

**Deposits Increase SAR 11 bln Q/Q**

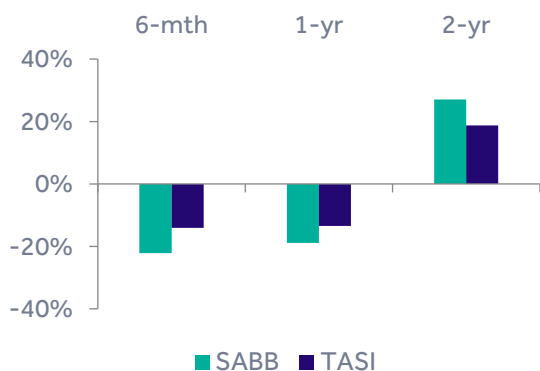
**February 09, 2023**

Upside to Target Price	10.9%	Rating	Neutral
Expected Dividend Yield	3.4%	Last Price	SAR 32.45
Expected Total Return	14.3%	12-mth target	SAR 36.00

Market Data	
52-week high/low	SAR 46.50/32.25
Market Cap	SAR 66,678 mln
Shares Outstanding	2,055 mln
Free-float	48.70%
12-month ADTV	1,268,520
Bloomberg Code	SABB AB

Saudi British Bank	4Q2022	4Q2021	Y/Y	3Q2022	Q/Q	RC Estimate
Net Commission Income	2,291	1,416	62%	1,985	15%	1,948
Total Operating Income	2,731	1,805	51%	2,564	7%	2,606
Net Income	1,389	427	225%	1,398	(1%)	1,274
Loans & Advances	183,132	167,556	9%	183,160	(0%)	185,539
Deposits	214,279	186,761	15%	202,864	6%	202,635

(All figures are in SAR mln)



- SABB’s net financing portfolio of SAR 183 bln is up by SAR 15.6 bln by 2022-end compared to SAR 168 bln recorded at the end of 2021 but flat Q/Q. Deposits of SAR 214 bln have increased by SAR 11.4 bln Q/Q and by SAR 27.5 bln Y/Y. Hence, LDR declined from 88% last quarter to 84%.
- NSCI for 4Q2022 increased by +62% Y/Y and +15% Q/Q reaching SAR 2.3 bln, as a result of the growth in Special Commission Income on both Y/Y and Q/Q basis by +103% and by +27% respectively although Special Commission Expense was also up by +482% Y/Y and +69% Q/Q.
- 2022 Non-core income of SAR 2.3 bln witnessed a +17% Y/Y growth, driven by an increase in income from FVSI financial instruments, exchange income and other operating income, which was partially offset by an increase in net losses on FVOCI debt instruments and lower gains on non-FVSI financial instruments. Thus, total operating income was up by +26% Y/Y to reach SAR 9.7 bln by end of 2022.
- Total Opex at SAR 1.1 bln in 4Q, including provisions, was lower by -11% on a yearly basis due to lower provisions by -49% Y/Y while expenses were higher Q/Q by +16% mainly due to an increase of +458% in provisions compared with 3Q2022.
- SABB’s bottom-line jumped by +225% Y/Y to SAR 1.4 bln, in-line with our forecast of SAR 1.3 bln. We reduce our target price to SAR 36.00 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](mailto:research@riyadcapital.com)

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