



Saudi Awwal Bank

1Q24 Earnings Release

Key messages

- 1Q24 Net income before Zakat and income tax of SAR2.4 billion was SAR0.3 billion or 17% higher than 1Q23 from higher total operating income ('revenue') mainly from higher Net special commission income ('NSCI') together with increased fee and exchange income, lower expected credit losses, partly offset by increased costs
- 1Q24 Net income before Zakat and income tax of SAR2.4 billion was SAR0.2 billion or 11% higher than 4Q23 mainly from higher revenue notably in trading and fee income, partly offset by higher expected credit losses
- 1Q24 Net special commission income margin ('NIM') of 2.95% was lower by 18bps compared with 1Q23; 1Q24 NIM was 7bps lower than 4Q23 as the fourth quarter included c.SAR50 million of one-off NSCI; excluding this underlying NIM was down 2bps and in line with expectations
- 1Q24 costs of SAR1.1 billion were SAR0.05 billion or 4% higher than 1Q23, costs are within expectations and marginally down on 4Q23. Cost efficiency ratio for the first quarter has improved to 30.5%
- 1Q24 annualised cost of risk of 14bps decreased 33bps compared with 1Q23 and increased 5bps compared with 4Q23; cost of risk remains below market levels
- Return on tangible equity (after AT1 coupon payment) increased 0.5ppts to 16.5% compared with 4Q23
- Gross customer advances of SAR234.7billion increased SAR37.8billion or 19% year-on-year and SAR12.7billion or 6% during the first quarter. Growth in the quarter was mainly from a SAR7.8 billion or 5% increase in our corporate portfolio together with SAR4.7 billion or 9% in our retail portfolio and an increase of SAR0.2 billion in our Capital Markets business. Mortgage originations continued their strong trajectory, with originations market share increasing further
- Customer deposits of SAR251.8 billion were higher by SAR25.8 billion or 11% year-on-year and increased SAR10.8 billion or 4% during the quarter. The proportion of demand deposits to overall deposits ('NIBs') fell to 55% during the quarter, although absolute balances are broadly stable since the second half of 2023

Quarterly Results (Not subject to audit review)

Summarised Income statement and key ratios

	Three months ended		
	31 March 2024 SAR million	31 December 2023 SAR million	31 March 2023 SAR million
Total operating income ('Revenue')	3,447	3,179	3,218
Operating expenses	(1,051)	(1,066)	(1,006)
Provision for expected credit losses, net	(81)	(51)	(229)
Share in earnings of associates	35	53	30
Net income before Zakat and income tax	2,351	2,114	2,012
Zakat and income tax	(308)	(257)	(248)
Net income	2,043	1,858	1,765
Key ratios:	%	%	%
Net special commission income margin ('NIM')	3.0	3.0	3.1
Return on tangible equity ('ROTE') after AT1 coupon payment	16.5	16.0	15.9
Cost efficiency ratio ('CER')	30.5	33.5	31.3
Cost of Risk ('CoR')	0.14	0.09	0.47

Summarised balance sheet

	As at		
	31 March 2024 SAR million	31 December 2023 SAR million	31 March 2023 SAR million
Loans and advances, net	228,539	215,936	191,001
Customer deposits, net	251,760	240,940	225,983
Demand deposits	137,728	138,954	149,317
Total equity attributable to equity holders of the Bank	59,035	57,915	57,034
Total equity	63,020	61,900	57,034

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