

Bank Albilad

October 20, 2026

Higher provisions weigh on earnings, while balance sheet growth stalls in 3Q performance

Last Price: SAR 21.5 | YoY Performance: -26.2%

KEY TAKEAWAYS

- Bank Albilad (ALBILAD) reported a net profit of SAR 740.2 mn in 3Q26, 8.8% below our estimate, down 3.4% YoY and 6.5% QoQ. Impairment provisions were SAR 38 mn above our estimate, which explains over half of the shortfall. Additionally, opex for the quarter exceeded our estimates by SAR 27 mn.
- Net interest income for 3Q26 arrived at SAR 1,272.4 mn, up 6.5% YoY, in line with our estimates of SAR 1,286.2 mn (-1.1%). Gross interest income rose 12.3% YoY, supported by 11.4% YoY growth in loans. Gross interest expense increased 18.5% YoY, resulting in NIM compression to 2.9% (-21 bps YoY, -5 bps QoQ).
- For 3Q26, non-interest income came in at SAR 344.0 mn (+1.1% YoY, +0.9% QoQ), in line with our estimate of SAR 345.0 mn. Total operating income grew 5.3% YoY to SAR 1,616.4 mn (+0.2% QoQ).
- Operating expenses rose 9.5% YoY and 5.0% QoQ to SAR 708.9 mn in 3Q26. Opex growth outpaced income growth, resulting in widening of the cost to income ratio by 168 bps YoY and 202 bps QoQ to 43.9%.
- During 3Q26, impairment provisions rose 149.7% YoY and 47.7% QoQ to SAR 82.4 mn, 87.7% above our estimate of SAR 43.9 mn. Cost of risk rose to 25 bps, from 11 bps in 3Q25 and 17 bps in 2Q26.
- Total assets stood at SAR 185.9 bn, up 10.7% YoY. Loan book grew 11.4% YoY to SAR 132.8 bn, lagging the deposits growth of 12.7% YoY to SAR 145.4 bn. Resultantly, headline LDR declined 101 bps YoY to 91.3%. Deposits fell 1.2% QoQ while loans declined 0.5% QoQ, pushing the LDR up 68 bps sequentially.
- Based on our last review, we maintain a 'Neutral' stance on the stock, with a target price of SAR 28/share. The stock is currently trading at a 2027f P/E and P/B of 10.2x and 1.5x, respectively.

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Issuer Information

Bloomberg Code	ALBI AB
Last Price (SAR)	21.5
No of Shares (mn)	1,500
Market Cap bn (SAR/USD)	32.2 / 8.6
52-week High / Low (SAR)	30.2 / 21.0
12-month ADTV (mn) (SAR/USD)	41.8 / 11.2
Free Float (%)	64.4
Foreign Holdings (%)	10.0

Last price as of Oct 20th, 2026

Relative Price Performance



Source: Bloomberg, anbc research

Financials	3Q26A	3Q26E*	Var (%)	3Q25A	YoY (%)	2Q26A	QoQ (%)
Net Interest Income	1,272	1,286	-1.1	1,195	6.5	1,272	0.0
Non-Interest Income	344	345	-0.3	340	1.1	341	0.9
Total Operating Income	1,616	1,631	-0.9	1,535	5.3	1,613	0.2
Operating Expenses	-709	-682	3.9	-647	9.5	-675	5.0
Impairment Provisions	-82	-44	87.7	-33	149.7	-56	47.7
Net Income	740	812	-8.8	767	-3.4	792	-6.5
Adj. EPS	0.47	0.50		0.51		0.47	
Assets	185,891	188,500	-1.4	167,929	10.7	186,478	-0.3
Investments	31,439	32,181	-2.3	30,440	3.3	32,113	-2.1
Loans & Advances	132,761	135,391	-1.9	119,135	11.4	133,418	-0.5
Deposits	145,366	148,883	-2.4	129,023	12.7	147,188	-1.2
Total Equity	23,258	23,763	-2.1	20,910	11.2	23,770	-2.2
NIM (%) - Annualized	2.94	2.95	-1 bps	3.16	-21 bps	2.99	-5 bps
Operating Cost to Income (%)	43.9	41.8	202 bps	42.2	168 bps	41.8	202 bps
Provision/Loans (bps)	24.8	13.1	12 bps	11.2	14 bps	17.0	8 bps
Headline LDR (%)	91.3	90.9	39 bps	92.3	-101 bps	90.6	68 bps
Assets to Equity (x)	8.0	7.9	0.8	8.0	-0.5	7.8	1.9

*anbc estimates

Source: Company Financials, anbc research

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