Alinma Bank

October 29, 2026

Elevated provisions weigh on earnings

Last Price: SAR 22.0 | YoY Performance: 4.1%

3Q 2026 FIRST TAKE

KEY TAKEAWAYS

- Alinma Bank (ALINMA) reported a net profit of SAR 1,588.3 mn in 3Q26 (-0.2% YoY and -0.4% QoQ), below our estimate of SAR 1,695.6 mn by 6.3%. The deviation was mainly due to higher than expected impairment provisions of SAR 400.0 mn, 34.5% above our estimate of SAR 297.5 mn. The bank also announced a dividend of SAR 0.25/share.
- Net interest income rose 9.2% YoY and 1.3% QoQ to SAR 2,582.1 mn. The growth was driven by a 12.0% YoY expansion in the loan book. However, NIM eased 5 bps YoY to 3.4% (-3 bps QoQ). Gross interest income rose 4.7% YoY while gross interest expense declined 0.3% YoY.
- Non-interest income fell 10.1% YoY to SAR 539.7 mn (-6.7% QoQ), 10.4% below our estimate. The annual decline was due to lower fee, FVIS, and other operating income. Total operating income amounted to SAR 3,121.8 mn for the quarter, up 5.3% YoY, though down 0.2% QoQ.
- Operating expenses rose 2.0% YoY to SAR 950.9 mn in 3Q26, lagging the operating income growth. As a result, the cost to income ratio fell 99 bps YoY to 30.5%.
- Impairment provisions increased 56.1% YoY to SAR 400.0 mn for the quarter, coming in 34.5% above our estimate of SAR 297.5 mn. Cost of risk stood at 64 bps compared to 46 bps in 3Q25 and 66 bps in 2Q26.
- Loan portfolio stood at SAR 252.7 bn, up 12.0% YoY and 3.6% QoQ. Investments grew 8.8% YoY to SAR 56.8 bn. Deposit growth lagged behind at 7.4% YoY to SAR 251.9 bn (+2.7% QoQ). Resultantly, headline LDR rose 413 bps YoY and 86 bps QoQ to 100.3%.
- Based on our last update, we maintain a 'Neutral' stance on the stock, with a target price of SAR 28/share. The stock is currently trading at a 2027f P/E and P/B of 10.0x and 1.5x, respectively.

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Issuer Information

Bloomberg Code	**ALINMA AB**
Last Price (SAR)	**22.0**
No of Shares (mn)	**3,000**
Market Cap bn (SAR/USD)	**66.0 / 17.6**
52-week High / Low (SAR)	**26.0 / 19.5**
12-month ADTV (mn) (SAR/USD)	**129.1 / 34.4**
Free Float (%)	**89.9**
Foreign Holdings (%)	**13.0**

Last price as of Oct 21st, 2026

Relative Price Performance



Source: Bloomberg, anbcresearch

Financials (SAR mn)	3Q26A	3Q26E*	Var (%)	3Q25A	YoY (%)	2Q26A	QoQ (%)
Net Interest Income	2,582	2,551	1.2	2,365	9.2	2,550	1.3
Non-Interest Income	540	602	-10.4	600	-10.1	578	-6.7
Total Income	3,122	3,154	-1.0	2,965	5.3	3,128	-0.2
Operating expenses	-951	-954	-0.4	-932	2.0	-950	0.1
Impairment provisions	-400	-298	34.5	-256	56.1	-400	0.0
Net Income	1,588	1,696	-6.3	1,592	-0.2	1,595	-0.4
Adj. EPS	***0.44***	***0.50***		***0.47***		***0.50***	
Assets	341,415	339,015	0.7	307,214	11.1	329,287	3.7
Investments	56,760	56,506	0.4	52,150	8.8	56,483	0.5
Loans & Advances	252,710	252,213	0.2	225,684	12.0	243,911	3.6
Deposits	251,916	255,751	-1.5	234,623	7.4	245,254	2.7
Total Equity	52,467	50,891	3.1	47,468	10.5	50,124	4.7
NIM (%) - annualized	3.4	3.3	4 bps	3.4	-5 bps	3.4	-3 bps
Operating cost to income (%)	30.5	30.3	20 bps	31.4	-99 bps	30.4	10 bps
Provision/Loans (bps)	64.4	48.0	16 bps	46.2	18 bps	66.4	-2 bps
Headline LDR (%)	100.3	98.6	170 bps	96.2	413 bps	99.5	86 bps
Assets to Equity (x)	6.5	6.7	-2.3	6.5	0.5	6.6	-0.9

**anbc estimates*
Source: Company Financials, anbc research

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