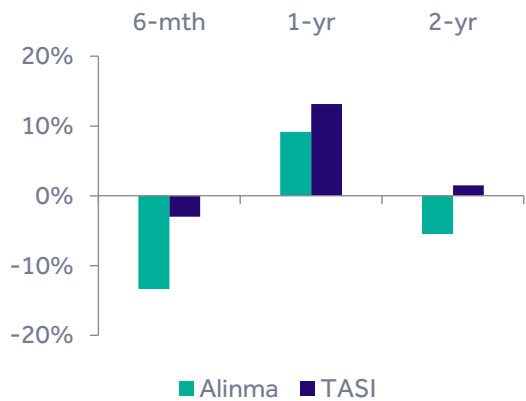


Market Data	
52-week high/low	SAR 36.00/25.56
Market Cap	SAR 73,000 mln
Shares Outstanding	2,500 mln
Free-float	89.83%
12-month ADTV	5,395,479
Bloomberg Code	ALINMA AB



■ Robust Earnings & Financing Growth

October 28, 2024

Upside to Target Price	17.0%	Rating	Buy
Expected Dividend Yield	5.5%	Last Price	SAR 28.20
Expected Total Return	22.5%	12-mth target	SAR 33.00

Alinma Bank	3Q2024	3Q2023	Y/Y	2Q2024	Q/Q	RC Estimate
Net Fin. & Invest. Income	2,220	2,006	11%	2,151	3%	2,176
Total Operating Income	2,815	2,541	11%	2,746	3%	2,830
Net Income	1,572	1,324	19%	1,417	11%	1,446
Net Financing	195,895	169,063	16%	189,912	3%	195,106
Deposits	209,140	180,233	16%	205,357	2%	210,518

(All figures are in SAR mln)

- Net financing grew by +3% Q/Q and +16% Y/Y to reach SAR 195.8 bln, while deposits increased by +2% Q/Q and +16% Y/Y to SAR 209 bln. Consequently, the SAR 3.8 bln increase in deposits was outpaced by the SAR 6.0 bln increase in net financing Q/Q, resulting in a higher loan-to-deposit ratio (LDR) at 94% from 92% in 2Q2024.
- Net Financing and Investment Income rose by +11% Y/Y and +3% Q/Q to SAR 2.22 bln, aligning with our estimates of SAR 2.17 bln. Growth is mainly attributed to an increase in financing volume and higher investment yields. Gross funding income grew by +19% Y/Y compared to a +30% Y/Y increase in the cost of funds, indicating faster growth of IB deposits. Additionally, the Cost-to-Income ratio remained relatively stable on a sequential basis. Non-core income was largely stable Q/Q, however, showed a healthy growth by +11% Y/Y. Total Operating Expenses declined by -9% Q/Q, primarily due to lower provisions for credit losses, attributed to portfolio stability and improved assets quality.
- Net Income was recorded at SAR 1.6 bln, showing a +19% Y/Y and +11% Q/Q rise, mainly driven by an increase in total operating income and the increase in net income from financing and investment, slightly above our forecast of SAR 1.4 bln. The bank announced a DPS of SAR 0.30 for the 3Q. We maintain our target price and upgrade the 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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