

Deposits Jump SAR 13 bln Sequentially

February 13, 2023

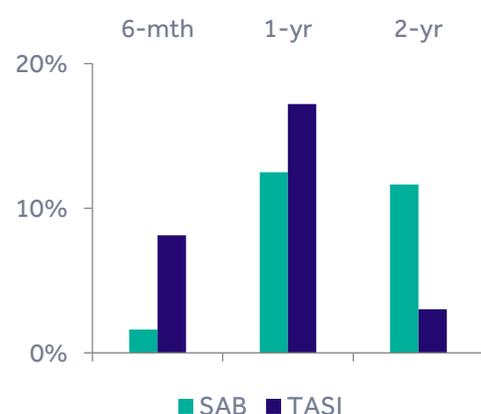
Upside to Target Price	16.2%	Rating	Buy
Expected Dividend Yield	5.2%	Last Price	SAR 37.85
Expected Total Return	21.4%	12-mth target	SAR 44.00

Market Data	
52-week high/low	SAR 42.70/30.60
Market Cap	SAR 77,774 mln
Shares Outstanding	2,055 mln
Free-float	48.60%
12-month ADTV	1,199,942
Bloomberg Code	SABB AB

Saudi Awwal Bank	4Q2023	4Q2022	Y/Y	3Q2023	Q/Q	RC Estimate
Net Commission Income	2,701	2,292	18%	2,579	5%	2,552
Total Operating Income	3,178	2,889	10%	3,247	(2%)	3,177
Net Income	1,857	1,233	51%	1,830	1%	1,712
Loans & Advances	215,936	183,132	18%	211,404	2%	210,036
Deposits	240,940	214,279	12%	228,053	6%	235,707

(All figures are in SAR mln)

- SAB's net financing portfolio witnessed an impressive +18% growth in 2023 to SAR 216 bln, ahead of its peers, led largely by the Corporate segment and a strong performance of the mortgage book. Deposits reached SAR 241 bln at year-end, rising by an equally impressive +12% Y/Y and +6% Q/Q on the back of growth in time deposits and primarily from the Corporate segment. Of the nearly SAR 13 bln quarterly increase in deposits, demand deposits contributed just SAR 3.3 bln. LDR moderated from 93% in 3Q to 90% in 4Q.
- NSCI came in at SAR 2.7 bln for 4Q, +5% higher Q/Q on loan growth as NIMs were stable sequentially at 3.0%. However, NIMs have expanded by 50bps Y/Y.
- For 2023, cost of risk increased marginally Y/Y but remains low at 27bps and was recorded at just 9bps for 4Q.
- Non-core income at SAR 477 mln for 4Q is down on lower trading and fee income, some of it timing related.
- Operating expenses are largely flat Y/Y and Q/Q for 4Q. Lower provisions at just SAR 51 mln for 4Q2023 versus SAR 144 mln in the preceding quarter and SAR 212 mln last year has helped.
- A 2H DPS of SAR 0.98 takes full year payout to SAR 1.86.
- SAB posted a bottomline of SAR 1.85 bln for 4Q, up +51% Y/Y and +1% Q/Q beating our SAR 1.71 bln forecast and SAR 1.73 bln market consensus. We raise our target to SAR 44.00 and maintain a Buy 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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