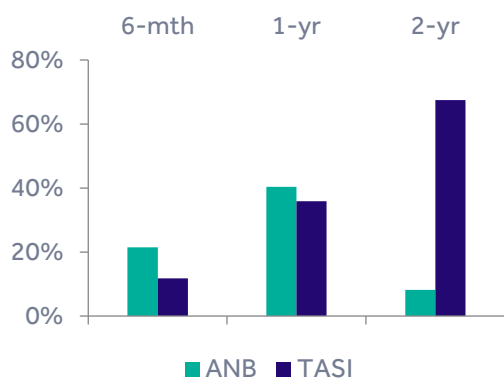


Market Data	
52-week high/low	SAR 29.60/19.40
Market Cap	SAR 42,000 mln
Shares Outstanding	1,500 mln
Free-float	54.33%
12-month ADTV	654,411
Bloomberg Code	ARNB AB



Loans Continued to Rise Throughout 2021

March 06, 2022

Upside to Target Price	(14.3%)	Rating	Neutral
Expected Dividend Yield	3.6%	Last Price	SAR 28.00
Expected Total Return	(10.7%)	12-mth target	SAR 24.00

Arab National Bank	4Q2021	4Q2020	Y/Y	3Q2021	Q/Q	RC Estimate
Net Sp Commission Income	1,110	1,168	(5%)	1,252	(11%)	1,189
Total Operating Income	1,348	1,401	(4%)	1,479	(9%)	1,414
Net Income	462	273	69%	665	(30%)	379
Loans & Advances	126,674	113,363	12%	120,016	6%	121,585
Deposits	135,714	129,352	5%	129,395	5%	122,885

(All figures are in SAR mln)

- ANB continued to improve its net loans from the beginning of the year. However, during the fourth quarter it grew at a higher pace compared to the previous three quarters, adding SAR 6.7 bln Q/Q to stand at SAR 127 bln. Deposits fluctuated during 2021 but ended the year with a rise of SAR 6.3 bln Q/Q, reaching SAR 136 bln.
- For the year 2021, Operating Income witnessed a slight decrease by -1% Y/Y to reach SAR 5.8 bln, due to a decrease in the following items: NSCI, exchange income, fee income and other operating income. This was partly offsets by the increase in gains on FVSI financial instruments, gain on sale of investments in non-trading instruments, trading income, and dividend income.
- Total Operating expenses for 2021 decreased by -3% Y/Y to reach SAR 3.1 bln as a result of lower provisions, rent, depreciation, and amortization expenses although salaries and other G&A expenses were higher.
- Given the larger decrease in OpEx, Net income for 2021 increased by +5% Y/Y to reach SAR 2.2 bln. Thus, NI for 4Q2021 rose by +69% Y/Y to reach SAR 462 mln, mainly due to a drop in provisions by -60% Y/Y reaching SAR 211 mln. We increase our target price to SAR 24.00 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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