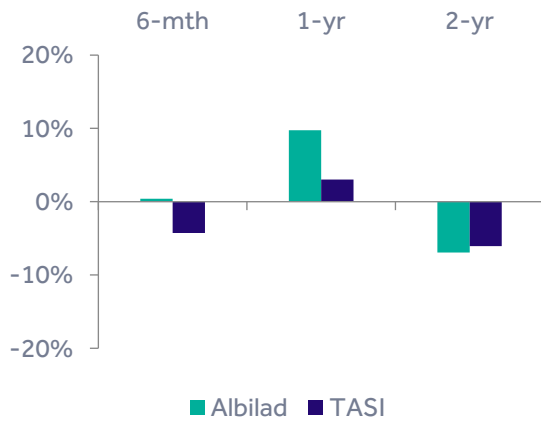


| Market Data | |
|--------------------|-------------------|
| 52-week high/low | SAR 41.36 / 28.60 |
| Market Cap | SAR 46,875 mln |
| Shares Outstanding | 1,250 mln |
| Free-float | 58.28% |
| 12-month ADTV | 823,281 |
| Bloomberg Code | ALBI AB |



■ Uneventful Quarter

August 13, 2024

Upside to Target Price (0.3%)

Expected Dividend Yield 0.0%

Expected Total Return (0.3%)

Rating

Last Price

12-mth target

Neutral

SAR 37.10

SAR 37.00

| Bank Albilad | 2Q2024 | 2Q2023 | Y/Y | 1Q2024 | Q/Q | RC Estimate |
|--------------------------|---------|---------|-----|---------|-----|-------------|
| Net Fin. & Invest Income | 1,084 | 1,016 | 7% | 1,045 | 4% | 1,060 |
| Total Operating Income | 1,408 | 1,294 | 9% | 1,341 | 5% | 1,342 |
| Net Income | 671 | 586 | 14% | 643 | 4% | 653 |
| Net Financing | 104,310 | 98,854 | 6% | 103,306 | 1% | 104,855 |
| Deposits | 114,530 | 106,287 | 8% | 113,741 | 1% | 114,878 |

(All figures are in SAR mln)

- Net financing recorded a modest +1% increase Q/Q, reaching SAR 104.3 bln while deposits showed a comparable growth, totaling SAR 114.5 bln, in line with our estimates. Both loan and deposit growth has decelerated Q/Q compared to the significant sequential growth seen in 4Q2023. Simple Loan-to-Deposit Ratio increased to 91% from 88% in the previous quarter, with an addition of SAR 1.0 bln in loans and SAR 0.8 bln in deposits.
- Net financing and investment income grew by a decent +4% Q/Q to SAR 1.08 bln. The increase was mainly driven by +16% Q/Q rise in the net income from investing, coupled with a smaller 0.4% increase in net financing income. Despite a 3% increase in yields leading to a modest 0.4% rise in net financing income, the higher 5% increase in cost of funds significantly impacted the overall growth. Additionally, the Cost-to-Income ratio has improved to 36% from 38% last year, reflecting a 210-bps reduction, despite +3% Y/Y higher operating expenses.
- NIMs marginally improved by 10 bps Q/Q settling at 3.28%. Non-core income increased by +9% Q/Q to SAR 324 mln, driven by gains on FVSI instruments, other operating income and higher in exchange income.
- Net income of SAR 671 mln is up +14% Y/Y and +4% Q/Q, in line with our estimate of SAR 653 mln. Bottomline growth was supported by a +5% Q/Q rise in total operating income, driven by an increase in net income from investing and financing activities. The stock trades close to our SAR 37.00 target. Hence, we maintain a Neutral stance.

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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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