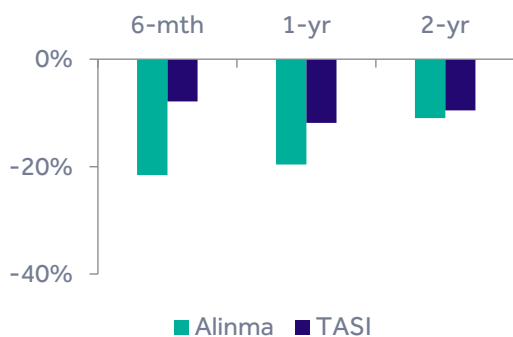


| Market Data | |
|--------------------|-----------------|
| 52-week high/low | SAR 19.61/13.72 |
| Market Cap | SAR 29,520 mln |
| Shares Outstanding | 2,000 mln |
| Free-float | 100% |
| 12-month ADTV | 16,821,148 |
| Bloomberg Code | ALINMA AB |



Profits up +55% Q/Q

August 06, 2020

| | | | |
|-------------------------|--------|---------------|-----------|
| Upside to Target Price | (1.8%) | Rating | Neutral |
| Expected Dividend Yield | 5.8% | Last Price | SAR 14.76 |
| Expected Total Return | 4.0% | 12-mth target | SAR 14.50 |

| Alinma Bank | 2Q2020 | 2Q2019 | Y/Y | 1Q2020 | Q/Q | RC Estimate |
|------------------------|---------|--------|-------|---------|-----|-------------|
| Net Financing Income | 1,122 | 1,066 | 5% | 1,121 | 0% | 1,046 |
| Total Operating Income | 1,346 | 1,364 | (1%) | 1,268 | 6% | 1,194 |
| Net Income | 572 | 676 | (15%) | 370 | 55% | 359 |
| Net Financing | 103,178 | 87,667 | 18% | 97,784 | 6% | 100,280 |
| Deposits | 107,417 | 92,816 | 16% | 103,874 | 3% | 105,996 |

(All figures are in SAR mln)

- Net financing and deposits continued their uptrend, growing by SAR 5.4 bln and SAR 3.5 bln Q/Q respectively. As a result, LDR rose from 94% last quarter to 96%.
- Net financing and investment income grew +5% Y/Y to SAR 1.1 bln, but remained flat Q/Q, due to a decline in return on time investments by -28% Y/Y, -21% Q/Q to SAR 216 mln. Non-core income dropped by -25% Y/Y but increased +52% Q/Q to SAR 224 mln.
- Operating income rose +6% Q/Q to reach SAR 1.3 bln, mainly due to lower revaluation loss from FVSI investments partly offset by the lower fee income. On a yearly basis, however, it decreased by -1% along with, a decrease in opex by -17% Q/Q due to lower provisions.
- Net income came in at SAR 572 mln (-15% Y/Y, +55% Q/Q), beating our forecast of SAR 359 mln and market consensus of SAR 380 mln. We maintain our target price and Neutral stance.

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الرياض المالية
 riyad capital

■ 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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