

**Loans and Deposits Grow Faster**

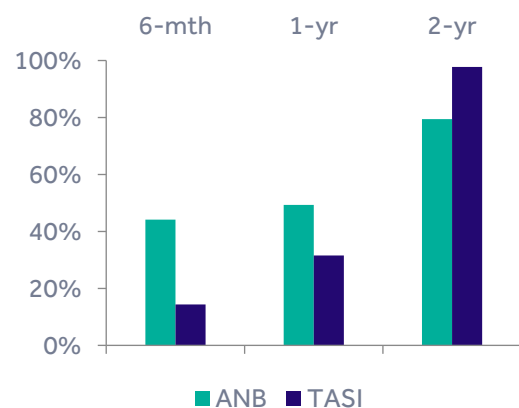
April 27, 2022

Upside to Target Price	(16.3%)	Rating	Neutral
Expected Dividend Yield	2.7%	Last Price	SAR 33.45
Expected Total Return	(13.6%)	12-mth target	SAR 28.00

Market Data	
52-week high/low	SAR 34.05/21.00
Market Cap	SAR 50,175 mln
Shares Outstanding	1,500 mln
Free-float	32.50%
12-month ADTV	810,099
Bloomberg Code	ARNB AB

Arab National Bank	1Q2022	1Q2021	Y/Y	4Q2021	Q/Q	RC Estimate
Net Sp Commission Income	1,185	1,180	0%	1,110	7%	1,138
Total Operating Income	1,455	1,556	(7%)	1,348	8%	1,417
Net Income	651	582	12%	456	43%	561
Loans & Advances	138,642	115,559	20%	126,674	9%	128,822
Deposits	148,138	125,161	18%	135,714	9%	131,419

(All figures are in SAR mln)



- ANB sustained its net loans' growth since 1Q2021 with higher pace of +9% Q/Q this quarter, adding SAR 12.0 bln. Deposits continued its increase for the second consecutive quarter, adding SAR 12.4 bln Q/Q.
- NSCI increased by +7% Q/Q to reach SAR 1.2 bln, as a result of the combined effect of lower Special Commission Expenses and higher Special Commission Income. Non-core income of SAR 270 mln rose by +14% Q/Q, mainly due to the increase in net trading income, net exchange income and net gain on FVSI financial instruments. Thus, operating income increased by +8% Q/Q to reach SAR 1.5 bln. All the above items matched our estimates.
- On a quarterly basis, total operating expenses decreased by -12% to reach SAR 682 mln, due to the drop of each of the following items: provisions (down by -28% Q/Q to SAR 156 mln), salaries, rent and other G&A expenses although, depreciation and amortization was higher.
- Net income of SAR 651 mln improved by +43% Q/Q and +12% Y/Y, beating both our estimate and market expectation of SAR 561 mln and SAR 529 mln, respectively. The main cause of deviation was the lower than expected total operating expenses. We increase our target price to SAR 28.00 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](mailto:research@riyadcapital.com)

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