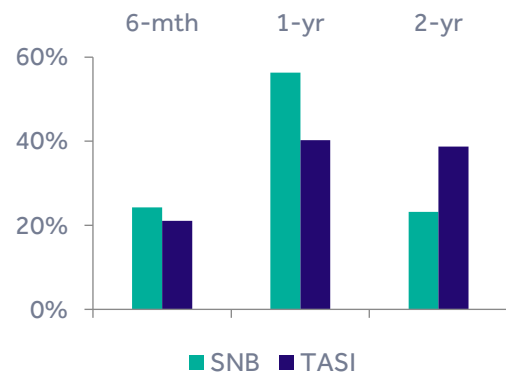


Market Data	
52-week high/low	SAR 60.60/36.60
Market Cap	SAR 262,859 mln
Shares Outstanding	4,478 mln
Free-float	49.55%
12-month ADTV	2,705,594
Bloomberg Code	SNB AB



### ■ First Full Quarter for the Merged Bank

August 30, 2021

Upside to Target Price	(4.9%)	Rating	Neutral
Expected Dividend Yield	2.2%	Last Price	SAR 58.90
Expected Total Return	(2.7%)	12-mth target	SAR 56.00

SNB	2Q2021	2Q2020*	Y/Y	1Q2021*	Q/Q
Net Commission Income	5,783	5,348	8%	5,509	5%
Total Operating Income	7,501	7,125	5%	8,216	(9%)
Net Income	2,117	3,041	(30%)	4,249	(50%)
Loans & Advances	503,157	464,386	8%	514,238	(2%)
Deposits	588,135	567,658	4%	613,222	(4%)

(All figures are in SAR mln)

\* Pro forma results

- 2Q2021 is the first full quarter of business for the merged bank, therefore, we compare its performance on a pro forma basis, as this is more suitable.
- Both loans portfolio and deposits declined on Q/Q by SAR 6.2 bln and SAR 25.1 bln respectively this quarter. As a result, LDR is at 86% this quarter.
- NSCI increased by +8% Y/Y and +5% Q/Q to reach SAR 5.8 bln, due to an improvement in special commission income as well as a decline in special commission expense on both yearly and quarterly basis. However, operating income increased by +5% Y/Y to reach SAR 7.5 bln, but was lower by -9% Q/Q as we believe it's due to lower non-core income.
- Operating expenses increased by +43% Y/Y and +9% Q/Q reaching SAR 5.1 bln due to a rise in most of the items, including provisions, which was higher by +87% Y/Y and +75% Q/Q to reach SAR 2,408 mln, impacted by the requirements of the accounting standards for the merger.
- Net income of SAR 2.1 bln came in lower by -30% Y/Y and -50% Q/Q, driven by higher operating expenses (including provisions), which increased more than operating income. We increase our target price to SAR 56.00 but maintain Neutral.

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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](mailto:research@riyadcapital.com)

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