

Market Data	
52-week high/low	SAR 42.50/29.05
Market Cap	SAR 65,753 mln
Shares Outstanding	2,055 mln
Free-float	39.0%
12-month ADTV	709,628
Bloomberg Code	SABB AB



Provisions Ease

November 5, 2019

Upside to Target Price	(3.1%)	Rating	Neutral
Expected Dividend Yield	4.1%	Last Price	SAR 32.00
Expected Total Return	0.9%	12-mth target	SAR 31.00

Saudi British Bank	3Q2019	3Q2018*	Y/Y	2Q2019*	Q/Q	RC Estimate
Net Commission Income	1,992	2,106	(5%)	2,147	(7%)	1,595
Total Operating Income	2,577	2,748	(6%)	2,689	(4%)	1,992
Net Income	1,061	1,318	(19%)	(9)	-	478
Loans & Advances	152,529	171,124	(11%)	158,275	(4%)	157,706
Deposits	183,417	194,642	(6%)	196,145	(6%)	193,991

(All figures are in SAR mln)

* Pro forma results

- 3Q2019 is the first full quarter of business for the merged bank, thus, we compare its performance on a pro forma basis, as it is more suitable.
- Net loans maintained their downtrend falling by SAR 5.7 bln Q/Q, while deposits more than offset their recovery in 2Q, plummeting by SAR 12.7 bln Q/Q. As a result, LDR rose to 82% from 79% last quarter.
- NSCI components decreased Y/Y and Q/Q, leading NSCI to fall as well. Non-core income dropped -9% Y/Y to 585 mln, but improved +8% Q/Q on the back of higher dividend income, fee-based income and exchange income.
- Provisions normalized this quarter, coming at SAR 236 mln (-35% Y/Y, -86% Q/Q); therefore, opex plunged -53% Q/Q to SAR 1.3 bln, though increased slightly by +5% Y/Y due to incorporating SAR 137 mln of merger related costs (included in salaries and G&A expenses) in 3Q19 compared to SAR 1 mln in 3Q18.

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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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