

Saudi Awwal Bank

1Q26 Earnings call presentation

Presentation to investors and
analysts



CEO's key 1Q26 messages



1Q26 Key messages

Growth in the business continues in 1Q26; given the geopolitical uncertainty we have built up liquidity and taken prudent steps to strengthen our provisions



Strategy on track

- ◆ A key player in the Vision 2030 mega-programmes
- ◆ Loan growth continues into 1Q26 with 3% QoQ growth and 10% YoY
- ◆ Sustained faster-than-market growth in mortgages of 12% YoY; average origination market share of 10.5% during 1Q26, maintaining strong REDF participation
- ◆ Leading market position in off-balance sheet trade assets with 24% market share¹

10%

YoY Gross loan growth

24%

Trade market share¹



Sustained revenue levels

- ◆ ₪ 3.6bn of quarterly revenue 1Q26, stable YoY
- ◆ Asset growth and non-funds income more than compensating for cost-of-fund pressures
- ◆ ₪ 14.7bn of total revenue in 2025 – nearly double the levels when we started the strategy in 2021

₪ 3.6^{bn}

1Q26 revenue

₪ 2.9^{bn}

1Q26 NSCI



Asset quality remains strong

- ◆ 1Q26 CoR remains low and includes a significant additional ECL (overlay) reflecting the current uncertain geopolitical environment
- ◆ NPL ratio remains stable at 1.3% (excl. POCI)
- ◆ Improvement in Stage 2 portfolio following a review of key names

1.3%

NPL ratio (excl. POCI)

21bps

Cost-of-risk QTD



Resilient returns

- ◆ 1Q26 RoTE of 13.8% includes a significant additional ECL overlay
- ◆ Drivers of returns:
 - ◆ Sequential loan growth
 - ◆ Strong levels of NSCI
 - ◆ Controlled costs
 - ◆ Low cost-of-risk

13.8%

RoTE (after AT1 coupon payment)

2%

Net income growth QoQ



Healthy capital, liquidity and funding

+

Future proofed fortress balance sheet

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

43%

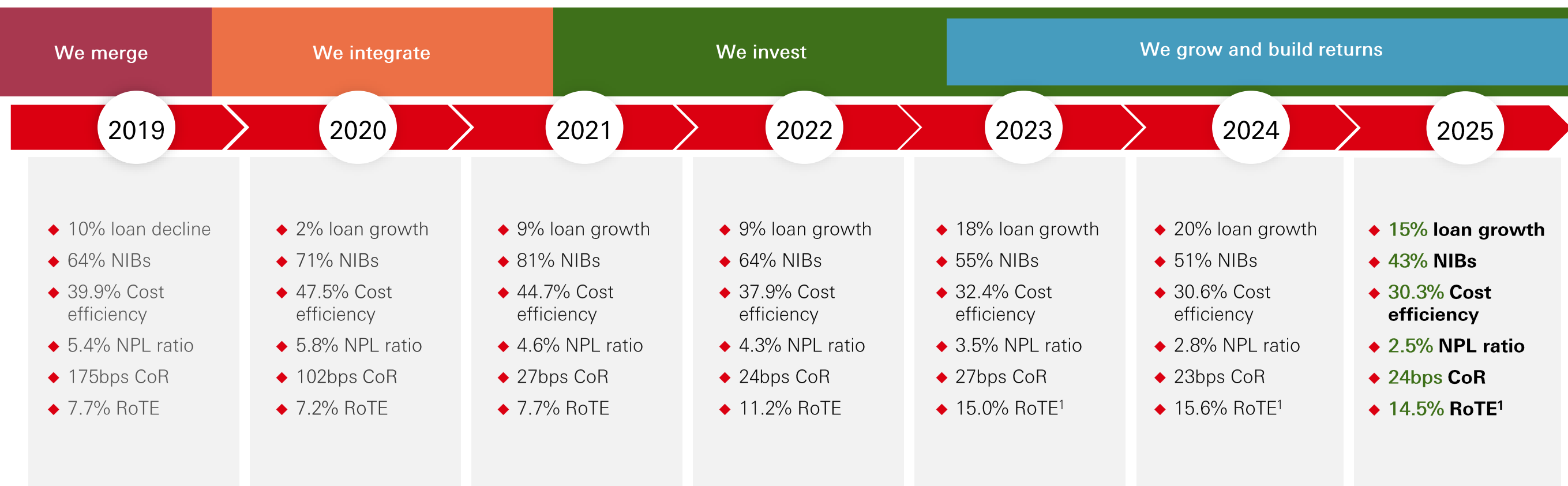
NIBs ratio

3-4bps

NIM sensitivity for every 25bps shift in policy rates

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



1Q26 financials



Financial summary

﷼ 2.1bn of net income generated in 1Q26 which includes a significant ECL 'overlay' to reflect the increasing risks from the current geo-political environment

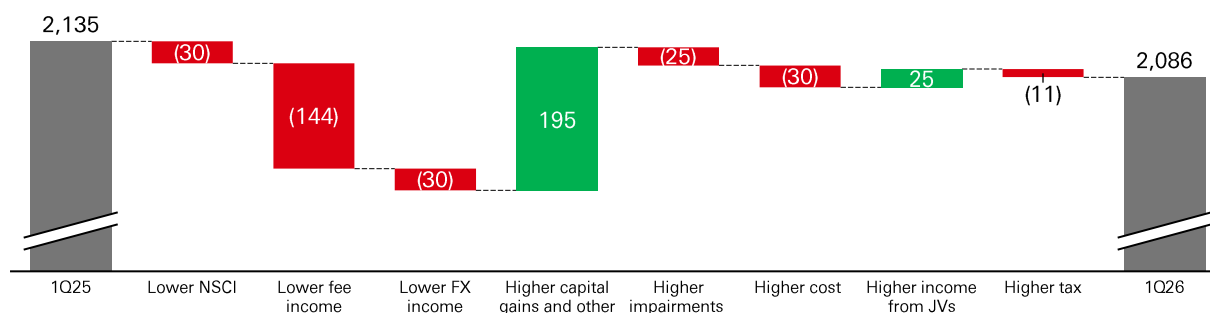
Income statement and Balance Sheet

﷼ million	1Q26	Δ 1Q25	Δ 4Q25
Total operating income ('Revenue')	3,612	0% ▼	3% ▼
Operating expenses	(1,101)	3% ▲	8% ▼
- Memo: Pre-provision profits	2,511	1% ▼	1% ▼
Provision for expected credit losses, net	(166)	18% ▲	37% ▼
Share in earnings of associates	66	60% ▲	65% ▲
Net income before Zakat and income tax	2,411	2% ▼	4% ▲
Zakat and income tax	(325)	4% ▲	19% ▲
Net income after Zakat and income tax	2,086	2% ▼	2% ▲

Key ratios, Income statement and Balance Sheet

% unless otherwise stated	1Q26	Δ 1Q25	Δ 4Q25
Net special commission margin ('NIM')	2.53	0.3ppt ▼	0.1ppt ▼
Return on Tangible Equity	15.0	1.5ppt ▼	0.2ppt ▲
Return on Tangible Equity (after AT1 coupon)	13.8	1.7ppt ▼	0.8ppt ▲
Cost Efficiency Ratio ('CER')	30.5	0.9ppt ▲	1.4ppt ▼
Cost of risk ('CoR')	21bps	0bps -	14bps ▼
Common Equity Tier 1 ratio ('CET 1')	14.6	1.2ppt ▼	0.3ppt ▼

1Q26 vs. 1Q25 Net income after Zakat and income tax walk



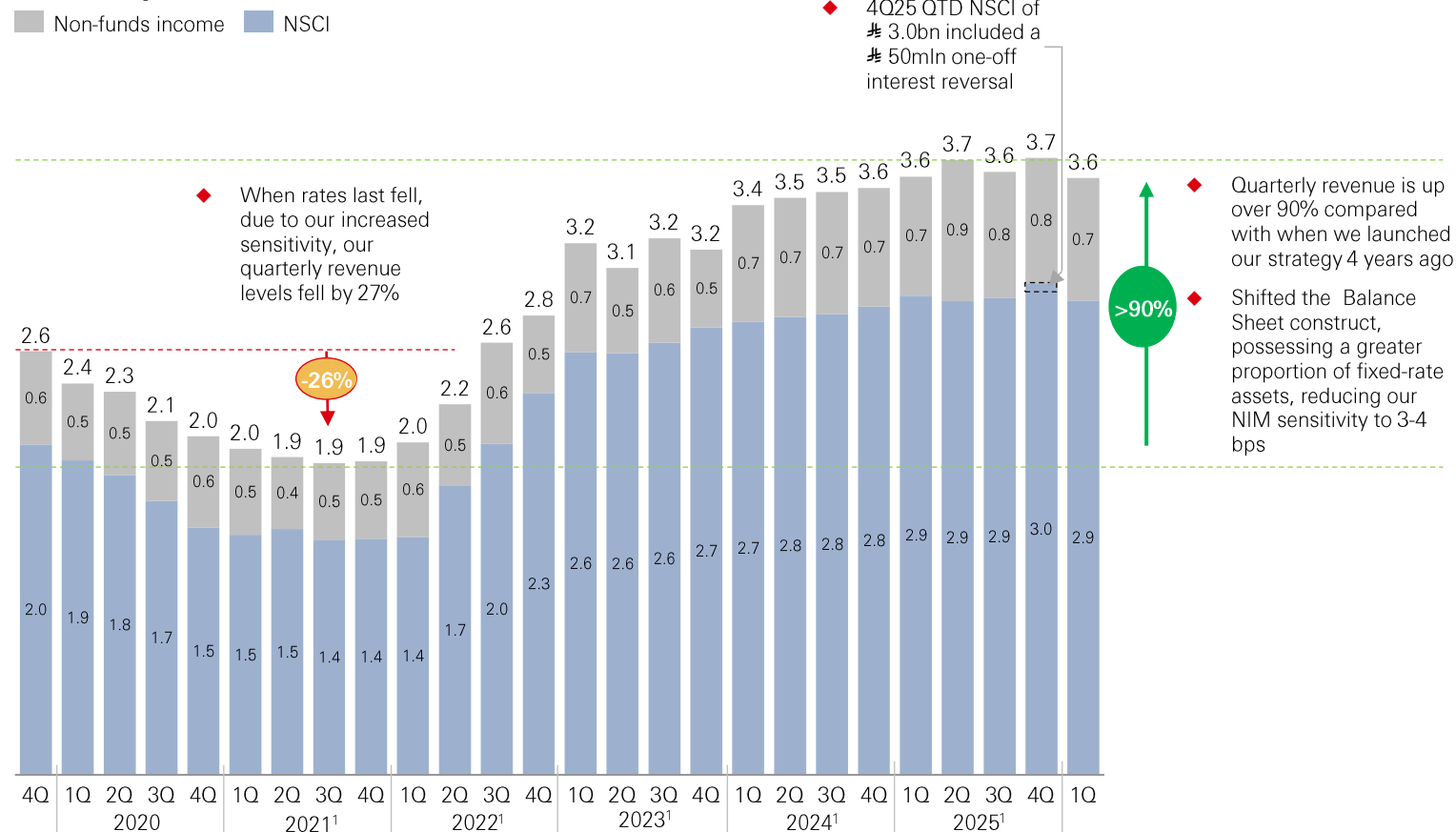
Balance Sheet

﷼ billion	1Q26	Δ 1Q25	Δ 4Q25
Gross loans	314.7	10% ▲	3% ▲
Net loans	306.9	10% ▲	3% ▲
Investments	99.6	5% ▼	8% ▼
Customer deposits	331.4	14% ▲	3% ▲
Demand deposits	143.5	7% ▲	4% ▲
Tangible Equity	57.4	6% ▲	3% ▲

Revenue

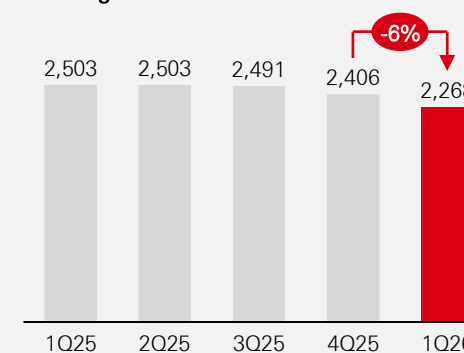
Sustained sequential revenues with stability in NSCI despite lower rates and overall revenue supported by gains from the investment portfolio; fee generation impacted by recent consumer regulation changes

Quarterly revenue trend from 2019, ₪ bn

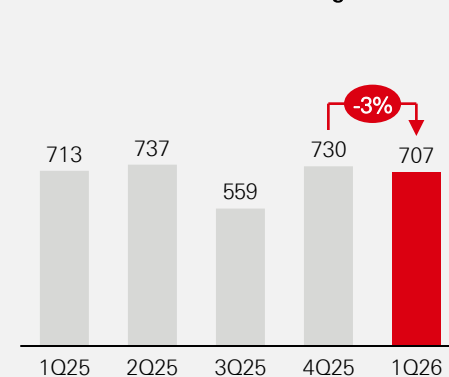


External revenue by business: Recent quarterly trend ₪ m

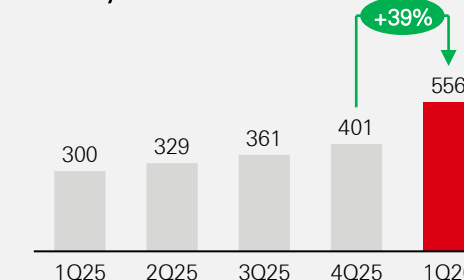
Corporate and Institutional Banking



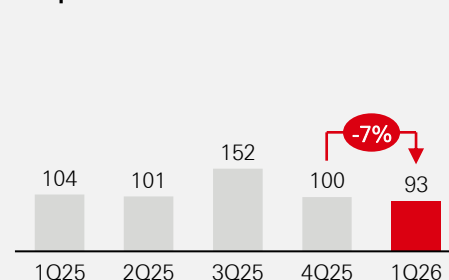
Wealth and Personal Banking



Treasury



Capital markets

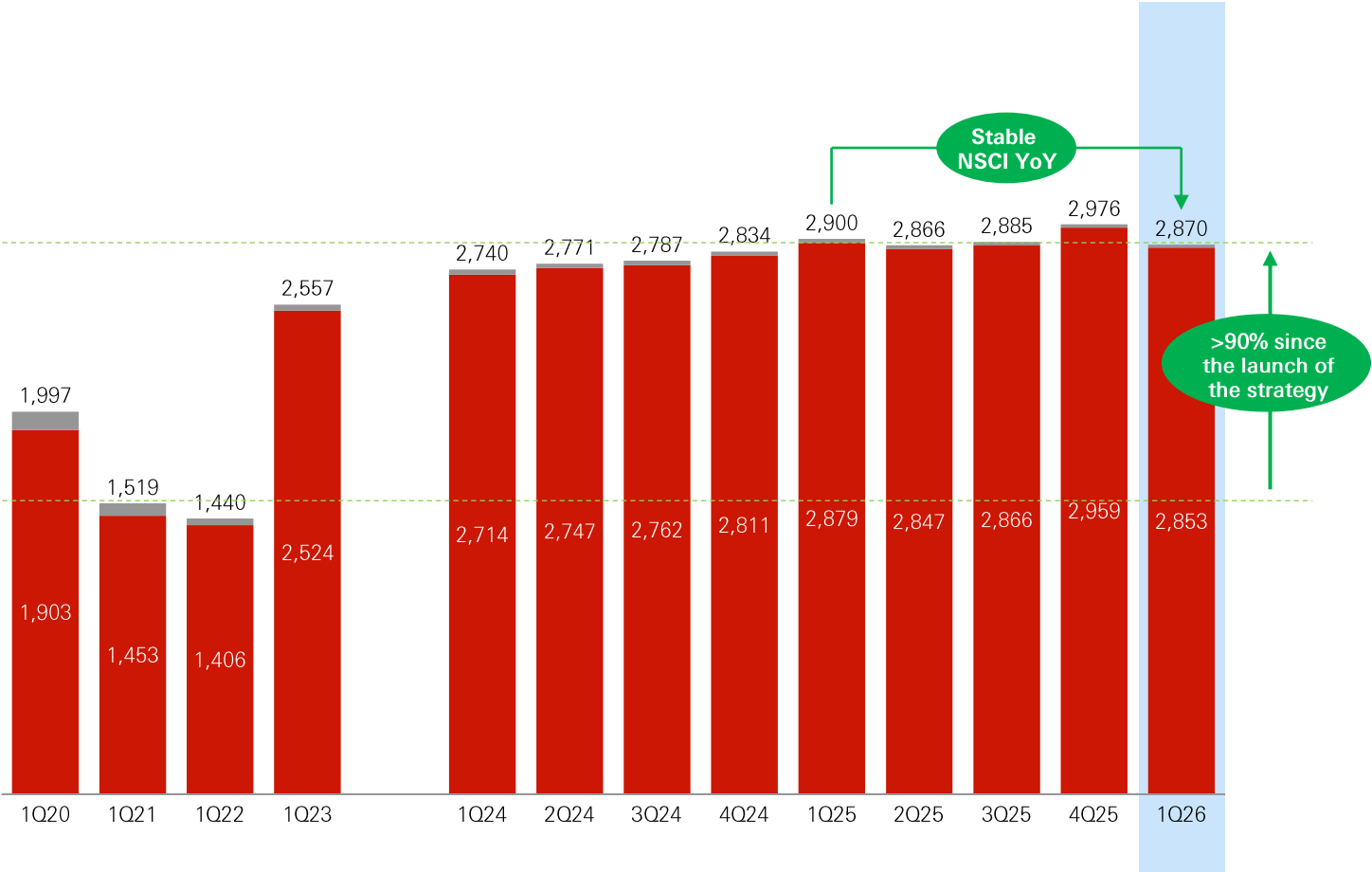


NSCI and non-funds revenue

Yields come down from the rate cuts last year and NSCI levels remain stable; NIM in line with expectations.

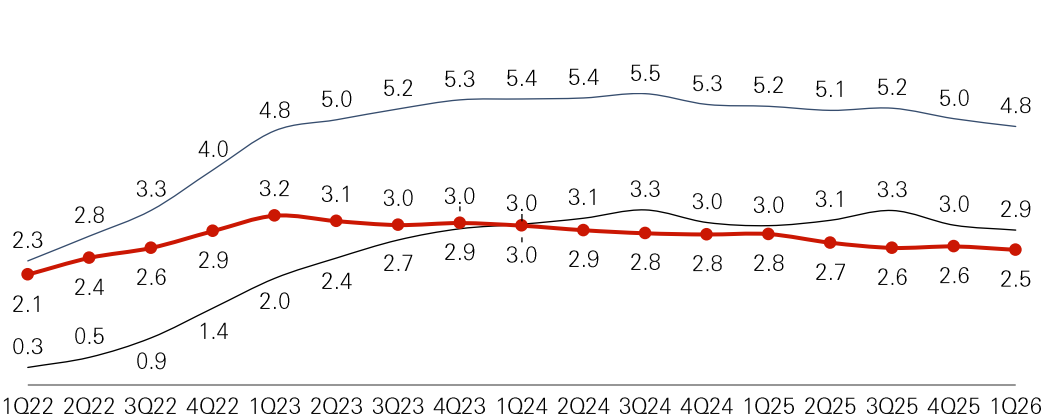
Net Special Commission Income¹, ₪ m,

■ PV unwind ■ NSCI excl. PV unwind ○ Average interest earning assets, ₪ bn

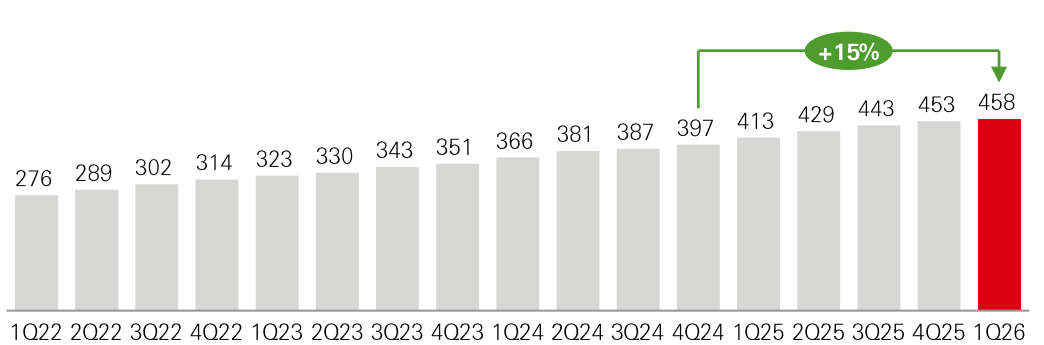


NIM, Yield and Cost-of-funds, %

— Gross yield — Cost of funds —●— NSCI margin



Average interest earning assets, ₪ bn

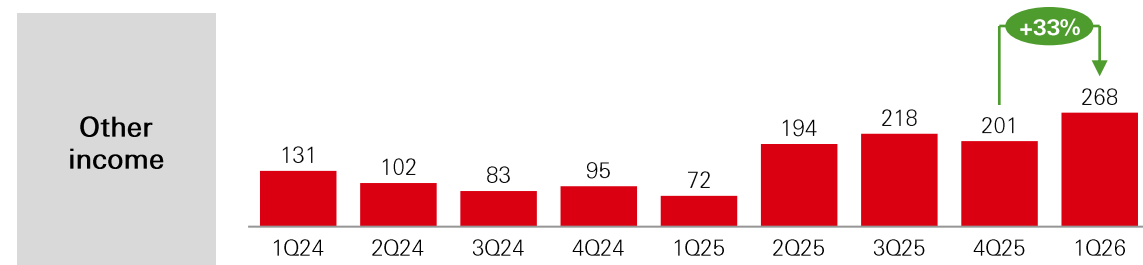
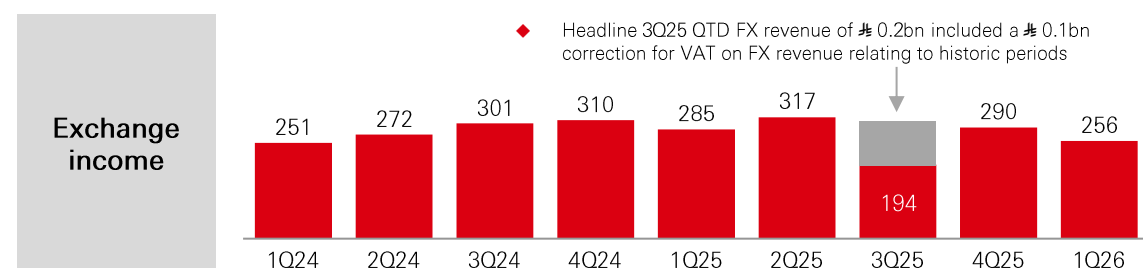
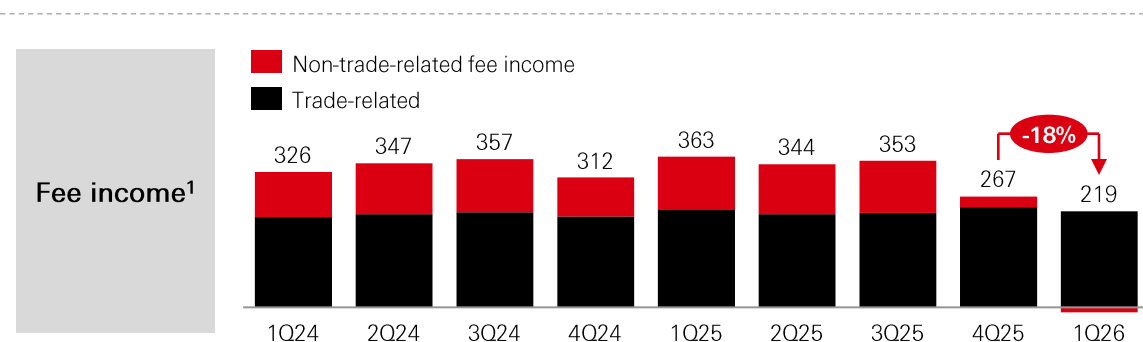


1. Reclassification from fee to special commission income, applied retrospectively to 2022 for comparability.

Non-funds revenue

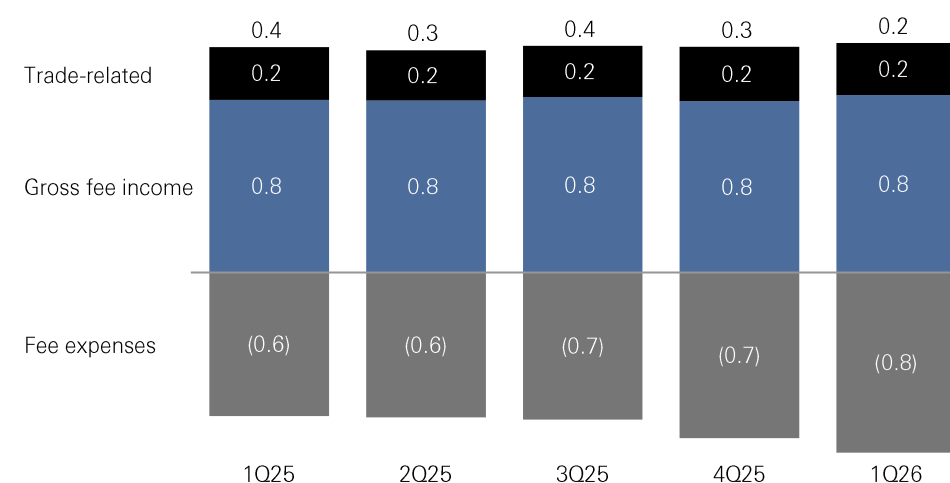
Changes to consumer regulations and higher fee expenses impacted net fee generation; trade fee income remained very strong; non-funds income supplemented by trading gains.

Non-funds income, ₪ m



Underlying drivers of fee income, ₪ bn

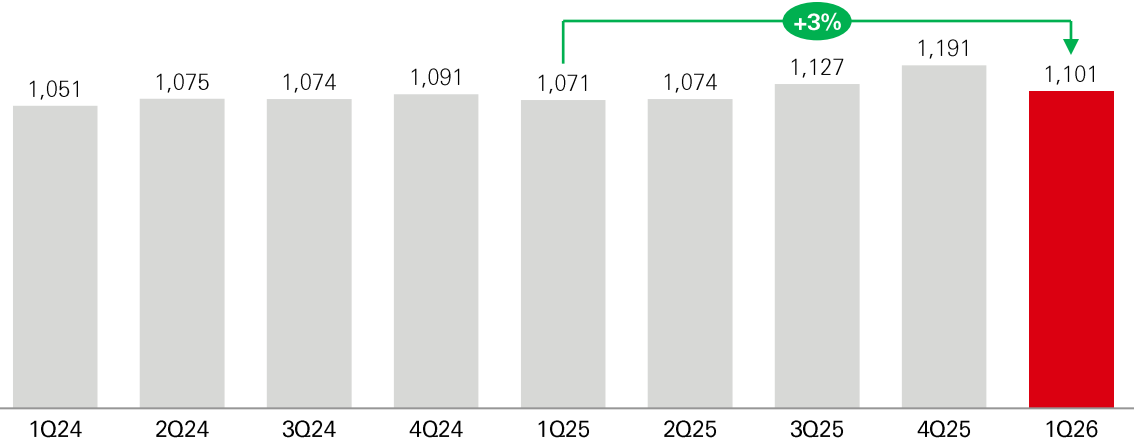
- Trade fee income remains resilient despite the geopolitical pressures
- Excluding trade-related fee income,
 - Underlying gross fee income remains resilient, although impacted by the changes to consumer regulations in the retail sector
 - Temporary increase in costs associated with some of our credit card programmes
 - Geo-political environment has reduced regional travel, which in turn has resulted in increased costs associated with e-commerce channels



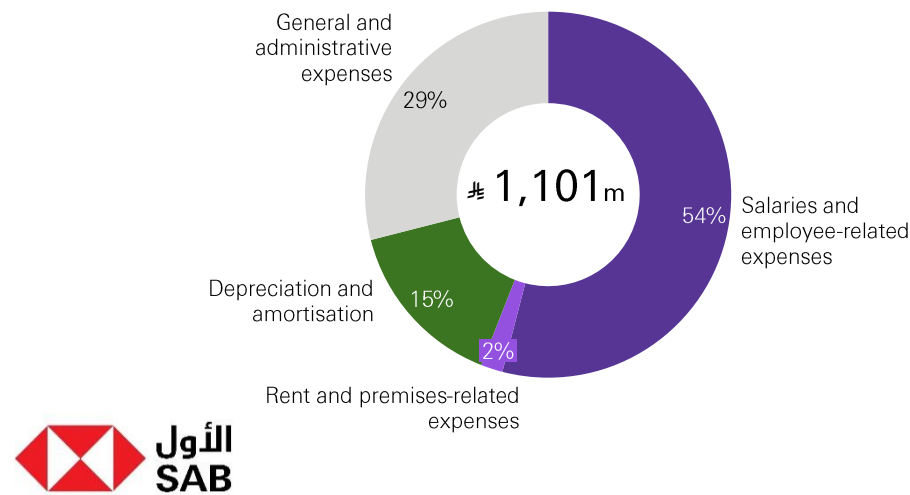
Costs

Operating expenses remain well managed with 3% YoY growth; 1Q26 cost efficiency ratio of 30.5%

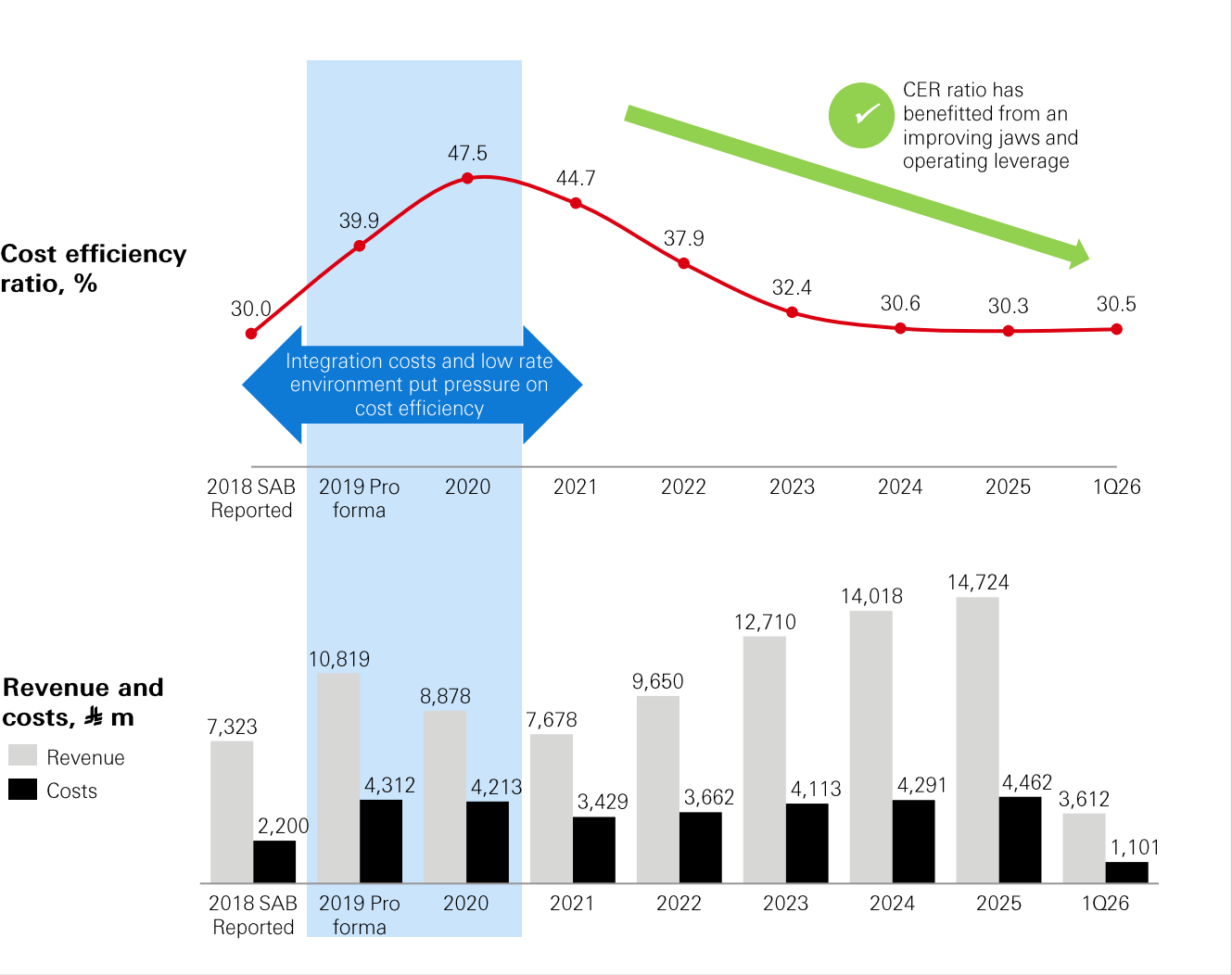
Recent cost trend, ₪ m



1Q26 costs by type, ₪ m



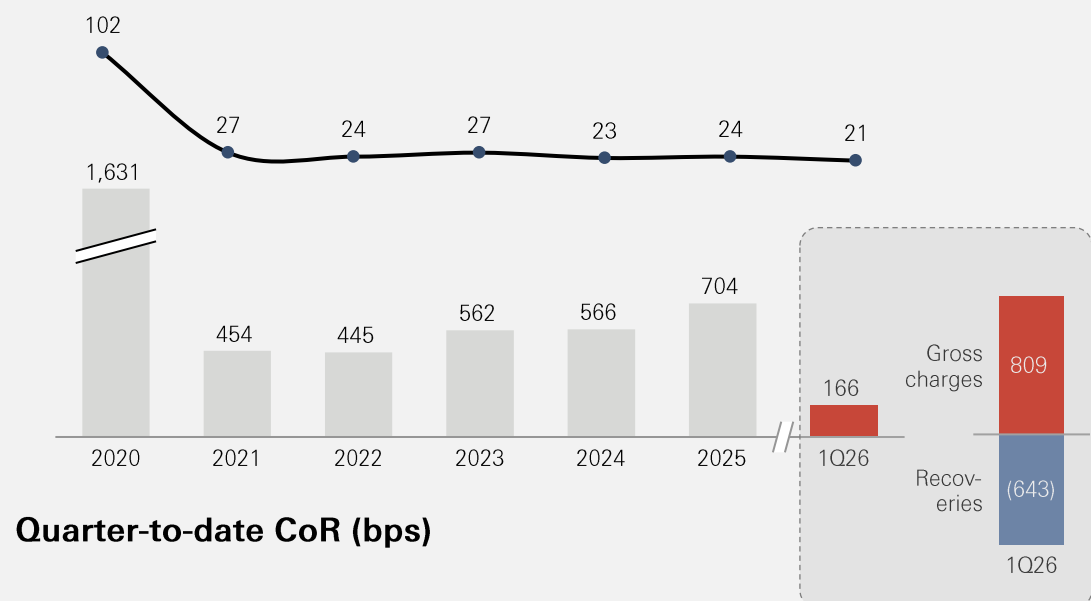
Cost efficiency ratio through the merger, %



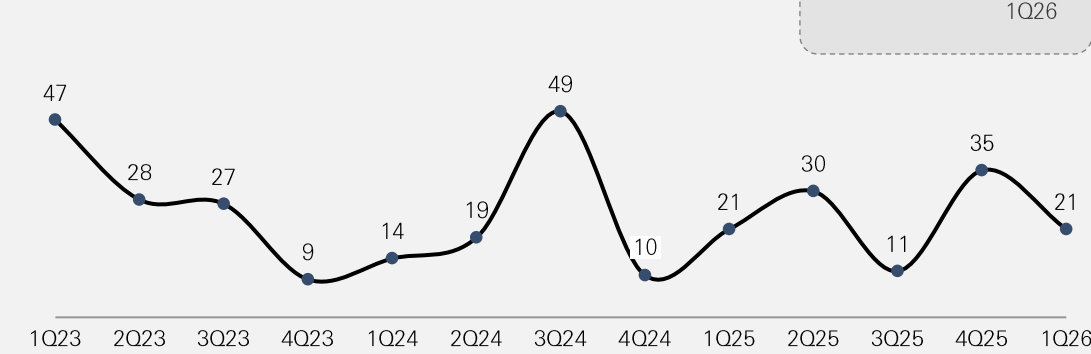
Impairment analysis and credit quality

Underlying portfolio quality remains strong with NPL ratio of 1.3%; during 1Q26, management have elected to take additional ECL reflecting the potential stress from the current geopolitical environment

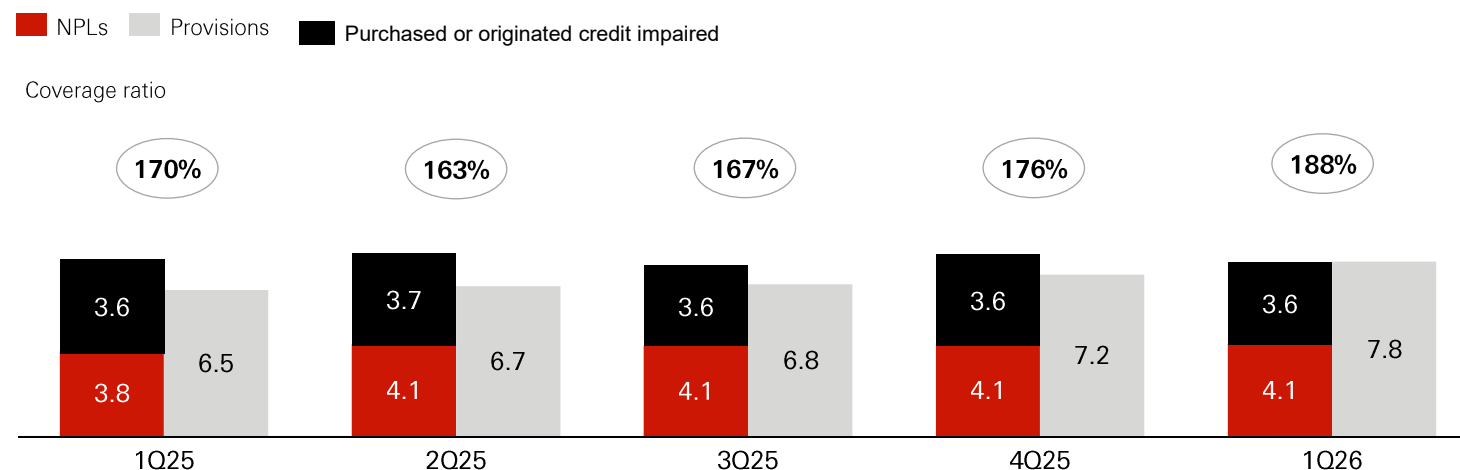
Year-to-date ECL charge (£ m) and CoR (bps)



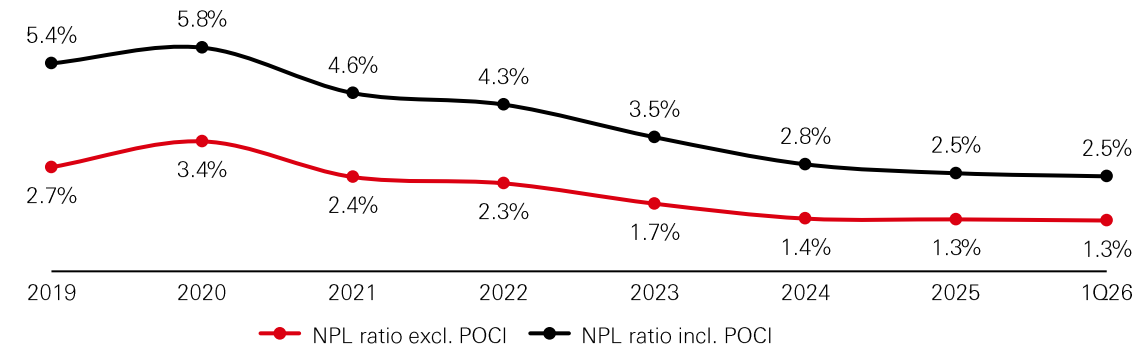
Quarter-to-date CoR (bps)



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



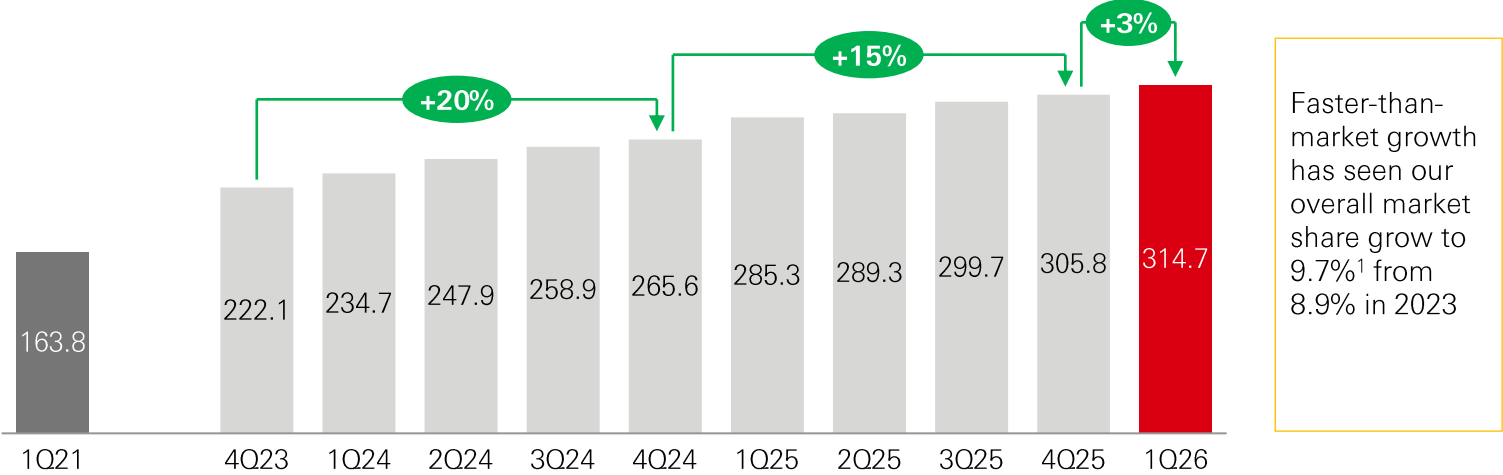
NPL ratio: Sustained improvement in asset quality post-merger



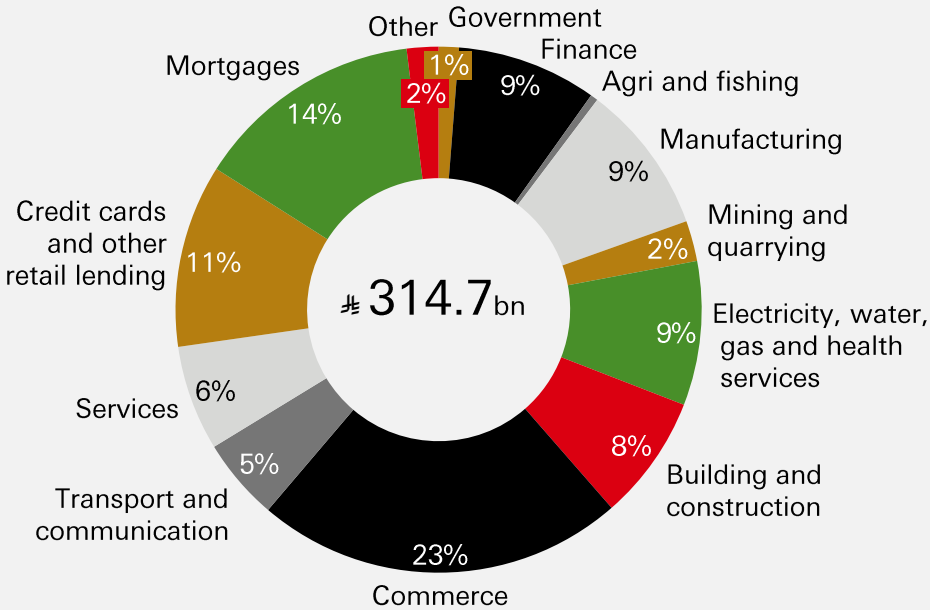
Customer lending

Strong lending growth of 3% QoQ, which remains ahead of the sector; we possess a diversified lending portfolio.

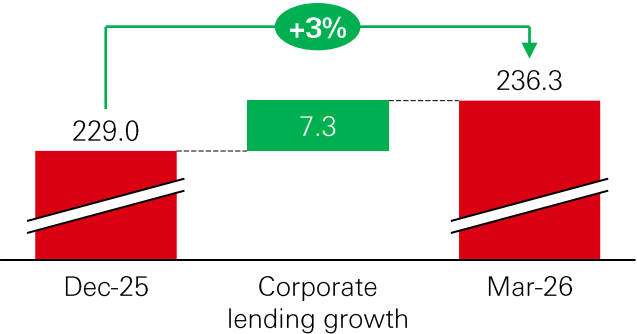
Gross customer lending, ₪ bn



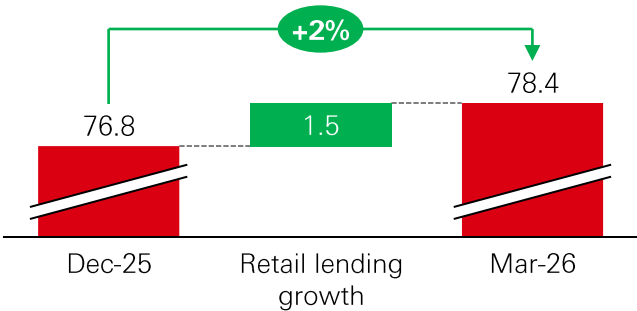
Gross customer lending, by sector



CIB lending growth during 1Q26



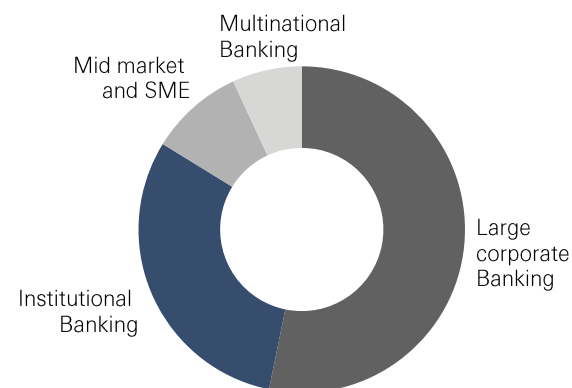
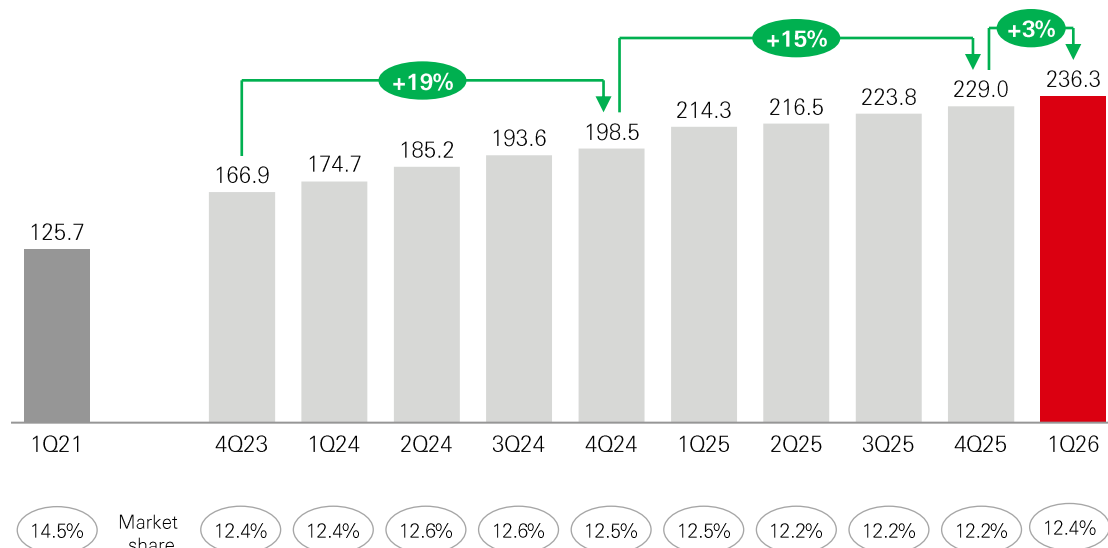
WPB lending growth during 1Q26



Corporate and institutional business

We grew CLB by 3% in 1Q26; originations activity remains robust.

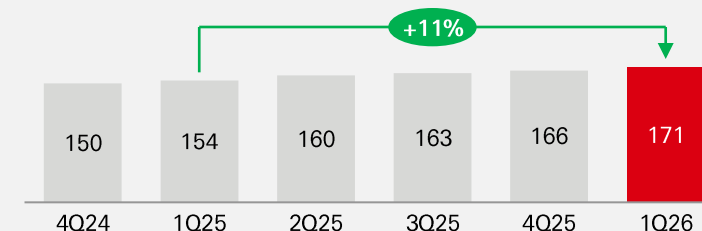
Gross customer lending, £ bn



Our trade and off-balance sheet business is the number 1 in the Kingdom with 24%¹ market share, generating c. 10% of the Bank's revenue and over half of the Bank's fee income

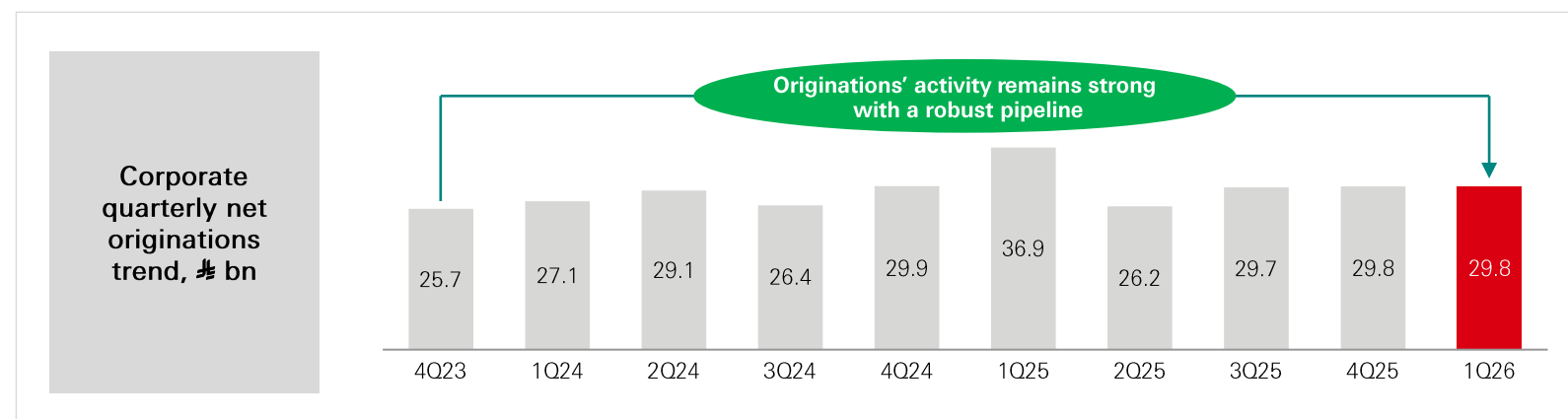
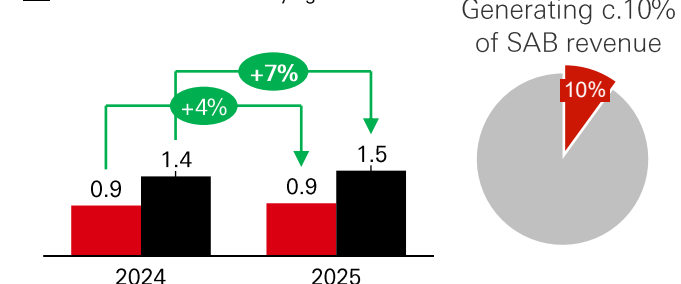
Trade balances, £ bn

Letters of credit, guarantees and acceptances



Total Trade-related 2025 Revenue, £ bn

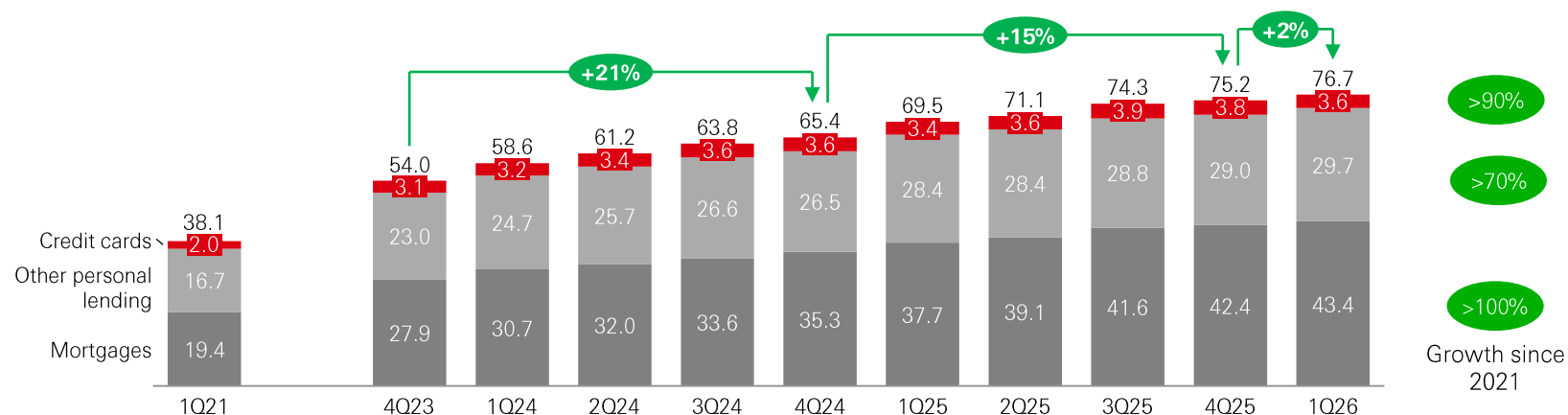
Trade-related fee income
Total trade-related underlying revenue



Wealth and personal lending business

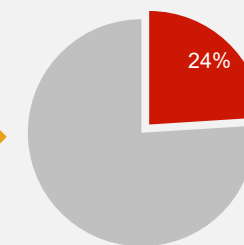
Lending growth of 2% QoQ, supported by robust mortgage growth which continues to be ahead of market levels

Gross customer lending¹, \$ bn

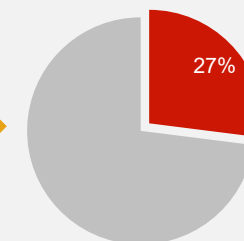


A core contribution to the Bank's financial performance

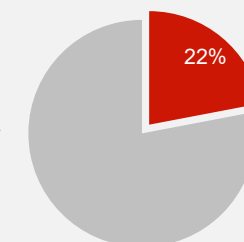
24% of the Bank's loan portfolio



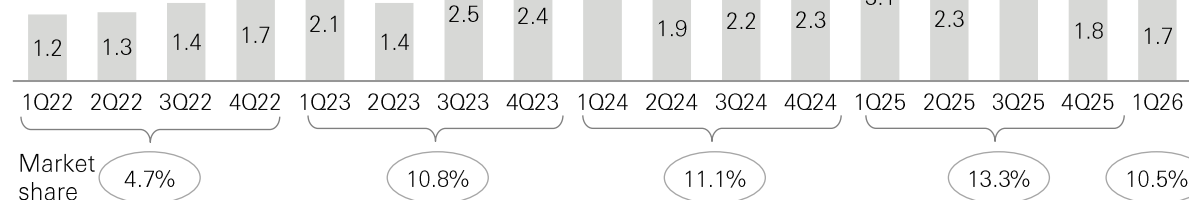
27% of the Bank's revenue



22% of the Bank's net income



Mortgage quarterly originations trend, \$ bn



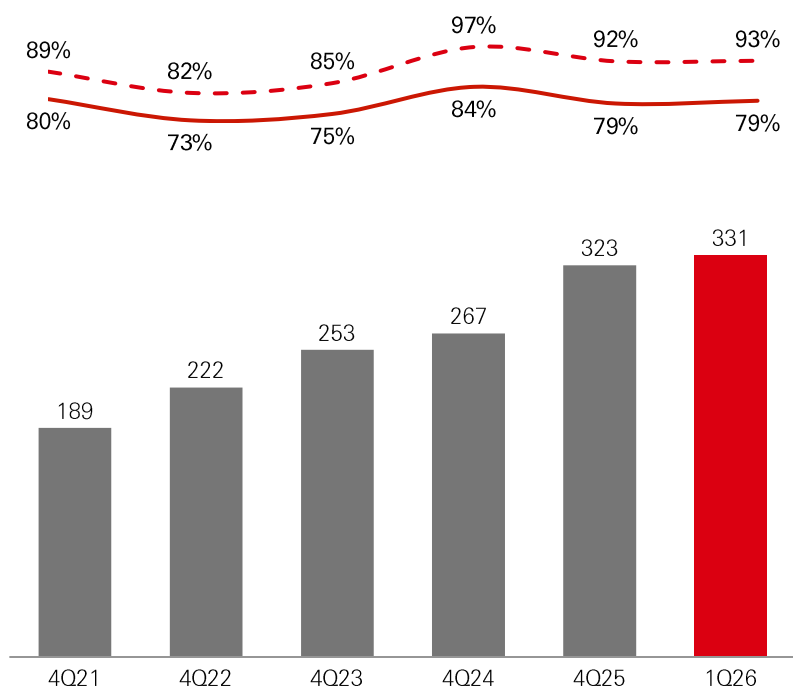
Customer deposits and liquidity

Funding and liquidity remain robust as we continue to capture deposits in light of the current challenging geo-political environment; NIBs balances retain their stability.

Customer deposits, ₪ bn

Strong funding base

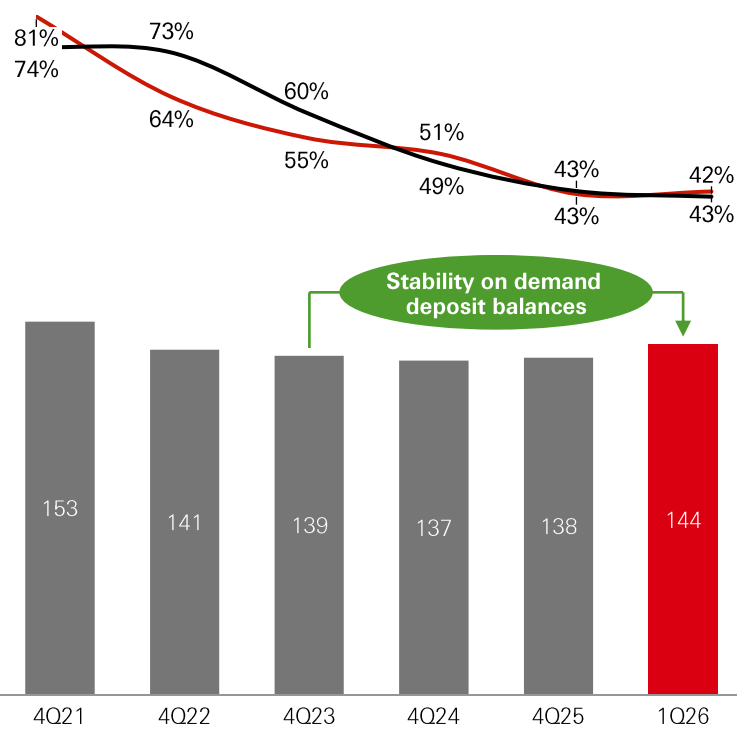
■ Deposits — Reg LDR - - Simple LDR



Demand deposit balances and ratio

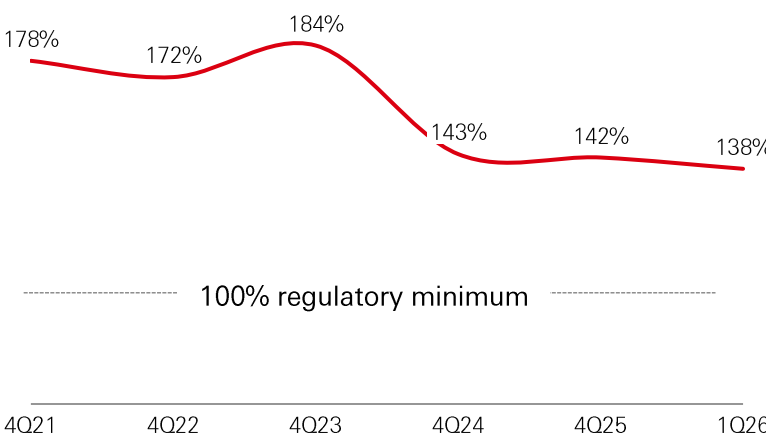
Stabilising NIBs ratio

— Demand deposit ratio - spot basis
— Demand deposit ratio - average basis



Liquidity coverage ratio, %

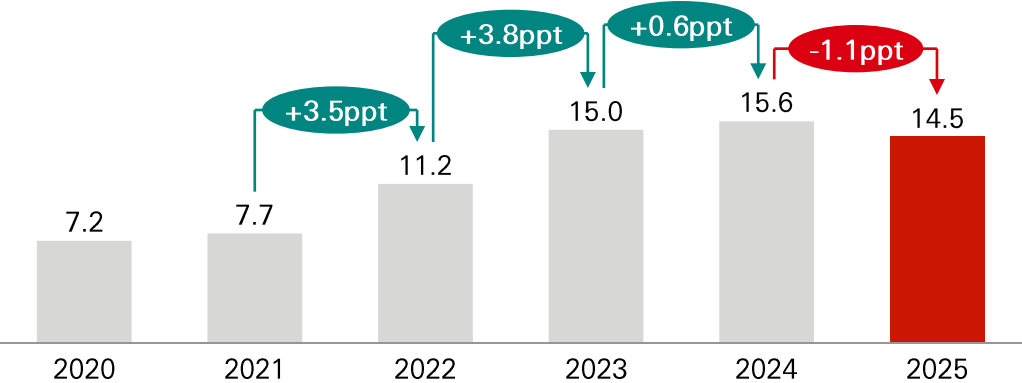
Highly liquid and well above regulatory requirements



Capital and returns

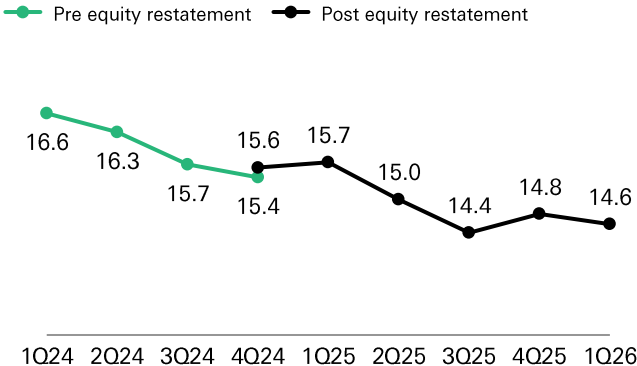
SAB now delivering sustainable levels of returns from continued revenue growth despite lower rates, faster-than-market loan growth, sustained low cost-of-risk and strong cost control.

Return on tangible equity¹, %



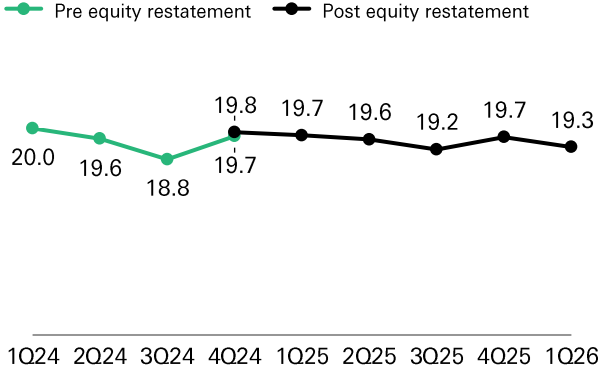
CET1 capital ratio¹, %

Basel 3 reforms basis

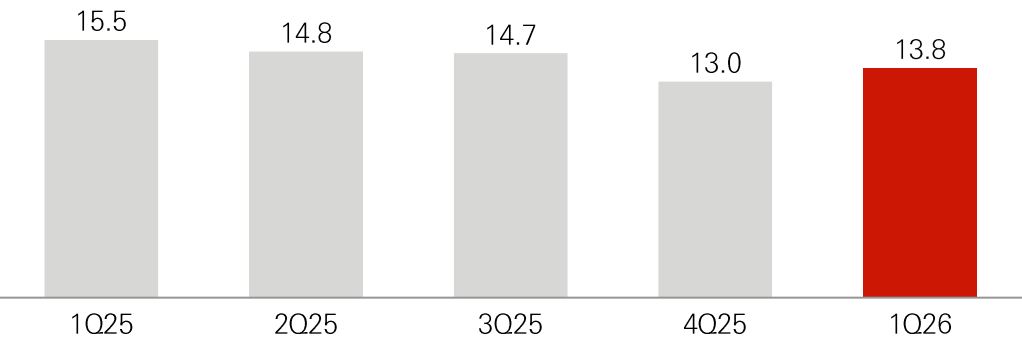


Total capital ratio¹, %

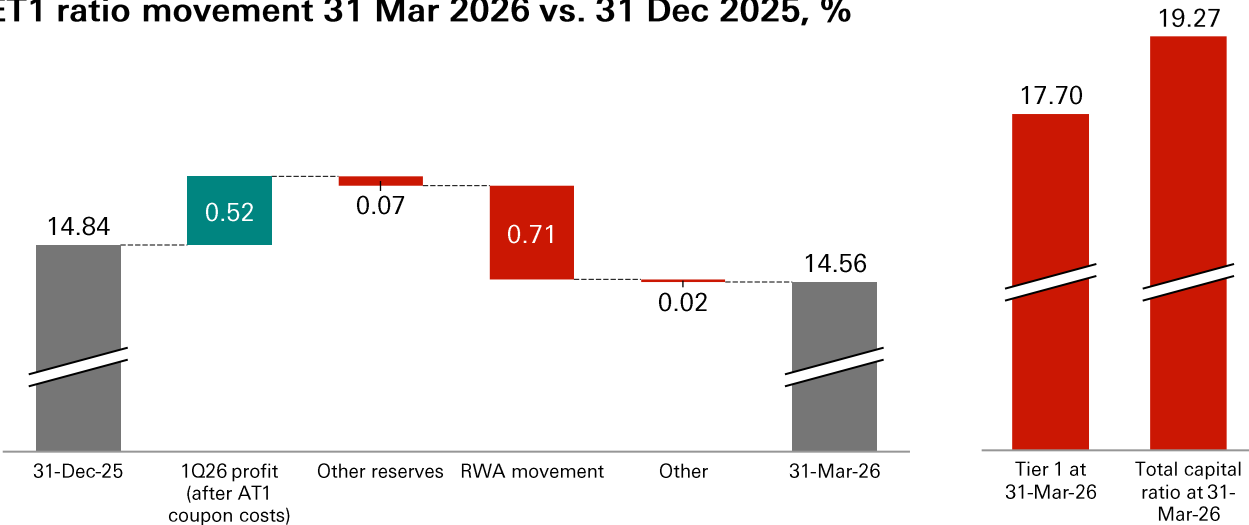
Basel 3 reforms basis



QTD Return on tangible equity¹, %



CET1 ratio movement 31 Mar 2026 vs. 31 Dec 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

2026 guidance

Currently we hold all guidance measures; we remain vigilant of the challenging geopolitical environment; but also cognisant of the opportunities that exist in the current climate

		2021	2022	2023	2024	2025	1Q26	Despite an uncertain macro, risks but also opportunities exist	2026 guidance
Balance Sheet	Loan YoY growth	+9%	+9%	+18%	+20%	+15%	+10%	- More recent performance has been unaffected by the recent geopolitical environment, and the pipeline remains strong for the short-term - Uncertainty persists for the longer-term, but no immediate requirement to shift guidance	>10%
Profitability	Annual net interest margin ¹	2.05%	2.49%	3.06%	2.88%	2.66%	2.53%	- Higher-for-longer rates remains a positive; 3-4bps NIM sensitivity - Continued customer re-pricing - CoF could remain stickier than originally planned	2.5% to 2.6%
	Cost efficiency ratio	44.7%	37.9%	32.4%	30.6%	30.3%	30.5%	- Cost inflation expected to be in line with original plans - Cost optimisation planning continues	<29.5%
	RoTE ^{2,3}	7.7%	11.2%	15.0%	15.6%	14.5%	13.8%	NIM upside from higher rates and re-pricing offset by additional hurdles from fee regulations on retail lending	14.0-15.0%
Asset Quality	Cost of risk	27bps	24bps	27bps	23bps	24bps	21bps	For prudence we have provided for additional ECL but can be released if no longer required	25-35bps
Capital adequacy	CET1 ratio ³	19.3%	17.7%	16.6%	15.6%	14.8%	14.6%	Drive further RWA optimisation	>14%



1. NIM has been improved by the reclassification from fee to special commission income, applied retrospectively to 2021 for comparability
2. Post AT1 coupon payment.
3. 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 and CET1 has been restated to provide a comparative

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

Corporate 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 treasury and 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.



Wealth and Personal Banking

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

Capital Markets

Includes activities of SAB's investment in its subsidiary for investment banking and brokerage, SAB Invest.

Key facts and figures¹



Type of establishment
Associate of HSBC Holdings BV



Retail presence
101 branches



Employees
4.1k employees



Credit ratings
Moody's: A1/P-1/Stable
Fitch: A-/F2/Stable

314.7bn
Gross Loan portfolio

331.4bn
Customer deposits

13.8%
Return on tangible equity

17.7%
Tier 1 ratio

1. As at 31 March 2026 PUBLIC

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.



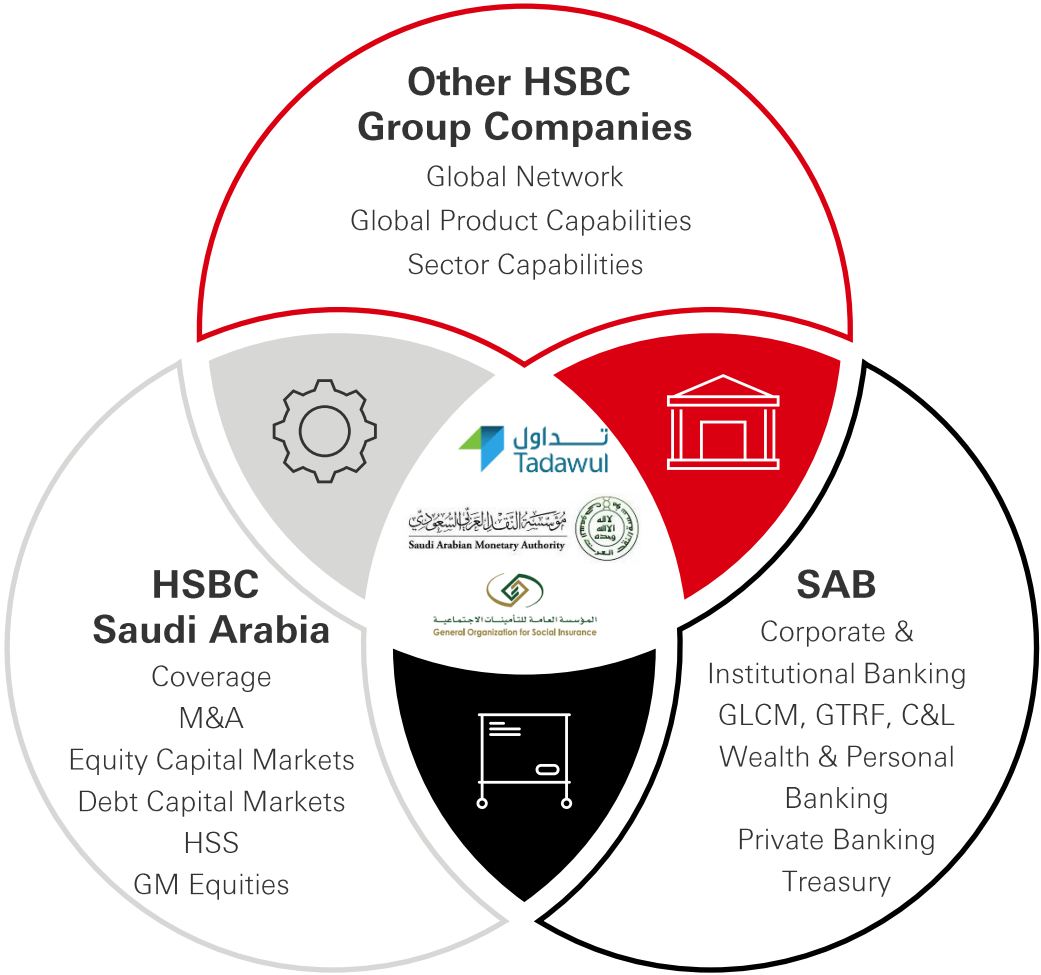


SAB's differentiation - connectivity with HSBC

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



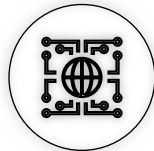
Grow sustainable returns in a changing environment

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%

