

The Saudi National Bank

Lower non-interest income weighs on earnings

October 21, 2026

Last Price: SAR 36.5 | YoY Performance: -6.6%

KEY TAKEAWAYS

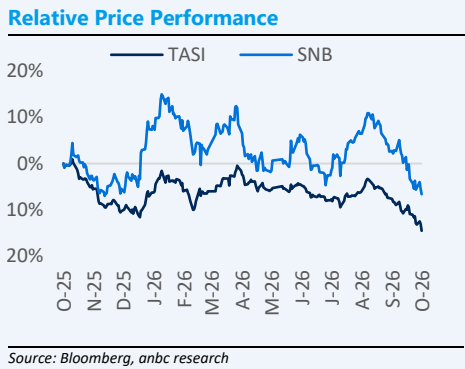
- Saudi National Bank (SNB) reported a net profit of SAR 6,450 mn in 3Q26 (-0.3% YoY and -2.4% QoQ), broadly in line with our estimate of SAR 6,697 mn, down by 3.7%. The deviation was mainly driven by a weaker than expected non interest income (SAR 417 mn below our estimate).
- Net interest income for the quarter arrived at SAR 8,048 mn (+10.2% YoY). The growth was supported by NIM expanding 18 bps YoY to 2.9%, with a 6.8% YoY decline in gross interest expense, while gross interest income rose marginally by 1.0%.
- Non interest income for 3Q26 amounted to SAR 2,318 mn (-18.4% YoY and -14.3% QoQ), 15.3% below our estimate. However, fee income from banking services reached SAR 1.4 bn (13% QoQ), supported by MSME growth. This implies that non fee items drove the sequential non interest income decline.
- Operating expenses during 3Q26 rose 9.0% YoY to SAR 2,716 mn, outpacing the total operating income growth of 2.2% YoY to SAR 10,366 mn. Resultantly, operating cost to income ratio rose by 164 bps YoY to 26.2% (-16 bps QoQ).
- Impairment provisions increased 39.8% YoY to SAR 323 mn in 3Q26 and came in 9.4% above our estimated provisions of SAR 295 mn. 9M26 impairments provisions totalled SAR 3 mn (-97% YoY), due to sizeable net reversals in 1H26.
- Loan book expanded 4.6% YoY to SAR 758.1 bn as of 3Q26. On a YTD basis, loans rose 4%, driven by a 7% YTD growth in corporate and MSME portfolio and a 4% YTD increase in retail financing. Deposits increased 4.7% YoY to SAR 669.9 bn, driving headline LDR down 21 bps YoY to 113.2%. On a QoQ basis, deposits fell 4.1%, due to cost of funds optimisation.
- Based on our last update, we maintain an 'Overweight' stance on the stock, with a target price of SAR 50/share. The stock is currently trading at a 2027f P/E and P/B of 8.5x and 1.0x, respectively.

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Issuer Information

Bloomberg Code	SNB AB
Last Price (SAR)	36.5
No of Shares (mn)	6,000
Market Cap bn (SAR/USD)	219.2 / 58.5
52-week High / Low (SAR)	43.7 / 34.0
12-month ADTV (mn) (SAR/USD)	186.0 / 49.6
Free Float (%)	62.7
Foreign Holdings (%)	18.8

Last price as of Oct 20th, 2026



Financials (SAR mn)	3Q26A	3Q26E*	Var (%)	3Q25A	YoY (%)	2Q26A	QoQ (%)
Net Interest Income	8,048	7,834	2.7	7,304	10.2	7,878	2.2
Non-Interest Income	2,318	2,735	-15.3	2,841	-18.4	2,705	-14.3
Total Income	10,366	10,569	-1.9	10,145	2.2	10,583	-2.0
Operating expenses	-2,716	-2,596	4.6	-2,492	9.0	-2,790	-2.7
Impairment provisions	-323	-295	9.4	-231	39.8	-258	25.2
Net Income	6,450	6,697	-3.7	6,469	-0.3	6,606	-2.4
Adj. EPS	1.02	1.04		1.04		1.07	
Assets	1,262,267	1,284,929	-1.8	1,206,607	4.6	1,244,688	1.4
Investments	324,271	342,152	-5.2	318,201	1.9	322,219	0.6
Loans & Advances	758,099	754,250	0.5	725,090	4.6	739,563	2.5
Deposits	669,863	701,919	-4.6	639,488	4.7	698,170	-4.1
Shareholders' Equity	209,283	218,386	-4.2	196,500	6.5	214,335	-2.4
NIM (%) - annualized	2.9	2.8	10 bps	2.7	18 bps	2.9	2 bps
Operating cost to income (%)	26.2	24.6	164 bps	24.6	164 bps	26.4	-16 bps
Provision/Loans (bps)	17.3	15.8	1 bps	12.8	4 bps	14.0	3 bps
Headline LDR (%)	113.2	107.5	572 bps	113.4	-21 bps	105.9	724 bps
Assets to Equity (x)	6.0	5.9	2.5	6.1	-1.8	5.8	3.9

*anbc estimates
Source: Company Financials, anbc research

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