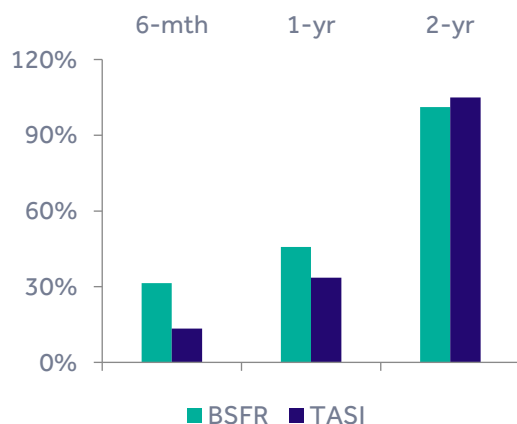


Market Data	
52-week high/low	SAR 56.50/34.95
Market Cap	SAR 66,295 mln
Shares Outstanding	1,205 mln
Free-float	64.92%
12-month ADTV	500,179
Bloomberg Code	BSFR AB



### Higher Provisions Q/Q Impact Profits

April 24, 2022

Upside to Target Price	(12.7%)	Rating	Neutral
Expected Dividend Yield	1.6%	Last Price	SAR 55.00
Expected Total Return	(11.1%)	12-mth target	SAR 48.00

Banque Saudi Fransi	1Q2022	1Q2021	Y/Y	4Q2021	Q/Q	RC Estimate
Net Commission Income	1,343	1,287	4%	1,332	1%	1,352
Total Operating Income	1,851	1,796	3%	1,725	7%	1,813
Net Income	875	780	12%	993	(12%)	921
Loans & Advances	152,690	134,105	14%	147,813	3%	154,344
Deposits	150,759	132,987	13%	141,950	6%	146,286

(All figures are in SAR mln)

- Contrary to 4Q21, BSFR reported good growth in their deposits by adding SAR 8.8 bln Q/Q in 1Q22. Besides, net loans continued to sustain growth for the fifth consecutive quarter by adding SAR 4.9 bln Q/Q.
- NSCI was almost flat Q/Q but increased by +4% Y/Y to reach SAR 1.3 bln (matching our estimates) on the back of better special commission income, although special commission expense was also higher. Non-core income was flat Y/Y but jumped by +29% Q/Q due to higher Trading Income, Net Fee & Commission Income and Other Operating Income. Thus, Total Operating Income of SAR 1.9 bln was up by +3% Y/Y and +7% Q/Q, matching our estimates.
- On a quarterly basis, total operating expense was up +32% to reach SAR 876 mln. We believe this is mainly due to the jump in provisions by +64% Q/Q to reach SAR 275 mln.
- Net Income after zakat came in higher by +12% Y/Y but lower by -12% Q/Q to reach SAR 875 mln, in line with our expectations.
- We believe with the recent increase in interest rates, BSFR will be one of the top beneficiaries as 82% of its 2021's financing portfolio is Corporate. Thus, we increase our target price to SAR 48.00 and upgrade the recommendation to Neutral.

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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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