

Deposits Increase SAR 12 bln Q/Q

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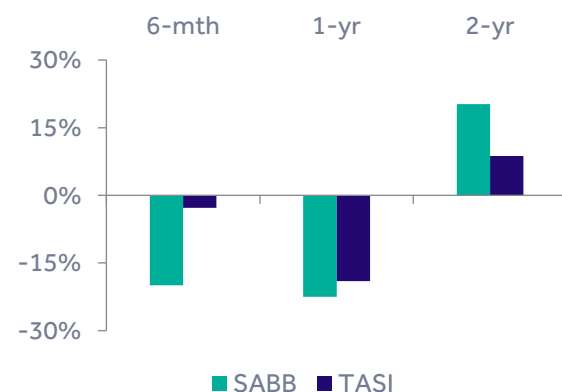
Upside to Target Price	3.1%	Rating	Neutral
Expected Dividend Yield	3.4%	Last Price	SAR 36.85
Expected Total Return	6.5%	12-mth target	SAR 38.00

Market Data	
52-week high/low	SAR 46.50/32.10
Market Cap	SAR 75,719 mln
Shares Outstanding	2,055 mln
Free-float	48.70%
12-month ADTV	1,096,032
Bloomberg Code	SABB AB

Saudi British Bank	1Q2023	1Q2022	Y/Y	4Q2022	Q/Q	RC Estimate
Net Commission Income	2,534	1,414	79%	2,292	11%	2,152
Total Operating Income	3,218	2,013	60%	2,936	10%	2,807
Net Income	1,765	1,004	76%	1,398	27%	1,534
Loans & Advances	191,001	176,148	8%	183,132	4%	191,251
Deposits	225,983	193,889	17%	214,279	5%	219,095

(All figures are in SAR mln)

- SABB's net financing portfolio showed a +8% Y/Y and +4% Q/Q growth to of SAR 191 bln, matching our estimates. Deposits increased +17% Y/Y and +5% Q/Q to SAR 226 bln, which is notably as other peers have been unable to attract as much deposits. Hence, LDR declined from 84% last quarter to 83%.
- 1Q2023 NSCI showed a strong +79% Y/Y and +11% Q/Q growth to SAR 2.5 bln, driven by an increase in Special Commission Income on both yearly and quarterly basis by +139% and by +19%, respectively, although Special Commission Expense was also up by +620% Y/Y and +40% Q/Q.
- Non-core income for 1Q2023 is up +14% Y/Y and +6% Q/Q to SAR 684 mln. Higher income from FVSI financial instruments and Exchange Income helped with the growth despite an increase in net losses on non-FVSI investments and other operating expenses. Operating Income came in at SAR 3.2 bln, up +60% Y/Y and +10% Q/Q.
- Total Opex inclined by +45% Y/Y but fell by -6% Q/Q to SAR 1.2 bln. We believe the Y/Y increase was on the back of rising provisions by +282% Y/Y to SAR 229 mln.
- Saudi British Bank reported a net income of SAR 1.8 bln (+76% Y/Y, +27% Q/Q), beating both our estimates and market consensus. We raise our target price to SAR 38.00 on rising NIMs 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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