

1) What am I getting as a shareholder?

The proposed merger will unlock considerable synergies and growth potential to maximize value for all stakeholders. Shareholders will benefit from the strategic and financial upsides of the merger as the larger franchise will deliver more opportunity and drive long-term shareholder value.

The Merger is expected to unlock approximately SAR 800 million (U.S.\$ 213 million) in annual fully-in phased in cost synergies after integration is complete, representing 9% of the combined cost base (based on 2019 financials), through economies of scale and enhanced efficiency to maximize value for all stakeholders.

There is also potential for revenue synergies between the two banks. One-time cash integration costs are expected to be approximately SAR 1.1 billion (U.S.\$ 293 million).

Shareholders will benefit from the deal as it is EPS accretive on a fully-in phased basis, and a bank that has a strong capital base, improved liquidity and an enhanced access to Capital Markets, driving long-term shareholder value.

Furthermore, at a closing share price of SAR 38.50 per NCB share on 8th October 2020, the proposed transaction would value each Samba share at SAR 28.45 per share at the agreed exchange ratio of 0.739 NCB ordinary shares for each Samba ordinary share. This represents a premium of 3.5 percent to the closing share price of Samba of SAR 27.50 per share on 8th October 2020 (the last business day prior to this announcement). This also represents a 23.7 percent premium to the closing share price of Samba of SAR 23.00 per share on 24 June 2020 (the last business day prior to the signing of the Framework Agreement).

The merged bank will be well positioned for a trading multiple re-rating given its improved strategic position, compelling outlook and significant upside potential.

2) Why and when should shareholders vote for the merger?

As a shareholder, you will be invited to vote on the proposed merger at an Extraordinary General Meeting (EGM), following which, if the merger will be agreed by the shareholders of both banks, the two entities' shares will be combined and the starting date of trading the new entities' shares will be dependent on obtaining all necessary approvals from the Capital Market Authority (CMA) and the Saudi Stock Exchange (Tadawul).

The parties have signed the definitive agreement in relation to the proposed merger on 11 October 2020. NCB and Samba will continue to announce any material developments related to the Proposed merger as and when they occur.

It must be noted that neither NCB nor Samba is under any obligation to proceed with the potential merger. Therefore, there can be no assurance that the Framework Agreement, the due diligence process and the Firm Intention Agreement will result in the proposed merger being agreed on a final basis.

Completion of the Proposed merger will be subject to various conditions including, but not limited to, approval of the Saudi Arabian Monetary Authority, the CMA, the General Authority for Competition and the shareholders of each of NCB and Samba in accordance with applicable legal requirements.

3) What will be the dividend policy going forward?

Discussions are ongoing but no final decisions have yet been made. Both banks are working together to create a dividend policy that is in the best interest of all stakeholders

However, the combined entity will have a strong capital position and any dividend policy decisions will be a reflection of its capital strength.

Moreover, the deal is EPS accretive on a fully phased basis, ~SAR 800 million in synergies, and will create a bank that has a strong capital base, improved liquidity and an enhanced access to Capital Markets, driving long-term shareholder value.

4) What happens after the firm intention announcement?

The next step is to seek both banks' shareholders' approval on the proposed merger in the upcoming EGM. The timing of the EGM will be subject to the completion and publication of an Offer Document and Shareholder Circulars that are required by the regulators. You will be notified on the process in due course.

After publication of the EGM resolution, there will be a 30-day creditor objection period before legal completion. Only at legal completion will the two banks effectively become one.

Legal completion of the merger is expected to happen during the first half of 2021. Until then, NCB and Samba will continue to function as two separate banks.

The banks will engage in joint integration planning to ensure a smooth and accelerated integration of both banks after closing.

5) Why are the banks merging?

The proposed merger will unlock considerable synergies and growth potential to maximize value for all stakeholders:

It will create a new Saudi banking champion which will be a regional powerhouse in the consolidating Saudi and MENA banking landscape. It will be the number one bank in Saudi Arabia serving approximately 25% of the retail and wholesale banking market with aggregated SAR 837 billion (\$223 billion) assets.

The number one bank in the MENA region by net income, SAR 7.2 billion (U.S.\$ 1.9 billion) with a combined equity base of SAR 120 billion (\$32 billion).

The combined business will offer industry-leading returns and productivity, unlocked by scale and efficiency gains and an increased ability to invest in innovative technology solutions

Customers will experience new banking standards driven by pooled talent and expertise from two of the Kingdom's leading banks and gain access to a wider suite of complementary innovative products and services and an enhanced multi-channel distribution and reach.

Well diversified franchise and robust balance sheet to pursue accelerated growth, improved liquidity and solid capital position backed by a balanced business model with no business line contributing more than 50% of income.

Shareholders will benefit from the deal as it is EPS accretive on a fully-in phased basis, ~SAR 800 million in synergies, and a bank that has a strong capital base and an enhanced access to Capital Markets, driving long-term shareholder value.

6) What is your outlook and strategy for the combined bank?

Accelerate growth in retail by increasing the product penetration across the combined client base through delivering best-in-class innovative propositions, foster SMEs development and lending, growing residential financing and promoting financial literacy.

Strengthen leadership in wholesale by supporting the Kingdom's landmark deals and mega projects, increase presence in treasury and capital markets, as well as facilitating trade and capital flows in and out of Saudi Arabia into global markets.

The new Saudi banking champion plans to double down on digital and data analytics and continuing to enhance its artificial intelligence tools. It will aim at digitalizing all products and services end-to-end and introduce cutting-edge technologies to its customers. It plans to invest in innovation through new ventures and partnerships as well as data and analytics to create exceptional and personalized customer experiences.

Merge both banks' talent pools and become a talent hub for the financial sector, with no involuntary job losses. Talent development will be a priority for the merged bank, as it aspires to groom future leaders of the industry through world-class training and development programs and offer rewarding career opportunities.

The Merged Bank will have an expanded international network, enabling it to facilitate international trade and capital flows, as well as being better placed to pursue strategic expansion opportunities to better connect with global markets.

Furthermore, the merged bank will be well positioned for a trading multiple re-rating given its improved strategic position, compelling outlook and significant upside potential.

7) Why should investors have confidence in the new entity?

NCB and Samba management teams are committed to ensuring the success of this merger to achieve growth and value for all stakeholders involved. This merger is driven by fundamentals that will benefit all stakeholders alike by unlocking the following enablers of growth:

- The merger will create a new Saudi banking champion and a regional powerhouse
- The merged entity will benefit from synergies to drive the future of the sector and bolster its support to Vision 2030
- The merged entity will build on its inherited leadership in innovation and technology to curate an exceptional customer experience and develop next-generation banking services
- The new, larger bank, aspires to be the best banking institution to grow the future leaders of the industry

Moreover, the merged bank will leverage the cross-selling capabilities of both banks through an improved operating model. It will benefit from a robust and diversified funding structure, enhanced liquidity profile with 82 percent loan to deposit ratio (LDR) and a solid capital position.

8) When will the merger be finalized?

The management of both banks have signed the definitive intention to merge agreement on 11 October 2020 and are in the process to obtain the CMA's final approvals on the terms of the agreement.

As a shareholder, you will be invited to vote on the proposed merger at an EGM in due course, after all regulatory approvals have been obtained, following which, if the merger is agreed by the shareholders of both banks, the two entities' shares will be combined.

NCB and Samba will continue to announce any material developments related to the Proposed merger as and when they occur.

9) What will be the Board Composition of the combined entity?

The following appointments will be proposed (and are subject to approval by the new board of the combined bank):

- Ammar Abdulwahid Alkhudairy will be proposed as the Chairman of the new bank
- Saeed Mohammed Al-Ghamdi as Managing Director and Group CEO

The board of new bank will be expanded from 9 to 11 and the additional 2 seats will be taken by Samba appointees. The remaining seats are for the significant shareholders (PIF (4), GOSI (1), PPA (1)) and the existing directors of NCB (3).

The new leadership will assume their new roles after Legal Day 1, subject to approval of the nominations to the new board; until then Samba and NCB will continue to operate as independent entities with their current organization structure.