. Morgan Share Purchase Agreement"). The Bank announced on the Tadawul website that it had signed the J. P. Morgan Share Purchase Agreement on 10/10/1439G (corresponding to 24/6/2018G), and further announced, on 17/1/1440H (corresponding to 28/9/2018G) on the Tadawul website, that it had completed the transaction for the purchase of the J. P. Morgan Shares and had registered the same as treasury shares ("J. P. Morgan Transaction"), which transaction was executed after the Bank obtained all the necessary regulatory approvals to purchase those shares in accordance with the Regulatory Rules and Procedures issued pursuant to the Companies Law relating to Listed Joint Stock Companies issued by CMA's Board Resolution No. 8-127-2016 dated 16/1/1438H (corresponding to 17/10/2016G), as amended by CMA's Board Resolution No. 4-122-2020 dated 3/4/1442H (corresponding to 18/11/2020G) ("Regulatory Rules and Procedures") and other applicable laws and instructions in the Kingdom of Saudi Arabia (the "Kingdom"), including the approval of the Bank's Extraordinary General Assembly ("Extraordinary General Assembly"), which the Bank announced on Tadawul's website on 17/1/1440H (corresponding to 27/9/2018G). In addition, on 21/3/1440H (corresponding to 29/11/2018G) the Bank entered into an agreement with Mizuho Bank to purchase all of its shares (amounting to 18,749,860 shares), representing 2.50% of the Bank's capital ("Mizuho Bank Shares"), at a price of SAR 13.50 per share, with a total value of SAR 253,123,110 ("Mizuho Bank Share Purchase Agreement"). The Bank announced on the Tadawul website that it had signed an agreement to purchase Mizuho Bank's Shares on 21/3/1440H (corresponding to 29/11/2018G), and that it had completed a transaction for the purchase of the Mizuho Bank Shares in addition to registering them as Treasury Shares on 23/9/1440H (corresponding to 28/5/2019G) ("Mizuho Bank Transaction"), after the Bank obtained all the necessary regulatory approvals in accordance with the Regulatory Rules and Procedures and other applicable laws and instructions in the Kingdom, including the approval of the Bank's Extraordinary General Assembly, which the Bank announced on the Tadawul website on 24/7/1440H (corresponding to 31/3/2019G).

The Bank obtained no-objection letters from the Saudi Central Bank ("SAMA") in respect of J.P. Morgan Transaction on 6/8/1439H (corresponding to 22/4/2018G) and the Mizuho Bank Transaction on 11/3/1440H (corresponding to 19/11/2018G), which referred to the Bank's sale of the J.P. Morgan Shares and the Mizuho Bank Shares to the Shareholders at a later time via the same mechanism as that of a rights issue during the periods determined by the Extraordinary General Assembly. The Bank also obtained approvals from the Capital Market Authority (the "CMA") on 28/12/1439H (corresponding to 6/9/2018G) and on 19/7/1440H (corresponding to 26/3/2019G) in respect of exempting the Bank from a number of requirements stipulated under the Regulatory Rules and Procedures so that the Bank can purchase the J.P. Morgan Shares and Mizuho Bank Shares and hold them as treasury shares. On 16/1/1440H (corresponding to 26/9/2018G), the Extraordinary General Assembly approved the Bank's purchase of the J. P. Morgan Shares for the purpose of holding them as treasury shares to be sold to the Shareholders at a later time via the same mechanism as that of a rights issue within a period of no more than eighteen (18) months from the date of the J. P. Morgan Transaction. The Bank's Extraordinary General Assembly has also given its approval for the authorization of the Bank's Board of Directors (the "Board of Directors") to complete the J. P. Morgan Transaction over one or several stages, with such authorization being effective for a maximum period of twelve (12) months from the date of the Extraordinary General Assembly's Resolution, and to sell the shares purchased from J. P. Morgan in one or several stages according to the above mechanism. Moreover, on 21/7/1440H (corresponding to 28/3/2019G), the Extraordinary General Assembly approved the Bank's purchase of the Mizuho Bank Shares for to be sold to the Shareholders at a later time via the same mechanism as that of a rights issue within a period of no more than eighteen (18) months from the date of the Mizuho Bank Transaction. The Extraordinary General Assembly has also given its approval for authorization of the Board of Directors to complete the Mizuho Bank Transaction in one or several stages, with such authorization being effective for a maximum period of twelve (12) months from the date of the Extraordinary General Assembly's Resolution - and to sell the shares purchased from Mizuho Bank in one or several stages according to the above mechanism.

Following the completion of the J.P. Morgan Transaction and Mizuho Bank Transaction, the treasury shares owned by the Bank amounted to 74,995,210 shares, representing 9.99% of the Bank's paid-up capital ("Treasury Shares"). Based on the Extraordinary General Assembly's resolutions above, the Bank was required to sell the Treasury Shares to its Shareholders within a period of no

more than 18 months from the date of the relevant transaction, provided that those shares would be sold to Shareholders via the same mechanism as that of a rights issue, after obtaining the required approvals if necessary (for further details, see Section 6 (“**Key Dates and Purchase Procedures**”) of this Circular). However, in light of the prevailing market conditions during FY2020, and for the purposes of completing and implementing the arrangements related to the Sale in line with the interests of the Bank, on 14/4/1442H (corresponding to 29/11/2020G), the Bank obtained the approval of the Extraordinary General Assembly for extension of the maximum period during which the Bank may hold the J. P. Morgan Shares and Mizuho Bank Shares as Treasury Shares until 27/5/1443H (corresponding to 31/12/2021G), in addition to authorizing the Board of Directors to sell the Treasury Shares at any time before such date, in one or several stages, according to the terms and mechanism that the Board of Directors deems appropriate (whether via the same mechanism as that of a rights issue or otherwise), subject to the relevant regulatory requirements being met and the legally required approvals being obtained. The approval of the Extraordinary General Assembly above also authorized the Board of Directors to take all measures related to the disposal of Treasury Shares, including, without limitation, executing all relevant agreements and documents, determining the sale price of the Treasury Shares and the identity of the purchasers of the Treasury Shares (this includes the possibility of selling the Treasury Shares to persons other than the Shareholders of the Bank if the Board of Directors deems it appropriate), and determining the terms and conditions for the sale of Treasury Shares. The Bank announced the above-mentioned Extraordinary General Assembly’s approval on the Tadawul website on 15/4/1442H (corresponding to 30/11/2020G). On 27/2/1442H (corresponding to 14/10/2020G), the Bank also obtained a no-objection letter from SAMA to extend the maximum period during which the Bank may hold and sell the Treasury Shares in accordance with the mechanism determined by the Board of Directors after obtaining the approval of the Bank’s Shareholders. On 12/8/1441H (corresponding to 5/4/2020G), the Bank also obtained CMA’s approval on a number of exemptions to the relevant rules and instructions for the purposes of executing the sale of the Treasury Shares in accordance with the mechanism set out herein (for further details, see Section 9.2.1 (“**Government Approvals**”) of this Circular).

The Board of Directors recommended that Treasury Shares be sold via a mechanism similar to a rights issue, subject to some differences in accordance with the specific nature of the Sale as set out in this Circular and after obtaining all the necessary regulatory approvals, along with the approval of the Extraordinary General Assembly for implementation of the Sale as per the mechanism described herein (the “**Extraordinary General Assembly Relating to the Sale**”). It should be made clear that, to implement the Sale, the approval of the Extraordinary General Assembly Relating to the Sale must be obtained, as stipulated in the CMA’s approval issued on 12/8/1441H (corresponding to 5/4/2020G) in respect of a number of exceptions to the relevant rules and instructions for the purposes of executing the Sale. The Bank published an invitation to its Shareholders to attend the Extraordinary General Assembly Relating to the Sale on 4/12/1442H (corresponding to 14/7/2021G). Prior to voting on the resolutions of the Extraordinary General Assembly Relating to the Sale or taking any investment decision related to the Treasury Shares and Rights, this Circular should be read in full and all its sections should be carefully reviewed, particularly Section 2 (“**Important Notice**”) and Section 8 (“**Risk Factors**”) hereof.

Subject to the approval of the Extraordinary General Assembly Relating to the Sale, all necessary approvals for the Sale have been obtained (for further details, see Section 9.2 (“**Approvals Necessary to Complete the Sale and Related Exemptions**”) of this Circular). Following obtaining the approval of the Extraordinary General Assembly Relating to the Sale, the Board of Directors will issue its resolution launching the Sale in accordance with the mechanism referred to in this Circular and at the time the Board of Directors deems appropriate in light of market conditions and other relevant considerations, without prejudice to the deadlines for the sale of the Treasury Shares in accordance with the approvals of the Bank’s General Assembly and previous regulatory approvals (unless these periods are extended) (the “**Board of Directors’ Resolution to Launch the Sale**”). Furthermore, the Board of Directors will have the authority to determine the sale price of Treasury Shares.

In line with the Extraordinary General Assembly’s resolutions referred to above and after obtaining the approval of the Extraordinary General Assembly Relating to the Sale, the Bank will sell the Treasury Shares following issuance of the Board of Directors’ Resolution to Launch the Sale via a mechanism similar to a rights issue, subject to some differences in accordance with the specific nature of the Sale. As such, the Shareholders who own Shares at the close of trading on the eligibility date determined pursuant to the Board of Directors’ Resolution to Launch the Sale (the “**Eligibility Date**”), and who are registered in the Bank’s Shareholder Register held with Edaa at the close of the second trading day following the Eligibility Date (collectively the “**Registered Shareholders**” and each a “**Registered Shareholder**”), will receive tradable rights that enable them to purchase Treasury Shares at the Sale Price (collectively referred to as the “**Rights**” and individually as a “**Right**”). Such Rights will be deposited into the Registered Shareholders’ portfolios after the Eligibility Date. Each Registered Shareholder will receive one (1) Right for every nine (9) shares held, and each Right grants its holder the right to subscribe to one (1) Treasury Share at the Sale Price (as defined below in Section 3 (“**Terms and Definitions**”) of this Circular). It should be noted that the Bank (as a shareholder by virtue of owning the Treasury Shares) will not obtain any Rights against the Treasury Shares it holds as at the date of this Circular.

All Registered Shareholders and other individual and institutional investors who have purchased the Rights (“**New Investors**”) will be entitled to trade in and purchase the Rights on the Exchange during the Trading Period. A Right will have an indicative value to be calculated as per the mechanism described in Section 5 (“**Sale Summary**”) of this Circular. It should be noted that the Bank will apply the same formula used in a rights issue for the purposes of calculating the daily limits of the Rights price.

The Trading Period and the Purchase Period shall be determined as per Table 3 in Section 6.1 (“**Key Dates for Eligible Investors**”), and the days during the Trading Period and the Purchase Period will be calculated on the basis of trading days. It is worth mentioning that the Trading Period and the Purchase Period will start on the same day, while the Trading Period continues until the end of the sixth day after the start thereof, and the Purchase Period continues until the end of the ninth day of the same period. Registered Shareholders will be entitled to trade the Rights during the Trading Period by selling the acquired rights or part of it or buying additional rights from the Exchange. In addition, New Investors will be entitled during the Trading Period to purchase Rights through the Exchange and sell the same during this Period.

Treasury Shares may be purchased during the Purchase Period over one stage according to the following:

- 1- During this period, all Registered Shareholders and New Investors holding the Rights (“Eligible Investors”) will be entitled to purchase Treasury Shares.
- 2- A Registered Shareholder will have the right to directly purchase the Treasury Shares it is entitled to pursuant to the Rights during the Purchase Period, and if it purchases additional Rights during the Trading Period, it will have the right to exercise them after they are completely settled (noting that the settlement period is two trading days).
- 3- New Investors will be entitled to exercise the Rights purchased from the Exchange during the Trading Period after they are completely settled (noting that the settlement period is two trading days).
- 4- Purchase of Treasury Shares will be available online through investment portfolios in trading platforms and applications, through which sale and purchase orders are entered, as well as through other channels and means provided by the broker.

If any Treasury Shares remain unsold after the end of the Purchase Period (“Rump Shares”), those shares will be sold to a number of institutional investors (“Institutional Investors”). Such Institutional Investors shall submit offers for purchasing the Rump Shares and these offers will be received during the sale period of the Rump Offering described in Table 3 in Section 6.1 (“Key Dates for Eligible Investors”) (to be determined and announced later) (“Rump Offering Period”). The Rump Shares will be allocated to Institutional Investors in order of priority based on the price per Share offered (provided that it is not less than the Sale Price) with Shares being allocated on a proportional basis among those Institutional Investors that tendered offers at the same price. The Bank will receive all proceeds of these sales (i.e., there will be no mechanism for compensating Shareholders failing to exercise their right to purchase the Treasury Shares, given that their shareholding in the Bank has not decreased as a result of the Sale, as is the case with rights issues). It should be noted that no underwriters will be appointed for the purposes of the Sale.

If a Registered Shareholder is entitled to Rights fractions, the number of Rights entitled thereto will be rounded to the lowest whole number. Accordingly, the Sale will not result in entitlement to fractional shares and therefore there will be no mechanism for dealing with them. The Shares for which no Rights have been issued (due to the existence of fractions entitled) will be considered as part of the Rump Shares and will be sold during the Rump Offering Period.


If any Treasury Shares remain unsold after the end of the Rump Offering Period, the Bank will hold these shares as Treasury Shares and dispose of them as deemed appropriate by the Board of Directors, subject to the relevant regulatory requirements being complied with and the required approvals being obtained.

The final allocation of the Treasury Shares will be announced at the date set for it as per Table 3 in Section 6.1 (“Key Dates for Eligible Investors”) (“Allocation Date”) (for further details, see Section 11 (“Purchase Terms, Conditions and Instructions”) of this Circular). The Net Sale Proceeds will be calculated based on the number of Treasury Shares sold multiplied by the Sale Price determined by the Board of Directors, less all Sale-related costs. The Bank intends to use the Sale Proceeds to enhance its capital base, raise its liquidity ratios, and finance its expansion activities and future operations (for further details, see Section 10 (“Use of Sale Proceeds and Expenses”) of this Circular).

The Bank has one class of shares. No Shareholder shall have any preferential rights. This includes the Treasury Shares, which will be sold in the same class of the Bank’s current shares and with the same rights attached thereto. New holders of the Treasury Shares will be entitled to any profits announced and their due date will take place after the date such Shares are acquired.

Prior to taking any investment decision related to Treasury Shares and the Sale, this Circular should be read in full and all its sections should be carefully reviewed, particularly Section 2 (“Important Notice”) and Section 8 (“Risk Factors”) hereof.

The Bank has appointed both J. P. Morgan Saudi Arabia (“J. P. Morgan Saudi Arabia”) and Alistithmar for Financial Securities and Brokerage Company (“Alistithmar Capital”) as financial advisors (“Financial Advisors”). The Bank has also appointed Alistithmar Capital as the Lead Manager (the “Lead Manager”).

Financial Advisors and Lead Manager	
Financial Advisor and Lead Manager	Financial Advisor
 <p>الاستثمار كابيتال Alistithmar Capital</p>	 <p>J.P.Morgan</p>

This Circular contains information related to the Sale. The Bank’s Directors, whose names appear on page (7) hereof, collectively and individually accept full responsibility for the accuracy of the information contained in this Circular and confirm, having made all reasonable inquiries that to the best of their knowledge and belief, there are no other facts the omission of which would make any statement herein misleading. The CMA and the Exchange take no responsibility for the contents of this Circular, make no representations as to its accuracy or completeness, and expressly disclaim any liability whatsoever for any loss arising from, or incurred in reliance upon, any part of this Circular.

The Circular was issued on 4/12/1442H (corresponding to 14/7/2021G) and was drafted in Arabic.



## 2. Important Notice

This Circular contains detailed information about the Sale, the Bank, Rights and Treasury Shares. The Circular aims to provide information to Target Investors about the Sale, so that they can make an informed decision upon investing in Rights and Treasury Shares. In applying to purchase of Treasury Shares, the Target Investors will be treated as applying on the basis of the information contained in this Circular, copies of which are available at the head office of the Bank and the Lead Manager or by visiting the website of the Bank ([www.saib.com.sa](http://www.saib.com.sa)), each of the Financial Advisors and the Lead Manager ([www.jporgansaudi Arabia.com](http://www.jporgansaudi Arabia.com)) or ([www.icap.com.sa](http://www.icap.com.sa)), CMA ([www.cma.org.sa](http://www.cma.org.sa)), or the Exchange ([www.saudiexchange.sa](http://www.saudiexchange.sa)).

The Bank has appointed both J. P. Morgan Saudi Arabia and Alistithmar Capital as Financial Advisors. The Bank has also appointed Alistithmar Capital as the Lead Manager. Both of J. P. Morgan Saudi Arabia and Alistithmar Capital - two companies authorized by CMA to operate in KSA - act as exclusive financial advisors to the Bank in respect of the Sale. The Financial Advisors will not be responsible to any party other than the Bank for providing advice on the Sale or any other matter referred to in this Circular. The Financial Advisors have not independently verified such information and data contained in this Circular, and therefore they made no representations or statements with respect to the accuracy of this information.

The Bank's Directors (the "**Board of Directors**"), whose names appear on page (7) hereof, collectively and individually, accept full responsibility for the accuracy of the information contained in this Circular and confirm, having made all reasonable inquiries that to the best of their knowledge and belief, there are no other facts the omission of which would make any statement herein misleading. The CMA and the Exchange take no responsibility for the contents of this Circular, make no representations as to its accuracy or completeness, and expressly disclaim any liability whatsoever for any loss arising from, or incurred in reliance upon, any part of this Circular.

The information, data and statements contained in this Circular have been provided as at the date of publication of this Circular, unless another date is set for any of the information, data or statements herein. Therefore, the information hereof is subject to change after the date of publication of this Circular. The information and data contained in this Circular reflects the current view of the Board of Directors regarding the Sale, but are not a guarantee of the Bank's financial performance after the completion of the Sale. It should be made clear that there are several factors and aspects that may affect the Bank's performance or the results that it may achieve, either positively or negatively (for further details, see Section 8 ("**Risk Factors**") of this Circular). This Circular is not to be regarded as a recommendation on the part of the Bank, the Directors, the Substantial Shareholders or any of the Bank's Advisors to participate in the Sale. Moreover, information provided in this Circular is of a general nature and has been prepared without taking into account individual investment objectives, financial situation or particular investment needs of the persons who intend to invest in the Rights and Treasury Shares. Prior to making an investment decision in the Rights or Treasury Shares, each recipient of this Circular is responsible for obtaining independent professional advice from a financial advisor in relation to the Sale and must rely on its own examination of the Bank and the appropriateness of both the investment opportunity and the information herein with regard to the recipient's individual objectives, financial situation and needs.

Except as disclosed in this Circular, no person has been authorized to provide any information or statements on behalf of the Board of Directors. Therefore, any information or statements provided by other parties should not be relied upon on the basis that they have issued by the Bank.

### Forecasts and Forward-looking Statements

Forecasts and statements set out in this Circular (if any) are prepared on the basis of certain stated assumptions. Future operating conditions may differ from the assumptions used. Consequently, no affirmation, representation or warranty is made with respect to the accuracy or completeness of any of these forecasts.

Certain statements in this Circular constitute "forward-looking statements". Such statements can generally be identified by their use of forward-looking words, such as "plans," "estimates," "believes," "expects," "anticipates," "may," "will," "should," "expected," "would be," or the negative thereof, or other variation of such terms or comparable terminology. These forward-looking statements reflect the current views of the Bank with respect to future events and are not a guarantee of future performance, as there are many factors that could affect the actual performance, achievements or results of the Bank and cause them to be significantly different from what was expected, whether expressed or implied, in these the forward-looking statements. Some of the risks and factors that could have such an effect are described in more detail in other sections of this Circular (For further details, see Section 8 ("**Risk Factors**") of this Circular). Should any one or more of the risks or uncertainties materialize or any underlying assumptions prove to be inaccurate or incorrect, actual results may vary materially from those described in this Circular.

The Bank neither intends, nor assumes any obligation, to amend or update the forward-looking statements contained in this Circular, except as required by applicable laws and regulations.



### 3. Terms and Definitions

Expressions and terms set out in this Circular shall have the meanings ascribed to them unless the context requires otherwise:

Government	Government of the Kingdom.
Kingdom	The Kingdom of Saudi Arabia.
Bank or SAIB	The Saudi Investment Bank, a Saudi joint stock company incorporated pursuant to Royal Decree No. M/31 dated 25/6/1396H (corresponding to 23/6/1976G), and registered under Commercial Registration No. 1010011570 dated 25/3/1397H (corresponding to 16/3/1977G).
Substantial Shareholders	The Bank's substantial shareholders holding 5% or more of the Shares, namely GOSI (with a 16.56% shareholding of the Bank's share capital), PPA (with a 13.99% shareholding of the Bank's share capital), in addition to the Bank itself by virtue of owning the Treasury Shares (with a 9.99% shareholding of the Bank's share capital).
Shareholders	Shareholders of the Bank
Shares	The entirety of the Bank's current shares amounting to seven hundred fifty million (750,000,000) ordinary shares (including Treasury Shares).
J. P. Morgan	J. P. Morgan International Finance, a former shareholder of the Bank.
Mizuho Bank	Mizuho Bank Co., Ltd., a former shareholder of the Bank.
Treasury Shares	74,995,210 ordinary shares held by the Bank, which the Bank purchased from each of J. P. Morgan and Mizuho Bank, representing 9.99% of the Bank's capital.
J. P. Morgan Shares	56,245,350 shares purchased by the Bank from J. P. Morgan under the J. P. Morgan Share Purchase Agreement.
Mizuho Bank Shares	18,749,860 shares purchased by the Bank from Mizuho Bank under the Mizuho Bank Share Purchase Agreement.
J. P. Morgan Share Purchase Agreement	The agreement executed between the Bank and J. P. Morgan on 30/9/1439H (corresponding to 14/6/2018G) regarding the Bank's purchase of the J. P. Morgan Shares.
Mizuho Bank Share Purchase Agreement	The agreement concluded between the Bank and Mizuho Bank on 21/3/1440H (corresponding to 29/11/2018G) regarding the Bank's purchase of the Mizuho Bank Shares.
J. P. Morgan Transaction	The Bank's purchase of the J. P. Morgan Shares from J. P. Morgan.
Mizuho Bank Transaction	The Bank's purchase of the Mizuho Bank Shares from Mizuho Bank.
Rights	Tradable rights that entitle their holders to purchase Treasury Shares at the Sale Price; they are earned rights for all Registered Shareholders which may be traded during the Trading Period.
Registered Shareholders	Shareholders who own Shares at the close of trading on the Eligibility Date and registered in the Bank's Shareholder Register held with Edaa at the close of the second trading day following the Eligibility Date.
New Investors	General individual investors and Institutional Investors, other than Registered Shareholders, who have purchased the Rights during the Trading Period.
Eligible Investors	All Rights holders, whether they are Registered Shareholders or New Investors, who have purchased the Rights during the Trading Period.
Target Investors	Registered Shareholders and any other person who may purchase the Rights from the Exchange.
Trading Period	The Trading Period for the Rights during which all Eligible Investors, whether they are Registered Shareholders or New Investors, may trade in the Rights. The duration of such period is set out in Table 3 in Section 6.1 ("Key Dates for Eligible Investors"). The days during the Trading Period are calculated based on trading days.
Purchase Period	The period during which all Eligible Investors, whether they are Registered Shareholders or New Investors, may exercise their right to purchase the Treasury Shares. The duration of such period is set out in Table 3 in Section 6.1 ("Key Dates for Eligible Investors"). The Purchase Period starts on the same day as the Trading Period, while the Trading Period continues until the end of the sixth day after the start thereof, and the Purchase Period continues until the end of the ninth day of the same period. The days during the Purchase Period are calculated based on trading days.
Rump Shares	The rump Treasury Shares that are not purchased during the Purchase Period.
Institutional Investors	Investors of an institutional nature.
Rump Offering Period	The period during which the offers of Institutional Investors to purchase the Rump Shares are received, the duration of which is set out in Table 3 in Section 6.1 ("Key Dates for Eligible Investors").
Affiliate	A person who controls another person or is controlled by that other person, or who is under common control with that person by a third person. In any of the preceding, control could be direct or indirect.
Day	A Business Day.
Business Day	Any day except for Friday and Saturday and public holidays.
Authority or CMA	Saudi Capital Market Authority.

<b>SAMA</b>	The Saudi Central Bank (previously, the “Saudi Arabian Monetary Authority”).
<b>MoC</b>	Ministry of Commerce in the Kingdom of Saudi Arabia.
<b>ZATCA</b>	Zakat, Tax and Customs Authority in the Kingdom of Saudi Arabia.
<b>Exchange or Tadawul</b>	Saudi Exchange (Tadawul)
<b>Edaa</b>	Securities Depository Center Company (Edaa).
<b>GOSI</b>	General Organization for Social Insurance in the Kingdom of Saudi Arabia.
<b>PPA</b>	Saudi Public Pension Agency.
<b>Companies Law</b>	The Companies Law issued pursuant to Royal Decree No. M/3 dated 28/01/1437H (corresponding to 11/11/2015G), as amended by Royal Decree No. M/79 dated 25/7/1439H (corresponding to 11/4/2018G).
<b>Board of Directors</b>	The Bank’s Board of Directors
<b>General Assembly</b>	The General Assembly of the Bank’s Shareholders.
<b>Ordinary General Assembly</b>	The Ordinary General Assembly meeting of the Bank’s Shareholders held in accordance with the Bank’s Bylaws.
<b>Extraordinary General Assembly</b>	The Extraordinary General Assembly meeting of the Bank’s Shareholders held in accordance with the Bank’s Bylaws.
<b>Extraordinary General Assembly Relating to the Sale</b>	The Extraordinary General Assembly meeting of the Bank’s Shareholders, which will be held to vote on the Sale according to the invitation form of the Extraordinary General Assembly meeting of the Bank (contained in “Appendix 1: Sale Invitation form for the Extraordinary General Assembly Relating to the Sale” of this Circular).
<b>Board of Directors’ Resolution to Launch the Sale</b>	The Board of Directors’ resolution approving the launch of the Sale in accordance with the mechanism referred to in this Circular and at the time the Board of Directors deems appropriate in light of market conditions and other relevant considerations, without prejudice to the deadlines for sale of Treasury Shares in accordance with the approvals of the Bank’s General Assembly and previous regulatory approvals (unless these periods are extended). The Sale Price is also determined under the Board of Directors’ Resolution to Launch the Sale.
<b>Banking Control Law or BCL</b>	The Banking Control Law issued by Royal Decree No. M/5 dated 22/02/1386H (corresponding to 12/6/1966G).
<b>Capital Market Law or CML</b>	The Capital Market Law promulgated by Royal Decree No M/30 dated 02/06/1424H (corresponding to 31/7/2003G).
<b>ROSCOs or Rules on the Offer of Securities and Continuing Obligations</b>	The Rules on the Offer of Securities and Continuing Obligations issued by the CMA Board pursuant to its Resolution No. 3-123-2017 dated 09/04/1439H (corresponding to 28/12/2017G) as amended by the CMA Board’s Resolution No. 1-7-2021 dated 1/06/1442H (corresponding to 15/1/2021G).
<b>Regulatory Rules and Procedures</b>	Regulatory Rules and Procedures issued pursuant to the Companies Law relating to Listed Joint Stock Companies passed by the CMA’s Board upon Resolution No. 8-127-2016 dated 16/01/1438H (corresponding to 17/10/2016G), as amended pursuant to CMA’s Board Resolution No. 4-122-2020 dated 3/4/1442H (corresponding to 18/11/2020G).
<b>Saudi Arabian Riyal (SAR)</b>	Saudi Arabian Riyal, the lawful currency of the Kingdom of Saudi Arabia.
<b>Bylaws</b>	The Bank’s Bylaws.
<b>H (Hijri)</b>	Hijri date.
<b>G (Gregorian)</b>	Gregorian date.
<b>Financial Advisors</b>	J. P. Morgan Saudi Arabia and Alistithmar Capital.
<b>Lead Manager</b>	Alistithmar Capital.
<b>Legal Advisor</b>	Abuhimed Alsheikh Alhagbani Law Firm (AS&H).
<b>Advisors</b>	The Bank’s Advisors, whose names appear on page (8) of this Circular.
<b>Sale</b>	Sale of Treasury Shares via a mechanism similar to a rights issue, subject to some differences in accordance with the specific nature of the Sale, as set out in this Circular.
<b>Net Sale Proceeds</b>	The net proceeds of the Sale, which will be calculated based on the number of Treasury Shares sold multiplied by the Sale Price determined by the Board of Directors, less all Sale-related costs.
<b>Sale Price</b>	The sale price per share of the Treasury Shares determined by the Board of Directors after obtaining the approval of the Extraordinary General Assembly Relating to the Sale, which price shall be determined pursuant to the Board of Directors’ Resolution to Launch the Sale and according to market conditions and related considerations.
<b>Indicative Value of the Right</b>	The difference between the market value of the Bank’s share during the Trading Period and the Sale Price.
<b>Person</b>	A natural individual or corporate entity.

## 4. Bank Directory

### 4.1 Board of Directors

Table (1): Board of Directors as at the date of this Circular:

Name	Title	Nationality	Status	Date of Appointment
Abdallah Saleh Jum'ah	Chairman of the Board	Saudi	Non-executive	2010G
Abdulaziz Abdulrahman Al Khames	Vice Chairman of the Board	Saudi	Non-executive	2007G
Dr. Fouad Saud Al Saleh	Director	Saudi	Independent	2013G
Abdulrahman Mohammed Al Rawaf	Director	Saudi	Non-executive	2010G
Muhammad Abdullah Ahmed Al'Ali	Director	Saudi	Independent	2014G
Saleh Ali Al Athel	Director	Saudi	Independent	2014G
Mohammed Khamees Bamaga	Director	Saudi	Independent	2019G
Yasser Mohammed Jarallah	Director	Saudi	Independent	2019G
Mohammed Abdulmohsen Al Grainees	Director	Saudi	Non-executive	2019G

Source: The Bank's Management

### 4.2 Contact Info

Bank Address	
<p><b>The Saudi Investment Bank</b> Head Office - General Administration Harithah Ibn Uday Street P. O. Box 3533, Riyadh 11481 Kingdom of Saudi Arabia Tel: +966 (11) 874 3000 Fax: +966 (11) 476 1976 Email: malswaydani@saib.com.sa Website: www.saib.com.sa</p>	 <p><b>البنك السعودي للاستثمار</b> The Saudi Investment Bank</p>
Representatives of the Bank	
<p><b>Mr. Abdallah Saleh Jum'ah</b> Chairman of the Board The Saudi Investment Bank Head Office - General Administration Harithah Ibn Uday Street P. O. Box 3533, Riyadh 11481 Kingdom of Saudi Arabia Tel: +966 (11) 874 3000 Fax: +966 (11) 476 1976 Email: jumahas@gmail.com Website: www.saib.com.sa</p>	<p><b>Mr. Faisal Al-Omran</b> Chief Executive Officer The Saudi Investment Bank Head Office - General Administration Harithah Ibn Uday Street P. O. Box 3533, Riyadh 11481 Kingdom of Saudi Arabia Tel: +966 (11) 874 3000 Fax: +966 (11) 476 1976 Email: falomran@saib.com.sa Website: www.saib.com.sa</p>
Saudi Exchange	
<p><b>Saudi Exchange (Tadawul)</b> King Fahd Road - Al Olaya 6897 Riyadh 12211-3388 Kingdom of Saudi Arabia Tel: +966 (11) 92001919 Fax: +966 (11) 2189133 Email: csc@tadawul.com.sa Website: www.tadawul.com.sa</p>	 <p><b>تداول</b> Tadawul</p>

## Financial Advisors

**Alistithmar for Financial Securities and Brokerage Company  
(Alistithmar Capital)**

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P.O. Box 6888  
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Tel: +966 (11) 2547666  
Fax: +966 (11) 4892653  
Email: info@icap.com.sa  
Website: www.icap.com.sa

**J. P. Morgan Saudi Arabia**

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Fax: +966 (11) 2993840  
Email: IB\_Riyadh@JPMorgan.com  
Website: www.jporgansaudi Arabia.com

# J.P.Morgan

## Lead Manager

**Alistithmar for Financial Securities and Brokerage Company  
(Alistithmar Capital)**

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Kingdom of Saudi Arabia  
Tel: +966 (11) 2547666  
Fax: +966 (11) 4892653  
Email: info@icap.com.sa  
Website: www.icap.com.sa



## Legal Advisor to the Bank

**Abuhimed Alsheikh Alhagbani Law Firm (AS&H)**

Building 15, Business Gate  
King Khaled International Airport Road  
P.O. Box 090239, Riyadh 11613  
The Kingdom of Saudi Arabia  
Tel: +966 (11) 481 9700  
Fax: +966 (11) 481 9701  
Email: info.ash@ashlawksa.com  
Website: www.ashlawksa.com



## Bank's Auditors

**KPMG for Professional Consultancy**

Riyadh Front, Airport Road  
P.O. Box 92876, Riyadh 11663  
Kingdom of Saudi Arabia  
Tel: +966 (11) 874 8500  
Fax: +966 (11) 874 8600  
Website: [www.kpmg.com.sa](http://www.kpmg.com.sa)

**Ernst & Young & Co. Public Accountants**

Al Faisaliah Tower, 14th Floor  
King Fahd Road  
P.O. Box 2732, Riyadh 11461  
Kingdom of Saudi Arabia  
Tel: +966 (11) 215 9898  
Fax: +966 (11) 273 4730  
Website: [www.ey.com](http://www.ey.com)



## 5. Sale Summary

The summary of the Sale in this section is intended to provide a brief overview of the information contained in this Circular, and this section does not include all information that may be important to Target Investors.

Therefore, this summary should be read and reviewed as a mere introduction to the Sale, and recipients of this Circular must read it fully and carefully review the data contained therein. Any decision to invest in the Rights and Treasury Shares should be based on a consideration of this Circular and the information contained therein as a whole.

In addition, Section 2 (“**Important Notice**”) and Section 8 (“**Risk Factors**”) of this Circular should be reviewed, prior to making any investment decision related to Treasury Shares and Rights.

The Bank	The Saudi Investment Bank (SAIB), a Saudi joint stock company incorporated pursuant to Royal Decree No. M/31 dated 25/6/1396H (corresponding to 23/6/1976G), and registered in Riyadh under Commercial Registration No. 1010011570 dated 25/3/1397H (corresponding to 16/3/1977G).
Bank's Activities	<p>The Bank's activity is to provide banking services in accordance with the Banking Control Law and other laws and regulations of the Kingdom of Saudi Arabia. To achieve such objectives, the Bank executes banking and investment operations for its own account and for the account of other internal and external parties within the limits and terms set by SAMA, namely:</p> <ol style="list-style-type: none"> <li>1- Opening current accounts and accepting demand deposits in Saudi Riyal or other currencies.</li> <li>2- Opening investment and similar accounts in Saudi Riyal and other currencies to generate operating profits.</li> <li>3- Issue, accept and negotiate commercial instruments, such as promissory notes, bills of exchange and cheques as well as accepting dealing in banknotes, coins and all types of currencies.</li> <li>4- Offering finance and facilities in Saudi Riyal or other currencies and accepting deposits of all kinds.</li> <li>5- Dealing in stocks and Mudaraba notes as per the rules governing the operations of companies' stock trading.</li> <li>6- Conduct securities business in the Kingdom in accordance with the relevant rules and regulations and after obtaining the necessary licenses.</li> <li>7- Opening of documentary letters of credit, issuance of letters of guarantee and grant bank facilities for import, export and domestic trade.</li> <li>8- Invest funds and assets of the Bank in accordance with the regulatory rules of the Kingdom.</li> <li>9- Possess, own, sell and deal in foreign currencies, coins and precious metals.</li> <li>10- Receive monies, documents and valuables as a deposit or a loan, or for its safekeeping, as well as issue receipts in acknowledgement thereof.</li> <li>11- Open accounts in the Bank's name in local and foreign banks and other financial institutions.</li> <li>12- Establishing, managing and leasing safe deposit boxes.</li> <li>13- Act as an agent, correspondent or representative for local and foreign banks.</li> <li>14- Conduct fund transfers inbound and outbound the Kingdom.</li> <li>15- Act as an agent to collect funds, bills and promissory notes and any other instrument in the Kingdom of abroad.</li> <li>16- Provide consultancy and advisory services in the investment field or act as an investment manager; or a financial agent or representative within the limits prescribed on the regulations and instructions applicable in the Kingdom.</li> <li>17- Manage, sell, invest, possess and deal in any fund, right or interest related to any moveable or immovable fund which may inure to the Bank, or which may be owned or taken by the Bank for fulfilling all or some of its liabilities or as security for any loan or facilities made available by it or which may be related, in whatsoever manner, with this claim or guarantee within limits defined under the relevant laws.</li> <li>18- Establish subsidiary companies or become a shareholder or a partner, in whatsoever manner, in companies or bodies which are engaged in such activities that fall within the scope of purposes of the Bank; merge with them or purchase them to pursue financial and non-financial activities, inside and outside the Kingdom, according to the laws and regulations which are in force in the Kingdom, but after obtaining licenses and approvals from the competent authorities.</li> <li>19- Borrow or obtain financing, in whatsoever manner, being in line with the rules prescribed for the Bank's activities; conclude contracts, provide guarantees, collaterals, and pledges related therewith whether in or outside the Kingdom in accordance with the regulations and instructions applicable in the Kingdom.</li> <li>20- Supervision of the investment management units and their funds and participate in the capital markets with the aim of marketing banking products in the field of investment and financing.</li> <li>21- Enter into agreements with local and foreign companies to provide technical, administrative and professional services to the Bank for any period or periods that the Bank may deem appropriate or necessary.</li> <li>22- Pay against the Bank's procuring, ownership and rights in cash or in instalments, or in any other manner or pay their value in the form of financial instruments or obligations which the Bank has power to issue.</li> <li>23- Conduct any other permissible banking transactions under the banking and monetary laws effective in the Kingdom.</li> </ol>

<b>Substantial Shareholders</b>	The Substantial Shareholders of the Bank are GOSI, PPA and the Bank itself (as a result of its purchase of Treasury Shares). For further details, see Table 2 - Details of Shareholdings in the Bank's for each of Substantial Shareholders: in Section 5 ("Sale Summary").
<b>Nature of the Sale</b>	Sale of Treasury Shares to Eligible Investors via a mechanism similar to a rights issue, subject to some differences in accordance with the specific nature of the Sale.
<b>Purpose of the Sale</b>	In implementing the Sale, the Bank aims to support its financial position, and the Sale Proceeds will be used to enhance its capital base, raise its liquidity ratios, and finance its expansion activities and future operations.
<b>Number of Treasury Shares</b>	Seventy-four million nine hundred ninety-five thousand two hundred ten (74,995,210) fully paid ordinary shares.
<b>Nominal Value per Share</b>	Ten Saudi riyals (SAR 10) per share.
<b>Current Share Capital of the Bank</b>	Seven billion five hundred million Saudi riyals (SAR 7,500,000,000).
<b>Total Number of Treasury Shares Subject to Sale</b>	Seventy-four million nine hundred ninety-five thousand two hundred ten (74,995,210) ordinary shares.
<b>Sale Price</b>	The sale price per share of the Treasury Shares determined by the Board of Directors in Saudi riyals.
<b>Total Value of the Sale</b>	The total value of the Sale will be determined after the Sale Price is set by the Board of Directors, which price shall be determined after obtaining the approval of the Extraordinary General Assembly Relating to the Sale and in accordance with the market conditions prevailing at that time and other related considerations. Accordingly, the total Sale Price will be calculated by multiplying the Treasury Shares sold by the Sale Price.
<b>Registered Shareholders</b>	Shareholders who own Shares at the close of trading on the Eligibility Date that will be determined under Board of Directors' Resolution to Launch the Sale and who are registered in the Bank's Shareholder Register held with Edaa at the close of the second trading day following the Eligibility Date (except for the Bank given it will not obtain any Rights against the Treasury Shares held, which are to be sold in accordance with this Circular).
<b>New Investors</b>	General individual investors and Institutional Investors, other than Registered Shareholders, who have purchased the Rights during the Trading Period.
<b>Eligible Investors</b>	All Rights holders, whether they are Registered Shareholders or New Investors, who have purchased the Rights during the Trading Period.
<b>Target Investors</b>	Registered Shareholders and any other person who may purchase the Rights from the Exchange.
<b>Rights</b>	Tradable rights that entitle its holder to purchase Treasury Shares at the Sale Price; they are earned rights for all Registered. The Rights may be traded during the Trading Period. Each Right grants its holder the right to subscribe to one (1) Treasury Share at the Sale Price. The Rights will be deposited in the portfolios of Registered Shareholders, and will appear in these portfolios under a new symbol that designates these Rights.
<b>Eligibility Factor</b>	Each Registered Shareholder is granted one (1) Right for every nine (9) shares held. This ratio is the result of dividing the number of Treasury Shares by the number of the Bank's other shares. The Bank, as a shareholder as a result of its purchase of Treasury Shares, will not be entitled to any of the Rights against the Treasury Shares it holds.
<b>Number of Rights to be Issued</b>	Seventy-four million nine hundred ninety-five thousand two hundred ten (74,995,210) Rights.
<b>Ratio of Treasury Shares to the Bank's Share Capital</b>	(9.99%).
<b>Sale Costs</b>	The Bank will be responsible for all costs associated with the Sale, which will be deducted from the total Sale Proceeds. The Sale Costs include the fees of the Financial Advisors, the Lead Manager, and the Legal advisor of the Bank, fees charged by government entities (including those of Tadawul), and printing and distribution, and any other expenses or fees related to the Sale. These costs are based on estimates and therefore, they are not final.
<b>Net Sale Proceeds less Sale Costs</b>	Net Sale Proceeds will be calculated based on the number of Treasury Shares sold multiplied by the Sale Price determined by the Board of Directors, less all Sale-related costs.
<b>Use of Sale Proceeds</b>	The Bank intends to use the proceeds of the sale to enhance its capital base, raise its liquidity ratios, and finance its expansion activities and future operations.
<b>Eligibility Date</b>	The date specified as the Eligibility Date under Board of Directors' Resolution to Launch the Sale.



Trading Period	The Trading Period starts on the date specified in Table 3 in Section 6.1 (“Key Dates for Eligible Investors”) and continues until the end of the sixth day after the start thereof. The days during the Trading Period are calculated based on trading days. During this period, all Eligible Investors, whether they are Registered Shareholders or New Investors, may trade in the Rights.
Purchase Period	The Purchase Period starts on the date specified in Table 3 in Section 6.1 (“Key Dates for Eligible Investors”) and continues until the end of the ninth day after the start thereof. The days during the Purchase Period are calculated based on trading days. During this period, all Eligible Investors, whether they are Registered Shareholders or New Investors, may exercise their right to purchase the Treasury Shares. It is worth mentioning that the Trading Period and the Purchase Period will start on the same day, while the Trading Period continues until the end of the sixth day after the start thereof, and the Purchase Period continues until the end of the ninth day of the same period.
Rump Shares	The Treasury Shares that remain unpurchased during the Purchase Period.
Rump Offering Period	<p>If there are any Rump Shares, those shares will be sold to a number of Institutional Investors. Such Institutional Investors shall submit offers for purchasing the Rump Shares and these offers will be received during the Rump Offering Period, the duration of which is described in Table 3 in Section 6.1 (“Key Dates for Eligible Investors”). The Rump Shares will be allocated to Institutional Investors in order of priority based on the price per Share offered (provided that it is not less than the Sale Price) with Shares being allocated on a proportional basis among those Institutional Investors that tendered offers at the same price. The Bank will receive all proceeds of these sales (i.e., there will be no mechanism for compensating Shareholders failing to exercise their right to purchase Treasury Shares, given that their shareholding in the Bank has not decreased as a result of the Sale, as is the case with rights issues). It should be noted that no underwriters will be appointed for the purposes of the Sale. If a Registered Shareholder is entitled to Rights fractions, the number of Rights entitled thereto will be rounded to the lowest whole number. Accordingly, the Sale will not result in entitlement to fractional shares and therefore there will be no mechanism for dealing with them. The Shares for which no Rights have been issued (due to the existence of fractions entitled) will be considered as part of the Rump Shares and will be sold during the Rump Offering Period.</p> <p>If any Treasury Shares remain unsold after the end of the Rump Offering Period, the Bank will hold these shares as Treasury Shares and dispose of them as deemed appropriate by the Board of Directors, subject the relevant regulatory requirements being complied with and the required approvals being obtained.</p>
Rights Trading	<p>Tadawul shall prepare the mechanisms regulating the trading of the Rights by allocating a separate symbol for the Rights, independent from the symbol of the Bank’s current shares displayed on Tadawul’s screen. Registered Shareholders shall have the following options during the Trading Period:</p> <ul style="list-style-type: none"> <li>• Maintaining the Rights as at the Eligibility Date and exercising their Rights to purchase the same.</li> <li>• Selling the Rights or a part thereof.</li> <li>• Purchasing additional Rights on the Exchange.</li> <li>• Refraining from taking any action relating to the Rights, whether selling or exercising the right to purchase the same. In such case, the Rump Shares will be sold in the Rump Offering Period due to failure to exercise those Rights, in which case the Registered Shareholder will not receive any compensation and the Bank will obtain the entire Sale Proceeds.</li> </ul> <p>The “Tadawul” system will remove the Rights symbol from Tadawul’s screen after the close of the Trading Period. Therefore, the Rights trading will end with the close of the Trading Period.</p>
How to Purchase	Treasury Shares purchase orders will be available online through investment portfolios in trading platforms and applications, through which sale and purchase orders are entered, as well as through other channels and means provided by the broker.
Rights Exercise	<p>Eligible Investors have the right to exercise their entitlement to purchase the Rights through the investment portfolio in the trading platforms and applications that provide such services to Eligible Investors or through any other means provided by the broker. Eligible Investors may exercise their Rights as follows:</p> <ol style="list-style-type: none"> <li>1- During the Purchase Period, Registered Shareholders may exercise the Rights granted to them at the Eligibility Date and any additional Rights they purchased during the Trading Period by purchasing the Treasury Shares. They are also entitled not to take any action in respect of the Rights they hold, in which case the Registered Shareholder will not receive any compensation for failure to exercise its Rights.</li> <li>2- During the Purchase Period, New Investors may exercise the Rights they purchased during the Trading Period by purchasing Treasury Shares. They are also entitled not to take any action in respect of the Rights they hold, in which case they will not receive any compensation for failure to exercise their Rights.</li> </ol> <p>If an Eligible Investor fails to exercise their rights to purchase Treasury Shares during the Purchase Period, the shares attached to those Rights will be sold in the Rump Offering Period, in which case the Eligible Investor will not receive any compensation for failure to exercise its rights and the Bank will obtain the entire Sale Proceeds.</p>
Indicative Value of the Right	<p>The indicative value of a Right reflects the difference between the market value of the Bank’s share during the Trading Period and the Sale Price.</p> <p>Tadawul will calculate and publish the indicative value of a Right during the Trading Period on its website with a 5-minute delay. The market information service providers will also publish this information, which will allow investors to be informed of the indicative value of a Right when entering the orders.</p>

<b>Right Trading Price</b>	The price at which the Right is traded, noting that such price is set through the market offer and demand mechanism; therefore, it may differ from the Indicative Value of the Right.
<b>Allocation Date</b>	The Treasury Shares will be allocated at the date set for it as per Table 3 in Section 6.1 (“ <b>Key Dates for Eligible Investors</b> ”)
<b>Allocation of Treasury Shares</b>	Treasury Shares will be allocated to Eligible Investors based on the number of Rights properly and fully exercised thereby. The Bank, as a shareholder, will not be entitled to any of the Rights related to the Shares held by the Bank.
<b>Trading of Treasury Shares</b>	Trading in Treasury Shares will commence on Tadawul upon completion of all procedures relating to sale and allocation of Treasury Shares.
<b>Profits of Treasury Shares</b>	New holders of the Treasury Shares will be entitled to any profits announced and their due date will take place after the date such Shares are acquired.
<b>Voting Rights</b>	The Bank has only one class of ordinary shares and each Share entitles its holder to one vote. Each Shareholder of the Bank has the right to attend and vote at the General Assembly meetings, and no Shareholder shall have any preferential rights. A Shareholder may authorize another person (that is not a Director) to attend the General Assembly on its behalf in accordance with the applicable regulatory controls (for further details, see Section 9.2.2 (“ <b>Approvals of the Bank’s General Assembly</b> ”) of this Circular).
<b>Restrictions on Trading of Shares</b>	All of the Bank’s Shares are listed in the Exchange and are, therefore, not subject to any restrictions that prevent their trading, except for regulatory restrictions on listed shares in general.
<b>Restrictions on Trading of Rights (if any)</b>	There are currently no regulatory restrictions on trading in Rights by any of the Bank’s Shareholders.
<b>Risk Factors</b>	There are certain risks relating to an investment in the Rights and Treasury Shares. These risks are described in Section 8 (“ <b>Risk Factors</b> ”) of this Circular, which should be considered carefully by Target Investors prior to making an investment decision in the Rights or Treasury Shares.
<b>Treasury Shares Purchase Conditions</b>	Eligible investors willing to purchase the Treasury Shares must satisfy the relevant purchase conditions. For details on the terms, conditions and instructions for purchase, see Section 11 (“ <b>Purchase Terms, Conditions and Instructions</b> ”) of this Circular.

Note: Section 2 (“**Important Notice**”) and Section 8 (“**Risk Factors**”) of this Circular should be carefully considered, prior to making any investment decision related to Treasury Shares and Rights.

Table (2): Details of Shareholdings in the Bank’s for each of Substantial Shareholders:

Shareholder	Number of Shares Held	Shareholding in the Bank
GOSI	124,200,000	16.56%
PPA	104,925,000	13.99%
The Saudi Investment Bank	74,995,210	9.99%

## 6. Key Dates and Purchase Procedures

### 6.1 Key Dates for Eligible Investors

Table (3): Key Dates for Eligible Investors Relating to the Sale:

Event	(T) Date
Convening the Extraordinary General Assembly Relating to the Sale	Wednesday, 25/12/1442H (corresponding to 4/8/2021G).
Announcing the Board of Directors' Resolution to Launch the Sale, along with the Bank initiating the procedures for sale of Treasury Shares, in addition to determining the Eligibility Date	The date shall be determined at such a time as the Board of Directors deems appropriate in light of market conditions and other relevant considerations.
Eligibility Date	The date specified under the Board of Directors' Resolution to Launch the Sale ("T").
Trading Period	The Trading Period is expected to start on the third day from "T" above (T+3) and continue until the end of the eighth day from the "T" above (T+8). The days during the Trading Period are calculated based on trading days. During this period, all Eligible Investors, whether they are Registered Shareholders or New Investors, may trade in the Rights.
Purchase Period	The Purchase Period is expected to start on the third day from "T" above (T+3) and continue until the end of the eleventh day from the "T" above (T+11). The days during the Purchase Period are calculated based on trading days. During this period, all Eligible Investors, whether they are Registered Shareholders or New Investors, may exercise their right to purchase the Treasury Shares. It is worth mentioning that the Trading Period and the Purchase Period will start on the same day, while the Trading Period continues until the end of the sixth day after the start thereof, and the Purchase Period continues until the end of the ninth day of the same period.
End of Purchase Period	The Purchase Period expires and receipt of purchase orders ends at the close of the eleventh day from "T" above (T+11).
Rump Offering Period	The Rump Offering Period starts from 10:00 a.m. on the fifteenth day from "T" above (T+15) until 5:00 p.m. on the sixteenth day from "T" above (T+16).
Notification of Final Allocation	The twenty-first day from "T" above (T+21).
Notice of Deposit of Treasury Shares in Purchasers' Portfolios	The twenty-sixth day from "T" above (T+26).

Note: The above table has been prepared assuming the approval of the Extraordinary General Assembly Relating to the Sale is obtained, and the actual dates will be announced on Tadawul's website ([www.tadawul.com.sa](http://www.tadawul.com.sa)) in coordination with Edaa to determine the date on which the Shares are deposited.

Table (4): Key Announcements Related to the Sale:

Announcement	Announcing Party
Announcement regarding the invitation to the Extraordinary General Assembly Relating to the Sale and publication of the Circular for Sale of the Treasury Shares of the Bank	The Bank
Announcement regarding the results of the Extraordinary General Assembly Relating to the Sale	The Bank
Announcement regarding the Board of Directors' Resolution to Launch the Sale, along with the Bank initiating the procedures for sale of Treasury Shares, in addition to determining the Eligibility Date	The Bank
Announcement regarding the deposit of Rights and the Indicative Value of the Right	Tadawul
Announcement regarding the addition of the Rights of the Bank	Depository Center (Edaa)
Announcement regarding the determination of the Trading Period and Purchase Period	The Bank
Announcement regarding commencement of the Trading Period and Purchase Period	Tadawul
A reminder announcement on commencement of the Trading Period and Purchase Period	The Bank
A reminder announcement on the last day for trading Rights and the importance of selling Rights for those who do not intend to sell them	The Bank
Announcement regarding: <ul style="list-style-type: none"> <li>Results of the Sale of the Treasury Shares</li> <li>Details on the sale of the Rump Shares (if any) and the start of the Rump Offering Period</li> </ul>	The Bank
Announcement regarding the results of the sale of the Rump Shares and Notification of Final Allocation	The Bank
Announcement regarding the deposit of the Treasury Shares in Purchasers' portfolios	Depository Center (Edaa)

Note: The above table has been prepared assuming the approval of the Extraordinary General Assembly Relating to the Sale will be obtained, and the actual dates will be announced on Tadawul's website [www.saudiexchange.sa](http://www.saudiexchange.sa) in coordination with a depository company to determine the date of depositing the shares.

## 6.2 How to Apply

Purchase of Treasury Shares and Rights is limited to Eligible Investors, whether they are Registered Shareholders or New Investors. If Eligible Investors fail to exercise their rights to purchase Treasury Shares during the Purchase Period, the shares attached to those Rights will be sold to Institutional Investors in the Rump Offering Period, in which case the Eligible Investor will not receive any compensation for failure to exercise their rights and the Bank will receive the entire Sale Proceeds.

Eligible Investors willing to purchase Treasury Shares must submit purchase orders through the means and services provided by the broker, provided that an Eligible Investor shall have an investment account with one of the brokers offering these services.

Treasury Shares purchase orders will be available online through investment portfolios in trading platforms and applications, through which sale and purchase orders are entered, as well as through other channels and means provided by the broker. The Bank reserves the right to reject, in full or in part, any Treasury Shares purchase order that does not fulfil any of the purchase terms or conditions. A purchase order, upon submission, constitutes a binding contract between the Bank and the Eligible Shareholder and may not be amended or withdrawn.

For further details regarding how to apply for Treasury Shares, see Section 11 (“**Purchase Terms, Conditions and Instructions**”) of this Circular.

## 7. Summary of Key Information

This summary is intended to provide a brief overview on the key information contained in this Circular. Therefore, this summary does not contain all information that may be of interest to Shareholders and other Individual or Institutional Investors. Accordingly, recipients of this Circular must read it in full prior to making an investment decision regarding the Rights or Treasury Shares.

### 7.1 About the Bank

The "Saudi Investment Bank" was established as a Saudi joint stock company pursuant to Royal Decree No. M/31 dated 25/6/1396H (corresponding to 23/6/1976G), and registered in Riyadh under Commercial Registration No. 1010011570 dated 25/3/1397H (corresponding to 16/3/1977G). The Bank is headquartered in Harithah Ibn Uday Street, Al Wizarat, Riyadh. The Bank started its business on 25/6/1396H (corresponding to 23/6/1976G).

### 7.2 Bank's Business Activities

The Bank provides a full range of retail and corporate commercial banking services, and arranges finance for semi-governmental and industrial sectors, in addition to trade finance including import and export finance. The Bank is fully committed to encouraging the industrial and commercial private sector and providing effective support to a number of mega projects. Through Alasalah banking program, the Bank provides Sharia-compliant products and services.

### 7.3 Subsidiaries

The Bank has three (3) wholly owned subsidiaries, which are:

- 1- **Alistithmar for Financial Securities and Brokerage Company (Alistithmar Capital):** The principal activities of Alistithmar Capital includes providing brokerage and custody services relating to securities, in addition to asset management and advisory services.
- 2- **Saudi Investment Real Estate Company:** The primary objective of Saudi Investment Real Estate Company is to hold real estate assets provided to the Bank as collateral.
- 3- **SAIB Markets Limited Company:** A company incorporated in the Cayman Islands, whose principal activity is to conduct derivatives and repurchase activities on behalf of the Bank.

In addition to the above, the Bank is a shareholder in three (3) other Saudi companies, namely:

- 1- **American Express Saudi Arabia:** The Bank, indirectly through Saudi Investment First Company, which is a wholly owned subsidiary of the Bank, owns 50% of the capital of American Express (Saudi Arabia). The principal activity of this company is to issue credit cards and other American Express products in the Kingdom.
- 2- **YANAL Finance Company:** The Bank owns 38% of the capital of YANAL Finance Company. The principal activity of this company is to provide lease financing services in the Kingdom.
- 3- **Amlak International for Real Estate Finance Company:** The Bank owns 22.4% of the capital of Amlak International for Real Estate Finance Company. The principal activity of this company is to offer real estate finance products and services.

### 7.4 Bank's Vision and Mission

The Bank seeks to offer the simplest and most accessible products and services that are flexible, adaptive and responsive to each of our customers.

### 7.5 Bank's Capital

As at the date of this Circular, the Bank's authorized fully paid capital amounts to seven billion five hundred million Saudi riyals (SAR 7,500,000,000) divided into seven hundred fifty million (750,000,000) ordinary shares with a nominal value of ten Saudi riyals per share (SAR 10).

### 7.6 Capital and Shareholding Structure

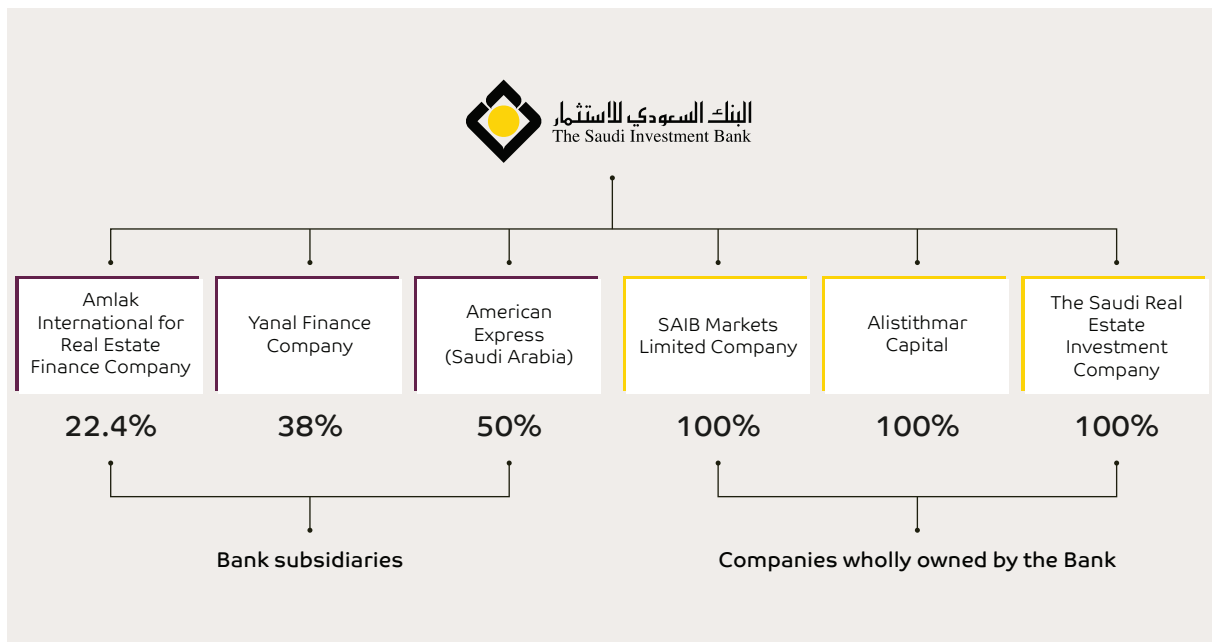
The table below sets out the Bank's Substantial Shareholders groups and their approximate shareholdings as of the date of this Circular:

Table (5): The Bank's Substantial Shareholders groups:

Shareholder	Number of Shares	Shareholding
GOSI	124,200,000	16.56%
PPA	104,925,000	13.99%
The Saudi Investment Bank	74,995,210	9.99%
Public <sup>1</sup>	445,879,790	59.46%

<sup>1</sup> Shareholders other than Substantial Shareholders

Figure 1: Structure of The Saudi Investment Bank Group:



## 8. Risk Factors

In addition to all other sections and information contained in this Circular, investors seeking to invest in the Rights and Treasury Shares must carefully read and consider the risks set out in this section prior to voting for approval or disapproval of the resolutions presented to the Extraordinary General Assembly Relating to the Sale or taking any investment decision regarding the Rights and Treasury Shares. The risks outlined in this Circular are limited to the risks related to the Rights and the transaction for the sale of the Treasury Shares only, and do not include risks related to the Bank's business, the market or the banking sector in general.

Therefore, this section is not inclusive of all the risks that the Bank encounters as at the date of this Circular; there are further factors other than the risks described in this section that adversely affect the Bank and apply to investment in the Bank's Shares in general.

Materialization of the risks described in this section or any of the other risks associated with investing in the Bank's Shares will adversely affect the Bank's business, financial condition, results of operations, cash flows, prospects, and earnings per share. If any of the risk factors occur or materialize, the market price of the Shares may decline and prospective investors could lose part of or all of their investment.

If a Target Investor has any doubts about the nature of the risks associated with investing in the Bank's Shares, it should obtain professional financial advice from an independent financial advisor licensed by CMA.

It should be made clear that the risks are not arranged in order of their relevance or likelihood.

### 8.1 Risks Related to the Bank's Shares

#### 8.1.1 Risks Related to Fluctuation in the Bank's Share Price

The market price of the Rights during the Trading Period may not be indicative of the market price of Treasury Shares after the Sale. In addition, the Share price may not be stable and could be significantly affected by fluctuations resulting from market conditions relating to the Rights or the Bank's existing Shares. Such fluctuations may result from many factors including, but not limited to, stock market conditions, regulatory changes affecting the banking sector, changes in financial sector status, poor performance of the Bank, inability to execute future plans of the Bank, entry of new competitors into the market, change in the vision or estimates of experts and analysts for the securities market or any announcements by the Bank or any of its competitors relating to mergers and acquisitions or strategic alliances. The selling of substantial quantities of Shares by the Shareholders, or the perception that such sale may take place, will adversely affect the Bank's share price in the market. In addition, Shareholders may be unable to sell their Shares in the market without adversely affecting the Share price.

There is no guarantee that the market price of the Bank's Shares will not be lower than the Sale Price. If this happens after Eligible Investors have purchased the Treasury Shares, such purchase may not be cancelled or amended. Therefore, the Eligible Investors may suffer losses. In addition to the foregoing, there is no guarantee that Eligible Investors will be able to sell their shares at a price equal to or higher than the Sale Price after purchasing the Treasury Shares, which will result in financial losses that may be material.

#### 8.1.2 Risks Related to Potential Fluctuations in the Price of the Rights

The market price of the Rights may be subject to significant fluctuations due to the change of market trends with regard to the Bank's Shares.

These fluctuations may be significant due to the difference between the permissible daily fluctuation limits of trading applicable to the Rights when compared to the permissible daily fluctuation limits of trading applicable to the Shares. In addition, the trading price of the Rights depends on the trading price of the Shares and the market perception of the fair price of the Rights. These factors, coupled with the factors set out in Section 8.1.1 ("Risks Related to Fluctuation in the Bank's Share Price") above, may affect the trading price of the Rights.

#### 8.1.3 Risks Related to Sale of Treasury Shares at a Price Lower Than the Market Price of the Shares

The Sale Price of the Treasury Shares may be lower than the market price of the Shares. If Treasury Shares are available for sale at a price lower than the market price of the Shares, this may put downward pressure on the market price of the Shares, which may lead to a decline in the prices of the Shares. Therefore, if the sale of Treasury Shares was approved at the Extraordinary General Assembly Relating to the Sale, and the Sale Price determined by the Board of Directors was lower than the market price of the Shares, this could lead to a drop in the price of the Shares and, accordingly, this may affect the percentage of participation in the Sale and cancellation of the entire Sale.

#### 8.1.4 Risks Related to Reduced Demand for the Shares and Rights

There is no guarantee that there will be sufficient demand for the Rights during the Trading Period whereby the Eligible Investor will be able to sell the Rights, whether or a profit or otherwise. Moreover, there is no guarantee that there will be sufficient demand for the Rump Shares by Institutional Investors during the Rump Offering Period. Likewise, there is no assurance that there will be sufficient market demand for the Treasury Shares once they are traded on the Exchange.

#### 8.1.5 Risks Related to Speculation in the Rights

Speculation in rights is subject to risks that may cause material losses. The permissible daily fluctuation range of the trading price of the Rights is greater than the permissible daily fluctuation range of the Shares' market price (which is 10% above and below the closing price of the previous day, being the last price at which Shares are traded on the relevant trading day as per the mechanism specified by Tadawul). There is also a proportional relationship between the Bank's Share price and the indicative value of the Right. Accordingly,



the daily price limits (i.e. daily fluctuation range) for the trading of a Right will be affected by the daily price limits for trading of the Shares. If an Eligible Investor fails to sell the Rights before the end of the Trading Period, it will have to exercise these Rights to purchase Treasury Shares and may incur some losses. Thus, the investors should review the full details of the mechanism for listing and trading Rights and Treasury Shares and the functioning method thereof. They should also be aware of all the factors affecting them, in order to make sure that any investment decision will be based on complete awareness and understanding.

### 8.1.6 Risks Related to Failure to Exercise the Rights in a Timely Manner

The Purchase Period starts on the date specified in Table 3 in Section 6.1 (“Key Dates for Eligible Investors”) and continues until the end of the ninth day after the start thereof. The days during the Trading Period are calculated based on trading days. The Eligible Investors and the financial intermediaries they represent must take appropriate measures to follow all necessary instructions before the Purchase Period expires. If Eligible Investors and Financial Intermediaries cannot properly follow the procedures for trading the Rights, the purchase order may be rejected (for further details, see Section 11 (“Purchase Terms, Conditions and Instructions”) of this Circular. If the Eligible Investors are not able to properly exercise their Rights to purchase the Treasury Shares by the end of the Purchase Period, based on the Rights they hold, Eligible Investors will not receive any compensation for failure to exercise its rights and the Bank will obtain the entire Sale Proceeds.

### 8.1.7 Risk Related to Non-Exercise of Rights for Purchase of Treasury Shares or Sale by Substantial Shareholders

None of the Substantial Shareholders has made any commitment with respect to purchasing the Treasury Shares. In the event that the Substantial Shareholders fail to exercise their rights to purchase the Treasury Shares, or if they partially or wholly sell them, this may have an adverse effect on the market price of the Bank’s Shares.

### 8.1.8 Risks Related to Offering of New Shares in the Future

In the future, the Bank may increase its capital by issuing new Shares (upon completion of the regulatory procedures, including obtaining the approvals of SAMA, CMA and the Extraordinary General Assembly) exclusively to new investors or some of the existing Shareholders (to the exclusion of others), which may affect the ownership of the Bank’s Shareholders who are not involved in the capital increase. Accordingly, this will lead to lower earnings per share due to the increase in the number of shares, which will reduce the profitability of the Shareholders.

### 8.1.9 Risks Related to Distribution of Dividends

The future distribution of dividends depends on a number of factors, including but not limited to, the Bank’s profitability in the coming years, its financial position, financial liquidity requirements, distributable reserves, available financing, general economic conditions and other factors that may be considered by the Board from time to time.

The Bank does not pledge to its Shareholders that any dividends will be actually distributed, nor does it guarantee the amount that will be distributed in any particular year. Dividend distribution is subject to statutory and other restrictions set out in the Bank’s Bylaws.

## 8.2 Risks Related to the Sale

### 8.2.1 Risks Related to the Bank Maintaining the Unsold Treasury Shares after the End of the Rump Offering Period

The Bank will maintain the unsold Treasury Shares, if any, after the end of the Rump Offering Period and dispose of them as the Board of Directors deems appropriate, subject to the Bank’s obligation to obtain the relevant approvals to maintain such shares without their sale or disposal, as the Board of Directors deems appropriate. If the unsold Treasury Shares are not sold within the period approved under the Extraordinary General Assembly resolution dated 14/4/1442H (corresponding to 30/11/2020G) and the Bank does not obtain the required approvals to maintain and dispose of them after the expiry of such period, the Bank might have to take the necessary legal measures to cancel the unsold Treasury Shares and reduce its capital within a period of no more than six (6) months from the expiry of the period approved in the General Assembly resolutions above, as stipulated under Article 19 of the Regulatory Rules and Procedures, unless the Extraordinary General Assembly of the Bank decides during this period to extend the period during which the Bank may maintain the unsold Treasury Shares.

### 8.2.2 Risks Related to the Interpretation and Application of Laws and Regulations Pertaining to the Sale

The sale and purchase of Treasury Shares are subject to a number of laws and regulations issued or applied by various authorities in the Kingdom, including the Companies Law, Capital Market Law and its Implementing Regulations, Regulatory Rules and Procedures, and Rules on the Offer of Securities and Continuing Obligations. Given that most of these laws and regulations have been issued recently, no sale of Treasury Shares has ever been completed by Saudi listed companies under a mechanism similar to the one described in this Circular.

The Bank has interpreted and applied these laws and regulations, as it deems appropriate, in consultation with its Advisors in this regard. As such, in the event that any regulatory or judicial authority interprets the laws and regulations applicable to the Sale differently from how the Bank interprets and applies them, this may have a material adverse impact on the Bank, and may lead to an unexpected delay or suspension of the Sale.

## 9. Legal Information

### 9.1 Directors' Declarations

The members of the Board of Directors hereby declare that the Bank has obtained all relevant regulatory approvals for the purpose of completing the Sale, as set out in this Circular.

It should be noted that the members of the Board of Directors did not take into account the individual investment objectives, the financial status, the zakat and tax status, or the circumstances specific to each Shareholder or investor due to the different circumstances, conditions and objectives of each of them. Accordingly, the members of the Board of Directors confirm that the Target Investors need to obtain independent professional advice from a licensed financial advisor regarding the Sale, and they must rely on the latter's own consideration of this Circular to ensure the relevance of the Sale and the information contained in this Circular to their investment objectives and financial status.

### 9.2 Approvals Necessary to Complete the Sale and Related Exemptions

#### 9.2.1 Governmental Approvals

A number of government approvals regarding the purchase and sale of the Treasury Shares in accordance with this Circular have been obtained, including:

- SAMA's no-objection to the Bank's purchase of the J. P. Morgan Shares on 6/8/1439H (corresponding to 22/4/2018G), which referred to the Bank's sale of J.P. Morgan Shares to the Shareholders at a later time via the same mechanism as that of a rights issue during the periods determined by the Bank's Extraordinary General Assembly.
- SAMA's no-objection to the Bank's purchase of Mizuho Bank Shares on 11/3/1440H (corresponding to 19/11/2018G), which referred to the Bank's sale of Mizuho Bank Shares to Shareholders at a later time via the same mechanism as that of a rights issue during the periods determined by the Bank's Extraordinary General Assembly.
- CMA's approval dated 28/12/1439H (corresponding to 6/9/2018G) in respect of exempting the Bank from a number of requirements stipulated under the Regulatory Rules and Procedures so that the Bank can purchase the J.P. Morgan Shares and hold them as Treasury Shares.
- CMA's approval dated 19/7/1440H (corresponding to 26/3/2019G) in respect of exempting the Bank from a number of requirements stipulated under the Regulatory Rules and Procedures so that the Bank can purchase the Mizuho Bank Shares and hold them as Treasury Shares.
- CMA's approval dated 12/8/1441H (corresponding to 6/4/2020G) in respect of exempting the Bank from a number of requirements stipulated under the Regulatory Rules and Procedures in order to enable the Bank to implement the Sale, subject to the Bank holding an Extraordinary General Assembly meeting and publishing a document circulated to the Shareholders containing adequate information about the Sale sufficiently in advance of the Extraordinary General Assembly meeting to enable the Shareholders to vote on the proposed mechanism of the Sale. For further details about the exemptions issued by CMA, see Section 9.2.3 ("Exemptions Granted to the Bank Regarding the Sale") of this Circular.
- SAMA's no-objection to the implementation of the Sale on 6/7/1441H (corresponding to 1/3/2020G), provided that all requirements of the CML and its Implementing Regulations are complied with, along with the Bank undertaking that the Sale does not adversely affect the Bank's capital adequacy ratios.
- SAMA's no-objection dated 24/2/1442H (corresponding to 14/10/2020G) regarding extension of the maximum period during which the Bank may hold and sell the Treasury Shares until 27/5/1443H (corresponding to 31/12/2021G).
- SAMA's no-objection dated 1/12/1442H (corresponding to 11/7/2021G) regarding implementation of the Sale according to the mechanism described in this Circular, provided that all requirements of the CML and its Implementing Regulations are complied with and that the Bank's capital adequacy ratios meets the minimum ratio specified by SAMA in this regard.
- CMA's approval for the invitation to the Extraordinary General Assembly Relating to the Sale.

#### 9.2.2 Approvals of the Bank's General Assembly

- In its first meeting held on 16/1/1440H (corresponding to 26/9/2018G) (with a Shareholders attendance rate of 60.81%), the Bank's Extraordinary General Assembly approved the Bank's purchase of the J. P. Morgan Shares for the purpose of holding them as Treasury Shares for resale to the Bank's Shareholders at a later time via the same mechanism as that of a rights issue within a period of no more than eighteen (18) months from the date of the J. P. Morgan Transaction (i.e. before 28/3/2020G, considering that the J. P. Morgan Transaction was completed on 17/1/1440H (corresponding to 27/9/2018G), subject to the required approvals being obtained, if necessary.
- In its first meeting held on 21/7/1440H (corresponding to 28/3/2019G) (with a Shareholders attendance rate of 57.82%), the Bank's Extraordinary General Assembly approved the Bank's purchase of the Mizuho Bank Shares for the purpose of holding them as Treasury Shares for resale to the Bank's Shareholders at a later time via the same mechanism as that of a rights issue within a period of no more than eighteen (18) months from the date of the Mizuho Bank Transaction (i.e. before 27/11/2020G, considering that the Mizuho Bank Transaction was completed on 23/9/1440H (corresponding to 28/5/2019G), subject to the required approvals being obtained, if necessary.
- In its first meeting held on 28/7/1441H (corresponding to 23/3/2020G) (with a Shareholders attendance rate of 60.17%), the Bank's Extraordinary General Assembly approved the extension of the maximum period for which the Bank may hold Treasury Shares until 16/5/1442H (corresponding to 31/12/2020G), and authorized the Board of Directors to sell

the Treasury Shares at any time before such date, according to the terms and mechanism that the Board of Directors deems appropriate, subject to the relevant regulatory requirements being met and the legally required approvals being obtained, and to take all measures related to the disposal of Treasury Shares (this includes the possibility of selling the Treasury Shares to non-shareholders of the Bank if the Board of Directors deems it appropriate). The Board of Directors may delegate any of the powers set out in this paragraph to others.

- In its first meeting held on 14/4/1442H (corresponding to 29/11/2020G) (with a Shareholders attendance rate of 58.67%), the Bank's Extraordinary General Assembly approved the extension of the maximum period for which the Bank may hold Treasury Shares until 27/5/1443H (corresponding to 31/12/2021G), and authorized the Board of Directors to sell the Treasury Shares at any time before such date, in one or several stages, according to the terms and mechanism that the Board of Directors deems appropriate (whether via the same mechanism as that of a rights issue or otherwise), subject to the relevant regulatory requirements being met and the legally required approvals being obtained, and to take all measures related to the disposal of the Treasury Shares, including, without limitation, executing all relevant agreements and documents, determining the sale price of the Treasury Shares and the identity of the purchasers of the Treasury Shares (this includes the possibility of selling the Treasury Shares to persons other than the Shareholders of the Bank if the Board of Directors deems it appropriate), and determining the terms and conditions for sale of Treasury Shares.

### 9.2.3 Exemptions Granted to the Bank Regarding the Sale

The Bank obtained a number of exemptions from the relevant regulatory requirements, based on the justifications provided by the Bank, including:

- CMA's approval of the Bank's request for an exemption from the requirement that sales of Treasury Shares take place through the Exchange - must not be carried out through a private transaction - as set out in Paragraph 3 of Article 22 of the Regulatory Rules and Procedures, provided that the sale of the Treasury Shares subject matter of the application is through the mechanism described in the Bank's letter sent to CMA in this regard.
- CMA's approval of the Bank's request to transfer the ownership of the Treasury Shares from the Bank to the portfolios of Eligible Investors without executing a "Transaction" (as defined in the Glossary of Defined Terms Used in the Exchange Rules approved by CMA Board pursuant to its Resolution No. 2-7-2012 dated 8/6/1433H), based on Subparagraph H of Paragraph 2 of Article 35 of Securities Depository Center Rules approved by CMA Board Pursuant to its Resolution No. 2-7-2012 dated 8/6/1433H), provided that the Bank submits a request to Edaa to restrict the disposal of all the Treasury Shares in question during the Trading Period and the Purchase Period, with such restriction on the Treasury Shares being lifted upon completing all procedures for transferring the shares entitled against those Rights to the portfolios of Eligible Investors.
- As an exception to the provisions of Paragraph A of Article 1 of the Rules on the Offer of Securities and Continuing Obligations, the Bank may sell the Treasury Shares as per the mechanism contained in the Bank's letter sent to CMA in this regard, subject to the Bank holding an Extraordinary General Assembly meeting and publishing a document circulated to the Shareholders containing adequate information about the Sale sufficiently in advance of the Extraordinary General Assembly meeting to enable the Shareholders to vote on the proposed mechanism of the Sale.

## 9.3 Procedures Required to Complete the Sale

Subject to this Circular, the main procedures required to complete the Sale include:

### 9.3.1 Governmental Approvals

A number of governmental approvals for the Sale must be obtained, which the Bank has obtained (for further details, see Section 9.2.1 ("Government Approvals") of this Circular.

### 9.3.2 Approval of the Extraordinary General Assembly Relating to the Sale

In accordance with the CMA's approval over a number of exemptions to the relevant rules and instructions for the purposes of implementing the Sale, as issued on 12/8/1441H (corresponding to 5/4/2020G), the approval of Bank's Extraordinary General Assembly Relating to the Sale must be obtained for the purposes of implementing the Sale. The Bank submitted a request to the CMA to invite the Extraordinary General Assembly to convene. Having obtained the approval of the CMA to convene the Extraordinary General Assembly Relating to the Sale, the Bank published the invitation to the Extraordinary General Assembly to be held at least twenty-one (21) days from the date of publication of the invitation.

The Bank's Extraordinary General Assembly shall be valid only if attended by Shareholders representing at least one half of the Bank's share capital. If such quorum cannot be attained at the first meeting, an invitation for a second meeting shall be issued, which meeting shall be convened after one hour from the end of the period specified for the first meeting (provided that the invitation for the first meeting includes an announcement of the possibility of holding a second meeting one hour after the end of the period specified for the first meeting if the quorum is not met). The second meeting will be valid if attended by a number of Shareholders representing at least one-quarter of the share capital. If the quorum is not reached in the second meeting, the Bank shall submit a request to the CMA for approval to call for a third Extraordinary General Assembly. Having obtained its approval, the Bank will publish the invitation to the Extraordinary General Assembly to be held at least twenty-one (21) days from the date of the publication of the invitation. The third meeting shall be valid, irrespective of the number of shares represented therein.

Resolutions of the Extraordinary General Assembly shall be adopted by a majority vote of two-thirds of the Shares represented at the meeting. However, if the resolution to be adopted is related to increase or decrease of capital, extension of the Bank's term, dissolution of the Bank prior to the expiry of the term specified under the Bylaws or merger of the Bank with another company, then such resolution shall be valid only if adopted by a majority vote of three-quarters of the Shares represented at the meeting. Furthermore, all Shareholders registered in the Bank's Shareholder Register held with Edaa at the end of the trading session preceding

the Extraordinary General Assembly Relating to the Sale may attend the same. A Shareholder will be entitled to attend in person and vote on the agenda, or delegate another person to attend the Extraordinary General Assembly (by a written power of attorney in the form as attached to the invitation to the meeting) and vote on the agenda on its behalf (as per the relevant procedures) whether that person is a Shareholder of the Bank or otherwise (provided that this person is not a Director or an employee of the Bank). The power of attorney must be in writing and signed by the delegated shareholder and authenticated by the Chamber of Commerce or the Chamber of Industry (if the shareholder is a member in any of them), by a bank or a person licensed by CMA in the Kingdom (if the shareholder is a company or a legal person, provided the principal shall have an account with the bank or the person licensed), or by the notaries public or persons duly licensed to engage in notarial activities. A Shareholder or its proxy must provide the Bank with a copy of the proxy at least two (2) days prior to the date of the Extraordinary General Assembly Relating to the Sale. The proxy must present the original authenticated power of attorney before the General Assembly, and the Shareholders and proxies must bring and present national IDs, passports, or resident ID for the proxy.

Shareholders will also be able to vote on the items of Extraordinary General Assembly agenda remotely (electronically) by using the "Tadawulaty" service, which is a service provided by Tadawul, provided that the Shareholders are registered with "Tadawulaty." The registration with "Tadawulaty" and voting remotely through "Tadawulaty" services is available to all Shareholders free of charge. For further details, please visit: <https://login.tadawulaty.com.sa/ir/user/login.xhtml>.

Electronic voting will commence at least three (3) days before the Extraordinary General Assembly, and the exact dates during which electronic voting will be available will be announced as part of the Extraordinary General Assembly invitation.

Votes in the Extraordinary General Assembly shall be calculated on the basis of one vote per share. Shareholders who fail to attend the Extraordinary General Assembly (whether in person, via electronic voting, or by proxy) will forfeit their rights to vote in such Extraordinary General Assembly and the votes attached to their shares will not be counted.

To review the invitation form of the Extraordinary General Assembly Relating to the Sale, please refer to Appendix 1 of this Circular.

## 10. Use of Sale Proceeds and Expenses

### 10.1 Net Sale Proceeds

Net Sale Proceeds will be calculated based on the number of Treasury Shares sold multiplied by the Sale Price determined by the Board of Directors, less all Sale-related costs. The Sale Costs include the fees of the Financial Advisors, the Lead Manager, and the Legal advisor of the Bank, fees charged by government entities (including the fees of Tadawul), and printing and distribution, and any other expenses or fees related to the Sale.

### 10.2 Use of Sale Proceeds

The Bank intends to use the proceeds of the sale to enhance its capital base, raise its liquidity ratios, and finance its expansion activities and future operations.

## 11. Purchase Terms, Conditions and Instructions

All Target Investors and Institutional Investor bidders should read these terms and conditions of purchase very carefully before making an online purchase, placing a purchase order through a broker, or filling out the Rump Shares purchase form. By submitting a purchase order or signing and delivering a Rump Shares purchase form, you accept the terms and conditions of purchase set out below.

### 11.1 Purchase of the Treasury Shares

The Bank will sell the Treasury Shares at the Sale Price set by the Board of Directors. Each Registered Shareholder is granted one (1) Right for every nine (9) Shares held. Eligible Investors will be entitled to purchase and trade in the Treasury Shares and the Rights.

If there are any Rump Shares, those shares will be sold to a number of Institutional Investors. Such Institutional Investors shall submit offers for purchasing the Rump Shares and these offers will be received during the Rump Offering Period, the duration of which is described in Table 3 in Section 6.1 (“Key Dates for Eligible Investors”). The Rump Shares will be allocated to Institutional Investors in order of priority based on the price per Share offered (provided that it is not less than the Sale Price) with Shares being allocated on a proportional basis among those Institutional Investors that tendered offers at the same price. The Bank will receive all proceeds of these sales (i.e., there will be no mechanism for compensating Shareholders failing to exercise their right to purchase the Treasury Shares, given that their shareholding in the Bank has not decreased as a result of the Sale, as is the case with rights issues). It should be noted that no underwriters will be appointed for the purposes of the Sale.

If a Registered Shareholder is entitled to Rights fractions, the number of Rights entitled thereto will be rounded to the lowest whole number. Accordingly, the Sale will not result in entitlement to fractional shares and therefore there will be no mechanism for dealing with them. The Shares for which no Rights have been issued (due to the existence of fractions entitled) will be considered as part of the Rump Shares and will be sold during the Rump Offering Period.

If any Treasury Shares remain unsold after the end of the Rump Offering Period, the Bank will hold these shares as Treasury Shares and dispose of them as deemed appropriate by the Board of Directors, subject to the relevant regulatory requirements being complied with and the required approvals being obtained.

To sell the Treasury Shares, the Bank will follow the same mechanism as that of a rights issue, subject to some differences in accordance with the specific nature of the Sale. Accordingly, the Sale will take place according to the stages and dates set out below:

- **Eligibility Date:** Shareholders who own the Shares at the close of trading on the Eligibility Date that will be determined pursuant to the Board of Directors’ Resolution to Launch the Sale and who are registered in the Bank’s Shareholder Register held with Edaa at the close of the second trading day following the Eligibility Date.
- **Trading Period and Purchase Period:** The Trading Period and the Purchase Period start on the same day and date set for them in Table 3 in Section 6.1 (“Key Dates for Eligible Investors”). The Trading Period expires at the end of the sixth day of start thereof, while the Purchase Period continues until the end of the ninth day of the same period. The days during the Trading Period and Purchase Period are calculated based on trading days.
- **Rump Offering Period:** Its duration shall be determined as specified in Table 3 in Section 6.1 (“Key Dates for Eligible Investors”). During this period, the Rump Shares will be sold to Institutional Investors.
- **Final Allocation of Shares:** The Shares will be allocated at the date set for it in Table 3 in Section 6.1 (“Key Dates for Eligible Investors”).

### 11.2 How to Apply

Purchase orders are delivered during the Purchase Period by submitting purchase orders for the Treasury Shares online through investment portfolios in trading platforms and applications, through which sale and purchase orders are entered, as well as through other channels and means provided by the broker. The Bank reserves the right to reject, in full or in part, any purchase order for the Treasury Shares that does not fulfil any of the purchase terms or conditions. A purchase order, upon submission, constitutes a binding contract between the Bank and the Eligible Investor and may not be amended or withdrawn.

By placing a share purchase order, the purchaser declares that:

- They have agreed to purchase the number of shares indicated in the purchase order.
- They have read the Circular (including all its content), diligently reviewed the same and understood all of its contents.
- They approve the Bylaws of the Bank and the terms mentioned in the Circular.
- They accept the number of Shares allocated thereto under the purchase order, together with all other purchase instructions and terms set out in the order and the Circular.
- They guarantee that they will not cancel or amend the order after it is submitted.

### 11.3 Allocation

The Bank and the Lead Manager will open an escrow account in which the Sale Proceeds will be deposited. The Treasury Shares will be allocated to each investor based on the number of Rights properly and fully exercised by it. If a Registered Shareholder is entitled to Rights fractions, the number of Rights entitled thereto will be rounded to the lowest whole number. Accordingly, the Sale will not result in entitlement to fractional shares and therefore there will be no mechanism for dealing with them. The Shares for which no Rights have been issued (due to existence of fractions entitled) will be considered as part of the Rump Shares and will be sold to Institutional Investors during the Rump Offering Period. If any Treasury Shares remain unsold after the end of the Rump Offering Period, the Bank will hold these shares as Treasury Shares and dispose of them, as deemed appropriate by the Board of Directors, subject the relevant regulatory requirements being complied with and the required approvals being obtained.

Final notice for the number of Shares allocated to each Eligible Investor is expected to take place by depositing the shares into the accounts of investors without any charges or withholdings by the Lead Manager. Eligible Investors shall contact the broker through which they have submitted the purchase order for further information. The results of the allocation will be announced on the date specified in Table 3 in Section 6.1 (“**Key Dates for Eligible Investors**”).



## Appendix 1: Invitation form for the Extraordinary General Assembly Relating to the Sale

Item	Description
Announcement Title	The Saudi Investment Bank invites its Shareholders to attend the Extraordinary General Assembly (First Meeting).
Introduction	The Board of Directors of the Saudi Investment Bank is pleased to invite its shareholders to attend the Extraordinary General Assembly meeting (First Meeting) to be held at 7:30 PM on Wednesday 25/12/1442H (corresponding to August 4th 2021G) that will be conducted by means of modern technology, in order to ensure the safety of the bank's shareholders and in an effort to support the efforts and preventive measures taken by the competent and relevant health authorities in relation to addressing the novel coronavirus (COVID-19), and as an extension of the continuous efforts made by all government agencies in the Kingdom of Saudi Arabia to take preventive measures to prevent its spread.
City and Location of the General Assembly's Meeting	Headquarters of the Bank, King Saud Road, Riyadh (by means of modern technology).
URL for the Meeting Location	<a href="http://www.tadawulaty.com.sa">www.tadawulaty.com.sa</a>
Time of the General Assembly's Meeting	7:30 p.m.
Date of the General Assembly's Meeting	25/12/1442H (corresponding to 4/8/2021G).
Attendance Eligibility	Shareholders registered with the Securities Depository Center's Registry at the end of the trading session preceding the Extraordinary General Assembly Meeting, have the right to attend the Extraordinary General Assembly Meeting accordance with the relevant laws and regulations. Before the Extraordinary General Assembly Meeting is held, the proxy must present the original authenticated power of attorney, and the Shareholders/proxies must bring and present IDs.
Quorum for Convening the General Assembly's Meeting	According to Article 32 of the Bank's bylaws, a meeting of the Extraordinary General Assembly shall be valid only if attended by Shareholders representing at least fifty percent (50%) of the Bank's capital. If such quorum cannot be attained at the first meeting, a second meeting shall be called for one hour following the time set for the first meeting. The second meeting shall be valid only if attended by a number of Shareholders representing at least 25% of the Bank's capital.
General Assembly Meeting Agenda	<ol style="list-style-type: none"> <li>1- To vote on the sale of the shares acquired from JP Morgan International Finance Limited (amounting to fifty-six million two hundred and forty-five thousand three hundred and fifty (56,245,350) shares); and the shares acquired from Mizuho Bank Ltd (amounting to eighteen million seven hundred and forty-nine thousand eight hundred and sixty (18,749,860) shares) as treasury shares (collectively referred to as the "Treasury Shares") in accordance with the provisions and mechanism outlined in the Circular for the Sale of the Treasury Shares issued by the Bank on 4/12/1442H (corresponding to 14 July 2021G), which sale shall be executed at the times deemed suitable by the Board in light of the prevailing market conditions and other relevant considerations, and without prejudice to the Longstop Date under the previous regulatory and general assembly approvals (unless such date is extended). The Board shall also have the authority to determine the entitlement date and the sale price for the Treasury Shares; and</li> <li>2- To vote on the approval to authorize the Board to carry out all actions and procedures necessary for the sale of the Treasury Shares in accordance with paragraph (1) above, and the Board shall have the authority to delegate to others such authorities.</li> </ol> <p>For further details on the transaction for the sale of the Treasury Shares and all matters related to it including associated risk, shareholders are requested to refer to Circular for the Sale of the Treasury Shares issued by the Bank on 4/12/1442H (corresponding to 14 July 2021G). The Board of Directors emphasizes the importance of reading the offering circular by the shareholders in detail prior to voting on any resolutions mentioned above.</p>
Proxy Form	-
E-Vote	Shareholders registered with "Tadawulaty" will be able to vote remotely on the General Assembly agenda items starting from 10:00 a.m. on Saturday, 21/12/1442H (corresponding to 31/7/2021G) and until the Extraordinary General Assembly Meeting ends. Note that registration with "Tadawulaty" and voting remotely through "Tadawulaty" system is available to all Shareholders free of charge. To register with and vote remotely through "Tadawulaty", Shareholders can use the following link: <a href="http://www.tadawulaty.com.sa">http://www.tadawulaty.com.sa</a> .
Eligibility for Attendance Registration and Voting	Eligibility for Registering the Attendance of the General Assembly's Meeting Ends upon the Convenience of the General Assembly's Meeting. Eligibility for Voting on the Business of the Meeting Agenda Ends upon the Counting Committee Concludes Counting the Votes.

Item	Description
<b>Method of Communication</b>	For any inquiries in respect of the agenda, please contact the Shareholders Affairs Department Tel 0118743000 during official hours, and you can address any inquiries to the Investors Relations Department on the email: <a href="mailto:shareholders@saib.com.sa">shareholders@saib.com.sa</a> .
<b>Additional Information</b>	Shareholders' questions and inquiries will be received during the meeting of the General Assembly through following the following e-mail address: <a href="mailto:shareholders@saib.com.sa">shareholders@saib.com.sa</a> We would like to inform all shareholders that there will be a live audio broadcast of the meeting via the link available in Tadawulaty system.
<b>Attached Documents</b>	Circular for the Sale of the Treasury Shares of the Saudi Investment Bank.

The Capital Market Authority and the Saudi Exchange (Tadawul) take no responsibility for the contents of this disclosure, make no representations as to its accuracy or completeness, and expressly disclaim any liability whatsoever for any loss arising from, or incurred in reliance upon, any part of this disclosure, and the issuer accepts full responsibility for the accuracy of the information contained in it and confirms, having made all reasonable inquiries, that to the best of their knowledge and belief, there are no other facts or information the omission of which would make the disclosure misleading, incomplete or inaccurate.

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البنك السعودي للاستثمار  
The Saudi Investment Bank