



## **Entity Rating Report**

**SNB Capital Company  
(Closed Joint Stock Company)**

**June 2025**

## **RELATED CRITERIA AND METHODOLOGY**

Rating Methodology for Asset Management Companies can be found on the website:

[www.tassnief.com](http://www.tassnief.com)

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# SNB Capital Company

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## Rating Summary

### 1.1 TASSNIEF Opinion:

<i><b>SNB Capital Company – Entity Rating</b></i>	
<i><b>Domicile</b></i>	<i>Saudi Arabia</i>
<i><b>Long-Term Rating</b></i>	<i>AA+</i>
<i><b>Outlook</b></i>	<i>Stable</i>
<i><b>Short-Term Rating</b></i>	<i>T-1</i>
<i><b>Rating Watch</b></i>	<i>No</i>
<i><b>Action Type</b></i>	<i>Assigned</i>
<i><b>Last Rating Action</b></i>	<i>N/A</i>

Tassnief has assigned a long-term entity rating of **“AA+” (Double A Plus)** and short-term entity rating of **“T-1”** to **SNB Capital Company**. The outlook on the rating is **“Stable”**.

## 1.2 TASSNIEF Rating Rationale:

The assigned ratings are underpinned by SNB Capital's ("SNBC" or the "Company") strategic significance to its parent, Saudi National Bank (SNB), and resulting advantages in the form of integrated franchise, unified branding, shared clientele, product portfolio synergies enabling cross-selling, and access to parent's credit facilities for growth financing. SNB Bank is a systemically important Bank in the domestic context and enjoys sound financial profile of the entity as evident from healthy profitability profile, robust capitalization indicators, sound asset quality and liquidity metrics.

On a standalone basis, ratings also incorporate dominant market position of SNB Capital in asset management services industry in terms of assets under management, strong franchise value, as well as leading positions in securities brokerage and investment banking businesses. Business risk profile draws support from diversified product portfolio and healthy revenue diversification. Strong operating profitability, a sizeable equity base, along with sound governance and risk management framework are also key rating drivers. Ratings also reflect increase in leverage indicators on account of short-term borrowings undertaken to fund growth in investment portfolio in line with setup of principal investments division. The principal investment division has grown over time and contributes significantly to the Company's profitability. Going forward, the Company is focused on growing revenue across all core segments, strengthening distribution, collaborating with fintech companies, actively engaging with banks including the parent bank and continued investment in human capital. These initiatives are expected to aid retention of market leadership and better financial performance over the rating horizon.

### **Largest asset manager in Saudi Arabia enjoying strong franchise value**

SNBC is the largest asset management company in Saudi Arabia with AUMs amounting to SAR 238.6b at end-2024 translating to leading market share of around 25%. It has also maintained the largest market share in asset management in terms of revenue over last three years. The Company is the largest Shariah-compliant asset manager globally. SNBC holds a dominant position in the asset management and the investment banking business across both, equity and debt capital markets, and a leading market share in the securities brokerage business. The institution enjoys strong franchise value, being ranked Number 1 on Forbes Top Asset Managers in the Middle East in 2025<sup>1</sup>, and awarded the Investment Bank of The Year Award in 2024 by Saudi Tadawul Group<sup>2</sup>. The Company also was the top performing equity fund (Tier 1) and shariah compliant equity fund (tier 1) over the 3 year and 5-year period which has resulted in the strengthening of the Company's franchise. SNBC also operates with substantial equity size and quantum of profit, demonstrating the scale and financial strength to serve clients across diverse market conditions.

### **Strong sponsor profile and systemic importance**

The assigned rating is underpinned by SNBC's ownership structure, with Saudi National Bank holding entire stake which is majority owned by the Public Investment Fund. SNB Bank is a systemically important Bank in the domestic context and enjoys sound financial profile as evident from healthy

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<sup>1</sup> <https://www.forbesmiddleeast.com/lists/top-40-asset-managers-2025/>

<sup>2</sup> <https://global-cmf.com/riyadh2025/awards>

profitability profile, robust capitalization indicators, sound asset quality and liquidity metrics. The AMC is positioned to leverage its relationship with its sponsor, Saudi National Bank, as an integrated franchise, through product distribution, cross-selling opportunities, operational synergies and access to credit facilities. Within Saudi Arabia, given its role in managing critical pension funds and other key assets, the asset manager holds systemic importance within the financial ecosystem. The AMCs investment decisions and risk management practices have broad implications for market stability and economic growth of the Kingdom.

#### **Domestic asset management industry has demonstrated strong growth amid Vision 2030-driven economic diversification**

Saudi AMC industry is dominated by a few large key players. However, in recent years, competitive intensity in the sector has increased on the back of notable AUM growth achieved by mid-sized and smaller firms. Industry AUMs increased at a 5-year CAGR of 10% between 2020-24 and amounted to SAR 987b at end-2024, at par with global growth. Equity remains the dominant class in terms of asset allocation while real estate investments have gained significant traction, driven by Vision 2030 economic diversification initiatives and massive infrastructure development projects. Growth has additionally been supported by growth of non-oil sectors<sup>3</sup> and increased foreign direct investment<sup>4</sup>.

#### **Diversified product portfolio provides substantial flexibility to investors and supports client retention**

The Company has a comprehensive investment offering and capital market services portfolio across the five business lines comprising asset management, securities brokerage, wealth management, investment banking and principal investments & funding. In asset management, the AMC offers investments in regional equities, money markets & fixed income, alternative investments, multi-assets and international equity. The Company has been proactive with regards to changing market trends, offering selected investment opportunities across alternatives comprising private equity and real estate. The AMC leverages its association with Saudi National Bank, to provide comprehensive wealth management services, supported by expertise in strategic asset allocation, corporate savings plans, and innovative financial planning tools. In securities brokerage, SNBC provides custody, asset servicing and value-added securities services, with a highly ranked equity research team. Investment banking services are characterized by strong relationship with government-related entities and private sector, and reputation as a pioneer in multiple debt capital market transactions.

#### **Moderate revenue diversification and strategic focus on distribution enhancement is expected to support retention of market leadership**

Revenue is moderately diversified across the three core segments, with 59% revenue contributed by asset management, followed by 30% from securities brokerage and 11% from investment banking. Segment wise revenue has remained largely same on a timeline basis. However, the AMC is focused on growing revenue across all three segments going forward. In asset management, SNBC is strengthening distribution, collaborating with fintech companies, actively engaging with banks

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<sup>3</sup> <https://www.arabnews.com/node/2591308/business-economy>

<sup>4</sup> <https://www.deloitte.com/middle-east/en/Industries/real-estate/perspectives/ksa-real-estate-predictions-2025.html>

Classification: [Restricted](#)

including the parent bank, investing in human capital, and doing product innovation particularly in relation to service offerings for corporate employees.

**Efficiency initiatives and consistent revenue growth to drive operating profitability**

Profitability profile remains strong, despite witnessing a decline in terms of operating margins over last three years, on account of limited growth in revenues and sizeable operating expenses as part of strategic initiative for strengthening human capital and resource capacity. Going forward, operating margins will be a function of consistent revenue growth, as the AMC shifts to a more scalable business model, with a higher level of operating efficiency.

**Strategic focus on principal investments has led to increase in leverage indicators which remain manageable; sizeable liquid investment portfolio supports liquidity position**

SNBC has a sizeable equity base, that has consistently grown on the back of profit retention. However, in line with strategic focus on principal investments, the Company notably increased its investment portfolio exposure, funded by short-term borrowings, which translated to an increase in interest bearing debt to equity to 1.04x at end-2024 (2023: 0.69x). However, coverages remained satisfactory with debt to operating profit plus recurring investment income amounted to 4.28x (2023: 3.0x). Liquidity profile is healthy and draws support from liquidity buffer in the form of financial investments with low exposure to credit risk. Liquid assets to total liabilities amounted to 92% at end-2024. Further comfort is drawn from availability of funding from the parent, along with credit lines from other banks.

**Robust governance framework, structured approach to strategic planning and experienced management team**

SNBC's corporate governance framework is sound with effective board oversight, internal control framework and robust IT infrastructure. Composition of Board & Board Committees is in line with best practices. Corporate governance assessment is further enhanced by experienced and stable senior management team which is supported by functioning management committees, well-defined roles and responsibilities, satisfactory performance evaluation criteria and clear reporting lines as per a formalized organogram. SNBC maintains a structured approach to strategic planning, regularly creating updated strategies that are shared both internally throughout the Company and with outside parties. The Company demonstrates a strong commitment to openness and accountability through comprehensive information provided on its website and in annual reports.

## 1.3 Rating Triggers

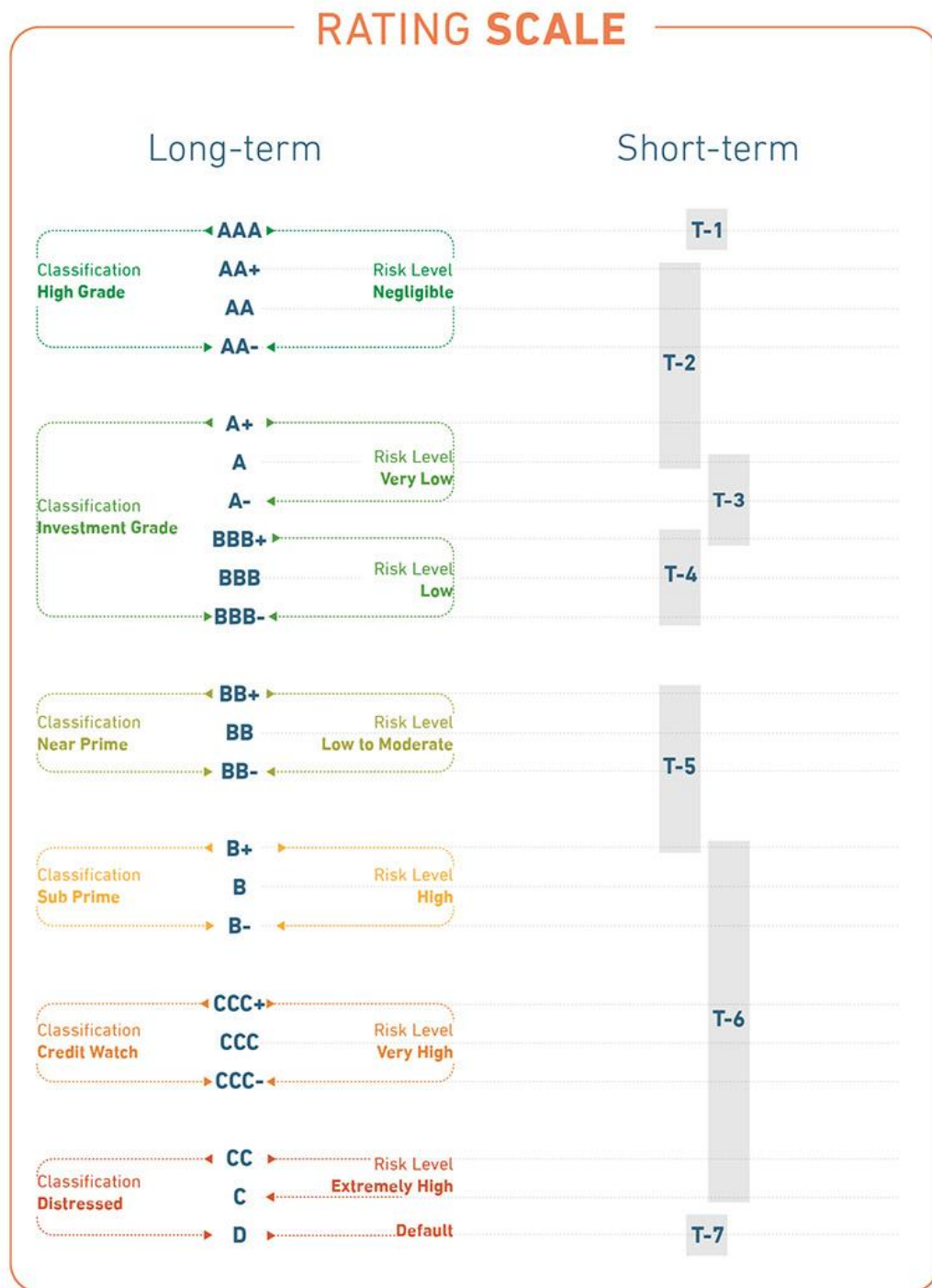
Sustained market leadership in assets under management alongside improvement in AUM profile (through further growth in retail AUMs) & business diversification, growth in operating profitability and improvement in financial flexibility are positive rating triggers. Negative rating triggers include a sustained decline in assets under management/market position and operating profitability, weakening in AUM profile and financial flexibility on account of sizeable increase in leverage position vis-à-vis current levels.

## 1.4 About the Company

SNB Capital Company (“SNBC” or the “Company”) is a Saudi Closed Joint Stock Company formed in 2005 and registered in KSA in 2007. The Company had at-least 450 employees as at end-2024. It is the largest asset management company in KSA in terms of assets under management. SNBC is a 100% owned subsidiary of Saudi National Bank.



## TASSNIEF's Long-term & Short-term Rating Scale



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Long-Term Rating Scale	Definitions
AAA	<b>Extremely Robust;</b> Tassnief considers the rated issuer or issuance hold the <b>highest creditworthiness</b> , thus <b>negligible credit risk</b>
AA+ AA AA-	<b>Very Robust;</b> Tassnief considers the rated issuer or issuance hold <b>very high creditworthiness</b> , thus <b>minimal credit risk</b> . Risk profile may vary slightly with changes in economic / sector conditions
A+ A A-	<b>Robust;</b> Tassnief considers the rated issuer or issuance hold <b>high creditworthiness</b> , thus <b>very low credit risk</b> . Risk profile may vary with changes in economic / sector conditions
BBB+ BBB BBB-	<b>Moderate;</b> Tassnief considers the rated issuer or issuance hold <b>adequate creditworthiness</b> , thus <b>low credit risk</b> . Risk profile may exhibit moderately high variation with changes in economic / sector conditions
BB+ BB BB-	Tassnief considers the rated issuer or issuance hold <b>low to moderate credit risk</b> . Risk profile may exhibit wide variation with changes in economic / sector conditions.
B+ B B-	Tassnief considers the rated issuer or issuance hold <b>very low creditworthiness</b> , thus <b>high credit risk</b>
CCC+ CCC CCC-	Tassnief considers the rated issuer or issuance hold <b>extremely low creditworthiness</b> , thus <b>very high credit risk</b>
CC C	<b>Highly speculative credit profile</b> , and the default is imminent
D	Tassnief considers the rated issuer or issuance have <b>defaulted or may default soon</b> .

\*\*\*\*End of Report\*\*\*\*