

Market Data	
52-week high/low	SAR 30.65/22.18
Market Cap	SAR 43,725 mln
Shares Outstanding	1,500 mln
Free-float	50.02%
12-month ADTV	963,309
Bloomberg Code	ARNB AB

Deposits Grow a further SAR 9 bln Q/Q

April 28, 2024

Upside to Target Price	(0.5%)	Rating	Neutral
Expected Dividend Yield	2.6%	Last Price	SAR 29.15
Expected Total Return	2.1%	12-mth target	SAR 29.00

Arab National Bank	1Q2024	1Q2023	Y/Y	4Q2023	Q/Q	RC Estimate
Net Sp Commission Income	1,928	1,764	9%	1,865	3%	1,836
Total Operating Income	2,309	2,180	6%	2,096	10%	2,230
Net Income	1,236	1,068	16%	941	31%	1,106
Loans & Advances	157,875	144,727	9%	152,235	4%	155,280
Deposits	174,541	155,247	12%	165,861	5%	169,179

(All figures are in SAR mln)



- Both deposits and loans continued their healthy growth in 1Q. Loans grew by +9% Y/Y and +4% Q/Q to SAR 157.9 bln while deposits increased by +12% Y/Y and +5% Q/Q to SAR 174.5 bln. SAR 8.7 bln sequential rise in deposits beat the SAR 5.6 bln growth in loans. Thus, simple LDR dropped further to 90% from 92% in 4Q2023 and 97% in 3Q2023, at a time when some other banks face higher simple LDRs.
- NSCI improved on both yearly and quarterly basis to SAR 1.93 bln, beating our SAR 1.84 bln estimates, likely on higher than anticipated loan growth as well as the impact of higher interest rates. We believe NIMs have been largely flat sequentially as the SAR 9 bln deposit growth would have come at a higher cost.
- Non-core income came in strong at SAR 381 mln, likely on higher fee income.
- Provisions fell by -46% Y/Y and -11% Q/Q to just SAR 162 mln for 1Q2024. Management commented that portfolio quality has improved. Elevated provisions were reported in 4Q on higher impairment for real estate.
- Net income of SAR 1.24 bln was +16% higher Y/Y and up a whopping +31% Q/Q, beating our SAR 1.11 bln forecast, primarily due to higher than expected NSCI. Given the strong loan and deposit growth in the last two quarters, we raise our estimates and our target price per share to SAR 29.00 from SAR 28.00 but maintain a Neutral rating as the stock price has rallied north of 12% since our last report.

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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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