KAMCO INVEST

Investment Strategy & Research

Saudi National Bank SJSC

Initiation of Coverage | **Sector - Banks**

Pivoting from repair to expansion – Initiating with Outperform

SNB's mid-corporate focus to drive loan growth and market share gains

Saudi bank credit reached SAR 3.0 Tn as of February 2025 with corporate lending rising 19.25% YoY to SAR 1.6 Tn - the highest growth since 2021. Within this, SME (mid-corporate) lending has grown at a 20% CAGR from 2018 to 2024, lifting the segment's share of total loans from just under 6% to over 9%. With SAMA targeting a ~20% share for SMEs, Saudi National Bank (SNB) has outlined a strategic push into the mid-corporate segment, which offers higher returns despite a moderately higher risk profile. SNB maintains a balanced loan book, with a 50:50 split between retail and corporate. On the retail side, the national housing agenda continues to support growth, reinforced by easing interest rates.

Strategic bond issuance boosts liquidity, NIM growth

KSA's banking sector is currently navigating an estimated USD 137.0 Bn short-term funding gap, as per Bloomberg. In response, SNB has positioned itself as a first mover among Saudi banks by launching a USD 5.0 Bn Euro Medium Term Note Program (EMTNP), including successful placements in the Taiwan bond market. This move not only diversifies its funding sources and reduces dependence on more volatile GRE deposits but also strengthens the bank's liquidity profile amid tightening market conditions. As the largest bank in the Kingdom-with 37.2% stake held by the PIF-SNB enjoys access to lower-cost international funding. The enhanced liquidity position supports continued loan book expansion and sustainable profitability.

Second highest CASA ratio, efficient operations drive robust profitability

SNB's financial foundation has strengthened meaningfully following a challenging post-merger phase marked by HNI account attrition, falling CASA ratios, elevated NPLs, and loan growth trailing industry averages. These headwinds, along with the SAR 3.8 Bn write-off related to Credit Suisse, were reflected in the bank's valuation.

However, over time, SNB has executed a focused turnaround strategy. The clean-up of its legacy loan book is now complete, with NPL ratios aligning closely with sector averages (1.2% vs. 1.1% for peers), and provisioning costs declining consistently contributing meaningfully to bottom-line improvement. The bank's CASA ratio has also shown a steady recovery, reaching 70% in FY-2024-the second highest in the sector-providing a structural cost-of-funds advantage. Management has actively pursued tailored strategies to win back lost deposit accounts and deepen customer engagement.

SNB also maintains the second-best cost-to-income ratio in the sector, reflecting improved operational efficiency. With ~50% of the loan book comprising long-tenure, fixed-rate mortgages, the bank remains largely insulated from immediate NIM compression. Its sharpened focus on the mid-corporate segment enhances its ability to capture emerging credit demand. That said, like many banks in the Kingdom, SNB's topline loan-to-deposit ratio remains relatively elevated, highlighting the importance of broadening its funding base to support sustained growth. Backed by a more balanced interest rate sensitivity and strengthened fundamentals, SNB is well placed to accelerate credit deployment and deliver consistent profitability improvement—creating room for potential valuation upside.

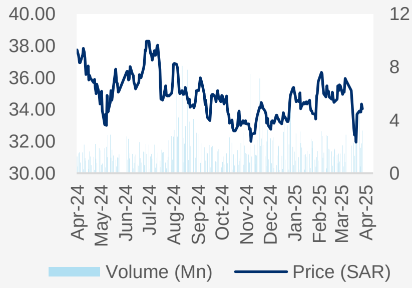
Key Financials - SAR Mn	FY-2023	FY-2024	FY-2025E	FY-2026E	FY-2027E
Net Special Commission Income	27,009	27,730	31,167	32,248	34,767
Fee Income	7,580	8,308	10,289	11,616	13,145
Net Income	20,109	21,094	24,718	25,180	27,324
EPS (SAR)	3.23	3.44	3.84	4.30	4.65
DPS (SAR)	1.75	1.90	2.22	2.55	2.76
P/TB (x)	1.3x	1.1x	1.2x	1.1x	1.0x
P/E (x)	11.7x	9.8x	8.9x	7.9x	7.3x
Dividend Yield (%)	4.6%	5.6%	6.5%	7.5%	8.1%

Source: Kamco Invest Research, SNB

**Historical multiples are based on year-end share price, year-end BV/ EPS and projected multiples are based on closing share price as of 17th April 2025 (Refinitiv)*

Outperform

CMP 17-Apr-2025:	**SAR 34.0**
Target Price:	**SAR 42.8**
Upside:	**25.8%**



Price Perf:	1M	3M	12M
Absolute	-4.2%	-2.4%	-9.0%
Relative	-2.9%	3.3%	-1.5%

Source: Kamco Invest Research, Refinitiv

Stock Data	
Bloomberg Ticker	SNB AB
Last Price (SAR)	34.05
MCap (SAR Mn)	204,284
MCap (USD Mn)	54,447
Stock Performance - YTD	1.9%
P/TB - 2025E (x)	1.2
P/E - 2025E (x)	8.9
Dividend Yield - 2025E (%)	6.5
52-Week Range (SAR)	31.55/38.45

Source: Kamco Invest Research, Refinitiv

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Valuation and Risks

Initiate with a TP of SAR 42.8 and an 'Outperform' rating

We initiate coverage on SNB with an 'Outperform' rating, supported by strong fundamentals, sustained long-term growth potential, and improving investor sentiment. While a broader re-rating has yet to play out, we believe current conditions mark an inflection point for renewed interest in the stock. With post-merger integration challenges largely absorbed, SNB is well-positioned to deliver consistent performance, underpinned by its scale, strategic focus, and competitive advantages in the sector. The bank ranks among the top five largest in Saudi Arabia across key metrics and, in our view, remains undervalued compared to its peers. SNB has consistently maintained a lower cost-to-income ratio, second-best industry CASA and has recorded a higher return on assets (RoA) than the industry average in FY-2024. We expect SNB's NPL coverage ratios to improve further, driven by an improving asset quality, lower cost of risk, and higher loan recoveries. The Bank's Stage 1 loans have increased from 77.9% in FY-2020 to 90.2% in FY-2024.

We believe the market has largely priced in the post-merger challenges faced by SNB, particularly those related to asset quality, the loss of key deposit relationships, and muted loan growth—which, in our view, are now firmly in the rearview. With the loan book cleanup effectively complete, SNB stands on a significantly stronger footing, supported by a robust balance sheet, prudent provisioning, and high asset quality. As the largest and one of the most recognized banks in Saudi Arabia—with a well-diversified loan book, strong government backing through a 37.2% PIF stake, and a broad funding base—SNB is structurally positioned for its next phase of growth. We see clear growth drivers across both corporate and retail lending segments, supported by Vision 2030 giga projects, as well as improving margins. In our view, SNB's combination of scale, stability, brand strength, and earnings visibility warrants a valuation premium relative to peers.

We believe the current interest rate environment remains favorable for SNB. The recent 100 bps rate cuts have already proven stimulatory for loan growth, and while the outlook remains uncertain—driven by evolving market dynamics and ongoing tariff negotiations—we assign a higher probability to an additional 50 bps rate cut and have incorporated it as our base case. We expect this further cut to continue supporting credit demand, with a minimal impact on margins, given that approximately 50% of SNB's loan book is fixed rate, thereby limiting NIM compression. Additionally, the bank offers an attractive FY-2025E dividend yield of 6.5%. Also, SNB has consistently outperformed its peers over the past two years, particularly in cost efficiency. We expect SNB's credit growth to align with its historical performance at around ~14.0% and overall industry growth to be around ~10.3% for FY-2025. We expect dividend payouts to remain consistent with the historical trends at ~50%.

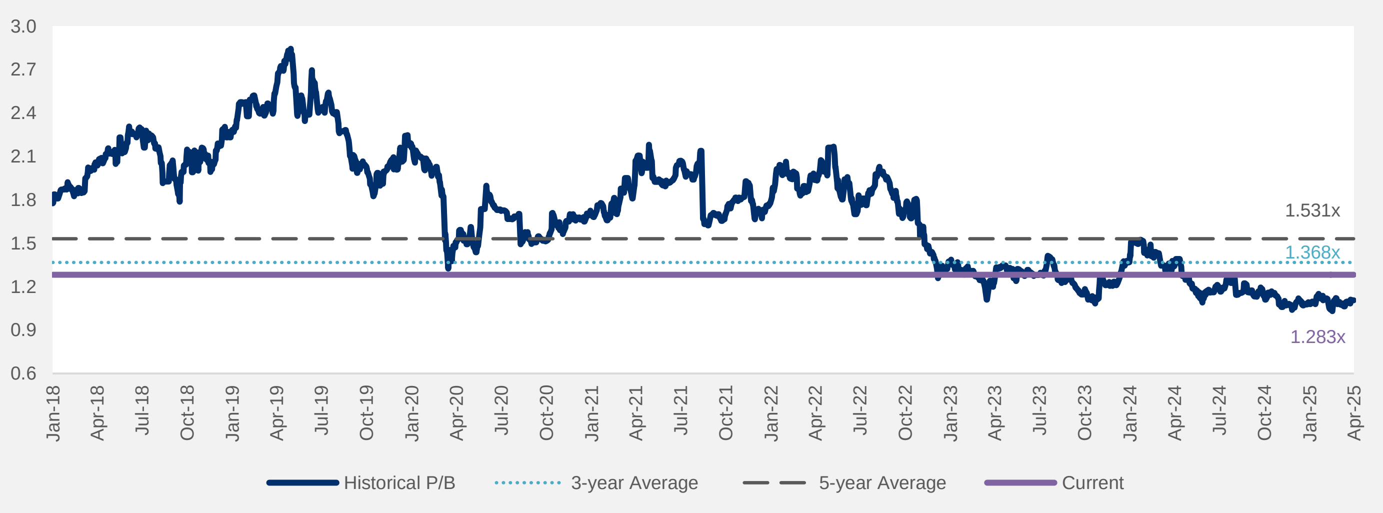
We have applied residual income, dividend discount and public comparables to value SNB. However, we base our target price on the forward FY-2025E P/TB (tangible book value). We exclude Al Rajhi from the peer average P/TB as it appears to be an outlier (3.6x FY-2025E P/TB). Currently, SNB's P/TB ratio stands at 1.2x (FY-2024 TBVPS, closing price), lower than its peer average of 1.5x, bolstering our view that a trend reversal is on the cards for the share's underperformance.

Based on the peer average FY-2025E P/TB of 1.4x, our target valuation implies 25.8% upside to the 17th April 2025 closing share price, with a target price of SAR 42.8.

Valuation	SAR Mn	Per Share
Price target based on:		
P/TB FY-2025E	263,459	42.8
Target Upside		**25.8%**
Other methods:		
Residual Income Model	382,014	62.1
Dividend Discount Model - Perpetuity Growth	283,541	46.1

Source: Kamco Invest Research

SNB Historical Price-to-Book



Source: Kamco Invest Research, Refinitiv

Snapshot – Relative Valuation [1]

Company Name	Market Cap	Price to Tangible Book		Price to Book		Dividend Yield		RoE	NIMs	Cost-to-Income
	(SAR Mn)	LTM	FY-2025E	LTM	FY-2025E	FY-2025E	FY-2026E	(3 yr avg)	FY-2024	FY-2024
Al Rajhi	390,369	4.0x	3.6x	3.2x	3.5x	3.1%	3.5%	20.1%	3.1%	24.9%
SAB	70,166	1.4x	1.3x	1.0x	1.1x	6.2%	6.6%	11.6%	2.9%	30.7%
Riyad Bank	90,893	1.5x	1.4x	1.3x	1.4x	5.6%	5.6%	15.2%	3.4%	30.6%
BSF	43,547	1.1x	1.1x	0.9x	1.1x	6.0%	6.2%	10.9%	3.1%	35.3%
Albilad	43,647	2.6x	2.3x	2.2x	2.0x	1.9%	2.3%	16.9%	3.1%	42.6%
Alinma	73,494	2.2x	2.0x	1.8x	1.9x	3.6%	3.8%	15.9%	3.7%	30.9%
ANB	44,796	1.2x	1.2x	1.2x	1.1x	5.8%	5.9%	11.8%	3.6%	32.9%
Aljazira	17,116	1.3x	1.2x	1.0x	1.1x	1.9%	2.1%	8.0%	2.0%	56.0%
SAIB	18,399	0.9x	1.1x	0.9x	1.1x	5.3%	5.6%	9.0%	2.7%	41.5%
Average (ex-Al Rajhi)	**50,257**	**1.5x**	**1.4x**	**1.3x**	**1.3x**	**4.5%**	**4.8%**	**12.4%**	**3.0%**	**37.6%**
SNB	**204,284**	**1.2x**	**1.2x**	**1.1x**	**1.0x**	**6.5%**	**7.5%**	**12.7%**	**3.1%**	**28.3%**

Source: Kamco Invest Research, Company filings, Refinitiv

[1] *Based on closing share prices as of 17th April 2025 (Refinitiv), NIMs, Cost-to-Income as per company filings*

For our residual income and dividend discount models, we use a cost of equity assumption of 9.0%, factoring in a 5-year market beta of 1.0, an equity risk premium of 4.7%, and a US 10-year government bond yield of 4.3%. For the dividend discount model, we use a perpetual growth rate of 3.5%.

Snapshot – Residual Income Model

Residual Income Model	Units	Projected				
		FY-2025	FY-2026	FY-2027	FY-2028	FY-2029
Long-Term Growth Rate:	%					3.5%
Cost of Equity:	%					9.0%
Residual Income:	**SAR**	**1.18**	**1.48**	**1.66**	**1.81**	**1.96**
Present Value (PV) of Residual Income:	**SAR**	**1.13**	**1.30**	**1.33**	**1.34**	**1.33**
Beginning Book Value Per Share (BVPS):	SAR	31.5				
Add: Present Value (PV) of Residual Income:	SAR	6.4				
Terminal Value:	SAR	35.6				
Add: Present Value (PV) of Terminal Value:	SAR	24.2				
Equity Value Per Share:	**SAR**	**62.1**				

Source: Kamco Invest Research

Snapshot – Dividend Discount Model

Dividend Discount Model	Units	Projected				
		FY-2025	FY-2026	FY-2027	FY-2028	FY-2029
Dividends Per Share (DPS) – 2024	SAR	1.9				
Cost of Equity (Ke)	%	9.0%				
Dividend Growth Rate (g):	%	3.5%				
Dividends Per Share (DPS)	SAR	2.22	2.55	2.76	2.88	3.09
Present Value (PV) of Dividend	**SAR**	**1.95**	**2.05**	**2.04**	**1.95**	**1.92**
Share Price Calculation						
PV of Sum of Dividends	SAR	9.9				
Year 5 Dividend × (1 + Growth Rate)	SAR	3.2				
Terminal Value	SAR	58.1				
PV of Terminal Value	SAR	36.2				
Value Per Share	**SAR**	**46.1**				

Source: Kamco Invest Research

SNB deposit growth, loan growth and net interest margins under no rate cut and 50 bps rate cut scenarios

We have modeled a 50 bps rate cut in FY2025E as our base case. In this scenario, we expect credit expansion to be more stimulative, particularly led by the corporate segment. In the alternate scenario without a rate cut, we model slightly lower credit growth; however, FY2025 should still benefit from the lagged effects of the 2024 rate reductions. On the deposit front, growth is expected to be broadly similar across both scenarios. However, we anticipate marginally stronger growth in the 50 bps cut scenario, supported by slightly higher CASA. Overall, the net impact on NIMs and book value across both scenarios is minimal—limited to a few basis points—due to offsetting factors such as a slightly elevated cost of risk assumption under the base case, and changes in the composition of interest-bearing liabilities and interest-earning assets based on the modeled trajectory of loans and deposits.

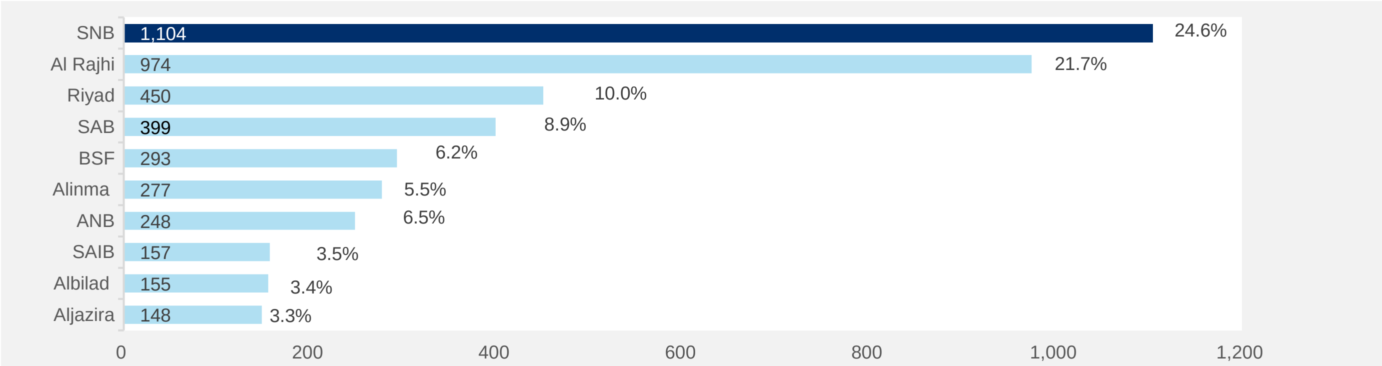
Rate cut by 50 bps	2022	2023	2024	2025E	2026E	2027E
Net Interest Margin (%) *(calculated)*	3.2%	2.9%	2.6%	2.8%	2.6%	2.6%
Total Deposits Growth (%)	-3.4%	3.8%	-1.7%	15.9%	11.6%	8.4%
Net Loan Growth (%)	9.6%	10.3%	8.8%	14.0%	9.6%	9.0%
Tangible Book Value Per Share (SAR)	24.35	25.82	27.95	29.57	31.32	33.21
Implied Target Price			**42.8**			

No rate cuts	2022	2023	2024	2025E	2026E	2027E
Net Interest Margin (%) *(calculated)*	3.2%	2.9%	2.6%	2.8%	2.6%	2.6%
Total Deposits Growth (%)	-3.4%	3.8%	-1.7%	14.4%	11.0%	8.4%
Net Loan Growth (%)	9.6%	10.3%	8.8%	9.8%	7.4%	7.0%
Tangible Book Value Per Share (SAR)	24.35	25.82	27.95	29.56	31.26	33.07
Implied Target Price			**42.8**			

Saudi National Bank in Charts

SNB is the largest bank by total assets and has a sizeable asset market share across all segments…

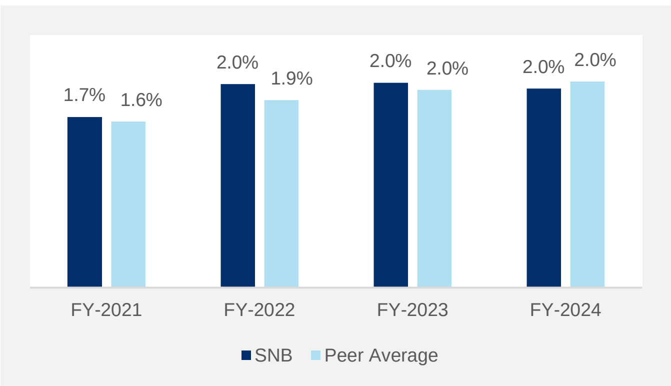
Total Assets (SAR Bn) & Market Share (%) in FY-2024[2]*



*Source: Kamco Invest Research, SAMA, *Excluding bank's overseas branches*

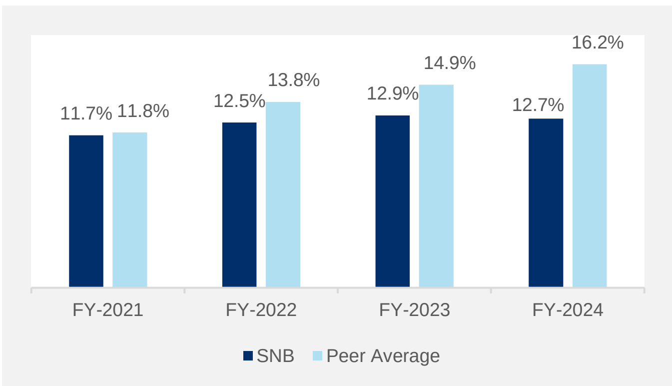
…While reporting peer-leading ROA…

Return on Assets (RoA): SNB vs Peer Average



Source: Kamco Invest Research, Refinitiv[3]

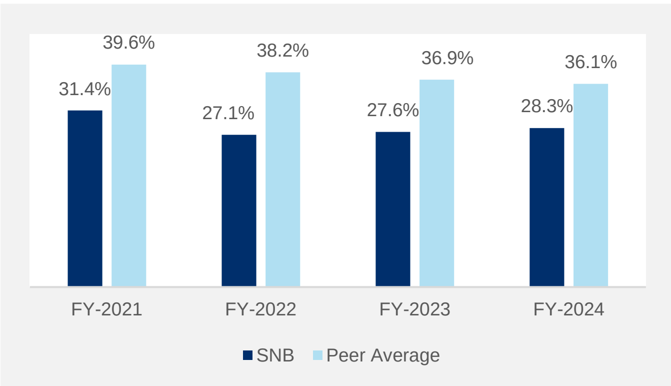
Return on Equity (RoE): SNB vs Peer Average



Source: Kamco Invest Research, Refinitiv[3]

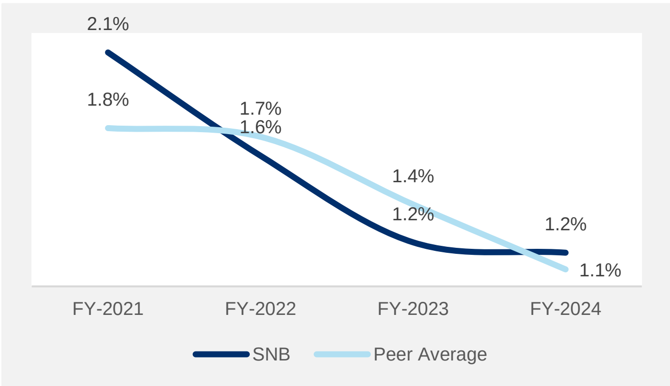
…While maintaining strong operational efficiency and an improving asset quality

Cost-to-Income Ratio: SNB vs Peer Average



Source: SNB, Company filings[4]

Non-Performing Loans Ratio (NPL): SNB vs Peer Average



Source: SNB, Company filings

[2] Market share = Total assets of individual banks/ Total assets of commercial banks reported by SAMA
[3] Return on Assets = Net Income/ Average Total Assets, Return on Equity = Net Income/ Average Common Equity, sourced from Refinitiv
[4] Calculated figures for Bank Albilad and Arab National Bank

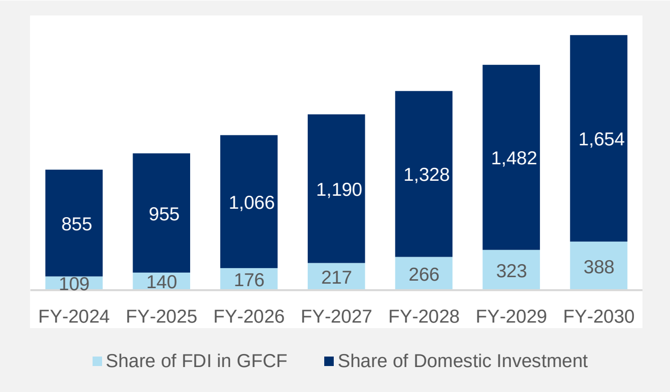
Saudi Arabia Banking Sector Overview

GDP Growth by Activities

Period	Finance	Real Estate	Construction	Wholesale & Retail trade
FY-2019	6%	1%	7%	8%
FY-2020	3%	0%	3%	-9%
FY-2021	8%	2%	6%	15%
FY-2022	18%	3%	13%	9%
FY-2023	13%	9%	9%	11%
Q1-2024	8%	12%	6%	9%
Q2-2024	8%	10%	9%	8%
Q3-2024	9%	14%	7%	8%
Q4-2024	9%	12%	6%	8%

Source: General Authority of Statistics (GASTAT)

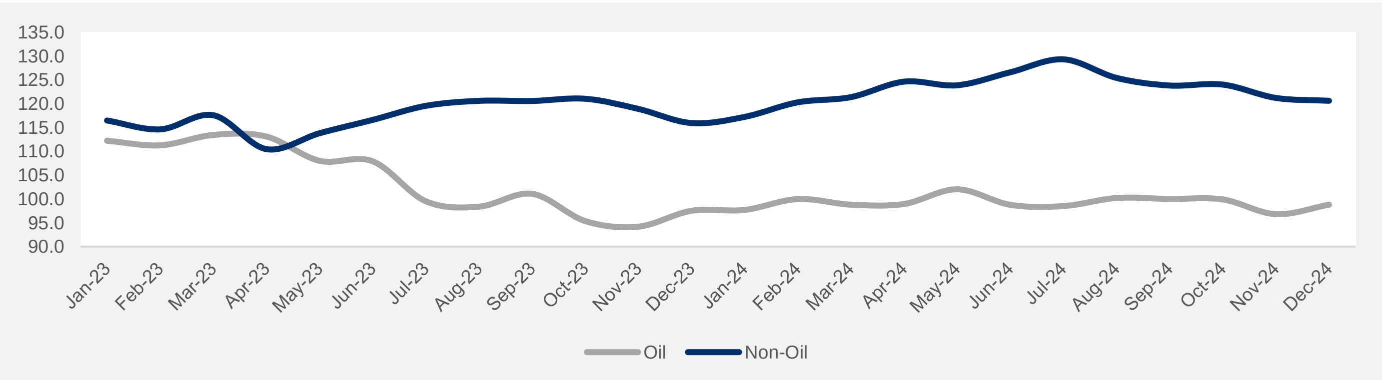
Expected Gross Fixed Capital Formation (GFCF) Targets till 2030 (SAR Bn)



Source: National Investment Strategy (NIS)

The KSA economy rebounded robustly from the recession caused by the COVID-19 pandemic, buoyed by rising commodity prices and a faster rollout of the National Investment Strategy (NIS) as part of its ambitious Vision 2030 reform plan. In Q4-2024, Saudi Arabia's real GDP increased by 4.4% y-o-y, highest in two years, supported by a 3.4% y-o-y increase in the oil activities and a 4.6% y-o-y increase in non-oil activities. OPEC+ has accelerated its plans to unwind voluntary output cuts, with eight members agreeing to raise production by 411,000 bpd in May, up from the earlier scheduled 135,000 bpd. This marks a significant strategic turn, especially for Saudi Arabia, which has borne the lion's share of the group's cuts. The Kingdom now appears more willing to rebalance its priorities—shifting from price defense to a more pragmatic focus on stabilizing oil GDP through higher output levels, particularly as global market volatility continues to challenge fiscal planning.

KSA Industrial Production Index (Oil vs Non-Oil Activities)



Source: GASTAT

Going forward, non-oil growth is expected to continue rising as the world's top oil exporter undergoes a major economic overhaul to reduce reliance on oil and invest billions in new sectors and sustainable revenue streams. The Finance, Insurance, and Business Services sector in Saudi Arabia has shown the strongest performance in terms of annual GDP growth from FY-2019 to FY-2023, consistently outperforming other sectors. KSA's economy grew 1.4% y-o-y in FY-2024 with IMF projecting FY-2025 growth at 3.3% *(1.3% decrease since October 2024 projections)* while the World Bank estimates 5.9% in FY-2025 *(1.7% increase since January 2025 projections).*

Despite of the geopolitical events in the Middle East, the Saudi economy has not been significantly affected till date. The IMF notes that KSA benefits from a strong banking system, increasing home ownership, solid non-oil economic growth, and strong private consumption. Saudi banks are well-capitalized, profitable, and show resilience to severe macroeconomic shocks.

Saudi Arabia is set to host several major international events, such as the 2034 World Cup and Expo 2030, alongside ambitious multi-trillion-dollar mega projects like NEOM, which will necessitate significant spending. The financial system has seen rapid credit growth, fueled by booming real estate activity and government incentives under the Vision 2030 transformation plan. As per GASTAT, the unemployment rate for nationals in Saudi Arabia hit 7% in Q4-2024, a 0.8% decrease over the last quarter largely due to an increase in private sector jobs.

Saudi Giga Projects Current Status (FY-2024)

Country	*Projects underway in FY-2024 (USD Bn)*	*Projects in Pipeline (USD Bn)*	*Expected Completion*
Saudi Arabia	420	1,490	2030

Source: MEED

The National Investment Strategy (NIS), integral to Saudi Arabia's Vision 2030, aims to draw in USD 3.0 Tn in investments by 2030 through a combination of foreign direct investment (FDI), domestic capital, and public-private partnerships. Of this total, the PIF plans to invest USD 1.3 Tn into the economy by 2030. Saudi banks are anticipated to handle a substantial share of this capital influx, providing services such as capital financing, treasury management, and investment banking.

According to MEED, approximately USD 420.0 Bn worth of projects are either planned or underway and ~USD 1.4 Tn worth of projects in the pipeline, making it the largest projects market in the MENA region. The accelerating project timelines are expected to drive an uptick in the capex cycle, fueled by growing construction demand. Saudi banks are anticipated to remain key financiers, supporting the execution of these initiatives.

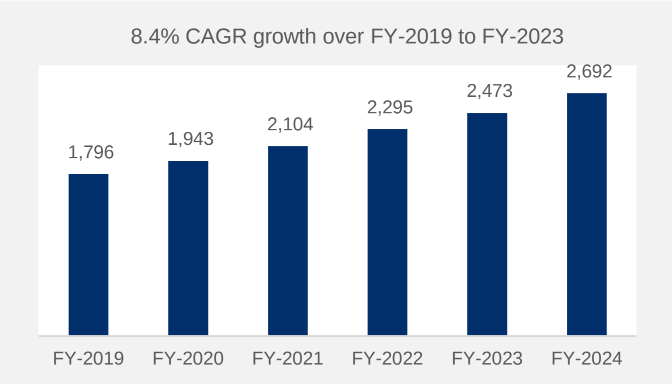
As the pace of these developments accelerates, banks are likely to see higher deposit inflows with the share of government-related deposits in the banking system rising from 22% in Q1-2021 to 30% in Q4-2024 as per SAMA, enhancing their liquidity and financing capabilities.

As per Fitch, this capital influx is projected to significantly boost corporate lending, with Saudi banks increasing their financing growth rate to about 14.4%% in FY-2024. Banks in Saudi are expected to continue growing at about double the GCC average rate, with corporate financing likely making up about 54% of new loan originations in FY-2024.

Saudi banks poised for growth, fueled by Vision 2030 spending, and improved liquidity: The operating environment for Saudi banks remains favorable, driven by increased government spending related to Vision 2030. With the real non-oil GDP growth projected at 4% by Fitch for FY-2025 and improved liquidity from government-related deposits, Saudi banks are positioned for sustained growth, potentially outpacing the GCC average.

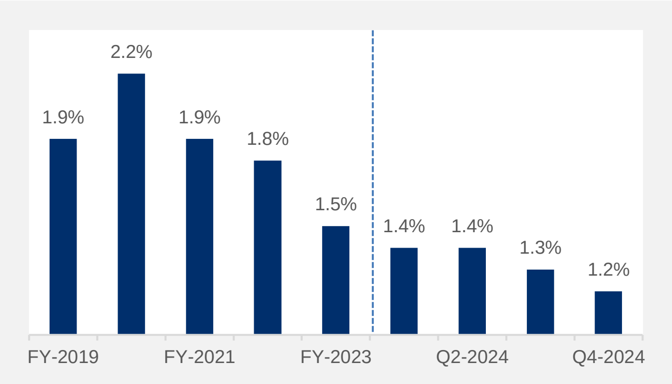
Steady deposit growth and declining NPLs strengthening Saudi Arabia's banking sector under Vision 2030: Deposits in Saudi Arabia have grown at an 8% CAGR since FY-2019, fueled by economic expansion and diversification under the Vision 2030 initiatives while increased government investments, higher oil revenues, and improved financial inclusion through digital banking have boosted liquidity and attracted more deposits from businesses and individuals. The stability of Saudi banks, even in low-interest-rate environments, has further enhanced their appeal as a secure option for savings. As of Q4-2024, the industry NPL ratio decreased 10bps to 1.2% (Q3-2024: 1.3%), further bolstering the banking sector.

KSA Bank Deposit Growth (SAR Bn)



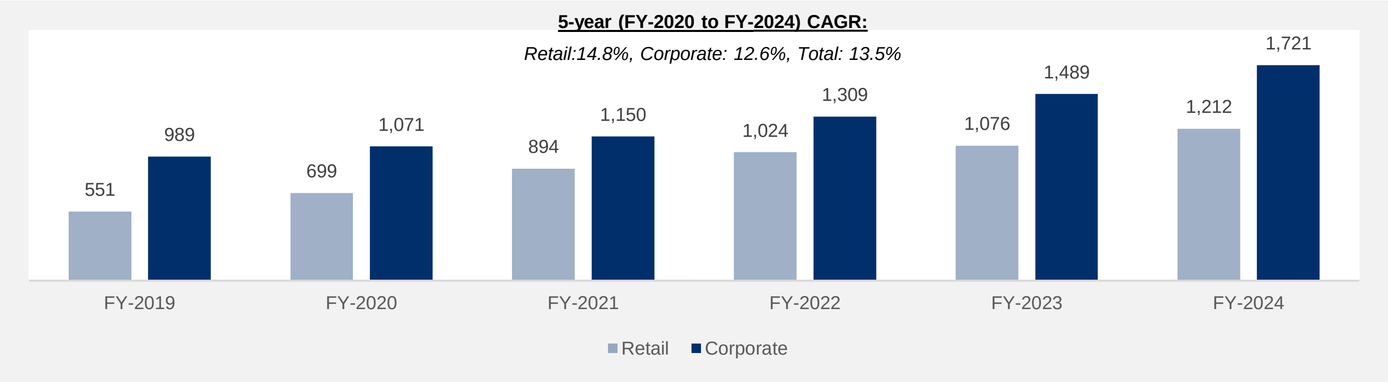
Source: SAMA

KSA Non-Performing Loans (%)



Source: SAMA

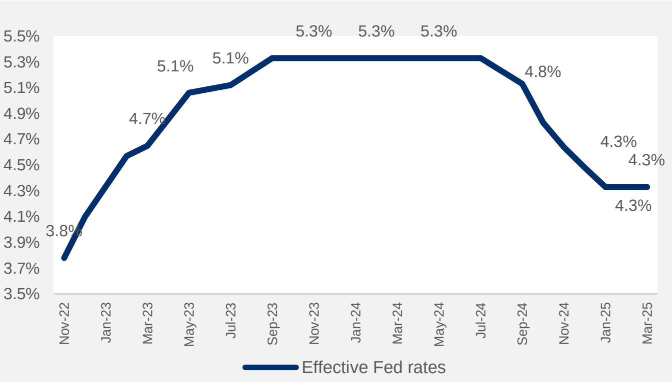
KSA Bank Credit Growth (SAR Bn)



Source: SAMA

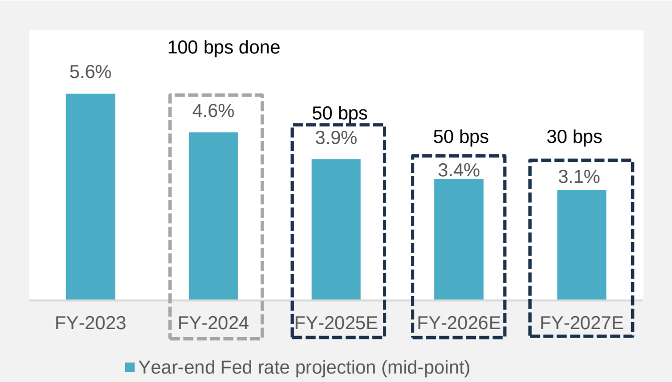
US FOMC rate guidance

Effective Fed Funds Rates (March 2022 to March 2025)



Source: FRED

FOMC Projections



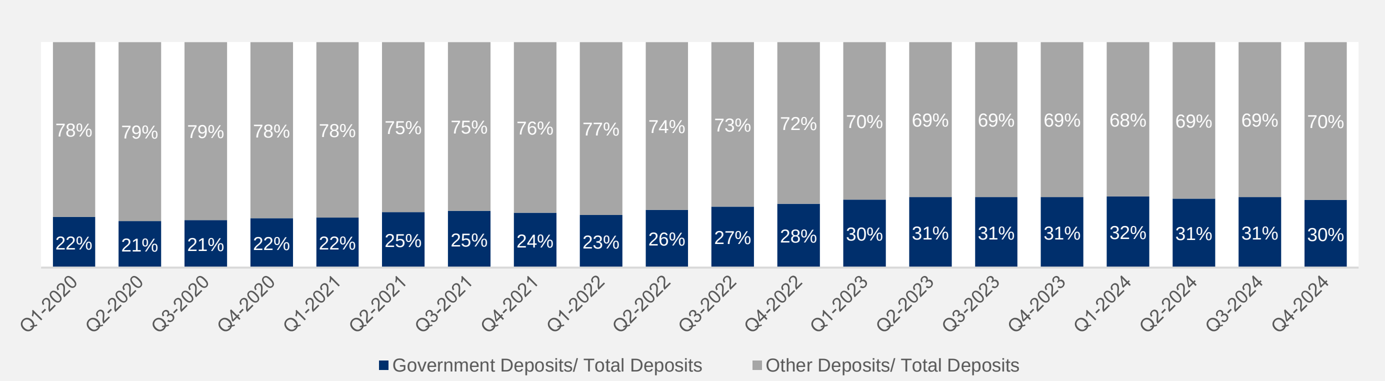
Source: Summary of Economic Projections (March 2025)

The Federal Open Market Committee (FOMC) kept rates steady at 4.5% in March 2025 and, according to the Summary of Economic Projections (SEP), anticipated a further reduction of 75 bps–100 bps over FY-2025 and FY-2026, with rates settling at 3.1% through FY-2027. In its March 2025 meeting, the FOMC kept the federal funds rate unchanged at 4.25%–4.50%, signaling a cautious approach after the late 2024 cuts, while market expectations indicate low probabilities of any imminent changes to the Fed rate.

SAMA's rate cuts and Vision 2030 projects are expected to boost lending growth in the banking sector: SAMA is expected to align with FOMC's stance on two rate-cuts in FY-2025, which would support growth in the banking sector by lowering borrowing costs and expanding lending opportunities. Over the past three years, the sector has experienced a 14.8% CAGR in corporate loans (FY-2020 to FY-2023). The ambitious Vision 2030 projects, which require significant investment, are expected to increase credit demand in key sectors such as infrastructure and energy while bank loan-to-deposit ratios remain below regulatory limits, coupled with corporate and retail demand, and a lower interest rate environment, lending growth could accelerate at a steady rate over the medium term.

The narrowing SAIBOR-SOFR spread signals improved liquidity in Saudi banks due to increased government deposits: The narrowing of the SAIBOR-SOFR spread reflects easing liquidity conditions in Saudi Arabia. In FY-2022, tight liquidity pushed the SAIBOR-SOFR spread higher and raised borrowing costs for banks. However, the spread narrowed in FY-2023, signaling improved liquidity. This shift was supported by an increase in government-related entity (GRE) deposits directly into the banking system, which surged to 30% of sector deposits by Q4-2024 from 22% in Q1-2021. These GRE deposits, though primarily in high-interest deposit accounts, provided banks with a stable liquidity source, easing interbank lending pressures. As a result, banks' funding costs have stabilized, keeping net financing margins steady around 2.8% (3-yr average).

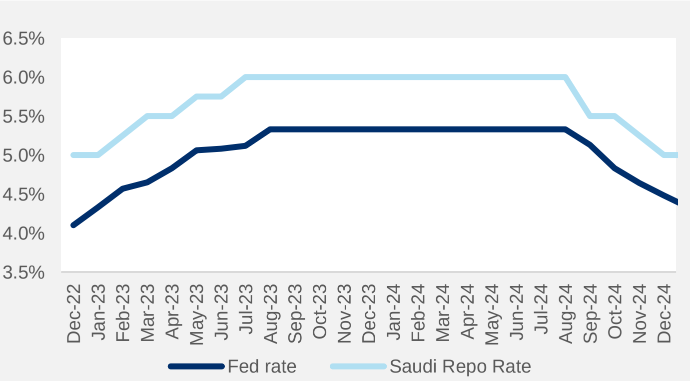
Government Deposits vs Other Deposits as a % of Total Deposits



Source: SAMA

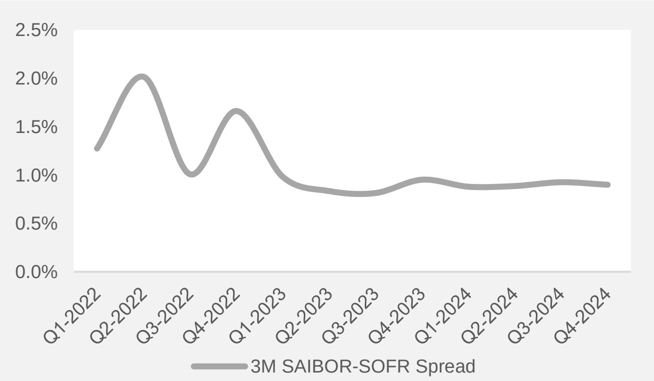
The increasing GRE deposits have also helped narrow the SAIBOR-SOFR spread from 127 bps in Q1-2022 to 86 bps by Q4-2024, reflecting reduced liquidity stress. Moreover, this consistent government liquidity injection has allowed banks to manage balance sheets more effectively, aligning SAIBOR more closely with SOFR and supporting overall financial stability.

Fed Rate vs KSA Repo Rate



Source: SAMA, FRED

3M SAIBOR-SOFR Spread



Source: SAMA, FRED

Saudi National Bank - Segmental Overview

Particulars (SAR Mn)	Retail			Wholesale		
	FY-2023	FY-2024	y-o-y	FY-2023	FY-2024	y-o-y
Net special commission income	15,596	16,501	5.8%	9,463	10,041	6.1%
Operating income	15,875	16,871	6.3%	13,812	15,223	10.2%
Operating expenses	(7,219)	(6,746)	-6.6%	(1,724)	(1,875)	8.7%
Impairments	(811)	(1,203)	48.4%	152	(193)	-226.8%
Net income before zakat	8,628	8,874	2.8%	12,032	13,306	10.6%
Cost-to-income ratio	40.4%	40.0%	-40 bps	13.6%	13.6%	-1 bps
Cost of risk	0.26%	0.36%	10 bps	-0.06%	-0.06%	-1 bps
Total assets	406,054	428,303	5.5%	583,721	620,429	6.3%
Total liabilities	358,210	354,065	-1.2%	583,693	517,142	-11.4%

Source: SNB

Particulars (SAR Mn)	International			Capital markets		
	FY-2023	FY-2024	y-o-y	FY-2023	FY-2024	y-o-y
Net special commission income	1,590	695	-56.3%	360	493	36.8%
Operating income	3,112	1,662	-46.6%	1,796	2,282	27.1%
Operating expenses	(1,715)	(1,510)	-12.0%	(621)	(727)	17.1%
Impairments	252	14	-94.5%	12	0	-97.2%
Net income before zakat	944	(112)	-111.9%	1,168	1,546	32.3%
Net interest margin	5.12%	2.34%	-278 bps			
Cost-to-income ratio	47.0%	90.0%	+4,299 bps			
Cost of risk	1.47%	0.08%	-139 bps			
Total assets	31,546	32,075	1.7%	15,760	23,348	48.1%
Total liabilities	80,123	28,384	-64.6%	4,173	11,288	170.5%
NPL ratio	2.54%	2.40%	-14 bps			
NPL Coverage ratio	121.9%	103.4%	-1,850 bps			

Source: SNB

The highest contributors to NSCI and fee & commission income are 51% and 31% from retail and wholesale banking, respectively, followed by international business at 2.2%.

The operating income contributions are 42.2% corporate, 46.8% retail, 4.6% international and 6.3% capital markets, respectively.

Overview of International Operations

Saudi National Bank (SNB) has international operations in Pakistan and Turkey, with ownership stakes in Samba Bank Ltd. (Pakistan) and Türkiye Finans Katılım Bankası A.Ş. (TFKB, Turkey). SNB holds 84.5% ownership in Samba Bank Ltd., listed on the Pakistan Stock Exchange, and 67.0% ownership in TFKB.

The international operations collectively contribute 4.6% to SNB's total operating income, with Turkey being the primary driver:

- **Türkiye Finans Katılım Bankası**: The Turkish annual consumer price inflation slowed to 39.05% in February 2025, sustaining a downtrend since it peaked at around 75% in May last year. TFKB accounts for 4.1% of SNB's total operating income. However, hyperinflationary pressures have significantly impacted profitability, leading to a net income contribution of -0.97%. Financing and deposits from Turkey contribute 2.5% and 3.7%, respectively.
- **Samba Bank Ltd:** The bank's contribution is relatively insignificant, accounting for only 0.3% of operating income and 0.04% of net income.

Saudi National Bank - Financial Overview

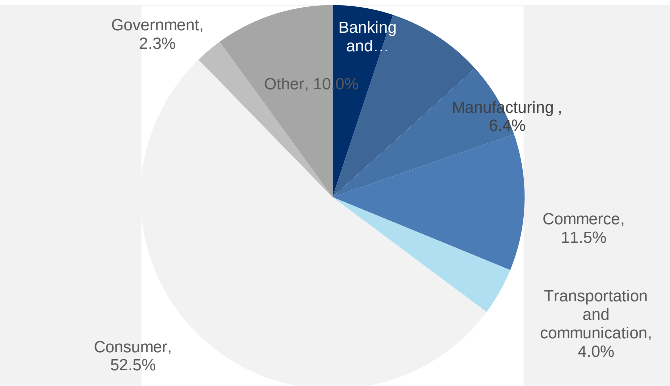
Saudi National Bank positioned for growth in both corporate and retail segments

SNB's loan portfolio underperformed the industry with a consistent market share: The overall industry loan growth was 14.4%, with corporate lending growing by 15.6% and retail (consumer loans and credit cards) by 12.6% in FY-2024. However, SNB underperformed the industry with an overall growth of 8.8% and segment-wise growth of corporate 10.8% and retail 7.2%. The underperformance can be attributed to early loan repayments, loan refinancing, and the high-interest rate environment for the most part of FY-2024 (with an average SAMA report rate of 5.62%), which contributed to slower lending growth across the industry.

SNB's overall market share declined from 28% in FY-2023 to 26% in FY-2024, driven by both the corporate and retail segments, primarily due to the company's risk appetite leading to more cautious underwriting and sector exposure limits.

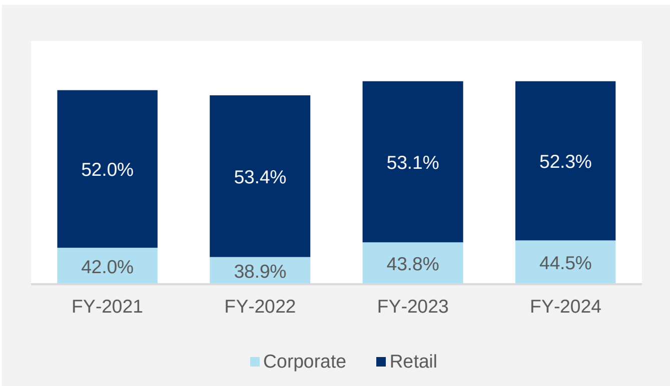
Going forward, SNB has outlined a strategy to strengthen market share leadership in retail and corporate segments by focusing on cross-selling and liability acquisition (acquire more CASA deposits), target emerging segments with an emphasis on improving returns and fee generation, recalibrate risk appetite to support balanced growth across various segments and sectors, enhance the go-to-market operating model, and drive customer acquisition through attractive financing propositions and strong marketing efforts.

Loan Composition (FY-2024)



Source: SNB

Loan Profile Mix



Source: SNB

SNB has maintained a steady loan portfolio mix, with retail loans making up ~53%, on average, and corporate loans at ~43%. Through FY-2023 to FY-2024, corporate lending has outpaced retail lending at 25.3% and 10.8% growth, respectively. As non-oil GDP continues to grow and Vision 2030 projects drive new lending opportunities, the expected 50 bps rate cut in H1 FY-2025, are expected to further stimulate demand across both segments.

SNB's corporate loan proportion of total loans has gradually increased over the last two years (FY-2023- 43.8%, FY-2024- 44.5%)[5]. The loan growth outlook for FY-2025 is projected in the low-teens, driven by sustained momentum in the retail mortgage and corporate segments, with a continued tilt towards corporate.

SME lending in the Kingdom has grown at an impressive 20% CAGR over FY2020–FY2024, with the share of SME loans rising from 6% to over 9% of total bank credit during the same period. In line with SAMA's strategic objective of increasing this share to 20%, SNB—the largest bank in Saudi Arabia—has outlined a focused strategy to expand its presence in the mid-corporate segment. Historically, SNB has delivered stronger growth in corporate lending relative to retail over the past 3–4 years, and we believe this trend will persist, particularly in a declining interest rate environment. As such, we expect nearly two-thirds of the bank's future loan growth to be driven by the corporate segment, with the remainder coming from retail. On the retail side, the Housing Program Delivery Plan under Vision

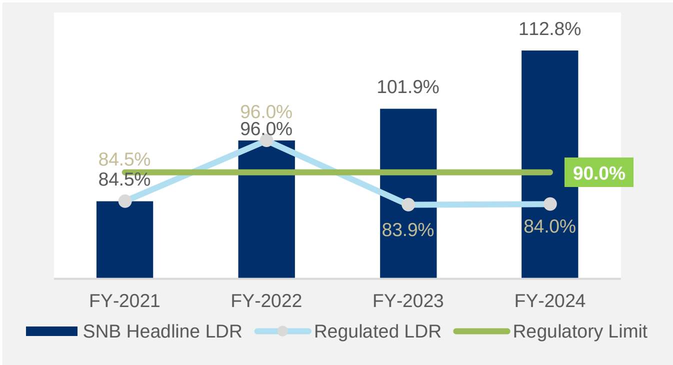
[5] *Market share = SNB Investor PresentationFY-2024*

2030 has already achieved ~63.4% of its 70% homeownership target, offering further visibility on sustained mortgage demand.

Robust liquidity position: SNB's regulated LDR is below the SAMA regulatory limits, indicating substantial headroom for further lending: SNB maintains a SAMA-weighted Loan-to-Deposit Ratio (LDR) of 84.0%, reflecting a well-calibrated approach to balancing credit growth with liquidity management. This level remains comfortably below the regulatory ceiling of 90% and is broadly in line with the peer average of 83.6% (excluding Bank Aljazira at 72.4%). The current LDR provides ample headroom for incremental lending, positioning SNB to capitalize on rising credit demand driven by economic transformation initiatives under Vision 2030.

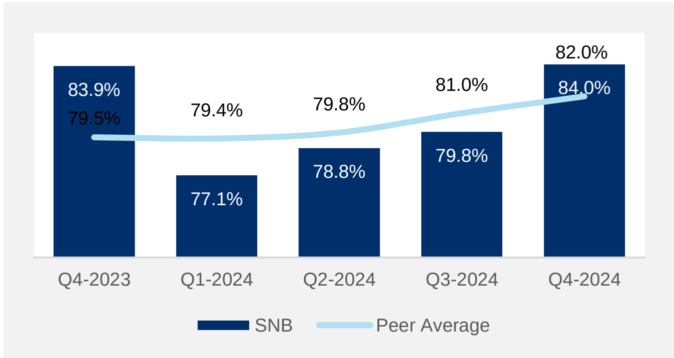
Additionally, the bank's capital structure has been further reinforced through the recent issuance of SAR 6.0 billion in Tier 1 Sukuk, supporting a robust Tier 1 capital ratio of 20.3% and a total capital adequacy ratio of 20.8%. This strong capital position not only enhances SNB's resilience to potential credit losses but also provides flexibility to expand its loan book with confidence.

Loan To Deposit Trend (LDR)



Source: SNB

SAMA Weighted LDR: SNB vs Peer Average

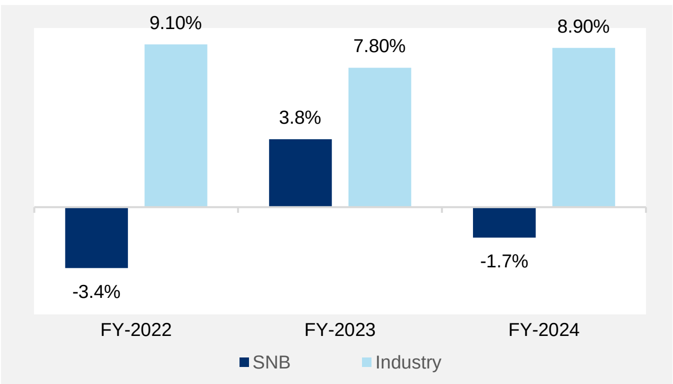


Source: SNB, Company filings

Strategically balanced deposit mix could potentially tilt towards CASA deposits amid rate cuts

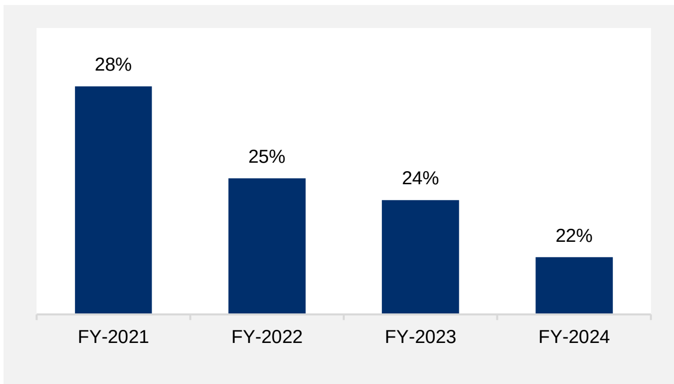
SNB's deposit market share declined from 28% in FY-2021 to 21.5% in FY-2024, primarily due to the loss of its high-net-worth and affluent clients following the NCB-Samba Financial Group merger. The bank has achieved a balanced mix of current accounts and savings accounts (CASA), while also focusing strategically on time deposits for long-term funding. Over the past year, SNB's deposit growth has underperformed the industry. As of FY-2024, SNB's reported a degrowth of 1.7%, vis-à-vis SAMA-reported total deposits of 8.9%.

Deposit Growth: SNB vs Industry



Source: SNB, SAMA

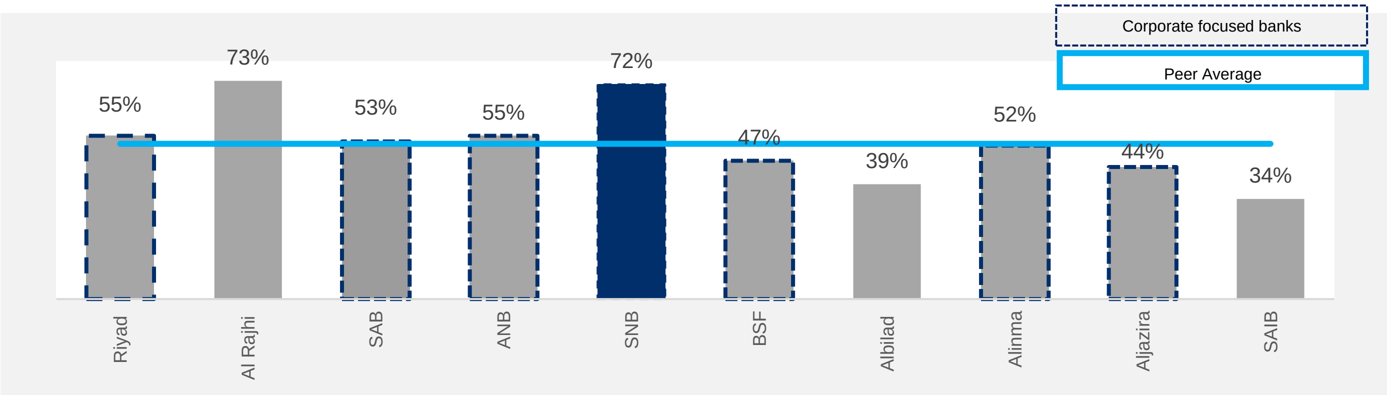
Deposit Share of SNB



Source: SAMA, SNB, Kamco Invest Research

Strong CASA position among corporate-focused peers: SNB has maintained one of the highest CASA ratios among its corporate-focused peers, including Riyad Bank, Arab National Bank, Banque Saudi etc. even after losing its deposits market share on an absolute basis. The deposit mix is expected to remain range-bound at recent levels as banks adjust their offerings to attract customers. Lower funding costs from these cuts may help stabilize net interest margins, provided banks effectively manage credit volumes and pricing.

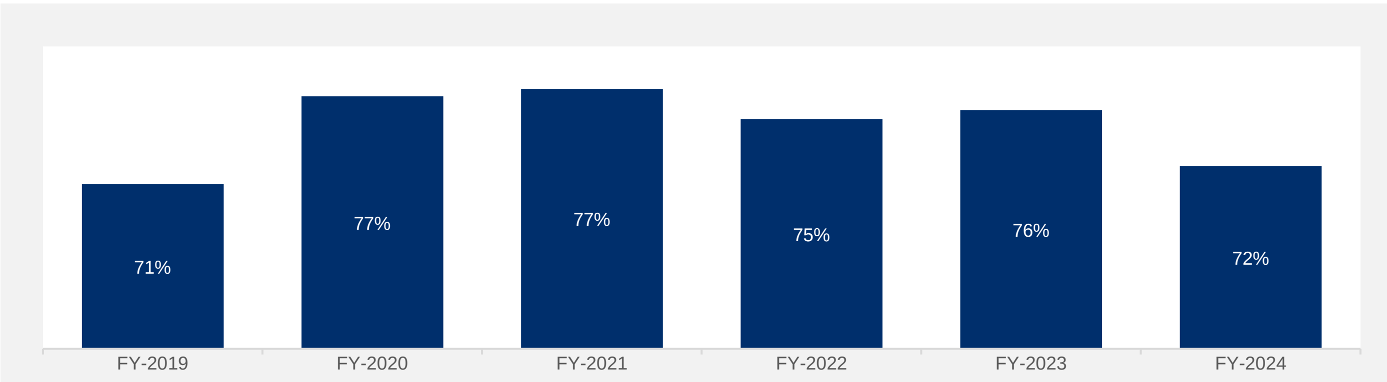
CASA Ratios: SNB vs Peers (FY-2024)



Source: Kamco Invest Research, Company filings

Management in their investor strategy update for FY-2025 to FY-2027 has emphasized strengthening its deposit base and expanding their customer segments by leveraging institutional relationships and offering tailored value to HNW/Affluent clients. These initiatives are expected to increase the bank's CASA mix that helps in defending NIM contraction.

SNB's CASA ratio trend

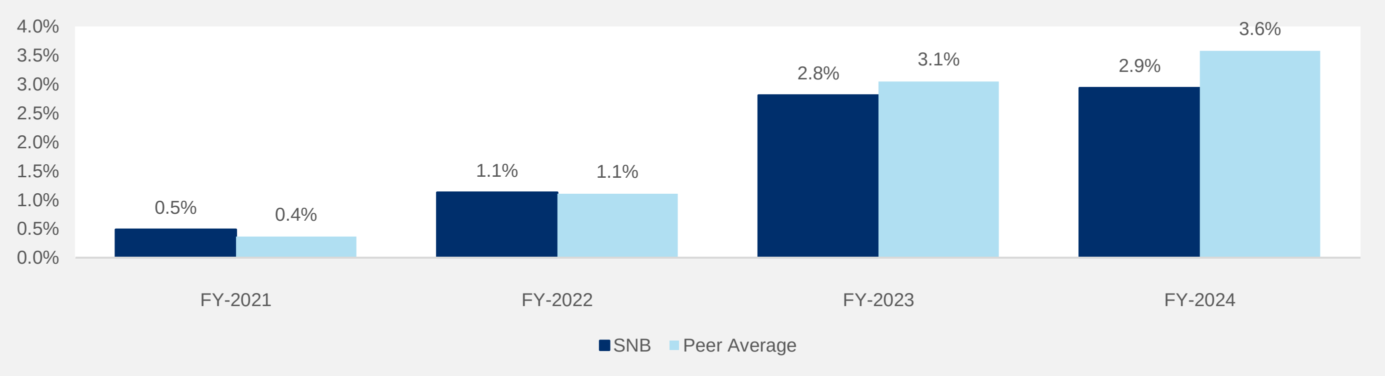


Source: SNB

NIMs to temporarily face headwinds from Fed interest rate cuts and the resultant corporate loan repricing: Despite a rising interest rate environment, SNB's NIMs remained relatively stable, expanding from 3.09% in FY2020 to 3.60% in FY2024—largely supported by the bank's sizable exposure to fixed-rate retail loans. However, margin pressures began to emerge from FY2022 onward, driven by a sharp rise in interbank funding costs (5.2% in FY2024 vs. 2.3% in FY2022) and higher yields on debt securities (5.9% in FY2024 vs. 3.6% in FY2022). In addition, a decline in the CASA ratio—from 77% in FY2020 to 72.2% in FY2024—has increased SNB's dependence on more expensive sources of funding, contributing further to NIM compression

According to CME forecasts, two rate cuts are expected in the second half of 2025. The recent rate reductions have been calibrated to stimulate loan growth while maintaining a balance between credit expansion and margin stability. In this context, SNB appears well-positioned to navigate the evolving interest rate environment, supported by its strategic focus on expanding CASA deposits and strengthening its presence in niche segments such as mid-corporate financing.

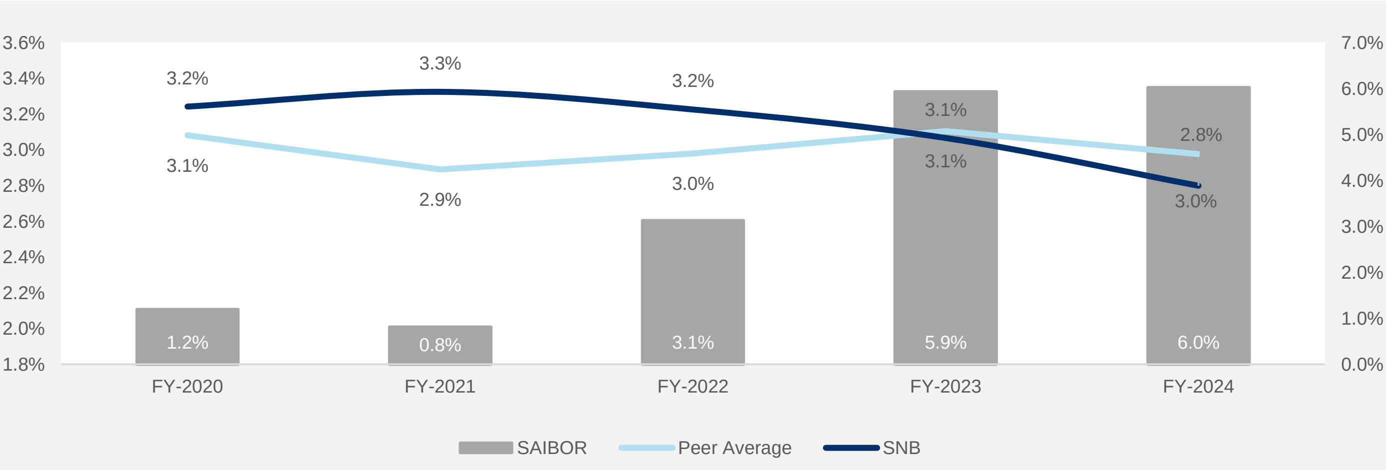
Cost Of Funding: SNB vs Peer Average



Source: Kamco Invest Research, Refinitiv[7]

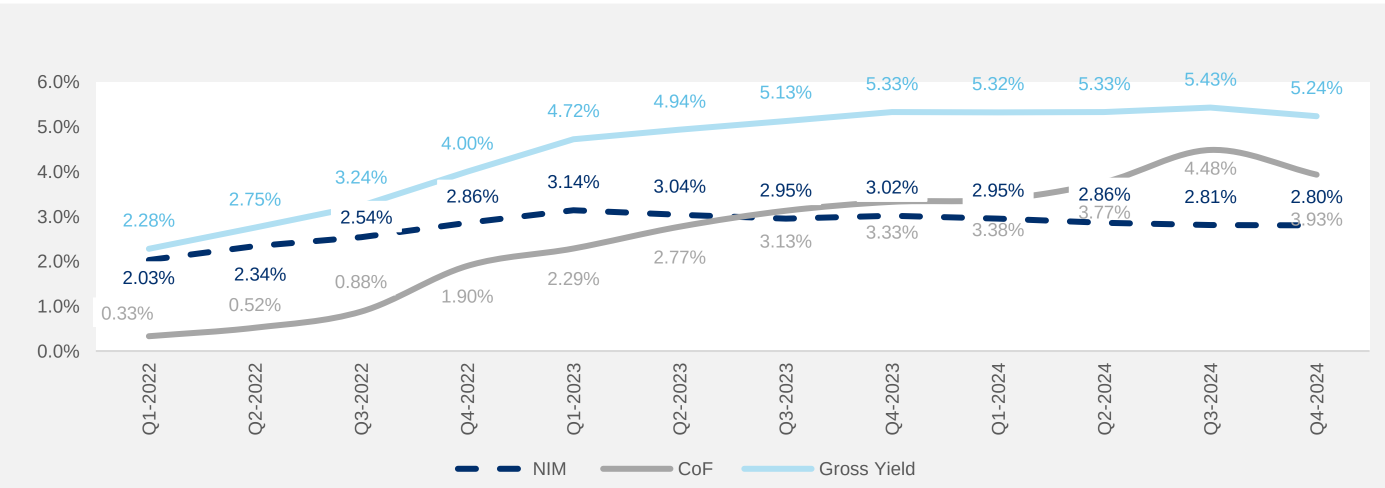
Furthermore, the bank benefits from a natural hedge through its sizable portfolio of fixed-rate, long-term loans, including retail and mortgage lending, which should help mitigate the impact of further rate cuts, resulting in minimal NIM compression.

Net Interest Margin: SNB vs Peer Average Against SAIBOR



Source: Kamco Invest Research, SAMA, SNB, Company filings, Refinitiv[6]

SNB: Net Interest Margins vs Cost of Funding vs Gross Yield



Source: SNB, Company filings

[6] *Refinitiv*
[7] *Cost of funding (annual) = Interest cost/ Average customer deposits + Due to banks + Debt securities*

The anticipated rate cuts in FY2025 are expected to support loan growth, particularly within the corporate segment, as Vision 2030 projects near key milestones, spurring demand for new credit. On the retail side, which accounts for approximately 54% of SNB's loan book, lower interest rates are likely to further stimulate mortgage lending. This provides the bank with an opportunity to capture incremental credit demand while managing margin pressures effectively.

Retail loan repricing typically occurs with a lag. Based on SNB's asset repricing profile, around 23% of the portfolio reprices within one year, 32% over a 1–5 year term, and 45% beyond five years—offering a degree of stability against near-term margin volatility. While recent Fed rate cuts may compress margins and weigh on profitability, SNB is well-positioned to offset this through its expansive corporate and retail lending network. In addition, the bank can leverage alternative revenue streams—including trade-related income, investment income, and cross-selling initiatives—to drive non-interest income growth. Notably, SNB's strong ~27% market share in asset management also enhances its ability to generate fee-based income and diversify earnings.

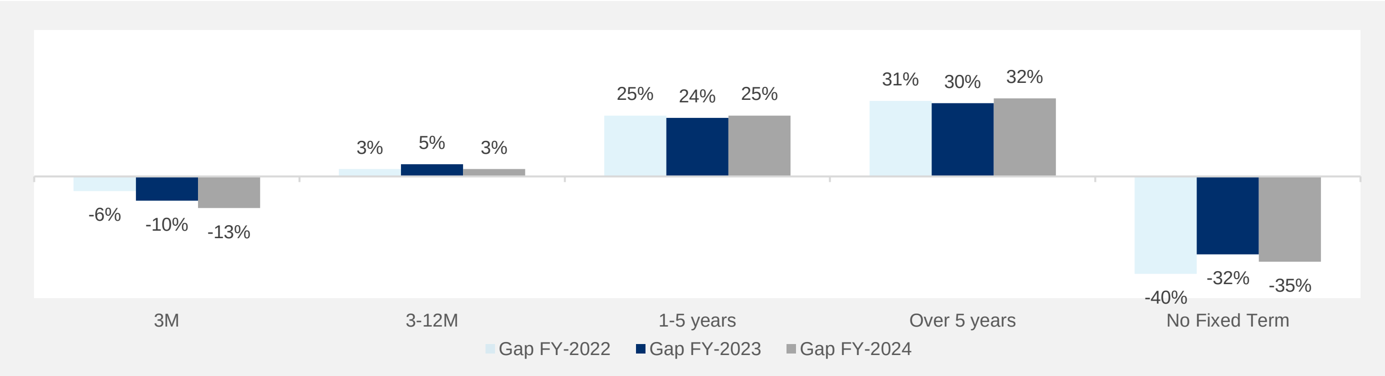
Assessing the Impact of Rate Cuts	2025E	2026E	2027E
Fed rate cut assumption	50bps	0bps	0bps
Floating rate interest-earning assets (% of total)	36.9%	40.9%	42.3%
Floating rate interest-bearing liabilities (% of total)	84.4%	82.6%	85.5%
Impact on NIMs:			
Gross yields	5.98%	5.49%	5.48%
Cost of financing	3.19%	2.85%	2.85%
Net interest margin	**2.79%**	**2.63%**	**2.64%**

Source: Fed Reserve Economic Projections, Kamco Invest Research

Saudi banks are expected to rely on steady capital market access to manage structural funding needs and support long-term credit growth: Since 2018, Saudi banks have extended approximately USD 256.0 Bn in fixed-rate loans—a ~192% increase—resulting in a short-term liquidity gap of around USD 137.0 Bn. This gap has nonetheless supported regulatory capital and liquidity ratios across the sector. Industry forecasts indicate that banks will need to issue at least USD 16.0 Bn annually through 2030 to fund Saudi Arabia's project pipeline of ~USD 77.0 Bn.

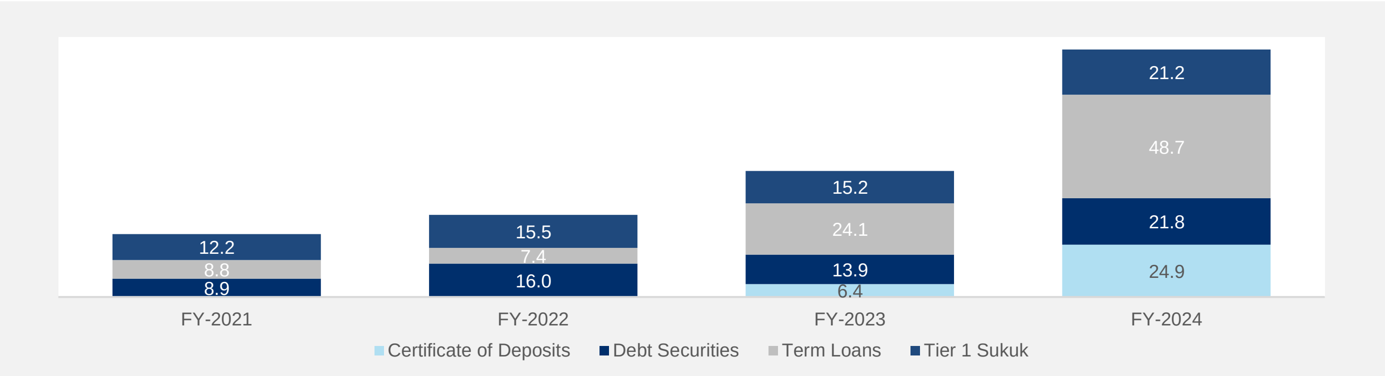
SNB's borrowings rose sharply by ~96% in FY-2024 to USD 31.1 Bn (FY-2023: USD 15.9 Bn), with term loans (41.8%) and debt securities (18.7%) comprising the bulk of the funding mix. Borrowings now account for ~36% of SNB's total funding. This increase reflects the bank's ongoing strategy to diversify funding sources, as evidenced by a 58% YoY growth in EMTN/Sukuk issuances. SNB's recent USD 750.0 Mn issuance in the Taiwanese Formosa bond market was oversubscribed, receiving bids of USD 1.1 Bn—highlighting the bank's strong access to international debt markets and its ability to tap future funding as needed.

Saudi Banks Liquidity Gap (as a % of Total Assets)



Source: Bloomberg

Funding profile (SAR Bn)

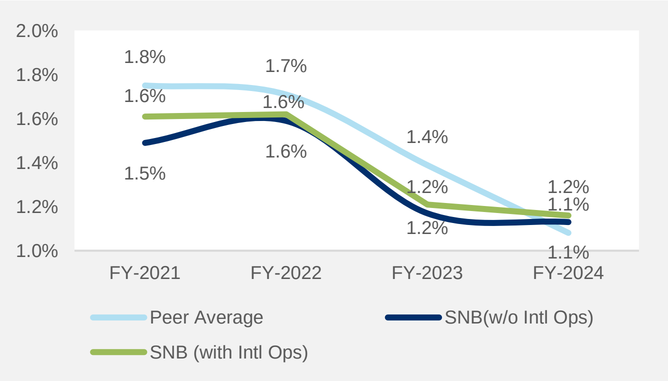


Source: SNB Investor Presentation

Declining Non-Performing Loan (NPL) trend leading to normalized CoR levels: SNB has reported an improving asset quality, as the net NPL ratio stood at 1.2%, including international operations. There has been a marked improvement of 5 bps y-o-y and a cumulative reduction of 40 bps since FY-2021 in the NPLs. Additionally, the Stage 3 loans have been stable, albeit improving, showing improvements from pandemic-era highs of 1.8% to 1.2%. Stage 1 loans have also consistently remained above 90%, with asset quality improving from 92.3% to 96.1%. Gross NPLs improved by 5 bps to 1.17% in FY-2024 from 1.22% in FY-2023.

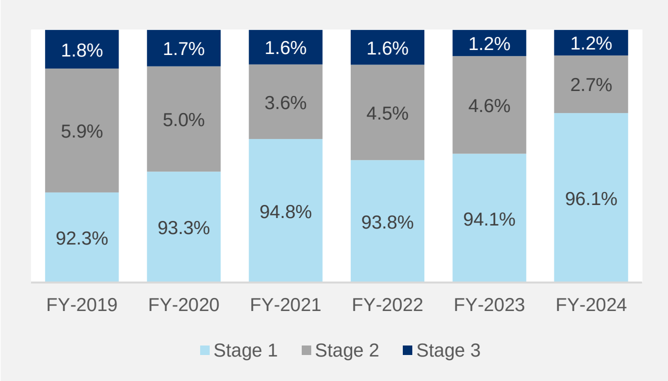
The retail portfolio reported stable a NPL ratio of ~0.6%, while the corporate portfolio showed significant improvement, with the NPL ratio declining by 30 bps to 1.7% in FY-2024. These metrics underscore the sustained enhancement in SNB's asset quality across its business segments. However, despite these advancements, SNB's coverage ratio remains significantly lower than its industry peers, standing at 135.3% compared to the peer average of 171.4%. The decline in coverage is attributed to reductions in retail and international coverage by 14.4 bps and 18.5 percent points, respectively, while corporate coverage remained unchanged at 137.2%. This gap suggests room for improvement in provisioning levels to align with the sector standards.

NPL Ratio: SNB vs Peer Average



Source: SNB, Company filings

Loan Portfolio across Stages

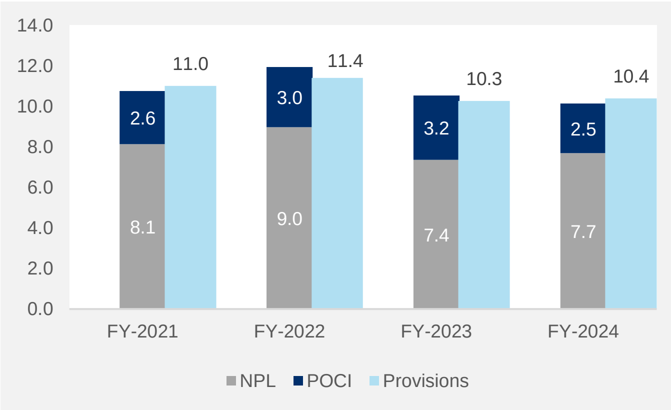


Source: SNB

The bank's cost of risk is lower than the peer average, indicating stronger expected recoveries from Non-Performing Loans (NPLs). However, with higher loan growth in a lower interest rate environment, some elevation in NPLs later down the line in an interest rate rising environment is likely, prompting increase in provisions.

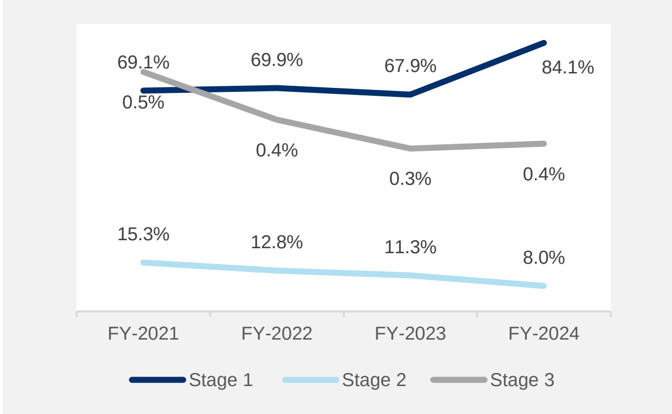
SNB's CoR, which almost reached 70 bps and 90 bps during the pandemic period in FY-2020 and FY-2021, respectively, and has significantly declined to 16 bps in FY-2024, well below its peer average of 39 bps. Also, retail provisioning increased 48% y-o-y to improve coverage as proactive allocation whereas the wholesale/corporate slightly declined from improved recoveries. However, the improvements in the risk cost and prudent initiative-taking methods have been driving enhanced asset quality. We expect SNB's CoR to remain within the 20-25 bps range for FY-2025 and elevate slightly in the succeeding periods.

NPL and POCI[8] Trend vs Provisions (SAR Bn)



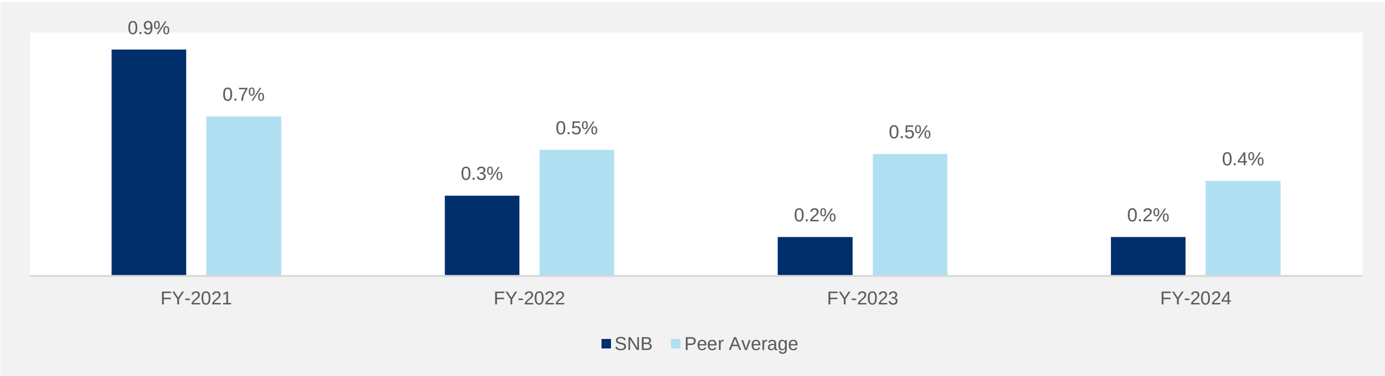
Source: SNB

Coverage Ratio by Stage



Source: SNB

Cost of Risk (CoR): SNB vs Peer Average

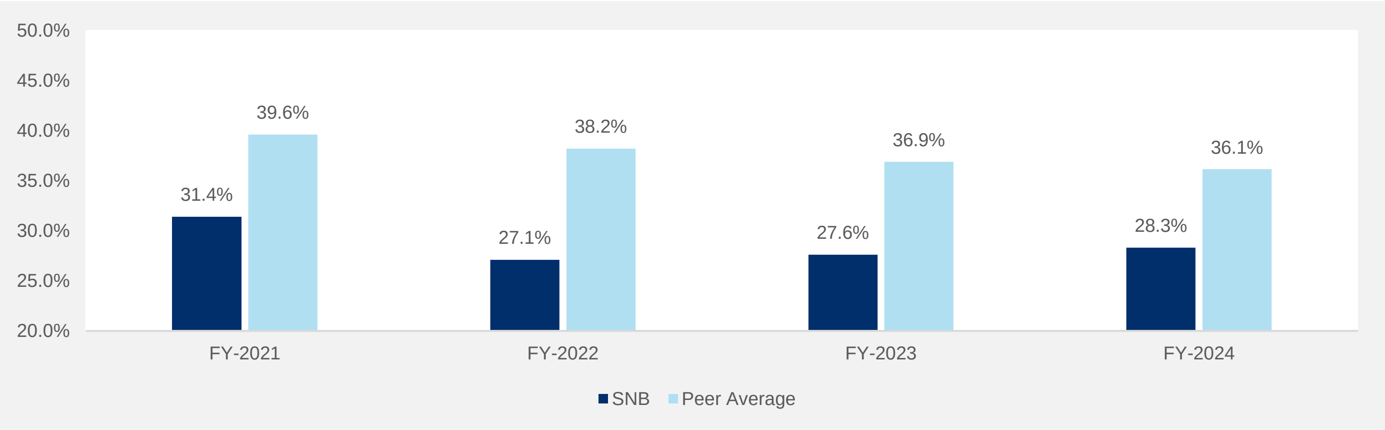


Source: Kamco Invest Research[9], SNB, Company filings

SNB's cost-to-income ratio consistently outperformed the peer average: SNB is reported to be the largest bank in the region by assets, it reported cost-to-income ratio is 28.3% (second-best) after Al Rajhi Bank at 24.9%, although SNB's headline number is slightly higher at 30.6%, as it doesn't account for amortization expenses which is related to SAMBA deposit relationships which will be amortized over ten years. The domestic cost-to-income ratio improved by 20 bps y-o-y to 25.4% in FY-2024. This group's cost-to-income ratio increased by 70 bps because of international operations, which contributed to a 104 bps increase, while the retail and wholesale combined partially mitigated the impact by improving by 26 bps. Under its updated strategy focuses on automating and increasing operating leverage through improved digitalization, acting as a key catalyst across segments. The benefits would be more visible in the long term but in the mid-term, the bank aims to achieve the cost-to-income ratio of 30-32%.

[8] *POCI – Purchased or Originated Credit Impaired*
[9] *Calculated figures for Bank Albilad and Arab National Bank*

Cost-to-Income Ratio: SNB vs Peer Average

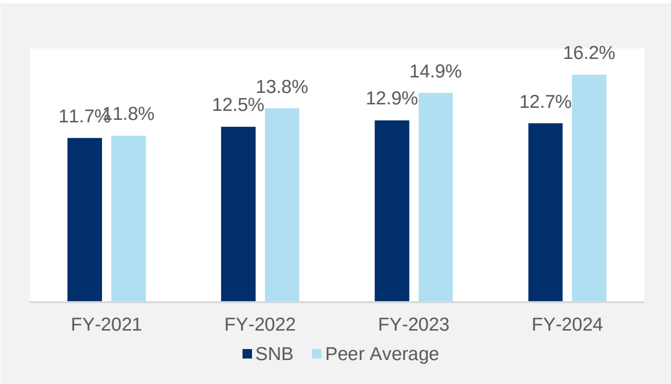


Source: Kamco Invest Research[10], SNB, Company filings

Lower P/B valuation, improving RoE: Historically, SNB's return on equity (RoE) has trailed the peer average, primarily due to operational headwinds during the post-merger integration phase. However, the bank has since capitalized on the interest rate upcycle, with contributions from both its corporate and retail lending portfolios. Looking ahead, we expect profitability to improve, driven by favorable macroeconomic conditions, a stable interest rate outlook, improving cost efficiency, and a declining cost of risk—all of which should contribute to an upward trajectory in RoE.

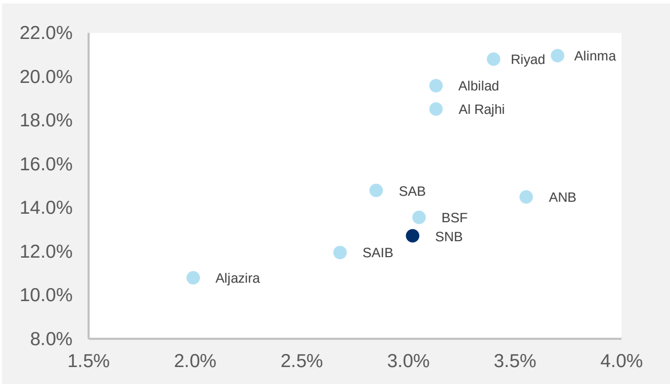
Since FY-2019, SNB's price-to-book (P/B) ratio has consistently traded below the peer average, despite a steady improvement in RoE. At present, the bank is valued at a P/B of 1.3x with a RoE of 12.7%, compared to peer averages of 1.5x and 16.2%, respectively (excluding Al Rajhi). This valuation gap, in our view, presents potential for a re-rating as the bank continues to strengthen its fundamentals.

RoE: SNB vs Peer Average



Source: Kamco Invest Research, Refinitiv[11]

NIMs vs RoE



Source: Kamco Invest Research, SNB, Company filings[12]

Earnings momentum strengthens on non-funded income and lower credit costs, despite margin headwinds: SNB's financial performance in Q4-2024 reflected a mixed set of results, characterized by modest growth in funded income alongside strong gains in net income. However, rising funding costs and continued pressure on net interest margins (NIMs) remain key headwinds to profitability. Funded income rose by 8.8% year-on-year, supported by healthy growth in core lending activities. Nevertheless, funding expenses increased sharply by 17.6%, driven primarily by elevated costs associated with debt securities. On the yields front, there was some contraction due to the rate cuts in Q4-2024. As a result, NIMs contracted by 18 basis points to 2.92%, despite an 11 bps improvement in the cost of funding during the quarter.

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[10] Return on Equity (RoE) sourced from Refinitiv
[11] Return on Equity = Net Income/ Average Common Equity, sourced from Refinitiv
[12] NIMs: FY-2024 sourced from company filings

Against this backdrop, SNB's operating income increased by 4.2%, underpinned by strong performance in fee and commission income, as well as a notable rise in non-funded income. This diversification of revenue streams highlights the bank's resilience and adaptability in a dynamic market environment. Impairments rose by 11% for the full year, though encouragingly, they declined sharply by 95% in Q4-2024, indicating an improvement in asset quality.

Net income was a standout, registering a 4.9% increase for FY-2024 and a substantial 84.7% surge in Q4-2024. This translated into strong earnings per share (EPS) growth—up 6.5% annually and an impressive 89.5% in the fourth quarter alone. The bank's strong earnings momentum positions it well for sustained profitability, contingent on its ability to manage margin compression in a potentially lower rate environment and control rising operating costs.

Management guidance revised upward for loan growth: SNB has revised its loan growth guidance upwards from high single digit to low double digits for FY-2025. The bank expects corporate loans to outpace retail loans. Our expectations are in line with the bank. SNB expects an increase in its NIM growth in mid-to-high single digit. Our expectations on NIMs are a bit conservative due to the liquidity scenario of KSA banks which might take some time to normalize and the global uncertainty around tariff wars and stagflation. Our cost-to-income expectation is a bit higher than the management's guidance of 28% in FY-2025 as we believe the recent offshore borrowing activity and the reliance on inter-bank funding coupled with acquiring HNI/affluent CASA accounts through attractive proposals might increase the bank's cost to income ratio going forward.

SNB Financials

Balance Sheet (SAR Mn, unless stated otherwise)	FY-2022	FY-2023	FY-2024	FY-2025E	FY-2026E	FY-2027E
Assets						
Cash and balances with SAMA	41,611	47,499	42,120	47,045	48,733	52,820
Due from banks and FIs	16,497	34,563	21,088	22,850	24,741	28,442
Investments	2,58,538	2,69,129	2,92,487	3,09,154	3,29,885	3,33,174
Other assets	30,623	31,754	41,565	43,268	45,267	45,119
Net Loans	5,45,311	6,01,527	6,54,252	7,45,883	8,17,782	8,91,396
Property and equipment and right of use assets	9,993	11,000	11,888	12,731	13,723	14,772
Goodwill and other intangibles	41,389	40,569	39,749	38,246	37,388	36,530
Total Assets	**9,43,962**	**10,36,042**	**11,03,149**	**12,19,178**	**13,17,519**	**14,02,253**
Liabilities						
Due to banks and other FIs	1,50,995	1,81,142	1,85,120	2,01,388	2,24,072	2,40,677
Customers' deposits	5,68,283	5,90,051	5,79,762	6,72,073	7,49,738	8,12,620
Debt securities in issue	12,987	44,412	95,305	87,547	72,824	63,707
Other liabilities	46,453	44,847	50,692	54,936	56,919	59,734
Total Liabilities	**7,78,719**	**8,60,452**	**9,10,879**	**10,15,945**	**11,03,553**	**11,76,738**
Shareholder's Equity						
Share capital	44,780	60,000	60,000	60,000	60,000	60,000
Reserves	26,594	35,609	41,438	41,438	41,438	41,438
Retained earnings	21,966	9,157	14,351	24,309	35,043	46,591
Total shareholders' equity	**1,50,486**	**1,60,717**	**1,71,378**	**1,25,747**	**1,36,481**	**1,48,029**
Tier 1 sukuk	15,488	15,188	21,188	21,188	21,188	21,188
Total equity	**1,65,973**	**1,75,905**	**1,92,565**	**1,46,935**	**1,57,668**	**1,69,217**
Total Liabilities & Equity	**9,44,692**	**10,36,357**	**11,03,445**	**11,62,879**	**12,61,221**	**13,45,954**

Income Statement (SAR Mn, unless stated otherwise)	FY-2022	FY-2023	FY-2024	FY-2025E	FY-2026E	FY-2027E
Special commission income	34,393	49,857	57,842	61,111	61,753	66,475
Special commission expense	-8,106	-22,848	-30,112	-29,943	-29,506	-31,707
Net special commission income	**26,287**	**27,009**	**27,730**	**31,167**	**32,248**	**34,767**
Fee and other trading income	6,717	7,580	8,308	10,289	11,616	13,145
Total operating income, net	**33,005**	**34,589**	**36,038**	**41,457**	**43,864**	**47,912**
Operating expenses	-9,785	-10,357	-11,037	-11,645	-11,825	-13,076
Impairment charge for credit losses	-1,685	-923	-1,024	-1,588	-2,003	-2,191
Impairment charge for investments,	-258	-537	-363	-475	-1,649	-1,666
Total operating charge incl impairments	**-11,728**	**-11,817**	**-12,424**	**-13,708**	**-15,477**	**-16,933**
Net operating income	**21,277**	**22,773**	**23,615**	**27,748**	**28,387**	**30,979**
Share in earnings of associates	0	0	0	0	0	0
Pre-tax income:	**21,277**	**22,773**	**23,615**	**27,748**	**28,387**	**30,979**
(-) Zakat	-2,548	-2,664	-2,521	-3,030	-3,208	-3,656
Net income to common:	**18,729**	**20,109**	**21,094**	**24,718**	**25,180**	**27,324**
Earnings per share (SAR):	3.02	3.23	3.44	3.84	4.30	4.65

Source: Kamco Invest Research, SNB

Valuation & Financial Metrics	FY-2022	FY-2023	FY-2024	FY-2025E	FY-2026E	FY-2027E
Gross yield (%)	4.3%	5.8%	6.0%	6.0%	5.5%	5.5%
Cost of financing (%)	1.1%	2.9%	3.4%	3.2%	2.9%	2.8%
Net interest margin (%)	3.2%	2.9%	2.6%	2.8%	2.6%	2.6%
Cost of risk (%)	0.31%	0.15%	0.16%	0.21%	0.24%	0.25%
Cost to income ratio (%)	29.6%	29.9%	30.6%	28.1%	27.0%	27.3%
Dividend payout ratio (%)	47.0%	54.2%	55.2%	55.0%	62.0%	62.0%
Net loans/deposits (%)	96.0%	101.9%	112.8%	111.0%	109.1%	109.7%
Non-Performing Loan (NPL) ratio (%)	1.6%	1.2%	1.2%	1.2%	1.1%	1.2%
NPL coverage ratio (%)	127.0%	139.6%	135.3%	199.0%	212.6%	215.4%
Return on assets (RoA) (%)	2.0%	2.0%	2.0%	2.1%	2.0%	2.0%
Return on equity (RoE) (%)	12.5%	12.9%	12.7%	13.4%	14.1%	14.4%
Common Equity Tier 1 (CET1) ratio	16.1%	17.3%	17.6%	23.4%	24.1%	23.9%
Tier 1 capital ratio	18.3%	19.4%	20.3%	25.7%	26.2%	25.9%
Earnings per share (SAR)	3.02	3.23	3.44	3.84	4.30	4.65
Dividend per share (SAR)	1.42	1.75	1.90	2.22	2.55	2.76
Book value per share (SAR)	26.98	28.37	31.52	33.14	34.89	36.78
Tangible book value per share (SAR)	24.35	25.82	27.95	29.57	31.32	33.21
P/B (x)[13]	1.4x	1.3x	1.1x	1.0x	1.0x	0.9x
P/TB (x)[13]	1.4x	1.3x	1.1x	1.2x	1.1x	1.0x
P/E (x) [13]	12.9x	11.7x	9.8x	8.9x	7.9x	7.3x
Dividend yield (%)[13]	3.6%	4.6%	5.6%	6.5%	7.5%	8.1%

Source: Kamco Invest Research, SNB

[13] *Based on closing share price as of 17th April 2025 (Refinitiv) for FY-2025E, FY-2026E, and FY-2027E*

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