

Market Data	
52-week high/low	SAR 36.25/25.15
Market Cap	SAR 39,150 mln
Shares Outstanding	1,500 mln
Free-float	50.02%
12-month ADTV	976,545
Bloomberg Code	ARNB AB

Deposits Grow, Loans Decline in 4Q

February 15, 2023

Upside to Target Price	7.3%	Rating	Neutral
Expected Dividend Yield	4.2%	Last Price	SAR 26.10
Expected Total Return	11.5%	12-mth target	SAR 28.00

Arab National Bank	4Q2022	4Q2021	Y/Y	3Q2022	Q/Q	RC Estimate
Net Sp Commission Income	1,645	1,110	48%	1,497	10%	1,590
Total Operating Income	1,918	1,348	42%	1,815	6%	1,898
Net Income	790	457	73%	921	(14%)	891
Loans & Advances	143,829	126,674	14%	145,475	(1%)	147,027
Deposits	154,871	135,714	14%	147,806	5%	149,828

(All figures are in SAR mln)

- ANB's quarterly net loans growth reversed in 4Q (which had started since 2021), with a decline of SAR 1.6 bln. Deposits grew for the second quarter in row, to add SAR 7.1 bln Q/Q. In 2022, both loans and deposits grew by +14% Y/Y to SAR 144 bln and SAR 155 bln, respectively.
- In 4Q2022, NSCI rose by +48% Y/Y and +10% Q/Q, reaching SAR 1.6 bln, as a result of the significant growth in Special Commission Income by +96% Y/Y and +21% Q/Q although Special Commission Expenses increased by +395% Y/Y and +48% Q/Q.
- Non-core income of SAR 1.2 bln in 2022 increased +12% Y/Y on the back of higher net exchange income, dividend income, net fees and commission income, net other operating income and net trading income. Hence, operating profit for 2022 came in at SAR 6.9 bln (+19% Y/Y).
- 2022 total operating expense rose by +3% Y/Y to reach SAR 3.2 bln, driven by an increase in salaries and employee related expenses, rent expenses, other G&A and depreciation & amortization expenses, despite a decline by -15% Y/Y in provisions.
- ANB's reported a net profit of SAR 790 mln (+73% Y/Y and -14% Q/Q) for 4Q2022, missing both our estimate and market consensus. We revise our target price to SAR 28.00 but maintain a 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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