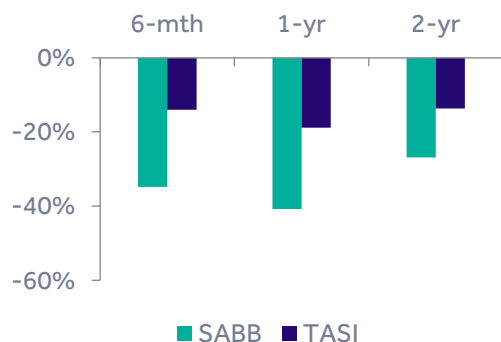


Market Data	
52-week high/low	SAR 42.50/18.20
Market Cap	SAR 47,224 mln
Shares Outstanding	2,055 mln
Free-float	47.3%
12-month ADTV	1,456,696
Bloomberg Code	SABB AB



Earnings Beat Expectations

May 20, 2020

Upside to Target Price	4.4%	Rating	Neutral
Expected Dividend Yield	5.1%	Last Price	SAR 22.98
Expected Total Return	9.5%	12-mth target	SAR 24.00

Saudi British Bank	1Q2020	1Q2019	Y/Y	4Q2019	Q/Q	RC Estimate
Net Commission Income	1,969	1,487	32%	2,303	(15%)	1,859
Total Operating Income	2,435	1,970	24%	2,867	(15%)	2,355
Net Income	1,022	1,106	(8%)	899	14%	704
Loans & Advances	157,839	110,357	43%	154,677	2%	155,113
Deposits	188,275	127,238	48%	192,167	(2%)	190,858

(All figures are in SAR mln)

- Net loans continued their recovery for the second quarter, rising by SAR 3.2 bln while deposits declined by SAR 3.9 bln Q/Q. As a result, LDR rose from 80% last quarter to 84%.
- Special commission income improved +28% Y/Y. Special commission expenses also rose +8% Y/Y but was -11% lower Q/Q affected by the fall in interest rates. Non-core income was recorded at SAR 466 mln (-4% Y/Y, -17% Q/Q), due to a net loss of SAR 76 mln which was driven by SABB's initiative to support retail customers working in the healthcare sector by deferring repayments on lending facilities for three months, in addition to SAMA's Private Sector Financing Support Program.
- Provisions were higher at SAR 254 mln compared to SAR 91 mln in 1Q19 but lower than SAR 655 mln in 4Q19.
- On a Y/Y basis, rise in opex more than offset the improvement in total operating income, hence net income fell by -8% to SAR 1,022 mln. However, bottom-line increased by +14% Q/Q driven by lower provision for expected credit losses and lower opex, this was partially offset by a decrease in total operating income. We lower our target price from SAR 26.00 to SAR 24.00 and maintain a Neutral 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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