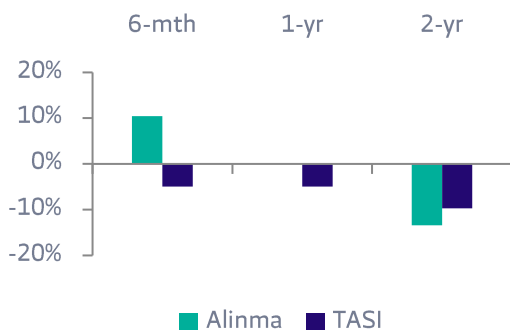


Market Data	
52-week high/low	SAR 25.53/19.95
Market Cap	SAR 60,900 mln
Shares Outstanding	3,000 mln
Free-float	89.86%
12-month ADTV	5,886,952
Bloomberg Code	ALINMA AB



Results Match Expectations

April 30, 2026

Upside to Target Price	8.1%	Rating	Neutral
Expected Dividend Yield	3.4%	Last Price	SAR 24.68
Expected Total Return	11.5%	12-mth target	SAR 26.67

Alinma	1Q2026	1Q2025	Y/Y	4Q2025	Q/Q	RC Estimate
Net Fin. & Invest. Income	2,475	2,283	8%	2,457	1%	2,454
Total Operating Income	3,010	2,814	7%	3,180	(5%)	3,162
Net Income	1,679	1,508	11%	1,724	(3%)	1,679
Net Financing	238,325	209,435	14%	229,747	4%	238,584
Deposits	239,605	218,839	9%	227,374	5%	245,298

(All figures are in SAR mln)

- Alinma's loans expanded by +14% Y/Y and +4% Q/Q to SAR 238 bln, in-line with our forecast of SAR 239 bln. Deposits grew by +9% Y/Y and +5% Q/Q to SAR 240 bln, broadly in-line with our forecast, primarily supported by NIBDs. During the quarter, Alinma added SAR 9 bln to its financing portfolio, while deposits increased by SAR 12 bln, resulting in the LDR rising to 99% in 1Q26 versus 101% in 4Q25.
- Net Financing and Investment Income increased by +8% Y/Y and +1% Q/Q to SAR 2.48 bln, in line with our estimate of SAR 2.45 bln, supported by lower funding costs. Accordingly, NIMs stood at 3.47%, reflecting a 16 bps Y/Y, while remaining broadly stable on a sequential basis.
- Total Operating Income grew by +7% Y/Y, but declined -5% Q/Q, mainly driven by weaker non-funded income (primarily lower fee income, FVIS income, and exchange income), which declined -26% Q/Q. Operating expenses (ex-provisioning) rose by +9% Y/Y and +1% Q/Q to SAR 983 mln, broadly in line with our estimates of SAR 1.0 bln. Consequently, Cost-to Income ratio increased to 32.6% (from 31.2% in 4Q2025) compared to our estimate of 31.7%. Impairment charges decreased by -31% Y/Y and -47% Q/Q to SAR 156 mln, below our estimate of SAR 288 mln, mainly reflecting better-quality and recoveries from previously written-off exposures.
- The bank reported a bottom-line of SAR 1.7 bln, up by +11% Y/Y (down 3% Q/Q), matching our estimate. The sequential decline was driven by weaker non-funded income which offset most of the moderate improvement in top line. Alinma declared to distribute cash dividend of SAR 0.25 per share for 1Q.
- With a relatively tighter CET1 buffer versus peers, we expect a more conservative capital deployment strategy, potentially constraining near-term balance sheet growth. That said, a disciplined payout policy should support capital retention, enabling a gradual rebuild of buffers and underpinning longer-term growth. We maintain our target price, while downgrading our rating to Neutral, as we believe the recent share price performance has largely priced in the bank's fundamentals, limiting further 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

For any feedback on our reports, please contact research@riyadcapital.com

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