

Company

Saudi National Bank

2Q25 Result Review

Rating

Buy

Bloomberg Ticker

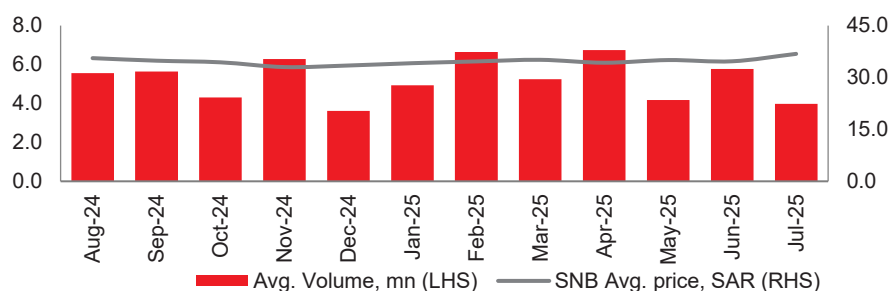
SNB AB

Date

23 July 2025

Results

Target Price SAR	49.3
Upside/ Downside	34.3%

**Operating income rose 7% YoY**

SNB's operating income increased by 7% YoY to SAR 9.5bn in 2Q25, broadly in line with estimates. The growth was supported by a 30% YoY jump in fee and other income. Net special commission income remained flat YoY as NIMs moderated (2.79% vs 3.08% YoY).

Net profit grew 17% YoY and 2% QoQ, aided by recoveries and cost control

Net profit stood at SAR 6.1bn, up 17% YoY and 2% QoQ, marking SNB's highest-ever quarterly earnings. Earnings were supported by a SAR 173mn net recovery in credit costs (vs provision of SAR 120mn in 2Q24), driven by strong asset quality and higher recoveries. Cost-to-income improved to 29.1% (vs 30.8% YoY), aided by stable operating expense and improving operational efficiency.

Healthy asset and deposit growth; maintain Buy

SNB's balance sheet expanded by 10% YoY, with net financing and advances rising 12% YoY and 1% QoQ, driven by wholesale lending and mortgages. Customer deposits rose by 4% YoY and 5% QoQ led by strong growth in CASA balances. Given this growth, we maintain our Buy rating on the stock with a target price of SAR 49.3.

Current Market Price (SAR)	36.7
52wk High / Low (SAR)	38.5/31.5
12m Average Vol. (000)	5,214.2
Mkt. Cap. (USD/SAR mn)	58,672/220,080
Shares Outstanding (mn)	6,000.0
Free Float (%)	62.7%
3m Av. Daily Value Traded (SAR mn)	172.6
6m Av. Daily Value Traded (SAR mn)	190.7
P/E'25e (x)	9.5
P/B'25e (x)	1.1
Dividend Yield '25e (%)	6.0%
Price Perf. (1m/3m) (%)	7.4/8.2

Research DepartmentEmail: ubhar-research@u-capital.netFor our
last report**Financial Statements**

(SAR bn)	2Q24	3Q24	4Q24	1Q25	2Q25	2Q25e	YoY (%)	QoQ (%)	Var (%)	1H24	1H25	YoY (%)
Income Statement												
Op. Income	8.9	9.2	9.0	9.6	9.5	9.4	7%	-1%	1%	17.9	19.1	7%
Op. Expenses	2.7	2.9	2.8	2.7	2.8	2.7	1%	1%	4%	5.4	5.5	2%
Net ECL charge	-0.1	-0.2	-0.0	-0.0	0.2	-0.3	NM	NM	NM	-0.8	0.1	NM
Net Profit	5.2	5.4	5.6	6.0	6.1	5.7	17%	2%	8%	10.3	12.2	18%
Balance Sheet												
Assets	1,088	1,125	1,104	1,171	1,201		10%	3%		1,088	1,201	10%
Shareholders' Equity	164	168	171	172	179		9%	4%		164	179	9%
Loans & Advances	637	655	654	706	715		12%	1%		637	715	12%
Customer deposits	633	634	580	626	659		4%	5%		633	659	4%
Key Ratios												
Cost to Income (%)	30.8%	31.2%	30.6%	28.4%	29.1%	28.3%						
Loans to Deposit	100.7%	103.3%	112.8%	112.8%	108.5%							
TTM RoE					13.4%							
TTM P/E (x)					9.5							
P/BV (x)					1.2							

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



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Disclaimer

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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