

Market Data	
52-week high/low	SAR 36.00/24.24
Market Cap	SAR 81,500 mln
Shares Outstanding	2,500 mln
Free-float	89.84%
12-month ADTV	4,419,481
Bloomberg Code	ALINMA AB

■ Deposit Growth Lags Net Financing

May 02, 2024

Upside to Target Price	1.2%	Rating	Neutral
Expected Dividend Yield	3.3%	Last Price	SAR 32.60
Expected Total Return	4.5%	12-mth target	SAR 33.00

Alinma Bank	1Q2024	1Q2023	Y/Y	4Q2023	Q/Q	RC Estimate
Net Financing Income	2,012	1,735	16%	2,054	(2%)	2,143
Total Operating Income	2,565	2,179	18%	2,569	(0%)	2,683
Net Income	1,315	970	36%	1,320	(0%)	1,418
Net Financing	180,702	153,153	18%	173,624	4%	179,701
Deposits	188,988	159,949	18%	187,901	1%	191,659

(All figures are in SAR mln)

- Net financing grew by a robust +4% Q/Q and +18% Y/Y to SAR 180.7 bln while deposits growth lagged, up by just +1% Q/Q to SAR 188.9 bln. Consequently, an increase of SAR 7.1 bln in net financing as compared to an increase of SAR 1.1 bln in deposits led to an increase in the simple LDR to 96% from 92% in 4Q2023.
- Although Net Financing Income grew by +16% Y/Y, it declined by -2% Q/Q to SAR 2.01 bln, missing our forecast, on the back of a much larger rise of +5% Q/Q in the cost of funds versus a +1% Q/Q growth in funding and investments income. Non-core income witnessed a decent +7% Q/Q growth to SAR 553 mln, likely on better fee and FVSI income.
- Impairment charge has further dropped to SAR 264 mln for the quarter, down -18% Q/Q and -23% Y/Y on the back of a decrease in non-performing financing as there was settlement of impaired accounts coupled with an improvement in asset quality.
- Net Income was recorded at SAR 1.3 bln, up +36% Y/Y but flat Q/Q and missed our SAR 1.4 bln forecast, primarily due to lower than expected net financing income as well as lower provisions. This is the 3rd consecutive quarter of almost flat bottomline. The stock continues to trade near our target price and at an elevated forward P/B of 2.7x. We continue to recommend 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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