

Market Data	
52-week high/low	SAR 28.75/15.90
Market Cap	SAR 29,100 mln
Shares Outstanding	1,500 mln
Free-float	37.2%
12-month ADTV	1,079,051
Bloomberg Code	ARNB AB

Profit Beats Expectations

November 09, 2020

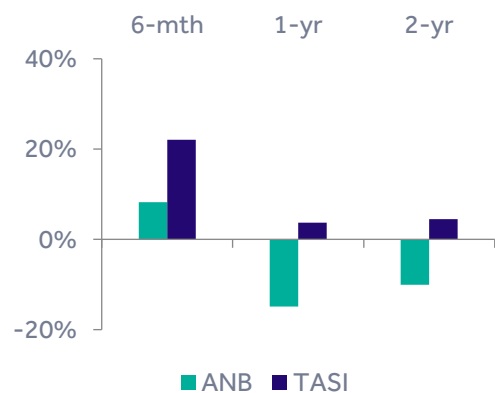
Upside to Target Price	(2.1%)	Rating	Neutral
Expected Dividend Yield	2.6%	Last Price	SAR 19.40
Expected Total Return	0.5%	12-mth target	SAR 19.00

Arab National Bank	3Q2020	3Q2019	Y/Y	2Q2020	Q/Q	RC Estimate
Net Sp Commission Income	1,211	1,410	(14%)	1,199	1%	1,230
Total Operating Income	1,464	1,737	(16%)	1,470	(0%)	1,529
Net Income	669	835	(20%)	486	38%	518
Loans & Advances	118,058	117,880	0%	117,129	1%	116,064
Deposits	136,725	130,921	4%	133,896	2%	132,492

(All figures are in SAR mln)

- Net loans increased slightly over the quarter by SAR 0.9 bln, while deposits returned to increase by SAR 2.8 bln Q/Q, after two quarters of decline. As a result, LDR went down from 86% last quarter to 85%.
- NSCI fell by -14% Y/Y but went up by +1% Q/Q to reach SAR 1.2 bln, matching our estimates. The non-core income of SAR 253 mln decreased by -22% Y/Y and -6% Q/Q. Thus, Operating Income was flat Q/Q but lower by -16% Y/Y to reach SAR 1.5 bln, which came in-line with our expectations.
- Operating expenses of SAR 702 mln surprisingly declined by -9% Y/Y and -20% Q/Q. During the quarter, most expenses, with the exception of rent, decreased.
- Net income after zakat at SAR 669 mln, beat our SAR 518 mln estimate and market consensus of SAR 534 mln. The deviation was primarily due to lower than expected Operating expenses. We maintain our target price of SAR 19.00 and Neutral stance.

Rawabi A. Al Mutaywia
 rawabi.al.mutaywia@riyadcapital.com
 +966-11-203-6805



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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