

Results Beat Expectations

October 26, 2022

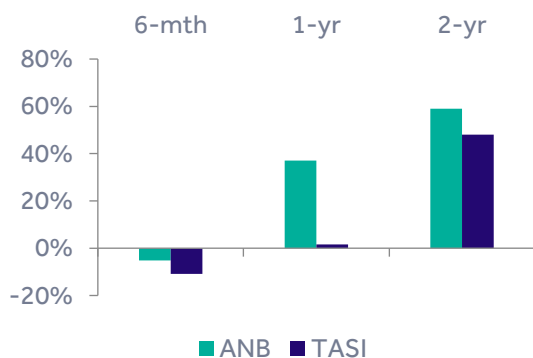
Upside to Target Price (8.7%)
 Expected Dividend Yield 3.5%
 Expected Total Return (5.2%)

Rating Neutral
 Last Price SAR 31.75
 12-mth target SAR 29.00

Market Data	
52-week high/low	SAR 36.25/21.00
Market Cap	SAR 47,625 mln
Shares Outstanding	1,500 mln
Free-float	44.37%
12-month ADTV	948,502
Bloomberg Code	ARNB AB

Arab National Bank	3Q2022	3Q2021	Y/Y	2Q2022	Q/Q	RC Estimate
Net Sp Commission Income	1,497	1,252	20%	1,310	14%	1,371
Total Operating Income	1,815	1,479	23%	1,674	8%	1,660
Net Income	921	665	38%	708	30%	775
Loans & Advances	145,475	120,016	21%	143,055	2%	147,991
Deposits	147,806	129,395	14%	146,791	1%	150,098

(All figures are in SAR mln)



- ANB's net loans maintained its growth that started since the beginning of 2021, adding SAR 2.4 bln Q/Q. Deposits growth returned, to add SAR 1.0 bln Q/Q.
- NSCI rose by +20% Y/Y and +14% Q/Q, reaching SAR 1.5 bln, as a result of the significant growth in Special Commission Income by +51% Y/Y and +22% Q/Q although Special Commission Expenses increased massively by +349% Y/Y and +47% Q/Q, due to a hike in interest rates.
- Non-core income of SAR 318 mln increased +40% Y/Y but showed a -13% Q/Q decline. Total operating income is up on both yearly and quarterly basis by +21% and +8% respectively to SAR 1.8 bln.
- Total operating expense declined by -11% Q/Q to reach SAR 747 mln, driven by a decline in provisions despite an increase in salaries, rent expenses, other G&A and depreciation & amortization expenses.
- ANB's net income rose by +38% Y/Y and +30% Q/Q to SAR 921 mln in 3Q2022, beating both our estimate and market expectation.
- We maintain our target price of SAR 29.00 and Neutral rating.

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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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