

Deposits Decline SAR 3 bln Q/Q

July 30, 2023

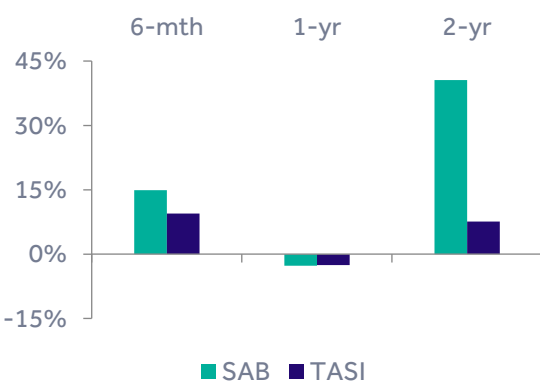
Upside to Target Price	(7.0%)	Rating	Neutral
Expected Dividend Yield	3.1%	Last Price	SAR 40.85
Expected Total Return	(3.9%)	12-mth target	SAR 38.00

Market Data	
52-week high/low	SAR 43.80/32.10
Market Cap	SAR 83,938 mln
Shares Outstanding	2,055 mln
Free-float	48.66%
12-month ADTV	1,011,516
Bloomberg Code	SABB AB

Saudi Awwal Bank	2Q2023	2Q2022	Y/Y	1Q2023	Q/Q	RC Estimate
Net Commission Income	2,527	1,718	47%	2,534	(0%)	2,656
Total Operating Income	3,067	2,242	37%	3,218	(5%)	3,365
Net Income	1,550	1,082	43%	1,765	(12%)	1,858
Loans & Advances	198,671	176,214	13%	191,001	4%	192,366
Deposits	222,734	207,451	7%	225,983	(1%)	235,023

(All figures are in SAR mln)

- SAB's net financing portfolio showed a +13% Y/Y and +4% Q/Q growth to SAR 199 bln. Deposits showed a +7% Y/Y growth but a -1% decline Q/Q to SAR 223 bln.
- NSCI is up by +47% Y/Y but was slightly lower Q/Q to SAR 2.5 bln, driven by an increase in Special Commission Income on both yearly and quarterly basis by +103% and +8%, respectively, although Special Commission Expense was also up by +430% Y/Y and +23% Q/Q.
- 2Q2023 Non-core income is up by +3% Y/Y but fell -21% on a sequential basis to SAR 540 mln, impacted by lower income from FVSI Financial Instruments and Operating Income. Operating Income is up +37% Y/Y but fell -5% Q/Q to SAR 3.1 bln.
- Total Opex rose by +7% Y/Y but fell by -10% Q/Q to SAR 1.1 bln. The Y/Y increase was attributed to higher salaries and employee related expenses along with G&A expenses copuled with a rise in provisions of SAR 139 mln.
- Saudi Awwal Bank reported a net income of SAR 1.6 bln (+43% Y/Y, -12% Q/Q), which missed both our estimates and market consensus. We maintain our target price of SAR 38.00 and a Neutral rating.



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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

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