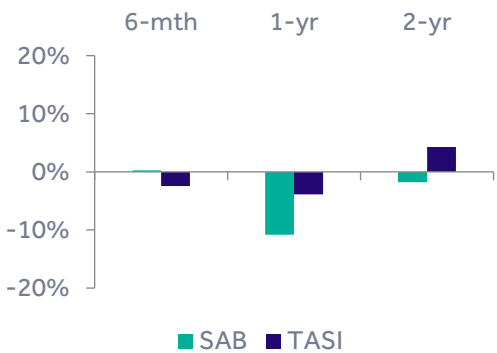


Market Data	
52-week high/low	SAR 41.80/30.80
Market Cap	SAR 72,954 mln
Shares Outstanding	2,055 mln
Free-float	48.46%
12-month ADTV	1,827,429
Bloomberg Code	SABB AB



■ Robust Loan Growth Y/Y

April 28, 2025

Upside to Target Price	23.9%	Rating	Buy
Expected Dividend Yield	6.2%	Last Price	SAR 35.50
Expected Total Return	30.1%	12-mth target	SAR 44.00

Saudi Awwal Bank	1Q2025	1Q2024	Y/Y	4Q2024	Q/Q	RC Estimate
Net Commission Income	2,838	2,702	5%	2,820	1%	3,002
Total Operating Income	3,620	3,179	5%	3,551	2%	3,804
Net Income	2,135	1,858	5%	2,126	0%	2,281
Net Financing	278,836	228,539	22%	259,346	8%	272,191
Deposits	290,440	265,955	9%	267,011	9%	272,351

(All figures are in SAR mln)

- SAB continues to demonstrate robust growth in its loan portfolio, expanding by +22% Y/Y and +8% Q/Q to SAR 279 bln, largely in-line with our estimate of SAR 272 bln. The bank added SAR 19.5 bln in net loans, driven by a +8% rise in the corporate portfolio, and a +6% increase in retail portfolio, particularly supported by expansion in retail mortgages, which closed at SAR 37.7 bln. Deposits reached SAR 290 bln, up +9% Y/Y and Q/Q, keeping the simple LDR stable at 96% in 1Q2025.
- Net Special Commission Income rose by +5% Y/Y and +1% Q/Q to SAR 2.8 bln, as special commission expense grew alongside higher interbank borrowing costs and the increase in proportion of special commission expense bearing term deposits. NIM contracted to 2.76% in 1Q, down by 19 bps compared to 1Q2024 and 4 bps lower than previous quarter. Impairment charges surged by +122% Q/Q to SAR 142 mln, reflecting higher provisioning levels on the loan portfolio. As a result, Cost-of-Risk increased to 21 bps for 1Q, higher from 10 bps in 4Q2024. Operating expenses decreased -2% sequentially, improving the cost-efficiency ratio to 29.6% in 1Q compared to 30.7% in the previous quarter.
- Net income for the period stood at SAR 2.1 bln, +5% Y/Y and stable Q/Q, primarily supported by strong non-core income, although offset by higher 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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