

February 09, 2025

Robust Earnings Y/Y

Upside to Target Price	(0.7%)	Rating	Neutral
Expected Dividend Yield	6.5%	Last Price	SAR 20.14
Expected Total Return	5.8%	12-mth target	SAR 20.00

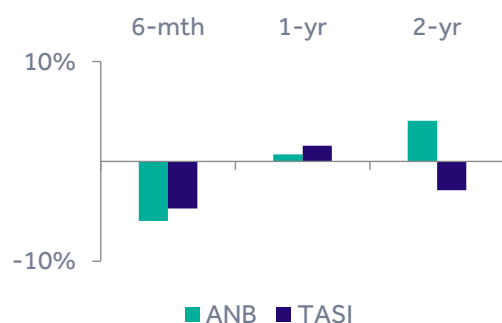
Market Data	
52-week high/low	SAR 23.50/18.32
Market Cap	SAR 40,280 mln
Shares Outstanding	2,000 mln
Free-float	49.98%
12-month ADTV	1,770,485
Bloomberg Code	ARNB AB

Arab National Bank	4Q2024	4Q2023	Y/Y	3Q2024	Q/Q	RC Estimate
Net Commission Income	2,028	1,866	9%	2,075	(2%)	2,216
Total Operating Income	2,446	2,202	9%	2,409	2%	2,509
Net Income	1,254	941	34%	1,243	1%	1,259
Loans & Advances	169,495	152,235	11%	166,330	2%	168,965
Deposits	182,198	165,861	10%	180,843	1%	187,423

(All figures are in SAR mln)

- Loans continued their strong growth, rising by +11% Y/Y and +2% Q/Q, reaching SAR 169 bln, in line with our forecast of SAR 168 bln. Deposits grew by +10% Y/Y, and posted a modest +1% Q/Q increase, reaching SAR 182 bln. Consequently, the SAR 1.4 bln increase in deposits was outpaced by the SAR 3.2 bln increase in net financing Q/Q, resulting in a higher loan-to-deposit ratio (LDR) at 93% versus 92% in 3Q2024.
- NSCI showed robust growth with an annual increase of +9%, however, it declined on sequential basis by -2%, reaching SAR 2.0 bln. Growth is mainly attributed to an increase in financing volume and higher investment yields. Total Operating Income rose +9% Y/Y (+2% Q/Q), primarily due to a higher increase in NSCI supported by increase in non-funded income, which showed a healthy growth by +7% Y/Y and +25% Q/Q.
- Provisions rose by +64% Q/Q, recorded at SAR 271 mln in 4Q. However, the full year provisions declined by -23% Y/Y, management attributed this reduction to improvements in the portfolio quality, and the impact of IFRS 9 ECL model output.
- ANB recorded a bottom-line of SAR 1.25 bln, up +34% Y/Y and +1% Q/Q rise, matching our forecast of SAR 1.25 bln. This growth was led by solid net special commission income, coupled with an increase in non-interest income, which contributed positively to net income. The bank announced a DPS of SAR 0.65 for the second half of 2024. We maintain our Neutral stance and our target price of SAR 20.00.

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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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