

## Preliminary Earnings Release

# SNB reports 9% year-on-year net income growth to SAR 15.0 billion in 9M 2023

### 9M 2023 Financial Results Highlights:

- Net income grew 9% to SAR 15.0 billion in 9M 2023 on higher operating income and lower impairments
- NSCI Margin stood at 3.07% and 3.01% for 9M 2023 and 3Q 2023, respectively
- Total operating income during the period improved by 4% to SAR 26.0 billion
- Operating expenses increased by 5% to SAR 7.8 billion primarily from increased international costs. As a result, the Cost-to-income ratio edged up by 47bps year-on-year to 27.7%
- The impairment charges amounted to SAR 492 million YTD, a 68% improvement year-on-year, and was positively impacted by higher recoveries
- Total assets amounted to SAR 1,027 billion, a 9% increase from end of Dec. 2022, primarily as a result of growth in financing, cash & interbank balances and investments.
- Net financing and advances were up over SAR 50 billion and reaching a total of SAR 596 billion, a 9% increase from 31 December 2022
- Customers' deposits grew 10% to SAR 625 billion, maintaining an overall healthy CASA ratio of 72.9%
- The Bank maintained healthy capitalization. Liquidity continues to be strong and stable

Riyadh, 24 October 2023. SNB generated 9% year-on-year net income growth in 9M 2023. This growth was primarily the result of a 4% increase in operating income, which was boosted by higher net special commission income from earning assets growth and increased fee and other income.

The 3M quarterly NSCI Margin of 3.01% expanded 3bps on a sequential basis compared to 2Q 2023, and moderated 6bps year on year vs. 3Q 2022. The 9M 2023 NSCI Margin of 3.07% moderated by 6bps from 3.13% as compared to 9M 2022.

Fee and other income for 9M 2023 increased 9%, mainly supported by an increase in international income, partially offset by lower fees generated domestically.

Operating expenses excluding amortization of intangible assets for 9M 2023 were up 6% Y-o-Y, driven by International resulting from inflationary pressures in Turkey. Domestic operating expenses remained largely stable.

The overall balance sheet expanded by 9% year-to-date. The main drivers were a 9% growth in financing supported by both Wholesale and Retail, as well as increases in cash & interbank balances, and investments. Customers' deposits rose 10% year-to-date, driven by domestic growth across both CASA and time deposits, whereby the CASA ratio stood at 72.9%.

SNB continues to maintain healthy capitalization and strong, stable liquidity.

## Income Statement Summary

For the period ending 30 September 2023

<i>SAR (mn)</i>	9M 2023	9M 2022	Δ	3Q 2023	3Q 2022	Δ
Net special commission income	20,122	19,510	+3%	6,820	6,578	+4%
Fee and other income	5,843	5,376	+9%	1,917	1,870	+3%
<b>Total operating income</b>	<b>25,965</b>	<b>24,886</b>	<b>+4%</b>	<b>8,737</b>	<b>8,448</b>	<b>+3%</b>
Operating expenses	(7,812)	(7,421)	+5%	(2,762)	(2,431)	+14%
<b>Net operating income before impairment charge</b>	<b>18,153</b>	<b>17,465</b>	<b>+4%</b>	<b>5,975</b>	<b>6,017</b>	<b>-1%</b>
Net impairment charge for expected credit losses	(492)	(1,519)	-68%	77	(541)	-114%
<b>Income from operations, net</b>	<b>17,661</b>	<b>15,946</b>	<b>+11%</b>	<b>6,052</b>	<b>5,477</b>	<b>+11%</b>
Other non-operating income/(expenses), net	(399)	(74)	+438%	(379)	(70)	+442%
<b>Net income for the period before Zakat and income tax</b>	<b>17,262</b>	<b>15,872</b>	<b>+9%</b>	<b>5,673</b>	<b>5,407</b>	<b>+5%</b>
Zakat and income tax expense	(2,088)	(1,934)	+8%	(716)	(646)	+11%
<b>Net Income for the period after Zakat and income tax</b>	<b>15,174</b>	<b>13,938</b>	<b>+9%</b>	<b>4,957</b>	<b>4,761</b>	<b>+4%</b>
Net income attributed to non-controlling interests	(128)	(122)	+4%	53	(36)	-246%
<b>Net income attributed to equity holders</b>	<b>15,047</b>	<b>13,815</b>	<b>+9%</b>	<b>5,010</b>	<b>4,725</b>	<b>+6%</b>
<b>Earnings per share</b>	<b>2.42</b>	<b>2.25</b>	<b>+8%</b>	<b>0.80</b>	<b>0.76</b>	<b>+5%</b>
Net special commission margin	3.07%	3.13%	-6bps	3.01%	3.07%	-6bps
Cost to income ratio	27.7%	27.2%	+0.5ppt	29.3%	26.3%	+2.9ppt

## Balance Sheet Summary

For the quarter as of 30 September 2023

<i>SAR (mn)</i>	3Q 2023	4Q 2022	Δ	3Q 2022	Δ
Investments, net	266,772	258,292	+3%	252,182	+6%
Financing and advances, net	595,721	545,311	+9%	536,176	+11%
<b>Total assets</b>	<b>1,027,133</b>	<b>945,496</b>	<b>+9%</b>	<b>964,421</b>	<b>+7%</b>
Customers' deposits	624,769	568,283	+10%	596,886	+5%
<b>Total liabilities</b>	<b>858,162</b>	<b>778,719</b>	<b>+10%</b>	<b>801,238</b>	<b>+7%</b>
<b>Equity attributable to shareholders of the Bank</b>	<b>153,133</b>	<b>150,486</b>	<b>+2%</b>	<b>146,954</b>	<b>+4%</b>
<b>Total equity</b>	<b>168,971</b>	<b>166,778</b>	<b>+1%</b>	<b>163,183</b>	<b>+4%</b>
NPL Ratio <sup>1</sup>	1.37%	1.62%	-25bps	1.57%	-20bps

<sup>1</sup>Excluding purchased or originated credit-impaired financial assets (POCI)

## **Additional Information**

SNB's 3Q 2023 financial statements, earnings release, investor presentation and financial data supplement will be available on the SNB IR website in advance of the 3Q 2023 Earnings Call at:

[SNB Corporate Reports](#)

For additional information, please contact SNB at:

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