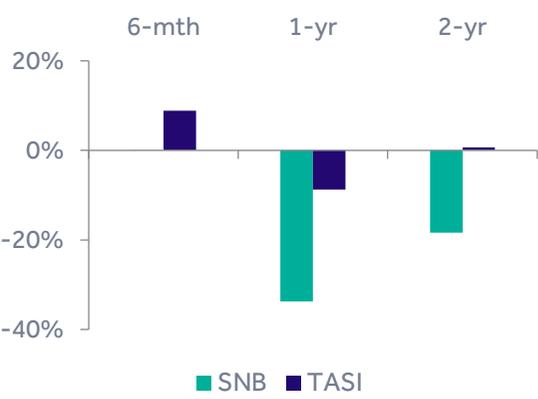


Market Data	
52-week high/low	SAR 54.70/29.66
Market Cap	SAR 218,400 mln
Shares Outstanding	6,000 mln
Free-float	62.72%
12-month ADTV	4,956,520
Bloomberg Code	SNB AB



Earnings Match Expectations

Upside to Target Price	23.6%
Expected Dividend Yield	4.9%
Expected Total Return	28.6%

August 14, 2023

Rating	Buy
Last Price	SAR 36.40
12-mth target	SAR 45.00

SNB	2Q2023	2Q2022	Y/Y	1Q2023	Q/Q	RC Estimate
Net Commission Income	6,524	6,824	(4%)	6,778	(4%)	7,187
Total Operating Income	8,497	8,345	2%	8,731	(3%)	8,927
Net Income	5,016	4,589	9%	5,022	(0%)	4,992
Loans & Advances	577,849	536,189	8%	566,337	2%	583,327
Deposits	602,209	593,011	2%	610,791	(1%)	616,899

(All figures are in SAR mln)

- On a quarterly basis, SNB’s financing portfolio is up SAR 11.5 bln (+8% Y/Y, +2% Q/Q) to SAR 578 bln while deposits declined by SAR 8.6 bln Q/Q to SAR 602 bln.
- On the back of rising interest rates, Special Commission Expense rose on both yearly and quarterly basis by +300% and +25%, respectively, to SAR 5.4 bln. Special Commission Income is also up on both yearly and quarterly basis while NSCI declined -4% Y/Y and Q/Q to SAR 6.5 bln.
- Non-core income at SAR 2.0 bln is up strongly (+30% Y/Y) and by +1% Q/Q. The Y/Y growth was helped by higher fee from banking services, foreign exchange income and investment income, up by +13%, +59% and +47%, respectively.
- Total Opex at SAR 2.7 bln, including provisions, were down by -11% Y/Y and -8% Q/Q. The decline was attributed to lower provisions of SAR 76 mln, declining massively by -87% Y/Y and -85% Q/Q.
- Net income of SAR 5.0 bln is up +9% Y/Y but flat Q/Q, matching our estimates. We revise our target price from SAR 47.00 to SAR 45.00 on lower NIMs 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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