

# Business model

Following the SABB-Alawwal merger, the business model of our unified institution has been designed to ensure the Bank delivers value to customers, employees and Shareholders, while delivering on our strategic priorities for supporting Saudi Arabia's Vision 2030 development programme. The business model serves to build and deepen sustainable relationships between the Bank and its Stakeholders, taking advantage of the opportunities that have been created by the union of the two institutions.

## Stakeholder value creation

- Creation of a stronger franchise with significant potential for material synergies
- EPS accretive for both SABB and Alawwal Bank Shareholders
- Capacity and resource to directly support the social and economic agenda of Saudi Vision 2030



### STRONG LOCAL FRANCHISE



### REALISING SYNERGIES



### GLOBAL SUPPORT

#### Scale

- Broader customer base
- Larger market position
- Size to support growth

#### Diversity

- International network
- Conventional and Islamic product suite across retail<sup>1</sup>, corporate and treasury segments
- Access for local and global customers

#### Digital

- Market leading digital banking capabilities

#### Resource

- First-class human capital and development
- People drive innovation and customer service

#### Cost

- Expected annual run-rate cost synergies of 15-20% of combined cost base

#### Revenue

- Revenue synergies of 2-3% from cross-selling, deeper customer penetration, diversified funding

#### Integration

- Integration cost in range of 1.5-1.8x annual run-rate cost synergies

#### Delivery

- Synergies to be fully realised three years post-integration completion

#### HSBC Group

- Continued support of HSBC Group through Technical Services Agreement that runs through 2027
- Provides unique global connectivity and customer access / value-added not offered by any bank in Saudi Arabia
- Continued right to use HSBC's well-known hexagon logo

<sup>1</sup> SABB offers only Shariah compliant products to its retail customers.

