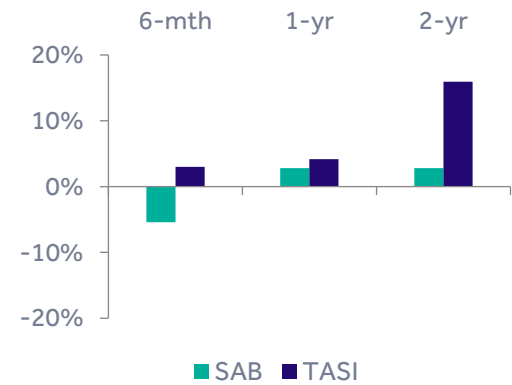


Market Data	
52-week high/low	SAR 42.65/30.80
Market Cap	SAR 73,459 mln
Shares Outstanding	2,055 mln
Free-float	48.6%
12-month ADTV	1,680,395
Bloomberg Code	SABB AB



■ Robust Loan Growth Y/Y

February 04, 2025

Upside to Target Price	23.1%	Rating	Buy
Expected Dividend Yield	5.5%	Last Price	SAR 35.75
Expected Total Return	28.6%	12-mth target	SAR 44.00

Saudi Awwal Bank	4Q2024	4Q2023	Y/Y	3Q204	Q/Q	RC Estimate
Net Commission Income	2,820	2,702	4%	2,761	2%	2,723
Total Operating Income	3,551	3,179	12%	3,528	1%	3,551
Net Income	2,126	1,858	14%	1,883	13%	1,953
Net Financing	259,346	215,936	20%	252,399	3%	256,441
Deposits	267,011	253,457	5%	260,632	2%	265,034

(All figures are in SAR mln)

- SAB continues to maintain robust growth, closing the year with strong performance in its loan portfolio, which grew +20% Y/Y and +3% Q/Q. SAB added SAR 6.9 bln, bringing total net loans to SAR 259 bln, largely in-line with our estimate of SAR 256 bln. This growth was driven by a +3% rise in the corporate portfolio, and a +2% increase in retail portfolio, particularly due to expansion in retail mortgages. Deposits were recorded at SAR 267 bln at the end of 4Q, reflecting a +5% Y/Y and +2% Q/Q increase, simple LDR remained stable at 97% in 4Q2024.
- Net Commission Income increased by +4% Y/Y and +2% Q/Q to SAR 2.8 bln, in-line with our estimates. NIM was stable sequentially at 2.80%, although lower than 3.02% in 4Q2023, as yields decreased by -19 bps, along with a -24 bps decline in cost-of-funds due to decreasing proportion of time deposits in the bank’s deposits base. Impairment charge for the quarter was lower sequentially by -79% to SAR 64 mln, driven by reduced charges across on-balance sheet positions. As a result, Cost-of-Risk improved to 10 bps for 4Q, down from 49 bps in 3Q2024. Operating expenses increased +2% both annually and sequentially, leading to a marginal rise in the cost efficiency ratio to 30.7% in 4Q compared to 30.4% in the previous quarter.
- Net income for the period came in at SAR 2.12 bln, +14% Y/Y and +13% Q/Q, largely due to decrease in impairment charges. We believe the bank is well-positioned to sustain strong performance over the medium and long term, driven by active participation in large-scale projects. This involvement is expected to offset some of the pressure on margins. Despite the positive outlook, stock price has shown lackluster performance, reflecting broader market sentiment. We maintain our Buy rating with a target price of SAR 44.00, acknowledging the bank’s strong fundamentals and potential for future growth despite market headwinds.

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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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