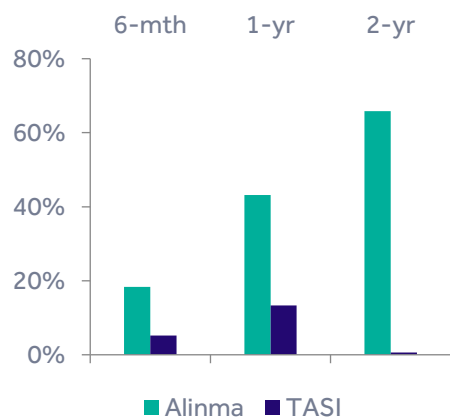


Market Data	
52-week high/low	SAR 43.80/27.40
Market Cap	SAR 83,900 mln
Shares Outstanding	2,000 mln
Free-float	89.84%
12-month ADTV	4,419,481
Bloomberg Code	ALINMA AB



Net Financing Income Sustains above SAR 2 bln

February 08, 2024

Upside to Target Price	(2.3%)	Rating	Neutral
Expected Dividend Yield	2.7%	Last Price	SAR 41.95
Expected Total Return	0.4%	12-mth target	SAR 41.00

Alinma Bank	4Q2023	4Q2022	Y/Y	3Q2023	Q/Q	RC Estimate
Net Financing Income	2,054	1,668	23%	2,006	2%	2,061
Total Operating Income	2,569	2,148	20%	2,541	1%	2,579
Net Income	1,320	860	53%	1,324	0%	1,283
Net Financing	173,624	146,492	19%	169,063	3%	177,255
Deposits	187,901	145,169	29%	180,233	4%	188,719

(All figures are in SAR mln)

- Net financing grew +3% Q/Q and +19% Y/Y, adding SAR 4.6 bln to end 2023 at SAR 173.6 bln on expansion in both the retail and corporate book but growth moderated sequentially. Deposits continued their uptrend, rising by SAR 7.7 bln Q/Q to end the year at SAR 187.9 bln, driven mainly by time deposits. CASA deposits account for 48% of total deposits at 2023-end. LDR declined to 92% versus 94% in 3Q.
- Net Financing Income increased by +23% Y/Y and +2% Q/Q to SAR 2.05 bln, in line with our forecast on the back of higher loans and better rates. While NIMs improved Y/Y, they were almost flat Q/Q. Non-core income declined -4% Q/Q to SAR 515 mln, likely on lower dividend, FVIS and other operating income.
- 4Q Impairment charge was largely benign at SAR 335 mln, while there was a +9% Y/Y rise for FY2023 to SAR 1.3 bln with 78% coming from corporate. Cost of risk declined by 8bps Y/Y to 0.77% in 2023.
- Net Income came in at SAR 1.3 bln, up+53% Y/Y but flat Q/Q and in-line with our forecast. The stock has witnessed a run-up and achieved our previous price target. We tweak our target to SAR 41.00. Trading at 2.7x forward P/B, we downgrade the stock to Neutral.

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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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