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BANKS | SAUDI ARABIA

1Q26 RESULT REVIEW

Saudi National Bank

27 April 2026

Saudi National Bank (SNB AB) reported a net profit of SAR 6,423.0 mn in 1Q26 (Adj. EPS of 1.04), in line with our estimates of SAR 6,301.3 mn, up by 1.9%. Profitability growth was supported by a 3.4% YoY increase in net interest income and impairment reversals of SAR 578 mn, compared to an impairment expense of SAR 31 mn recorded in the same period last year. However, non-interest income declined by 8.7% YoY during 1Q26, while operating expenses rose 2.7% YoY, partially offsetting the profitability growth. We have upgraded our rating on the stock from 'Neutral' to 'Overweight', with a revised target price of SAR 50.2/share (previously SAR 46.1/share), implying an upside of 25.8% from the last close of SAR 39.9/share.

Saudi National Bank's operating income remained flat YoY at SAR 9,650.0 mn, up slightly by 0.4%. The 3.4% YoY growth in net interest income to SAR 7.5 bn was offset by an 8.7% YoY decline in non-interest income to SAR 2.2 bn. The bank reported a 10 bps YoY decline (-1 bps QoQ) in NIMs to 2.8% in 1Q26, resulting from the reduction in asset yields offsetting the decline in cost of funds. The decline in non-interest income was driven by lower investment income and higher other operating expenses, though partially offset by growth in fee income from banking services and FX.

On a sequential basis, SNB's operating expenses rose 48.3% to SAR 2.8 bn, due to the absence of a one-off recorded in 4Q25. On an annual basis, operating expenses rose 2.7% due to higher employee-related and G&A expenses. The bank recorded impairment reversals of SAR 578 mn on the back of strong credit quality, compared to impairment charge of SAR 31 mn in 1Q25.

Loan growth remained subdued at 3.7% YoY, reaching SAR 732.7 bn (+0.5% QoQ), while deposit growth gained traction, rising 6.2% YoY (4.6% QoQ) to SAR 665.5 bn in 1Q26. As a result, liquidity conditions improved, with the headline LDR easing to 110.1% in 1Q26, down from 112.8% in 1Q25 and 114.7% in 4Q25.

SNB benefits from a balanced exposure between retail and corporate loan portfolios. Improvement in liquidity conditions, with CASA ratio improving to 71.5% (share of CASA up 2% YTD), is expected to support NIMs. We have an 'Overweight' stance on the stock, with 2026e P/E of 9.6x and P/B of 1.2x.

Financials (SAR mn)	1Q26A	1Q26E*	Var (%)	1Q25A	YoY	4Q25A	QoQ
Net Interest Income	7,496	7,506	-0.1	7,251	3.4	7,506	-0.1
Non-Interest Income	2,154	2,551	-15.6	2,360	-8.7	2,421	-11.0
Total Income	9,650	10,058	-4.1	9,612	0.4	9,927	-2.8
Operating expenses	-2,801	-2,621	6.9	-2,727	2.7	-1,889	48.3
Impairment prov.	578	-353	-	-31	-	-942	-
Net Income	6,423	6,301	1.9	6,022	6.7	6,385	0.6
Adj. EPS	***1.04***	***1.01***		***0.96***		***1.05***	
Assets	1,228,496	1,251,152	-1.8	1,171,079	4.9	1,210,032	1.5
Investments	323,201	321,995	0.4	310,274	4.2	320,004	1.0
Loans & Advances	732,658	761,589	-3.8	706,430	3.7	729,311	0.5
Deposits	665,462	669,624	-0.6	626,394	6.2	636,094	4.6
Total Equity	214,658	206,198	4.1	194,119	10.6	203,827	5.3
NIM (%) - annualized	2.8	2.8	3 bps	2.9	-10 bps	2.8	-1 bps
Op. cost to inc. (%)	29.0	26.1	297 bps	28.4	66 bps	19.0	1,000 bps
Provision/Loans (bps)	-31.6	18.9	-51 bps	1.8	-33 bps	51.8	-83 bps
Simple LDR (%)	110.1	113.7	-364 bps	112.8	-268 bps	114.7	-456 bps
Assets to Equity (x)	5.7	6.1	-5.7	6.0	-5.1	5.9	-3.6

**anbc estimates*

Source: Tadawul, anbc research

RATING SUMMARY **OVERWEIGHT**

Target Price (SAR)	50.2
Upside/Downside (%)	25.8
Div. Yield (%)	5.8
Total Exp. Return (%)	31.5

Source: Company financials, anbc research

ISSUER INFORMATION

Bloomberg Code	SNB AB
Last Price (SAR)	39.9
No of Shares (mn)	6,000
Market Cap bn (SAR/USD)	239.6/63.9
52-week High / Low (SAR)	45.2/33.3
12-month ADTV (mn) (SAR/USD)	179.2/47.8

Close of 26th April, 2026

VALUATIONS

	2025	2026e	2027f	2028f
EPS (SAR)	4.0	4.1	4.6	4.9
PER (x)	9.9	9.6	8.7	8.1
PBV (x)	1.3	1.2	1.0	0.9
DPS (SAR)	2.2	2.3	2.5	2.7
Div. Yield (%)	5.4	5.8	6.4	6.8
RoAE (%)	13.4	12.8	12.6	12.0
RoAA (%)	2.2	2.1	2.1	2.1

Source: Company financials, anbc research

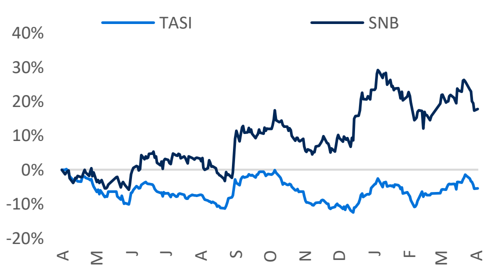
FINANCIALS (SAR bn)

	2025	2026e	2027f	2028f
Oper. Income	39.2	41.0	45.4	48.8
Provisions	1.0	1.5	1.7	1.9
Net Income*	24.0	24.9	27.5	29.5
Investments	320.0	343.9	383.3	425.1
Loans	729.3	785.5	859.7	938.1
Deposits	636.1	678.1	741.2	807.7
NIM (%)	2.9	2.7	2.8	2.8

**After Sukuk cost*

Source: Company financials, anbc research

RELATIVE PRICE PERFORMANCE



Source: Bloomberg, anbc research

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OVERWEIGHT	NEUTRAL	UNDERWEIGHT
Expected return is more than +15%	Expected return is between +15% & -10%	Expected return is lower than -10%

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