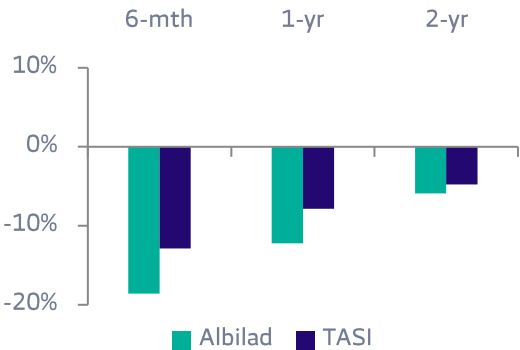


Market Data	
52-week high/low	SAR 33.88/23.38
Market Cap	SAR 39,330 mln
Shares Outstanding	1,500 mln
Free-float	63.67%
12-month ADTV	1,466,544
Bloomberg Code	ALBI AB



■ Solid Growth Fueled by Lending and Fee-Based Income

August 04, 2025

Upside to Target Price	25.9%	Rating				Buy
Expected Dividend Yield	2.3%	Last Price				SAR 26.22
Expected Total Return	28.1%	12-mth target				SAR 33.00
Albilad	2Q2025	2Q2024	Y/Y	1Q2025	Q/Q	RC Estimate
Net Fin. & Invest. Income	1,177	1,085	8%	1,162	1%	1,199
Total Operating Income	1,541	1,408	9%	1,464	5%	1,531
Net Income	766	671	14%	700	9%	731
Net Financing	115,689	104,310	11%	112,427	3%	115,463
Deposits	123,929	114,530	8%	124,018	(0%)	126,498

(All figures are in SAR mln)

- Net financing rose by a solid +11% Y/Y and +3% Q/Q to reach SAR 116 bln, broadly in line with our estimate of SAR 115 bln. Deposits increased +8% Y/Y, but edged down marginally -0.1% Q/Q to SAR 124 bln, leading to a rise in the loan-to-deposit ratio (LDR) to 93%, up from 91% in 1Q25. Net Financing and Investment Income grew by +8% Y/Y and +1% Q/Q to SAR 1.18 bln, in line with our forecast of SAR 1.20 bln. The sequential growth was driven by a +3% increase in income from financing and investment assets, which was offset by a +4% rise in funding costs.
- Total operating income increased +9% Y/Y and +5% Q/Q, supported by strong performance in non-funded income, which surged +13% Y/Y and +21% Q/Q to SAR 364 mln. The growth was primarily driven by higher other operating income and gains from financial instruments measured at fair value through the income statement (FVSI). Operating expenses rose +10% 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 -41% Y/Y and -8% Q/Q, indicating an improvement in credit quality.
- Bottom-line came in at SAR 766 mln, up +14% Y/Y and +9% Q/Q, supported by higher non-funded income and lower impairment charges, despite modest growth in Net Financing and Investment Income. Albilad declared a cash dividend of SAR 0.45 per share for the for the first half of 2025.
- We expect Albilad to benefit from a declining interest rate environment, given its retail-focused loan book, which should support margin expansion. Backed by strong fundamentals and improving credit dynamics, we reiterate our target price and 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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