

Saudi Banking Sector

April 27, 2026

Recalibrating earnings estimates amidst moderating loan growth and protracted easing cycle

We update our estimates for the banks under coverage as banks have entered 1Q26 reporting season against a backdrop of moderating macroeconomic backdrop. Three intersecting themes define the operating environment: (i) SAMA's 100-bps countercyclical capital buffer (effective May-26), (ii) potential risk of moderation in non-oil private sector activity, primarily driven by the slowdowns in 1Q26, and (iii) expectations of a protraction in easing cycle. In response, we revise our 2026 credit growth forecast to 7.8% YoY from 11.7% estimated previously and raise our universe's average cost of risk to 35 bps from 27 bps earlier forecast. Aggregate 2026 net profit estimates of anbcapital banking universe are marginally revised upward by 0.3% to SAR 83.2 bn (+6.5% YoY), with ~12 bps improvement in average NIMs from our previous estimates, which partially offsets the impairment provisioning drag. Within our coverage, SNB, RIBL, and SAB are our preferred picks.

1Q26 net profit rose 1.5% QoQ, +8.2% YoY. Aggregate 1Q26 net profit (pre-AT1) for our banking universe arrived at SAR 20.3 bn, up 1.5% QoQ and 8.2% YoY. Net interest income growth of 8.0% YoY is the primary driver for profitability expansion, as NIM compression of ~10 bps YoY was largely offset by YoY loan growth of 7.2% and investments uptick of 4.3% during 1Q26. On QoQ basis, credit growth remained moderate at +1.3%. Non-interest income witnessed a 10.2% QoQ downtick, likely due to pressures on fee-based income following SAMA's new guidance for service fees and credit regulations. This resulted in a 1.9% QoQ decline in total operating income for the quarter. However, operating expenses rose by 6.5% QoQ during 1Q26, resulting in a 224 bps QoQ expansion in operating cost to income to 28.4%. On an annual basis, operating expenses rose 6.3%, translating into a 19 bps YoY increase in cost to income ratio.

Loan growth revised down to 7.8% YoY in 2026e (from 11.7% previously). SAMA's 100-bps counter cyclical buffer (effective May-26) has been the primary supply-side constraint since 2H25. Recently, there has been a weakening in financing, as evidenced by 9.6% YoY growth in total loans by banks in KSA in Feb-26 (lowest since March-20) and contraction in Mar-26 PMI to 48.8 points (lowest since Aug-20). This contraction is likely to translate into more cautious inventory management and delayed expansion plans by corporates, thereby dampening demand for short-term financing. Consequently, we expect moderation in working capital utilization and a softer outlook for trade finance activity over the near term. Additionally, the mortgage market remains structurally subdued, with total number of new mortgage contracts by banks declining 31.0% YoY to 17,358 during 2M26. As a result, we revise our 2026e credit growth forecast to 7.8% YoY, from our previously estimated 11.7% YoY growth.

Liquidity: GRE inflows masking tighter underlying conditions. As per SAMA, deposit growth outpaced loan growth YTD in 2M26 (+3.9% vs. +1.2%), lowering headline LDR to 109.7% in Feb-26, from 112.7% as of 2025-end. However, 40.4% of inflows came from government related entities (GREs). Additionally, demand deposit mix declined to 48.9% (-366 bps YoY), keeping funding costs elevated. We project deposits to grow by 7.4% YoY during 2026e for our banking universe taking headline LDR to 108.5%.

Concerns about asset quality may prompt conservative approach. The weakening momentum in the non-oil private sector elevates the risk of emerging credit stress across corporates. In response, we expect banks to adopt a more prudent risk stance. Hence, we revise our cost of risk assumptions upward for our banking universe, with average cost of risk now projected at 35 bps for 2026e, compared to our previous estimate of 27 bps.

SECTOR COVERAGE

	Rating	Last Price (SAR)	Prev. TP (SAR)	New TP (SAR)
Al Rajhi Bank	Neutral	69	71	77
Saudi National Bank	Overweight	40	46	50
Alinma Bank	Neutral	25	28	28
Riyad Bank	Overweight	21	24	25
Saudi Awwal Bank	Overweight	34	42	44
Bank Albilad	Neutral	25	32	28

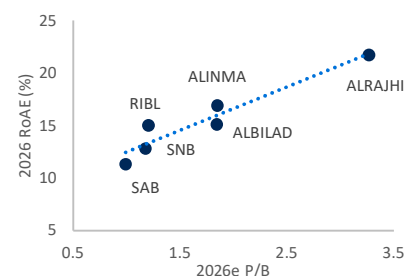
Close of 26th April, 2026

VALUATIONS (2026e)

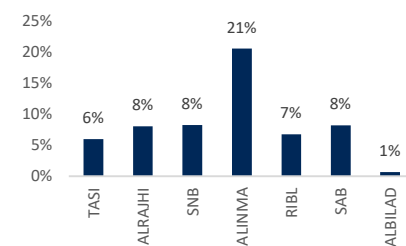
	PBV (x)	PER (x)	RoAE (%)	Div. Yld (%)
Al Rajhi Bank	3.3	15.8	21.7	3.5
Saudi National Bank	1.2	9.6	12.8	5.8
Alinma Bank	1.8	11.6	16.9	4.2
Riyad Bank	1.2	8.4	15.0	5.0
Saudi Awwal Bank	1.0	8.8	11.3	6.3
Bank Albilad	1.8	12.6	15.1	4.0

Source: Company financials and anbc research

VALUATIONS - PBV/RoAE



RELATIVE PERFORMANCE - BANKS (YTD)



Source: Bloomberg, anbc research

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Valuation Table

		Al Rajhi Bank	Saudi National Bank	Alinma Bank	Riyad Bank	Saudi Awwal Bank	Bank Albilad	Median
Last price (SAR)*		69.1	39.9	24.5	21.3	34.1	25.0	
Rating		Neutral	Overweight	Neutral	Overweight	Overweight	Neutral	
Target Price (SAR)		77.1	50.2	27.9	24.6	44.3	28.3	
Upside/Downside (%)		11.5	25.8	14.1	15.1	29.9	13.2	
Dividend Yield (%)		3.5	5.8	4.2	5.0	6.3	4.0	
Total Return (%)		15.0	31.5	18.3	20.1	36.1	17.1	
Growth (2020-2025)	Earnings	17%	17%	25%	16%	N/A	17%	17%
	Lending	19%	16%	16%	14%	14%	12%	15%
	Deposits	12%	9%	14%	10%	11%	13%	12%
Growth (2025-2030f)	Earnings	8%	9%	7%	6%	7%	8%	8%
	Lending	9%	9%	10%	9%	10%	10%	9%
	Deposits	8%	9%	9%	9%	10%	10%	9%
ROAE (%)	2024	19.7	12.3	17.8	16.0	12.6	17.6	16.8
	2025	21.8	13.4	17.2	16.0	11.7	16.6	16.3
	2026e	21.7	12.8	16.9	15.0	11.3	15.1	15.1
	2027f	21.4	12.6	16.4	14.8	11.6	15	14.9
ROAA (%)	2024	2.2	2.0	2.3	2.2	2.0	1.9	2.1
	2025	2.5	2.2	2.2	2.1	1.9	1.9	2.2
	2026e	2.6	2.1	2.1	1.9	1.7	1.8	2.0
	2027f	2.6	2.1	2.0	1.9	1.7	1.7	2.0
PBV (x)	2024	4.2	1.4	2.2	1.4	1.1	2.2	1.8
	2025	3.6	1.3	2.1	1.3	1.0	2.0	1.7
	2026e	3.3	1.2	1.8	1.2	1.0	1.8	1.5
	2027f	2.9	1.0	1.7	1.1	0.9	1.7	1.4
PER (x)	2024	22.2	11.7	13.3	9.5	9.0	13.4	12.5
	2025	17.7	10.0	12.5	8.7	9.0	12.7	11.2
	2026e	15.8	9.6	11.6	8.4	8.8	12.6	10.6
	2027f	14.5	8.7	10.9	7.8	8.0	11.8	9.8
Dividend yield (%)	2024	2.6	4.5	4.3	6.0	5.9	1.7	4.4
	2025	2.4	5.4	3.1	4.9	5.9	4.0	4.5
	2026e	3.5	5.8	4.2	5.0	6.3	4.0	4.6
	2027f	3.8	6.4	4.6	7.0	6.8	4.2	5.5

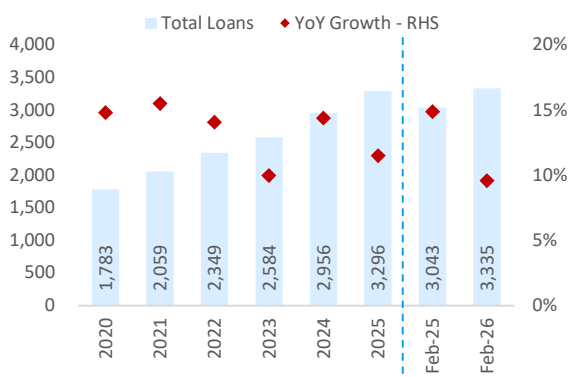
*Close of 26th April, 2026

Source: Company financials, anbc research

Given recent trends and expectations of moderating loan growth, higher provisions, and a protracted interest rate easing cycle, we update our estimates for our banking sector universe. Amid a confluence of both supply and demand side factors, we expect a slowdown in loan growth, with our estimates revised downwards from 11.7% to 7.8% YoY growth for our coverage universe during 2026e. Our 2026e net profit estimates remain largely unchanged, with a marginal upwards revision of 0.3% to SAR 83.2 bn (+6.5% YoY). The adjustment is primarily driven by a stronger than anticipated NIM performance in 2025, which averaged 3.12%, exceeding our prior estimate of 3.06%. The outperformance reflects that banks were able to manage funding cost pressures more effectively than the decline in asset yields. Reflecting this resilience, we have revised our 2026e average NIM upward to 3.04%, compared to 2.92% previously, indicating a more supportive margin outlook despite the ongoing easing cycle.

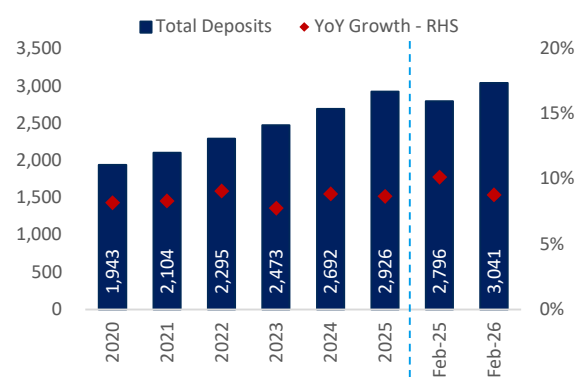
Additionally, we forecast a deposit growth of 7.4% YoY during 2026e for our coverage universe, resulting in liquidity conditions remaining tight with an LDR of 108.5% during 2026e, up 46 bps YoY. As per SAMA's latest update, liquidity conditions remain constrained across the banking sector. The 6M SAIBOR-SOFR spread averaged at 157 bps in Feb-26, remaining materially above the 1-year average of 145 bps, indicating that system liquidity pressures continue to persist at elevated levels.

Total financing (SAR bn)



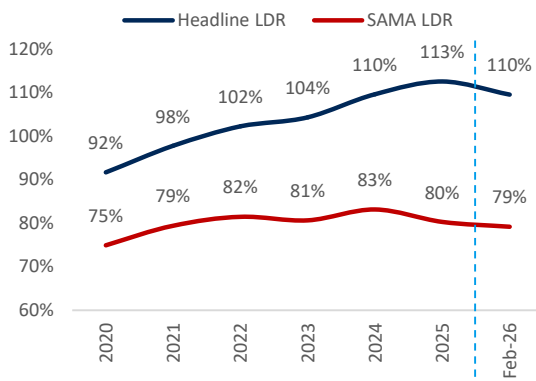
Source: SAMA, anbc research

Total deposits (SAR bn)



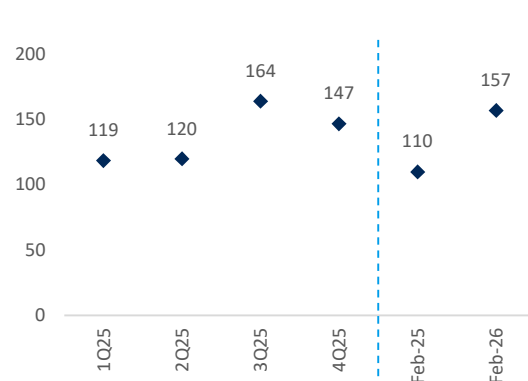
Source: SAMA, anbc research

Banking sector's liquidity position



Source: SAMA, anbc research

6M SAIBOR-SOFR spreads (bps)



Source: SAMA, anbc research



AlRajhi Bank

27 April 2026

AlRajhi Bank's (RJHI AB) net profit for 1Q26 came in at SAR 6,752.0 mn (Adj. EPS of 1.06), broadly in line with our estimates of SAR 6,579.2 mn, up by 2.6%. The growth in profitability was led by an 18.4% YoY growth in net-interest income. The rise in profitability was partly offset by a 17.7% YoY growth in operating expenditure, and a 20.2% YoY increase in impairment provisions. We maintain a 'Neutral' stance on the stock with a revised target price of SAR 77.1/share (previously SAR 70.9/share), based on new number of shares, implying an upside of 11.5% from the last close of SAR 69.1/share.

AlRajhi posted total operating income of SAR 10.5 bn, up 14.4% YoY during the quarter. Net interest income led the growth, rising 18.4% YoY to SAR 8.4 bn in 1Q26. Asset yields for 1Q26 arrived at 6.1%, up 27 bps YoY from 5.8% in 1Q25. Resultantly, NIM improved 39 bps YoY during the period to 3.5%.

Non-interest income rose marginally by 0.9% YoY to SAR 2.1 bn. We expect the pressure in non-interest income to persist in 2026e, given SAMA's revised regulations on new credit card regulations governing issuance, operation, and fees, which have been effective since Feb-26.

Operating expenses during the quarter rose to SAR 2.5 bn, up 17.7% YoY, leading to cost to income arriving at 23.3%, up from 22.7% a year earlier. However, cost to income improved on a sequential basis from 25.7% in 4Q25. Impairment provisions rose 20.2% YoY to SAR 631 mn, in line with our expectations. Resultantly, cost of risk rose moderately by 4 bps YoY to 34 bps.

Loan growth remained moderate at 4.3% YoY to SAR 753.7 bn (+0.1% QoQ), while deposit momentum improved, with a growth of 7.9% YoY (1.7% QoQ) to SAR 678.7 bn in 1Q26. This resulted in improved liquidity conditions, with headline LDR declining to 111.0% in 1Q26 from 114.9% in the same period last year and 112.8% in 4Q25.

Al Rajhi Bank retained its position as the largest lender in Saudi Arabia during 1Q26. The bank's high share of retail lending has enabled it to maintain healthy NIM amid declining interest rates. We maintain a 'Neutral' stance on the stock with 2026e P/E and P/B of 15.8x and 3.3x, respectively.

1Q26 RESULT REVIEW

Financials (SAR mn)	1Q26A	1Q26E*	Var (%)	1Q25A	YoY	4Q25A	QoQ
Net Interest Income	8,405	8,278	1.5	7,097	18.4	8,150	3.1
Non-Interest Income	2,123	2,246	-5.5	2,103	0.9	2,260	-6.0
Total Income	10,528	10,524	0.0	9,200	14.4	10,409	1.1
Operating expenses	-2,457	-2,535	-3.1	-2,088	17.7	-2,680	-8.3
Impairment prov.	-631	-648	-2.6	-525	20.2	-626	0.8
Net Income	6,752.0	6,579.2	2.6	5,906	14.3	6,375	5.9
Adj. EPS	1.06	1.03		0.94		1.01	
Assets	1,051,268	1,097,149	-4.2	1,023,080	2.8	1,043,268	0.8
Investments	173,081	190,927	-9.3	178,973	-3.3	174,305	-0.7
Loans & Advances	753,730	776,575	-2.9	722,785	4.3	752,760	0.1
Deposits	678,734	674,957	0.6	629,229	7.9	667,288	1.7
Total Equity	152,507	144,457	5.6	134,084	13.7	142,912	6.7
NIM (%) - annualized	3.5	3.4	12 bps	3.1	39 bps	3.4	13 bps
Op. cost to inc. (%)	23.3	24.1	-75 bps	22.7	64 bps	25.7	-241 bps
Provision/Loans (bps)	33.5	33.9	0 bps	29.7	4 bps	33.2	0 bps
Simple LDR (%)	111.0	115.1	-401 bps	114.9	-382 bps	112.8	-176 bps
Assets to Equity (x)	6.9	7.6	-9.2	7.6	-9.7	7.3	-5.6

*anbc estimates

Source: Tadawul, anbc research

RATING SUMMARY

NEUTRAL

Target Price (SAR)	77.1
Upside/Downside (%)	11.5
Div. Yield (%)	3.5
Total Exp. Return (%)	15.0

Source: Company financials, anbc research

ISSUER INFORMATION

Bloomberg Code	RJHI AB
Last Price (SAR)	69.1
No of Shares (mn)	6,000
Market Cap bn (SAR/USD)	414.6/110.6
52-week High / Low (SAR)	75.3/58.5
12-month ADTV (mn) (SAR/USD)	338.8/90.4

Close of 26th April, 2026

VALUATIONS

	2025	2026e	2027f	2028f
EPS (SAR)	3.9	4.4	4.8	5.2
PER (x)	17.7	15.8	14.5	13.4
PBV (x)	3.6	3.3	2.9	2.7
DPS (SAR)	1.7	2.4	2.6	2.8
Div. Yield (%)	2.4	3.5	3.8	4.1
RoAE (%)	21.8	21.7	21.4	20.9
RoAA (%)	2.5	2.6	2.6	2.6

Source: Company financials, anbc research

FINANCIALS (SAR bn)

	2025	2026e	2027f	2028f
Oper. Income	39.1	44.4	48.0	52.1
Provisions	2.3	3.2	3.4	3.7
Net Income*	23.4	26.2	28.6	30.9
Investments	174.3	207.9	229.0	240.9
Loans	752.8	792.2	868.2	955.3
Deposits	667.3	699.5	763.3	837.1
NIM (%)	3.2	3.5	3.5	3.5

*After Sukuk cost

Source: Company financials, anbc research

RELATIVE PRICE PERFORMANCE



Source: Bloomberg, anbc research

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

Saudi Awwal Bank

27 April 2026

Saudi Awwal Bank (SABB AB) recorded a net profit of SAR 2,086 mn for 1Q26, in line with our estimates of SAR 2,054 mn (variance of +1.6%). Profitability declined 2.3% YoY with NIM pressures leading to downtick in net interest income (-1.0% YoY). Additionally, impairment provisions rose 17.2% YoY to SAR 166 mn due to management's decision to increase expected credit losses amid recent geopolitical tensions. With headline LDR of 92.6% in 1Q26, SAB is among KSA's most liquid banks and is well positioned to expand its loan portfolio. We remain 'Overweight' on the stock with a revised target price of SAR 44.3/share (previously SAR 42.3/share), implying an upside of 29.9%.

During 1Q26, net interest income reported a decline of 1.0% YoY (-3.6% QoQ) to SAR 2,870 mn. The growth in interest earning assets, with loan book up 10.1% YoY in 1Q26, was offset by a 33 bps YoY decline in asset yields to 5.4% (-25 bps QoQ). Hence, NIMs fell to 2.8% in 1Q26 from 3.1% in 1Q25 and 2.9% in 4Q25. The QoQ decline of 3.6% in net interest income was partly due to absence of a one-off gain recorded in 4Q25.

Non-interest income (NII) rose 3.0% YoY to SAR 742 mn in 1Q26. Fee and exchange income declined due to SAMA's fee cap revisions, though this was partly offset by capital gains on investments. NII fell 2.1% QoQ from lower fee and exchange income.

Operating expenses increased 2.8% YoY to SAR 1.1 bn, with cost to income ratio (CIR) of 30.5% during 1Q26 (+90 bps YoY). However, opex declined 7.6% QoQ, reflecting cost management strategies, resulting in a 142 bps QoQ decline in CIR from 31.9% in 4Q25. The bank reported increasing expected credit losses in response to elevated geopolitical tensions, resulting in a 17.2% YoY uptick in impairment provisions to SAR 166 mn. However, the rise in expected credit losses was partially offset by a recovery from a legacy client, resulting in a 37.1% QoQ decline in impairment provisions.

SAB continued to post double digit credit growth, with loan book arriving at SAR 306.9 bn, up 10.1% YoY (+2.8% QoQ), with steady growth across both corporate and retail portfolios (+10% YoY, each). Deposits grew at a faster pace of 14.1% YoY to SAR 331.4 bn, resulting in 340 bps YoY decline in headline LDR to 92.6% in 1Q26. However, with deposits increasing 2.5% QoQ, headline LDR reported a 23 bps QoQ increase from 92.4% in 4Q25. Investments declined 4.9% YoY (-7.5% QoQ) to SAR 99.6 bn.

Saudi Awwal Bank's strong liquidity position provides sufficient capacity to expand its lending portfolio, supporting profitability despite declining NIMs. We have an 'Overweight' rating on SAB, with a TP of SAR 44.3/share. The stock is currently trading at a 2026e P/E of 8.8x and P/B of 1.0x.

Financials (SAR mn)	1Q26A	1Q26E*	Var (%)	1Q25A	YoY	4Q25A	QoQ
Net Interest Income	2,870	3,033	-5.4	2,899	-1.0	2,976	-3.6
Non-Interest Income	742	760	-2.3	720	3.0	758	-2.1
Total Income	3,612	3,792	-4.8	3,620	-0.2	3,734	-3.3
Operating expenses	-1,101	-1,191	-7.5	-1,071	2.8	-1,191	-7.6
Impairment prov.	-166	-278	-40.4	-142	17.2	-264	-37.1
Net Income	2,086	2,054	1.6	2,135	-2.3	2,047	1.9
Adj. EPS	0.94	0.92		0.98		0.88	
Assets	459,740	470,741	-2.3	426,872	7.7	454,454	1.2
Investments	99,551	113,587	-12.4	104,703	-4.9	107,642	-7.5
Loans & Advances	306,906	310,454	-1.1	278,836	10.1	298,627	2.8
Deposits	331,411	323,672	2.4	290,440	14.1	323,274	2.5
Total Equity	81,011	79,169	2.3	72,909	11.1	79,339	2.1
NIM (%) - annualized	2.8	2.9	-9 bps	3.1	-29 bps	2.9	-12 bps
Op. cost to inc. (%)	30.5	31.4	-92 bps	29.6	90 bps	31.9	-142 bps
Provision/Loans (bps)	21.9	36.6	-15 bps	21.1	1 bps	35.7	-14 bps
Simple LDR (%)	92.6	95.9	-331 bps	96.0	-340 bps	92.4	23 bps
Assets to Equity (x)	5.7	5.9	-4.6	5.9	-3.1	5.7	-0.9

*anbc estimates

Source: Tadawul, anbc research

RATING SUMMARY

	OVERWEIGHT
Target Price (SAR)	44.3
Upside/Downside (%)	29.9
Div. Yield (%)	6.3
Total Exp. Return (%)	36.1

Source: Company financials, anbc research

ISSUER INFORMATION

Bloomberg Code	SABB AB
Last Price (SAR)	34.1
No of Shares (mn)	2,055
Market Cap bn (SAR/USD)	70.1/18.7
52-week High / Low (SAR)	37.9/29.9
12-month ADTV (mn) (SAR/USD)	59.9/15.9

Close of 26th April, 2026

VALUATIONS

	2025	2026e	2027f	2028f
EPS (SAR)	3.8	3.9	4.2	4.7
PER (x)	9.0	8.8	8.0	7.3
PBV (x)	1.0	1.0	0.9	0.9
DPS (SAR)	2.0	2.1	2.3	2.6
Div. Yield (%)	5.9	6.3	6.8	7.6
RoAE (%)	11.7	11.3	11.6	12.2
RoAA (%)	1.9	1.7	1.7	1.8

Source: Company financials, anbc research

FINANCIALS (SAR bn)

	2025	2026e	2027f	2028f
Oper. Income	14.7	15.5	16.6	18.1
Provisions	0.7	1.1	1.2	1.2
Net Income*	7.8	8.0	8.7	9.7
Investments	107.6	111.2	119.3	128.0
Loans	298.6	331.0	364.9	401.3
Deposits	323.3	357.8	393.1	432.0
NIM (%)	3.0	2.9	2.8	2.8

*After Sukuk cost

Source: Company financials, anbc research

RELATIVE PRICE PERFORMANCE



Source: Bloomberg, anbc research

Alinma Bank

27 April 2026

Alinma Bank (ALINMA AB) posted a net profit of SAR 1,678.5 mn (Adj. EPS: SAR 0.48) in 1Q26, up 11.3% YoY (-2.6% QoQ). The result came in line with our estimates of SAR 1,685.7 mn (variance of -0.4%). The bank reported an 8.4% YoY uptick in net-interest income, while impairment provisions declined by 31.2% YoY, contributing to profitability growth. However, non-interest income remained flattish YoY (+0.7% YoY). The bank continues to post double-digit credit growth (+13.8% YoY in 1Q26). Along with its result, Alinma also announced a dividend of SAR 0.25/share for 1Q26. We revise our stance from 'Overweight' to 'Neutral' on the stock with a target price of SAR 27.9/share, implying a 14.1% upside from last close of SAR 24.5/share.

For 1Q26, net interest income arrived at SAR 2.5 bn, up 8.4% YoY (+0.7% QoQ). The annual growth was primarily due to double digit growth across investment and loan portfolios (increasing 16.5% YoY and 13.8% YoY, respectively). The increase in net interest income was partially offset by decline in asset yields from 6.4% in 1Q25 to 6.1% in 1Q26. Resultantly, NIMs fell 12 bps YoY to 3.4% during the quarter.

Non-interest income stood at SAR 534.6 mn in 1Q26, down 26.1% QoQ and flattish YoY (+0.7%). The sequential drop was due to lower fee, FVIS, exchange, and other operating income. Resultantly, total operating income fell 5.4% QoQ to SAR 3.0 bn. On an annual basis, the flattish trend in non-interest income reflected a decline in fee, exchange, and other operating income, though partially offset by higher FVIS income.

Operating expenses during 1Q26 rose by 8.6% YoY to SAR 982.5 mn (+2.3% QoQ). The higher growth in opex as compared to operating income resulted in a 48 bps YoY and 246 bps QoQ uptick in cost to income ratio to 32.6% during the quarter. However, impairment provisions during 1Q26 declined by 31.2% YoY and 47.4% QoQ to SAR 155.7 mn, due to better-quality assets acquired during the quarter and collection of recoveries from previously written-off accounts.

Alinma posted double digit YoY growth in loans and investments. Loan book increased by 13.8% YoY (+3.7% QoQ) to SAR 238.3 bn, while investments rose by 16.5% YoY (+10.5% QoQ) to SAR 57.6 bn. Deposits grew at a relatively slower pace of 9.5% YoY to SAR 239.6 bn, pushing headline LDR up 376 bps YoY to 99.5%.

Alinma's focus on balance sheet expansion, with concentration on expanding SME and corporate lending is expected to support profitability. With a 2026e P/E and P/B of 11.6x and 1.8x, respectively, we have a 'Neutral' stance on the stock.

Financials (SAR mn)	1Q26A	1Q26E*	Var (%)	1Q25A	YoY	4Q25A	QoQ
Net Interest Income	2,475	2,549	-2.9	2,283	8.4	2,457	0.7
Non-Interest Income	535	579	-7.6	531	0.7	723	-26.1
Total Income	3,010	3,127	-3.8	2,814	7.0	3,180	-5.4
Operating expenses	-983	-944	4.1	-905	8.6	-960	2.3
Impairment prov.	-156	-302	-48.4	-226	-31.2	-296	-47.4
Net Income	1,679	1,686	-0.4	1,508	11.3	1,724	-2.6
Adj. EPS	0.48	0.52		0.45		0.54	
Assets	324,291	315,680	2.7	287,222	12.9	311,067	4.3
Investments	57,604	57,449	0.3	49,457	16.5	52,150	10.5
Loans & Advances	238,325	233,934	1.9	209,435	13.8	229,747	3.7
Deposits	239,605	230,035	4.2	218,839	9.5	227,374	5.4
Total Equity	49,603	51,288	-3.3	42,952	15.5	48,241	2.8
NIM (%) - annualized	3.4	3.5	-12 bps	3.5	-12 bps	3.5	-8 bps
Op. cost to inc. (%)	32.6	30.2	246 bps	32.2	48 bps	30.2	246 bps
Provision/Loans (bps)	26.6	52.1	-25 bps	44.0	-17 bps	52.0	-25 bps
Simple LDR (%)	99.5	101.7	-223 bps	95.7	376 bps	101.0	-158 bps
Assets to Equity (x)	6.5	6.2	6.2	6.7	-2.2	6.4	1.4

*anbc estimates

Source: Tadawul, anbc research

RATING SUMMARY

NEUTRAL

Target Price (SAR)	27.9
Upside/Downside (%)	14.1
Div. Yield (%)	4.2
Total Exp. Return (%)	18.3

Source: Company financials, anbc research

ISSUER INFORMATION

Bloomberg Code	ALINMA AB
Last Price (SAR)	24.5
No of Shares (mn)	3,000
Market Cap bn (SAR/USD)	73.5/19.6
52-week High / Low (SAR)	25.5/20.0
12-month ADTV (mn) (SAR/USD)	156.0/41.6

Close of 26th April, 2026

VALUATIONS

	2025	2026e	2027f	2028f
EPS (SAR)	2.0	2.1	2.2	2.4
PER (x)	12.5	11.6	10.9	10.0
PBV (x)	2.1	1.8	1.7	1.6
DPS (SAR)	0.7	1.0	1.1	1.2
Div. Yield (%)	3.1	4.2	4.6	5.0
RoAE (%)	17.2	16.8	16.2	16.3
RoAA (%)	2.2	2.1	2.1	2.0

Source: Company financials, anbc research

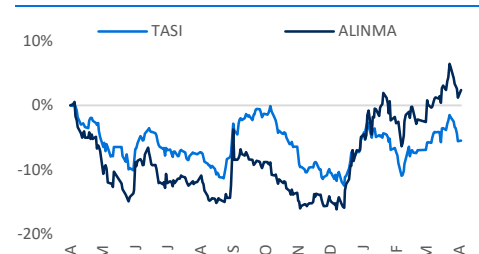
FINANCIALS (SAR bn)

	2025	2026e	2027f	2028f
Oper. Income	11.9	13.0	13.7	14.8
Provisions	1.1	1.3	1.4	1.5
Net Income*	5.9	6.3	6.7	7.3
Investments	56.6	59.5	63.7	66.6
Loans	229.7	255.2	282.5	310.8
Deposits	227.4	249.9	275.5	301.7
NIM (%)	3.5	3.4	3.3	3.3

*After Sukuk cost

Source: Company financials, anbc research

RELATIVE PRICE PERFORMANCE



Source: Bloomberg, anbc research

Riyad Bank

27 April 2026

Riyad Bank (RIBL AB) posted a net profit of SAR 2,613.5 mn (Adj. EPS of 0.62), broadly in line with our estimates of SAR 2,561.3 mn, up by 2.0%. Net profit increased by 5.1% YoY during the quarter, with growth driven by a 3.1% YoY growth in net interest income and 23.9% YoY decline in impairment provisions. Non-interest income remained stable on an annual basis, up slightly by 0.7% YoY. We have revised our stance from 'Neutral' to 'Overweight' on the bank with a target price of SAR 24.6/share, implying an upside of 15.1% from the last close of SAR 21.3/share.

Riyad Bank's operating income for 1Q26 reached SAR 4.6 bn, up 2.5% YoY (-1.1% QoQ). The growth was primarily driven by a 3.1% YoY growth in net interest income to SAR 3.4 bn. Net interest income improvement was primarily driven by an 11.2% YoY growth in loans & advances, though partially offset by a decline of 32 bps YoY in NIMs to 2.8%. On a sequential basis, NIM reported a 6 bps decline, resulting in net interest income decreasing by 0.6% QoQ.

Non-interest income remained flattish on an annual basis, up slightly by 0.7% YoY to SAR 1.2 bn. However, on a QoQ basis, non-interest income declined by 2.3%. We expect this decline to be due to the new fee regulation by SAMA, which came into effect during Feb-26. Overall, total operating income reported a 1.1% QoQ decline.

Operating expenses remained stable at SAR 1.4 bn (-0.5% YoY and +0.8% QoQ). Resultantly, operating cost to income posted an 89 bps YoY decline to 29.7%. Impairment provisions declined by 23.9% YoY to SAR 275.1 mn (-25.1% QoQ), resulting in a 15 bps YoY and 10 bps QoQ decline in cost of risk for the quarter.

RIBL recorded a loan growth of 11.2% YoY to SAR 377.0 bn (+1.0% QoQ). Deposit growth outpaced loans expansion, increasing at 15.9% YoY to SAR 352.6 bn, resulting in headline LDR declining by 453 bps YoY to 106.9%.

Riyad Bank's lending growth over recent periods has been one of the strongest in the sector, which indicates a high appetite for corporate lending. Credit expansion continues to support profitability, though declining NIMs presents a headwind. We have an 'Overweight' stance on the bank with a 2026e P/E of 8.4x and P/B of 1.2x.

Financials (SAR mn)	1Q26A	1Q26E*	Var (%)	1Q25A	YoY	4Q25A	QoQ
Net Interest Income	3,385	3,379	0.1	3,282	3.1	3,405	-0.6
Non-Interest Income	1,230	1,299	-5.3	1,221	0.7	1,259	-2.3
Total Income	4,614	4,678	-1.4	4,504	2.5	4,664	-1.1
Operating expenses	-1,372	-1,365	0.5	-1,379	-0.5	-1,361	0.8
Impairment prov.	-275	-467	-41.0	-362	-23.9	-367	-25.1
Net Income	2,614	2,561	2.0	2,486	5.1	2,641	-1.0
Adj. EPS	0.62	0.61		0.60		0.62	
Assets	537,083	519,898	3.3	466,455	15.1	519,481	3.4
Investments	86,842	82,559	5.2	69,722	24.6	79,513	9.2
Loans & Advances	377,047	373,958	0.8	338,991	11.2	373,305	1.0
Deposits	352,567	334,502	5.4	304,092	15.9	331,721	6.3
Total Equity	66,348	64,896	2.2	61,591	7.7	64,105	3.5
NIM (%) - annualized	2.8	2.9	-3 bps	3.1	-32 bps	2.9	-6 bps
Op. cost to inc. (%)	29.7	29.2	56 bps	30.6	-89 bps	29.2	56 bps
Provision/Loans (bps)	29	50	-21 bps	44	-15 bps	40	-10 bps
Simple LDR (%)	106.9	111.8	-485 bps	111.5	-453 bps	112.5	-559 bps
Assets to Equity (x)	8.1	8.0	1.0	7.6	6.9	8.1	-0.1

*anbc estimates

Source: Tadawul, anbc research

RATING SUMMARY

	OVERWEIGHT
Target Price (SAR)	24.6
Upside/Downside (%)	15.1
Div. Yield (%)	5.0
Total Exp. Return (%)	20.1

Source: Company financials, anbc research

ISSUER INFORMATION

Bloomberg Code	RIBL AB
Last Price (SAR)	21.3
No of Shares (mn)	4,000
Market Cap bn (SAR/USD)	85.3/22.8
52-week High / Low (SAR)	23.8/19.0
12-month ADTV (mn) (SAR/USD)	57.3/15.3

Close of 26th April, 2026

VALUATIONS

	2025	2026e	2027f	2028f
EPS (SAR)	2.5	2.5	2.7	2.9
PER (x)	8.7	8.4	7.8	7.3
PBV (x)	1.3	1.2	1.1	1.0
DPS (SAR)	1.0	1.1	1.5	1.6
Div. Yield (%)	4.9	5.0	7.0	7.6
RoAE (%)	16.0	15.0	14.8	14.8
RoAA (%)	2.1	1.9	1.9	1.9

Source: Company financials, anbc research

FINANCIALS (SAR bn)

	2025	2026e	2027f	2028f
Oper. Income	18.4	19.6	20.9	22.2
Provisions	1.4	2.0	2.1	2.1
Net Income*	9.8	10.1	10.9	11.7
Investments	79.5	101.7	108.3	114.8
Loans	373.3	405.5	439.4	483.4
Deposits	331.7	358.9	389.3	427.0
NIM (%)	3.0	2.8	2.7	2.7

*After Sukuk cost

Source: Company financials, anbc research

RELATIVE PRICE PERFORMANCE



Source: Bloomberg, anbc research

Bank Albilad

27 April 2026

Bank Albilad (ALBI AB) reported a net profit of SAR 735.8 mn (Adj. EPS: SAR 0.49) in 1Q26, up 5.1% YoY (-9.9% QoQ). The result came broadly in line with our estimates of SAR 749.6 mn, down by 1.8%. The increase in profitability was due to an 8.3% YoY growth in net-interest income. However, earnings growth was offset by a 10.5% YoY decline in non-interest income and a 35.2% YoY uptick in impairment provisions. The bank's cost efficiency continues to lag peers, with the bank's cost-to-income ratio remaining the highest (at 41.7% in 1Q26) within our banking universe. Hence, we revise our target price to SAR 28.3/share (previous TP of SAR 32.0/share). Based on the updated valuation, we downgrade our rating from 'Overweight' to 'Neutral' for the bank with an upside of 13.2% from last close of SAR 25.0/share.

Net interest income for 1Q26 amounted to SAR 1.3 bn, up 8.3% YoY (+3.3% QoQ). The growth in net interest income during the quarter was driven by 9.3% YoY increase in gross interest income to SAR 2.4 bn. During 1Q26, Bank Albilad's asset yields declined by 27 bps YoY to 5.9%, resulting in a downtick in NIMs to 3.1% from 3.3% in 1Q25.

Non-interest income for 1Q26 amounted to SAR 270.3 mn, down 10.5% YoY (-37.8% QoQ), due to decrease in net exchange, fee & commission, dividend, and other operating income. We expect non-interest income growth to remain subdued in 2026e following implementation of SAMA's revised service fees and credit regulations.

Operating expenses for 1Q26 rose marginally by 1.2% YoY to SAR 637.4 mn (-8.3% QoQ), resulting in cost to income ratio declining to 41.7%, down 137 bps YoY and 39 bps QoQ. Impairment provisions for 1Q26 increased 35.2% YoY to SAR 71.5 mn (+53.2% QoQ) due to increase in net impairment charge for expected credit losses on financing. Cost of risk for 1Q26 arrived at 22 bps, up 7 bps QoQ and 4 bps YoY.

Within our banking universe, Bank Albilad reported the highest growth in its loan portfolio of 15.5% YoY to SAR 129.8 bn. However, deposits growth lagged behind at 13.1% YoY to SAR 140.3 bn, resulting in increased liquidity pressures, with headline LDR rising 187 bps YoY to 92.5% at the end of 1Q26 (+57 bps QoQ). However, the bank's LDR still remains one of the lowest in the sector.

Bank Albilad's high cost to income presents a significant headwind to profitability. With a TP of SAR 28.3/share, we have revised our stance to 'Neutral' on the bank. The stock is currently trading at a 2026e P/E and P/B of 12.6x and 1.8x, respectively.

Financials (SAR mn)	1Q26A	1Q26E*	Var (%)	1Q25A	YoY	4Q25A	QoQ
Net Interest Income	1,259	1,227	2.6	1,162	8.3	1,218	3.3
Non-Interest Income	270.3	314	-13.8	302	-10	434	-37.8
Total Income	1,529	1,540	-0.7	1,464	4.5	1,653	-7.5
Operating expenses	-637	-648	-1.6	-630	1.2	-695	-8.3
Impairment prov.	-72	-57	26.1	-53	35.2	-47	53.2
Net Income	736	750	-1.8	700	5.1	817	-9.9
Adj. EPS	0.49	0.47		0.47		0.49	
Assets	179,959	175,166	2.7	159,103	13.1	172,972	4.0
Investments	31,339	28,592	9.6	26,389	18.8	31,123	0.7
Loans & Advances	129,803	124,130	4.6	112,427	15.5	122,188	6.2
Deposits	140,294	136,420	2.8	124,018	13.1	132,879	5.6
Total Equity	23,657	21,241	11.4	17,592	34.5	21,356	10.8
NIM (%) - annualized	3.1	3.1	2 bps	3.3	-17 bps	3.1	-1 bps
Op. cost to inc. (%)	41.7	42.1	-39 bps	43.0	-137 bps	42.1	-39 bps
Provision/Loans (bps)	22.7	18.4	4 bps	19.1	4 bps	15.5	7 bps
Simple LDR (%)	92.5	91.0	153 bps	90.7	187 bps	92.0	57 bps
Assets to Equity (x)	7.6	8.2	-7.8	9.0	-15.9	8.1	-6.1

*anbc estimates

Source: Tadawul, anbc research

RATING SUMMARY

NEUTRAL

Target Price (SAR)	28.3
Upside/Downside (%)	13.2
Div. Yield (%)	4.0
Total Exp. Return (%)	17.1

Source: Company financials, anbc research

ISSUER INFORMATION

Bloomberg Code	ALBI AB
Last Price (SAR)	25.0
No of Shares (mn)	1,500
Market Cap bn (SAR/USD)	37.5/10.0
52-week High / Low (SAR)	30.2/23.4
12-month ADTV (mn) (SAR/USD)	47.4/12.6

Close of 26th April, 2026

VALUATIONS

	2025	2026e	2027f	2028f
EPS (SAR)	2.0	2.0	2.1	2.4
PER (x)	12.7	12.6	11.8	10.6
PBV (x)	2.0	1.8	1.7	1.6
DPS (SAR)	1.0	1.0	1.1	1.2
Div. Yield (%)	4.0	4.0	4.2	4.7
RoAE (%)	16.6	15.1	15.0	15.5
RoAA (%)	1.9	1.8	1.7	1.8

Source: Company financials, anbc research

FINANCIALS (SAR bn)

	2025	2026e	2027f	2028f
Oper. Income	6.2	6.5	6.8	7.6
Provisions	0.2	0.2	0.2	0.2
Net Income*	3.0	3.0	3.2	3.5
Investments	31.1	32.7	36.9	41.5
Loans	122.2	134.2	149.1	164.2
Deposits	132.9	145.8	161.9	178.2
NIM (%)	3.2	3.0	2.9	2.9

*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%

Analyst Certification:

All of the views expressed in this report accurately reflect the personal views of the responsible analyst(s) about any and all of the subject securities or issuers. No part of the compensation of the responsible analyst(s) named herein is, or will be, directly or indirectly, related to the specific recommendations or views expressed by the responsible analyst(s) in this report.

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