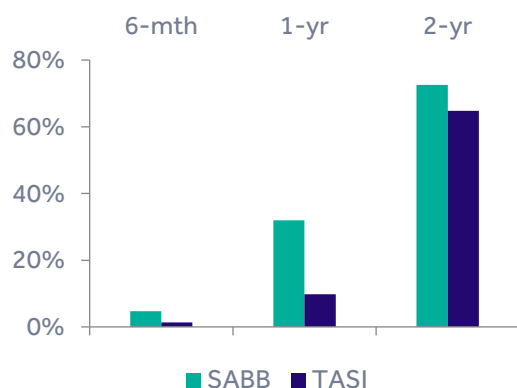


Market Data	
52-week high/low	SAR 46.50/28.50
Market Cap	SAR 86,712 mln
Shares Outstanding	2,055 mln
Free-float	46.16%
12-month ADTV	1,167,195
Bloomberg Code	SABB AB



Results Beat Expectations

August 04, 2022

Upside to Target Price	(10.0%)	Rating	Neutral
Expected Dividend Yield	2.4%	Last Price	SAR 42.20
Expected Total Return	(7.6%)	12-mth target	SAR 38.00

Saudi British Bank	2Q2022	2Q2021	Y/Y	1Q2022	Q/Q	RC Estimate
Net Commission Income	1,718	1,467	17%	1,414	21%	1,481
Total Operating Income	2,312	1,947	19%	2,091	11%	2,037
Net Income	1,082	919	18%	1,004	8%	893
Loans & Advances	176,214	161,444	9%	176,148	0%	181,811
Deposits	207,451	186,828	11%	193,889	7%	200,840

(All figures are in SAR mln)

- Contrary to the general trend of loans of the banking sector which increased by +3% Q/Q, SABB's net loans were almost stable Q/Q, as they only grew by SAR 66 mln. Deposits increased at a higher pace compared with the previous two quarters by +7% Q/Q, adding SAR 13.6 bln.
- NSCI increased by +17% Y/Y and +21% Q/Q reaching SAR 1.7 bln, as a result of the growth in Special Commission Income on both Y/Y and Q/Q basis, although Special Commission Expense were up by approximately +70% on both Y/Y and Q/Q basis.
- Non-core income of SAR 594 mln surged by +24% Y/Y, driven by an increase in the following: income from FVSI financial instruments, exchange income, net fee and commission income and other operating income, which was partially offset by a decline in gains on FVOCI debt instruments and dividend income. Thus, total operating income was up by +19% Y/Y to reach SAR 2.3 bln.
- Total operating expenses increased by +25% Y/Y reaching SAR 1.0 bln, largely due to an increase in G&A, salaries, and rent expenses, although depreciation and amortization expenses were lower. Furthermore, Provisions jumped by +423% Y/Y and +127% Q/Q to reach SAR 136 mln in 2Q2022.
- Net Income increased by +18% Y/Y and +8% Q/Q reaching SAR 1.1 bln, beating both our forecast of SAR 893 mln and market estimates of SAR 926 mln.

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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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