



SNB

1Q 2024 Earnings Presentation

Saudi National Bank

Riyadh | 14 May 2024

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SNB continues its growth journey

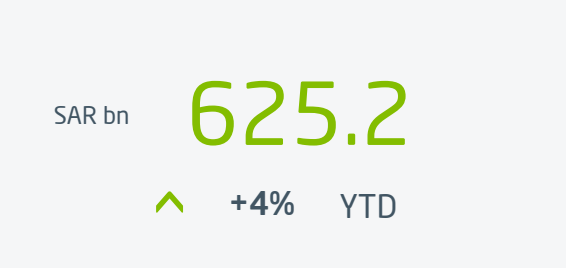
A solid start to the year underpins a strong foundation for achieving our FY 2024 goals

STRATEGIC ASPIRATIONS	STRATEGIC PRIORITIES	STRATEGIC FOCUS AREAS	1Q 2024 PERFORMANCE HIGHLIGHTS
Number One in Revenue & Profits	Value Capture Leadership	<div>Value growth in Wholesale</div> <div>CASA market share</div> <div>Retail market share</div> <div>ESG Focus</div>	Sustained record profitability ; delivering 1Q 2024 SAR 5bn net income and attractive returns with 16.1% ROTE , sustainable financing issuance
	Operational Excellence	<div>Cost efficiencies</div> <div>Increased automation & digitization</div>	Deepening operational efficiency with automation, digitization, AI and cost efficiencies driving domestic CIR to 24.7%
Best Digital Bank	Digital Dominance	<div>Build best-in-class app</div> <div>Digital penetration & adoption</div> <div>Predictive analytics</div>	Investment in enhancing digital experience across apps and online platforms
Best in Customer Service	Customer Centricity	<div>Customer satisfaction</div> <div>Turn Around Time</div>	Achieved customer fulfillment rate of 94%, launched multicurrency global and flexi installment credit cards
Employer of Choice	People Centricity	<div>Employee engagement</div> <div>Training & development</div> <div>SNB Academy</div>	Growing engagement & enablement , talent pipeline development, delivery of SNB Academy

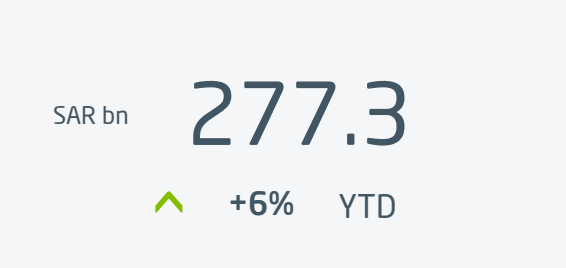


Strong financing growth funded by a robust increase in CASA, along with prudent COR resulted in positive net income growth

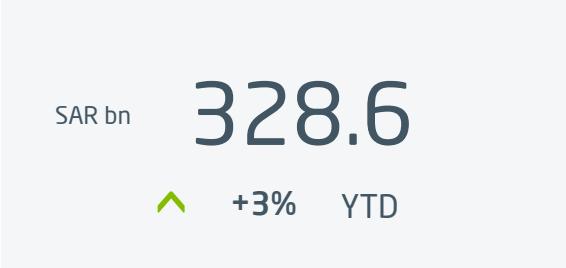
Strong financing growth



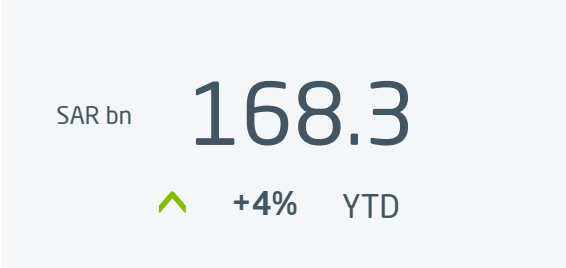
from Wholesale financing



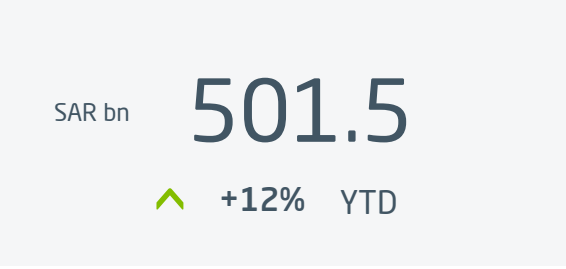
and Retail financing,



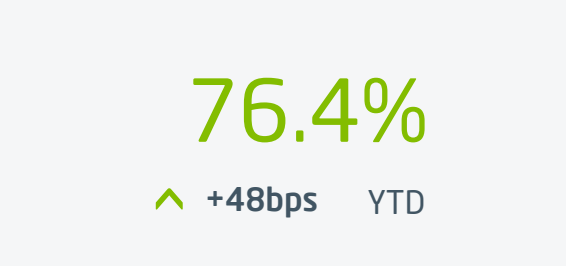
including Mortgage financing



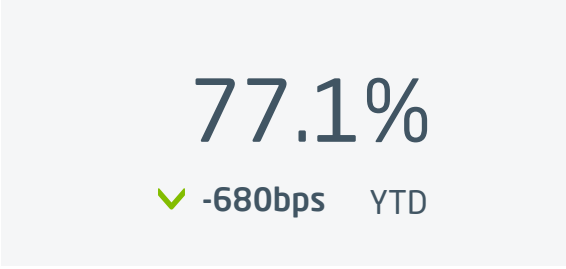
Robust CASA growth



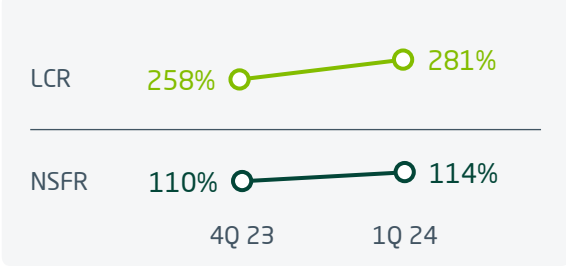
and improving CASA ratio



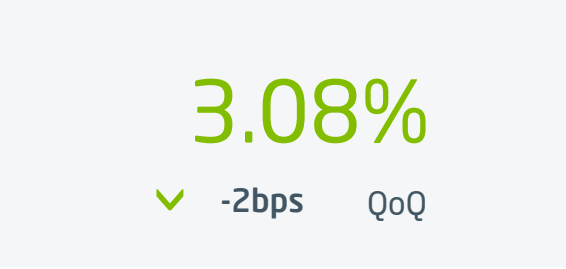
with ample SAMA LDR headroom



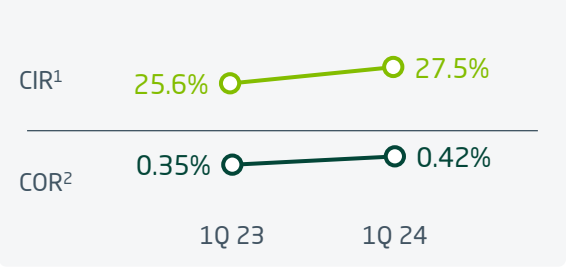
and strong liquidity.



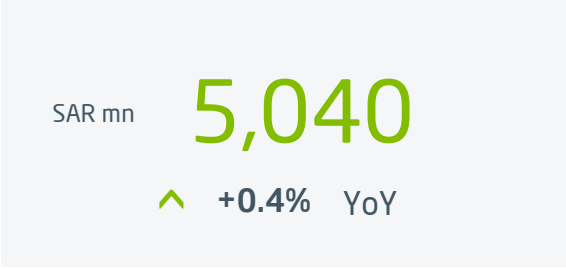
NSCI margin relatively stable QoQ



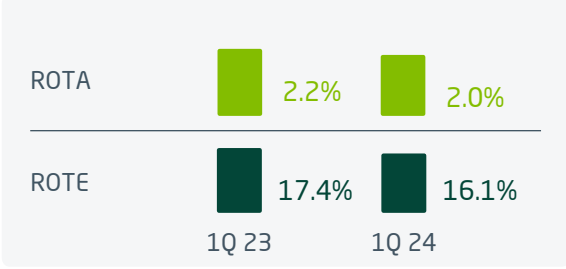
with prudent COR



positive net income³ growth delivered

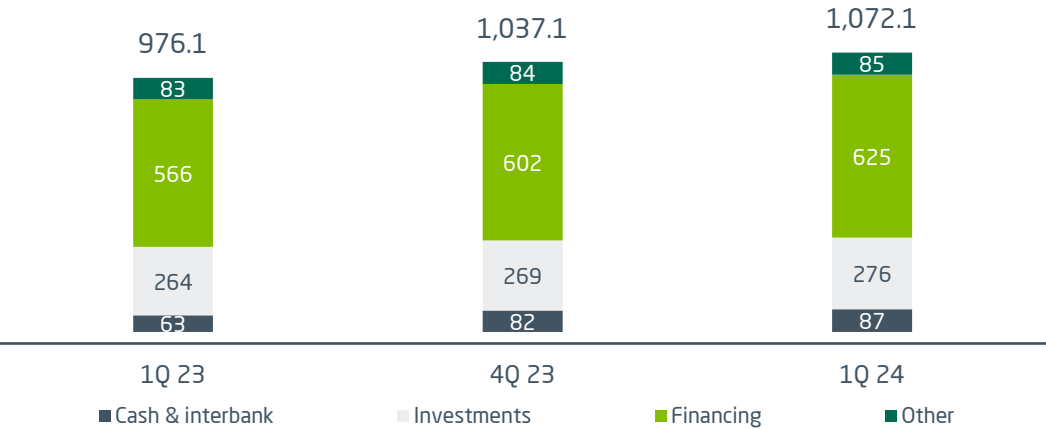


with excellent returns.

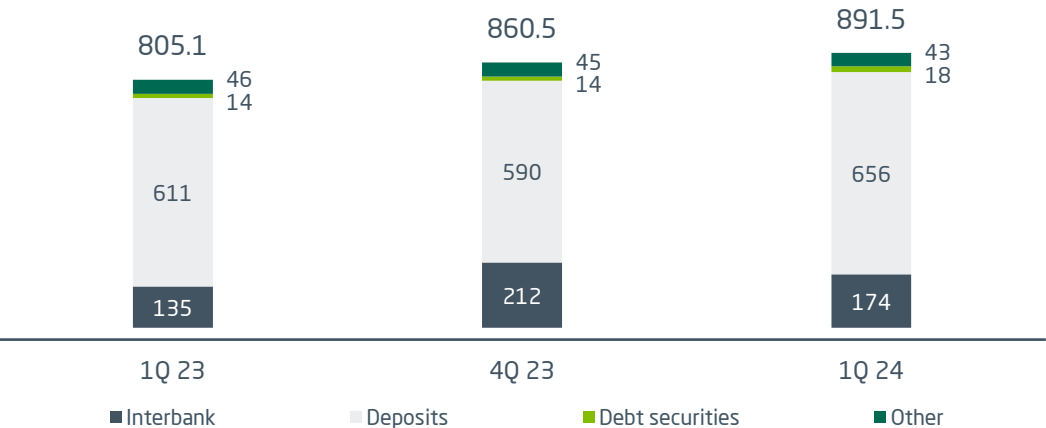


Balance sheet expansion of 3% mainly from financing growth, funded by customers' deposits partly offset by reduced interbank balances

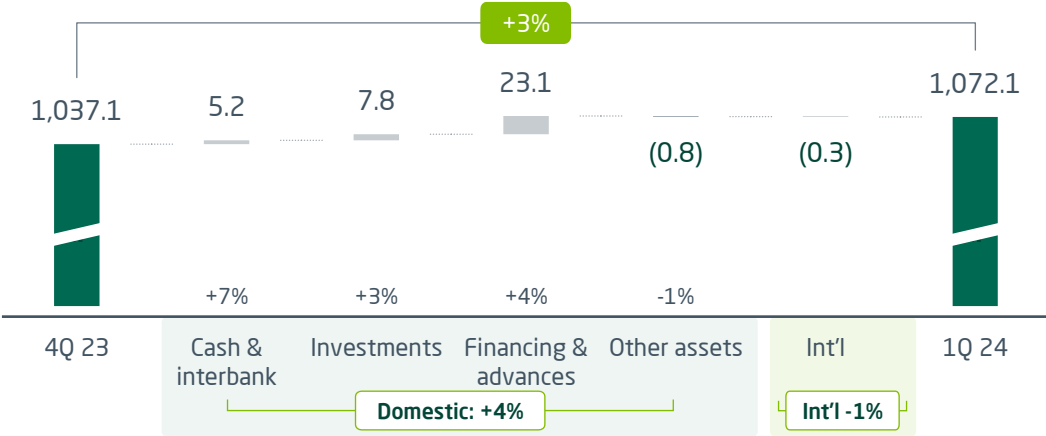
Total Assets (SARbn)



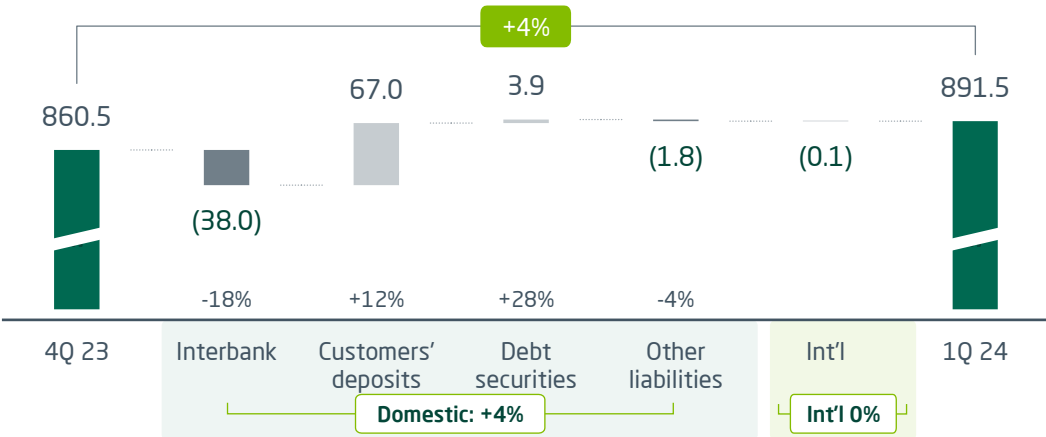
Total Liabilities (SARbn)



Total Assets Movement YTD (SARbn)

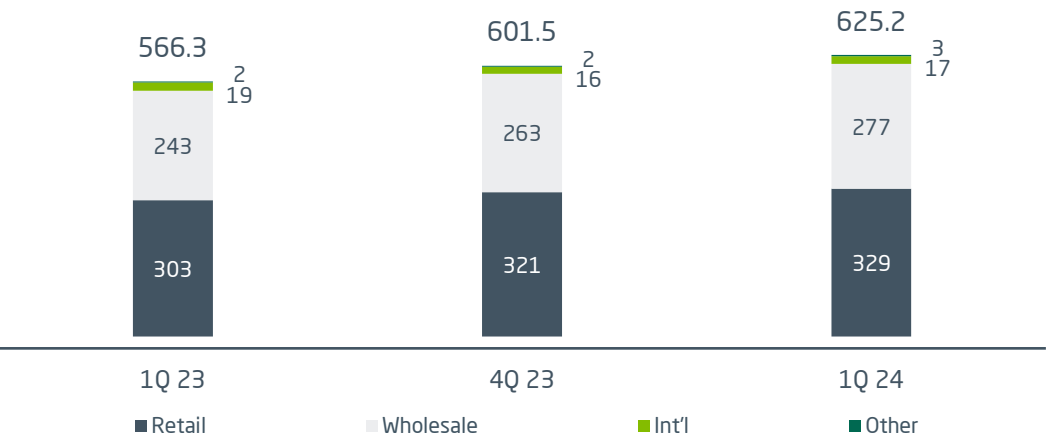


Total Liabilities Movement YTD (SARbn)

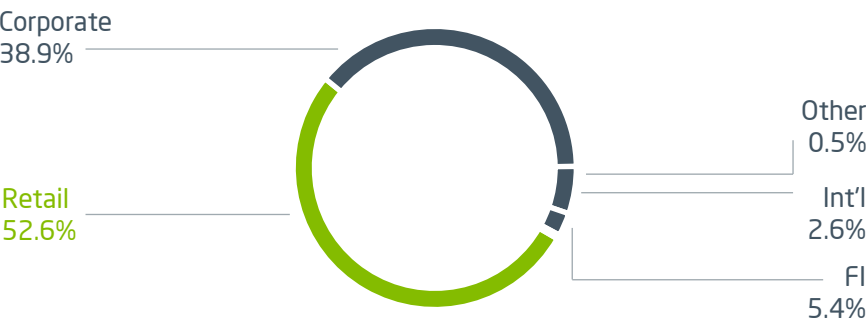


Strong growth in financing, driven primarily by wholesale and mortgages

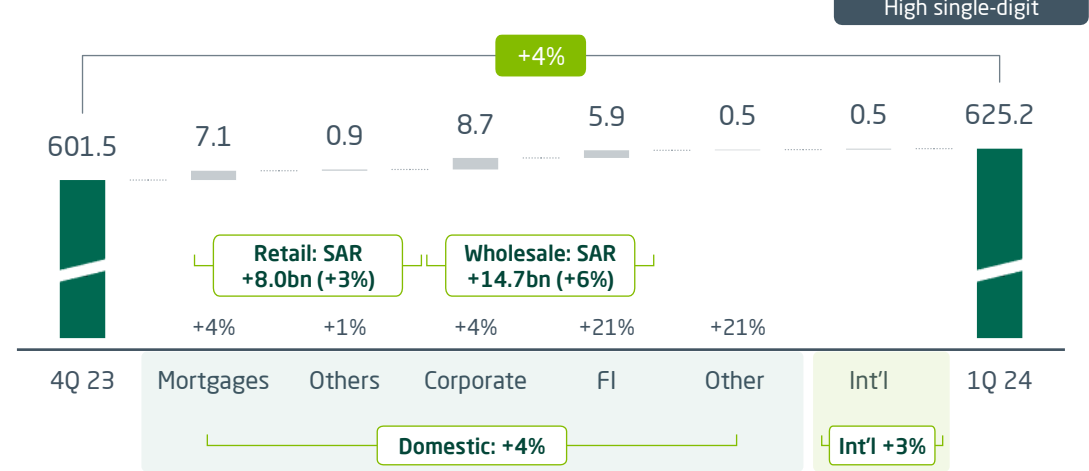
Financing & Advances, Net (SARbn)



Financing & Advances, Net Composition (%)

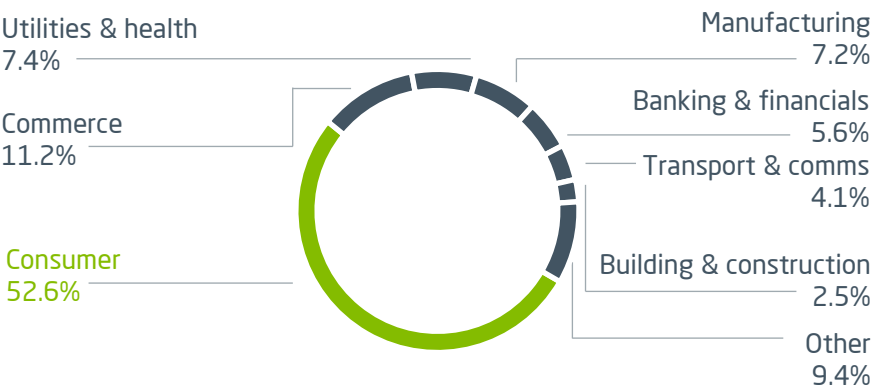


Financing & Advances, Net Movement YTD (SARbn)



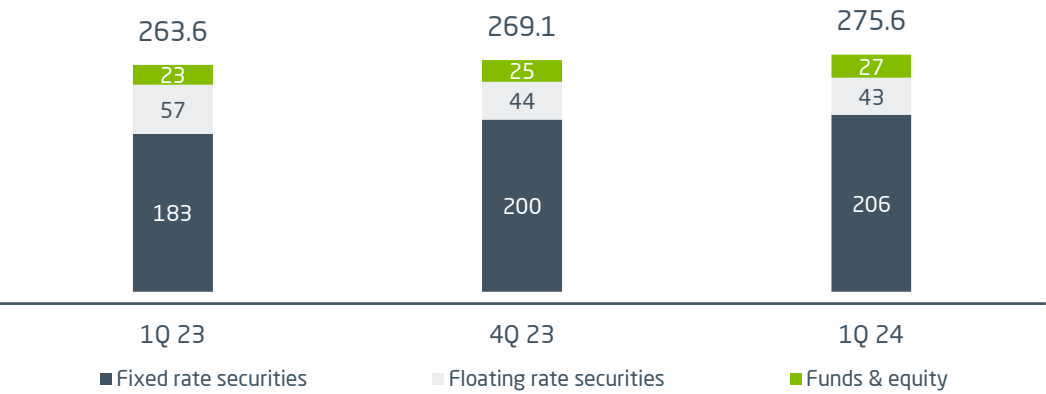
2024 Guidance
High single-digit

Financing & Advances, Net by Sector (%)

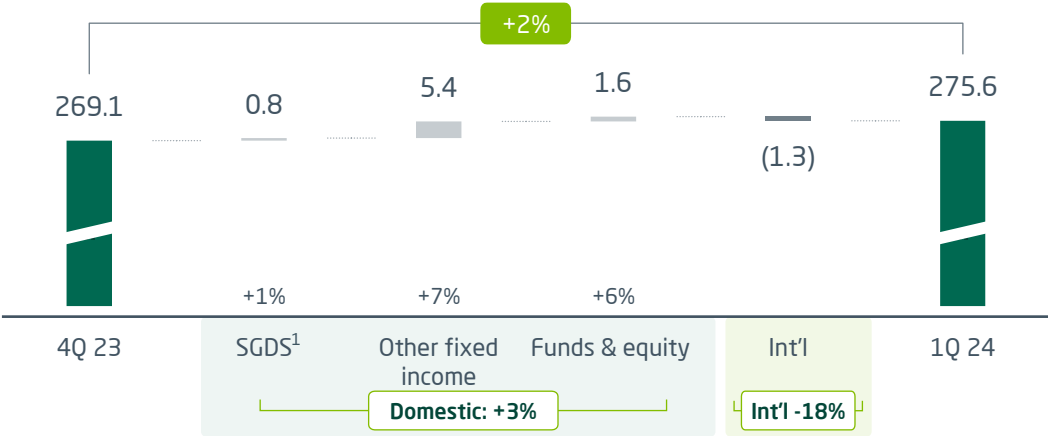


Investments up 2% primarily in domestic other fixed income

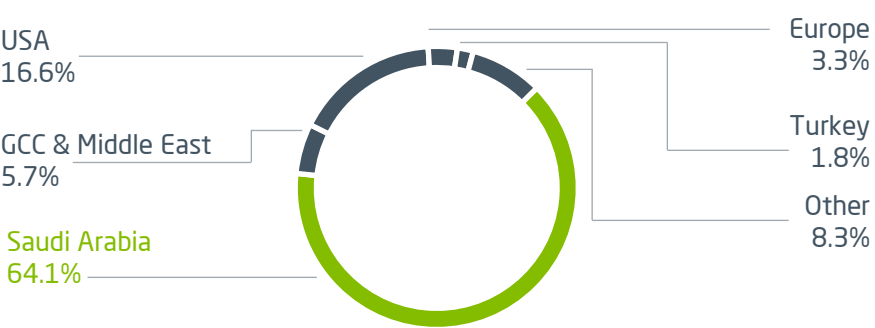
Investments, Net (SARbn)



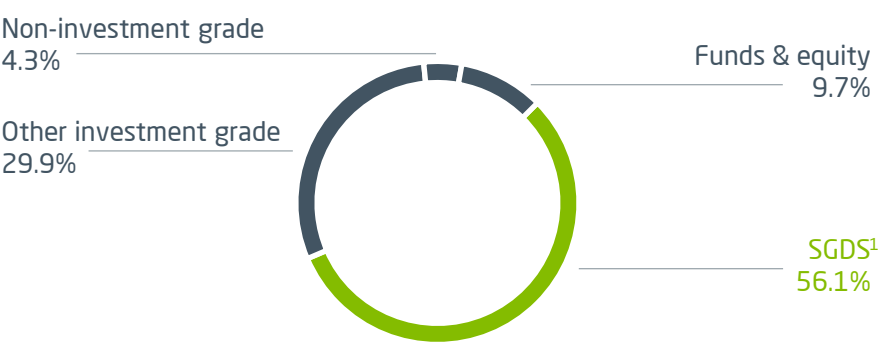
Investments, Net Movement YTD (SARbn)



Investments, Net by Geography (%)



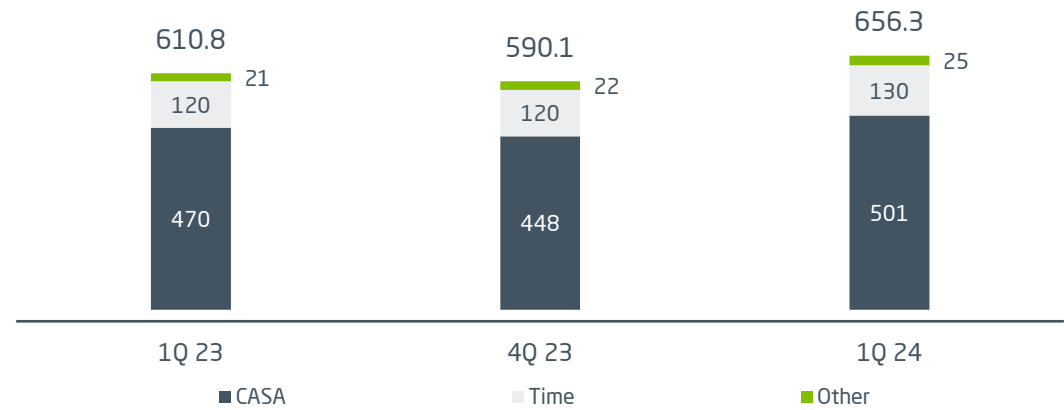
Investments, Net by Grade (%)



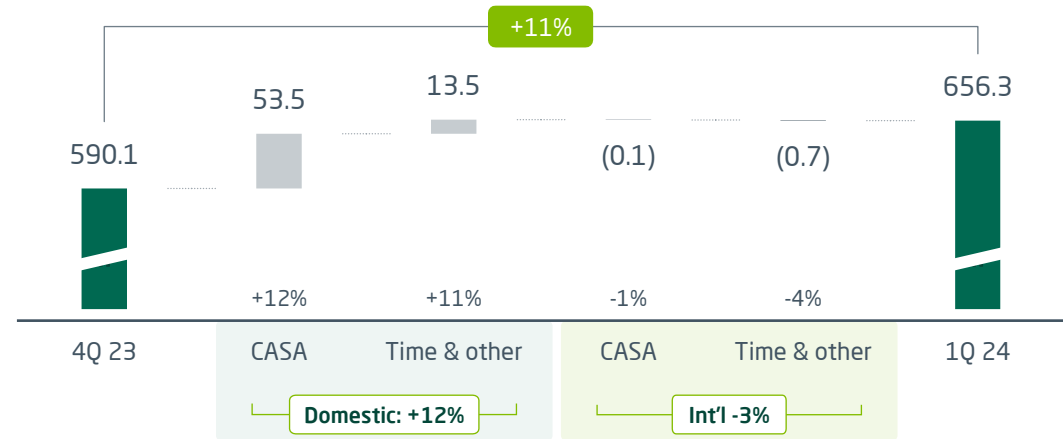
¹ Saudi Government Debt Securities including SAMA bills (investment grade)

Robust double-digit growth in customers' deposits mainly from domestic CASA growth

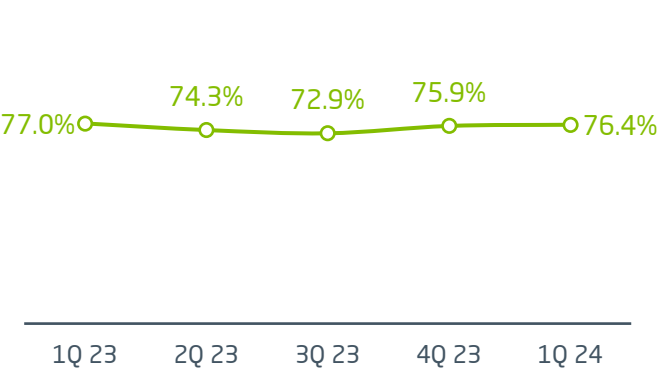
Customers' Deposits (SARbn)



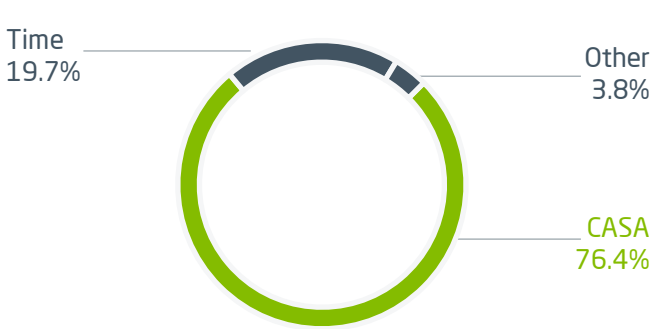
Customers' Deposits Movement YTD (SARbn)



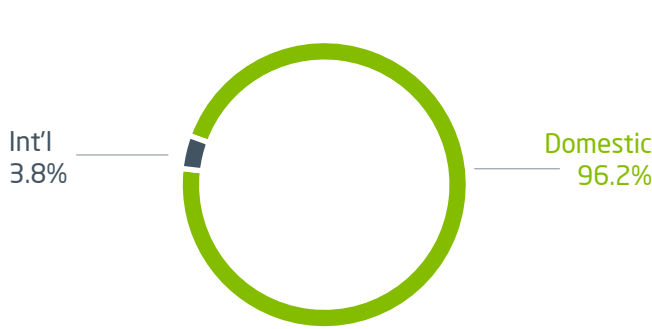
CASA Ratio (%)



Customers' Deposits by Type (%)

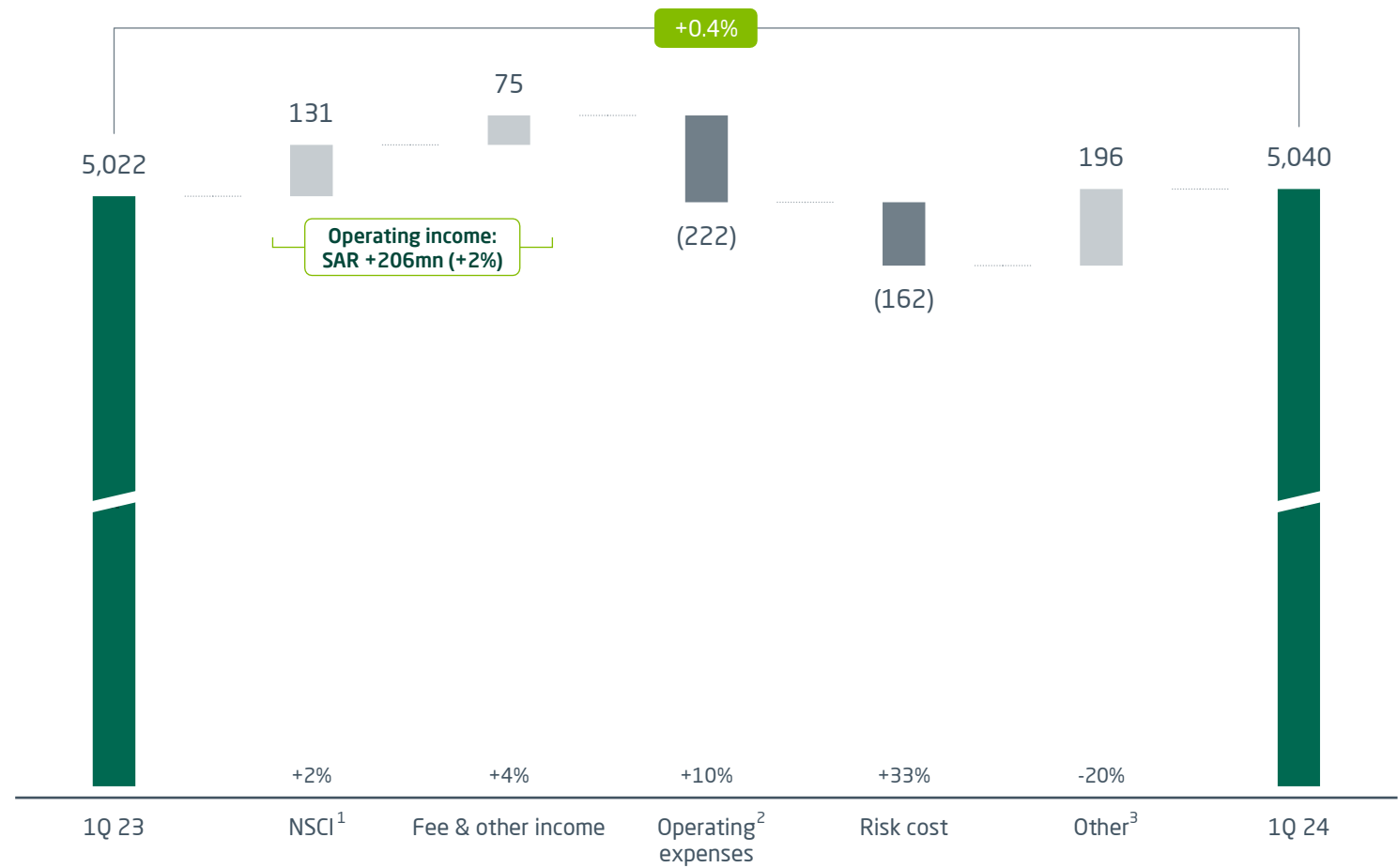


Customers' Deposits by Geography (%)

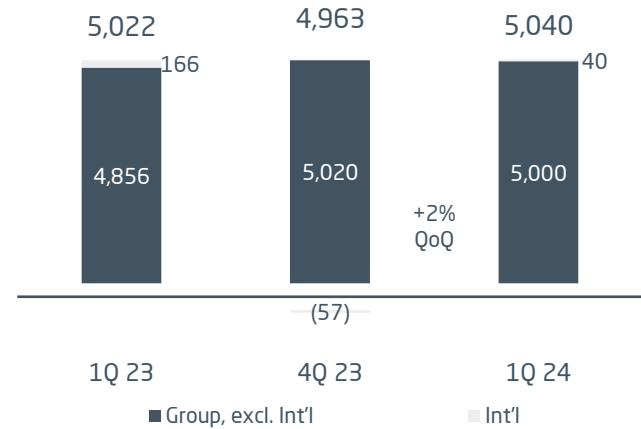


Net income growth supported by revenue lines despite higher OPEX and risk costs

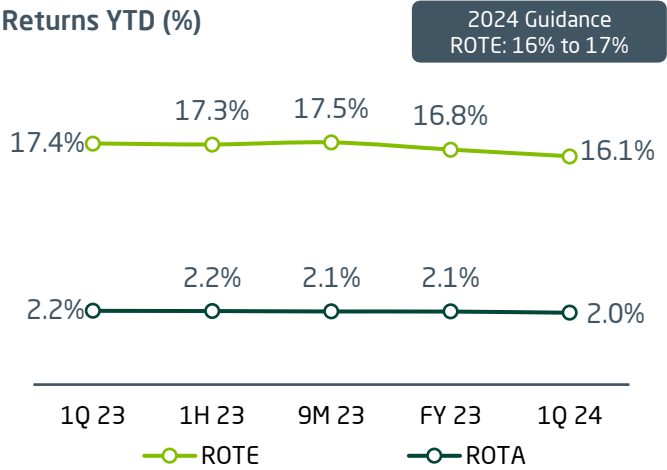
Net Income Attributed To Equity Holders Movement YoY (SARmn)



Net Income (SARmn)

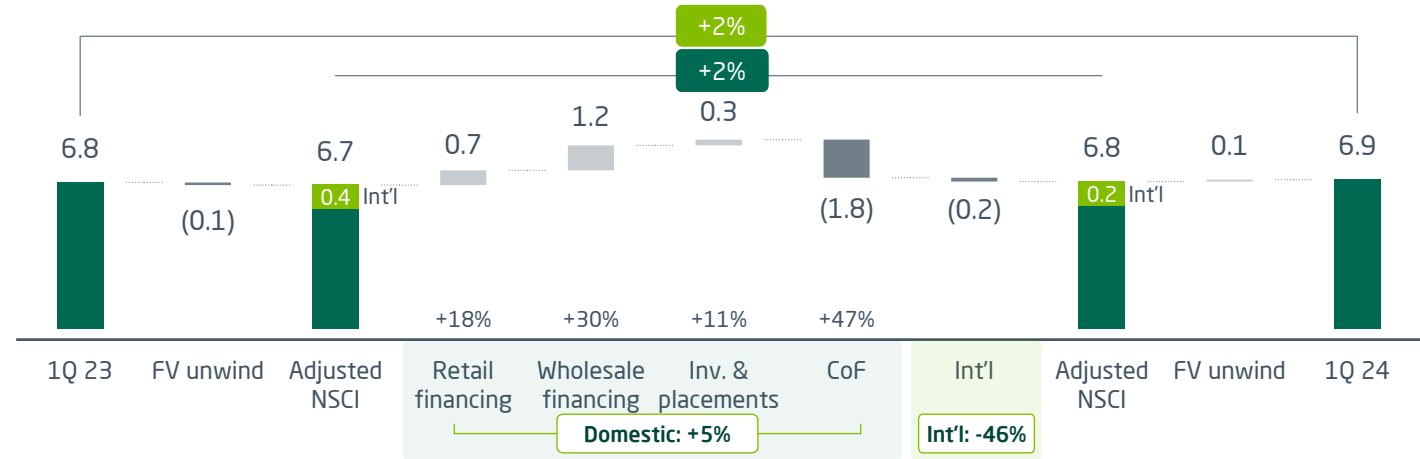


Returns YTD (%)

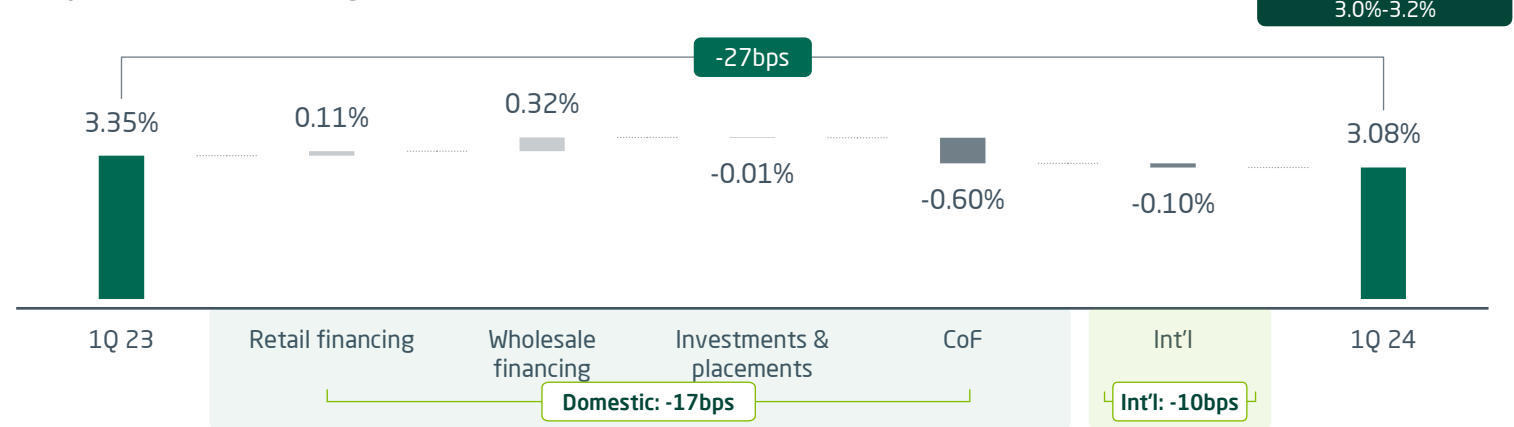


The NSCI margin declined by 27bps YoY as the rise in funding costs surpassed the increase in yields

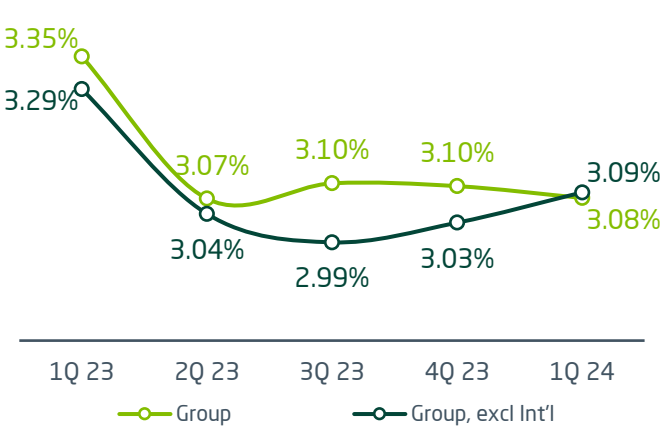
Net Special Commission Income Movement YoY (SARbn)



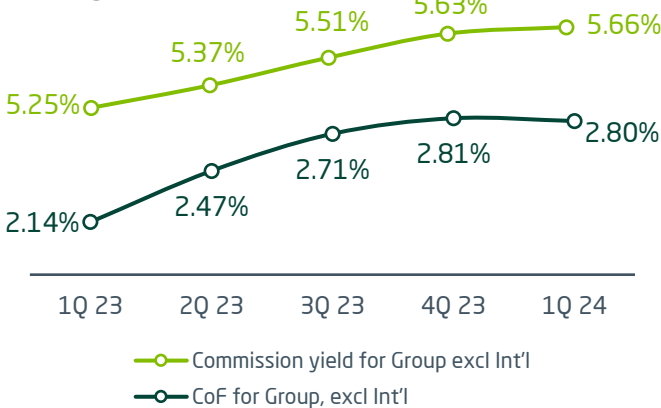
Net Special Commission Margin Movement YoY (%)^{1,2}



NSCI Margin QTR (%)^{1,2}



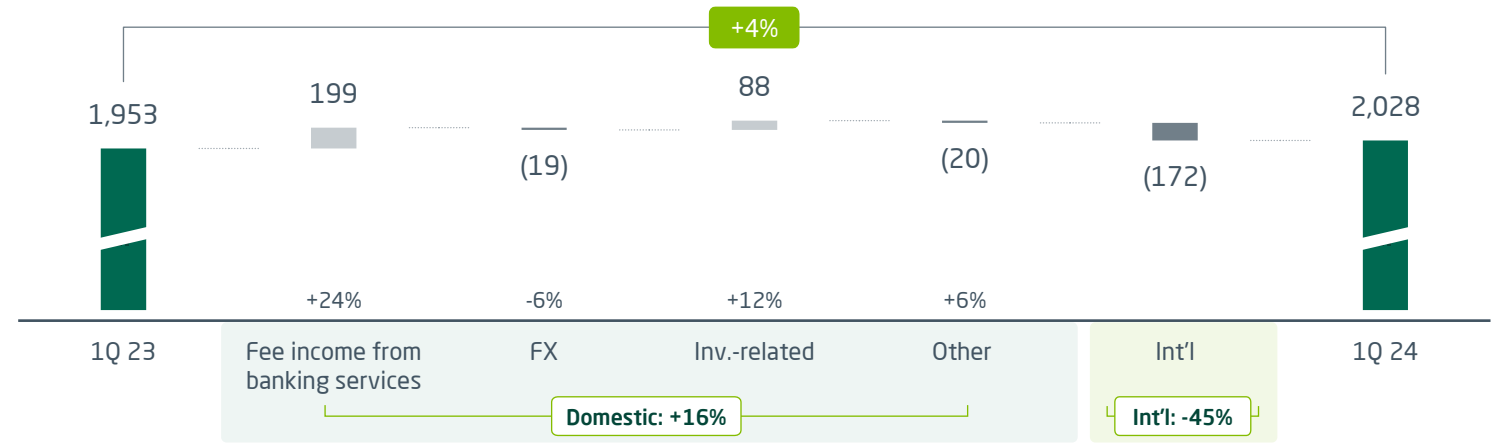
Group, excl Int'l, Commission Yield & Funding Cost QTR (%)



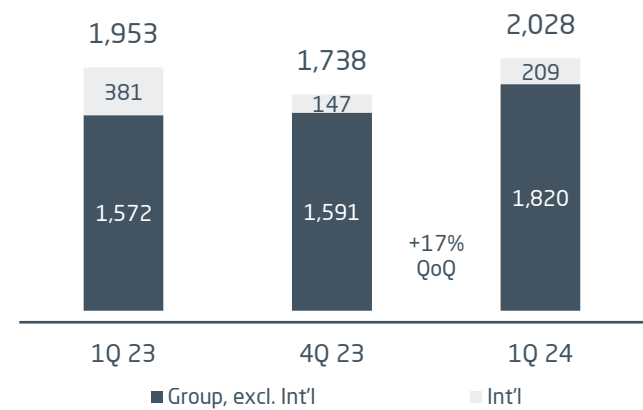
¹ NSCI margin calculation excludes FV unwind | ² In 1Q 2024, the calculation of the NSCI Margin was refined, previous periods were restated for comparison purposes

Fee and other income increased by 4% YoY driven by fees from banking services, partially offset by lower international investment-related income

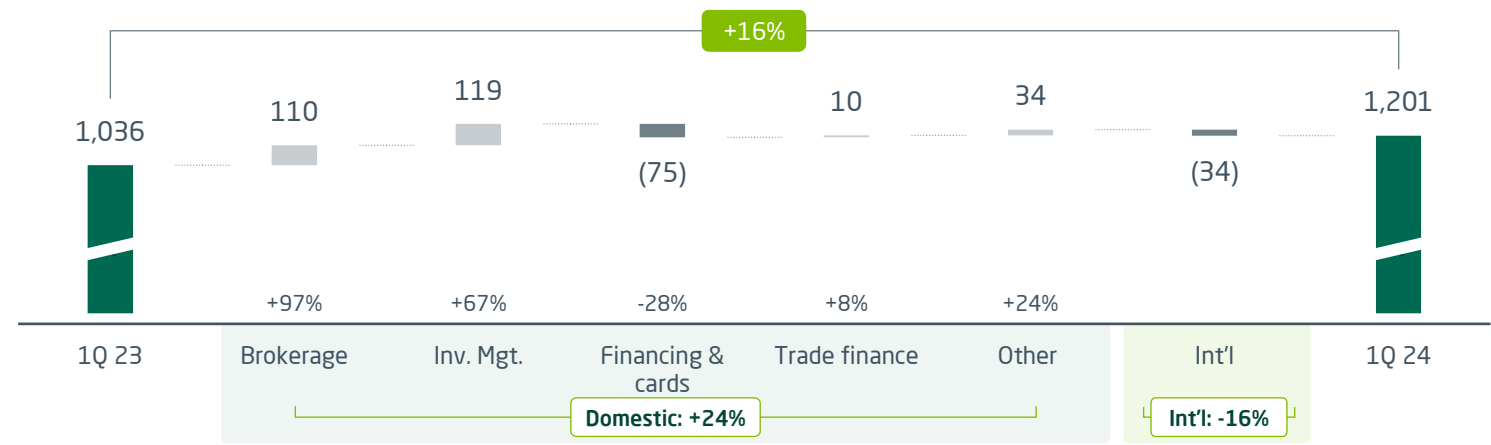
Fee & Other Income Movement YoY (SARmn)



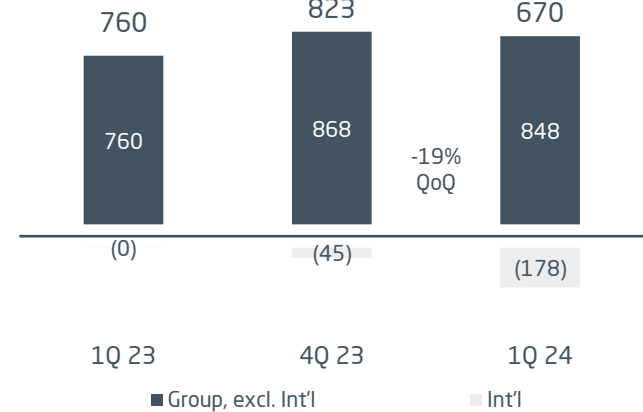
Fee & Other Income (SARmn)



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

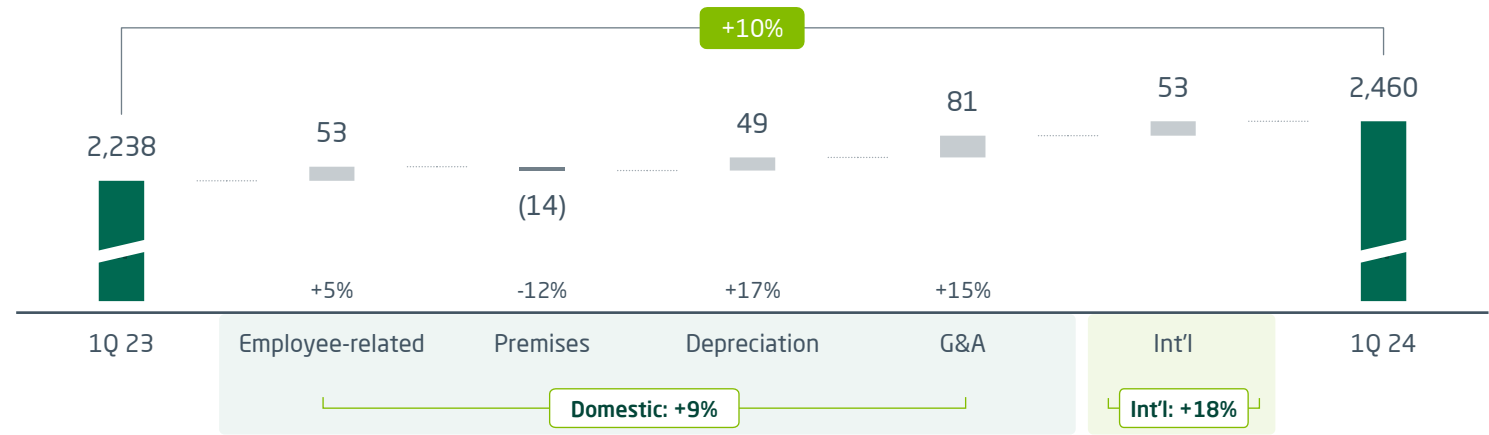


Investment-Related Income (SARmn)

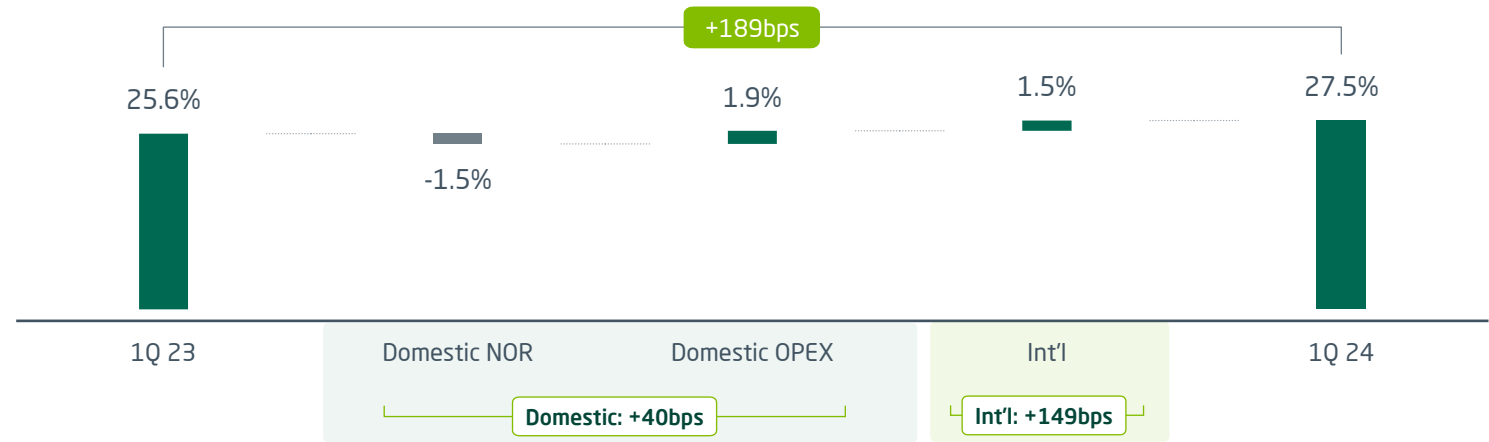


Operating expenses up 10% YoY primarily from domestic other G&A and staff costs in addition to increased international costs

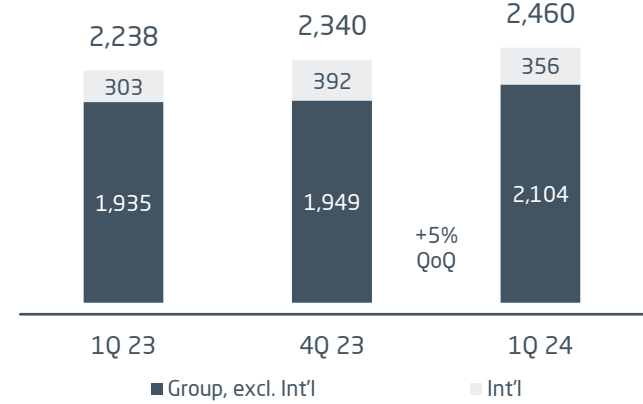
Operating Expenses Movement YoY (SARmn)¹



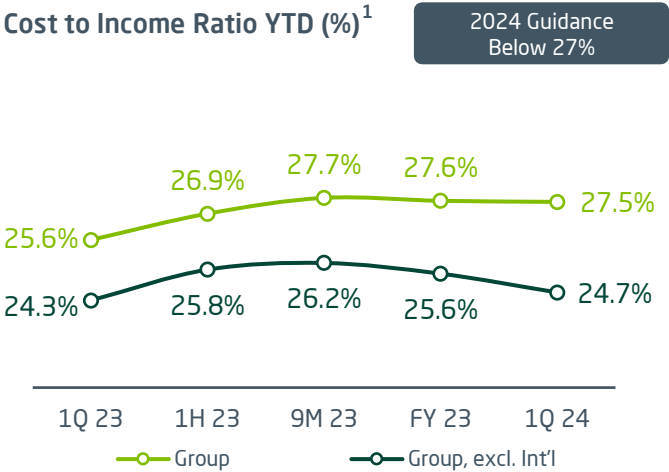
Cost to Income Ratio Movement YoY (%)¹



Operating Expenses (SARmn)¹

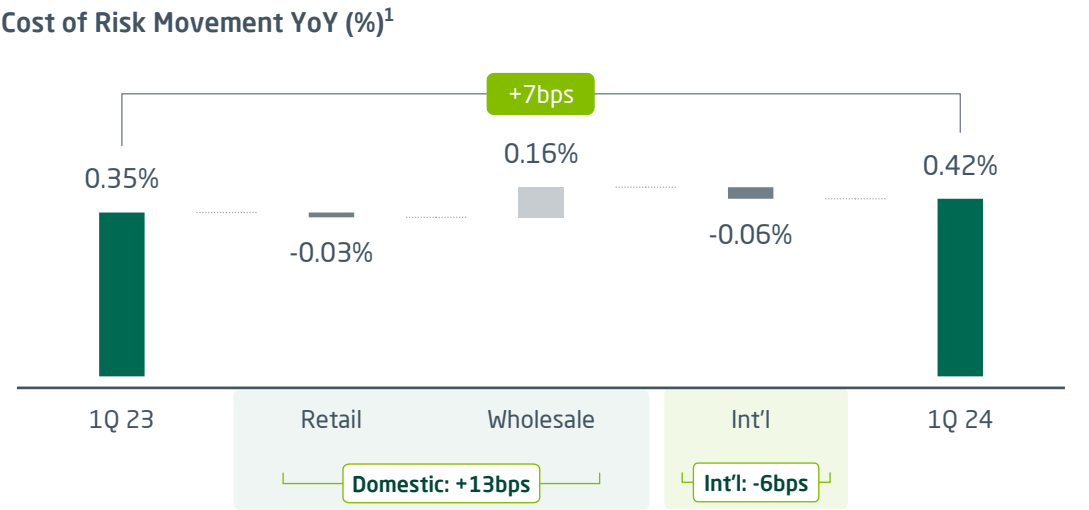
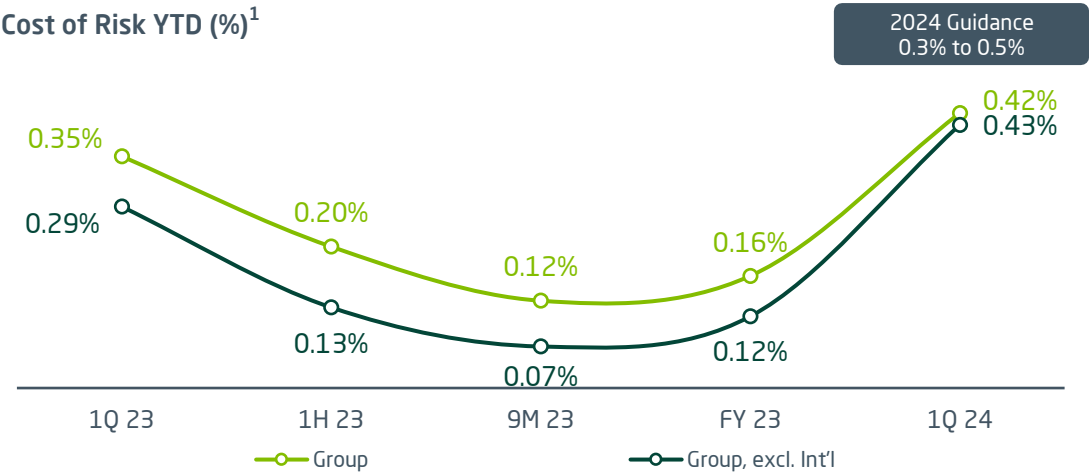
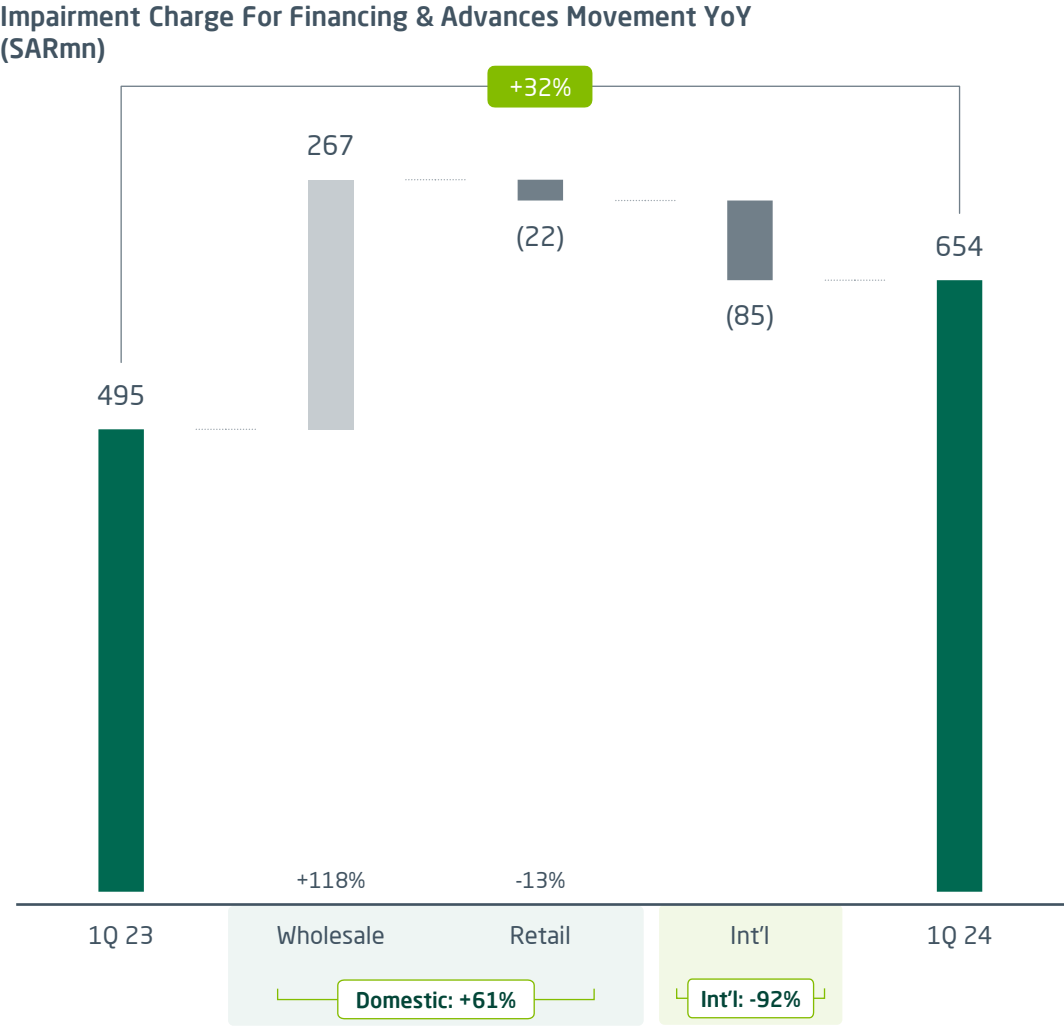


Cost to Income Ratio YTD (%)¹



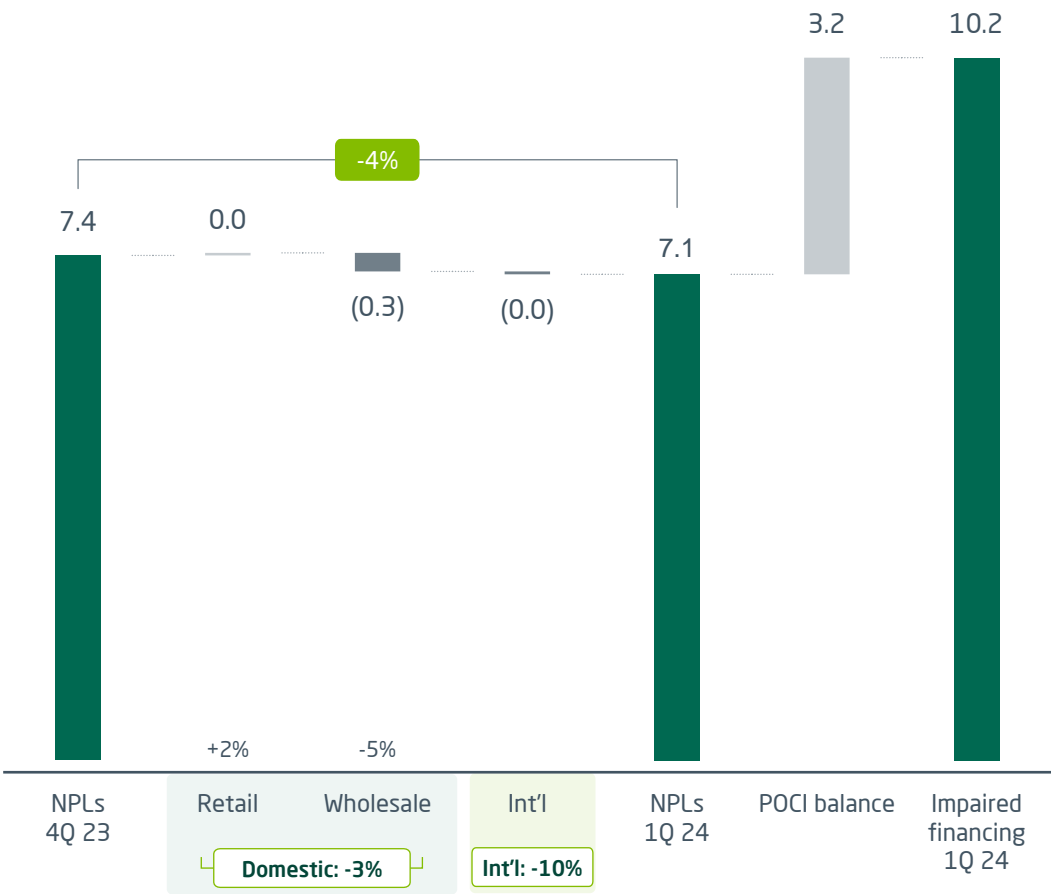
¹ Operating expenses and cost to income ratio exclude amortization of intangibles of SAR 205mn (1Q 2023: SAR 205mn)

Cost of Risk reached 42bps on higher wholesale risk cost

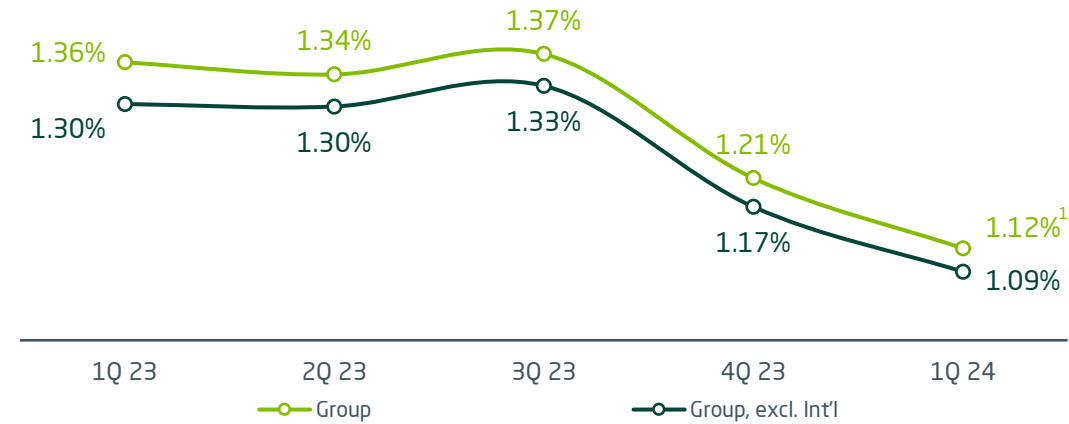


NPL ratio continued to improve in 1Q 2024, while NPL coverage remained healthy

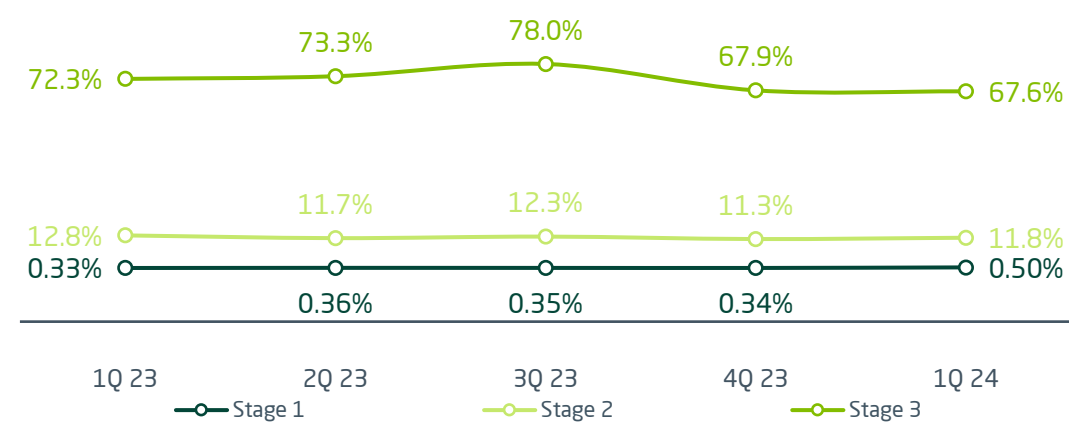
Credit Impaired Financing Movement YTD (SARbn)



NPL Ratio (%)



Coverage by Stage (%)

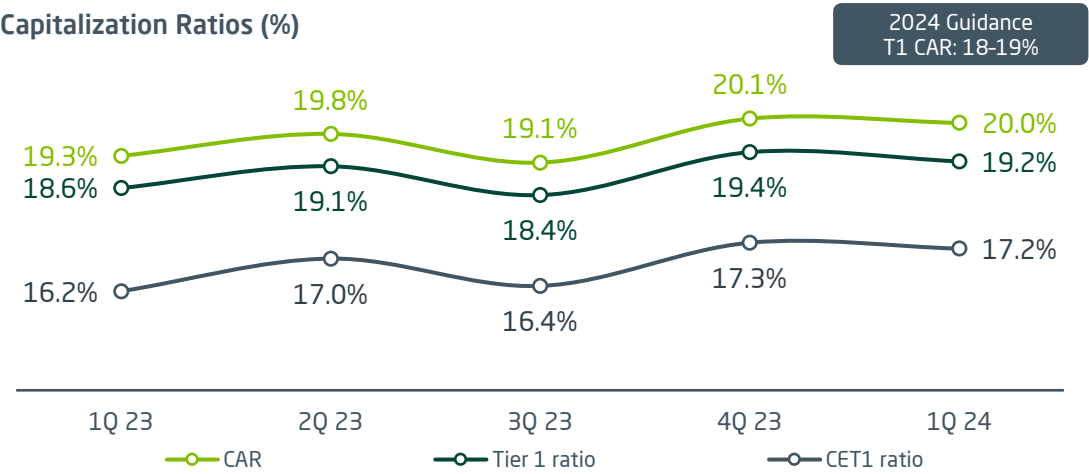


¹ Group including POCI : 1.61%

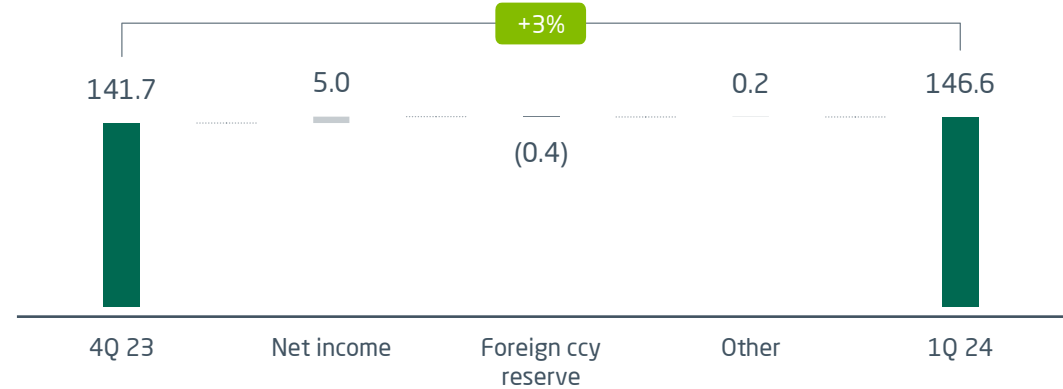
Capitalization remains healthy, and liquidity is strong and stable



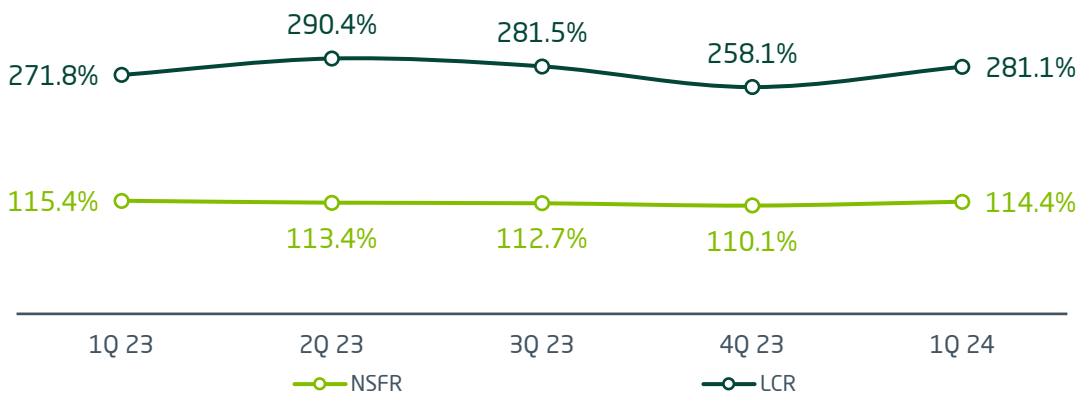
Capitalization Ratios (%)



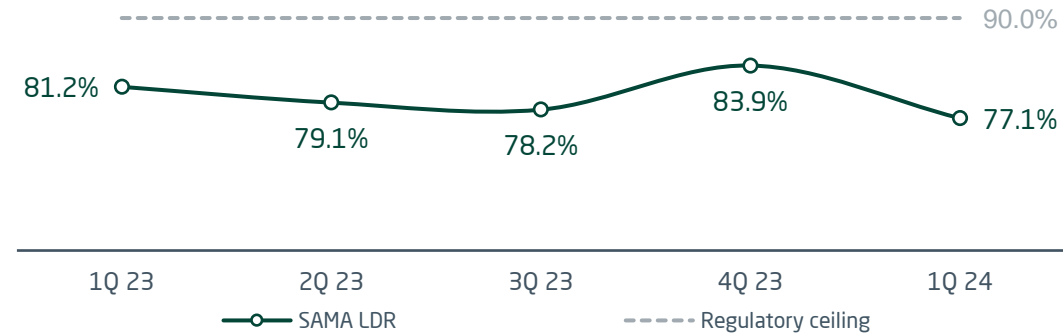
Total Eligible Capital Movement QoQ (SARbn)



Liquidity Ratios (%)



SAMA Loan-to-Deposit Ratio (%)



Our execution-focused strategy and positive economic outlook are keeping us on track for our 2024 goals



Macro-Economic Outlook ¹	FY 2024 Forecast ²	SNB Financial Guidance	FY 2023 Baseline	1Q 2024 Actual	FY 2024 Guidance	Status
Real GDP Growth	+2.6%	Financing Growth	SAR 602bn +10%	SAR 625bn +4%	High single-digit	Unchanged
Fiscal Balance	-1.9%	NSCI Margin	3.15%	3.08%	3.0% to 3.2%	Unchanged
US FFR	5.0 to 5.25%	Cost to Income Ratio ³	27.6%	27.5%	Below 27%	Unchanged
Inflation	2.2%	Cost of Risk	0.16%	0.42%	0.3% to 0.5%	Unchanged
Avg Brent Oil Price	USD 82 / bbl	Tier 1 CAR	19.4%	19.2%	18% to 19%	Unchanged
		ROTE	16.8%	16.1%	16% to 17%	Unchanged



Q&A

1Q 2024



Additional Information



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