

Strategy 2025

In May 2021, the Bank announced its longer-term strategy following the final stages of the Bank’s integration with Alawwal Bank, which marked a new growth-orientated phase, which targets regaining some of the key business and financial positions that we enjoyed prior to the merger and integration.

The growth-orientated strategy looks to build further on our traditional focuses and areas of strength, but also looks to expand in those target areas which complement the Vision 2030 plan.

Vision

We bring a world of financial opportunities to an ambitious Kingdom

Offer a leading online and mobile digital banking experience

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

Embed ESG at the heart of the organisation, making SABB the most attractive organisation for all Stakeholders

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

The Steps We Will Take

Build on our core strengths

- Bank of choice for Large Corporates
- Reinforce leadership in Trade and Payments
- Maintain leadership in Wealth
- Reinforce our position in Cards

Maximise our participation in key growth areas

- Fastest growing Mid-Corporate business
- Digital SME focus
- Mortgage expansion through REDF
- Growth in sustainable finance and investment assets, deposits and revenue

Transform the organisation

- Lead in digital innovation and evolve the IT architecture
- Transforming HR and developing the right talent
- Revamp operating model through automation and digitisation
- Align the Bank with KSA's Green Initiative, supporting a sustainable future for the Kingdom

Returns

Increase Return on Tangible Equity (RoTE) and Earnings per Share (EPS)

Improve Cost to Income ratio (CER)

Maintain strong Capital and Liquidity

Maintain Dividend payout

Bank profile ▶ Strategic report ▶ ESG in focus ▶ Governance ▶ Financial statements

Progress against our 2025 targets

37.8% CER Ratio 6.9 YoY ppt improvement	17.7% CET1 1.6 YoY ppt capital utilisation	11.5% RoTE 3.7 YoY ppt improvement
SAR 189.1 bln Loan Portfolio 9% YoY	SAR 9.7 bln Revenue 26% YoY	SAR 22 bln Mortgage balances 11% YoY

MSME investment plan delivers
53%
loan growth

78%
Mobile penetration

ESG strategy launched

85%
Digital penetration

93%
New-to-bank customers acquired digitally

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Accelerating investments. Delivering on our promises.

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Strategy

2025 (continued)

2022 marks the first full year since the launch of the growth-orientated strategy. The Bank continues on its investment programme but has already started to deliver tangible progress across all parts of the business, and which in turn have resulted in increasing financial returns.

Two key factors have changed in our operating environment during 2022 with benchmark policy rates increasing at pace together with higher than expected demand for credit compared with the outlook during 2020 and 2021, which was marred by the effects of the COVID-19 pandemic. SABB's balance sheet naturally takes advantage of the shift in policy rates, and the Bank has delivered sustained credit growth during the year.

This all continues as we accelerate our investment programme, transforming the Bank digitally, developing our people, and embedding ESG into the core of our organisation.

Delivering on our promises

Our SABB Strategy 2025 targets focused on growing market share and achieving a set of financial targets to solidify our market position and create sustainable value for our shareholders and stakeholders.

In our Corporate business, we continued to deliver increasing value for our corporate and institutional clients, while supporting key Vision 2030 projects and accelerating overall digital transformation. Our loan book grew by SAR 8 bln or 6% year-on-year, and we maintained our number one position in Trade. We began to deploy our multi-year investment plan for our MSME business, which gathered momentum by achieving 53% loan growth for the year, supported integration with the Monsha'at platform and the launch of our bespoke 'SABBcorp Mobile' banking app.

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In our Wealth and Personal Banking business, our focus remained on serving the diverse banking needs of our approximately 1.3 mln customers by providing outstanding products, exceptional service and seamless banking experiences across all channels. We achieved strong revenue growth of 12% overall, driven by the strong rebound in mortgage originations from 2021, enhancing our product suite and delivering 11% growth in the mortgage book. We maintained our position in Cards, enhanced our digital proposition with digital penetration reaching 85%, and launched our Global View Global Transfer tool to allow SABB customers to link their accounts with any HSBC global account – a first for the banking sector.

Our Treasury business performed well in an unprecedented rate environment, maximising returns and delivering one of the lowest cost-of-funds among local banks, together with a top three ranking in trading income. The business also launched a digital foreign exchange platform, that provides customers with competitive pricing through a choice of digital channels.

We reinforced our commitment to Environmental, Social and Governance (ESG) leadership this year, as we aim to support our customers and the Kingdom to achieve their sustainability ambitions. With the launch of our ESG strategy this year, we seek to allocate financing toward a just and sustainable economy; play a leading role in shaping an inclusive and diverse society, positively impacting our Stakeholders; and reinforce our commitment towards a high standard of governance, driving integrity and responsibility in all decision-making. By announcing our ambitious commitments to a range of ESG targets, we now have a clear roadmap towards a more sustainable future for our Bank.

Digital Transformation



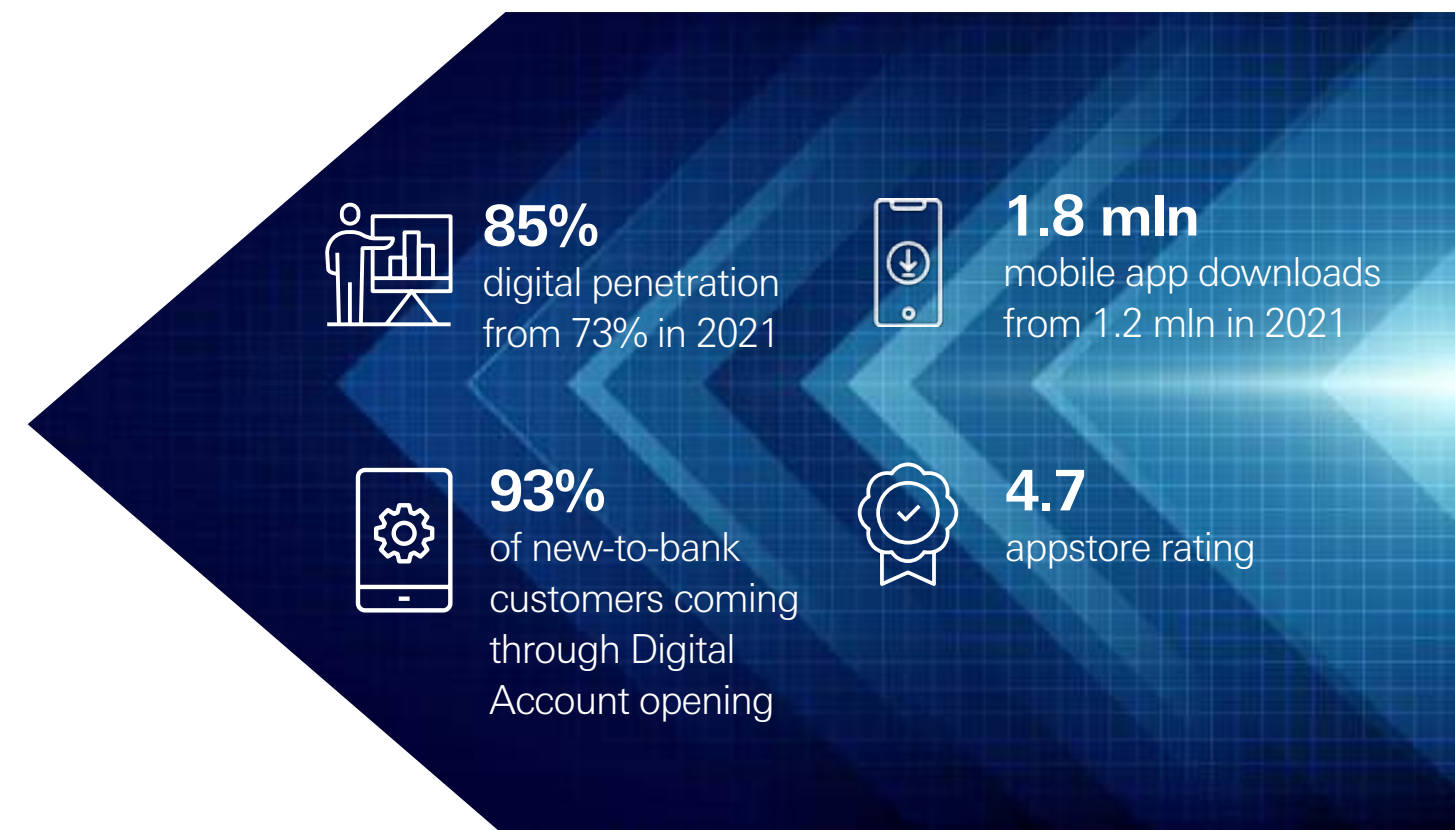
Strategy

2025 (continued)

2022 progress

We have continued to invest in our technology and services as part of our overall strategic shift to growth. We have SAR 1.5 bln committed to transforming our technology architecture, developing our servicing, distribution and engagement capability, but also to invest in the longer-term aspiration of providing a more personalised lifestyle-based banking proposition.

Having focused 2021 on building the foundations which centred on our digital servicing capabilities, during 2022 we developed and enhanced our distribution and engagement capability.



Retail digital developments

In our retail business, we launched new digital journeys for mortgages, personal finance and credit card applications, on both mobile and digital channels, and by implementing digital signatures we streamlined the process, enabling existing customers to apply for these products, without the need for a branch visit. For new-to-bank customers, we launched digital account opening which has proven very successful with approximately 93% of new customers coming through this channel during the year.

Other digital services included SABB360 which provides customers with a bespoke dashboard that provides expense reports, spending categorisation and comparisons, and budgeting tools. The continued focus has led to improving overall digital penetration to 85%, mobile app usage has increased to 78% and secured a rating on the Apple store of 4.7, making it one of the highest rated apps in the local market. In addition, the mobile app was overhauled with a new refreshed customer experience.

Towards the end of the year, we launched Global View Global Transfer (GVGT), a new tool aimed at our more internationally-minded retail customers, which allows them to link their SABB retail accounts with any HSBC global account. The functionality allows the customer to seamlessly transfer funds between accounts, making SABB the only bank in the Kingdom with this product.

Corporate digital developments

In our Corporate and Institutional Banking, we launched a digital account opening platform utilising digital signatures, and a wide cross section of digital journeys including KYC ('know-your-customer'), credit requests and ongoing customer servicing. Partnering with Saudi Payments and Visa, we developed a procurement card for our customers, to enable them to manage payments and monitor spending digitally. Throughout the year we have developed a range of tools with the customer at the heart of the solution.

A key area of investment for 2022 and which continues into 2023 is our MSME provision which is led through digital. We launched an app called 'SABBcorp Mobile' specifically for the MSME sector and integrated our customer relationship management software with Monsha'at, the General Authority for Small and Medium-sized Enterprises, which also covers the Kafalah programme.

Our trade business was the first in the Kingdom to launch a block-chain based letter of credit transaction using 'Contour', and we also launched a digital guarantees solution called 'bwatech' which completely digitises all the stages of issuing and fulfilling guarantees.

Treasury digital developments

Within our Treasury business, we developed and launched a digital FX proposition that automates foreign exchange business flows and provides connectivity to a host of SABB digital channels. The solution provides customers with better price discovery, a competitive service and faster trade execution.

During the year, SABB also participated in the launch of 'BUNA', a centralised multi-currency platform that enables corporates to send and receive cross-border payments in MENA-based currencies.

Snapshot: Fintech

Open banking will be a catalyst for fintech led innovation and an unmissable opportunity to expand our services, grow revenue and improve customer experience. Work is underway to develop SABB's own open banking platform. This will allow us to partner and co-develop with fintechs, enabling us to play an active role in the Kingdom's ambitions to innovate financial services.

Innovation hub

A dedicated space will be created in our new headquarters, enabling fintechs and Bank Staff to work together and develop ideas into new solutions for our customers.

Digital venture fund

We plan to help incubate and develop fintech capability. This will involve acquiring solutions developed outside of the Bank and investing in a portfolio of fintech partners that meet strict criteria.