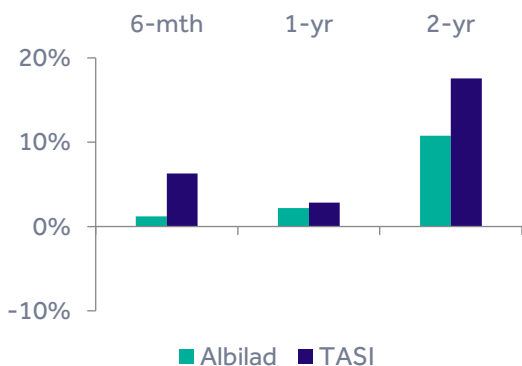


Market Data	
52-week high/low	SAR 41.36 / 31.70
Market Cap	SAR 47,625 mln
Shares Outstanding	1,250 mln
Free-float	58.76%
12-month ADTV	1,336,587
Bloomberg Code	ALBI AB



■ Provision Reversal Boosts Net Income Y/Y

February 06, 2025

Upside to Target Price	7.6%	Rating	Neutral
Expected Dividend Yield	1.6%	Last Price	SAR 38.10
Expected Total Return	9.2%	12-mth target	SAR 41.00

Albilad Bank	4Q2024	4Q2023	Y/Y	3Q2024	Q/Q	RC Estimate
Net Fin. & Invest Income	1,144	1,005	14%	1,160	(1%)	1,184
Total Operating Income	1,477	1,338	10%	1,446	2%	1,342
Net Income	790	608	30%	703	12%	747
Net Financing	109,304	102,080	7%	106,695	2%	108,434
Deposits	121,776	112,831	8%	122,342	0%	126,741

(All figures are in SAR mln)

- Net financing increased +7% Y/Y and saw a moderate +2% increase Q/Q, reaching SAR 109 bln, aligning with our estimate of SAR 108 bln. Deposits grew by 8% Y/Y and remained flat sequentially, resulting in the simple loan-to-deposit ratio (LDR) rising to 90% from 85% in 2Q2024.
- Net financing and investment income demonstrated robust Y/Y growth of +14%, which contributed to improved NIMs by 10 bps Y/Y to 3.33% in 4Q. However, sequentially, net financing income declined -1% Q/Q to SAR 1.14 bln, in line with expectations of SAR 1.18 bln. Non-funded income showed a 16% Y/Y improvement but saw a marginal -0.2% Q/Q decline to SAR 332 mln.
- Albilad Bank recorded a reversal in impairment charges of SAR 58 mln in 4Q. This reversal drove a 6% positive deviation in net income compared to our projections, reflecting better portfolio quality and risk management.
- Net income surged to SAR 790 mln, reflecting +30% Y/Y growth and +12% Q/Q growth. The strong bottom-line performance was driven by the reversal in impairment charges, coupled with solid growth in non-interest income Q/Q.
- We expect the bank to benefit from declining interest rates, as its retail-heavy loan portfolio positions it to experience enhanced margin growth. Given strong fundamentals and the favorable impact of a declining rate environment, we are raising our target price to SAR 41.00 while continuing to 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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