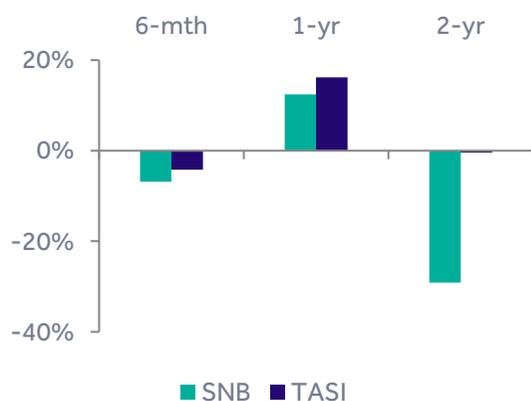


Market Data	
52-week high/low	SAR 44.35/30.90
Market Cap	SAR 209,100 mln
Shares Outstanding	6,000 mln
Free-float	62.71%
12-month ADTV	5,215,721
Bloomberg Code	SNB AB



### Advances Rise, Deposits Stable Q/Q

October 23, 2024

Upside to Target Price	26.3%	Rating	Buy
Expected Dividend Yield	4.3%	Last Price	SAR 34.85
Expected Total Return	30.6%	12-mth target	SAR 44.00

SNB	3Q2024	3Q2023	Y/Y	2Q2024	Q/Q	RC Estimate
Net Commission Income	6,864	6,834	0%	7,051	(3%)	7,110
Total Operating Income	9,195	8,737	5%	8,916	3%	9,010
Net Income	5,366	5,010	7%	5,231	3%	5,028
Net Financing	655,308	595,721	10%	637,235	3%	656,290
Deposits	634,195	624,769	2%	632,693	0%	656,394

(All figures are in SAR mln)

- Deposits remained largely stable compared to the previous quarter, but increased by +2% Y/Y, bringing total deposits to SAR 634 bln. CASA ratio decreased from 74.2% in 2Q to 70.8% in 3Q, due to a shift to domestic time deposits. Net financing expanded by SAR 18 bln (+3% Q/Q) reaching SAR 655 bln, reflecting a robust +10% Y/Y increase, aligning closely with our estimates of SAR 656 bln, led by wholesale financing and retail mortgages. Simple LDR rose modestly from 101% in 2Q2024 to 103%. Sequentially, NSCI declined by -3% due to a -50% Q/Q decline in commission from investments. NIMs in 3Q2024 were at 2.96% representing a -15 bps drop Y/Y, as the rise in funding costs outpaced the increase in yields, putting pressure on margins.
- The Group Cost-to-Income Ratio saw a modest improvement settling at 29.0% in 3Q 2024, while Domestic Cost-to-Income Ratio improved to 26.3% Y/Y, underscoring enhanced operational efficiency. Impairment charge for the quarter spiked significantly by +395% Y/Y and +89% Q/Q to SAR 227 mln, reflecting either potential credit quality deterioration or a more conservative approach in provisioning. Overall operating expense grew by +15% Y/Y, compounded by higher employee-related costs and other opex.
- Net income for the period came in at SAR 5.4 bln, +7% Y/Y, driven by non-core income particularly from domestic banking service fees and investment-related income, which surged by +22% Y/Y. Despite this positive result, stock price performance has been lackluster, reflecting broader market sentiment. Nevertheless, we maintain our Buy rating and target price of SAR 44.00, as we believe the bank remains well-positioned in the emerging environment.

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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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