



SNB

2Q 2024 Earnings Presentation

Saudi National Bank

20 August 2024






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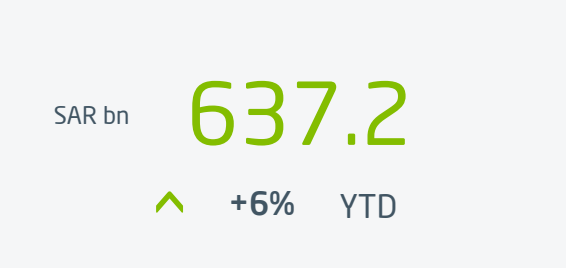
SNB continues its growth journey

Aspirations	Priorities	Focus areas		1H 2024 PERFORMANCE HIGHLIGHTS
Number One in Revenue & Profits	 Value Capture Leadership	Value growth in Wholesale	CASA market share	Sustained record profitability ; delivering 1H 2024 SAR 10.3 bn net income and attractive returns with 16.3% ROTE . Financing expanded 6% to SAR 637bn ; NSCI margin is stable QoQ
	 Operational Excellence	Retail market share	ESG Focus	
Best Digital Bank	 Digital Dominance	Cost efficiencies	Increased automation & digitization	Deepening operational efficiency and excellence through automation, digitization, AI and cost efficiencies best practices driving domestic CIR to 25.2% Launch of new functionalities across Retail & Wholesale digital platforms to elevate UI, UX and channel performance to optimal levels. 4.7/5.0 SNB Mobile App rating
		Build best-in-class app	Digital penetration & adoption	
Best in Customer Service	 Customer Centricity	Predictive analytics		Enhanced account lifecycle management through automated ID updates along with improving other customer journeys
		Customer satisfaction	Turn Around Time	
Employer of Choice	 People Centricity	Employee engagement	Training & development	Improvement of engagement and enablement scores , accelerating staff training across all levels of the organization
		SNB Academy		

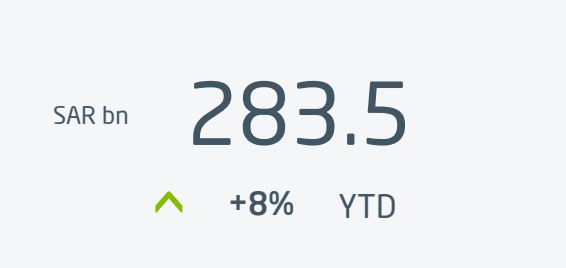


Positive net income growth supported by strong financing momentum and top-line growth, despite headwinds from international volatility

Strong financing growth



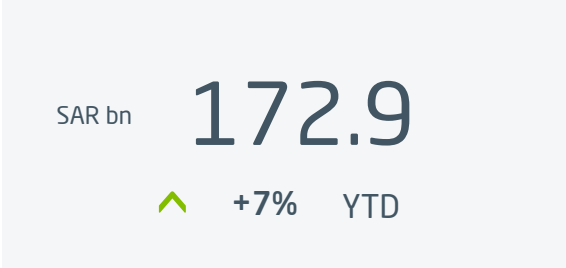
from Wholesale financing



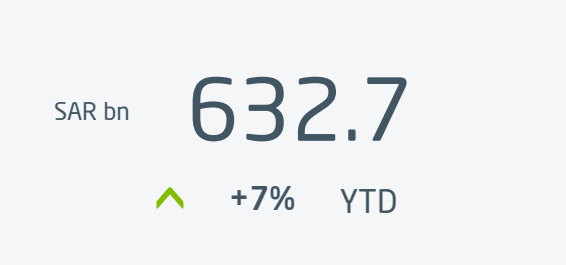
and Retail financing,



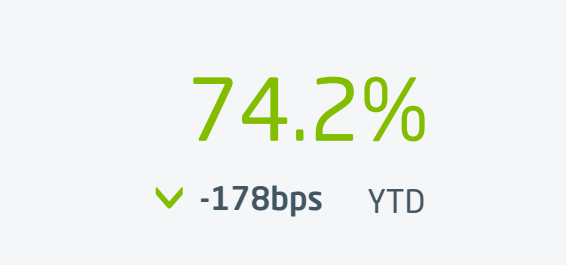
including Mortgage financing



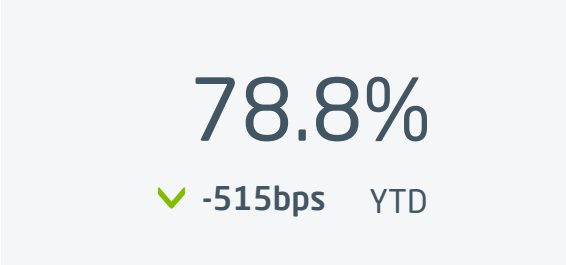
Balanced with solid deposits growth



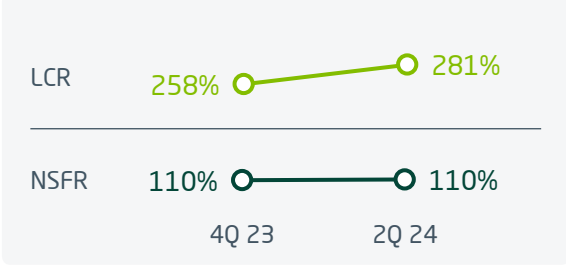
and healthy CASA ratio



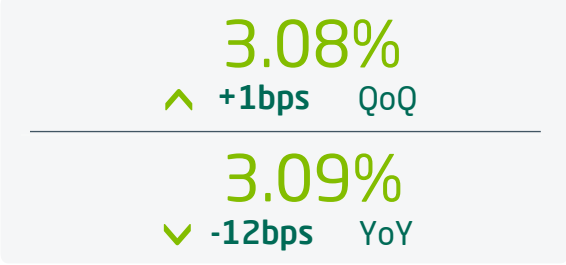
with ample SAMA LDR headroom



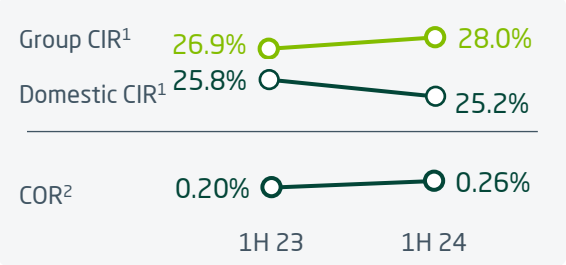
and strong liquidity.



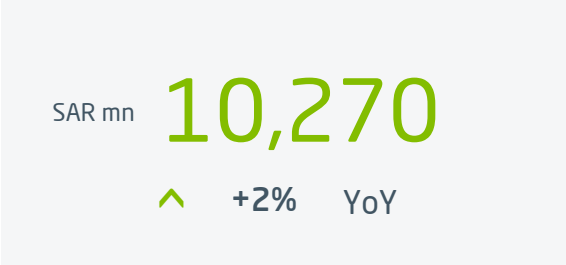
Stable NSCI margin on a sequential basis



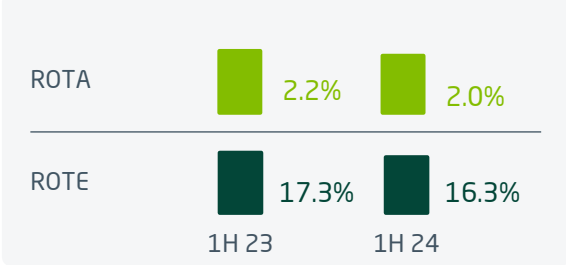
with healthy domestic efficiency



positive net income³ growth delivered

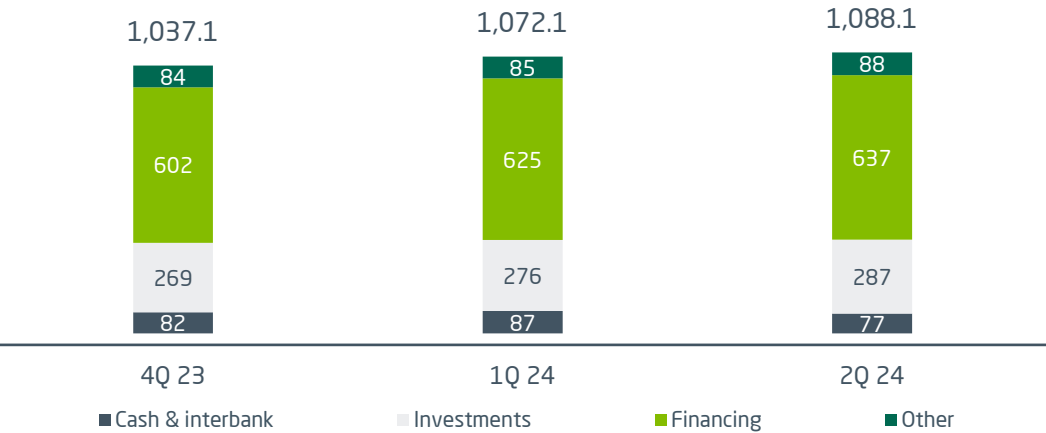


with attractive returns.

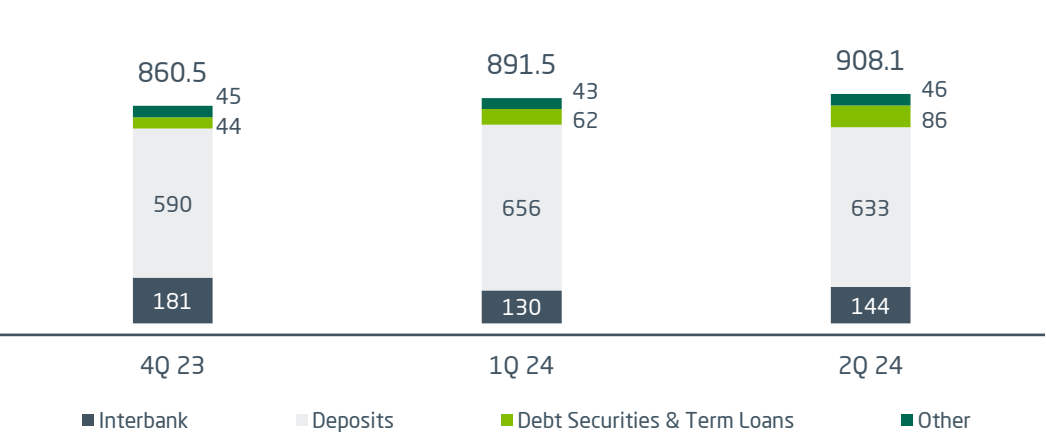


Balance sheet expansion of 5% mainly from financing growth and investments, funded by customers' deposits and other borrowed funds

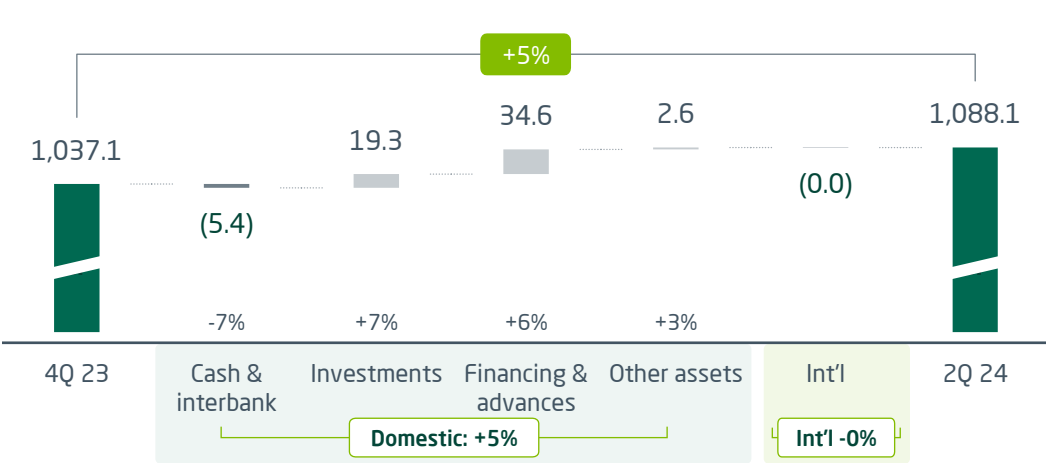
Total Assets (SARbn)



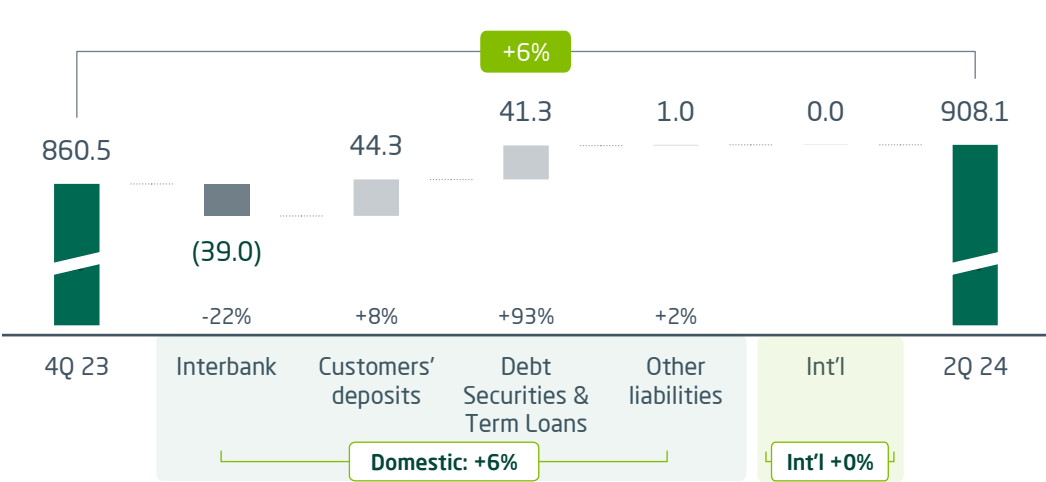
Total Liabilities (SARbn)



Total Assets Movement YTD (SARbn)

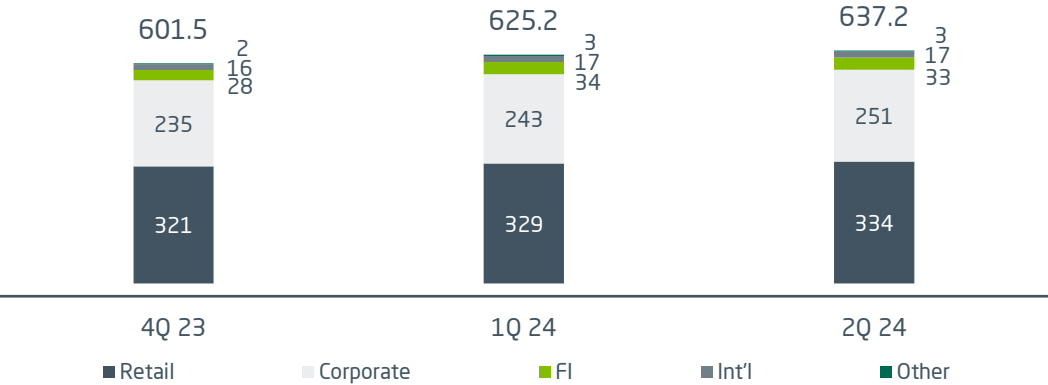


Total Liabilities Movement YTD (SARbn)



Strong growth in Wholesale financing and Retail mortgages

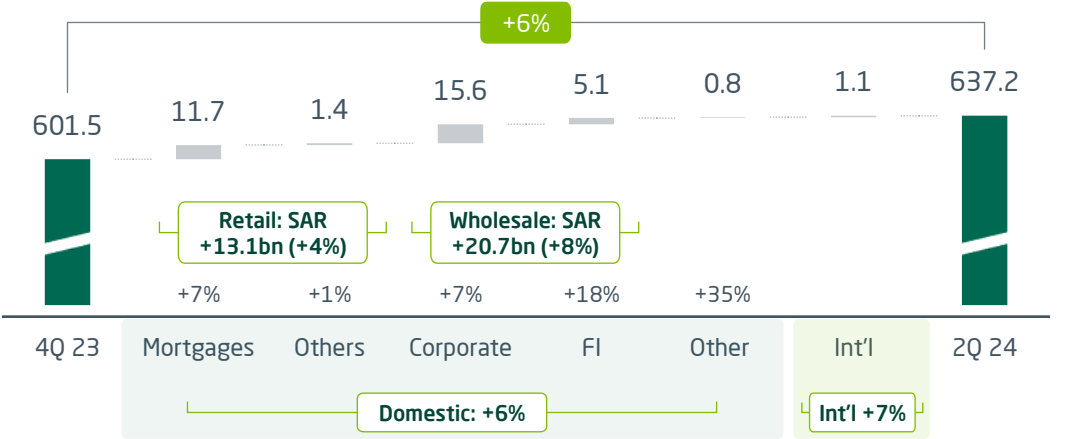
Financing & Advances, Net (SARbn)



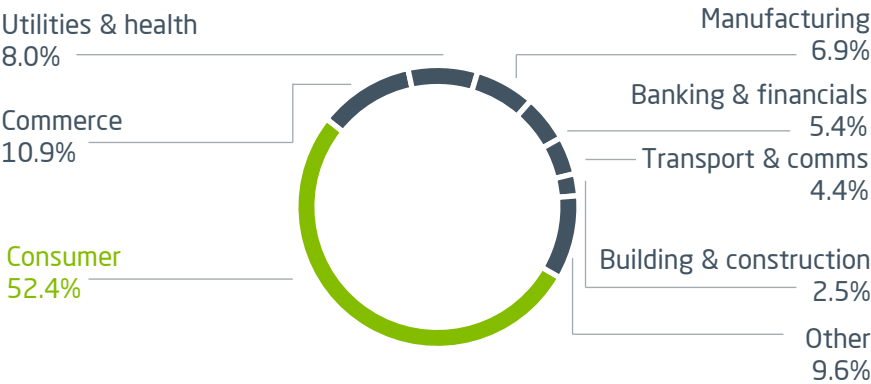
Financing & Advances, Net Composition (%)



Financing & Advances, Net Movement YTD (SARbn)

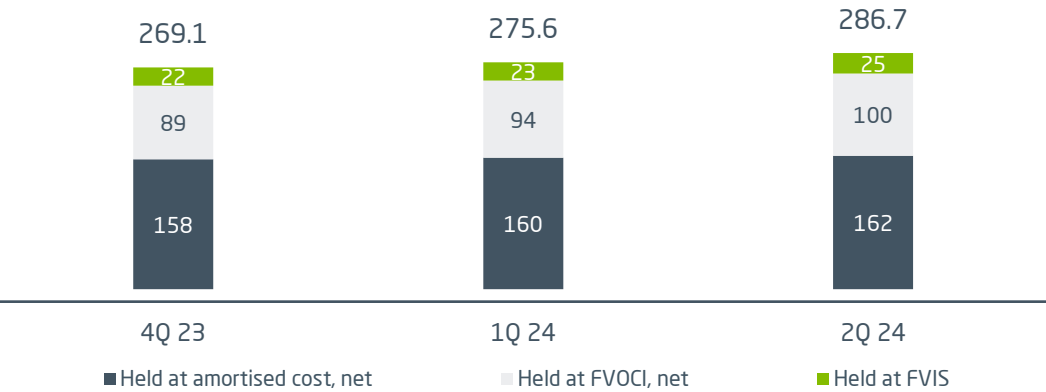


Financing & Advances, Net by Sector (%)

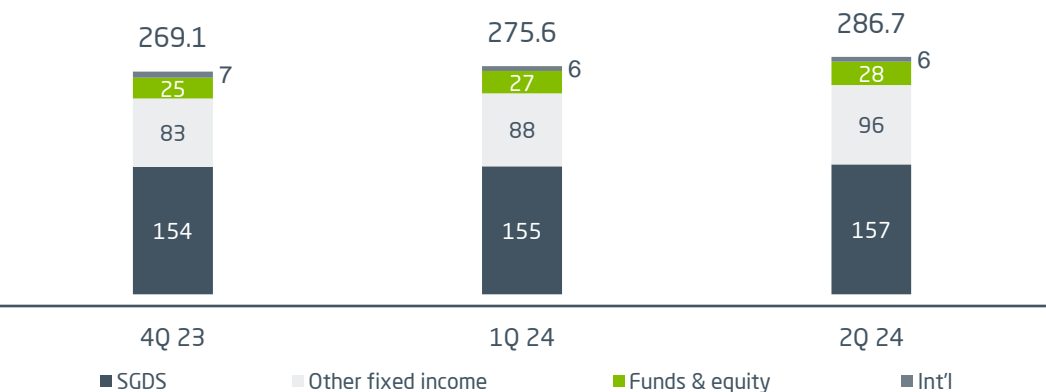


Investments up 7% primarily in domestic other fixed income

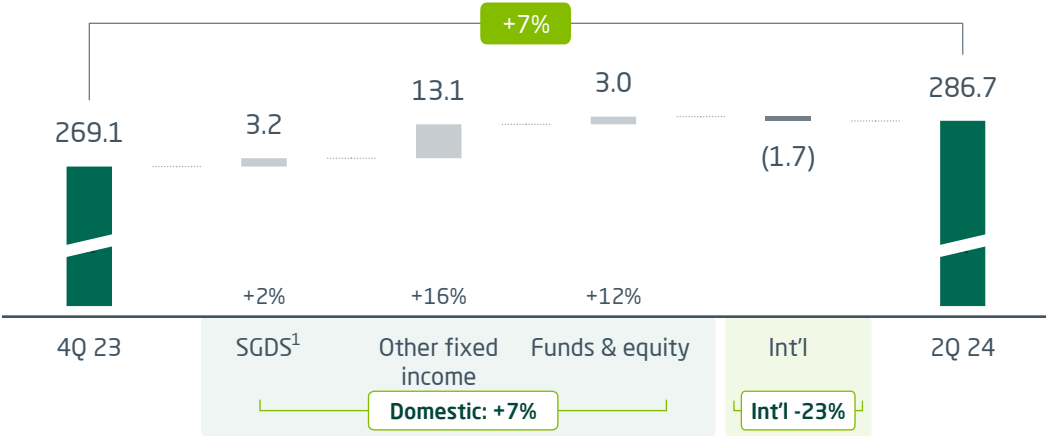
Investments, Net (SARbn)



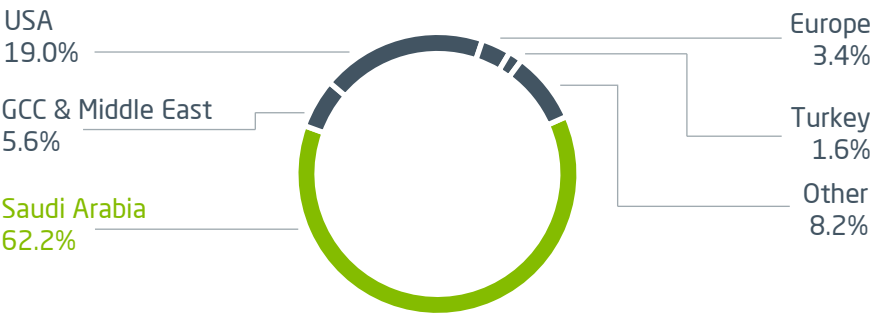
Investments, Net by Instrument (SARbn)



Investments, Net Movement YTD (SARbn)



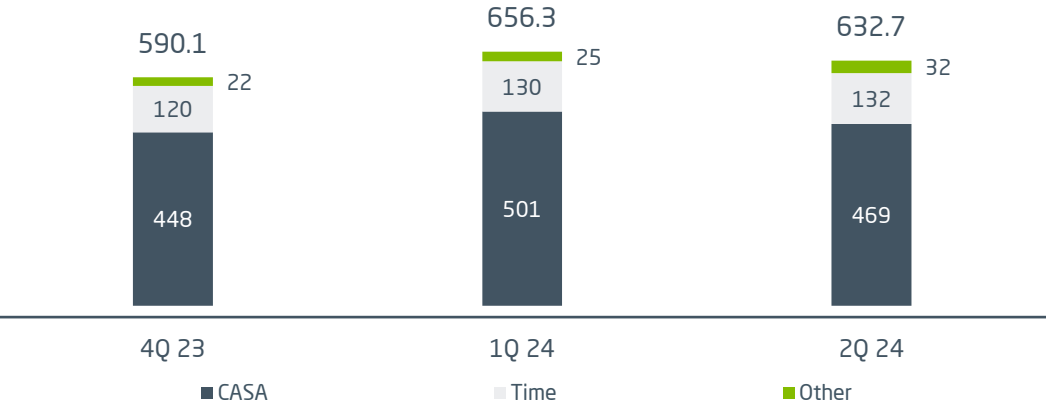
Investments, Net by Geography (%)



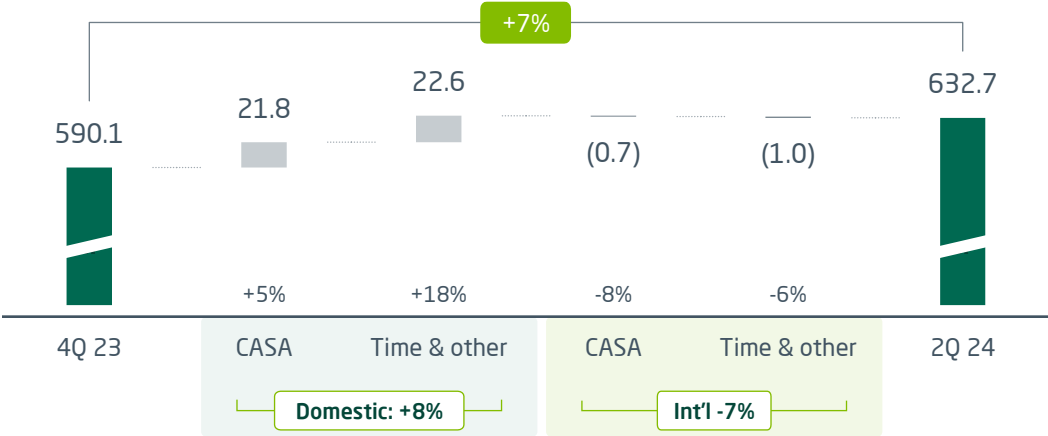
¹ Saudi Government Debt Securities including SAMA bills (investment grade)

Normalization of CASA on a sequential basis with a healthy CASA Ratio at 74.2%

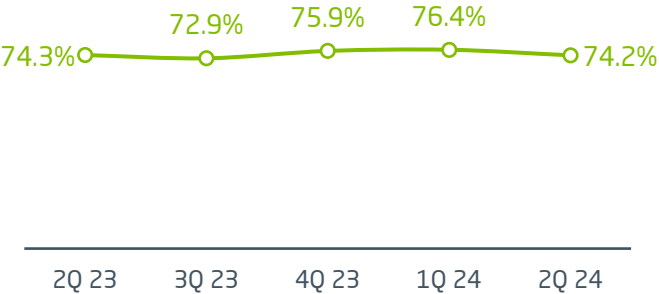
Customers' Deposits (SARbn)



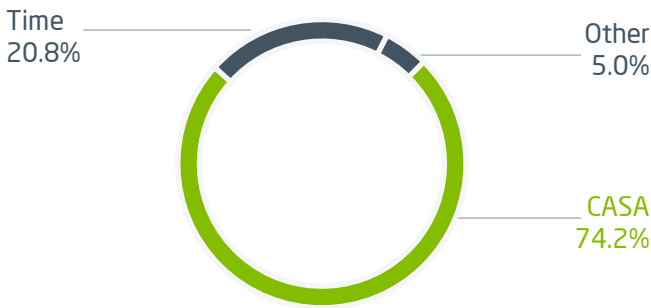
Customers' Deposits Movement YTD (SARbn)



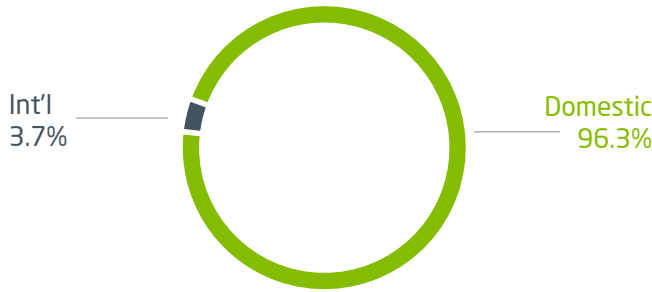
CASA Ratio (%)



Customers' Deposits by Type (%)

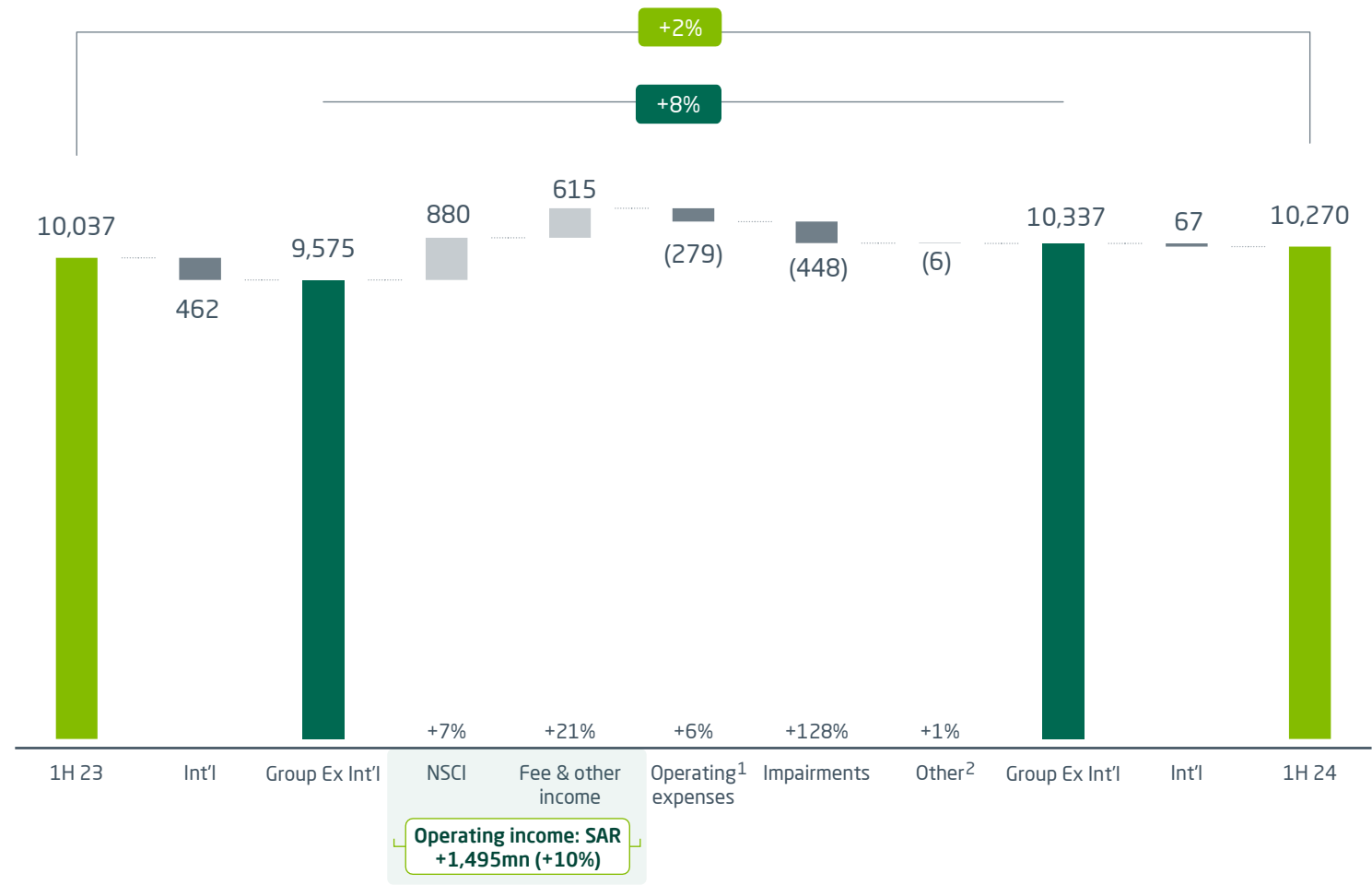


Customers' Deposits by Geography (%)

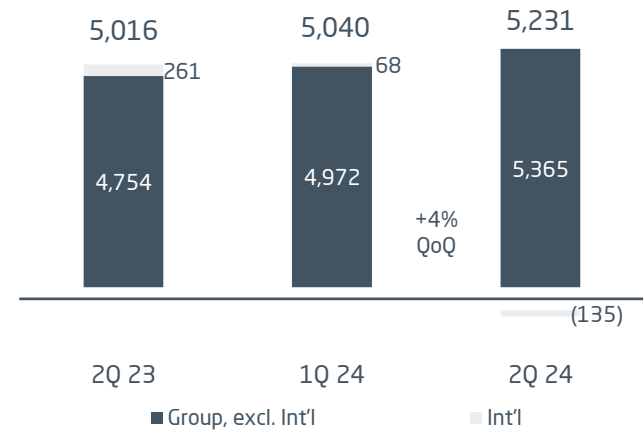


Net income growth driven by higher domestic operating revenue and partially offset by higher operating expenses including impairments

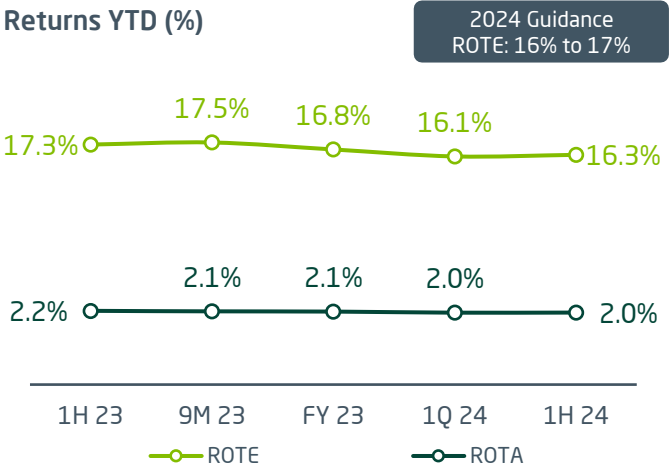
Net Income Attributed To Equity Holders Movement YoY (SARmn)



Net Income (SARmn)



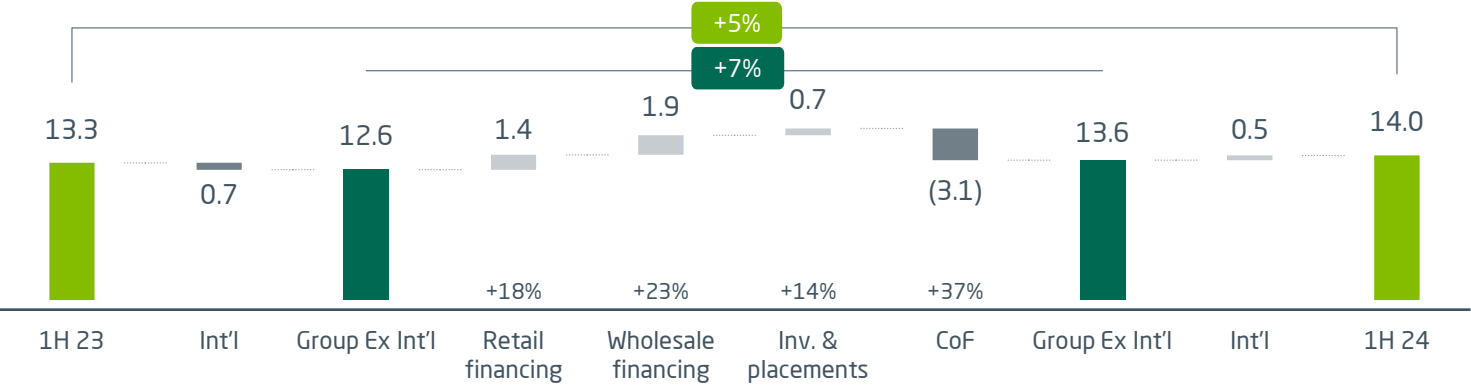
Returns YTD (%)



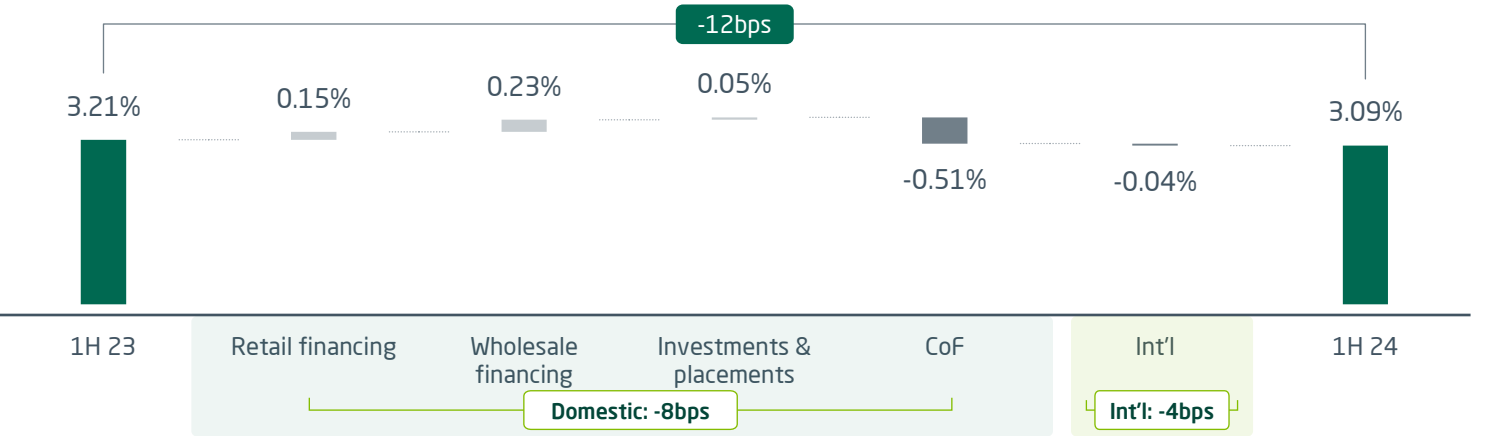
¹ Operating expenses exclude amortization of intangibles of SAR 410mn (1H 2023: SAR 410mn) | ² Other includes amortization of intangibles, other non-operating expenses and zakat

The NSCI margin remained stable on a sequential basis as higher yields offset the growth in funding costs

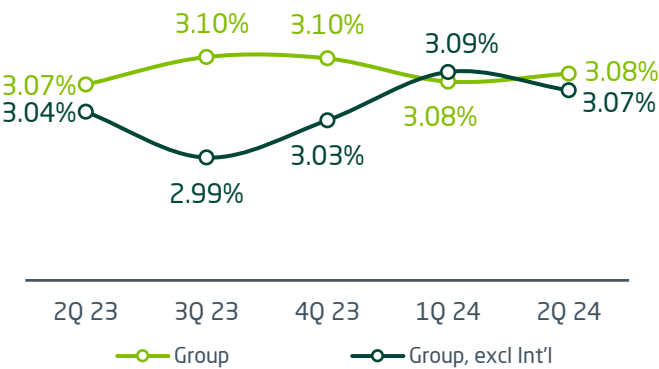
Net Special Commission Income Movement YoY (SARbn)



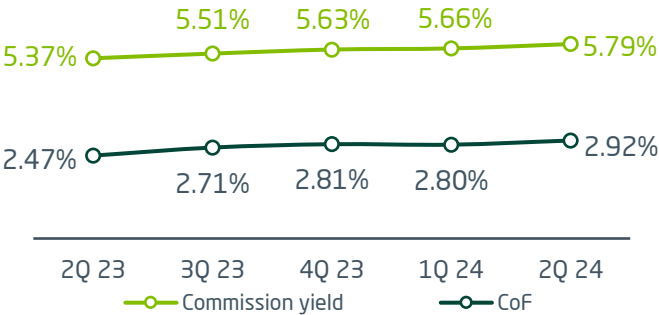
Net Special Commission Margin Movement YoY (%)¹



NSCI Margin QTR (%)¹



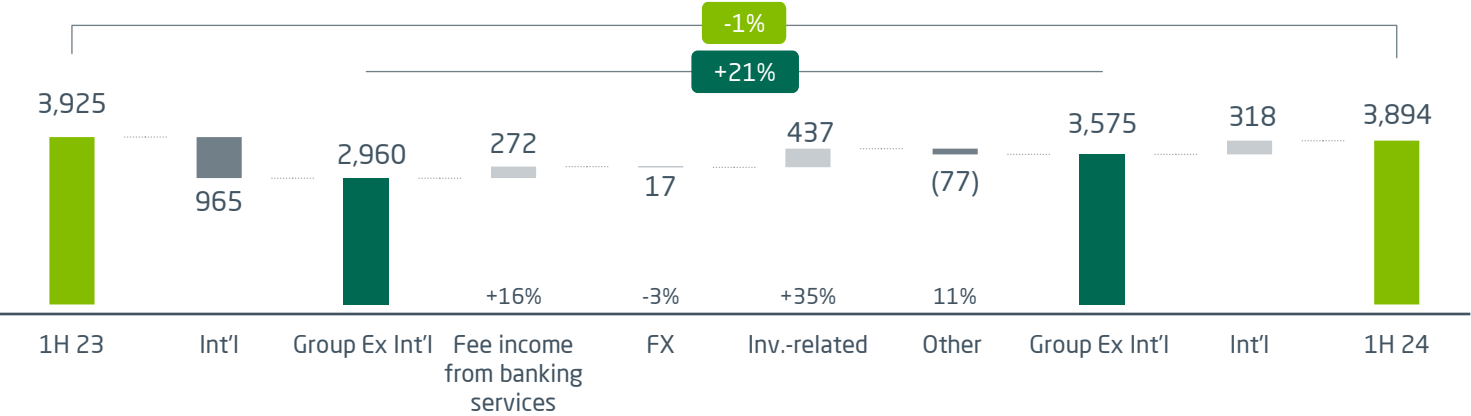
Group, excl Int'l, Commission Yield & Funding Cost QTR (%)



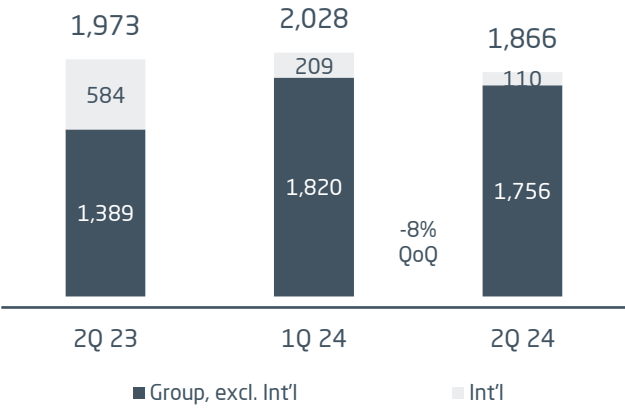
¹ NSCI margin calculation excludes FV unwind of SAR 181mn (1H 2023: SAR 240mn)

Fee and other income remained relatively unchanged YoY with accelerated Domestic fee income offset by a decline in International fees

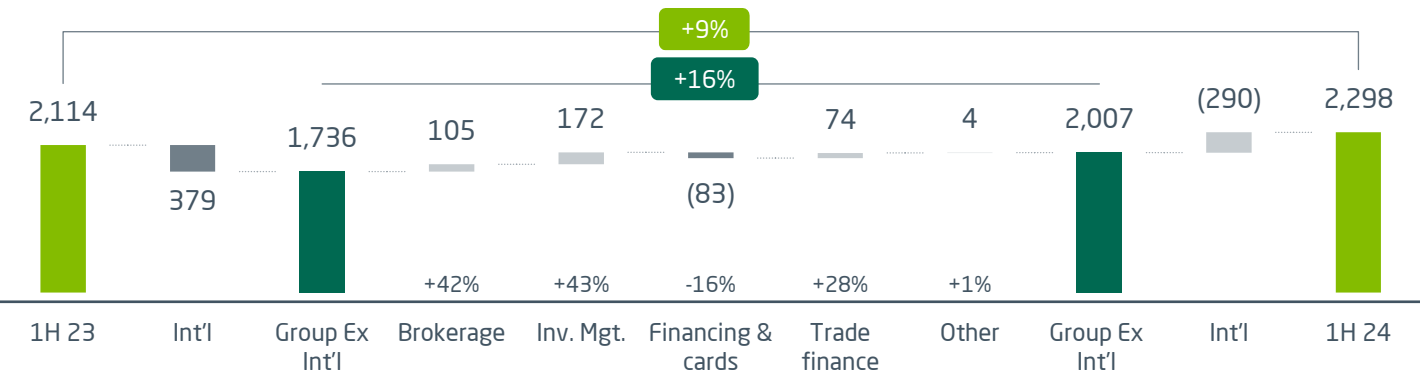
Fee & Other Income Movement YoY (SARmn)



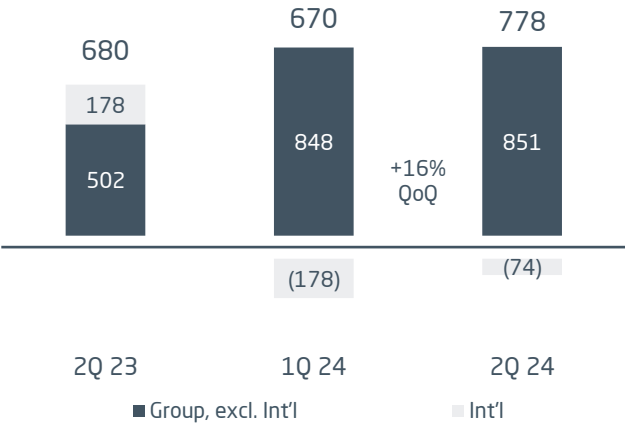
Fee & Other Income (SARmn)



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

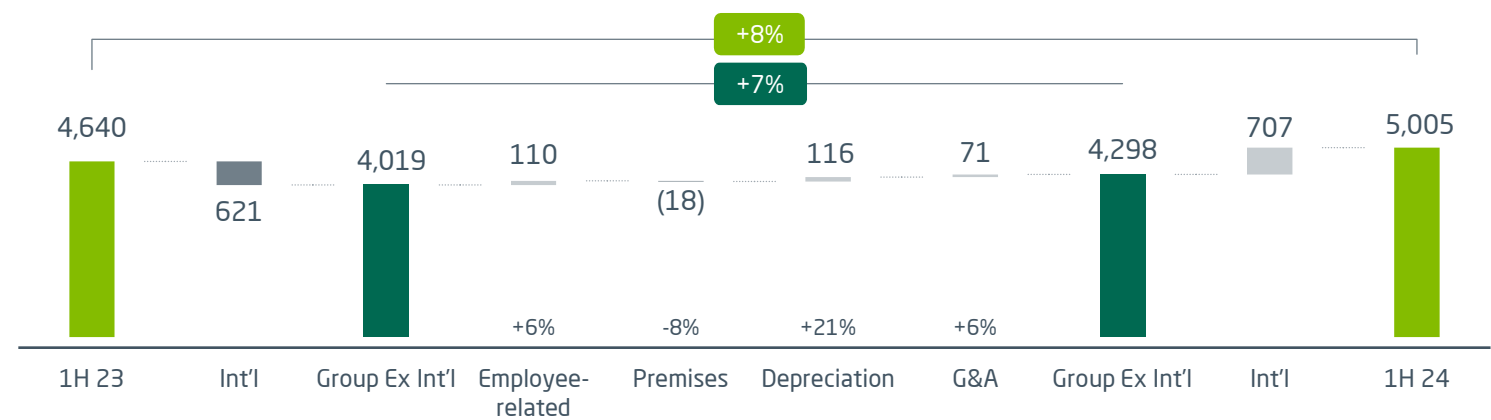


Investment-Related Income (SARmn)

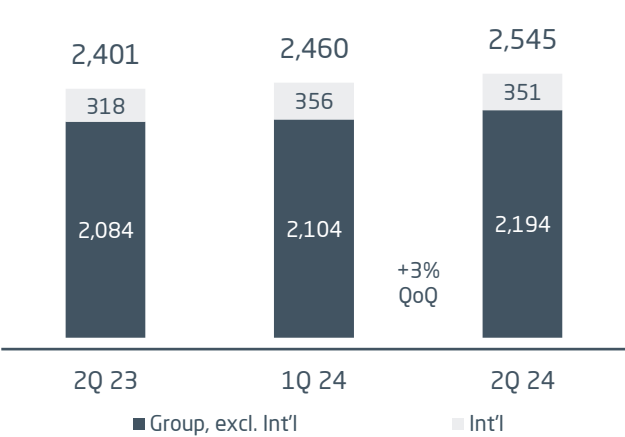


Operating expenses up 8% YoY primarily from domestic employee-related costs, depreciation and elevated international costs; Domestic CIR is healthy at 25.2%

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



Operating Expenses (SARmn)¹

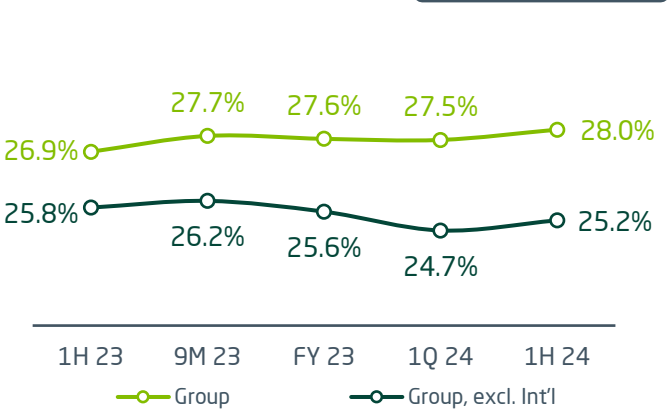


Cost to Income Ratio Movement YoY (%)¹



Cost to Income Ratio YTD (%)¹

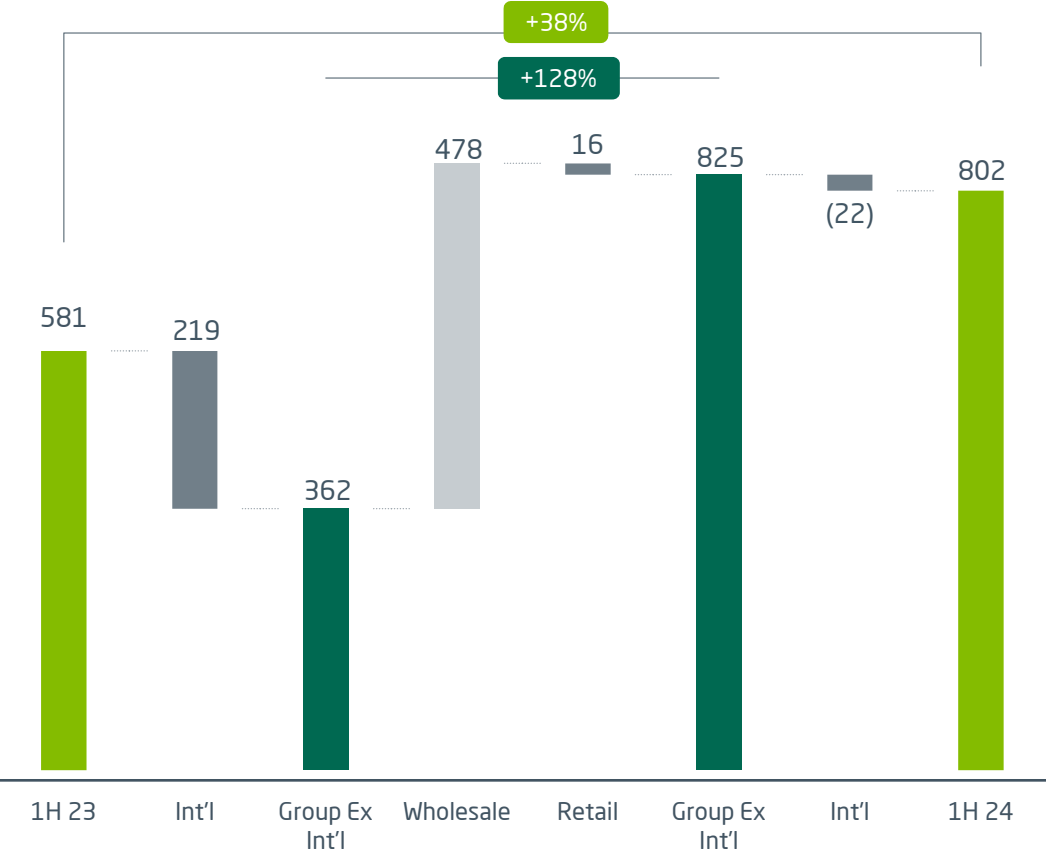
2024 Guidance
Below 27%



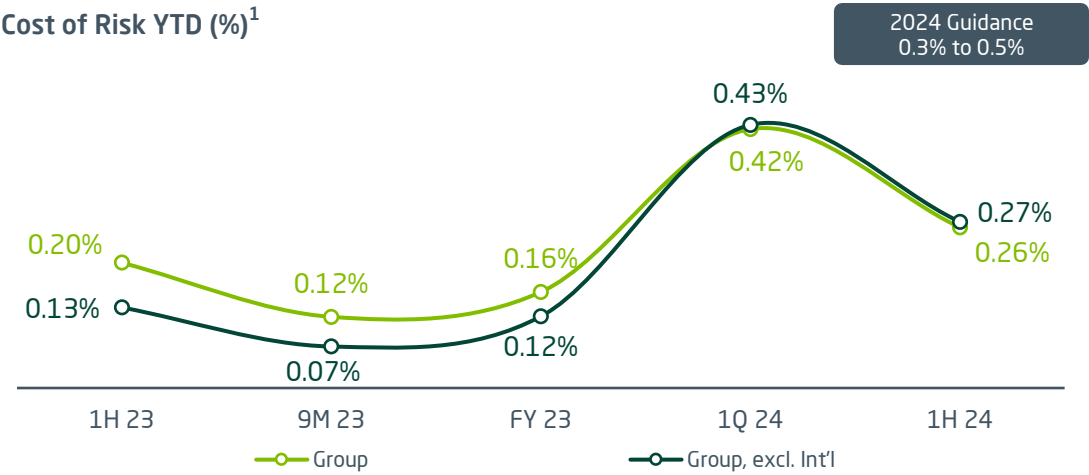
¹ Operating expenses and cost to income ratio exclude amortization of intangibles of SAR 410mn (1H 2023: SAR 410mn)

Cost of Risk moderated to 26bps on a sequential basis

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

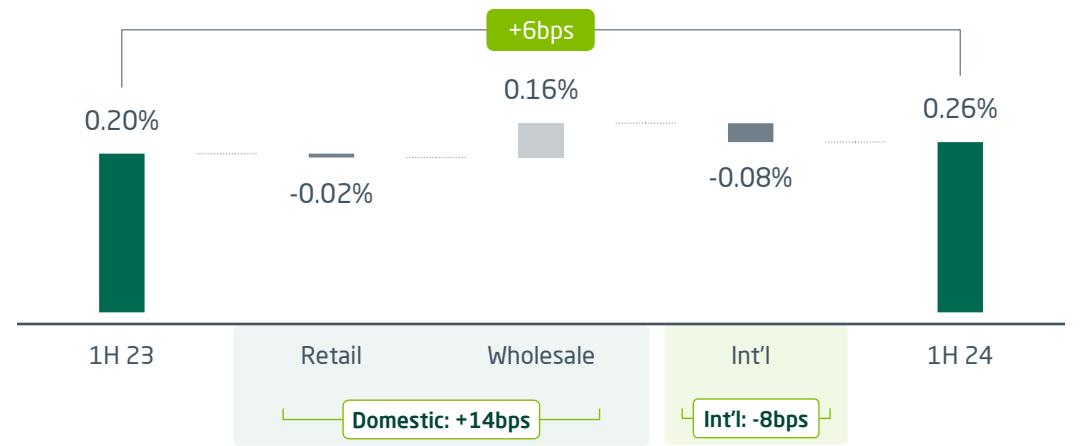


Cost of Risk YTD (%)¹



2024 Guidance
0.3% to 0.5%

Cost of Risk Movement YoY (%)¹

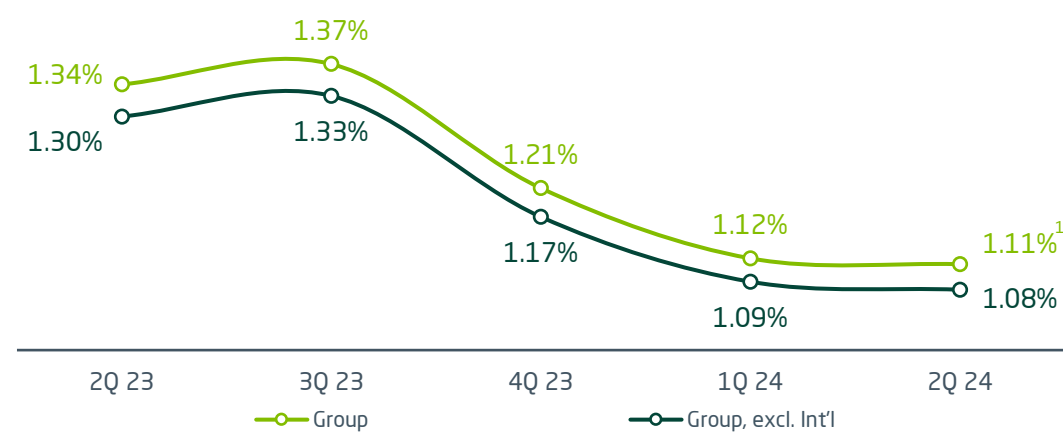


Asset quality is stable and NPL ratio maintained close to 1.1%

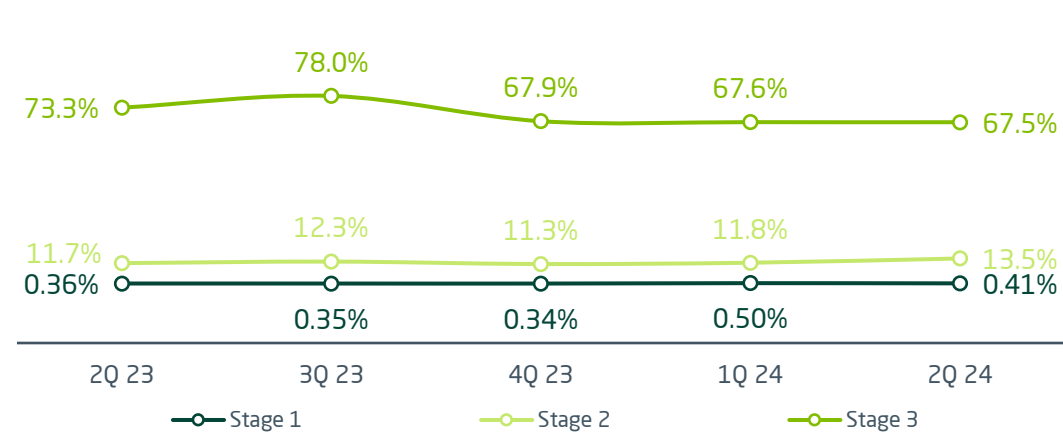
Credit Impaired Financing Movement YTD (SARbn)



NPL Ratio (%)

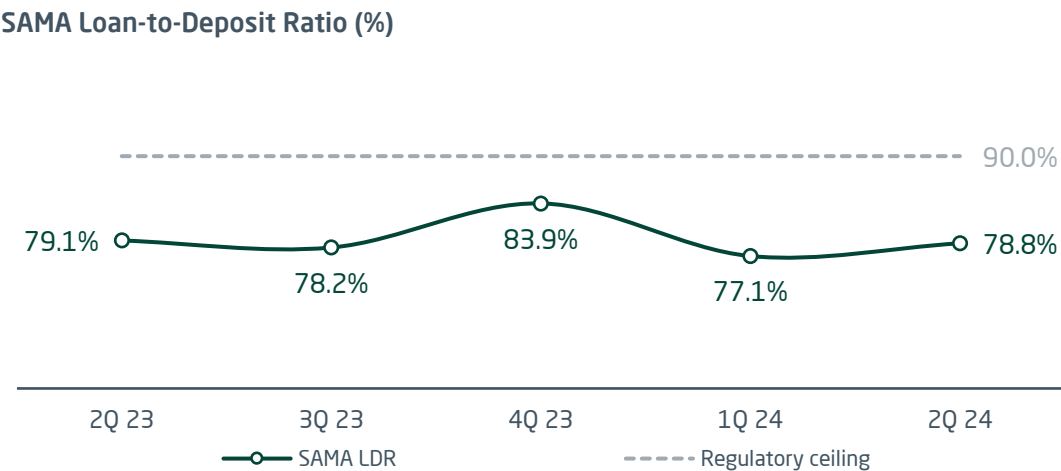
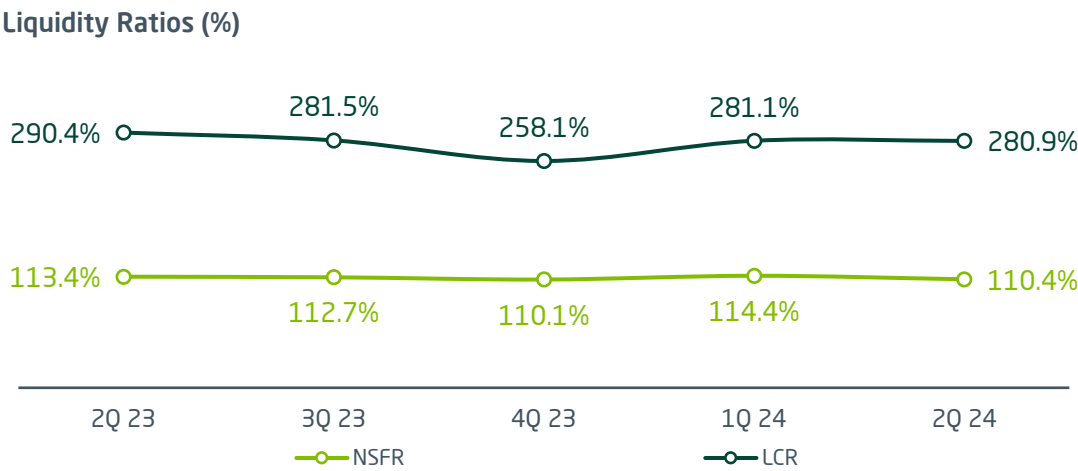
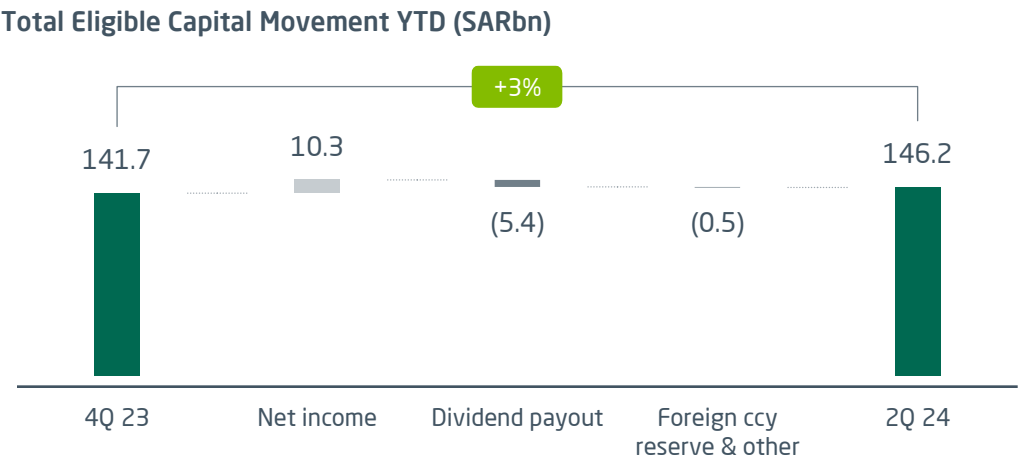
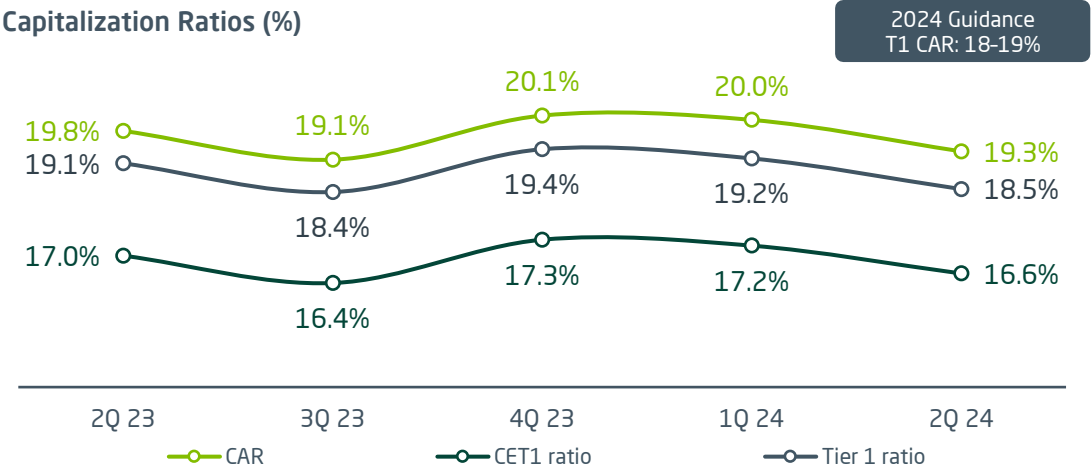


Coverage by Stage (%)



¹ Group including POCI : 1.56%

Capitalization remains healthy with slight decrease due to dividend payout, and liquidity is strong and stable



Strong first-half financing growth have led us to improve our 2024 guidance



Macro-Economic Outlook ¹	FY 2024 Forecast ²	SNB Financial Guidance	FY 2023 Baseline	1H 2024 Actual	FY 2024 Guidance	Status
Real GDP Growth	+1.6%	Financing Growth	SAR 602bn +10%	SAR 637bn +6%	High single-digit Low double-digit	Revised
Fiscal Balance	-1.7%	NSCI Margin	3.15%	3.09%	3.0% to 3.2%	Unchanged
US FFR	5.0 to 5.25%	Group Cost to Income Ratio ³	27.6%	28.0%	Below 27%	Unchanged
		Domestic Cost to Income Ratio ³	25.6%	25.2%		
Inflation	1.8%	Cost of Risk	0.16%	0.26%	0.3% to 0.5%	Unchanged
		Tier 1 CAR	19.4%	18.5%	18% to 19%	Unchanged
Avg Brent Oil Price	USD 82 / bbl	ROTE	16.8%	16.3%	16% to 17%	Unchanged



Q&A

2Q 2024



Additional Information



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