

Company

Saudi National Bank

3Q25 Result Review

Rating

Accumulate

Bloomberg Ticker

SNB AB

Date

22 October 2025

Results

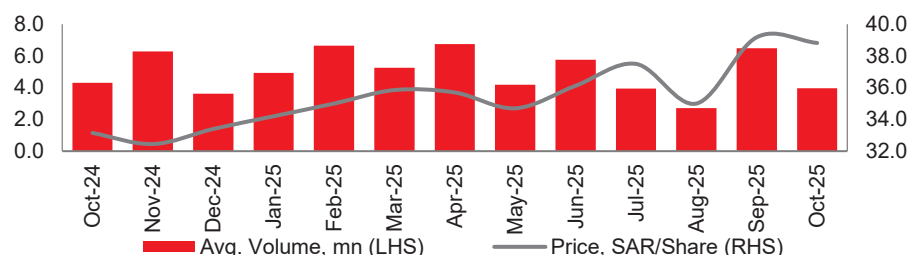
Target Price SAR	44.2
Upside/ Downside	13.9%

Current Market Price (SAR)	38.8
52wk High / Low (SAR)	40.4/31.6
12m Average Vol. (mn)	5.0
Mkt. Cap. (USD/SAR bn)	62.1/232.9
Shares Outstanding (mn)	6,000.0
Free Float (%)	62.7%
3M ADTV (SAR mn)	161.5
6M ADTV (SAR mn)	167.1
P/E'26e (x)	9.4
P/B'26e (x)	1.2
Dividend Yield '26e (%)	5.7%
Price Perf. (1m/3m) (%)	12.3/8.1

Research Department

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For our
last report

**Strong YoY growth in operating income during 3Q25**

SNB's operating income increased by 10% YoY to SAR 10.1bn in 3Q25. The growth was supported by a 21% YoY rise in fees and other income and 7% YoY increase in net special commission income. Fee and other income rose on higher investment gains and solid growth in fee income from banking services and foreign exchange income.

Net income hits record level, exceeding our expectations

Net income attributable to equity holders increased by 21% YoY, once again delivering record quarterly earnings in 3Q25. Net profit stood at SAR 6.5bn, aided by a 13% YoY decline in operating expenses, reflecting the continued success of cost optimization initiatives. The decrease in expenses was mainly driven by lower depreciation, rent, and general and administrative costs.

U-Capital View

SNB's loan book continues to expand at a healthy pace and is expected to maintain high single-digit growth over the medium term. The bank remains focused on improving its cost-to-income ratio while diversifying its revenue base through higher fee-based income and stronger investment returns. Considering these factors, we maintain an accumulate stance on SNB with the target price of SAR 44.2/share.

Financial Summary

(SAR bn)	3Q24	4Q24	1Q25	2Q25	3Q25	3Q25e	YoY	QoQ	Var.	9M24	9M25	YoY
P&L												
Op. Income	9.2	9.0	9.6	9.5	10.1	9.6	10%	7%	5%	27.0	29.3	8%
Op. Expenses	(2.9)	(2.8)	(2.7)	(2.8)	(2.5)	(2.8)	-13%	-10%	-11%	(8.3)	(8.0)	-4%
Net ECL charge	(0.2)	(0.0)	(0.0)	0.2	(0.2)	(0.1)	2%	NM	220%	(1.0)	(0.1)	-91%
Zakat and Tax	(0.7)	(0.7)	(0.7)	(0.7)	(0.8)	(0.7)	22%	9%	9%	(1.9)	(2.3)	22%
Net Income (Owners)	5.4	5.6	6.0	6.1	6.5	6.0	21%	5%	8%	15.6	18.6	19%
BS												
Assets	1,124.6	1,104.2	1,171.1	1,201.0	1,206.6		7%	0%		1,124.6	1,206.6	7%
Shareholders' Equity	167.9	171.4	172.2	178.6	179.8		7%	1%		167.9	179.8	7%
Loans & Advances	655.3	654.3	706.4	714.8	725.1		11%	1%		655.3	725.1	11%
Customer deposits	634.2	579.8	626.4	658.7	639.5		1%	-3%		634.2	639.5	1%
Ratios												
Cost to Income	31.2%	30.6%	28.4%	29.1%	24.6%	29.0%				30.6%	27.3%	
Loans to Cust. Dep	103.3%	112.8%	112.8%	108.5%	113.4%					103.3%	113.4%	
RoE (TTM)					13.8%							
P/E (TTM)					9.6							
P/B					1.3							

Source: Financials, Tadawul, Bloomberg, U Capital Research; NM - not meaningful



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Recommendation

BUY	ACCUMULATE	HOLD	REDUCE	SELL
Greater than 20%	Between +10% and +20%	Between +10% and -10%	Between -10% and -20%	Lower than -20%

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