



SABB  ساب

Saudi British Bank Strategy Announcement

Presentation to investors and analysts

SABB's strengths

Diversified businesses

Retail Banking and Wealth Management

Retail Banking and Wealth Management provides services and products to personal and private customers, through a range of market leading digital channels and a traditional branch network.

Corporate and Institutional Banking

As one of the largest commercial banks in the Kingdom, we support a variety of clients from micro enterprises focused on the domestic market to large internationally focused enterprises.

Treasury

We provide corporate, institutional, retail and private banking customers with access to capital markets, foreign currency and rates management solutions. In addition, we manage the liquidity and market risk of the bank, including the deployment of the bank's commercial surplus through its investment portfolio.

2020 credentials

We are the leading international bank in the Kingdom through a deep understanding of the needs of our customers, and a bespoke product suite that brings intrinsic value to our customers. Our unique partnership with HSBC Group enables us to bring international connectivity to our customer base.

c. 20%

Trade market share

1.7m

Retail customers

13%

Corporate lending market share

Top 3

Corporate bank by revenue

c. 27k

Corporate and Institutional customers

18.96%

CET 1 ratio

299%

Liquidity coverage ratio

8%

PoS market share

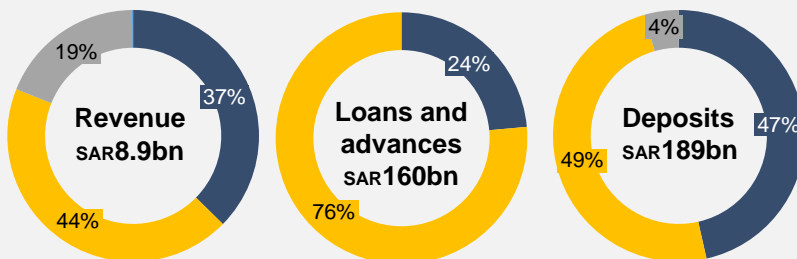
10%

FX market share

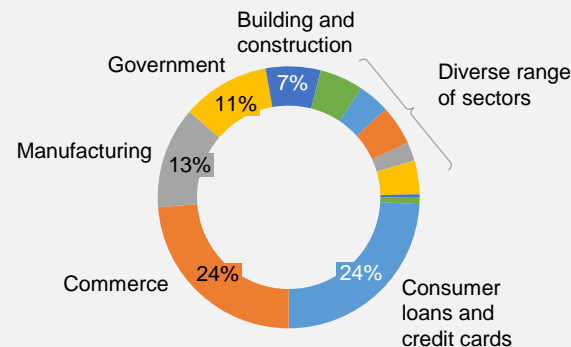


2020 key financials by business

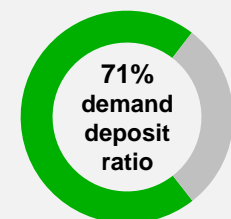
■ Retail ■ Corporate and Institutional Banking ■ Treasury



Diverse lending portfolio



Solid deposit base



Strategy 2025 objectives

VISION We bring a world of financial opportunity to an ambitious Kingdom



Best in class universal banking serving all customer groups in the Kingdom



Be the leading international bank in the Kingdom, accessing an unrivalled global network through HSBC



Offer a leading online and mobile digital banking experience



The best place to work

OUR ACTIONS TO OUTGROW THE MARKET



Build on our core strengths

1. Bank of choice for Large Corporates
2. Reinforce leadership in Trade and Payments
3. Maintain leadership in Wealth
4. Reinforce our position in Cards



Maximise our participation in key growth areas

1. Fast growing Mid-Corporate business
2. Digital SME focus
3. Mortgage expansion



Transform the organisation

1. Lead in digital innovation and evolve the IT architecture
2. Transforming HR and developing the right talent
3. Revamp operating model through improved data management, automation and digitisation

2025 TARGETS

1 Top 3 bank for Loans

Current expectation: Mid-single digit loan growth per year

2 Top 3 bank for Revenue

Current expectation: Mid to high single digit revenue growth per year

3 Top 3 bank for cost efficiency

Current expectation: <32% CER

4 Top 3 bank for capital

Current expectation: 18 to 19% CET1 ratio

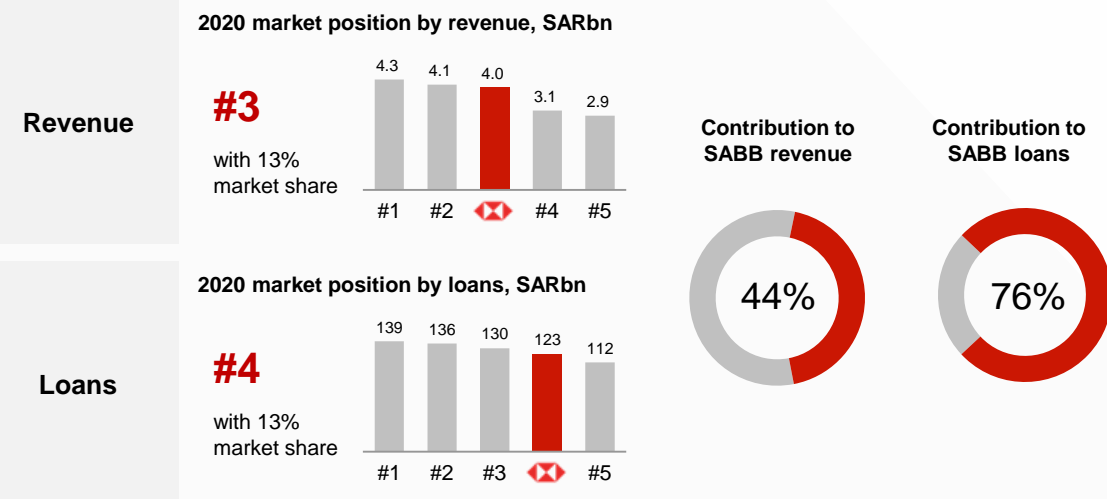
5 Top 3 bank for RoTE

Current expectation: >13% RoTE

Corporate and Institutional Banking strategy

We aim to be the #2 CIB bank in the Kingdom by 2025 by outgrowing the market, and we aim to maintain our position as the leading international bank in the Kingdom

The current corporate landscape



OUR AIMs by 2025

We aim to outgrow the market and increase market share

#2 CIB bank in the Kingdom by revenues in 2025

#2 CIB bank in the Kingdom by assets in 2025

We will achieve this through our focus on



- **Bank of choice** for Large and Multinational Corporates, and Financial Institutions
- **be the leading partner for Vision 2030** priority sectors & giga-projects
- drive deeper wallet share using our strengths in trade finance and payments



- **Market leader in cash management and trade finance** services, offering best-in-class digital propositions



- **Leveraging our unique partnership with HSBC** through greater collaboration



- **Fast growing Mid-Corporate business** in the kingdom, prioritizing the supply chain of SABB's Large Corporate client groups



- **'Digital First' SME proposition**, with a comprehensive offering and significant growth in the Kafalah financing guarantee program

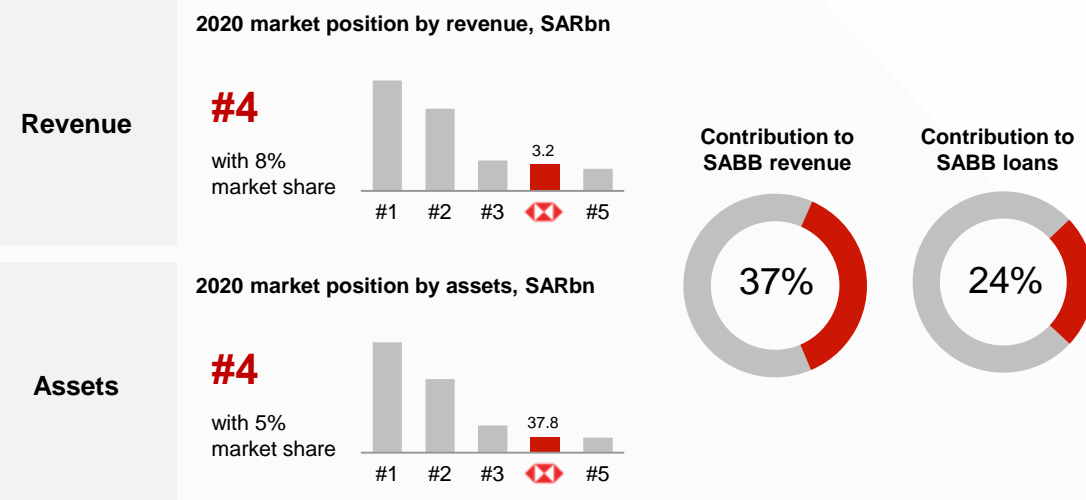


- **Digital innovation leader in KSA**, across all key services and segments: Trade Finance, Cash Management, Payments, MSME

Retail Banking and Wealth Management strategy

We aim to grow our retail business by building on our strengths in Wealth and cards, and increasing our participation in mortgage lending; all supported by digital innovation and best-in-class customer experience

The current retail landscape



OUR AIM

We aim to outgrow the market and increase market share

#3 retail bank in the Kingdom by revenues in 2025

#4 retail bank in the Kingdom by assets in 2025

We will achieve this through our focus on



- Leading bank for Wealth:** through a personalized offering, reliable investment platform, wealth advisory and dependable digital capabilities



- Increasing our mortgage business** through further expansion into the REDF programme and supporting V2030 home ownership targets



- Reinforcing our position in Cards** through digital end-to-end journeys and servicing platform
- Best in class loyalty programme** empowered by strong data analytics and insights.



- Digital innovation leader** with a 'bank in a pocket' offering
- Resilient against fintech** threats through developing seamless digital journeys and innovative models

Environmental, Social and Governance

ESG will be part of SABB's identity and will form an integral part of our strategy

Our ambition: Set the leading standards for ESG in the KSA banking sector, leveraging our partnership with HSBC

Environmental



Launch sustainable financing solutions in the corporate and retail space



Actively pursue significant reductions in waste, water usage, paper and others

Social



Contribute to the community and improve quality of life for citizens and residents



Enhance safety of work environment for SABB staff and indirect (supply chain) workers



Ensure trustworthy management and use of customers' and other stakeholder data

Governance



Deploy best practices in governance, with high transparency and robust risk management



Attract and develop best talents in KSA



Increase gender diversity in SABB leadership and workforce

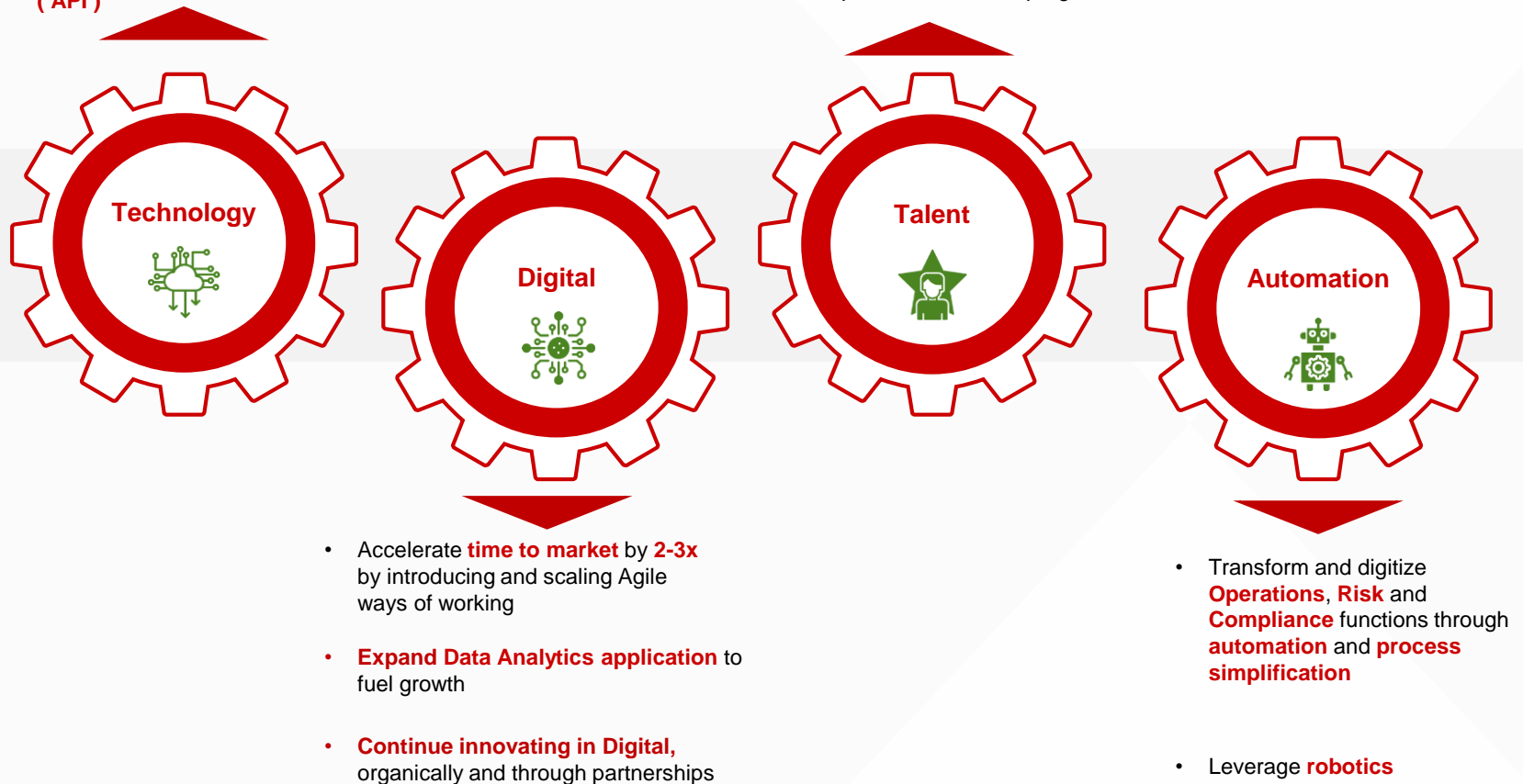
Enablers

Key enablers to be in place to support SABB's growth ambition; Digital, Technology, Talent and Automation will be at the heart of our strategy

- **Double** our **capex** for transformation over the next 5 years
- **Rebuild** our **IT architecture** and enable fast, efficient integration of external solutions through **micro-services and Application Programming Interfaces ('API')**

- Revamp our HR and **change the mix of our workforce** by bringing in **new capabilities in IT, Digital, Business**
- **Retain key talent** by upgrading career path and incentive programs

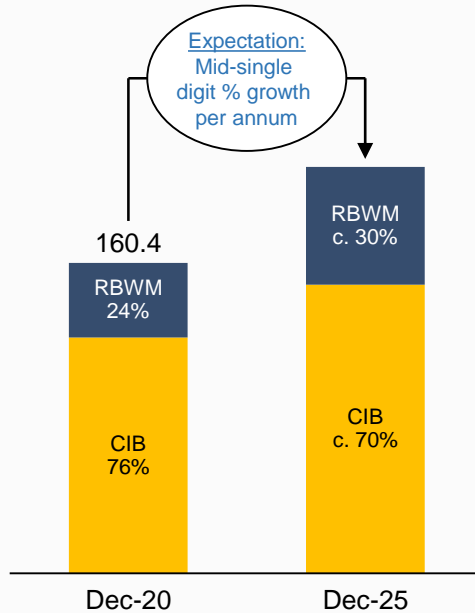
Key
Enablers



Our Balance sheet will outperform the market

Gross Loans

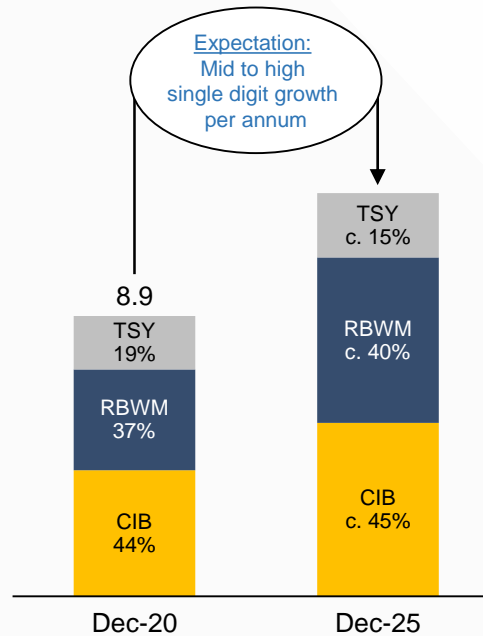
Market share **10%** Increase market share



1 Top 3 bank for Loans

Revenue

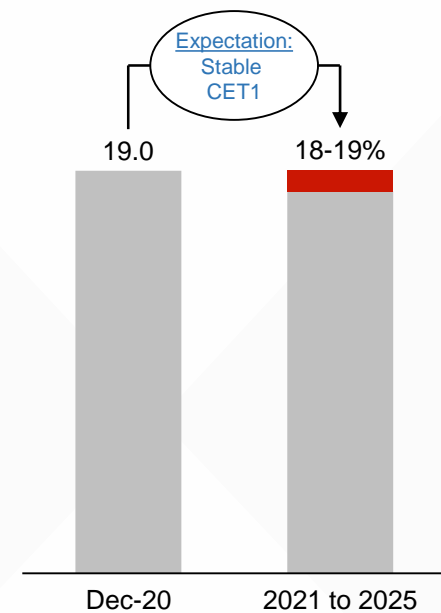
Market share **9%** Increase market share



2 Top 3 bank for Revenue

Capital

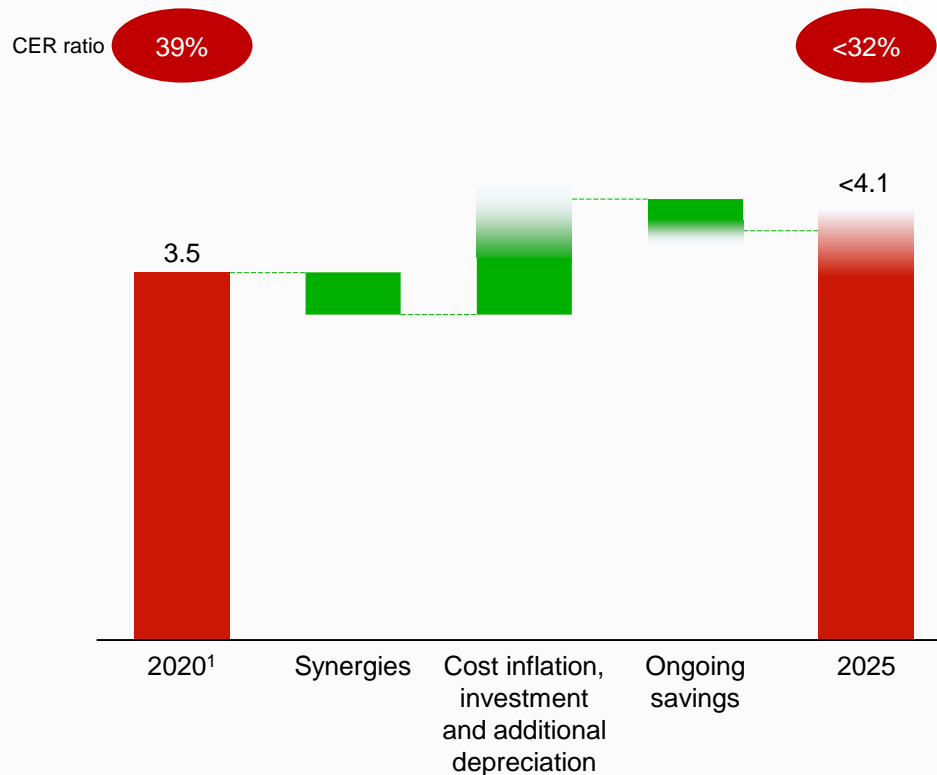
19.2% Median KSA banks



3 Top 3 bank for capital

Cost efficiency

Operating costs will increase over the plan from inflation, additional depreciation and investment, but partly offset by further cost optimisation; aim to reduce CER to below 32%



Synergies

- We will continue to achieve merger synergies during 2021 and expect a full years' benefit in 2022

Investment

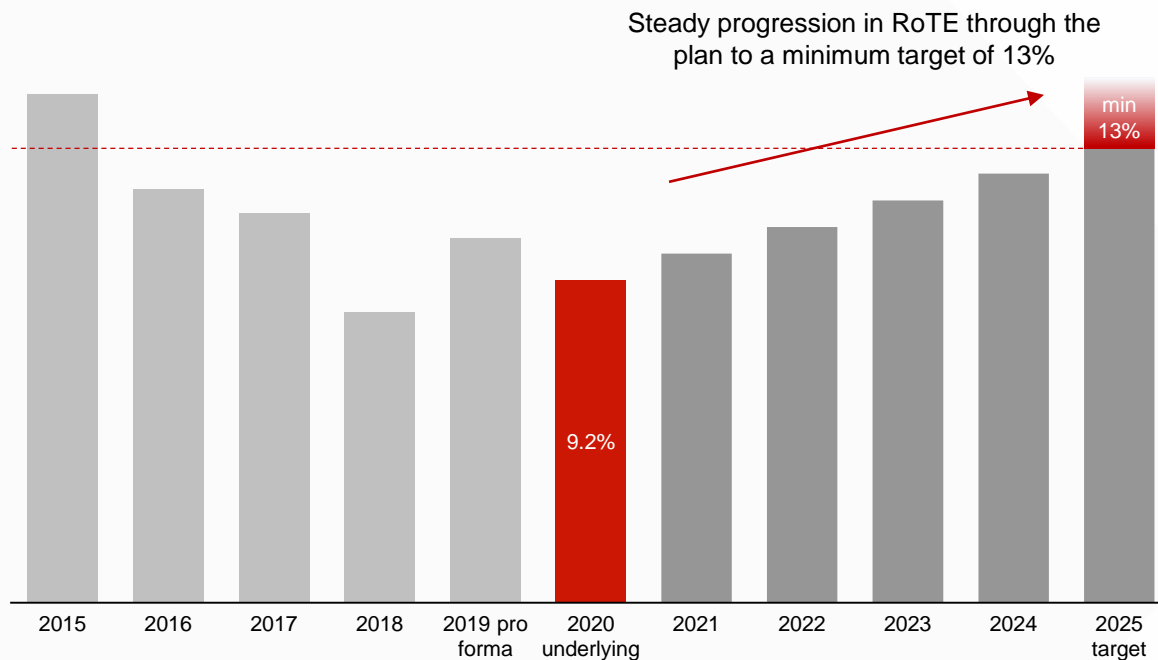
- We plan to invest in talent and technology throughout the plan horizon
 - Increased customer-facing resources and IT/Digital resources
 - Significant capital expenditure to support delivery of our IT operating model

Savings

- To finance investments, we will implement a structural cost review program and deliver savings through automation, digitization and streamlining

Targets

RoE / RoTE progression¹



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Current expectation: >13% RoTE

1. 2015 to 2018 shows SABB reported RoE based on restated Net income after Zakat and income tax; 2019 onwards shows RoTE

Our investment case

SIX REASONS TO INVEST IN SABB

1. **We are the leading international bank in the Kingdom** thanks to our partnership with HSBC Group
2. **We have increased scale and a diversified business mix**, reinforced by the merger with Alawwal Bank, ready to support the Vision 2030 aspirations
3. **We have strong financial fundamentals**, from a strong balance sheet, robust funding and liquidity dynamics, and a solid capital position
4. **We have a sustainable business model** and respected ESG fundamentals
5. **We are safe and dependable**, with robust governance and a prudent risk management record
6. **We have an energetic senior leadership team, a trusted and experienced Board**, and a diverse workforce and talent pool



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