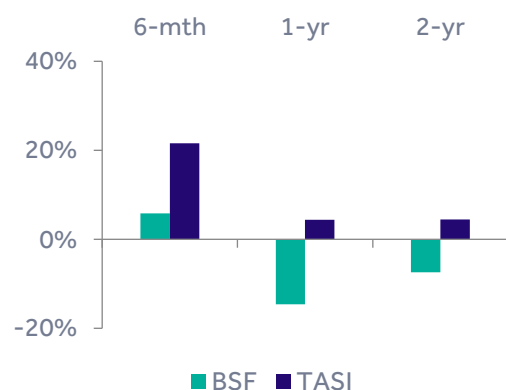


Market Data	
52-week high/low	SAR 39.45/22.34
Market Cap	SAR 36,221 mln
Shares Outstanding	1,205 mln
Free-float	56.0%
12-month ADTV	1,149,187
Bloomberg Code	BSFR AB



Provisions Exceed Expectations

November 08, 2020

Upside to Target Price	(6.8%)	Rating	Neutral
Expected Dividend Yield	1.7%	Last Price	SAR 30.05
Expected Total Return	(5.2%)	12-mth target	SAR 28.00

Banque Saudi Fransi	3Q2020	3Q2019	Y/Y	2Q2020	Q/Q	RC Estimate
Net Commission Income	1,375	1,344	2%	1,297	6%	1,305
Total Operating Income	1,751	1,738	1%	1,760	(1%)	1,751
Net Income	333	880	(62%)	437	(24%)	455
Loans & Advances	134,356	123,439	9%	135,749	(1%)	136,593
Deposits	135,655	141,898	(4%)	138,046	(2%)	139,060

(All figures are in SAR mln)

- Both net loans and deposits went against the general sector trend to fall by SAR 1.4 bln Q/Q and SAR 2.4 bln Q/Q, respectively. Therefore, LDR rose from 98% last quarter to 99%.
- NSCI rose by +2% Y/Y and +6% Q/Q to reach SAR 1.4 bln, matching our estimates, (due to a drop in Special Commission Expense by -63% Y/Y and -34% Q/Q). Non-core income of SAR 376 mln decreased by -5% Y/Y and -19% Q/Q. As a result, Operating Income of SAR 1.8 bln (+1% Y/Y, -1% Q/Q), came in-line with our expectations.
- Provisions jumped to SAR 930 mln (+312% Y/Y and +47% Q/Q) versus our SAR 636 mln estimate, along with an increase in Salaries and other expenses, leading operating expense to reach SAR 1.3 bln.
- Net income after zakat at SAR 333 mln, missed our SAR 455 mln estimate and market consensus of SAR 487 mln, due to higher provisions. We maintain our target price of SAR 28.00 and Neutral stance.

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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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