

Investor Presentation

4Q 2022

February 2023

مصرف الإنماء
alinma bank



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Alinma Overview

4Q 2022

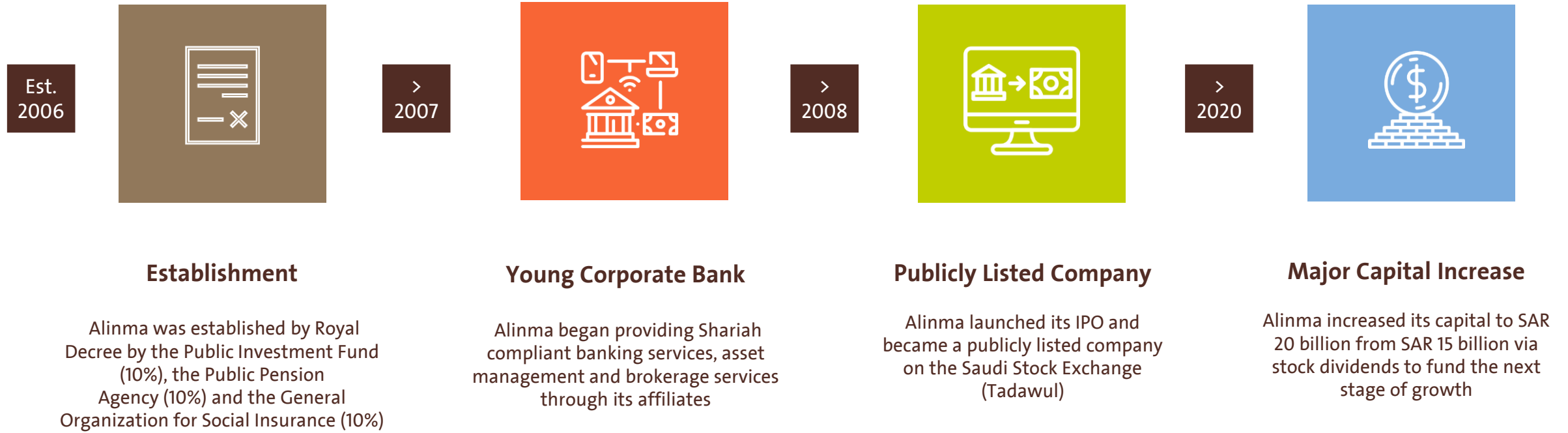
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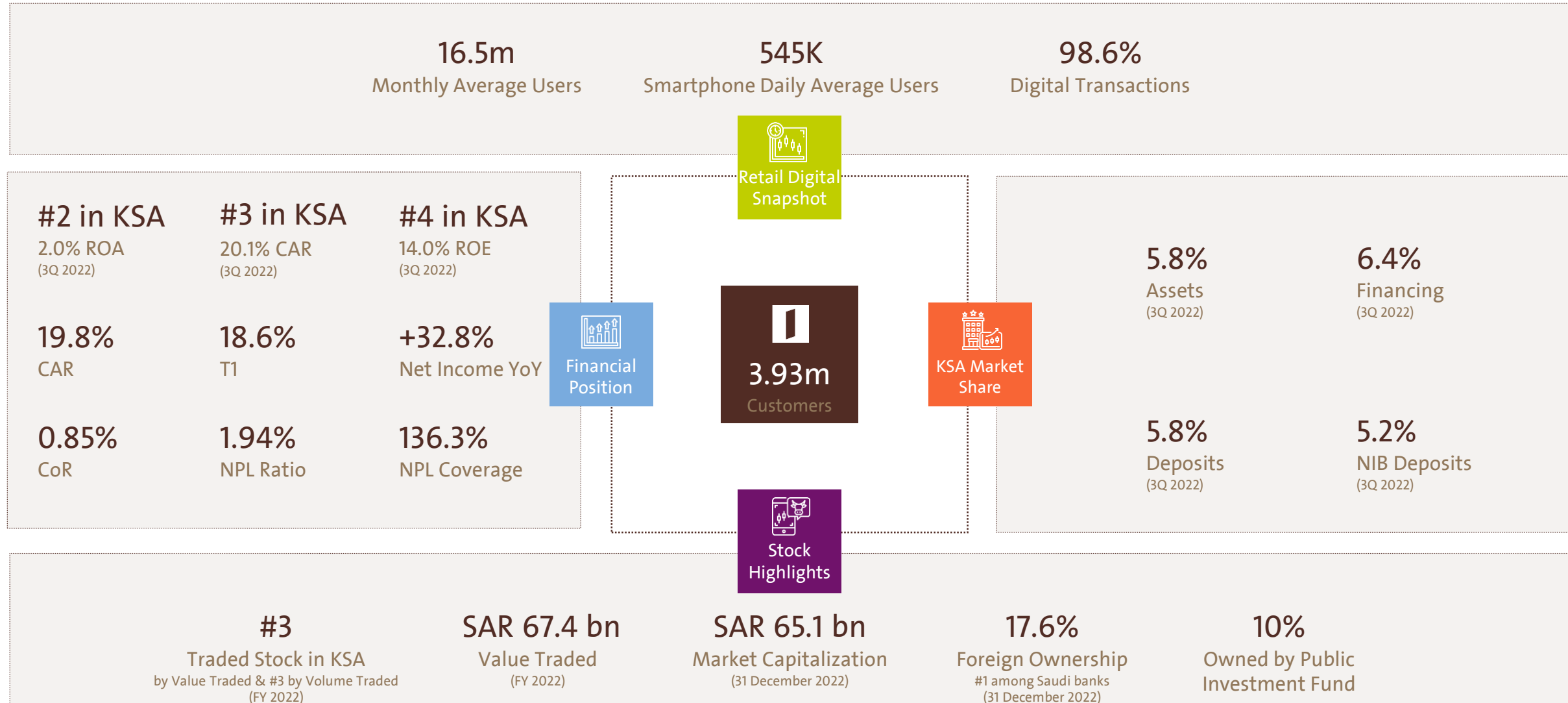
History

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



Alinma Overview

Alinma is the youngest bank in KSA



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



Emad Abdulrahman Al Butairi
Head of Corporate Banking



Abdullah Jamaan Al Zahrani
Head of Treasury



Meshary Abdulaziz Al Jubair
Chief Operating Officer (COO)



Mohammed Sultan Al Sehali
Chief Internal Audit Officer



Hamoud Abdulaziz Al Humaidan
Chief Compliance Officer (CCO)



Eyad Osama Al Othman
General Counsel & Board Secretary



Fahad Abdulaziz Al Mohaimeed
Head of Strategy & Business Excellence



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)



Adel Saleh Abalkhail
Chief Financial Officer (CFO)



Meshal Hamad Al Rabiah
Chief Risk Officer (CRO)

Strategy Update

4Q 2022

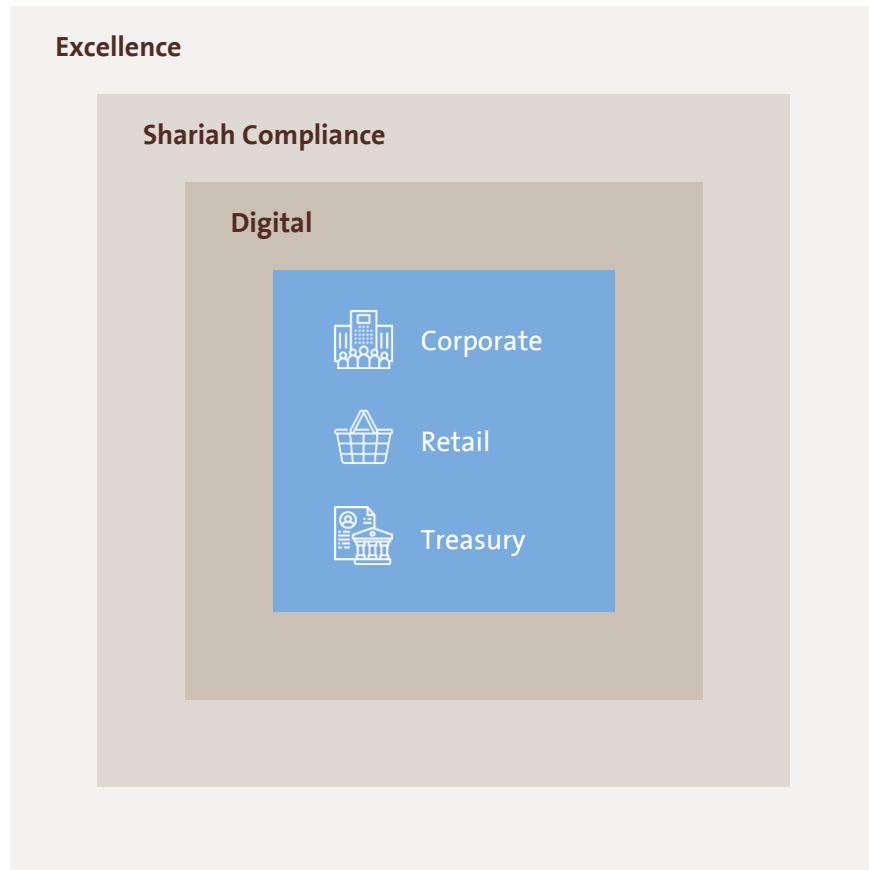
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Strategic Positioning

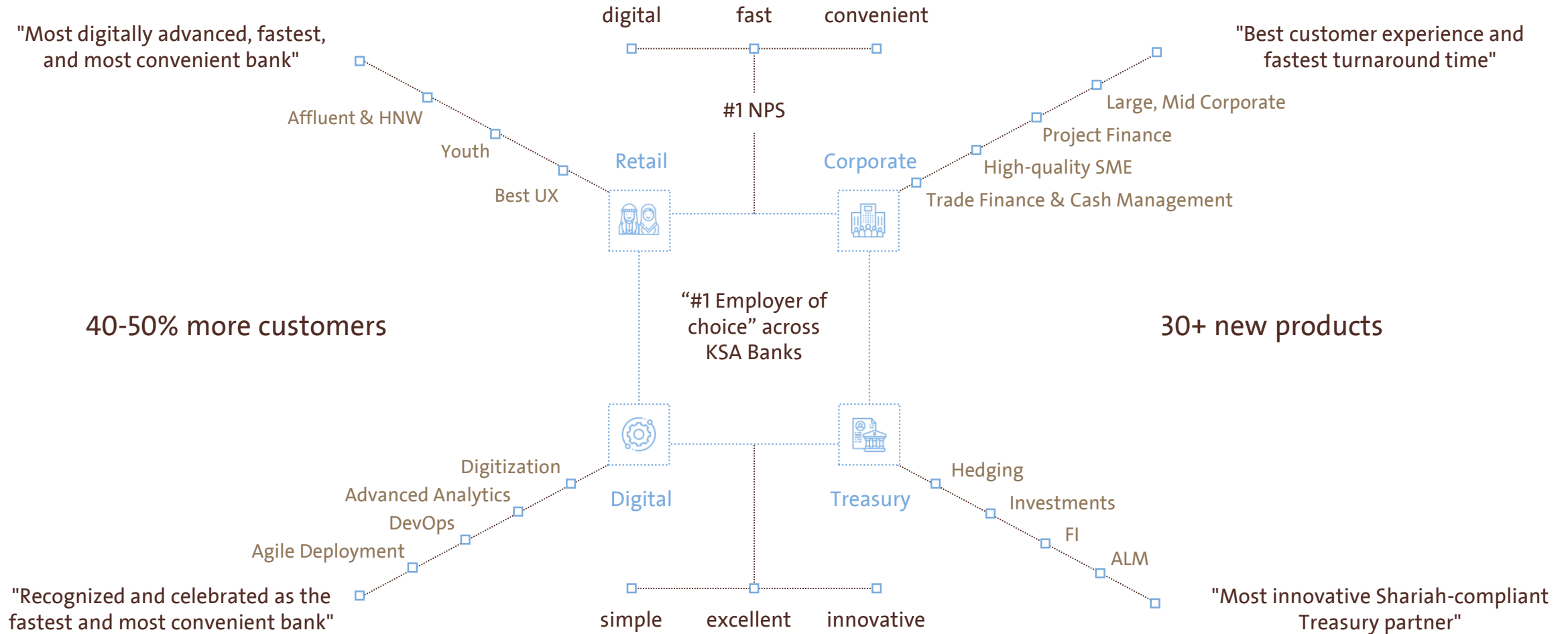
Alinma Bank's strategic positioning cascades down into each business strategy



- 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 partner** across KSA

Strategy Overview

Key success factors for Alinma Bank's strategic positioning

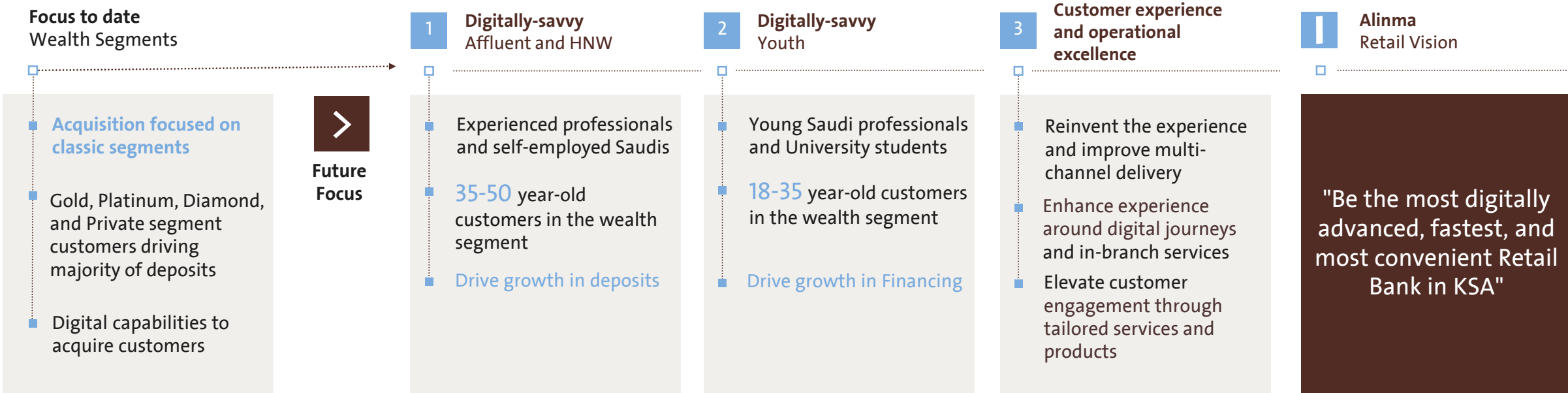


Strategy Progress Update

Driving changes across the businesses and bank-wide

	2021 - 2025 Strategic Ambitions	4Q 2022 Achievements	2023 Initiatives In-Progress
 Digital	Build digital factory and apply latest available technologies - Advanced Analytics (AA), AI and Big Data	<ul style="list-style-type: none"> Completed 6 additional RPAs 100% of branches with Digital Zones 	<ul style="list-style-type: none"> Driving Agile delivery of IT projects Digital team being expanded with requisite skills Improving new digital app under alpha release
 Fast	Improve processes and speed to market	<ul style="list-style-type: none"> Fully Launched POS Financing Product Reduced POS financing documentation requirements 	<ul style="list-style-type: none"> Continue enhancement of digital journeys and app functionality, and increase cross-sell Continuous improvement in turn-around time for retail customers
 Convenient	Enhance customer convenience and experience	<ul style="list-style-type: none"> Introduced Real Estate Re-finance Product 17 new ATM sites 	<ul style="list-style-type: none"> Client relationship models for Private and Affluent customers being improved Enhance ecosystems programs for customer convenience
 Total	76 Initiatives* <small>*1 new initiative added in 4Q 2022</small>	54 _{/76} Initiatives Completed  71%	22 _{/76} Initiatives In Progress  29%

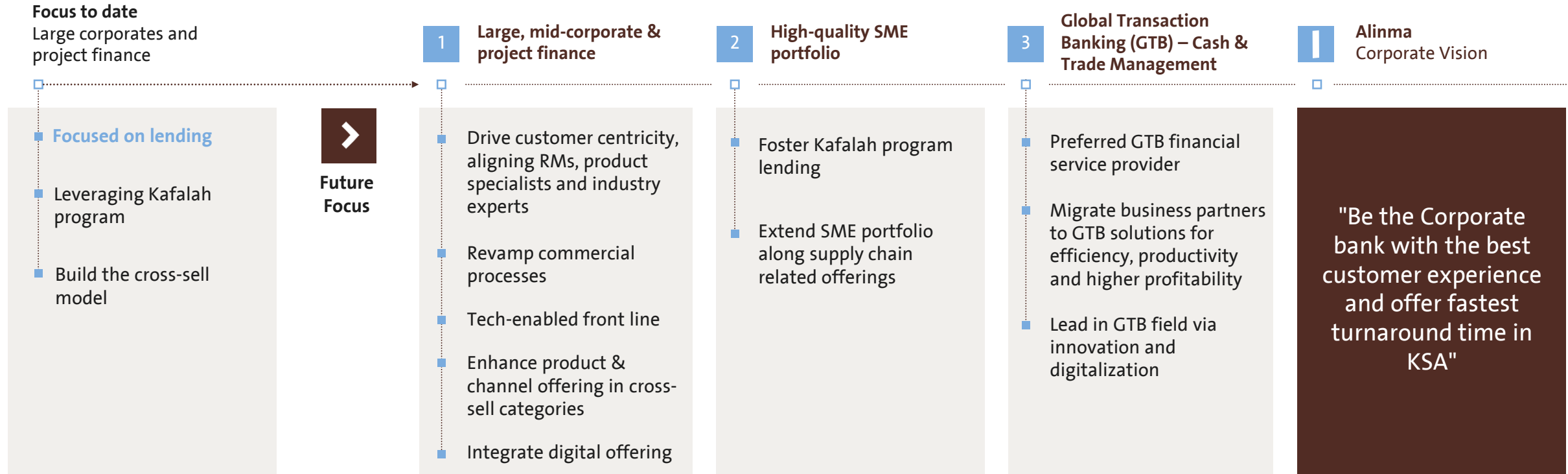
Focus on building two customer franchises



Initiatives Completed to Date: 12/18 initiatives completed 67%	Key Achievements 4Q 2022	Launch of New Tailored Products			New Operating Models and Effective Processes			Distribution Expansion	
		✓ Introduced Real Estate Re-finance Product	✓ Launched Auto Lease Product to customers	✓ Fully Launched POS Financing Product	✓ Implemented multi branches operations excellence enhancements to improve customer experience	✓ Reduced POS financing documentation requirements	✓ Improved risk assessment criteria for non salary transfer	+100% Of branches with Digital Zones	+17 New ATMs

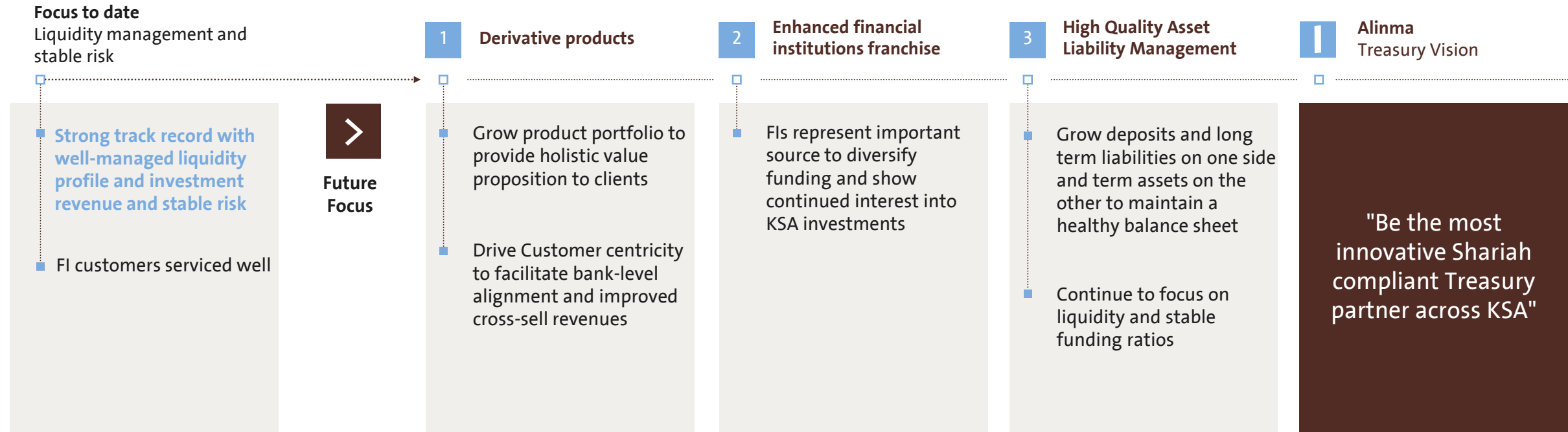
Corporate

Evolve the bank and diversify across sectors



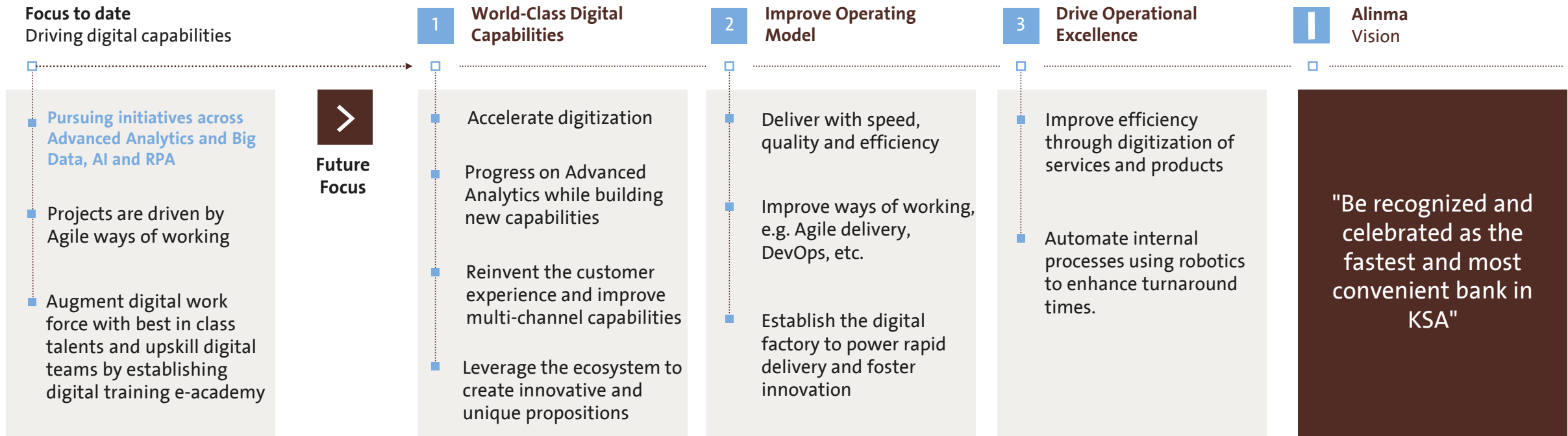
<p>Initiatives Completed to Date:</p> <p>9/19 initiatives completed</p> <p>47%</p>	<p>Key Achievements</p> <p>4Q 2022</p>	<p>Expanded Mid-Corp Segment</p> <p>+270% Growth in booked assets</p> <p>+467% Growth in Non-funded assets (LG & LC)</p>	<p>Growth in SME Portfolio</p> <p>+108% PoS financing</p> <p>+46% Kafalah financing</p>	<p>New Products & Centralization</p> <p>Developed product bundles for SMEs</p> <p>Launched POS (Sign & Collect) product</p>	<p>Improved organisational efficiency</p> <p>Building the capabilities of excellence team by adding more roles, responsibilities and resources</p>
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Become core partner for corporate clients and grow FI franchise



<p>Initiatives Completed to Date:</p> <p>12/12 initiatives completed</p> <p>100%</p>	<p>Key Achievements</p> <p>4Q 2022</p>	<p>Expansion of Products and Volumes</p> <p>✓ Expanded Derivatives customer base</p> <p>+32bn FX business volumes</p> <p>+340m PRS volumes</p>	<p>Increased FI Coverage</p> <p>+11 banks</p> <p>Correspondent FIs added globally</p>	<p>Investment Base Enhancement</p> <p>+5.4bn</p> <p>Enhanced investment book</p>	<p>New Products</p> <p>✓ Introduced Shariah compliant products in alignment with international players</p>
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Build Digital to scale customer experience and operational excellence across the bank

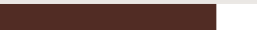


<p>Initiatives Completed to Date:</p> <p>12/17 initiatives completed</p> <p>71%</p>	<p>Key Achievements</p> <p>4Q 2022</p>	<p>New Models & Digital Factory Updates</p> <ul style="list-style-type: none"> Digital Factory in operations Alpha & beta releases of new mobile app Launched Digital credit card and personal finance journeys 	<p>Operations efficiency improvement</p> <p>+6</p> <p>Operations RPAs completed</p>	<p>Technology Improvements</p> <ul style="list-style-type: none"> Implemented DevOps and completed QA testing framework within Digital Factory Completed IT architecture assessment and identified improvement roadmap
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Human Capital

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



Initiatives Completed to Date: 8/9 initiatives completed  89%	Key Achievements 4Q 2022	Increased Employee Engagement			Increased Training & Key Placements		Continuous Improvement		Workforce	
		✓ +3 Launched OHI survey to the whole staff bank	✓ Launched Z Saving Program for all Alinma staff.	✓ Women leadership program Graduated Future Banker batch 5	✓ Implemented wide range of incentive schemes for multiple departments across business lines.	✓ Completed digitalizing of 6 staff facing processes	95.2% Saudization rate	19.22% Female percentage of total workforce		

Historical Financial Performance

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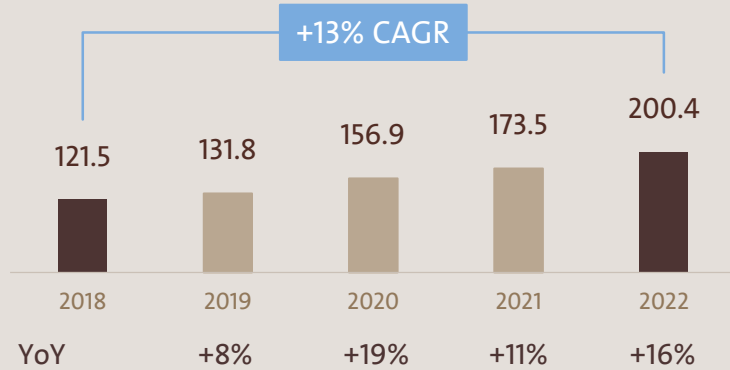


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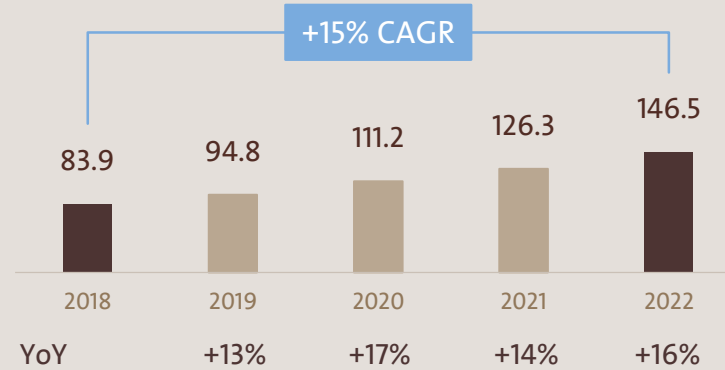
Balance Sheet Track Record

Solid history of strong balance sheet momentum...

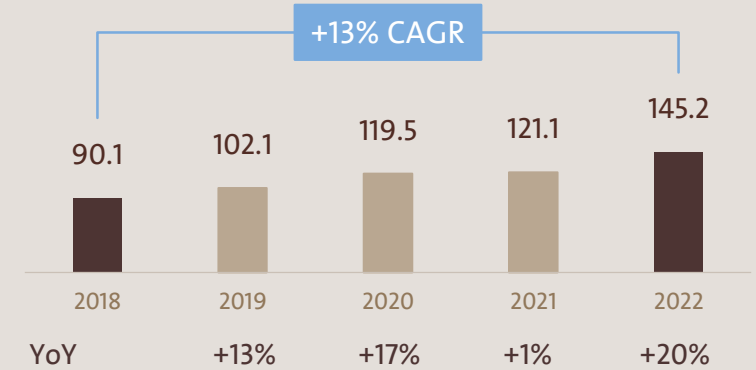
Total Assets (SARbn)



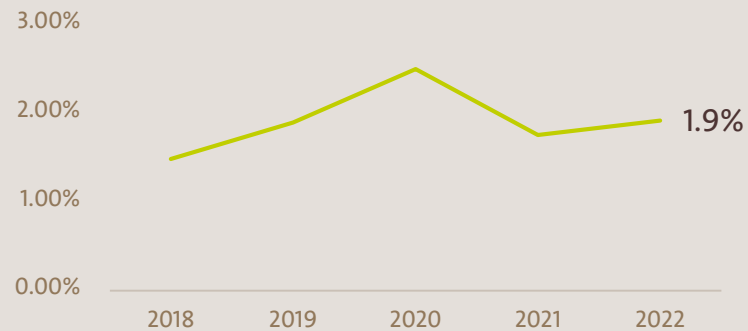
Financing (SARbn)



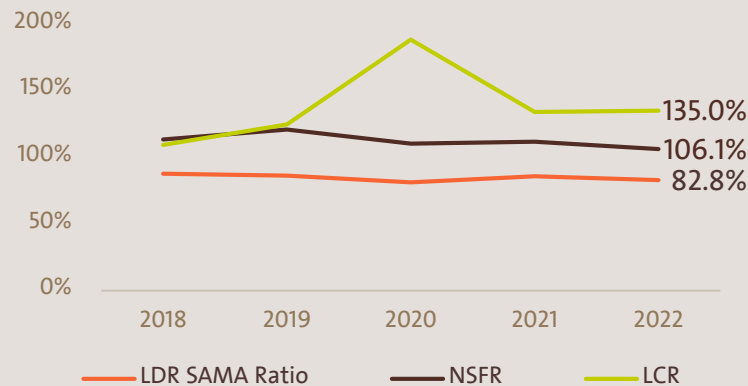
Customers' Deposits (SARbn)



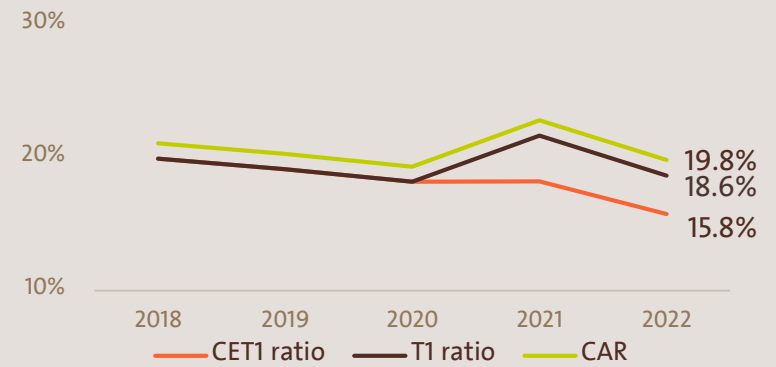
NPL Ratio (%)



Liquidity (%)



Capitalization (%)



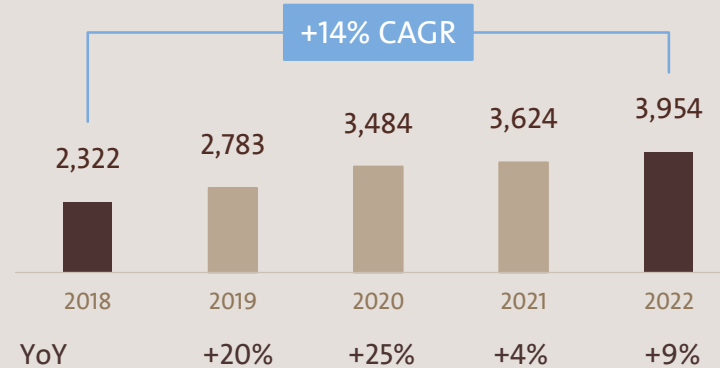
P&L Track Record

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

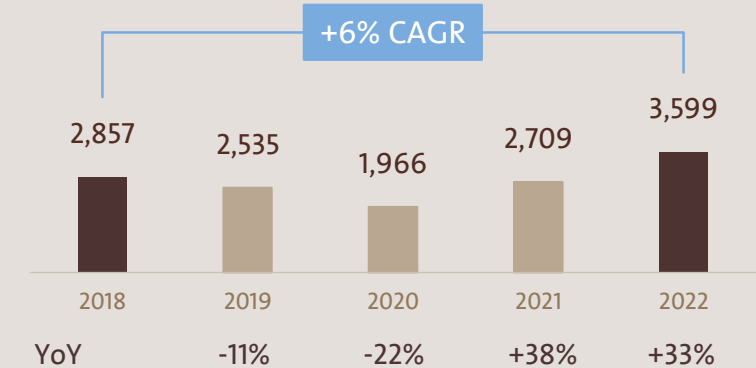
Total Operating Income (SARmn)



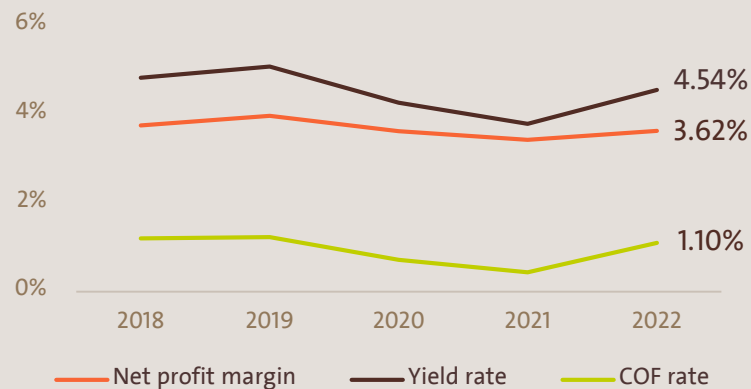
Total Operating Expenses (SARmn)



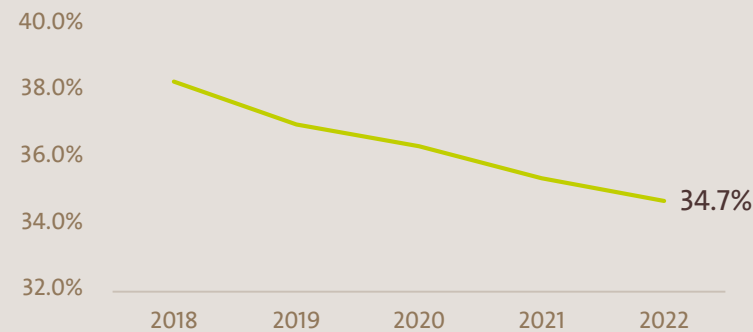
Net Income (SARmn)



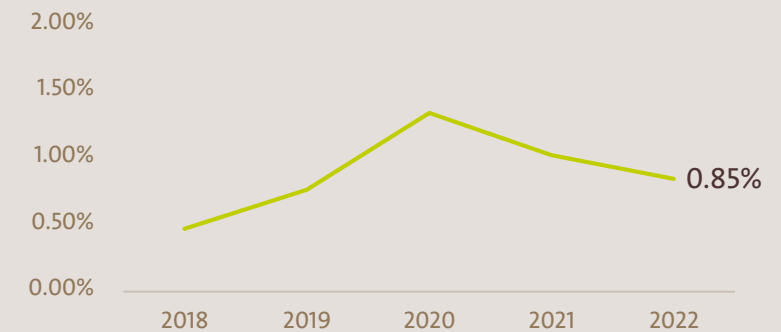
Net Profit Margin (%)



Cost To Income Ratio (%)



Cost of Risk (%)



*2021 income and expense number are adjusted to reflect certain classification taken place in 4Q 2022

FY 2022 Financial Performance

4Q 2022

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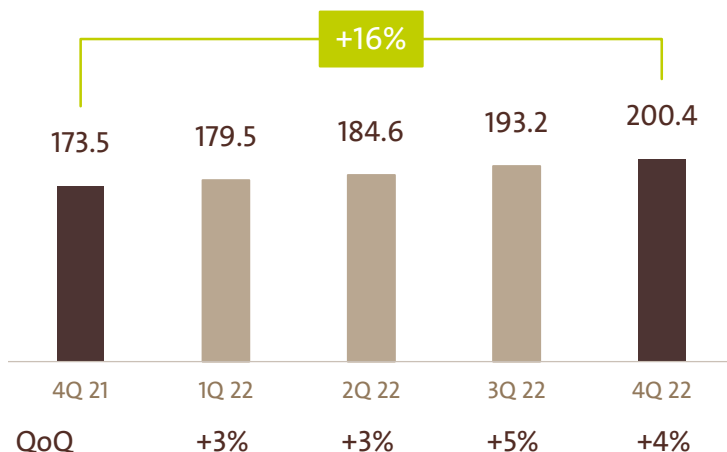


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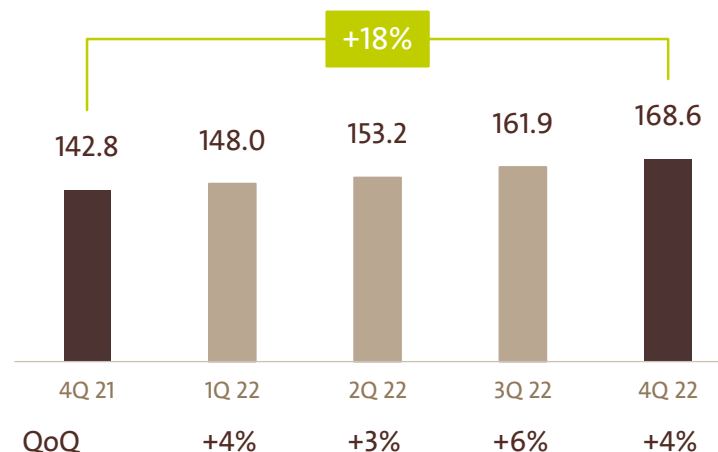
4Q 2022 Balance Sheet Highlights

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

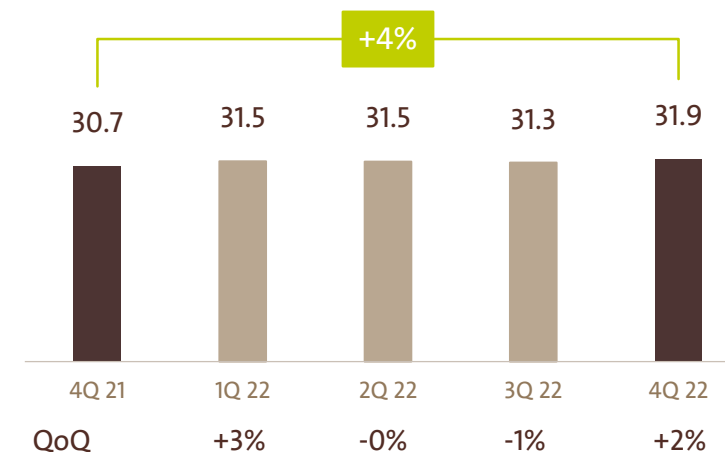
Total Assets (SARbn)



Total Liabilities (SARbn)



Total Equity (SARbn)



4Q 22 Financing

SARbn **146.5**
+16% YoY

4Q 22 Customers' Deposits

SARbn **145.2**
+20% YoY

4Q 22 CASA Deposits

SARbn **82.5**
+4% YoY

4Q 22 CASA % of Total Deposits

56.8%
-9.0ppts YoY

4Q 22 LDR SAMA Ratio

82.8%
-3.0ppts YoY

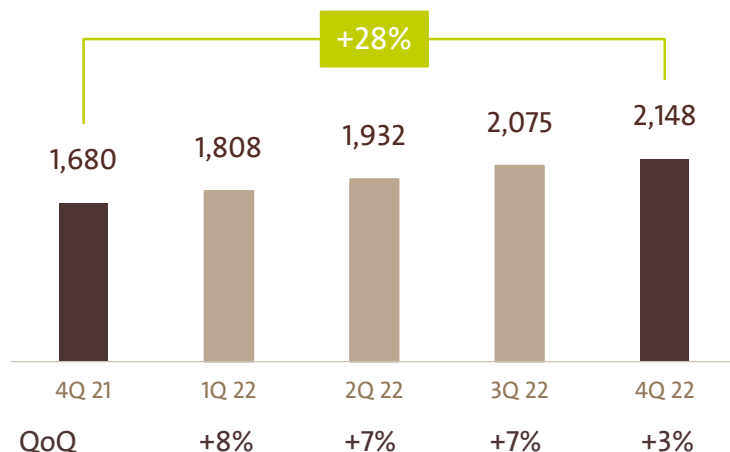
4Q 22 CAR

19.8%
-299bps YoY

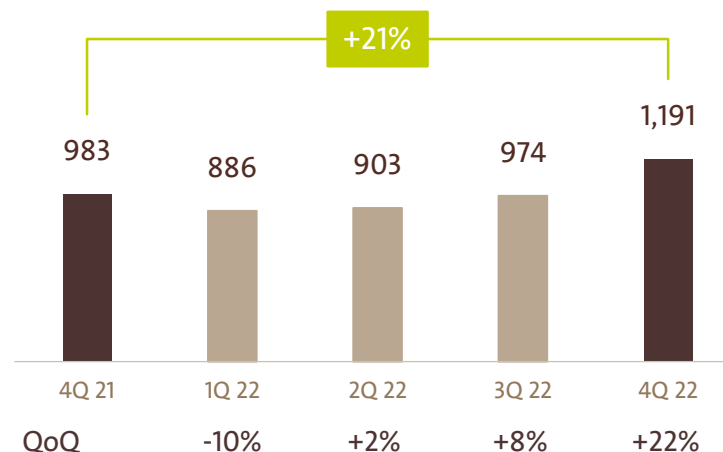
4Q 2022 P&L Highlights

Net income for FY 2022 grew by 33% YoY from 18% income growth and lower risk cost

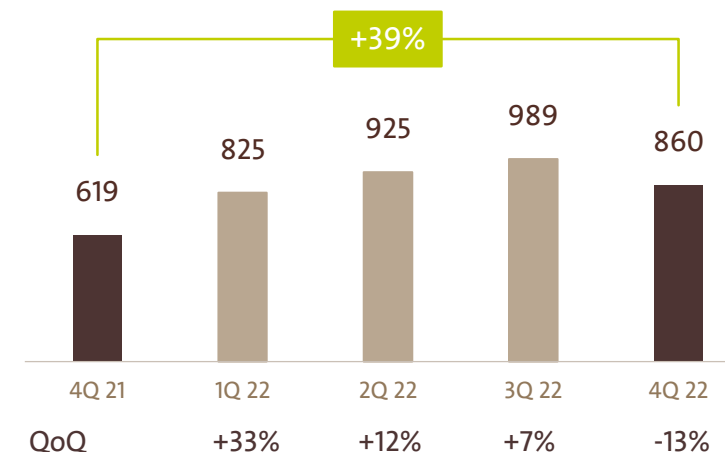
Total Operating Income (SARmn)



Total Operating Expenses (SARmn)



Net Income (SARmn)



FY 22 Funded
Income

SARmn **6,066**
+18% YoY

FY 22 Non-Funded
Income

SARmn **1,897**
+25% YoY

FY 22 Net Income

SARmn **3,599**
+33% YoY

FY 22 Net Profit
Margin

3.62%
+20bps YoY

FY 22 Cost to
Income Ratio

34.7%
-0.7ppts YoY

FY 22 ROE

13.7%
+288bps YoY

Balance Sheet Trends

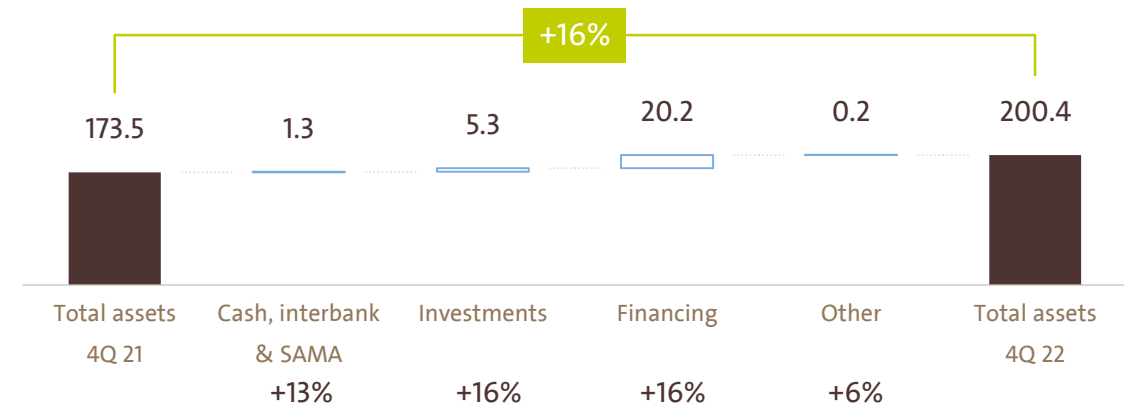
Balance sheet growth of 11% from increase in financing and investments

Management Commentary

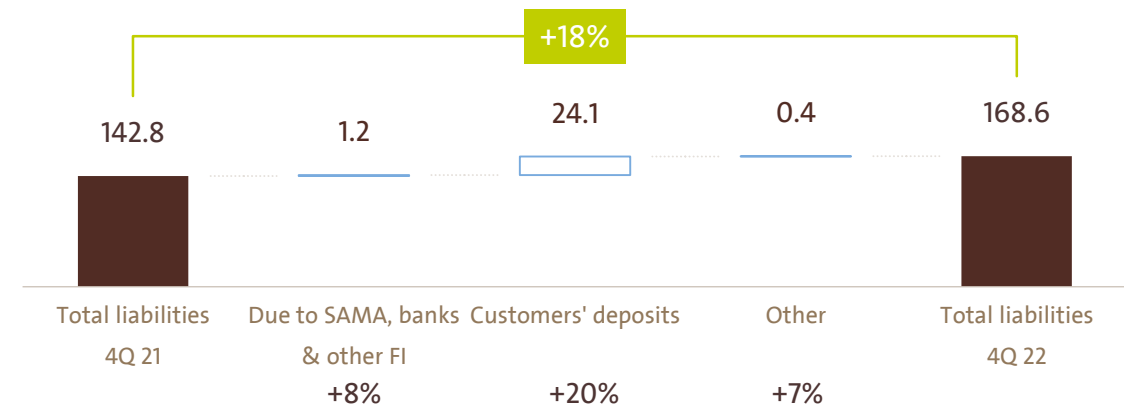
- Growth in total assets of 16% YoY mainly driven by 16% financing growth and 16% growth in investments.
- Total liabilities grew by 18% during FY 2022 mainly from a 20% rise in customers' deposits and an 8% increase in SAMA & Interbank deposits.

SAR (mn)	4Q 2022	4Q 2021	Δ%	3Q 2022	Δ%
Cash, interbank & SAMA balances	11,178	9,915	+13%	10,935	+2%
Investments	38,529	33,278	+16%	38,268	+1%
Financing	146,492	126,271	+16%	139,987	+5%
Other assets	4,238	4,012	+6%	4,039	+5%
Total assets	200,436	173,476	+16%	193,229	+4%
Due to SAMA, banks & other FI	16,483	15,240	+8%	23,225	-29%
Customers' deposits	145,168	121,061	+20%	132,048	+10%
Other liabilities	6,908	6,465	+7%	6,654	+4%
Total liabilities	168,560	142,765	+18%	161,927	+4%
Share capital	20,000	20,000	+0%	20,000	+0%
Retained earnings	4,285	3,619	+18%	5,373	-20%
Other reserves	2,591	2,092	+24%	929	+179%
Tier 1 sukuk	5,000	5,000	+0%	5,000	+0%
Total equity	31,876	30,711	+4%	31,302	+2%

Total Assets Movement YoY (SARbn)



Total Liabilities Movement YoY (SARbn)



P&L Trends

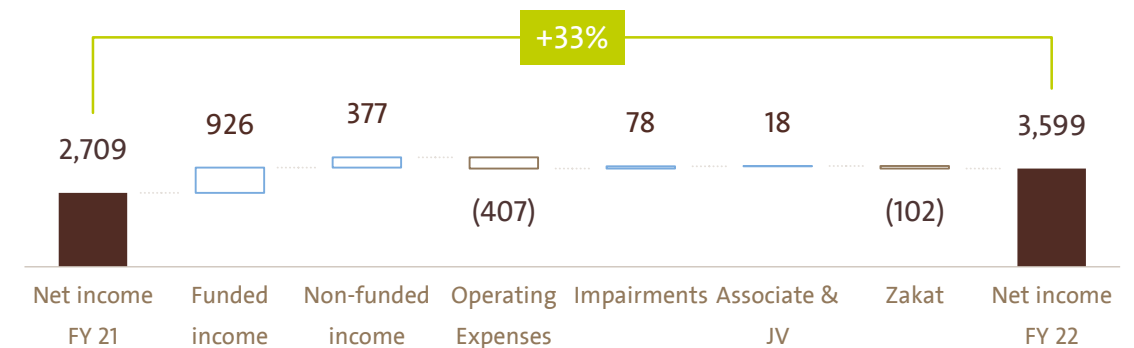
Net income for 9M 2022 grew by 31% YoY due to 17% income growth and lower impairment charges

Management Commentary

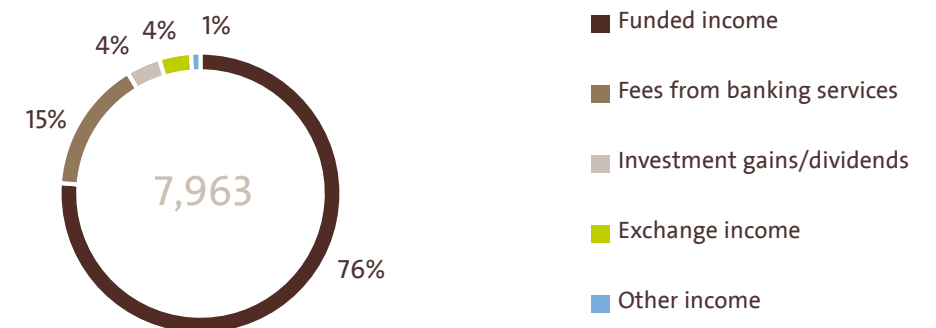
- Net income for 9M 2022 grew 31% YoY to SAR 2,739mn from 17% income growth and a 23% decrease in impairments despite 20% higher operating expenses YoY.
- 3Q 2022 net income improved 34% YoY driven by 21% increase in income and a 5% decrease in impairments.

SAR (mn)	FY 2022	FY 2021	Δ%	4Q 2022	4Q 2021	Δ%
Funded income	6,066	5,140	+18%	1,668	1,309	+27%
Non-Funded income	1,897	1,519	+25%	480	371	+29%
Total operating income	7,963	6,660	+20%	2,148	1,680	+28%
Operating Expenses	2,765	2,358	+17%	750	682	+10%
Net operating income before impairment charge	5,198	4,302	+21%	1,398	998	+40%
Impairments	1,189	1,266	-6%	441	301	+46%
Net operating income	4,009	3,036	+32%	957	697	+37%
Income before zakat	4,013	3,022	+33%	959	691	+39%
Zakat	414	312	+33%	99	72	+38%
Net income	3,599	2,709	+33%	860	619	+39%

Net Income Movement YoY (SARmn)



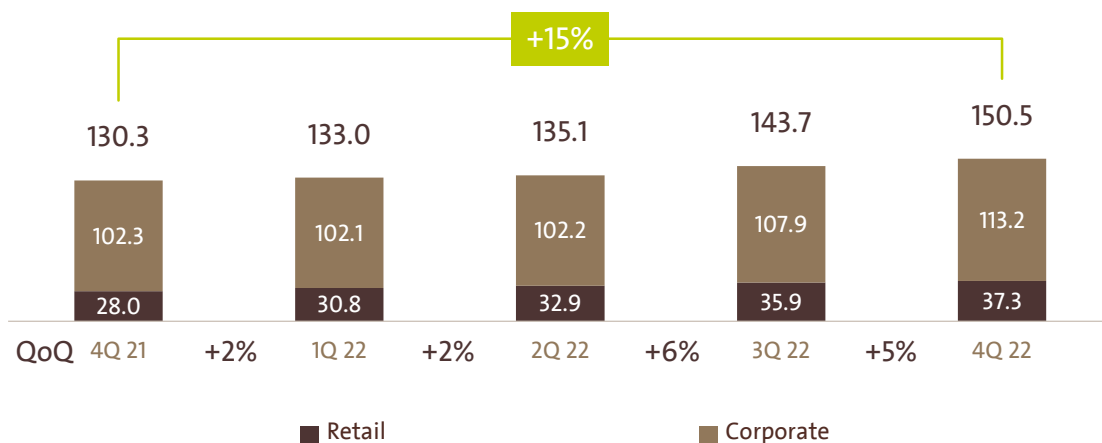
Operating Income Composition (SARmn)



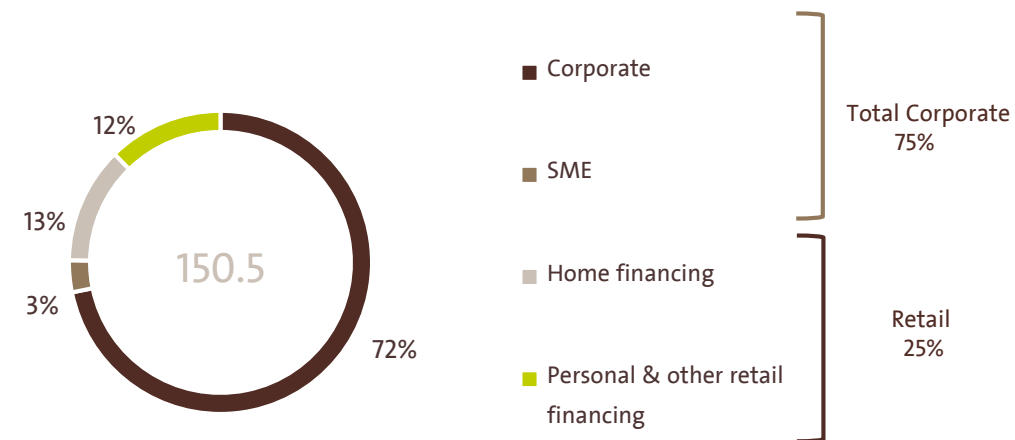
Financing

Increase in gross financing during FY 2022 from 33% growth in retail financing, and 11% in corporate financing

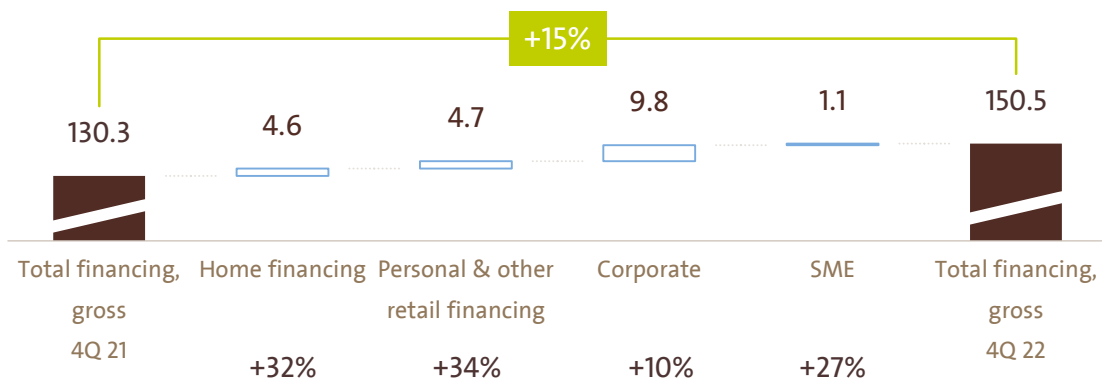
Financing, Gross (SARbn)



Financing, Gross Composition (SARbn)



Financing, Gross Movement YoY (SARbn)



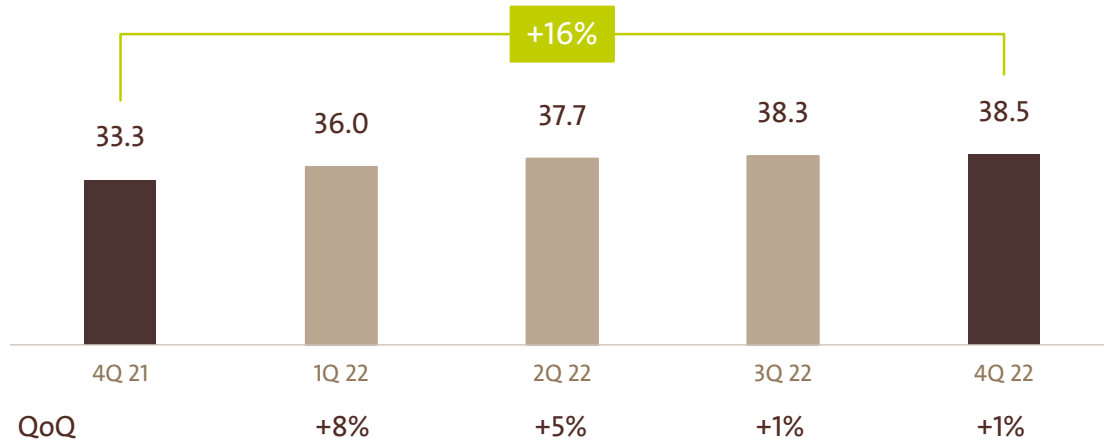
Management Commentary

- Gross financing grew 15% during FY 2022.
- Retail financing grew 33% YoY from strong momentum in home financing (+32%) and personal & other financing (+34%).
- Total corporate financing grew 11% YoY, where mid-corporate rose 270%, and SME financing increased 27%.
- Gross financing comprises of 75% corporate and 25% retail as at 31 December 2022.

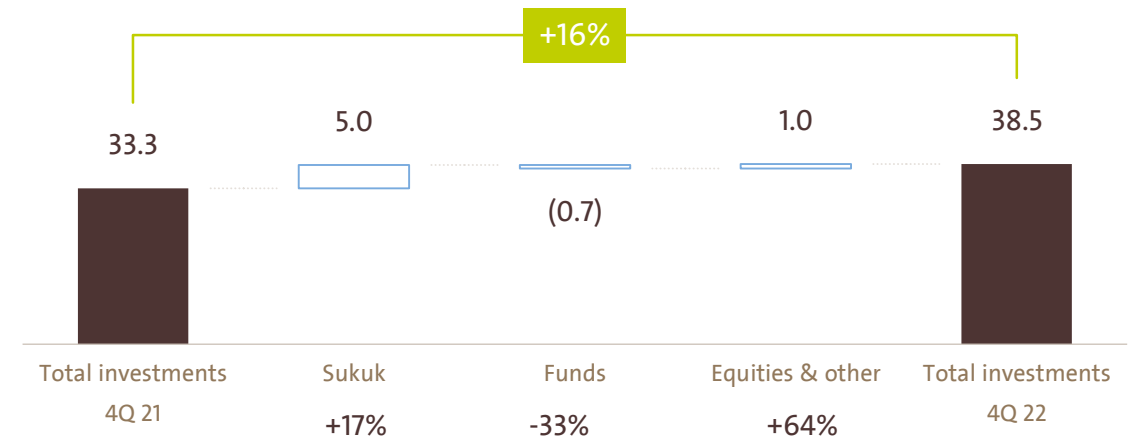
Investments

16% growth in investments from additional investment grade securities

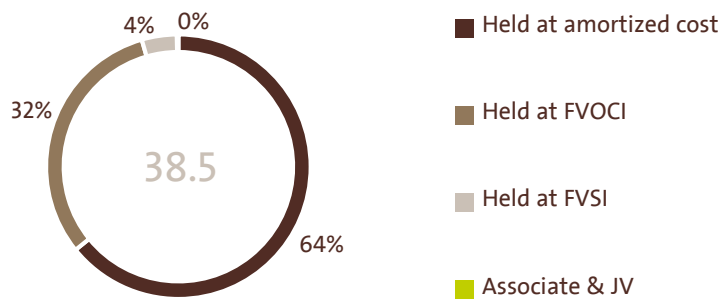
Investments (SARbn)



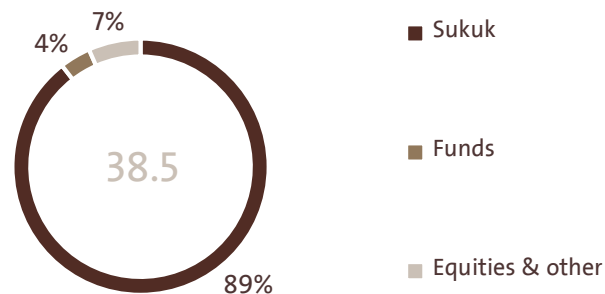
Investments Movement YoY (SARbn)



Investments Composition (SARbn)



Investments Composition (SARbn)



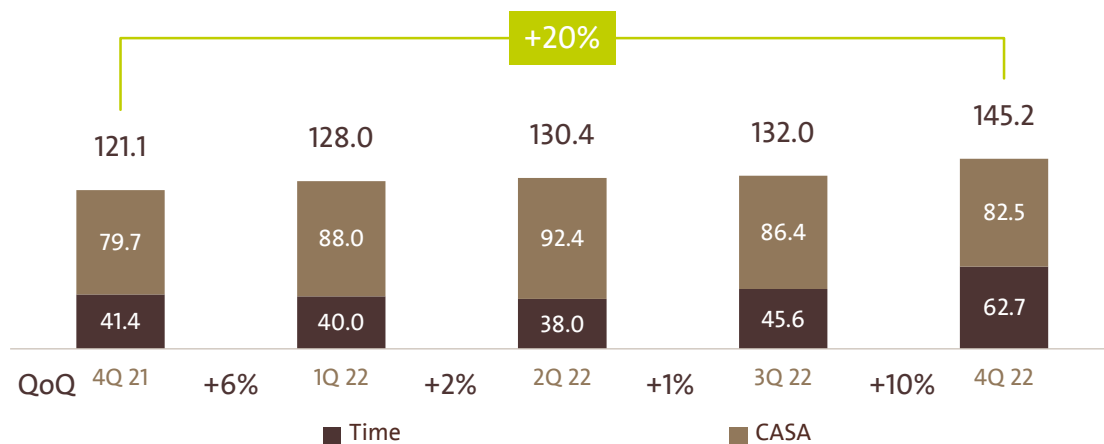
Management Commentary

- Investments growth of 16% during FY 2022 was mainly attributed to additional SAR 5bn in corporate sukuk investments.
- The investment portfolio as at 31 December 2022 comprised of 89% sukuk investments, 4% funds and 7% equities & other investments.

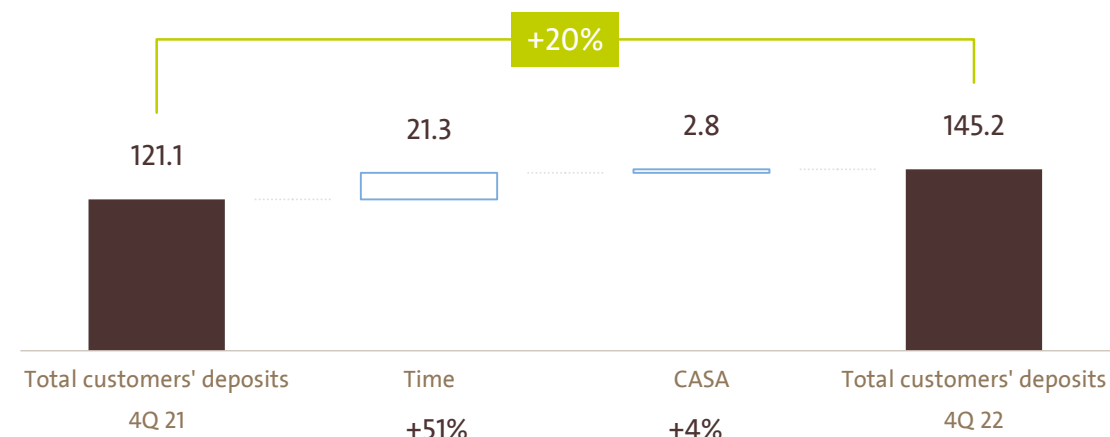
Deposits

Deposit growth of 20% driven by 4% CASA growth and 51% Time deposits growth

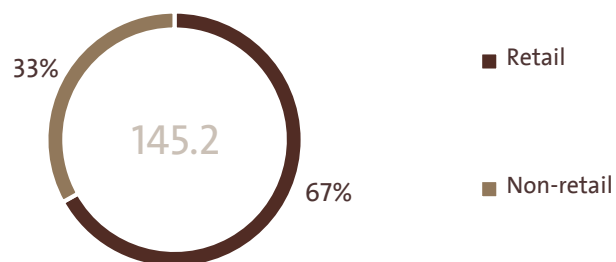
Customers' Deposits (SARbn)



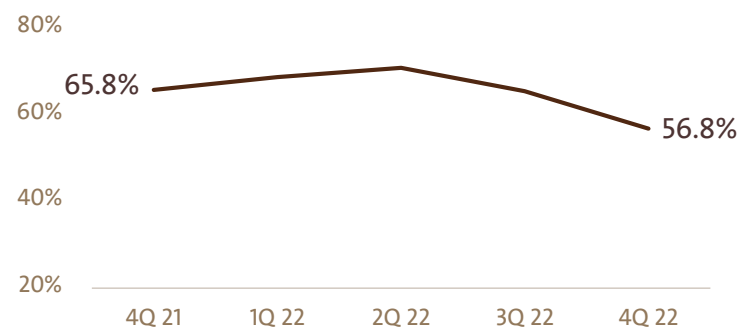
Customers' Deposits Movement YoY (SARbn)



Customers' Deposits Composition (SARbn)



CASA % of Total Deposits (%)



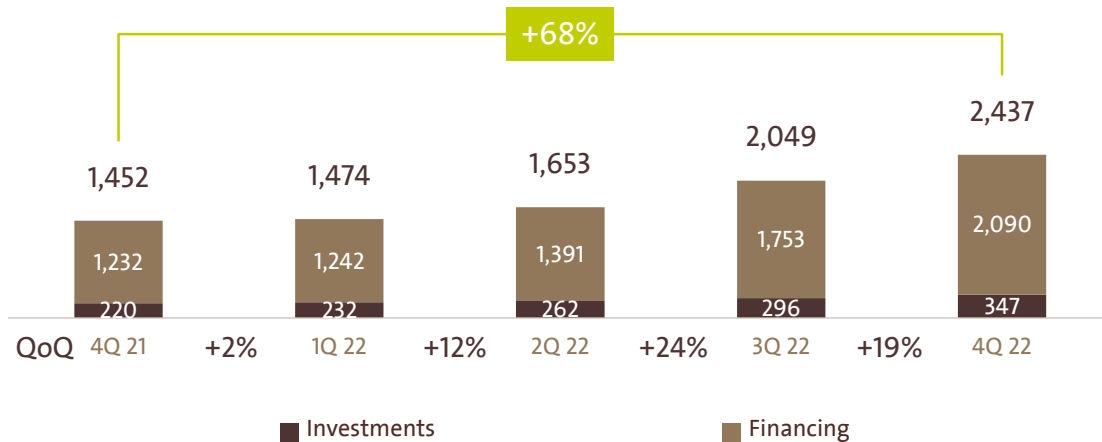
Management Commentary

- Deposits rose by 20% during FY 2022 from growth in CASA and Time deposits of 4% and 51% respectively.
- CASA deposits account for 57% of total deposits as at 4Q 2022, with the QoQ decline reflective of time deposits increasing by 37%.
- Total deposits comprise of 67% retail and 33% non-retail deposits as at 31 December 2022.

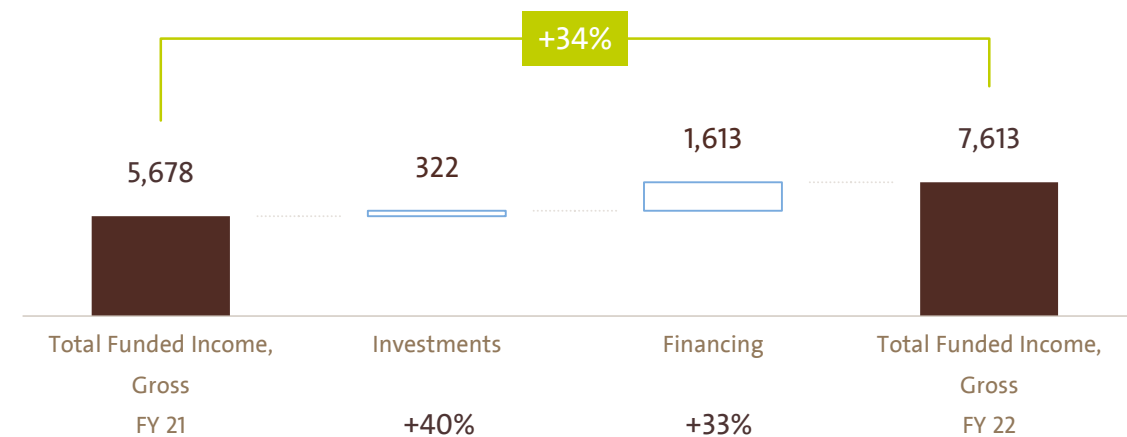
Income from Financing & Investments

Gross funded income grew 34% from 40% growth in investment income and 33% growth in financing income

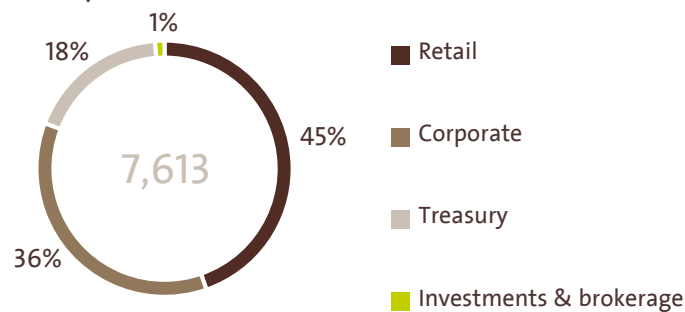
Funded Income, Gross (SARmn)



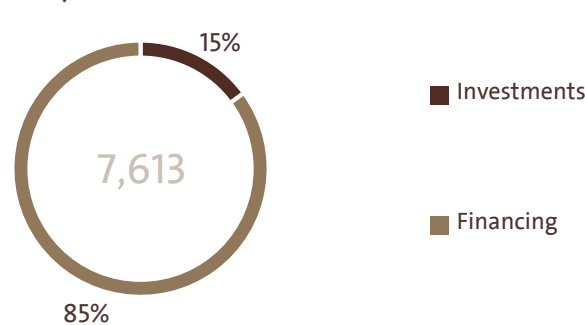
Total Funded Income, Gross Movement YoY (SARmn)



Funded Income, Gross Composition (SARmn)



Funded Income, Gross Composition (SARmn)



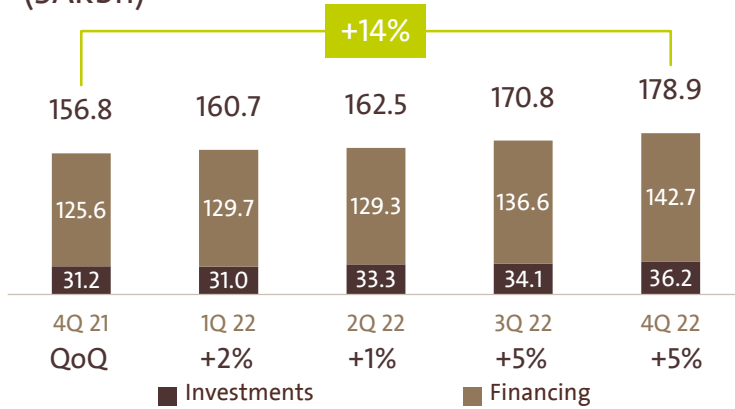
Management Commentary

- Gross funded income for FY 2022 increased by 34% YoY to SAR 7,613mn from a 40% increase in funded investment income and a 33% rise in financing income.
- Gross funded income is attributable to 45% retail, 36% corporate and 18% treasury segments.
- Income from financing makes up 85% of total gross funded income and income from investments comprises 15%.

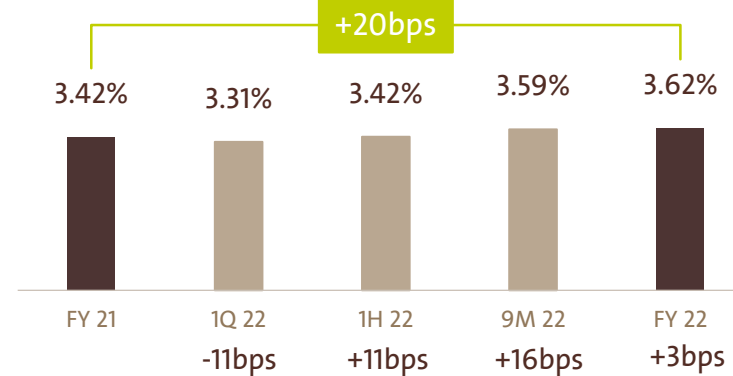
Net Profit Margin

Average balance of investments and financing grew 14%; while net profit margin saw an increase of 20bps YoY

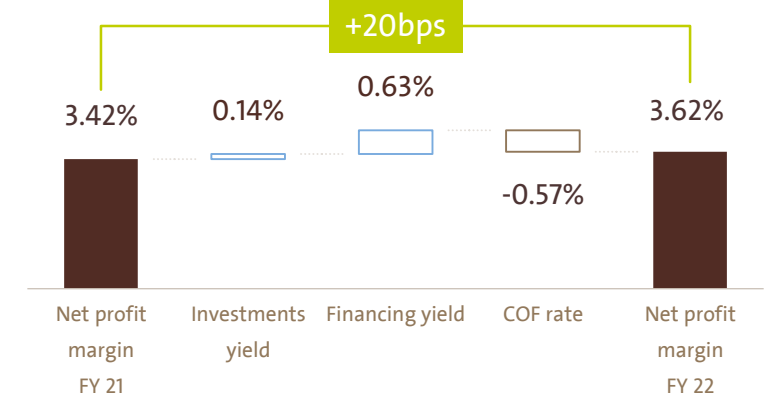
Average Balance of Investments & Financing (SARbn)



Net Profit Margin YTD (%)

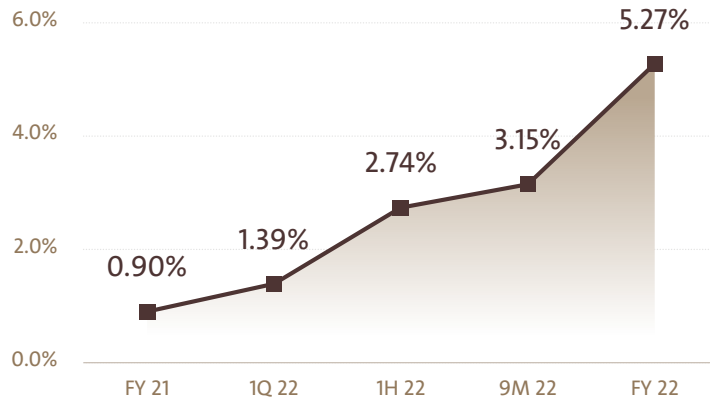


Net Profit Margin Movement YoY (%)

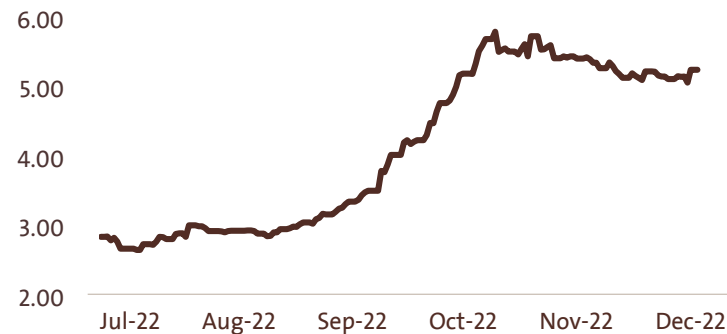


*Comparatives are reclassified to align with the FY 2022 financial statements

SAIBOR: 3M Average Trend (%)



SAIBOR: 3M Spot (%)



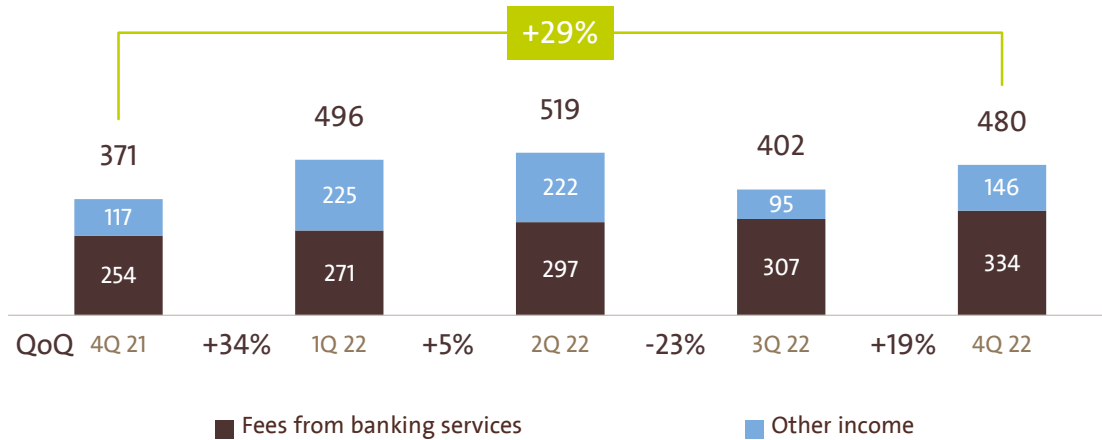
Management Commentary

- Average balance of investments and financing grew 14% YoY.
- The net profit margin increased by 20bps YoY to 3.62%.
- Average 3M SAIBOR increased 212bps during 4Q 2022 and 437bps YoY as a result of rate hikes during the quarter.

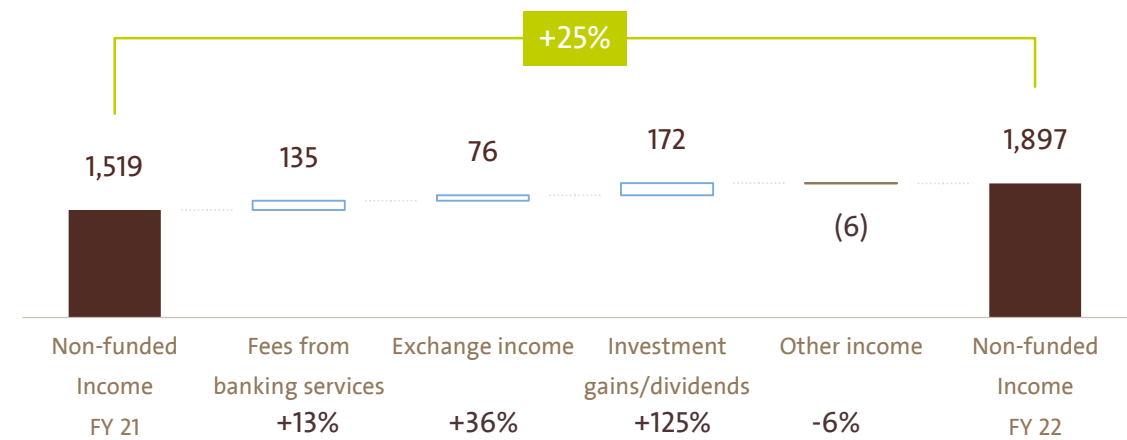
Fee and Other Income

Non-funded income for FY 2022 increased by 25% YoY

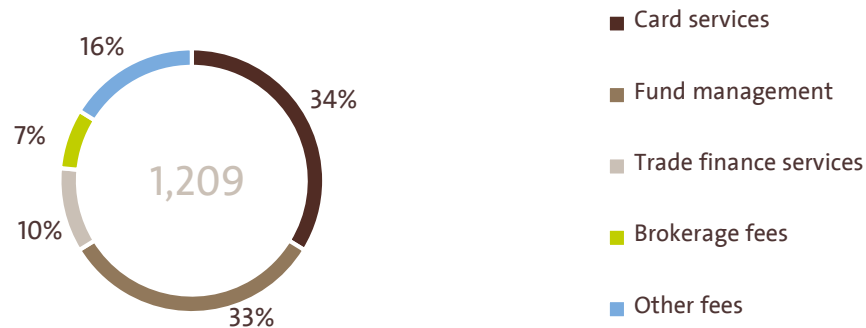
Non-Funded Income (SARmn)



Non-Funded Income Movement YoY (SARmn)



Fees from Banking Services Composition (SARmn)



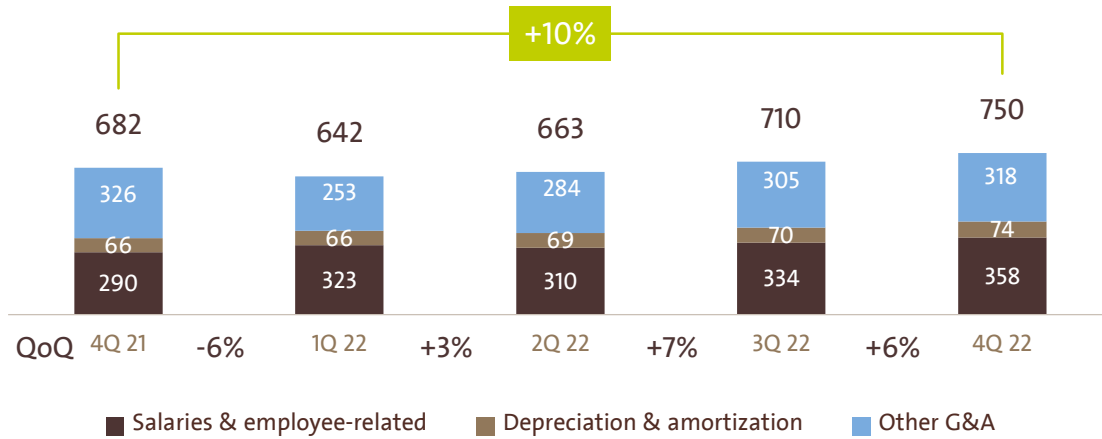
Management Commentary

- Non-funded income for FY 2022 increased 25% YoY to SAR 1,897mn from improved fees from banking services, exchange income, and investment gains/dividends.
- Card services fees comprise the majority of fees from banking services at 34%, while fund management fees account for 33%, other fees for 16% and brokerage and trade finance services fees represent 10% and 7% respectively.
- The 19% QoQ growth in non-funded income is due to growth in most key fee income sources.

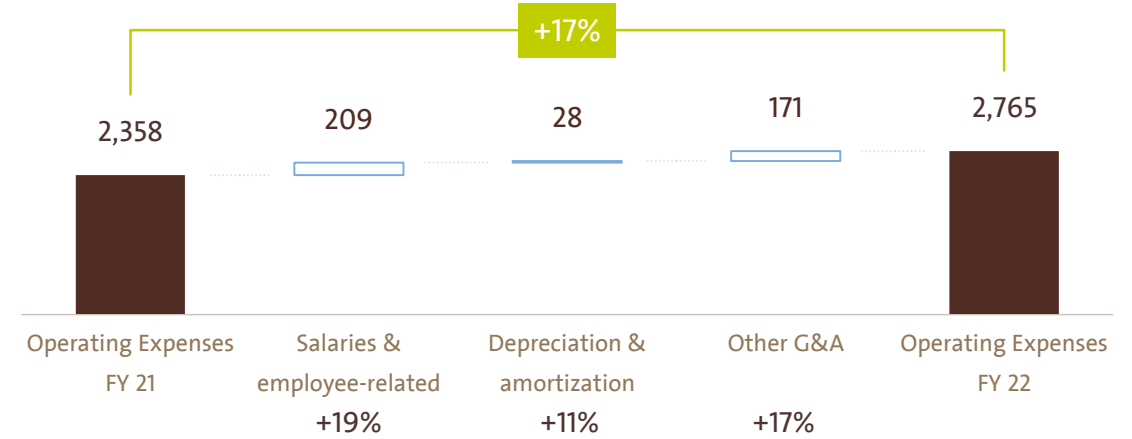
Operating Expenses

FY 2022 saw 17% growth in operating expenses YoY mainly from higher employee and G&A costs

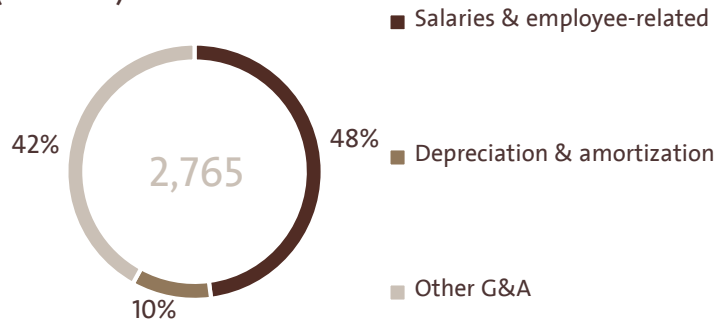
Operating Expenses (SARmn)



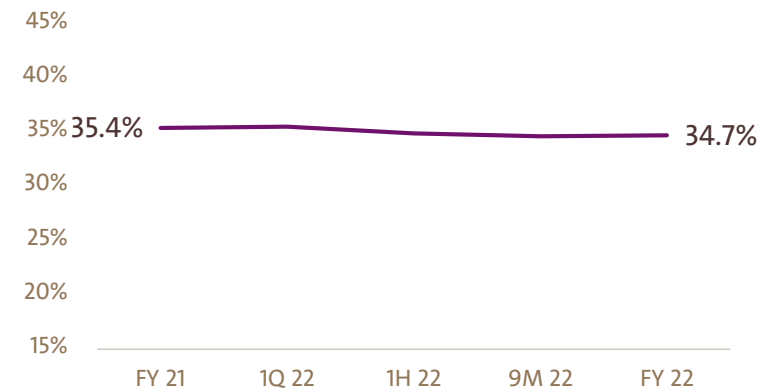
Operating Expenses Movement YoY (SARmn)



Operating Expenses Composition (SARmn)



Cost to Income Ratio (%)



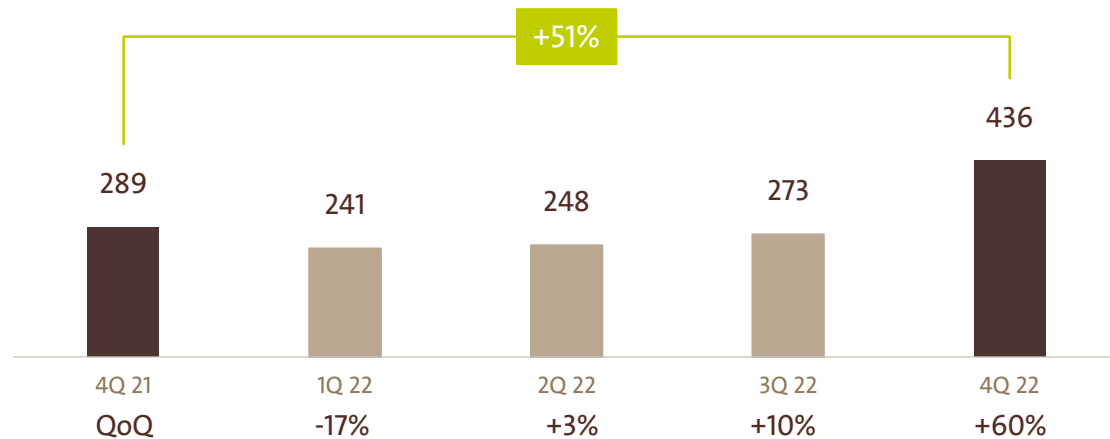
Management Commentary

- Operating expenses increased 17% YoY to SAR 2,765mn for FY 2022 mainly due to higher salaries, increased commercial expenses from POS terminal deployments, higher SMS communication, and marketing costs.
- +230bps positive Jaws contributed to a 0.7ppt decrease in the cost to income ratio from 35.4% to 34.7%.

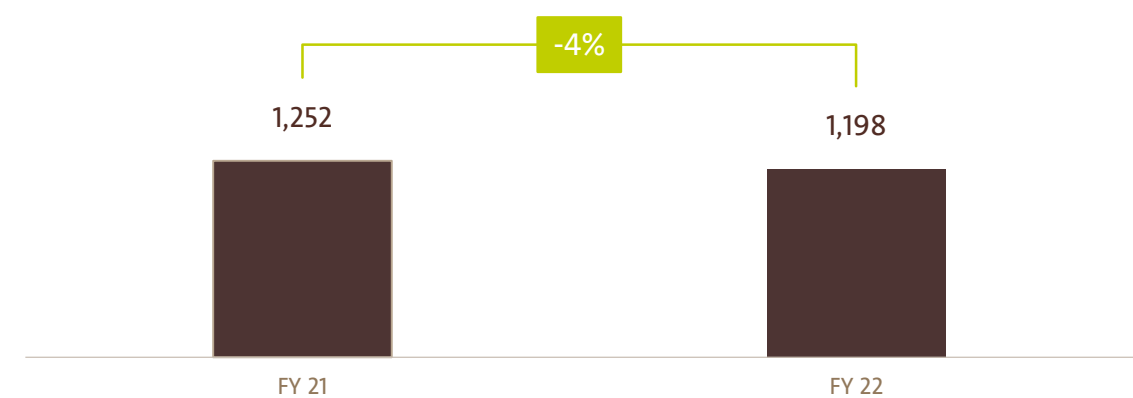
Impairments for Financing

Cost of risk for FY 2022 declined by 17bps from 4% lower credit impairment charges YoY

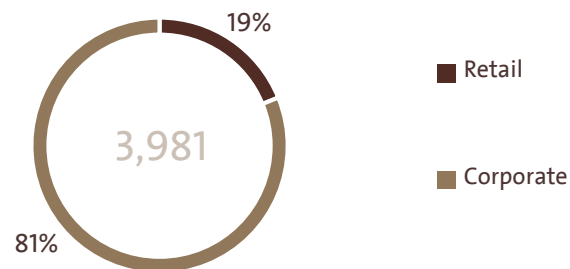
Impairments for Financing (SARmn)



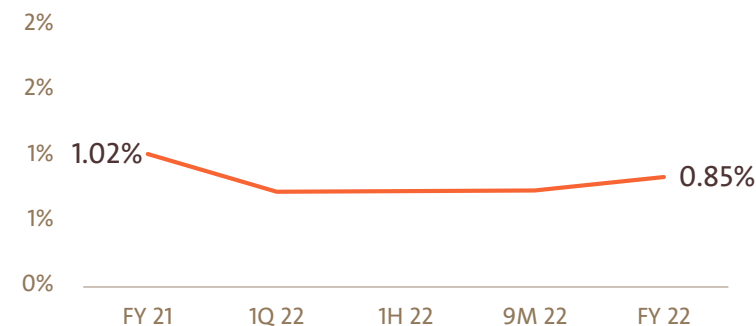
Impairments for Financing (SARmn)



Impairments Allowance Composition (SARmn)



Cost of Risk (%)



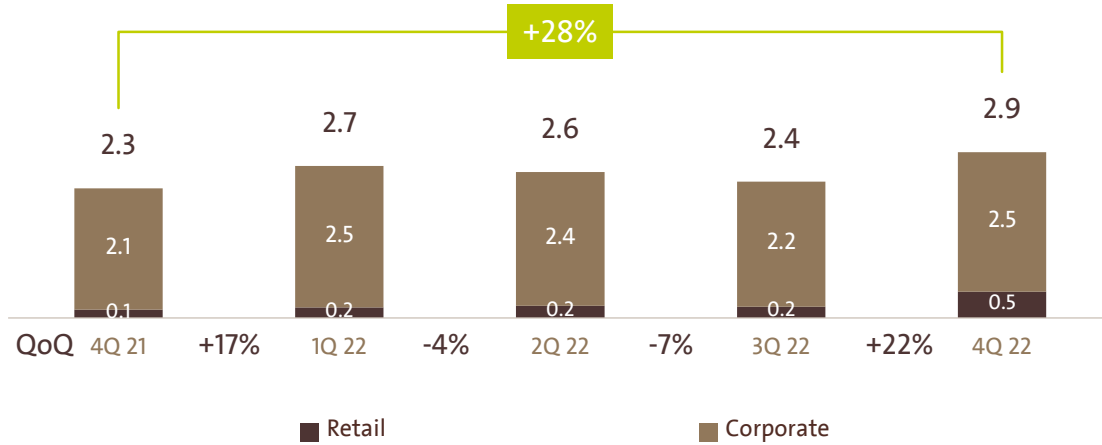
Management Commentary

- FY 2022 impairment charge for financing decreased by 4% YoY to SAR 1,198mn.
- Cost of risk for FY 2022 improved by 17bps YoY to 0.85%.
- The 4Q 2022 impairment charge for financing increased by 60% QoQ due to stage movement for some corporate accounts and increase in retail impairment charges.

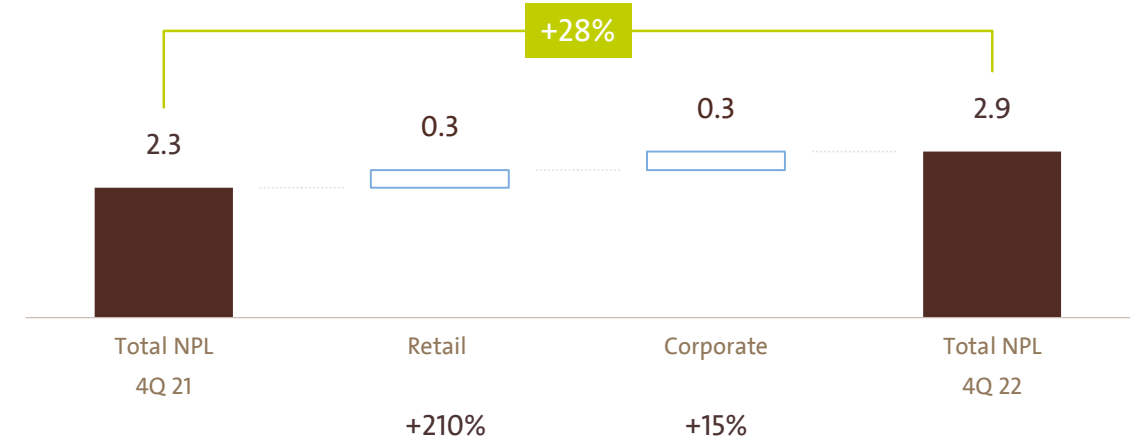
Non-Performing Loans

The NPL ratio increased YoY

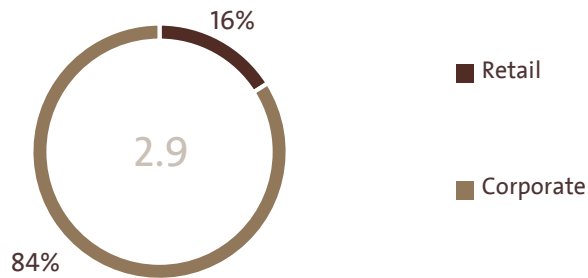
Non-Performing Loans, Gross (SARbn)



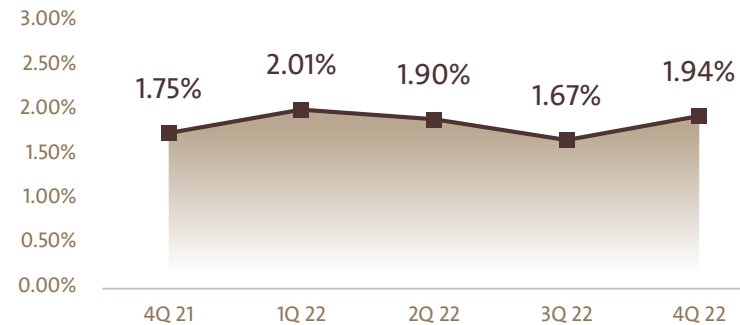
NPL, Gross Movement YoY (SARbn)



NPL Composition (SARbn)



NPL Ratio (%)



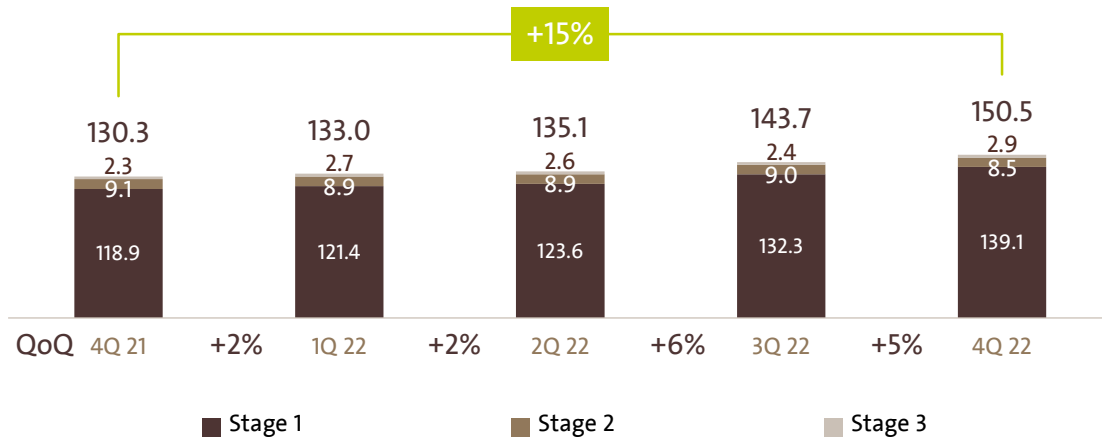
Management Commentary

- The NPL ratio increased by 19bps YoY and 27bps QoQ to 1.94% in 4Q 2022.
- Retail financing, which account for the smaller proportion of NPLs, increased by 210%, while corporate NPLs increased by 15% YoY.
- The NPL ratio for retail stood at 1.2% while corporate stood at 2.1% as at 4Q 2022.

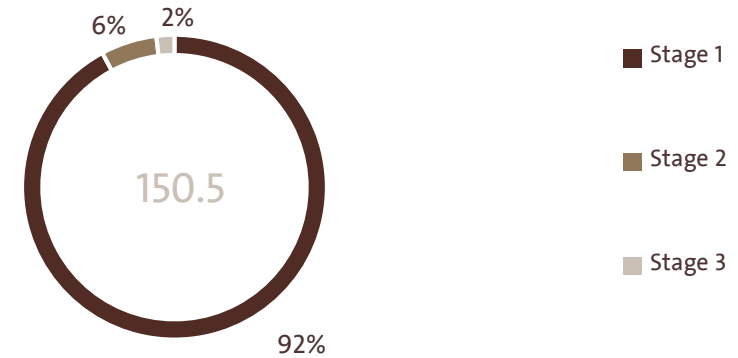
NPL Coverage

NPL coverage decreased YoY

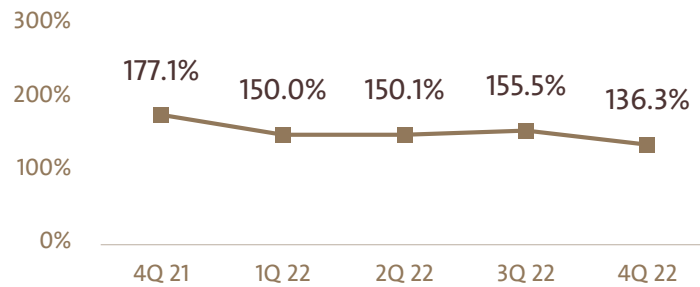
Stage-Wise Financing, Gross (SARbn)



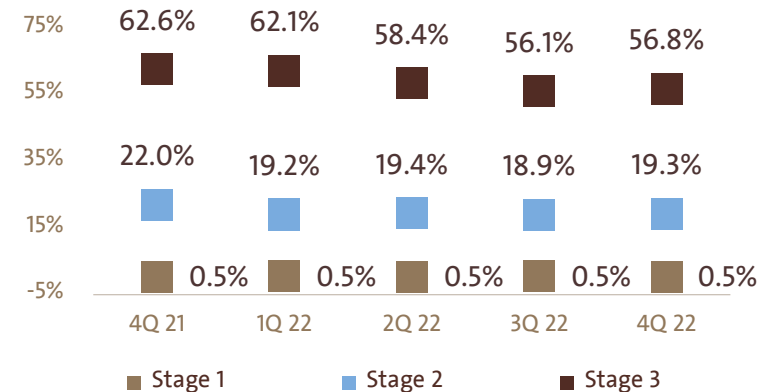
Stage-Wise Financing, Gross Composition (SARbn)



NPL Coverage Ratio (%)



Stage-Wise Coverage (%)



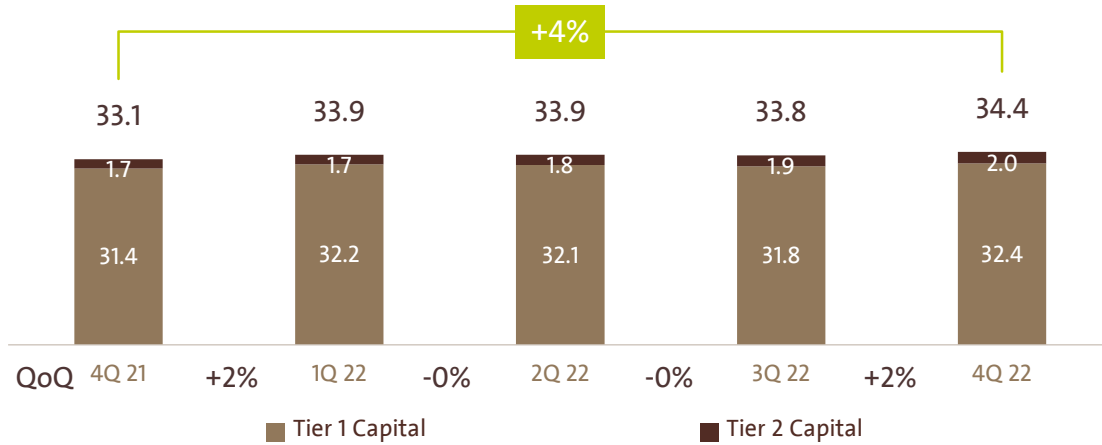
Management Commentary

- NPL coverage decreased by 40.7ppts YoY to 136.3%.
- Stage 1 coverage remained stable YoY at 0.5%. Stage 2 coverage declined due to migration of highly-provisioned accounts to stage 3, while the stage 3 coverage trend was impacted by write-offs during FY 2022.

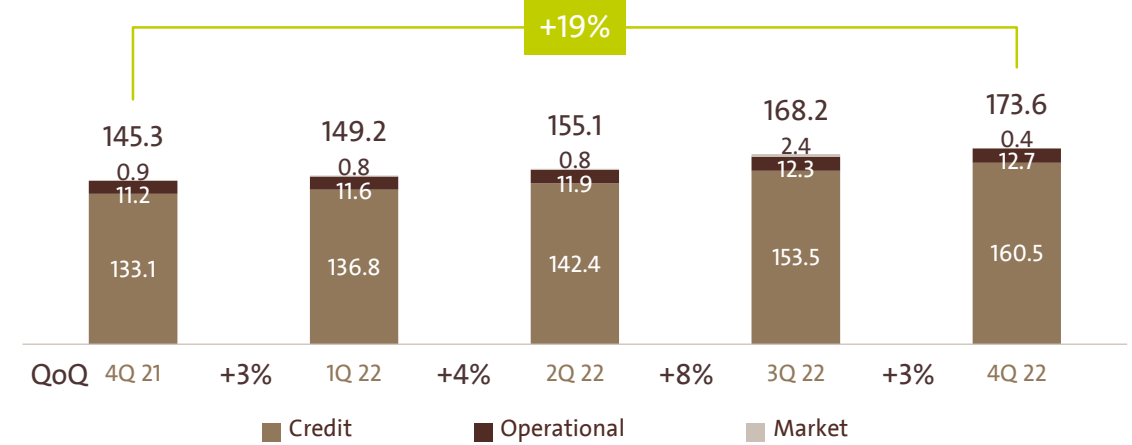
Capitalization

Capital grew 4% YoY while ROE saw an increase of 2.9ppts YoY

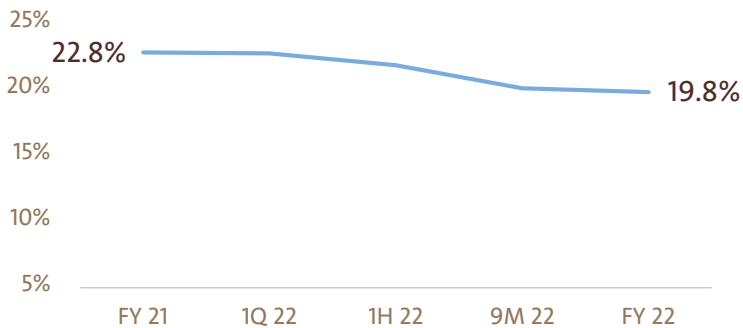
Total Capital (SARbn)



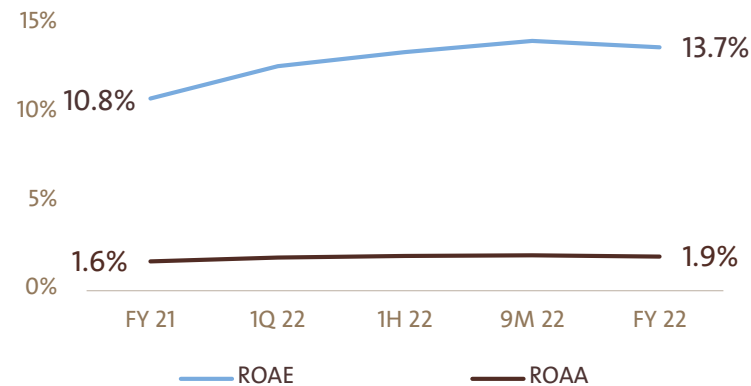
Risk Weighted Assets (SARbn)



CAR (%)



Profitability (%)



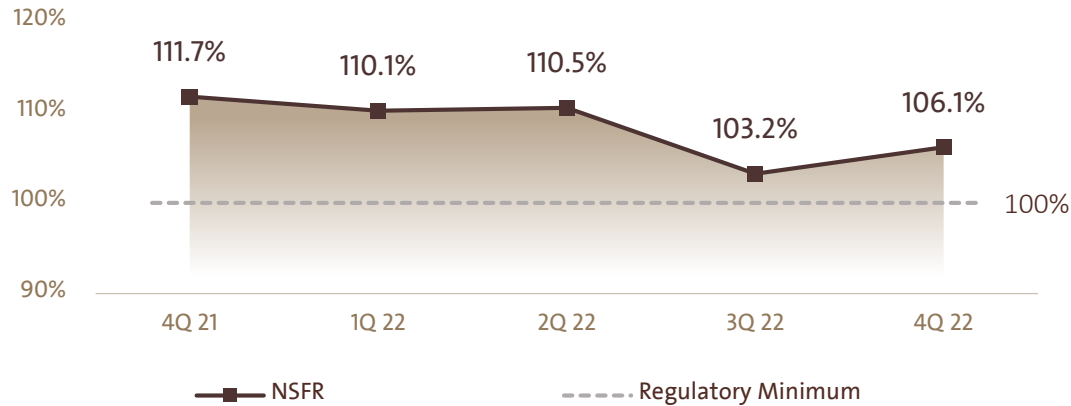
Management Commentary

- Total Capital grew 4% to SAR 34.4bn YoY while Risk Weighted Assets grew 19% YoY.
- CAR has declined 3ppts YoY to 19.8% due to 20.6% increase in credit risk weighted assets due to the growth in the Bank's total assets.
- ROE and ROA saw an increase of 2.9ppts and 30bps respectively YoY.

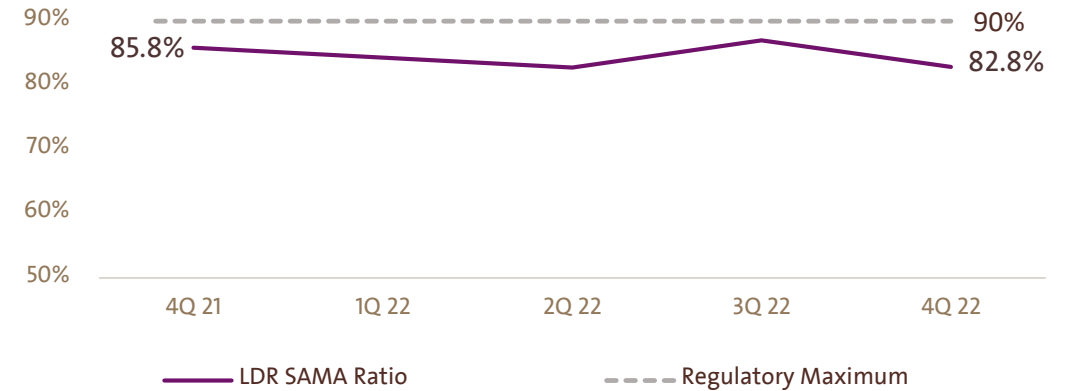
Liquidity

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

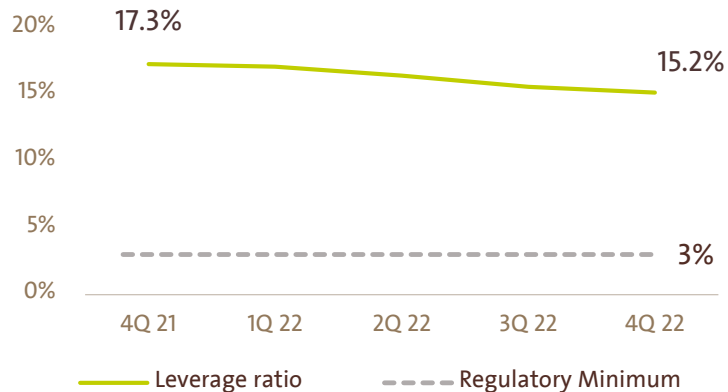
NSFR (%)



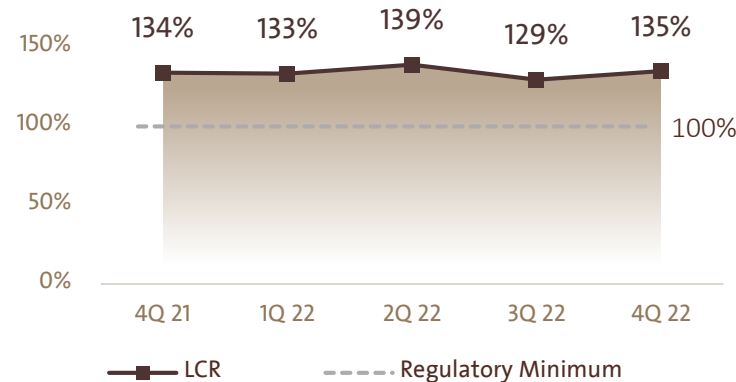
LDR SAMA Ratio (%)



Leverage Ratio (%)



LCR (%)



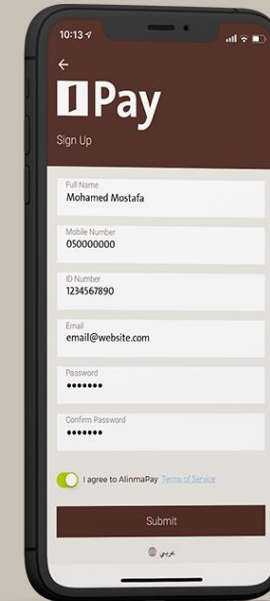
Management Commentary

- NSFR has decreased 5.6ppts YoY to 106.1% due to increase in corporate financing with long maturity followed with an increase in short term time deposits, and interbank placements.
- The LDR SAMA ratio decreased 3.0ppts YoY to 82.8%.
- The leverage ratio decreased 210bps YoY to 15.2%.
- 4Q 2022 LCR increased 1ppts YoY to 135%.

Segmental Performance

4Q 2022

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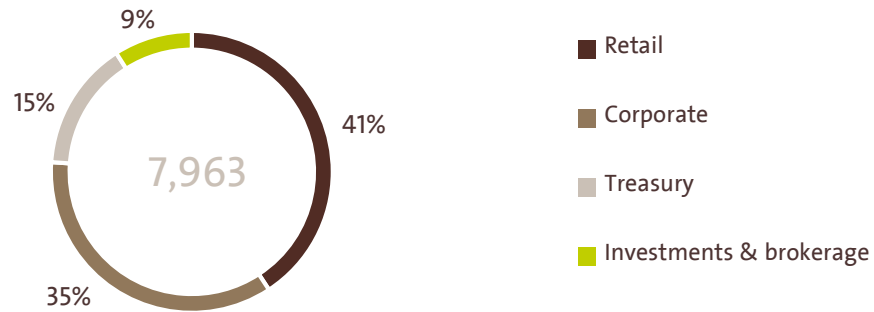


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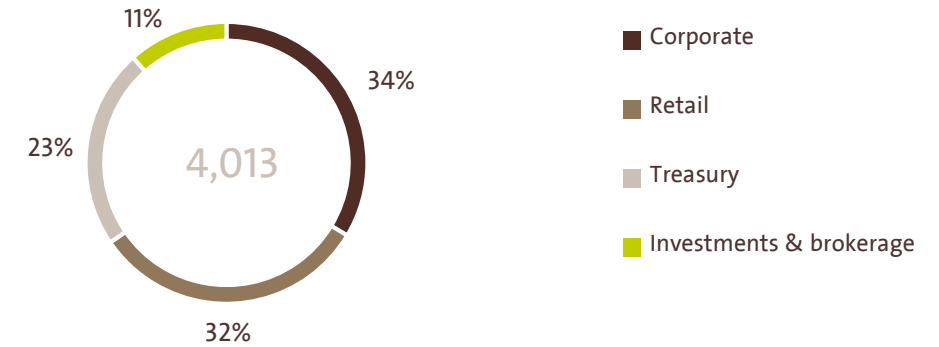
Segmental Performance Highlights

Retail and corporate comprise the majority of segmental income

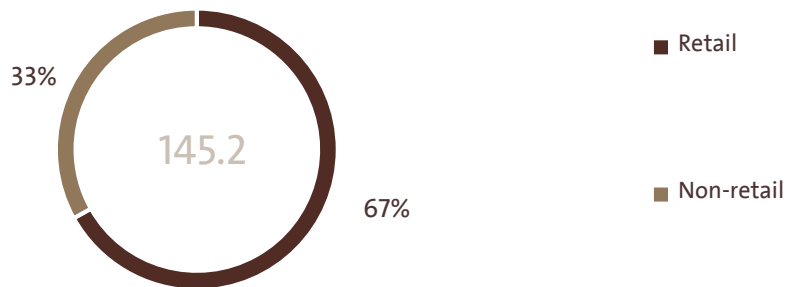
Operating Income Composition (SARmn)



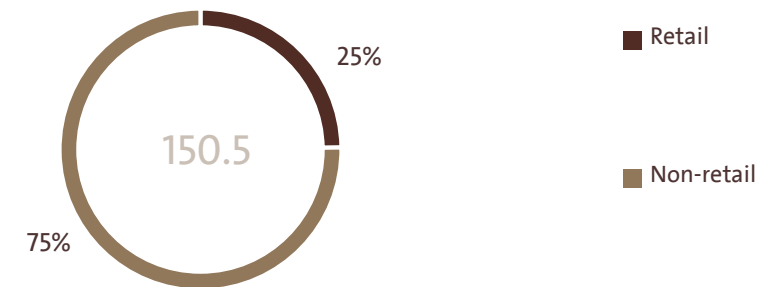
Net Profit Before Zakat Composition (SARmn)



Customers' Deposits Composition (SARbn)



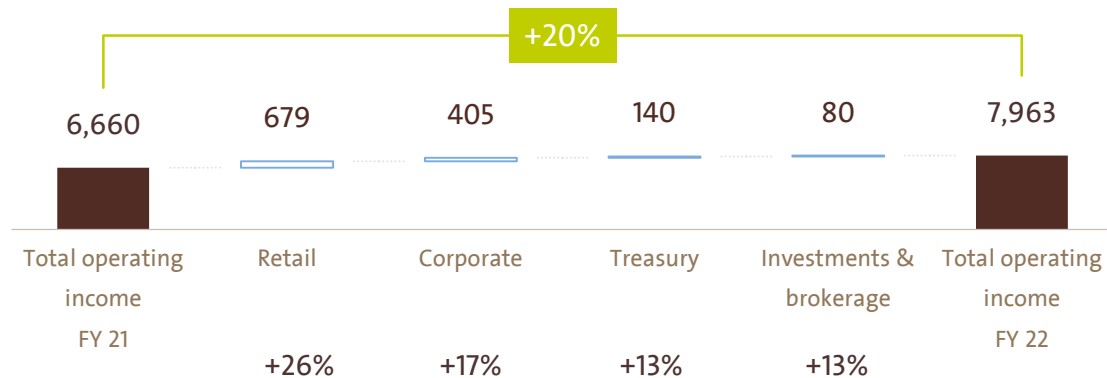
Financing, Gross Composition (SARbn)



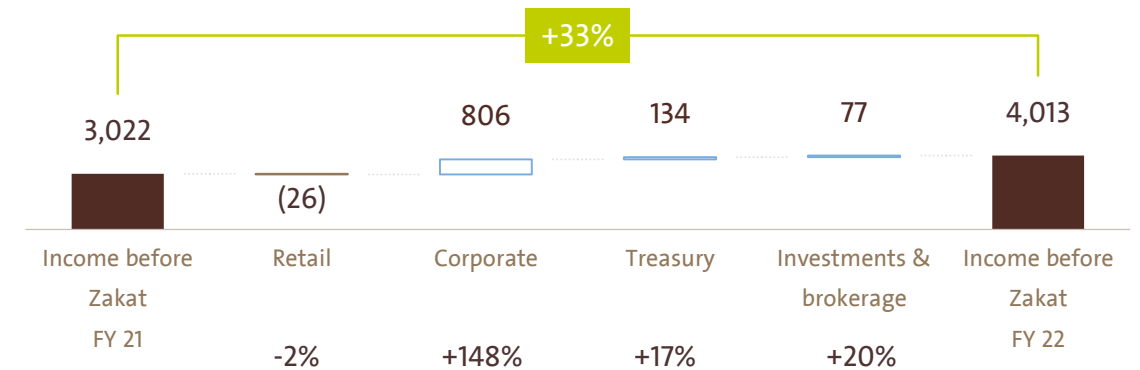
Segmental Performance Highlights

All segments reported growth in operating income YoY

Operating Income Movement YoY (SARmn)



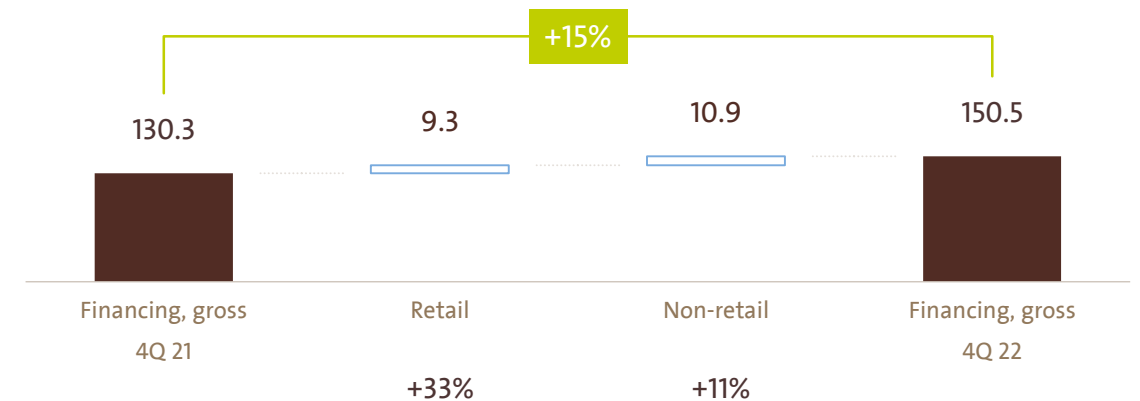
Net Income Before Zakat Movement YoY (SARmn)



Customers' Deposits Movement YoY (SARbn)



Financing, Gross Movement YoY (SARbn)

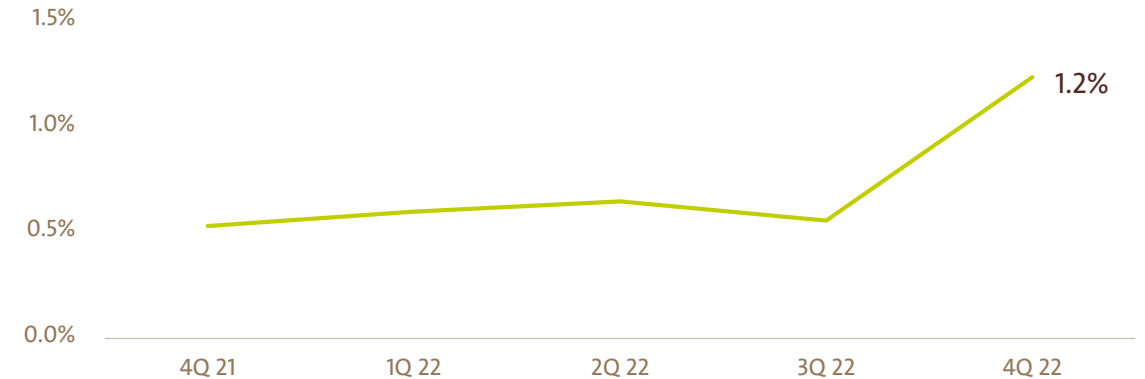


Segmental Performance - Retail

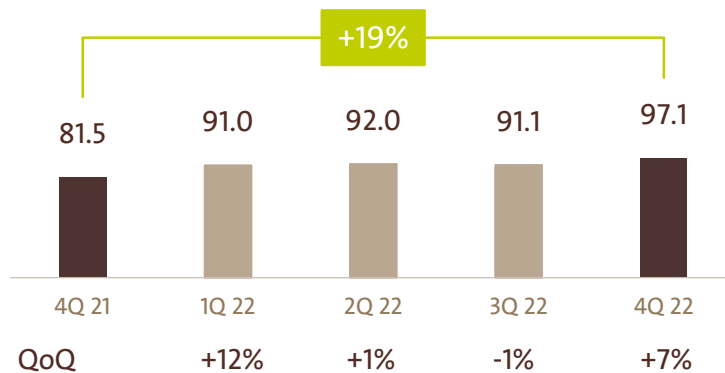
Strong financing and deposit growth driving operating income growth of 26% YoY

SAR (mn)	FY 2022	FY 2021	Δ%	4Q 2022	4Q 2021	Δ%
Income from investments and financing, net	2,881	2,262	+27%	859	538	+60%
Fees from services & other income	366	306	+19%	98	100	-2%
Total operating income	3,247	2,568	+26%	957	638	+50%
Total operating expenses	1,619	1,390	+16%	451	401	+13%
Total charges/(reversals) for impairments	351	(125)	+381%	226	(4)	+5350%
Income for the period before zakat	1,277	1,303	-2%	280	242	+16%

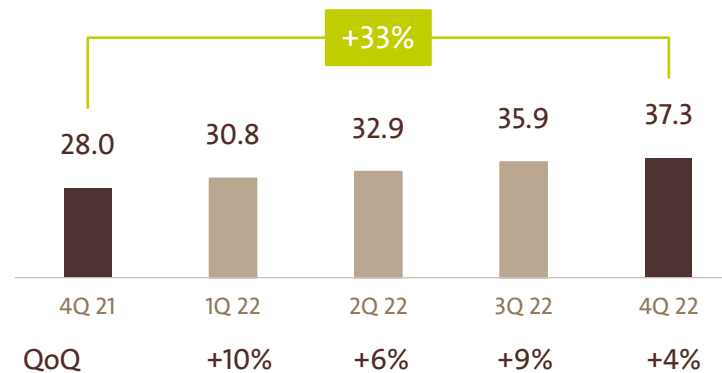
Retail NPL (%)



Retail Deposits (SARbn)



Retail Financing (SARbn)



Management Commentary

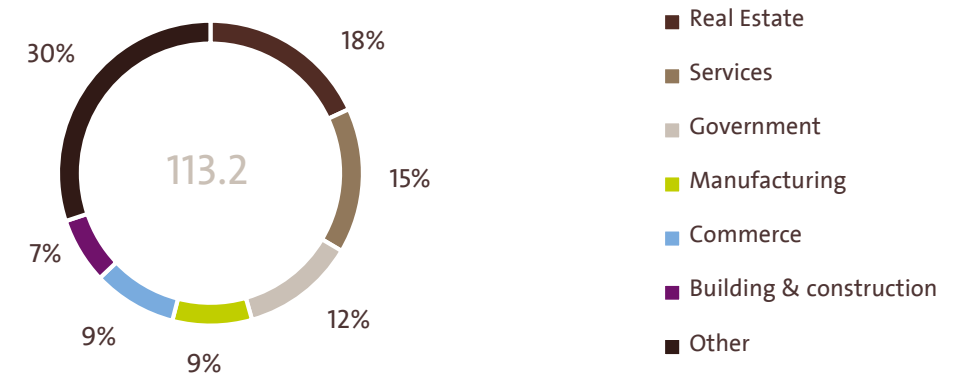
- Retail operating income rose by 26% YoY to SAR 3,247mn from 27% increase in funded income and a 19% increase in non-funded income.
- Retail net income fell by 2% YoY due to a 381% rise in impairments and a 16% increase in operating expenses YoY.
- Retail deposits increased 19% while financing increased by 33% during FY 2022.
- The retail NPL ratio increased during FY 2022 to 1.2%.

Segmental Performance - Corporate

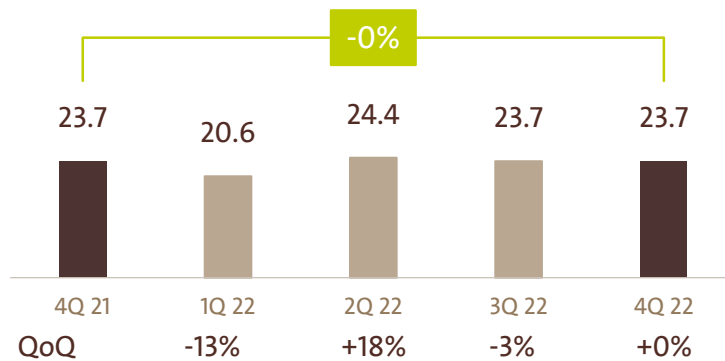
Strong income growth and lower impairments translate to significant net income growth

SAR (mn)	FY 2022	FY 2021	Δ%	4Q 2022	4Q 2021	Δ%
Income from investments and financing, net	2,443	2,112	+16%	802	564	+42%
Fees from services & other income	370	296	+25%	116	64	+81%
Total operating income	2,813	2,408	+17%	917	627	+46%
Total operating expenses	620	489	+27%	157	145	+8%
Total charges/(reversals) for impairments	843	1,376	-39%	208	293	-29%
Income for the period before zakat	1,349	543	+148%	553	190	+191%

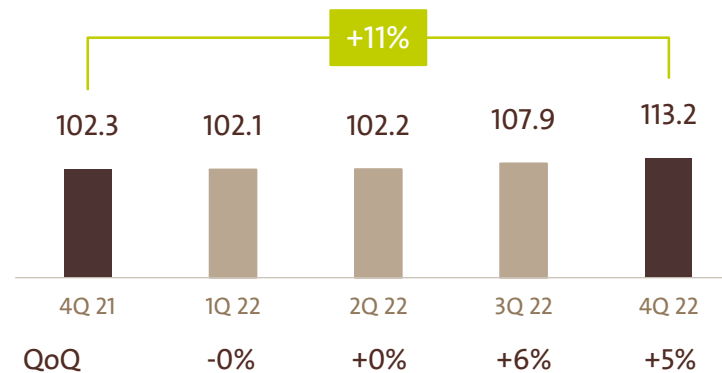
Financing, Gross Composition (SARbn)



Corporate Deposits (SARbn)



Corporate Financing (SARbn)



Management Commentary

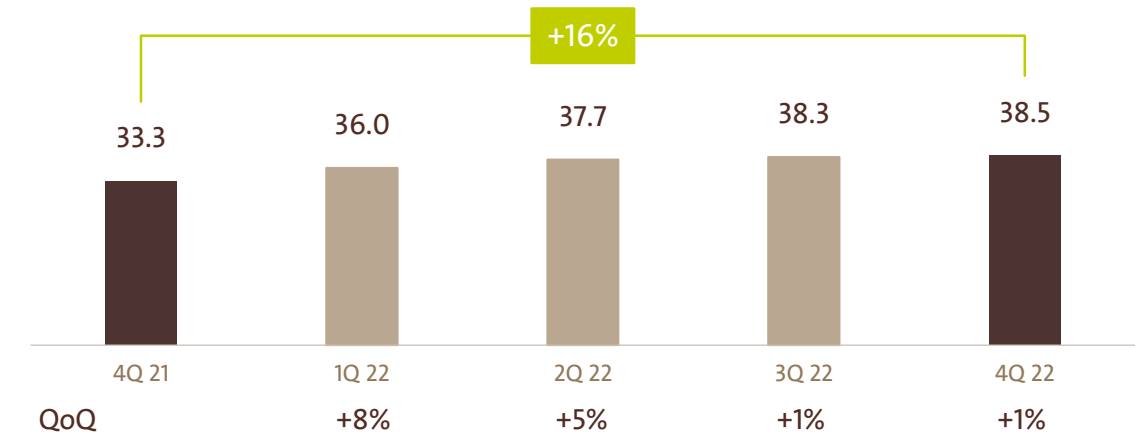
- Corporate operating income rose by 17% YoY to SAR 2,813mn from 16% increase in funded income and a 25% increase in non-funded income.
- This income growth, together with lower impairments, translated to 2.5x net income growth despite a 27% rise in operating costs.
- Corporate financing rose by 11% during FY 2022 while corporate deposits were stable YoY.
- The corporate NPL ratio increased during FY 2022 to 2.2%.

Segmental Performance - Treasury

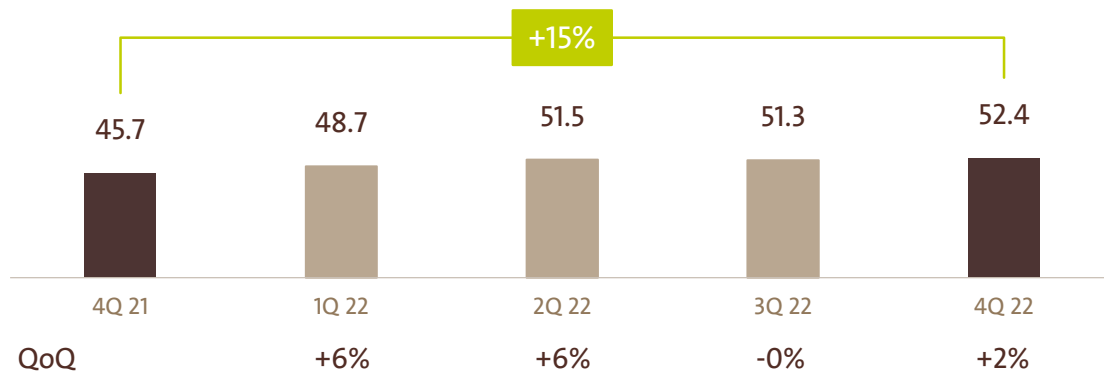
Strong income and net income growth

SAR (mn)	FY 2022	FY 2021	Δ%	4Q 2022	4Q 2021	Δ%
Income from investments and financing, net	651	674	-3%	(17)	184	-109%
Investment-related income	311	138	+125%	50	(9)	+650%
Fees from services & other income	224	233	-4%	52	101	-48%
Total operating income	1,185	1,046	+13%	86	275	-69%
Total operating expenses	252	240	+5%	64	73	-13%
Total charges/(reversals) for impairments	14	3	-435%	4	0	+1002%
Net operating income	920	803	+14%	18	202	-91%
Share of loss from an associate and joint venture	4	(14)	+125%	2	(6)	+41%
Income before Zakat	923	789	+17%	21	196	-89%

Investments (SARbn)



Treasury Assets (SARbn)



Management Commentary

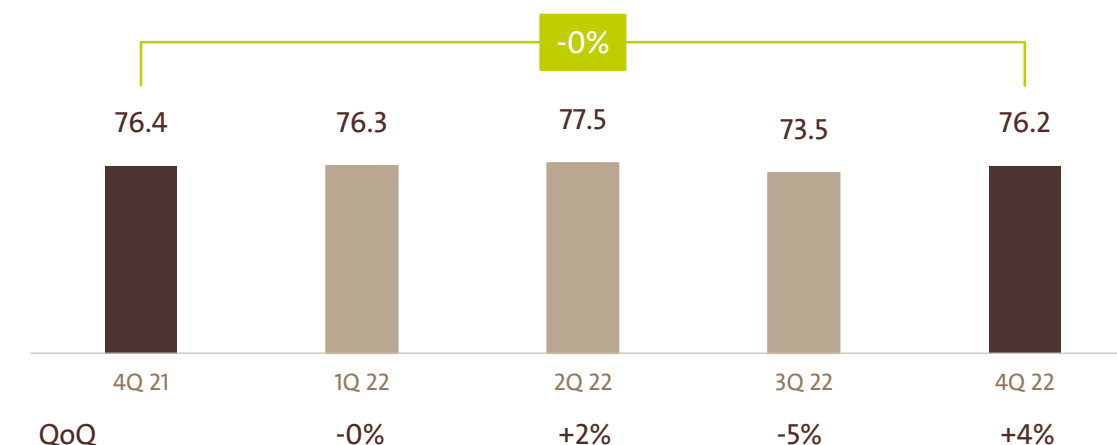
- Treasury operating income rose by 13% YoY to SAR 1,185mn in FY 2022 from strong improvements in investment related income by 125%.
- This income growth drove a 17% improvement in net income YoY.
- Treasury assets rose by 15% during FY 2022 to SAR 52.4bn, driven by 16% growth in the investment portfolio to SAR 38.5bn.

Segmental Performance – Investments & Brokerage

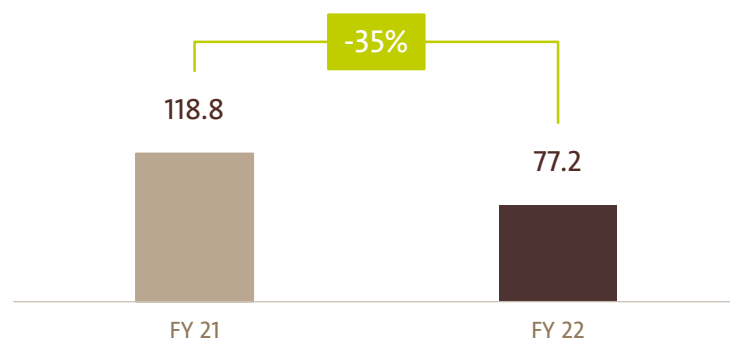
Modest non funded income growth driving strong net income growth in FY 2022

SAR (mn)	FY 2022	FY 2021	Δ%	4Q 2022	4Q 2021	Δ%
Income from investments and financing, net	92	92	-0%	24	24	-2%
Fees from services & other income	626	545	+15%	164	115	+43%
Total operating income	718	637	+13%	188	139	+35%
Total operating expenses	273	238	+15%	79	64	+23%
Income before Zakat	463	387	+20%	106	63	+68%

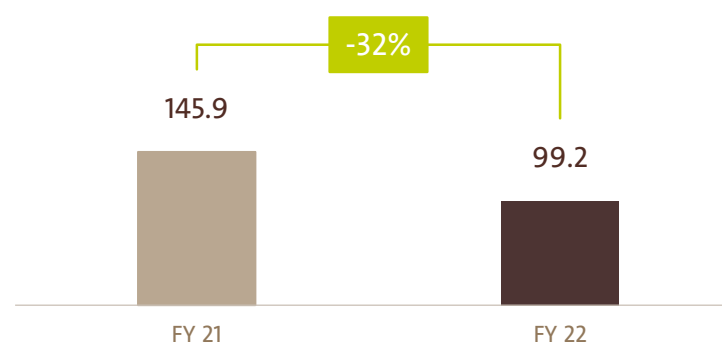
Assets Under Management (SARbn)



Brokerage Trading Income (SARmn)



Brokerage Trading Values (SARbn)



Management Commentary

- Investment and brokerage (I&B) operating income rose by 13% YoY to SAR 718mn from 15% growth in non-funded income.
- I&B net income increased 20% YoY from higher income despite a 15% increase in expenses.
- Brokerage trading income and brokerage trading values for FY 2022 declined by 35% and 32% respectively YoY, while AUM decreased by 0.3% YoY.

Outlook & Guidance

4Q 2022

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Guidance

Acceleration of strategic execution drives a promising outlook for 2023

		FY 2022A	2022G	2023G	Drivers
Balance Sheet	Financing Growth	+16% YoY	High teens	Mid teens	Strong Mid-Corp, SME & Retail growth from strategic initiatives; pick up in corporate financing
	Net Profit Margin	3.62% +20bps YoY	+20bps to +25bps	+35bps to +45bps	Rising rates and funding mix supportive of improving margin
Profitability	Cost to Income Ratio	34.7%	Below 35%	Below 32%	Growth in income, digitization & process optimization driving efficiencies, partly offset by strategic investments
	Return on Equity	13.7%	Above 13%	Above 17%	Improving NPM, efficiency and COR driving improving ROE
Asset Quality	Cost of Risk	0.85%	65-75bps	60-70bps	Cautiously expecting stable credit quality and NPL coverage, leading to COR moderation
Capital	CAR Pillar 1	19.8%	-	17%-18%	Increasing RWAs from strong expected financing growth
Return on Equity Target for 2025 above 18%					

Appendix

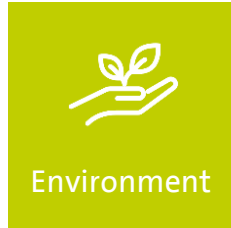
4Q 2022

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ESG in Action

Alinma is progressing on key initiatives to drive the ESG agenda and enhance its ratings



Environment



Deployment of **digital channels and digital signatures** to reduce paper; digital zones are available in all branches



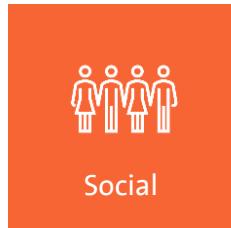
Energy efficient lighting are now in all branches. Planning to extend to Head Office



Air conditioning timers installed in 20 branches; 10% reduction in electricity usage



Renewable (solar) energy sources piloted across regions, and has been installed on 12 branches



Social



+88,476 **employee training hours** and +4 **employee townhalls** conducted YoY



1% of annual profit allocated to **CSR activities**



1st KSA bank to sign the **Women's Empowerment Principles (WEPs)**; 36% **new women hires** in 4Q 22



Community focus with growth YoY in **SME financing** from Kafalah (+46%) and PoS (+108%) programs



Governance



Shariah compliance through regular internal audits and committee oversight



SAMA and CMA compliance in regulatory & financial disclosures and adoption of internal controls

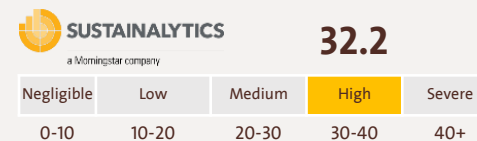
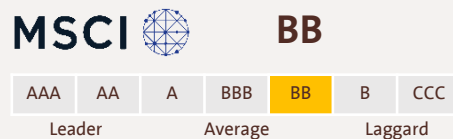


Institutionalization of the **investor relations function** with enhanced transparency & investor communication



Cybersecurity monitoring and initiatives which cover data governance and protection

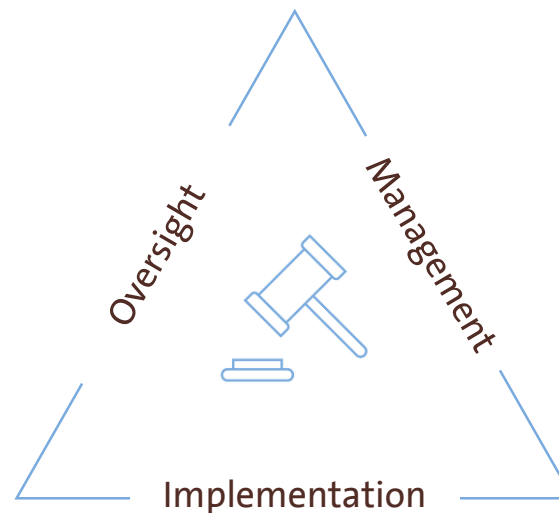
Latest ESG Ratings



In 2Q 2022 Alinma BoD formed a Governance and Sustainability committee to oversee the ESG framework and progress

Governance and Sustainability Committee Objectives

The committee members are to be actively engaged in ESG initiatives and oversee progress with the management team on all ESG matters including strategy, framework, risks & opportunities, stakeholder engagement, programs & sustainability



Alinma's management team manages the implementation of the overall ESG strategy and integration into the bank's 2025 long-term strategy

Alinma's investor relations team is engaged in the ESG and sustainability framework, initiatives and external reporting



Members



Saad Al Kroud
Chairman



Ahmed Al Alsheikh
Member



Saud Al Nemer
Member



Dina Al Nahdy
Member

*Appointed in Jan, 2023.

IR Contacts

Ahmed Sager
Head of Investor Relations

Mobile: +966-53-775-3352
Direct: +966-11-218-6364
Email: aosager@alinma.com

Nawaf Alsheikh
Investor Relations Officer

Mobile: +966-55-888-8695
Direct: +966-11-218-7732
Email: noalsheikh@alinma.com

Al Anoud Tower, King Fahad Road
P.O. Box 66674, Riyadh 11586
Kingdom of Saudi Arabia

Tel.: +966-11-218-5555
Fax: +966-11-218-5000
Website: www.alinma.com

Ibrahim Al Khudair
Investor Relations Assistant Manager

Mobile: +966-55-788-5520
Direct: +966-11-218-6181
Email: iaalkhudair@alinma.com

Abdulrahman Binaumairh
Investor Relations Officer

Mobile: +966-58-119-1855
Direct: +966-11-218-7665
Email: aabinaumairh@alinma.com

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