



2Q 2023 Earnings Presentation

Saudi National Bank

Riyadh | 3 August 2023

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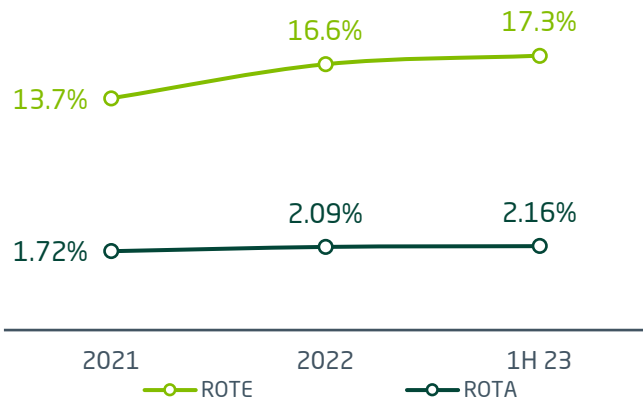
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The Kingdom's largest and most profitable banking group with proven record of growth and value creation

SNB enjoys a dominant market position...

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

SNB is delivering superior returns...

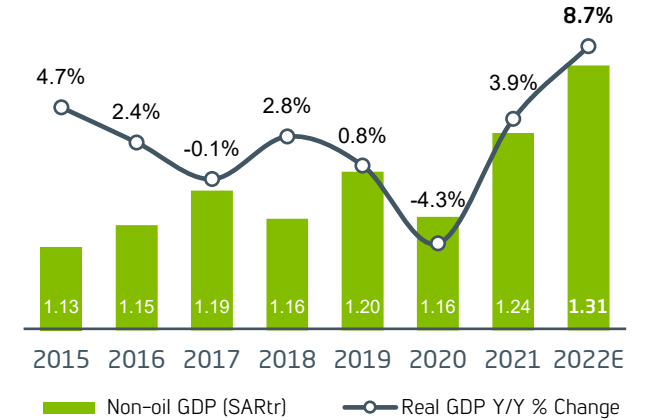


...in an attractive domestic economic environment...

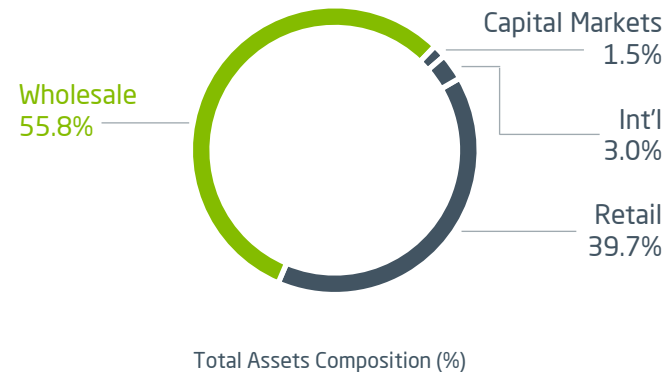
GDP Growth 2022 +8.7%	Non-Oil GDP Growth 2022 +5.4%
Inflation June 2023 2.7%	Gross Fixed Capital Formation 2022 SAR Tr 1.04 +31% YoY

Saudi Vision 2030

....with a long run-way of growth.



..through a diversified business...



...while offering resilience and sustainability.

T1 Capital Ratio 2Q 23 19.1%	SAMA LTD Ratio 2Q 23 79.1%
Sustainability ESG Reporting Sustainable Financing Issuance LEED v4 Platinum certification	Digitization Digitization of Sales & Service "Zero Back Office" initiatives DV Pilot commenced
Credit Ratings (LT) S&P Fitch Moody's CI	
A- A- A1 A+	

SNB is focused on our strategic objectives



Grow domestic **market share** in Retail & Corporate financing and CASA



Upgrade **Transaction Banking** proposition
Evolve distribution model for the future
Drive **payroll customer** acquisition

Optimization of costs & funding, and Wholesale value capture



Drive **efficiency & productivity**
Generate robust **funding and capital**
Boost **investment returns** while maintaining portfolio resilience

Fortify **digital leadership** via digitization, zero-back office and digital ventures



Deploy leading digital propositions and customer journeys
Excel in digital platforms and sales
Launch **digital ventures**

Strong track record of execution on merger synergies

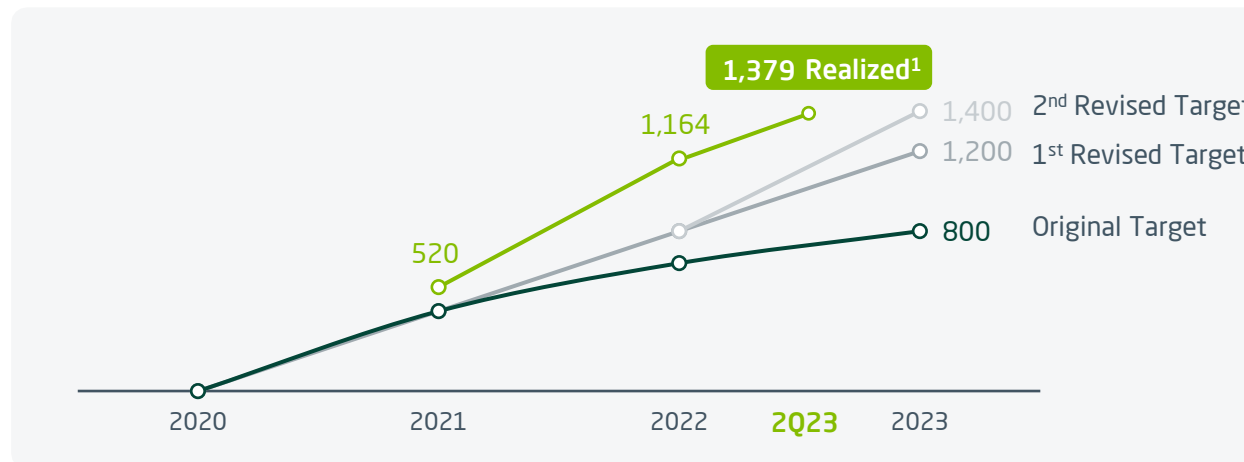
Unlocking merger benefits...

SAR Bn **1,379**
of total revised targeted cost synergies

SAR Bn **1,400**



with realized cost synergies already touching revised target of SAR 1.4Bn



Cost Synergies Realized

99%

of revised targeted cost synergies realized

Sources of Cost Synergies

Operational efficiencies
Optimization of technology stack
Natural FTE attrition

Integration costs on track...

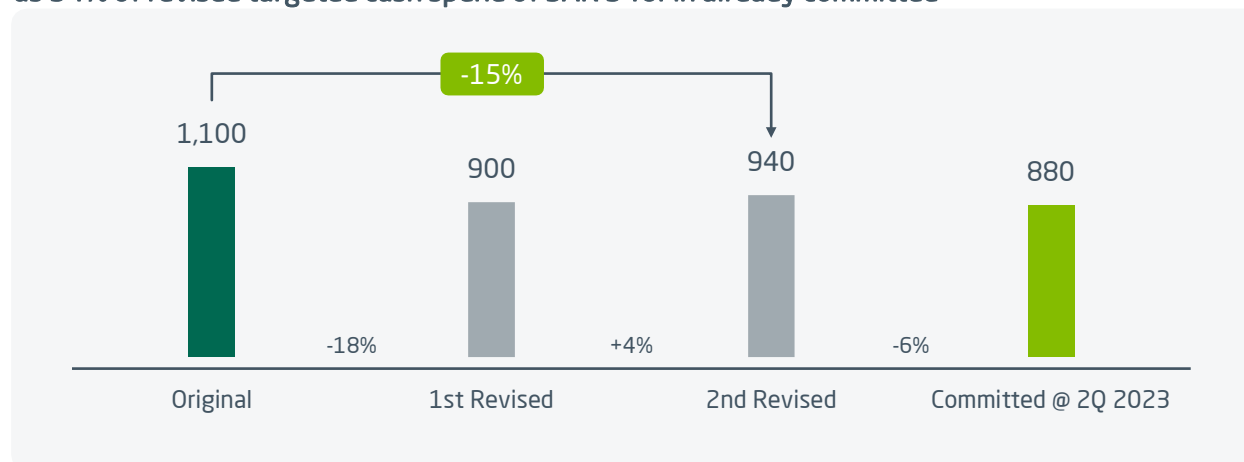
SAR Mn **880** is committed

of total revised targeted integration costs

SAR Mn **940**



as 94% of revised targeted cash spend of SAR 940Mn already committed



Integration Cost Categories

Capex: IT stack optimization spend, data migration & rebranding
Opex: Advisory, marketing & relocation

Integration Cost Composition

63%

of the total integration cost is CAPEX

Economic outlook remains positive and FY 2023 NSCI margin guidance revised downwards



Macro-Economic Outlook¹

Real GDP Growth +1.9%

Fiscal Balance -1.1%

US FFR 5.25 to 5.5%

Inflation 2.8%

Avg Brent Oil Price USD 82 / bbl

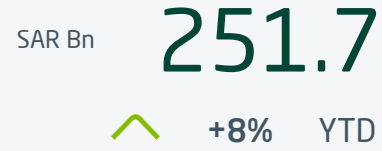
SNB Financial Guidance	FY 2022 Baseline	1H 2023 Actual	FY 2023 Guidance	Status
Financing Growth	SAR 545Bn	+6%	Low double-digit	Unchanged
NSCI Margin	3.15%	3.11%	3.0% to 3.2%	Revised Down
Cost to Income Ratio	27.1%	26.9%	Below 27%	Unchanged
Cost of Risk	0.33%	0.20%	0.3% to 0.5%	Unchanged
Tier 1 CAR	18.3%	19.1%	18% to 19%	Unchanged
ROTE	16.6%	17.3%	16.5% to 17.5%	Unchanged

Robust net income growth from solid financing growth, improved efficiency and healthy credit quality

Robust financing growth



from Wholesale financing



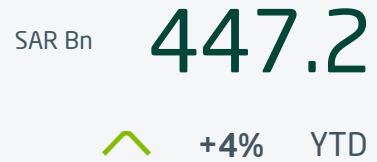
and Retail financing,



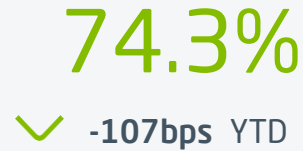
including Mortgage financing



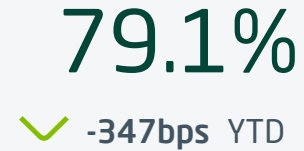
Solid CASA growth



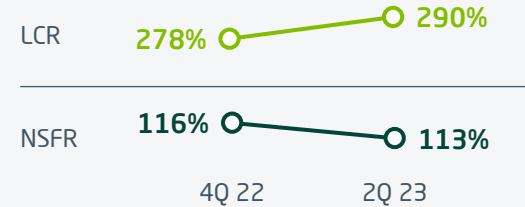
though moderating CASA ratio



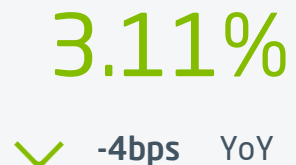
but comfortable SAMA LTD ratio



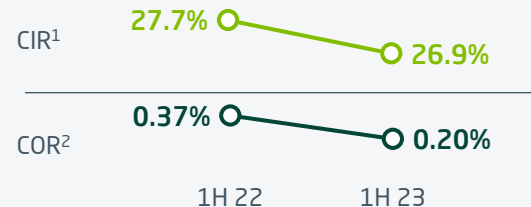
with strong and stable liquidity.



Despite moderating NSCI margin



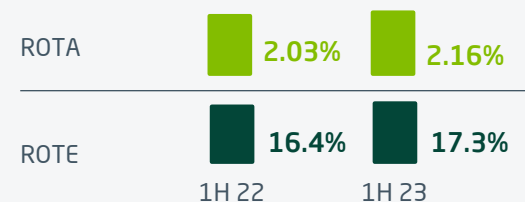
improved efficiency & healthy credit



leading to robust net income³ growth



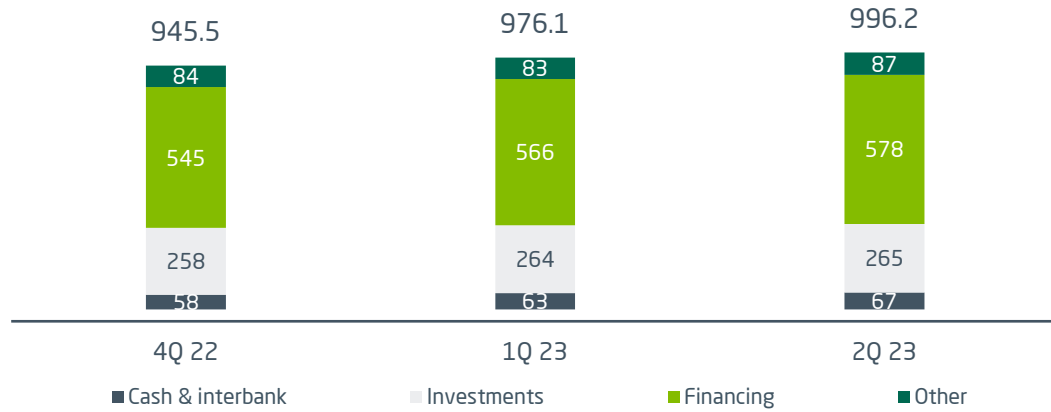
and superior returns.



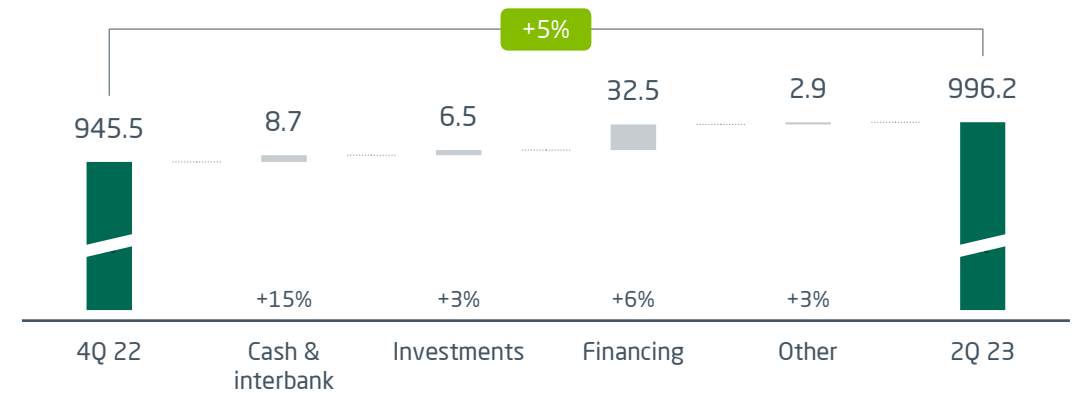
Balance sheet expansion of 5% YTD mainly from financing growth, funded by deposits



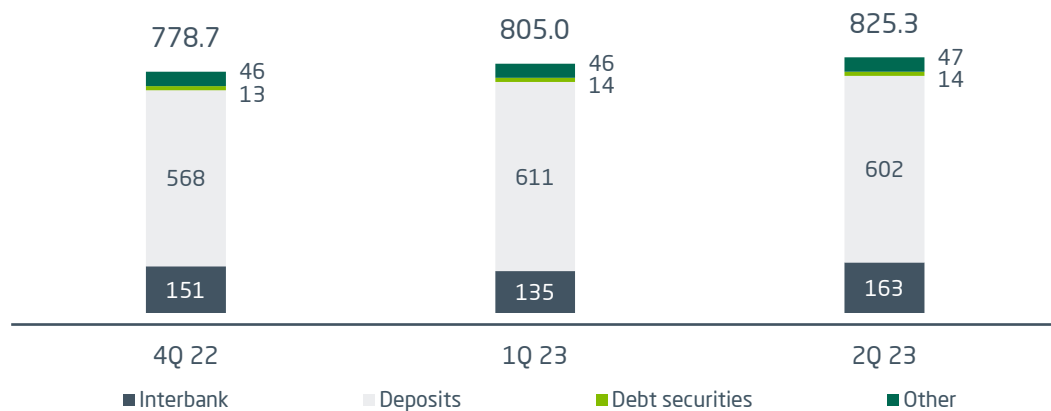
Total Assets (SARbn)



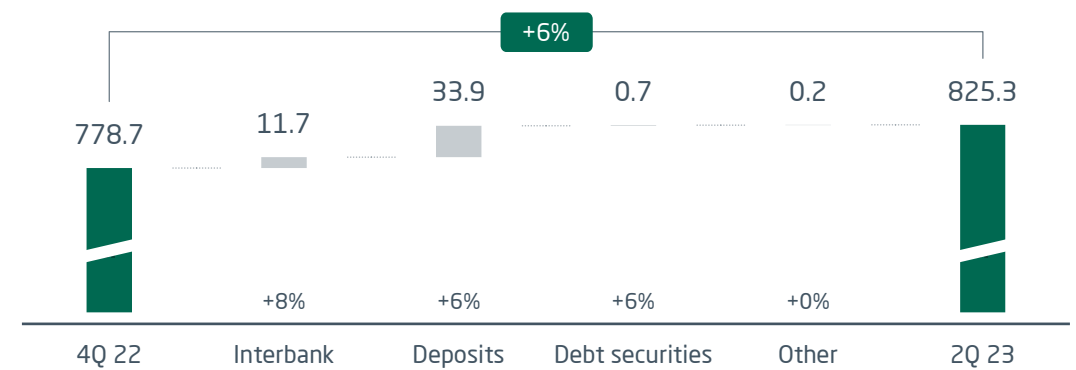
Total Assets Movement YTD (SARbn)



Total Liabilities (SARbn)



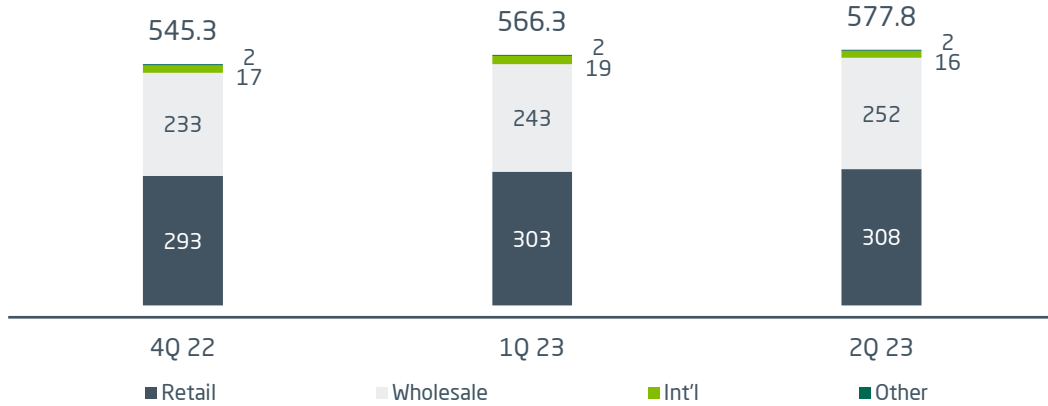
Total Liabilities Movement YTD (SARbn)



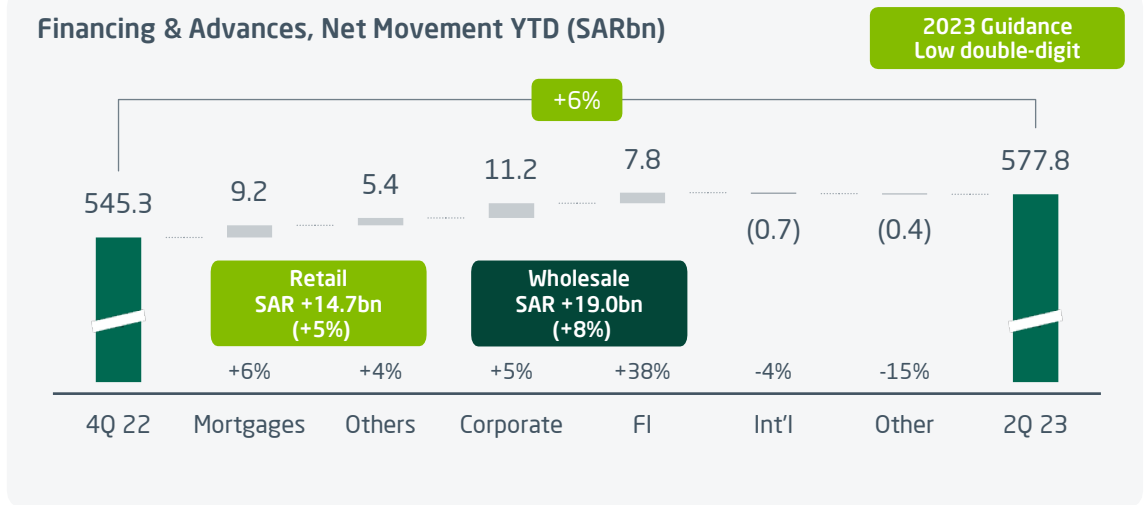
Solid, broad-based financing expansion



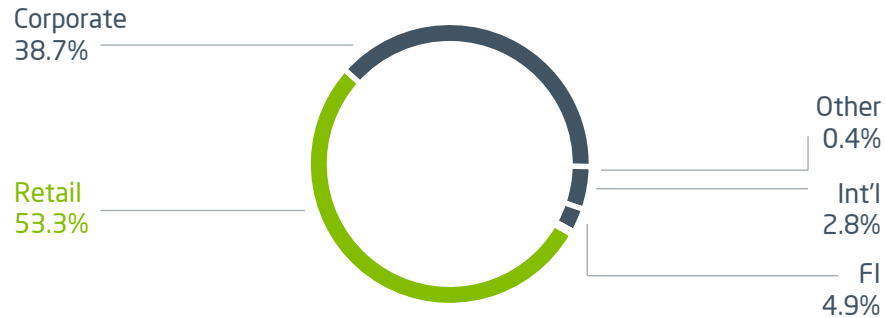
Financing & Advances, Net (SARbn)



Financing & Advances, Net Movement YTD (SARbn)



Financing & Advances, Net Composition (%)



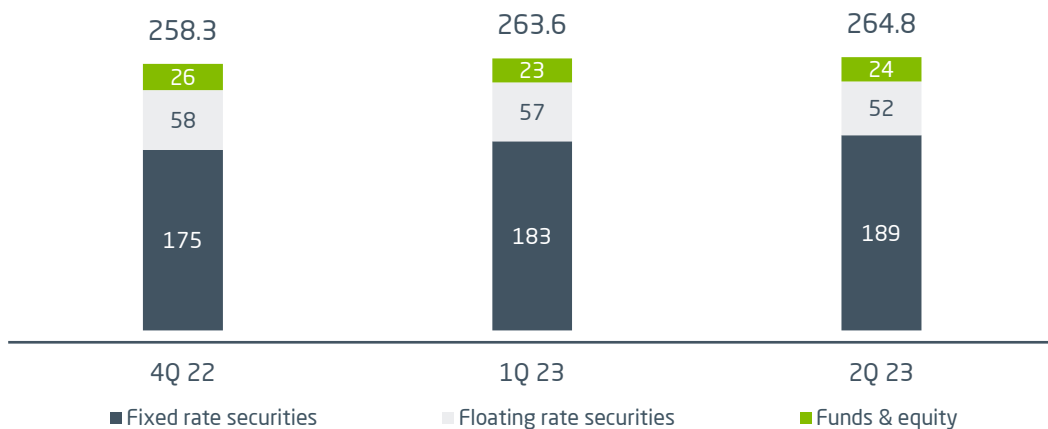
Financing & Advances, Net by Sector (%)



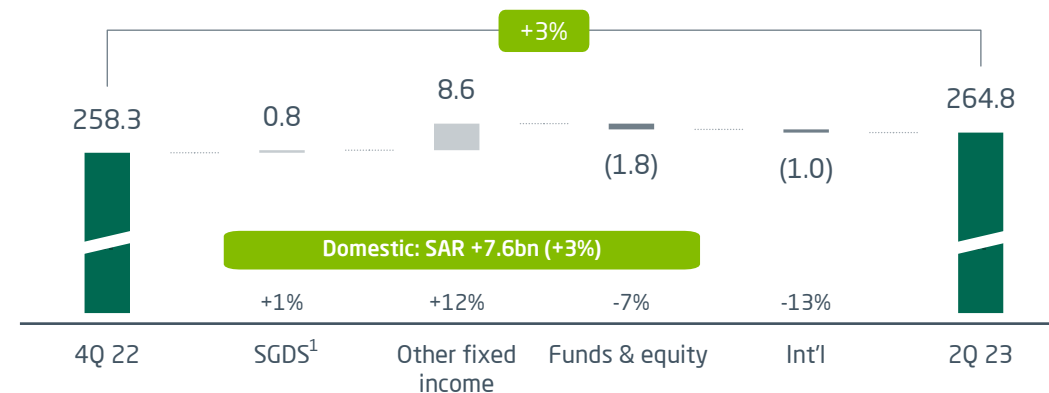
Investments up 3% primarily in other fixed income



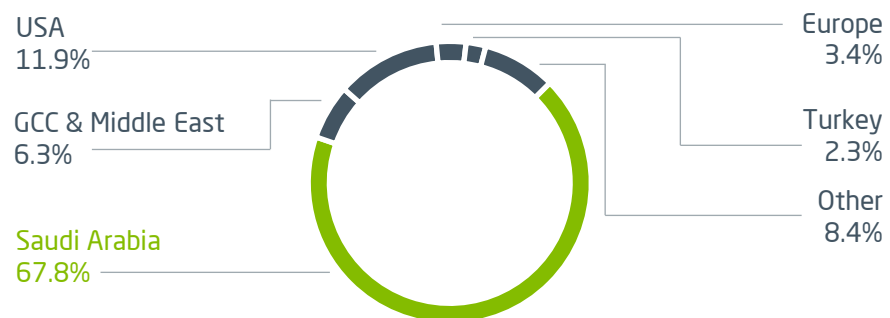
Investments, Net (SARbn)



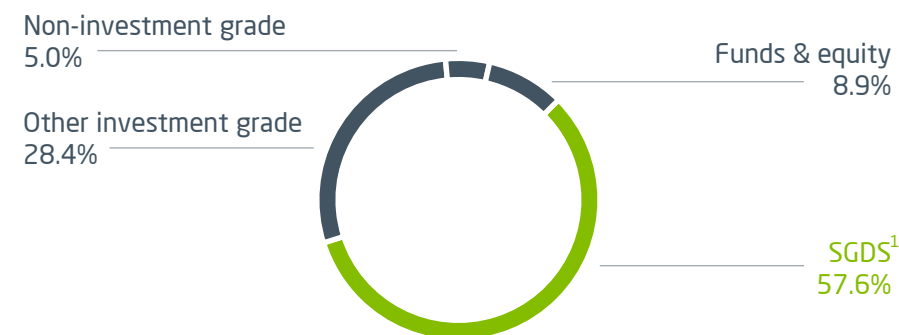
Investments, Net Movement YTD (SARbn)



Investments, Net by Geography (%)



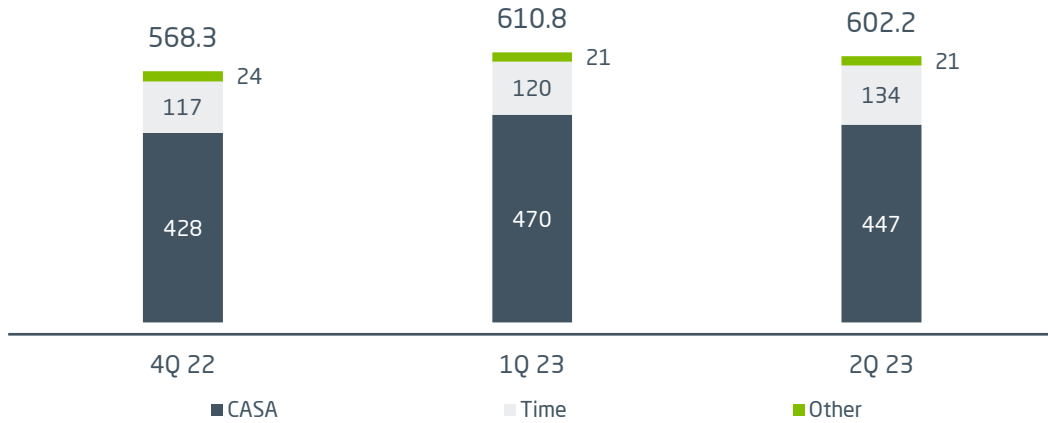
Investments, Net by Grade (%)



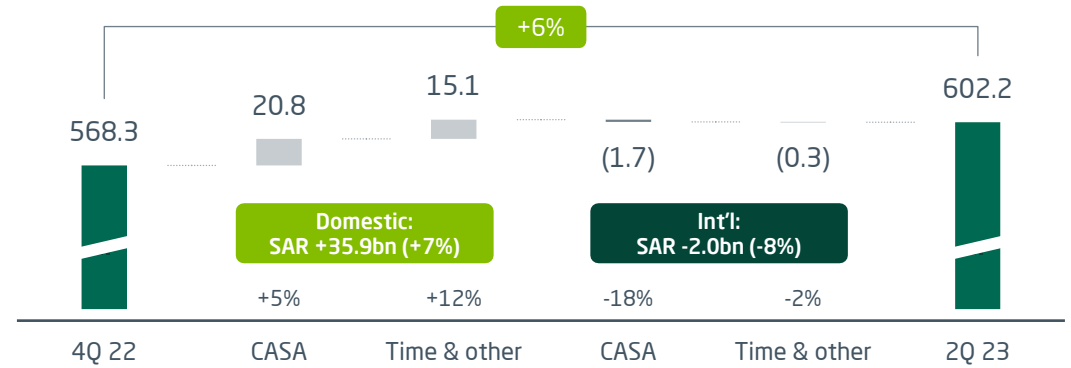
CASA growth YTD, though QoQ outflow of some transitory deposits moderated CASA ratio



Customers' Deposits (SARbn)



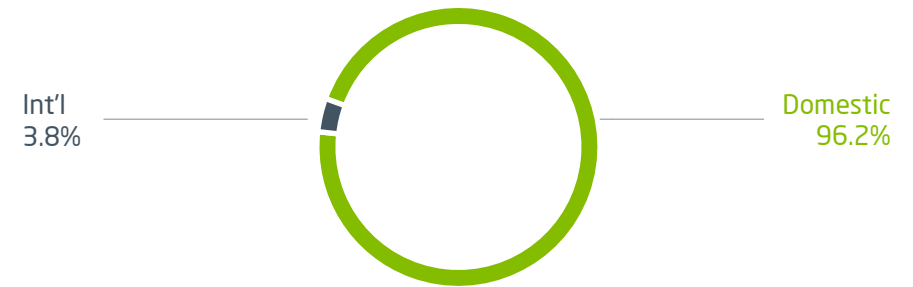
Customers' Deposits Movement YTD (SARbn)



Customers' Deposits by Type (%)



Customers' Deposits by Geography (%)

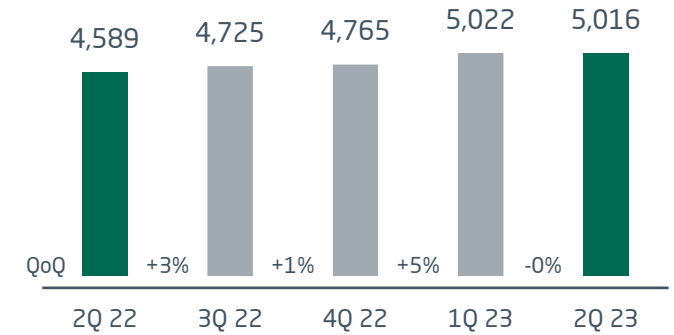


Net income rose 10% YoY from higher operating income and lower impairments

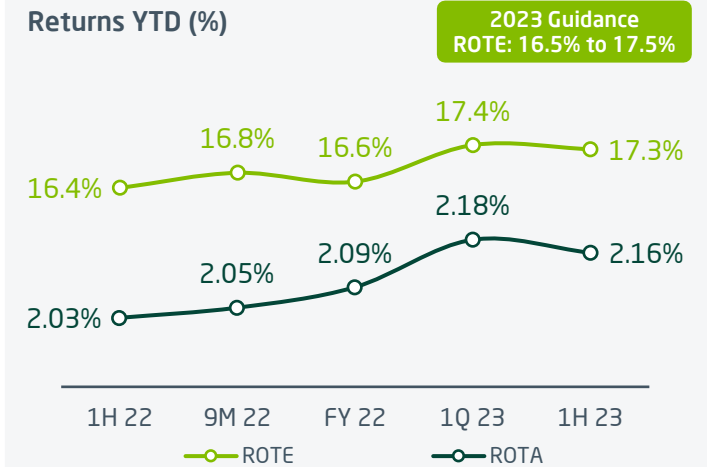
Net Income Attributed To Equity Holders Movement YoY (SARmn)



Net Income (SARmn)

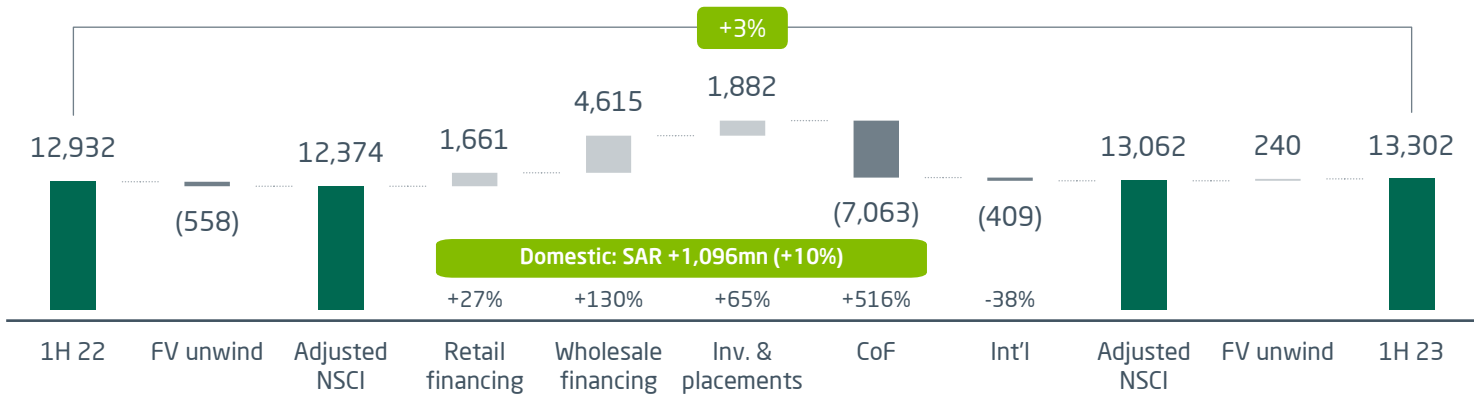


Returns YTD (%)

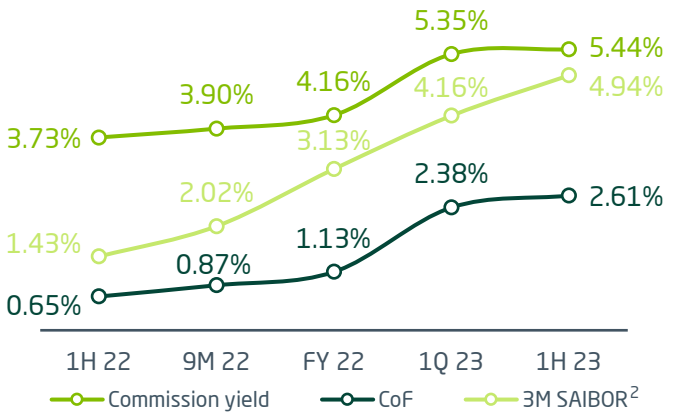


NSCI growth of 3% from earning assets expansion partly offset by margin moderation from shift in funding mix

Net Special Commission Income Movement YoY (SARmn)

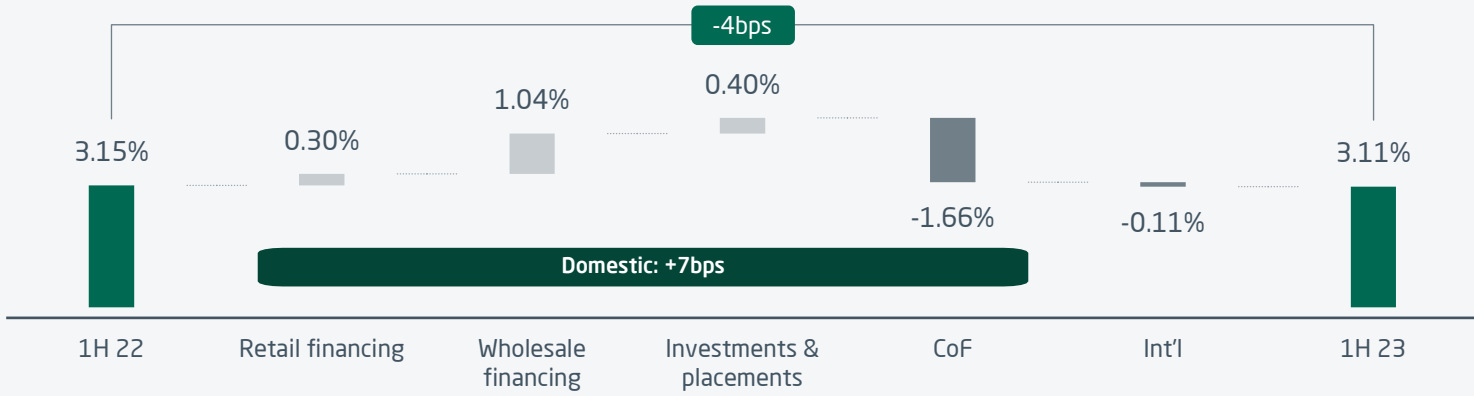


Commission Yield & Funding Cost YTD (%)

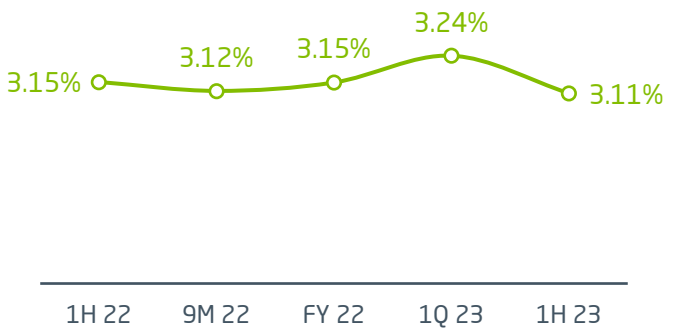


Net Special Commission Margin Movement YoY (%)¹

2023 Guidance
3.0%-3.2%

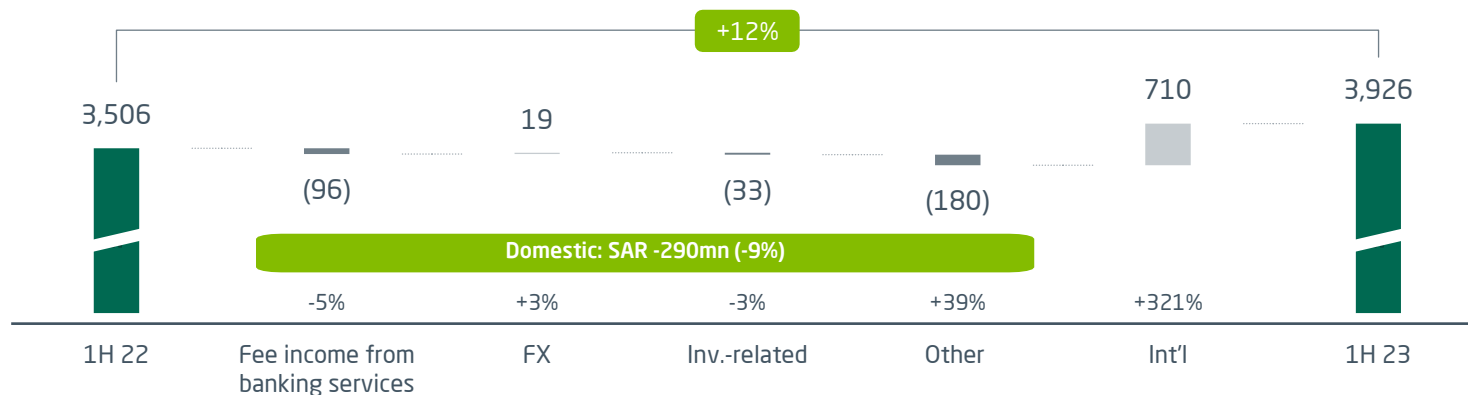


NSCI Margin YTD (%)²

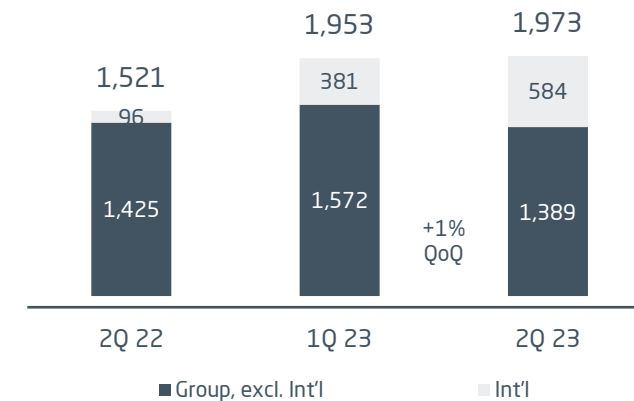


Fee and other income increased 12% YoY from higher international income

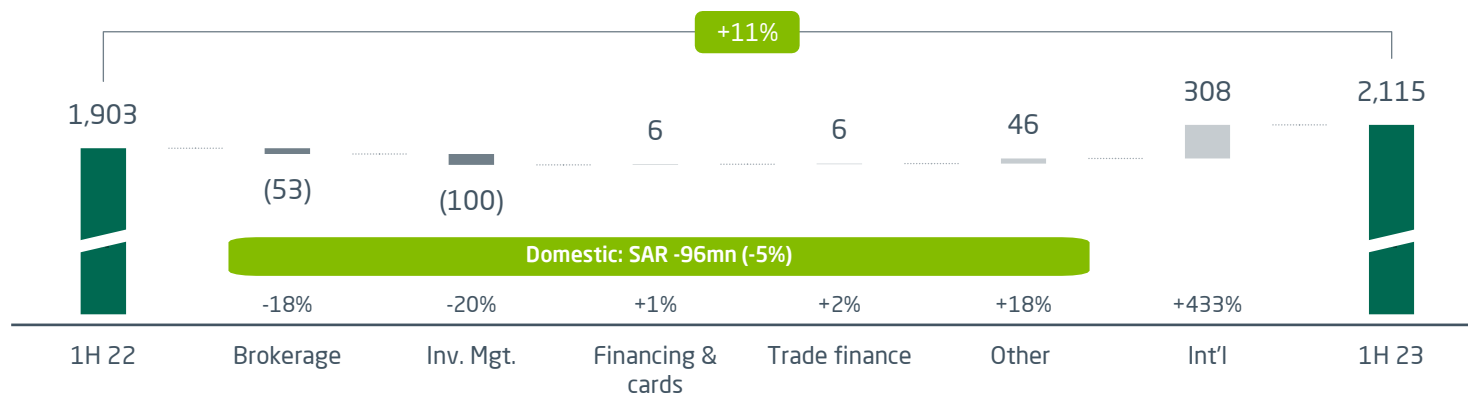
Fee & Other Income Movement YoY (SARmn)



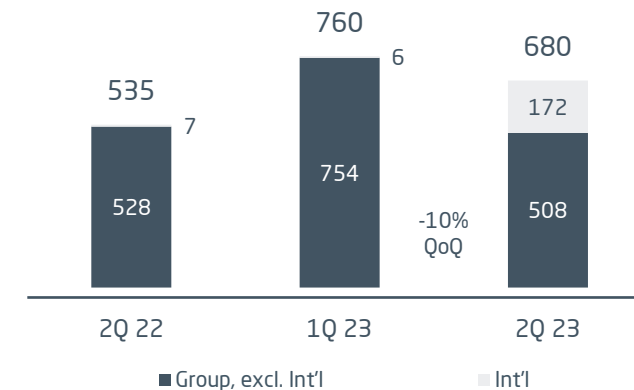
Fee & Other Income (SARmn)



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

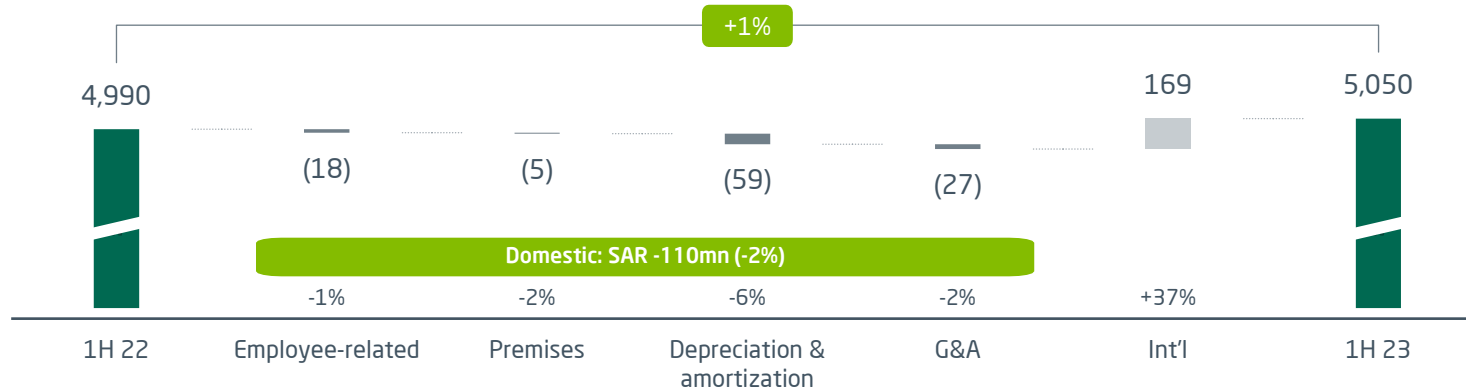


Investment-Related Income (SARmn)

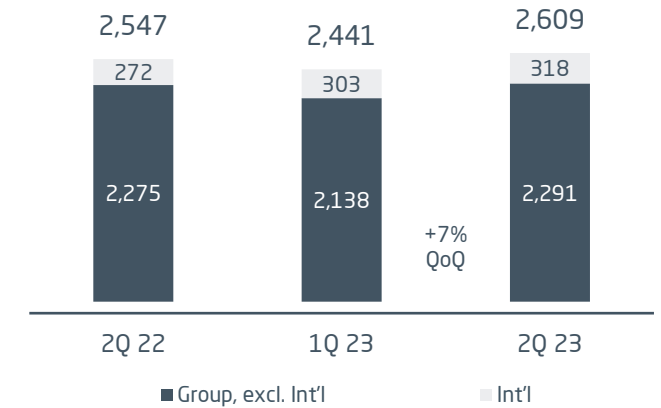


Stable operating expenses as synergies and improved efficiency domestically offset increased International costs impacted by hyper inflation

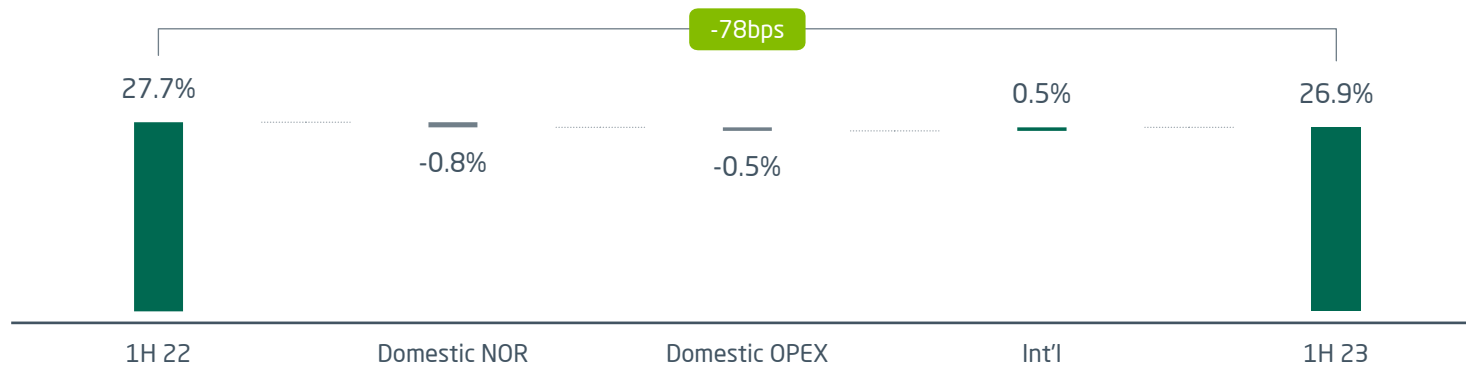
Operating Expenses Movement YoY (SARmn)



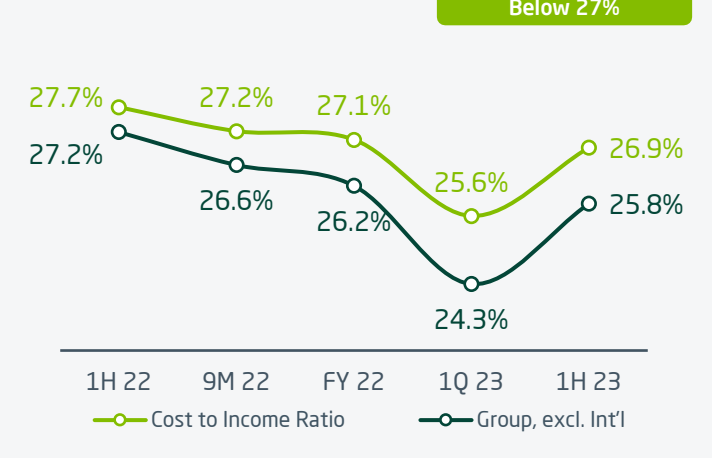
Operating Expenses (SARmn)



Cost to Income Ratio Movement YoY (%)¹

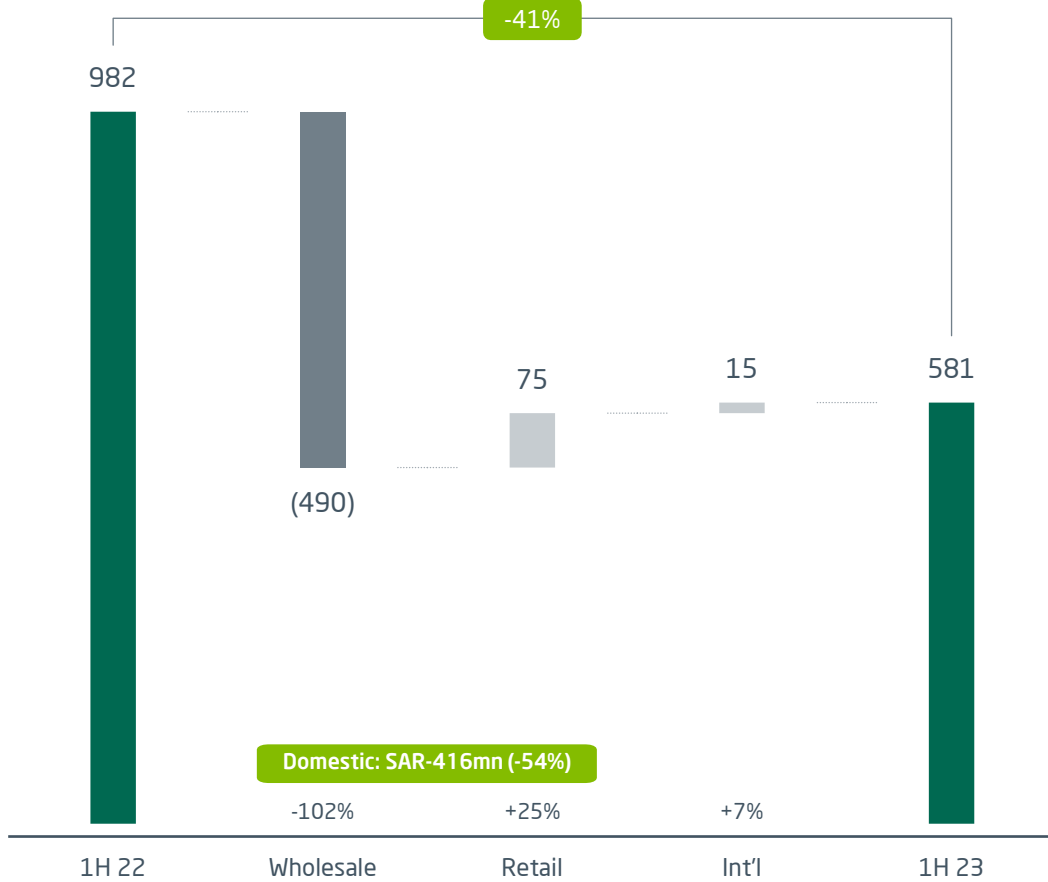


Cost to Income Ratio YTD (%)¹

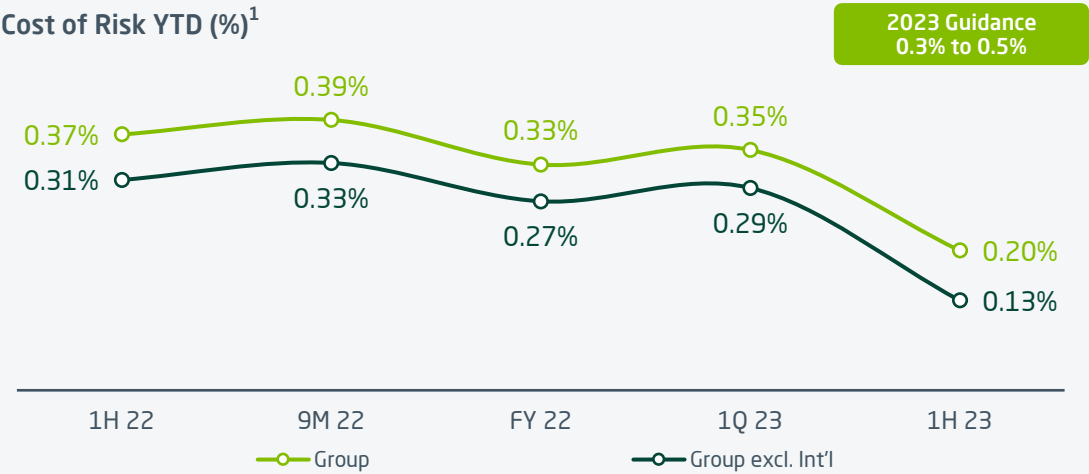


17bps reduction in COR from Wholesale recoveries

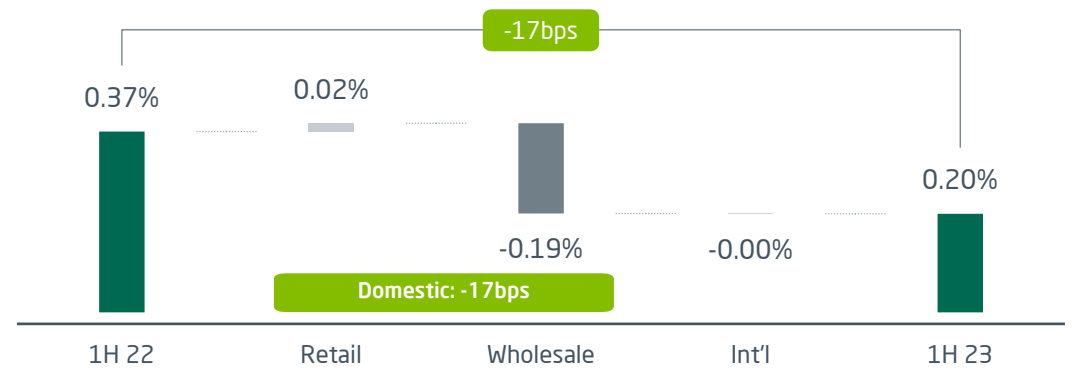
Impairment Charge For Financing & Advances Movement YoY (SARmn)



Cost of Risk YTD (%)¹

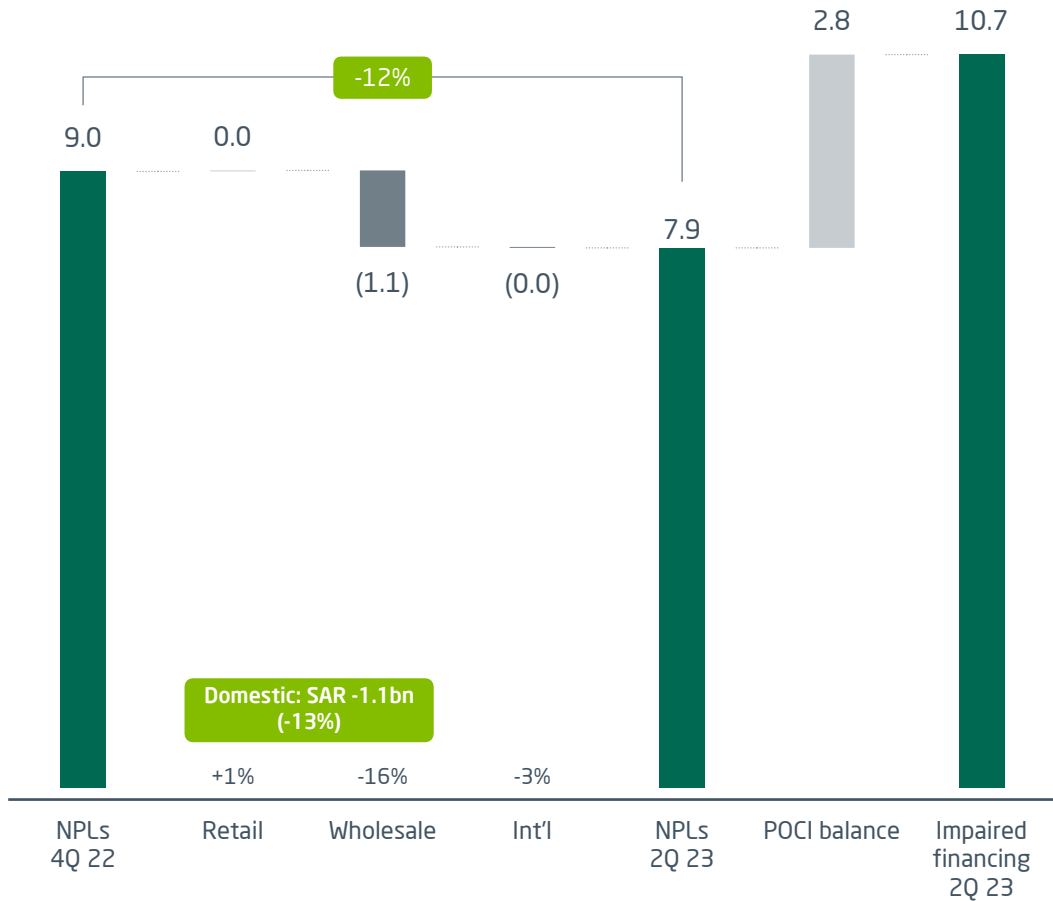


Cost of Risk Movement YoY (%)¹

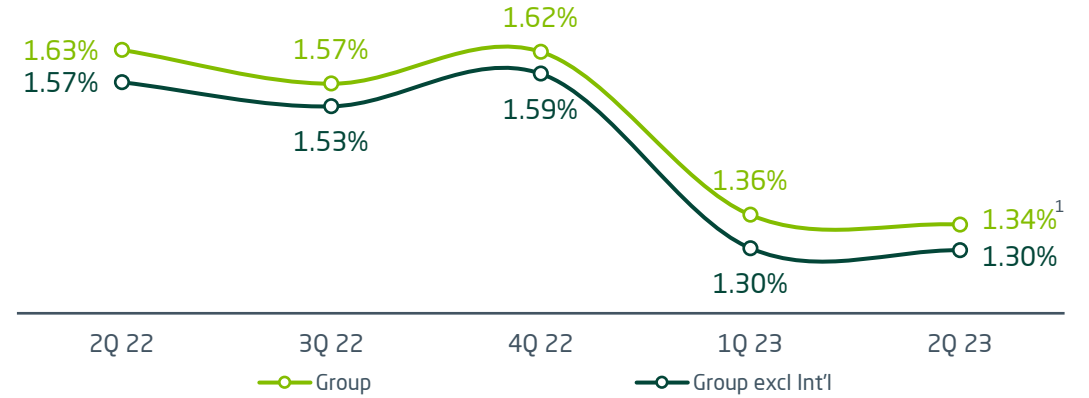


Improving NPL ratio YTD from write-offs in Wholesale, while ECL coverage remained healthy

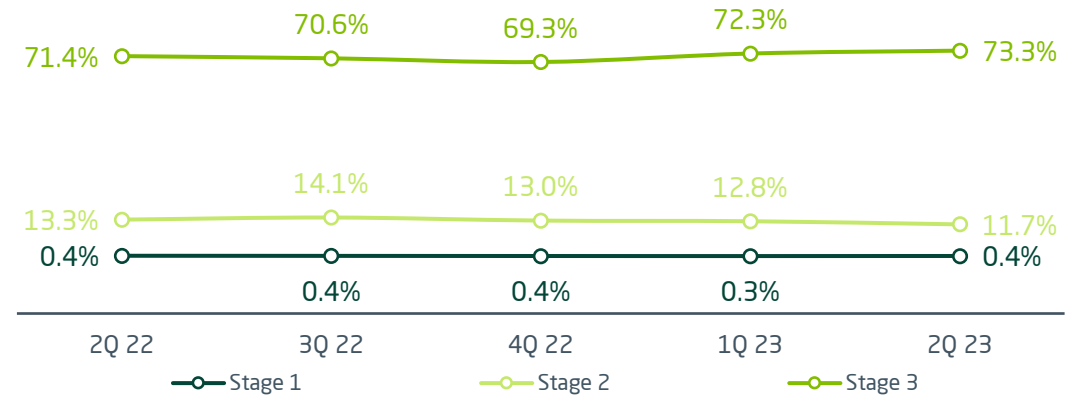
Credit Impaired Financing Movement YTD (SARbn)



NPL Ratio (%)



ECL Coverage by Stage (%)

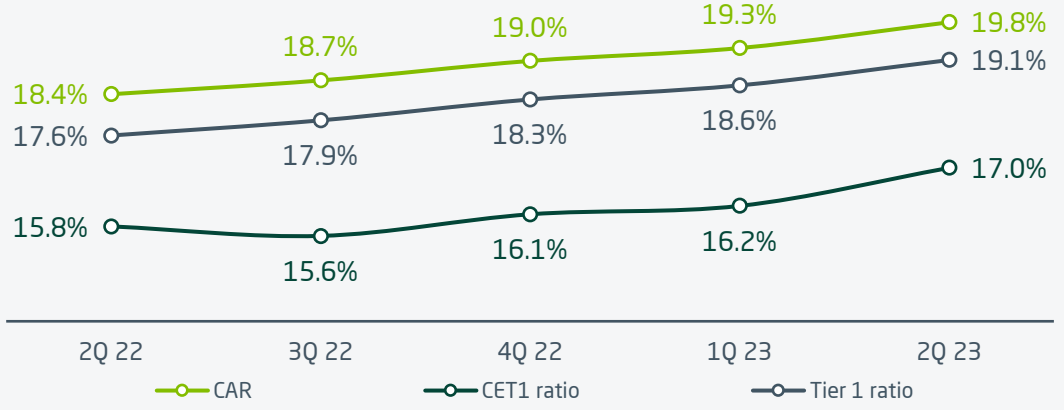


Capitalization remains healthy, and liquidity is strong and stable

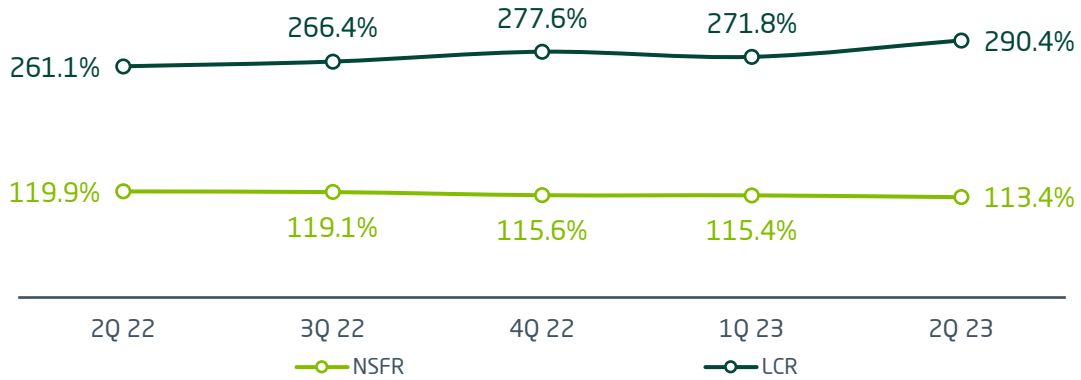


Capitalization Ratios (%)

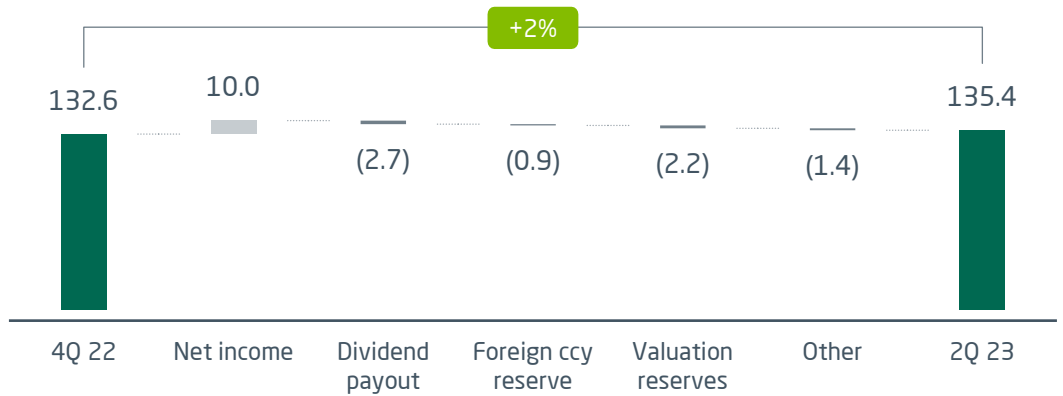
2023 Guidance
T1 CAR: 18-19%



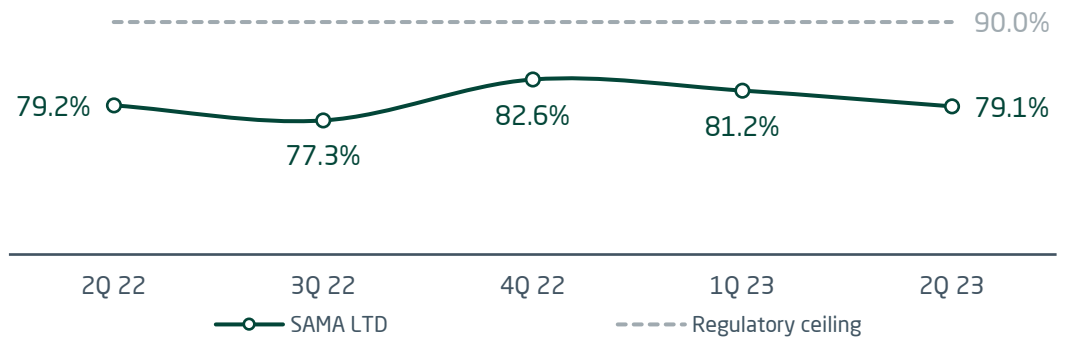
Liquidity Ratios (%)



Total Eligible Capital Movement YTD (SARbn)



Loan-to-Deposit Ratio (%)





Q&A

2Q 2023



Additional Information



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