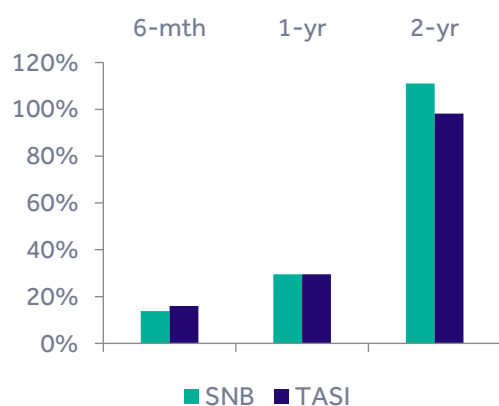


Market Data	
52-week high/low	SAR 76.80/52.40
Market Cap	SAR 335,850 mln
Shares Outstanding	4,478 mln
Free-float	62.73%
12-month ADTV	3,530,822
Bloomberg Code	SNB AB



Upgrade to Buy

April 28, 2022

Upside to Target Price	14.7%	Rating	Buy
Expected Dividend Yield	3.3%	Last Price	SAR 75.00
Expected Total Return	18.0%	12-mth target	SAR 86.00

SNB	1Q2022	1Q2021*	Y/Y	4Q2021	Q/Q	RC Estimate
Net Commission Income	6,085	4,178	46%	6,077	0%	6,119
Total Operating Income	8,065	5,719	41%	7,275	11%	7,542
Net Income	4,502	3,408	32%	3,357	34%	3,878
Loans & Advances	512,898	356,720	44%	495,898	3%	500,857
Deposits	604,963	419,430	44%	586,944	3%	598,683

(All figures are in SAR mln)

* NCB's financial results (Pre-Merger data)

- We believe that SNB is back on track after the merger as both Loans portfolio and Deposits were higher Q/Q, adding SAR 17 bln and SAR 18 bln, respectively, taking LDR to 85% this quarter.
- On a quarterly basis, Special Commission Income improved by +3% to reach SAR 6.9 bln, however, Special Commission Expense was also up +35% leading to an almost flat NSCI at SAR 6.1 bln, matching our estimates. Non-core income jumped by +65% to reach SAR 2.0 bln, mainly due to higher fees from banking services, investment income and lower other operating expenses. Operating income of SAR 8.1 bln was up by +11% Q/Q and +41% Y/Y, in-line with our expectations.
- Total operating expenses came in lower by -13% Q/Q reaching SAR 2.9 bln, as a result of lower salaries, rent and other G&A expenses.
- Net income for 1Q2022 jumped by +34% Q/Q and +32% Y/Y to reach SAR 4.5 bln, beating both our forecast of SAR 3.9 bln and market estimates of SAR 3.8 bln. The main cause of deviation was the lower than expected operating expenses. We increase our target price to SAR 86.00 and upgrade to Buy recommendation.

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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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