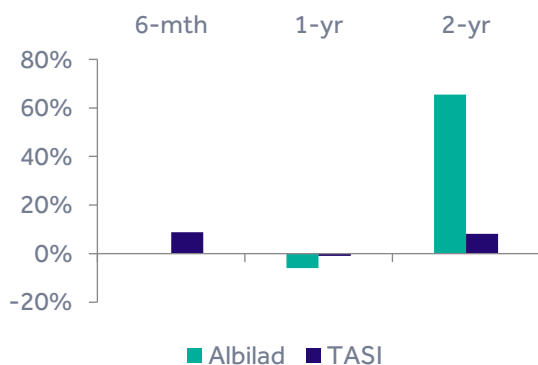


Market Data	
52-week high/low	SAR 56.00/35.25
Market Cap	SAR 45,150 mln
Shares Outstanding	1,000 mln
Free-float	53.46%
12-month ADTV	950,430
Bloomberg Code	ALBI AB



Deposits Continue Growth

July 25, 2023

Upside to Target Price	(2.5%)	Rating	Neutral
Expected Dividend Yield	0.9%	Last Price	SAR 45.15
Expected Total Return	(1.6%)	12-mth target	SAR 44.00

Bank Albilad	2Q2023	2Q2022	Y/Y	1Q2023	Q/Q	RC Estimate
Net Fin. Income	1,016	957	6%	1,037	(2%)	1,049
Total Op Income	1,294	1,253	3%	1,336	(3%)	1,358
Net Income	586	511	15%	560	5%	567
Net Financing	98,854	91,206	8%	95,483	4%	99,298
Deposits	106,287	89,108	19%	105,483	1%	106,930

(All figures are in SAR mln)

- Bank Albilad's Net Financing portfolio grew by +8% Y/Y and +4% Q/Q to SAR 99 bln at 2Q2023-end. Deposits continued their sequential growth for the sixth quarter in a row to add SAR 0.8 bln Q/Q and end the quarter at SAR 106 bln. The 2Q2023 headline LDR stands at 88%.
- On the back of a hike in interest rates, return on deposits and financial liabilities jumped on both yearly and quarterly basis by +351% and +25%, respectively. However, Income from Investing and Financing assets also improved +62% Y/Y and +8% Q/Q, resulting in higher Net Investing and Financing Income by +6% Y/Y but a decline of -2% Q/Q to SAR 1.0 bln, in-line with our expectations.
- Non-core income of SAR 278 mln declined on both yearly and quarterly basis by -6% and -7%, respectively, on the back of lower net exchange income, net fee and commission income and dividend income. Total operating income is up by +3% Y/Y but fell -3% Q/Q to SAR 1.3 bln.
- Total operating expense of SAR 641 declined on both yearly and quarterly basis by -6% and -10%, respectively. We believe the decline was on the back of lower provisions at -37% Y/Y and -42% Q/Q to SAR 75 mln, despite an increase in salaries and employee related benefits.
- Bank Albilad reported a net income of SAR 586 mln (+15% Y/Y, +5% Q/Q), in-line with our forecast. We maintain our target price of SAR 44.00 and a Neutral rating.

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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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