

Investor Presentation

3Q 2022

November 2022

مصرف الإنماء
alinma bank



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Alinma Overview

3Q 2022

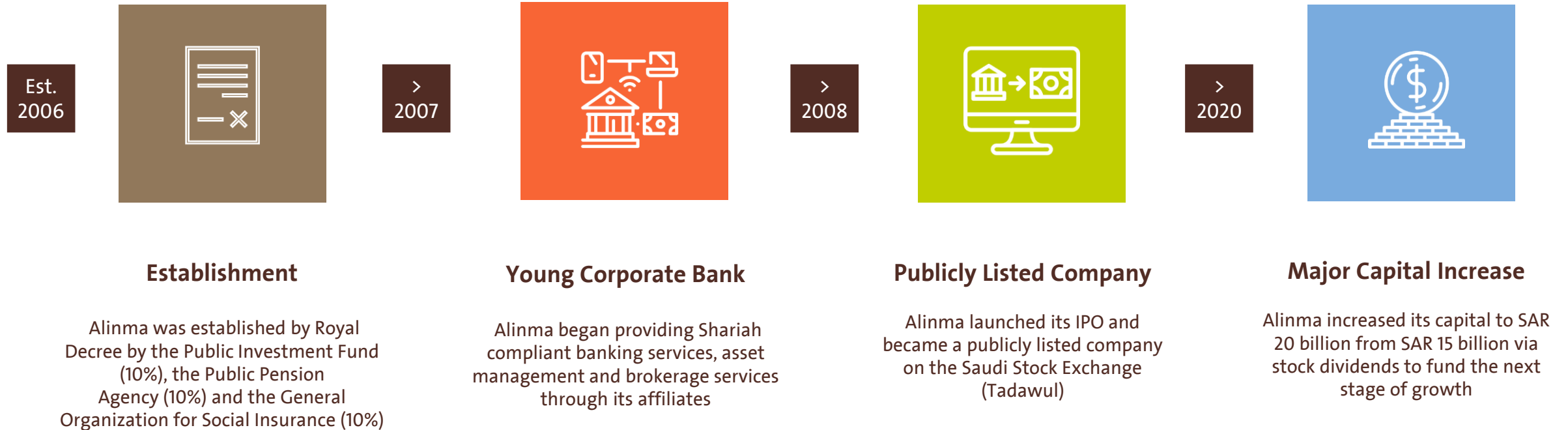
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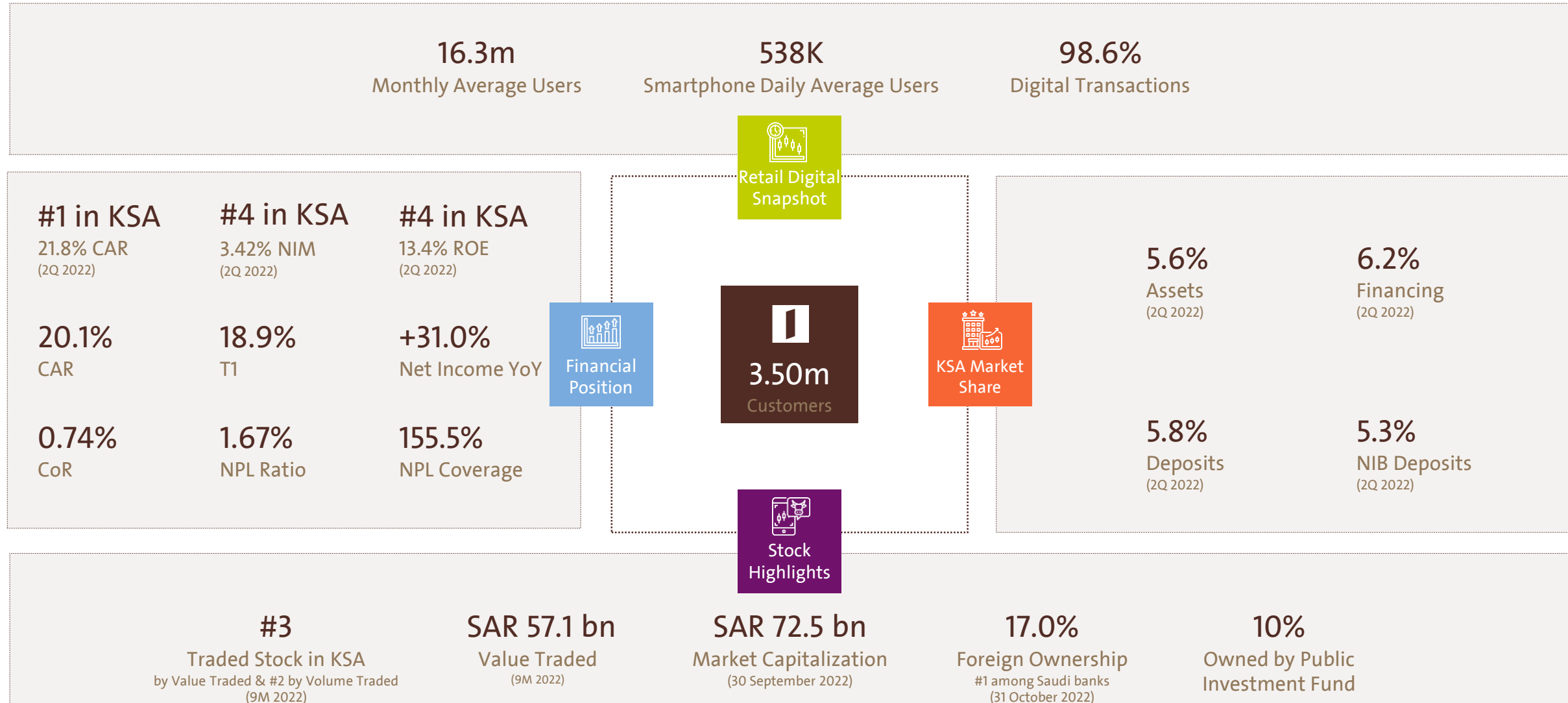
History

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
SVP, 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
Sharia General Secretary



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

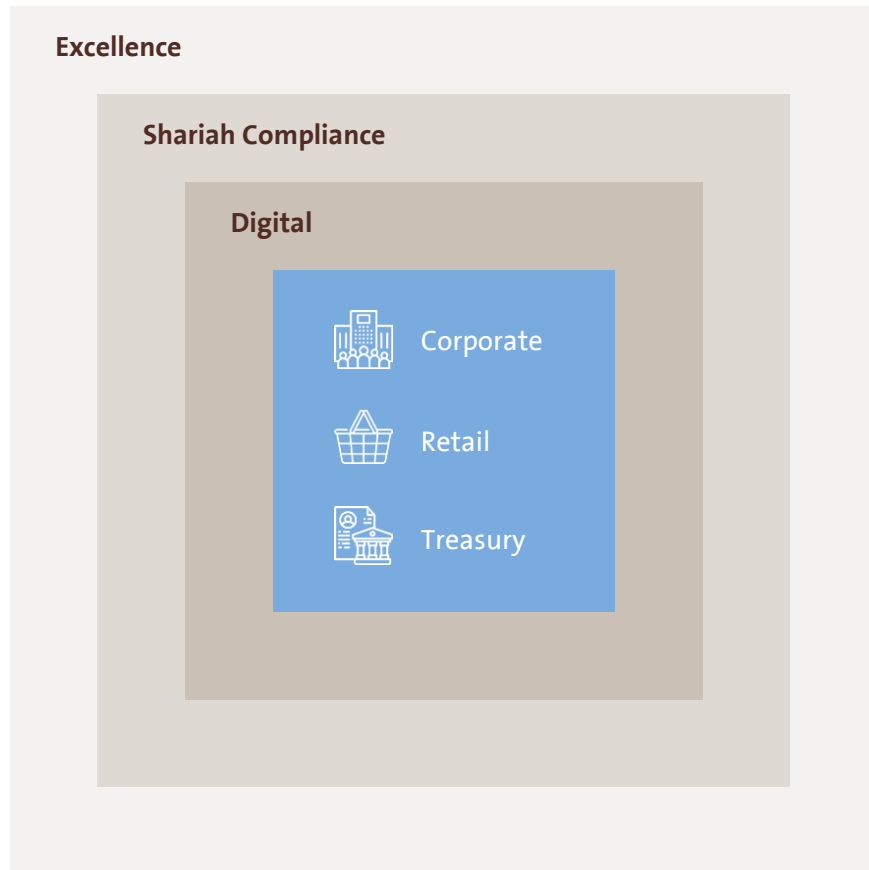
3Q 2022



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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**



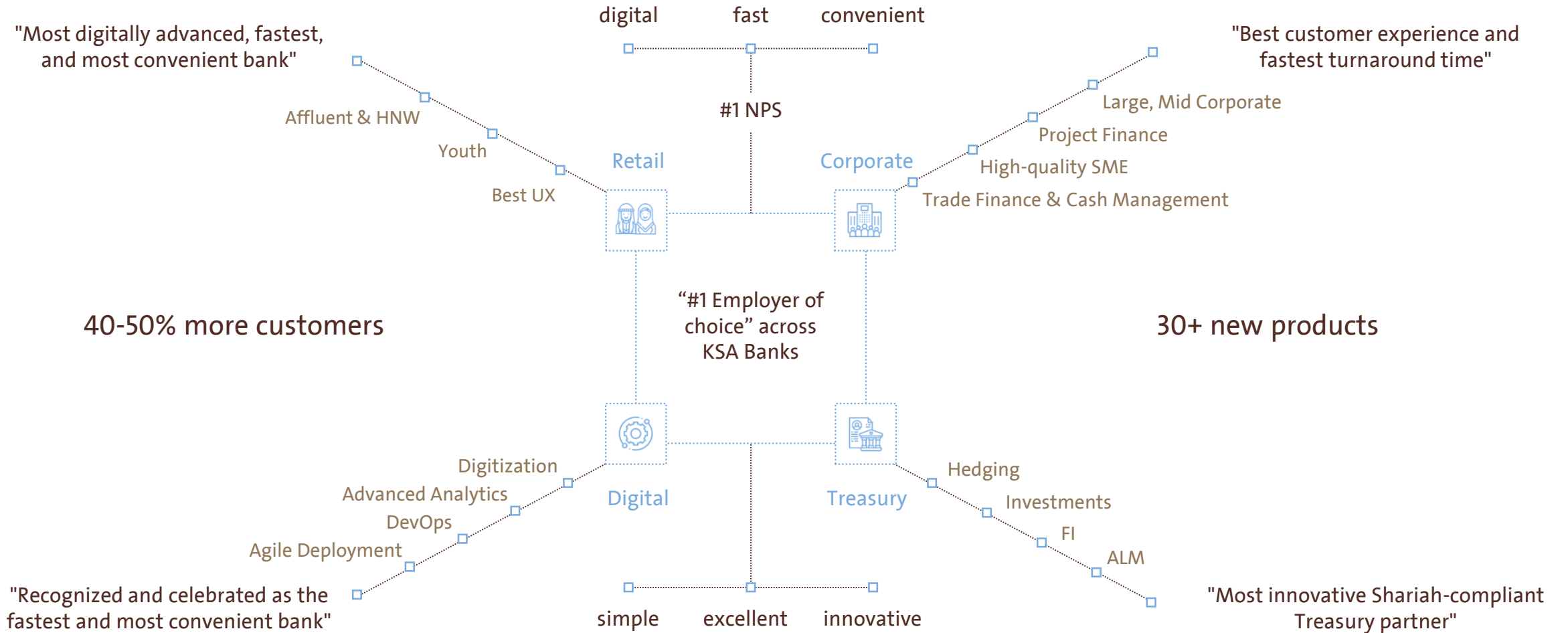
Be the **Corporate bank** with the **best customer experience** (increasingly integrated) and offer the **fastest turnaround time in KSA**



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







Strategy Overview

Key success factors for Alinma Bank's strategic positioning



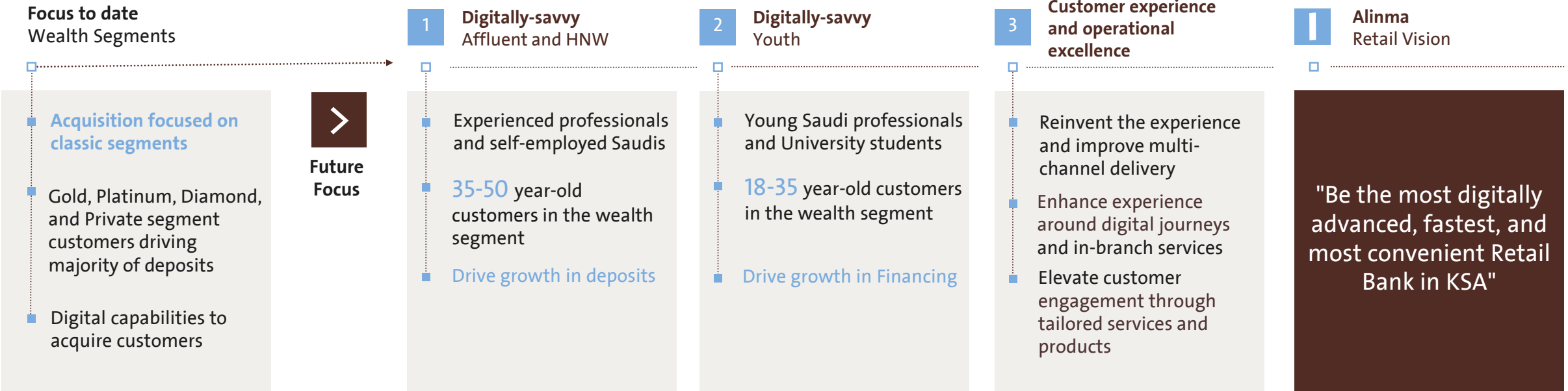
Strategy Progress Update

Driving changes across the businesses and bank-wide

	2021 - 2025 Strategic Ambitions	3Q 2022 Achievements	2022 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"> Launched Digital credit card and personal finance journeys Completed 2 additional RPAs Alpha & beta releases of new mobile app 	<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"> Enhanced and automated refinance +45% Agile IT Projects Delivery Instant POS delivery with OTP activation 	<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 POS finance through branches Launched Personal Finance through Phone-banking +21 new digital zones, +13 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	75 Initiatives* <small>*1 new initiative added in 3Q 2022</small>	36_{/75} Initiatives Completed  48%	34_{/75} Initiatives In Progress  45%

Retail

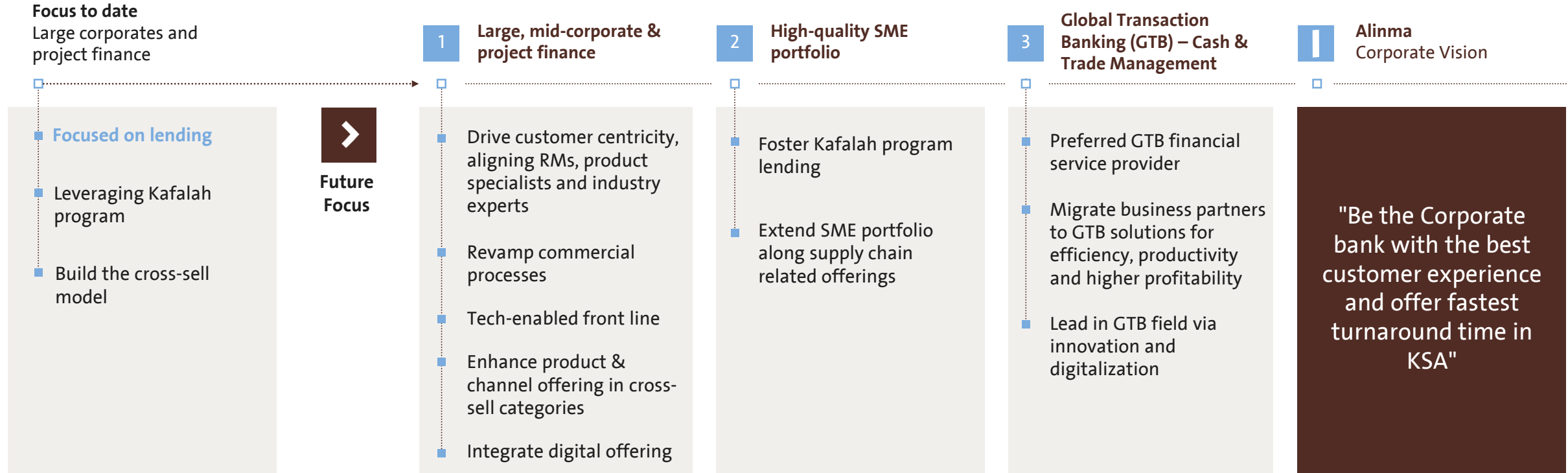
Focus on building two customer franchises



<p>Initiatives Completed to Date:</p> <p>6/18 initiatives completed</p> <p>33%</p>	<p>Key Achievements</p> <p>3Q 2022</p>	<p>Launch of New Tailored Products</p> <ul style="list-style-type: none"> Introduce Auto Finance product Introduced POS finance through branches Launched Personal Finance through Phone-banking 	<p>New Operating Models and Effective Processes</p> <ul style="list-style-type: none"> Reduced the minimum salary requirements for private sector financing Enhanced the buy-out policy Enhanced and automate refinance Introduced refinance through commodity 	<p>Distribution Expansion</p> <ul style="list-style-type: none"> +21% Digital Zones +13 New ATMs
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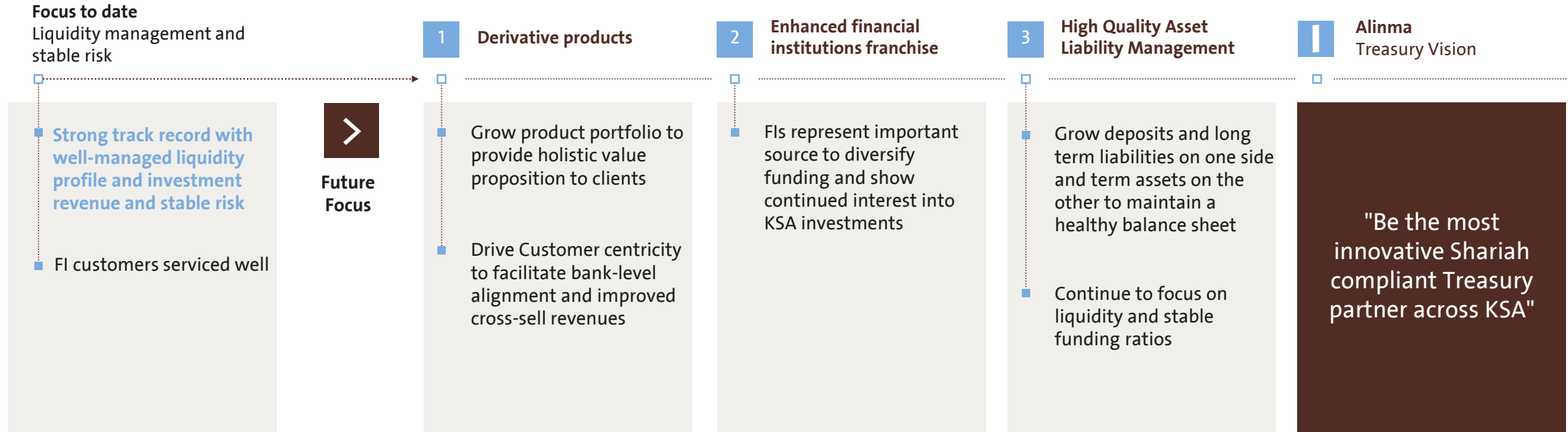
Corporate

Evolve the bank and diversify across sectors



<p>Initiatives Completed to Date:</p> <p>6/18 initiatives completed</p> <p>33%</p>	<p>Key Achievements</p> <p>3Q 2022</p>	<p>Expanded Mid-Corp Segment</p> <p>+194% Growth in booked assets</p> <p>+310% Growth in Non-funded assets (LG & LC)</p>	<p>Grow SME Portfolio YTD</p> <p>+78% PoS financing</p> <p>+37% Kafalah financing</p>	<p>New Products & Centralization</p> <p>✓ Mudad WPS automation project signed</p> <p>✓ Instant POS delivery with OTP activation</p>	<p>Improved organisational efficiency</p> <p>✓ Built the capabilities of excellence team by adding more roles, responsibilities and resources</p>
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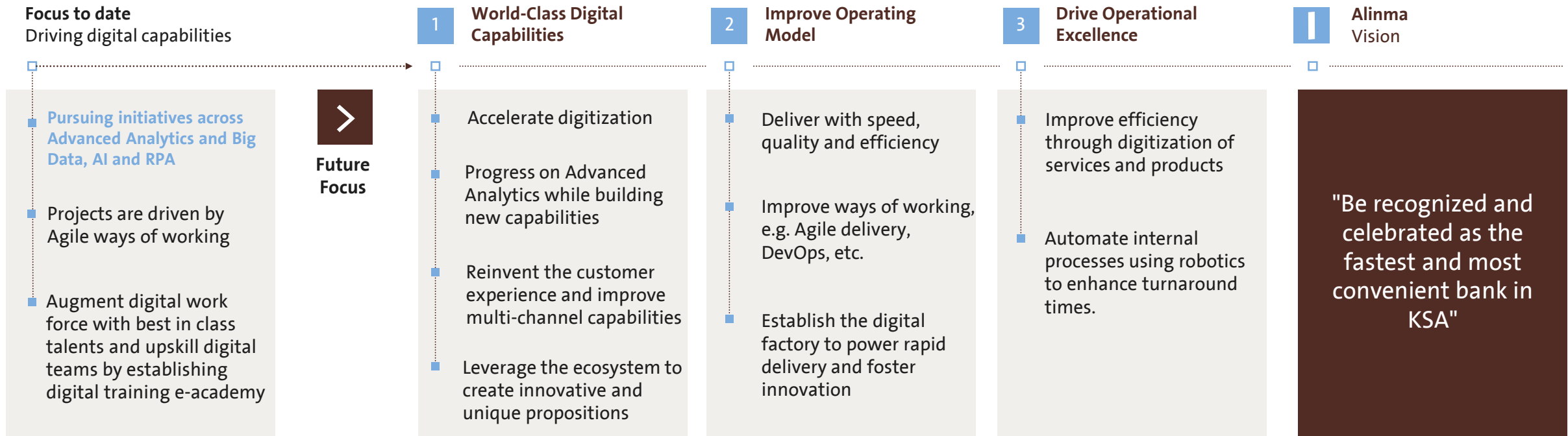
Become core partner for corporate clients and grow FI franchise



<p>Initiatives Completed to Date:</p> <p>6/12 initiatives completed</p> <p>50%</p>	<p>Key Achievements</p> <p>3Q 2022</p>	<p>Expansion of Products and Volumes</p> <ul style="list-style-type: none"> Expanded Derivatives customer base +21bn FX business volumes +2.5bn FX Wa'ad volumes 	<p>Increased FI Coverage</p> <ul style="list-style-type: none"> +4 banks Correspondent FIs added globally 	<p>Investment Base Enhancement (YTD)</p> <ul style="list-style-type: none"> +5.2bn Enhanced investment book 	<p>Upgrade Treasury system to add more products</p> <ul style="list-style-type: none"> New Treasury system is completed and deployed to production successfully
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Digital

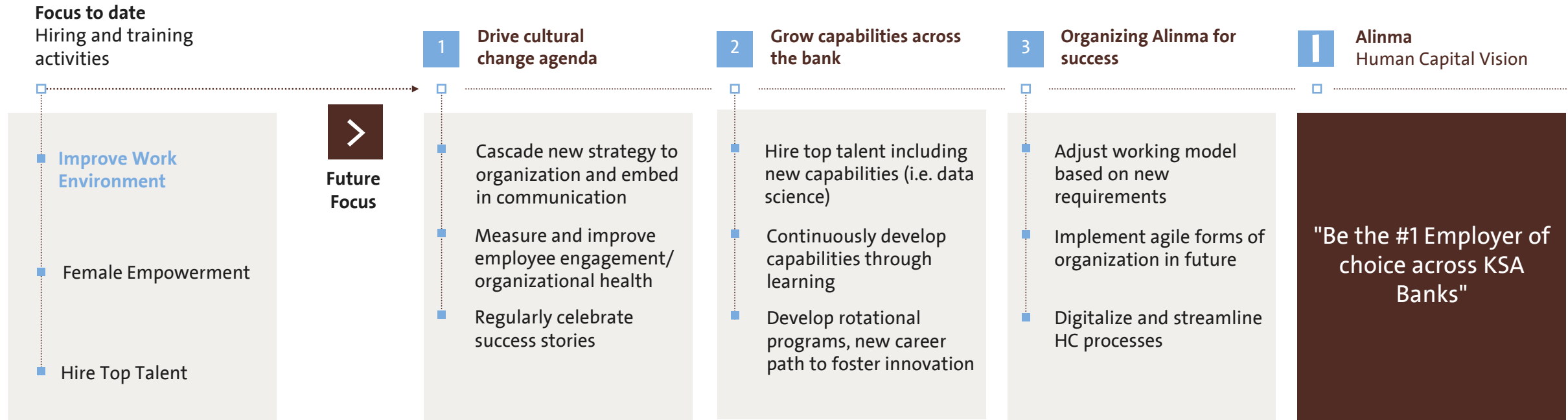
Build Digital to scale customer experience and operational excellence across the bank



<p>Initiatives Completed to Date:</p> <p>11/17 initiatives completed</p> <p>65%</p>	<p>Key Achievements</p> <p>3Q 2022</p>	<p>Project Delivery</p> <p>+45%</p> <p>Agile IT Projects Delivered</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>+2</p> <p>Operations RPAs completed</p>	<p>UX & UI Improvements</p> <p>UX/CX practices are embedded within the overall business & technology development activities</p>
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Human Capital

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



Initiatives Completed to Date: 7/9 initiatives completed  78%	Key Achievements 3Q 2022	Increased Employee Engagement  +3 Indicated employee engagement initiatives to improve OHI score Social activities to increase engagement		Increased Training & Key Placements   Professional Certifications provided as part of Support Program Completed hiring for all strategic positions		Continuous Improvement +4  Organizational structures redesigned for different groups & departments Digitalization % of employee services		Workforce 95.16% 19% Saudization rate Female percentage of total workforce	
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Historical Financial Performance

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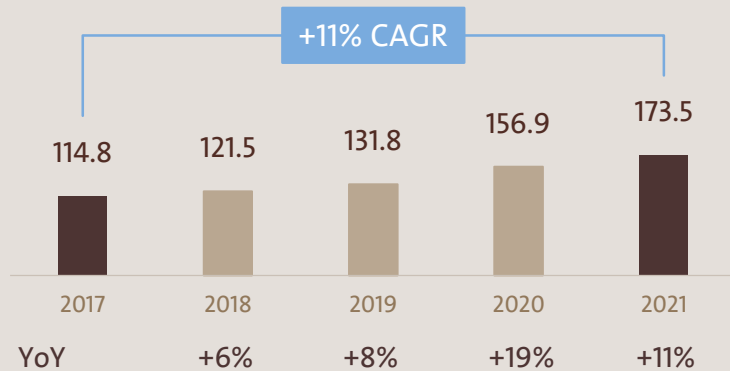


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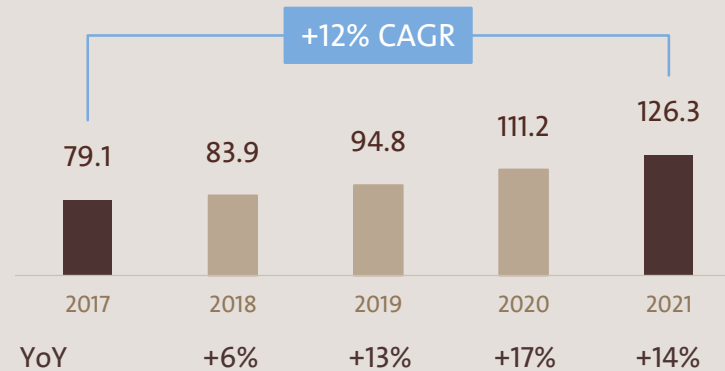
Balance Sheet Track Record

Solid history of strong balance sheet momentum...

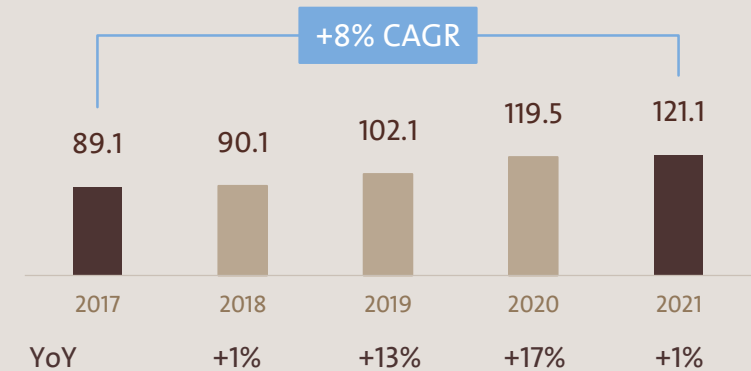
Total Assets (SARbn)



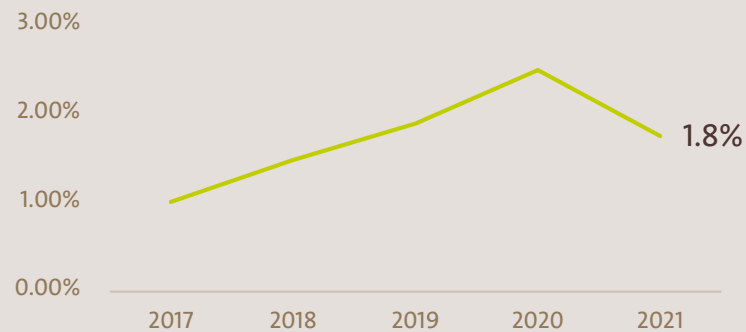
Financing (SARbn)



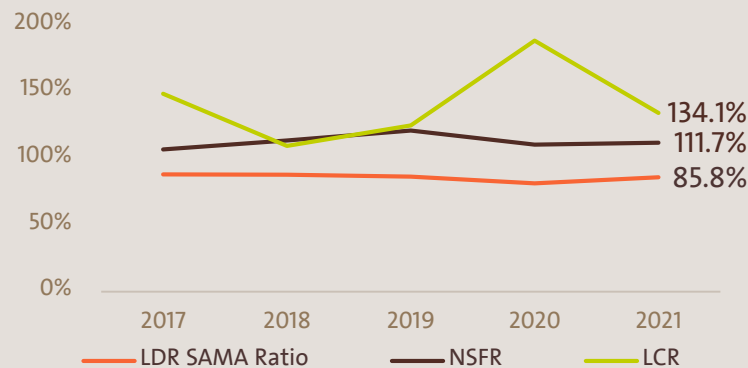
Customers' Deposits (SARbn)



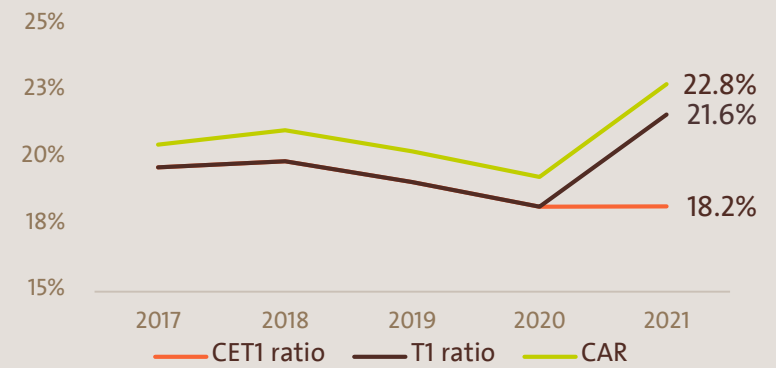
NPL Ratio (%)



Liquidity (%)



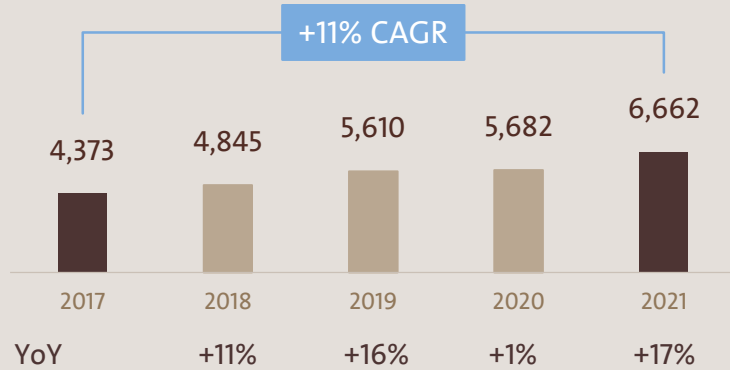
Capitalization (%)



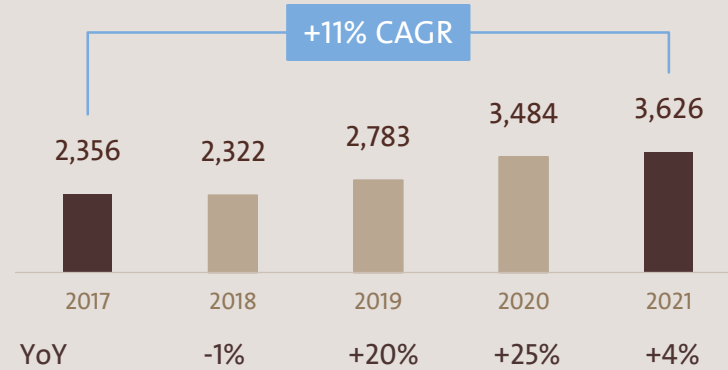
P&L Track Record

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

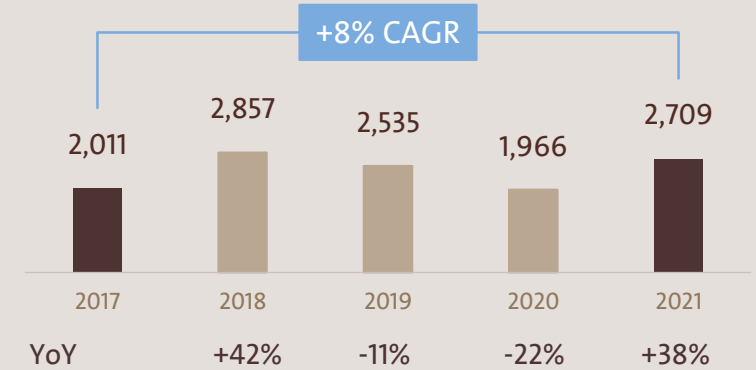
Total Operating Income (SARmn)



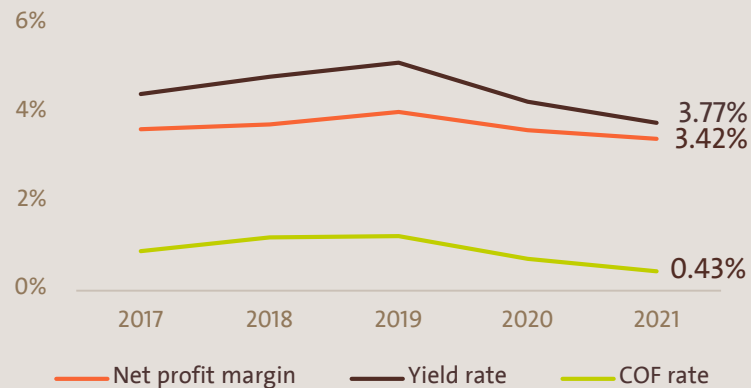
Total Operating Expenses (SARmn)



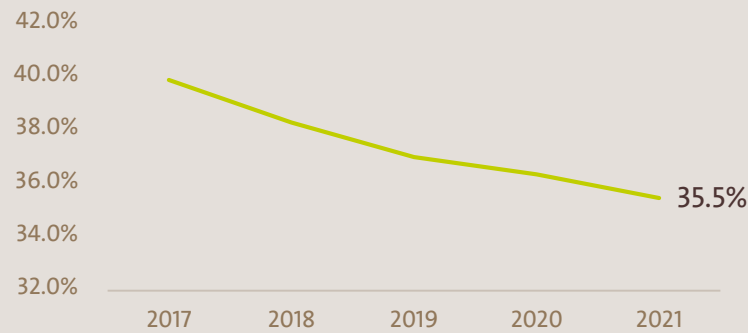
Net Income (SARmn)



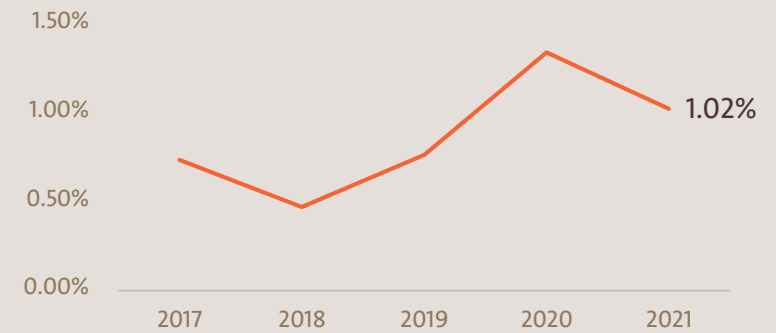
Net Profit Margin (%)



Cost To Income Ratio (%)



Cost of Risk (%)



*2021 income and expense number are adjusted to reflect certain classification taken place in 3Q 2022

9M 2022 Financial Performance

3Q 2022

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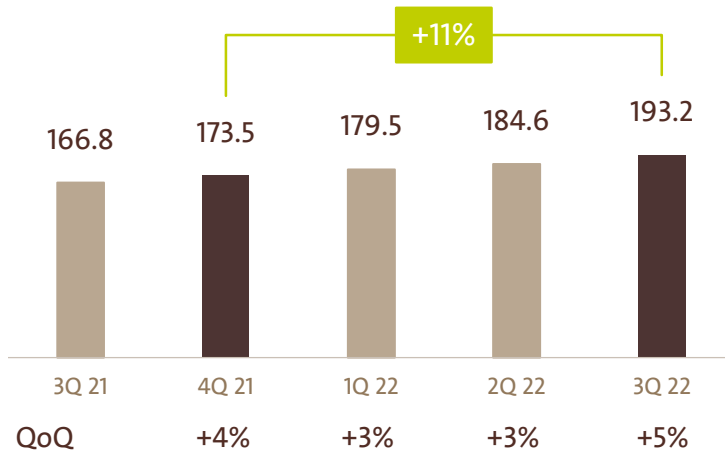


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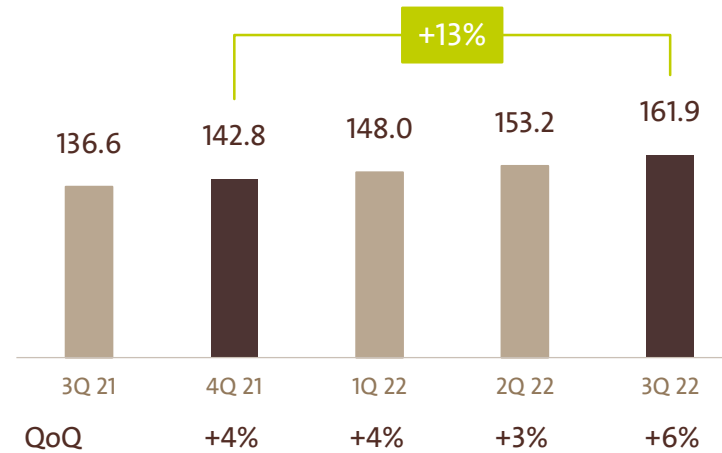
3Q 2022 Balance Sheet Highlights

Balance sheet growth from financing and investments growth funded mainly from CASA

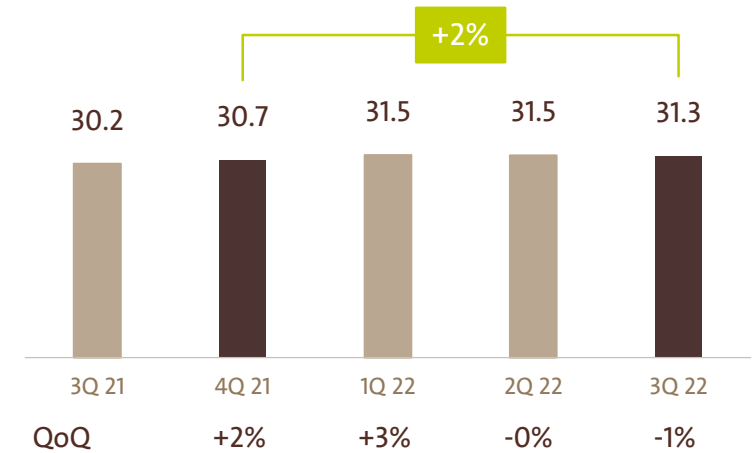
Total Assets (SARbn)



Total Liabilities (SARbn)



Total Equity (SARbn)



3Q 22 Financing

SARbn **140.0**
+11% YTD

3Q 22 Customers' Deposits

SARbn **132.0**
+9% YTD

3Q 22 CASA Deposits

SARbn **86.4**
+9% YTD

3Q 22 CASA % of Total Deposits

65.5%
-0.3ppts YTD

3Q 22 LDR SAMA Ratio

87.0%
+1.2ppts YTD

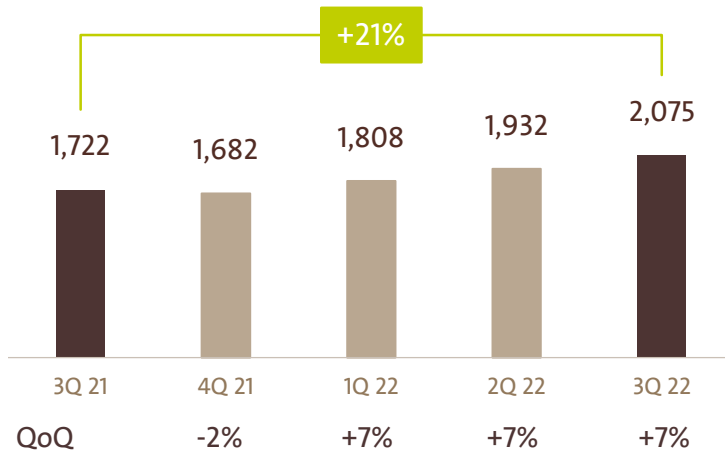
3Q 22 CAR

20.1%
-2.7ppts YTD

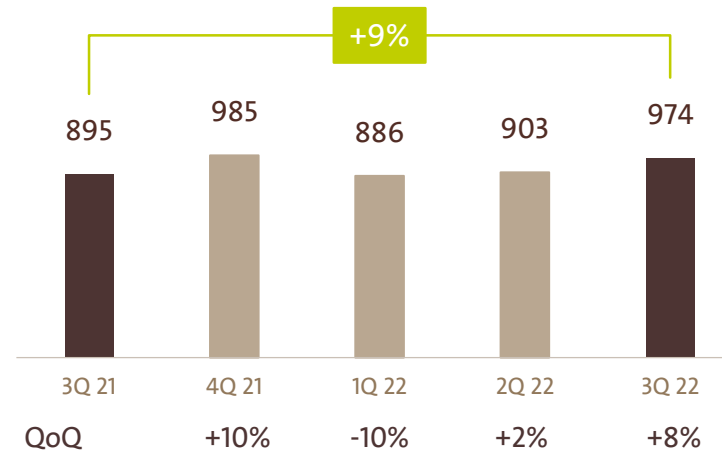
3Q 2022 P&L Highlights

Net income for 9M 2022 grew by 31% YoY from 17% income growth and lower risk cost

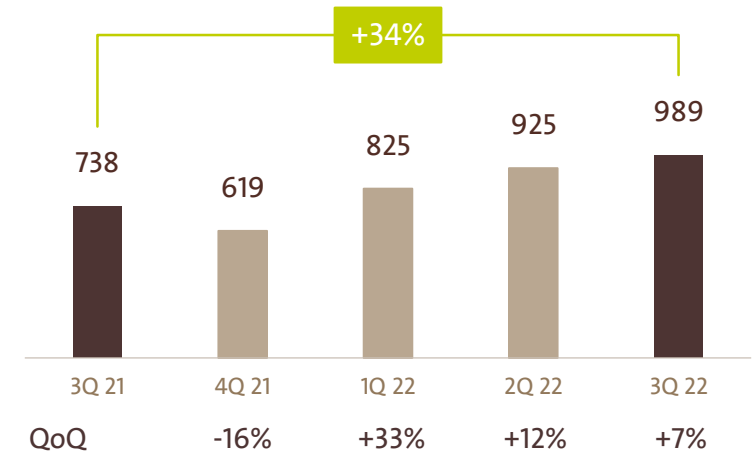
Total Operating Income (SARmn)



Total Operating Expenses (SARmn)



Net Income (SARmn)



9M 22 Funded Income

SARmn **4,399**

+15% YoY

9M 22 Non-Funded Income

SARmn **1,417**

+23% YoY

9M 22 Net Income

SARmn **2,739**

+31% YoY

9M 22 Net Profit Margin

3.59%

+14bps YoY

9M 22 Cost to Income Ratio

34.7%

+1.0ppts YoY

9M 22 ROE

14.0%

+280bps YoY

Balance Sheet Trends

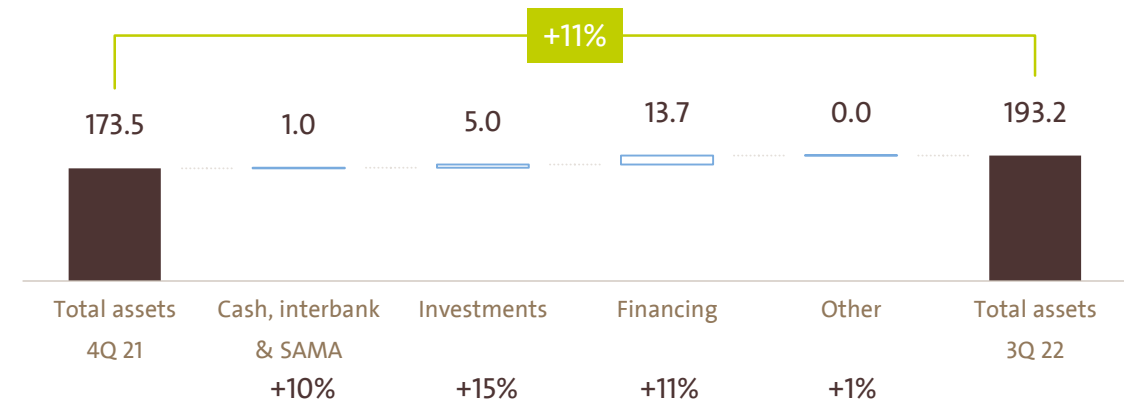
Balance sheet growth of 11% from increase in financing and investments

Management Commentary

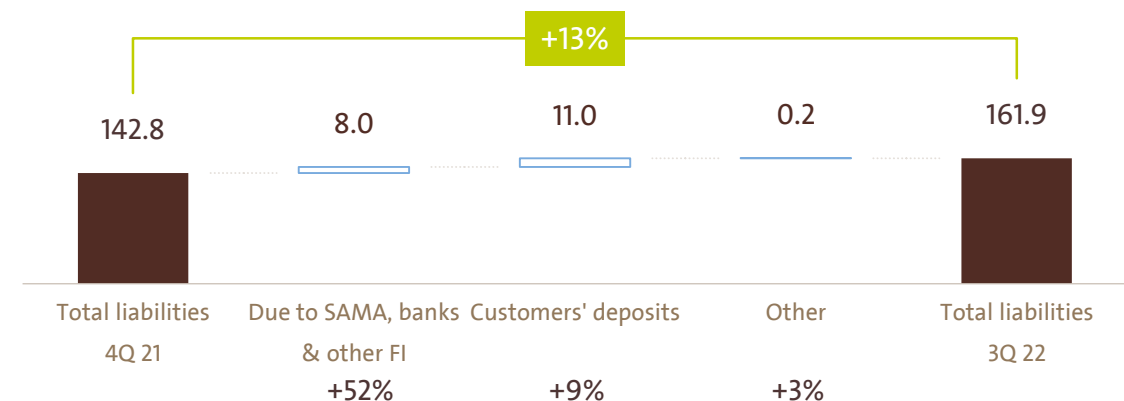
- Growth in total assets of 11% YTD mainly driven by 11% financing growth and 15% growth in investments.
- Total liabilities grew by 13% during 9M 2022 mainly from a 9% rise in customers' deposits and a 52% increase in SAMA & Interbank deposits.

SAR (mn)	3Q 2022	4Q 2021	Δ%	3Q 2021	Δ%
Cash, interbank & SAMA balances	10,935	9,915	+10%	10,019	+9%
Investments	38,268	33,278	+15%	31,886	+20%
Financing	139,987	126,271	+11%	121,318	+15%
Other assets	4,039	4,012	+1%	3,586	+13%
Total assets	193,229	173,476	+11%	166,808	+16%
Due to SAMA, banks & other FI	23,225	15,240	+52%	14,401	+61%
Customers' deposits	132,048	121,061	+9%	116,652	+13%
Other liabilities	6,654	6,465	+3%	5,591	+19%
Total liabilities	161,927	142,765	+13%	136,644	+19%
Share capital	20,000	20,000	+0%	20,000	+0%
Retained earnings	5,373	3,586	+50%	4,528	+19%
Other reserves	929	2,125	-56%	636	+46%
Tier 1 sukuk	5,000	5,000	+0%	5,000	+0%
Total equity	31,302	30,711	+2%	30,164	+4%

Total Assets Movement YTD (SARbn)



Total Liabilities Movement YTD (SARbn)



P&L Trends

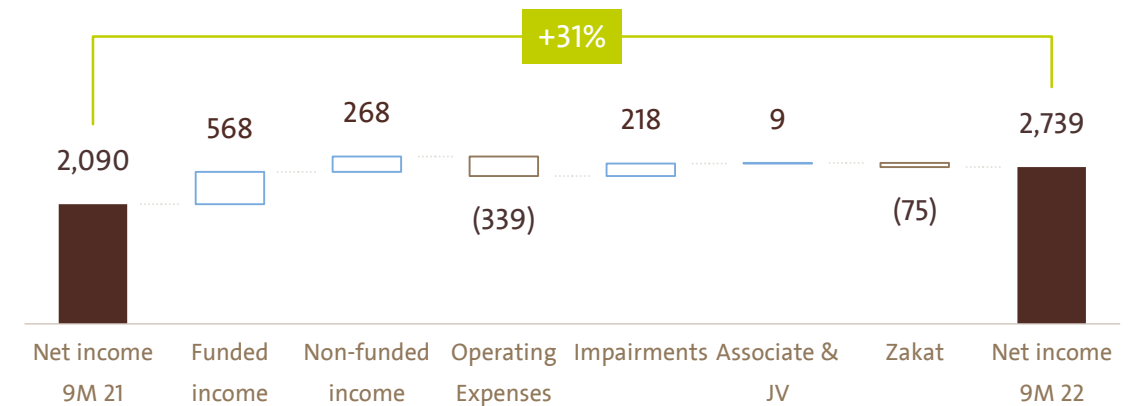
Net income for 9M 2022 grew by 31% YoY due to 17% income growth and lower impairment charges

Management Commentary

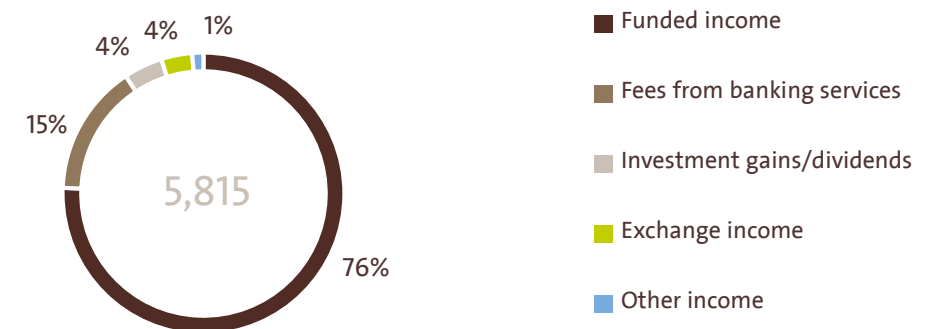
- Net income for 9M 2022 grew 31% YoY to SAR 2,739mn from 17% income growth and a 23% decrease in impairments despite 20% higher operating expenses YoY.
- 3Q 2022 net income improved 34% YoY driven by 21% increase in income and a 5% decrease in impairments.

SAR (mn)	9M 2022	9M 2021	Δ%	3Q 2022	3Q 2021	Δ%
Funded income	4,399	3,831	+15%	1,674	1,393	+20%
Non-Funded income	1,417	1,148	+23%	402	329	+22%
Total operating income	5,815	4,979	+17%	2,075	1,722	+21%
Operating Expenses	2,015	1,676	+20%	710	616	+15%
Net operating income before impairment charge	3,800	3,304	+15%	1,366	1,106	+24%
Impairments	748	965	-23%	264	279	-5%
Net operating income	3,053	2,339	+31%	1,102	827	+33%
Income before zakat & income tax	3,054	2,331	+31%	1,103	823	+34%
Zakat	315	240	+31%	114	85	+34%
Net income	2,739	2,090	+31%	989	738	+34%

Net Income Movement YoY (SARmn)



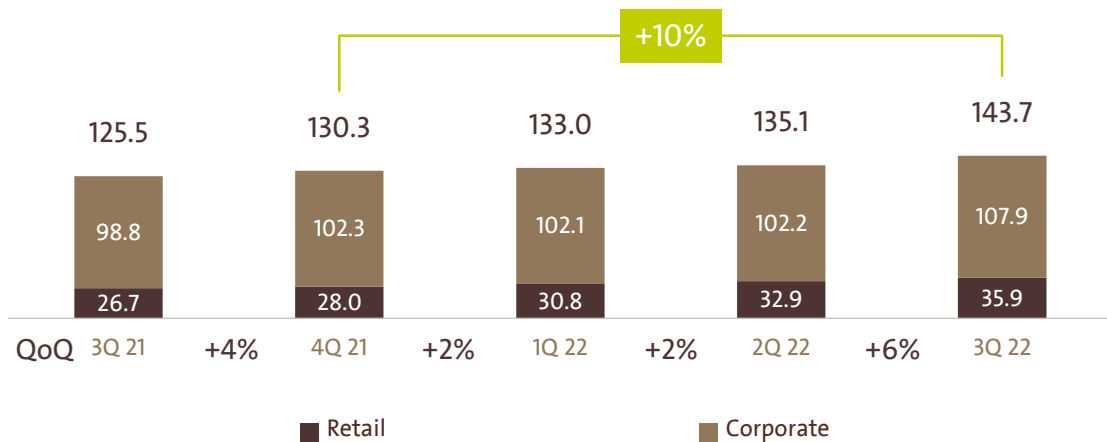
Operating Income Composition (SARmn)



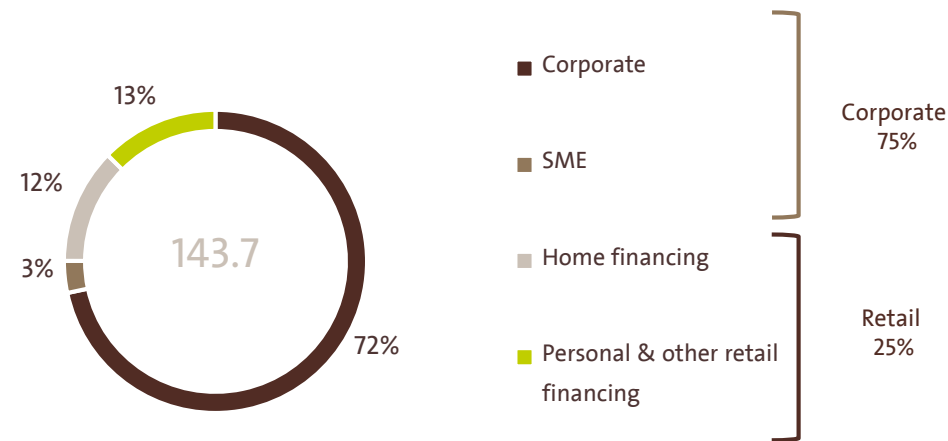
Financing

Increase in gross financing of 10% during 9M 2022 from 28% growth in retail financing, and 5% in corporate financing

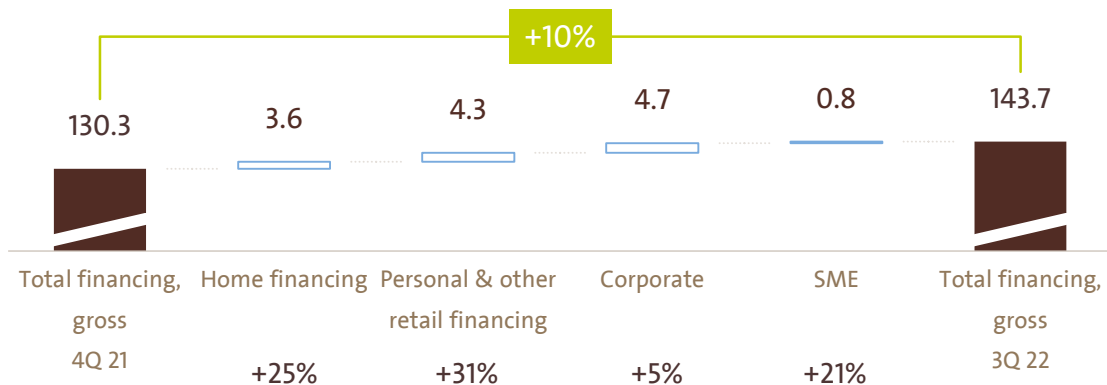
Financing, Gross (SARbn)



Financing, Gross Composition (SARbn)



Financing, Gross Movement YTD (SARbn)



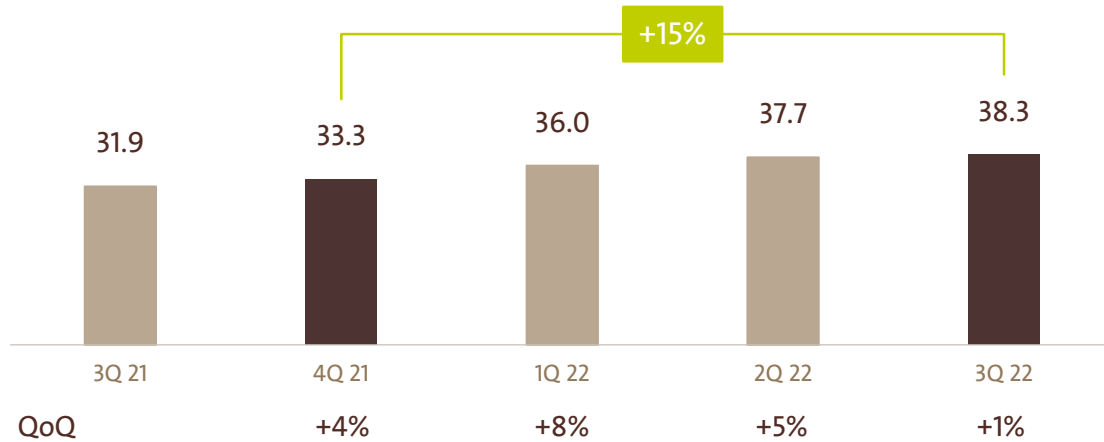
Management Commentary

- Gross financing grew 10% during 9M 2022.
- Retail financing grew 28% YTD from strong momentum in home financing (+25%) and personal & other financing (+31%).
- Corporate financing grew 5% YTD, of it 194% rise in mid-corporate, and a 21% increase in SME financing.
- Gross financing comprises of 75% corporate and 25% retail as at 30 September 2022.

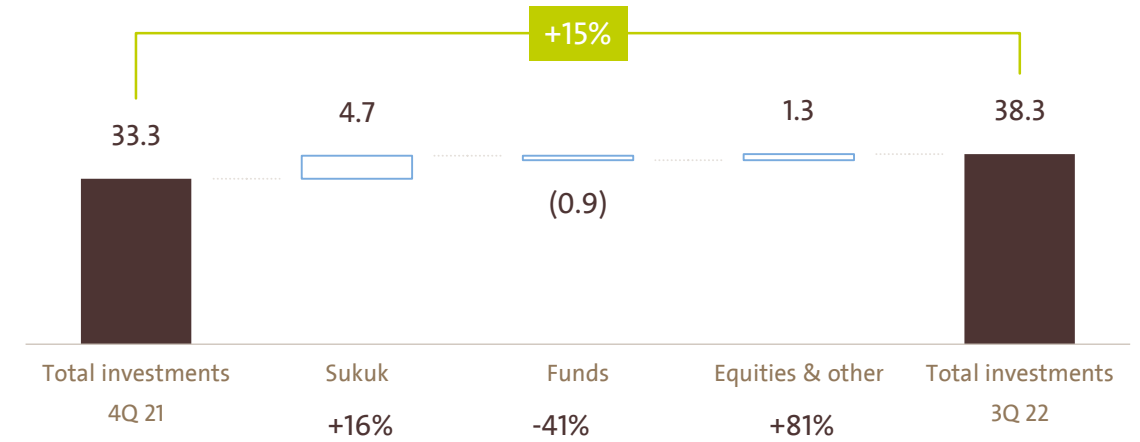
Investments

15% growth in investments YTD from additional investment grade securities

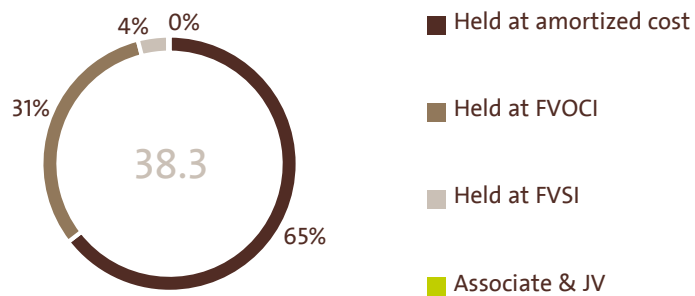
Investments (SARbn)



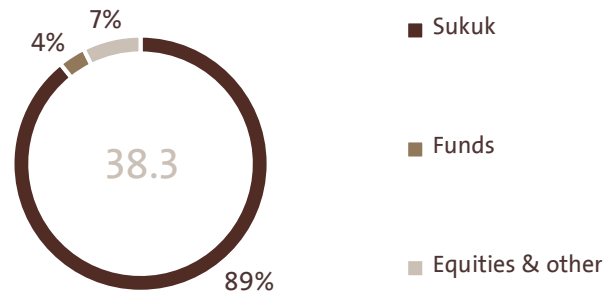
Investments Movement YTD (SARbn)



Investments Composition (SARbn)



Investments Composition (SARbn)



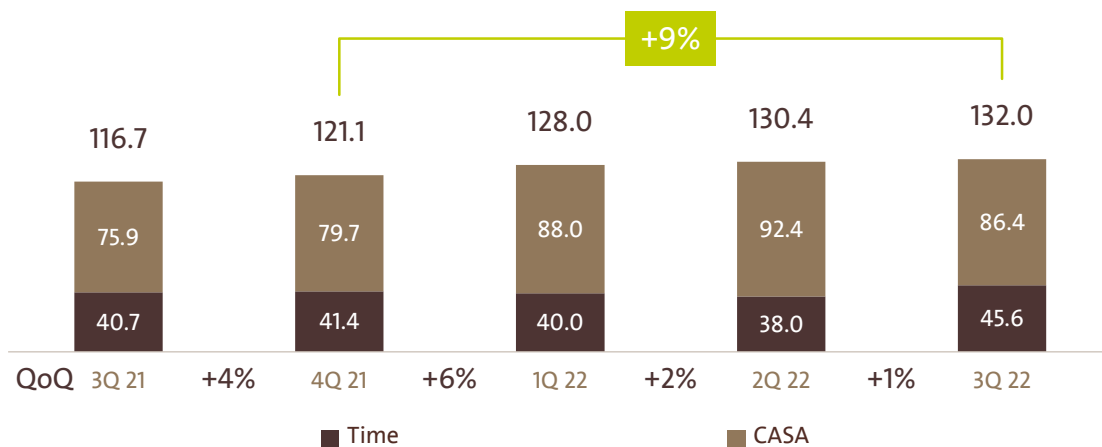
Management Commentary

- Investments growth of 15% during 9M 2022 was mainly attributed to additional SAR 4.7bn in corporate sukuk investments.
- The investment portfolio as at 30 September 2022 comprised of 89% sukuk investments, 4% funds and 7% equities & other investments

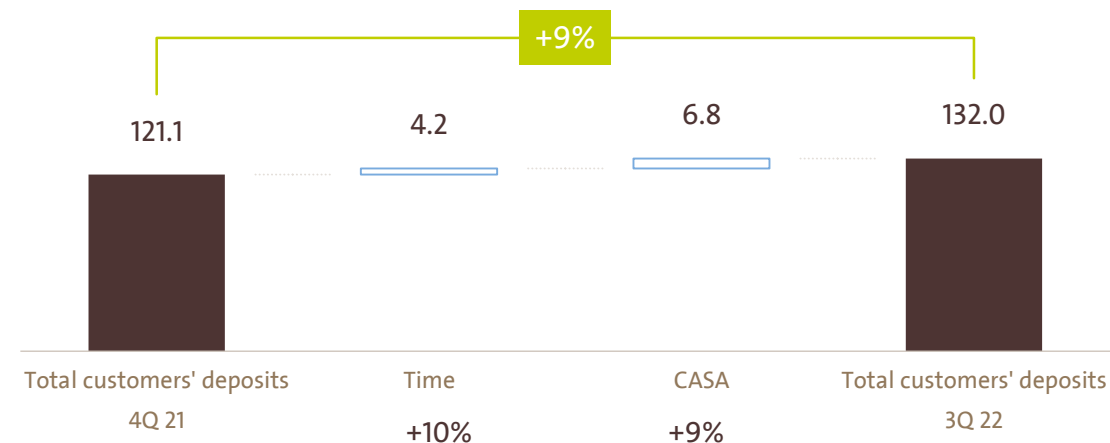
Deposits

Deposit growth of 9% driven by 9% CASA growth and 10% Time deposits growth

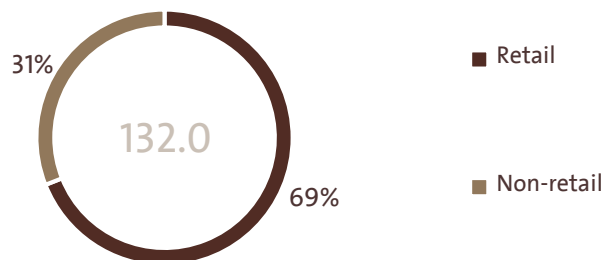
Customers' Deposits (SARbn)



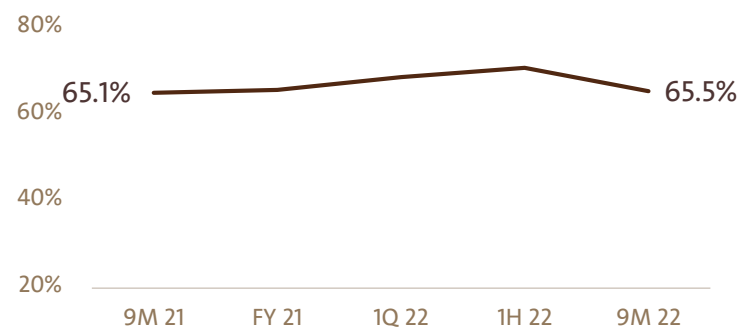
Customers' Deposits Movement YTD (SARbn)



Customers' Deposits Composition (SARbn)



CASA % of Total Deposits (%)



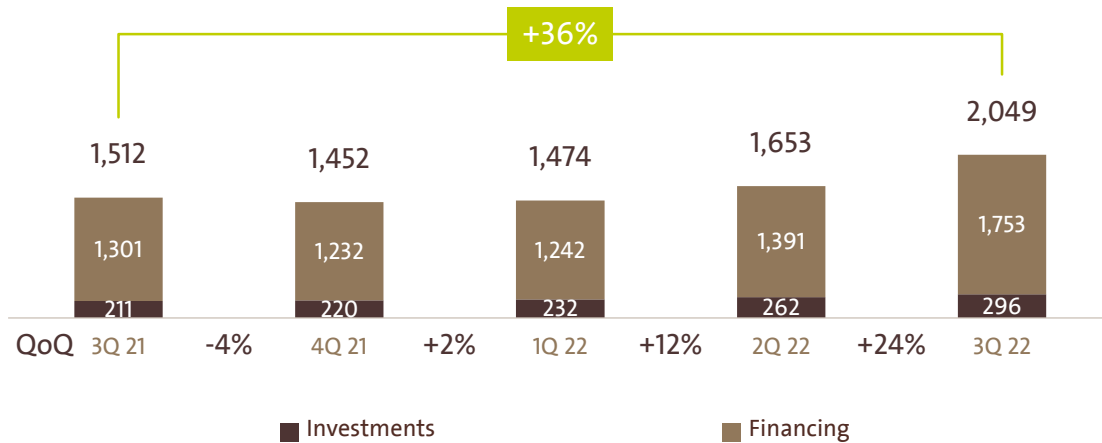
Management Commentary

- Deposits rose by 9% during 9M 2022 as growth of CASA and Time deposits by 9% and 10% respectively.
- CASA deposits account for 65.5% of total deposits as of 3Q 2022, with the QoQ decline reflective of time deposits increase by 20%.
- Total deposits comprise of 69% retail and 31% non-retail deposits as at 30 September 2022.

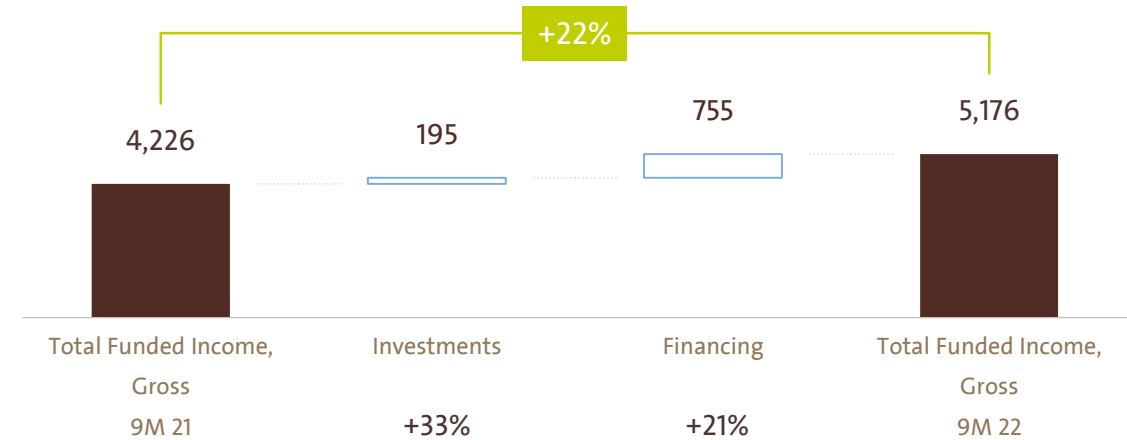
Income from Financing & Investments

Gross funded income grew 22% from 33% growth in investment income and 21% growth in financing income

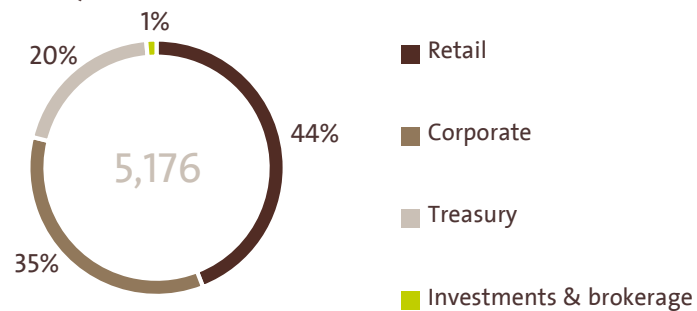
Funded Income, Gross (SARmn)



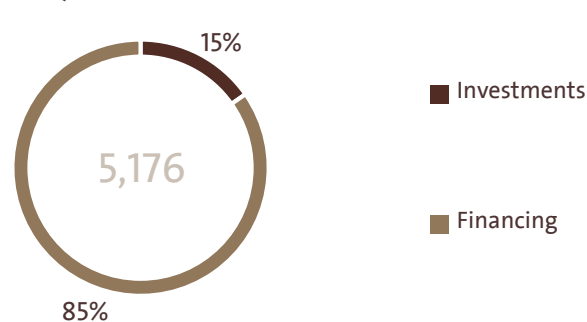
Total Funded Income, Gross Movement YoY (SARmn)



Funded Income, Gross Composition (SARmn)



Funded Income, Gross Composition (SARmn)



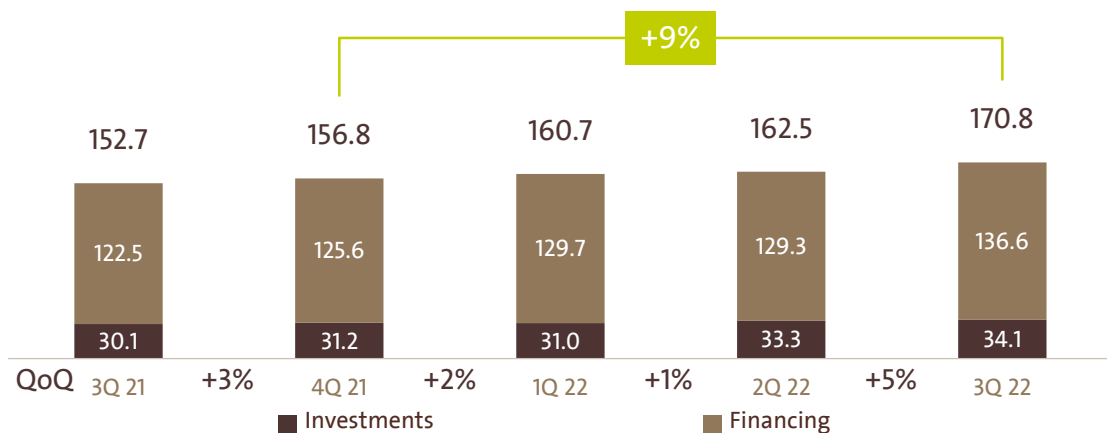
Management Commentary

- Gross funded income for 9M 2022 increased by 22% YoY to SAR 5,176mn from a 33% increase in funded investment income and a 21% rise in financing income.
- Gross funded income is attributable to 44% retail, 35% corporate and 20% treasury segments.
- Income from financing makes up 85% of total gross funded income and income from investments comprises 15%.

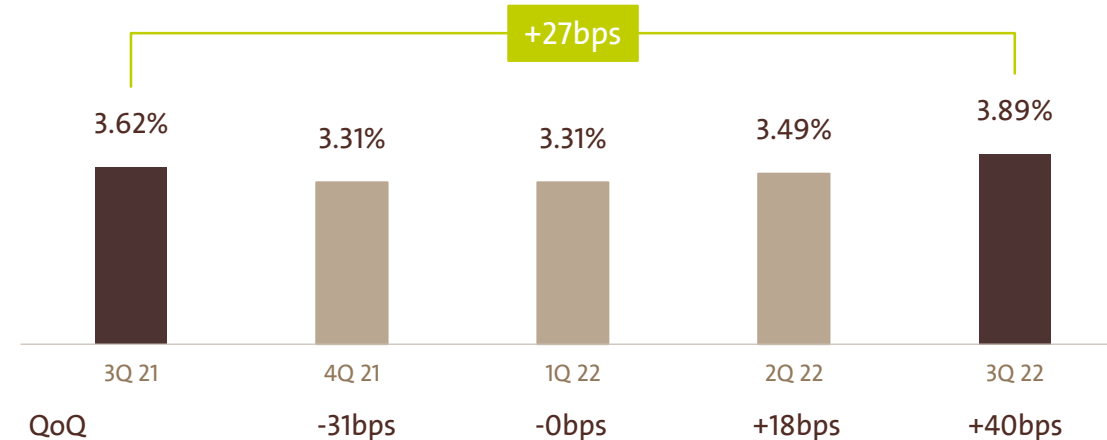
Net Profit Margin

Average balance of investments and financing grew 9%; while net profit margin saw an increase of 14bps YoY

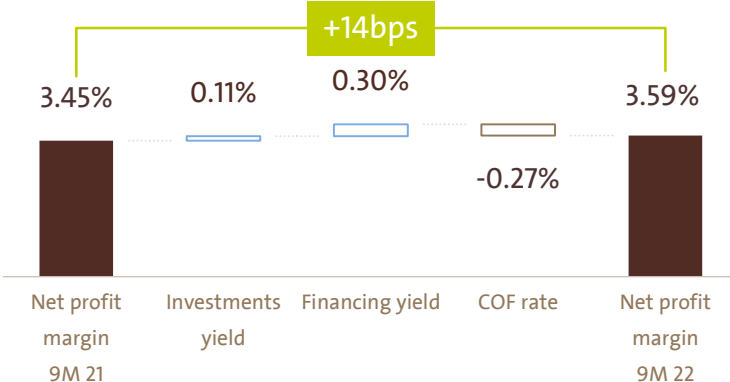
Average Balance of Investments & Financing (SARbn)



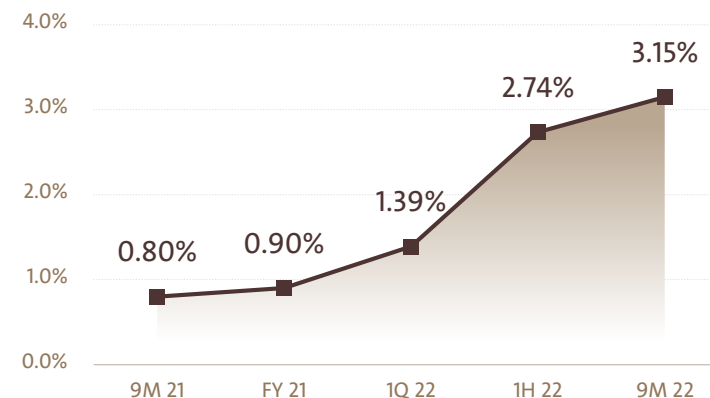
Net Profit Margin QTR (%)



Net Profit Margin Movement YoY (%)



SAIBOR: 3M Average Trend (%)



Management Commentary

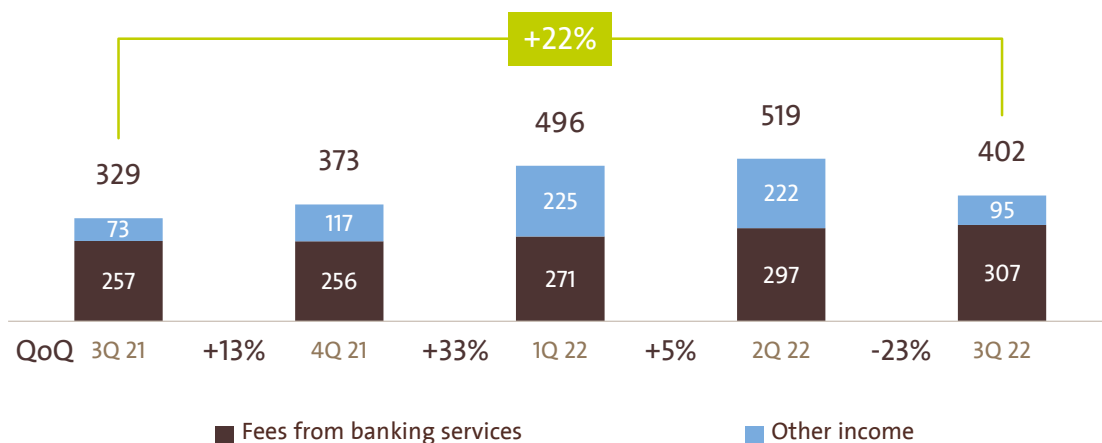
- Average balance of investments and financing grew 9% YTD.
- The net profit margin increased by 14bps YoY to 3.59%.
- Average 3M SAIBOR increased 41bps during 3Q 2022 and 235bps YoY as a result of rate hikes during the quarter.

*Comparatives are reclassified to align with the 9M 2022 financial statements

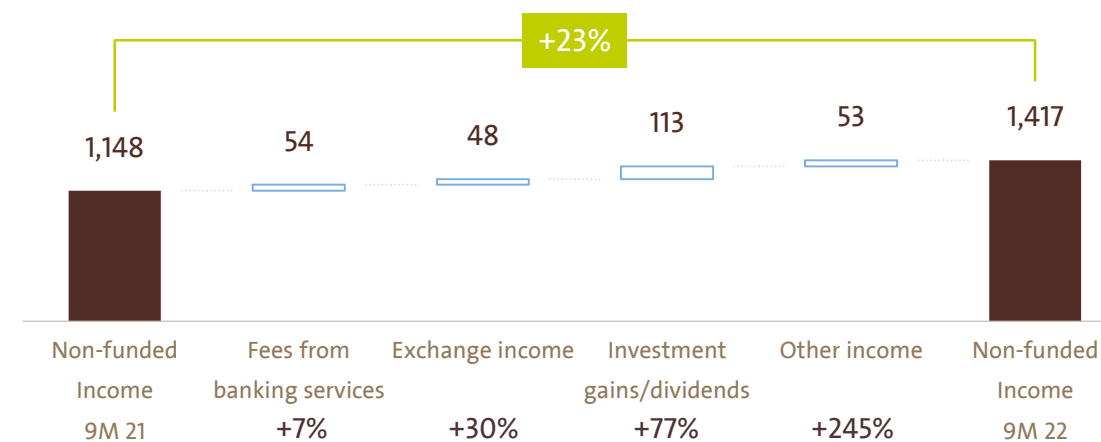
Fee and Other Income

Non-funded income for 9M 2022 increased by 23% YoY

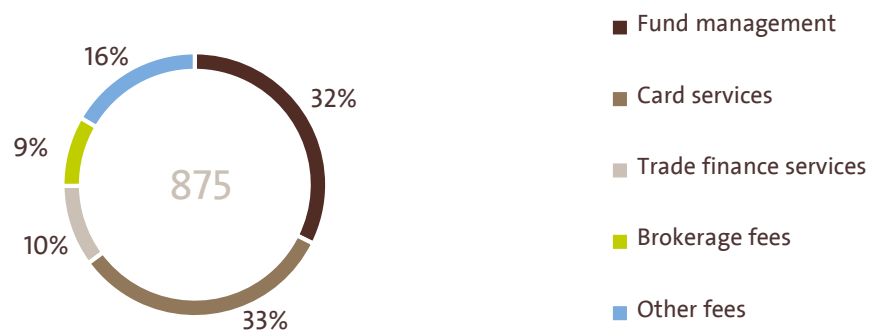
Non-Funded Income (SARmn)



Non-Funded Income Movement YoY (SARmn)



Fees from Banking Services Composition (SARmn)



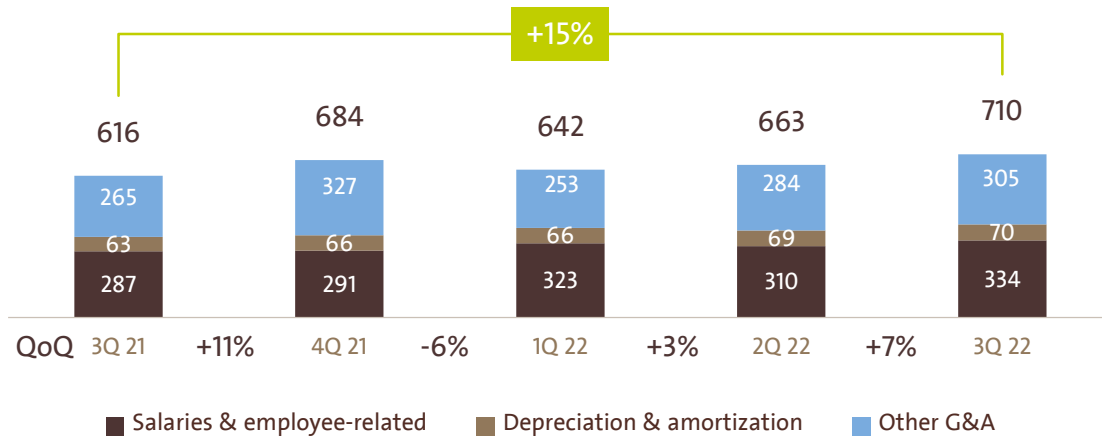
Management Commentary

- Non-funded income for 9M 2022 increased 23% YoY to SAR 1,417mn from improved fees from banking services, exchange income, investment gains/dividends, and other income.
- Card service fees comprise the majority of fee from banking services at 33%, while fund management fees account for 32%, other fees for 16% and brokerage and trade finance services fees represent 9% and 10% respectively.
- The 23% QoQ decline in non-funded income is due to lower investment income & other operating income.

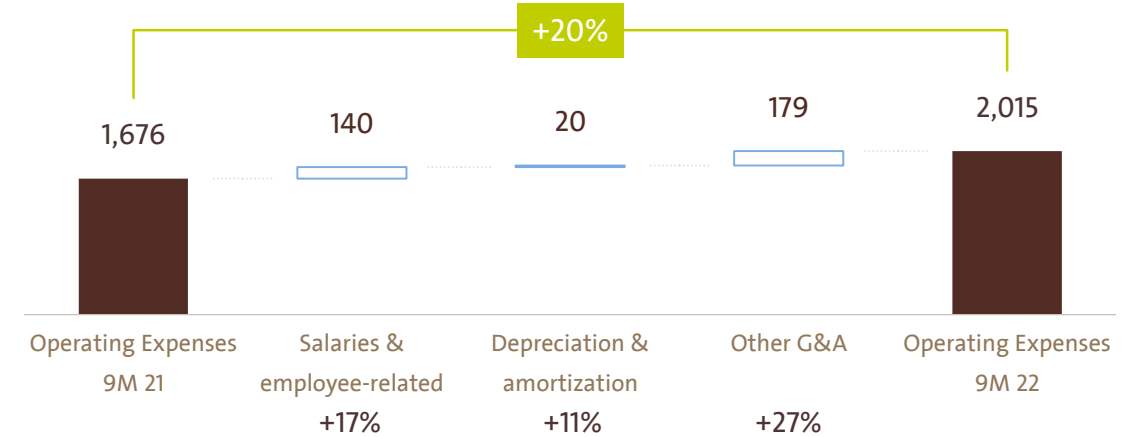
Operating Expenses

9M 2022 saw 20% growth in operating expenses YoY mainly from higher employee and G&A costs

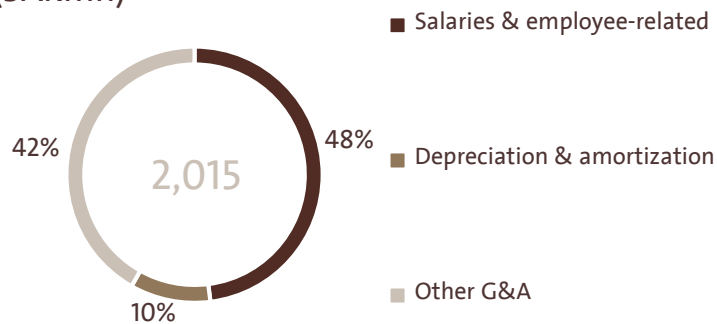
Operating Expenses (SARmn)



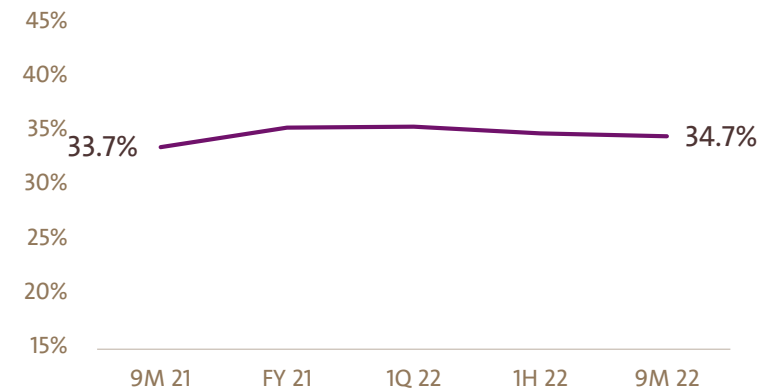
Operating Expenses Movement YoY (SARmn)



Operating Expenses Composition (SARmn)



Cost to Income Ratio (%)



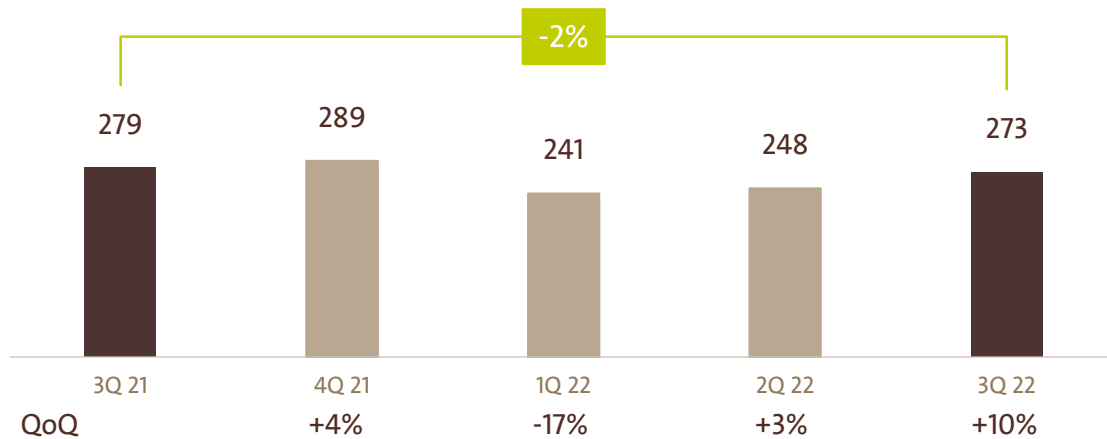
Management Commentary

- Operating expenses increased 20% YoY to SAR 2,015mn for 9M 2022 mainly due to higher salaries, increased commercial expenses from POS terminal deployments, higher SMS communication and marketing costs.
- Higher operating expenses YoY contributed to a 1.0 ppt increase in the cost to income ratio from 33.7% to 34.7%.

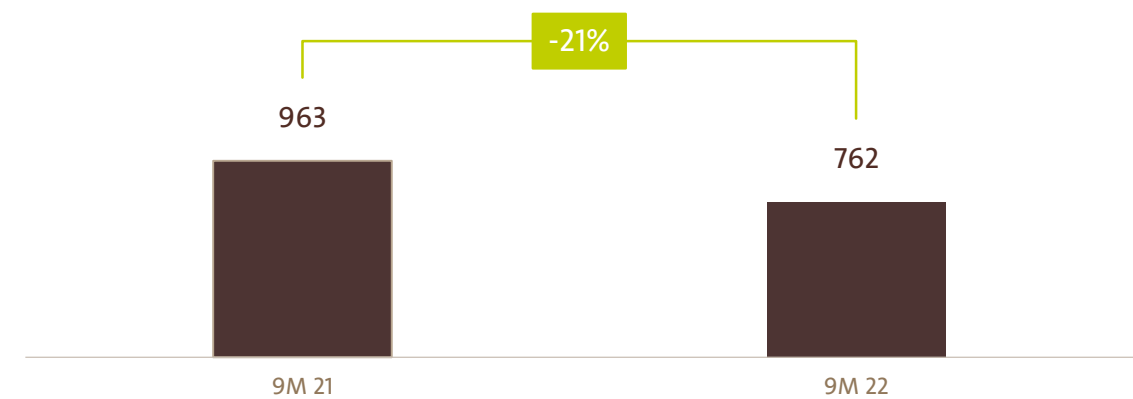
Impairments for Financing

Cost of risk for 9M 2022 declined by 33bps from 21% lower credit impairment charges YoY

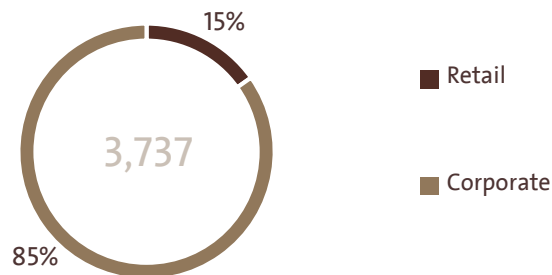
Impairments for Financing (SARmn)



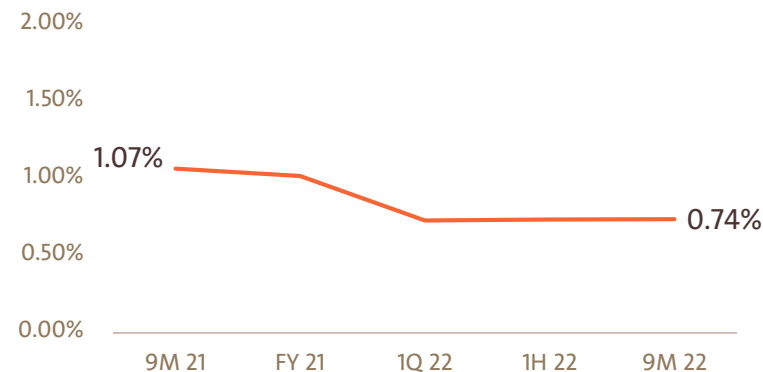
Impairments for Financing (SARmn)



Impairments Allowance Composition (SARmn)



Cost of Risk (%)



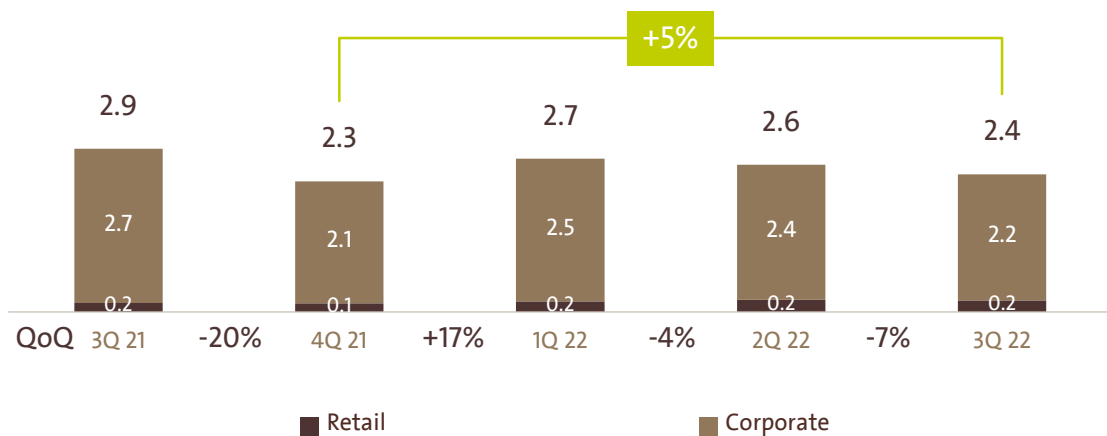
Management Commentary

- 9M 2022 impairment charge for financing decreased by 21% YoY to SAR 762mn.
- Cost of risk for 9M 2022 improved by 33bps YoY to 0.74%.

Non-Performing Loans

The NPL ratio has improved by 60bps YoY

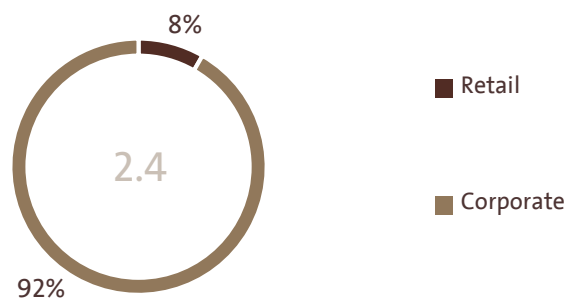
Non-Performing Loans, Gross (SARbn)



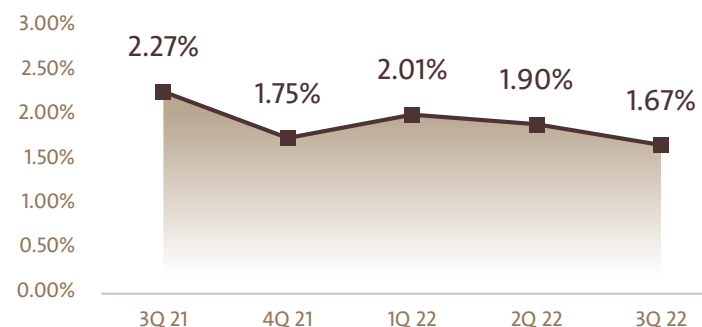
NPL, Gross Movement YTD (SARbn)



NPL Composition (SARbn)



NPL Ratio (%)



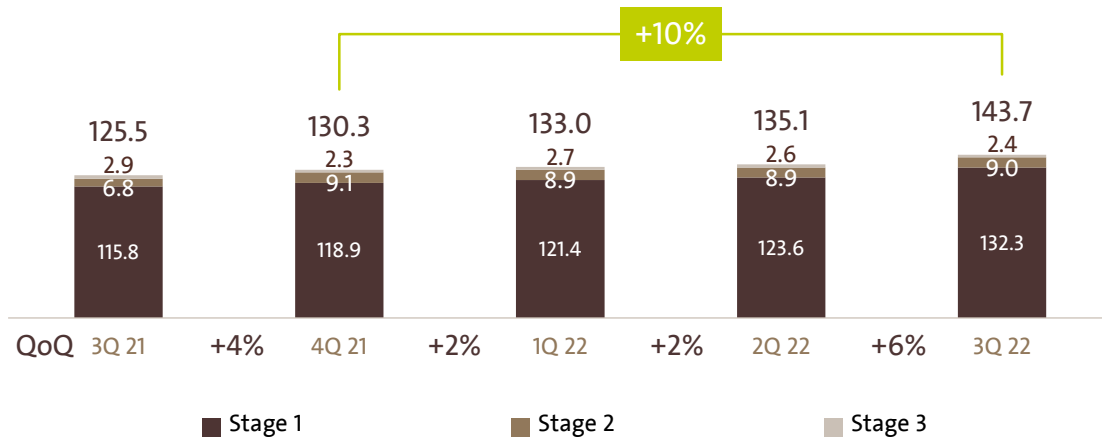
Management Commentary

- NPL ratio decreased by 8bps to 1.67% during 9M 2022, and improved 60bps YoY.
- Retail financing, which account for the smaller proportion of NPLs, increased by 34%, while corporate NPLs increased by 3% YTD.
- The NPL ratio for retail stood at 0.6% while corporate stood at 2.0% as at 3Q 2022.

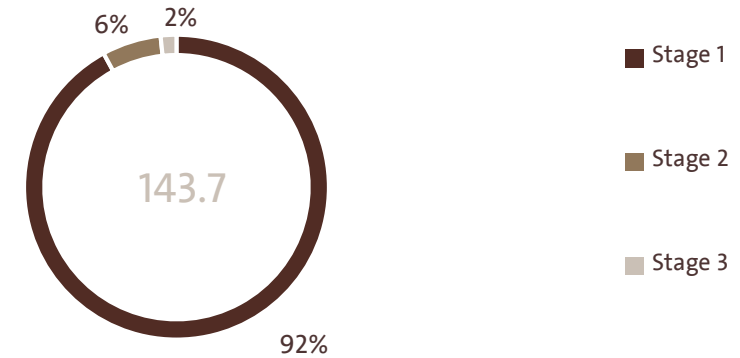
NPL Coverage

NPL coverage improved YoY

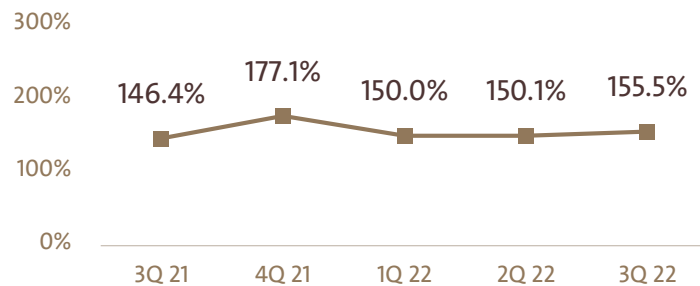
Stage-Wise Financing, Gross (SARbn)



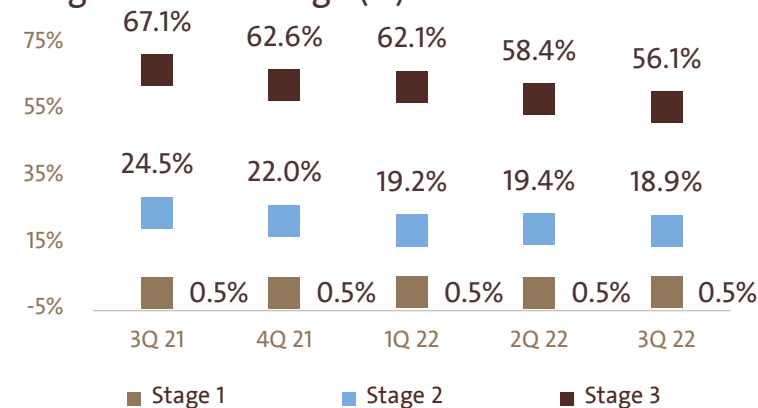
Stage-Wise Financing, Gross Composition (SARbn)



NPL Coverage Ratio (%)



Stage-Wise Coverage (%)



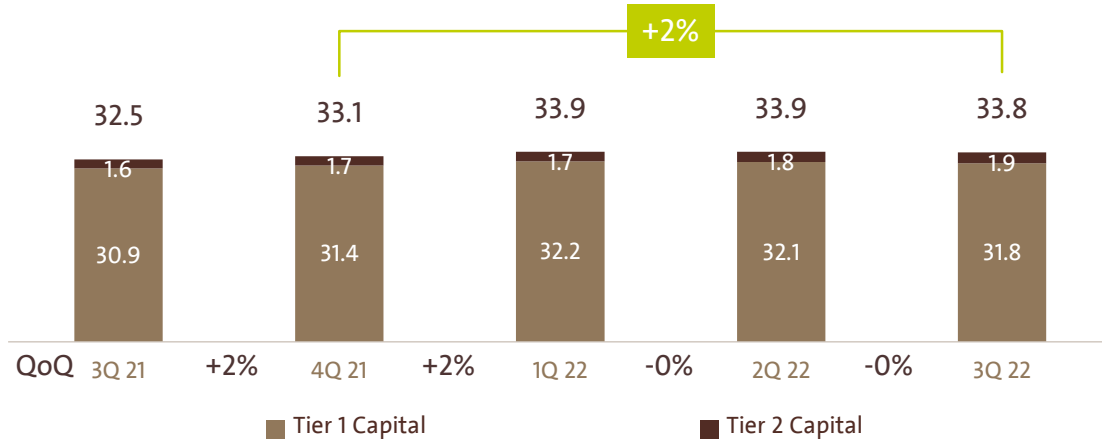
Management Commentary

- NPL coverage improved 9.1ppts YoY but declined 21.6ppts YTD to 155.5%.
- Stage 1 coverage remained stable YTD 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 9M 2022.

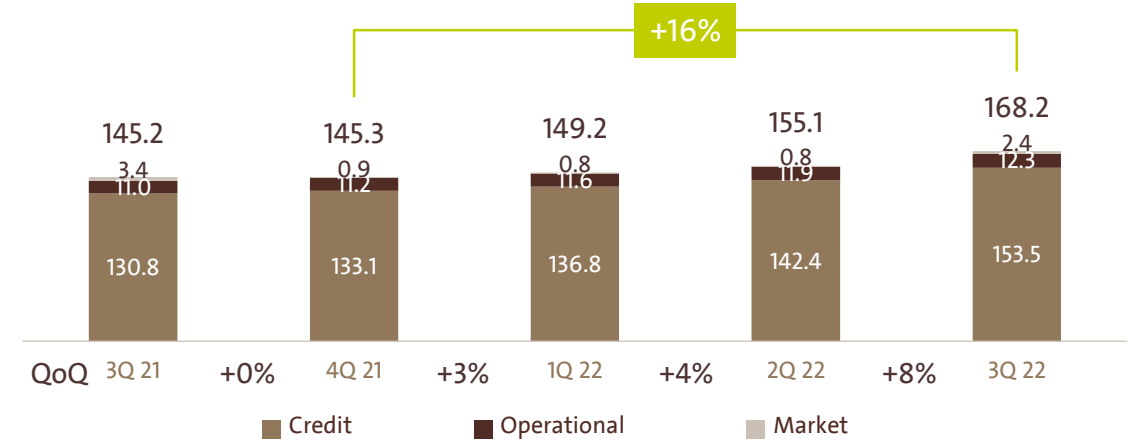
Capitalization

Capital grew 2% YTD and capital ratios remained stable while ROE saw an increase of 2.8ppts YoY

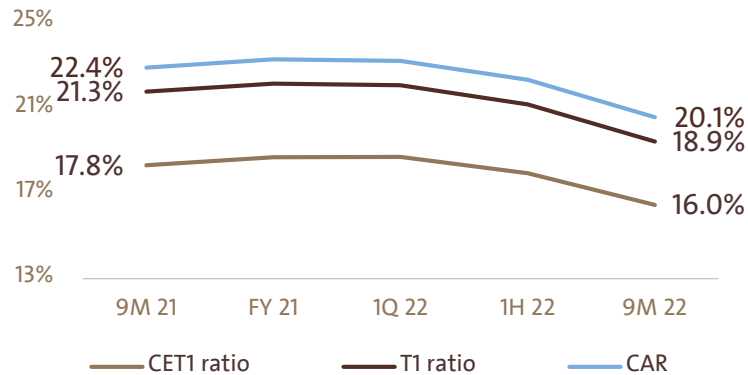
Total Capital (SARbn)



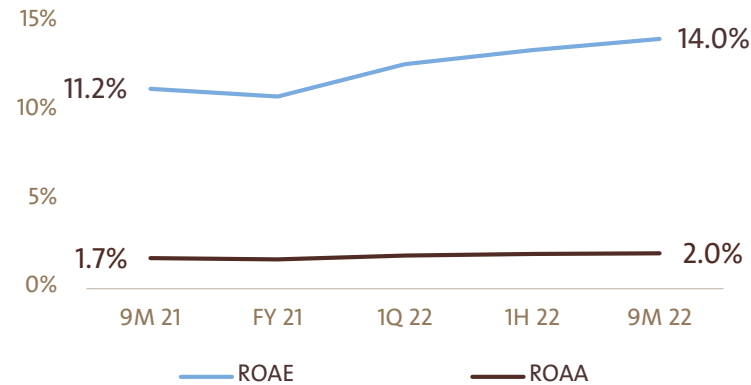
Risk Weighted Assets (SARbn)



Capitalization (%)



Profitability (%)



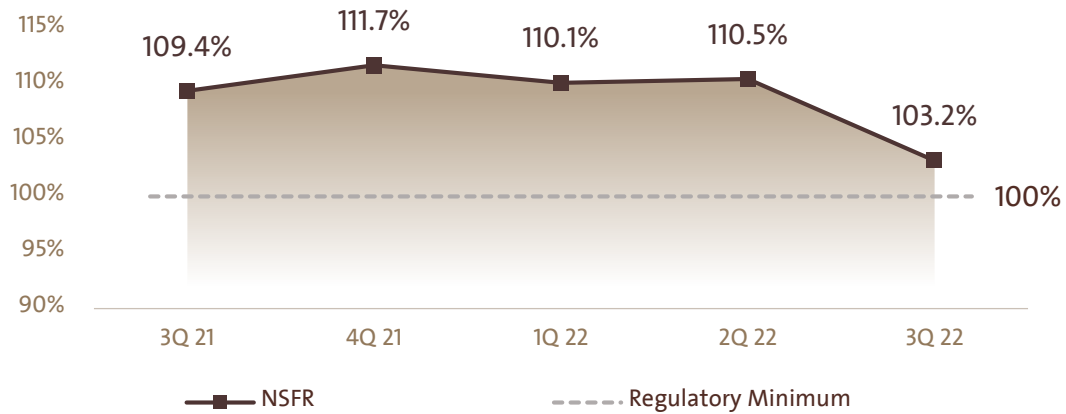
Management Commentary

- Total Capital grew 2% to 33.8bn YTD while Risk Weighted Assets grew 16% YTD.
- CAR has declined 2.3ppts YoY to 20.1% due to 17.3% increase in credit risk weighted assets due to the growth in the Bank's total assets.
- ROE and ROA saw an increase of 2.8ppts and 30bps respectively YoY.

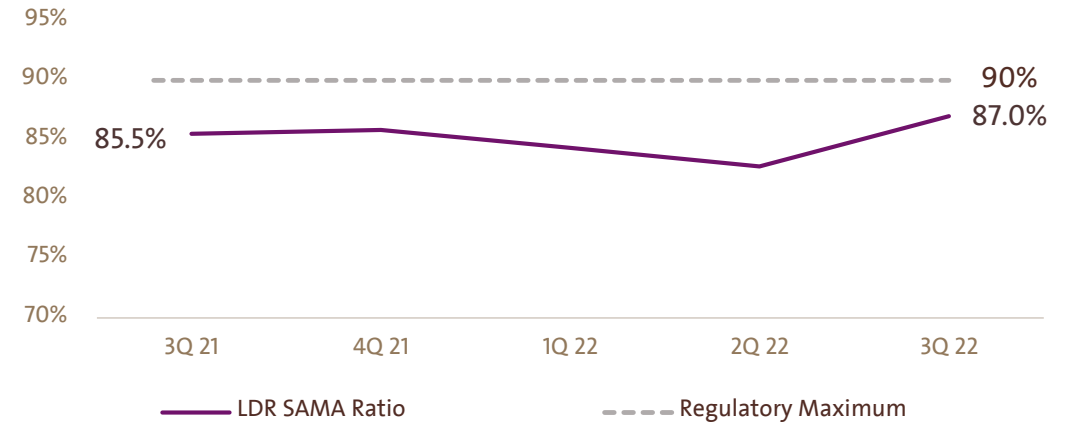
Liquidity

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

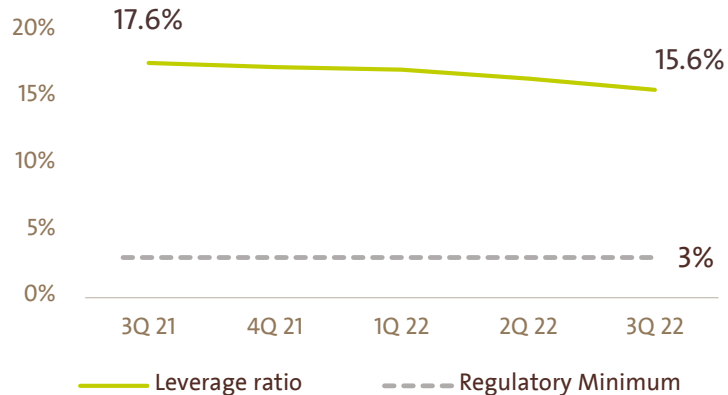
NSFR (%)



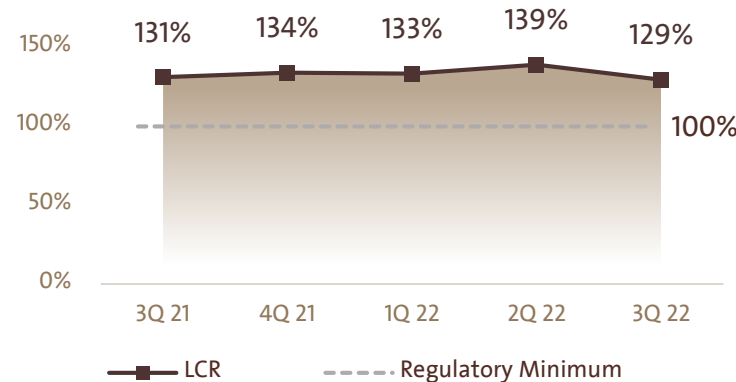
LDR SAMA Ratio (%)



Leverage Ratio (%)



LCR (%)



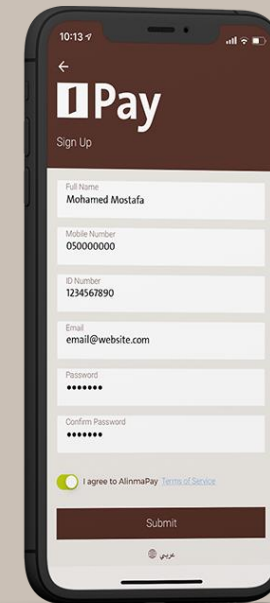
Management Commentary

- NSFR has decreased 6.2ppts YoY to 103.2% 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 increased 1.5ppts YoY to 87.0%.
- The leverage ratio decreased 200bps YoY to 15.6%.
- 3Q 2022 LCR declined 2ppts YoY due to the increase in short term time deposits, and interbank placements.

Segmental Performance

3Q 2022

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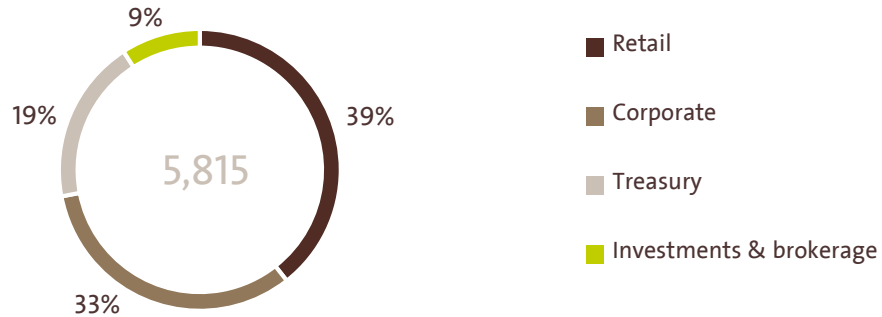


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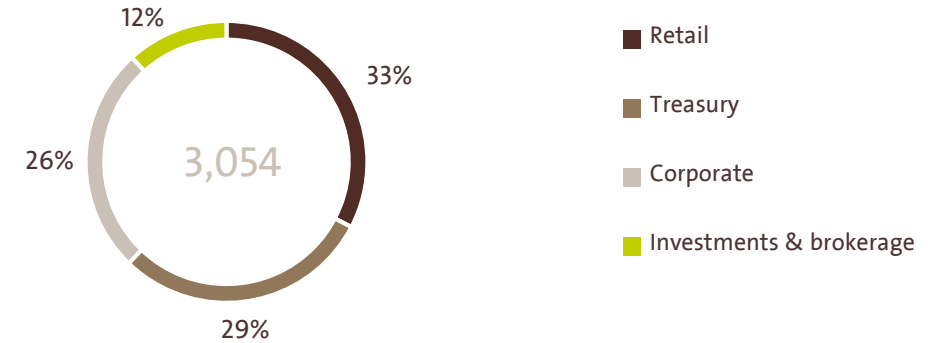
Segmental Performance Highlights

Retail and corporate comprise the majority of segmental income

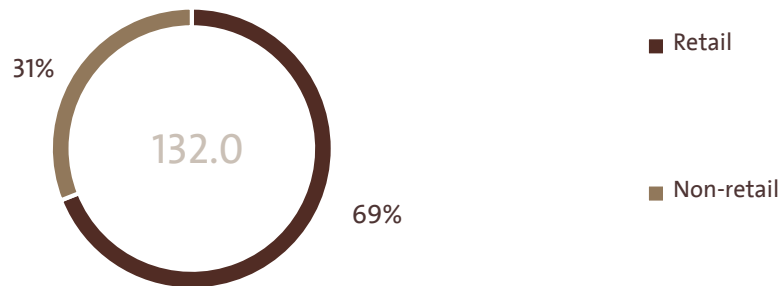
Operating Income Composition (SARmn)



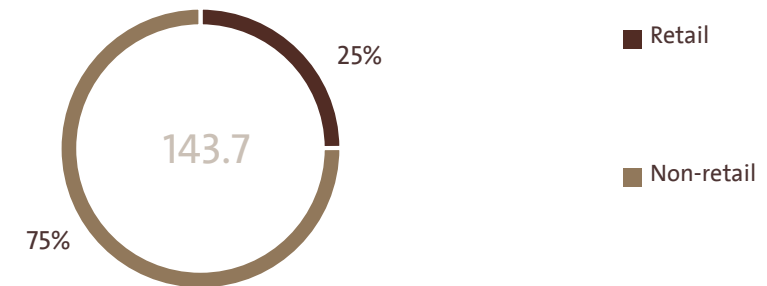
Net Profit Before Zakat Composition (SARmn)



Customers' Deposits Composition (SARbn)



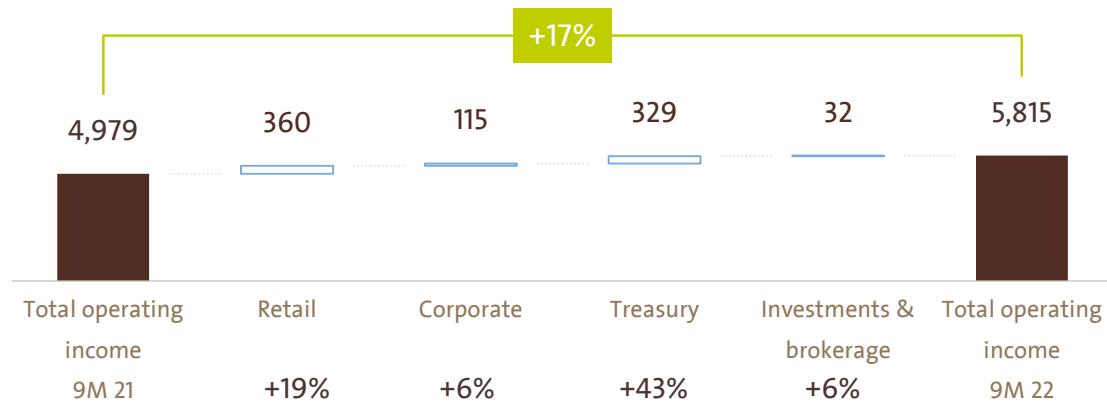
Financing, Gross Composition (SARbn)



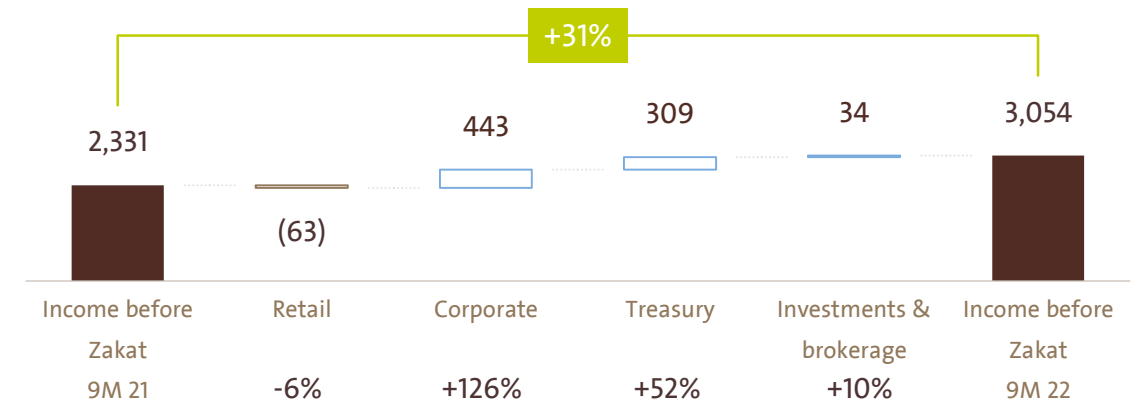
Segmental Performance Highlights

All segments reported growth in operating income YoY

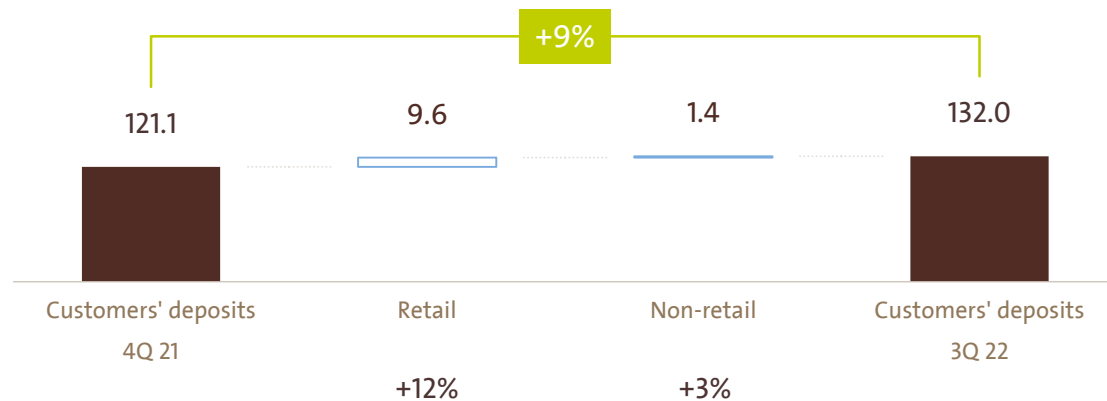
Operating Income Movement YoY (SARmn)



Net Income Before Zakat Movement YoY (SARmn)



Customers' Deposits Movement YTD (SARbn)



Financing, Gross Movement YTD (SARbn)

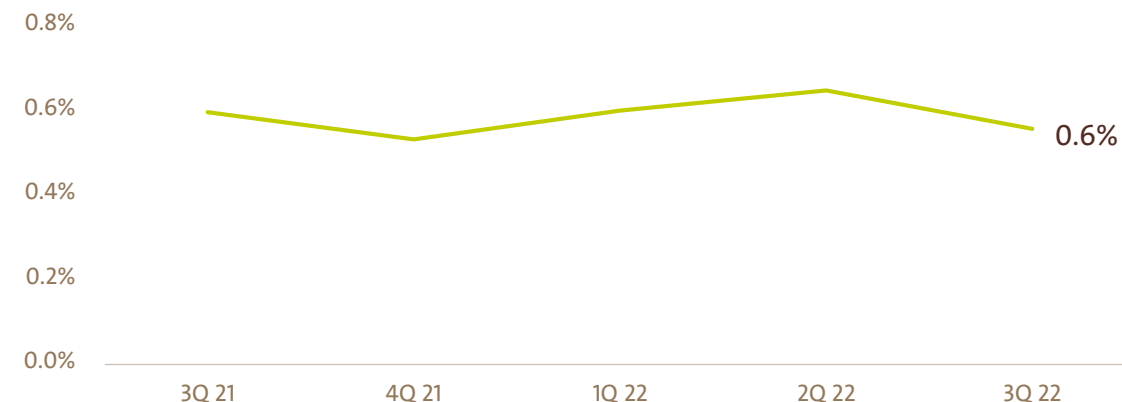


Segmental Performance - Retail

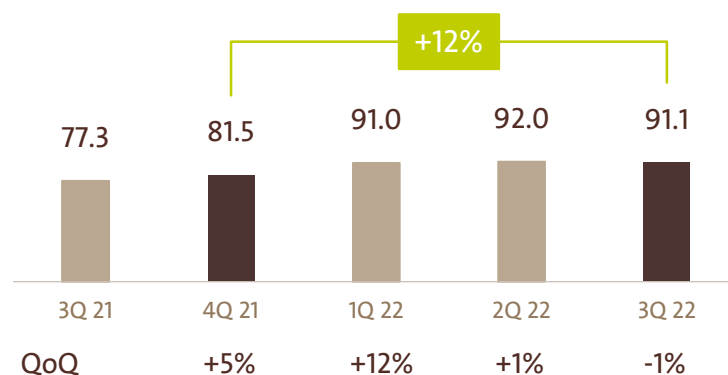
Strong financing and deposit growth driving operating income growth of 19% YoY

SAR (mn)	9M 2022	9M 2021	Δ%	3Q 2022	3Q 2021	Δ%
Income from investments and financing, net	2,023	1,724	+17%	801	566	+41%
Fees from services & other income	268	206	+30%	115	83	+38%
Total operating income	2,290	1,930	+19%	916	649	+41%
Total operating expenses	1,168	990	+18%	444	345	+29%
Total charges/(reversals) for impairments	125	(120)	+204%	81	(32)	+350%
Income for the period before zakat	997	1,061	-6%	391	337	+16%

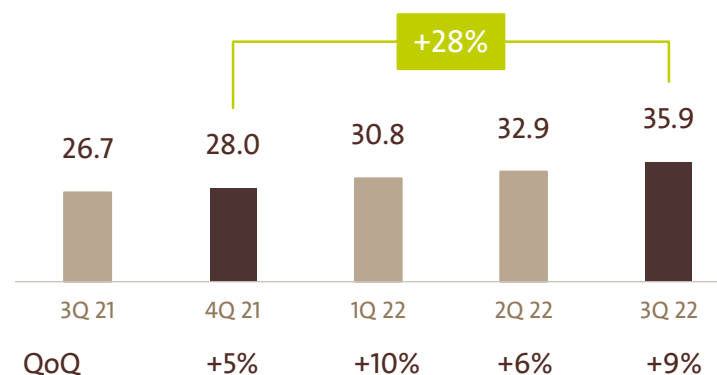
Retail NPL (%)



Retail Deposits (SARbn)



Retail Financing (SARbn)



Management Commentary

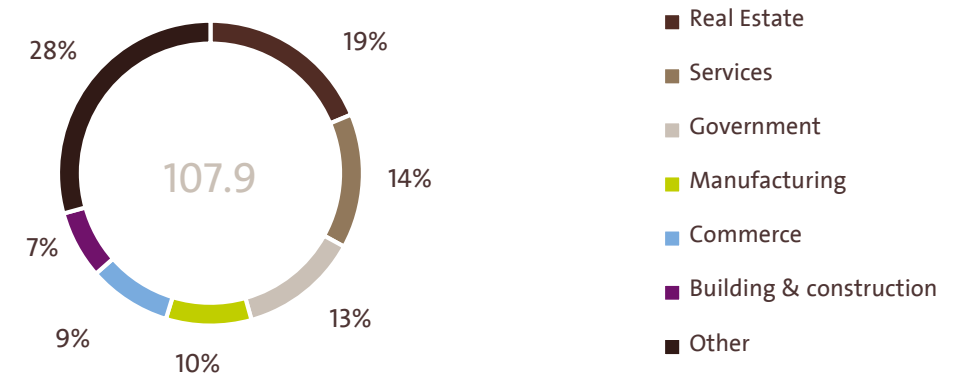
- Retail operating income rose by 19% YoY to SAR 2,290mn from 17% increase in funded income and a 30% increase in non-funded income.
- Retail net income fell by 6% YoY due to a 204% rise in impairments and a 18% increase in operating expenses YoY.
- Retail deposits increased 12% while financing increased by 28% during 9M 2022.
- The retail NPL ratio rose during 9M 2022 to 0.6%.

Segmental Performance - Corporate

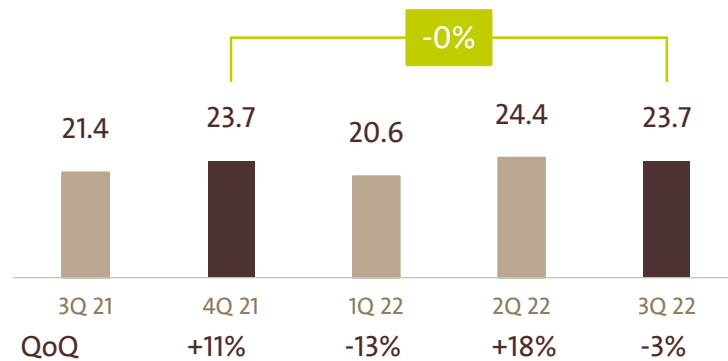
Strong income growth and lower impairments translate to significant net income growth

SAR (mn)	9M 2022	9M 2021	Δ%	3Q 2022	3Q 2021	Δ%
Income from investments and financing, net	1,641	1,549	+6%	621	626	-1%
Fees from services & other income	255	232	+10%	84	58	+45%
Total operating income	1,895	1,781	+6%	705	684	+3%
Total operating expenses	464	344	+35%	145	140	+3%
Total charges/(reversals) for impairments	635	1,083	-41%	192	311	-38%
Income for the period before zakat	797	353	+126%	369	232	+59%

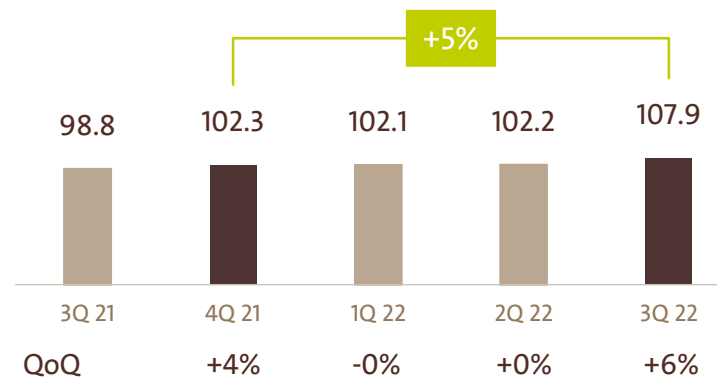
Financing, Gross Composition (SARbn)



Corporate Deposits (SARbn)



Corporate Financing (SARbn)



Management Commentary

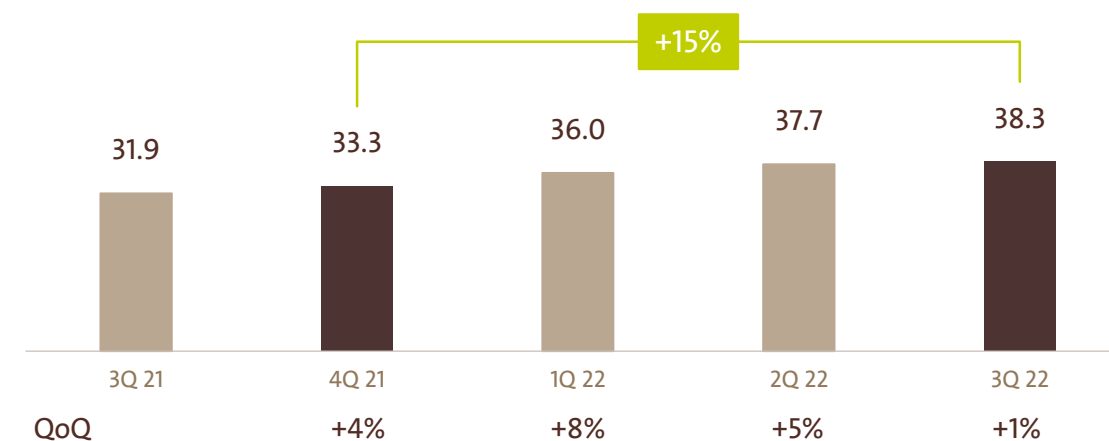
- Corporate operating income increased by 6% YoY mainly from an increase of 6% in funded income.
- This income growth, together with lower impairments, translated to 1.3x net income growth despite a 35% rise in operating costs.
- Corporate financing rose by 5% during 9M 2022 while corporate deposits were stable YTD.
- The corporate NPL ratio declined during 9M 2022 to 2.0%.

Segmental Performance - Treasury

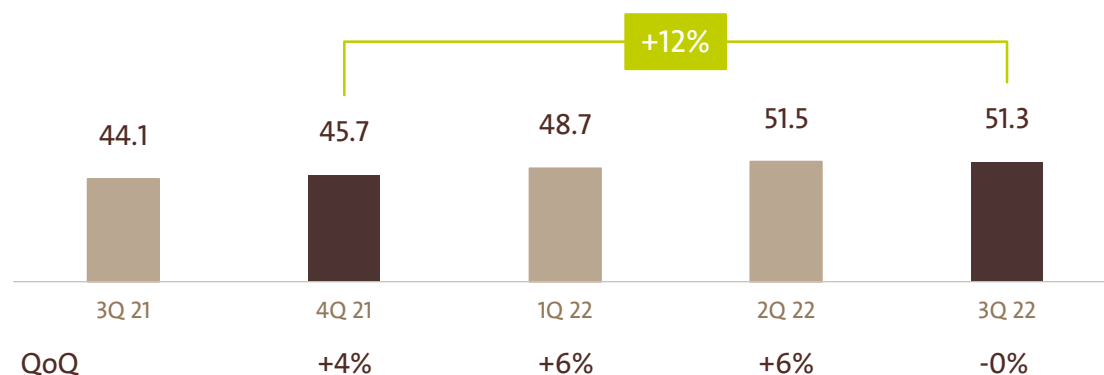
Strong income and net income growth

SAR (mn)	9M 2022	9M 2021	Δ%	3Q 2022	3Q 2021	Δ%
Income from investments and financing, net	667	490	+36%	229	177	+30%
Investment-related income	261	148	-77%	19	12	-55%
Fees from services & other income	172	133	+29%	42	53	-22%
Total operating income	1,099	771	+43%	290	242	+20%
Total operating expenses	188	167	+13%	50	71	-29%
Total charges/(reversals) for impairments	10	2	-341%	9	(0)	-
Net operating income	901	601	+50%	231	172	+35%
Share of income / (loss) from an associate and joint venture	1	(8)	+114%	1	(4)	+127%
Income before Zakat	902	593	+52%	232	168	+39%

Investments (SARbn)



Treasury Assets (SARbn)



Management Commentary

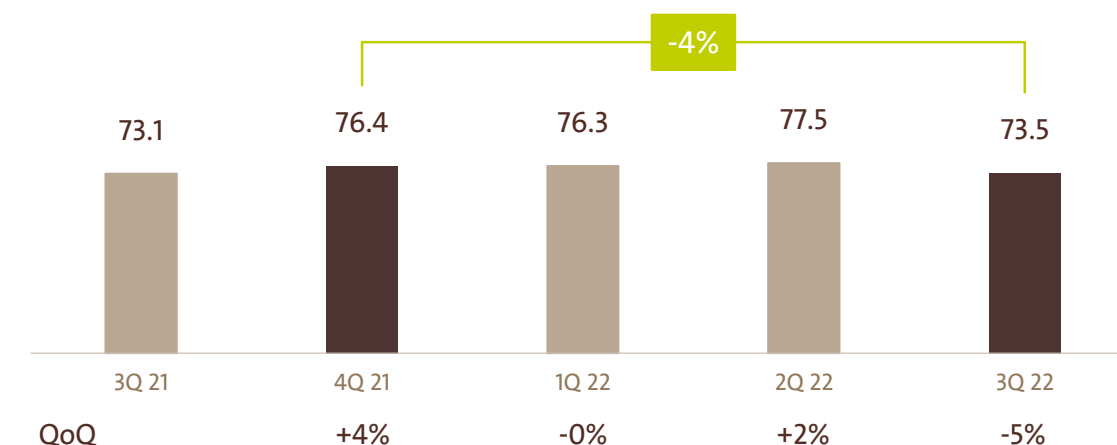
- Treasury operating income rose by 43% YoY to SAR 1,099mn in 9M 2022 from strong improvements in both funded (+36%) and fee income (+29%).
- This strong income growth drove a 52% improvement in net income YoY.
- Treasury assets rose by 12% during 9M 2022 to SAR 51.3bn, driven by 15% growth in the investment portfolio to SAR 38.3bn.

Segmental Performance – Investments & Brokerage

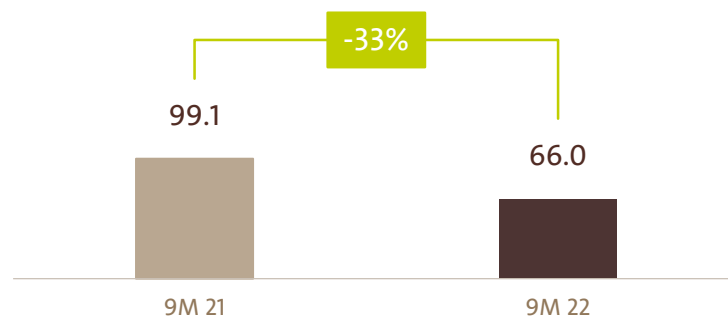
Modest income growth and lower expenses driving strong net income growth in 9M 2022

SAR (mn)	9M 2022	9M 2021	Δ%	3Q 2022	3Q 2021	Δ%
Income from investments and financing, net	68	68	+0%	22	24	-8%
Fees from services & other income	462	430	+7%	142	122	+16%
Total operating income	530	498	+6%	164	147	+12%
Total operating expenses	195	174	+12%	70	60	+17%
Income before Zakat	357	324	+10%	110	86	+28%

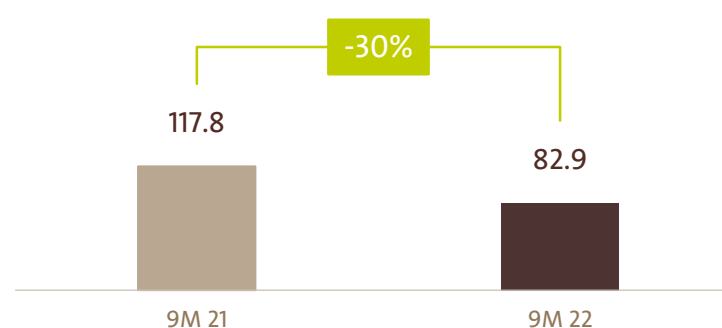
Assets Under Management (SARbn)



Brokerage Trading Income (SARmn)



Brokerage Trading Values (SARbn)



Management Commentary

- Investment and brokerage (I&B) operating income rose by 6% YoY to SAR 530mn from modest growth in non-funded income.
- I&B net income increased 10% YoY from higher income despite a 12% increase in expenses.
- Brokerage trading income and brokerage trading values for 9M 2022 declined by 33% and 30% respectively YoY, while AUM increased by 0.5% YoY.

Outlook & Guidance

3Q 2022



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Guidance

2022 outlook remains promising. Revised guidance for financing growth

		9M 2022A	Drivers	2022G	
Balance Sheet	Financing Growth	+15% YoY	Strong Mid-Corp, SME & Retail growth from strategic initiatives; pick up in corporate financing	High teens (Revised from low teens)	↑
	Net Profit Margin	3.59% +14bps YoY	Rising rates and funding mix supportive of improving margin	+20bps to +25bps	-
Profitability	Cost to Income Ratio	34.7%	Growth in income, digitization & process optimization driving efficiencies, partly offset by strategic investments	Below 35%	-
	Return on Equity	14.0%	Improving NPM, efficiency and COR driving improving ROE	Above 13%	-
Asset Quality	Cost of Risk	0.74%	Cautiously expecting stable credit quality and NPL coverage, leading to COR moderation	65-75bps	-
Capital	CET1	16.0%	Increasing RWAs from strong expected financing growth	16%-17%	-

Appendix

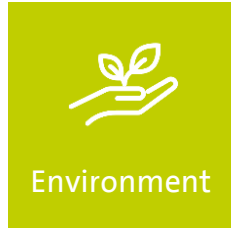
3Q 2022

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ESG in Action

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

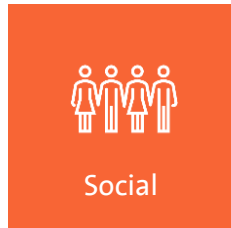


Deployment of **digital channels and digital signatures** to reduce paper; 108 new digital zones

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

Air conditioning timers installed in 16 branches; 20% reduction in electricity usage

Renewable (solar) energy sources piloted across regions



+57,303 **employee training hours** and +4 **employee townhalls** conducted YTD

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

1st KSA bank to sign the **Women's Empowerment Principles (WEPs)**; 37% **new women hires** in 3Q 22

Community focus with growth YoY in **SME financing** from Kafalah (+43%) and PoS (+104%) programs



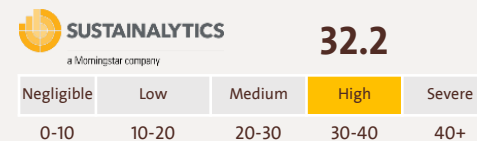
Shariah compliance through regular internal audits and committee oversight

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



Alinma ESG Material

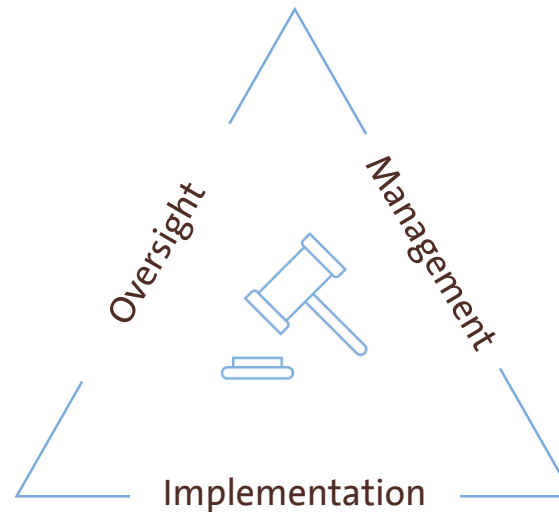
Material issues were ranked based on their importance for the bank and our stakeholders



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



Committee Members



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Saud bin Mohammad Al Nemer
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