



The National Commercial Bank Earnings Presentation

3Q 2020 Results

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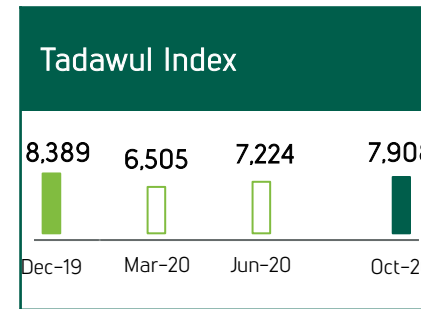
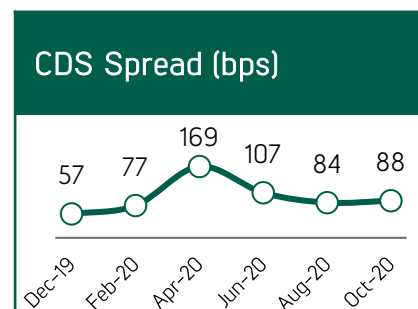
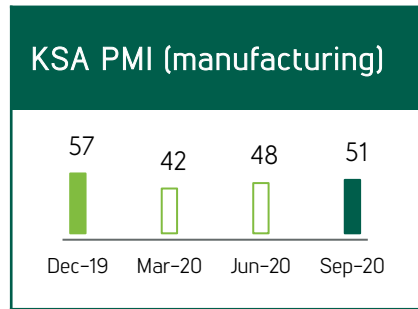
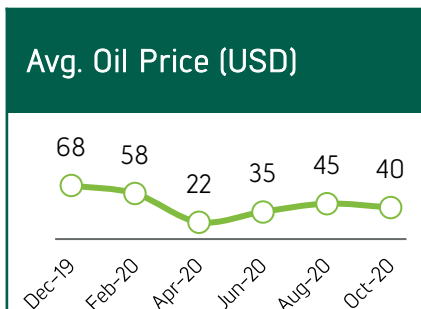
Key Updates

Signs of stabilization emerge

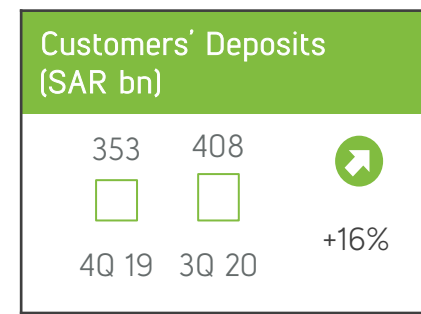
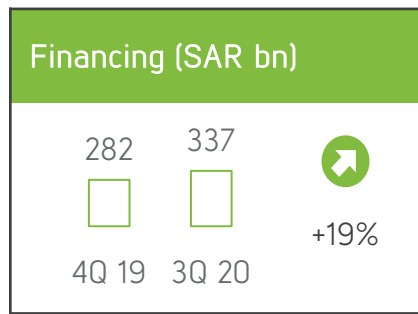
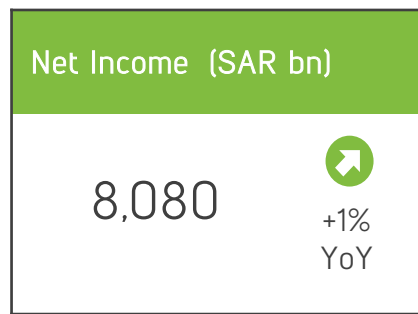
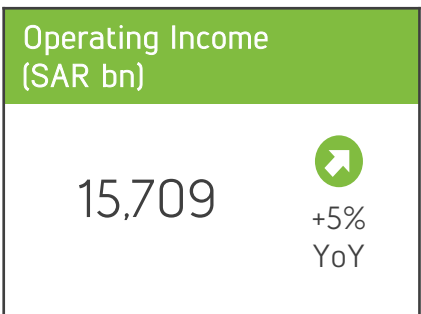
NCB & SAMBA Merger

Building a new Saudi Banking Champion & Regional Powerhouse
 Creating value for our shareholders, customers, employees and community

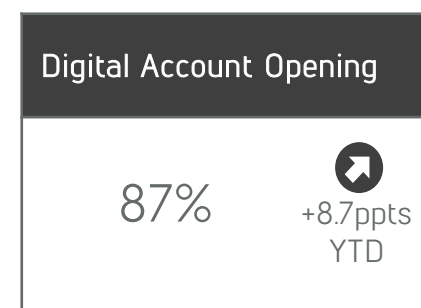
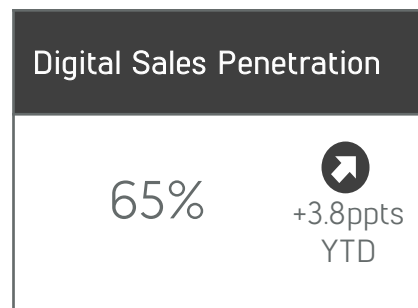
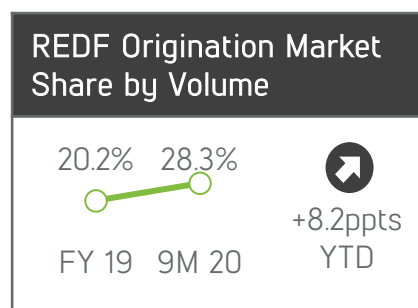
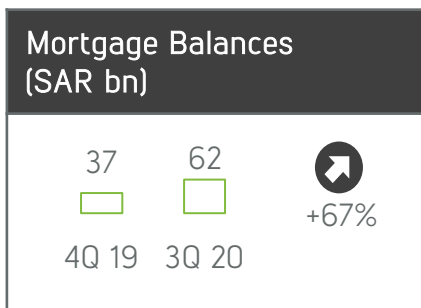
Operating Environment



9M 2020 Performance



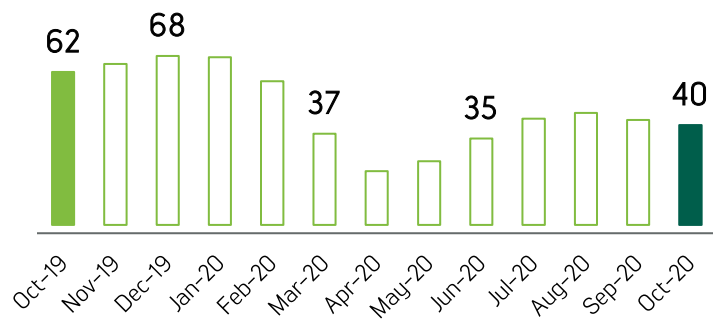
Strategic Focus



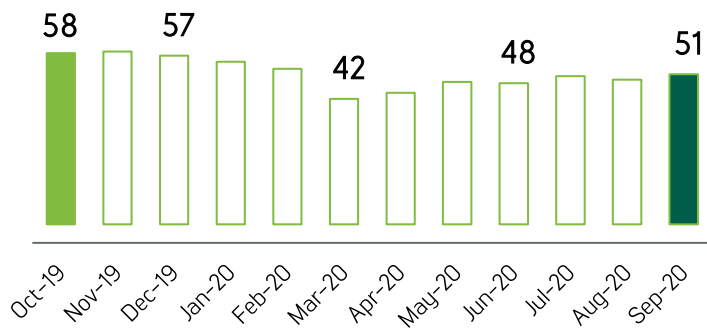
Operating Environment

Early signs of recovery and stabilization in recent months;
Operating environment remains challenging and uncertain

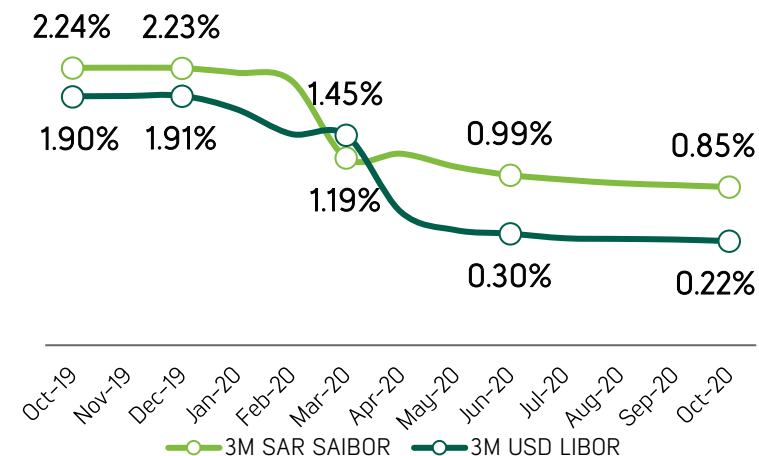
Average Oil Price (USD)



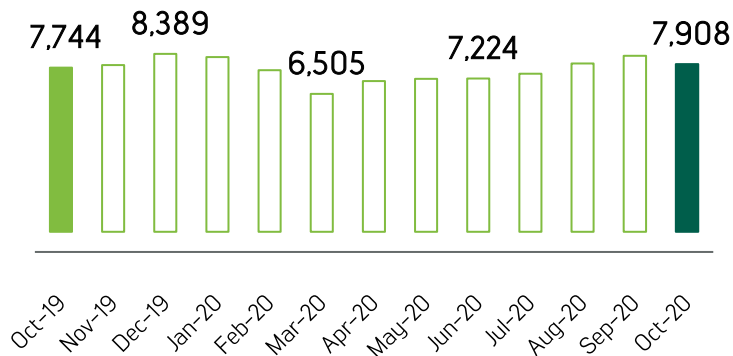
KSA PMI (manufacturing)



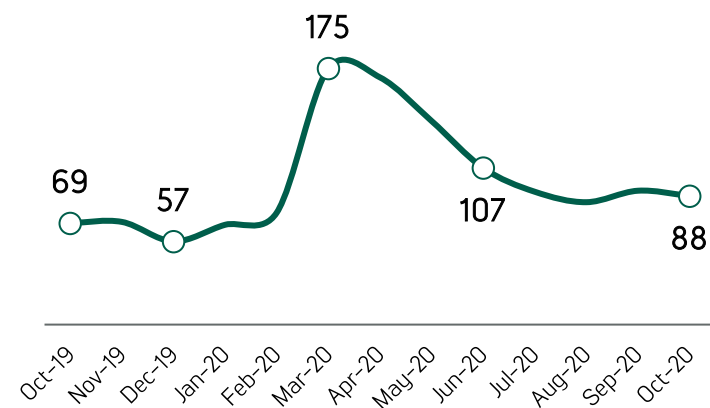
Interbank Rates (%)



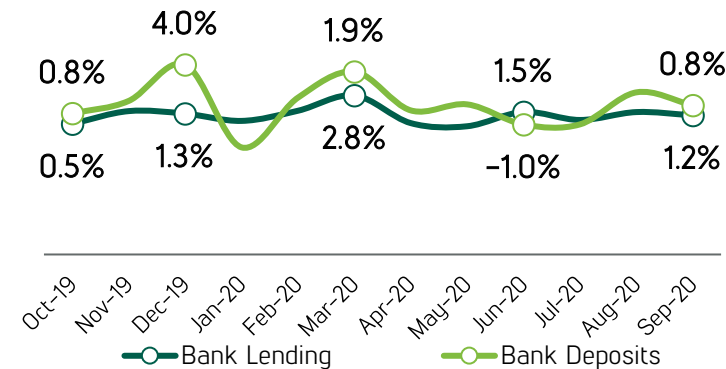
Tadawul Index



CDS Spread (bps)



Bank Lending & Deposits Growth

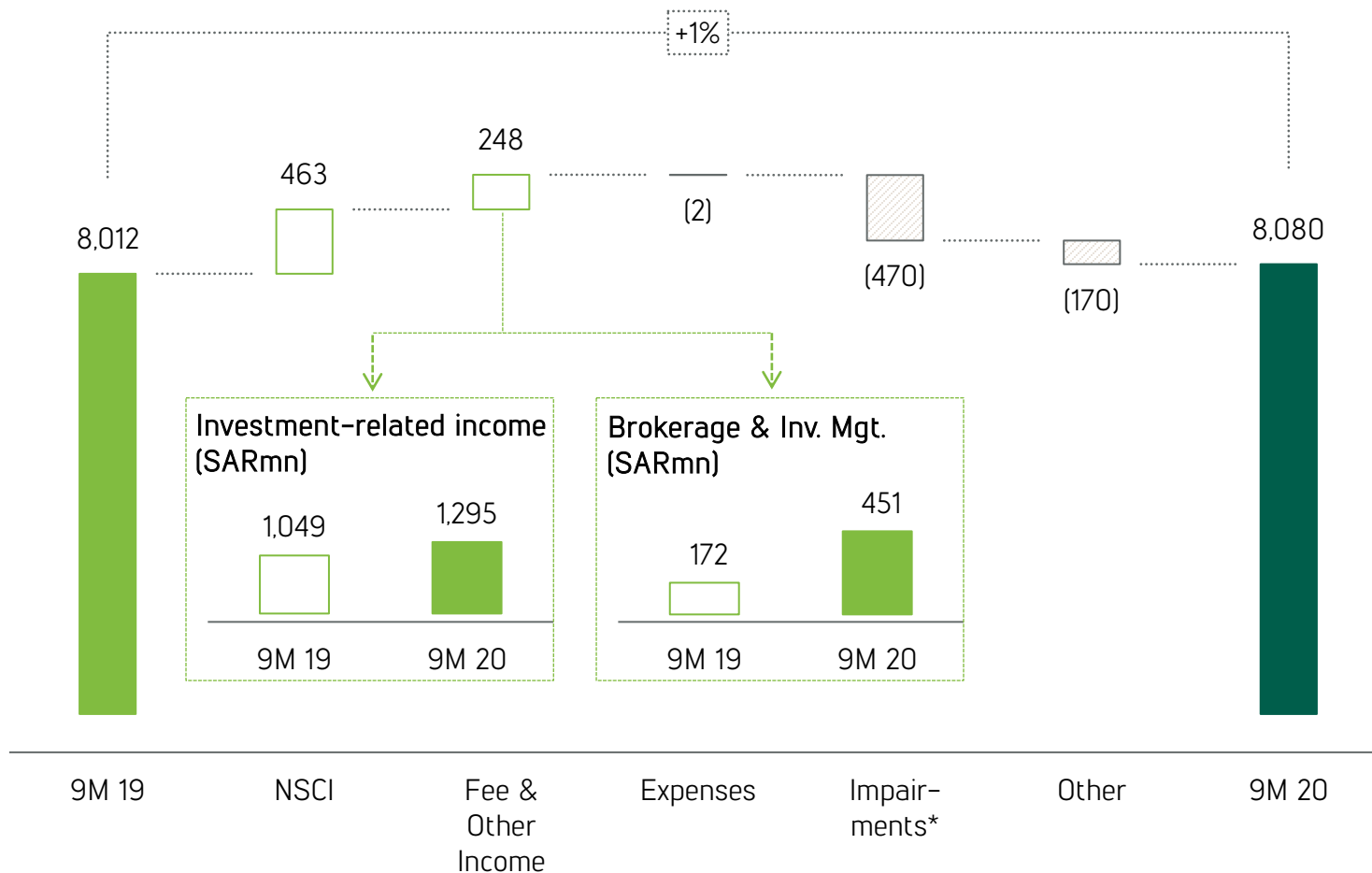


Macroeconomic Indicator Sources: Thomson Reuters, SAMA, IHS, Bloomberg, Tadawul

Resilient Financial Performance

Net profit growth despite Covid-19 impacts

Net Income after Zakat and Income Tax attributed to Equity Holders (SARmn)



Operating Income (SARmn)



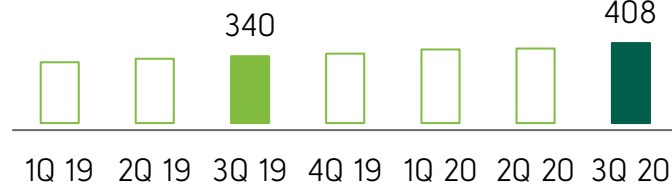
Net income (SARmn)



Financing (SARbn)



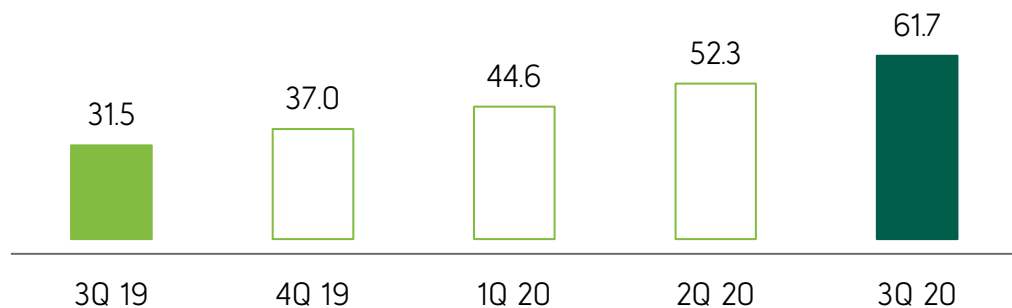
Customers' Deposits (SARbn)



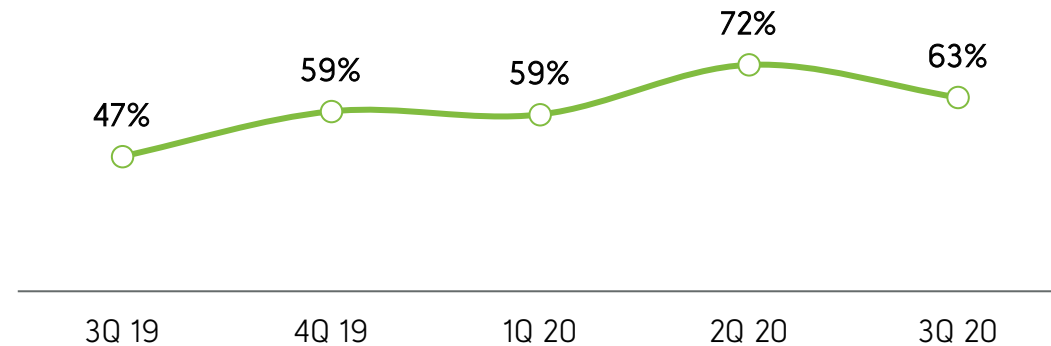
Strategic Focus

Mortgage growth and accelerated digital focus are key drivers behind 9M 2020 financial performance

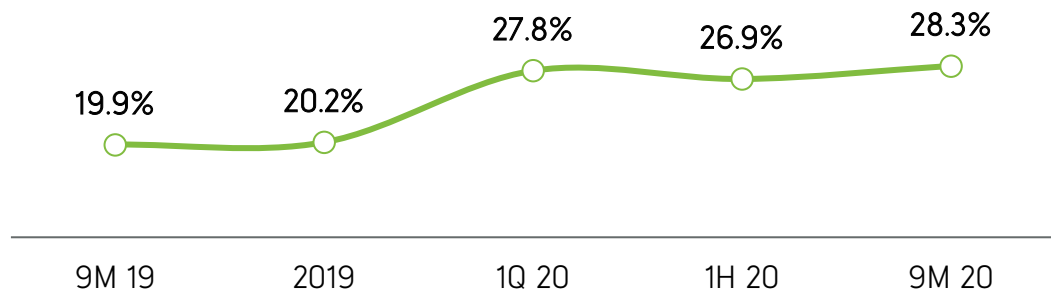
Mortgage (SARbn)



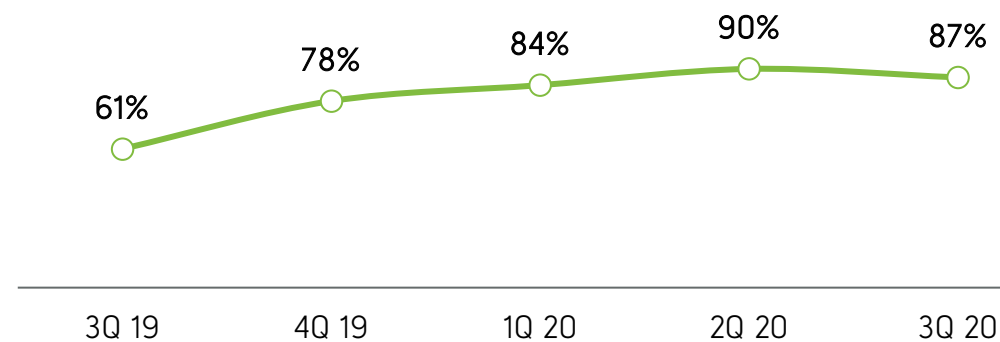
Digital Sales Penetration (%)



REDF Origination Market Share by Volume

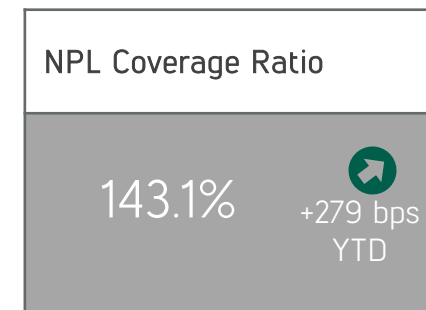
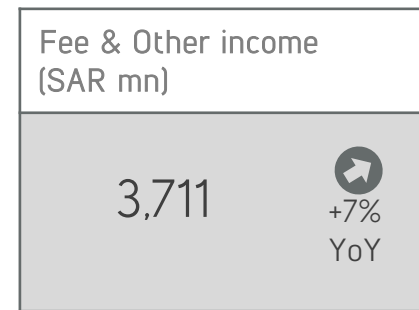
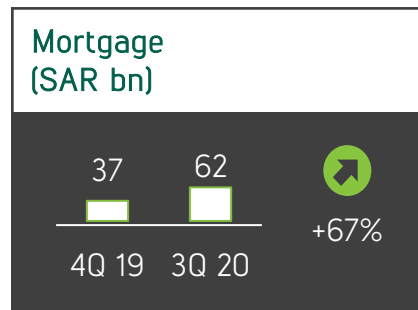
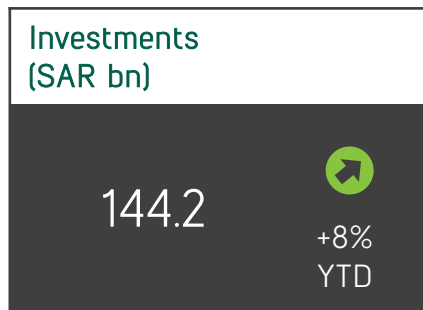
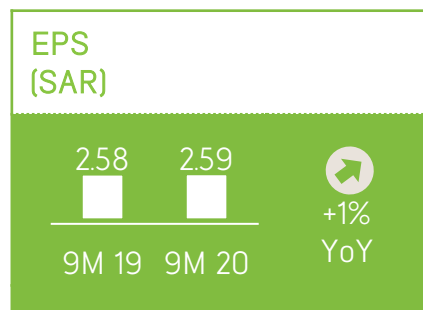
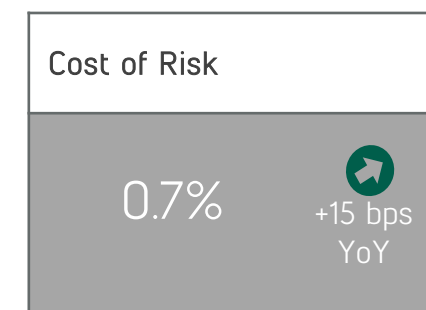
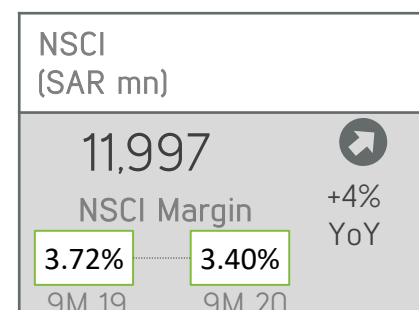
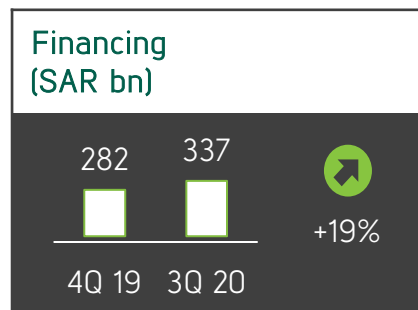
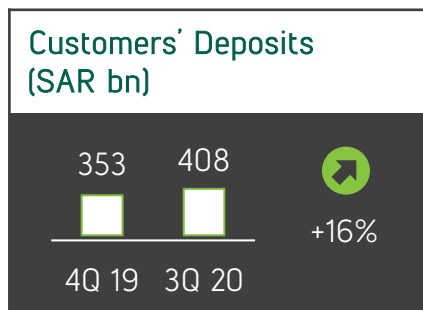
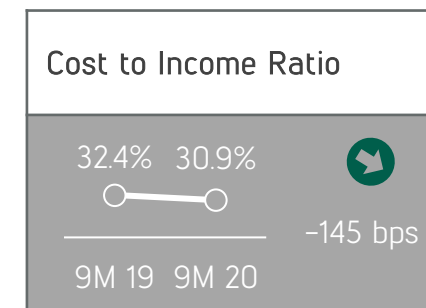
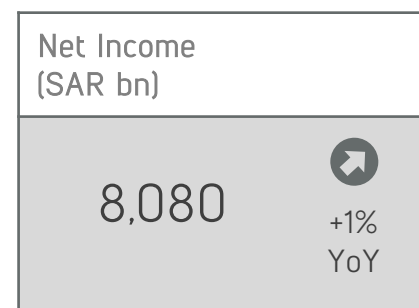
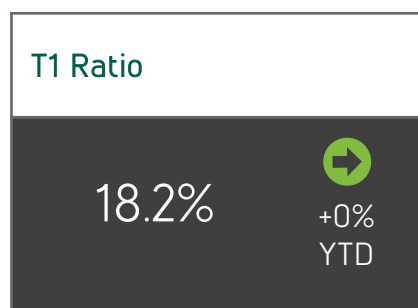
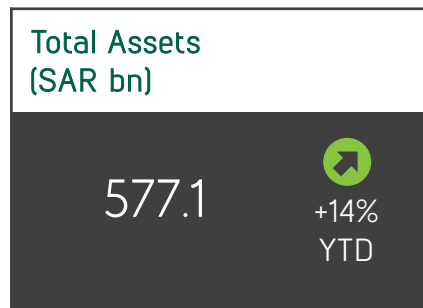


Digital Account Opening (%)



9M 2020 Financial Highlights

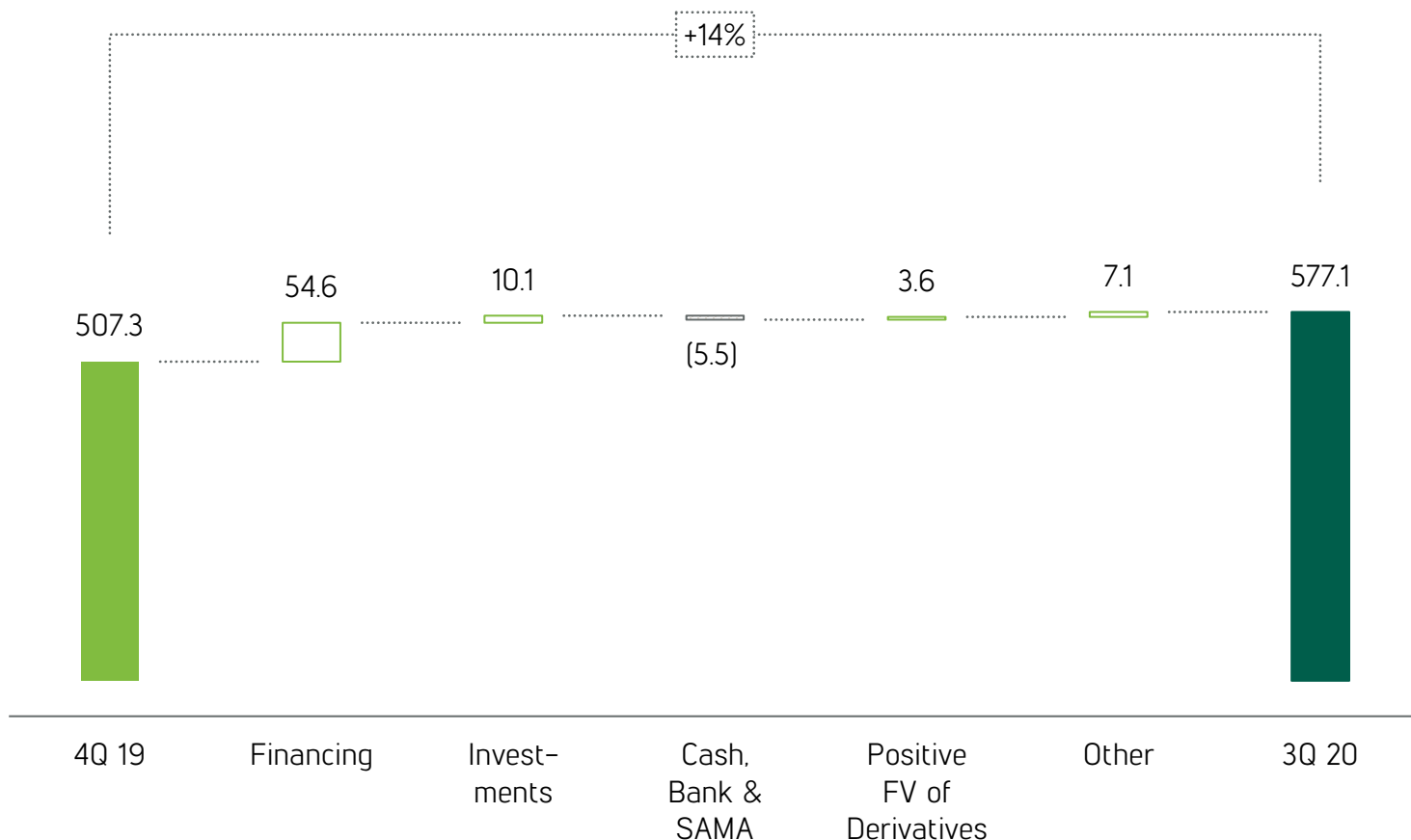
Resilient 9M 20 performance despite Covid-19 impacts



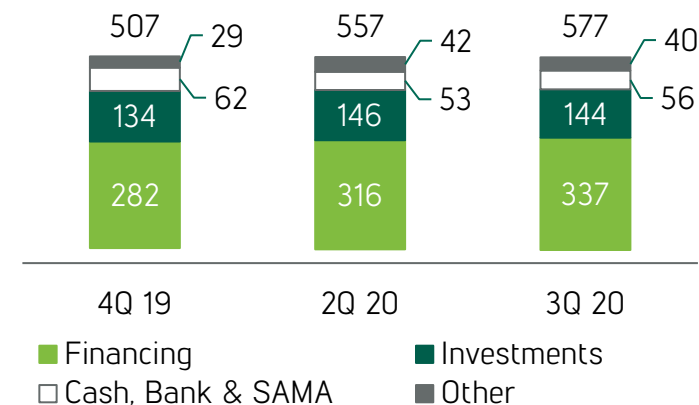
Asset Deployment

Healthy balance sheet growth from financing and investments

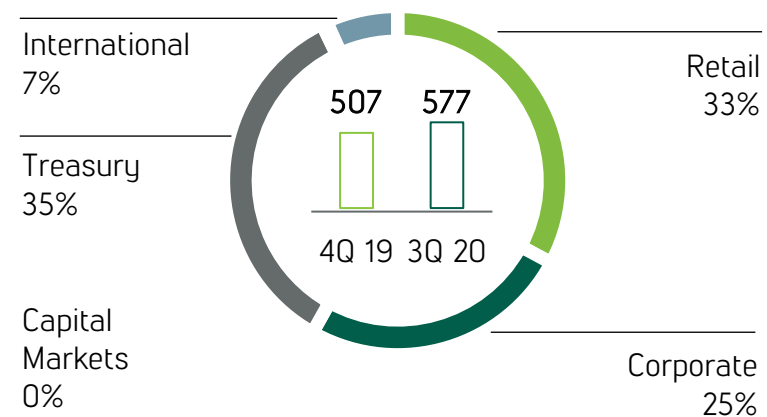
Movement in Assets (SARbn)



Total Assets Composition (SARbn)



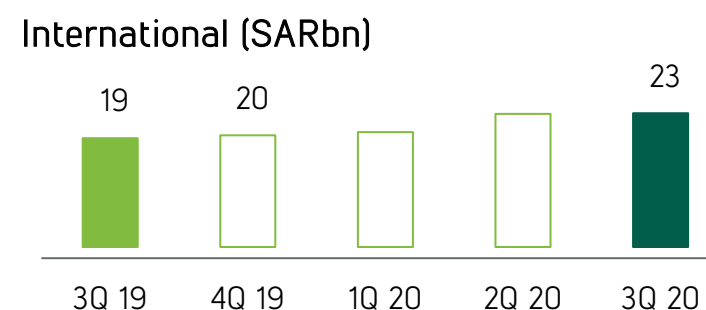
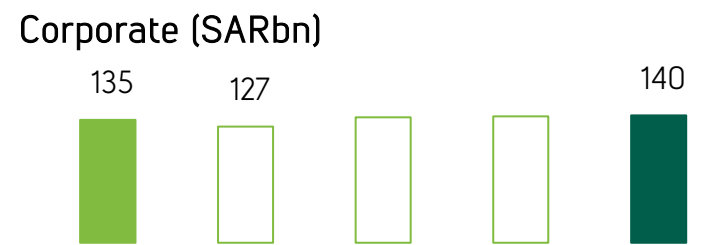
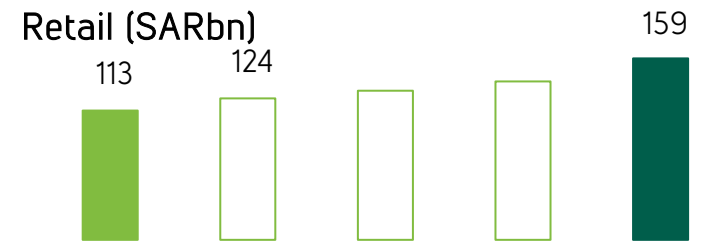
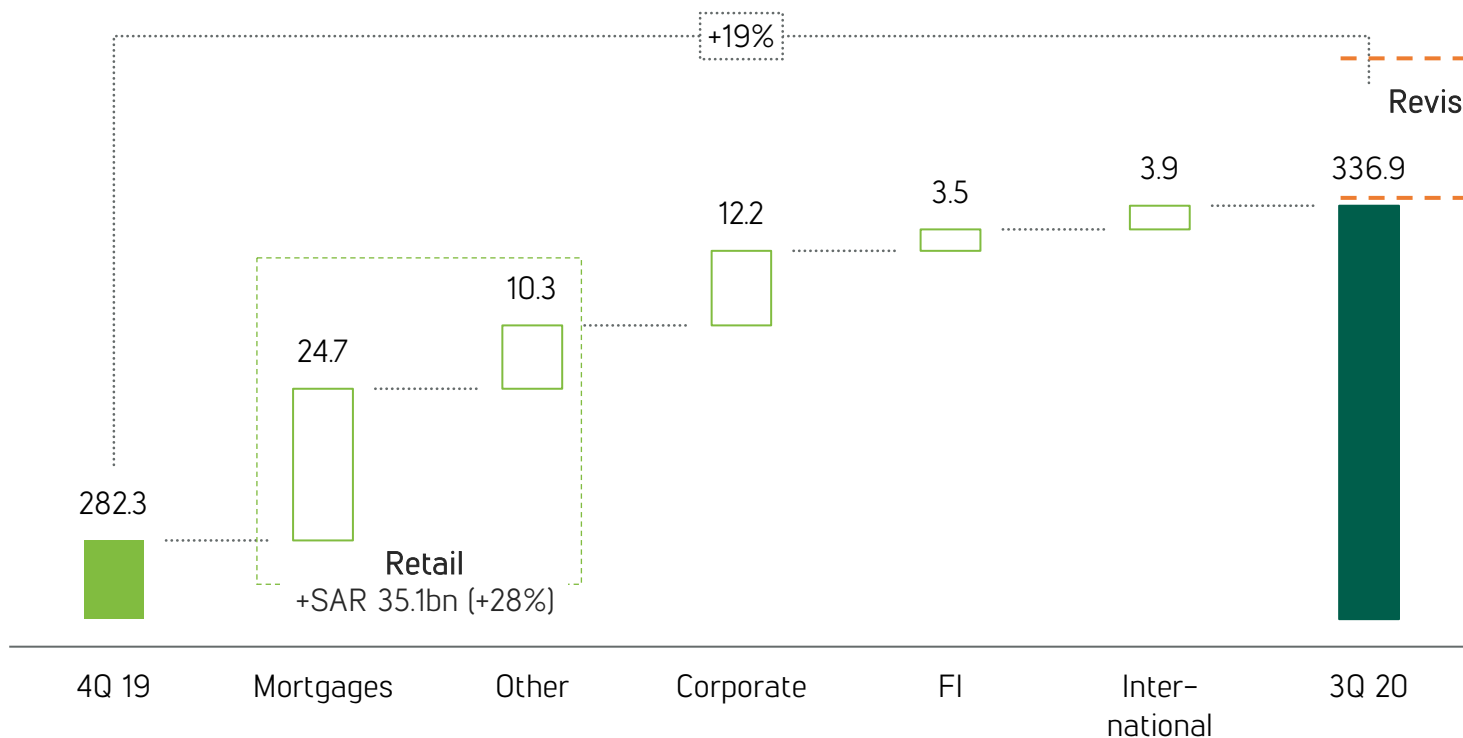
Total Assets Mix (SARbn)



Financing

Financing growth of 19% from strong Retail mortgages, Corporate, FI and International

Movement in Financing (SARbn)

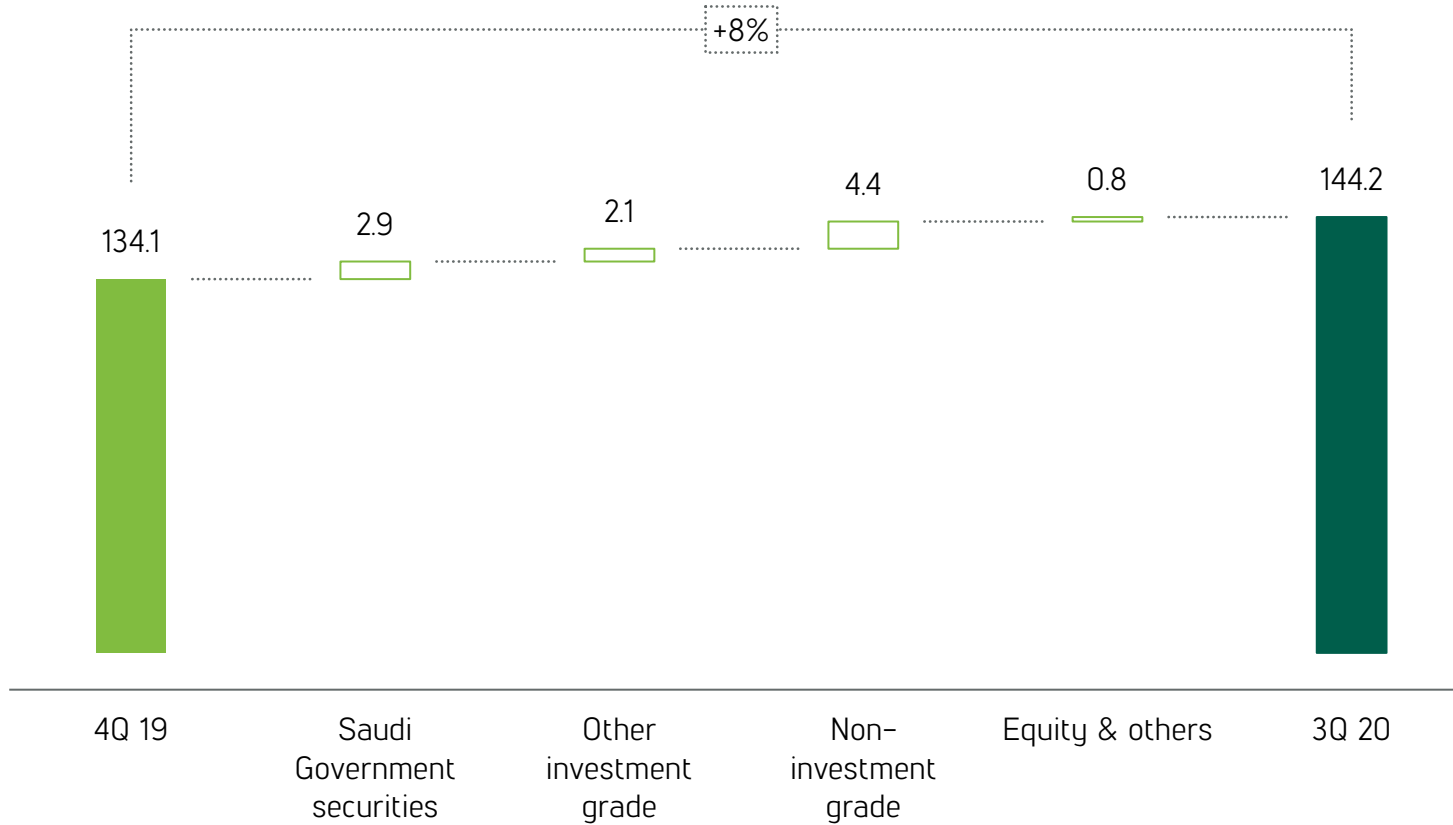


Revised Guidance
~ +20%

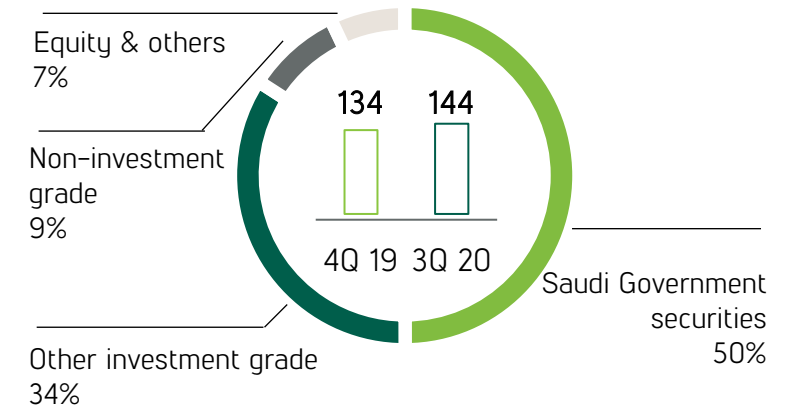
Investments

Investment portfolio increased 8% from continued participation in SGBs and high-quality securities

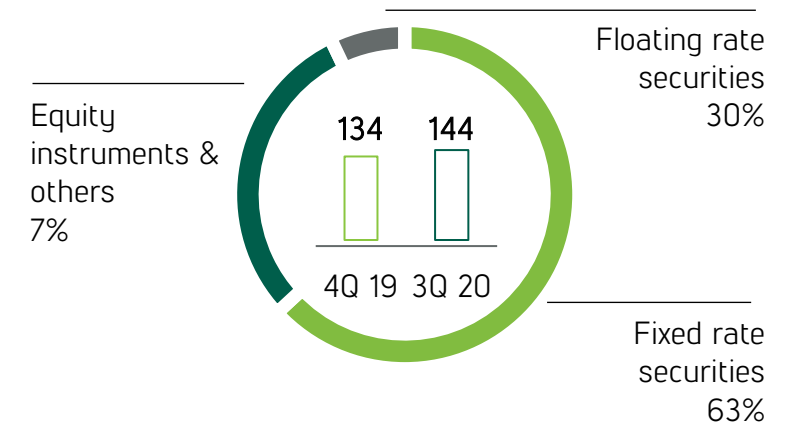
Movement in Investments (SARbn)



Investments by Credit Grade (SARbn)



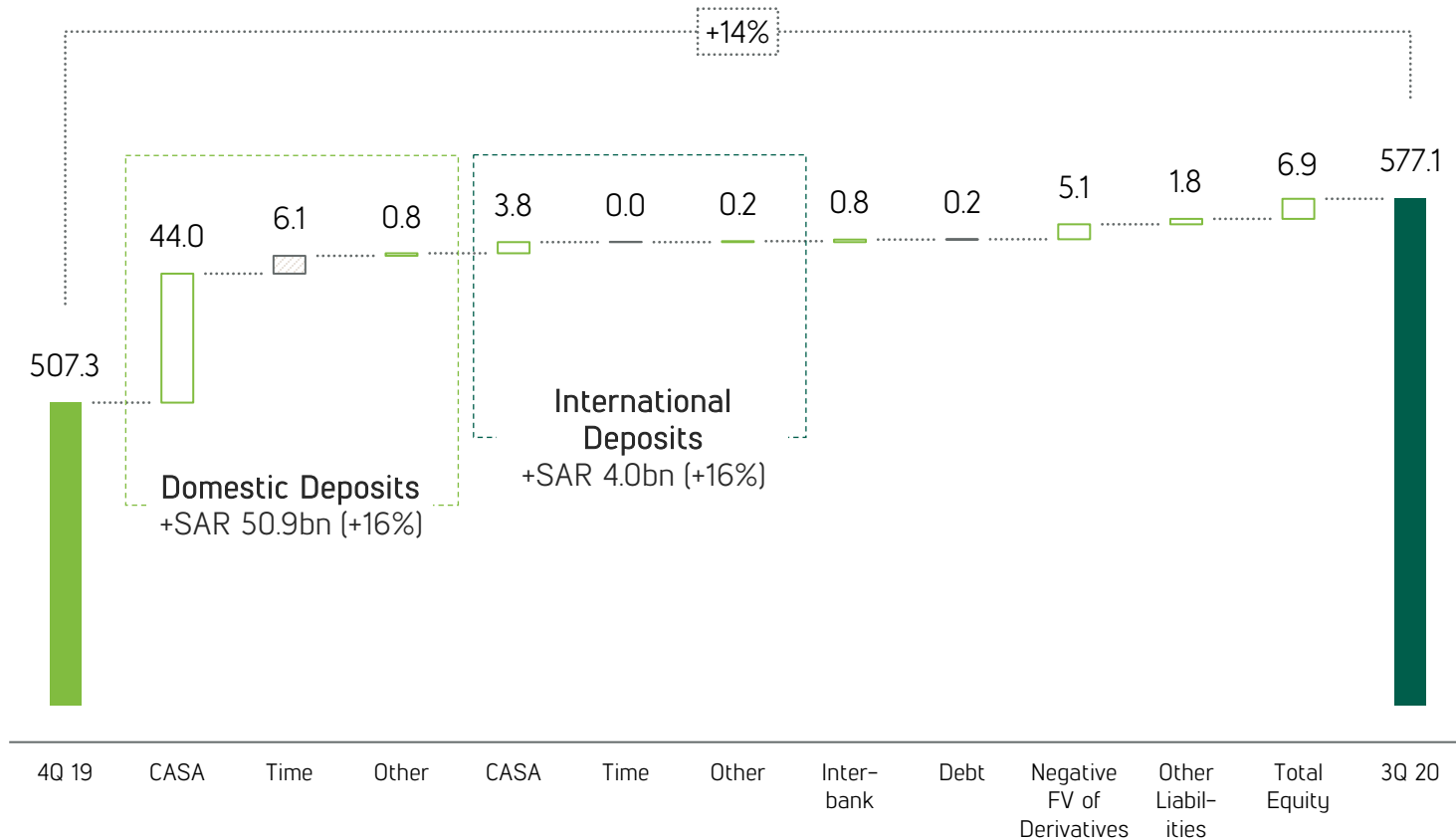
Investments by Type (SARbn)



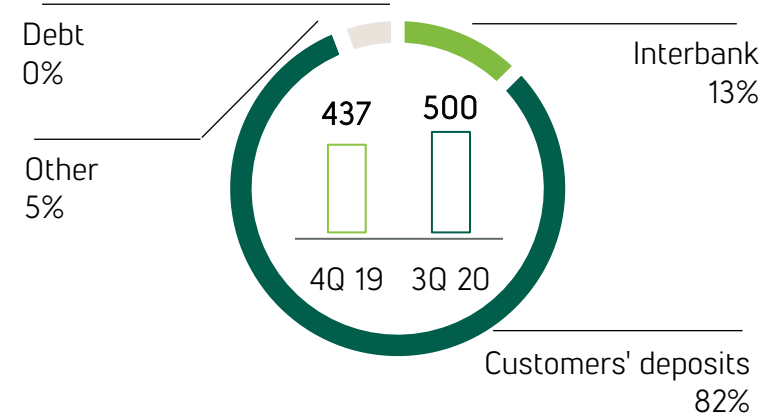
Funding

Balance sheet growth funded mainly by strong 16% deposit growth

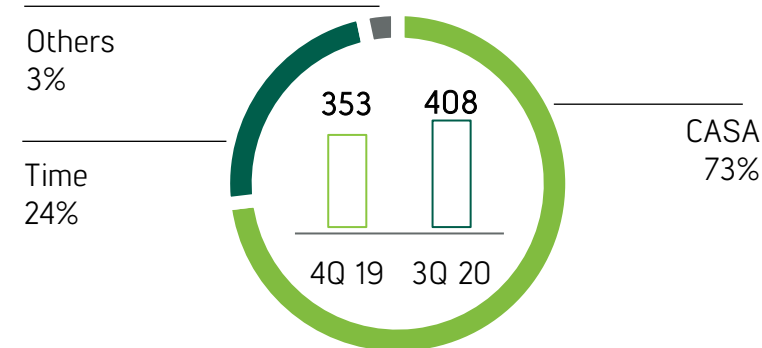
Movement in Funding (SARbn)



Total Liabilities Mix (SARbn)



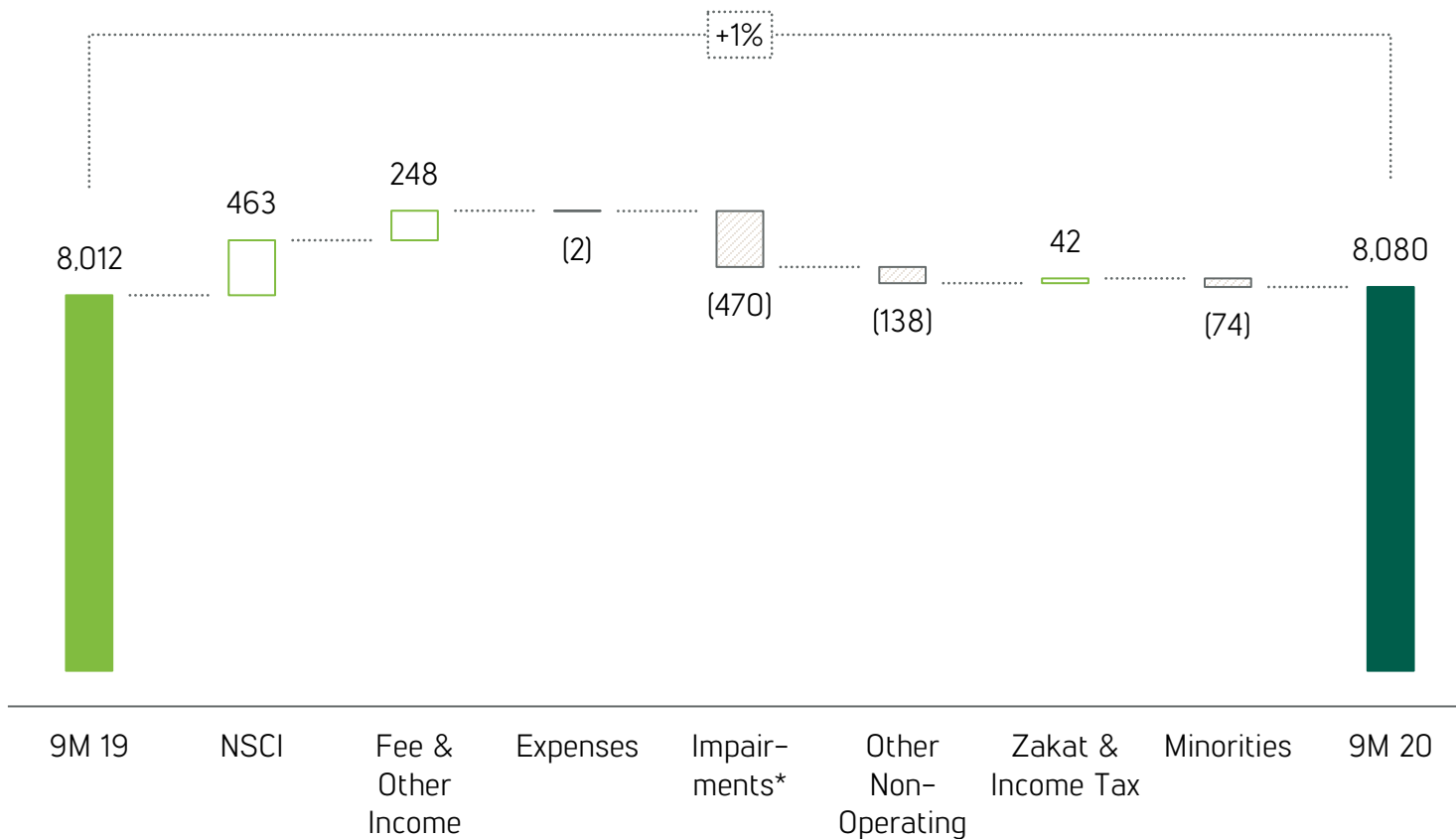
Customers' Deposits Mix (SARbn)



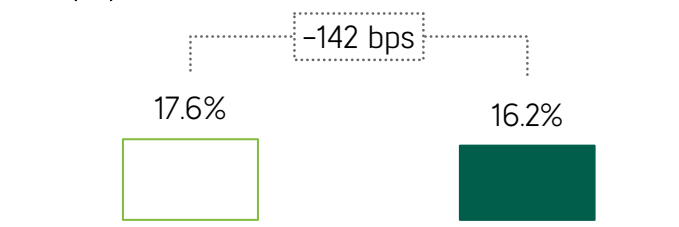
Net Income

Net income increase despite Covid-19 impacts

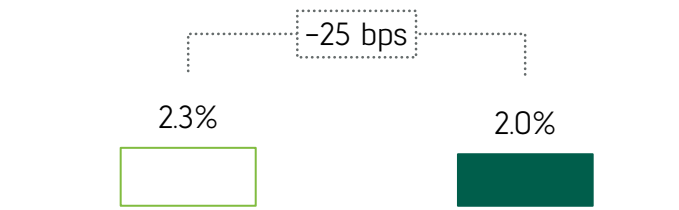
Net Income after Zakat and Income Tax attributed to Equity Holders (SARmn)



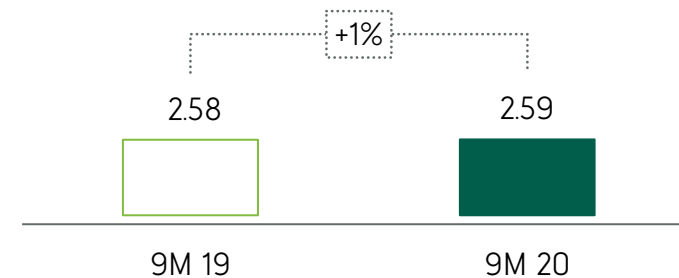
ROE (%)



ROA (%)



EPS (SAR)

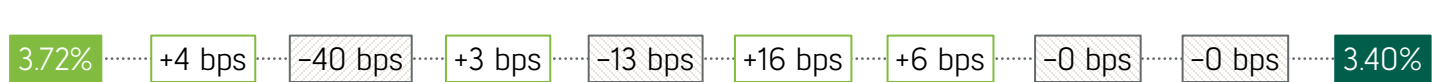


* Impairments include impairment charges for financing and investments

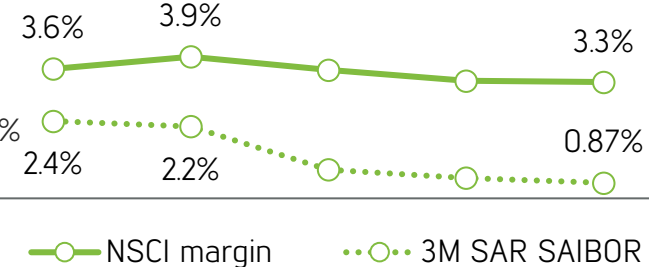
NSCI and Margin

Net special commission income grew 4% YOY;
Margin impacted by lower rate environment

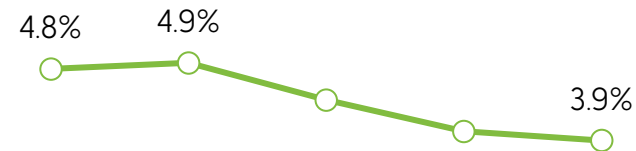
Movement in Net Special Commission Income (SARmn) & NSCI Margin (%)



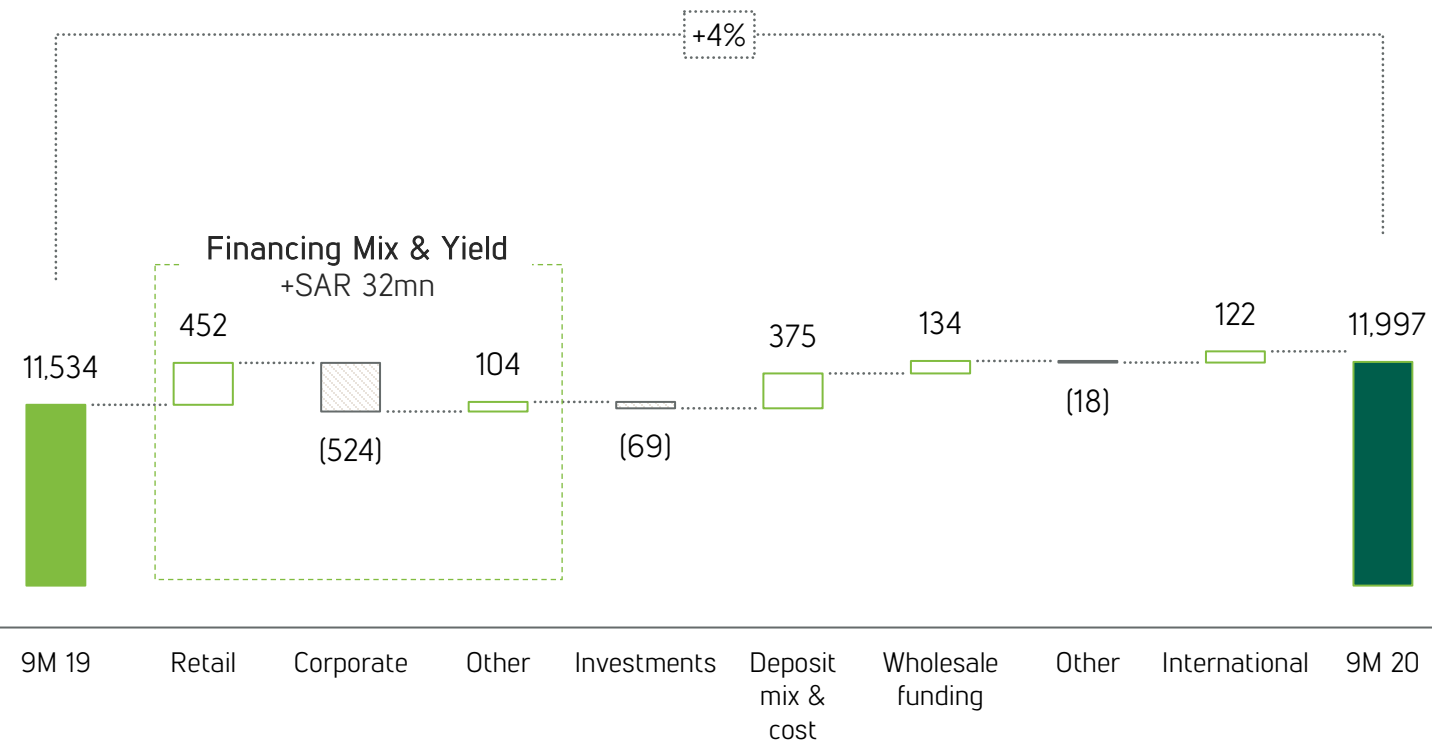
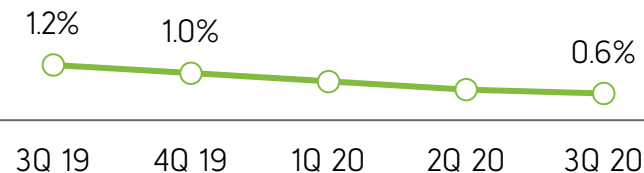
NSCI margin (%)



Commission yield (%)



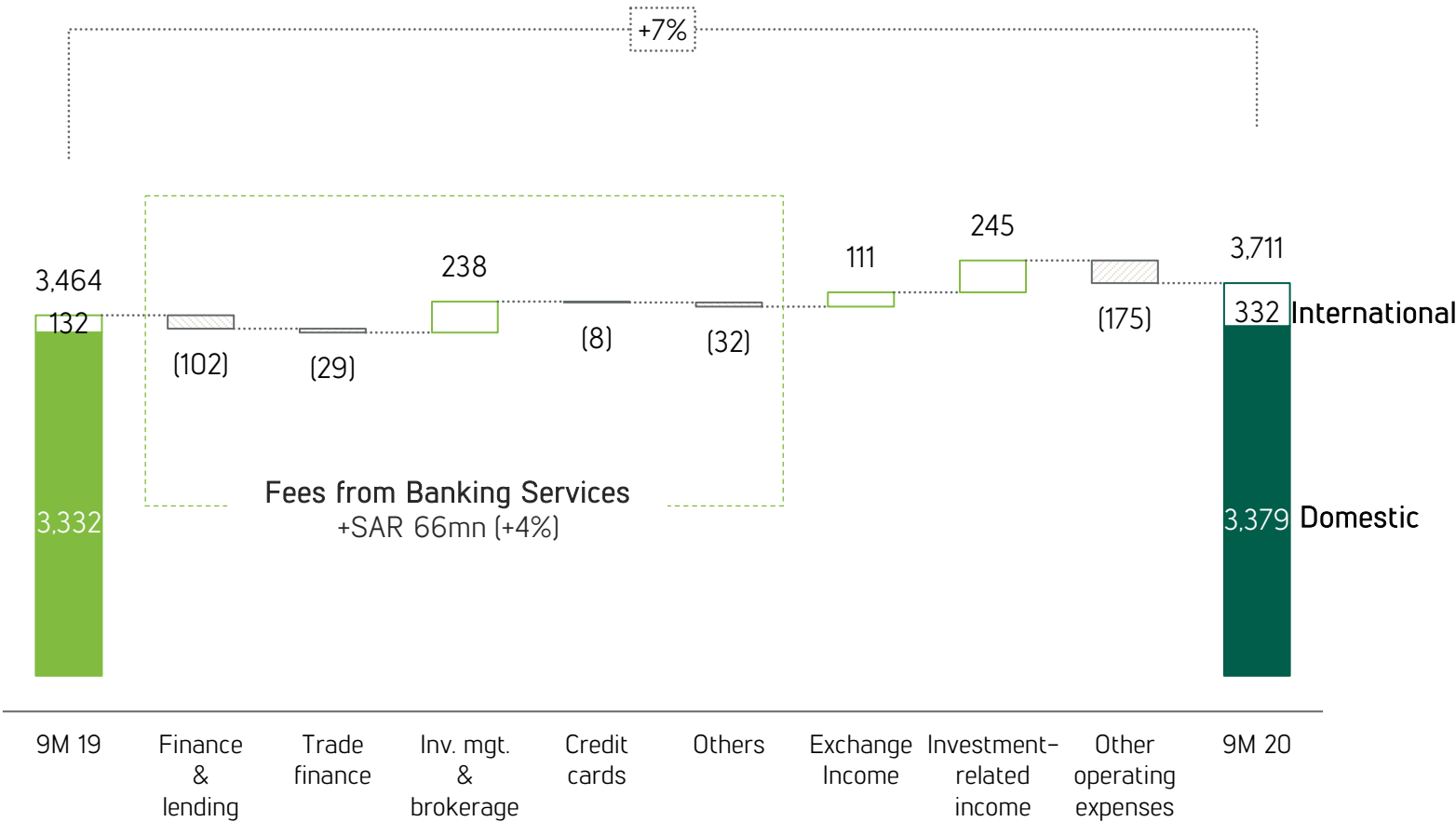
Funding cost (%)



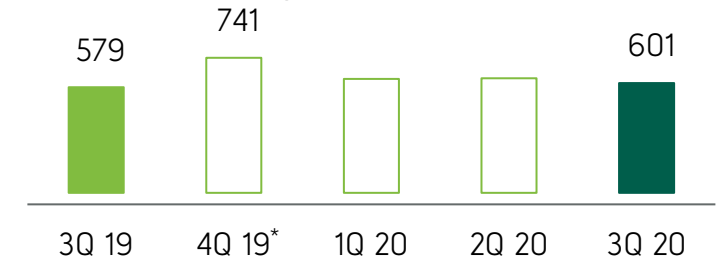
Fee & Other Income

Fee and other income increased from improved investment management and brokerage income, and increase in exchange income and investment-related income

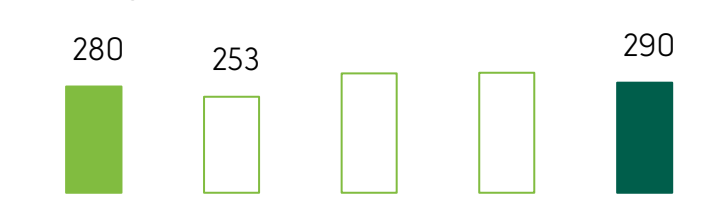
Fee and other Income Movement (SARmn)



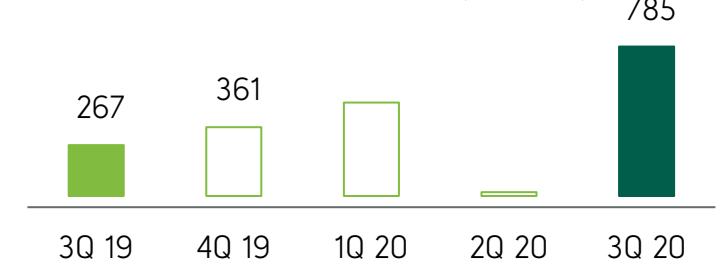
Fee from banking services (SARmn)



Exchange Income (SARmn)



Investment-related Income (SARbn)

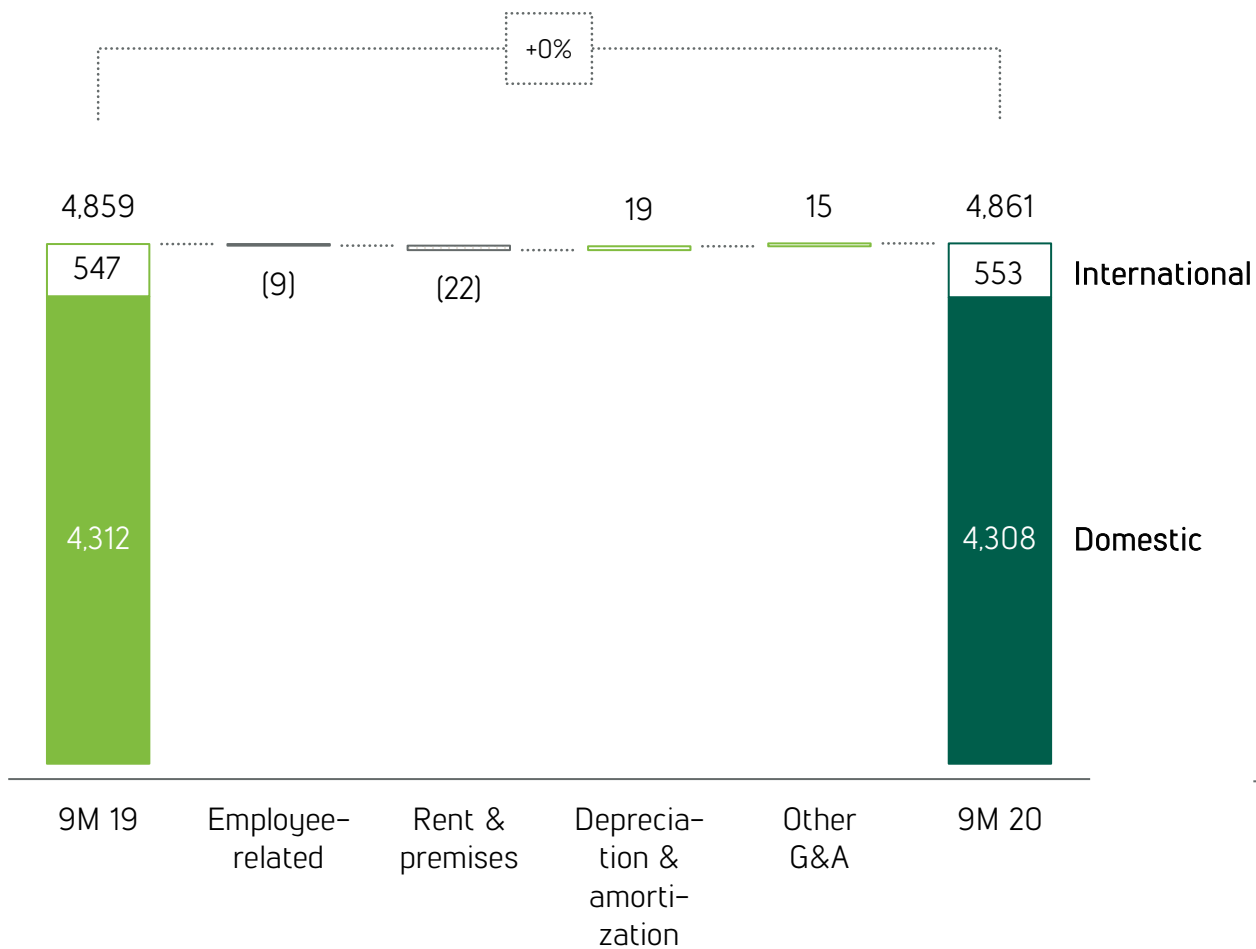


* Includes adjustments for adoption IFRS 9/15 relating to fees amortization

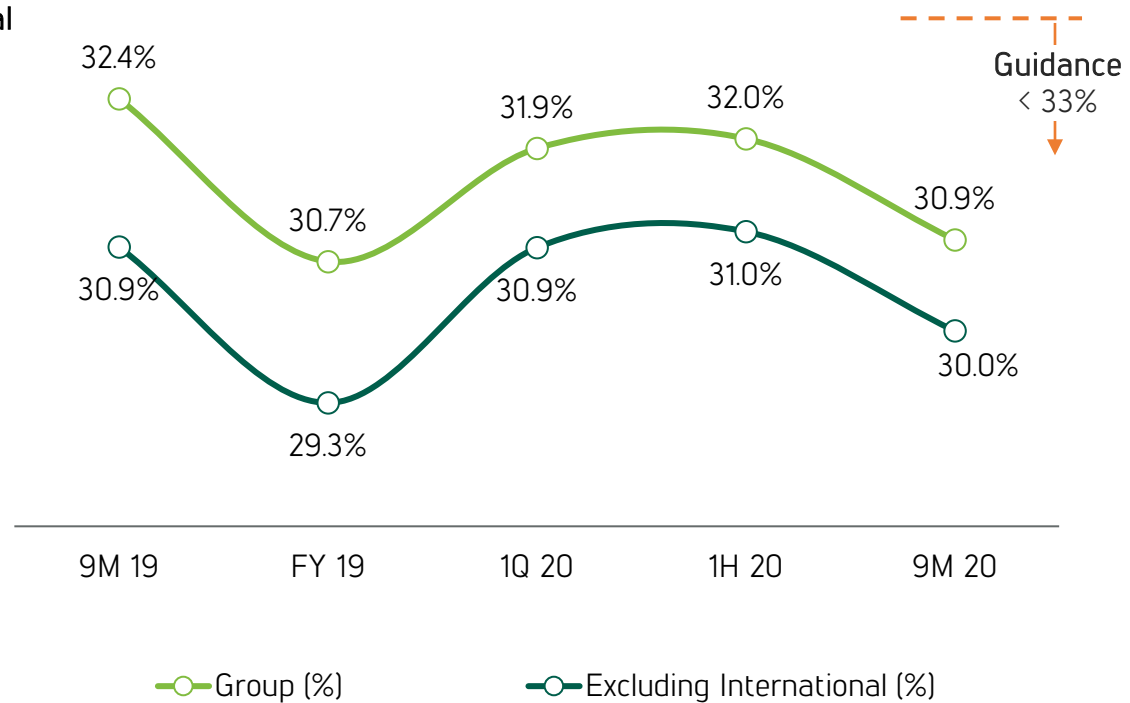
Operating Expenses

Stable operating expenses and improved cost to income ratio

Operating Expenses Movement (SARmn)



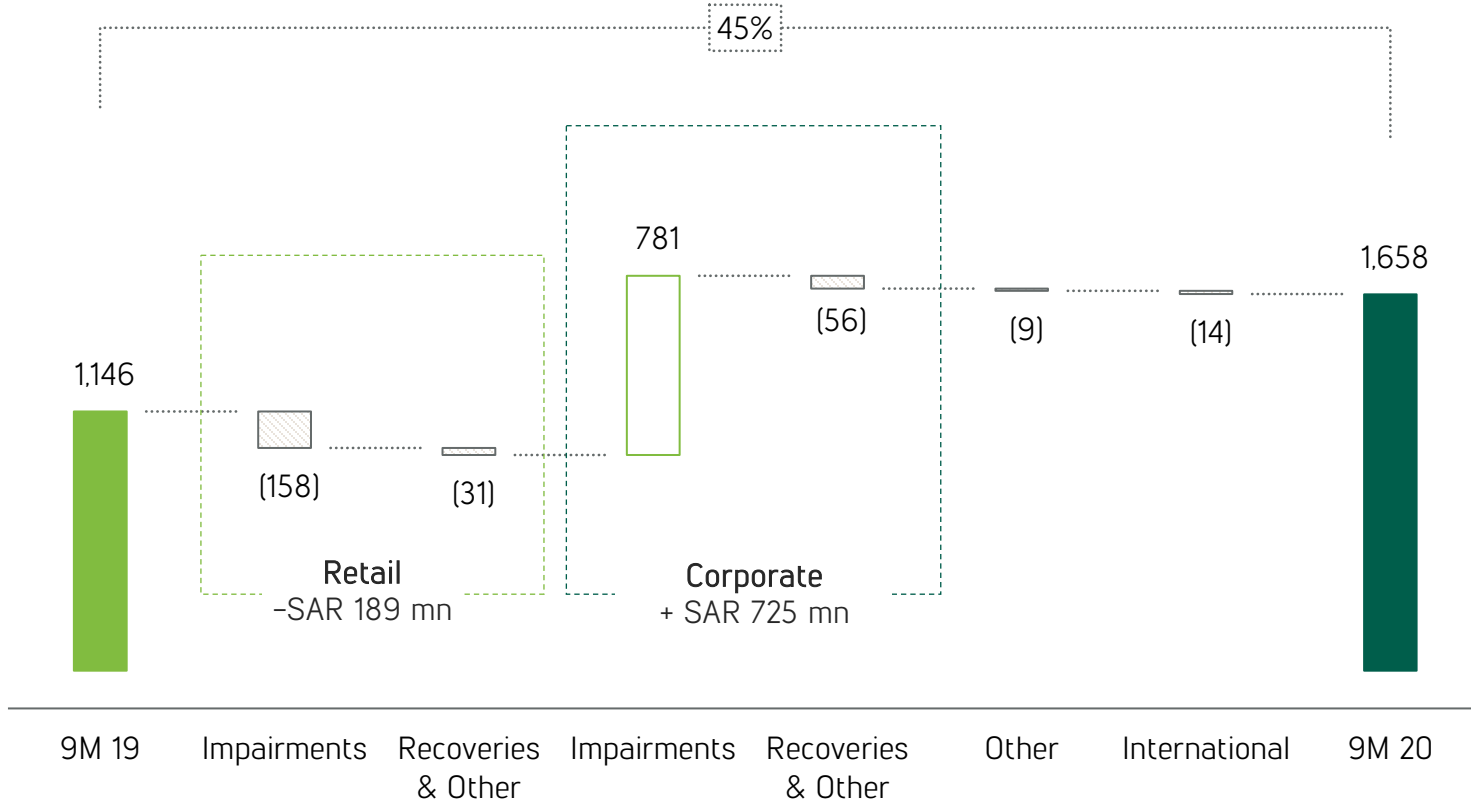
Cost to Income Ratio (YTD %)



Cost of Risk for Financing

Increase in impairments from Covid-19 related adjustments and impacts

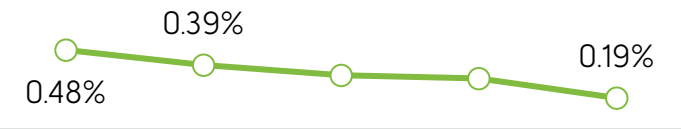
Movement in Impairments (SARmn)



Group



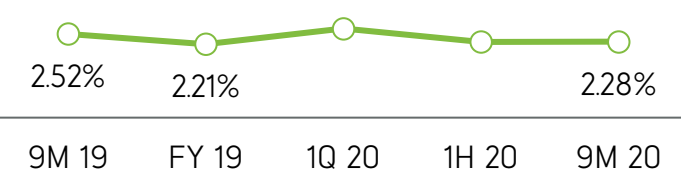
Retail



Corporate



International

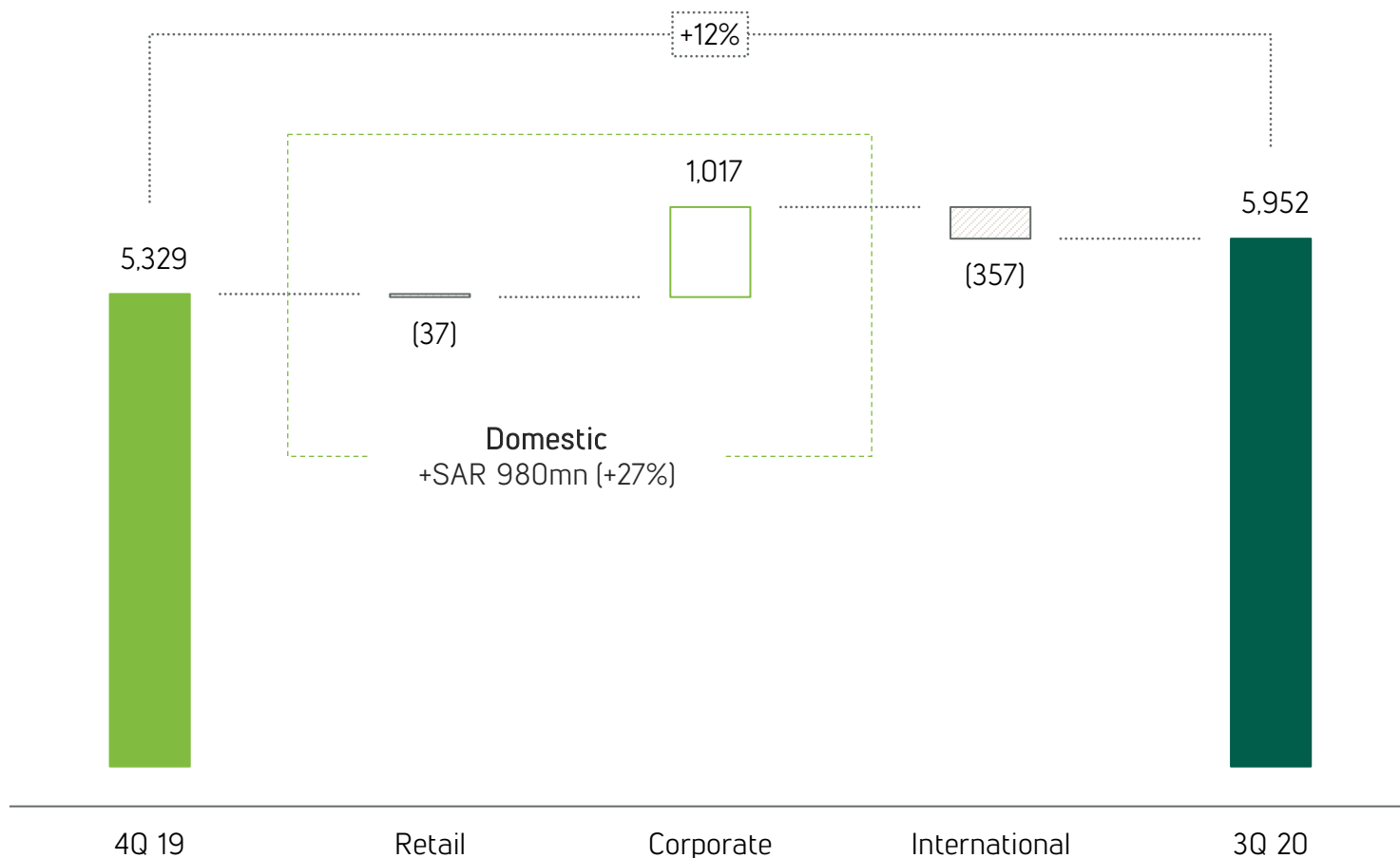


CoR (%)

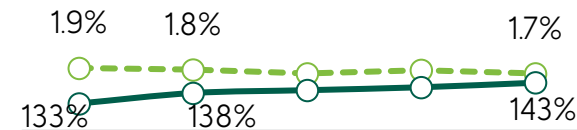
Credit Quality

Stable credit quality despite Covid-19 impacts

Movement in NPLs (SARmn)



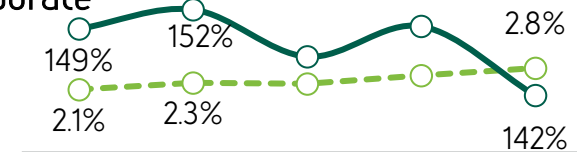
Group



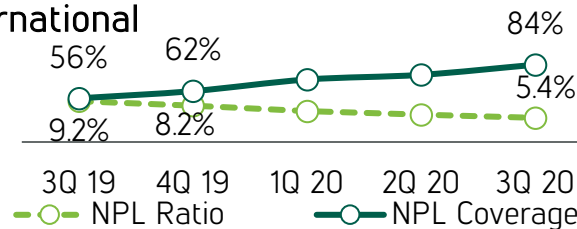
Retail



Corporate



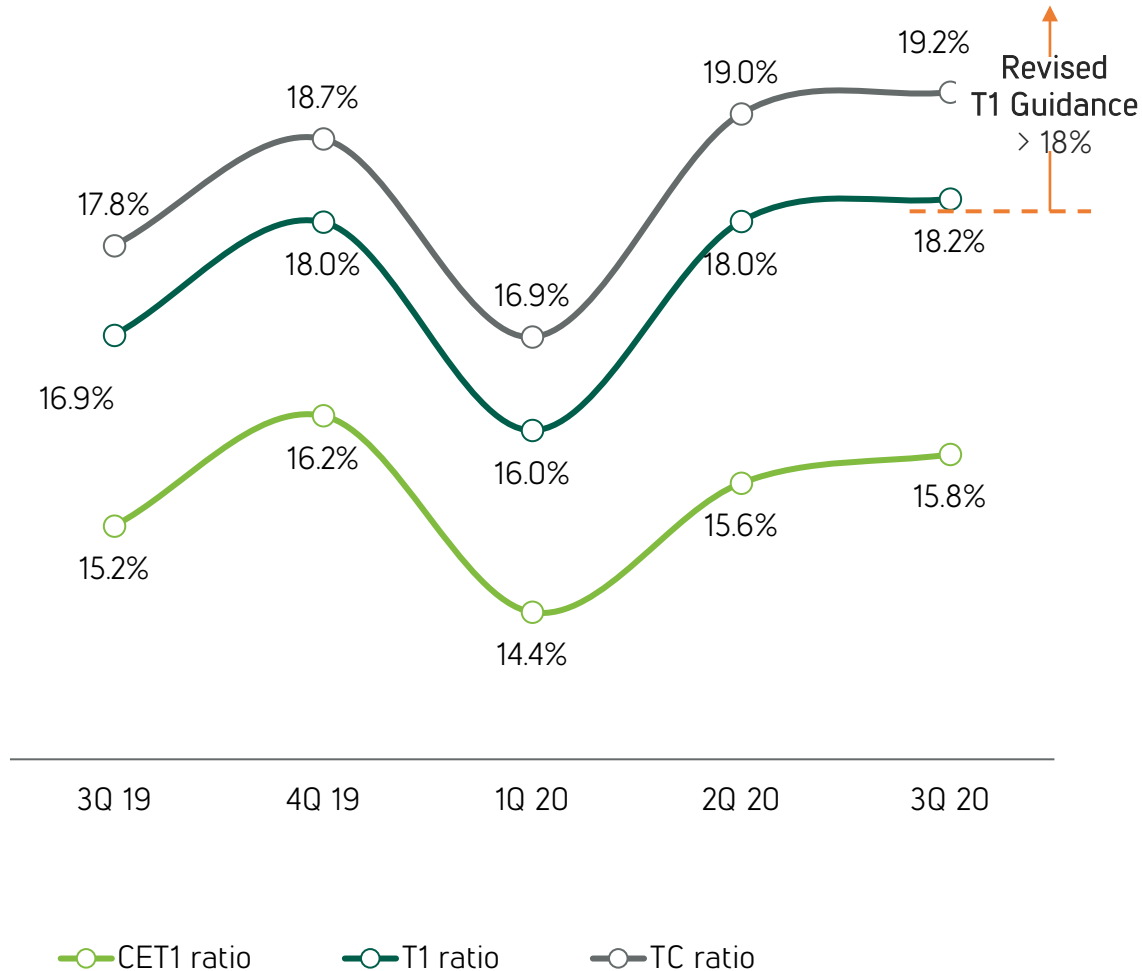
International



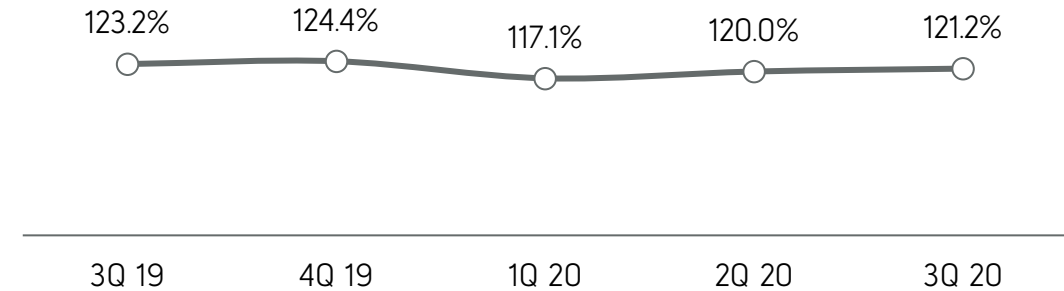
Capital & Liquidity

Capital position comfortably above regulatory minima;
Strong and stable liquidity profile maintained

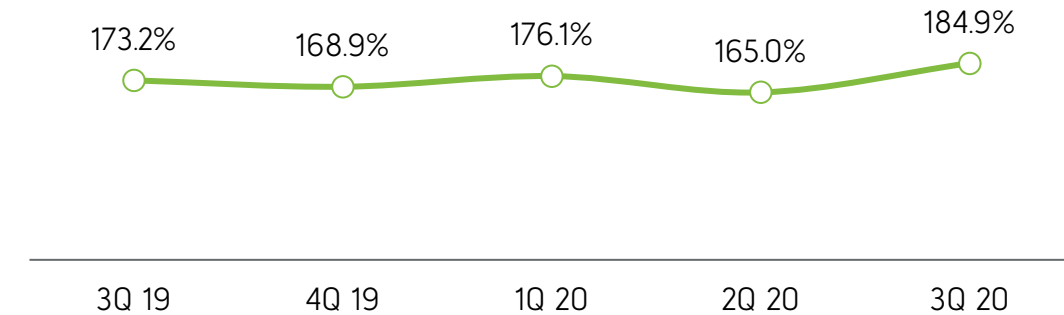
Capital Ratios (%)



NSFR Ratio (%)



LCR Ratio (%)



2020 Guidance

Financing guidance revised upwards;
Possibility of varied outcomes persists



Macro-Economic Outlook

	2020 Original Outlook	2020 Expected Outlook
Oil Price	USD 60 / bbl	USD 40 / bbl
US Fed Rates	Stable	Stable rest of 2020
GDP Growth	Real GDP 2.3%	Real GDP -5.2%
Fiscal Balance	Deficit 6.4% of GDP	Deficit 12% of GDP
Inflation	2.0%	3.6%



NCB Financial Guidance

	FY 2019 Reported	3Q 2020 Reported	FY 2020 Guidance*	FY 2020 Outlook
Financing Growth	+6.5%	+19%	+12% - 14%	Revised ~ +20%
NSCI Margin	3.77%	3.40%	3.40% - 3.60%	Within Guidance
Cost to Income	30.7%	30.9%	Below 33%	Within Guidance
Cost of Risk	0.51%	0.70%	0.8% - 1.0%	Revised Below 0.8%
Tier 1 CAR	18.0%	18.2%	16% - 18%	Revised Above 18%

Macroeconomic Indicator Sources: NCB Economics, US Federal Reserve, IMF, KSA MoF

*As per guidance revisions provided in 1H 2020



Q&A SESSION

3Q 2020 Results



ADDITIONAL INFORMATION

3Q 2020 Results

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More Information

Visit: http://www.alahli.com/en-us/Investor_Relation

to access NCB's current and previous Investor Publications including:

- Financial statements
- Earnings releases
- Investor presentations
- Financial data packs (in Excel)



APPENDIX

3Q 2020 Results

NCB and Samba Merger

Forming a New Saudi Banking Champion & Regional Powerhouse

Two leading banks with complementary strengths and leading market positions across all key metrics, enabling social and economic prosperity and propelling the Kingdom towards achieving Vision 2030.

The largest bank in Saudi Arabia

NCB
Shareholders to own **67.4%**



A new Saudi banking champion



Significant value for all shareholders

samba **سامبا**
Shareholders to own **32.6%**

Premium of 3.5% as of 8th October 2020, last business day prior to the signing of the merger agreement and a premium of 23.7% to the Samba unaffected share price as of 24 June 2020¹

0.739 Exchange Ratio

Each Samba share is valued at **SAR 28.45** and Samba's issued ordinary share capital at approximately **SAR 55.7 billion**

The new shares will be issued by way of a capital increase:

- Increase the **paid-up capital of NCB by 49.3%** from SAR 30,000,000,000 to **SAR 44,780,000,000**
- Increase in the number of **NCB's issued shares** from 3,000,000,000 shares to **4,478,000,000 shares**.

Combined market position¹

KSA	Overall banking (Assets)	SAR 837 bn	#1
	Corporate banking (Performing Financing)	SAR 270 bn	#1
	Retail banking (Performing Financing)	SAR 212 bn	#2
Middle East	Profitability (Net Income)	USD 1.9 bn	#1

Key financial highlights







EPS accretive for NCB and Samba shareholders²



SAR 800 million cost synergies expected from review of overlapping network, decommissioning legacy technology, and economies of scale & enhanced productivity

SAR 1.1 billion one-time cash integration costs and potential for revenue synergies from sharing best practices

Strong liquidity and solid capital position – 82 percent loan to deposit ratio

1. the last business day prior to the signing of the Framework Agreement | 2. Based on the annualised 1H 2020 results for NCB and Samba (including fully phased in synergies and excluding one-time integration costs) | 3. Based on 1H 2020 results

Asset Deployment				Funding	
<p>Retail</p>  <p>Grow Mortgages</p> <ul style="list-style-type: none"> Sales channels Digitization <p>9M 2020 Update</p> <ul style="list-style-type: none"> +67% Mortgage growth SAR 62bn Mortgage balance 	<p>Corporate</p>  <p>Improve Returns</p> <ul style="list-style-type: none"> Mega financing SME Transaction banking <p>9M 2020 Update</p> <ul style="list-style-type: none"> +10% Financing growth POS M.S. +2.3ppts; TRX Value M.S. +1.6ppts (Aug 20) 	<p>Treasury</p>  <p>Sustain Investment Returns</p> <ul style="list-style-type: none"> Recurring revenues Portfolio liquidity & quality <p>9M 2020 Update</p> <ul style="list-style-type: none"> +18% 3Q 2020 NSCI Stable 185% LCR, >84% IG portfolio 	<p>Subsidiaries</p>  <p>Grow Value Contribution</p> <ul style="list-style-type: none"> Key business lines Efficiency & productivity <p>9M 2020 Update</p> <ul style="list-style-type: none"> TFKB 9M NI +269% (TRY), C/I 41.1% YTD NCBC 9M NI +60% YoY, CI 30.8% YTD 	<p>Current Accounts</p>  <p>Grow Current Accounts</p> <ul style="list-style-type: none"> Digital & physical distribution Cash management Customer coverage models <p>9M 2020 Update</p> <ul style="list-style-type: none"> CASA +19% YTD Affluent Banking proposition enhancements 	<p>Wholesale Funding</p>  <p>Expand Funding Options</p> <ul style="list-style-type: none"> Programs across maturity and seniority spectrums Mix and cost optimization <p>9M 2020 Update</p> <ul style="list-style-type: none"> SAR 5bn long-term diversified funding YTD SAR 4.2bn T1 Sukuk issued & SAR 1bn Sukuk redemption

Strategic Enablers	<p>Digital</p>  <p>Accelerate digital transformation</p> <ul style="list-style-type: none"> Digital sales Advanced analytics 	<p>Productivity</p>  <p>Increase Operational Efficiency</p> <ul style="list-style-type: none"> Lean distribution Robotics & AI
	<p>9M 2020 Update</p> <ul style="list-style-type: none"> Digital Transactors (% of total base): 76.4% Digital Account Opening: 87.2% 	<ul style="list-style-type: none"> NCB 9M20 C/I 30.0% (NCB Group 30.9%) 155 bots (+100 YTD) 366 self-service kiosks (+51 YTD)