

**Bottom-line Shows Double-digit Growth**

**May 07, 2023**

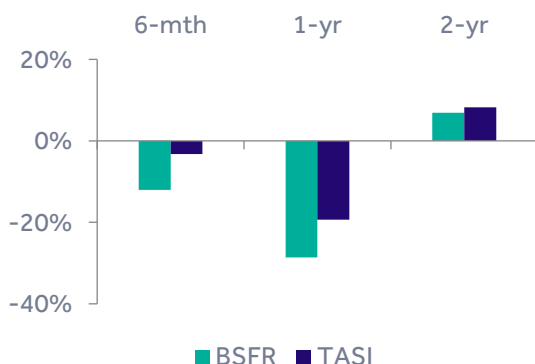
Upside to Target Price	13.7%	Rating	Buy
Expected Dividend Yield	1.6%	Last Price	SAR 38.70
Expected Total Return	15.3%	12-mth target	SAR 44.00

Market Data	
52-week high/low	SAR 56.50/32.45
Market Cap	SAR 46,649 mln
Shares Outstanding	1,205 mln
Free-float	73.89%
12-month ADTV	944,194
Bloomberg Code	BSFR AB

Banque Saudi Fransi	1Q2023	1Q2022	Y/Y	4Q2022	Q/Q	RC Estimate
Net Commission Income	1,924	1,415	36%	1,779	8%	1,985
Total Operating Income	2,318	1,821	27%	2,243	3%	2,199
Net Income	1,076	875	23%	903	19%	1,016
Loans & Advances	164,779	152,690	8%	159,012	4%	163,344
Deposits	167,414	150,759	11%	157,592	6%	160,558

(All figures are in SAR mln)

- BSFR's net loans grew by +8% Y/Y and +4% Q/Q to SAR 165 bln for 1Q2023. Deposits also grew by +11% Y/Y and +6% Q/Q to SAR 167 bln. Hence, LDR stood at 98% this quarter.
- On the back of higher interest rates, Special Commission Expense increased on both yearly and quarterly basis by +620% and +23%, respectively, to SAR 1.1 bln, matching our estimates. 1Q2023 NSCI rose by +36% Y/Y and +8% Q/Q to reach SAR 1.9 bln, driven by an increase in Special Commission Income by +92% Y/Y and +13% Q/Q.
- Non-core Income fell by -3% Y/Y and -15% Q/Q to SAR 394 mln. The decline Q/Q was attributed to lower Income from Trading, Exchange as well as Net Fee and Commission.
- Total Operating Expense of SAR 1.1 bln was up +32% Y/Y but fell -7% Q/Q. The Y/Y increase was driven by a rise in Provisions by +68% Y/Y to reach SAR 406 mln along with higher salaries and employee related expenses, other operating expenses and G&A expenses.
- BSFR reported a net income of SAR 1.1 bln (+23% Y/Y, +19% Q/Q), in-line with our estimates. We maintain our Target Price and 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](mailto:research@riyadcapital.com)

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