



Banque Saudi Fransi

Investor Presentation

4Q/FY 2020

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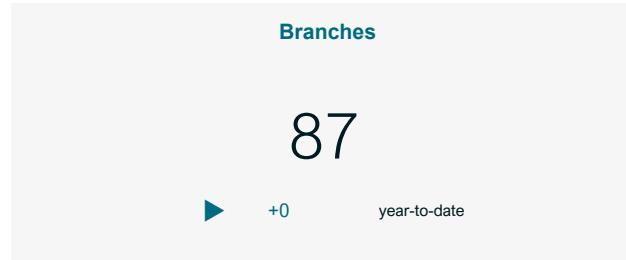
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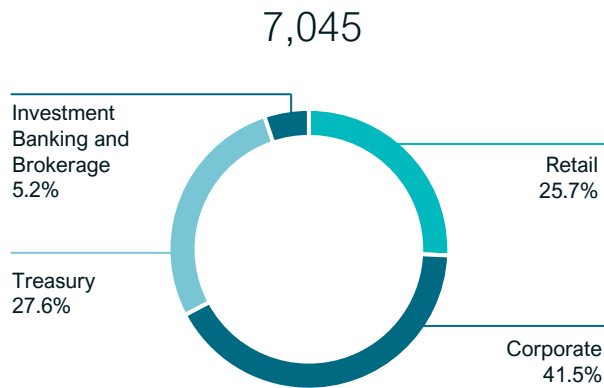
INVESTOR PRESENTATION 4Q/FY 2020

BSF Profile

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

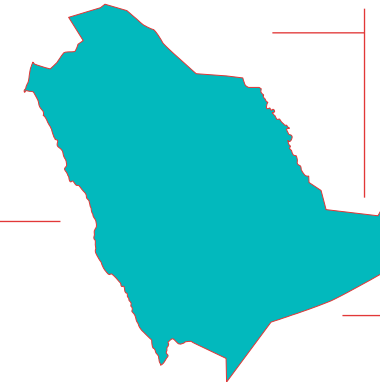


FY20 Operating Income Diversity (SAR Mn)



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

Universal Bank model:
Corporate DNA (78% of our loan book)
Full suite of conventional and Islamic products
Growing Retail loan book
Core focus on the Saudi market



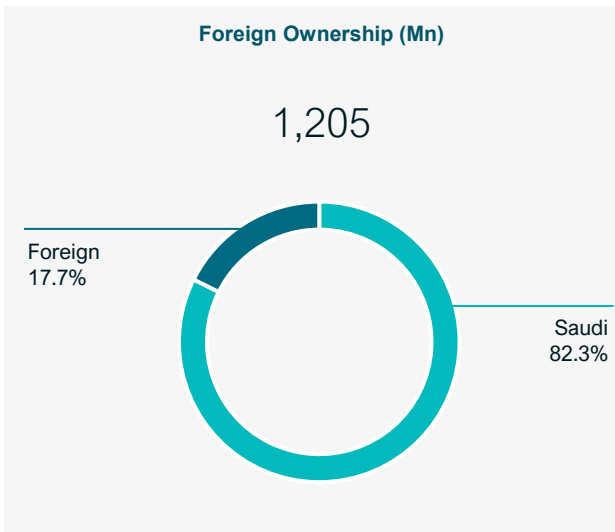
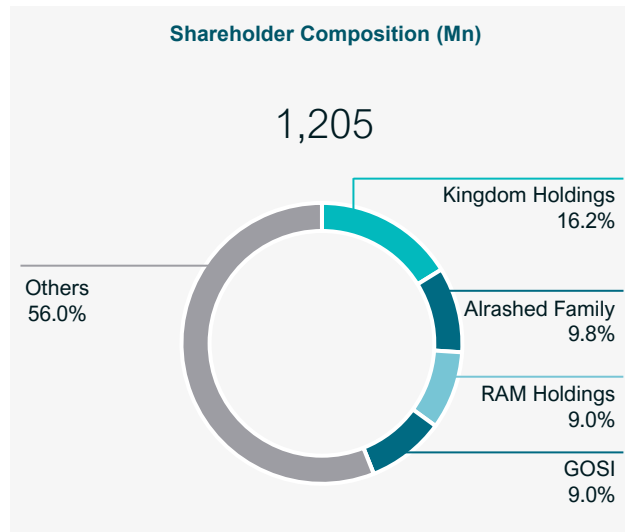
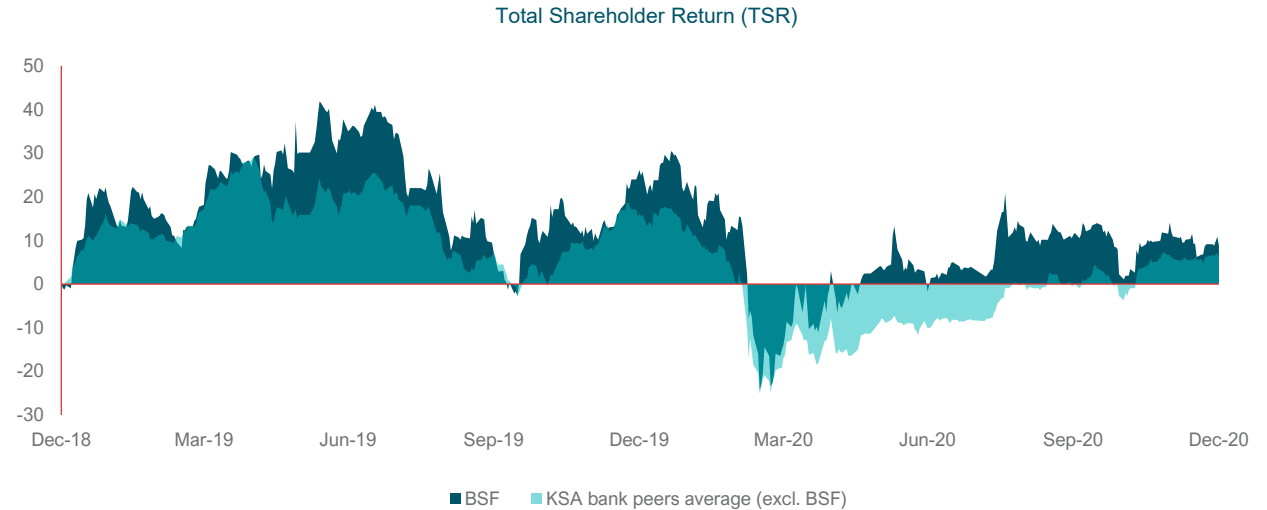
Subsidiaries in KSA:
Saudi Fransi Capital
Saudi Fransi Insurance Agency
Saudi Fransi for Finance Leasing
Sakan Company

Joint ventures in KSA:
Insurance with Allianz



Market parameters impacted by Covid-19 disruption, but credit ratings remain solid

Share Parameters	31 Dec 2020
Closing price (SAR)	31.60
52 weeks range (SAR)	22.3 - 39.5
Shares issued (million)	1,205
Market capitalization (SARbn)	39.96
Market capitalization to KSA bank sector	6.2%
Market cap to KSA stock market	0.4%
Price to tangible book value	1.1x
Price to earnings (FY 2020)	24.5x
Dividend yield (FY 2020)	0.0%



Standard & Poor's

BBB+

Stable outlook

Moody's

A1

Negative outlook

Fitch

BBB+

Negative outlook



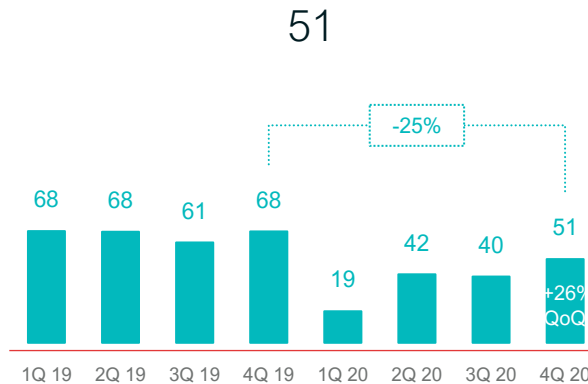
INVESTOR PRESENTATION 4Q/FY 2020

Operating Environment

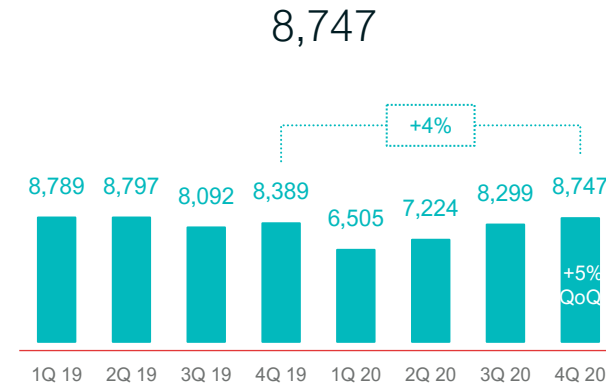
Covid-19 severely disrupted financial markets and economic activity in 1Q 2020, but moderated thereafter

- Oil prices dropped sharply in 1Q 2020 as the Covid-19 pandemic spread, with a moderate recovery to USD 51/bl by 4Q 2020.
- The Saudi Arabian stock market (Tadawul), in line with global equity markets dropped 22% in 1Q 2020 but recovered to 4% above 4Q 2019 levels by the end of the year.
- Interbank rates declined during 2020 in line with the Fed Rate cuts in early March.
- The Saudi Arabia purchasing managers index (PMI) dropped to 42.4 in March 2020, with a recovery to pre-Covid levels by December 2020.

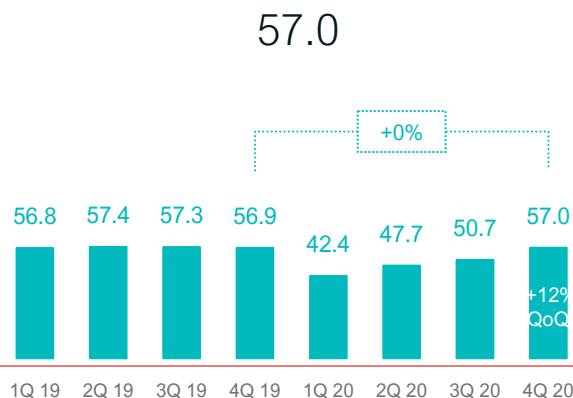
Brent Oil Price / Barrel (USD)



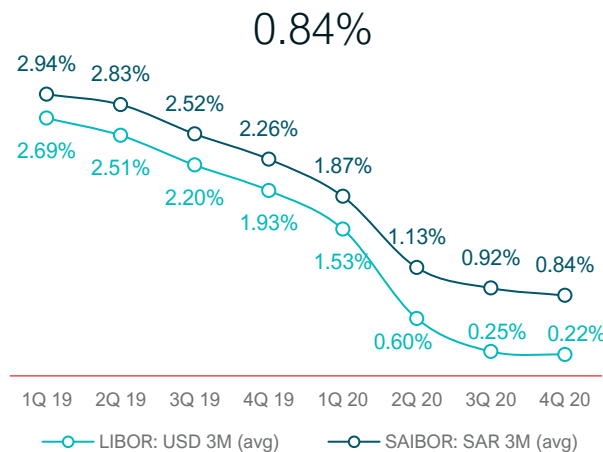
Tadawul Index



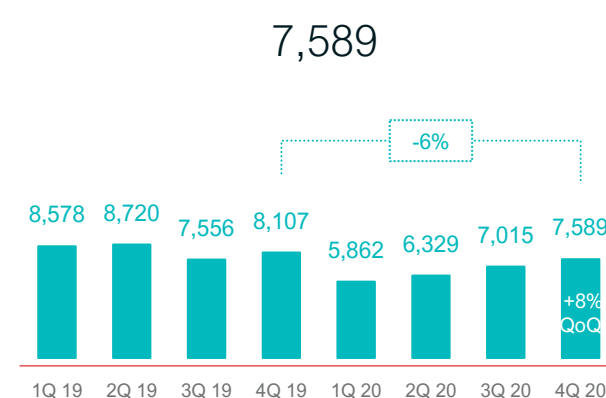
KSA PMI (manufacturing)



SAIBOR Trend (%)



Tadawul Banks Index



Saudi Arabia responded strongly to contain the pandemic and support the economy

Social measures and local cases

- The KSA government acted decisively and quickly to suspend to curtail, inter alia, domestic and international aviation, attendance for schools and universities, sporting activities and entertainment venues, non-critical employee attendance in government and private sectors, Umrah, prayers at mosques, and suspension of Hajj season, and inter-province transportation.
- Enforced partial or full curfews and lockdowns with varying degrees, depending on city and/or neighborhood,
- The Government has now ended the lockdowns and has begun taking phased measures to normalize international travel and resume Umrah pilgrimages.

Support and stimulus programs

SAMA Programs

Private Sector Financing Support SAR 100 billion

- SAR 30bn Deferred Payments
- SAR 13.2bn Funding for Lending
- SAR 6bn Loan Guarantees
- SAR 0.8bn Supporting Fees of POS and E-Commerce
- SAR 50bn Banking Liquidity Injection

Other Measures

- Social Development Bank: SAR 12bn SME and low-income family support
- Ministry of Interior: Free extension of Iqama and visas
- Ministry of Municipal and Rural Affairs: delayed service fee payments for 1,400 economic entities
- Ministry of Commerce: Delayed license renewal fees for 116k entities
- Saudi Customs: postponed customs collections
- General Authority of Zakat and Tax: Delayed declarations and payments of VAT
- Saudi Financial Support Services: cover 60% of private sector salaries SAR 9bn

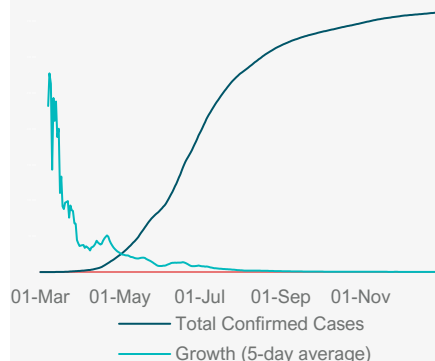
Ministry of Finance Programs

Economic Support SAR 150 billion+

- Increase Debt to GDP limit to 50% and Repo rate cut to 1.0%
- SAR 117bn Private Sector Payments
- SAR 47bn Health Sector Allocations
- SAR 43bn deferrals & exemptions of levies, fees and taxes
- Increase in VAT from 5% to 15% from 1 July

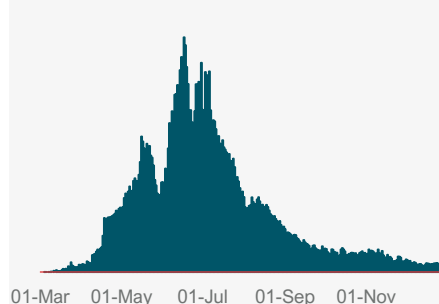
Covid-19 Total Confirmed Cases (KSA)

362,741



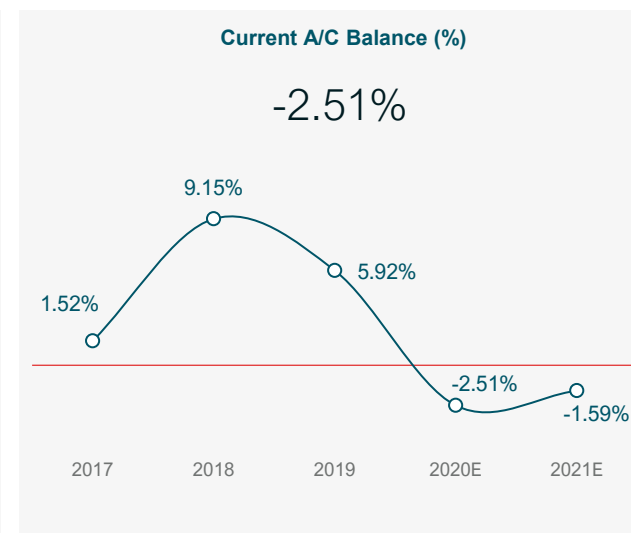
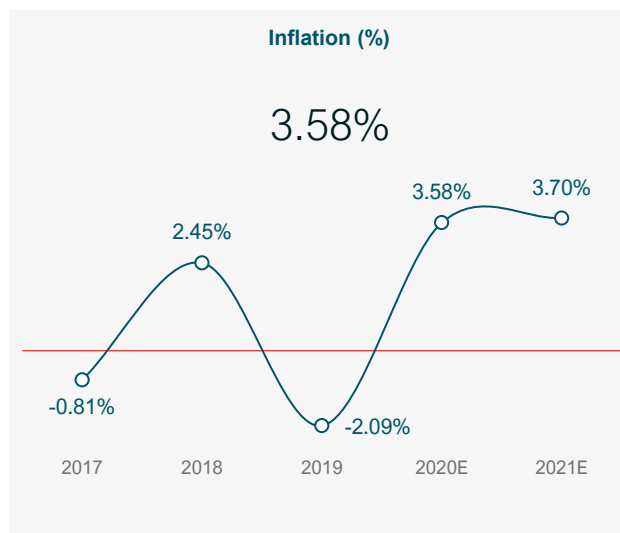
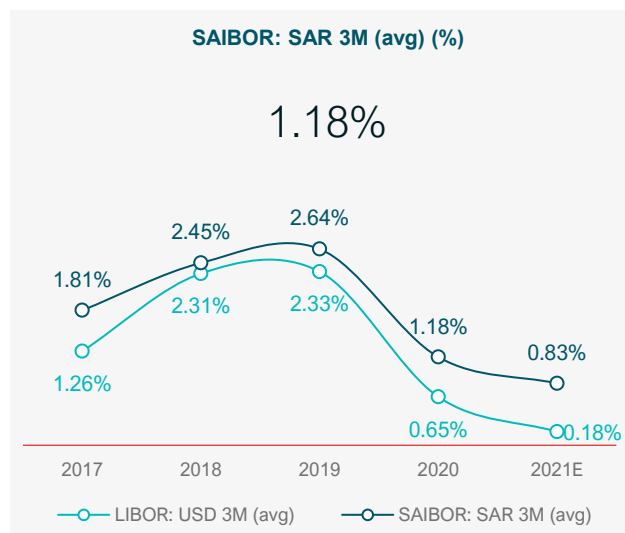
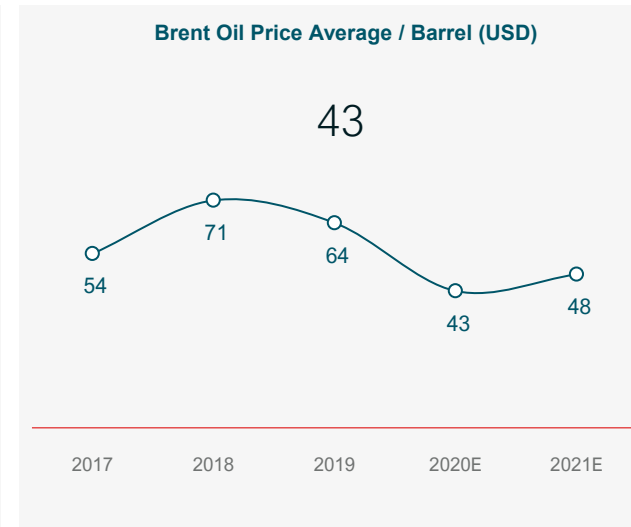
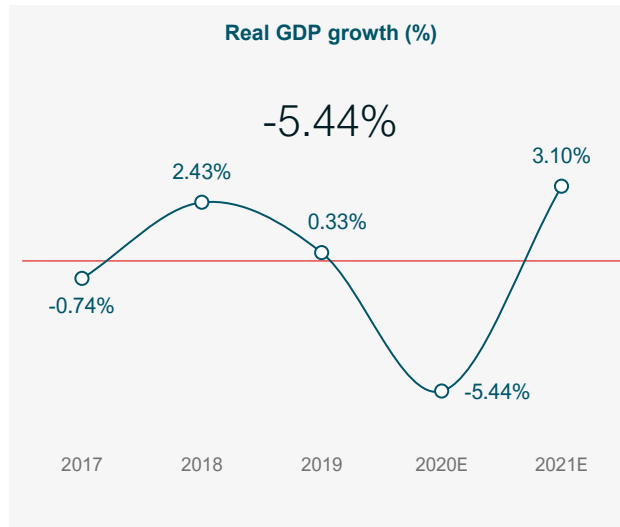
Covid-19 Daily New Cases (KSA)

140

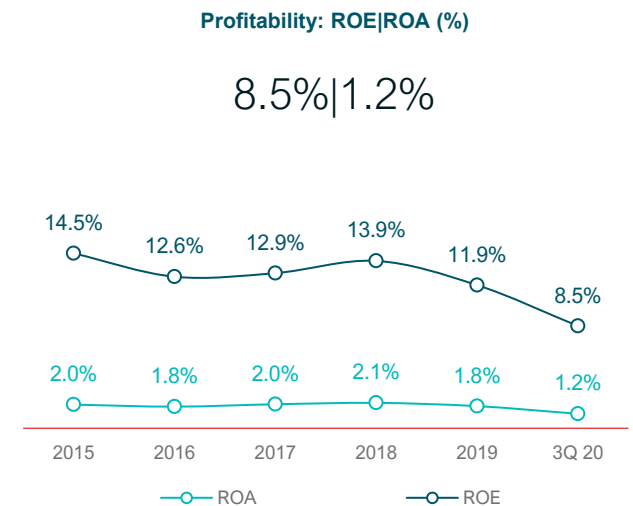
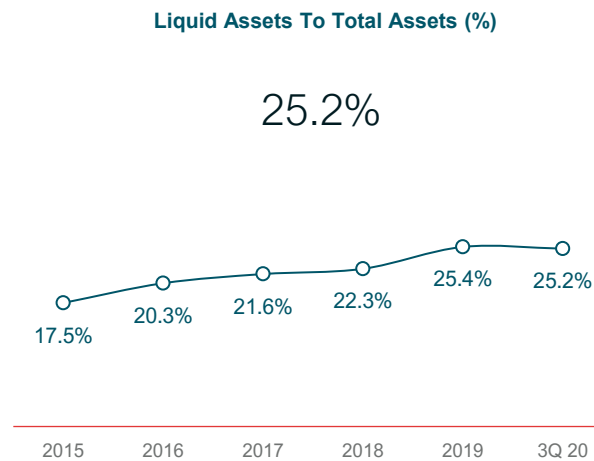
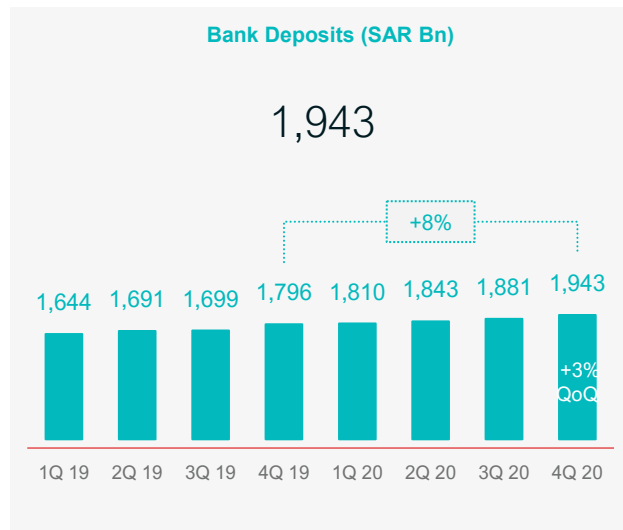
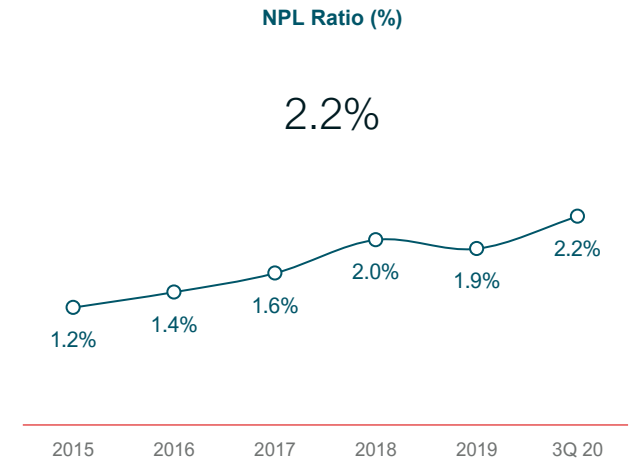
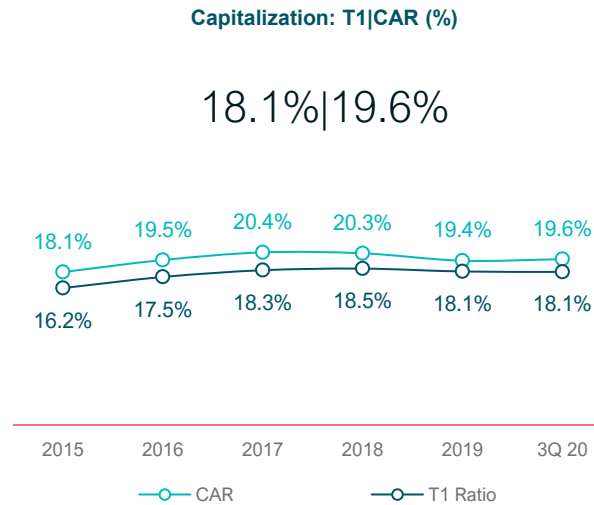
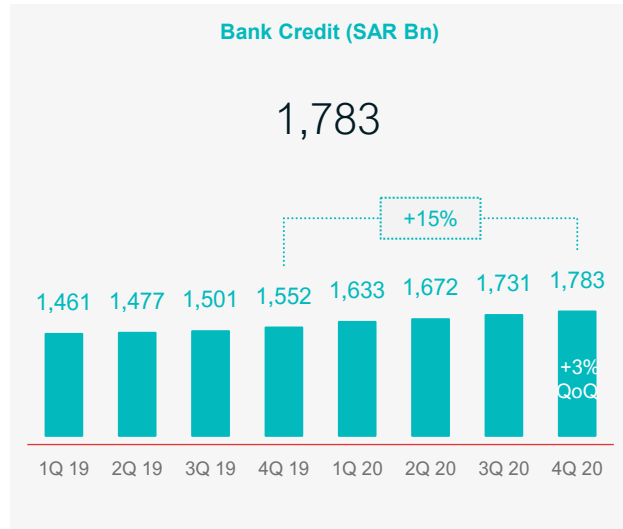


GDP for Saudi Arabia is expected to contract by -5.4% in 2020, but recover to +3.1% growth in 2021

- GDP for Saudi Arabia is expected to contract by -5.4% in 2020 (IMF) due to the deterioration of the global economic outlook, resulting from the Covid-19 spread, lock-down measures and lower oil prices.
- IMF forecasts a resumption to GDP growth of +3.1% in 2021, but this is subject to uncertainty and down-side risk.
- Interest rates are expected to remain at low levels for the foreseeable future.



The Saudi banking sector is well positioned to absorb the impact of Covid-19



BSF's response to Covid-19 was effective and executed against a robust plan

Putting the safety of our people first

- Initiated and expanded flexible and remote working arrangements, 50% of staff working remotely in June (from 70% at height of crisis)
- Reduced number of branches operational to less than 30% (currently 100% operational)
- Provided infection protection for our teams
- Implemented social distancing measures and shift-based attendance
- Issued regular, transparent communications to reassure our teams and align with all current Government policies and advice

Supporting communities

- Donated SAR 12mn to the Health Endowment Fund
- Donated SAR 7.2mn to the Social Charity Fund
- BSF employee participation in ministry of housing initiatives through JOOD and donated SAR 240k
- Deferred mortgage and personal loans payments for private and government health sector workers

Supporting customers

- Waived payments on mortgages and personal loans for 3 months
- Refund of all currency transaction fees
- Waived refinancing and facility cancellation fees for 6 months
- Waived POS and e-commerce fees for SMEs
- Waived cost of financing guarantees under KAFALA program
- Loans for SMEs to support business continuity
- Deferred entities' commitments to banks and financing companies for 6 months

Ensure business continuity

- Reviewed and renewed business continuity plans
- Daily liquidity, risk & continuity management meetings and daily status reports to SAMA.
- Evaluated liquidity & stress tests
- Assessed other financial & operational risks, and potential liabilities including cyber threats
- Verified and considered supply chain options
- Monitored domestic support from the Government & requirements from SAMA.
- Reviewed terms/conditions on loans & contracts

Digital enablement

- Published guidelines clarifying and encouraging usage of digital banking channels from home
- Waived money transfer fees (local & international) for digital services for 6 months
- Increased limits of purchasing through MADA to SAR 300
- Enabled digital query resolution
- Enabled digital credit cards issuance via digital channels
- Digital channel availability average > 99.9%
- ATM availability average > 99.8%

Re-evaluate our strategy

- Determined how the crisis affects our 5-year strategy (identify initiatives to either pause, scale down, maintain or accelerate)
- Executed revised strategies & continue to monitor the situation
- Making decisions and take actions during the crisis with recovery in mind
- Reset business assumptions for 2020 and beyond



INVESTOR PRESENTATION 4Q/FY 2020

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...

Rayan Mohammed Fayeze

Managing Director & Chief Executive Officer

- BSF: CEO since Feb-18
- Savola Group: CEO 2 years
- J.P. Morgan: MD/KSA senior country officer



البنك
السعودي
الفرنسي
Banque
Saudi
Fransi



Ravishanker Visvanathan

Chief Risk Officer

- BSF: appointed CRO Dec-17
- 5 years in senior risk roles regionally
- BSF: Head of credit risk for 12 years



Mazen Altamimi

Head of Institutional Banking

- BSF: appointed Head of IB Oct-17
- BSF: Regional GM, Western Region 14 years & corporate banking 13 years



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



Abdulmohsen Alrayes

Chief Audit Officer

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



Adel Mallawi

**Chief Investment Officer ^
Acting Chief Financial Officer**

- BSF: appointed CIO Apr-19
- BSF: CFO 3 years
- BSF: Head of Global Markets Group 6 yrs; 26 yrs 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



Michael Cunningham

Chief Strategy & Group Digital Officer

- BSF: appointed in 2018
- CEO digital-only bank
- ADCB: EVP Group strategy
- Barclays: MD



Sami J. Almehaid

Chief Compliance Officer

- Over 20 years banking experience, especially in international retail banking
- Extensive compliance / FCC background



...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 and income tax | ** 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.

Despite strong progress made on strategy implementation, 2020 saw declines in financial KPIs from an elevated risk cost

STRATEGIC OUTCOME

Shareholder darling

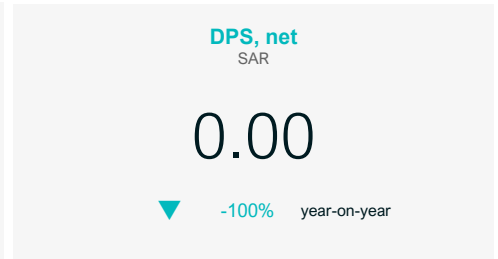
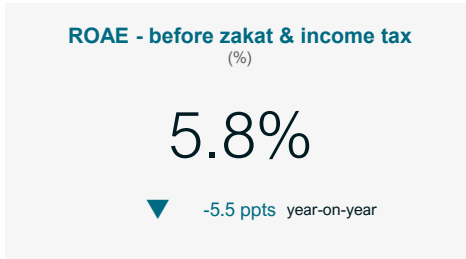
Resilience

KPI #1
Total shareholder return (TSR)

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Efficiency

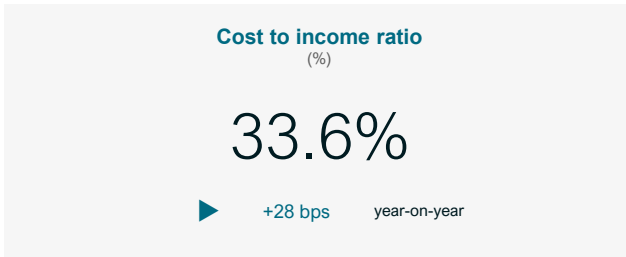
Best Customer Experience

Best Place to work

KPI #5
Cost-to-income Ratio

KPI #6
Net Promoter Score(NPS)

KPI #7
Employee Net Promoter Score (ENPS)



26 initiatives completed in 2020, and 51 expected to be finalized from 2021 to 2023; 18 initiatives are on-hold as of December 2020, and will be reopened in 2021

		Initiatives Completed	2020 Progress	2021 Direction
STRATEGIC PILLARS	 Corporate Banking	6/14 	<ul style="list-style-type: none"> Corporate Digital Platform selection finalized CRM requirements and implementation plan finalized 	<ul style="list-style-type: none"> Corporate Digital Platform implementation Leverage account planning, pipeline management & cross-selling
	 Retail Banking	12/25 	<ul style="list-style-type: none"> New Credit Cards offering finalized Strong progress on remittance & partnerships initiatives New Loyalty program matrix launched Branch rationalization and self-service kiosks installed 	<ul style="list-style-type: none"> Continue to fix the basics Accelerate digital initiatives
	 Private Banking	11/17 	<ul style="list-style-type: none"> Good progress, especially on Exceptional Transactions & productivity management 	<ul style="list-style-type: none"> Accelerate digital initiatives New Branch design finalization
	 Global Markets Group	5/5 	<ul style="list-style-type: none"> All initiatives completed 	<ul style="list-style-type: none"> Leverage account planning, pipeline management & cross-selling
STRATEGIC ENABLERS	 Technology, IT & Digitalization	5/24 	<ul style="list-style-type: none"> CBS Release 1 completed Full digital strategy definition for the Institutional Banking businesses Data Sciences setup finalized 	<ul style="list-style-type: none"> CBS release 2 Digital Factory implementation
	 CE & Organizational effectiveness	19/23 	<ul style="list-style-type: none"> 12 NPS channels implemented for Customer Experience Corporate Credit process redesigned 	<ul style="list-style-type: none"> Cross-sell initiatives Corporate Credit process implementation
	 Brand, People, Risk & Strategy	19/38 	<ul style="list-style-type: none"> Several HR activities completed (performance management, information transparency, mission & values) Brand direction confirmed 	<ul style="list-style-type: none"> Smart Working project implementation
	Total	77/146 	26/146 	51/146 



INVESTOR PRESENTATION 4Q/FY 2020

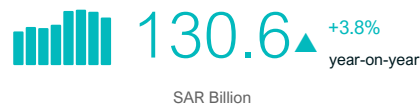
Financial Performance

While our balance sheet witnessed solid growth, net income declined on higher impairments

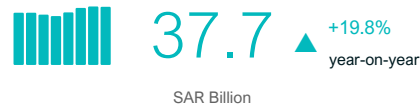
BALANCE SHEET

- High quality loan growth of 3.8% driven by 54% growth in mortgages.
- Strong growth in investments (19.8%) and NIB deposits (18.1%).

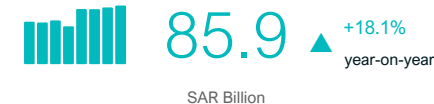
Loans & Advances



Investments



Non Interest Bearing Deposits



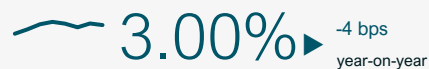
INCOME STATEMENT

- 2.5% top-line growth on margin stability and good NIR.
- Net income declined due to higher provisions.

Operating Income



NIM



Net Income After Zakat & Tax



ASSET QUALITY

- Stable NPL ratio.
- Significant improvement in NPL coverage ratio.
- Higher cost of risk due to stage movements and Covid-19.

NPL Ratio



NPL Coverage Ratio



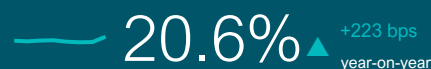
Cost of risk



CAPITAL & LIQUIDITY

- Capital & liquidity remain strong and comfortably within regulatory limits.
- LCR was managed for optimum efficiency in COF.

T1 Ratio



LCR



NIBD % of Total Deposits

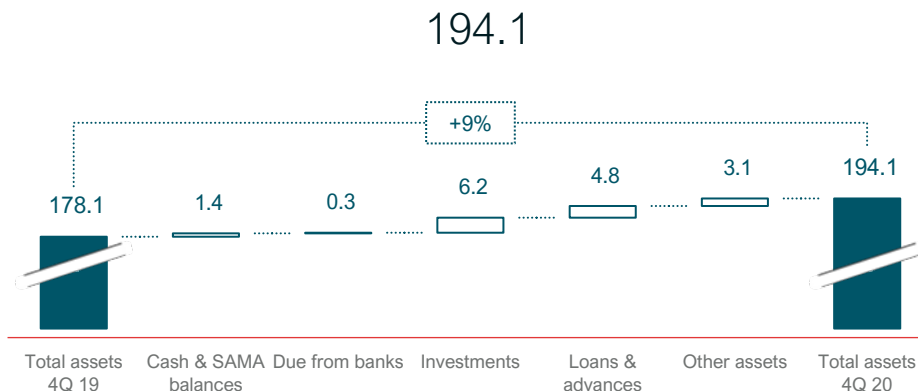


Solid balance sheet growth from lending and investments

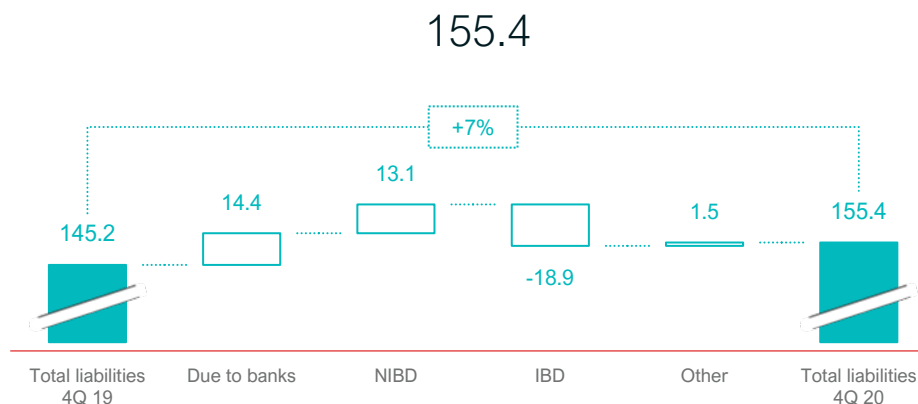
- Growth in total assets of 9% YoY driven by 4% loan growth and strong growth of 20% in investments.
- Liabilities grew by 7% during 2020 from increased interbank funding, including profit-free SAMA funding.

SAR (Mn)	4Q 2020	3Q 2020	Δ%	4Q 2019	Δ%
Cash & SAMA balances	10,548	9,478	+11%	9,117	+16%
Due from banks	4,027	3,719	+8%	3,742	+8%
Investments	37,679	37,901	-1%	31,454	+20%
Loans & advances	130,565	134,356	-3%	125,725	+4%
Other assets	11,255	11,991	-6%	8,111	+39%
Total assets	194,074	197,445	-2%	178,149	+9%
Due to banks	16,792	16,452	+2%	2,372	+608%
Customers' deposits	127,112	135,655	-6%	132,838	-4%
Other liabilities	11,534	11,655	-1%	9,992	+15%
Total liabilities	155,438	163,762	-5%	145,202	+7%
Share capital	12,054	12,054	+0%	12,054	+0%
Retained earnings	7,433	7,398	+0%	5,946	+25%
Other	14,149	14,231	-1%	14,947	-5%
Tier 1 sukuk	5,000	0		0	
Total equity	38,636	33,683	+15%	32,947	+17%

Total Assets Movement (SAR Bn)



Total Liabilities Movement (SAR Bn)

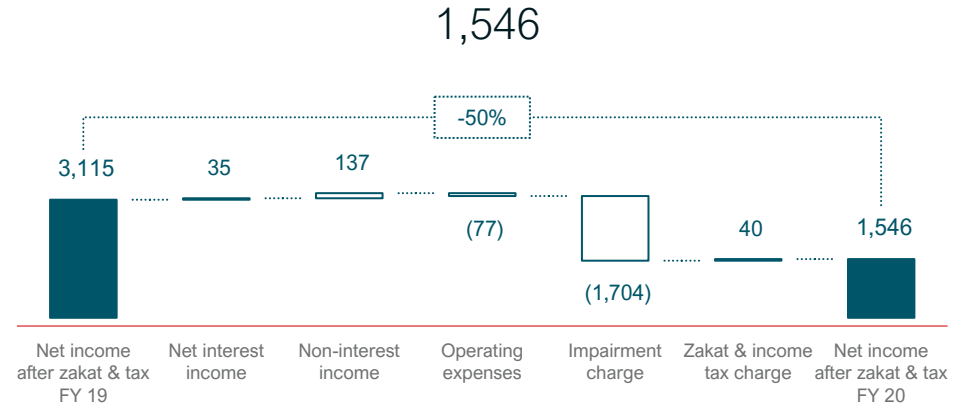


Net income declined 50% year-on-year due to prudent and pro-active provisioning in the current environment

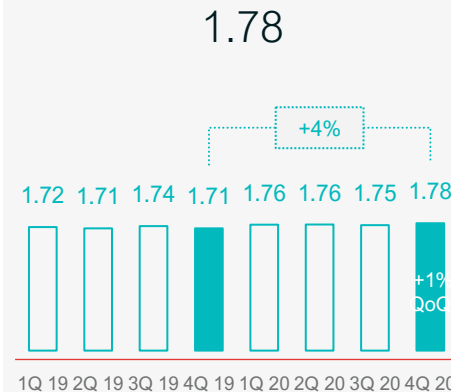
- Net income for FY 2020 declined 50% YoY to SAR 1,546mn as 3% income growth was more than offset by 176% rise in impairments and 3% increase in operating expenses.
- Similarly, 4Q 2020 net income decreased 82% YoY to SAR 94mn from a 95% rise in impairments.

SAR (Mn)	4Q 2020	4Q 2019	Δ%	FY 2020	FY 2019	Δ%
Net interest income	1,281	1,291	-1%	5,240	5,206	+1%
Non-interest income	496	414	+20%	1,804	1,667	+8%
Operating income	1,777	1,706	+4%	7,045	6,873	+3%
Operating expenses	(672)	(686)	-2%	(2,364)	(2,287)	+3%
Impairment charge	(872)	(447)	+95%	(2,670)	(966)	+176%
Total operating expenses	1,544	1,133	+36%	5,034	3,253	+55%
Net income before zakat & tax	233	573	-59%	2,010	3,619	-44%
Zakat & income tax charge	(139)	(58)	+139%	(464)	(504)	-8%
Net income after zakat & tax	94	515	-82%	1,546	3,115	-50%

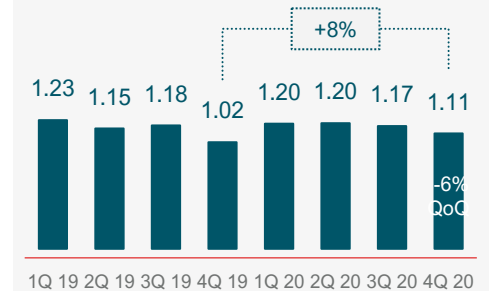
Net Income After Zakat & Tax Movement (SAR Mn)



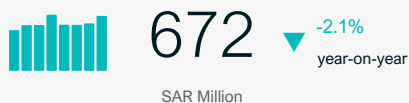
Operating Income (SAR Bn)



Net Operating Income Before Impairment Charge (SAR Bn)



Operating Expenses

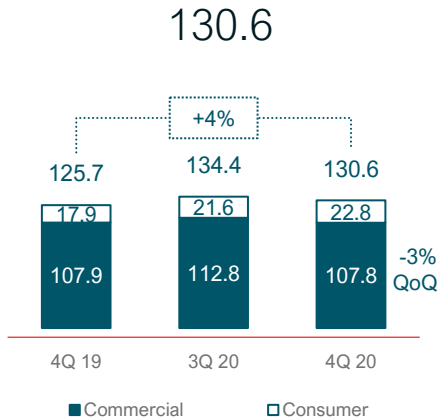


Impairment Charge

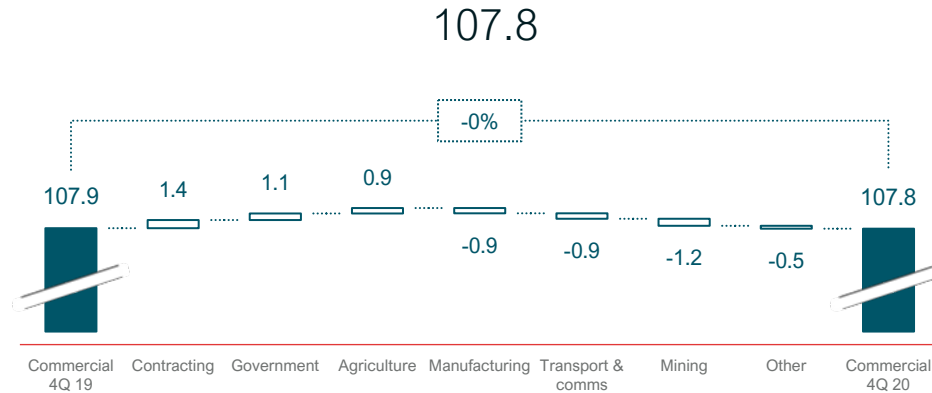


Good quality loan growth in 2020

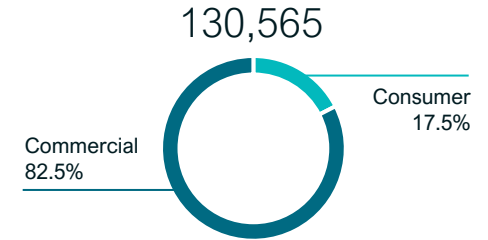
Total Loans & Advances (SAR Bn)



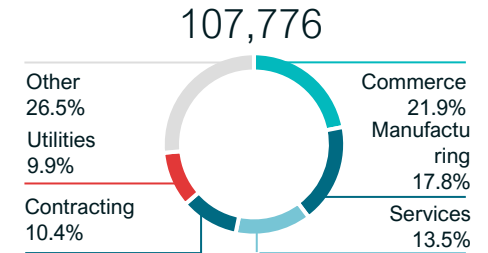
Commercial Loans Movement (SAR Bn)



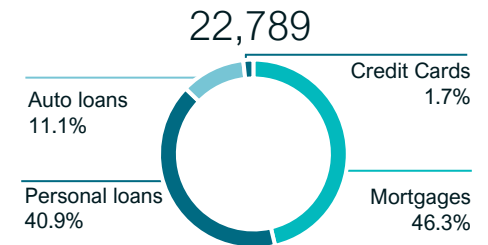
Loans & Advances Composition (SAR Mn)



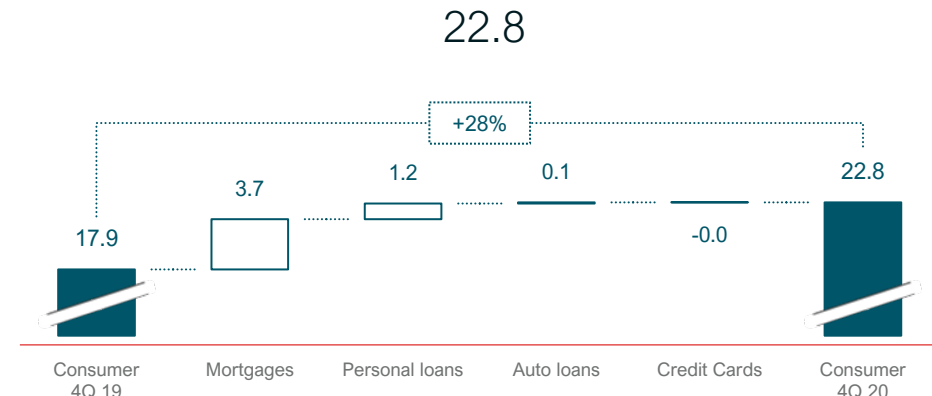
Commercial Loans Composition (SAR Mn)



Consumer Composition (SAR Mn)



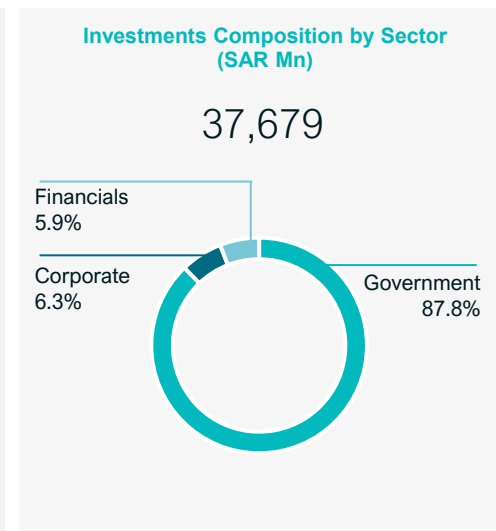
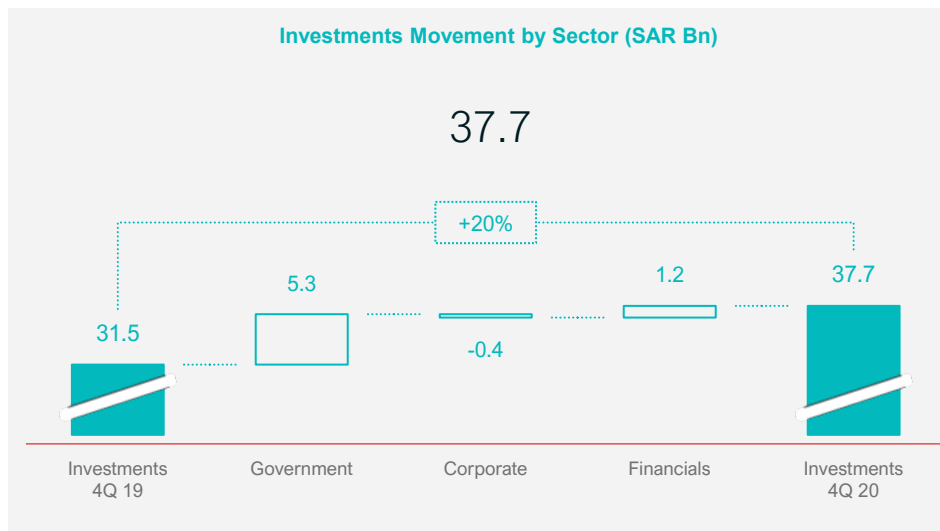
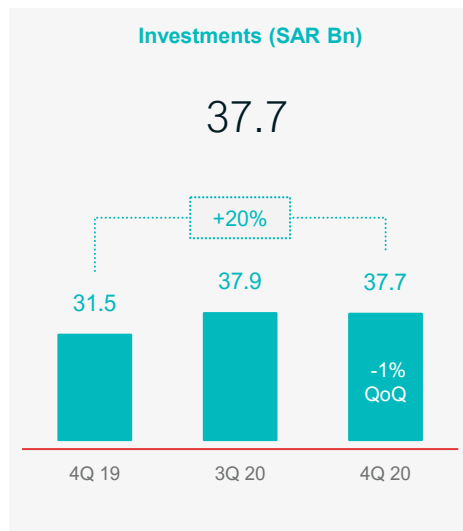
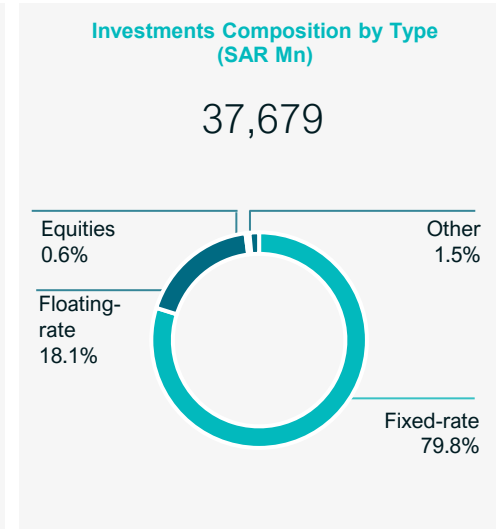
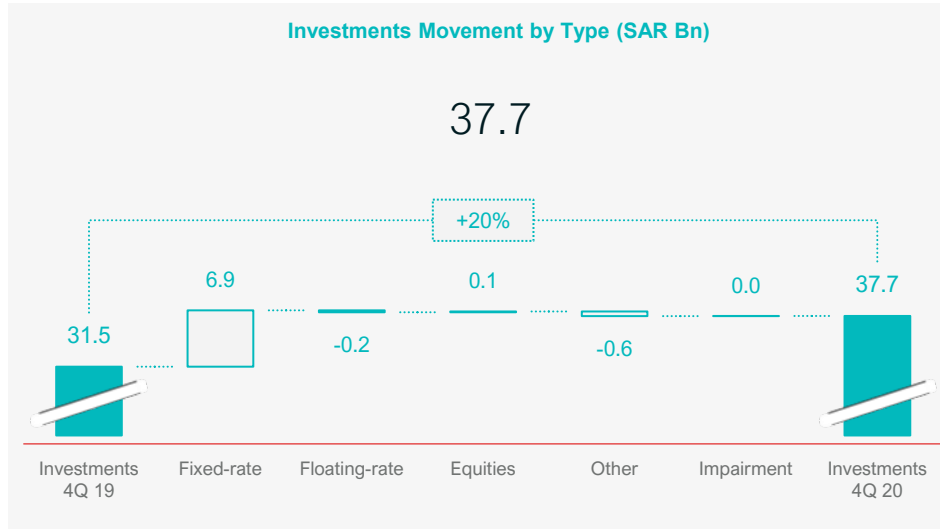
Consumer Loans Movement (SAR Bn)



- Total loans & advances grew 4% during 2020 from 28% consumer loan growth.
- Commercial loans were stable YoY as growth during 1H 2020 was offset by early repayments from a handful of corporate customers in 2H 2020.
- Consumer loans grew mainly from 54% growth in mortgages.

Strong growth in investment portfolio from increased Saudi Government bond holdings

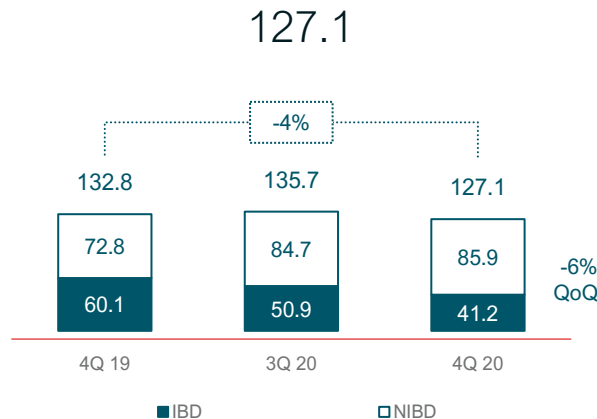
- Investments rose 20% during 2020 as the bank increased Saudi Government bond holdings.
- The investment portfolio remains of high quality with significant portion being Saudi Government and investment grade.
- More than three-quarters of the portfolio is fixed-rate and well-positioned for the lower interest rate environment.



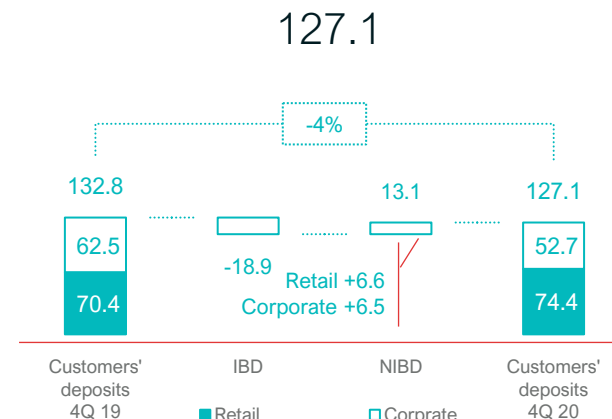
Strong growth in NIBD deposits

- Deposits declined 4% during 2020 as strong growth in NIBDs (+18%) was offset by lower IBDs (-31%).
- The decrease in IBDs was further aided by funding optimization initiatives.
- NIBD's now account for 68% of total deposits (from 55% in 2019).

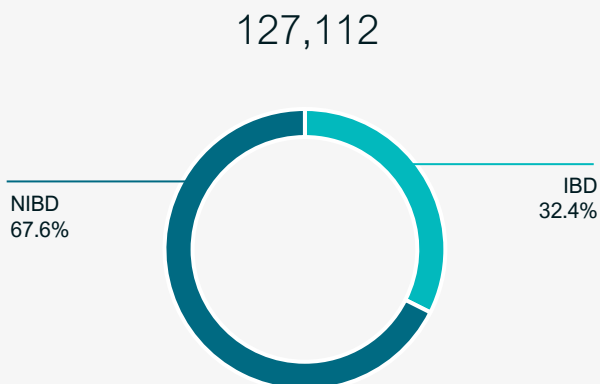
Customers' Deposits (SAR Bn)



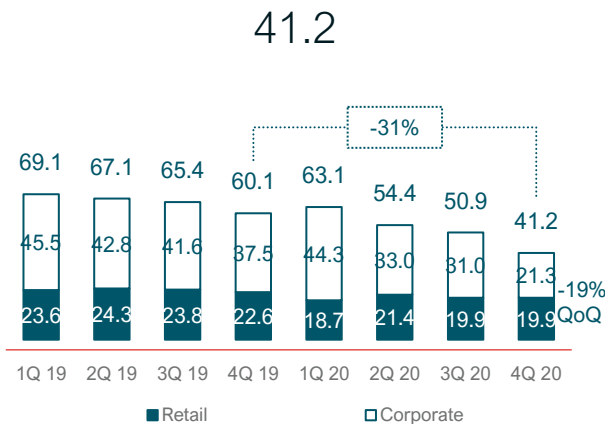
Customers' Deposits Movement (SAR Bn)



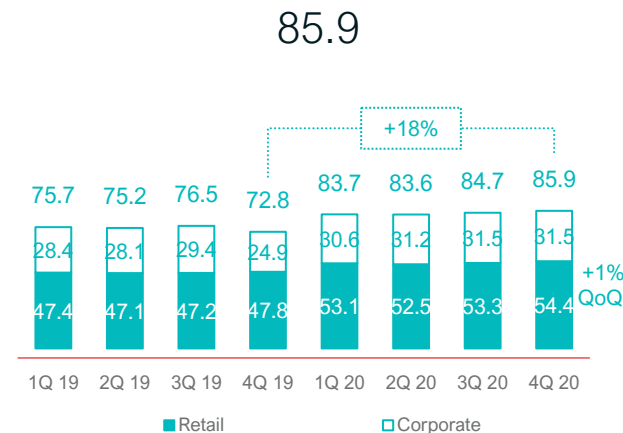
Customers' Deposits Composition (SAR Mn)



Interest Bearing Deposits (SAR Bn)

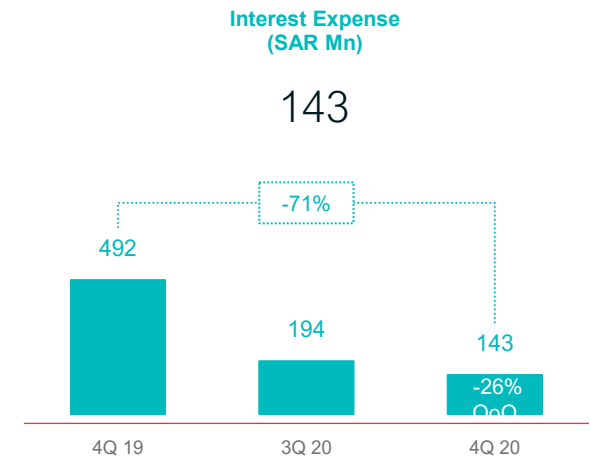
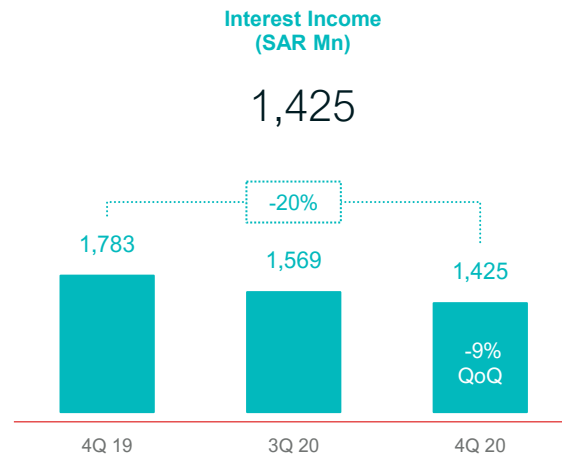
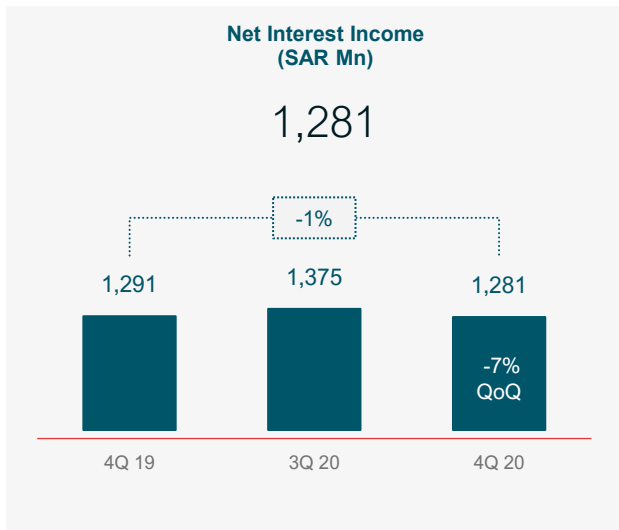
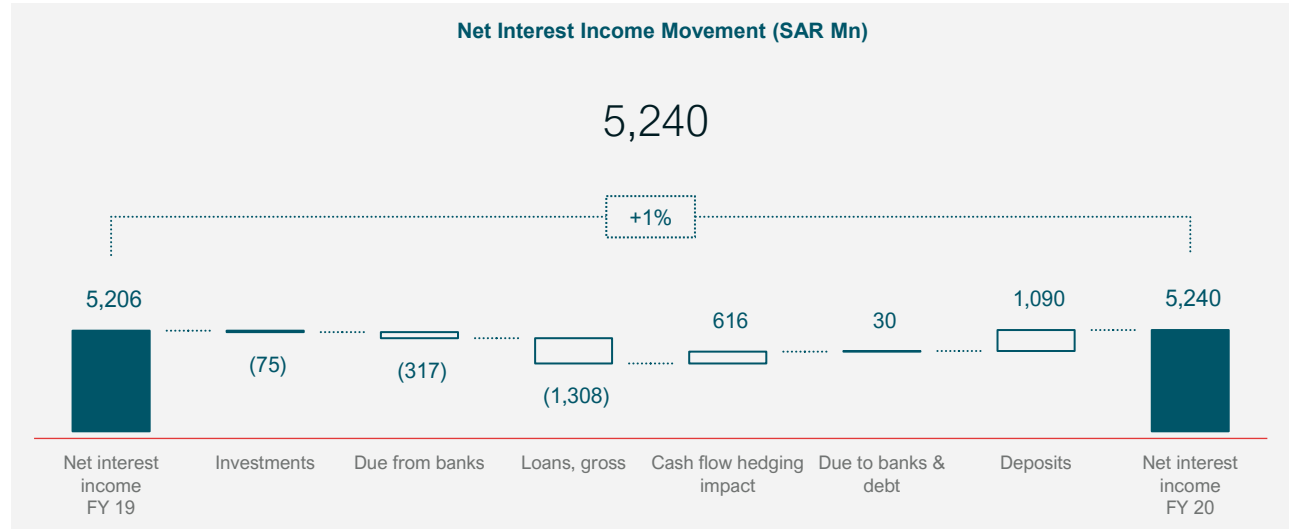


Non Interest Bearing Deposits (SAR Bn)



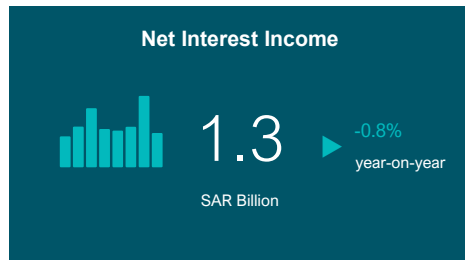
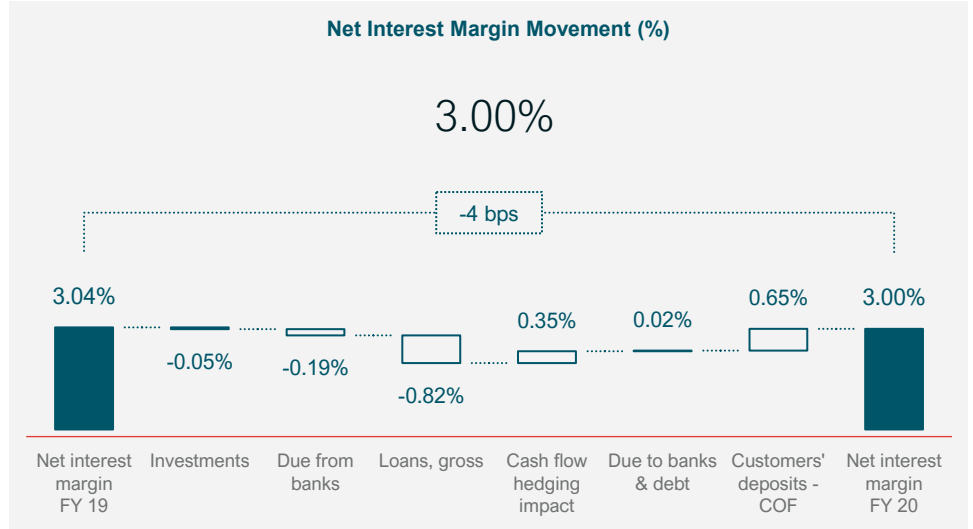
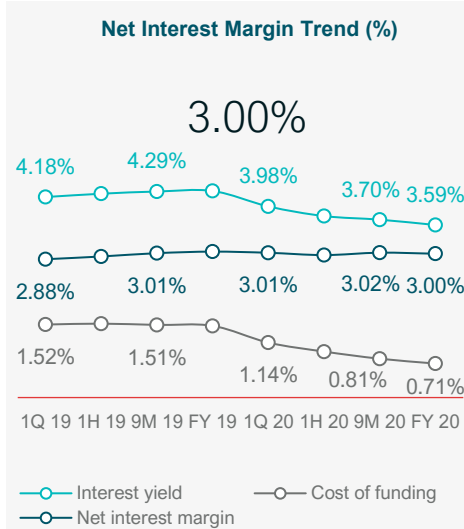
Modest 1% NII growth as improved funding costs and benefit of hedging mostly offset by lower loan yields

- NII grew 1% YoY to SAR 5,240mn in 2020 as a 15% decline in interest income was offset by a 52% improvement in funding costs.
- NII for 2020 included a net benefit of SAR 76mn from profit-free SAMA deposits less modification losses.



Improved balance sheet mix and improved funding costs mostly offset by yield pressure from lower rates

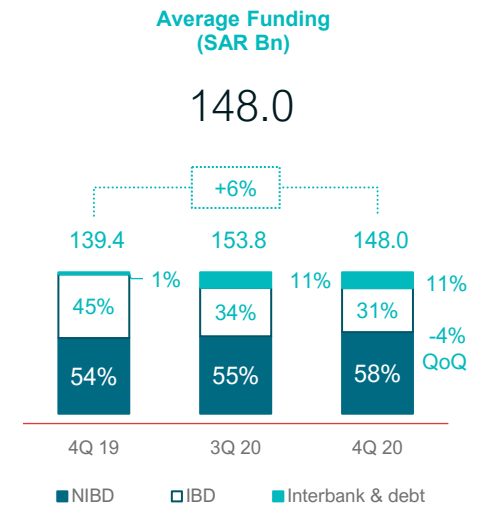
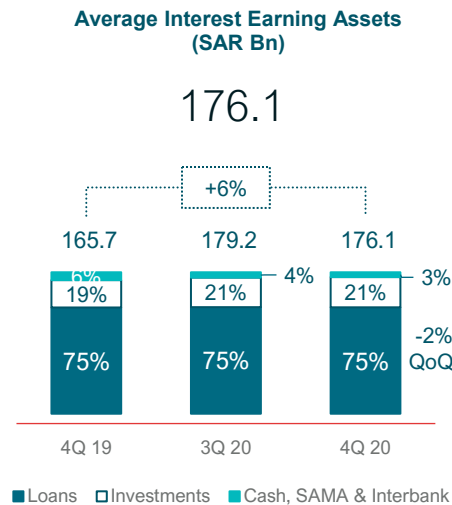
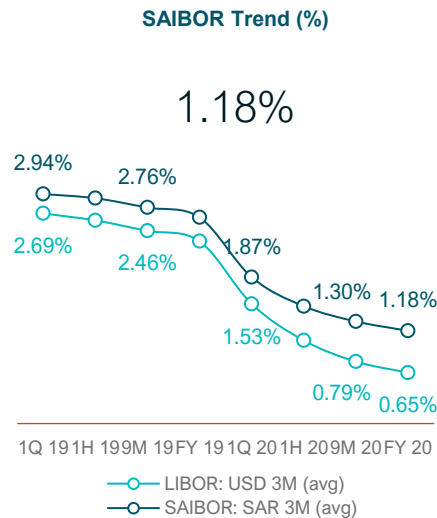
- The NIM decreased by 4bps YoY and 2bps QoQ to 3.00%.
- The margin was supported by improved balance sheet mix and funding costs, partly offset by lower asset yields from the lower rate environment.
- Funding costs improved by 78bps YoY to 0.71% in 2020.



Net Interest Income SAR Billion

1.3

-6.8% Quarter-on-quarter

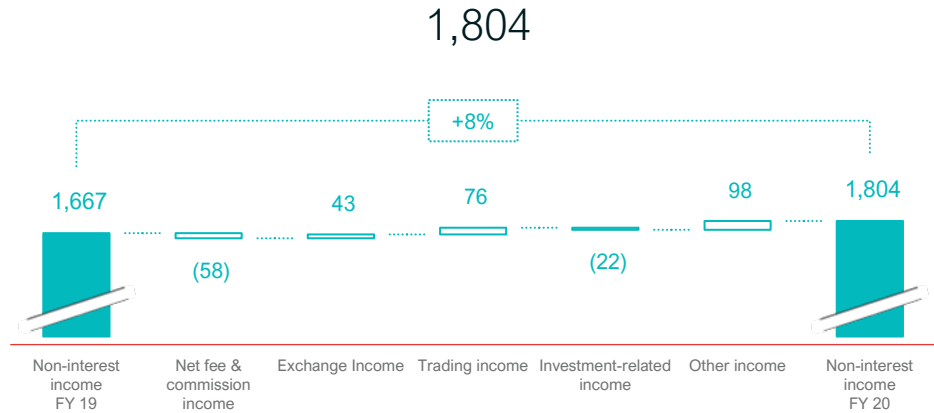


Lower banking-related fee income reflective of market conditions, offset by increase in other income from one-off gain

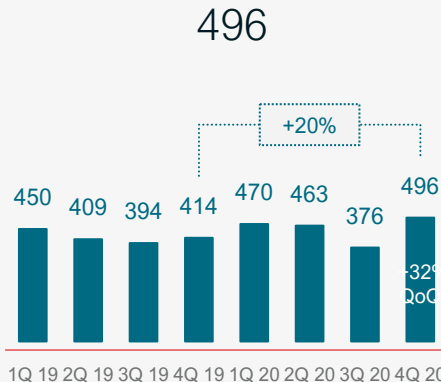
- Non-interest income for 2020 improved 8% YoY to SAR 1,804mn from improved exchange, trading and other income, which benefitted from a one-off gain of SAR 72mn.
- Net fee & commission income declined 5% YoY to SAR 1,082mn in 2020, from lower trade finance activity and Covid-19 related fee waivers.
- Exchange and trading income grew 13% and 82% respectively.

SAR (Mn)	4Q 2020	4Q 2019	Δ%	FY 2020	FY 2019	Δ%
Fee & commission income	459	397	+15%	1,523	1,504	+1%
Fee & commission expenses	(134)	(117)	+15%	(441)	(365)	+21%
Net fee & commission income	324	280	+16%	1,082	1,140	-5%
Exchange Income	82	83	-1%	379	336	+13%
Trading income	61	16	+294%	168	92	+82%
Banking-related income	468	379	+24%	1,629	1,567	+4%
Investment-related income	4	18	-79%	12	34	-66%
Other income	24	18	+35%	164	66	+149%
Non-interest income	496	414	+20%	1,804	1,667	+8%

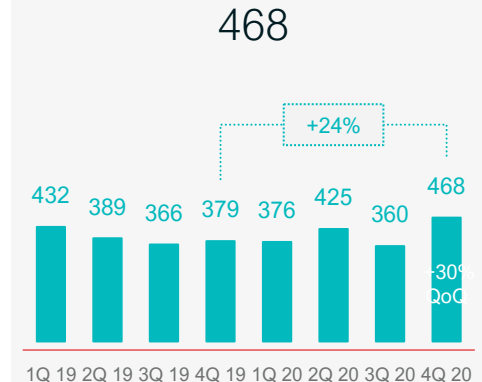
Non-Interest Income Movement (SAR Mn)



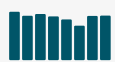
Non-Interest Income (SAR Mn)



Banking-Related Income (SAR Mn)



Trade Finance



108

SAR Million

+2.2%
year-on-year

Lending Fees



83

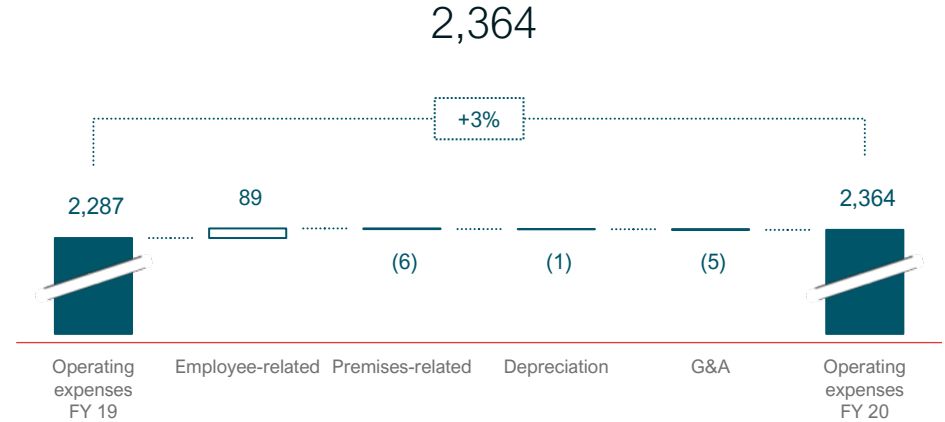
SAR Million

-23.7%
year-on-year

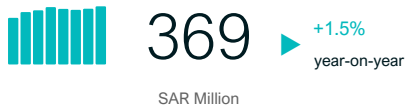
Higher operating expenses due to one-off accrual reversal in 2019

- Operating expenses increased 3% YoY to SAR 2,364mn in 2020, due to one-off accrual reversal in 2019 of SAR 74mn.
- The cost to income ratio increased modestly to 33.6% in 2020 from 33.3% in 2019.
- Relative to the previous quarter, operating expenses increased 17% but declined 2% on a YoY basis to SAR 672mn.

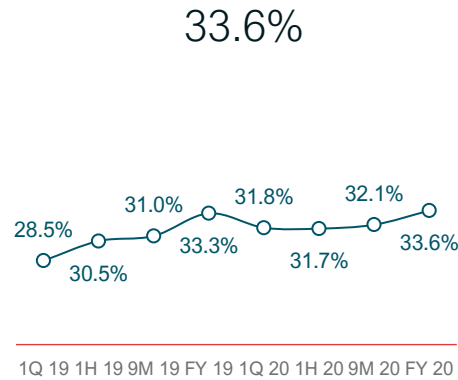
Operating Expenses Movement (SAR Mn)



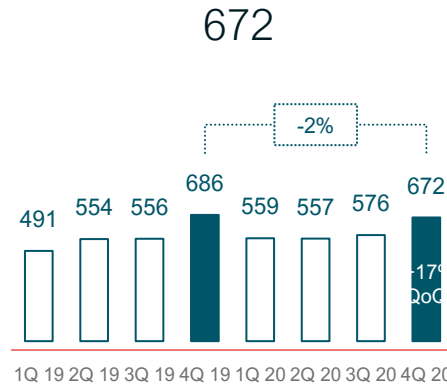
Employee-Related



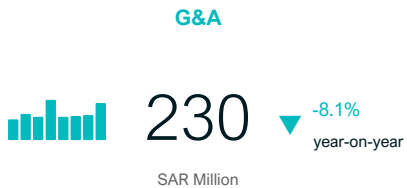
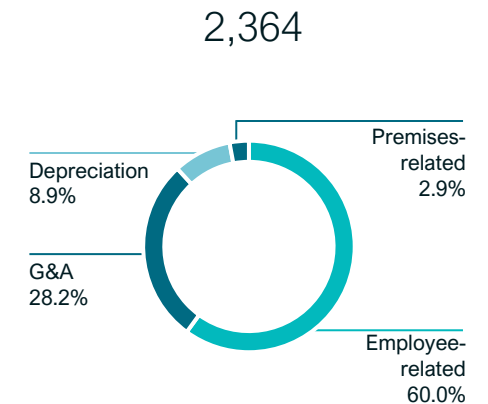
Cost To Income Ratio (%)



Operating Expenses (SAR Mn)

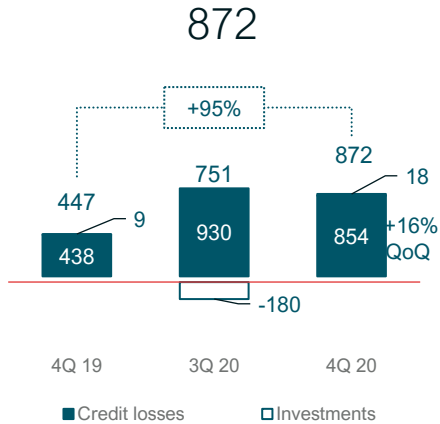


Operating Expenses Composition (SAR Mn)

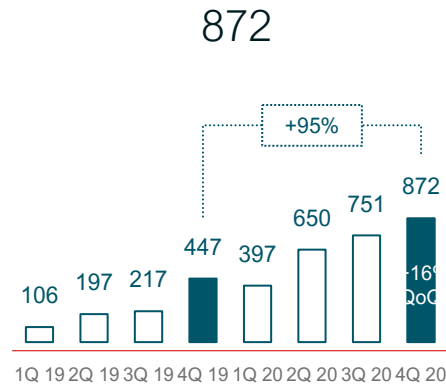


Rising impairment charge and cost of risk from higher commercial provisions

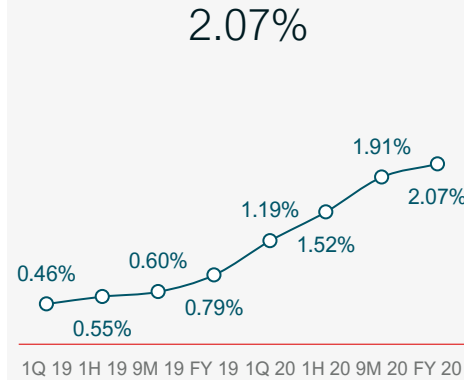
Impairment Charge (SAR Mn)



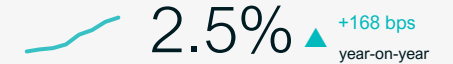
Impairment Charge (SAR Mn)



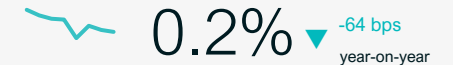
Cost of Credit Risk (%)



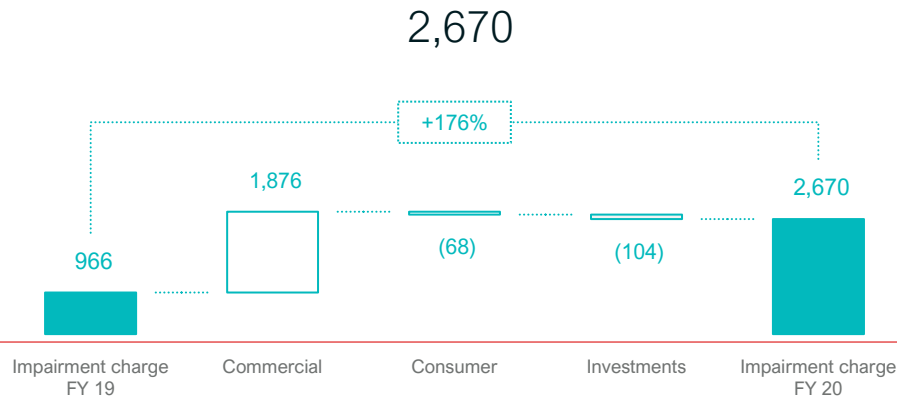
Commercial COR



Consumer COR



Impairment Charge Movement (SAR Mn)

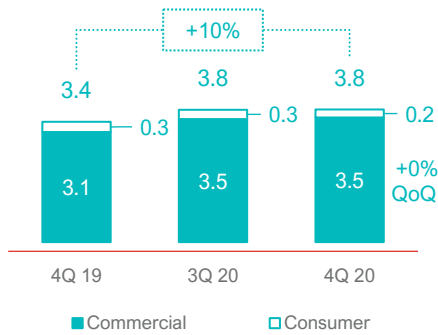


- The total impairment charge for 2020 was SAR 2,670mn.
- This increase was driven by reassessment of the macroeconomic scenarios (based on more pessimistic forecasts owing to Covid-19), a conservative review of borrower risk ratings resulting in IFRS 9 Stage transitions and additional sector-based overlays of SAR 436 million.

Rise in NPLs from commercial book; NPL ratio increased 14bps YoY and NPL coverage improved 16.1ppts YoY

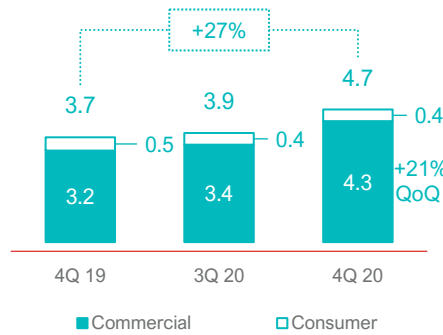
Non Performing Loans & Advances (SAR Bn)

3.8



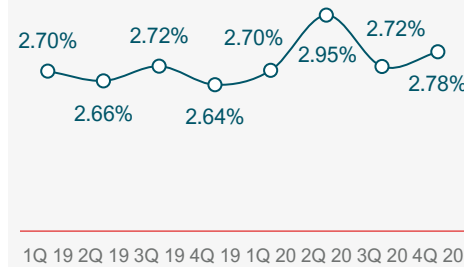
Allowance For Impairment (SAR Bn)

4.7



NPL Ratio (%)

2.78%



Commercial NPL Ratio (%)

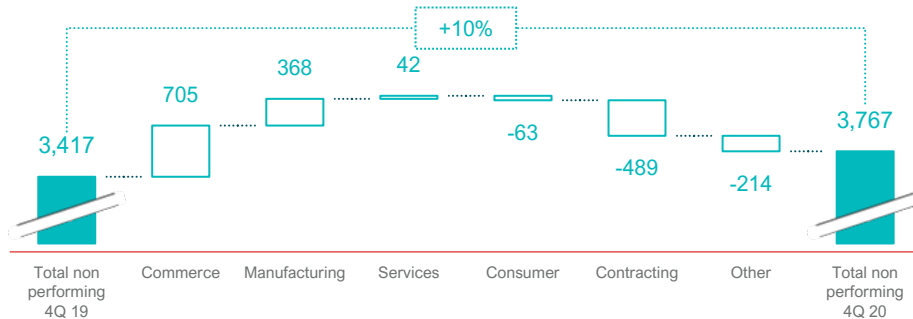
3.2% ▲ +34 bps year-on-year

Consumer NPL Ratio (%)

1.0% ▼ -60 bps year-on-year

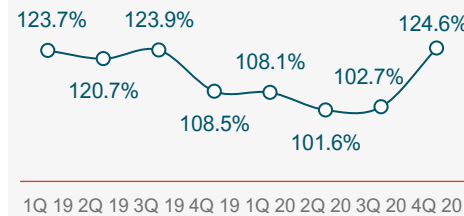
Total Non Performing Movement (SAR Mn)

3,767



NPL Coverage Ratio (%)

124.6%



Commercial NPL Coverage (%)

121% ▲ +17 ppts year-on-year

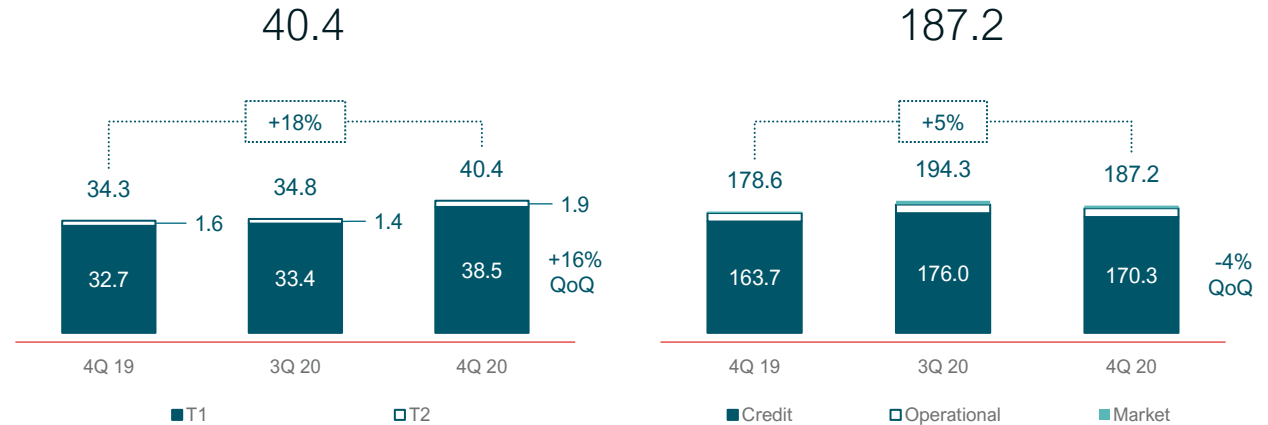
Consumer NPL Coverage (%)

183% ▲ +21 ppts year-on-year

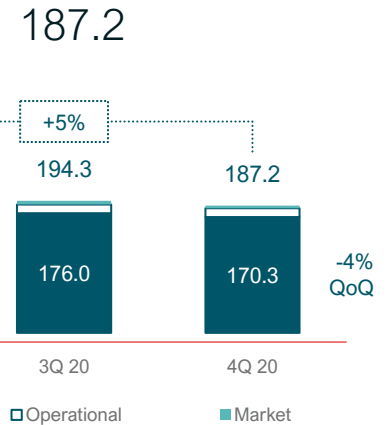
Capital ratios improved on Tier 1 Sukuk Issuance

- Total capital increased by SAR 6.1bn (+18% YoY) during 2020 from Tier 1 Sukuk issuance of SAR 5.0bn, net income generation of SAR 1.5bn, increased reserves of SAR 0.7bn, partly offset by the SAR1.2bn final 2019 dividend payment.
- RWAs rose 5% YoY to SAR 187.2bn on growth in loans and investments.
- CAR was 21.56% and the Tier 1 ratio was 20.56% as at 31 December 2020, improving from 4Q 2019 levels as capitalization growth exceeded grow in RWAs during the period.

Total Capital (SAR Bn)

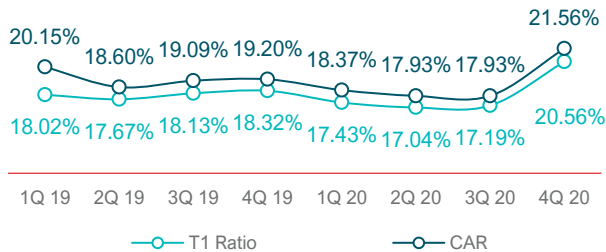


RWA (SAR Bn)

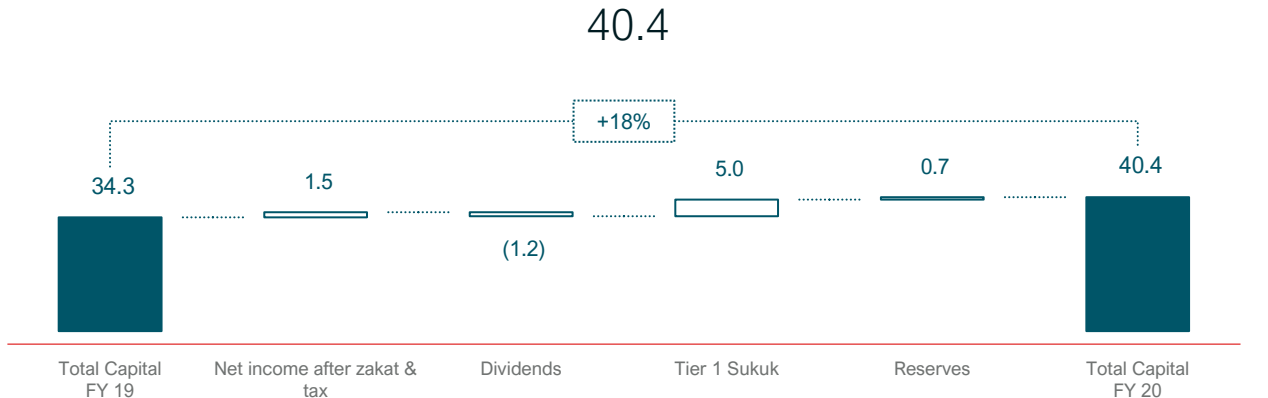


CAR (%)

21.56%



Total Capital Movement (SAR Bn)

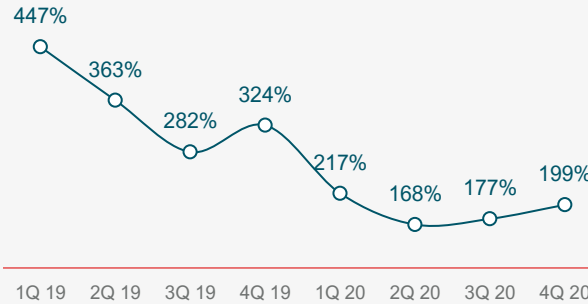


Liquidity remains strong and comfortably within regulatory limits

- LCR declined 125ppts during 2020 due to a decline in HQLA of 2% from balance sheet optimization, but remains comfortable at 199%.
- NSFR improved modestly by 4ppts during 2020 to 122%.
- The bank continues to manage the LTD ratio for optimum efficiency in cost of funding, while maintaining the SAMA regulatory ratio, which was 82.3% as at 31 December 2020, within required levels.

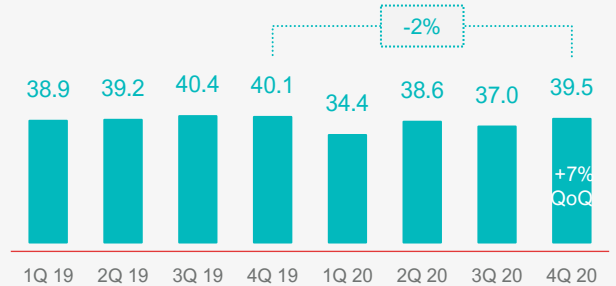
LCR Average (%)

199%



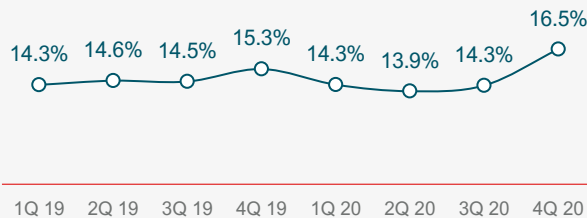
HQLA (SAR Bn)

39.5



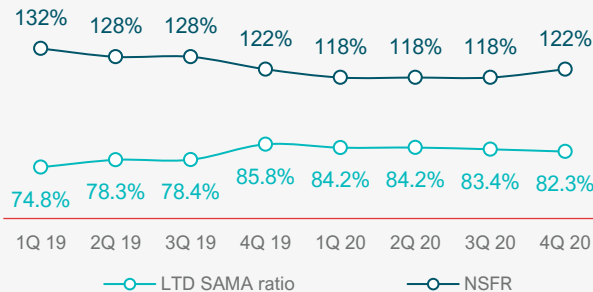
Leverage ratio (%)

16.5%



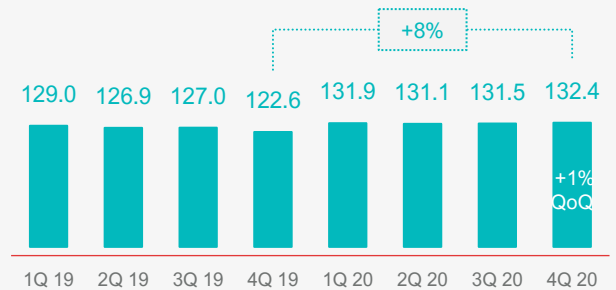
NSFR (%)

122%



Available Stable Funding (SAR Bn)

132.4



INVESTOR PRESENTATION 4Q/FY 2020

Outlook and Guidance

Improved outlook for 2021

	Previous 2020 Guidance	4Q 2020 Outcome	2021 Guidance
LOANS & ADVANCES, NET	<ul style="list-style-type: none"> 2020 growth of 4% YoY, below guidance due to early repayments. Continued mortgage growth and elevated corporate repayments expected in 2021. 	<p>Loans & Advances SAR Billion</p> <p>130.6</p> <p>▲ +3.8% year-to-date</p>	<p>130.6</p> <p>Mid to high single-digit</p>
NET INTEREST MARGIN	<ul style="list-style-type: none"> NIM declined 4bps YoY. Broadly stable NIM expected in 2021 at around 3.0%. 	<p>NIM (%)</p> <p>3.00%</p> <p>▶ -4 bps year-to-date</p>	<p>3.00%</p> <p>~3.00%</p> <p>3.05%</p> <p>2.95%</p>
COST OF RISK	<ul style="list-style-type: none"> Cost of risk rose 127bps YoY, mainly from stage movements and Covid-19 impacts. Cost of risk expected to decrease materially in 2021 to 100bps or below. 	<p>Cost of risk (%)</p> <p>2.07%</p> <p>▲ +127 bps year-to-date</p>	<p>2.07%</p> <p>At or below 100bps</p> <p>1.00%</p>
COST TO INCOME RATIO	<ul style="list-style-type: none"> The bank is carefully managing the cost base for optimum efficiency, while continuing to invest in critical IT and digital capabilities. Expect CI-ratio at or below 33% for 2021. 	<p>Cost to income ratio (%)</p> <p>33.6%</p> <p>▲ +28 bps year-to-date</p>	<p>33.6%</p> <p>At or below 33%</p> <p>33.0%</p>

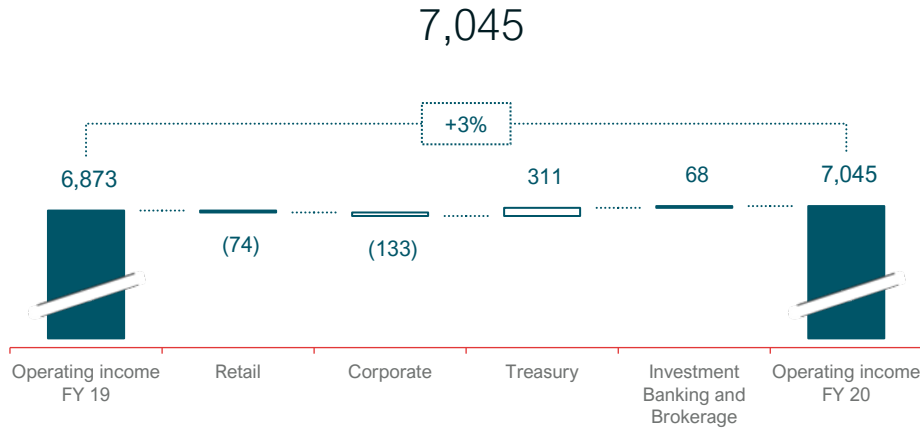


INVESTOR PRESENTATION 4Q/FY 2020

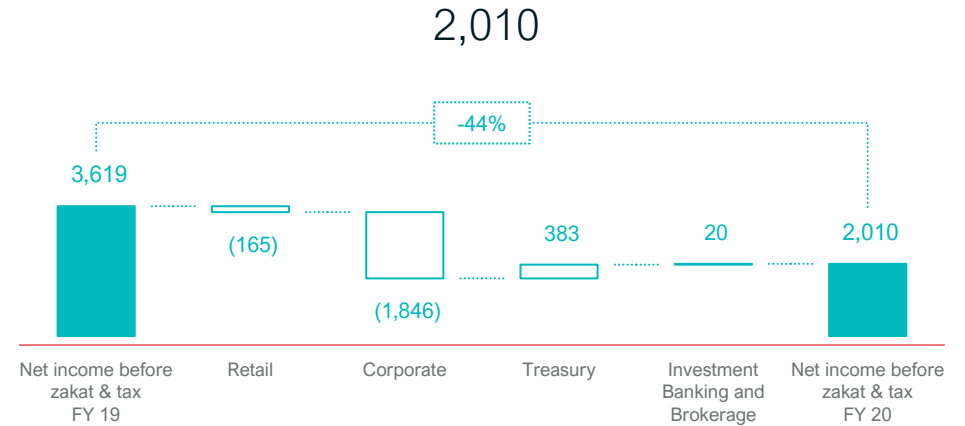
Segmental Performance

Healthy profit growth in Treasury, while Corporate impacted by higher impairments

Operating Income Movement (SAR Mn)



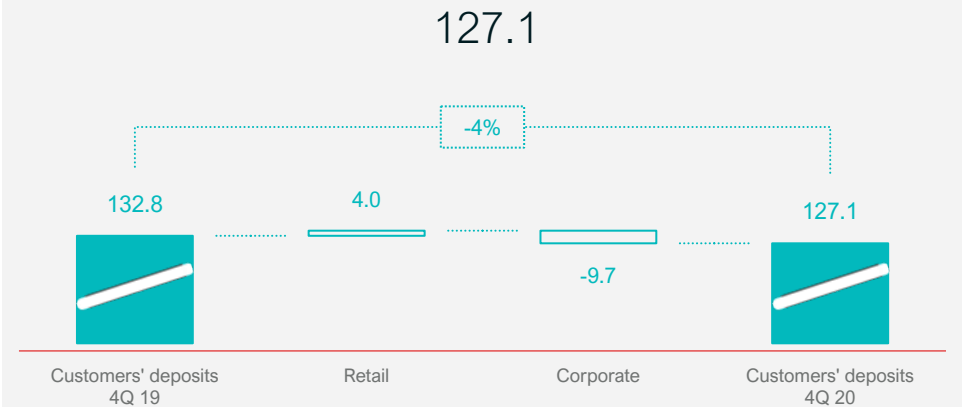
Net Income Before Zakat & Tax Movement (SAR Mn)



Loans & Advances Movement (SAR Bn)

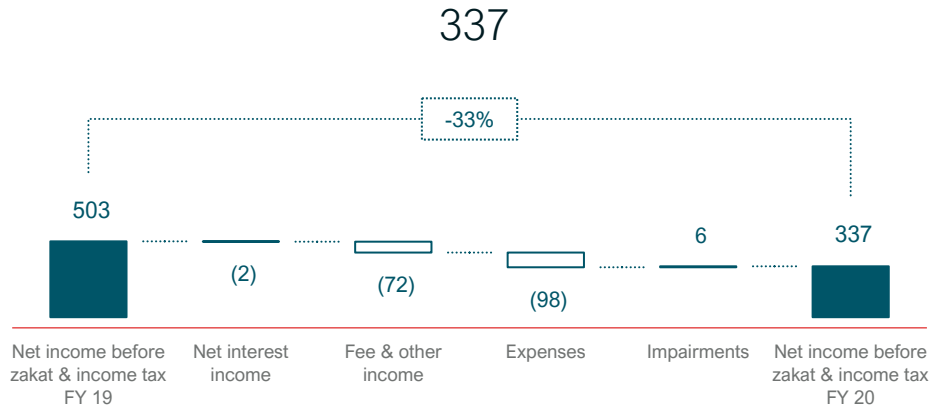


Customers' Deposits Movement (SAR Bn)

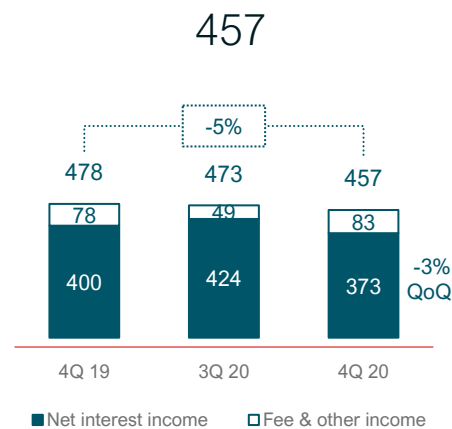


Decline in profits driven by lower income and higher operating costs

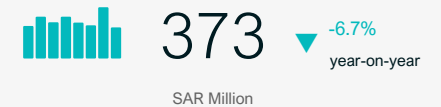
Net Income Before Zakat & Income Tax Movement (SAR Mn)



Total Operating Income (SAR Mn)



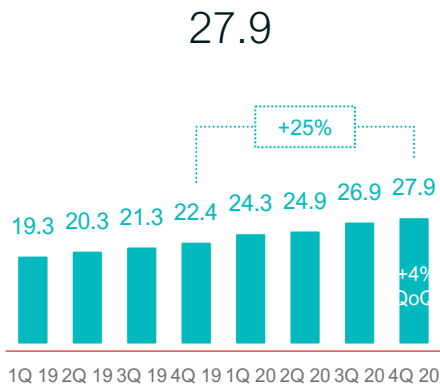
Net Interest Income



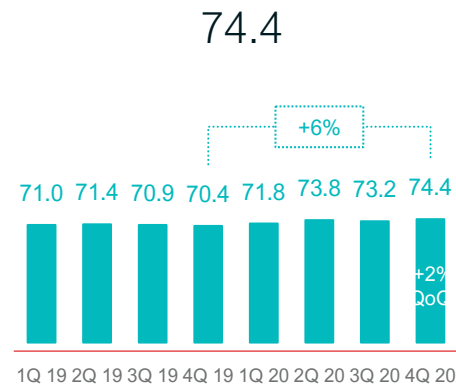
Fee & other income



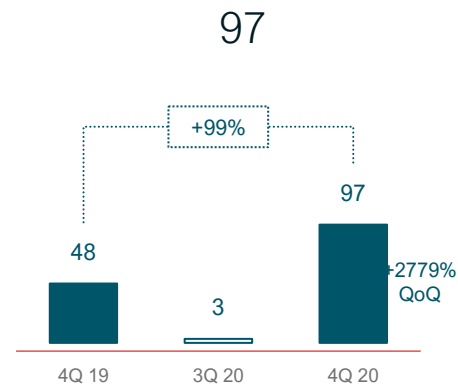
Retail Loans (SAR Bn)



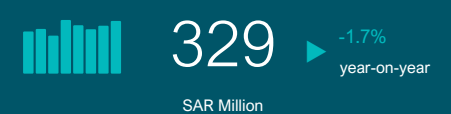
Retail Deposits (SAR Bn)



Net Income Before Zakat & Income Tax (SAR Mn)



Expenses

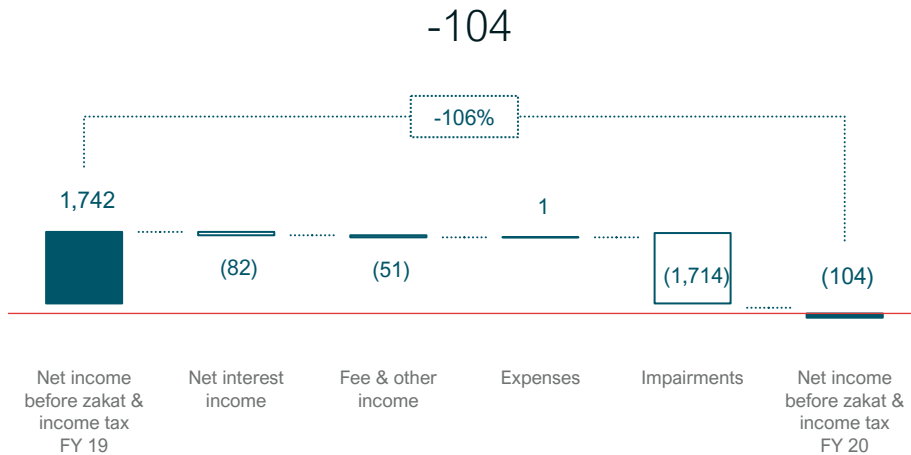


Impairments

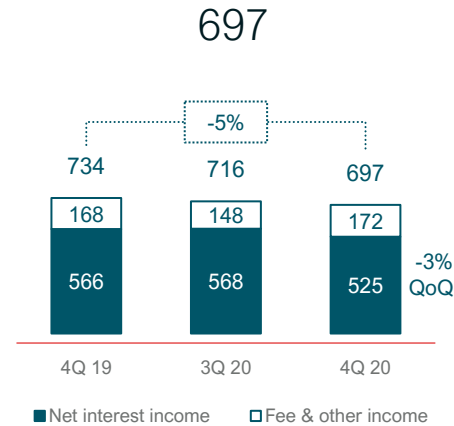


Higher impairments and lower income drive decline in Corporate profitability

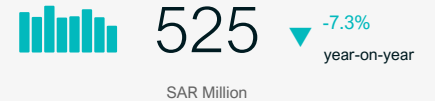
Net Income Before Zakat & Income Tax Movement (SAR Mn)



Total Operating Income (SAR Mn)



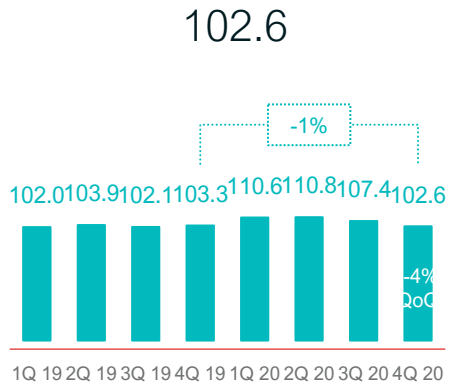
Net Interest Income



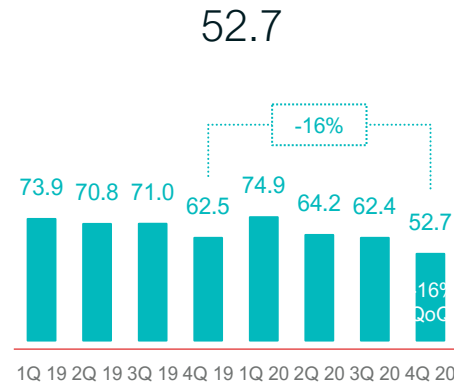
Fee & other income



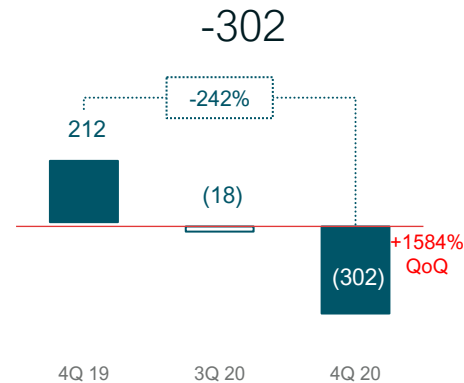
Corporate Loans (SAR Bn)



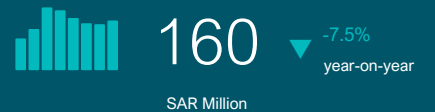
Corporate Deposits (SAR Bn)



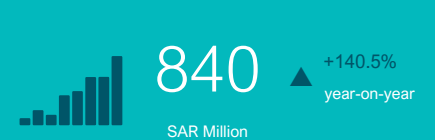
Net Income Before Zakat & Income Tax (SAR Mn)



Expenses

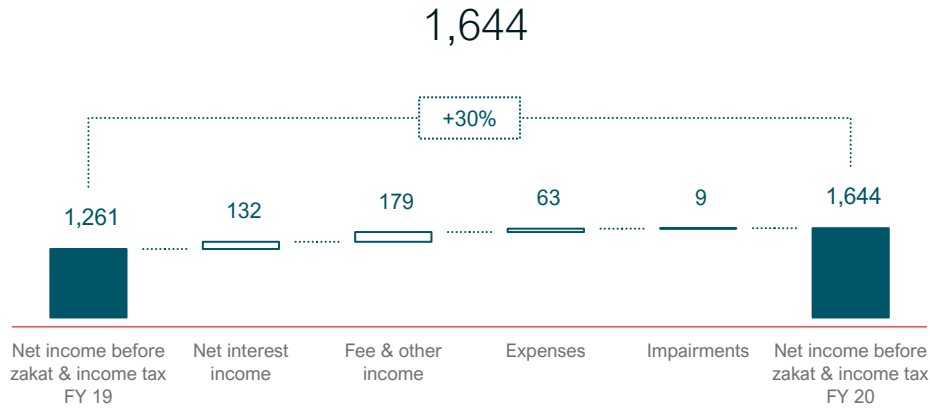


Impairments

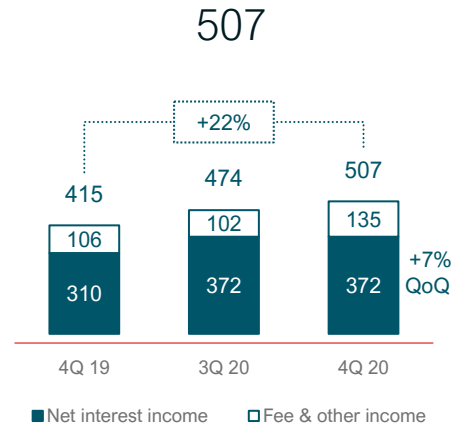


Strong profit growth driven by increased income

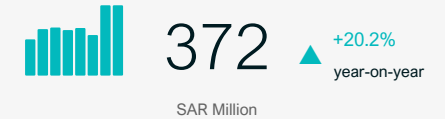
Net Income Before Zakat & Income Tax Movement (SAR Mn)



Total Operating Income (SAR Mn)



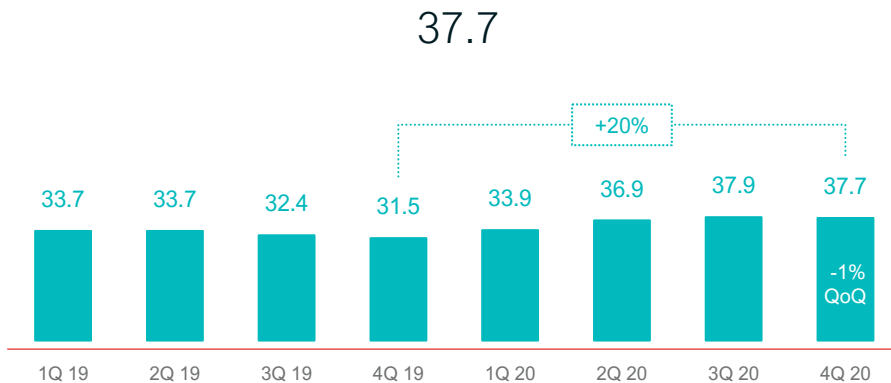
Net Interest Income



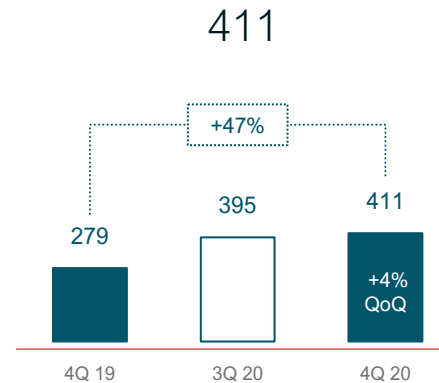
Fee & other income



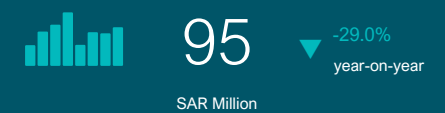
Investments (SAR Bn)



Net Income Before Zakat & Income Tax (SAR Mn)



Expenses

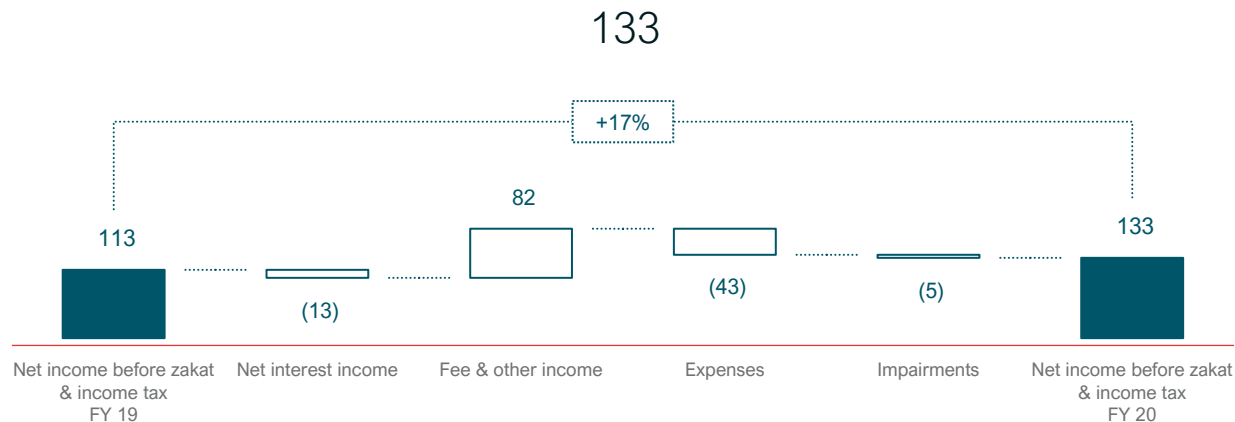


Impairments

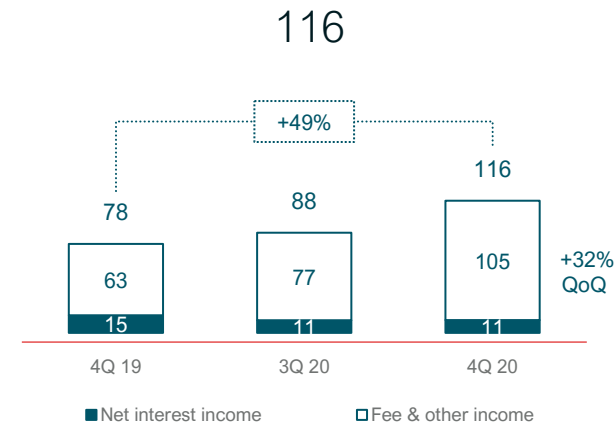


Profitability improvement from higher brokerage & asset management income

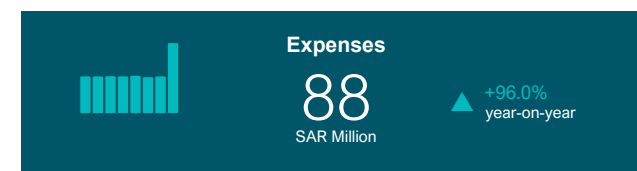
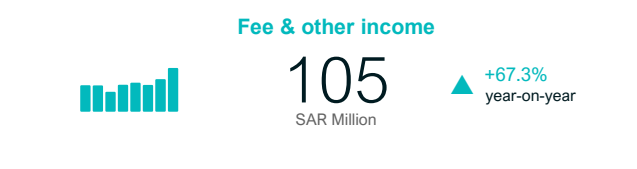
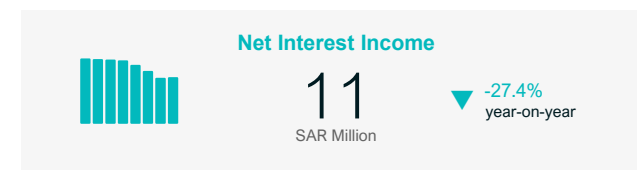
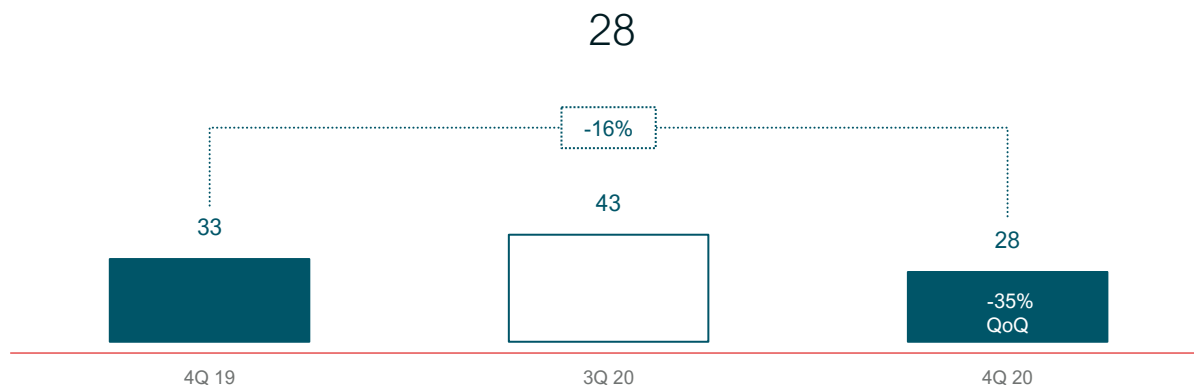
Net Income Before Zakat & Income Tax Movement (SAR Mn)



Total Operating Income (SAR Mn)



Net Income Before Zakat & Income Tax (SAR Mn)





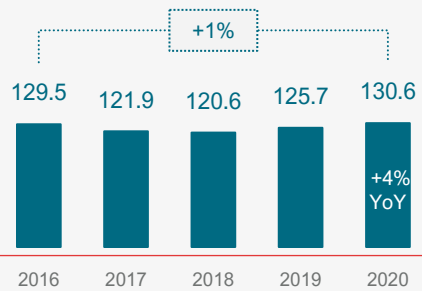
INVESTOR PRESENTATION 4Q/FY 2020

Performance Track Record

Balance Sheet Metrics

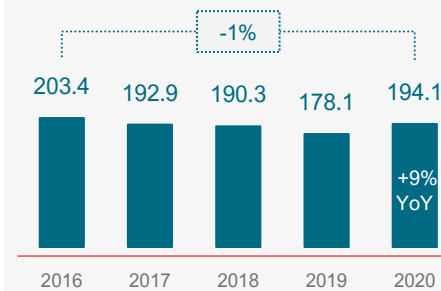
Loans & Advances (SAR Bn)

130.6



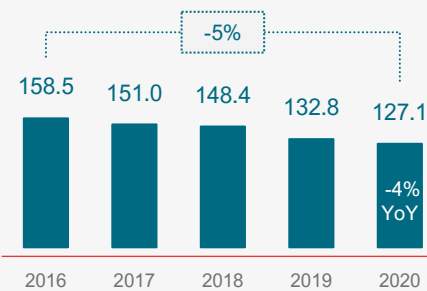
Total Assets (SAR Bn)

194.1



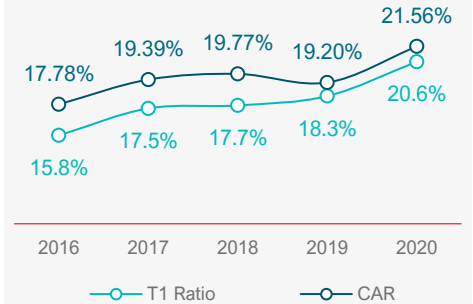
Customers' Deposits (SAR Bn)

127.1



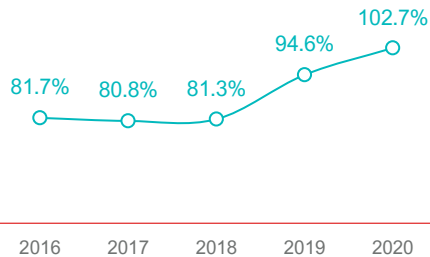
CAR (%)

21.56%



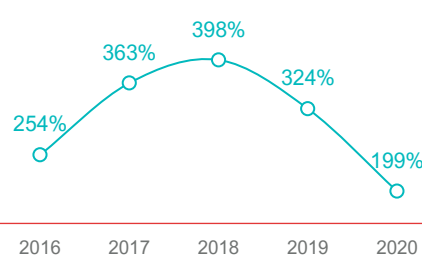
LTD Ratio (%)

102.7%



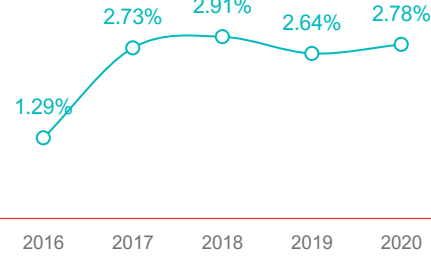
LCR (%)

199%



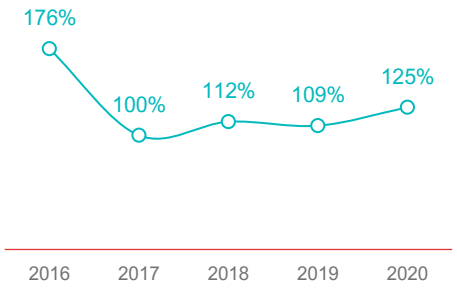
NPL Ratio (%)

2.78%



NPL Coverage Ratio (%)

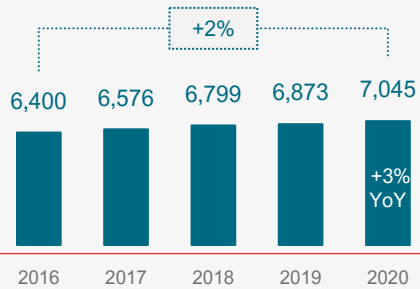
125%



Income Statement Metrics

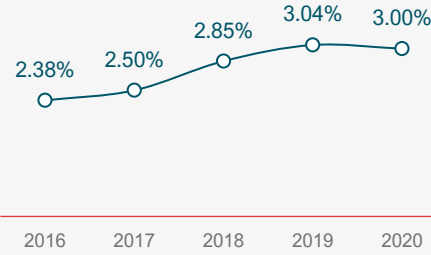
Operating Income (SAR Mn)

7,045



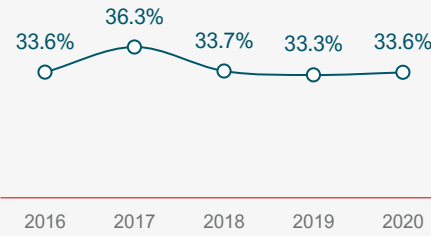
Net Interest Margin (%)

3.00%



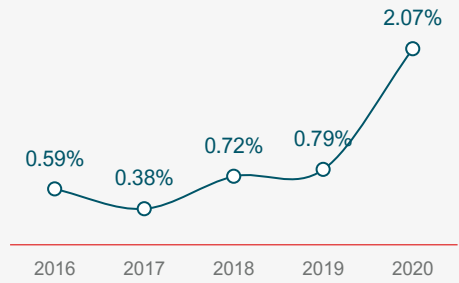
Cost To Income Ratio (%)

33.6%



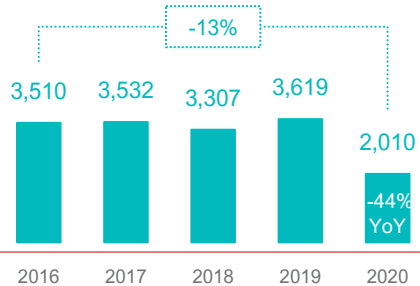
Cost Of Risk (%)

2.07%



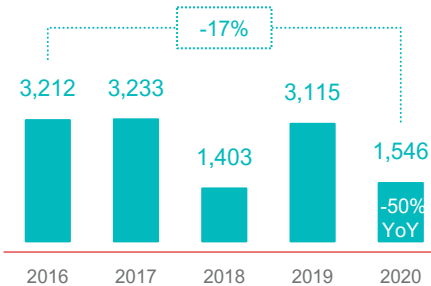
Net Income Before Zakat & Tax (SAR Mn)

2,010



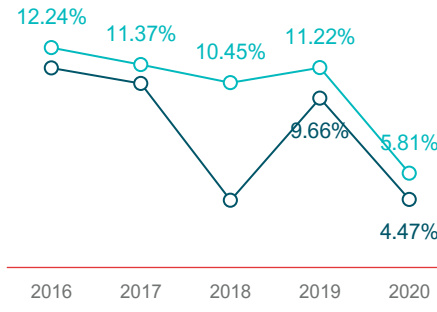
Net Income After Zakat & Tax (SAR Mn)

1,546



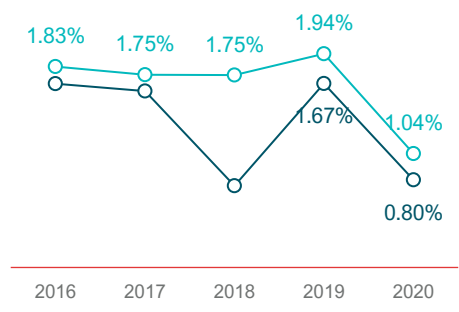
ROAE (%)

4.47%



ROAA (%)

0.80%



— ROAE - before zakat & income tax — ROAE

— ROAA - before zakat & income tax — ROAA

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