



SNB

3Q 2024 Earnings Presentation

Saudi National Bank

4 November 2024

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Saudi Arabia’s Banking Champion and Financial Powerhouse

SNB’s Growth Story continues, with a diversified business model and dominant market position

Our Broad Client Base and Dominant Market Position for 2Q 2024

#1

Overall Banking (Assets)

#1

Treasury (Investments)

#1

Wholesale Banking

#1

Profitability (Net income)

#2

Retail Banking

#1

Asset Management (AUM)

SNB enjoys the trust of over 14 million customers



Our Focus on Innovation and Advanced Digital Capabilities

SNB Mobile
★★★★★ 4.7

SNB NEO Digital Bank
Launched

Retail User Penetration

88%

Wholesale User Penetration

71%

Retail Sales

75%

Retail Digital Transactions

99%

Wholesale Digital Transactions

98%

Our Diversified Balance Sheet & Strong Financial Performance

9M 2024

Total Assets

+8% YTD

SAR Bn

1,125

Financing

+9% YTD

SAR Bn

655

Domestic Cost/Income Ratio²

25.6%

Cost of Risk

0.22%

Operating Income

+4% YoY

SAR Bn

27.1

Net Income³

+4% YoY

SAR Bn

15.6

Return on Tangible Equity

16.3%

T1 Capital Ratio

18.6%

Our Robust Credit Standing

S&P upgraded SNB's outlook to positive in 3Q 2024

Ratings	LT	ST	Outlook
S&P	A-	A-2	Positive ^
Fitch	A-	F2	Stable
Moody's (unsolicited)	A1	P-1	Positive
Capital Intelligence	A+	A1	Positive

Our Commitment to Sustainability

Enhanced ESG Sustainability Framework






Strengthens SNB's ESG and sustainable financing profile

Public issuance, USD 850 million in sustainable sukuk

MSCI ESG rating improved to BBB ^

ESG reports published

Our 2024 strategic priorities remain intact;
Longer term strategy under development with the Board

Strategic aspirations	Number One in Revenue & Profits		Best Digital Bank	Best in Customer Service	Employer of Choice
Strategic priorities	 Value Capture Leadership	 Operational Excellence	 Innovation Focus	 Customer Centricity	 People Centricity
Strategic focus areas	Value growth in Wholesale	Cost efficiencies	Build best-in-class app	Customer satisfaction	Employee engagement
	Retail market share	Increased automation & digitization	Digital penetration & adoption	Turn Around Time	SNB Academy
	CASA market share		Predictive analytics		Training & development
	ESG Focus				

SNB's tactical focus areas for growth and innovation

Growth in Profitable Segments

Leverage V2030 and the Kingdom's expanding opportunities

Build on our leading market share, with a deeper profitability focus, growing in MSME, Mid-Sized Corporates, & Retail

SAR 295bn, +12% YTD
Wholesale portfolio

SAR 52bn, +30% YTD
MSME portfolio

SAR 176bn, +9% YTD
Mortgage portfolio

Innovation and Efficiency

Digitization, operating model optimization and Zero Back office philosophy to drive automation and efficiency

#1 in KSA to enable Corporate financing through digital channels

Revamping Wholesale underwriting and financing process to accelerate TAT and speed to market

Domestic Cost-To-Income Ratio
25.6%

Premise costs improved **7%** YoY & new LEED Gold Certified Flagship branch launched

Customer-Centric Value Enhancement

Enhance customer experience, particularly for current account and fee income generation

Focus on liabilities and ancillary revenue; Comprehensive review of customer exp.; Domestic Fee Income boosted **20%** YoY

Enhancing MSME value proposition through new products and upgraded platform to better serve the segment

Launch of 'NEO' Digital Bank
A lifestyle banking and financial ecosystem

Incubate new technologies and underpenetrated customer segments



Focus on People

Support and engage our people in a rewarding work environment

Conducted organizational health index survey; guiding our transformation and collaboration efforts

Work Environment Committee chaired by CEO

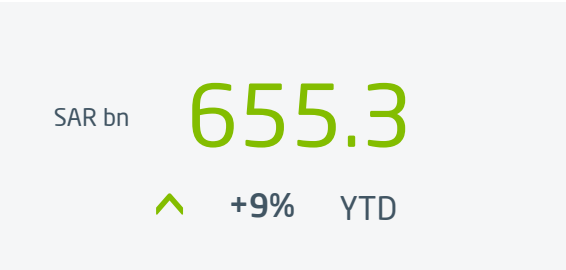
SNB Academy premier learning hub



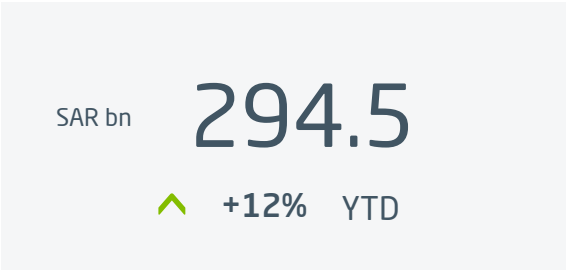


Net Income growth, fueled by strong financing momentum, robust asset quality, and higher fee income

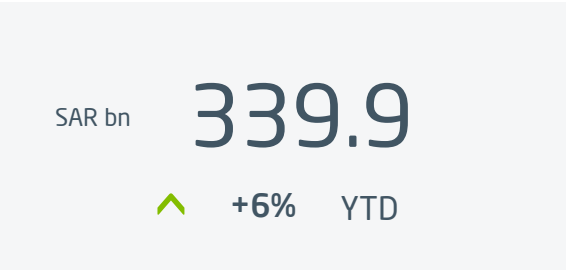
Strong financing growth



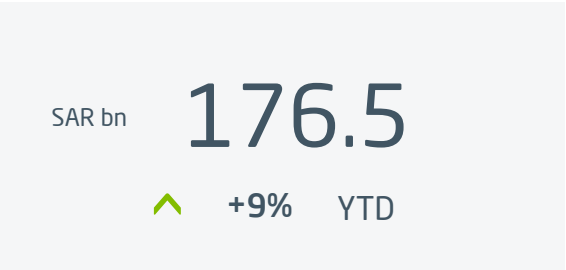
from Wholesale financing



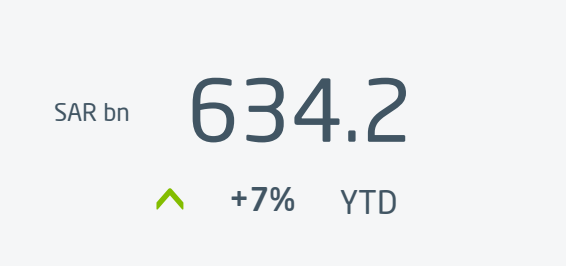
and Retail financing,



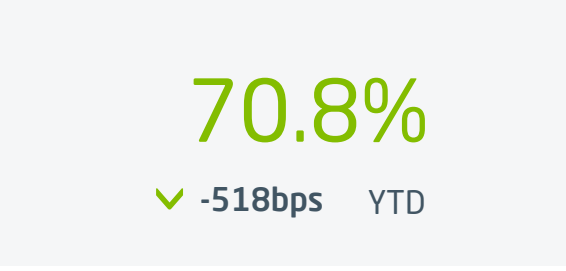
including Mortgage financing



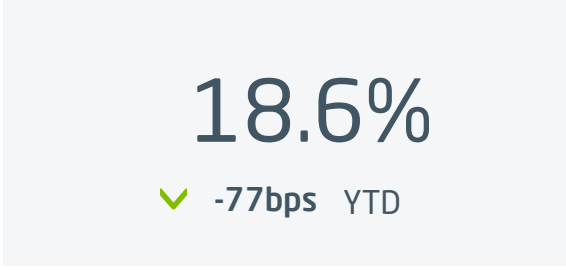
Funded with solid deposits growth



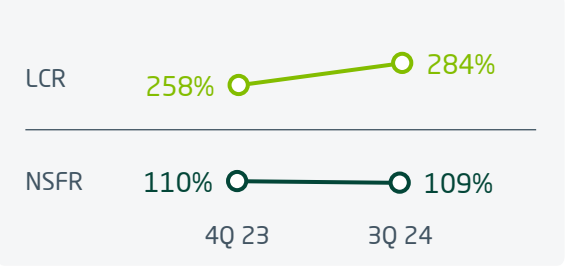
but moderated CASA ratio



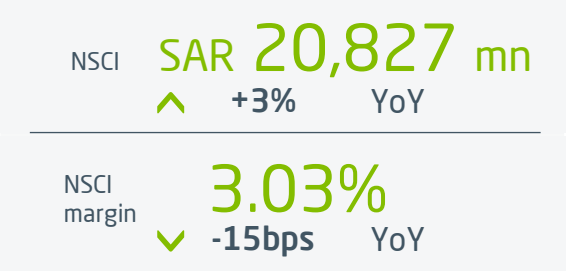
robust capital adequacy



and strong liquidity



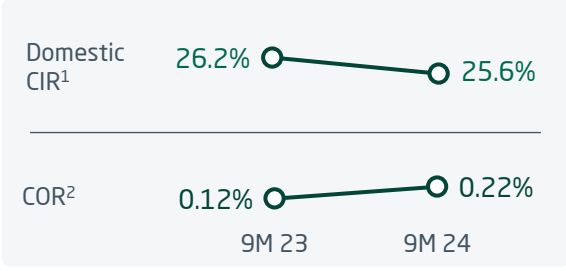
NSCI up despite margin decline



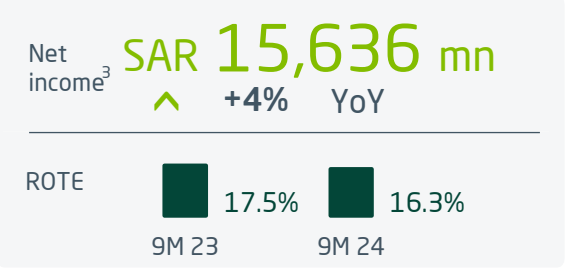
combined with solid Fee income growth



and healthy domestic cost efficiency

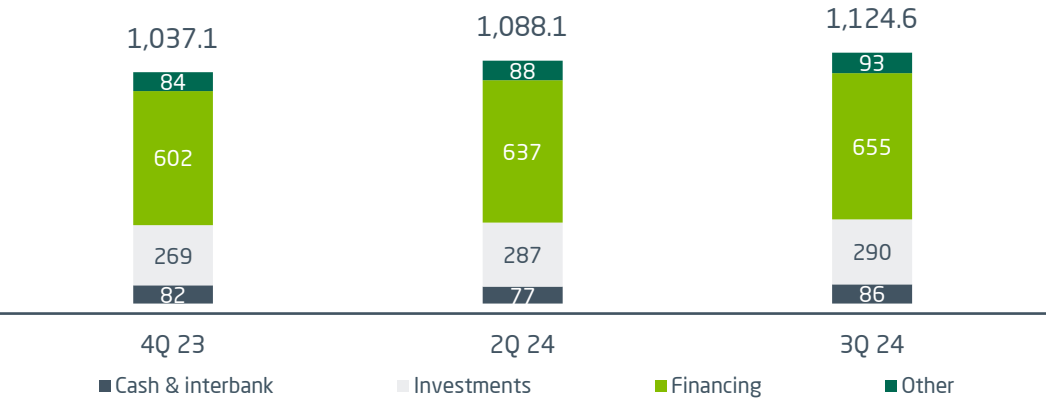


driving higher net income

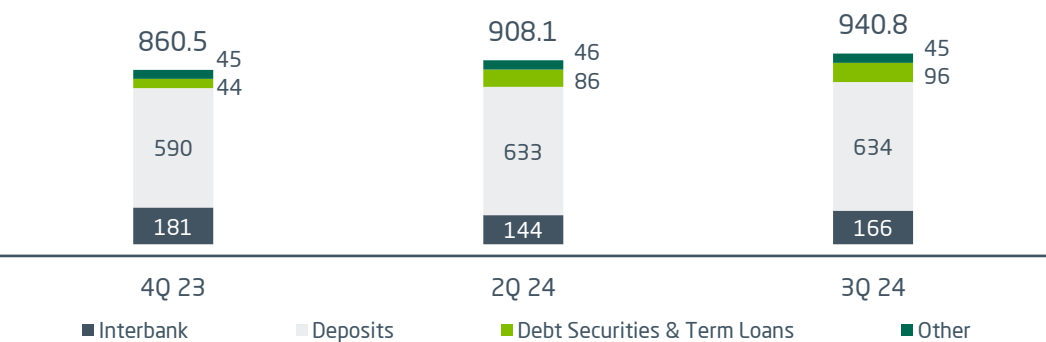


Balance sheet expansion of 8% mainly from financing growth and investments, funded by customers' deposits and other borrowed funds

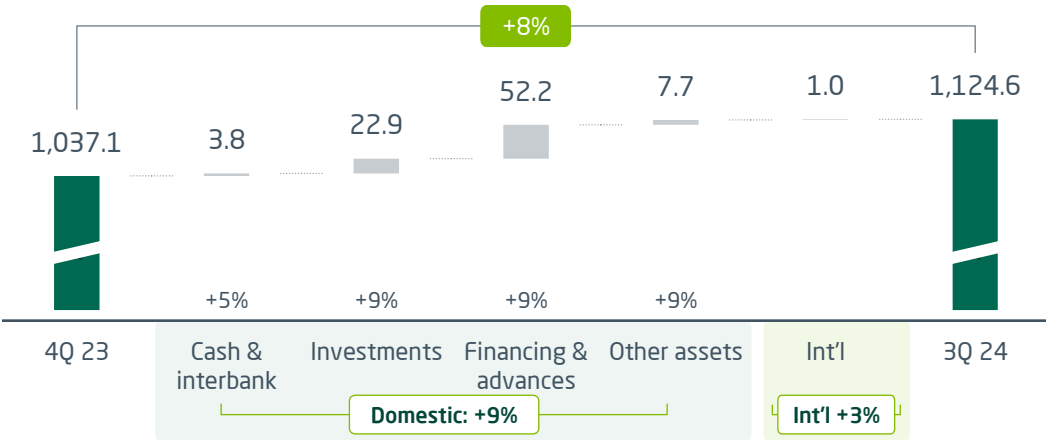
Total Assets (SARbn)



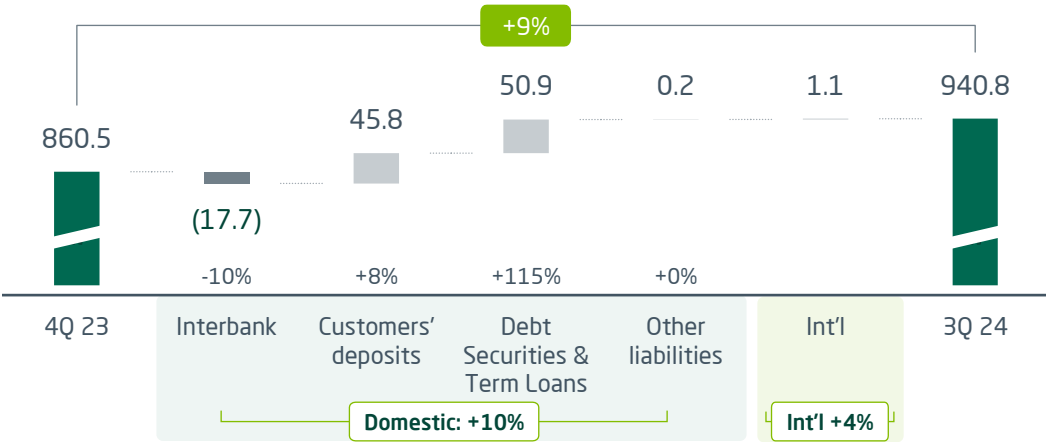
Total Liabilities (SARbn)



Total Assets Movement YTD (SARbn)

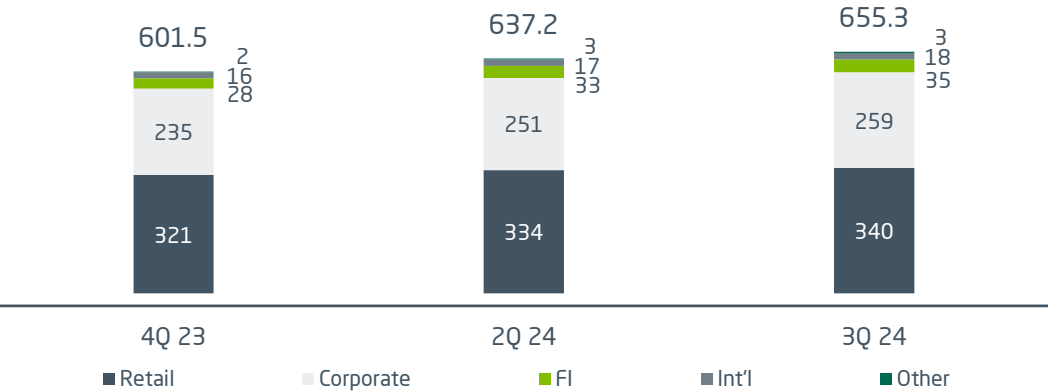


Total Liabilities Movement YTD (SARbn)



Strong growth in Wholesale and Retail mortgages

Financing & Advances, Net (SARbn)

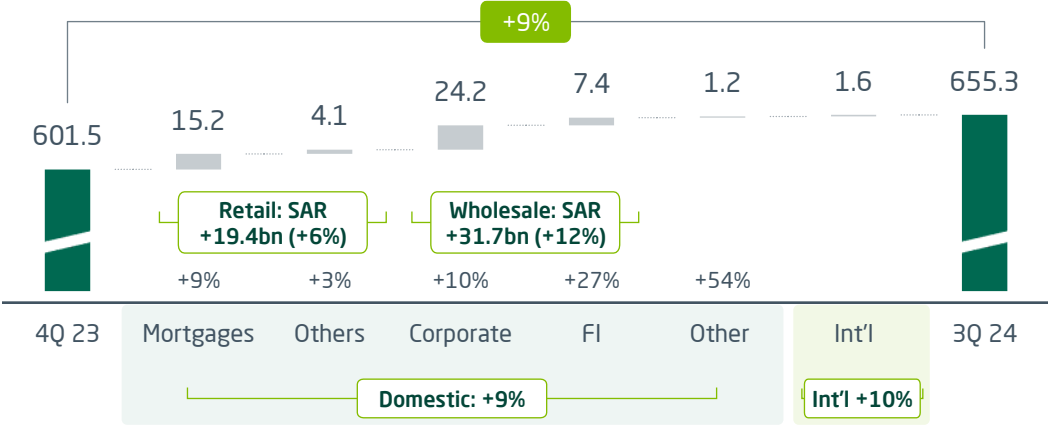


Financing & Advances, Net Composition (%)

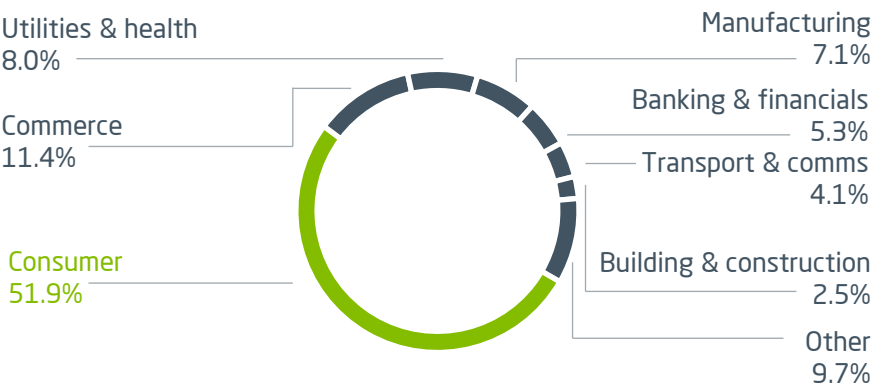


Financing & Advances, Net Movement YTD (SARbn)

2024 Guidance
Low double-digit

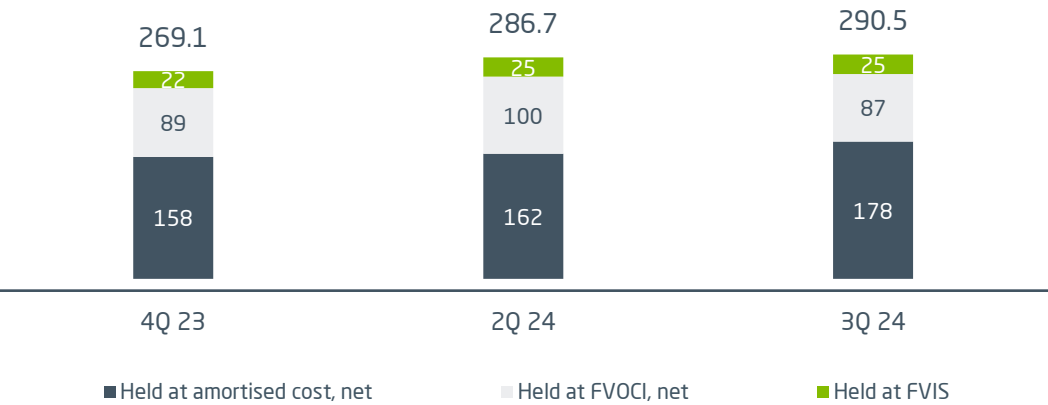


Financing & Advances, Net by Sector (%)

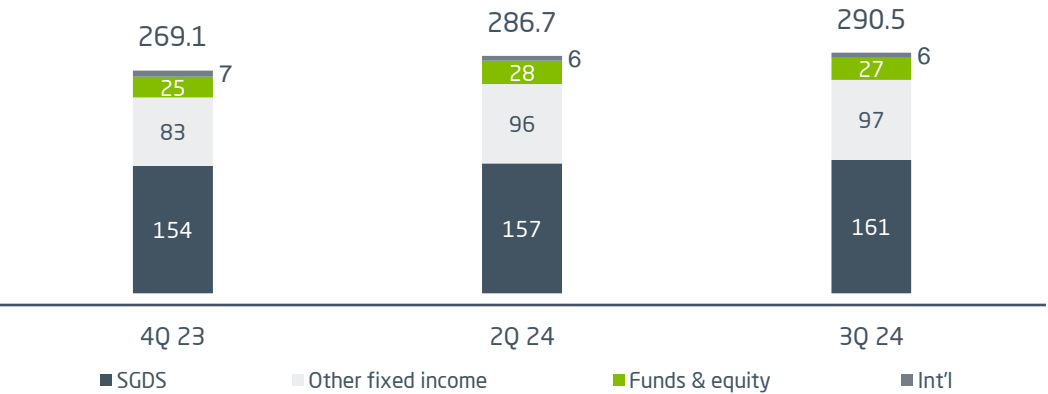


Investments up 8% primarily in other fixed income and SGDS

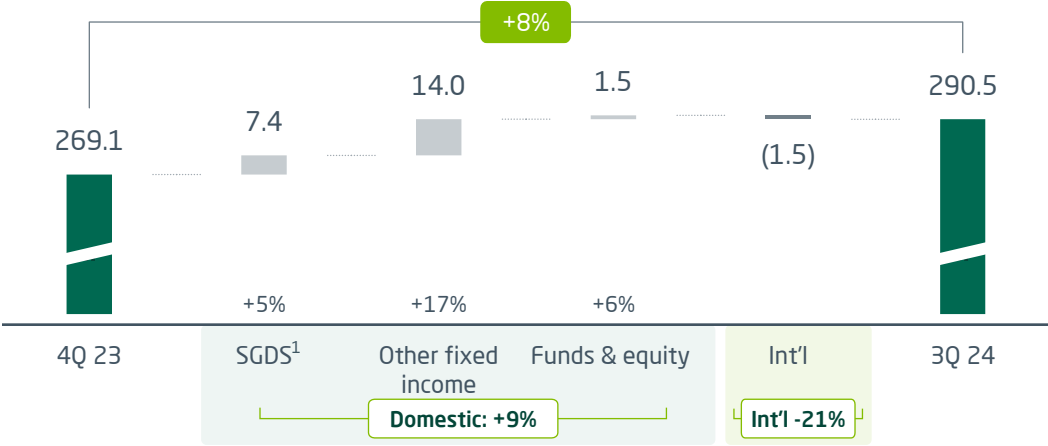
Investments, Net (SARbn)



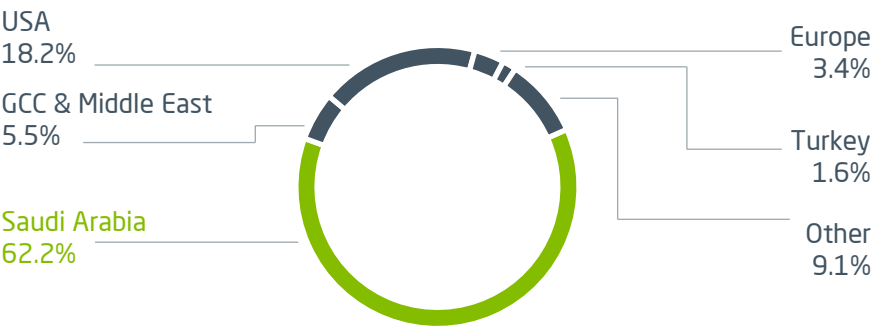
Investments, Net by Instrument (SARbn)



Investments, Net Movement YTD (SARbn)



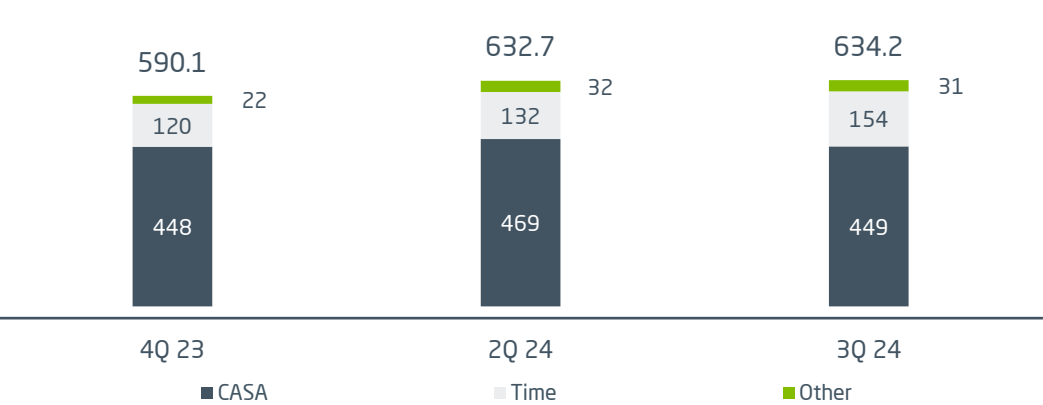
Investments, Net by Geography (%)



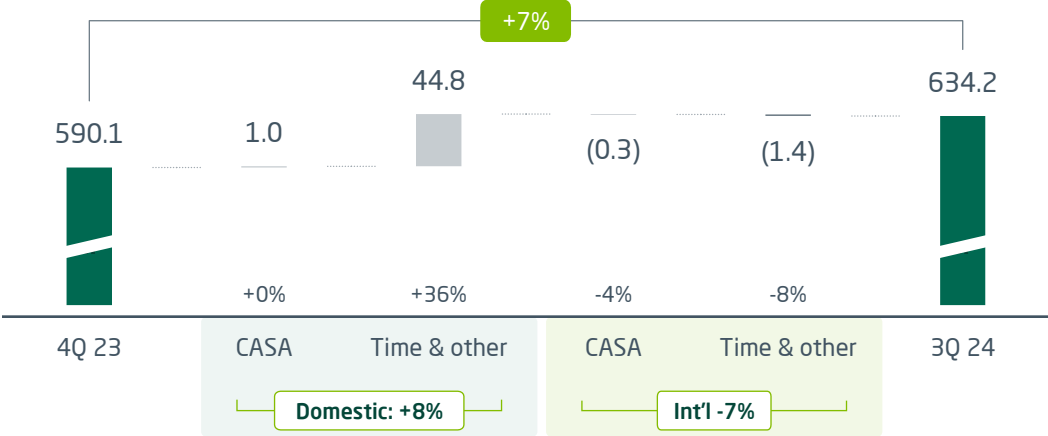
¹ Saudi Government Debt Securities including SAMA bills (investment grade)

Customers' deposits increased by 7%, with term deposits surpassing CASA

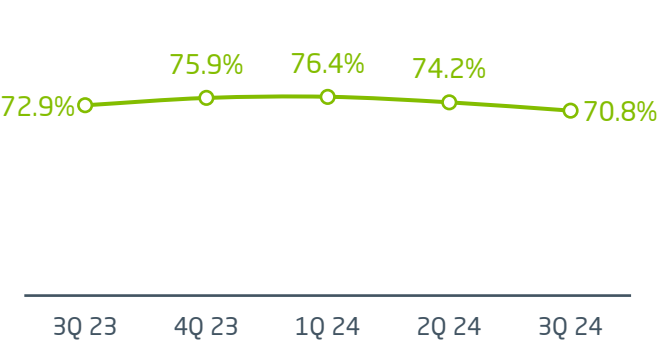
Customers' Deposits (SARbn)



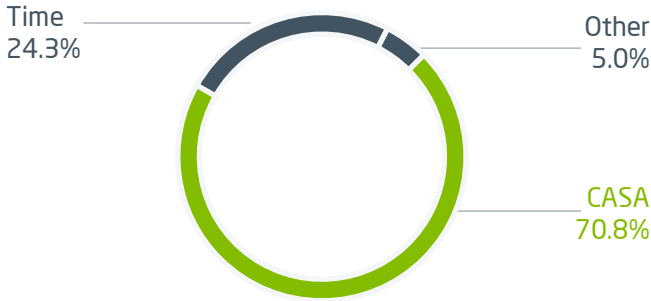
Customers' Deposits Movement YTD (SARbn)



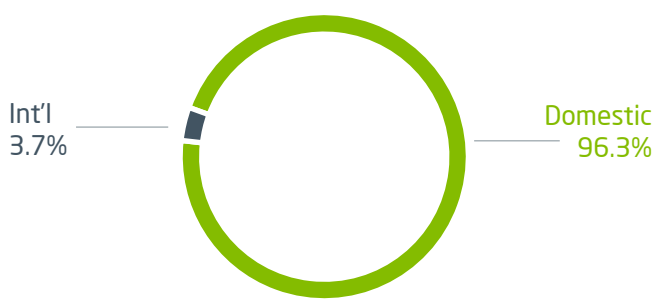
CASA Ratio (%)



Customers' Deposits by Type (%)

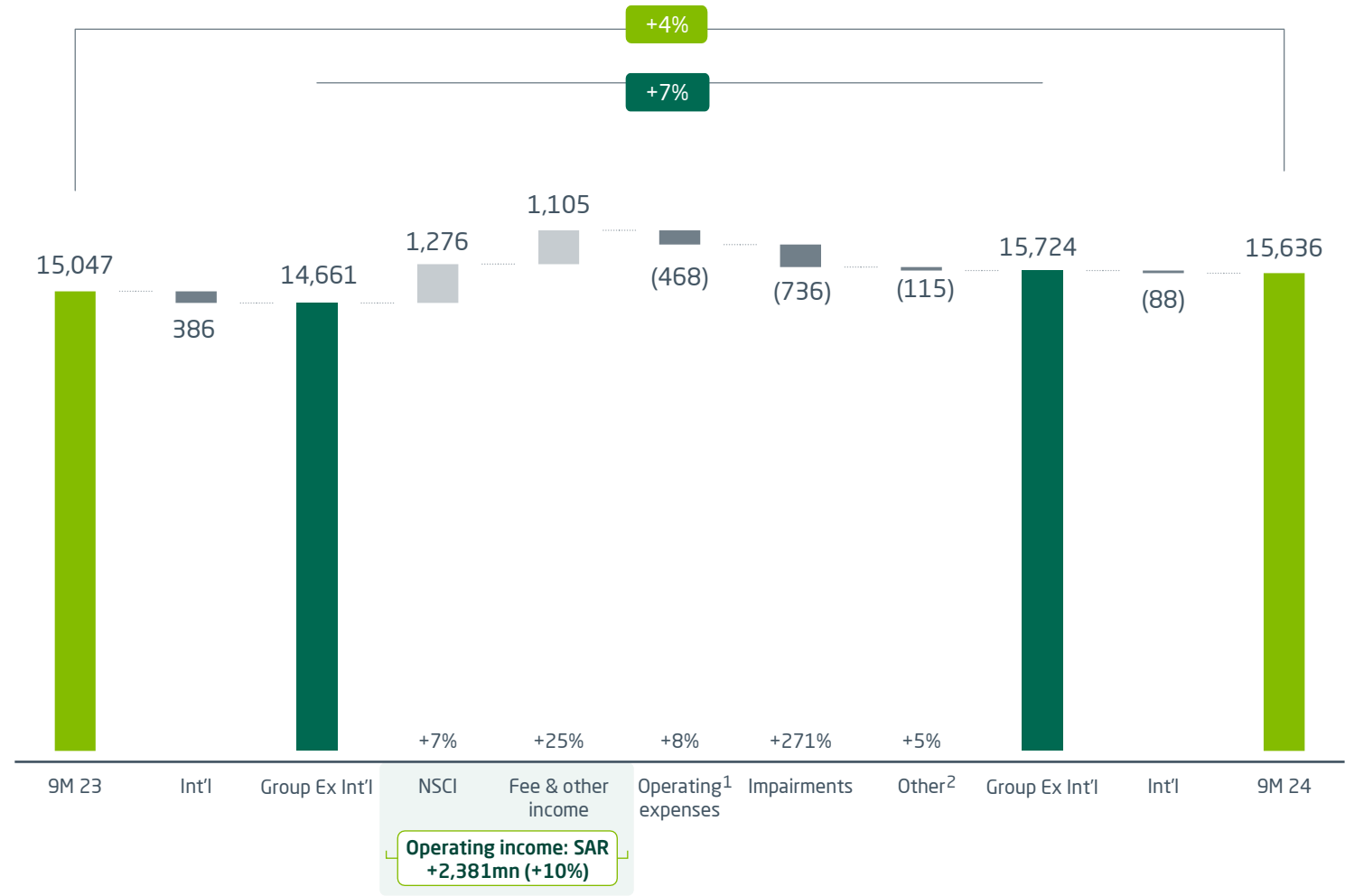


Customers' Deposits by Geography (%)

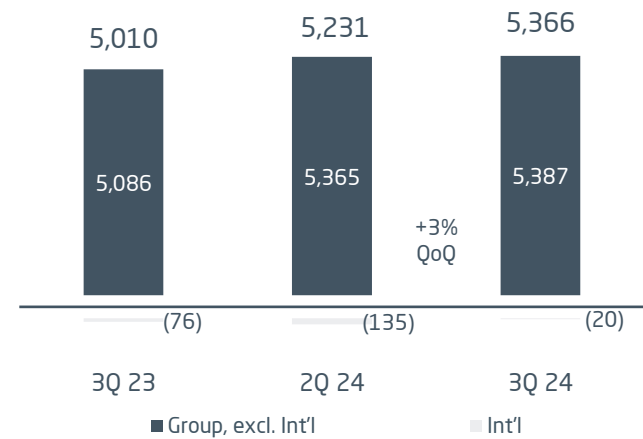


Net income growth driven by higher operating revenue and partially offset by higher operating expenses including impairments

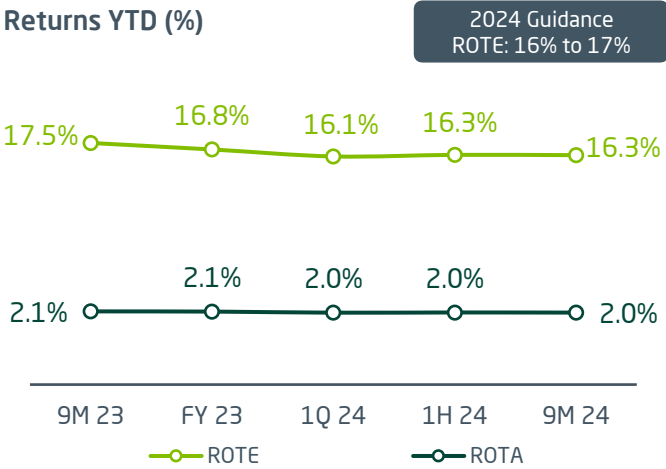
Net Income Attributed To Equity Holders Movement YoY (SARmn)



Net Income (SARmn)



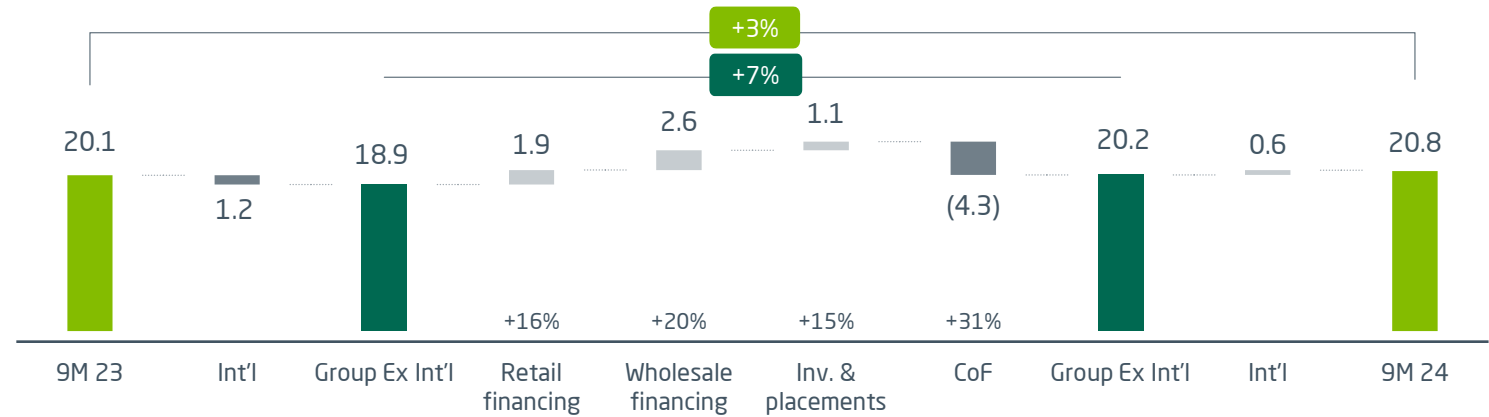
Returns YTD (%)



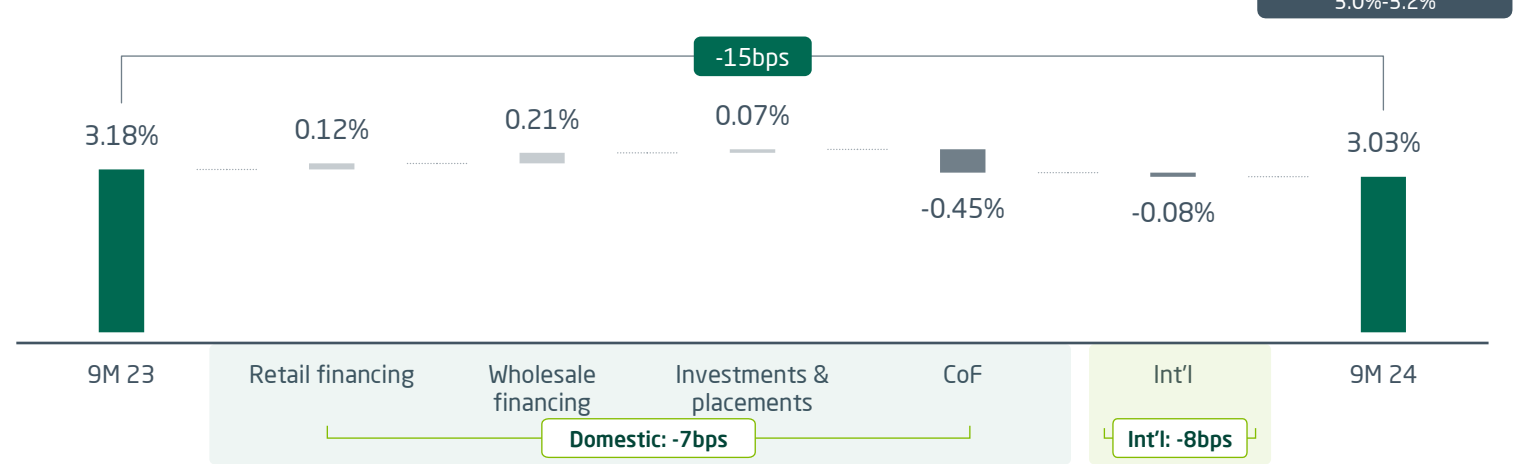
¹ Operating expenses exclude amortization of intangibles of SAR 615mn (9M 2023: SAR 615mn) | ² Other includes amortization of intangibles, other non-operating expenses and zakat

NSCI is up 3%, while the NSCI Margin declined as the increase in funding costs outpaced the rise in asset yields

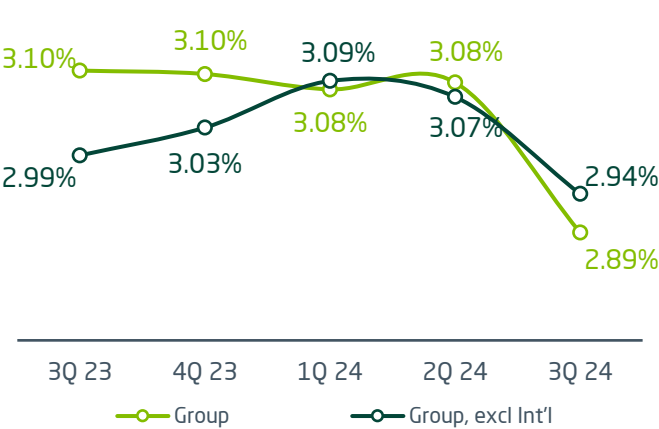
Net Special Commission Income Movement YoY (SARbn)



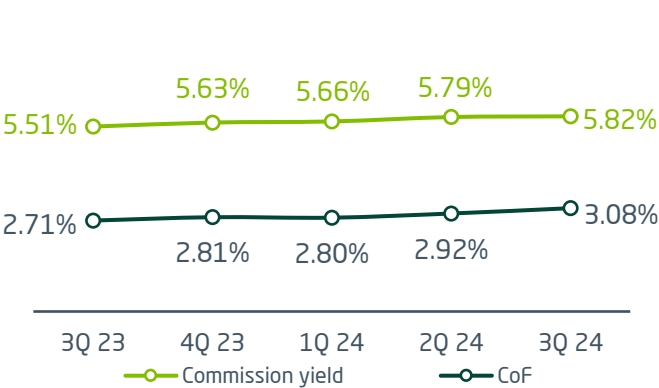
Net Special Commission Margin Movement YoY (%)¹



NSCI Margin QTR (%)¹



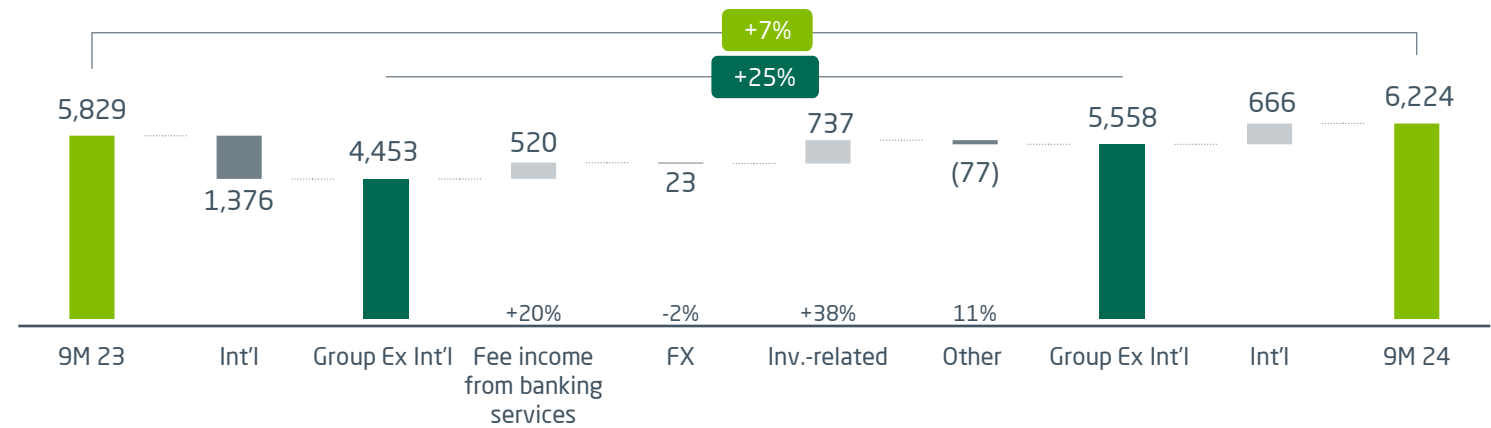
Group, excl Int'l, Commission Yield & Funding Cost QTR (%)



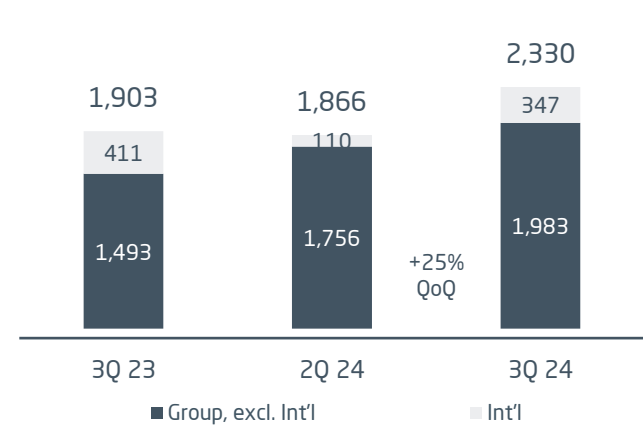
¹ NSCI margin calculation excludes FV unwind of SAR 288mn (9M 2023: SAR 351mn)

Fee and other income experienced strong growth, driven by domestic banking service fees and investment-related income

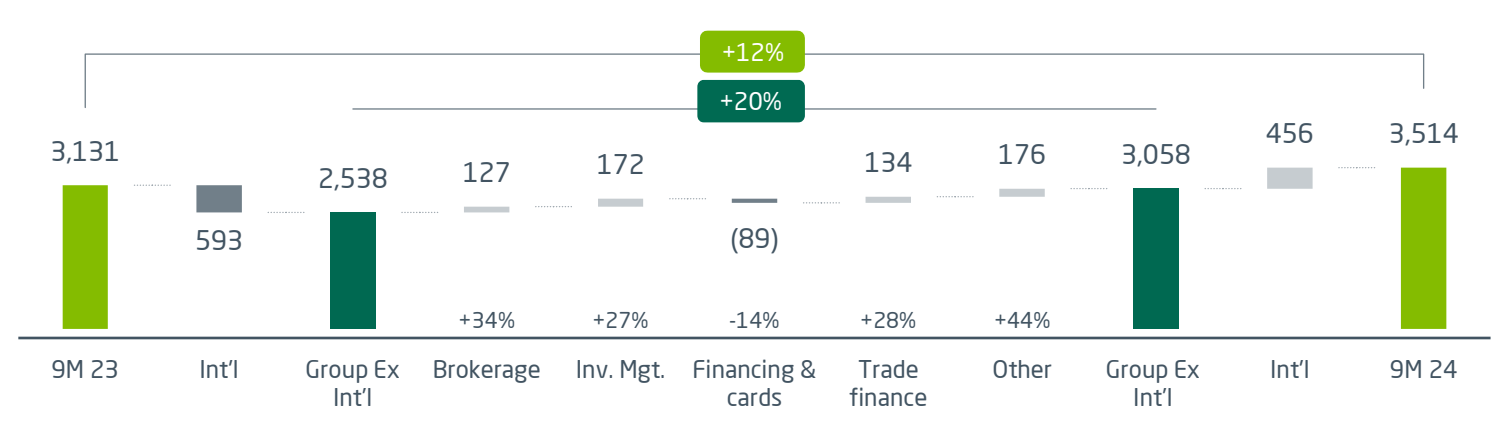
Fee & Other Income Movement YoY (SARmn)



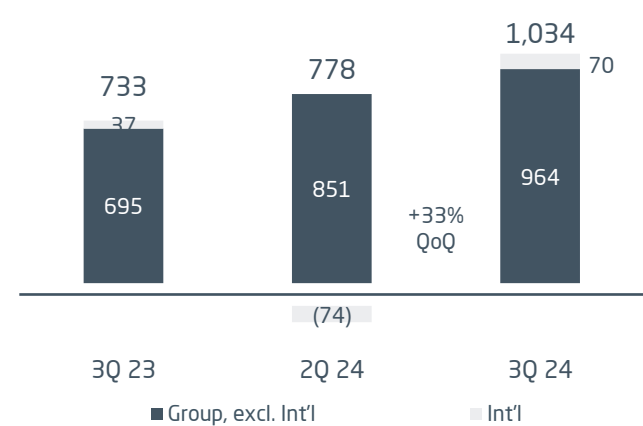
Fee & Other Income (SARmn)



Fee Income From Banking Services, Net Movement YoY (SARmn)

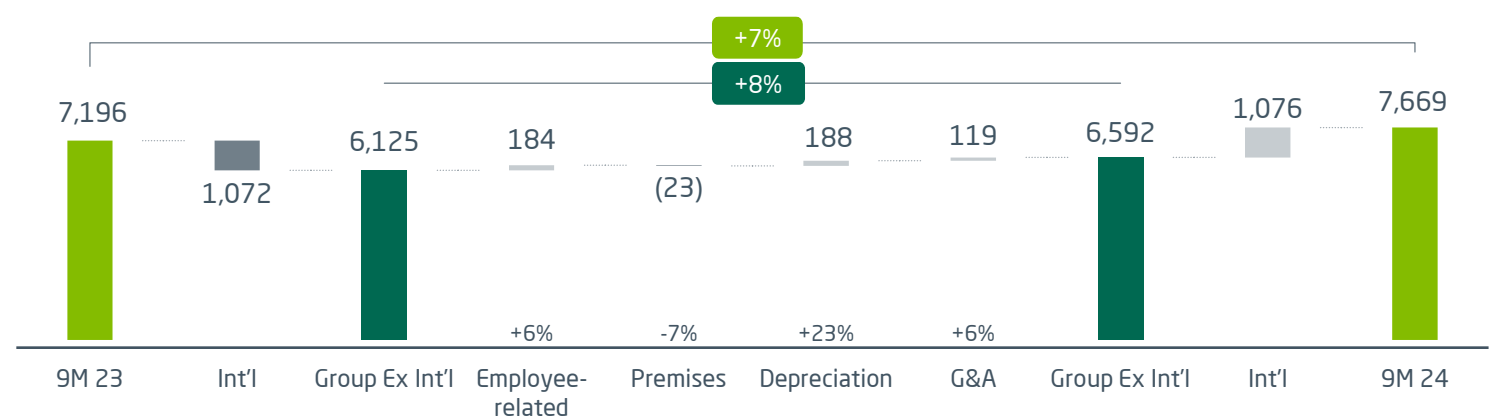


Investment-Related Income (SARmn)

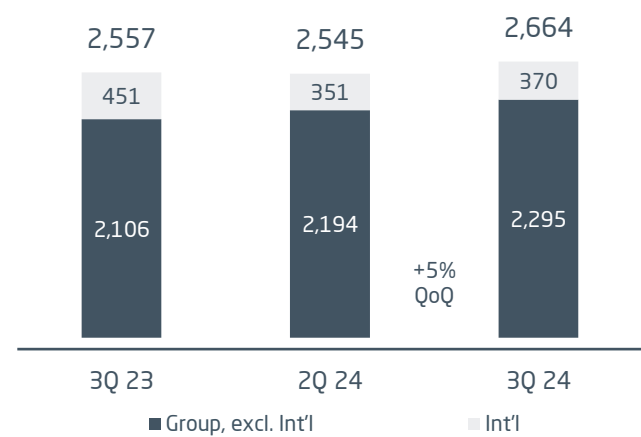


Operating expenses higher by 7% YoY driven by employee-related costs, depreciation and general and administrative expenses

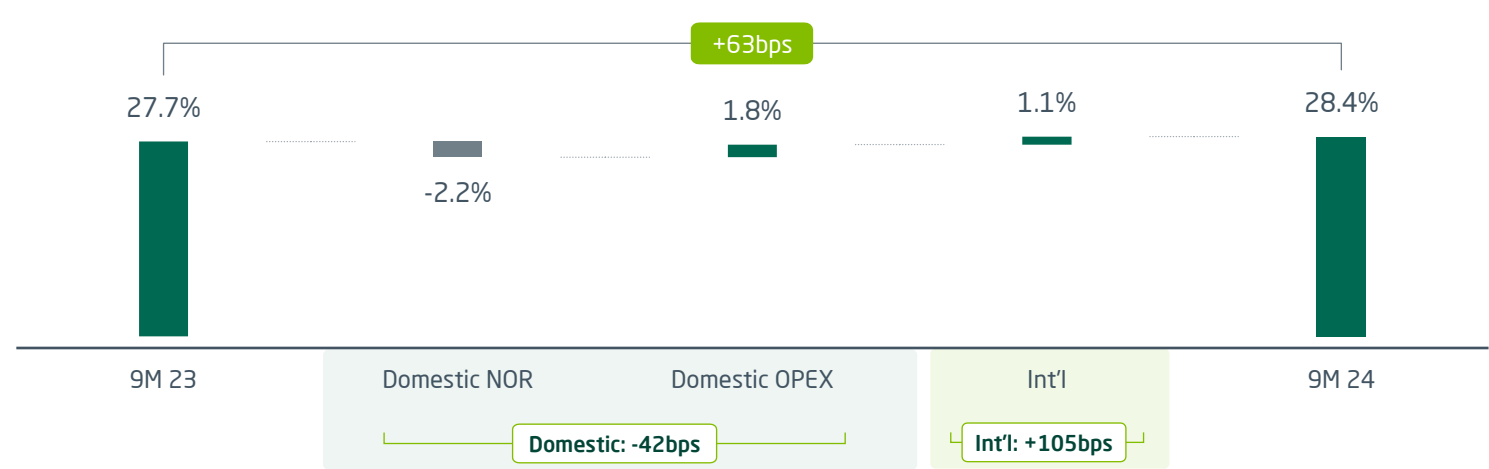
Total Operating Expenses, Excl Intangibles Amortization Movement YoY (SARmn)¹



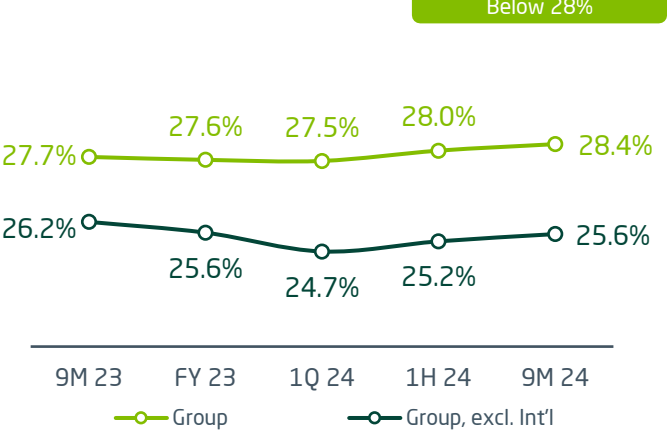
Operating Expenses (SARmn)¹



Cost to Income Ratio Movement YoY (%)¹



Cost to Income Ratio YTD (%)¹



2024 Guidance
Below 28%

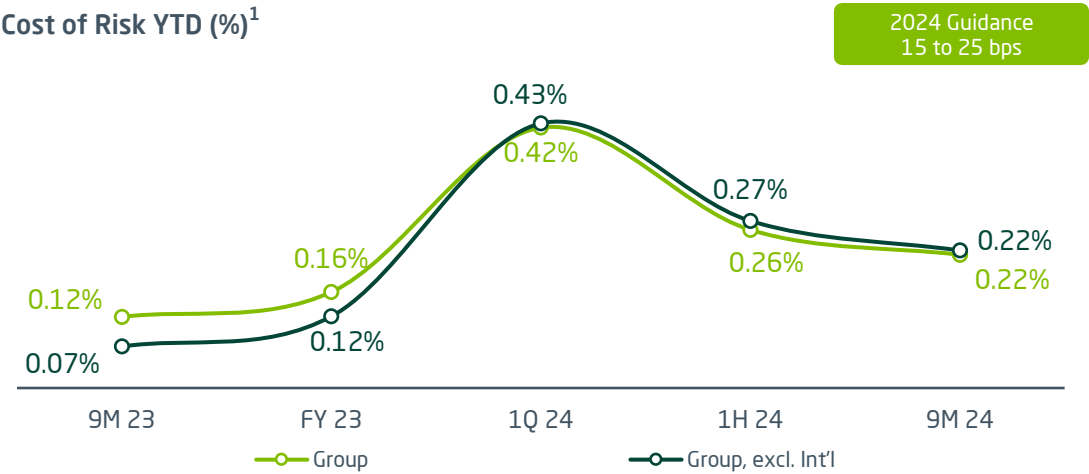
¹ Operating expenses and cost to income ratio exclude amortization of intangibles of SAR 615mn (9M 2023: SAR 615mn)

Cost of Risk improved QoQ to reach 22bps

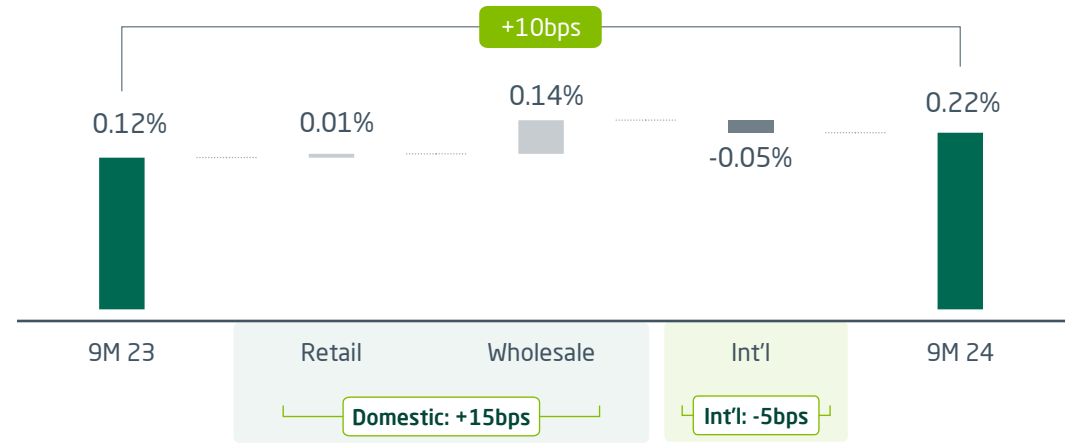
Impairment Charge For Financing And Advances Losses Movement
YoY (SARmn)



Cost of Risk YTD (%)¹

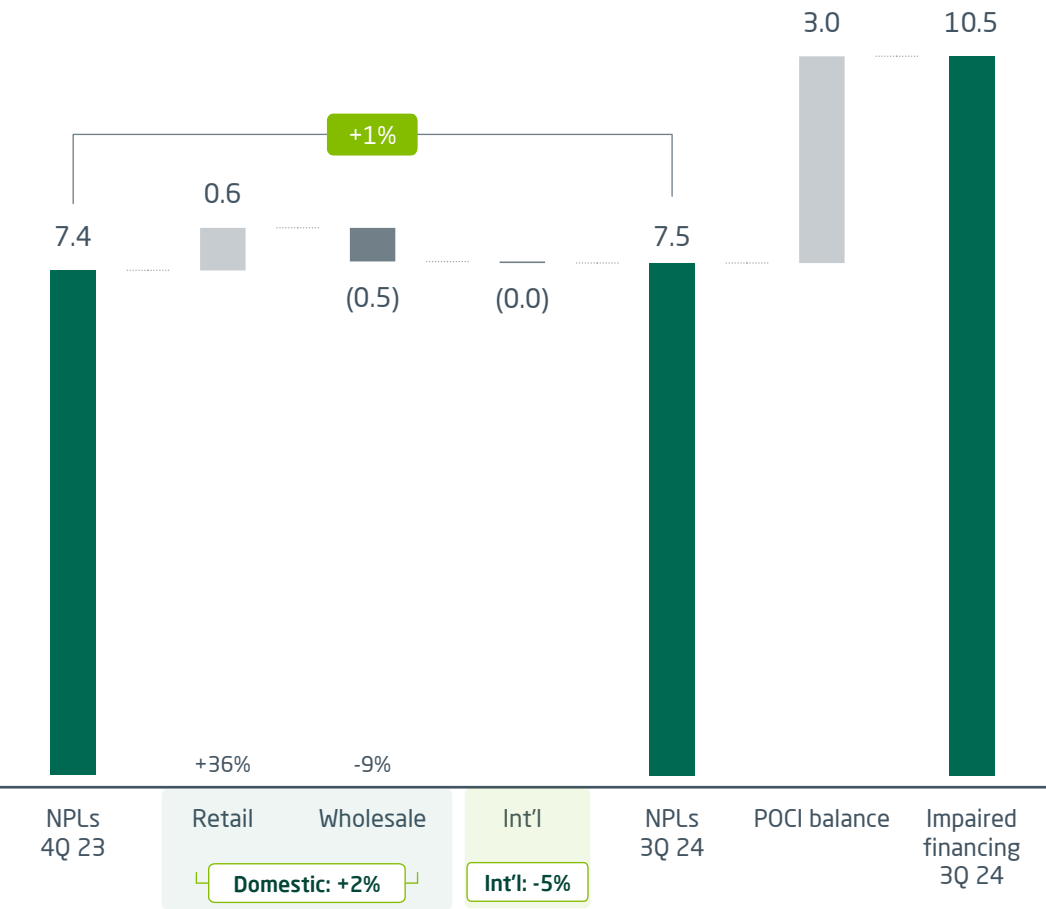


Cost of Risk Movement YoY (%)¹

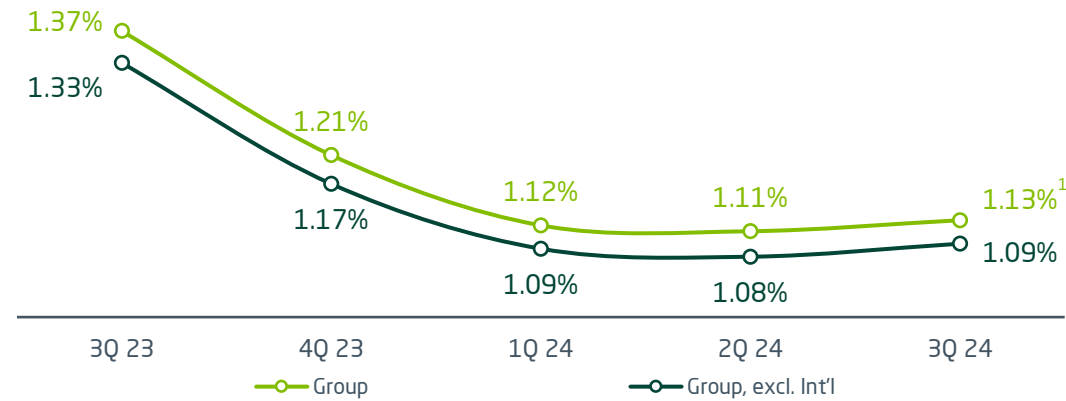


Asset quality is stable and NPL ratio maintained close to 1.1%

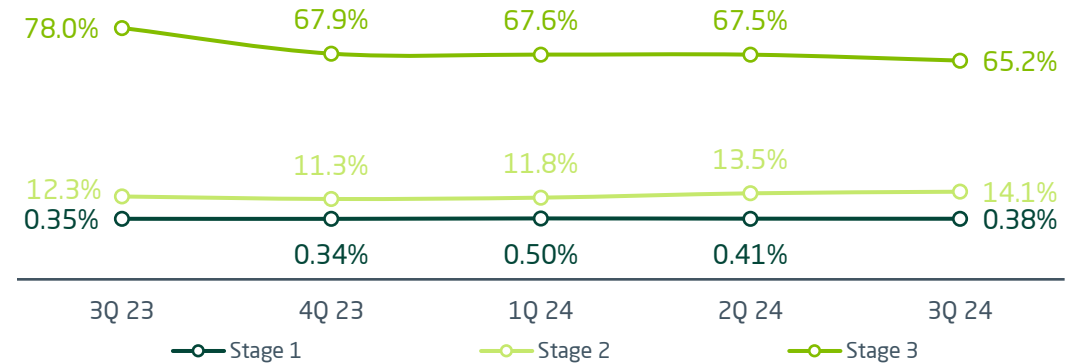
Credit Impaired Financing Movement YTD (SARbn)



NPL Ratio (%)



Coverage by Stage (%)

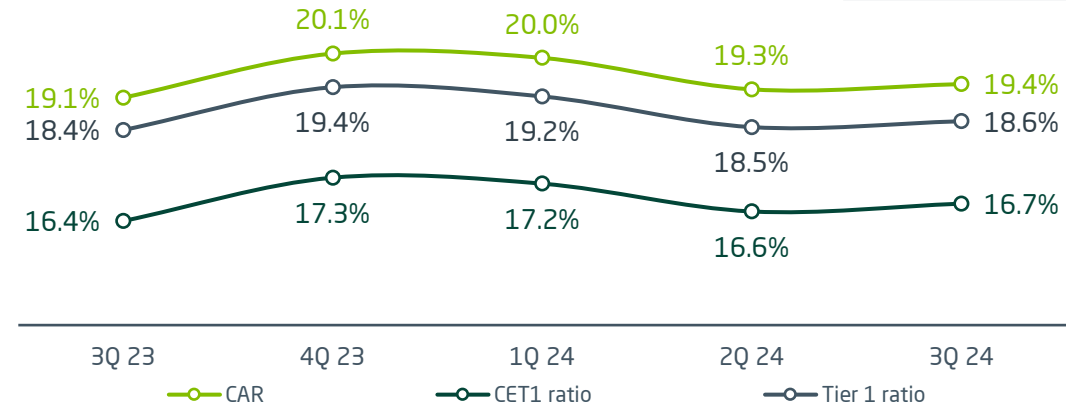


¹ Group including POCI : 1.57%

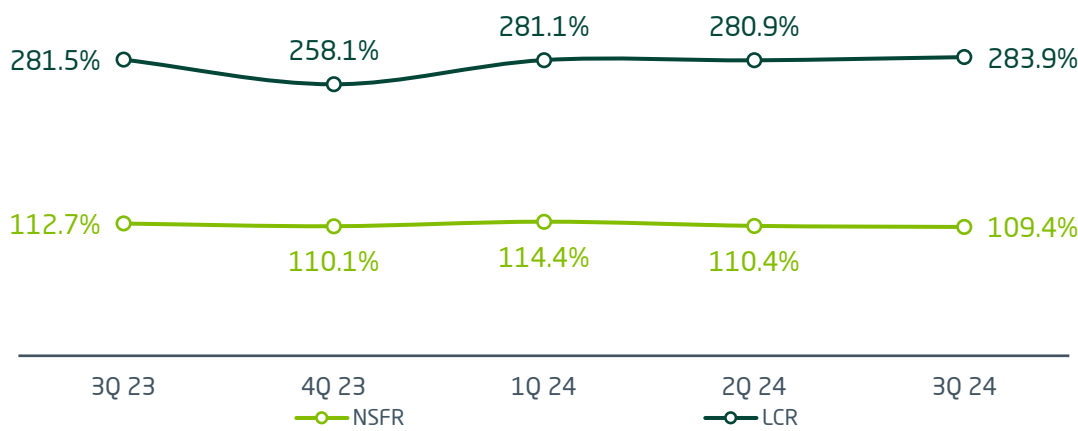
Capitalization remains healthy, and liquidity is strong and stable

Capitalization Ratios (%)

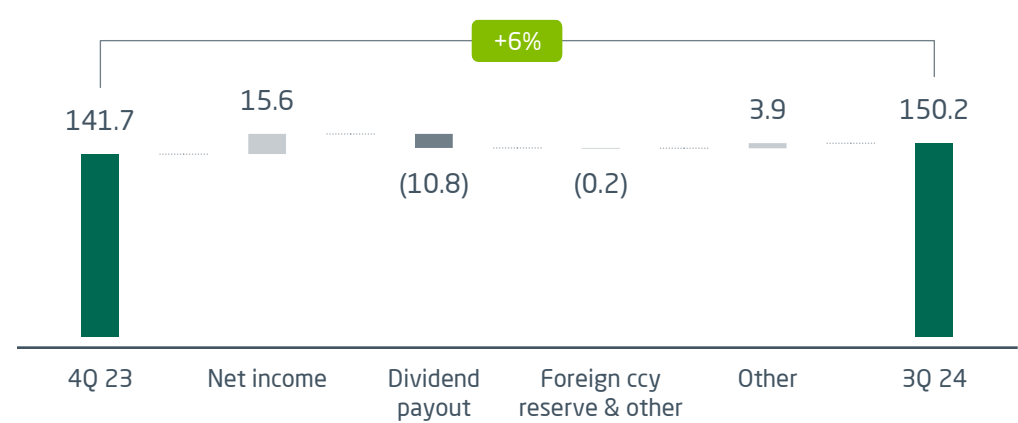
2024 Guidance
T1 CAR: 18-19%



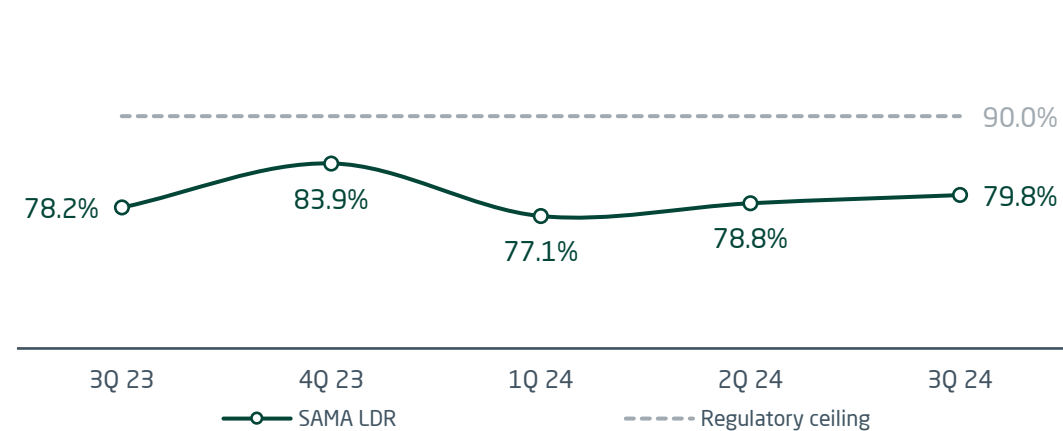
Liquidity Ratios (%)



Total Eligible Capital Movement YTD (SARbn)



SAMA Loan-to-Deposit Ratio (%)



Offsetting guidance changes for COR and CIR leave ROTE expectations reaffirmed



Macro-Economic Outlook ¹	FY 2024 Forecast ²	SNB Financial Guidance	FY 2023 Baseline	9M 2024 Actual	FY 2024 Guidance	Status
Real GDP Growth	+0.8%	Financing Growth	SAR 602bn +10%	SAR 655bn +9%	Low double-digit	Unchanged
Fiscal Balance	-2.9%	NSCI Margin	3.15%	3.03%	3.0% to 3.2%	Unchanged
US FFR	4.5 to 4.75%	Group Cost to Income Ratio ³	27.6%	28.4%	Below 28%	Downgraded
		Domestic Cost to Income Ratio ³	25.6%	25.6%		
Inflation	1.7%	Cost of Risk	16 bps	22 bps	15 to 25 bps	Upgraded
Avg Brent Oil Price	USD 82 / bbl	Tier 1 CAR	19.4%	18.6%	18% to 19%	Unchanged
		ROTE	16.8%	16.3%	16% to 17%	Unchanged



Q&A

3Q 2024



Additional Information



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