



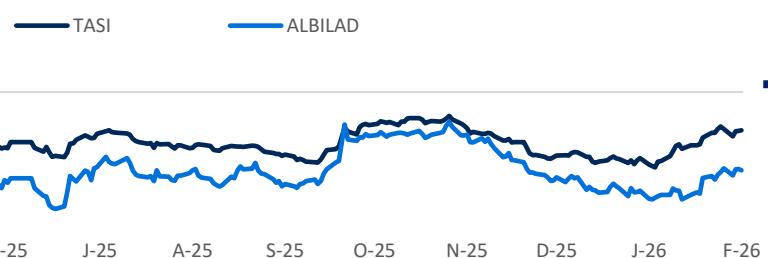
Market Data	Last Price (SAR)	Valuation		2025A	2026F	2027F	2028F
		Net Income (SAR bn)	EPS (SAR)	3.0	3.2	3.5	3.9
Target Price	32.0	PER (x)		2.0	2.0	2.1	2.3
Upside / Downside (%)	17.8	P/BV (x)*		13.6	13.7	13.1	11.7
Market Cap bn (SAR/USD)	40.7/10.9	DPS (SAR)		2.1	1.7	1.4	1.3
52-week High / Low (SAR)	32.9/23.4	Div. Yield (%)		1.0	0.5	0.5	0.6
12-month ADTV (mn) (SAR/USD)	47.9/12.8	RoAE (%)*		3.7	1.8	1.9	2.1
YTD Return (%)	9.3	RoAA (%)		16.0	13.6	12.2	12.0
Bloomberg Code	ALBI AB	*Calculated using total equity		1.9	1.7	1.7	1.7

\*Last Close of 10 Feb 26

Financials (SAR mn)	3Q25A	3Q25E*	Var (%)	3Q24A	YoY (%)	2Q25A	QoQ (%)
Net Interest Income	1,218	1,212	0.5	1,144	6.5	1,194	2.0
Non-Interest Income	434	375	16.0	332	30.8	340	27.7
Total Income	1,653	1,587	4.1	1,477	11.9	1,535	7.7
Operating expenses	(695)	(669)	3.9	(654)	6.4	(647)	7.4
Impairment provisions	(47)	(47)	0.3	58	-	(33)	41.6
Net Income	817	781	4.6	790	3.4	766	6.6
<b>Adj. EPS</b>	<b>0.50</b>	<b>0.48</b>		<b>0.53</b>		<b>0.51</b>	
Assets	172,972	175,674	-1.5	154,965	11.6	167,929	3.0
Investments	31,123	28,554	9.0	25,032	24.3	30,440	2.2
Loans & Advances	122,189	123,839	-1.3	109,304	11.8	119,135	2.6
Deposits	132,879	136,318	-2.5	121,776	9.1	129,023	3.0
Total Equity	21,356	22,635	-5.7	16,693	27.9	20,910	2.1
NIM (%) - annualized	3.1	3.1	0 bps	3.3	-20 bps	3.2	-6 bps
Operating cost to income (%)	42.1	42.2	-12 bps	44.3	-220 bps	42.2	-12 bps
Provision/Loans (bps)	15	15	0 bps	(21)	-	11	4 bps
Simple LDR (%)	92.0	90.8	111 bps	89.8	220 bps	92.3	-38 bps
Assets to Equity (x)	8.1	7.8	4.4	9.3	-12.7	8.0	0.9

\*anbc estimates

## Price Performance



Source: Tadawul, Bloomberg and anbc research

**Bank Albilad (ALBI AB) reported a net income of SAR 817 mn (Adj. EPS: SAR 0.50) in 4Q25, up 3% YoY and 7% QoQ. The result came in line with our estimates of SAR 781 mn, up by 4.6%. The increase in net income was due to a 31% YoY growth in non-interest income and 6% YoY increase in net-interest income. Earnings growth partially offset by impairment provisions of SAR 47 mn during 4Q25, compared to net recoveries of SAR 58 mn in 4Q24. Along with the result, the bank also announced a cash dividend of SAR 0.55/share. Since the stock has declined 7% since our last update, we revise our stance from Neutral to Overweight.**

- Net interest income for 4Q25 arrived at SAR 1.2 bn, up 6.5% YoY, taking the full year 2025 net interest income to SAR 4.8 bn (+7.2% YoY). The growth in net interest income during the year driven by 6.8% YoY increase in gross interest income to SAR 9.1 bn. However, the increase was partially offset by a 6.5% YoY increase in return on deposits and financial liabilities to SAR 4.4 bn. During 4Q25, NIM arrived at 3.1%, down 20 bps YoY (-6 bps QoQ). For 2025, NIM was recorded at 3.2%, down 8 bps due to the decline in interest rates.
- Non-interest income for 4Q25 amounted to SAR 434.5 mn, up 30.8% YoY (+27.7% QoQ), with the full year non-interest income arriving at SAR 1.4 bn, up 16.3% YoY. The growth during 2025 was due to a net gain on FVSI instruments, fee and commission, dividend, and other operating income. However, the increase was partly offset by a decline in net exchange income.
- During 4Q25, operating expenses rose 6.4% YoY to SAR 695.3 mn (+7.4% QoQ). Cost to income ratio (CIR) for the quarter was recorded at 42.1%, down 220 bps YoY and 12 bps QoQ. For the full year, operating expenses arrived at SAR 2.6 bn, up 8.2% YoY, mainly due to an increase in depreciation, salaries, and other general & admin expenses. CIR for 2025 stood at 42.2%, recording a 38 bps YoY decline.
- Impairment provisions for 4Q25 amounted to SAR 46.7 mn (+41.6% QoQ), compared to net recoveries of SAR 57.7 mn in 4Q24. Cost of risk for the quarter arrived at 15 bps, up 4 bps QoQ. Impairment provisions during 2025 rose by 39.9% YoY to SAR 181.4 mn. Cost of risk for the year stood at 16 bps, up 3 bps YoY.
- Total assets rose 11.6% YoY to SAR 173.0 bn at the end of the year, driven by 24.3% YoY growth in investment book to SAR 31.1 bn. Loans & advances as of Dec-25 arrived at SAR 122.2 bn, up 11.8% YoY. Deposits at 2025-end amounted to SAR 132.9 bn, up 9.1% YoY. Headline LDR rose 220 bps YoY to 92.0% at the end of 4Q25, though it declined sequentially by 38 bps.
- With a balanced positioning in the corporate and retail sector, the bank is well-positioned to support asset yields in a declining rate environment. The bank's low headline LDR level also provides a liquidity buffer to support financing growth. Since the stock has declined ~7% since our last update, we have revised our stance from Neutral to Overweight with a TP of SAR 32/share. The stock is currently trading at a 2026f P/E and P/BV of 13.7x and 1.7x, respectively.

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