

Market Data	
52-week high/low	SAR 28.90/22.18
Market Cap	SAR 38,700 mln
Shares Outstanding	1,500 mln
Free-float	50.02%
12-month ADTV	963,309
Bloomberg Code	ARNB AB

### Deposits Rise a Whopping SAR 12bln in 4Q

February 11, 2024

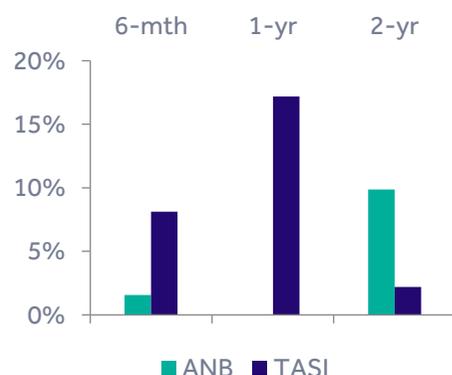
Upside to Target Price	8.5%	Rating	Neutral
Expected Dividend Yield	2.9%	Last Price	SAR 25.80
Expected Total Return	11.4%	12-mth target	SAR 28.00

Arab National Bank	4Q2023	4Q2022	Y/Y	3Q2023	Q/Q	RC Estimate
Net Sp Commission Income	1,834	1,645	11%	1,840	0%	1,871
Total Operating Income	2,252	1,919	17%	2,202	2%	2,185
Net Income	941	791	32%	1,076	(13%)	1,003
Loans & Advances	152,235	143,829	6%	149,372	2%	150,644
Deposits	165,861	154,871	7%	154,220	8%	151,774

(All figures are in SAR mln)

- ANB recorded a healthy +6% Y/Y and +2% Q/Q growth in net loans to SAR 152.2 bln in 4Q. However, deposits growth was even healthier, rising by SAR 11.6 bln Q/Q to SAR 165.8 bln, a positive surprise reversing the decline witnessed in 3Q and the muted growth in the first two quarters of the year. Consequently, LDR has dropped from 97% in 3Q to 92% in 4Q. We await details of the deposit mix.
- While NSCI was flat Q/Q, it inclined by +11% Y/Y to SAR 1.8 bln, in line with our estimates. We expect NIMs to have weakened sequentially following the wider sector trend.
- Non-core income has come back strongly in 4Q, rising by +53% Y/Y and +15% Q/Q to SAR 418, beating our expectations, likely on higher fee income and gains on investments.
- Provisions were muted in 4Q at SAR 232 mln, down -14% Y/Y and -5% Q/Q. However, they were up +13% Y/Y to SAR 992 mln for 2023 on higher impairment for real estate.
- Investors are happy with the 33% bonus shares announcement, in addition to the cash DPS of SAR 0.70 for 2023.
- ANB's 4Q bottom line of SAR 941 mln (+32% Y/Y and -13% Q/Q) missed our forecast of SAR 1.0 bln and market consensus of SAR 1.01 bln. We keep our SAR 28.00 target but downgrade to a Neutral rating as the stock is now close to our target price.

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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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