

Market Data	
52-week high/low	SAR 29.90/18.18
Market Cap	SAR 17,625 mln
Shares Outstanding	750 mln
Free-float	53.7%
12-month ADTV	1,147,646
Bloomberg Code	ALBI AB

Lower Opex Leads Profits

Upside to Target Price	(6.4%)
Expected Dividend Yield	3.8%
Expected Total Return	(2.6%)

Rating	Neutral
Last Price	SAR 23.50
12-mth target	SAR 22.00

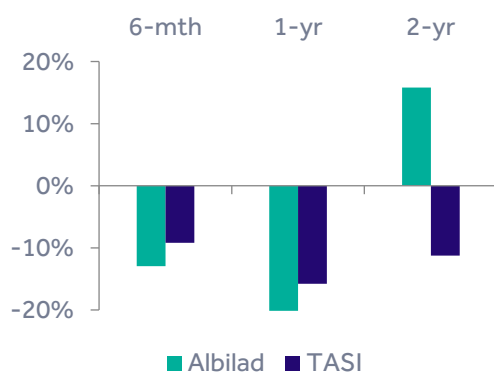
July 27, 2020

Bank Albilad	2Q2020	2Q2019	Y/Y	1Q2020	Q/Q	RC Estimate
Net Fin. Income	830	693	20%	760	9%	718
Total Op Income	1,000	959	4%	1,004	(0%)	1,011
Net Income	318	305	4%	270	18%	223
Net Financing	64,923	53,622	21%	62,579	4%	65,947
Deposits	64,876	59,315	9%	68,377	(5%)	70,585

(All figures are in SAR mln)

- Net financing continued its uptrend that has persisted since 1Q2017, adding SAR 2.3 bln Q/Q, while deposits retreated by SAR 3.5 bln Q/Q after a steady growth. As a result, LDR rose from 89% to 97% this quarter.
- Net financing and investment income increased by +9% Q/Q and +20% Y/Y to reach SAR 830 mln, due to a lower return on deposits and financial liabilities by -37% Q/Q and -43% Y/Y. Non-core income was lower -31% Q/Q and -36% Y/Y to SAR 169 mln.
- Provisions increased by +9% Y/Y from SAR 138 mln in 2Q19 to reach SAR 151 mln this quarter, but lower compared to SAR 203 mln in 1Q20.
- Net income was recorded at SAR 318 mln (+4% Q/Q), as a result of lower operating expenses by -8%, beating both our estimate and market consensus of SAR 223 mln and SAR 259 mln, respectively. We maintain both our target price of SAR 22.00 and Neutral recommendation.

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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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