The Saudi National Bank (SNB)

Bottom-line Grow			November 08, 2023				
Jpside to Target Price Expected Dividend Yield Expected Total Return	25.2% 5.0% 30.2%	5.0%		Rating Last Price 12-mth target		Buy SAR 35.95 SAR 45.00	
SNB	3Q2023	3Q2022	Y/Y	2Q2023	Q/Q	RC Estimate	
Net Commission Income	6,820	6,578	4%	6,524	5%	6,931	
Total Operating Income	8,737	8,448	3%	8,497	3%	8,880	
Net Income	5,010	4,725	6%	5,016	(0%)	5,134	
Loans & Advances	595,721	536,176	11%	577,849	3%	587,673	
Deposits	624,769	596,886	5%	602,209	4%	608,231	

(All figures are in SAR mln)

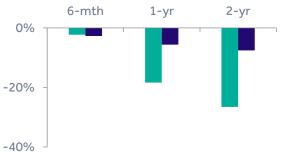
- SNB's financing portfolio is up SAR 18 bln sequentially for the fourth quarter in a row (+11% Y/Y, +3% Q/Q) to SAR 596 bln while deposits added SAR 23 bln Q/Q to SAR 625 bln.
- On the back of rising interest rates, Special Commission Expense rose on both yearly and quarterly basis by +166% and +17%, respectively, to SAR 6.3 bln. Special Commission Income is also up on both yearly and quarterly basis. Hence, 3Q2023 NSCI is up +4% Y/Y and +5% Q/Q to SAR 6.8 bln, in-line with our estimates.
- 3Q23 Non-core Income went up +3% Y/Y but declined -3% Q/Q to SAR 1.9 bln. The Y/Y growth was helped by +19% higher fee from banking services as well as exchange income.
- Total Opex at SAR 2.8 bln, excluding provisions, was +14% Y/Y and +6% Q/Q higher. This rise is attributed to higher salaries and employee-related expenses, rent and other G&A expenses. The 9M2023 Provisions at SAR 492 mln were lower -68% Y/Y.
- Net Income of SAR 5.0 bln is up +6% Y/Y but flat Q/Q, in-line with our estimates, but higher versus market consensus of SAR 4.8 bln. We maintain our SAR 45.00 target price and a Buy rating.

Abdullah D Alharbi

abdullah.ulihan.alharbi@riyadcapital.com +966-11-486-5680



Market Data			
52-week high/low	SAR 44.62/29.66		
Market Cap	SAR 215,700 mln		
Shares Outstanding	6,000 mln		
Free-float	62.72%		
12-month ADTV	5,319,870		
Bloomberg Code	SNB AB		



SNB TASI

Stock Rating

E	uy	Neutral	Sell	Not Rated
1	Total Return 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

Riyad Capital is a Saudi Closed Joint Stock Company with Paid up capital of SR 500 million, licensed by the Saudi Arabian Capital Market Authority NO.07070-37. Commercial Registration No: 1010239234. Head Office: Granada Business Park 2414 Al-Shohda Dist. – Unit No 69, Riyadh 13241 - 7279 Saudi Arabia. Ph: 920012299. The information in this report was compiled in good faith from various public sources believed to be reliable. Whilst all reasonable care has been taken to ensure that the facts stated in this report are accurate and that the forecasts, opinions and expectations contained herein are fair and reasonable. Rivad Capital makes no representations or warranties whatsoever as to the accuracy of the data and information provided and, in particular, Riyad Capital does not represent that the information in this report is complete or free from any error. This report is not, and is not to be construed as, an offer to sell or solicitation of an offer to buy any financial securities. Accordingly, no reliance should be placed on the accuracy, fairness or completeness of the information contained in this report. Rivad Capital accepts no liability whatsoever for any loss arising from any use of this report or its contents, and neither Rivad Capital nor any of its respective directors, officers or employees, shall be in any way responsible for the contents hereof. Rivad Capital or its employees or any of its affiliates or clients may have a financial interest in securities or other assets referred to in this report. Opinions, forecasts or projections contained in this report represent Riyad Capital's current opinions or judgment as at the date of this report only and are therefore subject to change without notice. There can be no assurance that future results or events will be consistent with any such opinions, forecasts or projections which represent only one possible outcome. Further, such opinions, forecasts or projections are subject to certain risks, uncertainties and assumptions that have not been verified and future actual results or events could differ materially. The value of, or income from, any investments referred to in this report may fluctuate and/or be affected by changes. Past performance is not necessarily an indicative of future performance. Accordingly, investors may receive back less than originally invested amount. This report provides information of a general nature and does not address the circumstances, objectives, and risk tolerance of any particular investor. Therefore, it is not intended to provide personal investment advice and does not take into account the reader's financial situation or any specific investment objectives or particular needs which the reader may have. Before making an investment decision the reader should seek advice from an independent financial, legal, tax and/or other required advisers due to the investment in such kind of securities may not be suitable for all recipients. This research report might not be reproduced, nor distributed in whole or in part, and all information, opinions, forecasts and projections contained in it are protected by the copyright rules and regulations.

