



4Q 2023 Earnings Presentation

Saudi National Bank

Riyadh | 14 February 2024

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2023 was a record year

From successful execution, hitting new milestones

NOR **35bn**

Net Income **20bn**

Total Assets **1tr+**



To delivering on strategic priorities

Growing market share¹



Retail lending, %

+90bps

CASA, %

+150bps

Optimization



Domestic CIR²

25.6% (-50bps)

Cost synergies

SAR 1.55bn (110% of target)

Integration costs

SAR 0.9bn (94% of target)

Digital leadership



Digital User Penetration
(Wholesale / Retail)

77% / 85%

App Ratings (Apple / Google)

4.7 / 4.8

Digital Ventures

Pilot launch



While meeting or exceeding financial guidance

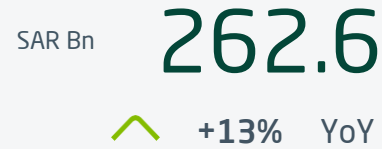
Metric	FY 2023 Actual	FY 2023 Guidance	Status
Financing Growth	+10%	Low double-digit	✓
NSCI Margin	3.06%	3.0% to 3.2%	✓
Cost to Income Ratio ²	27.6%	Below 28.5%	✓
Cost of Risk	0.16%	0.1% to 0.3%	✓
Tier 1 CAR	19.4%	18% to 19%	✓
ROTE	16.8%	16.5% to 17.5%	✓

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

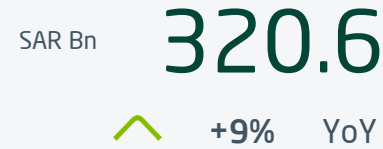
Solid financing growth



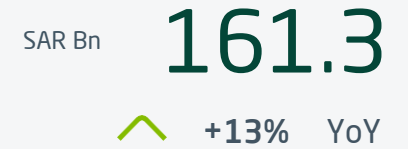
from Wholesale financing



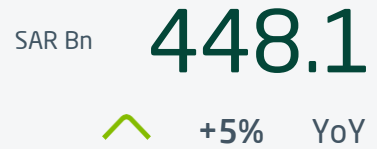
and Retail financing,



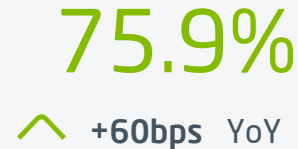
including Mortgage financing



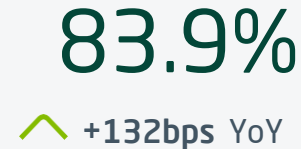
Robust CASA growth



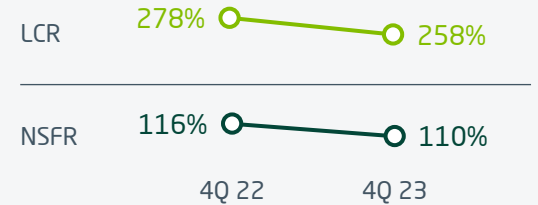
and improving CASA ratio



with ample SAMA LDR headroom



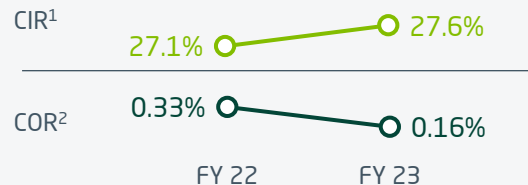
and strong liquidity.



Despite moderating NSCI margin



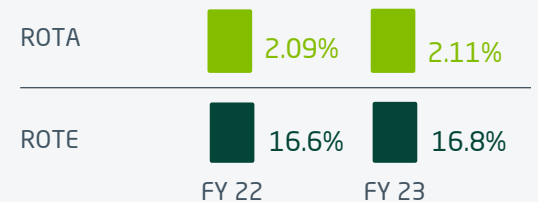
healthy credit & top-quartile efficiency



leading to robust net income³ growth

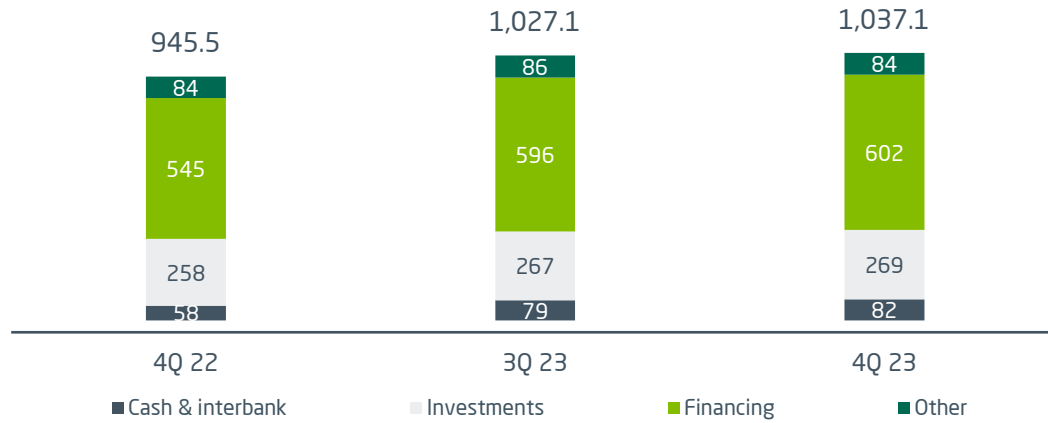


and superior returns.

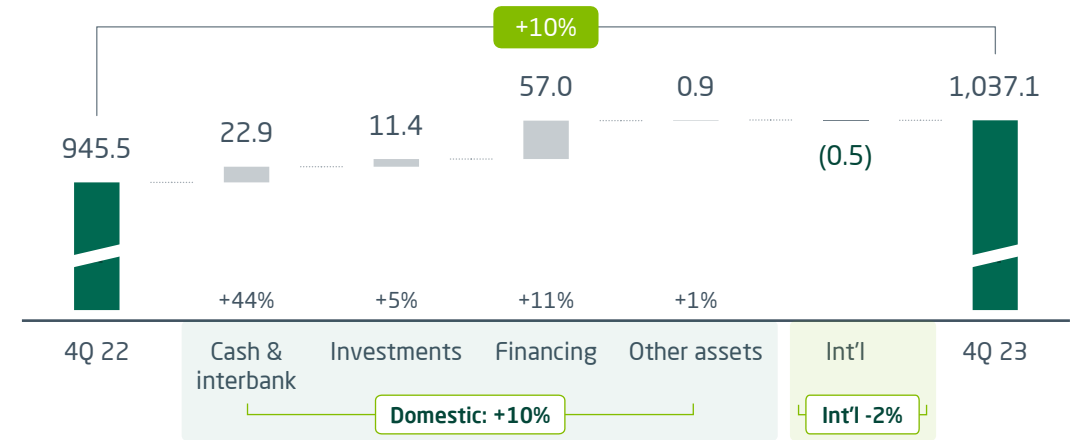


Balance sheet expansion of 10% mainly from financing, cash & interbank and investments, funded by interbank and deposits

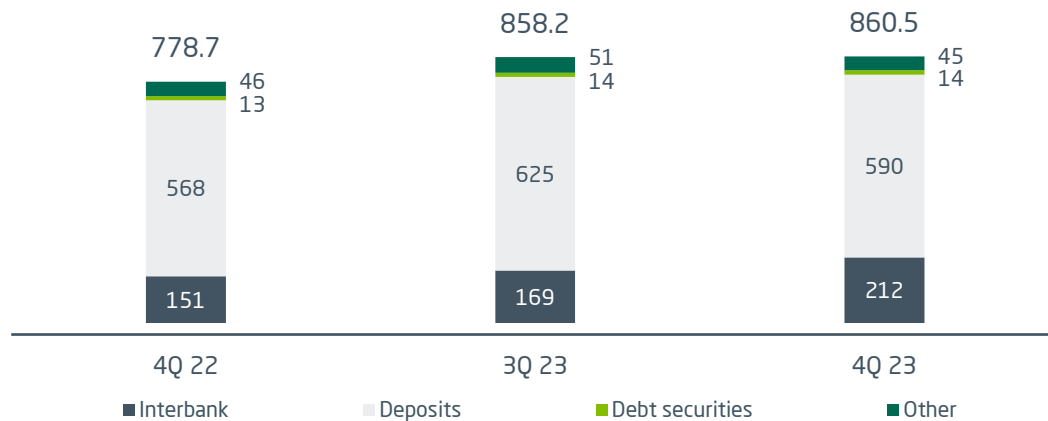
Total Assets (SARbn)



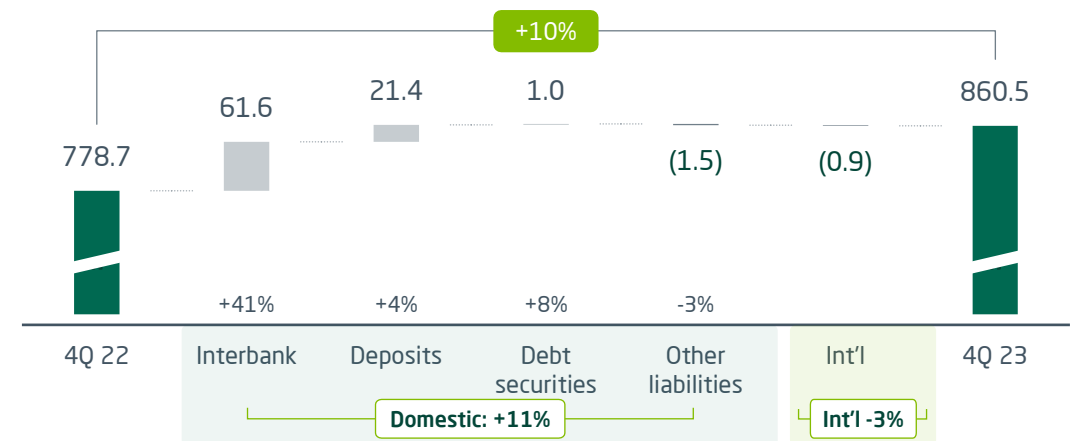
Total Assets Movement YoY (SARbn)



Total Liabilities (SARbn)

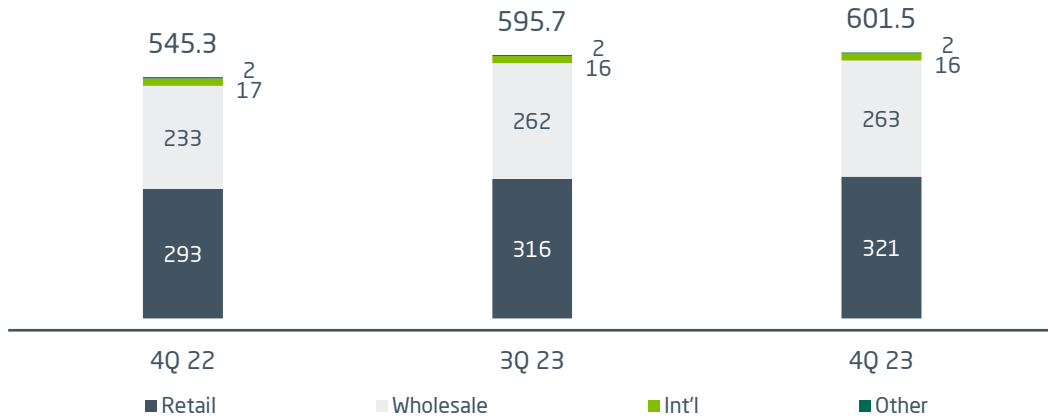


Total Liabilities Movement YoY (SARbn)

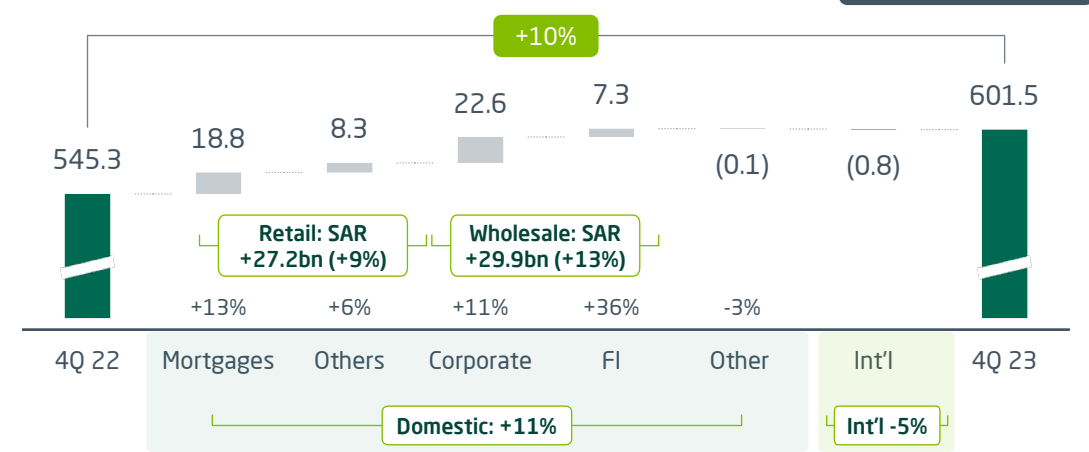


Solid, broad-based financing expansion

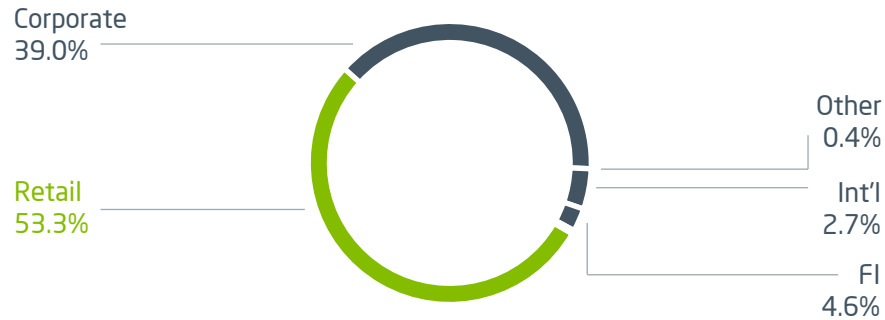
Financing & Advances, Net (SARbn)



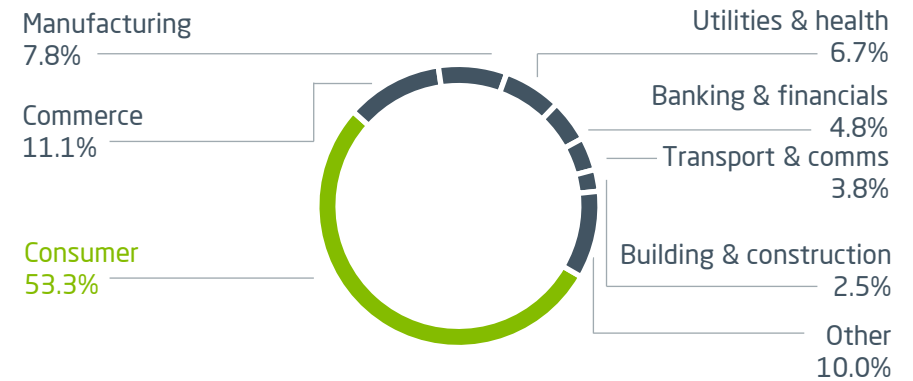
Financing & Advances, Net Movement YoY (SARbn)



Financing & Advances, Net Composition (%)

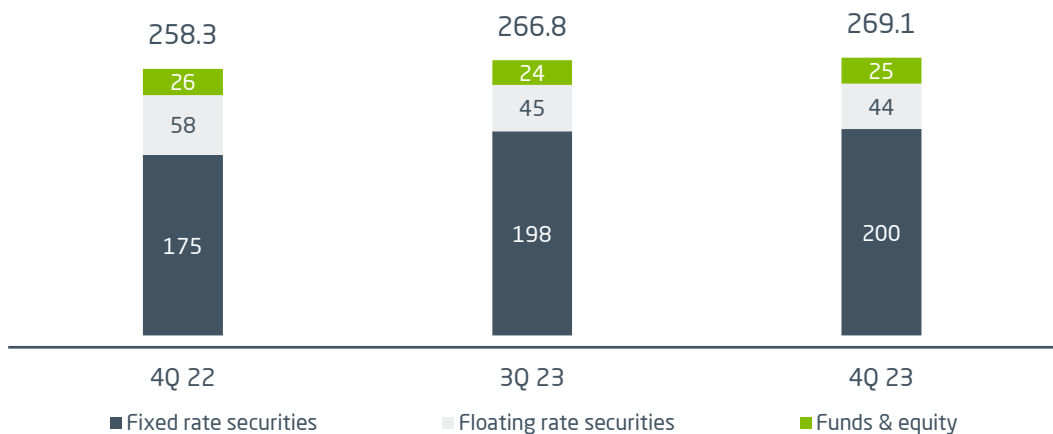


Financing & Advances, Net by Sector (%)

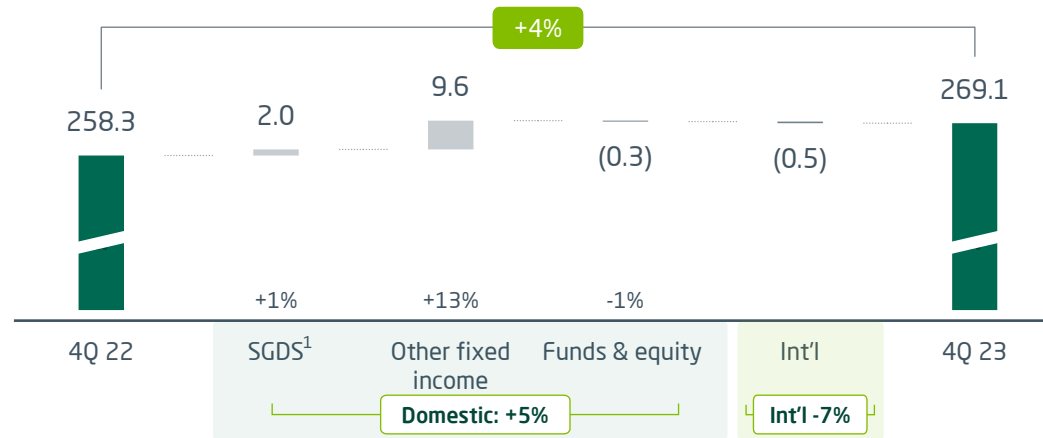


Investments up 4% primarily in other fixed income

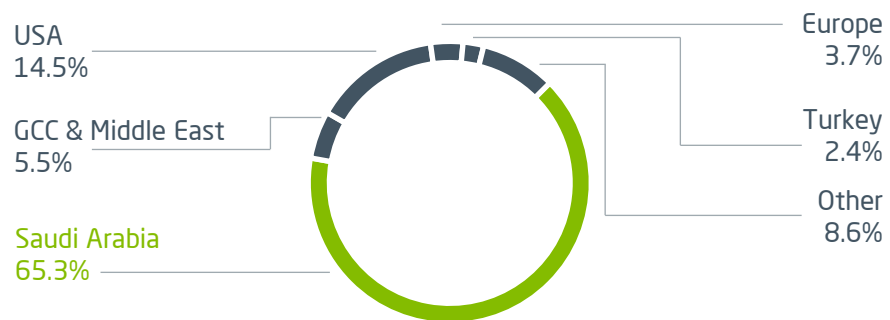
Investments, Net (SARbn)



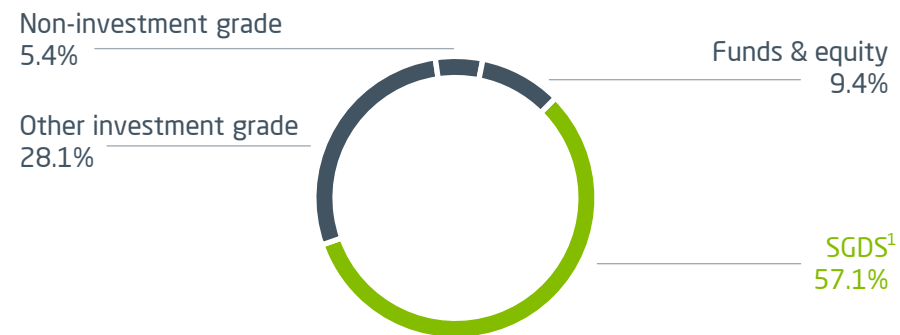
Investments, Net Movement YoY (SARbn)



Investments, Net by Geography (%)

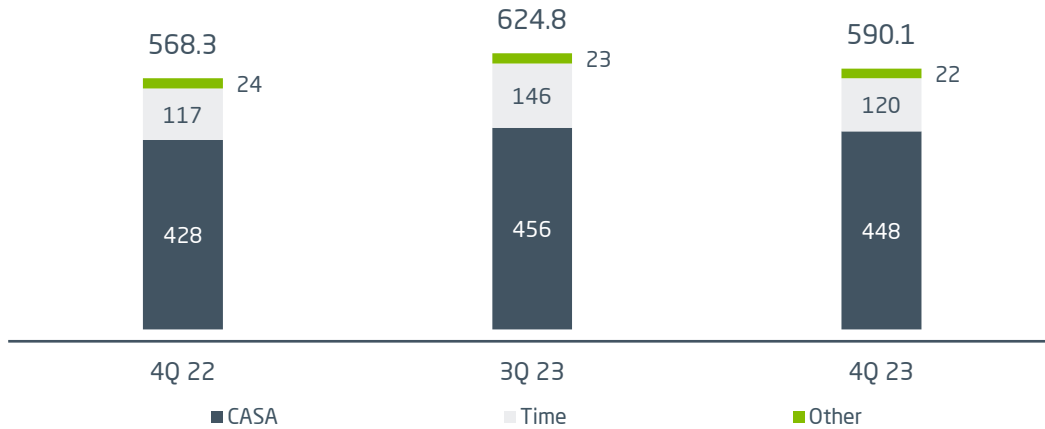


Investments, Net by Grade (%)

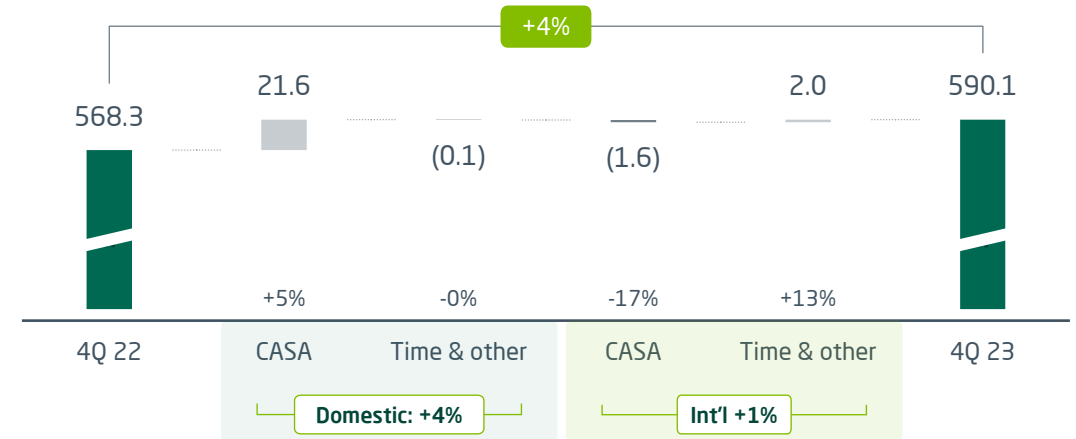


CASA growth of 5%, with CASA ratio improving QoQ on lower domestic time deposits in 4Q 2023

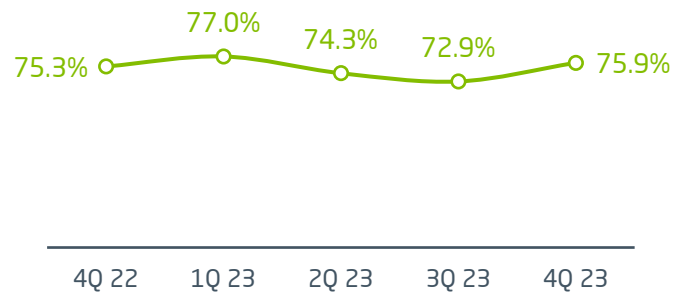
Customers' Deposits (SARbn)



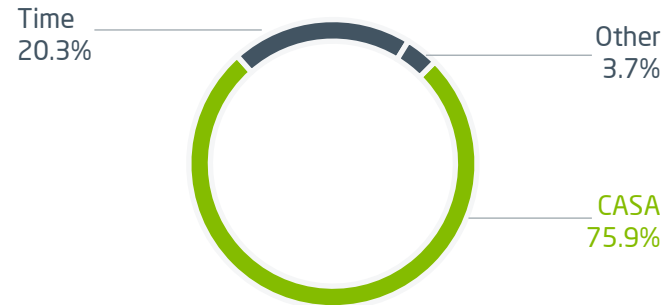
Customers' Deposits Movement YoY (SARbn)



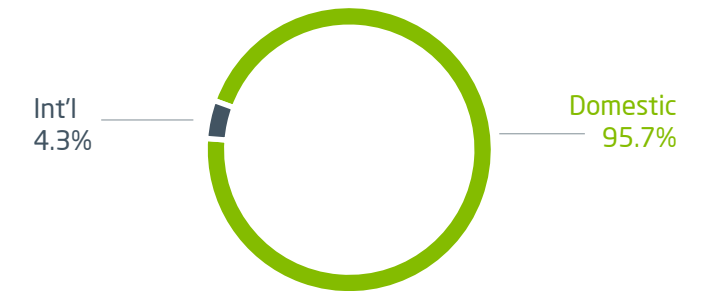
CASA Ratio (%)



Customers' Deposits by Type (%)

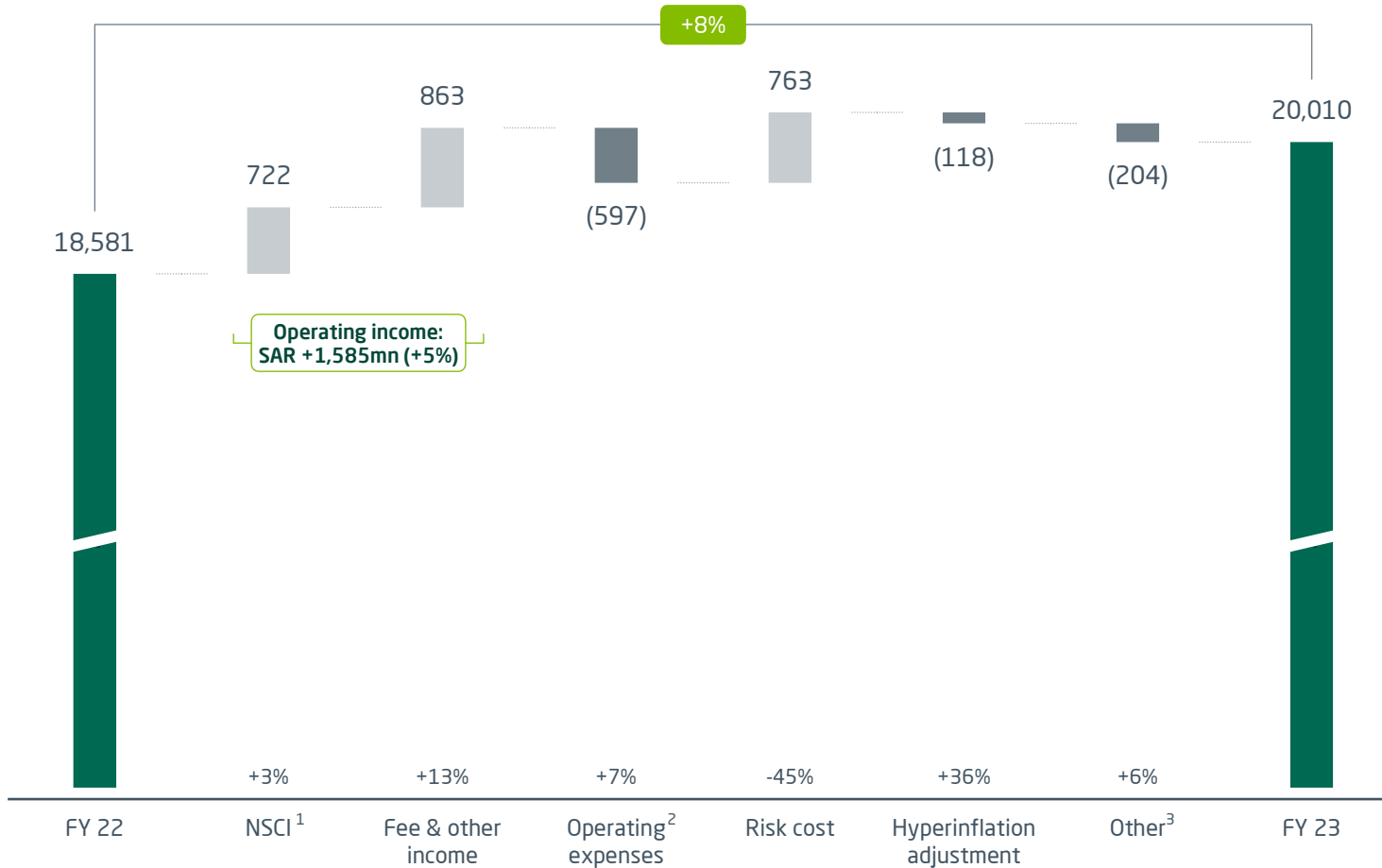


Customers' Deposits by Geography (%)

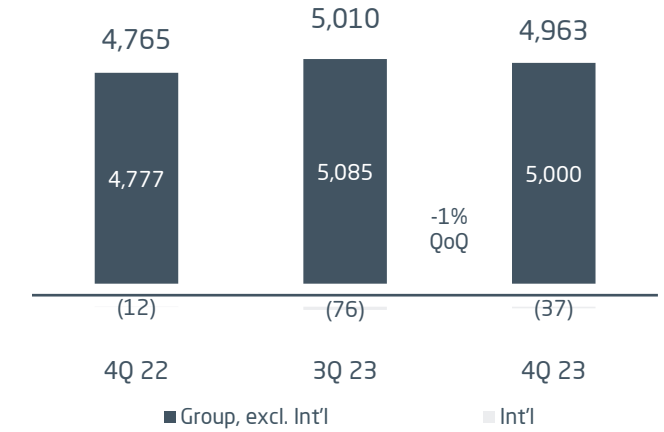


Net income rose 8% YoY from higher operating income and lower risk cost

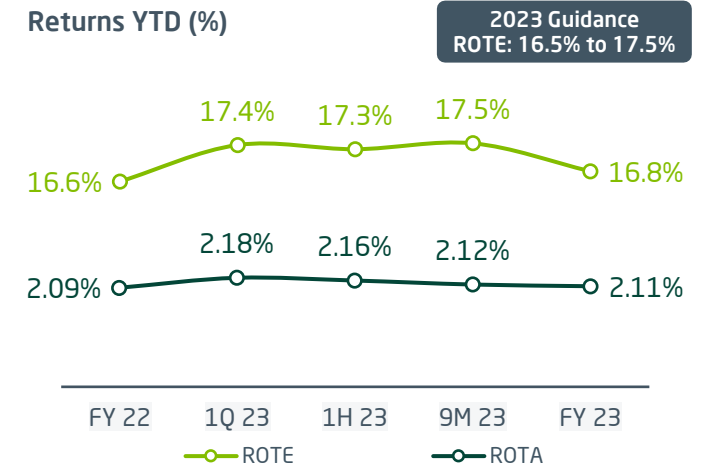
Net Income Attributed To Equity Holders Movement YoY (SARmn)



Net Income (SARmn)



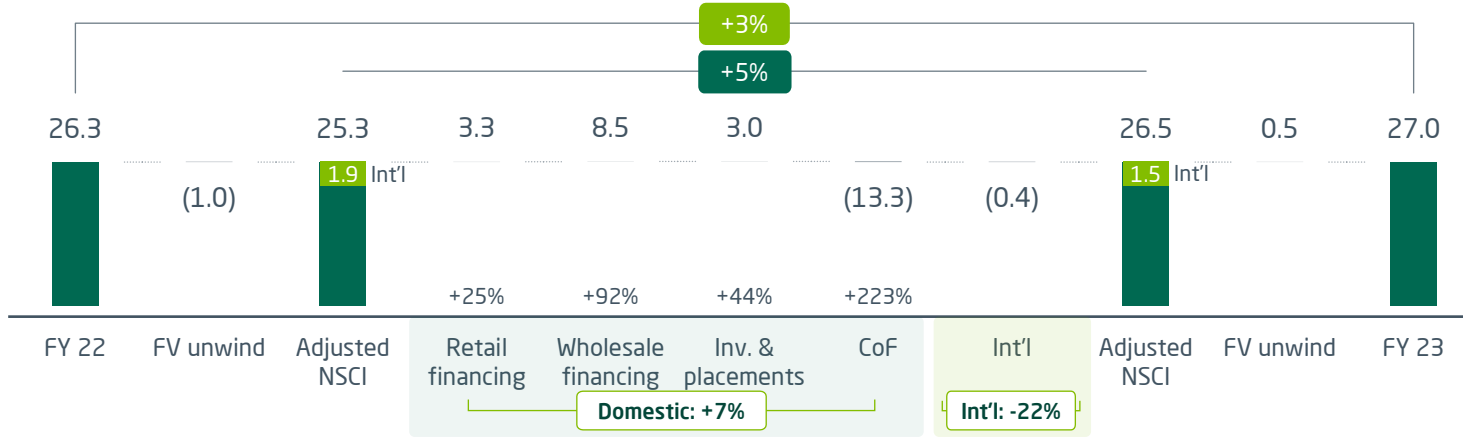
Returns YTD (%)



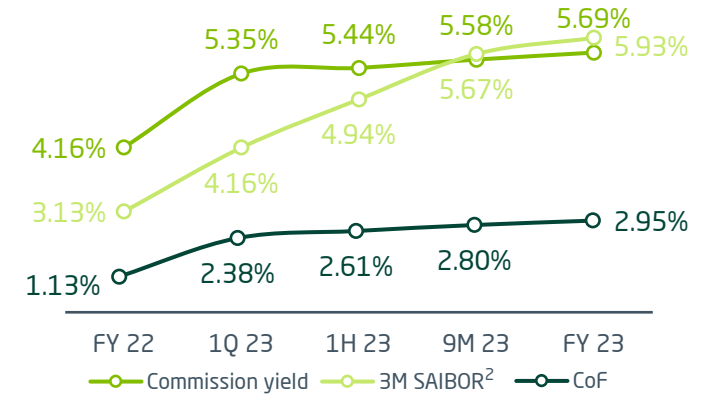
¹ NSCI includes FV unwind of SAR 462mn (FY 22: SAR 969mn) | ² Operating expenses exclude amortization of intangibles of SAR 820mn (FY 22: SAR 845mn) | ³ Other includes amortization of intangibles, other non-operating expenses (excl. hyperinflationary adjustment), zakat, and non-controlling interest

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

Net Special Commission Income Movement YoY (SARbn)

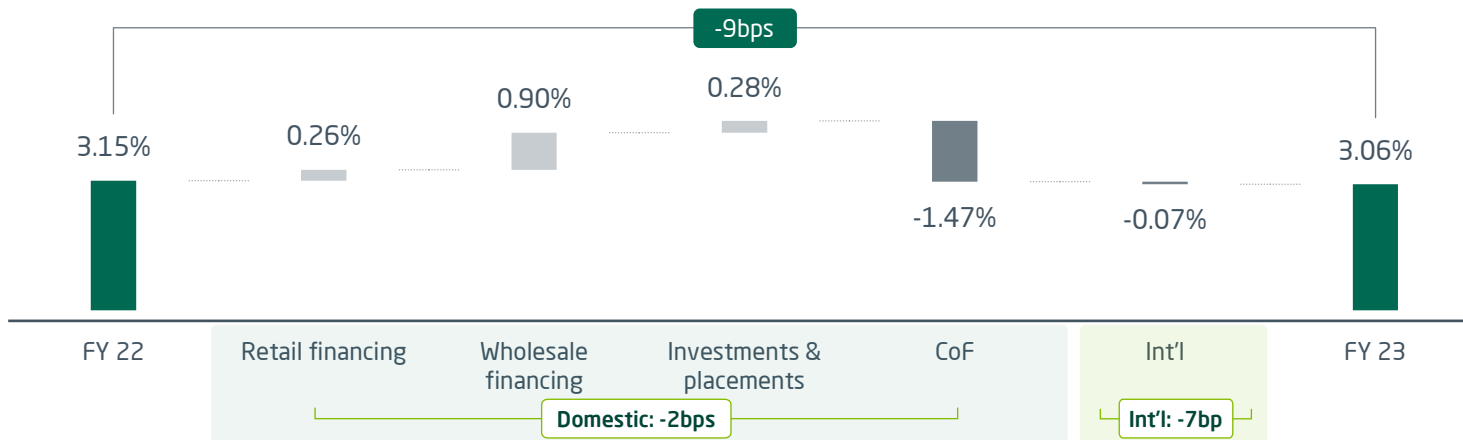


Commission Yield & Funding Cost YTD (%)

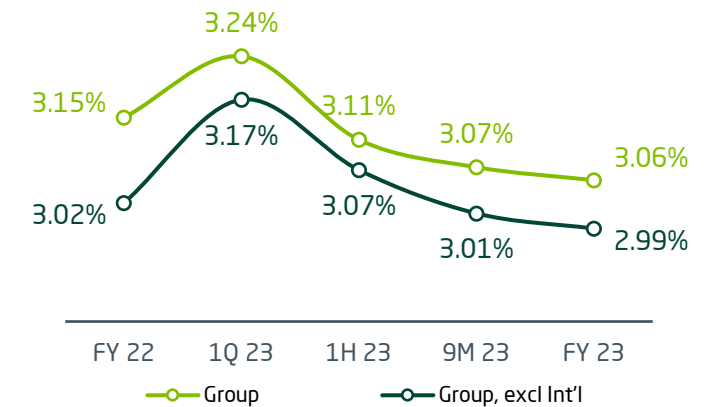


Net Special Commission Margin Movement YoY (%)¹

2023 Guidance
3.0%-3.2%

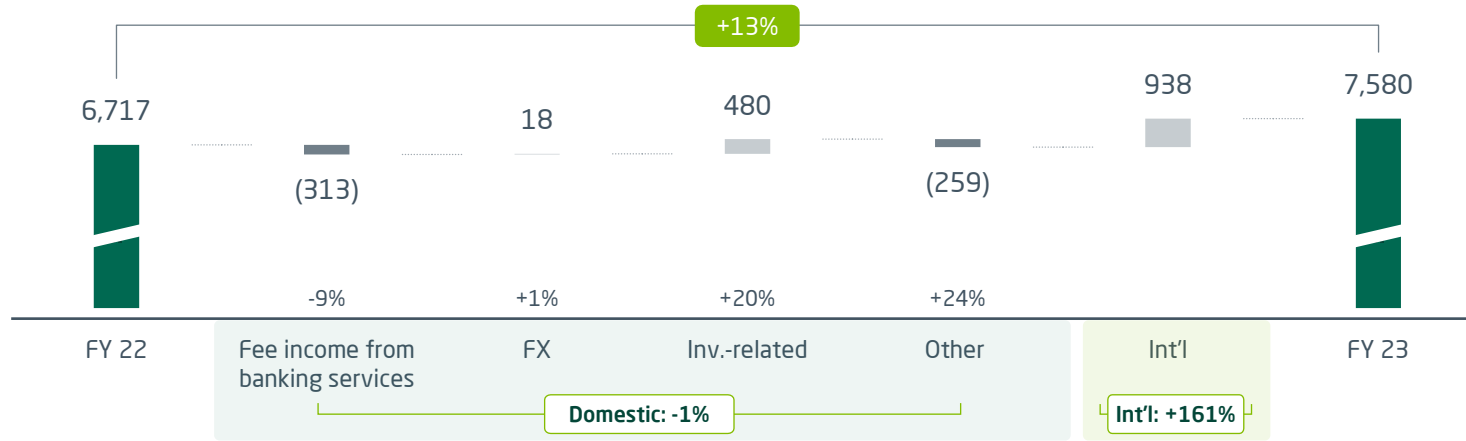


NSCI Margin YTD (%)¹

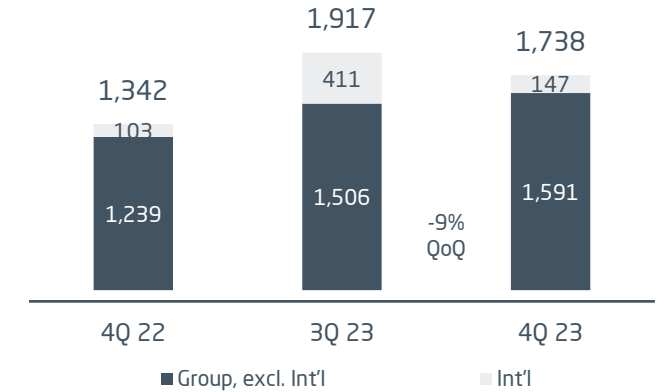


Fee and other income increased 13% YoY from higher international income, partially offset by lower fees from banking services generated domestically

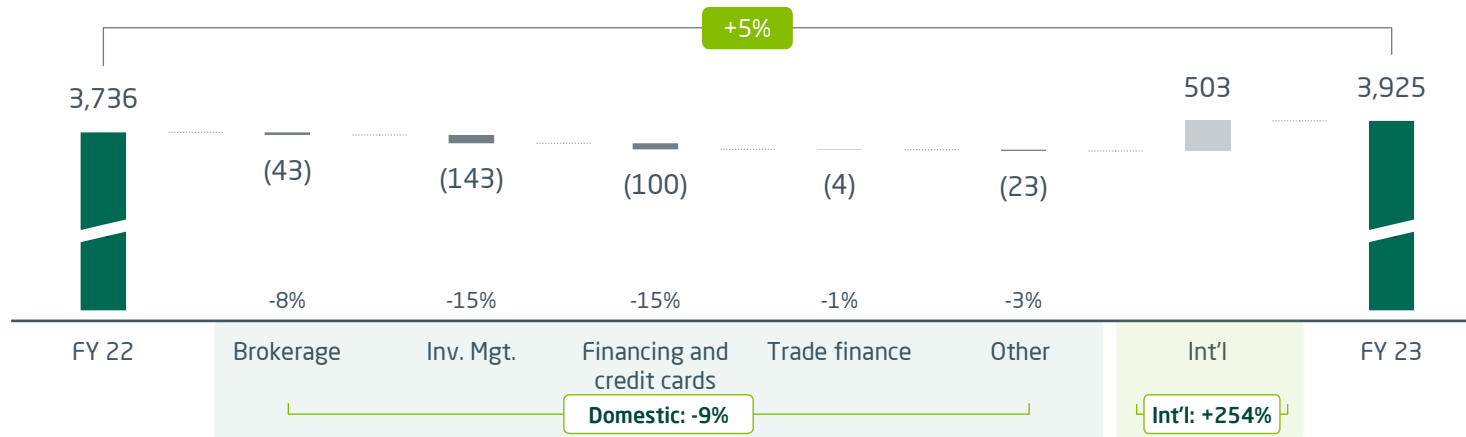
Fee & Other Income Movement YoY (SARmn)



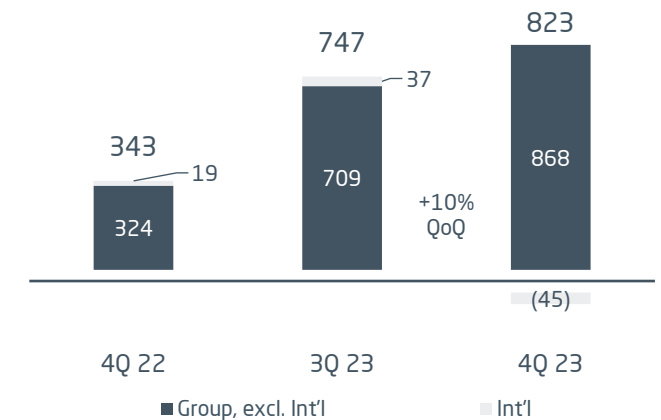
Fee & Other Income (SARmn)



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

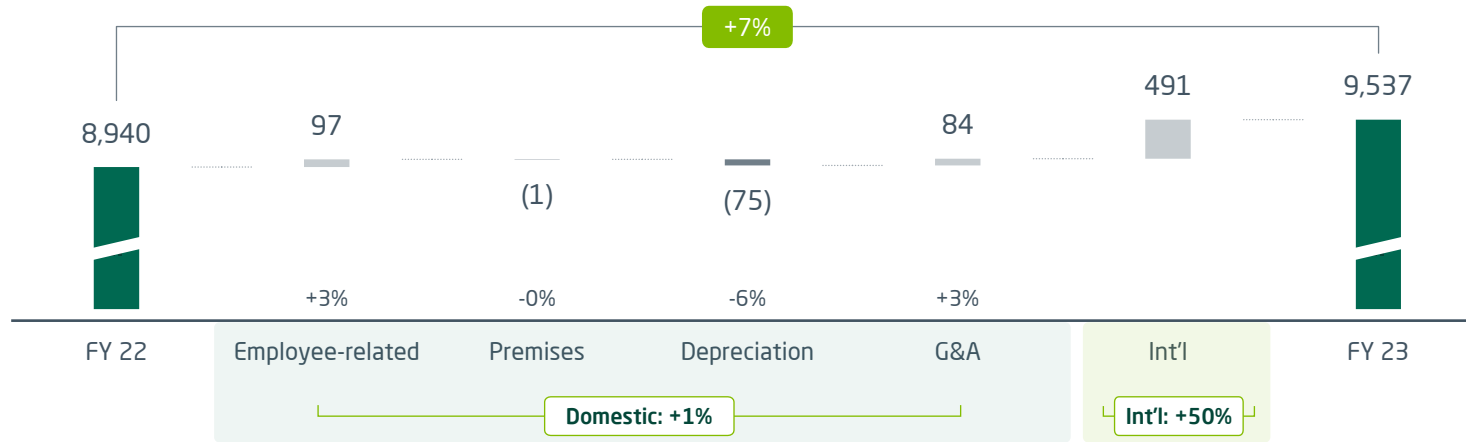


Investment-Related Income (SARmn)

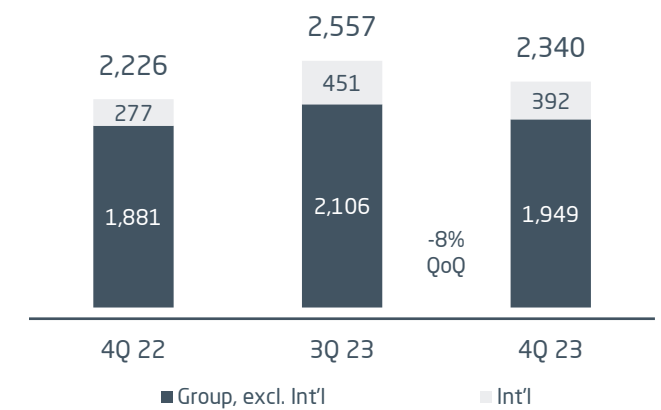


Operating expenses up 7% YoY from increased International costs impacted by hyperinflation while domestic costs rose 1%

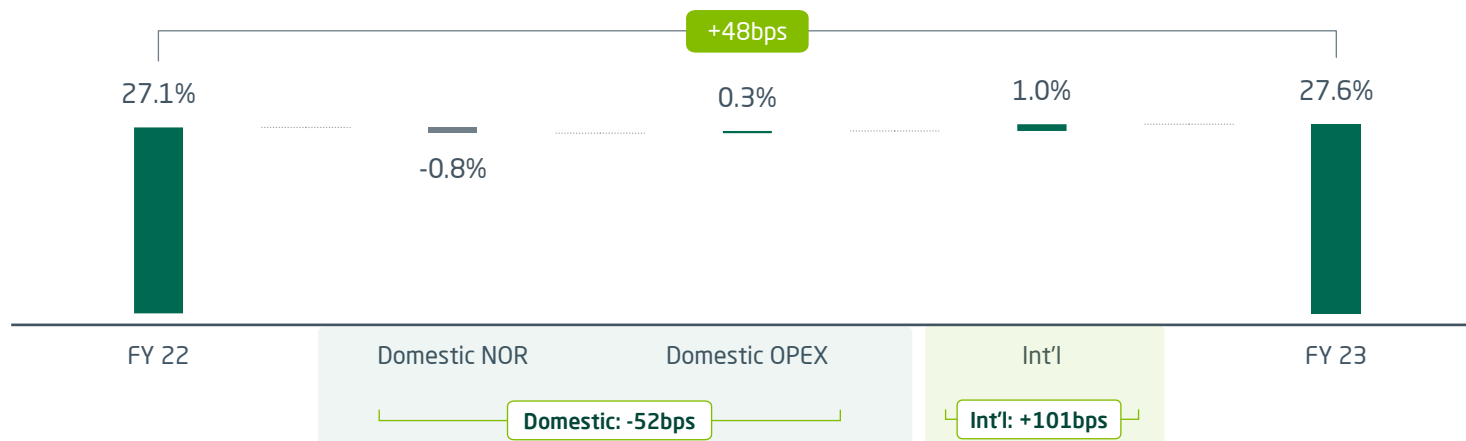
Operating Expenses Movement YoY (SARmn)¹



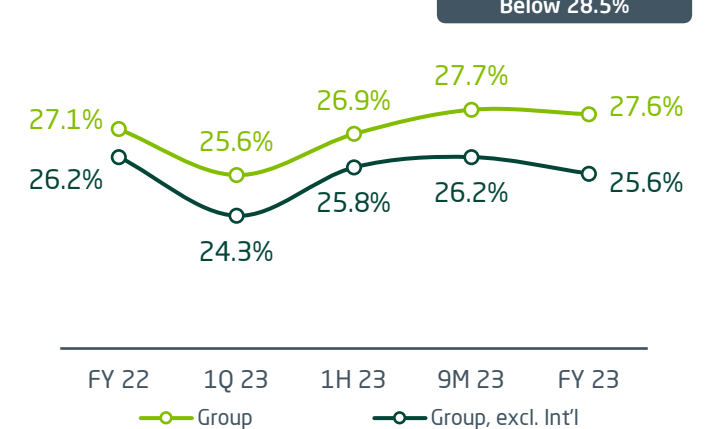
Operating Expenses (SARmn)¹



Cost to Income Ratio Movement YoY (%)¹



Cost to Income Ratio YTD (%)¹

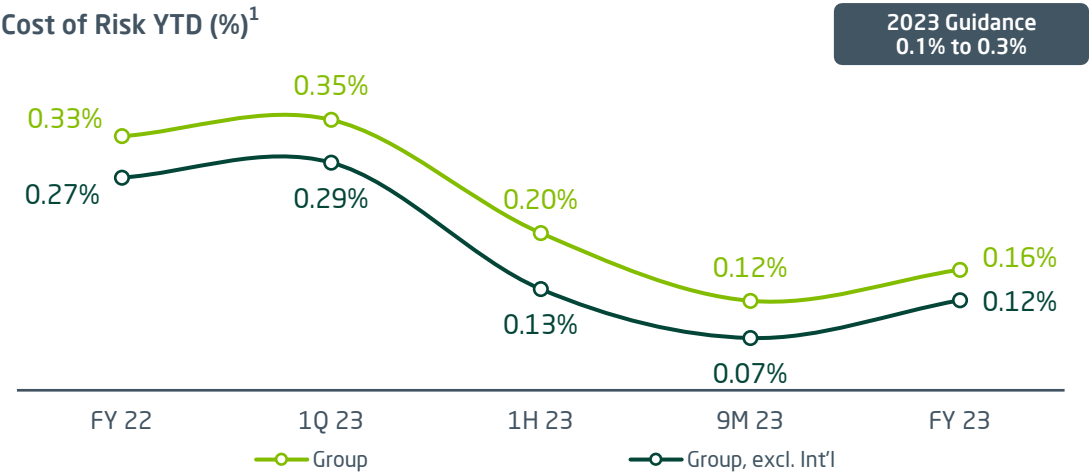


17bps reduction in COR from Wholesale recoveries

Impairment Charge For Financing & Advances Movement YoY (SARmn)

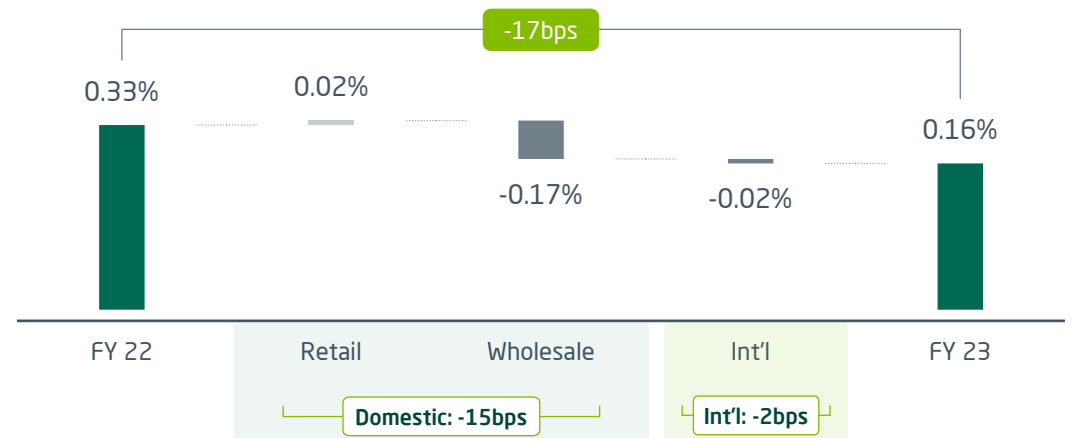


Cost of Risk YTD (%)¹



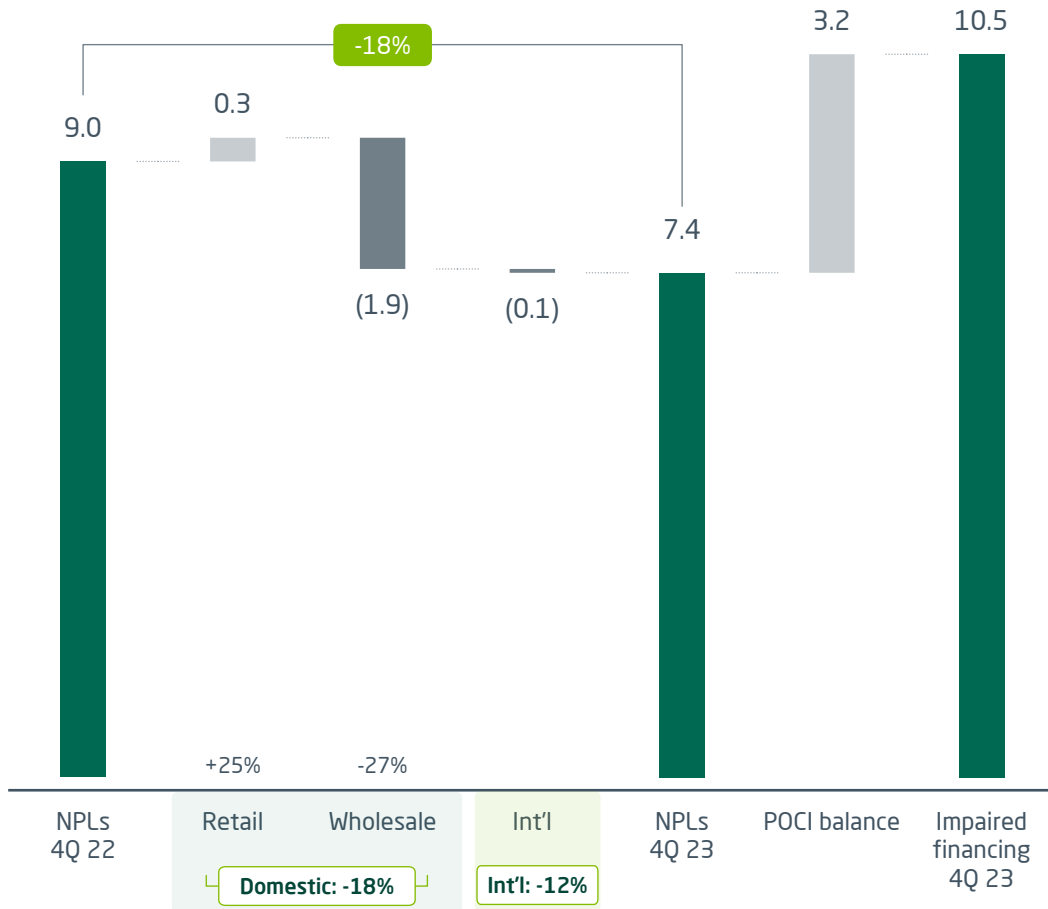
2023 Guidance
0.1% to 0.3%

Cost of Risk Movement YoY (%)¹

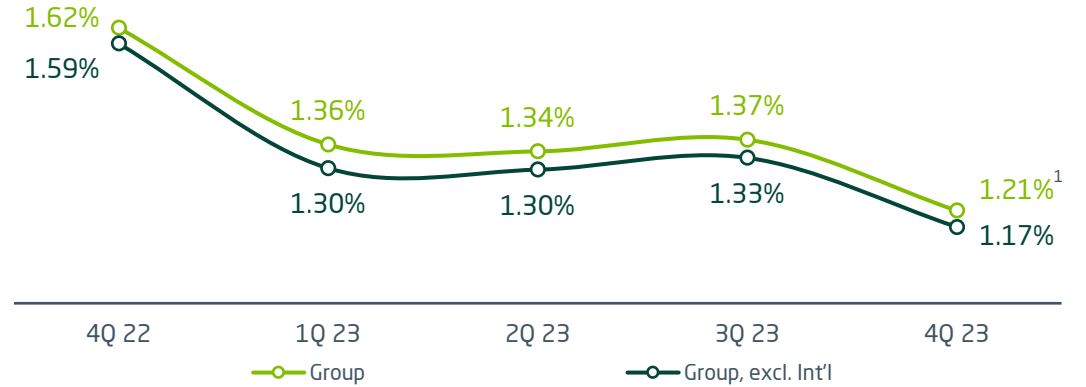


Improving NPL ratio YoY from write-offs in Wholesale, while NPL coverage remained healthy

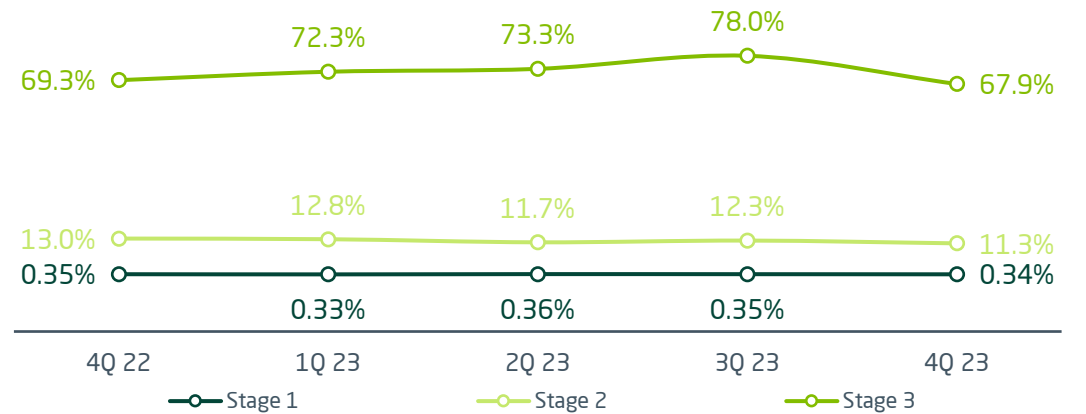
Credit Impaired Financing Movement YoY (SARbn)



NPL Ratio (%)



Coverage by Stage (%)

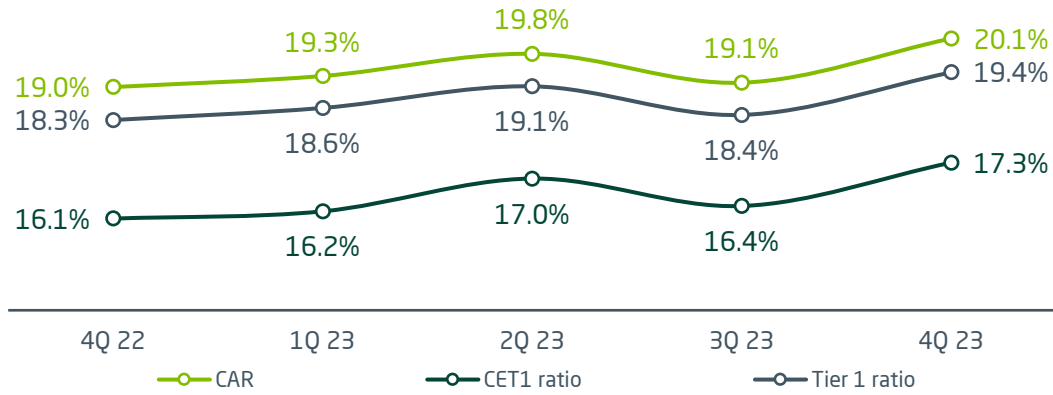


Capitalization remains healthy, and liquidity is strong and stable

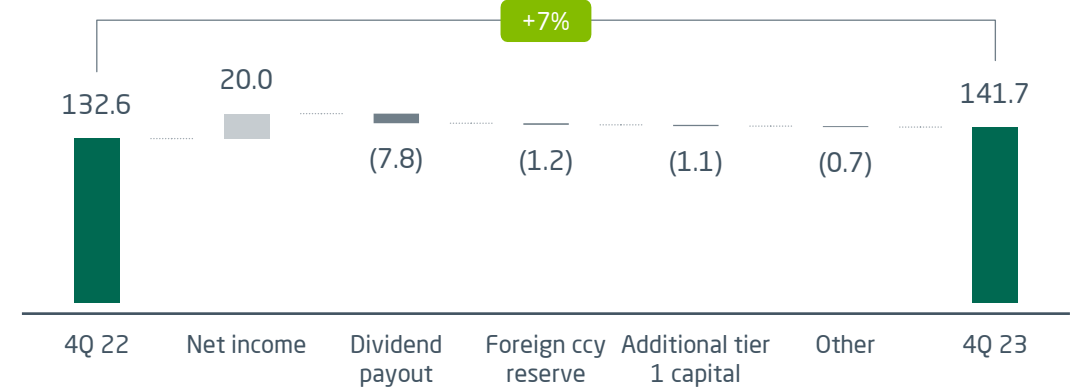


Capitalization Ratios (%)

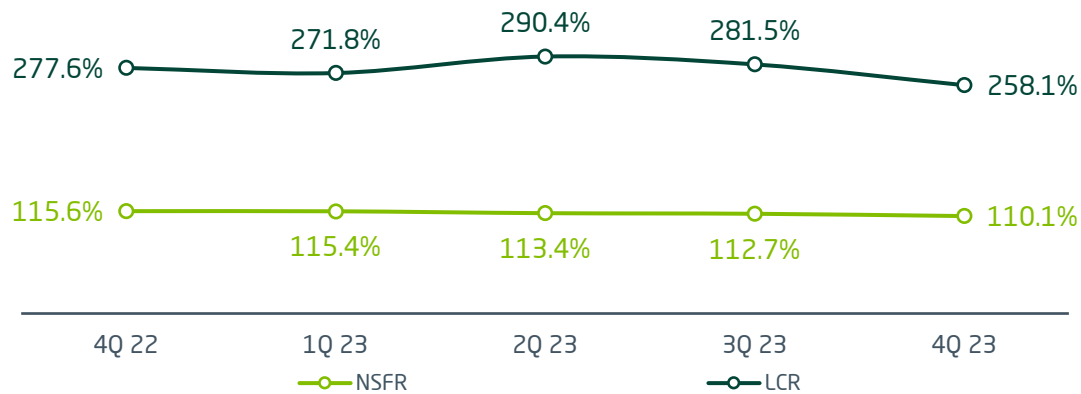
2023 Guidance
T1 CAR: 18-19%



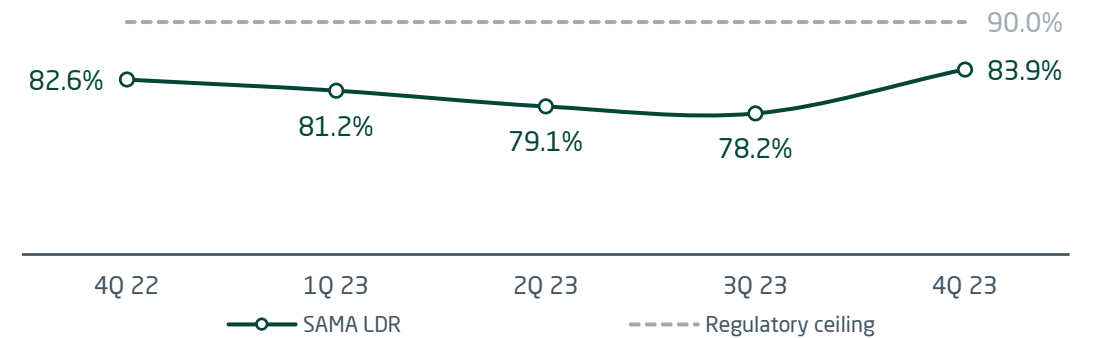
Total Eligible Capital Movement YoY (SARbn)



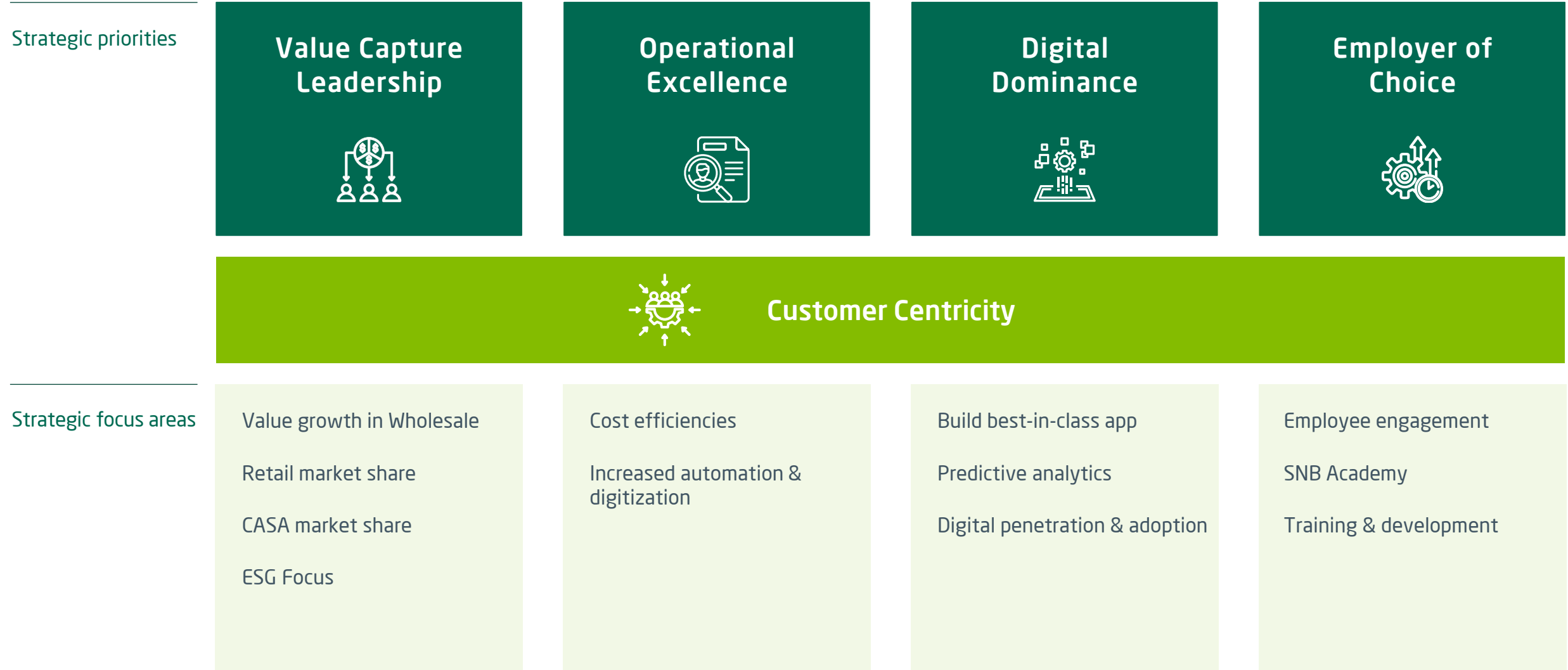
Liquidity Ratios (%)



SAMA Loan-to-Deposit Ratio (%)



Our 2024 strategic priorities are focused on sustainable value creation



Execution focused strategy and positive economic outlook supportive of solid growth and superior returns for 2024

Macro-Economic Outlook ¹	FY 2023 Actual	FY 2024 Forecast ²
Real GDP Growth	+0.03% o/w non-oil GDP +5.9%	+4.4%
Fiscal Balance	-2.0%	-1.9%
US FFR	5.25 to 5.5%	4.5 to 4.75%
Inflation	2.3%	2.2%
Avg Brent Oil Price	USD 84 / bbl	USD 82 / bbl

SNB Financial Guidance	FY 2023 Actual	FY 2024 Guidance
Financing Growth	SAR 602bn +10%	High single-digit
NSCI Margin	3.06%	3.0% to 3.2%
Cost to Income Ratio ³	27.6%	Below 27%
Cost of Risk	0.16%	0.3% to 0.5%
Tier 1 CAR	19.4%	18% to 19%
ROTE	16.8%	16% to 17%



Q&A

4Q 2023



Additional Information



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