

# Investor Presentation

2Q 2024

August 2024

مصرف الإنماء  
alinma bank



digital. fast. convenient.

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# Alinma Overview

Q2 2024

# History



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

Est.  
2006



## Establishment

Alinma was established by Royal Decree by the Public Investment Fund (10%), the Public Pension Agency (10%) and the General Organization for Social Insurance (10%)

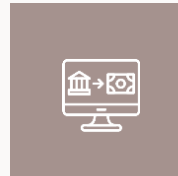
>  
2007



## Young Corporate Bank

Alinma began providing Shariah compliant banking services, asset management and brokerage services through its affiliates

>  
2008



## Publicly Listed Company

Alinma launched its IPO and became a publicly listed company on the Saudi Exchange (Tadawul)

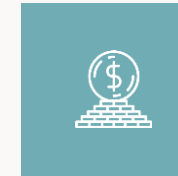
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2020



## Major Capital Increase

Alinma increased its capital to SAR 20 billion from SAR 15 billion via stock dividends to fund the next stage of growth

>  
2024



## Major Capital Increase

Alinma increased its capital to SAR 25 billion from SAR 20 billion via stock dividends to fund the next stage of growth

The youngest bank in KSA

## Financial Position

<b>Net Profit Margin</b> <b>#3 in KSA</b> 3.69% (1Q 2024)	<b>ROE</b> <b>#2 in KSA</b> 17.55% (1Q 2024)	<b>ROA</b> <b>#2 in KSA</b> 2.18% (1Q 2024)
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## Rating Strength

<b>Fitch</b> <b>A-</b> Stable	<b>Moody's</b> <b>A3</b> Positive	<b>S&amp;P Global</b> <b>A-</b> Stable
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## Retail Digital Snapshot

<b>22.7m</b> Monthly Average Users (Smart Phone Users Logins)
<b>747K</b> Daily Average Users (Smart Phone Users Logins)
<b>98.6%</b> Digital Transactions

## KSA Market Share

<b>6.4%</b> Assets (1Q 2024)	<b>7.1%</b> Financing (1Q 2024)
<b>7.2%</b> Deposits (1Q 2024)	<b>5.4%</b> NIB Deposits (1Q 2024)

5.19m

Customers

## Stock Highlights

<b>611mn</b> Volume Traded (1H 2024)	<b>SAR 20bn</b> Value Traded (1H 2024)	<b>SAR 77.8bn</b> Market Capitalization (30 June 2024)	<b>15.2%</b> Foreign Ownership #1 among Saudi banks (30 June 2024)	<b>10%</b> Owned by Public Investment Fund
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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

Q2 2024

digital. fast. convenient.

# 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

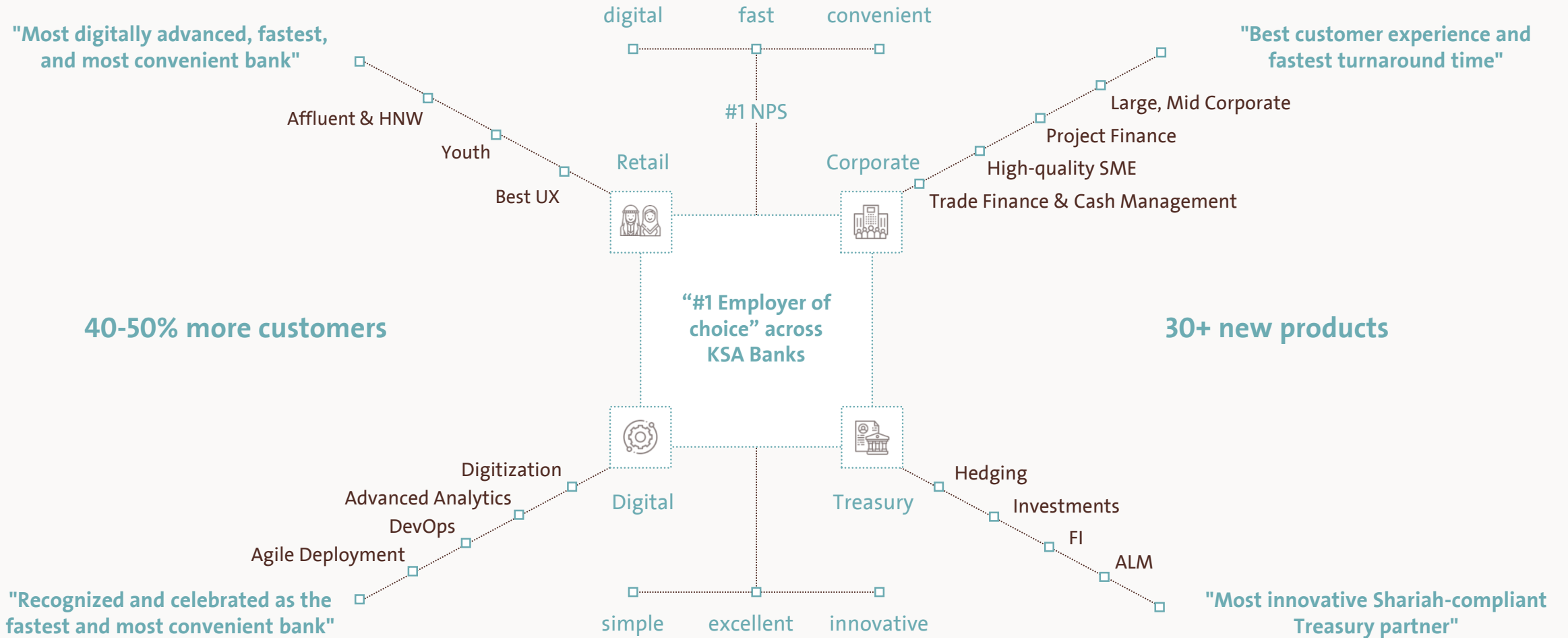




# Strategy Overview



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

## 2Q 2024

Achievements

- 1 Launched **Youth App (iz)** to public and grand reveal activities and campaigns executed
- 1 Built and deployed the integrated portal (CIB) for **Corporate/SMEs segments**. Customers migration started
- 1 **36 new TCR machines** installed in Q2 reaching a **total of 199**
- 1 **23 merged** branches

## 2024

Initiatives In-Progress

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



Total

86 Initiatives

\*9 new initiatives added in Q2 2024

68/86 Initiatives Completed



18/86 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:

16/22 initiatives completed

73%

Key Achievements

2Q 2024

### Launch of New Tailored Products



Launched 2 new credit cards tailored for youth segment & implemented 6 Mortgage new features to improve customer experience, and product offering

### New Operating Models and Effective Processes



Implemented OMNI Channel for PF & CC applications in branches for better customer journey & documents safe keeping



Launched new credit scoring module to reduce TAT, and improve credit score quality



Expanded OTP feature to wider branch transactions, to improve service levels and reduce paper forms

### Distribution Expansion

36

New TCR machines installed in Q2 reaching a total of 199

23

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:**

13/21 initiatives completed



**Key Achievements**

**2Q 2024**

**Growth in All Corporate Segments**

**+19%**  
(YoY)

Growth in booked assets

**+25%**  
(YoY)

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

**+112%**  
(YTD)

growth in booked assets under Mid-Corporate banking segment

**Growth in SME Portfolio**

**+22%**  
(YoY)

Kafalah financing

**Automation**

Launched eCLO phase 2 covering ICB,PSF,CCB and SME Traditional

# Treasury



Become core partner for corporate clients and grow FI franchise

**Focus to date**  
Liquidity management and stable risk

## 1 Derivative products

## 2 Enhanced financial institutions franchise

## 3 High Quality Asset Liability Management

 **Alinma Treasury Vision**

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

FI customers serviced well



Future Focus

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

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

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

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

**Initiatives Completed to Date:**

12/12 initiatives completed

100%

**Key Achievements**

2Q 2024

### Expansion of Products and Volumes

**USD 200 Mn**

Successfully completed the first three years bilateral deal

**+5.8 Bn**

growth in Profit Rate Swap (PRS)

**+USD 156 Mn**

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:**

16/20 initiatives completed  
80%

**Key Achievements**

**2Q 2024**

### Expansion of Products and Volumes



Launched Youth App (iz) to public and grand reveal activities and campaigns executed



Built and deployed the integrated portal (CIB) for Corporate/SMEs segments. Customers migration started

### 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:**

9/9 initiatives completed



**Key Achievements**

2Q 2024

**Increased Employee Engagement**



Launched "Maak" application which is designed to provide a great user experience for all employee services & requests



Launched Innovation Platform Phase-1 to encourage innovated environment for Alinma staff

**Increased Training & Key Placements**

**+40%**

Of total workforce have been trained in Q2

**Workforce**

**96%**

Saudization Rate

**23%**

Female percentage of total workforce

# Historical Financial Performance

Q2 2024

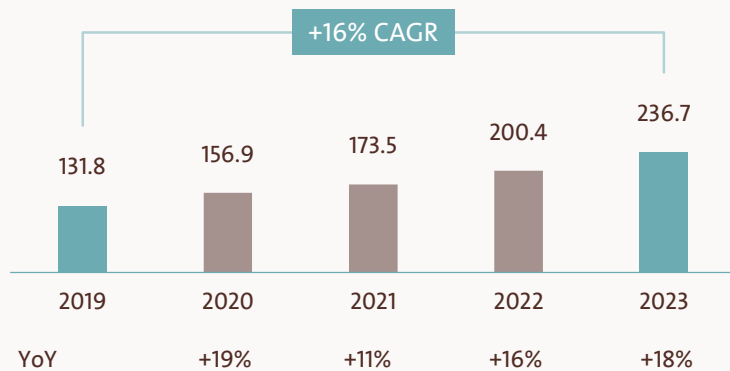


# Balance Sheet Track Record

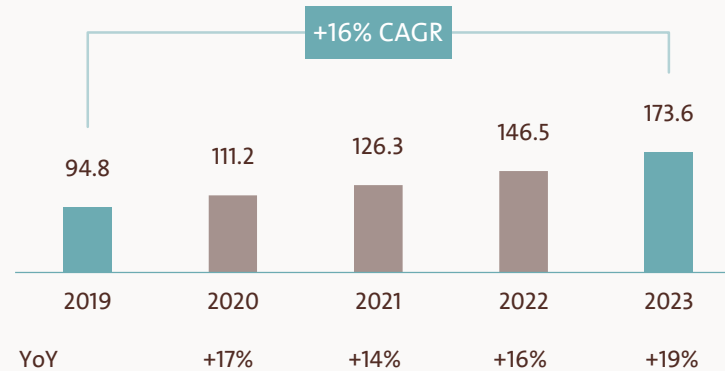


Solid history of strong balance sheet momentum...

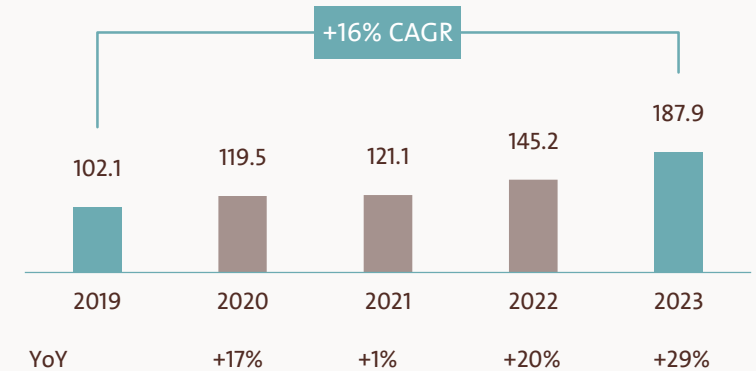
### Total Assets (SARbn)



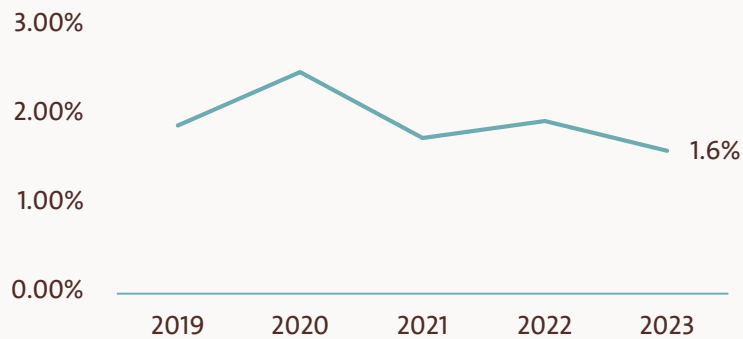
### Financing (SARbn)



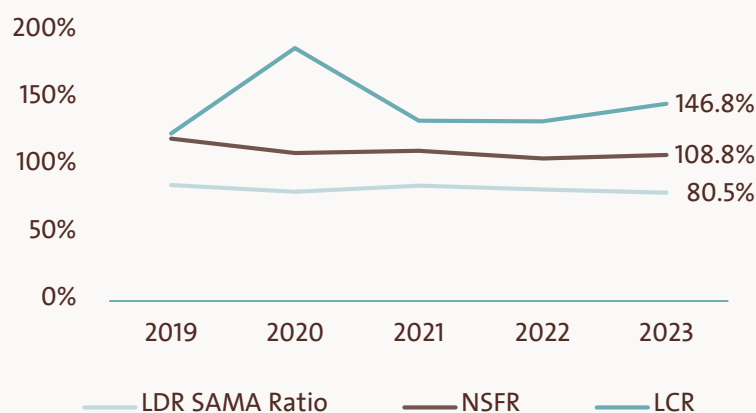
### Customers' Deposits (SARbn)



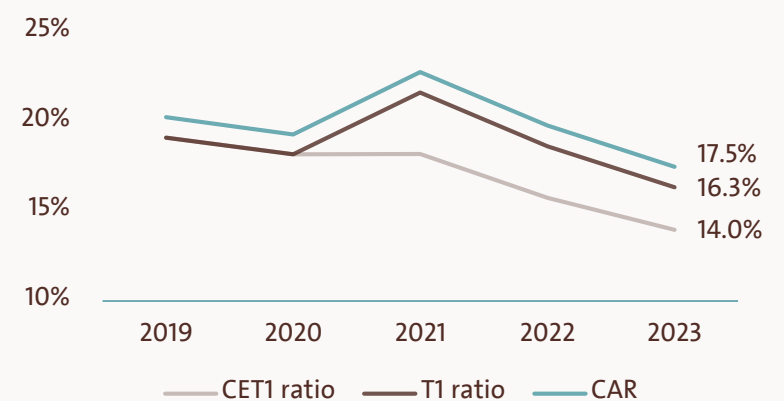
### NPL Ratio (%)



### Liquidity (%)



### Capitalization (%)

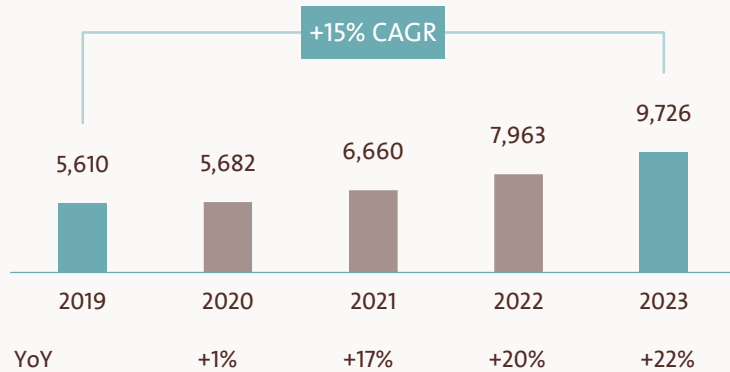


# P&L Track Record

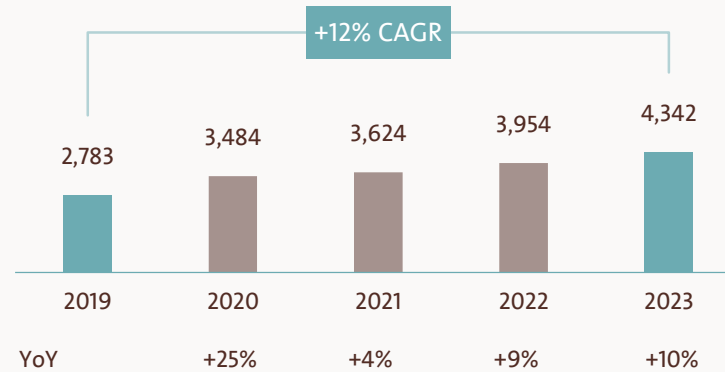


...translating to consistently strong top-line growth and solid profitability

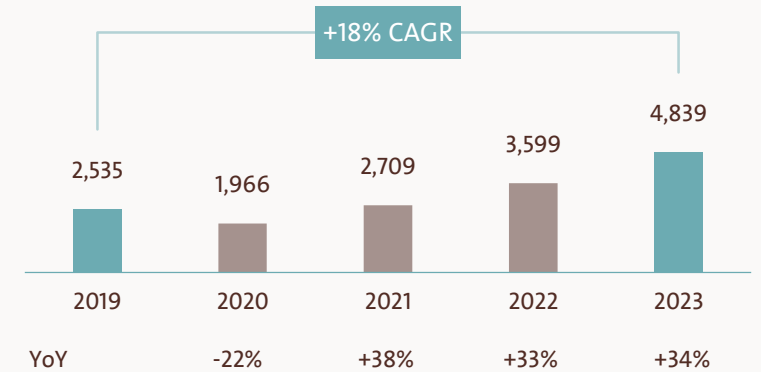
### Total Operating Income (SARmn)



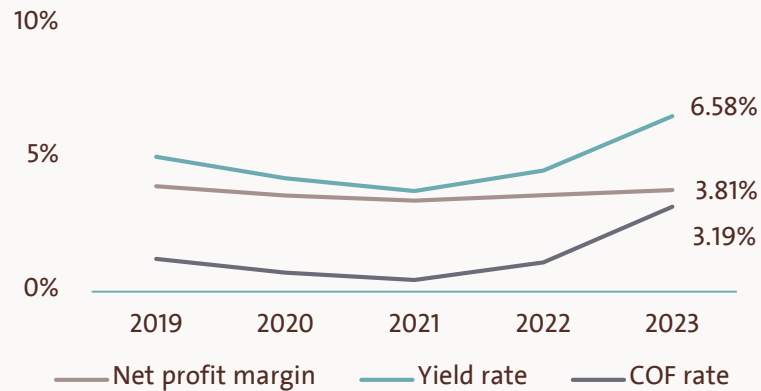
### Total Operating Expenses (SARmn)



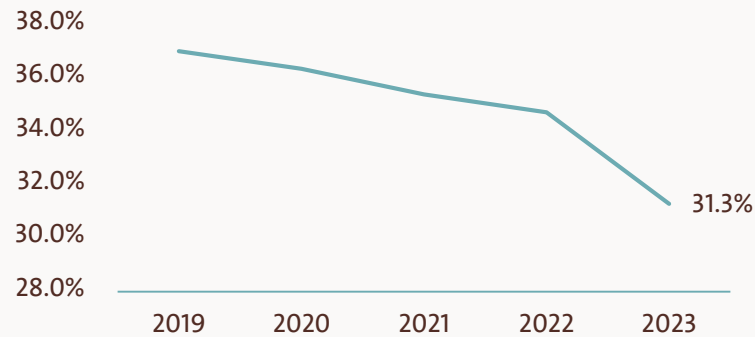
### Net Income (SARmn)



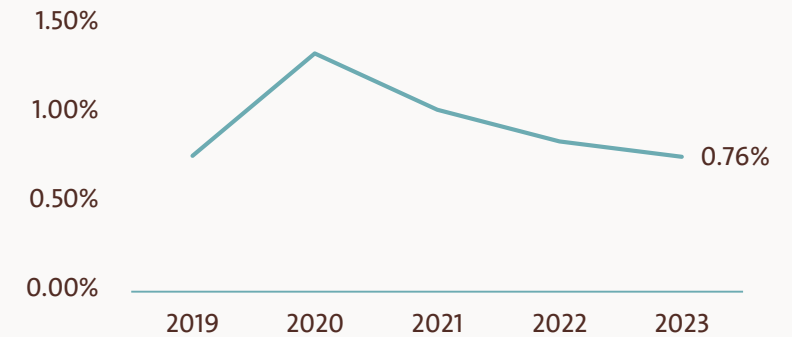
### Net Profit Margin (%)



### Cost To Income Ratio (%)



### Cost of Risk (%)



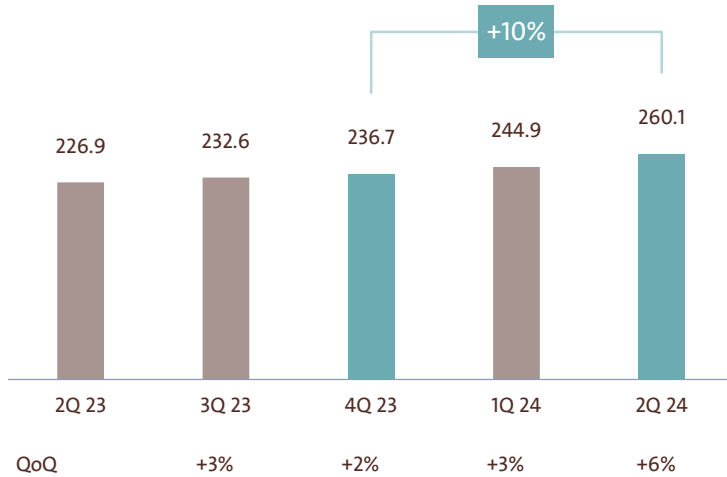
# 1H 2024 Financial Performance

# 2Q 2024 Balance Sheet Highlights

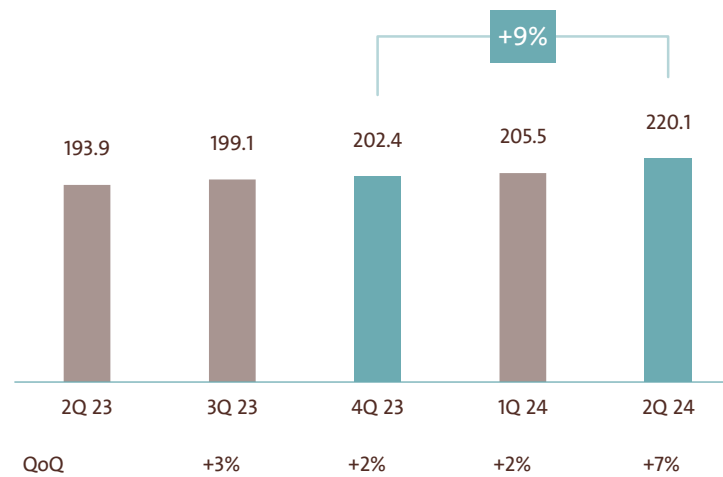


Balance sheet growth from financing and investments growth funded mainly from customers' deposits

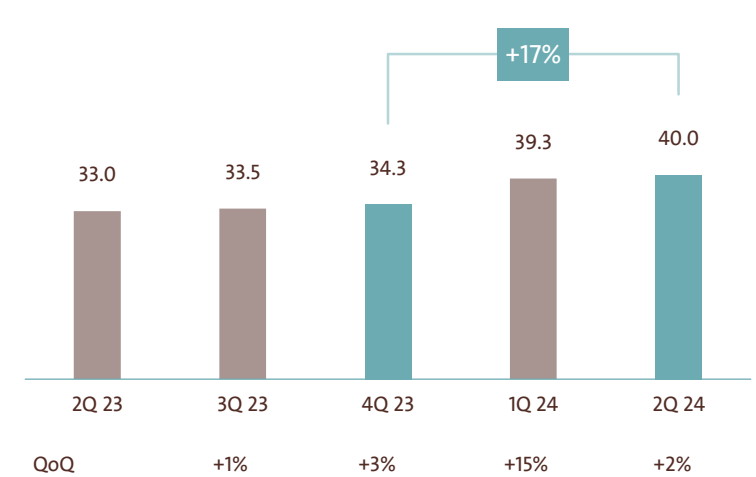
Total Assets (SARbn)



Total Liabilities (SARbn)



Total Equity (SARbn)



2Q 24 Financing

SARbn **189.9**  
+9% YTD

2Q 24 Customers' Deposits

SARbn **205.4**  
+9% YTD

2Q 24 CASA Deposits

SARbn **103.9**  
+15% YTD

2Q 24 CASA % of Total Deposits

**50.6%**  
+2.4ppts YTD

2Q 24 LDR SAMA Ratio

**79.5%**  
-1.0ppts YTD

2Q 24 CAR

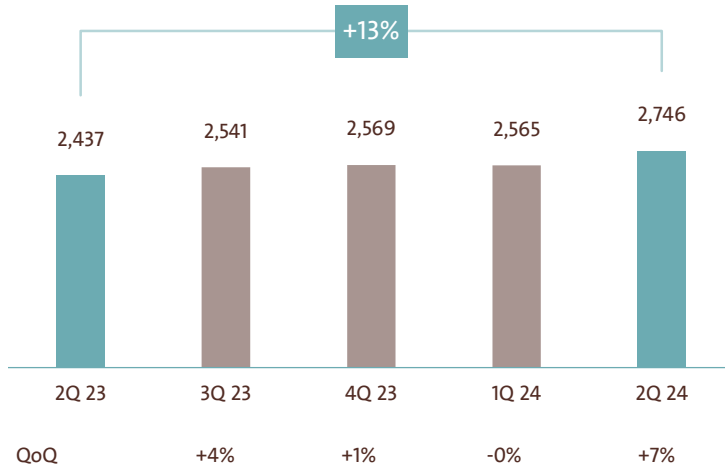
**18.5%**  
+105bps YTD

# 1H 2024 P&L Highlights



Net income for 1H 2024 grew by 24% YoY from 13% operating income growth

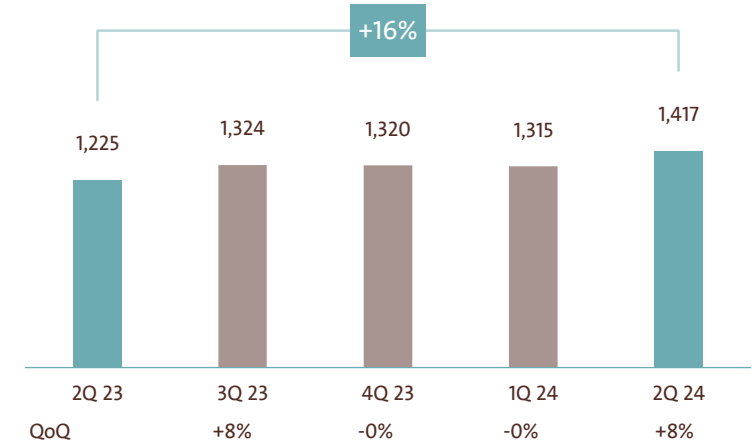
Total Operating Income (SARmn)



Total Operating Expenses (SARmn)\*



Net Income (SARmn)



\* Including impairment charge

1H 24 Funded Income

SARmn **4,163**  
+16% YoY

1H 24 Non-Funded Income

SARmn **1,148**  
+12% YoY

1H 24 Net Income

SARmn **2,731**  
+24% YoY

1H 24 Net Profit Margin

**3.74%**  
-5bps YoY

1H 24 Cost to Income Ratio

**31.4%**  
-1.2ppts YoY

1H 24 ROE

**18.0%**  
+202bps YoY

# Balance Sheet Trends



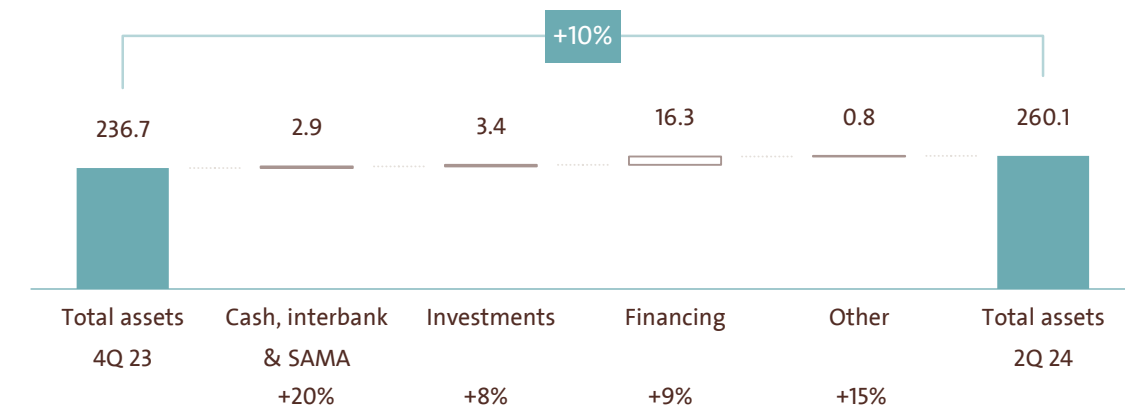
Balance sheet growth of 10% YTD driven by financing and investments

## Management Commentary

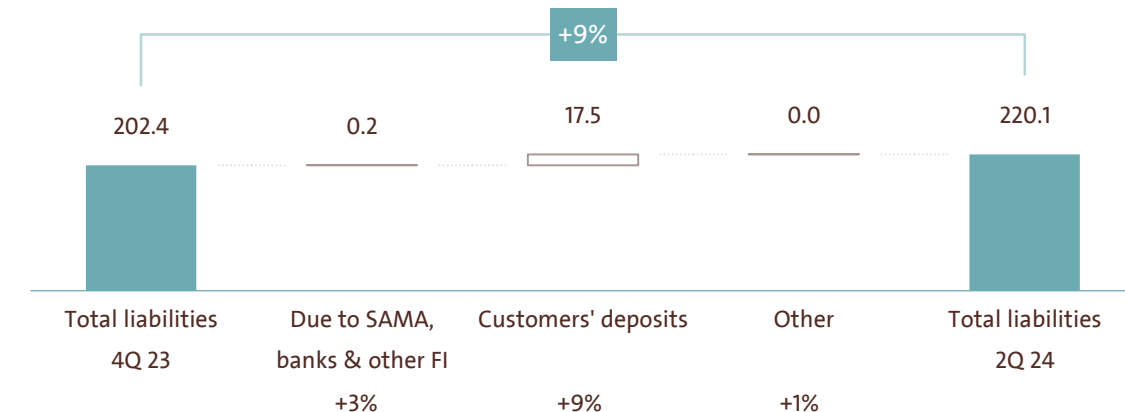
- Growth in total assets of 10% YTD mainly driven by 9% financing growth and 8% growth in investments.
- Total liabilities grew by 9% YTD mainly from a 9% rise in customers' deposits.
- Alinma Bank increased its capital in Q2 2024 by SARbn 5 through bonus share issuing.

SAR (mn)	2Q 2024	4Q 2023	Δ%	2Q 2023	Δ%
Cash, interbank & SAMA balances	17,199	14,299	+20%	20,219	-15%
Investments	46,631	43,236	+8%	40,117	+16%
Financing	189,912	173,624	+9%	161,773	+17%
Other assets	6,397	5,555	+15%	4,792	+33%
<b>Total assets</b>	<b>260,138</b>	<b>236,715</b>	<b>+10%</b>	<b>226,900</b>	<b>+15%</b>
Due to SAMA, banks & other FI	7,651	7,431	+3%	9,959	-23%
Customers' deposits	205,357	187,901	+9%	177,874	+15%
Other liabilities	7,094	7,050	+1%	6,091	+16%
<b>Total liabilities</b>	<b>220,101</b>	<b>202,381</b>	<b>+9%</b>	<b>193,924</b>	<b>+13%</b>
Share capital	25,000	20,000	+25%	20,000	+25%
Retained earnings	3,207	1,118	+187%	5,975	-46%
Other reserves	3,079	8,215	-63%	2,001	+54%
Tier 1 sukuk	8,752	5,000	+75%	5,000	+75%
<b>Total equity</b>	<b>40,037</b>	<b>34,334</b>	<b>+17%</b>	<b>32,977</b>	<b>+21%</b>

## Total Assets Movement YTD (SARbn)



## Total Liabilities Movement YTD (SARbn)



# P&L Trends



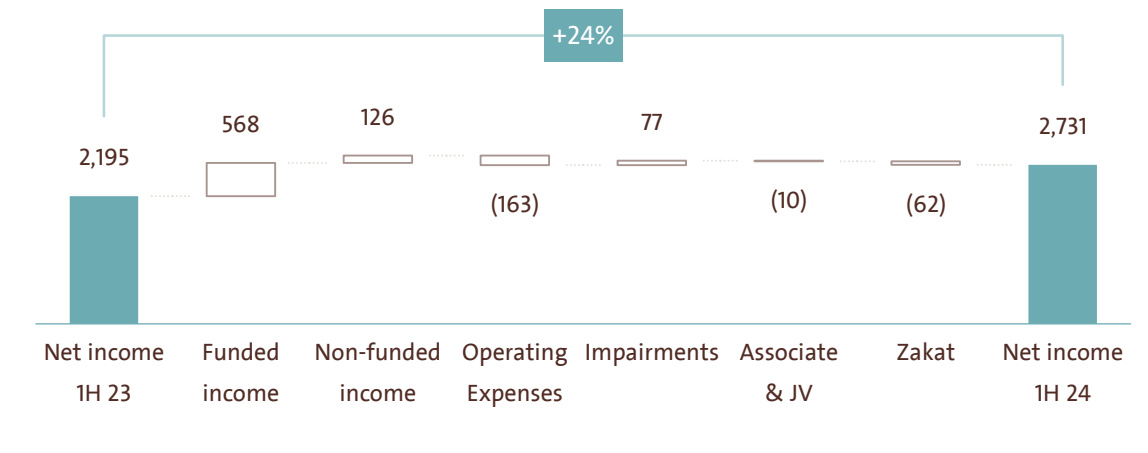
Net income for 1H 2024 grew by 24% YoY supported by growth in operating income.

## Management Commentary

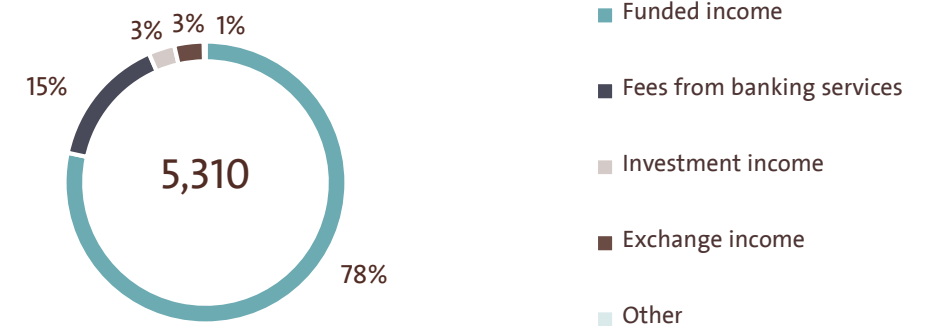
- Net income for 1H 2024 grew 24% YoY to SAR 2,731mn from 15% operating income growth.
- 1H 2024 funded income increased by 16% YoY, and the non-funded income increased by 12% YoY.

SAR (mn)	1H 2024	1H 2023	Δ%	2Q 2024	2Q 2023	Δ%
Funded income	4,163	3,594	+16%	2,151	1,860	+16%
Non-Funded income	1,148	1,022	+12%	595	577	+3%
<b>Total operating income</b>	<b>5,310</b>	<b>4,616</b>	<b>+15%</b>	<b>2,746</b>	<b>2,437</b>	<b>+13%</b>
Operating Expenses	1,668	1,504	+11%	834	747	+12%
<b>Net operating income before impairment charge</b>	<b>3,643</b>	<b>3,112</b>	<b>+17%</b>	<b>1,912</b>	<b>1,690</b>	<b>+13%</b>
Impairments	591	668	-12%	327	325	+0%
<b>Net operating income</b>	<b>3,052</b>	<b>2,444</b>	<b>+25%</b>	<b>1,585</b>	<b>1,365</b>	<b>+16%</b>
<b>Income before zakat &amp; income tax</b>	<b>3,045</b>	<b>2,447</b>	<b>+24%</b>	<b>1,579</b>	<b>1,366</b>	<b>+16%</b>
Zakat	314	252	+24%	163	141	+16%
<b>Net income</b>	<b>2,731</b>	<b>2,195</b>	<b>+24%</b>	<b>1,417</b>	<b>1,225</b>	<b>+16%</b>

## Net Income Movement YoY (SARmn)



## Operating Income Composition (SARmn)

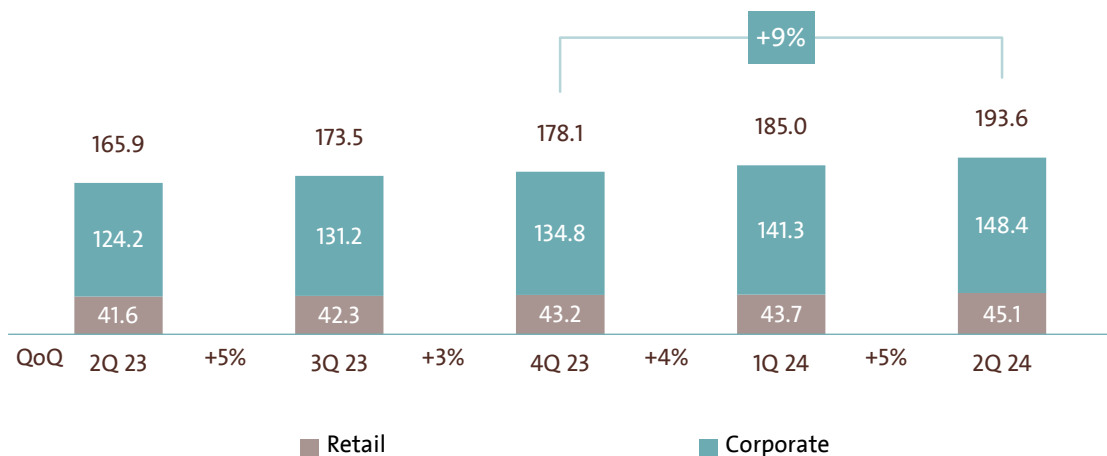


# Financing

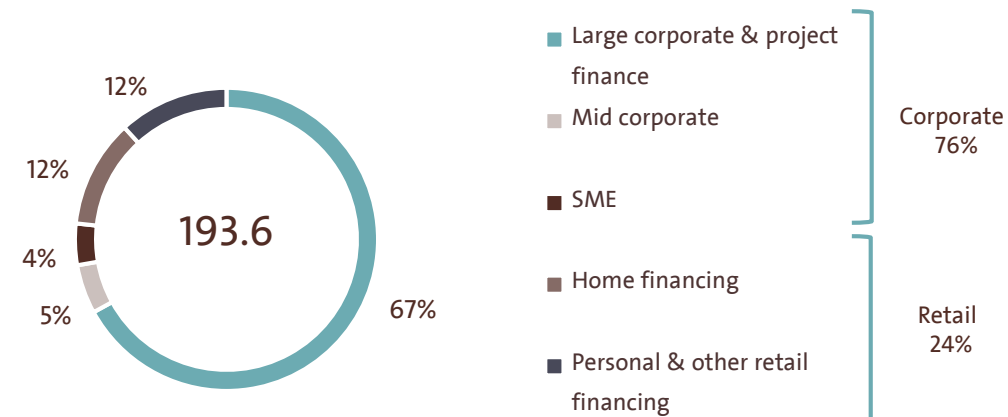


Gross financing growth of 9% during 1H 2024 is driven by 4% increase in retail financing, and 10% in corporate financing.

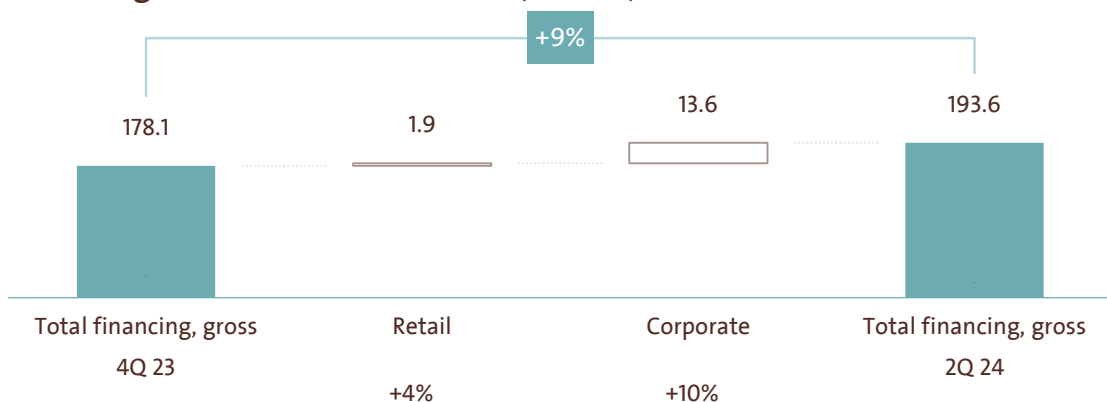
Financing, Gross (SARbn)



Financing, Gross Composition (SARbn)



Financing, Gross Movement YTD (SARbn)



## Management Commentary

- Gross financing grew 9% during 1H 2024.
- Retail financing grew 4% mainly from home financing and auto financing.
- Total corporate financing grew 10% YTD, with notable growth in mid-corporate financing of 51%, and SME financing of 27%.
- Gross financing comprises of 76% corporate and 24% retail as of June 30<sup>th</sup> 2024.

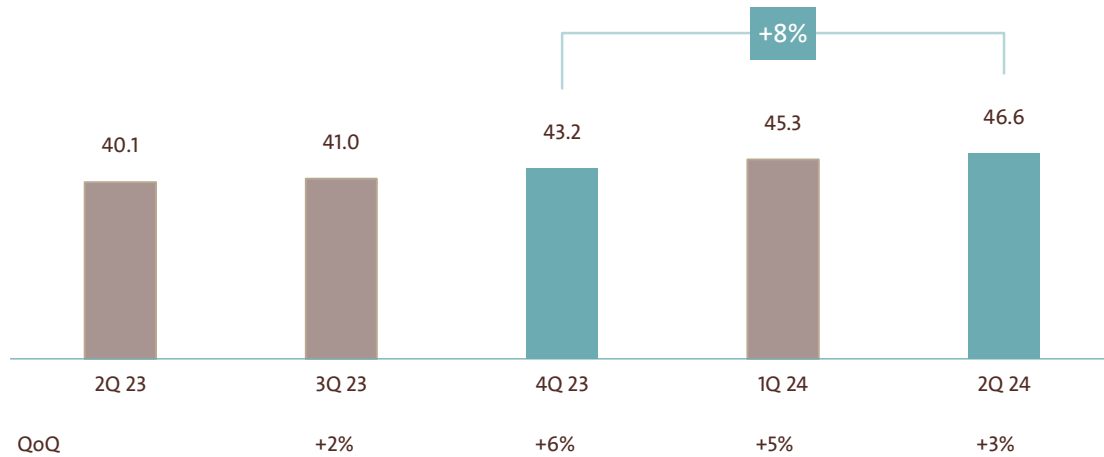


# Investments

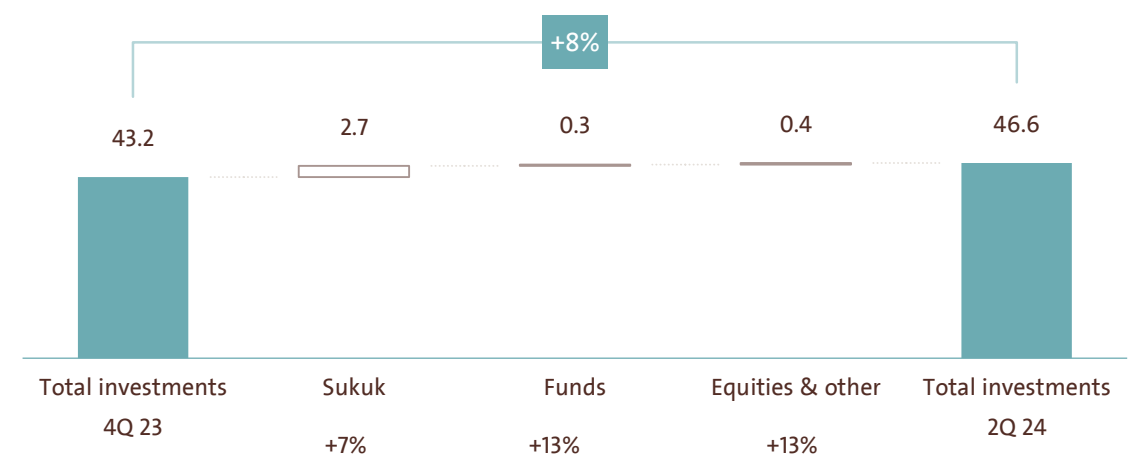


8% growth in investments YTD from additional investment grade securities

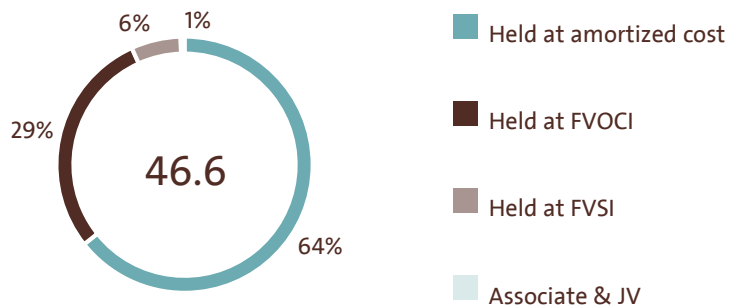
Investments (SARbn)



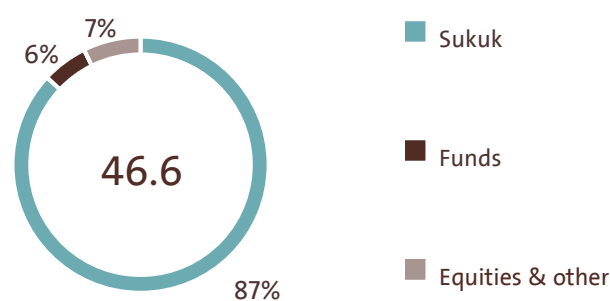
Investments Movement YTD (SARbn)



Investments Composition (SARbn)



Investments Composition (SARbn)



## Management Commentary

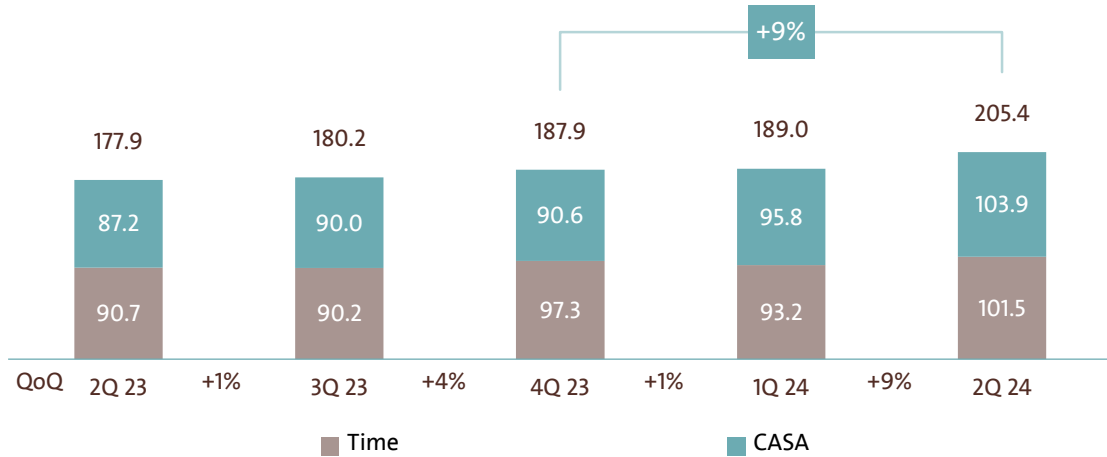
- Investments growth of 8% during 1H 2024 was mainly attributed to 7% increase of investments in sukuk.
- The investment portfolio as at 30 June 2024 comprised of 87% sukuk investments, 6% funds and 7% equities & other investments.

# Deposits

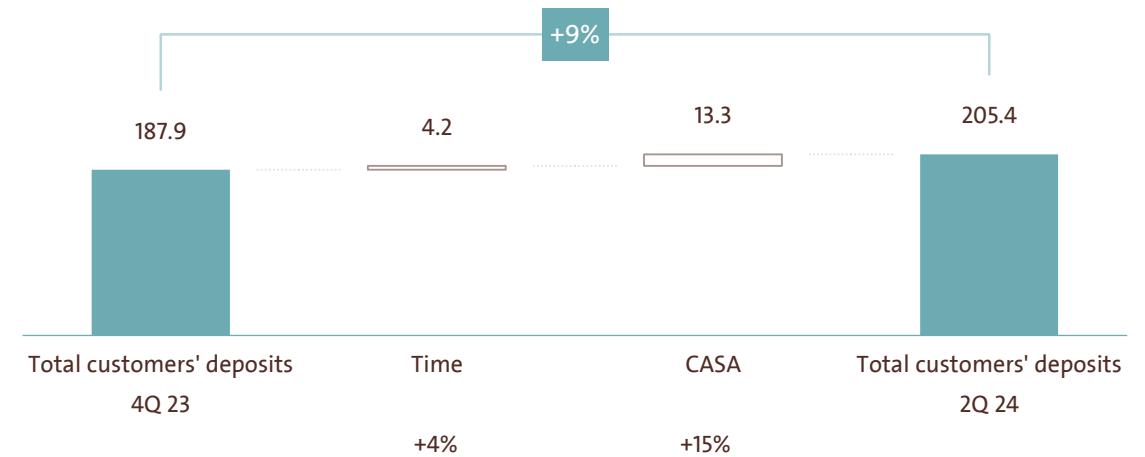


## Deposit growth of 9% driven by 15% CASA growth

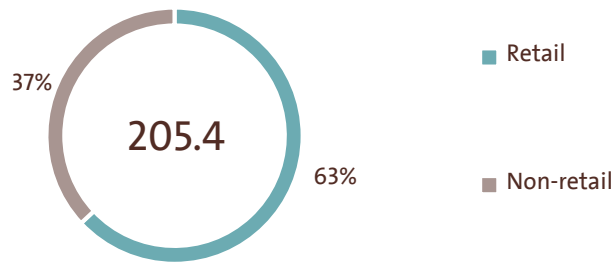
Customers' Deposits (SARbn)



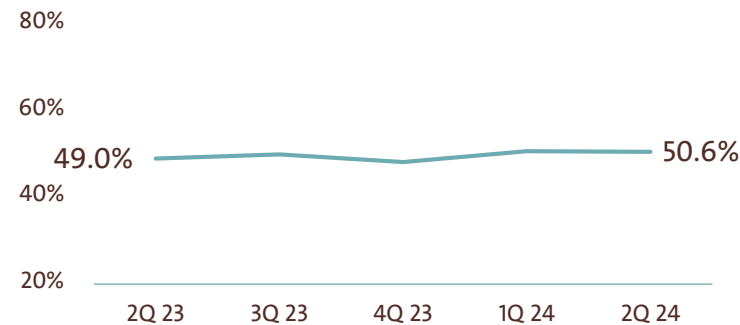
Customers' Deposits Movement YTD (SARbn)



Customers' Deposits Composition (SARbn)



CASA % of Total Deposits (%)



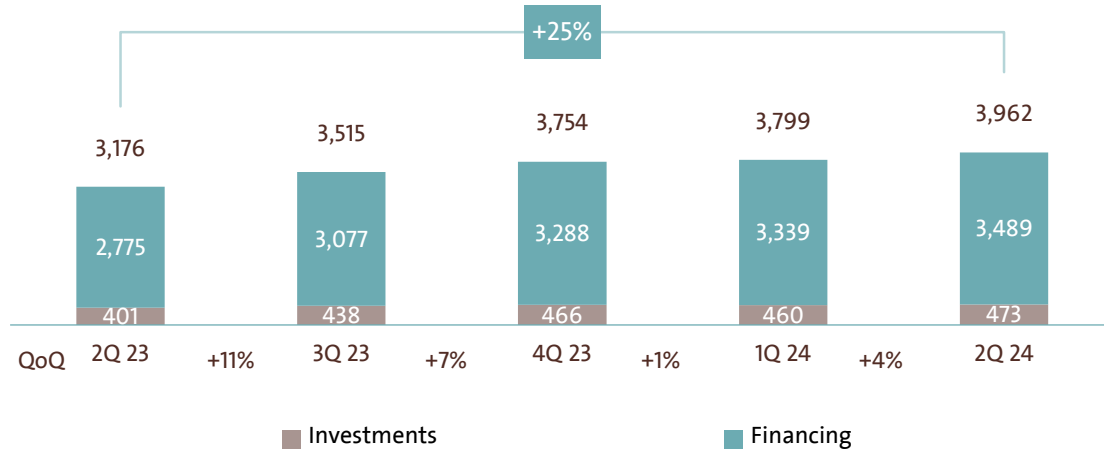
### Management Commentary

- Deposits increased by 9% during 1H 2024 from growth in CASA by 15%.
- CASA deposits account for 50.6% of total deposits as of 2Q 2024.
- Total deposits comprise of 63% retail and 37% non-retail deposits as of June 30<sup>th</sup> 2024.

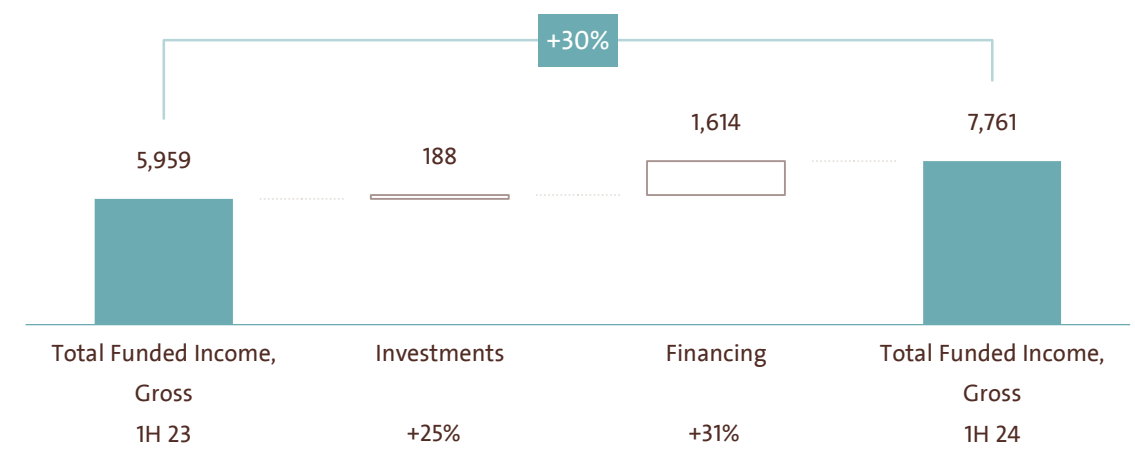
# Income from Financing & Investments

Gross funded income continues a strong growth driven by 25% growth in investment income and 31% growth in financing income

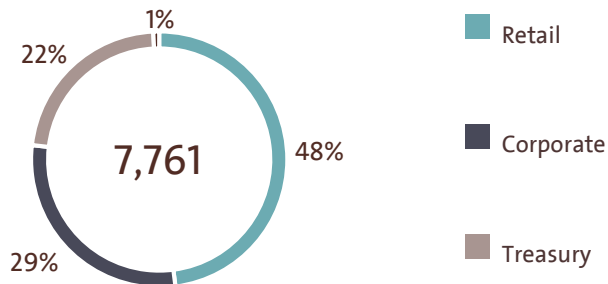
Funded Income, Gross (SARmn)



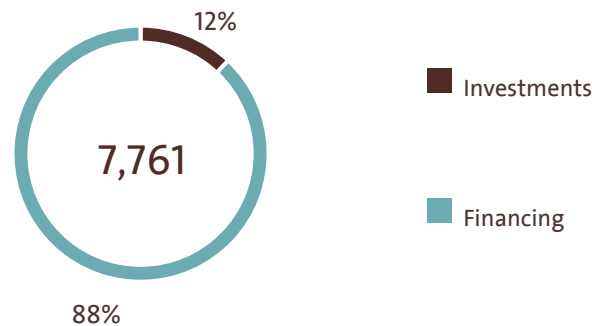
Total Funded Income, Gross Movement YoY (SARmn)



Funded Income, Gross Composition (SARmn)



Funded Income, Gross Composition (SARmn)



## Management Commentary

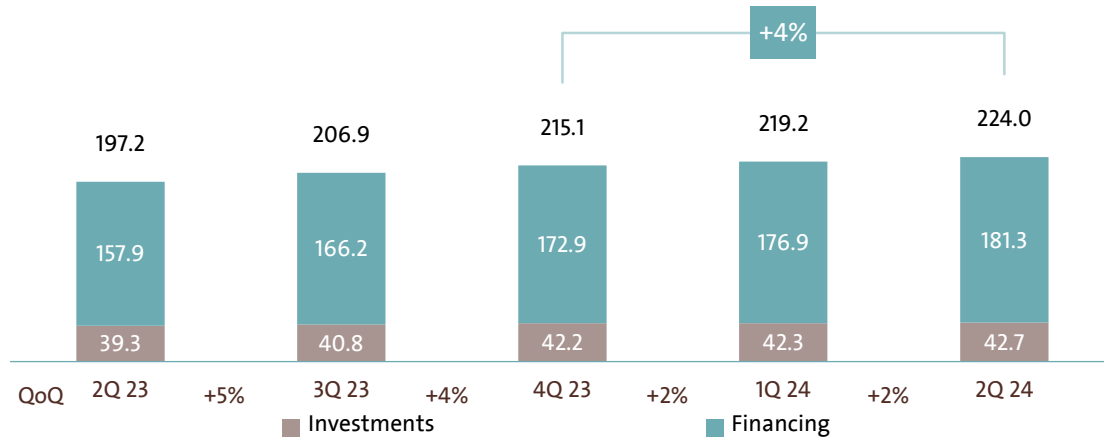
- Gross funded income for 1H 2024 increased by 30% YoY to SAR 7,761mn from a 25% increase in investment income and a 31% rise in financing income.
- Income from financing makes up 88% of total gross funded income and income from investments comprises 12%.

# Net Profit Margin

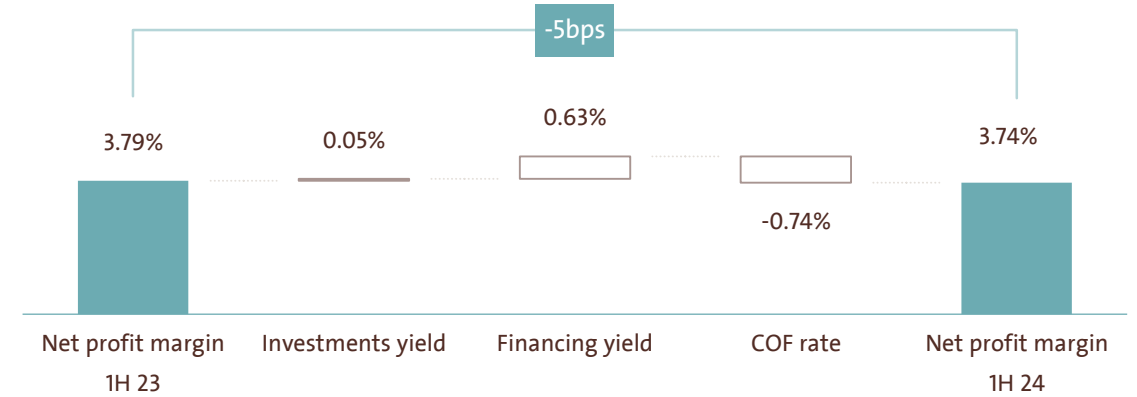


Average balance of investments and financing grew 4%; while net profit margin decreased 5bps YoY

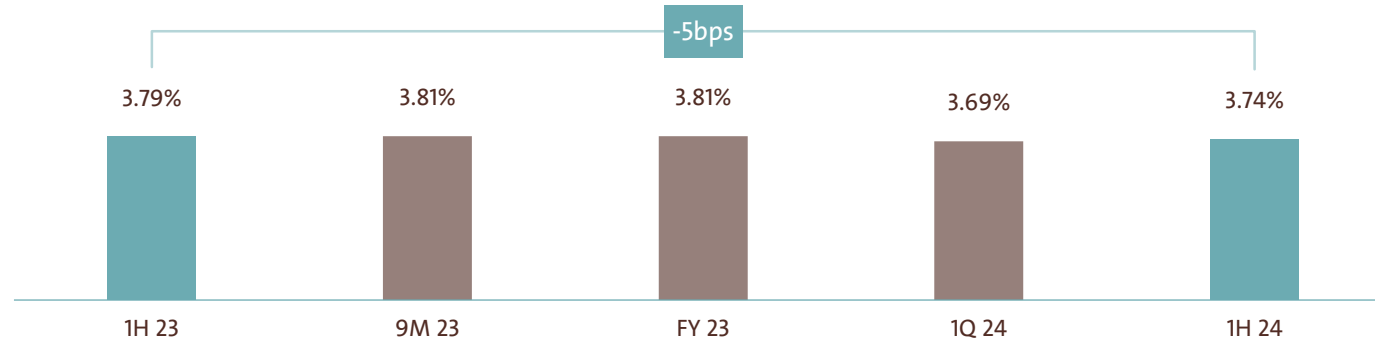
Average Balance of Investments & Financing (SARbn)



Net Profit Margin Movement YoY (%)



Net Profit Margin YTD (%)



## Management Commentary

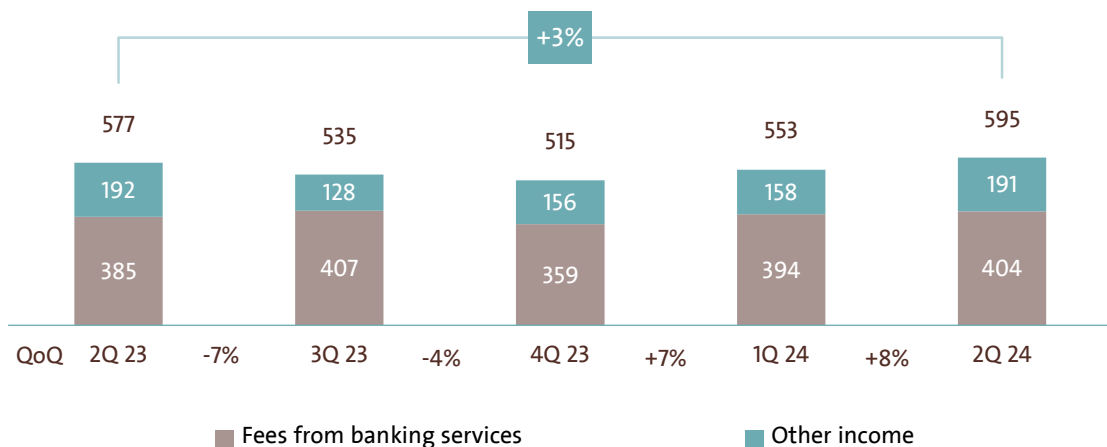
- 1 Average balance of investments and financing grew 14% YoY.
- 1 Net profit margin decreased by 5bps YoY to 3.74% in 1H 2024.

# Fee and Other Income

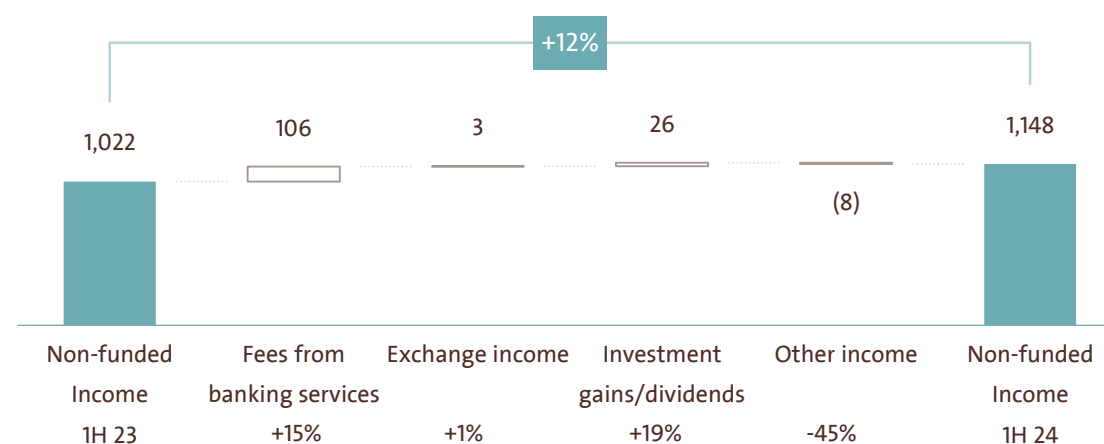


Non-funded income for 1H 2024 increased by 12% YoY

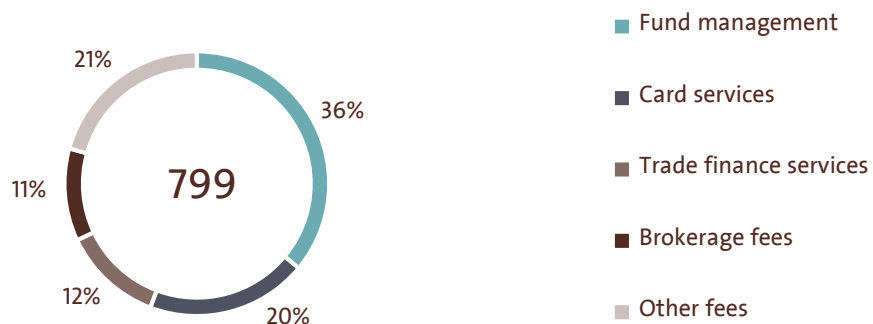
Non-Funded Income (SARmn)



Non-Funded Income Movement YoY (SARmn)



Fees from Banking Services Composition (SARmn)



## Management Commentary

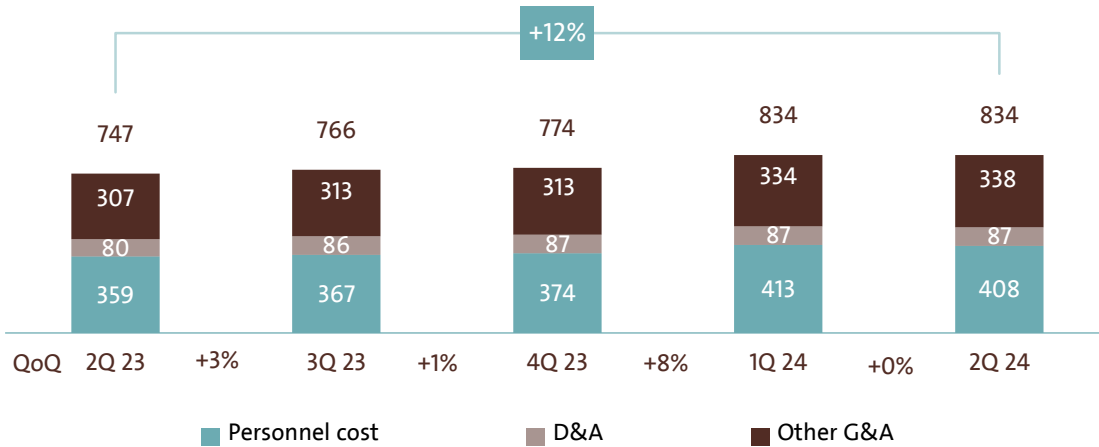
- Non-funded income for 1H 2024 increased 12% YoY to SAR 1,148mn from improved fees from banking services and investment gains/dividends.
- Fund management fees comprise the majority of fees from banking services at 36%, while card services fees account for 20%, other fees for 21% and trade finance services and brokerage fees represent 12% and 11% respectively.

# Operating Expenses

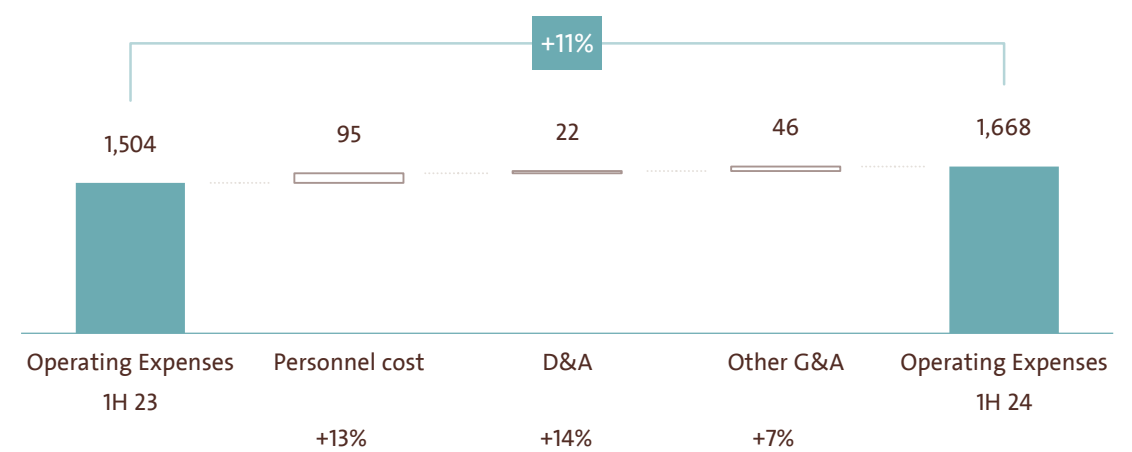


1H 2024 saw 11% growth in operating expenses YoY mainly from higher employee and G&A costs

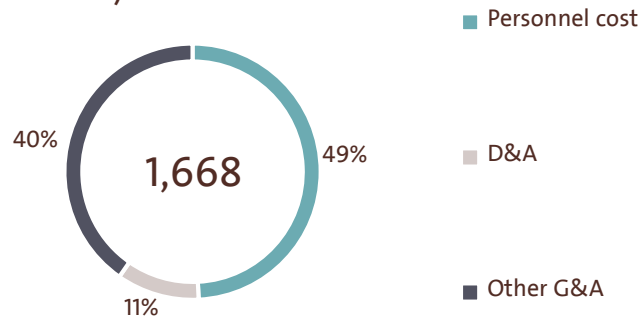
Operating Expenses (SARmn)



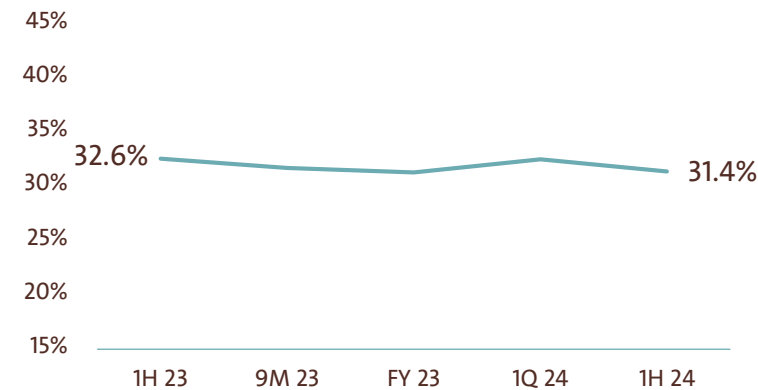
Operating Expenses Movement YoY (SARmn)



Operating Expenses Composition (SARmn)



Cost to Income Ratio (%)



## Management Commentary

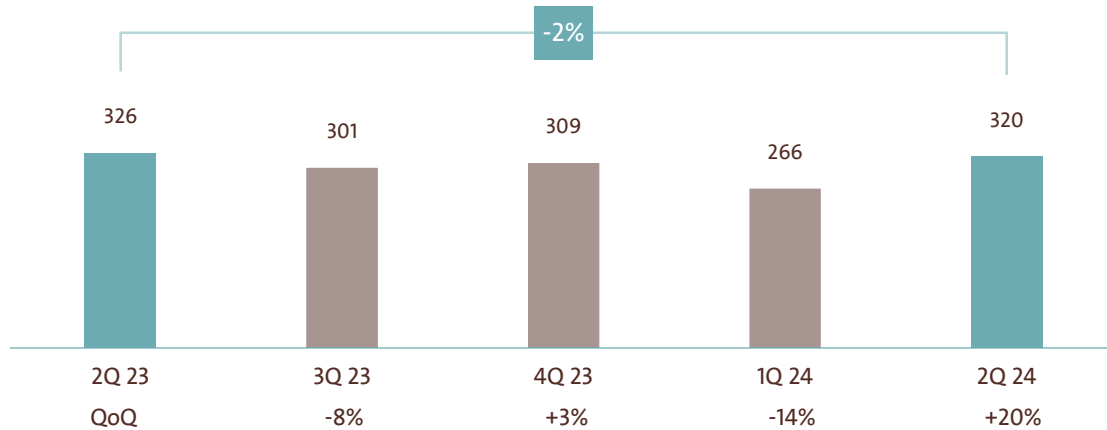
- Operating expenses increased 11% YoY to SAR 1,668mn for 1H 2024.
- Personnel cost comprise the majority of operating expenses at 49%, while other G&A account for 40%, and D&A represent 11%.
- +4.2ppts positive Jaws contributed to a 1.2ppts decrease in the cost to income ratio from 32.6% to 31.4%.

# Impairments for Financing

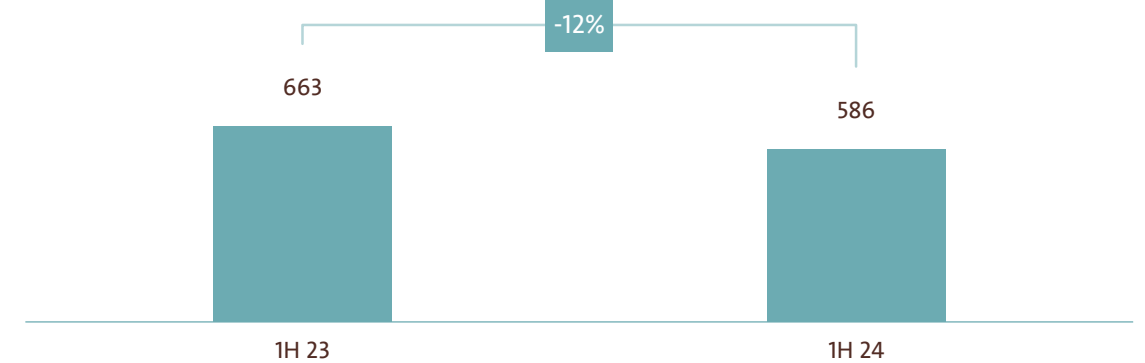


Cost of risk for 1H 2024 declined by 21bps

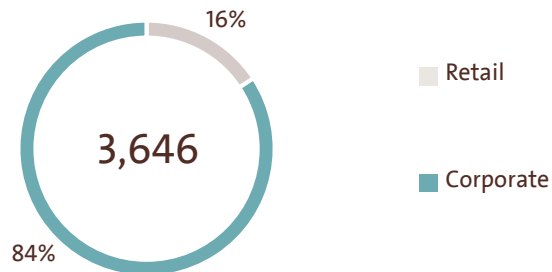
Impairments for Financing (SARmn)



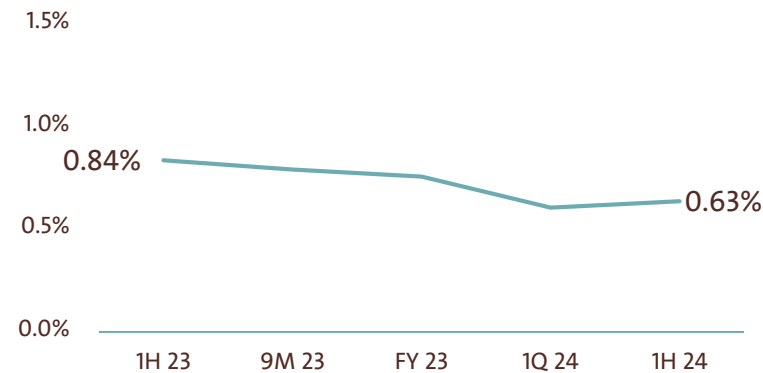
Impairments for Financing (SARmn)



Impairments Allowance Composition (SARmn)



Cost of Risk (%)



## Management Commentary

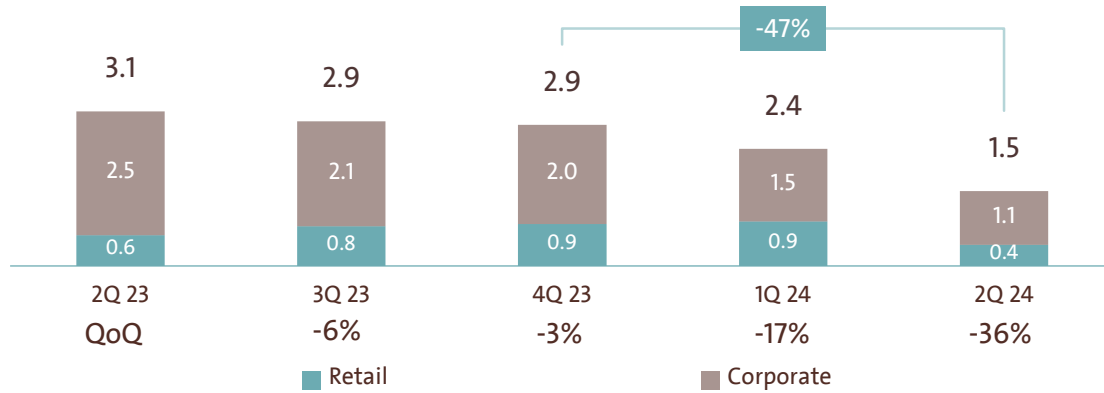
- 1H 2024 impairment charge for financing decreased by 12% YoY to SAR 586mn.
- Cost of risk for 1H 2024 decreased by 21bps YoY to 0.63%.
- 84% of impairment allowance in 1H 2024 pertains to corporate and 16% is for retail financing.

# Non-Performing Loans

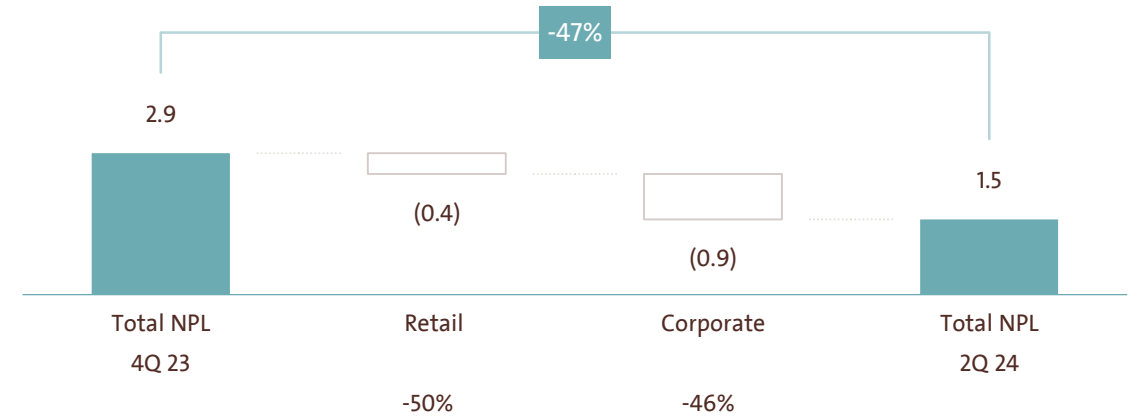


NPL ratio decreased YoY

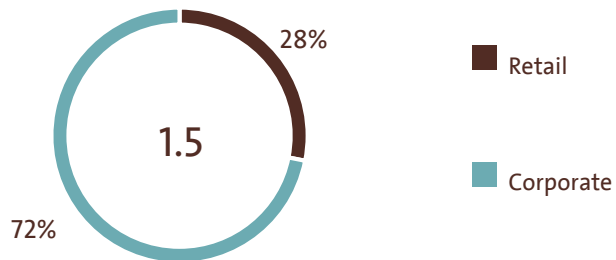
Non-Performing Loans, Gross (SARbn)



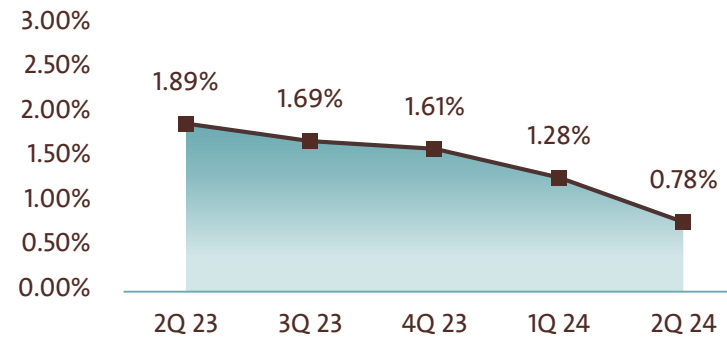
NPL, Gross Movement YTD (SARbn)



NPL Composition (SARbn)



NPL Ratio (%)



## Management Commentary

- 1 NPL ratio decreased by 1.1ppts YoY to 0.78% in 2Q 2024.
- 1 Retail financing, which account for the smaller proportion of NPLs, decreased by 50%, while corporate NPLs increased by 46% YTD.
- 1 The NPL ratio for retail stood at 0.95% while corporate stood at 0.74% as at 2Q 2024.

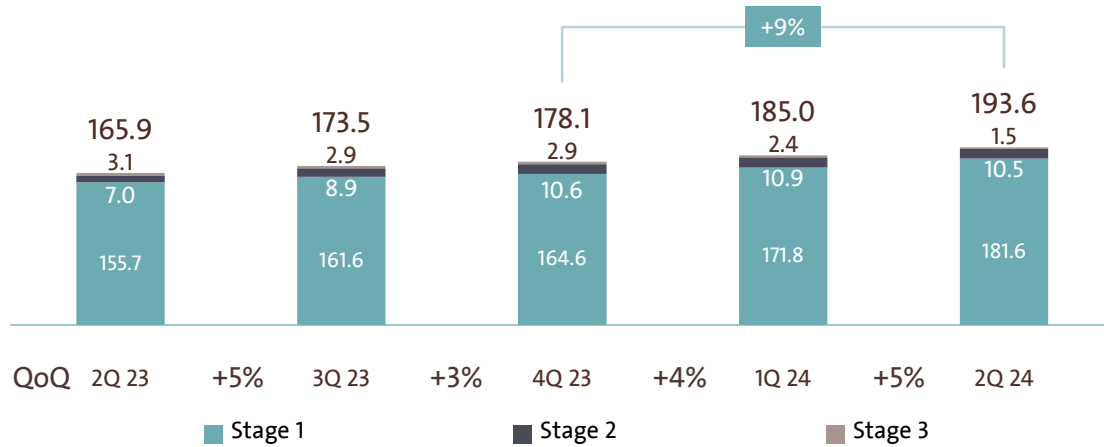


# NPL Coverage

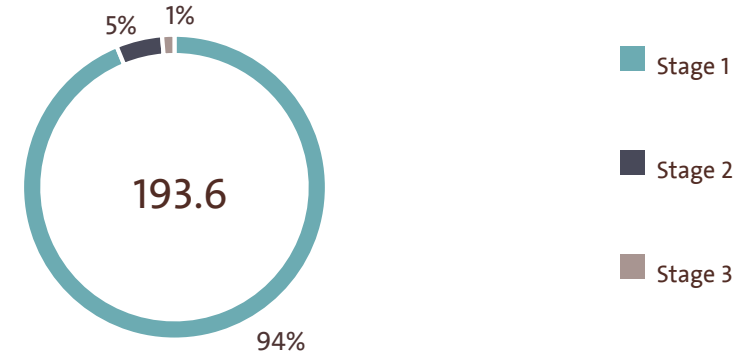


NPL coverage increased YoY

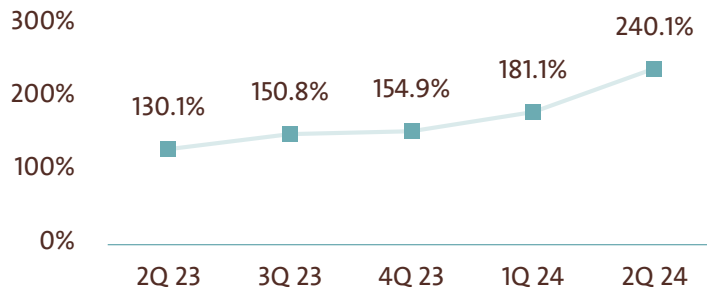
Stage-Wise Financing, Gross (SARbn)



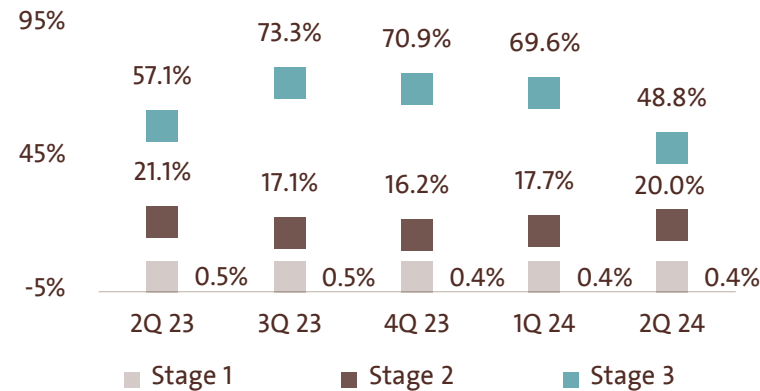
Stage-Wise Financing, Gross Composition (SARbn)



NPL Coverage Ratio (%)



Stage-Wise Coverage (%)



Management Commentary

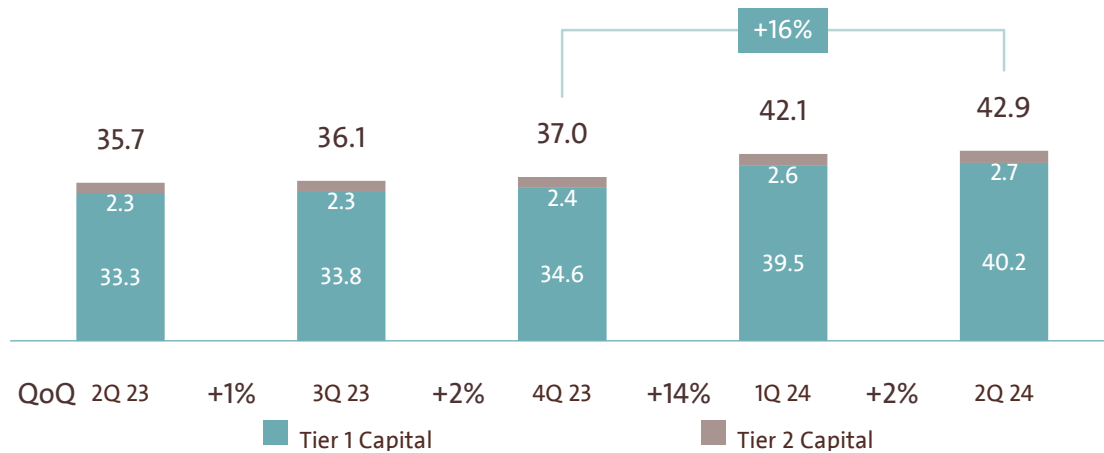
- NPL coverage increased by 110ppts YoY to 240.1%.
- Stage 1 coverage slightly declined YoY due to the acquisition of higher-quality credit. Stage 2 coverage declined YoY due to migration of highly provisioned accounts to stage 3.

# Capitalization

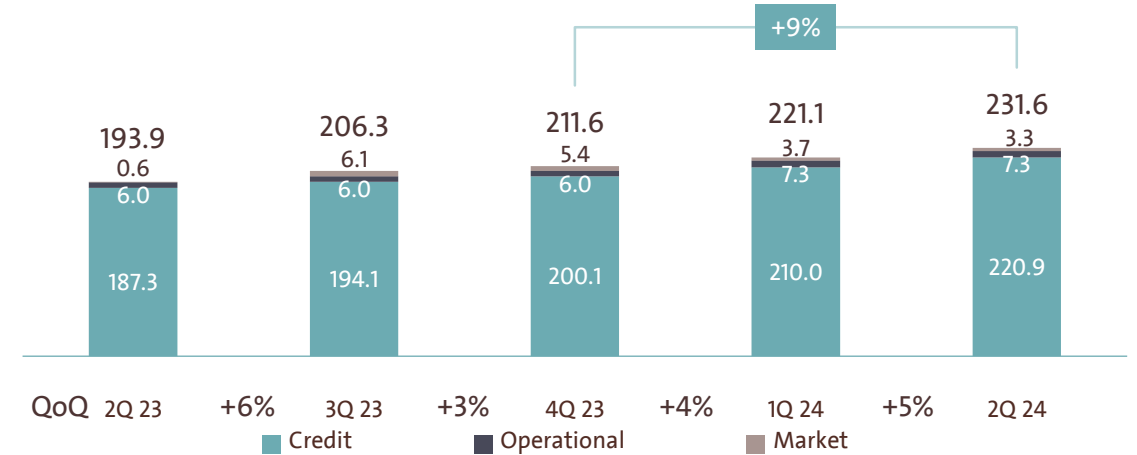


Capital grew 16% YTD while ROE saw an increase of 202 bps YoY

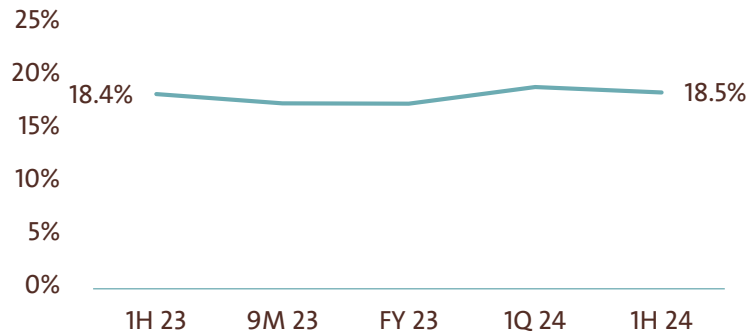
Total Capital (SARbn)



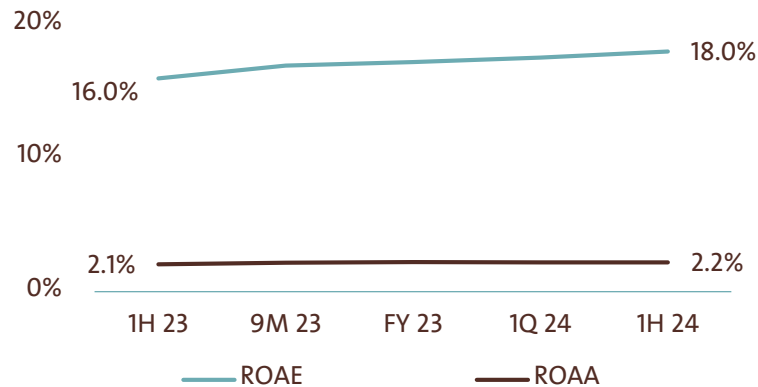
Risk Weighted Assets (SARbn)



Capitalization (%)



Profitability (%)



## Management Commentary

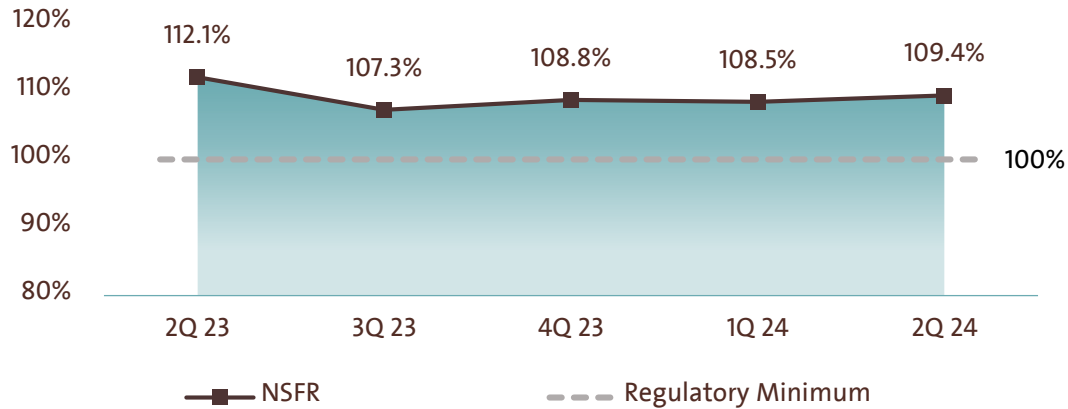
- Total Capital grew 16% to SAR 42.9bn YTD and Risk Weighted Assets grew 9% YTD.
- CAR increased by 10bps YoY to 18.5%
- ROE saw an increase of 202bps YoY and ROA increased 14bps YoY.

# Liquidity

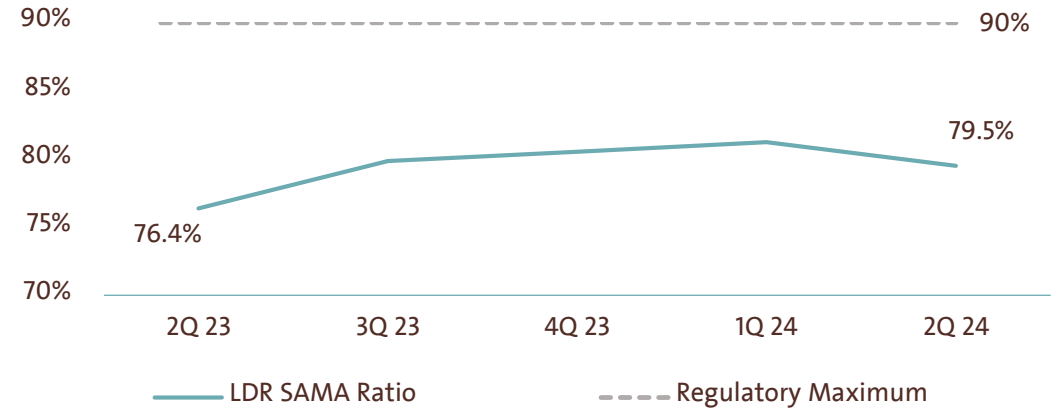


Alinma's liquidity position is healthy and comfortably within regulatory limits

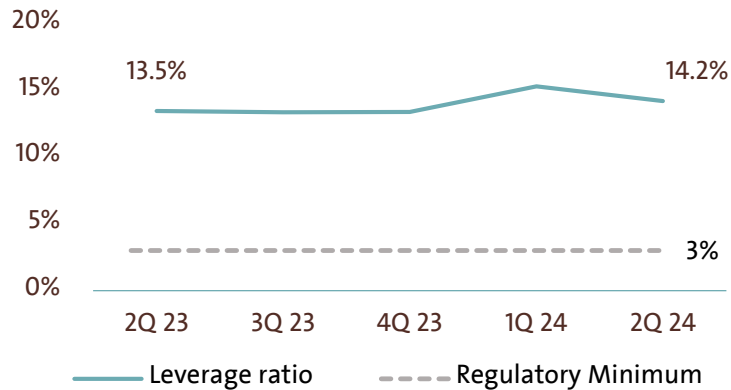
NSFR (%)



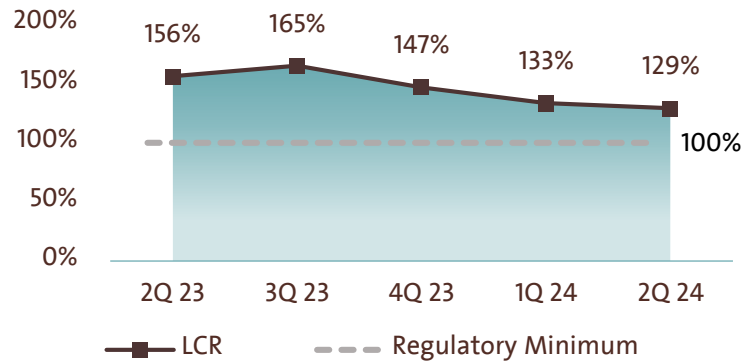
LDR SAMA Ratio (%)



Leverage Ratio (%)



LCR (%)



## Management Commentary

- NSFR decreased 2.7ppts YoY to 109.4%.
- LDR ratio increased 3.1ppts YoY to 79.5%.
- The leverage ratio increased 70 bps YoY to 14.2%.
- 2Q 2024 LCR decreased 27 ppts YoY to 129%.

# Segmental Performance

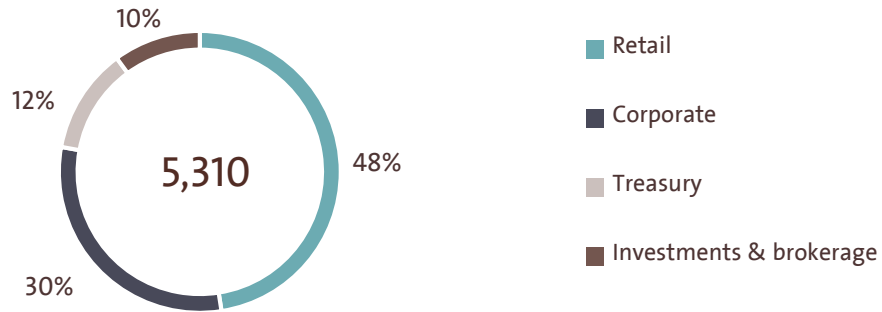
Q2 2024

# Segmental Performance Highlights

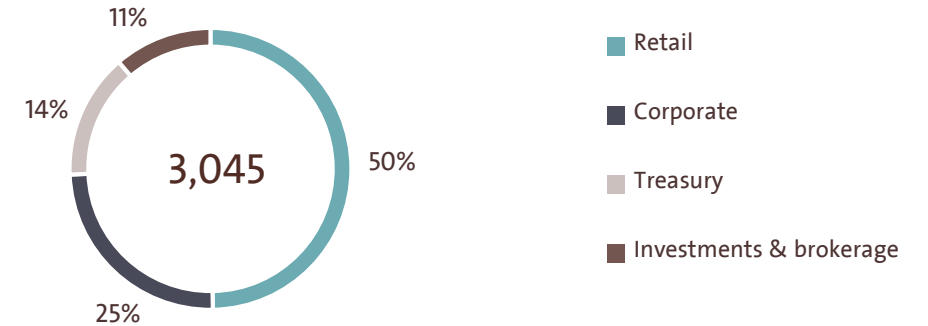


Retail and corporate comprise the majority of segmental income

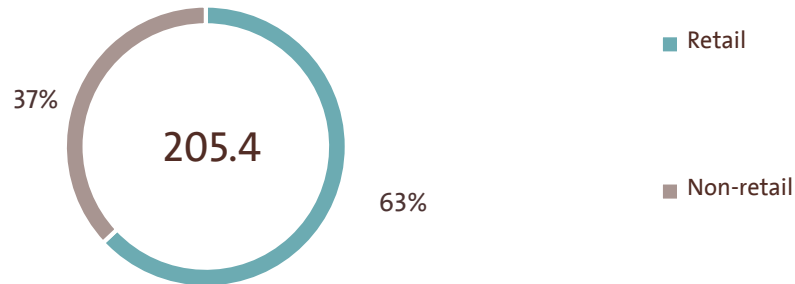
Operating Income Composition (SARmn)



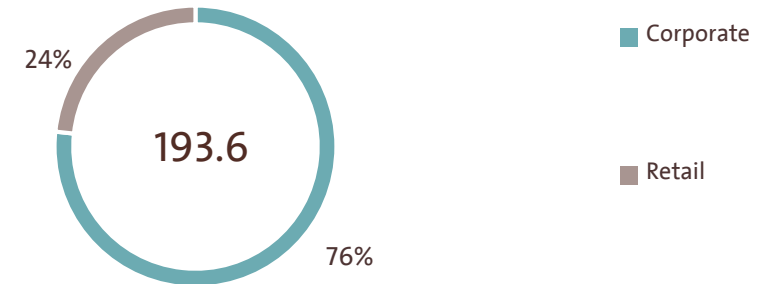
Net Profit Before Zakat Composition (SARmn)



Customers' Deposits Composition (SARbn)



Financing, Gross Composition (SARbn)

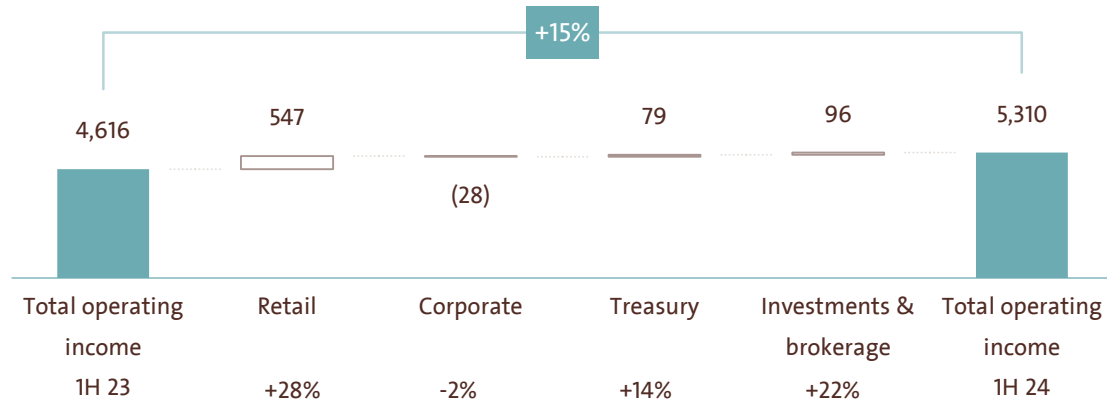


# Segmental Performance Highlights

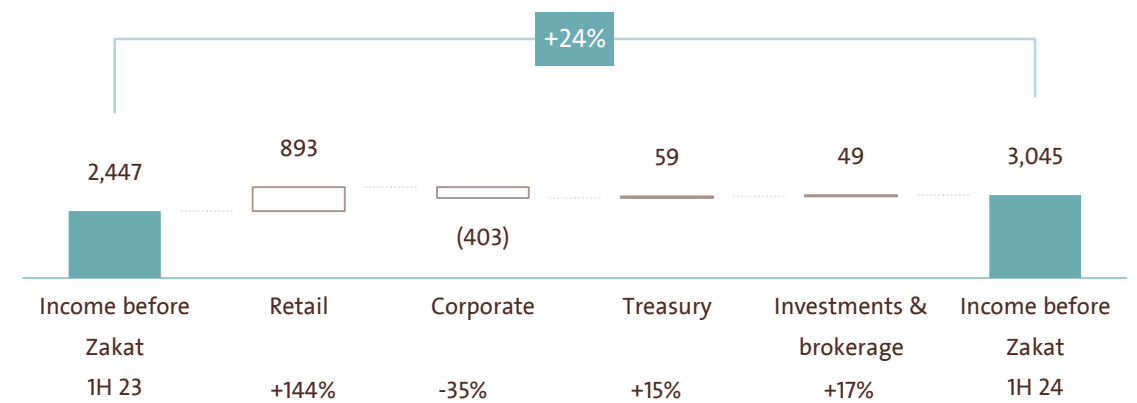


Retail and Corporate reported growth in operating income YoY

Operating Income Movement YoY (SARmn)



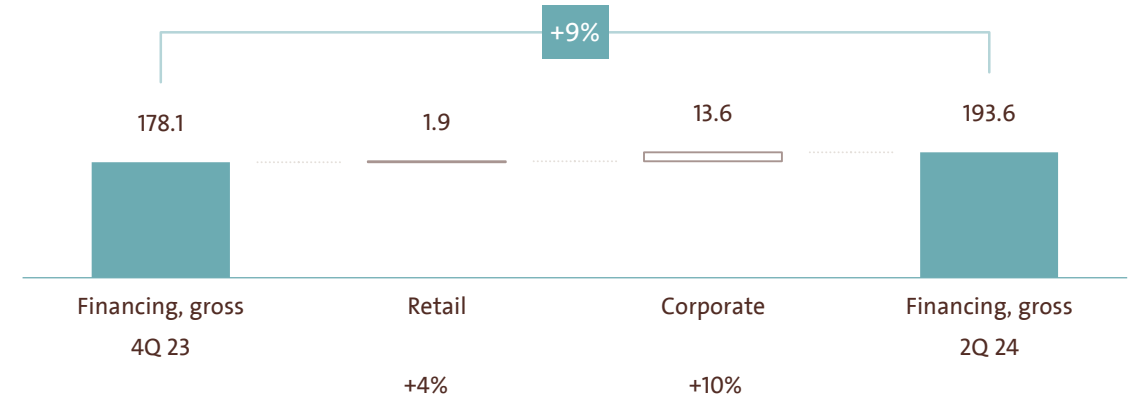
Net Income Before Zakat Movement YoY (SARmn)



Customers' Deposits Movement YTD (SARbn)



Financing, Gross Movement YTD (SARbn)



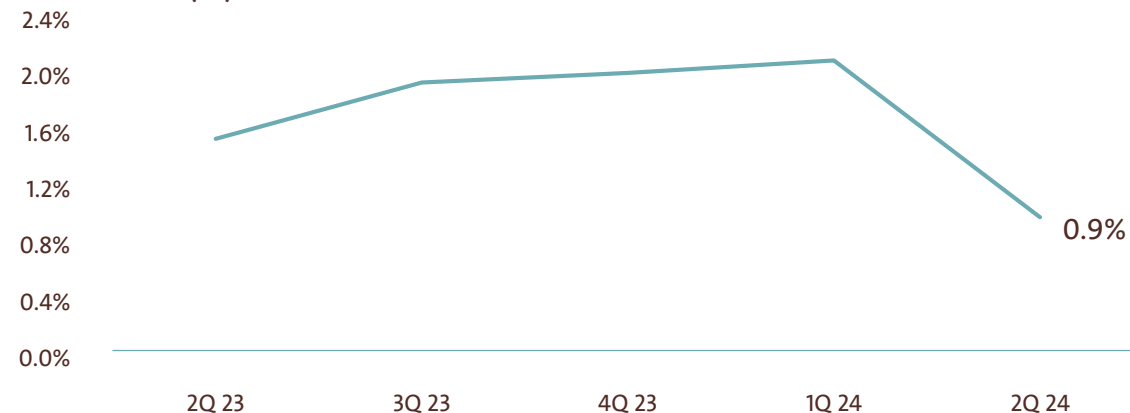
# Segmental Performance - Retail



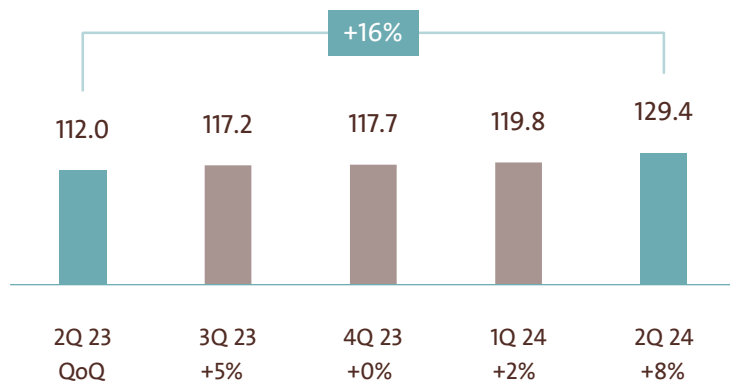
Strong financing and deposit growth driving operating income growth of 28% YoY

SAR (mn)	1H 2024	1H 2023	Δ%	2Q 2024	2Q 2023	Δ%
Income from investments and financing, net	2,307	1,830	+26%	1,173	945	+24%
Fees from services & other income	218	147	+48%	105	52	+102%
<b>Total operating income</b>	<b>2,524</b>	<b>1,977</b>	<b>+28%</b>	<b>1,278</b>	<b>997</b>	<b>+28%</b>
Total operating expenses	933	774	+20%	465	344	+35%
Total charges/(reversals) for impairments	77	581	-87%	66	255	-74%
<b>Income for the period before zakat</b>	<b>1,514</b>	<b>621</b>	<b>+144%</b>	<b>747</b>	<b>398</b>	<b>+88%</b>

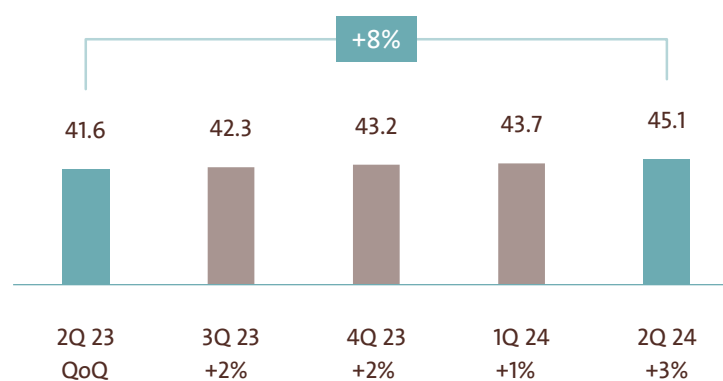
## Retail NPL (%)



## Retail Deposits (SARbn)



## Retail Financing (SARbn)



## Management Commentary

- 1 Retail operating income rose by 28% YoY to SAR 2,524mn from 24% increase in funded income.
- 1 Retail net income rose by 88% YoY due to a significant increase in funded income.
- 1 Retail deposits increased 16% while financing increased by 8% YoY.
- 1 The retail NPL ratio decreased during 1H 2024 to 0.9%.

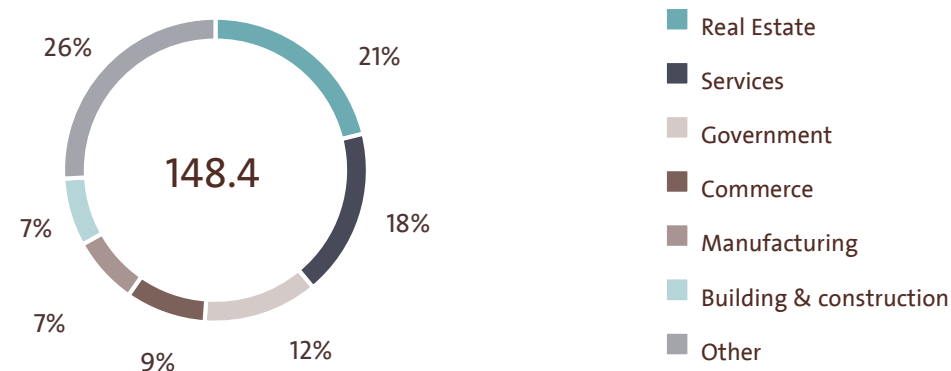
# Segmental Performance - Corporate



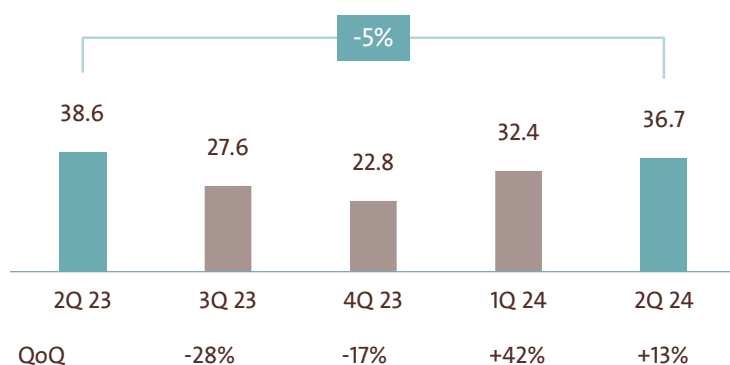
Corporate net income decreased by 35% in 1H 2024

SAR (mn)	1H 2024	1H 2023	Δ%	2Q 2024	2Q 2023	Δ%
Income from investments and financing, net	1,429	1,402	+2%	728	693	+5%
Fees from services & other income	180	235	-23%	90	147	-39%
<b>Total operating income</b>	<b>1,609</b>	<b>1,637</b>	<b>-2%</b>	<b>818</b>	<b>840</b>	<b>-3%</b>
Total operating expenses	350	398	-12%	177	232	-24%
Total charges/(reversals) for impairments	509	86	+490%	255	76	+237%
<b>Income for the period before zakat</b>	<b>750</b>	<b>1,153</b>	<b>-35%</b>	<b>387</b>	<b>533</b>	<b>-27%</b>

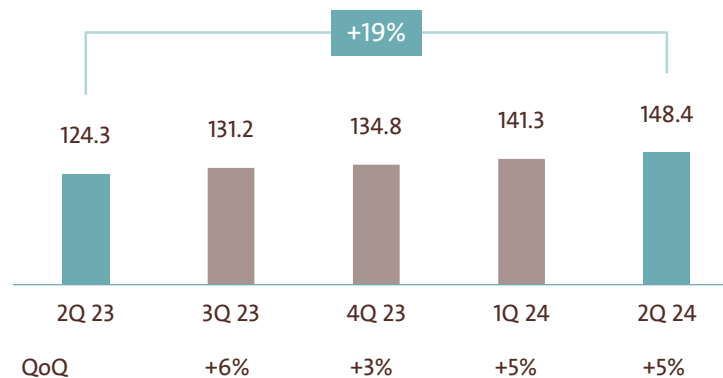
Financing, Gross Composition (SARbn)



Corporate Deposits (SARbn)



Corporate Financing (SARbn)



Management Commentary

- Corporate financing increased by 10% YTD.
- Corporate financing rose by 19% YoY while corporate deposits decreased 5%.
- The corporate NPL ratio decreased YoY to 1.3%.



# Segmental Performance - Treasury

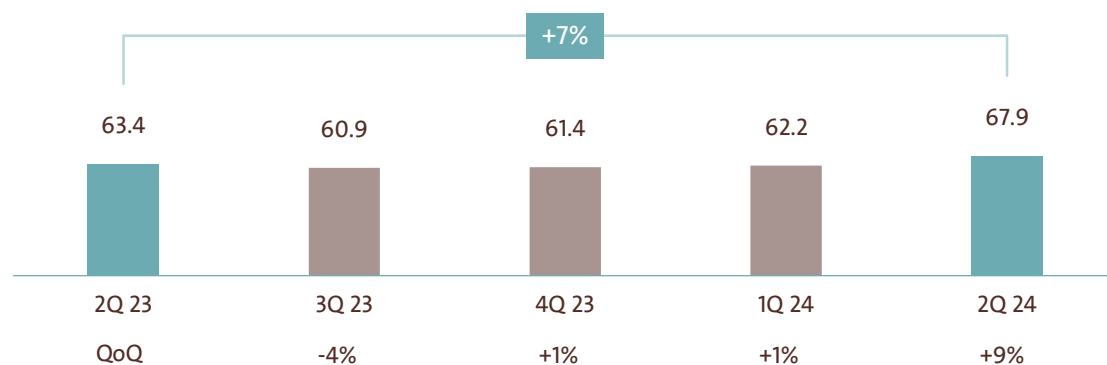
Operating income and net income increased

SAR (mn)	1H 2024	1H 2023	Δ%	2Q 2024	2Q 2023	Δ%
Income from investments and financing, net	370	309	+20%	218	195	+12%
Investment-related income	159	134	-19%	86	88	+2%
Fees from services & other income	114	122	-7%	37	52	-28%
<b>Total operating income</b>	<b>644</b>	<b>565</b>	<b>+14%</b>	<b>341</b>	<b>335</b>	<b>+2%</b>
Total operating expenses	196	187	+5%	94	95	-0%
Total charges/(reversals) for impairments	4	2	-94%	6	(3)	-271%
<b>Net operating income</b>	<b>444</b>	<b>375</b>	<b>+18%</b>	<b>241</b>	<b>244</b>	<b>-1%</b>
Share of loss from an associate and joint venture	(6)	3	-289%	(6)	1	-654%
<b>Income before Zakat</b>	<b>437</b>	<b>379</b>	<b>+15%</b>	<b>235</b>	<b>245</b>	<b>-4%</b>

## Investments (SARbn)



## Treasury Assets (SARbn)



## Management Commentary

- Treasury operating income increase by 2% YoY to SAR 644mn in 1H 2024 due to increase in income from investment by 12%.
- Treasury assets rose by 7% YoY to SAR 67.9bn, driven by 16% growth in the investment portfolio to SAR 46.6bn.

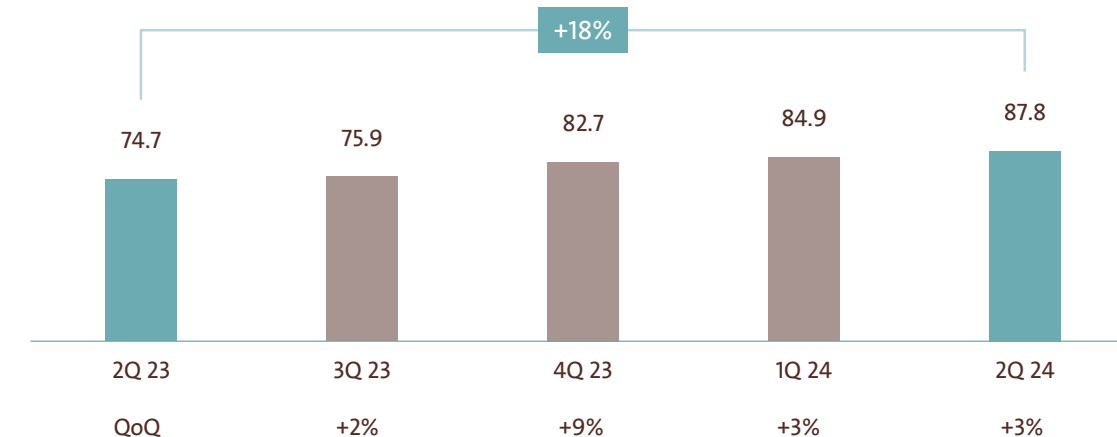
# Segmental Performance – Investments & Brokerage



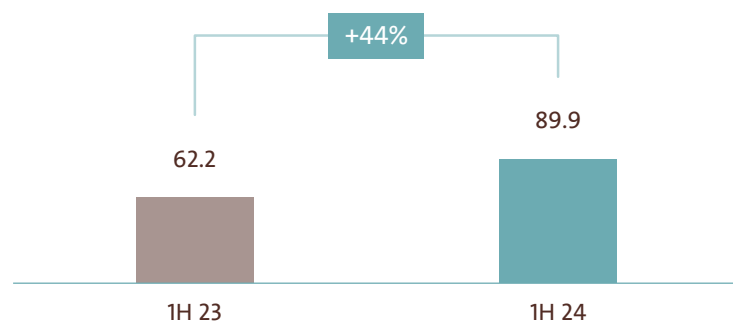
Modest operating income growth in 1H 2024

SAR (mn)	1H 2024	1H 2023	Δ%	2Q 2024	2Q 2023	Δ%
Income from investments and financing, net	57	53	+7%	31	26	+17%
Fees from services & other income	476	384	+24%	277	238	+16%
<b>Total operating income</b>	<b>533</b>	<b>438</b>	<b>+22%</b>	<b>308</b>	<b>265</b>	<b>+16%</b>
Total operating expenses	189	145	+30%	98	76	+28%
<b>Income before Zakat</b>	<b>344</b>	<b>294</b>	<b>+17%</b>	<b>210</b>	<b>190</b>	<b>+11%</b>

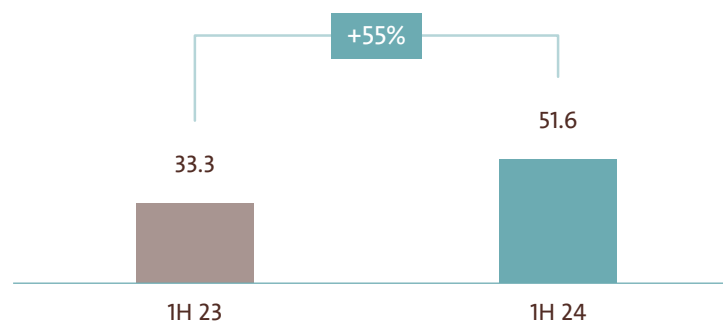
Assets Under Management (SARbn)



Brokerage Trading Income (SARmn)



Brokerage Trading Values (SARbn)



Management Commentary

- Investment and brokerage (I&B) operating income rose by 16% YoY to SAR 533mn from 16% increase in non-funded income.
- I&B net income increased 11% YoY.
- Brokerage trading income increased by 44% YoY and brokerage trading values increased 55% YoY, and AUM increased by 18% YoY.

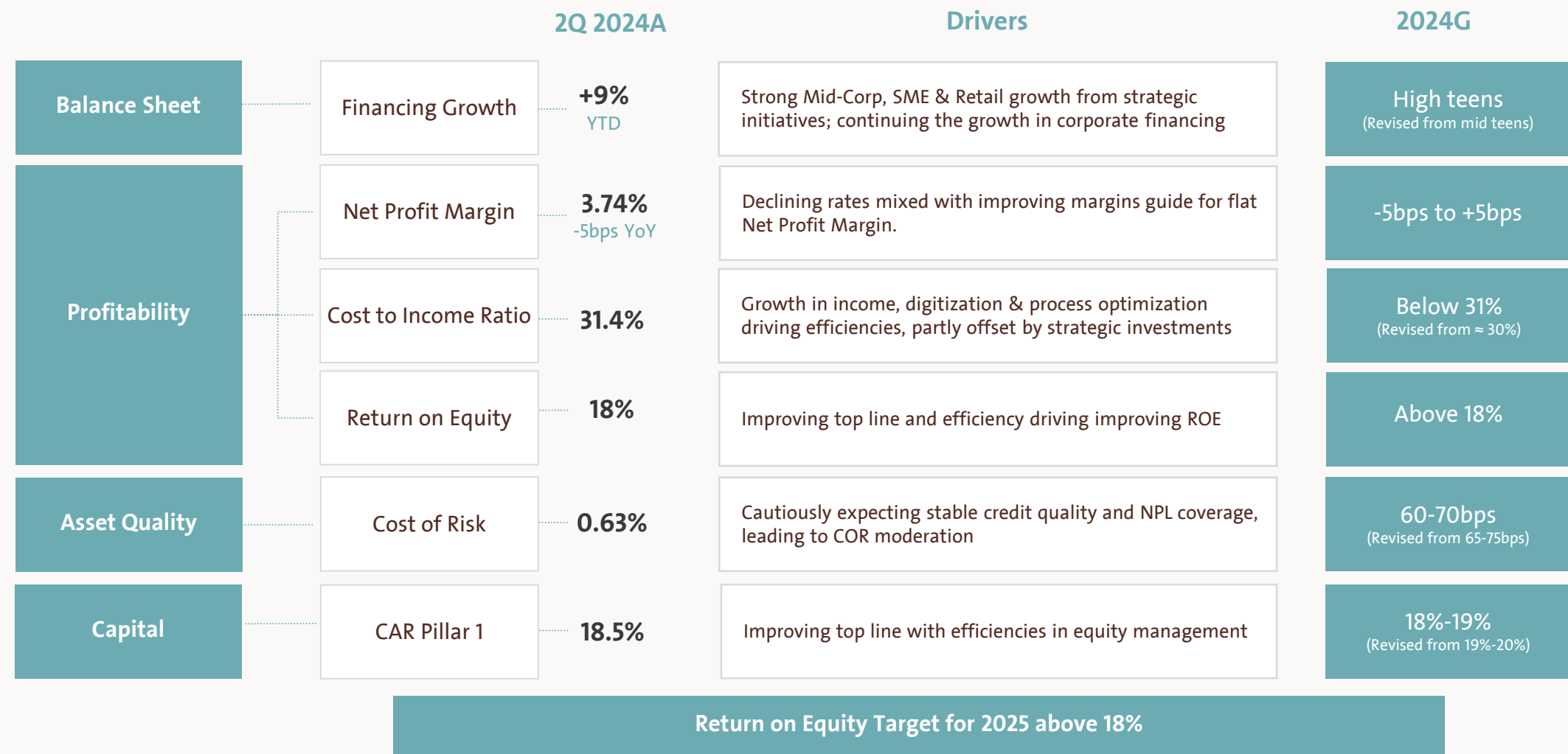
# Outlook & Guidance

Q2 2024

# Guidance



Acceleration of strategic execution drives a promising outlook for 2024.



# Appendix

Q2 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](https://ir.alinma.com)



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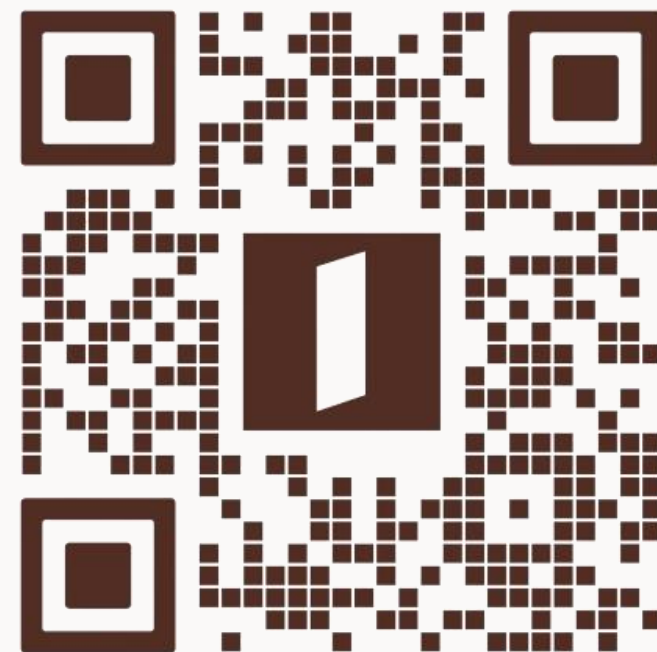
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