



Banque Saudi Fransi

Investor Presentation

4Q 2022

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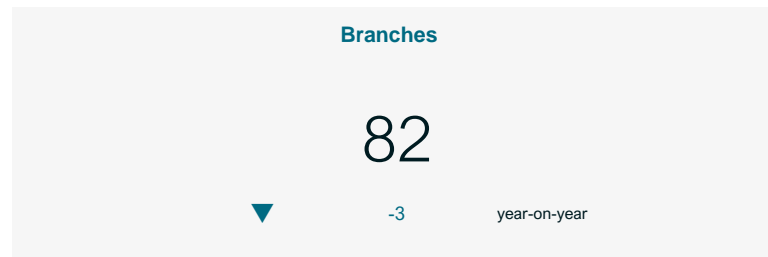
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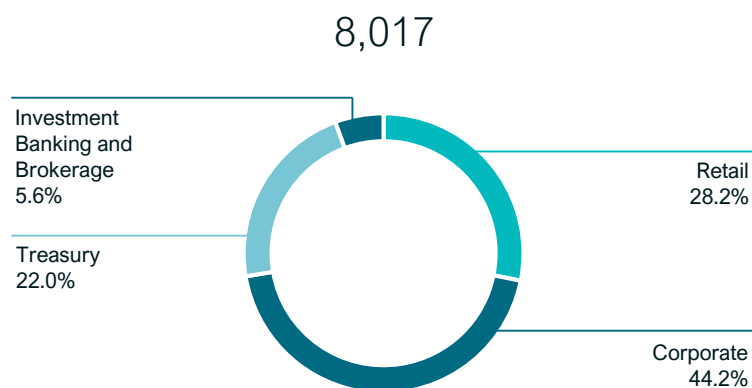
INVESTOR PRESENTATION 4Q 2022

BSF Profile

We are a leading banking group in Saudi Arabia with a strong focus on domestic operations

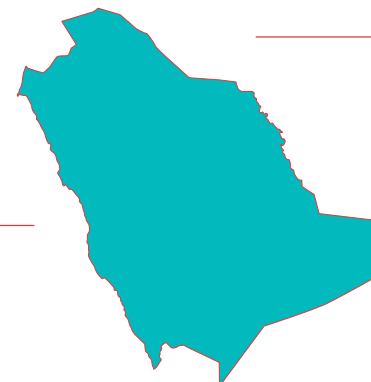


FY 22 Operating Income Diversity (SAR Mn)



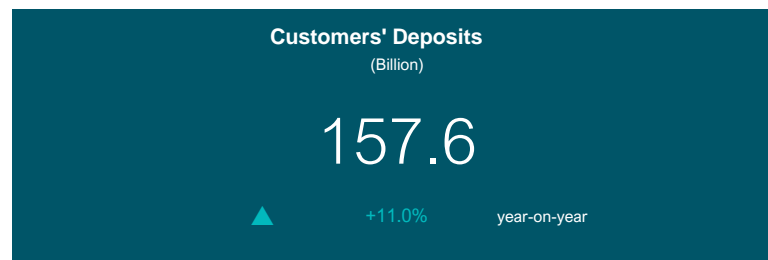
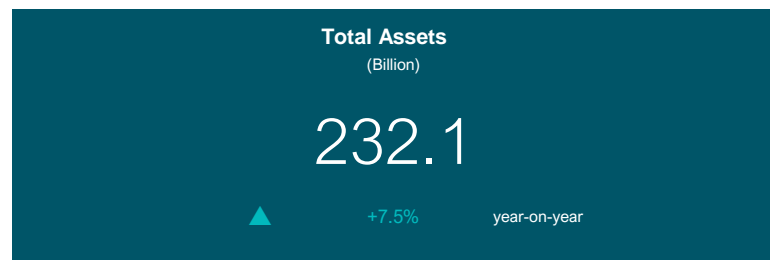
Headquartered in Riyadh:
82 branches across the Kingdom
Domestically systemic bank

Universal Bank model:
Corporate DNA (81% of our loan book)
Full suite of conventional and Islamic products
Growing Retail loan book
Core focus on the Saudi market



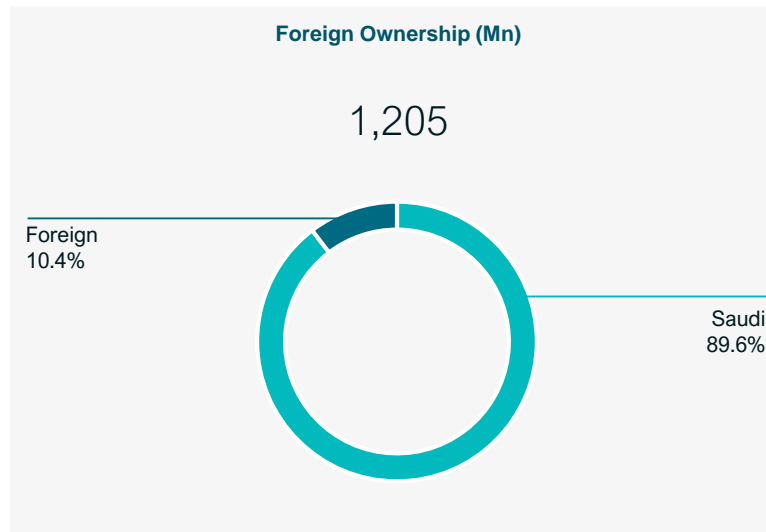
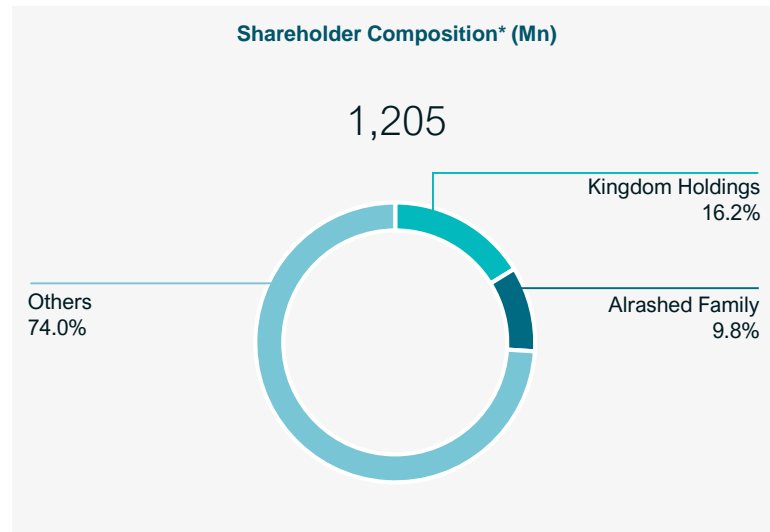
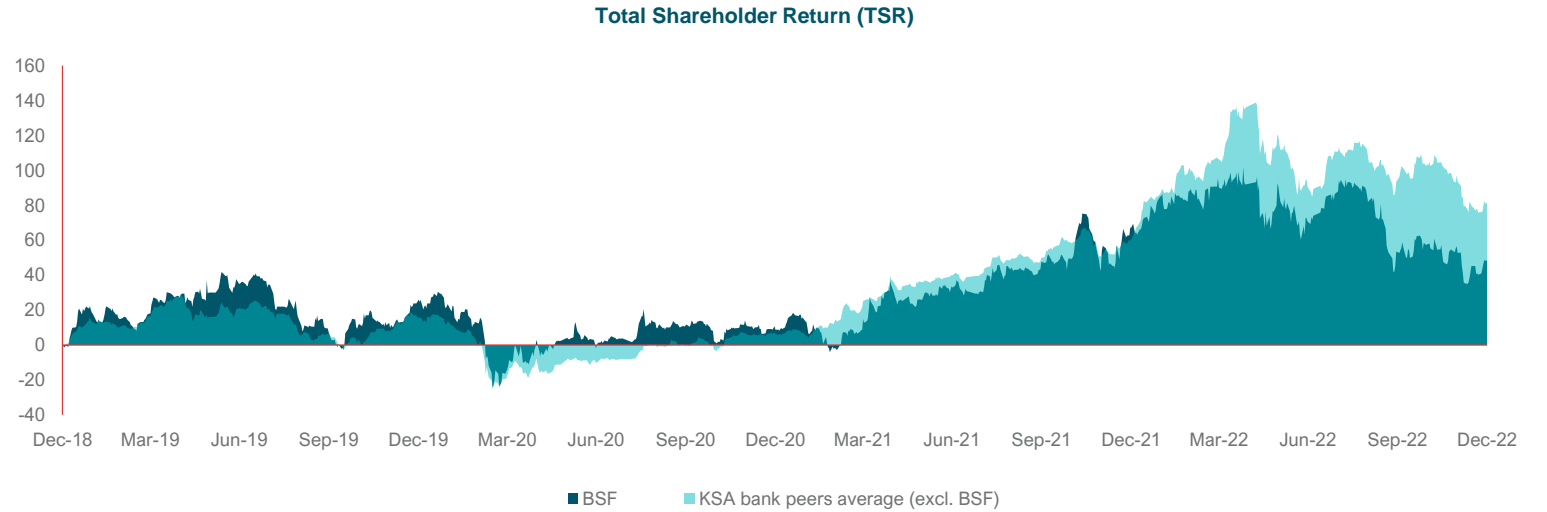
Subsidiaries in KSA:
Saudi Fransi Capital
Saudi Fransi Insurance Agency
Saudi Fransi for Finance Leasing
Sakan Real Estate Financing Company

Joint ventures in KSA:
Insurance with Allianz



Solid market parameters and credit ratings

Share Parameters	31 Dec 2022
Closing price (SAR)	40.60
52 weeks range (SAR)	36.0 - 57.2
Shares issued (million)	1,205
Market capitalization (SARbn)	48.94
Market capitalization to KSA bank sector	4.71%
Market cap to KSA stock market	0.45%
Price to tangible book value	1.45x
Price to earnings (FY 2022)	14.5x
Dividend yield (FY 2022)	4.0%



Standard & Poor's

BBB+

▲ Positive outlook

Moody's

A2

▶ Stable outlook

Fitch

BBB+

▲ Positive outlook

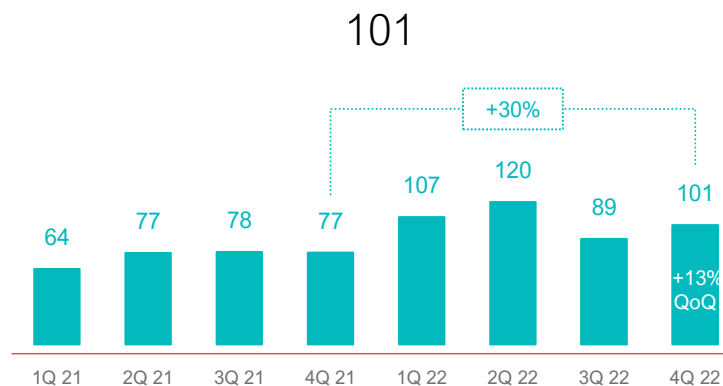
INVESTOR PRESENTATION 4Q 2022

Operating Environment

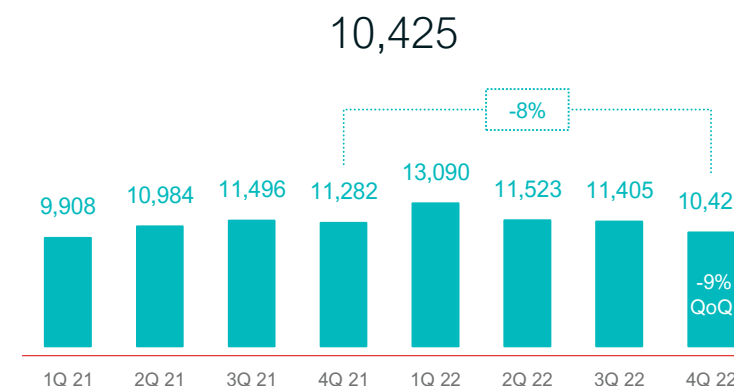
2022 characterized by rising rate environment and higher oil prices

- Oil prices rose to USD 120/bl in 2Q 2022, following Ukraine-Russia disruption, but declined to USD 101/bl in 4Q 2022.
- Interbank rates increased in 2022 from 7 hikes totaling 400bps in the SAMA repo and reserve repo rates to 5.00% and 4.50% respectively.
- The Saudi Arabia purchasing managers index (PMI) improved 3.0 index points YoY to 56.9 in December 2022.
- The Saudi Arabian stock market (Tadawul) declined 8% YoY.

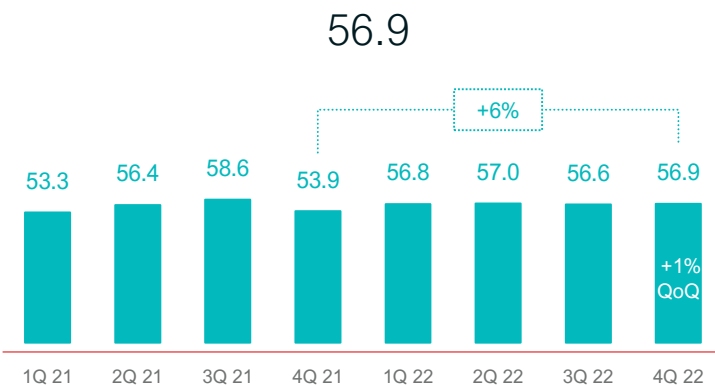
Brent Oil Price / Barrel (USD)



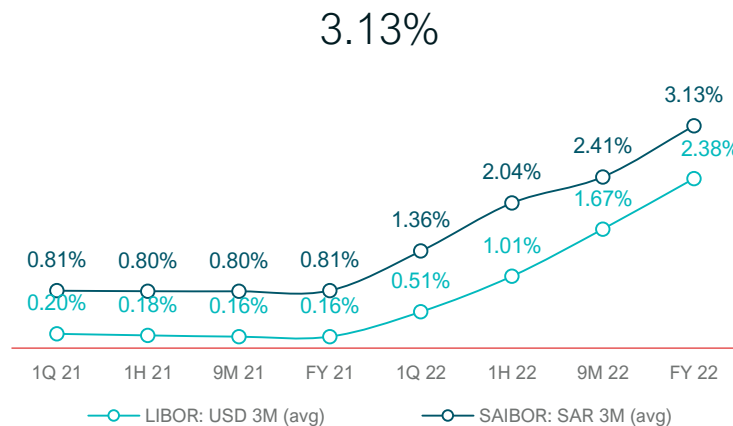
Tadawul Index



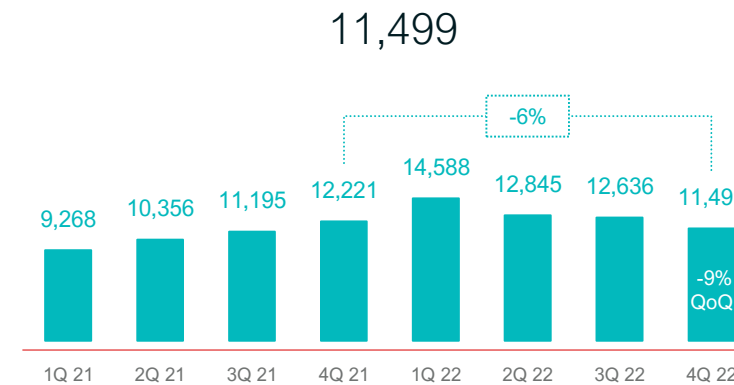
KSA PMI (non-oil private sector)



SAIBOR Trend (%)

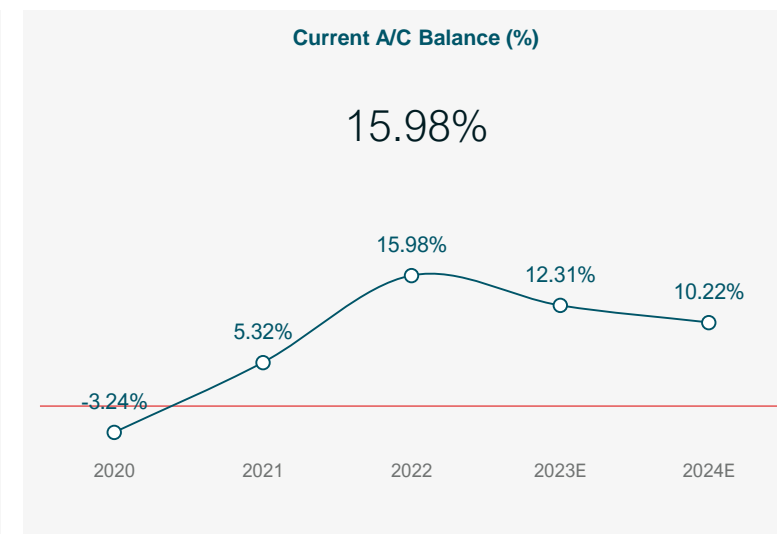
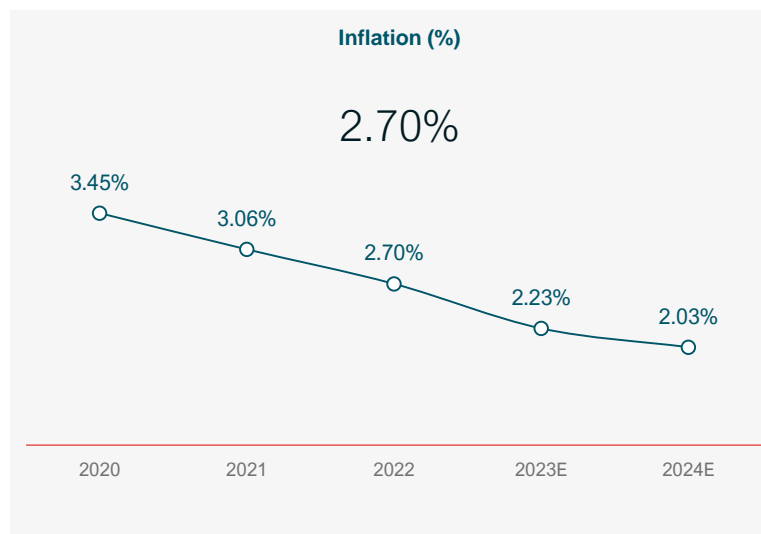
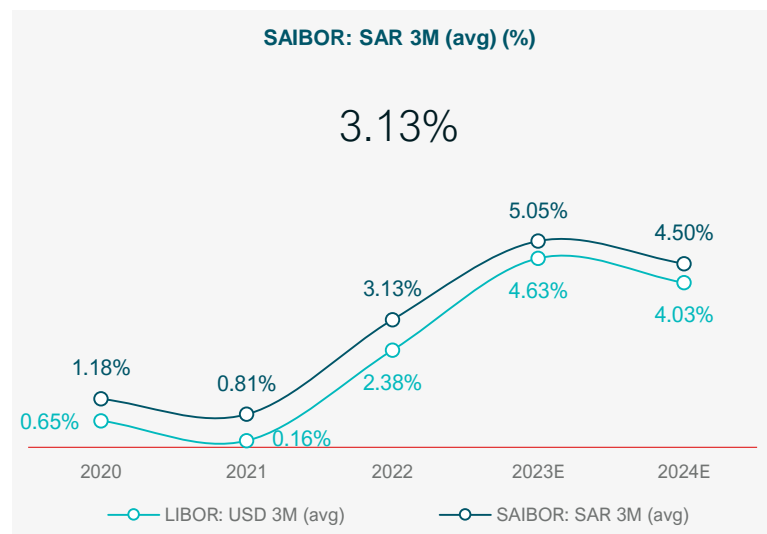
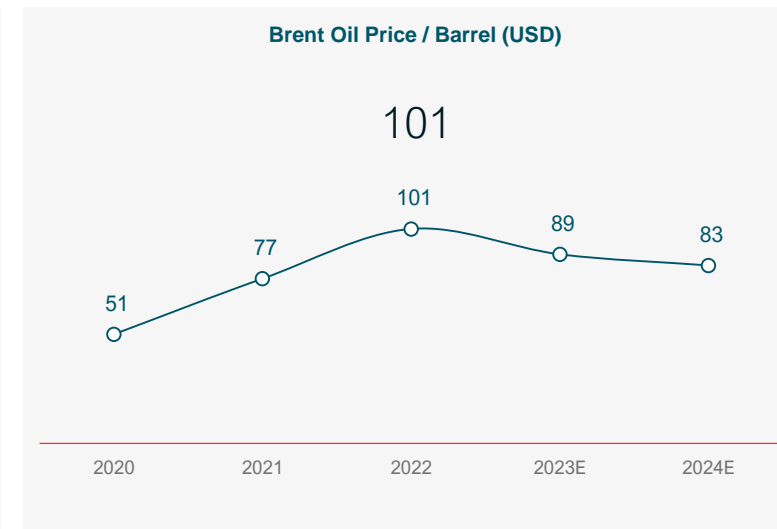
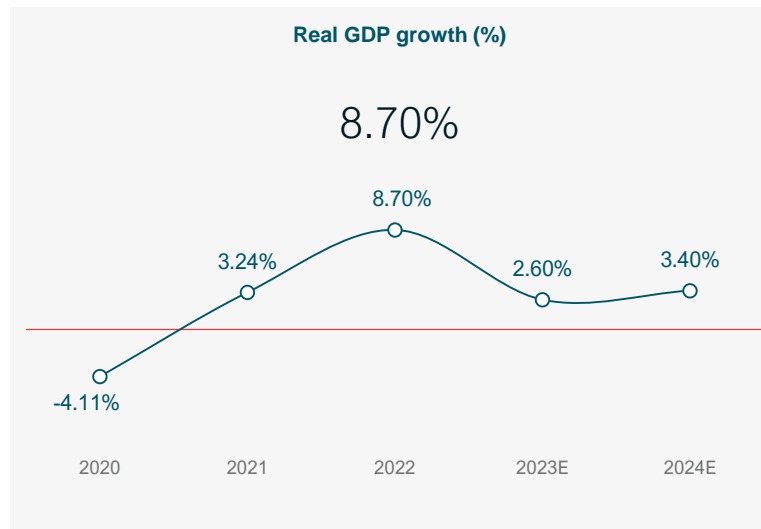


Tadawul Banks Index

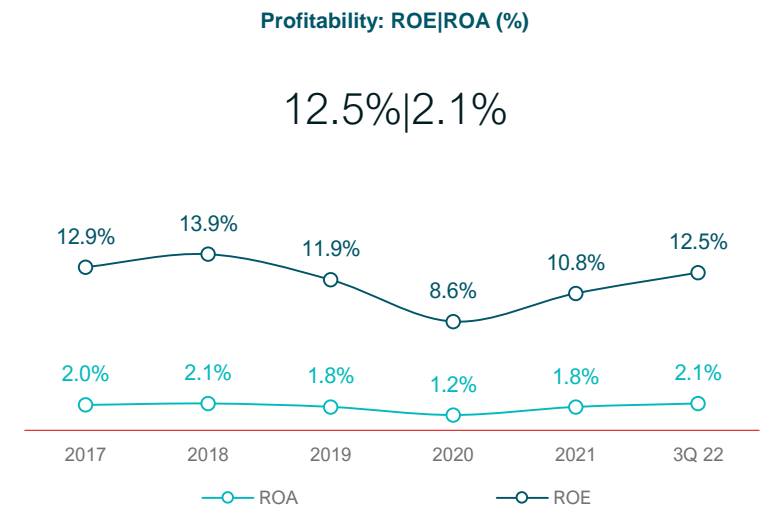
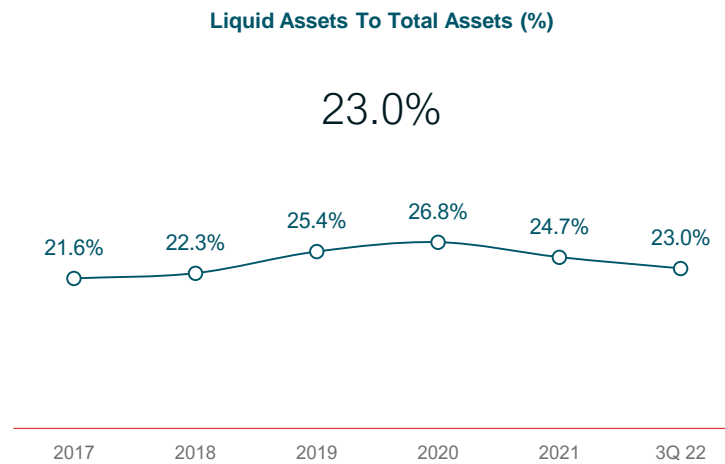
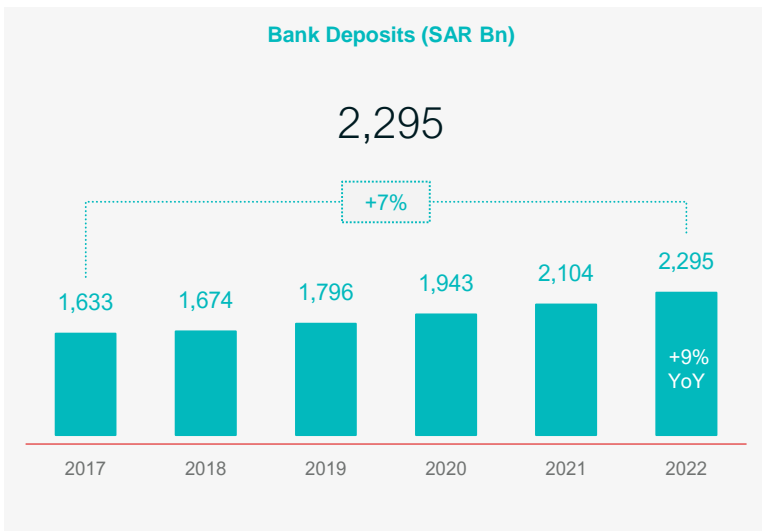
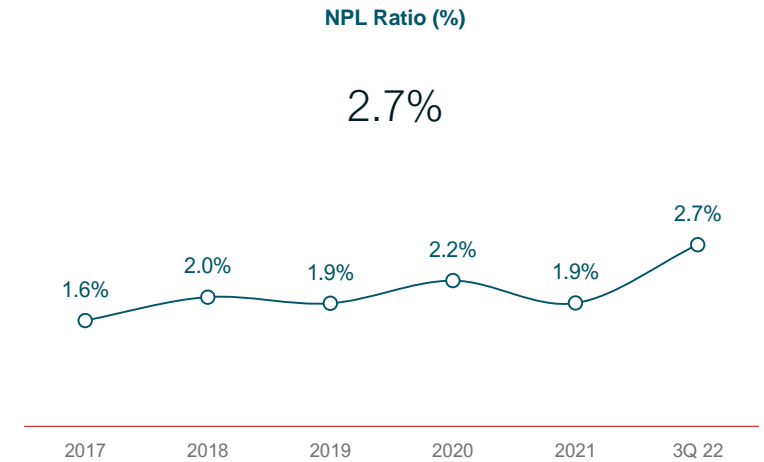
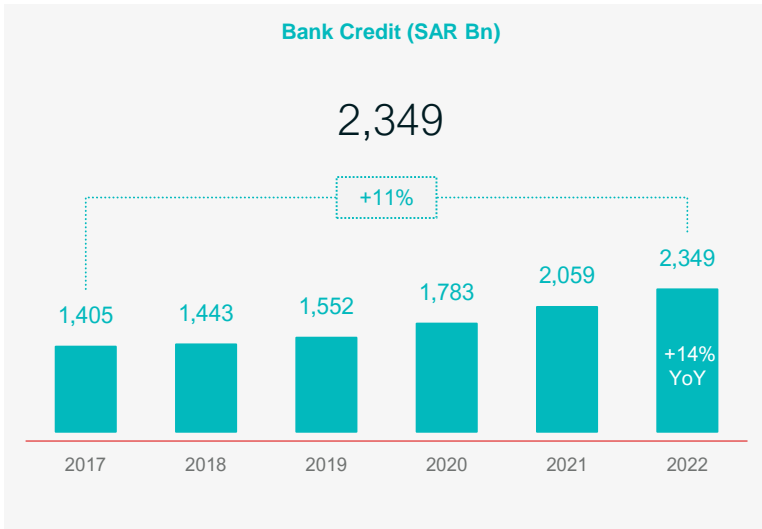


GDP growth for Saudi Arabia is expected to have reached +8.7% in 2022

- GDP growth for Saudi Arabia is expected to have reached 8.7% in 2022 following a post-covid recovery of 3.2% growth in 2021.
- Interest rates are expected to continue to rise during 2H 2023 though tailing off thereafter; average 3M SAIBOR forecast at 2.95% in 2022 and 4.85% in 2023 compared with 0.81% in 2021.



The Saudi banking sector is well positioned for both resiliency and growth





INVESTOR PRESENTATION 4Q 2022

Strategy

In 2018 we redefined our purpose to build a dynamic, energized and modern culture...

OUR MISSION

To become the most modern, innovative and experience focused bank in the region.

OUR VALUES

TRUE TO OURSELVES, ALWAYS

We are honest with one another, even at the risk of temporary disharmony. It is never personal.

US BEFORE ME

We put ideas before ego and leverage the expertise of others.

KEEP IT SIMPLE

We strive to make everything we do as simple as possible. We set our people up for success and then get out of their way. We own it.

WINNING IS FUN

We seek to be number one in the hearts and minds of our people, customers and shareholders. We have limitless ambition and the drive to win.

WE ARE BSF

Always putting the needs of our people, customers, shareholders and society ahead of our own personal agenda. We are a community that we defend and protect, always.

THINK BIG, ACT QUICK

We think long-term in our decisions, but we make them quickly and have a bias towards action.

...and set out to build a cohesive, best-in-class executive management team...

Bader Alsalloum

Chief Executive Officer

- BSF: appointed Apr-21
- Saudi Investment Bank: Deputy GM Corporate Banking 2 years
- SABB: Deputy GM Comm. Bnk; 15 years



Ramzy Darwish

Chief Financial Officer

- BSF: appointed CFO Dec-22
- SNB: 17 years where positions included Head of Treasury, Head of Principal Strategies and Investment, and Head of ALM



Sander Aardoom

Deputy Chief Financial Officer

- Business Lease Group B.V.: CFO & Board member: 3 years
- ING: CFO of Transformation, Technology and Operations, CFO roles in Australia, Romania and Czech Republic: 18 years



Majed Alsadhan

Head of Wholesale Banking

- BSF: appointed Head of WB Nov-22
- Previously over 4 years with BSF as head of Corporate Banking Central Region and Head of Corporate Banking
- Previously GIB, SABB and SAMBA



Mohammed Abdulrahman Alsheikh

Head of Retail Banking

- BSF: appointed Jul-18
- Al Rajhi Bank: AGM Retail Banking in 2017
- ANB: 6 years
- SABB: 3 years



Mutasim Mufti

Chief Risk Officer

- BSF: appointed CRO Jan-21
- BSF: Regional Corporate Banking Group Head for 10 years, Deputy Corporate Banking Group Head for 4 years, Deputy Chief Risk Officer for 3 years



Zuhair Mardam

Chief Treasury and Investment Officer

- BSF: appointed CTIO Oct-22
- BSF: Head of Global Markets Group 3 years; 18 years with BSF



Thamer M. Yousef

Chief Operations Officer

- BSF: appointed COO Dec-18
- SABB: Head of Information Services
- SAMBA: 10 years



Abdallah Alshaikh

Head of Legal & Governance

- BSF: appointed in 2018
- 15 years relevant experience
- SAMBA: Head of Legal & Corporate Secretary
- SAMA/CMA: legal positions



May Al-Hoshan

Chief Human Capital Officer

- BSF: appointed Aug-18
- Alawwal: Human Resources GM
- NCB Capital: Head of HR



Abdulmohsen Alrayes

Chief Audit Officer

- BSF: appointed CAO Aug-17
- 34 years banking experience
- SABB: Head of Retail operations
- ANB: Head of Internal Audit



Yasser Al-Anssari

Chief Compliance Officer

- BSF: appointed CCO in 2021
- GIB: Compliance Group Head
- Al Rajhi Bank: Global Chief of Compliance
- JPMorgan Chase-Riyadh: Head of Compliance & AML



...who implemented a comprehensive 5-year strategic plan called 'LEAP' to modernize and re-imagine the bank

2018
Baseline

POSITIONED TO 'LEAP'

2023
Aspiration

ASSET MARKET SHARE

8.3%

ROAA*

1.7%

NPS**

NA

STRATEGIC PILLARS



Solidify our leadership position in Corporate Banking



Scale up in Retail Banking



Optimize our leading position in Private Banking



Reinforce our strength in Global Markets

ASSET MARKET SHARE

10%

ROAA

2.3%

NPS

#1

STRATEGIC ENABLERS

A

Technology & IT platforms

C

Customer experience

E

Brand

G

Risk

B

Digitalization

D

Organizational effectiveness

F

People

H

Strategy

*ROAA before zakat | **NPS baseline not yet established in 2018

We are clearly focused on delivering strategic outcomes

STRATEGIC OUTCOMES

Shareholder darling

KPI #1
Total shareholder return (TSR)

Generate top-quartile total returns for our shareholders.

KPI #2
Return on average equity (ROAE)

To increase ROAE, by focusing on growing our business where risk adjusted returns are maximized and capital is efficiently deployed.

Resilience

KPI #3
Basic earnings per share (EPS)

Deliver consistent bottom line income and returns for our shareholders, with no surprises.

KPI #4
Dividends per share (DPS)

Distribute consistent dividends to our shareholders.

Efficiency

KPI #5
Cost-to-income Ratio

Improve operating efficiency by re-engineering our processes and focusing on digital.

Best Customer Experience

KPI #6
Net Promoter Score (NPS)

Continuous improvement in our customer experience.

Best Place to work

KPI #7
Employee Net Promoter Score (ENPS)

Continuous improvement in our employees' workplace experience and satisfaction.

Positive trends in most strategic outcomes during 2022

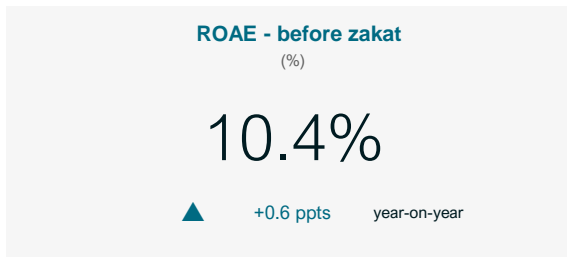
STRATEGIC OUTCOMES

Shareholder darling

KPI #1
Total shareholder return (TSR)



KPI #2
Return on average equity (ROAE)

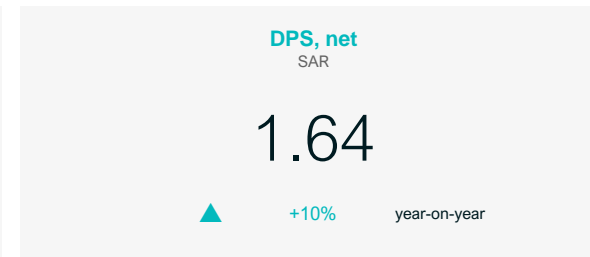


Resilience

KPI #3
Basic earnings per share (EPS)

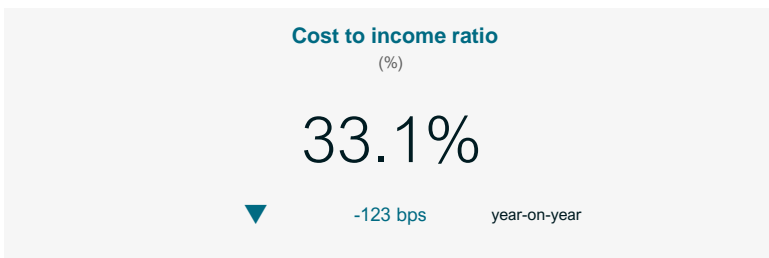


KPI #4
Dividends per share (DPS)



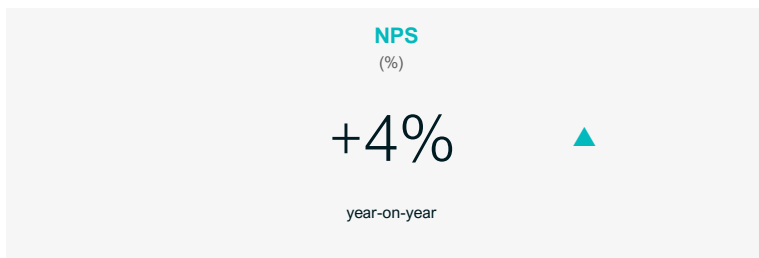
Efficiency

KPI #5
Cost-to-income Ratio



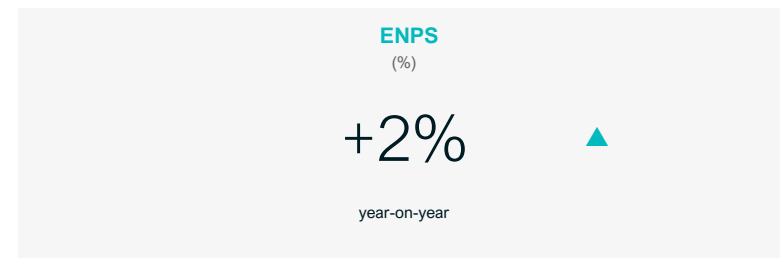
Best Customer Experience

KPI #6
Net Promoter Score (NPS)



Best Place to work

KPI #7
Employee Net Promoter Score (ENPS)

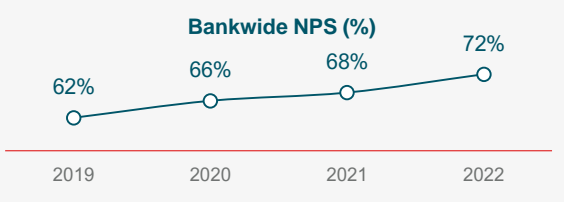
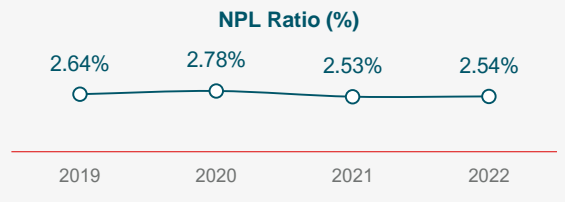


Excellent progress made in 2022 across our four strategic pillars...

Corporate Banking		Retail Banking		Private Banking		Global Markets Group	
Corporate Loans SAR Billion 120.5 ▲ +6.6% YoY	Corporate Deposits SAR Billion 80.3 ▲ +30.6% YoY	Retail Loans SAR Billion 25.9 ▲ +9.5% YoY	Net Income Pre-Zakat SAR Million 373 ▲ +119.3% YoY	PB Loans SAR Billion 7.5 ▲ +23.9% YoY	Net Income Pre-Zakat SAR Million 351 ▲ +45.0% YoY	Investments SAR Billion 44.5 ▲ +1.5% YoY	Fee & Other Income SAR Million 599 ▲ +14.7% YoY
Operating Income SAR Million 3,544 ▲ +20.4% YoY	NTB Customers # >300 ▲ YoY	Operating Income SAR Million 1,589 ▲ +22.0% YoY	Card Customers # +39% ▲ YoY	Operating Income SAR Million 519 ▲ +27.5% YoY	X-Sell Income through GMG +84% ▲ YoY	FX Income % +41% ▲ YoY	NTB Customers # >25 ▲ YoY
Launched MSME center & adopted ecosystem approach		Enhanced cards product menu & loyalty program; expanded mortgage products		Introduced digital on-boarding system		Enhanced funding through USD 4bn EMTN Program launch	
Restructured Transaction Banking ; +100% growth in export LC's; launched customized structured trade solutions		Launched "BSFSend" digital remittance service; implemented new loan origination system; successful migration to CMS		Improved distribution with new high-end PB center opened in Riyadh's Hittin district		Issued USD 700mn 5-year note & USD 500mn club loan	
Increased digital transaction penetration; reduced TATs via a streamlined credit approval process; Fransi Global enhancements		Rationalized branch distribution network by 3; full rollout of kiosk & self-service machines		Progressed customer re-segmentation project to expand PB customer reach		Structured product transactions nearly doubled YoY	
		Retail credit reengineering driving improvement in TATs (-50% YoY) and customer experience				Tapped into new revenue streams through FX digitalization	

Note: Retail Banking excludes Private Banking and Saudi Fransi Leasing

...supported by solid improvements in key strategic enablers

Technology & Digitization		Customer Experience & Brand		Risk		People	
<p>FransiMobile Transactions # million</p> <p>18.0</p> <p>▲ +35.0% YoY</p>		<p>Bankwide NPS (%)</p> 		<p>NPL Ratio (%)</p> 		<p>ENPS %</p> <p>+2.3ppts</p> <p>▲ YoY</p>	
<p>RPA # of Processes Automated</p> <p>+21</p> <p>▲ YoY</p>	<p>Digital A/C Opening % of total</p> <p>62%</p> <p>▲ YoY</p>	<p>Retail NPS %</p> <p>72.1%</p> <p>▲ +4.2ppts YoY</p>	<p>PB NPS %</p> <p>71.7%</p> <p>▲ +4.0ppts YoY</p>	<p>Cost of Risk %</p> <p>0.85%</p> <p>▶ +18bps YoY</p>	<p>Stage 3 Coverage %</p> <p>65.0%</p> <p>▲ +4.5ppts YoY</p>	<p>Female Employees % of total</p> <p>22.5%</p> <p>▲ +1.4ppts YoY</p>	<p>Saudization % of total</p> <p>91.3%</p> <p>▶ -0.6ppts YoY</p>
<p>Core Banking System expected to be completed in 2023</p> <hr/> <p>Cortex Cards Management System implementation completed</p> <hr/> <p>Oracle EBS ERP Solution launched</p> <hr/> <p>Corporate & PB CRM completed</p> <hr/> <p>Hitteen Digital Branch under construction</p> <hr/> <p>Alteryx, an Analytics Automation Platform, implemented to enhance lead generation & cross-sell</p>		<p>Move Customer Experience platform to Saudi Arabia</p> <hr/> <p>Added new channels to voice of customers survey such as JANA and Complaints system</p> <hr/> <p>New BSF brand approved by Board; implementation commenced with go-live across customer assets planned in 2H 2023</p>		<p>Strengthened cybersecurity framework</p> <hr/> <p>ISO-22301 BCM certification</p> <hr/> <p>Upgraded operational risk framework</p> <hr/> <p>Strengthened early warning and watchlist monitoring framework</p>		<p>Developed people strategy with Performance, Agility, Culture and Talent as key pillars</p> <hr/> <p>Piloting staff wellbeing initiatives</p> <hr/> <p>Introduced leadership program in partnership with London Business School</p> <hr/> <p>Transformed the Academy operating model, including design of digital learning strategy and upskilling for the future</p>	

INVESTOR PRESENTATION 4Q 2022

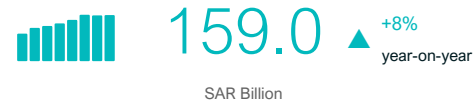
Financial Performance

Balanced asset and liability growth, coupled with solid income growth and improved profitability

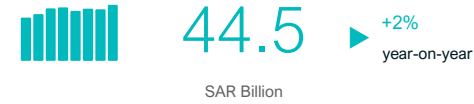
BALANCE SHEET

- High quality loan growth of 8% YoY driven by 7% commercial and 8% consumer lending growth.
- Deposit growth of 11% YoY, mainly from IBDs.

Loans & Advances



Investments



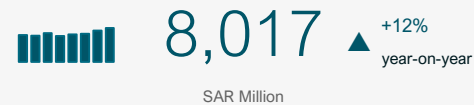
Customers' Deposits



INCOME STATEMENT

- 12% top-line growth from 13% NII and 11% NFI growth.
- Net income grew 4% as income growth partly offset by increased impairments.

Operating Income



NIM



Net Income



ASSET QUALITY

- NPL and NPL coverage ratios broadly stable YoY.
- Trends impacted by isolated pockets of migration in the Commercial book; healthy underlying quality.

NPL Ratio



NPL Coverage Ratio



Cost of risk



CAPITAL & LIQUIDITY

- Capital, funding and liquidity remain strong and comfortably within regulatory limits.
- Decline in T1 Ratio from RWA growth and MTM on investment securities.

T1 Ratio



LCR



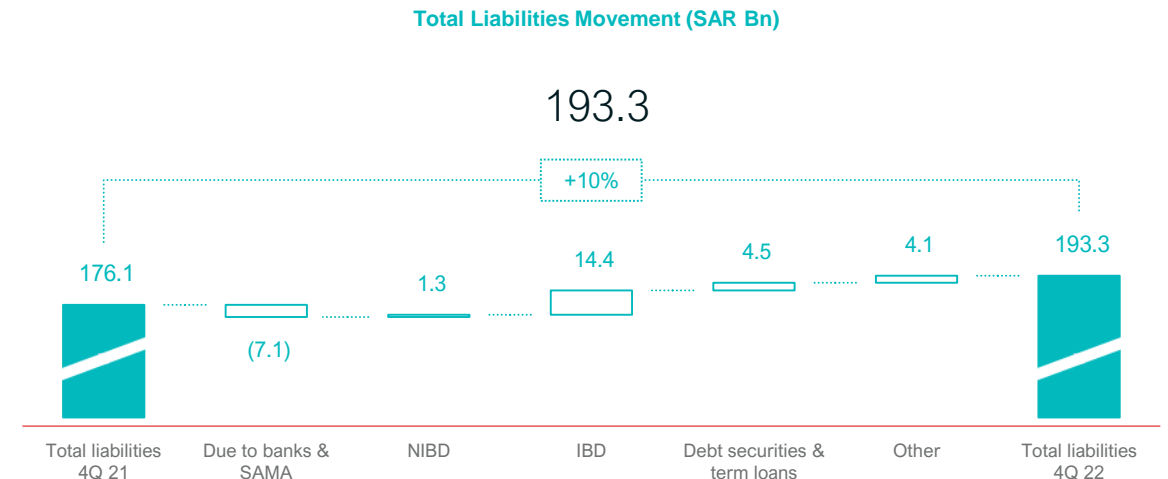
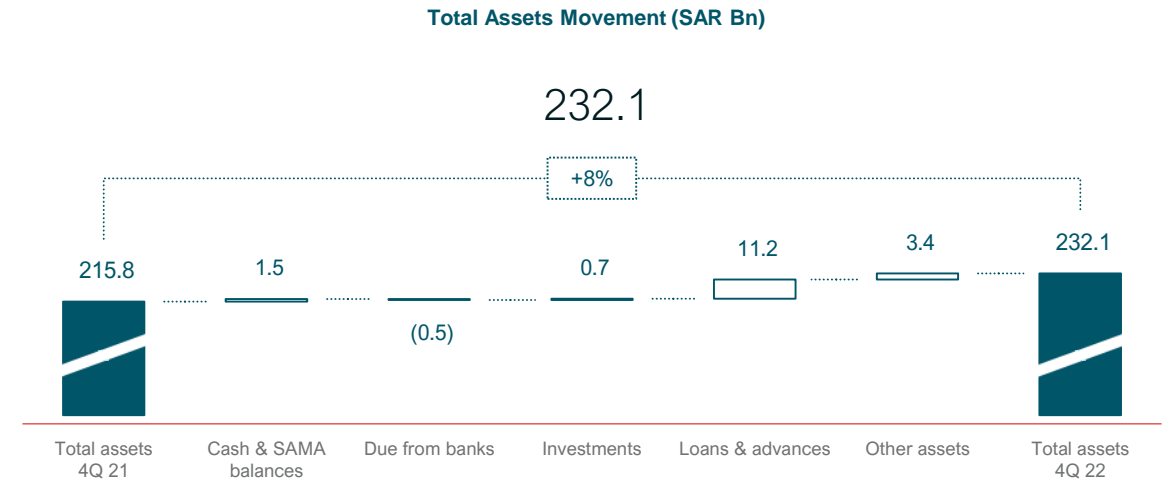
NIBD % of Total Deposits



Balance sheet growth driven by lending, with commensurate deposit growth

- Growth in total assets of 8% YoY, mainly driven by healthy 8% loan growth.
- Liabilities grew by 10% during 2022 from 11% deposit growth and debt issuance, reducing short-term wholesale funding.
- Total equity declined 2% YoY due to MTM on debt securities and cash flow hedges; this impact will gradually fade and be recycled to the income statement until maturity.
- Other assets and liabilities increased from changes in fair values of derivatives.

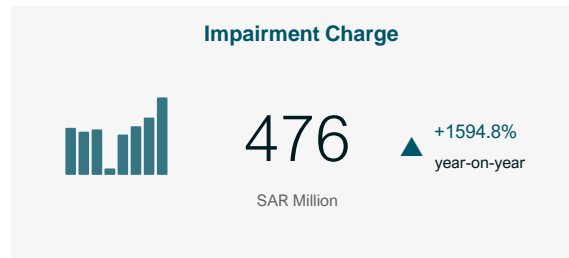
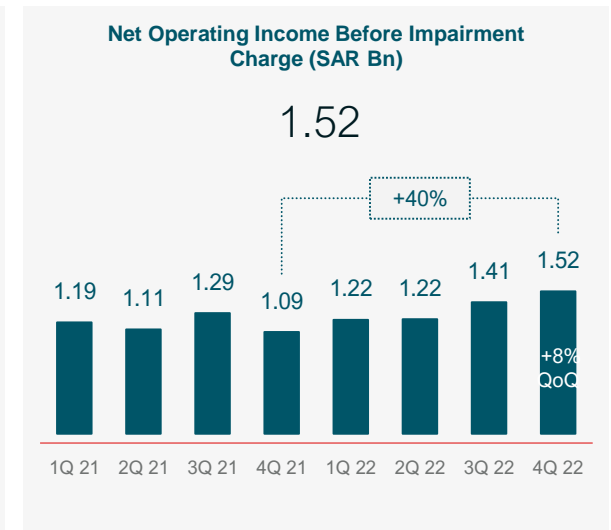
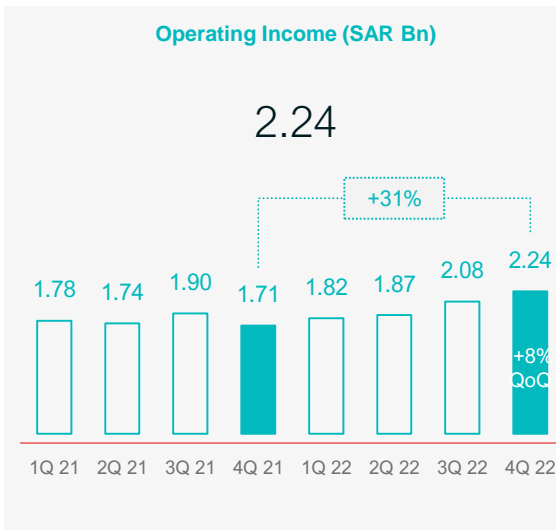
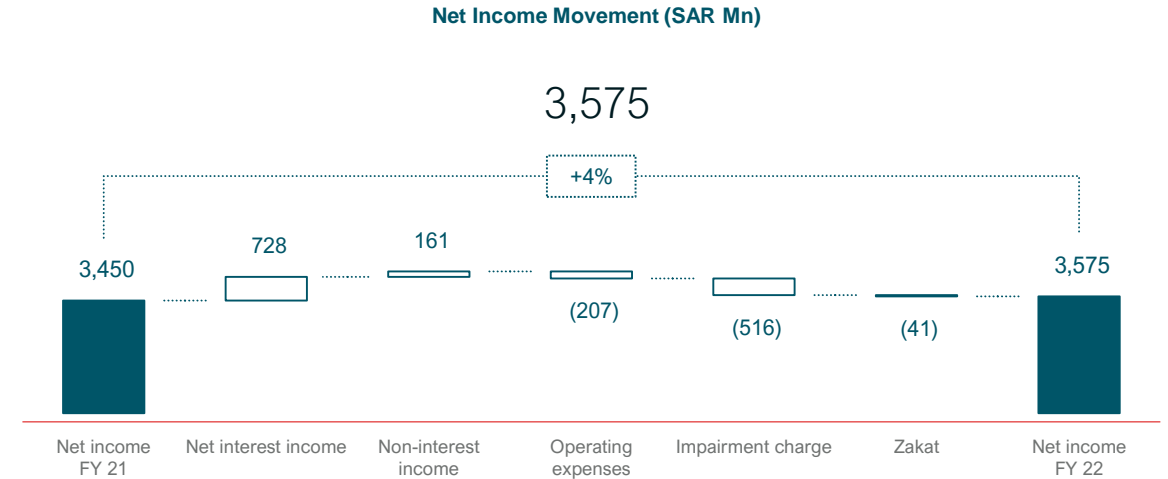
SAR (Mn)	4Q 2022	3Q 2022	Δ%	4Q 2021	Δ%
Cash & SAMA balances	11,326	12,428	-9%	9,795	+16%
Due from banks	4,795	4,507	+6%	5,324	-10%
Investments	44,518	43,341	+3%	43,858	+2%
Loans & advances	159,012	158,481	+0%	147,813	+8%
Other assets	12,428	12,901	-4%	9,012	+38%
Total assets	232,078	231,659	+0%	215,802	+8%
Due to banks & SAMA	16,770	20,094	-17%	23,854	-30%
Customers' deposits	157,592	157,821	-0%	141,950	+11%
Debt securities & term loans	4,515	0	NA	0	NA
Other liabilities	14,455	15,939	-9%	10,312	+40%
Total liabilities	193,333	193,854	-0%	176,116	+10%
Share capital	12,054	12,054	+0%	12,054	+0%
Retained earnings	9,768	10,001	-2%	8,399	+16%
Other	11,924	10,750	+11%	14,233	-16%
Tier 1 Sukuk	5,000	5,000	+0%	5,000	+0%
Total equity	38,745	37,805	+2%	39,686	-2%



Net income grew 4% year-on-year as solid income growth was partly offset by increased impairment charge

- Net income for 2022 grew 4% YoY to SAR 3,575mn from 12% growth in operating income, partly offset by a 61% rise in the impairment charge.
- Pre-impairment operating income for 4Q 2022 increased 40% YoY to a record SAR 1,520mn.
- Net income for 4Q 2022 declined 9% YoY and 6% QoQ to SAR 903mn as healthy income growth was more than offset by an elevated impairment charge.

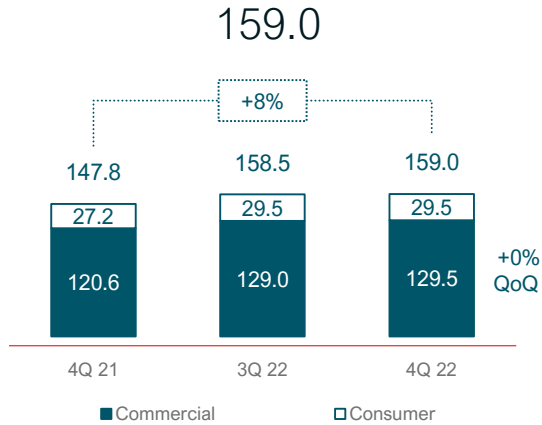
SAR (Mn)	FY 2022	FY 2021	Δ%	4Q 2022	4Q 2021	Δ%
Net interest income	6,427	5,699	+13%	1,779	1,399	+27%
Non-interest income	1,591	1,429	+11%	464	309	+50%
Operating income	8,017	7,128	+12%	2,243	1,707	+31%
Operating expenses	(2,654)	(2,447)	+8%	(723)	(620)	+17%
Net operating income before impairments	5,364	4,681	+15%	1,520	1,087	+40%
Impairment charge	(1,360)	(844)	+61%	(476)	(28)	+1595%
Net income before zakat	4,004	3,837	+4%	1,044	1,059	-1%
Zakat	(429)	(388)	+11%	(141)	(66)	+115%
Net income	3,575	3,450	+4%	903	993	-9%



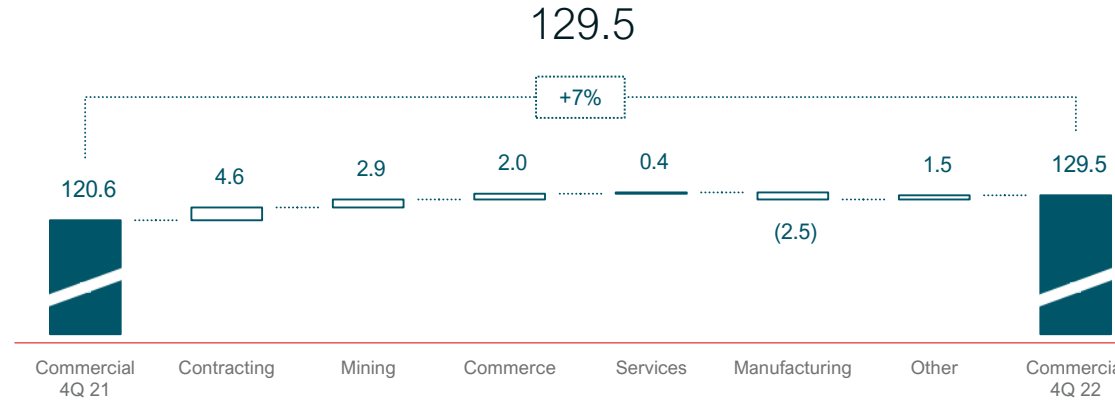
Note: As detailed in the Appendix, during 2022 the following accounting re-classifications have been made: (1) Certain lending related fees have been reclassified from non-interest income to net interest income under IFRS15, and (2) recoveries have been reclassified from non-interest income to the impairment charge; prior periods from 2021 and related financial ratios have been restated accordingly.

Healthy loan growth for 2022; 2H 2022 impacted by repayments

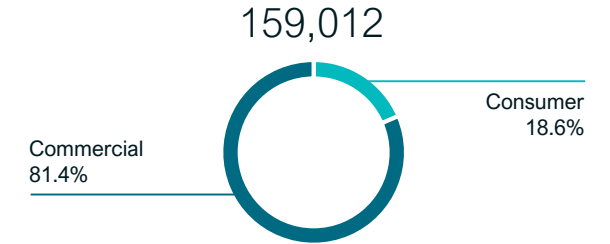
Total Loans & Advances (SAR Bn)



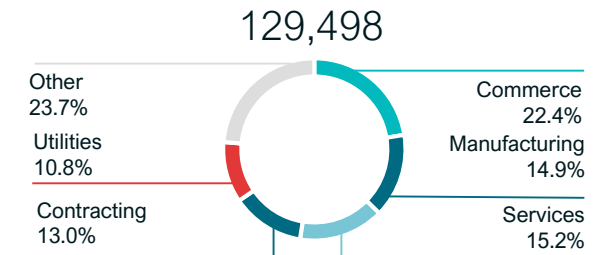
Commercial Loans Movement YoY (SAR Bn)



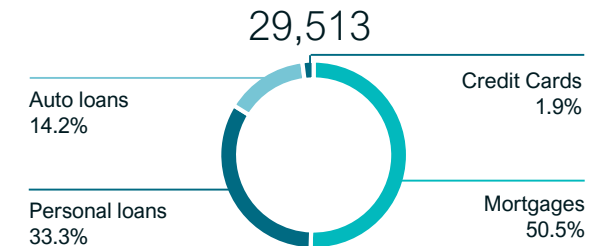
Loans & Advances Composition (SAR Mn)



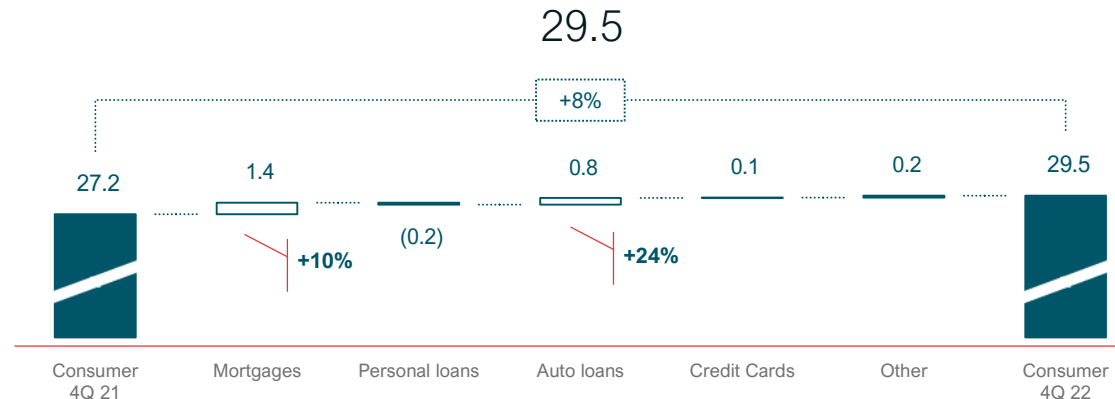
Commercial Loans Composition (SAR Mn)



Consumer Loans Composition (SAR Mn)



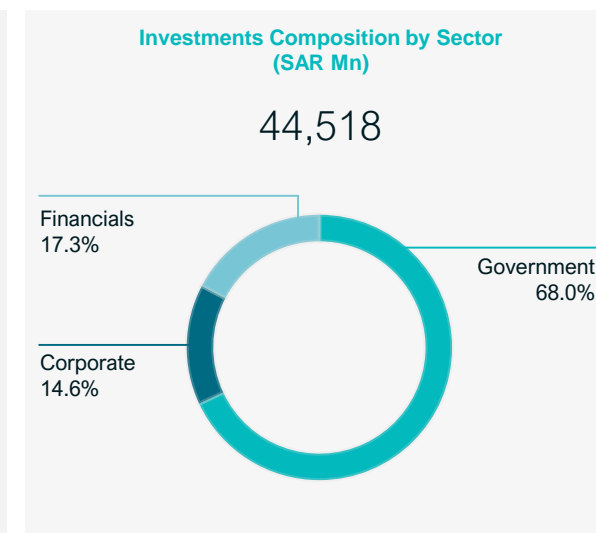
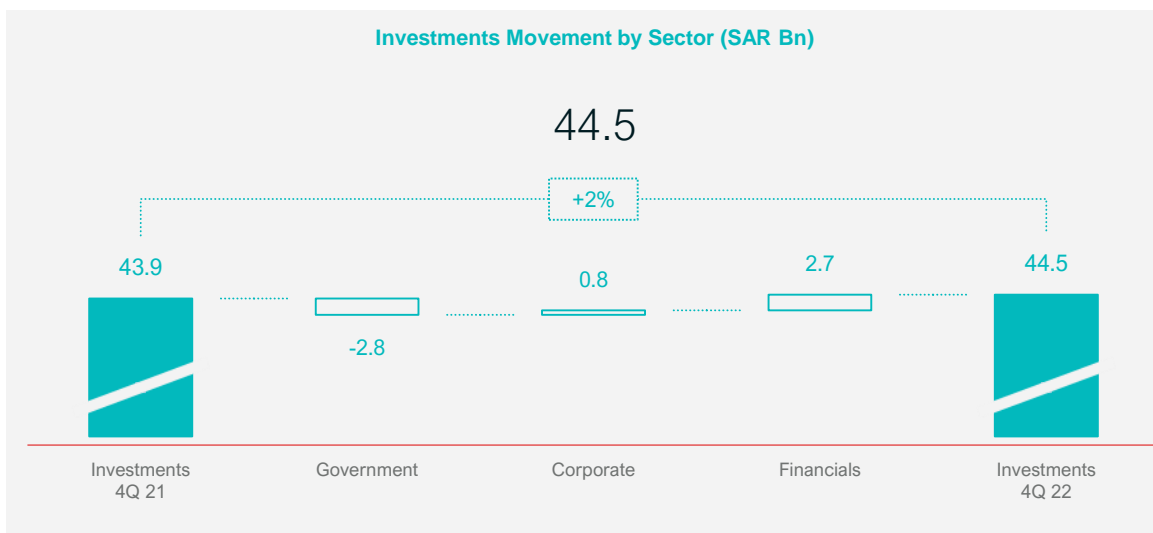
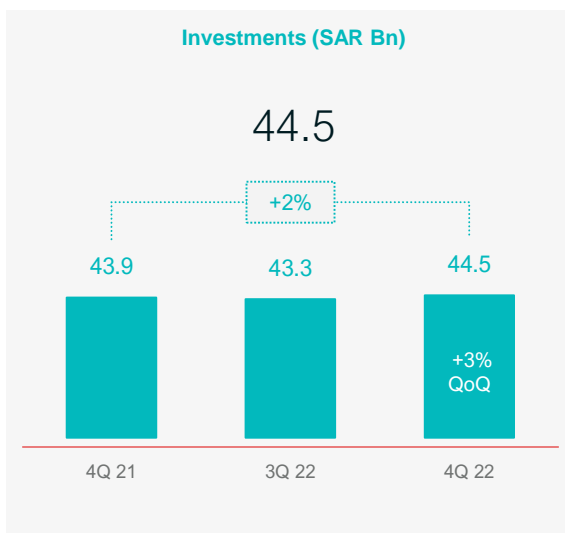
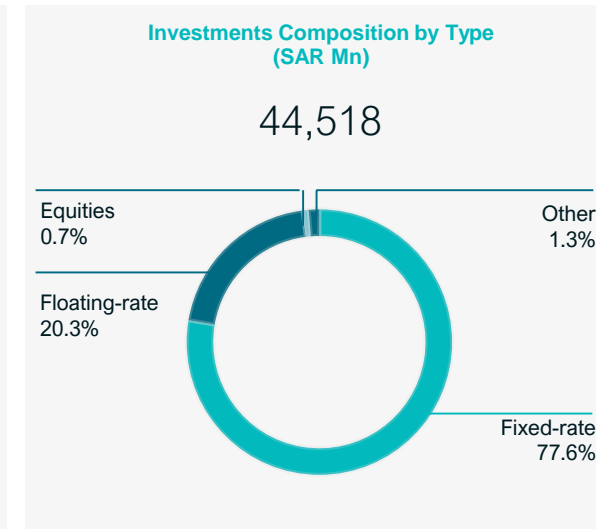
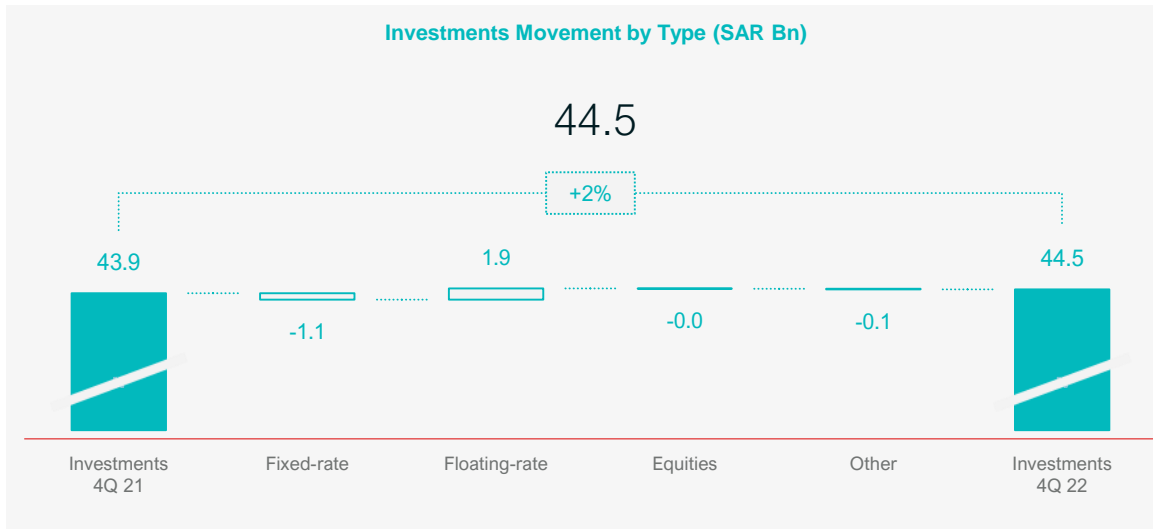
Consumer Loans Movement YoY (SAR Bn)



- Total loans & advances grew 8% during 2022 from both consumer and commercial lending growth.
- Consumer loans grew 8% mainly from 10% growth in mortgages and 24% growth in auto loans.
- Commercial loans grew 7% during 2022, which was broad-based across sectors, while the HoH trend was impacted by repayments.

Modest 2% increase in the investment portfolio

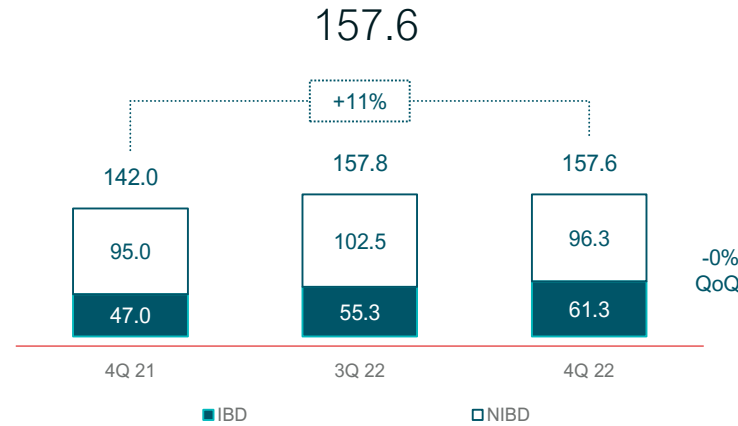
- Investments increased 2% during 2022, reflecting [gradual reinvestments of maturities during the year and appreciation of floating rate assets on rising interest rates].
- The investment portfolio is of high quality with a significant portion being Saudi Government and investment grade.



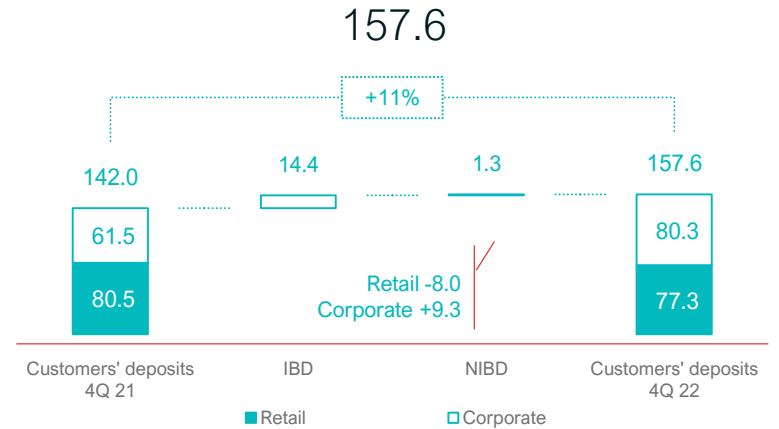
Strong 11% growth in deposits YoY

- Deposits grew 11% during 2022, mainly from IBDs.
- IBD increased 31% YoY from 34% growth in Corporate and 26% growth in Retail deposits.
- NIBD's grew 1% YoY as 28% growth in Corporate deposits was almost offset by a 13% decline in Retail deposits.
- As at 31 December 2022, 61.1% of deposits were non-interest bearing.

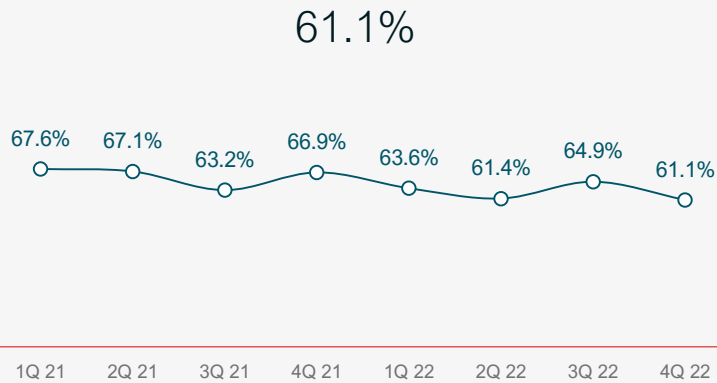
Customers' Deposits (SAR Bn)



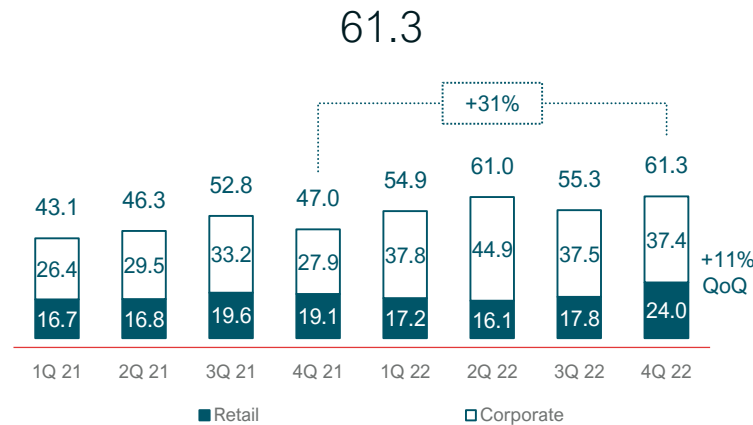
Customers' Deposits Movement (SAR Bn)



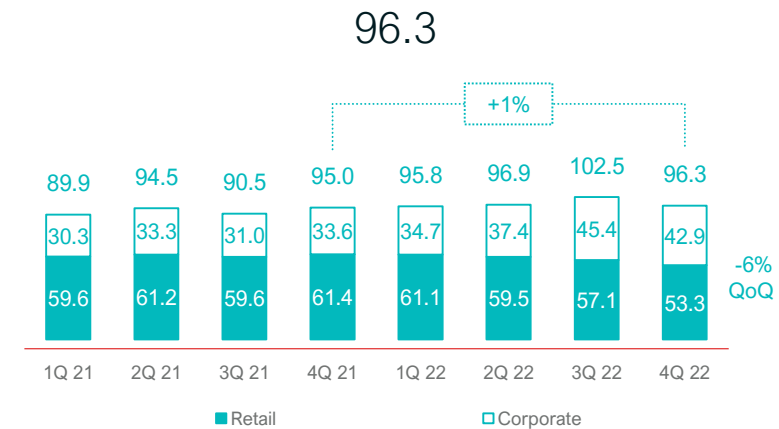
NIBD % of Total Deposits (%)



Interest Bearing Deposits (SAR Bn)



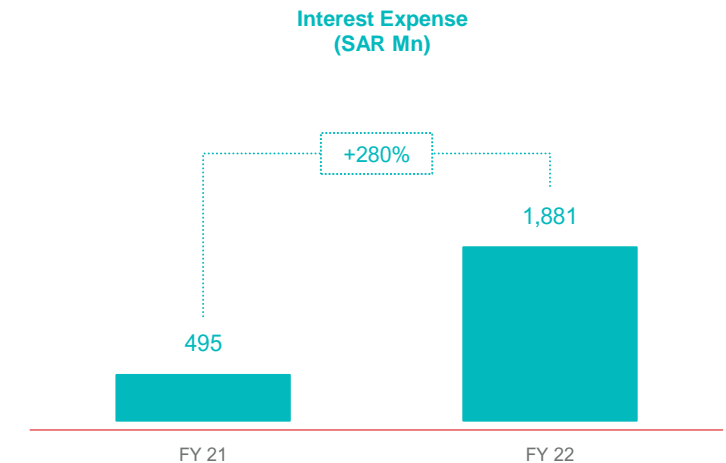
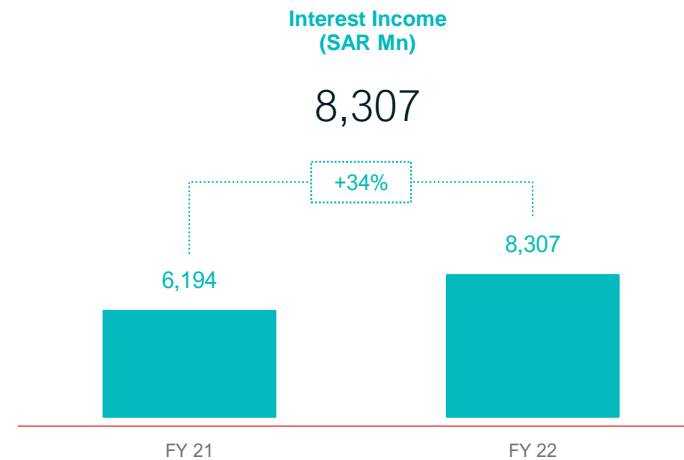
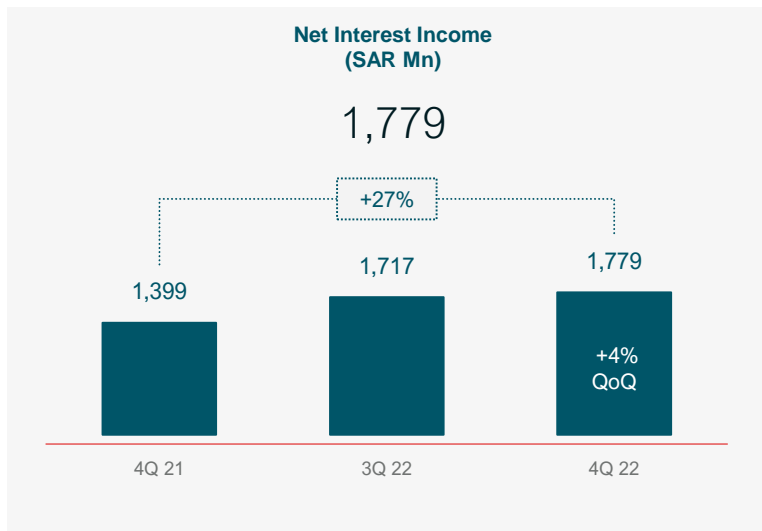
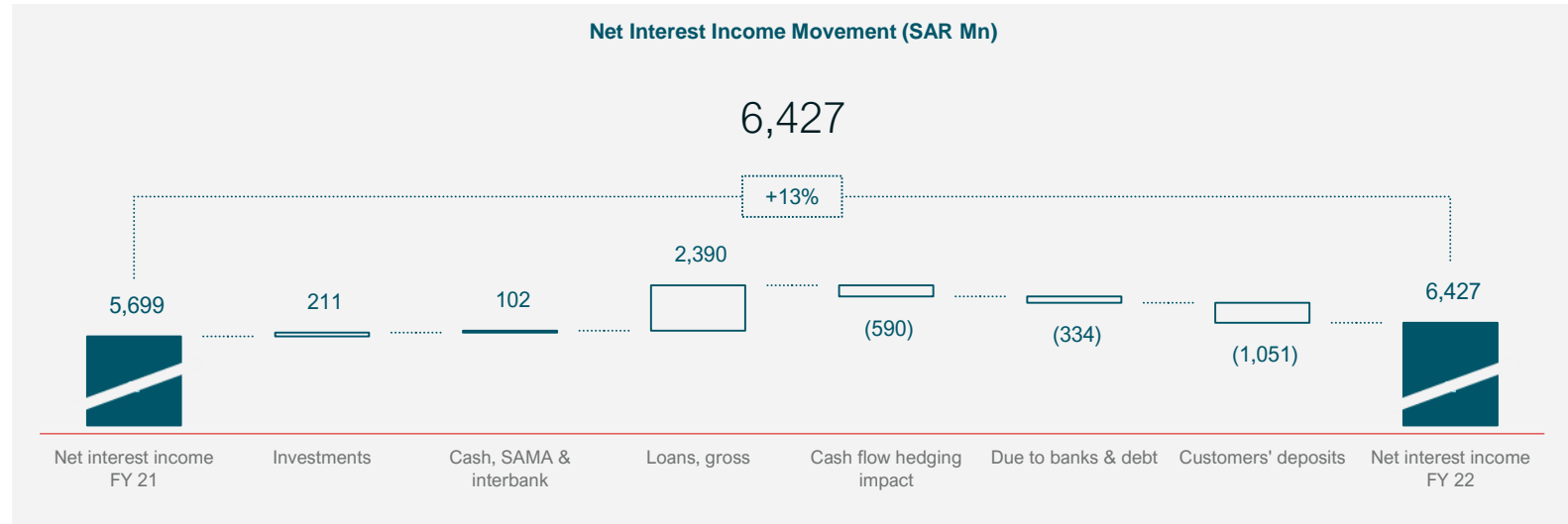
Non Interest Bearing Deposits (SAR Bn)



Note: Non-interest-bearing deposits are taken as the sum of Demand and Other deposits. Factually, some of these deposits are in fact interest-bearing, though their average cost is generally nominal.

NII growth of 13% from earning assets growth and margin expansion

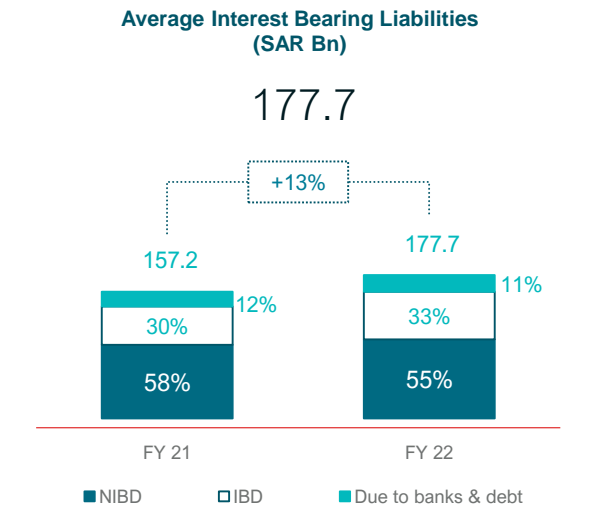
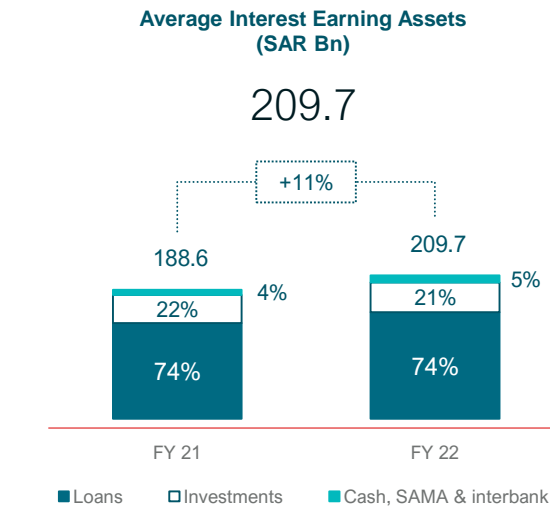
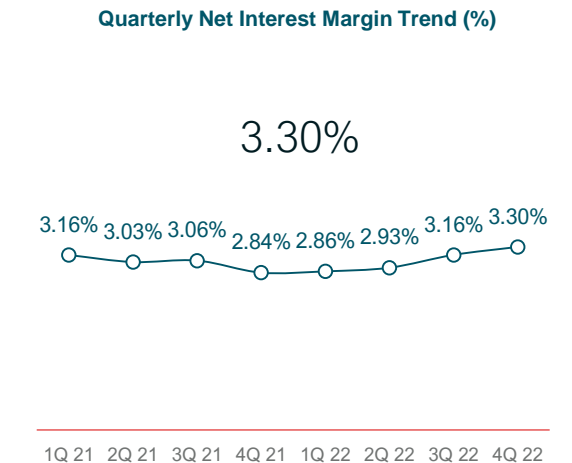
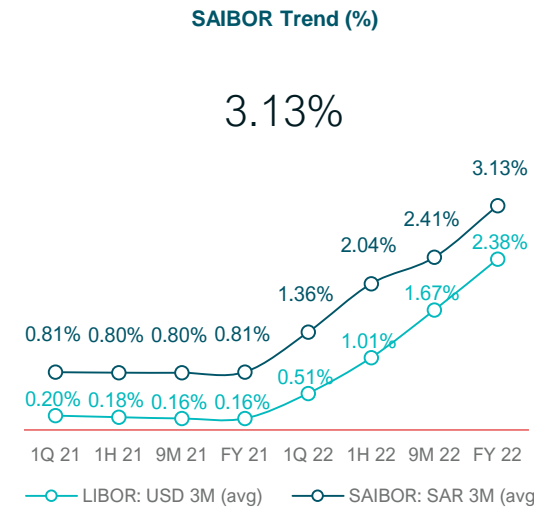
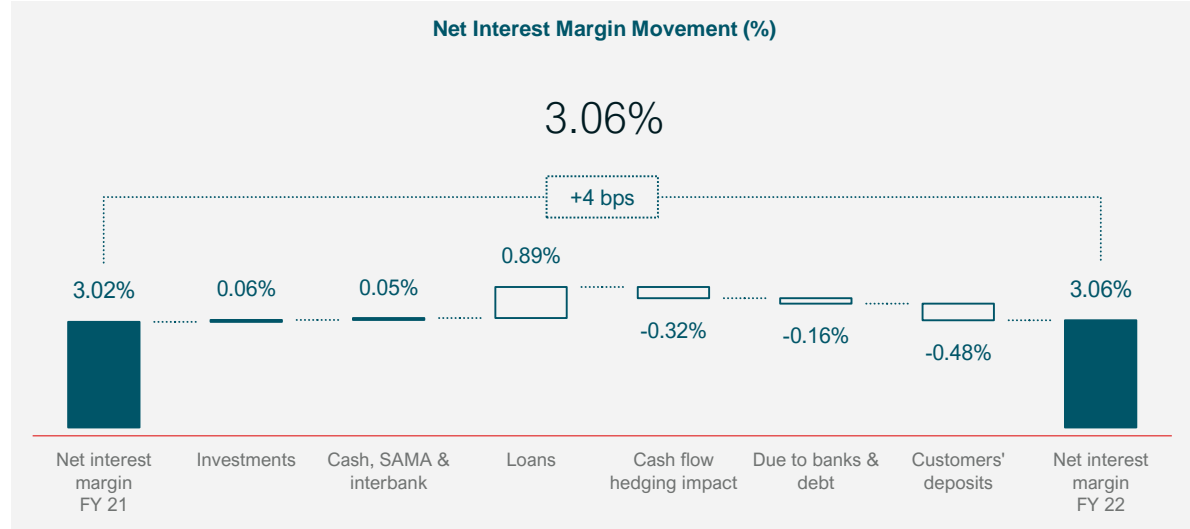
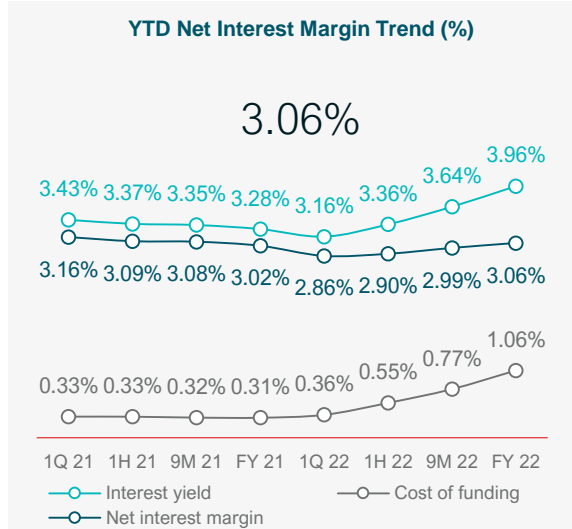
- NII for 2022 grew 13% YoY to SAR 6,427mn on 11% growth in (simple) average earning assets and a 4bps margin expansion.
- Interest income rose 34% YoY to SAR 8,307mn in 2022, while funding costs rose 280% to SAR 1,881mn.



Note: As detailed in the Appendix, during 2022 certain lending related fees have been reclassified from non-interest income to net interest income under IFRS15; prior periods from 2021 and related financial ratios have been restated accordingly.

Improved loan yields from higher rate environment drive margin expansion

- The YTD NIM increased 4bps YoY due to improved loan yields, partly offset by the hedging impact and higher funding costs.
- The quarterly NIM improved from 284bps in 4Q 2021 to 330bps in 4Q 2022.
- Funding costs increased by 75bps YoY to 1.06% in 2022.

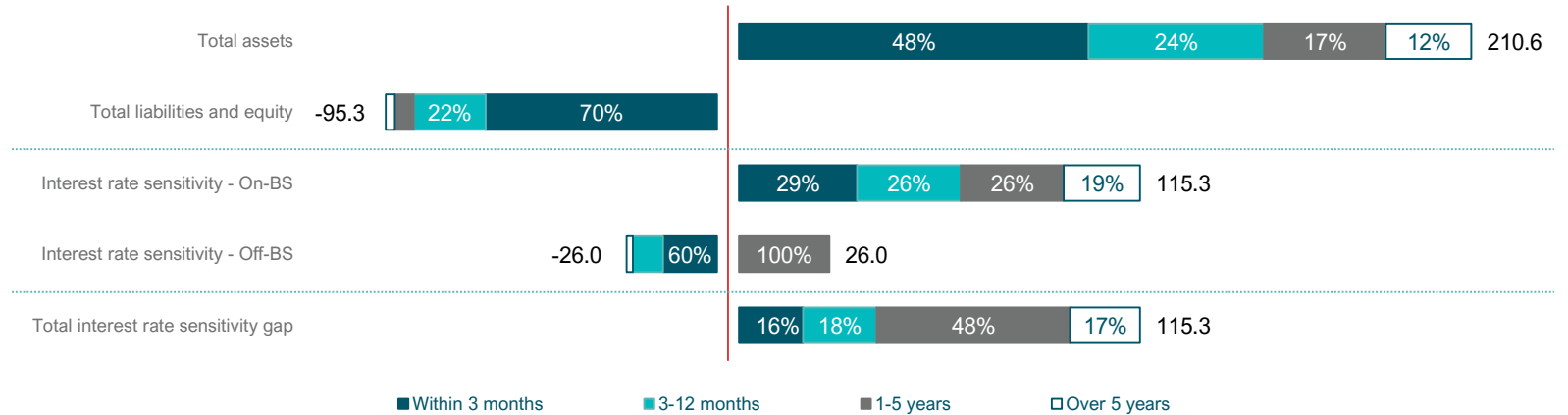


Note: As detailed in the Appendix, during 2022 certain lending related fees have been reclassified from non-interest income to net interest income under IFRS15; prior periods from 2021 and related financial ratios have been restated accordingly.

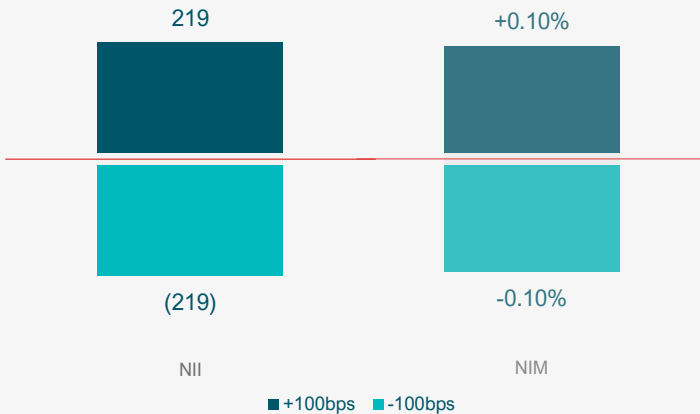
BSF is positively positioned for a rising rate environment

- At 31 December 2022, BSF estimated a 1-year NIM sensitivity of a 100bps rates rise at 10bps; this would translate into SAR 219mn higher NII.
- This reflects the net long position in variable rate assets, reflecting lending concentration towards corporate.
- There were 7 rate hikes in KSA during 2022 totaling 400bps not all of which have repriced on the balance sheet to date.
- Traditionally BSF mitigated its interest rate risk exposure through cash-flow hedges; the size of the CFH portfolio is driven by the development of BSF's balance sheet structure, IRR appetite & structural market trends.

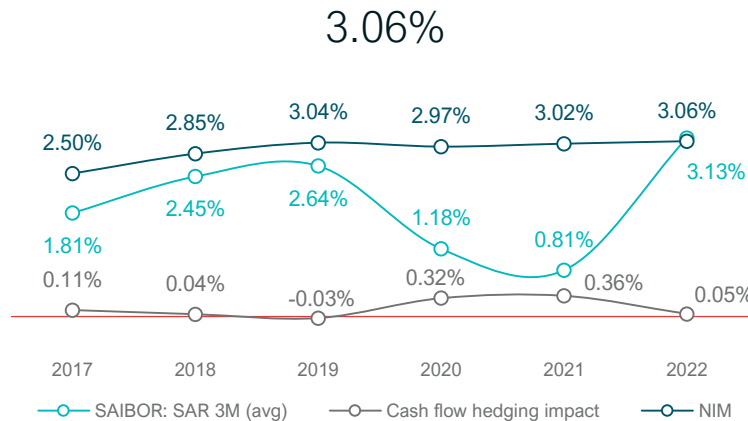
Exposure to Interest Rate Risk as at 31 December 2022 (SAR Bn)



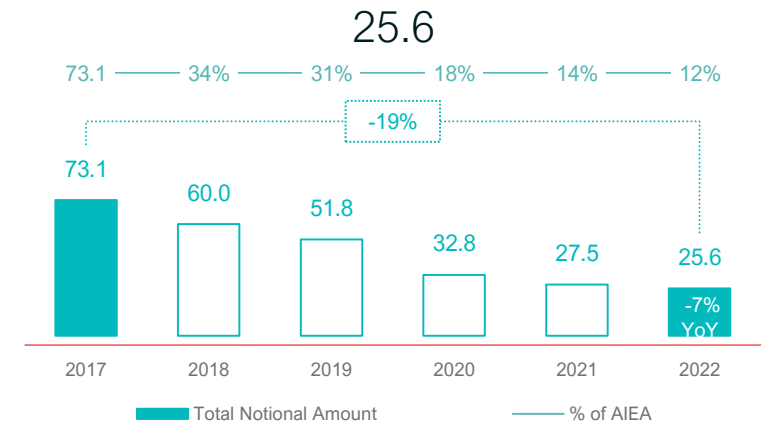
Impact of 100bps Rate Change as at 31 December 2022 (SARmn/%)



NIM, Rates and CFH Impact Trends (%)



Cash Flow Hedges Swaps (SAR Bn)

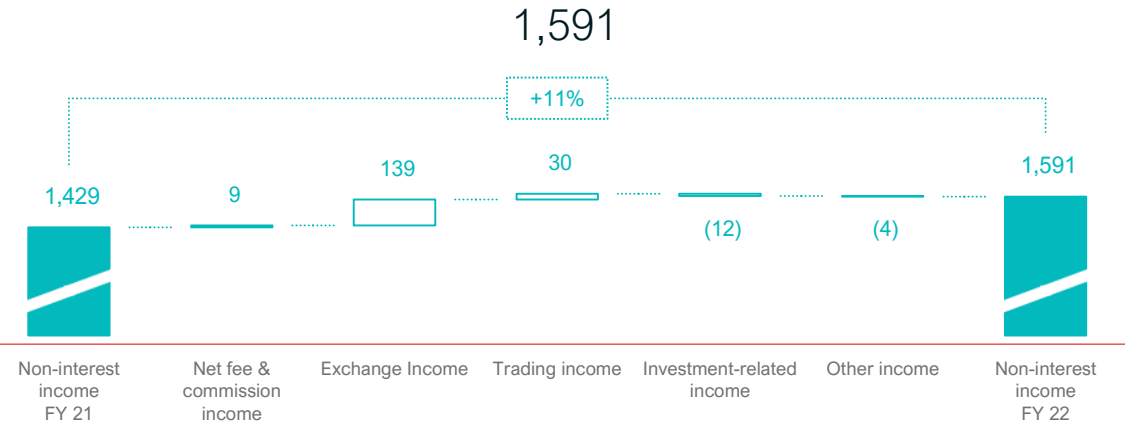


Non-interest income grew 11% YoY from higher exchange and trading income

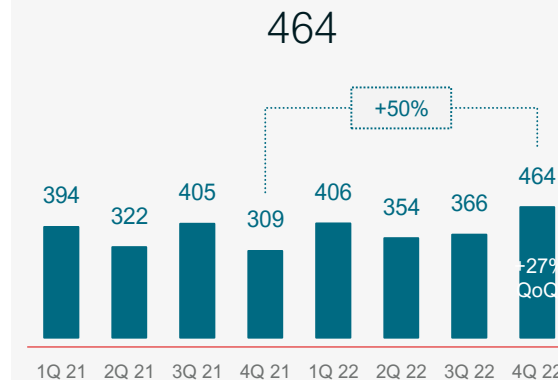
- Non-interest income for 2022 grew 11% YoY to SAR 1,591mn from improved exchange and trading income.
- Net fee & commission income grew 1% YoY to SAR 897mn in 2022 as higher trade finance and other fee income was partly offset by lower brokerage and asset management income.
- 4Q 2022 Non-interest income increased 50% YoY due to higher trading and exchange income.

SAR (Mn)	FY 2022	FY 2021	Δ%	4Q 2022	4Q 2021	Δ%
Fee & commission income	1,423	1,403	+1%	377	345	+9%
Fee & commission expenses	(526)	(515)	+2%	(131)	(125)	+5%
Net fee & commission income	897	888	+1%	246	220	+12%
Exchange Income	475	336	+41%	141	93	+52%
Trading income	202	172	+17%	74	(12)	-729%
Banking-related income	1,573	1,396	+13%	461	301	+53%
Investment-related income	17	29	-42%	3	6	-50%
Other income	1	4	-88%	0	2	-77%
Non-interest income	1,591	1,429	+11%	464	309	+50%

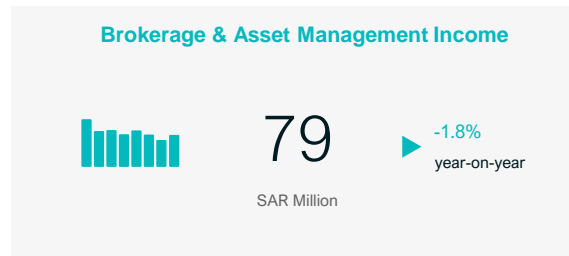
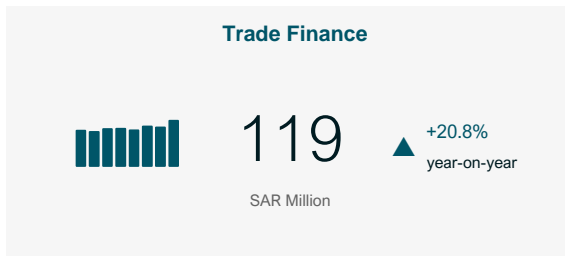
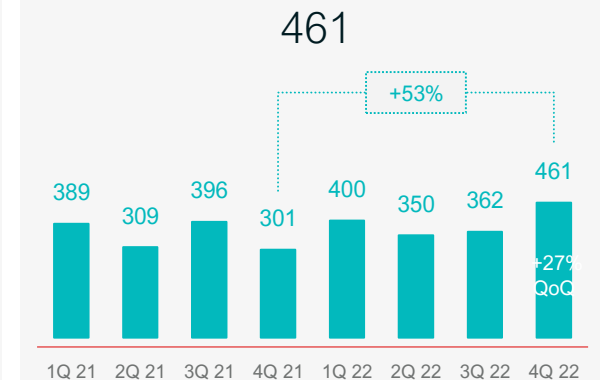
Non-Interest Income Movement (SAR Mn)



Non-Interest Income (SAR Mn)



Banking-Related Income (SAR Mn)

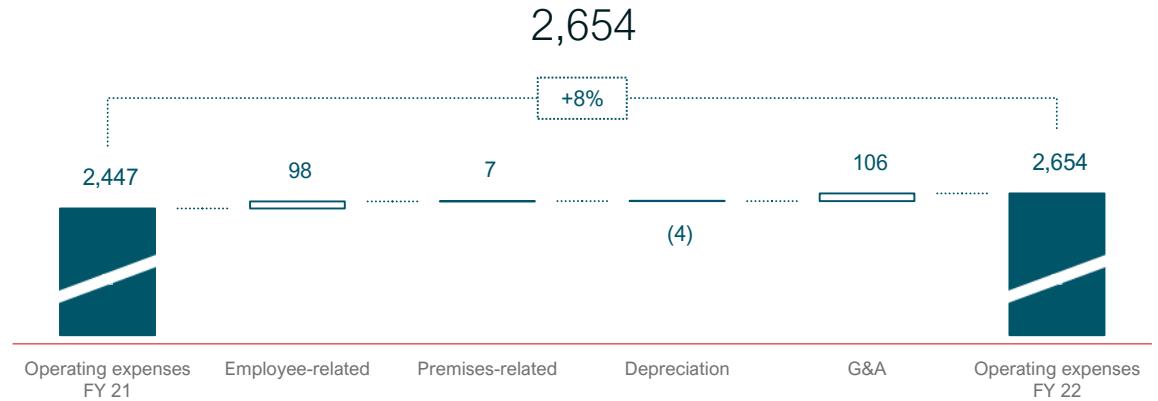


Note: As detailed in the Appendix, during 2022 the following accounting re-classifications have been made: (1) Certain lending related fees have been reclassified from non-interest income to net interest income under IFRS15, and (2) recoveries have been reclassified from non-interest income to the impairment charge; prior periods from 2021 and related financial ratios have been restated accordingly.

Operating expenses growth of 8% from higher employee-related and G&A expenses

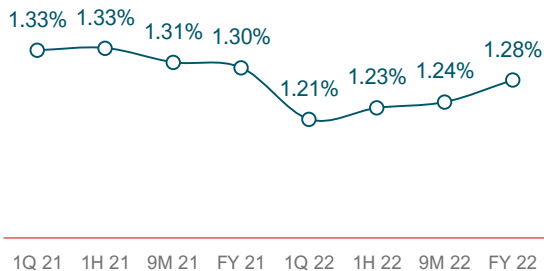
- Operating expenses increased 8% YoY to SAR 2,654mn in 2022 due to:
 - higher general and administrative expenses from increased business activity and non-regular expenses, and
 - increased employee-related costs from higher utilization of FTE budgets.
- The YoY cost to income ratio improved by 1.2ppts YoY to 33.1% in 2022 from 34.3% in 2021.
- Operating expenses as a percentage of average interest-earning assets (AIEA) improved 2bps YoY to 1.28% for 2022.
- Operating expenses for 4Q 2022 increased 17% YoY from higher G&A and employee-related expenses.

Operating Expenses Movement (SAR Mn)



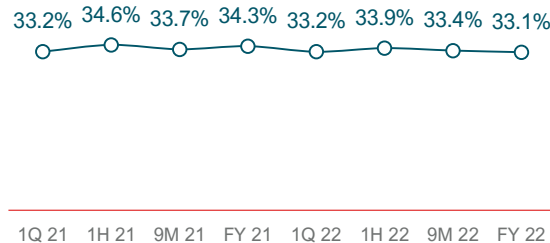
Cost To AIEA Ratio (%)

1.28%



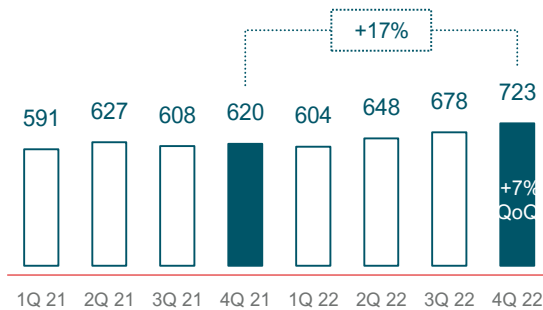
Cost To Income Ratio (%)

33.1%



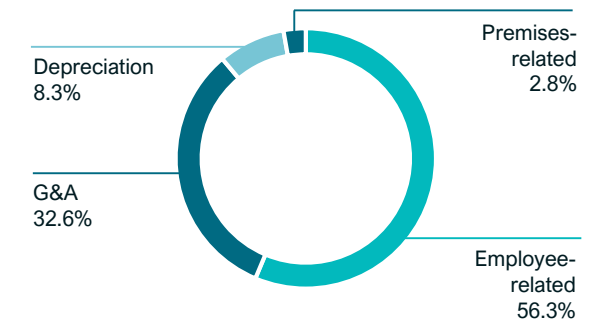
Operating Expenses (SAR Mn)

723



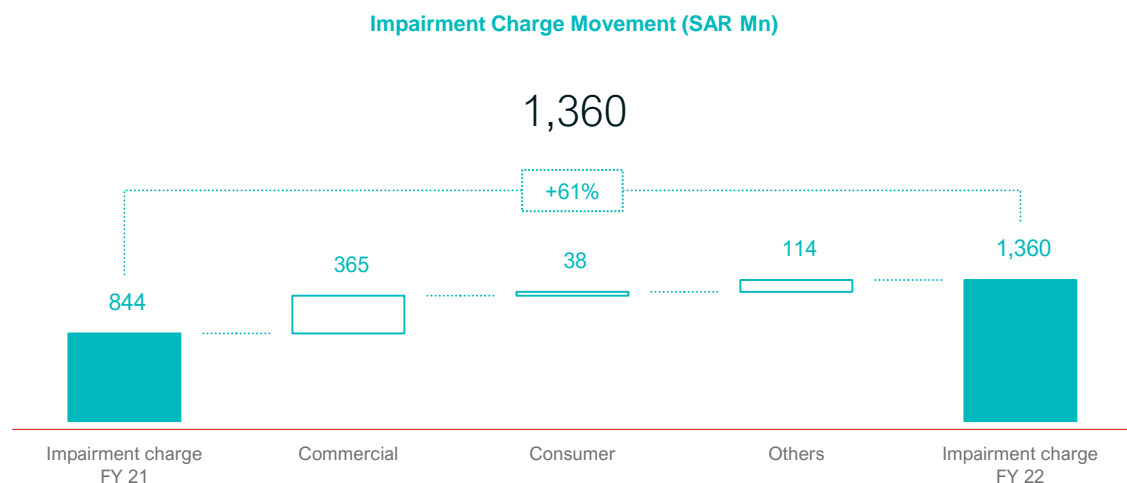
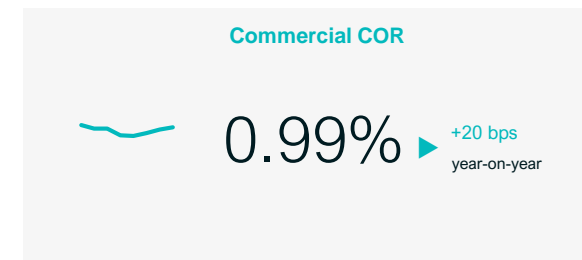
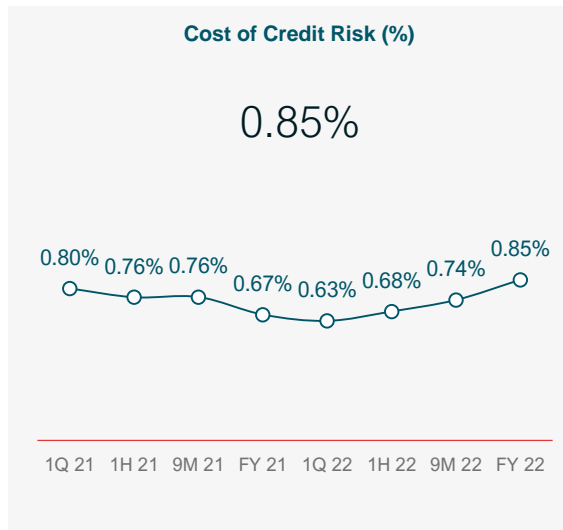
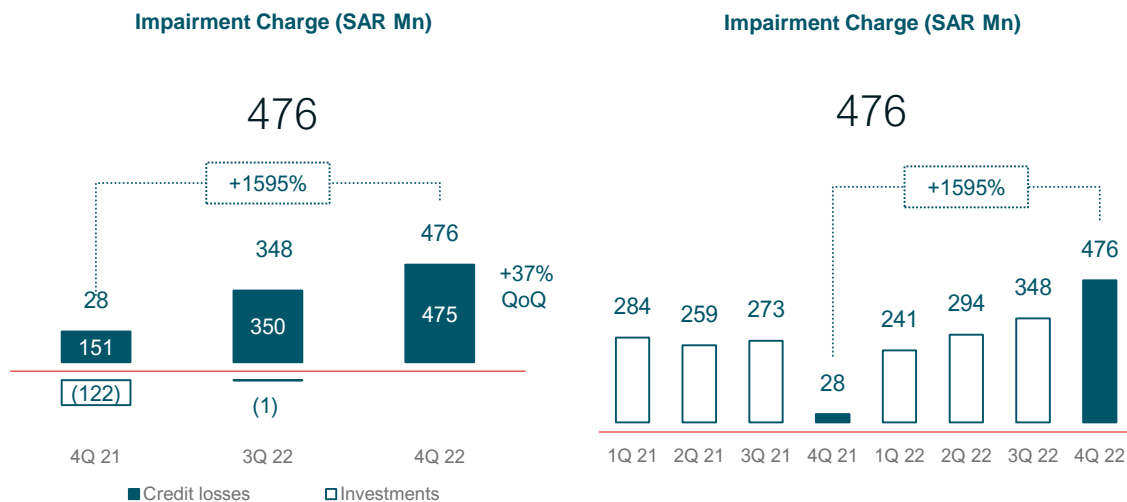
FY 22 Operating Expenses Composition (SAR Mn)

2,654



Note: As detailed in the Appendix, during 2022 the following accounting re-classifications have been made: (1) Certain lending related fees have been reclassified from non-interest income to net interest income under IFRS15, and (2) recoveries have been reclassified from non-interest income to the impairment charge; prior periods from 2021 and related financial ratios have been restated accordingly.

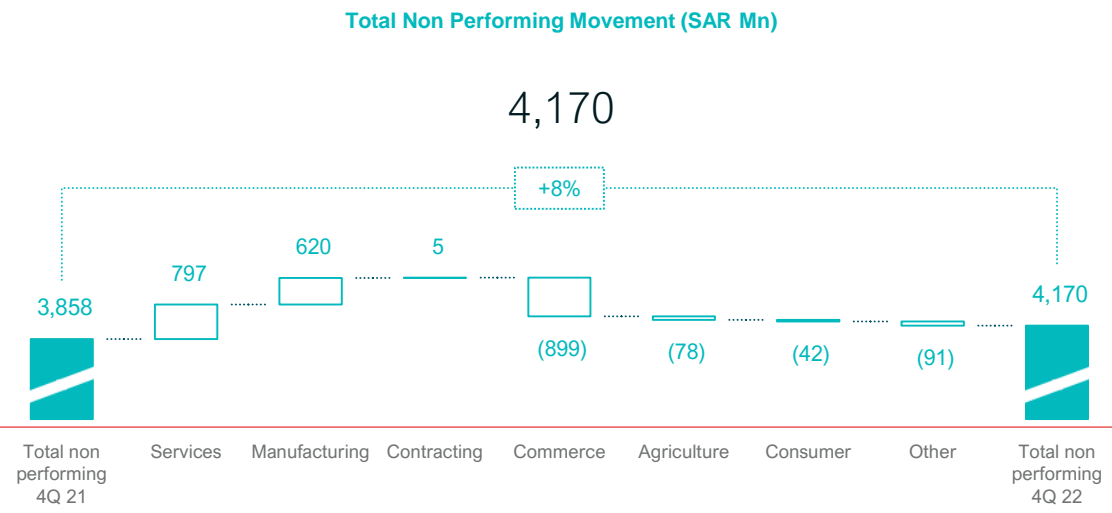
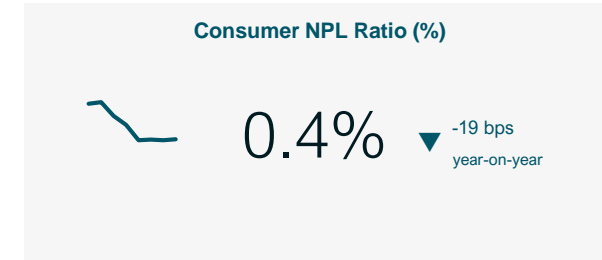
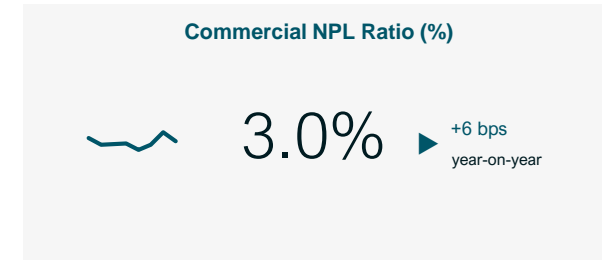
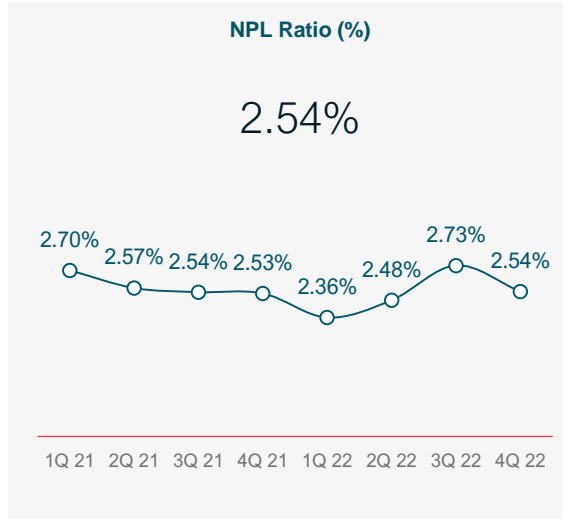
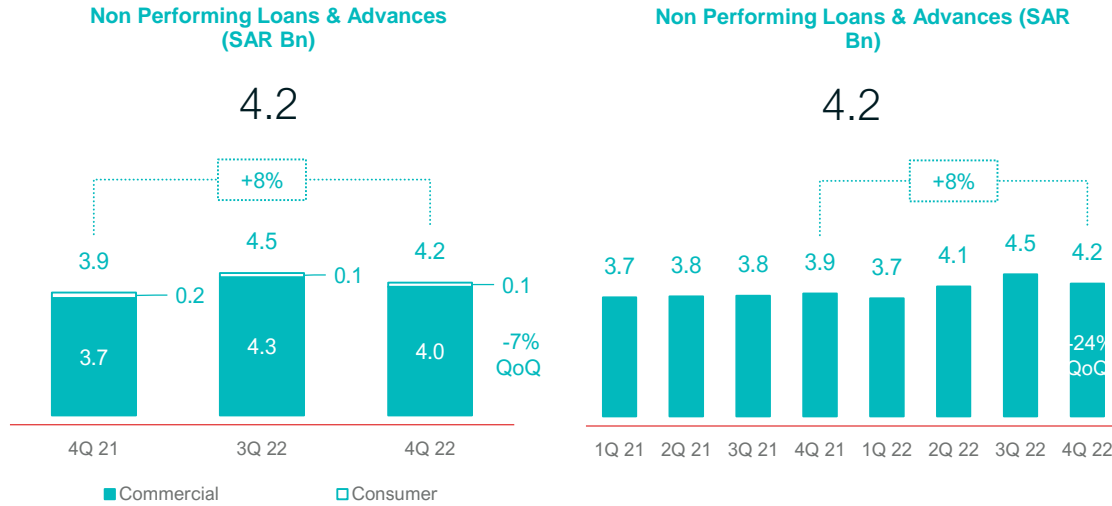
Cost of risk increased by 18bps YoY to 0.85% for 2022



- The total impairment charge for 2022 increased 61% YoY to SAR 1,360mn, mainly from higher Commercial impairments and lower investment impairment reversals in the current year.
- In combination with healthy loan growth, this resulted in an 18bps YoY increase in cost of risk to 0.85% for 2022.
- The cost of risk trend was impacted by isolated pockets of migration in the Commercial book, without which it improved YoY.

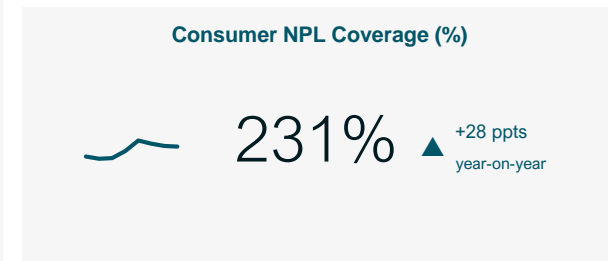
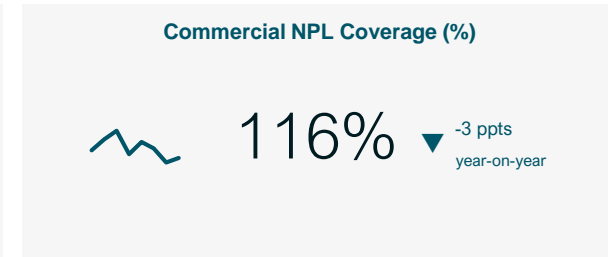
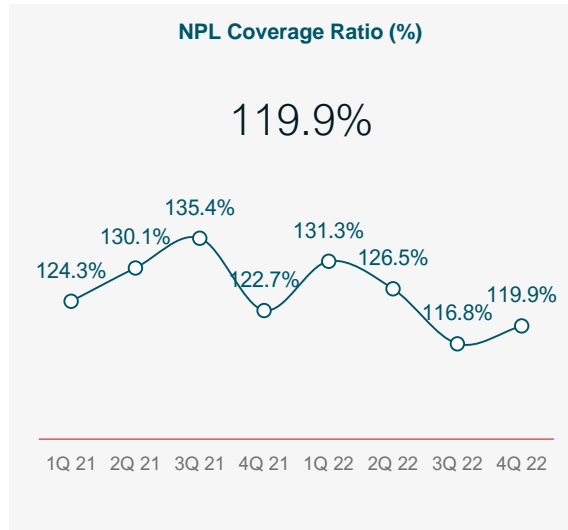
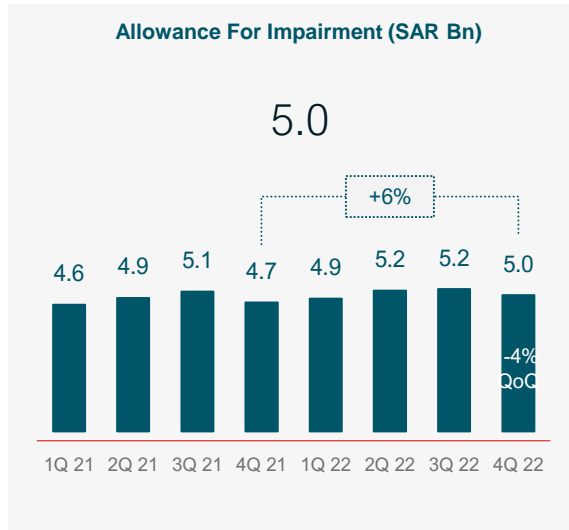
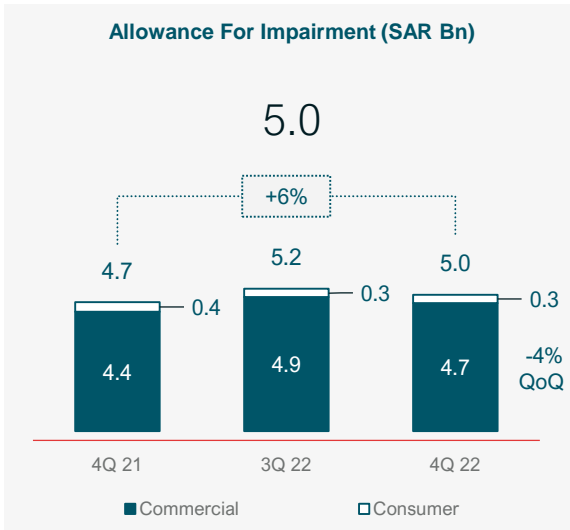
Note: As detailed in the Appendix, during 2022 recoveries have been reclassified from non-interest income to the impairment charge; prior periods from 2021 and related financial ratios have been restated accordingly.

NPL ratio trend impacted by isolated pockets of Commercial book migration; underlying credit quality healthy

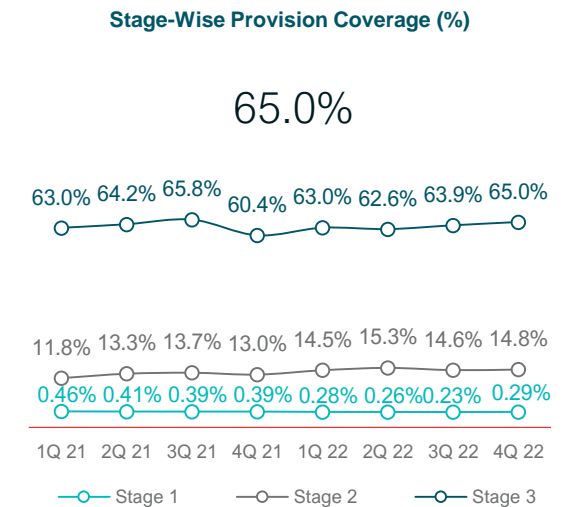
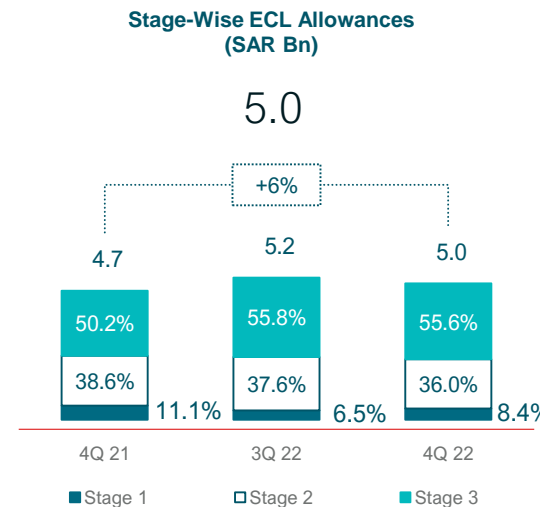
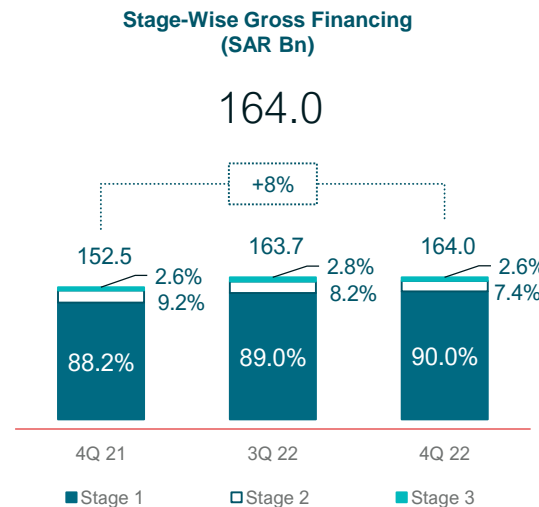


- The NPL ratio was relatively stable YoY at 2.54% as NPLs and loans both increased by 8%.
- The NPL ratio trend was impacted by isolated pockets of migration in the Commercial book as well as write-offs during 4Q 2022.

NPL coverage declined 2.8ppts YoY to 119.9% due to isolated pockets of Commercial book migration; underlying coverage improved



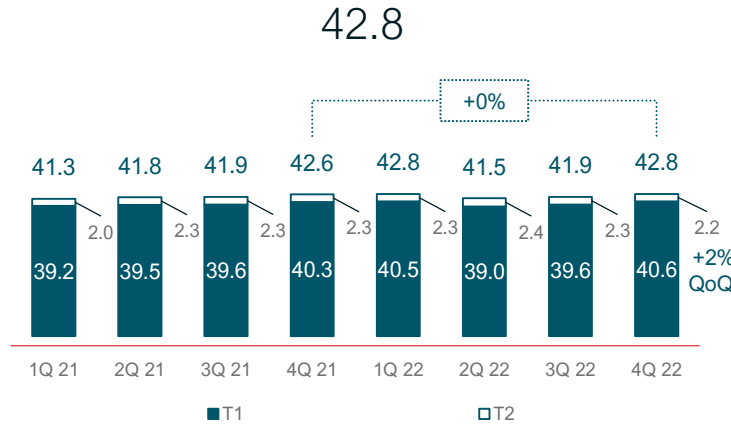
- NPL coverage declined 2.8ppts YoY to 119.9% as at 31 December 2022 due to stage-migration of isolated pockets of Commercial exposure, without which coverage improved YoY.
- Stage 2 and stage 3 coverage improved 1.8ppts and 4.6ppts respectively during 2022, while stage 1 coverage declined.



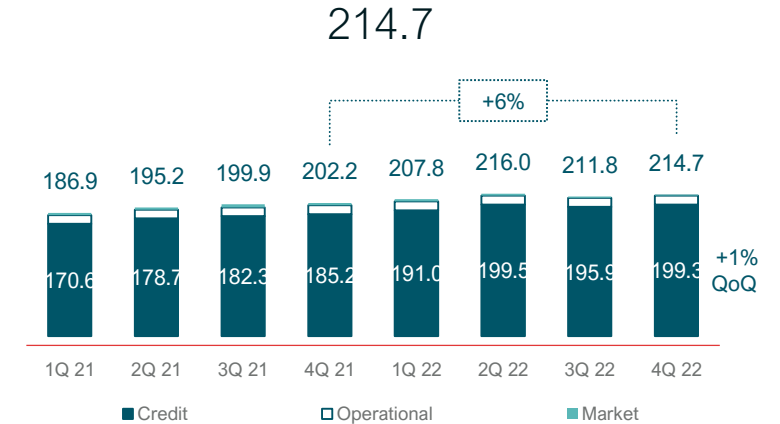
Capital ratios declined during 2022 from RWA growth, dividends and investment MTM

- Total capital was stable at SAR 42.8bn during 2022 as net income generation was mostly offset by dividends and negative MTM on investment securities.
- RWAs increased 6% during 2022 to SAR 214.7bn due to lending growth.
- CAR was 19.92% and the Tier 1 ratio was 18.90% as at 31 December 2022.

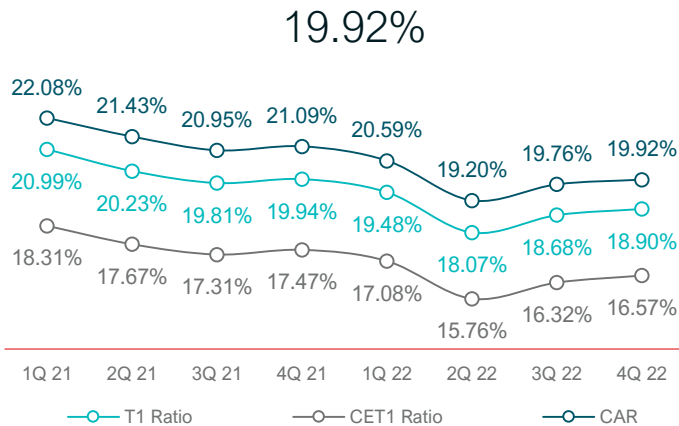
Total Capital (SAR Bn)



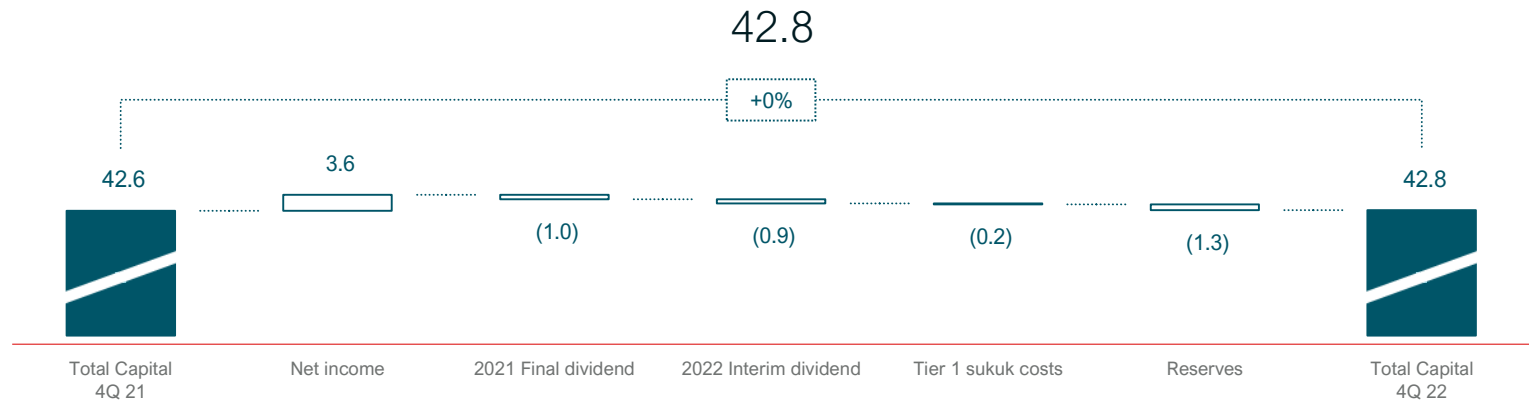
RWA (SAR Bn)



CAR (%)



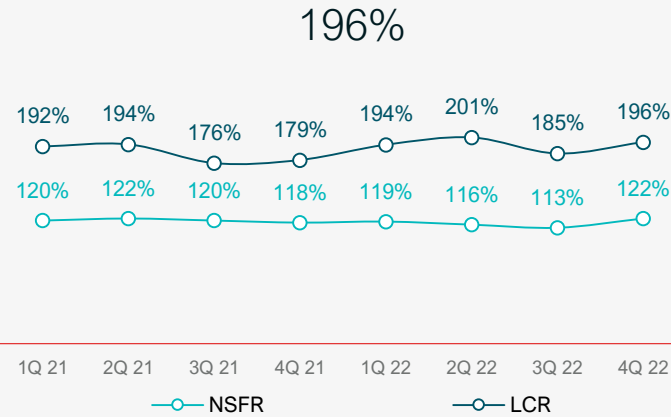
Total Capital Movement (SAR Bn)



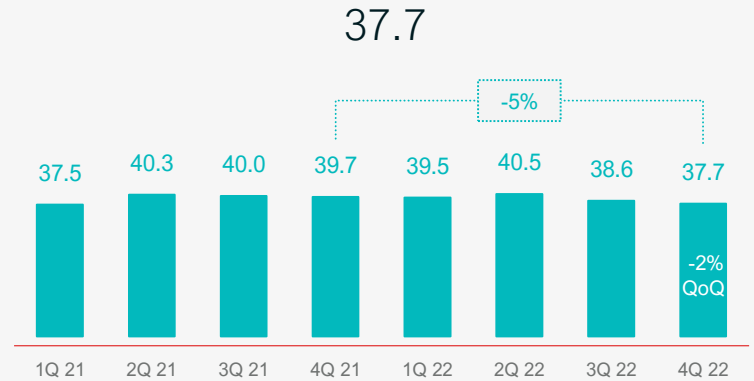
Liquidity remains strong and comfortably within regulatory limits

- LCR improved by 17.5ppts during 2022 to 196%.
- NSFR strengthened 4ppts to 122% as at 31 December 2022.
- The bank continues to manage the LTD ratio for optimum efficiency in cost of funding, while maintaining the SAMA regulatory ratio, which was 83.3% as at 31 December 2022, within required levels.

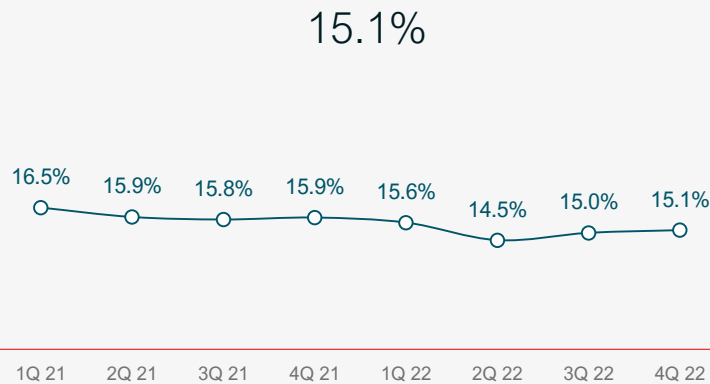
LCR & NSFR (%)



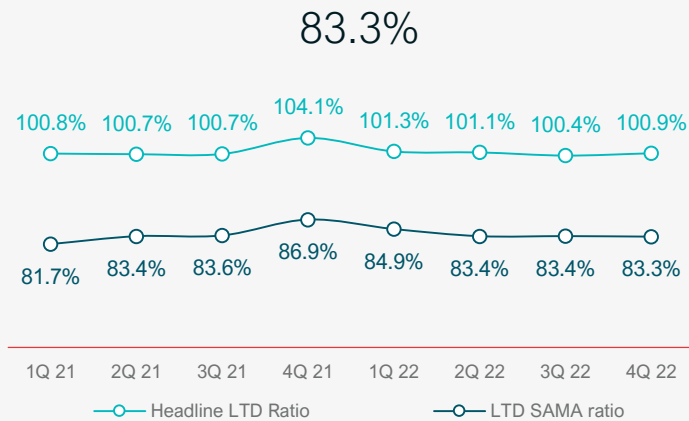
HQLA (SAR Bn)



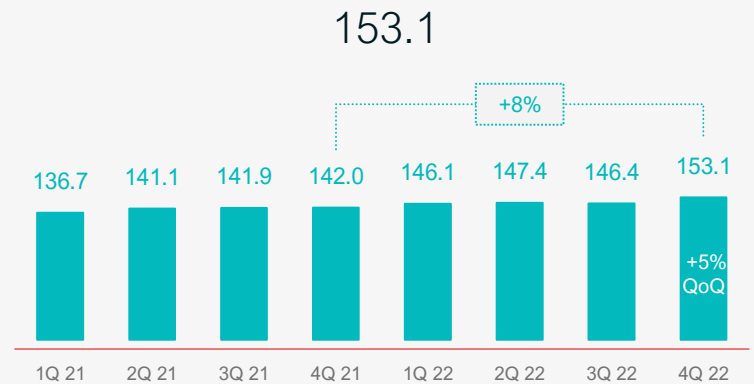
Leverage ratio (%)



LTD Ratios (%)



Available Stable Funding (SAR Bn)



INVESTOR PRESENTATION 4Q 2022

Outlook and Guidance

Improving profitability expected in 2023 from solid loan growth, continued NIM expansion, positive jaws and lower cost of risk

Metric	2022 Guidance	2022 Outcome	2023 Guidance	Drivers
LOANS & ADVANCES GROWTH	Financing Growth Low- to mid-teens ▲	Financing Growth +7.6% ▲ SAR 159.0 bn	Financing Growth High single-digit ▲	Balanced growth of consumer and commercial lending expected in 2023.
NET INTEREST MARGIN	NIM +5-10bps ▲	NIM +4bps ▲ 3.06%	NIM 3.30 - 3.50% ▲	2023 NIM expected to rise from higher average benchmark rates.
COST OF RISK	COR 80-85bps ▲	COR 85bps ▲ +18bps	COR 70-80bps ▼	Cost of risk for 2023 to gradually normalize to the 70-80bps range.
COST TO INCOME RATIO	CIR 33-34% ▼	CIR 33.1% ▼ -123bps	CIR <32% ▼	Expect CI-ratio below 32% for 2023, mainly from higher income on more modestly rising cost base.
RETURN ON EQUITY	-	ROAE 9.2% ▲ +44bps	ROAE 11-13% ▲	Increase in ROAE from lending growth, higher NIMs, and improving operating efficiency and risk cost.
CORE EQUITY TIER 1 RATIO	-	CET1 16.6% ▼ -90bps	CET1 17-18% ▲	Modest increase in CET1 from robust earnings generation, partial reversal of MTM through FVOCI, while maintaining dividend payout levels.

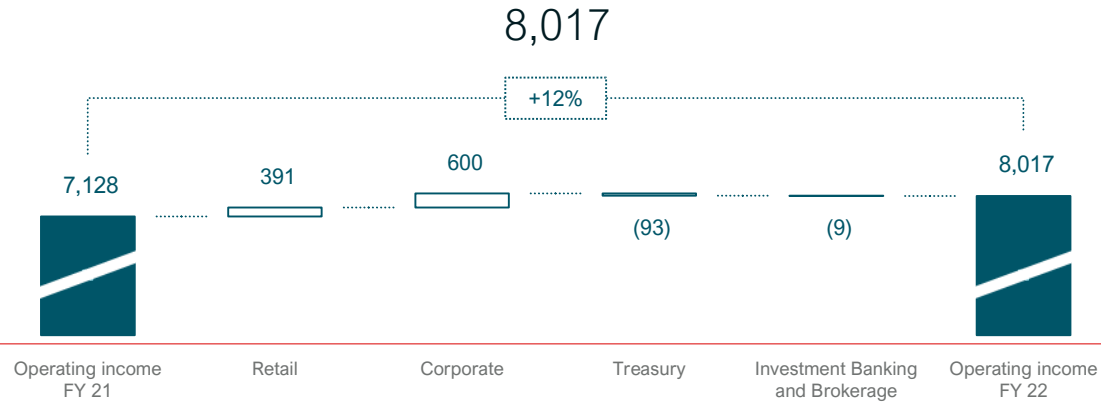
Note: 2022 Outcomes are shown as restated following reclassifications of recoveries to the impairment charge and certain lending fees to net interest income; the outcomes before the restatements would have been (1) NIM 2.93% (+8bps), (2) COR 96bps, and (3) CIR 32.4%.

INVESTOR PRESENTATION 4Q 2022

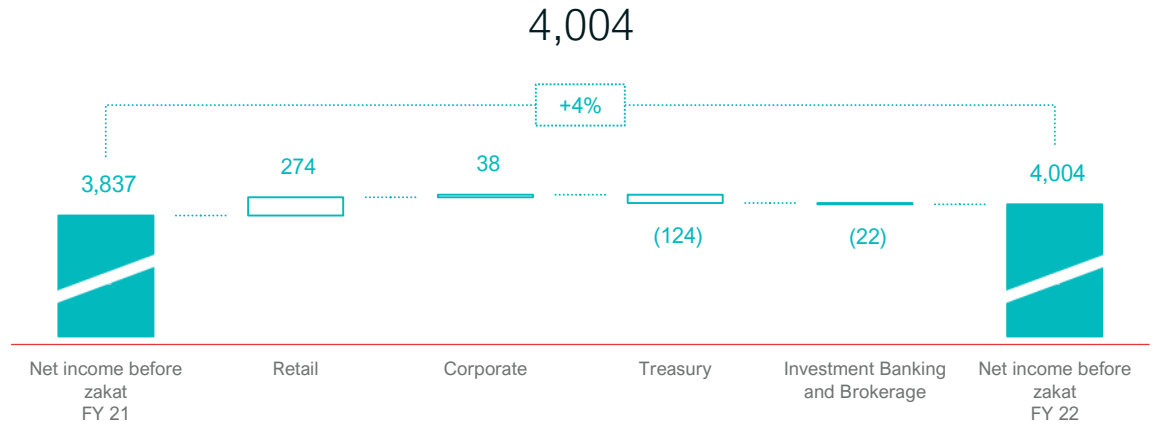
Segmental Performance

Profitability driven by growth in Retail and Corporate, partly offset by lower Treasury and Investment Banking and Brokerage

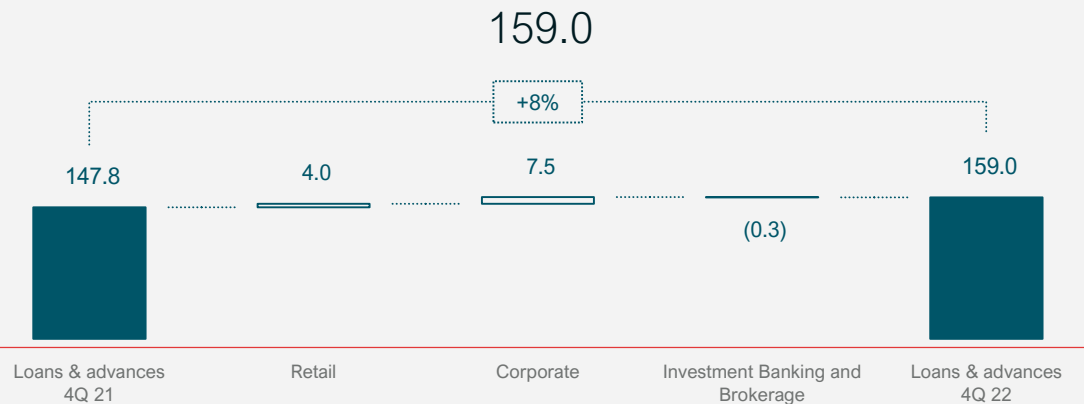
Operating Income Movement (SAR Mn)



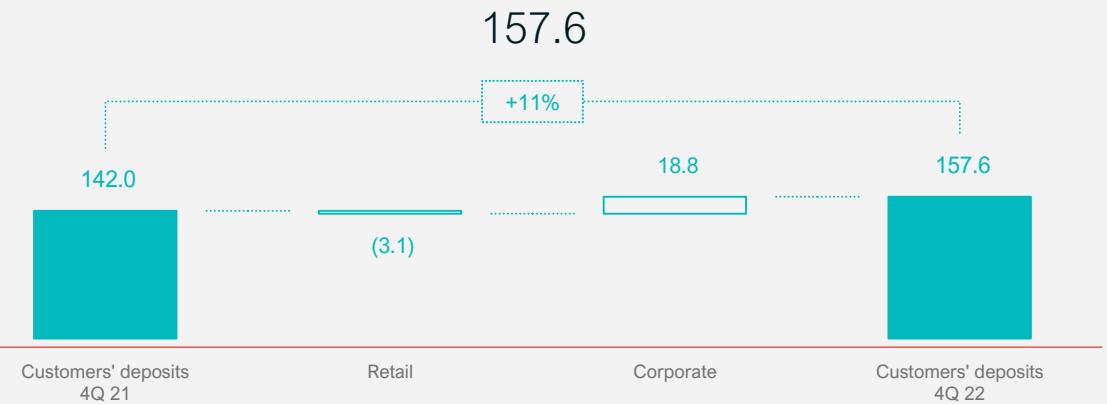
Net Income Before Zakat Movement (SAR Mn)



Loans & Advances Movement (SAR Bn)

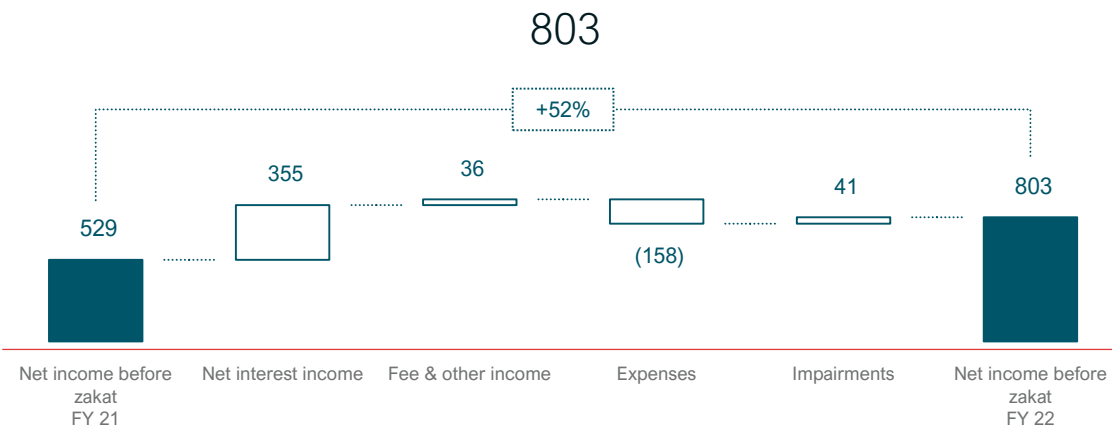


Customers' Deposits Movement (SAR Bn)

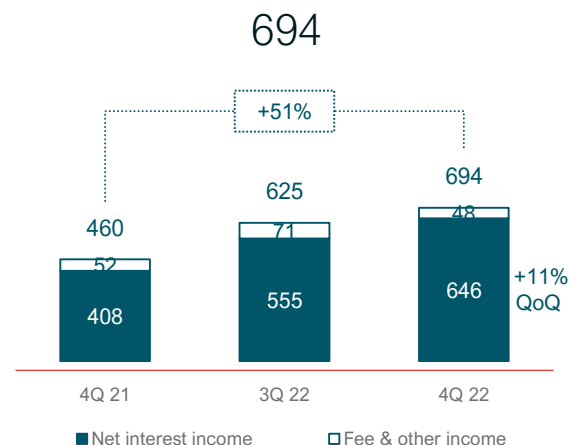


Higher profits YoY from higher net interest income

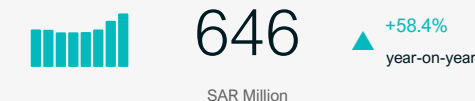
Net Income Before Zakat Movement (SAR Mn)



Total Operating Income (SAR Mn)



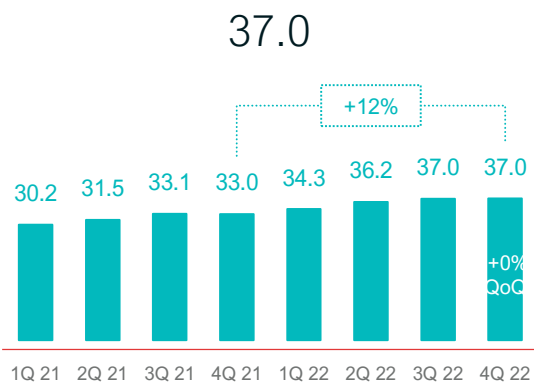
Net Interest Income



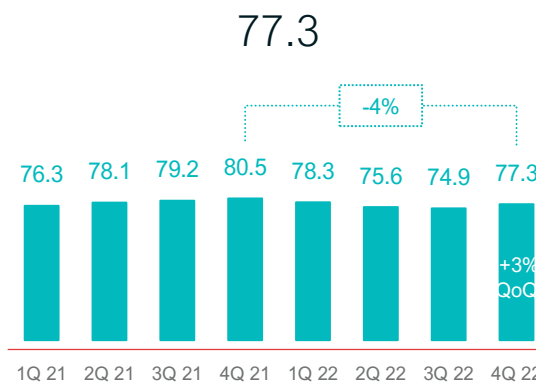
Fee & other income



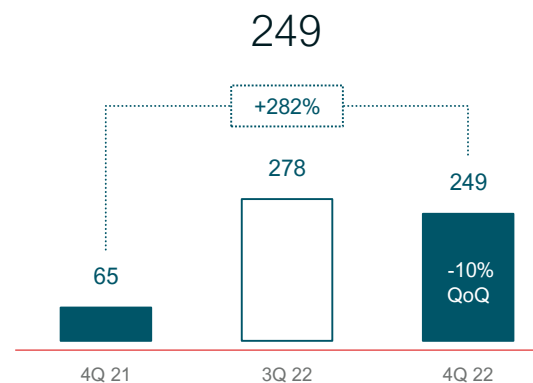
Retail Loans (SAR Bn)



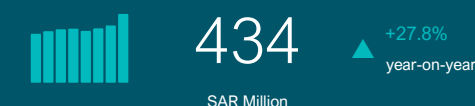
Retail Deposits (SAR Bn)



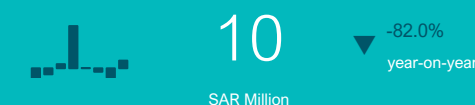
Net Income Before Zakat (SAR Mn)



Expenses

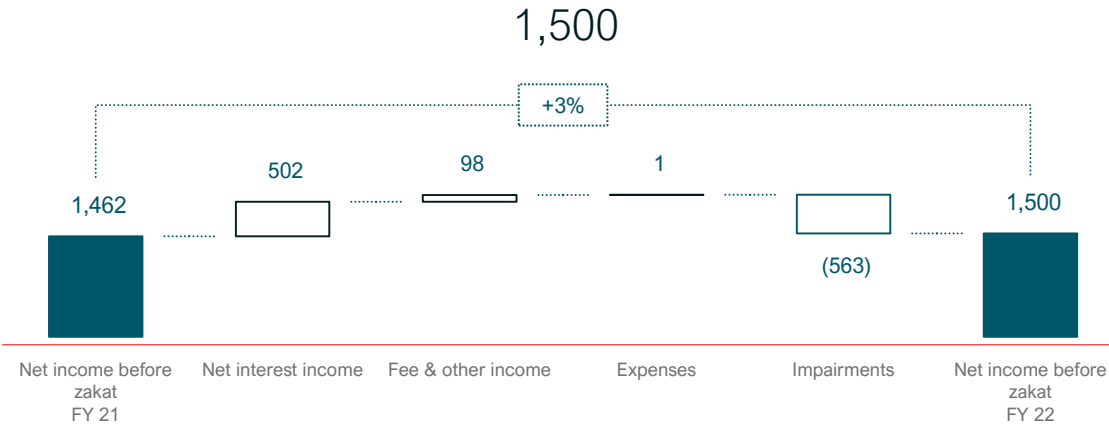


Impairments

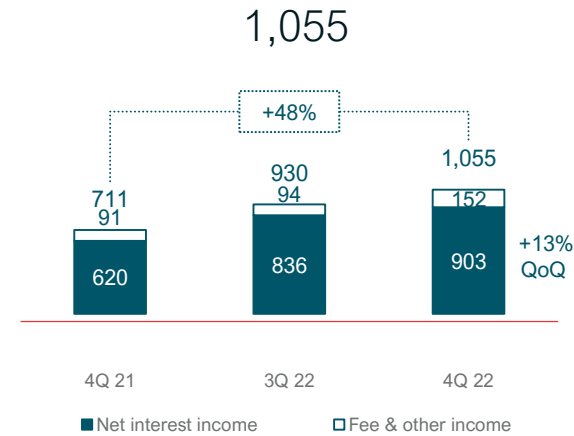


Modest rise in Corporate profitability as operating income growth partly offset by increased impairments

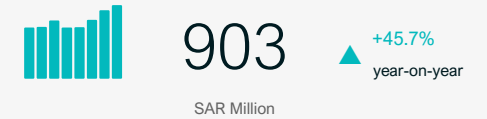
Net Income Before Zakat Movement (SAR Mn)



Total Operating Income (SAR Mn)



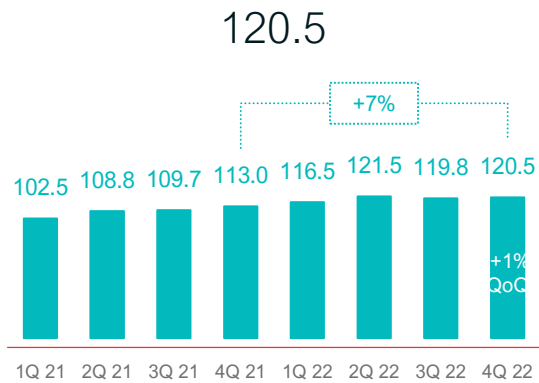
Net Interest Income



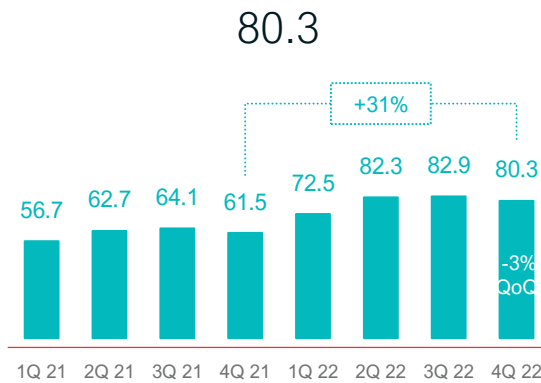
Fee & other income



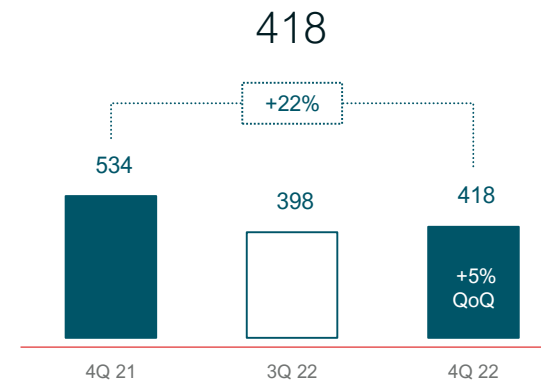
Corporate Loans (SAR Bn)



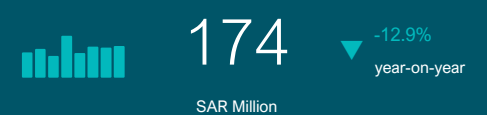
Corporate Deposits (SAR Bn)



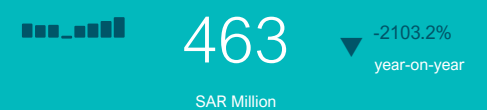
Net Income Before Zakat (SAR Mn)



Expenses

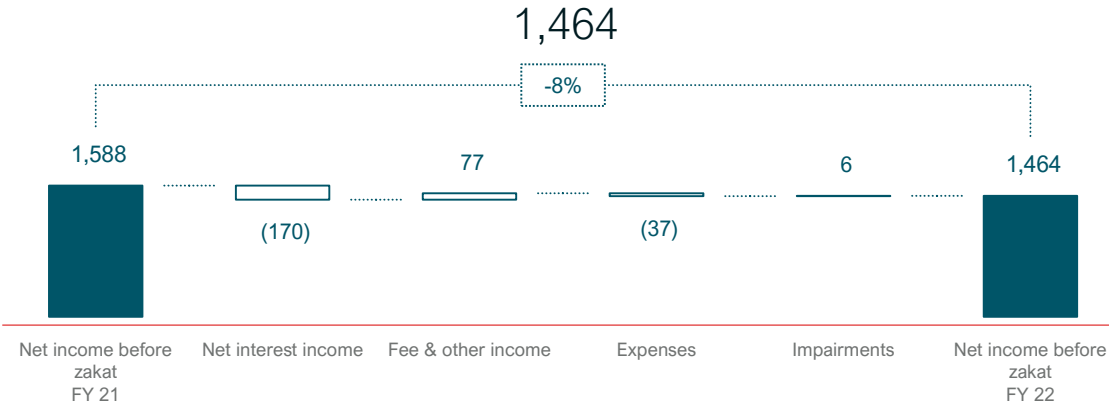


Impairments

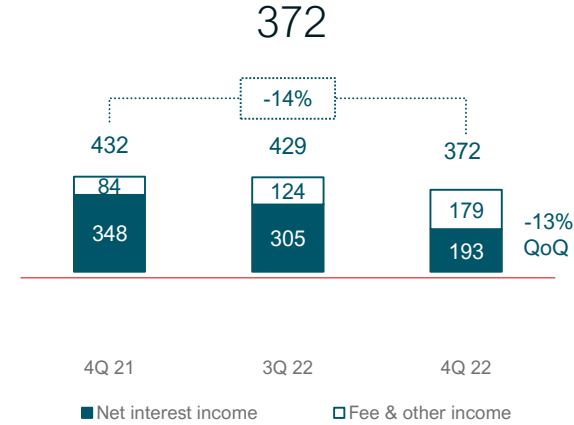


Net income declined 8% YoY from lower investment income

Net Income Before Zakat Movement (SAR Mn)



Total Operating Income (SAR Mn)



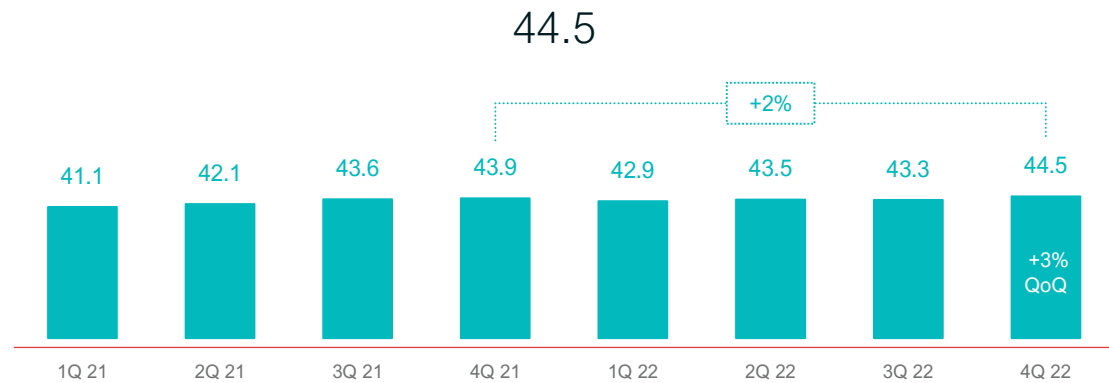
Net Interest Income



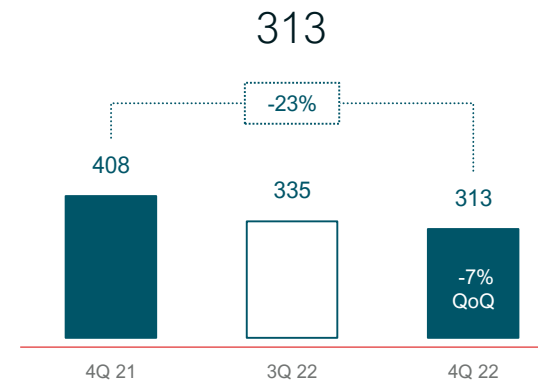
Fee & other income



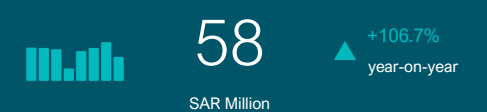
Investments (SAR Bn)



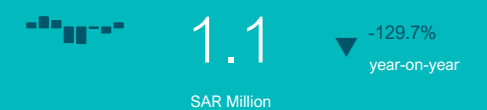
Net Income Before Zakat (SAR Mn)



Expenses

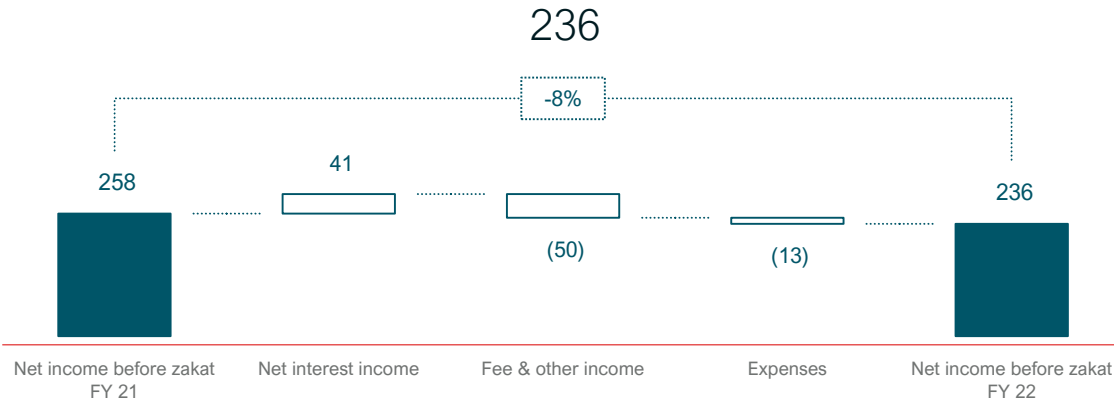


Impairments

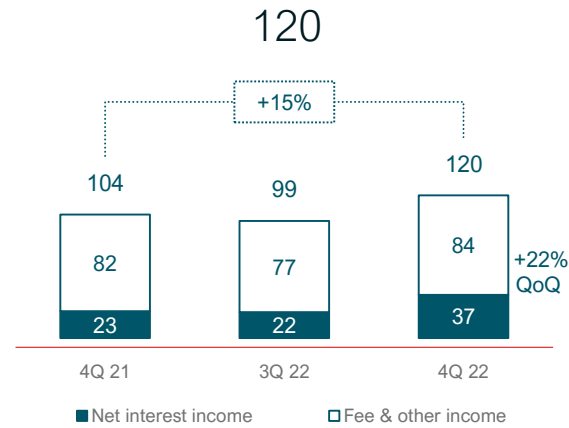


Profitability decline due to lower brokerage fees

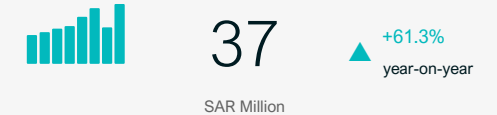
Net Income Before Zakat Movement (SAR Mn)



Total Operating Income (SAR Mn)



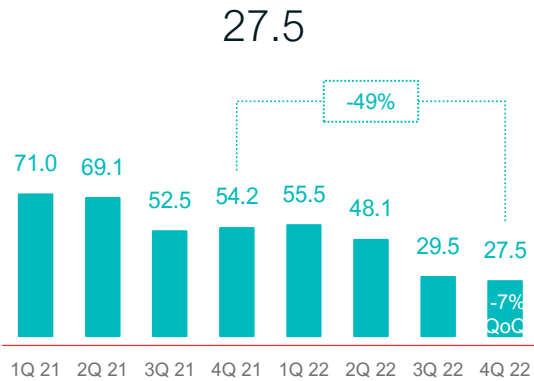
Net Interest Income



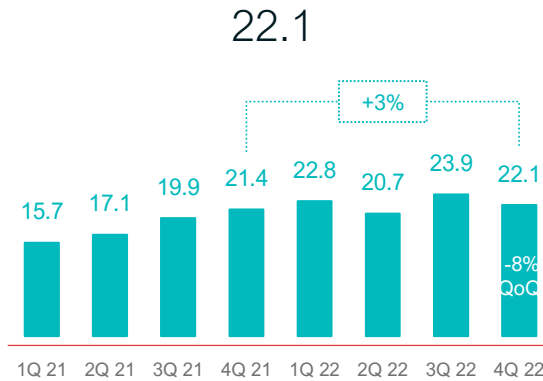
Fee & other income



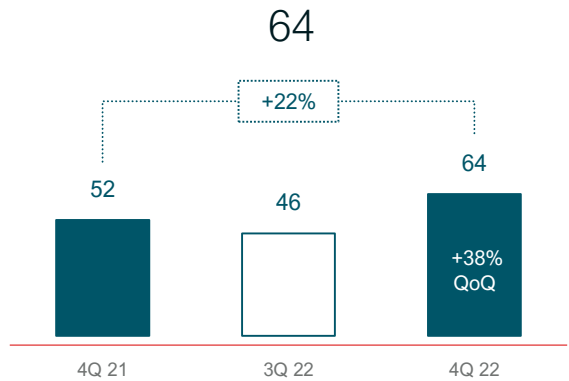
Brokerage Trading Value (Bn)



Assets Under Management (SAR Bn)



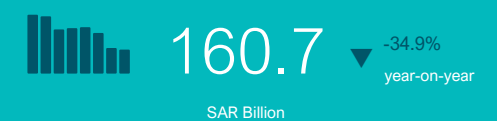
Net Income Before Zakat (SAR Mn)



Expenses



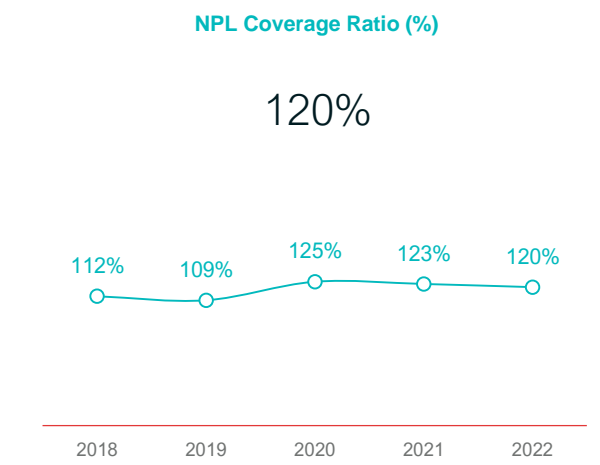
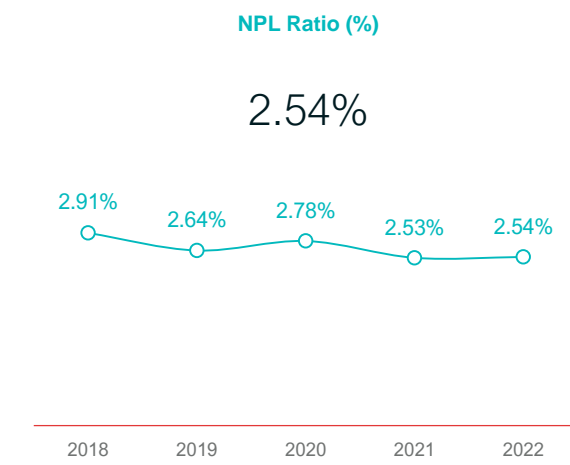
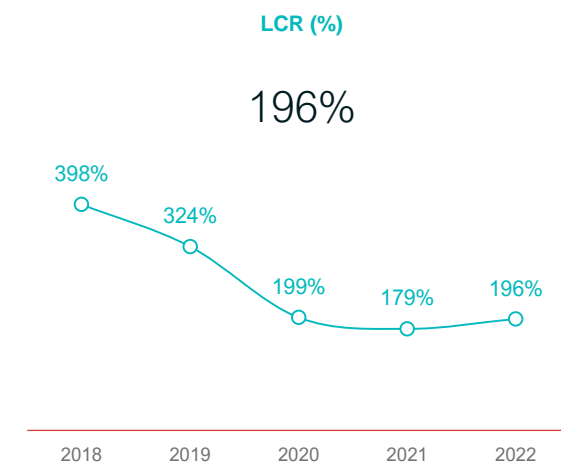
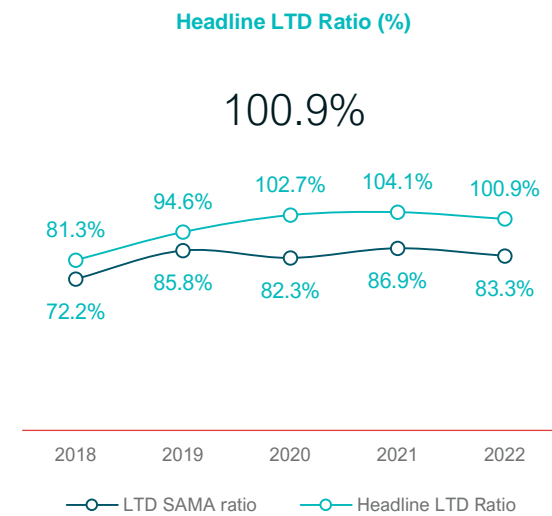
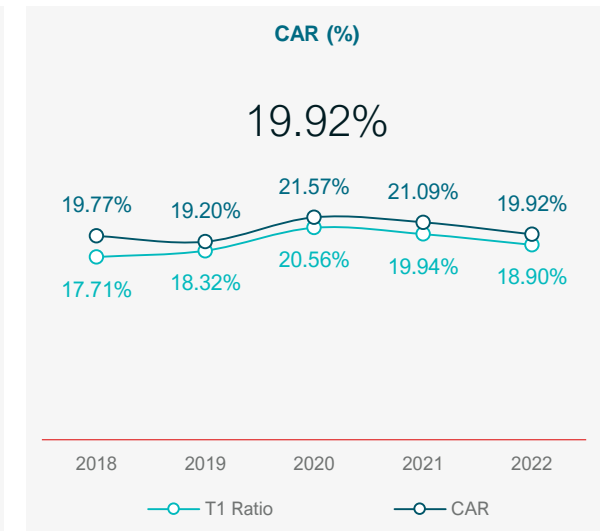
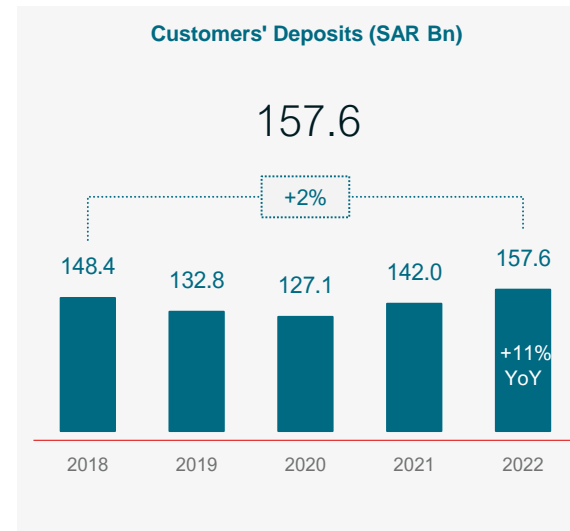
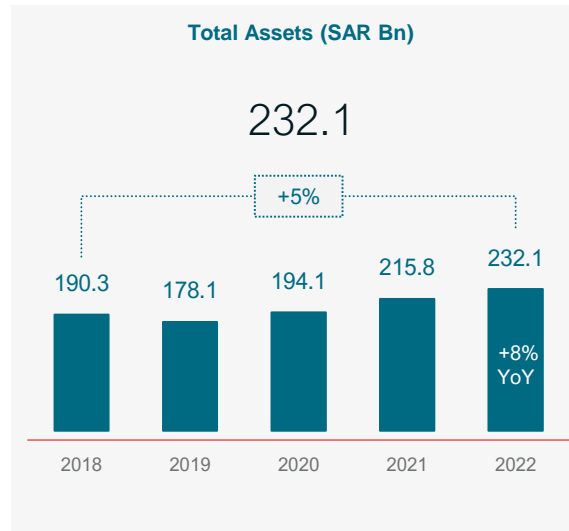
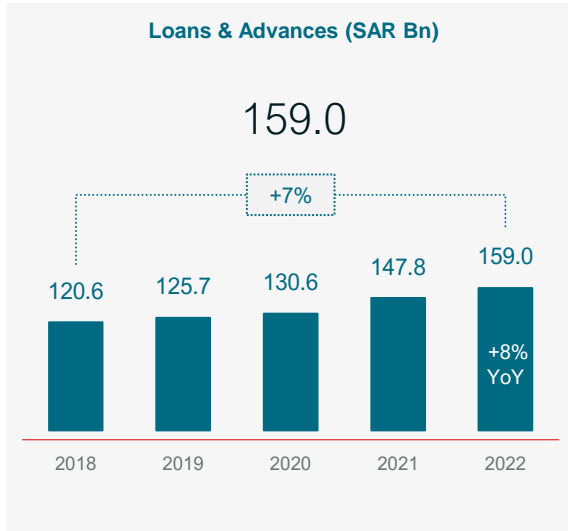
Brokerage Trading Value (FY 21)



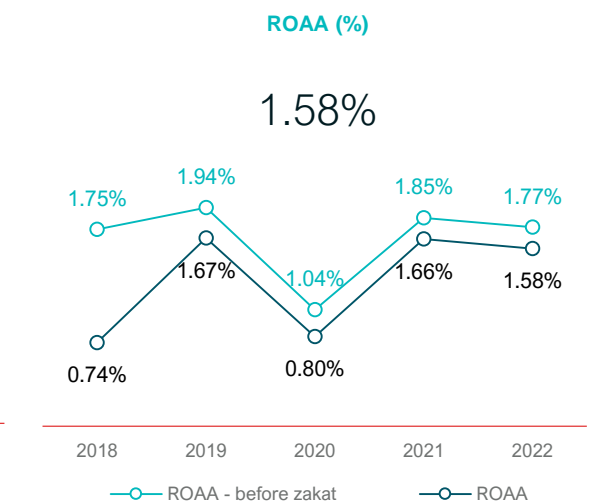
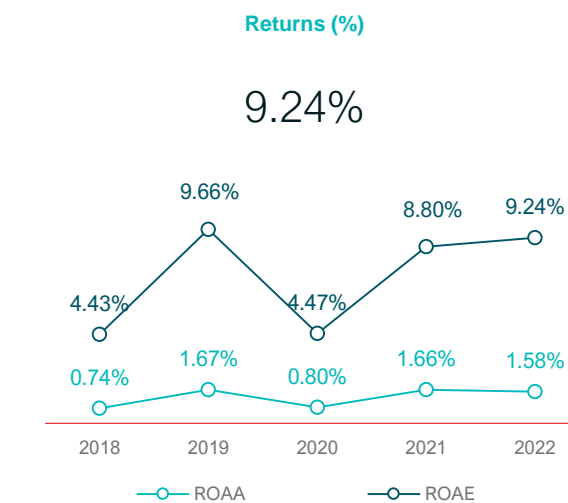
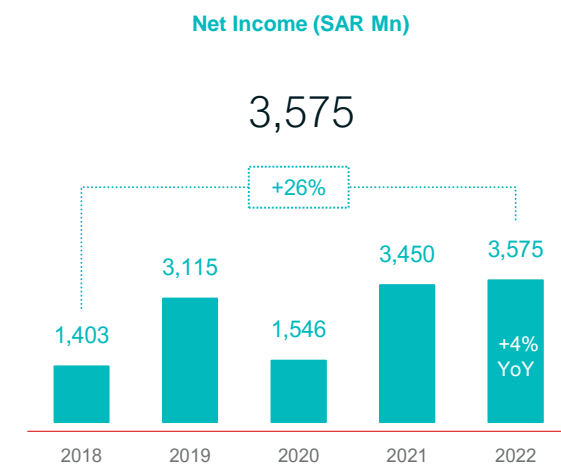
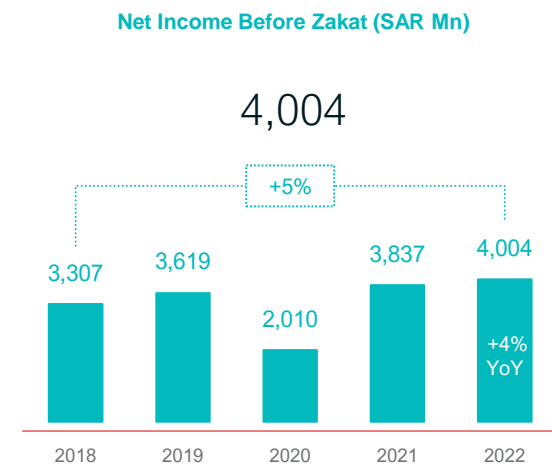
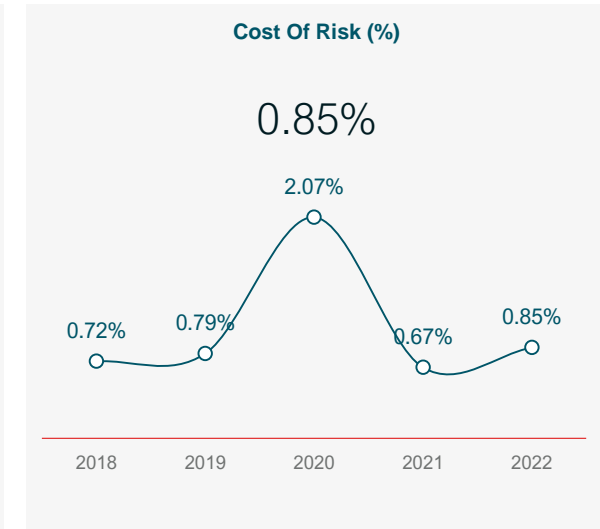
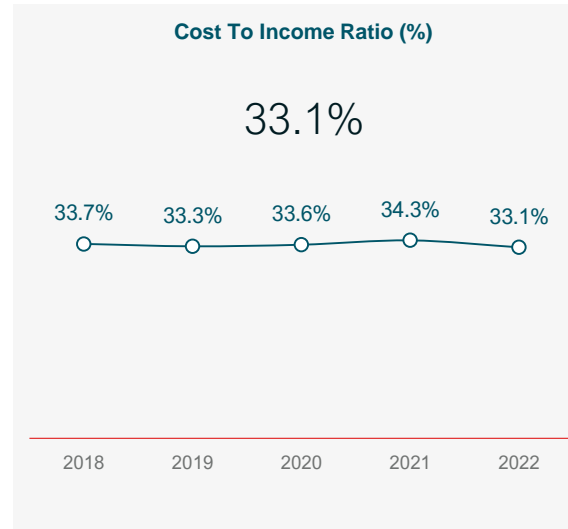
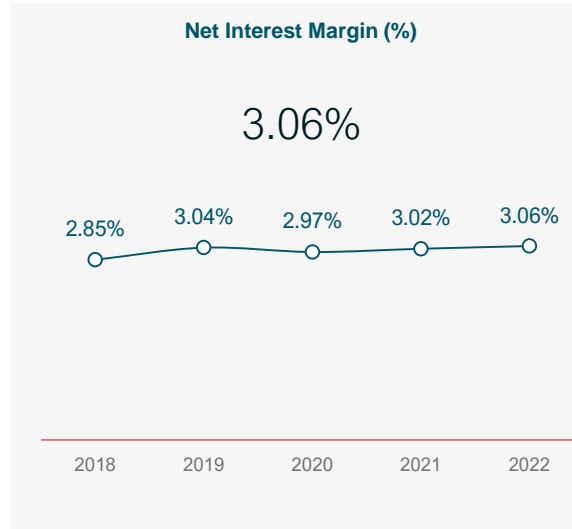
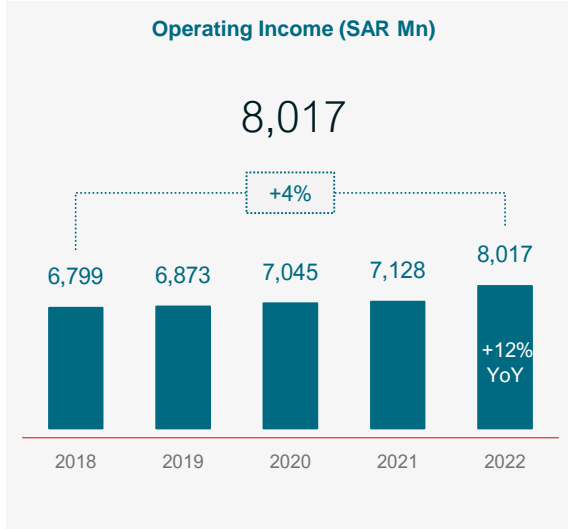
INVESTOR PRESENTATION 4Q 2022

Performance Track Record

Balance Sheet Metrics



Income Statement Metrics



EARNINGS PRESENTATION 4Q 2022

Appendix

Summary of accounting restatements in 4Q 2022 (1)

SAR (Mn)		1Q 2021	2Q 2021	3Q 2021	4Q 2021	FY 2021	1Q 2022	2Q 2022	3Q 2022	4Q 2022	FY 2022
Original	Special commission income	1,407	1,459	1,542	1,460	5,869	1,492	1,767	2,188	2,569	8,016
Reclassified	Processing fees	100	90	69	67	325	72	68	71	81	291
Restated	Special commission income	1,507	1,549	1,612	1,526	6,194	1,564	1,835	2,259	2,649	8,307
Original	Fee and commission income	479	428	410	412	1,729	427	421	409	458	1,714
Reclassified	Processing fees	(100)	(90)	(69)	(67)	(325)	(72)	(68)	(71)	(81)	(291)
Restated	Fee and commission income	379	338	341	345	1,403	355	353	338	377	1,423
Original	Other operating income	16	12	17	19	64	31	25	52	77	185
Reclassified	Recoveries	(15)	(11)	(16)	(17)	(60)	(30)	(25)	(52)	(77)	(184)
Restated	Other operating income	1	1	0	2	4	1	(1)	0	0	1
Original	Impairment charge for credit losses, net	290	267	296	168	1,021	275	320	402	551	1,548
Reclassified	Recoveries	(15)	(11)	(16)	(17)	(60)	(30)	(25)	(52)	(77)	(184)
Restated	Impairment charge for credit losses, net	275	256	280	151	961	245	295	350	475	1,364

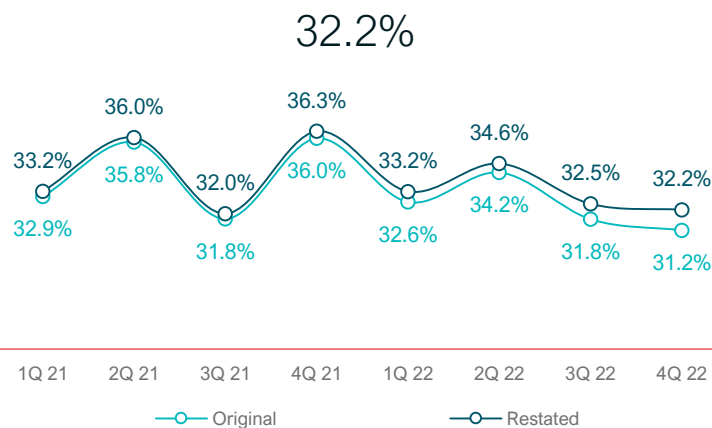
1 During 4Q 2022, processing fees on lending, being an integral part of the effective interest rate in financial assets, were reclassified from being included in fee and commission income to special commission income; comparative quarters in 2021 and 2022 were restated accordingly.

2 During 4Q 2022, recoveries of written off loans were reclassified from being included in other operating income to the impairment charge for financing, net; comparative quarters in 2021 and 2022 were restated accordingly.

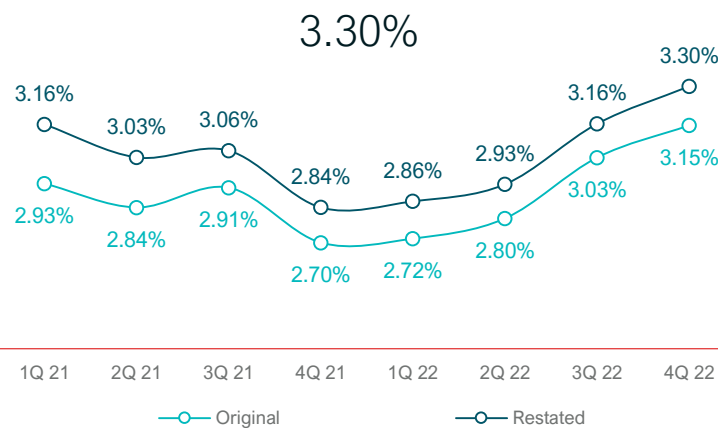
Summary of accounting restatements in 4Q 2022 (2)

SAR (Mn)		1Q 2021	2Q 2021	3Q 2021	4Q 2021	FY 2021	1Q 2022	2Q 2022	3Q 2022	4Q 2022	FY 2022
Original	Cost to income ratio	32.9%	35.8%	31.8%	36.0%	34.0%	32.6%	34.2%	31.8%	31.2%	32.4%
Restated	Cost to income ratio	33.2%	36.0%	32.0%	36.3%	34.3%	33.2%	34.6%	32.5%	32.2%	33.1%
Original	Net interest margin	2.93%	2.84%	2.91%	2.70%	2.85%	2.72%	2.80%	3.03%	3.15%	2.93%
Restated	Net interest margin	3.16%	3.03%	3.06%	2.84%	3.02%	2.86%	2.93%	3.16%	3.30%	3.06%
Original	Cost of risk	0.85%	0.75%	0.80%	0.44%	0.71%	0.71%	0.79%	0.98%	1.35%	0.96%
Restated	Cost of risk	0.80%	0.72%	0.76%	0.40%	0.67%	0.63%	0.73%	0.85%	1.16%	0.85%

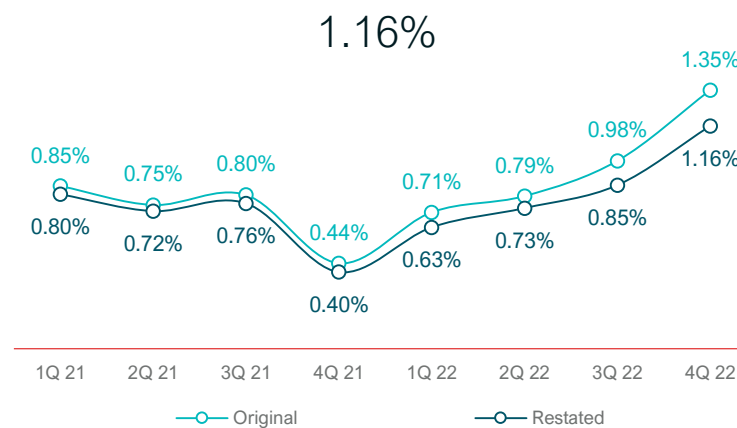
Cost to Income Ratio Quarterly (%)



Net Interest Margin Quarterly (%)



Cost of Risk Quarterly (%)



NOTES: Comparative periods before 2021 were not restated.

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