

Investment Banking and Capital Market

INVESTMENT OPPORTUNITY SCORECARD

FINANCIAL SERVICES

September 2021



FINANCIAL SERVICES

Public / متاح

High Potential

Moderate Potential

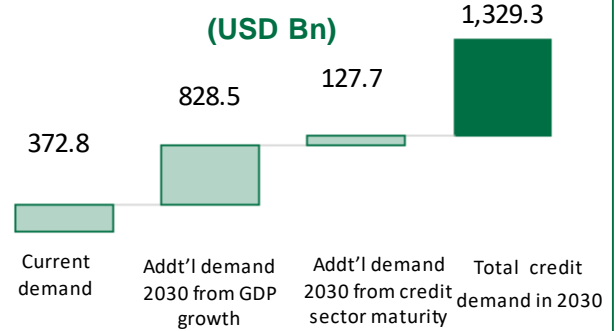
Low Potential

Investment Banking and Capital Market

OPPORTUNITY'S DESCRIPTION: Attracting Investment Banks, Financial Advisor, Funds, and Financial Custodians to conduct: Dealing, Fund and Portfolio Management, Advising, Arranging and Custody. Furthermore, attract foreign capital to be allocated in financing opportunities (Greenfields and brownfields).

DEMAND

PROJECTED FUNDING DEMAND



INVESTMENT HIGHLIGHTS

- Investment banking and capital market related firms which are licensed by the Capital Market Authority CMA, to conduct investment banking activities which include:



INVESTMENT OVERVIEW

VALUE PROPOSITION

- Investments banks are required to support all of the big projects on investment transactional stand points (M&A and IPOs)
- Ease of doing business in KSA financial sector has enhanced and thus, new foreign and local players have entered KSA market more in the recent years.
- New set of products portfolio is being developed and regulated by KSA regulators. (e.g mezzanine, hybrid, convertibles, etc)

MARKET OVERVIEW

KEY DEMAND DRIVERS

- M&As and IPOs deals are increasing in terms of number of transactions as well as size.
- KSA Capital Market (Tadaw ul), is opening up for foreign ownership up to 49% and in case of a strategic investor, it can reach 100%. Moreover, a new set of investment products have been regulated and listed in Tadaw ul today, e.g. tradable funds, bonds and sukuk.
- Funds markets (private, listed) are increasing in terms of fund size as well as number of funds located in KSA.
- Financial custody services is facing a big demand..

MARKET READINESS AND COMPETITOR ANALYSIS

- A well-established regulatory environment, promising financing opportunities, robust market protection and top niche economy.

COMPETITOR ANALYSIS



GLOBAL TRENDS

- ESG funds are being more important than ever as the financial world goes toward the green financing, climate bonds, etc.
- Research and Market centers are increasing around the globe to provide a reputable investment insights for the bank clients and to the public.

CAPITAL REQUIREMENTS IN KSA (USD M)

Dealing	13	Sophisticated Investor Portfolios Management	1.3	Advising	0.1
Fund Management	5.3	Private Non-Real-Estate Investment Funds Management	1.3	Arranging	0.5
Portfolio Management	5.3			Custody	13

DEFINITIONS

#	SCORECARD SECTION	DEFINITION
1	Projected funding demand	Projected funding demand for non-financial corporations
2	Key Demand drivers	A select number of factors that will influence future demand for the related product/service
3	Investment highlights	An overview of key financial metrics summarizing the investment opportunity along with the expected return based on the suggested investment size. The process or activities that would potentially need to be carried out to deliver the underlying product or service
4	Value proposition	Summary of key differentiators that position KSA as a strategic choice over other regional/global peers
5	Market readiness	An overview of KSA market structure, market maturity and level of participation by local and global players
6	Competitor analysis	List of the local & international players manufacturing the underlying product in Saudi Arabia and their market share
7	Global trends	Latest business developments within the sector/product category
8	Capital requirements in KSA	Capital requirements imposed by the regulator



DISCLAIMER

- This report must be used only to access information, and the information must not be construed, under any circumstances, explicitly or implicitly, as an offer to sell or a solicitation to buy or sell or trade in any opportunity herein mentioned.
- Ministry of Investment (MISA) has no undertaking to update these materials after the date, with the understanding that such information may become outdated or inaccurate.
- Mentioned information in this report is obtained from reliable sources but its accuracy and reliability are in no way guaranteed. No guarantee of any kind is tacit or explicit when projections of future conditions are attempted. MISA has used public/or confidential data and assumptions and has not independently verified the data and assumptions used in the analyses. Changes in underlying data or operating assumptions will clearly impact the analyses and conclusions.
- The financial evaluations, projected market and financial information, and conclusions contained in these materials are based upon standard methodologies, are not definitive projections, and are not guaranteed by MISA
- The content of this report must not be construed as an implied promise or guarantee for profit or limited loss express or implied by or from MISA or any of its officers, directors, employees and affiliates. All mentioned investments in this report are subject to risk, which should be considered prior to making any investment decisions
- MISA shall have no liability whatsoever to any third party, and hereby any third party waives any rights and claims it may have at any time against MISA with regard to this report, any services or other materials, including the accuracy or completeness thereof.

CONNECT WITH US FOR MORE DETAILS:

FinancialSector@misa.gov.sa

investsaudi.sa



@investsaudi

