

Saudi Awwal Bank

Consolidated Statement of Cash Flows

For the year ended 31 December 2024

All amounts in thousands of Saudi Riyals unless otherwise stated

	Note	2024 ﷲ'000	2023* ﷲ'000
OPERATING ACTIVITIES			
Net income for the year before Zakat and income tax		9,366,082	8,223,142
Adjustments to reconcile net income before Zakat and income tax to net cash generated from operating activities:			
Amortisation of premium on investments not held as FVSI investments, net		(358,971)	(361,786)
Depreciation and amortization	8,9	546,646	565,603
Special commission expense on debt securities in issue		402,538	387,029
Special commission expense on lease liabilities		13,149	16,049
Losses on amortised cost financial instruments		41,808	14,929
Losses / (income) transferred to consolidated statement of income	18	62,095	(139,825)
Share in earnings of an associate	7	(205,369)	(188,214)
Provision for expected credit losses, net	30 (i) (a)	566,063	562,442
Employee share plan reserve		44,690	32,473
		10,478,731	9,111,842
Change in operating assets:			
Statutory deposit with SAMA		(1,417,215)	(422,881)
Due from banks and other financial institutions		66,411	(203,851)
Investments held as FVSI		14,011	(53,788)
Loans and advances		(43,864,853)	(33,290,214)
Positive fair value derivatives		(512,134)	318,914
Other assets		(58,840)	(350,911)
Change in operating liabilities:			
Due to banks and other financial institutions	41	21,318,063	2,294,366
Customers' deposits	41	13,553,169	31,045,888
Negative fair value derivatives		314,734	324,034
Other liabilities		916,552	1,086,689
		808,629	9,860,088
Special commission paid on debt securities in issue		(402,341)	(324,003)
Zakat and income tax paid	26	(1,155,222)	(1,241,856)
Net cash (used in) / generated from operating activities		(748,934)	8,294,229
INVESTING ACTIVITIES			
Proceeds from sale and maturity of investments not held as FVSI		22,802,264	12,812,581
Purchase of investments not held as FVSI		(25,490,935)	(22,833,309)
Dividend received from an associate	7	204,065	325,457
Purchase of property, equipment and intangibles, net		(893,382)	(554,770)
Net cash used in investing activities		(3,377,988)	(10,250,041)
FINANCING ACTIVITIES			
Payment of lease liabilities		(118,321)	(118,281)
Dividends paid		(3,946,034)	(3,465,931)
Purchase of treasury shares		(176,804)	(37,414)
Tier 1 Sukuk payment		(304,617)	-
Additional Tier 1 Sukuk		3,980,000	3,985,000
Additional Tier 1 Sukuk issuance cost		(14,289)	(16,956)
Net cash (used in) / generated from financing activities		(580,065)	346,418
Net change in cash and cash equivalents		(4,706,987)	(1,609,394)
Cash and cash equivalents at beginning of the year	27	10,198,684	11,808,078
Cash and cash equivalents at end of the year	27	5,491,697	10,198,684
Supplemental non-cash information			
Special commission income received		20,147,607	16,542,810
Special commission expenses paid		(9,502,684)	6,299,657
Net changes in fair value and transfers to consolidated statement of income		(1,272,311)	(227,054)

The accompanying notes [1 to 43] form an integral part of these consolidated financial statements.
*Refer note 41

Lama A. Ghazzaoui

Lama Ghazzaoui
Chief Financial Officer

DM

Tony Cripps
Managing Director & Authorized Board Member

Saad Al-Fadly

Saad Al-Fadly
Board Vice Chair

Saudi Awwal Bank

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

All amounts in thousands of Saudi Riyals unless otherwise stated

Notes to the Consolidated Financial Statements			
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1. General and basis of preparation

Saudi Awwal Bank ('SAB') is a Saudi joint stock company incorporated in the Kingdom of Saudi Arabia and was established by a Royal Decree No. M/4 dated 12 Safar 1398H (21 January 1978). SAB formally commenced business on 26 Rajab 1398H (1 July 1978) by taking over of the operations of The British Bank of the Middle East in the Kingdom of Saudi Arabia. SAB operates under Commercial Registration No. 1010025779 dated 22 Dhul Qadah 1399H (13 October 1979) as a commercial bank through a network of 103 branches (31 December 2023: 104 branches) in the Kingdom of Saudi Arabia. The address of SAB's head office is as follows:

Saudi Awwal Bank
7383 King Fahad Branch Rd
2338 Al Yasmeeen Dist.
13325
Riyadh
Kingdom of Saudi Arabia

The shareholders of the Saudi British Bank and Alawwal Bank ('AAB') approved the merger of the two banks at Extraordinary General Meetings held on 15 May 2019 pursuant to Articles 191-193 of the Companies Law issued under Royal Decree No. M3 dated 28/1/1437H (corresponding to 10/11/2015G) (the 'Companies Law'), and Article 49 (a) (1) of the Merger and Acquisitions Regulations issued by the Capital Markets Authority of the Kingdom of Saudi Arabia (the 'CMA').

Subsequent, to the above merger, the Group has changed its commercial name from 'The Saudi British Bank' to 'Saudi Awwal Bank' effective from 11 June 2023.

The objectives of SAB are to provide a range of banking services. SAB also provides Shariah-compliant products, which are approved and supervised by an independent Shariah Committee established by SAB.