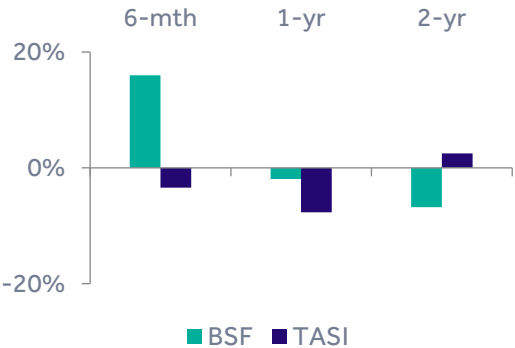


Market Data	
52-week high/low	SAR 18.94/14.57
Market Cap	SAR 43,750 mln
Shares Outstanding	2,500 mln
Free-float	73.69%
12-month ADTV	2,197,585
Bloomberg Code	BSF AB



■ Outperformance On Bottom Line and Continued Loan Momentum

April 23, 2025

Upside to Target Price	(2.9%)	Rating	Neutral
Expected Dividend Yield	6.2 %	Last Price	SAR 17.34
Expected Total Return	3.3%	12-mth target	SAR 17.00

Banque Saudi Fransi	1Q2025	1Q2024	Y/Y	4Q2024	Q/Q	RC Estimate
Net Commission Income	2,118	1,919	10%	2,039	4%	2,186
Total Operating Income	2,638	2,331	13%	2,572	3%	2,590
Net Income	1,338	1,150	16%	1,117	20%	1,127
Loans & Advances	208,978	185,408	13%	204,168	2%	210,293
Deposits	190,728	174,828	9%	185,118	3%	188,821

(All figures are in SAR mln)

- The bank continued to deliver strong momentum in its loan book, growing +13% Y/Y and +2% Q/Q to reach SAR 209 bln, in line with our forecast of SAR 210 bln. Deposits grew by +9% Y/Y and +3% Q/Q to SAR 191 bln. The LDR stabilized at 110%, while NCSI showed a +10% Y/Y and +4% Q/Q improvement to SAR 2.1 bln, in line with our estimates, reflecting effective funding cost management (down -2% Q/Q), supporting sequential NSCI performance.
- Operating income rose by +13% Y/Y and +3% Q/Q, settling at SAR 2.6 bln. This growth was supported by higher net special commission income and robust non-core businesses contributions, which delivered +26% Y/Y growth. Key drivers within non-core segment included non-trading investments, FX income, and fees. This highlights continued diversification in revenue streams.
- BSF reported a bottom-line of SAR 1.34 bln, a +16% Y/Y increase and +20% Q/Q growth, exceeding our estimates and market consensus (SAR 1.13 billion – 1.16 billion respectively). The beat was largely supported by stronger non-funded income and lower impairment charges.
- BSF maintains SAR 31.2 billion in cash flow hedge swaps, covering around 18% of its SAR 166 billion floating-rate loans. This leaves the majority of its loan book exposed to rate movements, particularly in a declining rate environment where margin compression risks intensify. Given the structural asset sensitivity embedded in the bank’s balance sheet, particularly over the medium and long term, the current level of hedging appears adequate for managing short-term earnings volatility, but may not be sufficient to prevent gradual NIM compression if rates persistently decline. Additional hedging or balance sheet adjustments could strengthen resilience in a prolonged low-rate environment. In light of these dynamics, we maintain our target price and our 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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