

Market Data	
52-week high/low	SAR 42.30/27.40
Market Cap	SAR 61,800 mln
Shares Outstanding	2,000 mln
Free-float	89.85%
12-month ADTV	5,453,248
Bloomberg Code	ALINMA AB

Deposits Grow +10% Q/Q

May 04, 2023

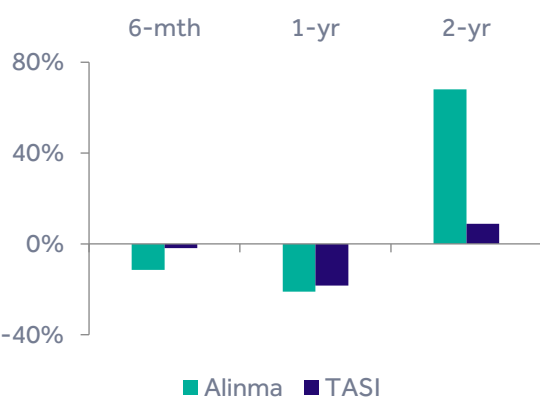
Upside to Target Price	13.3%	Rating	Buy
Expected Dividend Yield	5.0%	Last Price	SAR 30.90
Expected Total Return	18.3%	12-mth target	SAR 36.00

Alinma Bank	1Q2023	1Q2022	Y/Y	4Q2022	Q/Q	RC Estimate
Net Financing Income	1,735	1,312	32%	1,668	4%	1,711
Total Operating Income	2,179	1,808	21%	2,148	1%	2,116
Net Income	970	825	18%	860	13%	988
Net Financing	153,153	128,965	19%	146,492	5%	147,665
Deposits	159,949	128,035	25%	145,168	10%	146,600

(All figures are in SAR mln)

- Net financing grew by +19% Y/Y and +5% Q/Q to SAR 153 bln, adding SAR 6.7 bln during 1Q2023. Deposits continued their uptrend, growing by SAR 14.8 bln Q/Q to SAR 160 bln at quarter-end versus a decline of SAR 8.7 bln (-2% Q/Q) posted by Al Rajhi Bank.
- Net Financing Income increased +32% Y/Y and +4% Q/Q to SAR 1.7 bln, matching our estimate, on the back of +89% Y/Y and +14% Q/Q growth in Income from Investments and Financing. Higher interest rates resulted in a jump of +553% Y/Y and +36% Q/Q in Return on Time Investments.
- 1Q2023 Non-core income of SAR 445 mln fell on both yearly and quarterly basis by -10% and -7% respectively. We believe the decline is driven by lower FVIS investment income and other operating income. Total operating income of SAR 2.2 bln increased by +21% Y/Y and +1% Q/Q.
- Total OpEx increased by +24% Y/Y, driven by higher provisions at SAR 343 mln (+41% Y/Y).
- Net Income came in at SAR 970 mln for 1Q2023 versus SAR 825 mln last year, in-line with our forecast. We increase our target price to SAR 36.00 from SAR 35.00 and we upgrade our recommendation to Buy.

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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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