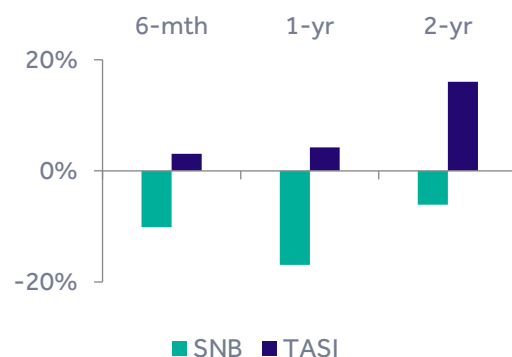


Market Data	
52-week high/low	SAR 43.35/31.90
Market Cap	SAR 205,200 mln
Shares Outstanding	6,000 mln
Free-float	62.71%
12-month ADTV	4,986,131
Bloomberg Code	SNB AB



Advances Stable, Deposits decline Q/Q

February 02, 2025

Upside to Target Price	28.7%	Rating	Buy
Expected Dividend Yield	5.6%	Last Price	SAR 34.20
Expected Total Return	34.2%	12-mth target	SAR 44.00

SNB	4Q2024	4Q2023	Y/Y	3Q2024	Q/Q	RC Estimate
Net Commission Income	6,904	6,873	0%	6,864	1%	6,765
Total Operating Income	8,988	8,625	4%	9,195	(2%)	9,135
Net Income	5,520	4,935	12%	5,350	3%	5,388
Net Financing	654,252	601,527	9%	655,308	0%	660,241
Deposits	579,762	590,051	(2%)	634,195	(9%)	637,255

(All figures are in SAR mln)

- Deposits contracted by -9% Q/Q and -2% Y/Y, reaching SAR 579.8 bln. CASA ratio improved to 72.2% from 70.8% in 3Q2024. Net financing remained stable Q/Q at SAR 654 bln (+9% Y/Y), led by wholesale financing and retail mortgages growth. Simple LDR rose from 103% in 3Q2024 to 113% in 4Q, due to deposit contraction. Sequentially, NSCI slightly increased by +1%. However, it remained stable Y/Y. NIMs in 4Q2024 were at 2.92% representing a -18 bps drop Y/Y, as the rise in funding costs outpaced the increase in yields, putting pressure on margins.
- Operating expenses for 2024 rose +7% Y/Y, primarily due to depreciation and higher G&A expenses. Group Cost-to-Income ratio reached 28.3% in 2024 (vs. 27.6% in 2023), while the domestic Cost-to-Income ratio improved Y/Y to 25.4%. Impairment charge for the quarter dropped significantly by -90% Q/Q and -95% Y/Y to SAR 22 mln, reflecting improved credit quality and prudent credit risk management.
- SNB has reported a 4Q bottom-line of SAR 5.5 bln (+3% Q/Q and +12% Y/Y) in line with our estimates of SAR 5.4 bln. This growth was led by higher domestic operating revenue, across both net interest income and fee and other income. SNB declared a cash dividend for 2H2024 at SAR 1.00 per share.
- Despite this positive result, stock price performance has been lackluster, reflecting broader market sentiment. However, the bank's solid fundamentals and sustainable growth outlook provide confidence in its long-term potential. As a result, we maintain our Buy rating and target price of SAR 44.00. SNB is well-positioned to capitalize on the evolving market environment. The anticipated interest rate cuts are expected to provide funding cost relief, stimulate loan growth, and support margin stability.

Reem M. Alkhulayfi
 reem.alkhulayfi@riyadcapital.com
 +966-11-203-6880

■ 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

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. Riyad 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. Riyad Capital accepts no liability whatsoever for any loss arising from any use of this report or its contents, and neither Riyad Capital nor any of its respective directors, officers or employees, shall be in any way responsible for the contents hereof. Riyad 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.