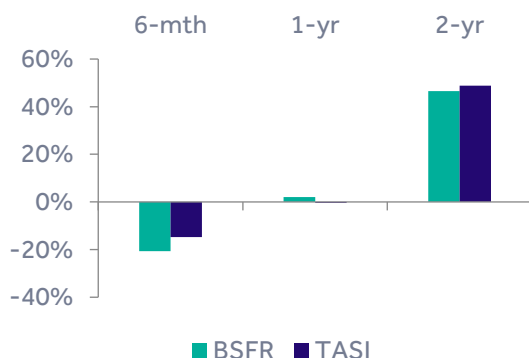


Market Data	
52-week high/low	SAR 57.20/38.25
Market Cap	SAR 52,071 mln
Shares Outstanding	1,205 mln
Free-float	64.90%
12-month ADTV	976,511
Bloomberg Code	BSFR AB



Earnings Match Expectations

Upside to Target Price	13.4%
Expected Dividend Yield	2.1%
Expected Total Return	15.5%

November 01, 2022

Rating	Buy
Last Price	SAR 43.20
12-mth target	SAR 49.00

Banque Saudi Fransi	3Q2022	3Q2021	Y/Y	2Q2022	Q/Q	RC Estimate
Net Commission Income	1,646	1,424	16%	1,449	14%	1,536
Total Operating Income	2,135	1,914	12%	1,896	13%	2,029
Net Income	961	907	6%	837	15%	954
Loans & Advances	158,481	144,393	10%	159,625	(0%)	165,249
Deposits	157,821	143,322	10%	157,919	(0%)	161,954

(All figures are in SAR mln)

- BSFR's net loans showed a decrease of SAR 1.1 bln Q/Q. Deposits also showed a slight decrease of SAR 98 mln compared to the previous quarter.
- Despite the increase in Special Commission Expense on both yearly and quarterly basis by +359% and +70% respectively on the back of a hike in interest rates, NSCI managed to increase by +16% Y/Y and +14% Q/Q to reach 1.6 bln in 3Q2022, driven by better Special Commission Income which increased on both yearly and quarterly basis by +42% and +24% respectively.
- Non-core income of SAR 489 mln was stable Y/Y, primarily due to lower trading income and net fee & commission income. Thus, Total Operating Income came in at SAR 2.1 bln (+12% Y/Y and +13% Q/Q).
- Total Operating Expenses of SAR 1.1 bln, increased on both yearly and quarterly basis by +20% and +11%, respectively. We believe this is mainly due to an increase in Provisions by +38% Y/Y and +25% Q/Q to reach SAR 400 mln.
- BSFR reported a Net Income of SAR 961 mln (+6% Y/Y, +15% Q/Q), matching our SAR 954 mln forecast. We maintain our target price of SAR 49.00 but we upgrade our rating to Buy.

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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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