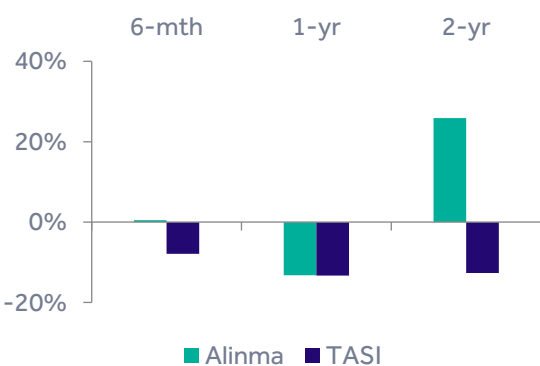


Market Data	
52-week high/low	SAR 39.80/27.40
Market Cap	SAR 63,700 mln
Shares Outstanding	2,000 mln
Free-float	89.84%
12-month ADTV	4,429,679
Bloomberg Code	ALINMA AB



Earnings Surge Once More

October 25, 2023

Upside to Target Price	22.4%	Rating	Buy
Expected Dividend Yield	3.1%	Last Price	SAR 31.85
Expected Total Return	25.5%	12-mth target	SAR 39.00

Alinma Bank	3Q2023	3Q2022	Y/Y	2Q2023	Q/Q	RC Estimate
Net Financing Income	2,006	1,674	20%	1,860	8%	2,015
Total Operating Income	2,541	2,075	22%	2,437	4%	2,526
Net Income	1,324	989	34%	1,225	8%	1,310
Net Financing	169,063	139,987	21%	161,773	5%	167,985
Deposits	180,233	132,048	36%	177,874	1%	187,509

(All figures are in SAR mln)

- In 3Q2023, Net Financing grew by +21% Y/Y and +5% Q/Q to SAR 169 bln, adding SAR 7.3 bln. Deposits continued its uptrend as well, growing by SAR 2.4 bln sequentially to SAR 180 bln. The headline LDR stands at 94%.
- Net Financing Income increased +20% Y/Y and +8% Q/Q to SAR 2.0 bln, driven by +72% Y/Y and +11% Q/Q growth in Income from Investments and Financing. Higher interest rates resulted in a jump of +302% Y/Y and +15% Q/Q in Return on Time Investments. These matched our estimates.
- Non-core Income of SAR 535 mln is up +33% Y/Y but fell by -7% Q/Q. We believe the Y/Y growth was attributed to higher income from Fee, Exchange and FVSI. Total Operating Income of SAR 2.5 bln grew by +22% Y/Y and +4% Q/Q, matching our estimates.
- Total OpEx increased by +9% Y/Y but fell by -1% Q/Q, driven by +16% Y/Y higher provisions at SAR 306 mln coupled with higher G&A expenses, salaries, rent and depreciation.
- Alinma’s bottom-line came in at SAR 1.3 bln versus SAR 989 mln in 3Q2022, matching our forecast but higher than market consensus at SAR 1.2 bln. We maintain our SAR 39.00 target but upgrade our rating to a Buy as the stock has underperformed in the last few months.

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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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