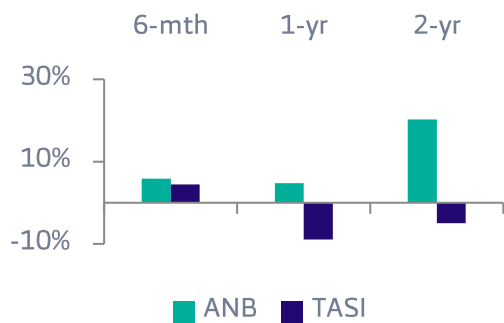


Market Data	
52-week high/low	SAR 26.26/19.50
Market Cap	SAR 44,900 mln
Shares Outstanding	2,000 mln
Free-float	49.98%
12-month ADTV	1,467,792
Bloomberg Code	ARNB AB



Soft Quarter, Fundamentals Intact

February 05, 2026

Upside to Target Price 24.7%
 Expected Dividend Yield 6.0%
 Expected Total Return 30.7%

Rating Buy
 Last Price SAR 22.45
 12-mth target SAR 28.00

ANB	4Q2025	4Q2024	Y/Y	3Q2025	Q/Q	RC Estimate
Net Commission Income	1,947	1,982	(2%)	2,008	(3%)	2,011
Total Operating Income	2,367	2,371	(0%)	2,392	(1%)	2,408
Net Income	1,146	1,256	(9%)	1,329	(14%)	1,220
Net Financing	195,299	169,495	15%	191,356	2%	195,165
Deposits	209,287	182,198	15%	210,697	(1%)	214,911

(All figures are in SAR mln)

- Loans expanded by +15% Y/Y and +2% Q/Q to SAR 195 bln, in-line with our forecast. Customer deposits also grew by +15% Y/Y, however, they declined by -1% Q/Q to SAR 209 bln. As a result, the loan-to-deposit ratio (LDR) increased to 93% in 4Q25 versus 91% in 3Q25.
- NSCI declined by -2% Y/Y and -3% Q/Q, reaching SAR 1.9 bln. The sequential decline was primarily attributed to a lower asset yield—particularly from the investment portfolio— alongside higher funding costs related to financing activities.
- Total operating income fell by -0.2% Y/Y and -1% Q/Q, largely reflecting the weaker NSCI, which more than offset other income stream.
- Operating expenses increased by +1% Y/Y and +7% Q/Q, driven mainly by higher costs salaries and employee related costs. Net provisions for expected credit losses declined sharply by -44% Y/Y, however, they increased by +27% Q/Q to SAR 152 mln, broadly in line with our estimate of SAR 154 mln.
- ANB reported a net profit of SAR 1.14 bln, down -9% Y/Y and -14% Q/Q, below our estimate and consensus of SAR 1.22 bln and SAR 1.25 bln respectively. The quarterly decline was mainly attributable to weaker NSCI and higher operating expenses, and a notable sequential increase in ECL provisions. The bank declared a cash dividend of SAR 0.65 per share for 2H25.
- While near-term performance was weighed down by margin pressure, driven by higher funding costs and softer investment income, ANB’s underlying fundamentals remain solid, supported by a strong funding base and a structurally high CASA ratio. These factors should support margin normalization over the medium term as funding conditions stabilize. Accordingly, we maintain our Buy recommendation with a target price of SAR 28.00.

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■ Stock Rating

Buy	Neutral	Sell	Not Rated
Expected Total Return Greater than +15%	Expected Total Return between -15% and +15%	Expected Total Return less than -15%	Under Review/ Restricted

The expected percentage returns are indicative, stock recommendations also incorporate relevant qualitative factors

For any feedback on our reports, please contact research@riyadcapital.com

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