

| Market Data | |
|--------------------|-----------------|
| 52-week high/low | SAR 19.61/13.72 |
| Market Cap | SAR 31,800 mln |
| Shares Outstanding | 2,000 mln |
| Free-float | 100% |
| 12-month ADTV | 16,941,564 |
| Bloomberg Code | ALINMA AB |



Operating Income leads Profits

October 28, 2020

| | | | |
|-------------------------|--------|---------------|-----------|
| Upside to Target Price | (8.8%) | Rating | Neutral |
| Expected Dividend Yield | 4.4% | Last Price | SAR 15.90 |
| Expected Total Return | (4.4%) | 12-mth target | SAR 14.50 |

| Alinma Bank | 3Q2020 | 3Q2019 | Y/Y | 2Q2020 | Q/Q | RC Estimate |
|------------------------|---------|--------|-------|---------|-----|-------------|
| Net Financing Income | 1,167 | 1,139 | 2% | 1,122 | 4% | 1,158 |
| Total Operating Income | 1,489 | 1,441 | 3% | 1,346 | 11% | 1,380 |
| Net Income | 629 | 713 | (12%) | 572 | 10% | 580 |
| Net Financing | 105,325 | 90,785 | 16% | 103,178 | 2% | 109,776 |
| Deposits | 111,318 | 99,837 | 11% | 107,417 | 4% | 114,314 |

(All figures are in SAR mln)

- Net financing grew at a slower pace compared to the previous quarters, adding SAR 2.1 bln, while deposits continued their uptrend, growing by SAR 3.9 bln Q/Q. Consequently, LDR fell from 96% last quarter to 95%.
- Net financing and investment income improved by +4% Q/Q and +2% Y/Y to SAR 1.2 bln, due to a decline in return on time investments by -21% Q/Q and -44% Y/Y to SAR 170 mln. Non-core income increased by +44% Q/Q and +7% Y/Y to SAR 322 mln.
- Operating expenses rose +10% Q/Q to reach SAR 774 mln, mainly due to higher provisions, salaries and other G&A expenses compared to the previous quarter.
- Net income came in at SAR 629 mln (-12% Y/Y, +10% Q/Q) due to an increase in operating Income by +11% Q/Q, beating our forecast of SAR 580 mln and market consensus of SAR 583 mln. We maintain our target price and 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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