

Market Data	
52-week high/low	SAR 57.20/36.00
Market Cap	SAR 43,935 mln
Shares Outstanding	1,205 mln
Free-float	73.89%
12-month ADTV	924,799
Bloomberg Code	BSFR AB



## Bottom-line Falls Y/Y and Q/Q

February 14, 2023

Upside to Target Price	20.7%	Rating	Buy
Expected Dividend Yield	2.5%	Last Price	SAR 36.45
Expected Total Return	23.2%	12-mth target	SAR 44.00

Banque Saudi Fransi	4Q2022	4Q2021	Y/Y	3Q2022	Q/Q	RC Estimate
Net Commission Income	1,990	1,658	20%	1,646	21%	1,652
Total Operating Income	2,135	1,665	28%	2,135	(0%)	2,119
Net Income	903	993	(9%)	961	(6%)	1,022
Loans & Advances	159,012	147,813	8%	158,481	0%	162,362
Deposits	157,592	141,950	11%	157,821	(0%)	158,842

(All figures are in SAR mln)

- BSFR's net loans showed a slight increase by SAR 0.5 bln Q/Q though deposits showed a slight decrease of SAR 0.2 bln. Both net loans and deposits ended 2022 with an increase of +8% and +11% Y/Y, respectively.
- Despite an increase in Special Commission Expense on both yearly and quarterly basis by +585% and +61% respectively, on the back of a hike in interest rates, NSCI rose by +20% Y/Y and +21% Q/Q to reach SAR 2.0 bln in 4Q2022, driven by an increase in Special Commission Income by +60% and +31%, Y/Y and Q/Q, respectively.
- 2022 Non-core income of SAR 1.6 bln rose by +11% Y/Y due to higher exchange income and trading income, which was partially offset by a decrease in gains on FVOCI / non-trading investments. Hence, Operating Profit for 2022 came in at SAR 8.0 bln (+12% Y/Y).
- Total Operating Expenses of SAR 4.0 bln in 2022 increased by +4% Y/Y. The increase was driven by a rise in Provisions by +61% Y/Y to reach SAR 1.4 bln along with higher salaries and employee related expenses, other operating expenses and G&A expenses.
- BSFR net income in 4Q2022 fell on both yearly and quarterly basis by -9% and by -6% respectively to SAR 903 mln, below both our estimate and market consensus. We maintain our Buy rating but we reduce our target price to SAR 44.00.

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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](mailto:research@riyadcapital.com)

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