

Market Data	
52-week high/low	SAR 59.17/29.66
Market Cap	SAR 216,900 mln
Shares Outstanding	6,000 mln
Free-float	62.72%
12-month ADTV	3,698,412
Bloomberg Code	SNB AB

Deposits Rise SAR 43 bln Q/Q

May 10, 2023

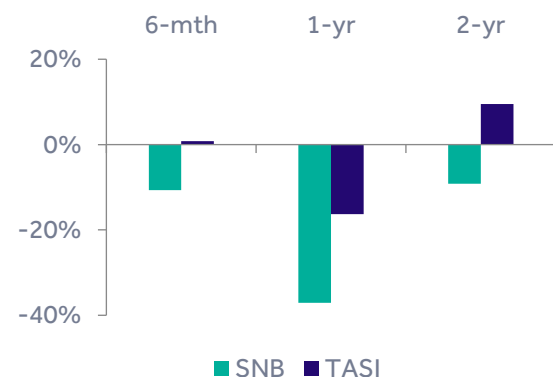
Upside to Target Price	30.0%	Rating	Buy
Expected Dividend Yield	5.0%	Last Price	SAR 36.15
Expected Total Return	35.0%	12-mth target	SAR 47.00

SNB	1Q2023	1Q2022	Y/Y	4Q2022	Q/Q	RC Estimate
Net Commission Income	6,778	6,108	11%	6,840	(1%)	7,009
Total Operating Income	8,731	8,093	8%	8,118	8%	8,546
Net Income	5,022	4,502	12%	4,765	5%	4,837
Loans & Advances	566,337	514,635	10%	545,311	4%	558,943
Deposits	610,791	606,723	1%	568,283	7%	585,332

(All figures are in SAR mln)

- SNB's financing portfolio is up by SAR 21.0 bln in 1Q2023 (+10% Y/Y, +4% Q/Q) to SAR 566 bln while deposits increased by an impressive SAR 42.5 bln Q/Q to SAR 611 bln.
- On the back of rising interest rates, 1Q2023 Special Commission Expense rose on both yearly and quarterly basis by +380% and +25%, respectively, to SAR 4.3 bln. On stellar growth in Special Commission Income, NSCI is up +11% Y/Y but down -1% Q/Q to SAR 6.8 bln, in-line with our estimates.
- Non-core income at SAR 2.0 bln witnessed a decline of -2% Y/Y but depicted a +53% Q/Q growth. We believe the decline Y/Y can be attributed to lower non-FVIS investments coupled with higher net other operating expense. Total operating income increased +8% on both yearly and quarterly basis to SAR 8.7 bln.
- Total Opex at SAR 2.9 bln, including provisions, was stable Y/Y and is up by +8% Q/Q. The increase Q/Q was attributed to an increase in salaries and employee related expenses, rent and premises related expenses as well as an increase of +196% Q/Q in provisions to SAR 493 mln.
- SNB reported a net income of SAR 5.0 bln (+12% Y/Y and +5% Q/Q), in-line with our estimates. We revise our target price from SAR 51.49 (adjusted for capital increase) to SAR 47.00 but maintain a Buy 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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