

Company

Saudi Awwal Bank

4Q25 Result Review

Rating

Buy

Bloomberg Ticker

SABB AB

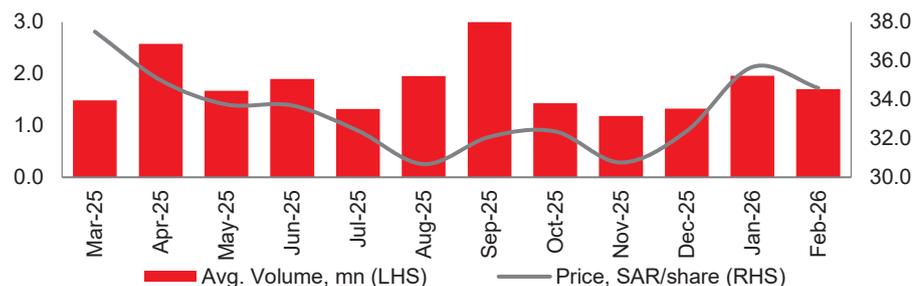
Date

25 February 2026

Results

Target Price SAR	43.2
Total Return	31.1%

Current Market Price (SAR)	34.6
52wk High / Low (SAR)	38.0/29.9
12m Average Vol. (mn)	1.8
Mkt. Cap. (USD/SAR bn)	19/71
Shares Outstanding (mn)	2,054.8
Free Float (%)	48.40%
3M ADTV (SAR mn)	54.5
6M ADTV (SAR mn)	57.4
P/E'26e (x)	8.5
P/B'26e (x)	1.0
Dividend Yield '26e (%)	6.4%
Price Perf. (1m/3m) (%)	-0.6/13.1

Research DepartmentEmail: ubhar-research@u-capital.net**Stable operating income growth maintained**

Saudi Awwal Bank reported stable operating performance in 4Q25, with operating income increasing 5% YoY to SAR 3.7bn. For FY25, operating income grew 5% YoY to SAR 14.7bn from SAR 14.0bn in FY24, underpinned by steady balance sheet growth.

Higher expected credit loss provision weighs on earnings

The company reported a modest decline in earnings in 4Q25, with net income falling 4% YoY to SAR 2.0bn, largely due to a sharp increase in expected credit loss provisions during the quarter. Despite this, total net income for FY25 increased 5% YoY to SAR 8.5bn, supported by steady operating income growth.

U-Capital View

Saudi Awwal Bank continues to deliver healthy loan growth, supported by strong customer deposit growth, which provides a solid funding base for balance sheet expansion. The bank's favorable loan-to-deposit ratio of 92.4% further enhances its capacity to sustain credit growth. Reflecting these factors, we maintain our Buy rating on the stock with an updated target price of SAR 43.2/share.

Financial Summary

(SAR bn)	4Q24	1Q25	2Q25	3Q25	4Q25	4Q25e	YoY	QoQ	Var.	FY24	FY25	YoY
P&L												
Op. Income	3.6	3.6	3.7	3.6	3.7	3.7	5%	2%	0%	14.0	14.7	5%
Op. Expenses	(1.1)	(1.1)	(1.1)	(1.1)	(1.2)	(1.1)	9%	6%	10%	(4.3)	(4.5)	4%
Provision for ECL, net	(0.1)	(0.1)	(0.2)	(0.1)	(0.3)	(0.1)	310%	220%	121%	(0.6)	(0.7)	24%
Zakat and Tax	(0.3)	(0.3)	(0.4)	(0.3)	(0.3)	(0.4)	-13%	-11%	-29%	(1.3)	(1.2)	-4%
Net Income	2.1	2.1	2.1	2.1	2.0	2.2	-4%	-5%	-6%	8.1	8.5	5%
BS												
Loans and Advances	259.3	278.8	282.6	292.9	298.6		15%	2%		259.3	298.6	15%
Customer Deposits	267.0	290.4	297.0	315.1	323.3		21%	3%		267.0	323.3	21%
Shareholders Eq.	60.3	63.8	64.1	65.7	67.0		11%	2%		60.3	67.0	11%
Ratios												
Cost to Income	30.7%	29.6%	28.9%	30.9%	31.9%	29.0%				30.6%	30.3%	
Loans to Cust. Deposit	97.1%	96.0%	95.2%	93.0%	92.4%					97.1%	92.4%	
P/E (TTM)					8.4							
RoE (TTM)					13.0%							
P/B					1.1							

Source: Financials, Tadawul, Bloomberg, U Capital Research

For our last report



Disclaimer

Recommendation

BUY

Greater than +10%

HOLD

Between
0% and +10%

SELL

Lower than 0%

Ubhar Capital SAOC (U Capital)

Website: www.u-capital.net

PO Box 1137, PC 111, Sultanate of Oman

Tel: +968 2494 9036 | **Fax:** +968 2494 9099 | **Email:** research@u-capital.net

Disclaimer: This report has been prepared by Ubhar Capital (U Capital) Research and is provided for information purposes only. Under no circumstances is it to be used or considered as an offer to sell or solicitation of any offer to buy. While all reasonable care has been taken to ensure that the information contained therein is not untrue or misleading at the time of publication, we make no representation as to its accuracy or completeness and it should not be relied upon as such. The company accepts no responsibility whatsoever for any direct or indirect consequential loss arising from any use of this report or its contents. All opinions and estimates included in this document constitute U Capital Research team's judgment as at the date of production of this report and are subject to change without notice. This report may not be reproduced, distributed or published by any recipient for any other purpose.