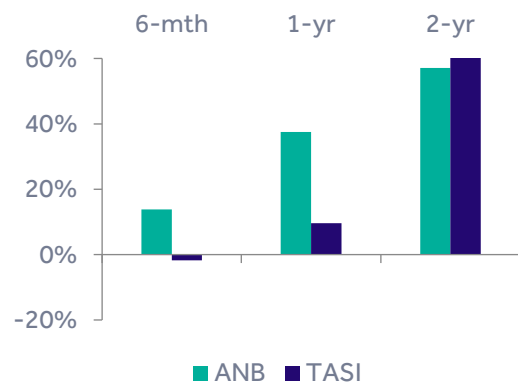


Market Data	
52-week high/low	SAR 36.25/21.00
Market Cap	SAR 45,600 mln
Shares Outstanding	1,500 mln
Free-float	44.37%
12-month ADTV	912,565
Bloomberg Code	ARNB AB



Results Beat Expectations

Upside to Target Price (4.6%)
 Expected Dividend Yield 3.0%
 Expected Total Return (1.6%)

Rating Neutral
 Last Price SAR 30.40
 12-mth target SAR 29.00

July 28, 2022

Arab National Bank	2Q2022	2Q2021	Y/Y	1Q2022	Q/Q	RC Estimate
Net Sp Commission Income	1,310	1,130	16%	1,185	11%	1,222
Total Operating Income	1,674	1,381	21%	1,455	15%	1,487
Net Income	708	473	50%	651	9%	636
Loans & Advances	143,055	117,830	21%	138,642	3%	142,624
Deposits	146,791	130,221	13%	148,138	(1%)	152,358

(All figures are in SAR mln)

- ANB's net loans maintained its growth that started since the beginning of 2021, adding SAR 4.4 bln Q/Q. Deposits returned again to decline after two quarters of improvements, declining by SAR 1.3 bln Q/Q.
- NSCI rose by +16% Y/Y and +11% Q/Q, reaching SAR 1.3 bln, as a result of the decent growth in Special Commission Income by +38% Y/Y and +28% Q/Q although Special Commission Expenses increased massively by +271% Y/Y and +169% Q/Q, due to the hike in interest rates.
- Non-core income followed the same trend rising by +45% Y/Y and +35% Q/Q to reach SAR 364 mln, due to the increase in most of the items. Consequently, total operating income reached SAR 1.7 bln, up by +21% Y/Y and +15% Q/Q.
- Total operating expenses increased by +23% Q/Q to reach SAR 835 mln, driven by an increase in provisions (up by +81% Q/Q to SAR 282 mln), salaries and rent expenses. It was partly offset by a decline in other G&A and depreciation & amortization expenses.
- ANB posted a NI of SAR 708 mln, up +50% Y/Y and +9% Q/Q, beating both our estimate and market expectation. We increase our target price to SAR 29.00 but maintain a Neutral stance.

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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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