



Alinma Bank

Balance sheet expansion uplift profitability

Market Data		Valuations	2024A	2025E	2026E	2027E
Last Price (SAR)*	25.9	Net Income (SAR bn)	5.5	6.1	6.5	6.8
Target Price (SAR)	33	Adj. EPS (SAR)	2.2	2.4	2.6	2.7
Upside / Downside (%)	27%	PER (x)	11.8	10.6	9.9	9.5
Market Cap (bn) (SAR/USD)	65/17	P/BV (x)	1.6	1.4	1.3	1.2
52 week High / Low (SAR)	33/25	DPS (SAR)	1.1	1.2	1.3	1.3
12-month ADTV (mn) (SAR/USD)	177/47	Div. Yield (%)	4.1	4.8	5.0	5.2
YTD Return (%)	-10.5%	RoAE (%)	17.8	18.0	17.5	16.9
Bloomberg Code	ALINMA AB	RoAA (%)	2.1	2.1	2.0	1.9

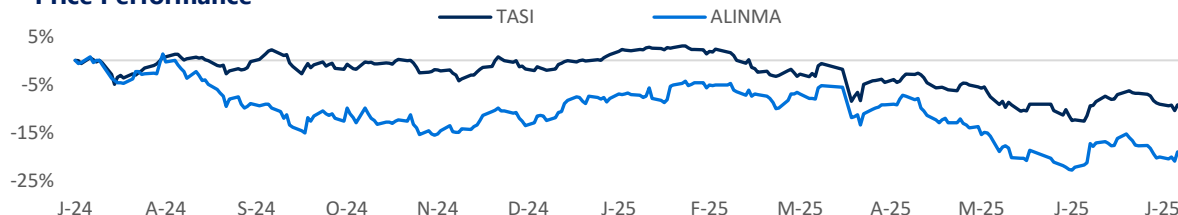
*last price as of 27 July 2025

Financials (SAR mn)	2Q25A	2Q25E*	Var (%)	2Q24A	YoY (%)	1Q25A	QoQ (%)
Net Interest Income	2,272	2,286	-1	2,151	6	2,283	-0
Non-Interest Income	675	625	8	595	13	531	27
Total Income	2,947	2,910	1	2,746	7	2,814	5
Operating expenses	(917)	(888)	3	(834)	10	(905)	1
Impairment provisions	(281)	(220)	28	(327)	-14	(226)	24
**Net Income	1,573	1,617	-3	1,417	11%	1,508	4
Adj. EPS	0.61	0.61	0	0.55	12	0.54	13
Assets	297,216	298,823	-1	260,138	14	287,222	3
Investments	51,639	51,040	1	46,631	11	49,408	5
Loans & Advances	218,596	219,849	-1	189,912	15	209,435	4
Deposits	229,944	238,008	-3	205,357	12	218,839	5
Total Equity	44,775	43,725	2	40,037	12	42,952	4
NIM (%) - annualized	3	3	-1 bps	4	-27 bps	4	-11 bps
Operating cost to income (%)	31	31	63 bps	30	75 bps	32	-103 bps
Provision/Loans (bps)	53	41	12 bps	70	-18 bps	44	9 bps
Simple LDR (%)	95	92	269 bps	92	259 bps	96	-64 bps
Assets to Equity (x)	7	7	-3	6	2	7	-1

*anbc estimates

** Net income is not adjusted for Sukuk cost

Price Performance



Source: Tadawul, Bloomberg and anbc research

Rating: Overweight | 12M Target Price: SAR 33

July 27, 2025

Alinma Bank (ALINMA AB) reported a net profit of SAR 1.6 bn (Adj. EPS: SAR 0.61) in 2Q25, up 11.1% YoY and 4.3% QoQ. The increase in net profit supported by 7.3% YoY increase in operating income and 13.9% YoY decline in impairment provisions. Loans and deposits at the end of 2Q25 expanded by 15.1% and 12.0% YoY, respectively. The BoD recommended a dividend of SAR 0.30/sh for 2Q25, taking 1H25 cumulative payout to SAR 0.60/sh.

- Net interest income was recorded at SAR 2.3 bn, up 5.6% YoY in 2Q25, mainly due to a 10.7% YoY growth in investment portfolio and a 15.1% YoY increase in loans. On a QoQ basis, net interest income declined 0.5%, due to an increase in time deposits, and consequently higher cost of funds. NIM declined to 3.4% during 2Q25, down 27 bps YoY and 10.9 bps QoQ.
- Non-interest income increased to SAR 674.8 mn during 2Q25, up 13.4% YoY. The total operating income for the quarter stood at SAR 2.9 bn, up 7.3% YoY and 4.7% QoQ.
- Operating expenses arrived at SAR 917.3 mn in 2Q25, up 10.0% YoY (1.4% QoQ). The operating cost to income ratio for the quarter increased by 75 bps YoY to 31.1%.
- Impairment provisions declined by 13.9% YoY to SAR 281.3 mn during 2Q25, reportedly due to the onboarding of high quality clients. However, on a sequential basis, the 24.3% increase in impairment provisions was due to the growth in financing and investment portfolio.
- Total assets increased to SAR 297.2 bn (+14.3% YoY, 3.5% QoQ) during 2Q25. Lending portfolio stood at SAR 218.6 bn (+15.1% YoY) driven by a growth in corporate financing. Deposits for 2Q25 increased by 12.0% YoY to SAR 229.9 bn.
- The BoD of the bank has recommended a cash dividend of SAR 0.30/sh for 2Q25, taking 1H25 cumulative payout to SAR 0.60/sh.
- The bank is pursuing a high growth strategy due to a relatively low LDR levels. We expect the bank's balance sheet expansion to continue on the back of elevated corporate loan appetite. Moreover, the aggressive growth strategy would push the opex requirements upward. We have a target price of SAR 33/share with an Overweight rating. The stock is currently trading at 2025e PER 10.6x and PBV of 1.4x.

Abdulelah M. Alotaibi

Abdulelah.Alotaibi@anbcapital.com.sa

+966 11 4062500 Ext. 8851

anbcapital

Disclaimer

anb capital is a Saudi Closed Joint Stock Company with paid up capital of SAR 1,000 million and is licensed by the Capital Market Authority of Saudi Arabia under license number 07072-37 and Unified Number 7001548267, with its head office at 3581 Al Mouyyad Al Jadid, Al Murabba, PO Box 220009, Riyadh 11311, Saudi Arabia, telephone number 800 124 0055.

This report is prepared by anb capital, a full-fledged investment bank providing investment banking, asset management, securities brokerage and research services. anb capital and its affiliates, may have or seek investment banking or other business relationships for which it will receive compensation from the companies that are the subject of this report. Also, anb capital (or its officers, directors or employees) may have a position in the securities that are the subject of this report.

This report has been prepared on the basis of information believed to be reliable, but anb capital makes no guarantee, representation or warranty, express or implied, as to the accuracy, correctness or completeness of such information, nor do they accept any responsibility for loss or damage arising in any way (including by negligence) from errors in, or omissions from the information.

This report is intended only for the recipient to whom the same is delivered by anb capital and should not be reproduced, redistributed, forwarded or relied on by any other person. The distribution of this report in some jurisdictions may be restricted by law, and persons into whose possession this report comes should inform themselves about, and observe, any such restriction.

This report has been prepared by anb capital for information purposes only and is not and does not form part of nor should be considered advice, recommendation, offer for sale or solicitation of any offer to subscribe for, purchase or sell any securities, nor shall it or any part of it form the basis of or be relied on in connection with any contract or commitment whatsoever, and any views or opinions expressed herein are subject to change without notice.

This report and information contained herein, are provided for informational purpose only and does not take into consideration any investment objective, financial situation or particular needs of any recipient and are not designed with the objective of providing information to any particular recipient and only provides general information. anb capital assumes that each recipient would make its own assessment and seek professional advice, including but not limited to, professional legal, financial and accounting advice, before taking any decision in relation to the information provided in the report. Recipients should consider their own investment objectives and financial situation and seek professional advice before making any investment decisions.

Under no circumstance will anb capital nor any of its respective directors, officers or employees be responsible or liable, directly or indirectly, for any damage or loss caused or alleged to be caused by or in connection with the use of or reliance on the information contained in this report.

All opinions, estimates, valuations or projections contained in this report constitute anb capital's current opinions, assumptions or judgment as at the date of this report only and are therefore subject to change without notice. There can be no guarantee that future results or events will be consistent with any such opinions, estimates, valuations or projections. Further, such opinions, forecasts or projections are subject to certain risks, uncertainties and assumptions and future actual outcomes and returns could differ materially from what is forecasted.

Past performance is not necessarily indicative of future performance and the value of an investment may fluctuate. Accordingly, any investment made pursuant to this report in any security is neither capital protected nor guaranteed. The value of the investment and the income from it can fall as well as rise as the investment products are subject to several investment risks, including the possible loss of the principal amount invested. No part of the research analysts' compensation is related to the specific recommendations or views in the research report.

By accepting this report, the recipient agrees to be bound by the foregoing limitations.

Ratings Guidelines

anb capital's investment research is based on the analysis of economic, sector and company fundamentals with the objective of providing a long term (12 month) fair value target for a company.

OVERWEIGHT	NEUTRAL	UNDERWEIGHT
Expected return is more than +15%	Expected return is between +15% & -10%	Expected return is lower than -10%

This report and information contained herein, are provided for informational purpose only and does not take into consideration any investment objective, financial situation or particular needs of any recipient and are not designed with the objective of providing information to any particular recipient and only provides general information. anb capital assumes that each recipient would make its own assessment and seek professional advice, including but not limited to, professional legal, financial and accounting advice, before taking any decision in relation to the information provided in the report. Recipients should consider their own investment objectives and financial situation and seek professional advice before making any investment decisions.

Analyst Certification:

All of the views expressed in this report accurately reflect the personal views of the responsible analyst(s) about any and all of the subject securities or issuers. No part of the compensation of the responsible analyst(s) named herein is, or will be, directly or indirectly, related to the specific recommendations or views expressed by the responsible analyst(s) in this report.

Contact

ANB Capital Head Office

3581 Al Mouyyad Al Jadid, Al Murabba, Riyadh 11311,

PO Box 22009, Kingdom of Saudi Arabia

Tel: +966 11 406 2500, 800 124 0055

Email: research@anbcapital.com.sa

Web: www.anbcapital.com.sa