Saudi British Bank
1Q22 Results presentation

Presentation to investors
and analysts

1Q22 Key messages

1	ACCELERATING GROWTH	◆ Grew our customer lending portfolio by 5% with 4% growth in CIB and 7% growth in RBWM ◆ Continued to be a key player in supporting the Vision 2030 transformation programmes through with notable transactions in the tourism and entertainment sectors, and also continued development of our mortgage business with 45% growth in originations compared with 4Q21
2	REVENUE GROWTH	◆ Grew total operating income by 4% year-on-year and 6% quarter-on-quarter ◆ Despite strong competitive pressures, we maintained our average NIM in 1Q22 with an improvement in the exit NIM ◆ Non-funds income grew from increased fee income, exchange income and trading income
3	IMPROVING ASSET QUALITY	◆ Annualised cost-of-risk of 13bps during the first quarter and total NPL ratio has fallen to 4.4%, and 2.3% excluding POCI balances
4	IMPROVING RETURNS	◆ Generated a return on tangible equity of 9.7% compared with a FY21 return of 7.8%
5	HEALTHY CAPITAL, LIQUIDITY AND FUNDING	◆ 18.5% CET 1 ratio, 156% LCR and 76% demand deposit ratio
6	STRATEGY	◆ Strategy execution is on track

5% 1Q22 loan growth

2.0% NIM

9.7% ROTE

2.3% NPL ratio excl. POCI balances

18.5% CET1

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SABB's strengths

SABB credentials[1]

We are the leading international bank 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	**1.3m** Retail customers	**13%** Corporate lending market share
Top 3 Corporate bank by loans	**c. 23k** Corporate and Institutional customers	**18.5%** CET1 ratio
76% Demand deposit ratio	**12.5%** FX market share	**49%** Shareholding in HSBC SA – the leading investment bank in the Kingdom

1. Market share as at 31 December 2021

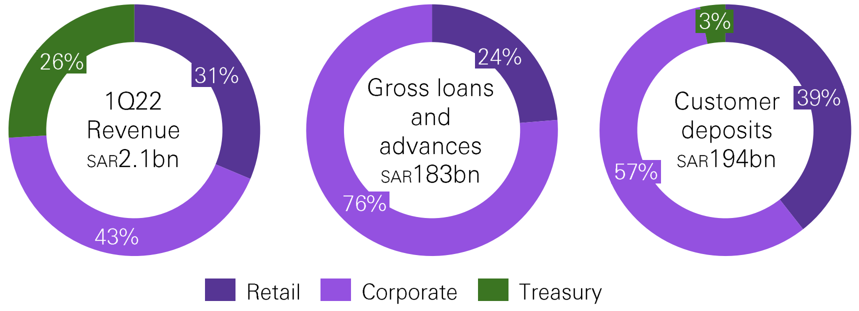
Diversified businesses

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.

Key financials by business for 1Q22



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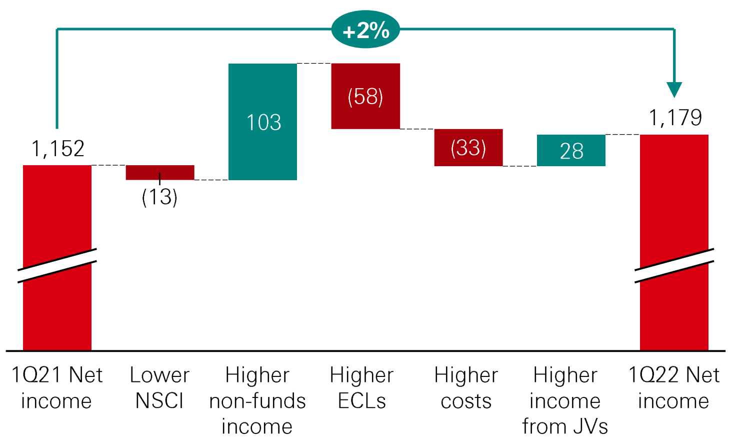
Financial summary

SAR1.2bn of net income generated in 1Q22, 5% lending growth, 2% net income growth and 76% NIBs ratio

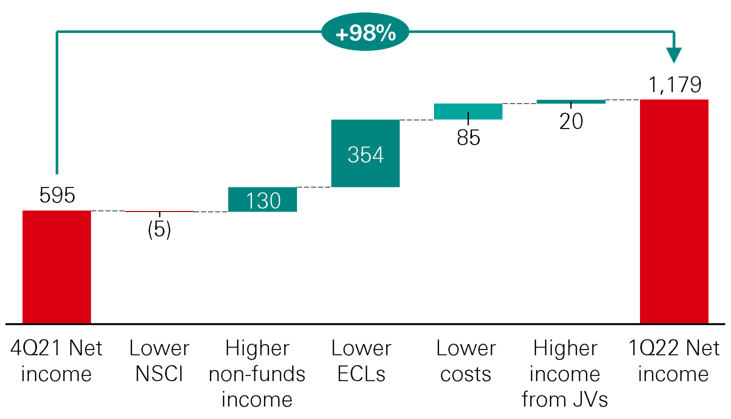
- 1Q22 reported net income before Zakat and income tax of SAR1.2bn up 2% compared with 1Q21 and up 98% compared with 4Q21
- 1Q22 NIM remains at 2.0% for 1Q22, with quarterly exit NIM in the first quarter higher than entry point
- Low cost of risk of 13bps compared with nil bps in 1Q21, but lower than 4Q21 by 83bps
- Costs increased 4% on 1Q21
- Customer lending momentum continued with 5% growth in balances
- Demand deposit ratio of 76%

Net income before Zakat and income tax walk

1Q22 vs 1Q21



1Q22 vs 4Q21



Key ratios, Income statement and Balance Sheet

% unless otherwise stated	1Q22	Δ 1Q21		Δ 4Q21	
Net special commission margin ('NIM')	2.0	2bps	▲	0bps	▲
Underlying Return on Tangible Equity	9.7	(0.1)ppt	▼	5.7ppt	▲
Underlying Cost Efficiency Ratio ('CER')	44.5	(0.6)ppt	▼	(7.1)ppt	▼
Cost of risk ('CoR')	13bps	13bps	▲	(83)bps	▼
Common Equity Tier 1 ratio ('CET 1')	18.5	(1.1)ppt	▼	(0.8)ppt	▼
SAR million	**1Q22**	**Δ 1Q21**		**Δ 4Q21**	
Total operating income ('Revenue')	2,112	4%	▲	6%	▲
Operating expenses	(940)	4%	▲	(8)%	▼
Provision for expected credit losses, net	(60)	>100%	▲	(86)%	▼
Share in earnings of associates	68	73%	▲	43%	▲
Net income before Zakat and income tax	**1,179**	**2%**	▲	**98%**	▲
Zakat and income tax	(163)	(2)%	▼	(3)%	▼
Net loss from discontinued operations	(12)	(18)%	▼	>100%	▲
Net income after Zakat and income tax	1,004	4%	▲	>100%	▲
SAR billion	**1Q22**	**Δ 1Q21**		**Δ 4Q21**	
Gross loans	182.9	12%	▲	5%	▲
Customer deposits	193.9	6%	▲	4%	▲
Demand deposits	147.9	13%	▲	(3)%	▼

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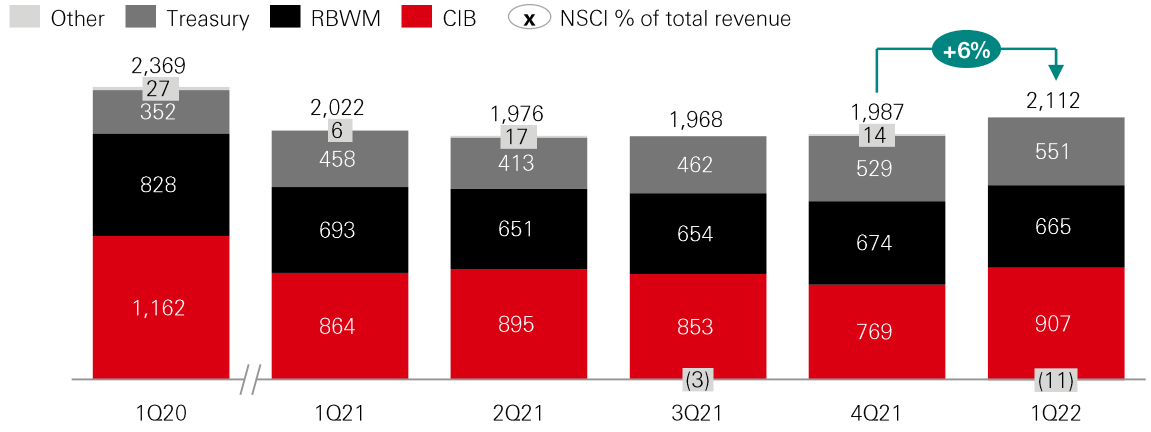
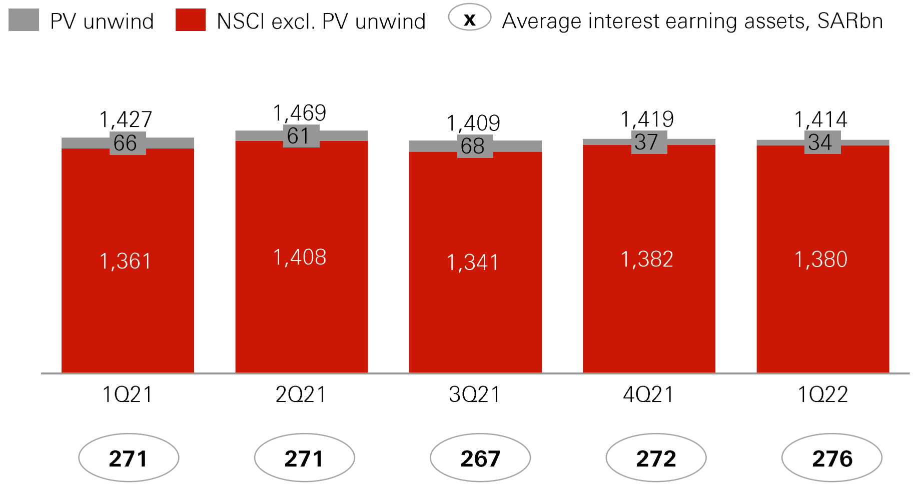
Revenue

NIM stable with quarter exit NIM higher than entry; non-funds income grew 23% compared with 4Q21

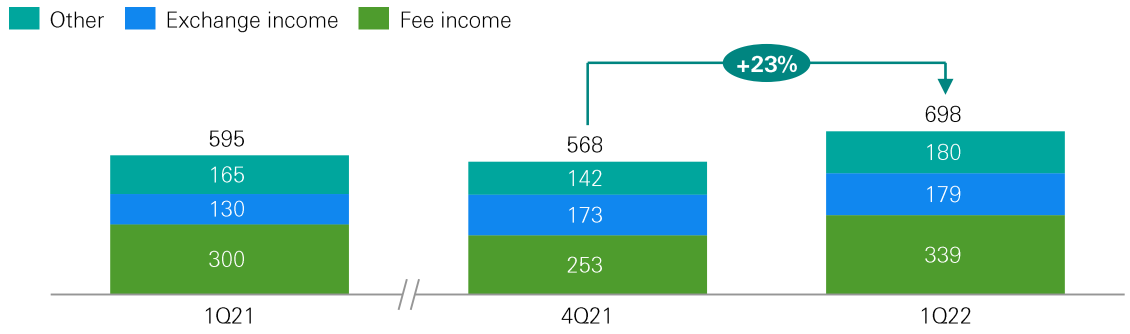
Revenue by business, SARm



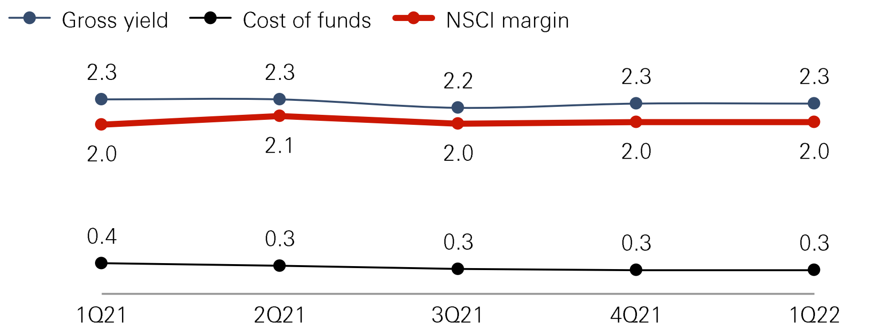
NSCI, SARm and Average interest earning assets, SARbn



Non-funds income analysis, SARm



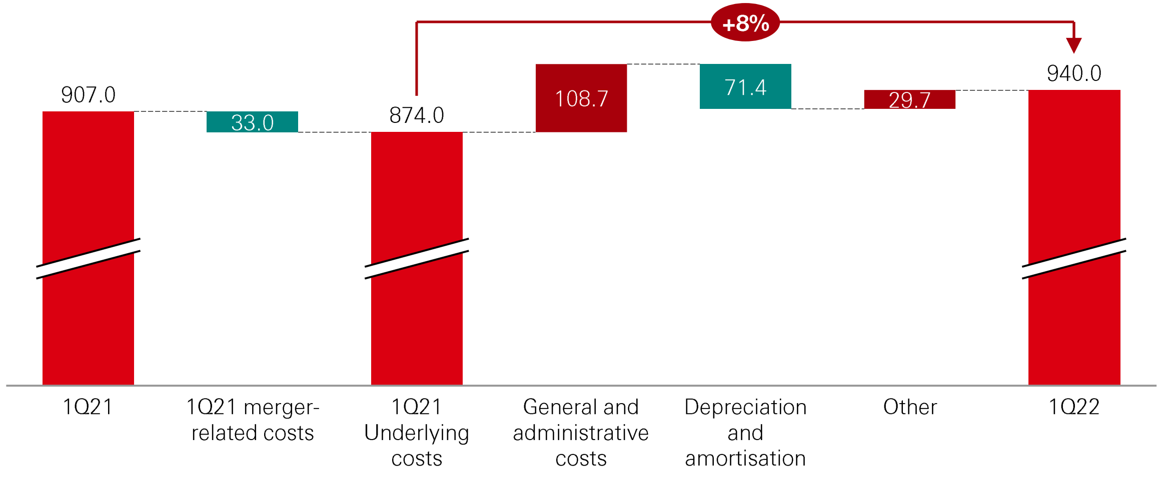
Yield, costs of funds and margin (excl. PV unwind), %



Costs

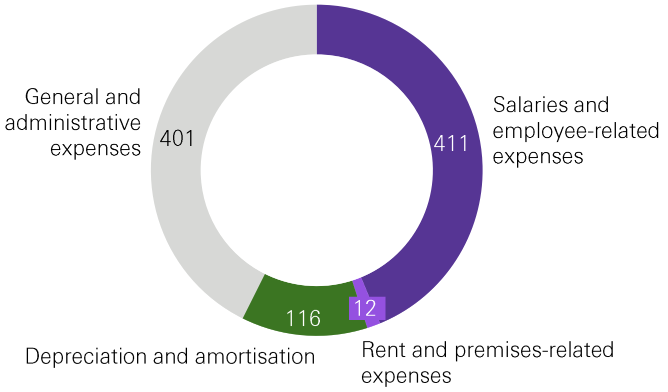
Costs increased in 1Q22 compared with 1Q21 as we move into the investment phase

1Q22 vs. 1Q21 costs, SARm



- 8% increase in underlying expenses as we move into the investment phase of our strategic plan
- Higher general and admin costs from increased VAT, but also include the impact of a handful of one-off costs in both periods
- Depreciation and amortisation was lower mainly due to a change in internal policies

1Q21 costs by type, SARm



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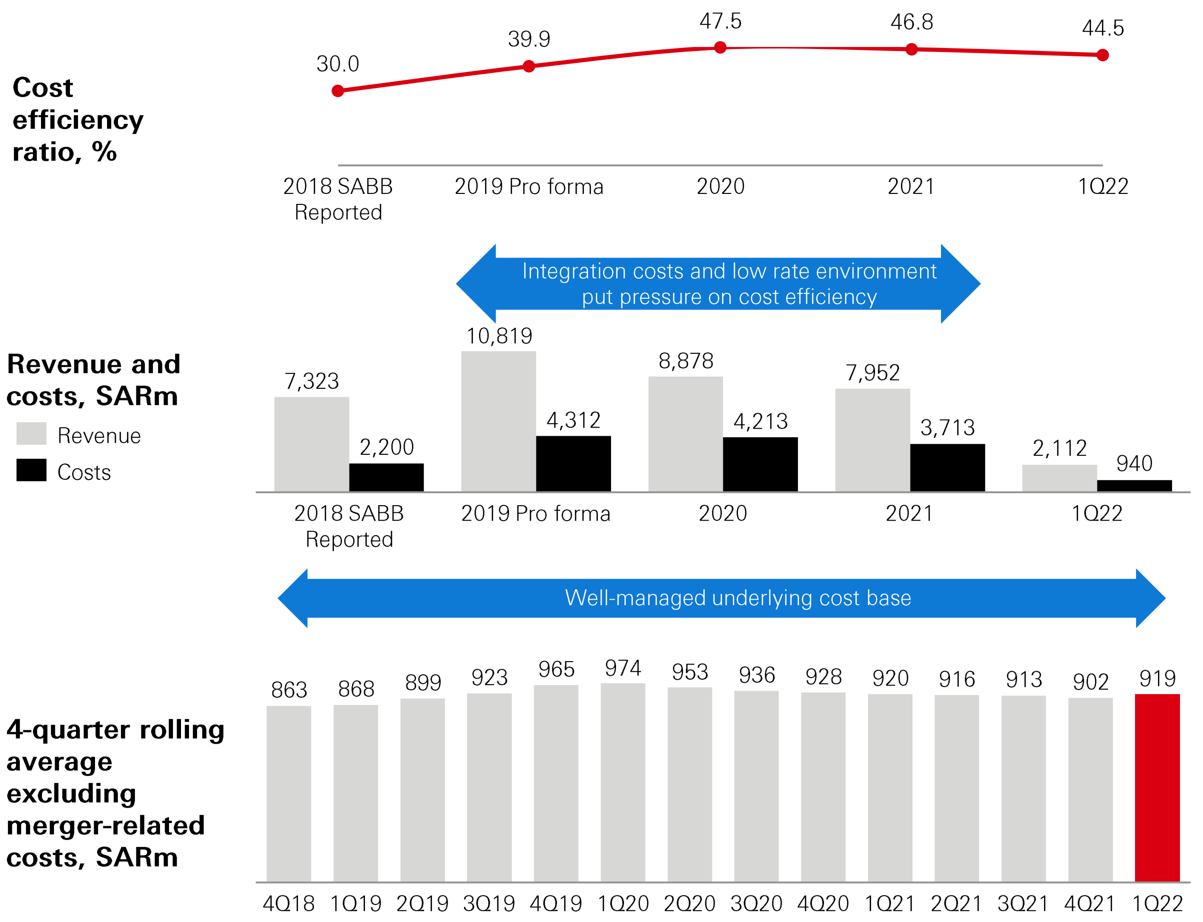
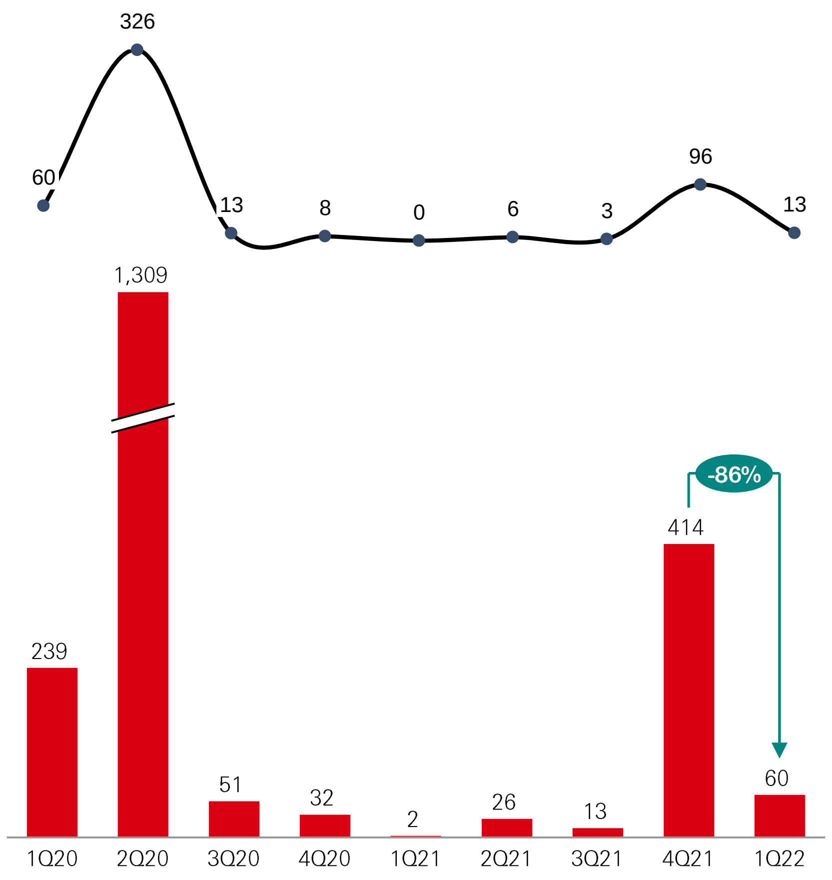
Cost efficiency ratio through the merger, %



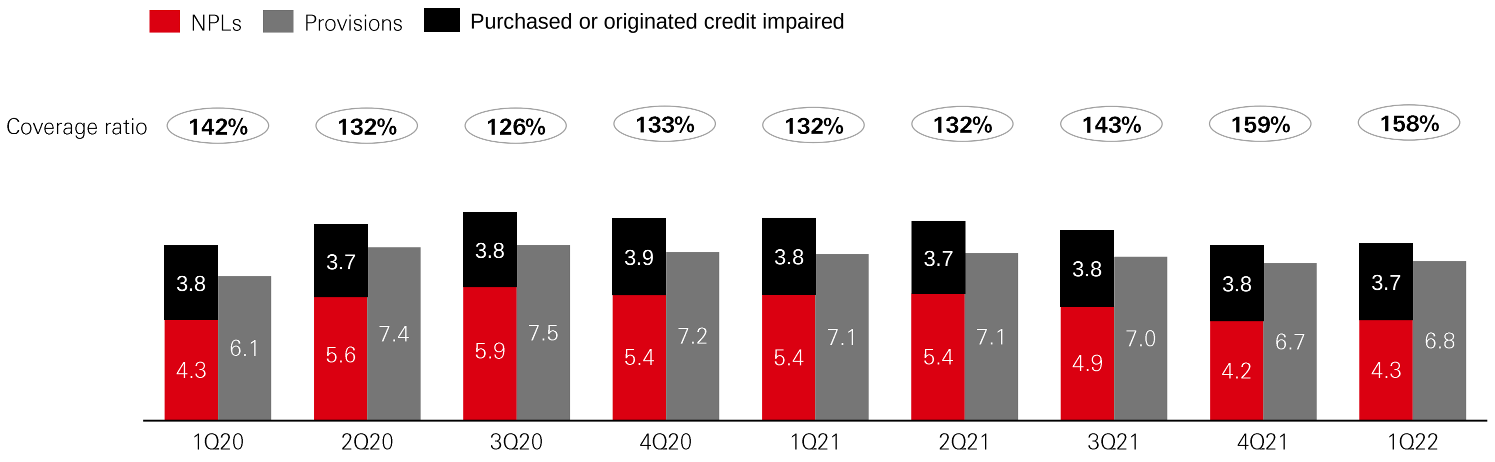
Impairment analysis and credit quality

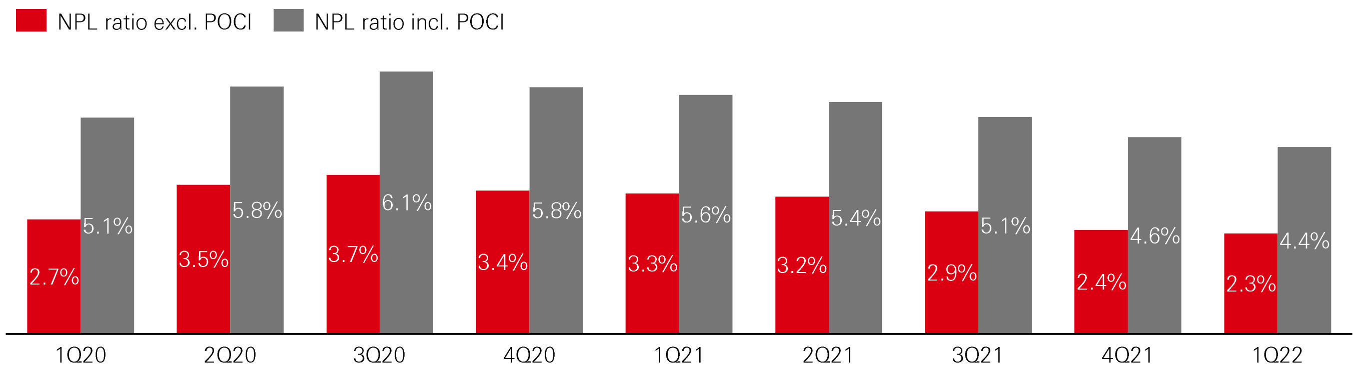
Expected credit losses were low in the first quarter and partly offset by recoveries, NPL ratio continues its steady downward trend

Quarterly ECL charge (SARm) and CoR (bps)



NPLs, Provisions SARbn and coverage and NPL ratios (%)





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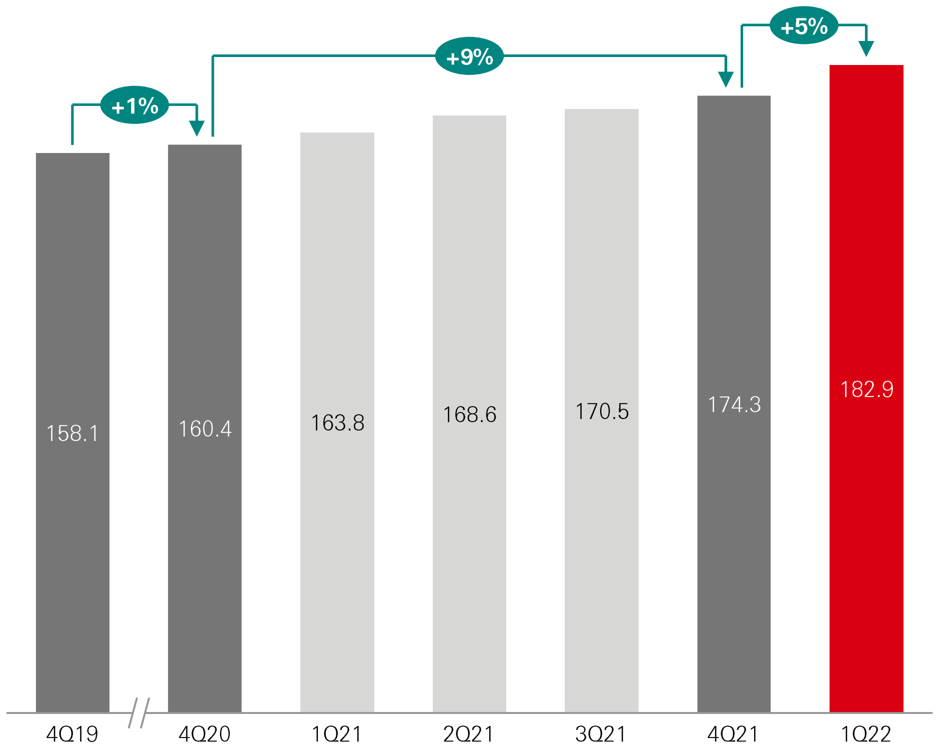
Customer lending

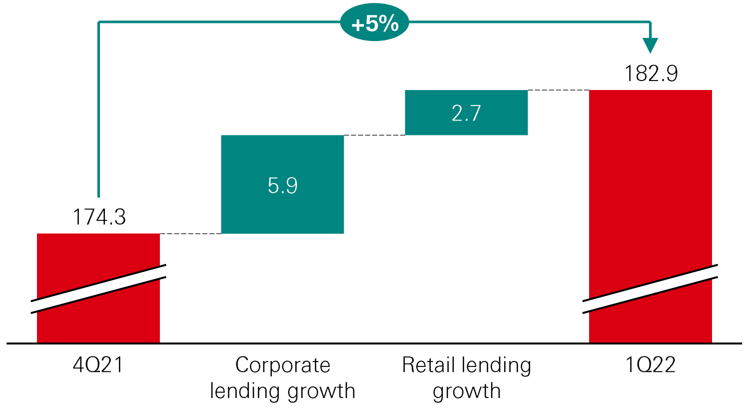
Lending momentum continues with 5% lending growth during 1Q22, with solid growth in both businesses

Gross customer lending, SARbn

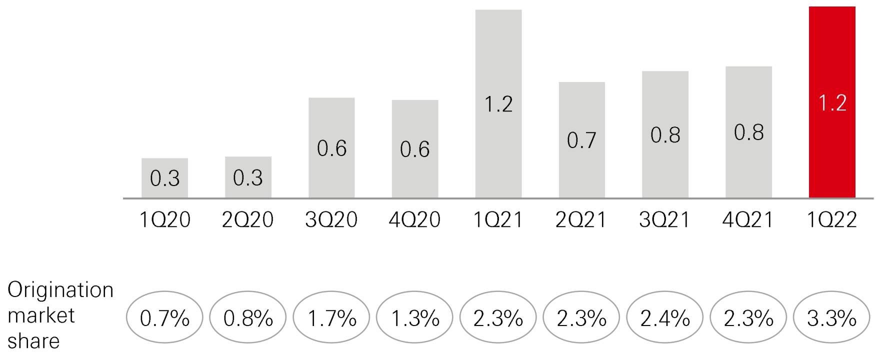


- 5% growth in 1Q22 and 12% YoY growth
- SAR5.9bn corporate lending growth includes drawdowns on some of the key V2030 programs but also sector-wide lending across our Large Corporate business segment
- SAR2.7bn retail lending growth mainly driven by growth in personal lending, mortgage growth, and also included an increase in Wealth-related lending
- Mortgage originations continued to outgrow repayments and churn

Gross customer lending 1Q22 vs. 4Q21, SARbn



Mortgage originations trend, SARbn



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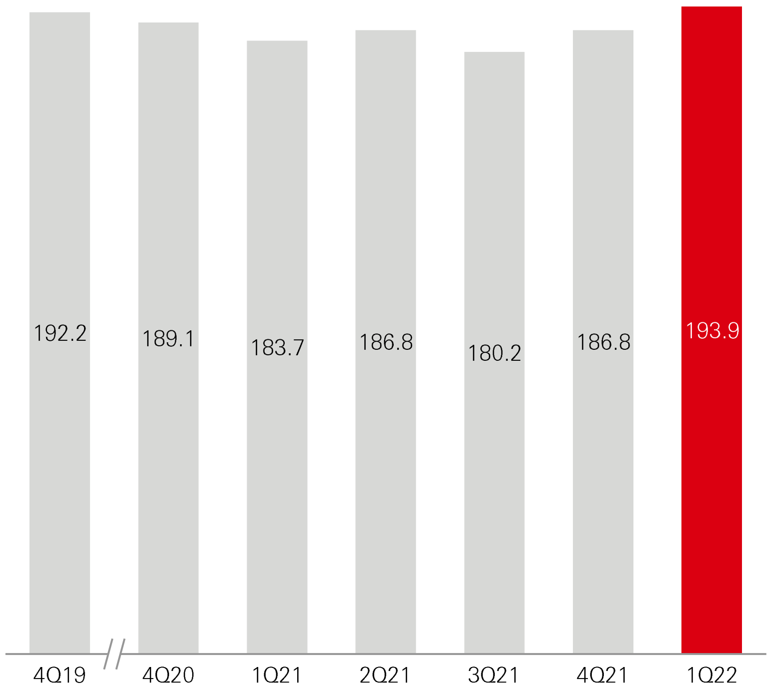
Customer deposits

Robust deposit growth, strong demand deposit ratio of 76% and ample liquidity

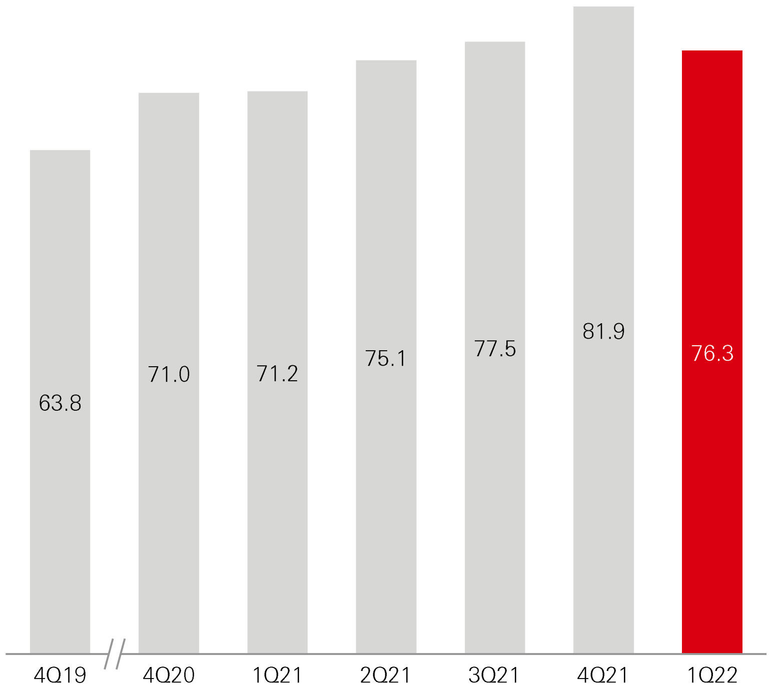
Customer deposits, SARbn

Stable funding base



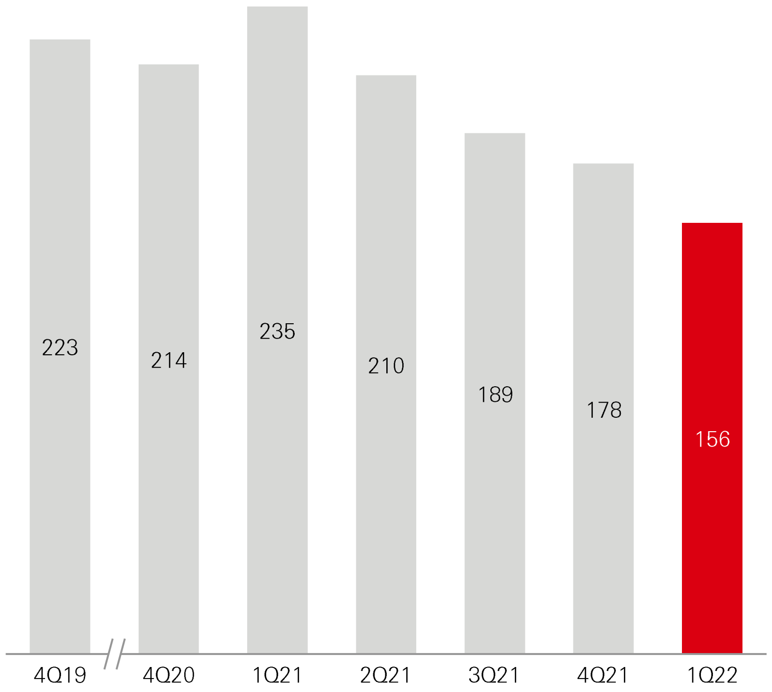
Demand deposit ratio, %

Market leading non-interest bearing ratio



Liquidity coverage ratio, %

Highly liquid and well above regulatory requirements



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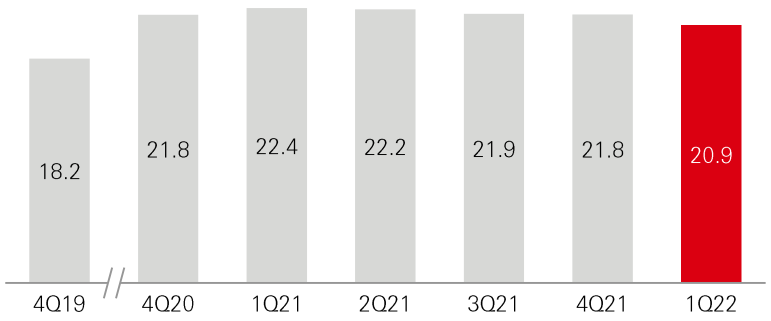
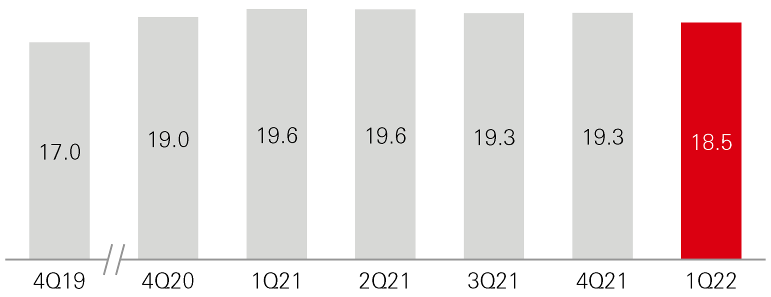
Capital adequacy

CET1 ratio falls to 18.5% following strong momentum on lending

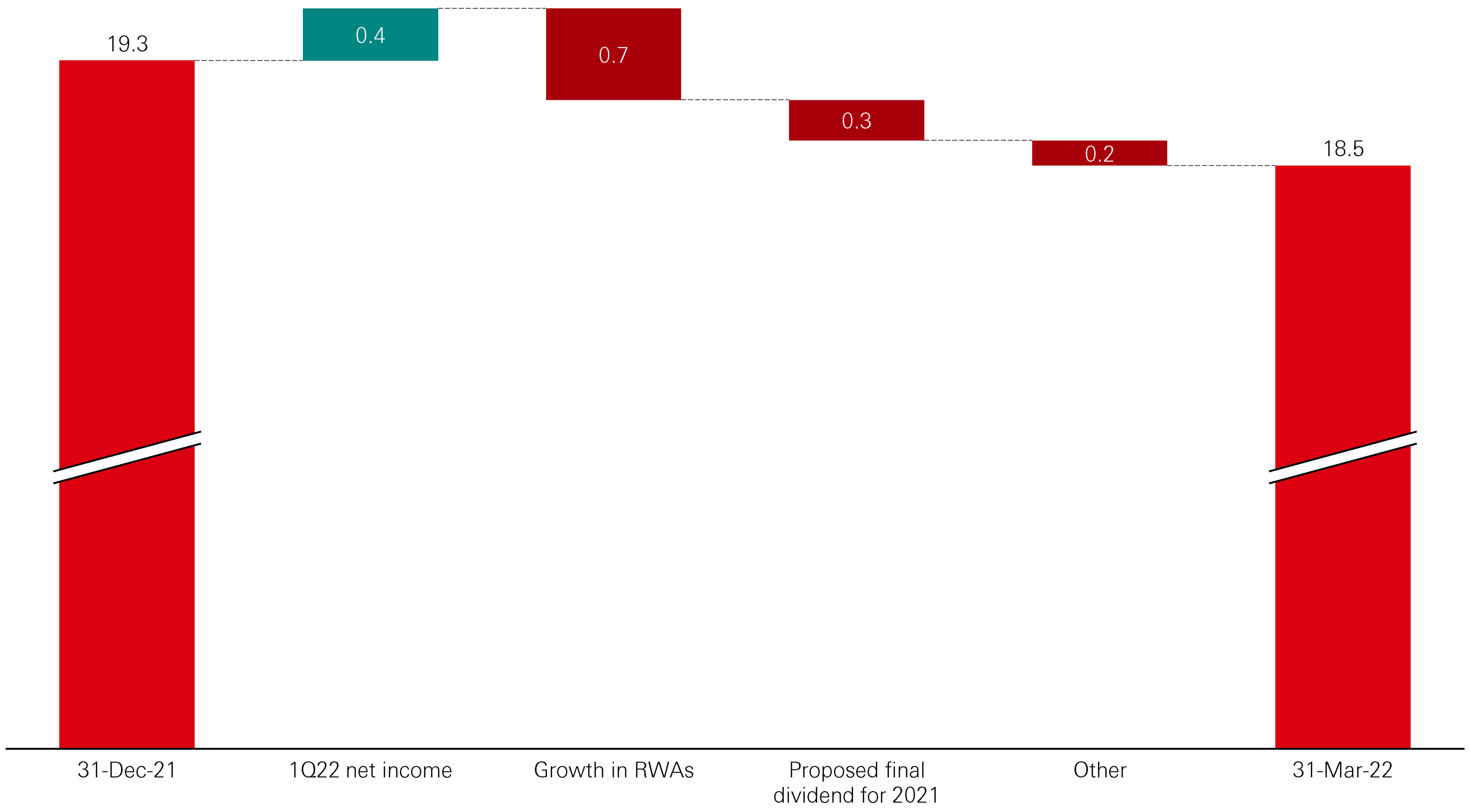
Total capital ratio, %



CET1 ratio, %



CET1 ratio movement 31 Mar 2022 vs. 31 Dec 2021, %



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Concluding remarks

1. Continued delivery of robust financials with an acceleration in lending growth, a sustained fall in non-performing loans and improved asset quality, net income generation and improved returns

2. Our five-year strategy is underway with continued investment, and both corporate and retail businesses gaining traction.

3. We possess robust levels of capital, liquidity and funding and the scale to support the national growth agenda.

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