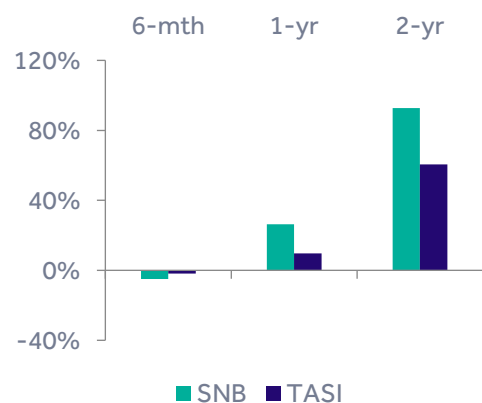


Market Data	
52-week high/low	SAR 82.00/54.40
Market Cap	SAR 310,773 mln
Shares Outstanding	4,478 mln
Free-float	62.73%
12-month ADTV	3,528,010
Bloomberg Code	SNB AB



### Net Income Nearly Doubles in 2Q

July 27, 2022

Upside to Target Price	23.9%	Rating	Buy
Expected Dividend Yield	2.9%	Last Price	SAR 69.40
Expected Total Return	26.8%	12-mth target	SAR 86.00

SNB	2Q2022	2Q2021	Y/Y	1Q2022	Q/Q	RC Estimate
Net Commission Income	6,806	5,888	16%	6,085	12%	6,253
Total Operating Income	8,373	7,588	10%	8,065	4%	8,214
Net Income	4,589	2,316	98%	4,502	2%	4,720
Loans & Advances	536,189	501,803	7%	512,898	5%	528,285
Deposits	593,011	588,135	1%	604,963	(2%)	617,063

(All figures are in SAR mln)

- SNB grew its loans portfolio by +5% Q/Q, adding SAR 23 bln, while deposits dropped by -2% Q/Q (SAR 12 bln). Accordingly, LDR rose from 85% to 90% this quarter.
- NSCI increased on both yearly and quarterly basis, by +16% and +12% respectively, to reach SAR 6.8 bln in 2Q2022 due to an increase in Special Commission Income, although Special Commission Expense was also higher.
- However, non-core income was lower by -8% Y/Y and -21% Q/Q reaching SAR 1.6 bln, we believe due to lower investment income, though fees from banking services were higher. Operating income of SAR 8.4 bln was up +10% Y/Y and +4% Q/Q, matching our expectations.
- On a yearly basis, total Opex including provisions were lower by -37% Y/Y, mainly due to lower rent, amortization of intangible assets, other G&A expenses and provisions.
- Net income of SAR 4.6 bln nearly doubled compared to 2Q2021, matching our forecast, on the back of higher total operating income and lower provisions.
- We believe that SNB has started benefiting from the merger now. We maintain our target price at SAR 86.00 and Buy recommendation.

Rawabi A. Al Mutaywia  
 rawabi.al.mutaywia@riyadcapital.com  
 +966-11-203-6805

## ■ 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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