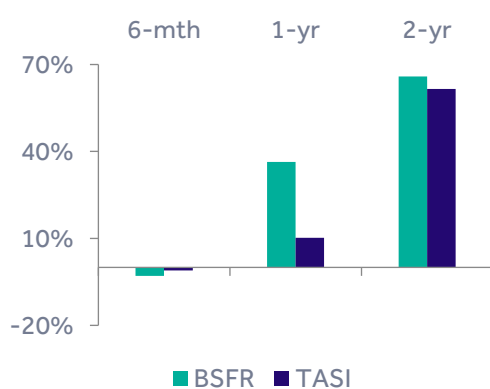


Market Data	
52-week high/low	SAR 57.20/36.65
Market Cap	SAR 61,473 mln
Shares Outstanding	1,205 mln
Free-float	64.90%
12-month ADTV	503,578
Bloomberg Code	BSFR AB



Loan and Deposit Growth Continues

July 28, 2022

Upside to Target Price	(3.9%)	Rating	Neutral
Expected Dividend Yield	1.8%	Last Price	SAR 51.00
Expected Total Return	(2.1%)	12-mth target	SAR 49.00

Banque Saudi Fransi	2Q2022	2Q2021	Y/Y	1Q2022	Q/Q	RC Estimate
Net Commission Income	1,449	1,330	9%	1,343	8%	1,428
Total Operating Income	1,896	1,754	8%	1,851	2%	1,865
Net Income	837	770	9%	875	(4%)	839
Loans & Advances	159,625	141,807	13%	152,690	5%	157,665
Deposits	157,919	140,805	12%	150,759	5%	154,885

(All figures are in SAR mln)

- BSFR has sustained its net loans' growth since 2021 with higher pace of +5% compared with the previous quarter, adding SAR 6.9 bln. Deposits continued its increase for the second consecutive quarter, adding SAR 7.2 bln Q/Q.
- Despite the increase in Special Commission Expense to more than double on both yearly and quarterly basis, NSCI managed to increase by +9% Y/Y and +8% Q/Q to reach 1.4 bln in 2Q2022 (matching our estimates), driven by better Special Commission Income.
- Non-core income rose by +5% Y/Y, primarily due to higher Trading Income and Exchange Income, although Net Fee and Commission Income as well as Gain on Non-trading Investments were lower. Thus, Total Operating Income came in at SAR 1.9 bln (all items matching our expectations).
- Total Operating Expenses of SAR 968 mln, increased on both the yearly and quarterly basis by +8% and +11%, respectively. We believe this is mainly due to an increase in Provisions by +20% Y/Y and +16% Q/Q to reach SAR 320 mln.
- Net Income of SAR 837 mln, came in higher by +9% Y/Y but down by -4% Q/Q, matching our expectations. We increase our target price to SAR 49.00 but maintain a Neutral 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

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