

# Investor Presentation

1Q 2024

May 2024

مصرف الإنماء  
alinma bank



digital. fast. convenient.

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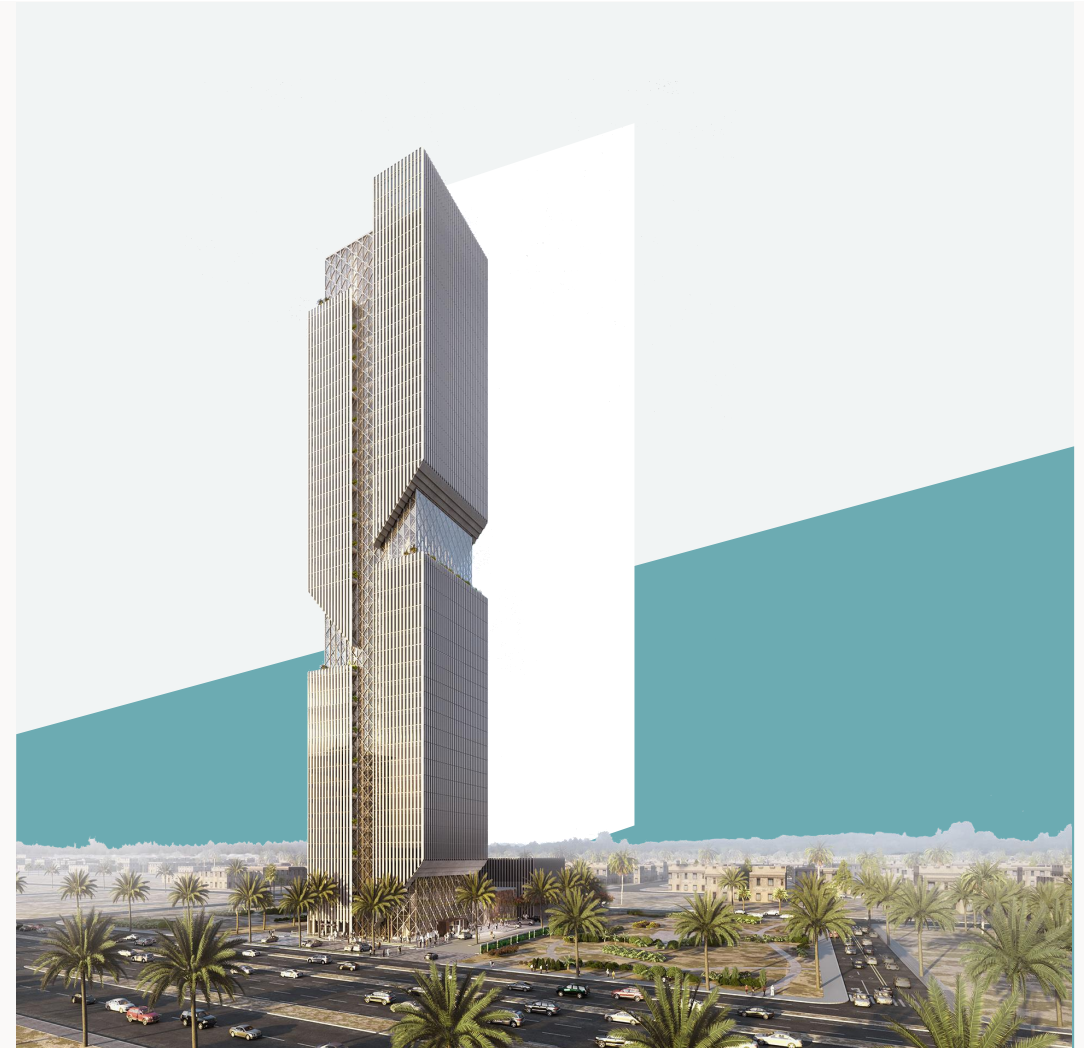
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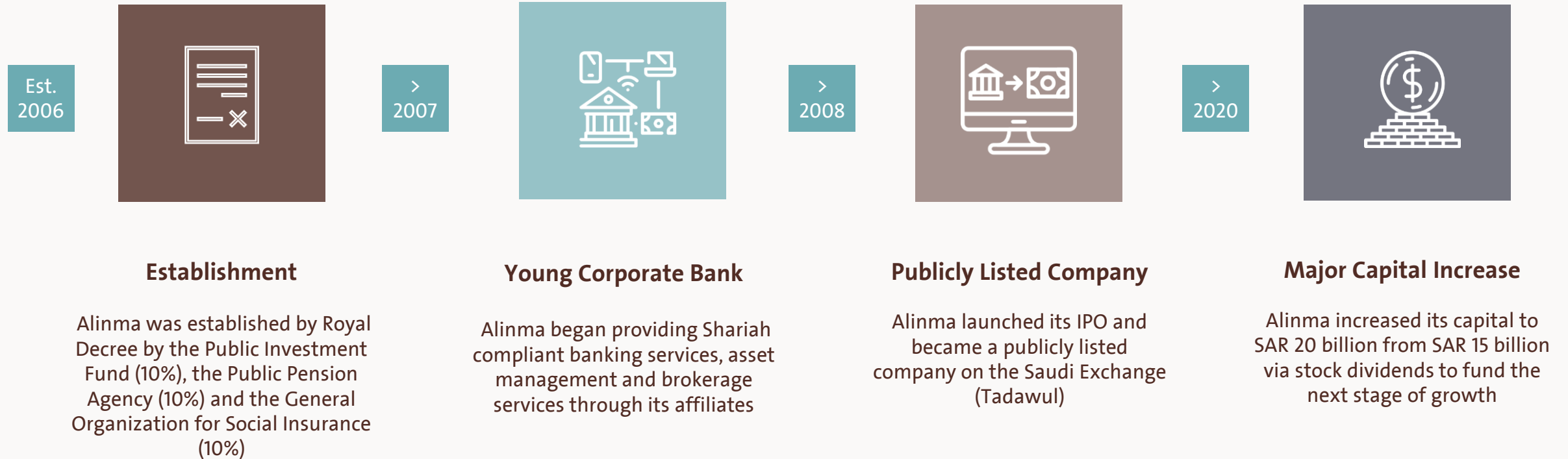
# Alinma Overview

Q1 2024

# History



Alinma Bank was established in 2006 as full-fledged shariah compliant banking services provider.



# Alinma Overview



The youngest bank in KSA

## Financial Position

**Net Profit Margin**  
**#3 in KSA**  
3.81%  
(4Q 2023)

**ROE**  
**#2 in KSA**  
17.22%  
(4Q 2023)

**ROA**  
**#1 in KSA**  
2.21%  
(4Q 2023)

## Rating Strength

**Fitch**  
**A-**  
Stable

**Moody's**  
**A3**  
Positive

## Retail Digital Snapshot

**21m**  
Monthly  
Average Users  
(Smart Phone Users Logins)

**693K**  
Daily Average  
Users  
(Smart Phone Users Logins)

**98.5%**  
Digital  
Transactions

## KSA Market Share

**6.4%**  
Assets  
(4Q 2023)



**7.1%**  
Financing  
(4Q 2023)



**7.6%**  
Deposits  
(4Q 2023)



**5.5%**  
NIB Deposits  
(4Q 2023)



**4.97m**  
Customers

## Stock Highlights

**266mn**  
Volume Traded  
(1Q 2024)

**SAR 11bn**  
Value  
Traded  
(1Q 2024)

**SAR 85.1bn**  
Market  
Capitalization  
(31 March 2024)

**16.1%**  
Foreign Ownership  
#1 among Saudi banks  
(31 March 2024)

**10%**  
Owned by  
Public Investment  
Fund

SOURCE: Bank Financial Statements, Tadawul

# Management Team



Alinma has built an experienced new management team poised to execute its strategy



**Abdullah Ali Al Khalifa**  
Chief Executive Officer (CEO)



**Saleh Abdullah Al Zumaie**  
Deputy CEO, Head of Retail  
& Digital Banking



**Jameel Naif Al Hamdan**  
Head of Corporate Banking



**Abdullah Jamaan Al Zahrani**  
Head of Treasury



**Adel Saleh Abalkhail**  
Chief Financial Officer (CFO)



**Meshary Abdulaziz Al Jubair**  
Chief Operating Officer (COO)



**Mohammed Sultan Al Sehali**  
Chief Internal Audit Officer



**Eyad Osama Al Othman**  
Chief Legal & Corporate Governance



**Meshal Hamad Al Rabiah**  
Chief Risk Officer (CRO)



**Yaser Abdulaziz Al Marshde**  
Chief Sharia Officer (CSO)



**Hisham Abdullah Al Turaigi**  
Chief Credit Officer (CCRO)



**Abdullah Mohammed Al Salamah**  
Chief Human Capital Officer (CHCO)



**Saud Aied Al Mufaddaly**  
Chief Compliance Officer (CCO)



**Fahad Abdulaziz Al Mohaimeed**  
Chief Strategy & Sustainability Officer

# Strategy Update

Q1 2024

# Strategic Positioning



Alinma Bank's strategic positioning cascades down into each business strategy



Bank wide

Be recognized and celebrated as the **fastest and most convenient bank in KSA**



Be the **#1 in Net Promoter Score (NPS)** across KSA Banks



Be the **#1 Employer of choice** across KSA Banks



Segment wise

Be the **most digitally advanced, fastest, and most convenient Retail bank in KSA**



Be the **Corporate bank** with the **best customer experience** (increasingly integrated) and offer the **fastest turnaround time in KSA**



Be the **most innovative Shariah compliant Treasury** across KSA

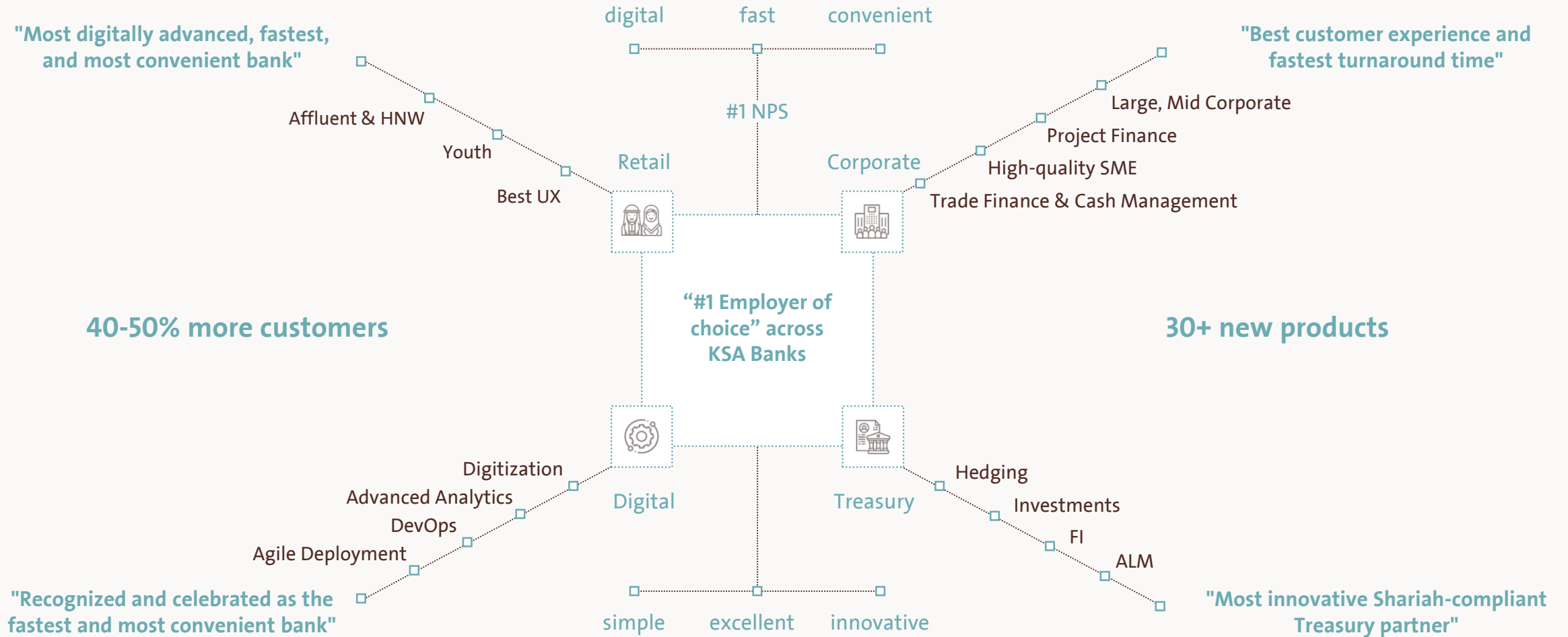




# Strategy Overview



Key success factors for Alinma Bank's strategic positioning



# Strategy Progress Update

Driving changes across the businesses and bank-wide



Digital



Fast



Convenient

## 2021 - 2025

Strategic Ambitions

Build digital factory and apply latest available technologies - Advanced Analytics (AA), AI and Big Data

Improve processes and speed to market

Enhance customer convenience and experience

## 1Q 2024

Achievements

- 54 TCR machines Implemented in Q1 reaching total of 162
- Implemented donations to charities using “Akthr” points
- Implemented Phase 2 of OTP service to replace paper forms for branch customers
- Merged 9 branches

## 2024

Initiatives In-Progress

- Driving Agile delivery of IT projects
- Continuously improving new digital app
- Continuous enhancement of digital journeys for key products and services to reduce turn around time
- Simplify customers’ key journeys
- Continuous migration of products and services to digital channels



Total

77 Initiatives

62/77 Initiatives Completed



15/77 Initiatives In Progress





## Focus on building two customer franchises

**Focus to date**  
Wealth Segments

Acquisition focused on classic segments

Gold, Platinum, Diamond, and Private segment customers driving majority of deposits

Digital capabilities to acquire customers



Future Focus

**1** Digitally-savvy  
Affluent and HNW

- Experienced professionals and self-employed Saudis
- 35-50 year-old customers in the wealth segment
- Drive growth in deposits

**2** Digitally-savvy  
Youth

- Young Saudi professionals and University students
- 18-35 year-old customers in the wealth segment
- Drive growth in Financing

**3** Customer experience and operational excellence

- Reinvent the experience and improve multi-channel delivery
- Enhance experience around digital journeys and in-branch services
- Elevate customer engagement through tailored services and products



**Alinma**  
Retail Vision

"Be the most digitally advanced, fastest, and most convenient Retail Bank in KSA"

**Initiatives Completed to Date:**

16/18 initiatives completed

89%

**Key Achievements**

**1Q 2024**

### Launch of New Tailored Products



Launched **Mortgage Re-finance** product tailored to our customer's needs and complementing mortgage ecosystem products suite

### New Operating Models and Effective Processes



Introduced **Retail products and services awareness platform** for employees aiming to standardize product offering and improve customer journey



Implemented Phase 2 of OTP service to replace paper forms for branch customers

**54**

TCR machines Implemented in Q1 reaching total of 162

### Distribution Expansion

**9**

Merged branches

**2**

New Branches

# Corporate



Evolve the bank and diversify across sectors

**Focus to date**  
Large corporates and project finance

**1 Large, mid-corporate & project finance**

**2 High-quality SME portfolio**

**3 Global Transaction Banking (GTB) – Cash & Trade Management**

**Alinma Corporate Vision**

**Focused on lending**

Leveraging Kafalah program

Build the cross-sell model



**Future Focus**

- 1 Drive customer centricity, aligning RMs, product specialists and industry experts
- 1 Revamp commercial processes
- 1 Tech-enabled front line
- 1 Enhance product & channel offering in cross-sell categories
- 1 Integrate digital offering

- 1 Foster Kafalah program lending
- 1 Extend SME portfolio along supply chain related offerings

- 1 Preferred GTB financial service provider
- 1 Migrate business partners to GTB solutions for efficiency, productivity and higher profitability
- 1 Lead in GTB field via innovation and digitalization

"Be the Corporate bank with the best customer experience and offer fastest turnaround time in KSA"

**Initiatives Completed to Date:**

9/19 initiatives completed



**Key Achievements**

**1Q 2024**

**Growth in All Corporate Segments**

**+21%**  
(YoY)

Growth in booked assets

**+129%**  
(YoY)

Growth in Non-funded assets (LG & LC) under all Corporate segments

**+33%**  
(YTD)

growth in booked assets under Mid-Corporate banking segment

**Growth in SME Portfolio**

**+51%**  
(YoY)

Program-Based Lending

**+25%**  
(YoY)

Kafalah financing

**Automation**

Completed the RM tech enabled sales tools

# Treasury



Become core partner for corporate clients and grow FI franchise

## Focus to date

Liquidity management and stable risk

Strong track record with well-managed liquidity profile and investment revenue and stable risk

FI customers serviced well



Future Focus

### 1 Derivative products

- Grow product portfolio to provide holistic value proposition to clients
- Drive Customer centricity to facilitate bank-level alignment and improved cross-sell revenues

### 2 Enhanced financial institutions franchise

- FIs represent important source to diversify funding and show continued interest into KSA investments

### 3 High Quality Asset Liability Management

- Grow deposits and long term liabilities on one side and term assets on the other to maintain a healthy balance sheet
- Continue to focus on liquidity and stable funding ratios



Alinma Treasury Vision

"Be the most innovative Shariah compliant Treasury partner across KSA"

## Initiatives Completed to Date:

12/12 initiatives completed



100%

## Key Achievements

1Q 2024

## Expansion of Products and Volumes

USD 1 bn

Successfully completed Tier 1 Sukuk issuance

+5 Bn

growth in Profit Rate Swap (PRS)

+127Mn

growth in Double Waad product (Repo)

## Increased FI Coverage

+3 banks

Correspondent FIs added globally



## Build Digital to scale customer experience and operational excellence across the bank

**Focus to date**  
Driving digital capabilities

**1 World-Class Digital Capabilities**

**2 Improve Operating Model**

**3 Drive Operational Excellence**

**Alinma Vision**

Pursuing initiatives across Advanced Analytics and Big Data, AI and RPA

Projects are driven by Agile ways of working

Augment digital work force with best in class talents and upskill digital teams by establishing digital training e-academy



**Future Focus**

- Accelerate digitization
- Progress on Advanced Analytics while building new capabilities
- Reinvent the customer experience and improve multi-channel capabilities
- Leverage the ecosystem to create innovative and unique propositions

- Deliver with speed, quality and efficiency
- Improve ways of working, e.g. Agile delivery, DevOps, etc.
- Establish the digital factory to power rapid delivery and foster innovation

- Improve efficiency through digitization of services and products
- Automate internal processes using robotics to enhance turnaround times.

"Be recognized and celebrated as the fastest and most convenient bank in KSA"

**Initiatives Completed to Date:**

15/17 initiatives completed  
 88%

**Key Achievements**

**1Q 2024**

### Expansion of Products and Volumes



Won the best digital transformation award (Global digital finance award)



Won the first place in Open Banking Hackathon (Financial Academy with Fintech Saudi)



Enriching marketplace numbers by partnering with the biggest telecom company in KSA



Implemented donations to charities using "Akthr" points

### IT Projects Delivery

**51%**

IT Projects Delivered through Agile

# Human Capital



Fostering a great working environment and being the cultural transformation champions in the organization

**Focus to date**  
Hiring and training activities

- 1 Drive cultural change agenda**
- 2 Grow capabilities across the bank**
- 3 Organizing Alinma for success**
- Alinma Human Capital Vision**

**Improve Work Environment**

Female Empowerment

Hire Top Talent



**Future Focus**

- 1** Cascade new strategy to organization and embed in communication
- 1** Measure and improve employee engagement/organizational health
- 1** Regularly celebrate success stories

- 1** Hire top talent including new capabilities (i.e. data science)
- 1** Continuously develop capabilities through learning
- 1** Develop rotational programs, new career path to foster innovation

- 1** Adjust working model based on new requirements
- 1** Implement agile forms of organization in future
- 1** Digitalize and streamline HC processes

**"Be the #1 Employer of choice across KSA Banks"**

Initiatives Completed to Date:		Increased Employee Engagement			Increased Training & Key Placements			Workforce	
9/9 initiatives completed	100%	<b>2300</b>	<b>285</b>	<b>5</b>	<b>45</b>	<b>15</b>	<b>3</b>	<b>96%</b>	<b>23%</b>
Key Achievements		Employees attended the annual celebration in Riyadh, Jeddah, AlKhobar and Alqasem	Employees who have been recognized for their continues services for 10-15 years	Townhalls conducted in 5 different regions	Top talent trainees acquired for 2024 future banker program	Critical roles in cyber security, fraud, and internal audit assigned personalized career development plan	Leadership programs targeting Executive roles	Saudization Rate	Female percentage of total workforce
1Q 2024									

# Historical Financial Performance

Q1 2024

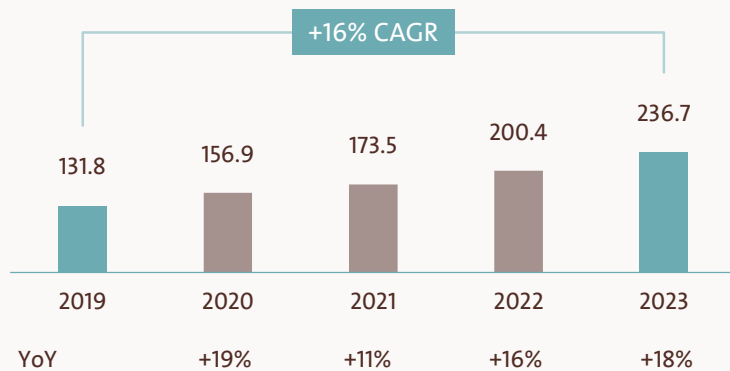


# Balance Sheet Track Record

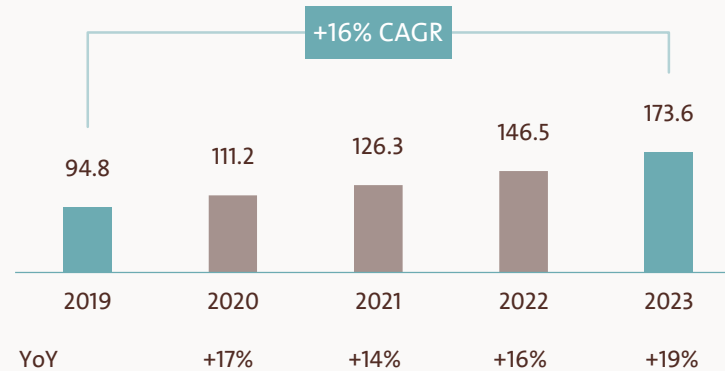


Solid history of strong balance sheet momentum...

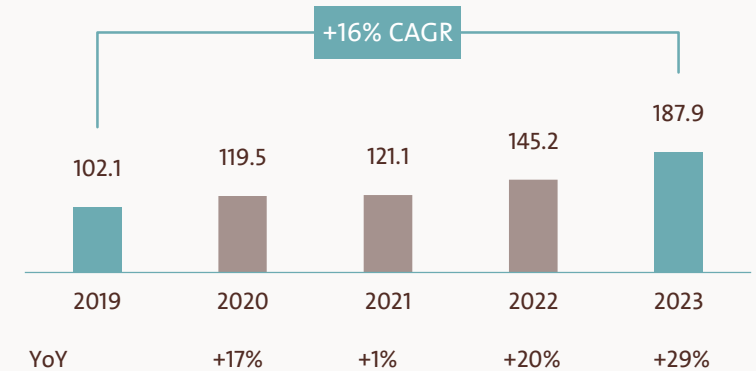
### Total Assets (SARbn)



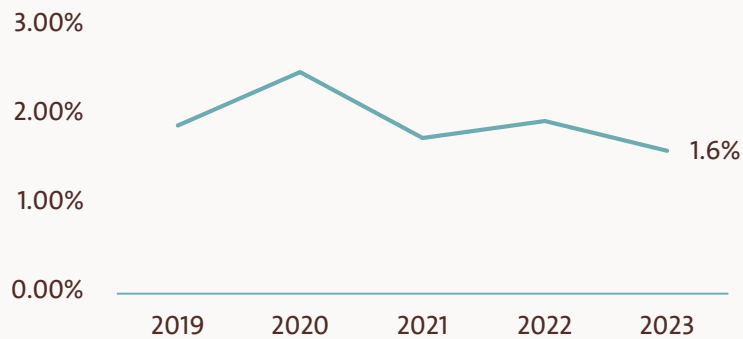
### Financing (SARbn)



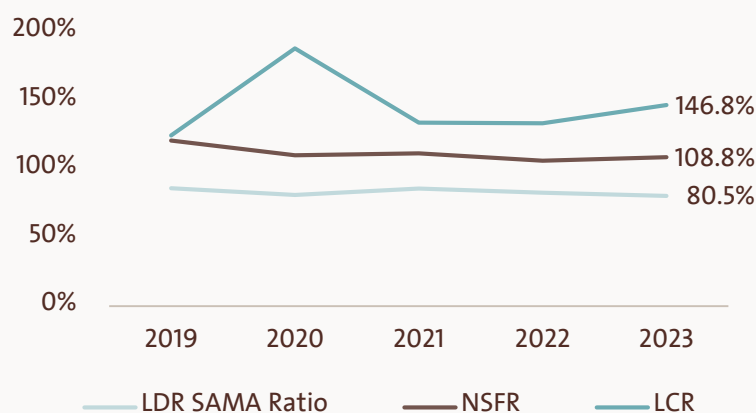
### Customers' Deposits (SARbn)



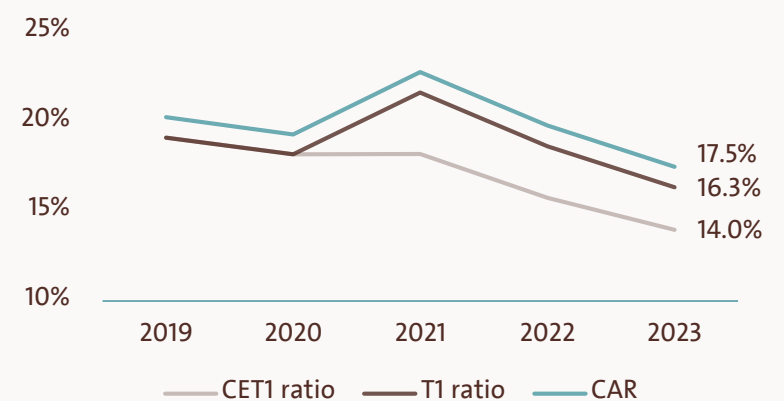
### NPL Ratio (%)



### Liquidity (%)



### Capitalization (%)

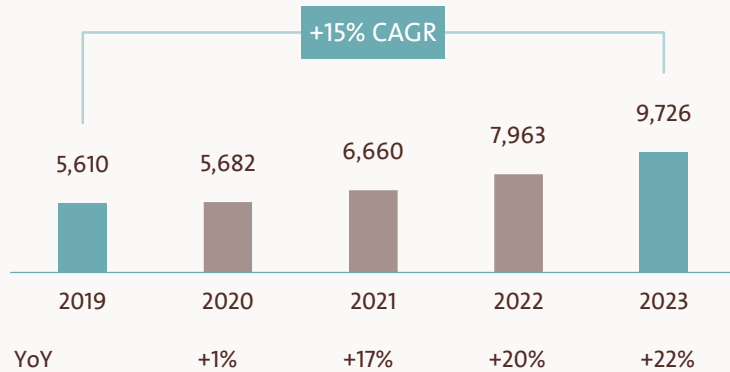


# P&L Track Record

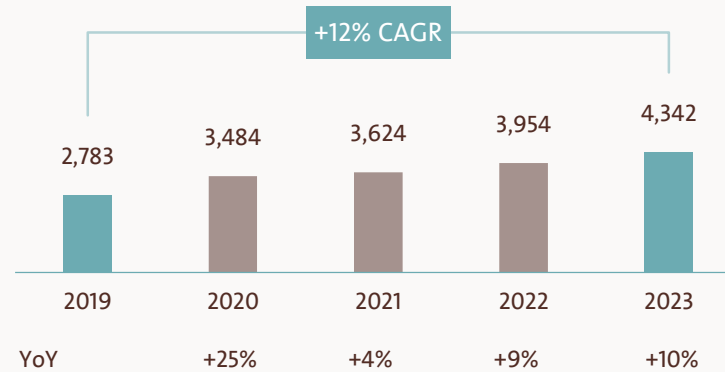


...translating to consistently strong top-line growth and solid profitability

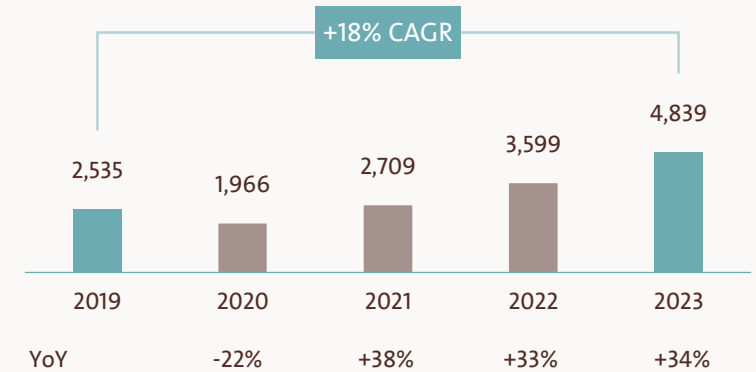
### Total Operating Income (SARmn)



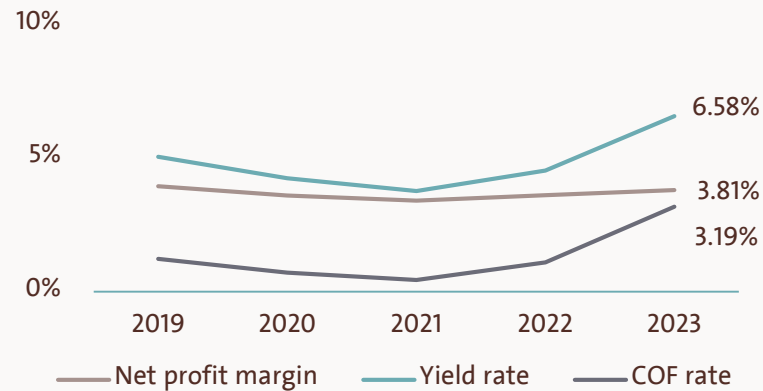
### Total Operating Expenses (SARmn)



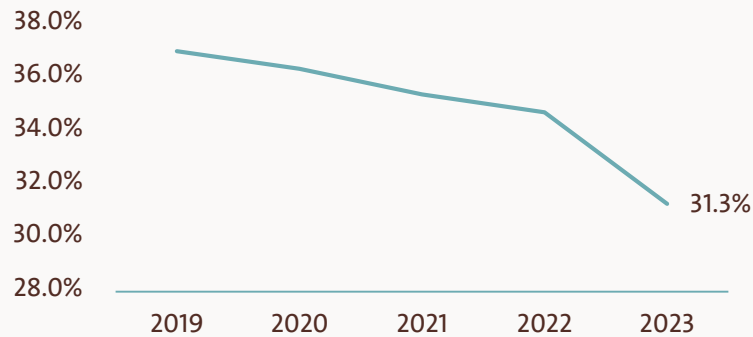
### Net Income (SARmn)



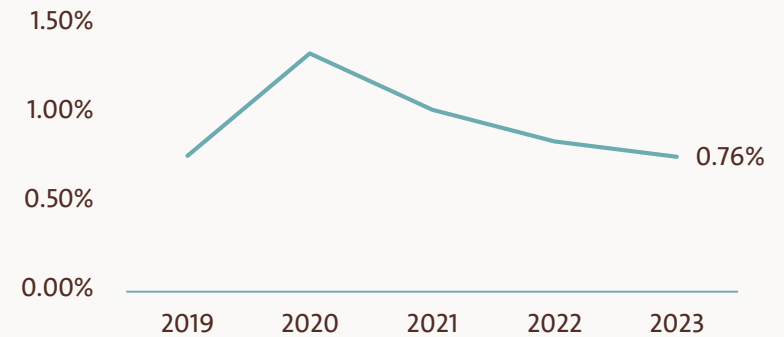
### Net Profit Margin (%)



### Cost To Income Ratio (%)



### Cost of Risk (%)



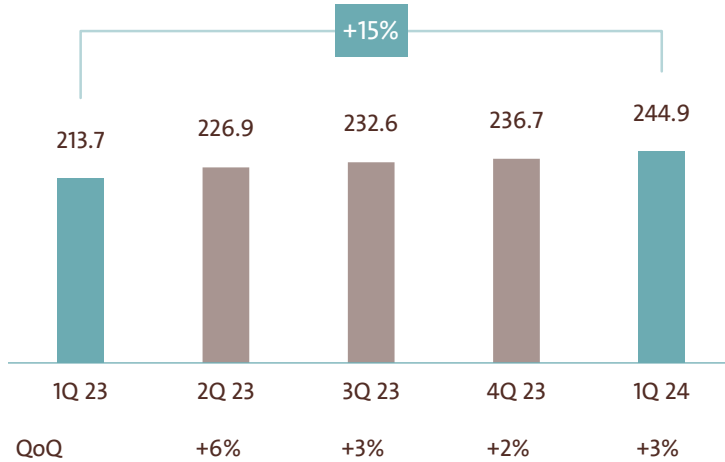
# 1Q 2024 Financial Performance

# 1Q 2024 Balance Sheet Highlights

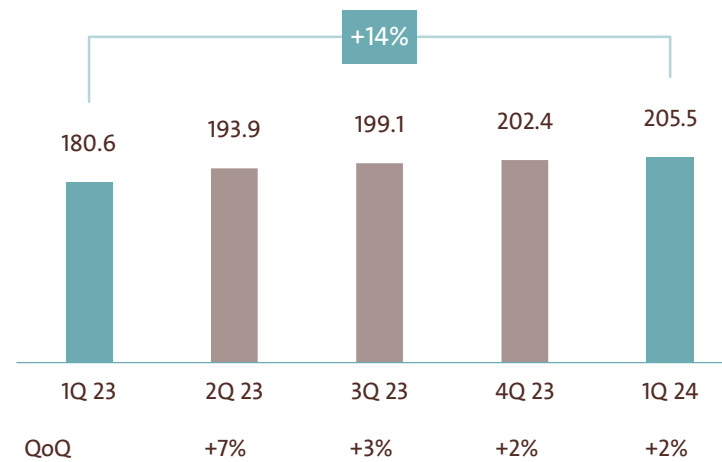


Balance sheet growth from financing and investments growth funded mainly from customers' deposits

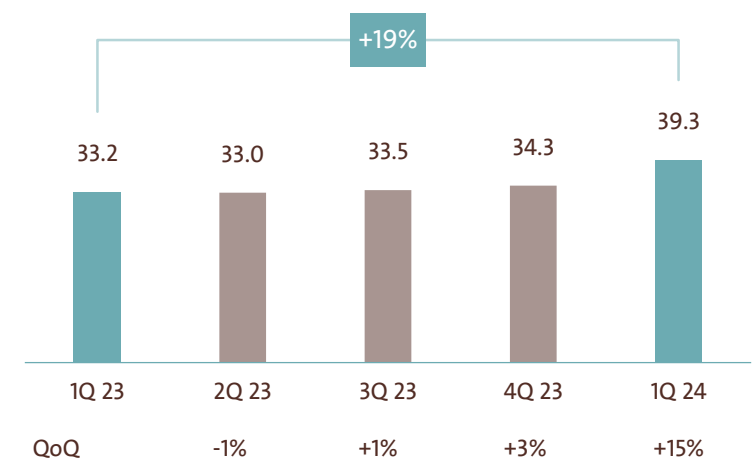
Total Assets (SARbn)



Total Liabilities (SARbn)



Total Equity (SARbn)



1Q 24 Financing

SARbn **180.7**  
+4% YTD

1Q 24 Customers' Deposits

SARbn **189.0**  
+1% YTD

1Q 24 CASA Deposits

SARbn **95.8**  
+6% YTD

1Q 24 CASA % of Total Deposits

**50.7%**  
+2.5ppts YTD

1Q 24 LDR SAMA Ratio

**81.2%**  
+0.7ppts YTD

1Q 24 CAR

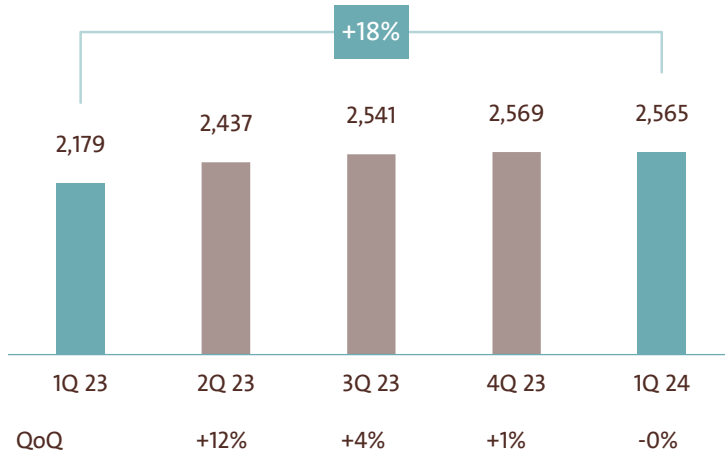
**19.1%**  
+158bps YTD

# 1Q 2024 P&L Highlights

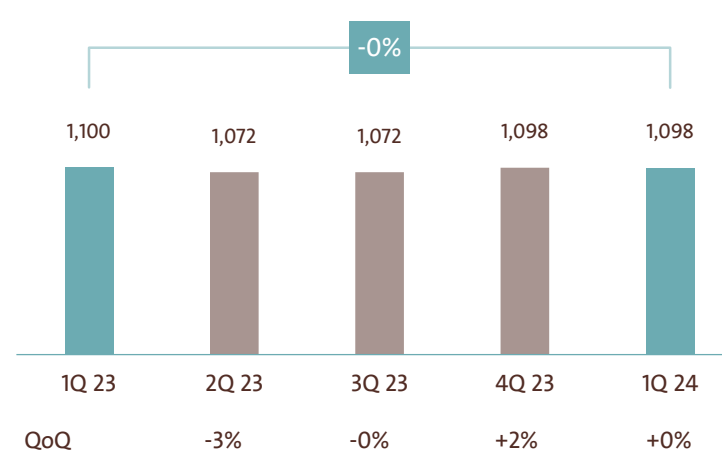


Net income for 1Q 2024 grew by 36% YoY from 18% operating income growth

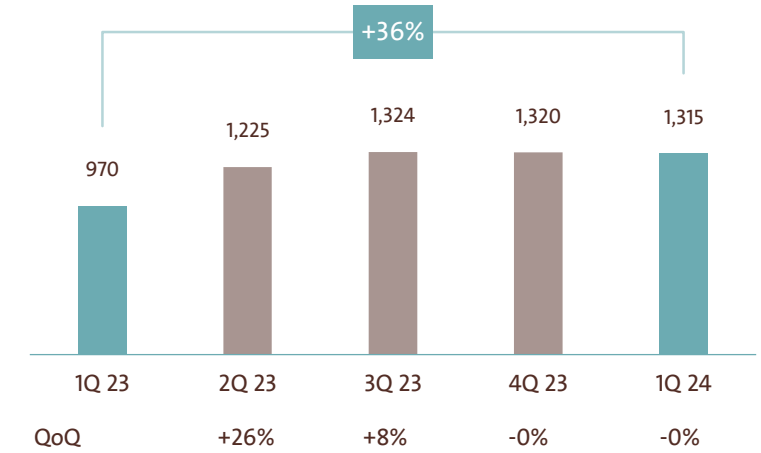
Total Operating Income (SARmn)



Total Operating Expenses (SARmn)\*



Net Income (SARmn)



\* Including impairment charge

1Q 24 Funded Income

SARmn **2,012**  
+16% YoY

1Q 24 Non-Funded Income

SARmn **553**  
+24% YoY

1Q 24 Net Income

SARmn **1,315**  
+36% YoY

1Q 24 Net Profit Margin

**3.69%**  
-11bps YoY

1Q 24 Cost to Income Ratio

**32.5%**  
-2.3ppts YoY

1Q 24 ROE

**17.55%**  
+345bps YoY

# Balance Sheet Trends



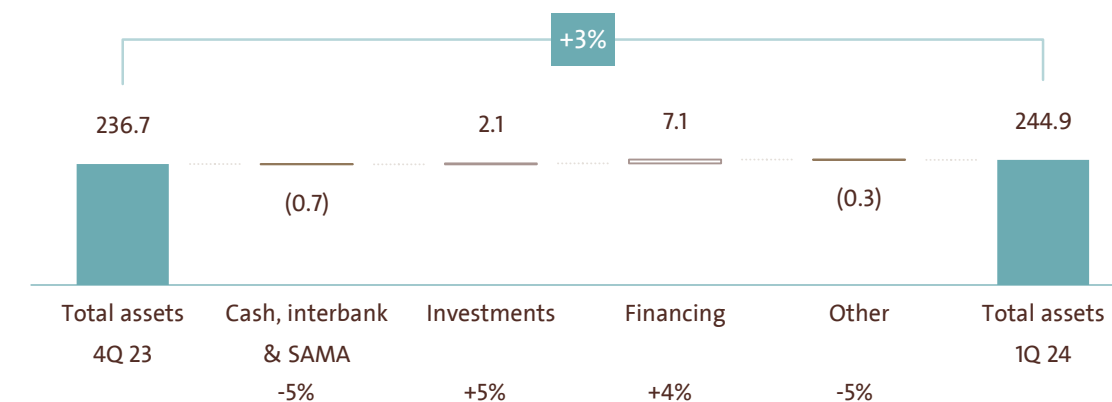
Balance sheet growth of 3% from increase in financing and investments

## Management Commentary

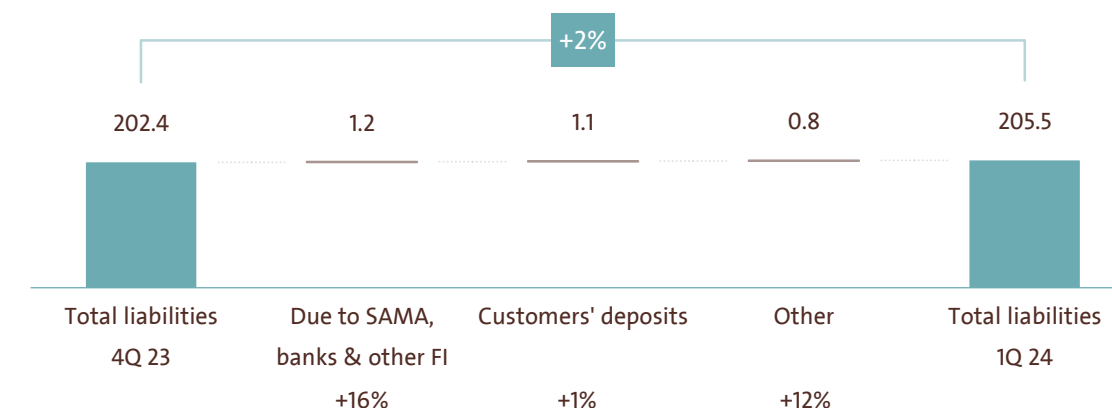
- █ Growth in total assets of 3% YTD mainly driven by 4% financing growth and 5% growth in investments.
- █ Total liabilities grew by 2% YTD mainly from a 1% rise in customers' deposits, 16% increase in balances due to SAMA, banks & other FI, and 12% increase in other liabilities.
- █ Total equity increased 15% mainly due to Tier 1 Sukuk issuance of 1bn USD.

SAR (mn)	1Q 2024	4Q 2023	Δ%	1Q 2023	Δ%
Cash, interbank & SAMA balances	13,563	14,299	-5%	16,475	-18%
Investments	45,338	43,236	+5%	39,800	+14%
Financing	180,702	173,624	+4%	153,153	+18%
Other assets	5,256	5,555	-5%	4,321	+22%
<b>Total assets</b>	<b>244,859</b>	<b>236,715</b>	<b>+3%</b>	<b>213,749</b>	<b>+15%</b>
Due to SAMA, banks & other FI	8,638	7,431	+16%	13,805	-37%
Customers' deposits	188,988	187,901	+1%	159,948	+18%
Other liabilities	7,885	7,050	+12%	6,832	+15%
<b>Total liabilities</b>	<b>205,511</b>	<b>202,381</b>	<b>+2%</b>	<b>180,586</b>	<b>+14%</b>
Share capital	20,000	20,000	+0%	20,000	+0%
Retained earnings	2,469	1,118	+121%	5,215	-53%
Other reserves	8,128	8,215	-1%	2,949	+176%
Tier 1 sukuk	8,751	5,000	+75%	5,000	+75%
<b>Total equity</b>	<b>39,348</b>	<b>34,334</b>	<b>+15%</b>	<b>33,164</b>	<b>+19%</b>

## Total Assets Movement YTD (SARbn)



## Total Liabilities Movement YTD (SARbn)



# P&L Trends



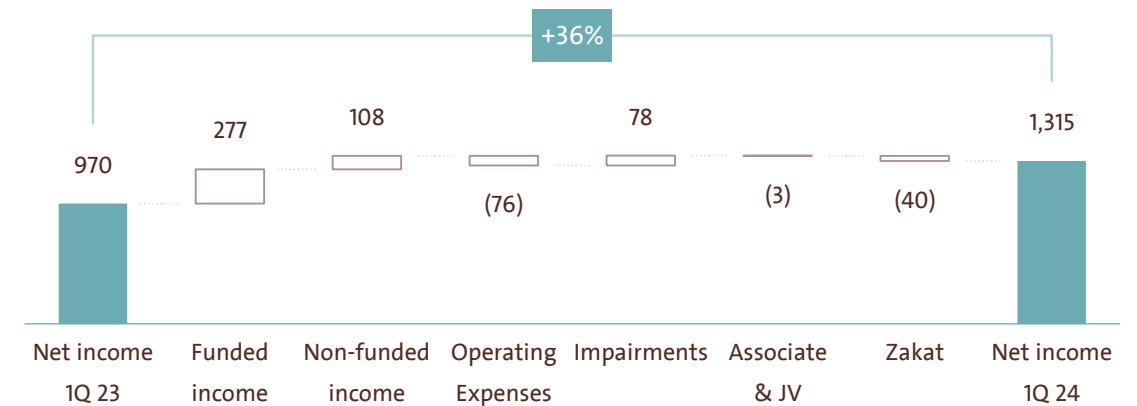
Net income for 1Q 2024 grew by 36% YoY mainly from 18% operating income growth

## Management Commentary

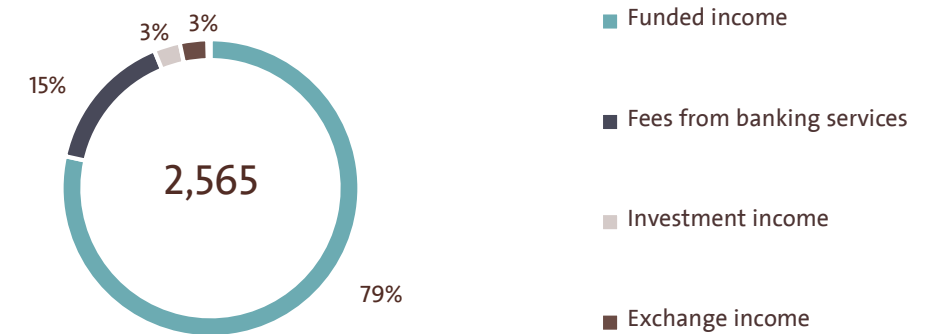
- Net income for 1Q 2024 grew 36% YoY to SAR 1,315mn from 18% operating income growth despite 10% higher operating expenses YoY.
- 1Q 2024 funded income increased by 16% YoY, and the non-funded income increased by 24% YoY.

SAR (mn)	1Q 2024	4Q 2023	Δ%	1Q 2023	Δ%
Funded income	2,012	2,054	-2%	1,735	+16%
Non-Funded income	553	515	+7%	445	+24%
<b>Total operating income</b>	<b>2,565</b>	<b>2,569</b>	<b>-0%</b>	<b>2,179</b>	<b>+18%</b>
Operating Expenses	834	774	+8%	758	+10%
<b>Net operating income before impairment charge</b>	<b>1,731</b>	<b>1,795</b>	<b>-4%</b>	<b>1,422</b>	<b>+22%</b>
Impairments	264	324	-18%	343	-23%
<b>Net operating income</b>	<b>1,467</b>	<b>1,471</b>	<b>-0%</b>	<b>1,079</b>	<b>+36%</b>
<b>Income before zakat &amp; income tax</b>	<b>1,466</b>	<b>1,472</b>	<b>-0%</b>	<b>1,081</b>	<b>+36%</b>
Zakat	151	152	-0%	111	+36%
<b>Net income</b>	<b>1,315</b>	<b>1,320</b>	<b>-0%</b>	<b>970</b>	<b>+36%</b>

## Net Income Movement YoY (SARmn)



## Operating Income Composition (SARmn)

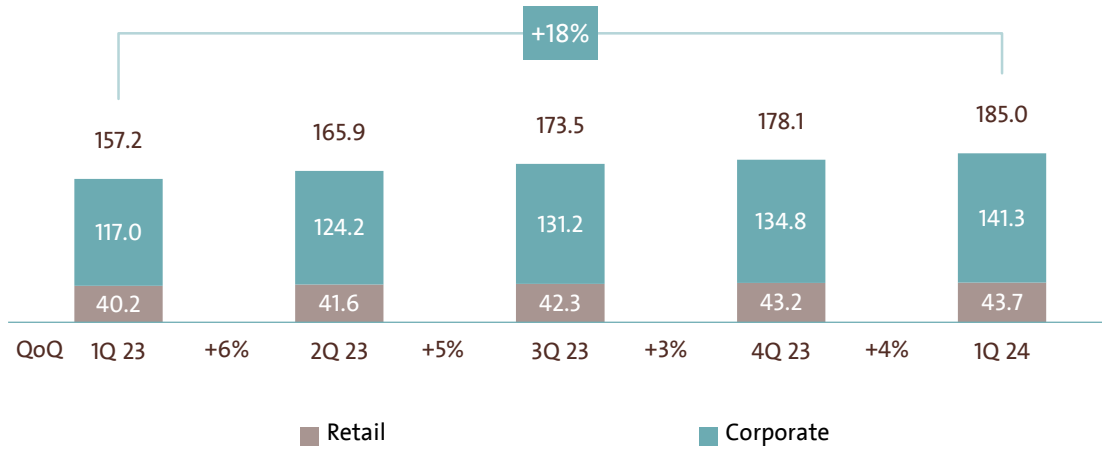


# Financing

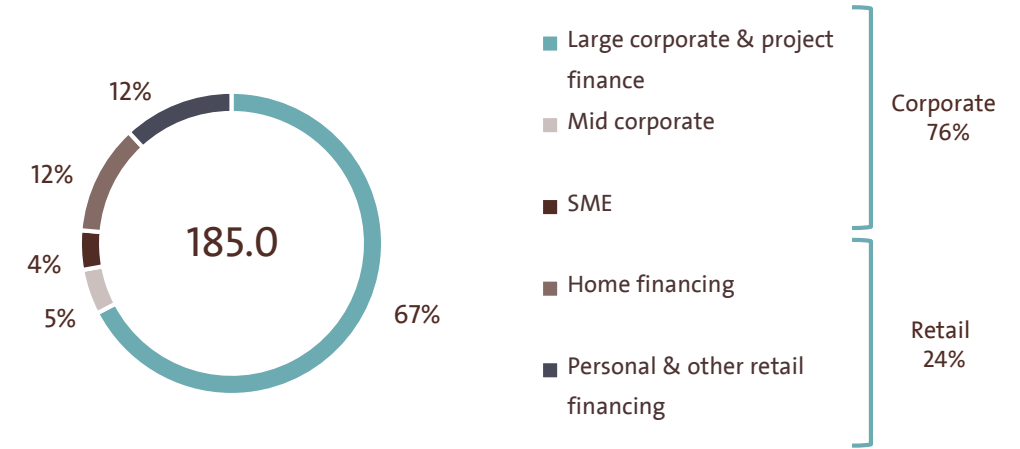


4% increase in gross financing during 1Q 2024 from 1% growth in retail financing, and 5% in corporate financing

Financing, Gross (SARbn)



Financing, Gross Composition (SARbn)



Financing, Gross Movement YTD (SARbn)



## Management Commentary

- Gross financing grew 4% during 1Q 2024.
- Retail financing grew 1% YTD from 2% rise in home financing.
- Total corporate financing grew 5% YTD, where mid-corporate rose 33%, and SME financing increased 15%.
- Gross financing comprises of 76% corporate and 24% retail as at 31 March 2024.

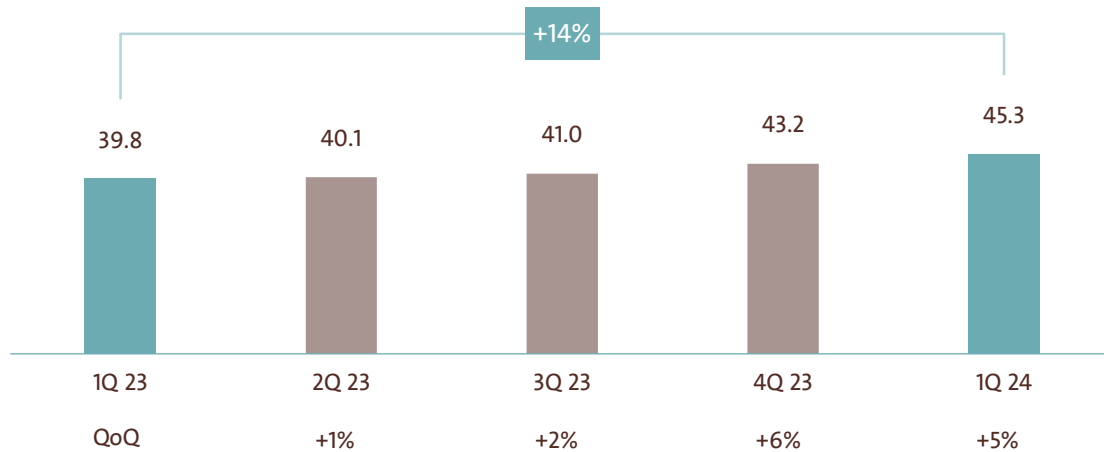


# Investments

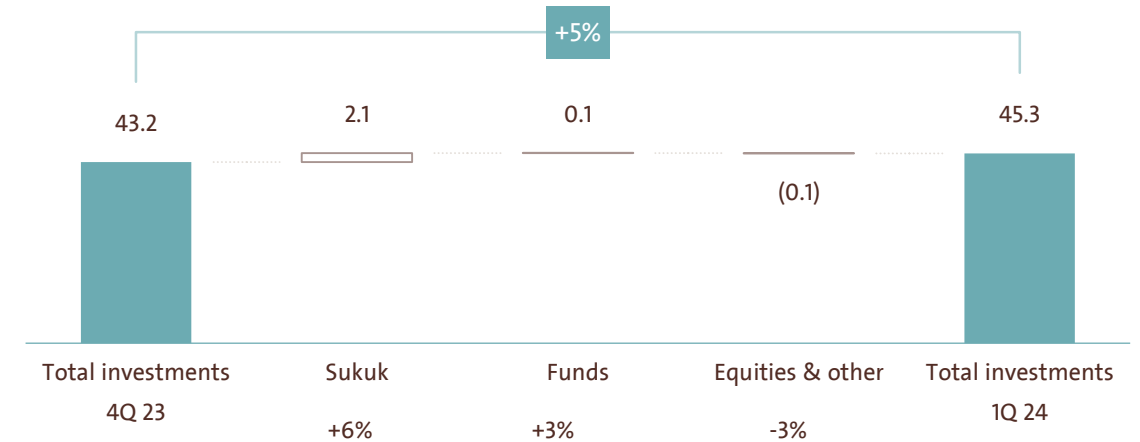


14% growth in investments YoY from additional investment grade securities

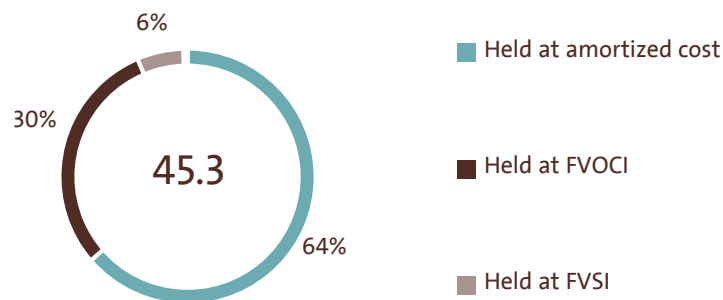
Investments (SARbn)



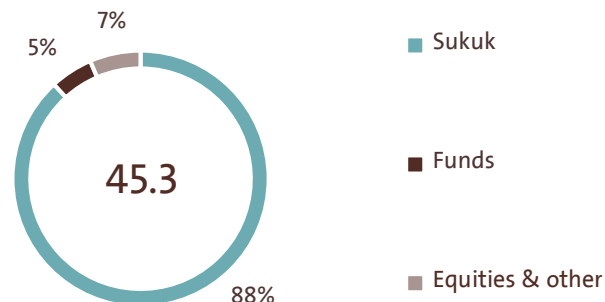
Investments Movement YTD (SARbn)



Investments Composition (SARbn)



Investments Composition (SARbn)



## Management Commentary

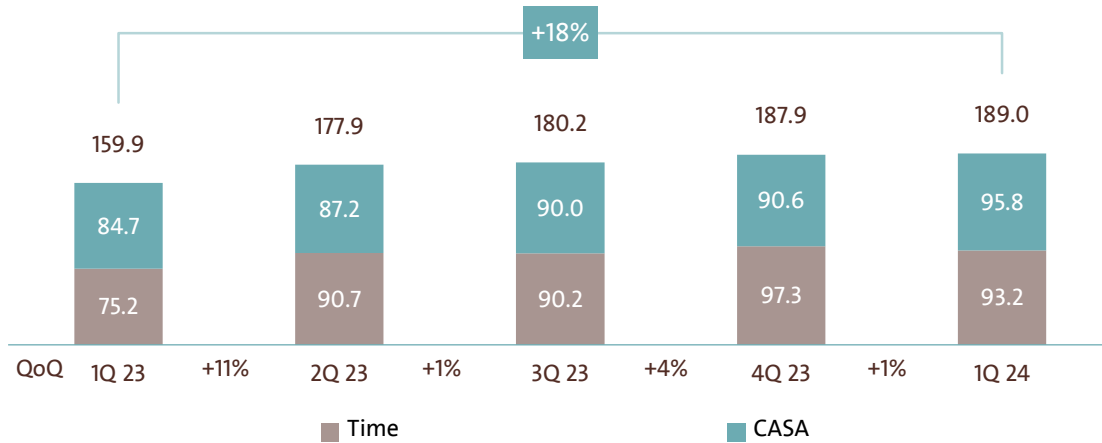
- Investments growth of 5% during 1Q 2024 was mainly attributed to 6% increase of investments in sukuk.
- The investment portfolio as at 31 March 2024 comprised of 88% sukuk investments, 5% funds and 7% equities & other investments.

# Deposits

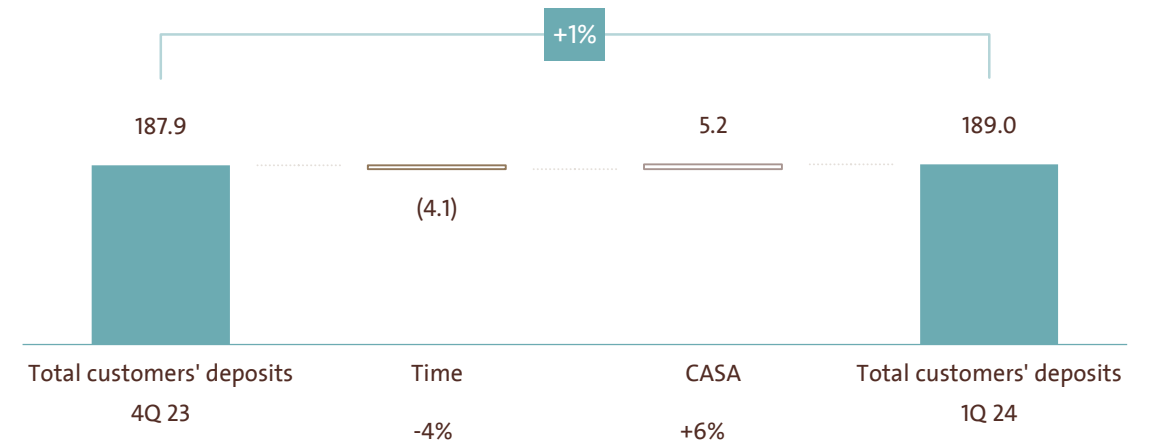


Deposit growth of 1% driven by 6% CASA growth

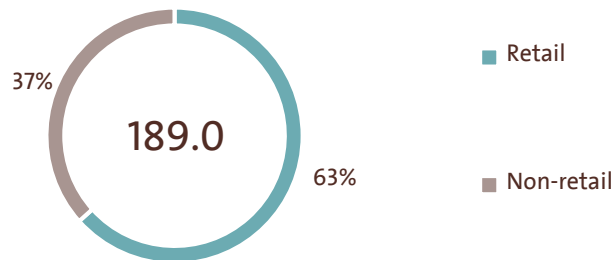
Customers' Deposits (SARbn)



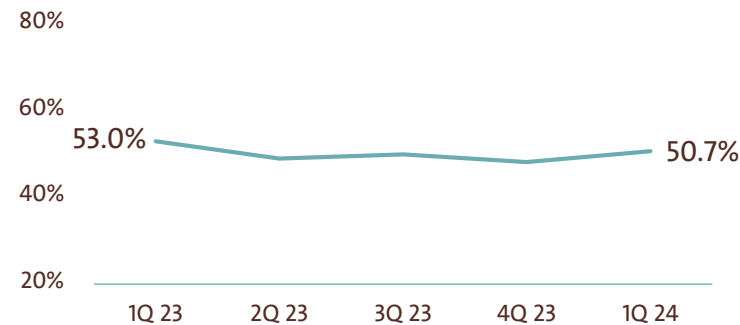
Customers' Deposits Movement YTD (SARbn)



Customers' Deposits Composition (SARbn)



CASA % of Total Deposits (%)



## Management Commentary

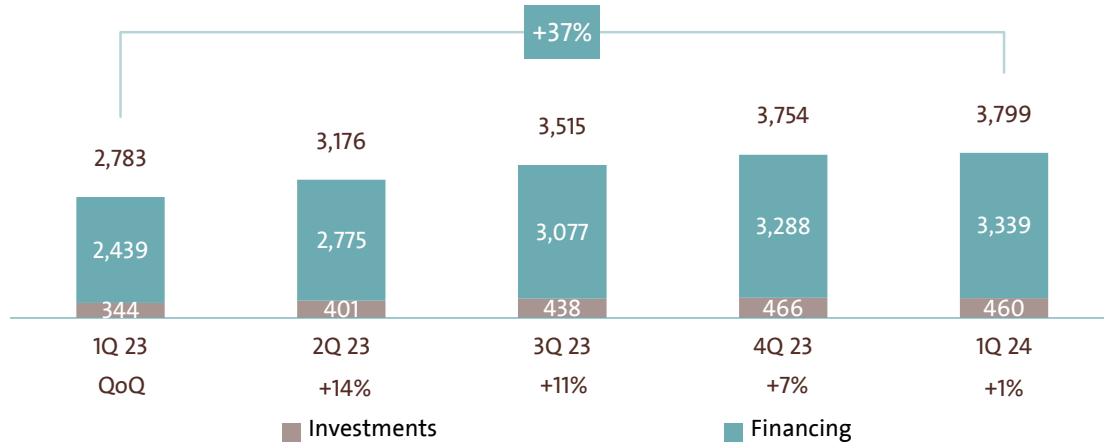
- Deposits increased by 1% during 1Q 2024 from growth in CASA by 6%.
- CASA deposits account for 50.7% of total deposits as at 1Q 2024.
- Total deposits comprise of 63% retail and 37% non-retail deposits as at 31 March 2024.

# Income from Financing & Investments

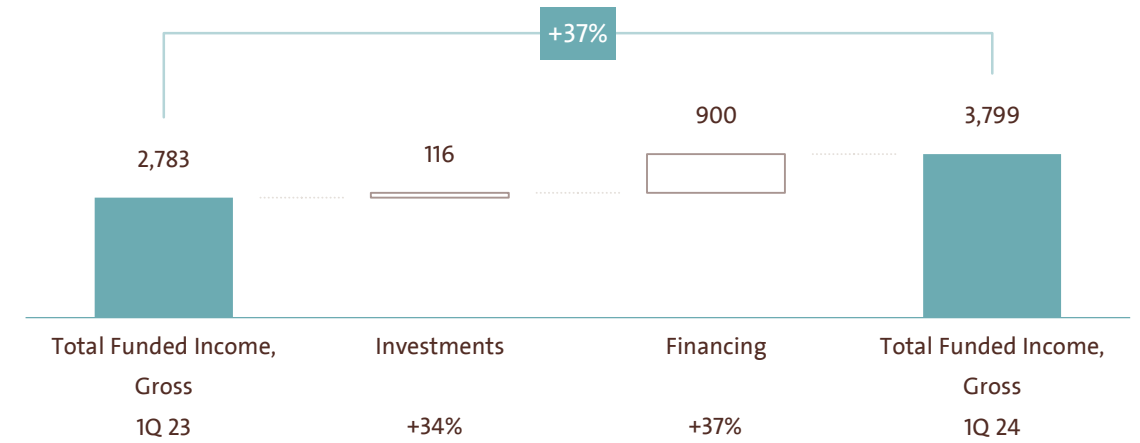


Gross funded income grew 37% from 34% growth in investment income and 37% growth in financing income

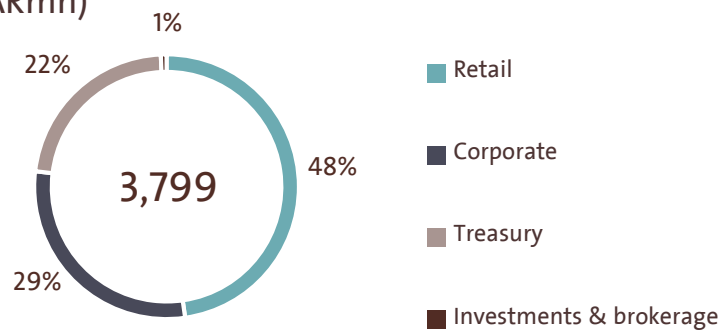
Funded Income, Gross (SARmn)



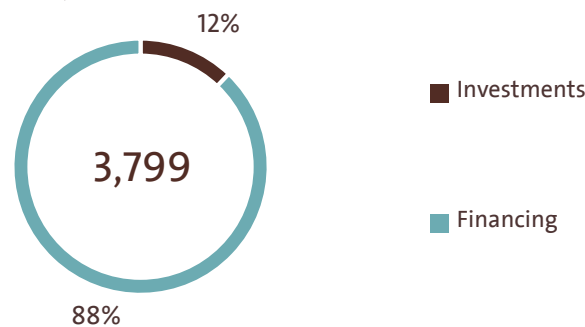
Total Funded Income, Gross Movement YoY (SARmn)



Funded Income, Gross Composition (SARmn)



Funded Income, Gross Composition (SARmn)



## Management Commentary

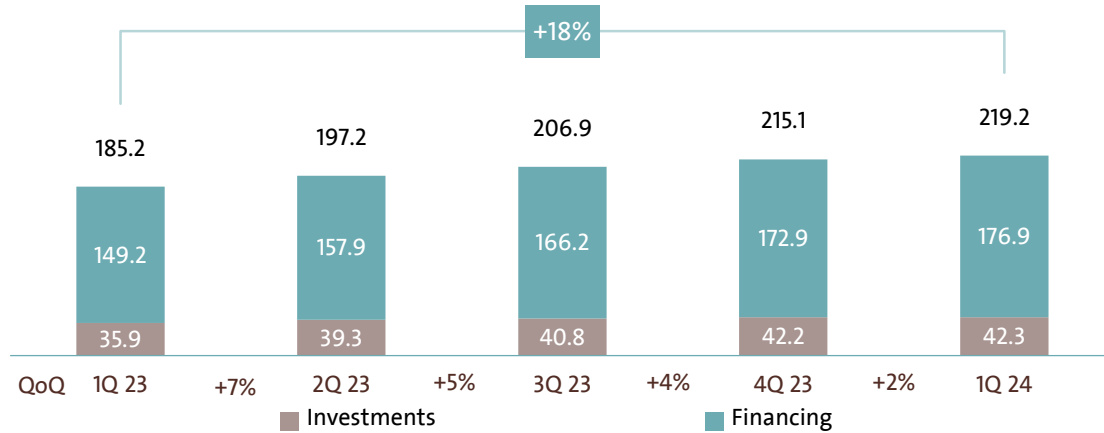
- Gross funded income for 1Q 2024 increased by 37% YoY to SAR 3,799mn from a 34% increase in investment income and a 37% rise in financing income.
- Income from financing makes up 88% of total gross funded income and income from investments comprises 12%.

# Net Profit Margin

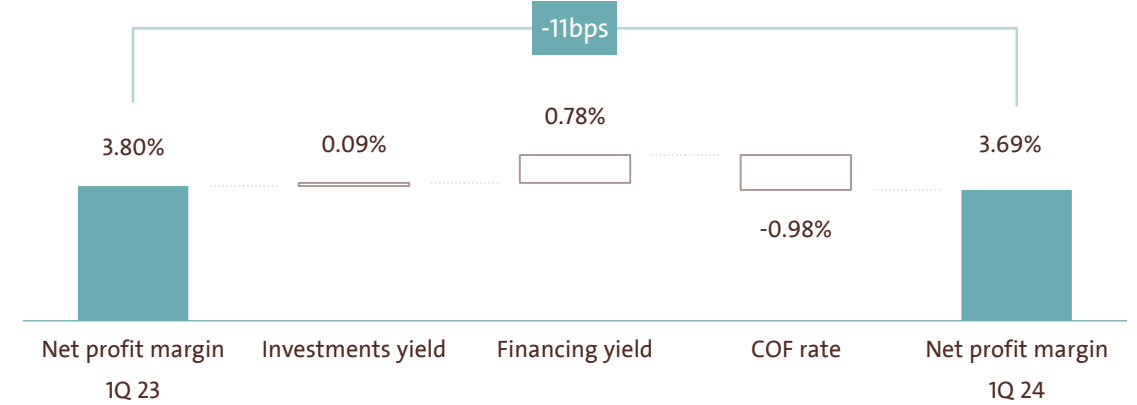


Average balance of investments and financing grew 18%; while net profit margin decreased 11bps YoY

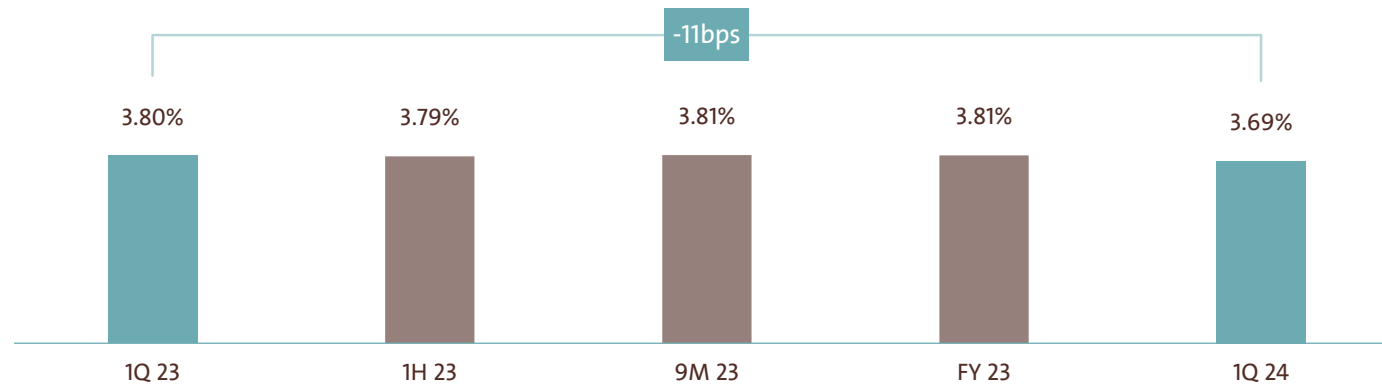
Average Balance of Investments & Financing (SARbn)



Net Profit Margin Movement YoY (%)



Net Profit Margin YTD (%)



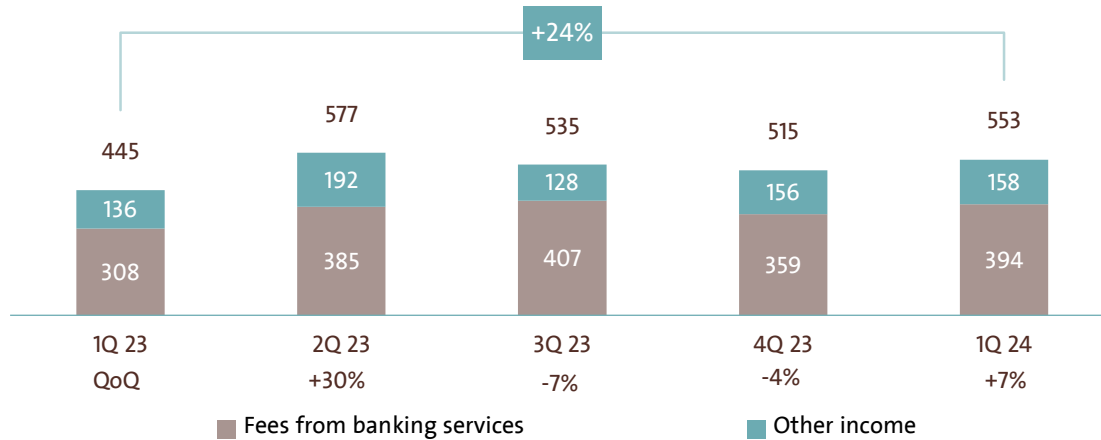
## Management Commentary

- 1 Average balance of investments and financing grew 18% YoY.
- 1 Net profit margin decreased by 11bps YoY to 3.69% in 1Q 2024.

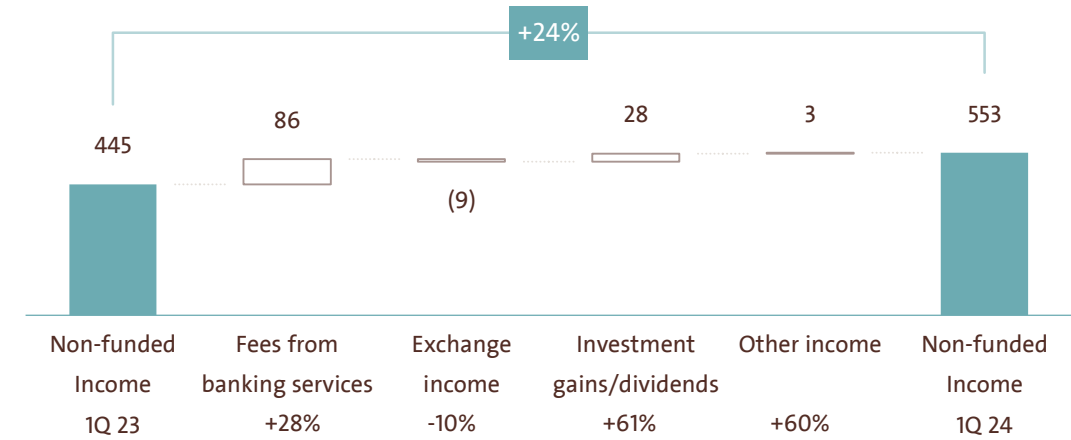
# Fee and Other Income

Non-funded income for 1Q 2024 increased by 24% YoY

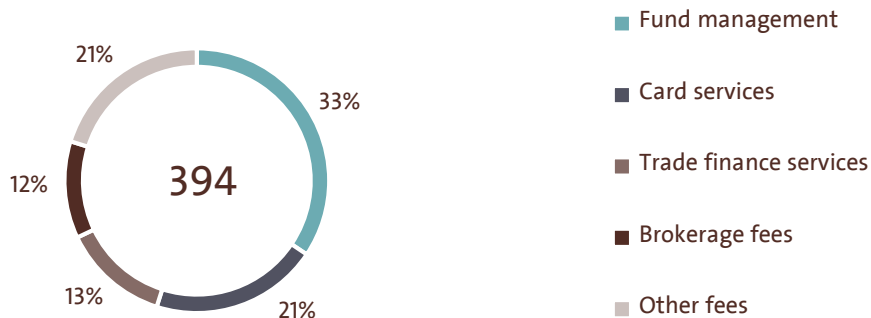
Non-Funded Income (SARmn)



Non-Funded Income Movement YoY (SARmn)



Fees from Banking Services Composition (SARmn)



## Management Commentary

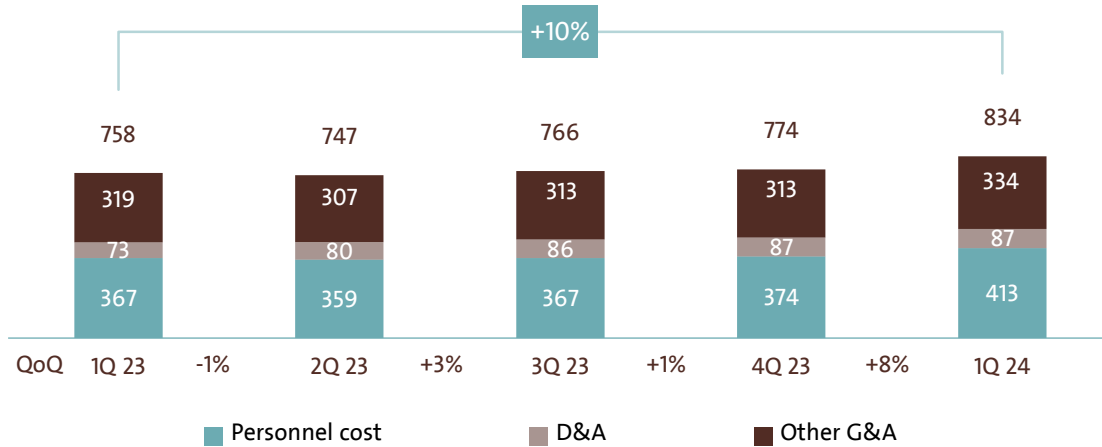
- Non-funded income for 1Q 2024 increased 24% YoY to SAR 553mn from improved fees from banking services and investment gains/dividends.
- Fund management fees comprise the majority of fees from banking services at 33%, while card services fees account for 21%, other fees for 21% and trade finance services and brokerage fees represent 13% and 12% respectively.

# Operating Expenses

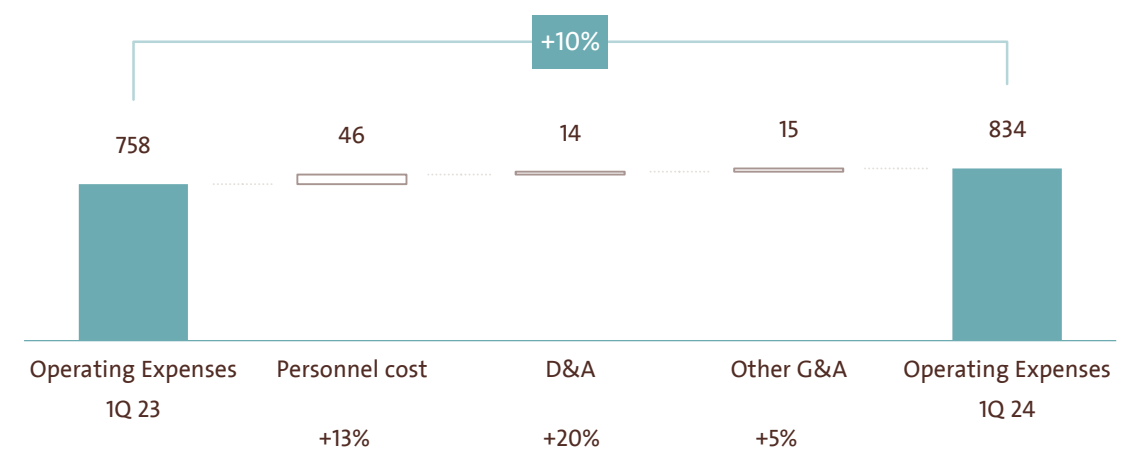


1Q 2024 saw 10% growth in operating expenses YoY mainly from higher employee and G&A costs

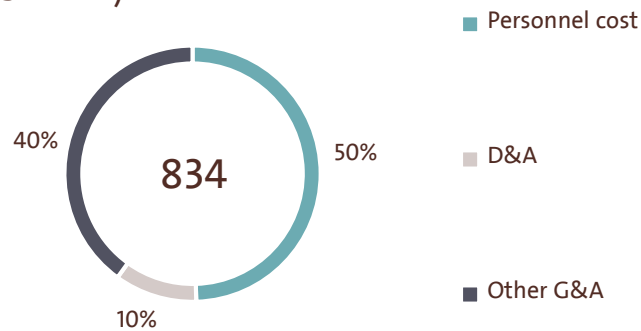
Operating Expenses (SARmn)



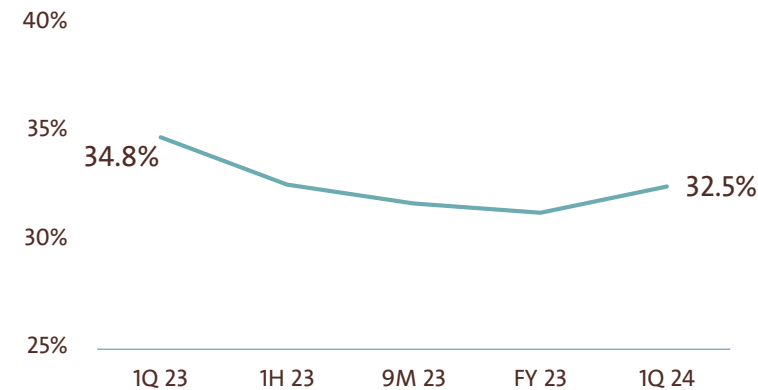
Operating Expenses Movement YoY (SARmn)



Operating Expenses Composition (SARmn)



Cost to Income Ratio (%)



Management Commentary

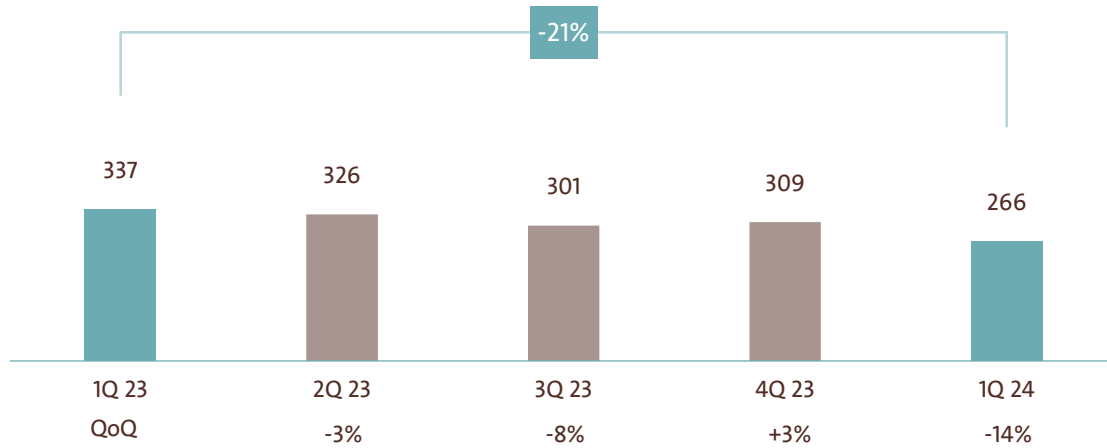
- Operating expenses increased 10% YoY to SAR 834mn for 1Q 2024.
- Personnel cost comprise the majority of operating expenses at 50%, while other G&A account for 40%, and D&A represent 10%.
- +7.7ppts positive Jaws contributed to a 2.3ppts decrease in the cost to income ratio from 34.8% to 32.5%.

# Impairments for Financing

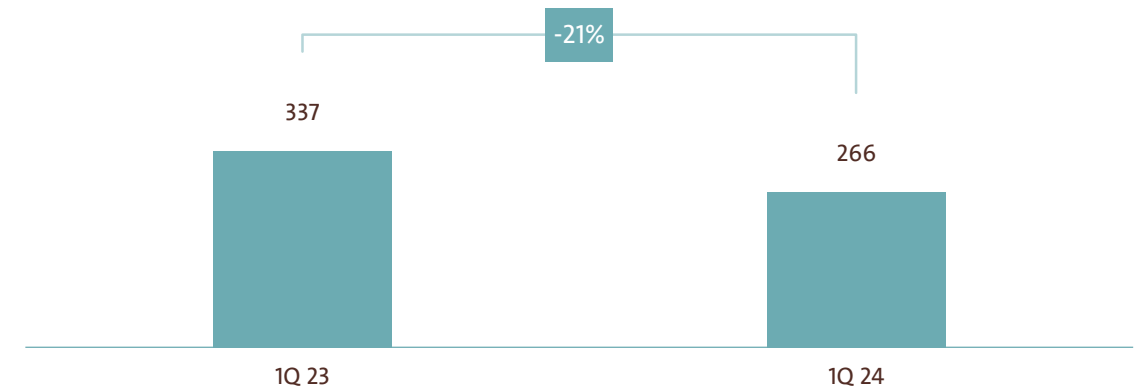


Cost of risk for 1Q 2024 declined by 29bps

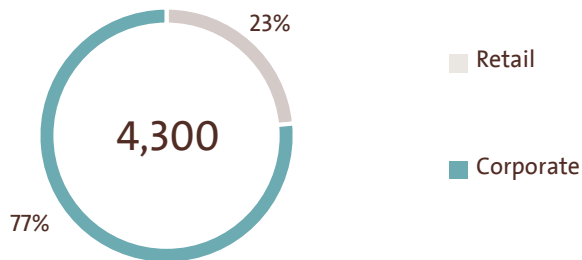
Impairments for Financing (SARmn)



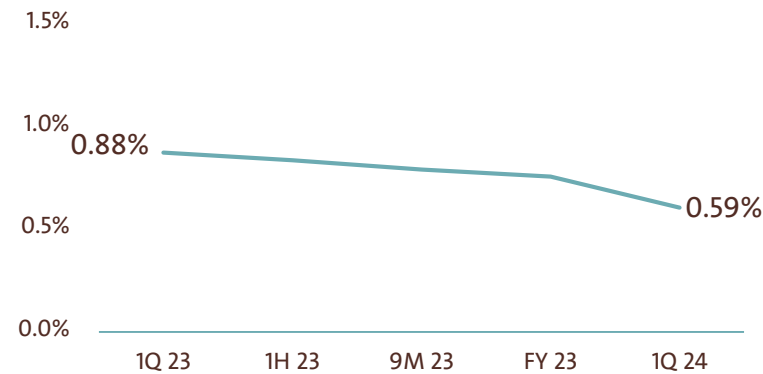
Impairments for Financing (SARmn)



Impairments Allowance Composition (SARmn)



Cost of Risk (%)



Management Commentary

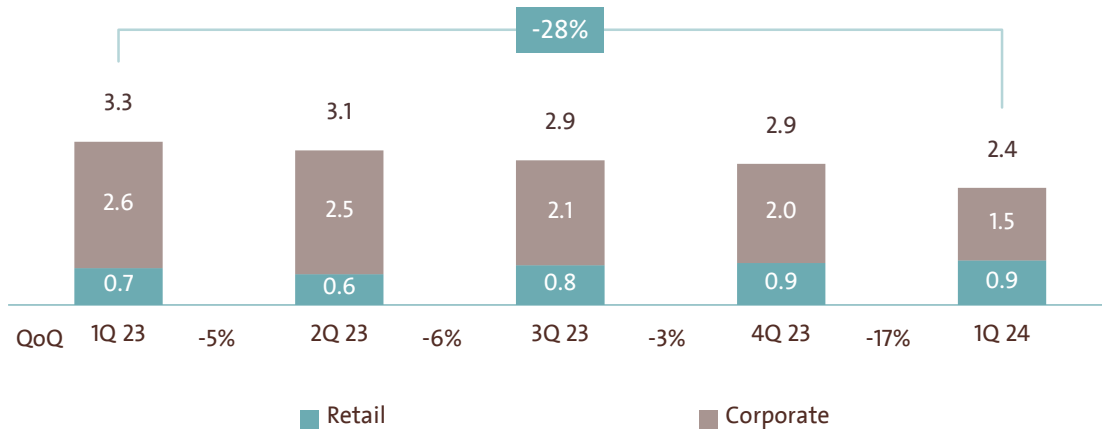
- 1Q 2024 impairment charge for financing decreased by 21% YoY to SAR 266mn.
- Cost of risk for 1Q 2024 decreased by 29bps YoY to 0.59%.
- 77% of impairment allowance in 1Q 2024 pertains to corporate and 23% is for retail financing.

# Non-Performing Loans

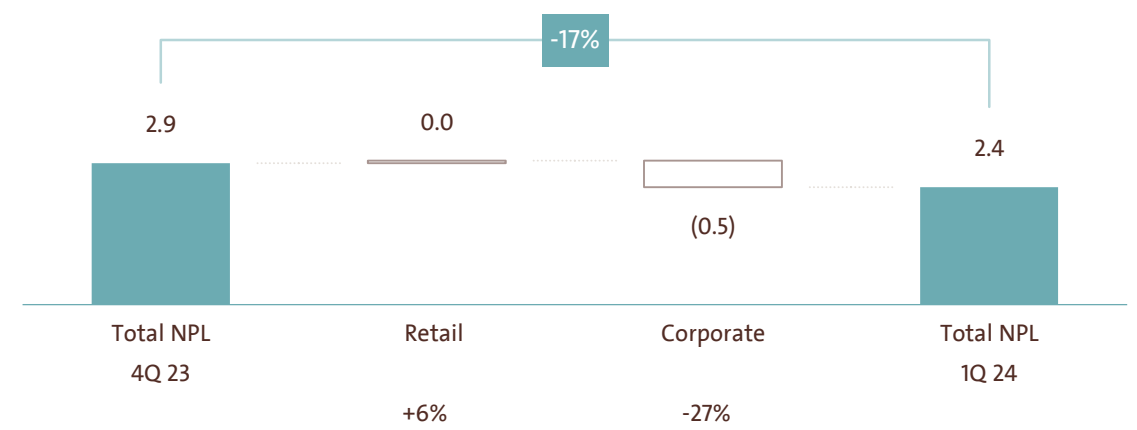


NPL ratio decreased YoY

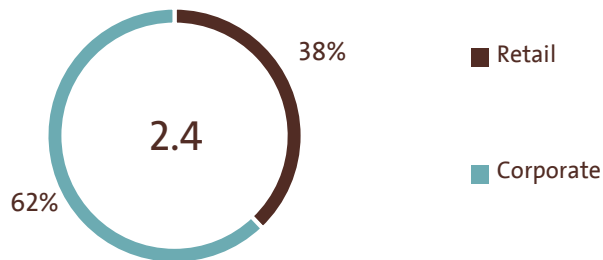
Non-Performing Loans, Gross (SARbn)



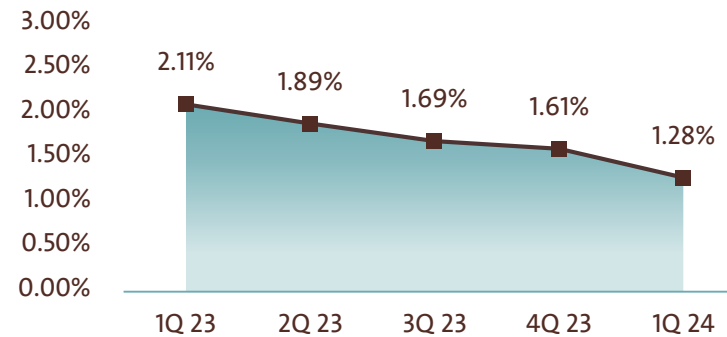
NPL, Gross Movement YTD (SARbn)



NPL Composition (SARbn)



NPL Ratio (%)



## Management Commentary

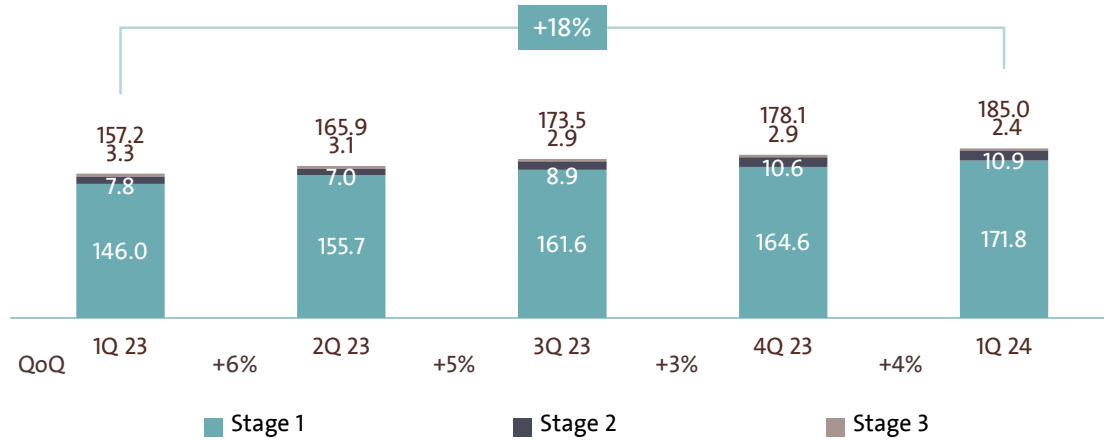
- 1 NPL ratio decreased by 83bps YoY and 33bps QoQ to 1.28% in 1Q 2024.
- 1 Retail financing, which account for the smaller proportion of NPLs, increased by 20%, while corporate NPLs decreased by 42% YoY.
- 1 The NPL ratio for retail stood at 2.1% while corporate stood at 1.0% as at 1Q 2024.



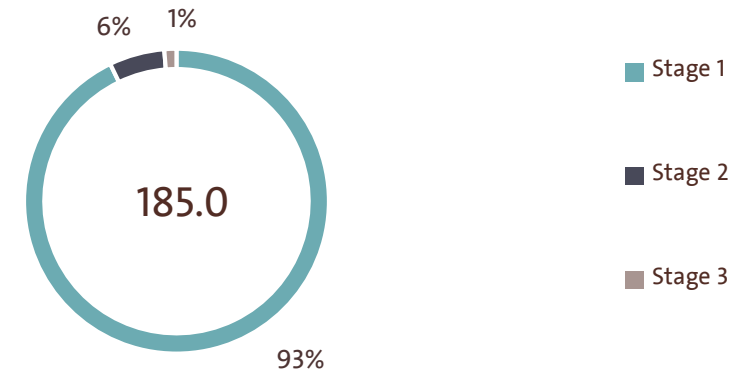
# NPL Coverage

NPL coverage increased YoY

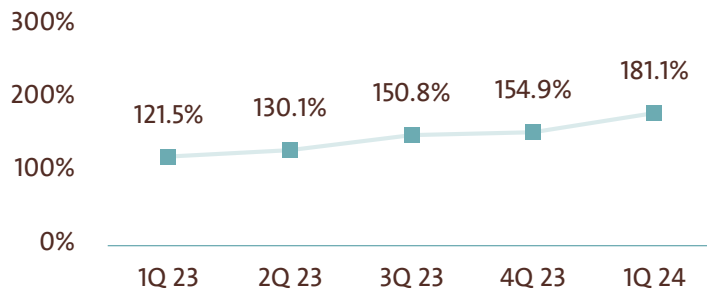
Stage-Wise Financing, Gross (SARbn)



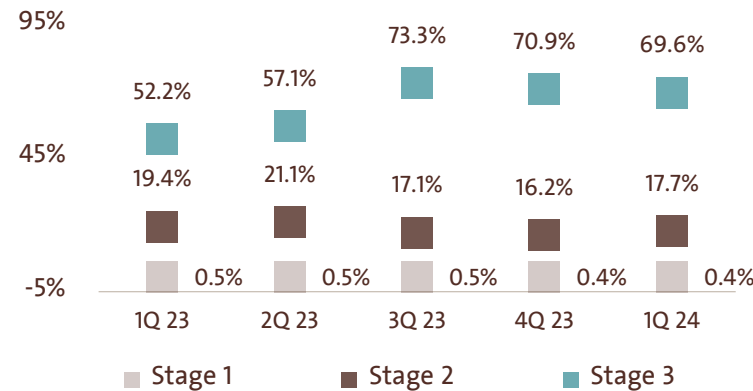
Stage-Wise Financing, Gross Composition (SARbn)



NPL Coverage Ratio (%)



Stage-Wise Coverage (%)



Management Commentary

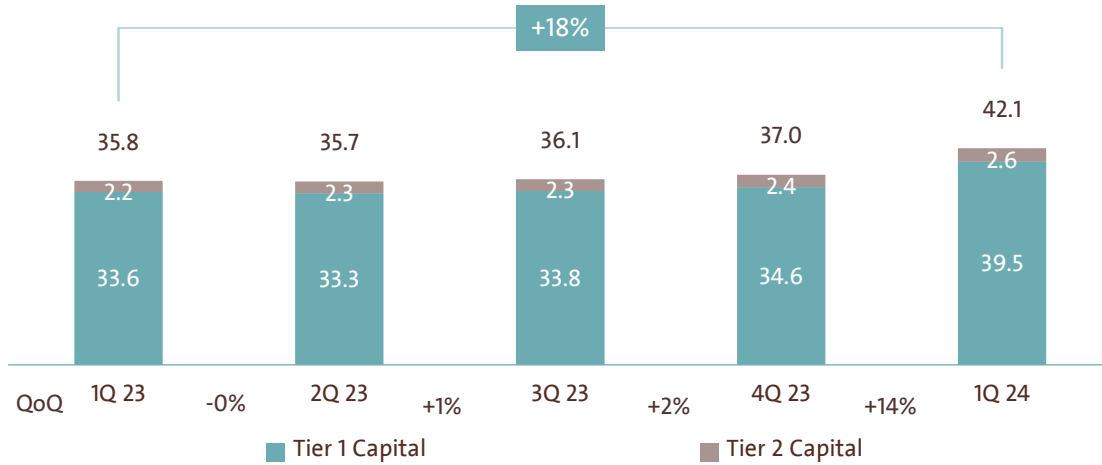
- NPL coverage increased by 59.6ppts YoY to 181.1%.
- Stage 1 coverage slightly declined due to the acquisition of higher-quality credit. Stage 2 coverage fell as certain accounts moved to Stage 2 with lower coverage.

# Capitalization

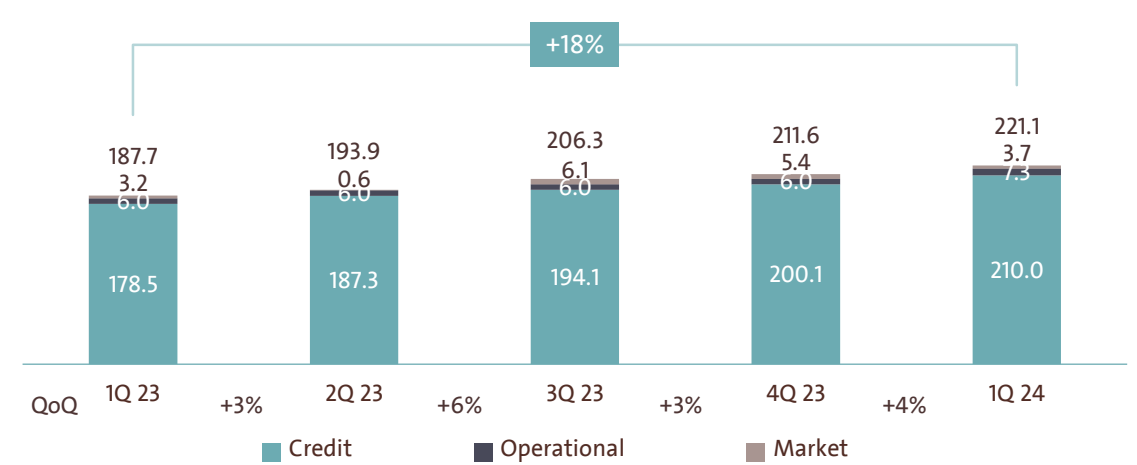


Capital grew 18% YoY while ROE saw an increase of 345 bps YoY

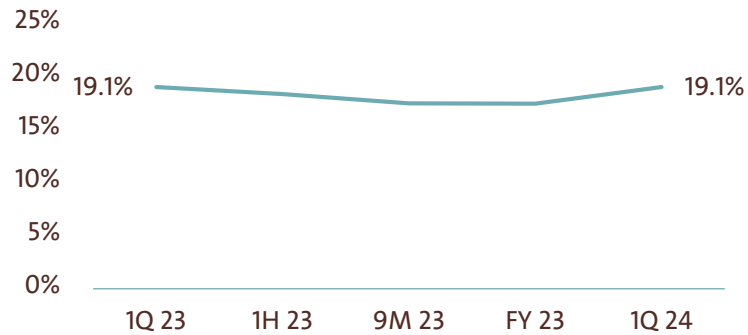
Total Capital (SARbn)



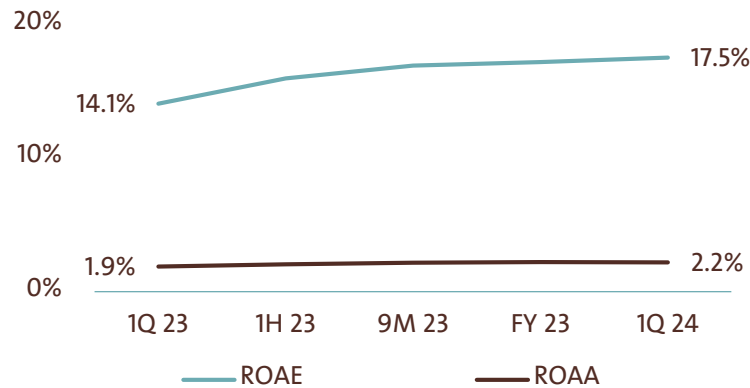
Risk Weighted Assets (SARbn)



Capitalization (%)



Profitability (%)



## Management Commentary

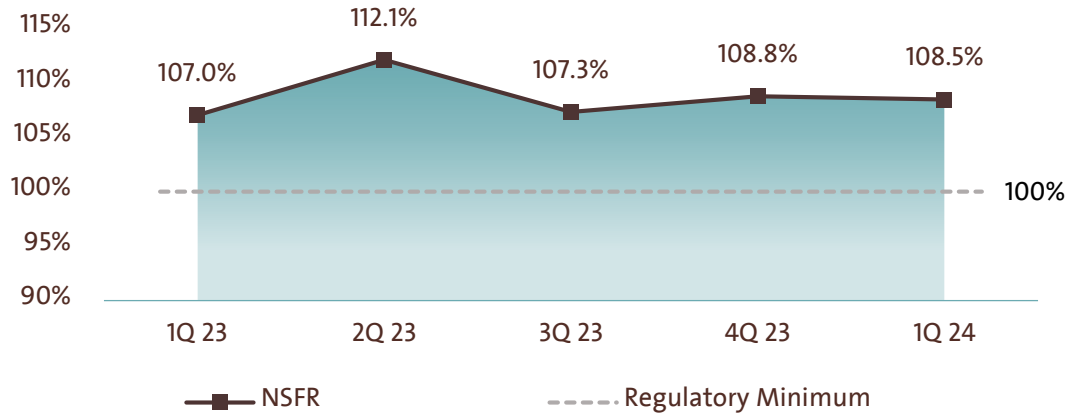
- Total Capital grew 18% to SAR 42.1bn YoY and Risk Weighted Assets grew 18% YoY.
- CAR remained stable YoY at 19.1%
- ROE saw an increase of 345bps YoY and ROA increased 31bps YoY.

# Liquidity

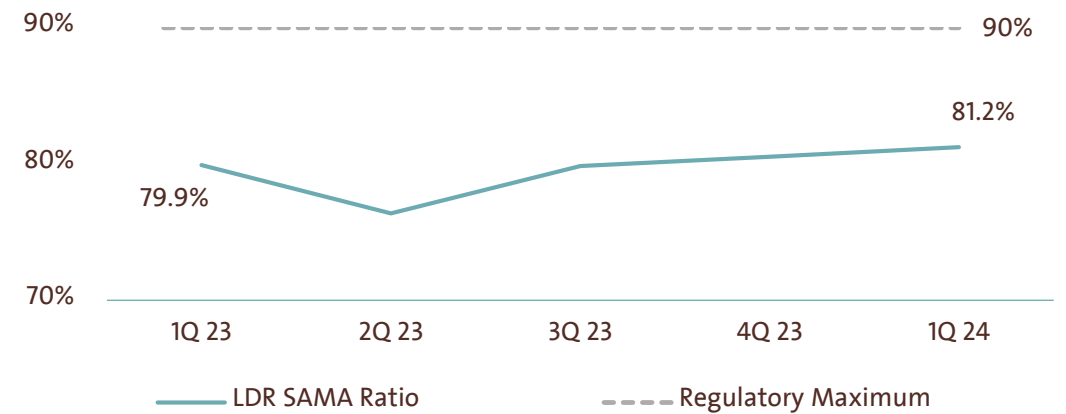


Alinma's liquidity position is healthy and comfortably within regulatory limits

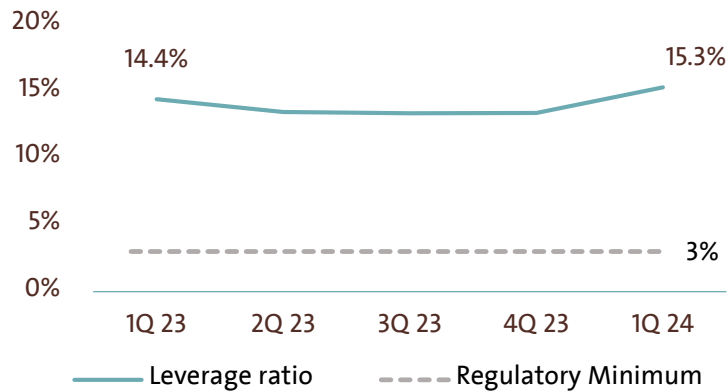
NSFR (%)



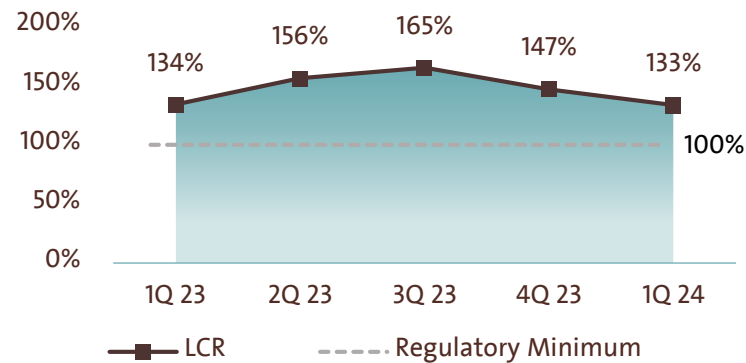
LDR SAMA Ratio (%)



Leverage Ratio (%)



LCR (%)



## Management Commentary

- NSFR improved 1.5 pts YoY to reach 108.5%.
- LDR ratio increased 1.3 pts YoY to 81.2%.
- The leverage ratio increased 0.9 pts YoY to 15.3%.
- 1Q 2024 LCR decreased 1 pts YoY to 133%.

# Segmental Performance

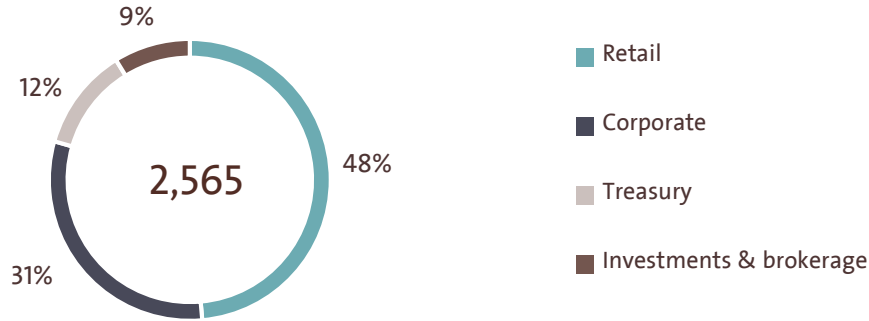
Q1 2024

# Segmental Performance Highlights

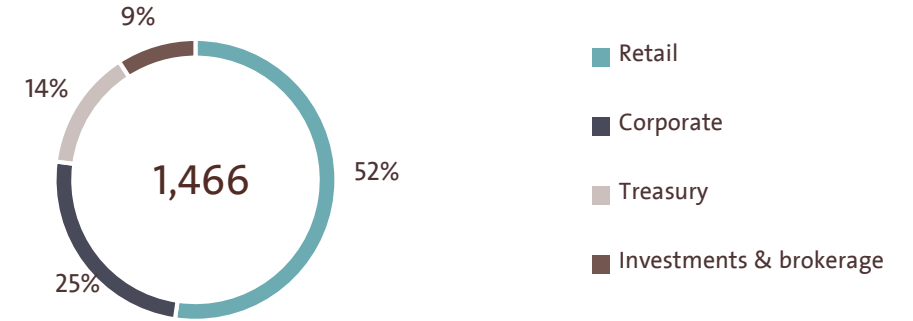


Retail and corporate comprise the majority of segmental income

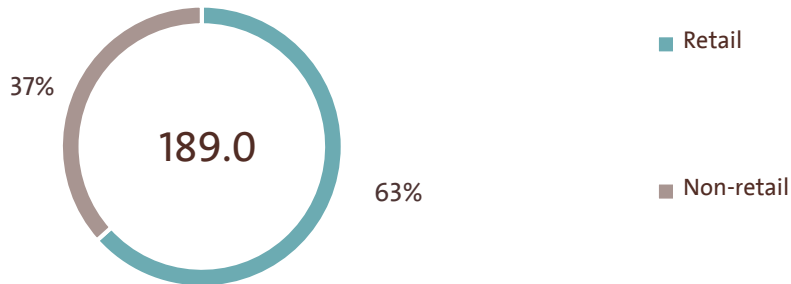
Operating Income Composition (SARmn)



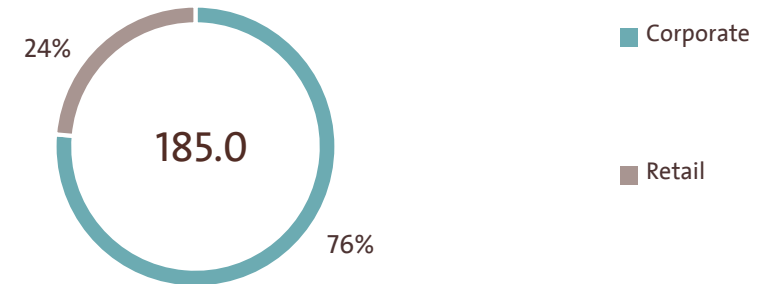
Net Profit Before Zakat Composition (SARmn)



Customers' Deposits Composition (SARbn)



Financing, Gross Composition (SARbn)

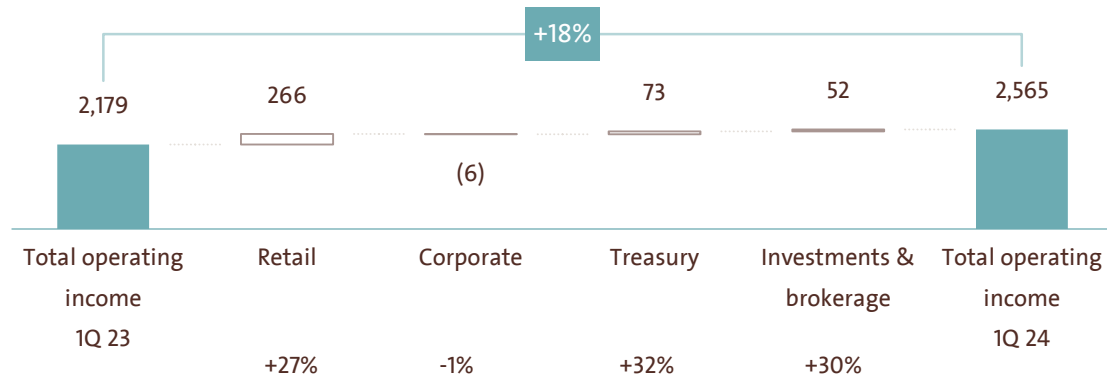


# Segmental Performance Highlights

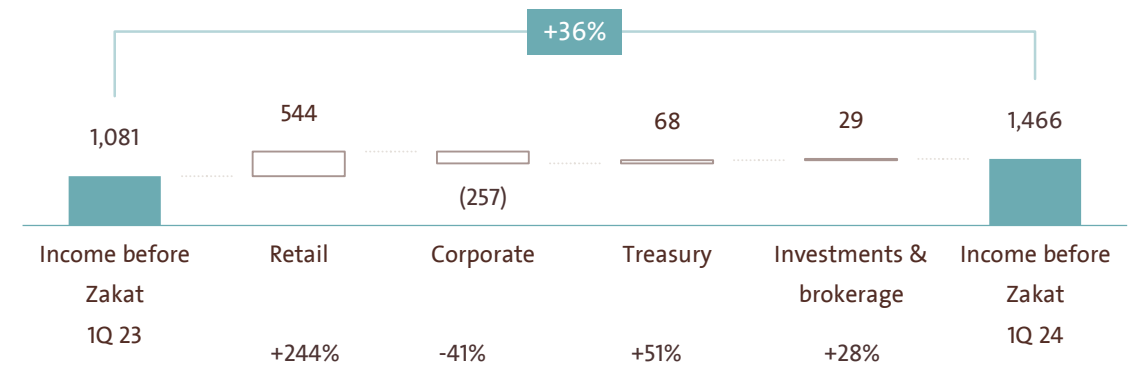


Retail and Corporate reported growth in operating income YoY

Operating Income Movement YoY (SARmn)



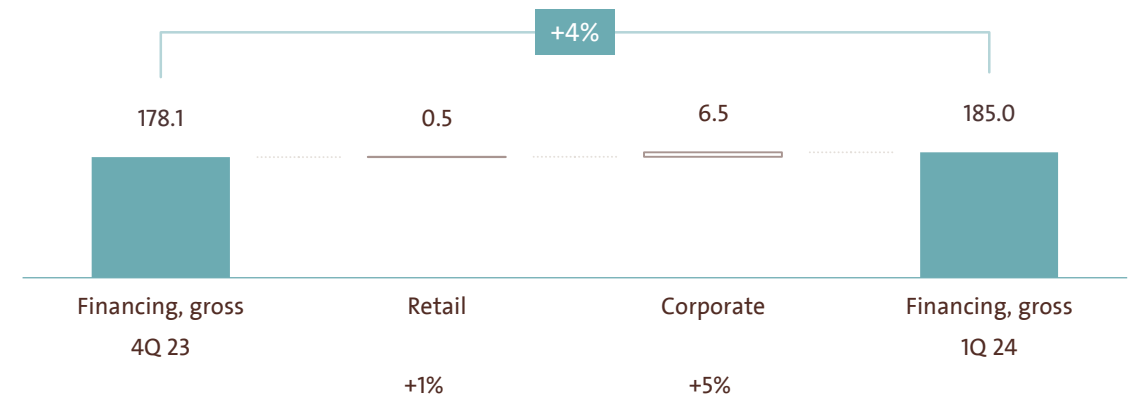
Net Income Before Zakat Movement YoY (SARmn)



Customers' Deposits Movement YTD (SARbn)



Financing, Gross Movement YTD (SARbn)



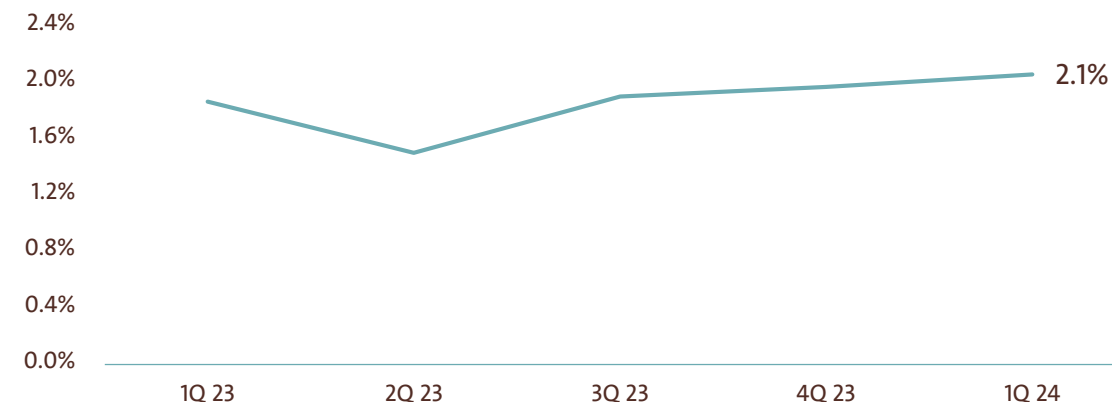
# Segmental Performance - Retail



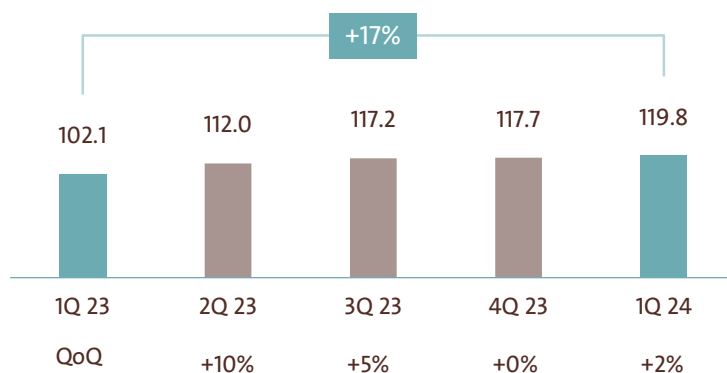
Strong financing and deposit growth driving operating income growth of 27% YoY

SAR (mn)	1Q 2024	4Q 2023	Δ%	1Q 2023	Δ%
Income from investments and financing, net	1,133	1,142	-1%	885	+28%
Fees from services & other income	113	125	-10%	95	+19%
<b>Total operating income</b>	<b>1,246</b>	<b>1,267</b>	<b>-2%</b>	<b>980</b>	<b>+27%</b>
Total operating expenses	467	427	+10%	430	+9%
Total charges/(reversals) for impairments	12	(25)	-148%	326	-96%
<b>Income for the period before zakat</b>	<b>767</b>	<b>865</b>	<b>-11%</b>	<b>223</b>	<b>+244%</b>

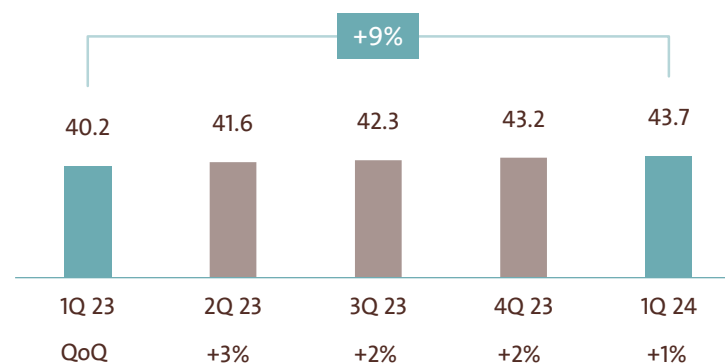
Retail NPL (%)



Retail Deposits (SARbn)



Retail Financing (SARbn)



## Management Commentary

- 1 Retail operating income rose by 27% YoY to SAR 1,246mn from 28% increase in funded income.
- 1 Retail net income rose by 244% YoY due to a significant increase in funded income.
- 1 Retail deposits increased 17% while financing increased by 9% YoY.
- 1 The retail NPL ratio increased during 1Q 2024 to 2.1%.

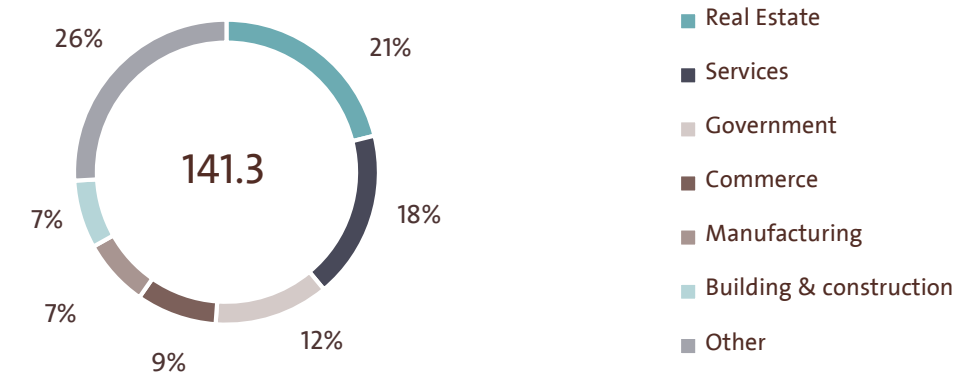
# Segmental Performance - Corporate



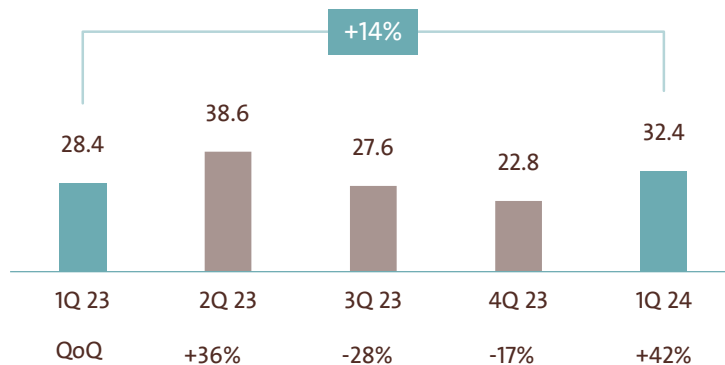
Corporate net income increased by 6% in 1Q 2024

SAR (mn)	1Q 2024	4Q 2023	Δ%	1Q 2023	Δ%
Income from investments and financing, net	700	748	-6%	709	-1%
Fees from services & other income	90	93	-3%	88	+3%
<b>Total operating income</b>	<b>790</b>	<b>841</b>	<b>-6%</b>	<b>797</b>	<b>-1%</b>
Total operating expenses	173	165	+5%	166	+4%
Total charges/(reversals) for impairments	255	333	-23%	11	+2293%
<b>Income for the period before zakat</b>	<b>363</b>	<b>344</b>	<b>+6%</b>	<b>620</b>	<b>-41%</b>

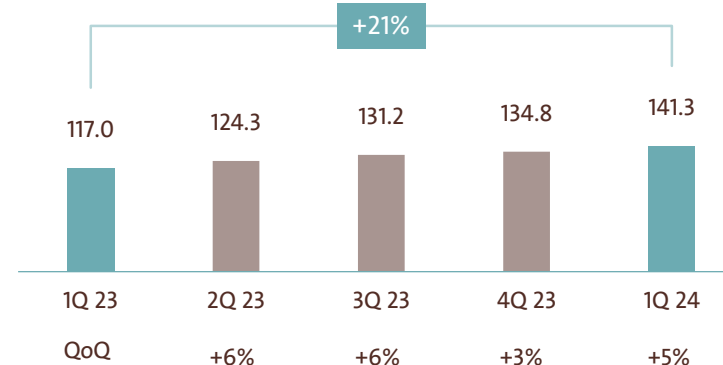
Financing, Gross Composition (SARbn)



Corporate Deposits (SARbn)



Corporate Financing (SARbn)



Management Commentary

- Corporate financing increased by 6% YTD.
- Corporate financing rose by 21% YoY while corporate deposits increased 14%.
- The corporate NPL ratio decreased YoY to 1.0%.



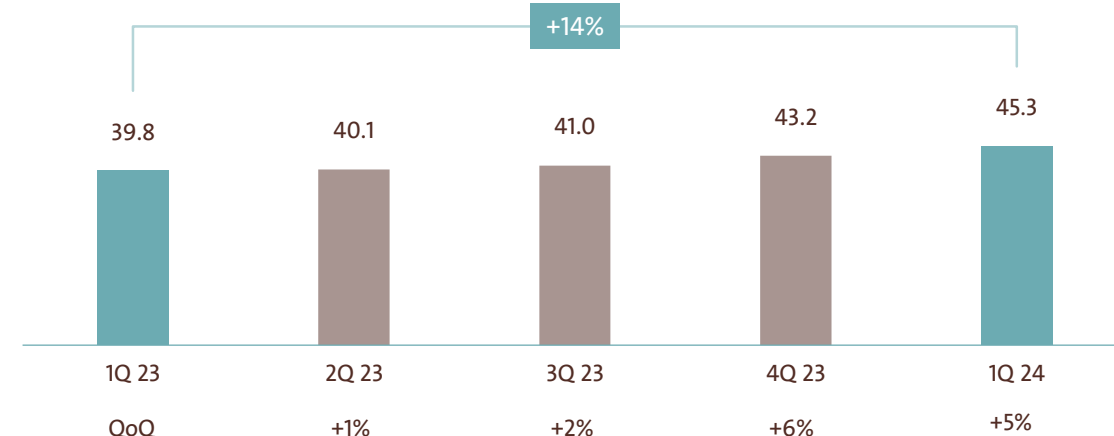
# Segmental Performance - Treasury



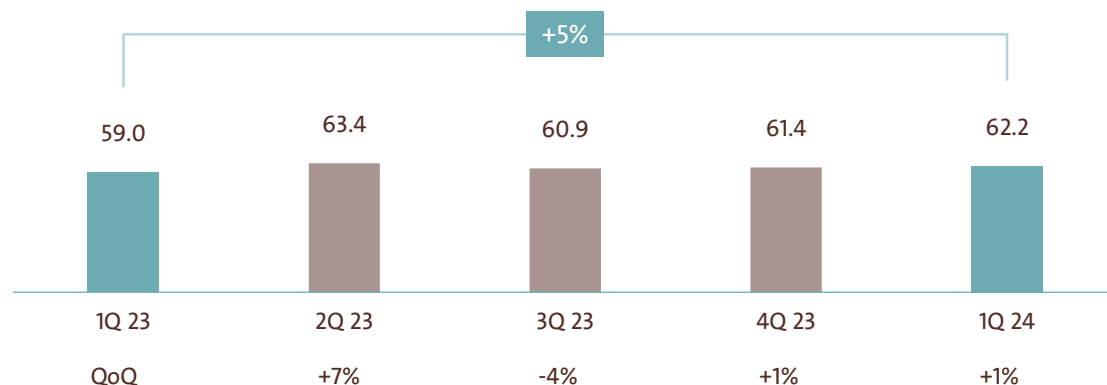
Operating income and net income increased YoY

SAR (mn)	1Q 2024	4Q 2023	Δ%	1Q 2023	Δ%
Income from investments and financing, net	152	141	+8%	114	+34%
Investment-related income	73	63	+15%	45	-61%
Fees from services & other income	77	128	-40%	71	+9%
<b>Total operating income</b>	<b>303</b>	<b>269</b>	<b>+13%</b>	<b>230</b>	<b>+32%</b>
Total operating expenses	102	94	+8%	93	+10%
Total charges/(reversals) for impairments	(2)	5	-138%	5	-136%
<b>Net operating income</b>	<b>203</b>	<b>170</b>	<b>+20%</b>	<b>132</b>	<b>+54%</b>
Share of loss from an associate and joint venture	(1)	1	-151%	2	-129%
<b>Income before Zakat</b>	<b>202</b>	<b>171</b>	<b>+18%</b>	<b>134</b>	<b>+51%</b>

## Investments (SARbn)



## Treasury Assets (SARbn)



## Management Commentary

- Treasury operating income increase by 32% YoY to SAR 303mn in 1Q 2024 due to increase in income from investment by 34%.
- Treasury assets rose by 5% YoY to SAR 62.2bn, driven by 14% growth in the investment portfolio to SAR 45.3bn.

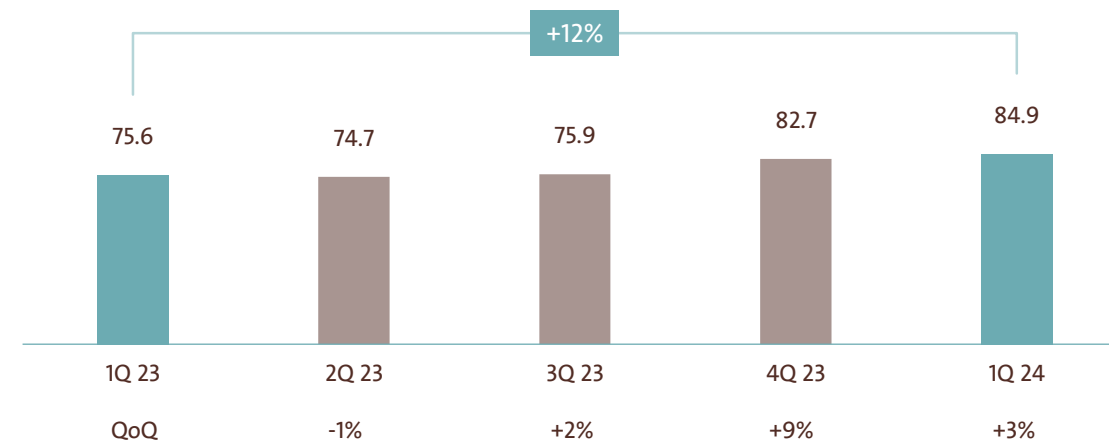
# Segmental Performance – Investments & Brokerage



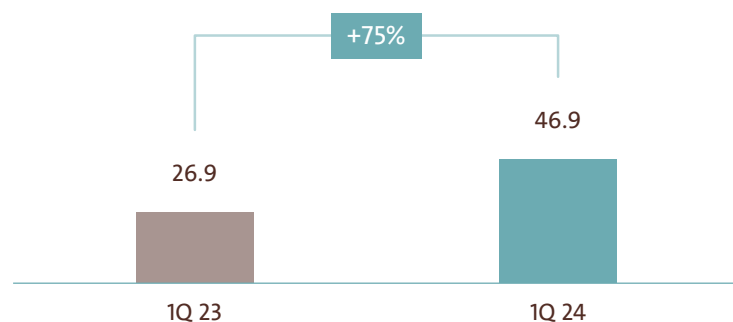
Modest operating income growth in 1Q 2024

SAR (mn)	1Q 2024	4Q 2023	Δ%	1Q 2023	Δ%
Income from investments and financing, net	26	23	+13%	27	-2%
Fees from services & other income	199	168	+18%	146	+36%
<b>Total operating income</b>	<b>225</b>	<b>192</b>	<b>+18%</b>	<b>173</b>	<b>+30%</b>
Total operating expenses	92	88	+4%	69	+33%
<b>Income before Zakat</b>	<b>134</b>	<b>92</b>	<b>+45%</b>	<b>104</b>	<b>+28%</b>

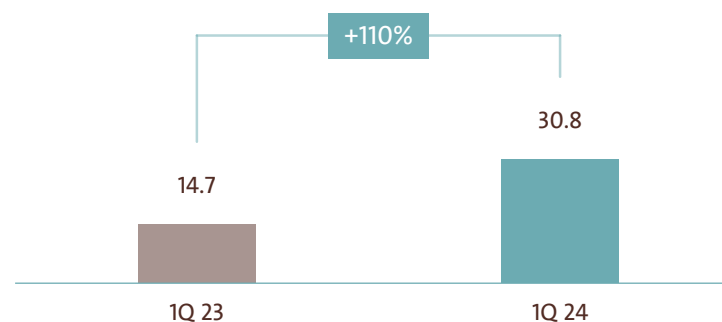
Assets Under Management (SARbn)



Brokerage Trading Income (SARmn)



Brokerage Trading Values (SARbn)



Management Commentary

- Investment and brokerage (I&B) operating income rose by 30% YoY to SAR 225mn from 36% increase in non-funded income.
- I&B net income increased 28% YoY.
- Brokerage trading income increased by 75% YoY and brokerage trading values increased 110% YoY, and AUM increased by 12% YoY.

# Outlook & Guidance

Q1 2024

# Guidance



Acceleration of strategic execution drives a promising outlook for 2024.

		1Q 2024A	Drivers	2024G
Balance Sheet	Financing Growth	<b>+18%</b> YoY	Strong Mid-Corp, SME & Retail growth from strategic initiatives; continuing the growth in corporate financing	Mid teens
	Net Profit Margin	<b>3.69%</b> -11bps YoY	Declining rates mixed with improving margins guide for flat Net Profit Margin.	-5bps to +5bps
Profitability	Cost to Income Ratio	<b>32.5%</b>	Growth in income, digitization & process optimization driving efficiencies, partly offset by strategic investments	≈ 30%
	Return on Equity	<b>17.5%</b>	Improving top line and efficiency driving improving ROE	Above 18%
Asset Quality	Cost of Risk	<b>0.59%</b>	Cautiously expecting stable credit quality and NPL coverage, leading to COR moderation	65-75bps
Capital	CAR Pillar 1	<b>19.1%</b>	Improving top line with efficiencies in equity management	19%-20%

**Return on Equity Target for 2025 above 18%**

# Appendix

Q1 2024

# Sustainability



Alinma Bank released its 2022 sustainability report



The first step for the Alinma journey to complete disclosure and reporting for all material factors to give investors and other stakeholders the complete picture on sustainability credentials and progress.

It has been prepared using a Materiality Matrix methodology which identifies the Environmental, Social and Governance elements of our business that carry the most importance for both the bank and for its stakeholders.

To view the Presentation, please visit: [ir.alinma.com](https://ir.alinma.com)



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