Albilad Bank

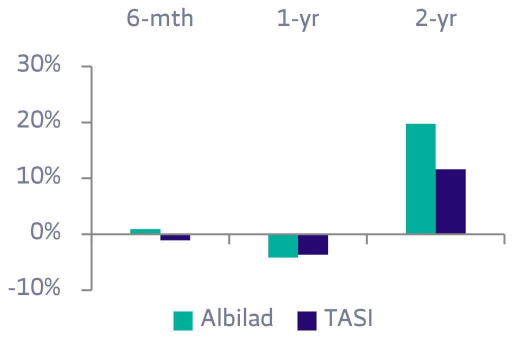
3Q2025 First Look

Target Price Revised

October 30, 2025

Upside to Target Price	4.3%	Rating	Neutral
Expected Dividend Yield	2.0%	Last Price	SAR 29.72
Expected Total Return	6.3%	12-mth target	SAR 31.00

Market Data	
52-week high/low	SAR 33.88/23.38
Market Cap	SAR 43,890 mln
Shares Outstanding	1,500 mln
Free-float	64.52%
12-month ADTV	1,523,507
Bloomberg Code	ALBI AB



Albilad	3Q2025	3Q2024	Y/Y	2Q2025	Q/Q	RC Estimate
Net Fin. & Invest. Income	1,195	1,160	3%	1,177	2%	1,178
Total Operating Income	1,535	1,446	6%	1,541	(0%)	1,564
Net Income	767	703	9%	766	0%	773
Net Financing	119,135	106,695	12%	115,689	3%	118,003
Deposits	129,023	122,342	5%	123,929	4%	126,407

(All figures are in SAR mln)

- Net financing rose by a solid +12% Y/Y and +3% Q/Q to reach SAR 119 bln, broadly in line with our estimate of SAR 118 bln. Deposits increased +5% Y/Y and +4% Q/Q to SAR 129 bln, resulting in a lower loan-to-deposit ratio (LDR) of 92%, versus 93% in 2Q25.
- Net Financing and Investment Income grew by +3% Y/Y and +2% Q/Q to SAR 1.20 bln, in line with our forecast of SAR 1.18 bln. The sequential growth was driven by an increase in the income from investing and financing assets by +3%, however, the return on deposits and financial liabilities increased by +5%.
- Total operating income increased +6% Y/Y, however, it declined slightly on sequential basis, due to softer other operating income, weaker net exchange income and dividend income, settling at SAR 1.54 bln, broadly in line with our estimate of SAR 1.56 bln
- Operating expenses rose +6% Y/Y and +1% Q/Q, largely due to higher general & administrative expenses and increased depreciation & amortization. On the other hand, impairment charges for expected credit losses showed notable improvement, declining -39% Y/Y and -32% Q/Q, indicating an improvement in credit quality.
- Bottom-line came in at SAR 767 mln, up +9% Y/Y, but broadly stable Q/Q, in line with our estimate of SAR 773 bln. Although quarterly earnings momentum was largely affected by lower non-funded income, this was partially offset by higher NSCI and lower impairment charges.
- Despite the continued strength in asset quality and a record-low cost of risk of around 0.12% at end-2024 (versus a four-year average of 0.45%), we expect CoR to gradually revert toward its historical average as lending activity picks up during the rate-cut cycle. Accordingly, we have adopted more conservative assumptions in our valuation and lowered our target price from SAR 33.00 to SAR 31.00 SAR. We now take a Neutral stance on the stock to reflect the expected normalization in credit costs.

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Disclaimer

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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