

Earnings Presentation

4Q 2024

4 Feb 2024

مصرف الإنماء
alinma bank



digital. fast. convenient.

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Alinma Overview

Q4 2024

Alinma Overview



The youngest bank in KSA

Financial Position

Net Profit Margin
#2 in KSA
3.72%
(3Q 2024)

ROE
#2 in KSA
18.58%
(3Q 2024)

ROA
#2 in KSA
2.28%
(3Q 2024)

Rating Strength

Fitch
A-
Stable

Moody's
A2
Stable

S&P Global
A-
Stable

Retail Digital Snapshot

23.8m
Monthly
Average Users
(Smart Phone Users Logins)

780K
Daily Average
Users
(Smart Phone Users Logins)

98.6%
Digital
Transactions

KSA Market Share

6.5%
Assets
(3Q 2024)



7.2%
Financing
(3Q 2024)



7.7%
Deposits
(3Q 2024)



6.0%
NIB Deposits
(3Q 2024)



5.5m
Customers

Stock Highlights

#4
Traded Stock in KSA
By number of trades and #5 by Value
(FY 2024)

SAR 43.3bn
Value
Traded
(FY 2024)

SAR 72.4bn
Market
Capitalization
(31 December 2024)

13.7%
Foreign Ownership
(31 December 2024)

10%
Owned by
Public Investment
Fund

SOURCE: Bank Financial Statements, Tadawul

Financial Performance Highlights

Q4 2024

Financial Performance Highlights



Solid operating income growth drove a 21% increase in net income for FY 2024, and a strong ROE of 18.8%

Balance Sheet

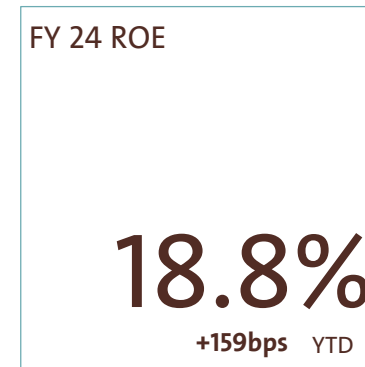
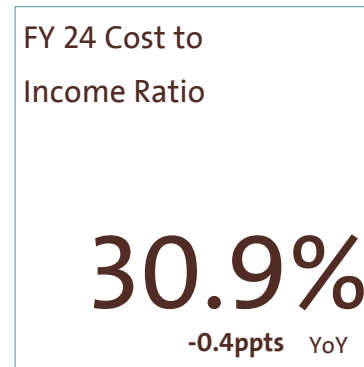
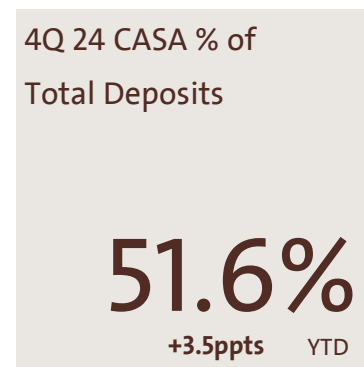
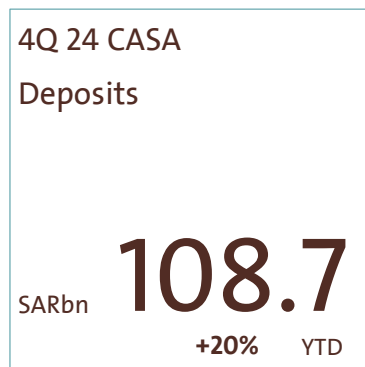
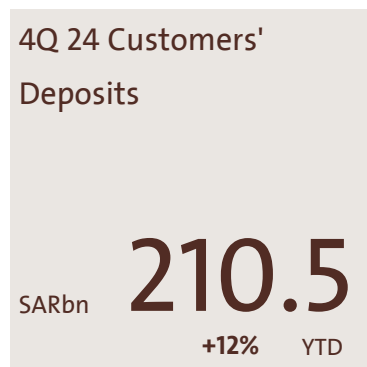
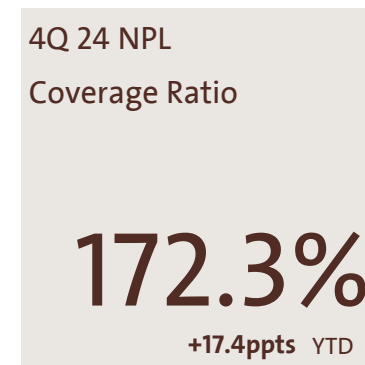
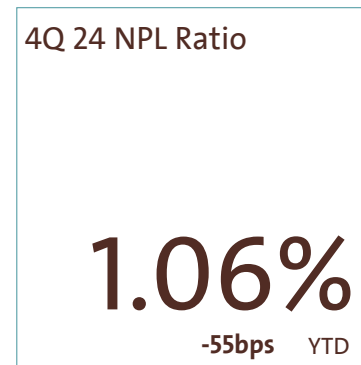
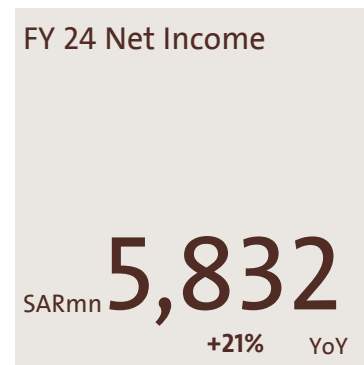
- 17% increase in financing YTD, driven primarily by strong growth in corporate financing, complemented by a robust expansion in retail financing.
- 12% growth in customers' deposits YTD driven by a notable increase in CASA by 20%

Income Statement

- Operating income growth of 12% YoY driven by increase of 13% in funded income and 11% in non-funded income.
- Growth in operating income of 12% translated into increase of 21% in net income to reach SAR 5,832Mn.

Credit Quality, Capital and Liquidity

- NPL and NPL coverage ratios at 1.06% and 172.3% respectively while cost of risk Improved by 22bps YoY to 0.55%.
- Capitalization and liquidity positions remained healthy and within regulatory limits.



Strategy Update

Q4 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

4Q 2024 Initiatives Completed to Date



Bank-wide 28/31



Retail 19/22



Corporate 16/21



Treasury 12/12

Launched the new Alinma Business Platform (CIB)

Launched Alinma New API Portal (open banking)

New featured products and services launched in the Bank's App

Launched Easy Payment Plan (EPP) for credit cards

Introduce persona and behavioral-based segmentation

10 TCR machines implemented in Q4 reaching total of 223

Completed branches merger plan

Launched Corporate Overdraft

+15% (YoY) growth in Corporate financing including SMEs

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

+60% (YoY) growth in booked assets under Mid-Corporate banking segment

+39% (YoY) growth in SMEs financing

Successfully Executed Interbank repo transactions of SAR 1.2 Bn

FX Forward (double Waad product) grew to reach +USD 1 Bn YTD

Expanded network of correspondent banks globally

Multiple cash flow hedge transactions totaling SAR 4.6 Bn



Progress to date

75/86



87%

Strategy Update

2025 Initiatives In-Progress



Bank-wide 3/31



Retail 3/22



Corporate 5/21



Treasury 0/12

Expanding the digital factory for the transformation

Progressing on robotic process automation

Drive employee engagement /organizational health initiatives across various functions



Accelerating insurance products sales for retail customers

Automating Customer Value Management (CVM) focusing on activation, engagement and retention

Enhancing family account ecosystem

Introduce Salary Advance product availed digitally

Continue installation of TCR machines

New products and offerings being created to drive liabilities growth

Build E-Trade Finance

Introduce cashflow management and forecasting solutions

Develop 360° customer view and profitability reporting

Enhance offering of structured deposit products

Long-term funding through inter-bank and customers deposits

Deepening collaboration with business units to continue improving cross-selling



Initiatives In-Progress

11/86

87% Complete

In-Progress

13%

FY 2024 Financial Performance

Balance Sheet Trends



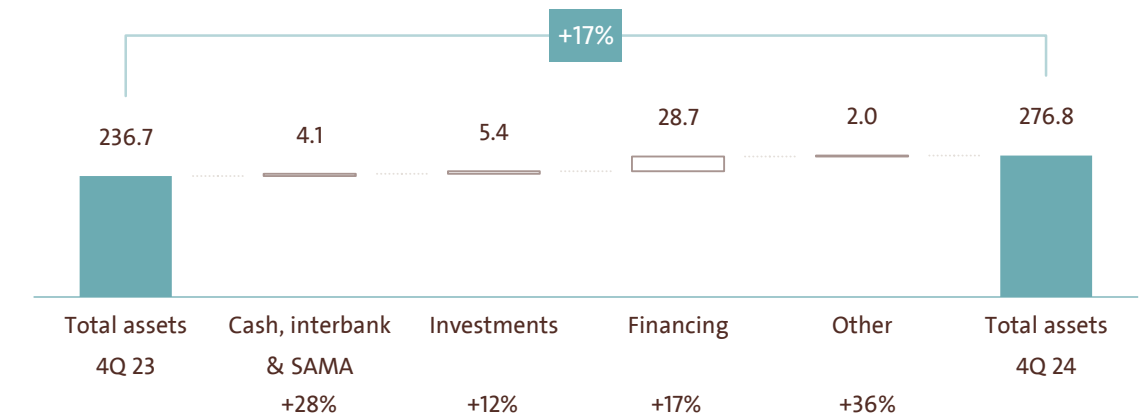
Balance sheet growth of 17% YTD driven by financing and investments

Management Commentary

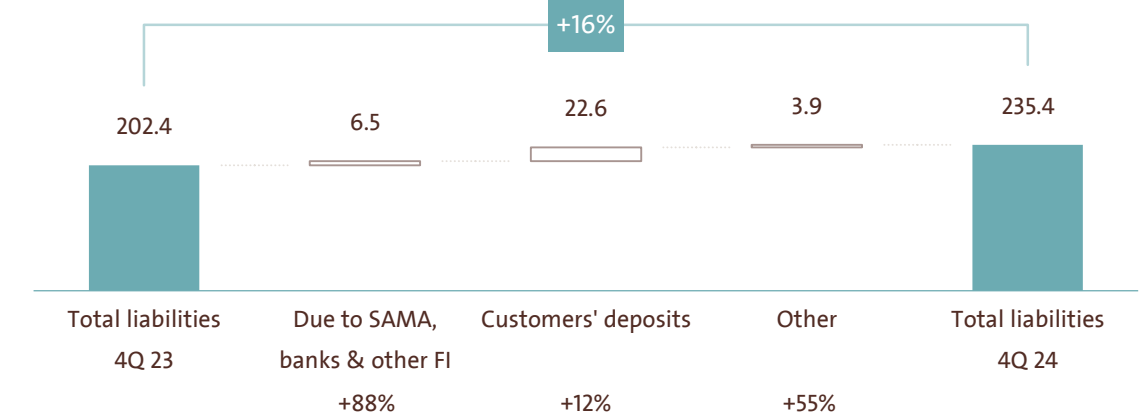
- Growth in total assets of 17% YTD mainly driven by 17% financing growth and 12% growth in investments.
- Total liabilities grew by 16% YTD mainly from a 12% increase in customers' deposits.

SAR (mn)	4Q 2024	4Q 2023	Δ%	3Q 2024	Δ%
Cash, interbank & SAMA balances	18,360	14,299	+28%	17,446	+5%
Investments	48,625	43,236	+12%	46,938	+4%
Financing	202,308	173,624	+17%	195,895	+3%
Other assets	7,534	5,555	+36%	6,703	+12%
Total assets	276,827	236,715	+17%	266,983	+4%
Due to SAMA, banks & other FI	13,936	7,431	+88%	8,464	+65%
Customers' deposits	210,545	187,901	+12%	209,140	+1%
Other liabilities	10,905	7,050	+55%	8,221	+33%
Total liabilities	235,386	202,381	+16%	225,825	+4%
Share capital	25,000	20,000	+25%	25,000	0%
Retained earnings	3,188	1,118	+185%	3,987	-20%
Other reserves	4,503	8,215	-45%	3,419	+32%
Tier 1 sukuk	8,751	5,000	+75%	8,751	0%
Total equity	41,442	34,334	+21%	41,158	+1%

Total Assets Movement YTD (SARbn)



Total Liabilities Movement YTD (SARbn)



P&L Trends



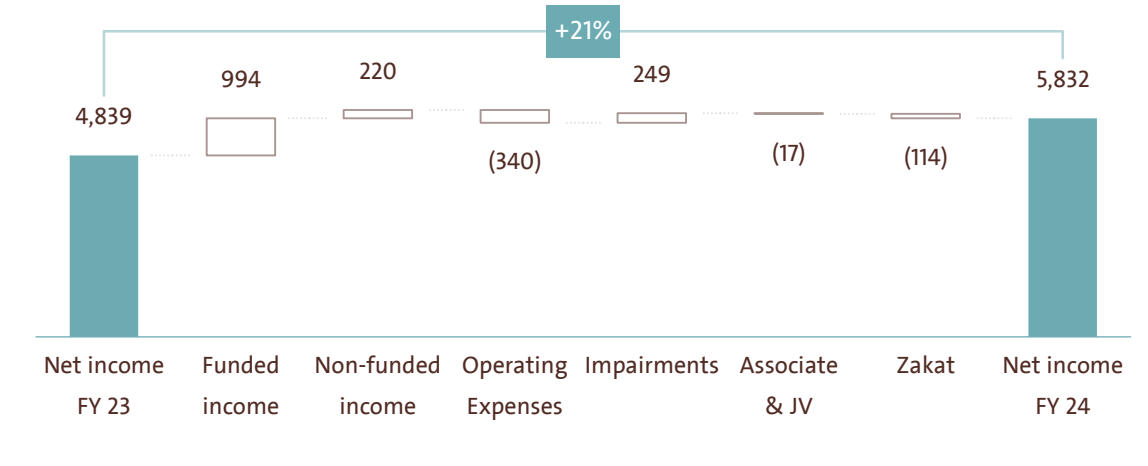
Net income for FY 2024 grew by 21% YoY supported by growth in operating income.

Management Commentary

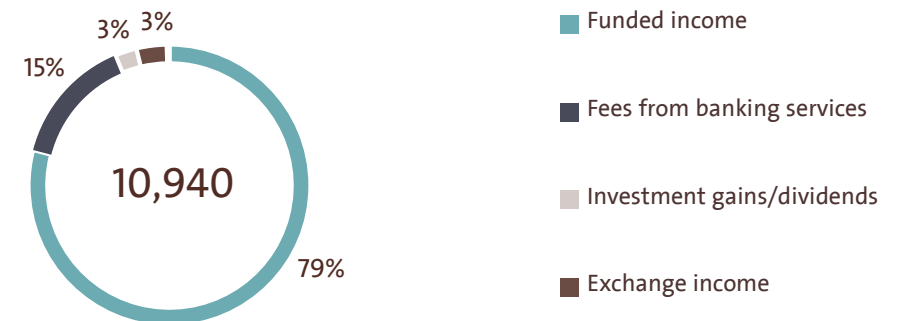
- Net income for FY 2024 grew 21% YoY to SAR 5,832mn from 12% operating income growth.
- FY 2024 funded income increased by 13% YoY, and the non-funded income increased by 11% YoY.

SAR (mn)	FY 2024	FY 2023	Δ%	4Q 2024	4Q 2023	Δ%
Funded income	8,649	7,655	+13%	2,266	2,054	+10%
Non-Funded income	2,291	2,071	+11%	549	515	+7%
Total operating income	10,940	9,726	+12%	2,815	2,569	+10%
Operating Expenses	3,384	3,044	+11%	864	774	+12%
Net operating income before impairment charge	7,556	6,682	+13%	1,951	1,795	+9%
Impairments	1,049	1,299	-19%	249	324	-23%
Net operating income	6,507	5,384	+21%	1,702	1,471	+16%
Income before zakat & income tax	6,502	5,396	+21%	1,705	1,472	+16%
Zakat	670	556	+21%	176	152	+16%
Net income	5,832	4,839	+21%	1,529	1,320	+16%

Net Income Movement YoY (SARmn)



Operating Income Composition (SARmn)

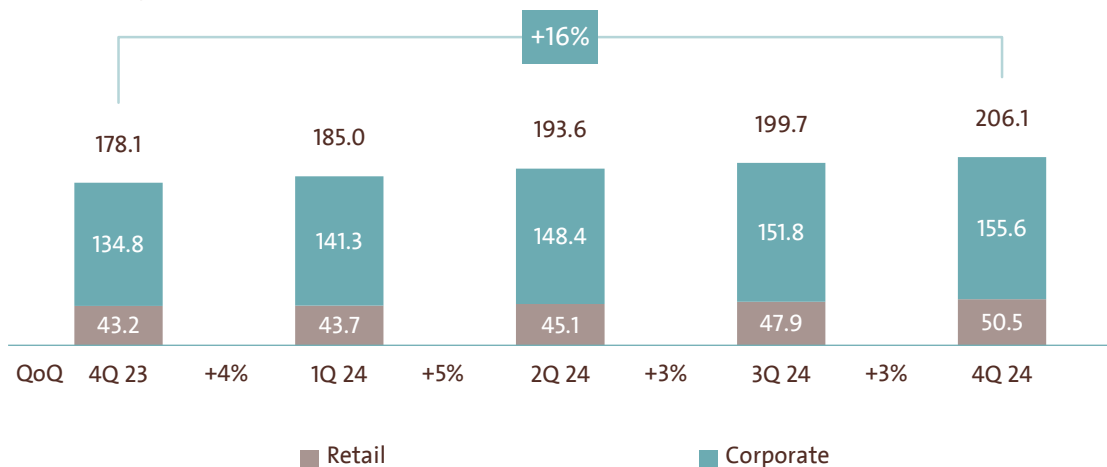


Financing

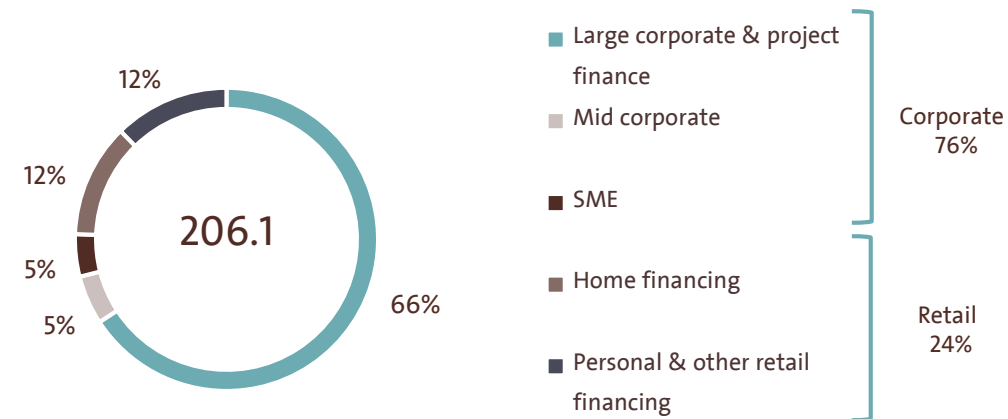


Gross financing growth of 16% during FY 2024 is driven by 17% increase in retail financing, and 15% in corporate financing.

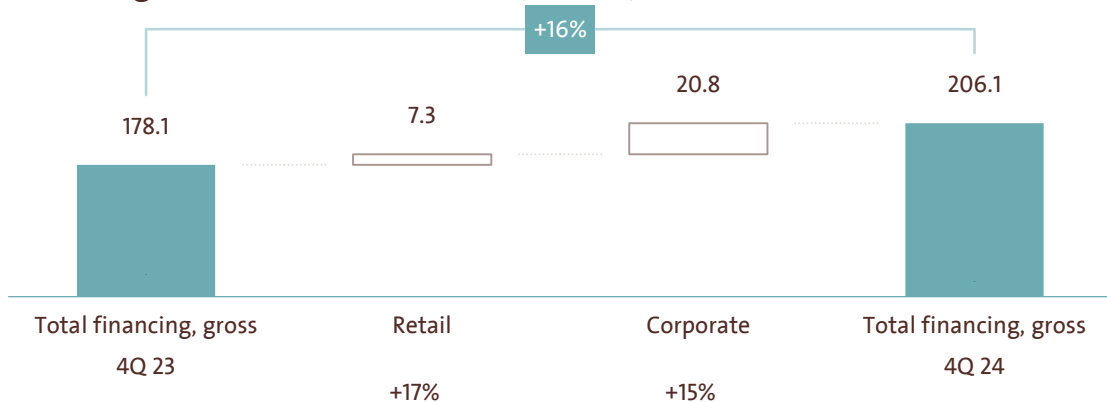
Financing, Gross (SARbn)



Financing, Gross Composition (SARbn)



Financing, Gross Movement YTD (SARbn)



Management Commentary

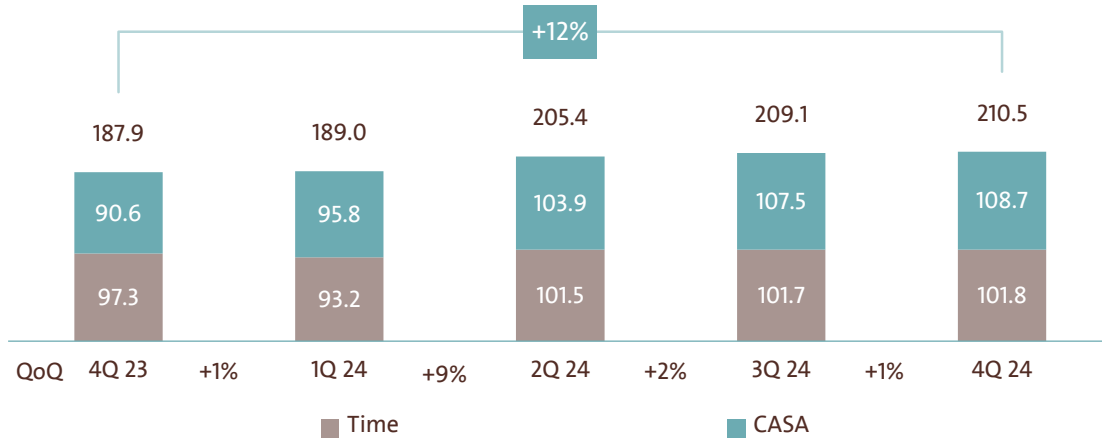
- Gross financing grew 16% during FY 2024.
- Retail financing saw a 17% increase YTD, driven primarily by a robust growth in auto financing, complemented by a healthy expansion in home financing.
- Corporate financing growth continued its momentum with a 15% increase YTD, driven by a 21% growth in project finance and a notable growth of 60% in mid-corporate, along with a 39% expansion in SME financing YTD.
- Gross financing comprises of 76% corporate and 24% retail as of December 31st 2024.

Deposits

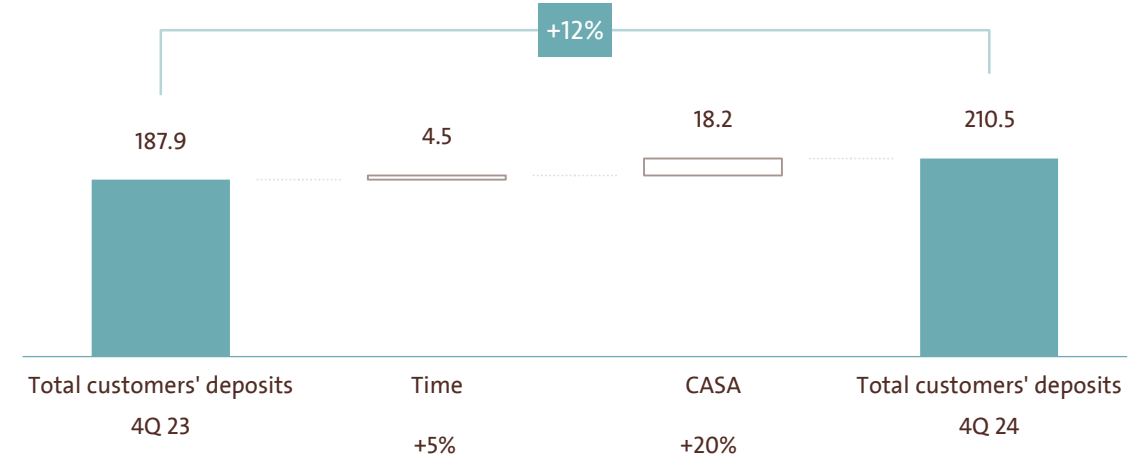


Deposit growth of 12% driven by strong CASA growth of 20%

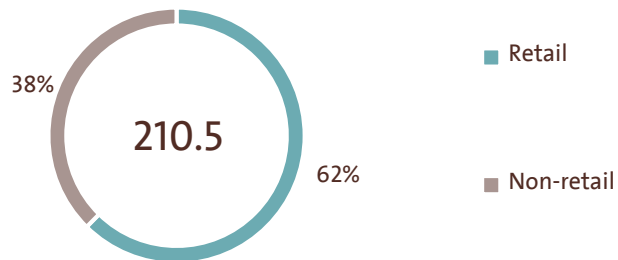
Customers' Deposits (SARbn)



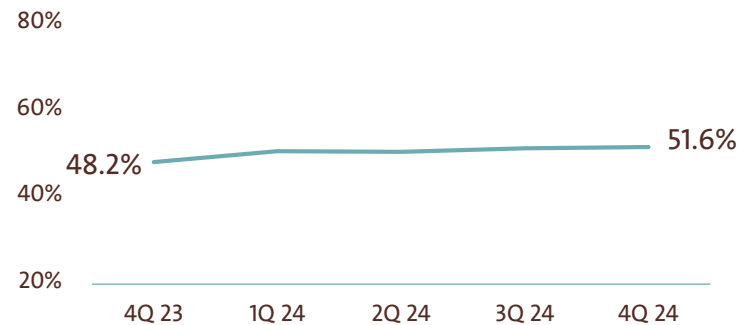
Customers' Deposits Movement YTD (SARbn)



Customers' Deposits Composition (SARbn)



CASA % of Total Deposits (%)



Management Commentary

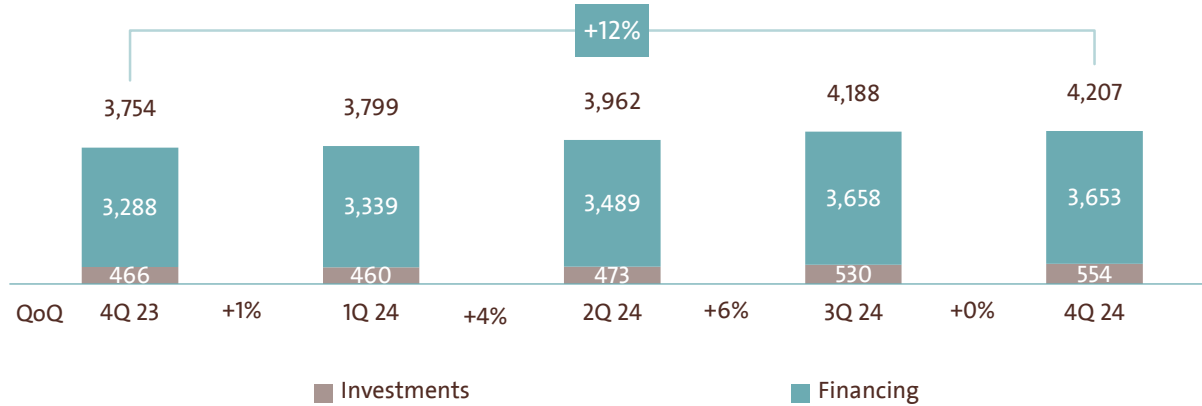
- Deposits increased by 12% during FY 2024 driven by solid growth in CASA by 20%.
- CASA deposits account for 51.6% of total deposits as of 4Q 2024.
- Total deposits comprise of 62% retail and 38% non-retail deposits as of December 31st 2024.

Income from Financing & Investments

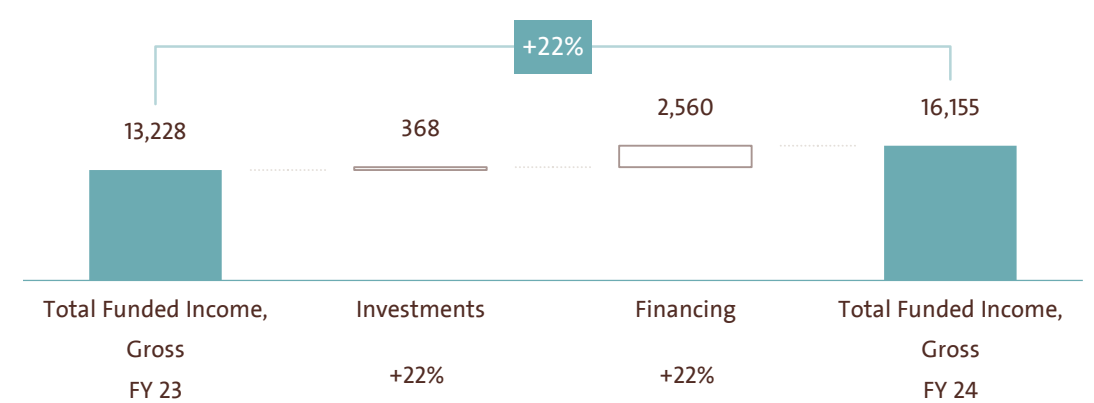


Gross funded income continues a strong growth driven by 22% growth in both investment and financing income

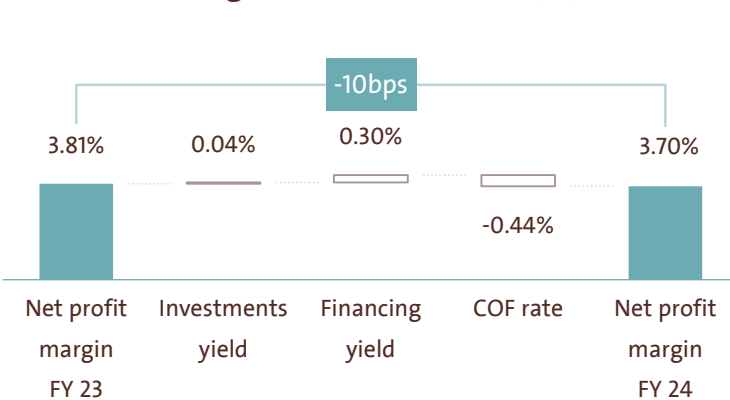
Funded Income, Gross (SARmn)



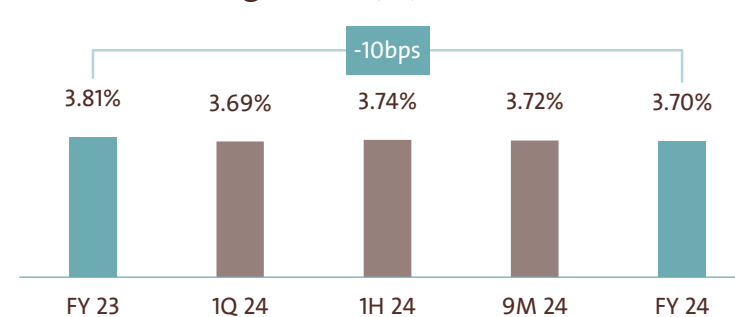
Total Funded Income, Gross Movement YoY (SARmn)



Net Profit Margin Movement YoY (%)



Net Profit Margin YTD (%)



Management Commentary

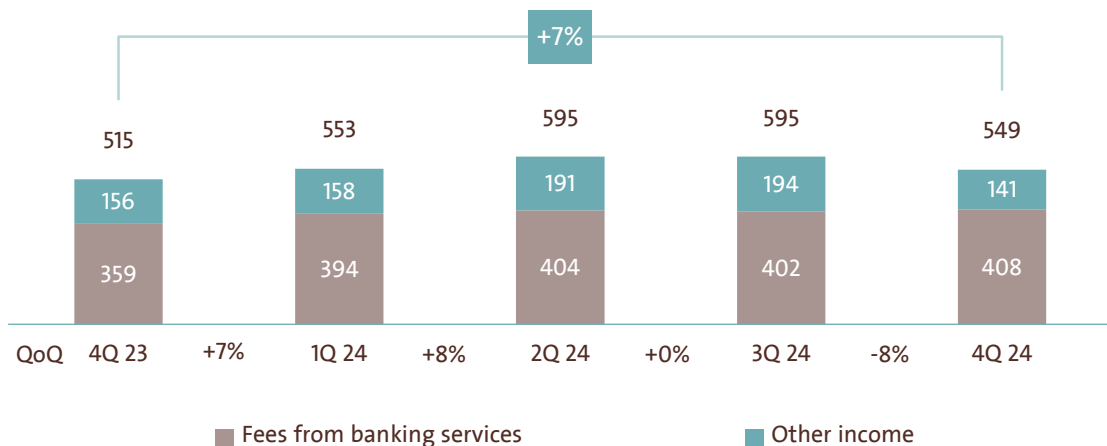
- Gross funded income for FY 2024 increased by 22% YoY to SAR 16,155mn from a 22% increase in investment income and a 22% rise in financing income.
- Net profit margin decreased by 10bps YoY to 3.70% in FY 2024.

Fee and Other Income

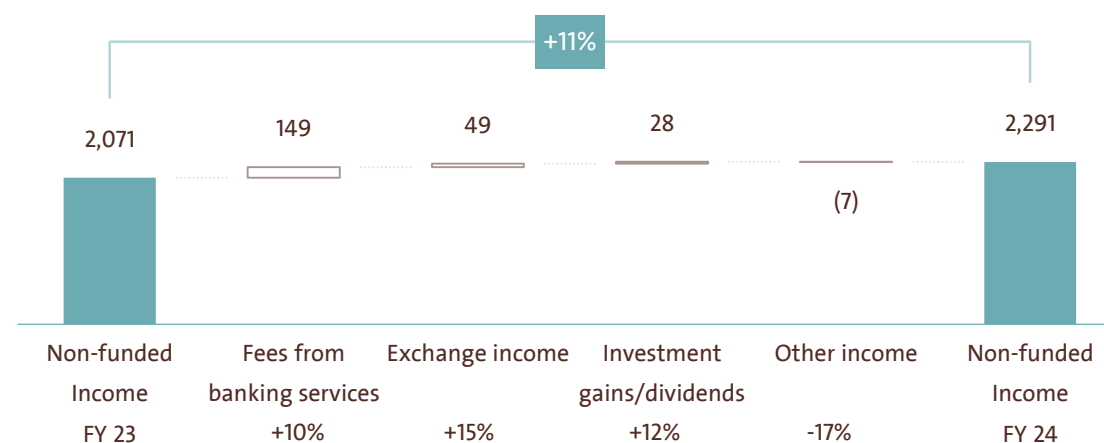


Non-funded income for FY 2024 increased by 11% YoY

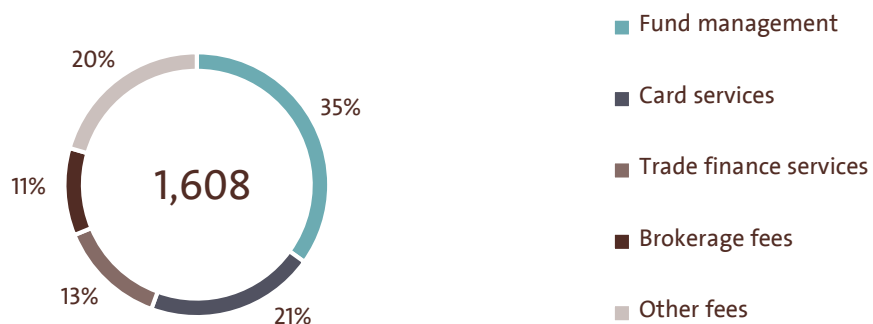
Non-Funded Income (SARmn)



Non-Funded Income Movement YoY (SARmn)



Fees from Banking Services Composition (SARmn)



Management Commentary

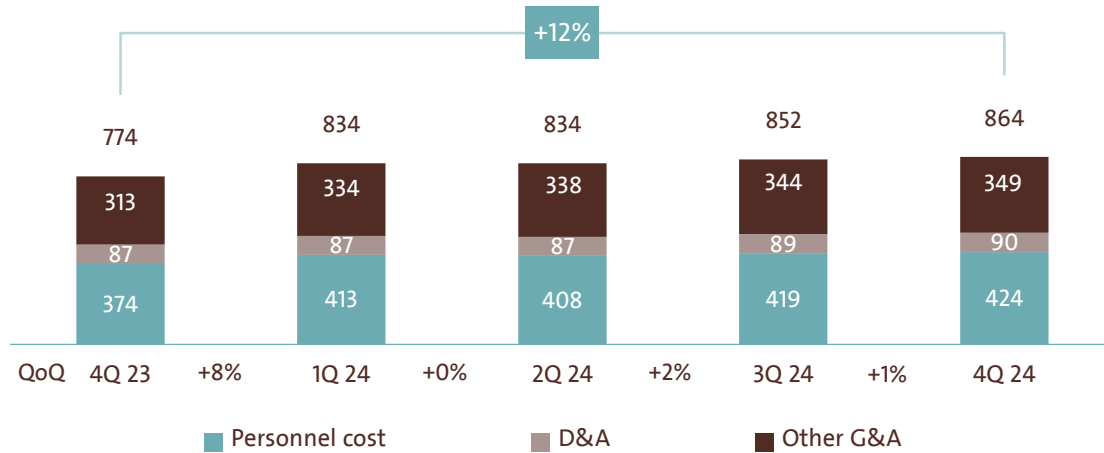
- Non-funded income for FY 2024 increased 11% YoY to SAR 2,291mn from improved fees from banking services and investment gains/dividends.
- Fund management fees comprise the majority of fees from banking services at 35%, while card services fees account for 21%, other fees for 20% and trade finance services and brokerage fees represent 13% and 11% respectively.

Operating Expenses

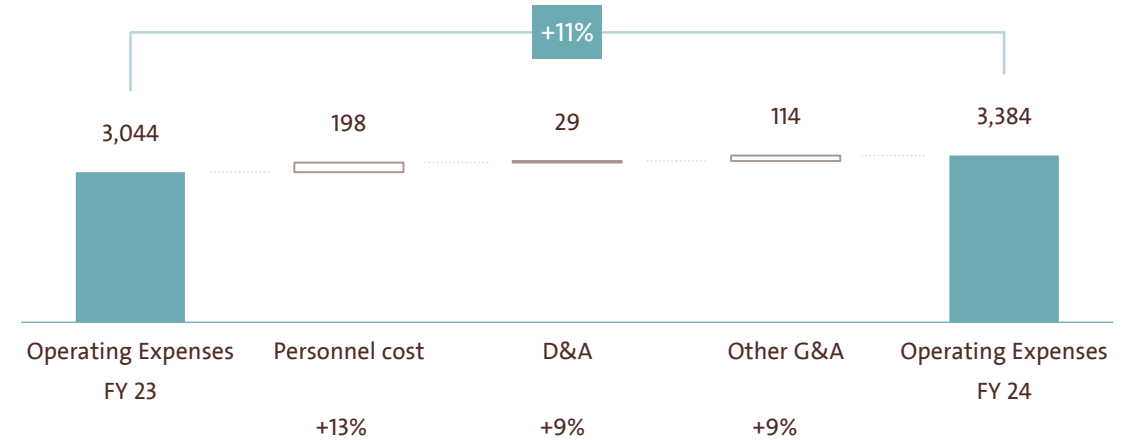


Operating expenses grew at a rate of 11% YoY, driven by higher employee and G&A costs.

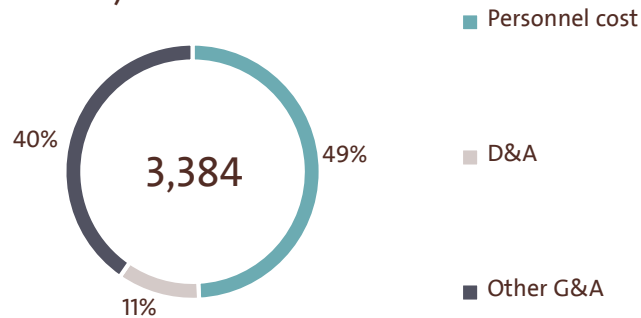
Operating Expenses (SARmn)



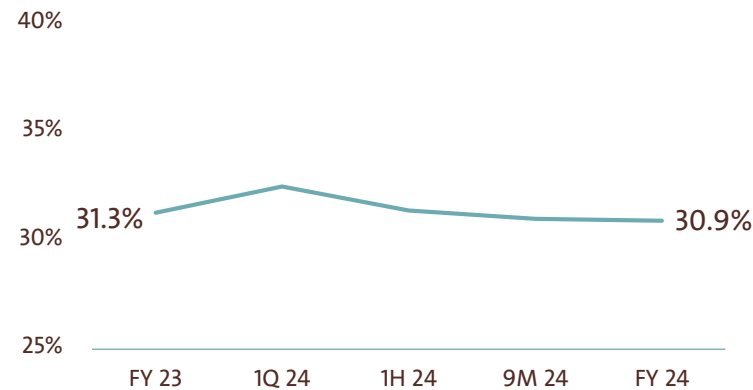
Operating Expenses Movement YoY (SARmn)



Operating Expenses Composition (SARmn)



Cost to Income Ratio (%)



Management Commentary

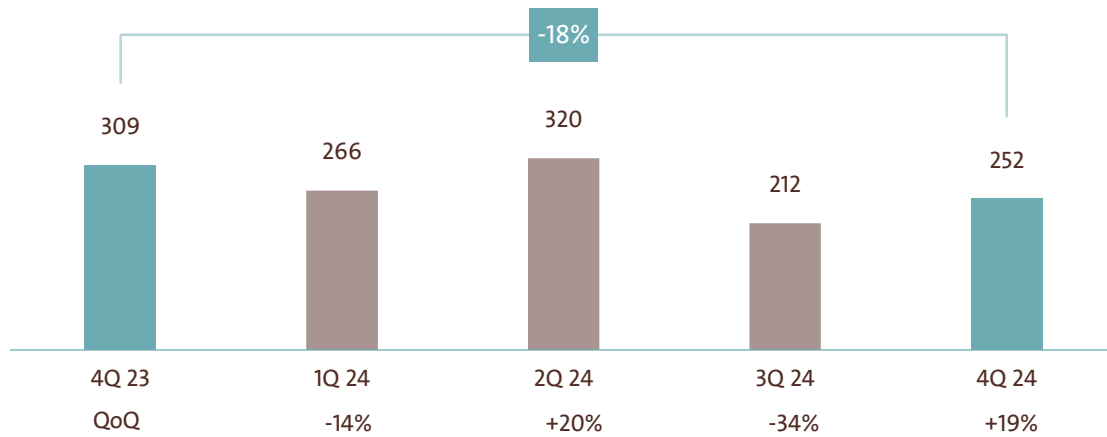
- Operating expenses increased 11% YoY to SAR 3,384mn for FY 2024.
- Personnel cost comprise the majority of operating expenses at 49%, while other G&A account for 40%, and D&A represent 11%.
- +1.3ppts positive Jaws contributed to a 4bps decrease in the cost to income ratio YoY from 31.3% to 30.9%.

Impairments for Financing

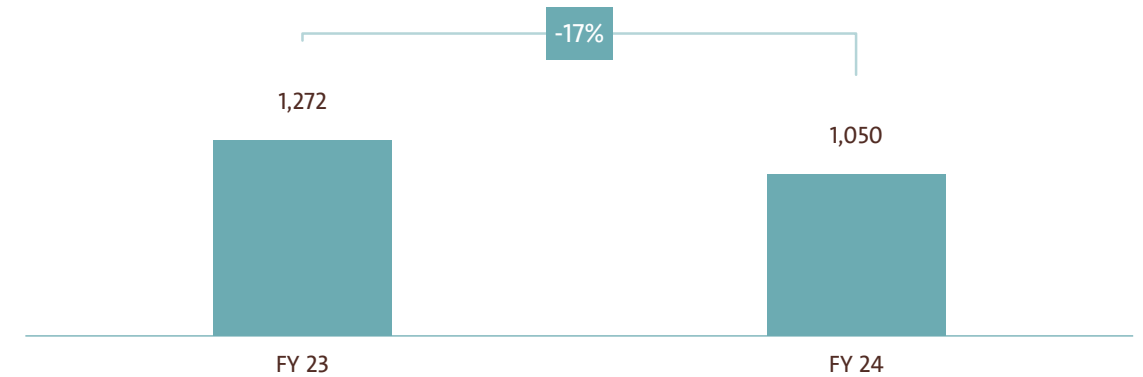


Cost of risk for FY 2024 improved by 22bps to 0.55%

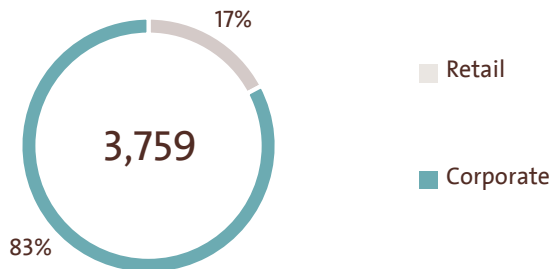
Impairments for Financing (SARmn)



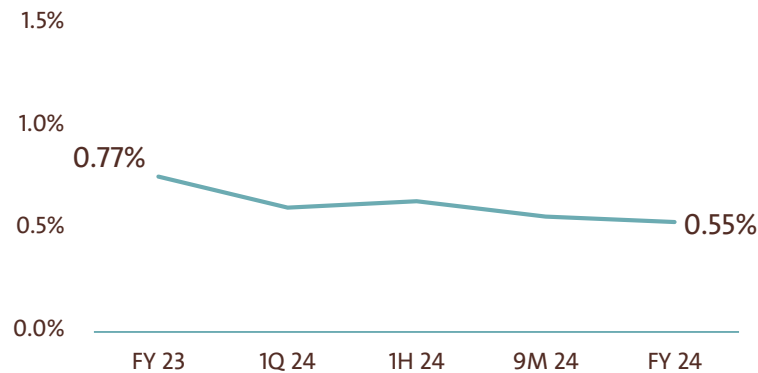
Impairments for Financing (SARmn)



Impairments Allowance Composition (SARmn)



Cost of Risk (%)



Management Commentary

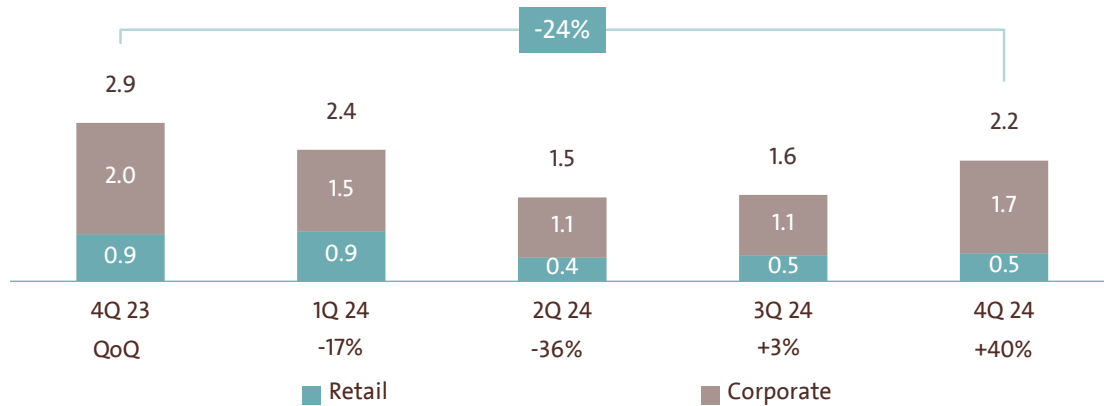
- FY 2024 impairment charge for financing decreased by 17% YoY to SAR 1,050mn.
- Cost of risk for FY 2024 decreased by 23bps YoY to 0.55%.
- 83% of impairment allowance in FY 2024 pertains to corporate and 17% is for retail financing.

NPL & NPL Coverage

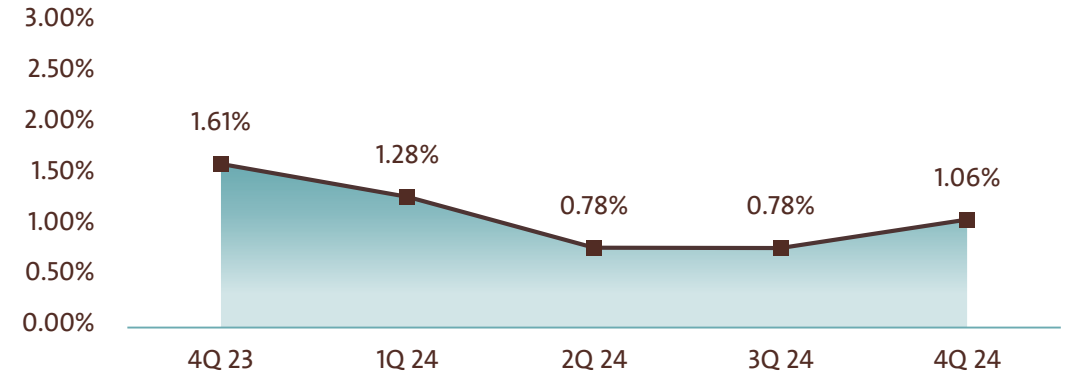


NPL ratio decreased and NPL coverage increased YoY

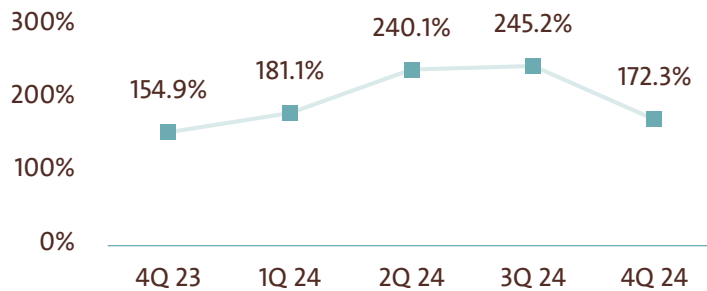
Non-Performing Loans, Gross (SARbn)



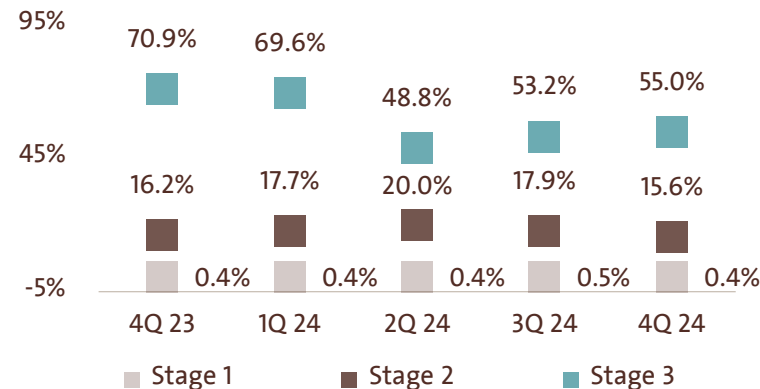
NPL Ratio (%)



NPL Coverage Ratio (%)



Stage-Wise Coverage (%)



Management Commentary

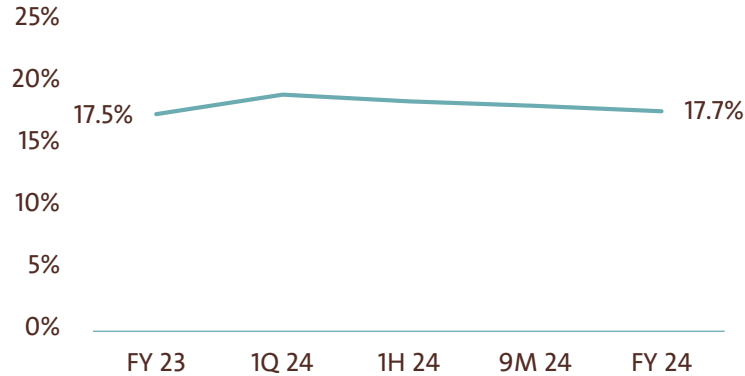
- NPL ratio decreased by 55bps YoY to 1.06% in 4Q 2024.
- Non-Performing Loans decreased by 24% YoY to SAR 2.2Bn.
- NPL coverage increased by 17.4ppts YoY to 172.3%.

Capitalization & Liquidity

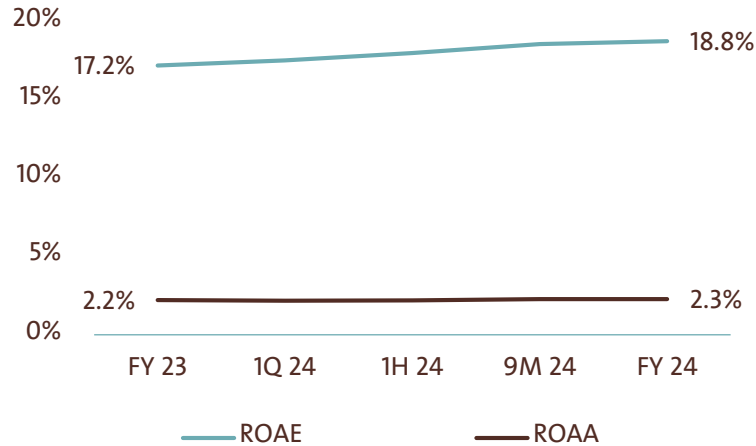


Capital and liquidity ratios remained healthy. ROE increased 159bps YTD

Capitalization (%)



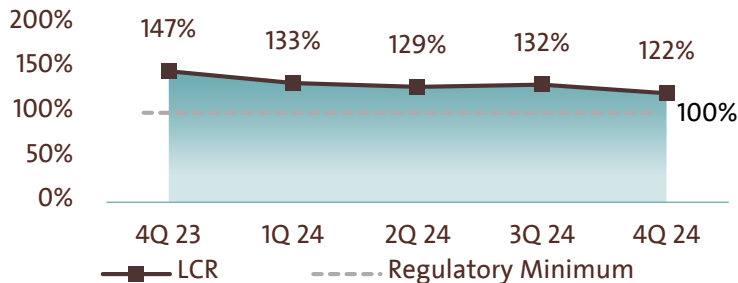
Profitability (%)



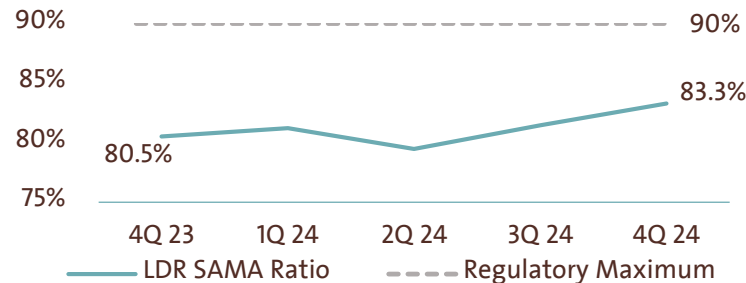
Management Commentary

- CAR increased by 20bps YoY to 17.7%.
- NSFR decreased 60bps YoY to 108.2%.
- LDR ratio increased 2.8ppts YoY to 83.3%.
- 4Q 2024 LCR decreased 25ppts YoY to 122%.

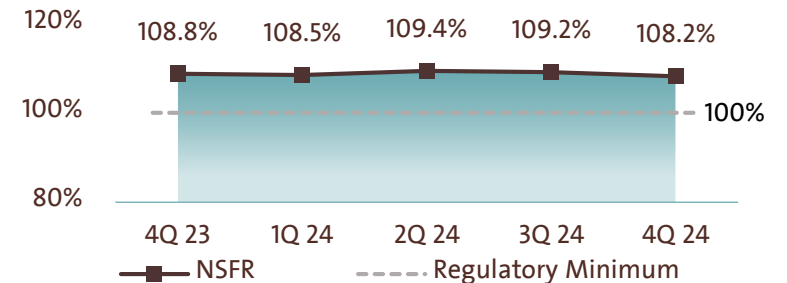
LCR (%)



LDR SAMA Ratio (%)



NSFR (%)



Outlook & Guidance

Q4 2024

Guidance



Acceleration of strategic execution drives a promising outlook for 2024.

		FY 2024A	2024G	2025G	Drivers
Balance Sheet	Financing Growth	+16.5% YTD	High teens	Mid teens	Solid Mid-Corp, SME & Retail growth from strategic initiatives; continuing the growth in corporate financing
Profitability	Net Profit Margin	3.70% -10bps YoY	-10bps to 0bps	-5bps to 5bps	Declining rates mixed with improving margins guide for flat Net Profit Margin
	Cost to Income Ratio	30.9%	Below 31%	Below 30%	Growth in income, digitization & process optimization driving efficiencies
	Return on Equity	18.8%	Above 18%	Above 19%	Improving top line and efficiency driving improving ROE
Asset Quality	Cost of Risk	0.55%	50-60bps	45-55bps	Cautiously expecting stable credit quality and NPL coverage
Capital	CAR Pillar 1	17.2%	18%-19%	17%-18%	Improving top line with efficiencies in equity management

Q&A

Q4 2024

Appendix

Q4 2024



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Financial statements

Annual reports

Sustainability reports

Investor presentations

Earnings call transcripts

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