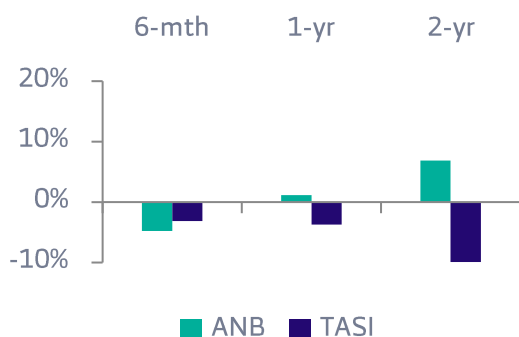


Market Data	
52-week high/low	SAR 26.26/19.60
Market Cap	SAR 45,600 mln
Shares Outstanding	2,000 mln
Free-float	49.97%
12-month ADTV	1,533,259
Bloomberg Code	ARNB AB



Earnings Supported by Yield-Cost Strength

April 23, 2026

Upside to Target Price 22.8%
 Expected Dividend Yield 5.9%
 Expected Total Return 28.7%

Rating Buy
 Last Price SAR 22.80
 12-mth target SAR 28.00

ANB	1Q2026	1Q2025	Y/Y	4Q2025	Q/Q	RC Estimate
Net Commission Income	2,112	1,954	8%	1,990	6%	1,990
Total Operating Income	2,589	2,512	3%	2,419	7%	2,562
Net Income	1,359	1,304	4%	1,147	18%	1,237
Net Financing	198,639	179,057	11%	195,299	2%	201,158
Deposits	208,021	195,619	6%	209,287	(1%)	211,380

(All figures are in SAR mln)

- Loans expanded by +11% Y/Y and +2% Q/Q to SAR 199 bln, in-line with our forecast of SAR 201 bln. Customer deposits increased by +6% Y/Y, but declined by -1% Q/Q to SAR 208 bln. Consequently, the loan-to-deposit ratio (LDR) rose to 96% in 1Q26 compared 93% in 4Q25.
- NSCI increased by +8% Y/Y and +6% Q/Q, reaching SAR 2.1 bln, broadly in line with our estimate. The sequential growth was primarily attributed to a higher asset yield alongside easing funding costs.
- Total operating income rose by +3% Y/Y and +7% Q/Q to SAR 2.59 bln, in line with our estimate of SAR 2.56 bln, supported stronger NSCI, and growth in non-funded income, including net fee and commission income, dividend income, and trading income.
- Total operating expenses increased +10% Y/Y, but declined -7% Q/Q, reflecting lower salaries and employee related expenses. Net provisions for expected credit losses declined sharply by -34% Y/Y and -11% Q/Q, to SAR 135 mln, outperforming our estimate of SAR 206 mln, primarily driven by improving asset quality.
- ANB reported a net profit of SAR 1.36 bln, up +4% Y/Y and +18% Q/Q, above our estimate and consensus of SAR 1.24 bln and SAR 1.19 bln, respectively. The sequential improvement was driven by stronger NSCI, improved operating efficiency and a notable decrease in ECL provisions.
- ANB's underlying fundamentals remain solid, supported by margin resilience and a structurally strong CASA base. While the bank remains exposed to rate cuts, its favorable funding mix should help cushion margin compression. Coupled with ongoing improvements in operating efficiency, this supports a resilient earnings profile and positions the bank well to sustain profitability going forward. In light of these fundamentals, we maintain our target price and our rating.

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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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