



3Q 2023 Earnings Presentation

Saudi National Bank

Riyadh | 2 November 2023

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Momentum across business lines supported by successful strategy execution, lean operating model and robust domestic environment

9M 2023 Performance Highlights

Record Total Assets **SAR 1 Trillion**



Record Net Income **SAR 15 Billion**



Return on Tangible Equity **17.5%**



Financing growth **+9%** to reach **SAR 596 Billion**



Healthy CASA Ratio at **73%**



Operating Highlights

Successful strategy execution supported by:

Progress ongoing in "Zero-Back Office" & lean operating model priorities

Straight Through Processing
 Robotic Process Automation
 Cost Optimization Initiatives



Deepening Digital Focus

Digitizing Customer Journeys in Wholesale & Retail
 Expanding eTrade Digitization
 Digital Ventures on Track



Prudent Risk Management & Collections

Strong Recoveries
 Stable Credit Quality



The Kingdom's largest, most profitable banking group with a diversified business model; SNB has a proven track record of growth and value creation

SNB holds a dominant market position in one of the world's most attractive economies with ambitious growth plans...

Overall Banking (Assets)	#1	Treasury (Investments)	#1
Wholesale Banking (Performing Financing)	#1	Profitability (Net income)	#1
Retail Banking (Performing Financing)	#2	Asset Management (AUM)	#1

...while maintaining a well-diversified business model.

Total Assets Composition (%)



Merger cost synergy realization has exceeded previously upgraded targets.

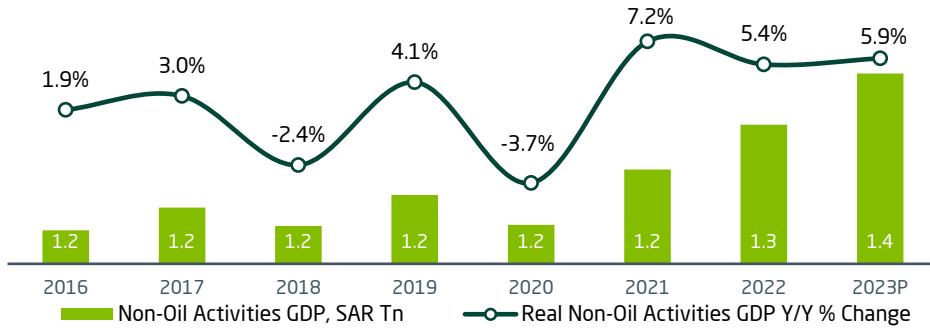
Cost Synergies realised SAR Bn	1.47	Cost synergies realised	105%
Integration costs SAR Bn	0.88	Integration Costs Committed % of Total 3Q 23	94%

SNB enjoys a position of great strength with healthy capitalization, liquidity and ratings.

Capital Adequacy Ratio 3Q 23	19.1%	SAMA LDR 3Q 23	78.2%	CIR excl. Int'l 3Q 23	26.2%
Credit Ratings (LT)				S&P Fitch Moody's CI	
				A- A- A1 A+	

SNB is strongly positioned to benefit from the large domestic opportunity in non-oil GDP growth & ambitious national investment

Real non-oil activities GDP is expected to grow by 5.9% for FY 2023...



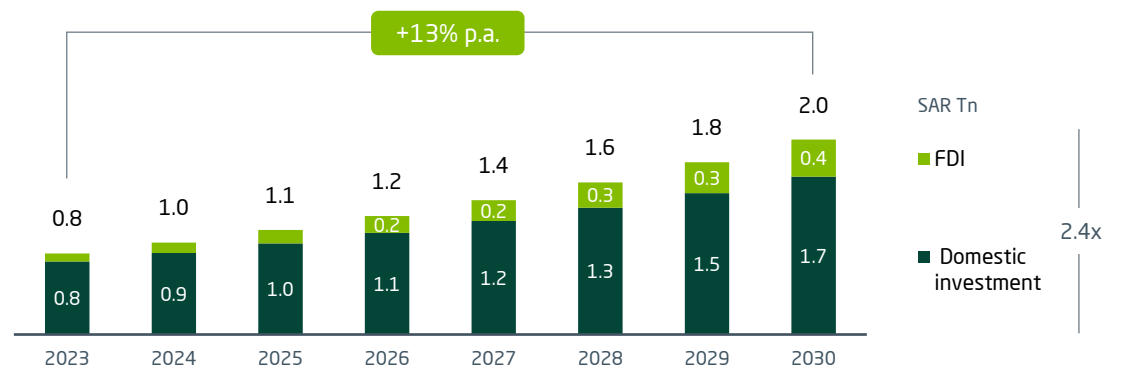
...and Saudi Arabia's National Investment Strategy presents material opportunities.



SNB is at the forefront of V2030-Related Financing with a healthy pipeline of opportunities...

Retail SAR Bn 316 +8% YTD	Wholesale SAR Bn 262 +13% YTD
...of which Mortgages SAR Bn 156 +10% YTD	...and MSME SAR Bn 40 +11% YTD

...making SNB well positioned to capture the growth potential of the NIS's ambitious domestic investment plans.



Modest offsetting guidance revisions for COR and CIR leave ROE expectations unchanged



Macro-Economic Outlook¹

Real GDP Growth +0.03%
o/w Non-oil GDP Growth +5.9%

Fiscal Balance -2.0%

US FFR 5.25 to 5.5%

Inflation 2.6%

Avg Brent Oil Price USD 82 / bbl

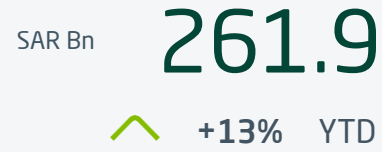
SNB Financial Guidance	FY 2022 Baseline	9M 2023 Actual	FY 2023 Guidance	Status
Financing Growth	SAR 545Bn	+9%	Low double-digit	Unchanged
NSCI Margin	3.15%	3.07%	3.0% to 3.2%	Unchanged
Cost to Income Ratio ²	27.1%	27.7%	Below 28.5%	Downgraded
Cost of Risk	0.33%	0.12%	0.1% to 0.3%	Upgraded
Tier 1 CAR	18.3%	18.4%	18% to 19%	Unchanged
ROTE	16.6%	17.5%	16.5% to 17.5%	Unchanged

Robust net income from increased solid financing growth and healthy credit quality

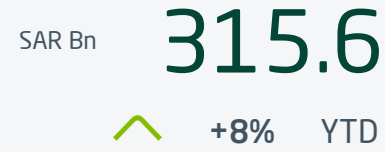
Robust financing growth



from Wholesale financing



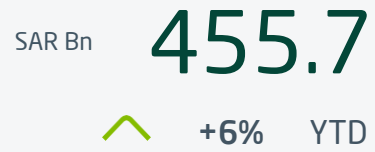
and Retail financing,



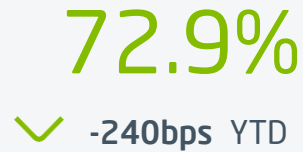
including Mortgage financing



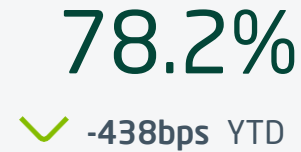
Solid CASA growth



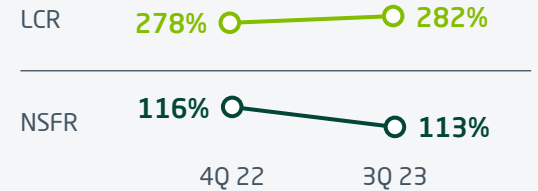
though moderating CASA ratio



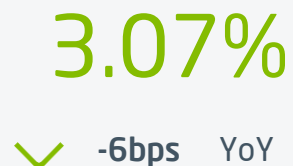
but comfortable SAMA LDR



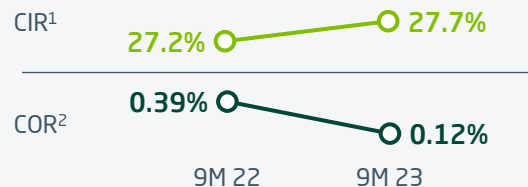
with strong and stable liquidity.



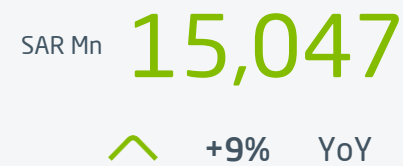
Despite moderating NSCI margin



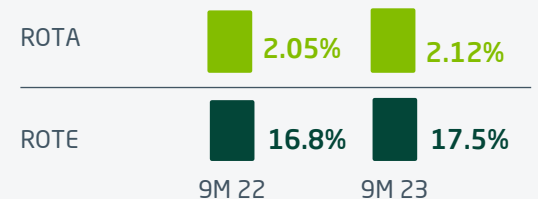
healthy credit & top-quartile efficiency



leading to robust net income³ growth

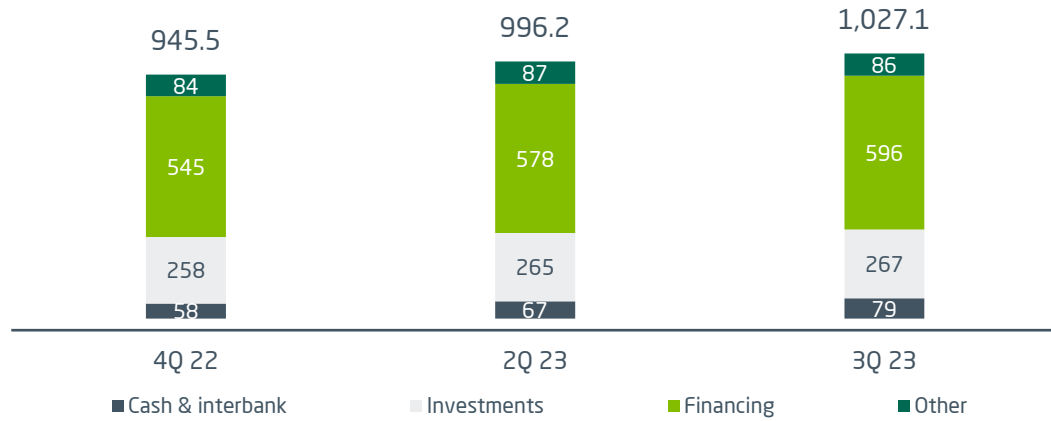


and superior returns.

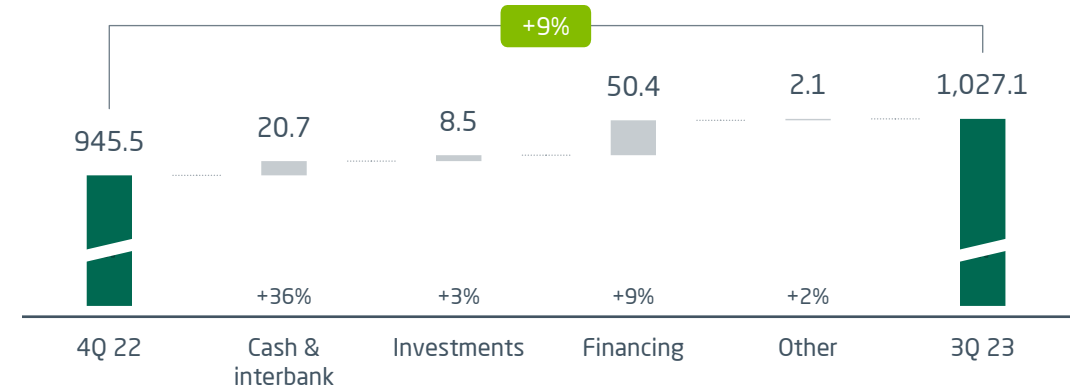


Balance sheet expansion of 9% mainly from financing, cash & interbank and investments, funded by deposits and interbank

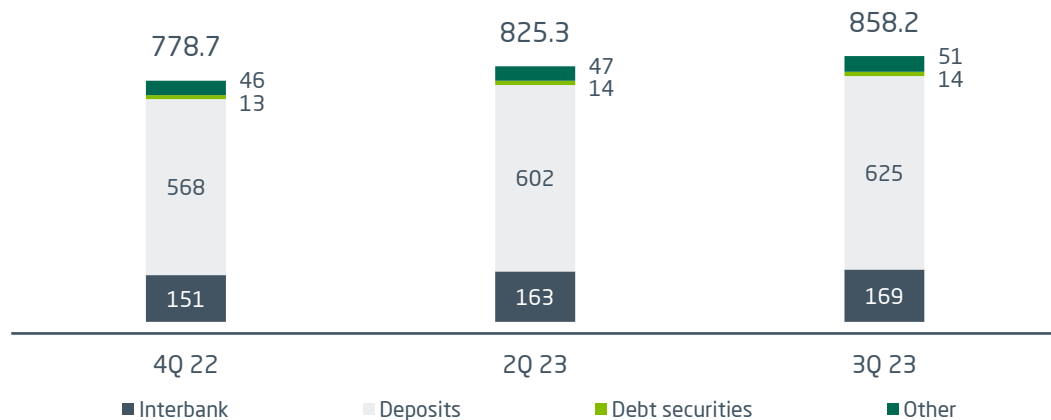
Total Assets (SARbn)



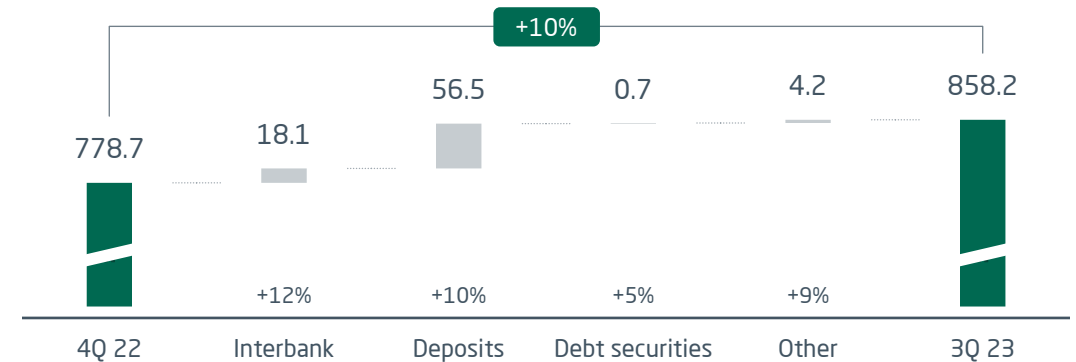
Total Assets Movement YTD (SARbn)



Total Liabilities (SARbn)



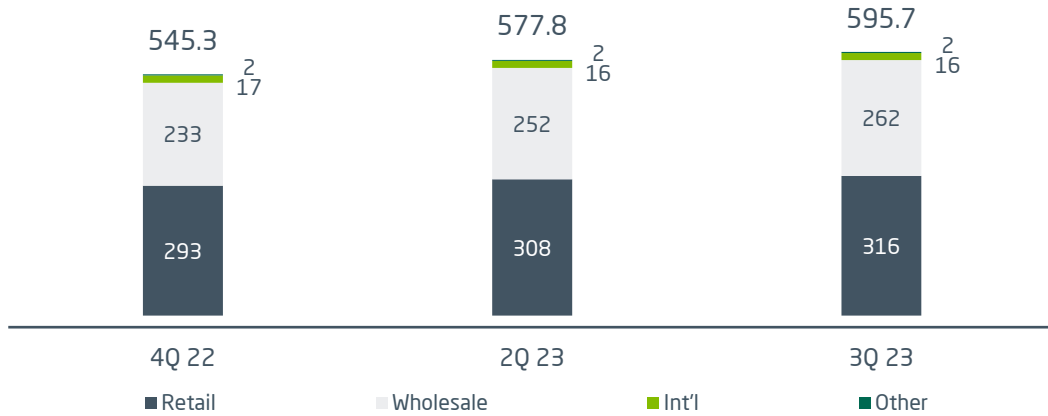
Total Liabilities Movement YTD (SARbn)



Solid, broad-based financing expansion

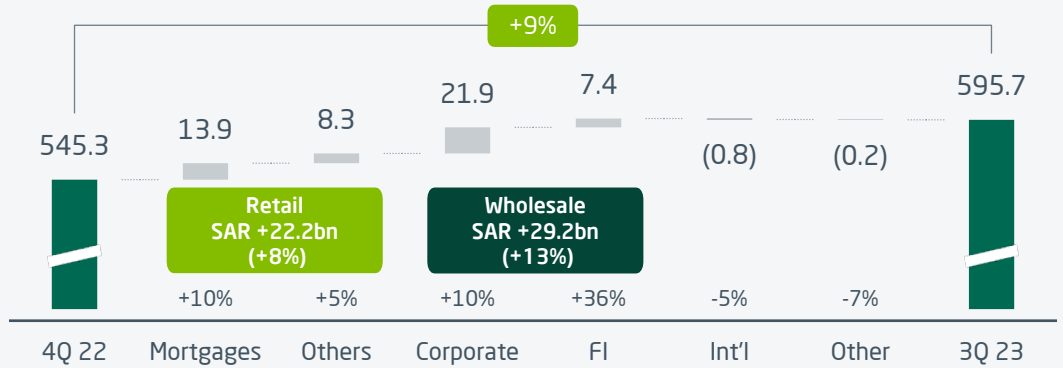


Financing & Advances, Net (SARbn)

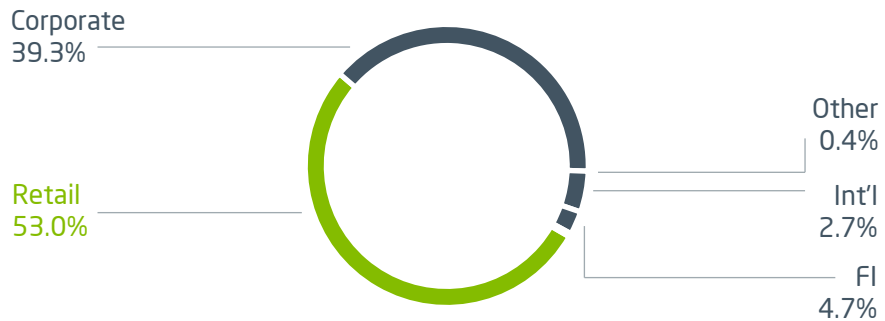


Financing & Advances, Net Movement YTD (SARbn)

2023 Guidance
Low double-digit



Financing & Advances, Net Composition (%)

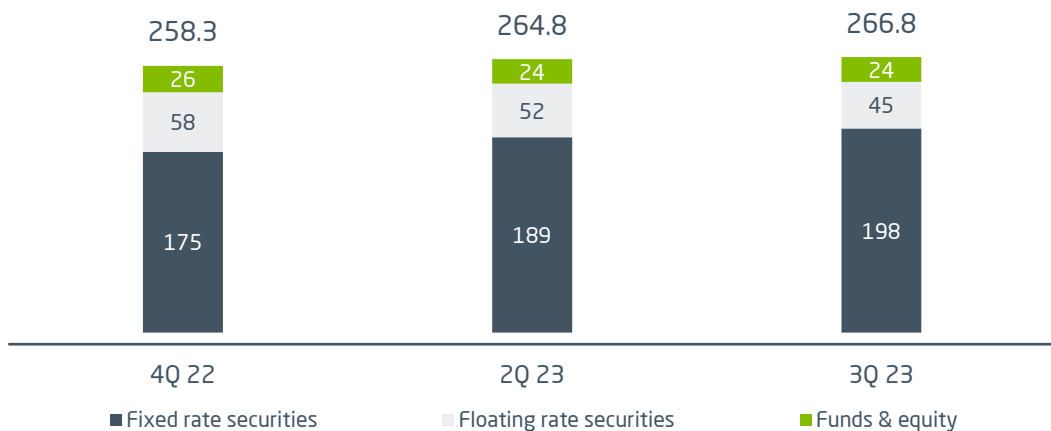


Financing & Advances, Net by Sector (%)

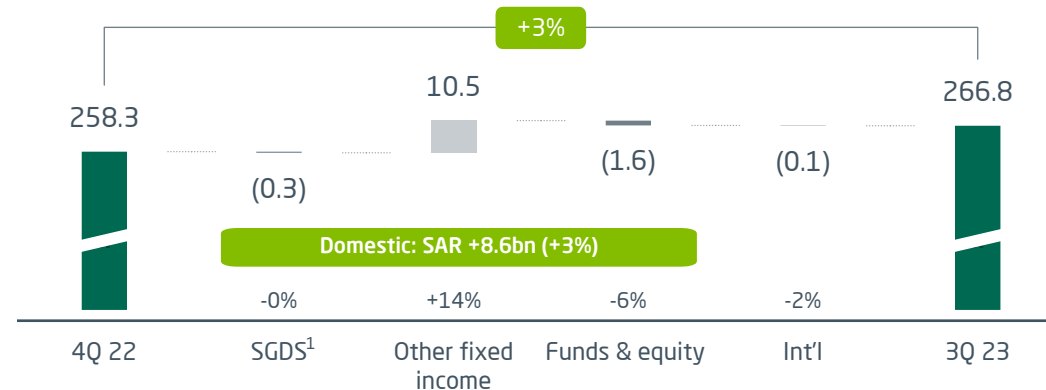


Investments up 3% primarily in other fixed income

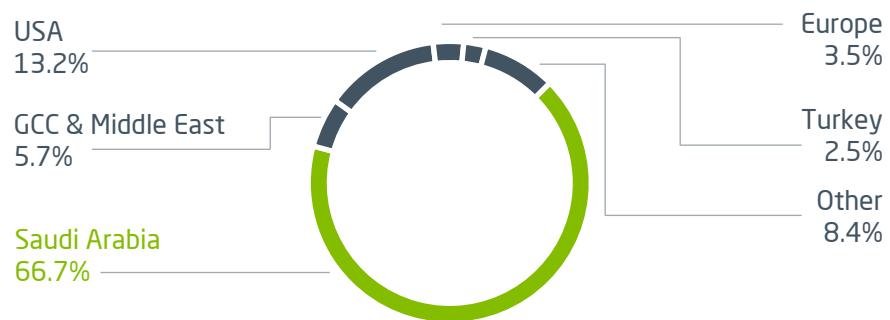
Investments, Net (SARbn)



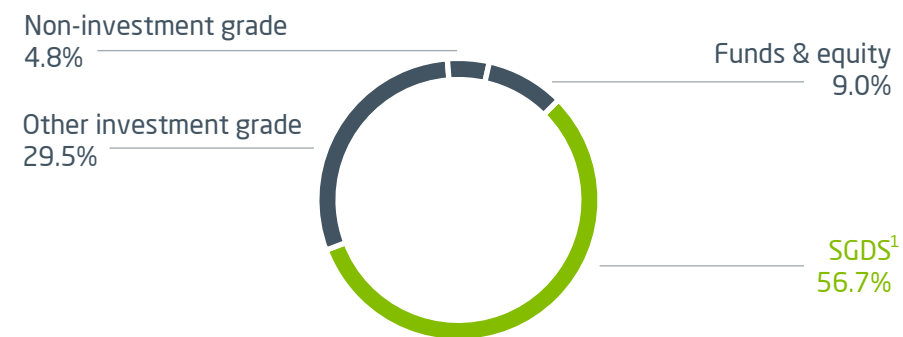
Investments, Net Movement YTD (SARbn)



Investments, Net by Geography (%)

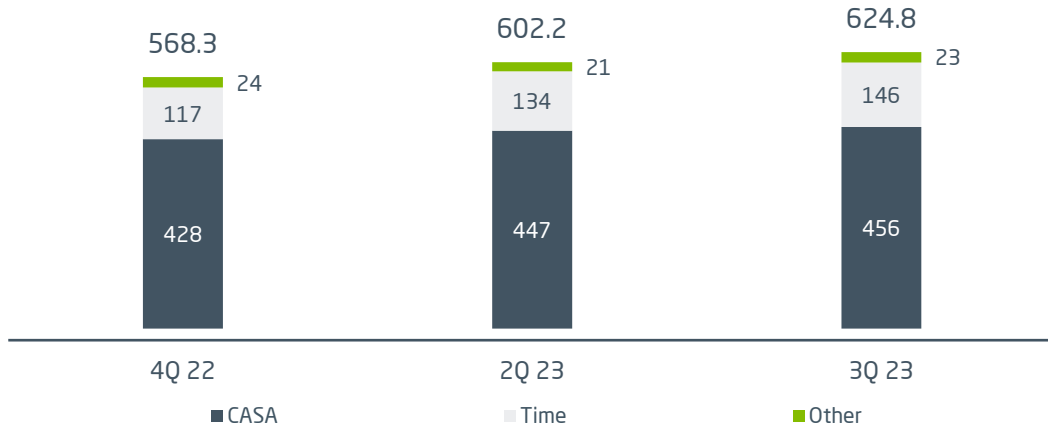


Investments, Net by Grade (%)

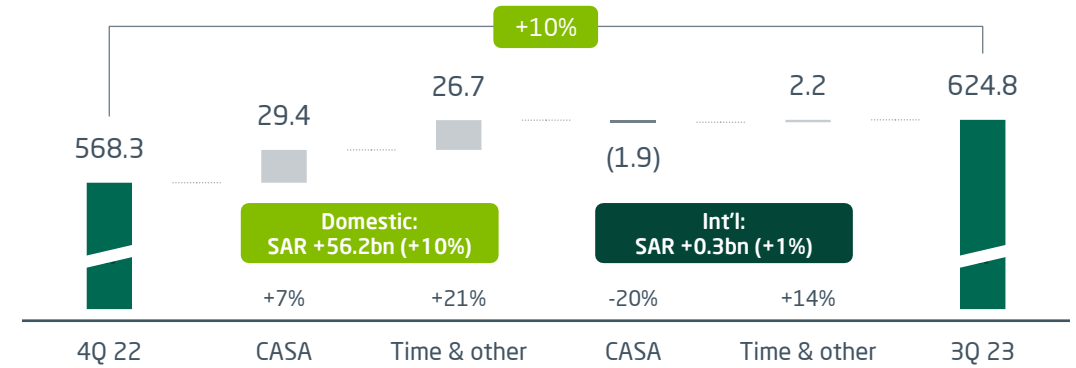


CASA growth of 6% YTD, though CASA ratio moderated from higher growth in time and other deposits given higher rate environment

Customers' Deposits (SARbn)



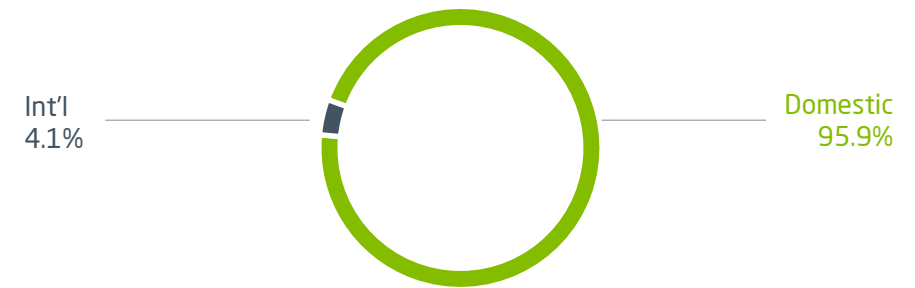
Customers' Deposits Movement YTD (SARbn)



Customers' Deposits by Type (%)

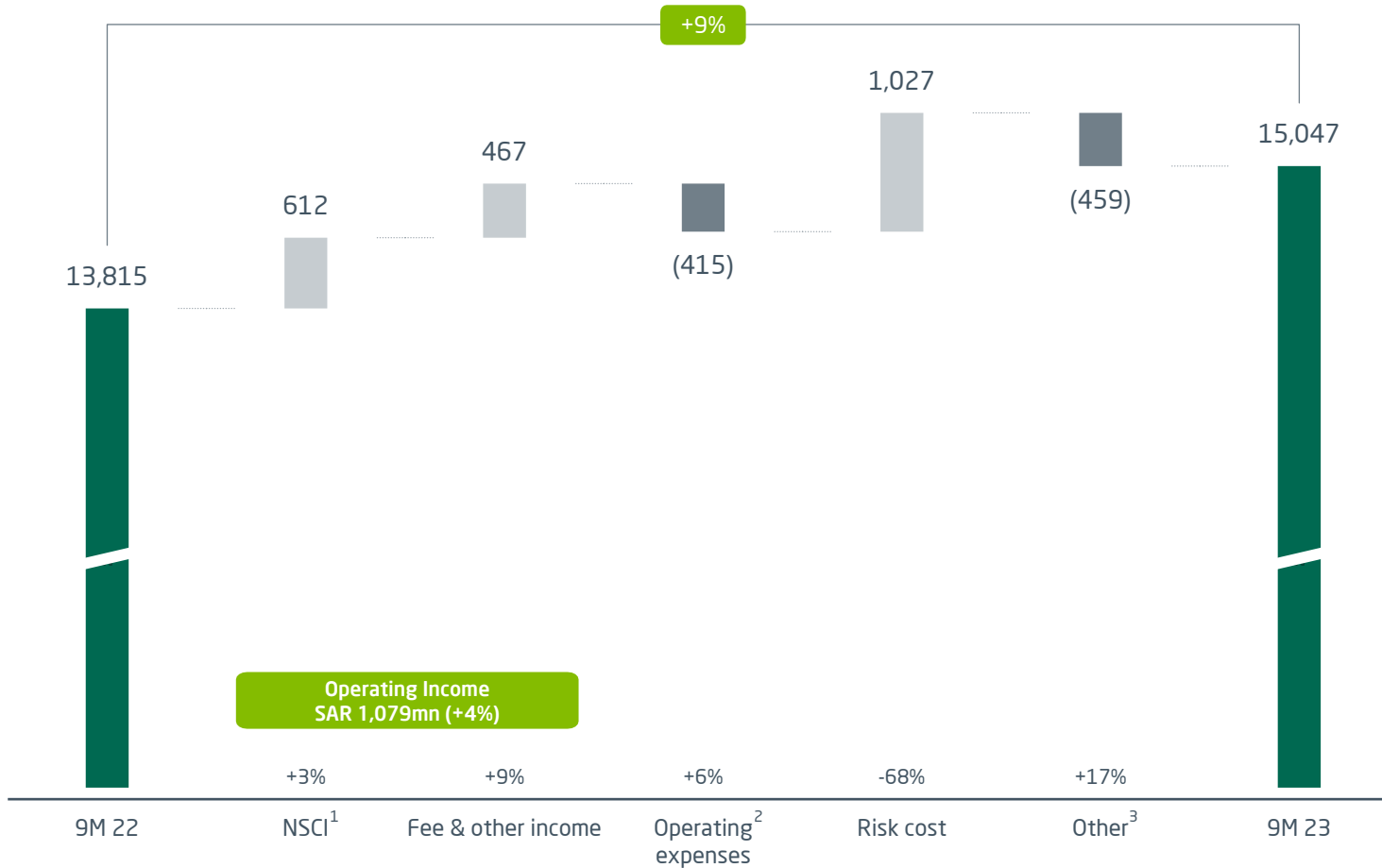


Customers' Deposits by Geography (%)

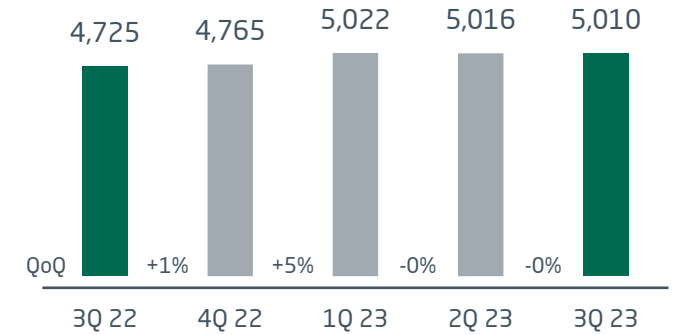


Net income rose 9% YoY from higher operating income and lower risk cost

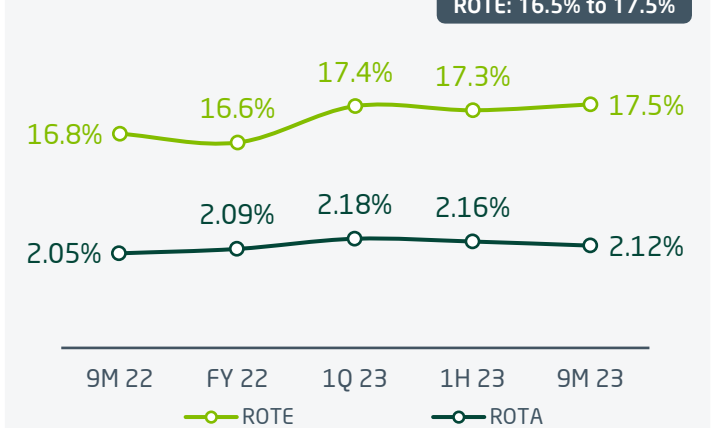
Net Income Attributed To Equity Holders Movement YoY (SARmn)



Net Income (SARmn)



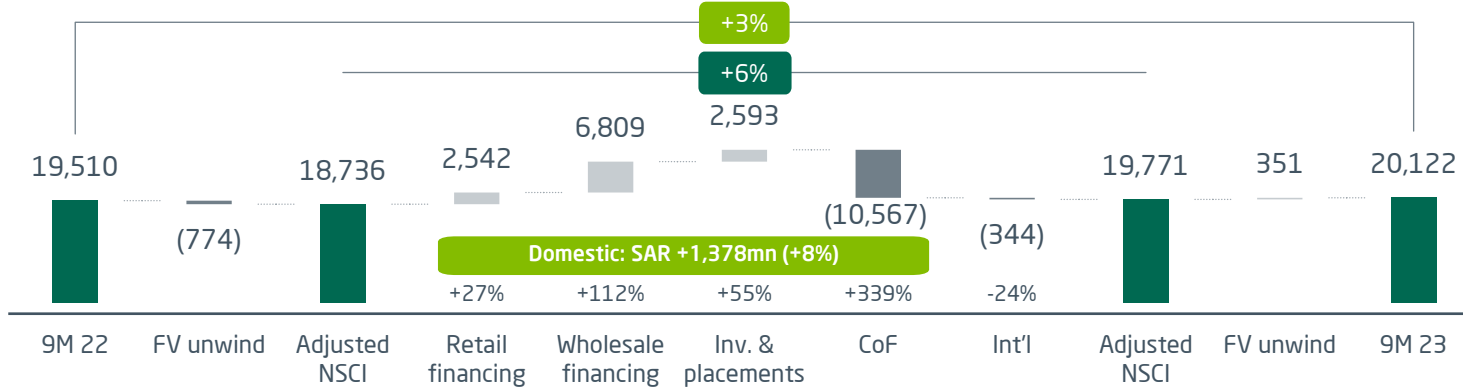
Returns YTD (%)



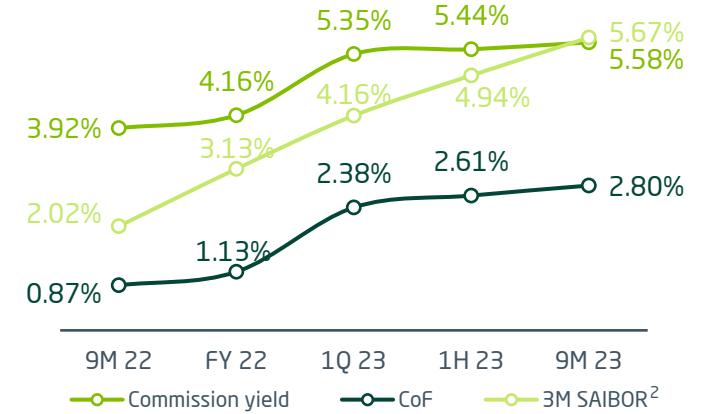
¹ NSCI includes FV unwind of SAR 351mn (9M 22: SAR 774mn) | ² Operating expenses exclude amortization of intangibles of SAR 615mn (9M 22: SAR 640mn) | ³ Other include amortization of intangibles, other non-operating expenses (incl. hyperinflationary adjustment), zakat, and non-controlling interest

NSCI growth of 3% from earning assets expansion partly offset by margin moderation from shift in funding mix

Net Special Commission Income Movement YoY (SARmn)

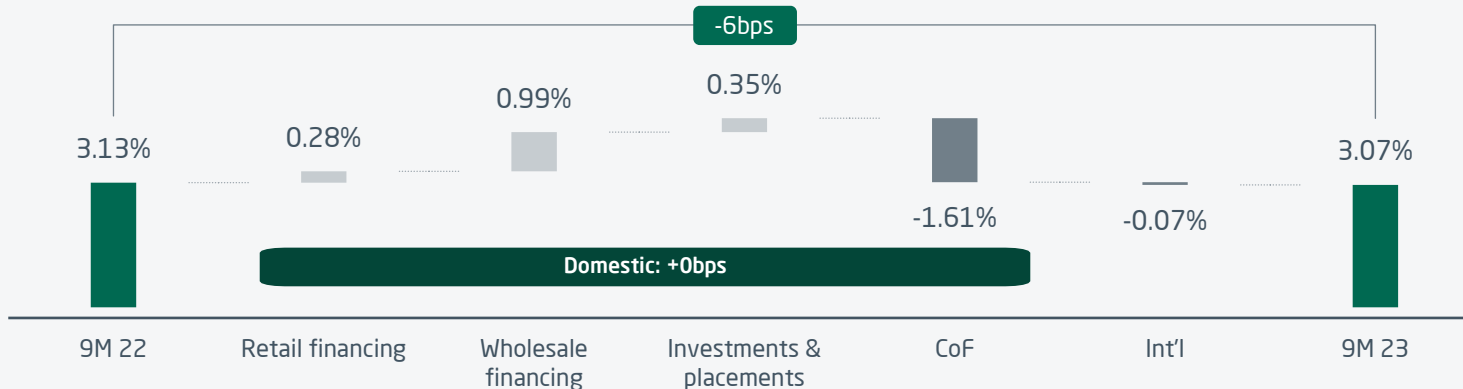


Commission Yield & Funding Cost YTD (%)

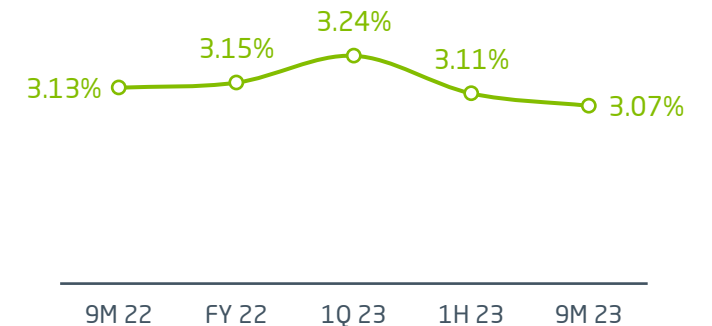


Net Special Commission Margin Movement YoY (%)¹

**2023 Guidance
3.0%-3.2%**

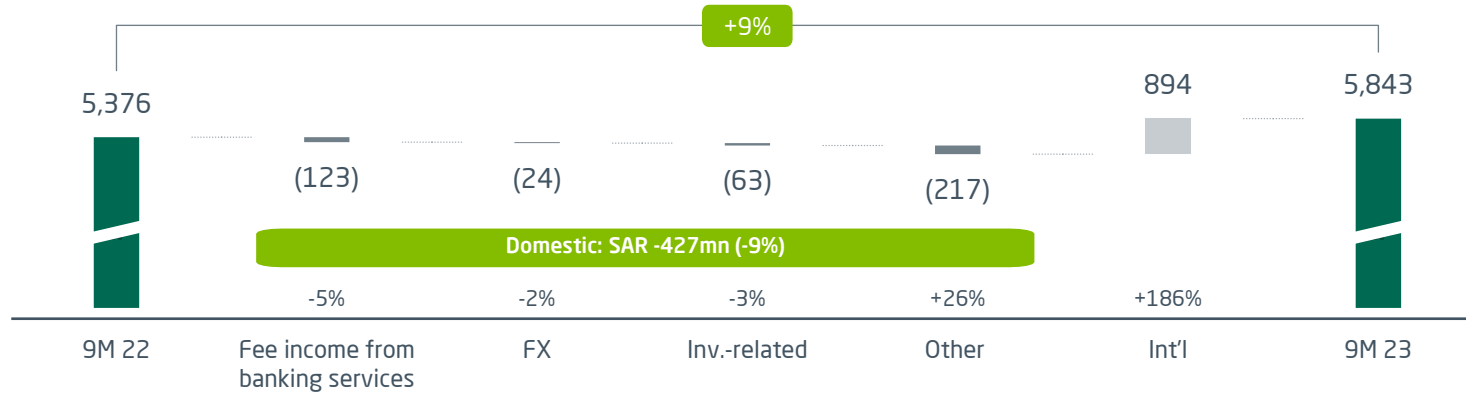


NSCI Margin YTD (%)²

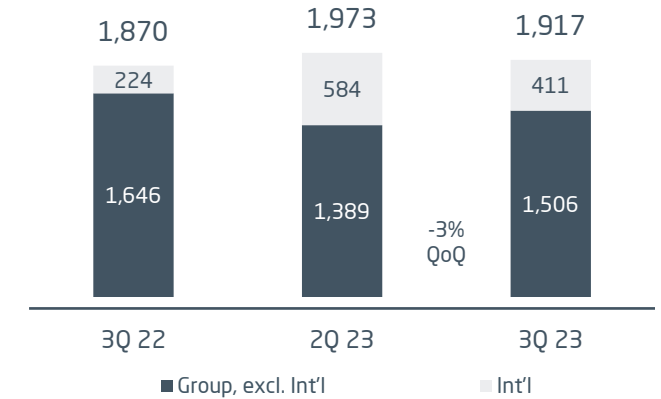


Fee and other income increased 9% YoY from higher international income, partially offset by lower fees generated domestically

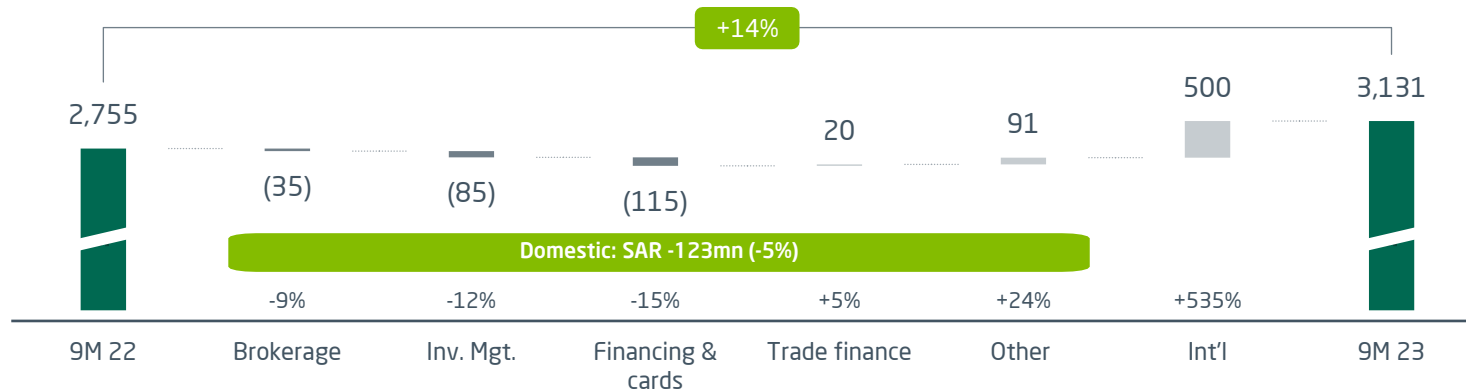
Fee & Other Income Movement YoY (SARmn)



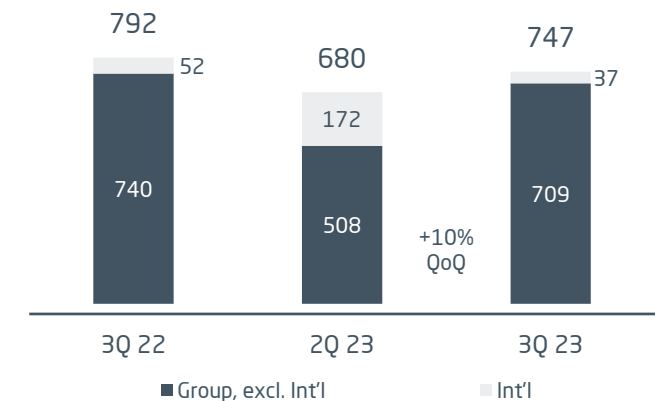
Fee & Other Income (SARmn)



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

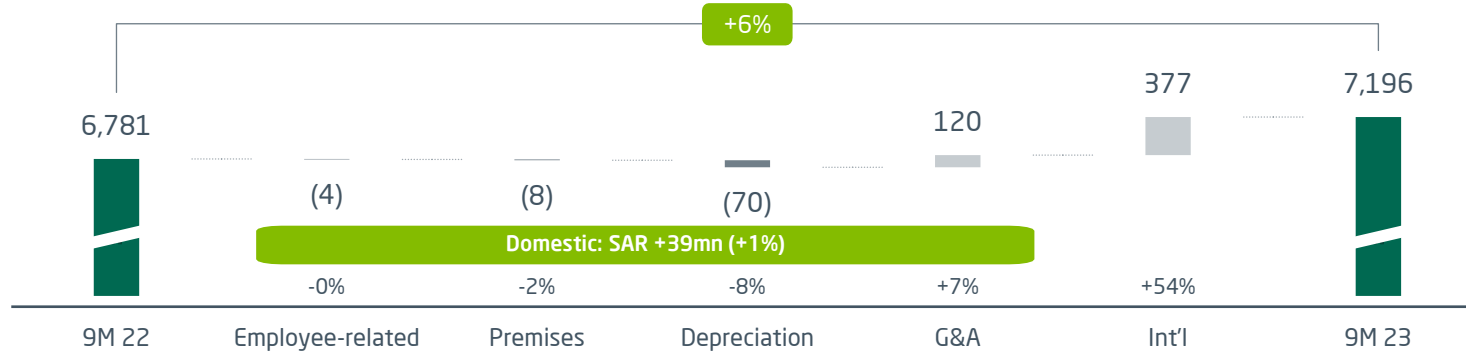


Investment-Related Income (SARmn)

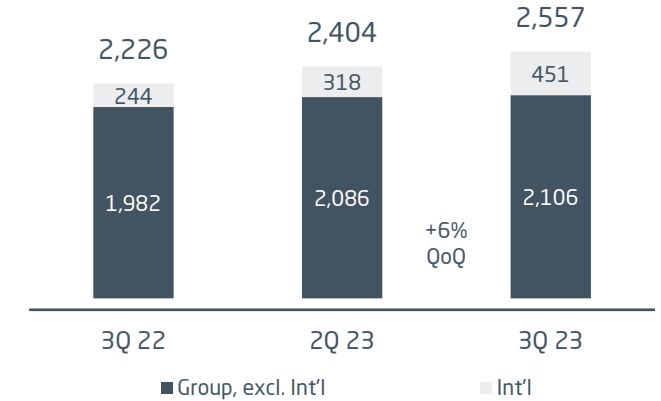


Operating expenses up 6% YoY from higher G&A expenses domestically and increased International costs impacted by hyperinflation

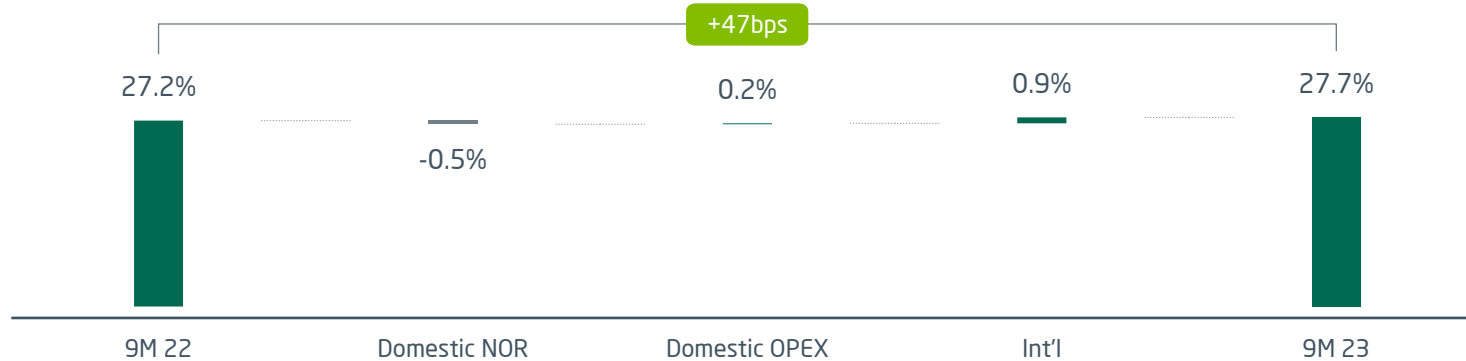
Operating Expenses Movement YoY (SARmn)¹



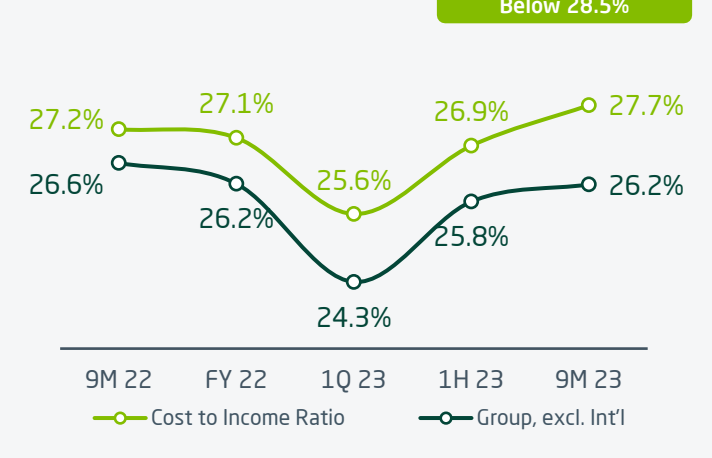
Operating Expenses (SARmn)¹



Cost to Income Ratio Movement YoY (%)¹

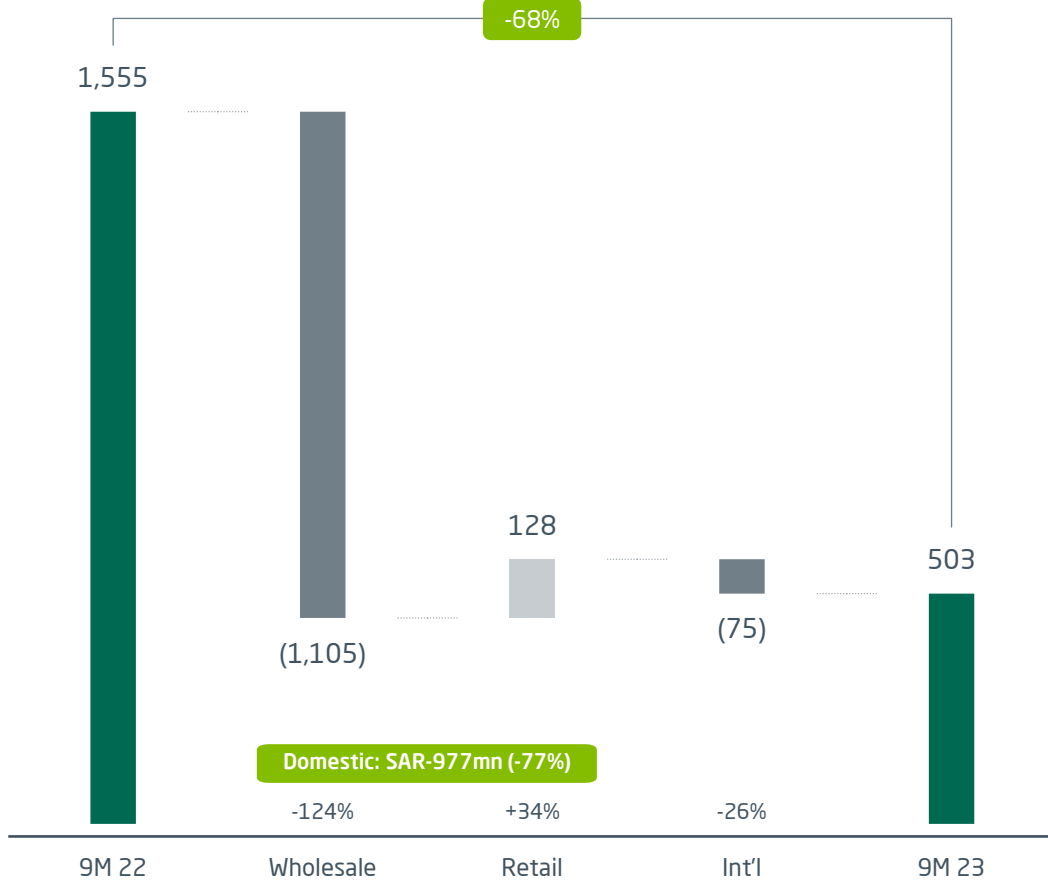


Cost to Income Ratio YTD (%)¹

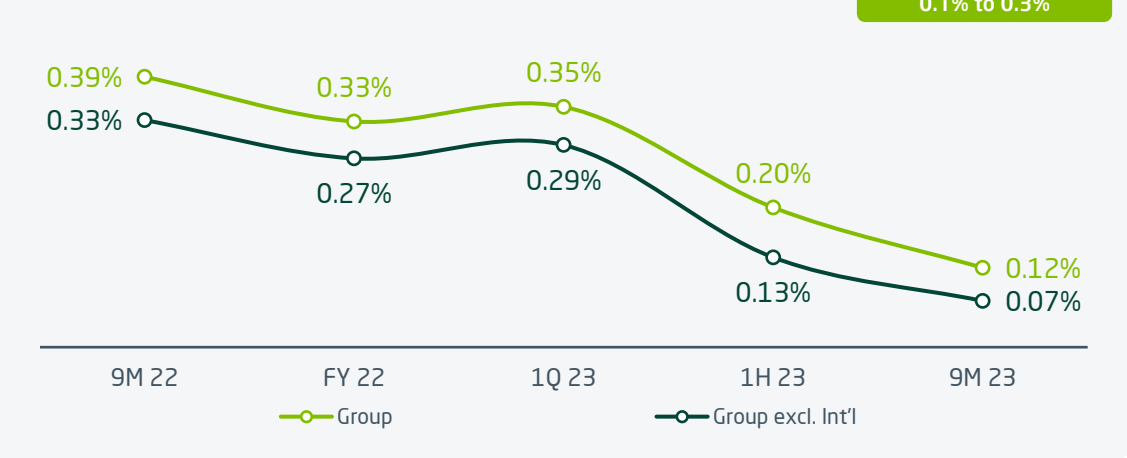


28bps reduction in COR from Wholesale recoveries

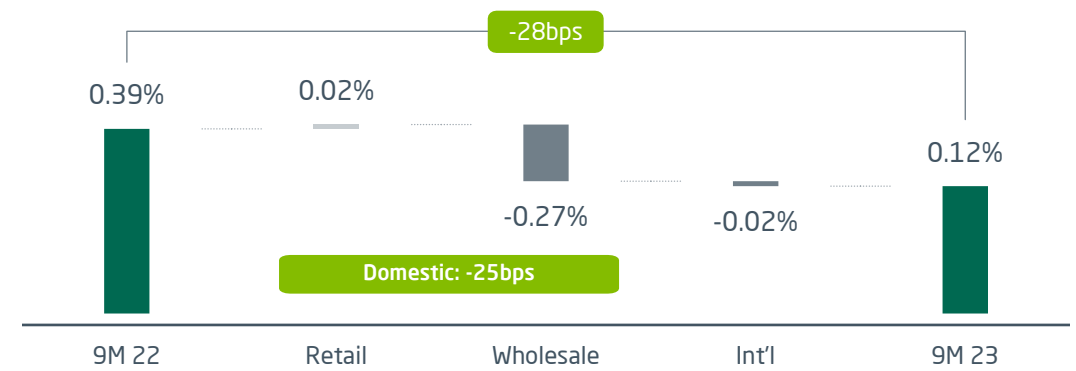
Impairment Charge For Financing & Advances Movement YoY (SARmn)



Cost of Risk YTD (%)¹

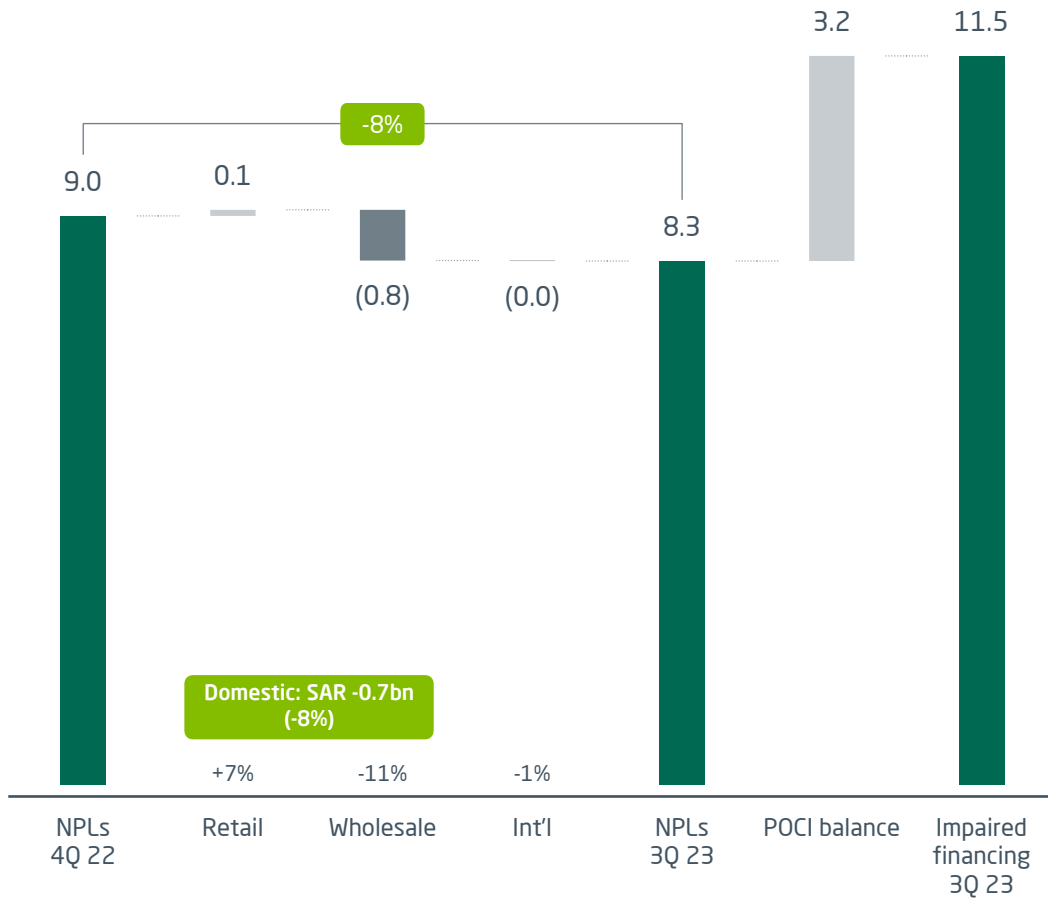


Cost of Risk Movement YoY (%)¹

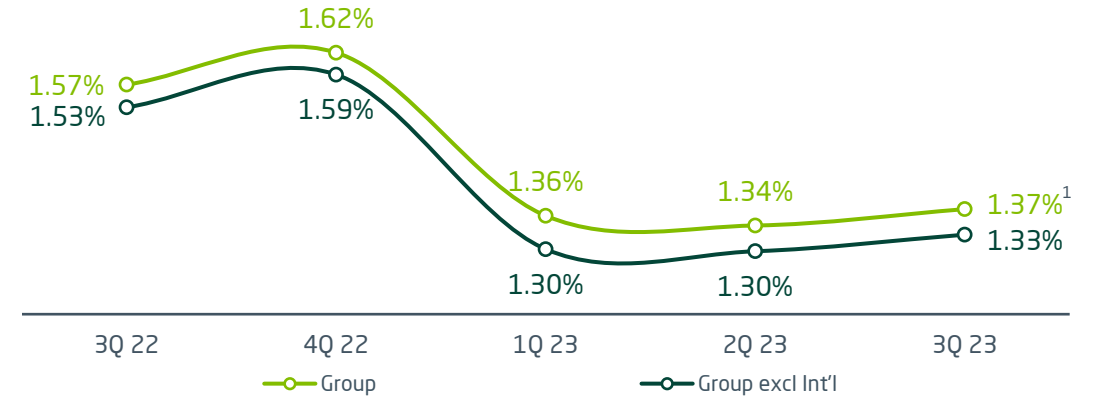


Improving NPL ratio YTD from write-offs in Wholesale, while NPL coverage remained healthy

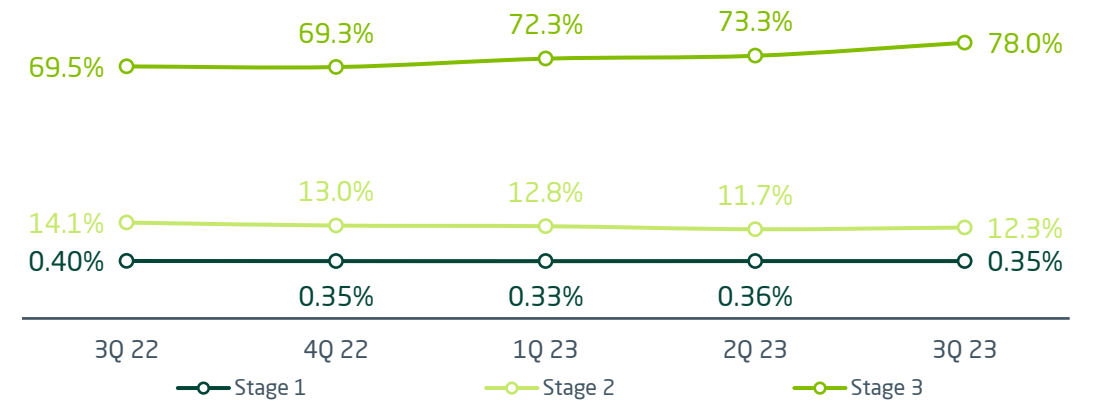
Credit Impaired Financing Movement YTD (SARbn)



NPL Ratio (%)



NPL Coverage by Stage (%)

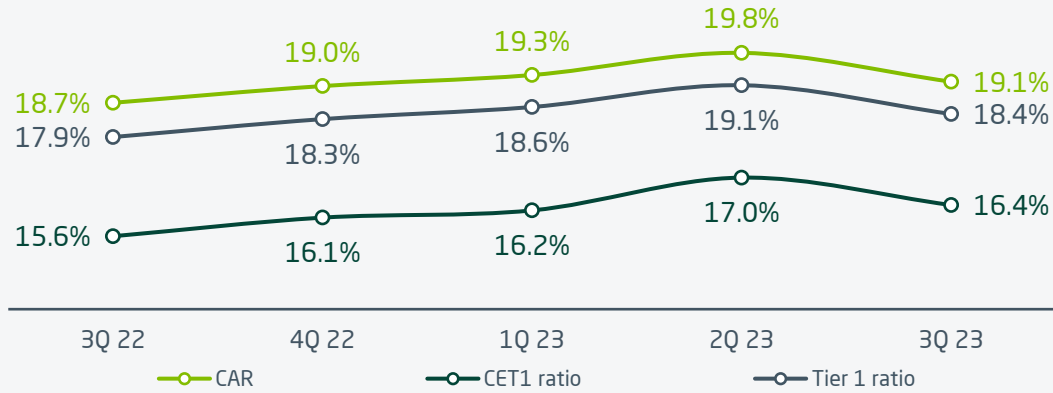


Capitalization remains healthy, and liquidity is strong and stable

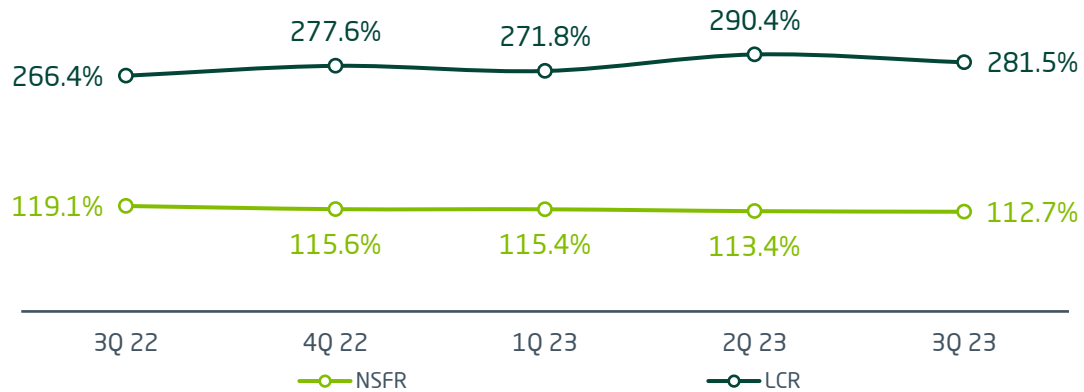


Capitalization Ratios (%)

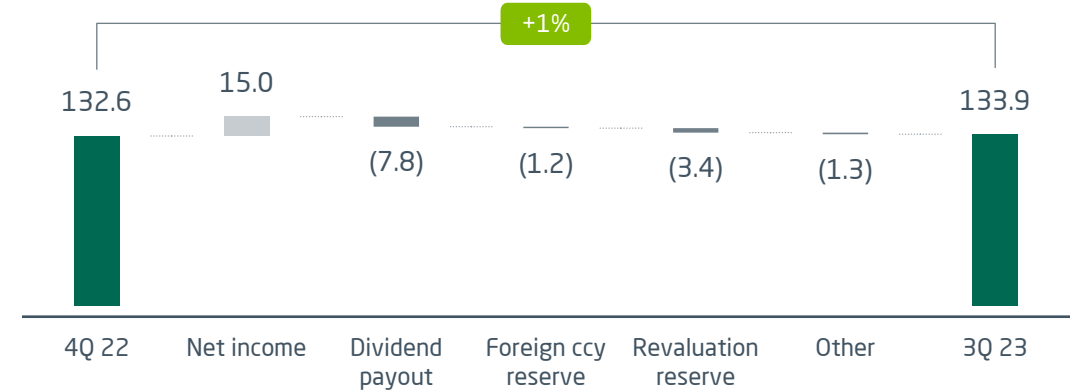
2023 Guidance
T1 CAR: 18-19%



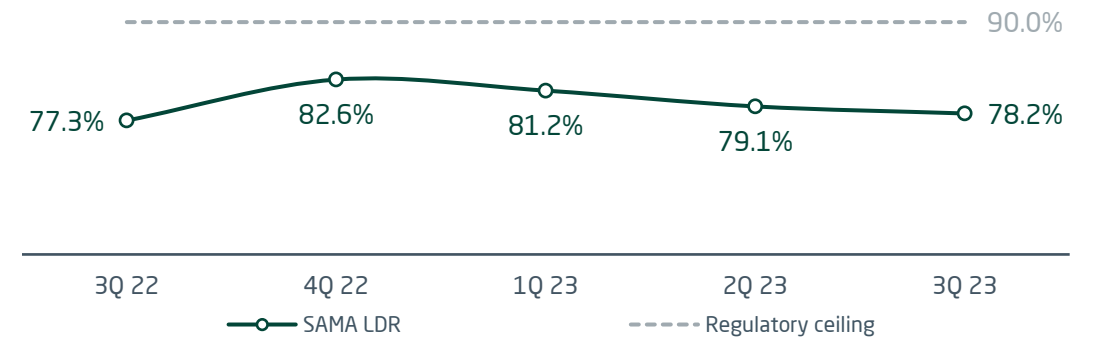
Liquidity Ratios (%)



Total Eligible Capital Movement YTD (SARbn)



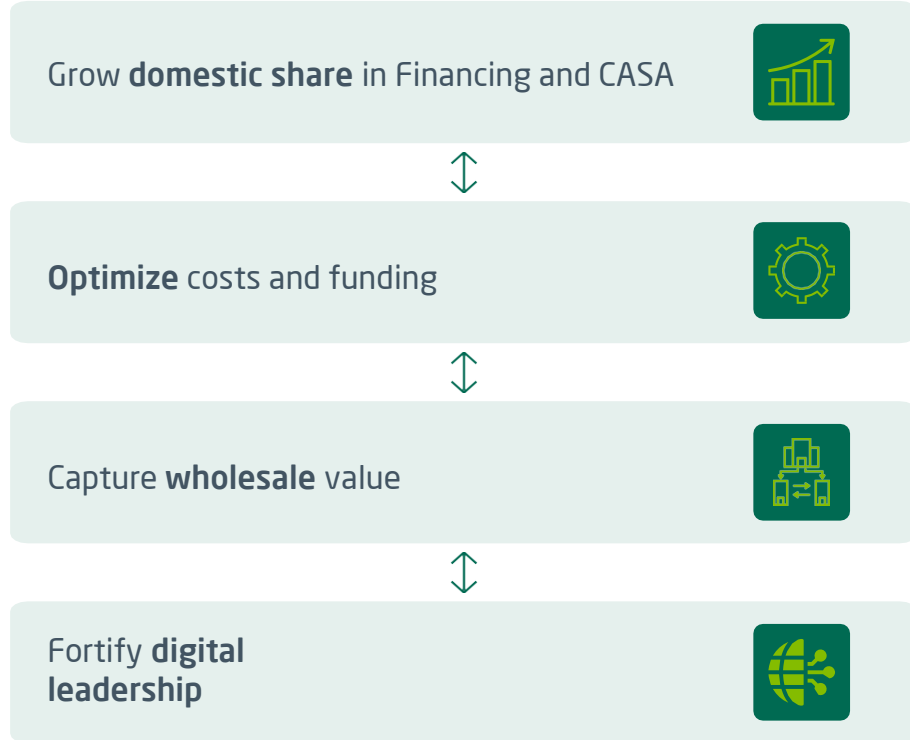
SAMA Loan-to-Deposit Ratio (%)



CEO's Closing Remarks



Our Strategy remains on course:



Successful execution of this strategy will enable SNB to:



...And this is SNB's approach to unlock many compelling opportunities across Saudi Arabia.



Q&A

3Q 2023



Additional Information



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Appendix

3Q 2023



SNB has issued three instruments including green and sustainability issuances totaling SAR 3.1 billion and has a SAR 7.1 billion portfolio of eligible sustainable assets

First financial institution in KSA to implement sustainable finance framework



Allocation of green and social assets and their expected benefits:

