

# Arab National Bank 2025 Earning Call Transcript

Thursday, 5 February 2026

## ***anb participants***

Mr. Saad AlDugish, Chief Financial Officer

Mr. Waleed K. Alhakeem, Head of Investor Relations

## ***Host***

Mr. Aybek Islamov, Director, Equity Research, HSBC

## ***Aybek Islamov***

Good afternoon, good morning, everyone. My name is Aybek Islamov. I'm an emerging markets financials equity research analyst at HSBC. On behalf of HSBC, I'm very glad to host you at Arab National Bank's Fourth Quarter 2025 or Full Year 2025 Earnings Call. With us today, we have the senior management team of Arab National Bank. And with no further ado, I'd like to hand over the call to Mr. Waleed, Head of Investor Relations. Over to you, Mr. Waleed.

## ***Waleed K. Alhakeem***

Thank you, Mr. Aybek, and good afternoon, ladies and gentlemen. Welcome to ANB 2025 fourth quarter and full year results call. To discuss the bank's results and performance, I'm joined today by Mr. Saad AlDugish, the Chief Financial Officer of ANB. The format of the call will be the following. Management will update you on the bank's performance in the past year and the execution of the strategy as well as guidance for 2026 and then your questions will be answered after our prepared remarks. The presentation slides being used today were already sent to you and also are available at the Investor Relations section of our website. So without any further delays, I'd like to turn the call over to the CFO to begin the presentation from slide number 4.

## **Saad AIDugish**

Thank you. Waleed. Salamu Alaykum. Good afternoon, ladies and gentlemen. Welcome to Arab National Bank full year 2025 earning call and thank you for joining. I hope the presentation will be useful and informative and give you a good picture of our performance and next-year plan. I will start with major highlights on slide 4. Overall, ANB continues to build a strong foundation of financial resilience, disciplined execution, and sustained performance achieved over recent year. The bank delivered a stable financial performance during 2025, providing a solid platform for continued growth in 2026. Corporate and retail books grew by 15.2% to SAR195.3 billion, which once again confirms our excellent origination power. We had also a higher growth almost 15%, to SAR209.3 billion in customer deposits, which reflects a strong customer confidence funding diversification.

Despite the pressure on interest-bearing deposit costs and the competition assets yield, our NIM was within our target at 3.44% by end of December 2025. Our net fee and commission income increased by 24% to SAR878 million. This increased due to increased transaction volume, services diversification, and enhanced customer engagement via bringing more innovative solutions. Other non-interest revenues also increased, by 22%.

Asset quality remained a key strength for anb supported by broadened risk management and controlled provisioning practices. We had all key risk metrics improved in 2025. Cost of risk was 37 basis point, NPL ratio was less than 1%, down to 0.94%, coverage is up to 168.7%, and share of Stage 1 loans was 92.6% which results from the growth in our loan book during 2025, while shares of Stage 2 and Stage 3 loans were 6.4% and 1%, respectively.

On the cost side, operating expense grew by 8.8% to SAR3.3 billion in line with our target. That was driven by our continued strategic investments in technology, digital platform, and employee benefits. These investments support the bank long-term growth agenda and operational excellence despite higher expenditures, and we maintain effective cost control with cost-to-income ratio at 33.8%. This is reflecting ongoing improvement and the process optimization and efficiency gains across the organization.

Overall operating income was almost 5% up to almost SAR10 billion supported by the expansion of the Bank's financing and investment portfolios, enhanced non-interest revenues and portfolio diversification. Net income up 3% to SAR5.1 billion supported by balanced growth across core revenue streams, effective cost management, and well-organized balance sheet optimization. Return on average equity, 11.61% compared to 13.26% on the back of balance sheet expansion and issuance of additional Tier 1 Sukuk.

We maintain comfortable liquidity with LDR 80.6%, and healthy capital levels: CET1 was 16.4% and total CAR exceeded 20%, 94 basis point up, as end of December 2025. As

you see, we continue to combine healthy growth rates with broadened funding model and solid capital adequacy. anb is well positioned to capture attractive business opportunities for profitable growth.

Moving to slide 5. Our businesses mix remains stable. It's optimal and successful. Corporate is the largest segment with 44% share in total assets and 74% share in the loan book. And the retail segment continues to be a large source of liquidity with 46% of total customer deposits, while its share in total assets and the loan book is 27% and 26%, respectively. Our total assets at the end of amounted to SAR281.4 billion. Loan portfolio was SAR195.3 billion or 69% of total assets.

Now, I will now hand over to Waleed to share with you an overview of the progress of our strategy in 2025. So I want to mention our strategy – the five-year strategy started in '2022, and 2026 is the last year for the existing strategy. Currently, we are working for the next five-year strategy, which will be announced in due time.

### ***Waleed K. Alhakeem***

Thank you very much. Would you please turn to slide number 7. So in corporate banking, we expanded and deepened our strategic relationships to broaden the revenue base. Overall, in the corporate banking area, we completed 25 initiatives, or 47% of strategic work streams. Going forward, we will be focusing on further diversifying our product offering, especially in the fintech area and developing tailored solutions for Vision 2030 projects.

Now, in retail and private banking, anb revamped the mobile app and further expanded the range of savings and investment products. 34 initiatives have been completed, which is 63% of what had been planned. Henceforth, we will focus on strengthening loyalty programs and accelerating digital engagements. On the treasury side, we have completed two initiatives that is diversified investment into higher yielding assets and upgraded the treasury systems. That allowed us to enhance yield and resilience of investment portfolio and build a strong prole in depth capital market through a string of successful issuances. We have three more treasury initiatives underway, focusing on building innovative treasury solutions in collaborations with the various business lines.

And finally, in the investment and brokerage business, through anb Capital, we have completed 13 initiatives or 72%. There is increased assets under management, executed a number of successful IB deals, launched sell-side research and institutional sales desk. So, moving forward, we will be focusing on further increasing assets under management.

Moving to slide 8, please. Digital banking is a key priority and a key area of development. anb is one of the fastest growing digital banks in the KSA with exponential growth in

digital banking operations and digital customer onboarding. In 2025, we continued to grow in digital banking. New customer acquisitions through digital channels grew by 24%, personal finance by 4%, and the volume of digital transactions was 11% up year-on-year. We also had high rates of product digital fulfillment, 100% for auto lease, 87% of credit card activations, 91% for housing loans, and 59% in personal loans. In 2025, we completed a comprehensive redesign of both our mobile banking app and retail internet banking platforms. Also, in Q4, we introduced a product focused on optimizing customer saving behavior. It allows us to deepen customer relationships and boost deposits growth.

Now moving to slide nine in the beginning of 2025 anb launched the new ESG strategy with very ambitious targets, and we received excellent rating on sustainable finance framework from sustainable Fitch, the agency noted that anb has incorporated ESG considerations into risk management and credit review process, ensuring a comprehensive assessment of ESG risks during the project evaluations and selection phases. We also received ESG score of 36 from S&P Global, we are rated among top Saudi bank in ESG and S&P noted anb's particular strength in human capital, financial inclusions, business ethics and risk management, where we are rated significantly above global average.

I will turn over to Mr. Saad for the remainder of the presentation.

### ***Saad AlDugish***

Thank you, Waleed. Now, let's move to the financial performance starting with the slide 11, and begin with the balance sheet. We continue to achieve substantial balance sheet growth in '25 with the net loan increasing 15.2%. That's split into stronger growth in both corporate and retail segment, 15.7% and almost 14%, respectively. Net investment grew by 13.3% that's part of the business is especially important in the declining rate environment, helping us to mitigate interest rate risk. The assets growth was strongly supported by inflow of customer deposits which were 14.9% up in 2025. Total equity grew by 28%, supported by issuance of Tier 1 sukuk. Slide 12, our corporate loan book is focused on growth opportunities. Loan book is 74% corporate and 26% retail. Corporate book is well diversified. As you can see in the bottom middle chart, largest segment is services at 22%, followed by 17% real estate, 11% manufacturing, and 4% transportation, 4% construction, and the rest split between all other industries. In retail, the share of home loans continued to expand and reached 54%, while the share of personal loans was 39% at year end. Car loans and credit cards are 3% and 4% of the retail book. On the liability side, as you can see on slide 13, customer deposits rose by 14.9% year-on-year and reached SAR209.3 billion. Deposits are split between CASA and time deposits almost 49% to -- and 51%. Our deposit capability underscores ANB's strong competitive position and customer confidence in our bank as well as the quality of

our products and services. High share of CASA deposits helps to manage the cost funding and contributes to the resilience of net interest margin. Now moving to credit risk metrics on slide 14. As I said earlier, the bank achieved improved assets quality metrics in '25. Cost of risk was 37 basis points, down 2 basis point year-on-year and better than our guidance, which was 40 basis points to 50 basis points. NPL ratio dropped significantly year-on-year and was below 1% to 0.94% at end of 2025 versus 1.20% a year earlier. Coverage ratio also improved to 169% from 148.5% a year ago. Also, we can see that Stage 1 loans increased and reached 92.6% and the share of Stage 2 and 3 loans decreased, respectively. We remain confident in our risk management system and the underwriting standards and quality of our loan book.

Next, on slide 15 you can see the status of our liquidity position. Like I said, our ample deposit-taking capacity allows us to maintain sound liquidity and inflow of customer deposit, which was supplemented by 8% growth in retail deposit and 22% growth in non-retail deposit year-on-year. LDR was 80.6% as a weighted ratio as requested by the central bank. At end of 2025, LCR improved significantly and reached over 143%. NSFR was stable at 117.6%. All ratios have comfortable buffers versus regulatory levels. Our funding profile makes us well positioned to grow business further and seize attractive opportunities.

On slide 16, in 2025 return on equity and return on assets were 11.61% and 1.93%, respectively, a bit lower than in the previous year. In 2025, we continued to gradually further increase capital utilization. Risk-weighted assets density increased by 5% to 90.2%. Hence, there was certain reduction in CET1 to 16.4%, which is still a pretty strong level. Total capital adequacy is stable at 20%.

Now moving to P&L or income statement overview on slide 17. Compared to the previous year, the total operating income rose by almost 5% to almost SAR10 billion. Net special commission income grew by 2.2%. Net fees and commission income again showed a remarkable growth of almost 24%. The other net interest also increased by 22% as we continue to increase customer base, introduce innovative products and solutions, and further enhance the penetration of non-interest income. Provisional charge amounted to SAR693 million, 7.4% up. Operating expenses were SAR3.3 billion, up 8.8%. In the next slide, I will give you more details on NIM and the cost.

On slide 18, as mentioned before, our NIM remained at 3.44% and showed resilience in the situation of interest rate cuts and declining asset yield. As you can see in the bottom right chart, our cost of funds remained fairly stable throughout the year at 3.38% level compared to 3.44% in 2024.

On the cost side on slide 19, in 2025, we continued to invest in our staff. That was offset by almost 1% reduction of non-staff expenses due to cost control. Cost-to-income ratio was 33.8%, and staff costs were over 60% of the total cost base.

Next slide 20 shows shareholders' return. In 2025, EPS slightly improved while the book value per share rose by 30%. anb is committed to providing attractive return to our shareholders through dividend distribution. The dividend payout ratio in 2025 was 51%, and the aggregate return was SAR1.30 per share.

Before to move to the guidance on slide , a few words about our operating environment. We have seen Saudi Arabia advancing toward the realization of its strategy, Vision 2030. The economic landscape has increased shaped by non-oil sector growth, large-scale infrastructure development, rising private sector participation, and accelerating digital adoption. So we believe we are a healthy economy that will support the bank sector growth for 2026 and beyond.

Now we will move to slide 23. Looking forward to 2026, we see competition easing and expect NIM to be flattish above 3% for 2026. We also expect single-digit cost growth and cost-to-income ratio to be below 33% with expected cost of risk and the same target of '25 to be between 40 basis points to 50 basis points. That brings us to return on equity at 12%. Very importantly, we have ambitious growth target for 2026 and aim to achieve mid- to high-single-digit loan growth. And with our strong capital, we can use the momentum to continue to gradually increase capital utilization. This is why we targeted total CAR at above 19% at end of the year.

Concluding my presentation, I want to thank you for your support and confirm our commitment to transparency and delivering solid financial results and healthy returns for our investors. Now we can move to Q&A. I will be happy to answer your question. Aybek, back to you, please.

### ***Aybek Islamov***

Thank you, Mr. Saad. We would like to start our Q&A session. We'll gather the participants to line up. In the meantime, I'd like to start with the opening questions, please. Thank you for the comments and the guidance. Very useful. I've seen your slide about the NIM guidance, right, which is quite a kind of, I would say, wide range. You want your margin to be above 3%, right? So in the context of slowing loan growth for 2026, mid- to high-single-digit loan growth, which compares to 15% you delivered last year, how much levers do you have to actually deliver better NIM compared to 2025, right, keeping in mind that you had some NIM compression in Q4 2025? That's my first question. And second question, on your capital management. Obviously, anb is one of the banks where you do have a very strong capital position, as in CET1 ratio is one of the highest in the sector. What's your ability to kind of compensate for slowing growth -- potentially slowing net income growth with higher payout? What are your thoughts on this? Thank you.

**Saad AlDugish**

Thank you, Aybek. For the first one, NIM, if you look at for our NIM in 2024, which was ranking as a number one at 3.78%, in that time, during our earning call in 2025, I mentioned that clearly we had seen a pressure on the liquidity cost, and we had seen a pressure also and competition on the asset side. However, I think that with our target of between 3.4% to 3.5%, we have achieved that target despite the growth in our assets. Currently, I think there is more than one step. If we look at the sensitivity of our interest, as expected, is almost at the same level or positive compared to 2025. But in reality, we're still thinking the pressure on liquidity will continue during 2026.

So, there is more than one initiative. Currently, we are working on it. One of these initiatives is focusing on new deals with healthy spread and non-interest income through cross-sell. At the same time, we have seen there is potential, and we have already started the initiative for repricing some of our floating rate deals. All of that is expected to support growth in our NIM.

For the reduction of our guidance from mid-teens to mid- to high-single digit, if you look at the growth in 2025 as an absolute amount, we are talking about around SAR27 billion. And for the portfolio of SAR195 billion, a high single digit growth from that base can still be considered a huge amount.

The second one related to the capital. You are right, we have one of the strongest levels capital that will support our growth not only for 2026. Also, that's to be part of our new five-year strategy, which we are working on it currently for the next five years. As mentioned before, that was during the 2023-24. There is no change in our dividend policy. The average over the last five or six years, is a 50% payout. As mentioned before, also for 2025, the payout exceeded 50% to 51%. So as of today, there is no change in our policy. Thank you, Aybek.

**Aybek Islamov**

Yes. Thank you very much for your answer. We'd now like to move to our Q&A session. The first question comes from the line of Murad Ansari. Murad, please unmute yourself. Please announce yourself and ask your question.

**Murad Ansari**

Yes. Hi. Good afternoon. And Murad Ansari from GTN. And thank you for the presentation. So, two questions. I want to circle back on NIM. So as mentioned earlier, your fourth quarter NIM was slightly weak on a sequential basis, and we've seen a steady decline throughout on a sequential basis since the end of 2024. When you are

guiding towards - your guidance of above 3%, obviously, gives a range of outcomes. But I mean, where do you see the biggest pressure coming from? Do you think that liquidity pressures are still going to keep funding costs elevated, or is it more driven by the repricing of the asset yield that is driving that NIM outlook for you?

Second question is on the loan growth. So, we've discussed this, and I think on third quarter as well you guided towards slowdown in loan growth, and we've seen that in the fourth quarter. But when you - I think the general impression is that there is obviously still quite healthy demand. So, this nine-high-single-digit growth guidance is more a management decision to preserve profitability? What I wanted to get a sense of was that if funding cost environment or the liquidity environment improves as banks slow down in loan growth in the near term, is there an upside risk that with liquidity improving, banks could be potentially looking at growing the loan book again in your case? And your guidance of high single digit, if you could split that up into retail versus corporate. Do you see similar momentum to 2025 continuing? Thank you.

### ***Saad AlDugish***

Thank you so much. Thank you. For the first one, okay, related to the fourth-quarter drop in the NIM, yeah, you are right. But this is the result of the reclassification. The Tier 1, our investment in Tier 1 Sukuk was recognized as a part of our net interest income. As a result of the financial standards implementation it moved to non-interest income, and that reduced our interest income by almost SAR100 million

This is just to answer that question. And this is a good question and good points mentioned from your side. You are right. There is a drop, but that drop, just reclassification from interest to non-interest. For the loan growth, this is what I have mentioned based on what we have currently, our target to be high single digit. However, if the liquidity improves in the market, absolutely, we will be part of the market, and it will be changed. And we will go back to investors to inform them if there is any change in our target.

For the high single digit by business, still we believe from the corporate side, SME and mid-corporate, this is that segment where we will focus on. And to confirm that point that you have mentioned, absolutely, there is no change in the demand. The demand – we still see the high demand in the market, but I think for the profitability, it's not for the market share. We will focus on SMEs, focus on the mid-corporate. Absolutely, the other segment is still - it's part of our plan, and we have strong capital and strong funding sources - from customers and issuing of Tier 1 Sukuk. So, we will participate in corporate financing growth.

For retail, I think the personal or consumer loans, this was one of our targets for 2025, the home loans, and there will be no change in the percentage or the demand between

the home loans and the personal or the consumer loans. We will continue focusing for the same the personal and mortgage loan based on what we have seen currently on the demand side.

***Murad Ansari***

Thank you. If I could just add one quick follow-up is, do you have any plans to raise money through Sukuks or AT1s or Tier 2 seniors, or you're comfortable with your funding mix right now?

***Saad AlDugish***

Yeah, absolutely. That's part of our strategy, and that's been already announced. We have a three-year program of Tier 1 for almost SAR11 billion. That's a program. We already issued around SAR4 billion. We have a dollar one already. We have issued Tier 1 for \$750 million. We have CDs, which is almost SAR500 million. So all of the tools of funding are available. That depends on the dynamic of the market. We are monitoring the market closely. The first source of our funding, absolutely, is the customer deposits, especially when we are talking about the current accounts or call accounts or the time deposits from our retail or wholesale clients. But the other tools are absolutely available. And this is part of our strategy based on the monitoring of the market and based on the operational liquidity during 2026 and beyond.

***Murad Ansari***

Thank you. And all the best for 2026.

***Aybek Islamov***

Thank you. The next question will come from the line of Adnan Farooq. Adnan, please announce yourself and ask you your question.

***Adnan Farooq***

Hello. Salamu Alaykum. Thank you for the presentation. Really appreciate it. Mr. Saad, you highlighted that there were some reclassification in the accounts in the fourth quarter. When I see that, I see a couple of things that seem to be slightly different. One, you mentioned that Tier 1 returns have been reclassified from interest income line to dividend line. Is that correct?

**Saad AIDugish**

Yes, you are right.

**Adnan Farooq**

And is there any change or reclassification in the fee income line as well? Because it seems like fourth quarter fee and commission income also seems to be slightly different. Can you highlight what the reclassification is there?

**Saad AIDugish**

There is no classification. There is a one-off, but as a small amount. It's not more than SAR15 million that was recognized during - it's a drop, sorry. Are you talking about the drop in Q4?

**Adnan Farooq**

Yes.

**Saad AIDugish**

Okay. That's the results of legacy of some of the liability or invoices coming during Q4 related to the previous years which we hadn't accrued. So, it's a one-time charge to our fees.

**Adnan Farooq**

How much is that amount?

**Saad AIDugish**

Around SAR37 million.

**Adnan Farooq**

SAR37 million in fee expenses?

**Saad AlDugish**

In fee expenses. You're right.

**Adnan Farooq**

Okay. That's clear. And is there any - have you made any changes to your depreciation policy?

**Saad AlDugish**

No, there is no change. What do you mean? It's a normal growth. That's really the result of the expansion and the transformation. That's also - if you recall as a part of our strategy a lot of projects started in 2022. Some of them were completed during 2023 and 2024, also in 2025, they are related to the core banking system, treasury system, four or five new apps. This is the reason for the increase

**Adnan Farooq**

Thank you so much.

**Aybek Islamov**

Thank you. The next question will come from the line of Mohammed Al-Rasheed. Mohammed, please announce yourself and ask your question.

**Mohammed Al-Rasheed**

Salamuu Alaykum. This is Mohammed Al-Rasheed. Just one question from my side. What is your current commercial real estate exposure, and what's the average loan-to-value for the collateral for your commercial real estate exposure as of December 2025? Thank you.

**Saad AlDugish**

Thank you so much. That's, I think, Mohammed, related to the new regulation. I think this is why you are asking. So, we are talking about less than 10% of our exposure related to the real estate. If we take the side of the retail - as an example, we'll start with the retail. The LTV is around 70%. So, we're talking about more than 30%. So, there is no impact

at all for the retail. If you are talking about the collateral within the commercial or corporate, we already did or we are doing on monthly basis a stress testing. That's considered around 40% as a stress testing for our collateral. In the latest assessment we did, we haven't seen any impact on our ECL charge from our collateral.

***Aybek Islamov***

Yes. Thank you. Well, I think while we wait for the other questions to come through, can I ask you about, like, the land assets? Is there any land that you own as investment land that is held on your balance sheet? It will be interesting to know. Do you have any ownership of land assets that is on your balance sheet? And if there is any, then what's your intention with these land assets in 2026? That's first question.

Secondly, I think you probably will discuss it on your strategy update call later. But any views on the efficiency ratios? When I look at Arab National Bank, the cost-to-asset ratios, cost-to-income ratios are a bit on the higher end compared to other peers. What are the key kind of thought process around costs, right, structurally improving the cost base, which would make Arab National Bank more competitive in other market segments?

***Saad AlDugish***

Yeah. Sure, Aybek. For the own land, yes, we have it. If you look at the provisioning which contains the ECL and the impairment, there is a reversal of SAR100 million related to one of the owned land was taken in impairment six years ago. But now, the deed of that land is back again to the bank, and we have reversed that impairment. But on balance sheet, yes, we have it. We have, I think, around SAR1 billion to SAR1.8 billion as owned assets, land owned by the bank against loans, it's part of our assets.

For the second question, for our expenses, if you look at our expenses, the growth over the last three years or four years, when our strategy started, which is a normal trend of increase in our operating expense, that's the result of that transformation. But as of end of 2025 part of our strategy to control the growth in other operating expenses - when I'm saying other, that's part of it -- that consultancy part of it, the SMS cost, and maintenance of software and hardware maintenance and other expenses. The good thing is it's less than last year by 1%. And we expect the same level also for 2026.

The highest line in our total operating expenses comes from the staff cost, and that results of survey or assessment done in 2024 to compare anb salaries with the market. And in that time, we observed that salaries at anb were below the market by more than 35%. So, the salaries adjustment, the education initiatives added to the costs. This is one of the element of the increase of salaries.

The second thing, we are hiring talented people to support the cyber security and antifraud. The third reason is the anb Academy. We believe the training will improve the skills of the anb team to support the strategy and the results for next year. So, all of the initiatives related to the personnel - it's already done and there is no more growth expected for the next year. Another thing, as mentioned, the initiative to control costs started during 2025. This is why when I mentioned our target to be a single digit -- when I'm saying single digit, it will be our target to be below, the increase to be below 5%.

***Aybek Islamov***

Yes. Thank you very much. Very clear. We have one question from the line of Naresh. Naresh, please announce yourself and ask your question.

***Naresh Narendra Bilandani***

Yes. Hi. Thank you. Hi, Saad and Waleed. It's Naresh Bilandani from Jeeries. Thank you very much for your presentation. Just one quick question, please. It is widely understood that your franchise is working towards a conversion to become a fully Sharia-compliant franchise. Can you please update us where you are in the progress towards that conversion and what is the time frame that we are looking at if that is indeed right? Thank you so much.

***Saad AlDugish***

Yeah, sure. Thank you, Naresh. I mentioned it before in more than one conference calls, and I received visitors, all of them asking me about it. It's internal assessment done by the management. We are still working on it. There is a quarterly meeting. The next meeting will be in the end of March. I think after that, during 2026, we will assign a third party to do the assessment. By end of 2026, I think it can be clear for us whether this can be done in the short, medium, or long term and that it will be announced. But I think that official OKs will come to the market before fourth quarter 2026/

But again, I will go back to the same point, and that was explained before. As of today, all of our retail product are 100% Islamic products. When we are talking about the corporate, more than 90% of corporate are Islamic products. And there is a conventional with a long term. And this is one of the points what we need to focus on it with the consultant or with a third party. Treasury, we're talking about more than 82% is Islamic products, and the other is conventional. And that's also part of the assessment, which will be raised with the consultant. So there is an internal assessment. There is no final decision taken. There is a plan to assign a consultant. And by end of 2026, I think that

we can back again to the market with a clear answer whether we will do it or not. Thank you, Naresh.

**Naresh Narendra Bilandani**

Thank you, Saad. Thank you so much.

**Aybek Islamov**

One more question I'd like to ask. You spoke very well about the operating efficiencies and how you plan to control costs. If you think about the scalability of your revenues in 2026, is it the anb Capital, your investment banking subsidiaries, I would call it, where you see ability to scale up your revenues, or is it through corporate banking derivative products or something else that you could be scaling up on your platform to just improve revenue generation, given that we may see still some pressure on the NIMs?

**Saad AlDugish**

Yeah. Sure, Aybek. I think, okay, anb will focus on all of the segment, services, and the project that will improve our profitability. It's not only focusing on one segment or on one product, all of it will be part of our focusing during 2026 whether with the treasury side on derivatives or from repricing and focusing for the cross-sell coming from corporate and retail and anb Capital. I think it's not only focusing on one thing, we expect that it will support all of the revenue channels. It will be the focus point from our side.

As you mentioned, even if there is pressure on our interest income, that's expected, okay? And as per our plan to focus on non-interest income, take into consideration, as mentioned before, more than 53% of the fintech companies, their transactions with anb, so we are benefiting from the liability side. We also expected the fees will be improved. And as for non-interest income, I think also there is a potential from treasury, from corporate and from the other segments to support it, also the SME and mid-corporate that will support the cross-sell growth. So, we are working on all of it - and focusing on all the products to support our growth in non-interest income in 2026.

**Aybek Islamov**

Okay. Thank you, Mr. Saad. So, we have one follow-up question from the line of Adnan Farooq. Adnan, please go ahead and ask your question.

**Adnan Farooq**

Hi. Thank you. Just to follow up on the non-interest income. So given your guidance of maintaining ROE, I was just wondering, in the past few years, your fee income has grown tremendously. Should we expect a similar or at least strong growth going forward in this area? And if you could highlight if there are any new initiatives that the bank is working on to grow its free income.

And the second question is around NIM. I know you have guided at above 3%, but that leaves a lot of room from 3.44% to above 3%. Did I hear you correctly that you're expecting NIMs to go down but slightly? You used the word flattish in your earlier comment. Did I hear you correct?

**Saad AlDugish**

Sure. Let's start with the fees. I think, as you mentioned, the growth in fees started with our strategy in 2022, and in 2025 it exceeded 24% despite the one-off that I mentioned and despite the impact of the new regulation. I think also for 2026, this is one of the initiatives to go with. We cannot mention a percentage, but we can say a stronger growth. This is one of our targets for 2026.

For the NIM, yeah, you're right, our target to be above 3%. If you go back to the sensitivity while we expect two rate cuts for 2026, it will be almost the same percentage as in 2025. However, in reality, we have seen the cost of funds not reflecting the same level as implied by the rate cuts. This is why we conservatively expected our NIM to be above 3%. And as mentioned before, also because of this, we expect the growth to be high-single-digit instead of mid-teens. But as mentioned before, if we see an improvement in liquidity costs during 2026 we will get back and update our NIM. We will also get back to investors and update on our assets growth as well.

**Aybek Islamov**

All right. Thank you very much. So it appears we have no further questions. I'm just checking the line one more time. Yeah, we don't appear to have any further questions. So I think on this note, given that we are on top of the hour, I'd like to close this call and thank the management of the Arab National Bank for their insightful comments as well as thank all the participants in dialing into this call. Any closing remarks? Mr. Waleed, over to you.

***Waleed K. Alhakeem***

Thank you very much for your participation, and we look forward to our next earnings call or next interaction with you. Thank you, everyone. Thank you, Aybek. Thank you, HSBC team.