

Earnings Presentation

3Q 2024

4 Nov 2024

مصرف الإنماء
alinma bank



digital. fast. convenient.

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Alinma Overview

Q3 2024

Alinma Overview



The youngest bank in KSA

Financial Position

Net Profit Margin
#2 in KSA
3.74%
(2Q 2024)

ROE
#2 in KSA
18.02%
(2Q 2024)

ROA
#2 in KSA
2.20%
(2Q 2024)

Rating Strength

Fitch
A-
Stable

Moody's
A3
Positive

S&P Global
A-
Stable

Retail Digital Snapshot

23.4m
Monthly
Average Users
(Smart Phone Users Logins)

769K
Daily Average
Users
(Smart Phone Users Logins)

98.7%
Digital
Transactions

KSA Market Share

6.6%
Assets
(2Q 2024)



7.2%
Financing
(2Q 2024)



7.7%
Deposits
(2Q 2024)



5.7%
NIB Deposits
(2Q 2024)



5.4m
Customers

Stock Highlights

#5
Traded Stock in KSA
By value
(9M 2024)

SAR 32bn
Value
Traded
(9M 2024)

SAR 71.3bn
Market
Capitalization
(30 September 2024)

14.8%
Foreign Ownership
(30 September 2024)

10%
Owned by
Public Investment
Fund

SOURCE: Bank Financial Statements, Tadawul

Financial Performance Highlights

Q3 2024

Financial Performance Highlights



Solid operating income growth translated into 22% growth of net income in Q3 2024 and 18.6% ROE

Balance Sheet

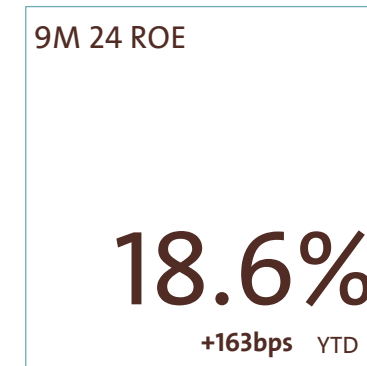
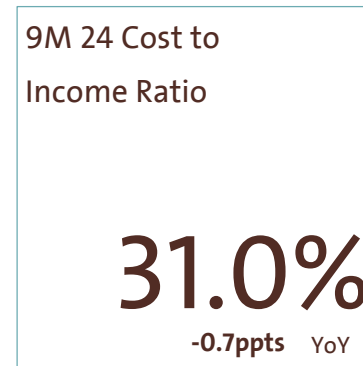
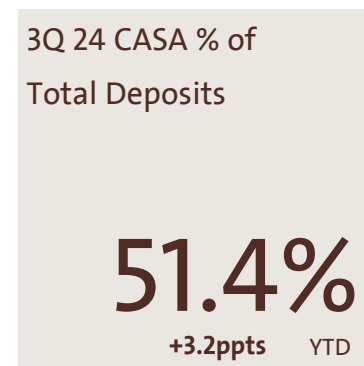
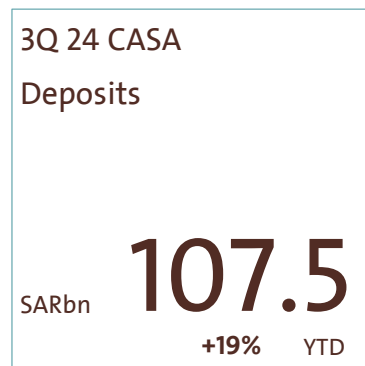
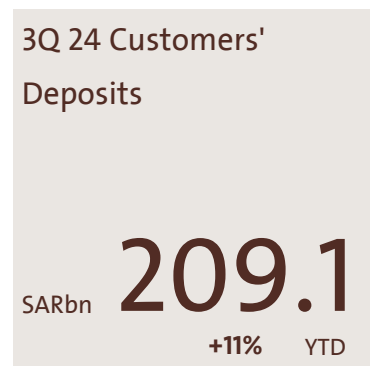
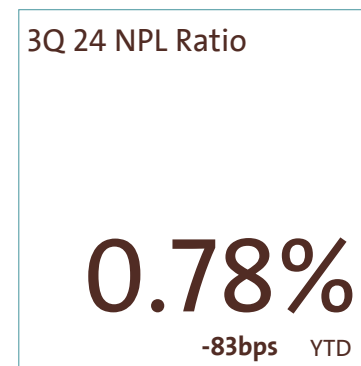
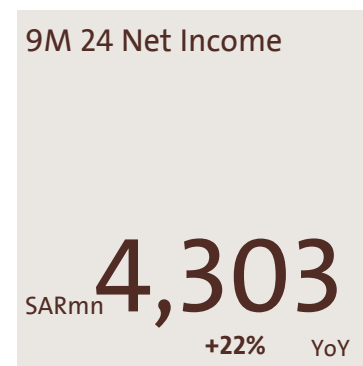
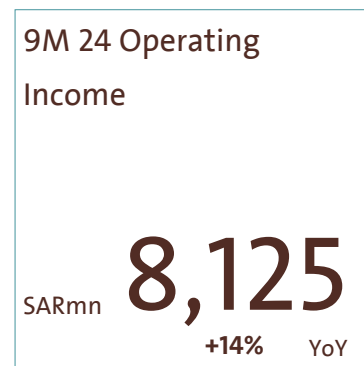
- 13% increase in financing YTD mainly from growth in corporate financing.
- 11% growth in customers' deposits YTD driven by increase in CASA by 19%.

Income Statement

- Operating income growth of 14% YoY driven by increase of 14% in funded income and 12% in non-funded income.
- Growth in operating income of 14% translated into increase of 22% in net income to reach SAR 4,303Mn.

Credit Quality, Capital and Liquidity

- NPL and NPL coverage ratios at 0.78% and 245.2% respectively while cost of risk decreased by 23bps YoY to 0.56%.
- Capitalization and liquidity positions remained healthy and within regulatory limits.



Strategy Update

Q3 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



Strategic Ambitions

Driving changes across the businesses and bank-wide



Bank-wide

- 1 Build Digital Factory to scale customer experience and operational excellence across the bank
- 1 Foster data-driven decision making with latest analytics capabilities
- 1 Cultural transformation to attract and retain the best talent in KSA



Retail

- 1 Build digitally-savvy **affluent and HNW customer franchise**
- 1 Grow the digitally-savvy **youth customer franchise**
- 1 Offer the **best customer experience** and operational excellence



Corporate

- 1 Become **core bank** for large, mid-corporate and project finance partners across diversified sectors
- 1 Develop **high quality and growing SME proposition**
- 1 Grow **Cash Management and Trade Finance** business



Treasury

- 1 Become **core partner** for corporate clients for their **hedging** and investment needs
- 1 Grow **FI customer franchise** with dedicated coverage team
- 1 **Maintain** and evolve **high quality ALM function**

Strategy Update

3Q 2024 Initiatives Completed to Date



Bank-wide 27/31



Retail 16/22



Corporate 14/21



Treasury 12/12

Launched new API channel that would enable fintech ecosystem and market expansion

Kicked off Alinma Marketplace Expansion Project which will unlock new opportunities as a Marketplace orchestrator, whilst enhancing customer experience with attractive digital offerings

New investment pool for Non-Zakat paying Assets linked to Savings accounts to meet customer needs

Fully implemented E-Signature for Auto Lease, to achieve paperless process

12 TCR machines implemented in Q3 reaching total of 213

8 Merged branches

Bulk Payment Swift Transfer through CIB

+16% (YoY) growth in Corporate booked assets

+14% (YoY) growth in non-funded assets (LG & LC) under all Corporate segments

+90% (YoY) growth in booked assets under Mid-Corporate banking segment

+27% (YoY) growth in Kafalah financing for SMEs

Successfully completed three years bilateral deal of USD 100 Mn

+5.4 Bn YTD growth in Profit Rate Swap (PRS)

+USD 175 Mn growth in FX Forward (double Waad product)

Expanded network of correspondent banks (+1) globally



Progress to date

69/86



80%

Strategy Update

2024 Initiatives In-Progress



Bank-wide 4/31



Retail 6/22



Corporate 7/21



Treasury 0/12

Expanding the digital factory for the transformation

Progressing on robotic process automation

Drive employee engagement /organizational health initiatives across various functions

Digitalize mortgage journey

Enhancing family account ecosystem

Enhancing service & customer experience

Continue implementation of branches merger plan

Continue installation of TCR machines

New products and offerings being created to drive liabilities growth

Completing Loans Origination System (LOS) phase 2

Build E-Trade Finance

Enhance offering of structured deposit products

Long-term funding is being driven through inter-bank and customers deposits

Deepening collaboration with business units to improve cross-selling



Initiatives In-Progress

17/86

80% Complete

In-Progress

20%

9M 2024 Financial Performance

Balance Sheet Trends



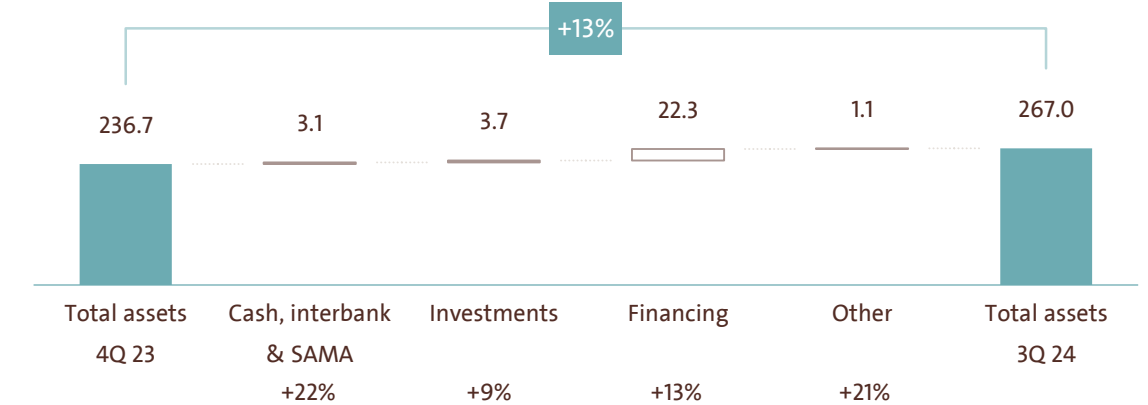
Balance sheet growth of 13% YTD driven by financing and investments

Management Commentary

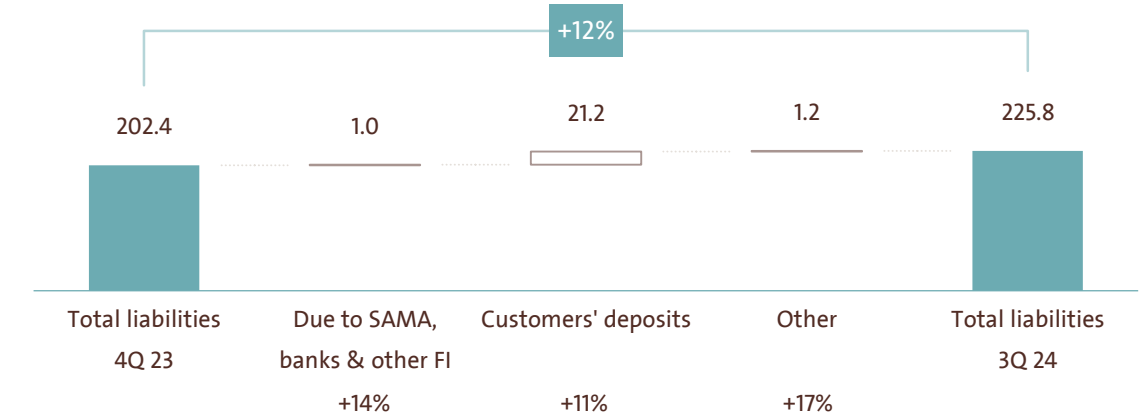
- ▣ Growth in total assets of 13% YTD mainly driven by 13% financing growth and 9% growth in investments.
- ▣ Total liabilities grew by 12% YTD mainly from a 11% increase in customers' deposits.
- ▣ Total equity increased 20% mainly due to Tier 1 Sukuk issuance.

SAR (mn)	3Q 2024	4Q 2023	Δ%	3Q 2023	Δ%
Cash, interbank & SAMA balances	17,446	14,299	+22%	16,957	+3%
Investments	46,938	43,236	+9%	40,970	+15%
Financing	195,895	173,624	+13%	169,063	+16%
Other assets	6,703	5,555	+21%	5,595	+20%
Total assets	266,983	236,715	+13%	232,585	+15%
Due to SAMA, banks & other FI	8,464	7,431	+14%	10,123	-16%
Customers' deposits	209,140	187,901	+11%	180,233	+16%
Other liabilities	8,221	7,050	+17%	8,769	-6%
Total liabilities	225,825	202,381	+12%	199,125	+13%
Share capital	25,000	20,000	+25%	20,000	+25%
Retained earnings	3,987	1,118	+257%	6,675	-40%
Other reserves	3,419	8,215	-58%	1,785	+91%
Tier 1 sukuk	8,751	5,000	+75%	5,000	+75%
Total equity	41,158	34,334	+20%	33,460	+23%

Total Assets Movement YTD (SARbn)



Total Liabilities Movement YTD (SARbn)



P&L Trends



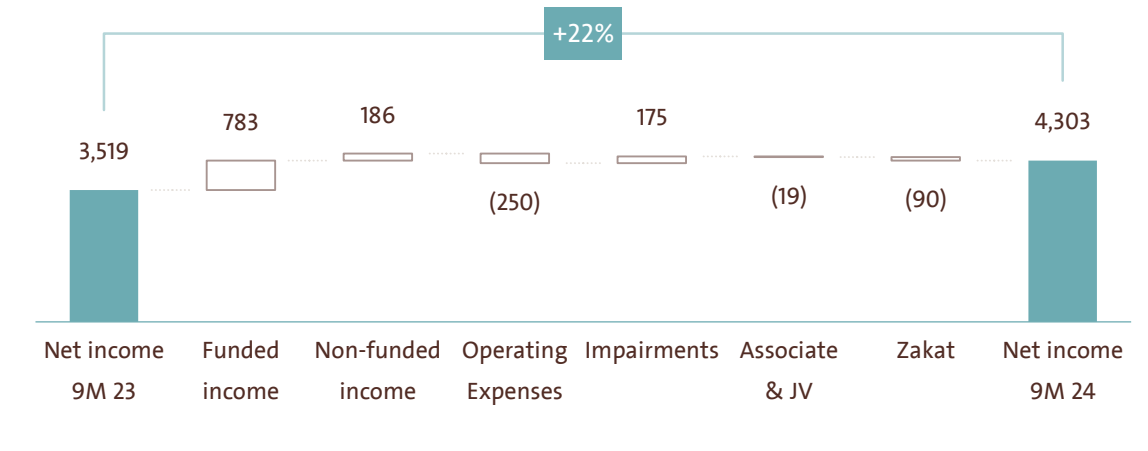
Net income for 9M 2024 grew by 22% YoY supported by growth in operating income.

Management Commentary

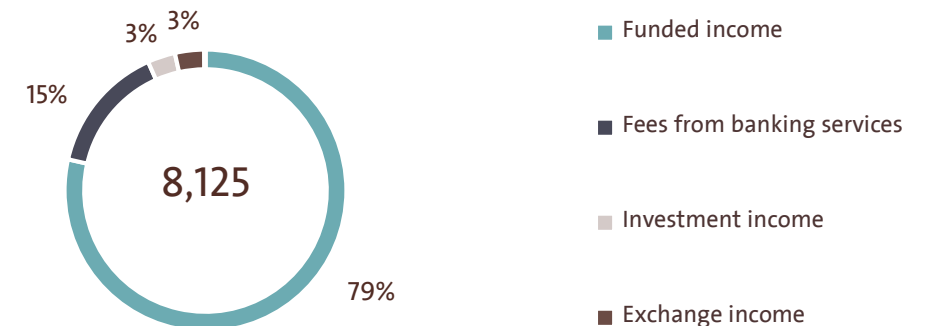
- Net income for 9M 2024 grew 22% YoY to SAR 4,303mn from 14% operating income growth.
- 9M 2024 funded income increased by 14% YoY, and the non-funded income increased by 12% YoY.

SAR (mn)	9M 2024	9M 2023	Δ%	3Q 2024	3Q 2023	Δ%
Funded income	6,383	5,600	+14%	2,220	2,006	+11%
Non-Funded income	1,743	1,557	+12%	595	535	+11%
Total operating income	8,125	7,157	+14%	2,815	2,541	+11%
Operating Expenses	2,520	2,270	+11%	852	766	+11%
Net operating income before impairment charge	5,605	4,887	+15%	1,963	1,775	+11%
Impairments	800	974	-18%	209	306	-32%
Net operating income	4,806	3,913	+23%	1,754	1,469	+19%
Income before zakat & income tax	4,797	3,923	+22%	1,752	1,476	+19%
Zakat	495	405	+22%	181	152	+19%
Net income	4,303	3,519	+22%	1,571	1,324	+19%

Net Income Movement YoY (SARmn)



Operating Income Composition (SARmn)

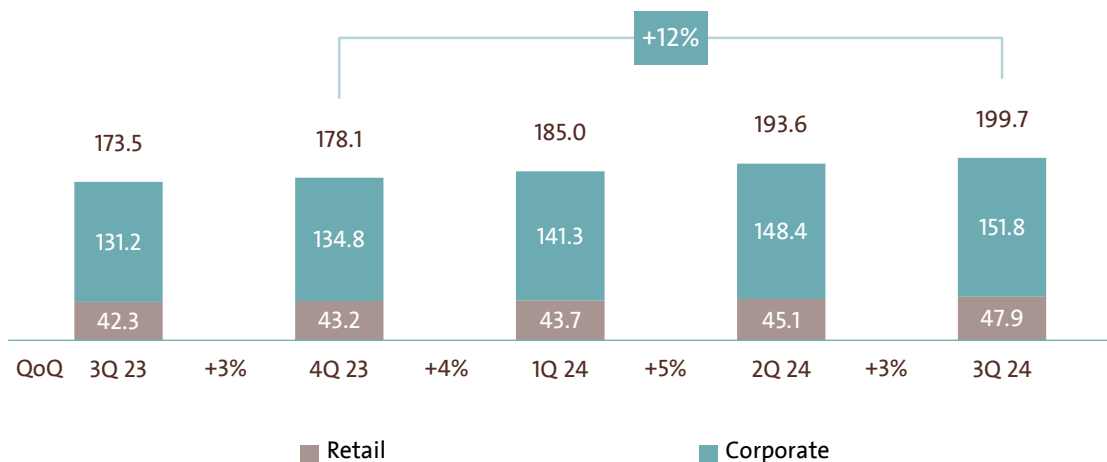


Financing

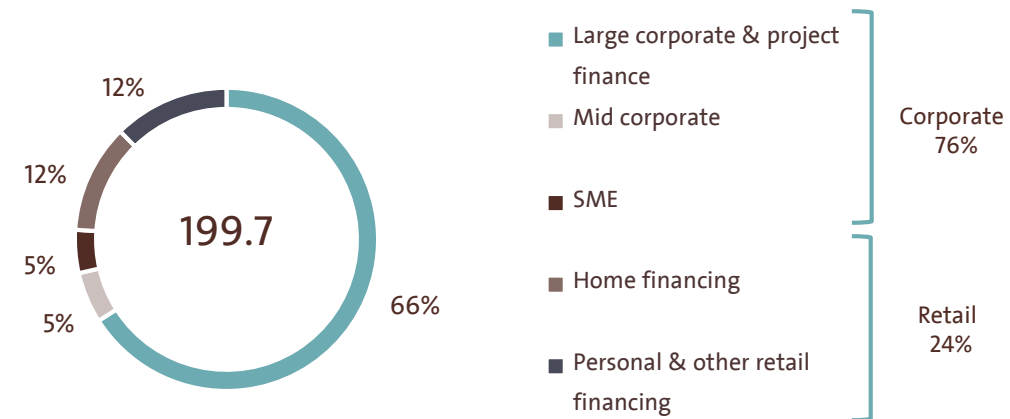


Gross financing growth of 12% during 9M 2024 is driven by 11% increase in retail financing, and 13% in corporate financing.

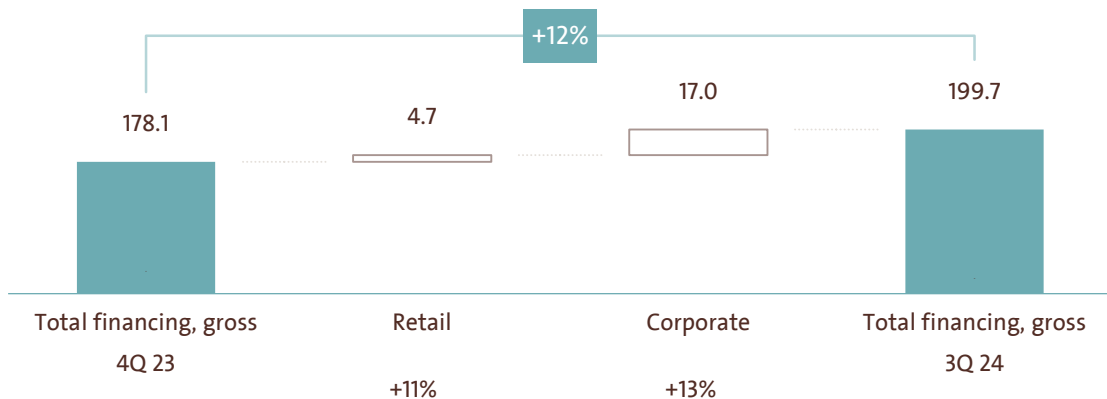
Financing, Gross (SARbn)



Financing, Gross Composition (SARbn)



Financing, Gross Movement YTD (SARbn)



Management Commentary

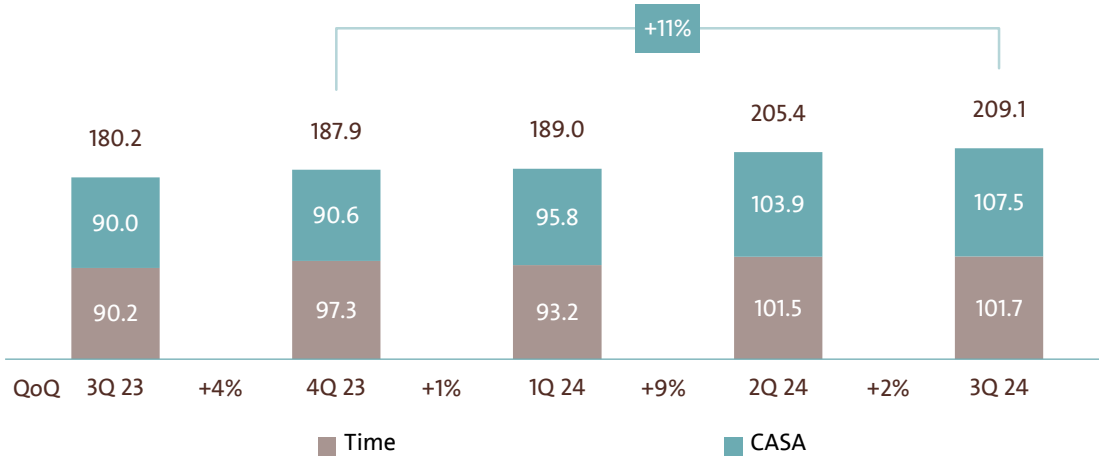
- Gross financing grew 12% during 9M 2024.
- Retail financing grew 11% mainly from 9% home financing and 67% auto financing.
- Total corporate financing grew 13% YTD, with notable growth in mid-corporate financing of 62%, and SME financing of 37%.
- Gross financing comprises of 76% corporate and 24% retail as of September 30th 2024.

Deposits



Deposit growth of 11% driven by strong CASA growth of 19%

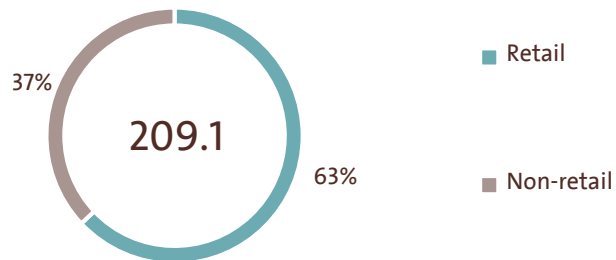
Customers' Deposits (SARbn)



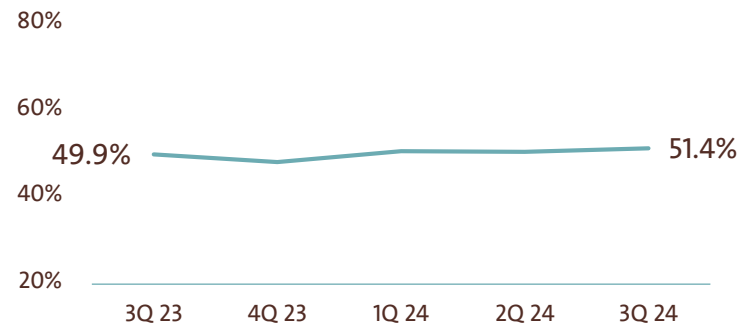
Customers' Deposits Movement YTD (SARbn)



Customers' Deposits Composition (SARbn)



CASA % of Total Deposits (%)



Management Commentary

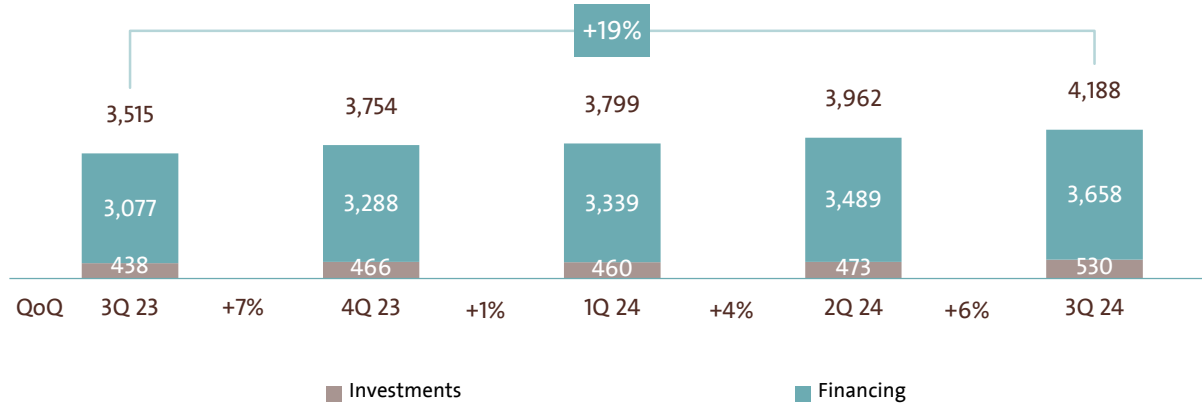
- Deposits increased by 11% during 9M 2024 driven by solid growth in CASA by 19%.
- CASA deposits account for 51.4% of total deposits as of 3Q 2024.
- Total deposits comprise of 63% retail and 37% non-retail deposits as of September 30th 2024.

Income from Financing & Investments

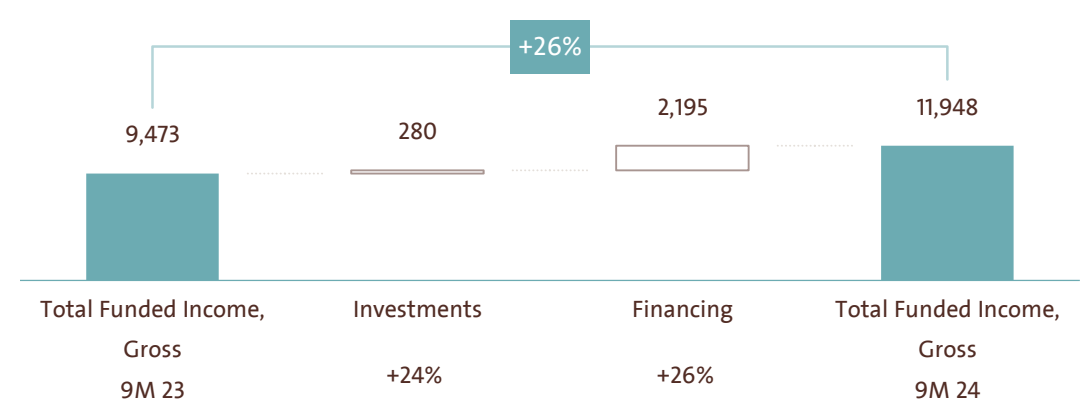


Gross funded income continues a strong growth driven by 19% growth in investment income and 26% growth in financing income

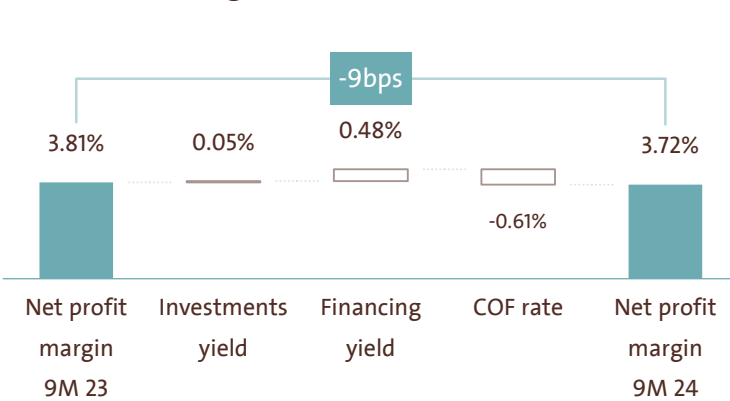
Funded Income, Gross (SARmn)



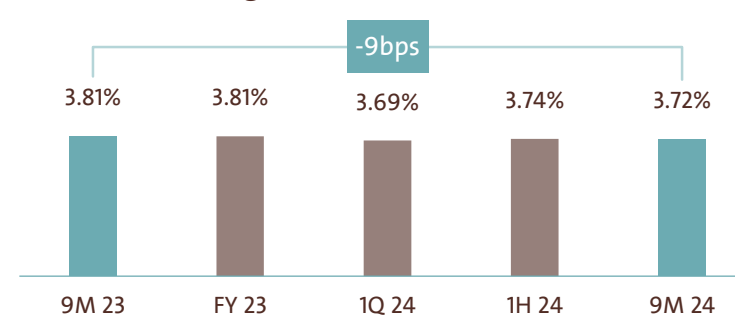
Total Funded Income, Gross Movement YoY (SARmn)



Net Profit Margin Movement YoY (%)



Net Profit Margin YTD (%)



Management Commentary

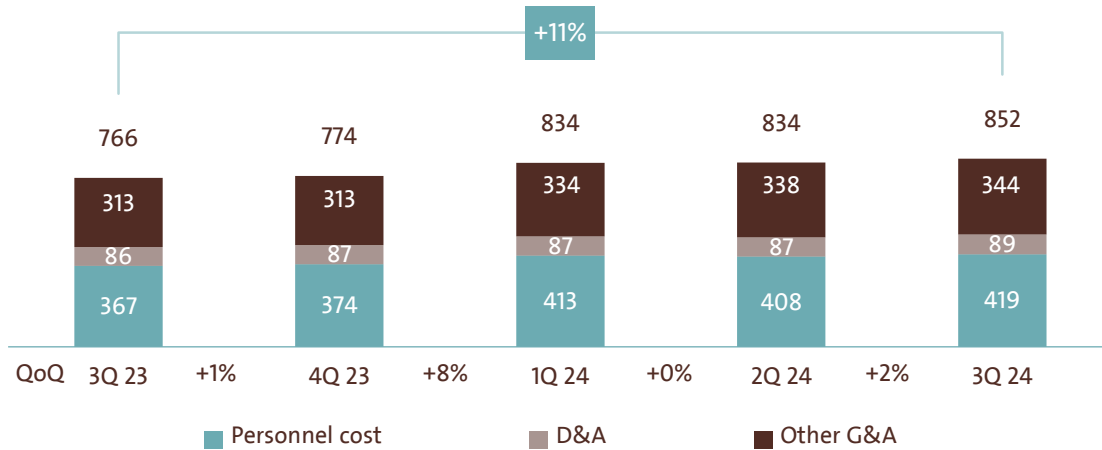
- Gross funded income for 9M 2024 increased by 26% YoY to SAR 11,948mn from a 24% increase in investment income and a 26% rise in financing income.
- Net profit margin decreased by 9bps YoY to 3.72% in 9M 2024.

Operating Expenses

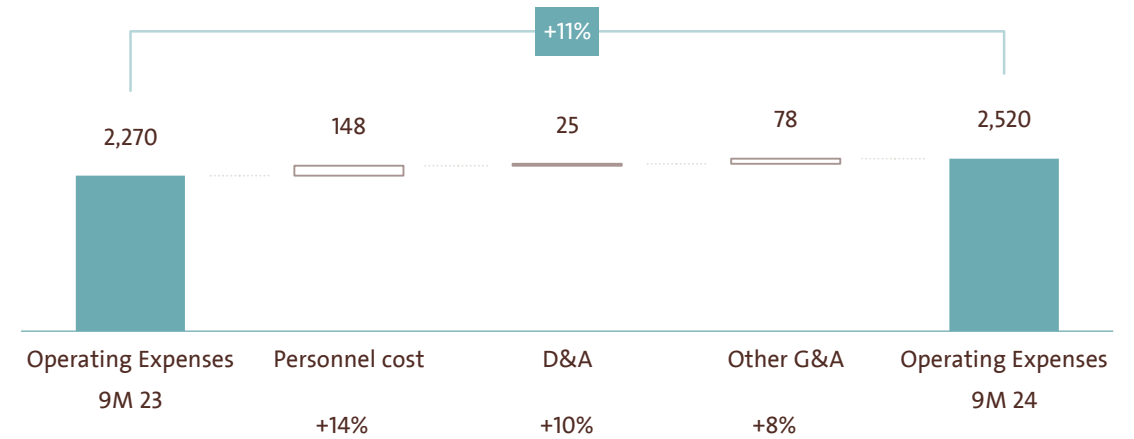


9M 2024 saw 11% growth in operating expenses YoY mainly from higher employee and G&A costs

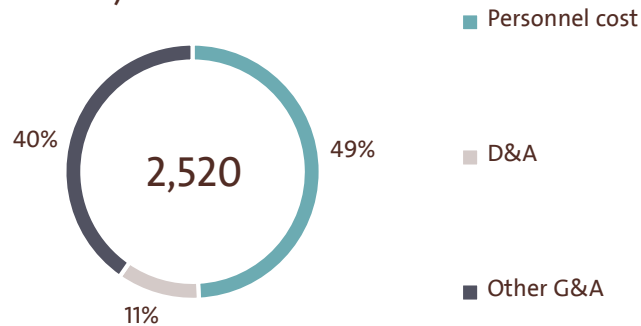
Operating Expenses (SARmn)



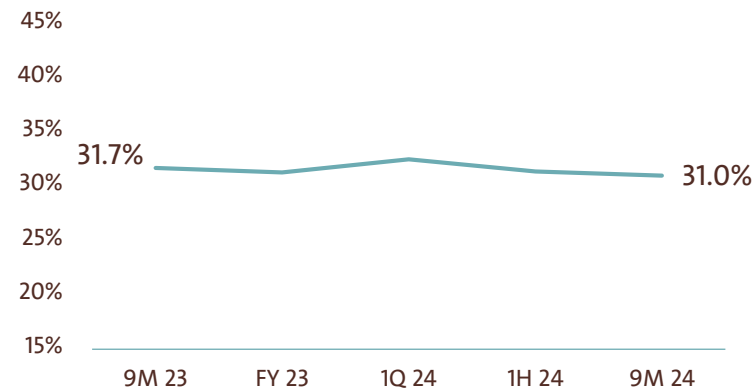
Operating Expenses Movement YoY (SARmn)



Operating Expenses Composition (SARmn)



Cost to Income Ratio (%)



Management Commentary

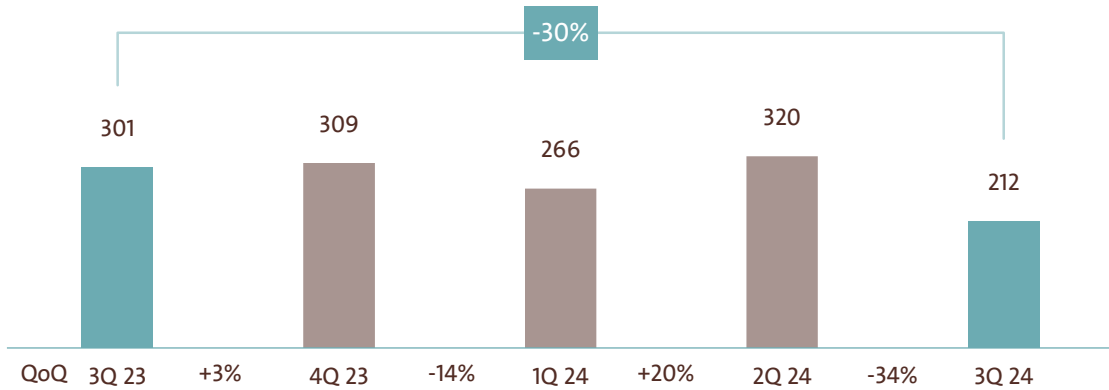
- Operating expenses increased 11% YoY to SAR 2,520mn for 9M 2024.
- Personnel cost comprise the majority of operating expenses at 49%, while other G&A account for 40%, and D&A represent 11%.
- +4.2ppts positive Jaws contributed to a 1.2ppts decrease in the cost to income ratio YoY from 32.6% to 31.4%.

Impairments for Financing

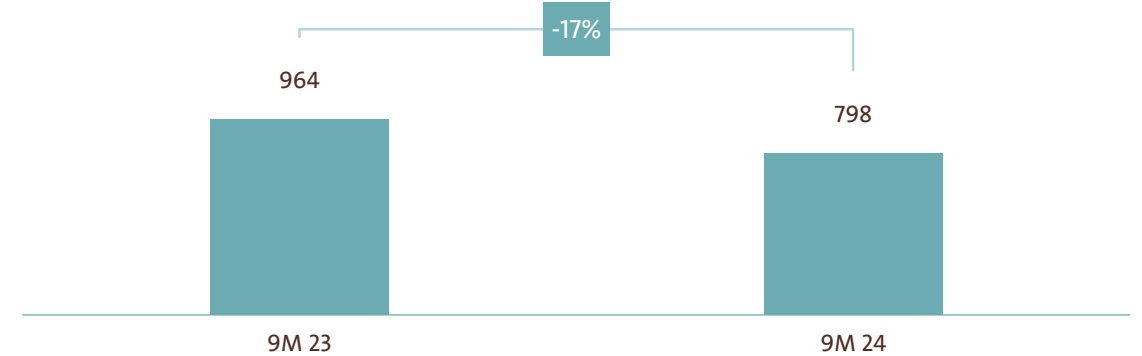


Cost of risk for 9M 2024 declined by 23bps

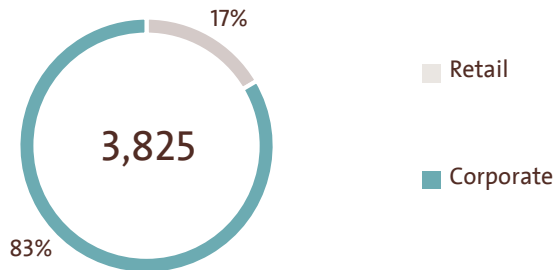
Impairments for Financing (SARmn)



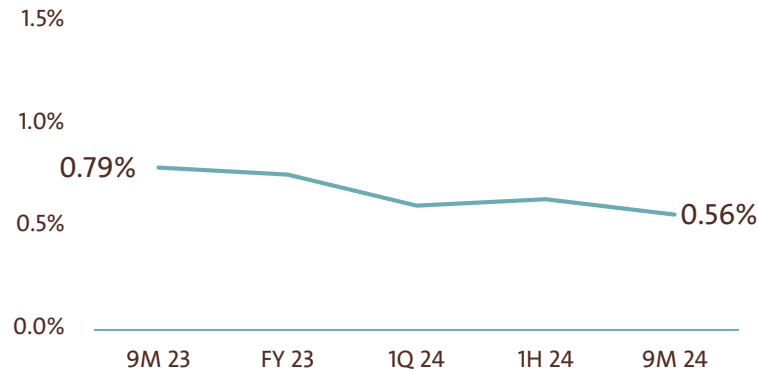
Impairments for Financing (SARmn)



Impairments Allowance Composition (SARmn)



Cost of Risk (%)



Management Commentary

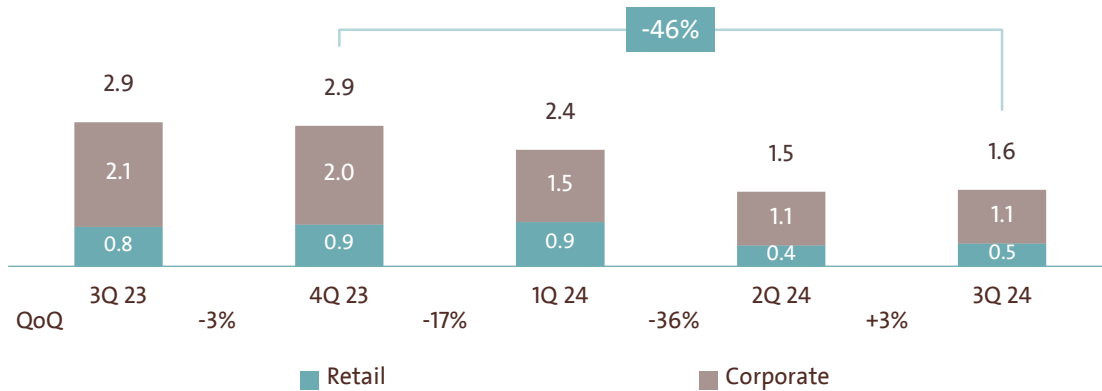
- 9M 2024 impairment charge for financing decreased by 17% YoY to SAR 798mn.
- Cost of risk for 9M 2024 decreased by 23bps YoY to 0.56%.
- 83% of impairment allowance in 9M 2024 pertains to corporate and 17% is for retail financing.

NPL & NPL Coverage

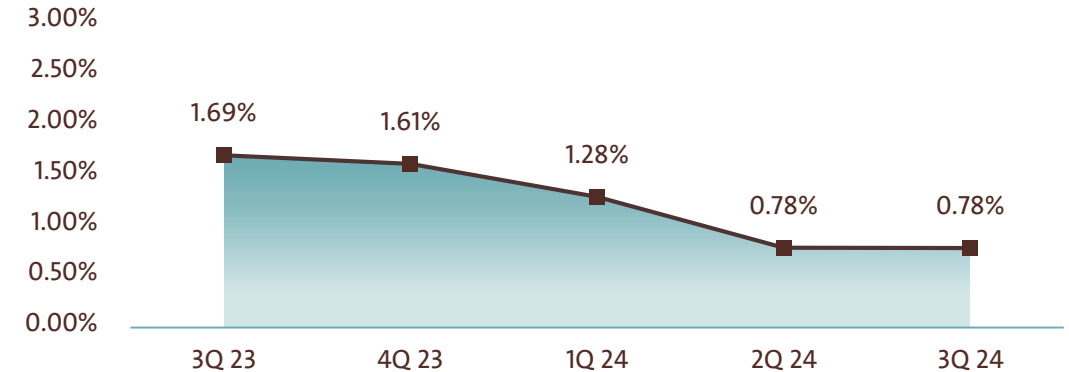


NPL ratio decreased and NPL coverage increased YoY

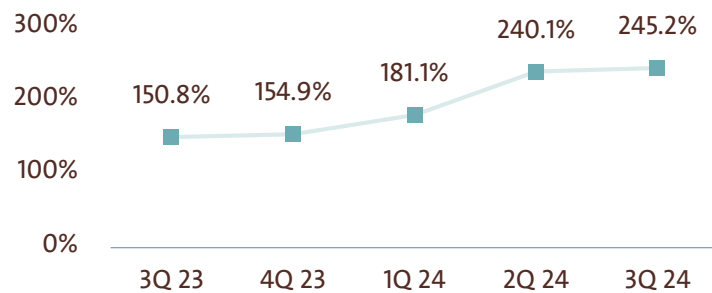
Non-Performing Loans, Gross (SARbn)



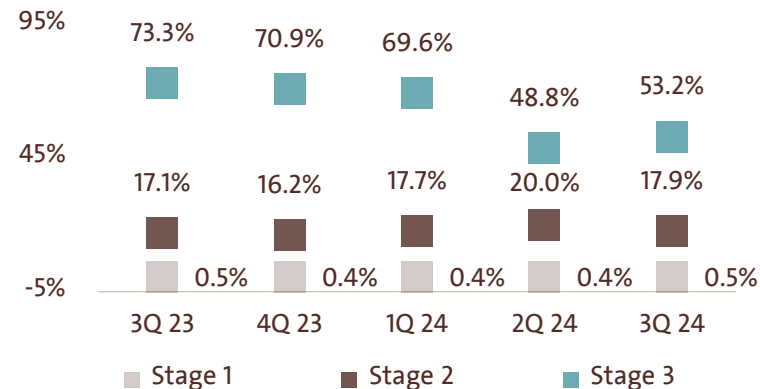
NPL Ratio (%)



NPL Coverage Ratio (%)



Stage-Wise Coverage (%)



Management Commentary

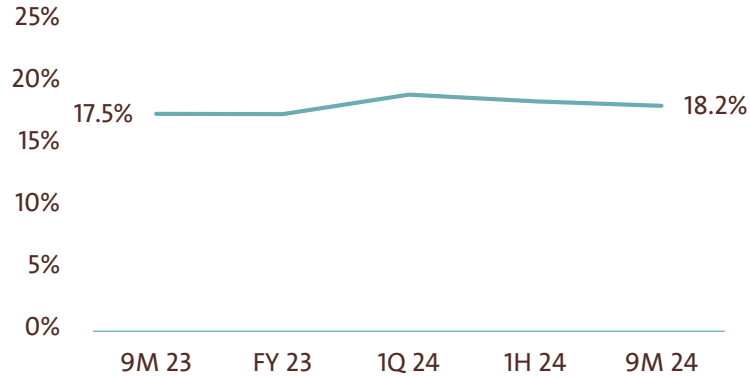
- NPL ratio decreased by 91bps YoY to 0.78% in 3Q 2024.
- NPL coverage increased by 94.4ppts YoY to 245.2%.
- Stage 1 coverage remained stable YoY at 0.5%. Stage 2 coverage saw a slight increase YoY, driven by proactive steps taken to increase coverage for deteriorating obligors. Stage 3 coverage decreased YoY as a result of successful settlements and write-offs of uncollectible accounts during the period.

Capitalization & Liquidity

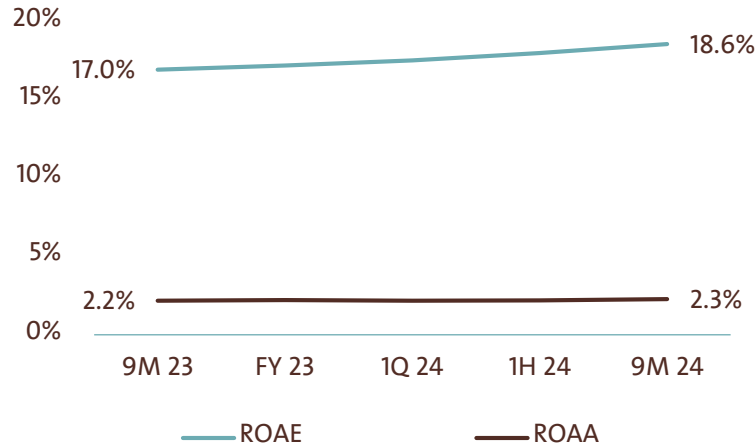


Capital and liquidity ratios remained healthy. ROE increased 163bps YoY

Capitalization (%)



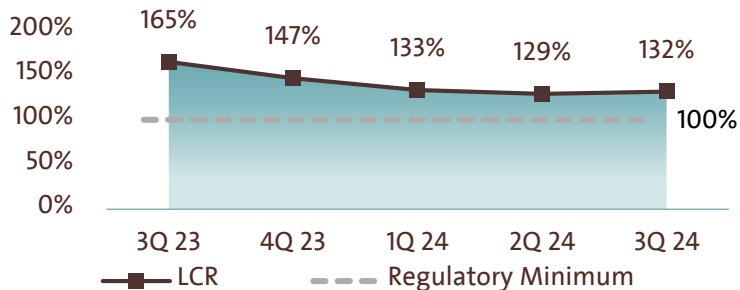
Profitability (%)



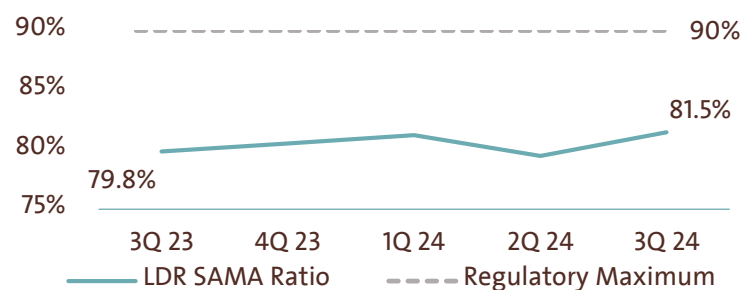
Management Commentary

- CAR increased by 70bps YoY to 18.2%.
- NSFR increased 1.9ppts YoY to 109.2%.
- LDR ratio increased 1.7ppts YoY to 81.5%.
- 3Q 2024 LCR decreased 33ppts YoY to 132%.

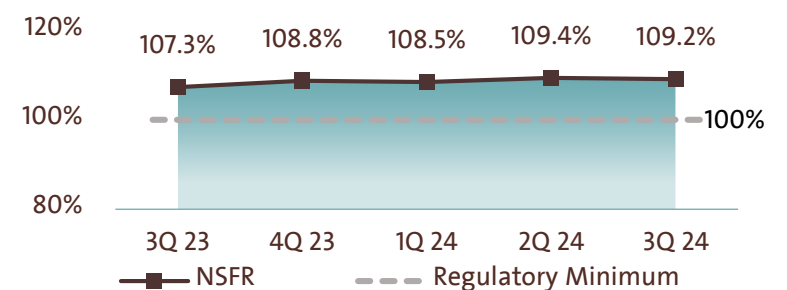
LCR (%)



LDR SAMA Ratio (%)



NSFR (%)



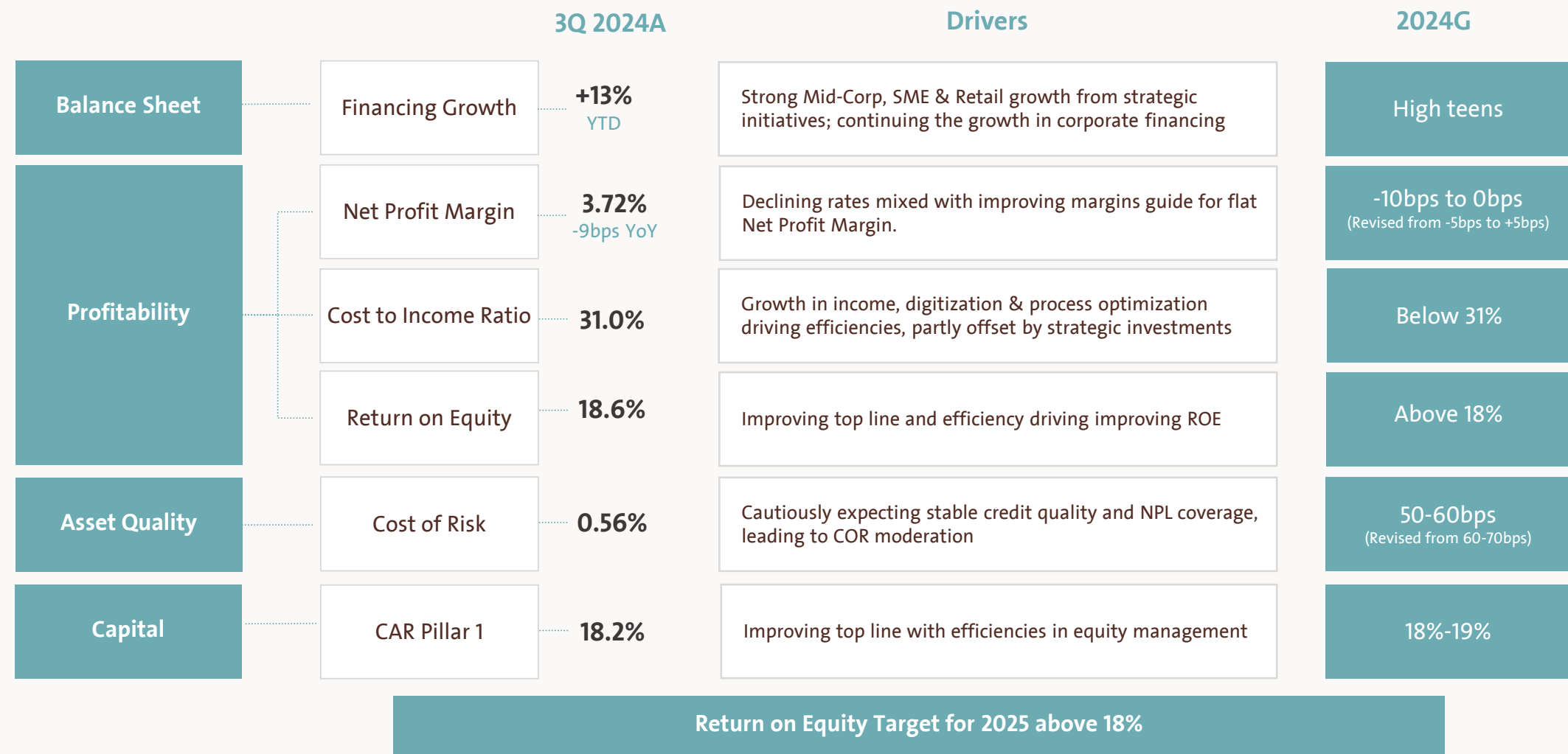
Outlook & Guidance

Q3 2024

Guidance



Acceleration of strategic execution drives a promising outlook for 2024.



Q&A

Q3 2024

Appendix

Q3 2024

Sustainability



Alinma Bank released its 2023 sustainability report



In the second annual sustainability report, we feature our sustainability commitments, strategy, and journey as part of our ongoing commitment to transparently communicating our sustainability credentials, performance, and progress.

To view the Report, please visit: ir.alinma.com



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