

Market Data	
52-week high/low	SAR 53.40/35.25
Market Cap	SAR 39,100 mln
Shares Outstanding	1,000 mln
Free-float	53.46%
12-month ADTV	820,317
Bloomberg Code	ALBI AB

Deposits Continue Growth

October 26, 2023

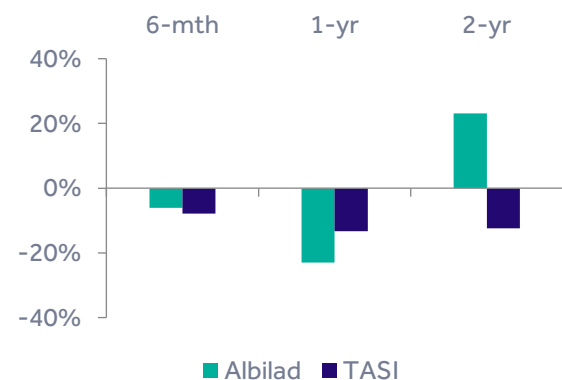
Upside to Target Price	12.5%	Rating	Neutral
Expected Dividend Yield	1.0%	Last Price	SAR 39.10
Expected Total Return	13.5%	12-mth target	SAR 44.00

Bank Albilad	3Q2023	3Q2022	Y/Y	2Q2023	Q/Q	RC Estimate
Net Fin. Income	1,052	1,003	5%	1,016	4%	1,019
Total Op Income	1,336	1,325	1%	1,294	3%	1,340
Net Income	616	541	14%	586	5%	597
Net Financing	101,603	92,288	10%	98,854	3%	99,225
Deposits	108,915	93,886	16%	106,287	2%	105,153

(All figures are in SAR mln)

- The Net Financing portfolio grew by +10% Y/Y and +3% Q/Q to SAR 102 bln. Deposits continued their sequential growth for the seventh quarter in a row to add SAR 2.6 bln Q/Q and end the quarter at SAR 109 bln. The headline LDR stands at 93%.
- On the back of a hike in interest rates, return on deposits and financial liabilities jumped on both yearly and quarterly basis by +201% and +12%, respectively. However, Income from Investing and Financing assets also jumped +51% Y/Y and +7% Q/Q, resulting in Net Investing and Financing Income rising by +5% Y/Y and +4% Q/Q to SAR 1.1 bln, in-line with our estimates.
- Non-core income of SAR 284 mln declined -12% Y/Y for the second quarter in a row on the back of lower Net Exchange Income, Net Fee and Commission Income. Total operating income is up by +1% Y/Y and +3% Q/Q to SAR 1.3 bln, matching our estimates.
- 3Q2023 total operating expense declined -10% Y/Y but were +1% higher Q/Q to SAR 649 mln. We believe the Y/Y decline was on the back of -45% Y/Y lower provisions at SAR 73 mln coupled with lower other G&A and depreciation & amortization, despite an increase in salaries and employee related benefits.
- Bank Albilad's bottom-line is up +14% Y/Y and +5% Q/Q to SAR 616 mln, 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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