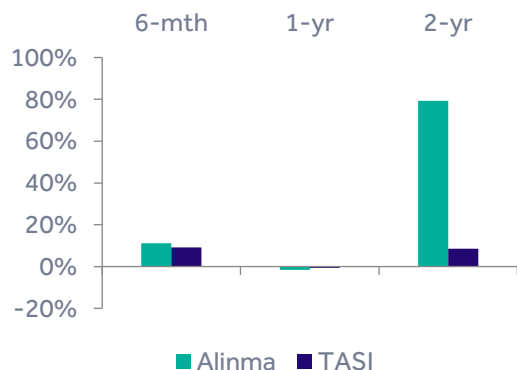


Market Data	
52-week high/low	SAR 39.75/27.40
Market Cap	SAR 73,300 mln
Shares Outstanding	2,000 mln
Free-float	89.84%
12-month ADTV	4,641,287
Bloomberg Code	ALINMA AB



Earnings Skyrocket in 2Q

July 25, 2023

Upside to Target Price	6.4%	Rating	Neutral
Expected Dividend Yield	4.2%	Last Price	SAR 36.65
Expected Total Return	10.6%	12-mth target	SAR 39.00

Alinma Bank	2Q2023	2Q2022	Y/Y	1Q2023	Q/Q	RC Estimate
Net Financing Income	1,860	1,413	32%	1,735	7%	1,834
Total Operating Income	2,437	1,932	26%	2,179	12%	2,277
Net Income	1,225	925	32%	970	26%	1,048
Net Financing	161,773	131,193	23%	153,153	6%	154,807
Deposits	177,874	130,376	36%	159,948	11%	160,362

(All figures are in SAR mln)

- Net financing grew by +23% Y/Y and +6% Q/Q to SAR 162 bln, adding SAR 8.6 bln during 2Q2023. Deposits continued their uptrend as well, growing by SAR 17.9 bln Q/Q to SAR 178 bln at quarter-end.
- Net Financing Income increased +32% Y/Y and +7% Q/Q to SAR 1.9 bln on the back of +92% Y/Y and +14% Q/Q growth in Income from Investments and Financing. Higher interest rates resulted in a jump of +451% Y/Y and +26% Q/Q in Return on Time Investments. These were in-line with our estimates.
- Non-core income of SAR 577 mln rose on both yearly and quarterly basis by +11% and +30% respectively. We believe the increase is driven by higher fee income and exchange income. Total operating income of SAR 2.4 bln increased by +26% Y/Y and +12% Q/Q.
- Total OpEx increased by +19% Y/Y but fell by -2% Q/Q, driven by higher provisions at SAR 325 mln (+36% Y/Y).
- Net Income came in at SAR 1.2 bln versus SAR 925 mln last year, beating our forecast due to higher than expected Non-core income. Since the last note, the stock has risen over +19%. Hence, we downgrade our rating to Neutral. We also increase our target price from SAR 36.00 to SAR 39.00 with a positive outlook.

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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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