GIB CAPITAL جي آي بي كابيتال

Target Price: SAR50/share
Current Price: SAR35/share
Upside: +42% (+Div. Yield: 6.1%)
Rating: Overweight

Saudi National Bank (SNB)

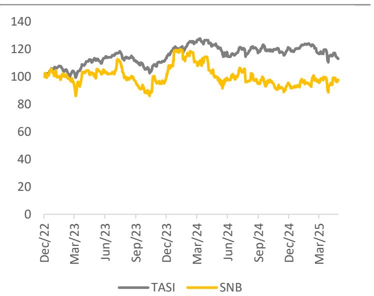
Shaping the Bank for Tomorrow Strategy – Precision in Priorities

- 1Q25 results beat on all key metrics (topline beat by ~5%; earnings beat by ~11%), signaling the new strategy implementation is already underway.
- SNB's 2025-27 strategy, in our assessment, strategically targets the critical KPIs necessary to unlock significant earnings potential, making this a positive development.
- We raise our TP at SAR50/sh. based on the equal weightage of residual income and P/B (1.5x on 2025e BVPS) multiple methods and keep Overweight rating.

Stock data	
TASI ticker	1180
Mcap (SARmn)	210,900
Trd. Val (3m) (SARmn)	205.9
Free float	62.7%
QFI holding	16.2%
TASI FF weight	6.18%

Source: Bloomberg

Prices indexed to 100



Source: Bloomberg

1Q25 results - beat on all fronts, evidencing new strategy implementation: NSCI was SAR7.3bn (+5.0% y/y), slightly above our estimates of SAR7.1bn. Non-NSCI surged to SAR2.4bn (+16.4% y/y), beating our estimate of SAR2.1bn (~12% beat) and positive for their 2025-27 strategy. This drove total operating income to SAR9.6bn (+7.6% y/y), also above forecast (GIBCe: SAR9.2bn, 4.7% beat). Further, ECLs were much lower than expected at SAR34mn. Opex was also below estimates, improving the cost-to-income ratio (28.4% vs. GIBCe 30.5%), another positive for the new strategy. This resulted in a higher-than-expected net income of SAR6.0bn (+19.5% y/y) (GIBCe: SAR5.4bn, ~11% beat). Loan growth was strong at 8% q/q, exceeding expectations, while deposits (+8% q/q) also came in higher than expected due to better CASA inflows.

The new 2025–27 strategy focused on what matters: SNB's new strategy emphasizes on growth, profitability and efficiency, and capital and dividends. While 1Q25 results show early promise, we remain conservative on achieving the stated KPIs. Key targeted KPIs include: i) balanced financing ("Low teens" vs. GIBCe 11.0% CAGR) and CASA deposits ("Low teens" vs. 10.0% CAGR) growth (2024-27e), ii) NSCI growth ("Low double digit" vs. 9.3% CAGR), iii) increased fee income ("High teens" vs. 14.1% CAGR), iv) improved operational efficiency leading to a lower CIR ("<25.5%" vs. 26% by 2027e), v) cost of risk ("20-40bps" vs. 35bps 2027e), vi) higher dividend payout (50-60% vs. 60% by 2027e), and vii) enhanced ROTE[1] ("18-19%" vs. 17.1% by 2027e). Accordingly, we have revised our total operating income forecast upwards to a 9.6% CAGR (from 6.9%) and our earnings estimate to a 9.3% CAGR (from 6.0%) for (2024-27e).

Figure 1: Key financial metrics

SARmn	2024	2025e	2026e	2027e
NSCI	27,730	30,015	32,825	36,231
y/y growth	*2.7%*	*8.2%*	*9.4%*	*10.4%*
NSCI margin	*3.0%*	*3.0%*	*3.0%*	*3.0%*
Fee & other income	8,308	8,948	9,896	11,154
Total operating Income	36,038	38,963	42,721	47,385
Cost to Income Ratio^	28.3%	26.3%	25.9%	26.0%
Net income*	21,193	23,002	25,139	27,685
EPS (SAR)	3.4	3.7	4.0	4.5
DPS (SAR)	1.9	2.2	2.3	2.7
Net loans and advances	654,252	723,729	804,994	893,861
y/y growth	*8.8%*	*10.6%*	*11.2%*	*11.0%*
Customers deposits	579,762	664,735	717,913	771,757
y/y growth	*-1.7%*	*14.7%*	*8.0%*	*7.5%*
COR (bps)	16	24	32	35

*Source: Company data, GIB Capital, *attri. to equity holders, ^Excl. amortization of intangibles, [1]Pre T1 sukuk cost*

Kunal Doshi
+966-11-834 8372
Kunal.doshi@gibcapital.com

Shaping the Bank for Tomorrow Strategy 2025-27:

SNB's new 3-year strategy, launched in Feb 2025, strategically prioritizes profitability and sustainable growth within KSA. By capitalizing on emerging opportunities and leveraging post-merger synergies, the bank will execute its vision through five key pillars: 1) Market share & value creation, 2) operational excellence, 3) customer centricity, 4) innovation, and 5) talent magnet. The strategy focuses on the right KPIs, which would ultimately unlock significant value for the bank.

1. Market share and value creation

This pillar of SNB's strategy prioritizes balance sheet expansion (balanced loan and deposit growth), while simultaneously aiming to improve profitability through NSCI growth and increased non-interest/fee income.

- **In line with the strategy, we expect financing and deposits growth to remain balanced**

SNB intends to expand its balance sheet by recalibrating its risk framework, prioritizing loan market share gains across retail and wholesale segments. The bank targets outperforming industry financing growth, thereby increasing its market share. Management has guided a "low teens" CAGR for total financing (2024-27e), with "high single digit" for retail and "mid-teens" for wholesale.

We conservatively project SNB's total financing book to expand at an 11.0% CAGR (2024-27e), with retail and wholesale financing increasing by 7.7% and 15.0% CAGRs, respectively (Figure 2). The conservative outlook is due to the current macro backdrop characterized by lower oil prices and economic growth uncertainties due to the global trade war and the resultant slowdown.

Figure 2: SNB 2027 Financing growth target vs. GIBCe

SNB Financial Guidance	Guidance 2025e	GIBCe 2025e	CAGR 2024-27 Targets	GIBCe
Total Financing	Low double-digit	+10.6%	Low teens	+11.0% CAGR
Retail financing			High single digit	+7.7% CAGR
Wholesale financing			Mid-teens	+15.0% CAGR

Source: Company data, GIB Capital

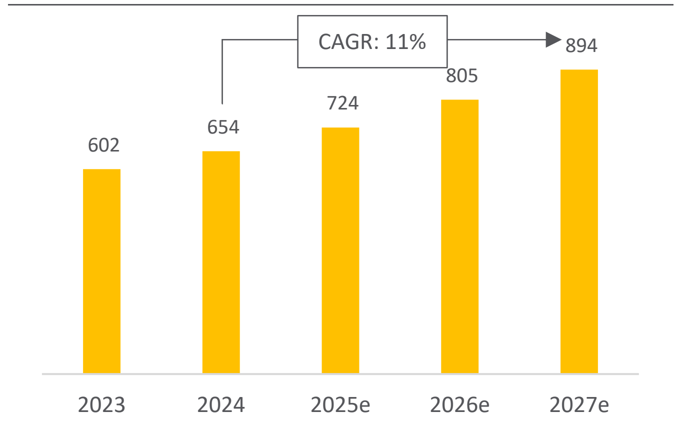
The loan book expansion would be supported by a focus on growing CASA deposits. The bank has guided CASA deposits to grow in line with the loan book growth (“Low teens”). However, we believe given the liquidity stress scenario in the KSA banking system, wherein deposits growth has always trailed loan book expansion, we expect the bank’s CASA deposits to grow by 10% CAGR, slightly below the given guidance. The overall deposits are also expected to increase at a 10% CAGR between 2024-27e (Figure 3).

Figure 3: SNB 2027 CASA growth target vs. GIBCe

SNB Financial Guidance	CAGR 2024-27 Targets	GIBCe
CASA	Low teens	+10.0% CAGR

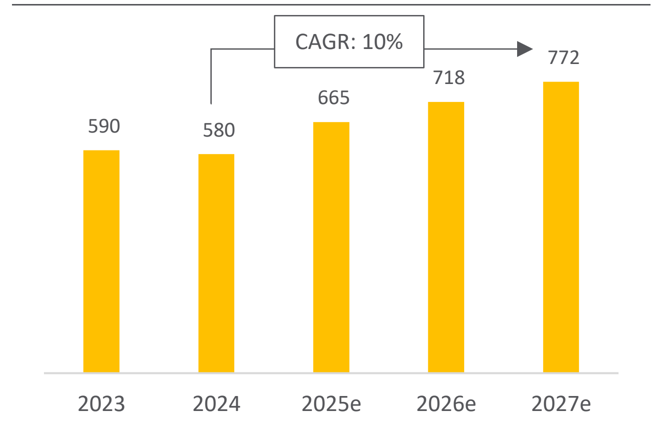
Source: Company data, GIB Capital

Figure 4: Financing (SARbn)



Source: Company data, GIB Capital

Figure 5: Deposits (SARbn)



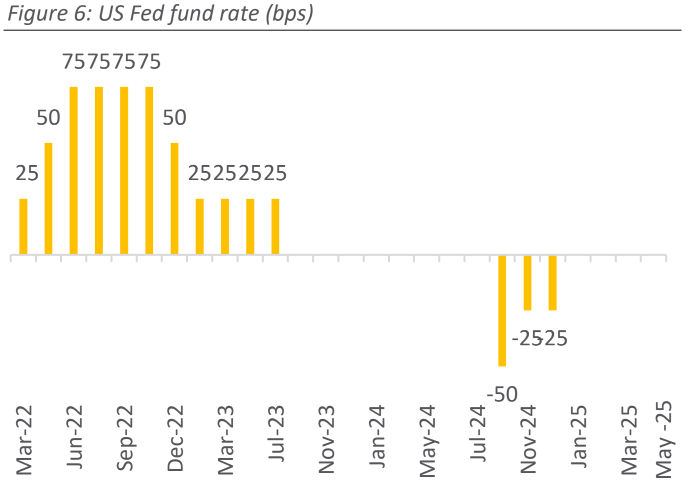
Source: Company data, GIB Capital

- **Measured cuts by the US Fed to keep interest rates elevated for longer**

After aggressively raising rates 11 times (over 5%) since March 2022, the US Federal Reserve reached a peak target range of 5.25-5.50% in July 2023. The Fed then held interest rates at this level and began easing in September 2024, cutting rates by 50bps in response to slowing inflation and a weakening economy. Subsequent 25bps in November and December 2024 brought the target range down to 4.25-4.50%, a total reduction of 1% in 2024 (Figure 6).

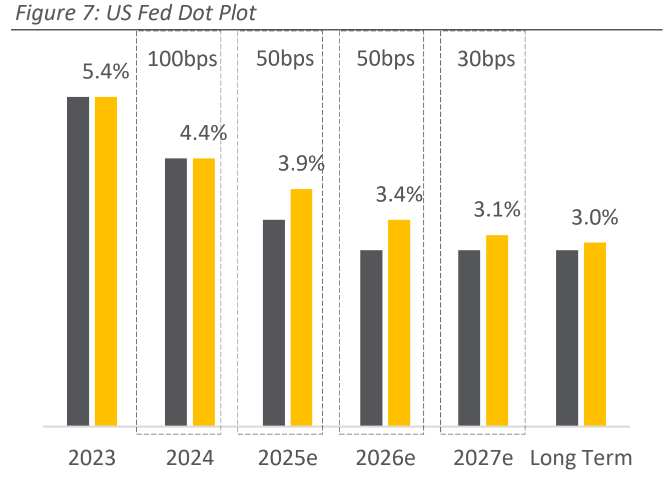
In 2025, the US Fed held its target rate at 4.25%-4.50% and maintained its forward guidance on rate cuts for 2025e and beyond. However, revised economic forecasts point to weaker growth and increased inflation stemming from the ongoing trade war, raising stagflation concerns. Consequently, the Fed is expected to closely monitor global tariff uncertainties before adjusting policy. The March 2025 projections indicate a cautious approach, forecasting 50bps of rate cuts in both 2025e and 2026e, followed by 30bps in 2027e (unchanged from December 2024).

Figure 6: US Fed fund rate (bps)



Source: Bloomberg, GIB Capital

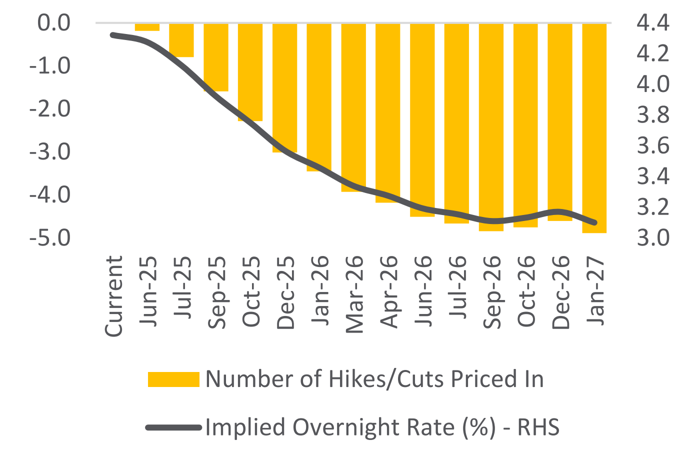
Figure 7: US Fed Dot Plot



Source: Bloomberg, GIB Capital

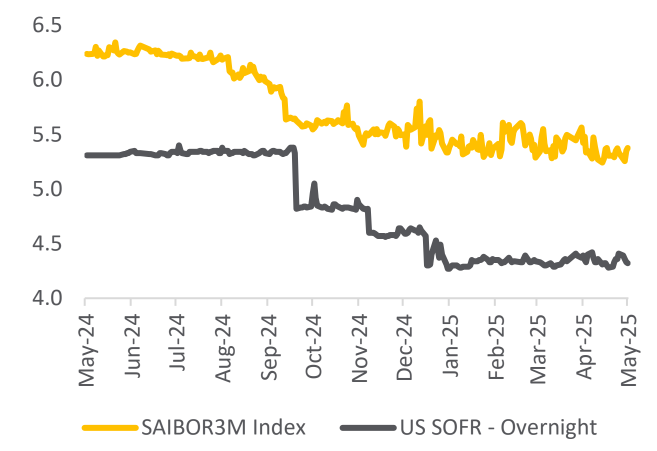
In contrast to the Fed's outlook of not rushing to reduce rates, market expectations are more aggressive, pricing in more than four rate cuts by the end of 2026e (Bloomberg World Interest Rate Probabilities) (Figure 8). This aggressive market pricing reflects prevalent recession concerns stemming from the ongoing trade war. Albeit, the interest rates are expected to remain elevated for longer compared to what was expected at the beginning of the easing cycle (Sept-24). SAMA, which mirrors the Fed's rate adjustments (Repo/Reverse Repo at 5.00-4.50%), is expected to maintain a similar policy stance.

*Figure 8: US Fed funds rate market prediction (%)**



*Source: Bloomberg, GIB Capital *as of 08 May 2025*

Figure 9: Key benchmark rates (%)



Source: Bloomberg, GIB Capital

- **Elevated interest rate environment to keep NSCI growth in check due to CASA migration, keeping NSCI margins relatively stable**

We keep our rate cuts forecast in line with the US Fed of two cuts in 2025e and two cuts in 2026e (SNB expects a 50bps decline in SAIBOR3M in 2025e and 75 bps in 2026e and stable in 2027e). The resultant higher interest rate environment for a longer period is expected to continue to result in CASA migration through 2025e and 2026e, pressuring NSCI margins during the period.

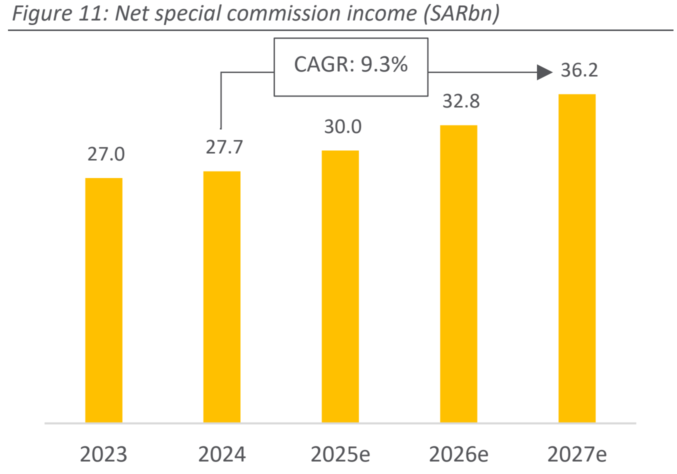
The bank aims to maintain a stable growth of “Low double digit” in the NSCI, supported by healthy loan expansion and a “relatively stable” NSCI margin through 2027e. However, we expect the pressure on the NSCI margin to be inevitable due to the interest rate outlook, which would pressurize the NSCI growth. Accordingly, we expect the NSCI to rise at 9.3% CAGR through 2024-27e. Meanwhile, we expect the NSCI margin to erode marginally through 2027e and dip below 3% and remain at an average of ~2.98% through 2025-27e (GIBCe calculation).

Figure 10: SNB 2027 NSCI targets vs. GIBCe

SNB Financial Guidance	Guidance 2025e	GIBCe 2025e	CAGR 2024-2027 Targets	GIBCe
NSCI	Mid to high single digit	+8.2%	Low double digit	+9.3% CAGR
NSCI margin			Relatively stable	2.98%*

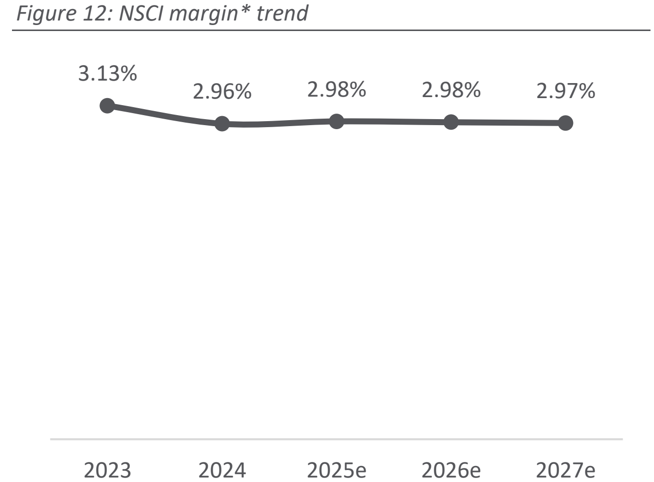
*Source: Company data, GIB Capital *average 2025-27e*

Figure 11: Net special commission income (SARbn)



Source: Company data, GIB Capital

Figure 12: NSCI margin trend*

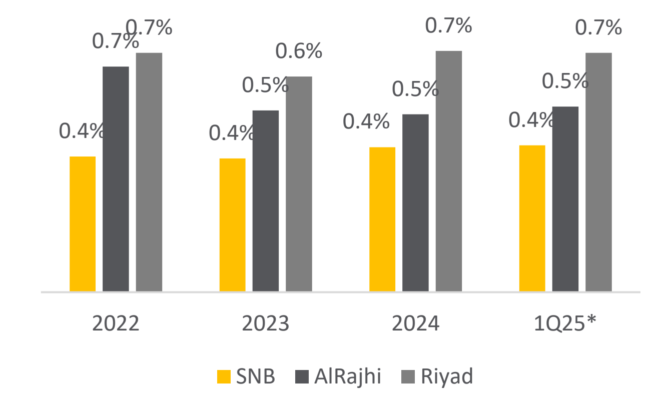


*Source: Company data, GIB Capital *GIB capital calculation*

- **Fee income from banking services and other Non NSCI to get a boost with special focus**

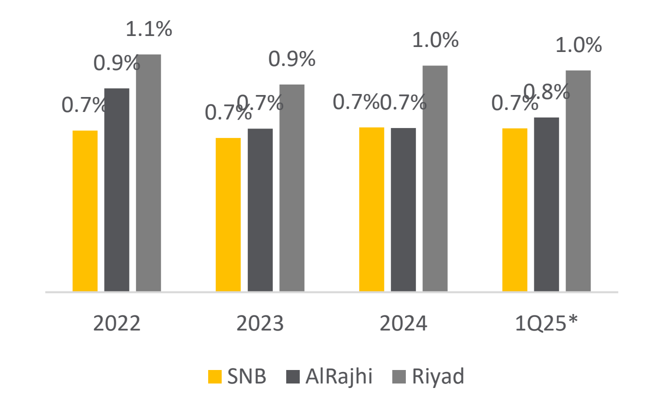
SNB lags behind its peers in terms of fee generation metrics (Figure 13 & 14). SNB's fee income as a % of average assets is at 0.4% in 1Q25, well behind Riyad's 0.7% and AlRajhi's 0.5%. Meanwhile, SNB's fee income as a % of loans stands at 0.7% in 1Q25, compared to Riyad's 1.0% and AlRajhi's 0.8%. SNB's new strategy specifically targets better fee generation, which would be supported by strategic initiatives such as capturing underpenetrated clients, cross selling, and developing new fee revenue streams.

Figure 13: Fee income as a % of average assets



*Source: Company data, GIB Capital *annualized*

Figure 14: Fee income as a % of average loans



*Source: Company data, GIB Capital *annualized*

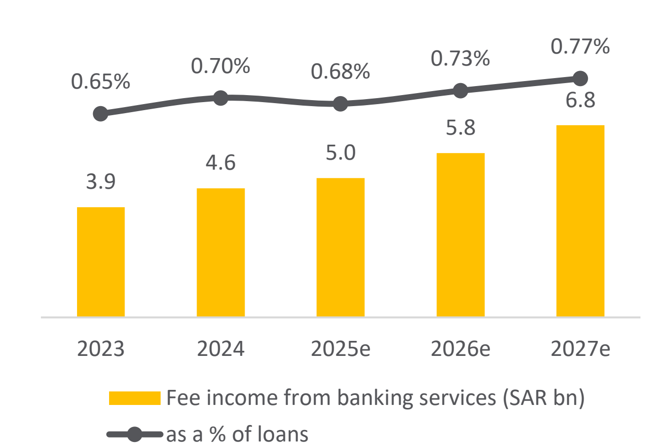
We believe the better fee generation focus by SNB is a big positive for the bank's profitability. SNB has guided the fee income to grow at "High teens" CAGR between 2024 and 2027, with the fee income to loans ratio guided to reach ">0.85%". Meanwhile, other non-NSCI income is expected to increase at a "Low single digit" CAGR over the same period. Albeit we conservatively expect the fee income from banking services to grow at a 14.1% CAGR over 2024-27e, with the fee income to loans ratio reaching 0.77% by 2027e. Meanwhile, we forecast the other non-NSCI income to expand at a CAGR of 5.2% over the same period (Figure 15).

Figure 15: SNB 2027 Non-NSCI targets vs. GIBCe

SNB Financial Guidance	CAGR 2024-2027 Targets	GIBCe
Banking Fee Income Growth	High teens	+14.1% CAGR
Fee income from banking services to loans	>0.85%	0.77%
Other non-NSCI income	Low single digit	+5.2% CAGR

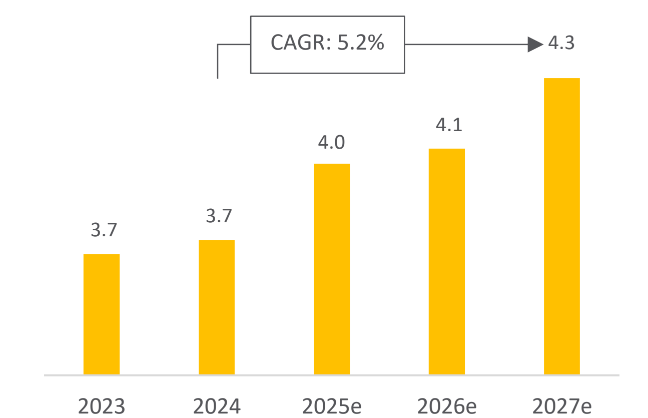
Source: Company data, GIB Capital

Figure 16: Fee income from banking services



Source: Company data, GIB Capital

Figure 17: Other non-funded income (SARbn)

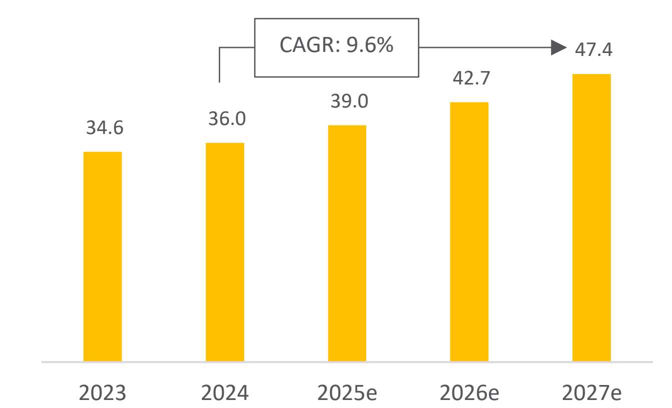


Source: Company data, GIB Capital

- **Total operating income**

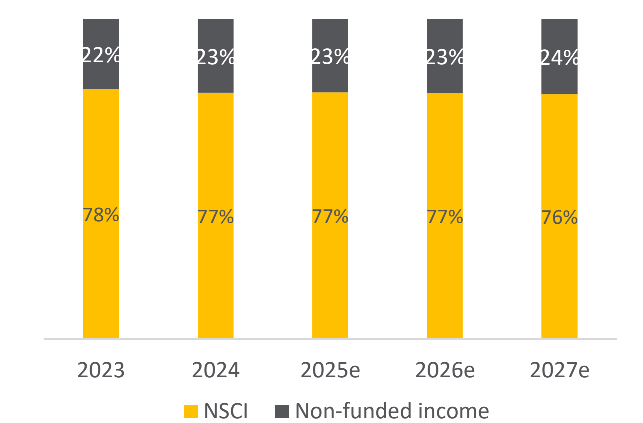
Overall, we project SNB's total operating income to grow at a 9.6% CAGR between 2024-27e, slightly below the management's "low double digit" CAGR guidance. Our forecast anticipates total operating income reaching SAR42.7bn by 2027e, up from SAR36.0bn in 2024. This growth will be supported by a 9.3% CAGR in NSCI, driven by loan book expansion. However, we expect fee and other non-funded income to be the primary catalyst, growing at a 10.3% CAGR over the same period, consequently increasing its contribution to total operating income to 24% by 2027e from 23% in 2024 (Figure 18 & 19).

Figure 18: Total operating income (SARbn)



Source: Company data, GIB Capital

Figure 19: Total operating income mix



Source: Company data, GIB Capital

2. **Operational excellence**

- **We believe targeting operational efficiency to enhance profitability is the right way**

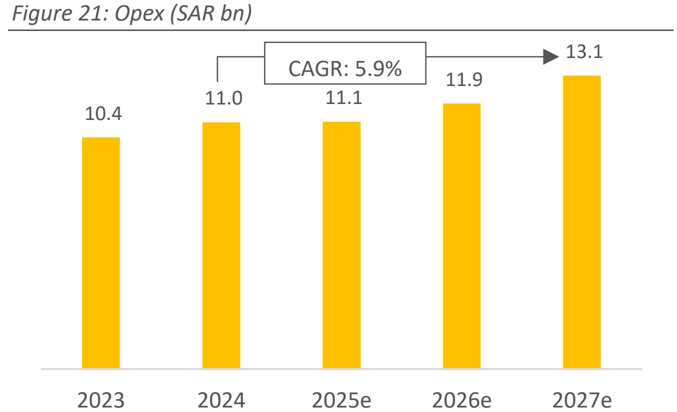
Under this pillar, SNB aims to improve its operational efficiency through increased automation and advancing zero back-office journeys. The bank targets an opex growth of "mid-single digit" CAGR over 2024-27e through value-based investments and efficiency gains. SNB targets a group CIR of "<25.5%" by 2027e. Accordingly, we conservatively maintain an opex growth of 5.9% CAGR during the same period, while our Group CIR in 2027e stands at 26.0% (Figure 10).

Figure 20: SNB 2027 CIR target vs. GIBCe

SNB Financial Guidance	Guidance 2025e	GIBCe 2025e	CAGR 2024-2027 Targets	GIBCe
Opex growth			Mid-single digit	+5.9% CAGR
Group CIR*	<25.5%	26.3%	<25.5%*	26.0%*

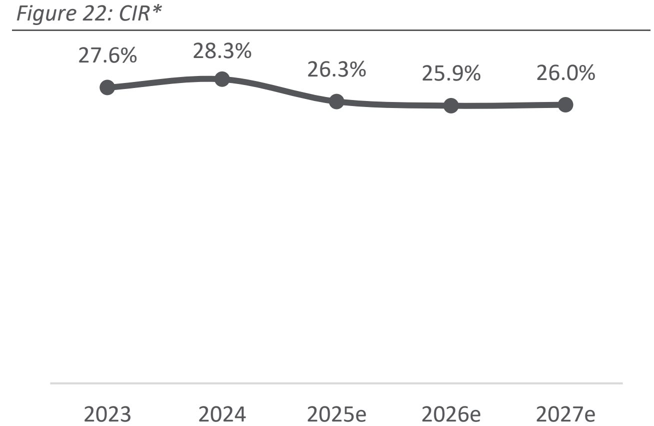
*Source: Company data, GIB Capital * excl amortization of intangible assets and by 2027e*

Figure 21: Opex (SAR bn)



Source: Company data, GIB Capital

*Figure 22: CIR**



*Source: Company data, GIB Capital * excl amortization of intangible assets*

- **We believe the Cost of risk will rise amid aggressive loan book expansion**

As discussed earlier, the bank is aiming to recalibrate its risk appetite to support loan book expansion. For instance, the bank is targeting MSME loans through new client acquisition & other avenues. At the same time, the bank is targeting to maintain a robust asset quality profile through advanced risk management processes. The bank targets a COR of 20-40 bps. We expect the bank's COR to be on the higher end of the target range provided by the bank at 35 bps by 2027e. We believe aggressive loan book expansion poses a risk of higher COR build-up over 2027e (Figure 23).

Figure 23: SNB 2027 COR Target vs. GIBCe

SNB Financial Guidance	Guidance 2025e	GIBCe 2025e	Target 2027	GIBCe
Cost of Risk	10-20bps	24bps	20-40bps	35bps by 2027e

Source: Company data, GIB Capital

- **We project SNB to be on the way to enhanced profitability and shareholders' return**

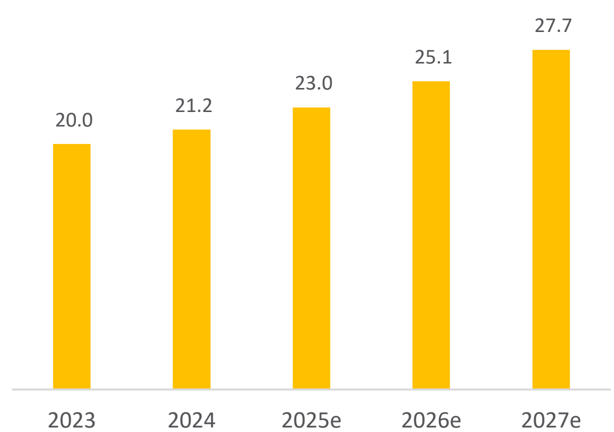
Overall, we estimate SNB's net income to increase at a 9.3% CAGR over 2024-27e, with ROTE reaching 16.5% by 2027e. Meanwhile, we expect the ROTE Pre Tier 1 Sukuk Cost to reach 17.1% by 2027e. We expect the net income growth to be driven by loan growth (+11% CAGR 2024-27e), expansion of NSCI (+9.3% CAGR 2024-27e), expansion of fee income (+14.1% CAGR), reducing CIR (26.0% by 2027e). However, long-term risks are a possibility if the bank grows the share of higher-risk loans (rise in COR to 35bps by 2027e from 16bps in 2024), such as MSMEs in its total financing portfolio in order to support the targeted loan growth (Figure 24).

Figure 24: SNB 2027 ROTE target vs. GIBCe

SNB Financial Guidance	Guidance 2025e	GIBCe 2025e	Target 2027	GIBCe
ROTE	16-16.5%	16.0%	17-18%	16.5%
ROTE Pre Tier 1 Sukuk Cost	~17%	16.7%	18-19%	17.1%

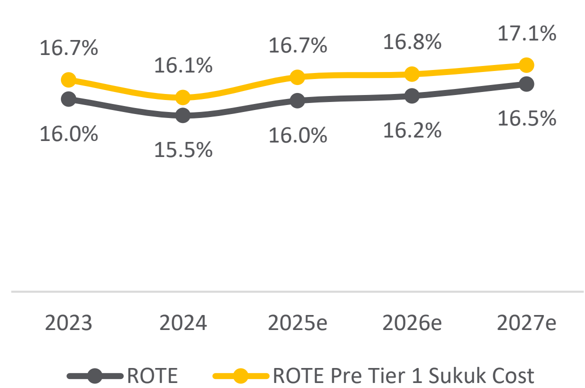
Source: Company data, GIB Capital

Figure 25: Net income att. to equity holders (SARbn)



Source: Company data, GIB Capital

Figure 26: ROTE



*Source: Company data, GIB Capital * excl amortization of intangible assets*

- **Higher dividend payout ratio and healthy capital ratios**

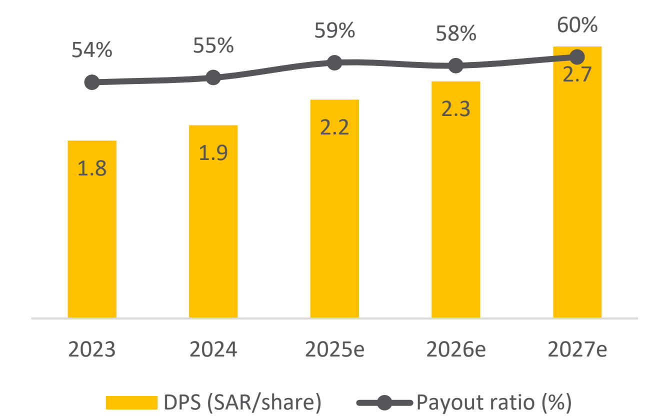
SNB's new strategy outlines a target dividend payout ratio of 50-60% for 2025-27e, an increase from the ~49% average payout over the preceding three years. Consequently, we have revised our dividend payout ratio expectation upwards to an average of 59% for the 2025-27e period, which we believe will further enhance shareholder returns. Concurrently, SNB aims for a Tier 1 ratio of 19-20%, which we view as healthy, and our forecast projects this ratio reaching ~19.5% by 2027e (Figure 27).

Figure 27: SNB 2027 capital and dividends targets vs. GIBCe

SNB Financial Guidance	Guidance 2025e	GIBCe 2025e	Target 2027	GIBCe
Tier 1	19-20%	19.1%	19-20%	19.5%
Dividend payout ratio			50-60%	60%

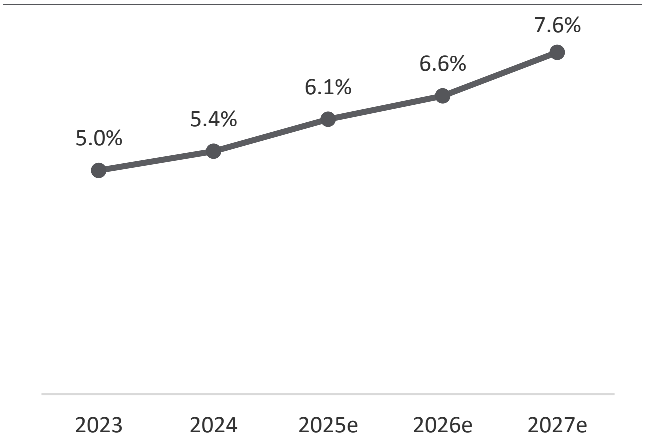
Source: Company data, GIB Capital

Figure 28: SNB Dividends



Source: Company data, GIB Capital

Figure 29: Dividend Yield



*Source: Company data, GIB Capital * excl amortization of intangible assets*

Strategy guidance vs. GIBCe summary table

Figure 30: SNB 2027 Financial targets vs. GIBCe

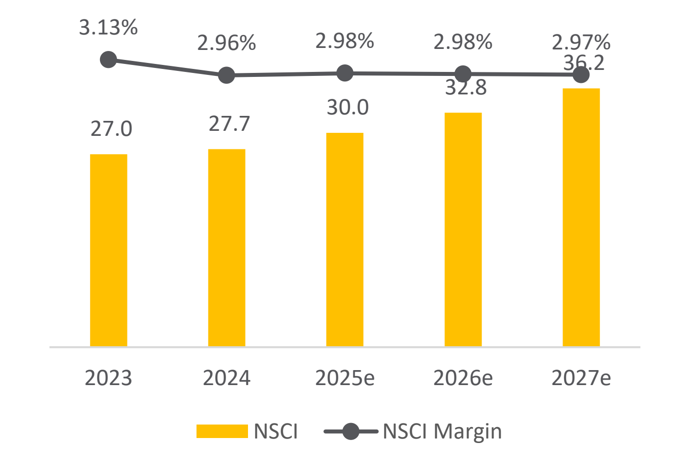
Area	KPIs	Targets 2027	GIBCe
Growth	Financing Growth CAGR 2024-27	Low teens	11.0%
	CASA Growth CAGR 2024-27	Low teens	10.0%
	NSCI Growth CAGR 2024-27	Low double-digit	9.3%
	Banking Fee Income Growth CAGR 2024-27	High teens	14.1%
Profitability & Efficiency	Group CIR	<25.5%	26.0%
	COR	20-40bps	35bps
	ROTE Pre T1 Sukuk Cost	18-19%	17.1%
	ROTE	17-18%	16.5%
Capital & Dividends	Tier 1 CAR, %	19-20%	19.5%
	Dividend payout 2025-27	50-60%	60%

Source: Company data, GIB Capital

Valuation and risks: Considering the new strategy and 1Q25 results which depict the early implementation of the new strategy, we revise our topline and earnings estimates upwards. Resultantly, we upgrade our TP to SAR50/share based on the equal weightage of residual income and P/B (1.5x on average 2025e BVPS) multiple methods and keep an Overweight rating. Downside risks include slower loan growth due to failure to execute the new strategy, adverse economic conditions, interest rate risks impacting NSCI margin, and exposure to international investments.

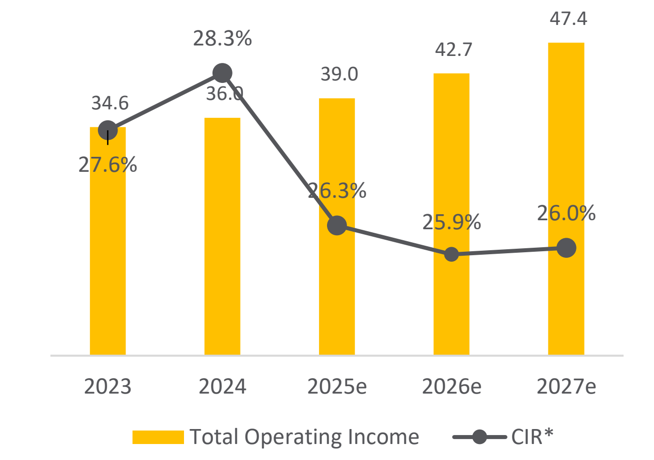
Key Charts for SNB

Figure 31: NSCI (SARbn) and NSCI margin trend



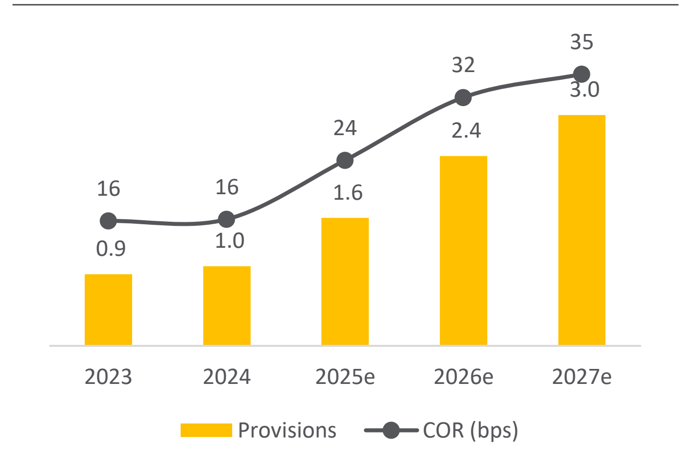
Source: Company data, GIB Capital

Figure 32: Total operating income (SARbn) and CIR trend



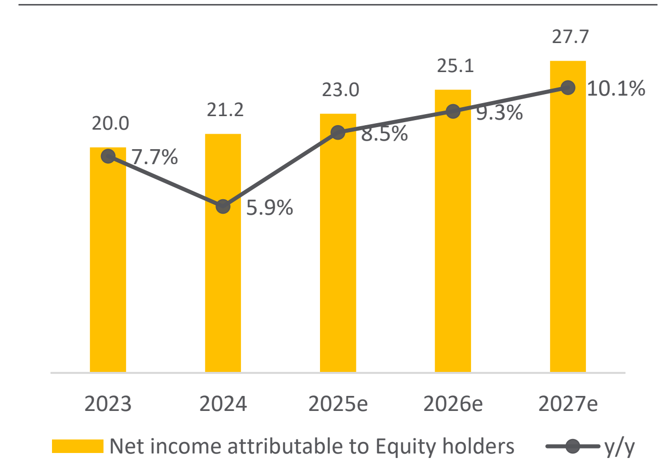
*Source: Company data, GIB Capital *excl. amortization of intangibles*

Figure 33: Provisions (SARbn) and COR trend



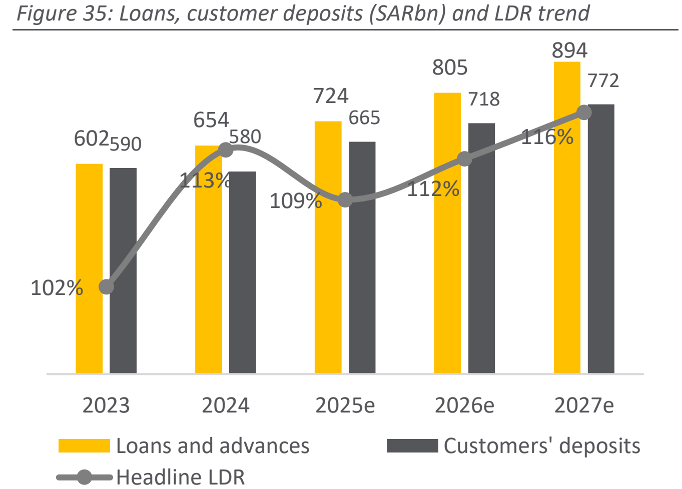
Source: Company data, GIB Capital

Figure 34: Net income trend (SARbn)



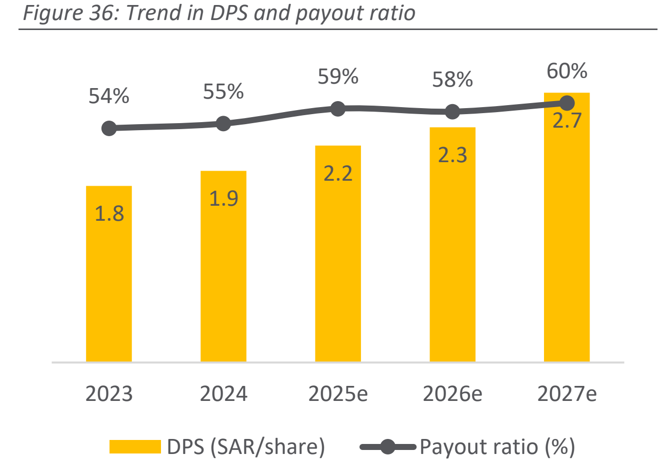
Source: Company data, GIB Capital

Figure 35: Loans, customer deposits (SARbn) and LDR trend



Source: Company data, GIB Capital

Figure 36: Trend in DPS and payout ratio



Source: Company data, GIB Capital

Financials

Figure 37: Summarized basic financial statements (SARmn)

Income statement	2024	2025e	2026e	2027e
Net Special Commision Income	**27,730**	**30,015**	**32,825**	**36,231**
NSCI Margin	*3.0%*	*3.0%*	*3.0%*	*3.0%*
Fee & other income	8,308	8,948	9,896	11,154
Total Operating Income	**36,038**	**38,963**	**42,721**	**47,385**
Operating Expenses	11,037	11,058	11,876	13,126
*Cost-to-income ratio**	*28.3%*	*26.3%*	*25.9%*	*26.0%*
Net operating income before impairments	**26,025**	**29,553**	**33,291**	**37,233**
Impairments	1,024	1,647	2,446	2,973
Net operating income after impairments	**25,001**	**27,905**	**30,845**	**34,260**
Other non-operating (expenses)/income	(1,387)	(2,177)	(2,711)	(3,264)
Net income for the year before zakat	**23,615**	**25,729**	**28,134**	**30,995**
Zakat/tax	(2,521)	(2,826)	(3,095)	(3,409)
Net Income att. to Equity holders	**21,193**	**23,002**	**25,139**	**27,685**
y/y	*5.9%*	*8.5%*	*9.3%*	*10.1%*
EPS	**3.4**	**3.7**	**4.0**	**4.5**
DPS	1.9	2.2	2.3	2.7
Payout	55%	59%	58%	60%

Balance Sheet	2024	2025e	2026e	2027e
Cash and balances with SAMA	42,120	44,037	44,037	44,037
Due from banks & other financial institutions	21,088	22,143	23,250	24,412
Investments	292,487	298,337	334,137	360,868
Net loans and advances	654,252	723,729	804,994	893,861
Property & equipment	11,888	12,695	13,577	14,570
Other assets	82,320	132,975	82,294	34,160
Total Assets	**1,104,155**	**1,233,916**	**1,302,289**	**1,371,908**
Interest-Earning Assets	967,828	1,044,209	1,162,381	1,279,141
Due to banks & other financial institutions	185,120	207,294	211,440	215,669
Customers deposits	579,762	664,735	717,913	771,757
Debt securities issued	95,305	104,659	104,659	104,659
Other Liabilities	175,591	116,415	117,162	101,991
Total Liabilities	**1,035,778**	**1,093,103**	**1,151,175**	**1,194,076**
Interest Bearing Liabilities	860,187	976,688	1,034,013	1,092,085
Equity	192,565	197,559	208,707	220,353
Total Equity and Liabilities	**1,104,155**	**1,233,916**	**1,302,289**	**1,371,908**
BVPS^	32.1	32.9	34.8	36.7

*Source: Company data, GIB Capital *excl amortization of intangibles ^excl. Tier 1 sukuk*

Figure 38: Key ratios

Key ratios	2024	2025e	2026e	2027e
Profitability ratios				
Asset Yield	6.18%	5.84%	5.80%	5.65%
Cost of funds	3.59%	3.13%	3.10%	3.08%
NSCI Margin	2.96%	2.98%	2.98%	2.97%
ROE	16.1%	16.7%	16.8%	17.1%
ROA	2.0%	2.0%	2.0%	2.1%
Liquidity ratios				
Loans/ Customer Deposits	113%	109%	112%	116%
Loan/Customer deposits & Due to banks	86%	83%	87%	91%
Loans / Assets	59%	59%	62%	65%
Capitalization ratios				
Tier I Ratio	20.3%	19.1%	19.0%	19.5%
Total capital adequacy (CAR)	20.8%	19.4%	19.4%	19.9%
Equity/Total assets	17.4%	16.0%	16.0%	16.1%
Asset Quality				
Gross NPL Ratio	1.2%	1.2%	1.3%	1.2%
Coverage ratio	135.3%	150.0%	160.0%	170.0%
COR (bps)	16	24	32	35
Valuation ratios				
P/E	10.2	9.6	8.7	7.9
P/B	1.1	1.1	1.0	1.0
Dividend Yield	5.4%	6.1%	6.6%	7.6%

Source: Company data, GIB Capital

Disclaimer

This research report has been prepared by GIB Capital, Riyadh, Saudi Arabia. It has been prepared for the general use of GIB Capital's clients and may not be altered, redistributed, retransmitted or disclosed, in whole or in part, or in any form or manner, without the express written consent of GIB Capital. Receipt and review of this research document constitute your agreement not to redistribute, retransmit, or disclose to others the contents, opinions, conclusion, or information contained in this document prior to public disclosure of such information by GIB Capital. The information contained was obtained from various public sources believed to be reliable, but we do not guarantee its accuracy. GIB Capital makes no representations or warranties (express or implied) regarding the data and information provided and GIB Capital does not represent that the information content of this document is complete, or free from any error, not misleading, or fit for any particular purpose. This research document provides general information only. Neither the information nor any opinion expressed constitutes an offer or an invitation to make an offer, to buy or sell any securities or other investment products related to such securities or investments. It is not intended to provide personal investment advice and it does not take into account the specific investment objectives, financial situation and the particular needs of any specific person who may receive this document.

Investors should seek financial, legal or tax advice regarding the appropriateness of investing in any securities, other investment or investment strategies discussed or recommended in this document and should understand that statements regarding future prospects may not be realized. Investors should note that income from such securities or other investments, if any, may fluctuate and that the price or value of such securities and investments may rise or fall. Fluctuations in exchange rates could have adverse effects on the value of or price of, or income derived from, certain investments. Accordingly, investors may receive back less than originally invested. GIB Capital or its officers (including research analysts) may have a financial interest in securities of the issuer(s) or related investments, including long or short positions in securities, warrants, futures, options, derivatives, or other financial instruments. GIB Capital may from time to time perform investment banking or other services for, solicit investment banking or other business from, any company mentioned in this research document. GIB Capital and employees, shall not be liable for any direct, indirect or consequential loss or damages that may arise, directly or indirectly, from any use of the information contained in this research document. Where the report contains or refers to a recommendation about a specific security or securities service, please note that it may not be suitable for all recipients. Please note that the achievement of any price target may be impeded by general market and economic trends and other external factors, or if a company's profits or operating performance exceed or fall short of our expectations. The subjectivity in future expectations is complex and may miss actual or reported numbers.

This research document and any recommendations contained are subject to change without prior notice. GIB Capital assumes no responsibility to update the information in this research document. This research document is not directed to, or intended for distribution to or use by, any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction where such distribution, publication, availability or use would be contrary to law, or which would subject GIB Capital to any registration or licensing requirement within such jurisdiction

The principal activities of GIB Capital are Dealing, Custody, Managing, Arranging and Advising pursuant to the Capital Market Authority ("CMA") License No. 07078-37.

We use a rating system based on potential upside, 1 year from today, based on our valuation models. For "Overweight" ratings, the estimated upside is >10%, for "Underweight", the estimated downside is <10%. For returns in between +/- 10%, we have a Neutral rating.

Contact us for queries:

Sell Side Research Department,
GIB Capital,
B1, Granada Business & Residential Park,
Eastern Ring Road, PO Box 89589, Riyadh 11692
www.gibcapital.com