

Managing Director's message

My remit for SABB is simple – execute on the long-term growth-focused strategy and enable SABB to regain its positions of strength that it previously enjoyed throughout its rich and diverse history. Delivering our strategic goals will also

strengthen SABB's sustainability, ensuring we remain relevant for our customers far off into the future.

One Bank – completion of Customer Day 1

We completed Customer Day 1, the point of time at which we are a single fully-integrated bank in March. This was completed before my tenure commenced however, I would like to express my congratulations to the SABB family for achieving this milestone, within agreed timescales and costs. Since Customer Day 1, we have continued to review our processes and systems in order to investigate and achieve further efficiencies, and it is particularly pleasing to announce that we have increased our cost synergies to c. SAR 0.7 bln or 20% of the combined pre-merger cost bases of SABB and Alawwal banks. Total cumulative integration costs were SAR 1.1 bln. Both these metrics are ahead of our original guidance. The Bank is now stronger and with increased capacity to serve our customers and clients.

Strategic overview

Our strategy is clear and straightforward: build on our positions of strength and participate more in areas of growth connected to the Kingdom's Vision 2030 plans. SABB possesses a number of strengths and competitive advantages that sets us apart from our peers. We are the number one international bank in the Kingdom – we provide our customers with access to a global banking ecosystem through our partnership with HSBC. We possess strengths in corporate and trade-related banking services, and also provide a diverse retail banking operation with a wealth-focused agenda.



Saudi British Bank has a clear vision – to 'Bring a world of financial opportunity to an ambitious Kingdom.' As the Kingdom grows, we will be there to support that growth and have the means and expertise to grasp the opportunities ahead, and help our customers and clients realise their ambitions.

During 2021, as we completed the final stages of the integration, we began our investment phase. This is the start of an extended programme of investment where we will look to invest over SAR 1.5 bln to modernise and transform our IT infrastructure, develop new capabilities and skillsets among our employees, and digitise our processes and operations enabling an end-to-end digital customer experience. The rewards for this investment will begin to materialise during 2022, although we would expect the bulk of the return to be after 2022.

Joining SABB in May of this year, I've been struck by the energy that I've witnessed across the Bank from transitioning from 'integration-mode' straight into 'growth-mode' and I am excited for the future.

2021 performance

Looking back on 2021 in its entirety, both before my joining and after, the sheer volume of accomplishments that SABB has made is astounding. Our corporate business has grown sustainably over the year with lending increasing 9%, and despite the heightened liquidity levels during the year leading to increased levels of repayments, our corporate business used their strong relationships, products and services to support our customers whilst growing the balance

sheet. With our large corporate and multinational strengths, we were successful in winning one of the key Red Sea Development Company mandates earlier in the year, which will be the first Riyal denominated green loan in the Kingdom.

Our retail business accelerated its involvement in the mortgage industry by enhancing our online sales capability and developing a fuller suite of REDF mortgages. This was the first step in the investment phase for the retail business. It was very pleasing to see the near doubling of mortgage originations during 2021, despite the full suite not being available during the year. We remain very optimistic that we can accelerate mortgage growth further in 2022, given the investment made during the past year.

Our financial performance was incredibly resilient despite the continued uncertainty driven by the global pandemic and competitive pressures. We returned to profit in 2021, compared with 2020, generating SAR 7.9 bln of revenue and SAR 3.9 bln of net income before Zakat and income tax. Gross lending increased for the fifth consecutive quarter closing 2021 with SAR 174.3 bln of lending and we finished the year with SAR 186.8 bln of customer deposits and an 82% demand deposit ratio. Capital,

funding and liquidity metrics remain strong and we have the capacity to support future growth.

Our people

It was a great honour to be asked to lead SABB on the next stage of its journey. I am hugely grateful to my predecessor David Dew for a smooth transition – David was a great ambassador for SABB for over 11 years as Managing Director and we wish him well for his retirement.

As mentioned earlier, I am greatly excited about our Bank's prospects as we look to accelerate our growth, and my thanks go to the Board, Executive Management and all SABB employees for the energy and vigour that I have witnessed in abundance since I started in May – there is no doubt in my mind that this energy will translate into success for the Bank for years to come.

Mr. Tony Cripps

Managing Director