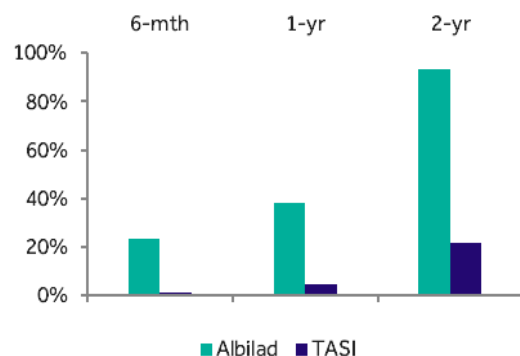


Market Data	
52-week high/low	SAR 30.25/17.67
Market Cap	SAR 21,750 mln
Shares Outstanding	750 mln
Free-float	52.4%
12-month ADTV	773,074
Bloomberg Code	ALBI AB



### Stock Price Rises Beyond Fundamentals

August 4, 2019

Upside to Target Price	(31.0%)	Rating	Sell
Expected Dividend Yield	3.1%	Last Price	SAR 29.00
Expected Total Return	(27.9%)	12-mth target	SAR 20.00

Bank Albilad	2Q2019	2Q2018	Y/Y	1Q2019	Q/Q	RC Estimate
Net Fin. Income	671	521	29%	597	12%	611
Total Op Income	959	843	14%	921	4%	952
Net Income	305	266	15%	285	7%	337
Net Financing	53,653	47,340	13%	51,409	4%	52,969
Deposits	59,315	52,179	14%	57,591	3%	58,962

(All figures are in SAR mln)

- Net financing and deposits continued their uptrend, growing by SAR 2.2 bln and SAR 1.7 bln Q/Q, respectively. Given the larger increase in financing, LDR edged up from 86% last quarter to 87%.
- Net financing and investment income went up +29% Y/Y and +12% Q/Q to SAR 671 mln. Non-core income came down -10% Y/Y to SAR 288 mln due to a decrease in all items.
- Operating expenses rose by +9% Y/Y and +3% Q/Q to SAR 620 mln, as most items increased.
- Net income for 2Q19 before zakat expense came at SAR 339 mln, almost matching our SAR 337 mln estimate and in-line with market consensus of SAR 330 mln. Bottom-line after zakat, however, was SAR 305 mln (+15% Y/Y, +7% Q/Q). The stock trades at an expensive 2019E P/B of 2.5x. We have revised our forecasts given a lower rate environment going forward. Our TP declines from SAR 22.0 to SAR 20.0 and we downgrade to Sell.

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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](mailto:research@riyadcapital.com)

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