

Market Data	
52-week high/low	SAR 26.00/19.95
Market Cap	SAR 53,650 mln
Shares Outstanding	3,000 mln
Free-float	89.90%
12-month ADTV	5,009,782
Bloomberg Code	ALINMA AB



Strong Balance-Sheet Growth, Stable Earnings

October 25, 2026

Upside to Target Price 16.5%
 Expected Dividend Yield 4.4%
 Expected Total Return 20.9%

Rating Buy
 Last Price SAR 21.46
 12-mth target SAR 25.00

Alinma	3Q2026	3Q2025	Y/Y	2Q2026	Q/Q	RC Estimate
Net Fin. & Invest. Income	2,582	2,365	9%	2,550	1%	2,602
Total Operating Income	3,122	2,965	5%	3,128	(0%)	3,184
Net Income	1,588	1,592	(0%)	1,595	(0%)	1,679
Net Financing	252,710	225,684	12%	243,911	4%	252,448
Deposits	251,916	234,623	7%	245,254	3%	247,707

(All figures are in SAR mln)

- Alinma's net financing increased to SAR 253 bln (+12% Y/Y, +4% Q/Q), in line with our estimate of SAR 252 bln. Customers' deposits rose to SAR 252 bln (+7% Y/Y, +3% Q/Q), broadly in line with our estimate of SAR 248 bln. On a YTD basis, deposit growth was driven by a 13% increase in time deposits alongside an 8% expansion in CASA deposits. Accordingly, the regulatory LDR stood at 81.1%.
- Net financing and investment income increased to SAR 2.58 bln (+9% Y/Y, +1% Q/Q), in line with our estimate of SAR 2.60 bln. NIM remained stable Q/Q at 3.44% and improved by 6bps Y/Y, in line with our estimate of 3.42%.
- Total operating income marginally decreased to SAR 3.12 bln (+5% Y/Y, -0.2% Q/Q), broadly in line with our estimate of SAR 3.18 bln. The sequential performance reflected higher funded income, offset by a 7% Q/Q decline in non-funded income to SAR 540 mln (-10% Y/Y, -7% Q/Q), which came in 7% below our estimate of SAR 582 mln. Operating expenses (excluding impairments), stood at SAR 951 mln (+2% Y/Y, broadly flat Q/Q), broadly in line with our estimate of SAR 971 mln. Accordingly, the cost-to-income ratio improved to 30.5% (vs. 31.5% in 3Q25 and 32.6% in 2Q26), in line with our estimate. Impairment charges increased to SAR 400 mln (+56% Y/Y, broadly flat Q/Q), exceeding our estimate of SAR 340 mln.
- The bank reported a bottom-line broadly unchanged (Y/Y and Q/Q) at SAR 1.59 bln, 5% below our estimate of SAR 1.68 bln. The earnings miss was mainly attributable to higher-than-expected impairment charges and weaker non-funded income, partially offset by controlled operating expenses and resilient funded income. The bank declared a DPS of SAR 0.25 for 3Q26.
- Alinma's asset-sensitive balance sheet should continue to support margins in a higher-for-longer rate environment. However, the elevated level of provisioning warrants a more cautious credit-cost outlook, as it could partly offset the margin benefit and moderate internal capital generation. We therefore trim our target price to SAR 25.00 from SAR 25.50, while upgrading our recommendation to Buy as the recent share-price decline has widened the potential upside.

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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

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