

Saudi Awwal Bank

3Q25 Earnings call presentation

Presentation to investors and
analysts



CEO's key 3Q25 messages



9M25 Key messages

Performance against strategic objectives continues and despite cost-of-funding pressures, we've flexed our businesses to ensure revenue growth continues



Strategy on track

- ◆ A key player in the Vision 2030 mega-programmes
- ◆ 13% YTD loan growth in line with guidance; 16% YoY growth with a CIB portfolio of ₪ 224bn and WPB portfolio of ₪ 74bn
- ◆ 24% growth in our mortgage portfolio YoY; improved our position into #2 in REDF originations
- ◆ Leading market position in off-balance sheet trade assets with 25% market share¹

16%

YoY Gross loan growth

25%

Trade market share¹



Underlying sequential revenue growth

- ◆ Underlying QoQ sequential revenue growth although headline numbers impacted by one-off FX income correction
- ◆ Asset growth and non-funds income more than compensating for cost-of-fund pressures
- ◆ ₪ 2.4bn non-funds income YTD
- ◆ ₪ 1.2bn fee income YTD – from trade, capital markets and faster-than-market loan origination

₪ 2.9_{bn}

3Q25 QTD NSCI

₪ 2.4_{bn}

9M25 YTD non-funds income



Underlying asset quality remains strong

- ◆ YTD cost-of-risk remains low at 21bps
- ◆ 3rd quarter cost-of-risk of 11bps reflects significant recoveries offset by increased coverage
- ◆ Underlying portfolio quality remains robust

1.4%

NPL ratio (excl. POCI)

21bps

Cost-of-risk YTD



Improving returns

- ◆ 9M25 RoTE² of 15.1% remains in line with our MTO target and adversely affected by ₪ 1.2bn increased equity from restatement
- ◆ Drivers of returns:
 - ◆ Sequential loan growth
 - ◆ Sequential NII growth
 - ◆ Controlled costs
 - ◆ Low cost-of-risk

15.1%

RoTE² (after AT1 coupon payment)

8%

YoY Net income growth



Healthy capital, liquidity and funding + Future proofed balance sheet

- ◆ Strong capital, liquidity and funding metrics
- ◆ Reduced tactical sensitivity to rates as we approach the cutting part of the cycle

44%

NIBs ratio

1-3bps

NIM sensitivity for every 25bps shift in policy rates

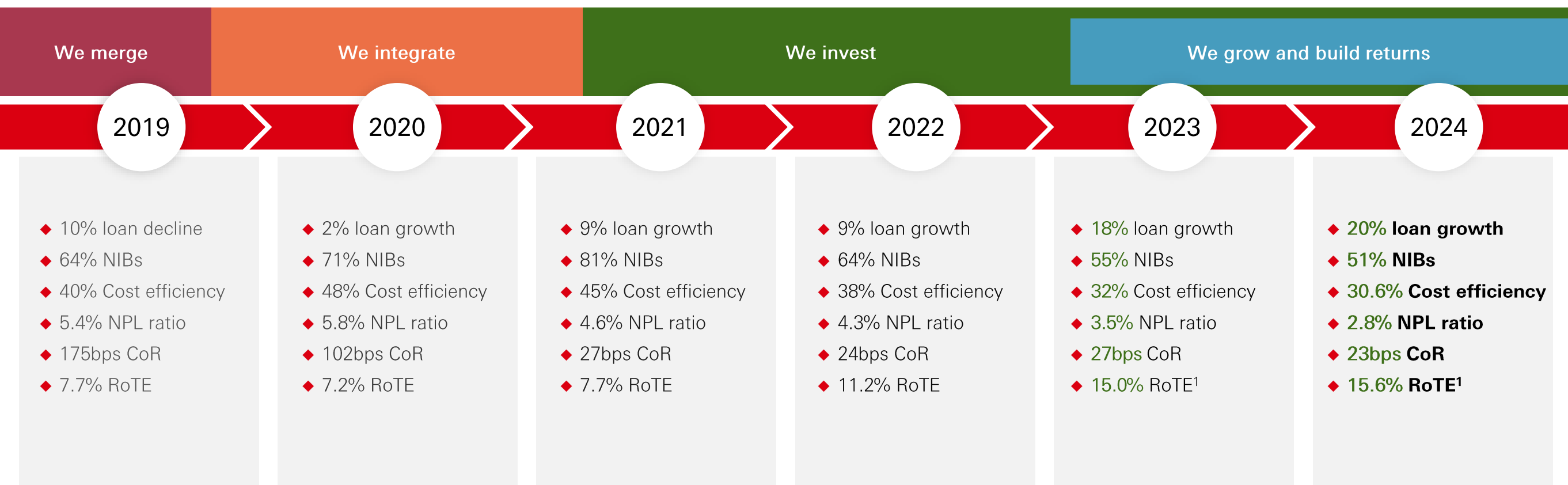


1. As at 30 June 2025.

2. RoTE is calculated post AT1 coupon payment. During 3Q25, SAB has revalued a small number of equity investments, which has resulted in a SAR1.2bn restatement of equity. 2023 and 2024 RoTE has been restated to provide a comparative

Recap on our delivery of the strategic aims we set out in 2021

The first phase of the strategy has been successfully delivered with a transformation of the bank back to growth and backed by strong financial results



3Q25 financials



Financial summary

Over ₪ 6.4bn of net income generated in 9M25 up 8% YoY, revenue of ₪ 11.0bn up 5%; 13% YTD growth in gross loans.

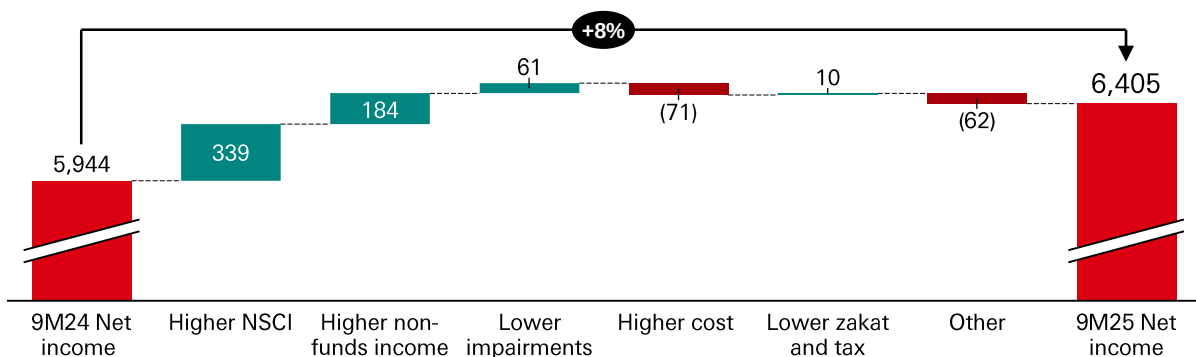
Income statement and Balance Sheet

₪ million	YTD			Quarterly		
	9M25	Δ 9M24		3Q25	Δ 3Q24	Δ 2Q25
Total operating income ('Revenue')	10,990	5% ▲		3,649	3% ▲	2% ▼
Operating expenses	(3,271)	2% ▲		(1,127)	5% ▲	5% ▲
- Memo: Pre-provision profits	7,719	6% ▲		2,523	3% ▲	5% ▼
Provision for expected credit losses, net	(440)	12% ▼		(82)	73% ▼	62% ▼
Share in earnings of associates	101	38% ▼		12	84% ▼	76% ▼
Net income before Zakat and income tax	7,379	7% ▲		2,452	11% ▲	1% ▼
Zakat and income tax	(974)	1% ▼		(308)	8% ▼	13% ▼
Net income after Zakat and income tax	6,405	8% ▲		2,144	14% ▲	1% ▲

Key ratios, Income statement and Balance Sheet

% unless otherwise stated	YTD			Quarterly		
	9M25	Δ 9M24		3Q25	Δ 3Q24	Δ 2Q25
Net special commission margin ('NIM')	2.65	0.2ppt ▼		2.54	0.3ppt ▼	0.1ppt ▼
Return on Tangible Equity	16.0	0.0ppt ▲		15.7	0.7ppt ▲	0.1ppt ▼
Return on Tangible Equity (after AT1 coupon)	15.1	0.3ppt ▼		14.7	0.3ppt ▲	0.1ppt ▼
Cost Efficiency Ratio ('CER')	29.8	0.8ppt ▼		30.9	0.4ppt ▲	2.0ppt ▲
Cost of risk ('CoR')	21bps	7bps ▼		11bps	38bps ▼	19bps ▼
Common Equity Tier 1 ratio ('CET 1')	14.4	1.5ppt ▼		14.4	1.5ppt ▼	0.4ppt ▼

9M25 Net income after Zakat and income tax walk



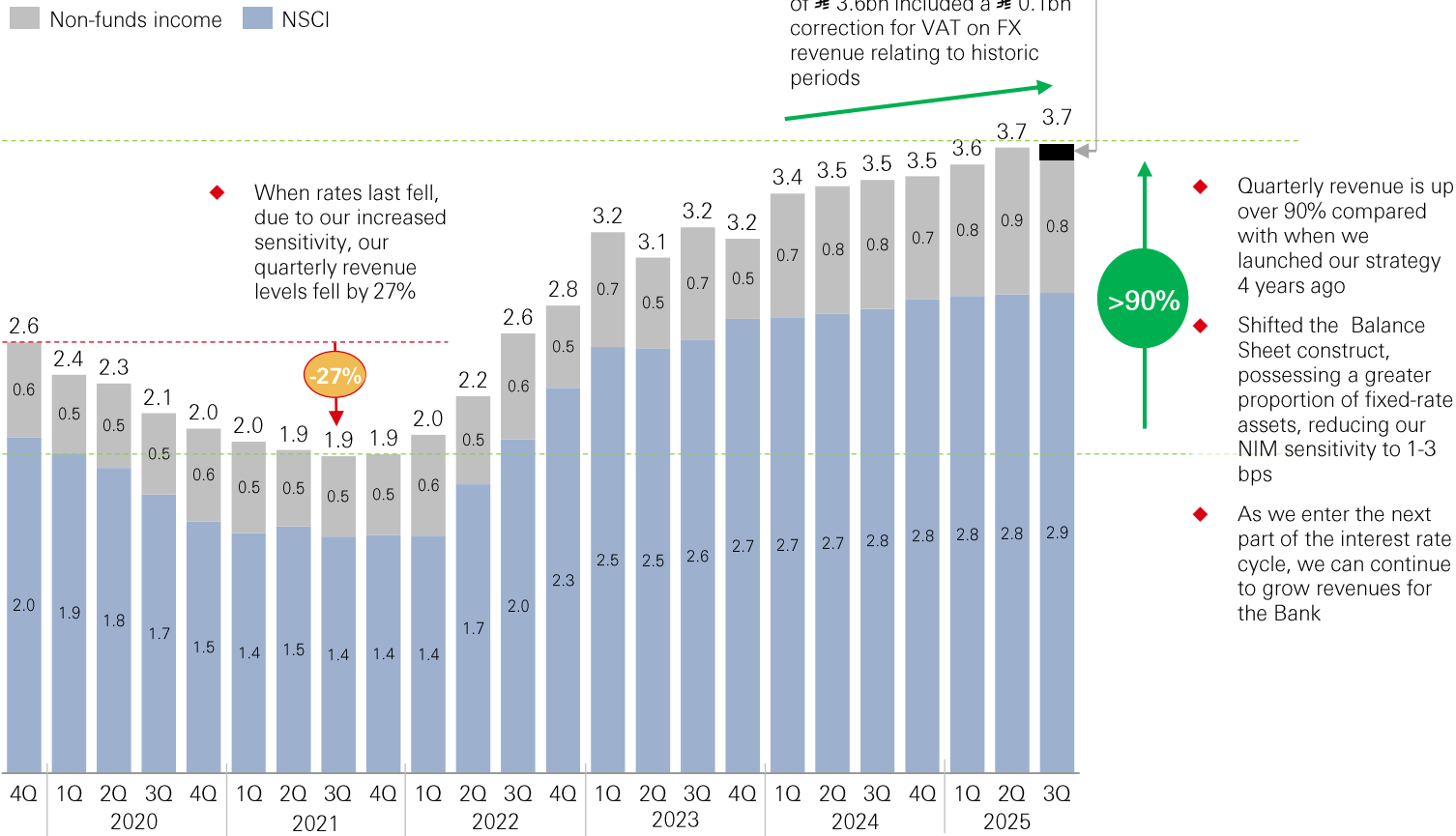
Balance Sheet

₪ billion	YTD			Quarterly		
	9M25	Δ 4Q24		3Q25	Δ 3Q24	Δ 2Q25
Gross loans	299.7	13% ▲		299.7	16% ▲	4% ▲
Net loans	292.9	13% ▲		292.9	16% ▲	4% ▲
Investments	107.8	8% ▲		107.8	9% ▲	1% ▼
Customer deposits	315.1	18% ▲		315.1	14% ▲	6% ▲
Demand deposits	137.2	0% ▲		137.2	5% ▲	2% ▼
Tangible Equity	54.5	7% ▲		54.5	7% ▲	1% ▲

Revenue

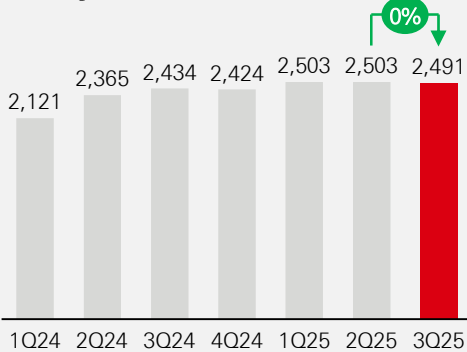
Underlying revenues continue to grow despite headwinds of lower SAIBOR and CoF pressures; FX revenues impacted by one-off of $\text{A\$}$ 0.1bn but underlying performance remains strong; NSCI shows resilience and continues to build

Quarterly revenue trend from 2019, $\text{A\$}$ bn

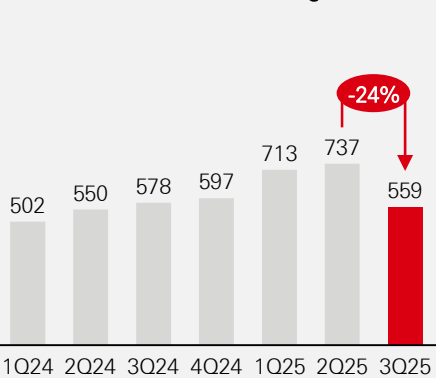


External revenue by business: Recent quarterly trend $\text{A\$}$ m

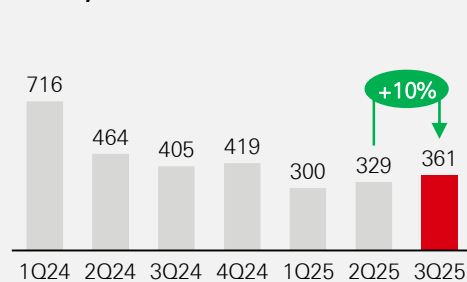
Corporate and Institutional Banking



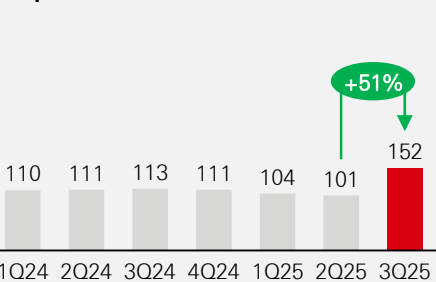
Wealth and Personal Banking



Treasury



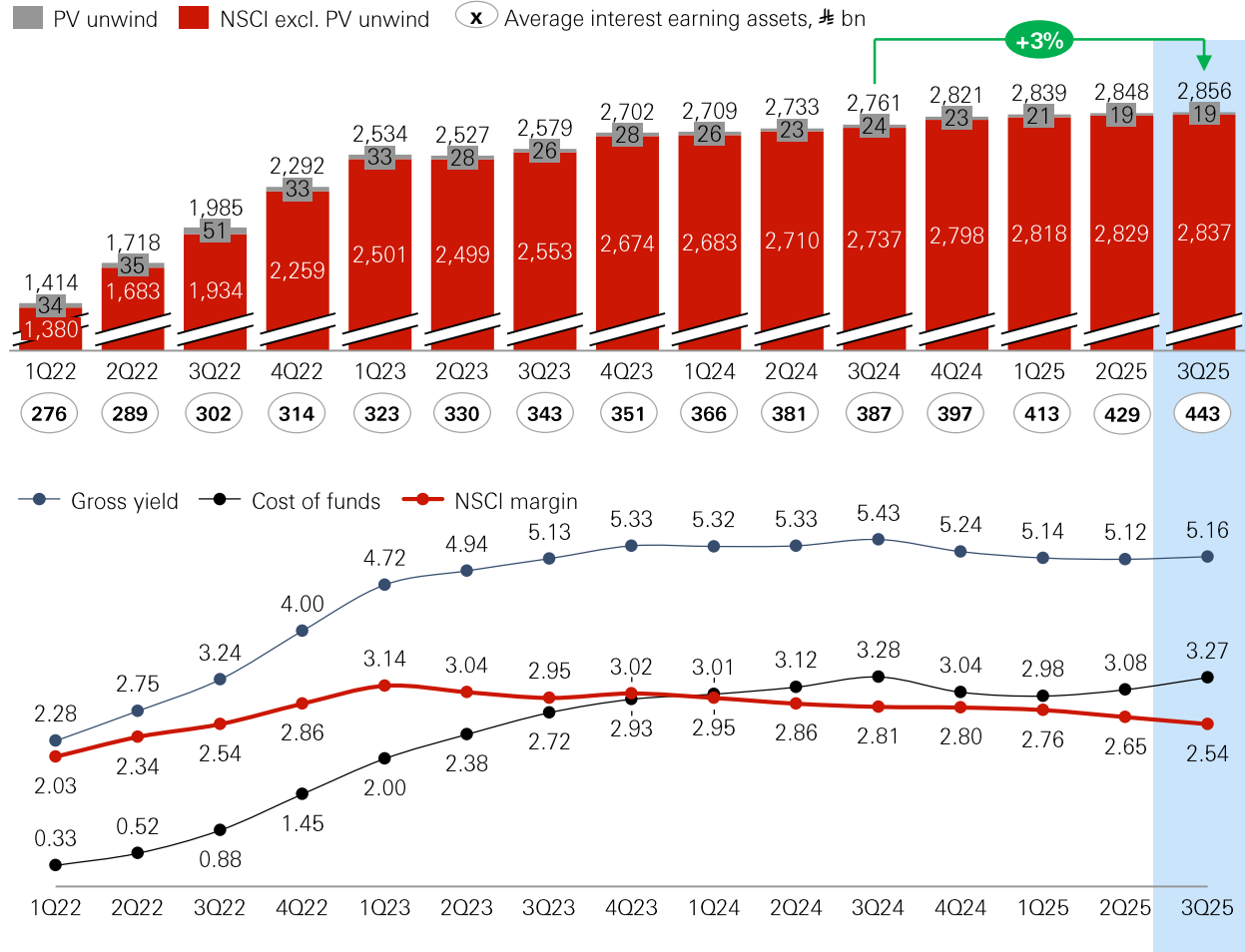
Capital markets



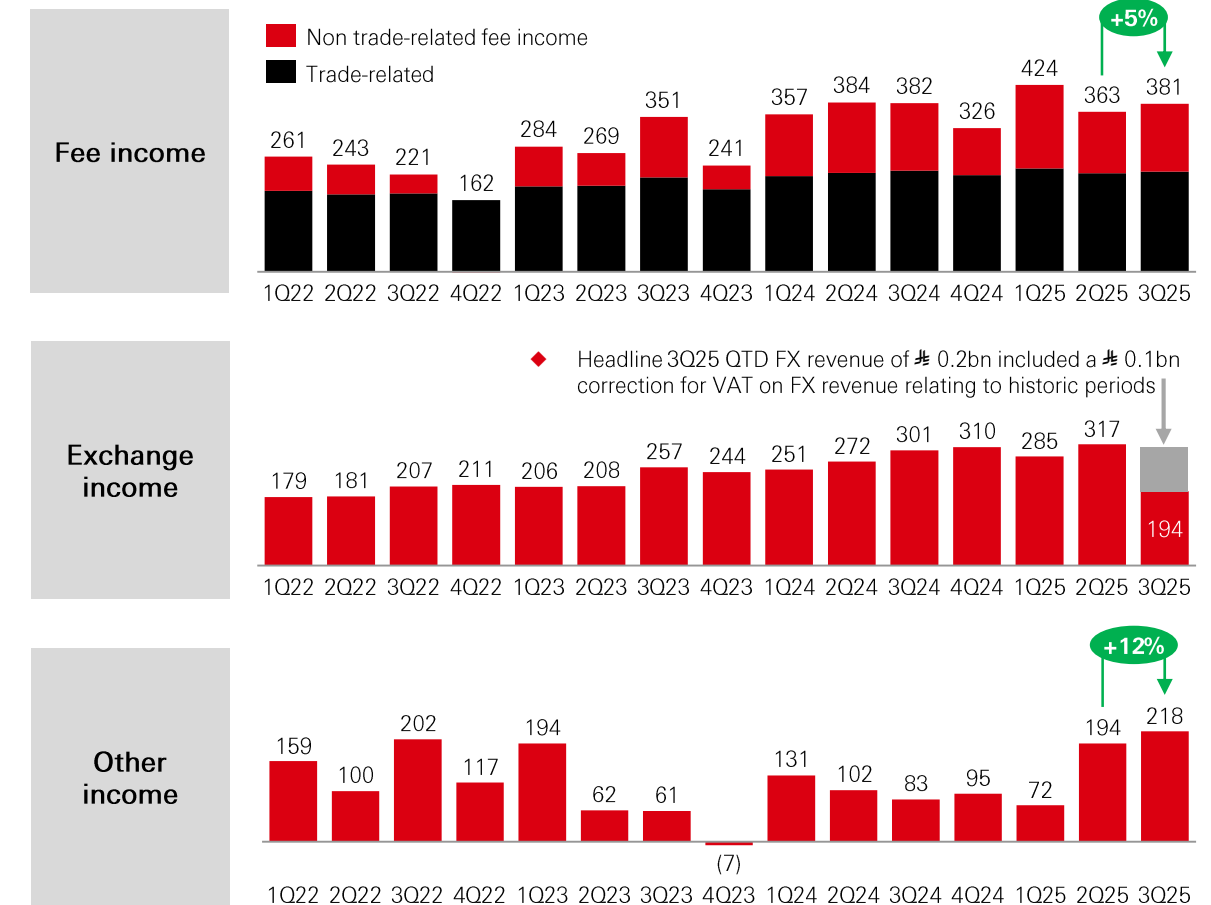
NSCI and non-funds revenue

NSCI remains resilient and continues to grow, supported by asset growth that offsets NIM compression; non-funds income impacted by one-off in FX income with underlying FX income performing well together with trading gains.

NSCI, ₪ m and Average interest earning assets, ₪ bn



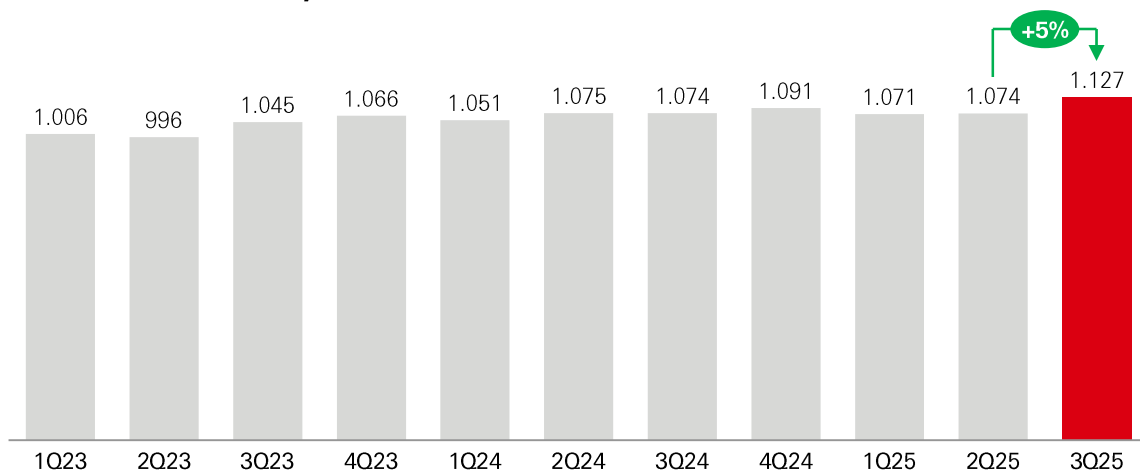
Non-funds income, ₪ m



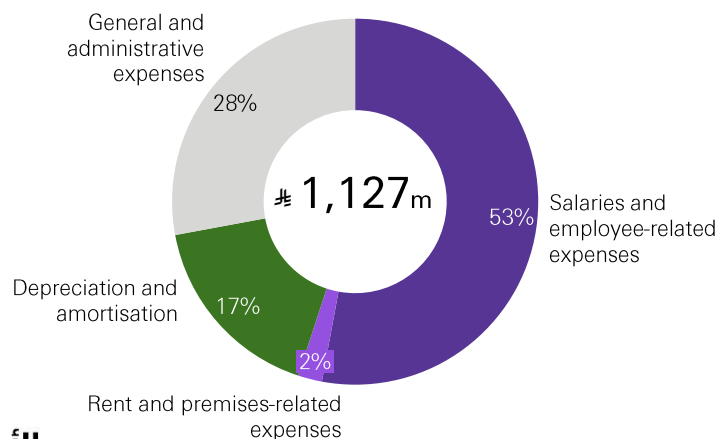
Costs

Operating expenses notched up in 3Q25 from higher digital service costs and increased customer volumes; YTD cost efficiency of 29.8% remained ahead of guidance and lower than 2024.

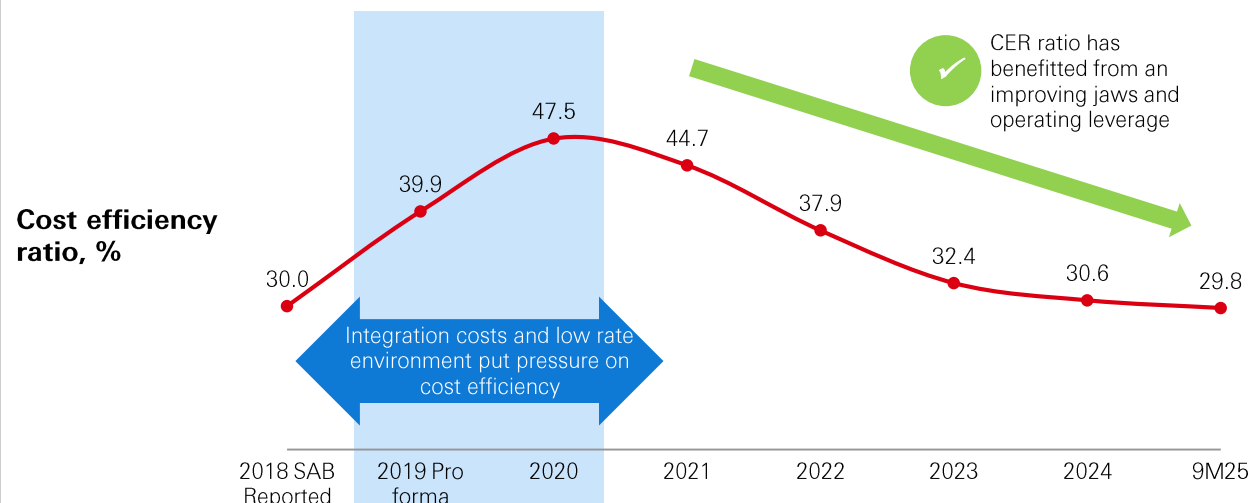
Recent cost trend, ₪ m



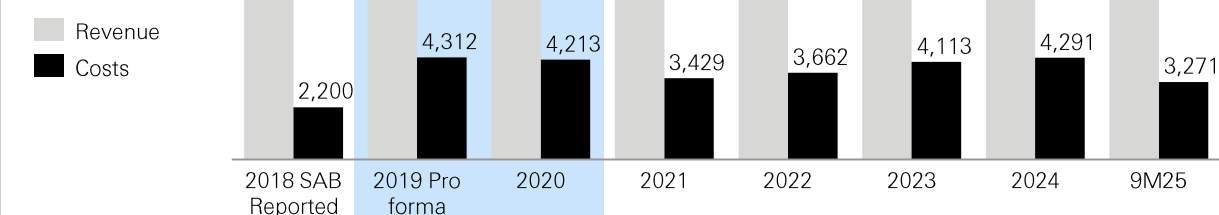
3Q25 costs by type, ₪ m



Cost efficiency ratio through the merger, %



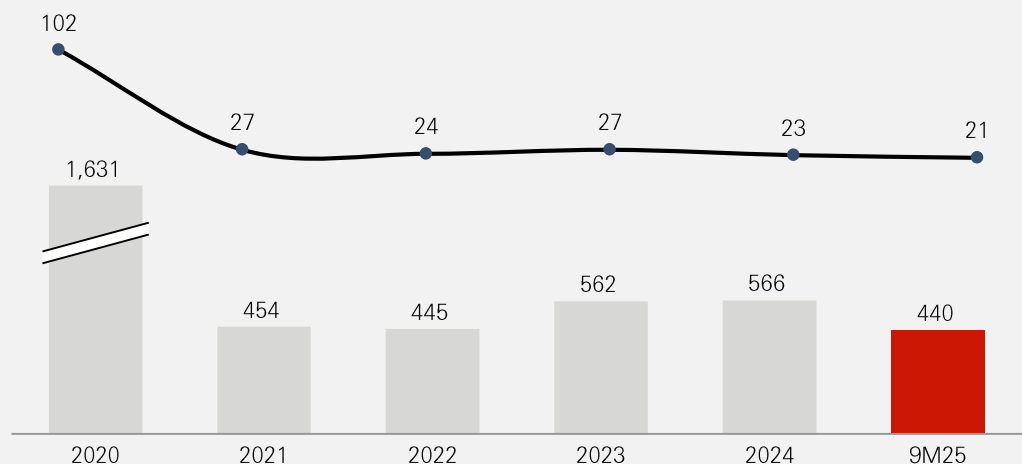
Revenue and costs, ₪ m



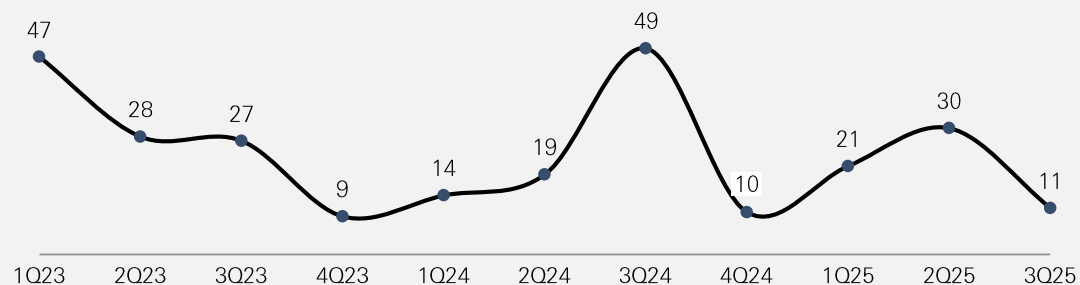
Impairment analysis and credit quality

Underlying portfolio quality remains strong with NPL ratio of 1.4%; 9M25 cost-of-risk of 21bps remains low.

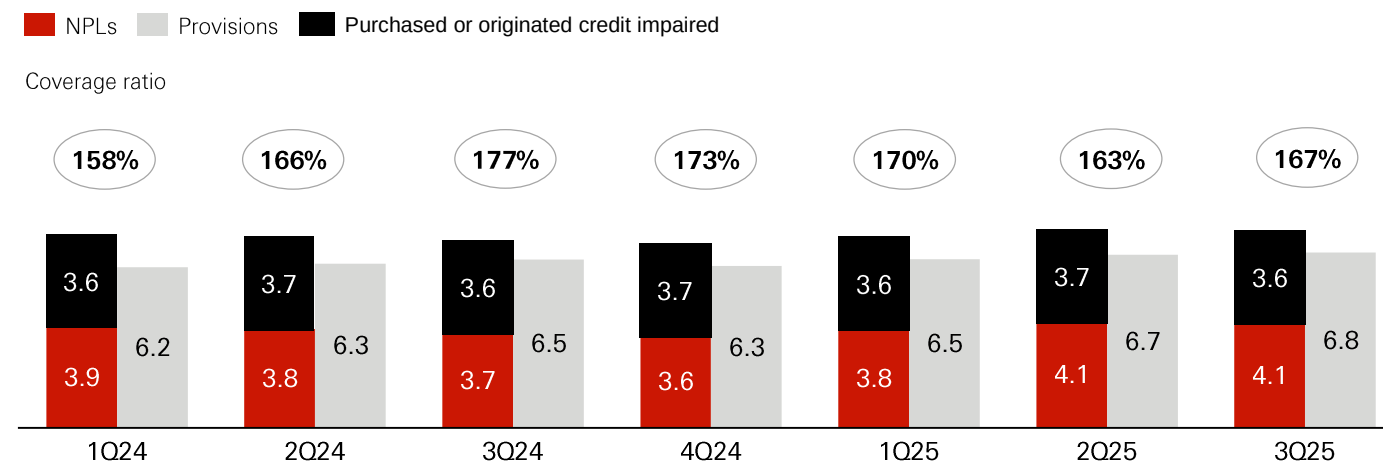
Year-to-date ECL charge (﷼ m) and CoR (bps)



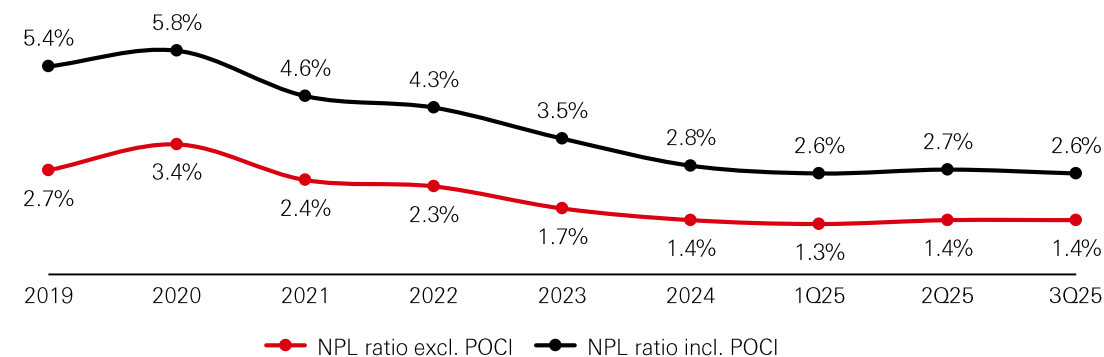
Quarter-to-date CoR (bps)



NPLs, Provisions ﷼ bn and coverage and NPL ratios (%)



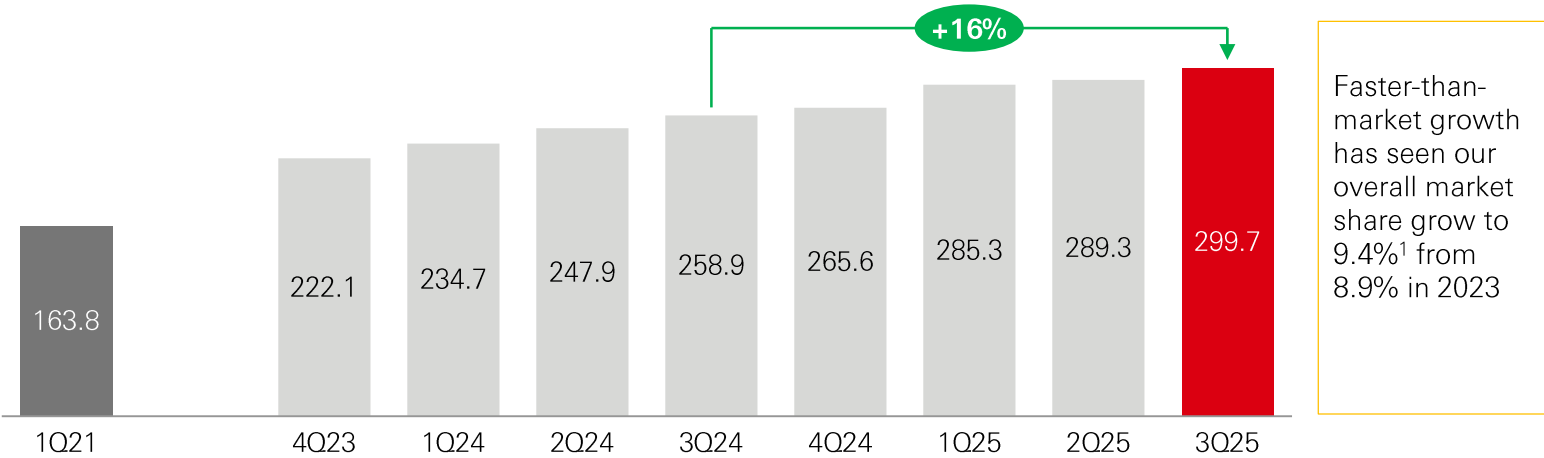
NPL ratio:
Sustained
improvement
in asset quality
post-merger



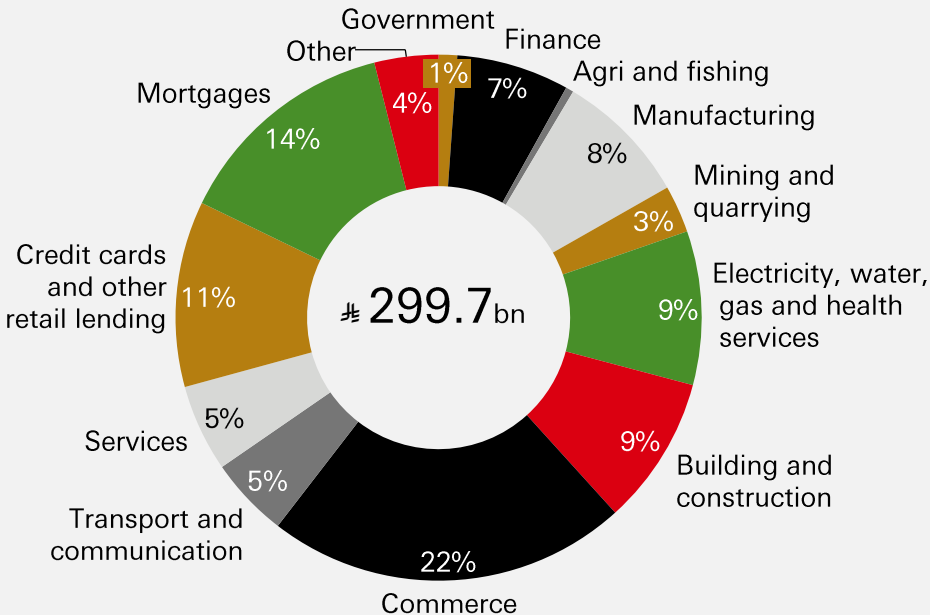
Customer lending

Strong lending growth of 16% YoY and 13% YTD which remains marginally ahead of the sector; we possess a diversified lending portfolio.

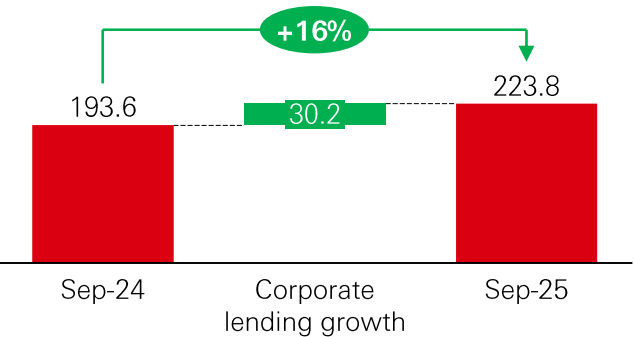
Gross customer lending, ₪ bn



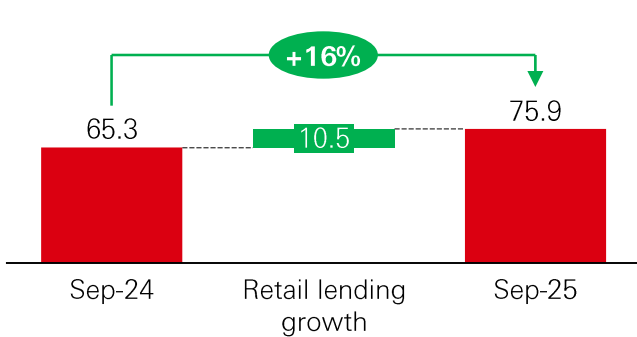
Gross customer lending, by sector



CIB lending growth Sep-25 vs Sep-24



WPB lending growth Sep-25 vs Sep-24

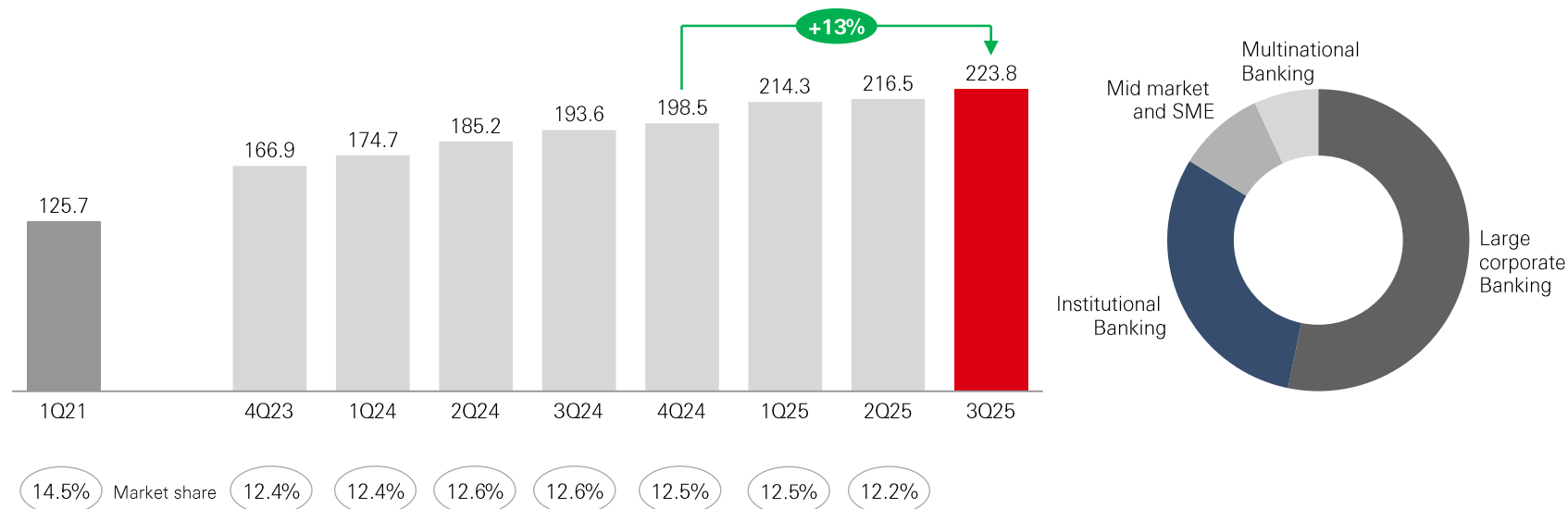


1. As at 30 June 2025

Corporate and institutional business

We grew CIB by 13% year-to-date; originations activity remains robust.

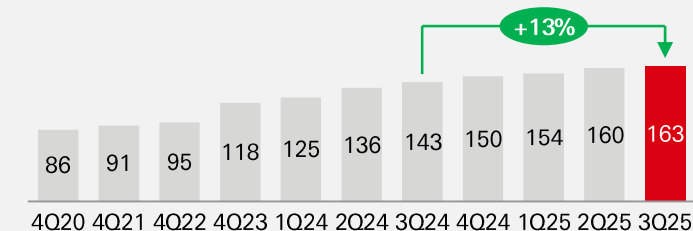
Gross customer lending, £ bn



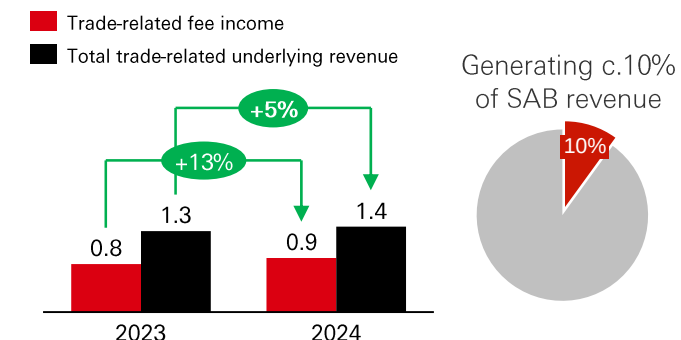
Our trade and off-balance sheet business is the number 1 in the Kingdom with 25%¹ market share, generating c. 10% of the Bank's revenue and over half of the Bank's fee income

Trade balances, £ bn

Letters of credit, guarantees and acceptances



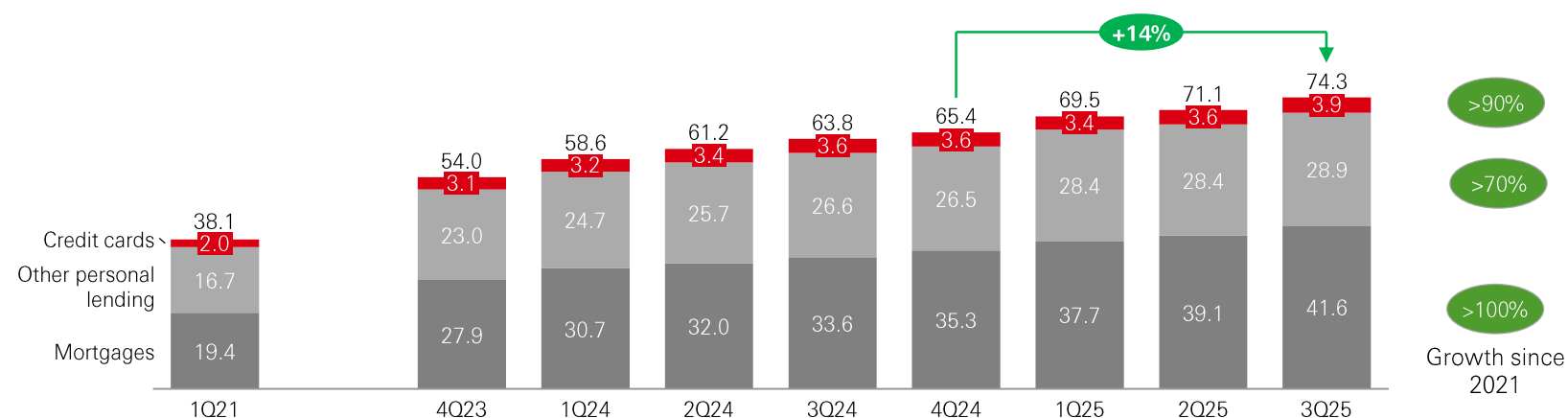
Total Trade-related 2024 Revenue, £ bn



Wealth and personal lending business

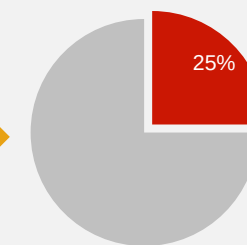
Strong mortgage origination market share; despite Q2 seasonality, year-to-date growth of 14%.

Gross customer lending, ₪ bn

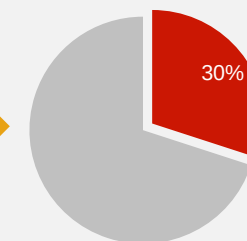


A core contribution to the Bank's financial performance

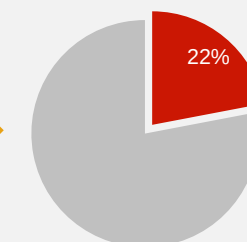
25% of the Bank's loan portfolio



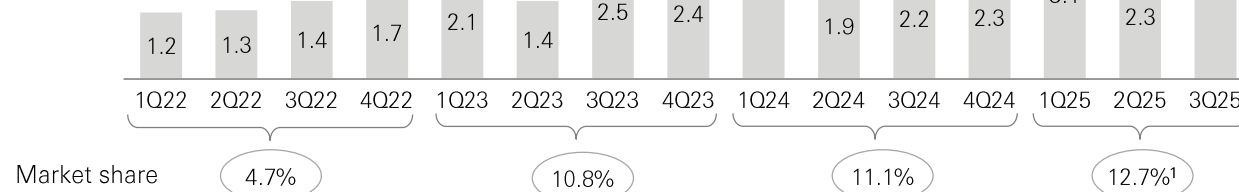
30% of the Bank's revenue



22% of the Bank's net income



Mortgage quarterly originations trend, ₪ bn



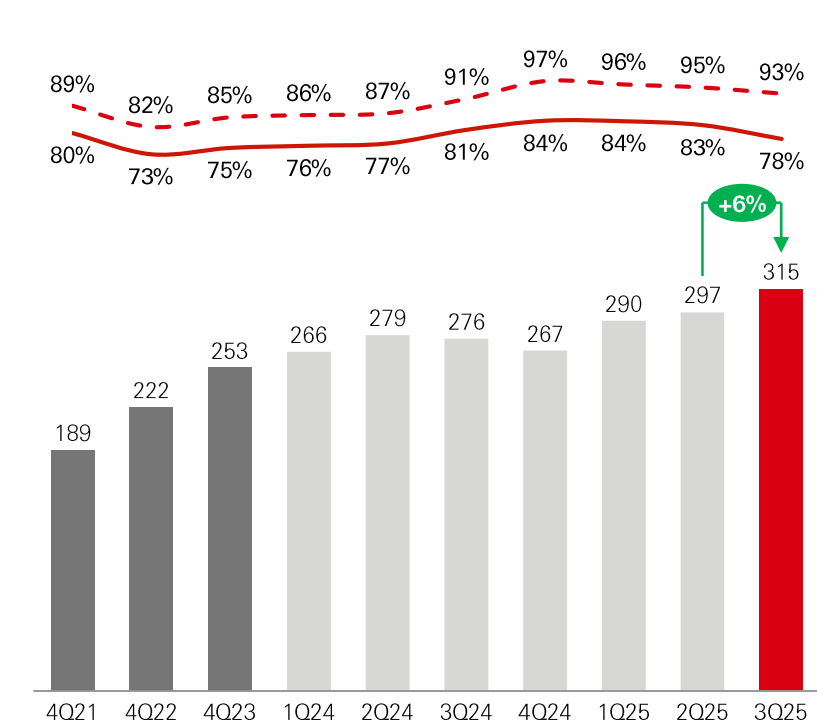
Customer deposits and liquidity

Funding and liquidity remain robust as we continue to capture deposits; in a challenging environment, NIBs balances retain their stability.

Customer deposits, \$ bn

Strong funding base

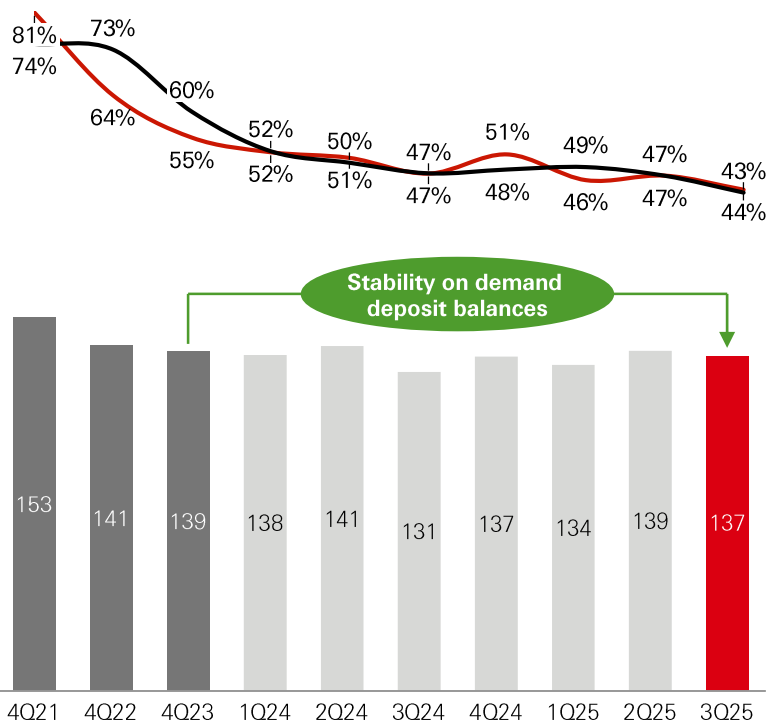
Deposits Reg LDR Simple LDR



Demand deposit balances and ratio

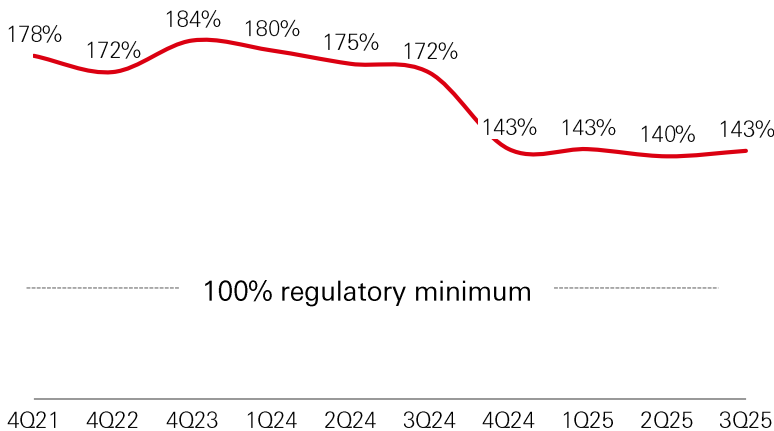
Stabilising NIBs ratio

Demand deposit ratio - spot basis
Demand deposit ratio - average basis¹



Liquidity coverage ratio, %

Highly liquid and well above regulatory requirements

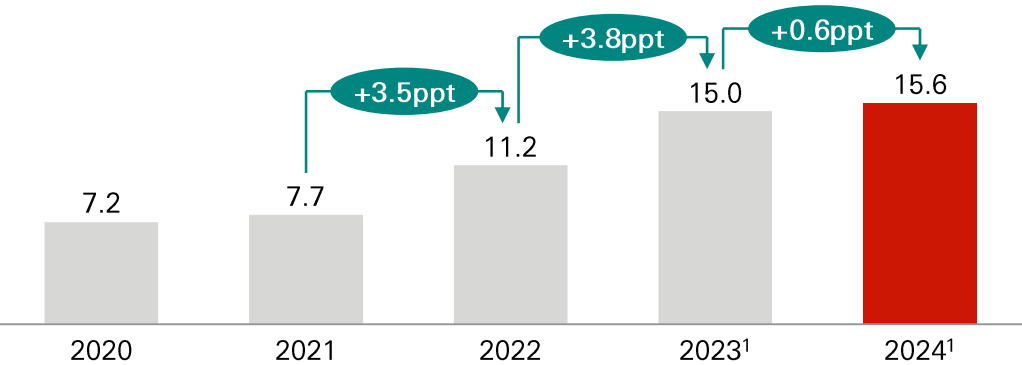


1. 2021, 2022 & 2023 represent full year average

Capital and returns

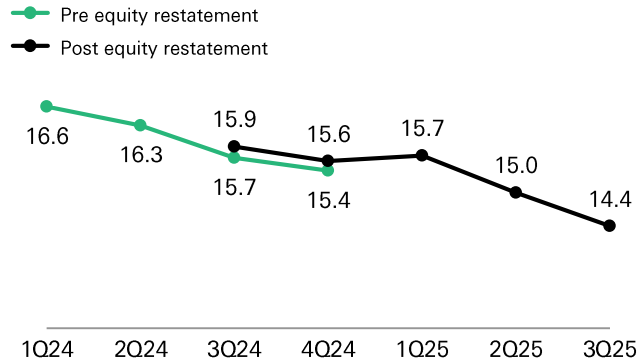
SAB now delivering sustainable levels of returns from revenue, low cost-of-risk and strong cost control.

Return on tangible equity, %



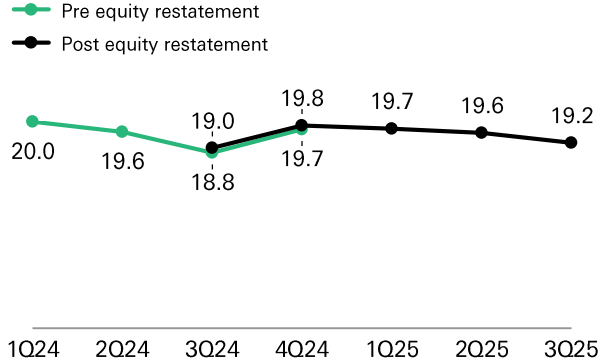
CET1 capital ratio¹, %

Basel 3 reforms basis

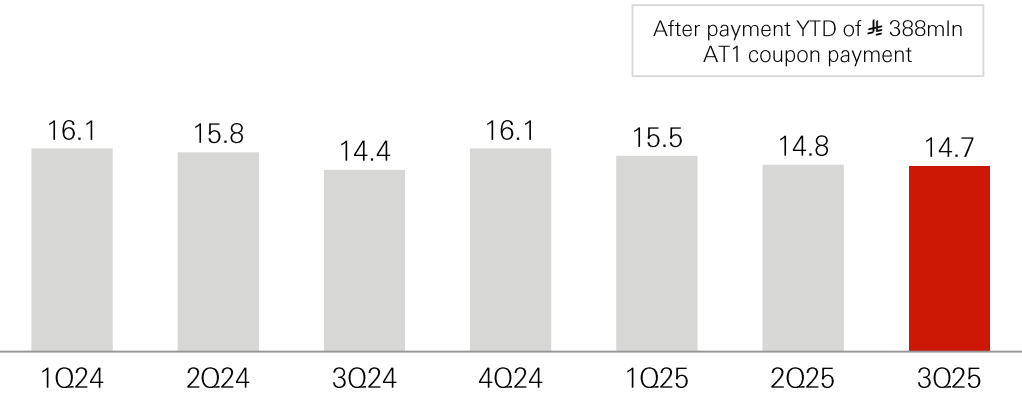


Total capital ratio¹, %

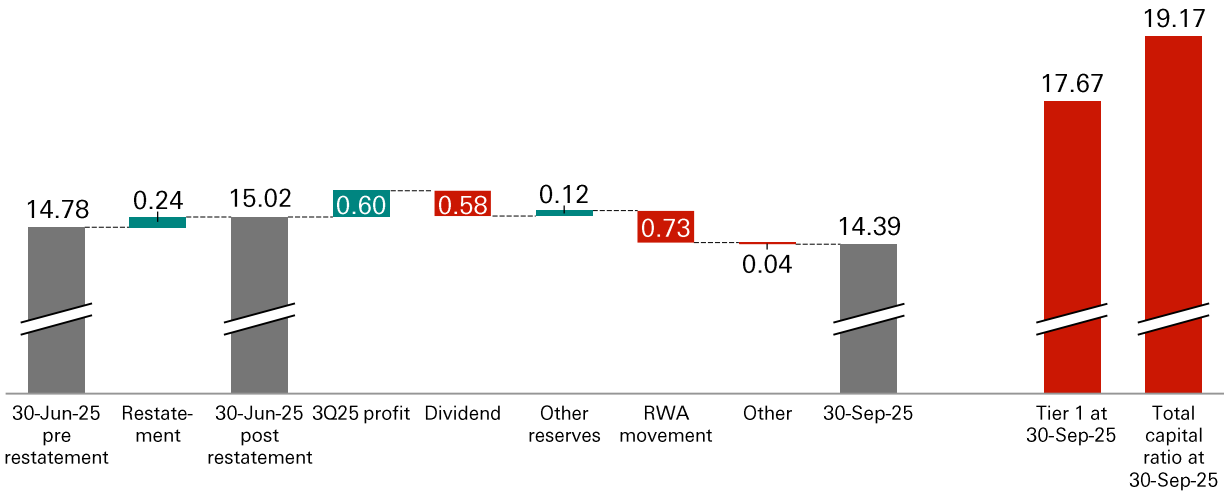
Basel 3 reforms basis



QTD Return on tangible equity¹, %



CET1 ratio movement 30 Sep 2025 vs. 30 Jun 2025, %



1. During 3Q25, SAB has revalued a small number of equity investments, which has resulted in a ₪ 1.2bn restatement of equity. 2023 and 2024 RoTE has been restated to provide a comparative

9M25 performance vs. guidance

Our growth strategy has enabled SAB to deliver a sustained level of return; we remain firmly on track for delivery of our medium-term targets despite persistent cost-of-fund pressures.

		2021	2022	2023	2024	2025 guidance	9M25 Actual	
Balance Sheet	Loan YoY growth	+9%	+9%	+18%	+20%	Mid-teens % growth	13% YTD growth	◆ Continue to capture market share in our areas of strength
Profitability	Annual net interest margin	2.03%	2.46%	3.04%	2.85%	2.60-2.65% (from 2.65-2.75%)	2.65%	◆ Modeling 3 rate cuts, with NIMs expected to be more resilient in 4Q25 from temporary CoF benefit
	Cost efficiency ratio	44.7%	37.9%	32.4%	30.6%	< 30.5%	29.8%	◆ Continued positive jaws and cost optimisation
	RoTE ¹	7.7%	11.2%	15.0%	15.6%	15-16%	15.1%	◆ Sustain current levels of RoTE despite a changeable environment
Asset Quality	Cost of risk	27bps	24bps	27bps	23bps	25-35bps	21bps	◆ Continued low cost-of-risk

Appendix



History and background

- 1926

Netherlands Trading Society opens its office in Jeddah and becomes the first bank to operate in KSA
- 1978

Saudi British Bank (SABB) was incorporated as joint stock company
- 2021

SABB merges with Bank Alawwal to create SAB and become one of the largest commercial banks in KSA



SAB الأول and its subsidiaries and associated companies provide comprehensive banking services



Offers both Islamic and conventional solutions



SAB الأول holds 49% of HSBC Saudi Arabia, the investment banking arm of HSBC in Saudi Arabia, where HSBC maintains majority stake of 51%

A diversified international banking offering locked into a global banking network through HSBC



Key facts and figures¹



1. As at 30 September 2025

Investment case

Five reasons to invest in SAB

1. Leading international bank in the Kingdom

Our institution has developed into the leading international bank in the Kingdom through a deep understanding of the needs of our customers and a bespoke product suite that delivers intrinsic value. Our unique partnership with HSBC Group enables us to bring international connectivity to our customer base and aligns our approach with global best practice. We are the 'go-to' Bank for inbound and outbound multinational corporates and institutions operating into or from Saudi Arabia, and the number one bank in the Kingdom for trade.

2. Increased scale to support Vision 2030 growth aspirations

The Kingdom is navigating its path through undoubtedly its biggest economic transformation programme, bringing a wealth of opportunity to every family and enterprise domestically, but also playing to international opportunities. Through our robust balance sheet and market-leading suite of products, we possess the scale and capability to support such an ambitious programme.

3. Financial strength

Historically, we have delivered top tier financial performance from a strong balance sheet, robust funding and liquidity dynamics, and a solid capital position. Following the merger with Alawwal Bank, we have taken the necessary steps to protect our balance sheet and conservatively manage the provisioning of our portfolio. We are still in a position of strength to meet the demands of our customers.

4. Positioned for growth

We have successfully completed the integration of our two banks, following the merger of SABB with Alawwal Bank, and we have moved swiftly into investment and growth mode. Our Strategy 2025 is growth focused and supported by a drive to digitise the banking platform and customer experience. Our growth agenda aims to build on our strengths in our corporate franchise and provide a more enhanced retail provision to support the growing needs of our retail customers. Our long-term strategy coupled with a core set of finance fundamentals and a robust economy positions us well for growth.

5. We are safe, sustainable and dependable

A robust approach to corporate governance is a key strength for any organisation and we ensure we adopt best practices in this field to create value for all of our Stakeholders. The Board sets the Bank's strategy and risk appetite with the aim of achieving sustainable value and promoting a culture of openness and debate. Our Board brings a successful balance of international banking best practices, together with local, commercial and institutional insight and experience.

We conduct our business using a responsible and sustainable approach in line with our values, and our business decisions are made in the interests of all concerned Stakeholders, including our customers, employees, Shareholders and our wider community.



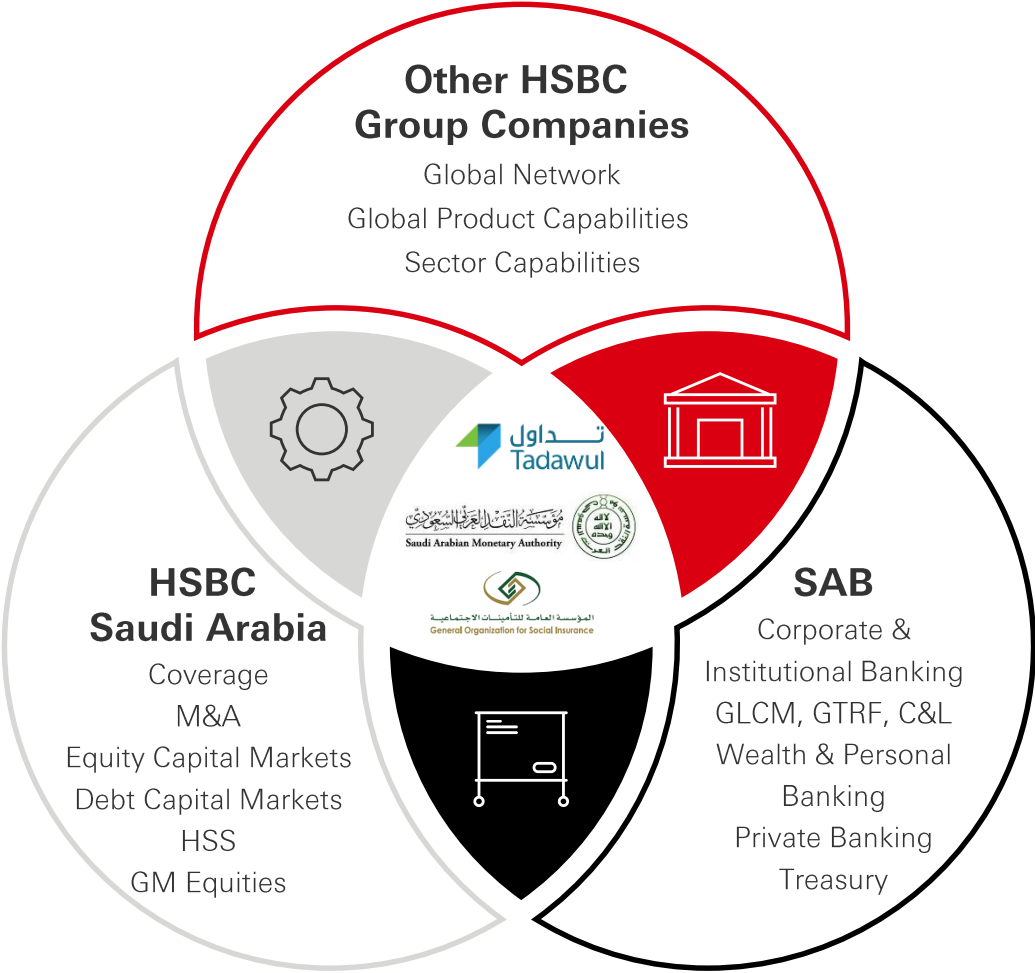


SAB's differentiation - connectivity with HSBC

Our contribution to bringing the world to Saudi, and Saudi to the world

Engagement model enablers

- ◆ **SAB** is the first bank in KSA with dedicated desks for all key business corridors
- ◆ SAB maintains **full operational connectivity with HSBC** providing full product and services slate, with the same 'look and feel' as in any other country where the group has presence
- ◆ Product alignment: sharing of info/ content/leveraging of best practices on both corporate through SAB and investment banking through HSBC Saudi Arabia, which is majority owned by HSBC



Product Capabilities

- ◆ Saudi extension to Global Network
- ◆ Only international bank of scale in KSA
- ◆ Unrivalled integrated product offering

Shared Technologies and Processing

- ◆ Business models and product offering reinforced via Technical Service Agreement between the parties
- ◆ Leverage Group Systems, including hsbnet
- ◆ SAB is the first international bank to provide free instantaneous international transfers using HSBC's Global View Global Transfer functionality

People Capabilities

- ◆ HSBC Resources in Saudi entities
- ◆ 3 Dedicated Asia Desks in KSA, operating through Wholesale concept

Medium term outlook: 2024 to 2026

1



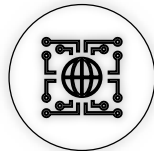
Grow sustainable returns in a changing environment

2



Sustainably gain market share in lending over the next 3 years

3



Be future-ready by leading in digital and ESG



The **leading international bank** in the Kingdom

A **Scale player** in Corporate Banking and Treasury

Focus : Core/Giga projects, trade, cash management and SME

The **Bank of Choice**, for Wealth and Internationally-Minded Customers

Focus: Wealth, mortgage, cards and payments

Alawwal (the best) in customer experience

Alawwal (the best) in Employee experience

Alawwal (the best) in Organizational Efficiency

Primary strategic targets by 2026

ROTE

15.0% to 16.0%
on a post AT1 coupon basis

Other key financial metrics

Loans growth CAGR

Low double-digit to low-teens

Annual OPI growth

6-10%

Cost-Income Ratio

30-32%

